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Ringkjøbing Landbobank - interim report 2011

The bank's pre-tax profit for the first half of 2011 was DKK 179 million against DKK 190 million for 2010. This result was equivalent to a 16% return p.a. on equity. Given the costs incurred in connection with the Deposit Guarantee Fund in connection with the collapse of Amagerbanken and Fjordbank Mors, the result is considered highly satisfactory.

(million DKK)	1 st half									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Total core income	375	758	753	735	696	609	511	417	368	328
Total costs etc.	-123	-240	-238	-239	-234	-208	-190	-184	-163	-155
Core earnings before write-downs	252	518	515	496	462	401	321	233	205	173
Write-downs on loans	-54	-138	-159	-77	+11	+69	+5	+4	-10	+6
Core earnings	198	380	356	419	473	470	326	237	195	179
Result for the portfolio	0	+38	+56	-73	-18	+103	+35	+51	+106	+30
Bank Package I and deposit guarantee	-19	-80	-107	-28	0	0	0	0	0	0
Profit before tax	179	338	305	318	455	573	361	288	301	209

Core earnings were DKK 198 million and they are continuing to move towards the upper part of the announced DKK 300-400 million range.

The half-year – highlights:

- The DKK 179 million profit is equivalent to a return on equity of 16% p.a. after payment of dividend
- 15% fall in write-downs to DKK 54 million
- Rate of costs computed at 32.8 – the lowest in Denmark.
- Substantial increase of 11% in deposits and modest growth in loans
- Free of all government schemes - but payment to The Deposit Guarantee Fund of net DKK 18 million
- Capital adequacy ratio of 20.2, equivalent to cover of 253%
- Core capital ratio of 18.7
- Highly satisfactory increase in customers in both branch network and Private Banking.
- The expectations for core earnings remain in the DKK 300-400 million range, but core earnings are moving towards the most satisfactory part of the range.

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

Yours sincerely,

Ringkjøbing Landbobank

Bent Naur

John Fisker

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Management Report

Core income

Core income was 4% lower in the first half of 2011 with a decrease from DKK 389 million in 2010 to DKK 375 million.

Net interest income decreased by 3% from DKK 300 million to DKK 290 million. The underlying trend in the figures and the intake of new customers is positive, but the item was negatively affected by a lower interest margin and the low interest level. Like the rest of the financial sector, the bank will increase its interest rates during the third quarter of 2011. Combined with continued growth in the figures, this is expected to have a positive effect on the net interest income in the coming quarters.

Fees, commissions and foreign exchange earnings amounted to net DKK 79 million in the first half of 2011 against net DKK 82 million in 2010, a fall of 4%. The half-year was characterised by relatively low trading and conversion activity and the larger figures therefore did not result in a corresponding increase in income.

Costs and depreciations

Total costs including depreciations on tangible assets amounted to DKK 123 million in the half-year, 3% higher than last year.

The rate of costs was computed at 32.8, still the lowest in the country. A low rate of costs is especially important in periods of difficult economic conditions as the bank's results are thus very robust, which is also reflected in the computation of the bank's individual solvency requirement.

Write-downs on loans

Write-downs on loans showed a fall of 15% to net DKK 54 million in the half-year against DKK 63 million last year. The write-downs are equivalent to 0.7% 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 616 million at the end of the half-year, equivalent to 4.2% of total loans and guarantees. Actual write-downs on loans (including interest on the account for write-downs) this half-year continue to be low at a mere DKK 4 million, such that the account for write-downs and provisions increased by net DKK 50 million in the first half-year.

The portfolio of loans with zeroed interest amounts to DKK 68 million, equivalent to 0.46% of the bank's total loans and guarantees at the end of the half-year. This is at the same level as last year.

Core earnings

(million DKK)	1 st half 2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Total core income	375	758	753	735	696	609	511	417	368	328
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Write-downs on loans	-54	-138	-159	-77	+11	+69	+5	+4	-10	+6
Core earnings	198	380	356	419	473	470	326	237	195	179

Core earnings were DKK 198 million against last year's DKK 206 million, a decrease of 4%. The realised earnings continue to move towards the upper part of the announced DKK 300-400 million range.

Result for the portfolio

The result for the portfolio for the first half-year was DKK -0.3 million including funding costs for the portfolio.

The bank's holding of shares etc. at the end of the half-year amounted to DKK 286 million, DKK 49 million of which was in listed shares etc. while DKK 237 million was in sector shares etc. The bond portfolio at the end of the half-year amounted to DKK 2,283 million, and the great majority of the portfolio consists of AAA-rated Danish mortgage credit bonds and bonds guaranteed by the Danish government.

The total interest rate risk, computed as the impact on the result of a one percentage point change in the interest level, was 0.2% 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 2011:

	Risk in DKK million	% risk relative to equity at end of half-year
Highest risk of loss:	10.6	0.45%
Smallest risk of loss:	2.5	0.11%
Average risk of loss	5.7	0.24%

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

Result after tax

The result after tax was DKK 135 million for the first half of 2011 against DKK 144 million last year. The result after tax is equivalent to a return on equity of 12% p.a. after payment of dividend.

The balance sheet

The bank's balance sheet total at the end of the half-year stood at DKK 18,440 million against last year's DKK 18,544 million. Deposits increased by 11% from DKK 11,194 million to DKK 12,404 million. The bank's loans increased slightly to DKK 13,131 million. The underlying growth in new customers from the branch network and within the niches Private Banking and wind turbine financing remains good. However, the changed pattern of consumption with a higher savings ratio is generally

resulting in greater repayments on the bank's existing loans portfolio than previously, and part of the growth is therefore consumed by these repayments.

The bank's portfolio of guarantees at the end of the half-year was DKK 1,044 million against DKK 1,357 million in 2010.

Liquidity

The bank's liquidity is good, and the excess liquidity relative to the statutory requirement is 172%. The bank's short-term funding with term to maturity of less than 12 months amounts to only DKK 1.5 billion, balanced by DKK 4.6 billion in short-term money market placing, primarily in Danmarks Nationalbank, Danish banks and liquid securities. The bank is thus not dependent on the short-term money market.

The bank's loans portfolio is thus more than fully financed by deposits and the bank's equity. In addition, part of the German loans portfolio for wind turbines was refinanced back-to-back with KFW Bankengruppe, and the DKK 853 million in question can thus be disregarded in terms of liquidity. The bank requires no financing for the coming year to meet the minimum requirement that it must always be able to manage for up to 12 months without access to the financial markets.

The deposit guarantee scheme

Ringkjøbing Landbobank has a liability to the mandatory deposit guarantee scheme in Denmark in connection with Amagerbanken's collapse in February 2011 and Fjordbank Mors's collapse in June 2011. The bank's share of these losses is 0.6%. With the most recently announced dividend rate, Amagerbanken has cost the bank DKK 11.9 million while Fjordbank Mors has cost DKK 8.2 million. The bank has previously overprovided by DKK 1.5 million, and the total expense in the first half-year was thus computed at DKK 18.6 million.

Capital

The bank's equity at the beginning of 2011 was DKK 2,312 million, to which must be added the profit for the period and from which must be deducted the dividend paid and the shares purchased, after which the equity at the end of the first half of 2011 was DKK 2,360 million.

The bank's holding of own shares at the end of the half-year was 50,202, equivalent to 1.0 % of the share capital.

The bank's capital adequacy ratio (Tier 2) was computed at 20.2 at the end of the first half of 2011. The core capital ratio (Tier 1) was computed at 18.7.

Capital adequacy	1st half				
	2011	2010	2009	2008	2007
Core capital ratio without hybrid core capital	17.2	17.1	15.1	11.6	10.0
Core capital ratio	18.7	18.6	16.6	13.0	11.2
Capital adequacy ratio	20.2	22.4	20.2	16.3	13.0
Individual solvency requirement	8.0	8.0	8.0	8.0	8.0
Capital adequacy	253%	280%	253%	204%	163%

The individual solvency requirement for Ringkjøbing Landbobank is calculated at 6.9% because of the bank's robust business model, and the ratio was thus reported at 8%.

Rating

The bank is rated by the international credit rating agency Moody's. Following Amagerbanken's collapse, the Danish banking and mortgage credit sector was downgraded such that Ringkjøbing Landbobank's stand alone rating was lowered from A2 with negative outlook to A3 with stable outlook in May 2011. This also applies to the bank's long-term rating.

Encouraging increase in customer numbers

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

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 majority of the growth in lending to date 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 2010.

Expectations for earnings in 2011

The bank's core earnings for the first half of 2011 were DKK 198 million, which is in line with the announced expectations at the beginning of the year. The realised earnings thus continue to move towards the upper part of the announced DKK 300-400 million range.

Main and key figures for the bank

	1 st half year 2011	1 st half year 2010	Full year 2010
Main figures for the bank (million DKK)			
Total core income	375	389	758
Total costs and depreciations	-123	-120	-240
Core earnings before write-downs on loans	252	269	518
Write-downs on loans	-54	-63	-138
Core earnings	198	206	380
Result for portfolio	+0	+28	+38
Costs national bank package I and the deposit guarantee scheme	-19	-44	-80
Profit before tax	179	190	338
Profit after tax	135	144	257
Shareholders' equity	2,360	2,194	2,312
Total capital base	2,762	2,885	2,943
Deposits	12,404	11,194	11,662
Loans	13,131	13,070	13,151
Balance sheet total	18,440	18,544	18,247
Guarantees	1,044	1,357	1,042
Key figures for the bank (per cent)			
Pre-tax return on equity, beginning of year	15.9	18.5	16.5
Return on equity after tax, beginning of year	12.0	14.0	12.5
Rate of costs	32.8	30.8	31.6
Core capital ratio	18.7	17.2	18.6
Solvency ratio	20.2	20.7	22.4
Key figures per 5 DKK share (DKK)			
Core earnings	39	41	75
Profit before tax	36	38	67
Profit after tax	27	29	51
Net asset value	473	435	459
Price, end of period	615	575	725
Dividend	-	-	12

Profit and loss account

Note		1.1-30.6 2011 DKK 1,000	1.1-30.6 2010 DKK 1,000	1.1-31.12 2010 DKK 1,000
1	Interest receivable	405,547	430,216	836,339
2	Interest payable	117,252	122,063	241,954
	Net income from interest	288,295	308,153	594,385
3	Dividend on capital shares etc.	1,101	1,215	1,219
4	Income from fees and commissions	82,766	85,648	170,389
4	Fees and commissions paid	13,132	12,234	25,996
	Net income from interest and fees	359,030	382,782	739,997
5	Value adjustments	+13,824	+32,489	+52,159
	Other operating income	2,141	2,079	3,893
6,7	Staff and administration costs	121,327	118,728	236,374
	Amortisation, depreciation and write-downs on intangible and tangible assets	1,914	1,174	3,219
	Other operating costs			
	Miscellaneous other operating costs	0	0	195
	Guarantee commission, national bank package I etc.	18,570	31,060	46,590
	Write-downs on loans and debtors etc.			
11	Write-downs on loans and other debtors	-53,986	-63,493	-138,217
	Write-downs on national bank package I etc.	0	-13,019	-33,152
	Result of capital shares in associated companies	0	0	+14
	Profit before tax	179,198	189,876	338,316
8	Tax	44,500	46,200	81,443
	Profit after tax	134,698	143,676	256,873

Core earnings

	1.1-30.6 2011 DKK 1,000	1.1-30.6 2010 DKK 1,000	1.1-31.12 2010 DKK 1,000
Net income from interest	289,823	300,295	583,398
Net income from fees and provisions excl. commission	58,834	59,237	118,145
Income from sector shares etc.	4,084	4,783	3,931
Foreign exchange income	9,589	8,720	22,440
Other operating income etc.	2,141	2,079	3,893
Total core income excl. trade income	364,471	375,114	731,807
Trade income	10,800	14,177	26,248
Total core income	375,271	389,291	758,055
Staff and administration costs	121,327	118,729	236,374
Amortisation, depreciation and write-downs on intangible and tangible assets	1,914	1,174	3,219
Other operating costs	0	0	195
Total costs etc.	123,241	119,903	239,788
Core earnings before write-downs on loans	252,030	269,388	518,267
Write-downs on loans and other debtors	-53,986	-63,493	-138,217
Core earnings	198,044	205,895	380,050
Result for portfolio	-276	+28,060	+38,008
Costs national bank package I etc.	-18,570	-44,079	-79,742
Profit before tax	179,198	189,876	338,316
Tax	44,500	46,200	81,443
Profit after tax	134,698	143,676	256,873

Balance sheet

Note		End June 2011 DKK 1,000	End June 2010 DKK 1,000	End Dec. 2010 DKK 1,000
	Assets			
	Cash in hand and claims at call on central banks	78,244	63,221	59,597
9	Claims on credit institutions and central banks			
	Claims at notice on central banks	0	197,988	1,329,844
	Money market operations and bilateral loans - term to maturity under 1 year	1,649,641	2,233,606	1,063,528
	Bilateral loans - term to maturity over 1 year	606,431	267,013	261,335
10,11,12	Loans and other debtors at amortised cost price	13,130,560	13,070,022	13,151,216
	Loans and other debtors at amortised cost price	12,277,223	12,294,611	12,326,328
	Wind turbine loans with direct funding	853,337	775,411	824,888
13	Bonds at current value	2,283,097	1,803,323	1,546,282
14	Shares etc.	285,863	256,304	257,253
	Capital shares in associated companies	527	513	527
	Land and buildings total	75,395	76,229	75,662
	Investment properties	7,261	7,261	7,261
	Domicile properties	68,134	68,968	68,401
	Other tangible assets	4,806	2,472	4,430
	Actual tax assets	0	27,253	20,827
	Temporary assets	493	150	150
	Other assets	316,028	538,129	469,600
	Periodic-defined items	8,847	7,471	6,953
	Total assets	18,439,932	18,543,694	18,247,204

Balance sheet

Note		End June 2011 DKK 1,000	End June 2010 DKK 1,000	End Dec. 2010 DKK 1,000
	Liabilities and equity			
15	Debt to credit institutions and central banks			
	Debt to central banks	0	0	0
	Money market operations and bilateral credits - term to maturity under 1 year	1,352,409	1,141,807	636,326
	Bilateral credits - term to maturity over 1 year	316,446	1,350,925	1,170,976
	Bilateral credits from KfW Bankengruppe	853,337	775,411	824,888
16	Deposits and other debts	12,403,690	11,193,615	11,661,654
17	Issued bonds at amortised cost price	336,594	539,829	337,617
	Actual tax liabilities	3,229	0	0
	Other liabilities	396,377	564,308	592,871
	Periodic-defined items	294	512	282
	Total debt	15,662,376	15,566,407	15,224,614
	Provisions for pensions and similar liabilities	4,699	6,378	5,858
	Provisions for deferred tax	3,929	5,088	3,929
11	Provisions for losses on guarantees	1,679	1,941	1,383
	Provisions for national bank package I	0	60,120	0
	Other provisions for liabilities	2,077	7,160	2,077
	Total provisions for liabilities	12,384	80,687	13,247
	Subordinated loan capital	198,122	490,679	488,882
	Hybrid core capital	206,752	212,412	208,117
18	Total subordinated debt	404,874	703,091	696,999
19	Share capital	25,200	25,200	25,200
	Reserve for net revaluation under the intrinsic value method	176	162	176
	Proposed dividend etc.	-	-	60,980
	Profit carried forward	2,334,922	2,168,147	2,225,988
	Total shareholders' equity	2,360,298	2,193,509	2,312,344
	Total liabilities and equity	18,439,932	18,543,694	18,247,204
21	Contingent liabilities etc.			
22	Capital adequacy computation			
23	Miscellaneous comments			

Statement of shareholders' equity

DKK 1,000	Share capital	Provi- sions for re- valuation	Reserve for net revalua- tion under the intrinsic value method	Propo- sed divi- dend etc.	Profit carried forward	Total share- holders' equity
On 30 June 2011:						
Shareholders' equity at the end of the previous financial year	25,200	0	176	60,980	2,225,988	2,312,344
Paid dividend				-60,980		-60,980
Dividend received from own shares					168	168
Purchase and sale of own shares					-27,904	-27,904
Other shareholders' equity items					1,972	1,972
Profit for the period					134,698	134,698
Shareholders' equity on the balance sheet date	25,200	0	176	0	2,334,922	2,360,298

On 30 June 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					-7,638	-7,638
Other shareholders' equity items					1,698	1,698
Profit for the period					143,676	143,676
Shareholders' equity on the balance sheet date	25,200	0	162	0	2,168,147	2,193,509

On 31 December 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					-3,595	-3,595
Other shareholders' equity items					3,293	3,293
Profit for the year			14	60,980	195,879	256,873
Shareholders' equity on the balance sheet date	25,200	0	176	60,980	2,225,988	2,312,344

Notes

Note	1.1-30.6 2011 DKK 1,000	1.1-30.6 2010 DKK 1,000	1.1-31.12 2010 DKK 1,000
1 Interest receivable			
Claims on credit institutions and central banks	19,319	20,232	37,150
Loans and other debtors	369,844	380,795	748,211
Loans - interest concerning the written-down part of loans	-16,664	-13,918	-29,221
Bonds	22,155	26,292	47,905
Total derivatives financial instruments, of which	10,893	16,815	31,080
Currency contracts	5,081	9,159	13,537
Interest-rate contracts	5,812	7,656	17,543
Other interest receivable	0	0	1,214
Total interest receivable	405,547	430,216	836,339
2 Interest payable			
Credit institutions and central banks	25,047	22,822	45,468
Deposits and other debts	76,884	76,271	146,978
Issued bonds	6,220	9,768	21,252
Subordinated debt	9,084	13,202	28,049
Other interest payable	17	0	207
Total interest payable	117,252	122,063	241,954
3 Dividend from shares etc.			
Shares	1,101	1,215	1,219
Total dividend from shares etc.	1,101	1,215	1,219
4 Gross income from fees and commissions			
Securities trading	14,021	18,770	34,812
Asset management	29,789	28,642	56,624
Payment handling	8,974	8,593	19,170
Loan fees	3,077	4,406	9,985
Guarantee commissions	17,830	16,083	31,270
Other fees and commissions	9,075	9,016	18,528
Total gross income from fees and commissions	82,766	85,510	170,389
Net income from fees and commissions			
Securities trading	10,800	14,177	26,248
Asset management	27,470	26,133	52,068
Payment handling	8,056	7,904	16,816
Loan fees	2,308	3,448	7,728
Guarantee commissions	17,830	16,083	31,270
Other fees and commissions	3,170	5,531	10,263
Total net income from fees and commissions	69,634	73,276	144,393
Foreign exchange income	9,589	8,720	22,440
Total net income from fees, commissions and foreign exchange income	79,223	81,996	166,833

Notes

Note		1.1-30.6 2011 DKK 1,000	1.1-30.6 2010 DKK 1,000	1.1-31.12 2010 DKK 1,000
5	Value adjustments			
	Loans and other debtors at current value	194	1,699	4,336
	Bonds	-1,514	36,829	34,044
	Shares etc.	-1,711	-123	2,702
	Shares in sector companies etc.	4,047	3,705	2,853
	Investment properties	0	0	0
	Foreign exchange income	9,589	8,720	22,440
	Total derivatives financial instruments, of which	-6,503	980	-11,334
	Interest-rate contracts	-6,503	980	-11,333
	Share contracts	0	0	-1
	Issued bonds	1,463	-2,700	-965
	Other liabilities	8,259	-16,621	-1,917
	Total value adjustments	13,824	32,489	52,159
6	Staff and administration costs			
	Salaries and payments to the board of directors, board of managers and shareholders' committee			
	Board of managers	2,976	2,826	6,027
	Board of directors	471	432	828
	Shareholders' committee	0	0	331
	Total	3,447	3,258	7,186
	Staff costs			
	Salaries	56,604	54,381	109,878
	Pensions	5,761	5,581	11,320
	Social security expenses	7,944	6,634	12,752
	Total	70,309	66,596	133,950
	Other administration costs	47,571	48,874	95,238
	Total staff and administration costs	121,327	118,728	236,374
7	Number of employees			
	Average number of employees during the period converted into full-time employees	253.0	255.7	254.0
8	Tax			
	Tax calculated on the period profit	44,500	46,200	83,055
	Adjustment of deferred tax	0	0	-1,159
	Adjustment of tax calculated for previous years	0	0	-453
	Total tax	44,500	46,200	81,443
	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	-0.7	-0.8
	Adjustment of tax calculated for previous years	0.0	0.0	-0.1
	Total effective tax rate	24.8	24.3	24.1

Notes

Note		End June 2011 DKK 1,000	End June 2010 DKK 1,000	End Dec. 2010 DKK 1,000
9	Claims on credit institutions and central banks			
	Claims at call	477,801	65,543	303,528
	Up to and including 3 months	1,135,000	1,706,051	1,429,844
	More than 3 months and up to and including 1 year	36,840	660,000	660,000
	More than 1 year and up to and including 5 years	606,431	259,151	261,335
	More than 5 years	0	7,862	0
	Total claims on credit institutions and central banks	2,256,072	2,698,607	2,654,707
10	Loans and other debtors at amortised cost price			
	At call	3,253,935	3,137,031	3,528,048
	Up to and including 3 months	503,366	843,872	585,341
	More than 3 months and up to and including 1 year	2,232,807	1,702,122	1,961,971
	More than 1 year and up to and including 5 years	3,941,493	4,062,690	4,065,526
	More than 5 years	3,198,959	3,324,307	3,010,330
	Total loans and other debtors at amortised cost price	13,130,560	13,070,022	13,151,216
11	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	532,441	424,517	424,517
	Write-downs/value adjustments during the period	132,680	132,124	289,432
	Reverse entry - write-downs made in previous financial years	-59,109	-47,691	-120,381
	Booked losses covered by write-downs	-22,988	-31,673	-61,127
	Cumulative individual write-downs on loans and other debtors on the balance sheet date	583,024	477,277	532,441
	Group write-downs			
	Cumulative group write-downs on loans and other debtors at the end of the previous financial year	31,211	41,132	41,132
	Write-downs/value adjustments during the period	0	0	0
	Reverse entry - write-downs made in previous financial years	-407	-8,758	-9,921
	Cumulative group write-downs on loans and other debtors on the balance sheet date	30,804	32,374	31,211
	Total cumulative write-downs on loans and other debtors on the balance sheet date	613,828	509,651	563,652
	Provisions for losses on guarantees			
	Cumulative individual provisions for losses on guarantees at the end of the previous financial year	1,383	1,376	1,376
	Provisions/value adjustments during the period	683	933	1,000
	Reverse entry - provisions made in previous financial years	-387	-368	-993
	Cumulative individual provisions for losses on guarantees on the balance sheet date	1,679	1,941	1,383
	Total cumulative write-downs on loans and other debtors and provisions for losses on guarantees on the balance sheet date	615,506	511,592	565,035

Notes

Note		End June 2011 DKK 1,000	End June 2010 DKK 1,000	End Dec. 2010 DKK 1,000
12	Suspended calculation of interest Loans and other debtors with suspended calculation of interest on the balance sheet date	67,921	55,577	66,237
13	Bonds at current value Listed on the stock exchange Total bonds at current value	2,283,097 2,283,097	1,803,323 1,803,323	1,546,282 1,546,282
14	Shares etc. Listed on NASDAQ OMX Copenhagen Listed on other stock exchanges Unlisted shares at current value Sector shares at current value Other holdings Total shares etc.	49,200 0 1,415 214,334 20,914 285,863	24,049 24 1,310 209,511 21,410 256,304	25,342 0 1,415 209,086 21,410 257,253
15	Debt to credit institutions and central banks Debt payable on demand Up to and including 3 months More than 3 months and up to and including 1 year More than 1 year and up to and including 5 years More than 5 years Total debt to credit institutions and central banks The bank has undrawn long-term committed revolving credit facilities equivalent to:	233,191 249,947 969,730 745,469 323,855 2,522,192 174,587	427,323 158,321 624,437 1,726,395 331,667 3,268,143 770,392	520,010 27,169 184,789 1,570,313 329,909 2,632,190 770,896
16	Deposits and other debts On demand Deposits and other debts at notice: Up to and including 3 months More than 3 months and up to and including 1 year More than 1 year and up to and including 5 years More than 5 years Total deposits and other debts Distributed as follows: On demand At notice Time deposits Long term deposit agreements Special types of deposits	6,067,637 2,016,154 1,091,840 1,881,450 1,346,609 12,403,690 5,619,085 138,271 3,288,899 2,240,192 1,117,243 12,403,690	5,846,963 1,887,697 841,816 1,288,423 1,328,716 11,193,615 5,786,897 115,959 2,340,294 1,835,245 1,115,220 11,193,615	5,755,406 2,058,207 832,457 1,600,801 1,414,783 11,661,654 5,582,938 131,139 2,925,948 1,860,570 1,161,059 11,661,654

Notes

Note		End June 2011 DKK 1,000	End June 2010 DKK 1,000	End Dec. 2010 DKK 1,000
17	Issued bonds at amortised cost price			
	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	2,955	432,975	0
	More than 1 year and up to and including 5 years	333,639	106,854	337,617
	More than 5 years	0	0	0
	Total issued bonds at amortised cost price	336,594	539,829	337,617
	Distributed as follows:			
	Issues in Danish kroner:			
	Nom. 220 million DKK	220,000	0	220,000
	Issues in Norwegian kroner:			
	Nom. 500 million NOK	0	467,150	0
	Own holding of issued bonds	0	-44,268	0
	Nom. 100 million NOK	95,780	93,430	95,340
	Regulation at amortised cost price and adjustment to current value of issues	6,977	9,680	8,440
	Other issues	13,837	13,837	13,837
		336,594	539,829	337,617
18	Subordinated debt			
	Subordinated loan capital:			
	3.995% bond loan, nom. DKK 300 million, expiry 9.2.2014 (early redemption)	0	300,000	300,000
	Floating rate loan, principal EUR 27 million, expiry 30.6.2021	201,385	201,118	201,269
	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	3,489	11,773	5,424
	Own holding of subordinated loan capital	0	-9,800	-9,694
	Total subordinated debt	404,874	703,091	696,999
19	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 June 2011 DKK 1,000	End June 2010 DKK 1,000	End Dec. 2010 DKK 1,000
20			
Own capital shares			
Own capital shares included in the balance sheet at	0	0	0
The market value is	30,874	7,846	6,900
Number of own shares:			
Beginning of period	9,517	8,572	8,572
Net purchases and sales of own shares during the period	+40,685	+10,378	+945
End of period	50,202	18,950	9,517
Nominal value of holding of own shares, end of period	251	95	48
Own shares' proportion of share capital, end of period (%)	1.0	0.4	0.2
21			
Contingent liabilities etc.			
Contingent liabilities			
Finance guarantees	637,515	917,279	668,504
Guarantees for foreign loans	8,607	8,595	8,602
Guarantees against losses on mortgage credit loans	52,237	45,235	44,098
Guarantee against losses Totalkredit	122,065	110,831	112,585
Registration and conversion guarantees	80,293	74,203	82,614
Guarantee on national bank package I	0	96,867	0
Other contingent liabilities	143,017	104,116	125,580
Total contingent liabilities	1,043,734	1,357,126	1,041,983
First mortgage loans were provided for German wind turbine projects. The loans are funded directly by KfW Bankengruppe, to which security in the associated loans has been provided. Each reduction of the first mortgage loans is deducted directly from the funding at the KfW Bankengruppe.	853,337	775,411	824,888
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	137,067	189,059	468,198

Notes

Note	End June 2011 DKK 1,000	End June 2010 DKK 1,000	End Dec. 2010 DKK 1,000
22			
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	11,456,011	11,721,587	11,110,261
Market risk	840,151	885,194	714,897
Operational risk	1,396,138	1,322,788	1,322,788
Total risk weighted items	13,692,300	13,929,569	13,147,946
Share capital	25,200	25,200	25,200
Reserve for net revaluation under the intrinsic value method	176	162	176
Profit carried forward	2,334,922	2,168,146	2,286,968
Core capital	2,360,298	2,193,508	2,312,344
Proposed dividend etc.	0	0	-60,980
Deduction from / addition to the core capital	-176	-162	-176
Core capital after deductions	2,360,122	2,193,346	2,251,188
Hybrid core capital	200,000	200,000	200,000
Core capital after deductions incl. hybrid core capital	2,560,122	2,393,346	2,451,188
Subordinated loan capital	201,385	491,318	491,575
Deduction from / addition to the capital base	176	162	176
Capital base after deductions	2,761,683	2,884,826	2,942,939
Core capital ratio excl. hybrid core capital (per cent)	17.2	15.7	17.1
Core capital ratio (per cent)	18.7	17.2	18.6
Solvency ratio (per cent)	20.2	20.7	22.4
Capital base requirements under Section 124 (2,1) of the Danish Financial Business Act	1,095,384	1,114,366	1,051,836
23			
Miscellaneous comments on:			
Main and key figures for the bank and key figures per DKK 5 share - page 6			
<ul style="list-style-type: none"> Total capital base is calculated as the banks capital base after deductions, cf. note 22. Key figures per DKK 5 share for 1st half year 2011, 1st half year 2010 and for the full year 2010 are all calculated on the basis of 5,040,000 shares. 			
Core earnings - pages 1 and 3			
<ul style="list-style-type: none"> The comparative figures for the years 2002-2005 have not been adjusted for the change made in 2007 from actual banking operations to core earnings. 			
Write-downs - page 1 and 2			
<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 etc. 			

Main figures summary

	1 st half year 2011	1 st half year 2010	Full year 2010
Profit and loss account summary (million DKK)			
Net income from interest	288	308	595
Dividend on capital shares etc.	1	1	1
Net income from fees and commissions etc.	70	74	144
Net income from interest and fees	359	383	740
Value adjustments	+14	+32	+52
Other ordinary income	2	2	4
Staff and administration costs	121	119	237
Amortisation, depreciation etc. on tangible assets	2	1	3
Total other operating costs	19	31	47
Total write-downs	-54	-76	-171
Profit before tax	179	190	338
Tax	44	46	81
Profit after tax	135	144	257
Main figures from the balance sheet (million DKK)			
Loans and other debtors	13,131	13,070	13,151
Deposits and other debts	12,404	11,194	11,662
Subordinated debt	405	703	697
Shareholders' equity	2,360	2,194	2,312
Balance sheet total	18,440	18,544	18,247

Danish Financial Supervisory Authority key figures for Danish banks

		1 st half year 2011	1 st half year 2010	Full year 2010
Solvency ratio	%	20.2	20.7	22.4
Core capital ratio	%	18.7	17.2	18.6
Pre-tax return on equity	%	7.7	8.9	15.5
Return on equity after tax	%	5.8	6.8	11.8
Income/cost ratio	DKK	1.92	1.84	1.74
Interest risk	%	0.2	0.3	0.1
Foreign exchange position	%	0.5	0.4	0.5
Foreign exchange risk	%	0.0	0.0	0.0
Excess cover relative to statutory liquidity requirements	%	171.6	228.3	231.8
Loans and write-downs thereon relative to deposits	%	110.8	121.3	117.6
Loans relative to shareholders' equity		5.6	6.0	5.7
Growth in loans	%	-0.2	0.0	0.8
Total large exposures	%	50.3	0.0	10.2
Cumulative write-down percentage	%	4.2	3.4	3.8
Write-down percentage for the period	%	0.37	0.51	0.94
Proportion of debtors at reduced interest	%	0.5	0.4	0.4
Result after tax per share * / ***	DKK	534.5	570.1	1,019.3
Book value per share * / **	DKK	9,461	8,737	9,193
Price/result per share * / ***		23.0	20.2	14.2
Price/book value per share * / **		1.30	1.32	1.58
* Calculated on the basis of a denomination of DKK 100 per share. ** Calculated on the basis of number of shares outstanding at the end of the period. *** Calculated on the basis of the average number of shares.				

Statement by management and board of directors

The board of directors and management have today considered and approved the half-yearly report for Ringkøbing Landbobank A/S for the period 1 January - 30 June 2011.

The half-year report was prepared in accordance with the provisions of the Danish Act on Financial Activities and further Danish requirements on listed financial companies concerning disclosure. We consider the accounting policies to be appropriate and the accounting estimates made to be responsible such that the half-yearly report provides a true and fair view of the bank's assets, liabilities and financial position as of 30 June 2011 and of the bank's activities for the period 1 January-30 June 2011. We also believe that the management report etc. contain a true and fair review of the developments in the bank's activities and financial circumstances, and a description of the most important risks and uncertainty factors which could affect the bank.

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

Ringkøbing, 3 August 2011

Management:

Bent Naur
General Manager

John Fisker
Manager

Board of Directors:

Jens Lykke Kjeldsen
Chairman

Gravers Kjærgaard
Vice-chairman

Gert Asmussen

Inge Sandgrav Bak

Keld Hansen

Martin Krogh Pedersen

Bo Bennedsgaard
Employee board member

Gitte E. S. Vigsø
Employee board member