



3rd quarterly report 2017

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Especially satisfactory results



3RD QUARTER 2017

Profit before tax increased by 57 % to DKK 119.6 million



EQUITY

Interest yield of 21.5 % per year before tax



CORE EARNINGS

Increased by 20.7 % to DKK 108.6 million



NET INTEREST AND FEE INCOME

Net interest increased by 6 %, while net fee income increased by 23 %. The total net interest and fee income increased by 12.6 % from DKK 198.3 million to DKK 223.3 million



IMPAIRMENT

Decreased by 42 % or DKK 10.5 million – primarily due to fewer write-downs in the agricultural segment



LENDING

Lending growth increased by 0.9 % to DKK 3.8 billion



CAPITAL

Satisfactory capital ratio of 17.6 % without recognising the profit in the 3rd quarter of 2017. The solvency requirements have been reduced to 9.6 %.



CORE EARNINGS EXPECTATIONS

The bank expects core earnings in the range of DKK 135 - 145 million



EXPECTED PROFIT BEFORE TAX

The Bank expects a profit before tax in the range of DKK 140 - 150 million, with reservations for developments in exchange rates in the fourth quarter.



5 years in summary

1,000 DKK	30/9 2017	30/9 2016	30/9 2015	30/9 2014	30/9 2013	YEAR 2016
PROFIT AND LOSS ACCOUNT						
Net income from interest	128,610	121,330	121,864	123,343	113,874	163,745
Div. on shares and other holdings	9,866	12,340	11,641	6,454	6,090	12,493
Charges and commissions (net)	84,816	64,613	59,310	58,757	45,230	98,280
Net inc. from int. & charges	223,292	198,283	192,815	188,554	169,502	274,518
Value adjustments	28,214	13,630	3,059	15,277	7,805	17,216
Other ordinary income	874	1,284	1,278	912	1,372	1,592
Staff costs and administrative expenses	116,247	109,608	100,400	100,818	97,706	148,990
Depreciation of intangible and tangible assets	2,295	2,898	3,837	3,974	3,393	3,746
Other operating expenses	52	52	6,796	7,473	7,812	255
Guarantee commission first guarantee scheme	52	52	6,655	7,241	7,106	52
Operating expenses	0	0	141	234	706	203
Write-downs on loans etc. (net)	14,133	24,682	39,713	31,528	46,448	36,172
Profit on holdings in associated and affiliated companies	0	0	-700	-190	0	490
Operating profit	119,653	75,930	45,706	60,760	23,320	104,653
Taxes	15,834	15,882	10,741	16,062	5,830	22,543
Profit for the period	103,819	60,048	34,965	44,698	17,490	82,110
Of which are holders of shares of hybrid core capital instruments etc.	4,707	4,707	0	0	0	6,626
BALANCE SHEET AS PER 30 SEPTEMBER						
summary						
Total assets	6,101,940	5,663,036	5,464,455	5,375,117	5,345,114	5,860,191
Loans and other debtors	3,776,094	3,668,106	3,712,516	3,736,819	3,588,632	3,687,509
Guarantees etc.	1,025,649	784,090	645,476	564,211	580,393	841,088
Bonds	1,089,020	775,596	782,006	822,324	870,299	926,950
Shares etc.	246,068	216,833	172,735	218,047	212,804	219,447
Deposits	5,011,635	4,666,404	4,483,568	4,255,959	3,954,086	4,871,359
Subordinated cap. investments	99,738	99,519	169,340	268,779	293,838	99,618
Capital funds	794,347	657,473	554,581	608,223	556,559	695,313
Dividends						0
Capital Base	770,595	654,297	599,282	712,551	674,509	703,871
Total weighted items	4,386,135	4,224,968	4,163,140	4,191,164	3,974,897	4,075,417
CORE EARNINGS						
Core income	227,229	140,709	143,402	127,789	116,234	280,686
Total costs etc.	-118,595	-74,217	-75,691	-68,429	-67,802	-152,991
Core earnings before value adjustments and write-downs	108,634	66,492	67,711	59,360	48,432	127,695
Guarantee commission for the state *)	-	-	-	-	-1,925	-
Total core earnings	108,634	66,492	67,711	59,360	46,507	127,695

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

Financial ratios - 30 September

Figures in pct.	2017	2016	2015	2014	2013
Solvency ratio	17.6	15.8	15.6	16.5	17.1
Core capital ratio	15.5	13.9	13.9	13.8	13.8
Return on own funds before tax	16.1	12.3	8.5	10.2	4.2
Return on own funds after tax	13.9	9.7	6.5	7.5	3.1
Earning/expense ratio in DKK	1.87	1.52	1.30	1.42	1.15
Interest rate risk	1.8	0.6	-1.4	-1.5	-1.5
Foreign currency position	0.3	0.4	0.2	0.3	1.5
Foreign currency risk	0.0	0.0	0.0	0.0	0.0
Advances against deposits	82.2	87.1	94.8	95.3	100.3
Statutory liquidity surplus	190.9	156.4	124.9	137.6	133.3
LCR	300	325	240	-	-
Total large commitments	28.7	22.8	29.7	10.4	38.6
Accumulated impairment ratio	6.7	7.3	7.9	5.4	5.1
Impairment ratio for the period	0.3	0.5	0.8	0.7	1.0
Increase in loans etc. for the period	2.4	6.6	1.1	3.5	5.2
Ratio between loans etc. and capital funds	4.8	6.1	6.6	6.1	6.5
(value pr share 100 DKK)					
Earnings per share (result period)	51.4	28.7	18.1	23.2	9.1
Book value pr share	412	320	289	321	294
Market value/earning per share	7.3	7.0	9.9	9.0	22.0
Market value/book value	0.91	0.63	0.62	0.65	0.68
(value pr share 20 DKK)					
Earnings per share (result period)	15.0	5.7	3.6	4.6	1.8
Book value pr share	82	64	58	64	59
Rate on Copenhagen Stock Exchange	75	39	36	41	39

Management's report

The Bank's first three quarters have been particularly satisfactory and the expectations for the core earnings for 2017 are maintained at the announced range of DKK 135 – 145 million before impairment, exchange rate adjustments and tax.

The Bank expects a profit before tax for the entire year of 2017 in the range of DKK 140 - 150 million, with reservations for developments in exchange rates in the fourth quarter. The Bank expects a relatively stable development in core earnings and a flat development in impairment.

Profit before tax is particularly satisfactory at DKK 119.6 million, which is an increase of DKK 43.7 million compared to the same period in 2016.

Quarters 1-3 have shown significant growth in net interest and fee income, which has increased by 12.6 % due to the very high activity level. We are also pleased to report that the Bank's customers as a whole have improved financially, which led to a nicely reduced impairment need. The profit was further characterised by very satisfactory exchange rate fluctuations, but also increasing cost consumption, primarily for an increasing number of employees and IT.

Impairments were reduced to DKK 14.1 million, compared to DKK 24.7 million in the same period in 2016. Half of the impairment need is related to the agricultural segment which, despite better terms of trade, is still challenged, but the impairment need in the industry as a whole is decreasing. The rest of the impairment need is predominantly in other business segments, as the Bank's private customers are doing well economically.

Activities in the Bank's market area are increasing and the Bank can report a satisfactory loan demand from existing and new customers. However, in the last year lending only increased by a modest DKK 34.6 million, corresponding to 0.9 %, which is due to the planned repayment of a few large business loans. This is compared to the lending on 31/12/2016, when a lending growth of DKK 88.6 million was realised, corresponding to about 2.4 %.

Lending and guarantees to the private segment amounted to 35.5 % and the Bank's goal is still to further increase private lending. Since 31/12/2016, the Bank's lending and guarantees to real estate have reduced from 13.1 % to 12.2 %, and the Bank's exposure to the agricultural sector has reduced from 14.4 % to 13.7 %, which is satisfactory and in line with the Bank's goals for industry distribution. (See specification on page 9.)

The liquidity coverage is solid at DKK 1.3 billion, which corresponds to 190.9 in §152 cash flow statements. The liquidity coverage ratio amounted to 300 % on 30/9/2017. The Bank's unchanged

goal is to maintain a solid excess liquidity based on stable customer deposits.

BRANCHES

On 1 September, the doors opened at our new branch in Virum, and from the start the branch has been very busy, which strengthens the Bank's overall strategy of increasing business volume via organic growth. The premises at the Hellerup branch have expanded as a result of the very high activity and high customer access. The Bank's established leasing company is also growing satisfactorily, as well as the Bank's branches in the old homeland area.

SOLID CAPITAL CONDITIONS

The capital ratio is 17.6 % and the individual solvency requirements were reduced to 9.6 %. The Bank's capital base is therefore very solid with a surplus of 8.0 % percentage points, corresponding to DKK 348 million, or a coverage of 183 %. After deduction of a capital savings buffer of 1.25 %, the coverage can be calculated at 6.75 % points, or a coverage of 162 %.

The Bank has chosen not to recognise the profit after tax of DKK 22.5 million in the 3rd quarter, which would have increased the capital ratio by about 0.5 % to a total of 18.1 %, whereby the coverage would amount to 8.5 % points, corresponding to a coverage of 188 %.

LOANS AND GUARANTEES DISTRIBUTED ON SECTORS

	30.09.2017	31.12.2016	30.09.2016
Public authorities	0.0 %	0.0 %	0.0 %
Agriculture, hunting, forestry & fishing	13.7 %	14.4 %	15.1 %
- Plant production	1.7 %	1.6 %	1.7 %
- Cattle farming	8.2 %	8.3 %	9.0 %
- Pig farming	1.7 %	1.9 %	2.1 %
- Mink production	0.9 %	1.5 %	1.3 %
- Other agriculture	1.2 %	1.1 %	1.0 %
Industry and mining	3.8 %	2.4 %	2.5 %
Energy	6.3 %	6.0 %	6.1 %
Building and constructions	7.1 %	6.3 %	6.4 %
Wholesale	8.3 %	8.8 %	8.4 %
Transport, hotels and restaurants	1.7 %	1.5 %	1.7 %
Information and communication	0.5 %	0.3 %	0.4 %
Financial and insurance business	5.9 %	5.8 %	5.1 %
Real-estate	12.2 %	13.1 %	13.6 %
Other business	5.0 %	5.2 %	5.7 %
Private	35.5 %	36.2 %	35.0 %

From the above sectoral distribution represents alternative energy 5.4 %

The core capital ratio was also reduced from the first half of 2017 to the end of the 3rd quarter from 15.7 % to 15.5 %, as a result of not recognising the profit from the 3rd quarter in the actual core capital.

The Bank's capital is very solid, and the strength of the Bank's capital resources could also be viewed in light of the fact that the actual core capital constitutes 14.4%, compared with the individual solvency requirement of 9.6 %.

NET INTEREST INCOME

Net interest income amounts to DKK 128.6 million as of 30 September 2017. During the same period last year, net interest income amounted to DKK 121.3 million, and has thus increased by DKK 7.3 million, corresponding to 6 %.

Interest income decreased by 2.9 % to DKK 146.1 million, which is still primarily due to a decline in average lending rates during the period.as a result of the competitive market situation.

As expected interest expenses were reduced by 40 % to DKK 17.5 million, which was reduced by DKK 10.3 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 1.4 million. The decrease in the interest payments to customer deposits is mainly due to the maturation of high-interest deposits.

The Bank's interest margin improved marginally over the same period in 2016 due to a reduction of the average deposit interest rate.

FEE AND COMMISSION INCOME

Net income from fees and commissions amounted to DKK 84.8 million, compared to DKK 64.6 million in 2016, and thus increased by DKK 20.3 million compared to last year.

The activities in the mortgage area are very high, which has led to loan fees having increased by DKK 14.2 million. The securities market has developed satisfactorily in the first 9 months, which has led to greater

activity in the area and an increase in income from the area of DKK 0.3 million. Other fee and commission income increased by a total of DKK 5.8 million.

Fees, charges and commission expenses are at the same level as last year.

Net interest and fee income amounted to DKK 223.3 million, which is an increase of DKK 25.0 million, corresponding to 12.6 % compared to the same period last year.

EXCHANGE RATE ADJUSTMENTS

After 9 months of positive increases in the securities markets, the portfolio of stocks and bonds earned profits totalling DKK 28.2 million, compared with DKK 13.6 million on 30 September 2016.

The exchange rate gains were distributed between DKK 4.8 million in the bond portfolio and DKK 20.4 million in the share portfolio, of which DKK 7.6 million is realised in the Bank's shareholdings in sector shares. In addition, exchange rates and derivative financial instruments achieved an income of DKK 3.0 million in the same period.

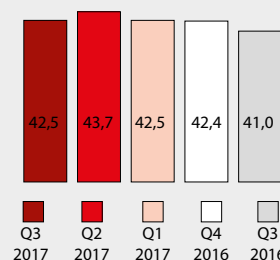
COSTS

Staff and administration expenses, etc. amounted to DKK 116.2 million compared with DKK 109.6 million in the same period in 2016.

As a result of the very satisfactory business development and customer growth, the number of employees increased in the customer-oriented departments, which has contributed to increased personnel costs of DKK 3.6 million. In addition to more employees, this also includes increased payroll tax of DKK 0.7 million, and a general collective agreement wage increase. Administrative costs, mainly consisting of IT expenses, increased by DKK 2.9 million compared with the same period last year.

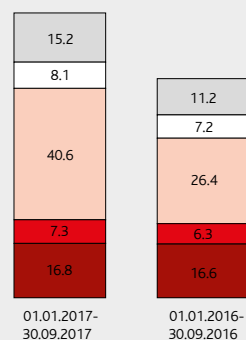
It is expected that the total cost consumption in 2017 will increase by up to 7 % compared to 2016, which is marginally more than expected and previously announced, primarily as result of increased IT costs and

Net income from interest
Million DKK

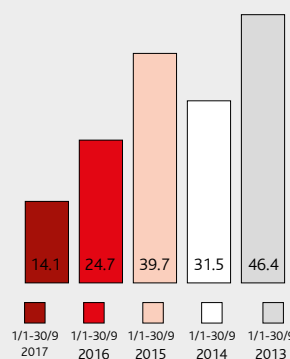


Charges and commissions receivable
(Million DKK)

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



Write-downs on loans etc.
(Million DKK)



recruitment of new employees, primarily for the new branch in Virum.

IMPAIRMENT

Net impairment for the period of DKK 14.1 million compared with DKK 24.7 million in 2016.

In the first half of the year, there was impairment of DKK 50.7 million, and reversals of previous impairment of DKK 27.9 million. Recorded losses for the period amounted to DKK 23.2 million, of which only DKK 2.7 million had not been previously written down.

Devaluations on loans, etc. for the period correspond to 0.3 % of the total loans and guarantees.

The impairment need throughout 2016 was DKK 36.1 million and a total impairment need of DKK 20 million is expected in 2017.

It is satisfactory that significant reversals of impairments in the Bank's weak exposures can still be reported. This strengthens confidence in the possibility of reversals of previous write-downs in the Bank's total impairment account in the future.

UPCOMING ACCOUNTING RULES - IMPAIRMENT

New impairment rules on loans and guarantees based on the international IFRS 9 rules are being introduced with effect on 01 January 2018.

The current rules stipulate that impairment must be done if a risk of loss is identified or has occurred. IFRS 9 prescribes that impairment be based on principles of expected losses.

It is not currently possible to make an accurate assessment of the accounting impact of the first application of IFRS 9.

However, it is not expected that the implementation will have a significant impact on the Bank's situation, including the Bank's capital conditions. Reduction of the Bank's equity is expected to amount to a maximum of 4 %.

PROFIT FOR THE PERIOD

Profit before tax amounted to DKK 119.6 million compared with DKK 75.9 million as of 30 September 2016. After taxes, the period's net profit amounted to DKK 103.8 million.

The management is very pleased to report that both core earnings and profit before tax are at the

highest levels in the Bank's history.

The Bank's management considers the business development and profit to be especially satisfactory.

CAPITAL

Equity amounted to DKK 794.3 million compared to DKK 695.3 million at the end of the previous year. A hybrid core capital of DKK 58.9 million was recognised in the bank's equity on 30 September 2017.

After addition of subordinated capital contributions of DKK 99.7 million and adjustments for reduction in weighting and other deductions, the Bank's capital base at the end of the period amounted to DKK 770.6 million.

The Bank has recognised the profit from the first six months of the year in the capital base, but not the profit after tax of DKK 22.5 million in the 3rd quarter. The capital ratio amounted to 17.6 %, compared with 17.8 % after the first half of 2017. If the profit for the 3rd quarter of DKK 22.5 million had been recognised in the capital base, the capital ratio would have amounted to 18.1 %.

Compared with 30 September 2016, the Bank's capital ratio increased from 15.8 % to 17.6 %, while the core capital ratio is 15.5 %, compared with 13.8 % on 30 September 2016.

The individual solvency requirements amounted to 9.6 %, which is 0.3 % less than on 30 June 2017, and 1.0 % point less than on 30 September 2016.

The Bank thus still has a solid foundation capital with a surplus of 183 % compared to the solvency requirements. Including the capital savings buffer of 1.25 %, the coverage can be calculated at 6.75 % points, or a coverage of 162 %.

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 5,012 million, of which DKK 4,049 million is covered by the Danish Deposit Guarantee Scheme. The deposits are considered stable, since most of them come from base customer relationships.

Measured in accordance with §152, the liquidity coverage ratio is at 190.9 %, which follows the strategic goal of maintaining liquidity reserves at fully manageable levels.

The liquidity coverage ratio shows how banks are able to meet their payment obligations for an upcoming 30-day period without access to market funding.

As of 01 January 2017, non-SIFI banks, which includes Skjern Bank, must have a coverage of at least 80 % and as of 01 January 2018, the ratio must be at least 100 %.

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 September 2017 has an LCR financial ratio of 300 %.

SKJERN BANK SHARES

On 30 September 2017 the Bank owned 16,980 shares, which is about 230 more than on 31 December 2016.

The Bank's share price was 75.0 on 30 September 2017, compared with 53.5 at the beginning of the year.

The market price thus amounts to DKK 723.0 million as of 30 September 2017, corresponding to an intrinsic value of 0.98. The shares are still traded actively in the market.

EXPECTATIONS

At the time of the publication of the Bank's semi-annual report, the Bank adjusted expectations for core earnings for the entire year of 2017 upwards from the range of DKK 120 - 130 million to the range of DKK 135 - 145 million before impairment, exchange rate adjustments and tax. The Bank maintains this expectation.

The Bank expects a profit before tax for the entire year of 2017 in the range of DKK 140 - 150 million, with reservations for developments in exchange rates in the fourth quarter.

"THE SUPERVISORY DIAMOND"

The Danish Financial Supervisory Authority's mandatory regulatory framework sets out five benchmarks for banking activities and the Bank's status in the individual benchmarks as of 30 June 2017 is shown in the figure below. Skjern Bank continues to comply with all limit values as of 30 June 2017 and has not exceeded any of the limit values at any time during the Supervisory Diamond's existence.

Liquidity reserve (minimum 50 %):

Skjern Bank's liquidity reserve is significant and amounts to 190.9 % as of 30 September 2017 compared to 185.4% as of 31 December 2016.

Funding ratio (maximum 100 per cent):

The current funding situation leaves room for significantly more loans, as the Bank's deposits compared to loans, equity and debt securities are only 64 % as of 30 September 2017. As of 31 December 2016 the funding ratio was 68 %.

Property exposure (maximum 25 per cent):

Skjern Bank has an attractive industry spread, and compared to the real estate sector, the exposure is 13.2 %, which is 0.7 % lower than 31 December 2016.

Large exposures (maximum of 125 per cent):

Large exposures are defined as the sum of large exposures that constitute more than 10 per cent of the capital base. Skjern Bank primarily targets small and medium businesses, as well as private customers, and as of 30 September 2017, it had three large customer exposures of a total of 28.7 %, compared to 10.3 % as of 31 December 2016, where there was only one large customer exposure.

Loan growth (maximum 20 per cent):

As of 30 September 2017 the Bank has had an increase in lending of 2.4 %, compared with an increase of 5.0 % throughout 2016.

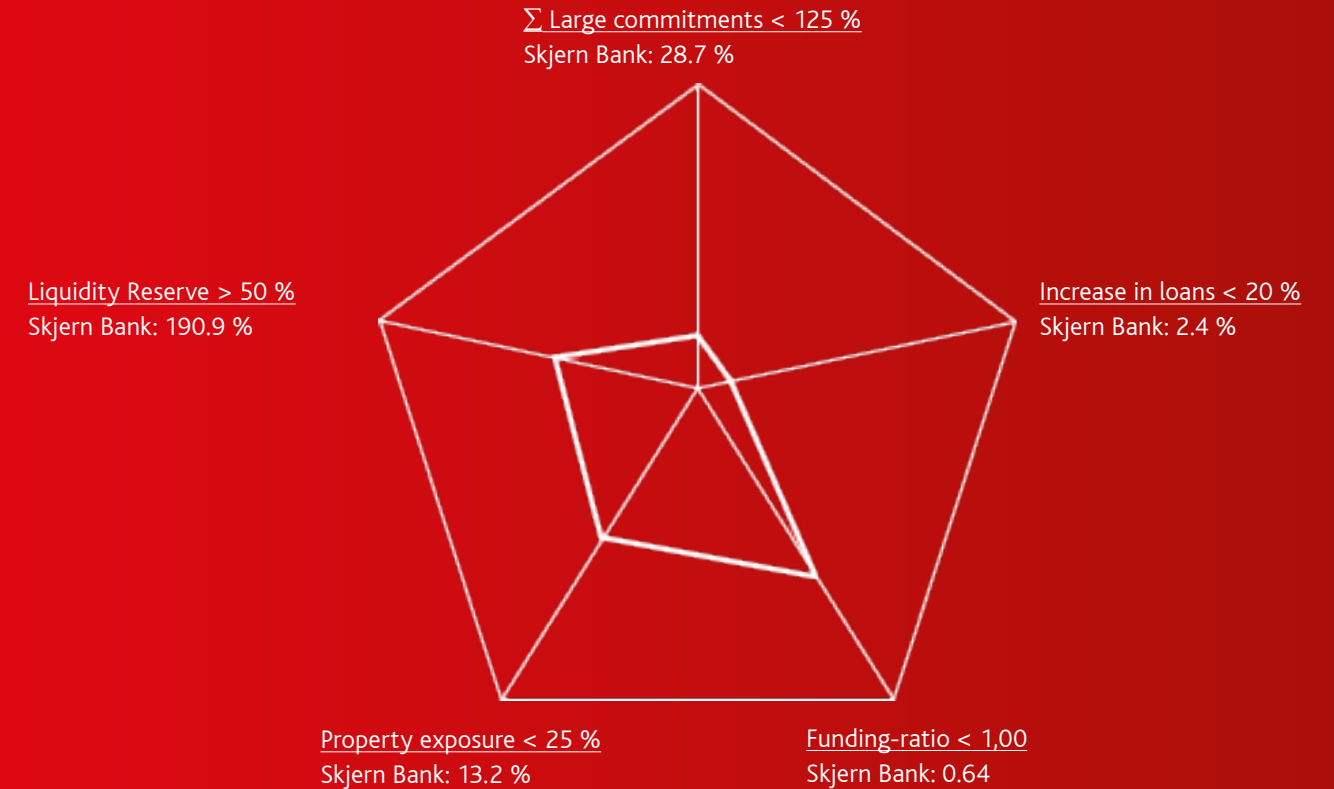
TRANSACTIONS WITH RELATED PARTIES

As of 30 September 2017, there have not been major transactions between Skjern Bank and the Bank's related parties.

CONTRIBUTION TO THE SETTLEMENT FUND/DANISH DEPOSIT GUARANTEE SCHEME

As of 30 September 2017, the Bank has paid the annual contribution to the Settlement Fund of DKK 52 thousand.

The Supervisory Diamond



ACCOUNTING PRACTICES USED

The quarterly 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 2016.

EVENTS AFTER 30 SEPTEMBER 2017

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

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.

Statement by the board of directors and executive board

We have on today's date discussed and approved the quarterly report for the period of 01 January - 30 September 2017 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 accounting policies chosen to be appropriate such that the accounts provide a true and fair view of the Bank's assets and liabilities, financial position and profit.

We consider the management's statement to contain a fair review of the development 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.

The quarterly report has not been audited or reviewed, and there has been no recognition of the third quarter's earnings in core capital.

Skjern, 26 October 2017

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



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

1,000 DKK	2017	2016	1.1-31.12 2016
Interest receivable	146,073	150,498	200,058
Interest payable	17,463	29,168	36,313
Net income from interest	128,610	121,330	163,745
Dividend on shares and other holdings	9,866	12,340	12,493
Charges and commission receivable	87,974	67,682	101,952
Charges and commission payable	3,158	3,069	3,672
Net income from interest and charges	223,292	198,283	274,518
Value adjustments	28,214	13,603	17,216
Other ordinary income	874	1,284	1,592
Staff costs and administrative expenses	116,247	109,608	148,990
Depreciation and write-downs on intangible and tangible assets	2,295	2,898	3,746
Other operating expenses	52	52	255
Contribution to the Guarantee Fund for deposits	52	52	55
Guarantee commission first guarantee scheme	0	0	203
Write-downs	14,133	24,682	36,172
Profit on equity investments in non-affiliated and affiliated companies	0	0	490
Result before tax	119,653	75,930	104,653
Tax	15,834	15,882	22,543
Net-result for the financial year	103,819	60,048	82,110
Of which are holders of shares of hybrid core capital instruments etc.	4,707	4,707	6,626
STATEMENT OF COMPREHENSIVE INCOME			
Profit for the financial year	103,819	60,048	82,110
Other comprehensive income after tax	0	0	0
Total comprehensive income	103,819	60,048	82,110

Core earnings 1st January – 30th September

1,000 DKK	2017	2016	1.1-31.12 2016
Net income from interest	128,610	121,330	163,745
Net charges and commission	84,816	64,613	98,280
Dividend on shares and other holdings	9,866	12,340	12,493
Foreign currency value adjustments	3,062	2,991	4,576
Other ordinary income	874	1,284	1,592
Core income	227,228	202,558	280,686
Staff costs and administrative expenses	116,247	109,608	148,990
Depreciation and write-downs on intangible and tangible assets	2,295	2,898	3,746
Other operating expenses	52	52	255
Costs	118,594	112,558	152,991
Core earnings	108,634	90,000	127,695
Write-downs	-14,133	-24,682	-36,172
Value adjustments	25,152	10,612	12,640
Profit on equity investments in non-affiliated and affiliated companies	0	0	490
Result before tax	119,653	75,930	104,653
Tax	15,834	15,882	22,543
Net-result for the financial year	103,819	60,048	82,110

Balance by 30th September

1,000 DKK	2017	2016	1.1-31.12 2016
ASSETS			
Cash in hand and demand deposits with central banks	148,881	122,515	120,542
Receivables at credit institutions and central banks	720,332	667,838	786,764
Loans and other receivables at amortised cost	3,776,094	3,741,418	3,687,509
Bonds at fair value	1,089,020	807,658	926,950
Shares etc.	246,068	218,356	219,447
Land and buildings (total)	49,436	50,488	50,163
Investment properties	2,961	2,961	2,961
Owner-occupied properties	46,475	47,527	47,202
Other tangible assets	4,095	5,494	4,444
Current tax assets	0	0	0
Deferred tax assets	7,787	18,394	14,210
Other assets	56,758	47,640	41,520
Prepayments	3,469	3,665	8,642
Total assets	6,101,940	5,683,466	5,860,191

1,000 DKK	2017	2016	1.1-31.12 2016
LIABILITIES			
DEBT			
Debt to credit institutions and central banks	140,683	103,569	134,199
Deposits and other debts	5,011,635	4,711,560	4,871,359
Current tax liabilities	993	2,417	1,720
Other liabilities	50,315	90,213	56,387
Prepayments	1,102	1,164	1,162
Total debt	5,204,728	4,908,923	5,064,827
PROVISIONS			
Provisions for loss on guarantees	3,127	0	433
Total provisions	3,127	0	433
SUBORDINATED DEBT			
Subordinated loan capital	99,738	99,559	99,618
Total subordinated debt	99,738	99,559	99,618
EQUITY			
Share capital	192,800	192,800	192,800
Revaluation reserves	417	417	417
Retained earnings	542,150	422,875	443,117
Capital owners share of equity	735,367	616,092	636,334
Holders of hybrid capital	58,980	58,892	58,979
Total equity	794,347	674,984	695,313
Total liabilities	6,101,940	5,683,466	5,860,191

Off-balance-sheet items by 30th September

1,000 DKK	2017	2016	1.1-31.12 2016
CONTINGENT LIABILITIES			
Contingent liabilities			
Finance guarantees	16,533	38,859	25,526
Guarantees against losses on mortgage credit loans	457,833	323,794	357,902
Registration and conversion guarantees	161,119	118,444	116,098
Other contingent liabilities	390,164	349,906	341,562
Total	1,025,649	831,003	841,088
Other binding engagements			
Irrevocable credit-undertakings	346,953	102,619	127,271
Total	346,953	102,619	127,271

Information on changes in equity 30th September

1,000 DKK	2017	2016	1.1-31.12 2016
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	443,117	367,579	367,579
Profit or loss for the financial year	99,112	55,341	75,484
Sale of own funds	25,510	6,438	10,626
Purchase of own funds	-25,590	-6,483	-10,572
Retained earnings end-of-year	542,149	422,875	443,117
Holdings of hybrid capital beginning-of-year	58,979	58,629	58,629
Net profit or loss for the year (interest hybrid capital)	4,707	4,707	6,626
Paid interest	-4,705	-4,444	-6,276
Issue of hybrid core capital, net	0	0	0
Holdings of hybrid capital end-of-year	58,981	58,892	58,979
Total equity	794,347	674,984	695,313

Notes per 30th September

1,000 DKK	2017	2016	1.1-31.12 2016
INTEREST INCOME			
Receivables at credit institutions and central banks	-3,093	-2,599	-3,668
Loans and other receivables	141,483	145,560	193,481
Bonds	7,095	7,221	9,438
Other derivative financial instruments, total	588	31	787
of which			
Currency contracts	219	-268	-262
Interest-rate contracts	369	584	1,049
Other interest income	0	0	20
Total	146,073	150,498	200,058
INTEREST EXPENSES			
Credit institutions and central banks	14	18	26
Deposits	12,543	22,865	28,304
Bonds, issued	0	0	0
Subordinated debt	4,910	6,264	7,967
Other interest expenses	-4	21	16
Total	17,463	29,168	36,313
FEES AND COMMISSION INCOME			
Securities trading and custody accounts	16,850	16,533	23,118
Payment services	7,310	6,342	8,632
Loan fees	40,597	26,408	40,880
Guarantee commission	8,097	7,230	11,634
Other fees and commission	15,120	11,169	17,688
Total	87,974	67,682	101,952
VALUE ADJUSTMENTS			
Other loans	13	0	60
Bonds	4,813	6,085	5,867
Total shares	20,383	4,787	6,969
Shares in sectorcompanies etc.	8,556	2,406	5,378
Other shares	11,827	2,381	1,597
Foreign currency	3,062	2,991	4,323
Other financial instruments	-57	-260	-3
Total	28,214	13,603	17,216

1,000 DKK	2017	2016	1.1-31.12 2016
STAFF COSTS AND ADMINISTRATIVE EXPENSES			
SALARIES AND REMUNERATION OF BOARD OF DIRECTORS, MANAGERS ETC.			
Board of managers	1,988	1,988	2,830
Fixed fees	1,958	1,958	2,790
Pension contributions	30	30	40
Management board	792	777	1,034
Audit Committee	0	0	50
Committee of representatives	0	0	189
Total salaries and remuneration of board etc.	2,780	2,765	4,103
STAFF COSTS			
Wages and salaries	53,259	50,646	66,747
Pensions	5,845	5,612	7,488
Social security costs	847	711	850
Payroll tax	8,594	7,912	10,542
Total staff costs	68,545	64,881	85,627
OTHER ADMINISTRATIVE EXPENSES	44,922	41,962	59,260
Total staff costs and administrative expenses	116,247	109,608	148,990
EMPLOYEES			
Average number of employees converted into full-time employees	134	132	132

Notes per 30th September (continued)

1,000 DKK	2017	2016	1.1-31.12 2016
WRITE-DOWNS ON LOANS AND RECAIVABLES			
Write-downs and provisions during the year	50,711	73,011	90,161
Reversal of write-downs made in previous years	-27,968	-42,743	-47,258
Finally lost, not previously written down	2,686	5,750	10,036
Interest on the written-down portion of loans	-9,360	-10,350	-13,800
Recoveries of previously written off debt	-1,936	-986	-2,967
Total	14,133	24,682	36,172
PROFIT ON EQUITY INVESTMENTS IN NON-AFFILIATED AND AFFILIATED COMPANIES			
Profit on equity investments in associated enterprises	0	0	490
Total	0	0	490
INDIVIDUAL WRITE-DOWNS AND PROVISIONS			
Write-downs - beginning of the year	316,473	340,059	340,059
Write-downs during the year	47,687	71,754	87,936
Reversal of write-downs made in previous years	-27,968	-42,054	-47,258
Write-downs in previous years	-20,484	-34,241	-64,264
Individual write-downs total	315,708	335,518	316,473
GROUP WRITE-DOWNS AND PROVISIONS			
Write-downs - beginning of the year	26,391	24,166	24,166
Write-downs during the year	3,024	1,256	2,225
Group write-downs - end of year	0	-689	0
Group write-downs total	29,415	24,733	26,391
Write-downs total	345,123	360,251	342,864

1,000 DKK	2017	2016	1.1-31.12 2016
GUARANTEES			
Provisions beginning of the year	433	62	62
Provisions during the year	2,694	0	433
Loss on guarantees	0	0	0
Transferred to liabilities	0	-62	-62
Guarantees end of year	3,127	0	433
LOANS ETC. WITH SUSPENDED CALCULATION OF INTEREST			
	137,421	146,898	120,504
SHARE CAPITAL			
Number of shares at 20 DKK 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)	10,646	11,457	9,447
Nominal value hereof	213	229	189
Market value hereof	798	458	505
Own shares proportion of share capital (pct.)	0.10%	0.10%	0.10%

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