



NASDAQ OMX Copenhagen A/S
Nikolaj Plads 6
1067 Copenhagen K

15. August 2014

Financial statement half year 2014

Half year profit increases with DKK 24,1m to DKK 41,7m

- Continued good inflow of new customers throughout the bank's market area
- Increase in businessvolume – average lending by 0.9% - average deposits by 6.1%
- Basic profit DKK 46.1m – an increase by DKK 16.6m (+56%)
Income increased by DKK 11.5m (+8.7%) /
Expenses decreased by DKK 5.1m (-4.9%)
- Write downs amounts to DKK 17.8m – a decrease of DKK 5.3m
- Positive price adjustments of DKK 13.4m
- Profit before tax by DKK 41.7m leads to a return on equity of 10.5% p.a.
- Expectations to profit for the year is upgraded by 20% to the level of DKK 80 to 95 m
- Solvency ratio 17.0% - solvency demand estimatet to 11.5%
- Excess liquidity cover of DKK 1.300m.

Main figures

	1. half year				
	2014	2013	2012	2011	2010
(Amounts in million DKK)					
Profit and loss account					
Net interest and fee income	143,3	131,8	137,9	126,1	128,2
Other ordinary income	0,1	0,1	4,3	3,3	3,3
Operational expenses	92,4	96,4	92,5	91,6	90,3
Other operational expenses / The Private Preparedness Initiative / Deposit Guarantee Fond	5,0	6,0	3,5	16,2	10,8
Basic profit (before priceadjustments, write downs and tax)	46,1	29,5	46,3	21,6	30,4
Price adjustments	13,4	11,2	10,1	-1,7	19,8
Write downs	17,8	23,1	28,8	11,9	17,4
Profit before tax	41,7	17,6	27,6	8,0	32,7
Profit	32,8	11,7	20,0	5,9	24,8

	End 1. half year				
	2014	2013	2012	2011	2010
Balance					
Loans and advances	3.639	3.548	3.889	4.035	3.945
Deposits	3.940	3.761	3.725	3.548	3.596
Deposits in pension pools	998	909	867	863	908
Equity	808	764	728	683	664
Balance	6.615	6.671	6.612	6.718	6.486
Off balance sheet items	854	823	1.003	944	1.560

This is an unofficial translation of an original document in the Danish language. In the event of disputes or misunderstandings arising from the interpretation of any part of the translation, the Danish language version shall prevail.

Result background

The increasing growth of the macro economy through the first half of the year can now be registered in the bank and with increase in business volume in result.

The decreasing unemployment in combination with the historical low rate, has resulted in increasing sales of residential property, which are resulting in an increase in activity in the building sector.

The economic growth has not yet resulted in a significant increase in demand for loans.

In the first half of the year, the bank's average deposits has been DKK 32m (0.9%) higher than the same period in 2013.

On the basis of the rising sales of residential properties, we can note a growing demand for especially for mortgage financing, indicating future growth in customer consumption.

Continuing influx of new customers to the bank also leads to a growth in business volume. Especially from private customers, the influx of new customers is at a high and stable level, which can be seen in the development in deposits.

The bank's average deposit has shown a significant increase of DKK 285m (+6.1%).

In addition to the increasing number of customers, the development is also affected by the continuing increase in savings from both private and corporate customers, as well as a continued significant transfer of customers' pension funds from other pension providers.

At the bank's other business areas, the asset management area still shows continuing growth activity.

The increasing savings – including pensions – combined with the very low interest rates, leads to a higher demand for the bank's asset management products.

On mortgages there has also been an increasing activity, compared to the same period in 2013, which has resulted in increasing earnings to the bank.

Net interest and fee income is DKK 143.3m, which is DKK 11.5m higher than the same period last year. The progress is composed of increases in net interest income of DKK 2.5m, in net fee and commission income of DKK 6.4m and dividends from equity investments of DKK 2.6m.

The main reason for the increase in net interest income is a higher direct interest return on the bank's bond portfolio and lower interest expense for repaid deposits and hybrid core capital.

The increase in fee and commission income of DKK 6.4m is mainly attributable to a higher activity in the mortgage business as well as capital management.

The total operating expenses is DKK 97.4m - an decrease of DKK 5.0m compared to the same period in 2013.

The main reason for this is a decrease of DKK 4.8m in write downs on financial assets (domicile properties). The bank's expenses on DKK 5.0m for Deposit Guarantee Fund is furthermore DKK 1m lower than in the same period in 2013.

The number of employees in the bank during 2013 is reduced, and the average number of employees in first half is 175 – a decrease by 4 compared to the same period in 2013.

Write downs on loans and guarantees

Net amount of write downs on loan and guarantees represents DKK 17.8m compared to a write down of DKK 23.1m in the same period in 2013.

The level of the bank's own write downs is equivalent to 0.8% for the year.

The main part of the writedowns is primarily attributable to individual write downs on especially farming and other business exposures.

Despite of the improvement in the macro economic growth conditions, the bank are still noting, that there are customers in the bank's customer portfolio, where the operating performance is not satisfying, and where the bank therefore can detect an impairment of the exposure.

The realized loss for the half year is DKK 15.0m, which has previously been written down. Zero interest exposures amounts at the end of the half year to DKK 55.0m – the same level as the end of 2013.

The bank's accumulated write downs on loans, guarantees and provisions are at the end of first half year DKK 225m, equivalent to 4.8% of the total loan and guarantee portfolio.

Value adjustments of securities and currency etc. forms - after regulating for the pension pool share – a satisfying positive value adjustment of DKK 13.4m. Value adjustments are composed of positive adjustments of bonds DKK 1.3m, DKK 13.6m from shares and DKK 1.5m from currency.

The realized gain on sale of the bank's shares in Nets includes DKK 7.4m in total value adjustments of shares of DKK 13.6m.

Profit before tax of DKK 41.7m represent a return on average equity of 10.5% pro anno, which is at a higher level than expected.

The main reason is a greater increase in basic profit than expected and higher positive value adjustments of the bank's portfolio, caused by the realized gain on sale of shares in Nets.

The half year result is DKK 32.8m, which is DKK 21.1m higher than the same period in 2013.

Liquidity

At the end of the first half of 2014 the bank has a very satisfactory liquidity surplus at the level of DKK 1.300m in relation to statutory requirements. The positive cash position is expected to be maintained.

Equity in the beginning of the year was DKK 783.6m. After adding the profit for the period, paying dividend, and trading with own shares, the equity at the end of 1. half of 2014 amount to DKK 808.4m.

Capital

As written in the bank's quarterly report of 2 May 2014, the bank has repaid its hybrid capital of DKK 50m with effect from 27 May 2014. The bank's capital base consists therefore only of equity.

The bank's capital base amounts to DKK 676.5m by the end of 1. half of 2014 and the solvency ratio is thereby 17,0%.

The bank's own calculated solvency ratio demand is 11.5%, the bank has therefore a very satisfying solvency surplus, which amounts to 5.5%-points more than the solvency demand, equal to approximately DKK 219m.

Share holders

The bank has one shareholder who owns more than 5% of the banks capital. Henrik Ostergaard Lind – personally and through companies.

The remaining share capital is owned by approx. 16.100 smaller shareholders.

By the end of the first half of 2014, the Bank's holding of own shares amounted only to 17,272 shares representing 0.6% of the bank's share capital.

FSA Monitoring Diamond

The Bank has for many years had a very strong focus on the development and composition of its balance sheet, and growth have occurred in the natural environment, which is dictated by the overall economic development of the society.

Therefore the Bank also complies with all values of the FSA's Monitoring Diamond.

FSA Monitoring Diamond - 30. June 2014

	FSA values	Djurslands Bank
Large engagements	< 125%	64%
Growth in loans	< 20 %	2,6%
Liquidity coverage	> 50%	188%
Stabel funding	< 1,00	0,63
Real estate	< 25%	11,7%

Expectations for the financial year 2014

Based on the realized result for the first half year, the expectation at the beginning of the year is upgraded by 20%. The banks expects a basic profit of DKK 80 to 95m before price adjustments, write downs and tax.

Writedowns and provisions on loans are expected to stay at the same level as in 2013, which is equal to a writedown percentage of 0,8%.

The following pages consists of the Profit and Loss Account, the Balance Sheet, notes etc.

Please address any questions or queries to CEO Ole Bak

Yours faithfully
Djurslands Bank

KEY FIGURES	1. half year				
	2014	2013	2012	2011	2010
Profit					
Net profit before tax %, p.a.	10,5	4,6	7,7	2,4	10,0
Net profit after tax %, p.a.	8,3	3,1	5,6	1,7	7,6
Earinigs / costs	1,36	1,14	1,22	1,07	1,27
Basic earning / cost	1,47	1,29	1,48	1,20	1,30
Solvency and capital					
Capital base after deductions (M DKK)	676,5	715,1	681,2	761,6	816,6
Solvency ratio *	17,0	16,7	15,3	16,2	15,8
Core capital ratio *	17,0	17,4	16,0	14,7	12,8
Market risk ratios					
Interest rate risk	1,2	1,0	0,1	0,6	0,1
Foreign exchange risk - pos 2	0,0	0,0	0,0	0,0	0,0
Liquidity ratios					
Lending plus provisions on loans in relation to deposits	78,2	80,5	88,5	95,4	91,0
Extra cover in relation to the statutory liquidity requirement	188,3	227,0	204,0	190,2	201,8
Credit risk ratios					
Sum of large commitments	64,0	71,2	78,4	103,2	47,5
The half years loss and writedown	0,4	0,5	0,6	0,2	0,3
Akkumulated writedown percentage	4,8	4,7	3,5	3,4	3,1
The years growth in lending	-1,1	-1,7	-1,5	5,6	-1,5
Lending in relation to equity	4,5	4,6	5,3	5,9	5,9
Return on share					
Stock value per share	196	147	132	140	138
Net book value per share **	301	284	270	255	249
Stock value/bookvalue per share **	0,65	0,52	0,49	0,55	0,55
Profit for the half year per share	12,2	4,3	7,4	2,2	9,2
Employees					
Number of employees (average)	174,5	178,9	181,3	192,0	194,7

*

The regulations for calculating the solvency and core capital ratio has changed with the entry of CRD IV regulatory from 31 March 2014. Comparative data for 2010-2013 are not adapted to this change.

**

Bookvalue per share = equity / (number of shares - number of own shares)

Profit and Loss Account and comprehensive income

Page 6 of 14

(DKK 1,000)

	Note	1. half 2014	1. half 2013	Annual 2013
Profit and Loss Account				
Interest income	1	105.412	107.337	216.676
Interest expenses	2	15.196	19.593	37.316
Net interest income		90.216	87.744	179.360
Dividend from share etc.		3.434	803	3.969
Fees and commission income	3	52.978	46.439	92.530
Fees and commission expenses		3.300	3.174	6.789
Net interest and fee income		143.328	131.812	269.070
Value adjustments	4	13.397	11.244	22.682
Other ordinary income		136	113	243
Staff costs and administrative expenses	5	89.292	88.523	180.896
Depreciation and writedowns of tangible assets		3.103	7.946	9.117
Other operational expenses		4.992	5.979	10.025
Writedowns	6	17.772	23.142	43.616
Profit from holdings in associated and affiliated companies	7	0	0	23
Profit before tax		41.702	17.579	48.364
Tax		8.855	5.852	11.311
Profit		32.847	11.727	37.053
Comprehensive income				
Profit for the financial year accordingly to the profit and loss account		32.847	11.727	37.053
Other comprehensive income from domicile property		0	0	-3.600
Other comprehensive income after tax		0	0	-3.600
Total comprehensive income for the financial year		32.847	11.727	33.453

Balance Sheet

Page 7 of 14

(DKK 1,000)

	Note	30.06 2014	30.06 2013	31.12 2013
Cash in hand and claims at call on central banks		64.175	37.205	60.863
Due from credit institutions and central banks		58.604	86.869	94.126
Loans and other amounts due at amortised cost	6	3.638.526	3.547.663	3.679.973
Bonds at fair value		1.543.762	1.794.894	1.494.356
Shares, etc.		199.014	194.701	187.067
Holdings in affiliated companies	7	1.787	1.764	1.787
Assets under pooled schemes		929.575	840.595	871.143
Tangible assets		76.268	74.527	77.402
Investment properties		4.305	2.565	4.305
Domicile property		71.963	71.962	73.097
Other tangible assets		6.769	6.749	7.283
Tax assets		0	0	1.101
Temporary assets		0	0	0
Other assets		88.861	80.329	92.550
Cut-off assets		4.085	4.128	3.956
Total assets		6.614.838	6.671.287	6.575.019
Due to credit institutions and central banks		754.136	1.061.772	772.203
Deposits and other amounts due		3.939.900	3.761.059	3.907.593
Deposits under pooled schemes		997.828	908.873	959.810
Tax liabilities		4.554	2.883	0
Other liabilities		97.567	108.104	89.470
Cut-off liabilities		4.133	4.049	3.893
Total debt		5.798.118	5.846.740	5.732.969
Provisions for pensions and similar obligations		5.782	5.905	5.782
Deferred tax provision		0	0	0
Provisions regarding loss on guaranties		1.853	3.932	1.923
Other provisions		659	800	717
Provisions for commitments		8.294	10.637	8.422
Subordinated debt		0	50.000	50.000
Subordinated debt		0	50.000	50.000
Share capital		27.000	27.000	27.000
Revaluation reserves		6.918	10.518	6.918
Other reserves		787	764	787
Retained profit		773.721	725.628	740.823
Total equity		808.426	763.910	775.528
Total liabilities		6.614.838	6.671.287	6.566.919

Equity

(DKK 1,000)

	Share capital	Shares premium account	Revaluation reserves	Other reserves	Proposed dividend	Retained profit	Total
Equity 31.12.2012	27.000	0	10.518	764	6.750	712.624	757.656
Net purchase of own shares						1.277	1.277
Paid dividend					-6.750		-6.750
Profit for the period				0	0	11.727	11.727
Equity 30.06.2013	27.000	0	10.518	764	0	725.628	763.910
Net purchase of own shares						-2.008	-2.008
Other comprehensive income			-3.600				-3.600
Profit for the period				23	8.100	17.203	25.326
Equity 31.12.2013	27.000	0	6.918	787	8.100	740.823	783.628
Net purchase of own shares						51	51
Paid dividend					-8.100		-8.100
Profit for the period						32.847	32.847
Equity 30.06.2014	27.000	0	6.918	787	0	773.721	808.426
Number of shares 2.700.000							
				30.06		30.06	31.12
Own shares				2014		2013	2013
Bookvalue of own shares				0		0	0
Number of own shares				17.272		5.618	17.276
Stock value per share				196		147	183
Total stock value				3.385		826	3.162
Percentage of own shares				0,6		0,2	0,6

Shareholders

Shareholders who owns more than 5% of the sharevalue

- Henrik Østenkjær Lind personally and through the companies Lind Invest ApS and Danish Commodities A / S

Notes

(DKK 1,000)

1 Solvency

Solvency ratio accordingly to FIL § 124, subsection 1
 Core capital ratio

	1. half 2014	1. half 2013	Annual 2013
	17,0%	16,7%	17,3%
	17,0%	17,4%	18,1%
Equity	808.426	763.910	783.628
Hereof Revaluation reserves	0	-10.518	-6.918
Hereof proposed dividend	0	0	-8.100
Tax assets	-3.412	-1.863	-3.412
Other deductions	-32.847	-11.727	0
Core capital (CET1)	772.167	739.802	765.198
Subordinated capital investments	0	50.000	50.000
Core capital before deductions	772.167	789.802	815.198
Total of holding etc., more than 10% of capital base	-95.680	-42.602	-42.626
Core capital after deductions	676.487	747.200	772.572
Revaluation reserves	0	10.518	6.918
Total of holding etc., more than 10% of capital base	0	-42.602	-42.626
Capital base after deductions	676.487	715.116	736.864

Weighted values

Credit risk, etc.
 Marked risk
 Total weighted values

	3.659.964	3.938.428	3.946.548
	308.499	352.263	321.284
	3.968.463	4.290.691	4.267.832

2 Interest income

Claims on credit institutions, etc.
 Loans and advances
 Bonds
 Total derivative financial instruments
 of which
 Currency contracts
 Interest rate contracts
 Other interest income
 Total interest income

	760	830	1.651
	95.799	99.295	197.347
	10.713	9.999	22.947
	-1.926	-2.841	-5.399
	-8	-50	313
	-1.918	-2.791	-512
	66	54	130
	105.412	107.337	216.676

3 Interest expenses

Credit institutions and central banks
 Deposits
 Subordinated debt
 Other interest expenses
 Total interest expenses

	351	2.898	4.531
	12.669	14.135	27.499
	2.113	2.438	4.908
	63	122	378
	15.196	19.593	37.316

Notes

(DKK 1,000)

	1. half 2014	1. half 2013	Annual 2013
4 Fee and commission income			
Securities trading and custody account fees	18.354	16.246	34.258
Payment services fees	6.199	5.382	11.990
Loan fees	20.356	17.194	32.300
Guarantee commissions	2.557	2.693	5.226
Other fees and commissions	5.512	4.924	8.756
Total fee and commission income	52.978	46.439	92.530
Paid fee and commission have not been deducted in the above figures.			
5 Value adjustments			
Loan and advances at fair value	-1.582	-5.906	-7.181
Bonds	-1.290	5.441	10.359
Shares, etc.	13.604	5.340	11.196
Currency	1.499	805	1.853
Derivatives	1.625	5.963	7.198
Assets under pooled schemes	34.252	14.730	59.374
Deposits under pooled schemes	-34.711	-15.129	-60.117
Total value adjustments	13.397	11.244	22.682
6 Staff costs and administrative expenses			
Salaries and remuneration of Executive Board, Board of Directors and Board of Representatives			
Executive Board, wage	956	944	1.949
Executive Board, pension	178	177	353
Board of Directors	499	494	987
Board of Representatives	81	81	161
Total	1.714	1.696	3.450
Staff costs			
Salaries	44.245	43.794	83.933
Pensions	5.403	5.459	10.732
Financial services employer, etc.	491	475	986
Taxes	5.548	5.420	10.428
Total	55.687	55.148	106.079
Other administrative expenses	31.891	31.679	71.367
Total staff costs and administrative expenses	89.292	88.523	180.896
Calculated according to the ATP-method	181,9	186,6	184,4
Calculated according to work-time percentages	174,5	178,9	176,7

Notes

Page 11 of 14

(DKK 1,000)

7 Write down on loans and advances

	1. half 2014	1. half 2013	Annual 2013
Individual write downs			
Write downs beginning	205.500	174.226	174.226
Write downs in the financial year	35.266	48.400	71.510
Changes in write downs regarding earlier years	-13.109	-17.640	-16.327
Finally lost regarding earlier write downs	-14.810	-3.726	-23.909
Individual write downs end	212.847	201.260	205.500
Group write downs			
Write downs beginning	10.057	9.898	9.898
Write downs in the financial year	361	-159	159
Changes in write downs regarding earlier years	0	0	0
Group write downs end	10.418	9.739	10.057
Total write downs on loans and advances	223.265	210.999	215.557

Expenses in the financial year from write downs on loans and advances

Write downs in the financial year from loans and advances	35.627	48.241	71.669
Write downs in the financial year from provisions	-70	-2.530	-4.539
Reversal of write downs in ealier financial years	-13.109	-17.640	-16.327
Realized losses, written down in earlier financial years	-14.810	-3.726	-23.909
Realized losses	15.020	3.662	26.475
Interest from debtors with writedowns	-4.886	-4.865	-9.753
Writedowns	17.772	23.142	43.616

30.06 2014	30.06 2013	31.12 2013
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8 Profit and holdings in affiliated companies

Djurs-Invest ApS, Grenaa			
Part of shares	100%	100%	100%
Equity	1.787	1.764	1.787
Total profit on holdings in affiliated companies	0	0	23

The activity in the company is immaterial.

9 Off-balance sheet items

Financial guarantees	221.680	251.479	241.810
Loss guarantees	230.714	204.615	217.600
Registration guarantees	60.638	62.025	74.469
Other guarantees	341.176	304.954	314.777
Total off-balance sheet items	854.208	823.073	848.656

Like the other Danish banks, the bank is liable for losses sustained by the Bank Deposit Guarantee Fund. The last statement of the bank's share of the sector's surety constitute 0.43%.

The bank participates in a IT-cooperation with other banks via the IT-center Bankdata. An exit from this will result in payment of a withdrawal benefit of DKK 173 million as at 31.12.2013.

Notes

Page 12 of 14

(DKK 1,000)

30.06 2014	30.06 2013	31.12 2013
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10 Close parties

Transaktions with close parties

Close parties covers the Board of Directors and the Board of Management. No transactions have been entered into except those mentioned in note 6.

Loans etc to the management

Executive Board	0	0	0
Board of Directors	11.055	15.084	14.775

Interest rates

Executive Board	8,8%	8,8%	8,8%
Board of Directors	2,6-5,1%	3,6-5,0%	3,6-5,0%

Collaterals for engagements with

Executive Board	180	180	180
Board of Directors	9.631	9.499	9.685

Accounting policies

The report for the first six months of 2014 has been prepared in accordance with the Danish Financial Business Act including the Executive Order on the presentation of interim financial reports by credit institutions and investment companies etc. (the Executive Order) and other Danish disclosure requirements for the annual reports of listed financial businesses (cf. the disclosure requirements laid down by the Copenhagen Stock Exchange).

The report are presented in DKK 1,000.

The accounting policies is unchanged compared to the financial report for 2013. We refer to the Annual Report 2013 for details of the accounting practice.

Accounting estimates

Measurement of certain assets and liabilities requires management estimates. The most significant estimates by management in connection with the recognition and measurement of these assets and liabilities and the estimated uncertainty associated with the preparation of the interim report for 2014 are the same as for preparing the Annual Report for 2013, where to we refer.

Signatures by the Board of Executives and Directors

We have today presented the half year report 2014 for Djurslands Bank A/S.

The half year report has been presented in accordance with the Danish Financial Business Act, including the Executive Order on Financial Reports for Financial Credit Institutions and Investment Companies etc.. Furthermore the half year report has been prepared in accordance with additional Danish disclosure requirements for half year reports of listed financial companies.

The management's review includes a fair presentation of the development in the bank's activities and financial position as well as a description of the most material risks and elements of uncertainty that may affect the bank

We consider the accounting policies appropriate for the half year report to provide a true and fair view of the bank's assets, liabilities, financial position, result and cash flow.

There has not been performed audit or review on the interim report

Grenaa, 15 August 2014

**Board of Executive
Ole Bak**

Grenaa, 15 August 2014

Board of Directors

/ **Martin Ring Andersen**
Chief Accountant

Erik Nymann
Chairman

Uffe Vithen
Deputy Chairman

Helle Bærentsen *

Tina Klausen *

Peter Pedersen

Jan B. Poulsen *

Ejner Søby

Mikael Lykke Sørensen

Peter Zacher Sørensen

* Employee representatives