

# Aarhus Lokalbank

BYENS BANK 



## Annual Report 2009

# Contents

2009 – A challenging year for the bank.....	3
Board of management.....	4
Management’s review.....	5-7
Corporate governance.....	8
Investor relations .....	9
Five years in figures .....	10
Financial ratios.....	11
Signatures and statements.....	12
Income statement .....	13
Balance sheet as of December 31, 2009.....	14
Statement of capital, liquidity and own shares ...	15-16
Cash flow statement.....	17
Accounting policies .....	18-19
Policy and risk management .....	20-22
Notes (note 1-5) .....	23
Notes (note 6-8).....	24
Notes (note 9-13).....	25
Notes (note 14-16).....	26
Notes (note 17-19).....	27
Notes (note 20-22).....	28
Notes (note 23).....	29
Notes (note 24).....	29-31
Notes (note 25).....	32
Notes (note 26-27).....	33
Board of Directors, Committee of Representatives and Executive Management .....	34
Business partners .....	35
Employees .....	36-38

## Aarhus Lokalbank

BYENS BANK 

# Year 2009 - a challenging year for the bank

A year of continuing financial crisis, rising unemployment and economic slowdown, but also a year where the bank has strengthened its capital base through share capital increase, and the raising of state-funded hybrid capital. The bank appears very robust - with a substantial capital surplus.

Despite the difficult economic conditions which have prevailed in 2009, the bank can show a small profit. An acceptable result given the difficult economic situation many of our customers are subjected to, and the large extraordinary expenses, the bank has had to pay to the state guarantee scheme and to distressed banks.

The net profit before taxes of DKK 1.8 million is obviously not satisfactory with the bank's equity being over DKK 300 million at the beginning of the year. It is satisfactory that the bank's core earnings continue a positive trend - increasing by 13.1% or DKK 6.9 million. The Bank has achieved a total positive value adjustment of bonds, equities and foreign exchange of DKK 6.6 million. We have been able to keep expenses almost unchanged when we disregard the jubilee and headquarters relocation costs in 2008. Payment to the Danish State guarantee scheme has resulted in total costs for the bank in excess of DKK 30 million. Consequently, we are looking forward to the discontinuation of such costs.

Loan impairment charges are recorded at DKK 41.4 million, of which approx. DKK 11 million has been recognised as lost.

The Bank's total business volume (deposits, loans and guarantees) has decreased by 3.5% and now stands at DKK 7.7 billion.

In June, the bank strengthened its capital base by increasing the share capital by DKK 8 million, to a total share capital of DKK 38 million. I would like to thank the many shareholders - both old and new - who participated in the capital increase.

In December, the bank raised a state-funded hybrid loan of DKK 177.75 million increasing the bank's solvency from 16.3 to 20.4. The bank now has a capital surplus of more than 70% compared to the individual solvency requirement and more than 100% to the statutory requirement.

The Bank is thus extremely well positioned to withstand possible losses due to the difficult market conditions a number of our customers are subjected to.

As a local bank we take pride in supporting our customers, which helps to create strong, loyal cooperation and long-term relationships.

The Bank's premises are now in optimal condition. In Langaa, our new bank building was opened for business in October. A building which we have already received much praise for, and which adorn the town of Langaa. Now our highly motivated and dedicated staff in Langaa and our customers have a unique setting. We look forward to welcoming an even larger share of the population in the Langaa area as new customers of the bank.

In Hadsten and Aarhus, we have the best conditions for sustained growth - with good well-located premises and employees who are engaged and motivated to provide highly professional banking advice.

Our shareholders can look back on a year when the share price again rose. From a low in the fall of 2008 at 48.7, it is gratifying that the

share price has risen by 36.8% to 66.7 at year-end. The bank's share price remains low, when we look at price/book value ratio, the share price would be 96 if the price/book value was 1. The low share price is a natural consequence of the uncertainty currently prevailing in the Danish economy.

The Bank has now been in operation for more than 100 years and with the strategic decisions on the establishment of Aarhus Lokalbanc and relocation of its headquarters to Aarhus, a framework for continued progress has been created. Our location in the heart of the East Jutland area of growth allows for continued development of the bank in the coming years. The difficult economic conditions that we all are subjected to, will probably cause the bank's results not to be satisfactory until the economy has regained the right direction.

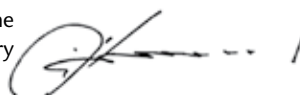
This will however not make the bank resign. The Board of Directors, management and all employees have over the past few months established new goals for the bank. We call it "The Strategy 2013 of Byens Bank"

We are now ready to implement our new strategy. An essential element of our strategy is further developing working relationships with our existing customers and our shareholders as we continue to focus on attracting new customers. I would therefore like to invite all our customers and shareholders to use the bank to the fullest extent and recommend the bank to other people and businesses in the bank's market area.

I would like to thank our shareholders, customers and other partners for a good cooperation in 2009 and the employees for their dedicated work during the year. It is precisely in difficult times we stand together on our bank.

We look forward to working with you in 2010.

Per Hermansen



Chief Executive Officer



# Board of management

## Board of Directors and Committee of Representatives



**Rasmus Juhl Rasmussen**  
Chairman  
and Committee of  
Representatives



**Jørn Sørensen**  
Deputy Chairman  
and Committee of  
Representatives



**Jørgen Balle**  
Board of Directors  
and Committee of  
Representatives



**Esben Hammer**  
Board of Directors  
and Committee of  
Representatives



**Gert Lopdrup Pedersen**  
Board of Directors  
and Committee of  
Representatives



**Knud Erik Rasmussen**  
Board of Directors  
and Committee of  
Representatives



**Per Enevoldsen**  
Board of Directors  
(elected by the  
employees)



**Kirsten Majgaard**  
Board of Directors  
(elected by the  
employees)



**Hanne Pedersen**  
Board of Directors  
(elected by the  
employees)



**Anders Balle**  
Committee of  
Representatives



**Erik Bredholt**  
Committee of  
Representatives



**Hans Jørgen Broge**  
Committee of  
Representatives



**Morten Christensen**  
Committee of  
Representatives



**Sten Ejsing**  
Committee of  
Representatives



**Lars Persson**  
Committee of  
Representatives



**Henrik Amsinck**  
Committee of  
Representatives



**Carsten Gadeberg**  
Committee of  
Representatives



**John Kragh**  
Committee of  
Representatives



**Carsten Laursen**  
Committee of  
Representatives



**Haakon Lyngaae**  
Committee of  
Representatives



**Hans Petersen**  
Committee of  
Representatives



**Jan Rasmussen**  
Committee of  
Representatives



**Gitte Rørbæk-Løcke**  
Committee of  
Representatives



**Jesper Rokkjær**  
Committee of  
Representatives



**Steffen Kromann**  
Committee of  
Representatives



**Anne Qvist Nielsen**  
Committee of  
Representatives

## Board of Management



**Per Hermansen**  
Chief Executive  
Officer



**Carsten Stenulm**  
Deputy Executive  
Officer



**Ole Lønsmann**  
Deputy Executive  
Officer



**Bjarne Fries**  
Head of Credit Dept.



**Claus Kjær**  
Branch Director



**Henning Jensen**  
Head of  
Administration Dept.



**Claus Lauenborg**  
Head of HR and  
Marketing Dept.



**Dagmar Bæk**  
Branch Manager



# Management's review

In 2009, Aarhus Lokalbanc realized a profit before tax of DKK 1.8 million (2008: a loss of DKK 3.5 million). The result, which is influenced by high loan impairment charges, payment to the state guarantee scheme and payments related to distressed banks, is not satisfactory but acceptable in light of the challenging socio-economic conditions and in line with our expectations at the beginning of the year.

The Danish economy has really been impacted by the financial crisis and the global slowdown. Year 2009 will most likely be the worst year for the Danish economy since World War II, with a decline of GDP of almost 5%. A decline which is broadly based with a significant decline in private consumption, housing construction, business investment and export. The crisis severely affected employment, unemployment doubled during the past year, and the prospect of a further deterioration is likely in the coming year. This combined with declining productivity and reduced competitiveness creates difficult conditions for the financial sector.

## The background for the result

The Bank has in 2009 continued to experience a satisfactory increase in the customer base of net 3.9%.

Loans and other receivables increase by 11.3% to DKK 4,131 million. Guarantees fall by 48.2% to DKK 1,171 million. Deposits increase by 19.8% to DKK 2,374 million.

The main reason for the growth in lending is that a number of our customers have refinanced loans in foreign banks - against bank guarantee - with loans directly from the bank. Our loan and guarantee portfolios have decreased by a total of DKK 669 million, equal to a decrease of 11.2%.

Market value adjustments of DKK 6.6 million were realized on the bank's portfolio of securities and foreign currency reserves. The result is considered satisfactory based on the total risk on the portfolio of shares and bonds, which has been at a moderate level during the year.

Due to the dramatic change in market conditions, total impairments on loans and guarantees amount to DKK 41.4 million. Final losses during the year amount to DKK 11 million hereof. Of the total impairments, DKK 11.9 million is our share of payments for distressed banks taken over by the Financial Stability Company (Finansiel Stabilitet A/S) and DKK 5.5 million relates to impairment on bonds classified as "hold to maturity".

Costs decrease by 4.9%, equivalent to DKK 4.7 million. In 2008 the Bank incurred expenses of special nature (jubilee and headquarters relocation). Apart from this, a modest cost increase of 3.8%, equivalent to DKK 3.3 million, has been realized.

## Income Statement

The bank's net interest and fee income amounts to DKK 153.9 million, an increase of 7.4%. The development is considered to be satisfactory, in view of the significant adverse conditions prevailing in the financial markets.

Staff costs and administrative expenses decrease by DKK 4.7 million, equivalent to 4.9%. During the year, the number of employees has been reduced from 105 to 99.

Depreciation/amortization and write-downs of tangible assets amount to DKK 7.8 million against DKK 2.8 million in 2008. A main reason for the increase is an extraordinary depreciation of DKK 4.6 million on the bank's new property in Langaa.

Payment to the state guarantee scheme is recognized at DKK 18.3 million, to which should be added DKK 11.9 million to financially distressed banks, which is recognized under the item "impairment on loans, etc."

## Balance sheet

The balance sheet totals DKK 5.4 billion (2008: 4.8 billion). The total business volume is reduced by DKK 278 million, equivalent to 3.5%. During the year there has been a reduction in loans and guarantees to finance agriculture and real estate through refinancing via mortgage loans. A development which is expected to continue in 2010.

## Equity

The Bank's equity has increased by DKK 31.6 million, due to share capital increase in the spring, reversal of previous appreciations of the bank's properties, net sales of treasury shares and consolidation.

Subordinated debt has increased by DKK 177.3 million to DKK 628.9 million.

The total capital base now amounts to DKK 970 million (2008: DKK 761 million), which represents 21% of risk-weighted items.

## Dividends

In accordance with the principles of the state guarantee scheme, the Bank may not pay dividends during the guarantee period and therefore no dividends will be distributed for 2009.

## The Aarhus Lokalbanc share

Price movements in the Bank's shares through 2009 have resulted in a positive return of 36.8%. The share price has risen from 48.7 to 66.7. The Bank currently has 7,125 shareholders. The intrinsic value of an Aarhus Lokalbanc share may be calculated at 96, based on the equity at year-end 2009.

The Bank's total market value at year-end 2009 is DKK 253 million. The market value to the intrinsic value is calculated at 0.7 at year-end 2009.

## The Bank's solvency and individual solvency requirement.

The solvency ratio is calculated at 20.4% (2008: 13.0%) to the statutory requirement of 8%. Core capital ratio is calculated at 11.9% (2008: 6.5%).

The Bank's individual solvency requirement is calculated at 11.8%. The capital surplus is 73.5%, and thus the bank has a very satisfactory margin to allow the bank to continue to attract new customers and meet existing customers' borrowing needs.

Developments in the individual solvency requirement:

2009	2008	2007	2006	2005
11.8%	7.9%	7.8%	8.2%	7.6%

At the calculation of the bank's capital adequacy the standard method for calculating credit and market risks is used. For operational risk the basic indicator method is used.

According to the terms of capital adequacy regulation the bank must make public detailed information on risks, capital structure, capital adequacy and risk management, etc. This information appears on our website aarhuslokalbank.dk.

## The Bank's liquidity

The statutory liquidity requirement has been exceeded by 123.8%. The Bank's management has set a minimum liquidity ratio at twice the statutory requirement with respect to both the 15%-requirement and the 10%-requirement stated in Section 152 of the Danish Financial Business Act. The 15%-requirement is met by a surplus of 477%, and the 10%-requirement is met by a surplus of 224%, corresponding to DKK 692 million.

The Bank has been granted a loan facility in Danmarks Nationalbank of DKK 193 million based on statutory capital adequacy. So far the facility has not been utilized.

### The state guarantee scheme and State-funded capital injection.

In October 2008 the central government issued a two-year guarantee for all deposits and unsecured claims against Danish financial institutions. Aarhus Lokalbanc joined the scheme together with 132 other Danish banks. The Bank's costs will amount to about DKK 38 million, plus additional payments for any new distressed banks during the period. The Bank's maximum payment can reach an amount of DKK 88 million. The annual report for 2009 shows a total expense of DKK 30.2 million.

In replacement of the State guarantee scheme, which will end on September 30, 2010, Danish banks may apply for individual state guarantee in support of 3-year loans with state guarantee. Aarhus Lokalbanc has filed an application for individual state guarantee.

Aarhus Lokalbanc strengthened its capital base in December 2009 by raising state-funded hybrid core capital. The amount is DKK 177.75 million. The loan is irrevocable from the State but may be terminated by the bank after 3 years.

The terms of the loan can be found on the bank's website aarhuslokalbank.dk

### Employee shares – bonus schemes – incentive schemes

As reported in the Bank's Annual Report 2007 the existing bonus scheme for bank employees was extended for a new 3-year period based upon the bank's budget for 2008. Since the bank did not have an overall positive result, no bonuses were awarded for 2008. Subsequently, the bank has entered into an agreement with the employees that the bonus program is suspended until further notice.

The Bank's management has reacted to the new position about incentive programs. As a consequence the bank's incentive program, which regularly has been described in the Bank's annual reports, has been cancelled.

The incentive programs have not affected the bank's result for 2009.

### Transactions with related parties

As a result of the termination of the incentive program with senior management the Bank has acquired the following companies, Hadsten Aktie Invest ApS, Hadsten Aktie Invest II ApS and Hadsten Aktie Invest III ApS. Besides that there have been no transactions between Aarhus Lokalbanc and its related parties other than ordinary payments and usual banking transactions.

### Valuation of collateral

As a result of adverse economic developments, there is considerably more uncertainty in the valuation of the collateral at hand, which may cause losses and thus affect the bank's result and equity in future fiscal periods.

### Expectations for 2010

The budget for 2010 is based on the difficult economic situation for the Danish economy and thus for a number of our customers. We expect to continue attracting new customers and expanding the cooperation with existing customers.

A continued positive development is expected in the bank's core earnings by increasing net interest and fee income and moderate increasing costs. The bank projects moderate positive market value adjustments of the bank's securities and foreign currency portfolios.

Impairment of loans and advances are budgeted at a higher level than in 2009. In continuation of the current economic recession, there is still increased uncertainty about the future impairment of loans and advances.

The total business volume is expected to be realized at a higher level with a slight decline in loans, an increase in guarantees and deposits.

The Bank's payment to the state guarantee scheme is recognized at DKK 15 million. There is not budgeted for additional payments to the state guarantee scheme as a consequence of additional distressed banks.

All in all, a result before tax on par with 2009 is expected subject to the continued considerable uncertainty due to the difficult market conditions for a number of our customers.

### List of stock exchange announcements in 2009.

February 25, 2009	Invitation to the Annual General Meeting
March 16, 2009	Share capital emission
March 16, 2009	Minutes from the General Meeting
March 17, 2009	Invitation to Extraordinary General Meeting
April 9, 2009	Minutes from the Extraordinary General Meeting
April 30, 2009	Prospectus May 2009
April 30, 2009	Subscription price for shares of Aarhus Lokalbanc
May 15, 2009	Share capital emission in Aarhus Lokalbanc completed
May 15, 2009	Quarterly report – Q1-2009
May 25, 2009	Listing of new shares in Aarhus Lokalbanc
June 2, 2009	New shares in Aarhus Lokalbanc
June 10, 2009	Act on securities trading
June 10, 2009	Share transactions of board members and executive employees
June 10, 2009	Minority shareholder announcement
June 15, 2009	Prospectus June 2009
June 30, 2009	Information on share capital and voting rights
August 11, 2009	Interim report 2009
October 27, 2009	Act on Credit Package II
November 4, 2009	Extraordinary General Meeting
November 10, 2009	Quarterly report – Q1-Q3 2009
November 18, 2009	Minutes from the Extraordinary General Meeting
November 18, 2009	Invitation to Extraordinary General Meeting
December 4, 2009	Minutes from the Extraordinary General Meeting
December 4, 2009	Invitation to Extraordinary General Meeting
December 4, 2009	Invitation to Extraordinary General Meeting II
December 7, 2009	New Individual Solvency Requirement
December 16, 2009	Financial calendar 2010
December 18, 2009	Proxies for the Extraordinary General Meeting
December 21, 2009	Minutes from the Extraordinary General Meeting
December 22, 2009	New hybrid capital
December 22, 2009	Annex I, new hybrid capital
December 22, 2009	Annex II, new hybrid capital
December 22, 2009	Annex III, new hybrid capital
December 31, 2009	Share transaction
December 31, 2009	Treasury shares

### Group relations.

The Bank holds the entire share capital of Center Finansiering A/S, Hadsten Aktie Invest ApS, Hadsten Aktie Invest II ApS and Hadsten Aktie Invest III ApS. Consolidated financial statements have not been prepared because the subsidiaries' balance sheets and results as compared to the bank are negligible.

### Accounting policies

The annual report has been prepared in accordance with the same accounting policies as last year.

### Social responsibility

From 2009 it became mandatory for listed financial institutions to outline their social responsibility when publishing the annual report. It must either contain information about existing policies on social responsibility and the implementation and effectiveness of these policies - or a statement that the bank does not have a policy of social responsibility. As a result of the regulatory requirement and developments in society in general we have found it natural to formulate a policy. This information appears on our website aarhuslokalbank.dk.

### Audit Committee

In accordance with the FSA's (Danish Financial Supervisory Authorities) Order on Audit Committee Aarhus Lokalbanc has established an audit committee consisting of the bank's chairman and vice chairman and an independent member. As chairman of the Audit Committee, the Board appointed Knud Erik Rasmussen, certified public accountant, Aarhus.

Knud Erik Rasmussen, certified public accountant, is a former partner in KPMG - Certified Public Accountants. The Board's assessment is that Knud Erik Rasmussen is independent of the bank and that he has accounting and auditing experience and thus meets the requirements under Order No. 1389 of December 22, 2008 on the audit committee of companies and groups that are subject to supervision by the FSA.

The Audit Committee monitors among other things the financial reporting process, the statutory audit of annual reports and the effectiveness of the bank's control and risk management systems. The Audit Committee shall also monitor and control the independence of the elected auditors.

Terms of Reference of the Audit Committee can be found on the bank's website aarhuslokalbank.dk.

### General Meeting

The Bank's General Meeting will be held in Scandinavian Congress Center, Aarhus on Saturday, March 13, 2010 at 04:00 pm.

### Board Decisions

Since year-end no decisions have been taken or events have occurred, which may significantly affect the bank's results and financial position.

### Financial Calendar 2010

February 23, 2010	Annual result for 2009
March 1, 2010	The printed Annual Report for 2009
March 13, 2010	Annual General Meeting
May 7, 2010	Quarterly report for Q1 2010
August 10, 2010	Interim Report 2010
November 9, 2010	Quarterly report for Q1-Q3 2010

### Information for listed companies

According to the order on financial reports for credit institutions § 133a provides the following:

The bank's share capital amounts to DKK 38 million as of December 31, 2009, consisting of 3,800,000 shares of nom. DKK 10.

The Bank has only one class of shares and the entire share capital, and thus all shares, are listed on NASDAQ OMX Copenhagen. There are no restrictions in the tradability of the shares.

Rasmus Juhl Rasmussen, Lystrup has announced that he owns more than 5% of the bank's share capital.

For exercising the voting rights the following applies:

1 to 60 shares carry 1 vote.

61 to 140 shares carry 2 votes.

141 to 300 shares carry 3 votes.

301 to 460 shares carry 4 votes.

461 to 600 shares carry 5 votes

and for every 200 shares above 600 shares carry one vote until 10 votes, which is the highest number of votes a shareholder can cast on own behalf.

If a shareholder is represented by proxy, who is not a shareholder, he may cast a total of up to 10 votes.

If a shareholder has proxies from other shareholders, the shareholder can cast up to a total of 20 votes.

Only shareholders registered in the bank's shareholder register can cast their votes at the General Meeting. Shareholders who have acquired shares by transfer can exercise their voting rights on such shares at general meetings, when the shares have been registered in their name in the shareholder register or the shareholders have registered their purchases at Værdipapircentralen (VP Securities).

The shareholder elected members of the board of directors are elected by the Committee of representatives.

Regarding the amendment of the bank's statutes, the following prevails: Decision to amend the statutes or to dissolve the company is only valid if 2/3 of the share capital are represented at the general meeting, and the proposal is adopted by at least 3/4 of votes as well as of the voting capital represented at the general meeting.

If 2/3 of the share capital are not represented at the general meeting, but the proposal is adopted by 3/4 of both the votes as well as the voting capital represented at the general meeting, the board of directors shall convene within 14 days a new general meeting, at which the proposal can be adopted with 3/4 of the votes without regard to the size of the share capital represented.

The board of directors is, after consulting the committee of representatives, authorized to increase the share capital by nom. DKK 12 million in one or more emissions. This authorization is valid until March 1, 2013.

The board of directors has the following powers regarding the acquisition of own shares: At the bank's annual general Meeting held on March 14, 2009 the board of directors was authorized - until the next ordinary general meeting - and within the existing legislation to acquire own shares of a nominal value up to 10% of the bank's share capital and at the prevailing market price + / - 10%.

# Corporate governance

Danish listed companies must disclose in the annual report how they comply with the "Recommendations for Corporate governance" issued by Committee on Corporate governance.

Our position on the recommendations are generally positive, as the interaction between Aarhus Lokalbanc and our stakeholders (employees, customers, shareholders, suppliers and local community) is a prerequisite for Aarhus Lokalbanc's continued positive development. As a local bank, we give particularly high priority to personal customer contact and since we are in business to meet the customers' trust and confidence, it is important that in addition to due consideration to the shareholders we also pay attention to the requests and requirements of our other stakeholders.

At the bank's website – aarhuslokalbank.dk – the bank's shareholders and other stakeholders can read more about Aarhus Lokalbanc's position to the recommendations. We comply with by far the majority of the recommendations, and, for the recommendations with which Aarhus Lokalbanc does not comply; we have given a detailed account of the reasons for this in accordance with the "follow or explain" principle stipulated in the recommendations. The Stock Exchange stresses in relation to the "follow or explain" principle that transparency about the companies' affairs is the essential element and that it is up to the individual company to evaluate the extent to which it intends to comply with the recommendations or whether the company finds that this is not expedient or desirable in relation to its business activities.

The recommendations are divided into the following 8 principal sections:

- The shareholders' role and interaction with the management
- The stakeholders' role and significance to the company
- Openness and transparency
- The Duties and responsibilities of the Board of Directors
- The composition of the Board of Directors
- Fees to the Board of Directors and the Executive Management
- Risk management
- Audit

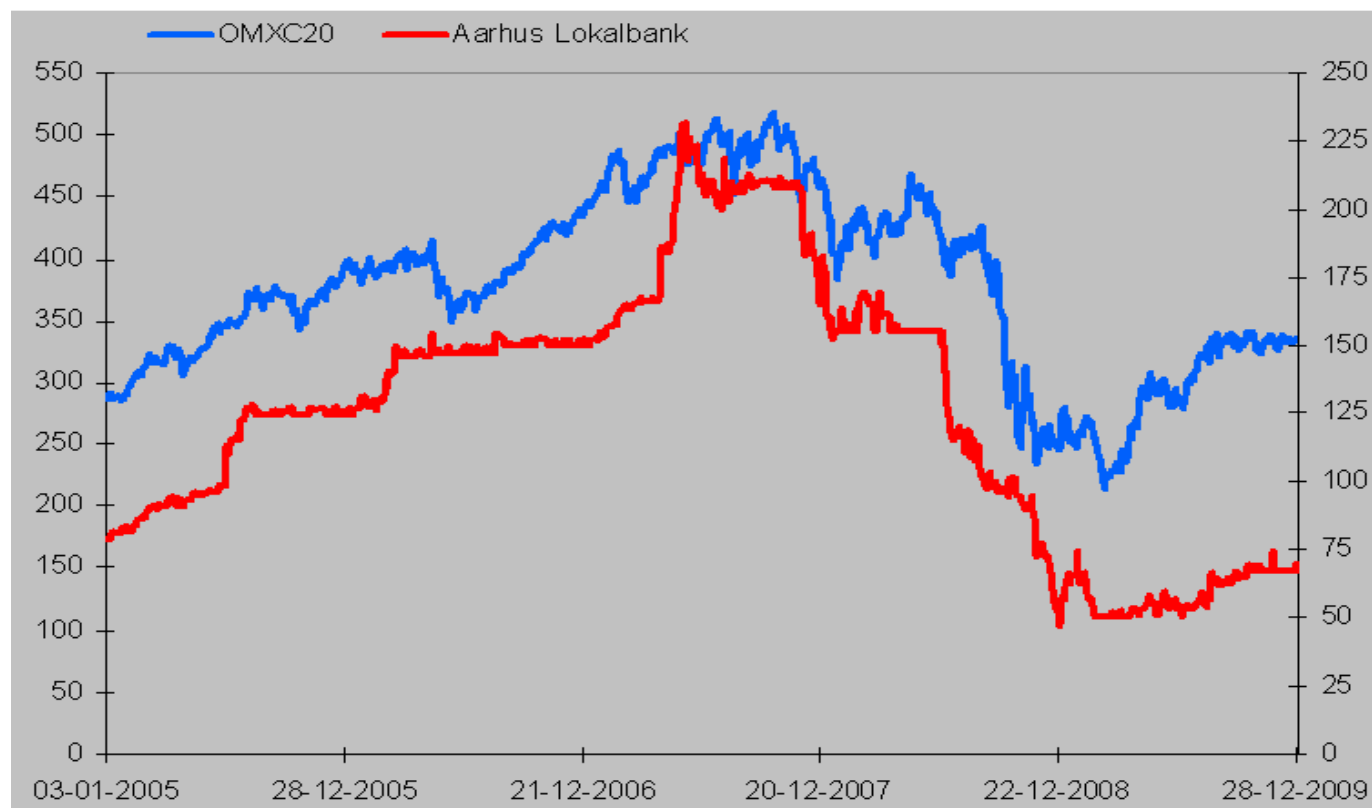
The recommendations supplement the provisions of the Danish Companies Act including rules of management as well as provisions on financial activities for financial institutions in the Danish Financial Business Act.





# Investor relations

## Share price movements - Aarhus Lokalbanc:



OMX C20 share index

Source: Reuters.

Aarhus Lokalbanc

The above graph shows the actual trend of the Aarhus Lokalbanc share from the start of 2005, compared with the development of the OMX C20 share index (the 20 biggest companies quoted in Copenhagen) for the same period.

## Yield per year including dividend and bonus shares in Aarhus Lokalbanc:

2005	2006	2007	2008	2009
62.1 %	20.4 %	20.3 %	-72.2 %	36.8 %

The yield includes the paid dividend. Figures are historical and past returns can not be used as a reliable indicator of future returns.

## The composition of Aarhus Lokalbanc shareholders 2009:

Shareholder groups:	Number of shareholders:	Number of shares*
1 – 100 shares	3.857	122,137
101 – 500 shares	2.049	467,323
501 – 1.000 shares	586	417,722
1.001 – 5.000 shares	574	1,010,655
5.001 – 10.000 shares	25	169,641
Over 10.000 shares	34	1,593,806
	<b>7,125</b>	<b>3,781,284</b>

\* 18,716 shares are ultimo 2009 not registered and consequently not included in the above statement.

# Five years in figures

DKK 1,000	2009	2008	2007	2006	2005
<b>Summery result</b>					
Interest income	278,379	305,837	208,072	105,726	66,929
Interest expense	164,988	204,670	128,179	46,222	21,096
<b>Net interest income</b>	<b>113,391</b>	<b>101,167</b>	<b>79,893</b>	<b>59,504</b>	<b>45,833</b>
Dividend on shares etc.	1,962	3,669	2,227	1,719	1,029
Fee and commission income	38,528	38,378	38,645	31,876	24,872
<b>Net income from interest and fees</b>	<b>153,881</b>	<b>143,214</b>	<b>120,765</b>	<b>93,099</b>	<b>71,734</b>
Other operating income	0	0	63	177	196
Staff and administrative expenses	91,120	87,779	75,280	62,360	50,089
Other operating expenses	39	65	0	49	0
Amortization and depreciation on tangible and intangible assets	3,222	2,753	2,136	3,855	1,628
<b>Core earnings before adjustments and impairments</b>	<b>59,500</b>	<b>52,617</b>	<b>43,412</b>	<b>27,012</b>	<b>20,213</b>
Extraordinary costs*)	4,570	8,006	0	0	0
Payment to the State guarantee scheme	18,314	5,487	0	0	0
Market value adjustments	6,618	-11,746	3,841	20,348	21,574
Loan impairment charges etc.	41,446	30,866	-1,397	-5,036	-6,416
Net result on equity investment in affiliates	10	8	0	-182	-36
<b>Profit before tax</b>	<b>1,798</b>	<b>-3,480</b>	<b>48,650</b>	<b>52,214</b>	<b>48,167</b>
Tax	1,536	-1,173	11,838	11,563	12,775
<b>Profit for the year</b>	<b>262</b>	<b>-2,307</b>	<b>36,812</b>	<b>40,651</b>	<b>35,392</b>
<b>Summary balance sheet</b>					
<b>ASSETS</b>					
Cash at hand and due from financial institutions	245,342	722,962	477,243	237,040	238,804
Loans and advances	4,131,448	3,712,604	3,571,376	2,048,600	1,086,951
Bonds, shares etc.	843,706	261,413	344,603	409,898	297,938
Tangible and intangible assets	51,810	59,034	50,814	42,219	36,078
Other assets	114,416	32,312	34,673	22,279	13,436
<b>Total assets</b>	<b>5,386,722</b>	<b>4,788,325</b>	<b>4,478,709</b>	<b>2,760,036</b>	<b>1,673,207</b>
<b>LIABILITIES</b>					
Due to financial institutions	699,860	1,527,917	1,591,623	1,033,725	309,204
Deposits and other debt	2,373,548	1,981,886	1,802,899	1,143,774	893,969
Issued bonds at current rate	1,207,216	435,771	360,981	100,000	100,000
Other liabilities etc.	136,507	82,017	55,099	41,895	46,398
Subordinated debt	628,933	451,661	340,000	190,000	115,000
Equity	340,658	309,073	328,107	250,642	208,636
<b>Total liabilities</b>	<b>5,386,722</b>	<b>4,788,325</b>	<b>4,478,709</b>	<b>2,760,036</b>	<b>1,673,207</b>
<b>CONTINGENT LIABILITIES</b>					
Guarantees	1,171,420	2,259,648	2,287,518	1,436,709	1,207,839
Other liabilities	5,756	3,881	3,793	2,738	2,353
<b>Total contingent liabilities</b>	<b>1,177,176</b>	<b>2,263,529</b>	<b>2,291,311</b>	<b>1,439,447</b>	<b>1,210,192</b>

\*) 2008: One time expenses for the jubilee and relocation of headoffice etc.  
2009: Depreciation of new property in Langaa.

# Financial ratios

Percent	2009	2008	2007	2006	2005
<b>Solvency and capital</b>					
Solvency ratio	20.4	13.0	12.1	10.9	12.5
Core capital ratio	11.9	6.5	6.7	7.9	10.9
<b>Earnings</b>					
Return on equity before tax	0.6	-1.1	16.8	22.7	25.0
Return on equity after tax	0.1	-0.7	12.7	17.7	18.3
Earnings/cost ratio A) DKK	1.01	0.97	1.64	1.85	2.01
<b>Market risk</b>					
Interest rate risk	-5.0	-3.7	-0.8	1.2	0.1
Currency position	4.1	9.1	20.5	31.5	9.9
Currency risk	0.1	0.2	0.2	0.1	0.1
<b>Liquidity</b>					
Loans and advances including impairments on loans to deposits	176.6	189.6	199.2	181.0	124.4
Excess liquidity to statutory requirement	123.8	130.3	30.5	49.5	64.1
<b>Credit risk</b>					
Sum of large exposures to capital base	79.7	199.5	188.0	213.9	168.7
Sum of large exposures to capital base excl. securities	69.2	199.5	188.0	199.3	137.4
Share of receivables with reduced interest rate	0.4	0.1	0.0	0.0	0.0
Accumulated impairment rate	1.4	0.8	0.3	0.6	1.1
Impairment per cent for the year	0.7	0.5	0.0	-0.1	-0.2
Growth in lending for the year	11.3	4.0	74.3	88.5	38.8
Loans and advances/equity	12.1	12.0	10.9	8.2	5.2
<b>Equity yields</b>					
Earnings per share *) DKK	0.7	-7.7	133.9	162.6	141.6
Net asset value per share *) DKK	960	1,121	1,138	1,019	835
Dividend per share *) DKK	0	0	12	12	12
Share price / earnings per share *)	865.1	-62.4	13.7	10.2	9.8
Share price / book value per share *)	0.70	0.43	1.61	1.62	1.66

## Comments:

A) Earnings include net income from interest and fees, market value adjustments, other ordinary income and results from investments in affiliated companies. Costs include expenses for staff and administration, other ordinary expenses and loss and impairments on loans.

The financial ratios have been calculated in accordance with the model from the Danish Financial Supervisory Authority.

\*) Per 100 DKK share.

# Signatures and statements

## Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management have today reviewed and approved the annual report for 2009 of Aarhus Lokalbanc Aktieselskab.

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.

In our opinion the financial statements give a true picture of the bank's assets, liabilities and financial position as of December 31, 2009 and the result of the bank's operations and cash flows for the fiscal year 2009.

Furthermore, in our opinion Management's review includes a fair view of developments in the bank's activities and finances as well as an accurate description of the most significant risks and elements of uncertainty, which may affect the bank.

The annual report will be submitted to the general meeting for approval.

Aarhus, February 23, 2010

### Management Board:

Per Hermansen - Chief Executive Officer

### Board of Directors:

Rasmus Juhl Rasmussen - Chairman

Joern Soerensen - Deputy Chairman

Jørgen Balle

Esben Hammer

Gert Lopdrup Pedersen

Knud Erik Rasmussen

Per Enevoldsen

Kirsten Majgaard Basse

Hanne Pedersen

## Independent auditors' report:

### To the shareholders of Aarhus Lokalbanc Aktieselskab

We have audited the annual report of Aarhus Lokalbanc Aktieselskab for the financial year January 1 - December 31, 2009, page 10-34. The annual report includes 5 years in figures, financial ratios, income statement, balance sheet, statement of capital, liquidity and own shares, accounting policies, policy and risk management, cash flow statement, notes and Board of Directors, Committee of Representatives and Executive Management. The annual report is prepared in accordance with the Danish Financial Business Act and in accordance with additional disclosure requirements for annual reports of listed financial institutions. In relation to the audit we have read the management review prepared in accordance with the Danish Financial Business Act and additional disclosure requirements for listed financial institutions and has delivered an opinion.

### Management's responsibility for the Annual report

Management is responsible for preparing and presenting a fair annual report 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: planning, implementing and maintaining internal control 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 using appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. Management is furthermore responsible for preparing a review that includes a fair statement in accordance with Danish disclosure requirements for listed financial institutions.

### Auditors' responsibility and basis of opinion

Our responsibility is to express an opinion on the annual report based on our audit. We have performed our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit with a view to obtain reasonable assurance that the annual report is free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the bank's preparation and fair presentation of the annual report in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An audit also includes 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any reservations.

### Conclusion

In our opinion, the annual report gives a true and fair view of the bank's financial position as of December 31, 2009 as well as of the results of its operations for the fiscal year January 1 - December 31, 2009 in accordance with the Danish Financial Business Act and in accordance with additional Danish disclosure requirements for annual reports of listed financial institutions.

### Opinion on Management Review

In accordance with the Danish Financial Business Act we have read the Management Review. We have not instigated additional actions besides the audit of the annual report. Consequently, we believe that the information in the management review is consistent with the annual report.

Aarhus, February 23, 2010

KPMG

Statsautoriseret Revisionspartnerselskab

Jakob Nyborg  
State Authorised Public Accountant

Henrik Pungvig Jensen  
State Authorised Public Accountant



# Income statement

<i>DKK 1,000</i>	<i>Note</i>	<b>2009</b>	<b>2008</b>
Interest income	1	278,379	305,837
Interest expense	2	164,988	204,670
<b>Net interest income</b>		<b>113,391</b>	<b>101,167</b>
Dividends from shares, etc.		1,962	3,669
Fee and commission income	3	41,087	42,637
Fee and commission expenses		2,559	4,259
<b>Net interest and fee income</b>		<b>153,881</b>	<b>143,214</b>
Market value adjustments	4	6,618	-11,746
Staff and administrative expenses	5	91,120	95,785
Amortisation and depreciation on tangible and intangible assets		7,792	2,753
Other operating expenses	6	18,353	5,552
Loan impairment charges	7	41,446	30,866
Income from affiliated companies		10	8
<b>Profit before tax</b>		<b>1,798</b>	<b>-3,480</b>
Tax	8	1,536	-1,173
<b>Net profit for the year</b>		<b>262</b>	<b>-2,307</b>
<b>Proposed distribution of profit</b>			
Dividend		0	0
Other reserves		10	8
Retained earnings		252	-2,315
<b>Total amount available for distribution</b>		<b>262</b>	<b>-2,307</b>

# Balance sheet as of December 31, 2009

DKK 1,000	Note	2009	2008
<b>ASSETS</b>			
Cash at hand and demand deposits with central banks		111,311	19,723
Due from credit institutions and central banks	9	134,031	703,239
Loans and other receivables at amortised cost	10	4,131,448	3,712,604
Bonds at fair value	11	662,193	69,545
Bonds at amortised cost	11	35,535	52,580
Shares, etc.	12	145,978	138,047
Holdings in affiliated companies	13	7,100	1,241
Properties	14	43,405	51,022
Other tangible assets	14	8,405	8,012
Actual tax assets		1,247	4,203
Deferred tax assets	8	7,565	11,621
Other assets		98,504	16,488
<b>Total assets</b>		<b>5,386,722</b>	<b>4,788,325</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Debt:</b>			
Due to credit institutions and central banks	15	699,860	1,527,917
Deposits and other debts	16	2,373,548	1,981,886
Issued bonds at amortised cost	17	1,207,216	435,771
Other liabilities		121,378	78,646
Deferred income		293	447
<b>Total debt</b>		<b>4,402,295</b>	<b>4,024,667</b>
<b>Impairments on liabilities:</b>			
Impairment charges on guarantee liabilities:	18	14,836	2,924
<b>Total impairment charges on guarantee liabilities:</b>		<b>14,836</b>	<b>2,924</b>
<b>Subordinated debt:</b>			
Subordinated debt	19	628,933	451,661
<b>Shareholders' equity:</b>			
Share capital	20	38,000	30,000
Share premium account		100,776	67,370
<b>Accumulated value changes</b>			
Revaluation reserve		0	6,750
Other reserves		240	230
Retained earnings		201,642	204,723
<b>Total shareholders' equity</b>		<b>340,658</b>	<b>309,073</b>
<b>Total liabilities and equity</b>		<b>5,386,722</b>	<b>4,788,325</b>

# Statement of capital, liquidity and own shares

DKK 1,000	2009	2008
<b>Change in shareholders' equity</b>		
<b>Share capital as of January 1</b>	30,000	30,000
New paid-in capital	8,000	0
<b>Share capital as of December 31</b>	<b>38,000</b>	<b>30,000</b>
<b>Premium on issuance of share capital as of January 1</b>	<b>67,370</b>	<b>67,370</b>
Increase in premium	33,406	0
<b>Premium on issuance of share capital as of December 31</b>	<b>100,776</b>	<b>67,370</b>
<b>Revaluation reserves as of January 1</b>	<b>6,750</b>	<b>6,750</b>
Decrease for the year	6,750	0
<b>Revaluation reserves as of December 31</b>	<b>0</b>	<b>6,750</b>
<b>Other reserves as of January 1</b>	<b>230</b>	<b>222</b>
Increase for the year	10	8
<b>Other reserves as of December 31</b>	<b>240</b>	<b>230</b>
<b>Retained earnings as of January 1</b>	<b>204,723</b>	<b>223,765</b>
Profit for the year	252	-2,315
Sale of own shares	35,128	18,740
Purchase of own shares	-37,302	-36,195
Dividends paid	0	-3,600
Other addition	-1,159	4,328
<b>Retained earnings as of December 31</b>	<b>201,642</b>	<b>204,723</b>
<b>Shareholders equity as of December 31</b>	<b>340,658</b>	<b>309,073</b>
Proposed dividends	0	0
<b>Capital base</b>		
Shareholders' equity	340,658	309,073
- Revaluation reserves	0	-6,750
<b>Core capital</b>	<b>340,658</b>	<b>302,323</b>
- Deferred tax assets	-7,565	-11,621
<b>Core (tier 1) capital, excluding hybrid core capital</b>	<b>333,093</b>	<b>290,702</b>
Hybrid core capital	225,894	50,000
<b>Core (tier1) capital after deductions incl. hybrid capital</b>	<b>558,987</b>	<b>340,702</b>
- Sum of statutory deductions - under Section 131 (2,2) of the Danish Financial Businesses Act	-9,698	-17,227
<b>Core (tier 1) capital incl. hybrid capital</b>	<b>549,289</b>	<b>323,475</b>
Subordinated debt	403,039	400,000
Subordinated debt in excess of core capital, incl. hybrid core capital, after deductions	0	-66,049
Revaluation reserves	0	6,750
- Sum of statutory deductions - under Section 139 (1,3) of the Danish Financial Business Act	-9,698	-17,227
<b>Capital base</b>	<b>942,630</b>	<b>646,949</b>

DKK 1,000

2009

2008

**Capital Adequacy Statement:**

The statement complies with the capital requirements of the Danish Financial Business Act.

The Bank has used the following methods in the statement as of December 31, 2009

Credit risk excl. the trading portfolio	Standard method
Counterparty risk	Market value method
Credit risk reducing method	
- financial securities	Extended method
Market risk	Standard method
Operational risk	Basic indicator method

**Risk adjusted items:**

Weighted items with credit and counterparty risk	4,028,528	4,406,113
Weighted items with market risk	360,100	357,402
Weighted items with operational risk	231,101	208,623
- collective impairment charges	-8,004	-3,824

**Total risk weighted items****4,611,725****4,968,314**

Capital base	942,630	646,949
Core capital incl. hybrid capital	549,289	323,475
Solvency ratio (FIL § 124): capital base/risk adjusted items, %	20.4	13.0
Core capital incl. hybrid capital/risk adjusted items, %	11.9	6.5
Statutory capital requirement (FIL§ 124)	37,208	37,253

**Liquidity**

Total liabilities	5,386,722	4,788,325
Guarantees	1,171,420	2,259,648
- shareholders' equity	-340,658	-309,073
- subordinated capital, included in the base capital	-628,933	-383,952

**Risk adjusted debt and guarantee liabilities****5,588,551****6,354,948****10% of risk adjusted debt and guarantee liabilities****558,855****635,495****In compliance with the statutory requirement:**

Cash	7,928	7,865
Deposits with Central Banks	103,383	11,857
Deposits with Credit Institutions	315,970	681,951
Certificates of deposit with Central Banks	0	499,842
Tradable bonds and shares	768,788	196,237
Other tradable assets	54,421	65,105

**Total liquid assets****1,250,490****1,462,857****Excess liquidity coverage, %****124****130****The Bank's holding of own shares:**

Number of own shares	252,321	243,286
Face value	2,523	24,328
Own shares of total share capital, %	6.64	8.11

**Purchase and sale of own shares during the fiscal year:**

During regular trading with customers:		
Number of shares bought	606,440	260,757
Number of shares sold	597,405	135,079
Face value of total purchase	6,064	2,608
Face value of total sale	5,974	1,351
Total value of purchase	37,302	36,195
Total value of sale	35,128	18,740
Total purchase to share capital at year-end, %	16.0	8.7
Total sale to share capital at year-end, %	15.7	4.5



# Cash flow statement

<i>DKK 1,000</i>	<b>2009</b>	<b>2008</b>
<b>Cash flow from operations</b>		
Profit before tax	1,798	-3,480
Impairment charges on loans and other receivables	41,446	30,866
Depreciation of tangible and intangible assets	7,792	2,753
Unrealised market value adjustments of equity investments	-10	-8
Unrealised market value adjustments of securities	-3,180	16,310
Other items with no effect on cash flows	296	1,981
Tax paid	-1,250	-7,539
<b>Total</b>	<b>46,892</b>	<b>40,883</b>
<b>Cash flow from operating capital</b>		
Demand deposits with credit institutions and central banks	3,620	-7,256
Loans and advances	-443,844	-169,567
Trading portfolio	-585,580	66,888
Deposits	391,662	178,987
Debt to credit institutions and central banks	-828,057	-63,706
Issued bonds	771,445	74,790
Other assets and liabilities	-40,167	39,472
<b>Cash flow from operation</b>	<b>-684,029</b>	<b>160,491</b>
Acquisition of subsidiaries	-1,331	0
Acquisition of property, plant and equipment	-9,568	-10,973
<b>Cash flow from investing activities</b>	<b>-10,899</b>	<b>-10,973</b>
<b>Cash flow from financing activities:</b>		
Dividends paid	0	-3,600
Purchase of treasury shares	-31,500	-36,195
Sale of treasury shares	35,128	18,740
Increase of share capital	8,000	0
Share premium	33,406	0
Redemption of subordinated debt	0	-25,000
Increase of subordinated debt	175,894	135,000
<b>Cash flow from financing activities</b>	<b>220,928</b>	<b>88,945</b>
<b>Changes in cash and cash equivalents</b>	<b>-474,000</b>	<b>238,463</b>
<b>Cash and cash equivalents as of January 1</b>	<b>708,281</b>	<b>469,818</b>
<b>Cash and cash equivalents as of December 31</b>	<b>234,281</b>	<b>708,281</b>
<b>Cash and cash equivalents as of December 31</b>		
Cash balance and demand deposits with central banks	111,311	19,723
Amounts due from credit institutions and central banks within 3 months	122,970	688,558
<b>Total cash and cash equivalents as of December 31</b>	<b>234,281</b>	<b>708,281</b>

The cash flow statement can not be directly extracted from this report and the statement is modified in accordance with the specific reporting frameworks for financial institutions.

# Accounting policies

The annual report for 2009 has been prepared in accordance with the Danish Financial Business Act and the executive order on financial reports of credit institutions issued by the Danish Financial Supervisory Authority. Furthermore, the annual report has been prepared in accordance with further Danish disclosure requirements for annual reports of listed financial companies.

The annual report has been prepared in accordance with the same accounting policies as last year.

## Recognition and measurement in general

Assets are recognised in the balance sheet when it is probable that future economic advantages will benefit the bank and the value of the asset can be reliably valued. Liabilities are recognised in the balance sheet when they are probable and can be reliably valued. On initial recognition, assets and liabilities are valued at fair value. Subsequently, assets and liabilities are valued as described for each individual item below.

The purchase and sale of financial instruments are recognised on the trade date.

## Accounting estimates

In determining the accounting value of certain assets and liabilities, an estimate of how future events will affect the value of these assets and liabilities on the balance sheet day is required.

The estimates made are based on assumptions which the management finds reasonable, but which are inherently uncertain. For impairments on loans and receivables, there are significant estimates linked to the quantification of the risk that not all future payments will be met.

If we are able to establish that not all future payments will be met, significant estimates are also associated with determining the size of the estimated payments, including realisation values of collateral and expected dividend payments from estates.

The estimates are based on assumptions which the management finds reasonable. The assumptions are however inherently uncertain and unpredictable. Furthermore, the bank is affected by risks and uncertainties that may lead to the actual results deviating from the estimates.

## Foreign currency conversion

Transactions in foreign currencies are converted at the exchange rate on the transaction date. Balances in foreign currencies, which have not been settled on the balance sheet day, are converted at the closing rate at year-end.

## The income statement

### Interests, fees and commissions etc.

Interest income and expense together with commissions are accrued within the financial year. Fee and commission income, which forms an integral part of a loan's yield is accrued over the expected term of the loan and is recognised as interest income. Other fees and commissions etc. are recognised at maturity and are booked under fee and commission income.

### Dividends

Dividends are recognised at the time of distribution.

### Other operating income

Other ordinary income consists of profit from operation of the bank's property together with profit from sale of assets.

### Staff and administration costs

Staff and administration costs consist of salaries, IT-operation, office supplies and marketing etc.

Bonus programme costs, including share-based compensation, are recognised in the income statement for the applicable fiscal year.

Reservation for staff expenses concerning anniversary bonuses are made based upon previous experience and are recognised in the income statement in the year of entitlement.

## Pension plans

The bank has entered into defined contribution plans with all employees. The bank pays fixed contributions to an independent pension fund and the bank is not obliged to make further contributions.

## Result of equity investments in affiliated companies

The result of equity investments equals the accounting result after tax in the bank's subsidiaries.

## Tax

Tax for the year, which consists of the current tax and change in deferred tax, is recognised in the income statement for the part pertaining to the result for the year, and directly in shareholders' equity for the part pertaining to items related directly to shareholders' equity.

Current tax liabilities and receivables are recognised in the balance sheet as tax on taxable income for the year, adjusted for prepaid taxes.

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

The bank is taxed jointly with its subsidiary Center Finansiering A/S. The current tax is apportioned between the jointly taxed companies relative to their taxable income.

## The balance sheet

### Loans and other receivables

Loans are initially recognised at fair value and are subsequently valued at amortised cost, including fees and commissions, which are an integral part of the yield and which are recognised as interest income during the term of the loan.

If objective evidence of impairment of a loan/advance exists, and the effect of the impairment event or events on the expected cash flow from the loan is reliably measurable, an individual impairment charge is calculated. The impairment charge equals the difference between the accounting amount (before impairment) and the present value of the most likely future payments on the loan. The bank reviews all exposures in excess of DKK 100,000.

Loans and advances without objective evidence of impairment are included in an assessment of collective impairment at portfolio level.

Collective impairment is calculated for portfolios of loans and advances with similar credit risk characteristics. The bank is operating with 11 groups consisting of 1 group of public authorities, 1 group of private customers and 9 groups of corporate customers, as corporate customers are subdivided into groups according to industry.

The collective assessment is performed using a segmentation model developed by the Association of Local Banks in Denmark, which is also responsible for ongoing maintenance and development. The segmentation model establishes the correlation in the individual groups between recognised losses and a number of significant explanatory macroeconomic variables using a linear regression analysis. Included in the explanatory macroeconomic variables is unemployment, housing prices, interest rates, number of bankruptcies/foreclosures etc.

The macroeconomic segmentation model employs a starting point calculated on information on losses for the whole of the financial sector. The bank has assessed that the estimates from the model correspond to its own conditions.

The model's estimate forms the background for the calculation of the collective impairments.

Impairments on loans are booked in an impairment charge account, which is offset under loans and advances.

Mortgages are recognised like loans and other receivables.

### **Securities**

Bonds, shares and financial instruments listed on NASDAQ OMX Copenhagen or foreign exchanges, are valued at fair value in accordance with the closing price on the balance sheet day.

Bonds acquired to generate a return until maturity (hold to maturity), are valued at amortized cost. Subsequent appreciation / depreciation of the amortized cost are recognized in the income statement as either interest income or interest expense. If there is objective indication that the bond can not be redeemed at the fixed redemption price at maturity, the bond will be assessed according to the regulation for loans. Any impairment is recognized under impairment on loans and receivables, etc.

Aarhus Lokalbanc has in cooperation with other financial institutions acquired shares in a number of sector companies. The objective of these sector companies is to support financial institutions in business areas such as mortgage finance, payment services, IT, investment schemes etc. Aarhus Lokalbanc has no plans to sell these shares as it views its participation in these sector companies a necessary element in the operation of a local financial institution. The shares are therefore viewed as being outside the trading portfolio.

In a number of the sector companies, shares are distributed in such a way that the financial institutions ownership share reflects the individual financial institution's business volume with each sector company. Distribution is typically conducted based upon the sector company's equity value. Based upon this, Aarhus Lokalbanc adjusts the book value of these shares either quarterly, semi-annually or annually, depending on the frequency of new information from the individual sector company. Adjustments are booked on an ongoing basis in the income statement in accordance with the regulation.

Other unlisted securities are recognised at cost or fair value, if lower.

### **Equity investments in affiliated companies**

Shares in the bank's subsidiaries are recognised under the equity method, which means that the equity investments are recognised at the company's equity value.

As the activities of subsidiaries are insignificant in relation to the bank, consolidated financial statements are not prepared.

### **Tangible fixed assets**

Upon initial recognition, domicile properties are valued at revalued amount. Revaluation is performed so often, that significant discrepancies with regard to the fair value are avoided.

Increases in the revaluation of domicile properties are recognised directly in shareholders' equity. Decreases in value are recognised in the income statement, unless these are reversals of previous revaluations.

Straight line depreciation of domicile properties is performed, based upon the expected residual value of the properties over an estimated useful life in excess of 50 years. Operating equipment covers IT equipment, inventory and vehicles, which are recognised at cost less depreciation.

Straight line depreciation is calculated over the useful life of the assets. The following depreciation profiles have been employed:

IT equipment	3 years
Inventory	3-5 years
Vehicles	5 years

A straight line depreciation of leasehold improvement expenses is recognised over 5 years.

### **Other assets**

Other assets include interest receivables and commissions as well as positive market value of derivative financial instruments.

### **Issued bonds**

Are valued at amortized cost. Holding of own issued bonds is off-set.

### **Impairment on liabilities**

The impairments comprise mainly of guarantee liabilities and impairments on irrevocable credit commitments and legal proceedings, etc. An impairment on a guarantee or an irrevocable commitment is recognised, if it is probable that the guarantee or credit will be effected and the amount of the liability can be valued reliably. Impairments are based on management's best estimate of the size of the liabilities.

### **Other liabilities**

Other liabilities include interest due, a negative market value of financial instruments and outstanding employee benefits.

### **Treasury shares**

Amounts paid and received for the purchase and sale of treasury shares are recognized directly in shareholders' equity.

### **Guarantees**

Issued guarantees are stated in the note "contingent liabilities". The guarantees will be continuously reviewed and evaluated to identify if there are objective indications that there have been impairments.

### **Balances in foreign currencies**

Foreign currency receivables and debts are converted according to the Danish National Bank's official currency rates at year-end. Income and expenses in foreign currencies are converted according to the exchange rate at the time of transaction.

### **Derivative financial instruments**

Forward transactions and other financial instruments are valued at fair value. Derivative financial instruments are recognised as other assets or liabilities. Changes to the fair value of derivative financial instruments are recognised in the income statement together with changes in the value of the hedged asset or liability. Other changes are recognised in the income statement as financial items.

### **State guarantee**

The Bank is participating in the state guarantee scheme, which ends on September 30, 2010. Guarantee commission is recognized in the income statement during the guarantee period and is booked under other operating expenses. The bank's commitment to cover possible losses under the scheme is recognized as impairment when it is probable and can be valued reliably. Such amounts are recognized in the income statement, under impairments on loans and receivables, etc.

### **Cash Flow Statement**

The cash flow statement for the bank is established under the indirect method based on net profit before tax and shows the bank's cash flow from operating, investing and financing activities and net change in cash.

Cash and cash equivalents consist of cash and demand deposits with central banks and receivables from credit institutions and central banks with original maturities of less than three months.

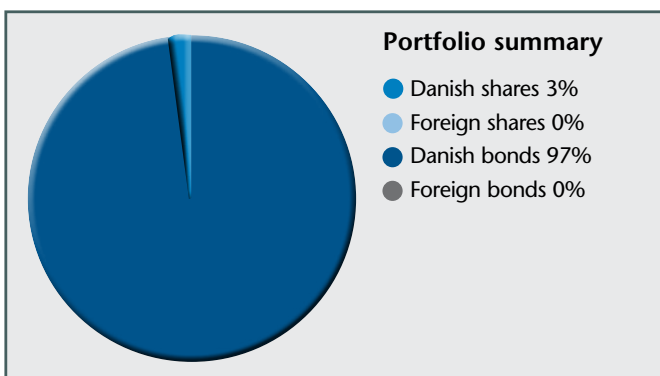
# Policy and risk management

For all of the bank's business areas, the commercial risk is thoroughly assessed and analysed before such a risk is entered into. The bank's board of directors has through written instructions provided the framework for e.g. market risks. The board of directors has provided the overall policies and risk frameworks that are acceptable for the different risk areas. Market risks are followed closely by continuous monitoring and reporting to the board of directors and the executive management, and in recent years the bank has invested considerable resources in this area.

## Market risk

Market risk is defined as the risk of the value of the bank's assets and liabilities being affected by the market conditions. This could e.g. be changes in economic trends, in the stock market and changes in currency and interest rates.

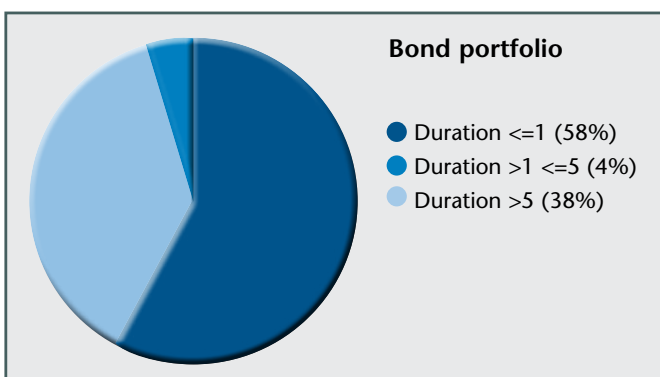
The bank's participation in customer transactions in the securities and currency markets as well as the bank's allocation of its own liquidity lead to daily changes in portfolios and to market risks arising from fluctuations in the bond and interest rate markets, as well as changes in share prices and currency rates.



The portfolio allocation on types of securities for commercial portfolios as of December 31, 2009.

## Interest rate risk

The bank's positions on the bond and interest rate market, calculated in accordance to the guidelines and deduction factors of the Danish Financial Supervisory Authority, mean that the bank has an interest rate risk. This risk reflects the loss the bank will suffer on a general interest rate increase of one percentage point. The interest rate risk depends on the duration of the position; a longer duration implies a greater risk.



The portfolio allocation by duration for commercial portfolios as of December 31, 2009.

The bank's total interest rate risk, including items outside the trading portfolio, e.g. mortgages, is as of December 31, 2009 DKK -27.4 million, equivalent to -5.0 % of the bank's core capital at year-end.

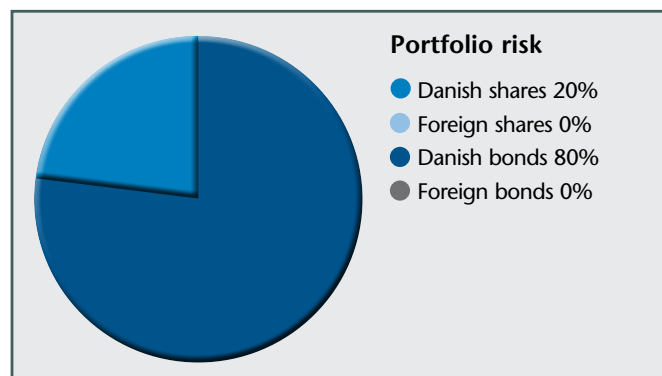
The bank's portfolio of items outside the trading portfolio consists e.g. of a mortgage portfolio of DKK 9.8 million, which affects the total interest rate risk by DKK 1.1 million.

Other important items outside the trading portfolio are the bank's liabilities on fixed-rate loans, which negatively affect the bank's interest rate risk by DKK 17.9 million as well as the bank's hybrid core capital and subordinated capital contributing negatively to the bank's interest rate risk by DKK 15.5 million. Other issued bonds negatively affect the interest rate risk by DKK 6.1 million.

If adjustments are made for items outside the trading portfolio, the bank's total interest rate risk on commercial bonds is DKK 11.0 million as of December 31, 2009, equivalent to 2.0 % of the bank's core capital at year-end.

## Equity risk

The bank uses 10 % as risk parameters on Danish commercial shareholdings. The amount is included in the bank's internal assessments of the total market risk. In case of foreign commercial shareholdings, 20 % is used as risk parameter. The bank's total equity risk on commercial portfolios as of December 31, 2009 amounts to DKK 2.0 million, equivalent to 0.4 % of the bank's core capital at yearend. The amount is included in the bank's internal assessment of the total market risk



## Currency risk

The bank uses 5 % as risk parameter on currency positions calculated according to a notional "currency indicator 1". EUR positions are however adjusted to 1 % due to the modest historical fluctuation band. As of December 31, 2009, the amount comes to DKK 0.8 million, equivalent to 0.2 % of the bank's core capital at year-end. The amount is included in the bank's internal assessment of the total market risk.

## Derivative financial instruments

The bank uses 10 % as a risk parameter on derivative financial instruments such as swaps, forwards, futures and options. In connection with the bank's own positions in forward exchange transactions in OECD currencies, 5 % is used as risk parameter. The bank's total risk on derivative financial instruments as of December 31, 2009 amounts to DKK 0.0 million, equivalent to 0.0 % of the bank's core capital at year-end. The amount is included in the bank's internal assessment of the total market risk.



### **Risk assessment**

The framework of the bank's overall market risk on commercial items was fixed at 7 % of the bank's core capital in 2009, equivalent of DKK 38.5 million at year-end including the exchange rate adjustment of commercial positions within the trading portfolio. Bonds with a maturity of up to 2 years are in terms of risk not included in the framework, which is why DKK 0.2 million can be deducted from the interest rate risk within the trading portfolio.

Assessed accordingly, as of December 31, 2009 the total market risk is calculated at DKK 13.9 million, equivalent to 2.5 % of the bank's core capital.

### **Liquidity risk**

The liquidity risk is the risk of loss as a result of a disproportionate increase in the bank's finance costs or a lack of financing, which causes stagnation or a reduction of the business volume, or that the bank's payment obligations cannot be honoured under the bank's liquidity contingency.

The bank has adopted a three-tier policy with an objective for the bank's liquidity both in the long and short term to ensure that the bank's liquidity is sufficient; not just from a legal point of view, but also based on the bank's internal risk assessments.

The bank's objective is to have an excess liquidity, which is 100 % above the minimum statutory requirement.

The bank's objective is that the available liquidity will be sufficient to cover the next month's known liquidity requirement.

The bank's objective is that the bank's loan portfolio should be funded by the sum of equity, supplementary capital, deposits, long term debt and commitments with maturities of more than 12 months.

Assessment and monitoring of liquidity is a daily routine and the executive management and the board of directors receive continuous reports in accordance with the guidelines in place.

### **Counterparty risk – Derivative financial instruments**

The bank makes use of the market value method for counterparty risk to calculate the size of the exposure for derivative financial instruments, which are covered by the definition in the capital adequacy notification appendix 17.

The exposure value fixing under the market value method for counterparty risk is derived from the method below:

1. Contracts are calculated at market value to obtain the actual replacement costs for all contracts with a positive value
2. To reach a figure for the potential future credit exposure, the nominal value of the contract's principal amount or the underlying values are multiplied by percentage rates fixed by the Danish Financial Supervisory Authority. Swaps based on two variable interest rates in the same currency are exempt from this, in so far as only the actual replacement cost must be calculated.
3. The sum of the actual replacement costs and the potential future credit exposure equals the exposure value.

In connection with the bank's determination of the adequate capital base, capital equivalent to 8 % of the positive market value of the derivatives is held in reserve.

### **Credit risk**

The credit risk is defined as the risk of customers' payment obligations to the bank being assessed as unrecoverable due to certain customers' inability or unwillingness to make timely payments.

Credit risk management is carried out by means of the stipulated policies and procedures, where the board of directors has implemented frameworks to ensure that the bank's lending is to customers with financial strength which will generate an adequate profitability for the bank.

As a natural part of the credit policy, the bank makes venture capital available for projects, which we assess as sustainable and where the customers possess the necessary competency and which furthermore can help ensure a healthy and positive development in our market areas.

In general, we want diversification in our lending which ensures that we do not become vulnerable to individual industries or customers. At the same time, we do assess the business opportunities in lending to financially strong customers in all customer segments.

The credit policy is managed in accordance with socio-economic trends as well as the bank's operational development in both the short and long term.

Follow-up and monitoring of all types of exposures are made concurrently by the executive management and the credit department.

Within the corporate customer area, the bank's primary target group is small and medium-sized companies in selected business segments such as manufacturing, the service industry, trades, real estate financing, agriculture and retail.

Competent advice and confidence-inspiring cooperation are also a natural part of our credit policy, where we want:

- to provide lending to healthy companies and private customers, where loan and credit facilities are, as far as possible, fully collateralized.
- complete insight in the customers financial standing based on a total customer relationship, so that the necessary and qualified basis for decision making can be obtained.
- delegation of loan approval authority to the customer advisor who has knowledge of and cooperates with the customer.

Larger exposures are approved by the executive management and the board of directors.

The bank conducts a quarterly assessment of the need for individual impairments on all commitments in excess of DKK 100,000. The impairments are made based upon reporting from the customer advisor, subsequent to an assessment of the risk of loss due to changes in the customer's ability and/or willingness to pay.

Collective impairment charges are made using a statistical model developed by the Association of Local Banks in Denmark. The subsequent approval process is made by the bank after an assessment of its own position.

All impairment charges support the bank's overall objective that credit risks are identified and covered in a reassuring manner and that the total impairment charges are adequate.

At the same time an exposure is written off in full or partial, the equivalent amount is also removed in full or partial from the impairment charge account.

Exposures have their interest accrual discontinued when it is assessed that accrual of interest will result in further losses.

For exposures where interest accruals have been discontinued, impairments equal to the full risk are recognised.

The bank conducts regular monitoring of the debts written off.

### **Operational risk**

The operational risk is the risk that the bank may fully or partially be forced to accept financial losses as a consequence of inadequate or inexpedient procedures, human errors, IT application errors or external influence.

Efforts are made to manage operational risk through policies, procedures and control measures, designed to achieve a both secure and functional environment. The operational risk is minimised by ensuring that the execution of activities is organisationally separated from the control of the same.

The bank has implemented a policy and contingency plan for physical catastrophes and IT downtime. As a main rule, IT downtime leads to a breakdown of operations. If there is a solitary breakdown at a branch, the business can be continued at the other branches. IT operation takes place at Bankdata. The bank carefully monitors the instructions and recommendations received from Bankdata. The bank does not conduct its own development of IT applications.

According to the capital requirement rules, the bank is required to measure and recognise an amount for operational risks in the bank's solvency ratio calculation.

The bank employs the so-called basis indicator method, in which an amount is measured based upon a calculation of the average of the core income from the last three financial statements, which is then added to the risk-weighted assets. The core income is the total of the net interest income and non-interest related net income.



# Notes

DKK 1,000	2009	2008
<b>NOTE 1</b>		
<b>Interest income:</b>		
Due from credit institutions and central banks	8,496	19,968
Loans and other receivables	231,881	270,009
Bonds	28,263	7,589
Other interest income	9,739	8,271
<b>Total</b>	<b>278,379</b>	<b>305,837</b>
The bank has no interest income from real sale and repurchase transactions		
<b>NOTE 2</b>		
<b>Interest expense for:</b>		
Credit institutions and central banks	28,190	81,147
Deposits and other liabilities	68,657	76,822
Issued bonds	43,653	20,117
Subordinated debt	24,048	26,232
Other interest expenses	440	352
<b>Total</b>	<b>164,988</b>	<b>204,670</b>
The bank has no interest expense to real sale and repurchase transactions		
<b>NOTE 3</b>		
<b>Income from charges and commission:</b>		
Trading in securities and custody accounts	8,809	14,339
Payment services	1,340	1,169
Loan fees	1,368	1,356
Guarantee commission	22,990	20,765
Other fees and commissions	6,580	5,008
<b>Total</b>	<b>41,087</b>	<b>42,637</b>
<b>NOTE 4</b>		
<b>Value adjustment of:</b>		
Bonds	2,916	-1,635
Shares etc.	-1,460	-8,155
Foreign currency	5,047	-2,640
Currency, interest, share, commodity and other contracts as well as derivative financial instruments	98	708
Other assets	17	-24
<b>Total</b>	<b>6,618</b>	<b>-11,746</b>
<b>NOTE 5</b>		
<b>Staff costs and administrative expenses:</b>		
<b>Remuneration for the Board of Directors, Executive Management and Committee of Representatives:</b>		
Executive Management *)	1,880	1,880
Board of Directors	660	565
Audit committee	90	0
Committee of Representatives	28	28
<b>Total</b>	<b>2,658</b>	<b>2,473</b>
<b>Staff costs:</b>		
Salaries	43,051	42,529
Pensions	5,057	4,501
Social security costs	4,365	4,302
<b>Total</b>	<b>52,473</b>	<b>51,332</b>
Other administrative expenses	35,989	41,980
<b>Total staff costs and administrative expenses</b>	<b>91,120</b>	<b>95,785</b>
*) With reference to the conditions for participation in Bank Package II it should be mentioned that in the provisional statement of taxable income for the year 2009 only half of the Executive Management's salary can be deducted. The Executive Management is remunerated with a fixed salary and is not subject to the share-based incentive program mentioned below.		
<b>Share-based compensation</b>		
The staff and administration expenses include a share-based incentive program for employees as described below. The share-based compensation is an equity scheme, which have been booked directly in the equity.	590	0
<b>Share-based incentive program</b>		
The share-based incentive program for employees consist of share options granted. The share options will expire April 1, 2011.		
The market value is measured after a dividend-adjusted Black-Scholes model with the following assumptions at the grant date of April 1, 2008. Share price of 155, volatility of 20.0%, risk-free interest rate of 3.7%, yield of 1.2%, average maturity of 3 years. Each employees has been awarded a maximum of 1.500 stock options. Each stock option gives the right to purchase one share og nominally DKK 10. The program will lapse without compensation for the individual employee should the option not be utilized. The market value at the grant date amounted to DKK 1.77 million based on 75,000 shares and a share price of DKK 155.		

# Notes

<i>DKK 1,000</i>	<b>2009</b>	<b>2008</b>
<b>Number of employees:</b>		
Average number of employees during the financial year converted into full-time employees	96	96
<b>Audit fee:</b>		
Total fee to the audit companies appointed by the general meeting to perform the statutory audit, including VAT	1,435	1,318
Of this, services other than audit	944	843
The bank has no internal audit department		
<b>NOTE 6</b>		
<b>Other operating expenses:</b>		
Guarantee commission to the State guarantee scheme	18,314	5,487
Other operating expenses	39	65
<b>Total</b>	<b>18,353</b>	<b>5,552</b>
<b>NOTE 7</b>		
<b>Impairment charges on loans and other receivables:</b>		
Loans	24,014	25,313
Bond investment "with hold to maturity"	5,520	2,629
The Private Contingency Association	11,912	2,924
<b>Total</b>	<b>41,446</b>	<b>30,866</b>
Impairment charges during the year	54,455	37,664
Reversal of impairment charges recognised in previous financial years	-10,412	-6,402
Finally lost, no individual impairment charges made	30	878
Received, on claims previously written off	-406	-107
Income interest on impaired debt	-2,221	-1,167
<b>Total</b>	<b>41,446</b>	<b>30,866</b>
<b>NOTE 8</b>		
<b>Tax:</b>		
Tax on profit for the year	1,536	-1,173
Tax on changes in shareholders' equity	1,433	4,364
<b>Total</b>	<b>2,969</b>	<b>3,191</b>
<b>Tax on profit for the year:</b>		
Current tax	0	2,353
Deferred tax	1,533	-3,512
Subsequent adjustments of tax from previous years	3	-14
<b>Total</b>	<b>1,536</b>	<b>-1,173</b>
<b>Effective tax rate:</b>		
Corporate tax rate	25.0 %	25.0 %
Non-taxable income / expenditure etc.	60.3 %	-59.6 %
Adjustments of tax calculated for previous years	0.2 %	-0.4 %
<b>Total</b>	<b>85.5 %</b>	<b>-35.0 %</b>
<b>Deferred tax assets and liabilities are as follows:</b>		
Tangible assets	-743	1,499
Securities	1,133	-14,082
Other assets and liabilities	-7,955	962
<b>Total</b>	<b>-7,565</b>	<b>-11,621</b>



# Notes

<i>DKK 1,000</i>	2009	2008
<b>NOTE 9</b>		
<b>Due from credit institutions and central banks:</b>		
Term deposits with central banks	0	499,842
Deposits with credit institutions	134,031	203,397
<b>Total</b>	<b>134,031</b>	<b>703,239</b>
<b>By maturity:</b>		
Demand deposits	122,970	13,717
Up to 3 months	0	674,841
Over 5 years	11,061	14,681
<b>Total</b>	<b>134,031</b>	<b>703,239</b>
<b>NOTE 10</b>		
<b>Loans and other receivables at amortized cost:</b>		
Loans and other receivables at amortized cost before depreciation	4,191,677	3,757,149
- Impairment charges at year-end excl. impairments on guarantee liabilities - see note 24	-60,229	-44,545
<b>Total</b>	<b>4,131,448</b>	<b>3,712,604</b>
<b>By maturity:</b>		
On demand	2,267,722	2,146,036
Up to 3 months	365,395	289,771
Over 3 months to 1 year	568,504	443,783
Over 1 year to 5 years	473,808	561,549
Over 5 years	456,019	271,465
<b>Total</b>	<b>4,131,448</b>	<b>3,712,604</b>
<b>NOTE 11</b>		
<b>Bonds:</b>		
Bonds at fair value	662,193	69,545
Bonds at amortized cost (Hold to maturity) *)	35,536	52,580
The difference between bonds measured at amortized cost and fair value	-4,761	-4,304
<b>Total</b>	<b>692,968</b>	<b>117,821</b>
<b>By type:</b>		
Mortgage bonds	692,093	90,580
Government bonds	18	53
Other bonds	857	27,188
<b>Total</b>	<b>692,968</b>	<b>117,821</b>
*) Bonds at amortized cost was reclassified from bonds at fair value in financial year 2008.		
<b>NOTE 12</b>		
<b>Shares, etc.:</b>		
Shares/unit trust certificates listed on NASDAQ OMX Copenhagen	25,214	30,577
Unlisted shares stated at fair value	120,764	107,470
<b>Total</b>	<b>145,978</b>	<b>138,047</b>
<b>NOTE 13</b>		
<b>Holdings in affiliated companies</b>		
Book value - start of year	1,241	1,233
Cost value - start of year	1,011	1,011
Addition	11,650	0
Total cost value	12,661	1,011
Appreciation and depreciation start of year	230	222
Result	10	8
Appreciation and depreciation at year-end	240	230
Value adjustment of investments	-5,801	0
<b>Book value - end of year</b>	<b>7,100</b>	<b>1,241</b>

# Notes

DKK 1,000	2009	2008
<b>NOTE 14</b>		
<b>Tangible assets:</b>		
<b>Domicile properties:</b>		
Revalued amount start of year	51,022	46,961
Additions, including improvements	6,279	4,344
Depreciation	-326	283
Value adjustments, which are recognized in the income statement	-4,570	0
Value adjustments, which are recognized directly in shareholders' equity	-9,000	0
<b>Revaluation at year-end</b>	<b>43,405</b>	<b>51,022</b>
The assessment of domicile property Langaa is made with assistance from external experts.		
<b>Equipment</b>		
Book value - start of year	8,012	3,956
Cost value - start of year	17,377	11,970
Additions	3,289	6,629
Disposals	0	1,222
Cost value at year-end	20,666	17,377
Depreciations start of year	-9,365	-8,117
Depreciations	-2,896	-2,470
Reversal of depreciations	0	-1,222
Depreciations at year-end	-12,261	-9,365
<b>Total</b>	<b>8,405</b>	<b>8,012</b>
<b>NOTE 15</b>		
<b>Due to credit institutions and central banks:</b>		
Due to credit institutions	699,860	1,527,917
<b>By maturity:</b>		
On demand	118,596	64,223
Up to 3 months	288,253	1,404,089
Over 3 months to 1 year	253,011	59,605
Over 1 year to 5 years	40,000	0
<b>Total</b>	<b>699,860</b>	<b>1,527,917</b>
The Bank has an unutilized credit facility of DKK 193 million at Danmarks Nationalbank approved on the basis of excess statutory solvency maturing on September 30, 2010.		
<b>NOTE 16</b>		
<b>Deposits and other debts:</b>		
On demand	1,308,578	1,262,755
At notice	333,822	900
Time deposits	462,389	472,459
Special deposits	268,759	245,772
<b>Total</b>	<b>2,373,548</b>	<b>1,981,886</b>
<b>By maturity:</b>		
On demand *)	1,317,615	1,491,917
Up to 3 months	477,539	194,025
Over 3 months to 1 year	338,519	76,390
Over 1 year to 5 years	41,724	42,991
Over 5 years	198,151	176,563
<b>Total</b>	<b>2,373,548</b>	<b>1,981,886</b>

\*) Special deposits under pay-out are included in the item "on demand", whereas the amount in the specification of the various types of deposits is included in the item "special deposits".

# Notes

DKK 1,000	2009	2008
<b>NOTE 17</b>		
<b>Issued bonds at amortised cost:</b>		
<b>By maturity:</b>		
Over 1 year to 5 years	1,207,216	435,771
<b>Total</b>	<b>1,207,216</b>	<b>435,771</b>
<b>NOTE 18</b>		
<b>Impairment charges on guarantee liabilities:</b>		
Danish Act on Financial Stability	14,836	2,924
<b>Total</b>	<b>14,836</b>	<b>2,924</b>
<b>NOTE 19</b>		
<b>Subordinated debt:</b>		
Nominal DKK 40 million. Supplementary capital raised May 13, 2005. Interest rates until May 12, 2010: CIBOR 3 + 1.20% p.a. Interest rates from May 13, 2010: CIBOR 3 + 2.70% p.a. Expiry date: May 13, 2013 In calculation of the bank's core capital after deduction, DKK 40 million is included.		
Nominal DKK 75 million. Supplementary capital raised June 23, 2006. Interest rates until November 1, 2011: CIBOR 3 + 1.10% p.a. Interest rates from November 2, 2011: CIBOR 3 + 2.60% p.a. Expiry date: November 1, 2014 In calculation of the bank's core capital after deduction, DKK 75 million is included.		
Nominal DKK 75 million. Supplementary capital raised May 1, 2007. Interest rates until May 1, 2012: CIBOR 3 + 1.10% p.a. Interest rates from May 2, 2012: CIBOR 3 + 2.60% p.a. Expiry date: May 1, 2015 In calculation of the bank's core capital after deduction, DKK 75 million is included.		
Nominal DKK 75 million. Supplementary capital raised June 19, 2007. Interest rates until December 3, 2012: CIBOR 6 + 1.10% p.a. Interest rates from December 4, 2012: CIBOR 6 + 2.60% p.a. Expiry date: December 3, 2015 In calculation of the bank's core capital after deduction, DKK 75 million is included.		
Nominal DKK 150 million. Supplementary capital raised May 15, 2008 to rate 90. Interest rates until May 22, 2013: 4.00% p.a. Interest rates from May 23, 2013: CIBOR 3 + 3.00% p.a. Expiry date: May 22, 2016 In calculation of the bank's core capital after deduction, DKK 140 million is included.		
<b>Hybrid core capital:</b>		
Nominal DKK 50 million. Supplementary capital raised December 1, 2005. Interest rates: 5.44% Interest rates from May 1, 2016: CIBOR 3 + 2.82%. Expiry date: infinite In calculation of the bank's core capital after deduction, DKK 50 million is included.		
Nominal DKK 150.2 million. Supplementary capital raised December 23, 2009. Interest rates: 10.92% + conversion option of 0.5%. Interest rates from December 23, 2014: 11.2%. Expiry date: infinite (Issuer conversion option). In calculation of the bank's core capital after deduction, DKK 148.6 million is included.		
Nominal DKK 27.6 million. Supplementary capital raised December 23, 2009. Interest rates: 10.92% + conversion option of 0.5%. Interest rates from December 23, 2014: 11.2%. Expiry date: infinite (Mandatory conversion and issuer conversion option). In calculation of the bank's core capital after deduction, DKK 27.3 million is included.		
<b>Cost paid during the financial year:</b>		
Establishment costs	1,856	245
Deferred establishment costs	-1,856	0
Interest expenses	24,048	26,232
<b>Total</b>	<b>24,048</b>	<b>26,477</b>

# Notes

DKK 1,000	2009	2008
<b>NOTE 20</b>		
<b>Share capital:</b>		
The share capital consists of 3,800,000 shares of DKK 10 each		
Shareholders who have reported holding more than 5% of the share capital:		
Landowner Rasmus Juhl Rasmussen, Lystrup		
<b>NOTE 21</b>		
<b>Contingent liabilities:</b>		
<b>Guarantees:</b>		
Financial guarantees	486,959	1,489,998
Guarantees against losses for mortgage loans	337,203	287,297
Land registration and conversion guarantees	264,682	391,731
Other guarantees	82,576	90,622
<b>Total guarantees:</b>	<b>1,171,420</b>	<b>2,259,648</b>
<b>Other liabilities:</b>		
Other liabilities	5,756	3,881
<b>Total other liabilities</b>	<b>5,756</b>	<b>3,881</b>

Aarhus Lokalbanc is participating in the Danish State Guarantee scheme. The scheme is in force until September 30, 2010 and includes all financial institutions that joined the scheme. Our share of the total guarantee commission for 2009 is calculated at DKK 18.3 million which has been expensed under "other operating expenses". Furthermore, the bank is a participant in a total guarantee of DKK 20 billion, of which our share amounts to DKK 57 million, registeret under the item "guarantees". Impairment charges of DKK 14.8 million hereof have been booked for 2009.

DKK 1,000	2009		2008	
	Nominal value	Net market value	Nominal værdi	Net market value
<b>NOTE 22</b>				
<b>Derivatives:</b>				
<b>Foreign-exchange contracts:</b>				
Forward contracts, purchase	552,334	13,235	869,725	37,316
Forward contracts, sale	1,866,373	-26,293	917,737	-45,351
Open spot transactions, purchase	1,551	3	7,473	272
Open spot transactions, sale	166	0	7,820	274
Swaps	267,590	0	61,806	-1
Options purchased	48,051	538	208,303	1,543
Options, sold	48,051	-508	208,303	-5,542
<b>Interest-rate contracts:</b>				
Forward contracts, purchase	4	-1	542	120
Forward contracts, sale	4	1	542	-111
Open spot transactions, purchase	25,125	4	2,268	28
Open spot transactions, sale	25,111	13	1,988	-27
Swaps	156,404	0	61,806	-1
<b>Share contracts:</b>				
Open spot transactions, purchase	9,173	32	407	13
Open spot transactions, sale	9,296	-15	406	-11
<b>Total derivatives</b>		<b>-12,991</b>		<b>-11,478</b>

# Notes

## NOTE 23

### Fair value of derivatives

Derivatives are measured in the balance sheet at fair value or amortized cost.

Fair value is the amount which a financial asset can be traded at, or the amount a financial liability can be settled at, between unrelated parties. For financial assets and liabilities which are priced in active markets, the fair value is based on observable market prices on the balance sheet date. For derivatives that are not priced in active markets, the fair value assessment is based on generally accepted pricing methodologies.

The vast majority of the bank's receivables, loans and deposits can not be transferred without the customers' prior consent, and there is no active market for trading of such financial instruments. The information on the fair value is therefore based solely on the facts that changes in market conditions have occurred after the instrument's initial recognition, especially changes in interest rates.

Shares and derivatives are stated in the annual report at fair value so that recognized values correspond to fair values. Bonds acquired in order to earn a return over a period to maturity (hold to maturity) are valued at amortized cost.

For loans, impairments are generally assessed to equal changes in credit quality. The difference to fair values is deemed to be fees and commissions received, incurred costs from lending transactions, and for fixed-rate loans, the interest rate-dependent price adjustment that is calculated by comparing the current market rate to the loans actual interest rate.

The fair value of receivables from credit institutions and central banks are determined by the same method as for loans, noting however that the bank has not made impairments on receivables from credit institutions and central banks.

Issued bonds and subordinated debt are measured at amortized cost. The difference between book value and fair value is calculated based on rates in the market on own issues.

For fixed rate financial liabilities in the form of deposits and debts to credit institutions measured at amortized cost the difference to fair values is assessed to be the interest rate-dependent price adjustment.

In the following table the financial assets and liabilities are included where there is significant difference between book value and fair value.

DKK 1,000	2009		2008	
	Book value	Fair value	Book value	Fair value
Bonds at amortised cost	35,535	30,774	52,580	48,276
Issued bonds at amortised cost	1,207,216	1,219,447	435,771	435,771
Subordinated debt	628,933	619,384	451,661	449,301

DKK 1,000	2009			2008		
	Exposure before impairment	Impairment	Collateral	Exposure before impairment	Impairment	Collateral
<b>NOTE 24</b>						
<b>Cause for individual impairments</b>						
Severe economic problems	162,987	17,937	126,997	146,507	22,321	67,840
Breach of contract	2,162	943	3,103	2,988	1,720	647
Easing of terms	3,864	1,183	720	985	456	290
Bankruptcy, Suspension of payment etc.	98,168	32,162	52,983	61,820	16,224	33,954
<b>Total</b>	<b>267,181</b>	<b>52,225</b>	<b>183,803</b>	<b>212,300</b>	<b>40,721</b>	<b>102,731</b>

# Notes

DKK 1,000	2009	2008
<b>Impairments on loans and other receivables, etc.:</b>		
<b>Individual impairments on loans:</b>		
Impairment charges on loans at start of year	40,721	17,444
Impairment charges during the year	32,842	30,351
Reversal of impairment charges from previous fiscal years	-10,412	-6,402
Finally lost earlier individually impaired	-10,926	-672
<b>Individual impairment charges on loans at year-end</b>	<b>52,225</b>	<b>40,721</b>
The amount of loans with individual impairment charges as of December 31, 2009: DKK 267 million.		
<b>Collective impairments on loans:</b>		
Impairment charges at start of year	3,824	2,064
Impairment charges during the year	4,180	1,760
<b>Collective impairment charges on loans at year-end</b>	<b>8,004</b>	<b>3,824</b>
The amount of loans with collective impairment charges as of December 31, 2009: DKK 3,765 million.		
<b>Total impairment charges on loans:</b>	<b>60,229</b>	<b>44,545</b>
<b>Impairments on other receivables:</b>		
Impairments on other receivables at start of year	5,553	0
Impairment charges during the year on bonds with "hold to maturity investments"	5,520	2,629
Impairment charges on guarantee liabilities (The Private Contingency)	11,912	2,924
<b>Impairment of other receivables at year-end</b>	<b>22,985</b>	<b>5,553</b>
<b>Impairment charges on loans and other receivables at year-end</b>	<b>83,214</b>	<b>50,098</b>
Accumulated impairments in percent of loans and guarantees at year-end	1.4 %	0.8 %
No loan impairments have been made on Credit Institutions at year-end		
Loans with discontinued interest accrual at year-end	19,703	5,186

DKK 1,000	2009		2008	
	DKK mill.	Pct.	DKK mill.	Pct.
<b>Loans and guarantees by industry:</b>				
<b>Public authorities</b>	<b>20</b>	<b>0.4</b>	<b>22</b>	<b>0.4</b>
<b>Industry:</b>				
Agriculture, hunting and forestry	661	12.5	1.133	18.9
Fishery	0	0.0	2	0.0
Manufacturing, raw material extraction, electricity, gas, water and heating plants	149	2.8	156	2.6
Construction and civil engineering works	190	3.6	222	3.7
Trade, restaurant and hotel business	230	4.3	355	5.9
Transportation, shipping and telecommunication	46	0.9	22	0.4
Credit, financing and insurance	572	10.8	657	11.0
Real estate investment	1,935	36.5	2,035	34.0
Other industries	431	8.0	163	2.7
<b>Total industry:</b>	<b>4,214</b>	<b>79.4</b>	<b>4,745</b>	<b>79.2</b>
<b>Private customers</b>	<b>1,069</b>	<b>20.2</b>	<b>1,205</b>	<b>20.4</b>
<b>Total</b>	<b>5,303</b>	<b>100.0</b>	<b>5,972</b>	<b>100.0</b>

## Loans and guarantees for agriculture, hunting and forestry:

The bank conducts regular stress tests on the portfolio, based upon land prices. The bank's risk of loss can by a further decline in land prices by 25% and with continuing negative consolidation in the sector be calculated in the range of DKK 25-50 million.

## Loans and guarantees for real estate investments:

About 50% relates to German residential and commercial properties that have not recorded significant devaluation during the financial crises.



# Notes

<i>DKK 1,000</i>	<i>2009</i>	<i>2008</i>
<b>Total credit exposure on balance and off-balance sheet items:</b>		
Cash at hand and demand deposits with central banks	111,311	19,723
Due from credit institutions and central banks	134,031	703,239
Loans and other receivables at amortised cost	4,131,448	3,712,604
Bonds at fair value	662,193	69,545
Bonds at amortised cost	35,535	52,580
Shares, etc.	145,978	138,047
Holdings in affiliated companies	7,100	1,241
Other assets	98,504	16,488
<b>Total</b>	<b>5,326,100</b>	<b>4,713,467</b>
<b>Off-balance sheet items:</b>		
Guarantees	1,171,420	2,253,638
Loan commitments	736,229	918,900
<b>Total</b>	<b>1,907,649</b>	<b>3,172,538</b>

## **Credit policy:**

Reference is made to the credit risk in "Policy and risk management" on page 21. Furthermore the bank considers credit facilitation and credit lending as an integral part of the overall business. Loans and credits are granted on the basis of the client's documented ability to repay, and thus collateral is required to support the risk of failure to repay do to unforeseen reasons. Requirements for collateral increases with the amount of credit and repayment period.

## **Description of collateral:**

Aarhus Lokalbanc wants to provide support to financially healthy corporations and individuals with loans and credits that in general are fully collateralized. The collateral will typically be physical assets, deposits, bonds and stocks, and guarantees etc., the value of which is constantly being monitored. The most common used collateral are liens on real estate and securities. Due to the negative economic market development there is significant uncertainty in the evaluation of the loan portfolio and the related collateral concerning the exposure to the agricultural and real estate sector, which can result in significant losses and thus affect the bank's result and equity in coming fiscal years.

## **The credit quality of the loan portfolio that is neither past due or impaired:**

The bank's IT-system can not produce an estimate of the book value of the credit exposures that would have been past due or impaired had the current terms and conditions not been renegotiated. Due to the bank's policies and procedures on the credit area it is assessed that there is no significant specific risks associated with renegotiating the terms and conditions of loans. The policies and procedures in place ensure an ongoing monitoring of the credit quality of the loan portfolio and related collateral. This will ensure an immediate follow-up on exposures at risk and that the procedures for approval of overdrafts will always be based on an actual and thorough assessment of each case.

## **Past due**

Arrears on loans without impairments amounted to DKK 30 million compared to DKK 94.8 million in 2008.

The age distribution is as follows:

0-90 days	25,128	86,439
More than 90 day	4,879	8,420
<b>Total</b>	<b>30,007</b>	<b>94,859</b>

The bank's IT-system can not assign collateral to specific loans as collateral is received as security for the individual customer's total exposure with the bank.

# Notes

<i>DKK 1,000</i>	<b>2009</b>	<b>2008</b>
<b>NOTE 25</b>		
<b>Market risk, including sensitivity</b>		
Methods, incl. goals and policies for market risk, can be found in the section "Policies and risk management". Below the interest rate, currency and equity risks are outlined.		
<b>Interest rate risk:</b>		
Interest rate risk on currencies with the highest risk:		
DKK	-25,092	-8,970
EUR	-2,074	-2,204
CHF	-209	-862
Other	-9	-55
<b>Total interest rate risk on debt instruments etc.</b>	<b>-27,384</b>	<b>-12,091</b>
<b>Interest rate risk in percent of core capital after deductions</b>	<b>-5.0%</b>	<b>-3.7%</b>
The interest rate risk reflects the loss the bank will loose on a general interest rate increase of one percentage point.		
<b>Currency risk:</b>		
Currency indicator 1	22,345	36,543
Currency indicator 1 in percent of core capital after deduction	4.1 %	11.3 %
Currency indicator 2	567	774
Currency indicator 2 in percent of core capital after deduction	0.1 %	0.2 %
The currency indicator 1 is the sum of the largest numerical value of assets (long position) or net debt. Indicator 1 shows a measure of the overall currency risk. Currency indicator 2 is based on statistical method where the historical data are quantified by the Danish authorities and reflect the total risk of loss.		
<b>Equity risk:</b>		
Danish shares	1,986	3,282
Foreign shares	13	16
Equity risk in percent of core capital after deduction	0.4%	1.0%
The bank's equity exposure is measured as the bank's portfolio of commercial shares as a percentage of the core capital after deduction. Sector shares and other securities are not considered as being part of the bank's equity risk.		

# Notes

DKK 1,000	2009	2008
<b>NOTE 26</b>		
<b>Related parties:</b>		
Related parties include the bank's Board of Directors, Executive Management and affiliated companies.		
In 2009 Management's incentive program was discontinued. As of December 31, 2009 the bank has bought the investment entities Hadsten Aktie Invest ApS, Hadsten Aktie Invest II ApS og Hadsten Aktie Invest III ApS from the Management. Transactions with related parties and affiliated companies have been completed at regular market terms. Remuneration for the Executive management, Board of directors and Committee of representatives are stated in Note 5.		
<b>Executive management and Board of directors:</b>		
The size of loans, collateral and guarantees established for the following:		
<b>Loan etc.:</b>		
Executive management	1,250	1,885
Board of directors	39,122	50,204
<b>Collateral:</b>		
Executive management	1,250	750
Board of directors	13,117	25,058
All exposures are granted at market conditions except for the employee elected members of the Board of directors, which follow the conditions for employees of Aarhus Lokalbanc.		

## NOTE 27

### Group structure:

The bank is the parent company for the following wholly-owned subsidiaries:

	Share capital	Result 2009	Equity 31.12.2009
Center Finansiering A/S, Hadsten	500	10	1,251
Hadsten Aktie Invest ApS, Aarhus	205	0	5,027
Hadsten Aktie Invest II ApS, Aarhus	155	0	3,092
Hadsten Aktie Invest III ApS, Aarhus	155	0	3,531
		<b>10</b>	<b>12,901</b>

Handelsselskabet af 1/1-1973 Hadsen ApS, which is owned 100% by Hadsten Aktie Invest ApS, is indirectly a 100% owned subsidiary.

Due to the modest size of the subsidiaries compared to the bank no consolidated statements have been prepared.

The shares / capital in the subsidiaries are valued at equity value in the annual report with the deduction of the subsidiaries' holdings of Aarhus Lokalbanc shares, valued at DKK 5.8 million at year-end.

On group basis the solvency ratio has been calculated at 20.4%.

DKK 1,000	2009	2008
<b>Accounts with affiliated companies:</b>		
<b>Deposits:</b>		
Center Finansiering A/S	1,268	1,264
Handelsselskabet af 1/1-1973 Hadsten ApS	2,942	0
<b>Total</b>	<b>4,210</b>	<b>1,264</b>

# Board of Directors, Committee of Representatives and Executive Management

## Board of Directors

Rasmus Juhl Rasmussen, Landowner, Skaarupgaard – Chairman.

Born in 1946.

Elected to the Board in 1992.

Directorships in other Danish companies: Sia Gaizeni A/S, Biofiber-Damino A/S, Livlande Holding A/S, Biodan A/S and Organic Fuel Technology A/S.

Jørn Sørensen, Master Builder, Hadsten – Deputy Chairman.

Born in 1945.

Elected to the Board in 2000.

Directorships in other Danish companies:

Mågevejens murer- og tømrerforretning A/S, MMT Holding A/S, JS Ejendomme Hadsten A/S and Mågevejens murer- og tømrerforretning af 1982 A/S.

Esben Hammer, Bookseller, Hadsten

Born in 1950.

Elected to the Board in 2004.

Gert Lopdrup Pedersen, Landowner, Hadsten

Born in 1959.

Elected to the Board in 2006.

Jørgen Balle, President, Aarhus

Born in 1964

Elected to the Board in 2008.

Directorships in other Danish companies:

Frode Laursen A/S

Bach Salicath Danmark A/S and four subsidiaries.

Knud Erik Rasmussen, State Authorised Public Accountant, Højbjerg

Born in 1953

Elected to the Board 2008.

Directorships in other Danish companies:

Hamimmo A/S, Kenobi Invest A/S, Sifekon Invest A/S, Hamimmo Boliginvest A/S and Gemina Holding A/S.

Per Enevoldsen, Deputy Branch Director, Mårslet

Born in 1952.

Elected to the Board in 2005 by the employees.

Kirsten Majgaard Basse, LLM, Aarhus

Born in 1961.

Elected to the Board in 2008 by the employees.

Hanne Pedersen, Account Manager, Hinnerup

Born in 1969

Elected to the Board in 2008 by the employees.

## Management's holdings of Aarhus Lokalbank shares

<b>Board of Directors</b>	31/12-2009	31/12-2008
	shares	shares
Per Enevoldsen	3,021	3,021
Esben Hammer	6,152	4,152
Gert L. Pedersen	58,263	9,384
Rasmus Juhl Rasmussen	238,649	149,276
Jørn Sørensen	145,281	55,908
Jørgen Balle	2,379	643
Knud Erik Rasmussen	31,498	31,498
Kirsten Majgaard Basse	20	20
Hanne Pedersen	359	35
<b>Executive Management</b>		
Per Hermansen	4,729	23,195
<b>Total</b>	<b>490,348</b>	<b>277,456</b>

## Committee of Representatives

Rasmus Juhl Rasmussen, Landowner, Skaarupgaard – Chairman

Jørgen Balle, Director, Aarhus - Deputy Chairman

Henrik Amsinck – IT-director, Brabrand

Anders Balle, CFO, Hadsten

Erik Bredholt, Landowner, Skødstrup

Hans Jørgen Broge, Forest Owner, Laurbjerg

Morten Christensen, Director, Viby

Sten Ejsing, MSc, Engineering, Højbjerg

Carsten Gadeberg, Director, Hadsten

Esben Hammer, Bookseller, Hadsten

John Kragh, Haulage Contractor, Langaa

Steffen Juel Kromann, Senior Partner, Egaa

Carsten Laursen, Contractor, Langaa

Hakon Lyngaae, Manufacturer, Hadsten

Gitte Rørbæk-Løcke, Chemist, Hadsten

Anne Qvist Nielsen Sagild, Architect, Aarhus

Gert L. Pedersen, Landowner, Hadsten

Lars Persson, Pharmacist, Hadsten

Hans Petersen, Editorial director, Mårslet

Knud Erik Rasmussen, State Authorised Public Accountant, Højbjerg

Jan Rasmussen, Master Carpenter, Hadsten

Jesper Rokkjaer, Lawyer, Aarhus

Jørn Sørensen, Master Builder, Hadsten

## Audit Committee

Knud Erik Rasmussen, State Auth. Public Accountant, Højbjerg - Chairman

Rasmus Juhl Rasmussen, Landowner, Skaarupgaard

Jørn Sørensen, Master Builder, Hadsten

## Executive Management

Per Hermansen, Chief Executive Officer, Hadsten

Born in 1955.

Appointed CEO in 2005.

## Payroll and remuneration

### Board of Directors

Aarhus Lokalbank has nine board members.

The Board is elected by the Committee of Representatives for one year.

Board remuneration:

Chairman	DKK 150,000 a year.
Deputy Chairman	DKK 90,000 a year.
Other members	DKK 60,000 a year.

### Audit Committee:

Committee remuneration:

Chairman	DKK 60,000 a year.
Deputy Chairman	DKK 30,000 a year.
Other members	DKK 30,000 a year.

### Executive Management

Current terms

Salary DKK 1,650,000 a year.

Supplementary pension 11% of salary.

Other terms

Company car, home office, life insurance, accident and health insurance, telephone and newspaper.

Term of notice 18 months.

Retirement benefit plan No agreements have been made in connection with ordinary retirement.

# Business partners

## **Ownership interests:**

DLR Kredit A/S (together with regional and local financial institutions).  
ValueInvest Asset Management S.A. Luxembourg

## **Investments funds:**

BankInvest  
Spar Invest  
Garanti Invest

## **Other ownership interests:**

PBS (The Financial Institutions Payment Service)  
Multidata A/S  
Letpension A/S  
Værdipapircentralen A/S (VP Securities A/S)  
PRAS A/S  
Union-Bank AG Flensburg

## **Other partners:**

PFA  
Privatsikring  
Forvaltningsinstituttet for lokale pengeinstitutter (a trust company representing local financial institutions)  
MasterCard  
Bankpension  
Danske Invest  
Gudme Raaschou Invest  
Sydinvest

## **Partners:**

### **Totalkredit:**

Together with more than 100 local- and regional financial institutions we can, in alliance with Nykredit, provide mortgages to private customers through Totalkredit. Measured on new loans to owner-occupied properties, Totalkredit is today among the largest in the market. Totalkredit-loans are offered in more than 1.000 branches of financial institutions throughout Denmark.

### **The Danish Bankers Association:**

We work closely with this organization, comprised of 127 financial institutions representing the financial sector.

### **The Association of Local Banks:**

Along with 100 other local financial institutions, we work together on projects etc., of mutual interest, within the sector.

### **Education Center for the financial sector:**

Along with 120 financial institutions we work together on education in the financial sector.

### **Marketing alliances**

Together with 13 local financial institutions we work to achieve a common product development and marketing strategy.

### **Bankdata**

We are one of 14 financial institutions, working together for a common IT-development and data processing system. Bankdata started operation in 1967.





# Employees

## Toldkammeret

### Executive Management



**Per Hermansen**  
Chief Executive Officer



**Gitte Kjær Andersen**  
Executive Secretary



**Ole Lønsmann**  
Deputy Executive Officer



**Jette Bjerglund**  
Account Manager



**Stine Eibye**  
Assistant Account Manager



**Ivan Dybvad**  
Senior Account Manager



**Ellinor Carstensen**  
Assistant Account Manager

### Corporate Private Banking

### Private Banking

### Corporate Banking



**Else O. Christensen**  
Account Manager



**Lone Hansen**  
Account Manager



**Mette Lisby**  
Account Manager



**Mia Poulsen**  
Account Manager

### Finance



**Carsten Stenulm**  
Deputy Executive Officer



**Liz Abildgaard**  
Finance Advisor



**Dorte Andersen**  
Finance Advisor



**Helle Bjerrehus**  
Finance Advisor



**Claus F. Christiansen**  
Currency advisor



**Christian Dyrbye**  
Currency advisor



**Lars Emmery**  
Funding Manager



**Sofie Frogner Krusell**  
Investment Advisor



**Jytte Houe**  
Investment Advisor



**Søren Larsen**  
Investment Advisor



**Connie Larsen**  
Assistant Vice President



**Per Ø. Nielsen**  
Head of Client Finance



**Jette Rafn**  
Pension Advisor



**Johnny Rosborg**  
Investment Advisor

### Credit



**Bjarne Fries**  
Head of Credit Dept.



**Kirsten Majgaard**  
Lawyer

### Sales & Marketing



**Claus Lauenborg**  
Head of HR and Marketing Dept.



**Ann Sofie Skjoldager**  
Marketing Coordinator



**Anette Feldballe**  
Receptionist



**Eva Falborg**  
Housing Advisor

### Administration



**Henning Jensen**  
Head of Administration Dept.



**Jonas Krogh Balslev**  
Chief Accountant



**Anne-Marie Bomholt**  
Account Manager



**Connie Christensen**  
Assistant Vice President



**Preben Hansen**  
Head of IT-DPT.



**Merete Kærgaard**  
IT-consultant



**Birgit Poulsen**  
Administration Officer



**Hadsten**

**Private Banking**



**Hans Peder Hansen**  
Head of Private Banking



**Else Andersen**  
Teller



**Mille Brændstrup Sørensen**  
Trainee



**Lis Gregersen**  
Account Manager



**Nethe B. Hjort**  
Assistant



**Brian Højland Nielsen**  
Account Manager



**Elin Jensen**  
Teller



**Jette Jørgensen**  
Account Manager



**Christina Koue**  
Account Manager



**Ingelise Lykke**  
Account Manager



**Pia Sass Lyman**  
Account Manager



**Anja Minddal**  
Account Manager



**Pernille Mortensen**  
Account Manager



**Mie L. Sørensen**  
Assistant Account Manager

**Corporate Banking**



**Søren Nielsen**  
Senior Account Manager



**Vibeke Glavind**  
Assistant Account Manager



**Ulrik Jensen**  
Account Manager



**Camilla Lund**  
Account Manager



**Tove Skipper**  
Account Manager



**Anne Sørensen**  
Assistant Account Manager

**Agriculture**



**Hanne Pedersen**  
Account Manager  
Agriculture Dept.



**Solveig Haaning**  
Account Manager



**Frank Rasmussen**  
Account Manager  
Agriculture Dept.



**Hanne Østergaard**  
Account Manager

**Administration**



**Lis Erichsen**  
Canteen



**Finn Nielsen**  
Assistant

## Havnegade

### Management



Claus Kjær  
Branch Director



Per Enevoldsen  
Deputy Branch  
Direktor

### Private Banking



Leo Søndberg Thorsen  
Account Manager



Hanne Bodh Nielsen  
Account Manager



Brit Degn  
Account Manager



Margrethe Fogsgaard  
Account Manager



Morten Høgh  
Account Manager



Mads S. Jacobsen  
Account Manager



Christina N. Jensen  
Account Manager



Anders Kjær Hansen  
Trainee



Steffen Laursen  
Account Manager



Jette S. Nielsen  
Account Manager



Elsie M. Pedersen  
Account Manager



Dorte Skovby  
Account Manager



Lene Sørensen  
Teller

### Corporate Banking



Hans Damborg  
Account Manager



Dorte Faurholt  
Account Manager



Mariane L. Kjærgaard  
Account Manager



Lars Klitgaard  
Account Manager



Dorte Meldgaard  
Account Manager



Julie Nielsen  
Account Manager



Jan Rasmussen  
Account Manager

## Langå



Dagmar Bæk  
Branch Manager



Brian Vestergaard  
Deputy Branch Director



Ivan Bach Petersen  
Account Manager



John Iversen  
Assistant Account  
Manager



Michael Pedersen  
Account Manager



Sine Vodsborg  
Account Manager





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