



vestjyskBANK

Half-Year Report 2015

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The vestjyskBANK Half-Year Report 2015 is a translation of the original report in Danish (vestjyskBANK Halvårsrapport 2015).
In case of discrepancies, the Danish version prevails.

Summary

Summary of vestjyskBANK's Results

In the first half of 2015, vestjyskBANK realised a profit before tax of DKK 45 million. The result is not deemed satisfactory. However, in light of the continued large need for impairments, particularly relating to the very disturbing financial situation within the agricultural sector due to very low settlement prices for milk and pork, the result is viewed as acceptable and within the scope of Management's current expectations for 2015.

The Bank's basic operations are performing well, and core earnings before impairments of DKK 216 million are deemed satisfactory.

The Bank continues its efforts to improve its capital situation by, among other things, strengthening its solvency surplus and its coverage in relation to the requirement for Common Equity Tier 1 capital ratio.

First half 2015

- Profit before tax at DKK 45 million (H1 2014: DKK 70 million)
- Core income of DKK 495 million (H1 2014: DKK 564 million), of which market value adjustments represented DKK 15 million (H1 2014: DKK 68 million)
- Cost ratio at 56.5 per cent (H1 2014: 52.1 per cent)
- Core earnings before impairments at DKK 216 million (H1 2014: DKK 270 million)
- Impairments of loans and receivables, etc., at DKK 171 million (H1 2014: DKK 200 million). Impairments related to the agricultural sector constitute the greatest share of the impairments charged in the first half of 2015
- Deposit surplus of DKK 4.8 billion at 30 June 2015, compared with a deposit surplus of DKK 1.9 billion at 30 June 2014
- The minimum requirements for continued banking activities are 8 per cent (total capital ratio) and 4.5 per cent (Common Equity Tier 1 capital ratio), respectively, of the Bank's weighted risk exposures. At 30 June 2015 the Bank has a surplus of DKK 790 million and DKK 527 million, respectively
- Total capital ratio at 12.5 per cent, and an individual solvency need of 10.5 per cent. This corresponds to a surplus of 2.0 percentage points or DKK 347 million at 30 June 2015
- Common Equity Tier 1 capital ratio of 7.5 per cent at 30 June 2015, compared to a calculated requirement of 7.0 per cent. Surplus of 0.5 percentage points, equivalent to DKK 84 million, which is the gap to the requirement to prepare a recovery plan
- Liquidity surplus at 145.3 per cent at 30 June 2015
- The negotiations with the EU Commission in relation to the Bank's restructuring plan are still on-going, but the Bank remains in continuous dialogue with the EU Commission via the Ministry of Business and Growth. The timeframe for the approval is still not known

2015 Outlook

Given unchanged economic climate, the Bank's total business volume is expected to have the capacity to generate core earnings before impairments at the level of DKK 350-400 million. The need for impairments is expected to show a continued decline. Assuming unchanged economic conditions, the Management expects that it will be possible to absorb the need for impairments into the Bank's core earnings and that the Bank will also be able to achieve a moderate degree of consolidation. This will ensure a continuing bank with an appropriate business platform and the capacity to achieve a more adequate capital structure.

The current level of settlement prices for agricultural products is low, and most recent development indicates a further decline. This entails that the Bank's significant exposure within this industry may entail an increased need for impairments compared to the Management's estimates for 2015. The current level of impairments for the agricultural sector is assessed to show a true and fair view in terms of the current development in the sector.

Summary

This might also be the case if the economic climate generally worsens. The impact of any deterioration in the economic climate for the agricultural sector and/or other sectors will thus reduce the Bank's opportunities for consolidation in 2015.

The Management also has focus on the development in the bank's cost level. Costs show a falling trend, and the actual cost reduction must be continuously compared with the consequences of the deliberate strategy of reducing the Bank's balance sheet, with a consequential reduction of business volume.

Management's Review

Financial highlights

Key Figures	H1 2015	H1 2014	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	FY 2014
Statement of Income (MDKK)								
Net interest income	312	355	162	150	165	177	184	697
Net fee and commission income	163	132	81	82	87	71	68	290
Dividends on shares, etc.	2	6	1	1	0	0	4	6
Value adjustments	15	68	-16	31	-24	12	39	56
Other operating income	3	3	1	2	1	0	1	4
Core income	495	564	229	266	229	260	296	1.053
Staff and administrative expenses	-253	-266	-127	-126	-129	-114	-127	-509
Other operating expenses as well as amortisation, depreciation and impairment losses on intangible and tangible assets	-26	-28	-13	-13	-10	-14	-14	-51
Operating expenses and operating depreciations and amortisations	-279	-294	-140	-139	-139	-128	-141	-560
Core earnings before impairments	216	270	89	127	90	132	155	493
Impairments of loans and receivables, etc.	-171	-200	-78	-93	-288	-195	-114	-684
Profit/loss before tax	45	70	11	34	-198	-63	41	-191
Tax	-4	-3	-2	-2	0	3	0	0
Profit/loss after tax	41	67	9	32	-198	-60	41	-191
Statement of financial position (MDKK)								
Assets, total	22,103	23,161	22,103	21,931	21,804	21,476	23,161	21,804
Loans	14,035	16,070	14,035	14,476	14,714	15,462	16,070	14,714
Deposits, including pooled schemes	18,821	18,002	18,821	18,695	18,768	17,983	18,002	18,768
Contingent liabilities	3,383	2,809	3,383	3,119	3,036	2,900	2,809	3,036
Business volume	36,239	36,881	36,239	36,290	36,518	36,345	36,881	36,518
Equity	1,328	1,541	1,328	1,319	1,287	1,481	1,541	1,287

Management's Review

Financial highlights

Financial ratios¹	H1 2015	H1 2014	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	FY 2014
Solvency								
Total capital ratio	12.5%	10.8%	12.5%	12.4%	12.1%	11.5%	10.8%	12.1%
Tier 1 capital ratio	10.3%	9.6%	10.3%	10.2%	9.9%	9.9%	9.6%	9.9%
Common Equity Tier 1 capital ratio	7.5%	7.8%	7.5%	7.4%	7.1%	7.7%	7.8%	7.1%
Earnings								
Return on equity before tax, annually	6.9%	11.5%	3.2%	10.6%	-56.6%	-16.4%	10.7%	-17.5%
Return on equity after tax, annually	6.3%	11.1%	2.8%	9.8%	-56.6%	-15.8%	10.8%	-17.5%
Income-cost ratio	1.10	1.14	1.05	1.15	0.54	0.81	1.16	0.85
Cost ratio ²	56.5%	52.1%	61.5%	52.2%	60.4%	49.3%	47.8%	53.2%
Return on assets	0.2%	0.3%	0.0%	0.1%	-0.9%	-0.3%	0.2%	-0.8%
Employees converted to full-time (average)	510.9	530.8	509.2	512.6	515.7	516.6	526.3	523.1
Market risk								
Interest rate risk	-5.8%	-3.0%	-5.8%	-6.0%	-4.7%	-4.3%	-3.0%	-4.7%
Foreign currency position	2.1%	2.1%	2.1%	1.9%	1.4%	2.0%	2.1%	1.4%
Foreign exchange risk	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Coverage in relation to statutory liquidity requirements	145.3%	124.2%	145.3%	123.1%	136.2%	143.5%	124.2%	136.2%
Credit risk								
Loans plus impairments on loans in relation to deposits	92.6%	110.9%	92.6%	95.6%	97.3%	106.0%	110.9%	97.3%
Loans in relation to equity	10.6	10.4	10.6	11.0	11.4	10.4	10.4	11.4
Growth in loans for the period	-4.6%	-7.4%	-3.0%	-1.6%	-4.8%	-3.8%	-3.7%	-15.2%
Sum of large exposures	33.0%	36.6%	33.0%	21.0%	22.3%	35.0%	36.6%	22.3%
Accumulated impairment ratio	16.4%	17.1%	16.4%	16.3%	16.7%	16.4%	17.1%	16.7%
Impairment ratio for the period	0.8%	0.9%	0.4%	0.4%	1.3%	0.9%	0.5%	3.2%
vestjyskBANK share								
Profit/loss per share for the period	0.3	0.6	0.1	0.2	-1.3	-0.4	0.3	-1.6
Equity value per share	8.8	10.2	8.8	8.7	8.5	9.8	10.2	8.5
Price of vestjyskBANK shares, end of the period	9.9	13.0	9.9	9.8	9.3	12.2	13.0	9.3
Market price/equity value per share	1.1	1.3	1.1	1.1	1.1	1.2	1.3	1.1

1 The key figures are laid down in the Danish Financial Supervisory Authority's Executive Order on financial reporting for credit institutions and investment companies et al.

2 Operating expenses and operating depreciations and impairments/core income.

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Financial Review

Statement of Income

Results

For the first half of 2015, the Bank's profit before tax was DKK 45 million, compared to DKK 70 million for the first half of 2014.

Impairments of loans and receivables, etc., totalled DKK 171 million for the first half of 2015, compared to DKK 200 million for the first half of 2014. The impairment ratio for the first half of 2015 was 0.8 per cent, compared to 0.9 per cent for the first half of 2014.

At the end of 2014 the Bank charged collective impairments for the agricultural sector of DKK 50 million to cover "early events", cf. the guidelines of the Danish Financial Supervisory Authority. During Q1 2015 this collective impairment was individualised to actual agricultural exposures.

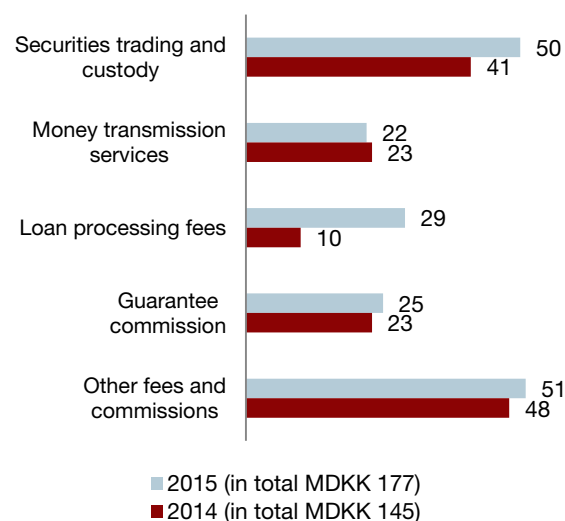
Core income

In the first half of 2015 vestjyskBANK achieved core income of DKK 495 million, compared to DKK 564 million in the first half of 2014.

Positive value adjustments represented DKK 15 million, compared to DKK 68 million in the first half of 2014. After correcting for value adjustments, in the first half of 2015 vestjyskBANK achieved core income that was approximately DKK 16 million lower than in the first half of 2014.

Income from fees and commissions increased by 22 per cent, amounting to DKK 177 million in the first half of 2015, which represents an increase of DKK 32 million compared to the first half of 2014. The positive development in income from fees and commissions is considered to be satisfactory, reflecting a generally higher level of activity, especially for customers' securities trading and the extraordinarily high level of remortgaging seen in the mortgage-credit area during the first half-year. The figure to the right presents the distribution of the Bank's fee and commission income.

Income from fees and commissions (MDKK)



Other operating income amounted to DKK 3 million in first half 2015, equivalent to the level in first half 2014.

Operating expenses and operating depreciations and amortisations

Operating expenses and operating depreciation and amortisation totalled DKK 279 million in the first half of 2015. Compared to the first half of 2014, the effect can be seen of the ongoing reduction in the number of employees, as well as tight cost management, with a decrease in costs of DKK 15 million, equivalent to a reduction of just over 5 per cent.

Despite the lower cost level, the Bank's cost ratio has increased from 52.1 per cent in the first half of 2014 to 56.5 per cent in the first half of 2015. After correcting for value adjustments, however, the cost ratio decreased by almost 1 percentage point, from 59.2 per cent in the first half of 2014 to 58.3 per cent in the first half of 2015.

vestjyskBANK's contributions to the Guarantee Fund for Depositors and Investors were recognised as an expense at DKK 20.8 million in first half 2015, compared with DKK 20.1 million for first half 2014.

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Financial Review

Core earnings before impairments

For the first half of 2015, the Bank's core earnings before impairments stood at DKK 216 million, compared to DKK 270 million for the first half of 2014. After correcting for value adjustments, for the first half of 2015 the Bank achieved core earnings before impairment charges at the level of the first half of 2014.

This was achieved despite the lower interest income due to the lower business volume compared to the same period of 2014. Increasing fee income, lower interest expenses and lower operating expenses had a positive impact on earnings, offsetting the declining revenue due to lower interest income.

Impairments of loans and guarantees, etc.

Impairment charges totalled DKK 171 million in net terms for the first half of 2015, compared to DKK 200 million for the first half of 2014. The impairment ratio for the first half of 2015 amounted to 0.8 per cent, compared to 0.9 per cent for the first half of 2014. The impairment level is still unsatisfactorily high.

The impairment charges in the first half of 2015 are mainly related to the agricultural area. At the end of June 2015, approximately 39 per cent of the Bank's accumulated impairment charges and provisions were related to the agriculture, hunting, forestry and fisheries segment.

Settlement prices for pork in particular improved during the first half of 2015. Most recently, however, the price development has been negative. Settlement prices for milk have shown a decreasing trend in recent months. Overall, the development and the current low level of settlement prices are grounds for concern. The Bank is closely monitoring the development in the agricultural sector and will continue to base its impairment charges on the consequences of any further deterioration in settlement prices in this sector.

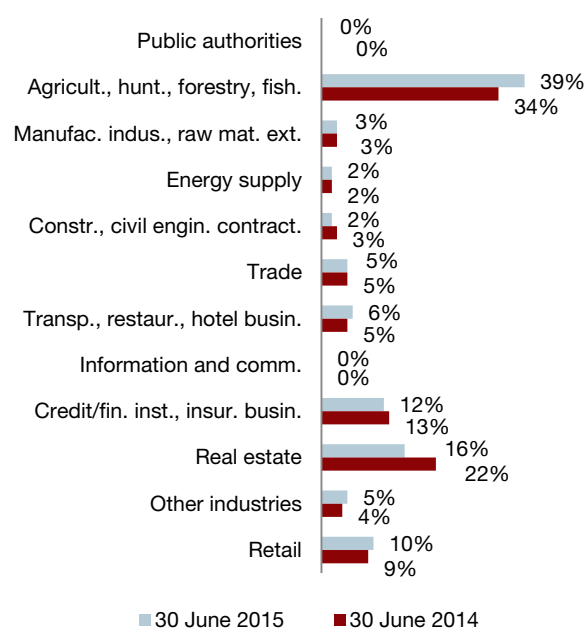
In order to strengthen the Bank's services to customers in the agricultural sector and increase focus on agriculture as an important strategic area, in the first half of 2015 the Bank established an agricultural centre in which to gather all of its agricultural customers. The centre has been established in order to offer these customers the highest possible level of advisory services. This centralised function also

ensures a uniform approach to the agricultural industry, setting a high professional standard for the staff who are now gathered in the agricultural centre.

The process of adjusting the Bank's involvement in the property sector is continuing, with focus on eliminating unprofitable property exposures. Some of these property exposures are developing favorably, with positive operations and sufficient liquidity to service the commitments. As a consequence, the Bank has reduced its exposure to this sector and the Bank's customers have also divested assets at acceptable prices. The overall effect of the process of reducing the Bank's property exposures has thus not entailed any significant changes in the Bank's impairment requirement within this sector.

The Bank's accumulated impairment ratio stood at 16.4 per cent at 30 June 2015, compared with 17.1 per cent at 30 June 2014.

Accumulated impairments and provisions by industry segment



Statement of Financial Position

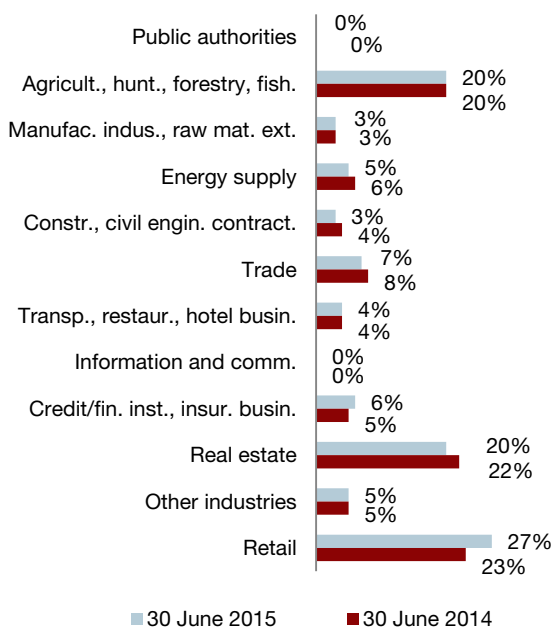
vestjyskBANK's balance sheet totalled DKK 22.1 billion at 30 June 2015, compared to DKK 23.2 billion at 30 June 2014. The decrease of just over DKK 1 billion can be attributed primarily to the Bank's focused efforts to ensure an appropriate balance between deposits and loans, whereby loans have been reduced and deposits have increased.

Loans

At 30 June 2015, vestjyskBANK's net lending totalled DKK 14.0 billion. As a consequence of the ongoing adjustment of the balance sheet, since 30 June 2014 the Bank's lending has been reduced by DKK 2.1 billion.

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

Loans and guarantees by industry segment

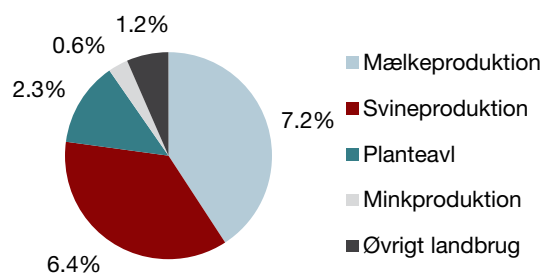


It is considered positive that the Bank is continuing to increase its ratio of lending to retail customers, which amounted to 27 per cent of the Bank's net loans and guarantees at the end of June 2015. At the end of June 2014, retail customers accounted for 23 per cent of the Bank's net loans and guarantees. The Bank is focusing its efforts

on further strengthening the retail segment as a business area.

Agriculture continues to be a strategically important business area in which the Bank has considerable experience. In isolated terms, the Bank's exposure to agriculture accounted for 17.7 per cent of its total loans and guarantees as of 30 June 2015 and was distributed across the various production branches as shown in the figure below.

Agricultural commitments' share of loans and guarantees by production branches at 30 June 2015



Large exposures

The sum of large exposures in excess of for 10 per cent of the total capital was 33 per cent of the total capital at 30 June 2015, and consisted of two exposures.

Deposits, including pooled schemes

vestjyskBANK's deposits, including pooled funds, amounted to DKK 18.8 billion at 30 June 2015, which is DKK 0.8 billion higher than at 30 June 2014, where deposits including pooled schemes were DKK 18.0 billion.

Gap between deposits and loans

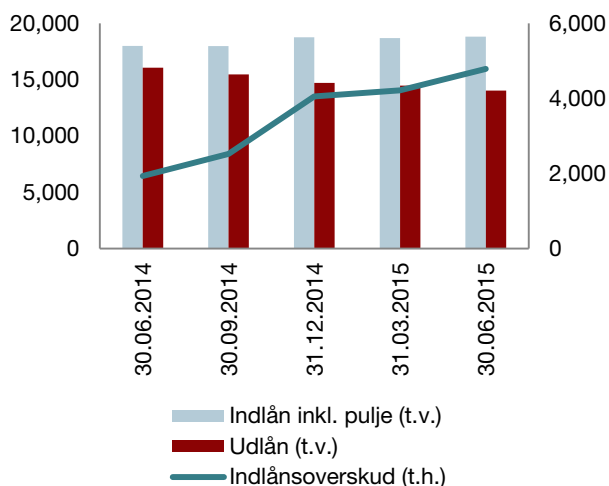
The positive deposit-lending development has increased the Bank's deposit surplus from DKK 1.9 billion at 30 June 2014 to DKK 4.8 billion at 30 June 2015.

vestjyskBANK's objective is for the development in the Bank's deposits to match the development in its gross lending. The figure on the next page illustrates the development in vestjyskBANK's deposit-lending ratio over the past five quarters.

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Development in deposits, including pooled schemes, loans and deposit surplus (MDKK)



Business volume

vestjyskBANK's business volume – its total deposits, loans and contingent liabilities – amounted to DKK 36.2 billion at 30 June 2015, compared with DKK 36.9 billion at 30 June 2014. The decrease in business volume is a consequence of the deliberate strategy to adjust the lending-deposit ratio.

Capital and liquidity conditions

Equity

vestjyskBANK's equity totalled DKK 1,328 million at 30 June 2015. 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 1,052 million at 30 June 2015, of which government-issued additional Tier 1 capital under Bank Package II totalled DKK 288 million. This capital accrues interest at 9.561 per cent.

Special statutory regulations apply to additional Tier 1 capital subject to Bank Package II. No dilution of the capital may occur, and buyback programmes aimed at reducing the Bank's share capital are therefore not permitted. Moreover, executive board salaries will only be eligible for a 50 per cent tax deduction.

Solvency

The solvency-related total capital was DKK 2,198 million at the end of June 2015 which, together with the total risk exposure of DKK 17,598 million, gives a total capital ratio of 12.5 per cent. At the end of June 2014, the Bank's total capital ratio amounted to 10.8 per cent.

The minimum requirement for ongoing banking operations is a capital ratio of 8.0 per cent, which for vestjyskBANK corresponded to DKK 1,408 million at the end of June 2015. Based on the Bank's current financial position, this need is fulfilled with a surplus of 4.5 percentage points, equivalent to DKK 790 million.

The adequate total capital amounted to DKK 1,851 million at the end of June 2015 which, together with the total risk exposure of DKK 17,598 million, gives an individual solvency requirement of 10.5 per cent, equivalent to an additional solvency requirement of 2.5 percentage points in addition to the minimum requirement. Compared with the total capital of DKK 2,198 million, the surplus solvency amounted to 2.0 percentage points at the end of June 2015, equivalent to DKK 347 million.

Common Equity Tier 1 capital

The Bank's Common Equity Tier 1 capital totalled DKK 1,319 million at the end of June 2015 which, together with the total risk exposure of DKK 17,598 million, gives a Common Equity Tier 1 capital ratio of 7.5, compared to 7.8 at the end of June 2014. At the same time, the Bank's Tier 1 capital ratio was 10.3 at the end of June 2015, compared to 9.6 at the end of June 2014.

The minimum requirement for ongoing banking operations is a Common Equity Tier 1 capital ratio of 4.5 per cent, which for vestjyskBANK corresponded to DKK 792 million at the end of June 2015. Based on the Bank's current financial position, this requirement is fulfilled with a surplus of 3.0 percentage points, equivalent to DKK 527 million.

In relation to the Bank's Common Equity Tier 1 capital, the overall capital requirement (minimum requirement + additional solvency requirement) is 7.0 per cent, or DKK 1,235 million, which can be compared with the Bank's Common Equity Tier 1 capital of DKK 1,319 million. The difference is the Common Equity Tier 1 capital surplus of 0.5 percentage points, equivalent to DKK 84 million at the end of June 2015. At the end of 2014 the Common Equity Tier 1 capital

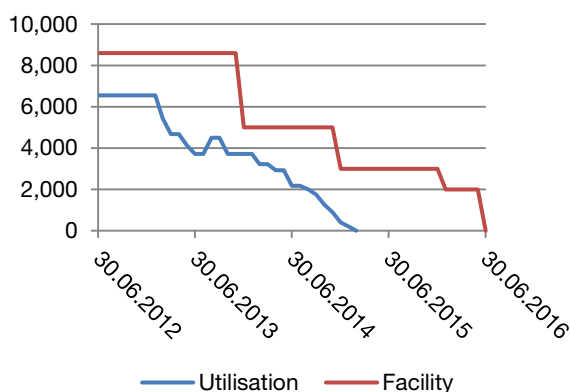
surplus amounted to DKK 125 million. As of 1 January 2015 the Common Equity Tier 1 capital requirement was tightened from 4.0 per cent to 4.5 per cent. All other things being equal, this has affected the surplus negatively, at the level of DKK 90 million.

The Bank has taken measures to strengthen the Common Equity Tier 1 capital ratio and during the first half of 2015 the surplus was increased by approximately DKK 50 million, primarily via the Bank's earnings. Uncertainty may still arise concerning the surplus; however the Bank is aware that this may result in a need for an actual recovery plan, should the Bank's operating results develop negatively. This plan would require the Danish Financial Supervisory Authority's approval.

Liquidity

vestjyskBANK's liquidity situation has improved, especially as a consequence of an improved balance between the Bank's deposits and loans. At the end of June 2015, the Bank's deposit surplus amounted to DKK 4.8 billion, compared to DKK 1.9 billion at the end of June 2014.

**Utilisation of the government guarantee facility
30 June 2012 - 30 June 2016**



As the above figure shows, in recent years the Bank has significantly reduced the government-guaranteed credit facility that totalled DKK 8.6 billion at the time of the merger with Aarhus Lokalbanc in 2012. As of 10 February 2015, the guarantee facility was redeemed in full, around one and a half years prior to the date agreed with the government,

which was in June 2016. This was a consequence of the positive development in the Bank's liquidity via the planned reduction of the Bank's lending and increase in its deposits.

External funding, incl. subordinated capital injections (MDKK)

	30 June 2015	30 June 2014
Gæld til kreditinstitutter	466	386
Gæld til centralbanker	0	1.500
Udstedte obligationer til amortiseret kostpris	0	9
I alt før efterst. kapitalindskud	466	1,895
Efterstillede kapitalindskud	1,052	1,247
I alt	1,518	3,142

The table shows the development in vestjyskBANK's external funding, including subordinated debt. Debt to credit institutions and central banks, as well as issued bonds at amortised cost and subordinated debt, have been reduced by DKK 1.6 billion, from DKK 3.1 billion at 30 June 2014 to DKK 1.5 billion at 30 June 2015.

As from October 2015, the Bank will be required to comply with new requirements under the Liquidity Coverage Ratio (LCR) standard in accordance with the Basel III regulations. The Bank is fully aware of these requirements and has incorporated these into the Bank's liquidity management. The Bank's liquidity estimates show that at 1 October 2015 the Bank will be able to comply with the LCR requirements in their fully phased-in form, and with a high level of surplus.

Share capital

vestjyskBANK's share capital totalled DKK 151 million at 30 June 2015. The share capital is distributed across 151,008,121 shares with a nominal value of DKK 1.

vestjyskBANK has approx. 40,500 registered shareholders. The Danish State holds 121,736,671 shares, corresponding to a stake 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 stake of 0.86 per cent. Including this

Management's Review

Financial Review

stake, the Danish State holds 81.48 per cent of the share capital and voting rights in vestjyskBank.

Second only to the Danish State, the ten biggest shareholders hold 3.31 percent of the share capital in vestjyskBANK.

The Financial Supervisory Authority's Supervisory Diamond

vestjyskBANK's objective 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 currently achieving this objective.

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

Realised Values at 30 June 2015

Supervisory Diamond Benchmarks	Realised values
Sum of large exposures (< 125%)	33.0 pct.
Growth in loans (< 20%)	-12.7 pct.
Real estate exposure (< 25%)	19.4 pct.
Funding ratio (< 1)	0.67
Liquidity coverage ratio (> 50%)	145.3 pct.

Miscellaneous

Related Parties

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

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

EU Commission

When the EU Commission preliminarily approved the government subsidy for the capital plan for the merger with Aarhus Lokalbanc in the spring of 2012, that approval was predicated upon the EU Commission's prior approval of the Bank's restructuring plan. As stated in the 2014 Annual Report the negotiations have not yet been concluded but the Bank remains in continuous dialogue with the EU Commission via the Ministry of Business and Growth. The timeframe for the approval process is still not known. Management is not aware of any requirements set out by the EU Commission that the Bank is currently not able to meet. The importance of settling the issue of final approval is highlighted by the fact that, ultimately, the Bank may find itself in a situation where the question regarding the potential repayment of government subsidies might become relevant.

2015 Outlook

Given unchanged economic climate, the Bank's total business volume is expected to have the capacity to generate core earnings before impairments at the level of DKK 350-400 million. The need for impairments is expected to show a continued decline. Assuming unchanged economic conditions, the Management expects that it will be possible to absorb the need for impairments into the Bank's core earnings and that the Bank will also be able to achieve a moderate degree of consolidation. This will ensure a continuing bank with an appropriate business platform and the capacity to achieve a more adequate capital structure.

The current level of settlement prices for agricultural products is low, and most recent development indicates a further decline. This entails that the Bank's significant exposure within this industry may entail an increased need for impairments compared to the Management's estimates for 2015. The current level of impairments for the agricultural sector is assessed to show a true and fair view in terms of the current development in the sector.

This might also be the case if the economic climate generally worsens. The impact of any deterioration in the economic climate for the agricultural sector and/or other sectors will thus reduce the Bank's opportunities for consolidation in 2015.

The Management also has focus on the development in the bank's cost level. Costs show a falling trend, and the actual cost reduction must be continuously compared with the consequences of the deliberate strategy of reducing the Bank's balance sheet, with a consequential reduction of business volume.

2015 financial calendar

■ 18 November Quarterly report, Q1-Q3

Management's Statement

The Bank's Supervisory and Executive Boards have today considered and approved the Half-Year Report for the period from 1 January to 30 June 2015 for Vestjysk Bank A/S.

The Half-Year Report is presented in accordance with the Danish Financial Business Act and also in accordance with the supplementary Danish disclosure requirements relating to interim financial reporting for listed financial enterprises.

In our opinion, the accounting policies applied are appropriate and the Half-Year financial statements present a true and fair view of the Company's assets and liabilities and financial position as at 30 June 2015, and of the results of the Bank's activities for the reporting period from 1 January to 30 June 2015.

In our opinion, the present Management's Review provides a true and fair view of the development in the Bank'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 2014 Annual Report detailed matters related to "Risks Related to Going Concern" and "2015 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 2014 Annual Report.

The present Half-Year Report has not been audited or reviewed.

Lemvig, Denmark, 19 August 2015

Executive Board

.....
Jan Ulsø Madsen
Chief Executive Officer

.....
Michael Nelander Petersen
Managing Director

Supervisory Board

.....
Vagn Thorsager
Chairman

.....
Lars Holst
Deputy Chairman

.....
Anders Bech

.....
Karina Boldsen

.....
Poul Hjulmand

.....
Bent Simonsen

.....
Jacob Møllgaard

.....
Malene Rønø

.....
Palle Hoffmann

Half-Year Financial Statements

Statements of Income and Comprehensive Income

Note	H1 2015 TDKK	H1 2014 TDKK	Q2 2015 TDKK	Q2 2014 TDKK	FY 2014 TDKK	
Statement of Income						
2	Interest income	449,465	546,680	225,230	269,359	1,061,802
3	Interest expenses	137,280	191,685	62,744	85,031	365,021
	Net interest income	312,185	354,995	162,486	184,328	696,781
	Dividends on shares etc.	2,314	5,873	1,415	4,180	5,944
4	Income from fees and commissions	177,383	144,667	88,212	74,654	317,091
	Fees and commissions paid	14,754	12,654	7,981	6,901	27,120
	Net interest and fee income	477,128	492,881	244,132	256,261	992,696
5	Value adjustments	15,373	67,508	-15,454	38,606	56,021
6	Other operating income	3,204	2,956	944	1,239	4,270
7	Staff and administrative expenses	253,409	265,706	127,944	127,009	509,239
	Depreciation, amortisation and impairment losses on tangible and intangible assets	5,817	6,758	2,784	3,376	9,098
8	Other operating expenses	20,870	20,895	10,449	11,247	41,779
9	Impairment of loans and receivables etc.	170,953	200,485	77,884	113,737	683,466
	Profit/loss before tax	44,656	69,501	10,561	40,737	-190,595
	Tax	3,728	2,481	1,220	-138	0
	Profit/loss after tax	40,928	67,020	9,341	40,875	-190,595
Statement of Comprehensive Income						
	Profit/loss after tax	40,928	67,020	9,341	40,875	-190,595
	Other comprehensive income:					
	Change in the value of owner-occupied properties	0	0	0	0	5,645
	Changes in the value of pension liabilities	0	0	0	0	-2,237
	Other comprehensive income after tax	0	0	0	0	3,408
	Total comprehensive income	40,928	67,020	9,341	40,875	-187,187

Half-year Financial Statements

Statement of Financial Position

Note	30 June 2015 TDKK	30 June 2014 TDKK	31 Dec 2014 TDKK
Assets			
	1,094,962	844,845	894,587
	283,274	130,622	123,477
	14,035,085	16,069,962	14,713,799
	3,794,139	3,100,226	3,359,259
	170,918	482,171	187,188
	1,977,752	1,702,276	1,720,926
10	5,237	6,734	5,986
	366,821	365,313	369,721
	0	2,500	0
11	366,821	362,813	369,721
	5,844	7,411	7,271
	2,781	3,195	1,006
	3,635	456	0
12	344,987	432,646	404,694
	17,523	15,056	15,648
	22,102,958	23,160,913	21,803,562

Note	30 June 2015 TDKK	30 June 2014 TDKK	31 Dec 2014 TDKK
Liabilities			
Debts			
	465,990	1,886,043	338,672
	16,843,676	16,299,963	17,047,097
	1,977,752	1,702,276	1,720,926
	0	8,761	8,761
	0	2,481	0
13	372,602	439,816	282,218
	12,466	12	29
	19,672,486	20,339,352	19,397,703
Provisions			
	22,042	21,049	22,895
	11,991	7,517	8,817
	16,055	5,109	16,086
	50,088	33,675	47,798
14	1,052,316	1,246,538	1,070,919
Equity			
15	151,008	151,008	151,008
	57,526	55,433	57,526
	551,600	551,600	551,600
	567,934	783,307	527,008
	1,328,068	1,541,348	1,287,142
	22,102,958	23,160,913	21,803,562
Items not recognised in the Statement of Financial Position			
16	3,383,328	2,809,329	3,036,027
	26,509	28,798	27,814
	3,409,837	2,838,127	3,063,841

Half-Year Financial Statements

Statement of Changes in Equity

	Share capital	Share premium	Revaluation reserves	Reserves provided for in the Bank's Articles of Association	Retained profit/loss	Equity, total
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity, 1 January 2015	151,008	0	57,526	551,600	527,008	1,287,142
Comprehensive income for the period					40,928	40,928
Additions relating to sale of own shares					11,354	11,354
Disposals relating to purchase of own shares					-11,356	-11,356
Equity, 30 June 2015	151,008	0	57,526	551,600	567,934	1,328,068
Equity, 1 Jan 2014	85,982	0	55,433	551,600	194,004	887,019
Comprehensive income for the period					67,020	67,020
Additions relating to sale of own shares					26,418	26,418
Disposals relating to purchase of own shares					-26,388	-26,388
Issued shares upon conversion of additional Tier 1 capital	65,026	522,813				587,839
Costs related to the raising of capital		-560				-560
Transferred to retained earnings		-522,253			522,253	0
Equity, 30 June 2014	151,008	0	55,433	551,600	783,307	1,541,348
Equity, 1 January 2014	85,982	0	55,433	551,600	194,004	887,019
Comprehensive income for the period			5,645		-192,832	-187,187
Additions relating to sale of own shares					51,824	51,824
Disposals relating to purchase of own shares					-51,793	-51,793
Issued shares upon conversion of additional Tier 1 capital	65,026	522,813				587,839
Costs related to the raising of capital		-560				-560
Transferred to retained earnings		-522,253	-3,552		525,805	0
Equity, 31 December 2014	151,008	0	57,526	551,600	527,008	1,287,142

Half-Year Financial Statements

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Half-Year Financial Statements

Notes

Note

1 Accounting policies

vestjyskBANK's Half-year report for 1 January - 30 June 2015 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 2014 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 impairments of impaired loans, the fair values of unlisted financial instruments as well as provisions, cf. the more detailed discussion in the 2014 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 2014 Annual Report.

	H1 2015 TDKK	H1 2014 TDKK	FY 2014 TDKK
2 Interest income			
Receivable from credit institutions and central banks	850	1,774	3,370
Loans and other receivables	436,240	523,433	1,018,005
Bonds	7,945	9,888	17,169
Other interest income	4,428	11,503	23,126
Derivative financial instruments	2	82	132
Total	449,465	546,680	1,061,802
There was no interest income from actual purchase and resale transactions			
3 Interest expenses			
Credit institutions and central banks	715	35,256	51,471
Deposits and other debt	97,590	132,192	259,352
Issued bonds	0	152	308
Subordinated debt	38,915	24,030	53,835
Other interest expenses	60	55	55
Total	137,280	191,685	365,021
There was no interest expense from actual sale and repurchase transactions			

Note	H1 2015 TDKK	H1 2014 TDKK	FY 2014 TDKK
4 Income from fees and commissions			
Securities trading and custody	49,974	40,977	93,406
Money transmission services	21,861	23,188	46,884
Loan processing fees	28,810	9,679	35,164
Guarantee commission	25,677	23,239	47,405
Other fees and commissions	51,061	47,584	94,232
Total	177,383	144,667	317,091
5 Value adjustments			
Bonds	2,557	-1,235	-5,164
Shares etc.	6,200	54,046	59,031
Investment property	0	-1,994	-1,994
Exchange rate adjustment	716	7,894	17,414
Foreign exchange, interest rate, share, commodities and other contracts as well as derivative financial instruments	4,268	10,486	-6,779
Assets related to pooled schemes	144,888	134,705	148,228
Deposits with pooled schemes	-144,888	-134,705	-148,228
Other assets	-2,955	9,663	10,556
Other liabilities	4,587	-11,352	-17,043
Total	15,373	67,508	56,021
6 Other operating income			
Gains on disposal of operating equipment	228	454	781
Other income	2,976	2,593	3,689
Operation of investment property	0	-91	-200
Total	3,204	2,956	4,270

Half-Year Financial Statements

Notes

Note	H1 2015 TDKK	H1 2014 TDKK	FY 2014 TDKK
7 Staff and administrative expenses			
Salaries and remuneration to the Supervisory and Executive Boards	3,577	4,160	6,439
Staff expenses	161,731	166,685	314,360
Other administrative expenses	88,101	94,861	188,440
Total	253,409	265,706	509,239
Salaries and remuneration to the Supervisory and Executive Boards			
Supervisory Board			
Fixed remuneration	825	750	1,500
Total	825	750	1,500
Executive Board			
Contractual remuneration	2,602	3,270	4,645
Pension	150	140	294
Total	2,752	3,410	4,939
Value of benefits	103	125	183
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	1,428	1,768	2,561
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.			
Staff expenses			
Wages and salaries	127,621	133,086	247,978
Pensions	15,358	15,792	31,385
Expenses relating to social security contributions, payroll tax etc.	18,752	17,807	34,997
Total	161,731	166,685	314,360
8 Other operating expenses			
Contributions to the Guarantee Fund for Depositors and Investors	20,771	20,128	40,053
Other expenses	99	767	1,726
Total	20,870	20,895	41,779

Note	H1 2015 TDKK	H1 2014 TDKK	FY 2014 TDKK
9 Impairments of loans and provisions against guarantees, etc.			
Individual impairments of loans			
Individual impairments of loans and other receivables, beginning of the reporting period	3,423,412	3,722,615	3,722,615
Impairments for the period	306,789	433,491	754,875
Reversal of impairments performed in prior financial years	-102,913	-232,002	-227,244
Other movements	47,354	45,165	84,330
Previously individually impaired, now definitely lost	-363,589	-142,930	-911,164
Individual impairments of loans and other receivables, end of the reporting period	3,311,053	3,826,339	3,423,412
Impact on Financial Income Statement	203,876	201,489	527,631
Collective impairments of loans			
Collective impairments of loans and other receivables, beginning of the reporting period	116,069	60,227	60,227
Impairments for the period	27,616	12,399	74,388
Reversal of impairments performed in prior financial years	-62,752	-13,771	-21,151
Other movements	1,831	1,520	2,605
Collective impairments of loans and other receivables, end of the reporting period	82,764	60,375	116,069
Impact on Financial Income Statement	-35,136	-1,372	53,237
Impairments of loans, total			
Impairments of loans and other receivables, beginning of the reporting period	3,539,481	3,782,842	3,782,842
Impairments for the period	334,405	445,890	829,263
Reversal of impairments performed in prior financial years	-165,665	-245,773	-248,395
Other movements	49,185	46,685	86,935
Previously individually impaired, now definitely lost	-363,589	-142,930	-911,164
Impairments of loans and other receivables, end of the reporting period	3,393,817	3,886,714	3,539,481
Impact on Financial Income Statement	168,740	200,117	580,868

Half-Year Financial Statements

Notes

Note	H1 2015 TDKK	H1 2014 TDKK	FY 2014 TDKK
9			
Impairments of loans and provisions against guarantees, etc. (continued)			
Provisions against losses on guarantees and unused credit commitments			
Provisions against losses on guarantees and unused credit commitments, beginning of the reporting period	24,903	11,332	11,332
Provisions for the period	8,975	8,531	22,427
Reversal of provisions performed in prior financial years	-5,832	-7,356	-8,856
Provisions against losses on guarantees and unused credit commitments, end of the reporting period	28,046	12,507	24,903
Impact on Financial Income Statement	3,143	1,175	13,571
Accumulated impairment ratio	16.4%	17.1%	16.7%
Receivables for which calculation of interest has stopped, end of the reporting period	1,685,207	2,164,887	1,810,463
Of which impaired, total	1,197,312	1,692,954	1,261,185
Receivables for which calculation of interest has stopped, as a percentage of loans before impairments	9.7%	10.8%	9.9%
Impairments/provisions for receivables from credit institutions			
The Bank has not made impairment charges/provisions from credit institutions receivables			
Impact on operations, total	171,883	201,292	594,439
Lost, where individual impairments/provisions have not been made	5,627	5,710	100,818
Included in previously written-off debts	-6,557	-6,517	-11,791
Impairment of loans and guarantee debtors, etc., total	170,953	200,485	683,466
Interest income on impaired loans is offset in impairments by	49,185	46,685	86,935

Note	30 June 2015 TDKK	30 June 2014 TDKK	31 Dec 2014 TDKK
10 Intangible assets			
Customer relationships			
Total acquisition price, beginning of the reporting period	14,964	14,964	14,964
Total acquisition price, end of the reporting period	14,964	14,964	14,964
Amortisations and impairments, beginning of the reporting period	8,978	7,482	7,482
Amortisations and impairments for the period	749	748	1,496
Amortisations and impairments, end of the reporting period	9,727	8,230	8,978
Recognised holding, end of the reporting period	5,237	6,734	5,986
11 Owner-occupied property			
Restated value, beginning of the period	369,721	365,976	365,976
Additions	0	174	399
Disposals	0	0	0
Depreciations	2,900	3,337	6,749
Changes in value recognised in other comprehensive income	0	0	5,645
Changes in value recognised in the Statement of Income	0	0	4,450
Restated value, end of the period	366,821	362,813	369,721
External assessment experts have been involved in measuring the most important owner-occupied properties			
12 Other assets			
Positive market value of derivative financial instruments	97,202	183,366	178,778
Interest and commission receivable	41,073	38,368	47,079
Other assets	206,712	210,912	178,837
Total	344,987	432,646	404,694
13 Other liabilities			
Negative market value of derivative financial instruments	62,270	79,345	78,373
Various creditors	191,648	210,499	174,974
Interest and commission payable	96,767	135,441	14,805
Other liabilities	21,917	14,531	14,066
Total	372,602	439,816	282,218

Half-Year Financial Statements

Notes

Note	30 June 2015 TDKK	30 June 2014 TDKK	31 Dec 2014 TDKK
14 Subordinated debt			
Tier 2 capital	522,008	711,635	534,305
A nominal DKK 173 million will fall due from 3 December 2015 to 22 May 2016 with an option for early repayment subject to the Financial Supervisory Authority's approval. The capital accrues interest at 2.6125 - 3.0500%.			
A nominal DKK 200 million will fall due on 28 June 2020 with an option for early repayment on 28 June 2017 subject to the Financial Supervisory Authority's approval. The capital accrues interest at 9.500% with no step-up clause.			
A nominal DKK 150 million will fall due on 1 September 2022 with an option for early repayment on 1 September 2019 subject to the Financial Supervisory Authority's approval. The capital accrues interest at 7.2975% with no step-up clause.			
Total	522,008	711,635	534,305
Additional Tier 1 capital			
Additional Tier 1 capital of DKK 100 million	101,431	103,841	102,650
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.			
Additional Tier 1 capital of DKK 75 million	75,000	75,000	75,000
The capital accrues interest at a fixed 9.561%. There is no due date.			
There is an option of prepayment, subject to the approval of the Danish Financial Supervisory Authority on 1 September 2019.			
Additional Tier 1 capital of DKK 50 million	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.			
Additional Tier 1 capital of DKK 287.6 million	303,877	306,062	308,964
The capital accrues interest at a fixed 9.561%. 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 2014–24 August 2015 at a price of DKK 105 and after 25 August 2015 at a price of DKK 110.			
Premiums are recognised and amortised according to their expected repayment date.			
Total	530,308	534,903	536,614
Subordinated debt, total	1,052,316	1,246,538	1,070,919
Charged as an expense under Interest expenses /Subordinated debt			
Interest expenses	38,639	26,222	56,465
Costs related to payment and incurrence	141	160	315
Value adjustments, etc.	135	-2,352	-2,945
Total	38,915	24,030	53,835
Subordinated debt that can be included in the total capital	879,275	742,251	898,096

Note	30 June 2015 TDKK	30 June 2014 TDKK	31 Dec 2014 TDKK
15 Share capital			
Share capital, beginning of the period	151,008	85,982	85,982
Issued shares upon conversion of additional Tier 1 capital	0	65,026	65,026
Total	151,008	151,008	151,008
Number of shares (units)	151,008,121	151,008,121	151,008,121
	of DKK 1	of DKK 1	of DKK 1
Number of own shares, beginning of the period			
Number of own shares in 1,000 unit lots	173	176	176
Nominal value in DKK 1,000	173	176	176
Percentage of share capital	0.1%	0.1%	0.1%
Additions			
Purchase of own shares in 1,000 unit lots	1,190	2,502	4,293
Nominal value in DKK 1,000	1,190	2,502	4,293
Percentage of share capital	0.8%	1.7%	2.8%
Total purchase price in DKK 1,000	11.356	26.388	51.793
Disposals			
Sold own shares in 1,000 unit lots	1,190	2,505	4,296
Nominal value in DKK 1,000	1,190	2,505	4,296
Percentage of share capital	0.8%	1.7%	2.8%
Total selling price in DKK 1,000	11,354	26,418	51,824
Number of own shares, end of reporting period			
Number of own shares in 1,000 unit lots	173	173	173
Nominal value in DKK 1,000	173	173	173
Percentage of share capital	0.1%	0.1%	0.1%
Own shares are intermediated, purchased and sold through the securities exchange as part of vestjyskBANK's normal customer banking transactions. The Bank is not direct counterparty in such transactions.			
vestjyskBANK has a constant holding of own shares.			
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.			

Half-Year Financial Statements

Notes

Note	30 June 2015 TDKK	30 June 2014 TDKK	31 Dec 2014 TDKK
16			
Contingent liabilities			
Guarantees			
Financial guarantees	529,582	340,055	395,720
Guarantees for losses on mortgage-credit loans	1,801,380	1,558,159	1,687,291
Registration and remortgaging guarantees	7	1,018	24
Other contingent liabilities	1,052,359	910,097	952,992
Total	3,383,328	2,809,329	3,036,027
'Other contingent liabilities' include, among other things, performance bonds, delivery guarantees as well as provisions of indemnity in relation to the Danish Guarantee Fund for Depositors and Investors, etc.			
Other commitments			
Other liabilities	26,509	28,798	27,814
Total	26,509	28,798	27,814
17			
Capital requirements			
Equity	1,287,140	1,474,328	1,477,737
Recognised profit/loss	40,928	67,020	-190,595
Intangible assets	-5,237	-6,734	-5,986
Prudent valuation	-3,968	-	-3,638
Holdings in financial sector entities in which the Bank does not have significant investments	0	-44,755	-1,388
Common Equity Tier 1 capital	1,318,863	1,489,859	1,276,130
Additional Tier 1 capital	489,179	432,121	510,022
Holdings in financial sector entities in which the Bank does not have significant investments	0	-89,510	-2,776
Tier 1 capital	1,808,042	1,832,470	1,783,376
Tier 2 capital	390,096	310,130	388,074
Holdings in financial sector entities in which the Bank does not have significant investments	0	-89,510	-2,776
Total capital	2,198,138	2,053,090	2,168,674
The external auditors have verified that the conditions for ongoing inclusion of the period's earnings in core capital are met.			
Total risk exposure	17,597,857	19,025,870	17,926,706
Common Equity Tier 1 capital ratio	7.5%	7.8%	7.1%
Tier 1 capital ratio	10.3%	9.6%	9.9%
Total capital ratio	12.5%	10.8%	12.1%

Note	30 June 2015 TDKK	30 June 2014 TDKK	31 Dec 2014 TDKK
18 Security pledged			
Credit institutions:			
Margin accounts pledged as security in relation to financial derivatives	27,256	29,478	29,215
Deposited in the Danish Growth Fund	458	0	458
Debt securities:			
Pledged as security for credit facility with Danmarks Nationalbank			
Total nominal value	1,188,756	965,956	1,470,538
Total market value	1,193,993	970,143	1,471,578

19 Fair value of financial assets and liabilities

Financial assets and liabilities are measured in the Statement of Financial Position at fair value or at amortised cost. Fair value is the amount for which a financial asset can be traded or a financial liability settled between parties in an arm's-length transaction.

When measuring fair value valuation categories at three levels are used:

Level 1: Listed prices in an active market for identical assets or liabilities.

Level 2: Valuation model based primarily on observable market data.

Level 3: Valuation model that, to a significant degree, is based on non-observable market data.

Shares, bonds, assets in pool fund schemes and derivative financial instruments have been measured at their fair value in the financial statements so that the recognised values correspond to fair values.

For listed shares and bonds, the fair value is established as the officially listed price on the reporting date. For unlisted shares in the form of shares in sector-held enterprises where the shares are redistributed, the redistribution is considered to represent the primary market for the shares. The fair value is determined at the redistribution price and the shares are included as level 2 (observable prices). For other not listed shares in sector-held enterprises, where observable input is not available, fair value is based on estimates in which information from the enterprises financial accounts, previously trading with the shares in the enterprises and input from external parties are taking into consideration. A change of 10 per cent of the fair value of sector-held enterprises in level 3 will mean an impact of income and equity before tax of DKK 8.6 million.

For other financial instruments, the fair value is computed—to the greatest extent possible—based on generally accepted valuation methods based on observable market data. The valuation is based on non-observable market data only in exceptional cases.

The impairments of loans is determined to correspond to changes in credit quality. The differential in respect of fair values are deemed to be received fees and commissions, interest receivable, which does not fall due until after the end of the financial reporting period, and, for fixed-rate loans value adjustments linked to the interest rate level. If the loan portfolio is transferred in full or in part, the fair value will be lower.

The fair value for receivables from credit institutions and central banks is determined by applying the same method as for loans, however without taken any impairments on receivables from credit institutions and central banks.

Debt securities in issue and subordinated debt are measured at amortised cost. The difference between the carrying amount and the fair value is determined to be interest payable that does not fall due until after the end of the financial reporting period as well as costs and premiums amortised over the life of the loan and as for fixed-rate debt securities in issue also value adjustments linked to the interest rate level.

For floating-rate financial liabilities in the form of deposits and debt to credit institutions measured at amortised cost, the differential in respect of fair values is estimated to be interest payable not falling due until after the end of the financial reporting period.

For fixed-rate financial liabilities in the form of deposits and debt to credit institutions measured at amortised cost, the differential in respect of fair values is estimated to be interest payable not falling due until after the end of the financial reporting period and the value adjustments linked to the interest rate level.

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Notes

Note					
19	Fair value of financial assets and liabilities (continued)				
30 June 2015 TDKK	Carrying amount	Fair value	Listed Prices Level 1	Observable prices Level 2	Non-observable prices Level 3
Financial assets					
Cash on hand and demand deposits with central banks	1,094,962	1,094,962	91,465	0	1,003,497
Receivables from credit institutions and central banks	283,274	283,269	0	0	283,269
Loans at amortised cost	14,035,085	14,055,663	0	0	14,055,663
Bonds at fair value	3,794,139	3,794,139	3,770,629	23,510	0
Shares, etc.	169,858	169,858	13,907	65,884	90,067
Assets linked to pooled schemes	1,977,752	1,977,752	1,977,752	0	0
Derivative financial instruments	97,202	97,202	0	97,202	0
Total	21,452,272	21,472,845	5,853,753	186,596	15,432,496
Financial liabilities					
Debts to credit institutions and central banks	465,990	465,990	0	0	465,990
Deposits pooled	16,843,676	16,918,662	0	0	16,918,662
Issued bonds at amortised cost	1,977,752	1,977,752	0	0	1,977,752
Debt securities in issue	0	0	0	0	0
Subordinated debt	1,052,316	1,045,505	0	0	1,045,505
Derivative financial instruments	62,270	62,270	0	62,270	0
Total	20,402,004	20,470,179	0	62,270	20,407,909
Shares measured at fair value based on non-observable inputs (Level 3)					
Carrying amount, beginning of the period					87,951
Additions					0
Disposals					539
Value adjustment					2,655
Value, end of the period					90,067
Period's value adjustments relating to financial assets in the portfolio					2,653

Note

19	Fair value of financial assets and liabilities (continued)				
30 June 2014 TDKK	Carrying amount	Fair value	Listed Prices Level 1	Observable prices Level 2	Non-observable prices Level 3
Financial assets					
Cash on hand and demand deposits with central banks	844,845	844,845	86,544	0	758,301
Receivables from credit institutions and central banks	130,622	130,622	0	0	130,622
Loans at amortised cost	16,069,962	16,086,854	0	0	16,086,854
Bonds at fair value	3,100,226	3,100,226	3,076,859	23,367	0
Shares, etc.	481,111	481,111	18,326	320,785	142,000
Assets linked to pooled schemes	1,702,276	1,702,276	1,702,276	0	0
Derivative financial instruments	183,366	183,366	0	183,366	0
Total	22,512,408	22,529,300	4,884,005	527,518	17,117,777
Financial liabilities					
Debts to credit institutions and central banks	1,886,043	1,886,076	0	0	1,886,076
Deposits pooled	16,299,963	16,411,642	0	0	16,411,642
Issued bonds at amortised cost	1,702,276	1,702,276	0	0	1,702,276
Debt securities in issue	8,761	8,919	0	0	8,919
Subordinated debt	1,246,538	1,230,734	0	0	1,230,734
Derivative financial instruments	79,345	79,345	0	79,345	0
Total	21,222,926	21,318,992	0	79,345	21,239,647
Shares measured at fair value based on non-observable inputs (Level 3)					
Carrying amount, beginning of the period					119,066
Additions					1,888
Disposals					382
Value adjustment					21,428
Value, end of the period					142,000
Period's value adjustments relating to financial assets in the portfolio					21,428

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Notes

Note					
19	Fair value of financial assets and liabilities (continued)				
	31 December 2014 TDKK				
	Carrying amount	Fair value	Listed Prices Level 1	Observable prices Level 2	Non-observable prices Level 3
Financial assets					
Cash on hand and demand deposits with central banks	894,587	894,587	91,465	0	803,122
Receivables from credit institutions and central banks	123,477	123,485	0	0	123,485
Loans at amortised cost	14,713,799	14,731,818	0	0	14,731,818
Bonds at fair value	3,359,259	3,359,259	3,334,520	24,739	0
Shares, etc.	186,128	186,128	21,098	77,079	87,951
Assets linked to pooled schemes	1,720,926	1,720,926	1,720,926	0	0
Derivative financial instruments	178,778	178,778	0	178,778	0
Total	21,176,954	21,194,981	5,168,009	280,596	15,746,376
Financial liabilities					
Debts to credit institutions and central banks	338,672	338,672	0	0	338,672
Deposits pooled	17,047,097	17,042,309	0	0	17,042,309
Issued bonds at amortised cost	1,720,926	1,720,926	0	0	1,720,926
Debt securities in issue	8,761	8,761	0	0	8,761
Subordinated debt	1,070,919	1,046,047	0	0	1,046,047
Derivative financial instruments	78,373	78,373	0	78,373	0
Total	20,264,748	20,235,088	0	78,373	20,156,715
Shares measured at fair value based on non-observable inputs (Level 3)					
Carrying amount, beginning of the period					119,066
Additions					1,888
Disposals					55,486
Value adjustment					22,483
Value, end of the period					87,951
Period's value adjustments relating to financial assets in the portfolio					3,199

Note

20 **Risk conditions and risk management**

vestjyskBANK is exposed to various types of risk. These risks as well as the Bank's policies and goals for managing such risks are described in the Annual Report 2014

	30 June 2015 TDKK	30 June 2014 TDKK	31 Dec 2014 TDKK
21 Credit exposure			
The Bank's credit exposure is composed of the following assets and items not recognised in the Statement of Financial Position:			
Receivables from central banks	1,050,237	758,290	803,121
Receivables from credit institutions	235,266	130,622	123,477
Bonds	3,794,139	3,100,226	3,359,259
Loans	17,428,902	19,956,676	18,253,279
Items not recognised in the Statement of Financial Position			
Financial guarantees	2,338,802	1,903,489	2,088,450
Credit commitments	4,915,474	5,025,733	4,890,492
Total	29,762,820	30,875,036	29,518,078
Of which recognised in the Statement of Financial Position	22,508,544	23,945,814	22,539,136
Credit institutions			
The item 'Receivables from central banks' solely pertains to Danmarks Nationalbank.			
The item 'Receivables from credit institutions' pertains to receivables from a number of credit institutions located in Denmark and abroad.			
Receivables from Non-Danish credit institutions is very limited in amount.			
Receivables from individual institutions in excess of DKK 5 million			
Credit institutions or their subsidiaries rated, at a minimum, A+	38,756	42,915	29,502
Credit institutions or their subsidiaries rated A or lower	116,383	32,031	32,562
Unrated credit institutions or their subsidiaries	42,000	42,000	42,000
Total	197,139	116,946	104,064

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Note			
21	Credit exposure (continued)		
		30 June 2015	30 June 2014
		TDKK	TDKK
			31 Dec 2014
			TDKK
	Bonds by rating categories		
	AAA	3,316,275	2,956,142
	A+ to A-	0	0
	BBB+ to BBB-	454,354	120,717
	BB+ and lower	10,029	9,772
	No rating	13,481	13,595
	Total	3,794,139	3,100,226
	Bonds by Issuer		
	Mortgage-credit bonds	3,637,659	3,096,747
	Other debt securities	156,480	3,479
	Total	3,794,139	3,100,226
	Loans, financial guarantees and credit commitments by industry segments		
	Public authorities	0	0
	Business:		
	Agriculture, hunting, forestry and fishery	5,271,886	5,736,400
	Manufacturing industry and raw material extraction	789,416	1,018,435
	Energy supply	1,176,271	1,432,328
	Construction and civil engineering contractors	831,298	968,354
	Trade	1,834,904	1,912,714
	Transportation, hotels and restaurant businesses	1,068,962	1,143,433
	Information and communication	88,189	122,803
	Credit and financing institutes and insurance businesses	1,340,614	1,380,778
	Real estate	4,368,408	5,358,225
	Other business	1,300,102	1,427,100
	Business, total	18,070,050	20,500,570
	Retail	6,613,128	6,385,328
	Total	24,683,178	26,885,898
			25,232,221

Note

22 **Collaterals**

The Bank holds a charge on financed asset for most of its business exposures, which is the reason the most common collaterals are mortgages secured in real property, ships, wind turbines, motor vehicles, movable property, securities as well as floating charges. Owner's sureties and personal insurance also constitute a large share of the collateral held by the Bank.

For the majority of retail customer exposures it is also the case that the Bank holds a charge in financed asset—which is the reason the most common collaterals are mortgages secured in real property and in motor vehicles.

The Bank continuously performs assessments of pledged collateral. Valuations are performed based on the fair value of the asset, less a margin for covering costs related to realisation, selling period costs as well as rebates. Some collaterals are assessed for precautionary and practical reasons not to have any value; thus the figures listed below should not necessarily be taken to represent the collaterals' actual value.

Collaterals by type

30 June 2015 TDKK

	Charges held in properties and wind turbines	Right of subrogation for mortgages secured in real property	Charges held in movable property, motor vehicles, operating equipment, ships etc.	Securities	Bank accounts	Others	Total
Business:							
Agriculture, hunting, forestry and fishery	2,631,665	65,843	372,563	73,815	16,197	135,907	3,295,990
Manufacturing industry and raw material extraction	86,637	39,247	221,395	4,917	2,321	28,905	383,422
Energy supply	628,940	101,103	34,216	112,652	3,598	6,160	886,669
Construction and civil engineering contractors	129,715	35,530	110,960	8,222	45,322	12,980	342,729
Trade	165,988	89,267	473,572	22,398	13,162	36,841	801,228
Transportation, hotels and restaurant businesses	209,077	225,857	172,517	11,347	440	18,106	637,344
Information and communication	19,363	2,654	11,093	1,527	582	0	35,219
Credit and financing institutes and insurance businesses	479,069	14,130	1,957	210,378	13,752	34,002	753,288
Real estate	2,522,176	515,035	6,489	171,744	64,587	73,814	3,353,845
Other business	250,467	89,835	107,986	33,847	43,527	6,509	532,171
Business, total	7,123,097	1,178,501	1,512,748	650,847	203,488	353,224	11,021,905
Retail	2,089,633	560,960	181,183	274,548	100,008	39,669	3,246,001
Total	9,212,730	1,739,461	1,693,931	925,395	303,496	392,893	14,267,906

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Notes

Note

22	Collaterals (continued)							
30 June 2014 TDKK	Charges held in properties and wind turbines	Right of subrogation for mortgages secured in real property	Charges held in movable property, motor vehicles, operating equipment, ships etc.	Securities	Bank accounts	Others	Total	
Business:								
Agriculture, hunting, forestry and fishery	2,706,615	74,446	464,496	76,926	34,356	157,622	3,514,461	
Manufacturing industry and raw material extraction	70,347	30,065	250,307	29,770	1,273	37,927	419,689	
Energy supply	778,048	106,942	73,210	99,182	23,826	10,225	1,091,433	
Construction and civil engineering contractors	247,119	52,911	114,976	8,460	5,145	8,790	437,401	
Trade	177,768	95,335	497,498	31,690	14,479	51,245	868,015	
Transportation, hotels and restaurant businesses	242,704	242,835	172,747	8,306	2,577	18,305	687,474	
Information and communication	22,644	2,639	8,172	52,456	3,183	0	89,094	
Credit and financing institutes and insurance businesses	202,008	23,967	3,585	174,073	46,909	31,396	481,938	
Real estate	2,834,429	553,439	14,077	187,859	97,103	119,956	3,806,863	
Other business	205,002	81,173	128,409	31,248	50,059	8,337	504,228	
Business, total	7,486,684	1,263,752	1,727,477	699,970	278,910	443,803	11,900,596	
Retail	2,187,762	284,418	185,411	278,627	98,472	52,092	3,086,782	
Total	9,674,446	1,548,170	1,912,888	978,597	377,382	495,895	14,987,378	

Note

22	Collaterals (continued)							
31 December 2014 TDKK	Charges held in properties and wind turbines	Right of subrogation for mortgages secured in real property	Charges held in movable property, motor vehicles, operating equipment, ships etc.	Securities	Bank accounts	Others	Total	
Business:								
Agriculture, hunting, forestry and fishery	2,745,101	73,985	412,726	89,488	30,330	116,144	3,467,774	
Manufacturing industry and raw material extraction	60,680	25,483	234,231	1,227	658	31,246	353,525	
Energy supply	718,849	103,603	40,732	72,125	8,074	11,337	954,720	
Construction and civil engineering contractors	222,099	50,816	118,025	8,505	7,160	12,391	418,996	
Trade	166,833	98,582	483,215	17,194	14,280	90,364	870,468	
Transportation, hotels and restaurant businesses	231,620	238,357	174,787	5,515	3,513	18,610	672,402	
Information and communication	19,806	3,147	7,546	1,495	591	0	32,585	
Credit and financing institutes and insurance businesses	216,202	25,688	3,336	227,826	17,080	62,235	552,367	
Real estate	2,865,822	544,664	7,857	181,931	84,267	135,725	3,820,266	
Other business	217,788	87,327	113,075	28,308	43,652	7,239	497,389	
Business, total	7,464,800	1,251,652	1,595,530	633,614	209,605	485,291	11,640,492	
Retail	2,125,733	388,042	184,524	265,111	92,884	47,518	3,103,812	
Total	9,590,533	1,639,694	1,780,054	898,725	302,489	532,809	14,744,304	

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Note				
23	Loans and guarantees, by industry segments	30 June 2015 TDKK	30 June 2014 TDKK	31 Dec 2014 TDKK
	Business:			
	Agriculture, hunting, forestry and fishery	20%	20%	19%
	Manufacturing industry and raw material extraction	3%	3%	3%
	Energy supply	5%	6%	6%
	Construction and civil engineering contractors	3%	4%	4%
	Trade	7%	8%	7%
	Transportation, hotels and restaurant businesses	4%	4%	5%
	Information and communication	0%	0%	0%
	Credit and financing institutes and insurance businesses	6%	5%	5%
	Real estate	20%	22%	22%
	Other business	5%	5%	5%
	Business, total	73%	77%	76%
	Retail	27%	23%	24%
	Total	100%	100%	100%

Note

24 **Credit quality of loans and guarantee debtors not delinquent and for which impairments/provisions have not been made**

'Loan and guarantee debtors with signs of weakness' refers to loans and guarantee debtors for which individual impairments have not been made but which display signs of weakness. 'Signs of weakness' refers to conditions that affect the credit risk assessment of the loan negatively. These are loan and guarantee debtors whose credit rating is impaired and therefore closer to being written down.

In the second half 2014 the Bank's internal model for segmenting has been changed to align to FSA categories of creditworthiness. The change has moved some loans and guaranties from the category normal creditworthiness to slightly impaired creditworthiness, certain signs of weakness. The comparable figures for 2013 have been adjusted to reflect the changed segmenting.

30 June 2015 TDKK	Loan + guarantee debtors with material weaknesses, but without impairments/provisions	Loan + guarantee debtors with slightly impaired creditworthiness, certain signs of weakness	Loan + guarantee debtors with normal creditworthiness	Amortised cost, total
Business:				
Agriculture, hunting, forestry and fishery	497,770	1,050,632	361,842	1,910,244
Manufacturing industry and raw material extraction	84,177	179,757	168,060	431,994
Energy supply	50,719	475,680	232,083	758,482
Construction and civil engineering contractors	83,839	258,864	100,010	442,713
Trade	137,484	562,810	240,524	940,818
Transportation, hotels and restaurant businesses	63,734	293,228	136,463	493,425
Information and communication	4,501	21,562	14,538	40,601
Credit and financing institutes and insurance businesses	296,663	146,559	263,378	706,600
Real estate	713,155	750,493	328,233	1,791,881
Other business	91,937	385,915	202,212	680,064
Business, total	2,023,979	4,125,500	2,047,343	8,196,822
Retail	517,409	2,033,762	1,717,773	4,268,944
Total	2,541,388	6,159,262	3,765,116	12,465,766

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Notes

Note				
24	Credit quality of loans and guarantee debtors not delinquent and for which impairments/provisions have not been made (continued)			
30 June 2014 TDKK	Loan + guarantee debtors with material weaknesses, but without impairments/provisions	Loan + guarantee debtors with slightly impaired creditworthiness, certain signs of weakness	Loan + guarantee debtors with normal creditworthiness	Amortised cost, total
Business:				
Agriculture, hunting, forestry and fishery	498,544	1,072,889	559,989	2,131,422
Manufacturing industry and raw material extraction	102,410	246,425	137,823	486,658
Energy supply	36,357	437,330	453,186	926,873
Construction and civil engineering contractors	132,330	189,368	156,778	478,476
Trade	291,335	350,566	504,853	1,146,754
Transportation, hotels and restaurant businesses	100,237	306,109	115,225	521,571
Information and communication	7,599	23,049	12,245	42,893
Credit and financing institutes and insurance businesses	121,947	193,751	283,267	598,965
Real estate	947,272	922,395	410,387	2,280,054
Other business	122,294	415,734	243,261	781,289
Business, total	2,360,325	4,157,616	2,877,014	9,394,955
Retail	998,977	1,718,443	1,230,443	3,947,863
Total	3,359,302	5,876,059	4,107,457	13,342,818

Note

24	Credit quality of loans and guarantee debtors not delinquent and for which impairments/provisions have not been made (continued)				
	31 December 2014 TDKK	Loan + guarantee debtors with material weak- nesses, but with- out impair- ments/provisions	Loan + guarantee debtors with slightly impaired creditworthiness, certain signs of weakness	Loan + guarantee debtors with normal creditwor- thiness	Amortised cost, total
	Business:				
	Agriculture, hunting, forestry and fishery	430,147	898,036	438,186	1,766,369
	Manufacturing industry and raw material extraction	95,176	206,001	151,032	452,209
	Energy supply	30,486	460,146	259,799	750,431
	Construction and civil engineering contractors	105,988	225,273	114,211	445,472
	Trade	274,203	428,071	352,726	1,055,000
	Transportation, hotels and restaurant businesses	91,065	321,652	123,459	536,176
	Information and communication	5,532	29,145	17,775	52,452
	Credit and financing institutes and insurance businesses	127,612	209,292	290,448	627,352
	Real estate	974,351	773,537	422,942	2,170,830
	Other business	111,769	351,553	247,977	711,299
	Business, total	2,246,329	3,902,706	2,418,555	8,567,590
	Retail	536,436	1,901,216	1,497,782	3,935,434
	Total	2,782,765	5,803,922	3,916,337	12,503,024

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Note

25	Overdue receivables for loans that have not been impaired, by industry segment				
30 June 2015	0-30 days TDKK	31-60 days TDKK	61-90 days TDKK	> 90 days TDKK	Total TDKK
Business:					
Agriculture, hunting, forestry and fishery	12,829	9,991	525	8,198	31,543
Manufacturing industry and raw material extraction	2,067	144	0	6	2,217
Energy supply	1,034	0	0	415	1,449
Construction and civil engineering contractors	3,963	489	351	1,455	6,258
Trade	7,654	242	818	1,480	10,194
Transportation, hotels and restaurant businesses	5,859	233	0	48	6,140
Information and communication	546	2	0	0	548
Credit and financing institutes and insurance businesses	4,895	11	0	281	5,187
Real estate	84,535	1,035	1	971	86,542
Other business	7,025	1,461	398	1,212	10,096
Business, total	130,407	13,608	2,093	14,066	160,174
Retail	32,265	7,157	247	2,519	42,188
Overdue receivables, total	162,672	20,765	2,340	16,585	202,362
Loans in arrears, total	1,200,793	76,902	8,570	81,877	1,368,142
30 June 2014	0-30 days TDKK	31-60 days TDKK	61-90 days TDKK	> 90 days TDKK	Total TDKK
Business:					
Agriculture, hunting, forestry and fishery	28,264	7,468	3,288	1,420	40,440
Manufacturing industry and raw material extraction	2,460	36,965	350	533	40,308
Energy supply	2,669	313	1,449	1,092	5,523
Construction and civil engineering contractors	7,292	2,297	8	1,094	10,691
Trade	7,661	5,079	205	2,737	15,682
Transportation, hotels and restaurant businesses	4,856	346	134	773	6,109
Information and communication	822	99	147	5	1,073
Credit and financing institutes and insurance businesses	6,665	21	8	4,153	10,847
Real estate	22,586	2,079	3,749	10,127	38,541
Other business	5,279	1,330	335	1,241	8,185
Business, total	88,554	55,997	9,673	23,175	177,399
Retail	24,398	2,479	883	3,111	30,871
Overdue receivables, total	112,952	58,476	10,556	26,286	208,270
Loans in arrears, total	1,554,719	151,804	51,291	175,721	1,933,535

Note

25	Overdue receivables for loans that have not been impaired, by industry segment (continued)				
	0-30 dage tkr.	31-60 dage tkr.	61-90 dage tkr.	> 90 dage tkr.	I alt tkr.
31 December 2014					
Business:					
Agriculture, hunting, forestry and fishery	25,614	2,680	499	280	29,073
Manufacturing industry and raw material extraction	5,019	0	29	2,224	7,272
Energy supply	3,182	0	0	12	3,194
Construction and civil engineering contractors	3,807	1,169	42	559	5,577
Trade	10,410	711	98	763	11,982
Transportation, hotels and restaurant businesses	2,326	1,146	596	191	4,259
Information and communication	214	138	0	75	427
Credit and financing institutes and insurance businesses	1,237	190	10	2,190	3,627
Real estate	15,651	255	37	6,761	22,704
Other business	7,911	1,626	154	1,661	11,352
Business, total	75,371	7,915	1,465	14,716	99,467
Retail	28,843	3,390	827	1,643	34,703
Overdue receivables, total	104,214	11,305	2,292	16,359	134,170
Loans in arrears, total	1,520,204	43,764	9,236	130,810	1,704,014

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Notes

Note						
26	Gross loan and guarantee debtors, individually impaired, by cause		30 June 2015 TDKK	30 June 2014 TDKK	31 Dec 2014 TDKK	
	Reorganisation/insolvency proceedings		339,294	583,621	429,012	
	Rescheduling of debts		15,060	8,908	14,019	
	Debt Collection		1,225,671	819,601	1,067,650	
	Customer deceased		4,121	9,661	8,281	
	Relief in terms		2,148,081	2,223,372	2,146,894	
	Other causes		3,258,086	3,851,887	3,425,230	
	Total		6,990,313	7,497,050	7,091,086	
27	Segment of loan and guarantee debtors, individually impaired, by industry					
	30 June 2015 TDKK					
		Gross	Loan value of collaterals	Unsecured component before im- pairments	Impair- ments/provis- ions	Unsecured component after impair- ments
	Business:					
	Agriculture, hunting, forestry and fishery	2,593,971	683,400	1,910,571	1,283,247	627,324
	Manufacturing industry and raw material extraction	179,215	54,358	124,857	105,755	19,102
	Energy supply	226,085	83,028	143,057	79,902	63,155
	Construction and civil engineering contractors	143,252	49,168	94,084	76,061	18,023
	Trade	330,574	102,899	227,675	180,611	47,064
	Transportation, hotels and restaurant businesses	399,001	144,876	254,125	188,855	65,270
	Information and communication	6,520	252	6,268	3,822	2,446
	Credit and financing institutes and insurance businesses	702,868	238,560	464,308	398,539	65,769
	Real estate	1,665,894	1,075,614	590,280	538,700	51,580
	Other business	218,133	45,481	172,652	148,900	23,752
	Business, total	6,465,513	2,477,636	3,987,877	3,004,392	983,485
	Retail	524,800	104,219	420,581	334,707	85,874
	Total	6,990,313	2,581,855	4,408,458	3,339,099	1,069,359

Note

27	Segment of loan and guarantee debtors, individually impaired, by industry (continued)				
30 June 2014 TDKK	Gross	Loan value of collaterals	Unsecured component before im- pairments	Impair- ments/provis- ions	Unsecured component after impair- ments
Business:					
Agriculture, hunting, forestry and fishery	2,502,633	587,838	1,914,795	1,327,050	587,745
Manufacturing industry and raw material extraction	208,492	79,232	129,260	115,407	13,853
Energy supply	182,002	60,808	121,194	64,072	57,122
Construction and civil engineering contrac- tors	239,432	108,766	130,666	113,041	17,625
Trade	334,421	88,818	245,603	194,826	50,777
Transportation, hotels and restaurant busi- nesses	438,728	177,809	260,919	182,467	78,452
Information and communication	10,024	105	9,919	5,297	4,622
Credit and financing institutes and insur- ance businesses	759,213	177,981	581,232	505,485	75,747
Real estate	2,099,826	1,134,969	964,857	846,993	117,864
Other business	221,841	36,399	185,442	155,463	29,979
Business, total	6,996,612	2,452,725	4,543,887	3,510,101	1,033,786
Retail	500,438	83,999	416,439	328,745	87,694
Total	7,497,050	2,536,724	4,960,326	3,838,846	1,121,480
31 December 2014 TDKK					
	Gross	Loan value of collaterals	Unsecured component before im- pairments	Impair- ments/provis- ions	Unsecured component after impair- ments
Business:					
Agriculture, hunting, forestry and fishery	2,503,370	687,335	1,816,035	1,227,356	588,679
Manufacturing industry and raw material extraction	171,304	48,691	122,613	103,927	18,686
Energy supply	245,440	118,686	126,754	72,962	53,792
Construction and civil engineering contrac- tors	250,522	112,639	137,883	116,297	21,586
Trade	328,337	89,118	239,219	191,617	47,602
Transportation, hotels and restaurant busi- nesses	419,928	158,595	261,333	196,327	65,006
Information and communication	12,042	95	11,947	5,802	6,145
Credit and financing institutes and insur- ance businesses	635,843	169,227	466,616	405,400	61,216
Real estate	1,766,717	1,031,599	735,118	632,095	103,023
Other business	219,517	40,234	179,283	152,873	26,410
Business, total	6,553,020	2,456,219	4,096,801	3,104,656	992,145
Retail	538,066	102,896	435,170	343,659	91,511
Total	7,091,086	2,559,115	4,531,971	3,448,315	1,083,656

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Note

28 Collaterals for loan and guarantee debtors, individually impaired, by types							
30 June 2015 TDKK	Charges held in properties and wind turbines	Right of subrogation for mortgages secured in real property	Charges held in movable property, motor vehicles, operating equipment, ships etc.	Securities	Bank accounts	Others	Total
Business:							
Agriculture, hunting, forestry and fishery	585,974	15,789	13,934	4,915	2,000	60,788	683,400
Manufacturing industry and raw material extraction	10,633	6,458	32,152	4,243	172	700	54,358
Energy supply	77,019	0	2,700	3,021	288	0	83,028
Construction and civil engineering contractors	30,365	3,094	10,943	0	141	4,625	49,168
Trade	13,104	8,804	65,241	0	0	15,750	102,899
Transportation, hotels and restaurant businesses	38,701	67,612	36,475	1,963	125	0	144,876
Information and communication	252	0	0	0	0	0	252
Credit and financing institutes and insurance businesses	179,731	510	1,226	49,744	3,849	3,500	238,560
Real estate	946,735	108,387	84	16,189	4,219	0	1,075,614
Other business	22,915	1,280	9,359	1,952	7,380	2,595	45,481
Business, total	1,905,429	211,934	172,114	82,027	18,174	87,958	2,477,636
Retail	59,250	16,907	2,847	16,181	4,432	4,602	104,219
Total	1,964,679	228,841	174,961	98,208	22,606	92,560	2,581,855

Note

28	Collaterals for loan and guarantee debtors, individually impaired, by types (continued)							
	Charges held in properties and wind turbines	Right of subrogation for mortgages secured in real property	Charges held in movable property, motor vehicles, operating equipment, ships etc.	Securities	Bank accounts	Others	Total	
30 June 2014 TDKK								
Business:								
Agriculture, hunting, forestry and fishery	497,836	20,659	20,537	7,603	2,544	38,659	587,838	
Manufacturing industry and raw material extraction	9,871	4,309	57,763	17	291	6,981	79,232	
Energy supply	41,426	0	0	5,174	14,208	0	60,808	
Construction and civil engineering contractors	90,710	2,290	8,956	661	149	6,000	108,766	
Trade	11,261	3,698	72,185	193	171	1,310	88,818	
Transportation, hotels and restaurant businesses	75,454	62,634	36,743	2,092	86	800	177,809	
Information and communication	0	0	0	103	2	0	105	
Credit and financing institutes and insurance businesses	102,890	2,327	1,822	61,981	40	8,921	177,981	
Real estate	964,018	108,713	3,747	7,702	11,171	39,618	1,134,969	
Other business	21,477	1,260	8,983	1,948	136	2,595	36,399	
Business, total	1,814,943	205,890	210,736	87,474	28,798	104,884	2,452,725	
Retail	58,500	11,685	5,943	2,500	389	4,982	83,999	
Total	1,873,443	217,575	216,679	89,974	29,187	109,866	2,536,724	

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Note

28	Collaterals for loan and guarantee debtors, individually impaired, by types (continued)							
31 Dec 2014 TDKK	Charges held in properties and wind turbines	Right of subrogation for mortgages secured in real property	Charges held in movable property, motor vehicles, operating equipment, ships etc.	Securities	Bank accounts	Others	Total	
Business:								
Agriculture, hunting, forestry and fishery	589,936	18,123	21,138	7,183	2,042	48,913	687,335	
Manufacturing industry and raw material extraction	9,911	3,695	34,369	16	0	700	48,691	
Energy supply	110,237	0	2,700	1,262	287	4,200	118,686	
Construction and civil engineering contractors	91,392	2,695	14,286	0	141	4,125	112,639	
Trade	10,308	8,167	67,359	0	171	3,113	89,118	
Transportation, hotels and restaurant businesses	60,267	55,685	37,887	2,092	1,864	800	158,595	
Information and communication	0	0	0	92	3	0	95	
Credit and financing institutes and insurance businesses	105,547	1,350	1,140	52,453	198	8,539	169,227	
Real estate	907,959	102,930	478	7,050	8,272	4,910	1,031,599	
Other business	24,363	329	10,848	1,937	162	2,595	40,234	
Business, total	1,909,920	192,974	190,205	72,085	13,140	77,895	2,456,219	
Retail	59,865	15,495	5,037	17,246	71	5,182	102,896	
Total	1,969,785	208,469	195,242	89,331	13,211	83,077	2,559,115	

Note	30 June 2015 TDKK	30 June 2014 TDKK	31 Dec 2014 TDKK	
29	Hedge accounting			
	For hedging interest rate risk, the following are hedged (fair value hedge):			
	Loans at amortised cost	186,256	177,973	150,459
	Hedged with interest rate swaps, maturity 2015-2022:			
	Synthetic principal	167,213	153,498	126,333
	Fair value	-12,590	-17,515	-17,403
	Hedged with interest rate caps, maturity 2024:			
	Synthetic principal	6,478	7,004	6,745
	Fair value	26	44	22
	Bonds at amortised cost	153,062	0	0
	Hedged with interest rate swaps, maturity 2020:			
	Synthetic principal	150,000	0	0
	Fair value	178	0	0
	Deposits	1,960,692	3,906,126	2,707,552
	Hedged with interest rate swaps, maturity 2016:			
	Synthetic principal	1,950,000	3,900,000	2,700,000
	Fair value	10,692	6,126	7,552
	Subordinated debt	108,623	604,983	609,249
	Hedged with interest rate swaps, maturity 2015:			
	Synthetic principal	100,000	587,600	587,600
	Fair value	8,623	17,383	21,649
	Total fair value adjustment of hedging instruments	4,816	9,892	22,182
	Total fair value adjustment of the hedged items	-5,929	-9,892	-22,182
	Ineffectiveness recognised in the Statement of Income	-1,113	0	0
30	Derivative financial instruments			
	Derivative financial instruments are utilised by both the Bank's customers and the Bank to hedge and manage financial risks and positions.			

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Note				
31	Interest rate risk			
	Interest rate risk is the risk of losses incurred in the event of change in the general interest level. vestjyskBANKs interest rate risk is related to activities from normal course of banking business like deposits, loans and other interest related products.			
	The interest rate risk is divided into risks inside and outside the Bank's trading book like shown below. Everything else equal the direct impact on the Income Statement from a change in the general interest level will only be related to the interest rate risk inside the trading book.			
	Outside the trading book a change in the general interest level will have an impact on the future earnings and equity, as a change in interest rate will impact the alternative funding and deposits possibilities.			
	Interest rate risk is calculated applying the Financial Supervisory Authority's guidelines.			
		30 June 2015	30 June 2014	31 Dec 2014
		TDKK	TDKK	TDKK
	Interest rate risk relating to the Bank's trading book:			
	Securities	12,051	14,184	5,489
	Futures/forward contracts/forward rate agreements	-996	113	8,552
	Options	0	0	0
	Swaps	-7,365	78	-6,595
	Total	3,690	14,375	7,446
	Interest rate risk outside the Bank's trading book:			
	Receivables from credit institutions	0	0	0
	Loans	11,836	16,601	13,303
	Bonds	0	0	0
	Debts to credit institutions	-12	0	0
	Deposits	-93,696	-82,421	-100,262
	Issued bonds	0	-44	0
	Subordinated debt	-26,247	-3,605	-4,729
	Total	-108,119	-69,469	-91,688
	Total interest rate risk	-104,429	-55,094	-84,242
	Measured in relation to the Tier 1 capital, the interest rate risk corresponds to	-5.8%	-3.0%	-4.7%
	An increase in the interest rate of 1 percentage point will result in an income and equity impact before tax of	104,429	55,094	84,242
	A decline in the interest rate of 1 percentage point will result in an income and equity impact before tax of	-104,429	-55,094	-84,242
	Interest rate risk, by modified duration			
	Up to and including 1 year	-970	7,117	3,810
	From 1 year to and including 2 years	-12,111	-4,081	-2,068
	From 2 years to and including 3.6 years	-81,774	-19,268	-73,260
	More than 3.6 years	-9,574	-38,862	-12,724
	Total	-104,429	-55,094	-84,242

Note

32 **Foreign exchange risk**

Foreign exchange risk is the risk of losses on foreign currency positions because of changes in foreign exchange rates. Foreign Currency Indicator 1 expresses a simplified target for the scope of the institution's positions in foreign currency and is calculated - according to the guidelines of the Danish Financial Supervisory Authority - as whichever is the greater of the sum of the foreign currency positions where the Bank has net payables (short currency positions) and the sum of all the currencies where the Bank has a net receivable (long currency positions).

	30 June 2015	30 June 2014	31 Dec 2014
	TDKK	TDKK	TDKK
Assets in foreign currency, total	2,190,332	2,321,546	2,176,070
Liabilities in foreign currencies, total	65,988	184,422	76,729
Foreign Currency Indicator 1	38,573	38,087	24,272
Foreign Currency Indicator 1 in percent of Tier 1 capital	2.1%	2.1%	1.4%
The foreign currency position consists primarily of CHF, EUR, GBP, NOK, SEK and USD.			
A change unfavourable to the Bank in EUR of 2% and other foreign currencies of 10% will result in an income and equity impact before tax of	-2,371	-2,382	-1,712

33 **Share risk**

The Bank's share risk is derived from shares and derivatives in the Bank's investment and trading books.

Shares, etc.			
Shares/mutual funds listed on NASDAQ OMX Copenhagen A/S	8,398	9,017	11,786
Shares/mutual funds listed on other exchanges	5,509	9,309	9,312
Unlisted shares recognised at fair value	155,951	462,785	165,030
Unlisted shares, etc. recognised at cost	1,060	1,060	1,060
Total	170,918	482,171	187,188
Of which, sector shares	151,020	459,403	162,093
Sensitivity			
An increase in the share value of 10 percentage points will result in an income and equity impact before tax of	17,092	48,217	18,719
of which sector shares	15,102	45,940	16,209
of which other shares	1,990	2,277	2,510
A decrease in the share value of 10 percentage points will result in an income and equity impact before tax of	-17,092	-48,217	-18,719
of which sector shares	-15,102	-45,940	-16,209
of which other shares	-1,990	-2,277	-2,510

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Note			
34	Liquidity risk		
	Cash resources are established based on ongoing compliance with the Supervisory Diamond subject to a specific long-term stress scenario. The stress scenario is based on stress factors, etc. formulated by the Financial Supervisory Authority. Cash resources consist of cash equivalents and deposits with Danmarks Nationalbank.		
		30 June 2015	30 June 2014
		TDKK	TDKK
	Cash resources		31 Dec 2014
			TDKK
	Demand deposits with Danmarks Nationalbank as well as demand deposits with other credit institutions	1,305,532	898,154
	Liquid securities	4,405,052	3,736,493
	Other secure, readily negotiable and uncollateralised securities and credit instruments	0	675,000
	Total	5,710,584	5,309,647
			5,351,303
	Coverage in relation to the 10%-requirement set out in section 152 of the Danish Financial Business Act.	145.3%	124.2%
			136.2%
35	Other risks		
	Operational risks		
	General responsibility for operational risks resides with the Bank's Risk Management.		
	vestjyskBANK considers its reliance on key employees to be a focus area. There are ongoing efforts to minimise the Bank's reliance on key employees, among other things in the form of written business procedures, centralisation of tasks, and the outsourcing of areas that are not significant to the Bank's competitiveness.		
	vestjyskBANK is continuously working on policies and contingency plans for physical catastrophes and IT-related disaster recovery. The Bank is a member of Bankernes EDB Central (BEC), which handles the day-to-day operations of its IT systems. The Bank follows the directions and recommendations issued by BEC and it does not perform any independent IT system development.		
	The Bank's contingency plans for the IT area cover service interruptions at headquarters and parts of the department network. For interruptions in one or more departments, operations can still take place from the other departments—and in the event of prolonged interruptions at headquarters, vital functions can be carried out from one department. The Bank's contingency plan is reviewed by the Supervisory Board at least once a year.		
	The operational risk is minimised by ensuring, among other things, that the execution of activities is organisationally separated from the control of such activities.		
	Risk related to total capital		
	The total capital is monitored on an ongoing basis, and the Supervisory Board receives monthly reports based on established guidelines.		
	Compliance		
	vestjyskBANK has a compliance function, whose area of responsibility is to monitor compliance with financial legislation. Instructions and an annual plan for this area, approved by the Executive Board, have been drawn up.		
36	Pending litigation		
	vestjyskBANK is a party to various lawsuits. The proceedings are evaluated on an ongoing basis, and requisite provisions are made in assessing the risk of losses.		
	The pending proceedings are not expected to have material influence on the Bank's financial position.		

Note	H1 2015	H1 2014	FY 2014
37			
Financial highlights			
Key figures			
Statement of income (MDKK)			
Net interest income	312	355	697
Net fee and commission income	163	132	290
Dividends on shares etc.	2	6	6
Value adjustments	15	68	56
Other operating income	3	3	4
Core income	495	564	1,053
Staff and administrative expenses	-253	-266	-509
Other operating expenses as well as depreciation, amortisation and impairment losses on tangible and intangible assets	-26	-28	-51
Operating expenses and operating depreciations and amortisations	-279	-294	-560
Core earnings before impairments	216	270	493
Impairments of loans and receivables, etc.	-171	-200	-684
Profit/loss before tax	45	70	-191
Tax	4	3	0
Profit/loss after tax	41	67	-191
	30 June 2015	30 June 2014	31 Dec 2014
Statement of Financial Position (MDKK)			
Assets, total	22,103	23,161	21,804
Loans	14,035	16,070	14,714
Deposits, including pooled schemes	18,821	18,002	18,768
Contingent liabilities	3,383	2,809	3,036
Business volume	36,239	36,881	36,518
Equity	1,328	1,541	1,287

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Note	H1 2015	H1 2014	FY 2014
37			
Financial highlights (continued)			
Financial ratios ¹			
Solvency			
Total capital ratio	12.5%	10.8%	12.1%
Tier 1 capital ratio	10.3%	9.6%	9.9%
Common Equity Tier 1 capital ratio	7.5%	7.8%	7.1%
Earnings			
Return on equity before tax, annually	6.9%	11.5%	-17.5%
Return on equity after tax, annually	6.3%	11.1%	-17.5%
Income-cost ratio	1.10	1.14	0.85
Cost ratio ²	56.5%	52.1%	53.2%
Return on assets	0.2%	0.3%	-0.8%
Employees converted to full-time (average)	510.9	530.8	523.1
Market risk			
Interest rate risk	-5.8%	-3.0%	-4.7%
Foreign currency position	2.1%	2.1%	1.4%
Foreign exchange risk	0.0%	0.0%	0.0%
Coverage in relation to statutory liquidity requirements	145.3%	124.2%	136.2%
Credit risk			
Loans plus impairments on loans in relation to deposits	92.6%	110.9%	97.3%
Loans in relation to equity	10.6	10.4	11.4
Growth in loans for the period	-4.6%	-7.4%	-15.2%
Sum of large exposures	33.0%	36.6%	22.3%
Accumulated impairment ratio	16.4%	17.1%	16.7%
Impairment ratio for the period	0.8%	0.9%	3.2%
vestjyskBANK share			
Profit/loss per share for the year	0.3	0.6	-1.6
Equity value per share	8.8	10.2	8.5
Price of vestjyskBANK shares, end of the period	9.9	13.0	9.3
Market price/equity value per share	1.1	1.3	1.1

1 The key figures are laid down in the Danish Financial Supervisory Authority's Executive Order on financial reporting for credit institutions and investment companies et al.

2 Operating expenses and operating depreciations and impairments/core income.

