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Ringkjøbing Landbobank's announcement of the annual accounts for 2013

The core earnings show an increase of 12% to DKK 451 million, which is above the upwardly adjusted interval. The profit before tax improved by 5% to DKK 472 million, equivalent to an 18% return on the bank's equity, which is considered highly satisfactory.

(million DKK)	2013	2012	2011	2010	2009
Total core income	844	823	767	758	753
Total costs and depreciations	-273	-265	-248	-240	-238
Core earnings before impairments	571	558	519	518	515
Impairment charges for loans etc.	-120	-157	-129	-138	-159
Core earnings	451	401	390	380	356
Result for portfolio	+23	+49	+1	+38	+56
Expenses for bank packages	-2	-2	-11	-80	-107
Profit before tax	472	448	380	338	305

2013 in headlines:

- The core earnings show an increase of 12% to DKK 451 million, which is above the upwardly adjusted interval
- Increase in profit before tax to DKK 472 million, which is equivalent to an 18% return on equity at the beginning of the year
- The rate of costs was unchanged at 32 - still the lowest in the country
- Substantial increase in customer numbers creates 11% increase in loans and 10% increase in deposits
- Continued good increase in customers in the Private Banking segment
- Return on the bank's shares positive at 45%
- Submitting of an ordinary dividend of DKK 15 and an extraordinary dividend of DKK 10 because the buy-back programme was not fully utilised - equivalent to a total dividend of DKK 121 million
- Proposed cancellation of 60,000 shares, and establishment of new buy-back programme for up to 110,000 shares - equivalent to DKK 129 million
- Core earnings in 2014 are expected to be in the range DKK 410 - 460 million

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 was DKK 615 million in 2013, unchanged relative to 2012. Compared to last year, the bank experienced a falling interest margin during 2013, which was neutralised with respect to earnings by an increase in the average volume of loans from 2012 to 2013. In addition, the level of interest rates in society in 2013 was lower than in 2012, which resulted in a lower return on the bank's securities portfolio and liquid resources.

Fees, commissions and foreign exchange earnings amounted to net DKK 212 million in 2013 against net DKK 199 million in 2012, an increase of 6%. Greater activity and volumes within asset management and pensions and higher income from guarantee commissions helped to strengthen earnings. On the other hand, compared with 2012, there were no conversions during the year.

The total core income was 3% higher, with an increase from DKK 823 million in 2012 to DKK 844 million in 2013. The bank considers the increase from the 2012 level satisfactory.

Costs and depreciations

Total costs including depreciations on tangible assets were DKK 273 million in 2013 against DKK 265 million last year, an increase of 3%.

The basic development in the bank's costs of staffing and administration was moderate, with a total rate of increase of less than 1%, which reflects an increase in the bank's salary costs and a decrease in IT costs. Most of the cost increase was attributable to an additional DKK 5 million for the insurance scheme under the Guarantee Fund for Depositors and Investors.

The rate of costs was unchanged relative to last year's level and was computed at 32.4%, which continues to be the lowest in Denmark. A low rate of costs is especially important in periods of difficult economic conditions as this provides a high level of robustness in the bank's results.

Impairment charges for loans

Impairment charges for loans amounted to DKK 120 million against DKK 157 million last year. The level of impairment charges is falling relative to last year and is equivalent to 0.8% of the total average loans, impairment charges, 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 impairment charges and provisions was DKK 853 million at the end of the year, equivalent to 5.1% of total loans and guarantees. Actual losses and write-offs on loans etc. continue to be low, and with deduction of the items "Interest on the impaired part of loans" and "Receivables previously written-off", the year's actual net losses were DKK 25 million. The account for impairment charges and provisions is increased by net DKK 95 million during the year.

The portfolio of loans with suspended calculation of interest amounts to DKK 85 million, equivalent to 0.5% of the bank's total loans and guarantees at the end of the year.

Given the low growth in the Danish economy for a number of years, which is expected to continue this year, the bank is satisfied with the conservative credit policy on the basis of which the bank is operated. As a natural part of the economic cycle, the bank's losses are expected to remain at a relatively high level in 2014, but at a lower level than in 2013. It is also still the bank's judgment that its credit policy, diversified loans portfolio and position in central and western Jutland will have a positive effect on the bank relative to the general level of losses for the banking sector as a whole.

Core earnings

(Million DKK)	2013	2012	2011	2010	2009
Total core income	844	823	767	758	753
Total costs and depreciations	-273	-265	-248	-240	-238
Core earnings before impairments	571	558	519	518	515
Impairment charges for loans etc.	-120	-157	-129	-138	-159
Core earnings	451	401	390	380	356

The core earnings were DKK 451 million against DKK 401 million last year, an increase of 12%. The core earnings were thus realised above the upwardly adjusted interval.

Result for the portfolio and market risk

The result for the portfolio for 2013 was positive at DKK 23 million including funding costs.

The bank's holding of shares etc. amounted to DKK 209 million at the end of the year, with DKK 16 million in listed shares and DKK 193 million in sector shares etc. The bond portfolio is DKK 4,670 million, and the majority of the portfolio consists of AAA-rated Danish mortgage credit bonds and short-term bank bonds issued by rated counterparties.

The total interest rate risk, computed as the impact on the result of a one percentage point change in the interest level, was 0.6% of the bank's tier 1 capital after deduction at the end of the year.

The bank's total market risk within exposures to interest rate risk, listed shares and foreign currency 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 2013:

	Risk in DKK million	Risk relative to equity end of year in %
Highest risk of loss:	26.0	0.90%
Lowest risk of loss:	2.5	0.09%
Average risk of loss:	14.9	0.51%

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

Result after tax

The profit before tax was DKK 472 million. The profit after tax of DKK 114 million was DKK 358 million against last year's DKK 328 million. The profit before and after tax is equivalent to a return on equity at the beginning of the year after payment of dividend of 18% and 14% respectively.

Balance sheet

The bank's balance sheet total at the end of the year was DKK 19,583 million against last year's DKK 17,682 million.

Deposits increased by 10% from DKK 12,867 million at the end of 2012 to DKK 14,114 million at the end of 2013.

The bank's loans increased by 11% from DKK 12,424 million to DKK 13,849 million at the end of the year. Just over half of the growth in the bank's loans derives from wind turbine financing, while the remainder derives from a broad range of industries with growth from both other niches and the branch network. The bank thus in 2013 met its goal of realising growth in loans via the organic growth strategy.

From the end of the third quarter 2013 to the end of the fourth quarter 2013, loans increased by DKK 861 million, an increase of 7%. The increase mainly concerns the establishment of wind turbine loans which were booked as guarantees in the preceding quarters of 2013. There was thus a corresponding reduction in guarantees totalling DKK 743 million from the end of the third quarter 2013 to the end of the fourth quarter.

The bank's portfolio of guarantees at the end of the year was DKK 1,902 million against DKK 1,667 million in 2012.

Liquidity

The bank's liquidity is good, and the excess liquidity relative to the statutory requirement is 166%. The bank's short-term funding with term to maturity of less than 12 months amounts to only DKK 755 million, corresponding to DKK 5.0 billion in short-term money market placings, primarily in Danish banks and liquid securities. The bank is thus not dependent on the short-term money market.

During 2013, the bank entered into long-term funding agreements with its partners to the equivalent value of a total of DKK 1.1 billion with an average term of 5.1 years.

The bank's deposits were DKK 265 million greater than loans at the end of the year, and the loans portfolio is thus more than fully financed by the bank's deposits and equity. In addition, part of the German loans portfolio for wind turbines was refinanced back-to-back with KfW Bankengruppe, and DKK 969 million can thus be disregarded in terms of liquidity.

The bank thus 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.

Dividend and share buy-back programme

The bank's board of directors will submit to the general meeting that an ordinary dividend of DKK 15 per share, equivalent to DKK 73 million, be paid for the 2013 financial year. A dividend of DKK 14 per share was paid in the 2012 financial year.

It is also submitted that an extraordinary dividend of DKK 10 per share be paid as the share buy-back programme for up to 130,000 shares, which, at the price at the end of January 2013 would be able to reduce the equity by up to DKK 105 million, was not fully used in 2013. 60,000 shares were bought

back in 2013 at a cost of DKK 59 million. It is thus proposed that the remaining DKK 46 million be distributed as an extraordinary dividend.

The recommendation to the general meeting will be that these 60,000 shares be cancelled in connection with a capital reduction, thus reducing the number of shares in the bank from 4,840,000 to 4,780,000.

It will also be proposed to the general meeting that a share new buy-back programme be established under which up to 110,000 shares can be bought for cancellation at a future general meeting. At the current price, this authorisation will reduce the equity by DKK 129 million.

Capital

The equity at the beginning of 2013 was DKK 2,676 million. To this must be added the profit for the year, and the dividend paid and the value of the own shares bought must be subtracted, after which the equity at the end of the year was DKK 2,901 million, an increase of 8%.

The bank's solvency ratio (Tier 2) was computed at 20.0% at the end of 2013 and the tier 1 capital ratio was computed at 19.2%.

Solvency cover	2013	2012	2011	2010	2009
Core tier 1 capital ratio (excl. hybrid core capital) (%)	18,7	19,6	18,3	17,1	15,1
Tier 1 capital ratio (%)	19,2	20,9	19,8	18,6	16,6
Solvency ratio - Tier 2 (%)	20,0	22,4	21,4	22,4	20,2
Individual solvency requirement (%)	8,9	8,0	8,0	8,0	8,0
Solvency cover	225%	280%	268%	280%	253%

The above capitalisation means that Ringkjøbing Landbobank remains one of Denmark's best capitalised banks.

With effect from 2013, the method of calculation of the individual solvency requirement was changed to the so-called 8+ model, where the calculation of the individual solvency requirement is based on 8% plus any supplements calculated inter alia for customers with financial problems.

In contrast to the previously used method, the 8+ model takes no account of the bank's earnings and cost base and its robust business model. Despite this, the bank's individual solvency requirement at the end of 2013 was calculated at only 8.9%.

A calculation of the consequences of implementing the CRD IV rules with effect from the beginning of 2014 was made on the basis of the bank's capital ratios at the end of 2013. The calculation shows a modest effect on the bank's core tier 1 capital ratio (excluding hybrid core capital) and a reduction in the tier 1 capital ratio and the solvency ratio of the order of 1.5 - 2.0 percentage points.

Good increase in customer numbers

Throughout 2013, the bank carried out various outreach initiatives towards both existing and new customers, including by investing in further disseminating the bank's Private Banking platform at national level and by carrying out outreach activities in the branch network in Central and West Jutland.

The activities were performed to create healthy growth in the bank as the biggest challenge in a time of low growth in the society is to create growth in the bank's top line.

The outreach activities in question contributed inter alia to the bank's recording the best ever net increase in customers during 2013, with growth in both the branch network and within the niche concepts. The outreach initiatives are planned to continue in 2014 at both regional and national levels.

Accounting policies and key figures

The accounting policies applied are unchanged relative to the audited annual report presented for 2012.

Expected result and plans for 2014

The bank's core earnings in 2013 were DKK 451 million, which is above the upwardly adjusted range.

Ringkjøbing Landbobank's market share is about 50% in that part of West Jutland where the bank's old branches are located. The bank also has well-established branches in Herning, Holstebro and Viborg which are continuing to operate positively. The bank's plan is to retain and develop this portion of the customer portfolio with sound and competitive products and with focus on the employees' expertise and work in advising customers of the options in a changing financial world. In 2014, the bank expects a continuing positive inflow of customers to its branches in central and western Jutland because of its long-term outreach marketing of the bank and consolidation in the sector.

The activities in the bank's Distance Customer Department and its niche concepts are also expected to continue to develop positively as a whole in the coming year. Focus will be placed on serving the bank's current customers and further developing the portfolio within wind turbine financing and medical practitioners.

Ringkjøbing Landbobank is establishing a new Private Banking branch in Aarhus in the first quarter of 2014. The branch is being established following the success achieved by the Private Banking branches in Ringkøbing, Herning and Holte over the last three years.

Given the possibilities which the bank currently sees in the market and the establishment of a Private Banking branch in Aarhus in the first quarter of 2014, the bank expects increased costs in the 2014 financial year of approx. 6%. The bank's impairment charges are still expected to remain at a relatively high level in 2014, but at a lower level than in 2013.

As a whole, core earnings in 2014 are expected to be in the range DKK 410 - 460 million. To this must be added the result for the bank's result for portfolio.

Main and key figures

	2013	2012	2011	2010	2009
Main figures for the bank (million DKK)					
Total core income	844	823	767	758	753
Total costs and depreciations	-273	-265	-248	-240	-238
Core earnings before impairments	571	558	519	518	515
Impairment charges for loans etc.	-120	-157	-129	-138	-159
Core earnings	451	401	390	380	356
Result for portfolio	+23	+49	+1	+38	+56
Expenses for bank packages	-2	-2	-11	-80	-107
Profit before tax	472	448	380	338	305
Profit after tax	358	328	286	257	232
Shareholders' equity	2,901	2,676	2,483	2,312	2,056
Deposits	14,114	12,867	12,755	11,662	11,187
Loans	13,849	12,424	12,747	13,151	13,047
Balance sheet total	19,583	17,682	17,549	18,247	17,928
Guarantees	1,902	1,667	1,052	1,042	1,486
Key figures for the bank (per cent)					
Return on equity before tax, beginning of year	18.1	18.5	16.9	16.5	17.1
Return on equity after tax, beginning of year	13.7	13.6	12.7	12.5	13.0
Rate of costs	32.4	32.2	32.4	31.6	31.6
Tier 1 capital ratio	19.2	20.9	19.8	18.6	16.6
Solvency ratio - Tier 2	20.0	22.4	21.4	22.4	20.2
Solvency requirement	8.9	8.0	8.0	8.0	8.0
Key figures per 5 DKK share (DKK)					
Core earnings	94	83	79	75	71
Profit before tax	99	93	77	67	60
Profit after tax	75	68	58	51	46
Net asset value	607	553	503	459	408
Price, end of period	1,099	770	579	725	609
Dividend	25	14	13	12	0

Profit and loss account

Note		1.1 - 31.12 2013 DKK 1,000	1.1 - 31.12 2012 DKK 1,000
1	Interest receivable	776,268	834,021
2	Interest payable	146,037	200,764
	Net income from interest	630,231	633,257
3	Dividend on capital shares etc.	12,610	1,463
4	Income from fees and commissions	229,813	210,516
4	Fees and commissions paid	31,123	24,029
	Net income from interest and fees	841,531	821,207
5	Value adjustments	+23,074	+46,957
	Other operating income	2,730	3,303
6,7	Staff and administration costs	254,909	252,796
	Amortisations, depreciations and write-downs on intangible and tangible assets	4,270	3,233
	Other operating costs		
	Miscellaneous other operating costs	28	133
	Costs Deposit Guarantee Fund	16,091	10,281
8	Impairment charges for loans and other debtors etc.	-120,175	-156,844
	Result of capital shares in associated companies	-3	+5
	Profit before tax	471,859	448,185
9	Tax	114,199	120,188
	Profit after tax	357,660	327,997
	Other comprehensive income	0	0
	Total comprehensive income	357,660	327,997

Proposed distribution of profit

	Profit after tax	357,660	327,997
	Total amount available for distribution	357,660	327,997
	Dividend at annual general meeting		
	Ordinary dividend	72,600	69,160
	Extraordinary dividend	48,400	0
	Total dividend	121,000	69,160
	Charitable purposes	500	500
	Transferred to reserve for net revaluation under the intrinsic value method	-3	+5
	Appropriation to own funds	236,163	258,332
	Total distribution of the amount available	357,660	327,997

Core earnings

	1.1 - 31.12 2013 DKK 1,000	1.1 - 31.12 2012 DKK 1,000
Net income from interest	614,719	614,617
Net income from fees and provisions excl. commission	171,765	162,371
Income from sector shares	14,403	5,939
Foreign exchange income	13,293	12,591
Other operating income	2,730	3,303
Total core income excl. trade income	816,910	798,821
Trade income	26,925	24,116
Total core income	843,835	822,937
Staff and administration costs	254,909	252,796
Amortisations, depreciations and write-downs on intangible and tangible assets	4,270	3,233
Other operating costs	13,827	8,705
Total costs etc.	273,006	264,734
Core earnings before impairments	570,829	558,203
Impairment charges for loans and other debtors etc.	-120,175	-156,844
Core earnings	450,654	401,359
Result for portfolio	+23,497	+48,535
Expenses for bank packages	-2,292	-1,709
Profit before tax	471,859	448,185
Tax	114,199	120,188
Profit after tax	357,660	327,997

Balance sheet

Note		End Dec. 2013 DKK 1,000	End Dec. 2012 DKK 1,000
	Assets		
	Cash in hand and claims at call on central banks	63,064	483,188
10	Claims on credit institutions and central banks	416,913	373,300
	Claims at notice on central banks	0	176,002
	Money market operations and bilateral loans - term to maturity under 1 year	214,032	92,578
	Bilateral loans - term to maturity over 1 year	202,881	104,720
11,12,13	Loans and other debtors at amortised cost price	13,849,285	12,424,139
	Loans and other debtors at amortised cost price	12,880,717	11,594,880
	Wind turbine loans with direct funding	968,568	829,259
14	Bonds at current value	4,669,732	3,783,258
15	Shares etc.	208,697	212,710
	Capital shares in associated companies	540	543
	Land and buildings total	73,871	75,830
	Investment properties	8,015	8,165
	Domicile properties	65,856	67,665
	Other tangible assets	4,385	3,981
	Actual tax assets	24,501	40,370
	Temporary assets	1,000	1,400
	Other assets	263,856	276,182
	Periodic-defined items	6,977	6,645
	Total assets	19,582,821	17,681,546

Balance sheet

Note		End Dec. 2013 DKK 1,000	End Dec. 2012 DKK 1,000
	Liabilities and equity		
16	Debt to credit institutions and central banks	1,754,884	1,198,071
	Money market operations and bilateral credits - term to maturity under 1 year	656,258	294,208
	Bilateral credits - term to maturity over 1 year	130,058	74,604
	Bilateral credits from KfW Bankengruppe	968,568	829,259
17	Deposits and other debts	14,113,816	12,866,748
18	Issued bonds at amortised cost price	249,814	340,809
	Other liabilities	173,806	190,830
	Periodic-defined items	917	205
	Total debt	16,293,237	14,596,663
	Provisions for deferred tax	13,188	15,151
12	Provisions for losses on guarantees	4,256	10,958
	Total provisions for liabilities	17,444	26,109
	Subordinated loan capital	200,193	199,607
	Hybrid core capital	170,847	183,027
19	Total subordinated debt	371,040	382,634
20	Share capital	24,200	24,700
	Reserve for net revaluation under the intrinsic value method	189	192
	Profit carried forward	2,755,211	2,581,588
	Proposed dividend etc.	121,500	69,660
	Total shareholders' equity	2,901,100	2,676,140
	Total liabilities and equity	19,582,821	17,681,546
21	Own capital share		
22	Contingent liabilities etc.		
23	Assets furnished as security		
24	Capital adequacy computation		
25	The supervisory diamond		
26	Miscellaneous comments		

Statement of shareholders' equity

2013		Reserve for net revaluation under the intrinsic value method	Profit carried forward	Proposed dividend etc.	Total shareholders' equity
DKK 1,000	Share capital				
Shareholders' equity at the end of the previous financial year	24,700	192	2,581,588	69,660	2,676,140
Reduction of share capital	-500		500		0
Dividend etc. paid				-69,660	-69,660
Dividend received on own shares			1,427		1,427
Shareholders' equity after allocation of dividend etc.	24,200	192	2,583,515	0	2,607,907
Purchase and sale of own shares			-64,467		-64,467
Total comprehensive income		-3	236,163	121,500	357,660
Shareholders' equity on the balance sheet date	24,200	189	2,755,211	121,500	2,901,100

2012		Reserve for net revaluation under the intrinsic value method	Profit carried forward	Proposed dividend etc.	Total shareholders' equity
DKK 1,000	Share capital				
Shareholders' equity at the end of the previous financial year	25,200	187	2,391,713	66,020	2,483,120
Reduction of share capital	-500		500		0
Dividend etc. paid				-66,020	-66,020
Dividend received on own shares			1,326		1,326
Shareholders' equity after allocation of dividend etc.	24,700	187	2,393,539	0	2,418,426
Purchase and sale of own shares			-70,283		-70,283
Total comprehensive income		5	258,332	69,660	327,997
Shareholders' equity on the balance sheet date	24,700	192	2,581,588	69,660	2,676,140

Notes

Note	1.1 - 31.12 2013 DKK 1,000	1.1 - 31.12 2012 DKK 1,000
1 Interest receivable		
Claims on credit institutions and central banks	23,425	10,943
Loans and other debtors	719,154	769,656
Loans - interest concerning the impaired part of loans	-43,913	-41,685
Bonds	86,007	86,941
Total derivatives financial instruments, of which	-8,617	8,016
Currency contracts	-4,104	4,880
Interest-rate contracts	-4,513	3,136
Other interest receivable	212	150
Total interest receivable	776,268	834,021
2 Interest payable		
Credit institutions and central banks	23,385	27,163
Deposits and other debts	101,280	146,108
Issued bonds	8,015	11,496
Subordinated debt	13,221	15,828
Other interest payable	136	169
Total interest payable	146,037	200,764
3 Dividend from shares etc.		
Shares	12,610	1,463
Total dividend from shares etc.	12,610	1,463
4 Gross income from fees and commissions		
Securities trading	33,646	28,279
Asset management	84,785	75,271
Payment handling	21,524	20,898
Loan fees	6,273	14,578
Guarantee commissions	61,527	41,371
Other fees and commissions	22,058	30,119
Total gross income from fees and commissions	229,813	210,516
Net income from fees and commissions		
Securities trading	26,925	24,116
Asset management	79,755	70,982
Payment handling	19,347	18,436
Loan fees	4,204	12,064
Guarantee commissions	61,527	41,371
Other fees and commissions	6,932	19,518
Total net income from fees and commissions	198,690	186,487
Foreign exchange income	13,293	12,591
Total net income from fees, commissions and foreign exchange income	211,983	199,078

Notes

Note		1.1 - 31.12 2013 DKK 1,000	1.1 - 31.12 2012 DKK 1,000
5	Value adjustments		
	Loans and other debtors, current value adjustment	-974	6,433
	Bonds	1,653	78,318
	Shares etc.	9,479	-25,862
	Investment properties	150	-415
	Foreign exchange income	13,293	12,591
	Total derivatives financial instruments, of which	-7,846	-26,497
	Interest-rate contracts	-7,846	-26,497
	Issued bonds	2,491	1,041
	Other liabilities	4,828	1,348
	Total value adjustments	23,074	46,957
6	Staff and administration costs		
	Payments to general management, board of directors and shareholders' committee		
	General management	3,973	5,187
	Board of directors	1,294	1,161
	Shareholders' committee	366	318
	Total	5,633	6,666
	Staff costs		
	Salaries	117,365	111,848
	Pensions	12,066	11,478
	Social security expenses	900	917
	Costs depending on number of staff	16,195	14,978
	Total	146,526	139,221
	Other administration costs	102,750	106,909
	Total staff and administration costs	254,909	252,796
7	Number of full-time employees		
	Average number of employees during the financial year converted into full-time employees	251	244
8	Impairment charges on loans and other debtors etc.		
	Net changes in impairment charges on loans and other debtors and provisions for losses on guarantees	95,058	108,506
	Actual realised net losses	69,030	90,023
	Interest concerning the impaired part of loans	-43,913	-41,685
	Total impairment charges on loans and other debtors etc.	120,175	156,844

Notes

Note		End Dec. 2013 DKK 1,000	End Dec. 2012 DKK 1,000
9	Tax		
	Tax calculated on the year's profit	114,967	109,075
	Adjustment of deferred tax	-1,660	10,362
	Adjustment of deferred tax due to change in tax rate	-303	0
	Adjustment of tax calculated for previous years	1,195	751
	Total tax	114,199	120,188
	Effective tax rate (%):		
	The current tax rate of the bank	25.0	25.0
	Permanent deviations	-1.0	1.6
	Adjustment of deferred tax due to change in tax rate	-0.1	0.0
	Adjustment of tax calculated for previous years	0.3	0.2
	Total effective tax rate	24.2	26.8
Note		End Dec. 2013 DKK 1,000	End Dec. 2012 DKK 1,000
10	Claims on credit institutions and central banks		
	Claims at call	114,032	41,144
	Up to and including 3 months	100,000	226,002
	More than 3 months and up to and including 1 year	0	1,434
	More than 1 year and up to and including 5 years	202,881	104,220
	More than 5 years	0	500
	Total claims on credit institutions and central banks	416,913	373,300
11	Loans and other debtors at amortised cost price		
	At call	1,311,786	2,027,476
	Up to and including 3 months	674,795	597,833
	More than 3 months and up to and including 1 year	1,542,624	1,354,204
	More than 1 year and up to and including 5 years	4,601,579	4,300,538
	More than 5 years	5,718,501	4,144,088
	Total loans and other debtors at amortised cost price	13,849,285	12,424,139

Notes

Note		End Dec. 2013 DKK 1,000	End Dec. 2012 DKK 1,000
12	Impairment charges for loans and other debtors and provisions for losses on guarantees		
	Individual impairment charges		
	Cumulative individual impairment charges for loans and other debtors at the end of the previous financial year	632,529	577,352
	Impairment charges/value adjustments during the year	255,157	243,459
	Reverse entry - impairment charges made in previous financial years	-90,895	-124,433
	Booked losses covered by impairment charges	-60,278	-63,849
	Cumulative individual impairment charges for loans and other debtors on the balance sheet date	736,513	632,529
	Collective impairment charges		
	Cumulative collective impairment charges for loans and other debtors at the end of the previous financial year	114,876	67,466
	Impairment charges/value adjustments during the year	-2,224	47,410
	Cumulative collective impairment charges for loans and other debtors on the balance sheet date	112,652	114,876
	Total cumulative impairment charges for loans and other debtors on the balance sheet date	849,165	747,405
	Provisions for losses on guarantees		
	Cumulative individual provisions for losses on guarantees at the end of the previous financial year	10,958	5,038
	Provisions/value adjustments during the year	3,282	10,009
	Reverse entry - provisions made in previous financial years	-9,245	-3,835
	Booked losses covered by provisions	-739	-254
	Cumulative individual provisions for losses on guarantees on the balance sheet date	4,256	10,958
	Total cumulative impairment charges for loans and other debtors and provisions for losses on guarantees on the balance sheet date	853,421	758,363
13	Suspended calculation of interest		
	Loans and other debtors with suspended calculation of interest on the balance sheet date	85,258	113,312

Notes

Note		End Dec. 2013 DKK 1,000	End Dec. 2012 DKK 1,000
14	Bonds at current value		
	Listed on the stock exchange	4,669,732	3,783,258
	Total bonds at current value	4,669,732	3,783,258
15	Shares etc.		
	Listed on NASDAQ OMX Copenhagen	15,700	29,104
	Unlisted shares at current value	1,372	1,505
	Sector shares at current value	191,625	182,101
	Total shares etc.	208,697	212,710
16	Debt to credit institutions and central banks		
	Debt payable on demand	298,236	214,603
	Up to and including 3 months	315,311	30,726
	More than 3 months and up to and including 1 year	137,287	169,143
	More than 1 year and up to and including 5 years	560,112	516,937
	More than 5 years	443,938	266,662
	Total debt to credit institutions and central banks	1,754,884	1,198,071
	The bank has undrawn long-term committed revolving credit facilities equivalent to	0	74,604
17	Deposits and other debts		
	On demand	8,325,047	7,536,906
	Deposits and other debts at notice:		
	Up to and including 3 months	1,205,176	1,487,572
	More than 3 months and up to and including 1 year	1,426,171	908,664
	More than 1 year and up to and including 5 years	1,501,668	1,414,739
	More than 5 years	1,655,754	1,518,867
	Total deposits and other debts	14,113,816	12,866,748
	Distributed as follows:		
	On demand	7,933,649	6,557,380
	At notice	337,480	175,268
	Time deposits	2,549,938	2,921,952
	Long term deposit agreements	1,883,569	1,906,942
	Special types of deposits	1,409,180	1,305,206
		14,113,816	12,866,748

Notes

Note		End Dec. 2013 DKK 1,000	End Dec. 2012 DKK 1,000
18	Issued bonds at amortised cost price		
	Up to and including 3 months	3,727	4,583
	More than 3 months and up to and including 1 year	0	220,000
	More than 1 year and up to and including 5 years	246,087	116,226
	Total issued bonds at amortised cost price	249,814	340,809
	Distributed as follows:		
	Issues in Danish kroner:		
	Nom. 220 million DKK	0	220,000
	Issues in Norwegian kroner:		
	Nom. 100 million NOK	88,540	101,670
	Regulation at amortised cost price and adjustment to current value of issues	5,768	8,256
	Issues in euro:		
	Nom. 20 million EUR	149,206	0
	Other issues	6,300	10,883
		249,814	340,809
19	Subordinated debt		
	Subordinated loan capital:		
	Floating rate loan, principal EUR 27 million, expiry 30.6.2021	201,428	201,431
	Hybrid core capital:		
	4.795% bond loan, nom. DKK 200 million, indefinite term	200,000	200,000
	Own holding of subordinated loan capital	-35,500	-28,000
	Regulation at amortised cost price and adjustment to current value of subordinated loan capital and hybrid core capital	5,112	9,203
	Total subordinated debt	371,040	382,634
20	Share capital		
	Number of shares at DKK 5 each:		
	Beginning of period	4,940,000	5,040,000
	Cancellation during the year	-100,000	-100,000
	End of period	4,840,000	4,940,000
	Reserved for subsequent cancellation	60,000	90,000
	Total share capital	24,200	24,700

Notes

Note		End Dec. 2013 DKK 1,000	End Dec. 2012 DKK 1,000
21	Own capital shares		
	Own capital shares included in the balance sheet at	0	0
	The market value is	68,747	73,978
	Number of own shares:		
	Beginning of year	96,075	100,855
	Purchases during the year	318,806	335,686
	Sales during the year	-252,327	-240,466
	Cancellation during the year	-100,000	-100,000
	End of year	62,554	96,075
	Nominal value of holding of own shares, end of year	313	480
	Own shares' proportion of share capital, end of year (%)	1.3	1.9
22	Contingent liabilities etc.		
	Contingent liabilities		
	Finance guarantees	949,047	693,774
	Guarantees for foreign loans	0	5,595
	Guarantees against losses on mortgage credit loans	55,841	51,951
	Guarantees against losses Totalkredit	112,284	122,797
	Registration and conversion guarantees	55,605	70,999
	Sector guarantees	48,175	46,816
	Other contingent liabilities	680,982	675,168
	Total contingent liabilities	1,901,934	1,667,100
23	Assets furnished as security		
	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.	968,568	829,259
	As security for clearing, the bank has pledged securities from its total holding to the Central Bank of Denmark to a total market price of	321,192	250,623
	Provision of security under CSA agreements	75,372	86,101

Notes

Note		End Dec. 2013 DKK 1,000	End Dec. 2012 DKK 1,000
24	<p>Capital adequacy computation Computed pursuant to the Executive order on Capital Adequacy issued by the Danish Financial Supervisory Authority.</p> <p>Weighted items with credit and counterpart risks</p> <p>Market risk</p> <p>Operational risk</p> <p>Total risk weighted items</p> <p>Shareholders' equity</p> <p>Proposed dividend etc.</p> <p>Reserve for net revaluation</p> <p>Core tier 1 capital (excl. hybrid core capital)</p> <p>Hybrid core capital</p> <p>Deduction for equity investments etc. above 10%</p> <p>Deduction for the sum of equity investments etc. above 10%</p> <p>Tier 1 capital</p> <p>Subordinated loan capital</p> <p>Reserve for net revaluation</p> <p>Deduction for equity investments etc. above 10%</p> <p>Deduction for the sum of equity investments etc. above 10%</p> <p>Capital base after deductions</p> <p>Core tier 1 capital ratio (excl. hybrid core capital) (%)</p> <p>Tier 1 capital ratio (%)</p> <p>Solvency ratio - Tier 2 (%)</p> <p>Capital base requirements under Section 124 (2,1) of the Danish Financial Business Act</p>	<p>12,235,761</p> <p>1,110,690</p> <p>1,522,813</p> <p>14,869,264</p> <p>2,901,100</p> <p>-121,500</p> <p>-189</p> <p>2,779,411</p> <p>164,500</p> <p>-19,963</p> <p>-63,503</p> <p>2,860,445</p> <p>201,428</p> <p>189</p> <p>-19,963</p> <p>-63,503</p> <p>2,978,596</p> <p>18.7</p> <p>19.2</p> <p>20.0</p> <p>1,189,541</p>	<p>10,601,717</p> <p>1,219,598</p> <p>1,483,500</p> <p>13,304,815</p> <p>2,676,140</p> <p>-69,660</p> <p>-192</p> <p>2,606,288</p> <p>172,000</p> <p>0</p> <p>0</p> <p>2,778,288</p> <p>201,431</p> <p>192</p> <p>0</p> <p>0</p> <p>2,979,911</p> <p>19.6</p> <p>20.9</p> <p>22.4</p> <p>1,064,385</p>
25	<p>The supervisory diamond (Danish Financial Supervisory Authority limits)</p> <p>Stable funding (funding ratio) (< 1)</p> <p>Excess liquidity (> 50%)</p> <p>Total large exposures (< 125%)</p> <p>Growth in loans (< 20%)</p> <p>Real estate exposure (< 25%)</p>	<p>0.7</p> <p>166.2%</p> <p>35.0%</p> <p>11.5%</p> <p>11.4%</p>	<p>0.7</p> <p>185.5%</p> <p>27.2%</p> <p>-2.5%</p> <p>12.2%</p>
26	<p>Miscellaneous comments on:</p> <p>Main and key figures for the bank</p> <ul style="list-style-type: none"> Return on equity at the beginning of the year before and after tax are computed after allocation of dividend etc., net. Key figures per DKK 5 share are calculated on the basis of respectively 2013: 4,780,000 shares, 2012: 4,840,000 shares, 2011: 4,940,000 shares, 2010: 5,040,000 shares and 2009: 5,040,000 shares. <p>Impairment charges for loans etc.</p> <ul style="list-style-type: none"> Impairment charges for loans etc. are listed excl. expenses for bank packages. <p>Current value</p> <ul style="list-style-type: none"> The current value of the proposed share buy-back programme listed on page 1 and 5 is calculated from the closing price of the Ringkjøbing Landbobank share on 27 January 2014 at 1,171. 		

Quarterly overview

(Million DKK)	4 rd qtr. 2013	3 rd qtr. 2013	2 nd qtr. 2013	1 st qtr. 2013	4 th qtr. 2012	3 rd qtr. 2012	2 nd qtr. 2012	1 st qtr. 2012	4 th qtr. 2011	3 rd qtr. 2011	2 nd qtr. 2011	1 st qtr. 2011
Net income from interest	156	155	151	153	146	153	156	160	163	154	150	140
Net income from fees and provisions excl. commission	48	33	55	36	51	30	48	33	34	22	36	23
Income from sector shares etc.	5	3	4	2	5	-1	2	0	-1	1	3	1
Foreign exchange income	3	3	2	5	4	3	2	4	5	3	4	6
Other operating income	1	1	1	0	0	1	1	1	2	1	1	1
Total core income excl. trade income	213	195	213	196	206	186	209	198	203	181	194	171
Trade income	7	5	9	6	8	5	5	6	3	6	4	6
Total core income	220	200	222	202	214	191	214	204	206	187	198	177
Staff and administration costs	70	61	66	58	69	59	64	61	64	59	62	59
Amortisation, depreciation and write-downs on intangible and tangible assets	2	1	0	1	0	1	1	1	2	1	1	1
Other operating costs	4	3	3	4	3	0	4	2	0	0	0	0
Total costs etc.	76	65	69	63	72	60	69	64	66	60	63	60
Core earnings before impairments	144	135	153	139	142	131	145	140	140	127	135	117
Impairment charges for loans and other debtors etc.	-25	-34	-40	-21	-33	-45	-55	-24	-41	-34	-35	-19
Core earnings	119	101	113	118	109	86	90	116	99	93	100	98
Result for portfolio	+12	-4	+9	+6	-9	+25	+6	+27	-7	+8	-6	+6
Expenses for bank packages	0	-1	0	-1	0	0	0	-2	+4	+4	-5	-14
Profit before tax	131	96	122	123	100	111	96	141	96	105	89	90
Tax	30	23	30	31	33	28	24	35	23	27	22	22
Profit after tax	101	73	92	92	67	83	72	106	73	78	67	68

Danish Financial Supervisory Authority key figures for Danish banks

		2013	2012	2011	2010	2009
Solvency:						
Solvency ratio - Tier 2	%	20.0	22.4	21.4	22.4	20.2
Tier 1 capital ratio	%	19.2	20.9	19.8	18.6	16.6
Solvency requirement	%	8.9	8.0	8.0	8.0	8.0
Earnings:						
Return on equity before tax	%	16.9	17.4	15.9	15.5	15.9
Return on equity after tax	%	12.8	12.7	11.9	11.8	12.1
Income/cost ratio	DKK	2.19	2.06	1.98	1.74	1.61
Market risk:						
Interest rate risk	%	0.6	0.6	0.7	0.1	0.6
Foreign exchange position	%	1.6	0.6	0.9	0.5	3.4
Foreign exchange risk	%	0.0	0.0	0.0	0.0	0.1
Liquidity risk:						
Excess cover relative to statutory liquidity requirement	%	166.2	185.5	140.5	231.8	205.6
Loans and impairments thereon relative to deposits	%	104.1	102.4	105.0	117.6	120.8
Credit risk:						
Loans relative to shareholders' equity		4.8	4.6	5.1	5.7	6.3
Growth in loans for the year	%	11.5	-2.5	-3.1	0.8	-6.1
Total large exposures	%	35.0	27.2	11.8	0.0	0.0
Cumulative impairment percentage	%	5.1	5.1	4.5	3.8	3.1
Impairment percentage for the year	%	0.72	1.06	0.89	0.94	1.16
Proportion of debtors at reduced interest	%	0.5	0.8	0.4	0.4	0.4
Share return:						
Result for the year after tax per share * / ***	DKK	1,462.8	1,314.6	1,135.2	1,019.3	921.0
Book value per share * / **	DKK	12,145	11,049	10,055	9,193	8,172
Dividend per share *	DKK	500	280	260	240	0
Share price relative to profit for the year per share * / ***		15.0	11.7	10.2	14.2	13.2
Share price relative to book value per share * / **		1.81	1.39	1.15	1.58	1.49
<p>* Calculated on the basis of a denomination of DKK 100 per share.</p> <p>** Calculated on the basis of number of shares outstanding at the end of the year.</p> <p>*** Calculated on the basis of the average number of shares. The average number of shares is calculated as a simple average of the shares at the beginning of the year and at the end of the year.</p>						