

NASDAQ OMX Copenhagen  
London Stock Exchange  
Oslo Børs  
Other partners

11 August 2010

## Ringkjøbing Landbobank - interim report 2010

The bank's pre-tax profit for the first half of 2010 was DKK 190 million against DKK 155 million for the first half of 2009, an increase of 22.6%. This result was equivalent to an 18.5% 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 <sup>st</sup> half									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Core income	389	753	735	696	609	511	417	368	328	275
Total costs	-120	-238	-239	-234	-208	-190	-184	-163	-155	-133
<b>Core earnings before write-downs</b>	<b>269</b>	<b>515</b>	<b>496</b>	<b>462</b>	<b>401</b>	<b>321</b>	<b>233</b>	<b>205</b>	<b>173</b>	<b>142</b>
Write-downs on loans	-63	-159	-77	+11	+69	+5	+4	-10	+6	+6
<b>Core earnings</b>	<b>206</b>	<b>356</b>	<b>419</b>	<b>473</b>	<b>470</b>	<b>326</b>	<b>237</b>	<b>195</b>	<b>179</b>	<b>148</b>
Result for the portfolio	+28	+56	-73	-18	+103	+35	+51	+106	+30	+7
<b>Result before Bank Package I</b>	<b>234</b>	<b>412</b>	<b>346</b>	<b>455</b>	<b>573</b>	<b>361</b>	<b>288</b>	<b>301</b>	<b>209</b>	<b>155</b>
Costs of Bank Package I	-44	-107	-28	0	0	0	0	0	0	0
<b>Result before tax</b>	<b>190</b>	<b>305</b>	<b>318</b>	<b>455</b>	<b>573</b>	<b>361</b>	<b>288</b>	<b>301</b>	<b>209</b>	<b>155</b>

Core earnings were DKK 206 million against last year's DKK 190 million, an increase of 8%. The bank's expectations for core earnings were in the range DKK 200 - 400 million at the beginning of the year. These expectations are now revised upward at the bottom of the range to DKK 300 - 400 million.

### The half-year – highlights

- Increase in pre-tax profit from DKK 155 million last year to DKK 190 million for 2010
- This result was equivalent to an 18.5% p.a. return on equity at the beginning of the period
- Satisfactory level of write-downs of DKK 63 million - equivalent to 0.85% p.a.
- Rate of costs unchanged and computed at 30.8, the lowest in Denmark
- The Danish Financial Supervisory Authority has approved the bank's individual solvency requirement of 6.2%
- Capital adequacy ratio increased to 20.7, equivalent to a cover of 259%
- Core capital ratio increased to 17.2 without joining Bank Package II
- Expectations of core earnings adjusted upward to DKK 300 - 400 million.

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**

Torvet 1 • 6950 Ringkøbing • Tel. +45 9732 1166 • Fax +45 9732 1800 • CVR-no. 37536814 • post@landbobanken.dk  
www.landbobanken.com

## Management's report

### Core income

Core income was 5% higher in the first half of 2010 with an increase from DKK 372 million in 2009 to DKK 389 million.

Net interest income increased by 1% from DKK 296 million to DKK 300 million. The underlying trend in income from business with customers is good, 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 two percentage points lower in the first half of 2010 compared to the first half of 2009, equivalent to a lower income for the half-year of approx. DKK 17 million.

Fees, commissions and foreign exchange earnings amount to net DKK 82 million in 2010 against net DKK 65 million in 2009, an increase of 26%. 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 120 million against last year's DKK 113 million, an increase of 6%. The rate of increase is expected to be lower for the year.

The rate of costs was marginally higher than last year's level and was computed at 30.8, 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 resulted in a fall to net DKK 63 million for the half-year against last year's DKK 69 million. The net write-downs for the half-year are equivalent to 0.85% p.a. of 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, and the present level of write-downs is considered satisfactory.

The bank's total account for write-downs and provisions amounted to DKK 512 million at the end of the half-year, equivalent to 3.4% of total loans and guarantees. Actual write-downs on loans this half-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 45 million in the half-year.

The portfolio of loans with zeroed interest amounts to DKK 56 million, equivalent to 0.37% of the bank's total loans and guarantees at the end of the half-year.

In general the bank's loans portfolio is strong. The Danish Financial Supervisory Authority assessed in their report from 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 <sup>st</sup> half 2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Core income	389	753	735	696	609	511	417	368	328	275
Total costs	-120	-238	-239	-234	-208	-190	-184	-163	-155	-133
<b>Core earnings before write-downs</b>	<b>269</b>	<b>515</b>	<b>496</b>	<b>462</b>	<b>401</b>	<b>321</b>	<b>233</b>	<b>205</b>	<b>173</b>	<b>142</b>
Write-downs on loans	-63	-159	-77	+11	+69	+5	+4	-10	+6	+6
<b>Core earnings</b>	<b>206</b>	<b>356</b>	<b>419</b>	<b>473</b>	<b>470</b>	<b>326</b>	<b>237</b>	<b>195</b>	<b>179</b>	<b>148</b>

Core earnings for the first half of 2010 were DKK 206 million against DKK 190 million in 2009, an increase of 8%.

## Result for the portfolio

The result for the portfolio for the first half-year was positive by DKK 28 million including funding costs for the portfolio. The result is attributable to 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 half-year amounted to DKK 256 million, DKK 24 million of which was in listed shares etc. while DKK 232 million was in sector shares etc. The bond portfolio at the end of the half-year amounted to DKK 1,803 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 0.3% of the bank's core capital after deduction at the end of the half-year.

The bank's total market risk within exposure to interest rate risk, exposure in listed shares etc. and foreign exchange exposure remains at a low level. The bank's risk of losses calculated on the basis of a value-at-risk model (computed with a 10-day horizon and 99% probability) was as follows in the first half of 2010:

	Risk in DKK	% risk relative to equity end of the half-year
Highest risk of loss:	16.9 million	0.77%
Smallest risk of loss:	2.5 million	0.11%
Average risk of loss	9.1 million	0.41%

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

### **Result after tax**

The result after tax was DKK 144 million in the first half of 2010 against DKK 116 million in the same period last year, an increase of 24%. Tax of DKK 46 million was calculated, giving an effective tax rate of 24.3%. The result after tax is equivalent to a 14% return on equity at the beginning of the period.

### **The balance sheet**

The bank's balance sheet total at the end of the half-year stood at DKK 18,544 million against last year's DKK 18,215 million. Deposits increased by 12% from DKK 9,982 million to DKK 11,194 million. The bank's loans remain unchanged at DKK 13,070 million.

The bank's portfolio of guarantees at the end of the first half of 2010 was DKK 1,357 million against DKK 1,386 million in 2009.

### **Liquidity**

The bank's liquidity is good, and the excess liquidity relative to the statutory requirement is 228.3%. The bank's short-term funding with term to maturity of less than 12 months amounts to only DKK 1.2 billion, balanced by DKK 4.3 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.

### **Rating**

Ringkjøbing Landbobank was rated for the first time in May 2007 by the international credit rating agency Moody's Investors Service. The bank's ratings since the start are:

Financial strength	C+
Short-term liquidity	P-1
Long-term liquidity	A1

These ratings were most recently confirmed in April 2010 with negative outlook. The bank is highly satisfied that the rating has been maintained despite the gloomy prospects for the Danish economy. Ringkjøbing Landbobank is thus the only Danish bank which was not downgraded in 2009.

### **Bank Package I**

Together with most of the financial sector in Denmark, Ringkjøbing Landbobank joined Bank Package I, which runs until 30 September 2010 and provides an unconditional guarantee by the Danish state for Danish banks' deposits and senior debts. The guarantee premium was DKK 29 million in the first half of 2010. The guarantee premium for the remaining period until 30 September 2010 will amount to DKK 15 million.

In the first half of 2010, losses of DKK 13 million were booked for Bank Package I etc. on the net realisation principle and on the basis of the information published by the Financial Stability Company on expected losses.

## Capital

The bank's equity at the beginning of 2010 was DKK 2,056 million, to which must be added the profit for the half-year, after which the equity on 30 June 2010 was DKK 2.194 million.

The capital adequacy ratio (Tier 2) was computed at 20.7 at the end of the first half of 2010, and the core capital ratio (Tier 1) was computed at 17.2 on the same date.

	1 <sup>st</sup> half				
	2010	2009	2008	2007	2006
<b>Capital adequacy</b>					
Core capital ratio without hybrid core capital	15.7	15.1	11.6	10.0	9.2
Core capital ratio	17.2	16.6	13.0	11.2	10.4
<b>Capital adequacy ratio</b>	<b>20.7</b>	<b>20.2</b>	<b>16.3</b>	<b>13.0</b>	<b>12.3</b>
Individual solvency requirement	8.0	8.0	8.0	8.0	8.0
<b>Capital adequacy</b>	<b>259%</b>	<b>253%</b>	<b>204%</b>	<b>163%</b>	<b>154%</b>

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 calculated individual solvency requirement for Ringkjøbing Landbobank is calculated at 6.2% because of the bank's robust business model, and the ratio was thus reported at 8%.

During the first half of 2010, the bank received an ordinary visit by the Danish Financial Supervisory Authority, which approved the bank's calculation of the individual solvency requirement of 6.2%. In its subsequent report, which is published on the bank's website, the Financial Supervisory Authority assessed the bank's credit risk to be relatively low compared to that of other institutions, and the bank's acceptance of risk in the market risks area to be low, and the bank's capital structure was described as robust. In addition, we have worked on a number of policies and procedures this summer, and they are now up-to-date. The bank was satisfied with the visit as well as the conclusions.

## New business model provides an opportunity for more new customers

The bank expects that the financial crisis will cause changes to the financial sector's present business model. The model will generally be characterised by lower risk, greater reserves and lower gearing of the equity in the financial sector. Ringkjøbing Landbobank's balance sheet and cost structure already fit this scenario well, and the adjustments which will be carried out in the years to come will of course offer opportunities for the bank in the market.

Given this background and the fact that the bank has both liquidity and capital to support growth, the bank implemented several out-reach initiatives towards new customers a few months ago. A highly positive increase in customers is currently being seen in the branch network and within the Private Banking segment with transfer of pension and securities customers.

In support of this development, the bank has increased its staffing within investments. The bank's central Private Banking branch has been strengthened and a small office has been opened in Holte, Denmark.

**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 half of 2010 were DKK 206 million, which is slightly better than the budget for 2010. The announced range of DKK 200-400 million at the beginning of the year is now adjusted upward at the bottom of the range such that the expected earnings are now DKK 300-400 million.

**Financial calendar 2010**

The financial calendar for the forthcoming publications is as follows:

27 October 2010      Quarterly report for 1<sup>st</sup> -3<sup>rd</sup> quarters 2010

## Main and key figures for the bank

	1 <sup>st</sup> half year 2010	1 <sup>st</sup> half year 2009	Full year 2009
<b>Main figures for the bank (million DKK)</b>			
Total core income	389	372	753
Total costs and depreciations	-120	-113	-238
<b>Core earnings before write-downs on loans</b>	<b>269</b>	<b>259</b>	<b>515</b>
Write-downs on loans	-63	-69	-159
<b>Core earnings</b>	<b>206</b>	<b>190</b>	<b>356</b>
Result for portfolio	+28	+10	+56
<b>Profit before national bank package I</b>	<b>234</b>	<b>200</b>	<b>412</b>
Costs national bank package I	-44	-45	-107
<b>Profit before tax</b>	<b>190</b>	<b>155</b>	<b>305</b>
<b>Profit after tax</b>	<b>144</b>	<b>116</b>	<b>232</b>
Shareholders' equity	2,194	1,963	2,056
Total capital base	2,885	2,636	2,747
Deposits	11,194	9,982	11,187
Loans	13,070	13,038	13,047
Balance sheet total	18,544	18,215	17,928
Guarantees	1,357	1,386	1,486
<b>Key figures for the bank (per cent)</b>			
Pre-tax return on equity, beginning of year	18.5	17.4	17.1
Return on equity after tax, beginning of year	14.0	13.0	13.0
Rate of costs	30.8	30.3	31.6
Core capital ratio	17.2	15.9	16.6
Solvency ratio	20.7	19.6	20.2
<b>Key figures per 5 DKK share (DKK)</b>			
Core earnings	41	38	71
Profit before tax	38	31	60
Profit after tax	29	23	46
Net asset value	435	389	408
Price, end of period	575	465	609

## Profit and loss account

Note		1.1-30.6 2010 DKK 1,000	1.1-30.6 2009 DKK 1,000	1.1-31.12 2009 DKK 1,000
1	Interest receivable	430,216	538,475	993,756
2	Interest payable	122,063	231,012	377,728
	<b>Net income from interest</b>	<b>308,153</b>	<b>307,463</b>	<b>616,028</b>
	Interest-like commission income	138	8,357	9,266
	Dividend on capital shares etc.	1,215	3,243	3,243
3	Income from fees and commissions	85,510	65,554	140,362
3	Fees and commissions paid	12,234	10,765	23,823
	<b>Net income from interest and fees</b>	<b>382,782</b>	<b>373,852</b>	<b>745,076</b>
4	Value adjustments	+32,489	+5,379	+58,130
	Other operating income	2,079	2,240	5,351
5,6	Staff and administration costs	118,728	111,628	235,604
	Amortisation, depreciation and write-downs on intangible and tangible assets	1,174	1,101	2,424
	Other operating costs			
	Miscellaneous other operating costs	0	0	56
	Guarantee commission, national bank package I etc.	31,060	26,725	55,785
	Write-downs on loans and debtors etc.			
	Write-downs on loans and other debtors	-63,493	-68,457	-158,600
	Write-downs on national bank package I	-13,019	-18,295	-51,173
	Result of capital shares in associated companies	0	-26	-59
	<b>Profit before tax</b>	<b>189,876</b>	<b>155,239</b>	<b>304,856</b>
7	Tax	46,200	39,100	72,775
	<b>Profit after tax</b>	<b>143,676</b>	<b>116,139</b>	<b>232,081</b>

## Core earnings

	1.1-30.6 2010 DKK 1,000	1.1-30.6 2009 DKK 1,000	1.1-31.12 2009 DKK 1,000
Net income from interest	300,295	296,110	596,828
Interest-like commission income	138	8,357	9,266
Net income from fees and provisions excl. commission	59,099	46,317	97,751
Income from sector shares etc.	4,783	105	8,448
Foreign exchange income	8,720	10,000	16,515
Other operating income	2,079	2,240	5,351
<b>Total core income excl. trade income</b>	<b>375,114</b>	<b>363,129</b>	<b>734,159</b>
Trade income	14,177	8,473	18,788
<b>Total core income</b>	<b>389,291</b>	<b>371,602</b>	<b>752,947</b>
Staff and administration costs	118,729	111,628	235,604
Amortisation, depreciation and write-downs on intangible and tangible assets	1,174	1,101	2,424
Other operating costs	0	0	56
Total costs etc.	119,903	112,729	238,084
<b>Core earnings before write-downs on loans</b>	<b>269,388</b>	<b>258,873</b>	<b>514,863</b>
Write-downs on loans and other debtors	-63,493	-68,457	-158,600
<b>Core earnings</b>	<b>205,895</b>	<b>190,416</b>	<b>356,263</b>
Result for portfolio	+28,060	+9,843	+55,551
Result before national bank package I	233,955	200,259	411,814
Costs national bank package I	-44,079	-45,020	-106,958
Profit before tax	189,876	155,239	304,856
Tax	46,200	39,100	72,775
Profit after tax	143,676	116,139	232,081



## Balance sheet

Note		End June 2010 DKK 1,000	End June 2009 DKK 1,000	End Dec. 2009 DKK 1,000
	<b>Assets</b>			
	Cash in hand and claims at call on central banks	63,221	41,462	42,723
<b>8</b>	Claims on credit institutions and central banks			
	Claims on central banks	197,988	1,325,829	649,846
	Claims on credit institutions			
	Money market operations and bilateral loans - term to maturity under 1 year	2,233,606	1,266,508	1,751,361
	Bilateral loans - term to maturity over 1 year	267,013	534,556	90,792
<b>9,10,11</b>	Loans and other debtors at amortised cost price	13,070,022	13,037,586	13,047,212
<b>12</b>	Bonds at current value	1,803,323	1,391,135	1,679,453
<b>13</b>	Shares etc.	256,304	239,343	256,697
	Capital shares in associated companies	513	545	513
	Land and buildings total	76,229	75,872	76,589
	Investment properties	7,261	7,261	7,261
	Domicile properties	68,968	68,611	69,328
	Other tangible assets	2,472	3,091	3,055
	Actual tax assets	27,253	27,281	46,261
	Deferred tax assets	0	27,713	0
	Temporary assets	150	1,045	1,023
	Other assets	538,129	235,173	275,171
	Periodic-defined items	7,471	7,373	7,260
	<b>Total assets</b>	<b>18,543,694</b>	<b>18,214,512</b>	<b>17,927,956</b>

## Balance sheet

Note		End June 2010 DKK 1,000	End June 2009 DKK 1,000	End Dec. 2009 DKK 1,000
	<b>Liabilities and equity</b>			
<b>14</b>	Debt to credit institutions and central banks			
	Debt to central banks	0	511,175	0
	Debt to credit institutions			
	Money market operations and bilateral credits - term to maturity under 1 year	1,210,081	998,967	699,732
	Bilateral credits - term to maturity over 1 year	2,058,062	3,076,911	2,294,991
<b>15</b>	Deposits and other debts	11,193,615	9,981,564	11,187,470
<b>16</b>	Issued bonds at amortised cost price	539,829	516,094	557,337
	Other liabilities	564,308	427,408	364,332
	Periodic-defined items	512	873	689
	<b>Total debt</b>	<b>15,566,407</b>	<b>15,512,992</b>	<b>15,104,551</b>
	Provisions for pensions and similar liabilities	6,378	8,170	7,463
	Provisions for deferred tax	5,088	0	5,088
<b>10</b>	Provisions for losses on guarantees	1,941	1,631	1,376
	Provisions for national bank package I	60,120	27,123	45,101
	Other provisions for liabilities	7,160	438	13,210
	<b>Total provisions for liabilities</b>	<b>80,687</b>	<b>37,362</b>	<b>72,238</b>
	Subordinated loan capital	490,679	499,455	491,625
	Hybrid core capital	212,412	201,774	203,769
<b>17</b>	<b>Total subordinated debt</b>	<b>703,091</b>	<b>701,229</b>	<b>695,394</b>
<b>18</b>	Share capital	25,200	25,200	25,200
	Reserve for net revaluation under the intrinsic value method	162	188	162
	Profit carried forward	2,168,147	1,937,541	2,030,411
	<b>Total shareholders' equity</b>	<b>2,193,509</b>	<b>1,962,929</b>	<b>2,055,773</b>
	<b>Total liabilities and equity</b>	<b>18,543,694</b>	<b>18,214,512</b>	<b>17,927,956</b>
<b>20</b>	Contingent liabilities etc.			
<b>21</b>	Capital adequacy computation			
<b>22</b>	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
<b>On 30 June 2010:</b>						
<b>Shareholders' equity at the end of the previous financial year</b>	<b>25,200</b>	<b>0</b>	<b>162</b>	<b>0</b>	<b>2,030,411</b>	<b>2,055,773</b>
Purchase and sale of own shares					-7,638	-7,638
Other shareholders' equity items					1,698	1,698
Profit for the period					143,676	143,676
<b>Shareholders' equity on the balance sheet date</b>	<b>25,200</b>	<b>0</b>	<b>162</b>	<b>0</b>	<b>2,168,147</b>	<b>2,193,509</b>

<b>On 30 June 2009:</b>						
<b>Shareholders' equity at the end of the previous financial year</b>	<b>25,200</b>	<b>0</b>	<b>188</b>	<b>0</b>	<b>1,759,402</b>	<b>1,784,790</b>
Purchase and sale of own shares					60,196	60,196
Other shareholders' equity items					1,804	1,804
Profit for the period					116,139	116,139
<b>Shareholders' equity on the balance sheet date</b>	<b>25,200</b>	<b>0</b>	<b>188</b>	<b>0</b>	<b>1,937,541</b>	<b>1,962,929</b>

<b>On 31 December 2009:</b>						
<b>Shareholders' equity at the end of the previous financial year</b>	<b>25,200</b>	<b>0</b>	<b>188</b>	<b>0</b>	<b>1,759,402</b>	<b>1,784,790</b>
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
<b>Shareholders' equity on the balance sheet date</b>	<b>25,200</b>	<b>0</b>	<b>162</b>	<b>0</b>	<b>2,030,411</b>	<b>2,055,773</b>

## Notes

Note	1.1-30.6 2010 DKK 1,000	1.1-30.6 2009 DKK 1,000	1.1-31.12 2009 DKK 1,000
<b>1 Interest receivable</b>			
Claims on credit institutions and central banks	20,232	40,421	63,512
Loans and other debtors	380,795	467,692	865,961
Loans - interest concerning the written-down part of loans	-13,918	-13,966	-26,109
Bonds	26,292	33,527	65,062
Total derivatives financial instruments, of which	16,815	10,801	24,338
Currency contracts	9,159	13,955	24,759
Interest-rate contracts	7,656	-3,154	-421
Other interest receivable	0	0	992
<b>Total interest receivable</b>	<b>430,216</b>	<b>538,475</b>	<b>993,756</b>
<b>2 Interest payable</b>			
Credit institutions and central banks	22,822	68,522	94,946
Deposits and other debts	76,271	134,404	230,197
Issued bonds	9,768	12,833	21,525
Subordinated debt	13,202	15,253	30,743
Other interest payable	0	0	317
<b>Total interest payable</b>	<b>122,063</b>	<b>231,012</b>	<b>377,728</b>
<b>3 Gross income from fees and commissions</b>			
Securities trading	18,770	11,806	26,678
Asset management	28,642	19,979	40,943
Payment handling	8,593	7,483	16,419
Loan fees	4,406	4,259	9,854
Guarantee commissions	16,083	14,708	29,991
Other fees and commissions	9,016	7,319	16,477
<b>Total gross income from fees and commissions</b>	<b>85,510</b>	<b>65,554</b>	<b>140,362</b>
<b>Net income from fees and commissions</b>			
Securities trading	14,177	8,473	18,788
Asset management	26,133	17,929	36,983
Payment handling	7,904	6,644	14,868
Loan fees	3,448	3,050	7,401
Guarantee commissions	16,083	14,708	29,991
Other fees and commissions	5,531	3,985	8,508
<b>Total net income from fees and commissions</b>	<b>73,276</b>	<b>54,789</b>	<b>116,539</b>
Foreign exchange income	8,720	10,000	16,515
<b>Total net income from fees, commissions and foreign exchange income</b>	<b>81,996</b>	<b>64,789</b>	<b>133,054</b>
<b>4 Value adjustments</b>			
Loans and other debtors at current value	1,699	4,909	8,665
Bonds	36,829	9,070	39,402
Shares etc.	-123	-1,440	7,159
Shares etc. in sector companies	3,705	-3,097	5,246
Foreign exchange income	8,720	10,000	16,515
Total derivatives financial instruments	980	15,324	-5,758
Issued bonds	-2,700	-5,958	5,937
Other liabilities	-16,621	-23,429	-19,036
<b>Total value adjustments</b>	<b>32,489</b>	<b>5,379</b>	<b>58,130</b>

## Notes

Note		1.1-30.6 2010 DKK 1,000	1.1-30.6 2009 DKK 1,000	1.1-31.12 2009 DKK 1,000
<b>5</b>	<b>Staff and administration costs</b>			
	Salaries and payments to the board of directors, board of managers and shareholders' committee			
	Board of managers	2,826	2,853	5,873
	Board of directors	432	415	847
	Shareholders' committee	0	0	307
	Total	3,258	3,268	7,027
	Staff costs			
	Salaries	54,381	53,061	110,783
	Pensions	5,581	5,429	11,111
	Social security expenses	6,634	6,263	12,660
	Total	66,596	64,753	134,554
	Other administration costs	48,874	43,607	94,023
	<b>Total staff and administration costs</b>	<b>118,728</b>	<b>111,628</b>	<b>235,604</b>
<b>6</b>	<b>Number of employees</b>			
	Average number of employees during the period converted into full-time employees	<b>255.7</b>	<b>263.4</b>	<b>262.0</b>
<b>7</b>	<b>Tax</b>			
	Tax calculated on the period profit	46,200	39,100	64,201
	Adjustment of deferred tax	0	0	8,572
	Adjustment of tax calculated for previous years	0	0	2
	<b>Total tax</b>	<b>46,200</b>	<b>39,100</b>	<b>72,775</b>
	<b>Effective tax rate (per cent):</b>			
	The current tax rate of the bank	25.0	25.0	25.0
	Adjustment of tax of non-liable income and non-deductible costs	-0.7	0.2	-1.1
	Adjustment of tax calculated for previous years	0.0	0.0	0.0
	<b>Total effective tax rate</b>	<b>24.3</b>	<b>25.2</b>	<b>23.9</b>

Note		End June 2010 DKK 1,000	End June 2009 DKK 1,000	End Dec. 2009 DKK 1,000
<b>8</b>	<b>Claims on credit institutions and central banks</b>			
	Claims at call	65,543	410,075	306,531
	Up to and including 3 months	1,706,051	2,138,064	1,298,234
	More than 3 months and up to and including 1 year	660,000	44,198	796,442
	More than 1 year and up to and including 5 years	259,151	497,243	54,324
	More than 5 years	7,862	37,313	36,468
	<b>Total claims on credit institutions and central banks</b>	<b>2,698,607</b>	<b>3,126,893</b>	<b>2,491,999</b>

## Notes

Note		End June 2010 DKK 1,000	End June 2009 DKK 1,000	End Dec. 2009 DKK 1,000
<b>9</b>	<b>Loans and other debtors at amortised cost price</b>			
	At call	3,137,031	3,004,064	2,851,137
	Up to and including 3 months	843,872	887,841	862,975
	More than 3 months and up to and including 1 year	1,702,122	2,038,313	2,066,758
	More than 1 year and up to and including 5 years	4,062,690	4,026,085	4,155,151
	More than 5 years	3,324,307	3,081,283	3,111,191
	<b>Total loans and other debtors at amortised cost price</b>	<b>13,070,022</b>	<b>13,037,586</b>	<b>13,047,212</b>
<b>10</b>	<b>Write-downs on loans and other debtors and provisions for losses on guarantees</b>			
	<b>Individual write-downs</b>			
	Cumulative individual write-downs on loans and other debtors at the end of the previous financial year	424,517	336,820	336,820
	Write-downs/value adjustments during the period	132,124	133,041	195,056
	Reverse entry - write-downs made in previous financial years	-47,691	-47,169	-53,832
	Booked losses covered by write-downs	-31,673	-21,099	-53,527
	<b>Cumulative individual write-downs on loans and other debtors on the balance sheet date</b>	<b>477,277</b>	<b>401,593</b>	<b>424,517</b>
	<b>Group write-downs</b>			
	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	-7,374	35,167
	Reverse entry - write-downs made in previous financial years	-8,758	0	-11,629
	<b>Cumulative group write-downs on loans and other debtors on the balance sheet date</b>	<b>32,374</b>	<b>10,220</b>	<b>41,132</b>
	<b>Total cumulative write-downs on loans and other debtors on the balance sheet date</b>	<b>509,651</b>	<b>411,813</b>	<b>465,649</b>
	<b>Provisions for losses on guarantees</b>			
	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	933	0	3,822
	Reverse entry - provisions made in previous financial years	-368	-38	-4,115
	<b>Cumulative individual provisions for losses on guarantees on the balance sheet date</b>	<b>1,941</b>	<b>1,631</b>	<b>1,376</b>
	<b>Total cumulative write-downs on loans and other debtors and provisions for losses on guarantees on the balance sheet date</b>	<b>511,592</b>	<b>413,444</b>	<b>467,025</b>
<b>11</b>	<b>Suspended calculation of interest</b>			
	Loans and other debtors with suspended calculation of interest on the balance sheet date	55,577	78,310	62,649

## Notes

Note		End June 2010 DKK 1,000	End June 2009 DKK 1,000	End Dec. 2009 DKK 1,000
<b>12</b>	<b>Bonds at current value</b>			
	Listed on the stock exchange	1,803,323	1,391,135	1,679,453
	<b>Total bonds at current value</b>	<b>1,803,323</b>	<b>1,391,135</b>	<b>1,679,453</b>
<b>13</b>	<b>Shares etc.</b>			
	Listed on NASDAQ OMX Copenhagen	24,049	18,722	25,428
	Listed on other stock exchanges	24	0	0
	Unlisted shares at current value	1,310	9,764	2,591
	Sector shares at current value	209,511	191,734	204,527
	Other holdings	21,410	19,123	24,151
	<b>Total shares etc.</b>	<b>256,304</b>	<b>239,343</b>	<b>256,697</b>
<b>14</b>	<b>Debt to credit institutions and central banks</b>			
	Debt payable on demand	427,323	458,100	407,506
	Up to and including 3 months	158,321	1,008,932	240,334
	More than 3 months and up to and including 1 year	624,437	43,110	51,892
	More than 1 year and up to and including 5 years	1,726,395	2,744,740	1,974,750
	More than 5 years	331,667	332,171	320,241
	<b>Total debt to credit institutions and central banks</b>	<b>3,268,143</b>	<b>4,587,053</b>	<b>2,994,723</b>
	The bank has undrawn long-term committed revolving credit facilities equivalent to:			
	Term to maturity under 1 year	595,904	0	300,000
	Term to maturity over 1 year	174,488	977,539	769,735
	<b>Total</b>	<b>770,392</b>	<b>977,539</b>	<b>1,069,735</b>
	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	<b>800,000</b>	<b>800,000</b>	<b>800,000</b>
<b>15</b>	<b>Deposits and other debts</b>			
	On demand	5,846,963	4,615,278	5,318,439
	Deposits and other debts at notice:			
	Up to and including 3 months	1,887,697	1,829,508	2,019,860
	More than 3 months and up to and including 1 year	841,816	989,663	1,141,367
	More than 1 year and up to and including 5 years	1,288,423	847,391	1,251,393
	More than 5 years	1,328,716	1,699,724	1,456,411
	<b>Total deposits and other debts</b>	<b>11,193,615</b>	<b>9,981,564</b>	<b>11,187,470</b>
	Distributed as follows:			
	On demand	5,786,897	4,571,981	4,870,100
	At notice	115,959	55,764	88,810
	Time deposits	2,340,294	2,440,454	3,174,223
	Long term deposit agreements	1,835,245	1,809,999	1,801,769
	Special types of deposits	1,115,220	1,103,366	1,252,568
		<b>11,193,615</b>	<b>9,981,564</b>	<b>11,187,470</b>

## Notes

Note		End June 2010 DKK 1,000	End June 2009 DKK 1,000	End Dec. 2009 DKK 1,000
<b>16</b>	<b>Issued bonds at amortised cost price</b>			
	On demand	0	0	0
	Up to and including 3 months	0	0	0
	More than 3 months and up to and including 1 year	432,975	0	446,461
	More than 1 year and up to and including 5 years	106,854	423,664	11,264
	More than 5 years	0	92,430	99,612
	<b>Total issued bonds at amortised cost price</b>	<b>539,829</b>	<b>516,094</b>	<b>557,337</b>
	Distributed as follows:			
	Issues in Norwegian kroner			
	Nom. 500 million NOK	467,150	412,900	447,100
	Own holding of issued bonds	-44,268	0	0
	Nom. 100 million NOK	93,430	82,580	89,420
	Regulation at amortised cost price and adjustment to current value of issues in Norwegian kroner	9,680	9,344	6,980
	Other issues	13,837	11,270	13,837
		<b>539,829</b>	<b>516,094</b>	<b>557,337</b>
<b>17</b>	<b>Subordinated debt</b>			
	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	201,118	201,069	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	11,773	160	4,631
	Own holding of subordinated loan capital	-9,800	0	-10,158
	<b>Total subordinated debt</b>	<b>703,091</b>	<b>701,229</b>	<b>695,394</b>
<b>18</b>	<b>Share capital</b>			
	Number of shares at DKK 5 each:			
	Beginning of period	5,040,000	5,040,000	5,040,000
	Changes during the period	0	0	0
	End of period	5,040,000	5,040,000	5,040,000
	<b>Total share capital</b>	<b>25,200</b>	<b>25,200</b>	<b>25,200</b>



## Notes

Note	End June 2010 DKK 1,000	End June 2009 DKK 1,000	End Dec. 2009 DKK 1,000
<b>19</b>			
<b>Own capital shares</b>			
Own capital shares included in the balance sheet at	0	0	0
The market value is	7,846	2,506	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	+10,378	-198,944	-195,761
End of period	18,950	5,389	8,572
Nominal value of holding of own shares, end of period	95	27	43
Own shares' proportion of share capital, end of period (%)	0.4	0.1	0.2
<b>20</b>			
<b>Contingent liabilities etc.</b>			
<b>Contingent liabilities</b>			
Finance guarantees	917,279	673,977	1,009,540
Guarantees for foreign loans	8,595	234,178	29,613
Guarantees against losses on mortgage credit loans	45,235	47,896	48,774
Guarantee against losses Totalkredit	110,831	110,635	116,327
Registration and conversion guarantees	74,203	91,576	74,389
Guarantee on national bank package I	96,867	127,864	109,886
Other contingent liabilities	104,116	99,612	97,147
<b>Total contingent liabilities</b>	<b>1,357,126</b>	<b>1,385,738</b>	<b>1,485,676</b>
<b>Binding agreements</b>			
Irrevocable credit commitments	0	0	0
Other	0	0	0
<b>Total binding agreements</b>	<b>0</b>	<b>0</b>	<b>0</b>
As security for clearing and any debt, the bank has pledged securities from its holding to the Central Bank of Denmark to a total market price of	189,059	842,553	292,858

## Notes

Note	End June 2010 DKK 1,000	End June 2009 DKK 1,000	End Dec. 2009 DKK 1,000
<b>21</b>			
<b>Capital adequacy computation</b> Calculated pursuant to the Executive order on Capital Adequacy issued by the Danish Financial Supervisory Authority.			
Weighted items with credit and counterpart risks	11,721,587	11,559,296	11,378,127
Market risk	885,194	657,967	914,819
Operational risk	1,322,788	1,251,250	1,322,788
<b>Total risk weighted items</b>	<b>13,929,569</b>	<b>13,468,513</b>	<b>13,615,734</b>
Share capital	25,200	25,200	25,200
Reserve for net revaluation under the intrinsic value method	162	188	162
Profit carried forward	2,168,146	1,937,541	2,030,411
Core capital	2,193,508	1,962,929	2,055,773
Proposed dividend etc.	0	0	0
Deduction from / addition to the core capital	-162	-27,713	-162
<b>Core capital after deductions</b>	<b>2,193,346</b>	<b>1,935,216</b>	<b>2,055,611</b>
Hybrid core capital	200,000	200,000	200,000
<b>Core capital after deductions incl. hybrid core capital</b>	<b>2,393,346</b>	<b>2,135,216</b>	<b>2,255,611</b>
Subordinated loan capital	491,318	501,069	490,921
Deduction from / addition to the capital base	162	0	162
<b>Capital base after deductions</b>	<b>2,884,826</b>	<b>2,636,285</b>	<b>2,746,694</b>
<b>Core capital ratio excl. hybrid core capital (per cent)</b>	<b>15.7</b>	<b>14.4</b>	<b>15.1</b>
<b>Core capital ratio (per cent)</b>	<b>17.2</b>	<b>15.9</b>	<b>16.6</b>
<b>Solvency ratio (per cent)</b>	<b>20.7</b>	<b>19.6</b>	<b>20.2</b>
Capital base requirements under Section 124 (2,1) of the Danish Financial Business Act	1,114,366	1,077,481	1,089,259
Minimum capital requirements under Section 124 (2,2) of the Danish Financial Business Act	37,244	37,235	37,208

Note	
<b>22</b>	<p><b>Miscellaneous comments on:</b></p> <p><b>Main and key figures for the bank and key figures per DKK 5 share - page 7</b></p> <ul style="list-style-type: none"> <li>Total capital base is calculated as the banks capital base after deductions, cf. note 21.</li> <li>Key figures per DKK 5 share for 1<sup>s</sup> half year 2010, 1<sup>st</sup> half year 2009 and for the full year 2009 are all calculated on the basis of 5,040,000 shares.</li> </ul> <p><b>Core earnings - pages 1 and 3</b></p> <ul style="list-style-type: none"> <li>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.</li> </ul> <p><b>Write-downs - page 1 and 2</b></p> <ul style="list-style-type: none"> <li>All calculations etc. concerning write-downs on pages 1 and 2 were made excl. of amounts under the bank package I.</li> </ul>

## Main figures summary

	1 <sup>st</sup> half year 2010	1 <sup>st</sup> half year 2009	Full year 2009
<b>Profit and loss account summary (million DKK)</b>			
Net income from interest	308	308	616
Dividend on capital shares etc.	1	3	3
Net income from fees and commissions etc.	74	63	126
Net income from interest and fees	383	374	745
Value adjustments	+32	+5	+58
Other ordinary income	2	2	6
Staff and administration costs	119	112	236
Amortisation, depreciation etc. on tangible assets	1	1	2
Total other operating costs	31	26	56
Total write-downs	-76	-87	-210
Profit before tax	190	155	305
Tax	46	39	73
Profit after tax	144	116	232
<b>Main figures from the balance sheet (million DKK)</b>			
Loans and other debtors	13,070	13,038	13,047
Deposits and other debts	11,194	9,982	11,187
Subordinated debt	703	701	695
Shareholders' equity	2,194	1,963	2,056
Balance sheet total	18,544	18,215	17,928

## Danish Financial Supervisory Authority key figures for Danish banks

		1 <sup>st</sup> half year 2010	1 <sup>st</sup> half year 2009	Full year 2009
Solvency ratio	%	20.7	19.6	20.2
Core capital ratio	%	17.2	15.9	16.6
Pre-tax return on equity	%	8.9	8.3	15.9
Return on equity after tax	%	6.8	6.2	12.1
Income/cost ratio	DKK	1.84	1.69	1.61
Interest risk	%	0.3	0.2	0.6
Foreign exchange position	%	0.4	3.8	3.4
Foreign exchange risk	%	0.0	0.0	0.1
Excess cover relative to statutory liquidity requirements	%	228.3	180.9	205.6
Loans and write-downs thereon relative to deposits	%	121.3	134.7	120.8
Loans relative to shareholders' equity		6.0	6.6	6.3
Growth in loans	%	0.0	-6.2	-6.1
Total large exposures	%	0.0	0.0	0.0
Cumulative write-down percentage	%	3.4	2.7	3.1
Write-down percentage for the period	%	0.51	0.39	1.16
Proportion of debtors at reduced interest	%	0.4	0.5	0.4
Result after tax per share * / ***	DKK	570.1	460.9	921.0
Book value per share * / **	DKK	8,737	7,798	8,172
Price/result per share * / ***		20.2	20.2	13.2
Price/book value per share * / **		1.32	1.19	1.49
<p>* 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.</p>				

## Management's Statement

The board of directors and the board of managers have today approved the interim report of Ringkjøbing Landbobank for the period 1 January - 30 June 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 June 2010 and of the result of the bank's activities for the period 1 January - 30 June 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, 11 August 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