

ANNUAL REPORT 2008





Ringkjøbing

Landsby

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Disclaimer:

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DEAR SHAREHOLDER

Two thousand and eight was a year of upheaval in which the gains of several years in the international and Danish economies were disrupted by recession throughout the western world's economy. Substantial losses on securities and loans were to blame for very significant downturns in results throughout the financial world. Banks the world over have failed or have only survived on government support. This development had also affected the financial sector in Denmark, even though the Danish economy was basically solid before these problems started.

Given this background, we are well satisfied with the year's pre-tax profit of DKK 319 million, which is a 20% return on the bank's equity at the beginning of the year notwithstanding the fact that the profit before tax was 30% lower than in the previous year. The bank's core earnings were DKK 420 million, which is in the middle of the range of DKK 375-450 million estimated at the start of the year.

Unfortunately this result is in contrast to movements in the share price during 2008, where the return on the bank's shares was minus 60%. In comparison with the rest of the financial sector in Denmark, this is a »cheap« escape, but it will be little consolation for shareholders who have not owned their shares for several years.

The bank's rate of costs was 32.4, a 4% improvement relative to the previous year. Ringkjøbing Landbobank has thus retained its position as the bank with the lowest cost in Denmark per krone earned. We are happy about this situation because it provides a high level of robustness in the bank's results when economic conditions are negative.

Robustness, profit and financial standing have again become important for customers and their choice of bank. This is something we have noted during the past year, we are therefore well satisfied with the bank's solid capitalisation. The bank's solvency ratio of 16.3% must be seen in relation to the statutory requirement of 8%, which gives an excess solvency of 104%. This means that Ringkjøbing Landbobank is one of Denmark's most solid banks, and it means that we have the strengths required to support our customers' good investments.

Credit for the bank's result and its good point of basis for the years to come is also due to our competent employees, who again did a fantastic job during the year. Their skills, stability, loyalty and fighting spirit are an unrivalled combination.

We are very well aware that many of our customers place their business with Ringkjøbing Landbobank because of our employees' competent input and high level of knowledge.

There is much to indicate that 2009 may be a difficult year with continuing recession in the economy. But in spite of this, we are taking a positive view of the year ahead, and we expect core earnings in the range DKK 250-450 million. To this will come the result for the trading portfolio and the costs of the national bank package I.

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

Bent Naur

John Bull Fisker

FIVE YEAR SUMMARY

	2008	2007	2006	2005	2004
Main figures for the bank (million DKK)					
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 depreciation	238	234	208	190	184
Core earnings before write-downs on loans	497	462	401	321	233
Write-downs on loans etc.	-77	+11	+69	+5	+4
Core earnings	420	473	470	326	237
Profit before tax	319	455	573	361	288
Profit after tax	240	348	432	265	214
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
Key figures for the bank (per cent)					
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
Key figures per 5 DKK share (DKK)					
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 year	310	858	1,080	750	544
Dividend	0	30	30	28	25

ANNUAL REPORT - 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



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MANAGEMENT REPORT

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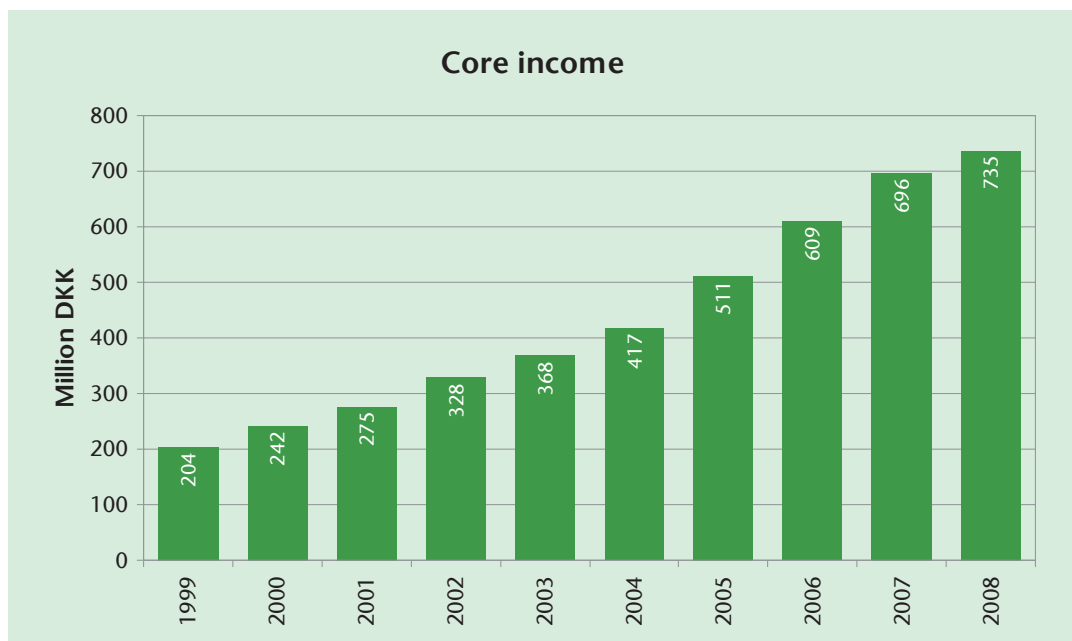
Financial review

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.

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.

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.

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

In DKK million	2008	2007
Asset management	44	74
Securities trading	25	41
Guarantee commissions	28	28
Foreign exchange income	14	17
Payment handling	15	16
Loan fees	6	5
Other fees and commissions	9	8
Total	141	189

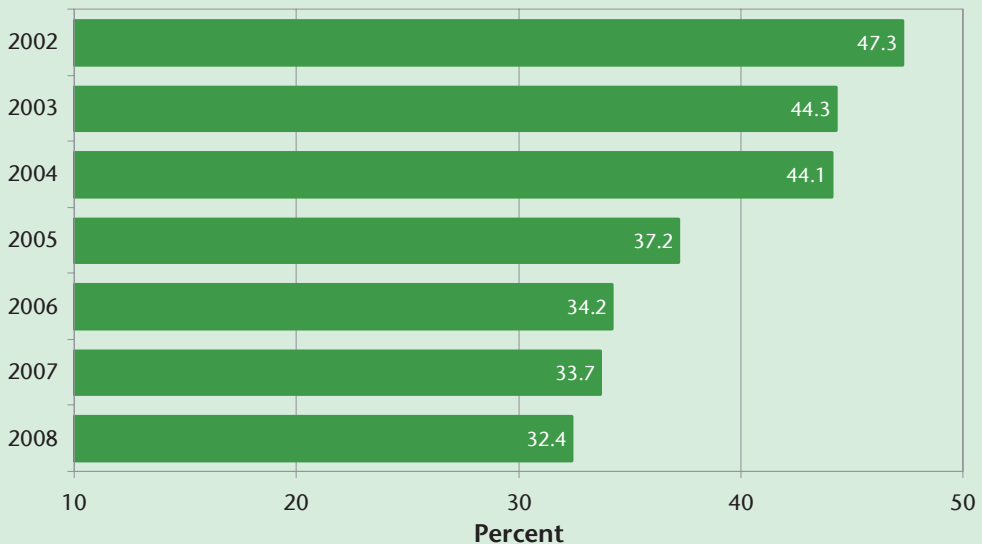
Ordinary income from sector shares amounted to DKK 9 million in 2008 against DKK 18 million last year. The income derive from DLR Kredit, BankInvest Holding, Sparinvest Holding, Egnsinvest Holding, Letpension, PBS Holding, Multidata Holding, Værdipapircentralen and PRAS and are typically an expression 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.

Rate of costs



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

Write-downs on loans

Write-downs on loans 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

Core earnings

In DKK million	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Core income	735	696	609	511	417	368	328	275	242	204
Total costs etc.	-238	-234	-208	-190	-184	-163	-155	-133	-109	-99
Core earnings										
before write-downs	497	462	401	321	233	205	173	142	133	99
Write-downs on loans	-77	+11	+69	+5	+4	-10	+6	+6	0	-5
Core earnings	420	473	470	326	237	195	179	148	133	100
Result for portfolio	-73	-18	+103	+35	+51	+106	+30	+7	+7	-7
Costs nat. bank package I	-28	0	0	0	0	0	0	0	0	0
Result before tax	319	455	573	361	288	301	209	155	140	93

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 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:

Value at Risk	Risk in DKK million	Risk relative to equity end of year in %
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.

FINANCIAL REVIEW

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 the rescue of 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.

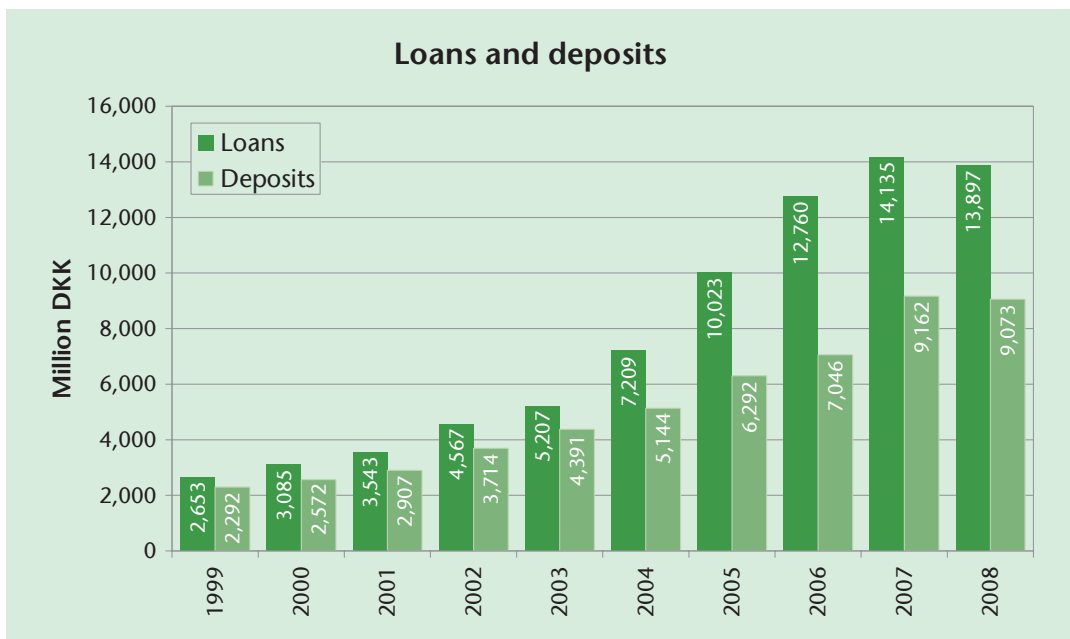
Result after tax

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:

Moody's ratings:

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 framework 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.

Solvency excess cover	2008	2007	2006	2005	2004
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 (%)	16.3	13.0	12.3	11.6	11.9
Individual solvency requirement (%)	8.0	8.0	8.0	8.0	8.0
Solvency excess cover	104%	63%	54%	45%	49%

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.

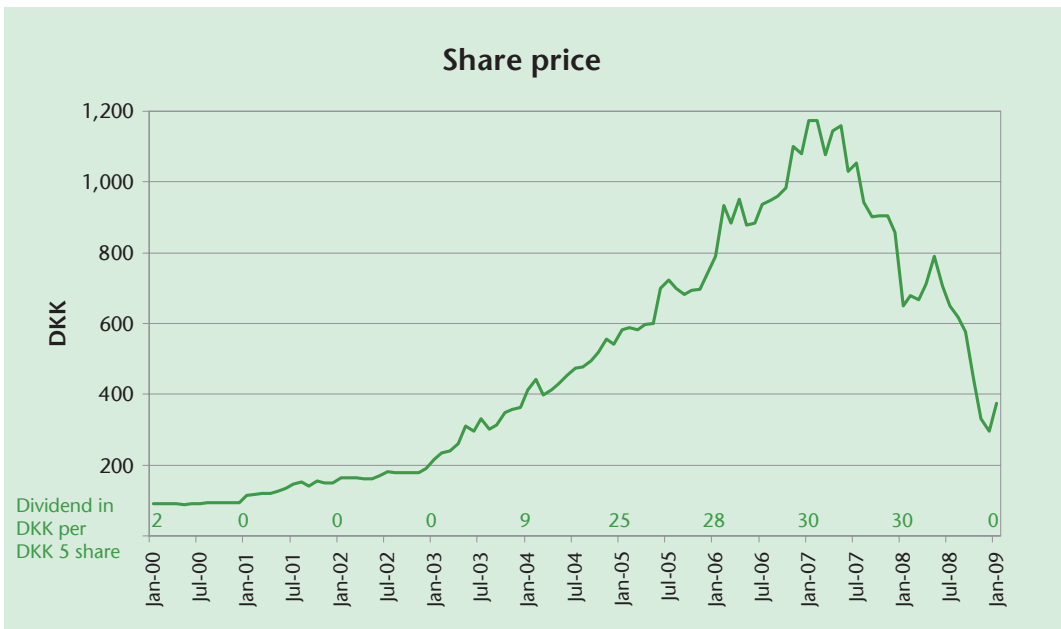
A further requirement has been made under the bank package I to the effect that the bank does not pay dividend to its shareholders for a period of two years. This means that no dividend will be paid for the 2008 and 2009 financial years. The bank's earnings will of course not be lost in this period,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

The bank's shares were listed on the NASDAQ OMX Copenhagen at 858 at the beginning of the year. The share price fell during 2008 to 310 at the end of the year, which including dividend paid gave a return of minus 60%.



Notwithstanding the movements in price during the year, an investment in the bank's shares has still grown to about four times its value at the beginning of the millennium, to which should also be added the dividends paid during this period.

The bank's shares are included in the MidCap+ index on the NASDAQ OMX Copenhagen, and the market value amounted to DKK 1.9 on 30 January 2009.

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.

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.

Ringkøbing 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.

Capital structure

The bank's management has laid down overall objectives for the bank's capital. The objective is thus to have a firmly founded capital structure compared with both equivalent and larger banks. The objective is also to have sufficient long-term capital for future growth, and to have sufficient capital to cover any fluctuations in the risks undertaken by the bank.

The bank's capital ratios as of the end of December 2008 were as follows:

Capital ratios

- | | |
|--|-------|
| • Core capital ratio excl. hybrid core capital | 11.6% |
| • Core capital ratio | 13.0% |
| • Solvency ratio | 16.3% |

For the computation of the bank's core capital and capital base and the core capital ratio excl. hybrid core capital, the core capital ratio and the solvency ratio as of the end of 2008, please see the capital adequacy computation on page 41.

The above capitalisation make Ringkjøbing Landbobank one of the best capitalised banks in the country. The bank's goal is also to retain this position in 2009. The bank expects and judges that this can be done on the basis of the expected result for 2009 and a lower level of growth in the risk-weighted assets for the year.

The bank has joined the government guarantee scheme (national bank package I) described in the stock exchange notice of 6 October 2008, which, among other things, means that under the provisions of the Act on Financial Stability, no dividends may be paid and no new share buy-back programmes may be established during the term of the government guarantee scheme, which runs until 30 September 2010.

The maturity structure of the bank's external subordinated debt is presented in the following overview.

Subordinated debt - maturity structure

Subordinated loan capital

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

Hybrid core capital

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

CAPITAL STRUCTURE

In connection with the implementation of new capital adequacy rules for the calculation and computation of weighted items with credit and counterparty risks, market risks and operational risks as of 1 January 2007, the bank already adopted the new rules in 2007.

For further information on the methods used by the bank for the different types of risk, please see following summary.

Capital adequacy computation

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

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

Since the introduction of the new rules, the bank has been working on their systematic implementation. This work continued in 2008, and at the end of the year, only one area remains which has not yet been implemented in the systems.

As shown above the bank uses the standardised approach for computation of the bank's credit risks (and thus the risk-weighted assets). This method uses fixed solvency weightings. As a result of this method, the bank has not had the same lowering of solvency weighting as those banks which are using the advanced methods. On the other hand, the bank does not experience increasing solvency weightings in periods of recession. Compared with the advanced methods, the standardised approach thus results in a considerably higher robustness of the computed capital ratios and in less volatility of risk-weighted assets.

Ringkjøbing Landbobank also focuses on the individual solvency requirements computed internally in the bank and defined as the adequate capital base as a percentage of the bank's risk-weighted assets.

The adequate capital base is assessed on the basis of an internal model and computed as the amount required to cover the bank's current and future risks.

The computed adequate capital base is reassessed on a regular basis, and reports to the Danish Financial Supervisory Authority are also made on a regular basis. The report to the Danish Financial Supervisory Authority on the individual solvency requirements has been set at 8% as the individual solvency requirement computed by the bank is well below 8%, but it cannot be less than the solvency requirement of 8% provided in Section 124 (4) of the Danish Financial Business Act.

Although the bank is subject to the minimum individual solvency requirement of 8%, the bank still has a significant level of excess solvency cover as shown in the summary below.

Solvency excess cover	2008	2007	2006	2005	2004
Solvency ratio (%)	16.3	13.0	12.3	11.6	11.9
Individual solvency requirement (%)	8.0	8.0	8.0	8.0	8.0
Excess solvency (%)	8.3	5.0	4.3	3.6	3.9
Solvency excess cover	104%	63%	54%	45%	49%

It can be concluded that Ringkjøbing Landbobank has been meeting both external and internal capital requirements throughout 2008, and that the actual capital base has been well above the adequate capital base throughout the year.

Risks and risk management

Ringkjøbing Landbobank is exposed to various types of risk in connection with its operations: credit risk, market risk, liquidity risk and operational risk.

The credit risk is defined as the risk that customers' payments owed to the bank are judged not to be collectable because of certain customers' lack of ability or will to pay at the agreed time.

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

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

And the operational risk is defined as the risk of direct or indirect financial losses because of faults in internal processes and systems, human errors or external events.

The bank's general policy with respect to assumption of risks is that the bank only assumes risks which are in accordance with the business principles under which the bank is run, and which the bank possesses the competence to manage.

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

When the Basle II rules on capital adequacy were implemented in Danish law, Danish banks were also required to disclose certain information relating to risks (commonly also called pillar 3 information). Some of the required information on risks is given in this annual report, but the reader is referred to the following address for a complete overview of the information which the bank is required to disclose: www.landbobanken.com. It should be noted that the information in this annual report has been audited.

Further information on the various types of risk is provided below.

Credit risks

Ringkjøbing Landbobank has grown and developed over the last 10-15 years to the point where it is now a regional bank in central and western Jutland and a niche bank in selected areas.

This development has been a part of the bank's strategy, and the bank's management notes with satisfaction that the bank has achieved an appreciably diversified loans portfolio, including a significant spread in terms of both sector and geography.

Ringkjøbing Landbobank assumes credit risks on the basis of a policy, the objectives of which are to ensure a balance between risks assumed and the return gained by the bank, the maintenance of losses at an acceptable level relative to the Danish financial sector, and the accommodation of actual losses within the bank's results even in extreme situations.

The gearing of loans relative to the capital base in the bank is approx. six, and the bank's objective is realisation of the results with a lower or the same credit gearing as that of Denmark's major banks.

Viewed historically, the bank has always had a healthy credit policy, and future focus will also be on an effective management and monitoring of the bank's total loans portfolio via its central credit department.

In addition to the normal credit monitoring and management carried out by the bank's central credit department, which includes ongoing review and follow-up on all major engagements, a comprehensive extraordinary review of the bank's engagements was carried out in the autumn of 2008 due to the changed financial situation. In the extraordinary review, there was a decentralised check in the bank on over 4,000 customers among the bank's small and medium-size engagements, equivalent to over 10% of the bank's loan customers. The selection criteria were defined in order to reveal those commitments with the highest probability of risk for the bank. The engagements subjected to a decentralised review were subsequently reviewed by the bank's central credit department.

The extraordinary review which was made did not reveal any substantial changes in the need for write-downs.

Actual net losses

Actual net losses

In DKK 1,000

Year	Actual net losses	Actual net losses after interest	Loans with suspended calculation of interest	Write-downs on loans and provisions for guarantees	Total loans and guarantees etc.	Percentage loss before interest *)	Percentage loss after interest *)
1987	-6,696	304	10,544	75,000	1,358,464	-0.49%	0.02%
1988	-14,205	-5,205	4,522	93,900	1,408,830	-1.01%	-0.37%
1989	-18,302	-5,302	13,107	117,270	1,468,206	-1.25%	-0.36%
1990	-15,867	-1,867	47,182	147,800	1,555,647	-1.02%	-0.12%
1991	-11,429	3,571	47,626	170,000	1,805,506	-0.63%	0.20%
1992	-32,928	-14,928	43,325	177,900	1,933,081	-1.70%	-0.77%
1993	-27,875	-6,875	30,964	208,700	1,893,098	-1.47%	-0.36%
1994	-14,554	4,446	33,889	223,500	1,938,572	-0.75%	0.23%
1995	-10,806	10,194	27,292	238,800	2,058,561	-0.52%	0.50%
1996	-19,802	-1,802	18,404	233,400	2,588,028	-0.77%	-0.07%
1997	-31,412	-12,412	39,846	236,600	3,261,429	-0.96%	-0.38%
1998	-2,914	18,086	4,905	263,600	3,752,602	-0.08%	0.48%
1999	-442	21,558	18,595	290,450	5,148,190	-0.01%	0.42%
2000	-405	27,595	12,843	316,750	5,377,749	-0.01%	0.51%
2001	-8,038	20,962	14,222	331,950	6,113,523	-0.13%	0.34%
2002	-8,470	20,530	26,290	382,850	7,655,112	-0.11%	0.27%
2003	-22,741	2,259	23,412	394,850	8,497,124	-0.27%	0.03%
2004	-14,554	9,446	18,875	404,855	11,523,143	-0.13%	0.08%
2005	-22,908	192	35,796	357,000	15,522,264	-0.15%	0.00%
2006	-13,531	7,028	20,578	295,000	17,858,787	-0.08%	0.04%
2007	-15,264	4,888	13,190	289,097	19,227,573	-0.08%	0.03%
2008	-34,789	-10,237	22,110	356,083	16,639,397	-0.21%	-0.06%
Average 1987-2008						-0.54%	0.03%
20-year average (1989-2008)						-0.52%	0.05%
10-year average (1999-2008)						-0.12%	0.17%

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

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

RISKS AND RISK MANAGEMENT

The preceding table documents the bank's healthy credit policy. As will be evident, the bank's average percentage loss after interest over the last 20 years (1989-2008) was +0.05%, with -0.77% (1992) the highest percentage loss, and +0.51% (2000) the most positive figure. The average percentage loss before interest over the last 20 years is -0.52%, with -1.70% (1992) the highest percentage loss and -0.01% (1999 and 2000) the lowest percentage loss. The average percentage loss over the last 10 years is positive at +0.17%, and the average percentage loss before interest is -0.12%. It is also noted that the period 1989-2008 includes the crisis years in Nordic banking, where, however, the bank never had negative results.

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

The most important niches within the bank's niche area are the financing of medical practitioners' purchase of private practices, a private banking department covering affluent private customers and the financing of securities, and loans to finance wind turbines. The financing of wind turbines is made for final Danish investors' purchases of wind turbines erected in Denmark, Germany and France.

An important common denominator in the niche loans is that the bank aims to gain a first priority security, and thus satisfactory security in the pledged assets. This is an important part of the bank's business philosophy.

Concentration of credit

In recent years the bank has focused on reducing the concentration of its credit in order to further reduce the bank's credit risk.

As is evident from the summary below, this focus has resulted in a reduction in total large exposures over the last five years from 95.5% in 2004 to 12.1% in 2008.

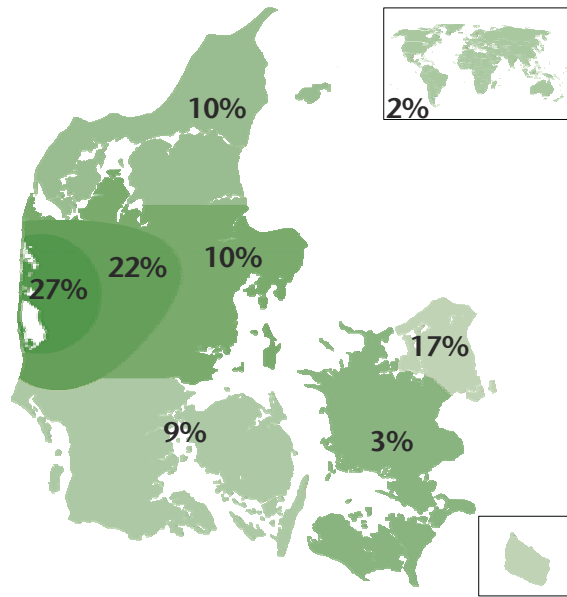
Concentration of credit

	2008	2007	2006	2005	2004
Total large exposures	12.1%	38.3%	116.1%	73.3%	95.5%

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

The figure for large exposures as of 31 December 2008 covers a single large exposure for which there are no comments, and which was provided on a basis of 100% cover.

Geographic spread of the bank's loans and guarantee portfolio



Explanation: Overview of the bank's loans and guarantee portfolio by customer location.

As will be evident from the figure, a significant geographic spread of the bank's loans and guarantee portfolio has been gained in terms of both the regional part and the niche part of the bank.

Loans made by the bank's niche department have also helped to ensure a significant diversification in the bank's loans portfolio so that the portfolio is not dependent on economic conditions to the same extent as if the bank were operated exclusively as a regional bank.

Market risks

The bank's basic policy with respect to market risks is that the bank wishes to keep such risks at a relatively low level.

The bank has determined a concrete framework for each type of market risk, and the risk assessment includes the objective that there must be a sensible and balanced relationship between risk and return.

The bank uses derivatives to cover and manage the various market risk types to the extent to which the bank wishes to reduce the extent of or eliminate the market risks which the bank has assumed.

To supplement the more traditional measures of market risk, the bank developed a mathematical/statistical model during 2007 to compute market risks. The model is used to compute Value at Risk (VaR), which is regularly reported to the bank's management. VaR is a measure of risk which describes the bank's risk under normal market conditions.

RISKS AND RISK MANAGEMENT

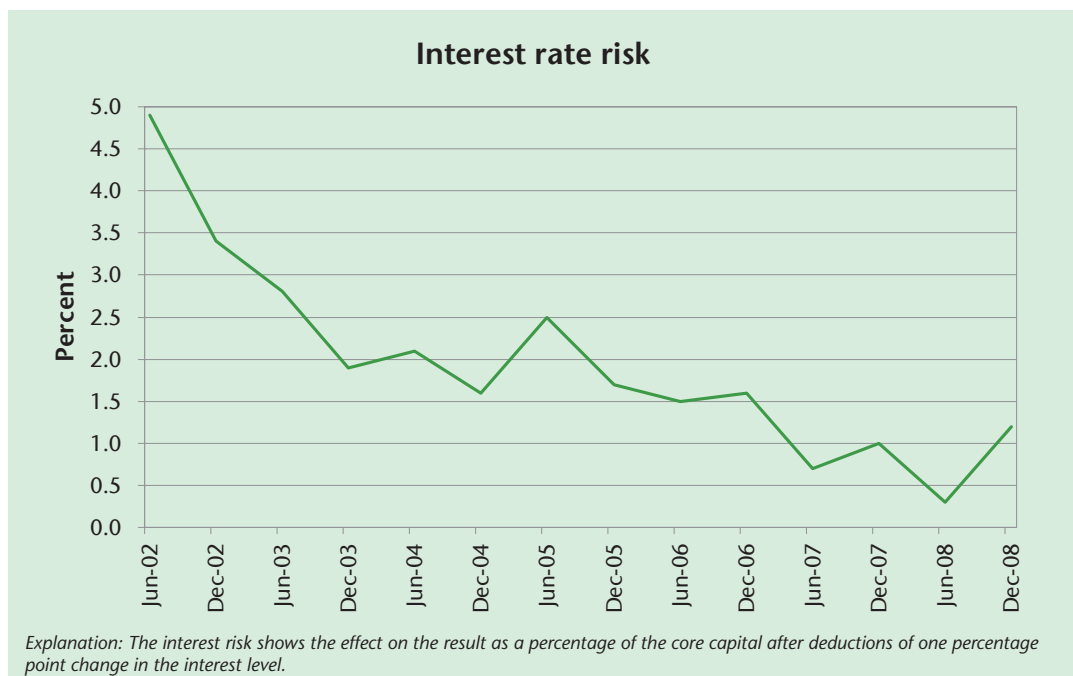
An isolated VaR figure is calculated for interest rate, foreign exchange and listed share positions, and a total VaR figure is also calculated for all of the bank's market risks consisting of interest rate, foreign exchange and listed share positions. This possibility of calculating a total VaR figure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

Interest rate risk

The bank's loan and deposit business and accounts with credit institutions are mostly entered into on a variable basis. A summary in maintained of those of the bank's investments and liabilities which are at a fixed interest rate, and regular arrangements for cover are entered into with a consequent reduction of the interest rate risk.

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

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



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

Foreign exchange risk

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

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

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

As in previous years, the bank's foreign exchange risk in 2008 was at an insignificant level.

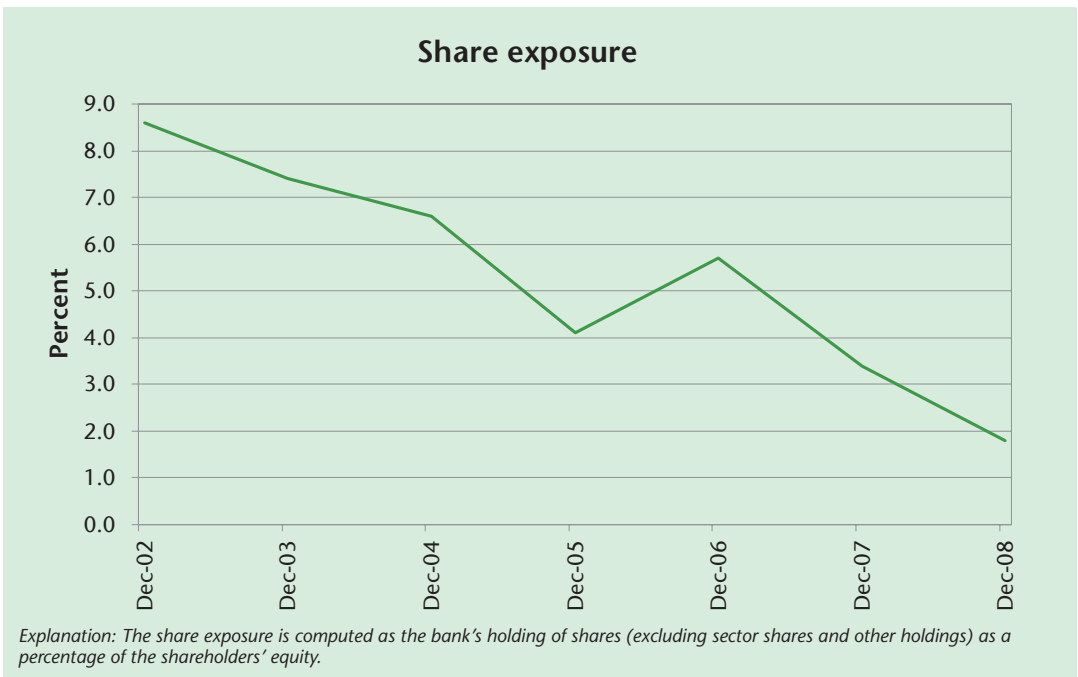
Share risk

The bank co-owns various sector companies via equity interests in DLR Kredit A/S, PRAS A/S, BankInvest Holding A/S, Sparinvest Holding A/S, Egnsinvest Holding A/S, Letpension A/S, PBS Holding A/S, Multidata Holding A/S, Værdipapircentralen A/S and Bankdata. These holdings are comparable with the wholly owned subsidiaries of major banks, and the equity interests are thus not deemed to be a part of the bank's share risk. The bank also holds a small portfolio of listed shares.

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

The bank's holding of listed shares etc. amounted to DKK 32.8 million at the end of 2008 against DKK 60.8 million at the end of 2007. The holding of sector shares and other holdings was DKK 214.6 million at the end of 2008 against DKK 205.8 million at the end of 2007.

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



Property risk

The bank primarily wishes to possess only properties for use in banking operations, and also to maintain minimal property risks.

The bank's portfolio of both domicile and investment properties is thus quite modest relative to the bank's balance sheet total.

Value at Risk

The bank's total Value at Risk at the end of 2008 was DKK 20.4 million. This sum is an expression of the maximum loss in a statistical perspective which the bank could risk losing with 99% probability if all market positions were retained unchanged for a period of 10 days.

VaR summary

In DKK million

Risk	Average VaR figure	Min. VaR figure*	Max. VaR figure*	End of year VaR figure
Interest	11.0	4.3	25.8	21.7
Foreign currency	0.3	0.1	0.2	1.2
Share	8.1	6.7	7.0	6.9
Diversification	-8.2	-5.7	-7.8	-9.4
Total VaR figure	11.2	5.4	25.2	20.4

* Determined by the total VaR figure

The bank's total VaR increased through 2008 relative to 2007. As indicated in the table, the bank's total VaR through 2008 has varied from DKK 5.4 million to DKK 25.2 million. The average figure was DKK 11.2 million. The increased VaR is attributable to three factors: a) The financial markets were more volatile through 2008, leading to major price fluctuations which again are reflected in an increased risk in the model; b) The bank has marginally increased its interest rate risk to an extent which is only partly counter-balanced by reduced share holdings; and c) The VaR model was adjusted to be able to describe the more volatile conditions which were observed in the financial markets in 2008. The reader is referred to note 41 for the 2007 VaR figures.

The model in brief

The model is a parametric VaR model based on a historical analysis of the covariation (correlations) between the prices of various financial assets. By combining the historical knowledge of the covariation on the financial markets with the bank's current positions, the model can calculate a risk of loss for a following ten-day period. All the bank's interest rate positions, foreign currency positions and listed share positions etc. are included in the calculation, while positions in sector shares and unlisted capital shares are not included. Using back tests, the model was made more sensitive during 2008 to the current risk on the financial markets: see the following section on back tests and stress tests. This means that a change in risk on the financial markets is reflected in the VaR figures more quickly.

Back tests and stress tests

So-called »back tests« are made to document that the VaR model provides a sensible picture of the bank's risk. The test compares the calculated loss under the model with the losses which the bank would actually have suffered if the positions in question have been retained for a ten-day period. A number of stress tests are also carried out to indicate the bank's risk of loss in abnormal market situations. The result is a picture of the bank's risk in more extreme market situations.

The back tests made during the year have indicated that the model had difficulty covering developments on the highly volatile financial markets in 2008. The model was therefore adjusted during 2008. The model is now based inter alia on eight months' historical data against the previous seven years, which means that a change in risk on the financial markets is reflected in the VaR figures more quickly. Back tests made with the adjusted model produced a satisfactory result.

Liquidity risk

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

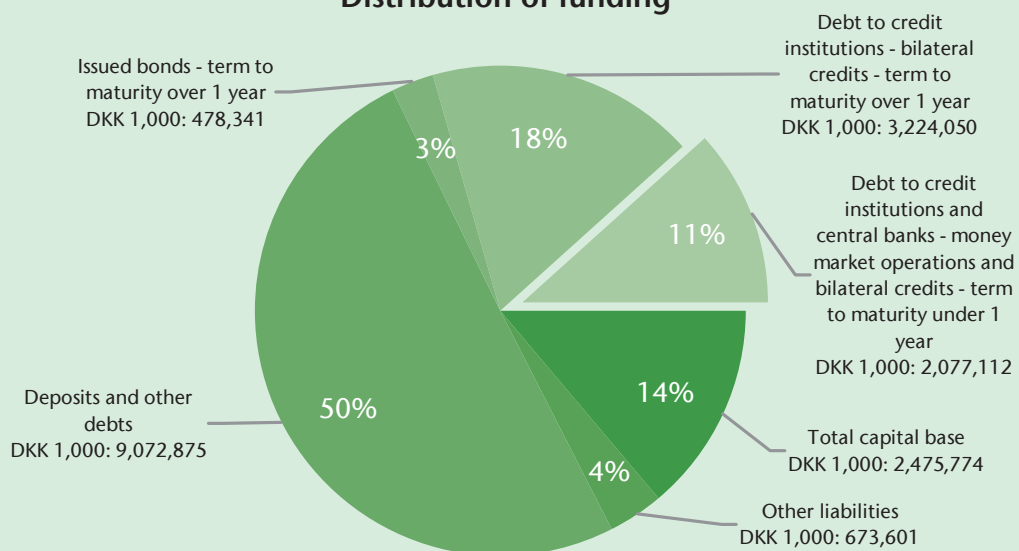
The bank's loan portfolio is funded primarily via four different sources, namely the bank's deposits, by taking up long-term loans with other credit institutions, via issued bonds, and finally via the subordinated debts taken up by the bank and the bank's equity.

The bank's deposit base consists primarily of core deposits, and the bank does not focus on the receipt of short-term deposits of a more volatile nature.

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

The bank has also issued bonds in Norway in 2007 and 2008 to a total for the two years of NOK 600 million.

Distribution of funding



In DKK 1,000

The short-term funding (term to maturity under 1 year) of is covered as follows:

Deposits on demand with central banks - certificates of deposit	1,121,767
Claims on credit institutions - term to maturity under 1 year	756,510
Listed bonds and listed shares etc. at current value	1,338,585
Committed credits facilities (not drawn) - term to maturity over 1 year	1,070,554
Total	4,287,416
Excess cover	2,210,304

As will be evident from the above table, the bank's short-term funding (term to maturity under one year) is supported by certificates of deposit with the Central Bank of Denmark, short-term loans with other Danish banks, the bank's holding of liquid securities, and via long-term loans on confirmed credits with other banks. Confirmed credits are entered into successively for long-term periods and are not normally used in everyday business, which has not been the case in 2008 either. The liquidity excess cover as of the end of 2008 is DKK 2.2 billion, and the equivalent figure at the end of 2007 was DKK 1.8 billion.

In addition to the above liquidity excess cover, the bank was granted a credit facility with the Central Bank of Denmark in October 2008, based on excess statutory solvency. The facility is DKK 800 million and will run until 30 September 2010. The facility has not been used since it was granted in 2008.

The Central Bank of Denmark has also made it possible to raise loans on unlisted shares etc. with the Central Bank of Denmark until 30 September 2010. This means an increase of approx. DKK 200 million in the bank's borrowing base.

At the end of 2008, the bank established an EMTN programme of EUR 2 billion. The programme is listed on the Luxembourg Stock Exchange. The programme is intended to be included in the future funding alternatives of the bank in order to increase diversification.

The bank has also entered into formalised agreements on the provision of mortgage credit loans by issuing specially covered bonds (SDOs) and ordinary mortgage loans via Nykredit/Totalkredit and DLR Kredit to both business and private customers.

Operational risk

The new capital adequacy rules came into force on 1 January 2007. These rules require among other things the banks to quantify and include an amount for operational risks when computing their capital adequacy.

The bank uses the so-called basic indicator method, where calculation of an average of the last three financial years' net income is used to quantify an amount which is added to the risk-weighted assets in order to cover the bank's operational risks.

The bank regularly produces reports on the losses and events which are judged to be attributable to operational risks. An assessment is made on the basis of the reports of whether procedures etc. can be adjusted and improved in order to avoid or minimise any operational risks, and the bank's procedures are also regularly reviewed and assessed by the bank's internal and external auditors.

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

Corporate governance

Corporate governance in Ringkjøbing Landbobank concerns the goals which govern the bank's management and the general principles and structures governing the interplay between the bank's primary stakeholders, i.e. management and shareholders as well as the bank's customers, employees and the local areas in which the bank has branches.

Since 2002, the bank's management has taken an active approach to the recommendations issued on corporate governance, and the bank's attitude to corporate governance has been included in the annual reports since that year. From 2006, the bank's management has considered the different recommendations based on the "follow-or-explain" principle (introduced in respect of recommendations for corporate governance 2005).

The bank's board of directors and board of managers have reassessed the bank's position on the individual recommendations in connection with the preparation of the annual report for 2008. For a detailed review of the reassessment, please see the bank's website: www.landbobanken.com. There is also an account of how the bank's management has dealt with the supplementary recommendations on corporate governance etc. which the Danish Bankers' Association issued in December 2008.

Overall, the bank's management supports the work on good corporate governance, and the bank's board of directors and board of managers have chosen to endorse the most important recommendations thereon.

However, in some areas the bank's management has chosen not to follow the recommendations, or to follow them only in part. Please note in this respect that

- there will be no online general meetings,
- a voting right limitation has been inserted in the articles of association which prevents any shareholder from casting more than two votes for him- or herself on own shares and two votes under proxies for others,
- in the event of takeover bids, the board of directors will assess what is in the shareholders' best long-term interest and act accordingly,
- the framework for the board of directors', including the chair's, tasks is considered to be adequately described and laid down in the rules of procedure for the board of directors etc.,
- the framework for elections to the shareholders' committee and the board of directors, the election period for the members of the shareholders' committee and the members of the board of directors, and the recruitment criteria for new members of the shareholders' committee are considered appropriate, and no guidelines have been provided concerning other directorships held by the members of the board of directors,
- no information will be published on the individual board members' shareholdings in the bank,
- no board or other committees will be used, but with effect from 2009, the audit committee's tasks and responsibilities will be undertaken by the full board of directors,
- there is no requirement for schematic evaluations of the teamwork within the board of directors or between the board of directors and the board of managers,
- a remunerations policy as such has not been prepared,
- publishing information on the remuneration of individuals is not considered relevant for the assessment of the bank.

DIRECTORSHIPS

Directorships

The reader is referred to page 67 of the annual report for details of the directorships in other public companies held by members of the board of directors and the board of managers.

Information on listed companies

The bank's share capital on 31 December 2008 was DKK 25.2 million in 5,040,000 nom. five kroner shares.

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

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

The right to vote is exercised as follows:

Each share holding up to and including nom. DKK 500 carries one vote and shareholdings thereover carry a total of two votes, which is the highest number of votes a shareholder may cast when the shares are listed in the bank's register of shareholders or when the shareholder has reported and documented his or her right. Apart from own votes, no shareholder may cast more than a total of two votes as proxy for others. In the case of shares acquired by transfer, no voting right may be exercised at a notified general meeting if the shares are not listed in the register of shareholders or a request for listing has not been made with documentation for the acquisition.

Members (elected by shareholders) of the bank's board of directors are elected by and among the members of the bank's shareholders' committee.

The following rule applies to changes to the bank's articles of association:

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

The board of directors possesses the following powers under the articles of association with respect to the possibility of issuing shares:

Following consultation with the shareholders' committee, the board is authorised to increase the share capital by nom. DKK 14,210,980 to nom. DKK 39,410,980 in one or more increases. This authorisation is currently valid until 27 February 2013.

The board of directors possesses the following powers with respect to the possibility of acquiring own shares:

The bank's annual general meeting held the 27 February 2008 has authorised the board of directors to permit the bank to acquire own shares until the next ordinary general meeting to a total nominal value of 10% of the bank's share capital such that the shares can be acquired at current list price +/- 10%. The same annual general meeting also approved a buy-up programme for a subsequent ongoing capital reduction until the next annual general meeting, under which the bank can acquire up to 200,000 own shares over and above those specified in the above general authorisation. The programme presumes that the shares will be bought at market price, and own shares may only be bought to a maximum total market value of DKK 175 million. The programme is not used and it will in that way cease in connection with the general meeting on 25 February 2009.

Finally, the bank has joined the government guarantee scheme described in the stock exchange notice of 6 October 2008, which, among other things, means that under the provisions of the Act on Financial Stability, no new share buy-back programmes may be established during the term of the government guarantee scheme, which will run until 30 September 2010.



Ringkjøbing

Landskab

Yurba

STATEMENT, REPORTS AND ACCOUNTS

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Managements statement

The Board of Directors and the Board of Managers have today reviewed and approved the Annual Report of Ringkøbing Landbobank A/S for the financial year 1 January - 31 December 2008, which comprises the management report, profit and loss account, core earnings, balance sheet, statement of shareholders' equity, capital adequacy computation, cash flow statement, accounting policies, notes to the annual report and management statement.

The Annual Report was prepared in accordance with the provisions of the Danish Financial Business Act and additional Danish requirements placed on listed financial institutions regarding disclosure in annual reports. We consider the accounting policies to be appropriate and the estimates which have been made to be responsible, so that the Annual Report provides a true and fair picture of the bank's assets, liabilities and financial position as of 31 December 2008 and of the result of the bank's financial performance and cash flows for the financial year 1 January - 31 December 2008. We also believe that the management report etc. provides a true and fair review of the development in the bank's activities and financial circumstances, and a description of the most significant risks and uncertainties which could affect the bank.

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

Ringkøbing, the 4 February, 2009

Board of Managers:

Bent Naur
Executive General Manager

John Bull Fisker
General Manager

Ringkøbing, the 4 February, 2009

Board of Directors:

Jens Lykke Kjeldsen
Chairman

Gravers Kjærgaard
Deputy Chairman

Gert Asmussen

Keld Hansen

Bo Bennedsgård
Employee Representative

Søren Nielsen
Employee Representative

The internal auditors report

To the shareholders of Ringkjøbing Landbobank A/S

I have audited the Annual Report of Ringkjøbing Landbobank A/S for the financial year 1 January - 31 December 2008, prepared in accordance with the Danish Finansiel Business Act. In addition, the Annual Report has been prepared in accordance with additional Danish disclosure requirements for annual reports of listed financial institutions.

Basis of opinion

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

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

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

My audit has not resulted in any qualification.

Opinion

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

Furthermore, in my opinion, the Annual Report gives a true and fair view of the Bank's financial position at 31 December 2008 and of its financial performance and its cash flows for the financial year 1 January - 31 December 2008 in accordance with the Danish Finansiel Business Act and additional Danish disclosure requirements for annual reports of listed financial institutions.

Ringkjøbing, the 4 February, 2009

Henrik Haugaard
Internal Audit Manager

The independent auditors report

To the shareholders of Ringkjøbing Landbobank A/S

We have audited the Annual Report of Ringkjøbing Landbobank A/S for the financial year 1 January - 31 December 2008, which comprises the management report, profit and loss account, core earnings, balance sheet, statement of shareholders' equity, capital adequacy computation, cash flow statement, accounting policies, notes to the annual report and managements statement. The Annual Report has been prepared in accordance with the Danish Financial Business Act and in accordance with additional Danish disclosure requirements for annual reports of listed financial institutions.

Management's responsibility for the Annual Report

The Management is responsible for the preparation and fair presentation of the Annual Report in accordance with the Danish Financial Business Act and in accordance with additional Danish disclosure requirements for annual reports of listed financial institutions. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an annual report that is free from material misstatement, whether due to fraud or error; selecting and using appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

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

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

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

Our audit did not result in any qualification.

The independent auditors report - continued

Opinion

In our opinion, the Annual Report gives a true and fair view of the bank's financial position at 31 December 2008 and of the results of its financial performance and its cash flows for the financial year 1 January - 31 December 2008 in accordance with the Danish Financial Business Act and in accordance with additional Danish disclosure requirements for annual reports of listed financial institutions.

Ringkøbing, the 4 February, 2009

PricewaterhouseCoopers
Statsautoriseret Revisionsaktieselskab

Kim Rune Brarup
State Authorized
Public Accountant

Alex Nyholm
State Authorized
Public Accountant

PROFIT AND LOSS ACCOUNT

Note no.		2008 DKK 1,000	2007 DKK 1,000
2	Interest receivable	1,221,165	1,031,830
3	Interest payable	669,149	570,690
	Net income from interest	552,016	461,140
	Interest-like commission income	20,690	17,376
4	Dividend on capital shares etc.	1,491	2,386
5	Income from fees and commissions	155,428	207,977
5	Fees and commissions paid	28,464	35,599
	Net income from interest and fees	701,161	653,280
6	Value adjustments	-43,577	+17,965
	Other operating income	4,863	7,443
7,8,9,10	Staff and administration costs	236,056	229,755
11	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		
16	Write-downs on loans and debtors etc.	-77,223	+10,791
17	Write-downs on national bank package I etc.	-12,016	0
	Result of capital shares in associated companies	-5	-11
	Profit before tax	318,493	455,050
12	Tax	78,495	106,730
	Profit for the financial year	239,998	348,320

PROPOSED DISTRIBUTION OF PROFIT

	2008 DKK 1,000	2007 DKK 1,000
Profit for the financial year	239,998	348,320
Total amount available for distribution	239,998	348,320
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
Total distribution of the amount available	239,998	348,320

CORE EARNINGS

	2008 DKK 1,000	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
Total core income excl. trade income	709,990	655,145
Trade income	25,286	41,111
Total core income	735,276	696,256
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
Core earnings before write-downs on loans	496,714	461,838
Write-downs on loans and debtors etc.	-77,223	+10,791
Core earnings	419,491	472,629
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 no.		End Dec. 2008 DKK 1,000	End Dec. 2007 DKK 1,000
	Assets		
	Cash in hand and claims at call on central banks	46,112	44,226
14	Claims on credit institutions and central banks		
14	Claims at notice on central banks	1,121,767	3,280,288
14	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
15,16,18	Loans and other debtors at amortised cost price	13,897,101	14,134,637
19	Bonds at current value	1,305,760	647,310
20	Shares etc.	247,410	266,567
	Capital shares in associated companies	571	544
21	Land and buildings total	74,098	70,992
	Investment properties	7,261	5,611
	Domicile properties	66,837	65,381
22	Other tangible assets	3,632	4,134
	Actual tax assets	34,975	13,120
23	Deferred tax assets	27,713	11,173
	Temporary assets	204	0
24	Other assets	312,080	138,279
	Periodic-defined items	10,250	9,908
	Total assets	18,001,753	19,633,728

Note no.		End Dec. 2008 DKK 1,000	End Dec. 2007 DKK 1,000
	Liabilities and equity		
25	Debt to credit institutions and central banks		
25	Debt to central banks	800,000	0
25	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
26	Deposits and other debts	9,072,875	9,161,775
27	Issued bonds at amortised cost price	478,341	474,287
28	Other liabilities	651,703	284,328
	Periodic-defined items	802	1,020
	Total debt	15,504,883	17,361,371
29	Provisions for pensions and similar liabilities	9,471	11,466
16	Provisions for losses on guarantees	1,669	7,303
17	Provisions, national bank package I	8,828	0
	Other provisions	1,128	1,164
	Total provisions for liabilities	21,096	19,933
30	Subordinated loan capital	492,152	287,063
30	Hybrid core capital	198,832	186,800
30	Total subordinated debt	690,984	473,863
31	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
	Total shareholders' equity	1,784,790	1,778,561
	Total liabilities and equity	18,001,753	19,633,728
33	Contingent liabilities etc.		

STATEMENT OF SHAREHOLDERS' EQUITY

DKK 1,000	Share capital	Provisions for revaluation	Reserve for net revaluation under the intrinsic value method	Proposed dividend etc.	Profit carried forward	Total shareholders' equity
Shareholders' equity at the end of the previous financial year	26,200	0	193	157,500	1,594,668	1,778,561
Reduction of share capital	-1,000				1,000	0
Dividend etc. paid				-157,500		-157,500
Dividend received on own shares					7,100	7,100
Shareholders' equity after allocation of dividend etc.	25,200	0	193	0	1,602,768	1,628,161
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
Shareholders' equity on the balance sheet date	25,200	0	188	0	1,759,402	1,784,790

CAPITAL ADEQUACY COMPUTATION

	End Dec. 2008 DKK 1,000	End Dec. 2007 DKK 1,000
Calculated pursuant to the Executive order on Capital Adequacy issued by the Danish Financial Supervisory Authority.		
Weighted items with credit and counterpart risks	13,013,636	14,461,777
Market risk	838,422	513,401
Operational risk	1,251,250	1,199,363
Total risk-weighted items	15,103,308	16,174,541
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
Core capital after deductions	1,757,077	1,609,888
Hybrid core capital	200,000	200,000
Core capital after deductions incl. hybrid core capital	1,957,077	1,809,888
Subordinated loan capital	501,166	300,000
Addition to/deduction from the capital base	0	0
Capital base after deductions	2,458,243	2,109,888
Core capital ratio excl. hybrid core capital (%)	11,6	10.0
Core capital ratio (%)	13,0	11.2
Solvency ratio (%)	16,3	13.0
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

CASH FLOW STATEMENT

	2008 DKK 1,000	2007 DKK 1,000
Operation activities		
Profit for the financial year	239,998	348,320
Amortisation, depreciation and write-downs on intangible and tangible assets	2,420	4,647
Write-downs on loans and debtors etc.	101,775	9,361
Items not affecting liquidity	17,774	-11,297
Adjusted result of operations	361,967	351,031
Changes in operating capital		
Claims on and debt to credit institutions etc., net	-1,855,380	-220,598
Loans and other debtors at amortised cost price	135,761	-1,383,830
Securities, not liquid and pledged	-1,167,210	50,742
Deposits and other debts	-88,900	2,115,616
Issued bonds at amortised cost price	4,054	471,332
Other assets and liabilities, net	172,118	33,237
Cash flows from operating activities	-2,437,590	1,417,530
Investment activities		
Associated companies	-32	0
Intangible and tangible assets	-3,400	-10,684
Cash flows from investment activities	-3,432	-10,684
Financing activities		
Subordinated debt	194,961	0
Paid dividend, net	-150,370	-157,624
Own shares etc.	-97,172	-104,208
Cash flows from financing activities	-52,581	-261,832
Total effect on liquidity for the year	-2,493,603	1,145,014
Cash and cash equivalents, beginning of year	4,502,434	3,357,420
Cash and cash equivalents, end of year	2,008,831	4,502,434
Cash and cash equivalents, end of year specified thus:		
Cash in hand and claims at call on central banks	46,112	44,226
Claims on credit institutions and central banks	1,740,768	3,708,340
Securities, unpledged	221,951	749,868
Total cash and cash equivalents, end of year	2,008,831	4,502,434

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

Note
no.

1 Accounting policies

Basis for preparing the annual report

General

The Annual Report was prepared in accordance with the provisions of the Danish Financial Business Act and the applicable Executive Order on the Presentation of Accounts. The Annual Report was also prepared in accordance with the information requirements of NASDAQ OMX Copenhagen (Copenhagen Stock Exchange), to the extent to which the Danish Financial Business Act, the Executive Order on the Presentation of Accounts, or other Executive Orders from the Danish Financial Supervisory Authority do not specify a different practice.

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

The accounting policies are unchanged relative to last year.

The bank has used the opportunity in the Executive Order on the Presentation of Accounts of early implementation of transferring five year main and key figures from the management report to follow the notes to the annual report in stead.

No changes to the calculated VaR figures for 2007 were made in connection with the adjustment of the VaR model in 2008.

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

Inclusion and measuring - general

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

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

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

Accounting estimates

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

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

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

Foreign currency

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

Financial instruments - general

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

Derivative financial instruments

Forward transactions, interest swaps and other derivatives are included at current value on balance sheet date.

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

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

The profit and loss account

Interest income

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

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

Income from fees and commissions, net

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

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

Staff and administration costs

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

Incentive schemes

The bank has established a bond incentive scheme with its employees for the financial years 2008-2010.

The costs of the bond incentive scheme with the employees are included and booked under costs in the profit and loss account in the financial year to which the costs apply.

Tax

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

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

The balance sheet

Claims on credit institutions and central banks

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

Loans and other debtors

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

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

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

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

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

The macroeconomic segmentation model is initially calculated on the basis of loss data for the entire bank sector. The bank has therefore assessed whether the estimates under the model need to be adapted to the credit risk for the bank's own loan portfolio.

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

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

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

Bonds and shares

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

Unlisted securities are also included at current value, computed on the basis of what the price would be in a transaction between independent parties.

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

Capital shares in associated companies

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

Land and buildings

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

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

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

Other tangible assets

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

Temporary assets

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

Other assets

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

Tax

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

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

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

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

Other liabilities

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

Various informations

Contingent liabilities/guarantees

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

Cash flow statement

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

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

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

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

Information and key figures

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

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

»Key figures per DKK 5 share« on page 3 were calculated on the basis of 2008: 5,040,000 shares, 2007: 5,040,000 shares, 2006: 5,280,000 shares, 2005: 5,280,000 shares and 2004: 5,280,000 shares.

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

Note no.	2008 DKK 1,000	2007 DKK 1,000
2	Interest receivable	
	122,162	136,229
	1,061,077	892,747
	-24,552	-20,152
	42,996	19,326
	19,168	3,431
	18,601	5,977
	567	-2,546
	314	249
	1,221,165	1,031,830
3	Interest payable	
	261,630	282,786
	344,397	262,386
	33,185	3,083
	29,585	21,927
	352	508
	669,149	570,690
4	Dividend on capital shares etc.	
	1,491	2,386
	1,491	2,386
5	Gross income from fees and commissions	
	36,543	58,682
	48,343	78,993
	16,946	17,368
	8,740	7,750
	27,470	28,228
	17,386	16,956
	155,428	207,977
	Fees and commissions paid	
	11,257	17,571
	4,221	5,059
	2,070	1,700
	2,309	2,252
	0	0
	8,607	9,017
	28,464	35,599
	Net income from fees and commissions	
	25,286	41,111
	44,122	73,934
	14,876	15,668
	6,431	5,498
	27,470	28,228
	8,779	7,939
	126,964	172,378
	13,670	16,759
	140,634	189,137

NOTES TO THE ANNUAL REPORT

Note no.		2008 DKK 1,000	2007 DKK 1,000
6	Value adjustments		
	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 A/S	33,225	0
	Investment properties	1,650	0
	Foreign exchange income	13,670	16,759
	Total derivatives financial instruments	19,678	1,394
	of which		
	Interest-rate contracts	19,649	1,277
	Share contracts	29	117
	Issued bonds	-13,398	334
	Other liabilities	-29,535	4,529
	Total value adjustments	-43,577	17,965
7	Staff and administration costs		
	Salaries and payments to 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
	Total staff and administration costs	236,056	229,755
8	Number of employees		
	Average number of employees during the financial year converted into full-time employees	274.4	279.1
9	Incentive schemes		
	Employee share schemes were established in 2000 and 2001 in order to reward the staff's commitment to the bank. In the 2000-2004 financial years, the bank's employees were offered shares with residual binding periods of 0 and 1 year on the date of the balance sheet. A total of 22,180 shares were bound under the schemes on the balance sheet date.		
	An agreement was entered into in 2005 on an employee bond scheme for the financial years 2005-2007 in order to reward the staff's commitment to the bank. Bonds to the value of nom. tDKK 3,910 with residual binding periods of 3, 4 and 5 years have been issued under the scheme on the date of the balance sheet.		
	An agreement was entered into in 2008 on an employee bond scheme for the financial years 2008-2010 in order to reward the staff's commitment to the bank. The bank's maximum liability under the agreement for the current financial year is entered as a cost for the financial year and listed under the item »Other provisions« at tDKK 828. Bonds to the value of nom. tDKK 0 have been issued under the scheme on the date of the balance sheet.		
10	Audit fee		
	Total fee to the firm of accountants, elected by the General Meeting, that perform the statutory audit	699	623
	Of this concerning other contributions than audit	125	77
	The bank also has an internal auditor.		

Note no.		2008 DKK 1,000	2007 DKK 1,000
11	Amortisation, depreciation and write-downs on intangible and tangible assets		
	Tangible assets		
	Domicile properties, depreciation	320	285
	Other tangible assets, depreciation	2,100	4,362
	Total amortisation, depreciation and write-downs on intangible and tangible assets	2,420	4,647
12	Tax		
	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
	Total tax	78,495	106,730
	Effective tax rate (%):		
	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
	Total effective tax rate	24.6	23.5
		End Dec. 2008	End Dec. 2007
		DKK 1,000	DKK 1,000
13	Board of managers and board of directors		
	The amount of loans issued to and mortgages, sureties, guarantees or appurtenant collaterals issued for the members of the bank's: Interest rates 2008		
	Board of managers 8.1%	300	300
	Board of directors, incl. elected by the staff 6.3%-10.8%	11,497	13,668
	All commitments are performed under market terms, including both interest and guarantee commission rates.		
	Security pledged from members of the bank's:		
	Board of managers	0	0
	Board of directors, incl. elected by the staff	2,110	2,533
14	Claims on credit institutions and central banks		
	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
	Total claims on credit institutions and central banks	2,041,847	4,292,838
	Distributed as follows:		
	Claims at notice on central banks	1,121,767	3,280,288
	Claims on credit institutions	920,080	1,012,550
		2,041,847	4,292,838

NOTES TO THE ANNUAL REPORT

Note no.		End Dec. 2008 DKK 1,000	End Dec. 2007 DKK 1,000
15	Loans and other debtors at amortised cost price		
	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
	Total loans and other debtors at amortised cost price	13,897,101	14,134,637
16	Write-downs on loans and other debtors and provisions for losses on guarantees		
	Individual write-downs		
	Cumulative individual write-downs on loans and other debtors at the end of the previous financial year	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
	Cumulative individual write-downs on loans and other debtors on the balance sheet date	336,820	273,138
	Group write-downs		
	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
	Cumulative group write-downs on loans and other debtors on the balance sheet date	17,594	8,656
	Total cumulative write-downs on loans and other debtors on the balance sheet date	354,414	281,794
	Provisions for losses on guarantees		
	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
	Cumulative individual provisions for losses on guarantees on the balance sheet date	1,669	7,303
	Total cumulative write-downs on loans and other debtors and provisions for losses on guarantees on the balance sheet date	356,083	289,097
	Please note that in 2008 no write-downs were made on credit institutions and other debtors except for the debt of DKK 3.188 million concerning the rescue of Roskilde Bank. This amount is fully written down and is not included in the above figures covered by this note.		
	Loans and other debtors with an objective indication of impairment included in the balance sheet at a book value greater than zero		
	Balance for loans and other debtors before write-downs	1,035,382	777,732
	Write-downs	-312,036	-241,645
	Balance for loans and other debtors after write-downs	723,346	536,087

Note no.		End Dec. 2008 DKK 1,000	End Dec. 2007 DKK 1,000
17	Provisions, national bank package I		
	Cumulative individual provisions at the end of the previous financial year	0	0
	Provisions/value adjustments during the year	8,828	0
	Cumulative individual provisions on the balance sheet date	8,828	0
18	Suspended calculation of interest		
	Loans and other debtors with suspended calculation of interest on the balance sheet date	22,110	13,190
19	Bonds at current value		
	Listed on the stock exchange	1,305,760	647,310
	Total bonds at current value	1,305,760	647,310
20	Shares etc.		
	Listed on NASDAQ OMX Copenhagen	23,078	50,453
	Listed on other stock exchanges	6	115
	Unlisted shares at current value	9,741	10,184
	Sector shares at current value	196,497	190,887
	Other holdings	18,088	14,928
	Total shares etc.	247,410	266,567
	Sector shares are distributed as follows:		
	Asset management and pension		
	BankInvest Holding A/S	11,855	9,422
	Egnsinvest Holding A/S	120	97
	Letpension Holding A/S	7,838	7,722
	Sparinvest Holding A/S	18,779	18,198
	Sector infrastructure		
	Multidata Holding A/S	3,541	3,541
	PBS Holding A/S	5,021	5,021
	Swift	20	1
	Værdipapircentralen A/S	1,363	1,363
	Mortgage credit		
	DLR Kredit A/S	113,183	110,151
	PRAS A/S	34,777	35,371
	Total sector shares	196,497	190,887
21	Land and buildings		
	Investment properties		
	Current value at the end of the previous financial year	5,611	8,665
	Acquisitions during the year, including improvements	0	0
	Disposals during the year	0	-3,054
	Value adjustments to current value for the year	1,650	0
	Current value on the balance sheet date	7,261	5,611
	Domicile properties		
	Reassessed value at the end of the previous financial year	65,381	53,436
	Acquisitions during the year, including improvements	1,776	12,230
	Disposals during the year	0	0
	Depreciations for the year	-320	-285
	Total reassessed value on the balance sheet date	66,837	65,381

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

NOTES TO THE ANNUAL REPORT

Note no.		End Dec. 2008 DKK 1,000	End Dec. 2007 DKK 1,000
22	Other tangible assets		
	Cost price		
	Cost price at the end of the previous financial year without depreciations and write-downs	31,720	28,290
	Acquisitions during the year, including improvements	1,777	4,474
	Disposals during the year	-3,559	-1,044
	Transfers to other items during the year	0	0
	Total cost price on the balance sheet date	29,938	31,720
	Write-downs and depreciations		
	Write-downs and depreciations at the end of the previous financial year	27,586	24,248
	Write-downs for the year	0	0
	Depreciations for the year	2,100	4,362
	Write-downs and depreciations on sold and discarded assets	0	0
	Reverse entry of previous years' write-downs during the year and reverse entry of total depreciations and write-downs on assets which were sold or taken out of operation during the year	-3,380	-1,024
	Total depreciations and write-downs on the balance sheet date	26,306	27,586
	Total other tangible assets on the balance sheet date	3,632	4,134
23	Deferred tax assets		
	The calculated deferred tax asset relates to the following balance sheet items:		
	Loans and other debtors	2,649	5,375
	Securities	31,333	9,440
	Tangible assets	1,090	1,667
	Provisions for liabilities	2,650	3,157
	Other assets/liabilities	-10,009	-8,466
	Total deferred tax assets	27,713	11,173
	Deferred tax is calculated at (%)	25.0	25.0
24	Other assets		
	Interest and commissions receivable	96,122	63,615
	Positive market value of derivative financial instruments	185,953	51,103
	Miscellaneous receivables and other assets	30,005	23,561
	Total other assets	312,080	138,279
25	Debt to credit institutions and central banks		
	Debt payable on demand	1,266,005	809,845
	Up to and including 3 months	305,944	3,497,361
	More than 3 months and up to and including 1 year	505,163	0
	More than 1 year and up to and including 5 years	2,850,267	2,721,297
	More than 5 years	373,783	411,458
	Total debt to credit institutions and central banks	5,301,162	7,439,961
	Distributed as follows:		
	Debt to central banks	800,000	0
	Debt to credit institutions	4,501,162	7,439,961
		5,301,162	7,439,961
	The bank has long-term undrawn committed revolving credit facilities equivalent to:		
	Term to maturity under 1 year	300,000	0
	Term to maturity over 1 year	1,070,554	1,296,528
	Total	1,370,554	1,296,528

Note no.		End Dec. 2008 DKK 1,000	End Dec. 2007 DKK 1,000
25	Debt to credit institutions and central banks - continued 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	800,000	0
26	Deposits and other debts On demand* Deposits and other debts at notice: Up to and including 3 months More than 3 months and up to and including 1 year More than 1 year and up to and including 5 years More than 5 years Total deposits and other debts Distributed as follows: On demand At notice Time deposits Long-term deposit agreements Special types of deposits* * Special types of deposits are entered under the item »On demand« pending payment, while in the specification of the different types of deposits, the sum is instead included under »Special types of deposits«.	4,067,100 1,968,029 586,356 1,055,126 1,396,264 9,072,875 3,796,184 52,190 2,495,579 1,561,675 1,167,247 9,072,875	4,630,727 2,139,690 211,614 1,005,001 1,174,743 9,161,775 4,581,804 57,863 2,214,056 1,379,758 928,294 9,161,775
27	Issued bonds at amortised cost price On demand Up to and including 3 months More than 3 months and up to and including 1 year More than 1 year and up to and including 5 years More than 5 years Total issued bonds at amortised cost price Distributed as follows: Issues in Norwegian kroner: Nom. NOK 500 million* Nom. NOK 100 million Regulation at amortised cost price and adjustment to current value of issues in Norwegian kroner Other issues * Admitted for listing on the Oslo Exchange/ABM.	0 0 0 386,363 91,978 478,341 378,600 75,720 12,756 11,265 478,341	0 0 0 469,705 4,582 474,287 467,084 0 -334 7,537 474,287
28	Other liabilities Interest and commissions payable Negative market value of derivative financial instruments Miscellaneous payables and other liabilities Total other liabilities	105,495 400,133 146,075 651,703	112,910 51,504 119,914 284,328
29	Provisions for pensions and similar liabilities The provisions concern conditional pension commitments to current members of the board of managers and a pension commitment to former members of the board of managers from a merged bank.		

NOTES TO THE ANNUAL REPORT

Note no.		End Dec. 2008 DKK 1,000	End Dec. 2007 DKK 1,000						
30	Subordinated debt								
	Type	Interest rate (%)	Currency	Mill.	Due date	Possible early redemption date			
	Subordinated loan capital								
	Bond loan*/****	3.995	DKK	300	9 Feb. 2014	9 Feb. 2011	300,000	300,000	
	Bilateral agreement**	Floating	EUR	27	30 June 2021	30 June 2018	201,166	0	
	Total subordinated loan capital						501,166	300,000	
	Hybrid core capital								
	Bond loan***/****	4.795	DKK	200	Indefinite	2 March 2015	200,000	200,000	
	Total hybrid core capital						200,000	200,000	
	Subordinated debt included in the calculation of the capital base								
	Regulation at amortised cost price and adjustment to current value						-10,182	-26,137	
	Total subordinated debt						690,984	473,863	
	* The interest rate will change on 9 February 2011 to a quarterly variable coupon rate equivalent to the CIBOR rate published by the Central Bank of Denmark for a term of three months plus 2.30% p.a.								
	** The interest rate will change on 30 June 2018 to a quarterly variable rate equivalent to the EURIBOR rate for a term of three months plus 3.50% p.a.								
	*** The interest rate will change on 2 March 2015 to a quarterly variable coupon rate equivalent to the CIBOR rate published by the Central Bank of Denmark for a term of three months plus 2.16% p.a.								
	**** Admitted for listing on NASDAQ OMX Copenhagen.								
31	Share capital								
	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 number of shares are reserved for subsequent cancellation							0	200,000
	Share capital						25,200	26,200	
	The whole share capital has been admitted for listing on NASDAQ OMX Copenhagen.								
32	Own capital shares								
	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	
	Purchase of own shares during the year						743,187	563,857	
	Sale of own shares during the year						-535,385	-447,028	
	Cancellation of own shares during the year						-200,000	-40,000	
	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 (%):								
	Beginning of year						3.9	2.3	
	Purchase of own shares during the year						14.7	10.8	
	Sale of own shares during the year						-10.6	-8.5	
	Cancellation of own shares during the year						-3.9	-0.8	
	End of year						4.1	3.8	
	Total purchase price for shares acquired during the year							403,338	573,970
	Total sales price for shares sold during the year							291,582	469,873

The transactions for the year in own shares were made on the basis of the bank's ordinary trading in own shares, and during the year own shares were cancelled in connection with a reduction in the share capital.

Note no.		End Dec. 2008 DKK 1,000	End Dec. 2007 DKK 1,000
33	Contingent liabilities etc.		
	Contingent liabilities		
	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
	Guarantee national bank package I	163,422	0
	Other contingent liabilities	101,798	103,143
	Total contingent liabilities	2,386,213	4,803,839
	Binding agreements		
	Irrevocable credit commitments	0	0
	Other	0	3,995
	Total binding agreements	0	3,995
34	Assets furnished as security		
	As security for debt and clearing, the bank has pledged securities from its holding to the Central Bank of Denmark to a total market price of	1,170,161	126,275
35	Legal proceedings, etc.		
	The bank is not party to any legal proceedings that are estimated to result in major losses and in that way to a substantial change of the accounts.		
36	Hedging		
	The following are hedged:		
	Fixed interest claim on a credit institution, fixed interest loans, fixed interest deposits, issued bonds at amortised cost price, fixed interest subordinated loan capital, floating interest subordinated loan capital and fixed interest hybrid core capital		
	Risk cover:		
	Interest rate risk and foreign exchange risk		
	Book values:		
	Claim on a credit institution	27,932	26,260
	Loans	205,654	73,809
	Deposits	306,187	150,543
	Issued bonds at amortised cost price	467,076	466,750
	Subordinated loan capital	492,152	287,063
	Hybrid core capital	198,832	186,800
	Cover is thus:		
	Interest and currency swaps - total synthetic principal	1,612,660	1,229,132
	Total market value	10,794	-21,330

NOTES TO THE ANNUAL REPORT

Note no.		End Dec. 2008 per cent	End Dec. 2007 per cent
37	Credit risks		
	Loans and guarantees distributed on sectors and lines of business (in % end year)		
	Public authorities	0.3	0.1
	Business		
	Agriculture, hunting and forestry		
	Cattle farming etc.	4.9	4.5
	Pig farming etc.	4.4	3.9
	Other agriculture, hunting and forestry	3.7	3.6
	Mink farming etc.	1.4	1.6
	Fishing industry	1.4	1.1
	Manufacturing business, primary business, electricity-, gas-, water- and heating plants	11.8	6.3
	Building and construction	2.2	1.8
	Wholesale and retail trade, catering- and hotel trade	5.7	5.3
	Carrying trade, storage- and communication service	0.7	0.8
	Credit- and financial intermediation and insurance business	8.6	6.6
	Real-estate administration, real-estate agent, service business	6.1	5.6
	Other business	14.6	13.4
	Total business	65.5	54.5
	Private persons	34.2	45.4
	Total	100.0	100.0
	The distribution by sector is based on Statistics Denmark's sector codes.		
	The proportion of the bank's loans and guarantees to private persons fell in 2008 because guarantees on housing loans to Totalkredit decreased in 2008. If the distribution of loans and guarantees is adjusted for the loans which the bank has arranged with Totalkredit (private) and DLR Kredit (business), the adjusted distribution will provide a more accurate picture.		
	Including loans arranged with Totalkredit and DLR Kredit, the distribution of loans and guarantees is as follows for the three main groups:		
	Public authorities	0.2	
	Business	55.0	
	Private persons	44.8	
	Total	100.0	
		End Dec. 2008 DKK 1,000	End Dec. 2007 DKK 1,000
38	Credit risk on derivative financial instruments		
	Positive market value (by counterpart risk) after netting		
	Counterpart riskweight 0%	0	0
	Counterpart riskweight 20%	295,247	85,830
	Counterpart riskweight 75%	40,374	453
	Counterpart riskweight 100%	114,002	7,779
	Counterpart riskweight 150%	9,479	0
39	Foreign exchange risk		
	Total assets in foreign currency	5,617,903	3,789,275
	Total liabilities in foreign currency	6,167,198	7,706,106
	Foreign exchange indicator 1	-109,301	-37,936
	Foreign exchange indicator 1 in % of core capital after deduc. (%)	5.6	2.1

Note
no.

40

Interest rate risk

Total interest rate risk

Interest rate risk by the foreign currencies with the largest interest rate risk

Currency:

DKK

EUR

USD

CHF

JPY

Other currencies

End Dec. 2008 DKK 1,000	End Dec. 2007 DKK 1,000
23,519	17,342
34,452	18,369
-10,171	-1,612
-908	1,196
185	-627
-46	7
7	9

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Value at Risk/Market risk

DKK million

Year/Risk	Average VaR-figure	Minimum VaR-figure*	Maximum VaR-figure*	End of year VaR-figure
2007				
Interest	7.2	4.3	13.3	7.4
Foreign currency	0.2	0.1	2.2	0.1
Share	7.0	5.3	6.5	4.5
Diversification	-5.8	-4.8	-7.4	-4.2
Total VaR-figure	8.6	4.9	14.6	7.8
2008				
Interest	11.0	4.3	25.8	21.7
Foreign currency	0.3	0.1	0.2	1.2
Share	8.1	6.7	7.0	6.9
Diversification	-8.2	-5.7	-7.8	-9.4
Total VaR-figure	11.2	5.4	25.2	20.4

* Determined by the total VaR-figure.

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Unsettled spot transactions

DKK 1,000

	Nominal value	Market value		Net market value
		Positive	Negative	
Foreign-exchange transactions, purchase	40,793	65	23	42
Foreign-exchange transactions, sale	163,909	8	633	-625
Interest-rate transactions, purchase	18,124	111	42	69
Interest-rate transactions, sale	85,959	44	490	-446
Share transactions, purchase	20,441	877	249	628
Share transactions, sale	20,580	262	1,084	-822
Total 2008	349,806	1,367	2,521	-1,154
Total 2007	351,422	5,860	4,702	1,158

NOTES TO THE ANNUAL REPORT

Derivative financial instruments

By residual maturity

DKK 1,000

	Up to 3 month		Over 3 month and up to 1 year	
	Nominal value	Net market value	Nominal value	Net market value
Foreign-exchange contracts				
Forward transactions/futures, purchase	3,587,170	-51,979	134,057	871
Forward transactions/futures, sale	3,517,663	-57,114	78,582	1,622
Swaps			13,368	0
Options, purchase				
Options, sale				
Interest-rate contracts				
Forward transactions/futures, purchase	23,934	513		
Forward transactions/futures, sale	26,317	-678	561	-26
Swaps	75,000	-592	160,233	-516
Options, purchase				
Options, sale				
Share contracts				
Forward transactions/futures, purchase	2	2		
Forward transactions/futures, sale	2	-2		
Options, purchase	32	31		
Options, sale	32	-31		
	Over 1 year and up to 5 years		Over 5 years	
	Nominal value	Net market value	Nominal value	Net market value
Foreign-exchange contracts				
Forward transactions/futures, purchase	528	21		
Forward transactions/futures, sale	528	-21		
Swaps	790,311	-101,159	505,259	-7,737
Options, purchase				
Options, sale				
Interest-rate contracts				
Forward transactions/futures, purchase				
Forward transactions/futures, sale				
Swaps	1,323,496	646	1,633,053	3,123
Options, purchase				
Options, sale				
Share contracts				
Forward transactions/futures, purchase				
Forward transactions/futures, sale				
Options, purchase				
Options, sale				

Derivative financial instruments - continued

DKK 1,000

	Total nominal value		Total net market value	
	2008	2007	2008	2007
Foreign-exchange contracts				
Forward transactions/futures, purchase	3,721,755	7,108,007	-51,087	179
Forward transactions/futures, sale	3,596,773	3,592,869	-55,513	18,706
Swaps	1,308,938	577,008	-108,896	-12,374
Options, purchase				
Options, sale				
Interest-rate contracts				
Forward transactions/futures, purchase	23,934	22,535	513	70
Forward transactions/futures, sale	26,878	9,386	-704	51
Swaps	3,191,782	1,093,647	2,661	-8,012
Options, purchase				
Options, sale				
Share contracts				
Forward transactions/futures, purchase	2	509	2	-26,250
Forward transactions/futures, sale	2	509	-2	26,250
Options, purchase	32	30	31	
Options, sale	32	30	-31	
Net market value, total			-213,026	-1,380

	Market value				Average market value			
	Positive 2008	2007	Negative 2008	2007	Positive 2008	2007	Negative 2008	2007
Foreign-exchange contracts								
Forward transactions/ futures, purchase	48,828	16,079	99,915	15,900	33,557	10,370	22,735	31,619
Forward transactions/ futures, sale	42,924	26,581	98,437	7,875	31,210	28,101	21,785	5,430
Swaps	29,897	1,258	138,793	13,632	15,543	501	56,263	3,534
Options, purchase								
Options, sale								
Interest-rate contracts								
Forward transactions/ futures, purchase	513	82		12	160	141	150	59
Forward transactions/ futures, sale	19	51	723		126	33	191	1
Swaps	62,372	5,288	59,711	13,300	56,299	5,927	37,720	23,429
Options, purchase								
Options, sale								
Share contracts								
Forward transactions/ futures, purchase	2	140		26,391	79	244	7,568	12,250
Forward transactions/ futures, sale		26,391	2	140	7,568	12,248	79	218
Options, purchase	31				12			
Options, sale			31				12	
Total	184,586	75,870	397,612	77,250	144,554	57,565	146,503	76,540

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

FIVE YEAR MAIN FIGURES

Summary DKK 1,000	2008	2007	2006	2005	2004
Profit and loss account					
Interest receivable	1,221,165	1,031,830	705,949	500,547	412,762
Interest payable	669,149	570,690	309,366	166,080	118,719
Net income from interest	552,016	461,140	396,583	334,467	294,043
Interest-like commission income	20,690	17,376	19,963	23,308	18,940
Dividend on capital shares etc.	1,491	2,386	4,596	3,979	5,357
Income from fees and commissions	155,428	207,977	188,587	159,995	107,221
Fees and commissions paid	28,464	35,599	30,464	34,451	23,692
Net income from interest and fees	701,161	653,280	579,265	487,298	401,869
Value adjustments	-43,577	+17,965	+128,979	+56,237	+64,606
Other operating income	4,863	7,443	4,717	2,650	2,079
Staff and administration costs	236,056	229,755	204,038	187,426	177,580
Amortisation, depreciation and write-downs on intangible and tangible assets	2,420	4,647	4,517	2,421	6,728
Other operating costs	86	16	5	48	0
Guarantee commission, national bank package I	16,148	0	0	0	0
Write-downs on loans and debtors etc.	-77,223	+10,791	+69,027	+5,047	+4,096
Write-downs on national bank package I etc.	-12,016	0	0	0	0
Result of capital shares in associated companies	-5	-11	0	+144	-1
Profit before tax	318,493	455,050	573,428	361,481	288,341
Tax	78,495	106,730	141,046	96,885	74,103
Profit for the financial year	239,998	348,320	432,382	264,596	214,238

Summary DKK 1,000	End 2008	End 2007	End 2006	End 2005	End 2004
Balance sheet					
Assets					
Cash in hand and claims on credit institutions and central banks	2,087,959	4,337,064	3,339,743	2,226,283	1,288,988
Loans and other debtors at amortised cost price	13,897,101	14,134,637	12,760,168	10,023,406	7,209,111
Securities	1,553,741	914,421	967,102	929,444	827,456
Tangible assets	77,730	75,126	66,143	62,015	56,023
Other assets	385,222	172,480	136,202	119,456	79,346
Total assets	18,001,753	19,633,728	17,269,358	13,360,604	9,460,924
Liabilities and equity					
Debt to credit institutions and central banks					
Term to maturity under 1 year	2,077,112	4,307,206	6,535,577	4,405,610	2,375,446
Term to maturity over 1 year	3,224,050	3,132,755	1,274,603	671,445	260,334
Deposits and other debts	9,072,875	9,161,775	7,046,159	6,291,696	5,144,209
Issued bonds	478,341	474,287	2,955	0	0
Other liabilities	652,505	285,348	198,336	256,358	290,230
Provisions for liabilities	21,096	19,933	21,650	19,821	18,417
Subordinated debt	690,984	473,863	479,288	200,952	0
Share capital	25,200	26,200	26,400	26,400	26,400
Reserves	1,759,590	1,752,361	1,684,390	1,488,322	1,345,888
Total shareholders' equity	1,784,790	1,778,561	1,710,790	1,514,722	1,372,288
Total liabilities and equity	18,001,753	19,633,728	17,269,358	13,360,604	9,460,924
Contingent liabilities etc.					
Contingent liabilities	2,386,213	4,803,839	4,803,619	5,141,858	3,938,152
Binding agreements	0	3,995	3,695	53,140	52,760
Total contingent liabilities etc.	2,386,213	4,807,834	4,807,314	5,194,998	3,990,912

FIVE YEAR KEY FIGURES

		2008	2007	2006	2005	2004
Solvency:						
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
Earnings:						
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
Market risk:						
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
Liquidity risk:						
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
Credit risk:						
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
Share return:						
Profit 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
Share price relative to profit for the year per share*/***		6.6	13.0	13.2	15.0	13.4
Share price relative to book value per share*/**		0.84	2.43	3.26	2.56	2.04

* Calculated on the basis of a denomination of DKK 100 per share.

** Calculated on the basis of number of shares outstanding at the end of the year.

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

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

Solvency ratio

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

Core capital ratio

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

Pre-tax return on equity

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

Return on equity after tax

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

Income/cost ratio

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

Interest risk

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

Foreign exchange position

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

Foreign exchange risk

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

Excess coverage relative to statutory liquidity requirements

Cash in hand, claims at notice on the Central Bank of Denmark, absolutely secure and liquid demand deposits with credit institutions and insurance companies, unpledged loan bills issued by Danish banks (interim option until 30 September 2010), unpledged certificates of deposit issued by the Central Bank of Denmark, secure and liquid listed unpledged securities, unpledged unlisted shares etc. (interim option until 30 September 2010) and loan facility based on excess statutory solvency with the Central Bank of Denmark (interim option until 30 September 2010) in per cent of 10% of reduced liabilities and guarantee commitments.

Loans and write-downs thereon relative to deposits

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

Loans relative to shareholders' equity

Loans/shareholders' equity.

Growth in loans for the year

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

Total large exposures

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

Cumulative write-down percentage

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

Write-down percentage for the year

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

Proportion of debtors at reduced interest

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

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

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

Book value per share*/**

Shareholders' equity/share capital excl. own shares.

Dividend per share*

Proposed dividend/share capital.

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

Share price/profit for the year per share.

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

Share price/book value per share.

*/**/***: See page 62.



Ringkjøbing

Landskab

Yrke

OTHER INFORMATIONS

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Shareholders' committee

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

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

Find Andersen, manager, Ådum

Hejne F. Andersen, industrialist, Ringkøbing

Jens Arnth-Jensen, manager, Holte

Gert Asmussen, printer, Tarm*

Claus H. Christensen, farmer, Lem

Claus Dalgaard, manager, Ringkøbing

Per Dam, accountant, Ulfborg

Viktor Degn, school principal, Hvide Sande

Ole K. Erlandsen, butcher, Herning

Keld Hansen, grocer, Søndervig*

Niels Ole Hansen, manager, Ringkøbing

Tonny Hansen, college principal, Ringkøbing

Leif Haubjerg, farmer, No

Erik Jensen, haulage contractor, Skjern

Niels Esper Kamp, farmer, Stadil

Jens Lykke Kjeldsen, timber merchant, Ringkøbing*

Niels Kjeldtoft, teacher, Spjald

Gravers Kjærgaard, farmer, Grønbjerg*

Lars Møller, municipal chief executive, Holstebro

Ole Christian Pedersen, manager, Vostrup

Kristian Skannerup, industrialist, Tim

Jørgen Kolle Sørensen, car dealer, Hvide Sande

Johan Chr. Øllgaard, industrialist, Stauning

* Member of the board of directors

Board of directors

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

Born 1950

Member of the board of directors since 1995

Board members' managerial activities in other Danish public companies:

A/S af 1. august 1989

A/S Henry Kjeldsen

A/S Miljøpark Vest

Henry Kjeldsen, Ringkøbing Tømmerhandel A/S

VT Hallen A/S

Gravers Kjærgaard, farmer, Grønbjerg, deputy chairman of the board of directors

Born 1952

Member of the board of directors since 2002

No board members' managerial activities in other Danish public companies

Gert Asmussen, printer, Tarm

Born 1950

Member of the board of directors since 2002

Board members' managerial activities in other Danish public companies:

Gert Asmussen Holding A/S

Gullanders Bogtrykkeri A/S

Tarm Bogtryk A/S

Tarm Elværk Net A/S

Vestjysk Rotation af 8. maj 2008 A/S

Keld Hansen, grocer, Søndervig

Født 1948

Member of the board of directors since 2002

Board members' managerial activities in other Danish public companies:

A/S Miljøpark Vest

Beach Bowl A/S

Bo Bennedsgård, IT consultant, Ringkøbing, elected by the employees

Born 1972

Member of the board of directors since 2007

No board members' managerial activities in other Danish public companies

Søren Nielsen, costumer adviser, Holstebro, elected by the employees

Born 1954

Member of the board of directors since 2003

No board members' managerial activities in other Danish public companies

Board of managers

Bent Naur, executive general manager

Born 1947

Member of the board of managers since 1987

Member of the boards of directors of:

The Danish Bankers Association, Copenhagen

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

Bankdata, Fredericia

Nykredit Holding A/S, Copenhagen

PRAS A/S, Copenhagen

Totalkredit A/S, Taastrup

John Bull Fisker, general manager

Born 1964

Member of the board of managers since 1999

Member of the boards of directors of:

BankInvest Holding A/S, Copenhagen

BI Asset Management Fondsmæglerselskab A/S, Copenhagen

Ringkøbing Landbobank Aktieselskab

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Denmark

Founded: 1886

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

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

Share capital

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

Ownership

Ringkøbing Landbobank is owned by approx. 18,500 shareholders.

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

FINANCIAL CALENDAR

Financial calendar 2009

The financial calendar for the upcoming publications is as follows:

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

STOCK EXCHANGE ANNOUNCEMENTS

Stock exchange announcements 2008

Review of Ringkjøbing Landbobank's announcements to NASDAQ OMX Copenhagen and others in 2008 in compliance with Section 27b of the Danish Securities Trading Act:

6 February 2008	Announcement of the annual accounts 2007
6 February 2008	Annual report 2007
6 February 2008	Annually information document
8 February 2008	Notice convening the annual general meeting the 27 February 2008
28 February 2008	Information of the development of the annual general meeting the 27 February 2008
5 March 2008	Articles of association of the 27 February 2008
6 March 2008	Totalkredit/Nykredit offer Ringkjøbing Landbobank an amended cooperation agreement
16 April 2008	Quarterly report 1st quarter 2008
19 June 2008	Implementation of capital reduction
19 June 2008	Articles of association of the 18 June 2008
30 June 2008	Share capital and voting rights
1 July 2008	The bank has taken up subordinated loan capital
6 August 2008	Financial calendar
6 August 2008	Interim report for the 1st half of 2008
6 October 2008	Participation in guarantee provided by the Danish government
22 October 2008	Quarterly report 1st-3rd of 2008
23 October 2008	Financial calendar 2009
23 December 2008	Ringkjøbing Landbobank has established an EMTN programme

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

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

THE BANK'S BRANCHES ETC.

Head office:

Ringkøbing

Branches:

Grønbjerg

Herning

Investcenter Herning

Holstebro

Hvide Sande

Lem

Spjald

Tarm

Thorsminde

Tim

Ulfborg

Viborg

Vildbjerg

Ørnhøj





Bent Naur
Executive general manager



John Bull Fisker
General manager



Jørn Nielsen
Credit manager



Sten Erlandsen
Head of treasury



Lars Hindø
Financial manager



Jørgen Højgaard
Foreign manager



Ringkjøbing

Landskab

Yrke

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