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Danske Andelskassers Bank A/S – Interim report 2013

In H1 2013, Danske Andelskassers Bank A/S recorded a loss before tax of DKK -81m against a loss before tax of DKK -75m in H1 2012. The loss is particularly related to an impairment of a loan to one of the bank's customers amounting to DKK 45m and apart from this impairment the bank has experienced a positive development in impairments. The impairment has no effect on the bank's excess solvency cover as the amount was incorporated in the solvency requirement beforehand.

The core earnings of Danske Andelskassers Bank are at a level below that of H1 2012. This is particularly due to a reduced loan portfolio through the year, but it should be noticed, that the bank has experienced a slow but increasing activity in its market areas as well as a stabilisation of the total loan sum in Q2 2013. As many of the bank's customers have opportunities within e.g. property and investment this will be a focus area of the quarters ahead as it has been in previous quarters. Simultaneously the bank will continue the ongoing adjustment of the expense level in the organisation.

The bank has a solid deposit-loan gap and liquidity surplus cover of 171% relative to the statutory requirement, and the bank also has an acceptable solvency surplus cover of 2.9 percentage points. Danske Andelskassers Bank maintains its core earnings outlook for 2013.

The Board of Directors of Danske Andelskassers Bank A/S has on this day adopted the financial statements for H1 2013.

Danske Andelskassers Bank's loss before tax amounted to DKK -81m in H1 2013 against DKK -75m in H1 2012. The net loss for the year amounted to DKK -83m in H1 2013 against DKK -64m in H1 2012.

The loss is particularly affected by two elements. The one element is impairments amounting to DKK 158m. The other element is a loan portfolio which has been reduced with DKK 836m since H1 2012 and thereby naturally has lowered the bank's interest income as well. A common denominator is however that the development through 2013 has been more positive.

The impairment level in H1 2013 is particularly affected by an impairment of DKK 45m relating to a single customer. The amount was incorporated in the solvency requirement beforehand and the impairment has thus no effect on the bank's excess solvency cover which stood at 2.9 percentage points as of 30 June 2013 compared to 2.4 percentage points as of 30 June 2012. Despite of the impairment mentioned above the overall impairments of the bank are still on the decline. This confirms the effect of the bank's initiatives in the credit area and the bank expects the level of impairments to decline further in the periods ahead.

When comparing the overall loan portfolio as of 30 June 2013 with that of 30 June 2012 the total amount of the loans are particularly affected by a decline through 2012 and the beginning of 2013 due to low economic activity in the primary market areas of the bank as well as with the primary customer segments of the bank. The level has however stabilised in Q2 2013 and the bank is experiencing a slow but increasing activity in the market areas, even though a real economic recovery still isn't visible.

As many of the bank's customers have opportunities within e.g. property and investment this will be a focus area of the quarters ahead as it has been in previous quarters.

As a consequence of the low economic activity and to strengthen the organisation going forward, the bank merged branches and cut jobs in H1, which affects the interim financial statements negatively, but will have a positive effect on future financial statements. The bank expects to make similar adjustments in the quarters ahead by e.g. making changes at the head office, merging branches and cutting jobs in the entire organisation in order to adjust the level of expenses to the market situation and earnings.

The core earnings of the bank – profit/loss before tax excl. market value adjustments, impairment and sector solution expenses – are DKK 97m in H1 2013 against DKK 123m in H1 2012.

Highlights from the interim report

Highlights from the interim report are as follows (results for H1 2012 are shown in brackets):

- Loss before tax of DKK -81 m (DKK -75m)
- Core earnings of DKK 97m (DKK 123m)
- Impairment and losses of DKK 158m (DKK 166m)
- Market value adjustments of DKK -1m (DKK 20m)
- Staff costs and administrative expenses of DKK 253m (DKK 254m)
- Sector solution contributions of DKK 13m (DKK 10m)
- Deposits of DKK 9,287m (DKK 9,378m)
- Loans of DKK 7,345m (DKK 8,181m)
- Solvency ratio of 13.1% (14.6%) against a solvency requirement of 10.2% (12.2%), corresponding to a surplus cover of 2.9 percentage points (2.4 percentage points)
- Core capital ratio of 13.1% (14.5%)
- Liquidity surplus cover relative to Section 152 of the Danish Financial Business Act (*Lov om finansiel virksomhed*) of 171% (183%)
- Equity of DKK 1,116m (DKK 1,311m).

Danske Andelskassers Bank has a solid deposit surplus, a good liquidity surplus cover and an acceptable solvency surplus cover.

The bank is therefore well equipped for meeting the needs and wishes of its customers, and in the next quarters the bank will work to strengthen the bank further thereby being able to deliver even better solutions to the customers.

Danske Andelskassers Bank maintains its outlook for 2013 as stated in the interim report of 15 May 2013. The bank thus expects core earnings in the region of DKK 160-190m.

Comment on charge for breaking the Danish Securities Trading Act

As published in company announcement no. 8/2013 as of 7 August 2013 (in Danish only) and company announcement no. 9/2013 as of 22 August 2013 (in Danish only), Danske Andelskassers Bank and one of the bank's leading employees (who are not a part of the Board of Executives or the Board of Directors) has been charged with price manipulation pursuant to Section 39 of the Danish Securities Trading Act (*Værdipapirhandelsloven*).

The bank denies the charge on the present basis and is cooperating fully with the authorities to resolve the matter, as it is the bank's wish that the matter is resolved as soon as possible.

If there is any kind of development in this matter that requires e.g. further comments or the publication of a company announcement the bank will do so in accordance with present laws.

Comment on newspaper articles

During the summer of 2013, Danske Andelskassers Bank was the subject of a number of articles in the Danish newspaper Morgenavisen Jyllands-Posten which focused negatively on the bank's share issue in June 2011, among other things.

As a result, the Danish Financial Supervisory Authority launched an inquiry into the points raised and the bank has also launched its own internal inquiry, the results of which will form part of the bank's dialogue with the Authority. The bank is cooperating fully with the authorities to resolve the matter as well and wish for a clarification as soon as possible.

Danske Andelskassers Bank is of the view that the articles were generally characterised by misunderstandings, omissions and lack of proportionality, but the articles nevertheless pointed out various errors and inexpediciencies warranting an inquiry.

As the Danish Financial Supervisory Authority has not yet finished its inquiry, the bank does not want to comment further on the matters raised, nor does it want to comment on any liability for damages or its potential impact on results.

Comments on the interim report

CEO of Danske Andelskassers Bank, Jan Pedersen, says about the interim report:

"The results are not satisfactory. It is satisfactory however that our loan total has stabilised which is testimony to a growing activity in the local areas as well as a great effort from the bank's employees who have worked hard to secure that no customers missed out on opportunities because they weren't aware of them."

"In recent years we have reduced our expenses significantly while simultaneously strengthening the organisation in many areas. As a result of the facts that a real economic recovery still being sometime into the future, that the ways customers are using banks are changing and that the entire financial sector are transforming our expenses are however still at an unacceptable high level. We will thus cut jobs, make changes at the head office, combine branches and make other changes in the near future. This is unfortunate but it is necessary as well to secure that we're still able to deliver good and valuable solutions to our customers."

Further information

For further information, please contact Jan Pedersen, CEO, Danske Andelskassers Bank, via

Martin Rask Pedersen, Communications Director

Tel.: +45 87 99 30 33

This company announcement contains certain forward-looking statements, including statements on Danske Andelskassers Bank's activities. Such statements are based on information, assumptions and assessments deemed reasonable by Danske Andelskassers Bank. The forward-looking statements comprise known and unknown risks, uncertainties and other significant matters which may result in Danske Andelskassers Bank's actual results, development or performance or the performance of the sector as a whole deviating significantly from the future results, development or performance expressed or implied in the forward-looking statements. If one or more of these risk or uncertainty factors are triggered, or if the underlying assumption turns out to be incorrect, Danske Andelskassers Bank's actual financial position or operating profit/loss may deviate significantly from the expressed assumptions, assessments, estimates or outlook.

Danske Andelskassers Bank A/S

Interim report for H1 2013

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In case of discrepancies the Danish version is valid.

Comment by the Board of Executives

There are several indications that the Danish economy is moving from standstill to low growth, although at a slow pace, with especially large businesses and cities pulling most of the weight on many fronts.

In our primary market areas – outside the major cities – and among our primary customer groups, private customers as well as small and medium-sized enterprises – the economy is still characterised by lower growth and not least uncertainty.

Our focus in H1 2013 has thus been on the close dialogue with our customers to clarify and remedy any uncertainties in the economic area. The dialogue has treated e.g. financing, the right investment mix and optimization of pension and insurance issues.

The effects of this dialogue are visible for the bank as well through e.g. a stabilisation of our loan total through Q2 and a great interest in long term investment agreements.

Our customers aren't the only ones interested in seeing things in a long term perspective. This is true for the bank as well when we make our continuous evaluations of how to optimize the organisation.

In H1 2013, we continued the ongoing adjustment of our organisation by merging branches, optimising business centres and support centres and unfortunately also by cutting jobs. These measures were occasioned by the expectations regarding the financial state of the market, a general change in consumption patterns where mobile solutions, for example, are playing an increasingly larger role, and general changes in the entire financial sector.

We expect a real economic recovery to be somewhat out in the future. It is thus necessary to make further adjustments to strengthen our organisation – adjustments which, unfortunately, may mean cutting jobs and letting good and valued employees go.

It is regrettable, but also necessary in order to ensure a profitable bank for our customers, our shareholders and our employees.

Equally regrettable were the articles about our bank published by the Danish paper Morgenavisen Jyllands-

Posten in June and July. Firstly, several of the articles were characterised by misunderstandings, omissions and lack of proportionality, and secondly they nevertheless pointed out errors or inexpediciencies in some of our communication with customers.

After the first article, we launched an internal inquiry and explained the situation in several reports to the Danish Financial Supervisory Authority, which also included the ongoing results of the internal inquiry. The bank's dialogue with the Authority is ongoing, and we will not comment on the issue until it has been settled.

However, we want to emphasise once again that we are cooperating fully with the authorities to resolve the matter and want to correct any errors that may have been committed as soon as possible: This is the case with the charge for price manipulation pursuant to Section 39 of the Danish Securities Trading Act (Værdipapirhandelsloven), which we received 7 August 2013, despite the fact that we have denied the charges on the present basis.

Trust, credibility and a good working relationship with our customers have been the hallmarks of the bank since the birth of the organisation. They will continue to be so in future, and we are committed to making sure that they do. Both in relation to customers who may have been affected by these errors and in relation to customers who might have difficulty separating fact from fiction in this regard.

This will be an important task for us in the second half, and we may therefore say with conviction that:

'Together we can do more.'

On behalf of the Board of Executives

Jan Pedersen
CEO

Financial highlights – group

Highlights DKK '000	H1 2013	H1 2012	H1 2011	H1 2010	H1 2009
Income statement					
Interest income	320,844	384,848	363,243	400,437	493,323
Interest expenses	87,384	117,327	110,535	124,665	180,660
Net interest income	233,460	267,521	252,708	275,772	312,663
Share dividend etc.	11,785	6,030	4,293	1,208	16,736
Net fee and commission income	105,139	107,745	108,246	112,725	100,787
Net interest and fee income	350,384	381,296	365,247	389,705	430,186
Market value adjustments	-586	19,902	-22,763	51,065	-63,611
Other operating income	3,503	1,974	4,500	6,511	528
Staff costs and administrative expenses	252,757	253,881	248,110	287,477	279,889
Depreciation, amortisation and impairment of property, plant and equipment as well as intangible assets	2,907	6,342	6,948	8,069	8,807
Other operating expenses	20,208	15,464	33,324	39,615	39,508
Impairment of loans and receivables etc.	158,247	165,947	99,831	247,396	157,865
Profit/loss from equity investments in associates	0	-36,430	1,241	5,994	5,365
Profit/loss before tax	-80,818	-74,892	-39,988	-129,282	-113,601
Tax	1,819	3,571	-4,922	-34,735	-30,253
Net profit/loss for the period	-82,637	-78,463	-35,066	-94,547	-83,348
Balance sheet					
Receivables from credit institutions etc.	632,228	782,007	1,433,334	2,057,557	2,420,830
Loans	7,344,957	8,181,129	9,443,150	9,971,968	10,734,946
Bonds and shares	3,408,286	2,910,117	2,820,754	3,808,946	2,288,385
Payables to credit institutions	670,140	780,880	724,623	1,825,717	2,378,084
Deposits	9,286,858	9,377,631	9,115,359	11,196,585	11,617,062
Bonds issued	14,409	1,016,883	2,016,096	1,016,959	10,425
Subordinated debt	652,029	714,412	704,651	696,422	263,835
Equity	1,115,736	1,311,339	1,795,527	1,517,647	1,741,130
Total assets	12,168,435	13,683,485	14,775,283	16,708,317	16,405,520
Contingent liabilities	1,418,607	1,601,003	2,030,108	2,848,732	3,512,821
Ratios					
Solvency ratio	13.1%	14.6%	15.4%	13.9%	12.5%
Core capital ratio	13.1%	14.5%	15.8%	14.0%	12.6%
Return on equity before tax	-7.0%	-5.4%	-2.5%	-8.3%	-6.4%
Return on equity after tax	-7.1%	-5.8%	-2.2%	-6.0%	-4.7%
Earnings per DKK of cost	0.81	0.83	0.90	0.73	0.74
Interest rate risk	3.5%	2.7%	1.0%	0.3%	-0.1%
Currency position	3.1%	3.0%	4.0%	0.0%	0.8%
Currency risk	0.1%	0.1%	0.0%	0.0%	0.0%
Loans relative to deposits	93.1%	100.0%	115.5%	92.4%	89.9%
Loans relative to equity	6.6	6.2	5.3	6.6	6.2
Growth in loans for the year	-2.6%	-8.2%	-1.2%	-3.0%	-3.3%
Surplus cover relative to statutory liquidity requirement	171.0%	183.4%	140.8%	83.4%	58.7%
Sum of large commitments	32.3%	18.6%	11.5%	17.0%	27.9%
Impairment percentage for the period	1.6%	1.6%	0.8%	1.9%	1.1%

Management's review

In its present form, the Danske Andelskassers Bank A/S group (in the following 'Danske Andelskassers Bank') is the result of a conversion of the SDA group in May 2011 through a merger between the 16 cooperative banks in the Danish Amalgamation of Cooperative Banks, the Danish Amalgamation of Cooperative Banks and Danske Andelskassers Bank with Danske Andelskassers Bank as the continuing company. Subsequently, in July 2011, Danske Andelskassers Bank was admitted to trading and listing on NASDAQ OMX Copenhagen.

The bank's vision is to be the preferred local bank in its market area, and its primary business is the provision of banking services to private customers and small and medium-sized businesses. Among other things, this is ensured through the bank's 33 branches and six business centres in Jutland and on Funen – typically outside the major cities.

Since the conversion of the organisation two years ago, the bank has strengthened and optimised its organisation through various initiatives, including the establishment of business centres and support centres and a considerable strengthening of the credit area.

This was done to exploit the synergies and opportunities provided by the conversion and to continuously adjust the organisation to present and future economic conditions.

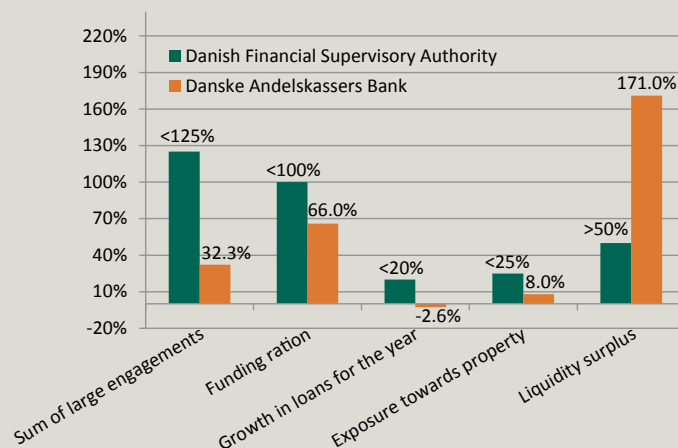
These changes also left their mark on the organisation in H1 2013.

As mentioned in the bank's interim report of 15 May 2013, H1 saw a total of 8 branches being merged with nearby branches and, regrettably, job cuts at the head office and in the branches.

The mergers create better development opportunities and more flexibility for employees, which, in turn, ensure better customer offerings. Of course, the mergers should also be seen as a consequence of the fact that real economic recovery is still somewhat out in the future, the customers' changed user patterns and a financial sector going through a transformation.

The organisation - head office as well as branches - will also have to be adjusted in the coming period to mini-

The supervisory diamond



mize costs and enhance the offer to the customers, even though it's never nice to go through with such changes.

Adjustments like these strengthen the bank in the long run but incur further extraordinary costs on the bank in the short run. Combined with e.g. impairments totalling DKK 158m - hereof DKK 45m relating to one customer - the results of H1 2013 has to be considered unsatisfactory.

Danske Andelskassers Bank complies with all parameters in the Danish Financial Supervisory Authority's supervisory diamond, has a solid solvency surplus cover and healthy liquidity. In addition, the organisation has been strengthened in many ways in relation to the conversion in 2011 – and in many ways it has changed even if the fundamental values remain the same – but so far this process has not yielded the desired results.

Core earnings

Danske Andelskassers Bank had core earnings of DKK 97m in H1 2013 against core earnings of DKK 123m in H1 2012. Distributed onto quarters, core earnings were DKK 49m in Q1 2013 against DKK 48m in Q2 2013.

Core earnings, which are defined as profit/loss before tax excluding market value adjustments, impairment and sector solution expenses, particularly reflect the development in the bank's interest and fee income as well as interest and fee expenses.

In H1 2013, Danske Andelskassers Bank had interest income of DKK 321m against DKK 385m in H1 2012. Interest expenses were DKK 87 million in H1 2013 against DKK 117 million in H1 2012. Net interest income thus stood at DKK 233m in H1 2013 against DKK 268m in H1 2012. A constant development was seen in the course of 2013, when net interest income amounted to DKK 116m in Q1 while it was DKK 117m in Q2.

The falling interest income should particularly be seen in light of a declining loan total through the period where for example the number of investments among business customers is low, even though Q2 2013 has shown a relative stabilization of the loan total. Among other things, the declining interest expenses are due to the bank having repaid two government-backed bond loans of DKK 1,000m each in June 2012 and February 2013.

Net fees and commission income amounted to DKK 105m in H1 2013 against DKK 108 in H1 2012. In the course of 2013, net fees and commission income were relatively constant at DKK 50m in Q1 and DKK 55m in Q2. The declining loan total also impacts fees as loan transaction fees and guarantee provisions fell from H1 2012 to H1 2013, whereas for example earnings from securities trading, custody accounts and payment services rose.

Expenses

Another important element in determining Danske Andelskassers Bank's core earnings is staff costs and administrative expenses. In H1 2013, these came to DKK 253 million against DKK 254 million in H1 2012 and are therefore basically unchanged. Staff costs and administrative expenses amounted to DKK 128m in Q1 2013 and DKK 125m in Q2 2013 and are therefore also basically unchanged.

Comparing H1 2013 to H1 2012 reveals a small change in staff costs, which came to DKK 163m in H1 2013 against DKK 159m in H1 2012 as well as a minor fall in administrative expenses, which came to DKK 90m in H1 2013 against DKK 95m in H1 2012.

The rise in payroll costs should be seen against the backdrop of the continuous improvement in competencies, among other things by taking on new staff to supplement the bank's existing and talented workforce,

simultaneously cutting jobs in other areas involving one-off costs for severance programmes as well as a negotiated pay increase of 1%. It should also be noted that the average number of full-time employees in the bank has fallen from 521 as at 30 June 2012 over 517 as at 31 December 2012 to 512 as at 30 June 2013.

The bank expects the number of employees to be further reduced in the coming periods, but at the same time the bank wants to retain, attract and develop the competencies in the organisation.

Other operating expenses amounted to DKK 20m in H1 2013 against DKK 15m in H1 2012. The item comprises sector solution expenses of DKK 13m in H1 2013 against DKK 10m in H1 2012 as well as other expenses, including onetime expenses of DKK 7m in H1 2013 against DKK 5m in H1 2012.

Impairment

Impairment of loans and receivables amounted to DKK 158m in H1 2013 against DKK 166 in H1 2012, down 5%.

Distributed onto quarters, impairment of loans and receivables came to DKK 43m in Q1 2013 and DKK 115m in Q2 2013.

Included in the impairments of Q2 2013 is an impairment of DKK 45m relating to one customer. The amount was incorporated in the solvency requirement beforehand and the impairment has thus no effect on the bank's excess solvency cover.

As at 30 June 2013, Danske Andelskassers Bank's total impairment and provision account stood at DKK 1,305m. Definitely written off (lost) impairment stood at DKK 46m as at the same date.

Not including the above mentioned impairment relating to a single customer, which is related to the Finance and insurance industry, the agricultural sector in H1 2013 once again accounted for the largest share of the bank's impairment. The agricultural sector is discussed in further detail later, but the extent of the economic challenges in the sector generally continues to pose new and/or tougher challenges for some of the bank's agricultural customers. This is in spite of the fact that Danske An-

delskassers Bank's exposure is spread across many different subsectors of the agricultural sector and despite that the economic conditions for the sector are generally improved a little.

Since the conversion of the organisation in 2011, Danske Andelskassers Bank has continuously strengthened the credit competencies throughout the bank and the credit organisation at its head office and in the regions. This development is believed to benefit the bank as well as those customers which are experiencing economic challenges, and fundamentally the strengthening is deemed to give customers better options while also reducing the bank's impairment level. The development compared to H1 2013 confirms this assessment.

Market value adjustments

Danske Andelskassers Bank's market value adjustments came to DKK -1m in H1 2013 against market value adjustments of DKK 20m in H1 2012. In Q1 2013, market value adjustments were DKK -4m, while they were positive at DKK 3m in Q2 2012.

There is an underlying significant variation between H1 2013 and H1 2012. In H1 2013, the bank recorded negative market value adjustments of its bond portfolio worth DKK -23m and negative market value adjustments of its share portfolio as well, worth DKK -2m, while in H1 2012 market value adjustments of the bank's bond portfolio were relatively neutral at approx. DKK 0m and market value adjustments of the share portfolio were positive at DKK 21m.

The market value adjustments of H1 2013 are positively affected by a market value adjustment of DKK 24m in H1 2013 as the bank, as mentioned in company announcement no. 4/2013 of 10 April 2013 (in Danish only), in the period bought back a total of NOK 80m of a subordinate loan of NOK 320m falling due in February 2014 at an average rate of 69.4. No similar buyback took place in 2012.

Danske Andelskassers Bank generally pursues a prudent portfolio policy, and in this context it should be noted that the bulk of the bank's share portfolio consists of sector shares in financial enterprises with which the bank has a working relationship.

Results

In H1 2013, Danske Andelskassers Bank recorded a loss before tax of DKK -81m against a loss before tax in H1 2012 of DKK -75m. The net loss for the period was DKK -83m in H1 2013 against DKK -78m in H1 2012.

Distributed onto quarters, Danske Andelskassers Bank recorded a loss before tax of DKK -10m in Q1 2013 and a loss before tax of DKK -71m in Q2 2013.

The results for H1 2013 are not satisfactory.

Balance sheet

Danske Andelskassers Bank's balance sheet total was DKK 12,168m as at 30 June 2013 against DKK 13,683m as at 30 June 2012. The balance sheet total was DKK 13,860m as at 31 December 2012 and DKK 12,614m as at 31 March 2013, which reflects a continued steady decline in the balance sheet total.

The primary reason for the declining balance sheet total is that Danske Andelskassers Bank – as mentioned in company announcement no. 1/2013 of 4 February 2013 – repaid a government-backed bond loan of DKK 1,000m before maturity and also – as mentioned in company announcement no. 7/2013 of 14 June 2013 – repaid a loan of DKK 500m with the Danish Centralbank (Danmarks Nationalbank), which was taken out as part of the Danish central bank's LTRO. The repayments led to a fall in issued bonds under equity and liabilities, which, among other things, was offset by a fall in bonds under assets from DKK 2,910m as at 30 June 2012 over DKK 3,682m as at 31 December 2012 to DKK 2,714m as at 30 June 2013.

The most significant asset item, loans and other receivables, shows a decline as well even though the decline has decreased significantly through H1 2013 and especially Q2 2013.

Loans and other receivables were thus DKK 7,345m as at 30 June 2013 against DKK 8,181m as at 30 June 2012 and DKK 7,537m as at 31 December 2012. As at 31 March 2013, loans and other receivables were DKK 7,379m, and in practice loans were thus maintained during Q2 2013, which of course includes new loans to some customers as well as repayment of other customers' loans. It is the bank's feeling that the economic ac-

tivity in Denmark is increasing but the activity among the bank's core customers - who are typically based outside the major cities and among small and medium-sized enterprises - is still at a low level. The stabilisation of the total loan sum is seen as a result of market conditions as well as a great effort from the bank's employees who have worked hard to secure that no customers missed out on opportunities because they weren't aware of them.

The most significant liability item is deposits and other payables.

Deposits and other payables were DKK 9,287m as at 30 June 2013 against DKK 9,378m as at 30 June 2012 and DKK 9,324m as at 31 December 2012. As at 31 March 2013, deposits and other payables amounted to DKK 9,223m. Deposits were thus fundamentally stable throughout the period, and the solid deposit base has helped the bank to repay a government-backed bond loan and a loan with Danmarks Nationalbank before maturity in H1 2013.

The repayment of the government-backed bond loan of DKK 1,000m is reflected in issued bonds which amounted to DKK 14m as at 30 June 2013 against DKK 1,017m as at 30 June 2012 and 31 December 2012. The repayment of the loan of DKK 500m with Danmarks Nationalbank which was taken out on 28 September 2012 is reflected in payables to credit institutions and central banks, which amounted to DKK 670m as at 30 June 2013 against DKK 781m as at 30 June 2012 and DKK 1,154m as at 31 December 2012.

Danske Andelskassers Bank's loan ratio relative to deposits calculated using the Danish Financial Supervisory Authority's calculation model was 93.1% as at 30 June 2013, while the loan ratio was 80% when comparing loans and other receivables to deposits and other payables. The bank's loan ratio relative to equity was 6.6.

In terms of liquidity and capital, the bank is in a good position to grant loan requests, and the bank is committed to ensuring that no customer refrains from taking advantage of the opportunities available due to the general economic uncertainty. This goal is generally achieved through the bank's financial overview service or consultation meetings where customers are given a complete overview of their financial situation.

As at 30 June 2013, Danske Andelskassers Bank's guarantees were determined at DKK 1,419m against DKK 1,601m as at 30 June 2012 and DKK 1,568m as at 31 December 2012. As at 31 March, the guarantees stood at DKK 1,414m and were thus in practice unchanged during Q2 2013.

Loan portfolio

As at 30 June 2013, Danske Andelskassers Bank's loan portfolio was comprised of 61% of total loans to business customers and 39% to private customers. As at 30 June 2012, the bank's loan portfolio was comprised of 62% of total loans to business customers and 38% to private customers, while as at 31 December 2012 the loan portfolio was comprised of 61% of total loans to business customers and 39% to private customers. In practice, there is thus a constant balance between the business and private segments despite a fall in total loans.

The great majority of Danske Andelskassers Bank's loan customers live in areas where the bank has branches. Loans are fundamentally widely distributed across industries and on many minor customers. The latter is illustrated by the fact that the sum of large commitments – those exceeding 10% of the bank's capital base – corresponds to 32.3% of the capital base alone.

Danske Andelskassers Bank has had historically close links with the agricultural sector, and today the agricultural sector accounts for the largest share of the bank's loan portfolio. As at 30 June 2013, the agricultural sector thus accounted for 21% of the total loan portfolio against 19% as at 30 June 2012 and 20% as at 31 December 2012. The relative increase should be seen in the context of the overall decline in loans.

Many of Danske Andelskassers Bank's agricultural customers run solid and well-consolidated farms with a large spread across the individual subsectors. This is regarded as a strength as developments have varied substantially within the individual subsectors year on year, with the fur farming sector accounting for the most positive development.

The bank's policy is to actively support the development of agricultural customers in the event of significant economic challenges. To this end, the bank relies on its

many years of experience in the agricultural sector with the aim of achieving the best possible results for all parties.

The economic situation for Danish farmers has improved marginally. Slightly increasing settlement prices and stabilised feed prices have had a positive impact on earnings, but the sector continues to be marked by a large debt burden and high costs which are largely hampering farmers' overall competitiveness. It is therefore expected that some agricultural customers will face financial challenges in the coming quarters as well.

In addition to the agricultural sector, the Other businesses sector accounts for the largest share of Danske Andelskassers Bank's loan portfolio with 9% of the total portfolio, while the property sector alone represents 8% of the total loan portfolio – significantly below the requirement of the Danish Financial Supervisory Authority's supervisory diamond.

Correction of the equity at the beginning of the year

As described in note 28 of the Annual Report 2012, Danske Andelskassers Bank has a contractual obligation towards a former executive in one of the cooperative banks that was a part of the merger between the Danish Amalgamation of Cooperative Banks and Danske Andelskassers Bank in 2011. At the end of H1 2013 the bank has reassessed the way this contractual obligation is treated in the accounts and simultaneously the bank has reassessed and corrected the actuarial parameters used to assess its defined-benefit pension obligations for former members of the Board of Executives, as described in note 26 in the Annual Report of 2012.

The first of the above mentioned obligations has previously been seen as a contingent liability but following a dialogue with the bank's auditor it's the assessment that it should be seen as a provision instead. It's the assessment as well that the pension provisions have to be raised. Furthermore it's the assessment that these regulations should be made retroactively and the bank has thus increased the provisions at the end of 2012 with DKK 35m as a correction of previous years.

The corrected equity as of 31 December 2012 are thus calculated as follows:

DKK '0	Equity
Equity according to Annual Report 2012	1,233,832
Correction	-35,459
Corrected equity 2012	1,198,373

The corrections affect the solvency and the surplus cover as follows:

	Solvency percentage	Corrected solvency percentage	Surplus cover	Corrected surplus cover
31.12.2012	15.5	15.1	3.8	3.4
31.03.2013	14.5	14.1	3.2	2.8

Equity

Danske Andelskassers Bank's equity was at DKK 1,116m as at 30 June 2013 against DKK 1,331m as at 30 June 2012. The fall in equity is primarily linked to the negative results for the period and the above mentioned correction of the equity at the beginning of the year.

A considerable portion of Danske Andelskassers Bank's equity is defined as tier 1 capital under the coming CRD IV/Basel III rules as equity is largely comprised of accumulated profits and share capital.

Liquidity

Pursuant to Section 152 of the Danish Financial Business Act, Danske Andelskassers Bank has a liquidity surplus cover of 171% which is also significantly above the supervisory diamond's requirements for a minimum surplus cover of 50%.

In H1 2013, Danske Andelskassers Bank repaid a government-backed bond loan of DKK 1,000m before maturity which was taken out under the Danish Financial Stability (Amendment) Act No. 68 of 3 February 2009 (Lov om ændring af lov om finansiel stabilitet), and the bank also repaid a loan of DKK 500m with Danmarks Nationalbank taken out as part of its LTRO. This was mentioned in company announcement no. 1/2013 of 4 February 2013 and company announcement no. 7/2013 of 14 June 2013, and Danske Andelskassers Bank has no additional external funding in the form of loans.

The highly satisfactory liquidity surplus cover can essentially be ascribed to the bank's deposit surplus.

Solvency

As at 30 June 2013, Danske Andelskassers Bank's solvency ratio was 13.1%, while the solvency requirement – using the Danish Financial Supervisory Authority's 8+ model – was calculated at 10.2%, which equates to a solvency surplus cover of 2.9 percentage points as at 30 June 2013 compared to 2.4 percentage points as at 30 June 2012 and - cf. the correction mentioned above - 3.4 percentage points as at 31 December 2012.

The primary reason for the declining solvency surplus cover relative to 31 December 2012 is that, under the reduction rules on recognition of supplementary capital in the capital base, Danske Andelskassers Bank may only recognise a subordinate loan of NOK 320m falling due in February 2014 at 25% when calculating the solvency ratio as at 30 June 2013 against 50% as at 30 June 2012 and 31 December 2012. Viewed in isolation, this impacts solvency by approx. -0.8 percentage point, and, as described elsewhere, the bank bought back NOK 80m of the subordinate loan in April 2013 at an average price of 69.4.

Danske Andelskassers Bank's core capital ratio was 13.1% as at 30 June 2013, which underlines the fact that a large part of the bank's equity is tier 1 capital.

Events after the end of the financial period

As mentioned in company announcement no. 8/2013 as of 7 August 2013 (in Danish only) and company announcement no 9/2013 as of 22 August 2013 (in Danish only) Danske Andelskassers Bank and one of the bank's leading employees (who are not a part of the Board of executives of the Board of directors) has been charged with price manipulation pursuant to Section 39 of the Danish Securities Trading Act (Værdipapirhandelsloven).

The bank denies the charge on the present basis and is cooperating fully with the authorities to resolve the matter.

The charge concerns the period from 7 July 2011 to 3 November 2011. On 7 July 2011, Danske Andelskassers Bank was admitted to trading and listing on NASDAQ OMX Copenhagen and as described in the bank's prospectus of 7 June 2011, the bank will "make sure that as a minimum buy and sell prices are quoted on NASDAQ OMX Copenhagen within a certain price spread, as and when permitted by applicable law."

On 8 December 2011, the bank was contacted by the Danish Financial Supervisory Authority which had learned that the bank for some time had been buying treasury shares and wanted to know how the bank made sure that price formation for these shares was taking place on market terms.

The bank replied to these questions on 22 December 2011, and subsequent correspondence between the bank and the Authority continued up until March 2012. On 7 August 2013, the bank was informed by the Public Prosecutor for Serious Economic Crime that the bank – based on information from the Danish Financial Supervisory Authority – had been charged with having bought treasury shares at an inflated price in the period from 7 July 2011 to 3 November 2011 with the intent of keeping the price artificially inflated.

As already mentioned, the bank denies the charges on the present basis.

When Danske Andelskassers Bank was contacted by the Danish Financial Supervisory Authority on 8 December 2011, the bank immediately took steps to make arrangements with an external market maker and appointed Danske Bank as market maker with effect from 10 January 2012.

During the summer of 2013, Danske Andelskassers Bank was furthermore the subject of a number of articles in the Danish newspaper Morgenavisen Jyllands-Posten which focused negatively on the bank's share issue in June 2011, among other things.

As a result, the Danish Financial Supervisory Authority launched an inquiry into the points raised and the bank has also launched its own internal inquiry, the results of which will form part of the bank's dialogue with the Authority.

Danske Andelskassers Bank is of the view that the articles were generally characterised by misunderstandings, omissions and lack of proportionality, but the articles nevertheless pointed out various errors and inexpediences warranting an inquiry.

As the Danish Financial Supervisory Authority has not yet finished its inquiry, the bank does not want to com-

ment further on the points raised, nor does it want to comment on any liability for damages or its potential impact on results.

Outlook for 2013

Although prices and spending are growing in the housing markets in the major cities, for example, the Danish economy is still marked by low economic growth, a drop in employment numbers and low consumer confidence. A real economic recovery is thus still somewhat into the future. Considerable uncertainty is also seen in the European and the global economy and political and central bank initiatives will continue to play a significant role for some time to come.

Danske Andelskassers Bank wants to make sure that all the bank's customers exploit the opportunities offered

in the current economic climate and that their finances match the economic conditions and their wishes and preferences.

Nevertheless, due to the macroeconomic situation the continued potential for streamlining the organisation following the conversion in 2011, among other things, the bank expects adjustments to be made to the organisation in the coming quarters in order to reduce costs, increase flexibility and strengthen the competency level. This is vital to ensuring a strong bank with attractive customer solutions in the years to come.

Danske Andelskassers Bank maintains its outlook for 2013 as stated in the bank's interim report of 15 May 2013, with expected core earnings for the year in the region of DKK 160-190m.

Statement by the Board of Directors and the Board of Executives on the interim report

The Board of Directors and Board of Executives have on this day considered and approved the interim report for the period 1 January - 30 June 2013 of Danske Andelskassers Bank A/S.

The interim report is presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU as far as the interim report for the group is concerned, and the Danish Financial Business Act (Lov om finansiel virksomhed) as far as the interim report for the parent is concerned. Additionally, the interim report is prepared in accordance with Danish disclosure requirements for listed financial enterprises.

In our opinion, the interim report gives a true and fair view of the group's and the parent's assets, liabilities and financial position as at 30 June 2013 and of the results of the group's and the parent's operations and cash flows for the financial period 1 January - 30 June 2013.

In our opinion, the management's review gives a fair review of the development in the group's and the parent's operations and financial affairs, the results for the period and the general financial position of the enterprises comprised by the consolidated financial statements as well as a description of the most important risks and uncertainty factors to which the group and the parent are exposed.

The interim report has not been audited or reviewed.

Hammershøj, 28 August 2013
Board of Executives

Jan Pedersen

Tomas Michael Jensen

Hammershøj, 28 August 2013
Board of Directors

Jakob Fastrup

Jens J. Hald

Preben Arndal

Jens H. Ladefoged

Kenneth Clausen

Jens Nørvang Madsen

Hans Jørn Madsen

Helle Okholm

Asger Pedersen

Poul Weber

Anette Holstein

Palle Iversen

Lona Linding

Income statement and statement of comprehensive income – group

DKK '000	Note	1.1 - 30.6.2013	1.1 - 30.6.2012	1.1.-31.12.2012
Interest income	3	320,844	384,848	745,200
Interest expenses	4	87,384	117,327	216,446
Net interest income		233,460	267,521	528,754
Share dividend etc.		11,785	6,030	6,035
Fee and commission income	5	109,133	110,460	221,813
Fees and commission paid		3,994	2,715	6,254
Net interest and fee income		350,384	381,296	750,348
Market value adjustments	6	-586	19,902	11,536
Other operating income		3,503	1,974	10,898
Staff costs and administrative expenses	7	252,757	253,881	515,655
Depreciation, amortisation and impairment of property, plant and equipment as well as intangible assets		2,907	6,342	11,827
Other operating expenses		20,208	15,464	40,360
Impairment of loans and receivables etc.	8	158,247	165,947	342,154
Profit/loss from equity investments in associates		0	-36,430	-45,323
Profit/loss before tax		-80,818	-74,892	-182,537
Tax		1,819	3,571	-11,721
Net profit/loss for the period		-82,637	-78,463	-170,816
Statement of comprehensive income				
Net profit/loss for the period		-82,637	-78,463	-170,816
Net revaluation of properties		0	0	-108
Actuarial gains and losses on the pension obligation		0	0	-20,860
Total comprehensive income		-82,637	-78,463	-191,784

Balance sheet – group

DKK '000	Note	30.6.2013	30.6.2012	31.12.2012
Assets:				
Cash balance and demand deposits with central banks		632,228	562,380	1,090,849
Receivables from credit institutions and central banks		329,010	782,007	379,314
Loans and other receivables at amortised cost		7,344,957	8,181,129	7,537,283
Bonds at fair value		2,713,690	2,910,117	3,681,771
Shares etc.		694,596	680,206	685,228
Equity investments in associates		0	21,434	0
Total land and buildings		145,713	158,814	145,978
Investment properties		16,911	19,141	6,252
Domicile properties		117,160	132,331	131,671
Available for sale		11,642	7,342	8,055
Other property, plant and equipment		10,325	17,419	13,129
Current tax assets		1,850	1,299	76
Deferred tax assets		24,161	10,243	25,296
Assets acquired on a temporary basis		25,628	27,623	25,525
Other assets		229,604	313,959	258,765
Prepayments		16,673	16,855	16,562
Total assets		12,168,435	13,683,485	13,859,776
Equity and liabilities:				
Payables:				
Payables to credit institutions and central banks		670,140	780,880	1,153,975
Deposits and other payables		9,286,858	9,377,631	9,324,035
Bonds issued		14,409	1,016,883	1,016,920
Temporarily acquired liabilities		5,562	5,633	5,599
Other equity and liabilities		351,550	429,524	333,779
Deferred income		3	4	4
Total payables		10,328,522	11,610,555	11,834,312
Provisions:				
Provisions for pensions and similar obligations		47,049	25,172	47,623
Provisions for guarantee losses		8,709	14,731	7,378
Other provisions		16,390	7,276	22,591
Total provisions		72,148	47,179	77,592
Subordinated debt	9	652,029	714,412	749,499
Equity				
Share capital		550,600	550,600	550,600
Revaluation reserves		233	341	233
Retained earnings		564,903	760,398	647,540
Total equity		1,115,736	1,311,339	1,198,373
Total equity and liabilities		12,168,435	13,683,485	13,859,776

Statement of changes in equity – group

30.6.2013				Reva- luation reserves, prop- erties at	Retained	Total
DKK '000	Share capital		reasses- sed value	earnings		
Equity as at 1 January 2013	550,600		233	647,540		1,198,373
Net profit/loss for the period	-		-	-82,637		-82,637
Other comprehensive income	0		0	0		0
Comprehensive income for the period	0		0	-82,637		-82,637
Other changes in equity:						
Purchase of treasury shares	-		-	0		0
Total other changes in equity	-		-	0		0
Equity as at 30 June 2013	550,600		233	564,903		1,115,736

30.6.2012				Reva- luation reserves, prop- erties at	Net revalua- tion ac- cording to the	Retained	Total
DKK '000	Share capital	Share premium	reasses- sed value	equity method	earnings		
Equity as at 1 January 2012	550,600	252,562	341	6,708	579,764		1,389,975
Net profit/loss for the period	-	-	-	-	-78,463		-78,463
Other comprehensive income:							
Reversal of net revaluation of properties	-	-	-	0	-		0
Total other comprehensive income	-	-	-	0	-		0
Comprehensive income for the period	-	-	-	-	-78,463		-78,463
Other changes in equity:							
Purchase of treasury shares	0	0	0	0	-173		-173
Total other changes in equity	0	0	0	0	-173		-173
Equity as at 30 June 2012	550,600	252,562	0	6,708	501,128		1,311,339

31.12.2012				Reva- luation reserves, prop- erties at	Net revalua- tion ac- cording to the	Retained	Total
DKK '000	Share capital	Share premium	reasses- sed value	equity method	earnings		
Equity, beginning of period	550,600	252,652	341	6,708	579,674		1,389,975
Net profit/loss for the year	-	-	-	-6,708	-164,108		-170,816
Other comprehensive income:							
Net revaluation of properties	-	-	-108	-	-		-108
Revaluation of pension obligations	-	-	-	-	-20,860		-20,860
Total other comprehensive income	-	-	-108	-	-20,860		-20,968
Comprehensive income for the year	-	-	-108	-6,708	-184,968		-191,784
Other changes in equity:							
Purchase of treasury shares	-	0	-	-	182		182
Share premium transferred to retained earnings	-	-252,652	-	-	252,652		0
Total other changes in equity	-	-252,652	-	-	252,834		182
Equity as at 31 December 2012	550,600	0	233	0	647,540		1,198,373

Cash flow statement – group

DKK '000	1.1 - 30.6.2013	1.1 - 30.6.2012	1.1.-31.12.2012
Operating activities			
Profit/loss before tax for the period	-80,818	-74,892	-166,109
Impairment of loans	158,247	165,947	342,154
Depreciation and impairment of property, plant and equipment	2,907	6,342	11,827
Market value adjustments of bonds and shares	586	-19,902	-11,536
Market value adjustments of investments	0	36,430	45,323
Tax paid, net	0	0	2,366
Earnings	80,922	113,925	224,025
Working capital			
Change in credit institutions and central banks	-483,834	243,454	451,915
Change in bond and share portfolio	959,299	-204,434	-903,768
Change in loans	34,079	566,941	1,044,580
Change in deposits	-37,177	363,789	310,193
Change in other assets and equity and liabilities	-8,549	87,726	279
Cash flow from operating activities	463,818	1,057,476	903,199
Investing activities			
Purchase of property, plant and equipment	-60	-1,661	-5,041
Sale of property, plant and equipment	1,777	7,590	15,934
Sale of investments	0	81,171	81,171
Cash flows from investing activities	1,717	87,100	92,064
Financing activities			
Purchase and sale of own equity investments	0	-173	182
Bonds issued	-1,000,000	-1,000,000	-1,000,000
Subordinated debt	-55,382	0	0
Cash flows from financing activities	-1,055,382	-1,000,173	-999,818
Change in cash and cash equivalents	-508,925	258,328	219,470
Cash and cash equivalents, beginning of period	1,470,163	304,052	1,250,693
Change in liquidity for the period	-508,925	258,328	219,470
Cash and cash equivalents, end of period	961,238	562,380	1,470,163
Cash and cash equivalents, end of period:			
Cash balance and demand deposits with central banks, end of period	961,238	562,380	1,470,163

Notes – group

Note 1 Accounting policies

Basis for preparation of annual and interim reports

The accounting policies have been changed as compared to the 2012 annual report. The changes were occasioned by the Danish Financial Supervisory Authority's Executive Order no. 113 of 7 February 2013, according to which the fair value of listed assets in an active market was changed from the closing price to the listed price. The change took effect on 10 February 2013, effective for the first time as of the 2013 interim report. The change has no significant bearing on the results and the balance sheet.

The accounting policies are otherwise consistent with those applied in the 2012 annual report.

On the date of the presentation of the interim report, several new accounting standards (IAS and IFRS) and interpretations (IFRIC) were issued which have not yet become effective. Neither of these is expected to have a significant influence on any financial statements presented by the group in future.

Following a dialogue with the bank's auditor the bank has at the end of H1 2013 reassessed and corrected the actuarial parameters used to assess the defined-pension obligations for former members of the Board of Executives and the bank has reassessed the contractual obligation towards a former executive in one of the cooperative banks, which the bank took over following the merger in 2011, as well.

The reassessments entail an increase of the pension obligations and the contractual obligations totalling DKK 35.4m accounted as a correction of previous years in the equity at the beginning of the year.

The change in 2012 is shown in this table:

DKK '000	Annual Report 2012	Corrected 2012	Change
Net loss for the year	-154,388	-170,816	-16,428
Total other comprehensive income	-1,937	-20,968	-19,081
Assets	13,859,776	13,859,776	0
Equity	1,233,832	1,148,373	-35,459

The pension obligations are described in note 26 in the Annual Report 2012. The contractual obligation is described in note 28 in the Annual Report 2012.

The corrections are described in further details in the Management's review.

Comparative numbers for 2012, including key numbers, are adjusted.

Note 2 Accounting estimates and assessments

The carrying amount of certain assets and liabilities is subject to estimates of how future events will affect the value of such assets and liabilities at the balance sheet date.

The estimates are based on assumptions which are deemed proper by the management, but which are naturally uncertain. In addition, the group is impacted by risks and uncertainties which may result in the actual results deviating from the estimates. As regards impairment of loans and receivables, significant estimates are made in connection with the quantification of the risk that not all future payments are received.

The accounting estimates and assessments have had the most significant effect on the consolidated financial statements and the financial statements of the parent in the following areas:

- Impairment of loans and provisions for guarantees
- Fair value of investment properties and domicile properties
- Fair value of financial instruments

-
- Deferred tax assets
 - Contribution to sector solutions

Impairment of loans and provisions for guarantees

Impairment test of individual loans involves estimates of factors which are subject to a high degree of uncertainty. The assessment involves estimates of the most likely cash flow that the customer can generate, including the value of security.

The economic slowdown causes greater uncertainty when measuring the commitments. Consequently, it cannot be ruled out that a continued negative development in sectors where the bank has substantial commitments or change in practice for one reason or another could lead to further impairment. If it can be established that not all future payments will be received, determining the size of the expected payments, including realisation values of security and expected dividend payments from estates, is also subject to significant estimates. Rising interest rates also constitute uncertainty when measuring the value of commitments with low creditworthiness. When determining the individual solvency requirement, the bank has recognised the inherent credit risk resulting from an interest rate increase of 2 percentage points.

When measuring security in the form of mortgages on fully or partially leased commercial properties or residential properties, the return requirement is one of the bank's most important preconditions. The property value is determined on the basis of an assessment of the return requirement an investor is expected to have for a property in the relevant category. At present, the return requirement for such properties is essentially 5-10%. The size of the return requirement depends on geography, location, property uses (commercial/residential), state of repair and any releasing and thereby the vacancy level etc. The impairment tests made assume that the properties will be sold in the short term. As a result of the current and recent years' economic uncertainty, the valuation of security furnished for the bank's commitments is still subject to uncertainty, and the security furnished for commercial properties is still affected to a large degree by the current estimates of return requirements in the property market.

The impairment is calculated in accordance with the Danish Financial Supervisory Authority's guidelines. The value of farmland is a significant factor in the impairment of agricultural commitments. Depending on the property's geographical location, a price per hectare of DKK 120-175k is used to calculate impairment of agricultural commitments where there is an objective indication of impairment. The typical price per hectare is DKK 130 k.

As regards private customers, the calculation of impairment is subject to uncertainty as the bank finds that although some of the customers are able to service their loans now, demands for further instalment or interest payments will put pressure on their ability to pay. To this should also be added that many home owners will not be able to sell their home without incurring a loss.

Loans where there is no objective indication of impairment are part of a group where any need for impairment is assessed at portfolio level.

When testing for impairment of a group of loans, the most important aspect is the management's estimate relating to the credit margins and their development.

If, at the balance sheet date, the bank knows that events have occurred which have either worsened or improved the future payment pattern which the models have not taken into account, this is adjusted by means of a qualified management estimate.

Fair value of investment properties and domicile properties

The measurement of the fair value of domicile and investment properties is subject to accounting estimates and assessments, and also expectations for the future return on the properties and the rates of return set for them.

Fair value of financial instruments

A number of financial instruments are measured at fair value, including all derivative financial instruments as well as shares and bonds.

Assessments are made when determining the fair value of financial instruments in the following areas:

- Choice of valuation method
- Determining when available listed prices do not represent the fair value
- Quantifying fair value adjustments to take into account relevant risk factors such as credit and liquidity risk
- Assessing which market parameters are to be observed
- For unlisted shares, estimates are made of future cash flows and business requirements.

Strategic equity investments were acquired as part of operations. These are measured at fair value based on available information about trade in the relevant company's equity investments or alternatively a valuation model based on acknowledged and current market data, which involves an assessment of the expected future earnings and cash flows. The valuation will also be affected by co-ownership, trading and shareholders' agreements etc.

Deferred tax assets

Deferred tax assets encompass tax-deductible temporary differences and taxable losses allowed for carryforward.

Taxable losses allowed for carryforward are included in the statement of deferred tax assets to the extent that tax profits are likely to be realized within the foreseeable future in which the loss can be used. The recognition of a deferred tax asset therefore requires that the management assesses the likely time and size of future profits. The taxable losses allowed for carryforward are furthermore factored in according to the rules of tax and accounting in force as well as interpretations based on verdicts from the Financial Council.

On 13 June 2012 the Danish Parliament (the Folketing) adopted a model limiting the access to take advantage of taxable losses allowed for carryforward. As of 2013 it's always possible to deduct an amount of up to DKK 7.5m from taxable income and the remaining loss can, at the most, reduce the remaining income with 60%. The right to use the taxable loss isn't lost but the period, in which the taxable loss should be used, is extended.

A verdict from the Danish Securities Council as of 22 October 2012 regarding the way another Danish bank, Spar Lolland, had included a deferred tax asset indicate that a deferred tax asset should be depreciated in full if the recent financial results doesn't indicate a future earning capacity.

Taxable losses allowed for carryforward, which aren't included in the statement, are treated as a contingent asset.

Contribution to sector solutions

Danske Andelskassers Bank A/S is covered by the Danish Guarantee Fund for Depositors and Investors, which means that it, together with other banks, is obliged to cover the depositors' deposits etc. of up to EUR 100,000 in banks that are being wound up or have filed for bankruptcy.

Danske Andelskassers Bank A/S recognises an obligation to cover our share of the obligation when we receive information about banks that are being wound up or have filed for bankruptcy, and when the information is sufficient for us to be able to recognise the expected obligation reliably.

The uncertainty relating to the determination of the dividend percentage and covered amount in banks that are being wound up or have filed for bankruptcy means that the recognised obligation is subject to uncertainty.

Note 3	Interest income			
	DKK '000	1.1 - 30.6.2013	1.1 - 30.6.2012	1.1.-31.12.2012
	Receivables from credit institutions and central banks	346	2,752	3,565
	Loans and other receivables	287,039	343,394	658,134
	Bonds	29,981	36,121	76,695
	Currency, interest rate, share, commodity and other contracts and derivative financial instruments	3,267	2,581	6,806
	Other interest income	211	0	0
	Total interest income	320,844	384,848	745,200

Of which income from genuine purchase and resale transactions recognised under:

Receivables from credit institutions and central banks	0	7	7
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Note 4	Interest expenses			
	DKK '000	1.1 - 30.6.2013	1.1 - 30.6.2012	1.1.-31.12.2012
	Payables to credit institutions and central banks	743	1,872	2,733
	Deposits and other payables	55,974	61,077	119,168
	Bonds issued	2,058	24,264	34,895
	Subordinated debt	28,148	29,635	58,855
	Other interest expenses	461	479	795
	Total interest expenses	87,384	117,327	216,446

Of which expenses in respect of genuine sales and repurchase transactions recognised under:

Payables to credit institutions and central banks	-14	23	78
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Note 5	Fee and commission income			
	DKK '000	1.1 - 30.6.2013	1.1 - 30.6.2012	1.1.-31.12.2012
	Securities trading and safe custody accounts	31,575	29,615	63,638
	Payment services	8,520	7,898	16,099
	Loan transaction fees	9,302	12,477	23,266
	Guarantee commission	8,644	11,025	20,322
	Other fees and commission	51,092	49,445	98,488
	Total fee and commission income	109,133	110,460	221,813

Note 6	Market value adjustments			
	DKK '000	1.1 - 30.6.2013	1.1 - 30.6.2012	1.1.-31.12.2012
	Bonds	-23,158	-429	-3,626
	Shares	-2,449	20,505	34,331
	Currency	2,226	3,485	5,944
	Other assets	0	0	0
	Currency, interest rate, share, commodity and other contracts and derivative financial instruments	-1,547	-3,659	183
	Financial obligations	24,342	0	-25,296
	Total market value adjustments	-586	19,902	11,536

Note 7	Staff costs and administrative expenses	1.1 - 30.6.2013	1.1 - 30.6.2012	1.1.-31.12.2012
	DKK '000			
	Staff costs	162,865	159,007	338,338
	Other administrative expenses	89,893	94,874	177,317
	Total	252,757	253,881	515,655
	Staff costs:			
	Salaries	130,591	129,028	276,027
	Pensions	14,846	12,813	29,409
	Tax on labour costs	16,291	16,567	30,445
	Social security expenses	1,137	599	2,457
	Total	162,865	159,007	338,338
	Remuneration for the Board of Directors	1,487	1,294	2,731
	Remuneration for the Board of Executives	3,634	2,770	5,846
	Average number of full-time employees	512	521	517

Incentive schemes

Danske Andelskassers Bank A/S has not established any incentive schemes.

Note 8	Impairment of loans etc.	1.1 - 30.6.2013	1.1 - 30.6.2012	1.1.-31.12.2012
	DKK '000			
	Individual impairment/provisions:			
	Impairment/provision, beginning of period	1,153,253	1,073,404	1,073,404
	Impairment/provision during the period	306,640	271,978	447,082
	Reversal of impairment/provisions made in previous financial years where there is no longer an objective indication of impairment, or where the impairment is reduced	147,588	98,924	131,465
	Other changes	8,893	2,302	-6,005
	Irrecoverable bad debts	46,372	102,619	229,763
	Impairment/provision, end of period	1,274,826	1,146,141	1,153,253
	Group impairment			
	Impairment/provision, beginning of period	29,027	31,758	31,758
	Impairment/provision during the period	6,289	7,131	9,043
	Reversal of impairment/provisions made in previous financial years where there is no longer an objective indication of impairment, or where the impairment is reduced	5,711	7,517	11,354
	Other changes	921	630	-420
	Impairment/provision, end of period	30,526	32,002	29,027
	Impact on operations			
	Impairment/provision during the period	312,929	279,109	456,125
	Reversal of impairment/provisions made in previous financial years where there is no longer an objective indication of impairment, or where the impairment is reduced	153,299	106,441	142,819
	Other changes	3,328	-10,131	-18,877
	Irrecoverable bad debts (written off) for which no individual impairment has been made	106	4,232	50,435
	Received for receivables previously written off	4,817	822	2,710
	Total	158,247	165,947	342,154

Note 9 **Subordinated debt**

DKK '000	Nominal	Interest rate	Interest
NOK – expires 7 February 2014	320,000	NIBOR3+2.35 bp	5,873
Hybrid core capital, Bank Package II DKK – expires 9 October 2014	399,600	11.02%	22,276

Interest conditions if loan is not redeemed when due:

NOK 320,000: Loan due on 7 February 2014 and cannot be extended.

DKK 399,600: After 9 October 2014, the loan can be redeemed at a price of 105 and after 9 October 2015 at a price of 110.

Note 10 **Contingent liabilities**

DKK '000	30.6.2013	31.3.2012	31.12.2012
Financial guarantees	382,425	422,857	481,962
Loss guarantees for mortgage loans	655,130	698,449	681,934
Registration and conversion guarantees	22,682	99,669	40,815
Other contingent liabilities	358,370	380,028	363,549
Non-balance sheet items, total	1,418,607	1,601,003	1,568,260

Note 11 **Other binding agreements**

Danske Andelskassers Bank A/S and its subsidiaries are jointly registered for VAT. Jointly registered enterprises are jointly and severally liable for the total payroll tax and VAT.

Danske Andelskassers Bank A/S uses Bankernes EDB-Central (BEC) as its supplier of IT solutions.

BEC's Articles of Association stipulate that Danske Andelskassers Bank A/S may cancel its BEC membership at five years' notice to expire at the end of a financial year. If the membership is terminated for any other reason on account of Danske Andelskassers Bank A/S, withdrawal compensation must be paid to BEC which is specified in further detail in BEC's Articles of Association.

If a bank merges and ceases to operate as an independent bank, its membership of BEC expires without notice. However, it may be possible to arrange for a transitional scheme to be put in place.

Danske Andelskassers Bank is a party to various pending lawsuits. The outcome of these lawsuits will not affect the financial position of the bank.

Note 12 **Security**

As security for balances with other banks, the group has deposited bonds with a nominal value of DKK 300m, corresponding to a market value of DKK 302.3m.

In connection with the usual execution of trade in financial contracts, the group has assets held in margin accounts with credit institutions.

In connection with temporarily acquired properties, security may have been furnished for mortgage loans acquired. No loans have been taken out on other properties.

Note 13 Related parties

30.6.2013		Board of	Board of
DKK '000	Associates	Directors	Executives
Receivables from credit institutions	0	0	0
Loans	0	35,410	1,697
Payables to credit institutions	0	0	0
Deposits	0	12,575	776
Unutilised credit facilities	0	6,425	281
Guarantees	0	3,712	1,040
30.6.2012		Board of	Board of
DKK '000	Associates	Directors	Executives
Receivables from credit institutions	24,574	0	0
Loans	0	42,340	1,355
Payables to credit institutions	348,104	0	0
Deposits	0	16,127	338
Unutilised credit facilities	0	5,789	802
Guarantees	0	11,285	3,197
31.12.2012		Board of	Board of
DKK '000	Associates	Directors	Executives
Receivables from credit institutions	0	0	0
Loans	0	41,505	1,667
Payables to credit institutions	0	0	0
Deposits	0	16,849	2,340
Unutilised credit facilities	0	8,633	858
Guarantees	0	2,556	1,040

Financial highlights – parent

Highlights DKK '000	H1 2013	H1 2012	H1 2011	H1 2010	H1 2009
Income statement					
Interest income	321,493	385,869	364,059	401,350	493,784
Interest expenses	87,557	117,343	110,546	124,686	180,673
Net interest income	233,936	268,526	253,513	276,664	313,111
Share dividend etc.	11,785	6,030	4,293	1,208	16,736
Net fee and commission income	105,139	107,744	108,339	112,818	100,892
Net interest and fee income	350,860	382,300	366,145	390,690	430,739
Market value adjustments	-586	19,902	-22,763	51,065	-63,611
Other operating income	3,467	1,283	3,536	5,546	-813
Staff costs and administrative expenses	254,914	255,210	249,259	288,318	279,533
Depreciation, amortisation and impairment of property, plant and equipment as well as intangible assets	2,865	6,300	6,836	8,019	8,052
Other operating expenses	20,208	15,464	29,026	39,591	39,507
Impairment of loans and receivables etc.	158,247	165,947	99,831	247,398	157,868
Profit/loss from equity investments in associa- tes	1,328	-35,623	-2,174	6,634	5,088
Profit/loss before tax	-81,165	-75,059	-40,208	-129,391	-113,557
Tax	1,472	3,404	-5,142	-34,844	-30,209
Net profit/loss for the period	-82,637	-78,463	-35,066	-94,547	-83,348
Balance sheet					
Receivables from credit institutions etc.	632,228	782,007	1,433,334	2,057,557	2,420,830
Loans	7,356,538	8,210,578	9,475,576	10,009,070	10,763,197
Bonds and shares	2,713,690	3,590,323	2,820,754	3,808,946	2,288,385
Payables to credit institutions	670,140	780,880	724,623	1,825,717	2,378,084
Deposits	9,287,205	9,377,682	9,117,429	11,198,316	11,628,941
Bonds issued	14,409	1,016,859	2,016,096	1,016,959	10,425
Subordinated debt	652,029	714,412	704,651	696,422	263,835
Equity	1,115,736	1,311,339	1,795,527	1,517,847	1,741,130
Total assets	12,165,776	13,683,485	14,770,694	16,708,946	16,414,218
Contingent liabilities	1,418,607	1,601,003	2,030,108	2,848,732	3,512,821
Ratios					
Solvency ratio	13.1%	14.6%	15.5%	13.9%	12.5%
Core capital ratio	13.1%	14.6%	15.9%	14.0%	12.6%
Return on equity before tax	-7.0%	-5.6%	-2.5%	-8.3%	-6.4%
Return on equity after tax	-7.1%	-5.8%	-2.2%	-6.0%	-4.7%
Earnings per DKK of cost	0.81	0.83	0.90	0.73	0.74
Interest rate risk	3.5%	2.7%	1.0%	0.3%	-0.1%
Currency position	3.1%	3.0%	4.0%	0.0%	0.8%
Currency risk	0.1%	0.1%	0.0%	0.0%	0.0%
Loans relative to deposits	93.3%	100.0%	115.9%	92.4%	89.9%
Loans relative to equity	6.6	6.3	5.3	6.6	6.2
Growth in loans for the year	-2.7%	-8.3%	-1.3%	-3.0%	-3.3%
Surplus cover relative to statutory liquidity requirement	171.0%	181.4%	140.9%	83.4%	58.7%
Sum of large commitments	32.3%	18.6%	11.5%	17.0%	27.9%
Impairment percentage for the period	1.6%	1.6%	0.8%	1.9%	1.1%

Income statement and statement of comprehensive income – parent

DKK '000	Note	1.1 - 30.6.2013	1.1 - 30.6.2012	1.1.-31.12.2012
Interest income	2	321,493	385,869	747,044
Interest expenses	3	87,557	117,343	216,465
Net interest income		233,936	268,526	530,579
Share dividend etc.		11,785	6,030	6,035
Fee and commission income	4	109,133	110,459	221,813
Fees and commission paid		3,994	3,477	6,254
Net interest and fee income		350,860	381,538	752,173
Market value adjustments	5	-586	19,902	11,536
Other operating income		3,467	1,283	8,072
Staff costs and administrative expenses	6	254,914	254,448	519,798
Depreciation, amortisation and impairment of property, plant and equipment as well as intangible assets		2,865	6,300	11,432
Other operating expenses		20,208	15,464	40,360
Impairment of loans and receivables etc.	7	158,247	165,947	342,154
Profit/loss from equity investments in associates		1,328	-35,623	-41,636
Profit/loss before tax		-81,165	-75,059	-183,599
Tax		1,472	3,404	-12,783
Net profit/loss for the period		-82,637	-78,463	-170,816

Statement of comprehensive income

Net profit/loss for the period	-82,637	-78,463	-170,816
Net revaluation of properties	0	0	-108
Actuarial gains and losses on the pension obligation	0	0	-20,860
Total comprehensive income	-82,637	-78,463	-191,784

Danske Andelskassers Bank A/S – the share

H1 profit/loss before tax per share (of DKK 10)	-15.4	-1.5	-3.2
H1 net profit/loss per share (of DKK 10)	-15.4	-1.5	-3.2
Equity value per share	20.8	23.8	22.3
Listed price/loss per share	-0.5	-9.6	-2.7
Listed price/equity value	0.4	0.6	0.4
Share capital	550,600	550,600	550,600
Number of shares	55,060	55,060	55,060
Treasury shares	1,384	1,384	1,384
Net	53,676	53,676	53,676
Market price	7.6	14.0	8.7

Balance sheet – parent

DKK '000	Note	30.6.2013	30.6.2012	31.12.2012
Assets:				
Cash balance and demand deposits with central banks		632,228	562,380	1,090,849
Receivables from credit institutions and central banks		329,010	782,007	379,314
Loans and other receivables at amortised cost		7,356,538	8,181,129	7,562,804
Bonds at fair value		2,713,690	2,910,117	3,681,771
Shares etc.		694,596	680,206	685,228
Equity investments in associates		0	0	0
Investments in group enterprises		48,726	21,434	47,398
Total land and buildings		82,939	158,814	83,203
Investment properties		1,330	19,141	1,330
Domicile properties		81,609	139,673	81,873
Available for sale		-	-	-
Other property, plant and equipment		10,277	17,419	13,039
Current tax assets		1,850	1,299	76
Deferred tax assets		24,060	10,243	25,296
Assets acquired on a temporary basis		25,628	27,623	25,525
Other assets		229,561	313,959	245,699
Prepayments		16,673	16,855	16,562
Total assets		12,165,776	13,683,485	13,856,764
Equity and liabilities:				
Payables:				
Payables to credit institutions and central banks		670,140	780,880	1,153,975
Deposits and other payables		9,287,205	9,377,631	9,324,086
Bonds issued		14,409	1,016,883	1,016,920
Temporarily acquired liabilities		5,562	5,633	5,599
Other equity and liabilities		348,544	429,524	330,716
Deferred income		3	4	4
Total payables		10,325,863	11,610,555	11,831,300
Provisions:				
Provisions for pensions and similar obligations		47,049	25,172	47,623
Provisions for guarantee losses		8,709	14,731	7,378
Other provisions		16,390	7,276	22,591
Total provisions		72,148	47,179	77,592
Subordinated debt	8	652,029	714,412	749,499
Equity				
Share capital		550,600	550,600	550,600
Revaluation reserves		233	341	233
Retained earnings		564,903	760,398	647,540
Total equity		1,115,736	1,311,339	1,198,373
Total equity and liabilities		12,165,776	13,683,485	13,856,764

Statement of changes in equity – parent

30.6.2013				Reva- luation reserves, proper- ties at	Retained	Total
DKK '000	Share capital		reasses- sed value	earnings		
Equity as at 1 January 2013	550,600		233	647,540		1,198,373
Net profit/loss for the period	-		-	-82,637		-82,637
Other comprehensive income	0		0	0		0
Comprehensive income for the period	0		0	-82,637		-82,637
Other changes in equity:						
Purchase of treasury shares	-		-	0		0
Total other changes in equity	-		-	0		0
Equity as at 30 June 2013	550,600		233	564,903		1,115,736

30.6.2012				Reva- luation reserves, proper- ties at	Net revalua- tion ac- cording to the	Retained	Total
DKK '000	Share capital	Share premium	reasses- sed value	equity method	earnings		
Equity as at 1 January 2012	550,600	252,562	341	6,708	579,764		1,389,975
Net profit/loss for the period	-	-	-	-	-78,463		-78,463
Other comprehensive income:							
Reversal of net revaluation of properties	-	-	-	0	-		0
Total other comprehensive income	-	-	-	0	-		0
Comprehensive income for the period	-	-	-	-	-78,463		-78,463
Other changes in equity:							
Purchase of treasury shares	0	0	0	0	-173		-173
Total other changes in equity	0	0	0	0	-173		-173
Equity as at 30 June 2012	550,600	252,562	0	6,708	501,128		1,311,339

31.12.2012				Reva- luation reserves, proper- ties at	Net revalua- tion ac- cording to the	Retained	Total
DKK '000	Share capital	Share premium	reasses- sed value	equity method	earnings		
Equity, beginning of period	550,600	252,652	341	6,708	579,674		1,389,975
Net profit/loss for the year	-	-	-	-6,708	-164,108		-170,816
Other comprehensive income:							
Net revaluation of properties	-	-	-108	-	-		-108
Revaluation of pension obligations	-	-	-	-	-20,860		-20,860
Total other comprehensive income	-	-	-108	-	-20,860		-20,968
Comprehensive income for the year	-	-	-108	-6,708	-184,968		-191,784
Other changes in equity:							
Purchase of treasury shares	-	0	-	-	182		182
Share premium transferred to retained earnings	-	-252,652	-	-	252,652		0
Total other changes in equity	-	-252,652	-	-	252,834		182
Equity as at 31 December 2012	550,600	0	233	0	647,540		1,198,373

Notes – parent

Note 1 Accounting policies

The financial statements of the parent, Danske Andelskassers Bank A/S, are presented according to the Danish Financial Business Act (Lov om finansiel virksomhed), including the Danish Financial Supervisory Authority's Executive Order on Financial Reports for Credit Institutions.

The accounting policies applied by the parent are identical to those of the group. Reference is made to note 1 in the consolidated financial statements. As regards estimates, reference is also made to note 2 in the consolidated financial statements.

Note 2 Interest income

DKK '000	1.1 - 30.6.2013	1.1 - 30.6.2012	1.1.-31.12.2012
Receivables from credit institutions and central banks	346	2,752	3,565
Loans and other receivables	287,690	344,415	659,978
Bonds	29,981	36,121	76,695
Currency, interest rate, share, commodity and other contracts and derivative financial instruments	3,267	2,581	6,806
Other interest income	209	0	0
Total interest income	321,493	385,869	747,044

Of which income from genuine purchase and resale transactions recognised under:

Receivables from credit institutions and central banks	0	7	7
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Note 3 Interest expenses

DKK '000	1.1 - 30.6.2013	1.1 - 30.6.2012	1.1.-31.12.2012
Payables to credit institutions and central banks	743	1,872	2,733
Deposits and other payables	56,147	61,093	119,187
Bonds issued	2,058	24,264	34,895
Subordinated debt	28,148	29,635	58,855
Other interest expenses	461	479	795
Total interest expenses	87,557	117,343	216,465

Of which expenses in respect of genuine sales and repurchase transactions recognised under:

Payables to credit institutions and central banks	-14	23	78
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Note 4 Fee and commission income

DKK '000	1.1 - 30.6.2013	1.1 - 30.6.2012	1.1.-31.12.2012
Securities trading and safe custody accounts	31,575	29,615	63,638
Payment services	8,520	7,898	16,099
Loan transaction fees	9,302	12,477	23,266
Guarantee commission	8,644	11,025	20,322
Other fees and commission	51,092	49,444	98,488
Total fee and commission income	109,133	110,459	221,813

Note 5	Market value adjustments			
	DKK '000	1.1 - 30.6.2013	1.1 - 30.6.2012	1.1.-31.12.2012
	Bonds	-23,158	-429	-3,626
	Shares	-2,449	20,505	34,331
	Currency	2,226	3,485	5,944
	Other assets	0	0	0
	Currency, interest rate, share, commodity and other contracts and derivative financial instruments	-1,547	-3,659	183
	Financial obligations	24,342	0	-25,296
	Total translation adjustments	-586	19,902	11,536

Note 6	Staff costs and administrative expenses			
	DKK '000	1.1 - 30.6.2013	1.1 - 30.6.2012	1.1.-31.12.2012
	Staff costs	162,865	159,007	338,338
	Other administrative expenses	92,049	95,441	181,460
	Total	254,914	254,448	519,798

Staff costs:

	Salaries	130,591	129,028	276,027
	Pensions	14,846	12,813	29,409
	Tax on labour costs	16,291	16,567	30,445
	Social security expenses	1,137	599	2,457
	Total	162,865	159,007	338,338

	Remuneration for the Board of Directors	1,487	1,294	2,731
	Remuneration for the Board of Executives	3,634	2,770	5,846
	Average number of full-time employees	512	521	517

Incentive schemes

Danske Andelskassers Bank has not established any incentive schemes.

Note 7	Impairment of loans etc.			
	DKK '000	1.1 - 30.6.2013	1.1 - 30.6.2012	1.1.-31.12.2012
	Individual impairment/provisions:			
	Impairment/provision, beginning of period	1,153,253	1,073,404	1,073,404
	Impairment/provision during the period	306,640	271,978	447,082
	Reversal of impairment/provisions made in previous financial years where there is no longer an objective indication of impairment, or where the impairment is reduced	147,588	98,924	131,465
	Other changes	8,893	2,302	-6,005
	Irrecoverable bad debts	46,372	102,619	229,763
	Impairment/provision, end of period	1,274,826	1,146,141	1,153,253
	Group impairment			
	Impairment/provision, beginning of period	29,027	31,758	31,758
	Impairment/provision during the period	6,289	7,131	9,043
	Reversal of impairment/provisions made in previous financial years where there is no longer an objective indication of impairment, or where the impairment is reduced	5,711	7,517	11,354
	Other changes	921	630	-420
	Impairment/provision, end of period	30,526	32,002	29,027

Note 7	DKK '000	1.1 - 30.6.2013	1.1 - 30.6.2012	1.1.-31.12.2012
continued	Impact on operations			
	Impairment/provision during the period	312,929	279,109	456,125
	Reversal of impairment/provisions made in previous financial years where there is no longer an objective indication of impairment, or where the impairment is reduced	153,299	106,441	142,819
	Other changes	3,328	-10,131	-18,877
	Irrecoverable bad debts (written off) for which no individual impairment has been made	106	4,232	50,435
	Received for receivables previously written off	4,817	822	2,710
	Total	158,247	165,947	342,154

Note 8	Subordinated debt	Nominal	Interest rate	Interest
	DKK '000			
	NOK – expires 7 February 2014	320,000	NIBOR3+2.35 bp	5,873
	Hybrid core capital, Bank Package II DKK – expires 9 October 2014	399,600	11.02%	22,276

Interest conditions if loan is not redeemed when due:

NOK 320,000: Loan due on 7 February 2014 and cannot be extended.

DKK 399,600: After 9 October 2014, the loan can be redeemed at a price of 105 and after 9 October 2015 at a price of 110.

Note 9	Contingent liabilities	30.6.2013	30.6.2012	31.12.2012
	DKK '000			
	Financial guarantees	364,707	422,857	481,962
	Loss guarantees for mortgage loans	672,130	698,449	681,934
	Registration and conversion guarantees	24,765	99,669	40,815
	Other contingent liabilities	352,489	380,028	363,549
	Non-balance sheet items, total	1,414,091	1,601,003	1,568,260

Note 10 Other binding agreements

As security for balances with other banks, the group has deposited bonds with a nominal value of DKK 300m, corresponding to a market value of DKK 302.3m.

In connection with the usual execution of trade in financial contracts, the group has assets held in margin accounts with credit institutions.

In connection with temporarily acquired properties, security may have been furnished for mortgage loans acquired. No loans have been taken out on other properties.

Note 11 **Security**

Danske Andelskassers Bank A/S and its subsidiaries are jointly registered for VAT. Jointly registered enterprises are jointly and severally liable for the total payroll tax and VAT.

Danske Andelskassers Bank A/S uses Bankernes EDB-Central (BEC) as its supplier of IT solutions.

BEC's Articles of Association stipulate that Danske Andelskassers Bank A/S may cancel its BEC membership at five years' notice to expire at the end of a financial year. If the membership is terminated for any other reason on account of Danske Andelskassers Bank A/S, withdrawal compensation must be paid to BEC which is specified in further detail in BEC's Articles of Association.

If a bank merges and ceases to operate as an independent bank, its membership of BEC expires without notice. However, it may be possible to arrange for a transitional scheme to be put in place.

Danske Andelskassers Bank is a party to various pending lawsuits. The outcome of these lawsuits will not affect the financial position of the bank.

Note 12 **Related parties**

30.6.2013 DKK '000	Associates	Board of Directors	Board of Executives
Receivables from credit institutions	0	0	0
Loans	0	35,410	1,697
Payables to credit institutions	0	0	0
Deposits	0	12,575	776
Unutilised credit facilities	0	6,425	281
Guarantees	0	3,712	1,040
30.6.2012 DKK '000	Associates	Board of Directors	Board of Executives
Receivables from credit institutions	24,574	0	0
Loans	0	42,340	1,355
Payables to credit institutions	348,104	0	0
Deposits	0	16,127	338
Unutilised credit facilities	0	5,789	802
Guarantees	0	11,285	3,197
31.12.2012 DKK '000	Associates	Board of Directors	Board of Executives
Receivables from credit institutions	0	0	0
Loans	0	41,505	1,667
Payables to credit institutions	0	0	0
Deposits	0	16,849	2,340
Unutilised credit facilities	0	8,633	858
Guarantees	0	2,556	1,040