



Interim report 2017

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Stock Exchange Ann. no. 8/2017

BEST INTERIM RESULTS IN THE BANK'S HISTORY

- Profit before tax of DKK 89.2 million, compared to SEK 51.8 million as of 30/6/2016
- Net interest and fees increased by 12 % to DKK 154.8 million
- Core earnings of DKK 81.2 million, which is historically high
- Decrease in impairment to DKK 10.8 million, compared to DKK 19.2 million in 30/6/2016
- Lending increased by DKK 15.3 million, and deposits increased by DKK 471.4 billion compared to 30/6/2016
- Capital ratio of 17.8 % and individual solvency requirements of 9.9 %
- Upward adjustment of expectations for the year's core earnings from DKK 120 - 130 million to DKK 135 to 145 million

5 years in summary

1,000 DKK	HALF YEAR 2017	HALF YEAR 2016	HALF YEAR 2015	HALF YEAR 2014	HALF YEAR 2013	YEAR 2016
PROFIT AND LOSS ACCOUNT						
Net income from interest	86,136	80,297	81,005	81,806	76,060	163,745
Div. on shares and other holdings	9,744	11,753	11,317	5,307	4,266	12,493
Charges and commissions (net)	58,929	45,960	41,366	38,524	32,228	98,280
Net inc. from int. & charges	154,809	138,010	133,688	127,637	112,554	274,518
Value adjustments	20,629	6,534	7,383	18,230	2,723	17,216
Other ordinary income	722	699	1,023	649	1,117	1,592
Staff costs and administrative expenses	74,537	72,233	66,475	66,713	65,540	148,990
Depreciation of intangible and tangible assets	1,530	1,932	2,979	3,116	2,262	3,746
Other operating expenses	52	52	4,437	5,205	5,792	255
Guarantee commission first guarantee scheme	52	52	4,437	5,108	5,085	52
Operating expenses	0	0	0	97	707	203
Write-downs on loans etc. (net)	10,819	19,176	25,533	22,043	31,491	36,172
Profit on holdings in associated and affiliated companies	0	0	-700	-6	0	490
Operating profit	89,222	51,850	40,970	47,433	11,309	104,653
Taxes	9,484	10,840	9,863	12,797	2,827	22,543
Profit for the period	79,738	41,010	32,107	34,636	8,482	82,110
Of which are holders of shares of hybrid core capital instruments etc.	3,138	3,138	0	0	0	6,626
BALANCE SHEET AS PER 30 JUNE						
summary						
Total assets	6,213,070	5,663,036	5,464,455	5,375,117	5,345,114	5,860,191
Loans and other debtors	3,683,454	3,668,106	3,712,516	3,736,819	3,588,632	3,687,509
Guarantees etc.	1,025,876	784,090	645,476	564,211	580,393	841,088
Bonds	1,021,759	775,596	782,006	822,324	870,299	926,950
Shares etc.	240,981	216,833	172,735	218,047	212,804	219,447
Deposits	5,137,815	4,666,404	4,483,568	4,255,959	3,954,086	4,871,359
Subordinated cap. investments	99,697	99,519	169,340	268,779	293,838	99,618
Capital funds	772,038	657,473	554,581	608,223	556,559	695,313
Dividends						0
Capital Base	772,816	654,297	599,282	712,551	674,509	703,871
Total weighted items	4,333,555	4,224,968	4,163,140	4,191,164	3,974,897	4,075,417
CORE EARNINGS						
Core income	157,371	140,709	143,402	127,789	116,234	280,686
Total costs etc.	-76,119	-74,217	-75,691	-68,429	-67,802	-152,991
Core earnings before value adjustments and write-downs	81,252	66,492	67,711	59,360	48,432	127,695
Guarantee commission for the state *)	-	-	-	-	-1,925	-
Total core earnings	81,252	66,492	67,711	59,360	46,507	127,695

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

Financial ratios - 30 June

Figures in pct.	2017	2016	2015	2014	2013
Solvency ratio	17.8	15.5	14.4	17.0	17.0
Core capital ratio	15.7	13.5	12.5	14.1	13.4
Return on own funds before tax	12.5	8.7	7.8	8.0	2.1
Return on own funds after tax	11.2	6.9	6.0	5.9	1.5
Earning/expense ratio in DKK	1.99	1.52	1.42	1.49	1.11
Interest rate risk	1.2	0.5	-1.3	-1.7	-1.9
Foreign currency position	0.3	0.2	0.7	0.5	0.8
Foreign currency risk	0.0	0.0	0.0	0.0	0.0
Advances against deposits	78.3	86.3	91.1	93.5	96.6
Statutory liquidity surplus	211.4	164.1	136.4	127.8	167.4
LCR	302	286	251	-	-
Total large commitments	16.0	34.5	42.2	10.3	21.5
Accumulated impairment ratio	6.7	7.5	7.9	5.4	5.3
Impairment ratio for the period	0.2	0.4	0.5	0.5	0.7
Increase in loans etc. for the period	-0.1	4.3	1.9	2.5	2.5
Ratio between loans etc. and capital funds	5.2	6.1	6.7	6.1	6.4
(value pr share 100 DKK)					
Earnings per share (result period)	39.7	19.6	16.7	18.0	4.4
Book value pr share	369	311	288	316	290
Market value/earning per share	1.7	1.5	1.9	2.2	5.7
Market value/book value	0.90	0.46	0.56	0.64	0.43
(value pr share 20 DKK)					
Earnings per share (result period)	7.9	3.9	3.3	3.6	0.88
Book value pr share	74	62	58	63	58

Management's report

UPWARD ADJUSTMENT OF ANNUAL EXPECTATIONS

The Bank's first half of the year has been particularly satisfactory and the expectations for the core earnings for 2017 were adjusted upwards from the previously announced range of DKK 120 – 130 million before impairment, exchange rate adjustments and tax to a range of DKK 135 – 145 million.

The upward adjustment is driven by increased activity in the Bank's existing customer relationships and substantial access to new customers, who gladly choose the Bank on the recommendation of existing customers.

Profit before tax increased by DKK 37.3 million to a particularly satisfactory profit of DKK 89.2 million.

The first half year has seen significant gains in net interest and fee income, driven by the very high activity level, which has increased by 12 %. 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 results are further characterised by very satisfactory exchange rate adjustments, and marginally increasing cost levels.

Impairments were reduced to DKK 10.8 million, compared to DKK 19.2 million in the same period in 2016. Impairment need continued to increase in the agricultural segment, but the increase is waning, and the rest of the impairment need is predominantly in other business segments. The Bank's private customers are financially well-off.

Activities in the Bank's market area are increasing and the Bank can report a satisfactory loan demand from existing and new customers. Despite this, a small net decrease in lending of DKK 4.0 million was reported in the first half of 2017, which is due to the planned repayment of a few large business loans. This is compared to the lending on 30/6/2016, when a lending growth of DKK 15.3 million was realised, corresponding to about 0.4 %.

Lending and guarantees to the private segment increased to 36.5 % and the Bank's goal is to further increase the proportion of private lending.

The liquidity coverage is solid with DKK 1.5 billion, which corresponds to 211.4 %. The Bank's unchanged goal is to maintain a solid excess liquidity based on stable customer deposits.

SOLID CAPITAL CONDITIONS

The capital ratio is 17.8 % and the individual solvency requirements are 9.9 %. The Bank's capital base is therefore very solid with a surplus of DKK 342 million, or a coverage of 180 %.

The profit for the first half of 2017 is recognised in the Bank's capital base, and the capital ratio has thus increased by 1.3 % compared to the first quarter of 2017. In the past year, the capital ratio has increased by a full 3.4 % as a result of the Bank's solid operations.

The core capital ratio has also increased significantly from 14.3 % after the first quarter of 2017 to 15.7 % at the end of the first half of 2017.

The strength of the Bank's capital resources could also be viewed in light of the fact that the actual core capital constitutes 14.6%, compared with the individual solvency requirement of 9.9 %.

The positive development in the Bank's profit means that the Bank has chosen to reactivate the approximately DKK 9.5 million in deferred tax assets that the Bank chose not to activate at the end of 2014.

LOANS AND GUARANTEES DISTRIBUTED ON SECTORS

	30.06.2017	31.12.2016	30.06.2016
Public authorities	0,0 %	0,0 %	0,0 %
Agriculture, hunting, forestry & fishing			
Plant production	1,8 %	1,6 %	1,7 %
Cattle farming	8,3 %	8,3 %	8,3 %
Pig farming	1,7 %	1,9 %	2,2 %
Mink production	1,4 %	1,5 %	1,3 %
Other agriculture	1,1 %	1,1 %	1,5 %
Industry and mining	3,0 %	2,4 %	2,3 %
Energy	5,8 %	6,0 %	6,8 %
Building and constructions	6,8 %	6,3 %	6,3 %
Wholesale	8,2 %	8,8 %	8,7 %
Transport, hotels and restaurants	1,6 %	1,5 %	1,8 %
Information and communication	0,5 %	0,3 %	0,3 %
Financial and insurance business	5,9 %	5,8 %	5,3 %
Real-estate	11,9 %	13,1 %	12,6 %
Other business	5,4 %	5,2 %	5,2 %
Private	36,6 %	36,2 %	35,4 %

From the above sectoral distribution represents alternative energy 5.0 %

NET INTEREST INCOME

Net interest income amounted to DKK 86.1 million compared with DKK 80.3 million in the same period in 2016, and thus increased by DKK 5.8 million.

Interest income decreased by 2.9 % to DKK 98.1 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 42.1 % to DKK 12.0 million, which was reduced by DKK 7.4 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 1.3 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.

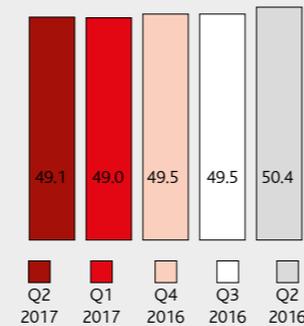
FEE INCOME

Net income from fees and commissions has increased by DKK 10.9 million compared to last year, and amounts to DKK 58.9 million, compared to DKK 45.9 million in 2016.

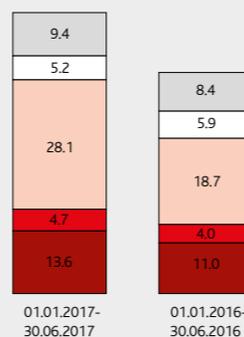
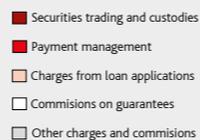
The activities in the mortgage area are very high, which has led to income from there having increased by DKK 9.3 million. The securities market has developed satisfactorily in the first 6 months of the year, which has led to greater activity in the area and an increase in income from the area of DKK 2.6 million. Other fee and commission income increased by a total of DKK 1.0 million.

The total net interest and fee income increased by DKK 16.8 to DKK 154.8 million. The increase is 12.2 % compared to the same period last year.

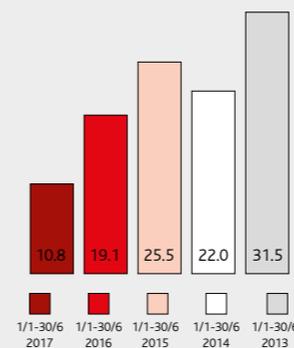
Interest income
Million DKK



Charges and commissions receivable
(Million DKK)



Write-downs on loans etc.
(Million DKK)



EXCHANGE RATE ADJUSTMENTS

After six months of positive increases in the securities markets, the portfolio of stocks and bonds earned profits totalling DKK 20.6 million, compared with DKK 6.5 million on 30 June 2016.

The capital gains are distributed with DKK 3.5 million from the bond portfolio and DKK 15.3 million from the shareholdings. In addition, exchange rates and derivative financial instruments achieved an income of DKK 1.8 million in the same period.

COSTS

Staff and administration expenses, etc. amounted to DKK 74.5 million compared with DKK 72.2 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 2.0 million. In addition to more employees, this also includes increased payroll tax of DKK 0.4 million, and a general collective agreement wage increase. The administrative costs increased by DKK 0.3 million compared with the same period last year.

It is expected that the total cost consumption in 2017 will increase by up to 5 % compared to 2016, primarily as result of increased IT costs and recruitment of new employees, primarily for the new branch in Virum.

IMPAIRMENT

Net impairment for the period of DKK 10.8 million compared with DKK 19.2 million in 2016.

There is increased impairment of DKK 40.4 million, and reversals of previous impairment of DKK 23.9 million. Recorded losses for the period amounted to DKK 21.9 million, of which only DKK 2.1 million had not been previously written down.

Devaluations on loans, etc. for the period correspond to 0.2% of the

total loans and guarantees.

The impairment need in 2016 was DKK 36.1 million and the total impairment need is expected to be at a significantly lower level 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.

IMPAIRMENTS – NEW RULES FROM 2018

From 2018, the current rules for impairment of customer receivables will be replaced by a new EU regulatory framework, called IFRS 9.

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. The impairment consequences of the new set of rules cannot yet be quantified, and as the rules will be implemented over a 5-year period from 2018, it is currently estimated that the effect of the rules' entry into force will be insignificant, and that the impact on capital adequacy will be subdued during the implementation period.

PROFIT FOR THE PERIOD

Profit before tax amounted to DKK 89.2 million compared with DKK 51.8 million as of 30 June 2016. After taxes, net profit amounted to DKK 79.7 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 772.0 million compared to DKK 695.3 million at the end of the previous year. A hybrid core capital of DKK 59.0 million was recognised in the Bank's equity on 30 June 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 772.8 million.



The Bank has recognised profit for the period in the capital base, and the capital ratio has been calculated at 17.8 %, compared with 16.5 % after the first quarter of 2017.

Compared with 30 June 2016, the Bank's capital ratio increased from 15.5 % to 17.8 %, while the core capital ratio increased from 13.5 % to 15.7 %.

The individual solvency requirements amounted to 9.9 %, which is a decrease of 0.6 % compared to the end of the 1st quarter of 2017.

The Bank thus still has a solid foundation capital with a surplus of 180 % compared to the solvency requirements.

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.



SOLID LIQUIDITY

Customer deposits amount to DKK 5,138 million, of which DKK 4,063 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 211.4 %, which follows the strategic goal of maintaining solid liquidity reserves.

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 1 January 2018, the ratio must be at least 100 %.

The Bank has chosen to follow the same rules that apply to the largest banks, and with a minimum financial ratio of 100%, which was met at the six-month mark with a financial ratio of 302%.

SKJERN BANK SHARES

On 30 June 2017 the Bank owned 16,974 shares, which is about 225 more than on 31 December 2016.

The Bank's share price was 66.5 on 30 June 2017, compared with 53.5 at the beginning of the year.

The market price thus amounts to DKK 641.1 million as of 30 June 2017, corresponding to an intrinsic value of 0.83. Shares were traded actively in the market and there is a satisfactory liquidity in the shares.

UPWARD ADJUSTMENT OF EXPECTATIONS FOR CORE EARNINGS

Expectations for core earnings for the entire year of 2017 were adjusted from the range of DKK 120 - 130 million to the range of DKK 135 - 145 million before impairment, exchange rate adjustments and tax.

"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 211.4 % as of 30 June 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 61 % as of 30 June 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 12.9 %, which is 1.0 % 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 June 2017, it had two large customer exposures of a total of 16.0 %, 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 June 2017 the Bank has had a decline in lending of 0.1 %, compared with an increase of 5.0 % throughout 2016. The development is as planned, as a small number of large exposures are regularly reduced/repaid.

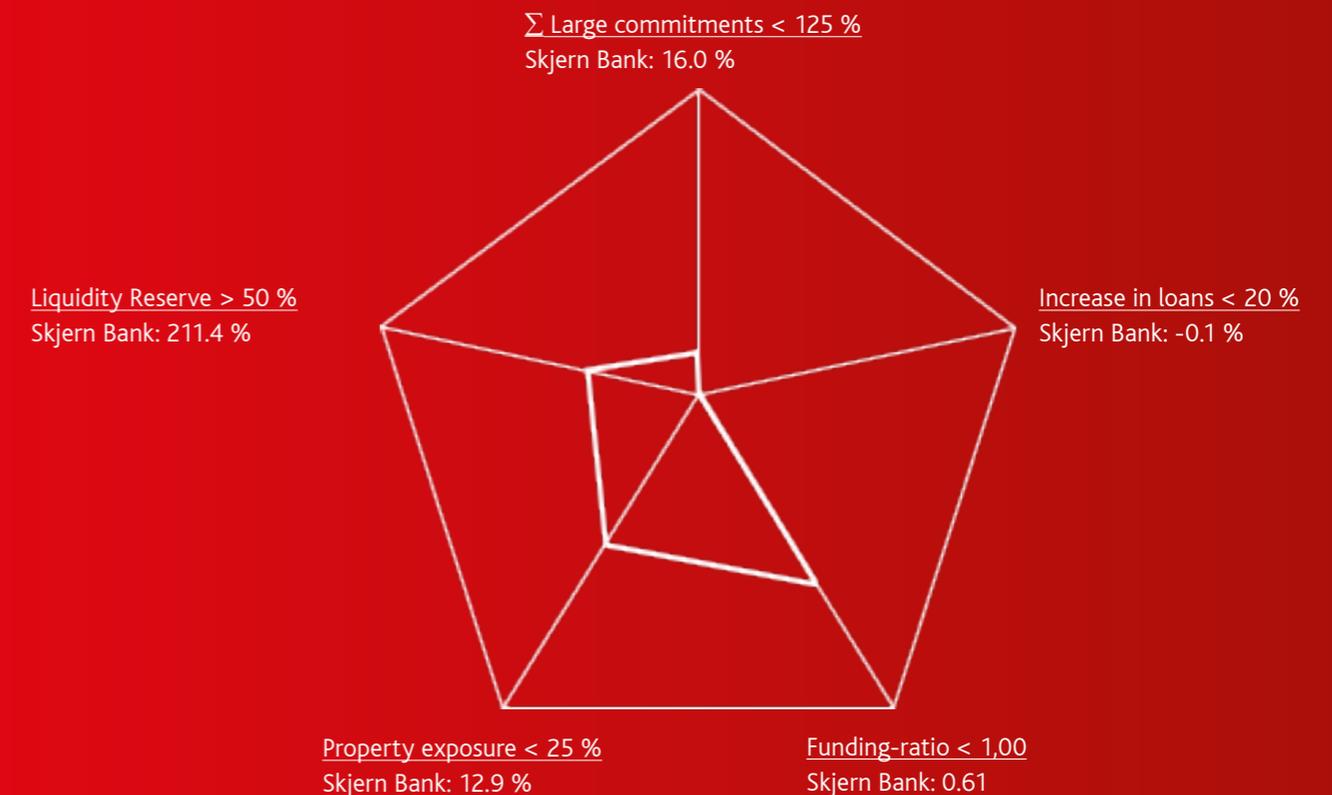
TRANSACTIONS WITH RELATED PARTIES

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 SETTLEMENT FUND/DANISH DEPOSIT GUARANTEE SCHEME

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

The Supervisory Diamond



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 2016.

EVENTS AFTER 30 JUNE 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.

Kind regards
Skjern Bank

Hans Ladekjær Jeppesen
Chairman of the board of directors

Per Munck
Director



Statement by the board of directors and executive board

We have on today's date discussed and approved the interim report for the period of 1 January - 30 June 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.

A review of the interim report has been performed and the earnings for the period are recognised in the capital base.

Skjern, 17 August 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 June

1,000 DKK	2017	2016	1.1-31.12 2016
Interest receivable	98,155	101,059	200,058
Interest payable	12,019	20,762	36,313
Net income from interest	86,136	80,297	163,745
Dividend on shares and other holdings	9,744	11,753	12,493
Charges and commission receivable	61,066	48,054	101,952
Charges and commission payable	2,137	2,094	3,672
Net income from interest and charges	154,809	138,010	274,518
Value adjustments	20,629	6,534	17,216
Other ordinary income	722	699	1,592
Staff costs and administrative expenses	74,537	72,233	148,990
Depreciation and write-downs on intangible and tangible assets	1,530	1,932	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	10,819	19,176	36,172
Profit on equity investments in non-affiliated and affiliated companies	0	0	490
Result before tax	89,222	51,850	104,653
Tax	9,484	10,840	22,543
Net-result for the financial year	79,738	41,010	82,110
Of which are holders of shares of hybrid core capital instruments etc.	3,138	3,138	6,626
STATEMENT OF COMPREHENSIVE INCOME			
Profit for the financial year	79,738	41,010	82,110
Other comprehensive income after tax	0	0	0
Total comprehensive income	79,738	41,010	82,110

Core earnings 1st January – 30th June

1,000 DKK	2017	2016	1.1-31.12 2016
Net income from interest	86,136	80,297	163,745
Net charges and commission	58,929	45,960	98,280
Dividend on shares and other holdings	9,744	11,753	12,493
Foreign currency value adjustments	1,840	2,000	4,576
Other ordinary income	722	699	1,592
Core income	157,371	140,709	280,686
Staff costs and administrative expenses	74,537	72,233	148,990
Depreciation and write-downs on intangible and tangible assets	1,530	1,932	3,746
Other operating expenses	52	52	255
Costs	76,119	74,217	152,991
Core earnings	81,252	66,492	127,695
Write-downs	-10,819	-19,176	-36,172
Value adjustments	18,789	4,534	12,640
Profit on equity investments in non-affiliated and affiliated companies	0	0	490
Result before tax	89,222	51,850	104,653
Tax	9,484	10,840	22,543
Net-result for the financial year	79,738	41,010	82,110

Balance by 30th June

1,000 DKK	2017	2016	1.1-31.12 2016
ASSETS			
Cash in hand and demand deposits with central banks	151,747	183,231	120,542
Receivables at credit institutions and central banks	998,494	687,900	786,764
Loans and other receivables at amortised cost	3,683,454	3,668,106	3,687,509
Bonds at fair value	1,021,759	775,596	926,950
Shares etc.	240,981	216,833	219,447
Land and buildings (total)	49,501	50,785	50,163
Investment properties	2,961	2,961	2,961
Owner-occupied properties	46,540	47,824	47,202
Other tangible assets	4,028	5,958	4,444
Current tax assets	1,547	0	0
Deferred tax assets	11,597	21,366	14,210
Other assets	47,859	50,873	41,520
Prepayments	2,103	2,388	8,642
Total assets	6,213,070	5,663,036	5,860,191

1,000 DKK	2017	2016	1.1-31.12 2016
LIABILITIES			
DEBT			
Debt to credit institutions and central banks	155,505	158,956	134,199
Deposits and other debts	5,137,815	4,666,404	4,871,359
Current tax liabilities	0	435	1,720
Other liabilities	44,289	79,130	56,387
Prepayments	1,091	971	1,162
Total debt	5,338,700	4,905,896	5,064,827
PROVISIONS			
Provisions for loss on guarantees	2,635	148	433
Total provisions	2,635	148	433
SUBORDINATED DEBT			
Subordinated loan capital	99,697	99,519	99,618
Total subordinated debt	99,697	99,519	99,618
EQUITY			
Share capital	192,800	192,800	192,800
Revaluation reserves	417	417	417
Retained earnings	519,667	405,452	443,117
Capital owners share of equity	712,884	598,669	636,334
Holders of hybrid capital	59,154	58,804	58,979
Total equity	772,038	657,473	695,313
Total liabilities	6,213,070	5,663,036	5,860,191



Off-balance-sheet items by 30th June

1,000 DKK	2017	2016	1.1-31.12 2016
CONTINGENT LIABILITIES			
Contingent liabilities			
Finance guarantees	22,467	28,902	25,526
Guarantees against losses on mortgage credit loans	436,127	312,905	357,902
Registration and conversion guarantees	149,605	99,726	116,098
Other contingent liabilities	417,677	342,557	341,562
Total	1,025,876	784,090	841,088
Other binding engagements			
Irrevocable credit-undertakings	135,802	41,943	127,271
Total	135,802	41,943	127,271

Information on changes in equity 30th June

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	76,600	37,842	75,484
Sale of own funds	15,293	3,567	10,626
Purchase of own funds	-15,343	-3,565	-10,572
Retained earnings end-of-year	519,667	405,453	443,117
Holders of hybrid capital beginning-of-year	58,979	58,629	58,629
Net profit or loss for the year (interest hybrid capital)	3,138	3,138	6,626
Paid interest	-2,963	-2,963	-6,276
Issue of hybrid core capital, net	0	0	0
Holders of hybrid capital end-of-year	59,154	58,804	58,979
Total equity	772,038	657,474	695,313

Notes per 30th June

1,000 DKK	2017	2016	1.1-31.12 2016
INTEREST INCOME			
Receivables at credit institutions and central banks	-1,855	-1,458	-3,668
Loans and other receivables	94,920	97,391	193,481
Bonds	4,684	4,855	9,438
Other derivative financial instruments, total	406	271	787
of which			
Currency contracts	154	-175	-262
Interest-rate contracts	252	446	1,049
Other interest income	0	0	20
Total	98,155	101,059	200,058
INTEREST EXPENSES			
Credit institutions and central banks	14	18	26
Deposits	8,773	16,157	28,304
Bonds, issued	0	0	0
Subordinated debt	3,225	4,579	7,967
Other interest expenses	7	8	16
Total	12,019	20,762	36,313
FEES AND COMMISSION INCOME			
Securities trading and custody accounts	13,623	11,036	23,118
Payment services	4,713	4,049	8,632
Loan fees	28,056	18,695	40,880
Guarantee commission	5,237	5,845	11,634
Other fees and commission	9,437	8,429	17,688
Total	61,066	48,054	101,952
VALUE ADJUSTMENTS			
Other loans	13	0	60
Bonds	3,499	4,874	5,867
Total shares	15,331	-139	6,969
Shares in sectorcompanies etc.	5,813	689	5,378
Other shares	9,518	-837	1,597
Foreign currency	1,840	2,000	4,323
Other financial instruments	-54	-201	-3
Total	20,629	13,217	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	1,326	1,326	2,830
Fixed fees	1,305	1,305	2,790
Pension contributions	21	21	40
Management board	528	518	1,034
Audit Committee	0	0	50
Committee of representatives	0	0	189
Total salaries and remuneration of board etc.	1,854	1,844	4,103
STAFF COSTS			
Wages and salaries	34,833	33,377	66,747
Pensions	3,859	3,717	7,488
Social security costs	290	286	850
Payroll tax	5,550	5,148	10,542
Total staff costs	44,532	42,528	85,627
OTHER ADMINISTRATIVE EXPENSES	28,151	27,861	59,260
Total staff costs and administrative expenses	74,537	72,233	148,990
EMPLOYEES			
Average number of employees converted into full-time employees	134	130	132

Notes per 30th June (continued)

1,000 DKK	2017	2016	1.1-31.12 2016
WRITE-DOWNS ON LOANS AND RECAIVABLES			
Write-downs and provisions during the year	40,413	59,189	90,161
Reversal of write-downs made in previous years	-23,907	-37,234	-47,258
Finally lost, not previously written down	2,139	4,921	10,036
Interest on the written-down portion of loans	-6,240	-6,900	-13,800
Recoveries of previously written off debt	-1,586	-800	-2,967
Total	10,819	19,176	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	38,997	58,112	87,936
Reversal of write-downs made in previous years	-23,907	-36,545	-47,258
Write-downs in previous years	-19,802	-26,657	-64,264
Individual write-downs total	311,761	334,969	316,473
GROUP WRITE-DOWNS AND PROVISIONS			
Write-downs - beginning of the year	26,391	24,166	24,166
Write-downs during the year	1,416	1,077	2,225
Group write-downs - end of year	0	-689	0
Group write-downs total	27,807	24,554	26,391
Write-downs total	339,568	359,523	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	2,202	86	433
Loss on guarantees	0	0	0
Transferred to liabilities	0	0	-62
Guarantees end of year	2,638	148	433
LOANS ETC. WITH SUSPENDED CALCULATION OF INTEREST			
	118,996	152,206	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)	10,740	10,322	9,447
Nominal value hereof	215	206	189
Market value hereof	714	298	505
Own shares proportion of share capital (pct.)	0.10%	0.10%	0.10%

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