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Company Announcement no 12.2010

## **Interim Report for the first six months as at 30 June 2010**

### **Pre-tax result of DKK 76 million – compared with DKK 54 million in 2009 – return on equity of 13% p.a.**

- Net interest income increased by 8% to DKK 177 million.
- Earnings in connection with other activities increased by 5% to DKK 54 million.
- Total core earnings increased by 20% to DKK 270 million.
- Administration costs increased by DKK 17 million to DKK 131 million. The increase is to be seen in the light of the acquisition of Øster Brønderslev Sparekasse and the core activities in Løkken Sparekasse.
- Basic earnings of DKK 125 million – corresponding to the expectations.
- Write-downs and losses on lending and guarantees of a total of DKK 52 million, corresponding to a write-down percentage of 1.3 p.a.
- Price adjustment regarding listed securities of DKK 8 million.
- Pre-tax result of DKK 76 million – return on equity of 13% p.a.
- The Bank's management considers the result to be satisfactory.

### **Sound capital base and good liquidity**

- The equity amounts to a total of DKK 1,183 million.
- The capital adequacy ratio has been calculated at 16.5 – based on equity alone.
- The available liquidity has been calculated at DKK 2.4 billion.

### **Expectations for all of 2010**

Also in 2010 the bank expects to be able to realise handsome basic earnings before write-downs on lending and price adjustment for listed securities – and at the same level as the amount realised in 2009 – or DKK 175-200 million.

The total result will, of course, be affected by the write-down on lending, etc., and the price development for the bank's holding of listed securities. The most important uncertainty factor is the write-downs on lending and guarantees, where the economic recession must be expected to lead to a write-down percentage in 2010 at the same level as in 2009. The depth and consequences of the economic recession are difficult to quantify, but a percentage of between 1.0 and 1.5 in 2010 is not considered unrealistic.

## Satisfactory business volume with clients

The bank's business volume with clients continues to develop satisfactorily, considering the external circumstances.

The total credit risk (lending and guarantees) has – compared with the same period last year – been increased by DKK 186 million to a total of DKK 7.8 billion. In the course of the past year, lending has been reduced by 64 million to a total of DKK 6.2 billion. Contingent liabilities in the form of guarantees issued at the request of the bank's clients have during the same period increased by DKK 250 million to a total of DKK 1.6 billion.

Deposits, including deposits related to the bank's pension pool schemes, have during the past year been reduced by DKK 24 million to a total of DKK 6.4 billion. This development is to be seen in the light of the fact that the bank has not wanted to maintain all of the large volume of time deposits with a relatively high rate of interest which the bank took over in connection with the acquisition of the core activities in Løkken Sparekasse.

The total business volume with clients (deposits, lending and guarantees) amounted to a total of DKK 14.3 billion as at 30 June 2010. Add to this that the bank's FinansCenter manages assets of a total of DKK 5.3 billion. Including asset management, the bank's total business volume with clients thus amounts to DKK 19.6 billion.

## Condensed income statement

(amount in million DKK)

	2010 1/1 - 30/6 6 months	2009 1/1 - 30/6 6 months	2009 1/1 - 31/12 12 months
Net interest income, etc. ....	177	164	336
Fees and commissions, etc., net .....	54	52	96
<b>Net interest and fee income</b> .....	<b>231</b>	<b>216</b>	<b>432</b>
Other operating income, etc. ....	39	10	15
<b>Core earnings</b> .....	<b>270</b>	<b>226</b>	<b>447</b>
Administration costs .....	131	114	239
Costs, The Contingency Association .....	14	12	25
<b>Core earnings before write-downs</b> .....	<b>125</b>	<b>100</b>	<b>183</b>
Write-down on lending and other receivables .....	52	50	97
<b>Core earnings</b> .....	<b>73</b>	<b>50</b>	<b>86</b>
Share price adjustment of listed securities, etc. ....	8	4	9
Non-recurring costs of integration of new business .....	5	0	21
<b>Pre-tax result</b> .....	<b>76</b>	<b>54</b>	<b>74</b>
<b>Profit after tax</b> .....	<b>66</b>	<b>41</b>	<b>67</b>

### **Core earnings increased by DKK 44 million.**

The bank's net interest income for the first six months of 2010 have increased compared with the same period last year by DKK 13 million – or 8% to a total of DKK 177 million. Earnings in connection with other activities, including provision of payment, asset management and guarantees, increased during the same period by DKK 2 million – or 5% – to DKK 54 million.

Other operating earnings, including return on the bank's holding of so-called sector shares, amounted to a total of DKK 39 million during the first six months of 2010 – DKK 29 million more than for the same period last year. The increase is related to an appreciation of the price of the bank's holding of sector shares, cf. the bank's principles for fixing the market value, which remains unchanged compared with previous years.

The total core earnings have increased by 20% or DKK 44 million net to a total of DKK 270 million.

### **Ordinary increase in costs of DKK 17 million**

Ordinary administration costs increased by DKK 17 million. The major part of this increase can be referred to the acquisition of Øster Brønderslev Sparekasse and the core activities in Løkken Sparekasse. After correction for the above, the increase is about 4%.

The bank's guarantee provision for the Danish Contingency Association according to the Danish Financial Stability Act to be paid during the period October 2008 to September 2010 amounted to a total of DKK 14 million during the first six months of 2010 – compared with DKK 12 million during the same period in 2009.

### **Core earnings of DKK 125 million – before write-downs**

The core earnings – before write-downs on lending, etc. – have increased by DKK 25 million to a total of DKK 125 million.

The core earnings correspond to the bank's expectations as most recently published in connection with the presentation of the quarterly report as at 31 March 2010.

### **Write-downs on lending**

The bank continually assesses the quality of loans and amounts outstanding with a view to calculating the need for write-downs and reversals thereof. During the first six months of the year, new write-downs of DKK 66 million have been made, whereas an amount of DKK 6 million has been reversed. Add to this a reversal of interest on written down receivables of DKK 8 million.

Write-downs and depreciations on lending, etc., have affected the bank's result for the first six months of 2010 by DKK 52 million – or 1.3% p.a. of lending and guarantees.

### **The problems in the agricultural sector do not have a serious, negative effect on the bank**

There is much focus on the situation in the agricultural sector.

The agricultural sector is an important part of the industrial sector in the northern part of Jutland. In our capacity as the local bank in the area, Nordjyske Bank is, of course, heavily committed to the agricultural sector as a lender. 17.5% of the bank's total loans and guarantees are within the agricultural sector (exclusive of fur farming).

As far as risk is concerned, lending and guarantees to the agricultural sector amount to 116% of the bank's equity as at the end of June 2010 – before deduction of security provided.

At the moment, politicians seem to be prepared to improve the framework conditions for the agricultural sector in order to narrow down the differences compared with the international colleagues/competitors of the farmers. Together with improved prices, this seems to create a possibility of profitable operations in future for the many efficient farmers.

It is characteristic for the bank's agricultural clients that by far the majority of them have considerable reserves and resistance in the form of considerable solvency and equity. Regardless of this, the bank has provisions (or write-downs) of DKK 155 million – corresponding to 10% of the bank's total loans and guarantees to the agricultural sector.

In addition, the bank has carried out stress tests to show what might – regardless of the improved earnings for the agricultural sector – happen if the sombre earnings in the sector in 2008 and 2009 were to continue for years to come. The stress test confirms that the difficulties in the agricultural sector – also if they continue for a prolonged period into the future – will not be able to upset the bank.

### **Pre-tax result equals a return on equity of 13% p.a.**

The year's pre-tax result for the first six months amounts to a total of DKK 76 million – corresponding to a return on equity of 13.2% p.a.

The year's result after tax amounts to a total of DKK 66 million – compared with DKK 41 million for the same period in 2009. Considering the difficult external conditions, the bank's management considers the result to be satisfactory.

### **Comfortable liquidity situation**

It is the bank's general policy to finance its lending through normal deposits with the bank and the equity – and to secure the additional liquidity reserves through long-term senior loans. On the other hand, the bank does not want to finance its lending by short-term loans on the money market or through large time deposits from outside the bank's normal clientele.

In general, the bank's liquidity situation can be calculated as follows:

Deposits, incl. pool	DKK 6.4 billion
Equity	<u>DKK 1.2 billion</u>
Own liquidity	DKK 7.6 billion
Lending	<u>DKK 6.2 billion</u>
Excess liquidity	DKK 1.4 billion

Add to this a senior loan of about DKK 0.5 billion (maturity April 2012) and the temporary drawing rights with the Danish central bank of an additional DKK 0.5 billion.

As at 30 June 2010, the bank's liquidity reserves were DKK 2.4 billion.

Furthermore, the bank has in July issued a three-year debenture loan with a variable rate of interest of a nominal value of DKK 1.0 billion. The issue was guaranteed by the Danish Financial Stability Company on behalf of the Danish state and is a partial utilisation of the Bank's guarantee commitment of DKK 1.5 billion In accordance with agreement with the Danish Financial Stability Company.

The debentures have been added to the bank's own holding with a possibility of a potential future sale or as a basis for repo agreement. The loan – which the bank in reality does not need – is thus in principle a drawing right. The aim of issuing the debentures has thus only been – in the light of the uncertainty created on the money market by the state debts of the South European countries – to secure the bank's already comfortable liquidity reserves by an additional DKK 1.0 billion.

The bank can at any time repay the loan/the drawing right prematurely fully or in part, if there is – as expected – no need for this additional facility.

Thus the bank has an extremely comfortable liquidity situation.

In the light of an analysis of the bank's deposits, it is the assessment of the bank that about 75-80% of the total deposits will be covered by the depositor guarantee fund when the new cover of about DKK 750,000 takes effect In connection with the expiry of Banking Package I at the end of September 2010.

In addition, the bank has not granted any international loans to customers against security. Foreign currency loans for the bank's clients have been financed directly and with own funds. The bank has not increased the financial reserves by taking mortgage credit loans in the bank's properties.

### **Uncertainty in connection with inclusion and calculation**

The result for the period has not been affected by unusual circumstances – apart from those already mentioned in the Management's Report. And no events have occurred after the end of the financial year which will affect the result for the first six months of 2010, the bank's assets and liabilities, and the financial position as at the end of 2010.

When calculating the book values, estimates have been made. The estimates made have been based on premises which the management considers justifiable.

The most important estimates relate to

- write-downs on loans and receivables where a quantification of the risk of future default includes a substantial amount of estimates
- valuation of goodwill regarding the quantification of the future earnings and the rate of interest used for calculation,
- valuation of properties regarding the rates of interest used for calculation, and
- valuation of unlisted sector shares, cf. below

Unlisted shares in companies owned jointly by the bank and a number of other banks, etc. – the so-called sector shares – involve considerable estimates in connection with fixing the market value. The market value is fixed on the basis of available information about current transactions. If no current market data is available, the current value has been fixed on the basis of the most recently presented and approved financial statements of the companies. The principle behind the bank's determination of the current value is unchanged compared with previous years.

### **Capital and capital adequacy**

When calculating the bank's capital adequacy, the standard methods for calculating credit risks outside the trading portfolio and market risks are used. When determining the operational risks, the so-called basic indicator method is used. The capital adequacy rate is 16.5 as at 30 June 2010.

Compared with the individual capital adequacy requirement which has as at the end of June 2010 been calculated at 11.0 %, the bank has excess capital adequacy of 50% – on the basis of capital of best quality, i.e. equity. This underlines the bank's capital adequacy soundness. It is also the reason why the bank has not applied for Banking Package II.

For further information about the bank's calculated individual capital adequacy requirement, please refer to the bank's website: [www.nordjyskebank.dk](http://www.nordjyskebank.dk)

In accordance with the stipulations in the capital adequacy order, the bank must publish detailed information about risks, capital structure, capital adequacy and risk management, etc. Such information appear from the bank's website: [www.nordjyskebank.dk](http://www.nordjyskebank.dk).

The bank has joined the Private Contingency Association according to the Danish Financial Stability Act. This means that the bank's unsecured creditors, including depositors, are until the end of September 2010 covered by a state guarantee. It also means that during the period until the end of September 2010, the bank has to pay a guarantee commission of DKK 2.2 million per month, or a total of DKK 51 million, and cover a proportional share of the losses determined in connection with the closing down of distressed banks – so far a total of about DKK 23 million. The bank expects the total contribution to a re-establishment of the financial stability during the period 2008-2010 will be between DKK 80 and 90 million.

## Financial risks

The bank's credit risk is divided into a large number of minor commitments. Thus the sum of major commitments amounts to a modest 12.7% of the equity. The total gearing of loans is moderate – 5.5 times the bank's equity. Including guarantees, the total credit gearing is 6.9 times the equity.

The bank is only to a limited extent exposed to changes to the interest level and fluctuations in the exchange rates.

At the end of June 2010, the bank's interest risk, i.e. the loss/gain which the bank risks suffering/obtaining through a change to the effective interest rate of 1 percentage point, amounted to DKK 4,524 thousand, and the foreign exchange risk (expressed as indicator 2) amounted to DKK 109 thousand.

## Group report

Nordjyske Bank owns the entire share capital in Sæbygård Skov A/S. The subsidiary's result for the first six months of 2010 is included in the bank's income statement under "result of investment in associated and group enterprises". The shares are entered at DKK 12.8 million, which is the book value.

Consolidated financial statements have not been prepared, as the subsidiary's activities are, both regarding balance sheet and income statement, insubstantial compared with the bank.

## Accounting practice

The present interim report has been prepared in accordance with the Danish Financial Supervisory Authority's "Order on financial reports for credit institutions and stock broker companies, etc.". The stipulations in the Danish Financial Supervisory Authority's order on financial statements are consistent with the stipulations on inclusion and calculation in the international financial statement standards (IAS/IFRS) and Nasdaq OMXCopenhagen A/S's disclosure requirements for listed companies.

The accounting practice remains unchanged compared with the previous financial year.

## Expectations for 2010 as a whole

A continued subdued economic development in society with an expected continued high level of unemployment, uncertainty regarding housing prices and investment and consumption will in itself act as a damper on the economic activity. Therefore the bank expects a weak growth in its business volume in 2010.

For 2010, the bank still expects to be able to realise good core earnings before write-downs on loans and price adjustment of listed securities – at the same level as realised in 2009 – or DKK 175-200 million.

The total result will, of course, be affected by the write-down on loans and the price development for the bank's holding of listed securities. The most important uncertainty factor is the write-down on lending and guarantees where the economic recession must be expected to lead to a write-down percentage in 2010 at the same level as realised in 2009. The depth and consequences of the economic recession are difficult to quantify, but a percentage of loss of between 1.0 and 1.5 in 2010 is not considered unrealistic.

**Financial calendar for 2010**

22 November 2010

Announcement of interim report as at 30 September 2010.

For further comments please refer to the bank's Managing Director, Jens Ole Jensen, telephone +45 9633 5000.

Yours sincerely

Hans Jørgen Kaptain  
*Chairman of the Board*

Jens Ole Jensen  
*Managing Director*



## Income statement

	note	As at 30/6 2010 DKK 1,000	As at 30/6 2009 DKK 1,000	1/1 - 31/12 2009 DKK 1,000
Interest income .....	3	215,845	250,731	474,351
Interest expenses .....	4	<u>38,312</u>	<u>86,174</u>	<u>138,102</u>
<b>Net interest income .....</b>		<b>177,033</b>	<b>164,557</b>	<b>336,249</b>
Dividends of shares, etc. ....		1,732	5,683	5,698
Fees and commission income .....	5	54,033	47,428	94,385
Fees and commission income paid .....		<u>2,132</u>	<u>1,896</u>	<u>3,993</u>
<b>Net interest and fee income .....</b>		<b><u>230,666</u></b>	<b><u>215,772</u></b>	<b><u>432,339</u></b>
Price adjustments .....	6	44,269	12,280	14,250
Other operating income .....		2,582	2,674	5,485
Costs of staff and administration .....	7	133,234	112,317	252,748
Depreciation and write-downs, intangible and tangible assets .....		2,203	2,058	6,928
Other operating costs .....		14,186	11,831	24,965
Write-downs on loans and receivables, etc. ....		52,230	50,205	97,256
Profit or loss from investments in associates and group enterprises .....		<u>-42</u>	<u>-361</u>	<u>3,952</u>
<b>Pre-tax result .....</b>		<b><u>75,622</u></b>	<b><u>53,954</u></b>	<b><u>74,129</u></b>
Tax .....		10,340	12,700	7,442
<b>Profit of the period .....</b>		<b><u>65,282</u></b>	<b><u>41,254</u></b>	<b><u>66,687</u></b>

## Balance sheet

<b>ASSETS</b>	<b>note</b>	<b>As at 30/6 2010 DKK 1,000</b>	<b>As at 30/6 2009 DKK 1,000</b>	<b>As at 31/12 2009 DKK 1,000</b>
Cash balance and demand deposits with central banks ..		76,987	59,771	56,741
Receivables from credit institutions and central banks .....	8	802,884	1,609,050	1,417,626
Loans and other receivables at fair value .....	9	10,121	10,409	10,446
Loans and other receivables at amortised value .....	9	6,159,923	6,223,191	6,041,044
Bonds at fair value .....		568,032	260,848	410,051
Shares, etc. ....		205,430	152,806	164,642
Investments in associates .....		1,000	1,000	1,000
Investments in affiliated enterprises .....		12,773	8,503	12,816
Assets related to pooled schemes .....		639,238	531,090	596,303
Intangible assets .....		15,784	10,000	12,000
Land and buildings, total		147,412	147,369	145,730
- Investment properties .....		39,823	39,920	39,823
- Owner-occupied properties .....		107,589	107,449	105,907
Other tangible assets .....		5,161	5,799	5,752
Current tax assets .....		4,709	12,354	6,910
Deferred tax assets .....		8,400	1,250	8,400
Temporary assets .....		1,435	904	838
Other assets .....		<u>108,803</u>	<u>97,505</u>	<u>71,414</u>
<b>Total assets .....</b>		<b><u>8,768,092</u></b>	<b><u>9,131,849</u></b>	<b><u>8,961,713</u></b>

## Balance sheet

### LIABILITIES

	note	As at 30/6 2010 DKK 1,000	As at 30/6 2009 DKK 1,000	As at 31/12 2009 DKK 1,000
Debts to credit institutions and central banks .....	10	831,862	1,340,184	1,261,892
Deposits and other debts .....	11	5,610,507	5,714,938	5,598,951
Deposits in pooled schemes .....		828,505	748,414	825,315
Bonds issued at amortised cost price .....		1,348	1,308	1,347
Other liabilities .....		270,710	217,429	130,160
Accruals and deferred income .....		<u>16</u>	<u>252</u>	<u>17</u>
<b>Total debt .....</b>		<b><u>7,542,948</u></b>	<b><u>8,022,525</u></b>	<b><u>7,817,682</u></b>
<b>Provisions</b>				
Provisions for pensions and similar liabilities .....		5,459	9,336	5,498
Provisions for losses on guarantees .....		21,703	13,568	19,970
Other provisions .....		<u>8,026</u>	<u>3,862</u>	<u>4,124</u>
<b>Total provisions .....</b>		<b><u>35,188</u></b>	<b><u>26,766</u></b>	<b><u>29,592</u></b>
<b>Subordinated debt</b>				
Subordinated debt .....		<u>6,930</u>	<u>4,102</u>	<u>6,951</u>
<b>Total subordinated debts .....</b>		<b><u>6,930</u></b>	<b><u>4,102</u></b>	<b><u>6,951</u></b>
<b>Equity</b>				
Share capital .....		80,400	80,400	80,400
Revaluation reserves .....		23,608	21,249	23,608
Other reserves .....				
- statutory reserves .....		4,570	257	4,570
Profits carried forward .....		<u>1,074,448</u>	<u>976,550</u>	<u>998,910</u>
<b>Total equity .....</b>		<b><u>1,183,026</u></b>	<b><u>1,078,456</u></b>	<b><u>1,107,488</u></b>
<b>Total liabilities .....</b>		<b><u>8,768,092</u></b>	<b><u>9,131,849</u></b>	<b><u>8,961,713</u></b>

## Changes to equity

	<b>As at 30/6 2010 DKK 1,000</b>	<b>As at 30/6 2009 DKK 1,000</b>	<b>As at 31/12 2009 DKK 1,000</b>
Equity, start of the period .....	1,107,488	1,047,525	1,047,525
Profit for the period .....	65,282	41,254	66,687
Income and costs included directly in the equity:			
Capital gain from the sale of own shares, before tax .....	-347	-2,912	-2,730
Current tax on own shares sold .....		820	680
Adjustment of deferred tax, own shares.....		-4,350	-4,110
Revaluation of owner-occupied properties .....	<u>0</u>	<u>0</u>	<u>2,359</u>
Total income .....	64,935	34,812	62,886
Changes to accounting practice .....	0	0	0
Dividend paid .....	0	0	0
Capital increases and reductions:			
Sale of own shares .....	41,412	21,247	61,252
Purchase of own shares .....	<u>-30,809</u>	<u>-25,128</u>	<u>-64,175</u>
Equity, end of the period .....	<u>1,183,026</u>	<u>1,078,456</u>	<u>1,107,488</u>

## Notes with two-year surveys

amount in million DKK

	First six months 2010	First six months 2009	As at 31/12 2009
<b>Income statement</b>			
Net interest income .....	177	164	336
Fees and commissions, etc., net .....	<u>54</u>	<u>52</u>	<u>96</u>
<b>Net interest and fee income .....</b>	<b>231</b>	<b>216</b>	<b>432</b>
Profit or loss from investments in associates and group enterprises .....	0	0	4
Other operating income, etc.**) .....	<u>39</u>	<u>10</u>	<u>11</u>
<b>Core earnings .....</b>	<b><u>270</u></b>	<b><u>226</u></b>	<b><u>447</u></b>
Costs of staff and administration *) .....	128	112	232
Other operating costs .....	<u>3</u>	<u>2</u>	<u>7</u>
<b>Administration costs .....</b>	<b>131</b>	<b>114</b>	<b>239</b>
The Private Contingency Association, guarantee commission ..	<u>14</u>	<u>12</u>	<u>25</u>
<b>Core earnings before write-down on loans .....</b>	<b><u>125</u></b>	<b><u>100</u></b>	<b><u>183</u></b>
Write-downs on loans, etc., with clients .....	51	43	82
Provisions re Private Contingency Association .....	<u>1</u>	<u>7</u>	<u>15</u>
Write-down on loans and receivables, etc. ....	<u>52</u>	<u>50</u>	<u>97</u>
<b>Core earnings .....</b>	<b>73</b>	<b>50</b>	<b>86</b>
Price adjustment, listed securities, etc. **) .....	8	4	9
Non-recurrent costs of integrating new business*) .....	<u>5</u>	<u>0</u>	<u>21</u>
<b>Pre-tax result .....</b>	<b>76</b>	<b>54</b>	<b>74</b>
Tax .....	<u>10</u>	<u>13</u>	<u>7</u>
<b>Profit for the period .....</b>	<b><u>66</u></b>	<b><u>41</u></b>	<b><u>67</u></b>
Costs of staff and administration, total, included in the entries marked *) .....	133	1.5	253
Price adjustments, total, included in the entries marked **) .....	44	1.5	14
<b>Balance sheet:</b>			
Total assets .....	8,768	9,131	8,962
Lending .....	6,170	6,234	6,051
Guarantees .....	1,642	1,392	1,415
Deposits .....	6,439	6,463	6,424
Equity .....	1,183	1,078	1,107

## Notes with two-year surveys

amounts in million DKK

	First six months 2010	First six months 2009	All of 2009
<b>Profitability</b>			
Pre-tax result / average equity % p.a. ....	13.2	10.2	6.9
Result after tax / average equity % p.a. ....	11.4	7.8	6.2
Costs in % of core earnings .....	48.3	50.9	53.5
Earnings per cost DKK .....	1.4	1.3	1.2
<b>Capital adequacy</b>			
Capital adequacy rate .....	16.5	15.5	16.6
Core capital percentage .....	16.5	15.4	16.4
Growth in risk-weighted items .....	5.2	4.6	-9.6
Equity in relation to assets .....	13.5	11.8	12.4
<b>Market risk</b>			
Interest risk .....	-0.4	-0.1	0.1
Foreign exchange position .....	3.1	2.2	3.2
Currency risk .....	0.0	0.0	0.0
Share risk, assets, etc., as a percentage of core capital .....	18.9	14.8	15.6
Share risk excluding sector shares .....	3.7	4.1	3.5
<b>Liquidity risks</b>			
Lending in relation to deposits .....	101.8	100.6	99.3
Excess cover regarding statutory liquidity .....	174.7	151.6	157.2
<b>Credit risks</b>			
Lending in relation to equity .....	5.2	5.8	5.5
The period's growth in lending .....	2.0	9.3	6.2
Sum of major commitments .....	12.7	13.8	13.2
Write-down percentage p.a. ....	1.3	1.3	1.2
Accumulated write-down percentage .....	5.0	3.6	4.4
<b>The Nordjyske Bank share:</b>			
Earnings per share p.a. ....	16.2	10.3	8.3
Listed price .....	99.7	120.0	115.0
Book value .....	152.9	141.0	144.7
Listed price / year's earnings per share (P/E) .....	6.1	11.7	13.9
Listed price / book value per share .....	0.7	0.9	0.8
Employees, end of the period, calculated as full-time employees .....	286.0	281.0	279.0

## Notes

	<b>As at 30/6 2010 DKK 1,000</b>	<b>As at 30/6 2009 DKK 1,000</b>	<b>1/1 - 31/12 2009 DKK 1,000</b>
<b>3. Interest income</b>			
Receivables with credit institutions and central banks *) .....	4,512	14,587	24,768
Loans and other receivables *) .....	204,535	223,252	431,035
Bonds .....	5,079	7,807	12,648
Derived financial instruments, total	1,462	4,621	5,514
Other interest income .....	<u>257</u>	<u>464</u>	<u>386</u>
 Interest income, total .....	 <u>215,845</u>	 <u>250,731</u>	 <u>474,351</u>
 *) Of this interest earnings from actual purchase and repurchase transactions:			
Receivables from credit institutions and central banks .....	0	0	0
Loans and receivables .....	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>
<b>4. Interest expenses</b>			
Debt to credit institutions and central banks *) .....	3,791	20,055	27,418
Deposits and other debts *) .....	34,861	65,948	110,368
Bonds .....	36	53	51
Subordinate debts .....	124	82	169
Other interest costs .....	<u>0</u>	<u>36</u>	<u>96</u>
 Total interest costs.....	 <u>38,812</u>	 <u>86,174</u>	 <u>138,102</u>
 *) Of this interest costs from actual purchase and repurchase transactions:			
Debts to credit institutions and central banks .....	0	0	0
Deposits and other debts .....	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>
<b>5. Fees and commission income</b>			
Security transactions and custody accounts .....	16,251	15,862	31,436
Payments .....	5,481	4,144	9,507
Loan fees .....	15,639	9,561	20,485
Guarantee commissions .....	11,969	10,393	20,338
Other fees and commissions .....	<u>4,693</u>	<u>7,468</u>	<u>12,619</u>
	<u>54,033</u>	<u>47,428</u>	<u>94,385</u>

## Notes

	As at 30/6 2010 DKK 1,000	As at 30/6 2009 DKK 1,000	1/1 - 31/12 2009 DKK 1,000
<b>6. Share price adjustments</b>			
Loans and other receivables at fair value .....	-325	171	208
Bonds .....	5,377	2,742	2,285
Shares, etc. ....	34,472	6,244	6,096
Investment properties .....	0	0	61
Currencies .....	3,818	4,859	6,310
Derived financial instruments .....	1,786	-906	1,343
Assets related to pooled schemes .....	38,746	38,180	76,492
Deposits in pooled schemes .....	<u>-39,605</u>	<u>-39,010</u>	<u>-78,545</u>
Total share price adjustments .....	<u>44,269</u>	<u>12,280</u>	<u>14,250</u>
<b>7. Staff and administration costs</b>			
Salaries and remuneration to the Board of Directors, Executive Board and Committee of Shareholders .....	1,426	1,537	3,004
Executive Board .....	0	0	1,707
Executive Board, reg. of pension liabilities .....	655	587	1,296
Board of Directors .....	<u>182</u>	<u>152</u>	<u>308</u>
Committee of Shareholders .....	<u>2,263</u>	<u>2,276</u>	<u>6,315</u>
Staff costs:			
Salaries .....	62,227	55,918	113,890
Pension .....	7,071	6,019	12,575
Social security expenses, etc. ....	<u>6,905</u>	<u>6,089</u>	<u>12,722</u>
	<u>76,203</u>	<u>68,026</u>	<u>139,187</u>
Other administration costs .....	<u>54,768</u>	<u>42,015</u>	<u>107,246</u>
Total staff and administration costs .....	<u>133,234</u>	<u>112,317</u>	<u>252,748</u>
No special incentive schemes have been set up for members of the bank's management. Pension commitments for the Executive Board have been disclosed in the financial statements.			
Average number of fulltime employees	287	281	270



## Notes

	<b>As at 30/6 2010 DKK 1,000</b>	<b>As at 30/6 2009 DKK 1,000</b>	<b>1/1 - 31/12 2009 DKK 1,000</b>
<b>8. Receivables from credit institutions and central banks</b>			
Demand receivables .....	31,191	89,773	23,939
Time to maturity			
- up to and including 3 months .....	709,980	1,454,824	1,334,718
- from 3 months up to and including 1 year .....	0	0	0
- from 1 year up to and including 5 years .....	44,513	45,660	42,857
- more than 5 years .....	<u>17,200</u>	<u>18,793</u>	<u>16,112</u>
 Total receivables from credit institutions and central banks .....	 <u>802,884</u>	 <u>1,609,050</u>	 <u>1,417,626</u>
 Time receivables from central banks .....	 709,980	 1,454,824	 1,334,718
Receivables from credit Institutions .....	<u>92,904</u>	<u>154,226</u>	<u>82,908</u>
 Total receivables from credit institutions and central banks .....	 <u>802,884</u>	 <u>1,609,050</u>	 <u>1,417,626</u>
<b>9. Write-downs / provisions for loans and guarantee debtors</b>			
Individual write-downs/provisions			
Start of the period .....	324,171	222,326	153,690
Write-downs during the period .....	57,616	56,353	115,829
Reversal of write-downs made in previous financial years .....	3,443	8,078	36,614
Other movements .....	0	0	82,078
Final loss, previously individually written down .....	<u>7,915</u>	<u>15,949</u>	<u>19,274</u>
End of the period .....	<u>370,429</u>	<u>254,652</u>	<u>295,709</u>
 Group write-downs / provisions			
Start of the period .....	33,437	26,322	13,107
Write-downs during the period .....	8,108	282	6,318
Reversal of write-downs made during previous financial years .....	2,769	0	0
Other movements .....	<u>0</u>	<u>0</u>	<u>11,686</u>
End of year .....	<u>38,776</u>	<u>26,604</u>	<u>31,111</u>

## Notes

	As at 30/6 2010 DKK 1,000	As at 30/6 2009 DKK 1,000	1/1 - 31/12 2009 DKK 1,000
<b>10. Debt to credit institutions and central banks</b>			
Demand .....	360,825	350,691	313,101
Time to maturity			
- up to and including 3 months .....	0	0	478,116
- from 3 months up to and including 1 year .....	0	40,000	0
- from 1 year up to and including 5 years .....	471,037	949,493	470,675
- more than 5 years .....	<u>0</u>	<u>0</u>	<u>0</u>
Debt to credit institutions and central banks, total .....	<u>831,862</u>	<u>1,340,184</u>	<u>1,261,892</u>
<b>11. Deposits and other debts</b>			
Demand deposits .....	3,555,426	3,387,123	3,096,116
Remaining term to maturity			
- up to and including 3 months .....	222,942	456,643	487,075
- from 3 months up to and including 1 year .....	942,849	998,603	1,070,992
- from 1 year up to and including 5 years .....	194,553	213,321	216,896
- more than 5 years .....	<u>694,737</u>	<u>659,248</u>	<u>727,872</u>
Deposits and other debts, total .....	<u>5,610,507</u>	<u>5,714,938</u>	<u>5,598,951</u>
<b>By category</b>			
- demand .....	2,934,665	2,861,083	2,764,581
- notice .....	1,337,374	991,186	1,340,494
- time deposits .....	323,785	859,974	434,173
- special deposits .....	<u>1,014,683</u>	<u>1,002,695</u>	<u>1,059,703</u>
Total deposits and other debts .....	<u>5,610,507</u>	<u>5,714,938</u>	<u>5,598,951</u>

## Notes

	<b>As at 30/6 2010 DKK 1,000</b>	<b>As at 30/6 2009 DKK 1,000</b>	<b>1/1 - 31/12 2009 DKK 1,000</b>
<b>12. Contingent liabilities</b>			
Financial guarantees .....	1,101,810	885,401	930,905
Loss guarantees for mortgage credit loans .....	89,220	119,332	92,448
Land registration and converting guarantees .....	174,667	97,402	129,467
Other contingent liabilities .....	<u>276,175</u>	<u>289,763</u>	<u>262,679</u>
 Total .....	 <u>1,641,872</u>	 <u>1,391,898</u>	 <u>1,415,499</u>
 <b>Mortgaged assets</b>			
For drawing rights with the Danish central bank:			
Bonds mortgaged .....	184,510	183,047	176,619
Shares, mortgaged .....	<u>124,965</u>	<u>0</u>	<u>107,214</u>
Total mortgaged .....	<u>309,475</u>	<u>183,047</u>	<u>283,833</u>
 Deposits as security for negative market value for an ongoing financial contract. The contract relates to covering interest and currency risk on syndicated Euro loans expiring 31.03.2010. The amount has been recognised as an expense.			
	<u>0</u>	<u>0</u>	<u>4,465</u>

## Statement by the Board of Directors and the Executive Board

On today's date we have approved the interim report for the period 1 January – 30 June 2010 for Nordjyske Bank A/S.

We consider the accounting policies elected to be suitable so that the interim report provides a fair representation of the bank's assets and liabilities, the financial position and result.

The Management Report includes a correct account of the development of the bank's activities and financial conditions and a correct description of the major risks and uncertainties from which the bank may be affected.

The interim report has been prepared according to the Danish Financial Business Act and has furthermore been prepared in accordance with additional Danish disclosure requirements regarding interim reports for listed financial companies.

The interim report has not been audited or reviewed, but the independent auditors have verified that the conditions for ongoing recognition of the earnings in the period in the core capital have been met.

Frederikshavn, 10 August 2010

### The Executive Board

*Jens Ole Jensen*  
Managing Director

*/Bjarne Haugaard*  
Deputy Director

### The Board of Directors

*Hans Jørgen Kaptain*

*Erik Broholm Andersen*

*Per Lykkegaard Christensen*

*Tina Hansen*

*Bjarne Jensen*

*Hanne Karlshøj*

*Ole Kristensen*

*Henrik Lintner*

*Sten Uggerhøj*