

FIRST HALF 2012

# vestjyskBANK Half-Year Report



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Read or download this report at [vestjyskbank.dk](http://vestjyskbank.dk).

vestjyskBANK Half-Year Report 2012 is a translation of the original report in Danish (vestjyskBANK Halvårsrapport 2012). In case of discrepancies, the Danish version prevails.

# Summary

*The merger between vestjyskBANK and Aarhus Lokalbanc was executed on 30 March 2012 with vestjyskBANK as the continuing company.*

*The results for Aarhus Lokalbanc have been recognised in vestjyskBANK's Statement of Income as at 1 April 2012, and its assets and liabilities have been recognised as at the end of March 2012. The numbers for Aarhus Lokalbanc have not been included in the 2011 comparative figures.*

## Summary of vestjyskBANK's results:

### First half 2012

- Operations for first half-year 2012 progressed according to plan with a continued focus on maximising the Bank's earnings.
- Core income of DKK 613 million (DKK 549 million in first half 2011)
- Rate of cost of 55.4 percent (57.4 percent in first half 2011)
- Core earnings before impairments of DKK 272 million (DKK 234 million in first half 2011)
- Impairments of loans and receivables etc. of DKK 235 million (DKK 157 million in first half 2011)
- Profit before tax of DKK 16 million (DKK 21 million in first half 2011)
- Profit after tax of DKK 11 million (DKK 14 million in first half 2011)
- Targeted effort to reduce deposit deficit. Deposit deficit stood at DKK 4.5 billion at end of June 2012 (DKK 8.8 billion at end of June 2011).
- All the elements of vestjyskBANK's capital plan have been executed according to plan, as set out in the Company Announcement of 28 June 2012.
- Excess cover in relation to statutory liquidity requirements of 143.5 percent, solvency ratio of 15.1 percent and core capital ratio of 10.7 percent at end June 2012

### Q2 2012

- Core income of DKK 335 million (DKK 278 million in Q1 2012)
- Rate of cost of 55.0 percent (56.0 percent in Q1 2012)
- Core earnings before impairments of DKK 149 million (DKK 123 million in Q1 2012)
- Impairments of loans and receivables etc. of DKK 129 million (DKK 106 million in Q1 2012)
- Profit before tax of DKK 2 million (DKK 14 million in Q1 2012)
- Deposit deficit reduced by DKK 1.5 billion from end of Q1 2012 to end of Q2 2012

### Outlook for fiscal year 2012

- Core earnings in the range DKK 550–600 million before impairments and before costs related to the Aarhus Lokalbanc merger
- Rate of cost of 55 percent
- Impairments of loans and receivables to remain at high level

# Management's Review

## Key Figures and Financial Ratios for the First Half-Year

<b>Consolidated key figures</b>	1st half 2012	1st half 2011	Full year 2011
<b>Statement of Income (in MDKK)</b>			
Net interest income	442	401	846
Net fee income	136	126	236
Dividends on equity securities etc.	5	3	3
Market value adjustments for foreign currency and sector shares	23	15	20
Other operating income	7	4	6
<b>Core income</b>	613	549	1,111
Personnel and administrative expenses	-332	-307	-590
Other operating expenses as well as depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets	-9	-8	-16
Operating expenses and operating depreciations and amortisations	-341	-315	-606
<b>Core earnings before impairments</b>	272	234	505
Impairments of loans and receivables etc.	-235	-157	-984
<b>Core earnings after impairments</b>	37	77	-479
Other market value adjustments	-9	-5	-45
<b>Profit after market value adjustments</b>	28	72	-524
Contributions to the Guarantee Fund for Depositors and Investors (Garantifonden for Indskydere og Investorer)	-12	-51	-34
The Private Contingency Association	0	0	-1
<b>Profit/loss before tax</b>	16	21	-559
Tax	-5	-7	136
<b>Profit/loss</b>	11	14	-423
<b>Statement of Financial Position (in MDKK)</b>			
Assets, total	33,894	30,019	29,280
Loans	22,983	23,132	21,716
Deposits, including pooled funds	18,529	14,351	15,029
Contingent liabilities	5,234	3,983	4,353
Business volume	46,746	41,466	41,098
Equity	2,454	2,176	1,733

# Management's Review

## Key Figures and Financial Ratios for the First Half-Year

Consolidated financial ratios	1st half 2012	1st half 2011	Full year 2011
<b>Solvency</b>			
Solvency ratio	15.1%	14.0%	12.6%
Core capital ratio	10.7%	11.9%	9.4%
<b>Earnings</b>			
Return on equity before tax, annually <sup>1</sup>	1.5%	1.9%	-28.7%
Return on equity after tax, annually <sup>1</sup>	1.1%	1.3%	-21.7%
Income-cost ratio <sup>2</sup>	1.03	1.04	0.66
Rate of cost <sup>3</sup>	55.4%	57.4%	54.6%
Employees converted to full-time (average)	622.6	619.4	614.8
<b>Market risk</b>			
Interest rate risk <sup>4</sup>	-5.2%	-2.6%	-4.5%
Foreign currency position <sup>5</sup>	1.5%	4.1%	1.5%
Foreign currency risk	0.0%	0.1%	0.0%
Excess cover in relation to statutory liquidity requirements <sup>6</sup>	143.5%	34.2%	98.8%
<b>Credit risk</b>			
Loans plus impairments on loans in relation to deposits	136.2%	172.5%	158.9%
Loans in relation to equity	9.4	10.6	12.5
Growth in loans for the period <sup>7</sup>	5.8%	-1.4%	-7.5%
Total of large commitments <sup>8</sup>	15.3%	40.6%	30.7%
Accumulated impairment ratio	7.5%	5.7%	7.8%
Impairment ratio for the period	0.8%	0.5%	3.5%
<b>vestjyskBANK share</b>			
Profit/loss for the period per share (denomination DKK 10)	0.3	1.1	-34.2
Equity value per share (denomination DKK 10)	40.2	177.1	140.8
Price of vestjyskBANK shares, end of the period	16.0	36.9	18.8
Market price / equity value per share	0.4	0.2	0.1

Aarhus Lokalbanc has been recognised in the Statement of Financial Position as at 30 June 2012 and operationally from 1 April 2012. Comparative figures for 2011 do not include Aarhus Lokalbanc.

1 On the basis of the average equity

2 Income from ordinary activities in relation to costs from ordinary activities. Income from ordinary activities = net interest and fee income + market value adjustments + other operating income. Costs from ordinary activities = personnel and administrative expenses + depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets + other operating expenses + impairment of loans and receivables etc.

3 Operating costs as well as depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets / core income

4 Interest rate risk in relation to core capital, less deductions

5 Exchange Rate Indicator 1 in relation to core capital, less deductions

6 Excess cover in relation to the 10 percent requirement set out in sec 152 of the Danish Financial Business Act

7 Growth in loans measured in relation to vestjyskBANK's loans, beginning of the period. The growth can be attributed to the Aarhus Lokalbanc merger.

8 Commitments exceeding 10 percent of the capital base in relation to the capital base

# Management's Review

## Key Figures and Financial Ratios by Quarters

	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
<b>Consolidated key figures</b>					
<b>Statement of Income (in MDKK)</b>					
Net interest income	231	211	225	220	201
Net fee income	81	55	60	50	70
Dividends on equity securities etc.	4	1	0	0	3
Market value adjustments for foreign currency and sector shares	13	10	0	5	5
Other operating income	6	1	1	1	0
<b>Core income</b>	<b>335</b>	<b>278</b>	<b>286</b>	<b>276</b>	<b>279</b>
Personnel and administrative expenses	-181	-151	-158	-125	-159
Other operating expenses as well as depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets	-5	-4	-4	-5	-3
Operating expenses and operating depreciations and amortisations	-186	-155	-162	-130	-162
<b>Core earnings before impairments</b>	<b>149</b>	<b>123</b>	<b>124</b>	<b>146</b>	<b>117</b>
Impairments of loans and receivables etc.	-129	-106	-726	-101	-89
<b>Core earnings after impairments</b>	<b>20</b>	<b>17</b>	<b>-602</b>	<b>45</b>	<b>28</b>
Other market value adjustments	-14	5	4	-44	0
<b>Profit after market value adjustments</b>	<b>6</b>	<b>22</b>	<b>-598</b>	<b>1</b>	<b>28</b>
Contributions to the Guarantee Fund for Depositors and Investors	-4	-8	10	7	-15
The Private Contingency Association	0	0	-1	0	0
<b>Profit/loss before tax</b>	<b>2</b>	<b>14</b>	<b>-589</b>	<b>8</b>	<b>13</b>
Tax	-1	-4	146	-3	-4
<b>Profit/loss</b>	<b>1</b>	<b>10</b>	<b>-443</b>	<b>5</b>	<b>9</b>
<b>Statement of Financial Position (in MDKK)</b>					
Assets, total	33,894	35,959	29,280	29,304	30,019
Loans	22,983	23,824	21,716	22,565	23,132
Deposits, including pooled funds	18,529	17,843	15,029	14,467	14,351
Contingent liabilities	5,234	4,464	4,353	4,023	3,983
Business volume	46,746	46,131	41,098	41,055	41,466
Equity	2,454	2,137	1,733	2,160	2,176

# Management's Review

## Key Figures and Financial Ratios by Quarters

Consolidated financial ratios	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011
<b>Solvency</b>					
Solvency ratio	15.1%	12.9%	12.6%	14.4%	14.0%
Core capital ratio	10.7%	8.6%	9.4%	12.3%	11.9%
<b>Earnings</b>					
Return on equity before tax, annually <sup>1</sup>	0.4%	2.9%	-119.7%	1.4%	2.2%
Return on equity after tax, annually <sup>1</sup>	0.2%	2.1%	-90.0%	0.9%	1.5%
Income-cost ratio <sup>2</sup>	1.01	1.05	0.33	1.03	1.05
Rate of cost <sup>3</sup>	55.0%	56.0%	56.4%	47.1%	58.6%
Employees converted to full-time (average)	649.5	594.8	605.7	613.4	618.9
<b>Market risk</b>					
Interest rate risk <sup>4</sup>	-5.2%	-5.6%	-4.6%	-3.7%	-2.7%
Foreign currency position <sup>5</sup>	1.5%	1.2%	1.5%	1.7%	4.2%
Foreign currency risk	0.0%	0.0%	0.0%	0.0%	0.1%
Excess cover in relation to statutory liquidity requirements <sup>6</sup>	143.5%	178.6%	98.8%	73.4%	34.2%
<b>Credit risk</b>					
Loans plus impairments on loans in relation to deposits	136.2%	146.2%	158.9%	167.6%	172.5%
Loans in relation to equity	9.4	11.1	12.5	10.4	10.6
Growth in loans for the period <sup>7</sup>	-3.5%	9.7%	-3.8%	-2.5%	-0.1%
Total of large commitments <sup>8</sup>	15.3%	26.4%	30.7%	28.1%	40.6%
Accumulated impairment ratio	7.5%	7.5%	7.8%	6.0%	5.7%
Impairment ratio for the period	0.4%	0.3%	2.6%	0.4%	0.3%
<b>vestjyskBANK share</b>					
Profit/loss for the period per share (denomination DKK 10)	0.0	0.5	-35.8	0.4	0.7
Equity value per share (denomination DKK 10)	40.2	70.1	140.8	175.1	177.1
Price of vestjyskBANK shares, end of the period	16.0	25.0	18.8	31.9	36.9
Market price / equity value per share	0.4	0.4	0.1	0.2	0.2

Aarhus Lokalbanc has been recognised in the Statement of Financial Position for Q1 and Q2, 2012 and operationally for Q2 2012. Comparative figures for 2011 do not include Aarhus Lokalbanc.

1 On the basis of the average equity

2 Income from ordinary activities in relation to costs from ordinary activities. Income from ordinary activities = net interest and fee income + market value adjustments + other operating income. Costs from ordinary activities = personnel and administrative expenses + depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets + other operating expenses + impairment of loans and receivables etc.

3 Operating costs as well as depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets / core income

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7 Growth in loans measured in relation to vestjyskBANK's loans, beginning of the period. The growth can be attributed to the Aarhus Lokalbanc merger.

8 Commitments exceeding 10 percent of the capital base in relation to the capital base

# Management's Review

## Financial Review

### Introduction

The merger between vestjyskBANK and Aarhus Lokalbanc was carried out on 30 March 2012 with vestjyskBANK as the continuing company.

The results for Aarhus Lokalbanc have been recognised in vestjyskBANK's Statement of Income as at 1 April 2012. Assets and liabilities from Aarhus Lokalbanc have been recognised in the Statement of Financial Position as at the end of March 2012. The 2011 comparative figures do not include Aarhus Lokalbanc.

vestjyskBANK has prepared half-year financial statements for both the group and the parent company. The Management's Review is based on the financial figures for the vestjyskBANK group.

### Statement of Income

#### Results

vestjyskBANK's operations progressed as expected throughout the first half of 2012, and the Bank realised core earnings before impairments of DKK 272 million. The Bank's core earnings reflect its solid revenue performance, while costs were realised as expected. The realised core earnings are considered satisfactory.

Impairments of loans and receivables etc. for the period stand at DKK 235 million with an impairment ratio of 0.8 percent for the first half-year 2012. The Bank has assessed its need for impairments taking into consideration the new impairment rules issued by the Danish Financial Supervisory Authority.

Profits for the year's first six months total DKK 16 million before tax, which is DKK 5 million less than the first half-year 2011. Profits are considered acceptable, not least in light of the continued challenging market conditions.

#### Core income

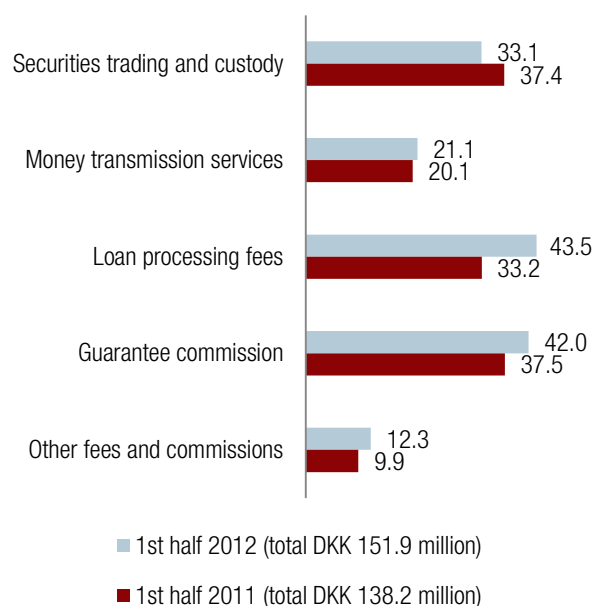
For the first half-year 2012, vestjyskBANK realised core income of DKK 613 million, which is an increase of DKK 64 million (or 11.7 percent) over the same period last year.

This increase is primarily owing to a rise in the Bank's net interest income, which rose by DKK 41 million (or 10.2 percent) from

DKK 401 million for the first half-year 2011 to DKK 442 million for the same period 2012.

Simultaneously, the Bank's net fee income was realised at DKK 136 million for the first half-year 2012, which is an improvement of DKK 10 million (or 7.9 percent) over the same period last year. This income reflects a high level of activity, not least within mortgage lending and the conversion of housing loans.

### Commissions and fees as at 30 June 2012 (in MDKK)



Market value adjustments for foreign currency items and sector shares totalled DKK 23 million for the first half-year 2012, of which adjustments to foreign currency items represented DKK 9 million, while adjustments to sector shares—i.e. the Bank's shareholdings in same-sector companies with whom it collaborates—were positive at DKK 14 million.

Other operating income totalled DKK 7 million.

### Operating expenses and operating depreciations and amortisations

The Bank's total operating expenses and operating depreciations and amortisations stood at DKK 341 million for the first half-year



# Management's Review

## Financial Review

2012. Of these, DKK 9 million were linked to costs related to the merger with Aarhus Lokalbanc. In addition, all known costs related to employee departures, totalling DKK 10 million, have been recognised in the half-year financial statements.

The rate of cost for the first six months of the fiscal year has been recognised at 55.4 percent, which is 2 percentage points lower than for the same period in 2011. The declining rate of cost reflects the Bank's focus on cost management. As part of this effort, staff has been reduced by approximately 50 employees over the past year.

The Bank maintains its anticipated rate of cost for 2012 at 55 percent.

### Core earnings before impairments

Over the past half-year 2012, vestjyskBANK realised core earnings before impairments of DKK 272 million. The Bank's core earnings reflect its solid revenue performance, while costs were realised as expected. The realised core earnings are considered satisfactory.

Core earnings before impairments for the first half-year 2012 are DKK 38 million (or 16.2 percent) higher than the same period 2011.

### Impairments of loans and receivables etc.

For the first half-year 2012, vestjyskBANK's impairments of loans and receivables etc. stand at DKK 235 million—an increase of DKK 78 million over the first half-year 2011. The impairment need has been assessed taking into consideration the Danish Financial Supervisory Authority's new impairment rules. The Bank's impairments of loans and receivables etc. for the first half-year 2012 reflect the continued challenging socioeconomic situation.

Impairments of the Bank's corporate customers represent 83 percent of the total operations-related impact from the impairments performed in the first half-year 2012. Impairments of retail customers account for 17 percent of the operations-related impact.

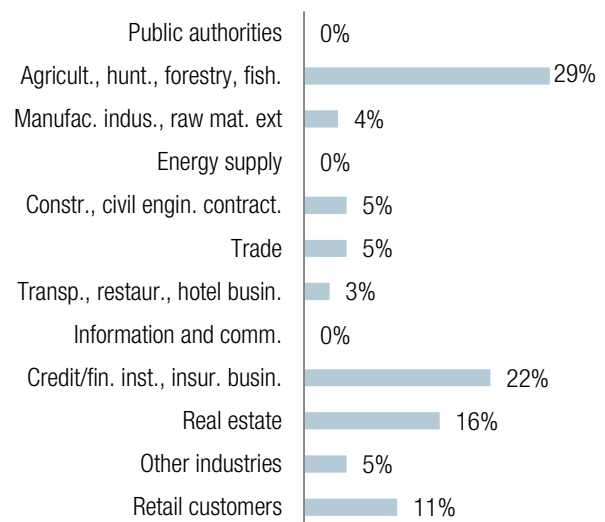
As for the Bank's industry segments, it was, as expected, primarily agricultural commitments that influenced the Bank's half-year results negatively. The agricultural sector is generally still exposed to difficult economic conditions. The burgeoning optimism in the first quarter of 2012 has been overshadowed by the substantial

challenges inherent in the forecast increase in feed costs for animal production. vestjyskBANK is subject to the same broader economic trends in the agricultural sector as are all other Danish banks with agricultural customers.

Beyond the agricultural sector, impairments for the first half-year 2012 were applied broadly across other industry segments.

The Bank's accumulated impairment ratio at 30 June 2012 stood at 7.5 percent, compared to 5.7 percent at end-June 2011. The distribution of accumulated impairments and provisions by industry segment as at 30 June 2012 is illustrated below.

### Accumulated impairments and provisions by industry segment as at 30 June 2012



### Other market value adjustments

Other market value adjustments comprise negative market value adjustments of DKK 9 million for the first half-year 2012 compared to negative market value adjustments of DKK 5 million during the same period 2011. During the first six months of 2012, positive market value adjustments on debt securities stood at DKK 14 million, while positive market value adjustments represented DKK 2 million for the holding of shares. The market value of other assets and liabilities etc. was adjusted downward in the amount of DKK 25 million.

# Management's Review

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### Contributions to the Danish Guarantee Fund for Depositors and Investors

vestjyskBANK's contributions to the Danish Guarantee Fund for Depositors and Investors for the first half-year 2012 were recognised as an expense at DKK 12 million.

### Q2 2012 compared to Q1 2012

In isolation, operations in Q2 2012 progressed as expected. The period was characterised by a rise in core income and a declining rate of cost, and the Bank realised core earnings before impairments for Q2 2012 of DKK 149 million—the highest in three years. Core earnings improved by DKK 26 million (21 percent) over Q1 2012.

The Bank's core income for Q2 2012 totalled DKK 335 million, which is an increase of DKK 57 million (20.5 percent) over Q1 2012. This increase is primarily owing to a rise of DKK 46 million in net interest and net fee incomes.

The rate of cost for Q2 2012 stands at 55.0 percent, which is 1.0 percentage point lower than for Q1 2012.

In Q2 2012, impairments of loans and receivables etc. stood at DKK 129 million compared to DKK 106 million for Q1 2012.

The Bank has realised profit before tax for Q2 2012 of DKK 2 million, compared to DKK 14 million for Q1 2012.

### Statement of Financial Position

vestjyskBANK's balance sheet stood at DKK 33.9 billion at 30 June 2012 compared to DKK 29.3 billion at year-end 2011. The increase was primarily a result of the merger with Aarhus Lokalbanc in Q1 2012.

At 31 March 2012, vestjyskBANK's balance sheet stood at DKK 36.0 billion. Thus, the balance sheet was reduced by DKK 2.1 billion over the course of Q2 2012. The Bank will continue its plan for a controlled balance sheet adjustment which will help ensure that the Bank can obtain necessary funding and liquidity.

### Loans

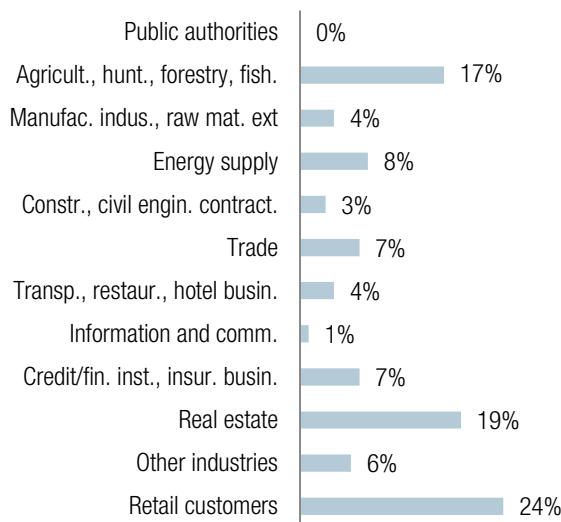
As at 30 June 2012, the Bank's loans stood at DKK 23.0 billion compared to DKK 21.7 billion at year-end 2011. The increase was primarily a result of the merger with Aarhus Lokalbanc in Q1 2012.

At 31 March 2012, vestjyskBANK's loans stood at DKK 23.8 billion. The Bank's loans were thus reduced by DKK 0.8 billion over the course of Q2 2012.

The Bank's loan portfolio was adjusted by, among other things, issuing fewer new loans to corporate customers, reducing investment credits and raising mortgage loans to redeem first priority loans in the Bank.

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

### Loans and guarantees by industry segment as at 30 June 2012



Agriculture is and has historically been an important element in vestjyskBANK's core business, and it is a business area in which the Bank has great experience. As at 30 June 2012, the Bank's

# Management's Review

## Financial Review

involvement in the agricultural sector accounted for approximately 15.6 percent of all its outstanding loans and guarantees, distributed across individual production branches with 6.7 percent on dairy producers, 4.9 percent on pig meat producers, 2.0 percent on crop production, 0.4 percent on mink production and 1.6 percent on other agricultural production and hobby farming.

vestjyskBANK is financing a great number of wind turbine projects—primarily in Denmark and Germany—and going forward, the Bank will continue to apply its significant range of competencies and leverage its strong market position to provide financing for attractive existing and future projects.

The development in loans for new Danish projects has been satisfactory; the Bank's total financing for wind turbines totalled DKK 2.2 billion at 30 June 2012. Since year-end 2011, the lending portfolio has been reduced by approximately DKK 0.5 billion.

Currently real estate represents 19 percent of vestjyskBANK's loans and guarantees. The Bank expects to continue to reduce its exposure to such commitments through sales and refinancing.

The sum of large commitments—i.e., commitments of or in excess of 10 percent of the capital base—stood at 15.3 percent at 30 June 2012. This item has been reduced from 26.4 percent at 31 March 2012, with the number of large commitments having been reduced from two to one.

For a more detailed account of the development in the Bank's loans and guarantees during the first half 2012, please see the Bank's website.

### Deposits, including pooled funds

As at 30 June 2012, the Bank's deposits, including pooled funds, stood at DKK 18.5 billion, which is DKK 3.5 billion higher than at year-end 2011. The merger with Aarhus Lokalbanc and the Bank's focus on attracting deposits meant that vestjyskBANK's deposits rose by DKK 2.8 billion in Q1 2012. The Bank continued this effort into the next quarter and managed to increase deposits by DKK 0.7 billion in Q2 2012.

### Difference between deposits and loans

The encouraging trend within deposits and loans has meant that, as at 30 June 2012, vestjyskBANK's deposit deficit stood at

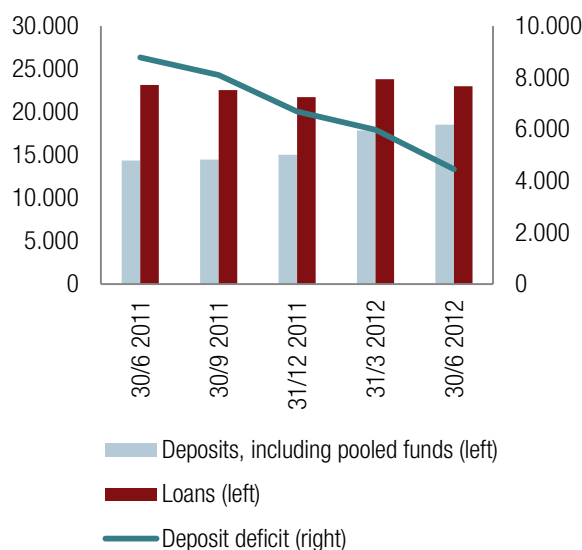
DKK 4.5 billion, down from DKK 6.7 billion at year-end 2011 and DKK 6.0 billion at 31 March 2012.

Thus, compared to 30 June 2011, when the deposit deficit stood at DKK 8.8 billion, vestjyskBANK's deposit deficit has been cut in half.

The figure below shows how vestjyskBANK's deposits, loans and the deposit deficit have developed over the past five quarters.

vestjyskBANK will continue its focused efforts on narrowing the gap between deposits and loans.

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



### Business volume

As at 30 June 2012, vestjyskBANK's business volume—total deposits, loans and contingent liabilities—stood at DKK 46.7 billion compared to DKK 41.1 billion at year-end 2011. The change in business volume is ascribed to increases of DKK 3.5 billion in deposits, including pooled funds, DKK 1.3 billion in loans and DKK 0.8 billion in contingent liabilities.

# Management's Review

## Financial Review

### Capital and liquidity conditions

#### Capital plan executed

vestjyskBANK has executed all the elements of its capital plan, as set out in the Company Announcement of 28 June 2012. The capital plan was first published on 25 January 2012 and has been executed by

- converting government capital injections, including accrued interest, of a total of DKK 296.3 million into share capital in vestjyskBANK;
- executing a fully subscribed rights issue with gross proceeds of DKK 318.7 million;
- receiving contributions of subordinated loan capital of DKK 200 million from a group of Danish banks;
- selling off sector shares of a total of DKK 175 million to Danmarks Nationalbank; and
- obtaining a final commitment from the Financial Stability Company (Finansiel Stabilitet A/S) for new individual government guarantees for a total of DKK 6.8 billion, with a term to maturity of up to three years from the expiration of the Bank's existing government guarantees.

The final binding commitment from the Financial Stability Company is subject to a number of conditions, including that

- vestjyskBANK must reduce its guaranteed commitments on an ongoing basis, where the guarantee commitment must be reduced to DKK 5 billion as at 31 December 2013, DKK 3 billion as at 31 December 2014 and DKK 2 billion as at 31 December 2015, with final repayment on 30 June 2016, and that
- as long as vestjyskBANK has outstanding guaranteed liabilities, it may not (1) carry out capital reductions with funds paid to shareholders; initiate new programmes to buy back own shares; issue bonus shares at a favourable price or otherwise apply similarly advantageous schemes with the exception of a partial or full buyback of government shares as part of repaying a government capital injection in vestjyskBANK; (2) pay dividends; or (3) initiate new share option programmes or other similar schemes for the benefit of the Bank's Executive Board.

In implementing the capital plan, vestjyskBANK has strengthened its long-term liquidity and capital bases and created a solid

platform for its future gradual repayment of government guaranteed loans. This is done in order to eliminate the Bank's need for government guarantees after 2016. Together with the Bank's enhanced earning power as a result of the merger with Aarhus Lokalbanc, the improved funding situation will solidify vestjyskBANK's capacity to weather the financial crisis.

vestjyskBANK will continue its targeted efforts to expand its business platform in East Jutland and through operational synergies create an even stronger regional bank in Jutland.

#### Equity

vestjyskBANK's equity totalled DKK 2,454 million at 30 June 2012. Equity developments since 1 January 2011 are detailed in the Statement of Changes in Equity.

#### Subordinated debt

vestjyskBANK's subordinated debt stood at DKK 2,448 million at 30 June 2012, of which government hybrid core capital under Bank Package II represented DKK 1,214 million. Of these funds, DKK 1,179 million accrues interest at a rate of 9.943 percent, while DKK 35 million accrues interest at 11.42 percent.

In February 2012, vestjyskBANK converted hybrid core capital to share capital for DKK 287.6 million, including accrued interest of DKK 8.7 million, totalling DKK 296.3 million. This took place as part of the Bank's capital plan.

As set out by law, special rules apply to hybrid core capital under Bank Package II. Thus, no dilution of the capital may occur, which is the reason buyback programmes aimed at impairing the Bank's share capital are not permitted. Additionally, Executive Board salaries are only eligible for a 50 percent tax deduction.

#### Solvency

The capital base less deductions totalled DKK 4,208 million at 30 June 2012, which, together with risk-weighted items of a total of DKK 27,832 million, produced a solvency ratio of 15.1 percent.

As a result of the implementation of the capital plan, the Bank's solvency ratio rose by respectively 2.5 percentage points over year-end 2011 and 2.2 percentage points in relation to 31 March 2012.

# Management's Review

## Financial Review

Simultaneously, the Bank's core capital ratio has risen to 10.7 percent as at 30 June 2012, which is an increase of 1.3 percentage points over year-end 2011 and 2.1 percentage points over 31 March 2012.

### Solvency need

The individual solvency need for vestjyskBANK, which, among other things, is based on the expectations of Management, has been calculated at 11.5 percent.

The adequate capital base has been determined to be DKK 3,208 million, which can be compared to the core capital less deductions of DKK 4,208 million. The difference between the capital base and the adequate capital base constitutes the surplus solvency, which has been calculated at 3.6 percentage points as at 30 June 2012.

For a more detailed account of the Bank's solvency need as at 30 June 2012, please see the Bank's website.

### 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 2012, the Bank's external funding totalled DKK 12.3 billion.

In March 2012 vestjyskBANK decided to utilise Danmarks Nationalbank's loan scheme in the amount of DKK 2 billion, which has a maturity date of 27 March 2015.

As part of the implementation of its capital plan, vestjyskBANK repaid a government guaranteed bond loan of DKK 1.0 billion on 17 May 2012. This served to reduce the total Financial Stability Company guarantee framework from DKK 9.6 billion to DKK 8.6 billion.

As anticipated, the Bank's declining deposit deficit and the implementation of the capital plan's elements have improved vestjyskBANK's liquidity-related situation. In June 2012 a decision was therefore made to seek early redemption for government guaranteed bond loans for an additional DKK 1.8 billion. As a result, the Financial Stability Company's commitment for new individual government guarantees was reduced from the anticipated DKK 8.6 billion to DKK 6.8 billion.

The Bank expects the gap between loans and deposits to be further narrowed in 2012, as the Bank maintains its focus on increasing deposits and continuing its present reduction in loans.

At 30 June 2012, the Bank's liquidity was good, and surplus funding in relation to statutory requirements was estimated at 143.5 percent.

### 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 at year-end 2012. vestjyskBANK is meeting this goal.

vestjyskBANK's values compared to the relevant limit values are displayed in the table below.

#### Realised values as at 30 June 2012

Supervisory Diamond Benchmarks	Realised values
Large commitments, total < 125%	15.3%
Growth in loans < 20%	-0.6%
Property exposure < 25%	16.7%
Funding ratio < 1	0.89
Excess cover, liquidity > 50%	143.5%

### Outlook for 2012

vestjyskBANK's operations during the first half-year 2012 have proceeded as expected. The Bank therefore maintains its outlook for total core earnings in 2012 in the range DKK 550–600 million before impairments and costs related to the Aarhus Lokalbank merger.

The rate of cost for 2012 is expected to be 55 percent.

# Management's Review

## Financial Review

Impairments of loans and receivables are expected to remain at a high level, since they are directly affected by the great uncertainty inherent in the current broader economic climate.

The uncertainty linked to the development in parts of the agricultural sector may have consequences for the Bank and the potential need for even greater impairments in this segment.

The real estate market shows signs of some easing, but it remains uncertain what impact this will have on the quality of the Bank's real estate financing exposure.

### Share capital

On 20 February 2012 part of vestjyskBANK's government capital injection was converted into shares. As a result, vestjyskBANK's share capital was increased by a nominal value of DKK 141,779,950 from a nominal value of DKK 125,000,000 to a nominal value of DKK 266,779,950.

In compliance with sec 55 of the Danish Companies Act, the Danish state disclosed that it now held more than 5 percent of the Bank's total share capital.

As a result of the merger between Vestjysk Bank A/S and Aarhus Lokalbanc Aktieselskab on 30 March 2012, vestjyskBANK's share capital was raised from a nominal value of DKK 266,779,950 by a nominal value of DKK 39,664,440 to a nominal value of DKK 306,444,390.

As part of vestjyskBANK's capital plan, as previously mentioned, the Bank executed a rights issue in April 2012. This meant that the share capital was raised by DKK 306,444,390 to DKK 612,888,780. The share capital is distributed across 61,288,878 shares with a nominal value of DKK 10.

vestjyskBANK has approximately 46,000 registered shareholders. The Danish state holds 32,017,428 shares, which corresponds to an ownership share of 52.2 percent. Additionally, the Financial Stability Company, which is wholly owned by the Danish state, holds 1,291,222 shares in vestjyskBANK; this corresponds to an ownership share of 2.1 percent. If this ownership share is included, the Danish state holds a total of 54.3 percent of vestjyskBANK's share capital and voting rights.

Second only to the Danish state, the ten biggest shareholders hold 9.0 percent of the share capital in vestjyskBANK.

### Miscellaneous information

#### Matters pertaining to Management

Vagn Thorsager, Chief Executive Officer of Aarhus Lokalbanc, joined vestjyskBANK's Executive Board on 30 March 2012 in connection with the merger between vestjyskBANK and Aarhus Lokalbanc. vestjyskBANK's Executive Board now consists of Frank Kristensen, Chief Executive Officer, and Vagn Thorsager, Managing Director.

#### Related parties

vestjyskBANK's related parties with significant influence comprise the Bank's Supervisory and Executive Boards, senior executives and relatives of these individuals. Over the course of the period, the Bank has conducted normal trade on arm's-length terms with Kaj Bech A/S, an enterprise wholly owned by Director Anders Bech. Apart from what is considered normal management remuneration, no transactions have been carried out with related parties during the fiscal period.

By virtue of its ownership interest, the Danish state maintains controlling influence.

### 2012 financial calendar

■ 7 November Quarterly Report, Q1-Q3 2012

# Management's Statement

The Bank's Supervisory and Executive Boards have today considered and approved the present Half-Year Report, representing the period 1 January–30 June 2012 for Vestjysk Bank A/S.

The consolidated half-year financial statements are presented in accordance with IAS 34 "Interim Financial Reporting" as approved by the EU. The half-year financial statements for the parent company are presented under the Danish Financial Business Act. The Half-Year Report is furthermore presented in accordance with 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 financial statements provide a true and fair view of

the group's and the parent company's assets and liabilities and financial position as at 30 June 2012, as well as the results of the group's and parent company's activities and the consolidated cash flows for the reporting period 1 January–30 June 2012.

In our opinion, the present Management's Review provides a true and fair view of the developments in the group's and parent 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 group and parent company.

The present Half-Year Report has neither been audited nor reviewed.

Lemvig, 23 August 2012

## Executive Board

.....  
Frank Kristensen

.....  
Vagn Thorsager

## Supervisory Board

.....  
Carsten Andersen

.....  
Anders Bech

.....  
Bjørn Albinus

.....  
Carl Olav Birk Jensen

.....  
Kirsten Lundgaard-Karlshøj

.....  
Poul Hjulmand

.....  
Malene Rønø

.....  
Palle Hoffmann

.....  
Peter Bækkelund Rasmussen



# Consolidated Half-Year Financial Statements

## Statement of Income and Statement of Comprehensive Income

Note	1st half 2012 TDKK	1st half 2011 TDKK	Q2 2012 TDKK	Q2 2011 TDKK	Full year 2011 TDKK
<b>Statement of Income</b>					
2	804,073	734,773	423,175	368,746	1,527,430
3	361,982	334,033	191,937	168,284	681,031
	442,091	400,740	231,238	200,462	846,399
	4,660	3,076	4,195	2,867	3,355
4	151,943	138,150	90,939	76,656	263,074
	15,994	12,383	9,596	6,431	27,488
	582,700	529,583	316,776	273,554	1,085,340
5	14,075	10,706	-1,287	5,505	-25,053
6	7,337	4,408	6,251	565	6,345
7	331,625	307,307	180,973	159,503	590,548
	7,295	7,291	3,856	3,599	15,210
8	13,871	52,044	4,918	16,593	34,781
9	235,242	157,201	129,630	87,749	984,869
	16,079	20,854	2,363	12,180	-558,776
	4,990	6,838	1,274	3,865	-136,140
	11,089	14,016	1,089	8,315	-422,636
<b>Basic earnings per share</b>					
	0.30	1.10	0.02	0.67	-34.22
	0.30	1.10	0.02	0.67	-34.22
<b>Statement of Comprehensive Income</b>					
	11,089	14,016	1,089	8,315	-422,636
Other comprehensive income:					
	24,285	4,291	20,258	-4,164	-11,938
	-4,362	3,552	-2,278	2,657	9,888
	-4,981	-1,961	-4,495	377	513
	14,942	5,882	13,485	-1,130	-1,537
	26,031	19,898	14,574	7,185	-424,173



# Consolidated Half-Year Financial Statements

## Statement of Financial Position

Note	30/6 2012 TDKK	30/6 2011 TDKK	31/12 2011 TDKK
<b>Assets</b>			
	995,866	168,485	666,076
	1,403,073	751,148	730,792
	22,983,465	23,132,455	21,715,932
	5,105,435	2,632,424	2,909,038
	455,881	612,053	570,109
	1,107,111	1,115,752	1,104,270
10 Intangible assets	217,391	107,814	107,065
Land and buildings, total	408,972	361,829	368,894
Investment property	5,422	4,438	1,492
11 Owner-occupied property	403,550	357,391	367,402
Other property, plant and equipment	13,565	12,003	12,083
Current tax assets	1,430	1,208	588
12 Deferred tax assets	300,214	157,751	303,346
13 Other assets	902,005	965,856	792,006
14 Assets, total	33,894,408	30,018,778	29,280,199
<b>Liabilities</b>			
	3,064,749	2,713,458	1,929,734
	17,421,808	13,235,136	13,925,039
	1,107,111	1,115,752	1,104,270
	6,824,355	7,586,193	7,927,786
	1,069	0	0
	29,307	18,328	36,043
15 Other liabilities	544,359	922,814	461,004
16 Subordinated debt	2,447,859	2,251,013	2,162,986
Liabilities, total	31,440,617	27,842,694	27,546,862
<b>Equity</b>			
17 Share capital	612,889	125,000	125,000
Revaluation reserves	30,848	30,848	30,848
Reserve for cash flow hedges	3,128	-4,395	-11,814
Retained profit or loss	1,806,926	2,024,631	1,589,303
Equity, total	2,453,791	2,176,084	1,733,337
18 Liabilities and equity, total	33,894,408	30,018,778	29,280,199
<b>Items not recognised in the Statement of Financial Position</b>			
19 Contingent liabilities	5,233,912	3,983,198	4,353,268
20 Other binding agreements	8,109	204,822	4,822
Items not recognised in the Statement of Financial Position, total	5,242,021	4,188,020	4,358,090

# Consolidated Half-Year Financial Statements

## Statement of Changes in Equity

	Share capital	Revaluation reserves	Reserve for cash flow hedges	Retained profit/loss	Equity, total
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Equity, 1 January 2012</b>	125,000	30,848	-11,814	1,589,303	1,733,337
Comprehensive income for the period			14,942	11,089	26,031
Additions relating to sale of own equity securities				33,459	33,459
Disposals relating to purchase of own equity securities				-33,285	-33,285
Shares issued upon conversion of hybrid capital	141,780			154,540	296,320
Shares issued upon merger	39,664			57,008	96,672
Capital injection from issue of shares	306,445			12,128	318,573
Costs related to capital increase				-17,316	-17,316
<b>Equity, 30 June 2012</b>	<b>612,889</b>	<b>30,848</b>	<b>3,128</b>	<b>1,806,926</b>	<b>2,453,791</b>

	Share capital	Revaluation reserves	Reserve for cash flow hedges	Retained profit/loss	Equity, total
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Equity, 1 January 2011</b>	125,000	30,848	-10,277	2,015,178	2,160,749
Comprehensive income for the period			5,882	14,016	19,898
Additions relating to sale of own equity securities				39,353	39,353
Disposals relating to purchase of own equity securities				-43,916	-43,916
<b>Equity, 30 June 2011</b>	<b>125,000</b>	<b>30,848</b>	<b>-4,395</b>	<b>2,024,631</b>	<b>2,176,084</b>

	Share capital	Revaluation reserves	Reserve for cash flow hedges	Retained profit/loss	Equity, total
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Equity, 1 January 2011</b>	125,000	30,848	-10,277	2,015,178	2,160,749
Comprehensive income for the period			-1,537	-422,636	-424,173
Additions relating to sale of own equity securities				73,198	73,198
Disposals relating to purchase of own equity securities				-76,437	-76,437
<b>Equity, 31 December 2011</b>	<b>125,000</b>	<b>30,848</b>	<b>-11,814</b>	<b>1,589,303</b>	<b>1,733,337</b>

# Consolidated Half-Year Financial Statements

## Statement of Cash Flows

	1/1-30/6 2012	1/1-30/6 2011	Full year 2011
	TDKK	TDKK	TDKK
<b>Operating activities</b>			
Profit/loss after tax for the period, excl. received share dividends	6,429	10,940	-425,991
Dividends on equity securities	4,660	3,076	3,355
Profit/loss after tax for the period	11,089	14,016	-422,636
Adjustment for non-cash operating items etc.:			
Adjustment of impairment of loans etc.	235,242	157,201	984,869
Depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets	7,295	7,291	15,210
Other operating items with no effect on cash flow	129,493	102,374	33,973
Tax charged as expense	4,990	6,838	-136,140
Corporation tax paid	227	-563	57
Operating activities, total	388,336	287,157	475,333
<b>Working capital</b>			
Increase/decrease in credit institutions and central banks, net	1,644,315	-1,235,135	-1,932,151
Increase/decrease in loans and other receivables at amortised cost	1,336,133	177,953	766,808
Increase/decrease in debt securities at fair value	-1,807,652	2,209,605	1,932,991
Increase/decrease in shareholding	177,461	-10,664	31,280
Increase/decrease in debt securities in issue at amortised cost	-2,432,218	-1,103,630	-762,037
Increase/decrease in other assets and other liabilities, net	-202,887	-70,482	-270,523
Increase/decrease in deposits and other debt	1,209,593	-1,183,526	-493,623
Working capital, total	-75,255	-1,215,879	-727,255
Cash flows from operating activities, total	313,081	-928,722	-251,922
<b>Investment activities</b>			
Payments for property, plant and equipment	-2,516	-2,808	-20,072
Proceeds from disposal of property, plant and equipment	420	2,361	5,445
Cash flows from investment activities, total	-2,096	-447	-14,627
<b>Financing activities</b>			
Payment for and proceeds from the disposal of own equity securities	174	-4,563	-3,239
Capital increase after deduction of costs	301,257	0	0
Issue of subordinated debt	200,000	0	0
Repayment of subordinated debt	0	-25,000	-125,000
Cash flows from financing activities, total	501,431	-29,563	-128,239
<b>Change in cash and cash equivalents</b>	812,416	-958,732	-394,788
Cash and cash equivalents at the beginning of the period	1,305,834	1,700,622	1,700,622
Change in cash and cash equivalents	812,416	-958,732	-394,788
Cash and cash equivalents at the end of the period	2,118,250	741,890	1,305,834
<b>Cash and cash equivalents at the end of the period</b>			
Cash in hand and demand deposits with central banks	995,865	168,485	666,076
Amounts receivable from credit institutions and central banks with a maturity of less than 3 months	1,122,385	573,405	639,758
Cash and cash equivalents at the end of the period, total	2,118,250	741,890	1,305,834

# Consolidated Half-Year Financial Statements

## Notes

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# Consolidated Half-Year Financial Statements

## Notes

### Note

#### 1 Accounting policies

The Half-Year Report for the period 1 January–30 June 2012 for the vestjyskBANK group is presented in accordance with IAS 34 "Interim Financial Reporting" as approved by the EU and supplemental Danish disclosure requirements for interim reporting. The application of IAS 34 means that its scope is more limited than an annual report and also that it complies with the valuation policies set out in the International Financial Reporting Standards (IFRS).

In the first half 2012 vestjyskBANK implemented the following new standards, whose application is mandatory for 2012:

Change of IFRS 7 relating to disclosure of transfers of financial assets.

The change entails expanded disclosure requirements regarding the transfer of financial assets but does not affect recognition and measurement.

The group connection was established in connection with the merger with Aarhus Lokalbanc on 30 March 2012. The comparative figures for 2011 therefore relate to the parent company.

Apart from these changes, the accounting policies applied in this report remain unchanged compared to the 2011 Annual Report, which contains a full description of those policies.

The measurement of certain assets and liabilities requires that Management estimate how future events may affect the value of such assets and liabilities. Estimates considered material in presenting the accounts include stating depreciations of impaired loans, the fair values of unlisted financial instruments as well as provisions, cf. the more detailed discussion in the 2011 Annual Report. The applied estimates are based on assumptions deemed sound by Management but which by their very nature are uncertain.

The Bank's most significant risks and the external conditions that may affect the Bank are described in greater detail in the 2011 Annual Report.

#### 2 Interest income

	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 TDKK
Amounts receivable from credit institutions and central banks	5,210	5,242	12,133
Loans and other receivables	739,317	668,125	1,409,214
Debt securities	40,146	56,262	95,354
Other interest income	0	261	535
Interest income at amortised cost	784,673	729,890	1,517,236
Derivative financial instruments	19,400	4,883	10,194
Interest income, total	804,073	734,773	1,527,430
This amount includes interest income from actual purchase and resale transactions recognised under			
Amounts receivable from credit institutions and central banks	7	0	0

# Consolidated Half-Year Financial Statements

## Notes

Note	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 TDKK
<b>3 Interest expenses</b>			
Credit institutions and central banks	15,058	25,132	46,738
Deposits and other debt	150,805	110,564	238,094
Debt securities in issue	108,215	107,548	213,496
Subordinated debt	87,608	90,754	182,668
Other interest expenses	296	35	35
Interest expenses at amortised cost, total	361,982	334,033	681,031
This amount includes interest expenses from actual sales and repurchase transactions recognised under			
Credit institutions and central banks	4	0	0
<b>4 Income from fees and commissions</b>			
Securities trading and custody	33,098	37,398	74,033
Money transmission services	21,067	20,144	44,429
Loan processing fees	43,480	33,158	69,409
Guarantee commission	42,008	37,509	59,444
Other fees and commissions	12,290	9,941	15,759
Income from fees and commissions, total	151,943	138,150	263,074
<b>5 Market value adjustments</b>			
Debt securities	14,215	-20,526	24,471
Equity securities etc.	15,968	1,831	-22,785
Total market value adjustments for securities attributed to fair value in the Statement of Income	30,183	-18,695	1,686
Exchange rate adjustment of foreign currency balances	-124,858	219,380	-82,913
Exchange rate adjustment of financial instruments	133,655	-209,510	103,534
Exchange rate adjustment, total	8,797	9,870	20,621
Derivative financial instruments, other adjustments	-442	9,687	-45,771
Assets related to pooled fund schemes	65,928	-31,525	-54,898
Deposits with pooled fund schemes	-65,928	31,525	54,898
Fair value hedged lending	2,611	-3,678	8,613
Fair value hedged borrowing	-27,074	13,522	-10,202
Market value adjustments, total	14,075	10,706	-25,053
Total fair value adjustment for derivative financial contracts including amounts recognised under 'Interest income'	152,613	-194,940	67,957

# Consolidated Half-Year Financial Statements

## Notes

Note	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 TDKK
<b>6 Other operating income</b>			
Gains on disposal of operating equipment	158	406	836
Other income	7,256	4,095	5,515
Operation of investment property	-77	-93	-6
Other operating income, total	7,337	4,408	6,345
<b>7 Personnel and administrative expenses</b>			
<b>Salaries and remuneration to the Supervisory Board and the Executive Board</b>			
Supervisory Board	787	775	1,525
Executive Board:			
Salaries	2,508	2,592	4,293
Pension	1,343	1,602	2,192
Termination benefits, former managing director	0	4,860	4,860
Executive Board, total	3,851	9,054	11,345
Salaries and remuneration to the Supervisory Board and the Executive Board, total	4,638	9,829	12,870
<b>Personnel expenses</b>			
Wages and salaries	171,295	145,839	282,674
Pensions	18,646	18,400	36,414
Expenses relating to social security contributions, payroll tax etc.	19,011	17,427	36,968
Personnel expenses, total	208,952	181,666	356,056
<b>Other administrative expenses</b>			
Other administrative expenses, total	118,035	115,812	221,622
Personnel and administrative expenses, total	331,625	307,307	590,548
<b>Executive Board, other</b>			
Value of fringe benefits	114	129	244
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), we note that in the calculation of taxable income payments made to the Executive Board deducted for tax purposes totalled	1,983	4,592	5,795
No agreements have been made concerning bonus plans, incentive programmes or similar compensation plans. The Bank is exempt from any 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>8 Other operating expenses</b>			
Contributions to the Guarantee Fund for Depositors and Investors	12,770	51,269	33,622
Other expenses	1,101	775	1,159
Other operating expenses, total	13,871	52,044	34,781

# Consolidated Half-Year Financial Statements

## Notes

Note	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 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 year	2,121,489	1,416,918	1,416,918
Impairments over the course of the year	292,451	313,960	1,139,347
Reversal of impairments performed in prior financial years	-51,733	-149,301	-208,282
Other movements	22,677	19,258	19,258
Previously individually impaired, now definitely lost	-186,190	-37,005	-245,752
Individual impairments of loans and other receivables, end of the period	2,198,694	1,563,830	2,121,489
<b>Impairments of loans in groups</b>			
Impairments of loans and other receivables in groups, beginning of the year	51,304	69,912	69,912
Impairments over the course of the year	11,885	12,166	15,910
Reversal of impairments performed in prior financial years	-13,657	-29,012	-37,153
Other movements	1,852	2,635	2,635
Impairments of loans and other receivables in groups, end of the period	51,384	55,701	51,304
<b>Impairments of loans, total</b>			
Impairments of loans and other receivables, beginning of the year	2,172,793	1,486,830	1,486,830
Impairments over the course of the year	304,336	326,126	1,155,257
Reversal of impairments performed in prior financial years	-65,390	-178,313	-245,435
Other movements	24,529	21,893	21,893
Previously individually impaired, now definitely lost	-186,190	-37,005	-245,752
Impairments of loans and other receivables, end of the period	2,250,078	1,619,531	2,172,793
<b>Provisions against losses on guarantees and unused credit commitments</b>			
Provisions against losses on guarantees and unused credit commitments, beginning of the year	36,043	10,710	10,710
Impairments over the course of the year	9,930	11,590	31,882
Reversal of provisions performed in prior financial years	-16,391	-3,972	-6,549
Provisions against losses on guarantees and unused credit commitments, end of the period	29,582	18,328	36,043
Accumulated impairment ratio	7.5%	5.7%	7.8%
Amounts receivable for which calculation of interest has stopped, end of the period	1,588,045	1,234,341	1,308,665
Of which impaired, total	1,040,834	888,840	916,650
Amounts receivable for which calculation of interest has stopped, as a percentage of loans before impairments	6.3%	5.0%	5.5%



# Consolidated Half-Year Financial Statements

## Notes

Note	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 TDKK
<b>9 Impairments of loans and provisions against guarantees etc. (cont.)</b>			
<b>Impairments of/provisions for amounts receivable from credit institutions</b>			
Impairments of/provisions for amounts receivable from credit institutions, beginning of the year	1,081	413	413
Impairments/provisions over the course of the period	910	241	1,081
Reversal of impairments performed in prior financial years	-1,081	-413	-413
Impairments of/provisions for amounts receivable from credit institutions, end of the period	910	241	1,081
<b>10 Intangible assets</b>			
<b>Goodwill</b>			
Total acquisition price, beginning of the period	96,590	96,590	96,590
Addition due to merger with Aarhus Lokalbanc	111,074	0	0
Total acquisition price, end of the period	207,664	96,590	96,590
Impairments, beginning of the period	0	0	0
Impairments, end of the period	0	0	0
Recognised holding, end of the period	207,664	96,590	96,590
<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	4,489	2,992	2,992
Amortisations and impairments for the period	748	748	1,497
Amortisations and impairments, end of the period	5,237	3,740	4,489
Recognised holding, end of the period	9,727	11,224	10,475
Intangible assets, total	217,391	107,814	107,065
Goodwill and customer relations are derived from the acquisition of Bonusbanken in 2008 and the merger with Aarhus Lokalbanc in 2012. Their activities have been fully integrated into the activities of vestjyskBANK and therefore cannot be attributed to any separate activity whose returns are monitored in the internal management reporting. This is the reason goodwill has been attributed to the Company as a whole.			

# Consolidated Half-Year Financial Statements

## Notes

Note	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 TDKK
<b>10 Intangible assets (cont.)</b>			
The following assumptions are applied to the impairment test:			
Required rate of return after tax: 10%			
Budget period: 5 years			
Growth during the terminal period: 2.2%			
Budget outlook for the period 2012–2016:			
- Maintenance of interest margin			
- Rising fee income			
- Weak decline in the rate of cost			
- Declining loans and guarantee debtors			
- Rising deposits			
- Declining impairments			
A sensitivity analysis has been performed of the impairment need for changes across the following central variables:			
- Required rate of return after tax			
- Impairment ratio			
The findings of the analysis show that the individual central variables may change as follows before triggering impairment:			
- The required rate of return after tax may increase by 1.5 percentage points			
- The impairment ratio may be maintained unchanged for the entire period			
The results for the individual variables are based on an 'all else being equal' assumption.			
The impairment test did not give rise to any impairment.			
<b>11 Owner-occupied property</b>			
<b>Cost price</b>			
Cost price, beginning of the year	382,140	372,251	372,251
Additions	42,706	0	12,600
Disposals	0	0	0
Carried forward to investment property	4,099	2,711	2,711
Total cost price, end of the period	420,747	369,540	382,140
<b>Depreciations</b>			
Depreciations, beginning of the year	14,738	9,782	9,782
Depreciations for the period	2,628	2,574	5,027
Depreciations reversed through disposals, for the period	169	207	71
Depreciations, end of the period	17,197	12,149	14,738
Carrying amount, end of the period	403,550	357,391	367,402

# Consolidated Half-Year Financial Statements

## Notes

Note	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 TDKK
<b>12 Deferred tax assets/liabilities are specified as follows:</b>			
Loans and other receivables	-2,515	-6,860	-3,612
Intangible assets as well as property, plant and equipment	18,825	14,323	17,090
Provisions for liabilities	-5,470	-5,136	-5,354
Tax loss	-319,285	-174,626	-322,764
Others	8,231	14,548	11,294
Deferred tax assets (-)/tax liabilities, total	-300,214	-157,751	-303,346
The deferred tax asset is expected to be able to be used within the next 7-8 years based on the following budget expectations for the period 2012–2019:			
- Maintenance of interest margin			
- Rising fee income			
- Weak decline in the rate of cost			
- Declining loans and guarantee debtors			
- Rising deposits			
- Declining impairments			
<b>13 Other assets</b>			
Positive market value of derivative financial instruments	599,029	692,188	526,519
Interest and commission receivable	49,853	51,927	45,891
Other assets	253,123	221,741	219,596
Other assets, total	902,005	965,856	792,006
<b>14 Asset items falling due one year or later from the reporting date</b>			
Amounts receivable from credit institutions and central banks	94,136	102,744	77,908
Loans and other receivables at amortised cost	8,810,635	9,232,669	8,605,553
Debt securities at fair value	4,758,686	2,533,631	2,721,122
Other assets	166,711	169,224	168,879
Asset items falling due one year or later from the reporting date, total	13,830,168	12,038,268	11,573,462
<b>15 Other liabilities</b>			
Negative market value of derivative financial instruments	146,084	598,868	205,979
Various creditors	158,925	114,638	125,292
Interest and commission payable	189,101	160,108	93,792
Other liabilities	50,249	49,200	35,941
Other liabilities, total	544,359	922,814	461,004

# Consolidated Half-Year Financial Statements

## Notes

Note	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 TDKK
<b>16 Subordinated debt</b>			
<b>Tier 2 capital</b>	1,001,246	695,863	596,198
Tier 2 capital falls due between 16 May 2014 and 28 June 2020 with an option to prepay remaining in effect until 28 June 2017, subject to approval by the Danish Financial Supervisory Authority. The capital accrues interest at 1.750 - 9.500% with a step-up clause after the prepayment date.			
<b>Hybrid core capital of DKK 100 million</b>	107,733	101,339	107,031
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, on 15 November 2015.			
<b>Hybrid core capital of DKK 75 million</b>	75,000	0	0
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, on 30 June 2016.			
<b>Hybrid core capital of DKK 50 million</b>	50,000	0	0
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, on 1 May 2016.			
<b>Hybrid core capital of DKK 1,150.4 million</b>	1,178,620	1,453,811	1,459,757
DKK 34.7 million is subject to a conversion duty, if the Bank does not meet the solvency requirement, or if, in the opinion of the Danish Financial Supervisory Authority, there is an imminent risk that the Bank does not meet the solvency requirement.			
The capital accrues interest at a fixed 9.943%. There is no due date.			
An option of prepayment exists, subject to approval by the Danish Financial Supervisory Authority, from 25 August 2012 to 24 August 2014 at par, from 25 August 2014 to 24 August 2015 at a price of DKK 105 per 100, and from 25 August 2015 and thereafter at a price of DKK 110 per 100. Premiums are recognised and amortised according to their expected settlement date.			
During Q1 2012 hybrid core capital of DKK 287.6 million has been converted into share capital.			
<b>Hybrid core capital of DKK 35.6 million</b>	35,260	0	0
The capital accrues interest at a fixed 11.42%. There is no due date.			
Prepayment can be made, subject to the approval of the Danish Financial Supervisory Authority, from 24 December 2012 to 23 December 2014 at price 105 per 100, from 24 December 2014 onwards at price 110 per 100. No premium has been recognised and amortised with respect to the anticipated payment date.			
Hybrid capital, total	1,446,613	1,555,150	1,566,788
Subordinated debt, total	2,447,859	2,251,013	2,162,986
Subordinated debt that can be included in the capital base	2,283,350	2,118,687	2,082,686

# Consolidated Half-Year Financial Statements

## Notes

Note	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 TDKK
<b>17 Share capital</b>			
Share capital, beginning of the year	125,000	125,000	125,000
Shares issued upon conversion of hybrid capital	141,780	0	0
Shares issued upon merger	39,664	0	0
Capital injection from issue of shares	306,445	0	0
Share capital, total	612,889	125,000	125,000
Number of equity shares of DKK 10 each	61,288,878	12,500,000	12,500,000
<b>Number of own equity securities, beginning of the year</b>			
Number of own equity securities in 1,000 unit lots	185	99	99
Nominal value in DKK 1,000	1,852	993	993
Percentage of the share capital	0.3%	0.8%	0.8%
<b>Additions</b>			
Purchased own equity securities in 1,000 unit lots	1,661	801	1,802
Nominal value in DKK 1,000	16,606	8,012	18,023
Percentage of the share capital	2.7%	6.4%	14.4%
Total purchase price in DKK 1,000	33,285	43,916	76,437
<b>Disposals</b>			
Disposal of own equity securities in 1,000 unit lots	1,668	690	1,716
Nominal value in DKK 1,000	16,682	6,899	17,164
Percentage of the share capital	2.7%	5.5%	13.7%
Total selling price in DKK 1,000	33,459	39,353	73,198
<b>Number of own equity securities, end of the period</b>			
Number of own equity securities in 1,000 unit lots	178	210	185
Nominal value in DKK 1,000	1,776	2,106	1,852
Percentage of the share capital	0.3%	1.7%	1.5%
The Bank's trade in its own equity securities takes place as part of its regular trade in equity securities.			
As a result of the Bank's receiving government hybrid core capital—in addition to its issuance of debt securities under the individual government guarantee—dividends may only be paid as of 1 October 2010, provided they can be financed from current profits. Revaluation reserves included in equity may not be used for payment of dividends.			
<b>18 Liabilities falling due one year or later from the reporting date</b>			
Amounts owed to credit institutions	2,286,816	1,345,933	355,006
Deposits	6,318,971	5,385,299	6,209,554
Debt securities in issue at amortised cost	6,824,355	7,581,563	7,923,156
Other liabilities	21,880	20,544	20,818
Subordinated debt	2,447,859	2,251,013	2,162,986
Liabilities falling due one year or later from the reporting date, total	17,899,881	16,584,352	16,671,520

# Consolidated Half-Year Financial Statements

## Notes

Note	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 TDKK
<b>19 Contingent liabilities</b>			
Financial guarantee contracts	1,001,690	795,131	1,272,894
Loss guarantees for mortgage loans	1,540,524	1,130,678	1,139,977
Registration and conversion guarantees	1,244,695	457,772	557,904
Other contingent liabilities	1,447,003	1,599,617	1,382,493
Contingent liabilities, total	5,233,912	3,983,198	4,353,268
'Other contingent liabilities' include, among other things, performance bonds, delivery guarantees as well as provisions of indemnity in relation to the Guarantee Fund for Depositors and Investors (Indskydergarantifonden) etc.			
<b>20 Other binding agreements</b>			
Other liabilities	8,109	204,822	4,822
Other binding agreements, total	8,109	204,822	4,822
<b>21 The difference between presenting financial statements under IFRS and the rules set out by the Danish Financial Supervisory Authority</b>			
Profit/loss for the period, as presented under IFRS	11,089	14,016	-422,636
Owner-occupied property, major depreciations and impairments	201	1,657	11,048
Profit/loss for the period, as presented under the rules set out by the Danish Financial Supervisory Authority	10,888	12,359	-433,684
Equity under IFRS	2,453,791	2,176,084	1,733,337
Owner-occupied property, accumulated depreciations and impairments	40,006	30,415	39,806
Equity under the rules set out by the Danish Financial Supervisory Authority	2,413,785	2,145,669	1,693,531
<b>22 Capital requirements</b>			
Equity excl. profit/loss for the period	2,442,702	2,162,068	2,155,973
Recognised profit/loss	0	0	-422,636
Revaluation reserves	-30,848	-30,848	-30,848
Intangible assets	-217,391	-107,814	-107,065
Deferred capitalised tax assets	-300,214	-157,751	-303,346
Other deductions from the core capital	0	-84,703	-83,686
Hybrid core capital	1,071,518	1,499,059	1,196,778
Core capital after statutory deductions	2,965,767	3,280,011	2,405,170
Subordinated loan capital	836,737	563,537	515,898
Revaluation reserves	30,848	30,848	30,848
Hybrid core capital	375,095	56,091	370,010
Capital base before deductions	4,208,447	3,930,487	3,321,926
Deductions from the capital base	0	-84,703	-83,686
Capital base after deductions	4,208,447	3,845,784	3,238,240
Weighted items, total	27,831,772	27,500,866	25,705,428
Core capital after statutory deductions as a percentage of weighted items, total	10.7%	11.9%	9.4%
Solvency ratio according to sec 124(2) of the Danish Financial Business Act	15.1%	14.0%	12.6%
Solvency requirement according to sec 124(2) of the Danish Financial Business Act	8.0%	8.0%	8.0%

# Consolidated Half-Year Financial Statements

## Notes

Note	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 TDKK
<b>23 Actual purchase and resale transactions and actual sales and repurchase transactions</b>			
Actual purchase and resale transactions			
Amounts receivable from credit institutions and central banks	67,013	0	0
Actual sale and repurchase transactions comprise the following:			
Amounts owed to credit institutions and central banks	66,950	0	0
Disposal of assets as part of actual sale and repurchase transactions			
Assets item:			
Debt securities at fair value	66,682	0	0
<b>24 Security pledged</b>			
Credit institutions:			
Margin accounts pledged as security in relation to financial instruments	26,530	449,122	123,578
Loans:			
Pledged as security for credit facility with Danmarks Nationalbank	2,430,572	0	0
Of which pledged	2,003,113	0	0
Debt securities:			
Pledged as security for credit facility with Danmarks Nationalbank			
Total nominal value	1,323,656	915,543	814,263
Total market value	1,329,263	894,457	818,089
Of which pledged	0	0	0
<b>25 Pending litigation</b>			
<p>Legal proceedings have been instituted against vestjyskBANK by EBH-Fonden administered in bankruptcy for DKK 100 million, due to vestjyskBANK's off-setting of liabilities to EBH-Fonden administered in bankruptcy in the Bank's receivables from the estate. vestjyskBANK's liabilities consist of subordinated loan capital, which the Danish Financial Supervisory Authority granted the Bank permission to settle in 2009. The Bank's receivable is categorised as a regular receivable. vestjyskBANK prevailed in the Danish High Court, and the opposing party has appealed the case to the Danish Supreme Court.</p> <p>In addition to that, vestjyskBANK is also party to other litigations. Proceedings are evaluated on an ongoing basis, and provisions are made as needed on the basis of a risk assessment of potential losses.</p> <p>The pending proceedings are not expected to have significant influence on the Bank's financial position.</p>			

# Consolidated Half-Year Financial Statements

## Notes

Note	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 TDKK
26 <b>Group overview</b>			
Consolidated subsidiaries			
Share capital:			
Center Finansiering A/S	500		
Hadsten Aktie Invest ApS, under liquidation	205		
Hadsten Aktie Invest II ApS, under liquidation	155		
Hadsten Aktie Invest III ApS, under liquidation	155		
Profit/loss:			
Center Finansiering A/S	1		
Hadsten Aktie Invest ApS, under liquidation	4		
Hadsten Aktie Invest II ApS, under liquidation	1		
Hadsten Aktie Invest III ApS, under liquidation	1		
Equity:			
Center Finansiering A/S	717		
Hadsten Aktie Invest ApS, under liquidation	3,938		
Hadsten Aktie Invest II ApS, under liquidation	3,259		
Hadsten Aktie Invest III ApS, under liquidation	1,890		
Center Finansiering A/S, Hadsten Aktie Invest II ApS and Hadsten Aktie Invest III ApS are directly and wholly owned by vestjyskBANK.			
Hadsten Aktie Invest ApS is owned indirectly and wholly by vestjyskBANK, since 12.2% of the share capital is owned by Hadsten Aktie Invest II ApS.			
Additionally, vestjyskBANK indirectly and wholly owns Handelsselskabet af 1/1-1973 Hadsten A/S, which is wholly owned by Hadsten Aktie Invest ApS.			



# Consolidated Half-Year Financial Statements

## Notes

Note	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 TDKK
<p><b>27 Acquisition</b></p> <p>vestjyskBANK and Aarhus Lokalbanc merged on 30 March 2012. In the accounts, the merger was completed on the date of acquisition.</p> <p>Both the fair value of acquired net assets and calculated goodwill were stated in the Quarterly Report for Q1 2012. If the merger had taken place on 1 January 2012, vestjyskBANK's total net interest and fee income would have totalled</p> <p>and profits would have been</p> <p>In estimating the Bank's results, the impact of the acquisition and related revaluations have not been taken into account.</p> <p>Transactions expenses related to the merger have been recognised under the item Other administrative expenses in the amount of DKK 8.8 million.</p>	<p>612,603</p> <p>10,429</p>		
<p><b>28 Fair value of financial assets and liabilities</b></p> <p>Financial instruments are measured in the Statement of Financial Position at their fair value or amortised cost.</p> <p>Fair value is the amount for which a financial asset can be traded or a financial liability can be 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, fair value is determined on the basis of generally accepted pricing methods.</p> <p>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.</p> <p>The impairment of loans is determined to correspond to changes in credit quality. The differential in respect of fair values is assessed to be received fees and commissions, interest receivable that does not fall due until after the end of the financial reporting period, and, for fixed-rate loans, also market value adjustments linked to the interest rate level.</p> <p>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</p> <p>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.</p> <p>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.</p> <p>For financial instruments measured at fair value, the basis for establishing the fair value is stated as:</p> <p>Level 1: Observable prices in an active market for identical instruments</p> <p>Level 2: Valuation model based primarily on observable market data</p> <p>Level 3: Valuation model that, to a significant degree, is based on non-observable market data</p>			

# Consolidated Half-Year Financial Statements

## Notes

Note

### 28 Fair value of financial assets and liabilities (cont.)

#### Financial assets

	30/6 2012 Carrying amount TDKK	30/6 2012 Fair value TDKK	30/6 2011 Carrying amount TDKK	30/6 2011 Fair value TDKK	31/12 2011 Carrying amount TDKK	31/12 2011 Fair value TDKK
<b>Loans and receivables</b>						
Cash in hand and demand deposits with central banks	995,866	995,866	168,485	168,485	666,076	666,076
Amounts receivable from credit institutions and central banks	1,403,073	1,403,266	751,148	751,473	730,792	731,058
Loans	22,983,465	23,008,124	23,132,455	23,172,623	21,715,932	21,739,586
Loans and receivables, total	25,382,404	25,407,256	24,052,088	24,092,581	23,112,800	23,136,720
<b>Attributed to fair value in the Statement of Income</b>						
Debt securities at fair value (Level 1)	5,105,435	5,105,870	2,632,424	2,632,424	2,909,038	2,909,038
Listed equity securities (Level 1)	43,038	43,038	96,287	96,287	58,366	58,366
Unlisted equity securities etc. (Level 3)	412,842	412,842	493,171	493,171	496,051	496,051
Attributed to fair value in the Statement of Income, total	5,561,315	5,561,750	3,221,882	3,221,882	3,463,455	3,463,455
<b>Trading portfolio</b>						
Derivative financial instruments (Level 2)	599,029	599,029	692,188	692,188	526,519	526,519
Trading portfolio, total	599,029	599,029	692,188	692,188	526,519	526,519

# Consolidated Half-Year Financial Statements

## Notes

Note						
28 Fair value of financial assets and liabilities (cont.)						
<b>Financial liabilities</b>						
	30/6 2012	30/6 2012	30/6 2011	30/6 2011	31/12 2011	31/12 2011
	Carrying	Fair value	Carrying	Fair value	Carrying	Fair value
	amount		amount		amount	
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Financial liabilities at amortised cost</b>						
Amounts owed to credit institutions and central banks	3,064,749	3,064,813	2,713,458	2,718,227	1,929,734	1,933,409
Deposits	17,421,808	17,552,731	13,235,136	13,326,765	13,925,039	13,920,940
Debt securities in issue	6,824,355	6,842,757	7,586,193	7,623,406	7,927,786	7,971,865
Subordinated debt	2,447,859	2,438,512	2,251,013	2,262,502	2,162,986	2,160,891
Financial liabilities at amortised cost, total	29,758,771	29,898,813	25,785,800	25,930,900	25,945,545	25,987,105
<b>Trading portfolio</b>						
Derivative financial instruments (Level 2)	146,084	146,084	598,868	598,868	205,979	205,979
Trading portfolio, total	146,084	146,084	598,868	598,868	205,979	205,979
Changes in financial assets belonging to Level 3:						
Beginning of the year	496,051		466,753		466,753	
Additions	35,151		47,804		30,912	
Disposals	149,332		26,950		1,400	
Fair value adjustment included in market value adjustments	15,314		5,564		-214	
End of the period	397,184		493,171		496,051	
Value adjustment during the course of the period of financial assets in portfolio totals	13,511		7,740		-816	

# Consolidated Half-Year Financial Statements

## Notes

### Note

#### 29 Credit risk

Credit risk is the risk that a counterparty is unable or unwilling to satisfy his or her obligations and that the security provided does not sufficiently cover the obligations. Credit risk is a very significant part of vestjyskBANK's business area.

At 30 June 2012, large commitments totalled 15.3 percent of the capital base and consisted of one commitment.

vestjyskBANK's corporate customers account for 76 percent of its loans and guarantees; private customers account for 24 percent.

Please refer to the 2011 Annual Report for a more detailed discussion of credit risk and the management thereof.

#### 30 Credit exposure

	30/6 2012 TDKK	30/6 2011 TDKK	31/12 2011 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	1,895,327	140,751	820,007
Amounts receivable from credit institutions	403,083	676,163	480,806
Debt securities	5,105,435	2,632,424	2,909,038
Loans	25,233,543	24,731,727	23,888,675
Items not recognised in the Statement of Financial Position:			
Financial guarantees	2,545,684	1,936,570	2,427,904
Unconditional credit commitments < 1 year	0	200,000	0
Non-unconditional credit commitments	5,288,894	3,443,326	4,948,816
<b>Total</b>	<b>40,471,966</b>	<b>33,760,961</b>	<b>35,475,246</b>
Of which recognised in the Statement of Financial Position	32,637,388	28,181,065	28,098,526
<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+	27,049	428,925	123,432
Credit institutions or their subsidiaries rated A and lower	237,978	130,851	131,462
Unrated credit institutions or their subsidiaries	75,000	75,000	200,385
<b>Total</b>	<b>340,027</b>	<b>634,776</b>	<b>455,279</b>

# Consolidated Half-Year Financial Statements

## Notes

Note			
30	<b>Credit exposure (cont.)</b>		
		30/6 2012	30/6 2011
		TDKK	TDKK
		31/12 2011	TDKK
	<b>Debt securities by rating categories</b>		
	AAA	4,221,636	1,686,352
	AA+ to AA-	25,026	185,577
	A+ to A-	385,218	544,275
	BBB+ and lower	334,042	139,336
	No rating	139,513	76,884
	Debt securities, total	5,105,435	2,632,424
	<b>Debt securities by issuers</b>		
	Mortgage-credit bonds	4,686,700	2,209,943
	Government bonds	2	2
	Other debt securities	418,733	422,479
	Debt securities, total	5,105,435	2,632,424
	<b>Loans, guarantees and credit commitments by industry segments</b>		
	Public authorities	78,570	9,577
	Business:		
	Agriculture, hunting, forestry and fishery	6,142,729	5,258,994
	Manufacturing industry and raw material extraction	1,347,443	1,307,604
	Energy supply	2,460,562	2,774,969
	Construction and civil engineering contractors	1,109,863	1,163,796
	Trade	2,397,469	2,353,961
	Transportation, hotels and restaurant businesses	1,301,520	1,231,951
	Information and communication	151,275	114,251
	Credit and financing institutes and insurance businesses	2,254,262	2,551,190
	Real estate	6,053,476	4,987,288
	Other business	2,045,317	1,655,013
	Business, total	25,263,916	23,399,017
	Retail	7,725,635	6,903,029
	Loans, guarantees and credit commitments, total	33,068,121	30,311,623
		31,265,395	

# Consolidated Half-Year Financial Statements

## Notes

### Note

#### 31 Collaterals

Please see the 2011 Annual Report for a description of collaterals.

#### Collaterals distributed by type

	Charges held in properties and wind turbines	Right of substitution for security provided on property	Charges held in movable property, motor vehicles, operat. equip. ships etc.	Securities	Bank accounts	Other	Total
<b>30/6 2012 TDKK</b>							
Public authorities	3,150	1,982	0	0	0	0	5,132
Business:							
Agricult., hunting, forestry, fishery	1,496,447	56,674	478,166	118,806	24,032	25,364	2,199,489
Manufac. indus., raw mat. extract.	79,160	20,690	209,618	16,982	2,666	38,164	367,280
Energy supply	523,638	17,086	64,705	55,785	11,450	511,337	1,184,001
Construct., civil engin. contractors	198,946	54,910	44,575	10,582	13,494	4,309	326,816
Trade	161,366	69,218	162,018	26,849	38,549	22,867	480,867
Transport, hotels, restaurant busin.	236,255	204,088	92,483	7,783	4,436	41,754	586,799
Information and communication	16,192	1,926	5,449	26,824	56	409	50,856
Credit/fin. institutions, insur. busin.	455,532	132,721	10,334	211,529	11,278	33,752	855,146
Real estate	2,465,361	399,947	16,476	188,344	85,362	110,768	3,266,258
Other business	246,362	81,835	80,755	74,493	47,127	7,361	537,933
Business, total	5,879,259	1,039,095	1,164,579	737,977	238,450	796,085	9,855,445
Retail	1,345,405	301,229	252,815	359,454	108,313	55,391	2,422,607
Total	7,227,814	1,342,306	1,417,394	1,097,431	346,763	851,476	12,283,184

# Consolidated Half-Year Financial Statements

## Notes

Note

### 31 Collaterals (cont.)

#### Collaterals distributed by type (cont.)

	Charges held in properties and wind turbines	Right of substitution for security provided on property	Charges held in movable property, motor vehicles, operat. equip. ships etc.	Securities	Bank accounts	Other	Total
<b>30/6 2011 TDKK</b>							
Public authorities	0	0	0	0	0	0	0
Business:							
Agricult., hunting, forestry, fishery	946,456	62,727	462,748	78,078	21,518	84,225	1,655,752
Manufac. indus., raw mat. extract.	54,288	35,572	22,207	2,118	4,963	36,861	156,009
Energy supply	622,015	7,022	73,945	82,000	22,504	567,808	1,375,294
Construct., civil engin. contractors	109,144	60,626	35,250	5,427	51,675	7,199	269,321
Trade	135,857	78,915	27,299	14,705	28,900	12,338	298,014
Transport, hotels, restaurant busin.	121,241	202,978	84,348	3,337	42,285	38,665	492,854
Information and communication	21,031	4,084	3,511	13,156	2,289	1,000	45,071
Credit/fin. institutions, insur. busin.	65,411	23,067	5,700	159,611	41,793	88,685	384,267
Real estate	938,445	292,545	15,910	77,939	121,944	76,160	1,522,943
Other business	181,400	75,536	42,163	59,727	74,820	12,264	445,910
<b>Business, total</b>	<b>3,195,288</b>	<b>843,072</b>	<b>773,081</b>	<b>496,098</b>	<b>412,691</b>	<b>925,205</b>	<b>6,645,435</b>
Retail	1,316,089	274,768	229,476	262,029	98,586	88,475	2,269,423
<b>Total</b>	<b>4,511,377</b>	<b>1,117,840</b>	<b>1,002,557</b>	<b>758,127</b>	<b>511,277</b>	<b>1,013,680</b>	<b>8,914,858</b>

	Charges held in properties and wind turbines	Right of substitution for security provided on property	Charges held in movable property, motor vehicles, operat. equip. ships etc.	Securities	Bank accounts	Other	Total
<b>31/12 2011 TDKK</b>							
Public authorities	0	0	0	0	0	0	0
Business:							
Agricult., hunting, forestry, fishery	1,459,248	30,106	364,297	75,611	22,453	19,244	1,970,959
Manufac. indus., raw mat. extract.	113,120	23,927	144,977	4,012	2,944	54,380	343,360
Energy supply	394,275	66,771	54,068	41,255	9,589	875,640	1,441,598
Construct., civil engin. contractors	224,586	79,911	31,408	15,146	22,742	24,983	398,776
Trade	195,621	68,140	206,716	22,233	35,058	8,733	536,501
Transport, hotels, restaurant busin.	183,204	91,006	74,115	16,578	5,031	41,585	411,519
Information and communication	16,606	4,439	3,331	11,106	740	1,287	37,509
Credit/fin. institutions, insur. busin.	435,530	135,139	9,046	150,912	11,154	143,534	885,315
Real estate	2,092,662	199,378	12,713	61,975	92,585	133,963	2,593,276
Other business	248,965	130,388	62,344	70,521	36,202	6,172	554,592
<b>Business, total</b>	<b>5,363,817</b>	<b>829,205</b>	<b>963,015</b>	<b>469,349</b>	<b>238,498</b>	<b>1,309,521</b>	<b>9,173,405</b>
Retail	1,259,287	148,659	334,934	227,605	137,982	33,021	2,141,488
<b>Total</b>	<b>6,623,104</b>	<b>977,864</b>	<b>1,297,949</b>	<b>696,954</b>	<b>376,480</b>	<b>1,342,542</b>	<b>11,314,893</b>

# Consolidated Half-Year Financial Statements

## Notes

### Note

#### 32 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.

	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
<b>30/6 2012 TDKK</b>				
Public authorities	0	0	77,696	77,696
Business:				
Agricult., hunting, forestry, fishery	746,511	983,066	1,814,460	3,544,037
Manufac. indus., raw mat. extract.	84,214	214,497	725,737	1,024,448
Energy supply	99,202	438,757	1,595,387	2,133,346
Construct., civil engin. contractors	126,566	225,936	423,797	776,299
Trade	247,885	569,082	945,994	1,762,961
Transport, hotels, restaurant busin.	357,930	283,609	356,704	998,243
Information and communication	17,389	34,754	66,070	118,213
Credit/fin. institutions, insur. busin.	260,807	351,216	684,288	1,296,311
Real estate	1,139,457	1,669,612	1,129,148	3,938,217
Other business	182,857	321,932	818,060	1,322,849
Business, total	3,262,818	5,092,461	8,559,645	16,914,924
Retail	1,398,510	1,143,024	3,965,729	6,507,263
Total	4,661,328	6,235,485	12,603,070	23,499,883

	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
<b>30/6 2011 TDKK</b>				
Public authorities	0	0	9,434	9,434
Business:				
Agricult., hunting, forestry, fishery	748,584	1,346,318	1,765,556	3,860,458
Manufac. indus., raw mat. extract.	221,035	243,125	618,176	1,082,336
Energy supply	64,829	253,881	2,559,607	2,878,317
Construct., civil engin. contractors	129,485	289,028	553,243	971,756
Trade	171,753	726,508	1,013,866	1,912,127
Transport, hotels, restaurant busin.	162,190	360,741	490,255	1,013,186
Information and communication	18,650	9,894	52,685	81,229
Credit/fin. institutions, insur. busin.	503,412	332,704	665,103	1,501,219
Real estate	1,093,256	1,302,096	1,347,257	3,742,609
Other business	155,222	215,533	933,908	1,304,663
Business, total	3,268,416	5,079,828	9,999,656	18,347,900
Retail	1,167,521	1,026,664	3,831,689	6,025,874
Total	4,435,937	6,106,492	13,840,779	24,383,208



# Consolidated Half-Year Financial Statements

## Notes

Note

### 32 Credit quality of loans and guarantee debtors that are neither in arrears nor for which impairments/provisions have been made (cont.)

31/12 2011 TDKK	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	24,891	24,891
Business:				
Agricult., hunting, forestry, fishery	528,206	1,084,625	1,919,361	3,532,192
Manufac. indus., raw mat. extract.	121,083	165,532	704,908	991,523
Energy supply	142,807	388,133	2,142,764	2,673,704
Construct., civil engin. contractors	154,807	213,005	454,445	822,257
Trade	214,365	716,531	946,626	1,877,522
Transport, hotels, restaurant busin.	169,318	432,760	385,107	987,185
Information and communication	15,710	9,308	66,855	91,873
Credit/fin. institutions, insur. busin.	140,555	249,870	724,455	1,114,880
Real estate	776,547	1,330,627	1,222,597	3,329,771
Other business	137,802	310,469	842,050	1,290,321
Business, total	2,401,200	4,900,860	9,409,168	16,711,228
Retail	1,110,553	941,695	3,631,667	5,683,915
Total	3,511,753	5,842,555	13,065,726	22,420,034

In the Half-Year Report 2011, 'Amortised cost, total' was erroneously stated at DKK 16.9 billion. The correct amount was DKK 24.4 billion. The difference of DKK 7.5 billion can be attributed to 'Loans in arrears, total' (see note 33).

### 33 Distribution by industry segment of overdue receivables for loans that have not been written down

30/6 2012 TDKK	0-30 days	31-60 days	61-90 days	> 90 days	Total
Public authorities	0	0	0	0	0
Business:					
Agricult., hunting, forestry, fishery	42,929	12,639	8,195	4,688	68,451
Manufac. indus., raw mat. extract.	11,020	753	951	4,578	17,302
Energy supply	4,478	12	197	0	4,687
Construct., civil engin. contractors	10,417	539	2,775	1,043	14,774
Trade	18,544	1,393	1,277	5,483	26,697
Transport, hotels, restaurant busin.	9,162	623	1,782	101	11,668
Information and communication	1,975	187	122	0	2,284
Credit/fin. institutions, insur. busin.	13,195	1,164	1,405	486	16,250
Real estate	29,031	7,610	6,380	134	43,155
Other business	16,589	2,500	8,147	534	27,770
Business, total	157,340	27,420	31,231	17,047	233,038
Retail	42,843	5,536	4,740	1,063	54,182
Arrears, total	200,183	32,956	35,971	18,110	287,220
Loans in arrears, total	1,256,394	231,826	94,613	152,376	1,735,209

# Consolidated Half-Year Financial Statements

## Notes

Note					
33 Distribution by industry segment of overdue receivables for loans that have not been written down (cont.)					
30/6 2011 TDKK	0-30 days	31-60 days	61-90 days	> 90 days	Total
Public authorities	9,427	0	0	0	9,427
Business:					
Agricult., hunting, forestry, fishery	99,983	14,784	27,826	19,801	162,394
Manufac. indus., raw mat. extract.	17,768	4,626	4,841	9	27,244
Energy supply	10,788	1,843	190	0	12,821
Construct., civil engin. contractors	14,528	6,608	952	90	22,178
Trade	23,005	8,071	1,062	3,738	35,876
Transport, hotels, restaurant busin.	11,058	10,966	127	346	22,497
Information and communication	474	281	514	175	1,444
Credit/fin. institutions, insur. busin.	9,669	2,132	448	371	12,620
Real estate	31,674	12,108	2,949	2,080	48,811
Other business	11,895	5,027	458	699	18,079
Business, total	230,842	66,446	39,367	27,309	363,964
Retail	41,281	8,881	3,156	2,498	55,816
Arrears, total	281,550	75,327	42,523	29,807	429,207
Loans in arrears, total	655,133	197,779	109,806	74,778	1,037,496
31/12 2011 TDKK	0-30 days	31-60 days	61-90 days	> 90 days	Total
Public authorities	0	0	0	0	0
Business:					
Agricult., hunting, forestry, fishery	40,491	2,088	356	82	43,017
Manufac. indus., raw mat. extract.	13,249	421	6	109	13,785
Energy supply	4,539	0	0	0	4,539
Construct., civil engin. contractors	12,745	614	104	48	13,511
Trade	13,839	7,039	5,544	175	26,597
Transport, hotels, restaurant busin.	13,215	1,445	71	2,060	16,791
Information and communication	761	16	12	144	933
Credit/fin. institutions, insur. busin.	10,281	286	1	1,755	12,323
Real estate	28,194	2,860	1,154	685	32,893
Other business	19,042	2,339	816	87	22,284
Business, total	156,356	17,108	8,064	5,145	186,673
Retail	45,560	7,816	1,009	2,757	57,142
Arrears, total	201,916	24,924	9,073	7,902	243,815
Loans in arrears, total	522,231	105,408	29,649	51,696	708,984

In the Half-Year Report 2011 'Exposures, total' was erroneously stated at a total of DKK 8.5 billion. This should have been 'Loans in arrears, total' stated at DKK 1.0 billion. The difference is DKK 7.5 billion (see note 32).

# Consolidated Half-Year Financial Statements

## Notes

Note

### 34 Distribution of gross loans and guarantee debtors, individually impaired, by cause

	30/6 2012 TDKK	30/6 2011 TDKK	31/12 2011 TDKK
Reorganisation/bankruptcy	411,804	526,082	323,976
Rescheduling of debts	11,761	11,628	12,126
Collection	289,037	203,206	321,952
Customer deceased	7,810	6,179	8,358
Relief in terms	1,335,521	961,344	1,319,149
Other causes	3,194,564	1,654,613	3,151,871
<b>Total</b>	<b>5,250,497</b>	<b>3,363,052</b>	<b>5,137,432</b>

### 35 Distribution by industry segment of loan and guarantee debtors, individually impaired

30/6 2012 TDKK	Gross	Loan value of collaterals	Unsecured part before impairment	Impairments/ provisions	Unsecured part after impairment
Public authorities	0	0	0	0	0
Business:					
Agricult., hunting, forestry, fishery	1,637,737	493,210	1,144,527	653,300	491,227
Manufac. indus., raw mat. extract.	196,423	49,849	146,574	87,338	59,236
Energy supply	47,012	45,043	1,969	5,876	0
Construct., civil engin. contractors	232,559	51,117	181,442	110,266	71,176
Trade	163,100	10,726	152,374	103,488	48,886
Transport, hotels, restaurant busin.	158,474	20,034	138,440	80,391	58,049
Information and communication	6,679	1,041	5,638	5,261	377
Credit/fin. institutions, insur. busin.	1,075,150	341,666	733,484	474,265	259,219
Real estate	1,193,630	730,048	463,582	360,476	103,106
Other business	181,115	26,882	154,233	110,738	43,495
<b>Business, total</b>	<b>4,891,879</b>	<b>1,769,616</b>	<b>3,122,263</b>	<b>1,991,399</b>	<b>1,134,771</b>
Retail	358,617	73,089	285,528	236,878	48,650
<b>Total</b>	<b>5,250,496</b>	<b>1,842,705</b>	<b>3,407,791</b>	<b>2,228,277</b>	<b>1,183,421</b>

The increase in the value of collaterals compared to 30 June 2011 is owing to the amended principles governing registration of the collateral value of the collaterals. Collaterals that had been valued at 0 before for practical reasons are now recognised at their conservatively assessed actual value.

# Consolidated Half-Year Financial Statements

## Notes

Note

### 35 Distribution by industry segment of loan and guarantee debtors, individually impaired (cont.)

<b>30/6 2011 TDKK</b>	Gross	Loan value of collaterals	Unsecured part before impairment	Impairments/ provisions	Unsecured part after impairment
Public authorities	0	0	0	0	0
Business:					
Agricult., hunting, forestry, fishery	587,682	77,990	509,692	180,733	328,959
Manufac. indus., raw mat. extract.	122,949	13,524	109,425	59,934	49,491
Energy supply	0	0	0	0	0
Construct., civil engin. contractors	168,807	13,205	155,602	97,822	57,780
Trade	140,549	12,726	127,823	82,741	45,082
Transport, hotels, restaurant busin.	154,169	9,721	144,448	76,421	68,027
Information and communication	8,792	553	8,239	6,825	1,414
Credit/fin. institutions, insur. busin.	943,618	61,296	882,322	521,663	360,659
Real estate	738,580	157,460	581,120	241,785	339,335
Other business	180,334	15,545	164,789	103,015	61,774
Business, total	3,045,480	362,020	2,683,460	1,370,939	1,312,521
Retail	317,572	20,020	297,552	211,219	86,333
Total	3,363,052	382,040	2,981,012	1,582,158	1,398,854

<b>31/12 2011 TDKK</b>	Gross	Loan value of collaterals	Unsecured part before impairment	Impairments/ provisions	Unsecured part after impairment
Public authorities	0	0	0	0	0
Business:					
Agricult., hunting, forestry, fishery	1,653,209	575,634	1,077,575	651,798	425,777
Manufac. indus., raw mat. extract.	183,563	58,194	125,369	86,103	39,266
Energy supply	49,446	40,747	8,699	8,187	512
Construct., civil engin. contractors	210,361	47,417	162,944	118,025	44,919
Trade	144,991	3,415	141,576	86,084	55,492
Transport, hotels, restaurant busin.	109,684	4,296	105,388	63,869	41,519
Information and communication	9,489	475	9,014	8,181	833
Credit/fin. institutions, insur. busin.	1,077,324	378,341	698,983	491,258	207,725
Real estate	1,203,513	767,810	435,703	340,400	95,303
Other business	179,194	27,726	151,468	89,750	61,718
Business, total	4,820,774	1,904,055	2,916,719	1,943,655	973,064
Retail	316,658	60,996	255,662	213,876	41,786
Total	5,137,432	1,965,051	3,172,381	2,157,531	1,014,850

# Consolidated Half-Year Financial Statements

## Notes

Note

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

	Charges held in properties and wind turbines	Right of substitution for security provided on property	Charges held in movable property, motor vehicles, operat. equip. ships etc.	Securities	Bank accounts	Other	Total
<b>30/6 2012 TDKK</b>							
Public authorities	0	0	0	0	0	0	0
Business:							
Agricult., hunting, forestry, fishery	436,396	8,171	21,900	14,836	3,637	8,270	493,210
Manufac. indus., raw mat. extract.	6,786	1,740	33,561	7,675	87	0	49,849
Energy supply	33,500	0	0	6,543	0	5,000	45,043
Construct., civil engin. contractors	45,585	1,031	4,178	0	323	0	51,117
Trade	998	0	9,108	620	0	0	10,726
Transport, hotels, restaurant busin.	4,658	13,170	707	260	1,239	0	20,034
Information and communication	990	0	51	0	0	0	1,041
Credit/fin. institutions, insur. busin.	278,237	3,705	3,999	36,897	28	18,800	341,666
Real estate	673,229	5,472	5,767	39,901	2,668	3,011	730,048
Other business	3,055	1,116	18,054	1,937	0	2,720	26,882
Business, total	1,483,434	34,405	97,325	108,669	7,982	37,801	1,769,616
Retail	24,164	4,288	5,389	38,615	108	525	73,089
Total	1,507,598	38,693	102,714	147,284	8,090	38,326	1,842,705

The increase in the values of the collaterals compared to 30 June 2011 is owing to the amended principles governing registration of the collateral value of the collaterals. Collaterals that had been valued at 0 before for practical reasons are now registered at their conservatively assessed actual value.

	Charges held in properties and wind turbines	Right of substitution for security provided on property	Charges held in movable property, motor vehicles, operat. equip. ships etc.	Securities	Bank accounts	Other	Total
<b>30/6 2011 TDKK</b>							
Public authorities	0	0	0	0	0	0	0
Business:							
Agricult., hunting, forestry, fishery	11,257	0	24,173	0	40	42,520	77,990
Manufac. indus., raw mat. extract.	2,992	5,420	1,748	54	60	3,250	13,524
Energy supply	0	0	0	0	0	0	0
Construct., civil engin. contractors	9,867	465	2,315	0	23	535	13,205
Trade	1,904	0	10,822	0	0	0	12,726
Transport, hotels, restaurant busin.	896	3,056	4,153	44	1,302	270	9,721
Information and communication	0	390	163	0	0	0	553
Credit/fin. institutions, insur. busin.	5,013	0	735	21,568	281	33,699	61,296
Real estate	140,115	11,849	0	1,547	3,949	0	157,460
Other business	1,922	4,596	4,973	2,578	1	1,475	15,545
Business, total	173,966	25,776	49,082	25,791	5,656	81,749	362,020
Retail	6,924	4,658	6,231	531	189	1,487	20,020
Total	180,890	30,434	55,313	26,322	5,845	83,236	382,040

# Consolidated Half-Year Financial Statements

## Notes

Note

### 36 Collaterals for loans and guarantees that have been individually impaired, distributed by type of collateral (cont.)

	Charges held in properties and wind turbines	Right of substitution for security provided on property	Charges held in movable property, motor vehicles, operat. equip. ships etc.	Securities	Bank accounts	Other	Total
<b>31/12 2011 TDKK</b>							
Public authorities	0	0	0	0	0	0	0
Business:							
Agricult., hunting, forestry, fishery	550,035	679	21,375	189	40	3,316	575,634
Manufac. indus., raw mat. extract.	8,808	0	39,639	497	0	9,250	58,194
Energy supply	35,515	196	36	0	0	5,000	40,747
Construct., civil engin. contractors	41,218	0	6,152	0	47	0	47,417
Trade	1,958	0	1,457	0	0	0	3,415
Transport, hotels, restaurant busin.	3,103	0	326	4	863	0	4,296
Information and communication	0	475	0	0	0	0	475
Credit/fin. institutions, insur. busin.	280,498	1,756	735	28,994	507	65,851	378,341
Real estate	726,868	9,685	1,544	1,032	5,769	22,912	767,810
Other business	13,949	6,267	572	5,693	0	1,245	27,726
Business, total	1,661,952	19,058	71,836	36,409	7,226	107,574	1,904,055
Retail	22,918	19,523	14,516	1,967	87	1,985	60,996
Total	1,684,870	38,581	86,352	38,376	7,313	109,559	1,965,051

### 37 Market risk

The risk that the market value of the Bank's financial assets and liabilities changes as a result of changes in market conditions is collectively named 'market risks'. Exposure to market risks is a natural part of the Bank's activities with significance for the Bank's total earnings. Monitoring market risks and controlling the established framework take place on a daily basis. The Executive Board is notified of deviations immediately.

### 38 Interest rate risk

Applying the Danish Financial Supervisory Authority's guidelines, interest rate risk is calculated as the total loss risk of a general change in the interest rate level of 1 percentage point. The total interest rate risk covers the risk for debt securities, derivative financial instruments as well as deposits and loans. As part of its risk management the Bank is using interest rate swaps to hedge against the interest rate risk in full or in part of fixed-rate assets and liabilities.

	30/6 2012 TDKK	30/6 2011 TDKK	31/12 2011 TDKK
The total interest rate risk has been measured at	-154,604	-86,466	-107,133
Measured in relation to the core capital, this corresponds to	-5.2%	-2.6%	-4.5%

The change in the Bank's interest rate exposure in 2012 compared to 2011 can primarily be attributed to a reduction in its bond portfolio interest rate risk as well as the raising of new fixed-rate subordinated loan capital.

# Consolidated Half-Year Financial Statements

## Notes

Note				
38	<b>Interest rate risk (cont.)</b>			
	<b>Hedge accounting</b>			
		30/6 2012	30/6 2011	31/12 2011
		TDKK	TDKK	TDKK
	For hedging interest rate risk, the following are hedged (fair value hedge):			
	Debt securities	229,546	121,755	62,696
	Hedged with interest rate swaps, maturity 2015-2017			
	Synthetic principal	230,000	117,294	67,171
	Fair value	-6,074	-8,979	-7,535
	Loans at amortised cost	262,279	301,732	283,182
	Hedged with interest rate swaps, maturity 2012-2032			
	Synthetic principal	247,795	283,032	266,365
	Fair value	-21,747	-7,898	-19,621
	Hedged with interest rate caps, maturity 2024-2026			
	Synthetic principal	14,484	18,700	16,816
	Fair value	82	234	-44
	Deposits	900,000	0	900,000
	Hedged with interest rate swaps, maturity 2014			
	Synthetic principal	900,000	0	900,000
	Fair value	15,931	0	8,757
	Issued debt securities	1,270,237	1,206,364	1,249,427
	Hedged with interest rate swaps, maturity 2013			
	Synthetic principal	1,271,834	1,219,121	1,245,945
	Fair value	171,088	105,811	162,428
	Subordinated debt	107,733	101,339	107,031
	Hedged with interest rate swaps, maturity 2015			
	Synthetic principal	100,000	100,000	100,000
	Fair value	7,733	1,339	7,031
	Total fair value adjustment of hedging instruments	510	-8,053	-364
	Total fair value adjustment of the hedged items	-2,352	8,637	-2,393
	Ineffectiveness recognised in the Statement of Income	-1,842	584	-2,757

# Consolidated Half-Year Financial Statements

## Notes

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### Note

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#### 39 Liquidity risk

vestjyskBANK's cash resources are monitored closely in the Bank's day-to-day cash management. Its cash resources are established for the purpose of ensuring that sufficient resources exist to cover anticipated loans and changes to such loans, as well as ensuring sufficient liquidity to cover normal fluctuations in the Bank's deposits at all times. The resources consist of cash equivalents, framework pledges with loans as collateral in Danmarks Nationalbank and undrawn committed credits with other credit institutions. Stress tests are performed regularly, where various measurement periods are exposed to stress.

#### Cash resources

	30/6 2012 TDKK	30/6 2011 TDKK	31/12 2011 TDKK
Demand deposits and uncollateralised certificates of deposit with Danmarks Nationalbank as well as demand deposits and undrawn committed credits with other credit institutions	2,622,519	822,768	2,167,406
Cash equivalents	5,753,197	3,192,035	3,759,758
Total	8,375,716	4,014,803	5,927,164
Excess cover in relation to the 10 percent requirement set out in sec 152 of the Danish Financial Business Act	143.5%	34.2%	98.8%



# Consolidated Half-Year Financial Statements

## Notes

Note	1/1-30/6 2012	1/1-30/6 2011	Full year 2011
40 <b>Key figures and financial ratios</b>			
<b>Statement of Income (in MDKK)</b>			
Net interest income	442	401	846
Net fee income	136	126	236
Dividends on equity securities etc.	5	3	3
Market value adjustments for foreign currency and sector shares	23	15	20
Other operating income	7	4	6
<b>Core income</b>	613	549	1,111
Personnel and administrative expenses	-332	-307	-590
Other operating expenses as well as depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets	-9	-8	-16
Operating expenses and operating depreciations and amortisations	-341	-315	-606
<b>Core earnings before impairments</b>	272	234	505
Impairments of loans and receivables etc.	-235	-157	-984
<b>Core earnings after impairments</b>	37	77	-479
Other market value adjustments	-9	-5	-45
<b>Profit after market value adjustments</b>	28	72	-524
Contributions to the Guarantee Fund for Depositors and Investors	-12	-51	-34
The Private Contingency Association	0	0	-1
<b>Profit/loss before tax</b>	16	21	-559
Tax	-5	-7	136
<b>Profit/loss</b>	11	14	-423
<b>Statement of Financial Position (in MDKK)</b>			
Assets, total	33,894	30,019	29,280
Loans	22,983	23,132	21,716
Deposits, including pooled funds	18,529	14,351	15,029
Contingent liabilities	5,234	3,983	4,353
Business volume	46,746	41,466	41,098
Equity	2,454	2,176	1,733

# Consolidated Half-Year Financial Statements

## Notes

Note	1/1-30/6 2012	1/1-30/6 2011	Full year 2011
40 <b>Key figures and financial ratios (cont.)</b>			
<b>Solvency</b>			
Solvency ratio	15.1%	14.0%	12.6%
Core capital ratio	10.7%	11.9%	9.4%
<b>Earnings</b>			
Return on equity before tax, annually <sup>1</sup>	1.5%	1.9%	-28.7%
Return on equity after tax, annually <sup>1</sup>	1.1%	1.3%	-21.7%
Income-cost ratio <sup>2</sup>	1.03	1.04	0.66
Rate of cost <sup>3</sup>	55.4%	57.4%	54.6%
Employees converted to full-time (average)	622.6	619.4	614.8
<b>Market risk</b>			
Interest rate risk <sup>4</sup>	-5.2%	-2.6%	-4.5%
Foreign currency position <sup>5</sup>	1.5%	4.1%	1.5%
Foreign currency risk	0.0%	0.1%	0.0%
Excess cover in relation to statutory liquidity requirements <sup>6</sup>	143.5%	34.2%	98.8%
<b>Credit risk</b>			
Loans plus impairments on loans in relation to deposits	136.2%	172.5%	158.9%
Loans in relation to equity	9.4	10.6	12.5
Growth in loans for the period <sup>7</sup>	5.8%	-1.4%	-7.5%
Total of large commitments <sup>8</sup>	15.3%	40.6%	30.7%
Accumulated impairment ratio	7.5%	5.7%	7.8%
Impairment ratio for the period	0.8%	0.5%	3.5%
<b>vestjyskBANK share</b>			
Profit/loss for the period per share (denomination DKK 10)	0.3	1.1	-34.2
Equity value per share (denomination DKK 10)	40.2	177.1	140.8
Price of vestjyskBANK shares, end of the period	16.0	36.9	18.8
Market price / equity value per share	0.4	0.2	0.1

Aarhus Lokalbank is recognised in the Statement of Financial Position as at 30 June 2012 and operationally from 1 April 2012. Comparative figures for 2011 do not include Aarhus Lokalbank.

1 On the basis of the average equity

2 Income from ordinary activities in relation to costs from ordinary activities. Income from ordinary activities = net interest and fee income + market value adjustments + other operating income. Costs from ordinary activities = personnel and administrative expenses + depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets + other operating expenses + impairment of loans and receivables etc.

3 Operating costs as well as depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets / core income

4 Interest rate risk in relation to core capital, less deductions

5 Exchange Rate Indicator 1 in relation to core capital, less deductions

6 Excess cover in relation to the 10 percent requirement set out in sec 152 of the Danish Financial Business Act

7 Growth in loans measured in relation to vestjyskBANK's loans, beginning of the period. The growth can be attributed to the Aarhus Lokalbank merger.

8 Commitments exceeding 10 percent of the capital base in relation to the capital base

# Half-Year Financial Statements – Parent Company

## Statement of Income and Statement of Comprehensive Income

Note	1st half 2012 TDKK	1st half 2011 TDKK	Q2 2012 TDKK	Q2 2011 TDKK	Full year 2011 TDKK
<b>Statement of Income</b>					
2	804,073	734,773	423,175	368,746	1,527,430
3	361,989	334,033	191,944	168,284	681,031
	442,084	400,740	231,231	200,462	846,399
	4,660	3,076	4,195	2,867	3,355
	151,943	138,150	90,939	76,656	263,074
	15,994	12,383	9,596	6,431	27,488
	582,693	529,583	316,769	273,554	1,085,340
4	14,075	10,706	-1,287	5,505	-25,053
	7,337	4,408	6,251	565	6,345
5	331,625	307,307	180,973	159,503	590,548
	7,496	8,948	3,950	4,495	26,258
	13,871	52,044	4,918	16,593	34,781
6	235,242	157,201	129,630	87,749	984,869
	7	0	7	0	0
	15,878	19,197	2,269	11,284	-569,824
	4,990	6,838	1,274	3,865	-136,140
	10,888	12,359	995	7,419	-433,684
<b>Basic earnings per share</b>					
	0.30	1.00	0.02	0.60	-35.11
	0.30	1.00	0.02	0.60	-35.11
<b>Statement of Comprehensive Income</b>					
	10,888	12,359	995	7,419	-433,684
Other comprehensive income:					
	24,285	4,291	20,258	-4,164	-11,938
	-4,362	3,552	-2,278	2,657	9,888
	-4,981	-1,961	-4,495	377	513
	14,942	5,882	13,485	-1,130	-1,537
	25,830	18,241	14,480	6,289	-435,221

# Half-Year Financial Statements – Parent Company

## Statement of Financial Position

Note	30/6 2012 TDKK	30/6 2011 TDKK	31/12 2011 TDKK
<b>Assets</b>			
	995,866	168,485	666,076
	1,403,073	751,148	730,792
	22,983,465	23,132,455	21,715,932
	5,105,435	2,632,424	2,909,038
	455,881	612,053	570,109
	9,804	0	0
	1,107,111	1,115,752	1,104,270
	217,391	107,814	107,065
	368,966	331,414	329,088
	3,622	4,438	1,492
7	365,344	326,976	327,596
	13,565	12,003	12,083
	1,430	1,208	588
	300,214	157,751	303,346
	901,812	965,856	792,006
<b>Assets, total</b>	<b>33,864,013</b>	<b>29,988,363</b>	<b>29,240,393</b>
<b>Liabilities</b>			
	3,064,749	2,713,458	1,929,734
	17,431,419	13,235,136	13,925,039
	1,107,111	1,115,752	1,104,270
	6,824,355	7,586,193	7,927,786
	1,069	0	0
	29,307	18,328	36,043
	544,359	922,814	461,004
	2,447,859	2,251,013	2,162,986
<b>Liabilities, total</b>	<b>31,450,228</b>	<b>27,842,694</b>	<b>27,546,862</b>
<b>Equity</b>			
	612,889	125,000	125,000
	30,848	30,848	30,848
	3,128	-4,395	-11,814
	1,766,920	1,994,216	1,549,497
<b>Equity, total</b>	<b>2,413,785</b>	<b>2,145,669</b>	<b>1,693,531</b>
<b>Liabilities and equity, total</b>	<b>33,864,013</b>	<b>29,988,363</b>	<b>29,240,393</b>
<b>Items not recognised in the Statement of Financial Position</b>			
	5,233,912	3,983,198	4,353,268
	8,109	204,822	4,822
<b>Items not recognised in the Statement of Financial Position, total</b>	<b>5,242,021</b>	<b>4,188,020</b>	<b>4,358,090</b>

# Half-Year Financial Statements – Parent Company

## Statement of Changes in Equity

	Share capital	Revaluation reserves	Reserve for cash flow hedges	Retained profit/loss	Equity, total
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Equity, 1 January 2012</b>	125,000	30,848	-11,814	1,549,497	1,693,531
Comprehensive income for the period			14,942	10,888	25,830
Additions relating to sale of own equity securities				33,459	33,459
Disposals relating to purchase of own equity securities				-33,285	-33,285
Shares issued upon conversion of hybrid capital	141,780			154,540	296,320
Shares issued upon merger	39,664			57,008	96,672
Capital injection from issue of shares	306,445			12,128	318,573
Costs related to capital increase				-17,316	-17,316
<b>Equity, 30 June 2012</b>	<b>612,889</b>	<b>30,848</b>	<b>3,128</b>	<b>1,766,920</b>	<b>2,413,785</b>

	Share capital	Revaluation reserves	Reserve for cash flow hedges	Retained profit/loss	Equity, total
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Equity, 1 January 2011</b>	125,000	30,848	-10,277	1,986,420	2,131,991
Comprehensive income for the period			5,882	12,359	18,241
Additions relating to sale of own equity securities				39,353	39,353
Disposals relating to purchase of own equity securities				-43,916	-43,916
<b>Equity, 30 June 2011</b>	<b>125,000</b>	<b>30,848</b>	<b>-4,395</b>	<b>1,994,216</b>	<b>2,145,669</b>

	Share capital	Revaluation reserves	Reserve for cash flow hedges	Retained profit/loss	Equity, total
	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Equity, 1 January 2011</b>	125,000	30,848	-10,277	1,986,420	2,131,991
Comprehensive income for the period			-1,537	-433,684	-435,221
Additions relating to sale of own equity securities				73,198	73,198
Disposals relating to purchase of own equity securities				-76,437	-76,437
<b>Equity, 31 December 2011</b>	<b>125,000</b>	<b>30,848</b>	<b>-11,814</b>	<b>1,549,497</b>	<b>1,693,531</b>

# Half-Year Financial Statements – Parent Company

## Notes

### List of notes for the half-year financial statements – parent company

- 1 Accounting policies
- 2 Interest income
- 3 Interest expenses
- 4 Market value adjustments
- 5 Personnel and administrative expenses
- 6 Impairments of loans and provisions against guarantees etc.
- 7 Owner-occupied property
- 8 Capital requirements
- 9 Key figures and financial ratios

# Half-Year Financial Statements – Parent Company

## Notes

Note	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 TDKK
<b>1 Accounting policies</b>			
The Half-Year Report for 1 January–30 June 2012 for the parent company vestjyskBANK is presented under the Danish Financial Business Act, including the Danish Financial Supervisory Authority's Executive Order on Financial Reporting for Credit Institutions et al.			
The accounting policies applied by the parent company are identical to those applied by the group. Please refer to Note 1 in the consolidated financial statements.			
<b>2 Interest income</b>			
Amounts receivable from credit institutions and central banks	5,210	5,242	12,133
Loans and other receivables	739,317	668,125	1,409,214
Debt securities	40,146	56,262	95,354
Other interest income	0	261	535
Interest income at amortised cost	784,673	729,890	1,517,236
Derivative financial instruments	19,400	4,883	10,194
Interest income, total	804,073	734,773	1,527,430
This amount includes interest income from actual purchase and resale transactions recognised under			
Amounts receivable from credit institutions and central banks	7	0	0
<b>3 Interest expenses</b>			
Credit institutions and central banks	15,058	25,132	46,738
Deposits and other debt	150,812	110,564	238,094
Debt securities in issue	108,215	107,548	213,496
Subordinated debt	87,608	90,754	182,668
Other interest expenses	296	35	35
Interest expenses at amortised cost, total	361,989	334,033	681,031
This amount includes interest expenses from actual sales and repurchase transactions recognised under			
Credit institutions and central banks	4	0	0
<b>4 Market value adjustments</b>			
Debt securities	14,215	-20,526	24,471
Equity securities etc.	15,968	1,831	-22,785
Total market value adjustments for securities attributed to fair value in the Statement of Income	30,183	-18,695	1,686
Exchange rate adjustment of foreign currency balances	-124,858	219,380	-82,913
Exchange rate adjustment of financial instruments	133,655	-209,510	103,534
Exchange rate adjustment, total	8,797	9,870	20,621

# Half-Year Financial Statements – Parent Company

## Notes

Note	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 TDKK
<b>4 Market value adjustments (cont.)</b>			
Derivative financial instruments, other adjustments	-442	9,687	-45,771
Assets related to pooled fund schemes	65,928	-31,525	-54,898
Deposits with pooled fund schemes	-65,928	31,525	54,898
Fair value hedged lending	2,611	-3,678	8,613
Fair value hedged borrowing	-27,074	13,522	-10,202
Market value adjustments, total	14,075	10,706	-25,053
Total fair value adjustment for derivative financial contracts including amounts recognised under 'Interest income'	152,613	-194,940	67,957
<b>5 Personnel and administrative expenses</b>			
<b>Salaries and remuneration to the Supervisory Board and the Executive Board</b>			
Supervisory Board	787	775	1,525
Executive Board:			
Salaries	2,508	2,592	4,293
Pension	1,343	1,602	2,192
Termination benefits, former managing director	0	4,860	4,860
Executive Board, total	3,851	9,054	11,345
Salaries and remuneration to the Supervisory Board and the Executive Board, total	4,638	9,829	12,870
<b>Personnel expenses</b>			
Wages and salaries	171,295	145,839	282,674
Pensions	18,646	18,400	36,414
Expenses relating to social security contributions, payroll tax etc.	19,011	17,427	36,968
Personnel expenses, total	208,952	181,666	356,056
<b>Other administrative expenses</b>			
Other administrative expenses, total	118,035	115,812	221,622
Personnel and administrative expenses, total	331,625	307,307	590,548
<b>Executive Board, other</b>			
Value of fringe benefits	114	129	244
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), we note that in the calculation of taxable income payments made to the Executive Board deducted for tax purposes totalled	1,983	4,592	5,795
No agreements have been made concerning bonus plans, incentive programmes or similar compensation plans.			
The Bank is exempt from any 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.			



# Half-Year Financial Statements – Parent Company

## Notes

Note	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 TDKK
<b>6 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 year	2,121,489	1,416,918	1,416,918
Impairments over the course of the year	292,451	313,960	1,139,347
Reversal of impairments performed in prior financial years	-51,733	-149,301	-208,282
Other movements	22,677	19,258	19,258
Previously individually impaired, now definitely lost	-186,190	-37,005	-245,752
Individual impairments of loans and other receivables, end of the period	2,198,694	1,563,830	2,121,489
<b>Impairments of loans in groups</b>			
Impairments of loans and other receivables in groups, beginning of the year	51,304	69,912	69,912
Impairments over the course of the year	11,885	12,166	15,910
Reversal of impairments performed in prior financial years	-13,657	-29,012	-37,153
Other movements	1,852	2,635	2,635
Impairments of loans and other receivables in groups, end of the period	51,384	55,701	51,304
<b>Impairments of loans, total</b>			
Impairments of loans and other receivables, beginning of the year	2,172,793	1,486,830	1,486,830
Impairments over the course of the year	304,336	326,126	1,155,257
Reversal of impairments performed in prior financial years	-65,390	-178,313	-245,435
Other movements	24,529	21,893	21,893
Previously individually impaired, now definitely lost	-186,190	-37,005	-245,752
Impairments of loans and other receivables, end of the period	2,250,078	1,619,531	2,172,793
<b>Provisions against losses on guarantees and unused credit commitments</b>			
Provisions against losses on guarantees and unused credit commitments, beginning of the year	36,043	10,710	10,710
Impairments over the course of the year	9,930	11,590	31,882
Reversal of provisions performed in prior financial years	-16,391	-3,972	-6,549
Provisions against losses on guarantees and unused credit commitments, end of the period	29,582	18,328	36,043
Accumulated impairment ratio	7.5%	5.7%	7.8%

# Half-Year Financial Statements – Parent Company

## Notes

Note	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 TDKK
<b>6 Impairments of loans and provisions against guarantees etc. (cont.)</b>			
Amounts receivable for which calculation of interest has stopped, end of the period	1,588,045	1,234,341	1,308,665
Of which impaired, total	1,040,834	888,840	916,650
Amounts receivable for which calculation of interest has stopped, as a percentage of loans before impairments	6.3%	5.0%	5.5%
<b>Impairments of/provisions for amounts receivable from credit institutions</b>			
Impairments of/provisions for amounts receivable from credit institutions, beginning of the year	1,081	413	413
Impairments/provisions over the course of the year	910	241	1,081
Reversal of impairments performed in prior financial years	-1,081	-413	-413
Impairments of/provisions for amounts receivable from credit institutions, end of the period	910	241	1,081
<b>7 Owner-occupied property</b>			
<b>Cost price</b>			
Cost price, beginning of the year	413,128	404,855	404,855
Additions	42,706	0	12,600
Disposals	0	0	0
Carried forward to investment property	11,954	4,327	4,327
Total cost price, end of the period	443,880	400,528	413,128
<b>Impairments and depreciations</b>			
Impairments and depreciations, beginning of the year	85,532	71,145	71,145
Depreciations for the period	2,828	4,231	9,239
Impairments for the period	0	0	6,972
Depreciations reversed through disposals, for the period	9,824	1,824	1,824
Impairments and depreciations, end of the period	78,536	73,552	85,532
Carrying amount, end of the period	365,344	326,976	327,596

# Half-Year Financial Statements – Parent Company

## Notes

Note	1/1-30/6 2012 TDKK	1/1-30/6 2011 TDKK	Full year 2011 TDKK
<b>8 Capital requirements</b>			
Equity excl. profit/loss for the period	2,402,897	2,133,310	2,127,215
Recognised profit/loss	0	0	-433,684
Revaluation reserves	-30,848	-30,848	-30,848
Intangible assets	-217,391	-107,814	-107,065
Deferred capitalised tax assets	-300,214	-157,751	-303,346
Other deductions from the core capital	-4,902	-86,140	-85,677
Hybrid core capital	1,050,085	1,483,574	1,175,344
Core capital after statutory deductions	2,899,627	3,234,331	2,341,939
Subordinated loan capital	836,737	563,537	515,898
Revaluation reserves	30,848	30,848	30,848
Hybrid core capital	396,528	71,576	391,444
Capital base before deductions	4,163,740	3,900,292	3,280,129
Deductions from the capital base	-4,902	-86,140	-85,677
Capital base after deductions	4,158,838	3,814,152	3,194,452
Weighted items, total	27,781,769	27,467,575	25,661,641
Core capital after statutory deductions as a percentage of weighted items, total	10.4%	11.8%	9.1%
Solvency ratio according to sec 124(2) of the Danish Financial Business Act	15.0%	13.9%	12.4%
Solvency requirement according to sec 124(2) of the Danish Financial Business Act	8.0%	8.0%	8.0%

# Half-Year Financial Statements – Parent Company

## Notes

Note	1/1-30/6 2012	1/1-30/6 2011	Full year 2011
<b>9 Key figures and financial ratios</b>			
<b>Statement of Income (in MDKK)</b>			
Net interest income	442	401	846
Net fee income	136	126	236
Dividends on equity securities etc.	5	3	3
Market value adjustments for foreign currency and sector shares	23	15	20
Other operating income	7	4	6
<b>Core income</b>	<b>613</b>	<b>549</b>	<b>1,111</b>
Personnel and administrative expenses	-332	-307	-590
Other operating expenses as well as depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets	-9	-10	-27
Operating expenses and operating depreciations and amortisations	-341	-317	-617
<b>Core earnings before impairments</b>	<b>272</b>	<b>232</b>	<b>494</b>
Impairments of loans and receivables etc.	-235	-157	-984
<b>Core earnings after impairments</b>	<b>37</b>	<b>75</b>	<b>-490</b>
Other market value adjustments	-9	-5	-45
<b>Profit after market value adjustments</b>	<b>28</b>	<b>70</b>	<b>-535</b>
Contributions to the Guarantee Fund for Depositors and Investors	-12	-51	-34
The Private Contingency Association	0	0	-1
<b>Profit/loss before tax</b>	<b>16</b>	<b>19</b>	<b>-570</b>
Tax	-5	-7	136
<b>Profit/loss</b>	<b>11</b>	<b>12</b>	<b>-434</b>
<b>Statement of Financial Position (in MDKK)</b>			
Assets, total	33,864	29,988	29,240
Loans	22,983	23,132	21,716
Deposits, including pooled funds	18,539	14,351	15,029
Contingent liabilities	5,234	3,983	4,353
Business volume	46,756	41,466	41,098
Equity	2,414	2,146	1,694

# Half-Year Financial Statements – Parent Company

## Notes

Note	1/1-30/6 2012	1/1-30/6 2011	Full year 2011
<b>9 Key figures and financial ratios (cont.)</b>			
<b>Solvency</b>			
Solvency ratio	15.0%	13.9%	12.4%
Core capital ratio	10.4%	11.8%	9.1%
<b>Earnings</b>			
Return on equity before tax, annually <sup>1</sup>	1.6%	1.8%	-29.8%
Return on equity after tax, annually <sup>1</sup>	1.1%	1.2%	-22.7%
Income-cost ratio <sup>2</sup>	1.03	1.04	0.65
Rate of cost <sup>3</sup>	55.4%	57.7%	55.6%
Employees converted to full-time (average)	622.6	619.4	614.8
<b>Market risk</b>			
Interest rate risk <sup>4</sup>	-5.3%	-2.7%	-4.6%
Foreign currency position <sup>5</sup>	1.5%	4.2%	1.5%
Foreign currency risk	0.0%	0.1%	0.0%
Excess cover in relation to statutory liquidity requirements <sup>6</sup>	143.5%	34.2%	98.8%
<b>Credit risk</b>			
Loans plus impairments on loans in relation to deposits	136.1%	172.5%	158.9%
Loans in relation to equity	9.5	10.8	12.8
Growth in loans for the period <sup>7</sup>	5.8%	-1.4%	-7.5%
Total of large commitments <sup>8</sup>	15.4%	40.6%	30.7%
Accumulated impairment ratio	7.5%	5.7%	7.8%
Impairment ratio for the period	0.8%	0.5%	3.5%
<b>vestjyskBANK share</b>			
Profit/loss for the period per share (denomination DKK 10)	0.3	1.0	-35.1
Equity value per share (denomination DKK 10)	39.5	174.6	137.5
Price of vestjyskBANK shares, end of the period	16.0	36.9	18.8
Market price / equity value per share	0.4	0.2	0.1

Aarhus Lokalbank is recognised in the Statement of Financial Position as at 30 June 2012 and in operations from 1 April 2012. Comparative figures for 2011 do not include Aarhus Lokalbank.

1 On the basis of the average equity

2 Income from ordinary activities in relation to costs from ordinary activities. Income from ordinary activities = net interest and fee income + market value adjustments + other operating income. Costs from ordinary activities = personnel and administrative expenses + depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets + other operating expenses + impairment of loans and receivables etc.

3 Operating costs as well as depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets / core income

4 Interest rate risk in relation to core capital, less deductions

5 Exchange Rate Indicator 1 in relation to core capital, less deductions

6 Excess cover in relation to the 10 percent requirement set out in sec 152 of the Danish Financial Business Act

7 Growth in loans measured in relation to vestjyskBANK's loans, beginning of the period. The growth can be attributed to the Aarhus Lokalbank merger.

8 Commitments exceeding 10 percent of the capital base in relation to the capital base



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

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 **vestjysk BANK**  
It's all about people