

To OMX Nordic Exchange Copenhagen

Stock Exchange Announcement  
Date: 14<sup>th</sup> August 2008

## Interim report for the period 1 January to 30 June 2008

Today the board of directors of Ringkjøbing Bank has considered and adopted the bank's interim report for the period 1 January to 30 June 2008.

### Summary:

- The core earnings, which is the earnings from the bank operation, rose by 15.1% to DKK 74.6 million
- Profit before tax of DKK 63.6 million against DKK 63.7 million in the previous year
- Return on equity before tax of 15.1% per annum against 16.9% per annum in the first half of 2007
- Increase in the total business volume in the form of loans (+9%) deposits (+22%) and guarantees (-8%)
- Net interest and income from fees rose by 9.2% to DKK 162.6 million
- Value adjustments are negative by DKK 4.5 million against positive value adjustments of DKK 3.4 million in the same period last year. Value adjustments are positively affected by DKK 15 million as a consequence of the agreement with Nykredit, according to our company announcement of 6 March 2008
- Write-downs on loans amount to DKK 1.6 million against an income of DKK 5.1 million in the same period last year
- Downgrade to the original expected result of DKK 125 million before tax for year 2008 against upgraded result of DKK 140 million in connection with announcement of the accounts for first quarter of 2008

### 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 - 30/6

|   | 2008       | 2007      | 2006      | 2005      | 2004      | Year<br>2007 |
|---|------------|-----------|-----------|-----------|-----------|--------------|
| <b>Profit and loss account (DKK 1,000)</b>                |            |           |           |           |           |              |
| Net interest income                                       | 114,416    | 95,869    | 83,900    | 75,431    | 71,826    | 198,107      |
| Net income from fees and commission                       | 46,810     | 51,733    | 44,544    | 40,185    | 27,552    | 105,051      |
| Net income from interest and fees                         | 162,575    | 148,867   | 129,790   | 117,456   | 101,777   | 304,424      |
| Securities and foreign exchange income                    | -4,469     | 3,363     | 15,764    | 11,794    | 5,247     | 10,384       |
| Staff and administration costs                            | 91,233     | 84,153    | 73,701    | 61,729    | 56,195    | 176,061      |
| Write-downs on loans and other debts etc.                 | 1,600      | -5,082    | 562       | 6,399     | 12,271    | -8,652       |
| Profit before tax   | 63,644     | 63,654    | 69,872    | 54,953    | 37,608    | 136,313      |
| Profit for the year                                       | 48,355     | 46,501    | 52,451    | 38,518    | 27,390    | 101,397      |
| <b>Balance sheet (DKK 1,000)</b>                          |            |           |           |           |           |              |
| Loans and other debts at amortised cost price             | 7,257,783  | 6,657,781 | 4,841,526 | 3,734,565 | 2,484,734 | 7,231,825    |
| Deposits and other debt                                   | 3,583,247  | 2,931,716 | 2,520,383 | 2,374,147 | 1,973,423 | 3,335,924    |
| Deposits in pools   | 839,758    | 919,475   | 735,115   | 578,027   | 475,251   | 927,811      |
| Guarantees etc.   | 2,289,966  | 2,475,478 | 2,211,781 | 2,108,000 | 1,297,192 | 2,788,692    |
| Capital and reserves                                      | 861,300    | 771,625   | 648,503   | 616,816   | 507,936   | 827,714      |
| Total assets  | 10,356,041 | 8,882,769 | 6,742,530 | 5,321,885 | 4,005,892 | 9,937,433    |
| <b>Key figures</b>  |            |           |           |           |           |              |
| Solvency ratio *)   | 14.6%      | 12.0%     | 11.6%     | 9.6%      | 10.7%     | 11.8%        |
| Core capital ratio  | 10.5%      | 8.7%      | 10.8%     | 10.1%     | 12.2%     | 8.4%         |
| Pre-tax retur non equity per annum                        | 15.1%      | 16.9%     | 21.9%     | 18.9%     | 14.8%     | 17.4%        |
| Retur non equito after tax per annum                      | 11.5%      | 12.3%     | 16.4%     | 13.3%     | 10.8%     | 12.9%        |
| Income/Cost ratio   | 1.67       | 1.72      | 1.92      | 1.74      | 1.54      | 1.76         |
| Average number of employees                               | 215        | 210       | 191       | 164       | 157       | 215          |
| Interest risk   | 3.6%       | 3.0%      | 1.5%      | 2.7%      | 2.3%      | 4.7%         |
| Foreign exchange position                                 | 1.0%       | 3.4%      | 1.0%      | 1.5%      | 0.9%      | 3.1%         |
| Loans plus write-downs thereon relative to deposits       | 166.2%     | 175.4%    | 152.6%    | 130.7%    | 108.7%    | 171.8%       |
| Loans relative to capital and reserves                    | 8.4        | 8.6       | 7.5       | 6.1       | 4.9       | 8.7          |
| Growth in loans for the half year                         | 0.4%       | 12.9%     | 5.7%      | 23.2%     | 5.3%      | 22.6%        |
| Excess cover relative to statutory liquidity requirements | 115.4%     | 38.6%     | 36.8%     | 20.5%     | 37.3%     | 66.7%        |
| Total major exposures                                     | 47.5%      | 31.0%     | 22.9%     | 80.3%     | 28.4%     | 36.0%        |
| Percentage write-downs for the half year                  | 0.0%       | -0.1%     | 0.0%      | 0.1%      | 0.3%      | -0.1%        |
| Cumulative percentage write-downs                         | 1.0%       | 1.1%      | 1.8%      | 2.1%      | 3.8%      | 0.9%         |
| Listet price per DKK 20 share                             | 410        | 953       | 747       | 591       | 378       | 670          |
| Market value in million DKK                               | 640        | 1,487     | 1,195     | 946       | 605       | 1,045        |
| Profit for half year after taxes pr. DKK 20 share         | 31.5       | 30.2      | 33.9      | 24.7      | 17.9      | 66.0         |
| Intrinsic value per DKK 20 share                          | 561        | 503       | 405       | 386       | 332       | 542          |
| Listed price/profit per DKK 20 share                      | 13.0       | 31.6      | 22.0      | 23.9      | 21.1      | 10.1         |
| Listed price/intrinsic value per DKK 20 share             | 0.7        | 1.9       | 1.8       | 1.5       | 1.1       | 1.2          |

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 solvency ratio for 2006, 2007 and 2008 is calculated inclusive the half year result

## Management's Report

### Result and developments in first half of 2008

Ringkjøbing Bank has achieved a pre-tax result of DKK 63.6 million against DKK 63.7 million in the same period last year. The pre-tax return on equity was 15.1% per annum against 16.9% per annum in the first half of 2007.

The core earnings, which is the earnings from the bank operation, was DKK 74.6 million and is absolutely satisfactory at an increase of 15.1% relative to same period last year. The increase in core earnings is due to the growth in the business volume and due to the fact that year 2007 was charged to write-down on property by DKK 7.5 million with respect to the new construction of the branch in Hvide Sande.

The core earnings is defined as the ordinary profit before tax and value adjustments occurring from customers dealing in foreign currency. The core earnings isolate items of the profit and loss account that may show major fluctuations between the financial reporting as a result of changes in the calculated market value of the bank's portfolio of securities.

The achieved pre-tax result is absolutely satisfactory.

### Development in business volume

Ringkjøbing Bank has achieved a satisfactory development in the total business volume in the form of loans, deposits and guarantees which amounted to DKK 14.0 billion as of 30 June 2008 against DKK 14.3 billion as of 31 December 2007 and against DKK 13.0 billion as of 30 June 2007. The business volume decreased by 2% relative to 31 December 2007 and rose by 7.6% relative to same period last year.

The bank's total loans amounted to DKK 7,258 million as of 30 June 2008, a rise of 0.4% relative to 31 December 2007 and 9.0% relative to the same period last year. Deposits amounted to DKK 3,583 million equal to an increase of 7.4% and 22.2% relative to 31 December 2007 and 30 June 2007, respectively. Deposits in pools decreased from DKK 919 million as of 30 June 2007 to DKK 840 million as of 30 June 2008. Guarantees amounted to DKK 2,290 million and have decreased from DKK 2,789 million as of 30 December 2007 and from DKK 2,475 million as of 30 June 2007. The decrease in guarantees is on basis of the agreement with Nykredit where loss guarantees have been replaced by the off setting method according to stock exchange announcement of 6 March 2008.

The increase in loans of approx. DKK 600 million relative to the same period last year has been divided with (approx. figures) DKK 210 million for home financing, DKK 525 million for commercial loans and credits, DKK 10 million for temporary mortgage loans, etc. and DKK 120 million for various other loans and credits. Investment credits have decreased by approx. DKK 265 million.

The interim report shows that Ringkjøbing Bank has increased the income due to increased activities. Staff costs and administrative expenses rose by 8.4% relative to the first half of 2007 and are slightly below expectations. For year 2008 a 7% increase in staff costs and administrative expenses is expected.

## Income

### Improvement in income from net interest as a result of the general interest rate rise

On basis of the general interest rate rise the bank's net interest income rose to DKK 114.4 million from DKK 95.9 million for the same period last year. Ringkjøbing Bank's interest income rose from DKK 215.6 million to DKK 288.2 million. Interest expenses rose from DKK 119.7 million to DKK 173.8 million.

### **Decreasing level of activity**

The decreased level of activities within asset management as a consequence of the sour stock market sentiment has affected the bank's income from fees and commission which declined from DKK 54.5 million last year to DKK 48.7 million.

### **Negative value adjustments of DKK 4.5 million**

Ringkjøbing Bank had negative value adjustments of DKK 24.6 million on bonds against negative value adjustments of DKK 10.4 million in the same period last year. The capital loss on bonds is primarily due to the interest rate rise which was experienced during the 2 last months of the first half year of 2008.

The holding of shares in local banks and partners show positive value adjustments of DKK 12.0 million against positive value adjustments of DKK 7.1 million last year. The value adjustment on shares is, however, positively affected by DKK 15 million as a consequence of the agreement with Nykredit, according to our company announcement of 6 March 2008.

On currency Ringkjøbing Bank has realised positive value adjustments of DKK 6.5 million. Other financial instruments and contracts etc. show positive value adjustments of DKK 1.7 million.

## **Costs**

### **Staff costs and administrative expenses**

Total staff costs and administrative expenses rose from DKK 84.2 million to DKK 91.2 million, a 8.4% rise relative to the same period last year and is slightly below expectations at the start of the year. For year 2008 a 7% increase in staff costs and administrative expenses is expected.

The increased cost was attributable to new appointments in 2007 since the number of employees has not increased in 2008. Furthermore, computing costs continues to increase as a result of major sector requirements which demands development of new systems.

### **Write-downs on loans, etc**

Write-downs on loans etc. amounted to DKK 1.6 million. For same period last year the item was positive with DKK 5.1 million. The lending portfolio is solid but the changed market conditions, as a result of the financial unrest, must be expected to affect the write-downs in second half year. The expectations to write-downs on loans etc. for year 2008 is maintained to a cost of DKK 10 million.

Furthermore, there are still relatively few major commitments which, according to the Danish Financial Supervisory Authority, are commitments exceeding 10% of the capital base.

## **Risks associated with assets**

Loans, amounting to DKK 7,258 million, is the most significant asset with approx. 70% of the balance sheet in addition to guarantees amounting to DKK 2,290 million. Loans and guarantees are divided with approx. 48% to private and approx. 52% to business. The business related distribution is listed below. It must be pointed out that Ringkjøbing Bank is not taking part in project financing within the property sector besides matters naturally relating to the customers of the local area.

Furthermore, attention must be drawn to the pig breeders who are facing difficult conditions due to the unequal distribution between pig prices and feed prices. We follow the development at this point and are taking the current situation into consideration in our assessment of loans to the sector.

The bond holding amounts to DKK 1,573 million and the bank's total interest rate exposure is 3.6% and here the interest risk on bonds is the absolutely most important factor. The interest rate exposure reflects how big a part of the bank's equity will be lost if the interest rises by 1% point.

As mentioned under value adjustments the share portfolio consist of shares in sector companies and other local banks. The total share portfolio is DKK 136 million whereof sector shares are DKK 112 million and local bank shares are DKK 23 million divided between approx. 20 financial institutions.

### Loans and guarantee debtors divided in sectors and industries as of 30 June 2008 tDKK

|   |           |        |
|---|-----------|--------|
| Public authorities  | 22,585    | 0.2%   |
| Industry:   |           |        |
| Agriculture, hunting, forestry  | 820,071   | 8.5%   |
| Fishing   | 160,414   | 1.7%   |
| Production companies, raw material extraction, electricity, gas, water and heating plants | 432,254   | 4.5%   |
| Building and construction companies   | 364,357   | 3.8%   |
| Trade, catering and hotels  | 695,872   | 7.2%   |
| Transport, post and telephone   | 165,258   | 1.7%   |
| Credit- & finance companies, insurance companies  | 402,749   | 4.2%   |
| Property management and estate agents, business service                                   | 1,384,015 | 14.4%  |
| Other industries  | 573,006   | 5.9%   |
| Total industries  | 4,997,996 | 51.9%  |
| Private   | 4,620,067 | 47.9%  |
| Total loans and guarantee debtors   | 9,640,648 | 100.0% |

### Equity and solvency

Equity amounted to DKK 861.3 million as of 30 June 2008. The solvency was 14.6% as of 30 June 2008. Statutory regulation requires banks to have a minimum solvency on 8%. Ringkjøbing Bank uses the extended method under the standard method for computation of credit risks. For computation of the operational risks the basis indicator method is used and for computation of market risk the standard method is used. Ringkjøbing Bank has calculated the individual solvency requirement to 6.5%.

### Liquidity

Ringkjøbing Bank's liquidity is solid and excess liquidity in relation to statutory requirement has increased to 115.4% from 66.7% at the end of 2007.

Ringkjøbing Bank's objective is that the bank's loans must be financed by the sum of its capital and reserves, capital base, deposits and long-term loans with original term of 1 year up to 7 years at Danish and foreign financial institutions. As of 30 June 2008 the bank had an excess financing of around DKK 400 million and it can be ascertained that Ringkjøbing Bank's liquidity is covered.

### Ownership

As of 30 June 2008 Ringkjøbing Bank had 21,200 shareholders listed by name, owing 94.6% of the share capital. The ten biggest shareholders own 15.4% of the share capital.

70% of the share capital is held by 2,832 shareholders. Shareholders are distinguished by there being a large number of shareholders with 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 closing price for Ringkjøbing Bank share fell from share price 670 as of 28 December 2007 to share price 410 as of 30 June 2008. The number of shareholders listed by name in the same period rose by 826.

## **Outlook for 2008**

In connection with announcement of the financial accounts for 1<sup>st</sup> quarter of 2008 Ringkjøbing Bank upgraded its expectations to a result of DKK 140 mill before tax for year 2008 against original DKK 125 mill. This was based on the extraordinary positive value adjustment of DKK 15 million as a consequence of the previously mentioned agreement with Nykredit. Based on the capital loss on bonds the expectations to a result before tax for year 2008 are now the original DKK 125 million.

Ringkjøbing Bank continues to base its expectations to the accounting year 2008 on the fact that the business volume for year 2008 will increase in following areas – loans (0%) deposits (+20%) and guarantees (+10% with deduction of loss guarantees against Totalkredit approx. DKK 700 million which has been transferred to the off setting method). A 7% rise in staff costs and administrative expenses is expected. These percentage-wise expectations are relative to the end of 2007.

Write-downs on loans, etc. are still expected to show a cost in the level of DKK 10 million.

Core earnings is now expected to be in the level of DKK 130 million in accounting year 2008 against original expectations of DKK 125 million.

Ringkjøbing Bank expects the solvency ratio to be approx.14.5% at the end of 2008 which will hereby be above statutory minimum requirement of 8.0%, taken into consideration that financial shares in pool schemes charges the solvency by around 1% point.

## **Accounting policies**

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

Furthermore, the interim report has been prepared in accordance with further Danish disclosure requirements concerning information in quarterly reports of listed financial companies.

Accounting policies are unchanged compared 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 – 30/6 2008

| Note |   | 1/1-30/6 2008<br>DKK 1,000 | 1/1-30/6 2007<br>DKK 1,000 |
|------|---|----------------------------|----------------------------|
| 1    | Interest receivable   | 288,239                    | 215,557                    |
| 2    | Interest payable  | 173,823                    | 119,688                    |
|      | <b>Net interest income</b>  | <b>114,416</b>             | <b>95,869</b>              |
|      | Dividend on shares, etc.  | 1,349                      | 1,265                      |
| 3    | Income from fees and commission                                   | 48,749                     | 54,504                     |
|      | Fees and commission paid  | 1,939                      | 2,771                      |
|      | <b>Net income from interest and fees</b>                          | <b>162,575</b>             | <b>148,867</b>             |
| 4    | Value adjustments of securities and foreign exchange income, etc. | -4,469                     | 3,363                      |
|      | Other operating income  | 459                        | 200                        |
| 5    | Staff costs and administrative expences                           | 91,233                     | 84,153                     |
|      | Depreciation and write-downs of tangible assets                   | 1,950                      | 9,512                      |
|      | Other operating costs   | 138                        | 193                        |
|      | Write-downs on loans, etc.  | 1,600                      | -5,082                     |
| 6    | Result for capital shares in associated and affiliated companies  | 0                          | 0                          |
|      | <b>Profit before tax</b>  | <b>63,644</b>              | <b>63,654</b>              |
|      | Tax   | 15,289                     | 17,153                     |
|      | <b>Profit for the period</b>                                      | <b>48,355</b>              | <b>46,501</b>              |

### Balance sheet per 30/6 2008

| Note |   | 30/6 2008<br>DKK 1,000 | 30/6 2007<br>DKK 1,000 | 31/12 2007<br>DKK 1,000 |
|------|---|------------------------|------------------------|-------------------------|
|      | <b>Assets</b>                                       |                        |                        |                         |
|      | Cash in hand and demand deposits with central banks | 241,167                | 39,883                 | 44,440                  |
|      | Due from credit institutions and central banks      | 193,082                | 201,867                | 171,582                 |
| 7    | Loans and other receivables at amortised cost price | 7,257,783              | 6,657,781              | 7,231,825               |
|      | Bonds at current value                              | 1,573,397              | 830,938                | 1,304,934               |
|      | Shares, etc   | 135,990                | 142,411                | 138,676                 |
|      | Capital shares in associated companies              | 0                      | 0                      | 0                       |
|      | Assets in pool schemes                              | 839,758                | 919,475                | 927,811                 |
|      | Land and buildings, total                           | 48,019                 | 48,143                 | 48,008                  |
|      | Investment properties                               | 3,210                  | 3,600                  | 3,600                   |
|      | Domicile properties                                 | 44,809                 | 44,543                 | 44,408                  |
|      | Other fixed assets                                  | 3,360                  | 3,996                  | 3,741                   |
|      | Current tax assets                                  | 5,996                  | 0                      | 4,422                   |
|      | Deferred tax assets                                 | 0                      | 3,187                  | 3,276                   |
|      | Other assets  | 48,239                 | 28,014                 | 50,171                  |
|      | Prepayments and accrued income                      | 9,250                  | 7,074                  | 8,547                   |
|      | <b>Total assets</b>                                 | <b>10,356,041</b>      | <b>8,882,769</b>       | <b>9,937,433</b>        |
|      | <b>Liabilities</b>                                  |                        |                        |                         |
|      | <b>Debts</b>  |                        |                        |                         |
|      | Debt to credit institutions and central banks       | 4,470,895              | 3,671,346              | 4,236,163               |
|      | Deposits and other debt                             | 3,583,247              | 2,931,716              | 3,335,924               |
|      | Deposits in pool schemes                            | 839,758                | 919,475                | 927,811                 |
|      | Current tax-liabilities                             | 0                      | 18,039                 | 0                       |
|      | Other liabilities                                   | 105,342                | 100,313                | 113,219                 |
|      | Accruals and deferred income                        | 95                     | 132                    | 146                     |
|      | <b>Total debt</b>                                   | <b>8,999,337</b>       | <b>7,641,021</b>       | <b>8,613,263</b>        |
|      | <b>Provisions</b>                                   |                        |                        |                         |
|      | Provisions for pensions and similar obligations     | 9,040                  | 8,520                  | 8,592                   |
|      | Provisions for deferred tax                         | 2,221                  | 0                      | 0                       |
|      | Provisions for losses on guarantees                 | 611                    | 1,797                  | 1,077                   |
|      | <b>Provisions, total</b>                            | <b>11,872</b>          | <b>10,317</b>          | <b>9,669</b>            |
|      | <b>Subordinated debt</b>                            | <b>483,532</b>         | <b>459,806</b>         | <b>486,787</b>          |
| 8    | <b>Capital and reserves</b>                         |                        |                        |                         |
|      | Share capital                                       | 31,200                 | 31,200                 | 31,200                  |
|      | Provisions for revaluations end of period           | 675                    | 0                      | 675                     |
|      | Profit carried forward                              | 829,425                | 740,425                | 780,239                 |
|      | Proposed dividend                                   | 0                      | 0                      | 15,600                  |
|      | <b>Capital and reserves, total</b>                  | <b>861,300</b>         | <b>771,625</b>         | <b>827,714</b>          |
|      | <b>Total liabilities</b>                            | <b>10,356,041</b>      | <b>8,882,769</b>       | <b>9,937,433</b>        |
| 9    | <b>Total contingent liabilities</b>                 | <b>2,293,206</b>       | <b>2,478,718</b>       | <b>2,791,932</b>        |
| 10   | <b>Guarantees</b>                                   |                        |                        |                         |



### Statement of capital and reserves

|   | Share capital | Provisions for re-valuations | Result carried forward | Proposed dividend | Total          |
|---|---------------|------------------------------|------------------------|-------------------|----------------|
| <b>Capital and reserves beginning of 2008</b> | <b>31,200</b> | <b>675</b>                   | <b>780,239</b>         | <b>15,600</b>     | <b>827,714</b> |
| Result for the year                           |               |                              | 48,355                 |                   | 48,355         |
| <b>Total income</b>                           | <b>0</b>      | <b>0</b>                     | <b>48,355</b>          | <b>0</b>          | <b>48,355</b>  |
| Sale of own shares                            |               |                              | 35,681                 |                   | 35,681         |
| Purchase of own shares                        |               |                              | -37,635                |                   | -37,635        |
| Tax on capital and reserve items              |               |                              | 2,546                  |                   | 2,546          |
| Adopted dividend                              |               |                              |                        | -15,600           | -15,600        |
| Dividend own shares                           |               |                              | 239                    |                   | 239            |
| <b>Total capital and reserve movements</b>    | <b>0</b>      | <b>0</b>                     | <b>831</b>             | <b>-15,600</b>    | <b>-14,769</b> |
| <b>Capital and reserves as of 30/6 2008</b>   | <b>31,200</b> | <b>675</b>                   | <b>829,425</b>         | <b>0</b>          | <b>861,300</b> |

|   | Share capital | Provisions for re-valuations | Result carried forward | Proposed dividend | Total          |
|---|---------------|------------------------------|------------------------|-------------------|----------------|
| <b>Capital and reserves beginning of 2007</b> | <b>32,000</b> | <b>0</b>                     | <b>706,902</b>         | <b>0</b>          | <b>738,902</b> |
| Result for the year                           |               |                              | 46,501                 | 0                 | 46,501         |
| <b>Total income</b>                           | <b>0</b>      | <b>0</b>                     | <b>46,501</b>          | <b>0</b>          | <b>46,501</b>  |
| Write-down on share capital                   | -800          |                              | 800                    |                   |                |
| Sale of own shares                            |               |                              | 107,918                |                   | 107,918        |
| Purchase of own shares                        |               |                              | -121,078               |                   | -121,078       |
| Tax on capital and reserve items              |               |                              | -618                   |                   | -618           |
| <b>Total capital and reserve movements</b>    | <b>-800</b>   | <b>0</b>                     | <b>-12,978</b>         | <b>0</b>          | <b>-13,778</b> |
| <b>Capital and reserves as of 30/6 2007</b>   | <b>31,200</b> | <b>0</b>                     | <b>740,425</b>         | <b>0</b>          | <b>771,625</b> |

## Notes to interim report 1/1 – 30/6 2008

| Note |   | <b>1/1-30/6 2008</b><br>DKK 1,000 | <b>1/1-30/6 2007</b><br>DKK 1,000 |
|------|---|-----------------------------------|-----------------------------------|
| 1    | <i>Interest receivable:</i>   |                                   |                                   |
|      | Due from credit institutions and central banks                                      | 4,136                             | 2,970                             |
|      | Loans and other receivables   | 251,233                           | 196,709                           |
|      | Bonds   | 30,756                            | 16,482                            |
|      | Total derivatives   | 2,091                             | -665                              |
|      | Other interest receivables  | 23                                | 61                                |
|      | <b>Total interest receivables</b>   | <b>288,239</b>                    | <b>215,557</b>                    |
| 2    | <i>Interest payable to:</i>   |                                   |                                   |
|      | Credit institutions and central banks   | 96,224                            | 69,303                            |
|      | Deposits and other debt   | 62,410                            | 38,508                            |
|      | Subordinated debt   | 15,189                            | 11,877                            |
|      | Other interest payables   | 0                                 | 0                                 |
|      | <b>Total interest payables</b>  | <b>173,823</b>                    | <b>119,688</b>                    |
| 3    | <i>Income from fees and commissions:</i>  |                                   |                                   |
|      | Securities trading and deposits   | 20,546                            | 31,012                            |
|      | Payment services  | 5,488                             | 5,219                             |
|      | Fees from loans   | 2,901                             | 2,049                             |
|      | Guarantee commission  | 11,272                            | 10,899                            |
|      | Other fees and commissions  | 8,542                             | 5,325                             |
|      | <b>Total income from fees and commissions</b>                                       | <b>48,749</b>                     | <b>54,504</b>                     |
| 4    | <i>Value adjustments:</i>   |                                   |                                   |
|      | Other loans and receivables at current value  | -3,092                            | -4,026                            |
|      | Bonds   | -24,586                           | -10,387                           |
|      | Shares, etc.  | 11,954                            | 7,055                             |
|      | Investment properties   | 610                               | 110                               |
|      | Foreign exchange  | 6,487                             | 4,498                             |
|      | Foreign exchange, interest, share, commodities and other contracts, and derivatives | 1,682                             | 1,900                             |
|      | Assets in pool schemes  | -72,151                           | 36,044                            |
|      | Deposits in pool schemes  | 72,151                            | -36,044                           |
|      | Other commitments   | 2,476                             | 4,213                             |
|      | <b>Total value adjustments</b>  | <b>-4,469</b>                     | <b>3,363</b>                      |

### Notes to interim report 1/1 – 30/6 2008

| Note |   | <b>1/1-30/6<br/>2008</b><br>DKK 1,000 | <b>1/1-30/6<br/>2007</b><br>DKK 1,000 |
|------|---|---------------------------------------|---------------------------------------|
| 5    | <i>Staff costs and administrative expences</i>                              |                                       |                                       |
|      | <i>Salaries and payments to board of directors, management and council:</i> |                                       |                                       |
|      | Management  | 2,228                                 | 1,624                                 |
|      | Board of directors  | 286                                   | 287                                   |
|      | Council   | 0                                     | 0                                     |
|      | <b>Total</b>  | <b>2,514</b>                          | <b>1,911</b>                          |
|      | <i>Staff costs:</i>   |                                       |                                       |
|      | Salaries  | 44,487                                | 41,387                                |
|      | Pensions  | 5,155                                 | 4,670                                 |
|      | Social security contributions   | 4,285                                 | 4,271                                 |
|      | <b>Total</b>  | <b>53,927</b>                         | <b>50,328</b>                         |
|      | Other administrative expences   | 34,792                                | 31,914                                |
|      | <b>Total staff costs and administrative expences</b>                        | <b>91,233</b>                         | <b>84,153</b>                         |
| 6    | <i>Result for capital shares in associated and affiliated companies:</i>    |                                       |                                       |
|      | Capital shares in associated companies, etc.                                | 0                                     | 0                                     |
|      | <b>Total result for capital interests, etc.</b>                             | <b>0</b>                              | <b>0</b>                              |

## Notes to interim report 1/1 – 30/6 2008

| Note | <b>30/6 2008</b><br>DKK 1,000   | <b>30/6 2007</b><br>DKK 1,000 | <b>31/12 2007</b><br>DKK 1,000 |
|------|---|-------------------------------|--------------------------------|
| 7    | <i>Credit risks:</i>  |                               |                                |
|      | 87,986  | 92,716                        | 86,639                         |
|      | 4,302   | 4,431                         | 4,938                          |
|      | <b>92,288</b>   | <b>97,147</b>                 | <b>91,577</b>                  |
|      | Individual write-downs beginning of quarter   |                               |                                |
|      | 86,639  | 97,386                        | 97,386                         |
|      | 14,754  | 8,348                         | 25,331                         |
|      | 13,407  | 13,018                        | 36,078                         |
|      | <b>87,986</b>   | <b>92,716</b>                 | <b>86,639</b>                  |
|      | Group write-downs   |                               |                                |
|      | 4,938   | 4,431                         | 4,431                          |
|      | 1,349   | 0                             | 1,531                          |
|      | 1,985   | 0                             | 1,024                          |
|      | <b>4,302</b>  | <b>4,431</b>                  | <b>4,938</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>  |                               |                                |
|      | 1,560,000 pcs.  | 1,560,000 pcs.                | 1,560,000 pcs.                 |
|      | 20 DKK  | 20 DKK                        | 20 DKK                         |
|      | 31,200  | 31,200                        | 31,200                         |
|      | Own capital shares:   |                               |                                |
|      | 10,580  | 24,812                        | 21,476                         |
|      | 25,804 pcs.   | 26,036 pcs.                   | 32,054 pcs.                    |
|      | 516   | 521                           | 641                            |
|      | 1.7%  | 1.7%                          | 2.1%                           |
| 9    | <i>Contingent liabilities:</i>  |                               |                                |
|      | Guarantees etc.:  |                               |                                |
|      | 1,615,122   | 1,237,377                     | 1,502,737                      |
|      | 261,215   | 785,401                       | 869,147                        |
|      | 413,629   | 452,700                       | 416,808                        |
|      | <b>2,289,966</b>  | <b>2,475,478</b>              | <b>2,788,692</b>               |
|      | Other contingent liabilities:   |                               |                                |
|      | 3,240   | 3,240                         | 3,240                          |
|      | <b>3,240</b>  | <b>3,240</b>                  | <b>3,240</b>                   |
|      | <b>2,293,206</b>  | <b>2,478,718</b>              | <b>2,791,932</b>               |
| 10   | <i>Guarantees:</i>  |                               |                                |
|      | tDKK 6,863 of the bank's bond holding and tDKK 227,416 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 has today considered and approved the interim report for the period covering 1 January to 30 June 2008 for Ringkjøbing Bank.

The interim report has been submitted in accordance with legislation about financial business. Furthermore, the interim report has been prepared in accordance with further Danish disclosure requirements for interim reports of listed finance companies. It is our opinion that the accounting policies are adequate and that the interim report provides a true and fair picture of the bank's assets, liabilities, financial position and result.

Ringkøbing, 14<sup>th</sup> August 2008

### Management

Preben Knudsgaard, Managing director                      Kaj Damgaard, Director

### Board of directors

Poul Hjulmand, Chairman                      Carl Olav Birk Jensen, Deputy chairman

Jens Fjordside                      Hans-Ole Jessen                      Henning Jensen                      Gert Aagaard