



vestjysk BANK Annual Report 2006



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The Annual Report 2006 is accessible at www.vestjyskbank.dk.



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vestjyskBANK



vestjyskBANK's Identity

vestjyskBANK's business strategy is founded on healthy and positive qualities, which have always formed the basis for the activities, growth and development of the bank. We have formulated a vision, in which we express our business strategy and identity:

- Through healthy growth, vestjyskBANK shall continue to be among the most profitable banks in Denmark and thereby ensure and assert the greatest amount of influence possible with regards to its own development and independence.
- At vestjyskBANK, customers shall be serviced by "whole people" with a common set of underlying values. The bank as well as its customers shall experience value creation, resulting in mutual loyalty.
- vestjyskBANK is, and shall remain, a modern and value-driven workplace, which attracts and retains competent and committed employees, who possess the necessary professional skills and human qualities.

Furthermore, management and employees of the bank have jointly formulated three core values:

- PRESENCE
- COMPETENCE
- DYNAMISM

Solid Commitment – A Binding Promise

In 2005 we formulated vestjyskBANK's promise of **Solid commitment**, based on our core values and vision. The words reflect our objective with regard to our customers as well as ourselves, which is to establish satisfactory financial latitude for our customers and ourselves, so that customers, shareholders and other stakeholders see our promise of **Solid commitment** as both credible and mutual.

In the course of 2006 we have continued to work on our core values as well as our promise, and throughout the year we have focused, both in terms of internal and external activities, on living up to the commitment, we have made through our promise and values. In this way, we raise the profile of the areas, in which we consider ourselves different from other banks.



Executive Management's Assessment



2006 – A Year with Extensive Activity

In 2006 we focused on creating increased, solid growth within the altered organisational and physical framework, which we established during previous years. This means that we have not undertaken any major organisational changes in 2006, but instead focused on creating increased solid financial latitude for both ourselves and our customers, based on the measures we have previously initiated.

Continued Growth

Also in 2006, vestjyskBANK managed to expand its business volume significantly in regard to retail as well as corporate customers. As a result thereof, the development in our core income has been highly satisfactory. The bank's cost percentage is still decreasing and now amounts to 52.6, compared to 56.2 at the end of 2005. Thus, we have reached our objective in this area.

The Organisation

In 2006 we continued the project, which we launched in 2005, with the objective to strengthen our organisation and outward functions, as well as to adjust and adapt our value-based principles. In 2006 we therefore established an internal training department, and in the course of the year we have carried out a series of training activities, which have focused on improving the skills of the employees who are in direct contact with our customers, in order to free up time for customer-related assignments.

In the course of the year the number of employees has increased by 22. Recruitment has been carried out on a broad basis: we have employed retail and corporate customer advisers with a background in financial services, as well as a number of specialists and employees with office skills. For the first time we have used electronic media for recruiting purposes by constructing a subsite on our website www.vestjyskbank.dk, which addresses potential employees. We have also used TV and radio in a combined image and recruitment campaign, in which we emphasise our values.

Executive Management's Assessment

The branch structure of the bank remains unchanged. However, in Kolding we have now hired employees, who specialise in advising retail customers. This means that the Kolding branch is now a full-service banking branch, which in all areas lives up to our values PRESENCE, COMPETENCE and DYNAMISM.

The Framework

vestjyskBANK's physical setup is designed based on the idea that employees and premises are a part of a whole, which ensures that focus is on the customer. Our branches are being modernised in turn, and in 2006 we refurbished and expanded the Kolding branch, and we constructed a new domicile for the Herning branch. Both locations were put into use in January 2007. We were poised to begin an expansion of our headquarters in Lemvig, but due to planning and building issues, this expansion has been postponed until 2007.

Visibility in the Local Area

vestjyskBANK has also in 2006 been active in the local areas, in which are branches are located. We have maintained our presence in local cultural and association activities and have supported a wide range of these activities with substantial amounts. Furthermore, we have renewed a sponsorship agreement with the entrepreneurial environment at Nupark near Holstebro.

Future Development

vestjyskBANK is currently developing in a good and solid way based on the activities, which we launched in 2005 and 2006. The result from ordinary operations shows that the path we have chosen to follow is right for us. We have a solid business with a range of classic products, which are continuously being developed.

In the coming year we will evaluate how to tie our younger customers even closer to us. As a result we are changing our concept with regards to our youngest customer group. vestjyskBANK has secured exclusive rights within the financial sector to use the computer-based Pixeline concept for marketing purposes. We look forward to many pleasant hours with our youngest customers and their parents in company with Pixeline. Our concepts for older kids and youngsters – Eazy Club and X-akt – are continuously being developed to ensure that they continue to appeal to the relevant age groups.

Thank You

vestjyskBANK would like to thank both shareholders, customers and employees for the past year. It has been a year with much activity, but thanks to our good collaboration, it has also been an exciting and successful year.



Frank Kristensen
Managing Director

Management's Report

Financial highlights	2006	2005	2004	2003*)	2002*)
Income statement (DKK m)					
Net interest income and fee earnings	556	515	466	450	435
Market value adjustments	88	63	66	125	23
Staff costs and administrative expenses	316	293	286	268	270
Impairment on loans and advances and accounts receivable, etc.	11	35	48	67	81
Profit of equity investments in associated and affiliated undertakings	1	1	0	-1	0
Pre-tax profit	310	243	187	245	110
Profit for the year	239	178	140	195	76
Core income ¹	620	546	511	542	444
Costs, incl. depreciation and impairment on tangible assets	326	307	298	272	273
Balance sheet (DKK m)					
Loans and advances	11,531	9,039	7,189	6,340	5,669
Deposits	7,675	7,011	5,903	5,300	4,851
Shareholders' equity	1,656	1,404	1,312	1,179	1,051
Balance sheet	14,304	11,425	9,086	7,892	7,431
Guarantees	4,609	4,325	3,251	2,762	2,922
Business volume	23,815	20,375	16,343	14,402	13,442

*) Comparative figures prior to 2004 have not been adjusted to the change in accounting policies, facilitated by the transition to the new policies laid out in the executive order on financial reporting from 1 January 2005

¹ Net interest income and fee earnings + market value adjustments on foreign exchange and tangible assets + other operating income

Management's Report

Financial highlights	2006	2005	2004	2003*)	2002*)
Key figures					
Solvency ratio	11.2%	11.3%	11.7%	13.1%	12.5%
Core capital percentage	9.8%	10.7%	12.3%	13.0%	11.4%
Return on equity before tax ¹	20.3%	17.9%	15.1%	22.0%	11.1%
Return on equity after tax ¹	15.6%	13.1%	11.3%	17.5%	7.7%
Earnings/costs ²	1.92	1.71	1.54	1.72	1.31
Cost percentage ³	52.6%	56.2%	58.3%	50.2%	61.5%
Employees calculated as full-time staff (average)	403.0	375.3	368.5	355.4	365.4
Interest rate risk ⁴	2.1%	0.9%	1.3%	1.1%	0.2%
Foreign exchange position ⁵	3.0%	3.3%	8.2%	5.8%	8.4%
Foreign exchange risk	0.0%	0.0%	0.1%	0.0%	0.0%
Excess coverage relative to statutory liquidity requirement ⁶	19.4%	31.1%	23.8%	25.0%	44.5%
Loans and advances relative to deposits ⁷	152.9%	132.2%	126.6%	125.3%	122.4%
Loans and advances relative to equity	7.0	6.4	5.5	5.4	5.4
Growth in loans and advances for the year	27.6%	25.3%	13.4%	11.8%	6.4%
Sum of large commitments ⁸	44.4%	29.7%	10.2%	10.8%	0.0%
Accumulated impairment percentage	1.3%	1.7%	2.7%	3.2%	3.1%
Impairment percentage of the year	0.1%	0.3%	0.4%	0.7%	0.9%
Profit per share (unit size DKK 10)	26.9	19.8	15.6	21.7	8.4
Equity value per share (unit size DKK 10)	191.1	164.7	148.0	132.3	120.6
Dividend per share (unit size DKK 10)	5.0	3.0	3.0	7.5	2.0
Price of vestjyskBANK shares at the end of the year	312.2	256.6	222.5	163.7	84.9
Market price/profit per share (unit size DKK 10)	11.6	13.0	14.3	7.5	10.0
Market price/equity value per share (unit size DKK 10)	1.6	1.6	1.5	1.2	0.7

*) Comparative figures prior to 2004 have not been adjusted to the change in accounting policies, facilitated by the transition to the new policies laid out in the executive order on financial reporting from 1 January 2005

1 On the basis of average shareholders' equity

2 Ordinary income relative to ordinary costs

Ordinary income = net interest income and fee earnings + market value adjustments + other operating income + profit of equity investments in associated and affiliated undertakings

Ordinary costs = staff costs and administrative expenses + depreciation and impairment on intangible and tangible assets + other operating expenses + impairment on loans and advances and accounts receivable, etc.

3 Costs including depreciation and impairment of assets / core income

4 Interest rate risk relative to core capital after deductions

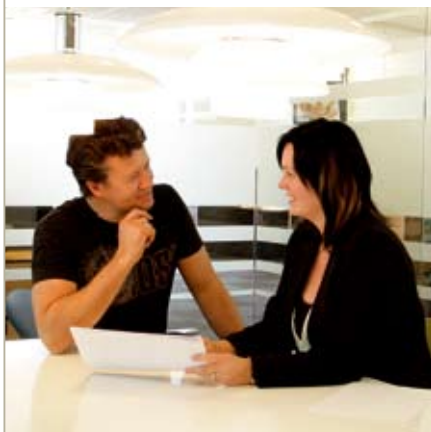
5 Foreign Exchange Indicator 1 relative to core capital after deductions

6 Excess coverage relative to the 10% requirement of section 152 of the Danish Financial Business Act

7 Loans and advances including impairment thereof relative to deposits

8 Commitments larger than 10% of the capital base relative to the capital base

Management's Report



A Highly Satisfactory Result

The year 2006 shows highly satisfactory pre-tax profits for vestjyskBANK of DKK 310m, as compared to DKK 243m in 2005. Profit after tax amounts to DKK 239m, compared to DKK 178m in 2005. The positive development is a result of increased activity within all areas: loans and advances, deposits, housing, pension and investment.

The cost percentage for the year was 52.6%, compared to 56.2% in 2005. This amounts to a positive development of 3.6 percentage points. The cost percentage lives up to the bank's overall objective of max. 55%.

At the end of the year the bank's loans and advances amounted to DKK 11.5bn, deposits DKK 7.7bn and guarantees DKK 4.6bn. At the end of the year the total business volume had increased by DKK 3.4bn, amounting to 17%. This development is due to increased business volume with both new and existing retail and corporate customers.

The profit exceeds the original expectations for 2006 of a pre-tax profit of approximately DKK 225m, as well as the expectation announced following the 3rd quarter of a pre-tax profit of approximately DKK 285m. The positive deviation is a result of an increased business volume, increased investment activity, as well as the positive development in impairment on loans and advances and market value adjustments.

For the bank, the profit constitutes a return on investment of the average shareholders' equity of 20%. Thus overall, the 2006 profits are regarded as highly satisfactory.

Local Commitment

vestjyskBANK has 16 branches across Western and Central Jutland. Furthermore, vestjyskBANK has a special branch, namely the Remote Customer Branch, which services retail customers outside of the bank's "home territory". vestjyskBANK is a full-service bank for retail and corporate customers, with the clear objective to create satisfactory financial latitude for our customers as well as ourselves. This objective, coupled with our vision, expresses what we on a day-to-day basis call **Solid commitment**, seen from the customers' as well as our own perspective.

Business Strategy

vestjyskBANK's strength lies in classic banking, both in relation to retail and corporate customers. Based on the bank's vision and our core values PRESENCE, COMPETENCE and DYNAMISM, we have during the last two years focused particularly on creating solid financial latitude for our customers as well as ourselves. More and more, our customers are demanding competent advice, which is why the bank continuously focuses on education and training.

To be able to continuously live up to our customers' trust, it is necessary to retain, attract and hire competent employees. vestjyskBANK strives to educate its own employees as specialists, but we also, to a large extent, employ people with cutting-edge competencies, when so required.

At vestjyskBANK, we wish to offer our customers products from all the classic business areas within the financial sector. We have therefore set up collaboration agreements with a number of specialists within the fields of payment services, investment, pension, mortgage financing and

Management's Report

insurance. This ensures that we can offer some of the best solutions on the market within these fields.

vestjyskBANK continues to focus on the geographical composition of its branch set-up to ensure that we can follow the growth-driven strategy, which we have laid out. In a long-term perspective, the customer potential in selected geographical areas may lead to an expansion of the branch set-up, when such a move makes for sound business.

Long-term Objectives

As an integral part of its vision, vestjyskBANK has stated that it through healthy growth aims to continue being among the most profitable banks in Denmark. It is furthermore a significant objective for the bank that it holds the financial power to withstand potential difficulties the economic cycle might pose and that it maintains a strategic preparedness, which can be availed of, should new, attractive business opportunities arise. These objectives are to ensure that the bank, to the greatest extent possible, can control its own development and maintain its independence.

One of vestjyskBANK's operational objectives is to maintain the relatively low cost percentage of max. 55.



Looking Back at the Year 2006

Business Activities

The high level of activity of previous years in vestjyskBANK continued in 2006. Also in 2006, there was a net inflow of customers. The net inflow was 2.2%, distributed as 10% more corporate customers and 1.5% more retail customers. This means that corporate banking continues to be the segment, which makes up the bank's core business, which to a large extent is on account of vestjyskBANK's expertise within selected corporate areas. When it comes to financing of agriculture, fishery and windmills, vestjyskBANK's competencies are among the best in the country. During the last couple of years, we have furthermore developed a high level of expertise in niche areas such as financing within the recreational industry, healthcare and co-operative housing.

During 2006 vestjyskBANK focused particularly on the fields of pension and investment. Additional resources were funnelled into these fields, and the bank's advisers were trained to a higher level. This resulted in a 30% growth in pension contributions from 2005 to 2006.

Although the interest rate has increased slightly in 2006, there continues to be a belief in growth in national economy. This resulted in a high level of activity in vestjyskBANK throughout 2006. Activity within the housing area was lower than in 2005; however, there was a general increase in traditional banking activities beyond the ones already mentioned within the fields of pension and investment, as well as in securities turnover and payment services. And in spite of the lower level of activity in the housing area including mortgage conversions, etc., the bank still receives considerable income through brokerage commissions, etc. This is in spite of fact that rates have been kept down for several years.

In essence, 2006 was also a satisfactory year in terms of income from traditional banking activities. The growth in business volume of 17% has thus compensated for the continued pressure on the interest margin.

Management's Report

Focus on Customers

In 2005 vestjyskBANK launched a project in order to strengthen our outward activities, focusing in particular on creating more time for service, advisory meetings and sales. This project, which we called "value-based integrated communication, marketing and sales", we later renamed more idiomatically "value-based integrated communication", but the intentions with the project have remained the same. We have defined which overall values and outward promise we wish to adhere to in order to secure the trust of the outside world. We emphasise PRESENCE, COMPETENCE and DYNAMISM, and with these values as our point of departure it is our objective that our customers feel we meet them with **Solid commitment**.

A tangible example of how we translate this project into practice is that we throughout 2006 have focused particularly on advisory meetings. At vestjyskBANK we call these meetings vestjyskCOMPASSMEETINGS. The meetings always take place on the customer's terms: he/she decides the contents, and we provide the framework. We have chosen to call these meetings vestjyskCOMPASSMEETINGS, because we wish to "encompass" all aspects. COMPASS ('KOM-PAS' in Danish), thus, stands for "*Competence, Overview, Possibilities, Planning, Activities and Solid commitment*". The meetings are non-binding and take the individual customer's life and needs as the point of departure. The subjects range from loans and financing, housing, pension and insurance to investments or any other subject, which the customer may deem important to discuss. vestjyskCOMPASSMEETINGS are held as often as desired or needed by the customer. Given the speed with which events develop, it is our experience that it is advisable to assess the customer's financial status every other year.

vestjyskBANK also seeks to create the optimal physical framework for customer contact. We wish to focus on the customer also in terms of how we fit out our branches. We therefore continue to modernise our local branches.

This means that we at vestjyskBANK are well positioned for continued strong growth. Looking back at 2006, we can establish that we have been busy in many areas, but our employees have jointly taken on and succeeded in the task of showing **Solid commitment** to the advantage of both customers and shareholders.

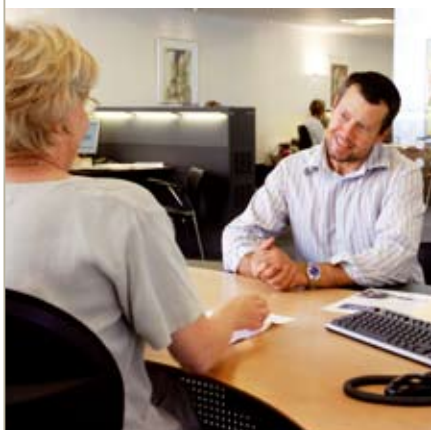
Pre-tax Profit

The pre-tax profit for the year 2006 amounts to DKK 310m, compared to DKK 243m in 2005. The profit constitutes a return on investment of the average shareholders' equity of 20%.

Income Statement

Interest and Fees

Also in 2006 the total net interest income and fee earnings developed satisfactorily from a level of DKK 515m in 2005 to DKK 556m in 2006. An increase of 8% relating partly to a continuously increasing business volume, and partly to higher commissions and fees in connection with securities handling and conversions and facilitation of mortgage credit loans.

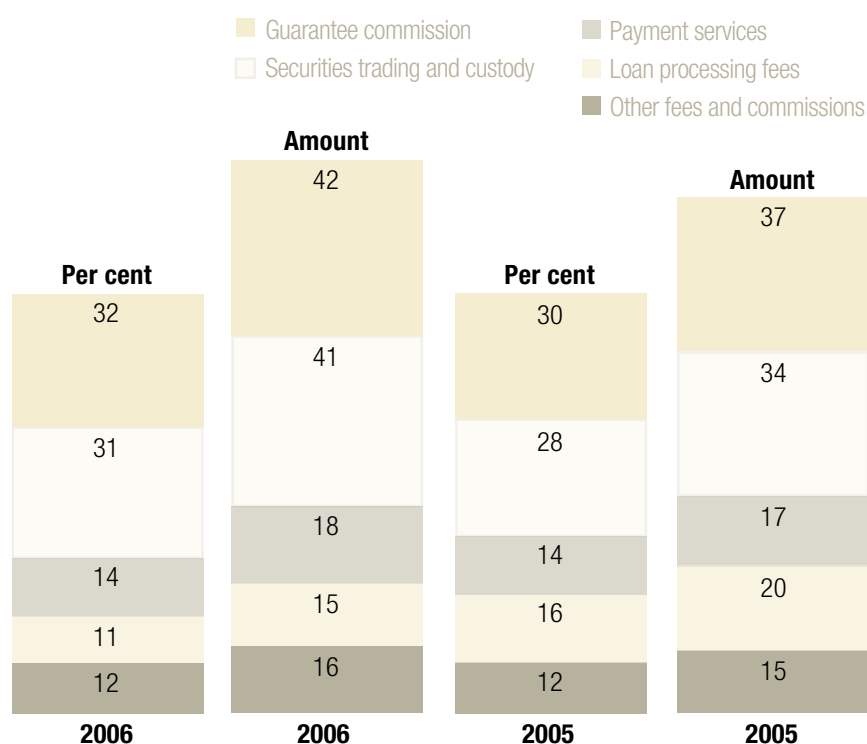


Management's Report



In 2006 fees and commissions amounted to DKK 132m, compared to DKK 123m in 2005, and were distributed as follows:

Fees and Commissions (per cent and DKK m)



Market Value Adjustments

Market value adjustments on securities and foreign exchange, etc., were realised at a profit of DKK 87m, compared to DKK 63m in 2005. There have been positive market value adjustments on shares, foreign exchange, derivative financial instruments and other liabilities, as well as negative market value adjustments on bonds and on loans and advances. The positive market value adjustments on shares of DKK 66m have contributed significantly to the total market value adjustments.

Out of the total profit on shares, DKK 51m originate from market value adjustments of equity investments in jointly owned sector companies, of which DKK 24m is ascribed to realised gain on Totalkredit shares sold. Furthermore, an extraordinary profit of DKK 13m was made due to a change in the method of valuation of the bank's shareholding in Sparinvest.

Expenses

Total expenses, including depreciation and impairment on tangible assets, amount to DKK 326m, compared to DKK 306m in 2005. This corresponds to a cost percentage in 2006 of 52.6%, compared to 56.2% in 2005. This is a positive development of 3.6 percentage points.

Management's Report

Impairment on Loans and Advances and Accounts Receivable, etc.

Impairment on loans and advances and accounts receivable, etc. was in 2006 realised at DKK 11m. The year's impairment comprises 0.1% of total loans and advances and guarantees at the end of 2006, compared to 0.3% in 2005. The reason for this is the continued positive development in the quality of the bank's commitments.

Shareholders' Equity

The Board of Directors recommends that the dividend percentage for 2006 be set at 50, compared to 30 in 2005. This corresponds to a total dividend payout of DKK 44m.

Furthermore, the Board of Directors recommends for adoption at the first coming General Meeting on 7 March 2007 that vestjyskBANK's share capital of DKK 88,000,000 be reduced by DKK 2,000,000 to DKK 86,000,000. The reduction of share capital will be effectuated through the bank's holding of own shares.

The shareholders' equity prior to dividend payout amounted to DKK 1,656m as of 31 December 2006, compared to DKK 1,404m at the end of 2005. This corresponds to a growth of DKK 252m.

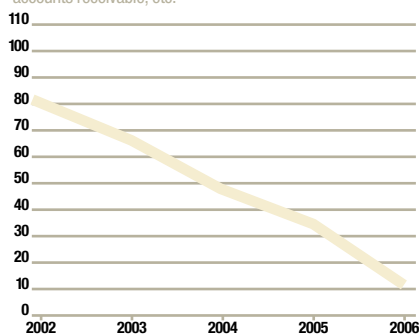
Solvency

Solvency amounts to 11.2%, compared to 11.3% in 2005. The core capital percentage amounts to 9.8%, compared to 10.7% in 2005. In 2006 supplementary capital of total DKK 122m was taken up.

Balance Sheet

At the end of 2006 the balance sheet amounted to DKK 14.3bn, compared to DKK 11.4bn at the end of 2005, which corresponds to an increase of approximately 25%.

Development in impairment on loans and advances and accounts receivable, etc.

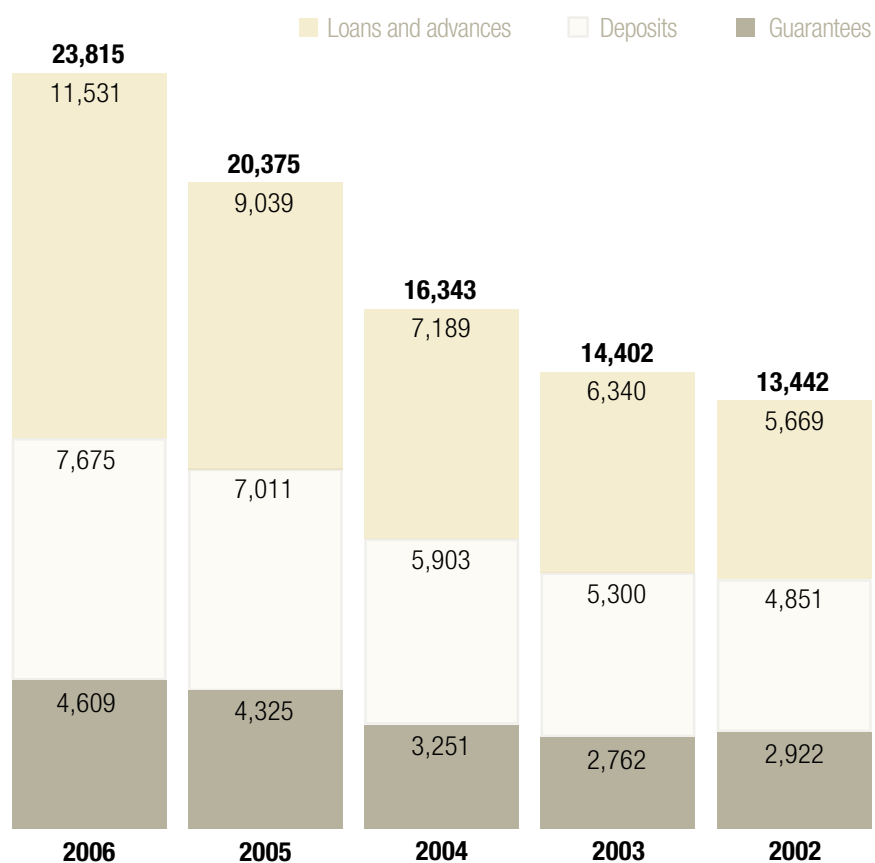


Management's Report

At the end of 2006 total loans and advances amounted to DKK 11.5bn, which is an increase of DKK 2.5bn or approximately 27% compared to 2005. Deposits have also increased from DKK 7.0bn in 2005 to DKK 7.7bn in 2006, corresponding to an increase of approximately 9%.

The portfolio of guarantees increased from DKK 4.3bn to DKK 4.6bn, or approximately 7%. Totalled, this means that the bank's business volume – a total of loans and advances, deposits and guarantees – as of 31 December 2006 amounted to DKK 23.8bn, compared to DKK 20.4bn at the end of 2005, corresponding to an increase of 17%.

Development in Business Volume (DKK m)



Management's Report



Liquidity

The bank's loans and advances are larger than the bank's deposits. Therefore, a bond loan of approximately DKK 1bn has been secured. In addition, liquidity is made available from Danish and foreign credit institutions. The net debt to credit institutions amounts to approximately DKK 3.1bn. At the end of 2006 the bank had unused money market lines.

Expectations for 2007

During the spring of 2007 new collective agreements must be made between the large parties of the labour market. Negotiations can be expected to be tough, given the fact that the high financial activity of the last year has raised expectations. However, vestjyskBANK believes the parties of the labour market will act responsibly, in order for society to avoid a significant increase in inflation and thus a soaring interest rate. Nevertheless, a slight increase in interest rate should be expected throughout 2007, given the generally high level of financial activity.

Because of the new possibilities of raising loans against property, it is becoming increasingly difficult to advise customers on real estate. The finance sector, therefore, increasingly needs skilled and well-educated employees. At vestjyskBANK, we believe that personal contact between adviser and customer will become increasingly important, as the need for more complex advice increases. We believe that our strategy of healthy growth and **Solid commitment** places us in a strong position to broaden the personal relations between the bank and our customers. In the future, we will place even more emphasis on the specific qualifications, which we as a bank can offer our customers.

When emphasising personal contact between adviser and customer, just as we do, the need for skilled and committed employees increases. We therefore also expect the number of employees to increase slightly in 2007, which will mean added staff expenses. It continues to be the bank's long-term objective to maintain a cost percentage of max. 55%.

As a result of the satisfactory profits in 2006, the Board of Directors has decided to offer shares to the bank's employees. The shares will be offered at price 11 and will result in a total expense for the bank of approximately DKK 3m. The shares will be taken from the bank's holding of own shares.

Although vestjyskBANK expects an increase in business volume, we do expect a lower level of profit in 2007 than in 2006. The reason for this is that 2006 saw extraordinary income as a result of selling the remaining shareholdings in Totalkredit to Nykredit, as well as an extraordinary profit of DKK 13m due to the change in method of valuation of the bank's shareholding in Sparinvest. Similar extraordinary income cannot be expected in 2007. For 2007 DKK 17m have been budgeted for refurbishing and expanding the bank's premises at the head office in Lemvig and within its branches. Therefore, vestjyskBANK expects 2007 pre-tax profits to be approximately DKK 280m.

Management's Report

New Capital Adequacy Rules

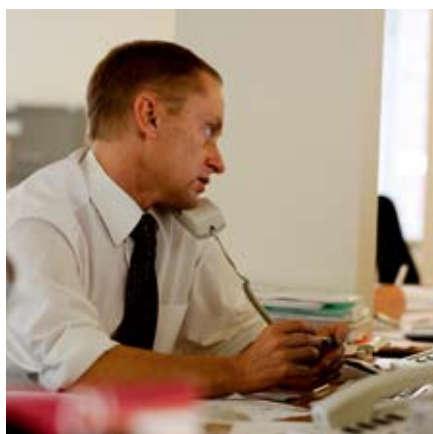
The new capital adequacy rules, Basel II, entered into force on 1 January 2007, but in the Danish set of rules a number of transitional schemes have been incorporated for the so-called pillar 1 (minimum capital requirement). In common with most other medium-sized Danish banks, vestjyskBANK has chosen to make up the credit risk according to the standard method and the operational risk according to the basic method. At the same time the bank has applied the transitional scheme of Basel II for these models, which means that the new methods and principles for making up the solvency ratio will be applied starting 2008.





Organisation

vestjyskBANK's organisation comprises 16 branches, which are typically subdivided into a retail customer section and a corporate customer section, as well as a customer services section. The primary tasks of the retail and corporate customer advisers are based on the bank's vision that both customer and bank should experience value creation, resulting in mutual loyalty. The competencies and resources of the advisers should be put to optimal use, focusing sharply on the customer's needs. Administrative tasks are dealt with in customer services and are continuously made more effective. Indeed, we attempt to apply best practice to all areas of the bank.



The staff functions include specialists within all fields. This means that the advisers are able to deal with all customer needs, also when cutting-edge competencies are needed.

nv finans, which finances cars and caravans, is now an integrated part of vestjyskBANK. vestjyskBOLIG has been sold to our collaboration partner Nybolig.

Employees

The prerequisite for our customers experiencing value creation as a result of the bank's activities is that the bank carries out intensive and relevant training sessions and that it continues to attract and employ skilled employees and specialists.

This year, 24 employees have been trained as internal instructors. This means that the bank continuously can cope with the training needs, which the bank or the individual employee might have. Collaboration with the Financial Sector's Training Centre ensures that the level of training is high and up-to-date.

The bank's values and non-hierarchical organisational structure induce the employees to take individual responsibility according to the motto "trust is better than control". All employees focus on human relations and strong personal service and are able to show a high level of commitment and drive.

vestjyskBANK is aware of the demand in the financial sector for advisers of both retail and corporate customers. In 2006 the bank launched an image and recruiting campaign entitled "Choose us because you share our values". The campaign has attracted new, skilled employees and has resulted in a database of several hundred potential new employees.

61 new employees have joined in 2006, which amounts to a net inflow of 22. The average age and seniority are 43.8 and 11.3 years, respectively.

The solid commitment among employees was exemplified in a joint project during the autumn of 2006, titled "Start a healthy habit". 80 percent of the employees signed up for the project, which aims to incorporate routines in daily life that may aid living a healthier and less stressful life. The bank has laid down the health policy framework, and it is the employees' task to fill it in with healthy habits, which fit the individual.

The bank's vision and underlying values, and hence its business and staff policies, make it an attractive workplace. vestjyskBANK is capable of attracting and retaining skilled and committed employees, who have both the necessary professional and personal skills.

Organisation

Incentive Scheme

The bank will be launching an incentive scheme for the bank's employees during 2007. The purpose of the incentive scheme is to motivate the employees to focus on selected strategic priority areas, by giving them a right to buy vestjyskBANK shares at price 11.

Eight priority areas have been selected, in which the employees are to be motivated to reach target levels above pre-set figures. For each priority level where the target is met, employees will be given a right to buy for DKK 2,500 worth of vestjyskBANK shares. The maximum right of purchase value per employee cannot exceed DKK 20,000. The maximum amount allocated to the incentive scheme is DKK 8.4m.

The prerequisite for granting the right of purchase is that vestjyskBANK is consolidated positively after tax and dividend payout. The scheme is the same for all employees and is meant to boost the team spirit and motivate towards a joint effort to reach the laid out objectives. The bank does not have other incentive programs.

Besides stimulating the bank's development and earnings, the scheme will underpin our vision of attracting and retaining skilled and committed employees.



Risk Management

vestjyskBANK's Board of Directors lays out the overall framework and policies for the bank's risk and capital structure, according to which the Executive Management of the bank and other management personnel manage the bank's risks. The Board of Directors is continuously updated on risk development and the utilisation of the assigned risk framework. The daily management of risk is handled by the Pension & Investment Department, as well as the Credit Department. The Finance Department carries out an independent control.

Credit Risk

A very significant part of vestjyskBANK's business is the credit area. This area covers loans and advances, credits, guarantees and other financial services.

In accordance with the Danish Financial Business Act, a commitment with one customer or customers within the same group may not exceed 25% of the capital base. To ensure a suitable spread across industries and customers, it is a principal rule that the bank does not have commitments that exceed 10% of the bank's capital base. In this manner, vestjyskBANK seeks in its issuance of credit to maintain a suitable spread across industries and customers, in order to ensure that singular commitments, including those with groups of companies, do not constitute a danger to the bank's existence.



Risk Management



When credit assessing corporate commitments, vestjyskBANK emphasises that the customer's business concept be viable and that the customer possesses the necessary competencies. An important aspect of the bank's credit assessment is analysing the customer's accounts and budgets.

vestjyskBANK segments customer commitments into different risk groups. To ensure correct segmentation, vestjyskBANK uses different systems. Segmentation is an important aspect of how the bank manages credit risks.

vestjyskBANK's loans and advances and guarantees are distributed as 66% to corporate customers and 34% to retail customers.

The need for impairment and provisions for losses on credit commitments is assessed continuously. The bank carries out impairment on commitments that carry objective indications of value decrease, to ensure that any expected risk of loss is hedged. The impairment is carried out using a set of overriding criteria.

Commitments that show signs of weakness, e.g. because of poor earnings or a flimsy capital base, are monitored, so that the bank, by stepping in in time, may avoid carrying out impairment because of value decrease. In that way, both the bank and the customers can prevent loss in the long run.

Liquidity Risk

vestjyskBANK's cash flow position is monitored closely as part of the bank's daily cash flow management. The bank's cash flow management is derived from an objective of ensuring a cash flow position, which is adequate to cover the expected growth in loans and advances, as well as to ensure sufficient cash flow to always be able to deal with normal deviations in deposits made. The cash flow position consists of liquid securities, as well as lines in other credit institutions.

Financial Risks

The risk that the market value of the bank's financial assets and liabilities will change, because of changes in market conditions, is referred to as "financial risks". Engaging in financial risks is a natural part of the bank's business, which affects the total income of the bank. Monitoring of financial risks and control of the laid down guidelines happen on a daily basis. Deviations are immediately reported to the Executive Management.

Interest Rates

Interest rate risk is calculated – according to the Danish Financial Supervisory Authority – as the total risk of loss, given a general change in the level of interest rates of 1 percentage point. The total interest rate risk covers the risk on both bonds and fixed-interest loans and advances and deposits.

The bank uses interest rate swaps to wholly or partly hedge the interest rate risk on fixed-interest loans and advances and deposits as part of its risk management.

Risk Management

At the end of 2006 the total interest rate risk was DKK 34.1m, which, measured against core capital, amounts to 2.1%.

Shares

Share risk is calculated on the basis of the invested sum in shares and share-related products. At the end of 2006 the share risk amounted to 20.9% of the shareholders' equity, compared to 23.1% in 2005.

Foreign Exchange

The foreign exchange risk is relatively small and is managed through guidelines for open positions in the individual currencies. The risk is measured through key figures, Foreign Exchange Indicator 1 and 2, which are calculated according to the guidelines of the Danish Financial Supervisory Authority.

Financial Instruments

Derivative financial instruments are used by the bank's customers as well as the bank to hedge and manage financial risks.

Derivative financial instruments are included in the assessment of the bank's market risks, as they can be assigned to each of the three underlying risk types. This means that the derivative financial instruments do not constitute further independent market risks to the bank.

Operational Risks

The increased demand for qualified employees within the finance sector means that the bank more and more views the dependence on key employees as an area of focus. Work is continuously done to minimise this dependence on key employees, for instance through written business procedures, centralisation of tasks and via outsourcing of areas, which have no bearing on the bank's competitiveness.

vestjyskBANK continuously works on policies and contingency plans in case of physical disasters and IT breakdowns. The bank is a member of Bankernes EDB Central (BEC), which is in charge of daily operations of the computer systems. The bank follows the directions and recommendations it receives from BEC and undertakes no independent development of IT systems.

The bank's contingency plans in regard to IT only include breakdowns in limited areas, e.g. specific branches or the head office. In case of breakdowns at one or more branches, operations can be continued at the other branches, and in case of longer-lasting breakdowns at the head office, the key functions can be carried out at a branch.





Corporate Governance



Building and maintaining good relations with the bank's stakeholders – customers, shareholders, suppliers, employees and the local community – is the basis for vestjyskBANK's continued success and development. This is why the bank focuses on openness and transparency in its corporate governance. The framework of the bank's Corporate Governance Policy is the Copenhagen Stock Exchange's general notification obligations, as well as the conditions governing inclusion in the Stock Exchange's MidCap+ index.

Shareholders' Role and Interaction with Management

It is the goal of the bank to remain an independent and complete financial company, rooted locally, and with a broad customer and shareholder base. Based on this, the shareholders have decided via an open vote at the General Meeting that voting rights be limited to 3%.

The Board of Directors assesses that the voting rights restriction underpins the bank's goal of remaining independent, thereby ensuring that business develops to the advantage of customers, shareholders and other stakeholders.

vestjyskBANK holds a shareholders' meeting every year following the General Meeting. Approximately 1,000 shareholders attend these meetings.

Openness and Transparency

vestjyskBANK generally strives for as much openness as possible in its bank matters. The Board of Directors and the Executive Management continuously work to improve communication and the level of information vis-à-vis the bank's partners, so that all communication regarding the bank is made public in a trustworthy and adequate manner. The information should give a fair representation of vestjyskBANK's financial conditions, strategy and expectations for the future.

During the course of the year, the management of the bank communicates with shareholders through the bank's website and via the shareholder and customer magazine Fjordternen. Furthermore, press releases are submitted in connection with yearly, half-yearly and quarterly results, as well as when it is deemed necessary to communicate a message to the public.

The bank's website also includes an investor portal, which contains relevant and updated information for shareholders and other stakeholders. The portal contains stock exchange notifications and presentations for investors, the annual profile brochure, the current share price, etc.

Corporate Governance

Board of Representatives

It is the task of the Board of Representatives to select the members for the Board of Directors and to assist the Board of Directors and the Executive Management in their work, as well as to generally work for the well-being of the bank. The Board of Representatives must, among its members, select no less than four and no more than eight members to be on the bank's Board of Directors.

The Board of Representatives is made up of 56 members, at the most. Members are elected at the General Meeting for a period of three years; re-election is possible. The age limit for members of the Board of Representatives is 67 years.

The Board of Representatives holds two meetings a year.

Board of Directors and Executive Management

Members are elected to the Board of Directors for a period of three years; re-election is possible. In accordance with legislation, the bank's employees also elect a number of members for the Board of Directors. At present, the Board of Directors has seven members, of which four have been elected by and chosen amongst the members of the Board of Representatives. Immediately following the General Meeting, the Board of Directors constitutes itself with a chairman and a vice-chairman.

It is intended that the members of the Board of Directors should represent a broad palate of business knowledge and experience, given the comprehensiveness of the bank's activities.

It is the task and responsibility of the Board of Directors to be in charge of the over-all management of vestjyskBANK, which includes determining the bank's general policies and objectives. Furthermore, it is the task of the Board of Directors to assess the bank's organisation, e.g. in relation to internal auditing and accounting, budgeting and IT. Furthermore, the Board of Directors is obliged to follow up on business plans, budgets, etc., and to assess reports concerning the bank's liquidity, financing conditions, cash flow, significant transactions and special risks.

The Board of Directors has in its rules of procedure set down on paper the specifics for performing its task. The Board of Directors' rules of procedure are continuously evaluated and revised. The rules of procedure are drawn up in accordance with legislation and the Danish Financial Supervisory Authority's regulations, and contain guidelines governing the work of the Board of Directors, including the cooperation between the Board of Directors and the Executive Management. It is the task of the Board of Directors to hire the Executive Management, which is in charge of the daily management of the bank. The Board of Directors also hires the internal chief auditor.

Every spring, the Board of Directors conducts a seminar, at which the framework for next year's work as far as concerns the bank's overall strategic management, the financial and managerial control of the bank, as well as the continued assessment of the management's work is laid out.

Board meetings are held every month except July.



Corporate Governance



Remuneration to the members of the Board of Directors and Executive Management salaries are posted in the Annual Report. The members of the Board of Directors receive an annual remuneration. The Executive Management is salaried, and the terms and conditions of employment, including severance terms, follow normal practice and are assessed continuously. Neither the Board of Directors nor the Executive Management is remunerated with share options, and the Executive Management is not remunerated according to an incentive scheme.

On vestjyskBANK's website and in the Annual Report, you will find a list of the members of the Board of Directors and their election term. The list indicates whether members of the Board of Directors hold board member or managerial seats in other companies, Danish as well as foreign.

Risk Management

vestjyskBANK's Board of Directors has, in a series of communiqués to the Executive Management, laid down a framework and a number of policies to safeguard the bank. The Board of Directors is conscious of risk management at all times, and continued and detailed reporting is carried out at all board meetings. All risk areas are covered in detail in a separate section of the Annual Report.

Capital Structure and Ownership



Capital

vestjyskBANK's share capital is DKK 88,000,000.00 denoted in one share class. The entire share capital is listed at the Copenhagen Stock Exchange.

The share's face value is DKK 10. The share must be registered in a name in order to obtain the right to vote. Approximately 23,300 shareholders are registered, and 96.1% of the shares are registered in a name. The shares may be converted freely. No shareholder is obliged to redeem his/her shares fully or in part. No shares carry special rights. For every DKK 500 in total shareholding the shareholder receives one vote. No one may, through own votes or power of attorney, vote for more than 3% of the bank's share capital.

In accordance with section 28(a) of the Danish Public Companies Act, the following shareholder has notified that his share capital exceeds 5% of the total share capital:

Peter Helm, Leather Goods Dealer
Skovvikken 26, DK-7500 Holstebro

At least one half of the share capital must be represented at the General Meeting, in order to carry out valid amendments to the bank's Articles of Association. The proposal must be adopted by at least 2/3 of the votes cast and 2/3 of the share capital represented at the General Meeting and with the right to vote. In the event that half the share capital is not represented at the General Meeting, and the proposal is adopted by 2/3 of the votes and the represented share capital, the Board of Directors will call a new General Meeting within 14 days, where the proposal may be adopted by 2/3 of the votes, without consideration to how large a part of the capital is represented. Amendments to the Articles of Association proposed by the Board of Directors or Board of Representatives do not require that half of the share capital is represented.

Other Conditions

vestjyskBANK has not entered into any agreements, which come into effect, are amended or expire, if control of the bank is acquired as the result of a takeover. Furthermore, no agreements have been entered into with the bank's management or employees regarding compensation in the case of severance or discharge without valid reason, or in the case their positions are discontinued as the result of a takeover.

Shareholder Information

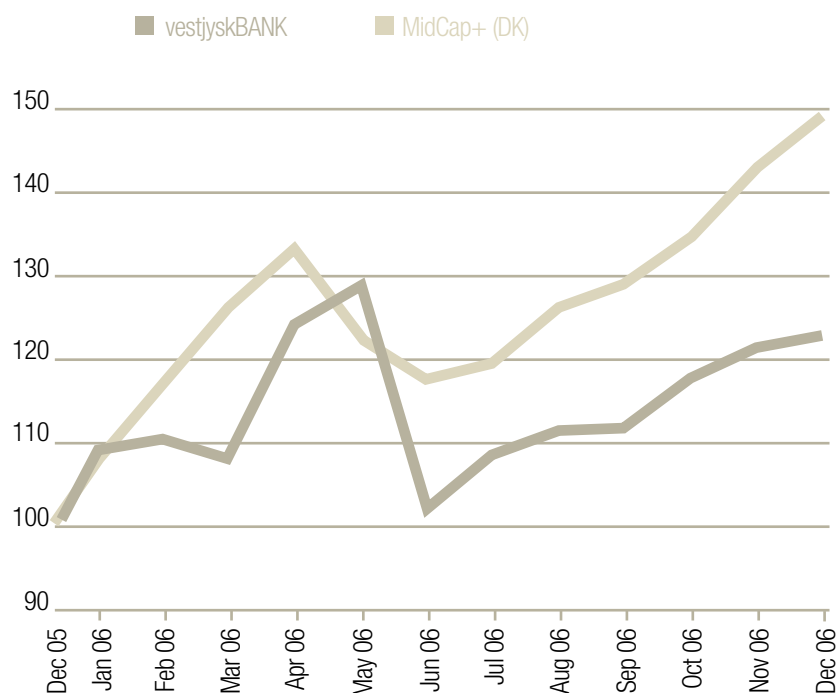
MidCap+

vestjyskBANK's share has since 1 July 2003 been included in the MidCap+ index, the Copenhagen Stock Exchange's segment for medium-sized companies. The MidCap+ index includes medium-sized companies with good share liquidity, a high level of information and good investor management. Solid interest has been taken in the bank's share, and it is the bank's clear objective to remain a member of the MidCap+.

At the beginning of 2006 the share was traded at 256.6, while it on the last trading day of the year was traded at 312.17, an increase of nearly 22%. If dividend payouts of DKK 3.00 per share are included, the return is more than 22.8%.

vestjyskBANK against MidCap+

(Rebased Dec 05)



Shareholder Information

Dividend Policy

vestjyskBANK's dividend policy is determined based on the bank's long-term solvency goals. Taking into account the annual result, the need for continued growth, as well as the development of the share, the Board of Directors assesses the need to repurchase shares on an annual basis. The dividend percentage is then determined, based on a combination of solvency goals and repurchase strategy.

In 2006 the bank's share capital was written down by DKK 1,970,000.00 to DKK 88,000,000.00.



Communication Policy and Investor Relations

The purpose of vestjyskBANK's Communication Policy and Investor Relations activities is to ensure that good and relevant information is provided to the Copenhagen Stock Exchange, other stock market stakeholders, present and potential shareholders, the media, analysts and brokers.

The information intends to give a fair representation of vestjyskBANK's financial conditions, strategy and expectations for the future.

Handover of information to the market is done in accordance with the Copenhagen Stock Exchange rules, as well as in accordance with the obligations connected with the bank's membership of the Stock Exchange's MidCap+ index, including:

- releasing yearly, half-yearly and quarterly reports with all relevant specifications
- releasing the annual review in accordance with Danish Law
- responding to all queries from investors in this regard
- placing information at disposal in Danish and English

Website, Shareholder Magazine and Annual Profile Brochure

The bank's website www.vestjyskbank.dk includes an investor portal, which contains relevant and updated information for shareholders and other stakeholders. In the portal the released stock exchange notifications, financial statement presentations for investors, present share price, annual reports and the "brochure" vestjyskANNUALPROFILE may be found.

The annual profile brochure contains an overview of the bank's financial highlights, and we relate in an informal way, what has happened in the past year, and what we will be working with in the year to come, to the advantage of our customers. The target group for the annual profile brochure comprises the bank's shareholders, potential as well as new customers, the media, etc. The brochure is printed in large numbers and can also be viewed on the bank's website.

The bank releases the shareholder and customer magazine Fjordternen twice a year. Fjordternen is sent to shareholders and customers and can be viewed on the bank's website. It is continuously our intention to publish an ambitious and interesting magazine, which reinforces customers' and shareholders' interest in and preference for the bank.

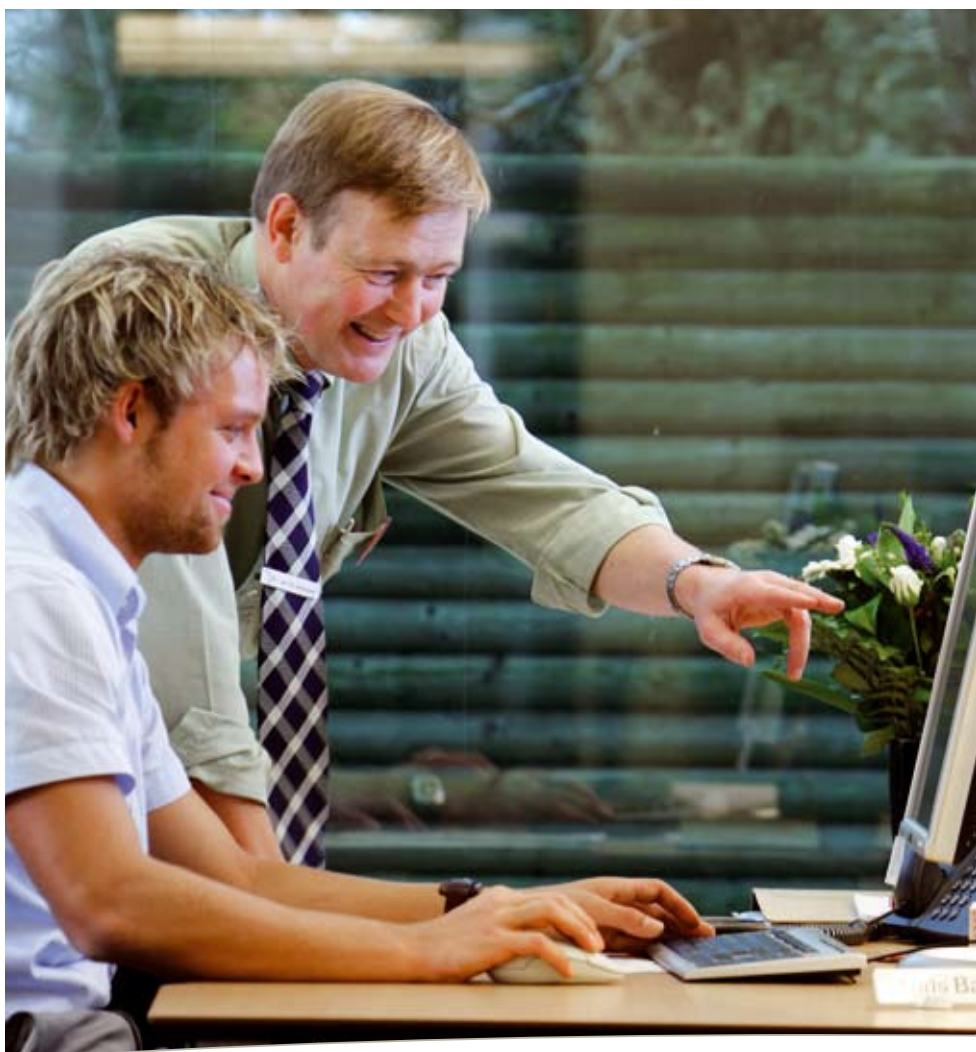
Shareholder Information

Investor Relations Responsible

The bank's contact to the stakeholders of the stock market, as well as questions relating to the bank's Investor Relations Policy, are solely handled by the Executive Management:

Frank Kristensen
vestjyskBANK
Torvet 4-5
DK-7620 Lemvig

Telephone: +45 96 63 21 01
E-mail: fk@vestjyskbank.dk



Shareholder Information

General Meeting and Shareholders' Meeting

vestjyskBANK will be holding its annual General Meeting on Wednesday, 7 March 2007 at 3:00 p.m. at Idrætscenter Vest in Holstebro. The bank's shareholders' meeting will be held on the same day and at the same location at 6:00 p.m.



Financial Calendar for 2007

- 21 February Annual Report 2006
- 7 March General Meeting
- 1 May Quarterly report, Q1 2007
- 15 August Half-yearly report, H1 2007
- 30 October Quarterly report, Q1-3 2007

Stock Exchange Notifications for 2006

- 9 January Report on transactions with shares (insiders' tradings)
- 21 February Preliminary announcement of the annual accounts for 2005
- 22 February Notice of General Meeting 2006
- 23 February Annual Report 2005 (only Danish version)
- 9 March Report on General Meeting 2006
- 21 March Annual Report 2005 (only English version)
- 28 March Sale of shareholding in Gudme Raaschou Vision A/S
- 10 April Internal merger
- 18 April Sale of own shares
- 9 May Amended Articles of Association as a result of NV Finans A/S merging into Vestjysk Bank A/S
- 9 May Quarterly report, Q1 2006
- 16 May Subordinated debt raised
- 31 May Report on transactions with shares (insiders' tradings)
- 16 June Reduction of capital
- 16 June Articles of Association after reduction of capital
- 22 June Holding of own shares after reduction of capital
- 8 August Half-yearly report, H1 2007
- 17 August Report on transactions with shares (insiders' tradings)
- 7 November Quarterly Report, Q1-3 2006

Statement of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management have, as of today, reviewed and approved the Annual Report of Vestjysk Bank A/S for the financial year 1 January – 31 December 2006.

The Annual Report has been prepared in accordance with the Danish Financial Business Act, the executive order of the Danish Financial Supervisory Authority on financial reporting, etc. and the requirements laid down by the Copenhagen Stock Exchange regarding financial reporting for listed companies. We consider the applied accounting policies to be appropriate and the Annual Report to give a true and fair view of the bank's assets, liabilities, financial position as well as profit.

The Annual Report is recommended for approval at the General Meeting.

Lemvig, 21 February 2007

Executive Management

Frank Kristensen

Board of Directors

Anders Bech

Peter Grankær

Søren Broe Langer

Gunnar Overlund Knudsen

Kirsten Lundgaard-Karlshøj

Preben Larsen

Peder Hesselaa Nielsen

Auditors' Report

Internal Auditors' Report

We have audited the Annual Report of Vestjysk Bank A/S for the financial year 1 January – 31 December 2006, which comprises the management's report, the statement of the Board of Directors and the Executive Management, accounting policies, income statement, balance sheet, statement of changes in shareholders' equity and notes. The Annual Report has been prepared in accordance with the Danish Financial Business Act and additional Danish disclosure requirements for annual reports of listed financial institutions.

Auditor's Responsibility and the Basis of Opinion

The audit has been conducted in accordance with the executive order of the Danish Financial Supervisory Authority on auditing financial enterprises, etc. and financial groups and in accordance with Danish auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance that the Annual Report is free from material misstatement.



The audit has been performed in accordance with the division of duties agreed with the external auditors and has included an assessment of procedures and internal controls established, including the risk management organised by management relevant to the entity's reporting processes and significant business risks. Based on materiality and risk, we have examined, on a test basis, the basis of amounts and other disclosures in the Annual Report, including evidence supporting amounts and disclosures in the Annual Report. Furthermore, the audit has included evaluating the appropriateness of the accounting policies applied by management and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Annual Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Annual Report gives a true and fair view of the company's assets, liabilities and financial position at 31 December 2006, and of the results of the company's operations for the financial year 1 January – 31 December 2006, in accordance with the Danish Financial Business Act and in accordance with additional Danish disclosure requirements for annual reports of listed financial institutions.

Lemvig, 21 February 2007

Hans B. Talihn
Chief Auditor

Auditors' Report

Independent Auditors' Report

To the Shareholders of Vestjysk Bank A/S

We have audited the Annual Report of Vestjysk Bank A/S for the financial year 1 January – 31 December 2006, which comprises the management's report, the statement of the Board of Directors and the Executive Management, accounting policies, income statement, balance sheet, statement of changes in shareholders' equity and notes. The Annual Report has been prepared in accordance with the Danish Financial Business Act and additional Danish disclosure requirements for annual reports of listed financial institutions.

Management's Responsibility for the Annual Report

Management is responsible for preparing and presenting an Annual Report that gives a true and fair view in accordance with the Danish Financial Business Act and in accordance with additional Danish disclosure requirements for annual reports of listed financial institutions. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of an Annual Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable under the circumstances.

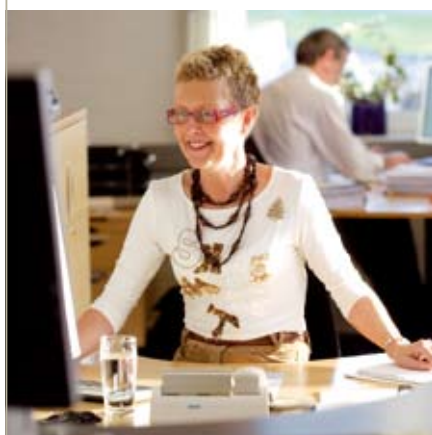
Auditor's Responsibility and the Basis of Opinion

Our responsibility is to express an opinion on the Annual Report based on our audit. We conducted our audit in accordance with Danish auditing standards. These standards require that we live up to the given code of ethics and that we plan and perform the audit to obtain reasonable assurance that the Annual Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence regarding the amounts and disclosures in the Annual Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Annual Report, whether due to fraud or error. In making this risk assessment, the auditor considers internal controls relevant to the preparation and fair presentation of the Annual Report in order to design audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. The audit included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Annual Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.



Auditors' Report

Opinion

In our opinion, the Annual Report gives a true and fair view of the company's assets, liabilities and financial position at 31 December 2006, and of the results of the company's operations for the financial year 1 January – 31 December 2006, in accordance with the Danish Financial Business Act and in accordance with additional Danish disclosure requirements for annual reports of listed financial institutions.

Holstebro, 21 February 2007

PricewaterhouseCoopers

Statsautoriseret Revisionsaktieselskab

Kurt Villadsen

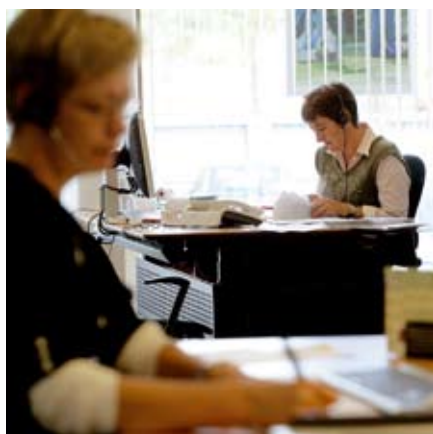
State Authorised Public Accountant

Krøyer Pedersen

Statsautoriserede Revisorer I/S

Tage Hjortkjær

State Authorised Public Accountant



Accounting Policies

General

The Annual Report has been prepared in accordance with the Danish Financial Business Act, including the executive order on financial reporting for credit institutions and investment companies, etc. Furthermore, the Annual Report has been prepared in accordance with the general notification obligations of the Copenhagen Stock Exchange, to the extent that no other procedure is laid out in the Danish Financial Business Act, the executive order on financial reporting for financial institutions or in the executive orders from the Danish Financial Supervisory Authority.

As of 1 January 2006, vestjyskBANK has merged the 100%-owned subsidiary company NV-Finans A/S into Vestjysk Bank A/S. The comparative figures have been adjusted.

From 1 January 2006 interest income from impaired loans and advances and accounts receivable is recognised as interest income only with the calculated effective interest of the impaired value. Additional interest income is recognised under the item "Impairment on loans and advances and accounts receivable, etc.". The changed procedure has affected the item "Interest income on loans and advances and other accounts receivable" with an expense of DKK 10.4m, and similarly with an income under the item "Impairment on loans and advances and accounts receivable, etc.". The annual result is not affected by this change of procedure.



Accounting Policies



Recognition and Measuring in General

Assets are recognised in the balance sheet when, as a consequence of an earlier occurrence, it is probable that future financial benefits will accrue to the bank, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the bank, as a consequence of an earlier occurrence, has a legal or actual liability, and it is probable that future financial advantages will be set off against the bank, and the value of the liability can be measured reliably.

On first recognition, assets and liabilities are measured at current value. However, intangible and tangible assets are measured at cost price at the time of the first recognition. Measuring after the first recognition is effected as described for each individual item below.

In connection with recognition and measuring, allowance is made for predictable risks and losses occurring before presentation of the Annual Report, and which confirm or invalidate circumstances existing on the date of the balance sheet.

In the income statement, incomes are recognised as earned, whereas expenses are recognised with the amounts relating to the accounting year. However, value increases in domicile properties are recognised directly in the shareholders' equity.

Financial instruments are recognised on the settlement date.

No segment information is given, as neither activities nor geographical markets deviate considerably in comparison to one another.

Accounting Estimates

Determination of the accounting value of certain assets and liabilities involves an estimate of how future events will affect the value of such assets and liabilities. The most essential estimates relate to impairment on loans and advances, determination of current values of unlisted financial instruments and provisions.

The estimates carried out are based on preconditions considered sensible by management, but which are uncertain. In addition, the bank is affected by risks and uncertainties which may lead to actual results deviating from the estimates.

As for impairment on loans and advances and accounts receivable, there are significant estimates associated with quantification of the risk of not all future payments being received. As for the current value of unlisted financial instruments, there are significant estimates involved in measuring the current value.

Group Structure

Accounting Policies

vestjyskBANK owns the total share capital in vestjyskBOLIG A/S. No consolidated accounts have been prepared, as the activities in the subsidiary company were sold in 2006, after which there has been no more activity in the company. As a consequence thereof, it has been decided that the company will merge with the bank at the beginning of 2007.

Income Statement

Interest, Fees and Commissions

Interest income and interest expenses are recognised in the income statement for the period they concern. Commissions and fees, constituting an integral part of the effective interest rate on loans and advances, are recognised as part of the amortised cost price.

Interest income from loans and advances, which have been either fully or partially impaired, is recognised as interest income only with the calculated effective interest of the impaired value. Additional interest income is recognised under the item "Impairment on loans and advances and accounts receivable, etc."

Commissions and fees forming part of a current debt service are accrued over the term.

Other fees are recognised in the income statement on the transaction day.

Staff Costs and Administrative Expenses

Staff costs comprise salaries and remunerations in addition to social security costs, pensions etc. for staff members.

Contribution-based pension schemes have been established with the majority of employees. In the contribution-based schemes, fixed amounts are paid to an independent pension fund. The bank has no obligation to pay further contributions.

Tax

Tax for the year, consisting of the year's current tax and changes in deferred tax, is recognised in the income statement with the part which can be referred to the profit for the year, and directly on the shareholders' equity for the part which can be referred to entries directly on the shareholders' equity.

Current tax liabilities and current tax receivable, respectively, are recognised in the balance sheet made up as calculated tax of taxable income for the year adjusted for tax paid on account.

Deferred tax is recognised for all temporary differences between accounting and tax values of assets and liabilities.

Deferred tax is recognised under liabilities in the balance sheet under "Provisions for deferred tax", or, after careful assessment, recognised under assets in the balance sheet under "Deferred tax assets", if the net value is an asset.



Accounting Policies

Balance Sheet

Credit Institutions and Central Banks

Accounts with credit institutions and central banks are measured at current value.

Loans and Advances and Other Accounts Receivable

Loans and advances and other accounts receivable are measured at amortised cost price, which usually corresponds to nominal value with deduction of establishment fees, etc. and with deduction for impairment for meeting incurred, but still unrealised losses.

Impairment on losses is made when there is objective indication of impairment. Impairment is made based on the difference between the accounting value before the impairment and the present value of the expected future payments on the loans and advances.

Impairment is made both individually and groupwise.

Provisions for losses on guarantees and provisions for losses on unutilised credit commitments are recognised under provisions for liabilities.



Accounting Policies

Bonds and Shares

Securities quoted on a stock exchange are measured at current value determined on the basis of the closing price on the balance sheet date.

Unlisted shares in companies which the bank owns jointly with a number of other financial institutions are valued at current value. If no current market data are available, the current value is determined on the basis of the companies' last presented and approved accounts. Remaining unlisted securities are recognised at purchase price or a lower current value if relevant.

Equity Investments in Associated Undertakings

Equity investments in associated companies are recognised and measured according to the equity value method.

Revaluation of equity investments is transferred to reserves to the extent the accounting value exceeds the cost price.

Land and Buildings

Land and buildings include the bank's domicile properties, as the bank only owns property for the purpose of conducting banking business.

Domicile properties are, on the first recognition, measured at cost price. The cost price includes the purchase price and expenses directly related to the purchase, as well as expenses relating to setting up the domicile, up until the point, when the property is ready for use.

Domicile properties are measured at revaluated values calculated as current value at the time of revaluation on the basis of a return-on-investment model with deduction of subsequent accumulated depreciation. Revaluation is performed so frequently that there are no essential differences compared to the current value.

External experts are used for evaluating the most important properties.

On the basis of an expected time of use of 50 years, depreciation is calculated linearly according to the depreciable amount with deduction of an estimated scrap value.

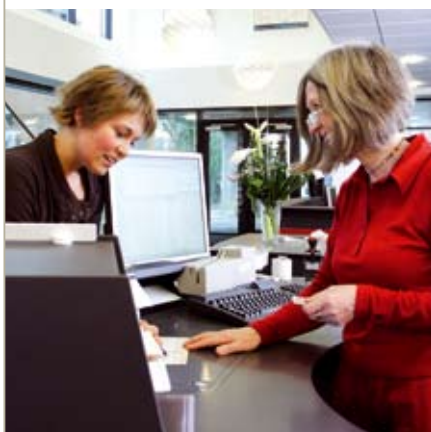
Installations are depreciated linearly over a period of 15 years.

Other Tangible Fixed Assets

Other tangible fixed assets are measured at cost price with deduction of accumulated depreciation and impairment. Linear depreciation is carried out over an expected time of use of 3 to 5 years.

Debt to Credit Institutions and Central Banks / Deposits

Debt to credit institutions and central banks as well as deposits are valued at amortised cost price plus the current value of the hedged interest rate risk.



Accounting Policies

Provisions for pensions

The liability is assessed according to actuary calculations.

Subordinated Debt / Issued Bonds

Subordinated debt / issued bonds are valued at amortised cost price plus the current value of the hedged foreign exchange risk.

Financial Instruments

Financial instruments are recognised on the settlement date at current value. Up until settlement date, adjustments to the value of the financial instrument are calculated.

In the event of a hedging transaction, both the hedging instrument and the amount hedged are measured at current value on the date of the balance sheet in order to fulfil the conditions of the Danish Financial Supervisory Authority's executive order on financial reporting.

All value adjustments concerning derivative financial instruments and hedge accounted items are entered under the item "Market value adjustments" in the income statement.

Foreign Exchange

Income and expenses in foreign exchange are converted to DKK according to the rate at the transaction time.

Assets and liabilities in foreign exchange are converted to DKK according to the closing rate on the balance sheet date, corresponding to the rate published by the Danish central bank.

Own Shares

Acquisition costs and considerations as well as dividends from own shares are recognised directly as retained earnings in the shareholders' equity.



Income Statement

	2006 DKK t	2005 DKK t
Note no.		
1 Interest income	709,958	559,286
2 Interest expenses	277,993	159,510
Net interest income	431,965	399,776
Dividend of shares, etc.	3,516	2,931
3 Fees and commission income	132,135	123,256
Paid fees and commission expenses	12,034	10,709
Net interest income and fee earnings	555,582	515,254
4 Market value adjustments	87,507	63,203
Other operational income	3,526	5,271
5-8 Staff costs and administrative expenses	316,053	292,775
9 Depreciation and impairment on intangible and tangible assets	9,738	13,500
Other operational expenses	229	648
Impairment on loans and advances and accounts receivable, etc.	10,704	34,789
Profit of equity investments in associated and affiliated undertakings	511	1,072
Pre-tax profit	310,402	243,088
10 Tax	71,446	64,847
Profit for the year	238,956	178,241

Balance Sheet at 31 December

Note no.	2006 DKK t	2005 DKK t	
Assets			
	Cash in hand and demand deposits with central banks	78,596	333,282
11	Accounts receivable at credit institutions and central banks	313,493	142,936
12-16, 30	Loans and advances and other accounts receivable at amortised cost price	11,531,002	9,038,908
17, 30	Bonds carried at current value	1,695,893	1,305,379
18	Shares, etc.	346,551	325,033
	Equity investments in associated undertakings	3,814	3,303
	Total land and buildings		
19	Domicile properties	220,406	200,185
20	Other tangible assets	4,234	5,082
	Current tax assets	16,215	7,791
21	Deferred tax assets	2,000	4,018
	Other assets	83,235	50,605
	Prepayments	8,922	8,431
	Total assets	14,304,361	11,424,953
Liabilities			
Debt			
22	Debt to credit institutions and central banks	3,451,590	2,461,752
23, 30	Deposits and other amounts due	7,674,966	7,010,530
24	Issued bonds carried at amortised cost price	909,779	0
	Other liabilities	260,625	322,739
	Prepayments	14	824
	Total debt	12,296,974	9,795,845
Provisions for liabilities			
	Provisions for pensions and similar liabilities	8,600	7,000
	Provisions for losses on guarantees	6,887	4,769
	Other provisions for liabilities	1,801	1,799
	Total provisions for liabilities	17,288	13,568
Subordinated debt			
25	Subordinated debt	334,029	211,908
Shareholders' equity			
26, 27	Share capital	88,000	89,970
	Revaluation reserves	15,750	15,750
	Other reserves		
	Statutory reserves	2,813	2,302
	Earnings retained/loss brought forward	1,549,507	1,295,610
	Total shareholders' equity	1,656,070	1,403,632
	Proposed dividends of this	44,000	26,991
	Total liabilities	14,304,361	11,424,953

Statement of Changes in Shareholders' Equity

	Share capital DKK t	Revaluation reserves DKK t	Statutory reserves DKK t	Earnings retained DKK t	Total share- holders' equity DKK t
Shareholders' equity, end of 2005	89,970	15,750	40,943	1,256,969	1,403,632
Correction as a consequence of merger with subsidiary company			-38,641	38,641	
Shareholders' equity, end of 2005, after correction	89,970	15,750	2,302	1,295,610	1,403,632
Profit of the period			511	238,445	238,956
Adjustment for groupwise impairment after tax				2,882	2,882
Distributed dividends				-25,801	-25,801
Impairment of capital	-1,970			-49,447	-51,417
Addition relating to sale of own shares				257,733	257,733
Outflow relating to sale of own shares				-166,737	-166,737
Calculated tax relating to own shares				-3,178	-3,178
Shareholders' equity, end of 2006	88,000	15,750	2,813	1,549,507	1,656,070
Proposed dividends of this					44,000

Notes

Note no.	2006 DKK t	2005 DKK t
1. Interest income/forward premium of		
Accounts receivable from credit instit. and central banks	10,652	18,109
Loans and advances and other accounts receivable	653,628	519,144
Bonds	48,563	28,721
Total derivative financial instruments	-3,070	-7,119
of which		
Foreign exchange contracts	1,727	824
Interest rate contracts	-4,797	-7,943
Other interest income	185	431
Total interest income	709,958	559,286
2. Interest expenses for		
Credit institutions and central banks	75,070	41,558
Deposits and other amounts due	169,782	116,349
Issued bonds	20,997	0
Subordinated debt	12,077	1,358
Other interest expenses	67	245
Total interest expenses	277,993	159,510
3. Fees and commission income		
Securities trading and custody	41,021	34,223
Payment services	18,349	17,056
Loan processing fees	14,896	19,812
Guarantee commission	41,814	36,793
Other fees and commissions	16,055	15,372
Total fees and commission income	132,135	123,256
4. Market value adjustments of		
Other loans and advances and acc. rec. at current value	-5,769	3,304
Bonds	-3,054	4,555
Shares, etc.	66,356	45,494
Foreign exchange	9,626	8,842
Total for. exchange, interest rate, share, raw material and other contracts, as well as derivative financial instruments	7,828	1,008
Other liabilities	12,520	0
Total market value adjustments	87,507	63,203
5. Staff costs and administrative expenses		
Salaries and remuneration to the Board of Directors, Executive Management and Board of Representatives		
Board of Directors	900	1,000
Executive Management	2,399	2,290
Board of Representatives	283	309
Total	3,582	3,599
Staff costs		
Salaries	155,140	140,365
Pensions	18,627	15,806
Expenses for social security	15,795	15,005
Total	189,562	171,176
Other administrative expenses	122,909	118,000
Total staff costs and administrative expenses	316,053	292,775

Notes

Note no.	2006 DKK t	2005 DKK t
6. Pension conditions Members of the Executive Management may resign without notice before expiry of the year in which the member turns 62. The bank is exempt from any pension liability in relation to resignation, be it on account of age, illness, disability or any other reason.		
7. Number of employees Average number of employees in the financial year, calculated as full-time staff	403,0	375,3
8. Audit fees Total fees payable to the auditing companies elected at the General Meeting to carry out the statutory audit Of which other services than auditing	930 174	1,033 216
9. Depreciation and impairment on intangible and tangible assets Total land and buildings Other tangible assets Total depreciation and impairment on intangible and tangible assets	7,054 2,684 9,738	11,246 2,254 13,500
10. Tax Calculated tax of profit for the year Deferred tax Deferred adjustment of previous years' tax Tax of impairment account Total tax	70,359 2,018 -931 0 71,446	64,267 -569 -34 1,183 64,847
Effective tax rate: Current tax rate Adjustments to this: Non-deductible expenses Non-taxable incomes Tax of impairment account Subsidiary companies Adjustment of tax for previous years Property depreciation, etc. Total effective tax rate	28,0% 0,1% -4,9% 0,0% -0,1% -0,3% 0,2% 23,0%	28,0% 0,1% -2,3% 0,4% -0,1% -0,3% 0,9% 26,7%
11. Accounts receivable at credit institutions and central banks Accounts receivable at notice at central banks Accounts receivable at credit institutions Total accounts receivable at credit instit. and central banks Distributed by maturity Demand deposits Up to 3 months Total	199,709 113,784 313,493 113,784 199,709 313,493	49,953 92,983 142,936 92,982 49,954 142,936

Notes

Note	2006 DKK t	2005 DKK t
12. Loans and advances and other accounts receivable		
Distributed by maturity		
On demand	2,958,660	1,723,888
Up to 3 months	1,345,907	1,111,446
More than 3 months and up to 1 year	3,429,318	2,859,955
More than 1 year and up to 5 years	2,605,086	2,432,791
More than 5 years	1,192,031	920,828
Total	11,531,002	9,038,908
13. Impairment on loans and adv. and acc. receivable		
Individual impairment		
Individual impairment loans and advances and other accounts receivable at beginning of year	217,377	227,310
Impairment during year	67,831	84,163
Reversal of impairment made during previous financial years	-58,066	-53,489
Previous individual impairment finally lost	-26,561	-40,607
Individual impairment on loans and advances and other accounts receivable at end of year	200,581	217,377
No impairment has been made on accounts receivable from credit institutions or other accounts receivable. However, provisions have been made for losses on guarantees, cf. the liability item "Provisions for losses on guarantees". Furthermore, provisions have been made for losses on unused credit facilities, cf. the liability item "Other provisions for liabilities".		
Groupwise impairment		
Groupwise impairment on loans and advances and other accounts receivable at beginning of year	8,784	9,288
Impairment during year	72	0
Reversal of impairment	-4,000	-504
Groupwise impairment on loans and advances and other accounts receivable at end of year	4,856	8,784
14. Loans and advances and other accounts receivable with objective indication of impairment recognised in the balance with accounting value larger than zero		
Individual impairment		
Valuation before impairment	220,485	218,653
Valuation after impairment	112,486	111,582
Groupwise impairment		
Valuation before impairment	350,121	2,642,549
Valuation after impairment	345,265	2,633,970
Accounts receivable with suspended interest calculation amounts to at end of year	85,982	100,702

Notes

Note no.	2006 DKK t	2005 DKK t
15. Credit risks		
Loans and advances and guarantees in per cent at end of year, distributed by sector and trade		
Public authorities	0%	0%
Corporate, of which		
Agriculture, hunting, forestry	14%	12%
Fishery	2%	2%
Manufacturing business, raw material extraction and public service utilities	10%	6%
Construction	4%	4%
Trade, restaurant and hotel business	11%	11%
Transportation, mail and telecommunication	2%	2%
Credit and financing institutes and insurance business	5%	2%
Property administration and real estate, business services	15%	10%
Other businesses	3%	8%
Total corporate	66%	57%
Retail	34%	43%
Total	100%	100%
16. Related parties		
Size of loans, securities, pledges or guarantees issued for members of the bank's		
Executive Management	1,125	125
Board of Directors	39,329	31,314
All services are carried out based on market conditions. Rate of interest 2006: Executive Management 5.25%, Board of Directors 3.00% - 7.88%.		
Securities set up for members of the bank's		
Executive Management	25	25
Board of Directors	388	755
17. Bonds carried at current value		
Listed	1,695,893	1,305,379
Total bonds carried at current value	1,695,893	1,305,379
Pledged as security for drawing right at Danish central bank:		
Total nominal value	468,814	209,182
Total market value	467,031	208,278
Of which charged	0	0

Notes

Note	2006 DKK t	2005 DKK t
18. Shares, etc.		
Listed shares	102,753	108,401
Other shares	192,009	156,182
Other investments	51,789	60,450
Total shares, etc.	346,551	325,033
19. Total land and buildings		
Domicile properties		
Revalued value at end of previous financial year	200,185	186,624
Additions in course of year, including improvements	28,228	24,807
Outflow during course of year	957	0
Depreciation	6,099	6,181
Value adjustments recognised in the income statement during course of year	-951	-5,065
Revalued value at time of balance sheet	220,406	200,185
20. Other tangible assets		
Cost price		
Total cost price at beginning of year	8,906	7,233
Additions in course of year, including improvements	2,830	3,518
Outflow during course of year	1,882	1,845
Total cost price at end of year	9,854	8,906
Depreciation and impairment		
Depreciation and impairment at beginning of year	3,824	2,788
Depreciation for the year	2,301	2,116
Depreciation and impairment for the year on sold and withdrawn shares	383	138
This year's reversal of impairment made during previous years, as well as reversal of total depreciation and impairment on assets sold or withdrawn during course of year	888	1,218
Total depreciation and impairment at end of year	5,620	3,824
Booked holdings at beginning of year	4,234	5,082
21. Deferred tax assets/liabilities are specified as follows		
Loans and advances and other accounts receivable	-7,292	-5,407
Tangible assets	2,382	2,167
Provisions for liabilities	-2,408	-1,960
Other	5,318	1,183
Total deferred tax assets (-)/liabilities	-2,000	-4,018

Notes

Note no.	2006 DKK t	2005 DKK t
22. Debt to credit institutions and central banks		
Distributed by maturity		
Debt payable on demand	594,732	329,955
Up to 3 months	2,095,775	1,671,037
More than 3 months and up to 1 year	750,000	450,000
More than 1 year and up to 5 years	11,083	10,760
Total	3,451,590	2,461,752
23. Deposits and other amounts due		
On demand	5,003,664	4,503,267
At notice	75,244	134,242
Time deposits	1,634,960	1,426,149
Special deposits	961,098	946,872
Total deposits	7,674,966	7,010,530
Distributed by maturity		
On demand	5,311,329	4,870,781
Up to 3 months	477,107	286,968
More than 3 months and up to 1 year	160,352	100,800
More than 1 year and up to 5 years	1,260,936	1,312,791
More than 5 years	465,242	439,190
Total	7,674,966	7,010,530
24. Issued bonds carried at amortised cost price		
Distributed by maturity		
More than 1 year and up to 5 years	909,779	0
Total	909,779	0

Notes

Note no.	2006 DKK t	2005 DKK t
25. Subordinated debt		
<p>Supplementary capital of EUR 15m</p> <p>The loan carries interest paid bi-annually in arrears at 6-month Euribor rate in EUR plus a margin of 1.05% p.a. of face value from 31.10.2005 until 31.10.2010. From 31.10.2010 until 31.10.2013 the margin stands at + 2.55% p.a. and from 31.10.2013 until 31.10.2015 + 2.8% p.a.</p> <p>The loan is instalment free and payable at price of 100 on 31.10.2015.</p> <p>The loan is irredeemable during its entire life on the part of the lender. vestjyskBANK holds the option, with the approval of the Danish Financial Supervisory Authority, to prepay the loan on 31.10.2010 at a price of 100 when serving notice at least 30 calendar days in advance.</p> <p>The loan is fully included in statement of the capital base.</p>	111,840	111,908
<p>Supplementary capital of DKK 100m</p> <p>The loan carries interest paid quarterly in arrears at 3-month CIBOR rate plus a margin of 1.0% p.a. of the face value from 1.11.2005 until 1.11.2010. From 1.11.2010 until 1.11.2013 the margin stands at + 2.5% p.a.</p> <p>The loan is instalment free and payable at price of 100 on 1.11.2013.</p> <p>The loan is irredeemable during its entire life on the part of the lender. vestjyskBANK holds the option, with the approval of the Danish Financial Supervisory Authority, to prepay the loan on 1.11.2010 at a price of 100 when serving notice at least 30 calendar days in advance.</p> <p>The loan is fully included in statement of the capital base.</p>	100,000	100,000
<p>Supplementary capital of NOK 135m</p> <p>The loan carries interest paid quarterly in arrears at 3-month NIBOR rate plus a margin of 0.75% p.a. of the face value from 16.05.2006 until 16.05.2011. From 16.5.2011 until 16.5.2014 the margin stands at + 2.25% p.a.</p> <p>Costs in connection with raising the loan, amounting to DKK 485t, have been charged to the income statement.</p> <p>The loan is instalment free and payable at price of 100 on 16.5.2014.</p> <p>The loan is irredeemable during its entire life on the part of the lender. vestjyskBANK holds the option, with the approval of the Danish Financial Supervisory Authority, to prepay the loan on 16.5.2011 at a price of 100 when serving notice at least 30 calendar days in advance.</p> <p>The loan is fully included in statement of the capital base.</p>	122,189	0
Total subordinated debt	334,029	211,908

Notes

Note no.	2006 DKK t	2005 DKK t
26. Share capital		
Number of shares of DKK 10 (no. of units)	8,800,000	8,997,000
Total share capital	88,000	89,970
27. Own shares		
Beginning of year		
Number of own shares in units of 1,000	476	135
Face value in DKK 1,000	4,760	1,354
Percentage of share capital	5.3%	1.5%
Additions		
Number of own shares in units of 1,000	578	1,039
Face value in DKK 1,000	5,784	10,394
Percentage of share capital	6.6%	11.6%
Total acquisition price in DKK 1,000	166,737	242,783
Outflow		
Number of own shares in units of 1,000	918	698
Face value in DKK 1,000	9,183	6,988
Percentage of share capital	10.4%	7.8%
Total sales price in DKK 1,000	257,733	170,313
End of year		
Number of own shares in units of 1,000	136	476
Face value in DKK 1,000	1,361	4,760
Percentage of share capital	1.5%	5.3%
Trading of own shares is part of the bank's general share trading.		
28. Contingent liabilities		
Guarantees		
Financial guarantees	1,765,974	1,411,557
Loss guarantees for mortgage credit loans	1,702,327	1,482,557
Land registration and conversion guarantees	113,847	536,134
Other guarantees	1,026,389	894,879
Total guarantees, etc.	4,608,537	4,325,127
Other contingent liabilities		
Other liabilities	2,856	23,579
Total other contingent liabilities	2,856	23,579

Notes

Note no.	2006 DKK t	2005 DKK t
29 Capital requirement		
Shareholders' equity	1,656,070	1,403,632
Proposed dividends	-44,000	-26,991
Other deductions in core capital	-17,750	-19,768
Core capital after deductions	1,594,320	1,356,873
Supplementary capital	349,779	227,658
Capital base before deductions	1,944,099	1,584,531
Deductions in capital base	-117,561	-158,323
Capital base after deductions	1,826,538	1,426,208
Weighted items outside trading portfolio	15,260,075	11,755,155
Weighted items with market risk, etc.	970,455	879,864
Total weighted items	16,230,530	12,635,019
Core capital after deductions in per cent of total weighted items	9.8%	10.7%
Solvency ratio according to section 124(1) of the Danish Financial Business Act	11.2%	11.3%
30. Hedge accounting		
To cover interest rate risks, the following have been hedged:		
Bonds	84,169	141,002
Covered through swap agreements		
Synthetic principal	86,000	137,112
Current value	1,717	-3,724
Loans and advances at amortised cost price	175,361	173,367
Covered through swap agreements		
Synthetic principal	175,361	170,948
Current value	3,149	-2,038
Deposits	850,000	300,000
Covered through swap agreements		
Synthetic principal	850,000	300,000
Current value	-12,520	-815

Notes

Note	2006	2006	2005	2005
	DKK t	DKK t	DKK t	DKK t
	Nominal value	Net market value	Nominal value	Net market value
31. Financial instruments				
Foreign exchange contracts				
Forward contracts/futures, purchase	2,275,043	-59,078	1,040,307	3,316
Forward contracts/futures, sale	1,200,702	17,770	1,104,704	5,405
Options, acquired	18,685	0	0	0
Options, issued	22,413	0	101,520	-28
Interest rate contracts				
Forward contracts/futures, purchase	209,775	-104	113,636	493
Forward contracts/futures, sale	47,585	-51	86,818	-624
Swaps	1,721,858	-9,485	939,048	-12,495
Options, issued	0	0	74,605	-141
Share contracts				
Forward contracts/futures, purchase	0	0	20	134
Forward contracts/futures, sale	0	0	20	-134
Options, acquired	97	2,306	7	645
Options, issued	174	-2,491	29	-668
Total net market value		-51,133		-4,097
All contracts regarding financial instruments are non-guaranteed				
Maturity distribution by term to maturity - up to 3 months				
Foreign exchange contracts				
Forward contracts/futures, purchase	927,321	-3,945	821,790	-43
Forward contracts/futures, sale	982,724	8,531	1,012,550	1,924
Options, acquired	10,193	0	0	0
Options, issued	13,921	0	26,915	-28
Interest rate contracts				
Forward contracts/futures, purchase	204,282	-214	101,582	341
Forward contracts/futures, sale	41,001	48	74,764	-489
Swaps	400	1	0	0
Share contracts				
Forward contracts/futures, purchase	0	0	20	134
Forward contracts/futures, sale	0	0	20	-134
Options, acquired	71	406	7	645
Options, issued	148	-591	28	-668

Notes

Note	2006	2006	2005	2005
	DKK t	DKK t	DKK t	DKK t
	Nominal value	Net market value	Nominal value	Net market value
31. Financial instruments - continued				
Maturity distribution by term to maturity - from 3 months up to 1 year				
Foreign exchange contracts				
Forward contracts/futures, purchase	320,433	-376	218,517	3,359
Forward contracts/futures, sale	217,978	9,239	92,154	3,481
Options, acquired	8,492	0	0	0
Options, issued	8,492	0	74,605	0
Interest rate contracts				
Forward contracts/futures, purchase	5,493	110	12,054	152
Forward contracts/futures, sale	6,584	-99	12,054	-135
Swaps	538,508	-45	61,120	-2,193
Options, issued	0	0	74,605	-141
Share contracts				
Options, issued	0	0	1	0
Maturity distribution by term to maturity - from 1 to 5 years				
Foreign exchange contracts				
Forward contracts/futures, purchase	1,027,289	-54,757	0	0
Interest rate contracts				
Swaps	953,352	-12,890	640,455	-2,457
Share contracts				
Options, acquired	26	1,900	0	0
Options, issued	26	-1,900	0	0
Maturity distribution by term to maturity - from 5 years and beyond				
Interest rate contracts				
Swaps	229,598	3,449	237,473	-7,845
32. Unsettled spot transactions				
Foreign exchange transactions, bid	22,830	0	5,604	2
Foreign exchange transactions, call	10,949	3	5,736	-9
Interest rate transactions, bid	42,652	-9	84,084	37
Interest rate transactions, call	30,159	39	91,929	-34
Share transactions, bid	184,178	252	75,999	114
Share transactions, call	184,331	-255	75,560	-84
Total	475,099	30	338,912	26

Board of Representatives, Board of Directors and Executive Management

Board of Representatives

- Christian Pedersen, Managing Director, Holstebro (Chairman)
- Viggo Jensen, Veterinarian, Fabjerg (Vice-Chairman)
- Jørgen Krarup Andersen, Specialist Worker, Harboøre
- Niels Chr. Andersen, Architect, Holstebro
- Niels Jørgen Lund Andersen, Veterinarian, Bækmarksbro
- Peder Stausholm Andreasen, Master Blacksmith, Thyborøn
- Erik Bach, Managing Director, Lemvig
- Jan Erik Bach, Managing Director, Århus
- Anders Bech, Managing Director, Holstebro
- Ivan Bertelsen, Master Mason, Lemvig
- Hans Chr. Brich Hansen, Carpet Merchant, Holstebro
- Anton Bro, Civil Engineer, Vrist
- Niels Bækdal, Engineer, Lemvig
- Poul Frandsen, Managing Director, Lind
- Peter Grankær, Managing Director, Lemvig
- John Ross Gråkjær, Managing Director, Holstebro
- Peter Helm, Leather Goods Dealer, Holstebro
- Mette Hilligsøe, Floral Decorator, Lemvig
- Hartmann Jensen, Managing Director, Holstebro
- Jeppe Jepsen, Certified Electrician, Nr. Nissum
- Henrik Kallesøe, Furniture Dealer, Lemvig
- Ejnar Kerstens, Engineer, Randers
- Steen Kisselhegn, Managing Director, Holstebro
- Lauge Kjelsmark, Farm Owner, Holstebro
- Niels Kjærgaard, Dentist, Lemvig
- Jens Peter Klinkby, Farm Owner, Houe
- Erling Kvist, Farm Owner, Lomborg
- Wiktor Lange, Purchasing Manager, Holstebro
- Søren Broe Langer, Fishing Vessel Master, Harboøre
- Kirsten Lundgaard-Karlshøj, Farm Owner, Struer
- Hans Steen Marrebæk, Farm Owner, Snedsted
- Peter Mortensen, Butcher, Lemvig
- Vibeke Korup Nielsen, Veterinarian, Holstebro
- Kurt Nygaard, Chairman, Holstebro
- Jørgen Nørby, Lecturer, Nr. Nissum
- Tage Pinholt, Farm Owner, Bøvlingbjerg
- Winnie Roservinge, Chiropractor, Lemvig
- Gustav Roslev, Managing Director, Viborg
- Jytte Seiling, Midwife, Fabjerg
- Bjarne Møller Simonsen, Pharmacist, Lemvig
- Peder Thomsen, Smallholder, Sir
- Jens Peder Østergaard, Farm Owner, Lemvig

Board of Representatives, Board of Directors and Executive Management

Board of Directors and Executive Management

Board of Directors

- Anders Bech, Managing Director, Holstebro (Chairman) 59 years old
Election term 2006-2009
- Peter Grankær, Managing Director, Lemvig (Vice-Chairman) 65 years old
Election term 2004-2007
- Søren Broe Langer, Fishing Vessel Master, Harboøre 64 years old
Election term 2004-2007
- Kirsten Lundgaard-Karishøj, Farm Owner, Struer 55 years old
Election term 2006-2009

Elected by the employees

- Gunnar Overlund Knudsen,
Corporate Customer Adviser, Holstebro 52 years old
Election term 2004-2007
- Peder Hesselaa Nielsen, Key Account Manager, Århus 45 years old
Election term 2004-2007
- Preben Larsen, Corporate Customer Manager, Holstebro 43 years old
Election term 2004-2007

Executive Management

- Frank Kristensen (Managing Director)

Directorships and Executive Positions

Directorships and Executive Positions of the Board of Directors

- Anders Bech, Managing Director, Holstebro:
Ejendomsselskabet Doktorvænget A/S – Kaj Bech Holding A/S – Murer- og Entreprenørfirmaet Kaj Bech A/S
- Peter Grankær, Managing Director, Lemvig:
Tangsø Vinduer A/S

No other member of the Board of Directors holds seats on other boards in other public limited companies.

Directorships and Executive Positions of the Executive Management

According to §80, paragraph 1 of the Danish Financial Business Act, people appointed by the Board of Directors are not allowed to own or operate an independent business, or to function as a member of the board, staff, or in any other way participate in operating another business apart from the bank, without the permission of the Board of Directors.

The Board of Directors has given permission for Managing Director Frank Kristensen to be on the Board of Directors in the following companies:

RHAM Fondsmæglerselskab A/S
Totalkredit A/S
PRAS
Værdipapircentralen A/S

**Hovedsæde**

Torvet 4-5
DK-7620 Lemvig
Phone +45 96 63 20 00
Fax +45 96 63 22 99

Holstebro – Nørreport

Nørregade 57
DK-7500 Holstebro
Phone +45 96 63 32 00
Fax +45 96 63 32 09

Silkeborg

Borgergade 28
DK-8600 Silkeborg
Phone +45 96 63 37 00
Fax +45 96 63 37 09

Bøvlingbjerg

Tangsøgade 23
DK-7650 Bøvlingbjerg
Phone +45 96 63 23 00
Fax +45 96 63 23 89

Holstebro – Store Torv

Vestergade 1
DK-7500 Holstebro
Phone +45 96 63 31 00
Fax +45 96 63 31 09

Struer

Vestergade 5
DK-7600 Struer
Phone +45 96 63 34 00
Fax +45 96 63 34 09

Esbjerg

Kongensgade 70
DK-6700 Esbjerg
Phone +45 96 63 27 00
Fax +45 96 63 27 09

Horsens

DK-Horsens
Jernbanegade 19
Phone +45 96 63 29 00
Fax +45 96 63 29 09

Thisted

Jernbanegade 19
DK-7700 Thisted
Phone +45 96 63 35 00
Fax +45 96 63 35 09

Remote Customers

Vestergade 1
DK-7500 Holstebro
Phone +45 96 63 33 00
Fax +45 96 63 33 09

Kolding

Esbjergvej 20
DK-6000 Kolding
Phone +45 96 63 28 00
Fax +45 96 63 28 09

Thyborøn

Bredgade 2
DK-7680 Thyborøn
Phone +45 96 63 24 00
Fax +45 96 63 24 09

Harbøre

Søndergade 28
DK-7673 Harbøre
Phone +45 96 63 23 00
Fax +45 96 63 23 99

Lemvig

Torvet 4-5
DK-7620 Lemvig
Phone +45 96 63 23 00
Fax +45 96 63 23 09

Viborg

St. Sct. Peder Stræde 4
DK-8800 Viborg
Phone +45 96 63 26 00
Fax +45 96 63 26 09

Herning

Dalgasgade 29 B
DK-7400 Herning
Phone +45 96 63 25 00
Fax +45 96 63 25 09

Randers

Store Voldgade 4
DK-8900 Randers
Phone +45 96 63 30 00
Fax +45 96 63 30 09

Århus

Åboulevarden 67
DK-8000 Århus C
Phone +45 96 63 36 00
Fax +45 96 63 36 09