

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

13. August 2010

## Financial statement half year 2010

### Profit DKK 32.7m before tax

- Business volume increased by DKK 554m (+5,9%) – deposits increased by DKK 230m, loans decrease by DKK 58m.
- Net interest income, fees and commissions rose by DKK 1.1m (+0,9%).
- Write downs on own loans amounts to DKK 13.8m, equals 0,5% p.a.
- Payment to Bank pagage I amounts to DKK 10.8m plus write downs DKK 3.6m
- Profit before tax increased by DKK 2.1m (+6,8%) – average return on equity 10,0% p.a.
- Maintaining expected profit of DKK 50 – 70m before price adjustments, write downs and tax.
- Solvency ratio rose by 1.6% to 15.8% - Solvency demand estimatet to 8%.
- Excess liquidity cover of more than DKK 1.400m.

### Main figures

	1. half year				
	2010	2009	2008	2007	2006
(Amounts in million DKK)					
<b>Profit and loss account</b>					
Net interest and fee income	<b>128,2</b>	127,0	120,3	111,5	102,8
Other ordinary income	<b>3,3</b>	3,9	2,7	2,0	1,0
Operational expenses	<b>90,3</b>	84,4	81,8	76,6	71,0
Other operational expenses / The Private Preparedness Initiative	<b>10,8</b>	10,4	0,0	0,0	0,0
Profit of holdings in associated and affiliated companies	<b>0,0</b>	0,0	2,9	0,0	0,0
Profit before price adjustments, write downs and tax	<b>30,4</b>	36,1	44,1	36,9	32,8
Price adjustments	<b>19,8</b>	13,9	0,6	13,7	0,3
Write downs.	<b>17,4</b>	19,5	2,4	-2,7	-6,6
Herof write downs of the Private Preparedness Initiative	<b>3,6</b>	7,3	0,0	0,0	0,0
Profit before tax	<b>32,7</b>	30,6	47,1	53,3	39,8
<b>Profit</b>	<b>24,8</b>	23,5	38,2	41,5	29,8

	End 1. half year				
	2010	2009	2008	2007	2006
<b>Balance</b>					
Loans and advances	<b>3.945</b>	4.003	4.404	3.664	3.174
Deposits	<b>3.596</b>	3.468	3.534	3.382	2.863
Deposits in pension pools	<b>908</b>	806	843	812	661
Equity	<b>664</b>	618	625	604	509
Balance	<b>6.486</b>	6.411	6.545	5.742	4.728
Off balance sheet items	<b>1.560</b>	1.178	1.591	2.194	2.168

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.

**Background for the result.**

Despite a continuous improvement of the macro economic situation, the low economic growth continues to be read in the growth of the bank's business volume.

The bank's lending has fallen by DKK 58m (-1.5%) compared to the first half of 2009 and represents DKK 3,945m by the end of the first half year.

The main reason is still a relatively low demand for credit from the bank's business customers to new investments.

Moreover, despite the slightly brighter prospects in the employment situation, marks the bank remains a major restraint to borrow the recording of private customers.

Private Customers' increased focus on savings implies an increasing deposits in the bank. Deposits represent at the end of the first half of DKK 4,504m, an increase of DKK 128m (+3.7%).

This must be added an increase of DKK 102m in deposits in pool schemes - an increase of 12.7% compared to end June 2009.

The very satisfactory balance between bank deposits and loans leads to a significant liquidity surplus of DKK 1,400m compared to the statutory requirements.

The Bank is therefore in the very favorable situation that both liquidity as solvency basis, the bank has financial flexibility to receive new private and business customers with a good sense of the economy.

As a result of positive developments in the stock market, has the business area of securities trading, wealth management and asset management been increasing over the first half year, and hence the bank's earnings from it.

The aftermath of the significant shift in macro economic climate means that the bank write down on lending specifically to business customers, but still at a very satisfactory low level.

Losses on customers in the first half is on a very limited level.

The Bank's adherence to Bank Package I of the fourth quarter of 2008 has brought a total cost to the bank 1st half of 2010 at DKK 14.4m, of which the payment of guarantee commission to the state is DKK 10.8m.

**Net interest and fee income** is DKK 128.2m, which is DKK 1.1m more than the same period a year earlier, representing an increase of 0.9%.

Earnings growth of DKK 1.1m are composed of a decline in net interest income of DKK 1.4m, a decrease in dividends of DKK 0.5m, and an increase in net fee and commission income of DKK 3.0m.

The increase in fee income is mainly attributable to increased volume of loan restructuring and a higher level of activity within asset management and securities trading.

**Value adjustments** of securities and currency etc. form - after regulating pensionspuljernes share - a gain of DKK 19.8m. Value adjustments are composed of positive adjustments of bonds, equities and currencies respectively DKK 14.1m, DKK 4.2m and DKK 1.5m.

**The total operating expenses** is DKK 101.1m - an increase of DKK 6.3m (+6.7%) compared to the same period in 2009.

Contained herein is the bank's payment for participation in Bank Package I, which in the first half of 2010 has caused the bank an expense of DKK 10.8m in payment of guarantee commission to the state.

The increase in operating expenses of DKK 6.3m is due to an increase in salaries and personnel costs due to contractual wage increases, a relatively large increase in IT costs and single larger one-off expenses.

Compared to the first half of 2009, the number of employees decreased by an average of 5.7 employees to 194.7 in the first half of the 2010.

**Write downs on loans and guarantees**

Net amount of write downs on loan and guarantees represents DKK 17.4m compared to a write down of DKK 19.5m in the same period in 2009.

The depreciation amount in the first half of this year included DKK 3.6m from Bank Package I / The Private Preparedness Initiative - this amounted to DKK 7.3m in the first half of 2009

Most of the writedowns on the bank's own loan of DKK 13.8m is primarily attributable to individual write downs on specific business exposures.

The level of the bank's own write downs is equivalent to 0.5% annually, and is at a very satisfactory level compared to the banking sector generally.

The unrealized losses in the first half amount to DKK 3.7m, and the balance of the write down account is therefore still rising.

The bank's total write downs on loans and guarantees is at the end of the first semester DKK 176.1m, representing 3.1% of total loan and guarantee portfolio.

**Profit before tax** of DKK 32.7m is above the expected due to higher price adjustments on securities

Profit before tax represent a return on average equity of 10.0% pro anno. – a satisfying level in the actual macro economical situation.

**Profit after tax** amounts to DKK 24.8m, which is DKK 1.3m higher than in the same period last year.

#### **Liquidity.**

At the end of the first half of 2010 the bank has a very satisfactory liquidity surplus of more than DKK 1400m in relation to statutory requirements.

The positive cash position is expected to be maintained, and the bank expects not to use the government guarantee framework for senior capital of DKK 1.000m, which the bank has applied for and been granted. Instead the bank will, with effect from 1st October 2010, record a three-year senior bonds at DKK 300m. The offered and accepted lbond loan is without government guarantee, with interest rates at a slightly lower level than similar loans with government guarantee.

**Equity** in the beginning of the year was DKK 635.7m. After adding the profit for the period and trading with own shares, the equity at the end of 1. half 2010 amount to DKK 664.4m

**The solvency ratio** as at the 30. June 2010 was 15.8%, which is 1.6% higher than end June 2009. The bank's individual solvency rate is lower than the 8% demanded by the legislation. The core capital ratio was 12.8% at the end of first half 2010.

Supplementary capital of DKK 176m is a part of the banks capital base, herof DKK 75m can be repayed in 2010 and DKK 101m in 2011.

To substitute this, the bank's board is authorized to borrow up to DKK 100m hybrid and / or supplementary capital.

As seen in the bank's announcement of 25 May this year, the bank has under this authorization raised DKK 50m hybrid core capital of the free market and without a guarantee of the Danish government.

Please also refer to the posted announcement thereof.

#### **Share holders**

As seen in the bank's announcement of 4 June this year, the investment fund Sparinvest reduced their holdings of shares in Djursland Bank and their ownership is now below 5%.

The Bank has therefore not registered shareholders with a stake of 5% or more of the capital.

#### **Expectations for the financial year 2010**

På baggrund af den aktuelle udvikling i samfundskonjunkturerne forventer banken at kunne realisere de budgetterede resultater for året.

In light of the current developments in the macro economi the bank expects to achieve the budgeted results for the year.

Therefore the banks expectation of a profit of DKK 50 to 70m before price adjustments, write downs and tax, is maintained.

**Financial calender.**

The financial calender for the rest of 2010 looks as follows:

2. November Quarterly report 1. - 3. quarters of 2010

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

<b>KEY FIGURES</b>	<b>1. half year</b>				
	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Profit</b>					
Net profit before tax as % of average shareholders' funds p.a.	<b>10,0</b>	10,1	15,0	18,2	16,0
Net profit after tax as % of average shareholders' funds p.a.	<b>7,6</b>	7,8	12,1	14,2	12,0
Earinigs / costs	<b>1,27</b>	1,27	1,59	1,72	1,63
Basic earning / cost	<b>1,30</b>	1,38	1,50	1,48	1,46
Basic earning / cost excl expense Private Preparedness	<b>1,45</b>	1,55	1,50	1,48	1,46
<b>Solvency and capital</b>					
Capital base after deductions (M DKK)	<b>816,6</b>	726,0	703,6	672,5	598,5
Solvency ratio	<b>15,8</b>	14,2	12,8	14,3	12,7
Core capital ratio	<b>12,8</b>	10,6	9,5	10,6	9,6
<b>Market risk ratios</b>					
Interest rate risk	<b>0,1</b>	2,1	2,7	2,5	2,0
Foreign exchange standing - pos 1	<b>2,0</b>	0,7	3,2	5,7	3,2
<b>Liquidity ratios</b>					
Lending plus provisions on loans in relation to deposits	<b>91,0</b>	96,5	102,3	89,2	92,8
Extra cover in relation to the statutory liquidity requirement	<b>201,8</b>	219,4	64,5	64,2	30,1
<b>Credit risk ratios</b>					
Sum of large commitments	<b>47,5</b>	78,9	94,9	71,6	
The half years loss and writedown	<b>0,4</b>	0,4	0,0	0,0	+1,2
The years growth in lending	<b>-1,5</b>	-5,5	2,4	3,6	13,7
Lending in relation to equity	<b>5,9</b>	6,5	7,1	6,1	6,2
<b>Return on share</b>					
Stock value per share	<b>138</b>	141	375	373	343
Net book value per share *	<b>249</b>	238	240	221	188
Stock value/bookvalue per share *	<b>0,55</b>	0,59	1,56	1,69	1,82
Profit for the half year per share	<b>9,2</b>	8,7	14,2	14,8	10,6
<b>Employees</b>					
Number of employees (average)	<b>194,7</b>	200,4	192,9	192,1	186,3

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

# Profit and Loss Account

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(DKK 1,000)

	Note	1. half 2010	1. half 2009	Annual 2009
Interest income	1	<b>122.994</b>	160.301	295.620
Interest expenses	2	<b>27.630</b>	63.552	101.530
<b>Net interest income</b>		<b>95.364</b>	96.749	194.090
Dividend from share etc.		<b>758</b>	1.282	1.291
Fees and commission income	3	<b>35.590</b>	31.751	65.957
Fees and commission expenses		<b>3.538</b>	2.749	6.265
<b>Net interest and fee income</b>		<b>128.174</b>	127.033	255.073
Value adjustments	4	<b>19.783</b>	13.942	30.996
Other ordinary income		<b>3.254</b>	3.890	5.558
Staff costs and administrative expenses	5	<b>87.431</b>	81.574	166.484
Depreciation and writedowns of tangible assets		<b>2.941</b>	2.842	5.924
Other operational expenses		<b>10.769</b>	10.386	21.154
Writedowns		<b>17.416</b>	19.483	46.999
Profit from holdings in associated and affiliated companies	6	<b>0</b>	0	87
<b>Profit before tax</b>		<b>32.654</b>	30.580	51.153
Tax		<b>7.894</b>	7.073	11.184
<b>Profit</b>		<b>24.760</b>	23.507	39.969

# Balance Sheet

(DKK 1,000)

	<b>Note</b>	<b>30.06 2010</b>	30.06 2009	31.12 2009
Cash in hand and claims at call on central banks		<b>33.948</b>	70.792	58.347
Due from credit institutions and central banks		<b>94.083</b>	171.140	73.572
Loans and other amounts due at amortised cost	7	<b>3.944.827</b>	4.003.180	3.893.372
Bonds at fair value		<b>1.146.779</b>	1.017.335	1.051.832
Shares, etc.		<b>169.237</b>	151.891	166.504
Holdings in affiliated companies	8	<b>1.598</b>	1.511	1.598
Assets under pooled schemes		<b>897.232</b>	799.979	866.884
Tangible assets		<b>77.040</b>	76.804	77.762
Investment properties		<i>2.865</i>	2.865	2.865
Domicile property		<i>74.175</i>	73.939	74.897
Other tangible assets		<b>11.726</b>	12.847	11.969
Tax assets		<b>1.882</b>	8.868	4.961
Deferred tax assets		<b>0</b>	11.594	0
Temporary assets		<b>450</b>	0	600
Other assets		<b>103.867</b>	80.790	83.493
Cut-off assets		<b>4.023</b>	3.773	4.000
<b>Total assets</b>		<b>6.486.692</b>	6.410.504	6.294.894
Due to credit institutions and central banks		<b>893.286</b>	822.373	738.864
Deposits and other amounts due		<b>3.596.079</b>	3.468.101	3.384.750
Deposits under pooled schemes		<b>907.725</b>	805.648	892.151
Issued bonds at amortised cost		<b>0</b>	300.000	300.000
Other liabilities		<b>168.326</b>	149.126	138.247
Cut-off liabilities		<b>2.844</b>	5.406	4.651
<b>Total debt</b>		<b>5.568.260</b>	5.550.654	5.458.663
Provisions for pensions and similar obligations		<b>5.489</b>	5.278	5.489
Deferred tax provision		<b>2.132</b>	0	2.132
Provisions regarding loss on guaranties		<b>20.457</b>	10.250	16.880
Other provisions		<b>310</b>	371	361
<b>Provisions for commitments</b>		<b>28.388</b>	15.899	24.862
Subordinated debt		<b>175.659</b>	225.659	175.659
<b>Subordinated debt</b>		<b>175.659</b>	225.659	175.659
Hybrid capital		<b>50.000</b>	0	0
<b>Hybrid capital</b>		<b>50.000</b>	0	0
Share capital		<b>27.000</b>	27.000	27.000
Share premium account		<b>5.274</b>	5.274	5.274
Revaluation reserves		<b>2.468</b>	2.468	2.468
Other reserves		<b>1.598</b>	1.511	1.598
Retained profit		<b>628.045</b>	582.039	599.370
<b>Total equity</b>		<b>664.385</b>	618.292	635.710
<b>Total liabilities</b>		<b>6.436.692</b>	6.410.504	6.294.894
<b>Total off-balance sheet items</b>	9	<b>1.560.765</b>	1.177.569	1.404.110

# Equity

	Share capital	Shares premium account	Revaluation reserves	Other reserves	Proposed dividend	Retained profit	Total
<b>Equity 31.12.2008</b>	<b>27.000</b>	<b>5.274</b>	<b>2.468</b>	<b>1.511</b>	<b>0</b>	<b>551.986</b>	<b>588.239</b>
Net purchase of own shares						6.546	6.546
Profit for the period				0	0	23.507	23.507
<b>Equity 30.06.2008</b>	<b>27.000</b>	<b>5.274</b>	<b>2.468</b>	<b>1.511</b>	<b>0</b>	<b>582.039</b>	<b>618.292</b>
Net purchase of own shares						6.458	6.458
Stocks used for the Private Preparedness Initiative program						-5.502	-5.502
Profit for the period				87	0	16.375	16.462
<b>Equity 31.12.2008</b>	<b>27.000</b>	<b>5.274</b>	<b>2.468</b>	<b>1.598</b>	<b>0</b>	<b>599.370</b>	<b>635.710</b>
Net purchase of own shares						3.915	3.915
Profit for the period						24.760	24.760
<b>Equity 30.06.2009</b>	<b>27.000</b>	<b>5.274</b>	<b>2.468</b>	<b>1.598</b>	<b>0</b>	<b>628.045</b>	<b>664.385</b>
<b>Own shares</b>					<b>30.06 2010</b>	30.06 2009	31.12 2009
Bookvalue of own shares					0	0	0
Number of own shares					36.000	104.165	62.977
Stock value per share					138	141	157
Total stock value					4.968	14.687	9.887
Percentage of own shares					1,3	3,9	2,3

## Share holders

No share holders poses more than 5% of the share capital.



# Notes

(DKK 1,000)

	<b>1. half 2010</b>	1. half 2009	Annual 2009
<b>1 Interest income</b>			
Claims on credit institutions, etc.	<b>863</b>	3.104	4.429
Loans and advances	<b>102.570</b>	133.323	245.978
Bonds	<b>18.955</b>	17.025	39.236
Total derivative financial instruments of which	<b>583</b>	6.706	5.463
Currency contracts	<b>830</b>	6.399	1.601
Interest rate contracts	<b>-247</b>	307	3.862
Other interest income	<b>23</b>	143	514
Total interest income	<b>122.994</b>	160.301	295.620
<b>2 Interest expenses</b>			
Credit institutions and central banks	<b>3.747</b>	8.274	14.546
Deposits	<b>20.643</b>	41.630	65.962
Issued bonds	<b>173</b>	6.631	10.039
Subordinated debt	<b>2.837</b>	6.840	10.663
Other interest expenses	<b>230</b>	177	320
Total interest expenses	<b>27.630</b>	63.552	101.530
<b>3 Fee and commission income</b>			
Securities trading and custody account fees	<b>12.476</b>	10.425	23.031
Payment services fees	<b>4.034</b>	3.387	7.670
Loan fees	<b>15.412</b>	14.369	27.403
Guarantee commissions	<b>2.447</b>	2.239	4.416
Other fees and commissions	<b>1.221</b>	1.331	3.437
Total fee and commission income	<b>35.590</b>	31.751	65.957
Paid fee and commission have not been deducted in the above figures.			
<b>4 Value adjustments</b>			
Loan and advances at fair value	<b>4.497</b>	3.369	2.007
Bonds	<b>14.097</b>	9.211	19.249
Shares, etc.	<b>4.204</b>	3.483	9.314
Investment property	<b>0</b>	0	0
Currency	<b>1.539</b>	1.377	2.708
Derivatives	<b>-4.396</b>	-3.288	-1.909
Assets under pooled schemes	<b>25.917</b>	29.160	64.325
Deposits under pooled schemes	<b>-26.075</b>	-29.370	-64.698
Total value adjustments	<b>19.783</b>	13.942	30.996

# Notes

(DKK 1,000)

	<b>1. half 2010</b>	1. half 2009	Annual 2009
<b>5 Staff costs and administrative expenses</b>			
Salaries and remuneration of Executive Board, Board of Directors and Board of Representatives			
Executive Board, wage	<b>896</b>	858	1.754
Executive Board, pension	<b>167</b>	161	321
Board of Directors	<b>383</b>	375	761
Board of Representatives	<b>75</b>	71	150
Total	<b>1.521</b>	1.465	2.986
Staff costs			
Salaries	<b>43.933</b>	42.526	84.473
Pensions	<b>5.371</b>	5.217	10.833
Financial services employer, etc.	<b>528</b>	301	694
Taxes	<b>4.356</b>	4.006	7.748
Total	<b>54.188</b>	52.050	103.748
Other administrative expenses	<b>31.722</b>	28.059	59.750
Total staff costs and administrative expenses	<b>87.431</b>	81.574	166.484
Calculated according to the ATP-method	<b>200,9</b>	205,5	204,3
Calculated according to work-time percentages	<b>194,7</b>	200,4	198,8
<b>6 Profit of holdings in associated and affiliated companies</b>			
Profit on holdings in affiliated companies	<b>0</b>	0	87
Total profit on holdings in affiliated companies	<b>0</b>	0	87
<b>7 Write down on loans and advances</b>			
Individual write downs			
Write downs beginning	<b>132.910</b>	103.353	103.353
Write downs in the financial year	<b>23.822</b>	24.635	51.306
Changes in write downs regarding earlier years	<b>-8.536</b>	-12.300	-18.242
Finally lost regarding earlier write downs	<b>-2.650</b>	-498	-3.507
Individual write downs end	<b>145.546</b>	115.190	132.910
Group write downs			
Write downs beginning	<b>9.496</b>	5.831	5.831
Write downs in the financial year	<b>606</b>	2.086	3.665
Changes in write downs regarding earlier years	<b>0</b>	0	0
Group write downs end	<b>10.102</b>	7.917	9.496
Total write downs on loans and advances	<b>155.648</b>	123.107	142.406
<b>8 Holdings in affiliated companies</b>			
Djurs-Invest ApS, Grenaa			
Part of shares	<b>100%</b>	100%	100%
Equity	<b>1.598</b>	1.511	1.598
Profit for the financial year	<b>0</b>	0	87

The activity in the company is immaterial.

# Notes

(DKK 1,000)

## 9 Off-balance sheet items

Financial guarantees  
 Loss guarantees  
 Registration guarantees  
 Other guarantees  
 Total off-balance sheet items

<b>1. half 2010</b>	1. half 2009	Annual 2009
<b>914.593</b>	577.288	738.474
<b>214.300</b>	196.206	216.358
<b>126.459</b>	96.838	116.440
<b>305.413</b>	307.237	332.838
<b><u>1.560.765</u></b>	<u>1.177.569</u>	<u>1.404.110</u>

## **Accounting policies**

The report for the first six months of 2010 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 accounting policies is unchanged compared to the financial report for 2009

## Signatures by the Board of Executives and Directors

We have today presented the half year report 2010 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 thta 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 financial position, result and cash flow.

The half year report is recommended for adoption at the general meeting.

Grenaa, 13 August 2010

**Board of Executive  
Ole Bak**

Grenaa, 13 August 2010

**Board of Directors**

**Martin Ring Andersen**  
*Chief Accountant*

**Erik Nymann**  
*Chairman*

**Uffe Vithen**  
*Deputy Chairman*

**Jakob Arendt**

**Helle Bærentsen \***

**Tina Klausen \***

**Jan B. Poulsen \***

**Ejner Søby**

**Mikael Lykke Sørensen**

**Poul Erik Sørensen**

\* Employee representatives