

Nasdaq Copenhagen
London Stock Exchange
Other partners

3 August 2016

Ringkjøbing Landbobank's interim report 2016 - Upward adjustment of expectations for the full year

The profit before tax was DKK 327 million, representing a return of 21% p.a. on equity at the beginning of the period, which is considered highly satisfactory. The bank's core earnings increased by 3% to a total of DKK 314 million, which is above budget for the first half-year.

(Million DKK)	1 st half 2016	1 st half 2015	2015	2014	2013	2012
Total core income	488	482	954	907	844	823
Total costs and depreciations	-150	-149	-306	-298	-273	-265
Core earnings before impairments	338	333	648	609	571	558
Impairment charges for loans etc.	-24	-29	-60	-87	-120	-157
Core earnings	314	304	588	522	451	401
Result for portfolio etc.	+13	+15	0	+65	+21	+47
Profit before tax	327	319	588	587	472	448

The half-year - highlights:

- Upward adjustment of expectations for core earnings to the range DKK 525 - 600 million
- The profit before tax was DKK 327 million, equivalent to a return of 21% p.a. on equity at the beginning of the period
- 3% increase in core earnings to DKK 314 million, which is above budget for the half-year
- The rate of costs for the half-year was 30.7%, which is still the lowest in Denmark
- DKK 5 million decrease in impairment charges to DKK 24 million, the equivalent of 0.2% p.a.
- 18% increase in the bank's loans and 4% increase in deposits
- Continued highly satisfactory increase in customer numbers in both the branch network and the niche concepts

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

Yours sincerely,

Ringkjøbing Landbobank

John Fisker Jørn Nielsen

Ringkjøbing Landbobank A/S

Torvet 1 • DK-6950 Ringkøbing • Tel. +45 9732 1166 • Fax +45 7624 4913 • CVR-no. 37536814 • post@landbobanken.dk
www.landbobanken.com

Management report

Core income

Net interest income was DKK 331 million in the first half of 2016 against DKK 315 million in 2015, an increase of 5%. This should be compared to an 18% increase in lending, which reflects the competition in the sector, and the net interest income is also influenced by a changed mix of loans and the continuing low interest rate level.

Fees, commissions and foreign exchange income amounted to net DKK 129 million in the first half of 2016 against net DKK 144 million in 2015, a net decrease of 11%. Fees earnings in the first half of 2015 were influenced by an extraordinarily high level of activity in conversion of mortgage loans. The net decrease can be related to this, among other things, but the decrease in fee earnings can also be related to a lower level of trading, and the subscription commission on investment certificates has also been removed.

The total core income in the first half of the year increased from DKK 482 million in 2015 to DKK 488 million in 2016.

Costs, amortisations and depreciations

Total costs including amortisations and depreciations on tangible assets were DKK 150 million in the first half of 2016 against DKK 149 million last year, an increase of 1%.

The net increase relative to the first half of 2015 is related to a DKK 5 million increase in staff costs, unchanged other administration costs, a DKK 3 million increase in amortisations, depreciations and write-downs for tangible assets, and finally a DKK 7 million decrease in the total costs of the Guarantee Fund and the Resolution Fund, as costs for the former no longer have to be paid with effect from 2016.

The rate of costs was at an unchanged level and computed at 30.7, still the lowest in Denmark. A low rate of costs is especially important in periods of competition and unstable economic conditions as this provides robustness in the bank's results.

Impairment charges for loans

Impairment charges for loans for the half-year decreased from DKK 29 million in 2015 to DKK 24 million in 2016 and are now equivalent to 0.2% p.a. of the total average loans and guarantees etc. against 0.3% p.a. in the first half of 2015.

The bank's total account for impairment charges and provisions amounted to DKK 982 million at the end of the half-year, equivalent to 4.7% of total loans and guarantees. Actual losses and write-offs on loans etc. continue to be very low, and they were exceeded during the half-year by the items "Interest on the impaired part of loans" and "Receivables previously written off", such that the total account for impairment charges and provisions increased by net DKK 39 million during the first half of 2016.

Individual impairment charges decreased marginally by DKK 2 million in the half-year, whereas collective impairment charges increased by DKK 41 million during the first half of 2016.

The portfolio of loans with suspended calculation of interest amounts to DKK 100 million, equivalent to 0.5% of the bank's total loans and guarantees at the end of the half-year.

The bank still expects total impairment charges in 2016 to be lower than in 2015.

Core earnings

(Million DKK)	1 st half 2016	1 st half 2015	2015	2014	2013	2012
Total core income	488	482	954	907	844	823
Total costs and depreciations	-150	-149	-306	-298	-273	-265
Core earnings before impairments	338	333	648	609	571	558
Impairment charges for loans etc.	-24	-29	-60	-87	-120	-157
Core earnings	314	304	588	522	451	401

Core earnings were DKK 314 million against last year's DKK 304 million. The realised core earnings for the first half year are the best in the bank's history and above the budget for the half-year.

Result for portfolio and market risk

The result for portfolio for the first half of 2016 was DKK 13 million including funding costs for the portfolio.

Shares etc. at the end of the half-year amounted to DKK 366 million, DKK 10 million of which was in listed shares, DKK 66 million in investment fund certificates and DKK 290 million in sector shares etc. The bond portfolio amounted to DKK 3,760 million, and the majority of the portfolio consists of AAA-rated Danish government and mortgage credit bonds.

The total interest risk - calculated as the impact on the profit of a one percentage point change in the interest rate - is 2.1% of the bank's Tier 1 capital at the end of the half-year.

The bank's total market risk within exposures to interest rate risk, listed shares and foreign currency remains at a low level. The bank's risk of losses calculated on the basis of a value-at-risk model (computed with a 10-day horizon and 99% probability) was as follows in the first half of 2016:

	Risk in DKK million	Risk relative to equity end of 1 st half 2016 in %
Highest risk of loss:	23.3	0.69%
Lowest risk of loss:	8.6	0.26%
Average risk of loss:	16.2	0.48%
End of period risk of loss:	13.9	0.41%

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

Profit after tax

The profit after tax was DKK 269 million for the first half of 2016 against DKK 249 million last year.

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

Balance sheet

The bank's balance sheet at the end of the half-year stood at DKK 23,191 million against last year's DKK 22,118 million.

Deposits increased by 4% from DKK 16,628 million at the end of June 2015 to DKK 17,365 million at the end of June 2016.

The bank's loans increased by 18% from DKK 15,032 million at the end of June 2015 to DKK 17,744 million at the end of June 2016.

The growth in the bank's loans excluding reverse transactions was 20.3% relative to June 2015, thus marginally exceeding the 20.0% limit value in the Supervisory Diamond for Banks. Measured on the average volumes of lending, the growth rate was 15.9%. The growth rate is boosted by the highly satisfactory development in lending in the second half of 2015 and the bank does not expect to realise growth in lending at the same rate throughout 2016.

The growth in the bank's loans is broadly based on sectors with good underlying growth in new customers from both the branch network and the bank's niche concepts.

The bank's portfolio of guarantees at the end of the half-year was DKK 2,259 million against DKK 2,667 million at the end of June 2015 and DKK 2,234 million at the end of 2015.

Liquidity

The bank's liquidity is good, and the excess liquidity relative to the statutory Section 152 requirement is 112%. The bank's short-term funding with term to maturity of less than 12 months amounts to DKK 0.7 billion, balanced by DKK 4.5 billion primarily in short-term placings in the Central Bank of Denmark and in liquid securities.

The bank's loans are at the same level as the bank's deposits at the end of the half-year. The loans portfolio is thus more than fully financed by the bank's deposits and equity. In addition, part of the loans portfolio for wind turbines in Germany was refinanced back-to-back with KfW Bankengruppe, which means that DKK 1,124 million can be disregarded in terms of liquidity.

The bank thus requires no financing for the coming year to meet the minimum requirement that it must always be able to manage for up to 12 months without access to the financial markets.

In addition to the liquidity requirement under Section 152 of the Financial Business Act, the bank must also meet the LCR (Liquidity Coverage Ratio) key figure. The key figure shows the ability of banks to honour their payment obligations for a 30-day period without access to market funds. The LCR key figure will replace the statutory Section 152 requirement on 31 December 2016 when the requirement is finally phased out. The LCR key figure is computed as the ratio of the bank's cash and cash equivalents/liquid assets to its payment obligations for the next 30 days as computed in accordance with specific rules.

Non-SIFI banks must have a cover of minimum 70% on 1 January 2016, gradually increasing by 10 percentage point on 1 January 2017 and by 20 percentage point on 1 January 2018 such that the key figure must be minimum 100% on 1 January 2018. SIFI banks must already have a cover of 100% now.

Ringkjøbing Landbobank wishes to follow the rules applying to SIFI banks, and the bank's target for the LCR key figure is thus 100%.

On 30 June 2016 the bank's LCR key figure was 162% and the bank thus met the target.

Capital reduction and share buy-back programme

The annual general meeting in February 2016 authorised the bank's board of directors to buy shares for up to DKK 140 million for cancellation at a future general meeting.

Shares were reserved as follows on 3 August 2016:

	Number of shares	Average purchase price - in DKK	Transaction value - in DKK 1,000
Reserved as of 9 March 2016	20,000	1,403.53	28,071
Reserved as of 1 June 2016	29,000	1,371.46	39,772
Total as of 3 August 2016	49,000		67,843

DKK 72 million now remain under the share buy-back programme.

The bank's holding of own shares at the end of June 2016 totalled 50,072 shares, 49,000 of which are reserved under the buy-back programme for later cancellation.

Capital

The equity at the beginning of 2016 was DKK 3,296 million. To this must be added the profit for the period, while the dividend paid and the value of the own shares bought must be subtracted, after which the equity at the end of the half-year was DKK 3,359 million.

The bank's total capital ratio was computed at 18.6% at the end of the first half of 2016, and the Tier 1 capital ratio was computed at 16.9%.

Capital ratios	1 st half 2016	1 st half 2015	2015	2014	2013	2012
Common Equity Tier 1 capital ratio (%)	16.9	17.4	17.1	17.5	18.7	19.6
Tier 1 capital ratio (%)	16.9	17.4	17.1	17.5	19.2	20.9
Total capital ratio (%)	18.6	19.3	18.8	17.5	20.0	22.4
Individual solvency requirement (%)	9.3	8.9	9.0	8.9	8.9	8.0

The statement of capital is influenced by the fact that the DKK 140 million share buy-back programme is deducted in full from the capital, while DKK 68 million had been utilised at the end of June 2016.

The bank calculates the individual solvency requirement on the basis of the so-called 8+ model. Within the last 12 months, the bank has realised a substantial growth in the loans portfolio, which has influenced the capital calculated and reserved in the 8+ model. On this basis, the bank's individual solvency requirement at the end of the half-year was calculated at 9.3%.

Good increase in customer numbers

The bank previously implemented a large number of outreach initiatives to both current and new customers. All of these initiatives are planned to continue during 2016. In addition, the bank's new Private Banking branch in Vejle opened in January 2016.

The bank also saw a highly satisfactory net increase in new customers in both the branch network and within the niche concepts in the first half of the year.

Upward adjustment of expectations for earnings in 2016

Core earnings for the first half of 2016 were DKK 314 million, which is above budget for the half-year. On this basis, expectations for core earnings for all of 2016 are adjusted upward from the DKK 475 - 575 million range at the beginning of the year to a DKK 525 - 600 million range.

Disclaimer:

“This document is a translation of an original document in Danish. The original Danish text shall be the governing text for all purposes and in case of any discrepancy the Danish wording shall be applicable.”

Main and key figures

	1 st half 2016	1 st half 2015	Full year 2015
Main figures for the bank (million DKK)			
Total core income	488	482	954
Total costs and depreciations	-150	-149	-306
Core earnings before impairments	338	333	648
Impairment charges for loans etc.	-24	-29	-60
Core earnings	314	304	588
Result for portfolio	+13	+15	0
Profit before tax	327	319	588
Profit after tax	269	249	459
Shareholders' equity	3,359	3,154	3,296
Deposits	17,365	16,628	16,987
Loans	17,744	15,032	17,300
Balance sheet total	23,191	22,118	22,384
Guarantees	2,259	2,667	2,234
Key figures for the bank (per cent)			
Return on equity before tax, beginning of year, p.a.	20.7	21.4	19.8
Return on equity after tax, beginning of year, p.a.	17.0	16.7	15.4
Rate of costs	30.7	30.8	32.1
Common Equity Tier 1 capital ratio	16.9	17.4	17.1
Tier 1 capital ratio	16.9	17.4	17.1
Total capital ratio	18.6	19.3	18.8
Individual solvency requirement	9.3	8.9	9.0
Key figures per 5 DKK share (DKK)			
Core earnings	69	65	129
Profit before tax	72	68	129
Profit after tax	59	53	100
Net asset value	735	675	721
Price, end of period	1,370	1,485	1,500
Dividend	-	-	30

Profit and loss account

Note		1.1-30.6 2016 DKK 1,000	1.1-30.6 2015 DKK 1,000	1.1-31.12 2015 DKK 1,000
1	Interest receivable	376,847	374,551	736,995
2	Interest payable	37,805	52,539	91,165
	Net income from interest	339,042	322,012	645,830
3	Dividend on shares etc.	18,956	12,778	13,010
4	Income from fees and commissions	142,065	155,448	301,076
4	Fees and commissions paid	21,443	18,604	41,687
	Net income from interest and fees	478,620	471,634	918,229
5	Value adjustments	+16,687	+23,474	+29,583
	Other operating income	2,265	1,841	4,964
6,7	Staff and administration costs	143,253	138,633	281,634
	Amortisations, depreciations and write-downs on intangible and tangible assets	5,078	1,838	7,351
	Other operating costs			
	Miscellaneous other operating costs	0	0	68
	Costs Guarantee Fund and Resolution Fund	1,197	8,143	17,233
8	Impairment charges for loans and other debtors etc.	-23,622	-29,262	-60,367
	Result of capital shares in associated companies	+2,835	0	+2,137
	Profit before tax	327,257	319,073	588,260
9	Tax	58,705	70,500	129,595
	Profit after tax	268,552	248,573	458,665
	Other comprehensive income	0	0	0
	Total comprehensive income	268,552	248,573	458,665

Core earnings

	1.1-30.6 2016 DKK 1,000	1.1-30.6 2015 DKK 1,000	1.1-31.12 2015 DKK 1,000
Net income from interest	330,894	314,713	637,960
Net income from fees and commissions excl. trade income	100,361	112,047	211,541
Income from sector shares etc.	25,821	21,383	36,413
Foreign exchange income	7,935	7,510	15,812
Other operating income	2,265	1,841	4,964
Total core income excl. trade income	467,276	457,494	906,690
Trade income	20,261	24,797	47,848
Total core income	487,537	482,291	954,538
Staff and administration costs	143,253	138,633	281,634
Amortisations, depreciations and write-downs on intangible and tangible assets	5,078	1,838	7,351
Other operating costs	1,197	8,143	17,301
Total costs etc.	149,528	148,614	306,286
Core earnings before impairments	338,009	333,677	648,252
Impairment charges for loans and other debtors etc.	-23,622	-29,262	-60,367
Core earnings	314,387	304,415	587,885
Result for portfolio	+12,870	+14,658	+375
Profit before tax	327,257	319,073	588,260
Tax	58,705	70,500	129,595
Profit after tax	268,552	248,573	458,665

Balance sheet

Note		End June 2016 DKK 1,000	End June 2015 DKK 1,000	End Dec. 2015 DKK 1,000
	Assets			
	Cash in hand and claims at call on central banks	310,123	740,913	331,563
10	Claims on credit institutions and central banks	526,663	413,755	717,602
	Claims at notice on central banks	0	85,012	130,019
	Money market operations and bilateral loans - term to maturity under 1 year	371,663	208,743	262,583
	Bilateral loans - term to maturity over 1 year	155,000	120,000	325,000
11,12,13	Loans and other debtors at amortised cost price	17,743,712	15,032,355	17,299,920
	Loans and other debtors at amortised cost price	16,619,855	13,712,577	15,914,993
	Wind turbine loans with direct funding	1,123,857	1,031,434	1,101,739
	Collateralised repurchase agreements / reverse transactions	0	288,344	283,188
14	Bonds at current value	3,760,058	5,074,456	3,114,721
15	Shares etc.	366,045	303,515	467,049
	Capital shares in associated companies	5,502	530	2,667
	Land and buildings total	59,947	66,061	64,287
	Investment properties	6,056	6,056	6,056
	Domicile properties	53,891	60,005	58,231
	Other tangible assets	12,882	3,946	4,206
	Current tax assets	34,988	222,340	71,624
	Temporary assets	5,200	450	5,200
	Other assets	359,199	253,179	296,871
	Prepayments and accrued income	6,444	6,708	7,970
	Total assets	23,190,763	22,118,208	22,383,680

Balance sheet

Note		End June 2016 DKK 1,000	End June 2015 DKK 1,000	End Dec. 2015 DKK 1,000
	Liabilities and equity			
16	Debt to credit institutions and central banks	1,778,121	1,653,913	1,502,586
	Money market operations and bilateral credits - term to maturity under 1 year	542,675	489,922	344,879
	Bilateral credits - term to maturity over 1 year	111,589	132,557	55,968
	Bilateral credits from KfW Bankengruppe	1,123,857	1,031,434	1,101,739
17	Deposits and other debts	17,364,880	16,628,170	16,986,543
	Deposits and other debts	17,364,880	16,628,170	16,986,543
18	Issued bonds at amortised cost price	0	149,208	0
	Other liabilities	308,615	140,647	208,988
	Deferred income and accruals	1,135	1,270	1,130
	Total debt	19,452,751	18,573,208	18,699,247
	Provisions for deferred tax	2,134	14,476	10,579
12	Provisions for losses on guarantees	5,318	4,418	5,478
	Total provisions for liabilities	7,452	18,894	16,057
	Tier 2 capital	371,118	371,982	372,278
19	Total subordinated debt	371,118	371,982	372,278
20	Share capital	22,850	23,350	23,350
	Reserve for net revaluation under the equity method	5,152	178	2,317
	Profit carried forward	3,331,440	3,130,596	3,129,831
	Proposed dividend etc.	-	-	140,600
	Total shareholders' equity	3,359,442	3,154,124	3,296,098
	Total liabilities and equity	23,190,763	22,118,208	22,383,680
21	Own capital shares			
22	Contingent liabilities etc.			
23	Assets furnished as security			
24	The supervisory diamond			
25	Miscellaneous comments			

Statement of shareholders' equity

DKK 1,000	Share capital	Reserve for net revaluation under the equity method	Profit carried forward	Proposed dividend etc.	Total share-holders' equity
On 30 June 2016:					
Shareholders' equity at the end of the previous financial year	23,350	2,317	3,129,831	140,600	3,296,098
Reduction of share capital	-500		500		0
Dividend etc. paid				-140,600	-140,600
Dividend received on own shares			3,344		3,344
Shareholders' equity after allocation of dividend etc.	22,850	2,317	3,133,675	0	3,158,842
Purchase and sale of own shares			-67,952		-67,952
Total comprehensive income		2,835	265,717		268,552
Shareholders' equity on the balance sheet date	22,850	5,152	3,331,440	0	3,359,442

On 30 June 2015:					
Shareholders' equity at the end of the previous financial year	23,900	178	2,949,750	124,780	3,098,608
Reduction of share capital	-550		550		0
Dividend etc. paid				-124,780	-124,780
Dividend received on own shares			3,385		3,385
Shareholders' equity after allocation of dividend etc.	23,350	178	2,953,685	0	2,977,213
Purchase and sale of own shares			-71,662		-71,662
Total comprehensive income			248,573		248,573
Shareholders' equity on the balance sheet date	23,350	178	3,130,596	0	3,154,124

On 31 December 2015:					
Shareholders' equity at the end of the previous financial year	23,900	178	2,949,750	124,780	3,098,608
Reduction of share capital	-550		550		0
Dividend etc. paid				-124,780	-124,780
Dividend received on own shares			3,385		3,385
Shareholders' equity after allocation of dividend etc.	23,350	178	2,953,685	0	2,977,213
Purchase and sale of own shares			-139,780		-139,780
Total comprehensive income		2,139	315,926	140,600	458,665
Shareholders' equity on the balance sheet date	23,350	2,317	3,129,831	140,600	3,296,098

Capital statement

	End June 2016 DKK 1,000	End June 2015 DKK 1,000	End Dec. 2015 DKK 1,000
Credit risk	14,661,691	12,999,665	14,173,867
Market risk	1,358,885	1,650,805	1,539,489
Operational risk	1,750,809	1,679,498	1,750,809
Total risk exposure amount	17,771,385	16,329,968	17,464,165
Shareholders' equity	3,359,442	3,154,124	3,296,098
Proposed dividend etc.	0	0	-140,600
Deduction for expected dividend	-83,214	-69,600	0
Deduction for prudent valuation	-4,464	0	-3,910
Deduction for the sum of equity investments etc. > 10%	-141,436	-115,628	-118,672
Deduction of frame for share buy-back programme, net	-72,157	-76,979	0
Deduction of trading frame for own shares	-55,000	-55,000	-55,000
Actual utilization of the trading frame for own shares	1,469	7,702	1,221
Common Equity Tier 1 capital	3,004,640	2,844,619	2,979,137
Tier 1 capital	3,004,640	2,844,619	2,979,137
Tier 2 capital	371,965	373,020	373,125
Deduction for the sum of equity investments etc. > 10%	-72,363	-73,716	-76,769
Own funds	3,304,242	3,143,923	3,275,493
Common Equity Tier 1 capital ratio (%)	16.9	17.4	17.1
Tier 1 capital ratio (%)	16.9	17.4	17.1
Total capital ratio (%)	18.6	19.3	18.8
Own funds requirements	1,421,711	1,306,397	1,397,133

Notes

Note	1.1-30.6 2016 DKK 1,000	1.1-30.6 2015 DKK 1,000	1.1-31.12 2015 DKK 1,000
1 Interest receivable			
Claims on credit institutions and central banks	7,923	5,597	15,990
Loans and other debtors	363,490	350,961	700,503
Loans - interest concerning the impaired part of loans	-17,077	-19,753	-38,435
Reverse loans	4	4,730	5,094
Bonds	23,355	32,445	54,379
Total derivatives financial instruments	-1,357	-331	-4,281
Of which currency contracts	207	1,617	1,166
Of which interest-rate contracts	-1,564	-1,948	-5,447
Other interest receivable	509	902	3,745
Total interest receivable	376,847	374,551	736,995
2 Interest payable			
Credit institutions and central banks	11,969	12,236	24,354
Deposits and other debts	22,673	31,625	54,268
Repo deposits	0	66	66
Issued bonds	0	3,411	3,679
Subordinated debt	3,084	5,198	8,790
Other interest payable	79	3	8
Total interest payable	37,805	52,539	91,165
3 Dividend from shares etc.			
Shares	18,956	12,778	13,010
Total dividend from shares etc.	18,956	12,778	13,010
4 Gross income from fees and commissions			
Securities trading	25,980	30,407	58,631
Asset management and custody accounts	45,485	53,857	111,887
Payment handling	13,936	12,302	26,357
Loan fees	3,052	10,404	15,879
Guarantee commissions and mortgage commissions	31,840	28,139	56,362
Other fees and commissions	21,772	20,339	31,960
Total gross income from fees and commissions	142,065	155,448	301,076
Net income from fees and commissions			
Securities trading	20,261	24,797	47,848
Asset management and custody accounts	41,907	50,634	105,496
Payment handling	9,460	10,034	17,384
Loan fees	1,876	8,965	13,242
Guarantee commissions and mortgage commissions	31,840	28,139	56,362
Other fees and commissions	15,278	14,275	19,057
Total net income from fees and commissions	120,622	136,844	259,389
Foreign exchange income	7,935	7,510	15,812
Total net income from fees, commissions and foreign exchange income	128,557	144,354	275,201

Notes

Note		1.1-30.6 2016 DKK 1,000	1.1-30.6 2015 DKK 1,000	1.1-31.12 2015 DKK 1,000
5	Value adjustments			
	Loans and other debtors, current value adjustment	0	2,040	9,249
	Bonds	16,236	-20,302	-29,648
	Shares etc.	5,759	21,381	34,659
	Foreign exchange income	7,935	7,510	15,812
	Total derivatives financial instruments	-13,243	12,845	-489
	Of which currency contracts	-2,729	4	-1,230
	Of which interest-rate contracts	-10,811	12,187	-420
	Of which share contracts	297	654	1,161
	Total value adjustments	16,687	23,474	29,583
6	Staff and administration costs			
	Payments to general management, board of directors and shareholders' committee			
	General management	3,432	2,149	5,037
	Board of directors	859	789	1,633
	Shareholders' committee	0	0	415
	Total	4,291	2,938	7,085
	Staff costs			
	Salaries	65,177	64,955	130,240
	Pensions	6,937	6,790	13,872
	Social security expenses	1,356	1,262	2,301
	Costs depending on number of staff	10,391	7,877	18,525
	Total	83,861	80,884	164,938
	Other administration costs	55,101	54,811	109,611
	Total staff and administration costs	143,253	138,633	281,634
7	Number of full-time employees			
	Average number of employees during the period converted into full-time employees	269	261	269
8	Impairment charges on loans and other debtors etc.			
	Net changes in impairment charges on loans and other debtors and provisions for losses on guarantees	38,824	35,310	11,552
	Actual realised net losses	1,875	13,705	87,250
	Interest concerning the impaired part of loans	-17,077	-19,753	-38,435
	Total impairment charges on loans and other debtors etc.	23,622	29,262	60,367

Notes

Note		1.1-30.6 2016 DKK 1,000	1.1-30.6 2015 DKK 1,000	1.1-31.12 2015 DKK 1,000
9	Tax			
	Tax calculated on the period's profit	67,150	70,500	133,489
	Adjustment of deferred tax	-8,445	0	-2,973
	Adjustment of deferred tax due to change in tax rate	0	0	-924
	Adjustment of tax calculated for previous years	0	0	3
	Total tax	58,705	70,500	129,595
	Effective tax rate (%):			
	The current tax rate of the bank	22.0	23.5	23.5
	Permanent deviations	-4.1	-1.4	-1.3
	Adjustment of deferred tax due to change in tax rate	0.0	0.0	-0.2
	Adjustment of tax calculated for previous years	0.0	0.0	0.0
	Total effective tax rate	17.9	22.1	22.0
Note		End June 2016 DKK 1,000	End June 2015 DKK 1,000	End Dec. 2015 DKK 1,000
10	Claims on credit institutions and central banks			
	At call	137,663	157,267	98,583
	Up to and including 3 months	0	135,012	230,019
	More than 3 months and up to and including 1 year	234,000	1,476	64,000
	More than 1 year and up to and including 5 years	150,000	120,000	320,000
	More than 5 years	5,000	0	5,000
	Total claims on credit institutions and central banks	526,663	413,755	717,602
11	Loans and other debtors at amortised cost price			
	At call	1,850,822	1,581,017	2,055,385
	Up to and including 3 months	846,260	801,735	1,054,786
	More than 3 months and up to and including 1 year	2,375,116	1,908,138	2,273,914
	More than 1 year and up to and including 5 years	6,277,956	5,108,686	5,849,053
	More than 5 years	6,393,558	5,632,779	6,066,782
	Total loans and other debtors at amortised cost price	17,743,712	15,032,355	17,299,920
	Of which collateralised repurchase agreements / reverse transactions	0	288,344	283,188

Notes

Note		End June 2016 DKK 1,000	End June 2015 DKK 1,000	End Dec. 2015 DKK 1,000
12	Impairment charges for loans and other debtors and provisions for losses on guarantees			
	Individual impairment charges			
	Cumulative individual impairment charges for loans and other debtors at the end of the previous financial year	664,550	701,131	701,131
	Impairment charges/value adjustments during the period	75,865	76,435	149,057
	Reverse entry - impairment charges made in previous financial years	-74,290	-64,230	-121,034
	Booked losses covered by impairment charges	-3,086	-12,151	-64,604
	Cumulative individual impairment charges for loans and other debtors on the balance sheet date	663,039	701,185	664,550
	Collective impairment charges			
	Cumulative collective impairment charges for loans and other debtors at the end of the previous financial year	272,922	226,272	226,272
	Impairment charges/value adjustments during the period	40,495	34,834	46,650
	Cumulative collective impairment charges for loans and other debtors on the balance sheet date	313,417	261,106	272,922
	Total cumulative impairment charges for loans and other debtors on the balance sheet date	976,456	962,291	937,472
	Provisions for losses on guarantees			
	Cumulative individual provisions for losses on guarantees at the end of the previous financial year	5,478	3,995	3,995
	Provisions/value adjustments during the period	3,413	3,137	5,152
	Reverse entry - provisions made in previous financial years	-3,441	-2,702	-3,586
	Booked losses covered by provisions	-132	-12	-83
	Cumulative individual provisions for losses on guarantees on the balance sheet date	5,318	4,418	5,478
	Total cumulative impairment charges for loans and other debtors and provisions for losses on guarantees on the balance sheet date	981,774	966,709	942,950
13	Suspended calculation of interest			
	Loans and other debtors with suspended calculation of interest on the balance sheet date	99,625	57,001	74,220
14	Bonds at current value			
	Listed on the stock exchange	3,760,058	5,074,456	3,114,721
	Total bonds at current value	3,760,058	5,074,456	3,114,721
15	Shares etc.			
	Listed on Nasdaq Copenhagen	9,843	47,767	11,492
	Investment fund certificates	66,136	8,677	196,590
	Unlisted shares at current value	1,450	1,488	1,450
	Sector shares at current value	288,616	245,583	257,517
	Total shares etc.	366,045	303,515	467,049

Notes

Note		End June 2016 DKK 1,000	End June 2015 DKK 1,000	End Dec. 2015 DKK 1,000
16	Debt to credit institutions and central banks			
	On demand	366,281	348,902	268,254
	Up to and including 3 months	236,100	180,097	55,023
	More than 3 months and up to and including 1 year	104,336	85,207	171,936
	More than 1 year and up to and including 5 years	666,487	600,808	593,775
	More than 5 years	404,917	438,899	413,598
	Total debt to credit institutions and central banks	1,778,121	1,653,913	1,502,586
17	Deposits and other debts			
	On demand	11,496,001	10,217,216	11,182,881
	Deposits and other debts at notice:			
	Up to and including 3 months	1,662,908	2,119,728	1,891,994
	More than 3 months and up to and including 1 year	987,832	1,061,779	667,677
	More than 1 year and up to and including 5 years	878,141	829,772	966,866
	More than 5 years	2,339,998	2,399,675	2,277,125
	Total deposits and other debts	17,364,880	16,628,170	16,986,543
	Distributed as follows:			
	On demand	11,191,626	9,896,295	10,912,726
	At notice	346,878	352,047	327,306
	Time deposits	2,342,675	2,984,590	2,352,697
	Long term deposit agreements	2,172,426	2,042,080	2,192,532
	Special types of deposits	1,311,275	1,353,158	1,201,282
		17,364,880	16,628,170	16,986,543
18	Issued bonds at amortised cost price			
	More than 3 months and up to and including 1 year	0	149,208	0
	Total issued bonds at amortised cost price	0	149,208	0
	Distributed as follows:			
	Issues in euro:			
	Nom. EUR 20 million	0	149,208	0
		0	149,208	0
19	Subordinated debt			
	Tier 2 capital:			
	Floating rate loan, principal EUR 50 million, expiry 20 May 2025	371,965	373,020	373,125
	Regulation at amortised cost price and adjustment to current value of Tier 2 capital	-847	-1,038	-847
	Total subordinated debt	371,118	371,982	372,278

Notes

Note		End June 2016 DKK 1,000	End June 2015 DKK 1,000	End Dec. 2015 DKK 1,000
20	Share capital			
	Number of shares at DKK 5 each:			
	Beginning of period	4,670,000	4,780,000	4,780,000
	Changes during the period	-100,000	-110,000	-110,000
	End of period	4,570,000	4,670,000	4,670,000
	Of which reserved for subsequent cancellation	49,000	50,000	100,000
	Total share capital	22,850	23,350	23,350
21	Own capital shares			
	Own capital shares included in the balance sheet at	0	0	0
	The market value is	68,599	81,930	151,226
	Number of own shares:			
	Beginning of year	100,817	113,525	113,525
	Purchases during the period	124,083	199,155	347,731
	Sales during the period	-74,828	-147,508	-250,439
	Cancellation during the period	-100,000	-110,000	-110,000
	End of period	50,072	55,172	100,817
	Of which reserved for subsequent cancellation	49,000	50,000	100,000
	Nominal value of holding of own shares, end of period	250	276	504
	Own shares' proportion of share capital, end of period (%)	1.1	1.2	2.2
22	Contingent liabilities etc.			
	Contingent liabilities			
	Finance guarantees	1,239,744	1,269,067	1,112,688
	Guarantees against losses on mortgage credit loans	100,014	74,980	80,981
	Guarantee against losses Totalkredit	115,937	117,491	116,104
	Registration and conversion guarantees	492,292	952,643	641,756
	Sector guarantees	45,321	48,596	45,321
	Other contingent liabilities	266,159	204,718	237,531
	Total contingent liabilities	2,259,467	2,667,495	2,234,381
23	Assets furnished as security			
	First mortgage loans are 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 repayment of the first mortgage loans is deducted directly from the funding from the KfW Bankengruppe.	1,123,857	1,031,434	1,101,739
	As security for clearing etc., the bank has pledged securities from its holding to the Central Bank of Denmark to a total market price of	20,562	19,809	231,505
	Collateral under CSA agreements	50,657	70,374	66,251

Notes

Note		End June 2016 DKK 1,000	End June 2015 DKK 1,000	End Dec. 2015 DKK 1,000
24	The supervisory diamond (Danish Financial Supervisory Authority limits)			
	Stable funding (funding ratio) (< 1)	0.8	0.7	0.8
	Excess liquidity (> 50%)	111.5%	203.9%	99.7%
	Total large exposures (< 125%)	33.6%	31.5%	63.4%
	Growth in loans (< 20%)	20.3%	3.2%	14.0%
	Real estate exposure (< 25%)	14.9%	12.1%	14.1%
25	Miscellaneous comments:			
	Main and key figures for the bank			
	<ul style="list-style-type: none"> Return on equity at the beginning of the year before and after tax are computed per annum after allocation of dividend etc., net. Key figures per DKK 5 share are calculated on the basis of respectively 1st half 2016: 4,570,000, 1st half 2015: 4,670,000 shares and 2015: 4,570,000 shares. 			
	Accounting policies			
	Collateral under CSA agreements is capitalised under the item "Other assets" whereas it was offset under the item "Other liabilities" in 2015. The accounting policies are otherwise unchanged relative to those in the submitted and audited 2015 annual report.			

Main figures summary

Profit and loss account summary (million DKK)	1.1-30.6 2016	1.1-30.6 2015	1.1-31.12 2015
Net income from interest	339	322	646
Dividend on shares etc.	19	13	13
Net income from fees and commissions	121	137	259
Net income from interest and fees	479	472	918
Value adjustments	+17	+23	+29
Other operating income	2	2	5
Staff and administration costs	144	139	282
Amortisations, depreciations and write-downs on intangible and tangible assets	5	2	7
Other operating costs	1	8	17
Impairment charges for loans and other debtors etc.	-24	-29	-60
Result of investments in associated companies	+3	0	+2
Profit before tax	327	319	588
Tax	58	70	129
Profit after tax	269	249	459
Main figures from the balance sheet (million DKK)	End June 2016	End June 2015	End Dec. 2015
Loans and other debtors	17,744	15,032	17,300
Deposits and other debts	17,365	16,628	16,987
Subordinated debt	371	372	372
Shareholders' equity	3,359	3,154	3,296
Balance sheet total	23,191	22,118	22,384

Quarterly overview

(Million DKK)	2 nd qtr. 2016	1 st qtr. 2016	4 rd qtr. 2015	3 rd qtr. 2015	2 nd qtr. 2015	1 st qtr. 2015	4 th qtr. 2014	3 rd qtr. 2014	2 nd qtr. 2014	1 st qtr. 2014
Net income from interest	165	166	163	160	154	161	160	158	159	158
Net income from fees and commissions excl. trade income	52	48	55	45	61	51	60	37	51	45
Income from sector shares etc.	15	11	8	7	11	10	4	4	2	16
Foreign exchange income	4	4	5	4	4	3	2	4	4	3
Other operating income	1	1	2	1	1	1	1	1	1	1
Total core income excl. trade income	237	230	233	217	231	226	227	204	217	223
Trade income	11	9	12	11	13	12	10	7	8	11
Total core income	248	239	245	228	244	238	237	211	225	234
Staff and administration costs	74	69	78	65	74	65	79	62	68	62
Amortisations, depreciations and write- downs on intangible and tangible assets	4	1	4	1	1	1	7	1	3	1
Other operating costs	0	1	3	6	4	4	3	4	4	4
Total costs etc.	78	71	85	72	79	70	89	67	75	67
Core earnings before impairments	170	168	160	156	165	168	148	144	150	167
Impairment charges for loans and other debtors etc.	-13	-11	-16	-15	-14	-15	-24	-23	-25	-15
Core earnings	157	157	144	141	151	153	124	121	125	152
Result for portfolio	+11	+2	-1	-14	-8	+23	+9	+12	+20	+24
Profit before tax	168	159	143	127	143	176	133	133	145	176
Tax	30	28	31	29	31	39	33	32	36	40
Profit after tax	138	131	112	98	112	137	100	101	109	136

Danish Financial Supervisory Authority key figures for Danish banks

		1 st half 2016	1 st half 2015	Full year 2015
Capital ratios:				
Total capital ratio	%	18.6	19.3	18.8
Tier 1 capital ratio	%	16.9	17.4	17.1
Individual solvency requirement	%	9.3	8.9	9.0
Earnings:				
Return on equity before tax	%	9.8	10.2	18.4
Return on equity after tax	%	8.1	8.0	14.3
Income / cost ratio	DKK	2.89	2.79	2.60
Return on assets	%	1.2	1.1	2.1
Market risk:				
Interest rate risk	%	2.1	1.5	2.2
Foreign exchange position	%	0.4	1.1	0.8
Foreign exchange risk	%	0.0	0.0	0.0
Liquidity risk:				
Excess cover relative to statutory liquidity requirement	%	111.5	203.9	99.7
Loans and impairments thereon relative to deposits	%	107.8	96.2	107.4
Credit risk:				
Loans relative to shareholders' equity		5.3	4.8	5.2
Growth in loans	%	4.3	-1.2	14.0
Total large exposures	%	33.6	31.5	63.4
Cumulative impairment percentage	%	4.7	5.2	4.6
Impairment percentage	%	0.11	0.16	0.29
Proportion of debtors at reduced interest	%	0.5	0.3	0.4
Share return:				
Profit after tax per share * / ***	DKK	1,162.6	1,052.2	1,941.4
Book value per share * / **	DKK	14,865	13,670	14,428
Dividend per share *	DKK	0	0	600
Share price relative to profit per share * / ***		23.6	28.2	15.5
Share price relative to book value per share * / **		1.84	2.17	2.08
<p>* Calculated on the basis of a denomination of DKK 100 per share. ** Calculated on the basis of number of shares outstanding at the end of the period. *** Calculated on the basis of the average number of shares, The average number of shares is calculated as a simple average of the shares at the beginning of the period and at the end of the period.</p>				

Management's statement

The board of directors and the general management have today considered and approved the interim report for Ringkjøbing Landbobank A/S for the period 1 January - 30 June 2016.

The interim report was prepared in accordance with the provisions of the Danish Financial Business Act and further Danish requirements on listed financial companies concerning disclosure. We consider the accounting policies to be appropriate and the accounting estimates made to be responsible, such that the interim report provides a true and fair view of the bank's assets, liabilities and financial position as of 30 June 2016 and of the bank's activities for the period 1 January - 30 June 2016. We also believe that the management report contains a true and fair account of the bank's activities and financial position as well as a description of the most important risks and uncertainties which can affect the bank.

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

Ringkøbing, 3 August 2016

General Management:

John Fisker
CEO

Jørn Nielsen
General manager

Board of Directors:

Jens Lykke Kjeldsen
Chairman

Martin Krogh Pedersen
Deputy chairman

Gert Asmussen

Inge Sandgrav Bak

Jens Møller Nielsen

Jørgen Lund Pedersen

Bo Bennedsgaard
Employee board member

Dan Astrup Sørensen
Employee board member

Gitte E. S. Vigsø
Employee board member

Ringkjøbing Landbobank A/S