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4 February 2009

## Ringkjøbing Landbobank's announcement of the annual accounts for 2008

The bank's pre-tax profit for 2008 was DKK 319 million against DKK 455 million last year, a decrease of 30%. The profit is equivalent to a 20% pre-tax return on equity at the beginning of the year, which in the circumstances is considered highly satisfactory.

(million DKK)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Core income	735	696	609	511	417	368	328	275	242	204	196
Total costs etc.	-238	-234	-208	-190	-184	-163	-155	-133	-109	-99	-97
<b>Core earnings before write-downs</b>	<b>497</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>	<b>105</b>	<b>99</b>
Write-downs on loans	-77	+11	+69	+5	+4	-10	+6	+6	0	-5	-9
<b>Core earnings</b>	<b>420</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>	<b>100</b>	<b>90</b>
Result for portfolio	-73	-18	+103	+35	+51	+106	+30	+7	+7	-7	-1
Costs national bank package I etc.	-28	0	0	0	0	0	0	0	0	0	0
<b>Result before tax</b>	<b>319</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>	<b>93</b>	<b>89</b>

Core earnings before write-downs were DKK 497 million against last year's DKK 462 million, an increase of 8%. Write-downs of net DKK 77 million were made, following which the bank's core earnings amounted to DKK 420 million, which is in the middle of the range of DKK 375-450 that was reported at the beginning of the year.

### The annual accounts - highlights

- Core earnings of DKK 420 million, in the middle of the range reported at the beginning of the year
- Pre-tax profit of DKK 319 million equates to 20% return on equity at the beginning of the year
- Core earnings before write-downs show 8% improvement to DKK 497 million
- Write-downs of DKK 77 million, equivalent to 0.47% of loans and guarantees - 0.41% reserved for later and 0.06% actually lost and written off
- Rate of costs improved by 4% to 32.4, still the lowest in the country
- Result for portfolio minus DKK 73 million - at current values
- Solvency ratio 16.3, equivalent to excess cover of 104%
- Core capital ratio 13.0
- Expected core earnings for 2009 in the range DKK 250-450 million

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 income increased by 6% from DKK 696 million in 2007 to DKK 735 million in 2008.

Net interest income increased by 20% from DKK 465 million to DKK 558 million as a function of the increasing interest level 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 141 million in 2008 against net DKK 189 million in 2007, a decrease of 26%. This development is attributable primarily to a lower volume of securities trading and lower earnings from the bank's asset management activities.

Ordinary income from sector shares amounted to DKK 9 million in 2008 against DKK 18 million last year. The income derive from DLR Kredit, BankInvest Holding, Sparinvest Holding, Egnsinvest Holding, Letpension, PBS Holding, Multidata Holding, Værdipapircentralen and PRAS 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 239 million against last year's DKK 234 million, an increase of 2%.

The rate of costs was 1.3 percentage points lower than in 2008 relative to the previous year, equivalent to a 4% improvement, and is computed at 32.4 for 2008 - still the lowest in the country. A low rate of costs is especially important in economically difficult periods as it gives a high degree of robustness in the bank's results.

### Write-downs on loans

Write-downs on loans etc. amounted to a charge of net DKK 77 million in contrast to last year, when the item was positive by net DKK 11 million. The net write-downs for the year are equivalent to 0.47% of total loans, write-downs, guarantees and provisions, where 0.06% is the actual loss which was written off and 0.41% constituted an increase in the bank's account for write-downs.

The bank's total account for write-downs and provisions amounted to DKK 356 million at the end of the year, equivalent to 2.2% of total loans, write-downs, guarantees and provisions. The portfolio of loans on which interest calculation is suspended amounts to DKK 22 million end of year, equivalent to 0.13% of the bank's total loans, write-downs, guarantees and provisions. The equivalent figures at the end of 2007 were DKK 13 million in loans on which interest calculation was suspended, equivalent to 0.07%.

In general, the bank's loans portfolio is strong. Given that economic conditions in Denmark are showing signs of weakness and that the values of all forms of assets are under revision because of the financial crisis, the bank is satisfied with the conservative credit policy on the basis of which it has always been run. It is expected that the bank's losses will rise from their level to date as a natural part of the economic cycle. However, the bank's judgment is that its credit policy and the bank's geographic location in central and western Jutland will have a positive effect on the bank relative to the general trend for the banking sector as a whole. The loans portfolio is well diversified, and there is no exposure to the property market in eastern Denmark apart from loans to private customers for owner-occupied properties.

## Core earnings

(million DKK)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Core income	735	696	609	511	417	368	328	275	242	204	196
Total costs etc.	-238	-234	-208	-190	-184	-163	-155	-133	-109	-99	-97
<b>Core earnings before write-downs</b>	<b>497</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>	<b>105</b>	<b>99</b>
Write-downs on loans	-77	+11	+69	+5	+4	-10	+6	+6	0	-5	-9
<b>Core earnings</b>	<b>420</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>	<b>100</b>	<b>90</b>
Result for portfolio	-73	-18	+103	+35	+51	+106	+30	+7	+7	-7	-1
Costs national bank package I etc.	-28	0	0	0	0	0	0	0	0	0	0
Result before tax	319	455	573	361	288	301	209	155	140	93	89

Core earnings before write-downs were DKK 497 million in 2008 against DKK 462 million in 2007, an increase of 8%. Write-downs of DKK 77 million were made, following which the bank's core earnings amounted to DKK 420 million, which is in the middle of the range of DKK 375-450 that was reported at the beginning of the year.

## Result for the portfolio

The result for the portfolio for 2008 was minus DKK 73 million including funding costs for the portfolio. The result comprises a loss on interest-bearing claims and debt amounting to DKK 60 million including funding costs and a loss on listed shares of DKK 46 million including funding costs, and a profit of DKK 33 million resulting from an agreement entered into in the first quarter of 2008 with Nykredit on payment of the bonus agreement which was entered into in connection with the sale of Totalkredit.

The value adjustment made to the holding of securities was computed at current values using the listed prices on the last trading day in the year. As a part of the assistance provided to Danish banks, it became possible in autumn 2008 to book a portion of the securities holding in the accounts at listed prices on 1 July 2008. The bank has not used this option, but if the bank had used the method, the result for the holding would have been DKK 43 million better.

The bank's holding of shares etc. at the end of the year amounted to DKK 248 million, DKK 33 million of which was in listed shares etc. while DKK 215 million was in sector shares etc. The bond portfolio amounted to DKK 1,306 million at the end of the year.

The total interest rate risk, computed as the impact on the result of a one percentage point change in the interest level, was 1.2% of the bank's core capital after deductions 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 2008:

	<b>Risk in million DKK</b>	<b>% risk relative to equity at end of year</b>
Highest risk of loss:	25.2	1.41 %
Smallest risk of loss:	5.4	0.30 %
Average risk of loss	11.2	0.63 %

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

### **Payment for the national bank package I**

Together with most of the financial sector in Denmark, Ringkjøbing Landbobank has accepted the state guarantee scheme which was adopted by the Danish parliament on 10 October 2008. The scheme runs until 30 September 2010 and provides an unconditional guarantee by the Danish state for Danish banks' deposits and senior debts.

The guarantee scheme will incur a monthly cost to the bank of approx. DKK 5 million in premium.

The bank will also incur a certain obligation under the guarantee scheme to contribute towards the recapitalisation of, or provide other financial support to, Danish banks which may suffer solvency problems. The maximum gross risk to the bank under this obligation is approx. DKK 170 million, DKK 85 million of which will only be called upon if the Danish financial sector's total need for support exceeds DKK 25 billion. The bank does not expect that it will become necessary to make payments under the outermost risk of DKK 85 million.

The bank set aside provisions of DKK 9 million in the fourth quarter of 2008 out of the gross risk on the approx. DKK 170 million to rescue EBH Bank, and a write-down of DKK 3 million were also made regarding the rescue of Roskilde Bank. Together with the guarantee premium of over DKK 16 million for the fourth quarter of 2008, a total of DKK 28 million was booked as costs in 2008 under the national bank package I.

### **Result after tax**

The profit after tax was DKK 240 million in 2008 against DKK 348 million last year, a decrease of 31%. Tax of DKK 78 million was calculated, giving an effective tax rate of 24.6%. The result after tax is equivalent to a 15% return on equity and the beginning of the year after payment of dividend etc.

### **The balance sheet**

The bank's balance sheet total stood at DKK 18,002 million at the end of the year against last year's DKK 19,634 million, a decrease of 8%. Deposits were generally unchanged at DKK 9,073 million. The bank's loans fell by approx. DKK 200 million to DKK 13,897.

The bank's portfolio of guarantees at the end of 2008 was DKK 2,386 million against DKK 4,804 million in 2007. The substantial fall is attributable partly to a decrease in the bank's guarantees on mortgage credit loans which had been provided to Totalkredit and partly to a fall in ongoing mortgage credit business.

### **Rating**

The bank was rated by Moody's Investors Service in May 2007 as follows:

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

These ratings were most recently confirmed on 11 August 2008 with stable outlook.

## Liquidity

The bank's liquidity is good, and the excess cover relative to the statutory requirement is 139.1%. The bank's money market loans with a term to maturity of less than 12 months amount to DKK 2.1 billion, corresponding to DKK 3.2 billion in short-term money market placings, primarily in the Central Bank of Denmark and liquid securities. The bank also had undrawn confirmed credit facilities in foreign banks with a remaining term to maturity of over 12 months at the end of 2008 to the equivalent of a total of DKK 1.1 billion as backup facilities. The bank thus does not depend on the short-term money market. The dates of maturity of the bank's long-term funding range from the fourth quarter of 2010 to the fourth quarter of 2023, with most of the facilities maturing in 2011 and 2012.

The bank has also been granted a drawing right of DKK 800 million in the Central Bank of Denmark running to 30 September 2010 in connection with the borrowing of statutory excess solvency. This facility has not been used since it was granted to the bank. Apart from the above facility, the bank has the ordinary option of borrowing against security in listed Danish state and mortgage credit bonds, and an extraordinary facility was provided in autumn 2008, running until 30 September 2010, to borrow against security in listed and unlisted shares, including sector shares.

The bank established an EMTN bond programme in December 2008 with a frame of EUR 2 billion with Société Générale, London as arranger, and with listing on the Luxembourg Stock Exchange. The programme is expected to be used for diversification of the bank's long-term funding in step with normalisation of the markets.

Under adjustments made to bank package I, it has become possible to purchase an extended state guarantee for liabilities up to the end of 2013. The possibility of using this option will be regularly assessed by the bank, and the option will be taken up if it is considered advantageous for the bank to do so.

## Capital

Equity at the end of 2007 amounted to DKK 1,779 million, from which dividends etc. of DKK 151 million were paid, while other equity items amounted to DKK -83 million. The profit for the year was DKK 240 million, after which equity totalled DKK 1,785 million at the end of 2008.

The bank took up new subordinate loan capital in the second quarter of 2008 for the equivalent of approx. DKK 200 million with expiry in 2021. To this must be added previously taken up hybrid core capital of nom. DKK 200 million with an indefinite term and subordinate loan capital of nom. DKK 300 million expiring in 2014, so that the bank's total capital base at the end of 2008 amounted to DKK 2,458 million.

The solvency ratio was computed at 16.3 and the core capital ratio at 13.0 at the end of 2008.

<b>Solvency excess cover</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Core capital ratio excl. hybrid core capital	11.6	10.0	9.2	10.1	12.2
Core capital ratio	13.0	11.2	10.4	11.6	12.2
Solvency ratio	<b>16.3</b>	<b>13.0</b>	<b>12.3</b>	<b>11.6</b>	<b>11.9</b>
Individual solvency requirement	8.0	8.0	8.0	8.0	8.0
<b>Solvency excess cover</b>	<b>104%</b>	<b>63%</b>	<b>54%</b>	<b>45%</b>	<b>49%</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 ratio must at a minimum fulfil the requirement for the individually calculated internal solvency needs calculated by the bank, which may be higher than the normal 8%. If the calculated individual solvency requirement is less than 8%, a bank may never, however, use such a calculated lower figure. Ringkjøbing Landbobank's calculated individual solvency requirement is significantly below the 8% because of the bank's robust business model. The calculated individual solvency requirement is also expected to be significantly below 8% in 2009.

Given the bank's expected result for 2009 and dampened growth in the risk-weighted assets, both the core capital ratios and the solvency ratio are expected to be increasing at the end of 2009. With reference to the above capital ratios, both the present capitalisation and the capitalisation expected in 2009 make the bank one of the best capitalised banks in Denmark. This must also be seen in light of the fact that the bank computes risk-weighted assets under the standardised approach, which means that, unlike the situation in the advanced methods, the bank cannot make extraordinary downward weightings, but neither can the capital weightings rise in step with a worsening in economic conditions.

A further requirement has been made under the bank package I to the effect that the bank does not pay dividend to its shareholders for a period of two years. This means that no dividend will be paid for the 2008 and 2009 financial years. The bank's earnings will of course not be lost in this period, but will be saved in the bank for later use and payment.

The legislation also includes a requirement that no new buy-up programmes for the bank's shares may be initiated for a period of two years. At the general meeting no proposal for establishment of a new programme will therefore be made.

The general meeting in February 2008 authorised the bank to buy up to 200,000 own shares to be set aside for later cancellation. In the light of the national bank packages I and II, the bank has decided not to implement a capital reduction in connection with the buy-up programme adopted in February 2008. The reservation of shares which was previously made for this purpose has therefore been reversed.

The bank's share capital at the end of 2008 was DKK 25.2 million in 5,040,000 five kroner shares.

### **Bank package II**

A bank package II was implemented in February 2009, under which it is now possible for the bank to obtain an injection of additional hybrid core capital of up to approx. DKK 450 million. Applications for an injection of state capital must be submitted by 30 June 2009. The bank will make an assessment during the first six months of 2009 of whether it would be an advantage to take up this option of a capital injection. The bank's immediate assessment is that this option will not be used.

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

Accounting policies are unchanged from the latest financial year.

With effect from 2008, the bank has changed its calculation of the key figure "Rate of costs". The key figure is now calculated as the total "Total costs etc." (including depreciation on tangible fixed assets) divided by the total "Total core income" multiplied by 100. The comparative figures on page 8 have been adjusted for the changed method of calculation.

### **Expectations for earnings in 2009**

The bank's core earnings for 2008 amounted to DKK 420 million, which is in the middle of the range of DKK 375-450 million that was reported at the beginning of the 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 complex financial world. Additional customers are expected to be gained in 2009 for the bank's branch network in central and western Jutland as a result of the long-term customer 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 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 and affluent private customers.

Against this background and with an expectation of a higher average interest margin, core income is expected to continue rising in 2009. Costs including depreciations on tangible assets are expected to rise by about 2% in 2009. Core earnings before write-downs will thus be higher in 2009 than in 2008.

On the other hand, it is difficult to predict the extent of the write-downs which will be required in 2009 because of the uncertainty resulting from the financial crisis and the weakened economic conditions in general. Expectations for the total core earnings have therefore been broadly defined, and they are thus expected to be in the range DKK 250-450 million in 2009 compared with the realised earnings of DKK 420 million in 2008. To this will come the result for the bank's trading portfolio and the costs of the national bank package I.

### **Financial calendar 2009**

The financial calendar for the forthcoming publications is as follows:

25 February 2009	General meeting
22 April 2009	Quarterly report - 1 <sup>st</sup> quarter 2009
5 August 2009	Interim report 2008
21 October 2009	Quarterly report - 3 <sup>rd</sup> quarter 2009

## Main and key figures

	2008	2007	2006	2005	2004
<b>Main figures for the bank (million DKK)</b>					
Total core income excl. trade income	710	655	567	480	399
Trade income	25	41	42	31	18
Total core income	735	696	609	511	417
Total costs and depreciations	238	234	208	190	184
<b>Core earnings before write-downs on loans</b>	<b>497</b>	<b>462</b>	<b>401</b>	<b>321</b>	<b>233</b>
Write-downs on loans etc.	-77	+11	+69	+5	+4
<b>Core earnings</b>	<b>420</b>	<b>473</b>	<b>470</b>	<b>326</b>	<b>237</b>
<b>Profit before tax</b>	<b>319</b>	<b>455</b>	<b>573</b>	<b>361</b>	<b>288</b>
<b>Profit after tax</b>	<b>240</b>	<b>348</b>	<b>432</b>	<b>265</b>	<b>214</b>
Shareholders' equity	1,785	1,779	1,711	1,515	1,372
Total capital base	2,458	2,110	2,025	1,538	1,195
Deposits	9,073	9,162	7,046	6,292	5,144
Loans	13,897	14,135	12,760	10,023	7,209
Balance sheet total	18,002	19,634	17,269	13,361	9,461
Guarantees	2,386	4,804	4,804	5,142	3,938
<b>Key figures for the bank (per cent)</b>					
Pre-tax return on equity, beginning of year	19.6	29.3	41.8	29.2	25.2
Return on equity after tax, beginning of year	14.7	22.4	31.5	21.3	18.7
Rate of costs	32.4	33.7	34.2	37.2	44.1
Core capital ratio	13.0	11.2	10.4	11.6	12.2
Solvency ratio	16.3	13.0	12.3	11.6	11.9
<b>Key figures per 5 DKK share (DKK)</b>					
Core earnings	83	94	89	62	45
Profit before tax	63	90	109	68	55
Profit after tax	48	69	82	50	41
Net asset value incl. proposed dividend etc.	354	353	324	287	260
Price, end of period	310	858	1.080	750	544
Dividend	0	30	30	28	25



## Profit and loss account

Note		1.1 - 31.12.2008 DKK 1,000	1.1 - 31.12.2007 DKK 1,000
1	Interest receivable	1,221,165	1,031,830
2	Interest payable	669,149	570,690
	<b>Net income from interest</b>	<b>552,016</b>	<b>461,140</b>
	Interest-like commission income	20,690	17,376
3	Dividend on capital shares etc.	1,491	2,386
4	Income from fees and commissions	155,428	207,977
4	Fees and commissions paid	28,464	35,599
	<b>Net income from interest and fees</b>	<b>701,161</b>	<b>653,280</b>
5	Value adjustments	-43,577	+17,965
	Other operating income	4,863	7,443
6,7	Staff and administration costs	236,056	229,755
	Amortisation, depreciation and write-downs on intangible and tangible assets	2,420	4,647
	Other operating costs		
	Miscellaneous other operating costs	86	16
	Guarantee commission, national bank package I	16,148	0
	Write-downs		
11	Write-downs on loans and debtors etc.	-77,223	+10,791
	Write-downs on national bank package I etc.	-12,016	0
	Result of capital shares in associated companies	-5	-11
	<b>Profit before tax</b>	<b>318,493</b>	<b>455,050</b>
8	Tax	78,495	106,730
	<b>Profit for the financial year</b>	<b>239,998</b>	<b>348,320</b>

## Proposed distribution of profit

	<b>Total available</b>	<b>239,998</b>	<b>348,320</b>
	Dividend	0	157,200
	Other purposes	0	300
	Transferred to reserve for net revaluation under the intrinsic value method	-5	-11
	Appropriation to own funds	240,003	190,831
	<b>Total distribution</b>	<b>239,998</b>	<b>348,320</b>

## Core earnings

	1.1 - 31.12.2008 DKK 1,000	1.1 - 31.12.2007 DKK 1,000
Net income from interest	558,365	464,777
Interest-like commission income	20,690	17,376
Net income from fees and provisions excl. commission	101,678	131,267
Income from sector shares	9,074	17,523
Foreign exchange income	13,670	16,759
Other operating income etc.	6,513	7,443
<b>Total core income excl. trade income</b>	<b>709,990</b>	<b>655,145</b>
Trade income	25,286	41,111
<b>Total core income</b>	<b>735,276</b>	<b>696,256</b>
Staff and administration costs	236,056	229,755
Amortisation, depreciation and write-downs on intangible and tangible assets	2,420	4,647
Other operating costs	86	16
Total costs etc.	238,562	234,418
<b>Core earnings before write-downs on loans</b>	<b>496,714</b>	<b>461,838</b>
Write-downs on loans and debtors etc.	-77,223	+10,791
<b>Core earnings</b>	<b>419,491</b>	<b>472,629</b>
Result for portfolio	-72,834	-17,579
Costs national bank package I etc.	-28,164	0
Profit before tax	318,493	455,050
Tax	78,495	106,730
Profit for the financial year	239,998	348,320

## Balance sheet

Note		End Dec. 2008 DKK 1,000	End Dec. 2007 DKK 1,000
	<b>Assets</b>		
	Cash in hand and claims at call on central banks	46,112	44,226
9	Claims on credit institutions and central banks		
9	Claims at notice on central banks	1,121,767	3,280,288
9	Claims on credit institutions		
	Money market operations and bilateral loans - term to maturity under 1 year	756,510	795,618
	Bilateral loans - term to maturity over 1 year	163,570	216,932
10,11,12	Loans and other debtors at amortised cost price	13,897,101	14,134,637
13	Bonds at current value	1,305,760	647,310
14	Shares etc.	247,410	266,567
	Capital shares in associated companies	571	544
	Land and buildings total	74,098	70,992
	Investment properties	7,261	5,611
	Domicile properties	66,837	65,381
	Other tangible assets	3,632	4,134
	Actual tax assets	34,975	13,120
	Deferred tax assets	27,713	11,173
	Temporary assets	204	0
	Other assets	312,080	138,279
	Periodic-defined items	10,250	9,908
	<b>Total assets</b>	<b>18,001,753</b>	<b>19,633,728</b>

## Balance sheet

Note		End Dec. 2008 DKK 1,000	End Dec. 2007 DKK 1,000
	<b>Liabilities and equity</b>		
15	Debt to credit institutions and central banks		
15	Debt to central banks	800,000	0
15	Debt to credit institutions		
	Money market operations and bilateral credits - term to maturity under 1 year	1,277,112	4,307,206
	Bilateral credits - term to maturity over 1 year	3,224,050	3,132,755
16	Deposits and other debts	9,072,875	9,161,775
17	Issued bonds at amortised cost price	478,341	474,287
	Other liabilities	651,703	284,328
	Periodic-defined items	802	1,020
	<b>Total debt</b>	<b>15,504,883</b>	<b>17,361,371</b>
	Provisions for pensions and similar liabilities	9,471	11,466
11	Provisions for losses on guarantees	1,669	7,303
	Provisions, national bank package I	8,828	0
	Other provisions for liabilities	1,128	1,164
	<b>Total provisions for liabilities</b>	<b>21,096</b>	<b>19,933</b>
	Subordinated loan capital	492,152	287,063
	Hybrid core capital	198,832	186,800
18	<b>Total subordinated debt</b>	<b>690,984</b>	<b>473,863</b>
19	Share capital	25,200	26,200
	Reserve for net revaluation under the intrinsic value method	188	193
	Proposed dividend etc.	0	157,500
	Profit carried forward	1,759,402	1,594,668
	<b>Total shareholders' equity</b>	<b>1,784,790</b>	<b>1,778,561</b>
	<b>Total liabilities and equity</b>	<b>18,001,753</b>	<b>19,633,728</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>26,200</b>	<b>0</b>	<b>193</b>	<b>157,500</b>	<b>1,594,668</b>	<b>1,778,561</b>
Reduction of the share capital	-1,000				1,000	0
Dividend etc. paid				-157,500		-157,500
Dividend received on own shares					7,100	7,100
<b>Shareholders' equity after allocation of dividend etc.</b>	<b>25,200</b>	<b>0</b>	<b>193</b>	<b>0</b>	<b>1,602,768</b>	<b>1,628,161</b>
Purchase and sale of own shares					-111,756	-111,756
Tax calculated on transactions with own shares					14,551	14,551
Adjustment of deferred tax concerning own shares					10,437	10,437
Other shareholders' equity items					3,399	3,399
Profit for the financial year			-5		240,003	239,998
<b>Shareholders' equity on the balance sheet date</b>	<b>25,200</b>	<b>0</b>	<b>188</b>	<b>0</b>	<b>1,759,402</b>	<b>1,784,790</b>

## Notes

Note	1.1 - 31.12.2008 DKK 1,000	1.1 - 31.12.2007 DKK 1,000
<b>1 Interest receivable</b>		
Claims on credit institutions and deposits with central banks	122,162	136,229
Loans and other debtors	1,061,077	892,747
Loans - interest concerning the written-down part of loans	-24,552	-20,152
Bonds	42,996	19,326
Total derivatives financial instruments, of which	19,168	3,431
Currency contracts	18,601	5,977
Interest-rate contracts	567	-2,546
Other	314	249
<b>Total interest receivable</b>	<b>1,221,165</b>	<b>1,031,830</b>
<b>2 Interest payable</b>		
Credit institutions and central banks	261,630	282,786
Deposits and other debts	344,397	262,386
Issued bonds	33,185	3,083
Subordinated debt	29,585	21,927
Other	352	508
<b>Total interest payable</b>	<b>669,149</b>	<b>570,690</b>
<b>3 Dividend on capital shares etc.</b>		
Shares	1,491	2,386
<b>Total dividend on capital shares etc.</b>	<b>1,491</b>	<b>2,386</b>
<b>4 Gross income from fees and commissions</b>		
Securities trading	36,543	58,682
Asset management	48,343	78,993
Payment handling	16,946	17,368
Loan fees	8,740	7,750
Guarantee commissions	27,470	28,228
Other fees and commissions	17,386	16,956
<b>Total gross income from fees and commissions</b>	<b>155,428</b>	<b>207,977</b>
<b>Net income from fees and commissions</b>		
Securities trading	25,286	41,111
Asset management	44,122	73,934
Payment handling	14,876	15,668
Loan fees	6,431	5,498
Guarantee commissions	27,470	28,228
Other fees and commissions	8,779	7,939
<b>Total net income from fees and commissions</b>	<b>126,964</b>	<b>172,378</b>
Foreign exchange income	13,670	16,759
<b>Total net income from fees, commissions and foreign exchange income</b>	<b>140,634</b>	<b>189,137</b>

## Notes

Note		1.1 - 31.12.2008 DKK 1,000	1.1 - 31.12.2007 DKK 1,000
<b>5</b>	<b>Value adjustments</b>		
	Loans and other debtors at current value	9,397	-1,318
	Bonds	-43,230	-4,638
	Shares etc.	-43,176	-15,303
	Shares in sector companies	8,142	16,208
	Shares in Totalkredit	33,225	0
	Investment properties	1,650	0
	Foreign exchange income	13,670	16,759
	Total derivatives financial instruments, of which	19,678	1,394
	Interest-rate contracts	19,649	1,277
	Share contracts	29	117
	Issued bonds	-13,398	334
	Other liabilities	-29,535	4,529
	<b>Total value adjustments</b>	<b>-43,577</b>	<b>17,965</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	5,631	5,337
	Board of directors	814	805
	Shareholders' committee	292	368
	Total	6,737	6,510
	Staff costs		
	Salaries	107,593	107,159
	Pensions	10,663	10,104
	Social security expenses	12,300	12,426
	Total	130,556	129,689
	Other administration costs	98,763	93,556
	<b>Total staff and administration costs</b>	<b>236,056</b>	<b>229,755</b>
<b>7</b>	<b>Number of employees</b>		
	Average number of employees during the financial year converted into full-time employees	<b>274.4</b>	<b>279.1</b>
<b>8</b>	<b>Tax</b>		
	Tax calculated on the years profit	84,680	113,656
	Adjustment of deferred tax	-6,103	-5,903
	Adjustment of deferred tax due to change in tax rate	0	-1,023
	Adjustment of tax calculated for previous years	-82	0
	<b>Total tax</b>	<b>78,495</b>	<b>106,730</b>
	<b>Effective tax rate (percent):</b>		
	The current tax rate of the bank	25.0	25.0
	Non-liable income and non-deductible costs etc.	-0.4	-1.3
	Adjustment of deferred tax due to change in tax rate	0.0	-0.2
	Adjustment of tax calculated for previous years	0.0	0.0
	<b>Total effective tax rate</b>	<b>24.6</b>	<b>23.5</b>

## Notes

Note		End Dec. 2008 DKK 1,000	End Dec. 2007 DKK 1,000
<b>9</b>	<b>Claims on credit institutions and deposits with central banks</b>		
	Claims at call	1,348,577	428,052
	Up to and including 3 months	444,147	3,573,288
	More than 3 months and up to and including 1 year	85,553	74,566
	More than 1 year and up to and including 5 years	126,672	173,482
	More than 5 years	36,898	43,450
	<b>Total claims on credit institutions and deposits with central banks</b>	<b>2,041,847</b>	<b>4,292,838</b>
<b>10</b>	<b>Loans and other debtors at amortised cost price</b>		
	At call	3,861,170	4,966,877
	Up to and including 3 months	712,129	797,107
	More than 3 months and up to and including 1 year	2,533,169	2,169,886
	More than 1 year and up to and including 5 years	3,501,623	3,187,749
	More than 5 years	3,289,010	3,013,018
	<b>Total loans and other debtors at amortised cost price</b>	<b>13,897,101</b>	<b>14,134,637</b>
<b>11</b>	<b>Write-downs on loans and other debtors and provisions for losses on guarantees</b>		
	<b>Individual write-downs</b>		
	Cumulative individual write-downs on loans and other debtors at the end of the previous financial year	273,138	279,913
	Write-downs/value adjustments during the year	190,236	112,008
	Reverse entry - write-downs made in previous financial years	-116,390	-108,120
	Booked losses covered by write-downs	-10,164	-10,663
	<b>Cumulative individual write-downs on loans and other debtors on the balance sheet date</b>	<b>336,820</b>	<b>273,138</b>
	<b>Group write-downs</b>		
	Cumulative group write-downs on loans and other debtors at the end of the previous financial year	8,656	10,000
	Write-downs/value adjustments during the year	8,938	0
	Reverse entry - write-downs made in previous financial years	0	-1,344
	<b>Cumulative group write-downs on loans and other debtors on the balance sheet date</b>	<b>17,594</b>	<b>8,656</b>
	<b>Total cumulative write-downs on loans and other debtors on the balance sheet date</b>	<b>354,414</b>	<b>281,794</b>
	<b>Provisions for losses on guarantees</b>		
	Cumulative individual provisions for losses on guarantees at the end of the previous financial year	7,303	5,087
	Provisions/value adjustments during the year	573	3,868
	Reverse entry - provisions made in previous financial years	-6,207	-1,652
	<b>Cumulative individual provisions for losses on guarantees on the balance sheet date</b>	<b>1,669</b>	<b>7,303</b>
	<b>Total cumulative write-downs on loans and other debtors and provisions for losses on guarantees on the balance sheet date</b>	<b>356,083</b>	<b>289,097</b>



## Notes

Note		End Dec. 2008 DKK 1,000	End Dec. 2007 DKK 1,000
12	<b>Suspended calculation of interest</b> Loans and other debtors with suspended calculation of interest on the balance sheet date	22,110	13,190
13	<b>Bonds at current value</b> Listed on the stock exchange <b>Total bonds at current value</b>	1,305,760 <b>1,305,760</b>	647,310 <b>647,310</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>	23,078 6 9,741 196,497 18,088 <b>247,410</b>	50,453 115 10,184 190,887 14,928 <b>266,567</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>	1,266,005 305,944 505,163 2,850,267 373,783 <b>5,301,162</b>	809,845 3,497,361 0 2,721,297 411,458 <b>7,439,961</b>
	The bank has long-term committed revolving credit facilities equivalent to a total of	<b>1,370,554</b>	<b>1,296,528</b>
	The bank also has an undrawn loan facility with Danmarks Nationalbank on the basis of statutory excess solvency which expires on 30 September 2010.	<b>800,000</b>	<b>0</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>	4,067,100 1,968,029 586,356 1,055,126 1,396,264 <b>9,072,875</b>	4,630,727 2,139,690 211,614 1,005,001 1,174,743 <b>9,161,775</b>
	Distributed as follows: On demand At notice Time deposits Long term deposit agreements Special types of deposits	3,796,184 52,190 2,495,579 1,561,675 1,167,247 <b>9,072,875</b>	4,581,804 57,863 2,214,056 1,379,758 928,294 <b>9,161,775</b>

## Notes

Note		End Dec. 2008 DKK 1,000	End Dec. 2007 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	0	0
	More than 1 year and up to and including 5 years	386,363	469,705
	More than 5 years	91,978	4,582
	<b>Total issued bonds at amortised cost price</b>	<b>478,341</b>	<b>474,287</b>
	Distributed as follows:		
	Issues in Norwegian kroner,:		
	Nom. 500 million NOK	378,600	467,084
	Nom. 100 million NOK	75,720	0
	Regulation at amortised cost price and adjustment to market value of issues in Norwegian kroner	12,756	-334
	Other issues	11,265	7,537
		<b>478,341</b>	<b>474,287</b>
<b>18</b>	<b>Subordinated debt</b>		
	Subordinated loan capital:		
	Principal DKK 300 million, interest rate 3.995%, expiry 9.2.2014	300,000	300,000
	Floating rate loan, principal EUR 27 million, expiry 30.6.2021	201,166	0
	Hybrid core capital:		
	Principal DKK 200 million, interest rate 4.795%, indefinite term	200,000	200,000
	Regulation at amortised cost price and adjustment to market value of subordinated loan capital and hybrid core capital	-10,182	-26,137
	<b>Total subordinated debt</b>	<b>690,984</b>	<b>473,863</b>
<b>19</b>	<b>Share capital</b>		
	Number of shares at DKK 5 each:		
	Beginning of year	5,240,000	5,280,000
	Cancelled during the year	-200,000	-40,000
	End of year	5,040,000	5,240,000
	Of which are reserved for subsequent cancellation	0	200,000
	<b>Total share capital</b>	<b>25,200</b>	<b>26,200</b>
<b>20</b>	<b>Own capital shares</b>		
	Own capital shares included in the balance sheet at	0	0
	The market value is	63,343	168,624
	Number of own shares:		
	Beginning of year	196,531	119,702
	Net purchases and sales, including cancellation, of own shares during the year	+7,802	+76,829
	End of year	204,333	196,531
	Nominal value of holding of own shares, end of year	1,022	983
	Own shares' proportion of share capital, end of year (%)	4.1	3.8

## Notes

Note		End Dec. 2008 DKK 1,000	End Dec. 2007 DKK 1,000
21	<b>Contingent liabilities etc.</b>		
	<b>Contingent liabilities</b>		
	Finance guarantees	732,598	1,717,461
	Guarantees for foreign loans	1,089,343	1,408,063
	Guarantees against losses on mortgage credit loans	48,710	121,301
	Guarantees against losses Totalkredit	116,182	1,239,306
	Registration and conversion guarantees	134,160	214,565
	Guarantees on national bank package I	163,422	0
	Other contingent liabilities	101,798	103,143
	<b>Total contingent liabilities</b>	<b>2,386,213</b>	<b>4,803,839</b>
	<b>Binding agreements</b>		
	Irrevocable credit commitments	0	0
	Other	0	3,995
	<b>Total binding agreements</b>	<b>0</b>	<b>3,995</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	1,170,161	126,275
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	13,013,636	14,461,777
	Market risk	838,422	513,401
	Operational risk	1,251,250	1,199,363
	<b>Total risk weighted items</b>	<b>15,103,308</b>	<b>16,174,541</b>
	Share capital	25,200	26,200
	Reserve for net revaluation under the intrinsic value method	188	193
	Profit carried forward	1,759,402	1,752,168
	Core capital	1,784,790	1,778,561
	Proposed dividend etc.	0	-157,500
	Activated deferred tax assets	-27,713	-11,173
	<b>Core capital after deduction</b>	<b>1,757,077</b>	<b>1,609,888</b>
	Hybrid core capital	200,000	200,000
	<b>Core capital after deduction incl. hybrid core capital</b>	<b>1,957,077</b>	<b>1,809,888</b>
	Subordinated loan capital	501,166	300,000
	Addition to / deduction from the capital base	0	0
	<b>Capital base after deduction</b>	<b>2,458,243</b>	<b>2,109,888</b>
	<b>Core capital ratio excl. hybrid core capital (per cent)</b>	<b>11.6</b>	<b>10.0</b>
	<b>Core capital ratio (per cent)</b>	<b>13.0</b>	<b>11.2</b>
	<b>Solvency ratio acc. to sect. 124 of the DFBA *) (per cent)</b>	<b>16.3</b>	<b>13.0</b>
	Capital base requirements under Section 124 (2,1) of the Danish Financial Business Act	1,208,265	1,293,963
	Minimum capital requirements under Section 124 (2,2) of the Danish Financial Business Act	37,253	37,283

## Notes

Note	
23	<p data-bbox="258 387 635 414"><b>Miscellaneous comments on:</b></p> <p data-bbox="258 448 1214 474"><b>Main and key figures for the bank and key figures per DKK 5 share - page 8</b></p> <ul data-bbox="308 488 1473 678" style="list-style-type: none"> <li data-bbox="308 488 1358 515">• Total capital base is computed as the banks capital base after deduction, cf. note 22.</li> <li data-bbox="308 524 1473 584">• Return on equity at the beginning of the year before and after tax are both computed after allocation of dividend etc., net.</li> <li data-bbox="308 593 1473 678">• Key figures per DKK 5 share for the years 2008, 2007, 2006, 2005 and 2004 are calculated on the basis of respectively 5,040,000 shares, 5,040,000 shares, 5,280,000 shares, 5,280,000 shares and 5,280,000 shares.</li> </ul> <p data-bbox="258 712 641 739"><b>Core earnings - pages 1 and 3</b></p> <ul data-bbox="308 748 1401 808" style="list-style-type: none"> <li data-bbox="308 748 1401 808">• The comparative figures for the years 1998-2005 have not been adjusted for the change made from actual banking operations to core earnings.</li> </ul> <p data-bbox="258 842 624 869"><b>Write-downs - pages 1 and 2</b></p> <ul data-bbox="308 878 1437 929" style="list-style-type: none"> <li data-bbox="308 878 1437 929">• All calculations etc. concerning write-downs were made exclusive of amounts under the national bank package I.</li> </ul>

## Danish Financial Supervisory Authority key figures for Danish banks

		2008	2007	2006	2005	2004
Solvency ratio	%	16.3	13.0	12.3	11.6	11.9
Core capital ratio	%	13.0	11.2	10.4	11.6	12.2
Pre-tax return on equity	%	17.9	26.1	35.6	25.0	22.5
Return on equity after tax	%	13.5	20.0	26.8	18.3	16.7
Income/cost ratio	DKK	1.93	3.04	5.11	2.95	2.60
Interest risk	%	1.2	1.0	1.6	1.7	1.6
Foreign exchange position	%	5.6	2.1	4.1	1.7	2.1
Foreign exchange risk	%	0.0	0.0	0.0	0.0	0.0
Excess cover relative to statutory liquidity requirements	%	139.1	161.4	134.3	88.5	83.4
Loans and write-downs thereon relative to deposits	%	157.1	157.4	185.2	164.9	147.1
Loans relative to shareholders' equity		7.8	7.9	7.5	6.6	5.3
Growth in loans for the year	%	-1.7	10.8	27.3	39.0	38.5
Total large exposures	%	12.1	38.3	116.1	73.3	95.5
Cumulative write-down percentage	%	2.1	1.5	1.7	2.3	3.1
Write-down percentage for the year	%	0.48	-0.06	-0.39	-0.03	-0.04
Proportion of debtors at reduced interest	%	0.1	0.1	0.1	0.2	0.2
Result for the year after tax per share * / ***	DKK	933.8	1,324.4	1,637.8	1,002.3	811.5
Book value per share * / **	DKK	7,382	7,053	6,631	5,862	5,325
Dividend per share *	DKK	0	600	600	550	500
Price/result for the year per share * / ***		6.6	13.0	13.2	15.0	13.4
Price/book value per share * / **		0.84	2.43	3.26	2.56	2.04
<p>* Calculated on the basis of a denomination of DKK 100 per share.  ** Calculated on the basis of number of shares outstanding at the end of the year.  *** Calculated on the basis of the average number of shares.</p>						