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Ringkjøbing Landbobank's quarterly report 1st-3rd quarters 2010

The bank's pre-tax profit for the first three quarters of 2010 was DKK 256 million against DKK 249 million for 2009, an increase of 3%. This result was equivalent to a 17% p.a. return on equity at the beginning of the period. Given the costs incurred in connection with the government's Bank Package I, the profit is considered highly satisfactory.

(Million DKK)	1 st -3 rd 2010	Full year 2009	2008	2007	2006	2005	2004	2003	2002	2001
Core income	573	753	735	696	609	511	417	368	328	275
Total costs	-176	-238	-239	-234	-208	-190	-184	-163	-155	-133
Core earnings before write-downs	397	515	496	462	401	321	233	205	173	142
Write-downs on loans	-93	-159	-77	+11	+69	+5	+4	-10	+6	+6
Core earnings	304	356	419	473	470	326	237	195	179	148
Result for the portfolio	+32	+56	-73	-18	+103	+35	+51	+106	+30	+7
Costs of Bank Package I	-80	-107	-28	0	0	0	0	0	0	0
Result before tax	256	305	318	455	573	361	288	301	209	155

Core earnings were DKK 304 million against last year's DKK 282 million, an increase of 8%. The bank's expectations for core earnings were last adjusted upward to DKK 300-400 million at the end of the first half-year and core earnings are now expected to be in the best part of this range.

Three quarters – highlights:

- Increase in pre-tax profit from DKK 249 million last year to DKK 256 million for 2010.
- This result was equivalent to a 17% p.a. return on equity at the beginning of the period.
- Satisfactory level of write-downs of DKK 93 million – equivalent to 0.86% p.a.
- Rate of costs computed at 30.7 – the lowest in Denmark.
- Free of all government schemes and payments to these after 1 October 2010.
- Capital adequacy ratio increased to 20.9, equivalent to a cover of 261%.
- Core capital ratio increased to 17.4.
- Highly satisfactory increase in customers in both branch network and Private Banking.
- Core earnings are now expected to be in the best part of the announced range.

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

Yours sincerely,

Ringkjøbing Landbobank

Bent Naur

John Fisker

Ringkjøbing Landbobank A/S

Management's report

Core income

Core income was 2% higher in 2010 with an increase from DKK 562 million in 2009 to DKK 573 million.

Net interest income decreased by 1% from DKK 449 million to DKK 444 million. The underlying trend in income from business with customers is positive, but the item was negatively affected by the low interest level, as interest income from financing of the bank's own holding of bonds was just over 1.5 percentage points lower in 2010 compared to 2009, equivalent to a lower income for 2010 of approx. DKK 22 million.

Fees, commissions and foreign exchange earnings amount to net DKK 119 million in 2010 against net DKK 95 million in 2009, an increase of 25%. This development is primarily attributable to the fact that the volume of trading within securities has picked up, and to increasing earnings from the bank's asset management activities as a result of increasing volumes.

Costs and depreciations

Total costs including depreciation on tangible assets amounted to DKK 176 million against last year's DKK 168 million, an increase of 5%.

The rate of costs was marginally higher than last year's level and was computed at 30.7, which continues to be the lowest in Denmark. 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 showed a fall to net DKK 93 million after the first three quarters of the year against last year's DKK 113 million. Write-downs are equivalent to 0.85% p.a. of the total average of loans, write-downs, guarantees and provisions. The bank's customers appear to be coping better with the weak economic conditions than the average in Denmark. The present level of write-downs is considered satisfactory.

The bank's total account for write-downs and provisions amounted to DKK 536 million at the end of the quarter, equivalent to 3.6% of total loans and guarantees. Actual write-downs on loans this year continue to be appreciably below the write-downs recognised as an expense in the accounts, so that the account for write-downs and provisions increased by net DKK 69 million during the year.

The portfolio of loans with zeroed interest amounts to DKK 75 million, equivalent to 0.51% of the bank's total loans and guarantees at the end of the quarter.

The bank's loans portfolio is generally strong, and the Danish Financial Supervisory Authority assessed in their report of June 2010 that the bank's credit risk is relatively low compared to that of other institutions. Given the recession in 2009 in the Danish economy and the fall in value of many assets concurrently with increasing unemployment, the bank is satisfied with the conservative credit policy on the basis of which the bank has always operated. The bank's losses are expected to remain at

a relatively high level this year, a natural part of the economic cycle. However, in the bank's judgment 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 with the general level in the banking sector as a whole.

Core earnings

(Million DKK)	1 st -3 rd 2010	Full year 2009	2008	2007	2006	2005	2004	2003	2002	2001
Core income	573	753	735	696	609	511	417	368	328	275
Total costs	-176	-238	-239	-234	-208	-190	-184	-163	-155	-133
Core earnings before write-downs	397	515	496	462	401	321	233	205	173	142
Write-downs on loans	-93	-159	-77	+11	+69	+5	+4	-10	+6	+6
Core earnings	304	356	419	473	470	326	237	195	179	148

Core earnings were DKK 304 million in the period against last year's DKK 282 million, an increase of 8%.

Result for the portfolio

The result for the portfolio for the first three quarters of the year was positive by DKK 32 million including funding costs for the portfolio. The result derives from a gain on interest-bearing debts and debt. All securities are included at market value.

The bank's holding of shares etc. at the end of the quarter amounted to DKK 274 million, DKK 39 million of which was in listed shares etc. while DKK 235 million was in sector shares etc. The bond portfolio at the end of the quarter amounted to DKK 2,260 million, and the great majority of the portfolio consists of AAA-rated Danish mortgage credit 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 2010:

	Risk in DKK	% risk relative to equity end of the quarter
Highest risk of loss:	16.9 million	0.76%
Smallest risk of loss:	2.5 million	0.11%
Average risk of loss:	8.4 million	0.38%

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

Result after tax

The profit after tax was DKK 192 million in the first three quarters of the year against DKK 188 million in the same period last year, an increase of 2%. Tax of DKK 63 million was calculated, giving an effective tax rate of 24.8%. The result after tax is equivalent to a 12.5% return on equity at the beginning of the period.

The balance sheet

The bank's balance sheet total at the end of the quarter stood at DKK 18,409 million against last year's DKK 17,925 million. Deposits increased by 3% from DKK 10,806 million to DKK 11,174 million. The bank's loans remain unchanged at DKK 12,939 million.

The bank's portfolio of guarantees at the end of the quarter was DKK 1,259 million against DKK 1,299 million in September 2009.

Liquidity

The bank's liquidity is good, and the excess liquidity relative to the statutory requirement is 259%. The bank's short-term funding with term to maturity of less than 12 months amounts to only DKK 1.4 billion, balanced by DKK 4.5 billion in short-term money market placing, primarily in Danmarks Nationalbank, Danish banks and liquid securities. The bank also had undrawn confirmed credit facilities with foreign banks with term to maturity of over 12 months to the equivalent of a total of DKK 0.2 billion as backup facilities. The bank is thus not dependent on the short-term money market.

Last year the government granted the bank a total guarantee amount of DKK 5 billion. This amount was not utilised as the bank was able to provide funding on the market in the normal way without using the government guarantee. In addition, the bank experienced a highly satisfactory increase in major deposits from new customers in the bank.

Bank Package I

Together with most of the financial sector in Denmark, Ringkjøbing Landbobank joined Bank Package I, which expired on 30 September 2010 and provided an unconditional guarantee by the Danish state for Danish banks' deposits and senior debts. The guarantee premium was DKK 47 million in 2010, DKK 3 million of which went to The Deposit Guarantee Fund. Hereafter the Bank will not have to pay any further guarantee premiums regarding Bank Package I.

Losses of DKK 33 million were booked for Bank Package I in 2010. The bank made provisions on the expectation of losses in the Financial Stability Company in excess of DKK 10 billion, and it is thus expected that no further expenses will be incurred under this guarantee.

Free of the government

Ringkjøbing Landbobank is now free of the government. 30 September 2010 was a good day – the last day of paying for Bank Package I. The bank did not receive hybrid core capital or liquidity guarantees from the government. The conditions are thus normalising, and we believe that the competitive edge resulting from the fact that the bank no longer has to pay to aid schemes means that we will be able to win additional market shares in the years to come.

Capital

The bank's equity at the beginning of 2010 was DKK 2,056 million, to which must be added the profit for the period, after which the equity on 30 September 2010 was DKK 2,233 million.

The capital adequacy ratio (Tier 2) was computed at 20.9 at the end of the third quarter of 2010, and the core capital ratio (Tier 1) was computed at 17.4 on the same date.

Capital adequacy	3rd qtr. 2010	Full year 2009	2008	2007	2006
Core capital ratio without hybrid core capital	16.0	15.1	11.6	10.0	9.2
Core capital ratio	17.4	16.6	13.0	11.2	10.4
Capital adequacy ratio	20.9	20.2	16.3	13.0	12.3
Individual solvency requirement	8.0	8.0	8.0	8.0	8.0
Capital adequacy	261%	253%	204%	163%	154%

Since 2007, the Danish financial sector has been subject to a requirement that a bank's capital adequacy ratio must be at least 8%, and this ratio must also at a minimum comply with the required individual solvency requirement calculated internally by the bank, which may be higher than the 8%. If the calculated individual solvency requirement is less than 8%, a bank cannot, however, be permitted at any time to use any such calculated lower figure. The individual solvency requirement for Ringkjøbing Landbobank is calculated at 6.0% because of the bank's robust business model, and the ratio was thus reported at 8%.

The bank has supplementary capital of DKK 300 million expiring in 2014 with the possibility of early repayment. The Danish Financial Supervisory Authority has authorised this repayment.

Increase in customers

The bank implemented several out-reach initiatives towards new customers a few months 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 top line.

A highly positive increase in customers is currently being seen in the branch network and within the Private Banking segment, with transfer of deposits, 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 2009.

Expectations for earnings in 2010

The bank's core earnings for the first three quarters were DKK 304 million, which is slightly better than the budget for 2010. The bank's expectations for core earnings were last adjusted upward to DKK 300-400 million at the end of the first half-year, and core earnings are now expected to be in the best part of this range.

Main and key figures for the bank

	1 st -3 rd qtr. 2010	1 st -3 rd qtr. 2009	Full year 2009
Main figures for the bank (million DKK)			
Total core income	573	563	753
Total costs and depreciations	-176	-168	-238
Core earnings before write-downs on loans	397	395	515
Write-downs on loans	-93	-113	-159
Core earnings	304	282	356
Result for portfolio	32	35	+56
Profit before national bank package I	336	317	412
Costs national bank package I	-80	-68	-107
Profit before tax	256	249	305
Profit after tax	192	188	232
Shareholders' equity	2,233	2,035	2,056
Total capital base	2,925	2,699	2,747
Deposits	11,174	10,806	11,187
Loans	12,939	13,078	13,047
Balance sheet total	18,409	17,925	17,928
Guarantees	1,259	1,299	1,486
Key figures for the bank (per cent)			
Pre-tax return on equity, beginning of year	16.6	18.6	17.1
Return on equity after tax, beginning of year	12.5	14.1	13.0
Rate of costs	30.7	29.8	31.6
Core capital ratio	17.4	16.2	16.6
Solvency ratio	20.9	19.8	20.2
Key figures per 5 DKK share (DKK)			
Core earnings	60	56	71
Profit before tax	51	50	60
Profit after tax	38	37	46
Net asset value	443	404	408
Price, end of period	620	650	609

Profit and loss account

Note		1.1-30.9 2010 DKK 1,000	1.1-30.9 2009 DKK 1,000	1.1-31.12 2009 DKK 1,000
1	Interest receivable	634,658	771,433	993,756
2	Interest payable	180,853	308,568	377,728
	Net income from interest	453,805	462,865	616,028
	Interest-like commission income	174	9,067	9,266
	Dividend on capital shares etc.	1,215	3,243	3,243
3	Income from fees and commissions	119,785	98,145	140,362
	Fees and commissions paid	18,010	16,561	23,823
	Net income from interest and fees	556,969	556,759	745,076
4	Value adjustments	+45,419	+38,080	+58,130
	Other operating income	2,911	3,413	5,351
5,6	Staff and administration costs	174,190	165,912	235,604
	Amortisation, depreciation and write-downs on intangible and tangible assets	2,109	1,636	2,424
	Other operating costs			
	Miscellaneous other operating costs	0	46	56
	Guarantee commission, national bank package I etc.	46,590	41,255	55,785
	Write-downs on loans and debtors etc.			
	Write-downs on loans and other debtors	-93,486	-113,067	-158,600
	Write-downs on national bank package I	-33,152	-26,819	-51,173
	Result of capital shares in associated companies	0	-26	-59
	Profit before tax	255,772	249,491	304,856
7	Tax	63,400	61,300	72,775
	Profit after tax	192,372	188,191	232,081

Core earnings

		1.1-30.9 2010 DKK 1,000	1.1-30.9 2009 DKK 1,000	1.1-31.12 2009 DKK 1,000
	Net income from interest	444,101	449,494	596,828
	Interest-like commission income	173	9,067	9,266
	Net income from fees and provisions excl. commission	82,639	67,705	97,751
	Income from sector shares etc.	7,275	5,321	8,448
	Foreign exchange income	17,224	13,565	16,515
	Other operating income	2,911	3,413	5,351
	Total core income excl. trade income	554,323	548,565	734,159
	Trade income	19,136	13,879	18,788
	Total core income	573,459	562,444	752,947
	Staff and administration costs	174,189	165,912	235,604
	Amortisation, depreciation and write-downs on intangible and tangible assets	2,109	1,636	2,424
	Other operating costs	0	46	56
	Total costs etc.	176,298	167,594	238,084
	Core earnings before write-downs on loans	397,161	394,850	514,863
	Write-downs on loans and other debtors	-93,486	-113,067	-158,600
	Core earnings	303,675	281,783	356,263
	Result for portfolio	+31,838	+35,782	+55,551
	Result before national bank package I	335,513	317,565	411,814
	Costs national bank package I	-79,741	-68,074	-106,958
	Profit before tax	255,772	249,491	304,856
	Tax	63,400	61,300	72,775
	Profit after tax	192,372	188,191	232,081

Balance sheet

Note		End Sept. 2010 DKK 1,000	End Sept. 2009 DKK 1,000	End Dec. 2009 DKK 1,000
	Assets			
	Cash in hand and claims at call on central banks	61,557	48,591	42,723
8	Claims on credit institutions and central banks			
	Claims on central banks	406,994	816,944	649,846
	Claims on credit institutions			
	Money market operations and bilateral loans - term to maturity under 1 year	1,609,220	1,538,945	1,751,361
	Bilateral loans - term to maturity over 1 year	266,980	95,580	90,792
9,10,11	Loans and other debtors at amortised cost price	12,939,424	13,077,585	13,047,212
12	Bonds at current value	2,260,331	1,754,371	1,679,453
13	Shares etc.	273,954	249,151	256,697
	Capital shares in associated companies	513	545	513
	Land and buildings total	76,146	75,874	76,589
	Investment properties	7,261	7,261	7,261
	Domicile properties	68,885	68,613	69,328
	Other tangible assets	4,112	2,758	3,055
	Actual tax assets	10,053	5,082	46,261
	Deferred tax assets	0	27,713	0
	Temporary assets	150	901	1,023
	Other assets	492,592	224,209	275,171
	Periodic-defined items	7,223	7,196	7,260
	Total assets	18,409,249	17,925,445	17,927,956

Balance sheet

Note		End Sept. 2010 DKK 1,000	End Sept. 2009 DKK 1,000	End Dec. 2009 DKK 1,000
	Liabilities and equity			
14	Debt to credit institutions and central banks			
	Debt to central banks	0	0	0
	Debt to credit institutions			
	Money market operations and bilateral credits - term to maturity under 1 year	940,369	1,015,096	699,732
	Bilateral credits - term to maturity over 1 year	1,963,412	2,375,337	2,294,991
15	Deposits and other debts	11,173,751	10,806,053	11,187,470
16	Issued bonds at amortised cost price	760,094	547,997	557,337
	Other liabilities	536,096	391,793	364,332
	Periodic-defined items	557	907	689
	Total debt	15,374,279	15,137,183	15,104,551
	Provisions for pensions and similar liabilities	5,918	7,249	7,463
	Provisions for deferred tax	5,088	0	5,088
10	Provisions for losses on guarantees	3,235	1,943	1,376
	Provisions for national bank package I	81,253	35,647	45,101
	Other provisions for liabilities	4,520	14,060	13,210
	Total provisions for liabilities	100,014	58,899	72,238
	Subordinated loan capital	489,356	490,517	491,625
	Hybrid core capital	212,164	203,419	203,769
17	Total subordinated debt	701,520	693,936	695,394
18	Share capital	25,200	25,200	25,200
	Reserve for net revaluation under the intrinsic value method	162	162	162
	Profit carried forward	2,208,074	2,010,065	2,030,411
	Total shareholders' equity	2,233,436	2,035,427	2,055,773
	Total liabilities and equity	18,409,249	17,925,445	17,927,956
20	Contingent liabilities etc.			
21	Capital adequacy computation			
22	Miscellaneous comments			

Statement of shareholders' equity

DKK 1,000	Share capital	Provisions for re-valuation	Reserve for net revaluation under the intrinsic value method	Proposed dividend etc.	Profit carried forward	Total shareholders' equity
On 30 September 2010:						
Shareholders' equity at the end of the previous financial year	25,200	0	162	0	2,030,411	2,055,773
Purchase and sale of own shares					-17,201	-17,201
Other shareholders' equity items					2,493	2,493
Profit for the period					192,371	192,371
Shareholders' equity on the balance sheet date	25,200	0	162	0	2,208,074	2,233,436

On 30 September 2009:						
Shareholders' equity at the end of the previous financial year	25,200	0	188	0	1,759,402	1,784,790
Purchase and sale of own shares					59,748	59,748
Other shareholders' equity items					2,698	2,698
Profit for the period			-26		188,217	188,191
Shareholders' equity on the balance sheet date	25,200	0	162	0	2,010,065	2,035,427

On 31 December 2009:						
Shareholders' equity at the end of the previous financial year	25,200	0	188	0	1,759,402	1,784,790
Purchase and sale of own shares					55,583	55,583
Tax regarding trade with own shares					-20,278	-20,278
Other shareholders' equity items					3,597	3,597
Profit for the period			-26		232,107	232,081
Shareholders' equity on the balance sheet date	25,200	0	162	0	2,030,411	2,055,773

Notes

Note	1.1-30.9 2010 DKK 1,000	1.1-30.9 2009 DKK 1,000	1.1-31.12 2009 DKK 1,000
1 Interest receivable			
Claims on credit institutions and central banks	29,738	53,003	63,512
Loans and other debtors	564,544	672,175	865,961
Loans - interest concerning the written-down part of loans	-21,362	-20,641	-26,109
Bonds	37,451	49,687	65,062
Total derivatives financial instruments, of which	24,287	17,209	24,338
Currency contracts	11,409	19,639	24,759
Interest-rate contracts	12,878	-2,430	-421
Other interest receivable	0	0	992
Total interest receivable	634,658	771,433	993,756
2 Interest payable			
Credit institutions and central banks	34,068	83,254	94,946
Deposits and other debts	110,914	185,788	230,197
Issued bonds	15,915	17,261	21,525
Subordinated debt	19,956	22,265	30,743
Other interest payable	0	0	317
Total interest payable	180,853	308,568	377,728
3 Gross income from fees and commissions			
Securities trading	25,688	19,386	26,678
Asset management	35,953	27,311	40,943
Payment handling	13,709	12,018	16,419
Loan fees	7,123	6,935	9,854
Guarantee commissions	23,728	22,059	29,991
Other fees and commissions	13,584	10,436	16,477
Total gross income from fees and commissions	119,785	98,145	140,362
Net income from fees and commissions			
Securities trading	19,136	13,879	18,788
Asset management	32,613	24,452	36,983
Payment handling	12,199	10,895	14,868
Loan fees	5,536	5,152	7,401
Guarantee commissions	23,728	22,059	29,991
Other fees and commissions	8,563	5,147	8,508
Total net income from fees and commissions	101,775	81,584	116,539
Foreign exchange income	17,224	13,565	16,515
Total net income from fees, commissions and foreign exchange income	118,999	95,149	133,054
4 Value adjustments			
Loans and other debtors at current value	3,591	7,536	8,665
Bonds	39,558	31,047	39,402
Shares etc.	229	2,620	7,159
Shares etc. in sector companies	6,197	2,119	5,246
Foreign exchange income	17,224	13,565	16,515
Total derivatives financial instruments	-6,837	5,742	-5,758
Issued bonds	-2,600	3,965	5,937
Other liabilities	-11,943	-28,514	-19,036
Total value adjustments	45,419	38,080	58,130

Notes

Note		1.1-30.9 2010 DKK 1,000	1.1-30.9 2009 DKK 1,000	1.1-31.12 2009 DKK 1,000
5	Staff and administration costs			
	Salaries and payments to the board of directors, board of managers and shareholders' committee			
	Board of managers	4,254	4,013	5,873
	Board of directors	432	415	847
	Shareholders' committee	0	0	307
	Total	4,686	4,428	7,027
	Staff costs			
	Salaries	81,574	78,757	110,783
	Pensions	8,426	8,102	11,111
	Social security expenses	10,012	9,224	12,660
	Total	100,012	96,083	134,554
	Other administration costs	69,492	65,401	94,023
	Total staff and administration costs	174,190	165,912	235,604
6	Number of employees			
	Average number of employees during the period converted into full-time employees	254.9	262.3	262.0
7	Tax			
	Tax calculated on the period profit	63,400	61,300	64,201
	Adjustment of deferred tax	0	0	8,572
	Adjustment of tax calculated for previous years	0	0	2
	Total tax	63,400	61,300	72,775
	Effective tax rate (per cent):			
	The current tax rate of the bank	25.0	25.0	25.0
	Adjustment of tax of non-liable income and non-deductible costs	-0.2	-0.4	-1.1
	Adjustment of tax calculated for previous years	0.0	0.0	0.0
	Total effective tax rate	24.8	24.6	23.9

Note		End Sept. 2010 DKK 1,000	End Sept. 2009 DKK 1,000	End Dec. 2009 DKK 1,000
8	Claims on credit institutions and central banks			
	Claims at call	349,220	67,225	306,531
	Up to and including 3 months	1,006,994	1,016,944	1,298,234
	More than 3 months and up to and including 1 year	660,000	1,271,720	796,442
	More than 1 year and up to and including 5 years	259,116	58,034	54,324
	More than 5 years	7,864	37,546	36,468
	Total claims on credit institutions and central banks	2,283,194	2,451,469	2,491,999

Notes

Note		End Sept. 2010 DKK 1,000	End Sept. 2009 DKK 1,000	End Dec. 2009 DKK 1,000
9	Loans and other debtors at amortised cost price			
	At call	2,989,883	2,947,180	2,851,137
	Up to and including 3 months	565,567	673,124	862,975
	More than 3 months and up to and including 1 year	2,024,997	2,411,841	2,066,758
	More than 1 year and up to and including 5 years	4,116,822	3,929,989	4,155,151
	More than 5 years	3,242,155	3,115,451	3,111,191
	Total loans and other debtors at amortised cost price	12,939,424	13,077,585	13,047,212
10	Write-downs on loans and other debtors and provisions for losses on guarantees			
	Individual write-downs			
	Cumulative individual write-downs on loans and other debtors at the end of the previous financial year	424,517	336,820	336,820
	Write-downs/value adjustments during the period	215,675	160,177	195,056
	Reverse entry - write-downs made in previous financial years	-94,670	-55,885	-53,832
	Booked losses covered by write-downs	-43,799	-30,811	-53,527
	Cumulative individual write-downs on loans and other debtors on the balance sheet date	501,723	410,301	424,517
	Group write-downs			
	Cumulative group write-downs on loans and other debtors at the end of the previous financial year	41,132	17,594	17,594
	Write-downs/value adjustments during the period	0	16,043	35,167
	Reverse entry - write-downs made in previous financial years	-9,867	0	-11,629
	Cumulative group write-downs on loans and other debtors on the balance sheet date	31,265	33,637	41,132
	Total cumulative write-downs on loans and other debtors on the balance sheet date	532,988	443,938	465,649
	Provisions for losses on guarantees			
	Cumulative individual provisions for losses on guarantees at the end of the previous financial year	1,376	1,669	1,669
	Provisions/value adjustments during the period	2,852	688	3,822
	Reverse entry - provisions made in previous financial years	-993	-414	-4,115
	Cumulative individual provisions for losses on guarantees on the balance sheet date	3,235	1,943	1,376
	Total cumulative write-downs on loans and other debtors and provisions for losses on guarantees on the balance sheet date	536,223	445,881	467,025
11	Suspended calculation of interest			
	Loans and other debtors with suspended calculation of interest on the balance sheet date	75,471	59,717	62,649

Notes

Note		End Sept. 2010 DKK 1,000	End Sept. 2009 DKK 1,000	End Dec. 2009 DKK 1,000
12	Bonds at current value			
	Listed on the stock exchange	2,260,331	1,754,371	1,679,453
	Total bonds at current value	2,260,331	1,754,371	1,679,453
13	Shares etc.			
	Listed on NASDAQ OMX Copenhagen	38,749	21,652	25,428
	Listed on other stock exchanges	0	12	0
	Unlisted shares at current value	1,366	7,139	2,591
	Sector shares at current value	212,429	196,197	204,527
	Other holdings	21,410	24,151	24,151
	Total shares etc.	273,954	249,151	256,697
14	Debt to credit institutions and central banks			
	Debt payable on demand	381,722	379,943	407,506
	Up to and including 3 months	85,364	585,491	240,334
	More than 3 months and up to and including 1 year	473,283	49,662	51,892
	More than 1 year and up to and including 5 years	1,631,745	2,043,670	1,974,750
	More than 5 years	331,667	331,667	320,241
	Total debt to credit institutions and central banks	2,903,781	3,390,433	2,994,723
	The bank has undrawn long-term committed revolving credit facilities equivalent to:			
	Term to maturity under 1 year	596,152	0	300,000
	Term to maturity over 1 year	174,519	976,180	769,735
	Total	770,671	976,180	1,069,735
	The bank also has an undrawn loan facility with the Central Bank of Denmark on the basis of statutory excess solvency which expires on 26 February 2011 of	800,000	800,000	800,000
15	Deposits and other debts			
	On demand	6,050,190	5,066,766	5,318,439
	Deposits and other debts at notice:			
	Up to and including 3 months	1,780,557	1,955,622	2,019,860
	More than 3 months and up to and including 1 year	808,337	1,243,670	1,141,367
	More than 1 year and up to and including 5 years	1,254,001	1,293,071	1,251,393
	More than 5 years	1,280,666	1,246,924	1,456,411
	Total deposits and other debts	11,173,751	10,806,053	11,187,470
	Distributed as follows:			
	On demand	5,942,581	4,707,049	4,870,100
	At notice	123,357	67,451	88,810
	Time deposits	2,359,886	3,198,445	3,174,223
	Long term deposit agreements	1,638,459	1,715,936	1,801,769
	Special types of deposits	1,109,468	1,117,172	1,252,568
		11,173,751	10,806,053	11,187,470

Notes

Note		End Sept. 2010 DKK 1,000	End Sept. 2009 DKK 1,000	End Dec. 2009 DKK 1,000
16	Issued bonds at amortised cost price			
	On demand	0	0	0
	Up to and including 3 months	432,737	0	0
	More than 3 months and up to and including 1 year	0	0	446,461
	More than 1 year and up to and including 5 years	327,357	457,500	11,264
	More than 5 years	0	90,497	99,612
	Total issued bonds at amortised cost price	760,094	547,997	557,337
	Distributed as follows:			
	Issues in Danish kroner			
	Nom. 220 million DKK	220,000	0	0
	Issues in Norwegian kroner			
	Nom. 500 million NOK	467,600	439,950	447,100
	Own holding of issued bonds	-44,444	0	0
	Nom. 100 million NOK	93,520	87,990	89,420
	Regulation at amortised cost price and adjustment to current value of issues in Norwegian kroner	9,581	8,792	6,980
	Other issues	13,837	11,265	13,837
		760,094	547,997	557,337
17	Subordinated debt			
	Subordinated loan capital:			
	3.995% bond loan, nom. DKK 300 million, expiry 9.2.2014	300,000	300,000	300,000
	Floating rate loan, principal EUR 27 million, expiry 30.6.2021	201,201	200,996	200,921
	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	10,119	2,940	4,631
	Own holding of subordinated loan capital	-9,800	-10,000	-10,158
	Total subordinated debt	701,520	693,936	695,394
18	Share capital			
	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
	Total share capital	25,200	25,200	25,200

Notes

Note	End Sept. 2010 DKK 1,000	End Sept. 2009 DKK 1,000	End Dec. 2009 DKK 1,000
19			
Own capital shares			
Own capital shares included in the balance sheet at	0	0	0
The market value is	20,270	2,235	5,220
Number of own shares:			
Beginning of period	8,572	204,333	204,333
Net purchases and sales of own shares during the period	+24,121	-200,894	-195,761
End of period	32,693	3,439	8,572
Nominal value of holding of own shares, end of period	163	17	43
Own shares' proportion of share capital, end of period (%)	0.6	0.1	0.2
20			
Contingent liabilities etc.			
Contingent liabilities			
Finance guarantees	819,825	729,674	1,009,540
Guarantees for foreign loans	8,599	96,975	29,613
Guarantees against losses on mortgage credit loans	44,445	48,181	48,774
Guarantee against losses Totalkredit	110,221	120,892	116,327
Registration and conversion guarantees	89,000	83,864	74,389
Guarantee on national bank package I	77,493	119,340	109,886
Other contingent liabilities	109,091	100,169	97,147
Total contingent liabilities	1,258,674	1,299,095	1,485,676
Binding agreements			
Irrevocable credit commitments	0	0	0
Other	0	0	0
Total binding agreements	0	0	0
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	261,002	193,549	292,858

Notes

Note	End Sept. 2010 DKK 1,000	End Sept. 2009 DKK 1,000	End Dec. 2009 DKK 1,000
21			
Capital adequacy computation Calculated pursuant to the Executive order on Capital Adequacy issued by the Danish Financial Supervisory Authority.			
Weighted items with credit and counterpart risks	11,605,910	11,488,212	11,378,127
Market risk	1,050,346	863,111	914,819
Operational risk	1,322,788	1,251,250	1,322,788
Total risk weighted items	13,979,044	13,602,573	13,615,734
Share capital	25,200	25,200	25,200
Reserve for net revaluation under the intrinsic value method	162	162	162
Profit carried forward	2,208,073	2,010,065	2,030,411
Core capital	2,233,435	2,035,427	2,055,773
Proposed dividend etc.	0	0	0
Deduction from / addition to the core capital	-162	-27,875	-162
Core capital after deductions	2,233,273	2,007,552	2,055,611
Hybrid core capital	200,000	200,000	200,000
Core capital after deductions incl. hybrid core capital	2,433,273	2,207,552	2,255,611
Subordinated loan capital	491,401	490,996	490,921
Deduction from / addition to the capital base	162	162	162
Capital base after deductions	2,924,836	2,698,710	2,746,694
Core capital ratio excl. hybrid core capital (per cent)	16.0	14.8	15.1
Core capital ratio (per cent)	17.4	16.2	16.6
Solvency ratio (per cent)	20.9	19.8	20.2
Capital base requirements under Section 124 (2,1) of the Danish Financial Business Act	1,118,324	1,088,206	1,089,259
Minimum capital requirements under Section 124 (2,2) of the Danish Financial Business Act	37,260	37,222	37,208

Note	
22	<p>Miscellaneous comments on:</p> <p>Main and key figures for the bank and key figures per DKK 5 share - page 6</p> <ul style="list-style-type: none"> Total capital base is calculated as the banks capital base after deductions, cf. note 21. Key figures per DKK 5 share for 1st-3rd quarter 2010, 1st-3rd quarter 2009 and for the full year 2009 are all calculated on the basis of 5,040,000 shares. <p>Core earnings - pages 1 and 3</p> <ul style="list-style-type: none"> The comparative figures for the years 2001-2005 have not been adjusted for the change made in 2007 from actual banking operations to core earnings. <p>Write-downs - page 1 and 2</p> <ul style="list-style-type: none"> All calculations etc. concerning write-downs on pages 1 and 2 were made excl. of amounts under the bank package I.

Main figures summary

	1 st -3 rd qtr. 2010	1 st -3 rd qtr. 2009	Full year 2009
Profit and loss account summary (million DKK)			
Net income from interest	454	463	616
Dividend on capital shares etc.	1	3	3
Net income from fees and commissions etc.	102	91	126
Net income from interest and fees	557	557	745
Value adjustments	+46	+38	+58
Other ordinary income	3	3	6
Staff and administration costs	174	166	236
Amortisation, depreciation etc. on tangible assets	2	2	2
Total other operating costs	47	41	56
Total write-downs	-127	-140	-210
Profit before tax	256	249	305
Tax	64	61	73
Profit after tax	192	188	232
Main figures from the balance sheet (million DKK)			
Loans and other debtors	12,939	13,078	13,047
Deposits and other debts	11,174	10,806	11,187
Subordinated debt	702	694	695
Shareholders' equity	2,233	2,035	2,056
Balance sheet total	18,409	17,925	17,928

Danish Financial Supervisory Authority key figures for Danish banks

		1 st -3 rd qtr. 2010	1 st -3 rd qtr. 2009	Full year 2009
Solvency ratio	%	20.9	19.8	20.2
Core capital ratio	%	17.4	16.2	16.6
Pre-tax return on equity	%	11.9	13.1	15.9
Return on equity after tax	%	9.0	9.9	12.1
Income/cost ratio	DKK	1.73	1.72	1.61
Interest risk	%	0.8	1.0	0.6
Foreign exchange position	%	1.2	1.8	3.4
Foreign exchange risk	%	0.0	0.0	0.1
Excess cover relative to statutory liquidity requirements	%	259.4	212.2	205.6
Loans and write-downs thereon relative to deposits	%	120.6	125.0	120.8
Loans relative to shareholders' equity		5.8	6.4	6.3
Growth in loans	%	0.0	-5.9	-6.1
Total large exposures	%	0.0	0.0	0.0
Cumulative write-down percentage	%	3.6	2.9	3.1
Write-down percentage for the period	%	0.86	0.70	1.16
Proportion of debtors at reduced interest	%	0.6	0.4	0.4
Result after tax per share * / ***	DKK	763.4	746.8	921.0
Book value per share * / **	DKK	8,921	8,083	8,172
Price/result per share * / ***		16.2	17.4	13.2
Price/book value per share * / **		1.39	1.61	1.49
* 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.				

Management's Statement

The board of directors and the board of managers have today approved the interim report of Ringkøbing Landbobank for the period 1 January - 30 September 2010.

The interim report is prepared in accordance with the provisions of the Danish Financial Business Act and additional Danish requirements placed on listed financial companies regarding disclosure.

We consider the accounting policies to be appropriate and the estimates which have been made to be responsible, so that the interim report provides a true and fair picture of the bank's assets, liabilities and financial position as of 30 September 2010 and of the result of the bank's activities for the period 1 January - 30 September 2010. We also believe that the management report provides a true and fair review of developments in the bank's activities and financial circumstances, and a description of the most significant risks and uncertainties which could affect the bank.

The interim report has been reviewed, and the external auditor has ensured that the terms for ongoing inclusion of the period's earnings in the core capital have been complied with.

Ringkøbing, 27 October 2010

Board of managers:

Bent Naur
Executive General Manager

John Fisker
General Manager

Board of directors:

Jens Lykke Kjeldsen
Chairman

Gravers Kjærgaard
Deputy chairman

Gert Asmussen

Keld Hansen

Bo Bennedsgaard
Employee Representative