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23 October 2013

Ringkjøbing Landbobank's quarterly report, 1st-3rd quarter of 2013

Core earnings for the first three quarters of the year were DKK 332 million against DKK 292 million in 2012, an increase of 14%. The profit before tax was DKK 341 million, representing a return of 17% p.a. on equity, which is considered satisfactory in the current financial situation in society.

(Million DKK)	1 st -3 rd 2013	1 st -3 rd 2012	2012	2011	2010	2009
Total core income	624	609	823	767	758	753
Total costs and depreciations	-197	-193	-265	-248	-240	-238
Core earnings before impairments	427	416	558	519	518	515
Impairment charges for loans etc.	-95	-124	-157	-129	-138	-159
Core earnings	332	292	401	390	380	356
Result for portfolio	+11	+58	+49	+1	+38	+56
Expenses for bank packages	-2	-2	-2	-11	-80	-107
Profit before tax	341	348	448	380	338	305

Three quarters – highlights:

- The profit before tax of DKK 341 million is equivalent to a 17% p.a. return on equity at the beginning of the period after payment of dividend
- Increase of 14% in core earnings from DKK 292 million in 2012 to DKK 332 million in 2013
- The rate of costs was improved to 31.6, still the lowest in the country
- Growth in loans of 4% relative to the third quarter of 2012
- Solvency ratio of 20.2, equivalent to cover of 230%
- Core capital ratio of 19.4
- Highly satisfactory number of new customers in both the branch network and niche concepts results in the best ever net increase in customers
- Expectations of core earnings for the entire year adjusted upward to DKK 400-450 million

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

Yours sincerely,

Ringkjøbing Landbobank

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Management report

Core income

The net interest income in the first three quarters of the year was DKK 459 million against DKK 469 million in 2012, a decrease of 2%. Compared to the first three quarters of last year, the bank experienced a falling interest margin during 2013, which was partly neutralised by an increase in the average volume of loans from 2012 to 2013. In addition, the general low level of interest rates resulted in a lower return on the bank's securities portfolio and its liquid resources.

Fees, commissions and foreign exchange earnings amount to net DKK 154 million in 2013 against net DKK 136 million in 2012, an increase of 13%. There are primarily greater activity and volumes within asset management and pensions, which strengthen earnings relative to 2012, and also the income from guarantee commissions has been higher.

Total core income was 3% higher in the first three quarters of the year, increasing by DKK 15 million from DKK 609 million in 2012 to DKK 624 million in 2013. The bank considers the increase from the 2012 level satisfactory.

Costs and depreciations

Total costs including depreciation on tangible assets were DKK 197 million in 2013 against DKK 193 million last year, an increase of 2%. The development in the bank's costs was basically flat, and the only reason for the DKK 4 million increase was additional costs concerning the insurance scheme under The Guarantee Fund for Depositors and Investors. The total costs for 2013 thus include an expense of DKK 10 million for this insurance scheme, in which the bank's share is currently 0.68%.

The rate of costs was computed at 31.6%, which is a marginal improvement from 31.7% for the same period last year. The rate of costs is still the lowest in the country. A low rate of costs is especially important in periods of difficult economic conditions as this provides a high level of robustness in the bank's results.

Impairment charges for loans

Impairment charges for loans amounted to DKK 95 million in 2013 against DKK 124 million in 2012. The level of impairments is falling relative to the same period last year and is equivalent to 0.8% p.a. of total average loans and guarantees. The bank's customers still appear to be coping better with the weak economic conditions than the average in Denmark.

The bank's total account for impairment charges for loans and provisions for guarantees amounted to DKK 864 million at the end of the quarter, equivalent to 5.2% of total loans and guarantees. Actual write-offs for loans continue to be very low, and they were exceeded during the period by the income items "Interest concerning the impaired part of loans" and "Receivables previously written-off", such that the account for impairment charges for loans and provisions for guarantees increased by net DKK 105 million during the first three quarters of the year.

The portfolio of loans with suspended calculation of interest amounts to DKK 116 million, equivalent to 0.7% of the bank's total loans and guarantees at the end of the third quarter of 2013.

Given the low growth in the Danish economy in 2012, which is continuing this year, the bank is satisfied with the conservative credit policy on the basis of which it has operated. As a natural part of the economic cycle, the bank's impairments are expected to remain at a relatively high level in 2013, but with a downward trend relative to the previous year.

Core earnings

(Million DKK)	1 st -3 rd 2013	1 st -3 rd 2012	2012	2011	2010	2009
Total core income	624	609	823	767	758	753
Total costs and depreciations	-197	-193	-265	-248	-240	-238
Core earnings before impairments	427	416	558	519	518	515
Impairment charges for loans etc.	-95	-124	-157	-129	-138	-159
Core earnings	332	292	401	390	380	356

Core earnings before impairments are DKK 427 million, the best first three quarters ever in the bank's history for this figure.

Core earnings are DKK 332 million against DKK 292 million in the previous year, an increase of 14%. On the basis of this development, expectations for core earnings for all of 2013 are adjusted upward from the previously announced DKK 350-425 million range to DKK 400-450 million.

Result for portfolio

The result for the portfolio for the first three quarters of the year was positive by DKK 11 million including funding costs for the portfolio.

The bank's holding of shares etc. at the end of the third quarter of 2013 amounted to DKK 251 million, DKK 32 million of which was in listed shares, while DKK 219 million was in sector shares etc. The bond portfolio amounted to DKK 4,346 million, and the great majority of the portfolio consists of AAA-rated Danish mortgage credit bonds and short-term bank bonds with rated counterparties.

The total interest rate risk, computed as the impact on the result of a one percentage point change in the interest level, was 1.1% of the bank's core capital after deduction at the end of the third quarter of 2013.

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

	Risk in million DKK	Risk relative to equity end of 3 rd quarter 2013 in %
Highest risk of loss:	26.1	0.93%
Lowest risk of loss:	2.5	0.09%
Average risk of loss	15.6	0.56%

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

Profit after tax

The profit after tax was DKK 257 million for the first three quarters of the year against DKK 261 million last year.

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

Balance sheet

The bank's balance sheet total at the end of the quarter stood at DKK 18,603 million against last year's DKK 17,990 million.

The level of deposits remained unchanged relative to 2012 at DKK 12,826 million at the end of the third quarter of 2013.

The bank's loans increased from DKK 12,443 million in 2012 to DKK 12,988 million in 2013, an increase of 4%. During 2013, the bank enjoyed a very satisfactory underlying growth in new customers from both its branch network and within the niches Private Banking and wind turbine financing.

The growth in loans in recent years has been more than absorbed by a bigger return flow on the bank's loans portfolio, inter alia because of the changed patterns of behaviour in society, with a greater proportion of savings and with customers who want to trim their balance sheets. In 2013, however, the loans portfolio increased by DKK 564 million during the first three quarters relative to the end of 2012.

The bank's portfolio of guarantees etc. at the end of the quarter was DKK 2,645 million against DKK 1,703 million at the end of September 2012. The portfolio of guarantees etc. increased by DKK 978 million relative to the end of 2012.

Liquidity

The bank's liquidity is good, and the excess liquidity relative to the statutory requirement is 171%. The bank's short-term funding with term to maturity of less than 12 months amounts to only DKK 1.3 billion, balanced by DKK 4.8 billion in short-term money market placings, 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 loans portfolio for wind turbines in Germany was refinanced back-to-back with KfW Bankengruppe, and DKK 851 million can thus be disregarded in terms of liquidity. The bank thus requires no financing for the coming year to meet the minimum requirement that it must always be able to manage for up to 12 months without access to the financial markets.

The Guarantee Fund for Depositors and Investors

The fixed costs of the insurance scheme under The Guarantee Fund are recognised under "Other operating costs".

As was the case in both the first and second quarters of 2013, an additional amount was imposed on the bank in the third quarter of 2013 by the Winding-up and Restructuring Department of the Guarantee Fund. The total costs for the first three quarters of the year thus total DKK 1.8 million, which is recognised under "Costs of bank packages".

Share buy-back programme

It was decided at the annual general meeting in February 2013 to cancel 100,000 own shares, and the capital reduction was finally implemented at the end of April 2013.

The bank was further authorised at the general meeting to buy up to 130,000 own shares and set them aside for later cancellation. As of 30 September 2013, 50,000 own shares had been set aside for later cancellation under the new buy-back programme, and the bank's holding of own shares totalled 58,259 shares as of the same date.

Capital

The equity at the beginning of 2013 was DKK 2,676 million. To this must be added the profit for the period, while the dividend paid and the value of the own shares bought must be subtracted, after which the equity at the end of the quarter was DKK 2,806 million.

The bank's solvency ratio (Tier 2) was computed at 20.2 at the end of the third quarter of 2013. The core capital ratio (Tier 1) was computed at 19.4.

Solvency cover	1st-3rd 2013	1st-3rd 2012	2012	2011	2010	2009
Core capital ratio excl. hybrid core capital (%)	18.8	19.1	19.6	18.3	17.1	15.1
Core capital ratio (%)	19.4	20.5	20.9	19.8	18.6	16.6
Solvency ratio (%)	20.2	21.9	22.4	21.4	22.4	20.2
Individual solvency requirement (%)	8.8	8.0	8.0	8.0	8.0	8.0
Solvency cover	230%	274%	280%	268%	280%	253%

With effect from 2013, the method of calculation of the individual solvency requirement was changed to the so-called 8+ model, where the calculation is based on 8% plus any supplements calculated inter alia for customers with financial problems.

In contrast to the previously used method, the 8+ model takes no account of the bank's earnings and cost base and its robust business model. Despite this, the bank's individual solvency requirement at the end of the third quarter of 2013 was calculated at only 8.8%.

The bank has made an assessment of the consequences of implementing the CRD IV rules with effect from the beginning of 2014. The assessment indicates an estimated effect on the bank's core capital ratio excluding hybrid core capital by a minor negative reduction, and a reduction of the solvency ratio of the order of 1.5-2.0 percentage points.

Encouraging increase in customer numbers

Throughout 2013, the bank carried out various outreach initiatives towards existing and new customers including by investing in further disseminating the bank's Private Banking platform at national level and by carrying out outreach activities in the branch network in Central and West Jutland. The activities were carried out to create healthy growth in the bank, as the biggest challenge in times of low growth in society is to create growth in the bank's top line.

The outreach activities in question inter alia contributed to the bank's recording the best ever net increase in customers during the first three quarters of 2013 with growth in both the branch network and within the niche concepts. The outreach initiatives at the national and regional levels are planned to continue in the rest of 2013 and in 2014.

Accounting policies and key figures

The accounting policies applied are unchanged relative to the audited annual report presented for 2012.

Expected result in 2013

Core earnings were DKK 332 million against DKK 292 million in the previous year, an increase of 14%. On the basis of this development, expectations for core earnings for all of 2013 are adjusted upward from the previously announced DKK 350-425 million range to DKK 400-450 million.

Financial calendar

The financial calendar for the forthcoming publications is as follows:

29 January 2014	Announcement of the annual account 2013
26 February 2014	Annual general meeting
23 April 2014	Quarterly report, 1 st quarter 2014
6 August 2014	Interim report, 1 st half-year 2014
22 October 2014	Quarterly report, 1 st -3 rd quarters 2014

Main and key figures

	1 st -3 rd qtr. 2013	1 st -3 rd qtr. 2012	Full year 2012
Main figures for the bank (million DKK)			
Total core income	624	609	823
Total costs and depreciations	-197	-193	-265
Core earnings before impairments	427	416	558
Impairment charges for loans etc.	-95	-124	-157
Core earnings	332	292	401
Result for portfolio	+11	+58	+49
Expenses for bank packages	-2	-2	-2
Profit before tax	341	348	448
Profit after tax	257	261	328
Shareholders' equity	2,806	2,641	2,676
Deposits	12,826	12,861	12,867
Loans	12,988	12,443	12,424
Balance sheet total	18,603	17,990	17,682
Guarantees	2,645	1,703	1,667
Key figures for the bank (%)			
Return on equity before tax, beginning of year p.a.	17.4	19.2	18.5
Return on equity after tax, beginning of year p.a.	13.2	14.4	13.6
Rate of costs	31.6	31.7	32.2
Core capital ratio (Tier 1)	19.4	20.5	20.9
Solvency ratio (Tier 2)	20.2	21.9	22.4
Solvency requirement	8.8	8.0	8.0
Key figures per 5 DKK share (DKK)			
Core earnings	69	59	83
Profit before tax	70	70	93
Profit after tax	53	53	68
Net asset value	580	541	553
Price, end of period	1,058	792	770
Dividend	-	-	14

Profit and loss account

Note		1.1-30.9 2013 DKK 1,000	1.1-30.9 2012 DKK 1,000	1.1-31.12 2012 DKK 1,000
1	Interest receivable	583,242	635,955	834,021
2	Interest payable	111,040	155,426	200,764
	Net income from interest	472,202	480,529	633,257
3	Dividend on capital shares etc.	1,919	1,574	1,463
4	Income from fees and commissions	167,279	143,995	210,516
4	Fees and commissions paid	23,172	17,195	24,029
	Net income from interest and fees	618,228	608,903	821,207
5	Value adjustments	+14,757	+54,915	+46,957
	Other operating income	2,142	2,685	3,303
6,7	Staff and administration costs	184,754	183,974	252,796
	Amortisation, depreciation and write-downs on intangible and tangible assets	2,287	2,642	3,233
	Other operating costs			
	Miscellaneous other operating costs	22	127	133
	Costs Deposit Guarantee Fund	12,159	8,358	10,281
11	Impairment charges for loans etc.	-94,758	-123,974	-156,844
	Result of capital shares in associated companies	0	0	+5
	Profit before tax	341,147	347,428	448,185
8	Tax	83,800	86,500	120,188
	Profit after tax	257,347	260,928	327,997
	Other comprehensive income	0	0	0
	Comprehensive income after tax	257,347	260,928	327,997

Core earnings

		1.1-30.9 2013 DKK 1,000	1.1-30.9 2012 DKK 1,000	1.1-31.12 2012 DKK 1,000
	Net income from interest	459,076	468,939	614,617
	Net income from fees and provisions excl. commission	124,176	110,834	162,371
	Income from sector shares etc.	9,158	1,076	5,939
	Foreign exchange income	9,935	9,156	12,591
	Other operating income etc.	2,142	2,685	3,303
	Total core income excl. trade income	604,487	592,690	798,821
	Trade income	19,931	15,966	24,116
	Total core income	624,418	608,656	822,937
	Staff and administration costs	184,753	183,975	252,796
	Amortisation, depreciation and write-downs on intangible and tangible assets	2,287	2,642	3,233
	Other operating costs	10,371	6,485	8,705
	Total costs etc.	197,411	193,102	264,734
	Core earnings before impairments	427,007	415,554	558,203
	Impairment charges for loans etc.	-94,758	-123,974	-156,844
	Core earnings	332,249	291,580	401,359
	Result for portfolio	+10,708	+57,848	+48,535
	Expenses for bank packages	-1,810	-2,000	-1,709
	Profit before tax	341,147	347,428	448,185
	Tax	83,800	86,500	120,188
	Profit after tax	257,347	260,928	327,997

Balance sheet

Note		End Sept. 2013 DKK 1,000	End Sept. 2012 DKK 1,000	End Dec. 2012 DKK 1,000
	Assets			
	Cash in hand and claims at call on central banks	123,838	59,087	483,188
9	Claims on credit institutions and central banks			
	Claims at notice on central banks	0	0	176,002
	Money market operations and bilateral loans - term to maturity under 1 year	269,761	180,169	92,578
	Bilateral loans - term to maturity over 1 year	204,720	138,771	104,720
10,11,12	Loans and other debtors at amortised cost price	12,987,812	12,442,616	12,424,139
	Loans and other debtors at amortised cost price	12,136,919	11,683,559	11,594,880
	Wind turbine loans with direct funding	850,893	759,057	829,259
13	Bonds at current value	4,346,048	4,462,926	3,783,258
14	Shares etc.	251,433	262,194	229,541
	Capital shares in associated companies	543	538	543
	Land and buildings total	75,415	74,798	75,830
	Investment properties	8,165	6,906	8,165
	Domicile properties	67,250	67,892	67,665
	Other tangible assets	4,272	3,967	3,981
	Actual tax assets	0	0	40,370
	Temporary assets	2,100	4,570	1,400
	Other assets	329,597	354,053	259,351
	Periodic-defined items	7,125	6,652	6,645
	Total assets	18,602,664	17,990,341	17,681,546

Balance sheet

Note		End Sept. 2013 DKK 1,000	End Sept. 2012 DKK 1,000	End Dec. 2012 DKK 1,000
	Liabilities and equity			
15	Debt to credit institutions and central banks			
	Money market operations and bilateral credits - term to maturity under 1 year	1,201,025	495,935	294,208
	Bilateral credits - term to maturity over 1 year	103,024	74,555	74,604
	Bilateral credits from KfW Bankengruppe	850,893	759,057	829,259
16	Deposits and other debts	12,825,932	12,861,154	12,866,748
17	Issued bonds at amortised cost price	104,341	340,870	340,809
	Actual tax liabilities	23,447	56,249	0
	Other liabilities	296,634	332,429	190,830
	Periodic-defined items	163	164	205
	Total debt	15,405,459	14,920,413	14,596,663
	Provisions for deferred tax	15,151	4,789	15,151
11	Provisions for losses on guarantees	5,156	11,340	10,958
	Total provisions for liabilities	20,307	16,129	26,109
	Subordinated loan capital	199,556	198,660	199,607
	Hybrid core capital	171,829	213,776	183,027
18	Total subordinated debt	371,385	412,436	382,634
19	Share capital	24,200	24,700	24,700
	Reserve for net revaluation under the intrinsic value method	192	187	192
	Profit carried forward	2,781,121	2,616,476	2,581,588
	Proposed dividend etc.	-	-	69,660
	Total shareholders' equity	2,805,513	2,641,363	2,676,140
	Total liabilities and equity	18,602,664	17,990,341	17,681,546
20	Own capital shares			
21	Contingent liabilities etc.			
22	Capital adequacy computation			
23	Miscellaneous comments			

Statement of shareholders' equity

DKK 1,000	Share capital	Reserve for net revaluation under the intrinsic value method	Profit carried forward	Proposed dividend etc.	Total shareholders' equity
On 30 September 2013:					
Shareholders' equity at the end of the previous financial year	24,700	192	2,581,588	69,660	2,676,140
Reduction of share capital	-500		500		0
Dividend etc. paid				-69,660	-69,660
Dividend received from own shares			1,427		1,427
Purchase and sale of own shares			-59,741		-59,741
Total comprehensive income			257,347		257,347
Shareholders' equity on the balance sheet date	24,200	192	2,781,121	0	2,805,513

On 30 September 2012:					
Shareholders' equity at the end of the previous financial year	25,200	187	2,391,713	66,020	2,483,120
Reduction of share capital	-500		500		0
Dividend etc. paid				-66,020	-66,020
Dividend received from own shares			1,326		1,326
Purchase and sale of own shares			-37,991		-37,991
Total comprehensive income			260,928		260,928
Shareholders' equity on the balance sheet date	24,700	187	2,616,476	0	2,641,363

On 31 December 2012:					
Shareholders' equity at the end of the previous financial year	25,200	187	2,391,713	66,020	2,483,120
Reduction of share capital	-500		500		0
Dividend etc. paid				-66,020	-66,020
Dividend received from own shares			1,326		1,326
Purchase and sale of own shares			-70,283		-70,283
Total comprehensive income		5	258,332	69,660	327,997
Shareholders' equity on the balance sheet date	24,700	192	2,581,588	69,660	2,676,140

Notes

Note	1.1-30.9 2013 DKK 1,000	1.1-30.9 2012 DKK 1,000	1.1-31.12 2012 DKK 1,000
1 Interest receivable			
Claims on credit institutions and central banks	17,443	9,873	10,943
Loans and other debtors	539,985	583,416	769,656
Loans - interest concerning the impaired part of loans	-32,665	-30,722	-41,685
Bonds	63,487	64,425	86,941
Total derivatives financial instruments, of which	-5,008	8,898	8,016
Currency contracts	-3,386	-2,576	4,880
Interest-rate contracts	-1,622	11,474	3,136
Other interest receivable	0	65	150
Total interest receivable	583,242	635,955	834,021
2 Interest payable			
Credit institutions and central banks	17,402	21,187	27,163
Deposits and other debts	77,840	113,855	146,108
Issued bonds	6,431	8,759	11,496
Subordinated debt	9,352	11,597	15,828
Other interest payable	15	28	169
Total interest payable	111,040	155,426	200,764
3 Dividend from shares etc.			
Shares	1,919	1,574	1,463
Total dividend from shares etc.	1,919	1,574	1,463
4 Gross income from fees and commissions			
Securities trading	24,600	19,104	28,279
Asset management	58,359	41,436	75,271
Payment handling	15,943	15,627	20,898
Loan fees	4,861	12,152	14,578
Guarantee commissions	45,200	30,526	41,371
Other fees and commissions	18,316	25,150	30,119
Total gross income from fees and commissions	167,279	143,995	210,516
Net income from fees and commissions			
Securities trading	19,931	15,966	24,116
Asset management	54,710	38,439	70,982
Payment handling	14,331	13,616	18,436
Loan fees	3,381	10,263	12,064
Guarantee commissions	45,200	30,526	41,371
Other fees and commissions	6,554	17,990	19,518
Total net income from fees and commissions	144,107	126,800	186,487
Foreign exchange income	9,935	9,156	12,591
Total net income from fees, commissions and foreign exchange income	154,042	135,956	199,078

Notes

Note		1.1-30.9 2013 DKK 1,000	1.1-30.9 2012 DKK 1,000	1.1-31.12 2012 DKK 1,000
5	Value adjustments			
	Loans and other debtors at current value	-2,536	4,320	6,433
	Bonds	-6,534	60,599	78,318
	Shares etc.	13,606	5,247	-25,862
	Investment properties	0	310	-415
	Foreign exchange income	9,935	9,156	12,591
	Total derivatives financial instruments, of which	-5,535	-29,544	-26,497
	Interest-rate contracts	-5,535	-29,544	-26,497
	Issued bonds	2,138	423	1,041
	Other liabilities	3,683	4,404	1,348
	Total value adjustments	14,757	54,915	46,957
6	Staff and administration costs			
	Salaries and payments to the general management, board of directors and shareholders' committee			
	General management	2,980	4,067	5,187
	Board of directors	647	577	1,161
	Shareholders' committee	0	0	318
	Total	3,627	4,644	6,666
	Staff costs			
	Salaries	84,803	83,193	111,848
	Pensions	8,987	8,600	11,478
	Social security expenses	1,247	675	917
	Costs depending on number of staff	11,004	10,749	14,978
	Total	106,041	103,217	139,221
	Other administration costs	75,086	76,113	106,909
	Total staff and administration costs	184,754	183,974	252,796
7	Number of employees			
	Average number of employees during the period converted into full-time employees	250	244	244
8	Tax			
	Tax calculated on the period profit	83,800	86,500	109,075
	Adjustment of deferred tax	0	0	10,362
	Adjustment of tax calculated for previous years	0	0	751
	Total tax	83,800	86,500	120,188
	Effective tax rate (%)			
	The current tax rate of the bank	25.0	25.0	25.0
	Adjustment of tax of non-liable income and non- deductible costs	-0.4	-0.1	1.6
	Adjustment of tax calculated for previous years	0.0	0.0	0.2
	Total effective tax rate	24.6	24.9	26.8

Notes

Note		End Sept. 2013 DKK 1,000	End Sept. 2012 DKK 1,000	End Dec. 2012 DKK 1,000
9	Claims on credit institutions and central banks			
	Claims at call	168,327	86,626	41,144
	Up to and including 3 months	1,434	93,543	226,002
	More than 3 months and up to and including 1 year	100,000	0	1,434
	More than 1 year and up to and including 5 years	204,220	138,271	104,220
	More than 5 years	500	500	500
	Total claims on credit institutions and central banks	474,481	318,940	373,300
10	Loans and other debtors at amortised cost price			
	At call	1,190,016	2,389,562	2,027,476
	Up to and including 3 months	424,908	467,862	597,833
	More than 3 months and up to and including 1 year	1,674,398	1,684,318	1,354,204
	More than 1 year and up to and including 5 years	4,684,262	3,999,961	4,300,538
	More than 5 years	5,014,228	3,900,913	4,144,088
	Total loans and other debtors at amortised cost price	12,987,812	12,442,616	12,424,139
11	Impairment charges for loans and other debtors and provisions for losses on guarantees			
	Individual impairment charges			
	Cumulative individual impairment charges for loans and other debtors at the end of the previous financial year	632,529	577,352	577,352
	Impairment charges/value adjustments during the period	223,075	209,256	243,459
	Reverse entry - impairment charges made in previous financial years	-84,411	-106,182	-124,433
	Booked losses covered by impairment charges	-24,508	-26,203	-63,849
	Cumulative individual impairment charges for loans and other debtors on the balance sheet date	746,685	654,223	632,529
	Collective impairment charges			
	Cumulative collective impairment charges for loans and other debtors at the end of the previous financial year	114,876	67,466	67,466
	Impairment charges/value adjustments during the period	-3,180	51,553	47,410
	Cumulative collective impairment charges for loans and other debtors on the balance sheet date	111,696	119,019	114,876
	Total cumulative impairment charges for loans and other debtors on the balance sheet date	858,381	773,242	747,405
	Provisions for losses on guarantees			
	Cumulative individual provisions for losses on guarantees at the end of the previous financial year	10,958	5,038	5,038
	Provisions/value adjustments during the period	2,954	10,391	10,009
	Reverse entry - provisions made in previous financial years	-8,317	-3,835	-3,835
	Booked losses covered by provisions	-439	-254	-254
	Cumulative individual provisions for losses on guarantees on the balance sheet date	5,156	11,340	10,958
	Total cumulative impairment charges for loans and other debtors and provisions for losses on guarantees on the balance sheet date	863,537	784,582	758,363

Notes

Note		End Sept. 2013 DKK 1,000	End Sept. 2012 DKK 1,000	End Dec. 2012 DKK 1,000
12	Suspended calculation of interest Loans and other debtors with suspended calculation of interest on the balance sheet date	116,280	102,585	113,312
13	Bonds at current value Listed on the stock exchange Total bonds at current value	4,346,048 4,346,048	4,462,926 4,462,926	3,783,258 3,783,258
14	Shares etc. Listed on NASDAQ OMX Copenhagen Unlisted shares at current value Sector shares at current value Other holdings Total shares etc.	32,130 3,005 199,075 17,223 251,433	24,818 1,461 214,910 21,005 262,194	29,104 1,505 182,101 16,831 229,541
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	241,156 893,775 156,478 458,417 405,116 2,154,942 0	197,715 248,040 162,908 509,939 210,945 1,329,547 74,555	214,603 30,726 169,143 516,937 266,662 1,198,071 74,604
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	8,022,184 867,423 1,159,137 1,264,431 1,512,757 12,825,932 7,617,592 305,970 1,979,414 1,659,456 1,263,500 12,825,932	7,271,862 1,534,344 1,220,536 1,400,334 1,434,078 12,861,154 6,619,911 162,163 3,169,275 1,684,238 1,225,567 12,861,154	7,536,906 1,487,572 908,664 1,414,739 1,518,867 12,866,748 6,557,380 175,268 2,921,952 1,906,942 1,305,206 12,866,748

Notes

Note		End Sept. 2013 DKK 1,000	End Sept. 2012 DKK 1,000	End Dec. 2012 DKK 1,000
17	Issued bonds at amortised cost price			
	Up to and including 3 months	0	0	4,583
	More than 3 months and up to and including 1 year	3,727	224,583	220,000
	More than 1 year and up to and including 5 years	100,614	116,287	116,226
	Total issued bonds at amortised cost price	104,341	340,870	340,809
	Distributed as follows:			
	Issues in Danish kroner:			
	Nom. 220 million DKK	0	220,000	220,000
	Issues in Norwegian kroner:			
	Nom. 100 million NOK	91,920	101,170	101,670
	Regulation at amortised cost price and adjustment to current value of issues	6,121	8,817	8,256
	Other issues	6,300	10,883	10,883
		104,341	340,870	340,809
18	Subordinated debt			
	Subordinated loan capital:			
	Floating rate loan, principal EUR 27 million, expiry 30 June 2021	201,366	201,299	201,431
	Hybrid core capital:			
	4.795% bond loan, nom, DKK 200 million, indefinite term	200,000	200,000	200,000
	Own holding	-35,500	0	-28,000
	Regulation at amortised cost price and adjustment to cur- rent value of subordinated loan capital and hybrid core capital	5,519	11,137	9,203
	Total subordinated debt	371,385	412,436	382,634
19	Share capital			
	Number of shares at DKK 5 each:			
	Beginning of period	4,940,000	5,040,000	5,040,000
	Changes during the period	-100,000	-100,000	-100,000
	End of period	4,840,000	4,940,000	4,940,000
	Of which reserved for final cancellation	50,000	50,000	90,000
	Total share capital	24,200	24,700	24,700

Notes

Note	End Sept. 2013 DKK 1,000	End Sept. 2012 DKK 1,000	End Dec. 2012 DKK 1,000
20			
Own capital shares			
Own capital shares included in the balance sheet at	0	0	0
The market value is	61,638	43,197	73,978
Number of own shares:			
Beginning of period	96,075	100,855	100,855
Purchase of own shares during the period	246,567	267,121	335,686
Sale of own shares during the period	-184,383	-213,434	-240,466
Cancellation of shares during the year	-100,000	-100,000	-100,000
End of period	58,259	54,542	96,075
Of which reserved for final cancellation	50,000	50,000	90,000
Nominal value of holding of own shares, end of period	291	273	480
Own shares' proportion of share capital, end of period (%)	1.2	1.1	1.9
21			
Contingent liabilities etc.			
Contingent liabilities			
Finance guarantees	1,678,351	744,242	693,774
Guarantees for foreign loans	0	5,592	5,595
Guarantees against losses on mortgage credit loans	51,617	52,286	51,951
Guarantee against losses Totalkredit	111,538	121,555	122,797
Registration and conversion guarantees	73,780	78,708	70,999
Sector guarantees	46,816	39,413	46,816
Other contingent liabilities	683,301	661,302	675,168
Total contingent liabilities	2,645,403	1,703,098	1,667,100
First mortgage loans are provided for German wind turbine projects. The loans are funded directly by KfW Bankengruppe, to which security in the associ- ated loans has been provided. Each repayment of the first mortgage loans is deducted directly from the funding from the KfW Bankengruppe.	850,893	759,057	829,259
As security for clearing, the bank has pledged securi- ties from its holding to the Central Bank of Denmark to a total market price of	66,954	165,878	250,623
Provision of security under CSA agreements	75,372	95,201	86,101

Notes

Note	End Sept. 2013 DKK 1,000	End Sept. 2012 DKK 1,000	End Dec. 2012 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	12,035,999	10,923,296	10.601.717
Market risk	1,377,058	1,457,030	1.219.598
Operational risk	1,522,813	1,483,500	1.483.500
Total risk weighted items	14,935,870	13,863,826	13.304.815
Shareholders' equity	2,805,513	2,641,363	2,676,140
Proposed dividend etc.	0	0	-69,660
Reserve for net revaluation	-192	-187	-192
Core capital excl. hybrid core capital	2,805,321	2,641,176	2,606,288
Hybrid core capital	164,500	200,000	172,000
Deduction for equity investments etc. above 10%	-24,174	0	0
Deduction for the sum of equity investments etc. above 10%	-52,324	0	0
Core capital	2,893,323	2,841,176	2,778,288
Subordinated loan capital	201,366	201,299	201,431
Reserve for net revaluation	192	187	192
Deduction for equity investments etc. above 10%	-24,174	0	0
Deduction for the sum of equity investments etc. above 10%	-52,324	0	0
Capital base after deductions	3,018,383	3,042,662	2,979,911
Core capital ratio excl. hybrid core capital (%)	18.8	19.1	19.6
Core capital ratio (%)	19.4	20.5	20.9
Solvency ratio (%)	20.2	21.9	22.4
Capital base requirements under Section 124 (2,1) of the Danish Financial Business Act	1,194,870	1,109,106	1,064,385
23			
Miscellaneous comments on:			
Main and key figures for the bank			
<ul style="list-style-type: none"> Return on equity at the beginning of the year before and after tax are computed after allocation of dividend etc., net. Key figures per DKK 5 share are calculated on the basis of respectively 1st-3rd quarter 2013: 4,840,000, 1st-3rd quarter 2012: 4,940,000 shares, 2012: 4,840,000 shares. 			
Official key figures from the Danish Financial Supervisory Authority			
<ul style="list-style-type: none"> Total large exposures have been corrected for 1st-3rd quarter 2012 so that outstanding accounts of less than one billion kroner with credit institutions are not included. 			

Main figures summary

	1 st -3 rd qtr. 2013	1 st -3 rd qtr. 2012	Full year 2012
Profit and loss account summary (million DKK)			
Net income from interest	472	481	633
Dividend on capital shares etc.	2	1	1
Net income from fees and commissions	144	127	187
Net income from interest and fees	618	609	821
Value adjustments	+15	+55	+47
Other operating income	2	3	3
Staff and administration costs	185	184	253
Amortisation, depreciation and write-downs on intangible and tangible assets	2	3	3
Other operating costs	12	9	10
Impairment charges for loans etc.	-95	-124	-157
Profit before tax	341	347	448
Tax	84	86	120
Profit after tax	257	261	328
Main figures from the balance sheet (million DKK)			
Loans and other debtors	12,988	12,443	12,424
Deposits and other debts	12,826	12,861	12,867
Subordinated debt	371	412	383
Shareholders' equity	2,806	2,641	2,676
Balance sheet total	18,603	17,990	17,682

Quarterly overview

(Million DKK)	3 rd qtr. 2013	2 nd qtr. 2013	1 st qtr. 2013	4 th qtr. 2012	3 rd qtr. 2012	2 nd qtr. 2012	1 st qtr. 2012	4 th qtr. 2011	3 rd qtr. 2011	2 nd qtr. 2011	1 st qtr. 2011
Net income from interest	155	151	153	146	153	156	160	163	154	150	140
Net income from fees and provisions excl. commission	33	55	36	51	30	48	33	34	22	36	23
Income from sector shares etc.	3	4	2	5	-1	2	0	-1	1	3	1
Foreign exchange income	3	2	5	4	3	2	4	5	3	4	6
Other operating income etc.	1	1	0	0	1	1	1	2	1	1	1
Total core income excl. trade income	195	213	196	206	186	209	198	203	181	194	171
Trade income	5	9	6	8	5	5	6	3	6	4	6
Total core income	200	222	202	214	191	214	204	206	187	198	177
Staff and administration costs	61	66	58	69	59	64	61	64	59	62	59
Amortisation, depreciation and write-downs on intangible and tangible assets	1	0	1	0	1	1	1	2	1	1	1
Other operating costs	3	3	4	3	0	4	2	0	0	0	0
Total costs etc.	65	69	63	72	60	69	64	66	60	63	60
Core earnings before impairments	135	153	139	142	131	145	140	140	127	135	117
Impairment charges for loans etc.	-34	-40	-21	-33	-45	-55	-24	-41	-34	-35	-19
Core earnings	101	113	118	109	86	90	116	99	93	100	98
Result for portfolio	-4	+9	+6	-9	+25	+6	+27	-7	+8	-6	+6
Expenses for bank packages	-1	0	-1	0	0	0	-2	+4	+4	-5	-14
Profit before tax	96	122	123	100	111	96	141	96	105	89	90
Tax	23	30	31	33	28	24	35	23	27	22	22
Profit after tax	73	92	92	67	83	72	106	73	78	67	68

Danish Financial Supervisory Authority key figures for Danish banks

		1 st -3 rd qtr. 2013	1 st -3 rd qtr. 2012	Full year 2012
Solvency:				
Solvency ratio	%	20.2	21.9	22.4
Core capital ratio	%	19.4	20.5	20.9
Solvency requirement	%	8.8	8.0	8.0
Earnings:				
Return on equity before tax	%	12.4	13.7	17.4
Return on equity after tax	%	9.4	10.3	12.7
Income/cost ratio	DKK	2.16	2.09	2.06
Market risk:				
Interest risk	%	1.1	0.9	0.6
Foreign exchange position	%	0.8	1.1	0.6
Foreign exchange risk	%	0.0	0.0	0.0
Liquidity risk:				
Excess cover relative to statutory liquidity requirement	%	171.4	186.1	185.5
Loans and impairments thereon relative to deposits	%	108.0	102.8	102.4
Credit risk:				
Loans relative to shareholders' equity		4.6	4.7	4.6
Growth in loans	%	4.5	-2.4	-2.5
Total large exposures	%	46.2	84.1	27.2
Cumulative impairment percentage	%	5.2	5.3	5.1
Impairment percentage for the period	%	0.57	0.83	1.06
Proportion of debtors at reduced interest	%	0.7	0.7	0.8
Share return:				
Result after tax per share * / ***	DKK	1,063.4	1,056.4	1,340.1
Book value per share * / **	DKK	11,734	10,813	11,049
Price/result per share * / ***		19.9	15.0	11.5
Price/book value per share * / **		1.80	1.47	1.39
<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. The average number of shares is calculated as a simple average of the shares at the beginning of the period and at the end of the period.</p>				

Management's statement

The board of directors and the general management have today considered and approved the quarterly report for Ringkøbing Landbobank A/S for the period 1 January - 30 September 2013.

The quarterly 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 quarterly report provides a true and fair view of the bank's assets, liabilities and financial position as of 30 September 2013 and of the bank's activities for the period 1 January - 30 September 2013. We also believe that the management report contains a true and fair account of the bank's activities and financial position as well as a description of the most important risks and uncertainties which can affect the bank.

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

Ringkøbing, 23 October 2013

General Management:

John Fisker
CEO

Board of Directors:

Jens Lykke Kjeldsen
Chairman

Martin Krogh Pedersen
Deputy chairman

Gert Asmussen

Inge Sandgrav Bak

Gravers Kjærgaard

Jørgen Lund Pedersen

Bo Bennedsgaard
Employee board member

Gitte E. S. Vigsø
Employee board member