

To the Copenhagen Stock Exchange

Stock Exchange Announcement

Date: 26<sup>th</sup> April 2007

## Quarterly Report for the period 1 January to 31 March 2007

Ringkjøbing Bank's board of directors has today considered and adopted the bank's accounts for the first quarter of 2007 covering the period from 1 January to 31 March 2007.

### Summary:

- Profit before tax of DKK 43.9 million equal to a rise of 33% relative to the same period the previous year.
- The core earnings, which are the earnings from the bank operation, rose by 30% to DKK 31.7 million.
- Return on equity rose to 23.4% per annum from 20.9% per annum last year.
- Increase in the total business volume in the form of loans (+33%), deposits (+16%) and guarantees (+3%).
- Net interest and income from fees rose by DKK 7.3 million to DKK 71.1 million.
- Positive value adjustments of DKK 12.2 million against DKK 8.6 million for the same period the previous year.
- Write-downs on loans show an income of DKK 1.5 million against a cost of DKK 3.9 million for the same period the previous year.
- Maintains the previously announced expectations to a result of approximately DKK 115 million before tax for the year 2007.

### For further information please contact:

Preben Knudsgaard, Managing Director, Tel.: +45 99753200  
Kaj Damgaard, Director - Investor Relations, Tel.: +45 99753231

## Main and key figures for the period 1/1 - 31/3

						Year
	2007	2006	2005	2004	2003	2006
<b>Profit and loss account (mio DKK)</b>						
Net interest income	46,565	41,149	36,664	35,831	32,155	175,281
Net income from fees and commission	23,739	21,887	19,013	12,759	11,954	90,399
Net income from interest and fees	71,134	63,813	57,547	49,943	45,615	267,040
Securities and foreign exchange income	12,230	8,618	1,956	8,499	5,615	50,443
Staff and administration costs	40,248	34,907	29,749	27,117	26,983	152,802
Write-downs on loans and other debts etc.	-1,513	3,885	3,301	7,428	5,000	-20,061
Result for capital shares in associated and affiliated companies	0	-8	29	28	37	-148
Profit before tax	43,902	32,995	26,006	23,181	18,960	177,987
Profit for the year	31,628	23,736	18,876	16,894	13,375	135,258
<b>Balance sheet (mio DKK)</b>						
Loans and other debts at amortised cost price	6,284,219	4,724,421	3,352,700	2,321,552	2,070,394	5,897,580
Deposits and other debt	2,676,570	2,338,069	2,217,684	1,815,789	2,120,419	2,738,094
Deposits in pools	885,503	722,310	543,248	462,023	-	875,513
Guarantees etc.	2,339,361	2,280,432	1,928,407	1,235,866	1,119,736	2,255,503
Capital and reserves	765,161	637,513	574,019	496,955	453,962	738,902
Total assets	8,389,452	6,626,471	4,801,570	3,855,472	3,145,279	8,002,100
<b>Key figures</b>						
Solvency ratio	12.1%	11.1%	9.9%	10.7%	13.5%	13.7%
Core capital ratio	9.8%	10.4%	10.7%	12.2%	13.2%	10.9%
Pre-tax retur non equity	23.4%	20.9%	18.6%	18.5%	17.0%	26.0%
Retur non equito after tax	16.8%	15.0%	13.5%	13.5%	12.0%	19.8%
Income/Cost ratio	2.11	1.84	1.78	1.66	1.58	2.27
Average number of employees	208	189	163	155	159	197
Interest risk	3.0%	2.6%	2.0%	2.4%	2.2%	3.0%
Foreign exchange position	6.8%	1.2%	2.9%	0,7%	7.2%	0.8%
Loans plus write-downs thereon relative to depotist	179.3%	158.6%	126.0%	108.9%	104.0%	166.0%
Loans relative to capital and reserves	8.2	7.4	5.8	4.7	4.6	8.0
Growth in loans for the quarter	6.6%	3.1%	10.6%	-1.6%	1.5%	28.7%
Excess cover relative to statutory liquidity requirements	49.9%	39.0%	-0.3%	69.1%	27.7%	47.3%
Total major exposures	37.1%	23.5%	95.5%	12.6%	10.1%	18.8%
Percentage write-downs for the quarter	0.0%	0.1%	0.1%	0.2%	0.2%	-0.2%
Cumulative percentage write-downs	1.2%	1.8%	2.3%	4.3%	4.1%	1.3%
Listet price per DKK 20 share	985	772	496	374	220	910
Market value in million DKK	1,576	1,235	794	598	352	1,456
Profit for the quarter pr. DKK 20 share	28.4	21.2	17.1	15.2	12.0	87.2
Intrinsic value per DKK 20 share	478	398	359	311	284	462
Listed price/profit per DKK 20 share	34.6	36.5	29.1	24.6	18.3	10.4
Listed price/intrinsic value per DKK 20 share	2.1	1.9	1.4	1.2	0.8	2.0

Apart from financial assets and liabilities, the comparative figures for 2004 have been adjusted as a result of the changed Accounting policies as of 1 January 2005. The comparative figures for previous years have not been adjusted

## Comments to the quarterly report for the first quarter of 2007

Ringkjøbing Bank has achieved a pre-tax result of DKK 43.9 million against DKK 33.0 million in the same period in the previous year. The return on equity before tax rose to 23.4% per annum from 20.9% per annum last year.

The core earnings, which are the earnings from the bank operation, were DKK 31.7 million. An increase of 29.9% relative to the same period last year is absolutely satisfactory. This is due to a positive growth in the business volume.

The core earnings are the result before tax and value adjustments. The core earnings thus isolate items of the profit and loss account that may show major fluctuations between the financial reporting as a result of changes of the calculated market value of the bank's portfolio of securities.

The achieved development in the pre-tax result is absolutely satisfactory and is above expectations.

## Development in the first quarter of 2007

Ringkjøbing Bank has achieved a satisfactory improvement in the total business volume in the form of loans, deposits and guarantees which amounted to DKK 12.2 billion per 31.03.2007 against DKK 10.1 billion per 31.03.2006 equal to a rise of 21%.

The bank's total loans amounted to DKK 6,284 million per 31.03.2007, a rise of 33% relative to the same time the previous year. Deposits amounted to DKK 2,677 million against DKK 2,338 million the same time the previous year, a 14% rise. Deposits in pools rose from DKK 722 million per 31.03.2006 to DKK 886 million per 31.03.2007. Guarantees rose from DKK 2,280 million to DKK 2,339 million.

The increase in loans of approximately DKK 1.6 billion relative to the same time the previous year comprised (approximate figures) DKK 315 million to financing of housing, DKK 760 million in commercial loans and credits, DKK 90 million in investment credits and the rest in miscellaneous other loans and credits.

The quarterly report shows that Ringkjøbing Bank has increased the income as a result of increased activities. Staff and administration costs rose by 15% relative to 1<sup>st</sup> quarter 2006 and follows expectations.

## Income

### Increase in net interest income as a result of increased business volume

On basis of a satisfactory development in the business volume and the interest rate rise in general, the bank's interest income rose from DKK 67.8 million to DKK 101.4 million. Net interest income rose from DKK 41.1 million to DKK 46.6 million.

### Continued high activity

The continuous high activity within loans and asset management has had a positive impact on the bank's earnings from fees and commissions which rose from DKK 23.2 million last year to DKK 24.8 million.

### Value adjustments of DKK 12.2 million

Ringkjøbing Bank had positive value adjustments of DKK 3.4 million on bonds and positive value adjustments of DKK 5.7 million on shares in local banks and partners.

On foreign currency, etc. loans and other commitments Ringkjøbing Bank has realised a positive value adjustment of DKK 3.1 million.

## Costs

### Staff costs and administrative expenses

Total staff costs and administrative expenses rose by DKK 5.3 million to DKK 40.2 million, a 15.3% rise relative to the same period the previous year and follows expectations. The increased expenses to staff and administration is attributable to new appointments as a result of increase in the business volume. New appointments have also been made to the branch network to strengthen the basis for the future growth.

### Write-downs on loans, etc

Write-downs on loans etc. was positive with DKK 1.5 million. The item for same period the previous year was negative with DKK 3.9 million. The change is due to the continuous favourable economic climate and it is satisfying that it has been possible to book this item as income in a period with high level of growth in loans. The great bulk of the bank's borrowers, rather than individual major commitments, have shown a positive development so that net DKK 1.5 million can be charged back on individual commitments.

## Continuous development in service and customer base

Ringkjøbing Bank continues the strategy of obtaining new private customers outside the local area. The effort which has been strengthened over the past years has resulted in an influx of new private customers within this segment. Especially housing financing has increased positively. We have also had a major influx of new business customers which, together with high activity among existing business customers, has resulted in development in loans and credits to the business.

## Equity and solvency

Equity amounted to DKK 765.2 million per 31.03.2007. The solvency was 12.1% per 31.03.2007. Statutory regulation requires banks to have a minimum solvency on 8%. From 1 January 2007 new capital adequacy requirements came into force. The bank will use the extended method under the standard method for computation of credit risks. Until 1 January 2008, however, the bank will use the transition arrangements.

## Ownership

Per 31.03.2007 Ringkjøbing Bank had 19,087 shareholders listed by name, owing 95.1% of the share capital. The ten biggest shareholders own 21% of the share capital.

70% of the share capital is held by 2,690 shareholders. A large number of shareholders own small holdings.

No shareholder has advised pursuant to section 28a of the Companies Act that he or she owns more than 5% of the share capital or associated voting rights.

The Ringkjøbing Bank share's closing price rose by 8% in the period 31.12.2006 to 31.03.2007. The number of shareholders in the same period rose by 832.

## Outlook for 2007

Ringkjøbing Bank expects to achieve continued growth in the rest of 2007 in its total business volume in the form of loans, deposits and guarantees.

Write-downs on loans, etc. are expected remain at approximately DKK 0 as stated in the annual report 2006.

*Quarterly Report for the period 1 January to 31 March 2007*

Ringkjøbing Bank maintains the expectations to the annual result 2007 in the level DKK 115 million before tax as stated in the annual report 2006.

### **Accounting policies**

The quarterly report has been prepared in accordance with legislation about financial business and announcement of financial reports for credit institutions and brokerage houses, etc.

The quarterly report has also been prepared in accordance with further Danish disclosure requirements for the quarterly reports of listed financial companies.

Accounting policies are unchanged relative to last year.

### **Events after closing the accounting period**

No events occurred after the balance sheet day which would modify the assessments in the quality report.

The quarterly report is unaudited.

### Profit and loss account for the period 1/1 – 31/3 2007

Note		1/1-31/3 2007 DKK 1,000	1/1-31/3 2006 DKK 1,000
1	Interest receivable	101,443	67,767
2	Interest payable	54,878	26,618
	<b>Net interest income</b>	<b>46,565</b>	<b>41,149</b>
	Dividend on shares, etc.	830	777
3	Income from fees and commission	24,827	23,188
	Fees and commission paid	1,088	1,301
	<b>Net income from interest and fees</b>	<b>71,134</b>	<b>63,813</b>
4	Value adjustments of securities and foreign exchange income, etc.	12,230	8,618
	Other operating income	84	33
5	Staff costs and administrative expenses	40,248	34,907
	Depreciation and write-downs of tangible assets	811	669
	Other operating costs	0	0
	Write-downs on loans, etc.	-1,513	3,885
6	Result for capital shares in associated and affiliated companies	0	-8
	<b>Profit before tax</b>	<b>43,902</b>	<b>32,995</b>
	Tax	12,274	9,259
	<b>Profit for the period</b>	<b>31,628</b>	<b>23,736</b>

### Balance sheet per 31/3 2007

Note		31/3 2007 DKK 1,000	31/3 2006 DKK 1,000.	31/12 2006 DKK 1,000.
	<b>Assets</b>			
	Cash in hand and demand deposits with central banks	39,546	49,942	41,217
	Due from credit institutions and central banks	113,021	109,710	145,698
7	Loans and other receivables at amortised cost price	6,284,219	4,724,421	5,897,580
	Bonds at current value	846,004	824,024	825,919
	Shares, etc	140,079	117,841	136,368
	Capital shares in associated companies	0	1,146	0
	Capital shares in affiliated companies	0	5,514	0
	Assets in pool schemes	885,503	722,310	875,513
	Land and buildings, total	41,184	40,220	41,380
	Investment properties	3,490	3,230	3,490
	Domicile properties	37,694	36,990	37,890
	Other fixed assets	3,246	2,805	3,629
	Current tax assets	0	600	0
	Deferred tax assets	3,100	5,720	5,306
	Other assets	26,987	16,821	23,935
	Prepayments and accrued income	6,563	5,397	5,555
	<b>Total assets</b>	<b>8,389,452</b>	<b>6,626,471</b>	<b>8,002,100</b>
	<b>Liabilities</b>			
	<b>Debts</b>			
	Debt to credit institutions and central banks	3,499,501	2,515,857	3,066,136
	Deposits and other debt	2,676,570	2,338,069	2,738,094
	Deposits in pool schemes	885,503	722,310	875,513
	Current tax-liabilities	13,326	0	8,769
	Other liabilities	78,479	126,877	106,909
	Accruals and deferred income	54	282	234
	<b>Total debt</b>	<b>7,153,433</b>	<b>5,703,395</b>	<b>6,795,655</b>
	<b>Provisions</b>			
	Pensions and similar obligations	7,409	7,435	7,409
	Guarantees	2,265	183	1,795
	<b>Provisions, total</b>	<b>9,674</b>	<b>7,618</b>	<b>9,204</b>
	<b>Subordinated debt</b>	<b>461,184</b>	<b>277,945</b>	<b>458,339</b>
8	<b>Capital and reserves</b>			
	Share capital	32,000	32,000	32,000
	Other reserves			
	Statutory reserves	0	994	0
	Profit carried forward	733,161	604,519	706,902
	<b>Capital and reserves, total</b>	<b>765,161</b>	<b>637,513</b>	<b>738,902</b>
	Of which proposed dividend	0	0	0
	<b>Total liabilities</b>	<b>8,389,452</b>	<b>6,626,471</b>	<b>8,002,100</b>
9	<b>Total contingent liabilities</b>	<b>2,342,453</b>	<b>2,283,314</b>	<b>2,258,595</b>
10	<b>Guarantees</b>			

### Statement of capital and reserves

	<b>31/3 2007</b> DKK 1,000	<b>31/3 2006</b> DKK 1,000	<b>31/12 2006</b> DKK 1,000
<b>Sharecapital beginning and end of period</b>	<b>32,000</b>	<b>32,000</b>	<b>32,000</b>
Other reserves beginning of period	0	1.002	1.002
Additions	0	0	0
Disposals	0	8	1.002
<b>Other reserves end of period</b>	<b>0</b>	<b>994</b>	<b>0</b>
Result carried forward beginning of period	706,902	595,468	595,468
Dividend paid	0	12,379	12,379
Transferred from other reserves	0	8	1,002
Transferred to other reserves	0	0	0
<b>Result carried forward end of period</b>	<b>706,902</b>	<b>583,097</b>	<b>584,091</b>
Profit for the period	31,628	23,736	135,258
Addition on sale of own shares	55,956	72,693	153,537
Disposal on purchase of own shares	60,075	73,694	166,815
Tax on capital gain on own shares	1,250	1,313	3,169
Share-based payment	0	0	4,000
<b>Carried forward from result end of period</b>	<b>26,259</b>	<b>21,422</b>	<b>122,811</b>
<b>Capital and reserves total</b>	<b>765,161</b>	<b>637,513</b>	<b>738,902</b>



## Notes to interim report 1/1 – 31/3 2007

Note		<b>1/1- 31/3 2007</b>	<b>1/1- 31/3 2006</b>
		DKK 1,000	DKK 1,000
1	<i>Interest receivable:</i>		
	Due from credit institutions and central banks	1,360	913
	Loans and other receivables	92,455	60,755
	Bonds	8,248	6,273
	Total derivatives	-620	-174
	Other interest receivables	0	0
	<b>Total interest receivables</b>	<b>101,443</b>	<b>67,767</b>
2	<i>Interest payable to:</i>		
	Credit institutions and central banks	31,066	14,730
	Deposits and other debt	18,045	8,940
	Subordinated debt	5,767	2,948
	Other interest payables	0	0
	<b>Total interest payables</b>	<b>54,878</b>	<b>26,618</b>
3	<i>Income from fees and commissions:</i>		
	Securities trading and deposits	14,650	13,747
	Payment services	2,364	2,047
	Fees from loans	982	1,099
	Guarantee commission	4,809	4,113
	Other fees and commissions	2,022	2,182
	<b>Total income from fees and commissions</b>	<b>24,827</b>	<b>23,188</b>
4	<i>Value adjustments:</i>		
	Other loans and receivables at current value	29	-2,248
	Bonds	3,411	568
	Shares, etc.	5,666	6,798
	Investment properties	0	0
	Foreign exchange	1,592	741
	Foreign exchange, interest, share, commodities and other contracts, and derivatives	1,857	-1,889
	Assets in pool schemes	18,223	6,508
	Deposits in pool schemes	-18,223	-6,508
	Other commitments	-325	4,648
	<b>Total value adjustments</b>	<b>12,230</b>	<b>8,618</b>

## Notes to interim report 1/1 – 31/3 2007

Note	<b>1/1- 31/3 2007</b>	<b>1/1- 31/3 2006</b>
	DKK 1,000	DKK 1,000
5	<i>Staff costs and administrative expences</i>	
	<i>Salaries and payments to board of directors, management and council:</i>	
	Management	785      803
	Board of directors	152      139
	Council	0      0
	<b>Total</b>	<b>937      942</b>
	<i>Staff costs:</i>	
	Salaries	18,652      16,510
	Pensions	2,492      2,196
	Social security contributions	2,003      1,844
	<b>Total</b>	<b>23,147      20,550</b>
	Other administrative expences	16,164      13,415
	<b>Total staff costs and administrative expences</b>	<b>40,248      34,907</b>
6	<i>Result for capital shares in associated and affiliated companies:</i>	
	Capital shares in associated companies, etc.	0      0
	Capital shares in affiliated companies, etc.	0      -8
	<b>Total result for capital interests, etc.</b>	<b>0      -8</b>

## Notes to interim report 1/1 – 31/3 2007

Note		<b>31/3 2007</b> DKK 1,000	<b>31/3 2006</b> DKK 1,000	<b>31/12 2006</b> DKK1,000
	<i>Credit risks:</i>			
7	Individual write-downs	95,586	122,249	97,386
	Group write-downs	4,431	7,997	4,431
	<b>Total write-downs</b>	<b>100,017</b>	<b>130,246</b>	<b>101,817</b>
	Individual write-downs beginning of quarter	97,386	116,941	116,941
	Write-downs during quarter	2,803	12,402	24,211
	Reverse entry of write-downs made in previous years	4,603	7,094	43,766
	<b>Individual write-downs end of quarter</b>	<b>95,586</b>	<b>122,249</b>	<b>97,386</b>
	Group write-downs	4,431	7,997	7,997
	Reverse entry of write-downs made in previous years	0	0	3,566
	<b>Group write-downs end of quarter</b>	<b>4,431</b>	<b>7,997</b>	<b>4,431</b>
	No write-downs were made on credit balances with credit institutions and other credit balances. Provisions for losses on guarantees were made under the liability item "Provisions"			
8	<i>Sharecapital:</i>			
	Number of shares	1,600,000	1,600,000	1,600,000
	Denomination	20 DKK	20 DKK	20 DKK
	Face value	32,000	32,000	32,000
	Own capital shares:			
	Market price	55,750	33,685	51,511
	Number of shares	56,599	43,634	56,606
	Denomination	1,132	873	1,132
	In percent of share capital	3.5%	2.7%	3.5%
9	<i>Contingent liabilities:</i>			
	Guarantees etc.:			
	Finance guarantees	1,049,283	1,203,595	1,025,051
	Loss guarantees for mortgage credit loans	792,885	614,917	750,531
	Other guarantees	497,193	461,920	479,921
	<b>Total guarantees etc.</b>	<b>2,339,361</b>	<b>2,280,432</b>	<b>2,255,503</b>
	Other contingent liabilities:			
	Other commitments	3,092	2,882	3,092
	<b>Other contingent liabilities, total</b>	<b>3,092</b>	<b>2,882</b>	<b>3,092</b>
	<b>Total contingent liabilities</b>	<b>2,342,453</b>	<b>2,283,314</b>	<b>2,258,595</b>
10	<i>Guarantees:</i>			
	DKK 7,969 of the bank's bond holding and DKK 219,002 of the pools' bond holding have been pledged as security for loans from the Danish National Bank and clearings.			

## Management Statement

The board of directors and the management have today considered and adopted the quarterly report for the period from 1 January to 31 March 2007 for A/S Ringkjøbing Bank.

The quarterly report has been prepared in accordance with legislation about financial business. The quarterly report has also been prepared in accordance with further Danish disclosure requirements for quarterly reports of listed finance companies. We consider that the accounting policies used are appropriate and that the quarterly report gives a true and fair view of the bank's assets, liabilities, financial position and result.

Ringkjøbing, 26<sup>th</sup> April 2007

### Management

Preben Knudsgaard                      Kaj Damgaard

### Board of directors

Poul Hjulmand                      Jens Fjordside                      Carl Olav Birk Jensen  
Hans-Ole Jessen                      Henning Jensen                      Gert Aagaard