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## Ringkjøbing Landbobank's quarterly report, 1<sup>st</sup> quarter of 2012

The bank's pre-tax profit for the first quarter of 2012 was DKK 141 million against DKK 90 million for 2011, an increase of 57%. The result is equivalent to a return on equity of 23% p.a., which is considered highly satisfactory in light of the present economic situation in society.

(Million DKK)	1 <sup>st</sup> qtr. 2012	1 <sup>st</sup> qtr. 2011	2011	2010	2009	2008
Total core income	204	177	767	758	753	735
Total costs and depreciations	-64	-60	-248	-240	-238	-239
<b>Core earnings before write-downs on loans</b>	<b>140</b>	<b>117</b>	<b>519</b>	<b>518</b>	<b>515</b>	<b>496</b>
Write-downs on loans	-24	-19	-129	-138	-159	-77
<b>Core earnings</b>	<b>116</b>	<b>98</b>	<b>390</b>	<b>380</b>	<b>356</b>	<b>419</b>
Result for the portfolio	+27	+6	+1	+38	+56	-73
Expenses for bank packages	-2	-14	-11	-80	-107	-28
<b>Profit before tax</b>	<b>141</b>	<b>90</b>	<b>380</b>	<b>338</b>	<b>305</b>	<b>318</b>

Core earnings were DKK 116 million against last year's DKK 98 million, an increase of 18%.

### The quarter – highlights:

- Increase of 57% in pre-tax profit from DKK 90 million to DKK 141 million
- The profit is equivalent to a return on equity of 23% p.a. after payment of dividend
- Increase of 18% in core earnings to DKK 116 million
- The rate of costs was computed at 31.4, the lowest in the country
- Satisfactory level of write-downs of DKK 24 million – equivalent to 0.7% p.a.
- Capital adequacy ratio of 21.2, equivalent to cover of 265%
- Core capital ratio of 19.8
- Increase in the bank's market value to DKK 3.5 billion
- Highly satisfactory increase in customers in both branch network and Private Banking

Please do not hesitate to contact the bank's management if you have any questions.

Yours sincerely,

**Ringkjøbing Landbobank**

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## Management report

### Core income

Net interest income in the first quarter of 2012 was DKK 160 million, an increase of 14% compared to last year. Since last year an upward trend is seen in the net interest income, which derives from the increasing deposit figures and an increasing interest margin. Like the rest of the financial sector, the bank increased the interest margin. The very low interest level is pulling in the opposite direction as it results in a lower return on the bank's portfolio of securities and cash resources.

Fees, commissions and foreign exchange earnings amount to net DKK 43 million in the first quarter of 2012 against net DKK 35 million in 2011, an increase of 23%. The larger volumes within asset management and pensions had a positive effect on earnings, and the activity was also good within re-mortgaging.

The total core income was 15% higher in the first quarter of the year, with an increase from DKK 177 million in 2011 to DKK 204 million in 2012.

### Costs and depreciations

Total costs including depreciations on tangible assets amounted to DKK 61.5 million in the first quarter of 2012 against DKK 59.6 million last year, an increase of 3%.

In addition, the fixed premium for The Deposit Guarantee Fund will be recognised as an expense in the future. It was decided as part of Bank Package IV to establish an insurance scheme with a premium which will be fixed relative to the deposits covered. DKK 1,900 million is to be paid to the fund annually, of which the bank's share is currently 0.60%, equivalent to DKK 11 million a year. Payments are to be made to the fund until it reaches DKK 7,500 million. The Deposit Guarantee Fund's future expenses will be financed by payments received, and the duration of this expense can thus not be determined. On the other hand, the varying expenses for bank rescues will stop in the future. Total costs in the first quarter of the year will thus be DKK 64.2 million after recognising DKK 2.7 million as expenses for the insurance scheme.

The rate of costs was computed at 31.4, still the lowest in the country. A low rate of costs is especially important in periods of difficult economic conditions as the bank's results are thus very robust, which is also reflected in the computation of the bank's individual solvency requirement.

### Write-downs on loans

Write-downs on loans amounted to DKK 24 million in the first quarter of 2012. The level of write-downs is satisfactory and equivalent to 0.7% p.a. of the total average of loans, write-downs, guarantees and provisions. The bank's customers still appear to be coping better with the weak economic conditions than the average in Denmark.

The bank's total account for write-downs and provisions amounted to DKK 683 million at the end of the quarter, equivalent to 4.7% of total loans and guarantees. Actual write-downs on loans continue to be very low, and they were exceeded during the quarter by the credit items "income on previously written off debtors" and "interest income on customer engagements for which provisions have been made", such that the account for write-downs and provisions increased by net DKK 33 million during the first quarter of the year.

The portfolio of loans with zeroed interest amounts to DKK 79 million, equivalent to 0.5% of the bank's total loans and guarantees at the end of the quarter.

Given the low growth in the Danish economy in 2011, which is expected to continue in 2012, the bank is satisfied with the conservative credit policy on the basis of which the bank has always operated. As a natural part of the economic cycle, the bank's losses are expected to remain at a relatively high level in 2012, but with a continued slightly downward trend relative to the previous three years. It is also still the bank's judgment that the credit policy, the diversified loans portfolio and the bank's location in Central and West Jutland will have a positive effect on the bank compared to the general level of losses in the banking sector as a whole.

### Core earnings

(Million DKK)	1 <sup>st</sup> qtr. 2012	1 <sup>st</sup> qtr. 2011	2011	2010	2009	2008	2007	2006	2005
Total core income	204	177	767	758	753	735	696	609	511
Total costs etc.	-64	-60	-248	-240	-238	-239	-234	-208	-190
<b>Core earnings before write-downs</b>	<b>140</b>	<b>117</b>	<b>519</b>	<b>518</b>	<b>515</b>	<b>496</b>	<b>462</b>	<b>401</b>	<b>321</b>
Write-downs on loans	-24	-19	-129	-138	-159	-77	+11	+69	+5
<b>Core earnings</b>	<b>116</b>	<b>98</b>	<b>390</b>	<b>380</b>	<b>356</b>	<b>419</b>	<b>473</b>	<b>470</b>	<b>326</b>

Core earnings were DKK 116 million against last year's DKK 98 million, an increase of 18%. The realised earnings are at the upper edge of the budget.

### Result for the portfolio

The result for the portfolio for the first quarter of 2012 was positive by DKK 27 million including funding costs for the portfolio.

The bank's holding of shares etc. at the end of the quarter amounted to DKK 271 million, DKK 33 million of which was in listed shares while DKK 238 million was in sector shares etc. The bond portfolio amounted to DKK 3,599 million, and the great majority of the portfolio consists of AAA-rated Danish mortgage credit bonds and bonds guaranteed by the Danish government, or short-term bank bonds.

The total interest rate risk, computed as the impact on the result of a one percentage point change in the interest level, was 0.8% of the bank's Tier 1 capital after deduction at the end of the quarter.

The bank's total market risk within exposure to interest rate risk, exposure in listed shares etc. and foreign exchange exposure remains at a low level. The bank's risk of losses calculated on the basis of a value-at-risk model (computed with a 10-day horizon and 99% probability) was as follows in the first quarter of 2012:

	Risk in million DKK	Risk relative to equity end of 1 <sup>st</sup> quarter in %
Highest risk of loss:	27.5	1.09%
Lowest risk of loss:	3.9	0.15%
Average risk of loss	18.1	0.72%

The bank's policy remains to keep the market risk at a low level.

### **Result after tax**

The result after tax was DKK 106 million for the first quarter of 2012 against DKK 68 million last year. The result after tax is equivalent to a return on equity of 18% p.a. after payment of dividend.

### **Balance sheet**

The bank's balance sheet total at the end of the quarter stood at DKK 17,675 million against last year's DKK 17,855 million. Deposits increased by 8% from DKK 11,786 million to DKK 12,671 million. The bank's loans decreased by 6% to DKK 12,640 million. The underlying growth in new customers from the branch network and within the niches Private Banking and wind turbine financing remains good. However, the changed consumption pattern with a higher savings ratio and the general trend that many customers are deleveraging are generally resulting in greater repayments on the bank's existing loans portfolio than previously, and the entire growth in the first quarter of the year was therefore used to neutralise these repayments.

The bank's portfolio of guarantees at the end of the quarter was DKK 1,099 million against DKK 1,048 million in 2011.

### **Liquidity**

The bank's liquidity is good, and the bank's loans and deposits are at the same level. The excess solvency compared to the statutory requirements was 166%. The bank's short-term funding with term to maturity of less than 12 months amounts to only DKK 578 million, balanced by DKK 4.3 billion in short-term money market placing, primarily in Danish banks and liquid securities. The bank is thus not dependent on the short-term money market.

The bank's loans portfolio is more than fully financed by deposits and the bank's equity. In addition, part of the German loans portfolio for wind turbines was refinanced back-to-back with KfW Bankengruppe, and the DKK 782 million in question can thus be disregarded in terms of liquidity. The bank requires no financing for the coming year to meet the minimum requirement that it must always be able to manage for up to 12 months without access to the financial markets.

### **The deposit guarantee scheme**

The future fixed expenses for the insurance scheme will be recognised as expenses under other operating costs. However, an additional amount was imposed on the bank by the estate in bankruptcy of Fjordbank Mors, and this amount is thus recognised as an expense at DKK 2 million in the quarter.

### **Share buy-back programme**

It was decided at the general meeting to cancel 100,000 repurchased own shares. The time limit for claims has just expired, and the reduction to 4,940,000 shares will be carried out during the second quarter of 2012.

The bank's holding of own shares at the end of the first quarter of 2012 was 109,676.

## Capital

The bank's equity at the beginning of 2012 was DKK 2,483 million, to which must be added the profit for the quarter, and from which must be deducted dividend paid and the value of the repurchased own shares, after which the equity at the end of the quarter was DKK 2,519 million.

The bank's capital adequacy ratio (Tier 2) was computed at 21.2 at the end of the first quarter of 2012. The core capital ratio (Tier 1) was computed at 19.8.

<b>Capital adequacy</b>	<b>1<sup>st</sup> qtr. 2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Core capital ratio excl. hybrid core capital	18.3	18.3	17.1	15.1	11.6	10.0
Core capital ratio	19.8	19.8	18.6	16.6	13.0	11.2
<b>Capital adequacy ratio</b>	<b>21.2</b>	<b>21.4</b>	<b>22.4</b>	<b>20.2</b>	<b>16.3</b>	<b>13.0</b>
Individual solvency requirement	8.0	8.0	8.0	8.0	8.0	8.0
<b>Capital adequacy</b>	<b>265%</b>	<b>268%</b>	<b>280%</b>	<b>253%</b>	<b>204%</b>	<b>163%</b>

The individual solvency requirement for Ringkjøbing Landbobank is calculated at 7.0% because of the bank's robust business model, and the ratio was thus reported at 8%.

## Encouraging increase in customer numbers

The bank implemented several outreach initiatives towards new customers two years ago. The basis was the fact that the bank has both the liquidity and the capital to support growth, that we felt comfortable about the bank's credit facilities, and that our cost structure is suitable for the future. The biggest challenge in times of low growth in society is thus creating growth in the bank's top line.

The bank's outreach initiatives are being intensified in 2012, among other things by investing in spreading the bank's Private Banking platform even further.

A highly positive increase in customers is currently being seen in the branch network and within the Private Banking segment, with transfer of deposit, pension and securities customers. The growth in lending has been swallowed up by repayments on the loans portfolio. In the bank's judgment, we are, however, currently enhancing the foundation for future earnings.

## Accounting policies and key figures

The accounting policies applied are unchanged relative to the audited annual report presented for 2011. It should be noted, however, that the bank will book the fixed expenses for The Deposit Guarantee Fund as other operating costs from 2012.

## Expectations for earnings in 2012

The bank's core earnings for the first quarter of 2012 were DKK 116 million, which is at the upper edge of the budget.

## Main and key figures for the bank

	1 <sup>st</sup> qtr. 2012	1 <sup>st</sup> qtr. 2011	Full year 2011
<b>Main figures for the bank (million DKK)</b>			
Total core income	204	177	767
Total costs and depreciations	-64	-60	-248
<b>Core earnings before write-downs on loans</b>	<b>140</b>	<b>117</b>	<b>519</b>
Write-downs on loans	-24	-19	-129
<b>Core earnings</b>	<b>116</b>	<b>98</b>	<b>390</b>
Result for portfolio	+27	+6	+1
Expenses for bank packages	-2	-14	-11
<b>Profit before tax</b>	<b>141</b>	<b>90</b>	<b>380</b>
<b>Profit after tax</b>	<b>106</b>	<b>68</b>	<b>286</b>
Shareholders' equity	2,519	2,312	2,483
Total capital base	2,920	2,714	2,818
Deposits	12,671	11,786	12,755
Loans	12,640	13,439	12,747
Balance sheet total	17,675	17,855	17,549
Guarantees	1,099	1,048	1,052
<b>Key figures for the bank (per cent)</b>			
Pre-tax return on equity, beginning of year	23.4	16.0	16.9
Return on equity after tax, beginning of year	17.6	12.0	12.7
Rate of costs	31.4	33.7	32.4
Core capital ratio (Tier 1)	19.8	18.6	19.8
Solvency ratio (Tier 2)	21.2	20.1	21.4
<b>Key figures per 5 DKK share (DKK)</b>			
Core earnings	24	20	79
Profit before tax	29	18	77
Profit after tax	22	13	58
Net asset value	510	461	489
Price, end of period	701	677	579
Dividend	-	-	13

## Profit and loss account

Note		1.1-31.3 2012 DKK 1,000	1.1-31.3 2011 DKK 1,000	1.1-31.12 2011 DKK 1,000
1	Interest receivable	219,210	196,287	858,257
2	Interest payable	56,178	55,975	245,291
	<b>Net income from interest</b>	<b>163,032</b>	<b>140,312</b>	<b>612,966</b>
3	Dividend on capital shares etc.	263	58	1,111
4	Income from fees and commissions	45,295	35,177	158,303
4	Fees and commissions paid	5,791	6,350	24,312
	<b>Net income from interest and fees</b>	<b>202,799</b>	<b>169,197</b>	<b>748,068</b>
5	Value adjustments	+28,134	+12,688	+16,386
	Other operating income	895	1,185	4,535
6,7	Staff and administration costs	60,688	58,778	244,068
	Amortisation, depreciation and write-downs on intangible and tangible assets	803	784	4,375
	Other operating costs			
	Miscellaneous other operating costs	0	0	381
	Expenses for The Deposit Guarantee Fund	4,700	14,400	11,178
	Write-downs on loans and debtors etc.			
11	Write-downs on loans and other debtors	-24,151	-19,108	-128,799
	Result of capital shares in associated companies	0	0	+11
	<b>Profit before tax</b>	<b>141,486</b>	<b>90,000</b>	<b>380,199</b>
8	Tax	35,275	22,400	94,128
	<b>Profit after tax</b>	<b>106,211</b>	<b>67,600</b>	<b>286,071</b>
	Other comprehensive income	0	0	0
	<b>Comprehensive income after tax</b>	<b>106,211</b>	<b>67,600</b>	<b>286,071</b>

## Core earnings

		1.1-31.3 2012 DKK 1,000	1.1-31.3 2011 DKK 1,000	1.1-31.12 2011 DKK 1,000
	Net income from interest	160,450	139,828	606,576
	Net income from fees and provisions excl, commission	33,489	23,184	115,200
	Income from sector shares etc.	-99	1,012	4,437
	Foreign exchange income	3,704	5,897	17,914
	Other operating income etc.	896	1,185	4,535
	<b>Total core income excl. trade income</b>	<b>198,440</b>	<b>171,106</b>	<b>748,662</b>
	Trade income	6,015	5,643	18,791
	<b>Total core income</b>	<b>204,455</b>	<b>176,749</b>	<b>767,453</b>
	Staff and administration costs	60,688	58,778	244,068
	Amortisation, depreciation and write-downs on intangible and tangible assets	803	784	4,375
	Other operating costs	2,700	0	381
	Total costs etc.	64,191	59,562	248,824
	<b>Core earnings before write-downs on loans</b>	<b>140,264</b>	<b>117,187</b>	<b>518,629</b>
	Write-downs on loans and other debtors	-24,151	-19,108	-128,799
	<b>Core earnings</b>	<b>116,113</b>	<b>98,079</b>	<b>389,830</b>
	Result for portfolio	+27,373	+6,321	+1,547
	Expenses for bank packages	-2,000	-14,400	-11,178
	<b>Profit before tax</b>	<b>141,486</b>	<b>90,000</b>	<b>380,199</b>
	Tax	35,275	22,400	94,128
	<b>Profit after tax</b>	<b>106,211</b>	<b>67,600</b>	<b>286,071</b>

## Balance sheet

Note		End March 2012 DKK 1,000	End March 2011 DKK 1,000	End Dec. 2011 DKK 1,000
	<b>Assets</b>			
	Cash in hand and claims at call on central banks	51,783	36,677	33,935
<b>9</b>	Claims on credit institutions and central banks			
	Claims at notice on central banks	0	0	186,989
	Money market operations and bilateral loans - term to maturity under 1 year	428,566	949,317	536,453
	Bilateral loans - term to maturity over 1 year	246,481	650,703	590,876
<b>10,11,12</b>	Loans and other debtors at amortised cost price	12,639,540	13,439,363	12,746,560
	Loans and other debtors at amortised cost price	11,857,197	12,632,170	11,938,197
	Wind turbine loans with direct funding	782,343	807,193	808,363
<b>13</b>	Bonds at current value	3,599,148	2,063,174	2,755,912
<b>14</b>	Shares etc.	270,555	267,391	249,054
	Capital shares in associated companies	538	527	538
	Land and buildings total	74,589	75,547	74,722
	Investment properties	6,681	7,261	6,681
	Domicile properties	67,908	68,286	68,041
	Other tangible assets	4,617	4,776	4,893
	Actual tax assets	0	18,621	12,255
	Temporary assets	3,400	727	1,382
	Other assets	348,584	340,751	348,567
	Periodic-defined items	6,837	7,064	6,887
	<b>Total assets</b>	<b>17,674,638</b>	<b>17,854,638</b>	<b>17,549,023</b>



## Balance sheet

Note		End March 2012 DKK 1,000	End March 2011 DKK 1,000	End Dec. 2011 DKK 1,000
	<b>Liabilities and equity</b>			
<b>15</b>	Debt to credit institutions and central banks			
	Debt to central banks	0	0	0
	Money market operations and bilateral credits - term to maturity under 1 year	471,065	1,298,303	285,028
	Bilateral credits - term to maturity over 1 year	148,798	570,691	148,684
	Bilateral credits from KfW Bankengruppe	782,343	807,193	808,363
<b>16</b>	Deposits and other debts	12,670,876	11,785,777	12,755,415
<b>17</b>	Issued bonds at amortised cost price	337,025	335,075	338,958
	Actual tax liabilities	5,297	0	0
	Other liabilities	310,378	330,461	301,813
	Periodic-defined items	160	283	183
	<b>Total debt</b>	<b>14,725,942</b>	<b>15,127,783</b>	<b>14,638,444</b>
	Provisions for pensions and similar liabilities	4,893	5,377	5,146
	Provisions for deferred tax	4,789	3,929	4,789
<b>11</b>	Provisions for losses on guarantees	9,015	1,343	5,038
	Other provisions for liabilities	0	2,077	0
	<b>Total provisions for liabilities</b>	<b>18,697</b>	<b>12,726</b>	<b>14,973</b>
	Subordinated loan capital	200,877	201,331	198,014
	Hybrid core capital	210,384	200,435	214,472
<b>18</b>	<b>Total subordinated debt</b>	<b>411,261</b>	<b>401,766</b>	<b>412,486</b>
<b>19</b>	Share capital	25,200	25,200	25,200
	Reserve for net revaluation under the intrinsic value method	187	176	187
	Proposed dividend etc.	-	-	66,020
	Profit carried forward	2,493,351	2,286,987	2,391,713
	<b>Total shareholders' equity</b>	<b>2,518,738</b>	<b>2,312,363</b>	<b>2,483,120</b>
	<b>Total liabilities and equity</b>	<b>17,674,638</b>	<b>17,854,638</b>	<b>17,549,023</b>
<b>20</b>	Own capital shares			
<b>21</b>	Contingent liabilities etc.			
<b>22</b>	Capital adequacy computation			
<b>23</b>	Miscellaneous comments			

## Statement of shareholders' equity

DKK 1,000	Share capital	Reserve for net revaluation under the intrinsic value method	Proposed dividend etc.	Profit carried forward	Total shareholders' equity
<b>On 31 March 2012:</b>					
Shareholders' equity at the end of the previous financial year	25,200	187	66,020	2,391,713	2,483,120
Paid dividend			-66,020		-66,020
Dividend received from own shares				1,326	1,326
Purchase and sale of own shares				-5,899	-5,899
Other shareholders' equity items				0	0
Profit for the period				106,211	106,211
<b>Shareholders' equity on the balance sheet date</b>	<b>25,200</b>	<b>187</b>	<b>0</b>	<b>2,493,351</b>	<b>2,518,738</b>

<b>On 31 March 2011:</b>					
Shareholders' equity at the end of the previous financial year	25,200	176	60,980	2,225,988	2,312,344
Paid dividend			-60,980		-60,980
Dividend received from own shares				168	168
Purchase and sale of own shares				-7,750	-7,750
Other shareholders' equity items				981	981
Profit for the period				67,600	67,600
<b>Shareholders' equity on the balance sheet date</b>	<b>25,200</b>	<b>176</b>	<b>0</b>	<b>2,286,987</b>	<b>2,312,363</b>

<b>On 31 December 2011:</b>					
Shareholders' equity at the end of the previous financial year	25,200	176	60,980	2,225,988	2,312,344
Paid dividend			-60,980		-60,980
Dividend received from own shares				168	168
Purchase and sale of own shares				-58,391	-58,391
Other shareholders' equity items				3,908	3,908
Profit for the year		11	66,020	220,040	286,071
<b>Shareholders' equity on the balance sheet date</b>	<b>25,200</b>	<b>187</b>	<b>66,020</b>	<b>2,391,713</b>	<b>2,483,120</b>

## Notes

Note	1.1-31.3 2012 DKK 1,000	1.1-31.3 2011 DKK 1,000	1.1-31.12 2011 DKK 1,000
<b>1 Interest receivable</b>			
Claims on credit institutions and central banks	5,120	8,520	38,712
Loans and other debtors	199,551	181,520	775,891
Loans - interest concerning the written-down part of loans	-10,444	-7,989	-35,740
Bonds	21,016	8,557	58,993
Total derivatives financial instruments, of which	3,885	5,679	20,069
Currency contracts	-972	2,631	9,205
Interest-rate contracts	4,857	3,048	10,864
Other interest receivable	82	0	332
<b>Total interest receivable</b>	<b>219,210</b>	<b>196,287</b>	<b>858,257</b>
<b>2 Interest payable</b>			
Credit institutions and central banks	7,358	11,858	44,311
Deposits and other debts	41,294	36,024	169,174
Issued bonds	3,478	3,016	12,887
Subordinated debt	4,048	5,056	18,605
Other interest payable	0	21	314
<b>Total interest payable</b>	<b>56,178</b>	<b>55,975</b>	<b>245,291</b>
<b>3 Dividend from shares etc.</b>			
Shares	263	58	1,111
<b>Total dividend from shares etc.</b>	<b>263</b>	<b>58</b>	<b>1,111</b>
<b>4 Gross income from fees and commissions</b>			
Securities trading	7,262	7,457	24,117
Asset management	10,655	8,738	53,997
Payment handling	5,014	4,086	19,679
Loan fees	4,450	1,545	7,817
Guarantee commissions	8,757	8,011	34,898
Other fees and commissions	9,157	5,340	17,795
<b>Total gross income from fees and commissions</b>	<b>45,295</b>	<b>35,177</b>	<b>158,303</b>
<b>Net income from fees and commissions</b>			
Securities trading	6,015	5,643	18,791
Asset management	9,643	7,713	49,887
Payment handling	4,394	3,558	17,618
Loan fees	3,870	1,173	6,052
Guarantee commissions	8,757	8,011	34,898
Other fees and commissions	6,825	2,729	6,745
<b>Total net income from fees and commissions</b>	<b>39,504</b>	<b>28,827</b>	<b>133,991</b>
Foreign exchange income	3,704	5,897	17,914
<b>Total net income from fees, commissions and foreign exchange income</b>	<b>43,208</b>	<b>34,724</b>	<b>151,905</b>

## Notes

Note		1.1-31.3 2012 DKK 1,000	1.1-31.3 2011 DKK 1,000	1.1-31.12 2011 DKK 1,000
<b>5</b>	<b>Value adjustments</b>			
	Loans and other debtors at current value	1,658	-3,248	6,746
	Bonds	17,969	-3,543	2,619
	Shares etc.	3,839	1,950	-4,956
	Shares in sector companies etc.	-99	1,012	3,680
	Investment properties	0	0	-579
	Foreign exchange income	3,704	5,897	17,914
	Total derivatives financial instruments, of which	-3,398	-3,547	-10,050
	Interest-rate contracts	-3,412	-3,547	-10,050
	Share contracts	14	0	0
	Issued bonds	938	2,403	-744
	Other liabilities	3,523	11,764	1,756
	<b>Total value adjustments</b>	<b>28,134</b>	<b>12,688</b>	<b>16,386</b>
<b>6</b>	<b>Staff and administration costs</b>			
	Salaries and payments to the board of directors, board of managers and shareholders' committee			
	Board of managers	1,559	1,566	7,237
	Reserved provisions for pensions	0	-300	0
	Board of directors	0	0	1,049
	Shareholders' committee	0	0	336
	Total	1,559	1,266	8,622
	Staff costs			
	Salaries	26,898	26,767	111,030
	Pensions	2,867	2,873	11,522
	Social security expenses	2,816	3,773	900
	Costs depending on number of staff	238	237	14,719
	Total	32,819	33,650	138,171
	Other administration costs	26,310	23,862	97,275
	<b>Total staff and administration costs</b>	<b>60,688</b>	<b>58,778</b>	<b>244,068</b>
<b>7</b>	<b>Number of employees</b>			
	Average number of employees during the period converted into full-time employees	<b>247</b>	<b>254</b>	<b>252</b>
<b>8</b>	<b>Tax</b>			
	Tax calculated on the period profit	35,275	22,400	93,159
	Adjustment of deferred tax	0	0	860
	Adjustment of tax calculated for previous years	0	0	109
	<b>Total tax</b>	<b>35,275</b>	<b>22,400</b>	<b>94,128</b>
	<b>Effective tax rate (per cent):</b>			
	The current tax rate of the bank	25.0	25.0	25.0
	Adjustment of tax of non-liable income and non- deductible costs	-0.1	-0.1	-0.5
	Adjustment of tax calculated for previous years	0.0	0.0	0.0
	<b>Total effective tax rate</b>	<b>24.9</b>	<b>24.9</b>	<b>24.5</b>

## Notes

Note		End March 2012 DKK 1,000	End March 2011 DKK 1,000	End Dec. 2011 DKK 1,000
<b>9</b>	<b>Claims on credit institutions and central banks</b>			
	Claims at call	85,022	114,317	17,910
	Up to and including 3 months	338,682	585,000	661,989
	More than 3 months and up to and including 1 year	4,862	250,000	43,543
	More than 1 year and up to and including 5 years	246,481	650,703	590,876
	More than 5 years	0	0	0
	<b>Total claims on credit institutions and central banks</b>	<b>675,047</b>	<b>1,600,020</b>	<b>1,314,318</b>
<b>10</b>	<b>Loans and other debtors at amortised cost price</b>			
	At call	2,451,615	3,380,973	2,689,793
	Up to and including 3 months	711,322	1,303,955	476,999
	More than 3 months and up to and including 1 year	1,543,386	1,854,605	2,016,455
	More than 1 year and up to and including 5 years	3,974,743	3,936,039	3,666,432
	More than 5 years	3,958,474	2,963,791	3,896,881
	<b>Total loans and other debtors at amortised cost price</b>	<b>12,639,540</b>	<b>13,439,363</b>	<b>12,746,560</b>
<b>11</b>	<b>Write-downs on loans and other debtors and provisions for losses on guarantees</b>			
	<b>Individual write-downs</b>			
	Cumulative individual write-downs on loans and other debtors at the end of the previous financial year	577,352	532,441	532,441
	Write-downs/value adjustments during the period	73,633	68,609	205,130
	Reverse entry - write-downs made in previous financial years	-35,665	-40,978	-110,870
	Booked losses covered by write-downs	-9,248	-1,913	-49,349
	<b>Cumulative individual write-downs on loans and other debtors on the balance sheet date</b>	<b>606,072</b>	<b>558,159</b>	<b>577,352</b>
	<b>Group write-downs</b>			
	Cumulative group write-downs on loans and other debtors at the end of the previous financial year	67,466	31,211	31,211
	Write-downs/value adjustments during the period	660	0	36,255
	Reverse entry - write-downs made in previous financial years	0	-129	0
	<b>Cumulative group write-downs on loans and other debtors on the balance sheet date</b>	<b>68,126</b>	<b>31,082</b>	<b>67,466</b>
	<b>Total cumulative write-downs on loans and other debtors on the balance sheet date</b>	<b>674,198</b>	<b>589,241</b>	<b>644,818</b>
	<b>Provisions for losses on guarantees</b>			
	Cumulative individual provisions for losses on guarantees at the end of the previous financial year	5,038	1,383	1,383
	Provisions/value adjustments during the period	7,123	0	4,605
	Reverse entry - provisions made in previous financial years	-3,146	-40	-885
	Booked losses covered by write-downs	0	0	-65
	<b>Cumulative individual provisions for losses on guarantees on the balance sheet date</b>	<b>9,015</b>	<b>1,343</b>	<b>5,038</b>
	<b>Total cumulative write-downs on loans and other debtors and provisions for losses on guarantees on the balance sheet date</b>	<b>683,213</b>	<b>590,584</b>	<b>649,856</b>

## Notes

Note		End March 2012 DKK 1,000	End March 2011 DKK 1,000	End Dec. 2011 DKK 1,000
<b>12</b>	<b>Suspended calculation of interest</b> Loans and other debtors with suspended calculation of interest on the balance sheet date	<b>79,281</b>	<b>65,246</b>	<b>61,419</b>
<b>13</b>	<b>Bonds at current value</b> Listed on the stock exchange <b>Total bonds at current value</b>	<b>3,599,148</b> <b>3,599,148</b>	<b>2,063,174</b> <b>2,063,174</b>	<b>2,755,912</b> <b>2,755,912</b>
<b>14</b>	<b>Shares etc.</b> Listed on NASDAQ OMX Copenhagen Unlisted shares at current value Sector shares at current value Other holdings <b>Total shares etc.</b>	<b>33,350</b> <b>1,461</b> <b>214,766</b> <b>20,978</b> <b>270,555</b>	<b>34,309</b> <b>1,415</b> <b>210,257</b> <b>21,410</b> <b>267,391</b>	<b>12,033</b> <b>1,460</b> <b>214,583</b> <b>20,978</b> <b>249,054</b>
<b>15</b>	<b>Debt to credit institutions and central banks</b> Debt payable on demand Up to and including 3 months More than 3 months and up to and including 1 year More than 1 year and up to and including 5 years More than 5 years <b>Total debt to credit institutions and central banks</b>  The bank has undrawn long-term committed revolving credit facilities equivalent to:	<b>188,423</b> <b>309,266</b> <b>75,799</b> <b>557,135</b> <b>271,583</b> <b>1,402,206</b>  <b>74,399</b>	<b>201,132</b> <b>484,575</b> <b>710,648</b> <b>972,486</b> <b>307,346</b> <b>2,676,187</b>  <b>771,103</b>	<b>210,686</b> <b>26,619</b> <b>150,127</b> <b>583,111</b> <b>271,532</b> <b>1,242,075</b>  <b>174,342</b>
<b>16</b>	<b>Deposits and other debts</b> On demand Deposits and other debts at notice: Up to and including 3 months More than 3 months and up to and including 1 year More than 1 year and up to and including 5 years More than 5 years <b>Total deposits and other debts</b>  Distributed as follows: On demand At notice Time deposits Long term deposit agreements Special types of deposits	<b>6,500,244</b> <b>2,047,995</b> <b>1,260,942</b> <b>1,469,782</b> <b>1,391,913</b> <b>12,670,876</b>  <b>5,888,742</b> <b>142,730</b> <b>3,739,045</b> <b>1,727,906</b> <b>1,172,453</b> <b>12,670,876</b>	<b>6,132,583</b> <b>1,528,340</b> <b>1,214,572</b> <b>1,574,308</b> <b>1,335,974</b> <b>11,785,777</b>  <b>5,614,510</b> <b>135,653</b> <b>2,863,775</b> <b>2,096,892</b> <b>1,074,947</b> <b>11,785,777</b>	<b>6,372,268</b> <b>2,166,283</b> <b>1,175,194</b> <b>1,561,041</b> <b>1,480,629</b> <b>12,755,415</b>  <b>5,822,693</b> <b>146,889</b> <b>3,740,496</b> <b>1,805,129</b> <b>1,240,208</b> <b>12,755,415</b>

## Notes

Note		End March 2012 DKK 1,000	End March 2011 DKK 1,000	End Dec. 2011 DKK 1,000
<b>17</b>	<b>Issued bonds at amortised cost price</b>			
	On demand	0	0	0
	Up to and including 3 months	0	0	2,955
	More than 3 months and up to and including 1 year	4,583	2,955	0
	More than 1 year and up to and including 5 years	332,442	332,120	336,003
	More than 5 years	0	0	0
	<b>Total issued bonds at amortised cost price</b>	<b>337,025</b>	<b>335,075</b>	<b>338,958</b>
	Distributed as follows:			
	Issues in Danish kroner:			
	Nom. 220 million DKK	220,000	220,000	220,000
	Issues in Norwegian kroner:			
	Nom. 100 million NOK	97,840	95,200	95,880
	Regulation at amortised cost price and adjustment to current value of issues	8,302	6,038	9,241
	Other issues	10,883	13,837	13,837
		<b>337,025</b>	<b>335,075</b>	<b>338,958</b>
<b>18</b>	<b>Subordinated debt</b>			
	Subordinated loan capital:			
	Floating rate loan, principal EUR 27 million, expiry 30.6.2021	200,877	201,331	200,723
	Hybrid core capital:			
	4.795% bond loan, nom, DKK 200 million, indefinite term	200,000	200,000	200,000
	Regulation at amortised cost price and adjustment to current value of subordinated loan capital and hybrid core capital	10,384	435	11,763
	Own holding of subordinated loan capital	0	0	0
	<b>Total subordinated debt</b>	<b>411,261</b>	<b>401,766</b>	<b>412,486</b>
<b>19</b>	<b>Share capital</b>			
	Number of shares at DKK 5 each:			
	Beginning of period	5,040,000	5,040,000	5,040,000
	Changes during the period	0	0	0
	End of period	5,040,000	5,040,000	5,040,000
	Reserved for final cancellation in May 2012	100,000	0	100,000
	<b>Total share capital</b>	<b>25,200</b>	<b>25,200</b>	<b>25,200</b>

## Notes

Note	End March 2012 DKK 1,000	End March 2011 DKK 1,000	End Dec. 2011 DKK 1,000
<b>20</b>			
<b>Own capital shares</b>			
Own capital shares included in the balance sheet at	0	0	0
The market value is	77,212	12,811	58,395
Number of own shares:			
Beginning of period	100,855	9,517	9,517
Net purchases and sales of own shares during the period	+8,821	+9,406	91,338
End of period	109,676	18,923	100,855
Nominal value of holding of own shares, end of period	548	95	504
Own shares' proportion of share capital, end of period (%)	2.2	0.4	2.0
<b>21</b>			
<b>Contingent liabilities etc.</b>			
<b>Contingent liabilities</b>			
Finance guarantees	620,462	657,432	653,353
Guarantees for foreign loans	5,580	8,605	5,576
Guarantees against losses on mortgage credit loans	50,615	42,368	50,138
Guarantee against losses Totalkredit	116,863	116,542	118,540
Registration and conversion guarantees	61,235	68,364	55,361
Sector guarantees	39,413	37,290	39,413
Other contingent liabilities	204,411	117,458	129,841
<b>Total contingent liabilities</b>	<b>1,098,579</b>	<b>1,048,059</b>	<b>1,052,222</b>
First mortgage loans were provided for German wind turbine projects. The loans are funded directly by KfW Bankengruppe, to which security in the associated loans has been provided. Each reduction of the first mortgage loans is deducted directly from the funding at the KfW Bankengruppe.	<b>782,343</b>	<b>807,193</b>	<b>808,363</b>
As security for clearing and any debt, the bank has pledged securities from its holding to the Central Bank of Denmark to a total market price of	<b>141,322</b>	<b>90,659</b>	<b>269,005</b>



## Notes

Note	End March 2012 DKK 1,000	End March 2011 DKK 1,000	End Dec. 2011 DKK 1,000
<b>22</b>			
<b>Capital adequacy computation</b> Calculated pursuant to the Executive order on Capital Adequacy issued by the Danish Financial Supervisory Authority.			
Weighted items with credit and counterpart risks	10,792,548	11,213,840	11,041,407
Market risk	1,472,258	891,348	750,457
Operational risk	1,483,500	1,396,138	1,396,138
<b>Total risk weighted items</b>	<b>13,748,306</b>	<b>13,501,326</b>	<b>13,188,002</b>
Share capital	25,200	25,200	25,200
Reserve for net revaluation under the intrinsic value method	187	176	187
Profit carried forward	2,493,349	2,286,987	2,457,733
<b>Core capital</b>	<b>2,518,736</b>	<b>2,312,363</b>	<b>2,483,120</b>
Proposed dividend etc.	0	0	-66,020
Deduction from / addition to the core capital	-187	-176	-187
<b>Core capital after deductions</b>	<b>2,518,549</b>	<b>2,312,187</b>	<b>2,416,913</b>
Hybrid core capital	200,000	200,000	200,000
<b>Core capital after deductions incl. hybrid core capital</b>	<b>2,718,549</b>	<b>2,512,187</b>	<b>2,616,913</b>
Subordinated loan capital	200,877	201,331	200,723
Deduction from / addition to the capital base	187	176	187
<b>Capital base after deductions</b>	<b>2,919,613</b>	<b>2,713,694</b>	<b>2,817,823</b>
<b>Core capital ratio excl. hybrid core capital (per cent)</b>	<b>18.3</b>	<b>17.1</b>	<b>18.3</b>
<b>Core capital ratio (per cent)</b>	<b>19.8</b>	<b>18.6</b>	<b>19.8</b>
<b>Solvency ratio (per cent)</b>	<b>21.2</b>	<b>20.1</b>	<b>21.4</b>
Capital base requirements under Section 124 (2,1) of the Danish Financial Business Act	1,099,864	1,080,106	1,055,040
<b>23</b>			
<b>Miscellaneous comments on:</b>			
<b>Main and key figures for the bank and key figures per DKK 5 share - page 6</b>			
<ul style="list-style-type: none"> <li>Total capital base is calculated as the banks capital base after deductions, cf. note 22.</li> <li>Return on equity at the beginning of the year before and after tax are computed after allocation of dividend etc., net.</li> <li>Key figures per DKK 5 share for 1<sup>st</sup> quarter 2012, and for the full year 2010 are calculated on the basis of 4,940,000 shares and for 1<sup>st</sup> quarter 2011 calculated on the basis of 5,040,000 shares.</li> </ul>			
<b>Core earnings - page 3</b>			
<ul style="list-style-type: none"> <li>The comparative figures for 2005 have not been adjusted for the change made in 2007 from actual banking operations to core earnings.</li> </ul>			

## Main figures summary

	1 <sup>st</sup> qtr. 2012	1 <sup>st</sup> qtr. 2011	Full year 2011
<b>Profit and loss account summary (million DKK)</b>			
Net income from interest	163	140	613
Dividend on capital shares etc.	0	0	1
Net income from fees and commissions	40	29	134
Net income from interest and fees	203	169	748
Value adjustments	+28	+13	+16
Other operating income	1	1	5
Staff and administration costs	61	59	244
Amortisation, depreciation and write-downs on intangible and tangible assets	1	1	4
Other operating costs	5	14	12
Total write-downs on loans and other debtors etc.	-24	-19	-129
Profit before tax	141	90	380
Tax	35	22	94
Profit after tax	106	68	286
<b>Main figures from the balance sheet (million DKK)</b>			
Loans and other debtors	12,640	13,439	12,747
Deposits and other debts	12,671	11,786	12,755
Subordinated debt	411	402	412
Shareholders' equity	2,519	2,312	2,483
Balance sheet total	17,675	17,855	17,549

## Danish Financial Supervisory Authority key figures for Danish banks

		1 <sup>st</sup> qtr. 2012	1 <sup>st</sup> qtr. 2011	Full year 2011
Solvency ratio	%	21.2	20.1	21.4
Core capital ratio	%	19.8	18.6	19.8
Pre-tax return on equity	%	5.7	3.9	15.9
Return on equity after tax	%	4.2	3.0	11.9
Income/cost ratio	DKK	2.57	1.97	1.98
Interest risk	%	0.8	0.7	0.7
Foreign exchange position	%	3.0	0.5	0.9
Foreign exchange risk	%	0.0	0.0	0.0
Excess cover relative to statutory liquidity requirements	%	166.2	155.5	140.5
Loans and write-downs thereon relative to deposits	%	105.1	119.0	105.0
Loans relative to shareholders' equity		5.0	5.8	5.1
Growth in loans	%	-0.8	3.0	-3.1
Total large exposures	%	63.2	39.8	41.7
Cumulative write-down percentage	%	4.7	3.9	4.5
Write-down percentage for the period	%	0.17	0.13	0.89
Proportion of debtors at reduced interest	%	0.5	0.4	0.4
Result after tax per share * / ***	DKK	430.0	268.2	1,146.6
Book value per share * / **	DKK	10,217	9,211	10.055
Price/result per share * / ***		32.6	50.5	10.1
Price/book value per share * / **		1.37	1.47	1.15
* Calculated on the basis of a denomination of DKK 100 per share. ** Calculated on the basis of number of shares outstanding at the end of the period. *** Calculated on the basis of the average number of shares.				

## Statement by management and board of directors

The board of directors and management have today considered and approved the interim report for Ringkøbing Landbobank A/S for the period 1 January – 31 March 2012.

The interim report was prepared in accordance with the provisions of the Danish Act on Financial Activities and further Danish requirements on listed financial companies concerning disclosure. We consider the accounting policies to be appropriate and the accounting estimates made to be responsible, such that the interim report provides a true and fair view of the bank's assets, liabilities and financial position as of 31 March 2012 and of the bank's activities for the period 1 January-31 March 2012. We also believe that the management report etc. contain a true and fair review of the developments in the bank's activities and financial circumstances, and a description of the most important risks and uncertainty factors which could affect the bank.

The interim report was not audited or reviewed, but the external auditors have checked that the conditions for ongoing inclusion of the earnings for the period in the Tier 1 capital have been met.

Ringkøbing, 25 April 2012

### Management:

Bent Naur  
General Manager

John Fisker  
Manager

### Board of Directors:

Jens Lykke Kjeldsen  
Chairman

Gravers Kjærgaard  
Deputy chairman

Gert Asmussen

Inge Sandgrav Bak

Keld Hansen

Martin Krogh Pedersen

Bo Bennedsgaard  
Employee board member

Gitte E. S. Vigsø  
Employee board member