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## Ringkjøbing Landbobank's quarterly report, 1<sup>st</sup> quarter of 2016

The profit before tax was DKK 159 million, representing a return of 20% p.a. on equity at the beginning of the period, which is considered highly satisfactory. The bank's core earnings were DKK 157 million, which is above budget for the first quarter of the year.

(Million DKK)	1 <sup>st</sup> qtr. 2016	1 <sup>st</sup> qtr. 2015	2015	2014	2013	2012
Total core income	239	238	954	907	844	823
Total costs and depreciations	-71	-70	-306	-298	-273	-265
<b>Core earnings before impairments</b>	<b>168</b>	<b>168</b>	<b>648</b>	<b>609</b>	<b>571</b>	<b>558</b>
Impairment charges for loans etc.	-11	-15	-60	-87	-120	-157
<b>Core earnings</b>	<b>157</b>	<b>153</b>	<b>588</b>	<b>522</b>	<b>451</b>	<b>401</b>
Result for portfolio etc.	+2	+23	0	+65	+21	+47
<b>Profit before tax</b>	<b>159</b>	<b>176</b>	<b>588</b>	<b>587</b>	<b>472</b>	<b>448</b>

### The quarter – highlights:

- The profit before tax was DKK 159 million, equivalent to a return of 20% p.a. on equity at the beginning of the period
- The bank's core earnings were DKK 157 million, which is above budget for the quarter
- The rate of costs for the quarter was 29.7%, which is still the lowest in Denmark
- Fall in impairment charges to DKK 11 million, equivalent to 0.2% p.a.
- 11% increase in the bank's loans and 10% increase in deposits
- Continued highly satisfactory increase in customer numbers in both the branch network and the niche concepts

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

Yours sincerely,

**Ringkjøbing Landbobank**

John Fisker      Jørn Nielsen

**Ringkjøbing Landbobank A/S**

Torvet 1 • DK-6950 Ringkjøbing • Tel. +45 9732 1166 • Fax +45 7624 4913 • CVR-no. 37536814 • post@landbobanken.dk  
www.landbobanken.com

## Management report

### Core income

Net interest income was DKK 166 million in the first quarter of 2016 against DKK 161 million in 2015, an increase of 3%. This should be compared to an 11% increase in lending, which reflects the competition in the sector, and the net interest income is still influenced by the low interest rate level.

Fees, commissions and foreign exchange income amounted to net DKK 61 million in the first quarter of 2016 against net DKK 66 million in 2015, a net fall of 7%. Fee earnings in the first quarter of 2015 were influenced by an extraordinarily high level of activity in conversion of mortgage loans to which the net fall can among other be related.

The total core income in the first quarter of the year increased from DKK 238 million in 2015 to DKK 239 million in 2016.

### Costs and depreciations

Total costs including depreciations on tangible assets in the first quarter of 2016 amounted to DKK 71 million against DKK 70 million last year, an increase of 1%.

The net increase relative to the first quarter of 2015 is related to a DKK 3 million increase in staff costs, a DKK 1 million increase in other administration costs, and finally a DKK 3 million decrease in the total costs of the Costs Guarantee Fund and the Resolution Fund, as costs for the former no longer have to be paid with effect from 2016.

The rate of costs was computed at 29.7, still the lowest in Denmark. A low rate of costs is especially important in periods of competition and unstable economic conditions as this provides robustness in the bank's results.

### Impairment charges for loans

Impairment charges for loans for the quarter fell from DKK 15 million in 2015 to DKK 11 million in 2016 and are now equivalent to 0.2% p.a. of the total average loans and guarantees etc. against 0.3% p.a. in the first quarter of 2015.

The bank's total account for impairment charges and provisions amounted to DKK 962 million at the end of the quarter, equivalent to 4.7% of total loans and guarantees. Actual losses and write-offs on loans etc. continue to be very low, and they were exceeded during the quarter by the items "Interest on the impaired part of loans" and "Receivables previously written off", such that the total account for impairment charges and provisions increased by net DKK 20 million during the first quarter of the year.

The portfolio of loans with suspended calculation of interest amounts to DKK 90 million, equivalent to 0.4% of the bank's total loans and guarantees at the end of the quarter.

The bank still expects total impairment charges in 2016 to be lower than in 2015.

## Core earnings

(Million DKK)	1 <sup>st</sup> qtr. 2016	1 <sup>st</sup> qtr. 2016	2015	2014	2013	2012
Total core income	239	238	954	907	844	823
Total costs and depreciations	-71	-70	-306	-298	-273	-265
<b>Core earnings before impairments</b>	<b>168</b>	<b>168</b>	<b>648</b>	<b>609</b>	<b>571</b>	<b>558</b>
Impairment charges for loans etc.	-11	-15	-60	-87	-120	-157
<b>Core earnings</b>	<b>157</b>	<b>153</b>	<b>588</b>	<b>522</b>	<b>451</b>	<b>401</b>

Core earnings were DKK 157 million against last year's DKK 153 million. The realised core earnings for the quarter are the best in the bank's history and above the budget for the quarter.

## Result for portfolio and market risk

The result for portfolio for the first quarter of 2016 was positive by DKK 2 million including funding costs for the portfolio.

Shares etc. at the end of the quarter amounted to DKK 345 million, DKK 11 million of which was in listed shares, DKK 65 million in investment fund certificates and DKK 269 million in sector shares etc. The bond portfolio amounted to DKK 3,523 million, and the majority of the portfolio consists of AAA-rated Danish government and mortgage credit bonds.

The total interest rate risk, computed as the impact on the profit of a one percentage point change in the interest level, was 2.1% of the bank's Tier 1 capital at the end of the quarter.

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) in the first quarter of 2016 was as follows:

	Risk in DKK million	Risk relative to equity end of 1 <sup>st</sup> quarter 2016 in %
Highest risk of loss:	23.3	0.72%
Lowest risk of loss:	12.2	0.37%
Average risk of loss:	16.9	0.52%
End of period risk of loss:	19.0	0.58%

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

## Profit after tax

The profit after tax was DKK 131 million for the first quarter of 2016 against DKK 137 million last year.

The profit after tax is equivalent to a return on equity at the beginning of the period of 17% p.a. after payment of dividend.

## Balance sheet

The bank's balance sheet at the end of the quarter stood at DKK 22,363 million against last year's DKK 21,185 million.

Deposits increased by 10% from DKK 15,430 million at the end of March 2015 to DKK 16,905 million at the end of March 2016.

The bank's loans increased by 11% from DKK 15,378 million at the end of March 2015 to DKK 17,040 million at the end of March 2016. The growth in the bank's loans is broadly based on sectors with good underlying growth in new customers from both the branch network and the bank's niche concepts.

The bank's portfolio of guarantees at the end of the quarter was DKK 2,350 million against DKK 2,660 million at the end of March 2015 and DKK 2,234 million at the end of 2015.

## Liquidity

The bank's liquidity is good, and the excess liquidity relative to the statutory Section 152 requirement is 116%. The bank's short-term funding with term to maturity of less than 12 months amounts to DKK 0.5 billion, balanced by DKK 4.2 billion primarily in short-term placings in the Central Bank of Denmark and in liquid securities. The bank is thus not dependent on the short-term money market.

The bank's loans are at the same level as the bank's deposits at the end of the quarter. The loans portfolio is thus more than fully financed by the bank's deposits and equity. In addition, part of the loans portfolio for wind turbines in Germany is refinanced back-to-back with KfW Bankengruppe, which means that DKK 1,104 million can 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.

In addition to the liquidity requirement under Section 152 of the Financial Business Act, the bank must also meet the LCR (Liquidity Coverage Ratio) key figure. The key figure shows the ability of banks to honour their payment obligations for a 30-day period without access to market funds. The LCR key figure will completely replace the statutory Section 152 requirement on 31 December 2016 when the requirement is phased out. The LCR key figure is computed as the ratio of the bank's cash and cash equivalents/liquid assets to its payment obligations for the next 30 days as computed in accordance with specific rules.

Non-SIFI banks must have a cover of minimum 70% on 1 January 2016, gradually increasing by 10% on 1 January 2017 and by 20% on 1 January 2018 such that the key figure must be minimum 100% on 1 January 2018. SIFI banks must already have a cover of 100% now.

Ringkjøbing Landbobank wishes to follow the rules applying to SIFI banks, and the bank's target for the LCR key figure is thus 100%.

On 31 March 2016 the bank's LCR key figure was 110% and the bank thus met the target.

### Capital reduction and share buy-back programme

It was decided at the annual general meeting in February 2016 to cancel 100,000 own shares, and the capital reduction is expected to be finalised within the next month.

The general meeting also authorised the bank to buy shares for up to DKK 140 million for cancellation at a future general meeting.

On 20 April 2016 shares were reserved under the buy-back programme as follows:

	Number of shares	Average purchase price - in DKK	Transaction value - in DKK 1,000
Reserved as of 9 March 2016	20,000	1,403.53	28,071
<b>Total as of 20 April 2016</b>	<b>20,000</b>		<b>28,071</b>

DKK 112 million now remains under the share buy-back programme.

The bank's holding of own shares at the end of March 2016 totalled 123,008 shares, 100,000 of which are reserved for the agreed capital reduction, while 20,000 shares are reserved under the new buy-back programme for later cancellation.

### Capital

The equity at the beginning of 2016 was DKK 3,296 million. To this must be added the profit for the period, while the dividend paid and the value of the own shares bought must be subtracted, after which the equity at the end of the quarter was DKK 3,259 million.

The bank's total capital ratio was computed at 18.2% at the end of the first quarter of 2016, and the Tier 1 capital ratio was computed at 16.5%.

Capital ratios	1 <sup>st</sup> qtr. 2016	1 <sup>st</sup> qtr. 2015	2015	2014	2013	2012
Common Equity Tier 1 capital ratio (%)	16.5	16.4	17.1	17.5	18.7	19.6
Tier 1 capital ratio (%)	16.5	16.4	17.1	17.5	19.2	20.9
<b>Total capital ratio (%)</b>	<b>18.2</b>	<b>16.4</b>	<b>18.8</b>	<b>17.5</b>	<b>20.0</b>	<b>22.4</b>
Individual solvency requirement (%)	9.0	8.9	9.0	8.9	8.9	8.0

The capital statement is influenced by the fact that the DKK 140 million share buy-back programme is deducted in full from the capital, while DKK 28 million had been utilised at the end of March 2016.

The bank calculates the individual solvency requirement on the basis of the so-called 8+ model. The calculation method is based on 8% plus any supplements calculated inter alia for customers with financial problems. The 8+ model thus takes no account of the bank's earnings and cost base or its robust business model. Despite this, the bank's individual solvency requirement at the end of the quarter was calculated at 9.0% - unchanged relative to the end of 2015.

**Good increase in customer numbers**

The bank previously implemented a large number of outreach initiatives to both current and new customers. All of these initiatives are planned to continue during 2016. In addition, the bank's new Private Banking branch in Vejle opened in January 2016.

The bank also saw a highly satisfactory net increase in new customers in both the branch network and within the niche concepts in the first quarter of the year.

**Expected result in 2016**

The bank's core earnings for the first quarter of 2016 were DKK 157 million, which is above budget for the quarter. Expectations for core earnings for 2016 remain in the range DKK 475 - 575 million.

**Disclaimer:**

“This document is a translation of an original document in Danish. The original Danish text shall be the governing text for all purposes and in case of any discrepancy the Danish wording shall be applicable.”

## Main and key figures

	1 <sup>st</sup> qtr. 2016	1 <sup>st</sup> qtr. 2015	Full year 2015
<b>Main figures for the bank (million DKK)</b>			
Total core income	239	238	954
Total costs and depreciations	-71	-70	-306
<b>Core earnings before impairments</b>	<b>168</b>	<b>168</b>	<b>648</b>
Impairment charges for loans etc.	-11	-15	-60
<b>Core earnings</b>	<b>157</b>	<b>153</b>	<b>588</b>
Result for portfolio	+2	+23	0
<b>Profit before tax</b>	<b>159</b>	<b>176</b>	<b>588</b>
<b>Profit after tax</b>	<b>131</b>	<b>137</b>	<b>459</b>
Shareholders' equity	3,259	3,078	3,296
Deposits	16,905	15,430	16,987
Loans	17,040	15,378	17,300
Balance sheet total	22,363	21,185	22,384
Guarantees	2,350	2,660	2,234
<b>Key figures for the bank (per cent)</b>			
Return on equity before tax, beginning of year, p.a.	20.1	23.7	19.8
Return on equity after tax, beginning of year, p.a.	16.6	18.4	15.4
Rate of costs	29.7	29.5	32.1
Common Equity Tier 1 capital ratio	16.5	16.4	17.1
Tier 1 capital ratio	16.5	16.4	17.1
Total capital ratio	18.2	16.4	18.8
Individual solvency requirement	9.0	8.9	9.0
<b>Key figures per 5 DKK share (DKK)</b>			
Core earnings	34	33	129
Profit before tax	35	38	129
Profit after tax	29	29	100
Net asset value	713	659	721
Price, end of period	1,380	1,333	1,500
Dividend	-	-	30

## Profit and loss account

Note		1.1-31.3 2016 DKK 1,000	1.1-31.3 2015 DKK 1,000	1.1-31.12 2015 DKK 1,000
1	Interest receivable	189,597	196,803	736,995
2	Interest payable	19,742	29,181	91,165
	<b>Net income from interest</b>	<b>169,855</b>	<b>167,622</b>	<b>645,830</b>
3	Dividend on shares etc.	240	298	13,010
4	Income from fees and commissions	66,705	71,221	301,076
4	Fees and commissions paid	9,816	8,610	41,687
	<b>Net income from interest and fees</b>	<b>226,984</b>	<b>230,531</b>	<b>918,229</b>
5	Value adjustments	+13,234	+29,404	+29,583
	Other operating income	823	819	4,964
6,7	Staff and administration costs	69,466	64,893	281,634
	Amortisations, depreciations and write-downs on intangible and tangible assets	1,123	1,224	7,351
	Other operating costs			
	Miscellaneous other operating costs	0	0	68
	Costs Guarantee Fund and Resolution Fund	500	4,072	17,233
8	Impairment charges for loans and other debtors etc.	-10,974	-14,226	-60,367
	Result of capital shares in associated companies	0	0	+2,137
	<b>Profit before tax</b>	<b>158,978</b>	<b>176,339</b>	<b>588,260</b>
9	Tax	28,277	39,350	129,595
	<b>Profit after tax</b>	<b>130,701</b>	<b>136,989</b>	<b>458,665</b>
	Other comprehensive income	0	0	0
	<b>Total comprehensive income</b>	<b>130,701</b>	<b>136,989</b>	<b>458,665</b>

## Core earnings

		1.1-31.3 2016 DKK 1,000	1.1-31.3 2015 DKK 1,000	1.1-31.12 2015 DKK 1,000
	Net income from interest	166,105	161,150	637,960
	Net income from fees and commissions excl. trade income	47,400	50,885	211,541
	Income from sector shares etc.	11,224	10,292	36,413
	Foreign exchange income	4,232	2,984	15,812
	Other operating income	823	819	4,964
	<b>Total core income excl. trade income</b>	<b>229,784</b>	<b>226,130</b>	<b>906,690</b>
	Trade income	9,489	11,726	47,848
	<b>Total core income</b>	<b>239,273</b>	<b>237,856</b>	<b>954,538</b>
	Staff and administration costs	69,466	64,893	281,634
	Amortisations, depreciations and write-downs on intangible and tangible assets	1,123	1,224	7,351
	Other operating costs	500	4,072	17,301
	Total costs etc.	71,089	70,189	306,286
	<b>Core earnings before impairments</b>	<b>168,184</b>	<b>167,667</b>	<b>648,252</b>
	Impairment charges for loans and other debtors etc.	-10,974	-14,226	-60,367
	<b>Core earnings</b>	<b>157,210</b>	<b>153,441</b>	<b>587,885</b>
	Result for portfolio	+1,768	+22,898	+375
	<b>Profit before tax</b>	<b>158,978</b>	<b>176,339</b>	<b>588,260</b>
	Tax	28,277	39,350	129,595
	<b>Profit after tax</b>	<b>130,701</b>	<b>136,989</b>	<b>458,665</b>



## Balance sheet

Note		End March 2016 DKK 1,000	End March 2015 DKK 1,000	End Dec. 2015 DKK 1,000
	<b>Assets</b>			
	Cash in hand and claims at call on central banks	359,362	881,378	331,563
<b>10</b>	Claims on credit institutions and central banks	583,183	297,259	717,602
	Claims at notice on central banks	67,011	65,001	130,019
	Money market operations and bilateral loans - term to maturity under 1 year	191,172	112,258	262,583
	Bilateral loans - term to maturity over 1 year	325,000	120,000	325,000
<b>11,12,13</b>	Loans and other debtors at amortised cost price	17,039,682	15,377,844	17,299,920
	Loans and other debtors at amortised cost price	15,935,376	13,703,679	15,914,993
	Wind turbine loans with direct funding	1,104,306	1,045,299	1,101,739
	Collateralised repurchase agreements / reverse transactions	0	628,866	283,188
<b>14</b>	Bonds at current value	3,523,341	3,580,585	3,114,721
<b>15</b>	Shares etc.	344,700	300,754	467,049
	Capital shares in associated companies	2,667	530	2,667
	Land and buildings total	64,129	66,231	64,287
	Investment properties	6,056	6,056	6,056
	Domicile properties	58,073	60,175	58,231
	Other tangible assets	8,236	4,064	4,206
	Current tax assets	69,510	250,527	71,624
	Temporary assets	5,200	450	5,200
	Other assets	356,993	419,166	296,871
	Prepayments and accrued income	6,032	6,177	7,970
	<b>Total assets</b>	<b>22,363,035</b>	<b>21,184,965</b>	<b>22,383,680</b>

## Balance sheet

Note		End March 2016 DKK 1,000	End March 2015 DKK 1,000	End Dec. 2015 DKK 1,000
	<b>Liabilities and equity</b>			
16	Debt to credit institutions and central banks	1,508,301	1,929,171	1,502,586
	Money market operations and bilateral credits			
	- term to maturity under 1 year	348,111	751,152	344,879
	Bilateral credits - term to maturity over 1 year	55,884	132,720	55,968
	Bilateral credits from KfW Bankengruppe	1,104,306	1,045,299	1,101,739
17	Deposits and other debts	16,904,887	15,429,582	16,986,543
	Deposits and other debts	16,904,887	15,285,279	16,986,543
	Repo transactions	0	144,303	0
18	Issued bonds at amortised cost price	0	236,552	0
	Other liabilities	303,341	288,119	208,988
	Deferred income and accruals	1,124	1,131	1,130
	<b>Total debt</b>	<b>18,717,653</b>	<b>17,884,555</b>	<b>18,699,247</b>
	Provisions for deferred tax	6,356	14,476	10,579
12	Provisions for losses on guarantees	8,797	7,340	5,478
	<b>Total provisions for liabilities</b>	<b>15,153</b>	<b>21,816</b>	<b>16,057</b>
	Tier 2 capital	371,713	200,620	372,278
19	<b>Total subordinated debt</b>	<b>371,713</b>	<b>200,620</b>	<b>372,278</b>
20	Share capital	23,350	23,900	23,350
	Reserve for net revaluation under the equity method	2,317	178	2,317
	Profit carried forward	3,232,849	3,053,896	3,129,831
	Proposed dividend etc.	-	-	140,600
	<b>Total shareholders' equity</b>	<b>3,258,516</b>	<b>3,077,974</b>	<b>3,296,098</b>
	<b>Total liabilities and equity</b>	<b>22,363,035</b>	<b>21,184,945</b>	<b>22,383,680</b>
21	Own capital shares			
22	Contingent liabilities etc.			
23	Assets furnished as security			
24	The supervisory diamond			
25	Miscellaneous comments			

## Statement of shareholders' equity

DKK 1,000	Share capital	Reserve for net revaluation under the equity method	Profit carried forward	Proposed dividend etc.	Total shareholders' equity
<b>On 31 March 2016:</b>					
<b>Shareholders' equity at the end of the previous financial year</b>	<b>23,350</b>	<b>2,317</b>	<b>3,129,831</b>	<b>140,600</b>	<b>3,296,098</b>
Dividend etc. paid				-140,600	-140,600
Dividend received on own shares			3,344		3,344
<b>Shareholders' equity after allocation of dividend etc.</b>	<b>23,350</b>	<b>2,317</b>	<b>3,133,175</b>	<b>0</b>	<b>3,158,842</b>
Purchase and sale of own shares			-31,027		-31,027
Total comprehensive income			130,701		130,701
<b>Shareholders' equity on the balance sheet date</b>	<b>23,350</b>	<b>2,317</b>	<b>3,232,849</b>	<b>0</b>	<b>3,258,516</b>

<b>On 31 March 2015:</b>					
<b>Shareholders' equity at the end of the previous financial year</b>	<b>23,900</b>	<b>178</b>	<b>2,949,750</b>	<b>124,780</b>	<b>3,098,608</b>
Dividend etc. paid				-124,780	-124,780
Dividend received on own shares			3,385		3,385
<b>Shareholders' equity after allocation of dividend etc.</b>	<b>23,900</b>	<b>178</b>	<b>2,953,135</b>	<b>0</b>	<b>2,977,213</b>
Purchase and sale of own shares			-36,229		-36,229
Total comprehensive income			136,990		136,990
<b>Shareholders' equity on the balance sheet date</b>	<b>23,900</b>	<b>178</b>	<b>3,053,896</b>	<b>0</b>	<b>3,077,974</b>

<b>On 31 December 2015:</b>					
<b>Shareholders' equity at the end of the previous financial year</b>	<b>23,900</b>	<b>178</b>	<b>2,949,750</b>	<b>124,780</b>	<b>3,098,608</b>
Reduction of share capital	-550		550		0
Dividend etc. paid				-124,780	-124,780
Dividend received on own shares			3,385		3,385
<b>Shareholders' equity after allocation of dividend etc.</b>	<b>23,350</b>	<b>178</b>	<b>2,953,685</b>	<b>0</b>	<b>2,977,213</b>
Purchase and sale of own shares			-139,780		-139,780
Total comprehensive income		2,139	315,926	140,600	458,665
<b>Shareholders' equity on the balance sheet date</b>	<b>23,350</b>	<b>2,317</b>	<b>3,129,831</b>	<b>140,600</b>	<b>3,296,098</b>

## Capital statement

	End March 2016 DKK 1,000	End March 2015 DKK 1,000	End Dec. 2015 DKK 1,000
Credit risk	14,504,766	12,810,859	14,173,867
Market risk	1,433,622	1,778,864	1,539,489
Operational risk	1,750,809	1,679,498	1,750,809
<b>Total risk exposure amount</b>	<b>17,689,197</b>	<b>16,269,221</b>	<b>17,464,165</b>
Shareholders' equity	3,258,516	3,077,974	3,296,098
Proposed dividend etc.	0	0	-140,600
Deduction for expected dividend	-40,756	-38,357	0
Deduction for prudent valuation	-4,219	0	-3,910
Deduction for the sum of equity investments etc. > 10%	-133,097	-204,309	-118,672
Deduction of frame for share buy-back programme, net	-111,929	-107,137	0
Deduction of trading frame for own shares	-55,000	-55,000	-55,000
Actual utilization of the trading frame for own shares	4,151	2,927	1,221
<b>Common Equity Tier 1 capital</b>	<b>2,917,666</b>	<b>2,676,098</b>	<b>2,979,137</b>
<b>Tier 1 capital</b>	<b>2,917,666</b>	<b>2,676,098</b>	<b>2,979,137</b>
Tier 2 capital	372,560	141,177	373,125
Deduction for the sum of equity investments etc. > 10%	-71,179	-141,177	-76,769
<b>Own funds</b>	<b>3,219,047</b>	<b>2,676,098</b>	<b>3,275,493</b>
<b>Common Equity Tier 1 capital ratio (%)</b>	<b>16.5</b>	<b>16.4</b>	<b>17.1</b>
<b>Tier 1 capital ratio (%)</b>	<b>16.5</b>	<b>16.4</b>	<b>17.1</b>
<b>Total capital ratio (%)</b>	<b>18.2</b>	<b>16.4</b>	<b>18.8</b>
Own funds requirements	1,415,136	1,301,538	1,397,133

## Notes

Note	1.1-31.3 2016 DKK 1,000	1.1-30.3 2015 DKK 1,000	1.1-31.12 2015 DKK 1,000
<b>1 Interest receivable</b>			
Claims on credit institutions and central banks	4,018	2,808	15,990
Loans and other debtors	183,693	179,929	700,503
Loans - interest concerning the impaired part of loans	-8,760	-10,242	-38,435
Reverse loans	0	4,444	5,094
Bonds	10,999	18,664	54,379
Total derivatives financial instruments	-353	493	-4,281
Of which currency contracts	383	1,473	1,166
Of which interest-rate contracts	-736	-980	-5,447
Other interest receivable	0	707	3,745
<b>Total interest receivable</b>	<b>189,597</b>	<b>196,803</b>	<b>736,995</b>
<b>2 Interest payable</b>			
Credit institutions and central banks	6,268	6,396	24,354
Deposits and other debts	11,785	18,476	54,268
Repo deposits	0	65	66
Issued bonds	0	1,824	3,679
Subordinated debt	1,610	2,345	8,790
Other interest payable	79	75	8
<b>Total interest payable</b>	<b>19,742</b>	<b>29,181</b>	<b>91,165</b>
<b>3 Dividend from shares etc.</b>			
Shares	240	298	13,010
<b>Total dividend from shares etc.</b>	<b>240</b>	<b>298</b>	<b>13,010</b>
<b>4 Gross income from fees and commissions</b>			
Securities trading	12,208	14,603	58,631
Asset management and custody accounts	15,964	16,560	111,887
Payment handling	6,665	5,979	26,357
Loan fees	1,549	6,441	15,879
Guarantee commissions and mortgage commissions	15,620	12,924	56,362
Other fees and commissions	14,699	14,714	31,960
<b>Total gross income from fees and commissions</b>	<b>66,705</b>	<b>71,221</b>	<b>301,076</b>
<b>Net income from fees and commissions</b>			
Securities trading	9,489	11,726	47,848
Asset management and custody accounts	14,337	14,986	105,496
Payment handling	5,135	5,190	17,384
Loan fees	1,051	5,722	13,242
Guarantee commissions and mortgage commissions	15,620	12,924	56,362
Other fees and commissions	11,257	12,063	19,057
<b>Total net income from fees and commissions</b>	<b>56,889</b>	<b>62,611</b>	<b>259,389</b>
Foreign exchange income	4,232	2,984	15,812
<b>Total net income from fees, commissions and foreign exchange income</b>	<b>61,121</b>	<b>65,595</b>	<b>275,201</b>

## Notes

Note		1.1-31.3 2016 DKK 1,000	1.1-31.3 2015 DKK 1,000	1.1-31.12 2015 DKK 1,000
<b>5</b>	<b>Value adjustments</b>			
	Loans and other debtors, current value adjustment	0	-118	9,249
	Bonds	5,085	14,122	-29,648
	Shares etc.	11,164	19,243	34,659
	Foreign exchange income	4,232	2,984	15,812
	Total derivatives financial instruments	-7,247	-7,963	-489
	Of which currency contracts	-652	6	-1,230
	Of which interest-rate contracts	-6,756	-8,420	-420
	Of which share contracts	161	451	1,161
	Issued bonds	0	1,136	0
	<b>Total value adjustments</b>	<b>13,234</b>	<b>29,404</b>	<b>29,583</b>
<b>6</b>	<b>Staff and administration costs</b>			
	Payments to general management, board of directors and shareholders' committee			
	General management	1,619	976	5,037
	Board of directors	0	0	1,633
	Shareholders' committee	0	0	415
	Total	1,619	976	7,085
	Staff costs			
	Salaries	30,627	30,256	130,240
	Pensions	3,501	3,360	13,872
	Social security expenses	1,101	844	2,301
	Costs depending on number of staff	5,012	3,164	18,525
	Total	40,241	37,624	164,938
	Other administration costs	27,606	26,293	109,611
	<b>Total staff and administration costs</b>	<b>69,466</b>	<b>64,893</b>	<b>281,634</b>
<b>7</b>	<b>Number of full-time employees</b>			
	Average number of employees during the period converted into full-time employees	<b>272</b>	<b>258</b>	<b>269</b>
<b>8</b>	<b>Impairment charges on loans and other debtors etc.</b>			
	Net changes in impairment charges on loans and other debtors and provisions for losses on guarantees	19,544	15,548	11,552
	Actual realised net losses	190	8,920	87,250
	Interest concerning the impaired part of loans	-8,760	-10,242	-38,435
	<b>Total impairment charges on loans and other debtors etc.</b>	<b>10,974</b>	<b>14,226</b>	<b>60,367</b>

## Notes

Note		1.1-31.3 2016 DKK 1,000	1.1-31.3 2015 DKK 1,000	1.1-31.12 2015 DKK 1,000
<b>9</b>	<b>Tax</b>			
	Tax calculated on the period's profit	32,500	39,350	133,489
	Adjustment of deferred tax	-4,223	0	-2,973
	Adjustment of deferred tax due to change in tax rate	0	0	-924
	Adjustment of tax calculated for previous years	0	0	3
	<b>Total tax</b>	<b>28,277</b>	<b>39,350</b>	<b>129,595</b>
	<b>Effective tax rate (%):</b>			
	The current tax rate of the bank	22.0	23.5	23.5
	Permanent deviations	-4.2	-1.2	-1.3
	Adjustment of deferred tax due to change in tax rate	0.0	0.0	-0.2
	Adjustment of tax calculated for previous years	0.0	0.0	0.0
	<b>Total effective tax rate</b>	<b>17.8</b>	<b>22.3</b>	<b>22.0</b>
Note		End March 2016 DKK 1,000	End March 2015 DKK 1,000	End Dec. 2015 DKK 1,000
<b>10</b>	<b>Claims on credit institutions and central banks</b>			
	At call	127,172	110,782	98,583
	Up to and including 3 months	67,011	65,001	230,019
	More than 3 months and up to and including 1 year	64,000	1,476	64,000
	More than 1 year and up to and including 5 years	320,000	120,000	320,000
	More than 5 years	5,000	0	5,000
	<b>Total claims on credit institutions and central banks</b>	<b>583,183</b>	<b>297,259</b>	<b>717,602</b>
<b>11</b>	<b>Loans and other debtors at amortised cost price</b>			
	At call	1,692,904	1,381,108	2,055,385
	Up to and including 3 months	768,319	1,413,938	1,054,786
	More than 3 months and up to and including 1 year	2,134,426	1,849,005	2,273,914
	More than 1 year and up to and including 5 years	6,235,277	5,171,769	5,849,053
	More than 5 years	6,208,756	5,562,024	6,066,782
	<b>Total loans and other debtors at amortised cost price</b>	<b>17,039,682</b>	<b>15,377,844</b>	<b>17,299,920</b>
	Of which collateralised repurchase agreements / reverse transactions	0	628,866	283,188

## Notes

Note		End March 2016 DKK 1,000	End March 2015 DKK 1,000	End Dec. 2015 DKK 1,000
12	<b>Impairment charges for loans and other debtors and provisions for losses on guarantees</b>			
	<b>Individual impairment charges</b>			
	Cumulative individual impairment charges for loans and other debtors at the end of the previous financial year	664,550	701,131	701,131
	Impairment charges/value adjustments during the period	50,788	56,005	149,057
	Reverse entry - impairment charges made in previous financial years	-33,268	-45,365	-121,034
	Booked losses covered by impairment charges	-1,983	-8,288	-64,604
	<b>Cumulative individual impairment charges for loans and other debtors on the balance sheet date</b>	<b>680,087</b>	<b>703,483</b>	<b>664,550</b>
	<b>Collective impairment charges</b>			
	Cumulative collective impairment charges for loans and other debtors at the end of the previous financial year	272,922	226,272	226,272
	Impairment charges/value adjustments during the period	688	9,852	46,650
	<b>Cumulative collective impairment charges for loans and other debtors on the balance sheet date</b>	<b>273,610</b>	<b>236,124</b>	<b>272,922</b>
	<b>Total cumulative impairment charges for loans and other debtors on the balance sheet date</b>	<b>953,697</b>	<b>939,607</b>	<b>937,472</b>
	<b>Provisions for losses on guarantees</b>			
	Cumulative individual provisions for losses on guarantees at the end of the previous financial year	5,478	3,995	3,995
	Provisions/value adjustments during the period	5,333	4,262	5,152
	Reverse entry - provisions made in previous financial years	-2,012	-914	-3,586
	Booked losses covered by provisions	-2	-3	-83
	<b>Cumulative individual provisions for losses on guarantees on the balance sheet date</b>	<b>8,797</b>	<b>7,340</b>	<b>5,478</b>
	<b>Total cumulative impairment charges for loans and other debtors and provisions for losses on guarantees on the balance sheet date</b>	<b>962,494</b>	<b>946,947</b>	<b>942,950</b>
13	<b>Suspended calculation of interest</b>			
	Loans and other debtors with suspended calculation of interest on the balance sheet date	<b>89,616</b>	<b>57,842</b>	<b>74,220</b>
14	<b>Bonds at current value</b>			
	Listed on the stock exchange	3,523,341	3,580,585	3,114,721
	<b>Total bonds at current value</b>	<b>3,523,341</b>	<b>3,580,585</b>	<b>3,114,721</b>
15	<b>Shares etc.</b>			
	Listed on Nasdaq Copenhagen	10,679	43,477	11,492
	Investment fund certificates	64,701	8,895	196,590
	Unlisted shares at current value	1,450	1,473	1,450
	Sector shares at current value	267,870	246,909	257,517
	<b>Total shares etc.</b>	<b>344,700</b>	<b>300,754</b>	<b>467,049</b>



## Notes

Note		End March 2016 DKK 1,000	End March 2015 DKK 1,000	End Dec. 2015 DKK 1,000
<b>16</b>	<b>Debt to credit institutions and central banks</b>			
	On demand	271,599	322,413	268,254
	Up to and including 3 months	20,127	467,451	55,023
	More than 3 months and up to and including 1 year	216,114	77,047	171,936
	More than 1 year and up to and including 5 years	600,198	574,030	593,775
	More than 5 years	400,263	488,230	413,598
	<b>Total debt to credit institutions and central banks</b>	<b>1,508,301</b>	<b>1,929,171</b>	<b>1,502,586</b>
<b>17</b>	<b>Deposits and other debts</b>			
	On demand	11,421,422	9,678,679	11,182,881
	Deposits and other debts at notice:			
	Up to and including 3 months	1,341,920	1,232,930	1,891,994
	More than 3 months and up to and including 1 year	935,478	1,058,932	667,677
	More than 1 year and up to and including 5 years	934,401	1,032,775	966,866
	More than 5 years	2,271,666	2,426,266	2,277,125
	<b>Total deposits and other debts</b>	<b>16,904,887</b>	<b>15,429,582</b>	<b>16,986,543</b>
	Of which repo transactions	0	144,303	0
	Distributed as follows:			
	On demand	11,163,907	9,314,266	10,912,726
	At notice	348,727	337,828	327,306
	Time deposits	2,002,843	2,166,313	2,352,697
	Long term deposit agreements	2,175,045	2,243,940	2,192,532
	Special types of deposits	1,214,365	1,367,235	1,201,282
		<b>16,904,887</b>	<b>15,429,582</b>	<b>16,986,543</b>
<b>18</b>	<b>Issued bonds at amortised cost price</b>			
	Up to and including 3 months	0	0	0
	More than 3 months and up to and including 1 year	0	236,552	0
	<b>Total issued bonds at amortised cost price</b>	<b>0</b>	<b>236,552</b>	<b>0</b>
	Distributed as follows:			
	Issues in Norwegian kroner:			
	Nom. NOK 100 million	0	85,820	0
	Regulation at amortised cost price and adjustment to current value of issues	0	1,338	0
	Issues in euro:			
	Nom. EUR 20 million	0	149,394	0
	Other issues	0	0	0
		<b>0</b>	<b>236,552</b>	<b>0</b>
<b>19</b>	<b>Subordinated debt</b>			
	Tier 2 capital:			
	Floating rate loan, principal EUR 50 million, expiry 20 May 2025	372,560	0	373,125
	Floating rate loan, principal EUR 27 million, redeemed 30 June 2015	0	201,682	0
	Regulation at amortised cost price and adjustment to current value of Tier 2 capital	-847	-1,062	-847
	<b>Total subordinated debt</b>	<b>371,713</b>	<b>200,620</b>	<b>372,278</b>

## Notes

Note		End March 2016 DKK 1,000	End March 2015 DKK 1,000	End Dec. 2015 DKK 1,000
<b>20</b>	<b>Share capital</b>			
	Number of shares at DKK 5 each:			
	Beginning of period	4,670,000	4,780,000	4,780,000
	Changes during the period	0	0	-110,000
	End of period	4,670,000	4,780,000	4,670,000
	Of which reserved for approved capital reduction	100,000	110,000	0
	Of which reserved for subsequent cancellation	20,000	30,000	100,000
	<b>Total share capital</b>	<b>23,350</b>	<b>23,900</b>	<b>23,350</b>
<b>21</b>	<b>Own capital shares</b>			
	Own capital shares included in the balance sheet at	0	0	0
	The market value is	169,751	189,754	151,226
	Number of own shares:			
	Beginning of year	100,817	113,525	113,525
	Purchases during the period	68,364	84,431	347,731
	Sales during the period	-46,173	-55,605	-250,439
	Cancellation during the period	0	0	-110,000
	End of period	123,008	142,351	100,817
	Of which reserved for approved capital reduction	100,000	110,000	0
	Of which reserved for subsequent cancellation	20,000	30,000	100,000
	Nominal value of holding of own shares, end of period	615	712	504
	Own shares' proportion of share capital, end of period (%)	2.6	3.0	2.2
<b>22</b>	<b>Contingent liabilities etc.</b>			
	<b>Contingent liabilities</b>			
	Finance guarantees	1,343,063	1,143,890	1,112,688
	Guarantees against losses on mortgage credit loans	89,380	72,122	80,981
	Guarantee against losses Totalkredit	116,796	116,127	116,104
	Registration and conversion guarantees	515,981	1,068,184	641,756
	Sector guarantees	45,321	48,596	45,321
	Other contingent liabilities	239,268	211,196	237,531
	<b>Total contingent liabilities</b>	<b>2,349,809</b>	<b>2,660,115</b>	<b>2,234,381</b>
<b>23</b>	<b>Assets furnished as security</b>			
	First mortgage loans are 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 repayment of the first mortgage loans is deducted directly from the funding from the KfW Bankengruppe.	<b>1,104,306</b>	<b>1,045,299</b>	<b>1,101,739</b>
	As security for clearing etc., the bank has pledged securities from its holding to the Central Bank of Denmark to a total market price of	<b>23,762</b>	<b>299,222</b>	<b>231,505</b>
	Collateral under CSA agreements	<b>50,657</b>	<b>87,019</b>	<b>66,251</b>

## Notes

Note		End March 2016 DKK 1,000	End March 2015 DKK 1,000	End Dec. 2015 DKK 1,000
<b>24</b>	<b>The supervisory diamond (Danish Financial Supervisory Authority limits)</b>			
	Stable funding (funding ratio) (< 1)	0.8	0.8	0.8
	Excess liquidity (> 50%)	116.4%	146.7%	99.7%
	Total large exposures (< 125%)	38.6%	27.8%	63.4%
	Growth in loans (< 20%)	15.2%	5.6%	14.0%
	Real estate exposure (< 25%)	14.4%	11.5%	14.1%
<b>25</b>	<b>Miscellaneous comments:</b>			
	<b>Main and key figures for the bank</b>			
	<ul style="list-style-type: none"> <li>Return on equity at the beginning of the year before and after tax are computed per annum after allocation of dividend etc., net.</li> <li>Key figures per DKK 5 share are calculated on the basis of respectively 1<sup>st</sup> quarter 2016: 4,570,000, 1<sup>st</sup> quarter 2015: 4,670,000 shares and 2015: 4,570,000 shares.</li> </ul>			
	<b>Accounting policies</b>			
	Collateral under CSA agreements is capitalised under the item "Other assets" whereas it was offset under the item "Other liabilities" in 2015. The accounting policies are otherwise unchanged relative to those in the submitted and audited 2015 annual report.			

## Main figures summary

<b>Profit and loss account summary (million DKK)</b>	<b>1.1-31.3 2016</b>	<b>1.1-31.3 2015</b>	<b>1.1-31.12 2015</b>
Net income from interest	170	168	646
Dividend on shares etc.	0	0	13
Net income from fees and commissions	57	63	259
Net income from interest and fees	227	231	918
Value adjustments	+13	+29	+29
Other operating income	1	1	5
Staff and administration costs	69	65	282
Amortisations, depreciations and write-downs on intangible and tangible assets	1	1	7
Other operating costs	1	4	17
Impairment charges for loans and other debtors etc.	-11	-15	-60
Result of investments in associated companies	0	0	+2
Profit before tax	159	176	588
Tax	28	39	129
Profit after tax	131	137	459
<b>Main figures from the balance sheet (million DKK)</b>	<b>End March 2016</b>	<b>End March 2015</b>	<b>End Dec. 2015</b>
Loans and other debtors	17,040	15,378	17,300
Deposits and other debts	16,905	15,430	16,987
Subordinated debt	372	201	372
Shareholders' equity	3,259	3,078	3,296
Balance sheet total	22,363	21,185	22,384

## Quarterly overview

(Million DKK)	1 <sup>st</sup> qtr. 2016	4 <sup>rd</sup> qtr. 2015	3 <sup>rd</sup> qtr. 2015	2 <sup>nd</sup> qtr. 2015	1 <sup>st</sup> qtr. 2015	4 <sup>th</sup> qtr. 2014	3 <sup>rd</sup> qtr. 2014	2 <sup>nd</sup> qtr. 2014	1 <sup>st</sup> qtr. 2014
Net income from interest	166	163	160	154	161	160	158	159	158
Net income from fees and commissions excl. trade income	48	55	45	61	51	60	37	51	45
Income from sector shares etc.	11	8	7	11	10	4	4	2	16
Foreign exchange income	4	5	4	4	3	2	4	4	3
Other operating income	1	2	1	1	1	1	1	1	1
<b>Total core income excl. trade income</b>	<b>230</b>	<b>233</b>	<b>217</b>	<b>231</b>	<b>226</b>	<b>227</b>	<b>204</b>	<b>217</b>	<b>223</b>
Trade income	9	12	11	13	12	10	7	8	11
<b>Total core income</b>	<b>239</b>	<b>245</b>	<b>228</b>	<b>244</b>	<b>238</b>	<b>237</b>	<b>211</b>	<b>225</b>	<b>234</b>
Staff and administration costs	69	78	65	74	65	79	62	68	62
Amortisations, depreciations and write-downs on intangible and tangible assets	1	4	1	1	1	7	1	3	1
Other operating costs	1	3	6	4	4	3	4	4	4
Total costs etc.	71	85	72	79	70	89	67	75	67
<b>Core earnings before impairments</b>	<b>168</b>	<b>160</b>	<b>156</b>	<b>165</b>	<b>168</b>	<b>148</b>	<b>144</b>	<b>150</b>	<b>167</b>
Impairment charges for loans and other debtors etc.	-11	-16	-15	-14	-15	-24	-23	-25	-15
<b>Core earnings</b>	<b>157</b>	<b>144</b>	<b>141</b>	<b>151</b>	<b>153</b>	<b>124</b>	<b>121</b>	<b>125</b>	<b>152</b>
Result for portfolio	+2	-1	-14	-8	+23	+9	+12	+20	+24
<b>Profit before tax</b>	<b>159</b>	<b>143</b>	<b>127</b>	<b>143</b>	<b>176</b>	<b>133</b>	<b>133</b>	<b>145</b>	<b>176</b>
Tax	28	31	29	31	39	33	32	36	40
<b>Profit after tax</b>	<b>131</b>	<b>112</b>	<b>98</b>	<b>112</b>	<b>137</b>	<b>100</b>	<b>101</b>	<b>109</b>	<b>136</b>

## Danish Financial Supervisory Authority key figures for Danish banks

		1 <sup>st</sup> qtr. 2016	1 <sup>st</sup> qtr. 2015	Full year 2015
<b>Capital ratios:</b>				
Total capital ratio	%	18.2	16.4	18.8
Tier 1 capital ratio	%	16.5	16.4	17.1
Individual solvency requirement	%	9.0	8.9	9.0
<b>Earnings:</b>				
Return on equity before tax	%	4.9	5.7	18.4
Return on equity after tax	%	4.0	4.4	14.3
Income / cost ratio	DKK	2.94	3.09	2.60
Return on assets	%	0.6	0.6	2.1
<b>Market risk:</b>				
Interest rate risk	%	2.1	2.4	2.2
Foreign exchange position	%	0.6	1.2	0.8
Foreign exchange risk	%	0.0	0.0	0.0
<b>Liquidity risk:</b>				
Excess cover relative to statutory liquidity requirement	%	116.4	146.7	99.7
Loans and impairments thereon relative to deposits	%	106.4	105.8	107.4
<b>Credit risk:</b>				
Loans relative to shareholders' equity		5.2	5.0	5.2
Growth in loans	%	0.1	-0.8	14.0
Total large exposures	%	38.6	27.8	63.4
Cumulative impairment percentage	%	4.7	5.0	4.6
Impairment percentage	%	0.05	0.07	0.29
Proportion of debtors at reduced interest	%	0.4	0.3	0.4
<b>Share return:</b>				
Profit after tax per share * / ***	DKK	559.7	573.2	1,941.4
Book value per share * / **	DKK	14,333	13,274	14,428
Dividend per share *	DKK	0	0	600
Share price relative to profit per share * / ***		49.3	46.5	15.5
Share price relative to book value per share * / **		1.93	2.01	2.08
* 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, The average number of shares is calculated as a simple average of the shares at the beginning of the period and at the end of the period.				

## Management's statement

The board of directors and the general management have today considered and approved the quarterly report for Ringkjøbing Landbobank A/S for the period 1 January - 31 March 2016.

The quarterly report was prepared in accordance with the provisions of the Danish Financial Business Act 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 quarterly report provides a true and fair view of the bank's assets, liabilities and financial position as of 31 March 2016 and of the bank's activities for the period 1 January - 31 March 2016. We also believe that the management report contains a true and fair account of the bank's activities and financial position as well as a description of the most important risks and uncertainties which can affect the bank.

The quarterly report is not audited or reviewed, but the external auditors have checked that the conditions for ongoing inclusion of the earnings for the period in the core capital have been met.

Ringkjøbing, 20 April 2016

### General Management:

John Fisker  
CEO

Jørn Nielsen  
General manager

### Board of Directors:

Jens Lykke Kjeldsen  
Chairman

Martin Krogh Pedersen  
Deputy chairman

Gert Asmussen

Inge Sandgrav Bak

Jens Møller Nielsen

Jørgen Lund Pedersen

Bo Bennedsgaard  
Employee board member

Dan Astrup Sørensen  
Employee board member

Gitte E. S. Vigsø  
Employee board member