
Søren Kaare-Andersen

Algade 14

DK-4000 Roskilde

Phone +45 46 34 84 01

Fax +45 46 34 83 51

ska@roskildebank.dk

Arne Wilhelmsen

Algade 14

DK-4000 Roskilde

Phone +45 46 34 84 02

Fax +45 46 34 83 51

aw@roskildebank.dk

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Q3 Report 2007

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Introduction

20,000 new customers ensure continued growth for Roskilde Bank

Main figures / key figures

(DKK million)	1 January - 30 September			Total year	
	2007	2007 Budget	2006	2006	2007 Budget
Gross profit	935	867	727	1,012	1,182
Operating expenses	386	393	313	458	544
Impairment losses on loans etc.	38	1	-26	-17	3
Core earnings	511	473	440	571	635
Sale of financial strategic assets	0	0	43	43	0
Earnings on investment portfolio	-27	39	-12	80	47
Net profit before tax	484	512	471	694	682
Equity 30 September	2,684	3,043	1,829	2,494	3,167
Total business volume	79,741	73,000	60,272	68,163	76,300
Return on equity before tax	25%	25%	36%	33%	24%

- Core earnings increased by DKK 71 million (16%) to 511 million.
- Core earnings return 26% on equity.
- Return on investments came to a DKK 27 million deficit due to the turbulence on the financial markets.
- Cost/income ratio fell further to 41%.
- Impairment write-downs on loans were DKK 38 million – a moderate 0.1% of our total loans and guarantees.
- Net profit before tax returns 25% p.a. on equity.
- Capital adequacy ratio is 13%. Core capital ratio is 8%.
- Roskilde Bank welcomed 106 new employees in the first nine months of 2007.
- Roskilde Bank welcomed 20,000 new customers in the first nine months.
- 2,656 new Roskilde Bank shareholders were added in the first nine months of 2007 bringing the total number of shareholders up to 32,036.
- Roskilde Bank's gross profit increased more than expected due to the continued high growth in business volume. The gross profit of DKK 935 million represents an increase of 29%, DKK 68 million more than budgeted.
- Roskilde Bank expects record core earnings for 2007 due to the increase in the number of customers and the increase in business volume.

Activities

The management has launched a strategy process with the purpose of defining the most important focus areas for the next two to three years. The strategy process is expected to be completed at the end of November 2007.

The Elsinore branch has moved to new premises.

Our Private Banking department has been launched in premises next to the Copenhagen branch.

Important announcements

08/09/2007	Interim report - six months
06/29/2007	Roskilde Bank issues subordinated notes
06/29/2007	Roskilde Bank issues bonds (Hybrid Core Capital)
04/26/2007	Quarterly report Q1
04/11/2007	Share issue fully subscribed
04/02/2007	Roskilde Bank has issued a bond for EUR 750 million
03/16/2007	The Board of Directors of Roskilde Bank
03/08/2007	Moody's has assigned ratings to Roskilde Bank
03/01/2007	Development of annual general meeting
02/28/2007	Prospectus 2007 (in Danish)
02/28/2007	Announcement of prospectus
02/27/2007	Roskilde Bank takes over the SEB City Branch at Landemærket 8, Copenhagen
02/09/2007	Annual report

Financial calendar

02/08/2008	Annual Report 2007
02/27/2008	Ordinary shareholders' meeting
04/24/2008	Quarterly report Q1
08/14/2008	Interim report - six months
10/23/2008	Quarterly report Q3

Commentary

Gross profit increased by 29% to DKK 935 million

The growth in business volume has resulted in a notable increase in gross profit of DKK 208 million.

Net interest and dividends increased by DKK 205 million to 903 million, 48 million more than budgeted.

The increase in net interest and dividends of DKK 163 million (33%) is exclusively due to increased activity as the interest margin is still falling.

Net fees and commission increased by DKK 42 million from 30 September 2006 to DKK 248 million on 30 September 2007. The increase of 20% derives from guarantees on foreign loans and mortgage handling as well as from securities trading on behalf of customers.

Net fees and commission

(DKK million)	■ 2007	2006
Securities trading and safe custody accounts	97	84
Mortgage handling	30	32
Mortgage guarantees	97	71
Payments services	16	13
Other fees and commission	1	- 2
Total	241	198
Market value adjustments	7	8
Total	248	206

Foreign exchange trading and strategic share holdings amount to DKK 34 million against 25 million on 30 September 2006.

Cost/income ratio fell to 41%

Operating expenses increased by 23% to DKK 386 million due to the growth of the bank with new branches and more staff. Expenses increased by DKK 7 million less than budgeted.

Although expenses increased by 23%, core earnings increased by 29% due to the big increase in business volume. Operating expenses in percent of gross profit therefore fell from 43% on 30 September 2006 to 41% on 30 September 2007 – reflecting high earnings due to increased business volume.

Commentary

Write-downs on loans etc.

Write-downs on loans etc. amounted to DKK 38 million at the end of Q3 2007. This is 0.1% of our total loans and guarantees, and still a modest figure reflecting the favourable economic situation.

Due to the major media attention on unsold flats on the Copenhagen waterfront, our Credit department has come to the following conclusions in connection with its ordinary review of our loans and credits in the third quarter:

- Roskilde Bank has only financed 20-30 unsold flats on the Copenhagen waterfront, and we consider the risk of impairment losses to be very small.
- Property financing is an important activity which is distributed geographically all over Zealand and is distributed on various types of property (owner-occupied houses/flats, leases, business construction, and housing co-operatives).
- The flats financed by the bank are for the most part ordinary, medium priced housing.
- On the background of the forecast published by "Arbejderbevægelsens Erhvervsråd" (Economic Council of the Labour Movement in Denmark) that the price of owner-occupied flats may fall by a further 15%, the bank does not expect to incur losses on building projects with unsold units.

Furthermore, Roskilde Bank emphasizes that we are not in any possible way, directly or indirectly, exposed to the American subprime segment. Nor have we provided loans to companies that issue these instruments, and we have not provided credit facilities to companies investing in these instruments.

Treasury activities net DKK -27 million

Treasury activities were influenced by the fluctuating prices in the domestic and international markets in the third quarter.

As Roskilde Bank's own holdings of securities primarily consists of guaranteed bonds related to the development on a number of selected share markets, their value has fallen with the general fall on the markets the last three months.

Our exposure to the share market has been reduced in the same period.

Commentary

Increase in loans, guarantees, and portfolio management

The increased number of customers has resulted in an increase in loans of DKK 10 billion (46%) to 30 billion compared to the first three quarters of 2006.

We expect our loan portfolio to continue increasing due to the large number of new customers. In the first nine months of the year, 64% of the increase in loans are due to new customers.

Deposits increased by DKK 6 billion (56%) to 18 billion.

Guarantees fell by about DKK 0.5 billion to 12 billion (3%). This is due to the fact that Roskilde Bank chose the so-called netting off model in connection with its agreement with Totalkredit as from 1 July 2007. Thereby, Roskilde Bank's guarantees in favour of Totalkredit have lapsed.

Capital management increased by DKK 4 billion (24%) to 20 billion reflecting the increased savings propensity in the form of investment in securities.

Strong liquidity

Roskilde Bank, through our liquidity management policy, aims at having solid liquidity reserves in order to meet our liquidity requirements at all times. Our backup resources are composed of e.g. credit facilities from a number of domestic and international financial institutions as well as the undrawn part of the EMTN programme.

The difference between deposits and loans – totalling DKK 12 billion – has been bridged by long term loans from the interbank and bond markets totalling DKK 14.5 billion.

Our target is to keep the margin over and above the statutory requirement at 100% or more. On 30 September 2007 the margin is 126%.

The bank calculates its cash position and cash flow projection on a daily basis, and furthermore makes long-term projections on the basis of growth expectations in order to ensure optimal scheduling of new loans and the total cash flow position.

At the same time, the bank operates with cash flow scenarios and a stress test scenario in order to ensure that all aspects are considered in the liquidity management planning.

Apart from having a good grasp of the figures, the contact to the market is important to ensure optimal liquidity management. Therefore, the bank has visited – and received visits from – Danish and international banks for the past 20 years in order to ensure that the sources of our liquid funds have the information required and that we are up to speed on current conditions. This aspect has been further strengthened this year by the establishment of a Capital Markets Department with systematic contact to the market on a current basis.

Commentary

Rating

At the beginning of 2007, the bank chose to apply for a rating from Moody's. The rating has two purposes: One purpose is to gain access to new markets, i. e. more potential lenders – as was the case in the spring with the issue of a DKK 5.5 billion bond with more than 50 lenders. The facility still has scope for a further credit of about DKK 10 billion. The bond market is a fine supplement to the traditional market for bilateral and syndicated loans where the bank has contracted long term facilities amounting to DKK 9 billion.

The other purpose is to have an impartial evaluation of all important aspects, and the numerous details are subject to internal scrutiny in order to ensure that we are moving in the right direction.

Rating – Moody's

Long term deposit	Short term deposit	Capital base	Hybrid core capital	Financial strength
A1	P1	A2	A3	C

Capital structure

Equity amounts to DKK 2,684 million, and the capital base amounts to 5,305 million on 30 September 2007.

The capital adequacy ratio is 13% - well above the statutory requirement of 8%.
The core capital ratio is 8%.

The large growth in loans and the exposure on the mortgage financing market mean that the bank's minimum capital adequacy requirement was 10.3% at the end of Q3.

Roskilde Bank chose the so-called netting off model in connection with its agreement with Totalkredit A/S as at 1 July 2007. Thereby, Roskilde Bank's guarantees for about DKK 2.5 billion in favour of Totalkredit lapsed on 1 July 2007. The change resulted in a 0.4% improvement of the capital adequacy ratio, which has been included in the Q3 report.

When calculating the capital adequacy and core capital ratios, the bank, in accordance with the interim regulations in the executive order on capital requirements, applies the principles for credit risk assessment previously in force. In 2008, we are introducing the standard principles for the assessment of credit risks. We expect this change to strengthen the capital adequacy and core capital ratios.

Commentary

Segments

Core earnings before write-downs on loans etc.

(DKK million)	■ 2007	2007 Budget	2006
Retail banking	214	175	133
Corporate banking*	315	281	226
Earnings on investment portfolio, propriety trading etc.	19	17	54
Others	1	1	1
Total	549	474	414

*Team Erhverv, Roskilde

The increase in core earnings reflects the growth in business volume in our retail branches as well as in corporate banking.

Our investment in new branches the last few years is showing increasing returns. Core earnings on the retail banking segment have increased by 61% to DKK 214 million, and we expect this trend to continue as we still have great potential.

The positive performance of the head office corporate banking department has also been maintained with an increase of 39% to DKK 315 million.

Earnings before impairment write-downs on loans, etc. on investment portfolio, propriety trading, etc. are at the budgeted level, but compared to the same period in 2006, they have fallen by DKK 35 million. This is to be viewed in the context of a reduced interest margin, chiefly due to our wish to have a solid liquidity contingency plan.

2007 forecast

On the basis of the sound development of core earnings, the bank expects its upgrade by DKK 30 million to a total for the year of DKK 665 million, as announced in connection with the Q1 report, to be achieved as a minimum.

Inclusion and assessment

As systems and data are not yet fully in line with the specific accounting instructions, certain estimates have been made as to inclusion and assessment of write-downs on loans etc., particularly write-downs on homogeneous groups of loans. In spring 2007, the bank increased the number of rating categories for corporate customers from five to eight. Furthermore, the requirements for impairment write-downs on groups of homogeneous loans with an objective indication of impairment, but without individual write-downs, have been changed. The consequent adjustments have no influence on operations, however. The incomplete data and the consequent estimates are considered to have no significant influence on an evaluation of the Interim Report.

There are no other uncertainties in connection with inclusion and assessment.

Main figures

(DKK million)

	2007	2007 Budget	2006	2005	2004	2003	Year 2006	Year 2007 Budget
Core earnings								
Net interest and dividends	655	627	492	345	265	240	680	854
Net fees and commission	248	228	206	131	93	88	294	311
Market value adjustments *	34	13	25	20	18	17	32	18
Other operating income (net)	-2	-1	4	10	0	0	6	-1
Gross profit	935	867	727	506	376	345	1,012	1,182
Operating expenses	386	393	313	249	224	213	458	544
Loan impairment write-downs etc.	38	1	-26	11	17	22	-17	3
Core earnings	511	473	440	246	135	110	571	635
Sale of financial strategic assets	0	0	43	0	0	0	43	0
Earnings on investment portfolio	-27	39	-12	206	46	44	80	47
Net profit before tax	484	512	471	452	181	154	694	682
Tax	115	140	117	121	49	41	177	187
Net profit	369	372	354	331	132	113	517	495

* Including foreign exchange trading and strategic share holdings.

Profit and loss account

Net interest and dividends	638	590	480	343	260	246	659	800
Net fees and commission	241	221	198	126	88	84	284	302
Securities and foreign exchange trading	30	95	75	232	73	59	184	126
Other operating income (net)	-2	-1	4	10	0	0	6	-1
Staff and administration	369	377	300	234	209	200	438	523
Depreciation and write-off of intangible and tangible assets	17	16	13	15	15	13	20	21
Loan impairment write-downs etc.	38	1	-26	11	17	22	-17	3
Capital shares in affiliated enterprises	1	1	1	1	1	0	2	2
Net profit before tax	484	512	471	452	181	154	694	682
Tax	115	140	117	121	49	41	177	187
Net profit	369	372	354	331	132	113	517	495

Balance sheet

Loans	30,058	25,500	20,518	12,614	8,483	7,159	23,765	26,500
Deposits	17,821	13,300	11,436	8,664	5,959	5,324	12,360	14,100
Subordinated capital	2,658	2,324	1,099	900	450	450	2,121	2,099
Equity	2,684	3,043	1,829	1,613	985	874	2,494	3,167
Share capital	125	125	114	114	98	103	114	125
Balance	41,580	31,600	25,735	17,007	11,371	9,823	30,052	32,700
Guarantees	11,574	13,300	11,983	7,554	4,468	3,681	13,275	14,100
Safe custody accounts	20,288	20,900	16,335	9,746	6,264	5,058	18,763	21,600
Business volume	79,741	73,000	60,272	38,578	25,174	21,222	68,163	76,300

(Loans, deposits, guarantees and safe custody accounts)

Other figures for comparison

Return on equity before tax (average) pct. p.a.	25	25	36	45	25	25	33	24
Core earnings in percent of equity (average) p.a.	26	23	33	24	19	18	27	22
Operating expenses in percent of gross profit	41	45	43	49	59	62	45	46
Average number of outstanding shares (m. shares)	11.6	11.4	10.7	10.0	9.3	9.6	11.1	11.4
Net profit per share outstanding	32	11	33	33	14	12	47	44
Share price	428	-	610	358	202	138	657	-
Proportionate equity value per share outstanding	228	267	173	149	108	91	219	278
Capital adequacy ratio	13	13	9	10	10	11	13	13
Core capital percentage	8	8	7	7	7	7	8	8
Average number of employees (full time)	595	596	515	434	402	374	526	607

Main figures quarterly

(DKK million)	Q3 2007	Q3 2007 Budget	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Year 2006	Year 2007 Budget
Core earnings								
Net interest and dividends	228	219	218	209	188	173	680	854
Net fees and commission	80	77	88	80	88	66	294	311
Market value adjustments *	12	4	11	11	7	6	32	18
Other operating income (net)	0	0	-2	0	2	1	6	-1
Gross profit	320	300	315	300	285	246	1,012	1,182
Operating expenses	125	131	136	125	145	100	458	544
Loan impairment write-downs etc.	22	1	15	1	9	-31	-17	3
Core earnings	173	168	164	174	131	177	571	635
Sale of financial strategic assets	0	0	0	0	0	43	43	0
Earnings on investment portfolio	-94	8	57	10	92	21	80	47
Net profit before tax	79	176	221	184	223	241	694	682
Tax	19	48	46	50	60	54	177	187
Net profit	60	128	175	134	163	187	517	495
* Including foreign exchange trading and strategic share holdings.								
Profit and loss account								
Net interest and dividends	219	202	218	201	179	166	659	800
Net fees and commission	78	74	85	78	86	62	284	302
Securities and foreign exchange trading	-71	32	70	31	109	81	184	126
Other operating income (net)	0	0	-2	0	2	1	6	-1
Staff and administration	119	125	130	120	138	96	438	523
Depreciation and write-off of intangible and tangible assets	6	6	6	5	7	5	20	21
Loan impairment write-downs etc.	22	1	15	1	9	-31	-17	3
Capital shares in affiliated enterprises	0	0	1	0	1	1	2	2
Net profit before tax	79	176	221	184	223	241	694	682
Tax	19	48	46	50	60	54	177	187
Net profit	60	128	175	134	163	187	517	495
Balance sheet								
Loans	30,058	25,500	28,389	26,934	23,765	20,518	23,765	26,500
Deposits	17,821	13,300	17,378	15,214	12,360	11,436	12,360	14,100
Subordinated capital	2,658	2,324	2,649	2,124	2,121	1,099	2,121	2,099
Equity	2,684	3,043	2,656	2,467	2,494	1,829	2,494	3,167
Share capital	125	125	125	114	114	114	114	125
Balance	41,580	31,600	42,632	33,765	30,052	25,735	30,052	32,700
Guarantees	11,574	13,300	13,643	13,300	13,275	11,983	13,275	14,100
Safe custody accounts	20,288	20,900	19,703	18,860	18,763	16,335	18,763	21,600
Business volume	79,741	73,000	79,113	74,308	68,163	60,272	68,163	76,300
(Loans, deposits, guarantees and safe custody accounts)								
Other figures for comparison								
Return on equity before tax (average) pct. p.a.	12	24	35	30	41	57	33	24
Core earnings in percent of equity (average) p.a.	26	22	26	28	24	42	27	22
Operating expenses in percent of gross profit	39	44	43	42	51	41	45	46
Average number of outstanding shares (m. shares)	11.8	11.4	11.5	11.3	11.0	10.5	11.1	11.4
Net profit per share outstanding	5	11	15	12	15	18	47	44
Share price	428	-	640	628	657	610	657	-
Proportionate equity value per share outstanding	228	267	224	220	219	173	219	278
Capital adequacy ratio	13	13	13	12	13	9	13	13
Core capital percentage	8	8	8	7	8	7	8	8
Average number of employees (full time)	627	637	588	570	555	533	526	607

Key figures – five-year comparison

Per cent		■ 2007	2006	2005	2004	2003
Earnings						
Return on equity before tax		18.7	26.7	33.8	18.7	18.5
Return on equity after tax		14.3	20.1	24.8	13.6	13.5
Earnings per krone expenses	DKK	2.14	2.64	2.74	1.75	1.66
Yield						
Profit per share before tax (DKK 100 each)	DKK	417.8	441.0	452.2	194.7	160.3
Profit per share after tax (DKK 100 each)	DKK	318.3	331.5	331.5	141.8	117.2
Equity value per share (DKK 100 each)	DKK	2,279	1,727	1,493	1,082	910
Price/earning (DKK 100 each)		10.06	13.90	8.02	10.85	9.02
Price/book value per share (DKK 100 each)		1.88	3.53	2.40	1.87	1.52
Market risk						
Interest rate risk		-1.8	0.3	0.2	4.5	5.3
Foreign exchange position		5.6	34.7	7.3	10.9	9.7
Foreign exchange risk		0.0	0.1	0.1	0.2	0.3
Credit risk						
Accumulated write-downs on loans etc.		0.7	0.8	1.6	2.4	2.6
Write-downs on loans etc. of the half-year		0.1	-0.1	0.1	0.1	0.2
Total major accounts		200.7	529.3	262.0	333.6	168.2
Increase in lending		26.5	37.1	30.2	21.3	14.8
Loans/equity		11.2	11.2	7.8	8.6	8.2
Liquid funds						
Loans and write-downs on loans etc./deposits		170.2	181.5	148.8	146.8	138.9
Coverage over and above the statutory requirement for liquid funds		125.7	24.7	72.1	72.2	92.8
Solvency and capital						
Capital adequacy ratio		13.2	8.9	10.4	9.8	11.4
Core capital percentage		7.8	6.7	7.3	6.5	7.3

The comparative figures for 2003 have not been recalculated, cf. the interim provisions from the FSA.

Additional Key Figures

Per cent		2007	2006	2005	2004	2003
Growth in business, 12 months						
Gross loans		46.2	60.4	47.2	18.2	7.8
Deposits		55.8	32.0	45.4	11.9	21.3
Total assets		61.6	51.3	49.6	15.8	6.9
Guarantees		-3.4	58.6	69.1	21.4	-3.7
Safe custody		24.2	67.6	55.6	23.8	28.1
Risk weighted assets		26.4	55.3	61.2	22.1	8.0
Core capital (Tier 1)		48.4	40.9	82.7	8.8	12.7
Total capital		86.9	33.9	71.3	4.7	5.6
Capitalisation						
Core capital / risk weighted assets		7.83	6.67	7.35	6.48	7.28
Total capital / risk weighted assets		13.23	8.94	10.37	9.76	11.39
Tangible common equity excl. Hybrids / risk weighted assets		6.68	5.75	7.89	7.77	8.40
Risk weighted assets	DKK m.	40,115	31,746	20,442	12,679	10,381
Liquidity						
Loans / Deposits		168.7	179.4	145.6	142.4	134.5
Loans / Total assets		72.3	79.7	74.2	74.6	72.9
Comm. lines and Sub. debt, remaining maturity > 1 year / Loans less deposits		136.5	105.7	121.9	113.2	126.3
Comm. lines and Sub. debt, remaining maturity > 1 year / Comm. lines and Sub. debt		82.8	82.5	79.0	72.0	74.0
Asset quality						
Net loss on loans, NLL	DKK t.	38,299	-25,453	10,592	17,914	22,235
Non-performing loans, NPL	DKK t.	56,821	44,864	48,249	54,334	77,033
Loan loss provision excl. prepaid guarantee commission, LLP	DKK t.	299,218	253,018	337,200	314,300	283,800
NLL / Gross loans and guarantees		0.09	-0.08	0.05	0.14	0.20
NPL / Gross loans and guarantees		0.14	0.14	0.24	0.41	0.69
LLP / Gross loans and guarantees		0.71	0.77	1.64	2.37	2.55
Loan loss provision / non-performing loans		527	564	699	578	368
Non-performing loans / common equity + loan loss provision		1.9	2.2	2.5	4.2	6.7
10 largest customer exposures / total capital		140	214	157	212	171
10 largest customer exposures / gross loans and guarantees		17.7	18.5	16.2	19.8	18.2
Market risk						
Interest rate risk / common equity + loan loss provision		-1.88	0.28	0.12	2.86	3.43
Currency risk / common equity + loan loss provision		0.03	0.10	0.08	0.13	0.22
Equities and non-trading assets / common equity + loan loss provision		27.5	40.2	18.8	20.6	20.1
Growth in income, financial period						
PPI excl. Investment portfolio income and extraordinary income		17.8	20.3	27.5	14.0	3.6
PPI excl. Investment portfolio income		10.0	26.3	29.7	14.0	2.0
Pre-tax pre-provision income, PPI		8.1	-8.2	59.2	13.1	20.3
Pre-tax income		2.7	4.4	149.4	17.4	48.4
Net income		4.1	7.0	151.0	16.9	59.0
Efficiency						
Operating expenses / gross profit		41.3	43.1	49.2	59.4	61.7
Operating expenses / total income		42.7	41.4	35.1	54.5	56.3
Operating expenses / avg. Risk weighted assets		1.07	1.20	1.50	1.94	2.13
Earnings						
Net interest and dividends / gross loans		2.90	3.27	3.60	4.00	4.43
PPI excl. market value adjustments / avg. risk weighted assets		2.10	2.49	3.36	3.58	3.78
PPI / avg. risk weighted assets		2.18	2.78	4.76	4.30	4.38
Net income / avg. risk weighted assets		1.03	1.36	2.00	1.14	1.13
Effective tax rate		23.8	24.8	26.7	27.2	26.9
Yield and valuation (per share data, size unit 100 DKK)						
PPI excl. Investment portfolio income, p.a.	DKK	861.1	860.9	681.5	612.9	510.6
Earning after tax adj. for extraordinary income, p.a.	DKK	394.2	359.4	375.5	179.9	146.2
Prize / earning after tax adj. for extraordinary income, p.a.		10.9	17.0	9.5	11.2	9.4

Segment report

Core earnings before loan impairment write-downs etc.

(DKK million)	■ 2007	2007 Budget	2006	2005	2004	2003	Year 2006	Year 2007 Budget
Retail banking								
Gross profit	451.3	428.2	345.6	270.3	207.4	194.2	480.9	585.5
Operating expenses	236.8	253.4	213.1	190.4	171.7	150.1	311.9	354.9
Core earnings before loan impairment write-downs	214.5	174.8	132.5	79.9	35.7	44.1	169.0	230.6
Allocated capital	1,165.2	1,035.2	785.0	559.4	381.5	356.9	836.7	1,057.5
Core earnings in per cent p.a. of allocated capital	24.5	22.5	22.5	19.0	12.5	16.5	20.2	21.8
Operating expenses in per cent of gross profit	52.5	59.2	61.7	70.4	82.8	77.3	64.9	60.6
Corporate banking*								
Gross profit	349.7	318.0	256.6	158.5	119.4	100.0	361.5	434.3
Operating expenses	34.5	37.3	31.1	25.5	23.0	21.4	50.3	52.2
Core earnings before loan impairment write-downs	315.2	280.7	225.5	133.0	96.4	78.6	311.2	382.1
Allocated capital	1,116.8	1,024.9	715.4	381.4	263.1	228.8	777.8	1,043.5
Core earnings in per cent p.a. of allocated capital	37.6	36.5	42.0	46.5	48.9	45.8	40.0	36.6
Operating expenses in per cent of gross profit	9.9	11.7	12.1	16.1	19.3	21.4	13.9	12.0
Liquidity management								
Gross profit	33.7	34.5	68.5	44.6	32.9	35.6	93.5	49.0
Operating expenses	15.1	17.3	13.6	12.4	12.3	12.1	21.6	24.4
Core earnings before loan impairment write-downs	18.6	17.2	54.9	32.2	20.6	23.5	71.9	24.6
Allocated capital	315.2	269.7	228.5	167.4	109.3	72.9	232.9	271.7
Core earnings in per cent p.a. of allocated capital	7.9	8.5	32.0	25.6	25.1	43.0	30.9	9.1
Operating expenses in per cent of gross profit	44.8	50.1	19.9	27.8	37.4	34.0	23.1	49.8
Other items	1.0	1.0	1.1	11.6	0.1	-13.6	1.5	1.4
Total core earnings before loan impairment write-downs etc.	549.3	473.7	414.0	256.7	152.8	132.6	553.6	638.7

* Accounts with Team Erhverv, Roskilde.

Each segment includes a share of the equity corresponding to 7.5% of the average, risk weighted items.

As from Q2 2007, the margin on overdraft facilities in foreign currencies is no longer registered under liquidity management, but rather under Retail banking and Corporate banking, respectively, wherever the other accounts of the customer are registered. The Q1 2007 figures have been adjusted to the new principle. For previous years, the figures are insignificant, so the figures for 2006 and earlier have not been adapted.

Segment report quarterly

Core earnings before loan impairment write-downs etc.

(DKK million)	Q3 2007	Q3 2007 Budget	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Year 2006	Year 2007 Budget
Retail banking								
Gross profit	160.3	148.1	152.9	138.1	135.3	120.9	480.9	585.5
Operating expenses	72.7	83.7	83.9	80.2	98.8	66.2	311.9	354.9
Core earnings before loan impairment write-downs	87.6	64.4	69.0	57.9	36.5	54.7	169.0	230.6
Allocated capital	1,295.6	1,071.0	1,136.8	1,066.9	988.7	864.1	836.7	1,057.5
Core earnings in per cent p.a. of allocated capital	27.0	24.1	24.3	21.7	14.8	25.3	20.2	21.8
Operating expenses in per cent of gross profit	45.4	56.5	54.9	58.1	73.0	54.8	64.9	60.6
Corporate banking*								
Gross profit	119.8	111.0	116.4	113.5	104.9	90.3	361.5	434.3
Operating expenses	10.4	12.2	12.4	11.7	19.2	9.3	50.3	52.2
Core earnings before loan impairment write-downs	109.4	98.8	104.0	101.8	85.7	81.0	311.2	382.1
Allocated capital	1,166.6	1,061.2	1,110.1	1,074.4	962.7	860.5	777.8	1,043.5
Core earnings in per cent p.a. of allocated capital	37.5	37.2	37.5	37.9	35.6	37.7	40.0	36.6
Operating expenses in per cent of gross profit	8.7	11.0	10.7	10.3	18.3	10.3	13.9	12.0
Liquidity management								
Gross profit	2.6	10.9	11.3	19.8	25.0	13.9	93.5	49.0
Operating expenses	4.7	6.0	5.5	4.9	8.0	4.2	21.6	24.4
Core earnings before loan impairment write-downs	-2.1	4.9	5.8	14.9	17.0	9.7	71.9	24.6
Allocated capital	354.0	273.1	303.2	289.5	244.4	247.5	232.9	271.7
Core earnings in per cent p.a. of allocated capital	-2.4	7.2	7.7	20.6	27.8	15.7	30.9	9.1
Operating expenses in per cent of gross profit	180.8	55.0	48.7	24.7	32.0	30.2	23.1	49.8
Other items	0.4	0.3	0.5	0.1	0.4	0.3	1.5	1.4
Total core earnings before loan impairment write-downs etc.	195.3	168.4	179.3	174.7	139.6	145.7	553.6	638.7

* Accounts with Team Erhverv, Roskilde.

Each segment includes a share of the equity corresponding to 7.5% of the average, risk weighted items.

As from Q2 2007, the margin on overdraft facilities in foreign currencies is no longer registered under liquidity management, but rather under Retail banking and Corporate banking, respectively, wherever the other accounts of the customer are registered. The Q1 2007 figures have been adjusted to the new principle. For previous years, the figures are insignificant, so the figures for 2006 and earlier have not been adapted.

Accounting principles

The Q3 2007 statement of Roskilde Bank has been prepared in accordance with the Financial Business Act and the executive order on financial statements for financial institutions etc. The report also meets particular requirements for disclosure by companies quoted on the stock exchange.

The principles applied are unchanged compared with the 2006 Annual Report.

Disclaimer

In case of any discrepancies between the Danish and the English version of the financial report, the Danish version shall prevail.

Profit and loss account

Note	(DKK 1,000)	■ 2007	2006	Year 2006
1	Interest receivable	1,647,136	848,927	1,224,420
2	Interest payable	1,019,517	375,007	572,340
	Net interest income	627,619	473,920	652,080
	Dividend on shares etc.	10,139	6,660	6,692
3	Fees and commission receivable	269,828	225,627	322,254
	Fees and commission payable	28,196	27,348	37,788
	Net interest and fee income	879,390	678,859	943,238
4	Price adjustments of securities and foreign exchange	29,319	75,561	183,958
5	Other operating income	818	4,542	7,307
6	Staff and administrative expenses	368,246	299,862	438,187
	Depreciation of intangible and tangible assets	17,203	13,299	19,960
	Other operating expenses	2,578	814	1,577
7	Write-downs on loans etc.	38,299	-25,453	-17,499
8	Net profit from holdings in affiliated companies	1,011	1,070	1,519
	Profit before tax	484,212	471,510	693,797
9	Tax	115,271	117,069	176,721
	Profit after tax	368,941	354,441	517,076

Balance sheet

Note	(DKK 1,000)	■ 2007	2006	Year 2006
Assets				
	Cash in hand and claims at call on central banks	912,341	408,811	679,599
10	Claims on credit institutions and central banks	8,220,347	2,110,421	3,056,695
	Loans and other outstanding debts at amortized cost price	30,057,999	20,517,922	23,764,809
11	Bonds at market value	1,029,105	1,519,267	1,363,568
11	Bonds at amortised cost price	424,097	366,031	412,491
	Shares etc.	395,231	470,946	437,997
	Holdings in associated enterprises	0	10,000	10,000
	Holdings in affiliated enterprises	12,179	10,943	11,168
	Intangible assets	5,952	2,881	3,397
	Total land and buildings, domicile premises	109,030	97,882	98,808
	Other tangible assets	39,678	31,020	38,262
	Temporary real-estate assets	1,138	0	0
	Other assets	357,402	168,152	165,071
	Prepayments and accrued income	15,832	21,255	9,842
	Total assets	41,580,331	25,735,531	30,051,707
Liabilities				
Debts				
12	Debt to credit institutions and central banks	11,931,104	10,534,202	12,569,165
13	Deposits and other liabilities	17,820,919	11,436,245	12,360,108
14	Bonds issued at amortized cost price	5,570,977	0	0
	Current tax liabilities	148,353	160,125	59,182
	Other liabilities	693,125	553,271	368,294
	Accruals and deferred payments	1,329	11,231	1,857
	Total debts	36,165,807	22,695,074	25,358,606
Provisions				
	Pension schemes and similar obligations	9,152	10,095	10,400
	Deferred taxes	31,500	79,900	34,500
	Guarantees	31,440	22,795	32,837
	Total provisions	72,092	112,790	77,737
15	Subordinated capital	2,658,481	1,098,728	2,121,435
16	Equity			
	Share capital	125,481	114,073	114,073
	Statutory reserves	126,210	123,902	126,210
	Profit brought forward	2,432,260	1,590,964	2,219,424
	Proposed dividend	0	0	34,222
	Total equity	2,683,951	1,828,939	2,493,929
	Total liabilities	41,580,331	25,735,531	30,051,707
Contingent liabilities				
17	Guarantees, etc.	11,574,094	11,982,999	13,275,250
18	Other contingent liabilities	0	0	0
	Total contingent liabilities	11,574,094	11,982,999	13,275,250

Equity and solvency

Equity statement

(DKK million)	■ 2007	2007 Budget	2006	Year 2006	Year 2007 Budget
Equity beginning of year	2,494	2,494	1,705	1,705	2,494
Accumulated interim profit	369	372	354	517	495
Additions/disposals of own shares	-484	-131	-203	299	-130
Capital increase	339	342	0	0	342
Dividend	-34	-34	-27	-27	-34
Equity at the end of Q3	2,684	3,043	1,829	2,494	3,167

The share capital amounts to DKK 125.5 million. The number of outstanding shares of DKK 10 each is 12,548,052. The number of outstanding shares (less own shares) is 11,775,134.

Solvency

(DKK million)	■ 2007	2007 Budget	2006	Year 2006	Year 2007 Budget
Core capital (incl. hybrid core capital of DKK 473 million) after deductions	3,141	—	2,116	2,788	—
Subordinated capital after deductions	2,164	—	722	1,753	—
Capital base	5,305	—	2,838	4,541	—
Weighted assets not included in the portfolio	29,360	—	19,765	22,825	—
Off balance sheet weighted assets	7,860	—	8,187	9,083	—
Weighted assets with market risk in the portfolio	2,895	—	3,794	3,363	—
Total weighted assets	40,115	—	31,746	35,271	—
Capital adequacy ratio	13.2	13.0	8.9	12.8	13.0
Core capital ratio	7.8	8.0	6.7	7.9	8.0
Statutory capital adequacy requirement	8.0	8.0	8.0	8.0	8.0

Core earnings and earnings on investment portfolio as well as the official statement of accounts

(DKK million)	■ 2007				2006			
	Core earnings	Return on invest- ments	Profit from sale ¹	Total ²	Core earnings	Return on invest- ments	Profit from sale ¹	Total ²
Net interest income	653.7	-26.1	0.0	627.6	491.4	-17.5	0	473.9
Dividend on capital shares	0.9	9.3	0.0	10.2	1.0	5.7	0	6.7
Fees and commission (net)	248.3	-6.7	0.0	241.6	205.6	-7.4	0	198.2
Net interest and fees	902.9	-23.5	0.0	879.4	698.0	-19.2	0.0	678.8
Market value adjustments (including affiliated companies)	33.6	-3.3	0.0	30.3	26.4	7.0	43.3	76.7
Other operating income (net)	-1.8	0.0	0.0	-1.8	3.7	0.0	0	3.7
Operating expenses	385.4	0.0	0.0	385.4	313.2	0.0	0	313.2
Write-downs on loans etc.	38.3	0.0	0.0	38.3	-25.5	0.0	0	-25.5
Net profit before tax	511.0	-26.8	0.0	484.2	440.4	-12.2	43.3	471.5

¹ Profit from sale of strategic assets (Totalkredit)

² The official statement of accounts by the FSA in summary.

Core earnings are defined as total earnings less earnings on investment portfolio. Core earnings include the yield from sale of financial strategic assets and from capital shares in affiliated enterprises as well as foreign exchange trading on behalf of customers. Earnings on investment portfolio includes the portfolio of bonds, shares and financial instruments and price adjustments on own foreign exchange trading. The result has been calculated with the deduction of funding and other expenses.

Notes

Note (DKK 1,000)	■ 2007	2006	Year 2006
1 Interest receivable			
Claims on credit institutions and central banks	232,326	26,078	44,163
Loans	1,365,168	771,121	1,114,464
Bonds	32,373	27,957	37,791
Other interest receivable	34	123	431
Derivatives:			
Forward foreign exchange contracts	15,260	22,639	27,357
FRA's and IRS's	1,975	1,009	214
Total interest receivable	1,647,136	848,927	1,224,420
2 Interest payable to			
Credit institutions and central banks	383,565	165,810	260,096
Deposits	428,201	168,616	250,194
Bonds issued	116,722	0	0
Subordinated capital	90,959	40,580	59,729
Other interest payable	70	1	2,321
Total interest payable	1,019,517	375,007	572,340
3 Fees and commission receivable			
Securities trading and deposits	103,374	89,523	131,005
Payments handling	24,947	20,275	27,701
Loan fees	35,253	36,691	50,390
Guarantee commission	96,698	71,101	101,220
Other fees and commission	9,556	8,037	11,938
Total fees and commission receivable	269,828	225,627	322,254
4 Price adjustment of			
Bonds	-26,345	15,044	118,324
Shares and equities	29,418	76,364	94,138
Foreign exchange	29,155	28,759	79,900
Forward foreign exchange, interest, shares, commodities and other contracts and FRA's and IRS's	-2,909	-44,606	-108,404
Total price adjustments	29,319	75,561	183,958
Price adjustment of strategic assets	11,128	12,212	59,558

Notes

Note (DKK 1,000)	■ 2007	2006	Year 2006
5 Other operating income			
Sale of tangible assets	0	1,500	1,572
Sale of rights	0	0	1,496
Net profit from operation of property	494	941	1,629
Other items	324	2,101	2,610
Total other operating income	818	4,542	7,307
6 Staff and administrative expenses			
Salaries and remuneration to the Board of Directors and Management: Management*	7,510	3,802	5,441
Provision for pension contributions for the Management	0	6,308	6,308
Board of Directors	788	788	1,050
Total	8,298	10,898	12,799
* From November 2006, the Management includes two members			
Staff:			
Wages and salaries	179,563	155,934	232,774
Pension contributions	22,331	17,969	24,438
Social security contributions	18,439	14,574	20,482
Total	220,333	188,477	277,694
IT-expenses	46,400	33,140	46,309
Other administrative expenses	93,215	67,347	101,385
Total staff and administrative expenses	368,246	299,862	438,187
Average number of full time staff in Q3	595	515	526

An incentive and loyalty programme for the Board of Management based on shares is described under the heading "Corporate Governance" on www.roskildebank.dk as well as in the 2006 Annual Report. The program is fully covered by the holding of own shares.

Notes

Note (DKK 1,000)	■ 2007	2006	Year 2006
7 Impairment write-downs on loans etc.			
Current impairment write-downs, specific loans	105,094	60,171	105,434
Current impairment write-downs, homogeneous loans	72,355	1,250	3,995
Impairment write-downs from previous years written back, specific loans	-51,581	-69,358	-91,973
Impairment write-downs from previous years written back, homogeneous loans	-79,575	-909	-25,335
Definitive loss on loans with no previous specific write-down	1,915	1,104	2,500
Payment into specific accounts written off	-1,523	-2,323	-3,585
Interest on claims write-down	-8,705	-8,548	-12,318
Provisions on specific guarantees, etc.	0	0	1,954
Provisions on homogeneous guarantees, etc.	12,810	286	2,832
Provisions on specific guarantees, etc., written back	-5,604	-6,946	0
Provisions on homogeneous guarantees, etc. written back	-6,887	-180	-1,003
Total impairment write-downs on loans etc.	38,299	-25,453	-17,499
Impairment write-downs on specific loans, etc.			
Accumulated write-downs at 1 January	159,682	162,544	162,544
Current write-downs	105,094	60,171	105,434
Write-downs from previous years written back	51,581	69,358	91,973
Final loss on accounts previously written down	5,308	9,628	16,323
Accumulated write-downs at end of the Q3	207,887	143,729	159,682
Write-downs on homogeneous loans, etc.			
Accumulated write-downs at 1 January	74,332	95,672	95,672
Current write-downs	72,355	1,250	3,995
Write-downs from previous years written back	79,575	909	25,335
Accumulated write-downs at end of the Q3	67,112	96,013	74,332
Total write-downs on loans, etc	274,999	239,742	234,014
Provisions on specific guarantees, etc.			
Provisions at 1 January	9,379	7,425	7,425
Current provisions	0	0	1,954
Write-downs from previous years written back	5,604	6,946	0
Provisions at end of the Q3	3,775	479	9,379
Provisions on homogeneous guarantees, etc.			
Provisions at 1 January	14,520	12,691	12,691
Current provisions	12,810	286	2,832
Write-downs from previous years written back	6,887	180	1,003
Provisions at end of the Q3	20,443	12,797	14,520
Prepaid guarantee commission	7,222	9,519	8,938
Total provisions on guarantees, etc.	31,440	22,795	32,837
Total loan impairment write-downs and provisions on guarantees	306,439	262,537	266,851

Notes

Note (DKK 1,000)	■ 2007	2006	Year 2006
8 Profit from holdings in affiliated companies			
Profit before tax from affiliated companies	1,011	1,070	1,519
9 Tax			
Estimated tax on the half-year's income	115,271	117,069	176,721
Current tax rate	pct. 25	28	28
Tax exempt profit from sale of strategic assets	pct. 0	0	-2
Tax exempt price adjustment of strategic assets	pct. -1	-1	-1
Effective tax rate	pct. 24	27	25
10 Claims on credit institutions and central banks			
Danmarks Nationalbank (Deposit certificates)	7,493,805	998,738	2,496,360
Credit institutions	726,542	1,111,683	560,335
Total claims on credit institutions and central banks	8,220,347	2,110,421	3,056,695
11 Bonds			
Bonds at market value	1,029,105	1,519,267	1,363,568
Bonds at amortized cost price	424,097	366,031	412,491
Total Bonds	1,453,202	1,885,298	1,776,059
Bonds at amortized cost price at market value	401,330	367,102	402,051
Bonds total	1,211,331	1,665,471	1,442,499
12 Debt to credit institutions and central banks			
Danmarks Nationalbank	0	0	0
Credit institutions	11,931,104	10,534,202	12,569,165
Total debts to credit institutions and central banks	11,931,104	10,534,202	12,569,165
Committed lines	9,219,000	8,616,000	8,616,190
Drawn	9,219,000	8,616,000	8,616,190
13 Deposits and other liabilities			
Call	13,532,627	7,997,353	8,616,089
At notice	465,501	644,386	715,621
Time deposits	2,920,396	2,111,971	2,288,464
Special deposits	902,395	682,535	739,934
Total deposits and other liabilities	17,820,919	11,436,245	12,360,108

Notes

Note (DKK 1,000)				■ 2007	2006	Year 2006
14	Bonds issued at amortized cost price					
	EMTN programme of EUR 2 billion					
	Maturity	Interest rate	Interest	Currency	Balance	Balance
	13.04.2012 (EUR 750 million) (variable interest rate)	4.45%	116,722	EUR	5,570,977	0
15	Subordinated capital					
	Maturity	Interest rate	Interest	Currency	Balance	Balance
	Supplementary capital					
	14.12.2010 (fixed interest rate)	7.80%	13,162	DKK	225,000	225,000
	10.06.2013 (fixed interest rate)	3.72%	5,564	DKK	200,000	0
	01.11.2013 (fixed interest rate)	3.61%	2,700	DKK	100,000	100,000
	07.11.2014 (variable interest rate)	5.86%	9,247	NOK	241,450	0
	16.11.2014 (variable interest rate)	5.31%	7,683	DKK	200,000	200,000
	01.12.2014 (fixed interest rate)	4.82%	21,557	EUR	596,352	0
	01.05.2015 ((fixed interest rate)	5.54%	2,322	DKK	100,000	0
	31.10.2015 (variable interest rate)	5.07%	8,290	EUR	223,632	223,728
	21.11.2015 (variable interest rate)	5.39%	2,816	DKK	200,000	0
			73,341		2,086,434	748,728
	Hybrid core capital					
	Indefinite (hybrid core capital) (variable interest rate)	5.51%	3,269	EUR	222,047	0
	Indefinite (hybrid core capital) (fixed interest rate)	5.91%	4,420	DKK	100,000	100,000
	Indefinite (hybrid core capital) (fixed interest rate)	5.31%	9,929	DKK	250,000	250,000
			17,618		572,047	350,000
	Total		90,959		2,658,481	1,098,728
						2,121,435
	Subordinated capital included in the capital base				2,646,716	1,098,728
						2,102,273
	Hybrid core capital included in the core capital				472,588	317,481
						350,000
	The subordinate capital is irredeemable.					
	In May 2007, Roskilde Bank issued subordinated notes for nominally DKK 100 m.					
	In June 2007, Roskilde Bank issued subordinated notes for nominally DKK 200 m. and a hybrid tier 1 bond for DKK 222 m. The total cost of issue was DKK 1.1 m.					
16	Equity					
	The bank's equity amounts to nominally DKK 125.5 million distributed on 12,548,052 shares of DKK 10.					
	The number of outstanding shares is 11,775,134.					
	There are no shareholders under section 28a of the Danish Companies Act.					
17	Guarantees					
	Financial guarantees				6,080,760	5,035,240
	Guarantees concerning mortgage loans				1,407,046	3,054,620
	Other guarantees				4,086,288	3,893,139
	Total guarantees etc.				11,574,094	11,982,999
						13,275,250
18	Other commitments					
	The Bank has entered into leasing contracts with lessors of real estate.					
	The rent for the legal period of notice amounts to DKK 144 million.					
	The Board of Management and a limited number of employees have been granted terms of employment including a demand for extraordinary severance pay and/or pension remuneration over and above the ordinary terms and conditions of employment if they are laid off before they are eligible for pension.					

The Roskilde Bank Group

(DKK 1,000)

Roskilde Bank owns the following affiliated companies, all domiciled at Roskilde:

		Annual Report 2006			
		Share	Nom. DKK 1,000	Net profit DKK 1,000	Equity DKK 1,000
Ejendomsselskabet Hersegade A/S	affiliated company	100%	7,000	1,281	10,210
VICH 6320 A/S	affiliated company	100%	500	13	553
BOLIGmægleren A/S	affiliated company	52%	750	1	777

Ejendomsselskabet Hersegade A/S previously managed the building activities at the head office. The company now manages the sublet premises of the bank.

VICH 6320 A/S is inactive.

The purpose of BOLIGmægleren A/S is to provide services for the 16 associated real estate agents with 18 outlets and to secure a business foundation for their activities.

The financial reports of the companies are included in the Roskilde Bank financial report at book value.

The affiliated and associated companies are, jointly and separately, an insignificant part of the operations of the parent company.

Therefore, Roskilde Bank does not prepare a consolidated report.

Endorsements by The board of directors and management

The Board of Directors and the Board of Management, have submitted the Q3 Report 2007. The Report has been discussed and approved today.

The Report has been drafted according to the Executive Order on Financial Reports for Credit Institutions and Investment Companies and the additional Danish disclosure requirements for listed financial companies.

We consider the chosen accounting principles appropriate and any estimates made right and proper, and we believe that the Report includes any information relevant to the evaluation of the financial standing of the bank.

We therefore believe that the Report gives a true and fair view of the assets and liabilities, the financial position, and of the result of the activities of the bank for the Q1-3 2007.

We declare that the management report contains a true and fair analysis of the bank's activities and financial standing as well as a description of the most important risks and uncertainties that may influence the operations of the bank.

The report has been subject to no audit or review, but the external auditor has ascertained that the conditions for current inclusion of the earnings of the period in the core capital have been fulfilled.

Roskilde 25 Oktober 2007

Management

Søren Kaare-Andersen
CEO

Arne Wilhelmsen
Managing director

Board of Directors

Peter Müller
Chairman

Niels Krüger
Deputy chairman

Ove Holm
Employee representative

Peter Holm
Member of the board

Asger Ib Mardahl-Hansen
Member of the board

Linda C. Larsen
Employee representative