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3 February 2010

## Ringkjøbing Landbobank's announcement of the annual accounts for 2009

The bank's pre-tax profit for 2009 was DKK 305 million, equivalent to a 17% return on equity at the beginning of the year. Given the costs paid for bank package I, the result is considered to be highly satisfactory.

<b>Core earnings</b> (million DKK)	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Core income	753	735	696	609	511	417	368	328	275	242
Total costs etc.	-238	-239	-234	-208	-190	-184	-163	-155	-133	-109
<b>Core earnings before write-downs</b>	<b>515</b>	<b>496</b>	<b>462</b>	<b>401</b>	<b>321</b>	<b>233</b>	<b>205</b>	<b>173</b>	<b>142</b>	<b>133</b>
Write-downs on loans	-159	-77	+11	+69	+5	+4	-10	+6	+6	0
<b>Core earnings</b>	<b>356</b>	<b>419</b>	<b>473</b>	<b>470</b>	<b>326</b>	<b>237</b>	<b>195</b>	<b>179</b>	<b>148</b>	<b>133</b>
Result for portfolio	+56	-73	-18	+103	+35	+51	+106	+30	+7	+7
<b>Profit before bank package I etc.</b>	<b>412</b>	<b>346</b>	<b>455</b>	<b>573</b>	<b>361</b>	<b>288</b>	<b>301</b>	<b>209</b>	<b>155</b>	<b>140</b>
Costs bank package I etc.	-107	-28	0	0	0	0	0	0	0	0
<b>Profit before tax</b>	<b>305</b>	<b>318</b>	<b>455</b>	<b>573</b>	<b>361</b>	<b>288</b>	<b>301</b>	<b>209</b>	<b>155</b>	<b>140</b>

The core earnings before write-downs were DKK 515 million against last year's DKK 496 million, an increase of 4%. Write-downs totalled DKK 159 million, after which the bank's core earnings are DKK 356 million, which is in the middle of the range reported at the beginning of the year. The result corrected for bank package I increases from DKK 346 million to DKK 412 million, an increase of 19%. Only three quarters with costs for bank package I now remain.

### The annual accounts - highlights

- Pre-tax profit of DKK 305 million equates to 17% return on equity at beginning of year
- 19% increase in profit before bank package I
- Highly satisfactory level for write-downs of DKK 159 million - equivalent to 1.0%
- Fall in costs gives a 2% improvement in the rate of costs to 31.6
- Required solvency computed under the minimum statutory requirement and reported at 8%
- Increase in solvency ratio to 20.2, equivalent to 253% cover
- Core capital ratio increased to 16.6 without participation in bank package II
- Core earnings in the range DKK 200-400 million are expected for 2010

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

Yours sincerely,  
**Ringkjøbing Landbobank**

Bent Naur

John Fisker

### Ringkjøbing Landbobank

## Management Report

### Core income

Core earnings were 2% higher in 2009, increasing from DKK 735 million to DKK 753 million.

Net interest income increased by 7% from DKK 558 million to DKK 597 million, which is attributable to an increasing interest margin and an improved optimisation of liquidity with fewer funds tied up in the Central Bank of Denmark.

Fees, commissions and foreign exchange income amounted to net DKK 133 million in 2009 against net DKK 141 million in 2008, a fall of 5%. This development is attributable primarily to a lower volume of securities trading and lower earnings from the bank's asset management activities.

Ordinary earnings from sector shares amounted to DKK 8 million in 2009 against DKK 9 million last year. The earnings derive from DLR Kredit, BankInvest Holding, Sparinvest Holding, Egnsinvest Holding, Letpension, PBS Holding, Multidata Holding, Værdipapircentralen, PRAS and Bankdata, and are typically an expression of the change in value in the companies.

### Costs and depreciations

Total costs including depreciations on tangible assets amounted to DKK 238 million against last year's DKK 239 million, a fall of 0.2%.

The rate of costs was 0.8 of a percentage point lower in 2009 relative to last year, equivalent to an improvement of 2%, and was computed at 31.6 for 2009, which is still the lowest in Denmark. A low rate of costs is particularly important in weak economic periods as it provides a high level of robustness in the bank's results, which is also reflected in the calculation of the solvency requirement of the bank.

### Write-downs on loans

The write-downs on loans was negative by net DKK 159 million in 2009 against the preceding year, where the item was negative by DKK 77 million. The net write-downs for the year are equivalent to 1.0% of the average total loans, write-downs, guarantees and provisions. The bank's customers appear to be coping better with the recession than the average in Denmark, and the current level of write-downs is considered highly satisfactory.

The bank's total account for write-downs and provisions amounted to DKK 467 million at the end of the year, equivalent to 3.1% of total loans and guarantees at the end of the year. The actual write-downs on loans during this year remain low at net DKK 48 million - compared with a net increase of DKK 111 million in the account for write-downs and provisions during the year.

The portfolio of loans with suspended calculation of interest amounts to DKK 63 million, equivalent to 0.42% of the bank's total loans and guarantees at the end of the year. The corresponding figure in 2008 in the account for write-downs was DKK 356 million, equivalent to 2.2%, and loans with suspended calculation of interest of 0.13%.

The bank's loans portfolio is generally strong. Given that the Danish economy was in recession in 2009 and many assets fell in value while unemployment rose quickly, the bank is satisfied with the

conservative credit policy on the basis of which it has always operated. The bank's losses are expected to continue to lie at a relatively high level in the year to come as a natural component in the economic cycle. The bank's assessment is, however, that its credit policy, the diversified loans portfolio and the geographic location in central and western Jutland will benefit the bank relative to the general trend for the entire banking sector.

## Core earnings

(million DKK)	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Total core income	753	735	696	609	511	417	368	328	275	242
Total costs etc.	-238	-239	-234	-208	-190	-184	-163	-155	-133	-109
<b>Core earnings before write-downs</b>	<b>515</b>	<b>496</b>	<b>462</b>	<b>401</b>	<b>321</b>	<b>233</b>	<b>205</b>	<b>173</b>	<b>142</b>	<b>133</b>
Write-downs on loans	-159	-77	+11	+69	+5	+4	-10	+6	+6	0
<b>Core earnings</b>	<b>356</b>	<b>419</b>	<b>473</b>	<b>470</b>	<b>326</b>	<b>237</b>	<b>195</b>	<b>179</b>	<b>148</b>	<b>133</b>
Result for portfolio	+56	-73	-18	+103	+35	+51	+106	+30	+7	+7
Profit before bank package I etc.	412	346	455	573	361	288	301	209	155	140
Costs bank package I etc.	-107	-28	0	0	0	0	0	0	0	0
Profit before tax	305	318	455	573	361	288	301	209	155	140

The core earnings before write-downs were DKK 515 million in 2009 against DKK 496 million in 2008, an increase of 4%. Write-downs totalled net DKK 159 million, after which the bank's core earnings are DKK 356 million, which is the middle of the range of DKK 250-450 million reported at the beginning of the year.

## Result for portfolio

The result for the portfolio for 2009 was plus DKK 56 million, including funding costs for the portfolio. The result comprised a profit on interest-bearing debts and debt of DKK 50 million including funding costs, and a profit of DKK 6 million including funding costs on listed shares etc. All securities are included at market value.

The bank's holding of shares etc. at the end of the year amounted to DKK 257 million, DKK 28 million of which was in listed shares etc. while DKK 229 million was in sector shares etc. The bond portfolio at the end of the year amounted to DKK 1,679 million, and by far the greater part of the portfolio consists of triple A-rated Danish mortgage credit bonds.

The total interest rate risk at the end of the year, computed as the impact on the result of a one percentage point change in the interest level, was 0.6% of the bank's core capital after deductions.

The bank's total market risk within exposure to interest rate risk, exposure to 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 2009:

	<b>Risk in DKK</b>	<b>% risk relative to equity end of year</b>
Highest risk of loss:	26.9 million	1.31%
Lowest risk of loss:	5.5 million	0.27%
Average risk of loss:	17.5 million	0.85%

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

### **Profit after tax**

The profit after tax was DKK 232 million in 2009 against DKK 240 million in the preceding year, a fall of 3%. Tax of DKK 73 million was calculated, giving an effective tax rate of 23.9%. The profit after tax is equivalent to a 13% return on equity at the beginning of the year.

### **The balance sheet**

The bank's balance sheet at the end of the year amounted to DKK 17,928 million against last year's DKK 18,002 million. Deposits increased by 23%, from DKK 9,073 million to DKK 11,187 million. The bank's loans were reduced by 6%, from DKK 13,897 million to DKK 13,047 million. The reduction in loans was primarily attributable to a reduction in major wholesale loans. There is still an underlying growth in numbers of new customers from the branch network.

The bank's portfolio of guarantees at the end of 2009 was DKK 1,486 million against DKK 2,386 million in 2008. The decrease is attributable primarily to winding-up of foreign loans provided against guarantees.

### **Liquidity**

The bank's liquidity is good, and the excess cover relative to the statutory requirement is 205.6%. The bank's short-term funding with a term to maturity of less than 12 months amounts to only DKK 1.1 billion, corresponding to DKK 4.1 billion in short-term money market placings in the Central Bank of Denmark, Danish banks and liquid securities. The bank also had undrawn confirmed credit facilities in foreign banks with a term to maturity of over 12 months to the equivalent of a total of DKK 0.8 billion as backup facilities. The bank is thus not dependent on the short-term money market.

In autumn 2009, the bank had early redeemed the greater part of funding which was due in 2010, and the due dates for the bank's long-term funding are from the second quarter of 2011 to the first quarter of 2023. Under bank package I, the bank can buy a three-year state guarantee on issued bonds against payment of a 0.95% premium to the state. In December 2009 the bank was granted a framework of DKK 5.0 billion in connection therewith, which can be used in the context of the bank's EMTN programme if it is deemed to be advantageous for the bank to do so.

### **Rating**

Ringkjøbing Landbobank was rated for the first time by the international credit rating bureau Moody's Investors Service in May 2007. Since the start, the bank's ratings have been:

Financial strength	C+
Short-term liquidity	P-1
Long-term liquidity	A1

The ratings were most recently confirmed in September 2009 with negative outlook. The bank has been very satisfied with the maintenance of the ratings, notwithstanding the gloomy outlook for the Danish economy. Ringkjøbing Landbobank is thus the only Danish bank which was not downgraded in 2009.

### Bank package I

Together with the rest of the financial sector in Denmark, Ringkjøbing Landbobank is participating in bank package I, which runs until 30 September 2010, and which provides an unconditional guarantee by the Danish state for Danish banks' deposits and senior debts. The guarantee premium in 2009 was DKK 56 million. The premium for the remaining period in 2010 will be DKK 44 million.

DKK 51 million was booked in 2009 as losses on financial institutions.

### Bank package II

Given the bank's high level of capitalisation - a core capital ratio of 16.6 - the bank decided in the second quarter of 2009 not to apply for an injection of state hybrid core capital.

Before making this decision, the bank carried out a large number of stress tests on its results and capitalisation under a range of economic scenarios. These tests demonstrated a high degree of robustness in the bank's core income which, in combination with a low expenditure, provides a high level of ability to absorb losses on customers. The bank's business model in combination with its very high capitalisation means that none of the tests which were carried out has demonstrated that we need bank package II.

This conclusion was supported by the Central Bank of Denmark's stress tests of June 2009 on the 14 biggest banks in Denmark. If the bank's result and solvency are tested up to the end of 2011 with the worst of the scenarios (long, deep recession), Ringkjøbing Landbobank will still be well consolidated at the end of 2011 without bank package II.

The Central Bank of Denmark's latest update of their stress tests on the 14 largest Danish banks is from January 2010. If the worst case stress loss scenarios for 2010 and 2011 are applied, Ringkjøbing Landbobank will still be well consolidated, and the core capital ratio without allocation of dividend will at the end of 2011 be at the same level as at the end of 2009.

### Capital

The bank's equity at the beginning of 2009 was DKK 1,785 million. To this must be added the proceeds from the sale of own shares and the profit for the year, after which the equity at the end of 2009 was DKK 2,056 million.

The solvency ratio was computed at 20.2 and the core capital ratio at 16.6 at the end of 2009.

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
<b>Solvency coverage</b>					
Core capital ratio excl. hybrid core capital	15.1	11.6	10.0	9.2	10.1
Core capital ratio	16.6	13.0	11.2	10.4	11.6
<b>Solvency ratio</b>	<b>20.2</b>	<b>16.3</b>	<b>13.0</b>	<b>12.3</b>	<b>11.6</b>
Individual solvency requirement	8.0	8.0	8.0	8.0	8.0
<b>Solvency coverage</b>	<b>253%</b>	<b>204%</b>	<b>163%</b>	<b>154%</b>	<b>145%</b>

Since 2007, the Danish financial sector has been subject to a requirement that a bank's solvency ratio must be at least 8%, and that this solvency ratio must at a minimum fulfil the required individual solvency, which can be higher than the 8%, as calculated internally by the bank. If the calculated required individual solvency is less than 8%, a bank may never, however, be permitted to use any such calculated lower figure. The calculated individual solvency requirement by Ringkjøbing Landbobank is below 8% because of the bank's robust business model, and it is thus reported at 8%.

Given the bank's expected result for 2010 and the subdued growth in risk-weighted assets, both the core capital ratios and the solvency ratio are expected to be at least at the same level at the end of 2010. The above percentages mean that both the bank's current capitalisation and that expected in 2010 make the bank one of the best capitalised banks in Denmark. This should also be seen in light of the fact that the bank computes its risk-weighted assets under the standardised approach, and that, unlike the situation with the advanced methods, the bank cannot make extraordinary reductions in weightings, however this also ensures that the capital weightings do not rise in periods with a worsening in economic conditions.

There is a further requirement in connection with bank package I that the bank does not pay dividends to its shareholders or buy back shares for a period of two years. This means that a proposal for payment of a dividend cannot be made until the 2011 general meeting.

The bank's share capital on 31 December 2009 was DKK 25.2 million in 5,040,000 nom. five kroner shares.

### **New business model opens the way for more new customers**

The bank expects that the financial crisis will occasion changes in the financial sector's current business model. The future will be predominantly characterised by a lower level of risk, higher reserves and lower gearing of the equity in the financial sector. Ringkjøbing Landbobank's balance sheet and cost structure are pre-adapted to such a new world, and the adaptations which will be made in the years to come will naturally provide the bank with a number of openings on the market.

On this basis and the fact that the bank has both the liquidity and the capital to support growth, the bank commenced several initiatives in the second half of 2009 to attract new customers. There is already a positive inflow of new private customers and within the private banking segment with transfers of pensions and securities customers. The marketing initiatives will be strengthened in 2010.

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

The accounting policies are unchanged from those used in the latest audited annual report.

### **Expectations for earnings in 2010**

The bank's core earnings for 2009 were DKK 356 million, which is in the middle of the range of DKK 250-450 million reported at the beginning of the year.

Ringkøbing Landbobank has a market share of about 50% in that part of West Jutland in which its old branches are located. The bank also has well-established branches in Herning, Holstebro and Viborg which continue to progress well. 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 on the possibilities in a changeable financial world. A continuing intake of new customers to the bank's branches in central and western Jutland is expected in 2010 because of the long-term promotional activities, the financial unrest and the consolidation in the sector.

The activities in the bank's distance customer department and niche concepts are together expected to be at the same level, with focus on servicing the bank's current customers and further developing the portfolio within wind turbine financing, medical practitioners and affluent private customers.

The core income on this basis is expected to be at the same level in 2010. Costs including depreciations on tangible assets are also expected to be the same in 2010, so that the core earnings before write-downs will be at the same level in 2010.

It is, however, difficult to predict the extent of the write-downs which will be required in 2010 because of the uncertainty in the economy. The expectations for the total core earnings are therefore broadly defined and thus expected to be in the range DKK 200-400 million relative to the realised core earnings of DKK 356 million in 2009. To this must be added the result of the trading portfolio and the costs of the national bank package I.

### **Financial calendar 2010**

The financial calendar for the forthcoming publications is as follows:

24 February 2010	General meeting
21 April 2010	Quarterly report - 1 <sup>st</sup> quarter 2010
11 August 2010	Interim report 2010
27 October 2010	Quarterly report - 3 <sup>rd</sup> quarter 2010

## Main and key figures for the bank

	2009	2008	2007	2006	2005
<b>Main figures for the bank (million DKK)</b>					
Total core income	753	735	696	609	511
Total costs and depreciations	-238	-239	-234	-208	-190
<b>Core earnings before write-downs on loans</b>	<b>515</b>	<b>496</b>	<b>462</b>	<b>401</b>	<b>321</b>
Write-downs on loans etc.	-159	-77	+11	+69	+5
<b>Core earnings</b>	<b>356</b>	<b>419</b>	<b>473</b>	<b>470</b>	<b>326</b>
Result for portfolio	+56	-73	-18	+103	35
<b>Profit before national bank package I etc.</b>	<b>412</b>	<b>346</b>	<b>455</b>	<b>573</b>	<b>361</b>
Costs national bank package I etc.	-107	-28	0	0	0
<b>Profit before tax</b>	<b>305</b>	<b>318</b>	<b>455</b>	<b>573</b>	<b>361</b>
<b>Profit after tax</b>	<b>232</b>	<b>240</b>	<b>348</b>	<b>432</b>	<b>265</b>
Shareholders' equity	2,056	1,785	1,779	1,711	1,515
Total capital base	2,747	2,458	2,110	2,025	1,538
Deposits	11,187	9,073	9,162	7,046	6,292
Loans	13,047	13,897	14,135	12,760	10,023
Balance sheet total	17,928	18,002	19,634	17,269	13,361
Guarantees	1,486	2,386	4,804	4,804	5,142
<b>Key figures for the bank (per cent)</b>					
Pre-tax return on equity, beginning of year	17.1	19.6	29.3	41.8	29.2
Return on equity after tax, beginning of year	13.0	14.7	22.4	31.5	21.3
Rate of costs	31.6	32.4	33.7	34.2	37.2
Core capital ratio	16.6	13.0	11.2	10.4	11.6
Solvency ratio	20.2	16.3	13.0	12.3	11.6
<b>Key figures per 5 DKK share (DKK)</b>					
Core earnings	71	83	94	89	62
Profit before tax	60	63	90	109	68
Profit after tax	46	48	69	82	50
Net asset value	408	354	353	324	287
Price, end of period	609	310	858	1,080	750
Dividend	0	0	30	30	28



## Profit and loss account

Note		1.1 - 31.12 2009 DKK 1,000	1.1 - 31.12 2008 DKK 1,000
1	Interest receivable	993,756	1,221,165
2	Interest payable	377,728	669,149
	<b>Net income from interest</b>	<b>616,028</b>	<b>552,016</b>
	Interest-like commission income	9,266	20,690
3	Dividend on capital shares etc.	3,243	1,491
4	Income from fees and commissions	140,362	155,428
4	Fees and commissions paid	23,823	28,464
	<b>Net income from interest and fees</b>	<b>745,076</b>	<b>701,161</b>
5	Value adjustments	+58,130	-43,577
	Other operating income	5,351	4,863
6,7	Staff and administration costs	235,604	236,056
	Amortisation, depreciation and write-downs on intangible and tangible assets	2,424	2,420
	Other operating costs		
	Miscellaneous other operating costs	56	86
	Guarantee commission, national bank package I	55,785	16,148
	Write-downs		
11	Write-downs on loans and debtors etc.	-158,600	-77,223
	Write-downs on national bank package I	-51,173	-12,016
	Result of capital shares in associated companies	-59	-5
	<b>Profit before tax</b>	<b>304,856</b>	<b>318,493</b>
8	Tax	72,775	78,495
	<b>Profit after tax</b>	<b>232,081</b>	<b>239,998</b>

## Proposed distribution of profit

	<b>Total available</b>	<b>232,081</b>	<b>239,998</b>
	Dividend	0	0
	Other purposes	0	0
	Transferred to reserve for net revaluation under the intrinsic value method	-26	-5
	Appropriation to own funds	232,107	240,003
	<b>Total distribution</b>	<b>232,081</b>	<b>239,998</b>

## Core earnings

	1.1 - 31.12 2009 DKK 1,000	1.1 - 31.12 2008 DKK 1,000
Net income from interest	596,828	558,365
Interest-like commission income	9,266	20,690
Net income from fees and provisions excl. commission	97,751	101,678
Income from sector shares	8,448	9,074
Foreign exchange income	16,515	13,670
Other operating income etc.	5,351	6,513
<b>Total core income excl. trade income</b>	<b>734,159</b>	<b>709,990</b>
Trade income	18,788	25,286
<b>Total core income</b>	<b>752,947</b>	<b>735,276</b>
Staff and administration costs	235,604	236,056
Amortisation, depreciation and write-downs on intangible and tangible assets	2,424	2,420
Other operating costs	56	86
Total costs etc.	238,084	238,562
<b>Core earnings before write-downs on loans</b>	<b>514,863</b>	<b>496,714</b>
Write-downs on loans and debtors etc.	-158,600	-77,223
<b>Core earnings</b>	<b>356,263</b>	<b>419,491</b>
Result for portfolio	+55,551	-72,834
Result before national bank package I etc.	411,814	346,657
Costs national bank package I etc.	-106,958	-28,164
Profit before tax	304,856	318,493
Tax	72,775	78,495
Profit for the financial year	232,081	239,998

## Balance sheet

Note		End Dec. 2009 DKK 1,000	End Dec. 2008 DKK 1,000
	<b>Assets</b>		
	Cash in hand and claims at call on central banks	42,723	46,112
9	Claims on credit institutions and central banks		
9	Claims at notice on central banks	649,846	1,121,767
9	Claims on credit institutions		
	Money market operations and bilateral loans - term to maturity under 1 year	1,751,361	756,510
	Bilateral loans - term to maturity over 1 year	90,792	163,570
10,11,12	Loans and other debtors at amortised cost price	13,047,212	13,897,101
13	Bonds at current value	1,679,453	1,305,760
14	Shares etc.	256,697	247,410
	Capital shares in associated companies	513	571
	Land and buildings total	76,589	74,098
	Investment properties	7,261	7,261
	Domicile properties	69,328	66,837
	Other tangible assets	3,055	3,632
	Actual tax assets	46,261	34,975
	Deferred tax assets	0	27,713
	Temporary assets	1,023	204
	Other assets	275,171	312,080
	Periodic-defined items	7,260	10,250
	<b>Total assets</b>	<b>17,927,956</b>	<b>18,001,753</b>

## Balance sheet

Note		End Dec. 2009 DKK 1,000	End Dec. 2008 DKK 1,000
	<b>Liabilities and equity</b>		
15	Debt to credit institutions and central banks		
15	Debt to central banks	0	800,000
15	Debt to credit institutions		
	Money market operations and bilateral credits - term to maturity under 1 year	699,732	1,277,112
	Bilateral credits - term to maturity over 1 year	2,294,991	3,224,050
16	Deposits and other debts	11,187,470	9,072,875
17	Issued bonds at amortised cost price	557,337	478,341
	Other liabilities	364,332	651,703
	Periodic-defined items	689	802
	<b>Total debt</b>	<b>15,104,551</b>	<b>15,504,883</b>
	Provisions for pensions and similar liabilities	7,463	9,471
	Provisions for deferred tax	5,088	0
11	Provisions for losses on guarantees	1,376	1,669
	Provisions for national bank package I	45,101	8,828
	Other provisions for liabilities	13,210	1,128
	<b>Total provisions for liabilities</b>	<b>72,238</b>	<b>21,096</b>
	Subordinated loan capital	491,625	492,152
	Hybrid core capital	203,769	198,832
18	<b>Total subordinated debt</b>	<b>695,394</b>	<b>690,984</b>
19	Share capital	25,200	25,200
	Reserve for net revaluation under the intrinsic value method	162	188
	Proposed dividend etc.	0	0
	Profit carried forward	2,030,411	1,759,402
	<b>Total shareholders' equity</b>	<b>2,055,773</b>	<b>1,784,790</b>
	<b>Total liabilities and equity</b>	<b>17,927,956</b>	<b>18,001,753</b>
21	Contingent liabilities etc.		
22	Capital adequacy computation		

## Statement of shareholders' equity

DKK 1,000	Share capital	Provisions for re-valuation	Reserve for net revaluation under the intrinsic value method	Proposed dividend etc.	Profit carried forward	Total shareholders' equity
<b>Shareholders' equity at the end of the previous financial year</b>	<b>25,200</b>	<b>0</b>	<b>188</b>	<b>0</b>	<b>1,759,402</b>	<b>1,784,790</b>
Dividend etc. paid						0
Dividend received on own shares						0
<b>Shareholders' equity after allocation of dividend etc.</b>	<b>25,200</b>	<b>0</b>	<b>188</b>	<b>0</b>	<b>1,759,402</b>	<b>1,784,790</b>
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
<b>Shareholders' equity on the balance sheet date</b>	<b>25,200</b>	<b>0</b>	<b>162</b>	<b>0</b>	<b>2,030,411</b>	<b>2,055,773</b>

## Notes

Note	1.1 - 31.12 2009 DKK 1,000	1.1 - 31.12 2008 DKK 1,000
<b>1 Interest receivable</b>		
Claims on credit institutions and central banks	63,512	122,162
Loans and other debtors	865,961	1,061,077
Loans - interest concerning the written-down part of loans	-26,109	-24,552
Bonds	65,062	42,996
Total derivatives financial instruments, of which	24,338	19,168
Currency contracts	24,759	18,601
Interest-rate contracts	-421	567
Other interest receivable	992	314
<b>Total interest receivable</b>	<b>993,756</b>	<b>1,221,165</b>
<b>2 Interest payable</b>		
Credit institutions and central banks	94,946	261,630
Deposits and other debts	230,197	344,397
Issued bonds	21,525	33,185
Subordinated debt	30,743	29,585
Other interest payable	317	352
<b>Total interest payable</b>	<b>377,728</b>	<b>669,149</b>
<b>3 Dividend on capital shares etc.</b>		
Shares	3,243	1,491
<b>Total dividend on capital shares etc.</b>	<b>3,243</b>	<b>1,491</b>
<b>4 Gross income from fees and commissions</b>		
Securities trading	26,678	36,543
Asset management	40,943	48,343
Payment handling	16,419	16,946
Loan fees	9,854	8,740
Guarantee commissions	29,991	27,470
Other fees and commissions	16,477	17,386
<b>Total gross income from fees and commissions</b>	<b>140,362</b>	<b>155,428</b>
<b>Net income from fees and commissions</b>		
Securities trading	18,788	25,286
Asset management	36,983	44,122
Payment handling	14,868	14,876
Loan fees	7,401	6,431
Guarantee commissions	29,991	27,470
Other fees and commissions	8,508	8,779
<b>Total net income from fees and commissions</b>	<b>116,539</b>	<b>126,964</b>
Foreign exchange income	16,515	13,670
<b>Total net income from fees, commissions and foreign exchange income</b>	<b>133,054</b>	<b>140,634</b>

## Notes

Note		1.1 - 31.12 2009 DKK 1,000	1.1 - 31.12 2008 DKK 1,000
<b>5</b>	<b>Value adjustments</b>		
	Loans and other debtors at current value	8,665	9,397
	Bonds	39,402	-43,230
	Shares etc.	7,159	-43,176
	Shares in sector companies	5,246	8,142
	Shares in Totalkredit	0	33,225
	Investment properties	0	1,650
	Foreign exchange income	16,515	13,670
	Total derivatives financial instruments, of which	-5,758	19,678
	Interest-rate contracts	-5,656	19,649
	Share contracts	-102	29
	Issued bonds	5,937	-13,398
	Other liabilities	-19,036	-29,535
	<b>Total value adjustments</b>	<b>58,130</b>	<b>-43,577</b>
<b>6</b>	<b>Staff and administration costs</b>		
	Salaries and payments to the board of managers, board of directors and shareholders' committee		
	Board of managers	5,873	5,631
	Board of directors	847	814
	Shareholders' committee	307	292
	Total	7,027	6,737
	Staff costs		
	Salaries	110,783	107,593
	Pensions	11,111	10,663
	Social security expenses	12,660	12,300
	Total	134,554	130,556
	Other administration costs	94,023	98,763
	<b>Total staff and administration costs</b>	<b>235,604</b>	<b>236,056</b>
<b>7</b>	<b>Number of employees</b>		
	Average number of employees during the financial year converted into full-time employees	<b>262.0</b>	<b>274.4</b>
<b>8</b>	<b>Tax</b>		
	Tax calculated on the years profit	64,201	84,680
	Adjustment of deferred tax	8,572	-6,103
	Adjustment of tax calculated for previous years	2	-82
	<b>Total tax</b>	<b>72,775</b>	<b>78,495</b>
	<b>Effective tax rate (percent):</b>		
	The current tax rate of the bank	25.0	25.0
	Adjustment of tax for non-liaible income and non-deductible costs	-1.1	-0.4
	Adjustment of tax calculated for previous years	0.0	0.0
	<b>Total effective tax rate</b>	<b>23.9</b>	<b>24.6</b>

## Notes

Note		End Dec. 2009 DKK 1,000	End Dec. 2008 DKK 1,000
<b>9</b>	<b>Claims on credit institutions and central banks</b>		
	Claims at call	306,531	1,348,577
	Up to and including 3 months	1,298,234	444,147
	More than 3 months and up to and including 1 year	796,442	85,553
	More than 1 year and up to and including 5 years	54,324	126,672
	More than 5 years	36,468	36,898
	<b>Total claims on credit institutions and central banks</b>	<b>2,491,999</b>	<b>2,041,847</b>
<b>10</b>	<b>Loans and other debtors at amortised cost price</b>		
	At call	2,851,137	3,861,170
	Up to and including 3 months	862,975	712,129
	More than 3 months and up to and including 1 year	2,066,758	2,533,169
	More than 1 year and up to and including 5 years	4,155,151	3,501,623
	More than 5 years	3,111,191	3,289,010
	<b>Total loans and other debtors at amortised cost price</b>	<b>13,047,212</b>	<b>13,897,101</b>
<b>11</b>	<b>Write-downs on loans and other debtors and provisions for losses on guarantees</b>		
	Cumulative individual write-downs on loans and other debtors at the end of the previous financial year	336,820	273,138
	Write-downs/value adjustments during the year	195,056	190,236
	Reverse entry - write-downs made in previous financial years	-53,832	-116,390
	Booked losses covered by write-downs	-53,527	-10,164
	<b>Cumulative individual write-downs on loans and other debtors on the balance sheet date</b>	<b>424,517</b>	<b>336,820</b>
	<b>Group write-downs</b>		
	Cumulative group write-downs on loans and other debtors at the end of the previous financial year	17,594	8,656
	Write-downs/value adjustments during the period	35,167	13,286
	Reverse entry - write-downs made in previous financial years	-11,629	-4,348
	<b>Cumulative group write-downs on loans and other debtors on the balance sheet date</b>	<b>41,132</b>	<b>17,594</b>
	<b>Total cumulative write-downs on loans and other debtors on the balance sheet date</b>	<b>465,649</b>	<b>354,414</b>
	<b>Provisions for losses on guarantees</b>		
	Cumulative individual provisions for losses on guarantees at the end of the previous financial year	1,669	7,303
	Provisions/value adjustments during the period	3,822	573
	Reverse entry - provisions made in previous financial years	-4,115	-6,207
	<b>Cumulative individual provisions for losses on guarantees on the balance sheet date</b>	<b>1,376</b>	<b>1,669</b>
	<b>Total cumulative write-downs on loans and other debtors and provisions for losses on guarantees on the balance sheet date</b>	<b>467,025</b>	<b>356,083</b>



## Notes

Note		End Dec. 2009 DKK 1,000	End Dec. 2008 DKK 1,000
12	<b>Suspended calculation of interest</b> Loans and other debtors with suspended calculation of interest on the balance sheet date	62,649	22,110
13	<b>Bonds at current value</b> Listed on the stock exchange <b>Total bonds at current value</b>	1,679,453 <b>1,679,453</b>	1,305,760 <b>1,305,760</b>
14	<b>Shares etc.</b> Listed on NASDAQ OMX Copenhagen Listed on other stock exchanges Unlisted shares at current value Sector shares at current value Other holdings <b>Total shares etc.</b>	25,428 0 2,591 204,527 24,151 <b>256,697</b>	23,078 6 9,741 196,497 18,088 <b>247,410</b>
15	<b>Debt to credit institutions and central banks</b> Debt payable on demand Up to and including 3 months More than 3 months and up to and including 1 year More than 1 year and up to and including 5 years More than 5 years <b>Total debt to credit institutions and central banks</b>  The bank has undrawn long-term committed revolving credit facilities equivalent to:  The bank also has an undrawn loan facility with the Central Bank of Denmark on the basis of statutory excess solvency which expires on 30 September 2010 of	407,506 240,334 51,892 1,974,750 320,241 <b>2,994,723</b>  <b>1,069,735</b>  <b>800,000</b>	1,266,005 305,944 505,163 2,850,267 373,783 <b>5,301,162</b>  <b>1,370,554</b>  <b>800,000</b>
16	<b>Deposits and other debts</b> On demand Deposits and other debts at notice: Up to and including 3 months More than 3 months and up to and including 1 year More than 1 year and up to and including 5 years More than 5 years <b>Total deposits and other debts</b>  Distributed as follows: On demand At notice Time deposits Long term deposit agreements Special types of deposits	5,318,439  2,019,860 1,141,367 1,251,393 1,456,411 <b>11,187,470</b>  4,870,100 88,810 3,174,223 1,801,769 1,252,568 <b>11,187,470</b>	4,067,100  1,968,029 586,356 1,055,126 1,396,264 <b>9,072,875</b>  3,796,184 52,190 2,495,579 1,561,675 1,167,247 <b>9,072,875</b>

## Notes

Note		End Dec. 2009 DKK 1,000	End Dec. 2008 DKK 1,000
<b>17</b>	<b>Issued bonds at amortised cost price</b>		
	On demand	0	0
	Up to and including 3 months	0	0
	More than 3 months and up to and including 1 year	446,461	0
	More than 1 year and up to and including 5 years	11,264	386,363
	More than 5 years	99,612	91,978
	<b>Total issued bonds at amortised cost price</b>	<b>557,337</b>	<b>478,341</b>
	Distributed as follows:		
	Issues in Norwegian kroner		
	Nom. 500 million NOK	447,100	378,600
	Nom. 100 million NOK	89,420	75,720
	Regulation at amortised cost price and adjustment to current value of issues in Norwegian kroner	6,980	12,756
	Other issues	13,837	11,265
		<b>557,337</b>	<b>478,341</b>
<b>18</b>	<b>Subordinated debt</b>		
	Subordinated loan capital:		
	3.995% bond loan, nom. DKK 300 million, expiry 9.2.2014	300,000	300,000
	Floating rate loan, principal EUR 27 million, expiry 30.6.2021	200,921	201,166
	Hybrid core capital:		
	4.795% bond loan, nom. DKK 200 million, indefinite term	200,000	200,000
	Regulation at amortised cost price and adjustment to current value of subordinated loan capital and hybrid core capital	4,631	-10,182
	Own holding of subordinated loan capital	-10,158	0
	<b>Total subordinated debt</b>	<b>695,394</b>	<b>690,984</b>
<b>19</b>	<b>Share capital</b>		
	Number of shares at DKK 5 each:		
	Beginning of period	5,040,000	5,240,000
	Cancelled during the period	0	-200,000
	End of period	5,040,000	5,040,000
	<b>Total share capital</b>	<b>25,200</b>	<b>25,200</b>
<b>20</b>	<b>Own capital shares</b>		
	Own capital shares included in the balance sheet at	0	0
	The market value is	5,220	63,343
	Number of own shares:		
	Beginning of year	204,333	196,531
	Net purchases and sales, including cancellation, of own shares during the year	-195,761	+7,802
	End of year	8,572	204,333
	Nominal value of holding of own shares, end of year	43	1,022
	Own shares' proportion of share capital, end of year (%)	0.2	4.1

## Notes

Note		End Dec. 2009 DKK 1,000	End Dec. 2008 DKK 1,000
21	<b>Contingent liabilities etc.</b>		
	<b>Contingent liabilities</b>		
	Finance guarantees	1,009,540	732,598
	Guarantees for foreign loans	29,613	1,089,343
	Guarantees against losses on mortgage credit loans	48,774	48,710
	Guarantees against losses Totalkredit	116,327	116,182
	Registration and conversion guarantees	74,389	134,160
	Guarantees on national bank package I	109,886	163,422
	Other contingent liabilities	97,147	101,798
	<b>Total contingent liabilities</b>	<b>1,485,676</b>	<b>2,386,213</b>
	<b>Binding agreements</b>		
	Irrevocable credit commitments	0	0
	Other	0	0
	<b>Total binding agreements</b>	<b>0</b>	<b>0</b>
	As security for clearing etc., the bank has pledged bonds from its total bond holding to the Central Bank of Denmark to a total market price of	292,858	1,170,161
22	<b>Capital adequacy computation</b>		
	Computed pursuant to the Executive order on Capital Adequacy issued by the Danish Financial Supervisory Authority:		
	Weighted items with credit and counterpart risks	11,378,127	13,013,636
	Market risk	914,819	838,422
	Operational risk	1,322,788	1,251,250
	<b>Total risk weighted items</b>	<b>13,615,734</b>	<b>15,103,308</b>
	Share capital	25,200	25,200
	Reserve for net revaluation under the intrinsic value method	162	188
	Profit carried forward	2,030,411	1,759,402
	Core capital	2,055,773	1,784,790
	Proposed dividend etc.	0	0
	Addition to / deduction from the core capital	-162	-27,901
	<b>Core capital after deductions</b>	<b>2,055,611</b>	<b>1,756,889</b>
	Hybrid core capital	200,000	200,000
	<b>Core capital after deductions incl. hybrid core capital</b>	<b>2,255,611</b>	<b>1,956,889</b>
	Subordinated loan capital	490,921	501,166
	Addition to / deduction from the capital base	162	188
	<b>Capital base after deductions</b>	<b>2,746,694</b>	<b>2,458,243</b>
	<b>Core capital ratio excl. hybrid core capital (per cent)</b>	<b>15.1</b>	<b>11.6</b>
	<b>Core capital ratio (per cent)</b>	<b>16.6</b>	<b>13.0</b>
	<b>Solvency ratio under Section 124 of the Danish Financial Business Act (per cent)</b>	<b>20.2</b>	<b>16.3</b>
	Capital base requirements under Section 124 (2,1) of the Danish Financial Business Act	1,089,259	1,208,265
	Minimum capital requirements under Section 124 (2,2) of the Danish Financial Business Act	37,208	37,253

## Notes

Note	
23	<p data-bbox="256 389 635 416"><b>Miscellaneous comments on:</b></p> <p data-bbox="256 450 1214 477"><b>Main and key figures for the bank and key figures per DKK 5 share - page 8</b></p> <ul data-bbox="308 490 1474 680" style="list-style-type: none"><li data-bbox="308 490 1358 517">• Total capital base is computed as the banks capital base after deduction, cf. note 22.</li><li data-bbox="308 528 1474 584">• Return on equity at the beginning of the year before and after tax are both for 2008 computed after allocation of dividend etc., net.</li><li data-bbox="308 595 1453 680">• Key figures per DKK 5 share are calculated on the basis of respectively 2009: 5,040,000 shares, 2008: 5,040,000 shares, 2007: 5,040,000 shares, 2006: 5,280,000 shares and 2005: 5,280,000 shares.</li></ul> <p data-bbox="256 714 639 741"><b>Core earnings - pages 1 and 3</b></p> <ul data-bbox="308 752 1401 808" style="list-style-type: none"><li data-bbox="308 752 1401 808">• The comparative figures for the years 2000-2005 have not been adjusted for the change made from actual banking operations to core earnings.</li></ul> <p data-bbox="256 842 624 869"><b>Write-downs - pages 1 and 2</b></p> <ul data-bbox="308 880 1437 929" style="list-style-type: none"><li data-bbox="308 880 1437 929">• All calculations etc. concerning write-downs were made exclusive of amounts under the national bank package I etc.</li></ul>

## Danish Financial Supervisory Authority key figures for Danish banks

		2009	2008	2007	2006	2005
Solvency ratio	%	20.2	16.3	13.0	12.3	11.6
Core capital ratio	%	16.6	13.0	11.2	10.4	11.6
Pre-tax return on equity	%	15.9	17.9	26.1	35.6	25.0
Return on equity after tax	%	12.1	13.5	20.0	26.8	18.3
Income/cost ratio	DKK	1.61	1.93	3.04	5.11	2.95
Interest rate risk	%	0.6	1.2	1.0	1.6	1.7
Foreign exchange position	%	3.4	5.6	2.1	4.1	1.7
Foreign exchange risk	%	0.1	0.0	0.0	0.0	0.0
Excess cover relative to statutory liquidity requirements	%	205.6	139.1	161.4	134.3	88.5
Loans and write-downs thereon relative to deposits	%	120.8	157.1	157.4	185.2	164.9
Loans relative to shareholders' equity		6.3	7.8	7.9	7.5	6.6
Growth in loans for the year	%	-6.1	-1.7	10.8	27.3	39.0
Total large exposures	%	0.0	12.1	38.3	116.1	73.3
Cumulative write-down percentage	%	3.1	2.1	1.5	1.7	2.3
Write-down percentage for the year	%	1.16	0.48	-0.06	-0.39	-0.03
Proportion of debtors at reduced interest	%	0.4	0.1	0.1	0.1	0.2
Result for the year after tax per share * / ***	DKK	921.0	933.8	1,324.4	1,637.8	1,002.3
Book value per share * / **	DKK	8,172	7,382	7,053	6,631	5,862
Dividend per share *	DKK	0	0	600	600	550
Price/result for the year per share * / ***		13.2	6.6	13.0	13.2	15.0
Price/book value per share * / **		1.49	0.84	2.43	3.26	2.56

\* 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.