



# Annual Report 2015



**DJURSLANDS BANK**

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

## Company information

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# Management's review

## Financial overview

(DKK 1,000)

	2015	2014	2013	2012	2011
<b>Profit and loss account</b>					
Net income from interest	<b>170.215</b>	183.126	179.360	187.570	185.611
Net income from interest and fee	<b>314.851</b>	294.229	269.070	277.896	256.862
Operating costs	<b>201.515</b>	195.288	200.038	197.336	195.895
hereof staff and administration costs	<b>187.198</b>	180.578	180.896	176.883	177.162
hereof payment to sector solutions	<b>9.620</b>	9.153	10.025	7.316	10.785
Basic result					
Profit before value adjustments, writedowns and tax	<b>113.707</b>	99.096	69.275	82.588	65.317
Value adjustments	<b>1.896</b>	13.556	22.682	26.392	4.905
Writedowns on loans and receivables	<b>42.210</b>	42.503	43.616	47.876	38.260
Profit from holdings in affiliated companies	<b>-14</b>	2	23	26	102
Profit before tax of the financial year	<b>73.379</b>	70.151	48.364	61.130	32.064
Profit for the financial year	<b>58.771</b>	57.057	37.053	47.120	23.281

## Selected asstes and liabilities

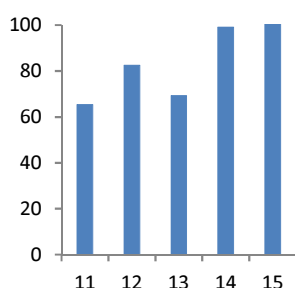
Equity	<b>874.751</b>	832.647	783.628	757.656	705.476
Own funds	<b>716.221</b>	687.825	736.864	717.457	683.688
Total deposits	<b>5.342.465</b>	4.944.941	4.867.403	4.503.086	4.398.012
Loans and other amounts due	<b>3.521.129</b>	3.589.855	3.679.973	3.609.442	3.948.183
Total assets / liabilities	<b>6.836.206</b>	6.645.251	6.575.019	6.657.446	6.586.366
Off-balance sheet items	<b>1.334.376</b>	1.145.641	848.656	880.905	945.600

## Selected keys figures

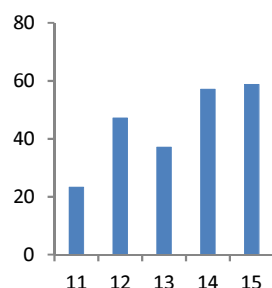
Total capital ratio	pct.	<b>17,5</b>	16,7	17,3	16,6	15,3
Individual solvency demand ratio*	pct.	<b>11,3</b>	11,5	11,2	9,7	8,5
Tier 1 capital ratio	pct.	<b>17,5</b>	16,7	18,1	17,3	16,0
Return om equity before tax core earnings / costs	pct.	<b>8,6</b>	8,7	6,3	8,4	4,6
Excess in relative to statutory liquidity requirement	pct.	<b>153,9</b>	130,4	181,2	206,5	170,4
The year's loss and writedown	pct.	<b>0,8</b>	0,9	0,9	1,0	0,8
Lending in relation to equity capital		<b>4,0</b>	4,3	4,7	4,8	5,6
Stock value / net book value per share		<b>0,80</b>	0,63	0,63	0,48	0,50
Dividend per share		<b>6,0</b>	2,5	0,0	0,0	0,0

\*The total capital ratio model has been changed to the 8+ model. Figures from 2011-2012 are not comparable. The whole set of survey and key figures is available in note 1.

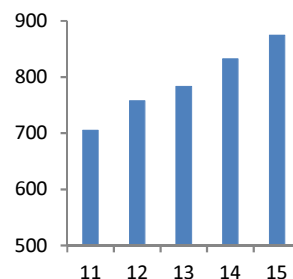
**Basic result**  
DKK m.



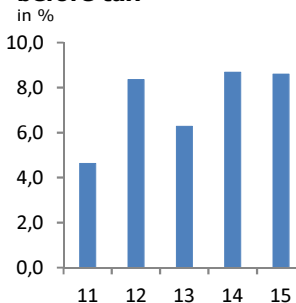
**Profit for the financial year**  
DKK m.



**Equity**  
DKK m.



**Return on equity before tax**  
in %



# Management's review

## Financial review

### The financial performance in the year was higher than expected

Core earnings for the year (before impairment losses in respect of loans, exchange rate adjustments and taxes) totalled DKK 113.7 million, which is significantly higher than was expected at the beginning of the year and higher than the expected DKK 95-110 million limit, as upgraded by the Bank in the first half of the year.

The DKK 14.6 million growth in core earnings is due to revenue growth of DKK 20.8 million and a DKK 6.2 million expenditure increase.

The financial performance is the best ever in the Bank's 50 years.

Impairment losses recognised in the year in respect of loans amount to DKK 42.2 million, which is at the same level as in 2014.

Positive value adjustments totalled DKK 1.9 million, which is DKK 11.7 million down on 2014.

Profit before tax of DKK 73.4 million represents an increase of 4.6%, corresponding to a return on average equity of 8.6% and DKK 27 per share (of DKK 10 each).

Based on the current socio-economic situation with relatively low growth in business investments and negative interest rates, Management considers the pre-tax profit of DKK 58.8 million very satisfactory.

Furthermore, Management is pleased to note

- that the net inflow of customers is still at a good level
- that customer satisfaction is generally high
- that the Bank's own funds consists of equity alone and
- that the price of Djurslands Bank's shares increased by 33% in 2015.

### Background

In 2015, the financial markets were affected by significant international events:

- Increasing growth in the US, resulting in strong growth in exchange rates.
- Slower growth rates in China, resulting in fluctuating exchange rates.
- A sharp fall in the price of oil.
- The acquisition of huge volumes of government bonds by central banks in order to boost the low economic growth.
- The situation in Russia with the lack of sales potential for the agricultural sector.

The socio-economic development in Europe and also in Denmark was markedly affected by international trends.

In Europe, the European Central Bank continues to inject large amounts of cheap liquidity into the market to boost the weak economic growth and employment.

Danmarks Nationalbank's use of negative interest rates for financial institutions' deposits in Danmarks Nationalbank was a significant event on the Danish financial market.

Negative interest rates are used to protect against a heavy inflow of foreign capital and to strengthen the Danish krone.

The historically low interest rates combined with increasing employment have improved consumer confidence and sales of property, resulting in rising prices.

Despite the historically low interest rates, private customers and businesses continue to pay off debt and increase savings.

The general development has resulted in:

- Continually growing deposits
- Low lending growth
- Falling interest margins
- Significantly increased activity and earnings in mortgages and fund management
- An unchanged level of losses and impairment losses in respect of the credit portfolio.

Despite the lack of growth in lending activities, the Bank realised a significant increase of 14.7% in core earnings.

The main reason being strong growth in the Bank's other lines of business, including:

- Restructuring and refinancing of mortgages for private and business customers, in particular in the first half of the year.
- An increasing number of the Bank's customers have brought their other financial activities to the Bank - in particular pensions and insurance.
- Increased fund management activities and trade in securities.
- A continuing net inflow of customers to the Bank.

The Bank's average deposits were DKK 260 million higher than in 2014, corresponding to a 5.3% increase.

The increase in deposits is due to a general increase in savings by the Bank's private customers, a significant transfer of pension funds from other providers, and the inflow of new customers.

# Management's review

The prevailing customer tendency to settle debts has a huge impact on the growth of the Bank's loan portfolio.

Despite the inflow of new customers, the Bank's average lending was marginally lower than in 2014.

The weak economic growth, the current earnings crisis in the agricultural sector and the low growth in private consumption have meant that the results realised by some of the Bank's business customers were poorer than in previous years.

The Bank has therefore recognised impairment losses in respect of these commitments, most of which are agricultural commitments.

An increasing number of the Bank's private customers have problems servicing their debt, mainly due to divorce, often combined with the sale of their private home.

## Operations

The Bank's total interest and fee income increased by DKK 20.6 million compared with 2014.

Net interest income fell by DKK 12.9 million, mainly due to the historically low interest rates and sharp price competition, resulting in decreasing interest margins.

The negative money market interest rates have resulted in falling earnings on the Bank's surplus liquidity, and the direct interest yield on the Bank's bond portfolio has fallen.

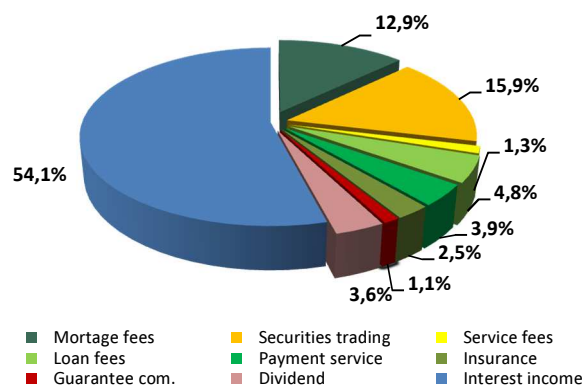
The Bank's interest rates on loans are also impacted negatively by the money market interest rates and resulted in a fall in income which is not compensated by the fall in deposit rates.

The Bank has realised a significant increase of DKK 25.7 million in fees and commission.

The increase is primarily attributable to a significant increase in mortgage and loan activity, with increased earnings of DKK 12.6 million from asset management, DKK 11.7 million from trade in securities and DKK 1.4 million from insurance business.

Dividend payments from the Bank's shareholding were also exceptionally high: up DKK 7.8 million on 2014.

**Breakdown of the Bank's earnings**



Total operating expenses have decreased by DKK 6.2 million compared to 2014.

The main reason is

- that salary and pension costs increased by DKK 4.3 million. This expenditure item was also reduced by one-off reversals of pension obligations for a total of DKK 5 million.
- Extraordinary expenses of app. DKK 3 million relating to the Bank's 50th anniversary.

## Value adjustments

Value adjustments on securities and currency resulted in a capital gain of DKK 1.9 million.

The capital gain consists mainly of a loss of DKK 10.6 million on the bond portfolio and a gain of DKK 9.1 million on shareholdings and exchange gains of DKK 3.3 million.

In 2014, capital gains on shares were extraordinarily affected by the sale of the Bank's shares in Nets, amounting to DKK 7.4 million.

## Loan impairments and losses

Losses and loan impairments as well as provisions for guarantees amounted to DKK 42.5 million in 2015, i.e. at the same level as in 2014.

Composition of loan impairments:

- An increase of DKK 2.7 million in collective impairment losses.
- Individual impairment losses of DKK 77.5 million.
- Reversal of previous impairment losses and provisions of DKK 26.7 million.

Further specifications are contained in note 9.

In the business sector, the Bank continued to recognise the largest, in percentage terms, impairment losses on the agricultural credit portfolio and on property and construction projects.

The weaker economic conditions for the agricultural sector in 2015, have made it harder for

# Management's review

the Bank's agricultural customers to service their debt.

Given the current market conditions, a small number of the Bank's agricultural customers are expected to have difficulties in servicing their debt; therefore the Bank recognises impairment losses on these commitments.

The creditworthiness of the Bank's credit portfolio is generally good due to constant and long-term focus on credit quality and risk diversification of both private and business customers and sectors.

Please refer to the separate section on credit risk management, as well as notes 34, 35 and 36, which contain a summary of the credit portfolio.

Similar to the previous eight years, the calculation of collective impairments was made in 2015 on the basis of a standard model developed by the trade organisation "Lokale Pengeinstitutter", based on segmentation of the Bank's customers.

The assumptions in the standard model have been compared with developments in the Bank's primary market segment and historic loss record, and corrections are made in areas where significant deviations from the standard model are identified.

Furthermore, in assessing group impairment losses, the Bank has considered the need to adjust for events already occurred.

At the end of the year, impairment losses and guarantee provisions totalled DKK 262.1 million, or 5.1% of the Bank's loan and guarantee portfolio.

In 2015, realised credit losses totalled DKK 36.7 million, which was at the same level as in 2014.

Only DKK 0.4 million of the losses realised in 2015 had not previously been written down.

At the end of the year, receivables with reduced interest rates were DKK 68.1 million, i.e. higher than in 2014.

The financial ratio for the Bank's largest commitments at the end of the year is 62% and thus lower than the Bank's overall maximum target of 70%.

The financial ratio includes four commitments in three different industries. All four commitments are individually below the Bank's maximum limit, which is DKK 150 million per commitment.

## Distribution of profits

After taxes of DKK 14.6 m., the profit for the year was DKK 58.8 million.

The Bank's management aims to continue to strengthen the bank's equity in order to secure the necessary financial basis for long-term expansion.

Based on the Bank's dividend policy, the Board of Directors will therefore propose at the Bank's general assembly

- that dividend amounting to DKK 6.0 per share (of DKK 10 each) is distributed, corresponding to a total dividend distribution of DKK 16.2 million, while
- the remaining profit of DKK 42.6 million is allocated to reserves.

After distribution of dividend, the Bank's equity will be DKK 858.6 million, an increase of 5.0%. Further details are included in the statement of changes in equity.

## Capital

At the end of the year, the Bank's base is DKK 716.2 million and the total capital is 17.5%.

The Bank's own capital requirement is calculated at 11.3% in accordance with the Danish FSA's directions.

The Bank thus has a very satisfactory surplus, amounting to 6.2 percentage points, corresponding to DKK 254 million.

The Bank continuously assesses its capital requirement by means of stress tests, etc. For further information and details, see [djurslandsbank.dk/ombanken/risikorapport](http://djurslandsbank.dk/ombanken/risikorapport) (in Danish), which contains the full report on the Bank's capital requirement.

At the Bank's general assembly on 18 March 2015, the Board of Directors was mandated by the general assembly to raise additional capital in the form of hybrid and or additional capital up to DKK 100 million.

The mandate has not been exercised, since the Bank has had no need for additional capital.

At the general assembly on 16 March 2016, the Bank will ask to have the mandate extended by another year.

According to the Bank's articles of association, the Board of Directors is authorised, up until 1 March 2020, to increase the share capital by up to DKK 27 million to a total of DKK 54 million through one or more issues.

At the general assembly on 16 March 2016, the Bank will therefore table a motion for an amendment to the articles of association to

# Management's review

extend the mandate to 1 March 2021 in accordance with applicable statutory rules.

The Bank's share capital of nominally DKK 27 million is held by approximately 16,200 shareholders.

In 2011, Henrik Østenkjær Lind and his companies announced to the Bank an equity investment of more than 5% of the Bank's share capital.

## Balance sheet

The Bank's balance sheet increased by DKK 191 million, amounting to DKK 6,836 million at year-end, corresponding to an increase of 2.9%, the main reason being an increase in the Bank's deposits.

Contingent liabilities have increased by DKK 189 million, or up 16% on 2014, caused by the significant increase in conversion of mortgages and related guarantees for the Bank.

## Liquidity

The Bank's liquidity throughout 2015 was at a very satisfactory level.

At the end of 2015, the Bank had an excess liquidity cover of 154%, equal to more than DKK 1,100 million.

In relation to the Liquidity Coverage Ratio (LCR) requirement, the Bank's liquidity is 231%, which is much higher than the 60% required under current Danish legislation. The Bank also complies with the LCR requirement of 100% to be fully phased in by 2019.

For further information on cash management, see the separate section thereon.

## Market risks

The Bank's total interest rate risk in 2015 amounted to between 0.1% and 2% of the Bank's Tier 1 capital after deductions.

At the end of the year, the interest rate risk was 2% of the Tier 1 capital after consolidation.

In the year under review, the exchange rate risk (indicator 2) maximally accounted for 0.1% of the bank's Tier 1 capital after deductions.

## Pension funds

Due to falling bond yields, the Bank closed one of its pension funds at the end of H1 2015 - "Sikkerpuljen".

Due to the very limited possibilities of generating guaranteed and positive returns based on the current interest rate levels, the Bank has offered its customers alternative, individual solutions.

The return for the year in Mixpulje was 3.8%.

## Management

In March 2015, the Board of Directors appointed Attorney-at-Law Peter Zacher Sørensen new Vice Chairman in replacement of Manager Uffe Vithen, who wished to retire from the position due to his other responsibilities.

There were no other changes in the Bank's Management in 2015; please see a separate section for more details.

On 18 January 2016, the Bank published a stock exchange announcement to the effect that the Bank's Managing Director, Ole Bak, wished to retire from the Bank at the end of April 2016.

Lars Møller Kristensen has been appointed new Managing Director, effective 1 May 2016.

Please refer to the stock exchange announcement for further details.

## Business development

The Bank regularly evaluates the opportunities to widen the Bank's volume of business with new customers within the Bank's natural market segment in Eastern Jutland.

In 2015, a new branch was established in Løgten-Skødstrup, which is close to Aarhus, and the Bank will also open a branch in Hinnerup in Q1 2016.

The Bank's digital options for customers are continuously being expanded, "on-line meetings" being the latest addition.

The Bank's profile on the social media is also being developed on a regular basis.

## Other information

This annual report has been prepared in accordance with applicable legislation and relevant rules and directions.

No such subsequent events have occurred after the financial year-end as could impact on the Bank's annual report or its financial circumstances.

# Management's review

In 2015, the Bank issued the following stock exchange announcements:

18.02.2015 Annual report for 2014  
19.02.2015 Notice of the annual general assembly  
19.02.2015 Motion to amend the articles of association  
18.03.2015 Minutes of general assembly  
18.03.2015 Articles of association adopted  
20.03.2015 Management changes  
04.05.2015 Report for Q1 2015  
14.08.2015 Interim report 2015  
30.10.2015 Reports for Q1-Q3 2015  
16.12.2015 Financial calendar for 2016

## Outlook for 2016

The Bank expects the national economy to improve relative to 2015.

Therefore, the corporate sector's willingness to invest is expected to increase slightly, resulting in mild growth in the demand for loans.

The very low interest rates on housing loans and rising property prices, combined with falling energy and transport prices, are expected to improve consumer optimism and generate more private consumption.

Nevertheless, the demand for loans by private customers and companies is expected to remain at a generally low level.

The aftermath of the financial and economic crisis is expected to continue to influence general trends towards increased savings, and the Bank expects a general growth in deposits.

The increase in business volume is expected to come from existing customers, who will bring more of their financial business to the Bank, and from a continued net inflow of new customers.

Due to the low growth in the demand for loans, competition is expected to increase within the sector, and the Bank's interest margin is therefore expected to be on the decrease over the year. Furthermore, the very low bond yields mean that the Bank's return on its portfolio of securities will be lower.

The current level of activity and the establishment of new branches will imply that the number of employees in the Bank will increase compared to 2015 - and so will the related expenses.

Based on these assumptions, the Bank's core earnings for 2016 (before impairment losses, value adjustments and tax) are expected to be at the level of DKK 75-90 million.

Because of the current economic situation as well

as the current earnings crisis in the agricultural sector, losses and loan impairments are expected to be at the same level as in 2015.

The Bank's interim report for 2016 appears from the financial calendar published on Nasdaq Copenhagen A/S, to which reference is made.



# Management's review

## Business review

### The local bank

Djurslands Bank was formed in 1965 through a combination of three small local banks roots going right back to 1906. In 2015, the Bank thus celebrated its 50th anniversary as Djurslands Bank.

Since its establishment, the Bank has continuously expanded its network of branches in Djursland.

In the Aarhus area, the first branch opened in 1995 and with the latest branch establishment in Løgten-Skødstrup in 2015, the Bank now has six branches in the area.

Another branch will open in Hinnerup in Q1 2016.

With Eastern Jutland as its primary market, the Bank's vision is to be a strong and attractive partner for financially stable private individuals and businesses.

The Bank's strategy is therefore to continue to expand within its natural market area.

The basis of the Bank's principal objectives is to be a competitive, professional and locally-oriented business at all times.

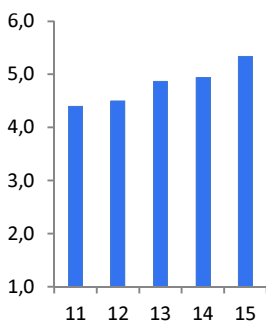
Steady development, optimal use of resources, responsible risk management and controlled growth are therefore keywords for the management of the Bank.

The Bank's fundamental values are described in detail on the back page of the annual report.

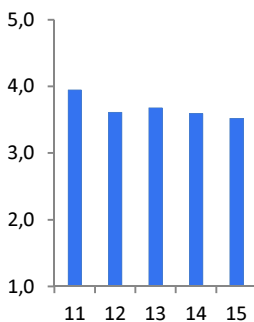
### Business review

Djurslands Bank is a full-service bank for private customers, small and medium-sized commercial enterprises and public institutions in the Bank's market segment.

Deposits (including pools) DKKbn



Lending DKKbn

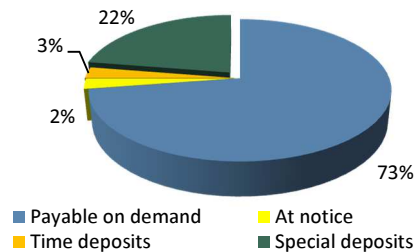


In addition to banking products, customers are offered a full range of mortgage, investment, pension and insurance products.

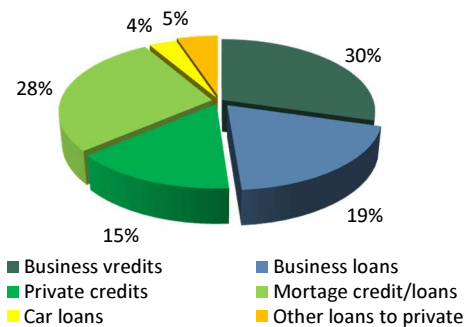
The Bank's primary business partners within these lines of business are:

- Totalkredit
- DLR Kredit
- BankInvest
- Privatsikring
- Letpension

### Deposits broken down by main product



### Loans broken down by main product



### Customers

The bank advises and serves approximately 39,500 private customers, 3,325 businesses and public institutions as well as 1,800 clubs and associations.

The Bank's customer base continues to grow within the desired customer segments where healthy economic behaviour and all-round customer service are fundamental elements.

In recent years, the Bank has enjoyed solid growth in customer numbers and has increased its market share, in particular in Aarhus.

# Management's review

## Customer development - 5-year survey

	Private customers	Business customers
2011	33,750	2,925
2015	39,500	3,325
Growth	+5,750	+400

The Bank prioritises subsidiarity and personal dialogue with its customers.

Finding it important to know its customers and their financial situation, the Bank builds its services and advice on the customers' individual needs and wishes.

The Bank's advisory services concept, which includes active and personal customer advice, supports the Bank's business goal: customers who choose to have all their financial business in the Bank will reap cash benefits.

This ensures the best foundation for providing qualified and coherent advisory services to customers.

The Bank's local branches play a central role in providing personalised and individual advice. We call it Active Customer Advice, and we aim to become the best in Denmark in this area.

In addition to this, the Bank's customers are offered all relevant types of self-service products. A very large number of the Bank's business and private customers have electronic access to the Bank via NetBank, MobilBank or NetBank Erhverv.

Systematic and ongoing surveys of the Bank's customers are the foundation of the Bank's business - including services, products and concepts. The results of the latest customer surveys are reflected in our CSR report on the Bank's website.

### Employees

Djurslands Bank aims to be an attractive workplace where skills development and the employees' well-being are the foundation for the Bank's continued growth.

Staff initiatives are therefore aimed at attracting, developing and retaining professionally competent, loyal and dedicated employees.

The Bank works systematically to develop each individual employee's professional and personal skills. The Bank has defined job descriptions and job profiles, and any gaps between skills and job requirements are discussed at the annual performance and development reviews. Against this background, personal growth plans are discussed in order to maintain and strengthen each

employee's skills and to ensure that the employee's resources are used in the best possible way.

The Bank's satisfaction surveys show that employee job satisfaction is generally high. The latest satisfaction survey showed an overall satisfaction score of 6.4 on a scale from 1-7 and is described in detail in the CSR report on the Bank's website.

Employees of Djurslands Bank usually remain in their jobs long-term, and half of the resignations in 2015 were due to employee retirement. The number of employees who resigned in 2015 to apply for a position in another bank was very low.

Thanks to the establishment of the branch in Løgten-Skødstrup, the Bank's number of employees and net inflow of customers increased in 2015.

### Technology and work

The Bank has outsourced the most important IT functions to Bankdata, which the Bank owns along with 10 other banks. The Bank's IT operations are further outsourced to JN Data.

The use of technology and digital solutions will become more and more important to the Bank's competitiveness in relation to customer-facing applications and the efficiency of the Bank's work processes.

The Bank's IT development in Bankdata takes place in cooperation among the 11 banks in Bankdata, the largest of which are Jyske Bank and Sydbank. This ensures the Bank the necessary driver to meet future demands in this field.

In the coming years, the Bank will further expand the customers' possibilities of using digital solutions such as new payment systems, video conferencing and a wider range of self-service solutions.

# Management's review

## Management

### Corporate Governance

Djurslands Bank's Management is continuously updated on developments within Corporate Governance and the Management Code published by the Danish Bankers Association in 2013.

The Bank has published the statutory report on Corporate Governance on its website. On [djurslandsbank.dk/ombanken/godselskabsledelse](http://djurslandsbank.dk/ombanken/godselskabsledelse) (in Danish), the Bank's shareholders and other stakeholders can read more about Djurslands Bank's response to the full set of recommendations on Corporate Governance and the Danish Bankers Association's Management Code.

The Bank complies with most of the recommendations, and for those with which it does not comply, Management has provided a detailed explanation of the reasons in accordance with the so-called "comply or explain" principle.

Publicly listed companies' disclosure requirements cover the individual company's position on and assessment of Corporate Governance, and the following sections therefore describe some of the Bank's most significant areas covered by the rules.

To ensure implementation of its business strategy and policies, the Bank has prepared a set of values describing how the Bank practices Corporate Governance.

### Shareholders

The Bank is owned by approximately 16,200 shareholders one of whom owns more than 5% of the share capital. Please see page 4 in the Management's review.

One of the Bank's principal objectives is to secure its shareholders a long-term, attractive return on their investment in the Bank.

Management aims to realise this objective by developing the bank in continued dialogue with the Bank's principal stakeholders:

- customers
- shareholders
- employees and
- the local community

Information to the Bank's shareholders is continuously being expanded on [www.djurslandsbank.dk](http://www.djurslandsbank.dk), and Management also aims to improve the level of information in its regular notifications and reports.

A large majority of the Bank's shareholders decided at the general assembly in 1990 to insert ownership restrictions in the Bank's articles of association, by way of an ownership ceiling of 10% of the share capital.

The direct reason for this was that two other financial institutions held relatively large shareholdings in the Bank, implying a risk of their exercising a dominant influence over the Bank.

Motions to amend the articles of association cannot be carried unless at least two thirds of both the votes casts and the voting shares represented at the general assembly vote in favour of the motion.

Motions to amend the articles of association tabled by anyone other than the Board of Directors or the Board of Representatives cannot be carried unless at least nine tenths of the share capital is represented at the general assembly.

According to the Bank's articles of association, the following voting restrictions apply at general meetings:

- 1-50 shares = 1 vote
- 51-100 shares = 2 votes
- 101-200 shares = 3 votes
- 201-400 shares = 4 votes
- 401-800 shares = 5 votes
- 801 shares or more = 6 votes

No shareholder may cast more than a total of six votes on his/her own behalf.

According to Management, the ownership and voting right restrictions in the articles of association provide the best basis for reaching the Bank's vision and its principal objectives.

According to Management, optimising returns to shareholders in the short term by lifting the restrictions is not in harmony with the best interests of the customers, the employees and the local community.

### Board of Directors

The Bank's Board of Directors consists of six members who are elected by the Board of Representatives counting 50 members. In addition, the Bank's employees have elected three members to sit on the Board of Directors.

The composition of the Board of Representatives and the Board of Directors is shown on page 51 of the annual report.

The six Board Members elected by the shareholders are elected for a 2-year term, meaning

# Management's review

that three are elected each year. Please see note 41.

The number of board members is assessed on a regular basis. According to the Board of Directors, the current number is appropriate for managing the Bank.

The Bank's articles of association stipulate that the age limit for members elected to the Board of Representatives, and thus also for members elected to the Board of Directors, is 67 years.

The Board of Directors' tasks and responsibilities and the division of these between the Board of Directors and the Board of Management are specified in instructions prepared in accordance with statutory rules and the requirements and guidelines of the Danish FSA.

Board meetings are held at intervals of 3-4 weeks or as required.

According to a specific process, the Board of Directors evaluates its own competences in relation to the Bank's business model and overall risks in order to identify and address any skills gaps.

The members of the Board of Directors who are elected by the Board of Representatives are regarded as being independent of the Bank.

The Board of Directors' and the Board of Management's other managerial duties are outlined below.

The fees and remuneration to the Board of Directors and the Board of Management are outlined in note 7 to the annual report.

The Board of Directors' directorships in other Danish business enterprises and the experience and skills required to sit on the Bank's Board of Directors are outlined below:

## Chairman

- Wholesaler Erik Nymann, 68 years, Nymann Autoparts.

### Other directorships

Chairman of JAD Auto Parts A/S and Djurs Invest ApS.

Deputy chairman and manager in AUTO-G Danish Grossist Union A/S. Board member and manager in Auto-

Generation A/S, Erik Nymann Holding A/S, Nymann Autoparts A/S, Nymann Ejendomme A/S, Nymann Kemi A/S,

N.K. Specialværktøj A/S, Detailgruppen A/S, Kolind Midtpunkt A/S and Hedensted Lager A/S.

Board member in S. Burchardt Nielsen Autodele A/S, Auto-G Holstebro A/S and Sydjylland Reservedele A/S.

Manager of Carlight Denmark ApS, Maskindepotet ApS and Kolind Boghandel ApS.

## Experience and skills

Considerable experience as manager and business owner in Denmark and other European countries.

25 years of experience as a member of the Bank's Board of Directors - 15 of which were as Chairman of the Board.

Attendance at Board theoretical training through the Bank.

## Vice deputy

- Attorney-at-Law Peter Zacher Sorensen, 57 years, Zacher Attorneys.

### Other directorships

Member of Board of Directors in Fregat Fisk A/S

### Experience and skills

Attorney-of-Law entitled to appear before the Supreme Court and having more than 25 years of experience in corporate and commercial law, business transfers, succession planning, contracts, litigation and housing consulting.

Four years of experience as a member of the Board of Directors.

## Chairman of the Audit Committee

- CFO Ejner Søby, 49 years, Danish Crown.

### Experience and skills

Financial education in banking and theoretical training.

Financially responsible for Danish Crown's own insurance company under the supervision of the Danish FSA.

Day-to-day responsibility for the financial management of Danish Crown.

Seven years of experience as a member of the Bank's Board of Directors and as Chairman of the Audit Committee.

- Vice manager Helle Bærentsen, 49 years, Djurslands Bank.

### Experience and skills

Financial education - employed as account manager and vice manager in one of the Bank's branches.

10 years of experience as a member of the Bank's Board of Directors.

Attendance at theoretical training for board members through the Bank.

Attendance at theoretical training for board members through the Financial Services Union.

- Head of department Tina Klausen, 55 years, Djurslands Bank.

### Other directorships

Board member in Djurs Invest ApS.

### Experience and skills

Financial education - employed as head of the Bank's business development.

18 years of experience as a member of the Bank's Board of Directors.

Attendance at theoretical training for board members through the Bank.

# Management's review

Attendance at theoretical training for board members through the Financial Services Union.

- Farmer Peter Pedersen, 61 years, self-employed pig farmer.  
Experience and skills  
Considerable experience within agriculture as a pig farmer, agriculture organisations and as board member in the agribusiness industry. Three years of experience as a member of the Bank's Board of Directors.
- Bank clerk Jan B. Poulsen, 55 years, Djurslands Bank.  
Experience and skills  
Financial education - employed as administrative assistant at the Bank's headquarters. 14 years of experience as a member of the Bank's Board of Directors. Attendance at theoretical training for board members through the Bank. Attendance at theoretical training for board members through The Financial Services Union.
- Real estate agent and partner Mikael Lykke Sørensen, 52 years, Nybolig.  
Other directorships  
Manager in Djurs Invest ApS.  
Experience and skills  
Financial education in a bank and subsequently as state authorized real estate agent. Considerable experience as a business manager and business owner. 8 years of experience as a member of the Bank's Board of Directors. Attendance at theoretical training for board members through the Bank.
- Manager Uffe Vithen, 54 years, DOMI Administration (Beder-Malling Boligforening og Arbejdernes Andelsboligforening in Odder).  
Other directorships  
Board member in Djurs Invest ApS.  
Experience and skills  
Considerable experience as head of the housing association under the supervision of the public authorities. 10 years of experience as a member of the Bank's Board of Directors, six of which as Vice Chairman of the Board. Attendance at theoretical training for board members through the Bank.

## Board of Management

- Managing Director Ole Selch Bak, 60 years, Djurslands Bank.  
Other directorships  
Member of Board of directors in DLR Kredit, the association Bankdata, JN Data, the association of local banks and Djurs Invest ApS.

- Director Lars Møller Kristensen, 55 years, Djurslands Bank.

Members of the Board of Management are not eligible for incentive plans, and no pension commitments have been made to them.

Members can be laid off at 12 months' notice and at 24 months' notice in case the Bank merges with another business.

## Wage policy

The purpose of the Bank's wage policy is that the principles for allocation of salaries are aligned with and promote sound and effective risk management of the Bank.

The Bank's wage policy is based on current legislation and the Financial Sector Code on wage policy. The Bank has established a Nomination and Remuneration Committee and the Chairman of the Committee is the Bank's Chairman.

Information on the Committee and the Bank's remuneration policy is available on the Bank's website on:

[djurslandsbank.dk/ombanken/loenpolitik](http://djurslandsbank.dk/ombanken/loenpolitik)

The wage policy consists essentially of the following.

## Board of Representatives

According to the Bank's articles of association, the remuneration of Representatives is approved at the general assembly in connection with the financial reporting.

Board members receive fixed fees, for which the Board of Directors seeks approval at the annual general assembly. The annual fee is adjusted in accordance with the contractual wage increases in the financial sector's standard agreement.

## Board of Directors

According to the Bank's articles of association, fees for the Board of Directors are fixed and approved by the Board of Representatives.

The Board of Directors receives a fixed fee with no incentive pay elements accordingly to the following guidelines:

1. The Board of Directors' fees are assessed every second year based on a comparison with peer banks.
2. The Chairman is paid 2.5 times standard directors' fees.
3. The Vice chairman is paid 1.5 times standard directors' fees.
4. The Chairman of the Audit Committee is paid 1.5 times standard directors' fees.

# Management's review

5. The Board of Directors' fees are adjusted annually in accordance with the collectively agreed wage increases in the financial industry's standard agreement.

## Bank employees subject to special terms

### A. Board of Management

Members of the Board of Management receive a fixed fee with no incentive pay elements. The total remuneration consisting of salary, pension and other benefits is negotiated between the chairman of the Bank's nomination and remuneration committee and the Board of Management and is approved by the Board of Directors. The Board of Management's total pay is described in the individual contracts. The salary is adjusted annually based on wage trends in the financial industry standard agreement.

The Bank has no pension commitment burden following termination of employment.

Pension contributions paid by the Bank are agreed only as part of the fixed remuneration.

On termination of employment at the request of the Bank or the Board of Management, no special severance payments are made over and above the normal compensation during the agreed period of notice. Extended notice periods can be agreed in special circumstances, e.g. if the Bank merges with another business.

No continuous variable compensation in the form of salary, shares, options, pension or other similar arrangements is paid out.

Members of the Board of Management may be paid a one-time fee in case extraordinary efforts have been made. Such fees will be treated in accordance with applicable law.

### B. Significant risk takers

The Board of Directors has defined the following employees as significant risk takers:

1. The Bank's CFO, who is head of Finance and who trades in and approves financial instruments and transactions with the Bank's own assets.
2. The Bank's Credit and Vice Director, who is head of Credit and can expose the Bank to significant credit risk.
3. The Bank's financial controller and AML officer.
4. The Bank's compliance officer and chief of administration, including the Bank's back office with financial transactions.
5. The Bank's risk manager appointed under section 16 of the Executive Order on management of financial institutions, etc.
6. The Bank's audit manager, who is head of Internal Audit.

The employees defined as significant risk takers are paid a fixed fee with no incentive pay elements. The total remuneration consisting of salary, pension and other benefits is negotiated between the Board of Management and the employee concerned and is approved by the Board of Directors. Other conditions generally follow the standard agreement. Salary is adjusted annually based on wage trends in the financial industry standard agreement.

No variable compensation elements in the form of salary, shares, options, pension or other similar arrangements are paid out on a regular basis.

Employees may receive a one-time fee if they have made an extraordinary effort.

Pension contributions paid by the Bank are based on the standard agreement as a share of the fixed salary.

On termination of employment at the request of the Bank or the employee, no special severance payments are made over and above normal compensation for the agreed period of notice. Extended notice periods can be agreed in special circumstances, e.g. if the Bank merges with another business.

## Other employees

The Bank has defined all its job functions with functional descriptions and competency profiles. For each job function, a pay spread is defined.

The Bank only pays fixed salary according to the provisions in the standard agreement. In the case of an extraordinary performance, an employee may be granted a one-time payment.

## Other Information

More information regarding the Bank's remuneration policies and practices can be read on [djurslandsbank.dk/ombanken/loenpolitik](http://djurslandsbank.dk/ombanken/loenpolitik)

## **Policy for the underrepresented gender in management bodies**

### Board of Directors

The gender distribution of the Bank's Board of Directors for 2015, which was six men and no women, corresponds to 100% men and 0% women. The distribution is unchanged in relation to 2014, since no changes took place in the Board of Directors.

It is the Board of Director's target to increase the proportion of female board members elected by the Board of Representatives to 33% by the end of 2017, corresponding to two out of six board members.

# Management's review

## Board of Representatives

The Bank will therefore make an extraordinary effort to increase the number of potential female candidates for the Board of Representatives, and one of the targets is to increase the proportion of female members from the current 16% to 25% by the end of 2017.

## Other levels of management in the bank

The Board of Directors has adopted a policy that aims to increase the proportion of the underrepresented gender in the Bank's general management.

The overall goal of the policy is to have an appropriate balance of men and women in Management. The Bank appoints leaders because they are the most suitable employees for the positions - regardless of gender. The Bank promotes an open and unbiased culture where focus is on expertise rather than gender. The Bank's employees, regardless of gender, must find that they have equal career and leadership opportunities. The Bank systematically supports this process with annual performance reviews, as well as the HR department's own efforts to promote leadership development.

The aim is to increase the proportion of female managers from 19% in 2015 to 35% by the end of 2016 and 40% by the end of 2018.

## Risk management

In all the major risk areas, the Board of Directors has drawn up and laid down policies in accordance with relevant legislation and the rules and instructions of the Danish FSA.

In the instructions to the Board of Executives, the Board of Directors has laid down the framework for risk management of the Bank and related reporting.

Through regular reports from the Board of Executives, the risk manager, compliance officer, internal and external audits and regular supervision by the Danish FSA, the Board of Directors is fully aware of the Bank's risk management.

The Bank's overall control environment and risk management of all significant areas is continuously evaluated and adjusted.

The full risk report is available on [djurslandsbank.dk/ombanken/risikorapport](http://djurslandsbank.dk/ombanken/risikorapport) (in Danish).

### General

For a number of years the Bank has focused on the development and composition of its balance sheet, and growth took place within the natural framework dictated by the overall economic trends in society.

The Bank therefore complies with all threshold values in the Danish FSA's Supervisory Diamond.

### Supervisory Diamond at 31 December 2015

	The Danish FSA's threshold values	Djurslands Bank
Large engagements	< 125%	61.8%
Lending growth	< 20%	-1.9%
Excess liquidity cover	> 50%	153.9%
Stable funding	< DKK 1.00	0.57
Property exposure	< 25%	10.3%

### Capital

The Bank continuously evaluates the capital requirement necessary to cover the Bank's overall risks, and thus the total capital requirement amount, while at the same time considering optimisation of the capital utilisation.

This ongoing evaluation covers all relevant areas, including the amount, type and allocation of the Bank's base capital.

Tools used to control and calculate a sufficient capital base and capital need include stress tests, which cover all relevant risk areas, and the Bank

# Management's review

also works with 5-year plans on how to acquire additional base capital.

Due to its size, the Bank has not been given any credit rating by an international rating agency. The Board of Directors has therefore defined its own total capital target for the Bank's own capital requirement plus 3 percentage points. The Bank uses the standard method to calculate the capital adequacy.

The development of the Bank's capital requirements is continuously monitored and reported to the Management.

The Bank's capital requirements, capital resources and contingency plans are reported to, discussed with and approved by the Board of Directors at least every quarter.

## Credit risks

Credit management and risk constitute a significant part of the Bank's risk management, as loans comprise by far the biggest proportion of the Bank's assets.

The Bank's credit organisation is structured to enable it to make decisions close to its customers, i.e. in the individual branches.

The authority to make decisions is therefore delegated to customer advisers and branch managers so that most credit decisions are made locally.

Powers are delegated to individual employees based on an assessment of their expertise and according to needs.

The Bank has a central credit department to develop, manage and monitor its credit policies and risks.

The credit department also approves any transactions that exceed branches' authorisation limits under the defined rules, and processes, assesses and proposes the transactions to be approved by the Board of Management or the Board of Directors.

The credit department's credit policy monitoring and credit risk management procedures are carried out through very close, regular reporting at case, customer and department level, as well as regular follow-up on commitments.

The credit department's ongoing and regular reports to the Board of Management and the Board of Directors covers all of the Bank's credit risks at case, customer, segment, industry and department levels.

In addition, ongoing reports on trends relating to overdrafts, arrears, impairment losses and distressed commitments are made, as well as on the composition at customer level where there is the highest proportion of loans.

The Bank accepts credit risks on the basis of a defined credit policy.

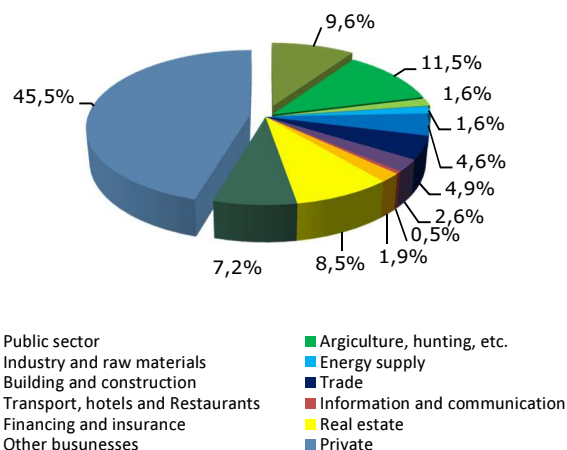
In the Bank's credit policy, essential focus is on risk diversification.

Diversification across

- customers
- segments
- sectors

is part of credit management so that no individual commitment or sector puts the Bank's survival at risk.

## Breakdown of commitments by sector and industry



(See industry breakdown in note 34)

The credit policy also stipulates

- that no commitment on a consolidated basis can exceed DKK 150 million, and that any unsecured element cannot exceed DKK 100 million, except for public institutions
- that, in accordance with the Danish FSA's order, large commitments cannot account more than 70% of the Bank's adjusted base capital
- that no single industry should represent more than 15% of the Bank's total credit portfolio.

The Bank's lending policy is based on the concept that all loan commitments must be based on a sound financial basis.

The fundamental element in assessing the creditworthiness of business customers is their ability to service the debt with liquidity from their operations.

For private customers, the balance between net income, expenses and assets is decisive.



# Management's review

A credit rating based on factual financial information regarding the individual business or individual customer is used to manage the Bank's loan portfolio.

The credit rating for private customers is supplemented with a financial behaviour score.

To limit the Bank's risk of losses, each individual credit application is evaluated to determine if the commitment needs to be backed by security.

Where the credit risk is not minimal, it is a general requirement that the customer lodges full or partial security for the commitment.

The value of security lodged is assessed according to defined valuation principles for each kind and type of security. This also includes changes in the market and deterioration as a consequence of age.

Impairment losses in respect of loans are recognised on the basis of a breakdown of the portfolio according to

- individually significant loans
- groups of loans with similar credit characteristics

All commitments are evaluated individually to confirm whether there is objective evidence of impairment due to events already occurred. If there is objective evidence of impairment impacting the expected future cash flows, an impairment loss is recognised.

In this case, the loan is written down by the difference between the carrying amount before impairment and the present value of expected future payments.

Regardless of the size of the commitment, distressed loans are also evaluated individually to determine if an impairment loss need be recognised.

Loans and receivables not subject to individual impairment are evaluated collectively to assess any objective evidence of impairment.

Collective assessments are made for groups of loans and receivables with uniform credit risk characteristics. There are 17 groups: one group of public authorities, one group of private customers and 15 groups of business customers that are subdivided into sector groups.

Collective assessments are made using a segment model developed by an association of local banks (Lokale Pengeinstitutter), which maintains and develops the model on a regular basis. The segment model determines the link in the individual groups between recorded losses and a

number of significant explanatory macro-economic variables

by linear regression analysis. The explanatory macro economic variables include unemployment, housing prices, interest rates, numbers of bankruptcies, enforced sales, etc.

The macro economical segment model is generally calculated on the basis of loss data for the entire banking sector. Djurslands Bank has therefore assessed whether the model estimates should be adjusted to the credit risk on the Bank's own loan portfolio.

This assessment resulted in an adjustment of the model estimates to own conditions, and the calculation of the group write-down is then based on the adjusted estimates. Each group of loans and receivables produces an estimate which shows the percentage impairment related to a specific group of loans and receivables as at the balance sheet date. The write-down is calculated as the difference between the carrying amount and the discounted value of expected future payments.

In addition, in assessing collective impairment losses, the Bank has assessed the need to adjust for events that have taken place.

The risk related to the guarantees provided by the Bank is assessed individually. If it is likely that the guarantee will lead to a drain on the bank's resources, including the risk of whether the bank can obtain cover for the expected payment from the debtor, the need for a provision for the estimated risk of loss is assessed.

## Market risks

Another major risk management area is the Bank's market risk.

Market risk is the changes which a financial claim may be subject to as a result of interest rate changes and general or specific fluctuations in the market price of securities.

In this area, the policy is that the Bank does not undertake risks which may have a significant influence on its financial situation.

The Bank's total interest risk is quantified and must lie between -1% and +3% of the Bank's Tier 1 capital after deductions.

The Bank's total foreign exchange risk is quantified to no more than 10% of its Tier 1 capital after deductions calculated according to exchange rate indicator 1 (OECD currencies) including a maximum of 1% for non-OECD currencies - and 0.1% of the Bank's Tier 1 capital calculated using currency rate indicator 2.

# Management's review

The management of the Bank's share risk is quantified as a maximum percentage of investments in relation to the Bank's Tier 1 capital after deductions.

Depending on whether investments are in Danish, foreign or individual shares, or in shares in the Bank's financial partners, individual limits have been defined for these.

The Bank uses financial instruments only to hedge risks.

Market risks and changes are continuously reported to the Board of Management and monthly to the Board of Directors.

## Liquidity risks

The Bank's liquidity management must ensure that the Bank has adequate funds available to discharge its financial liabilities at any given time.

The Bank's cash resources must comply with applicable laws and regulations, and the Bank's liquidity policy should be independent of other financial enterprises in terms of liquidity.

The Bank aims to spread its funding according to source, type and tenure.

As the Bank's primary source of funding is customers' deposits, the Bank strives to arrive at a balance between deposits and lending.

Since the Bank further endeavours not to be dependent on large fixed-term deposits, its Bank's deposits base includes only minimal fixed-term deposits from customers who are not already customers in other business areas of the Bank.

In addition to deposits, credit facilities with financial partners and the Danmarks Nationalbank are used.

Cash management includes stress tests to identify the Bank's cash flow exposure; the Bank's contingency plans in this field are regularly updated.

Reporting is made to the Board of Management on a daily basis, and regular meetings and follow-up meetings are held by those in charge in the organisation.

Reporting is furthermore made to the Board of Directors on a monthly basis.

## IT security

IT security is monitored and assessed on a regular basis.

The Bank's major IT partner is Bankdata to which most of its operational and development activities have been outsourced. IT operations have further been outsourced to JN Data.

The division of responsibilities and work between Bankdata and the Bank is clearly defined and described, and it is regularly evaluated if Bankdata complies with the Bank's IT security policy.

The Bank's contingency plans include ongoing updating and testing of IT procedures, and the Bank's security policy is updated regularly.

## Operational risks

Operational risks can be defined as potential losses to the Bank as a result of errors and incidents caused by people, processes, systems or external events.

These risks could be the result of inappropriate employee behaviour, system breakdown, breach of policies, failure to comply with business procedures, laws and regulations, etc.

In order to minimise operational risks, the Bank has organisationally separated the performance of activities from the control of the activities.

The Bank's Internal Audit function also performs regular audits to obtain the highest possible assurance as to compliance with policies, business procedures, rules and processes.

The Bank places great emphasis on its responsibilities when advising its customers, and thus also on the financial liabilities the Bank can incur in this connection.

The Bank seeks to minimise this risk through systematic identification and development of employee skills in all advisory services, including certification of employees in advisory services regarding pensions, investments and housing loans.

Wherever possible, the Bank uses technical, standardised advisory procedures to have the highest possible guarantee that all elements in a given case are identified and addressed.

Reports regarding current and new customer complaints are regularly submitted to the Board of Management as well as to the Board of Directors.

# Management's review

## **Recognition and measurement uncertainties**

The main recognition and measurement uncertainties relate to impairment losses in respect of loans and provisions for guarantees, the fair value of property and the fair value of unlisted/illiquid securities. However, such uncertainties are considered to be manageable. See the description of accounting estimates in note 38.

## **Risk**

The Bank has established an independent risk management function with a risk manager, who reports to the Board of Management.

The risk manager's responsibilities include the Bank's risk activities across risk areas and organisational entities as well as risks associated with outsourced functions.

The risk manager must ensure that the Bank's risk management is appropriate and identify the Bank's risks and overall risk profile.

The risk manager reports to the Board of Directors at least once a year.

## **Compliance**

The Bank has established a compliance function with a compliance officer, who reports to the Board of Management.

The compliance officer's task is to monitor, advise and assist Management and those in charge of the individual compliance areas to ensure that legislation, market standards or internal rules are complied with.

The compliance officer reports to the Board of Directors at least once a year.

## **Audit**

On the basis of a recommendation from the Board of Directors and the Board of Management, the general assembly appoints the external auditors for the coming year as well as alternates.

In accordance with applicable legislation, the external auditors audit the Bank, including planning, performance and reporting to the Board of Directors on the work performed.

In addition to the external auditors, the Bank's Board of Directors has appointed a manager to be in charge of the Internal Audit department.

The division of work between the external auditors and the Internal Audit department is agreed annually.

The Internal Audit department reports to the Board of Directors at least semi-annually.

In connection with the audit of the annual report, the auditors go through the details of long-form audit reports with the Board of Directors and present their overall assessment of the Bank.

The Bank set up an Audit Committee in 2009, which consists of all members of the Board of Directors plus CFO Ejner Søby as independent member.

The Audit Committee's assignments are defined in terms of reference and include supervising the financial reporting, the internal control systems, the Internal Audit function, the Bank's risk management systems, the audit of the annual report and the auditors' independence.

# Management's review

## Corporate Social Responsibility

### The Bank's CSR policy

The Bank's five values, together with the Bank's environmental policy, are the foundation of the Bank's ongoing CSR effort.

The five values are:

- Team, well-being and safety
- Committed and effective
- Active customer advice
- Sound economy
- Local and visible

These values are key to the Bank's management, and the employees are expected to live by these in their day-to-day work and decision-making.

The values are described below in conjunction with the four key stakeholder areas in relation to the Bank's CSR effort:

- Customers
- Employees
- The local community
- The environment, climate and social compliance

At Djurslands Bank, we believe that the greatest CSR contribution is when the Bank's core business is in line with society's general interests and expectations as to proper and honest behaviour, thus becoming an integral part of the Bank's day-to-day actions.

The Bank also supports the Danish Parliament's initiatives and efforts to put human rights and climate impacts high on the social agenda.

### The Bank's environmental policy

The Bank endeavours to comply with and support developments in Danish environmental legislation.

As a business entity, the Bank primarily implements the policy in the areas of energy, technology and buildings by continuously acting with the intent to apply solutions which use the smallest amount of natural resources in the most environmentally friendly way.

As a workplace, the Bank implements the policy through employee policies and values "Team, well-being and safety" as well as through constructive cooperation in the Bank's working environment organisation.

As a lender, the Bank implements the policy via its customer and credit policy.

### The Bank's financial contribution to society

The Bank contributes financially - as a local business in Eastern Jutland - both directly and indirectly to create value for society.

The Bank's contributes indirectly by tying investments and financing together for app. 39,500 private customers and 3,325 business customers and 1,800 clubs and associations in the market area.

Some of the Bank's operating expenses are settled as revenue in a number of local businesses, and the Bank's some 185 employees also help generate revenue and growth in the local area.

Analysis of the Bank's direct financial contributions in terms of public payments for 2015:

23.5% corporate income tax	DKK 14.1 million
12.2% payroll tax	DKK 12.4 million
Property tax	DKK 0.3 million
<b>Total</b>	<b>DKK 26.8 million</b>

Add to this payment of energy charges, other indirect taxes and VAT.

For 2015, the direct effect of the Bank as a workplace is calculated at:

Employee's total payment	
of income tax	DKK 27.8 million
Labour market contributions	DKK 7.2 million
<b>Total</b>	<b>DKK 35.0 million</b>

The Bank has published the statutory CSR report on its website. The goals, status and trends in each area are described annually in an appendix to the Bank's annual report to which all of the Bank's stakeholders have access on:

[djurslandsbank.dk/ombanken/samfundsansvar](http://djurslandsbank.dk/ombanken/samfundsansvar).

# Profit and Loss Account and comprehensive income

(DKK 1,000)

	Note	2015	2014
<b>Profit and Loss Account</b>			
Interest income	3	<b>185.311</b>	210.617
Interest expenses	4	<b>15.096</b>	27.491
<b>Net income from interest</b>		<b>170.215</b>	183.126
Dividend from share etc.		<b>11.269</b>	3.465
Fees and commission income	5	<b>141.100</b>	114.594
Fees and commission expenses		<b>7.733</b>	6.956
<b>Net income from interest and fee</b>		<b>314.851</b>	294.229
Value adjustments	6	<b>1.896</b>	13.556
Other ordinary income		<b>371</b>	155
Staff and administration costs	7	<b>187.198</b>	180.578
Depreciation and writedowns of tangible assets		<b>4.697</b>	5.557
Other operational costs		<b>9.620</b>	9.153
Writedowns	9	<b>42.210</b>	42.503
Profit from holdings in associated and affiliated companies	8	<b>-14</b>	2
<b>Profit before tax for the financial year</b>		<b>73.379</b>	70.151
Tax	12	<b>14.608</b>	13.094
<b>Profit for the financial year</b>		<b>58.771</b>	57.057
<b>Comprehensive income</b>			
<b>Profit for the financial year i.e. profit and loss account</b>		<b>58.771</b>	57.057
<b>Other comprehensive income</b>			
Other comprehensive income after tax		<b>0</b>	0
<b>Total comprehensive income for the financial year</b>		<b>58.771</b>	57.057
<b>Allocation of profit</b>			
Legal reserves		<b>-14</b>	2
Proposed dividend		<b>16.200</b>	14.850
Retained profit		<b>42.585</b>	42.205
<b>Total allocated</b>		<b>58.771</b>	57.057

# Balance Sheet at 31. december

(DKK 1,000)

	Note	2015	2014
<b>Assets</b>			
Cash in hand and claims at call on central banks		<b>282.111</b>	61.466
Claims on credit institutions and central banks	13	<b>139.354</b>	144.536
Loans and other amounts due at amortised cost	14	<b>3.521.129</b>	3.589.855
Bonds at fair value	15	<b>1.665.961</b>	1.520.825
Shares, etc.		<b>226.121</b>	216.663
Holdings in affiliated companies	16	<b>1.775</b>	1.789
Assets under pooled schemes	17	<b>817.528</b>	885.449
Tangible assets		<b>74.763</b>	75.738
Investment properties	19	4.305	4.305
Domicile properties	20	70.458	71.433
Other tangible assets	21	<b>8.754</b>	6.163
Deferred tax assets	22, 23	<b>3.212</b>	3.925
Other assets		<b>89.823</b>	94.239
Cut-off assets		<b>4.563</b>	4.260
<b>Total assets</b>		<b>6.836.206</b>	6.645.251
<b>Liabilities</b>			
Debt to credit institutions and central banks	24	<b>527.439</b>	743.207
Deposits and other amounts due	25	<b>4.514.818</b>	4.045.308
Deposits under pooled schemes		<b>827.647</b>	899.633
Other liabilities		<b>86.820</b>	112.714
Cut-off liabilities		<b>3.580</b>	3.602
<b>Total debt</b>		<b>5.960.304</b>	5.804.464
Provisions for pensions and similar obligations	26	<b>0</b>	5.719
Provisions regarding losses on guarantees	10	<b>1.151</b>	1.697
Other provisions for liabilities		<b>0</b>	724
<b>Total provisions for commitments</b>		<b>1.151</b>	8.140
Share capital		<b>27.000</b>	27.000
Revaluation reserves		<b>6.918</b>	6.918
Legal reserves		<b>775</b>	789
Retained profit		<b>823.858</b>	783.090
Proposed dividend		<b>16.200</b>	14.850
<b>Total equity</b>		<b>874.751</b>	832.647
<b>Total liabilities</b>		<b>6.836.206</b>	6.645.251

# Cash Flow Analysis

(DKK 1,000)

	Note	2015	2014
<b>Operational activities</b>			
Profit for the financial year		<b>73.379</b>	70.151
Writedowns	9	<b>42.210</b>	42.503
Depreciation and writedowns of tangible assets		<b>4.697</b>	5.557
Profit on holding in affiliated companies	8	<b>14</b>	-2
Tax		<b>25.336</b>	-52.849
		<b>145.636</b>	65.360
Change in loans and other amounts before writedowns		<b>5.182</b>	-50.410
Change in assets under pooled schemes		<b>26.516</b>	47.615
Change in bonds		<b>-145.136</b>	-26.469
Change in shares		<b>-9.458</b>	-29.596
Change in temporary assets		<b>67.921</b>	-14.306
Change in other assets		<b>4.113</b>	-1.993
Change in debt to credit institutions		<b>-215.768</b>	-28.996
Change in deposits and other amounts due		<b>397.524</b>	77.538
Change in other liabilities		<b>-25.916</b>	22.953
Change in provisions for liabilities excl. deferred tax		<b>-6.989</b>	-282
<b>Cash flows from operation activities</b>		<b>243.625</b>	61.414
<b>Investments activities</b>			
Purchase of tangible assets	20, 21	<b>-6.421</b>	-3.146
Sales of tangible assets	20, 21	<b>108</b>	373
<b>Cash flows from investing activities</b>		<b>-6.313</b>	-2.773
<b>Financing activities</b>			
Purchase / sale and revaluation of own shares		<b>-1.817</b>	62
Paid out dividend		<b>-14.850</b>	-8.100
Change in subordinated debt		<b>0</b>	-50.000
<b>Cash flow from financing activities</b>		<b>-16.667</b>	-58.038
<b>Cash flows for the year</b>		<b>220.645</b>	603
Cash, end		<b>282.111</b>	61.466
Cash, beginning		<b>61.466</b>	60.863
<b>Cash flows for the year</b>		<b>220.645</b>	603

# Equity

(DKK 1,000)

	<b>Share capital</b>	<b>Reva- luation reser- ves *</b>	<b>Legal reser- ves **</b>	<b>Pro- posed dividend</b>	<b>Retained profit</b>	<b>Total</b>
<b>Equity 31.12.2013</b>	<b>27.000</b>	<b>6.918</b>	<b>787</b>	<b>8.100</b>	<b>740.823</b>	<b>783.628</b>
Net purchase of own shares					62	62
Paid out dividend				-8.100		-8.100
Profit for the financial year			2	14.850	42.205	57.057
<b>Equity 31.12.2014</b>	<b>27.000</b>	<b>6.918</b>	<b>789</b>	<b>14.850</b>	<b>783.090</b>	<b>832.647</b>
Net purchase of own shares					-1.817	-1.817
Paid out dividend				-14.850		-14.850
Profit for the financial year			-14	16.200	42.585	58.771
<b>Equity 31.12.2015</b>	<b>27.000</b>	<b>6.918</b>	<b>775</b>	<b>16.200</b>	<b>823.858</b>	<b>874.751</b>

Number of shares 2.700.000, nom. value DKK 10

\* Revaluation reserve relates to revaluation of domicile properties.

\*\* Legal reserves relating to the revaluation reserve at the bank affiliated company.

	<b>2015</b>	<b>2014</b>
<b>Own shares</b>		
Bookvalue of own shares	<b>0</b>	0
Number of own shares	<b>25.248</b>	17.212
Stock value per share	<b>263</b>	197
Total stock value	<b>6.628</b>	3.391
Percentage of own shares	<b>0,9</b>	0,6

## Shareholders

Shareholders who owns more than 5% of the sharevalue:

- Henrik Østenkjær Lind personally and through his companies.



# Notes

## 1 Main- and key figures

(DKK 1,000)	2015	2014	2013	2012	2011
<b>Profit and Loss account</b>					
Net income from interest	<b>170.215</b>	183.126	179.360	187.570	185.611
Net income from interest and fee	<b>314.851</b>	294.229	269.070	277.896	256.862
Value adjustments	<b>1.896</b>	13.556	22.682	26.392	4.905
Operational costs	<b>201.515</b>	195.288	200.038	197.336	195.895
herof staff and administration costs	<b>187.198</b>	180.578	180.896	176.883	177.162
herof payment to sector solutions	<b>9.620</b>	9.153	10.025	7.316	10.785
Writedowns on loans	<b>42.210</b>	42.503	43.616	47.876	38.260
Profit from holdings in affiliated companies	<b>-14</b>	2	23	26	102
Profit before tax for the financial year	<b>73.379</b>	70.151	48.364	61.130	32.064
Profit for the financial year	<b>58.771</b>	57.057	37.053	47.120	23.281
<b>Balance sheet</b>					
<b>Assets</b>					
Cash in hand and claims on credit institutions, etc.	<b>421.465</b>	206.002	154.989	144.911	125.473
Loans and other amounts due	<b>3.521.129</b>	3.589.855	3.679.973	3.609.442	3.948.183
Bonds and shares etc.	<b>1.892.082</b>	1.737.488	1.681.423	1.875.720	1.487.068
Assets under pooled schemes	<b>817.528</b>	885.449	871.143	847.429	836.490
Other assets	<b>184.002</b>	226.457	187.491	179.944	189.152
Total assets	<b>6.836.206</b>	6.645.251	6.575.019	6.657.446	6.586.366
<b>Liabilities</b>					
Debt to credit institutions and central banks	<b>527.439</b>	743.207	772.203	1.204.477	1.268.122
Deposits and other amounts due	<b>4.514.818</b>	4.045.308	3.907.593	3.593.379	3.533.775
Deposits under pooled schemes	<b>827.647</b>	899.633	959.810	909.707	864.237
Other debt	<b>91.551</b>	124.456	101.785	142.227	164.756
Subordinated debt	<b>0</b>	0	50.000	50.000	50.000
Equity	<b>874.751</b>	832.421	783.628	757.656	705.476
Total liabilities	<b>6.836.206</b>	6.645.025	6.575.019	6.657.446	6.586.366
<b>Off-balance sheet items</b>					
Off-balance sheet items	<b>1.334.376</b>	1.145.641	848.656	880.905	945.600

# Notes

## 1 Main- and key figures (continued)

		2015	2014	2013	2012	2011
<b>Capital ratios</b>						
Total capital ratio *	pct.	<b>17,5</b>	16,7	17,3	16,6	15,3
Tier 1 capital ratio *	pct.	<b>17,5</b>	16,7	18,1	17,3	16,0
<b>Earning ratios</b>						
Return on equity before tax	pct.	<b>8,6</b>	8,7	6,3	8,4	4,5
Return on equity after tax	pct.	<b>6,9</b>	7,1	4,8	6,4	3,3
Return on assets	pct.	<b>1,1</b>	1,1	0,7	0,9	0,5
Earning/costs		<b>1,30</b>	1,30	1,20	1,25	1,14
Basic earnings/costs		<b>1,56</b>	1,51	1,35	1,42	1,33
<b>Market risk ratios</b>						
Interest rate risk	pct.	<b>2,0</b>	1,0	0,8	0,1	0,3
Foreign exchange standing - pos 1	pct.	<b>7,1</b>	1,9	4,4	4,0	9,2
Foreign exchange standing - pos 2	pct.	<b>0,0</b>	0,0	0,0	0,0	0,0
<b>Liquidity risk ratio</b>						
Lendings plus provisions on loans in relation to deposits	pct.	<b>70,8</b>	77,5	80,0	84,2	93,7
Excess in relative to the statutory liquidity requirement	pct.	<b>153,9</b>	130,4	181,2	206,5	170,4
<b>Credit risk ratios</b>						
The sum of large commitments	pct.	<b>61,8</b>	79,8	59,8	71,5	77,0
Share of outstandings with reduced interest	pct.	<b>1,3</b>	0,9	1,2	0,7	1,1
Provision percentage	pct.	<b>5,1</b>	4,9	4,6	4,1	3,4
The year's loss and writedown	pct.	<b>0,8</b>	0,9	0,9	1,0	0,8
The year's growth in lending	pct.	<b>-1,9</b>	-2,4	2,0	-8,6	3,4
Lending in relation to equity capital		<b>4,0</b>	4,3	4,7	4,8	5,6
<b>Return on share</b>						
Profit for the year per share	DKK.	<b>22</b>	21	14	17	9
Net book value per share **	DKK.	<b>327</b>	310	292	282	262
Dividend per share	DKK.	<b>6,0</b>	5,5	3,0	2,5	0,0
Stock value/result of the year per share		<b>12,1</b>	9,3	13,3	7,8	15,3
Stock value/net book value per share		<b>0,80</b>	0,63	0,63	0,48	0,50
Stock value per share	DKK.	<b>263</b>	197	183	136	132

\* The rules for the calculation of the total capital- and Tier 1 capital ratio is changed with the incorporation of the CRD IV rules per. 31/03/2014. Comparative figures for 2011-2013 are not adapted to this change.

\*\* Net book value is calculated as: equity / (Number of shares - holding of own shares)

# Notes

(DKK 1,000)

	2015	2014
<b>2 Capital statement</b>		
Total capital Ratio (%)	<b>17,5%</b>	16,7%
Tier 1 capital ratio (%)	<b>17,5%</b>	16,7%
Own funds requirements	<b>327.930</b>	329.945
Equity	<b>874.751</b>	832.421
Herof revaluation reserves	<b>0</b>	0
Herof proposed dividend	<b>-16.200</b>	-14.850
Deferred tax assets	<b>-3.212</b>	-3.925
Deduction of trading frame for own shares	<b>-14.175</b>	-10.638
Actual utilization af the trading frame for own shares	<b>6.628</b>	3.391
Other deductions	<b>-1.892</b>	0
Immaterial holdings in the financial sector	<b>-129.679</b>	-118.800
Common Equity Tier 1 capital	<b>716.221</b>	687.599
Tier 1 capital	<b>0</b>	0
Tier 1 capital before deductions	<b>716.221</b>	687.599
Immaterial holdings in the financial sector	<b>0</b>	0
Tier 2 capital after deductions	<b>716.221</b>	687.599
Revaluation reserves	<b>0</b>	0
Immaterial holdings in the financial sector	<b>0</b>	0
Own funds	<b>716.221</b>	687.599
<b>Risk exposures</b>		
Weighted values excl. values with marked risk	<b>3.697.408</b>	3.857.414
Weighted values with marked risk	<b>401.713</b>	266.895
Total risk exposure amount	<b>4.099.121</b>	4.124.309
<b>3 Interest income</b>		
Claims on credit institutions and central banks	<b>1.849</b>	1.607
Loans and advances	<b>169.721</b>	190.528
Bonds	<b>16.014</b>	21.818
Total derivative financial instruments	<b>-3.332</b>	-3.586
herof		
Currency contracts	<b>16</b>	290
Interest rate contracts	<b>-3.348</b>	-3.876
Other interest income	<b>1.059</b>	250
Total interest income	<b>185.311</b>	210.617
Of which income from genuine purchase and resale transactions represent	<b>0</b>	0
<b>4 Interest expenses</b>		
Credit institutions and central banks	<b>-152</b>	694
Deposits	<b>15.086</b>	24.574
Subordinated debt	<b>0</b>	2.113
Other interest expenses	<b>162</b>	110
Total interest expenses	<b>15.096</b>	27.491
Of which expenses from genuine purchase and resale transactions represent	<b>0</b>	0
<b>5 Fee and commission income</b>		
Securities trading and custody account fees	<b>53.493</b>	41.278
Payment services fees	<b>13.976</b>	14.516
Loan fees	<b>55.613</b>	43.379
Guarantee commissions	<b>5.421</b>	4.559
Other fees and commissions	<b>12.597</b>	10.862
Total fee and commission income	<b>141.100</b>	114.594

Payed fee and commissions are not deducted in the above

# Notes

(DKK 1,000)

2015 2014

## 6 Value adjustments

Loan and advances at fair value	0	-1.508
Bonds	-10.612	-10.711
Shares, etc.	9.114	21.822
Currency	3.319	3.390
Derivatives	243	1.375
Assets under pooled schemes	-21.032	22.473
Deposits under pooled schemes	20.864	-23.285
Total value adjustments	<b>1.896</b>	13.556

## 7 Staff and administration costs

Remuneration of Board of Management/Directors/Representatives	5.599	3.799
Staff costs	106.797	109.202
Administrative expenses	74.802	67.577
Total staff and administration costs	<b>187.198</b>	180.578

### Staff costs

Salaries	88.454	86.132
Pensions	4.942	10.777
Social security expenses	1.032	1.340
Taxes	12.369	10.953
Total	<b>106.797</b>	109.202

Salary equals the accrued remuneration.

### Number of full-time equivalent staff (avg.) in the financial year

Calculated according to the ATP-method	191,0	182,5
Calculated according to work-time percentages	185,3	175,7

### Salaries and remuneration of Board of Management/Directors/Representatives

Fixed payment		
Board of Directors	1.022	1.004
Board of Representatives	166	163
Board of Management, wage, free car, holiday payment	3.845	2.242
Board of Management, pension	566	390
Total	<b>5.599</b>	3.799

There is no variable payment, or pension obligations

Number of board of Management members	2,0	2,0
Number of board of Directors members	9,0	9,0

### Specification of remuneration to the board of Directors members

Erik Nymann, chairman	222	218
Peter Zacher Sørensen, deputy chairman	122	87
Helle Bærentsen	89	87
Tina Klausen	89	87
Peter Pedersen	89	87
Jan B. Poulsen	89	87
Ejner Søby, chairman of the audit committee	133	131
Mikael Lykke Sørensen	89	87
Uffe Vithen	100	131

# Notes

(DKK 1,000)

2015

2014

## 7 Staff costs and administrative expenses (continued)

### Specification of salaries for the Representatives

Chairman	6	6
Other members	3	3

### Specification of salaries for the Management

Ole Bak		
Wage, free car, holiday payment	2.024	1.921
Pension	363	351
Total	<u>2.387</u>	<u>2.272</u>
Lars Møller Kristensen		
Wage, free car, holiday payment	1.821	
Pension	203	
Total	<u>2.024</u>	

Lars Møller Kristensen has from the 1. november 2014 been a member of the management board. The wage in 2014 covers the period from 1. november to 31. december 2014.

### Other employees with significant influence on the bank's risk profile

Fixed payment		
Salaries, company car, pension etc.	5.900	9.176
Total payment to employees with significant influence on the risk profile	<u>5.900</u>	<u>9.176</u>
Number of employees with significant influence on the risk profile	<u>6</u>	<u>9</u>

There is no variable payment, or pension obligations

Lars Møller Kristensen has from the 1. november 2014 been a member of the management board.

## 8 Profit of holdings in affiliated companies

Profit on holdings in affiliated companies	-14	2
Total profit on holdings in affiliated companies	<u>-14</u>	<u>2</u>

## 9 Write down on loans and advances

### Individual write downs

Write downs beginning	228.953	205.500
Write downs in the financial year	77.501	67.511
Changes in write downs regarding earlier years	-26.706	-20.328
Finally lost regarding earlier write downs	-36.301	-23.730
Individual write downs end	<u>243.447</u>	<u>228.953</u>

### Group write downs

Write downs beginning	14.822	10.057
Write downs in the financial year	2.701	4.765
Group write downs end	<u>17.523</u>	<u>14.822</u>

Total write downs on loans and advances	<u>260.970</u>	<u>243.775</u>
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### **Expenses in the financial year from write downs on loans and advances**

Write downs in the financial year from loans and advances	80.202	72.276
Write downs in the financial year from provisions	-546	-226
Reversal of write downs in ealier financial years	-26.706	-20.328
Realized losses, written down in earlier financial years	-36.301	-23.730
Realized losses	36.189	24.545
Interest from debtors with writedowns	-10.628	-10.034
Writedowns	<u>42.210</u>	<u>42.503</u>

# Notes

(DKK 1,000)

## 9 Write down on loans and advances (continued)

Reasons for individual impairment	2015		2014	
	Loans before writedowns	Writedowns	Loans before writedowns	Writedowns
Bankruptcy / liquidation	<b>40.331</b>	<b>26.513</b>	20.570	19.310
Suspension of payments / granted	<b>1.457</b>	<b>1.470</b>	856	743
Debt restructuring initiated / granted	<b>718</b>	<b>708</b>	7.302	7.132
Engagement terminated	<b>10.637</b>	<b>10.113</b>	15.031	14.587
Other causes	<b>355.037</b>	<b>204.643</b>	336.030	187.181
Total	<b>408.180</b>	<b>243.447</b>	379.789	228.953

### Loans with individual writedowns by sectors

	2015		2014	
	Loans before writedowns	Writedowns	Loans before writedowns	Writedowns
Business				
Agriculture, hunting, forestry and fishing	<b>114.433</b>	<b>80.192</b>	81.502	50.604
Industry and raw materials extraction	<b>1.242</b>	<b>1.015</b>	593	560
Building and construction	<b>28.063</b>	<b>18.411</b>	34.710	16.111
Trade	<b>10.727</b>	<b>6.862</b>	9.452	5.786
Transport, hotels and restaurants	<b>25.768</b>	<b>13.751</b>	27.696	13.524
Information and communication	<b>603</b>	<b>555</b>	243	200
Financing and insurance	<b>7.932</b>	<b>7.898</b>	6.334	6.317
Real estate	<b>86.039</b>	<b>20.134</b>	68.704	35.112
Other businesses	<b>16.874</b>	<b>12.710</b>	29.728	21.305
Total business	<b>291.681</b>	<b>161.528</b>	258.962	149.519
Private	<b>116.499</b>	<b>81.919</b>	120.827	79.434
Total	<b>408.180</b>	<b>243.447</b>	379.789	228.953

	2015	2014
<b>The value of collateral on loans, which have writedowns</b>		
Collateral in real estate	<b>109.821</b>	72.638
Collateral in operating equipment	<b>34.712</b>	42.205
Collateral in securities and deposits	<b>1.675</b>	355
Collateral in mortgages	<b>17.062</b>	35.111
Collateral in sureties	<b>1.463</b>	527
Total	<b>164.733</b>	150.836

### Loans and advances with writedowns

Gross loans and advances with individual writedowns	<b>408.180</b>	379.789
Gross loans and advances with group writedowns	<b>2.954.943</b>	3.121.534
Total	<b>3.363.123</b>	3.501.323

### Loans and receivables without writedowns

**418.976** 332.307

### Total loans and receivables

Loans and receivables before writedowns **3.782.099** 3.833.630

## 10 Provisions regarding losses on guarantees

Provisions are made for guarantees, if there is found to be a risk of loss

Guarantees with provisions	<b>1.207</b>	2.141
Provision on guarantees	<b>1.151</b>	1.697

# Notes

(DKK 1,000)	2015	2014
<b>11 Audit fees</b>		
Total fee to the accounting firm elected by the general meeting which perform the statutory audit	<b>456</b>	504
By services		
Statutory audit	<b>399</b>	392
Other declarations with security	<b>34</b>	27
Other services	<b>23</b>	85
Total audit fee	<b>456</b>	504
The bank has an internal audit department		
<b>12 Tax</b>		
Calculated tax charge for the year	<b>14.094</b>	13.607
Deferred tax	<b>713</b>	-566
Adjustment of tax rate	<b>0</b>	53
Adjustment of prior-year tax charge	<b>-199</b>	0
Total tax	<b>14.608</b>	13.094
<b>Effective tax rate</b>		
Danish tax rate	<b>23,5%</b>	24,5%
Non-taxable income and non-deductible expenses	<b>-3,2%</b>	-5,8%
Change in tax percentage	<b>0,0%</b>	0,1%
Others	<b>-0,1%</b>	-0,1%
Effective tax rate	<b>19,9%</b>	18,7%
The non-taxable income and non-deductible expenses are mainly depreciations on domicile properties, non-deductible part of the representative costs and gain on unlisted capital investments.		
<b>13 Claims on credit institutions and central banks</b>		
Claims on credit institutions	<b>139.354</b>	144.536
Total claims on credit institutions and central banks	<b>139.354</b>	144.536
<u>By residual maturity</u>		
Up to 3 months	<b>119.854</b>	125.036
Between 3 months and 1 year	<b>17.000</b>	17.000
Over 5 years	<b>2.500</b>	2.500
Total claims on credit institutions and central banks	<b>139.354</b>	144.536
<b>14 Loans and other amounts due and off-balance items</b>		
Loans and other amounts due	<b>3.521.129</b>	3.589.855
Total loans and other amounts due	<b>3.521.129</b>	3.589.855
By residual maturity		
Demand deposits	<b>597.642</b>	518.518
Up to 3 months	<b>306.832</b>	353.568
From 3 months to 1 year	<b>961.354</b>	1.078.762
From 1 to 5 years	<b>784.168</b>	762.483
Over 5 years	<b>871.133</b>	876.524
Total loans and other amounts due	<b>3.521.129</b>	3.589.855
<b>Specifikation of gross loans</b>		
Loans and other amounts due before write downs	<b>3.782.099</b>	3.833.630
Write downs	<b>-260.970</b>	-243.775
Total loans and other amount due	<b>3.521.129</b>	3.589.855

# Notes

(DKK 1,000)

2015

2014

## 14 Loans and other amounts due and off-balance items (continued)

### Gross loans and off-balance items

Loans and other amounts due before write downs	<b>3.782.099</b>	3.833.630
Off-balance items	<b>1.334.376</b>	1.145.641
Total loans and off-balance items	<b>5.116.475</b>	4.979.271

### Broken down by sectors and industry (in percentage)

Public sector	<b>8,2</b>	6,7
Business		
Agriculture, hunting, forestry and fishing	<b>12,3</b>	12,8
<i>Crop farming</i>	<i>4,3</i>	<i>4,4</i>
<i>Cattle farming</i>	<i>5,0</i>	<i>5,7</i>
<i>Pig farming</i>	<i>1,0</i>	<i>1,1</i>
<i>Other farming</i>	<i>1,9</i>	<i>1,5</i>
<i>Fishing</i>	<i>0,1</i>	<i>0,1</i>
Industry and raw materials extraction	<b>0,9</b>	1,4
Energy supply	<b>1,7</b>	2,2
Building and construction	<b>4,9</b>	5,4
Trade	<b>4,8</b>	4,1
Transport, hotels and restaurants	<b>2,1</b>	2,8
Information and communication	<b>0,5</b>	0,4
Financing and insurance	<b>2,4</b>	2,2
Real estate	<b>9,9</b>	11,9
Other businesses	<b>7,1</b>	9,3
Total business	<b>46,6</b>	52,5
Private	<b>45,2</b>	40,8
Total	<b>100,0</b>	100,0

## 15 Bonds at fair value

The Bank has deposited bonds at Nationalbanken and VP as collateral for clearing and settlement, etc. for a total of t.DKK 661,952 (2014: 681,935 t.DKK)

## 16 Holdings in affiliated companies

Djurs-Invest ApS, Grenaa, Denmark

Part of shares	<b>100%</b>	100%
Equity	<b>1.775</b>	1.789
Profit for the financial year	<b>-14</b>	2

The affiliated company's balance and activity is immaterial, which is the reason why no consolidated report is prepared.

## 17 Assets under pooled schemes

Bonds at fair value	<b>520.760</b>	603.835
Shares	<b>296.768</b>	281.614
Total assets	<b>817.528</b>	885.449

## 18 Intercompany with affiliated companies

Deposits	<b>581</b>	586
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## 19 Investment property

Marked value beginning	<b>4.305</b>	4.305
Additions	<b>0</b>	0
Marked value end	<b>4.305</b>	4.305

External experts have not been used in 2014 and 2015.



# Notes

(DKK 1,000)

	2015	2014
<b>20 Domicile property</b>		
Marked value beginning	<b>71.433</b>	73.097
Additions	<b>0</b>	0
Depreciation	<b>-975</b>	-832
Marked value end	<b>70.458</b>	71.433

External experts have not been used in 2014 and 2015.

<b>21 Other tangible assets</b>		
Total cost at beginning	<b>27.833</b>	33.639
Additions	<b>6.421</b>	3.146
Total cost at end	<b>33.790</b>	27.833

Depreciation and impairment beginning	<b>21.670</b>	26.356
Depreciation	<b>3.721</b>	4.087
Depreciation and impairment end	<b>25.036</b>	21.670

<b>Book value at end</b>	<b>8.754</b>	6.163
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<b>22 Deferred tax assets and tax liabilities</b>		
Deferred tax liabilities beginning	<b>3.925</b>	3.412
Change in tax percentage	<b>0</b>	-53
Change in deferred tax due	<b>-713</b>	566
Deferred tax assets and tax liabilities end	<b>3.212</b>	3.925

## 23 Split of deferred tax assets and tax liabilities

	2015	2015	2013	2013
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Tangible assets	<b>577</b>	<b>255</b>	832	235
Cut of on fees and commissions	<b>3.609</b>	<b>0</b>	3.435	0
Provisions for commitments	<b>0</b>	<b>0</b>	1.258	0
Other	<b>1.157</b>	<b>1.876</b>	1.195	2.560
Total deferred tax	<b>5.343</b>	<b>2.131</b>	6.720	2.795

	2015	2014
<b>24 Debt to credit institutions and central banks</b>		
Debt to credit institutions	<b>527.439</b>	743.207
By residual maturity		
Amounts payable on demand	<b>527.439</b>	673.207
From 3 months to 1 year	<b>0</b>	70.000
From 1 to 5 years	<b>0</b>	0
Total debt to credit institutions and central banks	<b>527.439</b>	743.207

# Notes

(DKK 1,000)

	2015	2014
<b>25 Deposits and other amounts due</b>		
Amounts payable on demand	<b>4.005.471</b>	3.303.434
At notice	<b>127.251</b>	103.556
Time deposits	<b>9.401</b>	316.083
Special deposits	<b>372.695</b>	322.235
Total deposits and other amounts due	<b><u>4.514.818</u></b>	<u>4.045.308</u>
<u>By remaining maturity</u>		
Amounts payable on demand	<b>4.081.841</b>	3.368.126
Up to 3 months	<b>116.507</b>	56.975
From 3 months to 1 year	<b>10.668</b>	236.529
From 1 to 5 years	<b>49.481</b>	166.152
Over 5 years	<b>256.321</b>	217.526
Total deposits and other amounts due	<b><u>4.514.818</u></b>	<u>4.045.308</u>
<b>26 Provisions for pensions and similar obligations</b>		
Provision for pensions and similar commitments	<b><u>0</u></b>	<u>5.719</u>
Total provision for pensions	<b><u>0</u></b>	<u>5.719</u>
Paid to former members of the management Board	<b><u>650</u></b>	<u>1.240</u>
<b>27 Equity - shares</b>		
Number of shares each of nom value kr. 10.	<b>2.700.000</b>	2.700.000
Share capital nom value DKK 27.000 (1.000 kr.)		
Number of own shares, beginning	<b>17.212</b>	17.276
Additions	<b>226.201</b>	190.985
Disposals	<b>-218.165</b>	-191.049
Number of own shares, end	<b><u>25.248</u></b>	<u>17.212</u>
Nom value of own shares, beginning	<b>172</b>	173
Net additions / disposals	<b><u>80</u></b>	<u>-1</u>
Nom value of own shares, end	<b><u>252</u></b>	<u>172</u>
Part of own shares, beginning	<b>0,6%</b>	0,6%
Net additions / disposals	<b><u>0,3%</u></b>	<u>0,0%</u>
Part of own shares, end	<b><u>0,9%</u></b>	<u>0,6%</u>
Total purchase	<b>57.228</b>	37.553
Total sale	<b>53.988</b>	37.331

Own shares are bought and sold as part of the bank's common stock trading.

# Notes

(DKK 1,000)

## 28 Derivative financial instruments

The bank uses foreign-exchange and interestrate contracts and swaps.

Financial instruments are used to cover customers contracts etc in relation 1:1.

and towards loans with fixed interestrates

	2015	2015	2015	2015
	Nominal value	Net market value	Positive market value	Negative market value
<b>Foreign-exchange contracts, purchase</b>				
Up to 3 months	18.740	184	197	13
From 3 months to 1 year	6.865	-10	16	26
Market value	<b>25.605</b>	<b>174</b>	<b>213</b>	<b>39</b>
<b>Foreign-exchange contracts, sale</b>				
Up to 3 months	34.432	66	196	130
From 3 months to 1 year	6.866	92	105	13
Market value	<b>41.298</b>	<b>158</b>	<b>301</b>	<b>143</b>
Foreign-exchange contracts and swaps	<b>66.903</b>	<b>332</b>	<b>514</b>	<b>182</b>
<b>Interestrate swaps</b>				
From 3 months to 1 year	10.904	-348	0	348
From 1 to 5 years	69.293	-982	2.765	3.747
Over 5 years	337.378	-7.755	34.384	42.139
Market value	<b>417.575</b>	<b>-9.085</b>	<b>37.149</b>	<b>46.234</b>
Interestrate contracts and swaps	<b>417.575</b>	<b>-9.085</b>	<b>37.149</b>	<b>46.234</b>
<b>Unsettled spot contracts</b>				
Foreign-exchange, purchase	26.576	-54	25	79
Foreign-exchange, sale	27.350	118	118	0
Futures, purchase	7.877	53	53	0
Futures, sale	7.877	-37	3	40
Interestrate contracts, purchase	106.152	219	223	4
Interestrate contracts, sale	6.152	6	7	1
Sharecontracts, purchase	5.947	24	73	49
Sharecontracts, sale	5.947	-22	50	72
Market value	<b>193.878</b>	<b>307</b>	<b>552</b>	<b>245</b>
<b>Total</b>				
Foreign-exchange contracts and swaps, total	<b>66.903</b>	<b>332</b>	<b>514</b>	<b>182</b>
Interestcontracts and swaps, total	<b>417.575</b>	<b>-9.085</b>	<b>37.149</b>	<b>46.234</b>
Spot, total	<b>193.878</b>	<b>307</b>	<b>552</b>	<b>245</b>
Market value	<b>678.356</b>	<b>-8.446</b>	<b>38.215</b>	<b>46.661</b>

# Notes

(DKK 1,000)

## 28 Derivative financial instruments (continued)

	2014 Nominal value	2014 Net market value	2014 Positive market value	2014 Negative market value
<b>Foreign-exchange contracts, purchase</b>				
Up to 3 months	38.478	873	970	97
From 3 months to 1 year	12.249	661	661	0
Market value	50.727	1.534	1.631	97
<b>Foreign-exchange contracts, sale</b>				
Up to 3 months	43.230	-413	213	626
From 3 months to 1 year	12.770	-638	1	639
Market value	56.000	-1.051	214	1.265
<b>Foreign-exchange swaps</b>				
From 3 months to 1 year	0	0	0	0
Market value	0	0	0	0
Foreign-exchange contracts and swaps	106.727	483	1.845	1.362
<b>Interestrates swaps</b>				
Up to 3 months	0	0	0	0
From 3 months to 1 year	50.202	-11	807	818
From 1 to 5 years	56.150	-2.629	1.133	3.762
Over 5 years	337.302	-8.905	42.036	50.941
Market value	443.654	-11.545	43.976	55.521
Interestrates contracts and swaps	443.654	-11.545	43.976	55.521
<b>Unsettled spot contracts</b>				
Foreign-exchange, purchase	5.186	0	5	5
Foreign-exchange, sale	505	0	1	1
Futures, purchase	272	272	272	0
Futures, sale	249	-249	0	249
Interestrates contracts, purchase	11.570	13	16	3
Interestrates contracts, sale	11.570	-1	5	6
Sharecontracts, purchase	4.928	-46	23	69
Sharecontracts, sale	4.928	52	74	22
Market value	39.208	41	396	355
<b>Total</b>				
Foreign-exchange contracts and swaps, total	106.727	483	1.845	1.362
Interestcontracts and swaps, total	443.654	-11.545	43.976	55.521
Spot, total	39.208	41	396	355
Market value	589.589	-11.021	46.217	57.238

# Notes

(DKK 1,000)

	2015	2014
<b>29 Off balance sheet items</b>		
Financial guarantees	<b>441.686</b>	417.136
Loss guarantees	<b>371.138</b>	248.788
Registration guarantees	<b>118.811</b>	144.637
Other guarantees	<b>402.741</b>	335.080
Total off balance sheet items	<b><u>1.334.376</u></b>	<u>1.145.641</u>

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 149 million as at 31.12.2015.

Like the other Danish banks, Djurslands Bank is obligated til make payments to the Bank Deposit Guarantee Fund and the Settlement Fund.

## 30 Foreign exchange exposure

Currencies breakdown for the main currencies (net)

EUR	<b>42.015</b>	4.157
GBP	<b>1.982</b>	1.907
CHF	<b>463</b>	901
NOK	<b>563</b>	709
USD	<b>1.203</b>	0
Other currencies	<b>4.901</b>	5.104
Total	<b><u>51.127</u></b>	<u>12.778</u>

Exchange rate indicator 1 in % of Tier 1 capital after deductions (positions) **7,1%** 1,9%

Exchange rate indicator 2 in % of Tier 1 capital after deductions (risk) **0,0%** 0,0%

Currency indicator 1 is calculated as the sum of the highest numerical value of assets (Long position) or net debt. Indicator 1 shows a measure of the overall currency risk.

Currency indicator 2 is based on a statistical method, which represents the total loss risk.

## 31 Financial risk and riskmanagement

The bank is exposed to various types of financial risks, which consists of:

Credit risk: The risk of loss, due to breach of contracts from counterparts

Market risk: The risk of loss due to changes in market value from the banks assets and liabilities.

Liquidity risk: The risk of loss due to unusual high increase in financial costs. The risk of loss if the bank is cut of from entering into new businesscontracts due to lacking financing, or the risk regarding the banks lacking ability to fulfilling business contracts when dued because of lacking financing.

The banks management of financial risk is described in the management reports section

"Risk management" page 13 to 16, further information can be found in this section.

## 32 Current value of financial instruments

The current value is amount at which a financial asset can be sold or the amount at which a financial liability can be redeemed between agreed independent parties. The current values of financial assets and liabilities valued on active markets are calculated on the basis of observed market prices on the balance sheet date. The current values of financial instruments which are not valued on active markets are calculated on the basis of generally recognised methods of valuation.

Bonds, shares etc, and derivatives financial instruments are measured in the accounts at market value such that included book values correspond to current values.

# Notes

(DKK 1,000)

## 32 Current value of financial instruments (continued)

The writedowns on loans are assessed such that they correspond to changes in credit quality. The difference from current value is assessed as fees and commissions received and for fixed-interest loans, the value adjustment which is independent of the interest level and which can be calculated by comparing the actual market interest rate with the nominal rate applying to the loans.

The current value of claims on credit institutions and central banks is determined under the same method as for loans, but the bank has not currently made any writedowns on claims on credit institutions and central banks.

Issued bonds and subordinated debt are measured at amortised cost price. The difference between book and current values is calculated on the basis of prices on the market for own value adjustment which is independent of interest level.

	2015 value	2015 value	2014 value	2014 value
<b>Assets</b>				
Cash in hand and claims at call on central banks				
hos centralbanker	<b>282.111</b>	<b>282.111</b>	61.466	61.466
Claims on credit institutuions and central banks	<b>139.354</b>	<b>139.354</b>	144.536	144.536
Loans and other amounts due	<b>3.521.129</b>	<b>3.555.642</b>	3.589.855	3.624.497
Bonds at fair value	<b>1.665.961</b>	<b>1.665.961</b>	1.520.825	1.520.825
Shares, etc.	<b>226.121</b>	<b>226.121</b>	216.663	216.663
Assets under pooled schemes	<b>817.528</b>	<b>817.528</b>	885.449	885.449
Derivative financial instruments	<b>38.215</b>	<b>38.215</b>	46.217	46.217
Total assets	<b>6.690.419</b>	<b>6.724.932</b>	6.465.011	6.499.653
<b>Liabilities</b>				
Deposits and other amounts due	<b>4.514.818</b>	<b>4.517.517</b>	4.045.308	4.051.460
Deposits under pooled schemes	<b>827.647</b>	<b>827.647</b>	899.633	899.633
Derivative financial instruments	<b>46.661</b>	<b>46.661</b>	57.238	57.238

	2015	2014
<b>33 Interest rate risk</b>		
Total interest rate risk on liabilities, etc.	<b>14.401</b>	6.982
Interest rate risk by foreign currency with highest interest rate risk		
DKK	<b>13.639</b>	6.979
EUR	<b>762</b>	1
SEK	<b>0</b>	2
Other currencies	<b>0</b>	0

# Notes

(DKK 1,000)

2015

2014

## 34 Credit risk

Creditmanagement and risk is a material area in the banks riskmanagement, as loans are far the largest part of the banks assets.

In addition to the information in this note 34 and accompanying notes 35 and 36 refers to the general description of credit management in the management report page 13 under "creditrisk".

### Maximum credit exposure on claims on credit instituions and central banks, bonds and other assets

Claims on credit instituions and central banks	<b>139.354</b>	144.536
Bonds at fair value	<b>1.665.961</b>	1.520.825
Other assets	<b>89.823</b>	94.239
Maximum credit risk	<b>1.895.138</b>	1.759.600

### Maximum credit exposure on loans, guarantees and credit commitments before securities

Loans and other amounts due at amortised cost	<b>3.782.099</b>	3.833.630
Guarantees	<b>1.334.376</b>	1.145.641
Credit commitments (credits)	<b>1.688.864</b>	1.788.836
Credit commitments (framework agreements)	<b>260.333</b>	241.679
Maximum credit exposure	<b>7.065.672</b>	7.009.786

Total maximum credit exposure	<b>8.960.810</b>	8.769.386
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### Broken down by sector and industry, loans, gurantees and credit commitments

Public sector	<b>681.460</b>	576.010
Business		
Agriculture, hunting, forestry and fishing	<b>813.863</b>	811.760
Industry and raw materials extraction	<b>110.341</b>	143.788
Energiforsyning	<b>113.848</b>	153.056
Building and construction	<b>326.382</b>	350.791
Trade	<b>348.908</b>	354.803
Transport, hotels and restaurants	<b>185.267</b>	227.522
Information og kommunikation	<b>33.509</b>	29.172
Financing and insurance	<b>132.720</b>	124.271
Real estate	<b>601.648</b>	737.264
Other businesses	<b>505.973</b>	633.767
Total business	<b>3.172.459</b>	3.566.194
Private	<b>3.211.753</b>	2.867.582
Total	<b>7.065.672</b>	7.009.786

# Notes

(DKK 1,000)

## 34 Credit risk (continued)

### Credit risk on largest sector

Agriculture, hunting, forestry and fishing make up the largest single industry in the Bank's total lending, guarantees and credit commitments with 11,3%.

The allocation of loans, guarantees and credit commitments is

	2015	2015	2014	2014
Crops	<b>306.955</b>	<b>38%</b>	316.704	39%
Pig farming	<b>295.596</b>	<b>36%</b>	306.048	38%
Cattle farming	<b>62.611</b>	<b>8%</b>	66.881	8%
Other farming, hunting and forestry	<b>139.336</b>	<b>17%</b>	113.192	14%
Fishing	<b>9.366</b>	<b>1%</b>	8.935	1%
Total	<b><u>813.863</u></b>		<u>811.760</u>	

The allocation of writedowns is:

Crops	<b>0</b>	<b>0%</b>	0	0%
Pig farming	<b>72.653</b>	<b>91%</b>	44.109	87%
Cattle farming	<b>5.762</b>	<b>7%</b>	4.581	9%
Other farming, hunting and forestry	<b>0</b>	<b>0%</b>	0	0%
Fishing	<b>1.777</b>	<b>2%</b>	1.914	4%
Total	<b><u>80.192</u></b>		<u>50.604</u>	

### Description of securities

When the bank's credit risk is not minimal, it is generally a requirement that the customer makes full or partial security for the exposure.

The collateral is mainly by mortgage on properties, pledge in physical assets, debts, liquid securities and deposits and mortgages. As a general rule safety are also made in companies' shares, letter of subordination and surety. A large part of these sureties are related to the debtor. For prudential reasons, the bank does not calculate with any independent value on these sureties.

The value of collateral is determined based on established assessment principles for any kind and type of securities.

	2015	2014
<b>Securities on loans and guarantees *)</b>		
Collateral in real estate	<b>1.696.970</b>	1.596.154
Collateral in operating equipment	<b>389.413</b>	441.729
Collateral in securities and deposits	<b>274.169</b>	299.426
Collateral in mortgages	<b>838.584</b>	728.209
Collateral in sureties	<b>39.155</b>	47.765
Total	<b><u>3.238.291</u></b>	<u>3.113.283</u>

\*) Securities is calculated without excess securities.

The calculation of the value of mortgages takes account of the property's estimated trading price reduced by a percentage to cover the uncertainty of pricing and costs of realization.

Other tangible assets values are calculated on the basis of market price reduced by a percentage to cover the depreciation due to age.

Securities are measured at official exchange rates reduced by a percentage to cover unexpected sudden circumstances. Deposits in the bank are stated at nominal value

Mortgages, etc. consists mainly of indirect mortgages on properties where the bank on behalf of the client takes home mortgage against the guarantee to mortgage banks. These guarantees are secured by indirect mortgage on the property, and the valuation equivalent to the guaranteed amount.



# Notes

(DKK 1,000)

## 35 The quality of loans and guarantees before writedowns, which are not overdue

The bank regularly monitors the quality of the loans and related securities, and make on the basis of analysis and stress tests, a hedge of danger signals and hazard signs as early as possible, including by monitoring and managing overdrafts.

### Specification of the quality of exposures and loans

Private customers with commitment over DKK 1 m. and business customers with commitment over 1% of own funds (DKK 7.2 m.) is creditrated after the FSA model. In 2014 1% of own funds was equal to DKK 6,9 m.

	<b>2015</b>	<b>2015</b>	2014	2014
	<b>Exposure</b>	<b>loans</b>	Exposure	loans
<b>Public sector</b>				
High (grade 3 og 2A)	<b>681.460</b>	<b>415.549</b>	576010	327.766
I alt	<b>681.460</b>	<b>415.549</b>	576.010	327.766
<b>Private</b>				
High (grade 3 og 2A)	<b>1.037.543</b>	<b>316.159</b>	803.051	229.924
Medium (grade 2B)	<b>218.189</b>	<b>63.650</b>	180.106	68.910
Low (grade 2C)	<b>21.216</b>	<b>14.039</b>	31.665	18.623
Total	<b>1.276.948</b>	<b>393.848</b>	1.014.822	317.457
<b>Business</b>				
High (grade 3 og 2A)	<b>860.291</b>	<b>496.640</b>	1.126.523	541.154
Medium (grade 2B)	<b>406.831</b>	<b>272.313</b>	647.512	435.717
Low (grade 2C)	<b>391.930</b>	<b>280.008</b>	356.494	269.714
Total	<b>1.659.052</b>	<b>1.048.961</b>	2.130.529	1.246.585
<b>Total public, private and business</b>	<b>3.617.460</b>	<b>1.858.358</b>	3.721.361	1.891.808

### Rating of minor exposures

For other exposures, the bank's internal rating model are used.

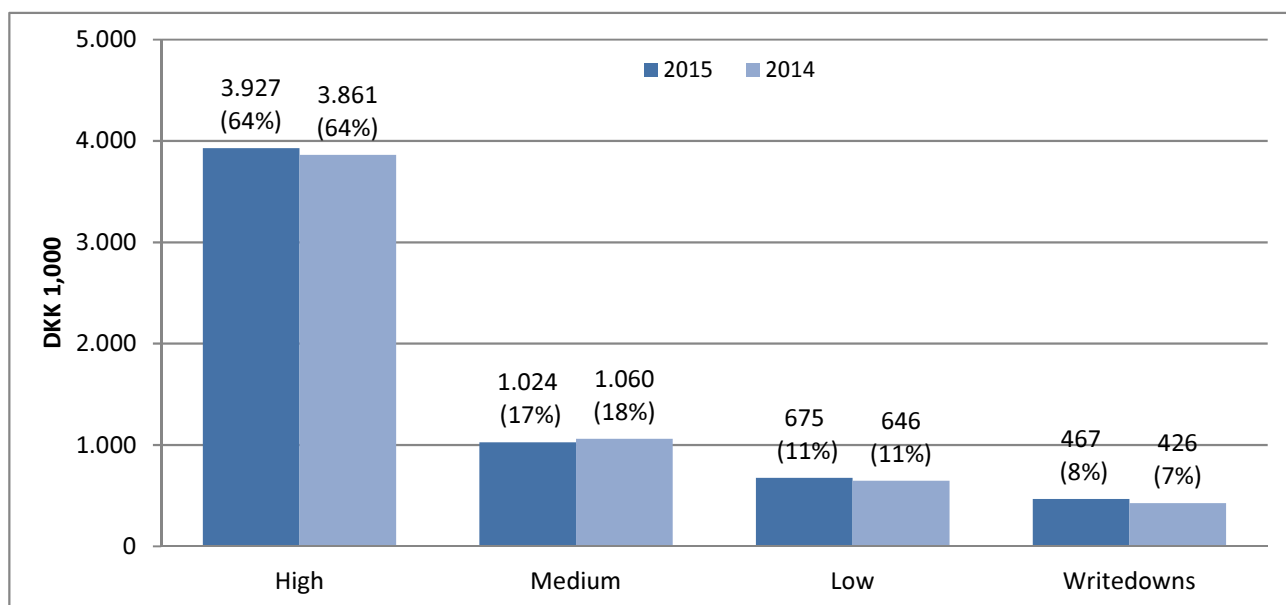
The rating is made on private customers exposures up to DKK 1 m. and business customers exposures between t.DKK 500 and 1% of own funds (DKK 7.2 m.).

	<b>2015</b>	2014
	<b>Exposure</b>	Exposure
<b>Private</b>		
High	<b>886.792</b>	818.762
Medium	<b>253.071</b>	211.034
Low	<b>104.812</b>	137.307
Total	<b>1.244.675</b>	1.167.103
<b>Business</b>		
High	<b>460.464</b>	536.661
Medium	<b>146.163</b>	21.168
Low	<b>156.764</b>	120.566
Total	<b>763.391</b>	678.395
<b>Total private and business</b>	<b>2.008.066</b>	1.845.498

# Notes

(DKK 1,000)

## Distribution of the credit quality of rated exposures (including exposures with write-downs)



Non-rated exposures with private customers amounts to DKK 0.4 billion.

Non-rated engagements with small business customers / private amounts to DKK 0.5 billion.

### 36 Overdue loans, which have not been written down

2015 2014

Overdue loans, which have not been written down is specified as follows:

0-90 days overdue	<b>18.886</b>	25.574
More than 90 days overdue	<b>1.902</b>	2.808
Total	<b>20.788</b>	28.382

Broken down by sector and industry	2015	2015	2014	2014
	0-90 days overdue	More than 90 days overdue	0-90 days overdue	More than 90 days overdue
Public sector	0	0	0	0
Business				
Agriculture, hunting, forestry and fishing	3.435	56	2.746	159
Industry and raw materials extraction	133	57	1.527	384
Energy supply	0	0	0	0
Building and construction	361	11	988	49
Trade	331	53	569	31
Transport, hotels and restaurants	441	24	646	20
Information and communication	90	29	258	0
Financing and insurance	45	1	799	5
Real estate	799	46	6.029	137
Other businesses	2.369	220	2.595	390
Total business	<b>8.004</b>	<b>497</b>	16.157	1.175
Private	<b>10.882</b>	<b>1.405</b>	9.417	1.633
Total	<b>18.886</b>	<b>1.902</b>	25.574	2.808

Data regarding securities are not available.

# Notes

## 37 Sensitivity to each type of market risk

In connection with the bank's monitoring of market risks and calculation of the adequate own funds, a number of sensitivity calculations are made which include the following market risk variables:

### Interest rate risk

The sensitivity calculation in relation to the bank's interest rate risk is based on the interest rate risk key figure, reported by the Danish FSA. This key figure shows the effect on Tier 1 capital after deduction of a change in the interest rate of 1 percentage point, corresponding to 100 base point. The calculation shows that if the average interest rate had been 100 base point higher, at the end of 2015, the result for the year after tax and equity, all else being equal, would be DKK 11.0 m. lower (2014: DKK 5.3 m. lower). This change is primarily due to a current market value adjustment of the bank's fixed-interest bonds. The higher level of interest rate risk in 2015 compared with 2014 is due to a larger and changed composition of the bank's bond portfolio.

### Foreign exchange risk

The sensitivity calculation in relation to the bank's foreign exchange risk is based on the Foreign Exchange Indicator 1-key figure, reported by the Danish FSA. Foreign Exchange Indicator 1 expresses a simplified target for the scope of the bank's positions in foreign currency and is calculated as the greatest of the sum of all the short foreign exchange positions and the sum off all the long foreign exchange positions. In the event of an increase in the exchange rate of 2,5% of Foreign Exchange Indicator 1 at the end of 2015, the result for the year after tax and equity, all else being equal, would be DKK 1.0 m. lower (2014: DKK 0.2 m. lower) mainly due to foreign exchange adjustments. The adjustment is immaterial.

### Share risk

Had the value of the bank's shareholding been 10% lower on the 31 December 2015, the result after tax for the year and equity, all else being equal, would be DKK 22.6 m. lower (2014: DKK 21.7 m. lower) due to a negative current value adjustment of the share portfolio. The share risk is evaluated on the same level than in 2014.

### Risk on buildings

Had the value of the bank's buildings been 10% lower on the 31 December 2015, the result after tax for the year and equity, all else being equal, would be DKK 7.5 m. lower after tax (2014: DKK 7.6 m. lower after tax) - the main part comes from domicile buildings.

## 38 Accounting estimates

The calculation of the accounting value of certain assets and liabilities entails an estimate of how future events will affect the value of these assets and liabilities.

The estimates are based on assumptions that management considers reasonable, but uncertain. In addition, the bank is subject to risks and uncertainties that may cause actual results may differ from estimates.

The areas where estimates have the most significant effect on the financial statements are:

- Impairment losses on loans and provisions for guarantees
- Fair value of property
- Fair value of unlisted / illiquid securities

Impairment losses on loans and other receivables are made to take account of the impairments that occurred after initial recognition. Write-downs are made as a combination of individual and grouped impairments and are associated with a number of estimates. There are estimates associated with the assessment of identification of loans, there is objective evidence of impairment, the determination of future cash flows and the value of collateral.

The assumptions for the estimates may be incomplete, inaccurate moreover, unexpected future events can occur. Given these uncertainties, it may be necessary to modify the previous estimates, either because of new information, more experience or subsequent developments. A deterioration of the exposures will lead to further write downs.

# Notes

(DKK 1,000)

## 38 Accounting estimates (continued)

The Return method is used to measure the fair value of domicile properties. In connection with fair value measurement estimates are made of expected market rent, return requirements and maintenance costs. These estimates are subject to some uncertainty. Market rent and return requirements depend substantially on location. Market rent is in the range of DKK 600 - DKK 1,250 per. sqm. and the required return is in the range 6.3% - 8.0%.

For securities that are only to a limited extent based on observable market data, the valuation is based on estimates. This applies particularly to the unlisted and illiquid stocks where there is a non-active market.

For unlisted shares in the form of shares in sector-owned companies, where there is redistribution of the shares, considered redistribution to constitute the primary market for the shares. The fair value determined as redistribution price.

For other unlisted shares in sector-owned companies, where observable inputs are not readily available, the valuation is based on estimates involving information fra companies concerned as well as input from qualified external party.

Sensitivity calculation of shares and property are disclosed in note 37.

<b>39 Liquidity reserve</b>	<b>2015</b>	2014
Cash in hand	<b>43.333</b>	33.311
Cash in hand and claims at call on central banks	<b>189.778</b>	28.154
Claims on credit institutions and central banks	<b>119.854</b>	124.218
Bonds at fair value, uncollateralized	<b>979.009</b>	813.990
Bonds at fair value, pools, uncollateralized	<b>520.760</b>	603.836
Total liquidity reserve acc. to FIL §152	<b><u>1.852.734</u></b>	<u>1.603.509</u>
Cover relative to statutory liquidity	<b><u>153,9</u></b>	<u>130,4</u>

## 40 Close parties

### Transaktions with close parties

Close parties covers the Board of Directors and the Board of Management.

No transactions have been entered with these except those mentioned in note 7 and 18

### Loans etc. To Board of Management and Board of Directors

Loans with		
Board of Management	<b>19</b>	251
Board of Directors	<b>10.505</b>	25.911
Interest rates		
Executive Board	<b>4,1-9,0%</b>	4,1-9,0%
Board of Directors	<b>3,3-9,5%</b>	3,6-9,5%
Collaterals for engagements with		
Board of Management	<b>350</b>	530
Board of Directors	<b>11.880</b>	10.419

# Notes

## 41 Election of board of directors

	Elected	Reelected	On election
Erik Nymann	1990	2014, and every 2 year.	2016
Uffe Vithen	2006	2015, and every 2 year.	2017
Helle Bærentsen	2006	2014, and every 2 year.	2018
Tina Klausen	1998	2014, and every 2 year.	2018
Peter Pedersen	2013	2014, and every 2 year.	2016
Jan B. Poulsen	2002	2014, and every 2 year.	2018
Ejner Søby	2009	2015, and every 2 year.	2017
Mikael Lykke Sørensen	2008	2014, and every 2 year.	2016
Peter Zacher Sørensen	2012	2015, and every 2 year.	2017

## 42 The board of directors and board of Management shareholdings, at the end of the year

	2015	2014
<b>The board of directors</b>	<b>shares</b>	shares
Erik Nymann	<b>6.240</b>	6.240
Uffe Vithen	<b>799</b>	799
Helle Bærentsen	<b>945</b>	945
Tina Klausen	<b>1.657</b>	1.657
Peter Pedersen	<b>775</b>	632
Jan B. Poulsen	<b>2.286</b>	2.286
Ejner Søby	<b>1.800</b>	1.800
Mikael Lykke Sørensen	<b>3.639</b>	2.139
Peter Zacher Sørensen	<b>955</b>	955
<b>The board of Management</b>		
Ole Bak	<b>6.469</b>	6.469
Lars Møller Kristensen	<b>2.619</b>	2.619

The holdings include also if any controlled companies stocks.

# Applied accounting policy

The Annual Report has been prepared in accordance with the Danish Financial Business Act, including the Executive Order on the presentation of financial reports by credit institutions and investment companies etc. (the Executive Order) and additional Danish disclosure requirements for annual reports of listed financial companies.

The Annual Report is presented in Danish currency and rounded to the nearest 1.000 DKK.

The accounting policies applied are consistent with those adopted in the preceding year.

The banks affiliated company is immaterial, which is the reason why no consolidated report is prepared.

## **Recognition and measurement in general**

Assets are recognised on the balance sheet when, as a result of an earlier event, it is probable that the bank will enjoy future financial benefits and the value of the asset can be measured reliably.

Liabilities are included on the balance sheet when the bank, as a result of an earlier event, has a legal or actual obligation and it is probable that the bank will be deprived of future financial benefits and the value of the liability can be measured reliably.

Upon initial recognition assets and liabilities are measured at market value. However, at the time of their initial recognition tangible assets are measured at cost price. Measurement after initial recognition is carried out as described for each individual item below.

Recognition and measurement take into account foreseeable risks and losses, arising before the annual report is presented which validate or invalidate the situation, which prevailed at the balance sheet date.

Income is included in the profit and loss account as it is earned, while costs are recognised at the amounts relating to the financial year. However, value growth in residential properties are recognised directly in the comprehensive income.

Financial instruments are included at the time of trading.

## **Foreign currency**

Income and expenditure in foreign currencies are re-calculated into Danish currency at the exchange rate at the transaction date.

Balances and stocks of currencies are valued at the National Bank of Denmark set exchange rates at year end.

## **Profit and loss account**

### **Interest, fees and commission**

Interest income and interest expenses are recognised in the profit and loss account in the financial year to which they relate.

Fee and commission income which forms an integrated part of the effective return on a loan is recognised together with the yield to maturity for the loan concerned.

Other fees are recognised in the profit and loss account at the transaction date.

The bank's net interest- and fee income and market value adjustments attributable only to one activity and one geographical area.

## **Staff costs and administrative expenses**

Staff costs cover wages and salaries, social costs and pensions etc. for the bank's staff and costs for pension schemes for former bank managers.

Stock based payment is booked at market value at the date of allocation.

## **Tax**

The tax for the year, which comprises current tax and changes in deferred tax, is recognised in the profit and loss account for the part which can be ascribed to the profit for the year, and in other comprehensive income for the part which can be ascribed to other comprehensive income.

Current tax liabilities or current tax assets are recognised on the balance sheet and calculated as estimated tax on the taxable income for the year adjusted for tax paid on account.

Deferred tax is recognised on all temporary differences between accounting and tax values of assets and liabilities.

Deferred tax assets are recognised on the balance sheet at the value at which the asset is expected to be able to be achieved.

Djurslands Bank A/S is taxed jointly with its 100%-owned subsidiary Djurs-Invest ApS. The actual Danish corporate tax is divided between the companies in proportion to their taxable incomes.

## **Balance sheet**

### **Cash in hand and claims at call on central banks**

Cash in hand and claims at call on central banks are initially recognized at fair value and subsequently measured at amortized cost.

# Applied accounting policy

## Claims to and debt to credit institutions and central banks

Claims to credit institutions and central banks includes claims to other credit institutions and time deposits in central banks. Debt consists of credit institutions short debt and time deposits in Djurslands Bank.

Due to and from credit institutions are measured at amortized cost.

## Loans

Listed loans and loans which are included in a trading portfolio are measured at market value. Other loans are measured at their amortised cost price, which usually corresponds to the nominal value less arrangement fees etc. less provisions for losses incurred but not yet achieved.

All commitments are valued individually with a view to confirming whether there is an objective indication of any depreciation in value on the basis of actual events that have occurred.

Objective evidence for impairment of receivables and loans, if one or more of the following events have occurred:

- The borrower is experiencing significant financial difficulties
- Borrower's breach of contract, for example in the form of failure to comply with payment obligations for principal and interest
- The bank grants the debtor reliefs in terms which would not be considered if it was not due to the borrower's financial difficulties
- It is probable that the borrower will go bankrupt or are subject to other financial reconstruction.

If an objective indication is confirmed and this involves an impact on the size of expected future payment flows, a write-down is performed. The loan is written down if necessary, applying the difference between the book value before the write-down and the present value of expected future payments.

Regardless of the size of the commitment, the endangered commitments are valued individually and the write-down is performed correspondingly.

Loans and other amount that are not written down individually are included in the base data for group write-downs. An assessment of objective indication for losses is performed on the group.

Group assessments are made for groups of loans and receivables with uniform characteristics in relation to credit risks. 17 groups exist, comprising one group of public authorities, one group of private customers and 15 groups of corporate customers that have been subdivided into sector groups.

Group assessments are made using a segmentation model developed by the trade organisation "Lokale Pengeinstitutter", which is responsible for maintaining and developing the model. The segment model determines relations in the individual groups between ascertained losses and a number of significant explanatory macro economical variables by a linear regression analysis. Such explanatory macro economic variables include unemployment, housing prices, interest rate, number of bankruptcies / compulsory sales etc.

The macro economical segment model is generally calculated on the basis of loss data for the entire banking sector. Djurslands Bank has therefore assessed whether the model estimates should be adjusted to the credit risk on the bank's own loan portfolio.

This assessment has led to an adjustment of the model estimates to own conditions, and the adjusted estimates, subsequently form the basis of the calculation of the group write-down. Each group of loans and receivables produces an estimate expressing the percentage impairment attached to a specific group of loans and receivables as at the balance sheet date. Comparing this value to the original loss risk on the individual loan and the loss risk on the loan at the beginning of the relevant financial period generates the individual loan's contribution to the group write down. The write down is calculated as the difference between the carrying amount and the discounted value of expected future payments.

In addition, the bank has in the managerial assessment of grouped write-downs recognized already occurred events where the impact is not yet include in the standard model's data base.

The risk of guarantees lodged by the bank is assessed individually. On the basis of the probability that the guarantee will lead to a drain on the bank's resources, including the risk of whether the bank can achieve cover for the expected payment from a debtor, an assessment is performed of whether a provision should be made for the estimated risk of loss.

## Bonds

Bonds traded in active markets are measured at fair value. Fair value is calculated at the closing price at the balance sheet date.

## Shares

Shares which are traded on active markets are measured at market value. The market value is calculated on the basis of the closing price at the balance sheet date.

Non-liquid and unlisted shareholdings, where it is not considered possible to calculate a reliable

# Applied accounting policy

market value, are normally also measured at market value, in case it is not possible to measure a market value, the cost price is used.

The assessments of the unlisted shares are set to trade courses. Trade courses are calculated on the most important of the bank's unlisted shares at net asset value.

## Shareholdings in affiliated companies

Shareholdings in subsidiaries are recognised and measured according to the equity method.

The Company's share in the profit after tax of the businesses is recognised in the profit and loss account. Net revaluations of shareholdings are transferred to revaluation reserves to the extent that the accounting value exceeds the cost price.

## Assets under pooled schemes

All pool assets and deposits are recognized in separate balance sheets. Return on pooled assets and distributions to pool participants are recognized under "value adjustments".

## Land and buildings

Property, plant and buildings consists of two types "Investment properties and Domicile properties". Those properties which are used to bank activities are categorised as Domicile properties, while other properties are treated as Investment properties.

After initial recognition investment properties are measured at fair value in accordance with Annex 9 of the Executive Order. Fair value adjustments are recognised in the income statement under "Investment property".

Domicile property is measured at revaluated amount, which is the marked value less deducted depreciations and impairments. Yield and yield percentage is dependent of place and condition. Revaluations are carried out with sufficient regularity so that the carrying amount does not differ significantly from the amount that would be determined using fair value at the balance sheet date.

Depreciations are calculated on the basis of an expected life time of 50 years.

The base for depreciation is revaluated value deducted with scrap value. Depreciations are booked in the profit and loss account, while rising in the revaluated value are booked in other comprehensive income as a part of revaluation reserves, unless it is depreciations, which earlier have been booked in the profit and loss account.

No external experts have evaluated the bank's properties during the year.

## Other tangible assets

Other tangible assets and furnishing of leased premises is measured at cost price less accumu-

lated depreciation, amortisation and writedowns. Depreciation and amortisation are on a straight-line basis over an expected lifetime of 3-8 years. The base for depreciation is cost deducted with scrap value.

## Derivatives

Derivatives are measured at marked value, which is generally based on observable market prices at the balance sheet date.

Derivatives are included in other assets or other liabilities. Changes in the market value of derivatives are recognized as part of value adjustments.

## Financial liabilities

Deposits, issued bonds and subordinated debt are measured at amortized cost. There is offset by holding of own issued subordinated debt. Other liabilities are measured at net realizable value

## Provisions for liabilities

Liabilities, guarantees and other commitments which are uncertain with regard to their size or date of settlement are recognised as provisions for liabilities if it is likely that the liability will result in a drain on the financial resources of the business and the liability can be measured reliably. The liability is calculated at the present value of the costs required to discharge the liability. Provisions for liabilities relating to staff are made on a statistical actuarial basis.

However, guarantees are not measured as being lower than the commission received for the guarantee accrued over the guarantee period.

## Equity

Revaluation reserve relating to revaluation of tangible assets net of deferred taxes on the appreciation. The reserve is dissolved when the assets are sold or removed.

Dividends are recognized as a liability at the time of adoption by the General Assembly. The proposed dividend is shown as a separate item under equity.

Purchase and sales and dividends from shares are recognized directly in retained earnings under equity.

## Cash flow statement

The cash flow statement is presented using the indirect method and presents cash flows from operating, investing and financing activities as well as cash at the beginning and the end of the year.

Cash flows from operating activities are determined as the net profit before tax for the year adjusted for non-cash operating items, taxes paid as well as changes in working capital.



# Applied accounting policy

Cash flows from investing activities include purchases and sale of companies and activities concerning purchases and sale of property, plant and equipment.

Cash flows from financing activities include changes in equity, subordinated capital, purchase of own shares and dividends paid.

Cash comprise cash and balances on demand with central banks.

## **Main- and key figures**

Main- and key figures are set in accordance with the accounting requirements of the Order and in accordance with the Danish Society of Financial Analysts guidelines.

# Management's statement

The Board of Directors and the Board of Management have today reviewed and approved the annual report 2015 of Djurslands Bank A/S

The annual 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 annual report has been prepared in accordance with additional Danish disclosure requirements for annual reports of listed financial companies.

It is our opinion that the annual report includes a fair presentation of the bank's assets, liabilities and financial position of 31 December 2014 and of the result of the banks activities and cash flow for the financial year 1 January - 31 December 2015.

Furthermore it is our opinion, that the management report includes a fair presentation of the development in the bank's activities and financial position.

The annual report is recommended for approval at the general assembly.

Grenaa, 16 February 2016  
**Board of Management**

**Ole Bak**

**Lars Møller Krististensen**

**Jonas Krogh Balslev**  
*Chief accountant*

Grenaa, 16 February 2016  
**Board of Directors**

**Erik Nymann**  
*Chairman*

**Uffe Vithen**  
*Deputy chairman*

**Helle Bærentsen**

**Tina Klausen**

**Peter Pedersen**

**Jan B. Poulsen**

**Ejner Søby**

**Mikael Lykke Sørensen**

**Peter Zacher Sørensen**

# The independent auditor's report

## To the shareholders of Djurslands Bank A/S

### Independent auditors' report on the Financial Statement

We have audited the financial statements of Djurslands Bank A/S for the financial year 1 January – 31 December 2015, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, financial highlights, cash flow statement and notes, including a accounting policies. The financial statements are prepared in accordance with the Danish Financial Business Act.

### Management's responsibility for the annual report

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Business Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

### Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations and cash flows for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Business Act.

### Statement on the management's review

Pursuant to the Danish Financial Business Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aarhus, 16 February 2016

### ERNST & YOUNG

Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Jon Midtgaard  
State Authorised  
Public Accountant

Klaus Skovsen  
State Authorised  
Public Accountant

# Internal auditor's report

## To the shareholders of Djurslands Bank A/S

### Internal auditors' report on the Financial Statement

I have audited the Annual Report of Djurslands Bank A/S for the financial year 1 January – 31 December 2015. The Financial statement includes the profit and loss account, comprehensive income, balance sheet, cash flow analysis, equity, notes, main and key figures and applied accounting policies. The Financial statement has been prepared in accordance with the Danish Financial Business Act.

### Basis of opinion

The audit is conducted in accordance with the Executive Order of the Danish Financial Supervisory Authority on Auditing Financial Undertakings etc. and International Standards on Auditing. Those standards require that the audit is planned and performed to obtain reasonable assurance whether the Annual Report do not contain material misstatement.

The audit has been performed in accordance with the division of duties agreed with the external auditors and has included an assessment of procedures and internal controls established, including the risk management organised by Management relevant to the entity's reporting processes and significant business risks. Based on materiality and risk we have examined, on a test basis, the basis of amounts and other disclosures in the Annual Report, including evidence supporting amounts and disclosures in the Annual Report. Furthermore, the audit has included evaluating the appropriateness of the accounting policies applied by Management and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the Annual Report.

I have participated in the audit of the most material and risk-related areas, and I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any reservations.

### Opinion

In my opinion, the procedures and internal controls established, including the risk management organised by Management relevant to the bank's reporting processes and significant business risks, are functioning satisfying.

Furthermore, in our opinion, the Annual Report gives a true and fair view of the bank's financial position at 31 December 2015 and of the bank's financial performance and cash flows for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Business Act.

### Statement on the Management's review

I have in accordance with the Financial Business Act read the management report. I have not performed any additional procedures in addition to the audit of the financial statements. It is in this context I believe that the information in the management report is consistent with the financial statement.

Grenaa, 16 February 2016

Internal audit

**Jens Reckweg**

Manager Internal audit

# Management and audit

## Board of representatives

### Chairman

Niels Ejnar Rytter  
Farmer, Allelev

Bente Østergaard Høg  
Vice President, Allingåbro

Erik Otto Nielsen  
Director, Ebeltoft

Carsten Siegumfeldt  
Proprietary, Tørslev

### Vice deputy

Uffe Vithen  
Manager, Egå

Mads Høgh  
Director, Aarhus

Solveig Skov Nielsen  
Auditor, Hornslet

Lars Stehouwer  
Contractor, Lystrup

Britta Andersen  
Museum director  
Randers

Bo Ibsen  
Farmer, Pederstrup

Erik Nymann  
Wholesaler, Kolind

Peder Svenstrup  
Store owner, Grenaa

Kaj Dahl Andersen  
Plumber  
Auning

Désirée Iuel  
Consultant, Glesborg

Erik Pedersen  
Contractor, Ørsted

Ejner Søby  
CFO, Vivild

Kim Andersen  
Former member of  
parliament  
Skanderborg

Gert Jakobsen  
Haulage, Rodskov

Finn Pedersen  
Trade in books, Kolind

Egil Bjørn Sørensen  
Butcher, Ebeltoft

Jakob Arendt  
Farmer, Auning

Keld Hasle Jakobsen  
Auditor  
Tranbjerg

Kaj Pedersen  
Inspector, Grenaa

Mikael Lykke Sørensen  
Real estate agent  
Ebeltoft

Carsten Bach  
Mason, Ryomgård

Hans Ulrik Jensen  
Mason, Auning

Ole Pedersen  
Director, Egå

Peter Zacher Sørensen  
Attorney-at-law, Gjerrild

Kirstine Bille  
Teacher, Balle

Werner Kaihøj  
Head of department  
Højbjerg

Peter Pedersen  
Farmer, Nimtofte

Poul Erik Sørensen  
Car dealer, Grenaa

Jens Blach  
Proprietær, Trustrup

Lars Møller Klemmensen  
Warehouse manager  
Nimtofte

Leo Holm Petersen  
Director, Allingåbro

Morten Therkildsen  
Director, Grenaa

Finn Brødløs  
Director, Ø. Bjerregrav

Benny Kristensen  
Director, Randers

René Sønderby Povlsen  
Merchant, Ugelbølle

Kristian Juul Thorsen  
Director, Nimtofte

Hans Gæmelke  
Proprietary, Ørsted

Bent Kristensen  
Director, Mørke

Connie Rasmussen  
Senior consultant/CFO  
Risskov

Lise Torp  
Project manager  
Skanderborg

Peter Høegh  
Contractor, Kolind

Hans Jørgen Laursen  
Project manager, Grenaa

Gitte D. Rasmussen  
Materialist, Hornslet

Ole Tåsti  
Carpenter, Allingåbro

Jørn Schmidt  
Store manager, Kolind

Lars Martinussen  
Furniture store owner  
Auning

## Board of Directors

### Chairman

Erik Nymann  
Wholesaler, Kolind

Helle Bærentsen  
Vice manager  
Egå\*

Peter Pedersen  
Farmer, Nimtofte

Ejner Søby  
CFO, Vivild

### Deputy chairman

Peter Zacher Sørensen  
Attorney-at-law, Gjerrild

Tina Klausen  
Head of department  
Grenaa\*

Jan B. Poulsen  
bank clerk  
Grenaa\*

Mikael Lykke Sørensen  
Real estate agent  
Ebeltoft

\* (Employee representative)

Uffe Vithen  
Manager, Egå

## Board of Management

Ole Bak  
Managing director

Lars Møller Kristensen  
Director

## Auditor

Ernst & Young  
Approved auditing company, Aarhus

## Internal auditor

Chief audit Executive  
Jens Reckweg



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