

# Interim report 2014





Welcome to Skjern Bank in Skjern

Stock Exchange Ann. no 11/2014 - 14 August 2014

## Very satisfactory profit, lending growth and upward adjustment

- Very satisfactory profit before tax of DKK 47.4 million compared to DKK 11.3 million in 2013
- Upward adjustment of earnings forecast for the entire year in the range of DKK 105 - 115 million before impairment and exchange rate adjustments
- Impairments were reduced to DKK 22.0 million compared to DKK 31.5 million in 2013
- Solvency and core capital ratio were 17.0% and 14.1%, respectively
- Issuance of subordinated loans of DKK 100 million was fully subscribed and implemented in May 2014
- The individual solvency requirements amounted to 11.3%, which is a decrease of 0.3%-point compared to 31 March 2014
- Satisfactory deposit surplus of DKK 519 million
- Organic loan growth of DKK 90 million, corresponding to 2.5% since 31 December 2013
- Profit before tax in 2014 is expected to be significantly higher than in 2013

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## 5 years in summary

1,000 DKK	2014	2013	2012	2011	2010	1.1- 31.12 2013
<b>Profit and loss account</b>						
Net income from interest .....	81,806	76,060	76,103	78,489	82,271	160,505
Div. on shares and other holdings .....	5,307	4,266	2,834	3,087	1,931	8,231
Charges and commissions (net) .....	38,524	32,228	29,761	26,940	24,740	61,861
<b>Net inc. from int. and charges .....</b>	<b>125,637</b>	<b>112,554</b>	<b>108,698</b>	<b>108,516</b>	<b>108,942</b>	<b>230,597</b>
Value adjustments .....	18,230	2,723	5,759	-2,637	17,004	16,236
Other ordinary income .....	649	1,117	614	719	471	1,745
Staff costs and administrative expenses .....	66,713	65,540	66,283	68,716	66,026	131,117
Depreciation of intangible and tangible assets .....	3,116	2,262	2,100	2,100	2,160	4,047
Other operating expenses total .....	5,205	5,792	3,872	3,892	9,008	9,834
Contributions to the Guarantee Fund for deposits .....	5,108	5,085	3,752	3,892	151	9,127
Other operating expenses .....	97	707	120	0	8,857	707
Write-downs on loans etc. (net) .....	22,043	31,491	33,761	27,831	38,704	67,073
Profit on holding in associated and affiliated companies .....	-6	0	-3,811	0	0	-332
<b>Operating profit .....</b>	<b>47,433</b>	<b>11,309</b>	<b>5,244</b>	<b>4,059</b>	<b>10,869</b>	<b>67,073</b>
Taxes .....	12,797	2,827	1,311	1,015	2,717	11,720
<b>Profit for the period .....</b>	<b>34,636</b>	<b>8,482</b>	<b>3,933</b>	<b>3,044</b>	<b>8,152</b>	<b>24,455</b>

### Balance sheet as per 30th June

summary	2014	2013	2012	2011	2010	2013
Total assets .....	5,375,117	5,345,114	5,642,129	5,378,686	6,291,167	5,317,982
Loans and other debtors .....	3,736,819	3,588,632	3,463,829	3,602,428	3,688,788	3,647,129
Guarantees etc. ....	564,211	580,393	479,795	514,618	491,603	584,713
Bonds .....	822,324	870,299	866,896	894,541	1,233,774	824,171
Shares etc. ....	218,047	212,804	182,081	193,143	163,919	211,354
Deposits and other debts .....	4,255,959	3,954,086	4,163,969	3,603,715	3,718,191	3,956,740
Subordinated capital investments .....	268,779	293,838	358,009	357,033	356,096	269,201
<b>Capital funds .....</b>	<b>608,223</b>	<b>556,559</b>	<b>385,347</b>	<b>380,517</b>	<b>380,957</b>	<b>573,757</b>
Dividends .....						0
<b>Capital Base .....</b>	<b>712,551</b>	<b>674,509</b>	<b>609,512</b>	<b>610,595</b>	<b>622,811</b>	<b>670,207</b>
Total weighted items .....	4,191,164	3,974,987	3,776,472	3,953,324	3,977,088	4,000,321

### Core earnings

Core income .....	127,789	116,234	117,468	117,892	111,520	235,771
Costs etc. ....	-68,429	-67,802	-68,383	-70,816	-68,186	-134,775
Core earnings before write-downs, value adjustments and Governmental Guarantee Scheme I .....	59,360	48,432	49,085	47,046	43,334	100,996
Guarantee commission for the state *) .....	-	-1,925	-6,671	-7,164	-	-1,925
<b>Total core earnings .....</b>	<b>59,360</b>	<b>46,507</b>	<b>42,414</b>	<b>39,882</b>	<b>43,334</b>	<b>99,071</b>

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

## Financial ratios - 30th June

(figures in pct.)	2014	2013	2012	2011	2010
Solvency ratio .....	17.0	17.0	16.1	15.4	15.7
Core capital ratio .....	14.1	13.4	11.4	10.7	10.9
Return on own funds before tax .....	8.0	2.1	1.4	1.1	2.9
Return on own funds after tax .....	5.9	1.5	1.0	0.8	2.2
Earning/expense ratio in DKK .....	1.49	1.11	1.05	1.04	1.09
Interest rate risk .....	-1.7	-1.9	-4.5	1.3	1.8
Foreign currency position .....	0.5	0.8	0.5	3.2	3.6
Foreign currency risk .....	0.0	0.0	0.0	0.0	0.0
Advances against deposits .....	93.5	96.6	90.6	107.6	107.7
Statutory liquidity surplus .....	127.8	167.4	232.8	158.3	276.9
Total large commitments .....	10.3	21.5	17.3	53.0	74.6
Accumulated impairment ratio .....	5.4	5.3	7.3	6.4	7.1
Impairment ratio for the period .....	0.5	0.7	0.8	0.6	0.9
Increase in loans etc. for the period .....	2.4	2.5	-1.8	-0.6	0.3
Ratio between loans etc. and capital funds .....	6.1	6.4	9.0	9.5	9.7
(value per share 100 DKK)					
Earnings per share (result period) .....	18	4.4	17.4	13.5	48.2
Book value per share .....	316	290	1,857	1,815	1,853
Market value/earning per share .....	11.2	28.6	26.4	40.7	14.0
Market value/book value .....	0.64	0.43	0.25	0.30	0.40





## Management's report

Skjern Bank achieved a very satisfactory profit in the first half of the year. The results are characterised by increased net interest income, increased fee income and exchange rate adjustments, as well as a decreased expected level of impairment.

The bank can recognise a net increase in loans of DKK 90 million compared to 31 December 2013, corresponding to 2.5%, and thus continues the positive trend from 2013, when net increase of loans ended at 4.1%. The positive development is partially due to a satisfactory growth in the number of private customers. The bank's goal of further increasing the percentage of private loans remains unchanged.

The solid liquidity reserve has maintained a fully acceptable level of 127.8%, which also furthers the bank's unchanged goal of maintaining solid liquidity reserves primarily based on customer deposits.

The bank's solvency is 17.0% and the core capital is 14.1%. The bank's solvency is thus strengthened by 2.8% points from 14.2% after the first quarter of 2014 and is as expected and reported in the first quarterly report 2014. The increase is primarily due to the inclusion of new subordinated loan capital of about DKK 100 million and recognition of the profit from the first half of the year.

The individual solvency requirement is calculated at 11.3%, corresponding to a solvency coverage of 150.4%. Compared with the actual capital base of DKK 713 million, there was a surplus of DKK 239 million at the end of the first half of 2014.

The core earnings exceed the annual budget and continue to be at a historically high level, which is very satisfactory. The expectations for core earnings for the first half of 2014 are therefore adjusted upwards to DKK 105 - 115 million.

The share price of the bank's shares decreased from a price of 44 as of 31 December 2013 to a price of 40.2 as of 30 June 2014. The market value of the entire bank can thus be estimated at DKK 388 million as of 30 June 2014, corresponding to the intrinsic value of 0.64. Trading in Skjern Bank shares is still at a high level and shows a generally increasing liquidity in shares, since the daily valuation is supported by significantly more traders than before the bank's increase in shares in the fourth quarter of 2012.

### Net interest income

Net interest income increased by DKK 5.7 million or 7.6% compared to 30 June 2013.

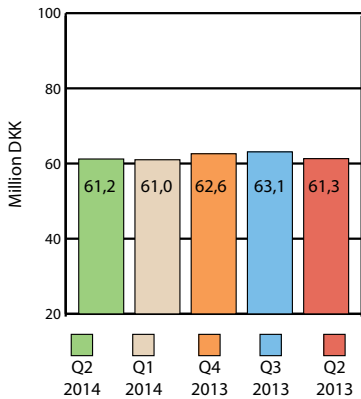
Interest income decreased by 1.2% to DKK 122.2 million, which is still primarily due to a decline in average lending rates during the period.

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

	30/6-14	31/12-13	31/12-12
Public authorities	1.4 %	2.4 %	1.5 %
Agriculture, hunting, forestry and fishing			
Plant production	1.6 %	1.4 %	1.6 %
Cattle farming	6.8 %	6.7 %	7.1 %
Pig farming	2.7 %	2.4 %	3.3 %
Mink production	0.8 %	1.1 %	0.6 %
Other agriculture	1.2 %	0.6 %	1.8 %
Manufacturing and extraction of raw materials	5.4 %	5.3 %	4.8 %
Energy supply	5.6 %	5.5 %	2.7 %
Constructions	5.9 %	6.9 %	4.0 %
Trade	8.1 %	8.4 %	7.2 %
Transport, hotels and restaurants	1.9 %	1.8 %	2.0 %
Information and communication	0.2 %	0.2 %	0.3 %
Finance and insurance	7.2 %	7.7 %	7.7 %
Real-estate	15.6 %	15.5 %	20.4 %
Other industries	5.2 %	4.1 %	4.9 %
Private persons	30.4 %	30.0 %	30.1 %

From the above sectoral distribution represents alternative energy 6.9 %.

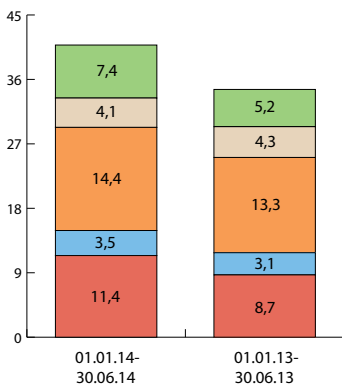
### Interest income



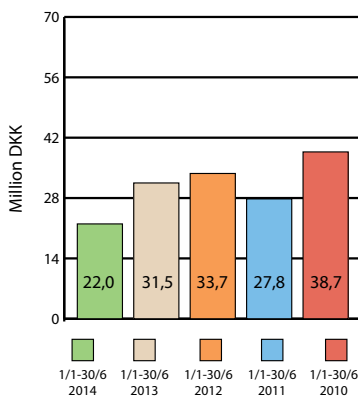
### Charges and commissions receivable

(Million DKK)

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



### Write-downs on loans etc.



Interest expense decreased by 15.3% to DKK 40.4 million. The reduction is due to reduced costs for issued bonds and subordinated debt of a total of DKK 1.5 million, and also to a decrease of interest expense for deposits of DKK 5.7 million. The reduced interest expense for loans is primarily due to the repositioning of high-interest loans at a lower average deposit interest rate. The development in interest expense is as expected.

Overall, the bank's interest margin was marginally reduced during the first half of the year compared to the same period in 2013.

### Dividends, commissions and fees

Net income from fees and commissions has increased by DKK 6.3 million. The earnings were primarily achieved through income from other fees and commissions of DKK 2.2 million and transaction-based income from securities trading, which has increased by DKK 2.8 million. The income on loan fees also increased by DKK 1.1 million.

Dividends from bank shareholdings of DKK 5.3 million were realised, which is DKK 1.0 million more than the first half of 2013.

Net interest and fee income amounted to DKK 125.6 million, which is an increase of DKK 13.0 million, corresponding to 11.6% compared to the same period last year.

### Expenses

Staff and administration expenses, etc. amounted to DKK 66.7 million compared with DKK 65.5 million in the same period in 2013, and thus increased by DKK 1.2 million.

The bank has continued to strongly focus on cost consumption, which is expected to increase in 2014. The increasing expenses are primarily due to

increases in the marketing costs connected to the bank's initiated growth campaign. In addition, the bank's payroll tax and payroll increased marginally.

### Exchange rate adjustments

Exchange rate adjustments of securities and currency, etc. show a gain of DKK 18.2 million compared to DKK 2.7 million in the same period of 2013.

The capital gain in the bond portfolio has been negative this period by DKK 4.3 million, and the bank's shareholdings were realised at a capital gain of DKK 12.3 million, of which sectoral shares constitute DKK 7.1 million. Exchange rates and derivative financial instruments achieved income of DKK 1.5 million in the same period.

### Devaluations

Devaluations on loans, etc. amounted to DKK 22 million as of 30 June 2014 compared with DKK 31.5 million during the same period last year. Reversal of impairment from previous accounting years amounted to DKK 22 million, while recorded losses as of 30 June 2014 amounted to DKK 26.3 million, of which only DKK 3.7 million had not been previously written down.

The period's loan impairment, etc. corresponds to 0.5% of the total loans and guarantees, which the management assesses as being at a normal level in the current economic climate.

The management assesses that the number of weak exposures is significantly reduced and expects, based on this, that in the future the impairment will be able to be realised at a normal level in relation to the economic climate.

### Profit for the period

The total profit before tax amounted to DKK 47.4 million compared with DKK 11.3 million as of 30 June 2014. After



Street View from Ribe

taxes, the period's net profit amounted to DKK 34.6 million.

The management is pleased to note that the core earnings have improved significantly, that the demand for lending has risen, with increased volume to follow, and that the total base costs have been reduced, including primarily interest expense and impairment.

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

#### Capital requirements

Equity amounted to DKK 608.2 million compared to DKK 573.8 million at the end of the previous year.

After addition of subordinated capital contributions of DKK 269 million and adjustments for reduction in weighting and other deductions, the bank's capital base at the end of the first half of the year amounted to DKK 712.6 million.

The solvency is calculated at 17.0%, which is unchanged compared to the same period last year. The bank's fully subscribed issuance of DKK 100 million of subordinated loan capital in the second quarter and the realised profit for the first half of the year has maintained the bank's satisfactory solvency coverage.

The core capital ratio is 14.1%, which is unchanged compared to 31 December 2013.

The necessary capital corresponding to the individual solvency needs is calculated at 11.3%, which is a decrease compared with the end of 2013 of 0.3% points.

The bank thus still has foundation capital with a sufficient surplus of 150.4% compared to the necessary capital.

#### Deposits and liquidity

Customer deposits amount to DKK 4,256 million, of which DKK 3,855 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 127.8%, which follows the strategic goal of maintaining liquidity reserves at an adequate and acceptable level.

#### Skjern Bank shares

At the end of the quarter, the bank owned 16,532 shares, which is an increase compared to the end of 2013, with a small 200 shares.

#### Consolidated Statement

Skjern Bank owns all the share capital in Knud Eskildsen Ejendomme A/S, whose sole activity is owning a town house in Esbjerg. The land the property is on was originally intended for the construction of an owner-occupied property. The town house is expected to be sold at the posted value. The shares are recorded at DKK 3.2 million, which is the recorded net asset value. The property is to be sold.

Consolidated accounts have not been prepared, since the subsidiaries' business is negligible in relation to the bank's.

#### Expectations

The bank is adjusting the core earnings outlook upwards based on the very satisfactory profit in the first half of 2014 to the range of DKK 105 - 115 million.

#### Supplementary capital distributed on exercise date (final closing date)

	1.000 DKK
2014	-
2015	-
2016	-
2017	99.564
2024	99.215
Infinite	70.000
<b>Total</b>	<b>268.779</b>

**„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 2014 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 2014 and has at no time since the introduction of the Supervisory Diamond exceeded any of the limit values.

**Liquidity reserve (min. 50 %):**

Skjern Bank's liquidity reserve is sufficient and amounts to 127.8% as of 30 June 2014 compared to 144.6% as of 31 December 2013.

**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 73%, which is at the same level as 31 December 2013, when the funding ratio was estimated at 72%.

**Property exposure (max. 25 %):**

Skjern Bank has an attractive industry spread, and compared to the real estate sector, the exposure is 15.6%, which is unchanged compared to 31 December 2013.

**Major engagements (max. 125 %):**

Major engagements are defined as the sum of major engagements that constitute more than 10 percent of the base capital. Skjern Bank primarily targets private customers and small and medium businesses and as of 30 June 2014, it had two major customer engagements of a total of 10.3%, compared to 23.2% as of 31 December 2013.

**Loan growth (max. 20 %):**

As expected, the bank has realised a lending growth in 2014 and the lending growth can thus be calculated at 2.4% as of 30 June 2014 compared to 4.1% throughout 2013.

**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**

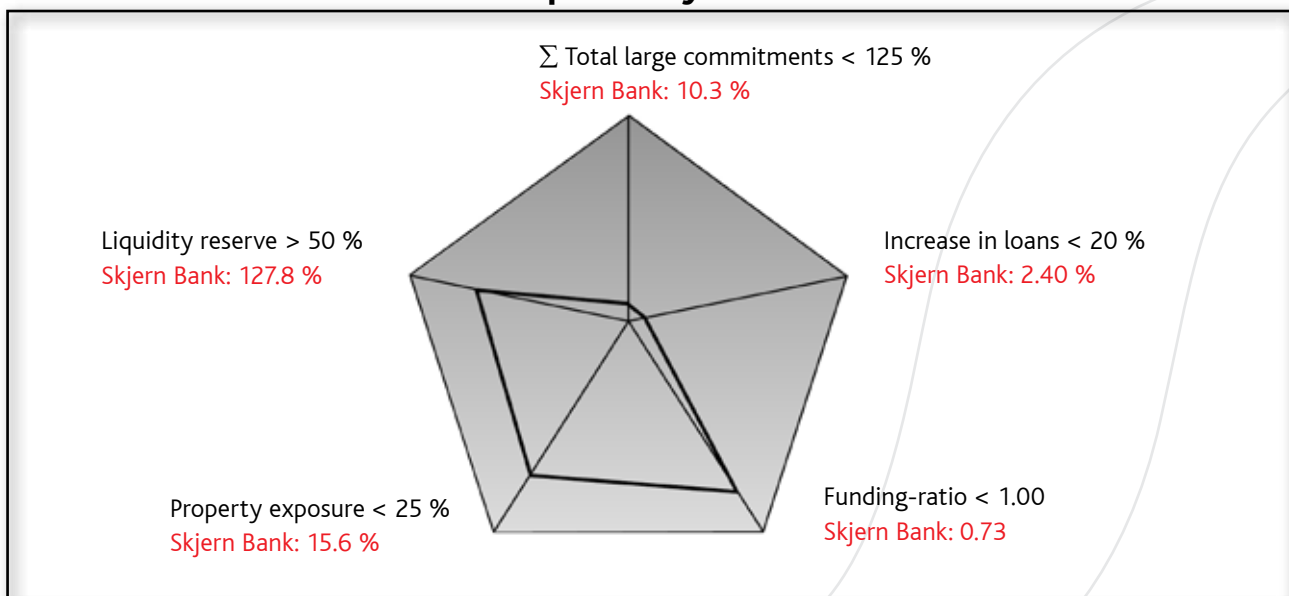
The contribution to the Danish Deposit Guarantee Scheme in the first half of the year can be estimated at DKK 5.1 million, which is the same as in 2013.

**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 2013.

**The Supervisory Diamond**







Ribe River

### Events after 30 June 2013

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.

## Financial Calender

31 October 2014: Quarterly report after 3rd Quarter 2014

Yours sincerely,  
Skjern Bank

Hans Ladekjær Jeppesen  
Chairman of the Board of Directors

Per Munck  
Director



• Poul Erik Pitters welcomes you in Skjern Bank , Ribe

## 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 2014 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.

There has been no audit or review of the interim report, but external auditors have verified that the conditions for ongoing recognition of the period's earnings in the core capital have been met.

Skjern, 14th August 2014

### 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

*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	2014	2013	1.1-31.12 2013
Interest receivable .....	122,240	123,783	249,506
Interest payable .....	40,434	47,723	89,001
<b>Net income from interest</b> .....	<b>81,806</b>	<b>76,060</b>	<b>160,505</b>
Dividend on shares and other holdings .....	5,307	4,266	8,231
Charges and commissions receivable .....	40,764	34,661	66,794
Charges and commissions payable .....	2,240	2,433	4,933
<b>Net income from interest and charges</b> .....	<b>125,637</b>	<b>112,554</b>	<b>230,597</b>
Exchange rate adjustments .....	18,230	2,723	16,236
Other ordinary income .....	649	1,117	1,745
Staff costs and administrative expenses .....	66,713	65,540	131,117
Depreciation of intangible and tangible assets .....	3,116	2,262	4,047
Other operating expenses total .....	5,205	5,792	9,834
Contributions to the Guarantee Fund for deposits .....	5,108	5,085	9,127
Other operating expenses .....	97	707	707
Write-downs .....	22,043	31,491	67,073
Profit on holdings in associated and affiliated companies .....	-6	0	-332
<b>Profit on ordinary activities before tax</b> .....	<b>47,433</b>	<b>11,309</b>	<b>36,175</b>
Tax .....	12,797	2,827	11,720
<b>Profit for the financial year</b> .....	<b>34,636</b>	<b>8,482</b>	<b>24,455</b>

### Statement of comprehensive income

Profit for the financial year .....	34,636	8,482	24,455
Other comprehensive income after tax .....	0	0	0
<b>Total comprehensive income</b> .....	<b>34,636</b>	<b>8,482</b>	<b>24,455</b>

## Balance by 30th June

1,000 DKK	2014	2013	1.1- 31.12 2013
<b>Assets</b>			
Cash in hand and claims at call on central banks .....	365,429	470,273	437,505
Claims on credit institutions and central banks .....	60,368	25,321	16,573
Loans and advances at amortized cost price .....	3,736,819	3,588,632	3,647,129
Bonds at market value .....	822,324	870,299	824,171
Shares etc. ....	218,047	212,804	211,354
Holdings in associated enterprises .....	361	633	361
Holdings in group enterprises .....	3,166	3,233	3,171
Land and buildings (total) .....	65,056	67,896	66,889
Investments properties .....	6,974	9,419	8,361
Domicile properties .....	58,082	58,567	58,528
Other tangible assets .....	5,796	7,113	6,517
Current tax assets .....	16	0	0
Deferred tax assets .....	27,100	41,371	35,984
Other assets .....	67,950	56,595	62,020
Prepayments and accrued income .....	2,685	854	6,308
<b>Total assets .....</b>	<b>5,375,117</b>	<b>5,345,114</b>	<b>5,317,982</b>



## Balance by 30th June (continued)

1,000 DKK	2014	2013	1.1- 31.12 2013
<b>Liabilities</b>			
<b>Debt</b>			
Debt to credit institutions .....	123,894	436,832	416,006
Deposits and other debts .....	4,255,959	3,954,086	3,956,740
Bonds issued at amortised cost .....	1,351	3,051	3,051
Current tax-liability .....	6,131	318	2,218
Other liabilities .....	108,603	99,133	96,565
Accruals and deferred income .....	1,097	1,285	444
<b>Total debt .....</b>	<b>4,497,035</b>	<b>4,494,705</b>	<b>4,475,025</b>
<b>Provisions for commitments</b>			
Provisions for loss on guarantees .....	1,080	12	0
<b>Total provisions for commitments .....</b>	<b>1,080</b>	<b>12</b>	<b>0</b>
<b>Subordinated capital investments</b>			
Subordinated loan capital .....	198,779	223,838	199,201
Hybrid core capital .....	70,000	70,000	70,000
<b>Subordinated capital investments total .....</b>	<b>268,779</b>	<b>293,838</b>	<b>269,201</b>
<b>Capital funds</b>			
Share capital .....	192,800	192,800	192,800
Revaluation reserves .....	417	417	417
Retained earnings .....	415,006	363,342	380,540
<b>Total capital funds .....</b>	<b>608,223</b>	<b>556,559</b>	<b>573,757</b>
<b>Total liabilities .....</b>	<b>5,375,117</b>	<b>5,345,114</b>	<b>5,317,982</b>



## Off-balance-sheet items by 30th June

1,000 DKK	2014	2013	1.1- 31.12 2013
<b>Guarantees</b>			
<b>Guarantees</b>			
Finance guarantees .....	46,975	55,203	55,338
Guarantees against losses on mortgage credit loans .....	173,272	154,544	164,208
Registration and conversion guarantees .....	50,233	72,389	81,976
Other guarantees .....	293,731	298,257	283,191
<b>Total guarantees .....</b>	<b>564,211</b>	<b>580,393</b>	<b>584,713</b>
<b>Other contingent liabilities</b>			
Irrevocable credit-undertakings .....	144,280	13,060	75,767
<b>Total other contingent liabilities .....</b>	<b>144,280</b>	<b>13,060</b>	<b>75,767</b>



## Information on changes in equity 30th June

1,000 DKK	2014	2013	1.1- 31.12 2013
Share capital beginning-of-year .....	192,800	192,800	192,800
<b>Share capital end-of-year .....</b>	<b>192,800</b>	<b>192,800</b>	<b>192,800</b>
Revaluation reserves beginning-of-year .....	417	417	417
Additions related to reassessed value .....	0	0	0
Other movements .....	0	0	0
<b>Revaluation reserves end-of-year .....</b>	<b>417</b>	<b>417</b>	<b>417</b>
Retained earnings beginning-of-year .....	380,540	353,769	353,769
Comprehensive income for the period .....	34,636	8,482	24,455
Sale of own funds .....	9,557	9,584	24,187
Purchase of own funds .....	-9,727	-8,493	-21,871
<b>Retained earnings end-of-year .....</b>	<b>415,006</b>	<b>363,342</b>	<b>380,540</b>
<b>Total equity .....</b>	<b>608,223</b>	<b>556,559</b>	<b>573,757</b>

## Notes per 30th June

1,000 DKK	2014	2013	1.1-31.12 2012
<b>Interest receivable</b>			
Claims on credit institutions and central banks .....	8	31	47
Loans and other debtors etc. ....	114,292	113,915	230,774
Bonds .....	8,177	9,455	18,518
Total other financial instruments of which .....	-141	382	-778
Foreign exchange contracts .....	-141	116	0
Interest-rate contracts .....	0	266	-778
Other interest income .....	-96	0	945
<b>Total interest receivable .....</b>	<b>122,240</b>	<b>123,783</b>	<b>249,506</b>
<b>Interest payable</b>			
Credit institutions and central banks .....	506	655	1,225
Deposits .....	31,620	37,294	70,159
Bonds, issued .....	36	530	596
Subordinated capital investments .....	8,258	9,240	17,014
Other interest expenses .....	14	4	7
<b>Total interest payable .....</b>	<b>40,434</b>	<b>47,723</b>	<b>89,001</b>
<b>Charges and commissions receivable</b>			
Securities trading and custodies .....	11,458	8,741	19,278
Payment management .....	3,463	3,109	6,476
Charges from loan applications .....	14,368	13,271	22,209
Commissions on guarantees .....	4,080	4,347	8,742
Other charges and commissions .....	7,395	5,193	10,089
<b>Total charges and commissions receivable .....</b>	<b>40,764</b>	<b>34,661</b>	<b>66,794</b>
<b>Value adjustments</b>			
Bonds .....	4,375	-2,878	482
Total shares .....	12,371	4,940	14,220
Shares in sector companies etc. ....	7,051	3,176	6,952
Other shares .....	5,320	1,764	7,268
Foreign currency .....	1,504	638	1,504
Other financial instruments .....	-20	23	30
<b>Total value adjustments .....</b>	<b>18,230</b>	<b>2,723</b>	<b>16,236</b>

## Notes per 30th June (continued)

1,000 DKK	2014	2013	1.1- 31.12 2013
<b>Staff costs and administrative expenses</b>			
<b>Salaries and remuneration of board of directors, managers etc.</b>			
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 .....	420	341	697
Audit Committee .....	0	0	50
Board of representatives.....	0	0	176
<b>Total salaries and remunerations of board etc. ....</b>	<b>1,746</b>	<b>1,667</b>	<b>3,753</b>
<b>Staff costs</b>			
Wages and salaries .....	31,147	30,457	60,318
Pensions .....	3,425	3,379	6,751
Social security costs .....	308	268	869
Payroll tax .....	4,025	3,857	7,757
<b>Total staff costs .....</b>	<b>38,905</b>	<b>37,961</b>	<b>75,695</b>
<b>Other administrative expenses .....</b>	<b>26,062</b>	<b>25,912</b>	<b>51,669</b>
<b>Total staff costs and administrative expenses .....</b>	<b>66,713</b>	<b>65,540</b>	<b>131,117</b>
<b>Number of employees</b>			
Average number of employees .....	127	124	123

## Notes per 30th June (continued)

1,000 DKK	2014	2013	1.1 31.12 2013
<b>Write-downs on loans and receivables</b>			
Write-downs and provisions during the year .....	46,300	65,400	99,995
Reversal of write-downs made in previous years .....	-22,088	-32,732	-28,535
Finally lost, not previously written down .....	3,733	4,176	5,799
Interests on the written-down part of loans .....	-4,800	-4,500	-9,000
Recoveries of previously written-down debt .....	-1,102	-853	-1,186
<b>Individual write-downs on loans etc. ....</b>	<b>22,043</b>	<b>31,491</b>	<b>67,073</b>
<b>Profit on holdings in associated and group companies</b>			
Profit on holdings in associated companies .....	0	0	-271
Profit on holdings in group companies .....	-6	0	-61
<b>Total profit on holdings in associated and group companies .....</b>	<b>-6</b>	<b>0</b>	<b>-332</b>
<b>Individual write-downs and provisions</b>			
Write-downs as per beginning of the year .....	221,447	223,512	223,512
Write-downs during the period (net) .....	46,300	64,067	91,499
Reversal of write-downs made in previous years .....	-19,879	-32,407	-28,535
Write-downs in previous years, now lost .....	-22,521	-47,173	-65,029
<b>Individual write-downs total .....</b>	<b>225,347</b>	<b>207,999</b>	<b>221,447</b>
<b>Group write-downs on and provisions</b>			
Write-downs as per beginning of the year .....	21,689	12,883	12,883
Write-downs during the period .....	-2,209	1,009	8,806
<b>Group write-downs on loans etc. ....</b>	<b>19,480</b>	<b>13,892</b>	<b>21,689</b>
<b>Write-downs total .....</b>	<b>244,827</b>	<b>221,891</b>	<b>243,136</b>




## Notes per 30th June (continued)


1,000 DKK	2014	2013	1.1 31.12 2013
<b>Guarantees</b>			
Provisions beginning of the year .....	0	10,517	10,517
Provisions during the year .....	1,080	12	12
Losses on guarantees .....	0	0	-10,000
Transferred to liabilities.....	0	-10,517	-529
<b>Guarantees total .....</b>	<b>1,080</b>	<b>12</b>	<b>0</b>
<b>Total loans etc. with suspended calc. of interest .....</b>	<b>181,107</b>	<b>212,098</b>	<b>187,895</b>
<b>Share capital</b>			
Number of shares at DKK 20 each .....	9,640,000	9,640,000	9,640,000
<b>Share capital .....</b>	<b>192,800</b>	<b>192,800</b>	<b>192,800</b>
<b>Own capital shares</b>			
Number of shares (pcs).....	11,767	39,578	8,850
Nominal value hereof.....	235	792	177
Market value hereof .....	473	997	389
Own shares proportion of share capital (per cent) .....	0.1%	0.4%	0.10%





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skjernbank.dk


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