

Interim report 2016





Welcome to Skjern Bank in Skjern

Stock Exchange Ann. no 6/2016 - 18 August 2016

Best semi-annual profit in the bank's 110-year history

- Profit before tax of DKK 51.8 million compared to DKK 41.9 million in 2015
- Growth in interest and fee income and reduced impairment
- Core earnings still at a historically high level of DKK 67 million
- Impairment of DKK 19.2 million compared with DKK 25.5 million in 2015
- Lending volume increased by 4.3% to DKK 3.7 billion and deposits increased by 4.1% to DKK 4.7 billion
- Capital ratio of 15.5% and individual solvency requirement is 10.9%, corresponding to a 4.6%-point coverage
- Unchanged expectations for the period of DKK 100 - 110 million before impairment, exchange rate adjustments and tax

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5 years in summary

1,000 DKK	2016	2015	2014	2013	2012	1.1- 31.12 2015
Profit and loss account						
Net income from interest	80,297	81,005	81,806	76,060	76,103	162,228
Div. on shares and other holdings	11,753	11,317	5,307	4,266	2,834	11,692
Charges and commissions (net)	45,960	41,366	38,524	32,228	29,761	81,316
Net inc. from int. and charges	138,010	133,688	125,637	112,554	108,698	255,236
Value adjustments	6,534	7,383	18,230	2,723	5,759	11,536
Other ordinary income	699	1,023	649	1,117	614	1,610
Staff costs and administrative expenses	72,233	66,475	66,713	65,540	66,283	138,680
Depreciation of intangible and tangible assets	1,932	2,979	3,116	2,262	2,100	3,924
Other operating expenses total	52	4,437	5,205	5,792	3,872	9,066
Contributions to the Guarantee Fund for depositors	52	4,437	5,108	5,085	3,752	8,926
Other operating expenses	0	0	97	707	120	140
Write-downs on loans etc. (net)	19,176	25,533	22,043	31,491	33,761	63,908
Profit on holding in associated and affiliated companies	0	-700	-6	0	-3,811	-760
Operating profit	58,850	41,970	47,433	11,309	5,244	51,044
Taxes	10,840	9,863	12,797	2,827	1,311	10,929
Profit for the period	41,010	32,107	34,636	8,482	3,933	40,115
Of which are holders of shares of hybrid core capital instruments etc.	3,138	0	0	0	0	1,831
Balance sheet as per 30th June						
summary						
Total assets	5,663,036	5,464,455	5,375,117	5,345,114	5,642,129	5,424,729
Loans and other debtors	3,668,106	3,712,516	3,736,819	3,588,632	3,463,829	3,511,175
Guarantees etc.	784,090	645,476	564,211	580,393	479,795	792,047
Bonds	775,596	782,006	822,324	870,299	866,896	707,428
Shares etc.	216,833	172,735	218,047	212,804	182,081	179,233
Deposits and other debts	4,666,404	4,483,568	4,255,959	3,954,086	4,163,969	4,483,104
Subordinated capital investments	99,519	169,340	268,779	293,838	358,009	169,439
Capital funds	657,473	554,581	608,223	556,559	385,347	619,425
Dividends						0
Capital Base	654,297	599,282	712,551	674,509	609,512	663,076
Total weighted items	4,224,968	4,163,140	4,191,164	3,974,987	3,779,472	4,075,417

Core earnings

Core income	140,709	143,402	127,789	116,234	117,468	265,399
Costs etc.	-74,165	-75,691	-68,429	-67,802	-68,383	-149,210
Core earnings before write-downs, value adjustments and Governmental Guarantee Scheme I	66,544	67,711	59,360	48,432	49,085	116,189
Guarantee commission for the state *)	-	-	-	-1,925	-6,671	-
Total core earnings	66,544	67,711	59,360	46,507	42,414	116,189

*) Commission of 0.95% of issued government-guaranteed bonds.

Financial ratios - 30th June

(figures in pct.)	2016	2015	2014	2013	2012
Solvency ratio	15.5	14.4	17.0	17.0	16.1
Core capital ratio	13.5	12.5	14.1	13.4	11.4
Return on own funds before tax	8.7	7.8	8.0	2.1	1.4
Return on own funds after tax	6.9	6.0	5.9	1.5	1.0
Earning/expense ratio in DKK	1.52	1.42	1.49	1.11	1.05
Interest rate risk	0.5	-1.3	-1.7	-1.9	-4.5
Foreign currency position	0.2	0.7	0.5	0.8	0.5
Foreign currency risk	0.0	0.0	0.0	0.0	0.0
Advances against deposits	86.3	91.5	93.5	96.6	90.6
Statutory liquidity surplus	164.1	136.4	127.8	167.4	232.8
Total large commitments	34.5	42.2	10.3	21.5	17.3
Accumulated impairment ratio	7.5	7.9	5.4	5.3	7.3
Impairment ratio for the period	0.4	0.5	0.5	0.7	0.8
Increase in loans etc. for the period	4.3	1.9	2.4	2.5	-1.8
Ratio between loans etc. and capital funds	6.1	6.7	6.1	6.4	9.0
Earnings per share (result period) per share 100 DKK	19.6	16.7	18	4.4	17.4
Book value per 100 DKK share	311	288	319	290	1,857
Earnings per share (result period) per share 20 DKK.....	3.9	3.3	3.6	0.88	3.48
Book value per 20 DKK share	62	58	63	58	371
Market value/earning per share	1.5	1.9	11.2	28.6	26.4
Market value/book value	0.46	0.56	0.64	0.43	0.25



Management's report

This half year has been very satisfactory with strong growth in net interest and fee income, and reduced impairment. The results are further characterised by reduced costs to the Danish Deposit Guarantee Scheme, but also an increasing cost consumption for staff and administration.

The reduced level of impairment is realised despite the fact that there are still challenges in the agricultural industry, resulting in an unchanged higher impairment. The bank's other segments are progressing very satisfactorily with significant reversals of previously impaired exposures.

In mid-August, the bank received and published the Danish Financial Supervisory Authority's report after an annual review in April 2016. The review resulted in modest further impairment of DKK 3.4 million, which however, the bank had identified itself before the review and as a result had already expensed in the 1st quarter of 2016.

The Danish Financial Supervisory Authority had no comments on the bank's calculated solvency requirement, and there were no comments on the bank's

liquidity and capital plan. The Danish Financial Supervisory Authority found it necessary to issue a small number of administrative orders, which the bank has adopted and subsequently incorporated into business processes and policies.

Lending demand in the market is still modest. Therefore, it is gratifying to note that the bank has achieved a larger share of the market through a solid customer approach. This has meant that the lending volume has increased by 4.3% since 31 December 2015 - corresponding to DKK 156.9 million.

It has successfully increased the share of lending and guarantees to the private segment from 30.5% as of 30 June 2015 to 35.4% as of 30 June 2016. The bank's goal of further increasing the percentage of private loans remains unchanged.

The solid excess liquidity is maintained at a fully acceptable level of 164.1%, corresponding to a liquidity surplus of DKK 1,051 million and the unchanged objective is to maintain a solid liquidity surplus, primarily based on customer

deposits.

The bank's capital ratio amounts to 15.5% and the core capital ratio at 13.5%. In May there was a hybrid core capital of nominally DKK 70 million, which in terms of capital could include DKK 42 million repaid. Is very satisfactory that the bank's capital ratio has been able to be maintained at 15.5% after the repayment.

The individual solvency requirement is calculated at 10.9%, corresponding to a solvency coverage of 142.2%. The solvency requirements have improved by 0.5% as of 31 December 2015. Compared with the actual capital base of DKK 654.3 million, there was a surplus of DKK 195 million at the end of the first six months of 2016.

The strength of the bank's capital resources could also be viewed in light of the fact that the actual core capital constitutes 12.5%, compared with the individual solvency requirement of 10.9%.

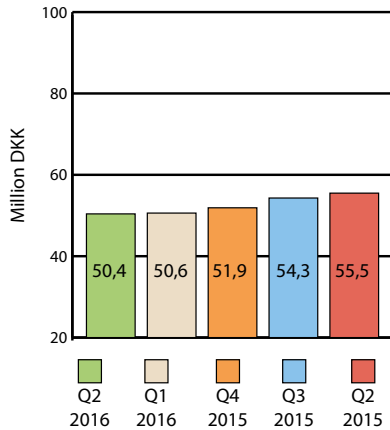
Core earnings comply with the annual budget and are at a historically high level, and are considered very satisfactory.

The bank's loan and guarantee debtors distributed on segments constitute:

	30/6-16	31/12-15	30/6-15
Public authorities	0.0 %	0.0 %	1.1 %
Agriculture, hunting, forestry and fishing			
Plant production	1.7 %	1.5 %	1.6 %
Cattle farming	8.3 %	8.4 %	8.3 %
Pig farming	2.2 %	2.2 %	2.4 %
Mink production	1.3 %	1.5 %	1.3 %
Other agriculture	1.5 %	1.5 %	0.8 %
Manufacturing and extraction of raw materials	2.3 %	2.5 %	2.6 %
Energy supply	6.8 %	6.8 %	7.9 %
Constructions	6.3 %	6.1 %	6.0 %
Trade	8.7 %	9.0 %	8.9 %
Transport, hotels and restaurants	1.8 %	1.4 %	1.7 %
Information and communication	0.3 %	0.3 %	0.3 %
Finance and insurance	5.3 %	6.5 %	8.5 %
Real-estate	12.6 %	12.7 %	13.6 %
Other industries	5.2 %	6.1 %	4.5 %
Private persons	35.4 %	33.5 %	30.5 %

From the above sectoral distribution represents alternative energy 5.8 %

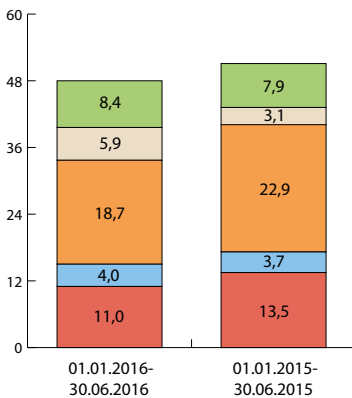
Interest income



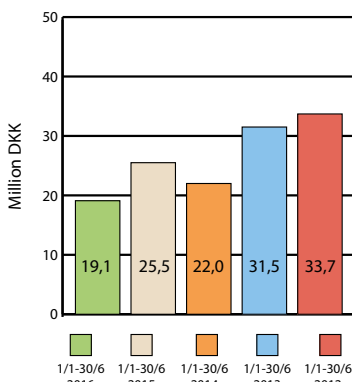
Charges and commissions receivable

(Million DKK)

- Securities trading and custodies
- Payment management
- Charges from loan applications
- Commissions on guarantees
- Other charges and commissions



Write-downs on loans etc.



The forecast for core earnings for the entire year of 2016 is still in the range of DKK 100 - 110 million.

Net interest income

Net interest income amounted to DKK 80.3 million as of 30 June 2016 and has thus decreased by DKK 0.7 million compared to last year.

Interest income decreased by 10.1% to DKK 101.0 million, which is still primarily due to pressure on the average lending rates.

Interest expenses were reduced by 33.9% to DKK 20.7 million, which was reduced by DKK 9.8 million due to the interest expenses for customer deposits as a result of the extremely low interest level in the market, and the interest expenses for issued bonds and subordinated capital contributions decreased by DKK 0.8 million.

The development in interest expense is as expected.

The bank's interest margin was unchanged during the first half of the year compared to the same period in 2015.

Fee income

Net income from fees and commissions has increased by DKK 4.6 million compared to last year.

Income from fees and commissions amounts to DKK 48 million, compared with DKK 51 million in 2015. As expected, loan fees decreased by DKK 4.2 million as a result of lower activity in the mortgage area. The difficult securities market in the first half led to a reduction in revenues of DKK 2.5 million. Other commission income increased by a total of DKK 3.6 million.

Expenses paid for fees and commissions are DKK 7.7 million less compared to last

year. The reduction is due to the sale of shares in DLR Kredit A/S in the 1st quarter of 2015, which triggered a commission expense of DKK 7.5 million.

Net interest and fee income amounted to DKK 138.0 million, which is an increase of DKK 4.3 million, corresponding to 3.2% compared to the same period last year.

Exchange rate adjustments

After a period of large fluctuations in the securities markets, the portfolio of stocks and bonds earned profits totalling DKK 6.5 million, compared with DKK 7.4 million in 2015.

The capital gains are distributed with DKK 4.9 million from the bond portfolio and a loss of DKK 0.1 million from the shareholdings. In addition, exchange rates and derivative financial instruments achieved income of DKK 1.8 million in the same period.

Costs

Staff and administration expenses, etc. amounted to DKK 72.2 million compared with DKK 66.5 million in the same period in 2015, and have thus increased by DKK 5.8 million or 8.7%.

In terms of organic growth, the number of employees increased in the customer-oriented departments, which has contributed to an increased cost consumption of DKK 2.2 million. This includes increased payroll tax of DKK 0.7 million, and a general collective agreement wage increase of DKK 0.5 million.

The increase in administrative expenses is primarily due to increased EDB expenses, including Swipp and an increase in the bank's marketing costs.

It is extremely positive that the costs of strategic investments in organic growth - additional employees and enhanced



We welcome you in Skjern

marketing initiatives - have significantly contributed to the solid semi-annual results.

Devaluations

Semi-annual net impairment of DKK 19.1 million compared with DKK 25.5 million in 2015.

There is increased impairment of DKK 59.2 million, and reversals of previous impairment of DKK 37.2 million. Recorded losses for the half year amounted to DKK 31.6 million, of which only DKK 4.9 million had not been previously written down.

Devaluations on loans, etc. for the period correspond to 0.4% of the total loans and guarantees. The first half of the year, as with the previous accounting periods, was characterised by the significant challenges in the agricultural industry.

The need for impairment in 2015 was DKK 63.9 million and the management expects a total impairment need at a significantly reduced level in 2016.

It is satisfactory that the intensive work with the bank's weak exposures has meant that the impairment of a fair number of exposures has been able to be reduced or entirely recognised as income of about DKK 37 million. This strengthens our confidence that the bank's total impairment account has the potential for reversal of previous impairment in the future.

Profit for the period

Profit before tax amounted to DKK 51.8 million compared with DKK 41.9 million as of 30 June 2015. After taxes, the period's net profit amounted to DKK 41.0 million.

The management is pleased to note that the profit for the period is the highest in the bank's history, and that core earnings are maintained at a high level.

Lending demand is increasing, with in-

creased volumes to follow, and the total cost base is reduced, primarily interest expenses and impairment.

The bank's management believes the outcome to be very satisfactory.

Capital

Equity amounted to DKK 657.4 million compared to DKK 619.4 million at the end of the previous year. A hybrid core capital of DKK 58.8 million on 30 June 2016 and DKK 58.6 million at the end of the year were recognised in the bank's equity.

After addition of subordinated capital contributions of DKK 99.5 million and adjustments for reduction in weighting and other deductions, the bank's capital base at the end of the first six months amounted to DKK 654.3 million.

The capital ratio was estimated at 15.5%, which is a decrease of 0.8% points compared to 31 December 2015. The reduction is expected and is due to the repayment of hybrid core capital with a weight of DKK 49 million as of 31 December 2015, and the development in the bank's risk-weighted assets.

Compared to 30 June 2015, the bank's capital ratio has increased from 14.4% to 15.5%, while the core capital ratio has increased from 12.5% to 13.5% as a result of earned profits being added to equity and the increase of hybrid core capital in autumn 2015.

The necessary capital corresponding to the individual solvency requirements is calculated at 10.9%, which is an improvement of 0.5% points compared with the end of 2015.

The bank thus has foundation capital with a sufficient surplus of 142.2% compared to the necessary capital, which is expressed by the bank's calculated solvency requirements.



Kirk & Holm, Esbjerg - customer in Skjern Bank

Shareholders

Lind Invest A/S, Aarhus and AP Pension Livsforsikringsaktieselskab, København Ø own 24.73% and 20.75% respectively. Both possess 5% of the voting rights.

Liquidity

Customer deposits amount to DKK 4,666 million, of which DKK 3,913 million is covered by the Danish Deposit Guarantee Scheme. The deposits are considered stable, since most of them come from base customer relationships.

The liquidity surplus is at 164.1%, which follows the strategic goal of maintaining liquidity reserves at a reasonable level.

The LCR ratio entered into force in November 2015. The ratio shows how banks are able to meet their payment obligations for an upcoming 30-day period without access to market funding.

As of 1 January 2016, non-SIFI banks, which includes Skjern Bank, must have a coverage of at least 70%, gradually increasing by 10% as of 1 January 2017, and 20% as of 1 January 2018, such that the ratio will be at least 100% as of 1 January 2018.

The bank has chosen to follow the same rules that apply to the largest bank, SIFI banks, which is why the bank's goal is to have the LCR ratio always be a minimum of 100%.

The bank achieved the goal and as of 30 June 2016 has an LCR financial ratio of 326%.

Skjern Bank shares

At the end of the half year, the bank owned 16,706 shares, which is an increase compared to the end of 2015, with almost 50 shares.

The bank's share price was 28.9 at the end of the half year, compared with 33.6 at the beginning of the year.

The market price thus amounts to DKK 279 million as of 30 June 2016, corresponding to an intrinsic value of 0.46. Shares were traded quite actively in the market and there is thus a satisfactory liquidity in the shares.

Expectations

The bank's core earnings outlook for 2016 is still in the range of DKK 100 - 110 million.

„The Supervisory Diamond“

The Danish Financial Supervisory Authority's mandatory Supervisory Diamond specifies five indicators for banking activities with increased risk.

The bank's status for each indicator as of 30 June 2016 is calculated in the figure below, where the indicators established by the Danish Financial Supervisory Authority are also shown.

Skjern Bank continues to comply with all limit values as of 30 June 2016 and has not exceeded any of the limit values at any time during the Supervisory Diamond's existence.

Liquidity reserve (min. 50 %):

Skjern Bank's liquidity reserve is significant and amounts to 164.1% as of 30 June 2016 compared to 174.8% as of 31 December 2015.

Funding ratio (max. 100 %):

The current funding situation leaves room for significantly more loans, since the bank's loans compared to deposits, equity and debt securities are only 68%, which is at the same level as 31 December 2015, when the funding ratio was estimated at 67%.

Property exposure (max. 25 %):

Skjern Bank has an attractive industry spread, and compared to the real estate sector, the exposure is 13.2%, which is slightly lower than 31 December 2015.

Major engagements (max. 125 %):

Major engagements are defined as the sum of major engagements that constitute more than 10 per cent of the capital base. Skjern Bank primarily targets private customers and small and medium businesses and as of 30 June 2016, it had three major customer exposures of a total of 34.5%, compared to 23.4% as of 31 December 2015.

Loan growth (max. 20 %):

As expected, the bank has realised a lending growth in 2016 and the lending growth can thus be calculated at 4.5% as of 30 June 2016 compared to -3.8% throughout 2015.

Transactions with related parties

During the first six months of the year, there have not been major transactions between Skjern Bank and the bank's related parties.

Contribution to the Danish Deposit Guarantee Scheme

In the first half of the year, there has been no payment of contributions to the Danish Deposit Guarantee Scheme, which is due to the payments in the previous year having been sufficient in relation to the established objectives of the fund's reserves. During the same period last year, the bank had expenses of DKK 4.4 million for the Danish Deposit Guarantee Scheme.

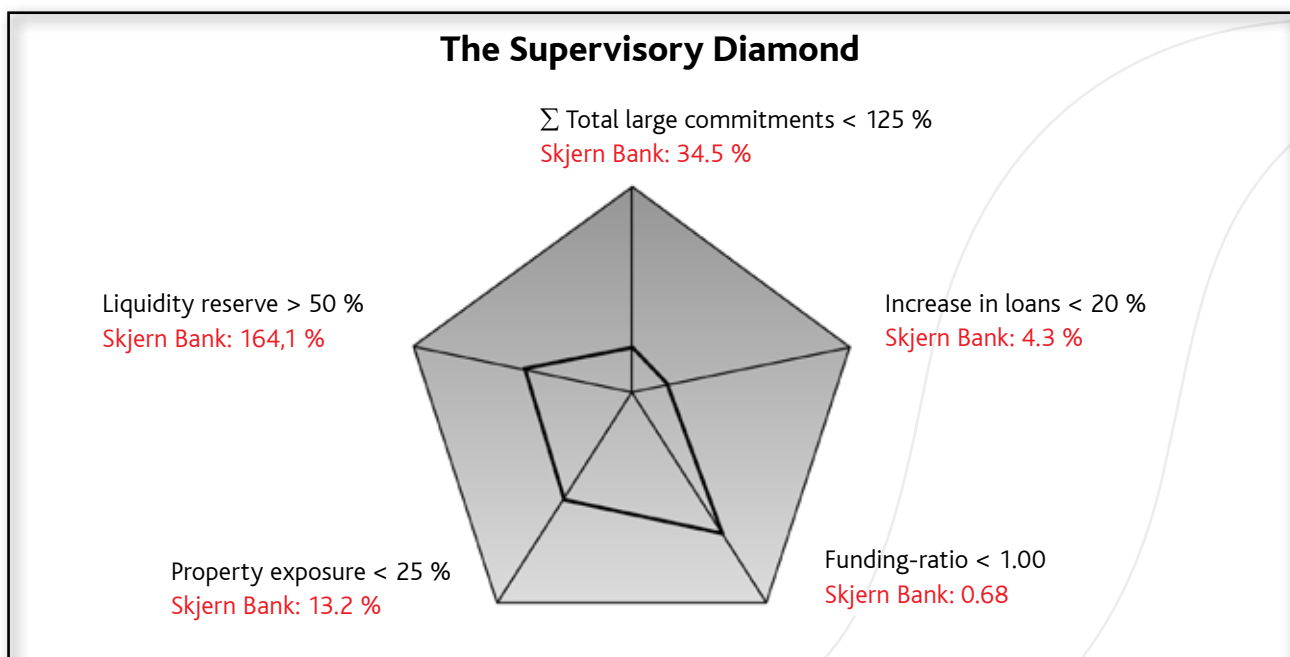
Accounting practices used

The semi-annual report was prepared in accordance with the Danish Financial Business Act, including the Danish Financial Supervisory Authority's Executive Order on financial reports for credit institutions and investment companies, etc. and additional Danish disclosure requirement for interim reports for listed companies.

The accounting practice used is unchanged compared to the annual report for 2015.

Events after 30 June 2016

No events have occurred after the balance date that are of significance for the assessment of the profit for the period.





Simone og Svend Nørlund Christensen, owners of Hair by Nørlund, Varde - customers in Skjern Bank

Litigation

The bank is involved in disputes and litigation as part of its normal operations. The bank's risk in these cases is regularly assessed by the bank's lawyers and management. Provisions are made based on an assessment of risk of loss.

Yours sincerely,
Skjern Bank

Hans Ladekjær Jeppesen
Chairman of the Board of Directors

Per Munck
Director





Stauning Harbour

Statement by the board of directors and executive board

We have on today's date discussed and approved the semi-annual report for the period of 1 January–30 June 2016 for Skjern Bank A/S.

The report was prepared in accordance with the Danish Financial Business Act, including the Executive Order on financial reports for credit institutions and investment companies, etc. and additional Danish disclosure requirement for

interim reports for listed financial institutions.

We consider the chosen accounting practice to be appropriate such that accounts give a true picture of the bank's assets and liabilities, financial position and profit.

We consider the management's statement to contain a fair review of the de-

velopment in the bank's activities and economic conditions and a description of the significant risks and uncertainty factors by which the bank may be affected.

No audit or review of the semi-annual report has been conducted, but an external audit has verified that the conditions for ongoing recognition of the period's earnings in core capital are met.

Skjern, 18 August 2016

Skjern Bank A/S

Per Munck
Director

The board of directors

Hans Ladekjær Jeppesen
Chairman

Jens Okholm
Deputy Chairman

Bjørn Jepsen

Finn Erik Kristiansen

Søren Dalum Tinggaard

Lars Skov Hansen

Lars Lerke

Carsten Jensen

This document has been translated from Danish. The Danish text shall govern for all purposes and prevail in case of discrepancy with the English version.

Profit and loss account and Statement of comprehensive income 1st January - 30th June

1,000 DKK	2016	2015	1.1-31.12 2015
Interest receivable	101,059	112,397	218,537
Interest payable	<u>20,762</u>	<u>31,392</u>	<u>56,309</u>
Net income from interest	<u>80,297</u>	<u>81,005</u>	<u>162,228</u>
Dividend on shares and other holdings	11,753	11,317	11,692
Charges and commissions receivable	48,054	51,146	93,459
Charges and commissions payable	<u>2,094</u>	<u>9,780</u>	<u>12,143</u>
Net income from interest and charges	<u>138,010</u>	<u>133,688</u>	<u>255,236</u>
Exchange rate adjustments	6,534	7,383	11,536
Other ordinary income	699	1,023	1,610
Staff costs and administrative expenses	72,233	66,475	139,680
Depreciation of intangible and tangible assets	1,932	2,979	3,924
Other operating expenses total	52	4,437	9,066
Contributions to the Guarantee Fund for deposits	52	4,437	8,926
Other operating expenses	0	0	140
Write-downs	19,176	25,533	63,908
Profit on holdings in associated and affiliated companies	<u>0</u>	<u>-700</u>	<u>-760</u>
Profit on ordinary activities before tax	<u>51,850</u>	<u>41,970</u>	<u>51,044</u>
Tax	<u>10,840</u>	<u>9,863</u>	<u>10,929</u>
Profit for the financial year	<u>41,010</u>	<u>32,107</u>	<u>40,115</u>
Of which are holders of shares of hybrid core capital instruments etc.	3,138	0	1,831
Statement of comprehensive income			
Profit for the financial year	41,010	32,107	40,115
Other comprehensive income after tax	<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income	<u>41,010</u>	<u>32,107</u>	<u>40,115</u>

Balance by 30th June

1,000 DKK	2016	2015	1.1- 31.12 2015
Assets			
Cash in hand and claims at call on central banks	183,231	261,002	277,630
Claims on credit institutions and central banks	687,900	381,701	608,809
Loans and advances at amortized cost price	3,668,106	3,712,516	3,511,175
Bonds at market value	775,596	782,006	707,428
Shares etc.	216,833	172,736	179,233
Holdings in group enterprises	0	2,326	0
Land and buildings (total)	50,785	50,630	51,141
Investments properties	2,961	2,961	2,961
Domicile properties	47,824	47,669	48,180
Other tangible assets	5,958	5,468	5,176
Current tax assets	0	2,930	2,536
Deferred tax assets	21,366	29,379	28,455
Other assets	50,873	60,823	47,787
Prepayments and accrued income	2,388	2,939	8,369
Total assets	5,663,036	5,464,455	5,424,739

Balance by 30th June (continued)

1,000 DKK	2016	2015	1.1-31.12 2015
Liabilities			
Debt			
Debt to credit institutions	158,956	153,266	85,561
Deposits and other debts	4,666,404	4,483,568	4,483,104
Current tax-liability	435	3,779	0
Other liabilities	79,130	97,029	66,536
Accruals and deferred income	971	1,287	612
Total debt	4,905,896	4,738,926	4,635,813
Provisions for commitments			
Provisions for loss on guarantees	148	1,608	62
Total provisions for commitments	148	1,608	62
Subordinated capital investments			
Subordinated loan capital	99,519	99,340	99,439
Hybrid core capital	0	70,000	70,000
Subordinated capital investments total	99,519	169,340	169,439
Capital funds			
Share capital	192,800	192,800	192,800
Revaluation reserves	417	417	417
Retained earnings	405,452	361,364	329,314
Holders of hybrid capital	58,804	0	58,629
Total capital funds	657,473	554,581	560,796
Total liabilities	5,663,036	5,464,455	5,424,739

Off-balance-sheet items by 30th June

1,000 DKK	2016	2015	1.1- 31.12 2015
Guarantees			
Guarantees			
Finance guarantees	28,902	21,975	29,136
Guarantees against losses on mortgage credit loans	312,905	223,574	287,347
Registration and conversion guarantees	99,726	54,830	108,124
Other guarantees	342,557	345,097	367,440
Total guarantees	784,090	645,476	792,047
Other contingent liabilities			
Irrevocable credit-undertakings	41,943	61,425	67,050
Total other contingent liabilities	41,943	61,425	67,050

Information on changes in equity 30th June

1,000 DKK	2016	2015	1.1- 31.12 2015
Share capital beginning-of-year	192,800	192,800	192,800
Share capital end-of-year	192,800	192,800	192,800
Revaluation reserves beginning-of-year	417	417	417
Additions related to reassessed value	0	0	0
Other movements	0	0	0
Revaluation reserves end-of-year	417	417	417
Retained earnings beginning-of-year	367,579	329,314	329,314
Comprehensive income for the period	37,872	32,107	38,284
Sale of own funds	3,567	8,389	17,512
Purchase of own funds	-3,565	-8,446	-17,530
Retained earnings end-of-year	405,453	361,364	367,579
Holders of hybrid capital beginning-of-year	58,629	0	0
Net profit or loss for the year (interest hybrid capital)	3,138	0	1,831
Paid interest	-2,963	0	-1,569
Issue of hybrid core capital, net	0	0	58,367
Holders of hybrid core capital end-of-year	58,804	0	58,629
Total equity	657,474	554,581	619,425



Notes per 30th June

1,000 DKK	2016	2015	1.1-31.12 2015
Interest receivable			
Claims on credit institutions and central banks	-1,458	-725	-1,766
Loans and other debtors etc.	97,391	107,372	209,317
Bonds	4,855	5,556	10,915
Total other financial instruments of which	271	194	59
Foreign exchange contracts	-175	-682	-357
Interest-rate contracts	445	876	416
Other interest income	0	0	12
Total interest receivable	101,059	112,397	218,537
Interest payable			
Credit institutions and central banks	18	31	35
Deposits	16,157	25,964	45,338
Bonds issued	0	0	0
Subordinated capital investments	4,579	5,387	10,923
Other interest expenses	8	10	13
Total interest payable	20,762	31,392	56,309
Charges and commissions receivable			
Securities trading and custodies	11,036	13,487	27,820
Payment management	4,049	3,705	7,586
Charges from loan applications	18,695	22,898	35,999
Commissions on guarantees	5,845	3,107	6,355
Other charges and commissions	8,429	7,949	15,699
Total charges and commissions receivable	48,054	51,146	93,459
Value adjustments			
Bonds	4,874	-6,684	-13,148
Total shares	-139	13,165	21,892
Shares in sector companies etc.	698	4,007	9,422
Other shares	-837	9,158	12,470
Foreign currency	2,000	1,191	2,884
Other financial instruments	-201	-289	-92
Total value adjustments	6,534	7,383	11,536

Notes per 30th June (continued)

1,000 DKK	2016	2015	1.1- 31.12 2015
Staff costs and administrative expenses			
Salaries and remuneration of board of directors, managers etc.			
Board of managers	1,326	1,326	2,830
Fixed fee	1,305	1,305	2,790
Pension contributions	21	21	40
Board of directors	518	487	996
Audit Committee	0	0	50
Board of representatives.....	0	0	165
Total salaries and remunerations of board etc.	1,844	1,813	4,041
Staff costs			
Wages and salaries	33,377	32,125	64,503
Pensions	3,717	3,510	7,106
Social security costs	286	311	852
Payroll tax	5,148	4,437	9,042
Total staff costs	42,528	40,383	81,503
Other administrative expenses	27,861	24,279	54,136
Total staff costs and administrative expenses	72,233	66,475	139,680
Number of employees			
Average number of employees	132	127	128



Notes per 30th June (continued)

1,000 DKK	2016	2015	1.1 31.12 2015
Write-downs on loans and receivables			
Write-downs and provisions during the year	59,189	52,025	119,545
Reversal of write-downs made in previous years	-37,234	-21,447	-45,262
Finally lost, not previously written down	4,921	2,047	4,516
Interests on the written-down part of loans	-6,900	-6,450	-12,900
Recoveries of previously written-down debt	-800	-641	-1,991
Individual write-downs on loans etc.	19,176	25,533	63,908
Profit on holdings in associated and group companies			
Profit on holdings in associated companies	0	0	0
Profit on holdings in group companies	0	-700	-760
Total profit on holdings in associated and group companies	0	-700	-760
Individual write-downs and provisions			
Write-downs as per beginning of the year	340,059	337,551	337,551
Write-downs during the period (net)	58,112	50,284	115,849
Reversal of write-downs made in previous years	-36,545	-21,447	-42,829
Write-downs in previous years, now lost	-26,657	-18,585	-70,512
Individual write-downs total	334,969	347,802	340,059
Group write-downs on and provisions			
Write-downs as per beginning of the year	24,166	22,902	22,902
Write-downs during the period	388	1,742	1,264
Group write-downs on loans etc.	24,554	24,643	24,166
Write-downs total	359,523	372,445	364,225


Notes per 30th June (continued)


1,000 DKK	2016	2015	1.1 31.12 2015
Guarantees			
Provisions beginning of the year	62	0	0
Provisions during the year	86	1,608	62
Losses on guarantees	0	0	0
Transferred to liabilities.....	0	0	0
Guarantees total	148	1,608	62
Total loans etc. with suspended calc. of interest	152,206	184,882	144,970
Share capital			
Number of shares at DKK 20 each	9,640,000	9,640,000	9,640,000
Share capital	192,800	192,800	192,800
Own capital shares			
Number of shares (pcs).....	10,322	11,620	9,979
Nominal value hereof.....	206	212	200
Market value hereof	298	342	334
Own shares proportion of share capital (per cent)	0.10%	0.10%	0.10%





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