



**3rd Quarterly report 2013**



• Skjern Bank in Skjern

Stock Exchange Ann. no 13/2013 - 7 November 2013

## Improved earnings and continued growth in lending

- Acceptable profit before tax of DKK 23.3 million compared to DKK 1.3 million in 2012.
- Solvency and core capital ratio were 17.1% and 13.8%, respectively.
- Individual solvency requirements are estimated at 11.8%.
- Devaluation of DKK 46.4 million compared with DKK 48.1 million in 2012.
- Subordinated loan capital at nominal value of DKK 25 million was repaid 1 August 2013.
- Growth in loan at 5.2 % achieved primarily at private customers.
- The base profit for the entire year is raised at the level of DKK 95 - 100 million before devaluations and exchange rate adjustments.
- The bank's market value increased by 67% or DKK 154 million in the first 3 quarters of the year.
- Annual profit before tax in 2013 is expected to be at significant higher level compared with 2012.

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## 5 years in summary

1,000 DKK	2013	2012	2011	2010	2009	1.1- 31.12 2012
<b>Profit and loss account</b>						
Net income from interest .....	118,182	113,874	119,960	121,417	125,056	153,006
Div. on shares and other holdings .....	6,090	2,845	3,287	2,032	3,140	5,414
Charges and commissions (net) .....	45,230	41,048	36,960	36,667	35,999	55,296
<b>Net inc. from int. and charges .....</b>	<b>169,502</b>	<b>157,767</b>	<b>160,207</b>	<b>160,116</b>	<b>164,195</b>	<b>213,716</b>
Value adjustments .....	7,805	4,350	-271	23,359	25,553	8,096
Other ordinary income .....	1,372	867	965	735	1,631	1,131
Staff costs and administrative expenses .....	97,706	98,747	101,192	98,979	98,297	132,557
Depreciation of intangible and tangible assets .....	3,393	5,150	3,150	3,240	3,465	3,709
Other operating expenses total .....	7,812	5,546	2,452	13,438	11,187	5,292
Contributions to the Guarantee Fund for depositors .....	7,106	5,418	2,452	148	85	4,843
Other operating expenses .....	706	128	0	13,289	11,102	449
Write-downs on loans etc. (net) .....	46,448	48,127	51,498	56,074	136,768	69,204
Profit on holding in associated and affiliated companies .....	0	-4,100	0	350	0	91
<b>Operating profit .....</b>	<b>23,320</b>	<b>1,314</b>	<b>2,608</b>	<b>12,829</b>	<b>-58,338</b>	<b>12,272</b>
Taxes .....	5,830	1,191	652	3,207	-14,484	2,433
<b>Profit for the period .....</b>	<b>17,490</b>	<b>123</b>	<b>1,956</b>	<b>9,622</b>	<b>-43,854</b>	<b>9,839</b>

### Balance sheet as per 30th September

summary	2013	2012	2011	2010	2009	2012
Total assets .....	5,293,984	5,767,030	5,353,800	5,769,561	5,325,772	6,004,480
Loans and other debtors .....	3,691,049	3,520,229	3,574,748	3,647,734	3,784,697	3,498,499
Guarantees etc. ....	557,684	449,870	531,259	515,841	595,688	492,156
Bonds .....	920,067	1,130,067	871,743	1,046,718	480,485	1,270,360
Shares etc. ....	215,043	189,510	169,962	174,396	190,435	203,258
Deposits and other debts .....	3,908,943	4,412,133	3,600,250	3,563,181	3,139,342	4,499,426
Subordinated capital investments .....	269,019	358,253	357,278	356,340	195,000	358,475
<b>Capital funds .....</b>	<b>565,895</b>	<b>382,200</b>	<b>378,682</b>	<b>386,370</b>	<b>420,523</b>	<b>546,986</b>
Dividends .....						0
<b>Capital Base .....</b>	<b>684,845</b>	<b>606,023</b>	<b>607,663</b>	<b>625,748</b>	<b>510,502</b>	<b>747,404</b>
Total weighted items .....	4,015,821	3,850,078	3,878,682	3,884,346	3,990,317	3,816,073

### Core earnings

Core income .....	174,021	170,191	173,657	163,009	169,038	229,092
Costs etc. ....	-101,099	-101,897	-104,342	-102,219	-101,762	-137,048
Core earnings before write-downs, value adjustments and Governmental Guarantee Scheme I .....	72,922	68,294	69,315	60,790	67,276	92,044
Guarantee commission for the state *) .....	-1,925	-8,770	-10,794	-	-	-10,819
<b>Total core earnings .....</b>	<b>70,997</b>	<b>59,524</b>	<b>58,521</b>	<b>60,790</b>	<b>67,276</b>	<b>81,225</b>

\*) Commission of 0.95% of issued government-guaranteed bonds.

## Financial ratios - 30th September

(figures in pct.)	2013	2012	2011	2010	2009
Solvency ratio .....	17.1	15.7	15.7	16.1	12.8
Core capital ratio .....	13.8	11.2	10.9	11.2	10.4
Return on own funds before tax .....	4.2	0.3	0.7	3.4	-13.2
Return on own funds after tax .....	3.1	0.0	0.5	2.5	-9.9
Earning/expense ratio in DKK .....	1.15	1.01	1.02	1.08	0.77
Interest rate risk .....	-1.5	-4.2	0.8	1.2	1.3
Foreign currency position .....	1.5	0.7	4.3	3.1	12.1
Foreign currency risk .....	0.0	0.0	0.0	0.0	0.0
Advances against deposits .....	100.3	86.8	107.5	110.1	127.8
Statutory liquidity surplus .....	133.3	211.6	160.8	226.7	134.1
Total large commitments .....	38.6	12.2	54.7	73.7	130.6
Accumulated impairment ratio .....	5.1	7.2	6.9	6.7	5.1
Impairment ratio for the period .....	1.0	1.1	1.2	1.3	3.0
Increase in loans etc. for the period .....	5.2	-0.2	-1.3	-0.8	0.4
Ratio between loans etc. and capital funds .....	6.5	9.2	9.4	9.4	9.1
(value per share 100 DKK)					
Earnings per share (result period) .....	9.1	0.5	8.7	42.7	-194,4
Book value per share .....	294	1,830	1,819	1,826	2,031
Market value/earning per share .....	22.0	917.9	59.2	16.7	-4.7
Market value/book value .....	0.68	0.27	0.28	0.41	0.49



## Management's report

Skjern Bank achieved an acceptable profit in the first 3 quarters of the year. The results are characterised by increasing net interest income as a result of sharply declining interest expenses, which more than offset the decline in interest income and increased level of impairment.

The bank's devaluations are still at an elevated level and were realised at DKK 46.4 million, compared with DKK 48.1 million in the same period in 2012. The need for impairment is essentially related to a number of problematic agricultural exposures, for which long-term solutions were found in the first 9 months.

In 2013, the bank completed a planned stimulus package. The results of this are a positive development in the bank's net loans, which increased by DKK 192 million or a satisfactory 5.2% compared to 31 December 2012. The positive development is partly due to a satisfactory increase in the number of private customers. In the industry distribution, the private customers increased from 30.0% at the end of the previous year to 33.1% as of 30 September 2013 and

the bank's long-term goal is to further increase the proportion of private loans. With the Danish Financial Supervisory Authority's approval, the bank repaid state-funded hybrid core capital of DKK 65 million and state-guaranteed loans of DKK 844 million during the first three quarters of the year, such that the bank has repaid a total of DKK 934 million on hybrid core capital, subordinated loan capital and state-guaranteed loans.

The bank's liquidity reserve has been reduced to a lower, but still absolutely manageable level of 133.3% and in the future, the bank aims to maintain solid liquidity reserves primarily based on customer deposits.

The bank's solvency is 17.1% and the core capital is 13.8%. The individual solvency re-requirement is calculated at 11.8%, corresponding to a solvency coverage of 144.9%. Compared with the actual capital base of DKK 684 million, there was a surplus of DKK 307 million at the end of the 3rd quarter of 2013.

The core earnings follow the annual budget and are still at the highest levels in the bank's history, which is satisfactory, especially considering the limited demand for credit over the first 4 months of the year. The expectation for core earnings for 2013 has increased to the range of DKK 95 - 100 million.

The share price of the bank's shares has increased from a price of 24 as of 31 December 2012 to a price of 40 as of 30 September 2013. The market value of the entire bank increased by 67% from DKK 231 million to DKK 385 million as of 30 September 2013. Trading in Skjern Bank shares is showing a general increase in share liquidity, since the daily valuation of the shares was supported by significantly more traders than before the bank's share capital increase in the 4th quarter of 2012.

### Net interest income

Net interest income increased by DKK 4.3 million or 3.8% compared with 30 September 2012.

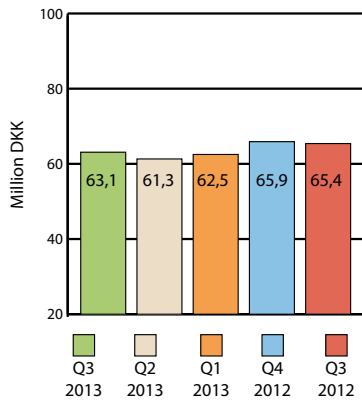
Interest income decreased by 4.8% to DKK 186.9 million. This is primarily due to the re-alisation of the increase in

### The bank's loan and guarantee debtors distributed on segments constitute:

	30/9-13	31/12-12	31/12-11
Public authorities	1.3 %	1.5 %	1.2 %
Agriculture, hunting, forestry and fishing			
Plant production	1.8 %	1.6 %	1.5 %
Cattle farming	6.7 %	7.1 %	7.0 %
Pig farming	3.3 %	3.3 %	3.2 %
Mink production	0.7 %	0.6 %	1.0 %
Other agriculture	1.0 %	1.8 %	1.5 %
Manufacturing and extraction of raw materials	4.4 %	4.8 %	3.4 %
Energy supply	3.5 %	2.7 %	3.6 %
Constructions	5.6 %	4.0 %	5.0 %
Trade	6.8 %	7.2 %	7.9 %
Transport, hotels and restaurants	1.6 %	2.0 %	1.0 %
Information and communication	0.2 %	0.3 %	0.3 %
Finance and insurance	7.5 %	7.7 %	8.3 %
Real-estate	17.9 %	20.4 %	20.6 %
Other industries	4.6 %	4.9 %	4.5 %
Private persons	33.1 %	30.1 %	30.0 %

From the above sectoral distribution represents alternative energy 7.9 %.

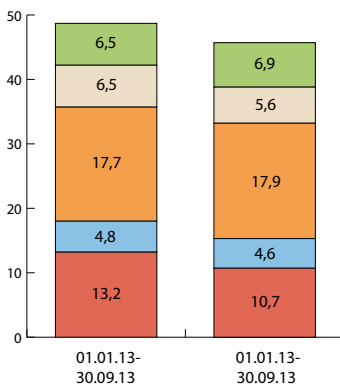
### Interest income



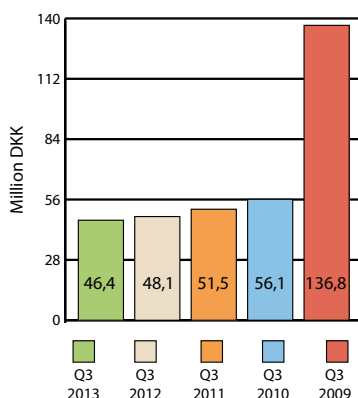
### Charges and commissions receivable

(Million DKK)

- Securities trading and custodies
- Payment management
- Charges from loan applications
- Commissions on guarantees
- Other charges and commissions



### Write-downs on loans etc.



lending from June to September 2013, but also due to a slight decline in average lending rate for the period.

Interest expenses reduced by 16.8% to DKK 68.7 million, which is due to reduced costs for issued bonds and subordinated debt of a total of DKK 12.0 million and to interest expenses for the bank's customers having risen by DKK 1.7 million, primarily as a result of repositioned high interest deposits at a lower average deposit interest rate. The development in interest expenses for customer deposits was expected.

Overall, the bank's interest margin was marginally reduced during the first nine months of the year compared to the same period in 2012.

### Dividends, commissions and fees

Net income from fees and commissions has increased by DKK 4.2 million. The earnings are primarily achieved through higher guarantee provisions of DKK 1.0 million and transaction-based income from securities trading, which has increased by DKK 2.5 million.

Dividends from the bank's shareholdings were realised at DKK 6.1 million, which is an increase of DKK 3.2 million compared to the same period last year. The primary reason for the increase is a very satisfactory development in a sector company in which the bank has shares, which resulted in the payment of extraordinary dividends.

Net interest and fee income amounted to DKK 169.5 million, which is an increase of 7.4% compared to the same period last year.

### Expenses

Staff and administration expenses, etc. amounted to DKK 97.7 million compared with DKK 98.7 million in the same period in 2012, and were thus reduced by 1.0%.

The bank has continued to focus on cost consumption and, despite increasing

payroll taxes, no higher cost level is expected for the year than in 2012.

### Exchange rate adjustments

Exchange rate adjustments of securities and currency, etc. show a gain of DKK 7.8 million compared with DKK 4.3 million in the same period in 2012.

The exchange rate adjustments on the bond portfolio have been negative this period by DKK 2.8 million, while the bank's shareholdings were realised at a capital gain of DKK 9.5 million in the first three quarters of 2013. Exchange rates and derivative financial instruments achieved income of DKK 1.1 million in the same period.

### Devaluations

Devaluations on loans, etc. amounted to DKK 46.4 million as of 30 September 2013, compared with DKK 48.1 million during the same period last year. Reversal of impairment from previous accounting years amounted to DKK 37.2 million, while recorded losses as of 30 September 2013 amounted to DKK 70.7 million, of which only an insignificant portion had not been previously written down.

Devaluations on loans, etc. for the period correspond to 1.0% of the total loans and guarantees, which is still too high a level. The first three quarters of 2013, just as with earlier accounting periods, has been characterised by the management of non-performing engagements, which, as shown above, has resulted in losses of DKK 70.7 million.

The management may find that the number of non-performing engagements has been significantly reduced and, based on this, may expect that the impairment will decrease in the future compared to the current period and previous fiscal year.

The devaluations have historically been spread over a wide range of the bank's customer relationships, and include engagements both private and commercial



in a series of different industries. The bank's lending to real estate and project financing previously accounted for most of the impairment, while this year the bank has primarily written down agricultural exposures, for which long-term, sustainable solutions have been found for a number of problematic exposures.

**Profit for the period**

The total profit before tax amounted to DKK 23.3 million compared with DKK 1.3 million as of 30 September 2012. After taxes, the period's net profit amounted to DKK 17.5 million. The results are considered acceptable despite the continued high indications of impairment and the reduced interest income. The management is pleased to note that the core earnings have improved significantly, that the demand for lending has risen with increased volume to follow and that the total base costs have been reduced.

The bank's management considers the results to be acceptable and the development to be absolutely positive.

**Capital requirements**

Equity amounted to DKK 565.9 million compared to DKK 546.9 million at the end of the previous year.

After addition of subordinated capital contributions of DKK 269 million and adjusted for other deductions, the bank's base capital at the end of the six months amounted to DKK 684.8 million.

The solvency amounts to 17.1%, which is an increase of 1.4% compared to the same pe-riod last year, but a reduction compared to the end of the year, when the solvency could be calculated at 19.6%. The reduction is due to the bank's repayment of the state-funded hybrid loan of DKK 65 million in February 2013 and repayment of supplementary loan capital of DKK 25 million in August 2013.

The core capital ratio is 13.8%, compared to 11.2% in September 2012.

The necessary capital corresponding to the individual solvency needs is estimated at 11.8%, in accordance with the Danish Financial Supervisory Authority's

8+ model, compared with 11.9% at the end of 2012.

The bank thus has foundation capital with a coverage of 144.9% compared to the necessary capital.

**Deposits and liquidity**

Pure customer deposits amount to DKK 3,908 million, of which DKK 3,694 million is covered by the Danish Deposit Guarantee Scheme. The deposits are considered stable, since most of them come from base customer relationships. The liquidity surplus is 133.3% after repayment of the hybrid core capital, supplementary loan capital and state-guaranteed loans of a total of DKK 934 million this year. The re-payments follow Skjern Bank's strategic goal of reducing liquidity reserve to a lower, but still manageable level.

**Skjern Bank shares**

At the end of the quarter, the bank owned 16,120 shares, which is an increase of 750 shares compared to the end of 2012.

**Consolidated Statement**

Skjern Bank owns all the share capital in Knud Eskildsen Ejendomme A/S, whose sole ac-tivity is owning a town house in Esbjerg. The reason the property is located there is that it was originally intended for the construction of an owner-occupied property. The town house is expected to be sold at the posted value. The shares are recorded at DKK 3.2 million, which is the recorded net asset value. Consolidated accounts have not been prepared, since the subsidiaries' business, both in terms of balance and activity, is negligible in relation to the bank's.

**Expectations**

The bank's profit expectations for 2013 have increased to a base profit in the interval of DKK 95-100 million and therefore at the top of the previously reported interval of DKK 85 – 100 million.

Supplementary capital distributed on exercise date (final closing date)

	1,000 DKK
2014	25.000
2015	100.000
2016	-
2017	99.019
Infinite	70.000
<b>Total</b>	<b>294.019</b>

**„The Supervisory Diamond”**

The Danish Financial Supervisory Authority has launched the so-called supervisory diamond - applicable as of 2013 - which specifies five benchmarks for financial institutions with elevated risk.

**Liquidity reserve (min. 50 %):**

Skjern Bank's liquidity reserve is significant and amounts to 133.3% as of 30 September 2013 compared to 265.6% as of 31 December 2012.

**Funding ratio (max. 100 %):**

The current funding situation leaves room for significantly more loans, since the bank's loans compared to deposits, equity and debt securities are only 74%, which is slightly higher compared to 31 December 2012, when the funding ratio was estimated at 65%.

**Property exposure (max. 25 %):**

Skjern Bank has an attractive industry spread, and compared to the real estate sector the exposure is 17.9%, which is 2.5% lower than 31 December 2012.

**Major engagements (max. 125 %):**

Major engagements are defined as the sum of major engagements that constitute more than 10 percent of the base

capital. Skjern Bank primarily targets private customers and small and medium businesses and as of 30 September 2013, it had two major customer engagements of a total of 38.6%, compared to 13.1% as of 31 December 2012.

**Loan growth (max. 20 %):**

As expected, the bank has realised a loan growth in 2013 and the loan growth can thus be calculated at 5.2% in 2013 compared to -0.8% as of 31 December 2012.

The following figure shows the benchmarks that the Danish Financial Supervisory Authority has established and Skjern Bank's placement within each area as of 30 September 2013.

Skjern Bank complies with all limit values as of 30 September 2013 and has at no time since the introduction of the Supervisory Diamond exceeded any of the limit values.

**Transactions with related parties**

During the first three quarters of the year, there have not been major transactions between Skjern Bank and the bank's related parties.

**Contribution to the Danish Deposit Guarantee Scheme**

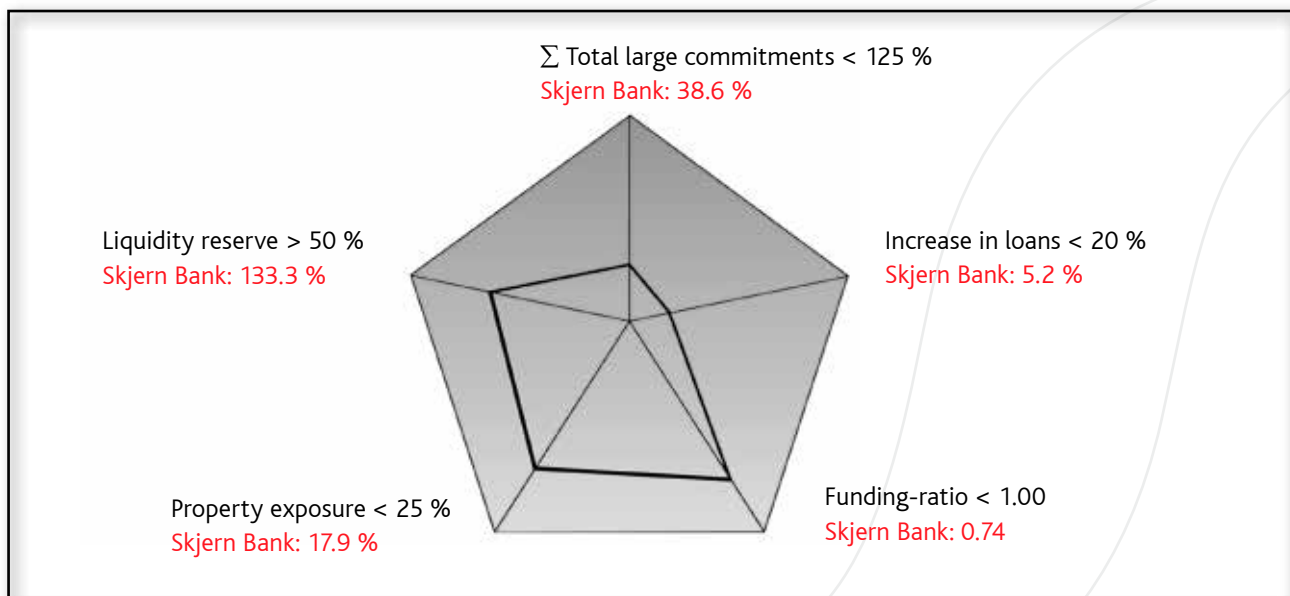
The contribution to the Danish Deposit Guarantee Scheme in the first three quarters of the year can be estimated at DKK 7.1 million, which is DKK 1.7 million more than the same period last year.

**Accounting practices used**

The quarterly report was prepared in accordance with the Danish Financial Business Act, including the Danish Financial Supervisory Authority's Executive Order on financial reports for credit institutions and investment companies, etc. and additional Danish disclosure requirement for interim reports for listed companies.

The accounting practice used is unchanged compared to the annual report for 2012.

**The Supervisory Diamond**







• Bredgade in Skjern

**Events after 30 September 2013**

No events have occurred after the balance date that are of significance for the assessment of the profit for the period.

**Litigation**

The bank is involved in disputes and litigation as part of its normal operations. The bank's risk in these cases is regularly assessed by the bank's lawyers and management. Provisions are made based on an assessment of risk of loss.

**Calendar 2014**

2014  
2014  
2014

- 3 March 2014: General Meeting, Skjern Kulturcenter
- 11 March 2014: Annual Meeting, Musikhuset Esbjerg
- 18 March 2014: Annual Meeting, Skjern Bank Arena

Yours sincerely,  
Skjern Bank

Hans Ladekjær Jeppesen  
Chairman of the Board of Directors

Per Munck  
Director



## Statement by the board of directors and executive board

We have on today's date discussed and approved the quarterly report for the period of 1 January - 30 September 2013 for Skjern Bank A/S.

The report was prepared in accordance with the Danish Financial Business Act, including the Executive Order on financial reports for credit institutions and investment companies, etc. and additional Danish disclosure requirement for

interim reports for listed financial institutions.

We consider the chosen accounting practice to be appropriate such that the accounts provide a fair presentation of the bank's assets and liabilities, financial position and profit.

We consider the management's review to contain a fair review of the develop-

ment in the bank's activities and economic conditions and a description of the significant risks and uncertainty factors by which the bank may be affected.

Skjern, 7th November 2013

### Skjern Bank A/S

Per Munck  
Director

### The board of directors

Hans Ladekjær Jeppesen  
Chairman

Jens Okholm  
Deputy Chairman

Bjørn Jepsen

Finn Erik Kristiansen

Søren Dalum Tinggaard

Lars Skov Hansen

Lars Lerke

*This document has been translated from Danish. The Danish text shall govern for all purposes and prevail in case of discrepancy with the English version.*

## Profit and loss account and Statement of comprehensive income 1st January - 30th September

1,000 DKK	2013	2012	1.1-31.12 2012
Interest receivable .....	186,896	196,422	262,374
Interest payable .....	68,714	82,548	109,368
<b>Net income from interest .....</b>	<b>118,182</b>	<b>113,874</b>	<b>153,006</b>
Dividend on shares and other holdings .....	6,090	2,845	5,414
Charges and commissions receivable .....	48,692	45,710	61,215
Charges and commissions payable .....	3,462	4,662	5,919
<b>Net income from interest and charges .....</b>	<b>169,502</b>	<b>157,767</b>	<b>213,716</b>
Exchange rate adjustments .....	7,805	4,350	8,096
Other ordinary income .....	1,372	867	1,131
Staff costs and administrative expenses .....	97,706	98,747	132,557
Depreciation of intangible and tangible assets .....	3,393	5,150	3,709
Other operating expenses total .....	7,812	5,546	5,292
Contributions to the Guarantee Fund for deposits .....	7,106	5,418	4,843
Other operating expenses .....	706	128	449
Write-downs .....	46,448	48,127	69,204
Profit on holdings in associated and affiliated companies .....	0	-4,100	91
<b>Profit on ordinary activities before tax .....</b>	<b>23,320</b>	<b>1,314</b>	<b>12,272</b>
Tax .....	5,830	1,191	2,433
<b>Profit for the financial year .....</b>	<b>17,490</b>	<b>123</b>	<b>9,839</b>

### Statement of comprehensive income

Profit for the financial year .....	17,490	123	9,839
Other comprehensive income after tax .....	0	0	0
<b>Total comprehensive income .....</b>	<b>17,490</b>	<b>123</b>	<b>9,839</b>

## Balance by 30th September

1,000 DKK	2013	2012	1.1- 31.12 2012
<b>Assets</b>			
Cash in hand and claims at call on central banks .....	270,797	683,206	805,863
Claims on credit institutions and central banks .....	21,763	35,519	22,094
Loans and advances at amortized cost price .....	3,691,049	3,520,229	3,498,499
Bonds at market value .....	920,067	1,130,067	1,270,360
Shares etc. ....	215,043	189,510	203,258
Holdings in associated enterprises .....	633	610	633
Holdings in group enterprises .....	3,233	3,365	3,233
Land and buildings (total) .....	67,638	68,748	69,429
Investments properties .....	9,413	9,367	9,361
Domicile properties .....	58,225	59,381	60,068
Other tangible assets .....	6,275	9,219	8,276
Deferred tax assets .....	68,368	44,819	44,198
Assets temporarily acquired .....	0	11,500	44,198
Other assets .....	58,939	69,758	75,207
Prepayments and accrued income .....	79	480	3,430
<b>Total assets .....</b>	<b>5,293,984</b>	<b>5,767,030</b>	<b>6,004,480</b>



## Balance by 30th September (continued)

1,000 DKK	2013	2012	1.1- 31.12 2012
<b>Liabilities</b>			
<b>Debt</b>			
Debt to credit institutions .....	439,407	403,014	399,806
Deposits and other debts .....	3,908,943	4,412,133	4,499,426
Deposit .....	3,908,943	3,666,931	3,753,560
Other debts .....	0	745,202	745,866
Bonds issued at amortised cost .....	3,051	102,595	102,640
Current tax-liability .....	318	0	0
Other liabilities .....	106,474	102,613	86,433
Accruals and deferred income .....	865	432	197
<b>Total debt .....</b>	<b>4,459,058</b>	<b>5,020,787</b>	<b>5,088,502</b>
<b>Provisions for commitments</b>			
Provisions for loss on guarantees .....	12	5,790	10,517
<b>Total provisions for commitments .....</b>	<b>12</b>	<b>5,790</b>	<b>10,517</b>
<b>Subordinated capital investments</b>			
Subordinated loan capital .....	199,019	223,293	223,475
Hybrid core capital .....	70,000	134,960	135,000
<b>Subordinated capital investments total .....</b>	<b>269,019</b>	<b>358,253</b>	<b>358,475</b>
<b>Capital funds</b>			
Share capital .....	192,800	22,560	192,800
Revaluation reserves .....	417	417	417
Retained earnings .....	372,678	359,223	353,769
<b>Total capital funds .....</b>	<b>565,895</b>	<b>382,200</b>	<b>546,986</b>
<b>Total liabilities .....</b>	<b>5,293,984</b>	<b>5,767,030</b>	<b>6,004,480</b>

## Off-balance-sheet items by 30th September

1,000 DKK	2013	2012	1.1- 31.12 2012
<b>Guarantees</b>			
<b>Guarantees</b>			
Finance guarantees .....	55,479	56,654	56,694
Guarantees against losses on mortgage credit loans .....	153,084	154,230	154,992
Registration and conversion guarantees .....	61,438	59,659	82,309
Other guarantees .....	287,683	179,327	198,161
<b>Total guarantees .....</b>	<b>557,684</b>	<b>449,870</b>	<b>492,156</b>
<b>Other contingent liabilities</b>			
Irrevocable credit-undertakings .....	78,345	80,925	22,085
<b>Total other contingent liabilities .....</b>	<b>78,345</b>	<b>80,925</b>	<b>22,085</b>



## Information on changes in equity 30th September

1,000 DKK	2013	2012	1.1- 31.12 2012
Share capital beginning-of-year .....	192,800	22,560	22,560
Share issue .....	0	0	170,240
<b>Share capital end-of-year .....</b>	<b>192,800</b>	<b>22,560</b>	<b>192,800</b>
Revaluation reserves beginning-of-year .....	417	417	417
Additions related to reassessed value .....	0	0	0
Other movements .....	0	0	0
<b>Revaluation reserves end-of-year .....</b>	<b>417</b>	<b>417</b>	<b>417</b>
Retained earnings beginning-of-year .....	353,769	357,740	357,740
Comprehensive income for the period .....	17,490	123	9,839
Sale of own funds .....	11,960	4,022	7,123
Purchase of own funds .....	-10,541	-2,662	-5,483
Costs share issue .....	0	0	-15,450
<b>Retained earnings end-of-year .....</b>	<b>372,678</b>	<b>359,223</b>	<b>353,769</b>
<b>Total equity .....</b>	<b>565,895</b>	<b>382,200</b>	<b>546,986</b>

## Notes per 30th September

1,000 DKK	2013	2012	1.1- 31.12 2012
<b>Interest receivable</b>			
Claims on credit institutions and central banks .....	35	1,370	1,366
Loans and other debtors etc. ....	172,329	178,898	237,938
Bonds .....	14,170	14,618	21,266
Total other financial instruments of which .....	362	1,536	1,804
Foreign exchange contracts .....	-460	473	620
Interest-rate contracts .....	822	1,063	1,184
Other interest income .....	0	0	0
<b>Total interest receivable .....</b>	<b>186,896</b>	<b>196,422</b>	<b>262,374</b>
<b>Interest payable</b>			
Credit institutions and central banks .....	939	1,022	1,396
Deposits .....	54,028	55,706	76,069
Bonds issued .....	563	8,690	9,215
Subordinated capital investments .....	13,180	17,126	22,683
Other interest expenses .....	4	4	5
<b>Total interest payable .....</b>	<b>68,714</b>	<b>82,548</b>	<b>109,368</b>
<b>Charges and commissions receivable</b>			
Securities trading and custodies .....	13,197	10,766	15,976
Payment management .....	4,786	4,579	6,201
Charges from loan applications .....	17,708	17,921	21,970
Commissions on guarantees .....	6,527	5,557	7,497
Other charges and commissions .....	6,474	6,887	9,571
<b>Total charges and commissions receivable .....</b>	<b>48,692</b>	<b>45,710</b>	<b>61,215</b>
<b>Value adjustments</b>			
Bonds .....	-2,775	-2,127	-745
Total shares .....	9,488	3,635	5,451
Shares in sector companies etc. ....	4,947	3,034	4,406
Other shares .....	4,541	601	1,045
Foreign currency .....	1,223	3,118	3,676
Other financial instruments .....	-131	-276	-286
<b>Total value adjustments .....</b>	<b>7,805</b>	<b>4,350</b>	<b>8,096</b>



## Notes per 30th September (continued)

1,000 DKK	2013	2012	1.1- 31.12 2012
<b>Staff costs and administrative expenses</b>			
<b>Salaries and remuneration of board of directors, managers etc.</b>			
Board of managers .....	1,988	1,988	2,830
Fixed fee .....	1,958	1,958	2,790
Pension contributions .....	30	30	40
Board of directors .....	520	453	606
Audit Committee .....	0	0	50
Board of representatives.....	0	0	168
<b>Total salaries and remunerations of board etc. ....</b>	<b>2,508</b>	<b>2,441</b>	<b>3,654</b>
<b>Staff costs</b>			
Wages and salaries .....	45,663	45,134	59,891
Pensions .....	5,072	5,068	6,739
Social security costs .....	712	626	776
Payroll tax .....	5,822	5,509	7,406
<b>Total staff costs .....</b>	<b>57,269</b>	<b>56,337</b>	<b>74,812</b>
<b>Other administrative expenses .....</b>	<b>37,929</b>	<b>39,969</b>	<b>54,091</b>
<b>Total staff costs and administrative expenses .....</b>	<b>97,706</b>	<b>98,747</b>	<b>132,557</b>
<b>Number of employees</b>			
Average number of employees .....	125	128	123

## Notes per 30th September (continued)

1,000 DKK	2013	2012	1.1 31.12 2012
<b>Write-downs on loans and receivables</b>			
Write-downs and provisions during the year .....	85,896	91,989	123,490
Reversal of write-downs made in previous years .....	-37,221	-39,107	-47,431
Finally lost, not previously written down .....	5,501	3,703	4,111
Interests on the written-down part of loans .....	-6,750	-6,800	-9,200
Recoveries of previously written-down debt .....	-978	-1,658	-1,766
<b>Individual write-downs on loans etc. ....</b>	<b>46,448</b>	<b>48,127</b>	<b>69,204</b>
<b>Profit on holdings in associated and group companies</b>			
Profit on holdings in associated companies .....	0	-4,100	224
Profit on holdings in group companies .....	0	0	-133
<b>Total profit on holdings in associated and group companies .....</b>	<b>0</b>	<b>-4,100</b>	<b>91</b>
<b>Individual write-downs and provisions</b>			
Write-downs as per beginning of the year .....	223,512	278,332	278,332
Write-downs during the period (net) .....	80,859	91,989	115,390
Reversal of write-downs made in previous years .....	-37,221	-37,761	-47,431
Write-downs in previous years, now lost .....	-65,215	-37,681	-122,779
<b>Individual write-downs total .....</b>	<b>201,935</b>	<b>294,879</b>	<b>223,512</b>
<b>Group write-downs on and provisions</b>			
Write-downs as per beginning of the year .....	12,883	14,718	14,718
Write-downs during the period .....	5,036	-1,346	-1,835
<b>Group write-downs on loans etc. ....</b>	<b>17,919</b>	<b>13,372</b>	<b>12,883</b>
<b>Write-downs total .....</b>	<b>219,854</b>	<b>308,251</b>	<b>236,395</b>


## Notes per 30th September (continued)


1,000 DKK	2013	2012	1.1 31.12 2012
<b>Guarantees</b>			
Provisions beginning of the year .....	10,517	5,208	5,208
Provisions during the year .....	12	6,928	8,660
Transferred to liabilities.....	-10,517	-6,346	-3,351
<b>Guarantees total .....</b>	<b>12</b>	<b>5,790</b>	<b>10,517</b>
<b>Total loans etc. with suspended calc. of interest .....</b>	<b>192,095</b>	<b>257,952</b>	<b>189,831</b>
<b>Share capital</b>			
Number of shares at DKK 20 each .....	9,640,000	1,128,000	9,640,000
<b>Share capital .....</b>	<b>192,800</b>	<b>22,560</b>	<b>192,800</b>
<b>Own capital shares</b>			
Number of shares (pcs).....	30,059	83,816	79,890
Nominal value hereof.....	601	1,676	1,598
Market value hereof .....	1,202	8,382	1,917
Own shares proportion of share capital (per cent) .....	0.3%	7.4%	0.83%





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skjernbank.dk


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