

ANNUAL REPORT 2010



Ringkjøbing
Landboforening



Ringkjøbing

Landskab

Yrke

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Disclaimer:

»The following is a translation of a Danish original document. The original Danish text shall be the governing text for all purposes and in case of any discrepancy the Danish wording shall be applicable.«

DEAR SHAREHOLDER

In 2010, the Danish economy came out of the worst recession since World War II. We again saw the economy grow and unemployment stagnate. Last year was thus a turning point, but the crisis exposed weak government budgets throughout the western world and alarming debts in some countries. The government budgets must therefore consolidate, and very large savings will have to be made throughout Europe in the years to come. We must therefore prepare for a period with low economic growth rates.

In the light of this, we are satisfied with the pre-tax profit of DKK 338 million for the year, which is an increase of 11%. This profit is equivalent to a 16.5% return on the bank's equity at the beginning of the period. The bank's core earnings were DKK 380 million, which is at the top of the range announced at the beginning of the year.

In the share market, the positive trend in the bank's share price continued with a rise from 609 to 725 during 2010, equivalent to an increase of 19%. This is good compared with most of the financial sector in Denmark. The return on a share in Landbobank resulted in a nine-fold increase in the investment including dividends since the start of 2000, which led to the bank's shares being designated the best bank share investment from the beginning of the millennium to the present.

The bank's rate of costs was 31.6, which is at the same level as last year and this continues to position us as the bank in Denmark with the lowest costs per krone earned. We appreciate this situation, as the bank's results are thus very robust in unstable times.

Robustness, profit and solidity have again become important to customers and their choice of bank. We noticed this in the past year, as many new depositors joined us. We are therefore satisfied with the bank's solid capitalisation. The bank's capital adequacy ratio of 22.4 should be compared to the statutory requirement of 8%, a capital adequacy of 280%. This means that Ringkjøbing Landbobank is among the most solid banks in Denmark. We thus have the strength required to support our customers and their good investments.

Landbobank did not need to accept capital or liquidity from the government, and the bank thus avoided the high interest costs of these aid schemes. We are free of all government schemes, and we believe that this will give us a competitive edge in the years to come, where we would like to further expand our market share.

The results and the sound basis for the forthcoming years were also helped by our competent employees. Once again they did a great job. Their expertise, stability, loyalty and fighting spirit are an unrivalled combination.

There are many indications that the growth will continue in 2011, but the uncertainty about economic developments will be greater than normal. We expect core earnings in the DKK 300-400 million range, and since we are no longer incurring expenses for the national bank package, only the result of the bank's trading portfolio has to be added to this result.

Finally, we would like to thank our customers and shareholders for the high level of support which they have shown the bank.

Bent Naur

John Bull Fisker

FIVE YEAR SUMMARY

	2010	2009	2008	2007	2006
Main figures for the bank (million DKK)					
Total core income	758	753	735	696	609
Total costs and depreciations	-240	-238	-239	-234	-208
Core earnings before write-downs on loans	518	515	496	462	401
Write-downs on loans	-138	-159	-77	+11	+69
Core earnings	380	356	419	473	470
Result for portfolio	+38	+56	-73	-18	+103
Costs bank package I etc.	-80	-107	-28	0	0
Profit before tax	338	305	318	455	573
Profit after tax	257	232	240	348	432
Shareholders' equity	2,312	2,056	1,785	1,779	1,711
Total capital base	2,943	2,747	2,458	2,110	2,025
Deposits	11,662	11,187	9,073	9,162	7,046
Loans	13,151	13,047	13,897	14,135	12,760
Balance sheet total	18,247	17,928	18,002	19,634	17,269
Guarantees	1,042	1,486	2,386	4,804	4,804
Key figures for the bank (per cent)					
Pre-tax return on equity, beginning of year	16.5	17.1	19.6	29.3	41.8
Return on equity after tax, beginning of year	12.5	13.0	14.7	22.4	31.5
Rate of costs	31.6	31.6	32.4	33.7	34.2
Core capital ratio (Tier 1)	18.6	16.6	13.0	11.2	10.4
Solvency ratio (Tier 2)	22.4	20.2	16.3	13.0	12.3
Key figures per 5 DKK share (DKK)					
Core earnings	75	71	83	94	89
Profit before tax	67	60	63	90	109
Profit after tax	51	46	48	69	82
Net asset value	459	408	354	353	324
Price, end of year	725	609	310	858	1,080
Dividend	12	0	0	30	30

ANNUAL REPORT - HIGHLIGHTS

- Increase in pre-tax profit from DKK 305 million last year to DKK 338 million for 2010
- This result was equivalent to a 16.5% return on equity at the beginning of the period
- Satisfactory level of write-downs of DKK 138 million – equivalent to 0.9%
- The rate of costs was computed at 31.6, which is unchanged relative to last year
- Free of all government schemes and payments to them
- Capital adequacy ratio increased to 22.4, equivalent to a cover of 280%
- Core capital ratio increased to 18.6
- Highly satisfactory increase in customers in both branch network and Private Banking
- Payment of dividend of DKK 12 per share for 2010
- Establishment of a buy-up programme for up to 100,000 shares for 2011
- Core earnings expected to be in the DKK 300-400 million range for 2011



Ringkjøbing

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MANAGEMENT REPORT

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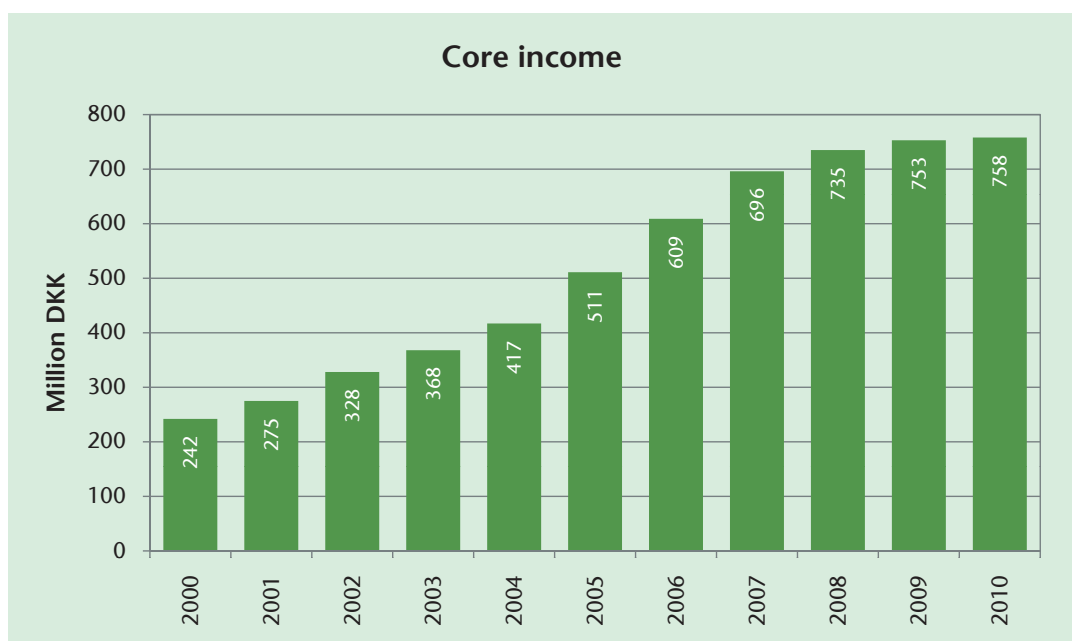
Financial review

The bank's pre-tax profit for 2010 was DKK 338 million against DKK 305 million for 2009, an increase of 11%. This result was equivalent to a 16.5% return on equity at the beginning of the period. Given the costs incurred in connection with the government's Bank Package I, the profit is considered highly satisfactory.

Core earnings were DKK 380 million against last year's DKK 356 million, an increase of 7%. The bank's expectations for core earnings for 2010 were originally in the DKK 200-400 million range and were adjusted upwards to DKK 300-400 million at the end of the first half-year. The actual result is in the better part of this range.

Core income

Core income was 1% higher in 2010 with an increase from DKK 753 million in 2009 to DKK 758 million.



Net interest income decreased by 2% from DKK 597 million to DKK 583 million. The underlying trend in income from business with customers is positive, but the item was negatively affected by the low interest level, as interest income from financing of the bank's own holding of bonds was 1 percentage points lower in 2010 compared to 2009, equivalent to a lower income for 2010 of approx. DKK 20 million.

Fees, commissions and foreign exchange earnings amount to net DKK 167 million in 2010 against net DKK 133 million in 2009, an increase of 26%. This development is primarily attributable to the fact that the volume of trading within securities has picked up, and to increasing earnings from the bank's asset management activities as a result of increasing volumes.

Net fees and commissions and foreign exchange income were derived as follows:

In DKK million	2010	2009
Asset management	52	37
Securities trading	26	19
Guarantee commissions	31	30
Foreign exchange income	23	17
Payment handling	17	15
Loan fees	8	7
Other fees and commissions	10	8
Total	167	133

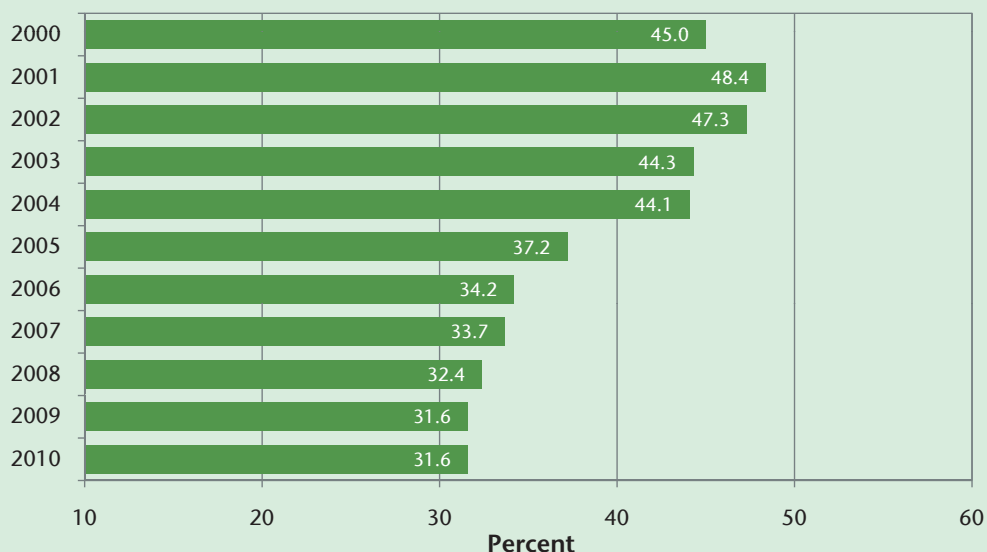
Earnings from sector shares amounted to DKK 4 million in 2010 against DKK 8 million last year. These earnings derive from DLR Kredit A/S, BankInvest Holding A/S, SparInvest Holding A/S, EgnInvest Holding A/S, Letpension Holding A/S, Nets Holding A/S, Swift, Multidata Holding A/S, Værdipapircentralen A/S, Bankernes Kontantservice A/S, PRAS A/S and Bankdata, and are typically an expression of the changes in value in the companies.

Costs and depreciations

Total costs including depreciation on tangible assets amounted to DKK 240 million against last year's DKK 238 million, an increase of 1%.

The rate of costs was unchanged relative to last year's level and was computed at 31.6, which continues to be the lowest in Denmark. A low rate of costs is especially important in periods of difficult economic conditions as the bank's results are thus very robust, which is also reflected in the computation of the bank's individual solvency requirement.

Rate of costs



Explanation: Rate of costs is calculated as »Total costs etc.« divided by »Total core income« multiplied by 100.

Write-downs on loans

Write-downs on loans showed a fall to net DKK 138 million against last years DKK 159 million. 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 565 million at the end of 2010, equivalent to 3.8% of total loans and guarantees. Actual write-downs on loans this year continue to be low at net DKK 40 million, DKK 7 million lower than last year. So that the account for write-downs and provisions are increased by net DKK 98 million during the year.

The portfolio of loans with zeroed interest amounts to DKK 66 million, equivalent to 0.45% of the bank's total loans and guarantees at the end of the year. This is at the same level as last year.

The bank's loans portfolio is generally strong, and the Danish Financial Supervisory Authority assessed in their report of June 2010 that the bank's credit risk is relatively low compared to that of other institutions. Given the recession in 2009 in the Danish economy and the fall in value of many assets concurrently with increasing unemployment, the bank is satisfied with the conservative credit policy on the basis of which the bank has always operated. As a natural part of the economic cycle, the bank's losses are expected to remain at a relatively high level in 2011, but with a continued downward trend relative to the previous two 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

Core earnings

In DKK million	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total core income	758	753	735	696	609	511	417	368	328	275
Total costs etc.	-240	-238	-239	-234	-208	-190	-184	-163	-155	-133
Core earnings before write-downs on loans	518	515	496	462	401	321	233	205	173	142
Write-downs on loans	-138	-159	-77	+11	+69	+5	+4	-10	+6	+6
Core earnings	380	356	419	473	470	326	237	195	179	148

Core earnings were DKK 380 million against last year's DKK 356 million, an increase of 7%. The realised earnings are at the top of the upwardly adjusted DKK 300 - 400 million range.

Result for portfolio

The result for the portfolio for 2010 was positive by DKK 38 million including funding costs for the portfolio. The result derives from gains on interest-bearing debts and debt.

The bank's holding of shares etc. amounted to DKK 257 million at the end of the year, DKK 25 million of which was in listed shares etc. while DKK 232 million was in sector shares etc. The bond portfolio at the end of the year amounted to DKK 1,546 million, and the great majority of the portfolio consists of AAA-rated Danish mortgage credit bonds.

The total interest rate risk, computed as the impact on the result of a one percentage point change in the interest level, was 0.1% 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 2010:

Value at Risk	Risk in DKK million	Risk relative to equity end of year in %
Highest risk of loss:	16.8	0.73%
Lowest risk of loss:	2.5	0.11%
Average risk of loss:	7.9	0.34%

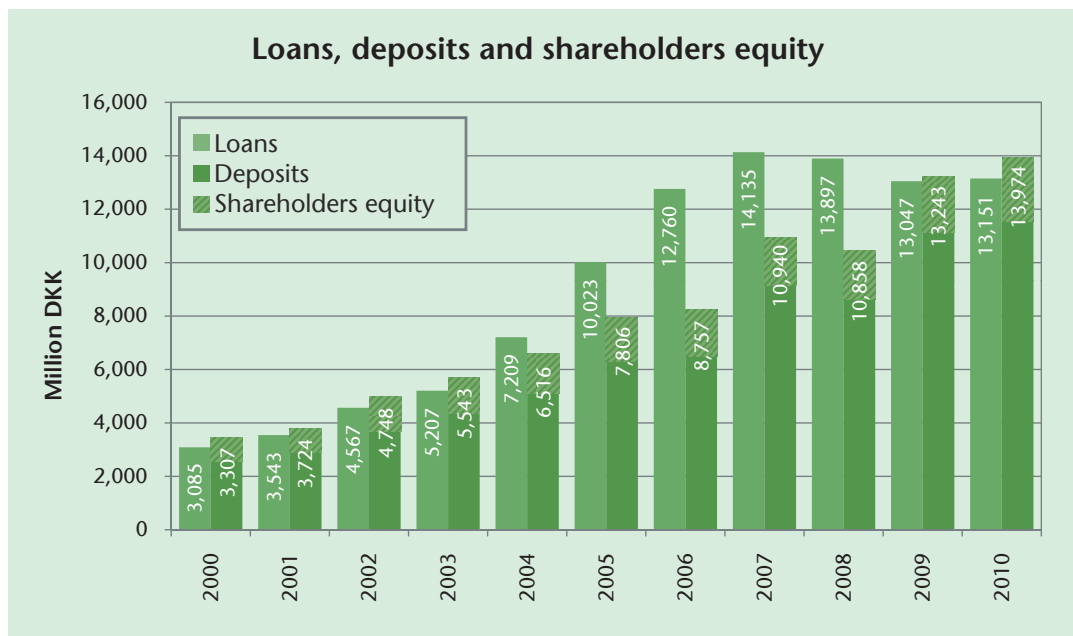
The bank's policy remains to keep the market risk at a low level.

Profit after tax

The result after tax was DKK 257 million for 2010 against DKK 232 million last year, giving an effective tax rate of 24.1%. This result after tax was equivalent to a 12.5% return on equity.

The balance sheet

The bank's balance sheet total at the end of the year stood at DKK 18,247 million against last year's DKK 17,928 million. Deposits increased by 4% from DKK 11,187 million to DKK 11,662 million. The bank's loans increased by 1% to DKK 13,151 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 generally results in greater repayments on the bank's existing loans portfolio than previously, and part of the growth is therefore consumed by these repayments.



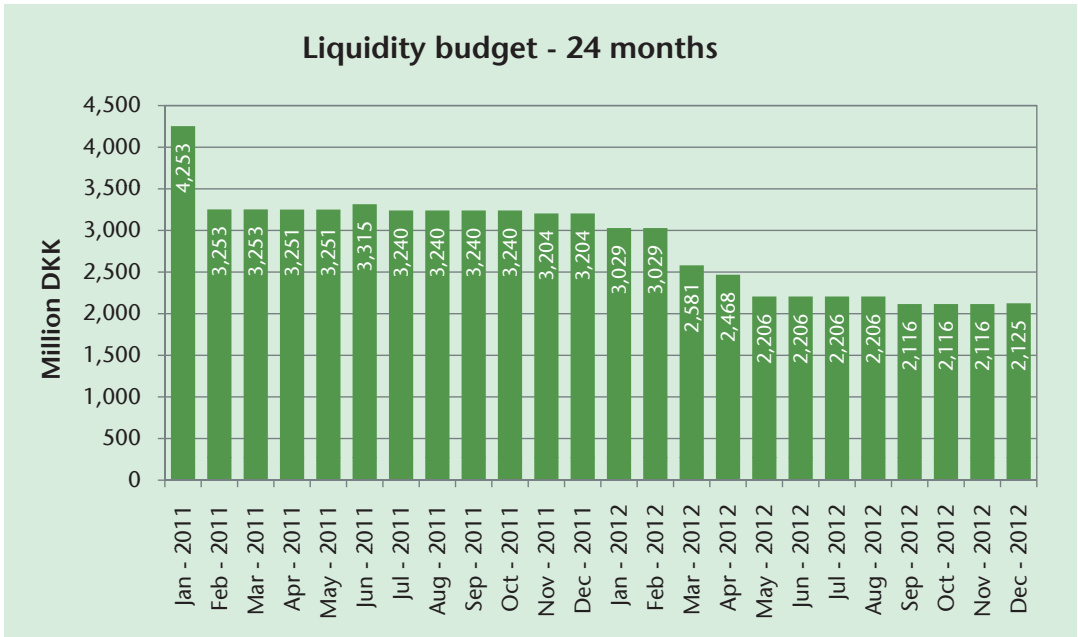
The bank's portfolio of guarantees at the end of the year was DKK 1,042 million against DKK 1,486 million in 2009.

Liquidity

The bank's liquidity is good, and the excess liquidity relative to the statutory requirement is 232%. The bank's short-term funding with term to maturity of less than 12 months amounts to only DKK 1.0 billion, balanced by DKK 4.2 billion in short-term money market placing, primarily in Danmarks Nationalbank, Danish banks and liquid securities. The bank also had undrawn confirmed credit facilities with foreign banks with term to maturity of over 12 months to the equivalent of a total of DKK 0.2 billion as backup facilities. The bank is thus not dependent on the short-term money market.

Last year the government granted the bank a total guarantee of DKK 5 billion. This amount was not utilised as the bank was able to provide funding on the market in the normal way without using the government guarantee. In addition, the bank experienced a highly satisfactory increase in major deposits from new customers in the bank.

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 825 million can thus be disregarded in terms of liquidity. The bank requires no financing for 2011 to meet the minimum requirement that it must always be able to manage for up to 12 months without access to the financial markets.



Rating

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

Moody's ratings:

	Financial strenght	Short-term liquidity	Long-term liquidity
22 May 2007	C+	P-1	A1
End 2007	C+	P-1	A1
End 2008	C+	P-1	A1
End 2009	C+	P-1	A1
End 2010	C+	P-1	A1

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

Bank package I

Together with most of the financial sector in Denmark, Ringkjøbing Landbobank joined Bank Package I, which expired on 30 September 2010 and provided an unconditional guarantee by the Danish state for Danish banks' deposits and unsecured creditors. The guarantee premium was DKK 47 million in 2010, DKK 3 million of which was paid to the Deposit Guarantee Fund. The bank did not pay a premium in the fourth quarter of 2010.

Losses of DKK 33 million were booked for Bank Package I in 2010. No further provisions were made for this guarantee in the fourth quarter of 2010 and the guarantee has now been released.

Free of the government

Ringkjøbing Landbobank is now free of the government. The bank received no hybrid core capital or liquidity guarantees from the government. The conditions are thus normalised, and we believe that the competitive edge resulting from the fact that the bank no longer has to pay into state support schemes means that we will be able to win additional market shares in the years to come.

Dividend and share buy-back programme

The bank's board of directors will propose a dividend of DKK 12 per share for the 2010 financial year, equivalent to payment of DKK 60.5 million, to the general meeting. Dividend was not paid to the bank's shareholders during the previous two years due to the requirements of Bank Package I, and the buying up of own shares was also prohibited. The conditions in this area are now normalised and a proposal will therefore also be made to the bank's general meeting that up to 100,000 own shares can be bought up in 2011 for the purpose of cancelling them at a future general meeting. At the current price this authorisation will reduce equity by DKK 74 million.

Capital

The bank's equity at the beginning of 2010 was DKK 2,056 million, to which must be added the profit for the period and from which must be deducted the proposed dividend, after which the equity at the end of 2010 was DKK 2,312 million, the equivalent of a 12% increase.

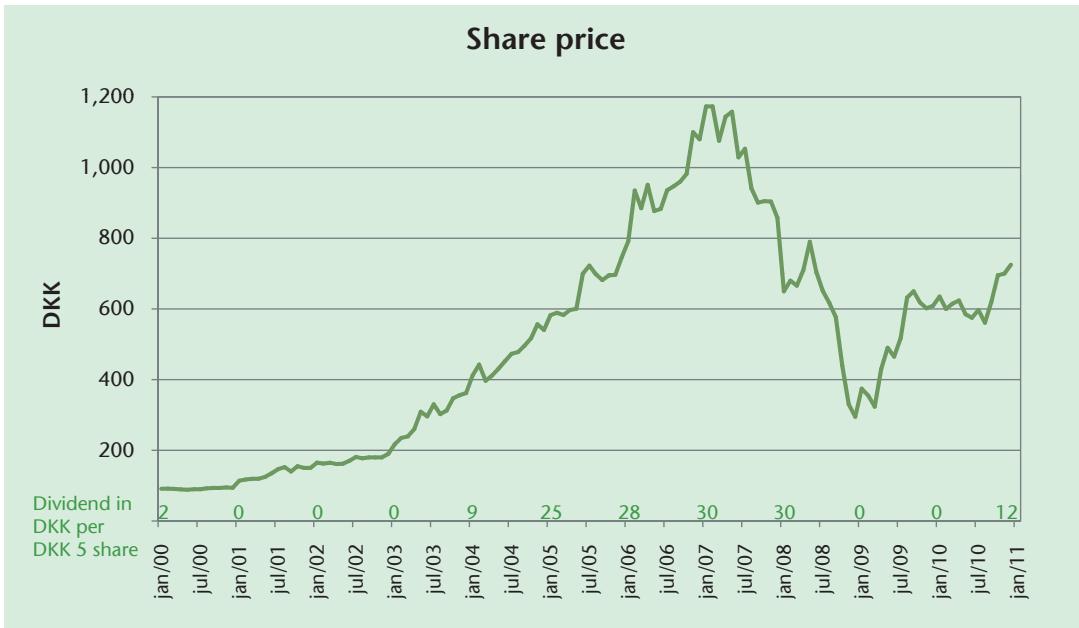
The capital adequacy ratio (Tier 2) was computed at 22.4 at the end of 2010. Given the bank's high capitalisation and good operation, a decision has been made on early repayment in the new year of supplementary capital for DKK 300 million as of 9 February 2011. Repayment will reduce the bank's capital adequacy ratio by 2.3 percentage points. However, it will have no effect on the bank's core capital ratio (Tier 1), which was computed at 18.6 at the end of the year.

Solvency cover	2010	2009	2008	2007	2006
Core capital ratio excl. hybrid core capital (%)	17.1	15.1	11.6	10.0	9.2
Core capital ratio (%)	18.6	16.6	13.0	11.2	10.4
Solvency ratio (%)	22.4	20.2	16.3	13.0	12.3
Individual solvency requirement (%)	8.0	8.0	8.0	8.0	8.0
Solvency cover	280%	253%	204%	163%	154%

Since 2007, the Danish financial sector has been subject to a requirement that a bank's capital adequacy ratio must be at least 8%, and this ratio must also at a minimum comply with the required individual solvency requirement calculated internally by the bank, which may be higher than the 8%. If the calculated individual solvency requirement is less than 8%, a bank cannot, however, be permitted at any time to use any such calculated lower figure. The individual solvency requirement for Ringkjøbing Landbobank is calculated at 6.7% because of the bank's robust business model, and the ratio was thus reported at 8%. For further information on the calculation of the individual solvency requirement of Ringkjøbing Landbobank, please see the bank's website at www.landbobanken.dk.

The bank's share capital at the end of 2010 was DKK 25.2 million in 5,040,000 nom. five kroner shares.

The bank's shares were listed on NASDAQ OMX Copenhagen at the beginning of the year at 609. The share price rose during 2010 to 725 at the end of the year, a return of 19% in 2010.



Notwithstanding the financial crisis, an investment in the bank's shares has still grown to about nine times its value at the beginning of the millennium, including the dividends paid during this period. This made an investment in the bank's shares the best bank share investment in Denmark during this period.

Increase in customers

The bank implemented several out-reach initiatives towards new customers about 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 and pension and securities customers. The majority of 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.

Expectations for earnings in 2011

The bank's core earnings for 2010 were DKK 380 million, which is in the upper field of the announced range. The bank's expectations for core earnings were last adjusted upward to DKK 300-400 million at the end of the first half-year.

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 2011 for the bank's branches in central and western Jutland as a result of the long-term recruitment initiatives, the economic turmoil and the consolidation in the sector.

The activities in the bank's Distance Customer department and niche concepts are together also expected to continue to develop positively in the forthcoming year despite large repayments from selected customers. 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 2011 are in the DKK 300-400 million range. To this must be added the result of the bank's trading portfolio. There will be no expenses for government schemes in 2011.

Events after the end of the financial year

From the date of the balance sheet until today, no circumstances have arisen to change the assessment of the bank's annual report for 2010.

Capital structure

The bank's management has determined a general goal for the bank's capital, under which the bank will have a solidly based capital structure compared with both equivalent and bigger banks.

It is also a goal that the bank will have adequate capital in the long term for future growth, and that there will be adequate capital to cover any regular fluctuations in the risks which the bank has assumed.

The bank's capital ratios at the end of December 2010 were as follows:

Capital ratios

• Core capital ratio excl. hybrid core capital	17.1%
• Core capital ratio	18.6%
• Solvency ratio	22.4%

With respect to the calculation of the bank's Tier 1 capital, capital base and core capital ratio excluding hybrid Tier 1 capital, core capital ratio and capital adequacy ratio at the end of 2010, reference is made to the calculation of solvency requirement on page 45.

The above capitalisation makes Ringkjøbing Landbobank one of the country's best capitalised banks. The bank's goal is to retain this ranking in 2011. The bank's judgment is that this can be done on the basis of the expected result for 2011.

Given the solid capital position, the bank has not taken up the subordinate state capital made available under bank package II. The bank has not participated in any bank packages since bank package I expired on 30 September 2010.

With the expiration of bank package I, the bank expects to resume the payment of dividends in 2011. The bank's board of directors will thus recommend to the general meeting that a dividend of DKK 12 per share be paid for the 2010 financial year, equivalent to DKK 60.5 million. It will also be recommended to the general meeting that the bank be permitted to buy up to 100,000 own shares in 2011 with the object of cancelling them at a later general meeting. At the current market price for the bank's shares, such authorisation will reduce the bank's equity by DKK 74 million.

The maturity structure for the external subordinate capital taken up by the bank is given in the following summary.

Subordinated debt - maturity structure

Subordinated loan capital

- Nominal DKK 300 million taken up on 9 February 2006, eight-year term - maturity 9 February 2014, with the option of early redemption from 9 February 2011, subject to approval by the Danish Financial Supervisory Authority.
- Nominal EUR 27 million taken up on 30 June 2008, thirteen-year term - maturity 30 June 2021, with the option of early redemption from 30 June 2018, subject to approval by the Danish Financial Supervisory Authority.

Hybrid core capital

- Nominal DKK 200 million taken up on 2 March 2005, indefinite term, with the option of early redemption from 2 March 2015, subject to approval by the Danish Financial Supervisory Authority.

CAPITAL STRUCTURE

In connection with the implementation of new solvency rules for the calculation and statement of weighted items with credit and counterparty risk, market risk and operational risk on 1 January 2007, the bank adopted the new rules in 2007.

Reference is made to the summary below for further information on the methods used by the bank concerning the various risk types.

Capital adequacy computation

The bank has adopted the following methods regarding the capital adequacy computation:

• Credit risk outside the trading portfolio	Standardised Approach
• Counterparty risk	Mark-to-Market Method
• Credit risk reducing method - financial collaterals	Comprehensive Method
• Market risk	Standardised Approach
• Operational risk	Basic Indicator Method

As will be evident from the above, the bank uses the standard method for calculation of its credit risk (and therewith the risk-weighted items). Fixed solvency weightings are used in this method. The method thus means that the bank has not had the same capital adequacy down-weighting as those banks which use one of the advanced methods. Conversely, neither does the bank experience increasing solvency weightings in periods of declining economic conditions. Relative to the advanced methods, the standard method thus means that there is significantly greater robustness in the calculated capital percentages and less volatility in the risk-weighted items.

Ringkjøbing Landbobank also focuses on its own internally calculated individual solvency requirement, defined as an adequate capital base as a percentage of the bank's risk-weighted items. The adequate capital base is assessed on the basis of an internal model and calculated as the amount which is appropriate to cover the bank's current and future risks.

The Danish Financial Supervisory Authority made an ordinary check of Ringkjøbing Landbobank in spring 2010 which included the bank's solvency requirement. The individual requirement was calculated at 6.2%, which reflects the bank's solid income, low credit risk and low market risk. The individual solvency requirement at the end of 2010 was 6.7%. The calculated adequate capital base is regularly reassessed and reported to the Financial Supervisory Authority. The individual required solvency is reported to the Authority at 8%, as the individual solvency requirement, which is calculated by the bank at less than 8%, may not be less than 8% under Section 124(4) of the Act on Financial Activities. Further information on the calculation of Ringkjøbing Landbobank's individual solvency requirement is given on the bank's website at www.landbobanken.dk.

Although there is a minimum solvency requirement of 8% which the bank must use, the bank still has a significant excess solvency as indicated in the summary below.

Solvency cover	2010	2009	2008	2007	2006
Solvency ratio (%)	22.4	20.2	16.3	13.0	12.3
Individual solvency requirement (%)	8.0	8.0	8.0	8.0	8.0
Excess solvency (%)	14.4	12.2	8.3	5.0	4.3
Solvency cover	280%	253%	204%	163%	154%

Finally, it may be concluded that throughout 2010, Ringkjøbing Landbobank has met both external and internal capital adequacy requirements, and the actual capital base has always been significantly in excess of that required.

Risks and risk management

Ringkjøbing Landbobank is exposed to various types of risk in its operation: credit risk, market risk, liquidity risk and operational risk. The credit risk is defined as the risk that payment obligations to the bank are not judged to be recoverable because of either lack of ability or lack of willingness to make payment at the agreed time.

The market risk is defined as the risk that the market value of the bank's assets and liabilities will change because of changes in market conditions. The bank's total market risk covers interest risks, currency risks, share risks and property risks.

The liquidity risk is defined as the risk that the bank's payment obligations will not be able to be honoured under the bank's existing liquidity.

Finally, the operational risk is defined as the risk that there will be either direct or indirect financial losses because of errors in internal processes and systems, human error, or because of external events.

The bank's general policy on the assumption of risk is that the bank only assumes risks which are in accord with the business principles under which the bank is operated, and which the bank has the expertise to manage.

The general policy for the management and monitoring of the various risks is that there are both central management and central monitoring as well as reporting to the bank's management and board of directors. The management and the control and reporting functions are separate, and the tasks are performed by different central staff at the bank.

With the implementation of the Basel II rules in Danish law on capital adequacy requirements, Danish banks were also required to publish certain information on risk (in popular parlance also called Column 3 information). Some of the required information on risk is given in this annual report, but reference is made to the bank's website at www.landbobanken.dk for a full overview of the information which the bank must provide.

The various risk types are described in more detail below.

Credit risks loans

Ringkjøbing Landbobank has developed over the last 10-15 years to its present status as primarily a regional bank in Central and West Jutland and a niche bank within selected areas. This development has been a part of the bank's strategy, and the bank's management notes with approval that the bank has achieved a significantly diversified loans portfolio, including a considerable spread in terms of branches and geography.

Ringkjøbing Landbobank generally assumes risks on the basis of a credit policy, the specified aim of which is that there must be a well-balanced relationship between risks assumed and the return achieved by the bank, that the bank's losses must be at an acceptable level relative to the Danish financial sector, and finally that losses must be able to be accommodated within the bank's results, even in extreme situations.

The gearing of loans relative to the bank's subordinate capital is a factor of approximately five, and the bank's goal is that the results are realised with a smaller or the same credit gearing as that of the country's major banks. In historical terms the bank has always had a healthy and conservative credit policy, and focus will remain on an effective management and monitoring of the bank's total loans portfolio via the bank's central credit department.

Apart from the normal credit follow-up and management in the bank's central credit department, where there is ongoing review and follow-up on all major commitments, the bank made an extraordinary review of all commitments related to agriculture in 2010. All assets provided for security were reassessed, and the bank generally reduced the assets' valuation. This cautious attitude has led to further write-downs on agricultural commitments during 2010.

The credit department performed an analysis of the bank's private clients in 2010 with special focus on their sensitivity to changes in interest rates. The bank's assessment is that its clients will generally be in a position to absorb significant increases in interest rates.

Actual net losses

Actual net losses

In DKK 1,000

Year	Actual net losses	Actual net losses after interest	Loans with suspended calculation of interest	Write-downs on loans and provisions for guarantees	Total loans and guarantees etc.	Percentage loss before interest *)	Percentage loss after interest *)
1987	-6,696	304	10,544	75,000	1,358,464	-0.49%	0.02%
1988	-14,205	-5,205	4,522	93,900	1,408,830	-1.01%	-0.37%
1989	-18,302	-5,302	13,107	117,270	1,468,206	-1.25%	-0.36%
1990	-15,867	-1,867	47,182	147,800	1,555,647	-1.02%	-0.12%
1991	-11,429	3,571	47,626	170,000	1,805,506	-0.63%	0.20%
1992	-32,928	-14,928	43,325	177,900	1,933,081	-1.70%	-0.77%
1993	-27,875	-6,875	30,964	208,700	1,893,098	-1.47%	-0.36%
1994	-14,554	4,446	33,889	223,500	1,938,572	-0.75%	0.23%
1995	-10,806	10,194	27,292	238,800	2,058,561	-0.52%	0.50%
1996	-19,802	-1,802	18,404	233,400	2,588,028	-0.77%	-0.07%
1997	-31,412	-12,412	39,846	236,600	3,261,429	-0.96%	-0.38%
1998	-2,914	18,086	4,905	263,600	3,752,602	-0.08%	0.48%
1999	-442	21,558	18,595	290,450	5,148,190	-0.01%	0.42%
2000	-405	27,595	12,843	316,750	5,377,749	-0.01%	0.51%
2001	-8,038	20,962	14,222	331,950	6,113,523	-0.13%	0.34%
2002	-8,470	20,530	26,290	382,850	7,655,112	-0.11%	0.27%
2003	-22,741	2,259	23,412	394,850	8,497,124	-0.27%	0.03%
2004	-14,554	9,446	18,875	404,855	11,523,143	-0.13%	0.08%
2005	-22,908	192	35,796	357,000	15,522,264	-0.15%	0.00%
2006	-13,531	7,028	20,578	295,000	17,858,787	-0.08%	0.04%
2007	-15,264	4,888	13,190	289,097	19,227,573	-0.08%	0.03%
2008	-34,789	-10,237	22,110	356,083	16,475,975	-0.21%	-0.06%
2009	-73,767	-47,658	62,649	467,025	14,890,027	-0.50%	-0.32%
2010	-69,428	-40,207	66,237	565,035	14,758,234	-0.47%	-0.27%
Average 1987-2010						-0.53%	0.00%
20-year average (1991-2010)						-0.45%	0.04%
10-year average (2001-2010)						-0.21%	0.01%

*) Actual net losses relative to total loans, guarantees, write-downs on loans and provisions for guarantees.

Explanation: The percentage losses were computed as the actual net losses for the year before and after interest on the written-down part of loans as a percentage of total loans, guarantees and write-downs on loans and provisions for guarantees. A minus sign before a percentage loss indicates a loss, while a positive percentage loss means that the interest on the written-down part of loans was greater than the actual net losses for the year. All the above figures are exclusive amounts regarding the national bank package I etc.

RISKS AND RISK MANAGEMENT

The preceding table documents the bank's healthy credit policy. As will be evident, the bank's average percentage loss after interest over the last 20 years (1991-2010) was +0.04%, with -0.77% (1992) the highest percentage loss, and +0.51% (2000) the most positive figure. The average percentage loss before interest over the last 20 years is -0.45%, with -1.70% (1992) the highest percentage loss and -0.01% (1999 and 2000) the lowest percentage loss. The average percentage loss over the last 10 years (2001-2010) is positive at +0.01%, and the average percentage loss before interest is -0.21%.

The bank's regional operations are run partly via branches in the bank's original core area in West Jutland and partly via branches in the three big Central and West Jutland cities of Herning, Holstebro and Viborg.

The most important niches within the bank's niche division are the financing of medical practitioners' purchases of private practices, a Private Banking department covering affluent private clients, and the financing of securities and loans for the financing of wind turbines. Wind turbines are financed for Danish final investors' purchases of wind turbines erected in Denmark, Germany and France.

An important common denominator for the niche loans is that the bank attempts to obtain a first priority mortgage, and therewith a satisfactory security in the mortgaged assets, which is an important part of the bank's business philosophy.

Concentration of credit

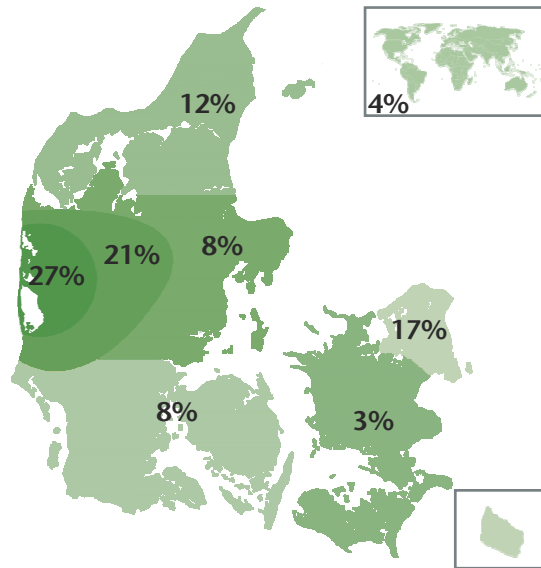
The bank has focused in recent years on reducing its credit concentration in order to further reduce its credit risk. As will be evident from the above overview, the result of this focus is that total major commitments over the last five years have been reduced from 116.1% in 2006 to 10.2% in 2010.

Concentration of credit

	2010	2009	2008	2007	2006
Total large exposures	10.2%	0.0%	12.1%	38.3%	116.1%

Explanation: The Danish Financial Supervisory Authority key figure »Total large exposures«.

Geographic spread of the bank's loans and guarantee portfolio



Explanation: Distribution of the bank's loans and guarantee portfolio before write-downs and provisions by customer addresses.

As the figure indicates, both the regional and niche sectors have provided a significant geographic spread of the bank's loans and guarantee portfolio. The loans made via the bank's niche sector have also helped to ensure a considerable diversification in the bank's loans portfolio, which is thus not correlated with economic conditions to the same extent as it would be if the bank were run as a purely regional bank.

Credit risk on financial counterparties

The bank's trading in securities, foreign currency and derivatives, its loans to other banks, its possession of bonds and its processing of payments expose it to financial counterparties, and therewith a credit risk, including a settlement risk. The settlement risk is the risk that the bank will not receive payment or securities in connection with the settlement of securities and/or currency transactions corresponding to the securities and/or payments which the bank has settled and delivered.

The bank's board of directors grants lines of credit with respect to credit risk and settlement risk on financial counterparties. When granting lines of credit, account is taken of the individual counterparty's risk profile, rating, size and financial circumstances, and there is regular follow-up on the lines of credit granted.

The bank's policy is to keep the credit risk on financial counterparties at a balanced level relative to the bank's size, and to deal with credit institutions of sound quality.

Affiliation to CLS

The bank affiliated in 2010 to CLS, an international clearing and settlement system which currently handles transactions in 15 currencies including Danish kroner. This has enabled the bank to reduce its credit risk on financial counterparties significantly. The central element in the CLS procedure is thus that the settlement of the two sides in a currency transaction occurs simultaneously in the so-called Payment versus Payment (PvP) system. In a CLS currency transaction, the parties hand over only the currency sold if they simultaneously receive the currency purchased. A further central element in the CLS settlement is that the participating parties' payments to CLS are made on a net basis and spread over three smaller payments. This provides a significant reduction in the liquidity required by the participating parties.

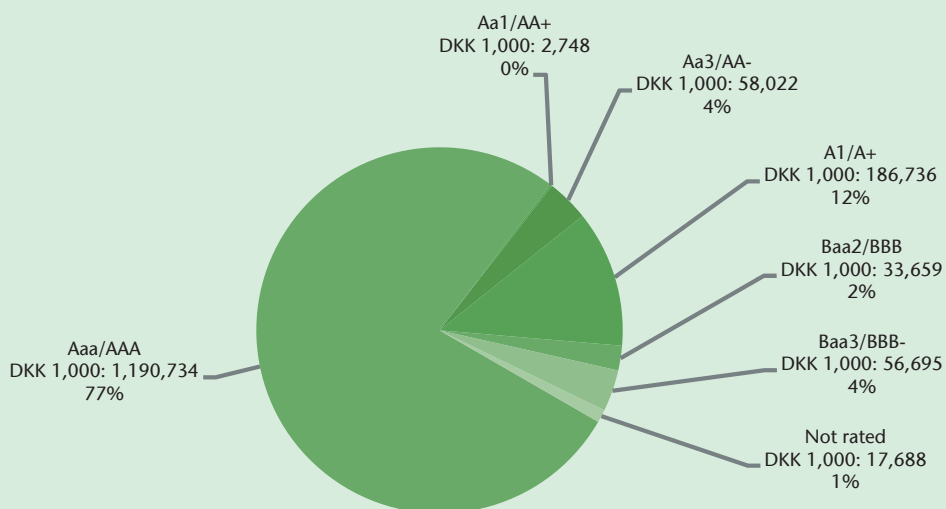
Claims on central banks and credit institutions

One of the two major items in the credit risk on financial counterparties is receivables in central banks and credit institutions. The bank has assumed only moderate risks on this item, and of the total receivables in central banks and credit institutions, 90% is thus due within six months.

The bond portfolio

The second of the two major items in the credit risk on financial counterparties is the bank's bond portfolio. As indicated in the figure below, neither has the bank assumed significant risks on this item, and by far the greater part of the bond portfolio thus consists of AAA-rated Danish mortgage credit bonds.

Bonds distributed by rating classes



Explanation: The bond portfolio distributed by rating classes. Ratings from the credit rating bureaus Moody's Investors Service and Standard & Poor's were used in the specification.

Market risks

The bank's basic policy with respect to market risks is that the bank wishes to keep such risks at a low level. The bank has determined a concrete framework for each type of market risk, and the risk assessment includes the objective that there must be a sensible and balanced relationship between risk and return.

The bank uses derivatives to cover and manage the various market risk types to the extent to which the bank wishes to reduce the extent of, or eliminate, the market risks which the bank has assumed. To supplement the more traditional measures of market risk, the bank has a mathematical/statistical model to compute market risks. The model is used to compute Value at Risk (VaR), which is regularly reported to the bank's management.

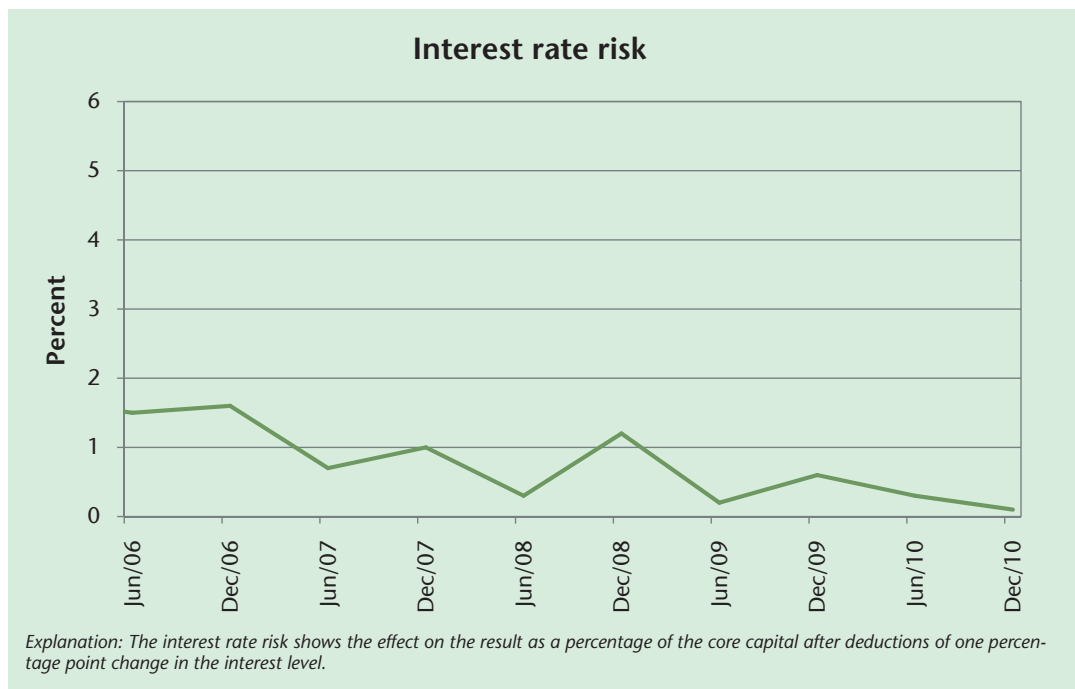
VaR is a measure of risk which describes the bank's risk under normal market conditions. An isolated VaR is calculated for interest rate, foreign exchange and listed share positions, and a total VaR is also calculated for all of the bank's market risks consisting of interest rate, foreign exchange and listed share positions. This possibility of calculating a total VaR for the bank's market risks is one of the major advantages of the VaR model compared with more traditional measures of risk. The reader is referred to the following section "Value at Risk" for the specific results etc. under the VaR model.

Interest rate risk

The bank's loan and deposit business and accounts with credit institutions are mostly entered into on a variable basis. The bank's fixed interest financial assets and liabilities are monitored continuously, and hedging transactions are entered into as needed with a consequent reduction of the interest rate risk.

Ringkjøbing Landbobank's policy is to maintain a low interest rate risk, and the bank thus does not assume high levels of exposure to movements in interest rates.

The bank's interest rate risk is monitored and managed daily by the bank's securities department, and the bank's service and support department controls maintenance of the limits for assumption of interest rate risk, and reports to the bank's board of directors and management.



As will be evident from the figure, the bank has maintained a low interest risk over the last five years in accordance with the bank's policy for this type of risk.

Foreign exchange risk

The bank's principal currency is the Danish krone, but the bank has also entered into loan and deposit arrangements in other currencies.

The bank's policy is to maintain a minimal foreign exchange risk, and the bank thus reduces ongoing positions in foreign currencies via hedging.

The bank's positions in foreign exchange are managed daily by the foreign department, while the bank's service and support department monitors maintenance of lines and reports to the board of directors and management.

As in previous years, the bank's foreign exchange risk in 2010 was at an insignificant level.

Share risk

The bank co-owns various sector companies via equity interests in DLR Kredit A/S, PRAS A/S, BankInvest Holding A/S, SparInvest Holding A/S, EgnsInvest Holding A/S, Letpension Holding A/S, Nets Holding A/S, Swift, Multidata Holding A/S, Værdipapircentralen A/S, Bankernes Kontantservice A/S and Bankdata.

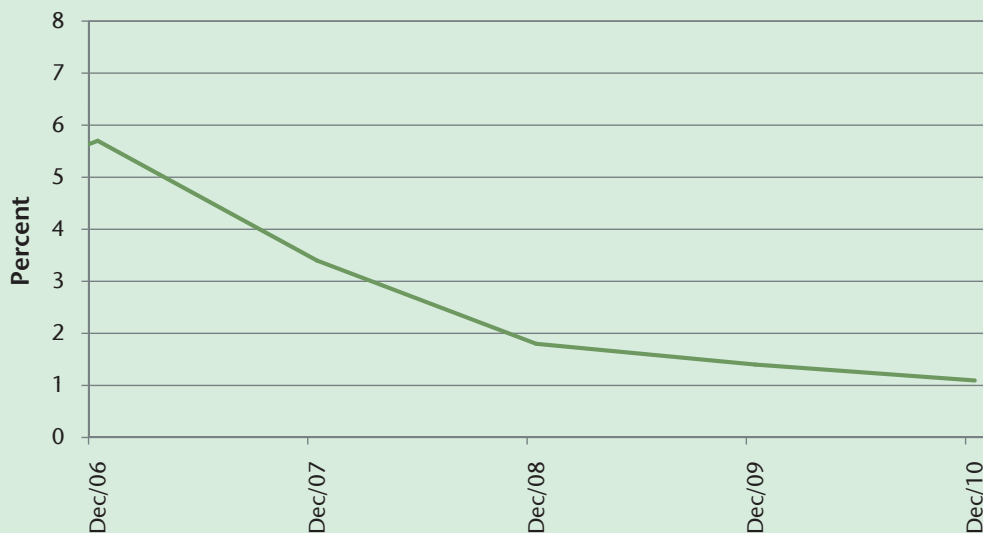
These holdings are comparable with the wholly owned subsidiaries of major banks, and the equity interests are thus not deemed to be a part of the bank's share risk. The bank also holds a small portfolio of listed shares.

The bank's policy is to maintain a low share risk. The daily management of the bank's share portfolio is undertaken by the securities department, while monitoring of the lines and reporting to management and the board of directors are performed by the service and support department.

The bank's holding of listed shares etc. was DKK 25 million at the end of 2010 against DKK 27 million at the end of 2009. The holding of sector shares and ownership interests was DKK 232 million at the end of 2010 against DKK 230 million at the end of 2009.

As will be evident from the figure below, the bank's share exposure (excluding sector shares and ownership interests) as a percentage of the bank's equity has been modest, thus documenting the bank's objective of maintaining a low share risk.

Share exposure



Explanation: The share exposure is computed as the bank's holding of shares (excluding sector shares and other holdings) as a percentage of the shareholders' equity.

Property risk

The bank primarily wishes to possess only properties for use in banking operations, and also to maintain minimal property risks. The bank's portfolio of both domicile and investment properties is thus quite modest relative to the bank's balance sheet total.

Value at Risk

The bank's total Value at Risk at the end of 2010 was DKK 4.2 million. This sum is an expression of the maximum loss in a statistical perspective which the bank could risk losing with 99% probability if all market positions were retained unchanged for a period of 10 days.

VaR summary

In DKK million

Risk	Average VaR figure	Min. VaR figure*	Max. VaR figure*	End of year VaR figure
Interest	7.7	0.7	17.6	3.8
Foreign currency	1.0	0.3	0.2	0.5
Share	3.3	3.1	2.8	2.4
Diversification	-4.1	-1.6	-3.8	-2.5
Total VaR figure	7.9	2.5	16.8	4.2

* Determined by the total VaR figure

As indicated in the table, the bank's total VaR throughout 2010 varied from DKK 2.5 million to DKK 16.8 million. The average VaR figure was DKK 7.9 million. This is lower than in 2009 primarily because the bank had a lower interest rate risk throughout most of 2010 than in 2009. The reader is referred to note 41 on page 66 for the VaR figures for the years 2008-2010.

The model in brief

The model is a parametric VaR model based on a historical analysis of the covariation (correlations) between the prices of various financial assets etc., including different share indices, various official interest rates and interest swap rates, and different exchange rate indices. By combining the historical knowledge of the covariation on the financial markets with the bank's current positions, the model can calculate a risk of loss for a forthcoming ten-day period. All of the bank's interest rate positions, foreign currency positions and listed share positions etc. are included in the calculation, while positions in sector shares and unlisted ownership interests are not included. The model used in 2009 and 2010 was unchanged relative to the model adjusted in 2008.

Back tests and stress tests

So-called “back tests” are made to document that the VaR model provides a sensible picture of the bank’s risk. The test compares the calculated loss under the model with the losses which the bank would actually have suffered if the positions in question had been retained for a ten-day period. A number of stress tests are also carried out to indicate the bank’s risk of loss in abnormal market situations. Back tests of the model were performed throughout the year with satisfactory results.

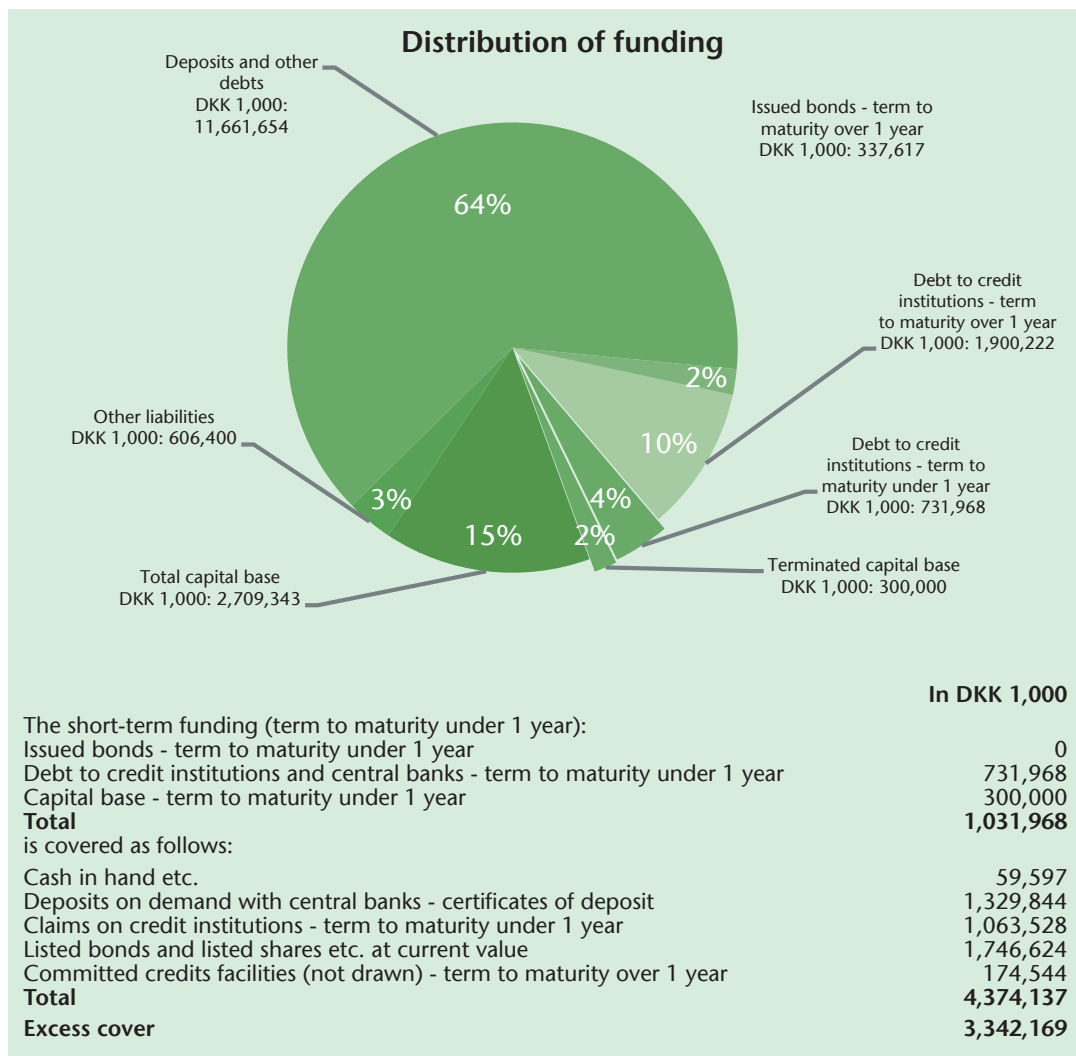
Liquidity risk

In general with respect to the bank’s liquidity management, it is the bank’s objective not to have uncovered net funding requirements and not to be dependent on the short-term money market. It is thus the bank’s objective that it must not be affected by a total shutdown of the money market for a period of 12 months.

The bank’s loan portfolio is funded primarily via four different sources, namely the bank’s deposits, by taking up long-term loans with other credit institutions, via issued bonds, and finally via the subordinated debts taken up by the bank and the bank’s equity.

The bank’s deposit base consists primarily of core deposits and deposits from customers with a long-term relationship with the bank.

Ringkjøbing Landbobank has also entered into a number of long-term bilateral loan agreements with various European banks. It should, however, be noted that the funding situation is such that the bank is not dependent on the institutions in a single country or on individual institutions.



As will be evident from the above figure, the bank's short-term funding (term to maturity under one year) is supported by certificates of deposit with the central bank of Denmark Danmarks Nationalbank, short-term loans to other Danish banks, the bank's holding of liquid securities, and via agreements on committed credit facilities with other banks. The committed credit facilities have been entered into for long-term periods and are not normally used in everyday business. It should be noted that the excess liquidity cover at the end of 2010 was DKK 3.3 billion whereas the equivalent figures at the end of 2009 and 2008 were DKK 3.8 billion and 2.3 billion respectively.

An EUR 2 billion EMTN bond programme was established by the bank in 2008 to ensure diversification in the funding area. The bank used the programme for the first time in 2010 and issued bonds to a total of DKK 220 million. The programme thus helps provide alternative funding sources for the bank.

Operational risk

The capital adequacy rules require the banks to quantify and include an amount for operational risks when computing their capital adequacy.

The bank uses the so-called basic indicator method, where calculation of an average of the last three financial years' net income is used to quantify an amount which is added to the risk-weighted items in order to cover the bank's operational risks. The bank regularly produces reports on the losses and events which are judged to be attributable to operational risks. An assessment is made on the basis of the reports of whether procedures etc. can be adjusted and improved in order to avoid or minimise any operational risks, and the bank's procedures are also regularly reviewed and assessed by the bank's internal and external auditors.

An important area in assessment of the bank's operational risks is IT. The bank's IT organisation and management regularly assess IT security, including with respect to prepared IT emergency plans, and requirements and levels for accessibility and stability for the IT systems and data used by the bank are then set. These requirements apply to both the bank's internal IT organisation and its external IT supplier Bankdata, which the bank owns together with a number of other banks.

Corporate governance

Corporate governance in Ringkjøbing Landbobank concerns the objectives which govern the bank's management and the general principles and structures governing the interplay with the bank's primary interested parties: the bank's shareholders and customers, the bank's management and employees and the local areas in which the bank has branches.

Since 2002, the bank's management has taken an active approach to the recommendations issued on corporate governance, and the bank's attitude to corporate governance has been minuted in the annual reports since that year. From 2006, the bank's management has taken a position on the various recommendations on the basis of the »follow-or-explain« principle (introduced in the 2005 recommendations for corporate governance).

In preparing the 2010 annual report, the bank's management and board of directors reassessed the bank's attitude to the individual recommendations, a detailed statement on which is provided on the bank's website at www.landbobanken.dk. The statement on corporate governance required under applicable accounting rules in the management report is thus published on the bank's website (in accordance with permit from the Danish Financial Supervisory Authority). This statement also indicates how the bank's management has acted on the supplementary recommendations on corporate governance etc. issued by the Danish Bankers Association in December 2008. The bank's attitude to the new recommendations issued by the committee on corporate governance in April 2010 is also available.

The bank's management supports the efforts in the area of corporate governance, and the bank's management and board of directors have elected to adopt almost all of the recommendations in this area. In a few individual areas the bank's management has, however, elected either not to follow the recommendations, or only to follow them in part, in connection with which the bank advises that

- the periods of election of the shareholders' committee and the board of directors are found to be appropriate, and
- it is not found to be relevant for assessment of the bank to publish information on individual persons' remuneration etc

Corporate social responsibility

Ringkjøbing Landbobank has always been strongly anchored throughout its long history in the local communities where it is represented, and the bank has seen it as an entirely natural part of its business base to support local development.

For many years, the bank has also, via management's implementation of and attitude to the recommendations for corporate governance, focused on those matters which govern the interplay with the bank's primary interested parties, namely its shareholders and customers, its management and employees and the local areas in which the bank's branches are situated. As a result of the statutory requirement and developments in society in general, the bank's management has now found it natural to formulate a policy in the area. And the bank found it just as natural to base the policy on the bank's existing values and activities in the area.

Ringkjøbing Landbobank is a local and regional bank which, with due respect for social responsibility, is operated on the basis of commercial objectives.

For the bank, it is a matter of being an active partner in the local and regional associations and sporting life in the towns and areas in which the bank's branches are situated. The bank does this via numerous sponsorships both at the elite level, but especially at the broad general level so that as many people as possible benefit from the support which the bank provides to various associations every year.

The bank's local and regional commitment is a cornerstone in our business philosophy and one of the reasons why the bank has been able to retain its position as a local and locally known partner to many of the area's businesses and private families, but also for the bank's customers throughout Denmark.

With respect to its employees, the bank also takes its social responsibility seriously. Initiatives within employee skills development and training as well as activities which promote health and wellbeing are some of the reasons why Ringkjøbing Landbobank is considered an attractive place to work. Over the years, the bank has thus had many employees who have celebrated both their twenty-fifth and their fortieth anniversaries with the bank.

Ringkjøbing Landbobank is also focused on the environment. The bank thus tries to limit the energy consumption associated with its operations, and there is focus on environmentally correct recycling of the waste products which the bank's operations generate.

A common feature of the bank's initiatives within the area of social responsibility is that they must help to emphasise Ringkjøbing Landbobank's position as an ethical and sustainable company to the bank's interested parties – to its shareholders, customers and employees and to the surrounding world.

The bank's website www.landbobanken.dk provides a more detailed account of the bank's social responsibility, including the policies in the area.

Managerial matters

Payment policy

The remuneration policy for management and the board of directors of Ringkjøbing Landbobank is that the bank's management is paid remuneration which is both in line with the market and reflects the management's achievements for the bank. It has also been decided that the remuneration paid to management and the board of directors should be a fixed amount without any form of incentive component. Other risk-takers and staff in control functions are also not paid variable portions of remuneration outside the framework of collective agreements.

Evaluation etc.

The board of directors makes an annual evaluation of its work and the working relationship between the board of directors and management. The evaluation is made by each member of the board of directors completing an assessment form in writing, after which the completed forms are discussed by the bank's board of directors and management.

It is advised that the board of directors holds 10-12 meetings a year.

Supplementary information on members of the board of directors and the board of managers, including other managerial activities

Reference is made to pages 77 and 78 of this annual report for supplementary information on the bank's management, including information on their other managerial activities.

Information on listed companies

The bank advises as follows in accordance with Section 133a of the regulation on financial reports for credit institutions etc.:

The bank's share capital on 31 December 2010 was DKK 25.2 million in 5,040,000 shares of nom. DKK 5.

The bank has only one share class, and the entire share capital, thus including all shares, is listed on the NASDAQ OMX Copenhagen. There are no limitations on the shares' negotiability.

ATP, Hillerød has advised that they own more than 5% of the bank's share capital.

The following rule applies to the right to vote:

Each share of up to nom. DKK 500 carries the right to one vote. Shareholdings above this level carry a total of two votes, which is the highest number of votes a shareholder may have when the shares are listed in the company's register of shareholders, or when the shareholder has reported and documented his or her right.

The members of the bank's board of directors elected by shareholders are elected from among the members of the bank's shareholders' committee. The following rule applies to changes to the bank's articles of association:

Any decision to change the articles of association is only valid if the proposal is approved by at least two thirds of both votes cast and the share capital with voting rights represented at the meeting.

The board of directors has the following authority to issue shares (specified in the articles of association):

Following consultation with the shareholders' committee, the board of directors is authorised to increase the share capital by nom. DKK 14,210,980 to nom. DKK 39,410,980 in one or more rounds. This authority applies until 23 February 2015.

The board of directors has the following authority to acquire the bank's own shares:

The annual general meeting of 24 February 2010 has authorised the board of directors – until the next annual general meeting – to permit the bank to acquire its own shares in accordance with current law to a total nominal value of 10% of the bank's share capital, such that the shares can be acquired at current list price +/- 10%.



Ringkjøbing

Landskab
program

STATEMENT, REPORTS AND ACCOUNTS

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Management's statement

The board of directors and the board of managers have today reviewed and approved the annual report of Ringkøbing Landbobank A/S for the financial year 1 January - 31 December 2010, which comprises the management report, profit and loss account, core earnings, balance sheet, statement of shareholders' equity, capital adequacy computation, cash flow statement, accounting policies, notes to the annual report and management's statement.

The annual report was prepared in accordance with the provisions of the Danish Financial Business Act and additional Danish disclosure requirements for annual reports of listed financial institutions. We consider the accounting policies to be appropriate and the accounting estimates which have been made to be responsible, so that the annual accounts provides a true and fair picture of the bank's assets, liabilities and equity and financial position as of 31 December 2010 and of the result of the bank's financial performance and cash flows for the financial year 1 January - 31 December 2010. We also believe that the management report etc. provides a true and fair statement of the development in the bank's activities and financial circumstances, and a description of the most significant risks and uncertainties which could affect the bank.

The annual report will be submitted to the annual general meeting for approval.

Ringkøbing, the 2 February, 2011

Board of managers:

Bent Naur
Executive General Manager

John Bull Fisker
General Manager

Ringkøbing, the 2 February, 2011

Board of directors:

Jens Lykke Kjeldsen
Chairman

Gravers Kjærgaard
Deputy Chairman

Gert Asmussen

Keld Hansen

Bo Bennedsgaard
Employee Representative

The internal auditors report

To the shareholders of Ringkjøbing Landbobank A/S

I have audited the annual accounts of Ringkjøbing Landbobank A/S for the financial year 1 January - 31 December 2010. The annual accounts comprises the profit and loss account, core earnings, balance sheet, statement of shareholders' equity, capital adequacy computation, cash flow statement, accounting policies and notes to the annual report. The annual accounts are prepared in accordance with the Danish Financial Business Act. The management report, which are not covered by the audit, is prepared in accordance with Danish disclosure requirements of listed financial institutions.

Basis of opinion

The audit was conducted in accordance with the Executive Order of the Danish Financial Supervisory Authority on Auditing Financial Undertakings etc. and the Danish Standards on Auditing. Those standards require that the audit is planned and performed to obtain reasonable assurance whether the annual accounts are free from material misstatement.

The audit has been performed in accordance with the division of duties agreed with the external auditors and has included an assessment of procedures and internal controls established, including the risk management organised by the management relevant to the entity's reporting processes and significant business risks. Based on materiality and risk, I have examined, on a test basis, the basis of amounts and other disclosures in the annual accounts, including evidence supporting amounts and disclosures in the annual accounts. Furthermore, the audit has included evaluating the appropriateness of the accounting policies applied by the management and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the annual accounts.

I have participated in the audit of risk related and other material areas and I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My audit has not resulted in any qualification.

Opinion

In my opinion, the procedures and internal controls established, including the risk management organised by the management relevant to the bank's reporting processes and significant business risks, are working satisfactorily.

Furthermore, in my opinion, the annual accounts gives a true and fair view of the bank's assets, liabilities and equity and financial position at 31 December 2010 and of its financial performance and its cash flows for the financial year 1 January - 31 December 2010 in accordance with the Danish Financial Business Act.

Statement on the management report

I have read the management report as required under the act on financial activities. I have not performed any further actions apart from the audit of the annual report. I believe that the information in the management report is in agreement with the annual report.

Ringkjøbing, the 2 February, 2011

Henrik Haugaard
Internal Audit Manager

The independent auditors report

To the shareholders of Ringkjøbing Landbobank A/S

We have audited the annual accounts of Ringkjøbing Landbobank A/S for the financial year 1 January - 31 December 2010. The annual accounts comprises the profit and loss account, core earnings, balance sheet, statement of shareholders' equity, capital adequacy computation, cash flow statement, accounting policies and notes to the annual report. The annual accounts are prepared in accordance with the Danish Financial Business Act. Management's Review, which is not comprised by the audit, is prepared in accordance with the Danish disclosure requirements of listed financial institutions.

Management's Responsibility

Management is responsible for the preparation and fair presentation of the annual accounts in accordance with the Danish Financial Business Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error. The responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. Furthermore, Management is responsible for preparing a Management's Review that includes a true and fair account in accordance with the Danish disclosure requirements of listed financial institutions.

Auditor's Responsibility and Basis of Opinion

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with Danish Auditing Standards. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

The independent auditors report - continued

Opinion

In our opinion, the annual accounts provide a true and fair picture of the bank's assets, liabilities and equity and financial position at 31 December 2010 and of the results of its financial performance and its cash flows for the financial year 1 January - 31 December 2010 in accordance with the Danish Financial Business Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish disclosure requirements of listed financial companies. We have not performed any procedures additional to the audit performed of the annual accounts. On this basis, in our opinion, the information provided in Management's Review is in accordance with the annual accounts.

Ringkøbing, the 2 February, 2011

PricewaterhouseCoopers
Statsautoriseret Revisionsaktieselskab

Ole Blinkenberg
State Authorized
Public Accountant

Alex Nyholm
State Authorized
Public Accountant

PROFIT AND LOSS ACCOUNT

Note no.		2010 DKK 1,000	2009 DKK 1,000
1	Interest receivable	836,339	993,756
2	Interest payable	241,954	377,728
	Net income from interest	594,385	616,028
	Interest-like commission income	208	9,266
3	Dividend on capital shares etc.	1,219	3,243
4	Income from fees and commissions	170,181	140,362
4	Fees and commissions paid	25,996	23,823
	Net income from interest and fees	739,997	745,076
5	Value adjustments	+52,159	+58,130
	Other operating income	3,893	5,351
6,7,9	Staff and administration costs	236,374	235,604
10	Amortisations, depreciations and write-downs on intangible and tangible assets	3,219	2,424
	Other operating costs		
	Miscellaneous other operating costs	195	56
	Guarantee commission, national bank package I etc.	46,590	55,785
	Write-downs on loans and debtors etc.		
14	Write-downs on loans and other debtors	-138,217	-158,600
15	Write-downs on national bank package I etc.	-33,152	-51,173
	Result of capital shares in associated companies	+14	-59
	Profit before tax	338,316	304,856
11	Tax	81,443	72,775
	Profit for the financial year	256,873	232,081

PROPOSED DISTRIBUTION OF PROFIT

	2010 DKK 1,000	2009 DKK 1,000
Profit for the financial year	256,873	232,081
Total amount available for distribution	256,873	232,081
Dividend	60,480	0
Other purposes	500	0
Transferred to reserve for net revaluation under the intrinsic value method	+14	-26
Appropriation to own funds	195,879	232,107
Total distribution of the amount available	256,873	232,081

CORE EARNINGS

	2010 DKK 1,000	2009 DKK 1,000
Net income from interest	583,398	596,828
Interest-like commission income	208	9,266
Net income from fees and provisions excl. commission	117,937	97,751
Income from sector shares	3,931	8,448
Foreign exchange income	22,440	16,515
Other operating income etc.	3,893	5,351
Total core income excl. trade income	731,807	734,159
Trade income	26,248	18,788
Total core income	758,055	752,947
Staff and administration costs	236,374	235,604
Amortisations, depreciations and write-downs on intangible and tangible assets	3,219	2,424
Other operating costs	195	56
Total costs etc.	239,788	238,084
Core earnings before write-downs on loans	518,267	514,863
Write-downs on loans and other debtors	-138,217	-158,600
Core earnings	380,050	356,263
Result for portfolio	+38,008	+55,551
Costs national bank package I etc.	79,742	106,958
Profit before tax	338,316	304,856
Tax	81,443	72,775
Profit for the financial year	256,873	232,081

BALANCE SHEET

Note no.		End Dec. 2010 DKK 1,000	End Dec. 2009 DKK 1,000
	Assets		
	Cash in hand and claims at call on central banks	59,597	42,723
12	Claims on credit institutions and central banks		
	Claims at notice on central banks	1,329,844	649,846
	Money market operations and bilateral loans - term to maturity under 1 year	1,063,528	1,751,361
	Bilateral loans - term to maturity over 1 year	261,335	90,792
13,14,16	Loans and other debtors at amortised cost price	13,151,216	13,047,212
	Loans and other debtors at amortised cost price	12,326,328	12,361,756
32	Wind turbine loans with direct funding	824,888	685,456
17	Bonds at current value	1,546,282	1,679,453
18	Shares etc.	257,253	256,697
	Capital shares in associated companies	527	513
19	Land and buildings total	75,662	76,589
	Investment properties	7,261	7,261
	Domicile properties	68,401	69,328
20	Other tangible assets	4,430	3,055
	Actual tax assets	20,827	46,261
	Temporary assets	150	1,023
22	Other assets	469,600	275,171
	Periodic-defined items	6,953	7,260
	Total assets	18,247,204	17,927,956

Note no.		End Dec. 2010 DKK 1,000	End Dec. 2009 DKK 1,000
	Liabilities and equity		
22	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	636,326	699,732
	Bilateral credits - term to maturity over 1 year	1,170,976	1,609,535
32	Bilateral credits from the KfW Bankengruppe	824,888	685,456
23	Deposits and other debts	11,661,654	11,187,470
24	Issued bonds at amortised cost price	337,617	557,337
25	Other liabilities	592,871	364,332
	Periodic-defined items	282	689
	Total debt	15.224.614	15,104,551
26	Provisions for pensions and similar liabilities	5,858	7,463
27	Provisions for deferred tax	3,929	5,088
14	Provisions for losses on guarantees	1,383	1,376
15	Provisions national bank package I etc.	0	45,101
	Other provisions for liabilities	2,077	13,210
	Total provisions for liabilities	13,247	72,238
28	Subordinated loan capital	488,882	491,625
28	Hybrid core capital	208,117	203,769
28	Total subordinated debt	696,999	695,394
29	Share capital	25,200	25,200
	Reserve for net revaluation under the intrinsic value method	176	162
	Proposed dividend etc.	60,980	0
	Profit carried forward	2,225,988	2,030,411
	Total shareholders' equity	2,312,344	2,055,773
	Total liabilities and equity	18.247.204	17,927,956
31	Contingent liabilities etc.		

STATEMENT OF SHAREHOLDERS' EQUITY

DKK 1,000	Share capital	Provisions for revaluation	Reserve for net revaluation under the intrinsic value method	Proposed dividend etc.	Profit carried forward	Total shareholders' equity
2009						
Shareholders' equity at the end of the previous financial year	25,200	0	188	0	1,759,402	1,784,790
Dividend etc. paid						0
Dividend received on own shares						0
Shareholders' equity after allocation of dividend etc.	25,200	0	188	0	1,759,402	1,784,790
Purchase and sale of own shares					55,583	55,583
Tax calculated on transactions with own shares					3,951	3,951
Adjustment of deferred tax concerning own shares					-24,229	-24,229
Other shareholders' equity items					3,597	3,597
Profit for the financial year			-26		232,107	232,081
Shareholders' equity on the balance sheet date	25,200	0	162	0	2,030,411	2,055,773
2010						
Shareholders' equity at the end of the previous financial year	25,200	0	162	0	2,030,411	2,055,773
Dividend etc. paid						0
Dividend received on own shares						0
Shareholders' equity after allocation of dividend etc.	25,200	0	162	0	2,030,411	2,055,773
Purchase and sale of own shares					-3,595	-3,595
Tax calculated on transactions with own shares						0
Adjustment of deferred tax concerning own shares						0
Other shareholders' equity items					3,293	3,293
Profit for the financial 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

CAPITAL ADEQUACY COMPUTATION

	End Dec. 2010 DKK 1,000	End Dec. 2009 DKK 1,000
Calculated pursuant to the Executive order on Capital Adequacy issued by the Danish Financial Supervisory Authority.		
Weighted items with credit and counterpart risks	11,110,261	11,378,127
Market risk	714,897	914,819
Operational risk	1,322,788	1,322,788
Total risk-weighted items	13,147,946	13,615,734
Share capital	25,200	25,200
Reserve for net revaluation under the intrinsic value method	176	162
Profit carried forward	2,286,968	2,030,411
Core capital	2,312,344	2,055,773
Proposed dividend etc.	-60,980	0
Addition to/deduction from the core capital	-176	-162
Core capital after deductions	2,251,188	2,055,611
Hybrid core capital	200,000	200,000
Core capital after deductions incl. hybrid core capital	2,451,188	2,255,611
Subordinated loan capital	491,575	490,921
Addition to/deduction from the capital base	176	162
Capital base after deductions	2,942,939	2,746,694
Core capital ratio excl. hybrid core capital (%)	17.1	15.1
Core capital ratio (%)	18.6	16.6
Solvency ratio (%)	22.4	20.2
Capital base requirements under Section 124 (2,1) of the Danish Financial Business Act	1,051,836	1,089,259

CASH FLOW STATEMENT

	2010 DKK 1,000	2009 DKK 1,000
Operation activities		
Profit for the financial year	256,873	232,081
Amortisations, depreciations and write-downs on intangible and tangible assets	3,219	2,424
Write-downs on loans and debtors etc.	167,438	184,709
Items not affecting liquidity	3,666	16,592
Adjusted result of operations	431,196	435,806
Changes in operating capital		
Claims on and debt to credit institutions etc., net	151,754	-3,540,982
Loans and other debtors at amortised cost price	-271,442	665,180
Securities, not liquid and pledged	-135,101	782,493
Deposits and other debts	474,184	2,114,595
Issued bonds at amortised cost price	-219,720	78,996
Other assets and liabilities, net	2,485	-213,636
Cash flows from operating activities	433,356	322,452
Investment activities		
Intangible and tangible assets	-3,608	-4,293
Cash flows from investment activities	-3,608	-4,293
Financing activities		
Own shares etc.	-3,595	59,534
Cash flows from financing activities	-3,595	59,534
Total effect on liquidity for the year	426,153	377,693
Cash and cash equivalents, beginning of year	2,386,524	2,008,831
Cash and cash equivalents, end of year	2,812,677	2,386,524
Cash and cash equivalents, end of year specified thus:		
Cash in hand and claims at call on central banks	59,597	42,723
Claims on credit institutions and central banks	1,633,372	956,377
Securities, unpledged	1,119,708	1,387,424
Total cash and cash equivalents, end of year	2,812,677	2,386,524

The cash flow statement cannot be derived from this annual report, and the statement has also been adapted to the special statement of accounts etc. for banks.

ACCOUNTING POLICIES

Accounting policies

Basis for preparing the annual report

General

The annual report is prepared in accordance with the provisions of the Danish Financial Business Act and the applicable Executive Order on Financial Reports for Credit Institutions and Investment Companies etc. The annual report is also prepared in accordance with the disclosure requirements of NASDAQ OMX Copenhagen (Copenhagen Stock Exchange), to the extent to which the Danish Financial Business Act, the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc. or other Executive Orders from the Danish Financial Supervisory Authority do not specify a different practice.

The annual report is presented in DKK rounded to the nearest 1,000 kroner.

The accounting policies are unchanged relative to last year.

The management has chosen partial implementation of the forthcoming changes in the accounting regulation for 2011. This applies to the revocation of the requirement for information on "the booked value of that part of the loans for which terms and conditions have been renegotiated", previously Section 93a(2:2), and it also applies to the information on the capital requirement pursuant to Section 124(2) of the Danish Act on Financial Activities. This information is no longer provided in the annual report.

Inclusion and measuring - general

Assets are included in the balance sheet when it is probable that future financial advantages will accrue to the bank and the value can be measured reliably. Liabilities are included in the balance sheet, when they are probable, and that they can be measured reliably.

Income is included in the profit and loss account in step with its earning. Costs paid to achieve the income for the year are included in the profit and loss account, and value adjustments made to financial assets, financial liabilities and derivative financial instruments are also included in the profit and loss account.

Regarding the criteria for inclusion and the basis of measurement we refer to the following sections.

Accounting estimates

In computing the book value of certain assets and liabilities, an estimate has been made of how future events will affect the value of the assets and liabilities on the balance sheet date.

The estimates made are based on assumptions which management judges to be responsible, but which are not certain. The final actual results may thus deviate from the estimates as the bank is subject to risks and uncertainties which can affect the results.

The most important estimates concern write-downs on loans and debtors, computation of current values for unlisted financial instruments, and provisions for liabilities. The most important estimates on write-downs on loans and debtors are associated with quantification of the risk that no future payments will be received.

Foreign currency

Assets and liabilities in foreign currency are converted to Danish kroner at the closing exchange rate for the currency on balance sheet date, corresponding to the rate published by the Central Bank of Denmark. Income and expenses are converted continuously at the exchange rate on the transaction date.

Financial instruments - general

In general, the bank measures financial assets and liabilities at current value on first inclusion. Measuring is subsequently made at current value unless otherwise specifically emerges from the following sections on the individual accounts items. The bank uses the date of payment as the date of entry for financial instruments.

Derivative financial instruments

Forward transactions, interest rate swaps and other derivative financial instruments are included at current value on balance sheet date.

Hedging transactions which, under the terms of the Danish Financial Supervisory Authority's Executive Order on Financial Reports for Credit Institutions and Investment Companies etc. are regarded as hedging at current value for accounting purposes are included at current value on the balance sheet date with respect to both the hedging instrument and the hedged part of the financial instrument.

All value adjustments concerning derivative financial instruments and items subject to hedging for accounting purposes are entered under the item »Value adjustments« in the profit and loss account.

The profit and loss account

Interest income

Interest income is included on the basis of the effective interest method, under which interest income also includes the allocated portion of establishment fees etc. which are considered to be a part of the effective interest on the loan.

On loans which in full or in part have been written down, the interest income relating to the written-down part is entered under the item »Write-downs on loans and debtors etc.«.

Income from fees and commissions, net

Fees and commissions relating to loans and receivables are recognized as part of the carrying amount of loans and receivables and are recognized in the profit and loss account over the term of the loans and receivables as part of the effective interest rate on the loans as interest income, as referred to in the above section »Interest income«. Commissions relating to guarantees are carried to income over the term of the guarantees. Income generated upon performing a given transaction, including securities and custodianship fees plus payment handling fees, are recognised as income when the transaction has been performed.

That part of the bank's commission income which derives from guarantees on foreign loans is included as a separate item designated »Interest-like commission income« in the profit and loss account on the basis of an assessment of materiality.

Staff and administration costs

Staff and administration costs comprise among other things salaries, pension costs, IT-costs, etc.

Write-downs on loans and debtors etc.

This item includes losses and write-downs on loans and other debtors and losses and provisions on guarantees. The item also includes losses and write-downs on claims on credit institutions and losses and provisions on the national bank package I.

Tax

Tax on the profit for the year is booked as a cost in the profit and loss account.

Net deferred tax is calculated on the items which cover the delay in accounting and booking of taxable income and expenses at the tax rate applicable on the balance sheet date.

The balance sheet

Claims on credit institutions and central banks

The first inclusion is made at current value plus transactions costs, less establishment fees etc., and subsequent measurement is at amortised cost price, but reference is made to the section »Derivative financial instruments« with respect to hedging for accounting purposes.

Loans and other debtors

The first inclusion is made at current value plus transaction costs, less establishment fees etc., and subsequent measurement is at amortised cost price. Establishment fees etc. which are comparable with ongoing interest payments, and are thus deemed to be an integral part of the effective interest on the loan, are accrued over the life of the individual loan.

If an objective indication of impairment is found on an individually assessed loan, a write-down is made to cover the bank's loss on the basis of expected future payments series based on an assessment of the most likely outcome.

With respect to loans and receivables which have not been written down individually, a group-wise assessment is made of whether there is an objective indication of impairment in value for the group.

This group-wise assessment is made on groups of loans and debtors with uniform characteristics with respect to credit risk. Eleven groups are used, one of public clients, one of private clients and nine of business clients, the latter further grouped by sector.

The group-wise assessment is made on the basis of a segmentation model developed by the Association of Local Banks, Savings Banks and Cooperative Savings Banks in Denmark, which undertakes the ongoing maintenance and development. The segmentation model sets the relationship in the individual groups between losses suffered and a number of significant explanatory macroeconomic variables via a linear regression analysis. The explanatory macroeconomic variables include unemployment, house prices, interest rates, number of bankruptcies/forced auctions etc.

The macroeconomic segmentation model is initially calculated on the basis of loss data for the entire banking sector. The bank has therefore made an assessment of whether the model estimates reflect the credit risk for the bank's own loan portfolio.

This assessment has resulted in an adaptation of the estimates under the model to the bank's own circumstances, under which the adapted estimates form the basis for calculation of the group write-downs. The adjusted estimates were further corrected to take account of the changed economic conditions. For each group of loans and debtors, there is an estimate which expresses the percentage decrease in value associated with a given group of loans and debtors on the balance sheet date. A comparison of the individual loan's current risk of loss with the loan's original risk of loss and its risk of loss at the beginning of the current accounting period provides the individual loan's contribution to the group write-downs. The write-down is calculated as the difference between the book value and the discounted value of the expected future payments.

With respect to hedging for accounting purposes reference is made to section »Derivative financial instruments«.

Changes in write-downs which have been made are adjusted in the profit and loss account under the item »Write-downs on loans and debtors etc.«.

Bonds and shares

Securities which are listed on a stock exchange are included at current value, determined on the basis of the closing price on balance sheet date.

Unlisted securities are also included at current value, computed on the basis of what the price would be in a transaction between independent parties. The management takes an active approach to the calculation of this market value.

All ongoing value adjustments to listed and unlisted securities are entered in operations under the item »Value adjustments«.

Capital shares in associated companies

Capital shares in associated companies are entered in the balance sheet under the intrinsic value method.

Land and buildings

Land and buildings cover the two items »Investment properties« and »Domicile properties«. The properties which house the bank's branches are included under domicile properties, while other properties are considered to be investment properties.

Investment properties are included in the balance sheet at current value, computed under the yield method. Ongoing changes in value concerning investment properties are included in the profit and loss account.

Domicile properties are included in the balance sheet at reassessed value, which is the current value computed on the basis of the yield method less cumulative depreciation and any loss due to impairment. Depreciation is calculated on the basis of expected useful life, which is 50 years, on the basis of depreciation computed as cost price less scrap value. Depreciations and losses due to impairment are included in the profit and loss account, while increases in the reassessed value are included directly on the shareholders' equity under the item »Provisions for revaluation« unless the increase corresponds to a reduction in value which was previously included in the profit and loss account.

Other tangible assets

Other tangible assets including operating equipment are included in the balance sheet at cost price less cumulative depreciation and write-downs for any loss due to impairment. Depreciations are calculated on the basis of the assets' expected lives, which are 1-5 years, on the basis of depreciation computed as cost price less scrap value. Depreciations and losses due to impairment are included in the profit and loss account.

Temporary assets

Temporary assets comprise assets taken over as a result of the unwinding of customer engagements, the intention being to sell off the assets as soon as possible. Assets taken over are recognized at fair value upon taking them over and subsequently measured at estimated realizable value.

Other assets

Other assets include interest and commissions receivable as well as the positive market value of derivative financial instruments.

Tax

Actual tax assets and actual tax liabilities are recognized in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax paid on account.

A deferred tax liability is allocated under the item »Provisions for deferred tax« and if a deferred tax asset is booked under the item »Deferred tax assets« following a cautious assessment of the asset's value.

Debt to credit institutions and central banks / Deposits and other debts / Issued bonds at amortised cost price / Subordinated debt

Measurement is at amortised cost price, but reference is made to the section »Derivative financial instruments« with respect to hedging for accounting purposes.

Other liabilities

Other liabilities include interest and commissions payable and the negative marked value of derivative financial instruments.

Provisions for liabilities

Provisions for liabilities include mainly provisions for pensions, deferred tax and losses on guarantees. A provision is recognized in respect of a guarantee or an irrevocable credit commitment if it is likely that the guarantee or the credit commitment will be exercised and the amount of the commitment can be reliably determined. Provisions are based on Management's best estimate of the amount of the commitments. In measuring provisions for liabilities, discounting to net present value is made where deemed material.

Various informations

Contingent liabilities/guarantees

The bank's outstanding guarantees are given in the notes under the item »Contingent liabilities«. If it is considered likely that an outstanding guarantee will incur a loss to the bank, the liability is given under the item »Provisions for losses on guarantees« and booked under costs in the profit and loss account under the item »Write-downs on loans and debtors etc.«

Cash flow statement

The cash flow statement is presented in accordance with the indirect method on the basis of the result for the year, adjusted for non-liquid items.

The statement shows net changes in the balance sheet, and on some points it will therefore not provide the full picture of the actual cash flows.

The cash flows from the operating activity are computed as the result for the year, adjusted for non-liquid items and changes in operating capital. Cash flows from the investment activity cover purchases and sale of fixed assets etc. Cash flows from the financing activity cover movements and allocations in subordinated debt and in shareholders' equity.

Liquid assets cover cash in hand, claims at call on the Central Bank of Denmark, fully secured and liquid claims at call on banks, unpledged certificates of deposit issued by the Central Bank of Denmark, and secure and easily saleable listed unpledged securities, under Section 152 of the Danish Financial Business Act.

Information and key figures

»Total capital base« on page 3 under »Main figures for the bank« is computed as the banks capital base after deductions.

The »Pre-tax return on equity at the beginning of the year«, and the »Return on equity after tax at the beginning of the year« as given on page 3 under »Key figures for the bank« were both for 2008 calculated after deduction of dividend etc., net.

»Key figures per DKK 5 share« on page 3 were calculated on the basis of 2010: 5,040,000 shares, 2009: 5,040,000 shares, 2008: 5,040,000 shares, 2007: 5,040,000 shares, 2006: 5,280,000 shares.

All calculations etc. concerning write-downs on pages 3, 8, 19 and 20 were made exclusive of amounts under the national bank package I etc.

With effect from 2008, the bank changed the calculation of the key figure »Rate of costs«. The key figure is now calculated as »Total costs etc.« (including depreciation on tangible fixed assets) divided by »Total core income« multiplied by 100. The comparative figures on the pages 3 and 7 have been adjusted for the change method of calculation.

It is noted, that the individual solvency requirement (reported at page 3, 12 and 16) not is audited.

NOTES TO THE ANNUAL REPORT

Note no.		2010 DKK 1,000	2009 DKK 1,000
1	Interest receivable		
	Claims on credit institutions and central banks	37,150	63,512
	Loans and other debtors	748,211	865,961
	Loans - interest concerning the written-down part of loans	-29,221	-26,109
	Bonds	47,905	65,062
	Total derivatives financial instruments	31,080	24,338
	of which		
	Currency contracts	13,537	24,759
	Interest-rate contracts	17,543	-421
	Other	1,214	992
	Total interest receivable	836,339	993,756
2	Interest payable		
	Credit institutions and central banks	45,468	94,946
	Deposits and other debts	146,978	230,197
	Issued bonds	21,252	21,525
	Subordinated debt	28,049	30,743
	Other	207	317
	Total interest payable	241,954	377,728
3	Dividend on capital shares etc.		
	Shares	1,219	3,243
	Total dividend on capital shares etc.	1,219	3,243
4	Fees and commissions		
	Gross income from fees and commissions		
	Securities trading	34,812	26,678
	Asset management	56,624	40,943
	Payment handling	19,170	16,419
	Loan fees	9,985	9,854
	Guarantee commissions	31,062	29,991
	Other fees and commissions	18,528	16,477
	Total gross income from fees and commissions	170,181	140,362
	Fees and commissions paid		
	Securities trading	8,564	7,890
	Asset management	4,556	3,960
	Payment handling	2,354	1,551
	Loan fees	2,257	2,453
	Other fees and commissions	8,265	7,969
	Total fees and commissions paid	25,996	23,823
	Net income from fees and commissions		
	Securities trading	26,248	18,788
	Asset management	52,068	36,983
	Payment handling	16,816	14,868
	Loan fees	7,728	7,401
	Guarantee commissions	31,062	29,991
	Other fees and commissions	10,263	8,508
	Total net income from fees and commissions	144,185	116,539
	Foreign exchange income	22,440	16,515
	Total net income from fees, commissions and foreign exchange income	166,625	133,054

NOTES TO THE ANNUAL REPORT

Note no.		2010 DKK 1,000	2009 DKK 1,000
5	Value adjustments		
	Loans and other debtors at current value	4,336	8,665
	Bonds	34,044	39,402
	Shares etc.	2,702	7,159
	Shares in sector companies etc.	2,853	5,246
	Investment properties	0	0
	Foreign exchange income	22,440	16,515
	Total derivative financial instruments	-11,334	-5,758
	of which		
	Interest-rate contracts	-11,333	-5,656
	Share contracts	-1	-102
	Issued bonds	-965	5,937
	Other liabilities	-1,917	-19,036
	Total value adjustments	52,159	58,130
6	Staff and administration costs		
	Salaries and payments to board of managers, board of directors and shareholders' committee		
	Board of managers*/**	6,027	5,873
	Board of directors*/**	828	847
	Shareholders' committee	331	307
	Total	7,186	7,027
	Staff costs		
	Salaries	109,878	110,783
	Pensions	11,320	11,111
	Social security expenses	12,752	12,660
	Total	133,950	134,554
	Other administration costs	95,238	94,023
	Total staff and administration costs	236,374	235,604
	* The management and the board of directors consist of two and six members respectively.		
	** The salaries and fees paid to management and members of the board of directors are fixed.		
7	Number of employees		
	Average number of employees during the financial year converted into full-time employees	254.0	262.0
8	Incentive programmes		
	The bank has no incentive programmes.		
9	Audit fee		
	Total fee to the firm of accountants, elected by the General Meeting, that perform the statutory audit	709	988
	Of this concerning other contributions than audit	112	354
	It is noted, that the bank also has an internal auditor.		

Note
no.

	2010 DKK 1,000	2009 DKK 1,000
10 Amortisations, depreciations and write-downs on intangible and tangible assets		
Tangible assets		
Domicile properties, depreciations	533	377
Other tangible assets, depreciations	2,686	2,047
Total amortisations, depreciations and write-downs on intangible and tangible assets	3,219	2,424
11 Tax		
Tax calculated on the years profit	83,055	64,201
Adjustment of deferred tax	-1,159	8,572
Adjustment of tax calculated for previous years	-453	2
Total tax	81,443	72,775
Effective tax rate (%):		
The current tax rate of the bank	25.0	25.0
Adjustment of tax on non-liable income and non-deductible costs etc.	-0.8	-1.1
Adjustment of tax calculated for previous years	-0.1	0.0
Total effective tax rate	24.1	23.9
	End Dec. 2010	End Dec. 2009
	DKK 1,000	DKK 1,000
12 Claims on credit institutions and central banks		
Claims at call	303,528	306,531
Up to and including 3 months	1,429,844	1,298,234
More than 3 months and up to and including 1 year	660,000	796,442
More than 1 year and up to and including 5 years	261,335	54,324
More than 5 years	0	36,468
Total claims on credit institutions and central banks	2,654,707	2,491,999
Distributed as follows:		
Claims at notice on central banks	1,329,844	649,846
Claims on credit institutions	1,324,863	1,842,153
	2,654,707	2,491,999
13 Loans and other debtors at amortised cost price		
At call	3,528,048	2,851,137
Up to and including 3 months	585,341	862,975
More than 3 months and up to and including 1 year	1,961,971	2,066,758
More than 1 year and up to and including 5 years	4,065,526	4,155,151
More than 5 years	3,010,330	3,111,191
Total loans and other debtors at amortised cost price	13,151,216	13,047,212

NOTES TO THE ANNUAL REPORT

Note no.		End Dec. 2010 DKK 1,000	End Dec. 2009 DKK 1,000
14	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	424,517	336,820
	Write-downs/value adjustments during the year	289,432	195,056
	Reverse entry - write-downs made in previous financial years	-120,381	-53,832
	Booked losses covered by write-downs	-61,127	-53,527
	Cumulative individual write-downs on loans and other debtors on the balance sheet date	532,441	424,517
	Group write-downs		
	Cumulative group write-downs on loans and other debtors at the end of the previous financial year	41,132	17,594
	Write-downs/value adjustments during the year	0	35,167
	Reverse entry - write-downs made in previous financial years	-9,921	-11,629
	Cumulative group write-downs on loans and other debtors on the balance sheet date	31,211	41,132
	Total cumulative write-downs on loans and other debtors on the balance sheet date	563,652	465,649
	Provisions for losses on guarantees		
	Cumulative individual provisions for losses on guarantees at the end of the previous financial year	1,376	1,669
	Provisions/value adjustments during the year	1,000	3,822
	Reverse entry - provisions made in previous financial years	-993	-4,115
	Cumulative individual provisions for losses on guarantees on the balance sheet date	1,383	1,376
	Total cumulative write-downs on loans and other debtors and provisions for losses on guarantees on the balance sheet date	565,035	467,025
	It is noted that no write-downs were made on outstanding claims on credit institutions and other receivables at the end of 2010. The above figures in this note therefore do not include any such write-downs.		
15	Provisions national bank package I etc.		
	Cumulative individual provisions at the end of the previous financial year	45,101	8,828
	Provisions/value adjustments during the year	33,152	36,273
	Final payment – transferred to other liabilities	-78,253	0
	Cumulative individual provisions on the balance sheet date	0	45,101
	It is noted that the item in the profit and loss account in 2010 primarily concerns write-downs made on the national bank package I.		
16	Suspended calculation of interest		
	Loans and other debtors with suspended calculation of interest on the balance sheet date	66,237	62,649

Note no.		End Dec. 2010 DKK 1,000	End Dec. 2009 DKK 1,000
17	Bonds at current value		
	Listed on the stock exchange	1,546,282	1,679,453
	Total bonds at current value	1,546,282	1,679,453
18	Shares etc.		
	Listed on NASDAQ OMX Copenhagen	25,342	26,687
	Listed on other stock exchanges	0	0
	Unlisted shares at current value	1,415	1,332
	Sector shares at current value	209,086	204,527
	Other holdings	21,410	24,151
	Total shares etc.	257,253	256,697
	Sector shares are distributed as follows:		
	Asset management and pension		
	BankInvest Holding A/S	22,409	19,096
	EgnsInvest Holding A/S	42	42
	Letpension Holding A/S	3,748	3,358
	SparInvest Holding A/S	5,945	6,769
	Sector infrastructure		
	Multidata Holding A/S	2,748	3,541
	Nets Holding A/S	12,367	5,021
	Swift	23	20
	Værdipapircentralen A/S	1,145	1,362
	Bankernes Kontantservice A/S	426	0
	Mortgage credit		
	DLR Kredit A/S	123,907	131,136
	PRAS A/S	36,326	34,182
	Total sector shares	209,086	204,527
19	Land and buildings		
	Investment properties		
	Current value at the end of the previous financial year	7,261	7,261
	Acquisitions during the year, including improvements	0	0
	Disposals during the year	0	0
	Value adjustments to current value for the year	0	0
	Current value on the balance sheet date	7,261	7,261
	Domicile properties		
	Reassessed value at the end of the previous financial year	69,328	66,837
	Acquisitions during the year, including improvements	236	2,868
	Disposals during the year	-1,487	0
	Depreciations for the year	-533	-377
	Reverse entry of previous years' write-downs during the year and reverse entry of total depreciations and write-downs on assets which were sold or taken out of operation during the year	857	0
	Total reassessed value on the balance sheet date	68,401	69,328

When measuring investment and domicile properties a rate of return between 6% and 8% is used. No external experts were involved in the valuation of investment and domicile properties.

NOTES TO THE ANNUAL REPORT

Note no.		End Dec. 2010 DKK 1,000	End Dec. 2009 DKK 1,000
20	Other tangible assets		
	Cost price		
	Cost price at the end of the previous financial year without depreciations and write-downs	29,826	29,938
	Acquisitions during the year, including improvements	4,172	1,651
	Disposals during the year	-5,599	-1,763
	Total cost price on the balance sheet date	28,399	29,826
	Write-downs and depreciations		
	Write-downs and depreciations at the end of the previous financial year	26,771	26,306
	Write-downs for the year	0	0
	Depreciations for the year	2,686	2,047
	Reverse entry of previous years' write-downs during the year and reverse entry of total depreciations and write-downs on assets which were sold or taken out of operation during the year	-5,488	-1,582
	Total depreciations and write-downs on the balance sheet date	23,969	26,771
	Total other tangible assets on the balance sheet date	4,430	3,055
21	Other assets		
	Interest and commissions receivable	42,493	69,674
	Positive market value of derivative financial instruments	395,882	192,894
	Miscellaneous receivables and other assets	31,225	12,603
	Total other assets	469,600	275,171
22	Debt to credit institutions and central banks		
	Debt payable on demand	520,010	407,506
	Up to and including 3 months	27,169	240,334
	More than 3 months and up to and including 1 year	184,789	51,892
	More than 1 year and up to and including 5 years	1,570,313	1,974,750
	More than 5 years	329,909	320,241
	Total debt to credit institutions and central banks	2,632,190	2,994,723
	Distributed as follows:		
	Debt to central banks	0	0
	Debt to credit institutions	2,632,190	2,994,723
		2,632,190	2,994,723
	The bank has undrawn long-term committed revolving credit facilities equivalent to:		
	Term to maturity under 1 year	596,352	300,000
	Term to maturity over 1 year	174,544	769,735
	Total	770,896	1,069,735
	The bank also has an undrawn loan facility with the Central Bank of Denmark on the basis of statutory excess solvency which expires on 26 February 2011 of	800,000	800,000

Note no.		End Dec. 2010 DKK 1,000	End Dec. 2009 DKK 1,000
23	Deposits and other debts		
	On demand*	5,755,406	5,318,439
	Deposits and other debts at notice:		
	Up to and including 3 months	2,058,207	2,019,860
	More than 3 months and up to and including 1 year	832,457	1,141,367
	More than 1 year and up to and including 5 years	1,600,801	1,251,393
	More than 5 years	1,414,783	1,456,411
	Total deposits and other debts	11,661,654	11,187,470
	Distributed as follows:		
	On demand	5,582,938	4,870,100
	At notice	131,139	88,810
	Time deposits	2,925,948	3,174,223
	Long-term deposit agreements	1,860,570	1,801,769
	Special types of deposits*	1,161,059	1,252,568
		11,661,654	11,187,470
	* Special types of deposits are entered under the item »On demand« pending payment, while in the specification of the different types of deposits, the sum is instead included under »Special types of deposits«.		
24	Issued bonds at amortised cost price		
	On demand	0	0
	Up to and including 3 months	0	0
	More than 3 months and up to and including 1 year	0	446,461
	More than 1 year and up to and including 5 years	337,617	11,264
	More than 5 years	0	99,612
	Total issued bonds at amortised cost price	337,617	557,337
	Distributed as follows:		
	Issues in Danish kroner		
	Nom. DKK 220 million	220,000	0
	Issues in Norwegian kroner		
	Nom. NOK 500 million	0	447,100
	Nom. NOK 100 million	95,340	89,420
	Regulation at amortised cost price and adjustment to current value of issues in Norwegian kroner	8,440	6,980
	Other issues	13,837	13,837
		337,617	557,337
25	Other liabilities		
	Interest and commissions payable	55,967	73,038
	Negative market value of derivative financial instruments	378,188	181,856
	Micellaneous payables and other liabilities	158,716	109,438
	Total other liabilities	592,871	364,332
26	Provisions for pensions and similar liabilities		
	The provisions concern conditional pension commitments to current members of the board of managers and a pension commitment to a former member of the board of managers from a merged bank.	5,858	7,463
27	Provisions for deferred tax		
	The calc. provisions for defer. tax relates to the balance sheet items:		
	Loans and other debtors	-1,395	-1,308
	Securities	2,868	6,270
	Tangible assets	-914	-1,120
	Provisions for liabilities	-1,984	-5,168
	Other assets/liabilities	5,354	6,414
	Total provisions for deferred tax	3,929	5,088
	Deferred tax is calculated at (%)	25.0	25.0

NOTES TO THE ANNUAL REPORT

Note no.						End Dec. 2010 DKK 1,000	End Dec. 2009 DKK 1,000	
28	Subordinated debt				Possible early redemption date			
	Type	Interest rate (%)	Cur- rency	Mill.	Due date			
	Subordinated loan capital							
	Bond loan*/****	3.995	DKK	300	9 Feb. 2014	9 Feb. 2011	300,000	300,000
	Bilateral agreement**	Floating	EUR	27	30 June 2021	30 June 2018	201,269	200,921
	Total subordinated loan capital						501,269	500,921
	Hybrid core capital							
	Bond loan***/****	4.795	DKK	200	Indefinite	2 March 2015	200,000	200,000
	Total hybrid core capital						200,000	200,000
	Subordinated debt included in the calculation of the capital base (before deduction of own holding)						701,269	700,921
	Regulation at amortised cost price and adjustment to current value						5,424	4,631
	Own holding of subordinated loan capital						-9,694	-10,158
	Total subordinated debt						696,999	695,394
	* The interest rate will change on 9 February 2011 to a quarterly variable coupon rate equivalent to the CIBOR rate published by the Central Bank of Denmark for a term of three months plus 2.30% p.a. The loan has been terminated and will be redeemed on 9 February 2011. Interest - 2010: tDKK 12,664 / 2009: tDKK 13,666							
	** The interest rate will change on 30 June 2018 to a quarterly variable rate equivalent to the EURIBOR rate for a term of three months plus 3.50% p.a. Interest - 2010: tDKK 5,658 / 2009: tDKK 7,319							
	*** The interest rate will change on 2 March 2015 to a quarterly variable coupon rate equivalent to the CIBOR rate published by the Central Bank of Denmark for a term of three months plus 2.16% p.a. Interest - 2010: tDKK 9,748 / 2009: tDKK 9,758							
	**** Admitted for listing on NASDAQ OMX Copenhagen.							
29	Share capital							
	Number of shares at DKK 5 each:							
	Beginning of year					5,040,000	5,040,000	
	Cancelled during the year					0	0	
	End of year					5,040,000	5,040,000	
	Share capital					25,200	25,200	
	The whole share capital has been admitted for listing on NASDAQ OMX Copenhagen.							
30	Own capital shares							
	Own capital shares included in the balance sheet at					0	0	
	The market value is					6,900	5,220	
	Number of own shares:							
	Beginning of year					8,572	204,333	
	Purchase of own shares during the year					319,220	487,279	
	Sale of own shares during the year					-318,275	-683,040	
	Cancellation of own shares during the year					0	0	
	End of year					9,517	8,572	
	Nominal value of holding of own shares, end of year					48	43	
	Own shares' proportion of share capital end of year (%):							
	Beginning of year					0.2	4.1	
	Purchase of own shares during the year					6.3	9.7	
	Sale of own shares during the year					-6.3	-13.6	
	Cancellation of own shares during the year					0.0	0.0	
	End of year					0.2	0.2	
	Total purchase price for shares acquired during the year					197,924	251,393	
	Total sales price for shares sold during the year					194,329	306,976	

The transactions for the year in own shares were made on the basis of the bank's ordinary trading with shares.

Note no.

31 Contingent liabilities etc.

Contingent liabilities

	End Dec. 2010 DKK 1,000	End Dec. 2009 DKK 1,000
Finance guarantees	668,504	1,009,540
Guarantees for foreign loans	8,602	29,613
Guarantees against losses on mortgage credit loans	44,098	48,774
Guarantees against losses Totalkredit	112,585	116,327
Registration and conversion guarantees	82,614	74,389
Guarantee national bank package I	0	109,886
Other contingent liabilities	125,580	97,147
Total contingent liabilities	1,041,983	1,485,676

32 Assets furnished as security

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.

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

	824,888	685,456
	468,198	292,858

33 Legal proceedings, etc.

The bank is not party to any legal proceedings that are estimated to result in major losses and in that way to a substantial change of the accounts.

34 Related parties

Related parties are among others the bank's board of directors and board of managers, managerial employees and their relatives. Ringkjøbing Landbobank advises that it has no related parties with a controlling influence on the bank (defined as >20% ownership).

There were no transactions during the year with the board of directors and board of managers or managerial employees apart from the payment of salaries and compensation etc., stock exchange business and the provision of loans and guarantees.

It is also noted that all of the transactions performed in 2010 and 2009 with related parties, including credit facilities, were carried out on market terms or a cost-cover basis.

Information on the remuneration made to the board of directors and board of managers is given in note 6.

Information on the size of loans, mortgages, sureties and guarantees provided to members of the bank's board of directors and board of managers and the security received is given in this note. The information in the note covers these parties' personal engagements and those of their relatives.

Information on the shareholdings held by the board of directors and board of managers is given in this note.

The amount of loans issued to and mortgages, sureties or guarantees issued for the members of the bank's:

	Interest rates 2010	End Dec. 2010 DKK 1,000	End Dec. 2009 DKK 1,000
Board of managers	(Mastercard)	250	306
Board of directors, incl. elected by the staff	2.8%-5.7%	8,946	9,326

All engagements are performed under market terms, including both interest and guarantee commission rates.

Security pledged from members of the bank's:

Board of managers	0	0
Board of directors, incl. elected by the staff	1,086	1,829

NOTES TO THE ANNUAL REPORT

Note no.

34 Related parties - continued

The board of directors' and the board of managers' shareholdings* in Ringkjøbing Landbobank at the end of the year

The board of directors:

Jens Lykke Kjeldsen	5,415	5,415
Gravers Kjærgaard	6,663	6,767
Gert Asmussen	4,028	4,528
Keld Hansen	15,636	15,636
Bo Bennedsgaard	427	337

The board of managers:

Bent Naur	16,492	16,402
John Fisker	14,740	14,650

* Stated in accordance with the rules on insiders.

35 Current value of financial instruments

Financial instruments are measured in the balance sheet at either current value or amortised cost price (with consideration to risk cover that fulfil the conditions applying to hedging).

The current value is the amount at which a financial asset can be sold or the amount at which a financial liability can be redeemed between agreed independent parties. The current values of financial assets and liabilities valued on active markets are calculated on the basis of observed market prices on the balance sheet date. The current values of financial instruments which are not valued on active markets are calculated on the basis of generally recognised methods of valuation.

Shares etc. and derivative financial instruments are measured in the accounts at market value such that included book values correspond to current values.

The write-downs on loans are assessed such that they correspond to changes in credit quality. The difference from current value is assessed as fees and commissions received, costs incurred in lending activities, and, for fixed-interest loans, the value adjustment which is independent of the interest level and which can be calculated by comparing the actual market interest rate with the nominal rate applying to the loans.

The current value of claims on credit institutions and central banks is determined under the same method as for loans, but the bank has not currently made any write-downs on claims on credit institutions and central banks.

Issued bonds and subordinated debt are measured at amortised cost price. The difference between book and current values is calculated on the basis of prices on the market for own listed issues.

For variable-interest financial liabilities in the form of deposits and debts to credit institutions measured at amortised cost price, it is estimated that the book value corresponds to the current value.

For fixed-interest financial liabilities in the form of deposits and debts to credit institutions measured at amortised cost price, the difference from current values is estimated to be the value adjustment which is independent of interest level.

Note
no.

35 Current value of financial instruments - continued

Financial assets

	End Dec. 2010		End Dec. 2009	
	Book value DKK 1,000	Current value DKK 1,000	Book value DKK 1,000	Current value DKK 1,000
Cash in hand+claims at call on central banks	59,597	59,597	42,723	42,723
Claims on credit institut. and central banks*	2,657,193	2,657,231	2,499,099	2,499,613
Loans and other debtors at amort. cost price*	13,180,721	13,222,857	13,077,263	13,112,976
Bonds at current value*	1,556,233	1,556,233	1,695,609	1,695,609
Shares etc.	257,780	257,780	257,210	257,210
Derivative financial instruments	395,882	395,882	192,894	192,894
Total financial assets	18,107,406	18,149,580	17,764,798	17,801,025

Financial liabilities

Debt to credit institutions and central banks*	2,634,219	2,635,136	2,997,177	2,998,456
Deposits and other debts*	11,690,377	11,702,381	11,233,073	11,248,384
Issued bonds at amortised cost price*/**	342,522	342,667	562,082	561,245
Derivative financial instruments	378,188	378,188	181,856	181,856
Subordinated debt*/**	715,380	706,516	713,767	654,594
Total financial liabilities	15,760,686	15,764,888	15,687,955	15,644,535

* The item includes calculated interest on the balance sheet date. The calculated interest in the balance sheet is included under the items »Other assets« and »Other liabilities«.

** Using the most recently listed transaction price before the balance sheet date, irrespective of the liquidity in the security in question.

36 Hedging

The following are hedged:

Fixed interest claim on a credit institution, fixed interest loans, fixed interest deposits, issued bonds at amortised cost price, fixed interest subordinated loan capital, floating interest subordinated loan capital and fixed interest hybrid core capital

Risk cover:

Interest rate risk and foreign exchange risk

Book values:

	End Dec. 2010 DKK 1,000	End Dec. 2009 DKK 1,000
Claim on a credit institution	29,197	28,604
Loans	67,182	145,249
Deposits	314,635	311,943
Issued bonds at amortised cost price	103,925	543,500
Subordinated loan capital	489,040	491,625
Hybrid core capital	208,116	203,769

Cover is thus:

Interest and currency swaps - total synthetic principal	1,157,457	1,628,651
Total current value	24,714	21,468

37 Risks and risk management

As described in the section on risk »Risks and risk management« in the management report contained in the annual report, Ringkjøbing Landbobank is exposed to various types of risk. See the section on risks on pages 18-29 of the management report for a description of financial risks and policies and objectives for their management.

The following notes to the annual report contain some additional information and a more detailed description of the bank's credit and market risks.

NOTES TO THE ANNUAL REPORT

Note
no.

38 Credit risk

Maximum credit exposure classified by balance sheet and off-balance sheet items

Balance sheet items

Cash in hand and claims at call on central banks	59,597	42,723
Claims on credit institutions and central banks	2,654,707	2,491,999
Loans and other debtors at amortised cost price	13,151,216	13,047,212
Bonds at current value	1,546,282	1,679,453
Shares etc.	257,253	256,697
Capital shares in associated companies	527	513
Other assets, including derivative financial instruments	490,427	321,432
	18,160,009	17,840,029

Off-balance sheet items

Guarantees (contingent liabilities)	1,041,983	1,485,676
	1,041,983	1,485,676

Total

19,201,992 **19,325,705**

A more detailed classification of the items »Loans and other debtors at amortised cost price« and »Guarantees« is given below.

Loans and guarantees distributed on sectors

Loans and guarantees distributed on sectors and lines of business (in % end year)

	End Dec. 2010 Per cent	End Dec. 2009 Per cent
Public authorities	0.0	0.0
Business		
Agriculture, hunting and forestry		
Cattle farming etc.	4.0	3.9
Pig farming etc.	2.8	3.8
Other agriculture, hunting and forestry	4.4	4.0
Fishing industry	1.5	1.6
Mink production	1.4	1.7
Industry and raw materials extraction	2.8	4.6
Energy supply	18.6	14.3
Building and construction	1.8	2.1
Trade	3.6	4.1
Transport, hotels and restaurants	2.4	2.1
Information and communication	0.2	0,2
Financing and insurance	8,1	7,0
Real estate	9.4	8.9
Other business	7.3	7.7
Total business	68.3	66.0
Private persons	31.7	34.0
Total	100.0	100.0

The distribution by sector is based on Statistics Denmark's sector codes etc.

Note
no.

38 Credit risk - continued

Description of securities (collateral)

Ringkjøbing Landbobank wishes to reduce its risk to the greatest possible extent in connection with business transactions entered into with the bank's customers by receiving security in the form of a mortgage/pledge in physical assets, bonds and shares, bank deposits etc. and via sureties, guarantees, notices of rescission etc. The most used securities are mortgages in real estate, wind turbines and pledges in bonds and shares. The bank regularly monitors the values of securities received.

Ringkjøbing Landbobank provided security for the bank's loans in KfW Bankengruppe in the underlying loans, which the bank financed with funds from KfW. This provision of security was in accordance with KfW's general terms and conditions. The security amounted to EUR 111 million.

Description of loans which are neither in arrears nor written down

Ringkjøbing Landbobank has historically always been operated with a conservative credit policy, which is also reflected in the loans which are neither in arrears nor have been written down.

With respect to the loans in question, reference is also made to relevant sections on the bank's credit risk on loans on pages 8 and 18-21 of the management report.

Overall assessment of the bank's lending and comments on selected sectors

In the bank's judgment, the total credit risks are low. The ability of the bank's customers' to pay is generally good, and combined with the bank's solid hedging of many engagements through collateral, the result is low credit risks.

The bank has a large number of sound credit engagements, but it also has a group of customers with a weak credit standing. Many of these customers are covered by collateral. Considerable write-downs have been made on other customers with a weak credit standing, and total write-downs make up a big portion of the bank's total lending to customers with a weak credit standing. The bank judges that the number of customers without write-downs but with increased credit risks is limited because the bank's engagements are covered by collateral to a major extent.

Private persons account for a total of 31.7% of Ringkjøbing Landbobank's total loans and guarantees. The majority of these customers are found in the bank's core area in central and western Jutland and they are characterised by a solid credit standing. This solid credit standing reflects inter alia a relatively stable price development for real property and a housing burden (the portion of the income spent on housing) which is lower than in eastern Jutland and the Greater Copenhagen area. Collateral received from private customers primarily consists of mortgages on real estate (private homes).

The bank has a well-diversified portfolio related to agriculture, with pig farmers accounting for 2.8% of the total volume of loans and guarantees, cattle farmers accounting for 4.0%, and others for 4.4%.

The market conditions for agriculture as a whole are difficult, and the situation is difficult despite the fact that the bank's agricultural customers have relatively less debt than the agricultural sector as a whole. Cattle farmers and arable farmers are, however, just beginning to see prices increase after a difficult period, while pig farmers are still in a very difficult situation. The bank has consequently made considerable write-downs on its engagements in agriculture.

Security consists primarily of mortgages on agricultural property (land, buildings and other production facilities). To this must be added assignment of aid per hectare and other accounts.

Loans for energy supply (wind turbines) amount to a total of 18.6% and they are thus the relatively largest industry in the bank's loans. The bank's concept for wind turbine financing is based on first preferred mortgage financing, and exposure comprises primarily German and Danish wind turbines. The concept includes legal and commercial due diligence, which provides a high level of security. Fixed prices to the producers on the German market provide additional security that the bank will be paid. The bank's realised losses in this sector were minimal and the financial crisis confirmed that the risk in this sector is limited. Security consists primarily in first preferred mortgages on wind turbines as well as assignment of electricity accounts and possible subsidies.

NOTES TO THE ANNUAL REPORT

Note no.

38 Credit risk - continued

Realestate comprise a total of 9.4% of the bank's debtors on loans and guarantees. This is a relatively modest share compared to other banks, and this reflects the bank's conservative approach to this sector. Loans and security can be divided into the following main groups:

- 1) Loans with first preferred mortgages on real property (the majority of loans)
- 2) Loans with second preferred mortgages on real property and a strong lessee with an irrevocable lease.

In the context of second preferred mortgage financing, the bank emphasises the debtor's ability to settle the debt prior to expiration of the lease.

Both types of loans showed their strength during the financial crisis, and the bank feels comfortable about them.

Financing and insurance comprise a total of 8.1% of the bank's loan and guarantee debtors and include inter alia the bank's concept for pledging of securities. Security in this concept is primarily provided in the form of listed securities. The concept has certainly demonstrated its strength during the extremely volatile periods on the financial markets during the financial crisis. The bank's losses on this type of business were thus minimal due to the continuous monitoring of these credits.

	End Dec. 2010		End Dec. 2009	
	Book value DKK 1,000	Securities DKK 1,000	Book value DKK 1,000	Securities DKK 1,000
Terms from the due date for loans in arrears which have not been written down				
0-90 days	14,712	6,473	13,209	11,554
over 90 days	1,329	1,050	1,078	1,744
Total	16,041	7,523	14,287	13,298

	End Dec. 2010			End Dec. 2009		
	Credit exposure before write-downs DKK 1,000	Write-downs DKK 1,000	Securities DKK 1,000	Credit exposure before write-downs DKK 1,000	Write-downs DKK 1,000	Securities DKK 1,000
Value of loans which have been individually written down						
Reason for write-down:						
Major financial difficulties	398,407	233,696	30,571	347,298	187,646	42,436
Breach of contract	212,541	124,662	25,917	143,652	99,071	18,041
Easing of terms	116,892	79,310	10,233	72,872	52,265	3,745
Probability of bankruptcy	128,352	96,156	15,986	108,103	85,535	6,945
Total	856,192	533,824	82,707	671,925	424,517	71,167

Note
no.

38 Credit risk - continued

Loans and other debtors with an objective indication of impairment included in the balance sheet at a book value greater than zero

Individual written-down loans

Balance for loans and other debtors before write-downs

856,192

643,251

Write-downs

-501,768

-393,025

Balance for loans and other debtors after write-downs

354,424

250,226

Group written-down loans

Balance for loans and other debtors before write-downs

12,449,771

12,340,803

Write-downs

-31,211

-41,132

Balance for loans and other debtors after write-downs

12,418,560

12,299,671

Credit risk on derivative financial instruments

Positive market value (by counterparty risk) after netting

Counterparty riskweight 0%

0

0

Counterparty riskweight 20%

246,344

179,291

Counterparty riskweight 75%

90,711

39,644

Counterparty riskweight 100%

171,530

84,897

Counterparty riskweight 150%

2,633

672

Total counterparty riskweight

511,218

304,504

39 Foreign exchange risk

Total assets in foreign currency

7,679,708

7,262,527

Total liabilities in foreign currency

4,632,581

5,589,649

Foreign exchange indicator 1

12,262

75,935

Foreign exchange indicator 1 in % of core capital after deductions (%)

0.5

3.4

Foreign exchange indicator 2

259

1,355

Foreign exchange indicator 2 in % of core capital after deductions (%)

0.0

0.1

40 Interest rate risk

Total interest rate risk

2,664

12,772

Total interest rate risk (%)

0.1

0.6

Interest rate risk by the foreign currencies:

DKK

11,127

41,812

EUR

-7,746

-23,678

USD

123

-716

CHF

-829

-4,652

JPY

-9

-9

Other currencies

-2

15

Total

2,664

12,772

End Dec. 2010
DKK 1,000

End Dec. 2009
DKK 1,000

Note
no.

41 Value at Risk/Market risk

Ringkjøbing Landbobank uses a Value at Risk (VaR) model as a sensitivity analysis for market risks. The model is a parametric VaR model based on a historic analysis of the covariation (the correlations) between the prices of various financial assets etc. The model combines the historical knowledge of the covariation on the financial markets with the bank's current positions, and on this basis calculates the risk of losses for a forthcoming ten-day period. The calculation includes the bank's positions with respect to interest, foreign currencies and listed shares, while positions in sector shares and unlisted capital shares are not included. The calculated VaR thus indicates the bank's sensitivity to losses on the basis of its positions. The model is used as one of a number of tools in the bank's management of market risks.

Reference is made to pages 26-27 of this annual report for further description of the model etc.

DKK million

Year/Risk	Average VaR-figure	Minimum VaR-figure*	Maximum VaR-figure*	End of year VaR-figure
2010				
Interest	7.7	0.7	17.6	3.8
Foreign currency	1.0	0.3	0.2	0.5
Share	3.3	3.1	2.8	2.4
Diversification	-4.1	-1.6	-3.8	-2.5
Total VaR-figure	7.9	2.5	16.8	4.2
2009				
Interest	17.4	4.8	27.8	11.6
Foreign currency	0.5	0.2	0.3	0.1
Share	5.3	3.2	5.9	6.2
Diversification	-5.7	-2.7	-7.1	-5.9
Total VaR-figure	17.5	5.5	26.9	12.0
2008				
Interest	11.0	4.3	25.8	21.7
Foreign currency	0.3	0.1	0.2	1.2
Share	8.1	6.7	7.0	6.9
Diversification	-8.2	-5.7	-7.8	-9.4
Total VaR-figure	11.2	5.4	25.2	20.4

* Determined by the total VaR-figure.

Note
no.

42 Unsettled spot transactions

DKK 1,000	Nominal value	Market value		Net market value
		Positive	Negative	
Foreign-exchange transactions, purchase	9,746	2	7	-5
Foreign-exchange transactions, sale	25,323	127	2	125
Interest-rate transactions, purchase	265,589	104	347	-243
Interest-rate transactions, sale	135,768	7	483	-476
Share transactions, purchase	22,863	362	516	-154
Share transactions, sale	22,426	519	361	158
Total 2010	481,715	1,121	1,716	-595
Total 2009	242,405	2,709	3,510	-801

NOTES TO THE ANNUAL REPORT

Derivative financial instruments

By residual maturity

DKK 1,000

	Up to 3 month		Over 3 month and up to 1 year	
	Nominal value	Net market value	Nominal value	Net market value
Foreign-exchange contracts				
Forward transactions/futures, purchase	3,422,493	65,732	207,019	12,576
Forward transactions/futures, sale	7,147,012	-100,767	206,390	7,082
Swaps	11,380	8	35,253	38
Options, purchase				
Options, sale				
Interest-rate contracts				
Forward transactions/futures, purchase	30,973	295	5,447	
Forward transactions/futures, sale	24,938	-238		
Swaps	323,134	8,509	274,685	-1,907
Options, purchase	3,317	43	25,867	1,056
Options, sale	3,317	-43	25,867	-1,056
Share contracts				
Forward transactions/futures, purchase				
Forward transactions/futures, sale				
Options, purchase				
Options, sale				

	Over 1 year and up to 5 years		Over 5 years	
	Nominal value	Net market value	Nominal value	Net market value
Foreign-exchange contracts				
Forward transactions/futures, purchase				
Forward transactions/futures, sale				
Swaps	403,147	16,088	524,173	15,742
Options, purchase				
Options, sale				
Interest-rate contracts				
Forward transactions/futures, purchase				
Forward transactions/futures, sale				
Swaps	1,519,721	-927	116,451	-3,942
Options, purchase	167,459	7,061	731,999	6,660
Options, sale	167,459	-7,061	731,999	-6,660
Share contracts				
Forward transactions/futures, purchase				
Forward transactions/futures, sale				
Options, purchase				
Options, sale				

Derivative financial instruments - continued

DKK 1,000

	Total nominal value		Total net market value	
	2010	2009	2010	2009
Foreign-exchange contracts				
Forward transactions/futures, purchase	3,629,512	2,416,314	78,308	29,597
Forward transactions/futures, sale	7,353,402	4,424,306	-93,685	-8,954
Swaps	973,953	1,635,884	31,875	-10,931
Options, purchase				
Options, sale				
Interest-rate contracts				
Forward transactions/futures, purchase	36,420	3,262	295	19
Forward transactions/futures, sale	24,938	119,642	-238	-131
Swaps	2,233,991	2,229,563	1,733	2,239
Options, purchase	928,642	416,184	14,820	22,262
Options, sale	928,642	416,184	-14,820	-22,262
Share contracts				
Forward transactions/futures, purchase				
Forward transactions/futures, sale				
Options, purchase			7	
Options, sale			7	
Net market value, total			18,289	11,839

	Market value				Average market value			
	Positive 2010	Positive 2009	Negative 2010	Negative 2009	Positive 2010	Positive 2009	Negative 2010	Negative 2009
Foreign-exchange contracts								
Forward transactions/ futures, purchase	132,059	36,571	53,751	6,974	103,295	32,666	57,359	20,608
Forward transactions/ futures, sale	71,606	17,507	165,291	26,461	71,681	25,038	104,221	13,995
Swaps	78,815	46,473	46,939	57,404	62,711	25,601	53,692	70,987
Options, purchase								
Options, sale								
Interest-rate contracts								
Forward transactions/ futures, purchase	295	19			112	52		
Forward transactions/ futures, sale			-238	131	2	7	67	103
Swaps	97,166	67,353	95,433	65,114	99,431	60,491	104,659	71,099
Options, purchase	14,820	22,262			21,152	10,784		
Options, sale			14,820	22,262			21,175	10,784
Share contracts								
Forward transactions/ futures, purchase						7		
Forward transactions/ futures, sale								13
Options, purchase						25		
Options, sale								25
Total	394,761	190,185	376,472	178,346	358,383	154,671	341,172	187,614

All contracts of derivative financial instruments are non-guaranteed contracts.

FIVE YEAR MAIN FIGURES

Summary DKK 1,000	2010	2009	2008	2007	2006
Profit and loss account					
Interest receivable	836,339	993,756	1,221,165	1,031,830	705,949
Interest payable	241,954	377,728	669,149	570,690	309,366
Net income from interest	594,385	616,028	552,016	461,140	396,583
Interest-like commission income	208	9,266	20,690	17,376	19,963
Dividend on capital shares etc.	1,219	3,243	1,491	2,386	4,596
Income from fees and commissions	170,181	140,362	155,428	207,977	188,587
Fees and commissions paid	25,996	23,823	28,464	35,599	30,464
Net income from interest and fees	739,997	745,076	701,161	653,280	579,265
Value adjustments	+52,159	+58,130	-43,577	+17,965	+128,979
Other operating income	3,893	5,351	4,863	7,443	4,717
Staff and administration costs	236,374	235,604	236,056	229,755	204,038
Amortisations, depreciations and write-downs on intangible and tangible assets	3,219	2,424	2,420	4,647	4,517
Other operating costs	195	56	86	16	5
Guarantee commission, national bank package I etc.	46,590	55,785	16,148	0	0
Write-downs on loans	-138,217	-158,600	-77,223	+10,791	+69,027
Write-downs on national bank package I etc.	-33,152	-51,173	-12,016	0	0
Result of capital shares in associated companies	+14	-59	-5	-11	0
Profit before tax	338,316	304,856	318,493	455,050	573,428
Tax	81,443	72,775	78,495	106,730	141,046
Profit for the financial year	256,873	232,081	239,998	348,320	432,382

Summary DKK 1,000	End 2010	End 2009	End 2008	End 2007	End 2006
Balance sheet					
Assets					
Cash in hand and claims on credit institutions and central banks	2,714,304	2,534,722	2,087,959	4,337,064	3,339,743
Loans and other debtors at amortised cost price	13,151,216	13,047,212	13,897,101	14,134,637	12,760,168
Securities	1,804,062	1,936,663	1,553,741	914,421	967,102
Tangible assets	80,092	79,644	77,730	75,126	66,143
Other assets	497,530	329,715	385,222	172,480	136,202
Total assets	18,247,204	17,927,956	18,001,753	19,633,728	17,269,358
Liabilities and equity					
Debt to credit institutions and central banks					
Term to maturity under 1 year	636,326	699,732	2,077,112	4,307,206	6,535,577
Term to maturity over 1 year	1,995,864	2,294,991	3,224,050	3,132,755	1,274,603
Deposits and other debts	11,661,654	11,187,470	9,072,875	9,161,775	7,046,159
Issued bonds	337,617	557,337	478,341	474,287	2,955
Other liabilities	593,153	365,021	652,505	285,348	198,336
Provisions for liabilities	13,247	72,238	21,096	19,933	21,650
Subordinated debt	696,999	695,394	690,984	473,863	479,288
Share capital	25,200	25,200	25,200	26,200	26,400
Reserves	2,287,144	2,030,573	1,759,590	1,752,361	1,684,390
Total shareholders' equity	2,312,344	2,055,773	1,784,790	1,778,561	1,710,790
Total liabilities and equity	18,247,204	17,927,956	18,001,753	19,633,728	17,269,358
Contingent liabilities etc.					
Contingent liabilities	1,041,983	1,485,676	2,386,213	4,803,839	4,803,619
Binding agreements	0	0	0	3,995	3,695
Total contingent liabilities etc.	1,041,983	1,485,676	2,386,213	4,807,834	4,807,314

FIVE YEAR KEY FIGURES

		2010	2009	2008	2007	2006
Solvency:						
Solvency ratio****	%	22.4	20.2	16.3	13.0	12.3
Core capital ratio****	%	18.6	16.6	13.0	11.2	10.4
Earnings:						
Pre-tax return on equity	%	15.5	15.9	17.9	26.1	35.6
Return on equity after tax	%	11.8	12.1	13.5	20.0	26.8
Income/cost ratio	DKK	1.74	1.61	1.93	3.04	5.11
Market risk:						
Interest rate risk	%	0.1	0.6	1.2	1.0	1.6
Foreign exchange position	%	0.5	3.4	5.6	2.1	4.1
Foreign exchange risk	%	0.0	0.1	0.0	0.0	0.0
Liquidity risk:						
Excess cover relative to statutory liquidity requirements	%	231.8	205.6	139.1	161.4	134.3
Loans and write-downs thereon relative to deposits	%	117.6	120.8	157.1	157.4	185.2
Credit risk:						
Loans relative to shareholders' equity		5.7	6.3	7.8	7.9	7.5
Growth in loans for the year	%	0.8	-6.1	-1.7	10.8	27.3
Total large exposures	%	10.2	0.0	12.1	38.3	116.1
Cumulative write-down percentage	%	3.8	3.1	2.1	1.5	1.7
Write-down percentage for the year	%	0.94	1.16	0.48	-0.06	-0.39
Proportion of debtors at reduced interest	%	0.4	0.4	0.1	0.1	0.1
Share return:						
Profit for the year after tax per share*/***	DKK	1,019.3	921.0	933.8	1,324.4	1,637.8
Book value per share**	DKK	9,193	8,172	7,382	7,053	6,631
Dividend per share*	DKK	240	0	0	600	600
Share price relative to profit for the year per share*/***		14.2	13.2	6.6	13.0	13.2
Share price relative to book value per share**		1.58	1.49	0.84	2.43	3.26

* 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. The average number of shares is calculated as a simple average of the shares at the beginning of the year and at the end of the year.

**** Solvency ratio and core capital ratio for 2006 are calculated according to previous accounting rules. It has not been technically possible to calculate these figures for 2006 under the new rules.

Definitions of the official key figures/ratios from the Danish Financial Supervisory Authority

Solvency ratio

Capital base after deductions in per cent of total risk weighted assets.

Core capital ratio

Core capital after deductions (incl. hybrid core capital) in per cent of total risk weighted assets.

Pre-tax return on equity

Profit before tax in per cent of average shareholders' equity. The average shareholders' equity is calculated as a simple average of the shareholders' equity at the beginning of the year and at the end of the year.

Return on equity after tax

Profit after tax in per cent of average shareholders' equity. The average shareholders' equity is calculated as a simple average of the shareholders' equity at the beginning of the year and at the end of the year.

Income/cost ratio

Net income from interest and fees, value adjustments, other operating income and result of capital shares in associated companies in per cent of staff and administration costs, amortisation, depreciation and write-downs on intangible and tangible assets, other operating costs and write-downs on loans and debtors etc.

Interest rate risk

Interest rate risk in per cent of core capital after deductions (incl. hybrid core capital).

Foreign exchange position

Foreign exchange indicator 1 in per cent of core capital after deductions (incl. hybrid core capital).

Foreign exchange risk

Foreign exchange indicator 2 in per cent of core capital after deductions (incl. hybrid core capital).

Excess coverage relative to statutory liquidity requirements

Cash in hand, claims at notice on the Central Bank of Denmark, absolutely secure and liquid demand deposits with credit institutions and insurance companies, unpledged certificates of deposit issued by the Central Bank of Denmark, secure and liquid listed unpledged securities, unpledged temporary loan framework in the form of temporary expansion of the security base (interim option partly until 26 February 2011 and partly until 30 December 2013) and in form of loan facility based on excess statutory solvency with the Central Bank of Denmark (interim option until 26 February 2011) in per cent of 10% of reduced liabilities and guarantee commitments.

Loans and write-downs thereon relative to deposits

Loans + write-downs thereon in per cent of deposits.

Loans relative to shareholders' equity

Loans/shareholders' equity.

Growth in loans for the year

Growth in loans from the beginning of the year to the end of the year, in per cent.

Total large exposures

The total sum of large exposures in per cent of the capital base after deductions.

Cumulative write-down percentage

Write-downs on loans and provisions for losses on guarantees in per cent of loans + write-downs on loans + guarantees + provisions for losses for guarantees.

Write-down percentage for the year

Write-downs etc. for the year in per cent of loans + write-downs on loans + guarantees + provision for losses on guarantees.

Proportion of debtors at reduced interest

Proportion of debtors at reduced interest before write-downs etc. in per cent of loans + write-downs on loans + guarantees + provision for losses on guarantees.

Profit for the year after tax per share*/***

Profit for the year after tax/average number of shares.

Book value per share/****

Shareholders' equity/share capital excl. own shares.

Dividend per share*

Proposed dividend/share capital.

Share price relative to profit for the year per share*/***

Share price/profit for the year per share.

Share price relative to book value per share/****

Share price/book value per share.

*/**/***: See page 72.



Ringkjøbing

Landskab

Yrke

OTHER INFORMATION

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Shareholders' committee

Jens Møller Nielsen, manager, Ringkøbing, - born 1956
chairman of the shareholders' committee

Else Kirkegaard Hansen, senior master, Ringkøbing, - born 1954
deputy chairman of the shareholders' committee

Find Andersen, manager, Ådum - born 1943

Hejne F. Andersen, industrialist, Ringkøbing - born 1954

Jens Arnth-Jensen, manager, Holte - born 1948

Gert Asmussen, printer, Tarm - born 1950*

Inge Sandgrav Bak, financial manager, Ringkøbing - born 1960

Claus H. Christensen, farmer, Lem - born 1961

Claus Dalgaard, manager, Ringkøbing - born 1962

Per Dam, accountant, Ulfborg - born 1952

Viktor Degn, school principal, Hvide Sande - born 1945

Ole K. Erlandsen, butcher, Herning - born 1962

Keld Hansen, grocer, Søndervig - born 1948*

Niels Ole Hansen, manager, Ringkøbing - born 1951

Tonny Hansen, college principal, Ringkøbing - born 1958

Leif Haubjerg, farmer, No - born 1959

Erik Jensen, haulage contractor, Skjern - born 1965

Niels Esper Kamp, farmer, Stadil - born 1957

Jens Lykke Kjeldsen, timber merchant, Ringkøbing - born 1950*

Niels Kjeldtoft, teacher, Spjald - born 1945

Gravers Kjærgaard, farmer, Grønbjerg - born 1952*

Lars Møller, municipal chief executive, Holstebro - born 1957

Martin Krogh Pedersen, manager, Ringkøbing - born 1964

Ole Christian Pedersen, manager, Vostrup - born 1950

Kristian Skannerup, industrialist, Tim - born 1959

Jørgen Kolle Sørensen, car dealer, Hvide Sande - born 1970

Johan Chr. Øllgaard, industrialist, Stauning - born 1947

* Member of the board of directors

Board of directors

Jens Lykke Kjeldsen, timber merchant, Ringkøbing, chairman of the board of directors - born 1950

Member of the bank's auditing committee

Member of the board of directors since 1995

End of current term of election to the board of directors: 2012

Other managerial activities - member of the board of management of:

A/S af 1. august 1989

A/S Henry Kjeldsen

A/S Miljøpark Vest

Asta og Henry Kjeldsens Familiefond

Danbuy A.m.b.A.

Henry Kjeldsen, Ringkøbing Tømmerhandel A/S

VT Hallen A/S

Gravers Kjærgaard, farmer, Grønbjerg, deputy chairman of the board of directors - born 1952

Member of the bank's auditing committee

Member of the board of directors since 2002

End of current term of election to the board of directors: 2013

No other managerial activities

Gert Asmussen, printer, Tarm - born 1950

Chairman of the bank's auditing committee

Member of the board of directors since 2002

End of current term of election to the board of directors: 2014

Other managerial activities - member of the board of management of:

A. Rasmussens Bogtrykkeri ApS

Gert Asmussen Holding A/S

Gullanders Bogtrykkeri A/S

Tarm Bogtryk A/S

Tarm Elværk Net A/S

Tarm Ugeblad ApS

TB Anlæg ApS

Vestjysk Rotation af 8. maj 2008 A/S

Vinderup Invest ApS

Keld Hansen, grocer, Søndervig - born 1948

Member of the board of directors since 2002

End of current term of election to the board of directors: 2014

Other managerial activities - member of the board of management of:

A/S Miljøpark Vest

Beach Bowl A/S

Investeringselskabet Søndervig ApS

Norddan-Søndervig ApS

Søndervig Ejendomsselskab ApS

Søndervig Holding ApS

Søndervig Supermarked ApS

Bo Bennedsgaard, IT consultant, Ringkøbing, elected by the employees - born 1972

Member of the board of directors since 2007

End of current term of election to the board of directors: 2011

No other managerial activities

Board of managers

Bent Naur, executive general manager - born 1947

Member of the board of managers since 1987

Member of the boards of directors of:

The Danish Bankers Association, Copenhagen

The Danish Contingency Committee, Copenhagen

Association of Local Banks, Savings Banks and Cooperative Savings Banks in Denmark, Copenhagen

Bankdata, Fredericia

Nykredit Holding A/S, Copenhagen

PRAS A/S, Copenhagen

Totalkredit A/S, Taastrup, Copenhagen

John Bull Fisker, general manager - born 1964

Member of the board of managers since 1999

Member of the boards of directors of:

BankInvest Holding A/S, Copenhagen

BI Asset Management Fondsmæglerselskab A/S, Copenhagen

BI Technology A/S, Copenhagen

Letpension Holding A/S, Søborg, Copenhagen

Letpension IT A/S, Søborg, Copenhagen

Letpension, Livs- og Pensionsforsikringselskab A/S, Søborg, Copenhagen

Member of the customer board of:

PFA Pension A/S, Copenhagen

Ringkjøbing Landbobank Aktieselskab

Torvet 1
DK-6950 Ringkøbing
Denmark

Founded: 1886

Phone: +45 9732 1166
Telefax: +45 9732 1800
E-mail: post@landbobanken.dk
Website: www.landbobanken.com

CVR-no.: 37 53 68 14
Bank registration number in Denmark: 7670
SWIFT/BIC: RINGDK22

Share capital

Ringkjøbing Landbobank's share capital is DKK 25.2 million in 5,040,000 shares of DKK 5.

Ownership

Ringkjøbing Landbobank is owned by approx. 17,945 shareholders.

We report as required by Section 28a of the Danish Companies Act that ATP, Hillerød, has advised that they own more than 5% of the bank's share capital.

Stock exchange announcements 2010

Review of Ringkjøbing Landbobank's announcements to NASDAQ OMX Copenhagen and others in 2010 in compliance with Section 27b of the Danish Securities Trading Act:

3 February 2010	Announcement of the annual accounts 2009
3 February 2010	Annual report 2009
3 February 2010	Notice convening the annual general meeting the 24 February 2010
25 February 2010	Minutes of the annual general meeting the 24 February 2010
12 March 2010	Articles of association of the 24 February 2010
19 March 2010	Articles of association of the 1 March 2010
21 April 2010	Quarterly report 1st quarter 2010
17 May 2010	Articles of association of the 3 May 2010
21 July 2010	Ringkjøbing Landbobank issues floating rate notes under EMTN-program
2 August 2010	Retirement from the board of directors
11 August 2010	Interim report for the 1st half 2010
1 September 2010	IT collaboration between Bankdata and Jyske Bank
27 October 2010	Quarterly report 1st-3rd quarter 2010
10 November 2010	Financial calendar
16 December 2010	Staff elect their representatives to the board of directors of Ringkjøbing Landbobank

Announcements regarding insiders' transactions with the Ringkjøbing Landbobank share from executive employees and their closely related do not emerge from the above review.

All the announcements from the bank to NASDAQ OMX Copenhagen and others can be seen on the website: www.landbobanken.com.

Financial calendar 2011

The financial calendar for the upcoming publications is as follows:

23 February 2011	General meeting
27 April 2011	Quarterly report - 1st quarter 2011
03 August 2011	Interim report 2011
26 October 2011	Quarterly report - 1st-3rd quarter 2011

THE BANK'S BRANCHES ETC.

Head office:

Ringkøbing

Branches:

Herning

Investcenter Herning

Holstebro

Investcenter Holte

Hvide Sande

Lem

Spjald

Tarm

Thorsminde

Tim

Ulfborg

Viborg

Vildbjerg





Bent Naur
Executive general manager



John Bull Fisker
General manager



Jørn Nielsen
Credit manager



Sten Erlandsen
Head of treasury



Ole Bjerregaard Pedersen
Financial manager



Jørgen Højgaard
Foreign manager



Ringkjøbing

Landsby

Yuba

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DK-6950 Ringkøbing
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