



# **vestjyskBANK** **Quarterly Report**

## Table of contents

■ <b>Summary</b>	3
■ <b>Management's Review</b>	4
Key Figures and Financial Ratios	4
Financial Review	6
■ <b>Management's Statement on Quarterly Report</b>	12
■ <b>Financial Statements</b>	13
Statements of Income and Comprehensive Income	13
Statement of Financial Position	14
Statement of Changes in Equity	16
Notes	18

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Read or download this report at [vestjyskbank.dk](http://vestjyskbank.dk).  
The vestjyskBANK Quarterly Report Q1 2014 is a  
translation of the original report in Danish  
(vestjyskBANK Kvartalsrapport 1. Kvartal 2014)

# Summary

## Summary of vestjyskBANK's results

### Q1 2014

- Results before tax at DKK 29 million (Q1 2013: DKK 36 million);
- Core income of DKK 268 million (Q1 2013: DKK 336 million), of which market value adjustments stood at DKK 29 million (DKK 70 million in Q1 2013);
- Rate of cost at 56.8 (Q1 2013: 47.7 per cent);
- Core earnings before impairments at DKK 116 million (Q1 2013: DKK 176 million);
- Impairments of loans and receivables, etc. at DKK 87 million (Q1 2013: DKK 140 million);
- Deposit surplus of DKK 1.0 billion compared with a deposit deficit of DKK 2.7 billion at 31 March 2013.
- Solvency ratio under the new capital adequacy rules at 10.2; Tier 1 capital ratio at 9.1; and an individual solvency need of 11.0 per cent. This corresponds to a shortfall of 0.8 percentage points or DKK 164 million at 31 March 2014;
- Liquidity cover ratio at 175.4 per cent as of 31 March 2014;
- Redemption of bond loans guaranteed by the Financial Stability Company of DKK 500 million. Outstanding debt thereafter at DKK 3.2 billion (DKK 4.7 billion at 31 March 2013).

### Fiscal year 2014 outlook

- Core earnings at around DKK 450-500 million before impairment charges;
- Restoration of the Bank's solvency surplus in relation to the Bank's individual solvency need;
- Significant decline in impairment need in comparison with 2013 but uncertainty remains about the precise level.

### Solvency Requirement/Restoration Plan

- The Bank issued a company announcement on 1 April 2014 regarding its failure to meet the solvency need under the new CRD IV rules that had just entered into force for determining the solvency of banks. On that date, the Bank calculated its estimated solvency ratio at approx. 10.0 per cent compared with an estimated individual solvency need of 10.9 per cent. In consequence of this solvency shortfall, the Financial Supervisory Authority (FSA), cf. the same company announcement, has established a solvency requirement of 10.9 per cent and ordered the Bank to implement certain transactional restrictions, such as not to pay out dividends or interest for the Bank's already-issued own funds elements and refrain from assuming any new major risks. Additionally, the Bank has been ordered to draft a so-called restoration plan. This plan was submitted to the FSA on 7 April 2014 and details various measures targeted at strengthening the Bank's solvency. Realising the measures to meet the current solvency need of 11 per cent requires the approval of both the FSA and the European Commission. FSA is updated regularly regarding the realisation, in full or in part, of the plan.

# Management's Review

## Quarterly Key Figures and Financial Ratios

<b>Key figures</b>	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	2013
<b>Statement of Income (in MDKK)</b>						
Net interest income	171	219	193	201	200	813
Net fee income	64	75	61	67	59	262
Dividends on equity securities etc.	2	3	2	8	0	13
Market value adjustments for foreign currency and sector shares	29	21	16	20	70	126
Other operating income	2	1	3	9	7	20
<b>Core income</b>	<b>268</b>	<b>319</b>	<b>275</b>	<b>305</b>	<b>336</b>	<b>1.234</b>
Personnel and administrative expenses	-139	-136	-123	-138	-142	-539
Other operating expenses as well as depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets	-13	-17	-15	-15	-18	-64
Operating expenses and operating depreciations and amortisations	-152	-153	-138	-153	-160	-603
<b>Core earnings before impairments</b>	<b>116</b>	<b>166</b>	<b>137</b>	<b>152</b>	<b>176</b>	<b>631</b>
Impairments of loans and receivables etc.	-87	-482	-199	-253	-140	-1.073
<b>Profit/loss before tax</b>	<b>29</b>	<b>-316</b>	<b>-62</b>	<b>-101</b>	<b>36</b>	<b>-442</b>
Tax	3	0	0	-3	3	0
<b>Profit/loss</b>	<b>26</b>	<b>-316</b>	<b>-62</b>	<b>-98</b>	<b>33</b>	<b>-442</b>
<b>Statement of Financial Position (in MDKK)</b>						
Assets, total	23,957	26,112	26,839	27,396	29,111	26,112
Loans	16,696	17,360	18,451	19,418	20,144	17,360
Deposits, including pooled funds	17,713	17,877	17,347	17,446	17,470	17,877
Contingent liabilities	2,865	2,958	3,161	3,307	4,196	2,958
Business volume	37,274	38,195	38,959	40,171	41,810	38,195
Equity	1,500	887	864	926	1,027	887

<b>Financial ratios</b>	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013	2013
<b>Solvency</b>						
Solvency ratio <sup>1</sup>	10.2%	11.3%	11.2%	11.5%	12.4%	11.3%
Tier 1 capital ratio <sup>1</sup>	9.1%	5.9%	5.6%	5.7%	6.2%	5.9%
<b>Earnings</b>						
Return on equity before tax, annually <sup>2</sup>	9.8%	-143.0%	-27.4%	-41.3%	14.1%	-46.9%
Return on equity after tax, annually <sup>2</sup>	8.9%	-143.0%	-27.4%	-40.1%	12.9%	-46.9%
Income-cost ratio <sup>3</sup>	1.12	0.50	0.82	0.75	1.12	0.74
Rate of cost <sup>4</sup>	56.8%	48.0%	50.1%	50.1%	47.7%	48.9%
Return on capital employed <sup>5</sup>	0.1%	-1.2%	-0.2%	-0.3%	0.1%	-1.5%
Employees converted to full-time (average)	535.3	547.9	559.0	567.1	577.8	562.9
<b>Market risk</b>						
Interest rate risk <sup>6</sup>	-3.7%	-4.9%	-4.7%	-6.1%	-4.7%	-4.9%
Foreign currency position <sup>7</sup>	1.4%	1.6%	2.9%	4.9%	1.3%	1.6%
Foreign currency risk	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Excess cover in relation to statutory liquidity requirements <sup>8</sup>	175.4%	162.2%	146.1%	111.6%	101.0%	162.2%
<b>Credit risk</b>						
Loans plus impairments on loans in relation to deposits	115.8%	117.9%	128.0%	132.3%	135.2%	117.9%
Loans in relation to equity	11.1	19.6	21.4	21.0	19.6	19.6
Growth in loans for the period <sup>9</sup>	-3.8%	-5.9%	-5.0%	-3.6%	-2.7%	-16.1%
Total of large exposures <sup>10</sup>	38.0%	33.5%	34.5%	35.4%	31.6%	33.5%
Accumulated impairment ratio	16.4%	15.5%	15.0%	14.0%	12.7%	15.5%
Impairment ratio for the period	0.4%	2.0%	0.8%	1.0%	0.5%	4.5%
<b>vestjyskBANK share</b>						
Profit/loss for the period per share	0.2	-4.3	-1.0	-1.6	0.5	-6.0
Equity value per share <sup>11</sup>	10.0	10.3	14.1	15.2	16.8	10.3
Price of vestjyskBANK shares, end of the period	9.2	9.0	13.5	9.3	7.9	9.0
Market price / profit/loss for the period per share	0.9	0.9	1.0	0.6	0.5	0.9

<sup>1</sup> Effective on 31 March 2014, the solvency and Tier 1 capital ratios were determined under the CRR/CRD IV rules

<sup>2</sup> Based on average equity

<sup>3</sup> Income from ordinary activities in relation to costs from ordinary activities. Income from ordinary activities = net interest and fee income + value adjustments + other operating income. Costs from ordinary activities = operating costs and operating depreciations and impairments + impairment of goodwill + impairment of loans and amounts receivable, etc.

<sup>4</sup> Operating costs and depreciations and impairments/core income

<sup>5</sup> Results/average assets, total

<sup>6</sup> Interest rate risk in relation to Tier 1 capital, less deductions

<sup>7</sup> Foreign Currency Indicator 1 in relation to Tier 1 capital, less deductions.

<sup>8</sup> Surplus funding in relation to the 10% requirement set out in sec 152 of the Danish Finance Act.

<sup>9</sup> Growth in loans measured in relation to vestjyskBANK's loans, beginning of the period

<sup>10</sup> Exposures greater than 10% of the eligible capital

<sup>11</sup> The Bank changed the individual denomination of its share from DKK 10 to DKK 1 per share, cf. Company Announcement of 25 April 2013

# Management's Review

## Financial Review

### Statement of income

#### Results

For Q1 2014, the Bank's results before tax stood at DKK 29 million compared with DKK 36 million for the same period last year. These results are within Management's expectations at the beginning of the year.

Impairments of loans and receivables, etc. totalled DKK 87 million in Q1 2014. The impairment ratio for Q1 2014 stood at 0.4 per cent.

#### Core income

For the period Q1 2014, vestjyskBANK realised core income of DKK 268 million, which represented a DKK 68 million decline compared to the same period last year.

Positive market value adjustments represented DKK 29 million, of which DKK 21 million was attributable to the sale of shares in the sector enterprise Nets. Market value adjustments stood at DKK 70 million in Q1 2013 of which DKK 49 million was attributable to the Bank's early repayment of subordinated debt of a total of NOK 165 million at a discount.

Simultaneously, fee income was realised at DKK 64 million during Q1 2014, which is DKK 5 million less than the same period last year.

Other operating income stood at DKK 2 million in Q1 2014, compared with DKK 7 million for the same period last year.

#### Operating expenses and operating depreciations and amortisations

Operating expenses and operating depreciations and amortisations totalled DKK 152 million during Q1 2014, compared to DKK 160 million in Q1 2013.

vestjyskBANK's contribution to the Danish Deposit Guarantee Fund was recognised as an expense at DKK 9.6 million in Q1 2014, compared to DKK 13.4 million in Q1 2013.

#### Core earnings before impairments

For Q1 2014, the Bank's core results before impairments stood at DKK 116 million, compared with DKK 176 million in Q1 2013. Thus, core results before impairments were DKK 60 million less, which was primarily attributable to the extraordinary value adjustment in Q1 2013 of DKK 49 million from the Bank's early repayment of subordinated debt at a discount. The continued decline in the Bank's lending similarly contributed to reducing the Bank's interest income.

#### Impairment of loans and receivables, etc

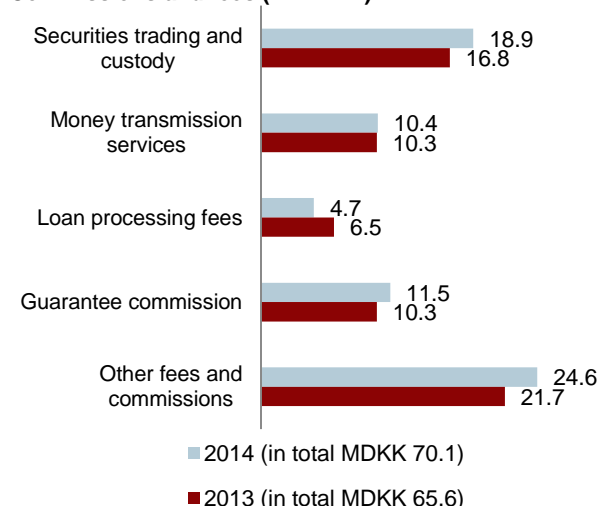
Fiscal years 2011, 2012 and 2013 were characterised by extraordinarily high impairment charges on lending and receivables, etc.

The need for impairments in Q1 2014 was primarily attributable to weak commitments: In spite of various customers' prospect for improved financial conditions, there was nonetheless still a need for additional liquidity through the Bank. This need is typically addressed by a corresponding charge in the Bank's operating account under the item "Impairment of loans and receivables, etc." until the customers' financial uncertainties have been resolved.

Additionally, our focus remains on our very weak customers whose activities are currently being wound up, which will allow us to determine if the impairments that have been performed are sufficient to withstand losses.

In aggregate, this has resulted in additional net impairments of loans and receivables, etc. of DKK 87 million, which is DKK 54 million less than in Q1 2013.

#### Commissions and fees (in MDKK)



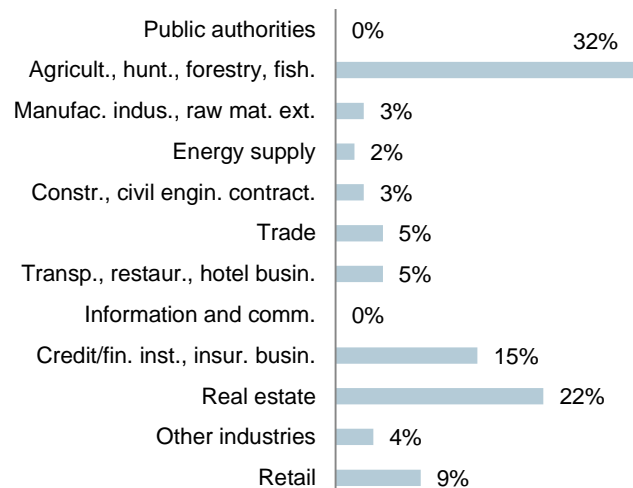
The lower impairment level compared with 2013 should be viewed in the light of the general improvement in agriculture's earnings ratio over the course of 2013. For milk producers, 2014 remains positive with stable price levels for milk. However, the crisis in the Ukraine and a halt on Russian imports has affected the price of pigmeat negatively and the Bank is concerned about this industry segment's financial development in 2014.

The impact from other businesses and retail customers has not manifested itself in unexpected or special trends.

During Q1 2014, impairments had no impact on the industry segment distribution of accumulated impairments and provisions.

The Bank's cumulative impairment ratio stood at 16.4 in Q1 2014 compared with 15.5 at 31 December 2013.

#### Accumulated impairments and provisions by industry segment 31 March 2014



The need for impairments as well as identified losses from lending remain significant, since the impairments on loans and receivables, etc. for Q1 2014 remain at a relatively high level. With the outlook for pig farms in particular, the relatively high need for impairments in the first quarter of 2014 is expected to characterise the rest of 2014 as well.

## Statement of Financial Position

vestjyskBANK's balance sheet stood at DKK 24.0 billion in Q1 2014 compared with DKK 29.1 billion at 31 March 2013. The paring down of the balance sheet of DKK 5.1 billion was primarily attributable to the Bank's focused effort on reducing its risk-weighted assets primarily by reducing the Bank's lending.

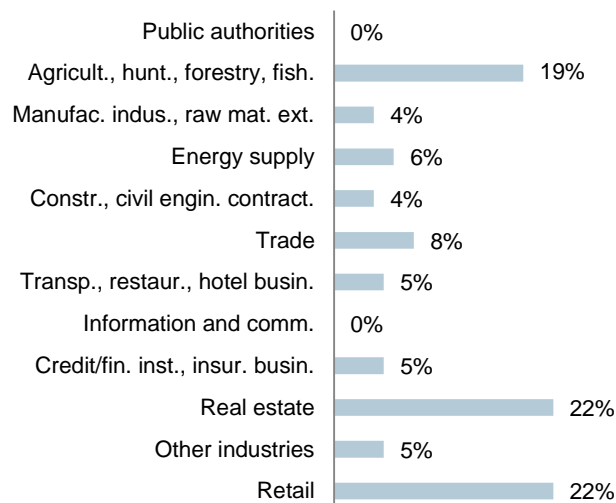
The Bank continues to follow its planned balance sheet adjustment, which is designed to ensure that the Bank will have the requisite funding and liquidity and to reduce the Bank's risk-weighted items.

### Loans

The ongoing balance sheet adjustment has resulted in the Bank's lending at 31 March 2014 standing at DKK 16.7 billion compared with DKK 20.1 billion at 31 March 2013, or a decline of DKK 3.4 billion. Over the course of Q1 2014, the Bank reduced its lending by DKK 0.7 billion.

The distribution of vestjyskBANK's loans and guarantees by industry segment is illustrated below.

#### Loans and guarantees by industry segment as at 31 March 2014



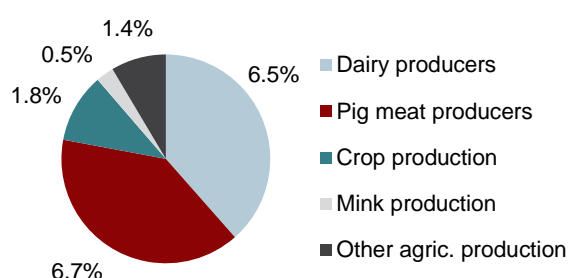
Agriculture remains an important business area; one in which the Bank has great experience. The Bank's exposure to agriculture in isolation stood at 16.9 per cent of its total loans and guarantees at 31 March 2014 and was distributed

# Management's Review

## Financial Review

across the various production branches as shown in the figure below.

### Agricultural commitments' share of loans and guarantees by production branches at 31 March 2014



### Large exposures

The sum of large exposures (i.e. exposures of 10 per cent or more of the Bank's eligible capital) stood at 38 per cent of the eligible capital and consisted of two commitments.

### Deposits, Including Pooled Funds

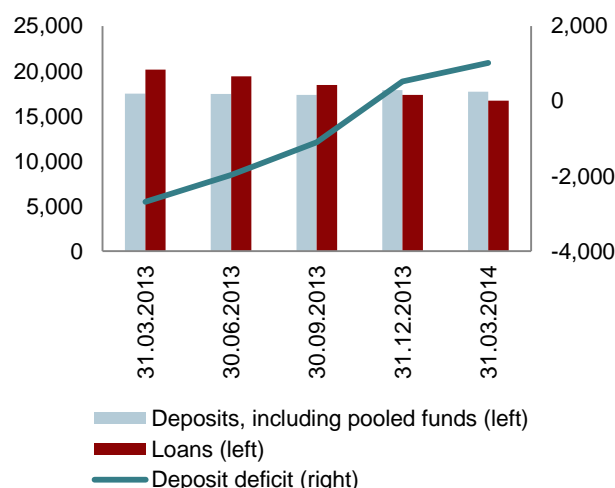
vestjyskBANK's loans, including pooled funds, stood at DKK 17.7 billion in Q1 2014, which is DKK 0.2 billion higher than at 31 March 2013, where deposits including pooled funds stood at DKK 17.5 billion.

### Gap Between Deposits and Loans

The positive deposit-lending development means that the Bank's deposit surplus stands at DKK 1.0 billion at 31 March 2014 compared with a deposit deficit of DKK 2.7 billion at 31 March 2013.

The following figure illustrates the trend in vestjyskBANK's deposits and loans over the past five quarters.

### Development in deposits, including pooled funds, loans and deposit deficit (in MDKK)



vestjyskBANK's objective is to increase its deposit surplus.

### Business Volume

vestjyskBANK's business volume—that is, its total deposits, loans and contingent liabilities—stood at DKK 37.3 billion at 31 March 2014 compared with DKK 41.8 billion at 31 March 2013.

### Capital and Liquidity Conditions

#### Equity

vestjyskBANK's equity totalled DKK 1,500 million at 31 March 2014. The development in equity since 1 January 2014 is detailed in the Statement of Changes in Equity.

#### Subordinated Debt

The Bank's subordinated debt stood at DKK 1,282 million at 31 March 2014 of which government-issued additional Tier 1 capital under Bank Package II totalled DKK 287.6 million which accrue interest at 9.943 per cent.

Special rules apply to additional Tier 1 capital under Bank Package II as set out by law. Thus, no dilution of the capital may occur, and buyback programmes aimed at reducing the Bank's share capital are therefore not permitted. Additionally, executive board salaries are only eligible for a 50 percent tax deduction.



In order to improve the common equity Tier 1 capital, on 20 January 2014 DKK 575 million in additional Tier 1 capital as well as accrued unpaid coupon interest of DKK 12.6 million was converted to share capital.

### Solvency

The solvency-related own funds totalled DKK 1,994 million at Q1 2014, which—together with risk-weighted items of a total of DKK 19,579 million—produced a solvency ratio of 10.2 per cent. At 31 December 2013, the Bank's solvency ratio stood at 11.3 per cent. Please note that the solvency ratio in Q1 2014 was determined applying the rules set out in CRD IV, which entered into force at 31 March 2014 whereas the solvency ratio at 31 December 2013 was calculated under the rules as they applied then, which means that the two solvency ratios are not directly comparable.

Concurrently, the Bank's Tier 1 capital ratio was computed at 9.1 per cent at 31 March 2014 compared with 5.9 per cent at 31 December 2013.

### Solvency Requirement/Restoration Plan

The Bank issued a company announcement on 1 April 2014 regarding its failure to meet the solvency requirements under the new CRD IV rules that had just entered into force for determining the solvency of banks. On that date, the Bank calculated its estimated solvency ratio at approx. 10.0 per cent compared with an estimated individual solvency need of 10.9 per cent. In consequence of this solvency shortfall, the Financial Supervisory Authority (FSA), cf. the same company announcement, has established a solvency requirement of 10.9 per cent and ordered the Bank to implement certain transactional restrictions, such as not pay out dividends or interest for the Bank's already-issued capital base components and refrain from assuming any new major risks. Additionally, the Bank has been ordered to draft a so-called restoration plan. This plan was submitted to the FSA on 7 April 2014 and details various measures targeted at strengthening the Bank's solvency. Realising the measures to meet the current solvency need of 11 per cent requires the approval of both the FSA and the European Commission. FSA is updated regularly regarding the realisation, in full or in part, of the plan.

### Solvency Need

The individual solvency need for vestjyskBANK was calculated at 11.0 per cent at 31 March 2014.

The adequate own funds has been calculated at DKK 2,158 million compared to own funds of DKK 1,994 million. The difference between the own funds and the adequate own funds represents the solvency shortfall, which has been calculated at 0.8 percentage point, or DKK 164 million, at 31 March 2013.

For a detailed discussion of the Bank's solvency need as at 31 March 2014, please refer to the Bank's website

### Liquidity

vestjyskBANK's loans have traditionally exceeded the Bank's deposits. In recent years, the Bank has therefore raised loans and issued debt securities through both Danish and non-Danish credit institutions. At 31 March 2014, the Bank's external funding totalled DKK 4.3 billion, incl. subordinated capital of DKK 1.3 billion.

vestjyskBANK's liquidity situation has improved, especially as a result of an improved balance between the Bank's deposits and loans.

### External Funding, Incl. Subordinated Capital (MDKK)

	31 Mar 2014	31 Mar 2013
Debts to credit institutions	423	575
Debts to central banks	2,600	2,504
Issued bonds at amortised cost	9	4,691
Total, before subordinate capital	3,032	7,770
Subordinated capital	1,282	2,265
Total	4,314	10,035

The table above shows the development in vestjyskBANK's external funding, incl. subordinated capital. Debts to credit institutions and central banks as well as issued bonds at amortised cost were reduced by DKK 4.8 billion from DKK 7.8 billion at 31 March 2013 to DKK 3.0 billion at 31 March 2014.

This change of 4.8 billion is primarily attributable to a decline in borrowing based on fixed income and good loans as security of DKK 2.5 billion as well as a decline in borrowing based on government guarantees of DKK 2.1 billion. The government lending limit stood at DKK 3.2 billion at 31 March 2014.

# Management's Review

## Financial Review

Recognition of sector shares in the statement of cash flows as well as Danmarks Nationalbank's loan scheme will lapse on 1 July 2014. The consequence of this has been incorporated into the Bank's liquidity plans for 2014.

### Share Capital

vestjyskBANK's share capital stood at MDKK 151 at 31 March 2014. The share capital was distributed across 151,008,121 shares with a par value of DKK 1 per share.

vestjyskBANK has approx. 42,500 registered shareholders. The Danish State holds 121,736,671 shares, corresponding to an ownership interest of 80.62 per cent. Additionally, the Financial Stability Company, which is wholly owned by the Danish State, holds 1,291,222 shares in vestjyskBANK, which corresponds to a rate of interest of 0.86 per cent. In total, including this ownership interest, the Danish State holds 81.48 per cent of the share capital and the voting rights of vestjyskBANK.

Second only to the Danish State, the ten biggest shareholders hold 3.37 per cent of the share capital in vestjyskBANK.

### The Financial Supervisory Authority's Supervisory Diamond

vestjyskBANK's goal is to remain within the limit values for the five parameters established by the Danish Financial Supervisory Authority's "Supervisory Diamond" and with which, in principle, all banks should comply. vestjyskBANK is meeting this goal.

vestjyskBANK's values in relation to the relevant limit values are listed in the table below.

### Realised values at 31 March 2014

Supervisory Diamond Benchmarks	Realised values
The sum of large exposures (< 125 pct.)	38.0 pct.
Growth in loans (< 20%)	-17.1 pct.
Property exposure (< 25%)	22.5 pct.
Funding ratio (< 1)	0.73
Liquidity surplus (> 50%)	175.4 pct.

### Miscellaneous accounting information

#### Related parties

vestjyskBANK's related parties comprise the members of the Supervisory Board as well as these persons' relatives. Over the course of the period, the Bank has conducted normal trade on arm's-length terms with Kaj Bech A/S, an enterprise controlled by Anders Bech, the company's CEO and member of the Bank's Supervisory Board.

Related parties furthermore comprise the Danish State, which holds a controlling ownership interest by virtue of its ownership of 80.62 per cent of the Bank's share capital and voting rights.

#### 2014 Outlook

vestjyskBANK's operations in the first quarter of 2014 progressed largely as expected. The Bank maintains its outlook for total core earnings in 2014 at around DKK 450–500 million before impairments.

The need for impairment charges is still expected to be significantly less in 2014 than in 2013 based on the Bank's continued focused efforts on reducing its lending. The impairments performed in Q1 2014 are deemed to match the actual risks but additional impairments will be necessary also for the remainder of 2014.

The Bank Management is continuing its initiatives to implement the action plan detailed in the 2013 Financial Statements. Moreover, the Management is also targeting its efforts on the restoration plan for the Bank's solvency in regular dialogue with the relevant government agencies.

## European Commission

When in the spring of 2012 the European Commission issued its preliminary approval for the government subsidy for parts of the merged bank's capital plan, it was made contingent upon the Commission's approval of the Bank's restructuring plan. Those negotiations have not yet been finalised. As detailed in the Bank's 2013 Annual Report, that process has been temporarily suspended as the Bank investigates its options for potential structural measures. However, the dialogue related to the conditions for final approval are expected to be resumed in the near future.

## 2014 Financial Calendar

- 21. August            Half-year Report, 2014
- 27. November       Quarterly Report, Q1-Q3 2014

# Management's Statement

The Bank's Supervisory and Executive Boards have considered and approved the Quarterly Report, representing the period 1 January–31 March 2014 for Vestjysk Bank A/S.

The present Quarterly Financial Statements are presented in accordance with the Danish Financial Business Act and in accordance with the applicable supplementary Danish disclosure requirements relating to interim financial reporting for listed financial enterprises.

In our opinion, the accounting policies applied are appropriate and the interim financial statements provide a true and fair view of the Company's assets and liabilities and financial position as at 31 March 2014, as well as the results of the Bank's activities for the reporting period 1 January–31 March 2014.

Lemvig, 23 May 2014

In our opinion, the present Management's Review provides a true and fair view of the developments in the Company's activities and financial situation, as well as a true and fair description of the most significant risks and uncertainties that may affect the Bank.

The Management's Review section of the 2013 Annual Report detailed matters related to "Risks Related to Going Concern" and "2014 Outlook." It is our assessment that these matters still apply and we refer to the Management's Statement as well as Note 2 "Uncertainty, Capital Structure and Going Concern" in the Annual Report.

The present Quarterly report has neither been audited nor reviewed.

## Executive Board

.....  
Michael Nelander Petersen  
*Acting Chief Executive Officer*

## Supervisory Board

.....  
Vagn Thorsager  
*Chairman of the Board of Directors*

.....  
Lars Holst  
*Deputy Chairman of the Board of Directors*

.....  
Bent Simonsen

.....  
Kirsten Lundgaard-Karlshøj

.....  
Poul Hjulmand

.....  
Anders Bech

.....  
Jacob Møllgaard

.....  
Malene Rønø

.....  
Palle Hoffmann

# Quarterly Financial Statements

## Statement of Income and Statement of Comprehensive Income

Note	1/1 - 31/03 2014 TDKK	1/1 - 31/03 2013 TDKK	1/1 - 31/12 2013 TDKK	
<b>Statement of Income</b>				
2	Interest income	277,321	352,793	1,333,568
3	Interest expenses	106,654	152,982	520,318
	Net interest income	170,667	199,811	813,250
	Dividends on equity securities etc.	1,693	68	13,003
4	Income from fees and commissions	70,013	65,628	292,863
	Fees and commissions paid	5,753	6,718	31,112
	Net interest and fee income	236,620	258,789	1,088,004
5	Market value adjustments	28,902	69,784	126,421
6	Other operating income	1,717	7,253	19,883
7	Personnel and administrative expenses	138,697	142,348	538,675
	Depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets	3,382	3,858	15,956
8	Other operating expenses	9,648	13,858	48,689
9	Impairment of loans and receivables etc.	86,748	140,285	1,073,345
	Income from investments i group enterprises	0	-5	-16
	Profit/loss before tax	28,764	35,472	-442,373
	Tax	2,619	2,796	0
	Profit/loss	26,145	32,676	-442,373
<b>Statement of Comprehensive Income</b>				
	Profit/loss	26,145	32,676	-442,373
	Other comprehensive income:			
	Changes in value of owner-occupied properties	0	0	275
	Hedge accounting	0	-1,086	-5,999
	Of which transferred to interest in the Statement of Income	0	-2,654	-322
	Other comprehensive income after tax	0	-3,740	-6,046
	Total comprehensive income	26,145	28,936	-448,419

# Quarterly Financial Statements

## Statement of Financial Position

Note	31/03 2014 TDKK	31/03 2013 TDKK	31/12 2013 TDKK
<b>Assets</b>			
	794,296	820,973	1,198,891
	153,328	286,800	189,367
	16,695,579	20,143,930	17,360,430
	3,280,946	5,062,244	4,470,961
	493,168	510,331	479,211
	0	713	0
	1,679,701	1,323,146	1,586,325
10	7,108	8,604	7,482
	370,177	387,938	371,671
	5,695	7,407	5,695
11	364,482	380,531	365,976
	8,556	11,154	7,384
	2,557	952	2,195
	4,644	3,820	4,644
12	451,542	532,909	421,000
	15,190	17,323	12,676
	23,956,792	29,110,837	26,112,237

Note	31/03 2014 TDKK	31/03 2013 TDKK	31/12 2013 TDKK
<b>Liabilities</b>			
<b>Debts</b>			
	3,023,098	3,079,442	5,101,855
	16,033,726	16,146,695	16,290,590
	1,679,701	1,323,146	1,586,325
	8,761	4,690,571	18,013
	2,619	2,796	0
13 Other liabilities	394,089	500,515	344,824
Prepayments	14	37	28
Liabilities, total	21,142,008	25,743,202	23,341,635
<b>Provisions</b>			
	21,282	23,255	21,455
	7,284	39,362	10,573
	3,694	13,365	3,074
Provisions, total	32,260	75,982	35,102
14 <b>Subordinated debt</b>	1,282,047	2,264,821	1,848,481
<b>Equity</b>			
15 Share capital	151,008	612,889	85,982
Revaluation reserves	55,433	55,433	55,433
Other reserves, total	551,600	2,581	551,600
Reserves provided for by the Bank's Articles of Association	551,600	0	551,600
Reserve for cash flow hedges	0	2,581	0
Retained profit or loss	742,436	355,929	194,004
Equity, total	1,500,477	1,026,832	887,019
Liabilities, total	23,956,792	29,110,837	26,112,237
<b>Items not recognised in the Statement of Financial Position</b>			
16 Contingent liabilities	2,864,655	4,196,013	2,957,747
17 Other binding agreements	30,262	5,179	30,262
Items not recognised in the Statement of Financial Position, total	2,894,917	4,201,192	2,988,009

# Quarterly Financial Statements

## Statement of Changes in Equity

	Share capital	Share premium	Revaluation reserves	Accumulated value adjustments of hedging instruments in hedging cash flows	Statutory reserves	Retained profit /loss	Equity, total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Equity, 1 January 2014</b>	85,982	0	55,433	0	551,600	194,004	887,019
Comprehensive income for the period						26,145	26,145
Additions relating to sale of own equity securities						9,176	9,176
Disposals relating to purchase of own equity securities						-9,142	-9,142
Shares issued upon conversion of additional Tier 1 capital	65,026	522,813					587,839
Costs related to capital increase		-560					-560
Transferred to retained profit/loss		-522,253				522,253	0
<b>Equity, 31 March 2014</b>	151,008	0	55,433	0	551,600	742,436	1,500,477

	Share capital	Share premium	Revaluation reserves	Accumulated value adjustments of hedging instruments in hedging cash flows	Statutory reserves	Retained profit /loss	Equity, total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Equity, 1 January 2013</b>	612,889	0	55,433	6,321	0	323,369	998,012
Comprehensive income for the period				-3,740		32,676	28,936
Additions relating to sale of own equity securities						12,917	12,917
Disposals relating to purchase of own equity securities						-13,033	-13,033
<b>Equity, 31 March 2013</b>	612,889	0	55,433	2,581	0	355,929	1,026,832



	Share capital	Share premium	Revaluation reserves	Accumulated value adjustments of hedging instruments in hedging cash flows	Statutory reserves	Retained profit /loss	Equity, total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
<b>Equity, 1 January 2013</b>	612,889	0	55,433	6,321	0	323,369	998,012
Comprehensive income for the period				-6,321		-442,098	-448,419
Additions relating to sale of own equity securities						45,505	45,505
Disposals relating to purchase of own equity securities						-45,534	-45,534
Capital reduction	-551,600				551,600		0
Shares issued upon conversion of additional Tier 1 capital	24,693	313,846					338,539
Costs related to capital increase		-1,084					-1,084
Transferred to retained profit/loss		-312,762				312,762	0
<b>Equity, 31 December 2013</b>	85,982	0	55,433	0	551,600	194,004	887,019

# Quarterly Financial Statements

## Notes

### List of Notes for the Quarterly Financial Statements

- 1 Accounting policies
- 2 Interest income
- 3 Interest expenses
- 4 Income from fees and commissions
- 5 Market value adjustments
- 6 Other operating income
- 7 Personnel and administrative expenses
- 8 Other operating expenses
- 9 Impairments of loans and provisions against guarantees, etc.
- 10 Intangible assets
- 11 Owner-occupied property
- 12 Other assets
- 13 Other liabilities
- 14 Subordinated debt
- 15 Share capital
- 16 Contingent liabilities
- 17 Other binding agreement
- 18 Capital requirements
- 19 Security pledged
- 20 Pending litigation
- 21 Key figures and financial ratios

Note

**1 Accounting policies**

vestjyskBANK's quarterly report for 1 January–31 March 2014 is presented in accordance with the Danish Financial Business Act, including the Danish Financial Supervisory Authority's executive order on financial reporting for credit institutions and investment companies, et al. as well as the disclosure requirements for listed enterprises issued by NASDAQ OMX Copenhagen A/S.

The accounting policies applied in this report remain unchanged from the 2013 Annual Report, which contains a full description of those policies.

Measuring certain assets and liabilities require Management to make an estimate of how future events will affect the value of such assets and liabilities. Estimates considered material in presenting the accounts are, among other things, made by stating depreciations of impaired loans, the fair values of unlisted financial instruments as well as provisions, cf. the more detailed discussion in the 2013 Annual Report. The applied estimates are based on assumptions deemed sound by Management but which by their nature are uncertain.

The Bank's significant risks and external conditions that may affect the Bank are described in greater detail in the 2013 Annual Report.

Note	1/1 - 31/03 2014 TDKK	1/1 - 31/03 2013 TDKK	1/1 - 31/12 2013 TDKK
<b>2 Interest income</b>			
Amounts receivable from credit institutions and central banks	804	956	3,647
Loans and other receivables	265,591	325,586	1,257,611
Debt securities	5,400	10,293	36,036
Other interest income	5,444	15,879	434
Derivative financial instruments	82	79	35,840
<b>Total</b>	<b>277,321</b>	<b>352,793</b>	<b>1,333,568</b>
This amount includes interest income from actual purchase and resale transactions recognised under			
- Amounts receivable from credit institutions and central banks	0	0	0
<b>3 Interest expenses</b>			
Credit institutions and central banks	19,077	4,661	59,113
Deposits and other debt	66,632	74,214	280,507
Debt securities in issue	75	32,391	50,526
Subordinated debt	20,815	41,698	130,157
Other interest expenses	55	18	15
<b>Total</b>	<b>106,654</b>	<b>152,982</b>	<b>520,318</b>
This amount includes interest expenses from Actual sales and repurchase transactions recognised under			
- Credit institutions and central banks	0	0	30

# Quarterly Financial Statements

## Notes

Note	1/1 - 31/03 2014 TDKK	1/1 - 31/03 2013 TDKK	1/1 - 31/12 2013 TDKK
<b>4 Income from fees and commissions</b>			
Securities trading and custody	18,850	16,798	83,510
Money transmission services	10,438	10,327	45,279
Loan processing fees	4,669	6,458	24,548
Guarantee commission	11,477	10,314	55,330
Other fees and commissions	24,579	21,731	84,196
<b>Total</b>	<b>70,013</b>	<b>65,628</b>	<b>292,863</b>
<b>5 Market value adjustments</b>			
Debt securities	-597	13,904	29,162
Equity securities etc.	24,809	5,145	20,998
Investment property	0	0	-1,712
Exchange rate adjustment	4,187	3,251	14,387
Derivative financial instruments	1,124	4,788	-3,317
Assets related to pooled fund schemes	71,420	63,532	166,640
Deposits with pooled fund schemes	-71,420	-63,532	-166,640
Fair value hedged lending	901	-2,341	-9,690
Fair value hedged borrowing	-1,522	-3,666	12,942
Gain from repayment of liabilities measured at amortised cost	0	48,703	63,651
<b>Total</b>	<b>28,902</b>	<b>69,784</b>	<b>126,421</b>
<b>6 Other operating income</b>			
Gains on disposal of operating equipment	143	2,735	4,691
Other income	1,609	4,525	15,390
Operation of investment property	-35	-7	-198
<b>Total</b>	<b>1,717</b>	<b>7,253</b>	<b>19,883</b>

Note	1/1 - 31/03 2014 TDKK	1/1 - 31/03 2013 TDKK	1/1 - 31/12 2013 TDKK
<b>7 Personnel and administrative expenses</b>			
Salaries and remuneration to the Supervisory and Executive Boards	3,177	1,946	8,013
Personnel expenses	83,949	89,273	325,694
Other management expenses	51,571	51,129	204,968
<b>Total</b>	<b>138,697</b>	<b>142,348</b>	<b>538,675</b>
<b>Salaries and remuneration to the Supervisory and Executive Boards</b>			
<b>Supervisory Board</b>			
Fixed remuneration	412	383	1,621
<b>Total</b>	<b>412</b>	<b>383</b>	<b>1,621</b>
<b>Executive Board</b>			
Contractual remuneration	1,702	1,328	6,143
Pension	63	235	249
Termination benefits	1,000	0	0
<b>Total</b>	<b>2,765</b>	<b>1,563</b>	<b>6,392</b>
Value of perquisites	62	102	243
With reference to the terms and conditions for participation as set out in the Act on State-Funded Capital Injections into Credit Institutions (Bankpakke II), please note that the calculation of taxable income payments to the Executive Board deducted for tax purposes totalled	1,414	833	3,318
No agreements have been executed concerning bonus plans, incentive programmes or similar compensation plans.			
The Bank is exempt from any and all defined benefit obligations in respect of the departure of members of the Executive Board, whether as a result of age, illness, disability or any other reason.			
<b>Personnel expenses</b>			
Wages and salaries	67,335	72,706	255,957
Pensions	8,001	9,310	35,042
Expenses relating to social security contributions, payroll tax etc.	8,613	7,257	34,695
<b>Total</b>	<b>83,949</b>	<b>89,273</b>	<b>325,694</b>
<b>8 Other operating expenses</b>			
Contributions to the Guarantee Fund for Depositors and Investors	9,569	13,377	46,174
Other expenses	79	481	2,515
<b>Total</b>	<b>9,648</b>	<b>13,858</b>	<b>48,689</b>

# Quarterly Financial Statements

## Notes

	1/1 - 31/03 2014	1/1 - 31/03 2013	1/1 - 31/12 2013
Note	TDKK	TDKK	TDKK
<b>9 Impairments of loans and provisions against guarantees etc.</b>			
<b>Individual impairments of loans</b>			
Individual impairments of loans and other receivables, beginning of the year	3,651,119	3,319,190	3,319,190
Impairments over the course of the year	176,532	293,793	1,212,575
Reversal of impairments performed in prior financial years	-86,938	-145,393	-205,937
Other movements	71,496	47,709	47,709
Previously individually impaired, now definitely lost	-52,567	-76,327	-722,418
Individual impairments of loans and other receivables, end of the period	3,759,642	3,438,972	3,651,119
Impact on operations	89,594	148,400	1,006,638
<b>Impairments of loans in groups</b>			
Impairments of loans and other receivables in groups, beginning of the year	58,363	36,089	36,089
Impairments over the course of the year	9,346	7,492	32,308
Reversal of impairments performed in prior financial years	-11,844	-4,142	-11,591
Other movements	1,864	1,557	1,557
Impairments of loans and other receivables in groups, end of the period	57,729	40,996	58,363
Impact on operations	-2,498	3,350	20,717
<b>Impairments of loans, total</b>			
Impairments of loans and other receivables, beginning of the year	3,709,482	3,355,279	3,355,279
Impairments over the course of the year	185,878	301,285	1,244,883
Reversal of impairments performed in prior financial years	-98,782	-149,535	-217,528
Other movements	73,360	49,266	49,266
Previously individually impaired, now definitely lost	-52,567	-76,327	-722,418
Impairments of loans and other receivables, end of the period	3,817,371	3,479,968	3,709,482
Impact on operations	87,096	151,750	1,027,355

	1/1 - 31/03 2014	1/1 - 31/03 2013	1/1 - 31/12 2013
Note	TDKK	TDKK	TDKK
<b>9 Impairments of loans and provisions against guarantees etc. (continued)</b>			
<b>Provisions against losses on guarantees and unused credit commitments</b>			
Provisions against losses on guarantees and unused credit commitments, beginning of the year	11,332	49,839	49,839
Impairments over the course of the year	4,628	6,547	4,744
Reversal of provisions performed in prior financial years	-6,904	-10,563	-43,251
Provisions against losses on guarantees and unused credit commitments, end of the period	9,056	45,823	11,332
Impact on operations	-2,276	-4,016	-38,507
Accumulated impairment ratio	16.4%	12.7%	15.5%
Amounts receivable for which calculation of interest has stopped, end of the period	2,236,252	2,370,566	2,208,438
Of which impaired, total	1,699,801	1,633,618	1,587,757
Amounts receivable for which calculation of interest has stopped, as a percentage of loans before impairments	10.9%	10.0%	10.5%
<b>Impairments of/provisions for amounts receivable from credit institutions</b>			
Impairments of/provisions for amounts receivable from credit institutions, beginning of the year	0	1,043	1,043
Impairments/provisions over the course of the period	0	0	0
Reversal of impairments performed in prior financial years	0	-1,043	-1,043
Impairments of/provisions for amounts receivable from credit institutions, end of the period	0	0	0
Impact on operations	0	-1,043	-1,043
Impact on operations, total	84,820	146,691	987,805
Lost, where individual impairments/provisions have not been made	3,835	3,216	105,320
Included in previously written-off debts	-1,907	-9,622	-19,780
Impairment of loans and guarantee debtors, etc., total	86,748	140,285	1,073,345
Interest income on written-down loans is offset in impairments by	24,420	23,206	73,360

# Quarterly Financial Statements

## Notes

	31/03 2014	31/03 2013	31/12 2013
Note	TDKK	TDKK	TDKK
<b>10 Intangible assets</b>			
<b>Customer relations</b>			
Total acquisition price, beginning of the period	14,964	14,964	14,964
Total acquisition price, end of the period	14,964	14,964	14,964
Amortisations and impairments, beginning of the period	7,482	5,986	5,986
Amortisations and impairments for the period	374	374	1,496
Amortisations and impairments, end of the period	7,856	6,360	7,482
Recognised holding, end of the period	7,108	8,604	7,482
<b>11 Owner-occupied property</b>			
Revalued amount, beginning of the period	365,976	389,258	389,258
Additions	175	0	0
Disposals	0	6,895	15,276
Depreciations	1,669	1,832	7,506
Changes in value recognised in the Statement of Income	0	0	-500
Changes in value, end of the period	364,482	380,531	365,976
External experts were involved in measuring the most significant owner-occupied properties.			
<b>12 Other assets</b>			
Positive market value of derivative financial instruments	179,760	257,167	178,742
Interest and commission receivable	48,920	56,403	46,902
Other assets	222,862	219,339	195,356
Total	451,542	532,909	421,000
<b>13 Other liabilities</b>			
Negative market value of derivative financial instruments	76,332	134,614	76,025
Various creditors	209,696	165,584	130,313
Interest and commission payable	89,013	174,568	119,790
Other liabilities	19,048	25,749	18,696
Total	394,089	500,515	344,824



	31/03 2014	31/03 2013	31/12 2013
Note	TDKK	TDKK	TDKK
<b>14 Subordinated debt</b>			
<b>Tier 2 capital</b>	749,892	806,096	743,822
The Tier 2 capital falls due between 16 May 2014 and 28 June 2020 with an option of exercising early settlement of the capital until 28 June 2017, subject to the approval of the Danish Financial Supervisory Authority. The capital accrues interest at 2.730–9.500% with a step-up clause after the prepayment date.			
Total	749,892	806,096	743,822
<b>Additional Tier 1 capital</b>			
<b>Additional Tier 1 capital of DKK 100 million</b>	104,384	106,671	104,936
The capital accrues interest at a fixed 4.765%. There is no due date. There is an option of prepayment, subject to the approval of the Danish Financial Supervisory Authority, on 15 November 2015.			
<b>Additional Tier 1 capital of DKK 75 million</b>	75,000	75,000	75,000
The capital accrues interest at a fixed 5.000%. There is no due date. There is an option of prepayment, subject to the approval of the Danish Financial Supervisory Authority, on 30 June 2016.			
<b>Additional Tier 1 capital of DKK 50 million</b>	50,000	50,000	50,000
The capital accrues interest at a fixed 5.440%. There is no due date. There is an option of prepayment, subject to the approval of the Danish Financial Supervisory Authority, on 1 May 2016.			
<b>Additional Tier 1 capital of DKK 287.6 million</b>	302,771	1,191,518	874,723
The capital accrues interest at a fixed 9.943%. There is no due date. The Bank retains the option of prepayment, subject to the approval of the Danish Financial Supervisory Authority, from 25 August 2012 to 24 August 2014 at a price of DKK 100, from 25 August 2014 to 24 August 2015 at a price of 105 and on and after 25 August 2015 at a price of DKK 110. Premiums are recognised and amortised according to their expected repayment date. On 20 January 2014, additional Tier 1 capital of DKK 575.2 million was converted to share capital.			
<b>Additional Tier 1 capital of DKK 35.6 million</b>	0	35,536	0
On 22 October 2013, the capital was converted to share capital.			
Total	532,155	1,458,725	1,104,659
Subordinated debt, total	1,282,047	2,264,821	1,848,481
Charged as an expense under interest expenses Subordinated debt			
Interest expenses	22,137	42,326	162,579
Costs related to payment and incurrence	79	183	2,950
Market value adjustments, etc.	-1,401	-811	-35,372
Total	20,815	41,698	130,157
Subordinated debt that can be included in the capital base	734,094	2,045,710	1,557,543

# Quarterly Financial Statements

## Notes

	31/03 2014	31/03 2013	31/12 2013
Note	TDKK	TDKK	TDKK
<b>15 Share capital</b>			
Share capital, beginning of the year	85,982	612,889	612,889
Shares issued upon conversion of hybrid capital	65,026	0	24,693
Capital reduction	0	0	-551,600
<b>Total</b>	<b>151,008</b>	<b>612,889</b>	<b>85,982</b>
Number of equity shares	151,008,121 DKK 1 each	61,288,878 DKK 10 each	85,981,689 DKK 1 each
<b>Number of own equity securities, beginning of the year</b>			
Number of own equity securities in 1,000 unit lots	176	174	174
Nominal value in DKK 1,000	176	1,747	1,747
Percentage of the share capital	0.2%	0.3%	0.3%
<b>Additions</b>			
Purchased own equity securities in 1,000 unit lots	1,014	1,358	4,211
Nominal value in DKK 1,000	1,014	13,581	4,211
Percentage of the share capital	0.7%	2.2%	4.9%
Total purchase price in DKK 1,000	9,142	13,033	45,534
<b>Disposals</b>			
Disposal of own equity securities in 1,000 unit lots	1,017	1,351	4,209
Nominal value in DKK 1,000	1,017	13,511	4,209
Percentage of the share capital	0.7%	2.2%	4.9%
Total selling price in DKK 1,000	9,176	12,917	45,505
<b>Number of own equity securities, end of the period</b>			
Number of own equity securities in 1,000 unit lots	173	181	176
Nominal value in DKK 1,000	173	1,817	176
Percentage of the share capital	0.1%	0.3%	0.2%
The Bank is receiving additional Tier 1 capital and issuing bonds under the individual government guarantee and is therefore not allowed to pay out dividends.			
<b>16 Contingent liabilities</b>			
Financial guarantee contracts	372,115	747,758	405,861
Loss guarantees for mortgage loans	1,608,212	1,757,969	1,622,291
Registration and conversion guarantees	1,033	487,274	1,429
Other contingent liabilities	883,295	1,203,012	928,166
<b>Total</b>	<b>2,864,655</b>	<b>4,196,013</b>	<b>2,957,747</b>
Other contingent liabilities' include, among other things, performance bonds, delivery guarantees as well as provisions of indemnity in relation to the Guarantee Fund for Depositors and Investors (Indskydergarantifonden) etc.			
<b>17 Other binding agreements</b>			
Other liabilities	30,262	5,179	30,262
<b>Total</b>	<b>30,262</b>	<b>5,179</b>	<b>30,262</b>

	31/03 2014	31/03 2013	31/12 2013
Note	TDKK	TDKK	TDKK
<b>18 Capital requirements</b>			
Equity	1,500,477	1,026,832	887,019
Revaluation reserves	-	-55,433	-55,433
Intangible assets	-7,108	-8,604	-7,482
Holdings in financial sector entities in which the Bank does not have significant investments	-46,705	-	-
Common equity Tier 1 capital	1,446,664	962,795	824,104
Additional Tier 1 capital	428,830	570,562	443,748
Holdings in financial sector entities in which the Bank does not have significant investments	-93,412	-51,736	-72,980
Tier 1 capital	1,782,082	1,481,621	1,194,872
Tier 2 capital	305,264	1,475,148	1,113,795
Revaluation reserves	-	55,433	55,433
Holdings in financial sector entities in which the Bank does not have significant investments	-93,412	-51,736	-72,980
Own funds	1,993,934	2,960,466	2,291,120
Weighted items, total	19,579,421	23,879,704	20,334,717
Common equity Tier 1 capital ratio	7.4%	4.0%	4.1%
Tier 1 capital ratio	9.1%	6.2%	5.9%
Solvency ratio	10.2%	12.4%	11.3%
Solvency requirement according to sec 124(2) of the Danish Financial Business Act	10.9%	-	-
As of 2014, the Tier 1 capital and solvency ratios are determined as set out in the CRR/CRD IV rules. The new rules mean that the Bank has changed the manner in which it determines its own funds and risk weighted items. The comparative figures for 2013 have not been adapted to take this change into account.			

# Quarterly Financial Statements

## Notes

	31/03 2014	31/03 2013	31/12 2013
Note	TDKK	TDKK	TDKK
<b>19 Security pledged</b>			
Credit institutions:			
Margin accounts pledged as security in relation to financial instruments	36,619	146,253	42,991
Loans:			
Pledged as security for credit facility with Danmarks Nationalbank			
Collateral basis	1,677,346	2,773,923	2,037,408
Collateral value	1,090,275	1,803,050	1,324,315
Of which pledged	0	1,803,050	1,324,315
Debt securities:			
Pledged as security for credit facility with Danmarks Nationalbank			
Total nominal value	1,080,521	2,371,208	1,559,384
Total market value	1,085,361	2,372,921	1,567,832
Of which pledged	0	700,460	0
<b>20 Pending litigation</b>			
vestjyskBANK is party to various litigation. The proceedings are evaluated on an ongoing basis, and requisite provisions are made on the basis of a risk assessment of losses.			
The pending proceedings are not expected to have significant influence on the Bank's financial position.			

Note	1/1 - 31/03 2014	1/1 - 31/03 2013	1/1 - 31/12 2013
<b>21 Key figures and financial ratios</b>			
<b>Key figures</b>			
<b>Statement of Income (in MDKK)</b>			
Net interest income	171	200	813
Net fee income	64	59	262
Dividends on equity securities etc.	2	0	13
Market value adjustments for foreign currency and sector shares	29	70	126
Other operating income	2	7	20
<b>Core income</b>	<b>268</b>	<b>336</b>	<b>1,234</b>
Personnel and administrative expenses	-139	-142	-539
Other operating expenses as well as depreciation, amortisation and impairment losses; property, plant and equipment as well as intangible assets	-13	-18	-64
Operating expenses and operating depreciations and amortisations	-152	-160	-603
<b>Core earnings before impairments</b>	<b>116</b>	<b>176</b>	<b>631</b>
Impairments of loans and receivables etc.	-87	-140	-1,073
<b>Profit/loss before tax</b>	<b>29</b>	<b>36</b>	<b>-442</b>
Tax	3	3	0
<b>Profit/loss</b>	<b>26</b>	<b>33</b>	<b>-442</b>
<b>Statement of Financial Position (in MDKK)</b>			
Assets, total	23,957	29,111	26,112
Loans	16,696	20,143	17,360
Deposits, including pooled funds	17,713	17,470	17,877
Contingent liabilities	2,865	4,196	2,958
Business volume	37,274	41,809	38,195
Equity	1,500	1,027	887
<b>Financial ratios</b>			
<b>Solvency</b>			
Solvency ratio <sup>1</sup>	10.2%	12.4%	11.3%
Tier 1 capital ratio <sup>1</sup>	9.1%	6.2%	5.9%

# Quarterly Financial Statements

## Notes

Note	1/1 - 31/03 2014	1/1 - 31/03 2013	1/1 - 31/12 2013
<b>21 Financial ratios (continued)</b>			
<b>Earnings</b>			
Return on equity before tax, annually <sup>2</sup>	9.8%	14.1%	-46.9%
Return on equity after tax, annually <sup>2</sup>	8.9%	12.9%	-46.9%
Income-cost ratio <sup>3</sup>	1.12	1.12	0.74
Rate of cost <sup>4</sup>	56.8%	47.7%	48.9%
Return on capital employed <sup>5</sup>	0.1%	0.1%	-1.5%
Employees converted to full-time (average)	535.3	577.8	562.9
<b>Market risk</b>			
Interest rate risk <sup>6</sup>	-3.7%	-4.7%	-4.9%
Foreign currency position <sup>7</sup>	1.4%	1.3%	1.6%
Foreign currency risk	0.0%	0.0%	0.0%
Excess cover in relation to statutory liquidity requirements <sup>8</sup>	175.4%	101.0%	162.2%
<b>Credit risk</b>			
Loans plus impairments on loans in relation to deposits	115.8%	135.2%	117.9%
Loans in relation to equity	11.1	19.6	19.6
Growth in loans for the period <sup>9</sup>	-3.8%	-2.7%	-16.1%
Total of large exposures <sup>10</sup>	38.0%	31.6%	33.5%
Accumulated impairment ratio	16.4%	12.7%	15.5%
Impairment ratio for the period	0.4%	0.5%	4.5%
<b>vestjyskBANK share</b>			
Profit/loss for the year per share	0.2	0.5	-6.0
Equity value per share <sup>11</sup>	10.0	16.8	10.3
Price of vestjyskBANK shares, end of the period	9.2	7.9	9.0
Market price / equity value per share	0.9	0.5	0.9

1 Effective on 31 March 2014, the solvency and Tier 1 capital ratios were determined under the CRR/CRD IV rules

2 Based on average equity

3 Income from ordinary activities in relation to costs from ordinary activities. Income from ordinary activities = net Interest and fee income + value adjustments + other operating income. Costs from ordinary activities = operating costs and operating depreciations and impairments + impairment of goodwill + impairment of loans and amounts receivable, etc.

4 Operating costs and depreciations and impairments/core income

5 Results/average assets, total

6 Interest rate risk in relation to core capital, less deductions.

7 Foreign Currency Indicator 1 in relation to core capital, less deductions.

8 Surplus funding in relation to the 10% requirement set out in sec 152 of the Danish Finance Act.

9 Growth in loans measured in relation to vestjyskBANK's loans, beginning of the period

10 Exposures greater than 10% of the eligible capital

11 The Bank changed the individual denomination of its share from DKK 10 to DKK 1 per share, cf. Company Announcement of 25 April 2013

