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1 February 2012

## Ringkjøbing Landbobank's announcement of the annual accounts for 2011

The bank's profit increased by 12% from DKK 338 million to DKK 380 million in 2011. The result is equivalent to a return on equity of 17%, which is considered highly satisfactory in light of the present economic situation in society.

(million DKK)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Core income	767	758	753	735	696	609	511	417	368	328
Total costs etc.	-248	-240	-238	-239	-234	-208	-190	-184	-163	-155
<b>Core earnings before write-downs</b>	<b>519</b>	<b>518</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>
Write-downs on loans	-129	-138	-159	-77	+11	+69	+5	+4	-10	+6
<b>Core earnings</b>	<b>390</b>	<b>380</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>
Result for portfolio Bank package I and Deposit Guarantee Fund	+1	+38	+56	-73	-18	+103	+35	+51	+106	+30
<b>Profit before tax</b>	<b>380</b>	<b>338</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>

The core earnings increased by 3% to DKK 390 million, which is at the top of the upwardly adjusted DKK 350-400 million range.

### Annual report – highlights:

- Increase of 12% in pre-tax profit from DKK 338 million to DKK 380 million
- The profit is equivalent to a return on equity of 17% after payment of dividend
- The rate of costs was computed at 32.4%, still the lowest in the country
- Substantial increase in deposits of 9% and a fall of 3% in loans, so that they now are in balance
- Capital adequacy ratio of 21.4, equivalent to cover of 268%
- Core capital ratio of 19.8%
- The bank's market value is DKK 3.3 billion
- Highly satisfactory increase in customers in both branch network and Private Banking
- Payment of dividend of DKK 13 per share, equivalent to DKK 66 million
- Recommendation to the general meeting that 100,000 bought back shares be cancelled
- Proposal for a new buy-up programme for 100,000 shares, equivalent to approx. DKK 66 million
- Expectations of core earnings for 2012 in the DKK 300-400 million range
- The CEO Bent Naur will retire at the end of April 2012

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**

## Management Report

### Changes in management

Bent Naur has decided to retire at the end of April 2012 on the occasion of his sixty-fifth birthday. Bent Naur has been CEO of the bank since 1987.

The board of directors has appointed John Bull Fisker as the new CEO as of 1 May 2012. John Bull Fisker is 47 years old and has been an employee of the bank since 1995. John Bull Fisker has been a member of the board of management since 1999.

Jørn Nielsen has been appointed assistant manager of the bank as of 1 March 2012. Jørn Nielsen is 39 years old and has been an employee of the bank since 1993. Jørn Nielsen was appointed credit controller in 1998 and credit manager in 2007.

### Core income

Net interest income was DKK 607 million in 2011, an increase of 4% compared to last year. An upward trend was seen during the year in the net interest income, which derives from the increasing deposit figures and an increasing interest margin. Like the rest of the financial sector, the bank increased the interest margin in 2011. The very low interest level is pulling in the opposite direction as it results in a lower return on the bank's portfolio of securities and cash resources.

(Million DKK)	4 <sup>th</sup> qtr. 2011	3 <sup>rd</sup> qtr. 2011	2 <sup>nd</sup> qtr. 2011	1 <sup>st</sup> qtr. 2011	4 <sup>th</sup> qtr. 2011	3 <sup>rd</sup> qtr. 2011	2 <sup>nd</sup> qtr. 2011	1 <sup>st</sup> qtr. 2011
Net interest income	163	154	150	140	139	144	150	150

Fees, commissions and foreign exchange earnings amounted to net DKK 152 million in 2011 against net DKK 167 million in 2010, a fall of 9%. The year was characterised by low trading and conversion activity within securities trading and asset management, and the larger volumes therefore did not result in a corresponding increase in income. The activity on the housing market was also low, with fewer transactions and conversions.

The total core income was 1% higher in 2011, with an increase from DKK 758 million in 2010 to DKK 767 million in 2011.

### Costs and depreciations

Total costs including depreciations on tangible assets amounted to DKK 248 million in 2011, 4% higher than last year.

The rate of costs was computed at 32.4%, 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 7% to net DKK 129 million in 2011 against DKK 138 million last year. The write-downs are equivalent to 0.9% 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 650 million at the end of the year, equivalent to 4.5% of total loans and guarantees. Actual write-downs on loans (including interest on the account for write-downs) continue to be low at a mere DKK 43 million, such that the account for write-downs and provisions increased by net DKK 85 million during the year.

The portfolio of loans with zeroed interest amounts to DKK 61 million, equivalent to 0.43% of the bank's total loans and guarantees at the end of the year. This is at the same level as last year.

Given the low growth in the Danish economy also in 2011, which is expected to continue in 2012, the bank is satisfied with the conservative credit policy on the basis of which the bank has always operated. As a natural part of the economic cycle, the bank's losses are expected to remain at a relatively high level in 2012, but with a continued slightly downward trend relative to the previous three years. It is also still the bank's judgment that 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 to the general level of losses in the banking sector as a whole.

## Core earnings

(Million DKK)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Total core income	767	758	753	735	696	609	511	417	368	328
Total costs etc.	-248	-240	-238	-239	-234	-208	-190	-184	-163	-155
<b>Core earnings before write-downs</b>	<b>519</b>	<b>518</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>
Write-downs on loans	-129	-138	-159	-77	+11	+69	+5	+4	-10	+6
<b>Core earnings</b>	<b>390</b>	<b>380</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>

Core earnings were DKK 390 million against last year's DKK 380 million, an increase of 3%. Income in 2011 proved to be so stable that the expectations for core earnings were adjusted upward to the DKK 350-400 million range in October 2011, and the final result is at the top of this range.

## Result for the portfolio

The result for the portfolio for 2011 was positive by DKK 1.5 million, including funding costs for the portfolio.

The bank's holding of shares etc. at the end of the year amounted to DKK 249 million, DKK 12 million of which was in listed shares etc. while DKK 237 million was in sector shares etc. The bond portfolio amounted to DKK 2,756 million, and the great majority of the portfolio consists of AAA-rated Danish mortgage credit bonds and bonds guaranteed by the Danish government, or short-term bank bonds.

The total interest rate risk, computed as the impact on the result of a one percentage point change in the interest level, was 0.7% of the bank's Tier 1 capital after deduction at the end of the 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 2011:

	<b>Risk in DKK million</b>	<b>Risk relative to equity end of year in %</b>
Highest risk of loss:	21.1	0.85%
Lowest risk of loss:	1.7	0.07%
Average risk of loss:	8.4	0.34%

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

### **Result after tax**

The result after tax was DKK 286 million for the year against DKK 257 million last year.

The result after tax is equivalent to a return on equity of 13% after payment of dividend.

### **Balance sheet**

The bank's balance sheet total at the end of the year stood at DKK 17,549 million against last year's DKK 18,247 million. Deposits increased by 9% from DKK 11,662 million to DKK 12,755 million. The bank's loans decreased by 3% to DKK 12,747 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 consumption pattern with a higher savings ratio and the general trend that many customers are deleveraging are generally resulting in greater repayments on the bank's existing loans portfolio than previously, and the entire growth in 2011 was therefore used to neutralise these repayments.

The bank's portfolio of guarantees at the end of the year was DKK 1,052 million against DKK 1,049 million in 2010.

### **Liquidity**

The bank's liquidity is good, and since the banks loans and deposits are at the same level, we made early repayments in the second half-year of 2011 of long-term loans to the equivalent of DKK 1,063 million to optimise the bank's liquidity. The excess solvency compared to the statutory requirements was 141%. The bank's short-term funding with term to maturity of less than 12 months amounts to only DKK 390 million, balanced by DKK 4.1 billion in short-term money market placing, primarily in Danish banks and liquid securities. The bank is thus not dependent on the short-term money market.

The bank's loans portfolio is 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 808 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 for rescuing Danish banks. The bank's share of these losses is 0.6%. Amagerbanken, Fjordbank Mors and Max Bank went bankrupt in 2011, and based on the latest available dividend rates, this cost the bank DKK 11.2 million.

### Dividend and share buy-back programme

The bank's board of directors will recommend to the general meeting that dividend of DKK 13 per share, equivalent to DKK 66 million, be paid for the 2011 financial year. Dividend of DKK 12 was paid in 2010. In addition, 100,000 shares at a value of DKK 61 million were bought up during 2011, and a recommendation will be made to the general meeting to cancel these shares to reduce the number of shares in the bank from 5,040,000 to 4,940,000.

A proposal will also be made that a new buy-back programme be established for 2012 under which up to 100,000 shares can be bought up for the purpose of cancelling them at a future general meeting. At the current price this authorisation will reduce equity by DKK 64 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 dividend paid and the value of the bought-back own shares, after which the equity at the end of the year was DKK 2,483 million, an increase of 7%.

The bank's capital adequacy ratio (Tier 2) was computed at 21.4% at the end of 2011. The core capital ratio (Tier 1) was computed at 19.8%.

<b>Solvency coverage</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
Core capital ratio excl. hybrid core	18.3	17.1	15.1	11.6	10.0
Core capital ratio	19.8	18.6	16.6	13.0	11.2
<b>Solvency ratio</b>	<b>21.4</b>	<b>22.4</b>	<b>20.2</b>	<b>16.3</b>	<b>13.0</b>
Individual solvency requirement	8.0	8.0	8.0	8.0	8.0
<b>Solvency coverage</b>	<b>268%</b>	<b>280%</b>	<b>253%</b>	<b>204%</b>	<b>163%</b>

The individual solvency requirement for Ringkjøbing Landbobank is calculated at 7,0% because of the bank's robust business model, and the ratio was thus reported at 8%.

### Encouraging increase in customer numbers

The bank implemented several outreach initiatives towards new customers just under two years 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.

The bank's outreach initiatives will be intensified in 2012, among other things by investing in spreading the bank's Private Banking platform even further.

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

lending has been swallowed up by repayments on the loans portfolio. In the bank's judgment, we are, however, currently enhancing the foundation for future earnings.

### **Accounting policies and key figures**

The accounting policies applied are unchanged relative to the audited annual report presented for 2010.

### **Expectations for earnings in 2012**

The bank's core earnings for 2011 were DKK 390 million, which is at the top of the upwardly adjusted DKK 350-400 million range.

Ringkjøbing Landbobank has a market share of about 50% in that part of western Jutland in which its old branches are located. The bank also has well-established branches in Herning, Holstebro and Viborg which are still operating positively. The bank's plan is to retain and develop this section of the customer portfolio with good and competitive products, focusing on employee skills and advising customers of the options in a changeable financial world. Additional customers are expected to be gained in 2012 for the bank's branches in central and western Jutland as a result of the long-term recruitment initiatives and the consolidation in the sector.

The activities in the bank's Distance Customer department and niche concepts, including the branch in Holte, are together also expected to continue to develop positively in the forthcoming year despite large repayments on the loans portfolio. The focus will be on servicing of the bank's current customers and further developing of the portfolio within wind turbine financing, medical practitioners and affluent customers.

The expectations for the core earnings for 2012 are in the DKK 300-400 million range. To this must be added the result of the bank's trading portfolio and possible expenses for the deposit guarantee scheme.

## Main and key figures

	2011	2010	2009	2008	2007
<b>Main figures for the bank (million DKK)</b>					
Total core income	767	758	753	735	696
Total costs and depreciations	-248	-240	-238	-239	-234
<b>Core earnings before write-downs on loans</b>	<b>519</b>	<b>518</b>	<b>515</b>	<b>496</b>	<b>462</b>
Write-downs on loans etc.	-129	-138	-159	-77	+11
<b>Core earnings</b>	<b>390</b>	<b>380</b>	<b>356</b>	<b>419</b>	<b>473</b>
Result for portfolio	+1	+38	+56	-73	-18
Costs bank package I and Deposit Guarantee Fund	-11	-80	-107	-28	0
<b>Profit before tax</b>	<b>380</b>	<b>338</b>	<b>305</b>	<b>318</b>	<b>455</b>
<b>Profit after tax</b>	<b>286</b>	<b>257</b>	<b>232</b>	<b>240</b>	<b>348</b>
Shareholders' equity	2,483	2,312	2,056	1,785	1,779
Total capital base	2,818	2,943	2,747	2,458	2,110
Deposits	12,755	11,662	11,187	9,073	9,162
Loans	12,747	13,151	13,047	13,897	14,135
Balance sheet total	17,549	18,247	17,928	18,002	19,634
Guarantees	1,052	1,042	1,486	2,386	4,804
<b>Key figures for the bank (per cent)</b>					
Pre-tax return on equity, beginning of year	16.9	16.5	17.1	19.6	29.3
Return on equity after tax, beginning of year	12.7	12.5	13.0	14.7	22.4
Rate of costs	32.4	31.6	31.6	32.4	33.7
Core capital ratio	19.8	18.6	16.6	13.0	11.2
Solvency ratio	21.4	22.4	20.2	16.3	13.0
<b>Key figures per 5 DKK share (DKK)</b>					
Core earnings	79	75	71	83	94
Profit before tax	77	67	60	63	90
Profit after tax	58	51	46	48	69
Net asset value	489	459	408	354	353
Price, end of period	579	725	609	310	858
Dividend	13	12	0	0	30



## Profit and loss account

Note		1.1 - 31.12 2011 DKK 1,000	1.1 - 31.12 2010 DKK 1,000
1	Interest receivable	858,257	836,339
2	Interest payable	245,291	241,954
	<b>Net income from interest</b>	<b>612,966</b>	<b>594,385</b>
3	Dividend on capital shares etc.	1,111	1,219
4	Income from fees and commissions	158,303	170,389
4	Fees and commissions paid	24,312	25,996
	<b>Net income from interest and fees</b>	<b>748,068</b>	<b>739,997</b>
5	Value adjustments	+16,386	+52,159
	Other operating income	4,535	3,893
6,7	Staff and administration costs	244,068	236,374
	Amortisation, depreciation and write-downs on intangible and tangible assets	4,375	3,219
	Other operating costs		
	Miscellaneous other operating costs	381	195
	Costs bank package I and Deposit Guarantee Fund	11,178	46,590
	Write-downs on loans and debtors etc.		
11	Write-downs on loans and debtors	-128,799	-138,217
	Write-downs on national bank package I etc.	0	-33,152
	Result of capital shares in associated companies	+11	+14
	<b>Profit before tax</b>	<b>380,199</b>	<b>338,316</b>
8	Tax	94,128	81,443
	<b>Profit after tax</b>	<b>286,071</b>	<b>256,873</b>
	Other comprehensive income	0	0
	<b>Comprehensive income after tax</b>	<b>286,071</b>	<b>256,873</b>

## Proposed distribution of profit

	<b>Total available</b>	<b>286,071</b>	<b>256,873</b>
	Dividend	65,520	60,480
	Other purposes	500	500
	Transferred to reserve for net revaluation under the intrinsic value method	+11	+14
	Appropriation to own funds	220,040	195,879
	<b>Total distribution</b>	<b>286,071</b>	<b>256,873</b>



## Core earnings

	1.1 - 31.12 2011 DKK 1,000	1.1 - 31.12 2010 DKK 1,000
Net income from interest	606,576	583,398
Net income from fees and provisions excl. commission	115,200	118,145
Income from sector shares	4,437	3,931
Foreign exchange income	17,914	22,440
Other operating income etc.	4,535	3,893
<b>Total core income excl. trade income</b>	<b>748,662</b>	<b>731,807</b>
Trade income	18,791	26,248
<b>Total core income</b>	<b>767,453</b>	<b>758,055</b>
Staff and administration costs	244,068	236,374
Amortisation, depreciation and write-downs on intangible and tangible assets	4,375	3,219
Other operating costs	381	195
Total costs etc.	248,824	239,788
<b>Core earnings before write-downs on loans</b>	<b>518,629</b>	<b>518,267</b>
Write-downs on loans and debtors	-128,799	-138,217
<b>Core earnings</b>	<b>389,830</b>	<b>380,050</b>
Result for portfolio	+1,547	+38,008
Costs bank package I and Deposit Guarantee Fund	-11,178	-79,742
<b>Profit before tax</b>	<b>380,199</b>	<b>338,316</b>
Tax	94,128	81,443
<b>Profit for after tax</b>	<b>286,071</b>	<b>256,873</b>

## Balance sheet

Note		End Dec. 2011 DKK 1,000	End Dec. 2010 DKK 1,000
	<b>Assets</b>		
	Cash in hand and claims at call on central banks	33,935	59,597
<b>9</b>	Claims on credit institutions and central banks		
	Claims at notice on central banks	186,989	1,329,844
	Money market operations and bilateral loans - term to maturity under 1 year	536,453	1,063,528
	Bilateral loans - term to maturity over 1 year	590,876	261,335
<b>10,11,12</b>	Loans and other debtors at amortised cost price	12,746,560	13,151,216
	Loans and other debtors at amortised cost price	11,938,197	12,326,328
	Wind turbine loans with direct funding	808,363	824,888
<b>13</b>	Bonds at current value	2,755,912	1,546,282
<b>14</b>	Shares etc.	249,054	257,253
	Capital shares in associated companies	538	527
	Land and buildings total	74,722	75,662
	Investment properties	6,681	7,261
	Domicile properties	68,041	68,401
	Other tangible assets	4,893	4,430
	Actual tax assets	12,255	20,827
	Temporary assets	1,382	150
	Other assets	348,567	469,600
	Periodic-defined items	6,887	6,953
	<b>Total assets</b>	<b>17,549,023</b>	<b>18,247,204</b>

## Balance sheet

Note		End Dec. 2011 DKK 1,000	End Dec. 2010 DKK 1,000
	<b>Liabilities and equity</b>		
15	Debt to credit institutions and central banks		
	Debt to central banks	0	0
	Money market operations and bilateral credits - term to maturity under 1 year	285,028	636,326
	Bilateral credits - term to maturity over 1 year	148,684	1,170,976
	Bilateral credits from KfW Bankengruppe	808,363	824,888
16	Deposits and other debts	12,755,415	11,661,654
17	Issued bonds at amortised cost price	338,958	337,617
	Other liabilities	301,813	592,871
	Periodic-defined items	183	282
	<b>Total debt</b>	<b>14,638,444</b>	<b>15,224,614</b>
	Provisions for pensions and similar liabilities	5,146	5,858
	Provisions for deferred tax	4,789	3,929
11	Provisions for losses on guarantees	5,038	1,383
	Other provisions for liabilities	0	2,077
	<b>Total provisions for liabilities</b>	<b>14,973</b>	<b>13,247</b>
	Subordinated loan capital	198,014	488,882
	Hybrid core capital	214,472	208,117
18	<b>Total subordinated debt</b>	<b>412,486</b>	<b>696,999</b>
19	Share capital	25,200	25,200
	Reserve for net revaluation under the intrinsic value method	187	176
	Proposed dividend etc.	66,020	60,980
	Profit carried forward	2,391,713	2,225,988
	<b>Total shareholders' equity</b>	<b>2,483,120</b>	<b>2,312,344</b>
	<b>Total liabilities and equity</b>	<b>17,549,023</b>	<b>18,247,204</b>
21	Contingent liabilities etc.		
22	Capital adequacy computation		
23	Miscellaneous comments		

## Statement of shareholders' equity

2010		Reserve for net revaluation under the intrinsic value method	Proposed dividend etc.	Profit carried forward	Total share- holders' equity
DKK 1,000	Share capital				
<b>Shareholders' equity at the end of the previous financial year</b>	<b>25,200</b>	<b>162</b>	<b>0</b>	<b>2,030,411</b>	<b>2,055,773</b>
Dividend etc. paid					0
Dividend received on own shares					0
<b>Shareholders' equity after allocation of dividend etc.</b>	<b>25,200</b>	<b>162</b>	<b>0</b>	<b>2,030,411</b>	<b>2,055,773</b>
Purchase and sale of own shares				-3,595	-3,595
Other shareholders' equity items				3,293	3,293
Profit for the financial year		14	60,980	195,879	256,873
<b>Shareholders' equity on the balance sheet date</b>	<b>25,200</b>	<b>176</b>	<b>60,980</b>	<b>2,225,988</b>	<b>2,312,344</b>

2011		Reserve for net revaluation under the intrinsic value method	Proposed dividend etc.	Profit carried forward	Total share- holders' equity
DKK 1,000	Share capital				
<b>Shareholders' equity at the end of the previous fi- nancial year</b>	<b>25,200</b>	<b>176</b>	<b>60,980</b>	<b>2,225,988</b>	<b>2,312,344</b>
Dividend etc. paid			-60,980		-60,980
Dividend received on own shares				168	168
<b>Shareholders' equity after allocation of dividend etc.</b>	<b>25,200</b>	<b>176</b>	<b>0</b>	<b>2,226,156</b>	<b>2,251,532</b>
Purchase and sale of own shares				-58,391	-58,391
Other shareholders' equity items				3,908	3,908
Profit for the financial year		11	66,020	220,040	286,071
<b>Shareholders' equity on the balance sheet date</b>	<b>25,200</b>	<b>187</b>	<b>66,020</b>	<b>2,391,713</b>	<b>2,483,120</b>

## Notes

Note	1.1 - 31.12 2011 DKK 1,000	1.1 - 31.12 2010 DKK 1,000
<b>1 Interest receivable</b>		
Claims on credit institutions and central banks	38,712	37,150
Loans and other debtors	775,891	748,211
Loans - interest concerning the written-down part of loans	-35,740	-29,221
Bonds	58,993	47,905
Total derivatives financial instruments, of which	20,069	31,080
Currency contracts	9,205	13,537
Interest-rate contracts	10,864	17,543
Other interest receivable	332	1,214
<b>Total interest receivable</b>	<b>858,257</b>	<b>836,339</b>
<b>2 Interest payable</b>		
Credit institutions and central banks	44,311	45,468
Deposits and other debts	169,174	146,978
Issued bonds	12,887	21,252
Subordinated debt	18,605	28,049
Other interest payable	314	207
<b>Total interest payable</b>	<b>245,291</b>	<b>241,954</b>
<b>3 Dividend from shares etc.</b>		
Shares	1,111	1,219
<b>Total dividend from shares etc.</b>	<b>1,111</b>	<b>1,219</b>
<b>4 Gross income from fees and commissions</b>		
Securities trading	24,117	34,812
Asset management	53,997	56,624
Payment handling	19,679	19,170
Loan fees	7,817	9,985
Guarantee commissions	34,898	31,270
Other fees and commissions	17,795	18,528
<b>Total gross income from fees and commissions</b>	<b>158,303</b>	<b>170,389</b>
<b>Net income from fees and commissions</b>		
Securities trading	18,791	26,248
Asset management	49,887	52,068
Payment handling	17,618	16,816
Loan fees	6,052	7,728
Guarantee commissions	34,898	31,270
Other fees and commissions	6,745	10,263
<b>Total net income from fees and commissions</b>	<b>133,991</b>	<b>144,393</b>
Foreign exchange income	17,914	22,440
<b>Total net income from fees, commissions and foreign exchange income</b>	<b>151,905</b>	<b>166,833</b>

## Notes

Note		1.1 - 31.12 2011 DKK 1,000	1.1 - 31.12 2010 DKK 1,000
<b>5</b>	<b>Value adjustments</b>		
	Loans and other debtors at current value	6,746	4,336
	Bonds	2,619	34,044
	Shares etc.	-4,956	2,702
	Shares in sector companies etc.	3,680	2,853
	Investment properties	-579	0
	Foreign exchange income	17,914	22,440
	Total derivatives financial instruments, of which	-10,050	-11,334
	Interest-rate contracts	-10,050	-11,333
	Share contracts	0	-1
	Issued bonds	-744	-965
	Other liabilities	1,756	-1,917
	<b>Total value adjustments</b>	<b>16,386</b>	<b>52,159</b>
<b>6</b>	<b>Staff and administration costs</b>		
	Salaries and payments to the board of managers, board of directors and shareholders' committee		
	Board of managers	7,237	6,946
	Reversed provision for pensions	0	-919
	Board of directors	1,049	828
	Shareholders' committee	336	331
	Total	8,622	7,186
	Staff costs		
	Salaries	111,030	109,878
	Pensions	11,522	11,320
	Social security expenses	900	790
	Costs depending on number of staff	14,719	11,962
	Total	138,171	133,950
	Other administration costs	97,275	95,238
	<b>Total staff and administration costs</b>	<b>244,068</b>	<b>236,374</b>
<b>7</b>	<b>Number of employees</b>		
	Average number of employees during the financial year converted into full-time employees	<b>252</b>	<b>254</b>
<b>8</b>	<b>Tax</b>		
	Tax calculated on the years profit	93,159	83,055
	Adjustment of deferred tax	860	-1,159
	Adjustment of tax calculated for previous years	109	-453
	<b>Total tax</b>	<b>94,128</b>	<b>81,443</b>
	<b>Effective tax rate (percent):</b>		
	The current tax rate of the bank	25.0	25.0
	Adjustment of tax for non-liable income and non-deductible costs	-0.5	-0.8
	Adjustment of tax calculated for previous years	0.0	-0.1
	<b>Total effective tax rate</b>	<b>24.5</b>	<b>24.1</b>

## Notes

Note		End Dec. 2011 DKK 1,000	End Dec. 2010 DKK 1,000
<b>9</b>	<b>Claims on credit institutions and central banks</b>		
	Claims at call	17,910	303,528
	Up to and including 3 months	661,989	1,429,844
	More than 3 months and up to and including 1 year	43,543	660,000
	More than 1 year and up to and including 5 years	590,876	261,335
	More than 5 years	0	0
	<b>Total claims on credit institutions and central banks</b>	<b>1,314,318</b>	<b>2,654,707</b>
<b>10</b>	<b>Loans and other debtors at amortised cost price</b>		
	At call	2,689,793	3,528,048
	Up to and including 3 months	476,999	585,341
	More than 3 months and up to and including 1 year	2,016,455	1,961,971
	More than 1 year and up to and including 5 years	3,666,432	4,065,526
	More than 5 years	3,896,881	3,010,330
	<b>Total loans and other debtors at amortised cost price</b>	<b>12,746,560</b>	<b>13,151,216</b>
<b>11</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	532,441	424,517
	Write-downs/value adjustments during the year	205,130	289,432
	Reverse entry - write-downs made in previous financial years	-110,870	-120,381
	Booked losses covered by write-downs	-49,349	-61,127
	<b>Cumulative individual write-downs on loans and other debtors on the balance sheet date</b>	<b>577,352</b>	<b>532,441</b>
	<b>Group write-downs</b>		
	Cumulative group write-downs on loans and other debtors at the end of the previous financial year	31,211	41,132
	Write-downs/value adjustments during the period	36,255	0
	Reverse entry - write-downs made in previous financial years	0	-9,921
	<b>Cumulative group write-downs on loans and other debtors on the balance sheet date</b>	<b>67,466</b>	<b>31,211</b>
	<b>Total cumulative write-downs on loans and other debtors on the balance sheet date</b>	<b>644,818</b>	<b>563,652</b>
	<b>Provisions for losses on guarantees</b>		
	Cumulative individual provisions for losses on guarantees at the end of the previous financial year	1,383	1,376
	Provisions/value adjustments during the period	4,605	1,000
	Reverse entry - provisions made in previous financial years	-885	-993
	Booked losses covered by write-downs	-65	0
	<b>Cumulative individual provisions for losses on guarantees on the balance sheet date</b>	<b>5,038</b>	<b>1,383</b>
	<b>Total cumulative write-downs on loans and other debtors and provisions for losses on guarantees on the balance sheet date</b>	<b>649,856</b>	<b>565,035</b>



## Notes

Note		End Dec. 2011 DKK 1,000	End Dec. 2010 DKK 1,000
12	<b>Suspended calculation of interest</b> Loans and other debtors with suspended calculation of interest on the balance sheet date	61,419	66,237
13	<b>Bonds at current value</b> Listed on the stock exchange <b>Total bonds at current value</b>	2,755,912 <b>2,755,912</b>	1,546,282 <b>1,546,282</b>
14	<b>Shares etc,</b> Listed on NASDAQ OMX Copenhagen Unlisted shares at current value Sector shares at current value Other holdings <b>Total shares etc.</b>	12,033 1,460 214,583 20,978 <b>249,054</b>	25,267 1,490 209,086 21,410 <b>257,253</b>
15	<b>Debt to credit institutions and central banks</b> 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 <b>Total debt to credit institutions and central banks</b>	210,686 26,619 150,127 583,111 271,532 <b>1,242,075</b>	520,010 27,169 184,789 1,570,313 329,909 <b>2,632,190</b>
	The bank has undrawn long-term committed revolving credit facilities equivalent to	174,342	770,896
16	<b>Deposits and other debts</b> 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 <b>Total deposits and other debts</b>	6,372,268  2,166,283 1,175,194 1,561,041 1,480,629 <b>12,755,415</b>	5,755,406  2,058,207 832,457 1,600,801 1,414,783 <b>11,661,654</b>
	Distributed as follows: On demand At notice Time deposits Long term deposit agreements Special types of deposits	5,822,693 146,889 3,740,496 1,805,129 1,240,208 <b>12,755,415</b>	5,582,938 131,139 2,925,948 1,860,570 1,161,059 <b>11,661,654</b>

## Notes

Note		End Dec, 2011 DKK 1,000	End Dec, 2010 DKK 1,000
<b>17</b>	<b>Issued bonds at amortised cost price</b>		
	On demand	0	0
	Up to and including 3 months	2,955	0
	More than 3 months and up to and including 1 year	0	0
	More than 1 year and up to and including 5 years	336,003	337,617
	More than 5 years	0	0
	<b>Total issued bonds at amortised cost price</b>	<b>338,958</b>	<b>337,617</b>
	Distributed as follows:		
	Issues in Danish kroner		
	Nom, 220 million DKK	220,000	220,000
	Issues in Norwegian kroner		
	Nom, 100 million NOK	95,880	95,340
	Regulation at amortised cost price and adjustment to current value of issues	9,241	8,440
	Other issues	13,837	13,837
		<b>338,958</b>	<b>337,617</b>
<b>18</b>	<b>Subordinated debt</b>		
	Subordinated loan capital:		
	3.995% bond loan, nom, DKK 300 million, expiry 9.2.2014 (early redemption)	0	300,000
	Floating rate loan, principal EUR 27 million, expiry 30.6.2021	200,723	201,269
	Hybrid core capital:		
	4.795% bond loan, nom, DKK 200 million, indefinite term	200,000	200,000
	Regulation at amortised cost price and adjustment to current value of subordinated loan capital and hybrid core capital	11,763	5,424
	Own holding of subordinated loan capital	0	-9,694
	<b>Total subordinated debt</b>	<b>412,486</b>	<b>696,999</b>
<b>19</b>	<b>Share capital</b>		
	Number of shares at DKK 5 each:		
	Beginning of period	5,040,000	5,040,000
	End of period	5,040,000	5,040,000
	Reserved for subsequent cancellation	100,000	0
	<b>Total share capital</b>	<b>25,200</b>	<b>25,200</b>
<b>20</b>	<b>Own capital shares</b>		
	Own capital shares included in the balance sheet at	0	0
	The market value is	58,395	6,900
	Number of own shares:		
	Beginning of year	9,517	8,572
	Net purchases and sales of own shares during the year	91,338	945
	End of year	100,855	9,517
	Nominal value of holding of own shares, end of year	504	48
	Own shares' proportion of share capital, end of year (%)	2.0	0.2

## Notes

Note		End Dec, 2011 DKK 1,000	End Dec, 2010 DKK 1,000
21	<b>Contingent liabilities etc, Contingent liabilities</b>		
	Finance guarantees	653,353	668,504
	Guarantees for foreign loans	5,576	8,602
	Guarantees against losses on mortgage credit loans	50,138	44,098
	Guarantees against losses Totalkredit	118,540	112,585
	Registration and conversion guarantees	55,361	82,614
	Sector guarantees	39,413	37,290
	Other contingent liabilities	129,841	88,290
	<b>Total contingent liabilities</b>	<b>1,052,222</b>	<b>1,041,983</b>
	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.	<b>808,363</b>	<b>824,888</b>
	As security for clearing and any debt, the bank has pledged bonds from its total holding to the Central Bank of Denmark to a total market price of	<b>269,005</b>	<b>468,198</b>
22	<b>Capital adequacy computation</b>		
	Computed pursuant to the Executive order on Capital Adequacy issued by the Danish Financial Supervisory Authority.		
	Weighted items with credit and counterpart risks	11,041,407	11,110,261
	Market risk	750,457	714,897
	Operational risk	1,396,138	1,322,788
	<b>Total risk weighted items</b>	<b>13,188,002</b>	<b>13,147,946</b>
	Share capital	25,200	25,200
	Reserve for net revaluation under the intrinsic value method	187	176
	Profit carried forward	2,457,733	2,286,968
	<b>Core capital</b>	<b>2,483,120</b>	<b>2,312,344</b>
	Proposed dividend etc.	-66,020	-60,980
	Deduction from / addition to the core capital	-187	-176
	<b>Core capital after deductions</b>	<b>2,416,913</b>	<b>2,251,188</b>
	Hybrid core capital	200,000	200,000
	<b>Core capital after deductions incl. hybrid core capital</b>	<b>2,616,913</b>	<b>2,451,188</b>
	Subordinated loan capital	200,723	491,575
	Deduction from / addition to the capital base	187	176
	<b>Capital base after deductions</b>	<b>2,817,823</b>	<b>2,942,939</b>
	<b>Core capital ratio excl. hybrid core capital (per cent)</b>	<b>18.3</b>	<b>17.1</b>
	<b>Core capital ratio (per cent)</b>	<b>19.8</b>	<b>18.6</b>
	<b>Solvency ratio (per cent)</b>	<b>21.4</b>	<b>22.4</b>
	Capital base requirements under Section 124 (2,1) of the Danish Financial Business Act	1,055,040	1,051,836

## Notes

Note	
23	<p data-bbox="260 389 635 416"><b>Miscellaneous comments on:</b></p> <p data-bbox="260 450 1214 477"><b>Main and key figures for the bank and key figures per DKK 5 share - page 7</b></p> <ul data-bbox="309 490 1474 651" style="list-style-type: none"><li data-bbox="309 490 1358 517">• Total capital base is computed as the banks capital base after deduction, cf. note 22.</li><li data-bbox="309 526 1474 584">• Return on equity at the beginning of the year before and after tax are computed after allocation of dividend etc., net.</li><li data-bbox="309 593 1401 651">• Key figures per DKK 5 share are calculated on the basis of respectively 2011: 4,940,000 shares, 2007-2010: 5,040,000 shares.</li></ul> <p data-bbox="260 685 639 712"><b>Core earnings - pages 1 and 3</b></p> <ul data-bbox="309 719 1401 777" style="list-style-type: none"><li data-bbox="309 719 1401 777">• 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.</li></ul> <p data-bbox="260 810 624 837"><b>Write-downs - pages 1 and 2</b></p> <ul data-bbox="309 844 1437 902" style="list-style-type: none"><li data-bbox="309 844 1437 902">• All calculations etc. concerning write-downs were made exclusive of amounts under the national bank package I etc.</li></ul>

## Danish Financial Supervisory Authority key figures for Danish banks

		2011	2010	2009	2008	2007
Solvency ratio	%	21.4	22.4	20.2	16.3	13.0
Core capital ratio	%	19.8	18.6	16.6	13.0	11.2
Pre-tax return on equity	%	15.9	15.5	15.9	17.9	26.1
Return on equity after tax	%	11.9	11.8	12.1	13.5	20.0
Income/cost ratio	DKK	1.98	1.74	1.61	1.93	3.04
Interest rate risk	%	0.7	0.1	0.6	1.2	1.0
Foreign exchange position	%	0.9	0.5	3.4	5.6	2.1
Foreign exchange risk	%	0.0	0.0	0.1	0.0	0.0
Excess cover relative to statutory liquidity requirements	%	140.5	231.8	205.6	139.1	161.4
Loans and write-downs thereon relative to Deposits	%	105.0	117.6	120.8	157.1	157.4
Loans relative to shareholders' equity		5.1	5.7	6.3	7.8	7.9
Growth in loans for the year	%	-3.1	0.8	-6.1	-1.7	10.8
Total large exposures	%	41.7	10.2	0.0	12.1	38.3
Cumulative write-down percentage	%	4.5	3.8	3.1	2.1	1.5
Write-down percentage for the year	%	0.89	0.94	1.16	0.48	-0.06
Proportion of debtors at reduced interest	%	0.4	0.4	0.4	0.1	0.1
Result for the year after tax per share * / ***	DKK	1,146.6	1,019.3	921.0	933.8	1,324.4
Book value per share * / **	DKK	10,055	9,193	8,172	7,382	7,053
Dividend per share *	DKK	262	240	0	0	600
Price/result for the year per share * / ***		10.1	14.3	13.2	6.6	13.0
Price/book value per share * / **		1.15	1.58	1.49	0.84	2.43
<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 year.  *** Calculated on the basis of the average number of shares.</p>						