



Nordjyske Bank

NORDJYSKE BANK

Interim Report as at 31 March 2016

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Management Report

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Main points

1st quarter 2016		Nordjyske Bank started out as expected in 2016
Net interest		Affected by a low interest rate level and increasing competition
Fees		Decrease primarily due to fewer mortgage conversions
Operating expenses		Positive fall as a consequence of merger synergies
Lending		Minor fall to DKK 10.5 billion
Capital percentage		Robust capital percentage of 16.8 Solvency need of 10.2 percent
Liquidity		Very comfortable Liquidity situation
Business volume		Amounts to a total of DKK 40.7 billion incl. safe custody values

Management Report

Expectations maintained

Pro forma statement

Reporting on the operating result in the report is based on pro forma statements with the purpose of increasing the information value and creating a better basis for assessing the financial results and the development in the bank. This is further mentioned on page 18.

Expected development

2016 started out as expected with pressure on earnings, lending and write-downs. At the same time expenses are decreasing and it is satisfying to notice that the included synergies from the merger are realised.

The bank's pre-tax result for the 1st quarter of 2016 was DKK 41 million. This means that equity bears interest of 6.3 per cent per annum at the end of the quarter. All in all, the development is acceptable and the bank maintains its expectations for 2016.

Core earnings fall to DKK 71 million. This is due to a fall in income from both interest and fees. The market situation with extremely low interest rates and increasing competition on lending, still affects large parts of the financial sector. At the same time there has been less conversion income in 2016 and less commission from investment associations.

With regard to costs, operating expenses, operating depreciations, and merger costs in total decrease from DKK 163 million to DKK 134 million, corresponding to a fall of 18 per cent.

Exclusive of merger costs the fall is DKK 9 million corresponding to 7 per cent.

Write-downs affected by the crises in agriculture

Write-downs are still at a relatively high level and amount to DKK 43 million in the 1st quarter of the year. Write-downs are primarily attributable to milk producers and pig farmers, who are under strong pressure from low prices. The write-down level is affected by annual depreciations on securities in agriculture assets in the 1st quarter.

The expectations for 2016 are maintained

On the whole, the bank has a positive view on 2016. Synergies are realised to an increasing extent both with regard to income and expenses, and the bank has a structured and long-term approach to increasing lending. Among other things this has paid off in the form of increased activity in the property area in Aalborg.

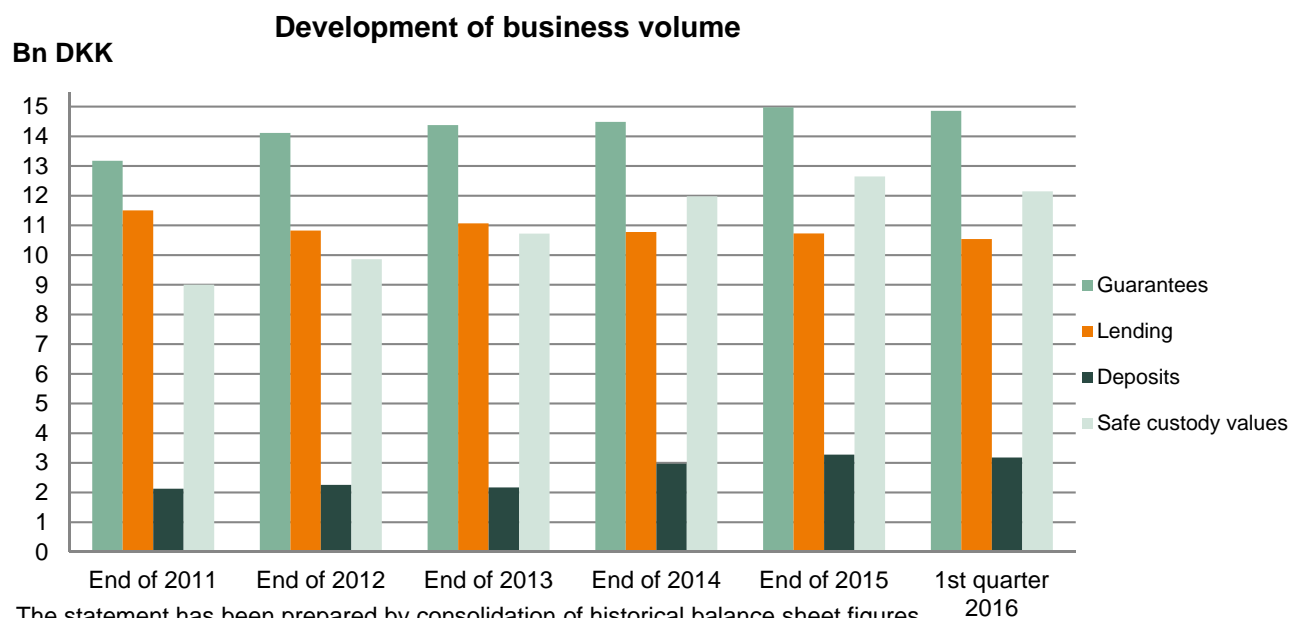
Nordjyske Bank maintains its expectations for earnings at DKK 300-350 million.

The bank's expectations on write-downs on lending etc. for the entire year remains at DKK 145 million, which is related to increasing uncertainty in relation to the challenges for agriculture.

Pro forma income statement summary (amounts in DKK million)	1st quarter 2016	1st quarter 2015	The year 2015
Interest income, net	121	136	513
Fees and commission income, net	81	106	359
Other operating income etc.	3	4	17
Core income	205	246	889
Operating costs and operating depreciation excl. merger costs	134	143	529
Core earnings before merger costs	71	103	360
Payments to the Resolution Fund and Guarantee Fund etc.	0	7	29
Write-downs on own lending etc.	43	21	206
Market Price regulations on securities, etc.	13	37	48
Pro forma result before merger costs	41	112	173
Merger costs	0	20	44
Pro forma pre-tax result	41	92	129
Pro forma regulations	1	-52	-68
Pre-tax result according to the purchase method	42	40	61

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Development in business volume



The statement has been prepared by consolidation of historical balance sheet figures for Nordjyske Bank and Nørresundby Bank before 2015

The bank's total business volume, consisting of deposits incl. pooled schemes, lending, and guarantees and the customers' safe custody values, amounts to DKK 40.7 billion at the end of the 1st quarter of 2016. This is a fall of DKK 0.9 billion compared to the end of 2015.

The fall is largest on safe custody values which among other things is due to the fact that the share market has been very challenged in the 1st quarter of 2016, and the Danish benchmark index at the end of the quarter was more than 2.5 per cent below the level at the turn of the year.

Lending shows a fall of DKK 191 million during the 1st quarter of 2016.

A lot of resources have been spent on discussions with the customers about mortgage financing, but the bank has only to a limited extent granted mortgage

loans. It is positive that the bank has obtained net new lending at Totalkredit in the 1st quarter of 2016 in spite of a lot of discussion about contribution increase.

During the last six months the bank has granted building credits at DKK half a billion in the Aalborg area, which have not yet been utilized. It is positive that, as a consequence of the merger, the bank has the opportunity to realise these trade synergies.

Guarantees are affected by fewer conversion guarantees in connection with conversion of mortgage loan.

Deposits fell by DKK 114 million in the 1st quarter of 2016, which is assessed as positive seen in the light of the bank's comfortable liquidity situation. Excess deposit, however, puts pressure on the banks earnings in the current low interest rate environment.

Selected balance sheet items (amounts in DKK million)	31 March 2016	End of 2015	End of 2014	End of 2013	End of 2012	End of 2011
Total assets	18,377	18,660	18,160	18,168	17,772	17,733
Lending	10,538	10,729	10,778	11,067	10,826	11,503
Guarantees	3,178	3,280	2,971	2,172	2,258	2,128
Deposits	14,861	14,975	14,488	14,379	14,115	13,177
Safe custody values	12,147	12,650	11,980	10,723	9,858	9,004

The historical balance sheet figures before 2015 are consolidated figures for Nordjyske Bank and Nørresundby Bank

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Main activities in Nordjyske Bank

Nordjyske Bank's business model and principles build on a desire to serve both private and business customers in an independent bank, where the power of decisions is placed in the market area.

Nordjyske Bank has 425 well-educated employees – converted into full-time employees – including specially trained employees within the most significant areas of consultancy. The bank has high tech aids and a great number of competent collaborators.

Nordjyske Bank offers consultancy and expertise in all areas within payment handling, foreign business, credit handling, housing, funds, investment, pension and insurance.

The bank emphasizes individual consultancy for both business and private customers.

Development in North Jutland

Positive development in North Jutland

The bank's primary market area North Jutland is developing in a positive direction. Unemployment is falling and the housing prices are going up, and those are important key figures for the actual and experienced financial situation for the people in North Jutland. A positive development provides security and increases the incentive to consumption and investments.

Nordjyske Bank's development is closely related to the development in North Jutland. When North Jutland fares well, so does Nordjyske Bank.

Biggest fall in unemployment in North Jutland

Unemployment is still decreasing across the country, but unemployment in North Jutland falls more than average. In the 1st quarter of 2016 the number of "gross unemployed" in North Jutland has fallen from 13,300 persons to 12,500 by the end of March 2016 according to Statistics Denmark. This corresponds to a 6 per cent fall in only three months and this makes North Jutland the region, with the biggest fall in unemployment at the moment.

Significantly increasing housing prices

Another significant key figure is the development in housing prices. A very large part of the North Jutlanders live in their own houses, and increasing equity in your own dwelling rubs off on the activity level.

Here it is also a pleasure to see that North Jutland excels positively in relation to the average in the country. According to Boligsiden.dk, which collects statistics for all the housing trades in the country via brokers, the price per square meter for houses

and terrace houses in North Jutland has increased by 4.2 per cent in only three months. The average price is now DKK 8,898 per square meter.

Owner-occupied flats in North Jutland on the contrary have not increased in 2016. The average price per square meter for owner-occupied flats in North Jutland was DKK 14,760 per square meter at the end of 2015, and the price is still at this level. However, the price for owner-occupied flats has increased by no less than 10.1 per cent in the past 12 months and thus a slowdown is expected. On a national basis, owner-occupied flats have increased by 9.5 per cent in the past 12 months and by 1.1 per cent in the 1st quarter of the year.

Increasing shortage of dwellings in Aalborg

In its capacity of the biggest city of that part of the country, Aalborg drives a large part of the development. The city acts as a magnet on both students, families and senior citizens, and the number of inhabitants has increased by 11,500 net during the last five years alone. The number of inhabitants is expected to top 210,000 in 2016, and a population projection from Statistics Denmark shows that the figure will be around 240,000 inhabitants in 2040.

The massive increase in the population in Aalborg means that many dwellings must be built. The level of activity is already high. Since 2011, 5,200 new dwellings have been built in Aalborg, but the building activity must increase even more if the supply shall keep up with the demand. This is reflected in the prices of owner-occupied flats. The average price per square meter has increased from DKK 17,458 to 17,813 per square meter since new year alone.

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Expectations for 2016

Merger synergies

Nordjyske Bank is in a very strong position in relation to common housing societies and private investors in Aalborg and expects good business potential as a consequence of the increased building activities. During the past six months, the bank has committed itself to a number of large projects which together amount to financing needs of half a billion DKK. As a consequence of the merger, Nordjyske Bank has the possibility to lift a larger share of these projects with which the bank has long and good experience.

The synergy savings at the level of DKK 50 million compared with 2014 will not come into full effect until 2017, as an agreement has been made with 9 employees, helping out with merger activities and will stop during the first half of 2016, and in addition to that, the bank will have savings on expenses primarily on IT at the level of DKK 5 million in 2017. However, good effect of the synergy savings is achieved in the first quarter of 2016

At the end of the 1st quarter of 2016, the bank has 425 employees recalculated into full-time employees compared to 423 at the end of 2015.

Implementation of strategy

Nordjyske Bank has gradually carried out the merger activities and is now working on implementation of the strategy, which was announced at the beginning of 2016. The strategy for 2016-2018 includes a strategic objective of return on equity of 9-11 per cent before tax.

Growth is in focus which is also supported by the new ErhvervsCenter Aalborg, as the bank estimates that there are good possibilities for growth in the business and private segments in particular in Aalborg. The effect of focus on growth shall be viewed over a longer period of time. ErhvervsCenter Aalborg opened in March 2016 in new premises in Hasseris.



*Decent
Dynamic
Competent*

Private Banking and investment activities

The bank has focus on investment activities as both the customers and the bank are expected to obtain better earnings from it. However, the opportunities are affected by a challenged share market in the 1st quarter of 2016.

Pressure on the top line

A continued pressure is still expected on the bank's top line as a consequence of limited demand for loans, pressure on the interest rate margin, limited conversion activity of mortgage loans, and lower earnings on provision of unit trust certificates.

Expectations for the result in 2016

Nordjyske Bank still expects core earnings in the interval DKK 300-350 million in 2016.

Core earnings have been calculated exclusive of lending and before payment to the Resolution Fund, write-downs etc. on lending and guarantees as well as market price adjustments on securities. Thus the total result will be influenced by the above items. The bank expects expenses to the Resolution Fund at the level of DKK one million.

Write-downs on lending and guarantees amount to a considerable uncertainty factor and primarily depend on the development in the agricultural sector. The bank expects write-downs on lending and guarantees – calculated on a pro format basis – at the level of DKK 145 million, which is connected with increasing uncertainty in relation to the challenges of agriculture.

Management Report

Pro forma result before tax

The pro forma calculated pre-tax result amounts to DKK 41 million in the 1st quarter of 2016 compared with DKK 92 million in the 1st quarter of 2015. Before merger costs the result amounted to DKK 112 million in the 1st quarter of 2015.

The pre-tax result of DKK 41 million in the 1st quarter of 2016 bears interest of 6.3 per cent per annum on the equity as at 31 March 2016.

Net interest and fee income

The current market situation with continuously low interest rates has affected the bank's interest income, which amounts to DKK 121 million in the 1st quarter of 2016 compared with DKK 136 million in the 1st quarter of 2015.

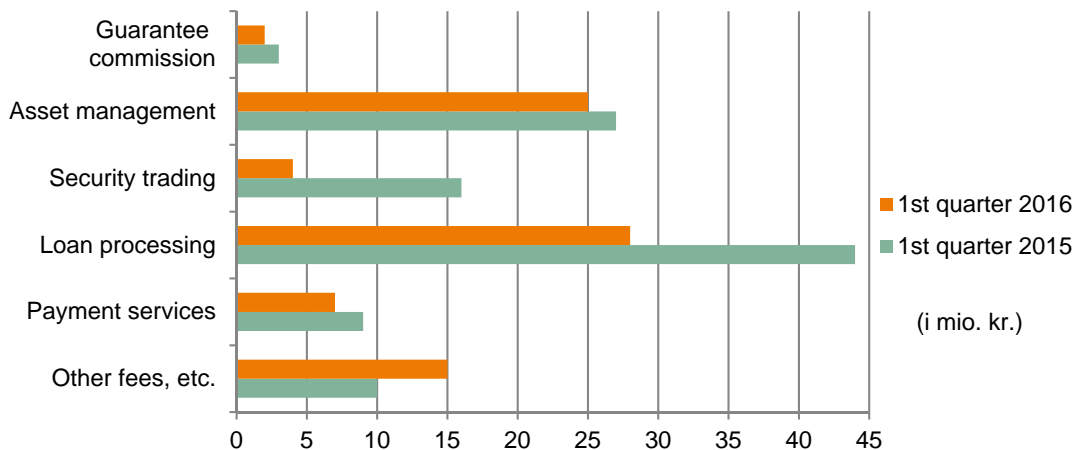
The fall is primarily due to a fall in interest income on lending of DKK 18 million, fall in interest income on bonds of DKK 6 million and fall in interest expenses for deposits of DKK 7 million.

Net fee income has fallen to DKK 81 million the 1st quarter of 2016 compared with DKK 106 million in the same period last year. The fall is primarily due to the fact that the bank achieved large income in the 1st quarter of 2015 as a consequence of conversion of mortgage loans, which affects both loan handling and securities trading.

A lot of resources have been spent on discussion about Totalkredit's contribution increase. The bank has not obtained earnings on this and only to a limited extent granted loans in the bank in replacement of this. The discussion has diminished after the announcement of "Kundekroner" ("Customer kroner") from Nykredit. The bank estimates it to be positive that there has been some growth in net new loans from Totalkredit in the 1st quarter of 2016 in spite of the discussions about contribution increase.

In addition, the bank loses underwriting commission for handling unit trust certificates as some trusts have cancelled these as a consequence of new MiFID II-rules.

Development in fee income



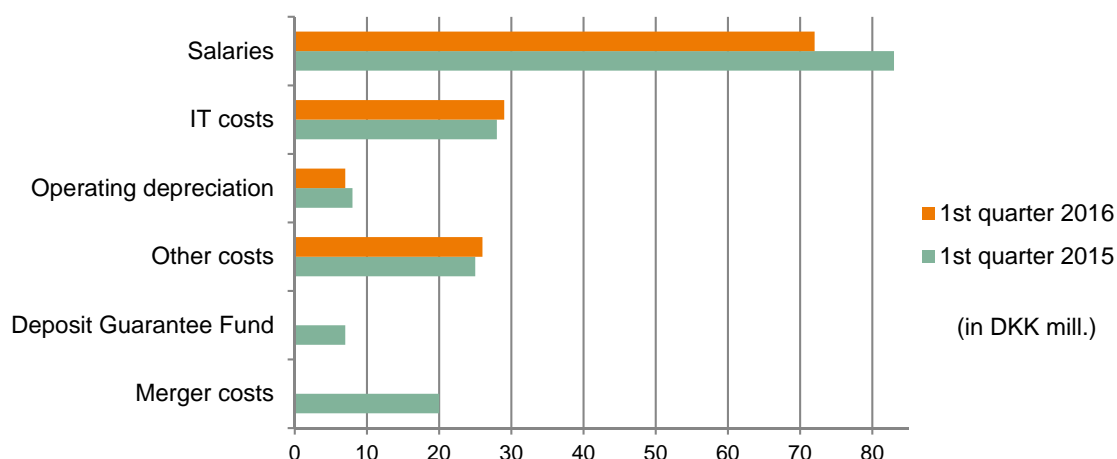
Operating costs and depreciations

The bank's operating costs and depreciations amount to DKK 134 million in the 1st quarter of 2016, which saves 9 million compared with the 1st quarter of 2015, where the expenses amounted to DKK 143 million before merger costs of DKK 20 million.

The savings have been achieved by a reduction of the staff, which was made possible by the merger. An increase in payroll cost as well as increase in wages related to collective agreements and seniority are countered in these savings.

Management Report

Development in operating costs



Write-downs

Write-downs amount to DKK 43 million the 1st quarter of 2016 compared with DKK 21 million in the same period in 2015. Write-downs in the 1st quarter of 2016 corresponds to a write-down rate of per annum of 1.2.

The bank's write-downs on lending and guaranties are significantly affected by the bank's lending primarily to Danish commercial farming and amounts to DKK 31 million as a consequence of the challenges on agriculture, which are amplified under the section on credit risks.

The bank's accumulated write-downs, provisions and discounts amount to a total of DKK 1,149 million. Thus the amount is inclusive of discount on acquired loans from Nørresundby Bank.

Write-downs on lending and guarantees – pro forma calculated (amounts in DKK mill.)	1st qr 2016	1st qr 2015
Write-downs on lending etc. valuated individually.	50	40
Write-downs on lending etc valuated on a group basis.	5	-8
Received on previously depreciated debts	2	3
Final loss, not previously written-down individually	1	1
Interest on written-down debt booked as income	11	9
Total influence on operations	43	21

Market price adjustments

Market price adjustments have contributed with DKK 13 million in the 1st quarter of 2016 compared with DKK 37 million in the 1st quarter of 2015, which had larger capital gain on listed shares.

The bank has had positive capital gain on shares, including in particular sector share, while bonds have contributed with negative market price adjustments of DKK 0.9 million.

Management Report

The Supervision Diamond

The sum of large commitments must be < 125 per cent of adjusted core capital

Nordjyske Bank: 27.4 per cent

Growth in lending must be < 20 per cent per year

Nordjyske Bank: -0,8 per cent



Stable funding ratio must be < 1.0

Nordjyske Bank: 0.59

Property exposure before write-downs must be < 25 per cent of lending and guarantees

Nordjyske Bank: 12.6 per cent

Excess liquidity must be > 50 per cent

Nordjyske Bank: 145.2 per cent

The Danish Financial Supervisory Authority has set special risk areas with fixed limits within which the banks should in principle stay.

It appears from the above "Supervision Diamond" that Nordjyske Bank holds a good margin to the fixed limits.

The Danish Financial Supervisory Authority has introduced a limit which will be introduced as at 1 January 2018, where the purpose is to include any large scope of exposures that are just below the current limit for large exposures. The sum of the 20 largest exposures in Nordjyske Bank in relation to the bank's actual core capital amounts to 151 per cent and consequently below the Danish Financial Supervisory Authority's limit of 175 per cent.

The Danish Financial Supervisory Authority

The Danish Financial Supervisory Authority has announced in February 2016 that it has planned an ordinary examination of Nordjyske Bank in June 2016. As part of this, the bank sent the desired material to the Financial Supervisory Authority.

Both Nordjyske Bank and Nørresundby Bank had the most recent ordinary examination in 2012 and it was expected that the Danish Financial Supervisory Authority would perform an ordinary examination in 2016.

The bank is looking forward to the coming examination.

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Credit risks

Key credit figures	31/3 2016	31/3 2015
Lending in relation to equity	4.0	5.6
Period's loan growth as a percentage *)	-1.8	-1.4
Total large exposures as a percentage of capital base	27.4	57.0
Period's write-down percentage per annum *)	1.2	0.7
Accumulated write-down percentage *)	7.7	6.8

**) calculated on pro forma figures*

Nordjyske Bank has a lending gearing of 4.0 which shows good growth in lending with the current capital.

It is a consequence of the bank's business model and credit policy that the bank's risk profile in the credit area must be adequately cautious. The credit policy sets the framework for the bank's credit risks and ensures a balanced relation between revenue and risks

Among other things this means.

- that the bank does not want single commitments of a size that loss on them may threaten the existence of the bank. The unsecured share of new single commitments should as a maximum amount to 10 per cent of the bank's adjusted core capital.
- that the bank's credit risk profile is fixed by the basis in the areas where the bank is physically represented
- that the credit processing should ensure that the bank only takes calculated credit risks

In the bank's guidelines and risk management there is great focus on concentration risks. In areas where the bank has chosen to have large concentrations, the bank has correspondingly great competences and long-time experience.

As part of the bank's credit granting and credit management, a credit rating model is used which on an ongoing basis is adjusted to the guidelines from the Danish Financial Supervisory Authority.

In the bank's credit portfolio some credit and guarantees are challenged: At the same time, it is important to notice that 82 per cent of the bank's lending and guarantees are without weaknesses.

The bank performs tests of credit rating on an ongoing basis with a view to establishing the model's ability to still catch commitments threatened by loss and write-down. Furthermore, the bank performs on a quarterly basis, among other things, a stress test of the bank's lending and guarantee portfolio.

*82 per cent of
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Trade risks

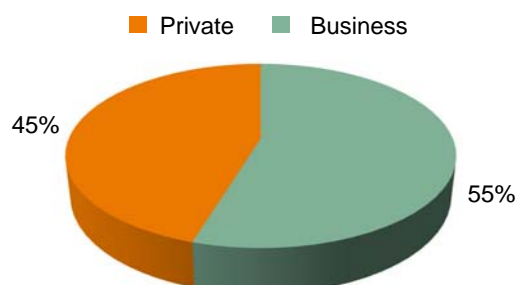
Nordjyske Bank's total lending amounts to a total of DKK 10,538 million, which is a minor fall of DKK 87 million compared with 31 March 2015.

The development in lending shall be seen in connection with an annual ordinary settlement of DKK 500-600 million.

Lending by sector (amounts in DKK million)	31 March 2016	31 March 2015
Business	6,206	6,323
Private	4,330	4,299
Public authorities	2	3
Lending, total	10,538	10,625

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Distribution of lending and guarantees as at 31 March 2016



Lending and guarantees are distributed with 55 per cent to businesses and 45 per cent to private customers as at 31 March 2016.

The risk on the private segment is estimated to be smaller than on the business segment. The bank's goal is minimum 35 per cent loan and guarantees to private customers which provides good possibilities for growth on both the business and private customer segments.

Private customers' major financial challenges typically arise in case of divorce, unemployment and

similar situations which may force house sales. The bank registers limited signals of loss from private customers.

North Jutland has had smaller price fluctuations on properties than other areas of the country both before and after the crisis, and the bank has had limited challenges with properties that are technically mortgaged beyond their value.

The bank finds it positive viewed in relation to the bank's credit risk that 84 per cent of the bank's share of loans with Totalkredit have mortgaging of less than 60 per cent of the technically calculated value of the properties and thereby have some equity. At the same time the bank's customers have a higher share of loans with instalment and fixed interest rate than average with Totalkredit. 50 per cent of the bank's customers pay instalments on the loans with Totalkredit and 52 per cent pay fixed interest.

In addition to stable prices on property, the private customers also benefit from continued low interest rates.

Distribution as at 31 March 2016 (amounts in DKK million.)	Lending and guarantees before write-down	Accumulated write-downs and market value reductions	in %	Lending and guarantees after write-down	The year's operating write-downs
Plant growing	521	15	3 %	506	0
Cattle breeding	379	152	40 %	227	6
Pig breeding	757	245	32 %	512	24
Fur farming	88	4	5 %	84	1
Total, Danish commercial farming	1,745	416	24 %	1,329	31
Fishing, farming abroad (EU) etc.	807	17	2 %	790	0
Farming etc., total	2,552	433	17 %	2,119	31
Real property	1,850	161	9 %	1,689	7
Other lines of business	4,014	229	6 %	3,785	4
Business in total	8,416	823	10 %	7,593	42
Private customers	6,448	273	4 %	6,175	8
Public authorities	2	0	0 %	2	0
	14,866	1,096	7 %	13,770	50
Write-downs on a group basis		53		-53	5
Final loss, not previously individually written down					1
Paid into previously depreciated debt, interest etc.					13
Total	14.866	1,149	8 %	13,717	43

Nordjyske Bank's business model and credit policy set the framework for the bank's trade concentrations. It is the opinion of the management that financing of both the agricultural area and the property area are a natural task for a local bank with a market area, where agriculture and property are of great significance. Furthermore, the bank has long lasting experience

with the fishing industry, which naturally constitutes an essential element in the bank's primary market area. Lending and guarantees to this industry amount to 2.3 per cent of the bank's total lending and guarantees.

Exposure to Danish commercial farming and the property industry is amplified later.

Management Report

Agriculture exposure

Through many years Nordjyske Bank has had relatively large agriculture exposure. Agriculture been challenged for some years, and therefore the bank finds it appropriate to have got relatively less agriculture exposure through the merger with Nørresundby Bank.

Lending and guarantees to the combined Danish commercial farming amount to 9.7 per cent of total lending and guarantees.

As a consequence of agriculture's challenges, the bank has reserved write-downs and provisions and discounts for commitments with Danish commercial farming at DKK 416 million, corresponding to 24 per cent of lending and guarantees to Danish commercial farming.

Milk producers and pig farmers still have the biggest financial challenges, whereas there are limited signals of loss from plant growers and fur farmers.

The bank's lending and guarantees to the challenged animal production amount to 1.7 per cent to milk producers and 3.7 per cent to pig farmers of the total lending and guarantees. DKK 397 million are reserved to animal production, corresponding to 35 per cent of lending and guarantees.

The agricultural industry is influenced by framework conditions, cyclical conditions and not least settling prices are of great importance for earnings. Settling prices are low, which is both due to Russia's stop for import of food from the EU, the slowdown of the demand for milk products from China and large global food production

Settling prices for milk have dropped further in the 1st quarter of 2016, whereas settling prices for slaughter hog have been lower in the 1st quarter of 2016, but at the end of the quarter at the same level as the price at the beginning of the quarter

In a prognosis from April 2016, agriculture's knowledge center, SEGES, has adjusted the expectations for the milk producers as a consequence of the low milk prices.

Thus, the situation for agriculture is increasingly uncertain, which leads to increasing uncertainty about the need for future write-downs in the bank on animal production.

The bank's focus is on creating profitable operation for the farmers, and in some cases this means that we help farmers out of the business.

Lending to plant growing in the EU

Nordjyske Bank has lending to plant growing in the EU of less than 3 per cent of the bank's lending and guarantees. These loans are assessed to be of a very limited risk of loss potential to the bank, as they are secured as priority lien and with regard to security supplemented by guarantee from the Danish Export Credit Fund. Furthermore, the debtors' soundness is more than 45 per cent.

Capital adequacy and stress test

When calculating the capital adequacy, the bank reserves provisions for any losses on commitments with material weaknesses but no OIV. Furthermore, provisions are made for additional losses from commitments through write-downs, provisions and market price adjustments.

In addition to the bank's write-downs etc. at DKK 416 million to Danish commercial farming, the bank has reserved capital to agriculture commitments for revaluation of securities and for loss as a consequence of general operating problems and the current agriculture crisis of DKK 269 million.

Nordjyske Bank performs stress tests on an ongoing basis on the bank's exposures and the stress test at the end of March 2016 on the bank's agriculture portfolio shows that the current difficulties for agriculture cannot threaten the bank. If the bank loses the entire unsecured part on all the agriculture commitment, the bank will still have a capital adequacy ratio above the capital adequacy. It is the bank's opinion that this scenario is not likely.

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Property exposure

Nordjyske Bank has lending and guarantees to the property sector at 12.2 per cent of total lending and guarantees.

When assessing the bank's property exposure, it is important that a little over 30 per cent lending and guarantees to the property sector can be referred to lending etc. to the non-profit sector, which has a considerably lower risk as a consequence of a special financing model than on general property financing.

The bank has great focus on the property exposure as a consequence of the concentration.

The property sector has been challenged during the financial crisis, but in particular the risk on housing construction in Aalborg is estimated to be smaller.

The price development for housing in North Jutland is positive and there is increasing shortage of dwellings in Aalborg, which has led to increasing building activity.

To a great extent, the bank has contributed to property financing in both the non-profit- and the private housing sector and during the past six months building credits of a half billion DKK have been granted, but not yet utilized.

Liquidity and funding

Excess deposits

Nordjyske Bank wants to finance lending with ordinary deposits from customers and by means of equity.

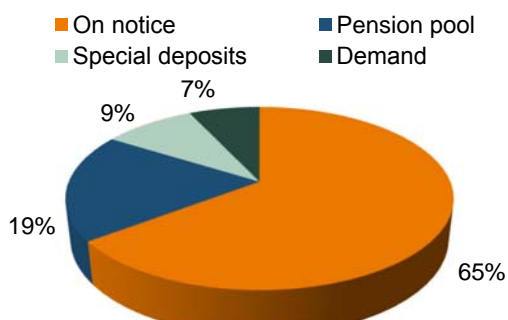
Deposits / lending (amounts in million DKK)	31 March 2016	31 March 2015
Deposits	14,861	14,628
Lending	10,538	10,625
Excess deposits	4,323	4,003

As at 31 March 2016 excess deposits amount to DKK 4,323 million, which leads to a very comfortable liquidity situation.

The bank's deposits are stable and ordinary deposits. Close to 82 per cent of the deposits are covered by the Guarantee Fund.

No deposits amount to more than 1 per cent of total deposits, and the 10 largest deposits amount to less than 5 per cent of total deposits. The bank is not dependent of expensive fixed-term deposits.

Deposits by category:



The bank's "own liquidity" in the form deposits and equity, amounts to DKK 17,468 million as at 31 March 2016, corresponding to DKK 6,930 million compared with lending.

Liquidity calculated pursuant to S. 152 of the Financial Business Act is very comfortable as at 31 March 2016 with excess liquidity of 145 per cent, corresponding to DKK 2,712 million.

The liquidity key figure LCR covers a requirement that the bank shall have adequate highly liquid assets to be able to withstand 30 days' liquidity stress (outflow). There are gradual phasing-in rules which means that the bank shall cover 70 per cent as at 31 March 2016 increasing to 100 per cent at the beginning of 2018.

LCR can be calculated for the bank to 260 per cent at the end of the 1st quarter of 2016.

Thus it is the management's opinion that Nordjyske Bank has a very satisfactory liquidity situation.

Stable funding (amounts in million DKK)	31 March 2016	31 March 2015
Lending	10,538	10,625
Equity	2,607	1,894
Deposits	14,861	14,628
Subordinate capital infusion	271	270
Funding	17,739	16,792
Excess amount	7,201	6,167
Funding ratio	0.59	0.63

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Capital

Capital adequacy rate amounts to 16.8 at the end of the 1st quarter of 2016 and the core capital rate is 14.6.

The bank's core capital consists in part of share capital and in part of subordinate capital, as Nordjyske Bank raised subordinate capital in connection with the purchase of Nørresundby Bank.

The bank's core capital is considerably affected by the ownership of sector shares, which involves a deduction in the core capital at DKK 342 million.

The bank's capital adequacy is calculated by means of the standard methods for the calculation of credit risks outside the trading portfolio and market risks. The operational risks are calculated by means of the so-called basic indicator method.

Pursuant to the stipulations in CRR regulations, the bank shall publish detailed information about risks, capital structure, capital adequacy, and risk management. This information appears from the risk report at the end of 2015 on the bank's webpage on www.nordjyskebank.dk.

The individual capital adequacy

The individual capital adequacy has been calculated at 10.2 per cent corresponding to core capital of DKK 1,228 million.

Nordjyske Bank has used the credit reservation methods – also called the 8+ method – in accordance with the instructions issued by the Danish Financial Supervisory Authority.

The bank's capital adequacy rate of 16.8 provides a capital adequacy rate of 165 per cent in relation to the individual solvency need, corresponding to excess solvency of 6.6 percentage points.

Information about adequate core capital and individual capital adequacy appears from the bank's home page at www.nordjyskebank.dk.

Core capital / risk-weighted items (amounts in million DKK)	31 March 2016
Equity	2,607
Deduction of	
- Calculated dividend and unused share of framework for purchase of own shares	31
- goodwill and customer relations	472
- cautious valuation	4
- investments in financial companies	342
- other investments in financial companies	6
Addition of subordinate capital	271
Core capital	2,023
Risk-weighted items	12,051
Capital adequacy rate	16,8
Core capital rate	14,6

Further information about the calculated individual capital adequacy is found in the solvency report on the bank's homepage

www.nordjyskebank.dk

Interest risk

Most of the bank's lending and deposit activities as well as accounts with credit institutions have been entered into on a variable basis.

The bank's interest risk amounts to 0.7 per cent as at 31 March 2016.

The primary interest risk is attached to the bank's portfolio of bonds, which are related to the bank's cash management and liquidity management as well as fixed-interest loans.

Management Report

Subsidiary

Nordjyske Bank has a subsidiary as the bank owns the entire share capital of Sæbygård Skov A/S.

The result of the subsidiary for the first quarter of 2015 is included in the bank's income statement under "result of investments in associated businesses and subsidiaries". The shares have been included at DKK 11.5 million, which is the book value.

Group financial statements have not been prepared, as the activities of the subsidiary, both regarding balance sheet and result, are immaterial compared with those of the bank.

Uncertainty in relation to inclusion and calculation

The period's result has not been affected by unusual conditions – except for those already stated in the Management Report.

No events have occurred after the end of the financial year which will affect the bank's result for the first quarter of 2015, the bank's assets and liabilities, and its financial position as at 31 March 2016.

Estimates have been made when calculating the book values. The estimates made are based on assumptions which the management finds reasonable.

The most significant estimates concern

- write-downs on lending and receivables where quantification of the risk of missing future payments involves material estimates – not least in the agricultural area,
- valuation of intangible assets, regarding quantification of future earnings and the rate of interest used for the calculation,

- valuation of properties, regarding the interest rates used for calculations and the internal rental value, and
- valuation of unlisted sector shares, cf. below.

Unlisted shares in companies owned by the bank jointly with a number of other banks, etc. – the so-called sector shares – are valued at market price. Decision of the market value is based on available information about current trades, e.g. in connection with redistribution among the shareholders (corresponding to level 2-input cf. definition in IFRS 13). If no current market data is available, the market value is estimated on the basis of information from the companies' accounts, experience in trade in shares in the companies in question, and input from qualified external party (corresponding to level 3-input cf. definition in IFRS 13).

Other unlisted securities are valued as far as possible at market value according to similar principles. If it is not possible to perform reliable calculation at market value, the security is included at cost price less write-downs.

Management Report

Applied accounting methods

The bank presents a pro forma calculated operating result in the management report, and the comments in the report are based on the pro forma calculated results. The purpose of this is to show results corresponding to Nordjyske Bank and Nørresundby Bank having been one bank and thereby presenting the actual development.

Revaluation of the acquired loans, including loans from Nørresundby Bank, are included in write-downs on loans, etc., just like acquired loans that have been improved in quality, have been reversed under write-downs on lending etc.

In the pro forma calculation, interest income and write-downs are thus reduced and provide a more true and fair picture of the actual development in both items.

It is the opinion of the management that this provides the most adequate picture of the bank's performance – in part as a consequence of the fact that the figures for Nørresundby Bank are not included in the same way as Nordjyske Bank's figures in 2015 and in part as a consequence of the requirements of the accounting rules on processing of write-downs from Nørresundby Bank.

The merger between Nordjyske Bank and Nørresundby Bank took place on 31 March 2015, as Nordjyske Bank acquired Nørresundby Bank on 27 February 2015 and the banks merged on 31 March 2015.

The merger took place according to the so-called purchase method and the statement account, balance sheet, notes, etc. of the interim report as at 31 March 2016 is in the following prepared according to the current regulations pursuant to the purchase method. In the following section the income statement and balance sheet are commented on pursuant to the purchase method.

Comparative figures for account items for 2015 in the interim report do not include figures from Nørresundby Bank prior to the merger, which limits the value of comparison. Nørresundby Bank's operating results for January and February 2015 are only included in the acquired values. Furthermore, Nørresundby Bank's realised operating result for the month of March 2015 is only included as an amount under the item "result of investments in associated and group companies".

To some extent this affects key figures for 2015. Corrections on this have been made in the pro forma statement.

Income statement according to the purchase method in outline

- Net interest and fee income amount to DKK 220.6 mill. In the 1st quarter of 2016 compared with DKK 133.4 mill. In the 1st quarter of 2015. The increase is primarily due to the fact that account figures for Nørresundby Bank are not included in the statement for 2015. In addition, income is under pressure by low interest rates and increasing competition and less conversion income.
- The market price adjustments are positive with DKK 13.3 mill., which among other things covers a positive market price adjustment on shares etc. of DKK 11.0 mill. and a negative market price adjustment on bonds of DKK 0.9 mill.
- Staff and administration costs amount to DKK 126.7 mill. in the 1st quarter of 2016. Of this salaries etc. amount to DKK 71.5 mill. and other administration costs DKK 55.2 mill.
- The result of investments in associated and group companies is negative by DKK 27,000 compared with last year's income in the same period of DKK 24.4 mill. Which primarily reflected that the operating result for March 2015 in Nørresundby Bank was entered in the income statement as income on this item.
- Write-downs on lending etc. have been charged to the income statement with DKK 61.0 mill.
- Under the accounts item "Other operating costs" app. DKK 0.4 mill. has been charged to income statement for the Deposit Guarantee Fund.
- Pre-tax result amounts to DKK 41.7 mill. and after tax DKK 34.0 mill. in the 1st quarter of 2016.

Management Report

Balance Sheet according to the purchase method in overview

- The total balance sheet as at 31 March 2016 amounts to DKK 18.4 bn. compared with DKK 18.8 bn. as at 31 March 2015.
- The bank's lending amounts to DKK 10.5 bn. as at 31. March 2016 and deposits amount to DKK 14.9 bn.
- Goodwill and customer relations in connection with the purchase of Nørresundby Bank have been entered under the item intangible assets with app. DKK 472 mill.
- Subordinate capital infusion (Tier 2) of DKK 271.0 mill. has been raised as part of the financing of the purchase price for Nørresundby Bank.
- Nordjyske Bank's share capital amounts to DKK 183,645,150 and equity amounts to DKK 2,61 bn. At the end of March 2016.
- Total contingent obligations amount to DKK 3.2 billion as a 31 March 2016.

Shareholders

The bank's share capital of DKK 183.6 million is divided into 18,364,515 shares of DKK 10 each. The shares have been adopted for listing at Nasdaq Copenhagen A/S.

The price for the Nordjyske Bank share was 92.5 per share as at 31 March 2016.

Storaktionær

Nordjyske Bank has one large shareholder as Jyske Bank A/S announced on 21 March 2016 that they own more than 33.3 per cent of the share capital in Nordjyske Bank A/S

In Nordjyske Banks' articles of association there is a ceiling of votes of 1,000 votes, which means that Jyske Bank's voting power has not been changed as a consequence of this.

Financial calendar 2016

11.08.2016	Publication of interim report as at 30 June 2016
15.11.2016	Publication of interim report as at 30 September 2016

Interim Report

Endorsements

We have today approved the interim report for the period 1 January - 31 March 2016 for Nordjyske Bank A/S

The interim report has been prepared in accordance with the Danish Financial Activities Act and also in accordance with additional Danish disclosure requirements for interim reports for listed financial companies.

We consider the accounting policy chosen to be appropriate and that the financial statements for the period 1 January - 31 March 2016 provide a correct representation of the bank's assets and liabilities, its financial position and the result.

Frederikshavn, 18 May 2016

Executive Board

Claus Andersen
Managing Director

Carl Pedersen
Vice-managing Director

Mikael Jakobsen
Bank Director

/Pia Foss Henriksen
Financial manager

Board of Directors

Mads Hvolby
Chairman

Hans Jørgen Kaptain
Deputy chairman

Per Lykkegaard Christensen

Morten Jensen

Poul Søe Jeppesen

Henrik Lintner

Sten Uggerhøj

John Chr. Aasted

Hanne Karlshøj

Helle Juul Lynge

Arne Ugilt

Finn Aaen

Interim Report

Income Statement

Amounts in DKK 1,000	note	1/1 - 31/3 2016	1/1 - 31/3 2015	1/1 - 31/12 2015
Interest earnings	3	153,169	87,522	582,217
Interest expenses	4	13,227	9,482	62,235
Net interest earnings		139,942	78,040	519,982
Dividend from shares, etc.		168	1,641	10,034
Fees and commission earnings	6	84,253	55,127	327,347
Fees and commission costs paid		3,786	1,359	19,851
Net interest and fee earnings		220,577	133,449	837,512
Market value adjustments	7	13,322	9,447	20,958
Other operating income		3,203	838	5,193
Staff and administration costs	8	126,745	82,459	466,039
Depreciation and write-downs on intangible and tangible assets	9	7,187	2,724	26,683
Other operating costs		430	4,075	27,673
Write-down on lending and receivables, etc.		61,040	38,847	307,077
Result of investments in associated and group companies	-	27	24,359	25,000
Pre-tax result		41,673	39,988	61,191
Tax	10	7,688	2,974	7,528
Result for the period		33,985	37,014	53,663

Total income statement

Amounts in DKK 1,000	note	1/1 - 31/3 2016	1/1 - 31/3 2015	1/1 - 31/12 2015
Result for the period		33,985	37,014	53,663
Revaluation headquarters property		0	0	8,775
Tax conc. revaluation headquarters property		0	0	334
Provisions concerning pension obligations		0	0	355
Tax conc. provisions concerning pension obligations		0	0	17
Total income for the period		33,985	37,014	44,216

Interim Report

Balance Sheet

Assets		As at 31/3	As at 31/3	As at 31/12
Amounts in DKK 1,000	note	2016	2015	2015
Cash and demand deposits with central banks		377,635	1,515,620	349,848
Receivables from financial institutions and central banks	11	585,671	164,504	755,836
Lending and other receivables at amortised cost price	12+13	10,538,392	10,624,621	10,729,109
Bonds at current value		2,573,437	2,399,278	2,556,847
Shares, etc.		630,577	581,012	580,850
Investments in group companies		11,521	11,407	11,548
Assets related to pooled schemes		2,664,757	2,470,399	2,668,272
Intangible assets	14	471,572	500,237	477,079
Sites and buildings, total		304,455	299,266	303,003
- Investment properties		81,726	78,871	73,715
- Headquarters properties		222,729	220,395	229,288
Other tangible assets		10,643	7,485	8,548
Assets in temporary possession		48,191	6,079	45,119
Other assets		159,530	193,263	162,965
Accrued expenses and deferred income		1,007	24,991	10,999
Total assets		18,377,388	18,798,162	18,660,023

Interim Report

Balance Sheet

Liabilities		As at 31/3 2016	As at 31/3 2015	As at 31/12 2015
Amounts in DKK 1,000	note			
Debts				
Debt to financial institutions and central banks	15	328,875	1,372,553	454,118
Total deposits		14,861,277	14,627,709	14,975,173
- deposits and other debt	16	12,025,740	11,967,908	12,172,764
- deposits in pooled schemes		2,835,537	2,659,801	2,802,409
Current tax liabilities		12,933	16,211	13,741
Other liabilities		238,612	552,520	266,987
Accrued expenses and deferred income		129	5,859	185
Total debts		15,441,826	16,574,852	15,710,204
Provisions made				
Provisions for pensions and similar obligations		9,881	8,885	9,758
Provisions for deferred tax		27,946	28,670	29,158
Provisions for loss from guarantees		8,206	7,069	7,182
Other provisions		11,713	14,642	15,758
Total provisions		57,746	59,266	61,856
Subordinated capital investments	17	270,985	269,960	270,729
Equity				
Share capital		183,645	122,430	183,645
Provisions for appreciation		33,316	44,304	33,680
Other reserves		3,276	3,161	3,303
Profits carried forward		2,386,594	1,724,189	2,352,531
Proposed dividend		0	0	44,075
Total equity		2,606,831	1,894,084	2,617,234
Total liabilities		18,377,388	18,798,162	18,660,023
Contingent liabilities	18	3,178,279	3,489,625	3,280,329

Interim Report

Equity Movements

Amounts in DKK 1,000	As at 31/3 2016	As at 31/3 2015	As at 31/12 2015
Share capital			
Share capital, start of the period	183,645	77,200	77,200
Increase from merger (4,229,911 shares)	0	42,299	42,299
Increase from merger (293,099 shres)	0	2,931	2,931
Increase from issue (6,121,505 shares)	0	0	61,215
Share capital, end of the period	<u>183,645</u>	<u>122,430</u>	<u>183,645</u>
Premium from issue (free reserves)			
Premium from issue, start of the period	0	0	0
Cancellation of own shares	0	0	- 2,966
Capital increase less costs	0	0	630,879
Transferred to transferred dividend	0	0	- 627,913
Premium from issue, end of the period	<u>0</u>	<u>0</u>	<u>0</u>
Provisions for appreciation			
Provisions for appreciation, start of the period	33,680	25,444	25,444
Additions from merger		18,860	18,860
Other total income			
- revaluation headquarters properties		0	- 8,775
- tax conc. revaluation headquarters properties		0	- 334
Disposals from sale or altered use	- 364	0	- 1,515
Provisions for appreciation, end of the period	<u>33,316</u>	<u>44,304</u>	<u>33,680</u>
Other reserves			
Statutory reserves, start of the period	3,303	3,137	3,137
Result for the period	- 27	24	166
Statutory reserves, end of the period	<u>3,276</u>	<u>3,161</u>	<u>3,303</u>
Profits carried forward			
Profits carried forward, start of the period	2,352,531	1,292,350	1,292,350
Addition from acquisition and merger	0	394,565	485,772
- transferred to increase of share capital	0	0	- 45,230
- transferred to provisions for appreciation	0	0	- 18,860
Transferred from premium at issue	0	0	627,913
Result for the period	33,985	37,014	9,588
Dividend from own shares	43	45	45
Purchase/sale of own shares	8	239	- 58
Transferred to other reservces	27	- 24	- 166
Revaluation reserve, realised	0	0	1,515
Other total income			
- Provisions for pension obligations	0	0	- 355
- Tax conc. Provisions for pension obligations	0	0	17
Profits carried forward, end of the period	<u>2,386,594</u>	<u>1,724,189</u>	<u>2,352,531</u>

Interim Report

Equity Movements (continued)

Amounts in DKK 1,000	As at 31/3 2016	As at 31/3 2015	As at 31/12 2015
Proposed dividend			
Proposed dividend, start of the year	44,075	23,160	23,160
Dividend paid	- 44,075	- 23,160	- 23,160
Proposed dividend, end of the period	0	0	44,075
	0	0	44,075
Equity, end of the period	2,606,831	1,894,084	2,617,234

Interim Report

Capital base (solvency)

Amounts in DKK 1,000	As at 31/3 2016	As at 31/3 2015	As at 31/12 2015
Equity	2,606,831	1,894,084	2,617,234
Deductions:			
Proposed dividend	0	0	44,075
Intangible assets	471,572	500,237	477,079
Insignificant investments in units in the financial sector	342,067	362,436	329,687
Conservative valuation	3,762	0	3,930
Other deductions	31,340	0	13,922
Actual core capital after deductions	1,758,090	1,031,411	1,748,541
Supplementary capital	270,985	245,145	270,729
Deductions:			
Insignificant investments in units in the financial sector	6,321	0	0
Core capital	2,022,754	1,276,556	2,019,270
Capital adequacy pursuant to Article 92 in the EU regulation no. 575/2013	964,063	980,583	991,102
Risk exposure			
Total risk exposure	12,050,787	12,257,288	12,388,777
Actual core capital rate	14.6	8.4	14.1
Core capital rate	14.6	8.4	14.1
Capital adequacy rate	16.8	10.4	16.3
Solvency needs	10.2	10.2	10.1

Capital and capital adequacy have been calculated according to regulation (EU) no. 575/2013 og directive 2013/36 EU of 26 June 2013 of the European Parliament and Council.

The bank uses the standard method for credit and market risks and the indicator approach for operational risks.

Interim Report

Accounting Policy

This interim report has been prepared in accordance with the Financial Business Act and the Danish FSA "Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.". The stipulations in the Danish FSA Executive Order are consistent with the stipulations about inclusion and calculation in the international accounting standards (IAS/IFRS), and Nasdaq OMXCopenhagen A/S's disclosure requirements for listed companies.

The accounting policy is unchanged compared with the most recent financial year. For further information regarding the accounting policy, please refer to Nordjyske Bank's Annual Report 2015 at www.nordjyskebank.dk/ombanken/investorrelation

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Interim Report

Notes

1. Key figures - Presentation and key figure system of the Danish Financial Supervisory Authority (amounts in mill. DKK)	1/1 - 31/3 2016	1/1 - 31/3 2015	1/1 - 31/12 2015
1. Key figures			
Net interest earnings *)	139.9	78.0	520.0
Fees and commission earnings, net	80.5	53.8	307.5
Net interest and fee earnings	220.6	133.4	837.5
Market value adjustments	13.3	9.4	21.0
Staff and administration costs	126.7	82.5	466.0
Write-downs on lending and receivables, etc.	61.0	38.8	307.1
Result of investments in associated and group companies	0.0	24.3	25.0
Pre-tax result	41.7	40.0	61.2
Result for the period	34.0	37.0	53.7
Other comprehensive income	0.0	0.0	-9.4
Total sales	240.6	143.5	914.8
	As at 31/3 2016	As at 31/3 2015	As at 31/12 2015
Balance Sheet:			
Lending	10,538	10,625	10,729
Bonds	2,573	2,399	2,557
Shares, etc	631	581	581
Investments in associated and group companies	12	11	12
Investment properties	82	79	74
Headquarters properties	223	220	229
Assets in temporary possession	48	6	45
Deposits, incl. pooled schemes	14,861	14,628	14,975
Subordinated capital investments	271	270	271
Equity	2,607	1,894	2,617
Total assets	18,377	18,798	18,660
Guarantees	3,178	3,490	3,280

*) Net interest income includes as at 31/3 2016 DKK 16.6 mill. (2015: DKK 6.0 mio. / DKK 58.6 mil.), which relate to the discount share booked as income on acquired commitments from Nørresundby Bank.

Interim Report

Notes

2. Key figures	1/1 - 31/3 2016	1/1 - 31/3 2015	1/1 - 31/12 2015
Capital adequacy			
Capital adequacy percentage	16.8	10.4	16.3
Core capital percentage	14.6	8.4	14.1
Earnings			
Result before tax / average equity % p.a.	6.4	9.6	3.0
Result after tax / average equity % p.a.	5.2	8.8	2.7
Earnings per cost krone	1.2	1.3	1.1
Return on net assets as a percentage after tax p.a.	0.7	0.8	0.3
Market risks			
Interest rate risk as a percentage of core capital	0.7	-	0.5
Currency position as a percentage of core capital	0.7	2.6	0.6
Currency risk as a percentage of core capital	0.0	0.0	0.0
Credit Risks			
Lending in relation to equity (Gearing)	4.0	5.6	4.1
Lending growth for the period as a percentage	-	1.8	93.2
Total large exposures as a percentage of capital base	27.4	56.7	27.5
Write-down percentage p.a. for the period	1.6	1.0	2.0
Accumulated write-down percentage	6.2	4.7	5.7
Accumulated write-down percentage incl. revaluation *)	7.9	7.1	7.5
Property exposure before write-downs	12.6	13.7	12.4
Liquidity risks			
Lending incl. write-downs in relation to deposits as a percentage	76.9	77.4	77.3
Stable funding-ratio	145.2	164.7	142.0
	0.59	0.63	0.60
The Nordjyske Bank share			
DKK per share at DKK 10			
Period's result after tax per share p.a.	7.4	14.8	4.1
Book value per share	142.1	154.9	142.7
Listed price	92.5	100.5	114.5
Dividend per share	0.0	0.0	2.4
List price/period's result per share	12.50	6.8	27.8
Listed price/book value per share	0.65	0.7	0.8

Interim Report

Notes

2. Key figures

*) The accumulated write-downs on lending amount to DKK 894 mill. at the end of March 2016, while provisions for loss on guarantees amount to DKK 8 mill. The accumulated write-down percentage then amounts to 6.2% as at 31 March 2016. Furthermore, the bank has acquired write-downs at DKK 247 mill. Nørresundby Bank, which with regard to accounting is included as revaluations and therefore are not included in the accumulated write-downs. Thus accumulated write-downs and revaluations total DKK 1,141 mill. corresponding to an adjusted accumulated write-down percentage of 7.9%.

Interim Report

Notes

3. Interest income	1/1 - 31/3	1/1 - 31/3	1/1 - 31/12
Amounts in DKK 1,000	2016	2015	2015
Receivables from financial institutions and central banks	137	- 66	653
Lending and other receivables	150,979	84,771	568,595
Bonds	2,833	2,019	12,561
Derivative financial instruments, total	- 1,243	794	- 1,036
Other interest income	463	4	1,444
Total interest income	153,169	87,522	582,217

There is no interest income from genuine purchase and resale transactions

4. Interest expenses	1/1 - 31/3	1/1 - 31/3	1/1 - 31/12
Amounts in DKK 1,000	2016	2015	2015
Debt to financial institutions and central bank	1,222	1,279	9,270
Deposits and other debt	7,987	6,727	39,000
Subordinated capital investments	3,914	1,328	13,249
Other interest expenses	104	148	716
Total interest expenses	13,227	9,482	62,235

There are no interest expenses from genuine sale and repurchase transactions

5. Trade	1/1 - 31/3	1/1 - 31/3	1/1 - 31/12
Amounts in DKK 1,000	2016	2015	2015
Nordjyske Bank conducts traditional banking business in the North Denmark Region and the capital area with its headquarters in Nørresundby. No branches are established abroad, and no public grants have been received.			
Interest earnings	153,169	87,522	582,217
Fees and commission earnings	84,253	55,127	327,347
Other operating income	3,203	838	5,193
Total trade	240,625	143,487	914,757

Interim Report

Notes

6. Fees and commission earnings	1/1 - 31/3	1/1 - 31/3	1/1 - 31/12
Amounts in DKK 1,000	2016	2015	2015
Security transactions and custody accounts	28,932	20,575	131,204
Payment services	9,827	4,299	26,497
Fees on loans	28,263	21,333	93,434
Guarantee commission	1,818	1,530	18,634
Other fees and commission	15,413	7,390	57,578
Total fees and commission income	84,253	55,127	327,347

7. Market value adjustments	1/1 - 31/3	1/1 - 31/3	1/1 - 31/12
Amounts in DKK 1,000	2016	2015	2015
Other lending and receivables (hedge)	9,356	0	3,347
Bonds	- 895	1,803	16,149
Shares, etc.	11,028	6,194	34,726
Investment properties	- 100	0	6,075
Currencies	2,262	1,623	8,786
Derivative financial instruments	- 8,272	91	3,357
Assets related to pooled schemes	- 20,511	90,741	23,737
Deposits in pooled schemes	20,454	- 90,823	24,077
Total market value adjustments	13,322	9,447	20,958

8. Staff and administration costs	1/1 - 31/3	1/1 - 31/3	1/1 - 31/12
Amounts in DKK 1,000	2016	2015	2015
Salaries and remuneration for Board of Directors, Executive Board and Committee of Representatives			
Executive Board	2,282	1,048	8,466
Board of Directors	798	422	2,941
Committee of Representatives	274	107	859
	3,354	1,577	12,266
Staff costs:			
Salaries	52,664	32,808	208,985
Pension	5,918	3,407	24,884
Social security expenses, etc.	9,600	4,816	30,498
	68,182	41,031	264,367
Other administration costs	55,209	39,851	189,406
Total staff and administration costs	126,745	82,459	466,039
Average number of full-time employees	436	251	418

Interim Report

Notes

9. Depreciations and write-downs on intangible and tangible assets	1/1 - 31/3 2016	1/1 - 31/3 2015	1/1 - 31/12 2015
Amounts in DKK 1,000			
Intangible assets			
Customer relations	5,508	1,677	18,674
Tangible assets			
Depreciations on headquarters properties	298	414	1,825
Depreciations and write-downs carried back on headquarters properties, net	0	0	1,541
Depreciations on other tangible assets	1,381	633	4,643
Total depreciations and write-downs	7,187	2,724	26,683
10. Tax	1/1 - 31/3 2016	1/1 - 31/3 2015	1/1 - 31/12 2015
Amounts in DKK 1,000			
The period's tax can be distributed like this:			
Tax of the period's result	7,688	2,974	7,528
Tax on other total income (equity movements)	0	0	316
Total tax	7,688	2,974	7,844
The tax charged to the income statement is specified like this:			
Current tax	8,900	2,974	16,155
Deferred tax	- 1,212	0	- 9,066
Regulation of previous years' calculated tax	0	0	439
Tax of the period's result	7,688	2,974	7,528
Current tax rate	22.0%	23.5%	23.5%
Non-taxable income and disallowed deductions etc.	- 3.6%	- 1.8%	- 2.4%
Share of result in associated companies	0.0%	- 14.3%	- 9.6%
Regulation of previous years' tax	0.0%	0.0%	0.8%
Effective tax rate	18.4%	7.4%	12.3%

The effective tax rate is tax of the period's result relative to the pre-tax result .

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11. Receivables from financial institutions and central banks	As at 31/3 2016	As at 31/3 2015	As at 31/12 2015
Amounts in DKK 1,000			
Demand deposits	577,161	63,586	749,126
Remaining term			
- up to and incl. 3 months	0	90,000	0
- from 3 months up to and incl. 1 year	0	4,827	0
- from 1 year up to and incl. 5 years	5,000	0	5,000
- more than 5 years	3,510	6,091	1,710
Total receivables from financial institutions and central banks	<u>585,671</u>	<u>164,504</u>	<u>755,836</u>
Receivables at notice from central banks	443,080	0	678,127
Receivables from financial institutions	<u>142,591</u>	<u>164,504</u>	<u>77,709</u>
Total receivables from financial institutions and central banks	<u>585,671</u>	<u>164,504</u>	<u>755,836</u>
12. Write-downs on lending	As at 31/3 2016	As at 31/3 2015	As at 31/12 2015
Amounts in DKK 1,000			
Individual write-downs			
Start of the period	811,489	630,847	630,847
Write-downs during the period	71,819	49,448	352,287
Reversals of write-downs made in previous financial periods	16,374	13,220	45,895
Other movements	8,798	8,657	40,595
Final loss, previously written down individually	<u>18,921</u>	<u>10,238</u>	<u>166,345</u>
End of the period	<u>856,811</u>	<u>665,494</u>	<u>811,489</u>
Group write-downs			
Start of the period	31,029	26,704	26,704
Write-downs during the period	6,921	318	16,208
Reversals of write-downs made in previous financial periods	<u>1,036</u>	<u>0</u>	<u>11,883</u>
End of the period	<u>36,914</u>	<u>27,022</u>	<u>31,029</u>

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13. Credit risks	As at 31/3	As at 31/3	As at 31/12
Amounts in DKK 1,000	2016	2015	2015
Loans and other guarantees by sector and industry			
Public authorities	0.0%	0.0%	0.0%
Agriculture, hunting, forestry and fishing:			
Agriculture	9.8%	9.6%	9.2%
Arable farming abroad (EU)	2.6%	2.2%	2.6%
Fur farming	0.6%	0.4%	0.6%
Fisheries	2.3%	2.4%	2.2%
Agriculture, hunting, forestry and fishing total	15.3%	14.6%	14.6%
Industry and raw material extraction	3.9%	2.2%	3.8%
Energy supply	0.4%	0.4%	0.3%
Building and construction	3.5%	3.2%	3.3%
Trade	5.8%	6.8%	6.7%
Transport, hotels and restaurants	2.5%	2.1%	2.6%
Information and communication	0.4%	0.4%	0.4%
Financing and insurance	6.0%	4.1%	5.9%
Real property	12.2%	12.9%	12.3%
Other lines of business	5.0%	4.4%	4.8%
	55.0%	51.1%	54.7%
Private customers	45.0%	48.9%	45.3%
Total	100.0%	100.0%	100.0%

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13. Credit risk continued	As at 31/3	As at 31/3	As at 31/12
Amounts in DKK 1,000	2016	2015	2015
Maximum credit exposure (primarily lending, guarantees, and credit promise) by industry			
Public authorities	0.0%	0.0%	0.0%
Agriculture, hunting, forestry and fishing:			
Agriculture	10.0%	9.9%	9.8%
Arable farming abroad (EU)	2.0%	1.7%	2.0%
Fur farming	0.7%	0.5%	0.6%
Fisheries	2.3%	2.0%	2.0%
Agriculture, hunting, forestry and fishing total	15.0%	14.1%	14.4%
Industry and raw material extraction	4.4%	3.4%	4.3%
Energy supply	0.4%	0.6%	0.4%
Building and construction	4.1%	3.7%	3.5%
Trade	6.7%	6.7%	6.6%
Transport, hotels and restaurants	2.3%	2.9%	2.7%
Information and communication	0.4%	0.4%	0.4%
Financing and insurance	4.8%	3.5%	4.7%
Real property	13.9%	13.0%	14.3%
Other lines of business	5.2%	5.0%	5.2%
	57.2%	53.3%	56.5%
Private customers	42.8%	46.7%	43.5%
Total	100.0%	100.0%	100.0%
14. Intangible assets	As at 31/3	As at 31/3	As at 31/12
Amounts in DKK 1,000	2016	2015	2015
Customer relations	185,319	207,823	190,826
Goodwill	286,253	292,414	286,253
Intangible assets, total	471,572	500,237	477,079

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15. Debt to financial institutions and central banks Amounts in DKK 1,000	As at 31/3 2016	As at 31/3 2015	As at 31/12 2015
Demand	297,729	445,540	423,880
Remaining term			
- up to and including 3 months	0	927,013	0
- more than 5 years	31,146	0	30,238
Total debt to financial institutions and central banks	328,875	1,372,553	454,118
The bank has unused longer-term credit facilities totalling	0	500,000	0

16. Deposits and other debt Amounts in DKK 1,000	As at 31/3 2016	As at 31/3 2015	As at 31/12 2015
Demand	9,674,677	8,435,768	9,463,239
Remaining term			
- up to and including 3 months	401,175	789,232	424,062
- from 3 months up to and incl. 1 year	196,542	666,796	341,599
- between 1 and 5 years (incl.)	869,944	1,024,650	1,040,488
- more than 5 years	883,402	1,051,462	903,376
Total deposits and other debt	12,025,740	11,967,908	12,172,764
By category			
- on demand	9,618,651	8,435,768	9,409,142
- at notice	1,000,321	1,820,619	1,312,844
- time deposits	47,124	120,870	54,559
- special deposits	1,359,644	1,590,651	1,396,219
Total deposits and other debt	12,025,740	11,967,908	12,172,764
Share of deposits incl. pooled schemes covered by the Deposit Guarantee Fund	82%	87%	83%

In addition it should be mentioned that the bank's 10 largest depositors amount to less than 5% of total deposits

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17. Subordinate capital investments	1/1 - 31/3	1/1 - 31/3	1/1 - 31/12
Amounts in DKK 1,000	2016	2015	2015
Supplementary capital	270,985	269,960	270,729
Subordinate capital investments	270,985	269,960	270,729
Of this is included in the calculation of the capital base	270,985	245,145	270,729
Interest	3,914	1,328	13,249
Costs related to raising supplementary capital	0	5,125	5,125

I February 2015 DKK 275 million capital certificates issued at a price of 100.

The capital certificates have a term of 10 years and cannot be redeemed in full or in part until the day that falls 5 years after the issue date. The issue takes place at an interest rate calculated as the 5-year swap interest rate with an addition of 5.00%-points p.a. effective for 5 years from and including the issue date, corresponding to 5.341% p.a. After that the interest rate will be Cibor 6 months plus 5.00%-points p.a.

18. Contingent liabilities	As at 31/3	As at 31/3	As at 31/12
Amounts in DKK 1,000	2016	2015	2015
Financial guarantees	1,752,005	2,335,873	1,955,567
Loss guarantees regarding mortgage loan	551,295	398,204	548,730
Registration and conversion guarantees	65,878	222,767	71,983
Other contingent liabilities	809,101	532,781	704,049
Total	3,178,279	3,489,625	3,280,329
Mortgaging			
As security for clearing etc. on the Danish Central Bank bonds mortgaged at a market price of	88,060	1,259,548	88,384
As security for loss towards the Danish Growth Fond as a consequence of Nordjyske Bank's ownership in Landbrugets Finansieringsbank, deposit has been made on a security account at an amount of	254	257	254

Nordjyske Bank A/S is the administrative company in a Danish joint taxation which includes Sæbygård Skov A/S

Therefore, Nordjyske Bank A/S is liable for income tax etc. for the joint taxation company as of and including 1 July 2012 for in accordance with the regulations of the Danish company act, and as of and including 1 July 2012 for any obligations, to include withholding tax on interest, royalties, and dividend for the jointly taxed company.