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# vestjyskBANK

## Financial results for the first half of 2007

**High earning levels have been maintained with a realised profit of DKK 149m before tax, corresponding to a 16% rise.**

**Continued significant increase in business volume:  
Loans +26%, deposits +17% and guarantees +13%.**

**The cost percentage is calculated at 55%, which fulfils the Bank's long-term goal for a cost percentage of around 55%.**

**Impairments on loans and advances amount to a total net reversal of DKK 10m, compared with an expenditure of DKK 14m in 2006.**

**Return on average equity of 18.1% per annum.**

**The annual result forecasts have been adjusted by DKK 30m to a pre-tax profit of DKK 310m.**

## Management's review

Financial highlights	vestjyskBANK				
	First half-year of 2007				
	2007	2006	2005	2004	2003
<b>Income statement (million DKK)</b>					
Net interest income and fee earnings	306	280	260	240	227
Market value adjustments	17	17	27	15	31
Expenses for staff and administration	180	153	148	151	134
Impairments on loans and advances and accounts receivable etc.	- 10	14	18	30	25
Pre-tax profit	149	129	117	72	99
Profit	115	91	78	50	68
Core income <sup>1</sup>	332	295	274	249	237
Costs, incl. depreciations and impairments on tangible assets	185	157	156	153	136
<b>Balance sheet (million DKK)</b>					
Loans and advances and other accounts receivable at amortised	13,119	10,429	8,142	6,566	5,882
Deposits and other amounts due	8,483	7,269	6,330	5,526	5,169
Shareholders' equity	1,667	1,523	1,312	1,221	1,119
Total assets	16,540	13,010	10,134	8,478	7,675
Guarantees	4,810	4,254	3,995	3,444	2,866
Business volume	26,412	21,952	18,467	15,536	13,917

<sup>1</sup> Net interest income and fee earnings + exchange adjustments and equity investment + other operating income

Key figures	vestjyskBANK First half-year of 2007				
	2007	2006	2005	2004	2003
Solvency ratio <sup>1</sup>	10.8%	10.9%	9.7%	11.2%	12.0%
Core capital ratio <sup>1</sup>	8.6%	9.4%	10.6%	11.6%	12.0%
Return on equity before tax <sup>2</sup>	9.0%	8.8%	8.9%	6.0%	9.1%
Return on equity after tax <sup>2</sup>	6.9%	6.2%	5.9%	4.2%	6.3%
Earnings per DKK 3 of costs <sup>3</sup>	1.85	1.75	1.67	1.40	1.61
Cost percentage <sup>4</sup>	55.7%	53.2%	56.9%	61.5%	57.4%
Employees calculated as full-time staff (average)	421.6	401.7	374.8	368.3	352.2
Interest risk <sup>5</sup>	2.3%	1.9%	1.5%	1.3%	0.7%
Foreign exchange position <sup>6</sup>	23.9%	4.8%	9.8%	8.2%	11.8%
Foreign exchange risk	0.0%	0.0%	0.1%	0.1%	0.1%
Excess cover in relation to legally required liquidity ratio <sup>7</sup>	31.3%	20.8%	20.8%	30.3%	47.3%
Loans plus impairments for these in relation to deposits <sup>8</sup>	156.9%	146.7%	132.6%	124.5%	119.3%
Loans and advances in relation to equity	7.9	6.8	6.2	5.4	5.3
Lending growth for the period	13.8%	15.4%	12.9%	3.6%	3.8%
Sum of large commitments <sup>9</sup>	84.1%	42.2%	40.4%	22.1%	0.0%
Accumulated impairment percentage	1.1%	1.6%	2.1%	3.1%	3.2%
Impairment percentage for the period	-0.1%	0.1%	0.1%	0.3%	0.3%
Result per share for the period (each DKK 10)	13.4	10.6	9.0	5.7	7.8
Equity value per share (each DKK 10)	196.8	174.8	154.0	138.1	126.1
Price of Vestjysk Bank shares at the end of the period	330.5	261.5	246.7	160.5	121.7
Quoted price/result per share for the period (each DKK 10)	24.6	24.7	27.4	28.3	15.7
Quoted price/equity value per share (each DKK 10)	1.7	1.5	1.6	1.2	1.0

1 In 2007 calculated in accordance with transitional requirements laid down in the new Capital Adequacy Order. In 2007 the calculation includes profit for the period. The comparative financial statements from 1 January 2007 have not been restated.

2 On the basis of the average shareholders' equity

3 Ordinary incomes in relation to ordinary costs

Ordinary incomes = net interest income and fee earnings + market value adjustments + other operating income + return on investments in associated and subsidiary companies

Ordinary expenses = expenses for staff and administration + depreciations and impairments on intangible and tangible assets + other operating expenses + impairments on loans and advances and on accounts receivable etc.

4 Costs incl. depreciations and impairments on assets/core income

5 Interest risk in relation to core capital after deductions

6 Foreign exchange indicator 1 in relation to core capital after deductions

7 Excess cover in relation to 10% requirement of FIL Section 152

8 Loans plus impairments for these in relation to deposits

9 Commitments larger than 10% of the core capital in relation to the core capital

## DEVELOPMENT OF ACTIVITIES AND ECONOMIC SITUATION

In vestjyskBANK's view, the Half-yearly Report shows a very satisfactory development.

Profit before tax continues to enjoy positive development and has increased by 16% to DKK 149m at the end of the first half of 2007.

Earnings per DKK 1.00 of costs have increased from 1.75 at the end of the first half of 2006 to 1.85 at the end of the first half of 2007. A positive development of 6%.

At the end of the first half of 2007, the cost percentage has been calculated at 55.7%, compared with 53.2% at the end of the first half of 2006. A negative development of 2.5 percentage points indicates that many essential items can be put down to non-recurrent costs.

At the end of the first half-year, the Bank's loans and advances amounted to DKK 13.1bn, deposits DKK 8.5bn and guarantees DKK 4.8bn. At the end of the first half of 2007, the total business volume increased by 20% compared with the first half-year of 2006. A development covering an increased activity level and business volume with both existing and new business and private customers.

### INCOME STATEMENT

**Net interest income** stands at DKK 237 million, compared with DKK 212 million in 2006. This is an improvement of 12% that can be attributed to the continuously increasing business volume.

Altogether, **the fees and commission income** have decreased by DKK 0.5m to DKK 71m, a decline of 1%. The decline is due to the DKK 2.7m increase in the guarantee provisions, which is attributable to the facilitation of mortgage credit loans and a decline of DKK 3.2m in fee earnings from securities trading and custody, both of which are a result of the lower level of activity.

The fees and commissions are distributed as follows:

	DKK million		Percentage distribution	
	1. First half 2007	1. First half 2006	1. First half 2007	1. First half 2006
Guarantee commission	26.2	23.4	36.7	32.6
Securities trading and custody	19.8	22.0	27.8	30.6
Other fees and commissions	9.5	11.1	13.4	15.4
Payment services	8.6	8.0	12.0	11.1
Loan handling fee	7.3	7.4	10.1	10.3

**The net interest income and fee earnings** stand at DKK 306m compared with DKK 280m in 2006. An increase of 9%.

**Market value adjustments** show a continued profit of DKK 17m.

**Costs**, incl. depreciations and writedowns on material assets, amount to DKK 185m, compared with DKK 157m in 2006, corresponding to an increase of 17%. The relatively high cost increase in the first half of 2007 is due to a combination of the

non-recurrent costs incurred and an increased level of activity, which covers the inclusion of additional quality consulting skills for pensions, investment and asset consulting. The bank expects that the total annual costs will amount to the budget level, corresponding to a cost percentage of 55%.

**Impairments on loans and advances etc.** amount to a total net reversal of DKK 10m, compared with an expenditure of DKK 14m in 2006.

The quality of the Bank's portfolio of loans and guarantees is good. At the end of the first half of 2007, the impairments account amounts to DKK 202m, corresponding to 1.1% of total lending, impairments and guarantees.

Following the recognition of the results for the period, **the solvency** stands at 10.8%, which is 0.1 percentage points lower than the end of the first half of 2006. It should be noted that, unlike in 2006, the results for the period have been included in the solvency calculation, which has had a positive impact of 0.7% on the solvency percentage. In the first half of 2007 the Bank acquired a responsible loan capital of DKK 100m.

## BALANCE SHEET

The Bank's balance at the end of the first half of 2007 amounts to DKK 16.5bn, compared with last year's DKK 13.0bn. This represents an increase of 27%.

Total lending reached DKK 13.1bn which is an increase of DKK 2.7bn or 26%. The increase is due especially to growth in lending within the business sectors where vestjyskBANK is especially competent – wind turbines, property projects, agriculture and camping sites.

Deposits have risen from DKK 7.3 bn in 2006 to DKK 8.5 bn in 2007 – an increase of 17%.

The Bank's portfolio of guarantees has risen from DKK 4.3 bn to DKK 4.8 bn, or by 13%.

In total, this means that the Bank's scope of business – a total of loans and advances, deposits and guarantees – amounted to DKK 26.4bn as of 30 June 2007, compared with DKK 22.0bn at the end of the first half of 2006. This represents a growth of 20%.

## SHAREHOLDERS' EQUITY

After the addition of the period result, the shareholders' equity at the end of the first half of 2007 after tax, has been calculated at DKK 1.7bn.

The decision made at the AGM to reduce the Bank's share capital by DKK 2m was carried out in the second quarter, leaving share capital at DKK 86m.

Since the end of the half-year, no major events have taken place that would affect the results for the period.

## **THE NEW CAPITAL REQUIREMENTS**

With effect from 1 January 2007, new capital requirements were introduced for calculating credit, market and operational risks. The Bank uses the standard method for credit and market risks, as well as the basic indicator method for operational risk. The Bank has decided to use the transition requirements until 1 January 2008.

## **RECOGNITION AND MEASURING**

Due to the fact that the Bank's systems and models have not yet been brought into full conformity with specific accounting rules, the Bank has made some qualified estimates regarding the recognition and measuring of impairments on loans and advances etc. This applies, in particular, to the groupwise impairments on loans and advances etc. Database deficiencies and the resultant estimates are considered not to have any major impact on the evaluation of the Half-yearly Report. There are no other uncertainties associated with recognition and measuring.

## **OUTLOOK FOR 2007**

The result for the first half-year stands at DKK 15m above the budgeted forecast, which is primarily attributable to a positive development in the items "value adjustments" and "impairments on loans and advances and other accounts receivable". The Annual Report for 2006 predicted a pre-tax profit of nearly DKK 280m for the whole of 2007. On the basis of the continuously positive development in the Bank's earnings, the outlook for 2007 profits has been adjusted by DKK 30m to a pre-tax profit of DKK 310m. However, this stands on the precondition that no essential, cyclically induced effects arise in relation to valuation differences and the need for impairments on loans and guarantees.

## **ACCOUNTING POLICIES**

With effect from 1 January 2007, vestjyskBANK merged its fully owned subsidiary vestjyskBOLIG A/S with vestjyskBANK A/S.

The comparative financial statements have been restated.

The accounting policies have not changed in relation to last year.

## **FINANCIAL CALENDAR 2007**

30 October 2007

Q 1 - 3 reports for 2007

<b>Income statement</b>	<b>1/1-30/6 2007 DKK t</b>	<b>1/1-30/6 2006 DKK t</b>	<b>1/1-31/12 2006 DKK t</b>
Interest income	473,738	326,117	709,943
Interest expenses	236,900	114,266	277,981
Net interest income	236,838	211,851	431,962
Dividend of shares etc.	4,133	3,391	3,516
Fees and commission income	71,396	71,941	134,907
Paid fees and commission expenses	6,849	6,922	12,865
Net interest income and fee earnings	305,518	280,261	557,520
Market value adjustments	16,604	16,552	87,507
Other operational earnings	1,723	3,015	4,055
Expenses for staff and administration	180,153	152,979	317,809
Depreciations and impairments on intangible and tangible assets	4,587	4,278	9,738
Other operational expenses	0	84	229
Impairments on loans and advances and accounts receivable etc.	-9,773	13,860	10,704
Pre-tax profit	148,878	128,627	310,602
Tax	33,955	37,336	71,646
Profit	114,923	91,291	238,956

<b>Balance sheet</b>	<b>30/6 2007 DKK t</b>	<b>30/6 2006 DKK t</b>	<b>31/12 2006 DKK t</b>
<b>Assets</b>			
Cash in hand and demand deposits with central banks	205,991	277,331	78,596
Accounts receivable from credit institutions and central banks	293,548	134,198	313,493
Loans and advances and other accounts receivable at amortised cost	13,118,929	10,429,498	11,531,002
Bonds carried at current value	2,166,699	1,518,676	1,695,893
Shares etc.	380,750	344,838	346,551
Land and buildings			
Domicile properties	218,118	213,532	220,406
Other tangible assets	4,726	4,609	4,234
Current tax assets	16,215	7,791	16,215
Deferred tax assets	2,334	4,180	2,000
Other assets	120,324	66,100	83,044
Prepayments and accrued income	12,699	9,179	8,922
<b>Total assets</b>	<b>16,540,333</b>	<b>13,009,932</b>	<b>14,300,356</b>
<b>Liabilities</b>			
<b>Debt</b>			
Debt to credit institutions and central banks	4,117,710	2,545,493	3,451,590
Deposits and other amounts due	8,483,333	7,268,713	7,670,943
Issued bonds carried at amortised costs	1,498,279	939,900	909,779
Current tax liabilities	19,817	28,168	0
Other liabilities	301,580	349,975	260,641
Prepayments and accrued income	9	316	16
<b>Total debts</b>	<b>14,420,728</b>	<b>11,132,565</b>	<b>12,292,969</b>
<b>Provisions</b>			
Provisions for pensions and similar liabilities	8,600	7,000	8,600
Provisions for losses on guarantees	3,979	8,895	6,887
Other provisions for liabilities	2,454	0	1,801
<b>Total provisions</b>	<b>15,033</b>	<b>15,895</b>	<b>17,288</b>
<b>Subordinate debt</b>			
Subordinate debt	437,656	338,775	334,029
<b>Shareholders' equity</b>			
Share capital	86,000	88,000	88,000
Revaluation reserve	15,750	15,750	15,750
Profit or loss brought forward from previous years	1,565,166	1,418,947	1,508,320
Proposed dividends	0	0	44,000
<b>Total shareholders' equity</b>	<b>1,666,916</b>	<b>1,522,697</b>	<b>1,656,070</b>
<b>Total liabilities</b>	<b>16,540,333</b>	<b>13,009,932</b>	<b>14,300,356</b>



<b>Statement of changes in equity</b>
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	Share capital	Revaluation reserve	Statutory reserves	Earnings retained	Total shareholders' equity
	DKK t	DKK t	DKK t	DKK t	DKK t
<b>Shareholders' equity at end of year 2006</b>	88,000	15,750	2,813	1,549,507	1,656,070
Correction as a result of merger with subsidiary company			-2,813	2,813	0
<b>Shareholders' equity 1.1.2007</b>	88,000	15,750	0	1,552,320	1,656,070
Profit for the period				114,923	114,923
Distributed dividends				-42,471	-42,471
Sale of own shares				162,995	162,995
Acquisition of own shares				-160,190	-160,190
Calculated tax relating to own				-411	-411
Impairment of capital	-2,000			-62,000	-64,000
<b>Shareholders' equity 30.6.2006</b>	86,000	15,750	0	1,565,166	1,666,916

<b>Shareholders' equity at end of year 2005</b>	89,970	15,750	2,302	1,295,610	1,403,632
Correction as a result of merger with subsidiary company			-2,302	2,302	0
<b>Shareholders' equity 1.1.2006</b>	89,970	15,750	0	1,297,912	1,403,632
Profit for the period				91,291	91,291
Distributed dividends				-25,801	-25,801
Impairment of capital	-1,970			-49,447	-51,417
Sale of own shares				203,313	203,313
Acquisition of own				-98,321	-98,321
<b>Shareholders' equity 30.6.2006</b>	88,000	15,750	0	1,418,947	1,522,697

<b>Statement of changes in equity - contd.</b>
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	Share capital	Revaluation reserve	Statutory reserves	Earnings retained	Total shareholders' equity
	DKK t	DKK t	DKK t	DKK t	DKK t
<b>Shareholders' equity at end of year 2005</b>	89,970	15,750	2,302	1,295,610	1,403,632
Correction as a result of merger with subsidiary company			-2,302	2,302	0
<b>Shareholders' equity 1.1.2006</b>	89,970	15,750	0	1,297,912	1,403,632
Profit for the period				238,956	238,956
Adjustment of groupwise				2,882	2,882
Distributed dividends				-25,801	-25,801
Impairment of capital	-1,970			-49,447	-51,417
Sale of own shares				257,733	257,733
Acquisition of own				-166,737	-166,737
Calculated tax relating to own				-3,178	-3,178
<b>Shareholders' equity 31.12.2006</b>	88,000	15,750	0	1,552,320	1,656,070

<b>Notes to income statement</b>	<b>1/1-30/6 2007 DKK t</b>	<b>1/1-30/6 2006 DKK t</b>	<b>1/1-31/12 2006 DKK t</b>
<b>Interest income</b>			
Accounts receivable from credit institutions and central banks	12,488	5,388	10,652
Loans and advances and other accounts receivable	423,720	300,327	653,613
Bonds	35,968	21,447	48,563
Exchange, interest, share, raw material and other contracts, as well as derivative financial instruments in total	1,558	-1,045	-3,070
Other interest income	4	0	185
<b>Total interest earnings</b>	<b>473,738</b>	<b>326,117</b>	<b>709,943</b>
<b>Interest expenses</b>			
Credit institutions and central banks	66,411	31,301	75,070
Deposits and other amounts due	131,456	72,700	169,770
Issued bonds	29,885	5,384	20,997
Subordinate debt	9,148	4,880	12,077
Other interest expenses	0	1	67
<b>Total interest expenses</b>	<b>236,900</b>	<b>114,266</b>	<b>277,981</b>
<b>Fees and commission income</b>			
Securities trading and custody	19,799	21,982	41,021
Payment services	8,623	8,002	18,349
Loan handling fee	7,247	7,406	14,896
Guarantee commission	26,176	23,433	41,814
Other fees and commissions	9,551	11,118	18,827
<b>Total fees and commission earnings</b>	<b>71,396</b>	<b>71,941</b>	<b>134,907</b>
<b>Marketable securities adjustments</b>			
Other loans and advances and other accounts receivable at current value	-3,245	-4,401	-5,769
Bonds	-19,156	-16,319	-3,054
Shares etc.	24,375	6,388	66,356
Currency	9,949	4,067	9,626
Exchange, interest, share, raw material and other contracts, as well as derivative financial instruments in total	3,135	10,865	7,828
Other liabilities	1,546	15,952	12,520
<b>Total market value adjustments</b>	<b>16,604</b>	<b>16,552</b>	<b>87,507</b>

<b>Notes to income statement</b>	<b>1/1-30/6 2007 DKK t</b>	<b>1/1-30/6 2006 DKK t</b>	<b>1/1-31/12 2006 DKK t</b>
<b>Expenses for staff and administration</b>			
<b>Salaries and fees to Board of Directors, Executive Board and Board of Representatives</b>			
Executive Management	1,358	1,183	2,399
Board of Directors	406	462	900
Board of Representatives	123	146	283
Total	1,887	1,791	3,582
<b>Staff expenses</b>			
Salaries	89,558	78,031	156,201
Pensions	10,075	8,920	18,632
Expenses for social security	9,159	8,068	15,795
Total	108,792	95,019	190,628
<b>Other administrative expenses</b>	69,474	56,169	123,599
Total expenses for staff and administration	180,153	152,979	317,809
<b>Number of employees</b>			
The average number of employees for the period calculated as full-time employees	421.6	401.7	405.5
<b>Pension conditions</b>			
The Executive Board Members may resign without notice before expiry of the year when they turn 62. The Bank is exempt from any pension liability in relation to resignation, be it on account of age, illness, disability or any other reason.			
<b>Tax</b>			
Calculated tax on profit for the year	34,289	37,467	70,550
Deferred tax	-334	-152	2,027
Deferred adjustment of previous years' tax	0	21	-931
Total tax	33,955	37,336	71,646
<b>Effective tax rate</b>			
Current tax rate	25.0%	28.0%	28.0%
Adjustments to this:			
Non-taxable incomes	0.1%	0.0%	0.1%
Non-deductible expenses	-2.5%	1.0%	-4.9%
Adjustment of tax for previous years	0.2%	0.0%	-0.3%
Property depreciations etc.	0.0%	0.0%	0.2%
Effective tax percentage in total	22.8%	29.0%	23.1%

<b>Notes to balance sheet</b>
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	<b>Individual impairment s DKK t</b>	<b>Groupwise impairment s DKK t</b>	<b>Total DKK t</b>
<b>Loans and advances and other accounts receivable</b>			
<b>First half-year of 2007</b>			
Impairments at the start of the period	200,581	4,856	205,437
Impairments during the period	29,862	579	30,441
Reversal of impairments made during previous financial years	-35,385	0	-35,385
Other movements	10,434	0	10,434
Previous impairments finally lost	-15,548	0	-15,548
<b>Impairments 30.6.2007</b>	<b>189,944</b>	<b>5,435</b>	<b>195,379</b>
<b>First half-year of 2006</b>			
Impairments at the start of the period	217,377	8,784	226,161
Impairments during the period	39,696	375	40,071
Reversal of impairments made during previous financial years	-27,746	-103	-27,849
Previous impairments finally lost	-7,343	0	-7,343
<b>Impairments 30.6.2006</b>	<b>221,984</b>	<b>9,056</b>	<b>231,040</b>
<b>Year 2006</b>			
Impairments at the start of the period	217,377	8,784	226,161
Impairments during the period	67,831	72	67,903
Reversal of impairments made during previous financial years	-58,066	-4,000	-62,066
Previous impairments finally lost	-26,561	0	-26,561
<b>Impairments 31.12.2006</b>	<b>200,581</b>	<b>4,856</b>	<b>205,437</b>

No impairments have been made on accounts receivable from credit institutions or on other accounts receivable. However, provisions have been made for loss on guarantees, cf. the liability item Provisions for loss on guarantees. Furthermore, provisions have been made for loss on unused credit facilities, cf. the liability item Other provisions for liability.

<b>Notes to balance sheet</b>	<b>1/1-30/6 2007 DKK t</b>	<b>1/1-30/6 2006 DKK t</b>	<b>1/1-31/12 2006 DKK t</b>
<b>Bonds</b>			
Bonds carried at current value	2,166,699	1,518,676	1,695,893
Bonds in total carried at current value	2,166,699	1,518,676	1,695,893
Pledged as security for drawing right at Danmarks Nationalbank:			
Total nominal value	395,540	517,791	468,814
Total quoted price	392,750	512,032	467,031
of which a loan has been raised on	0	0	0
<b>Deposits</b>			
On demand	5,122,070	4,699,665	4,999,641
At notice	76,950	60,215	75,244
Time deposits	2,183,560	1,618,428	1,634,960
Special deposits	1,100,753	890,405	961,098
Total deposits	8,483,333	7,268,713	7,670,943

<b>Notes to balance sheet</b>	<b>30/6 2007 DKK t</b>	<b>30/6 2006 DKK t</b>	<b>31/12 2006 DKK t</b>
<p><b>Subordinate debt</b></p> <p><b>Supplementary capital of EUR 15m</b></p> <p>The loan carries interest paid bi-annually in arrears at 6-month Euribor rate in EUR plus margin of 1.05 % of face value from 31.10.2005 until 31.10.2010. From 31.10.2010 until 31.10.2013 the margin will be +2.55% annually and from 31.10.2013 until 31.10.2015 +2.8% annually.</p> <p>The loan is instalment free and payable at a price of 100 on 31.10.2015.</p> <p>The loan is irredeemable during its entire life on the part of the lender. vestjyskBANK has the opportunity with the approval of the Danish Financial Supervisory Authority to prepay the loan on 31.10.2010 at a price of 100 when serving notice at least 30 calendar days in advance.</p> <p>The loan is fully included in the statement of the basic capital.</p>	111,633	111,888	111,840
<p><b>Supplementary capital of DKK 100m</b></p> <p>The loan carries interest paid quarterly in arrears at 3-month CIBOR rate plus margin of 1.0% annually of the face value from 1.11.2005 until 1.11.2010. From 1.11.2010 until 1.11.2013 the margin constitutes +2.5% annually.</p> <p>The loan is instalment free and payable at a price of 100 on 1.11.2013.</p> <p>The loan is irredeemable during its entire life on the part of the lender. vestjyskBANK has the option with the approval of the Danish Financial Supervisory Authority to prepay the loan on 1.11.2010 at a price of 100 when serving notice at least 30 calendar days in advance.</p> <p>The loan is fully included in the statement of the basic capital.</p>	100,000	100,000	100,000
Carried forward to next page	211,633	211,888	211,840

<b>Notes to balance sheet</b>	<b>30/6 2007 DKK t</b>	<b>30/6 2006 DKK t</b>	<b>31/12 2006 DKK t</b>
<p><b>Subordinated debts - continued</b> Brought forward from the previous page</p>	211,633	211,888	211,840
<p><b>Supplementary capital of NOK 135m</b> The loan carries interest paid quarterly in arrears at 3-month NIBOR rate plus margin of 0.75% annually of the face value from 16.05.2006 until 16.05.2011. From 16.5.2011 until 16.5.2014 the margin constitutes +2.25% annually.</p> <p>The loan is instalment free and payable at a price of 100 on 16.5.2014.</p> <p>The loan is irredeemable during its entire life on the part of the lender. vestjyskBANK has the opportunity with the approval of the Danish Financial Supervisory Authority to prepay the loan on 16.5.2011 at a price of 100 when serving notice at least 30 calendar days in advance.</p> <p>The loan is fully included in the statement of the basic capital.</p>	126,023	126,887	122,189
<p><b>Supplementary capital of DKK 100m</b> The loan carries interest paid quarterly in arrears at 3-month CIBOR rate plus margin of 0.95% annually of the face value from 1.05.2007 until 1.05.2012. From 1.11.2012 until 1.11.2015 the margin constitutes +2.45% annually.</p> <p>The loan is instalment-free and payable at a price of 100 on 1.5.2015.</p> <p>No costs involved in raising of loan.</p> <p>The loan is irredeemable during its entire life on the part of the lender. vestjyskBANK has the opportunity with the approval of the Danish Financial Supervisory Authority to prepay the loan on 1.5.2011 at a price of 100 when serving notice at least 30 calendar days in advance.</p> <p>The loan is fully included in the statement of the basic capital.</p>	100,000	0	0
<b>Total subordinate debts</b>	<b>437,656</b>	<b>338,775</b>	<b>334,029</b>



<b>Notes to balance sheet</b>	<b>30/6 2007 DKK t</b>	<b>30/6 2006 DKK t</b>	<b>31/12 2006 DKK t</b>
<b>Share capital</b>			
Number of shares at DKK 10 (each)	8,600,000	8,800,000	8,800,000
Total share capital	86,000	88,000	88,000
<b>Own shares</b>			
<b>Start of the year</b>			
Number of own shares in 1000	136	476	476
Face value in DKK 1,000	1,361	4,760	4,760
Percentage of share capital	1.5%	5.3%	5.3%
<b>Additions</b>			
Number of own shares in 1000	513	349	578
Face value in DKK 1,000	5,122	3,489	5,784
Percentage of share capital	6.0%	4.0%	6.6%
Total acquisition price in DKK 1,000	160,190	98,321	166,737
<b>Outflow</b>			
Number of own shares in 1000	519	737	918
Face value in DKK 1,000	5,187	7,371	9,183
Percentage of share capital	6.0%	8.4%	10.4%
Total sales price in DKK 1,000	162,995	203,313	257,733
<b>End of year</b>			
Number of own shares in 1000	130	88	136
Face value in DKK 1,000	1,296	878	1,361
Percentage of share capital	1.5%	1.0%	1.5%
<b>Contingent liabilities</b>			
<b>Guarantees</b>			
Financial guarantees	1,490,218	1,148,546	1,765,974
Loss guarantees for mortgage credit loans	1,786,003	1,630,516	1,702,327
Land registration and conversion guarantees	228,762	469,706	113,847
Other guarantees	1,305,232	1,004,761	1,026,389
Total guarantees etc.	4,810,215	4,253,529	4,608,537
<b>Other contingent liabilities</b>			
Other liabilities	2,803	6,275	2,856
Other contingent liabilities in total	2,803	6,275	2,856

<b>Notes to balance sheet</b>	<b>30/6 2007 DKK t</b>	<b>30/6 2006 DKK t</b>	<b>30/12 2006 DKK t</b>
<b>Capital requirement</b>			
Core capital	1,651,166	1,415,656	1,640,320
Deductions in core capital	56,132	4,179	46,000
Core capital after deductions	1,595,034	1,411,477	1,594,320
Supplementary capital	453,406	354,525	349,779
Core capital before deductions	2,048,440	1,766,002	1,944,099
Deductions in core capital	53,798	136,953	117,561
Core capital after deductions	1,994,642	1,629,049	1,826,538
Total weighted items	18,477,212	14,899,675	16,230,530
Solvency ratio	10.8%	10.9%	11.2%
Core capital after deduction in per cent of total weighted items	8.6%	9.4%	9.8%

With effect from 1 January 2007, new capital requirements were introduced for calculating credit, market and operational risks. The Bank uses the standard method for credit and market risks, as well as the basic indicator method for operational risk. The Bank has decided to use the transition requirements until 1 January 2008. The comparative financial statements have not been restated.

As at 30 June 2007 the calculation of the capital includes the profit for the period.

## **STATEMENT OF THE BOARD OF DIRECTORS AND OF THE MANAGEMENT**

The Board of Directors and the Executive Management have today reviewed and approved the Half-yearly Report of vestjyskBANK A/S for the period 1 January - 30 June 2007.

The Half-yearly Report has been prepared in accordance with the Financial Business Act and in accordance with other disclosure requirements for listed financial companies. The accounting policy used is considered appropriate, inasmuch as the Half-yearly Report provides a fair view of the Bank's assets, liabilities, financial position and profit/loss.

The Half-yearly Report has not been audited or reviewed, but external auditors are satisfied that the conditions for the inclusion of the period's earnings in the core capital have been met.

Lemvig, 15 August 2007

### **Executive Management**

Frank Kristensen

### **Board of Directors**

Anders Bech

Peter Grankær

Søren Broe Langer

Kirsten Lundgaard-Karlshøj

Peder Hesselaa Nielsen

Peter Bækkelund Rasmussen