ANNUAL REPORT 2022

Ringkjøbing Landbobank

CONTENTS

DEAR SHAREHOLDER

War, inflation and interest rate increases were issues that marked 2022 with major consequences for development in Europe in the coming years. By contrast, Ringkjøbing Landbobank's results were highly satisfactory with a 22% increase in net profit for the year, to DKK 1,495 million, and a 17% return on equity.

Our image and a high level of customer satisfaction in 2022 again formed the basis for growth of 17% in the bank's loans and 11% in deposits. This is a highly satisfactory expansion of the bank's existing firm foundation and leads us to hope that 2023 will also be a good year for the bank.

All of this resulted in increases of 18% in the bank's income and 9% in its expenses. We were therefore able to reduce the bank's cost/income ratio from 34% to 31%, which is concrete confirmation that our business model is functioning as planned. This was also recognised by Moody's, which in 2022 upgraded the bank's Long Term Issuer Rating to Aa3.

In 2022, we partnered with SEB in Stockholm in the private banking area, which has strengthened the bank's value proposition to its customers. We also took over SEB's private banking clients in Denmark and the associated employees in the branch in Bernstorffsgade in Copenhagen.

The stock market responded positively to the bank's development. The increase in the bank's share price and the dividend paid resulted in a positive return of 9%.

Distribution of 65% of the net profit for the year is recommended to the general meeting. This will be effected through a dividend of DKK 7 per share and a share buy-back programme totalling DKK 770 million.

For a number of years we have worked to visualise sustainability as a foundation stone of the bank and we report on this again this year in our ESG report. We also report on carbon emissions from both the bank's loans and from the investments which the bank owns and has under management. We will continue to support and work with all the associations, clubs and events which are a very important part of the communities in which the bank is rooted. MSCI recognised this development in 2022 and upgraded the bank's ESG rating to A.

We would like to thank our highly skilled employees who have made an extraordinary effort in a busy year. We are pleased that employee satisfaction has never been higher in our surveys. This is the foundation for our continued growth.

We are looking ahead into 2023 with mixed feelings. On the one hand we are concerned about the economic decline which is expected in the wake of the increasing interest rate level and high energy prices. On the other, the bank's existing firm foundation has grown and we are entering the year on a very robust basis. Our principal tasks will be serving our existing customers and continuing the increase in new customer relationships by winning additional market share. We expect net profit for 2023 to be in the range DKK 1,200-1,600 million.

Finally we would like to thank our customers and you, our shareholders, for the strong support which the bank enjoys.

John Bull Fisker
CEO

ANNUAL REPORT – HIGHLIGHTS

- Net profit for the year increases by 22% to DKK 1,495 million
- Income increases by 18% and expenses increase by 9%, reducing the cost/income ratio to 31%
- Strong credit quality with impairment charges of only DKK 2 million coincide with increase in management estimates to DKK 794 million
- Continued big increase in new customers and growth of 17% in loans, 11% in deposits and 6% in custody account holdings
- Strong image for both brands, which take first and third place respectively in Denmark
- Partnership with SEB in private banking and a new branch in Copenhagen
- The bank’s Long Term Issuer Rating at Moody's was upgraded to Aa3
- A pay-out ratio of 65% will be effected through a dividend of DKK 7 and a DKK 770 million buy-back programme
- Expectations for net profit for 2023 in the range DKK 1,200-1,600 million.

MAIN AND KEY FIGURES

	2022	2021	2020	2019	2018
Main figures for the bank (DKK million)					
Total core income	2,862	2,433	2,179	2,116	2,001
Total expenses and depreciation	891	817	788	805	866
Core earnings before impairments	**1,971**	**1,616**	**1,391**	**1,311**	**1,135**
Impairment charges for loans etc.	-2	-68	-223	-100	-43
Core earnings	**1,969**	**1,548**	**1,168**	**1,211**	**1,092**
Result for the portfolio etc.	-69	+7	-9	+49	+77
Special costs	20	17	15	15	217
Profit before tax	**1,880**	**1,538**	**1,144**	**1,245**	**952**
Net profit for the year	**1,495**	**1,229**	**920**	**978**	**778**
Equity	9,295	8,723	8,146	7,610	7,189
Deposits including pooled schemes	48,700	43,740	39,639	38,128	36,993
Loans	48,342	41,179	36,241	35,465	33,350
Balance sheet total	68,980	60,357	54,862	52,941	49,651
Guarantees	7,570	10,270	9,812	9,665	7,829
Key figures for the bank (percent)					
Profit before tax / average equity	20.9	18.2	14.5	16.8	13.8
Net profit for the year / average equity	16.6	14.6	11.7	13.2	11.3
Cost/income ratio	31.1	33.6	36.2	38.0	43.3
Common equity tier 1 capital ratio	17.4	17.6	17.5	14.7	14.6
Total capital ratio	21.6	22.3	21.1	20.0	18.4
MREL capital ratio	28.9	27.8	26.7	27.3	24.9
Key figures per DKK 1 share (DKK)					
Core earnings	72	54	40	41	37
Profit before tax	68	54	39	43	32
Net profit for the year	54	43	32	34	26
Book value	337	307	280	260	240
Price, end of year	948	878	554	514	340
Dividend	7	7	7	11	10

MANAGEMENT'S REVIEW

Core earnings

Core income

Interest

Net interest income was DKK 1,677 million in 2022 compared to DKK 1,343 million in 2021, an increase of 25%. The bank is highly satisfied with this development, which has several reasons.

Compared to the end of 2021, lending increased by 17% in 2022. The increase in lending is broadly based and relates to both niches and retail. Please also see the section “Balance sheet items and contingent liabilities”.

In 2022, the interest margin was under pressure in the first three quarters and increased in the fourth quarter. The development in the interest margin is attributable to the increasing interest rates, including four rises in official interest rates by Danmarks Nationalbank, the central bank of Denmark, in the period July to December, by a total of 2.35 percentage points.

Ringkjøbing Landbobank matched the central bank’s interest rate changes and announced changes for both loans and deposits. The first change took effect at the beginning of September 2022 and marked the end of negative interest paid by all personal customers. The second interest rate change took effect in mid-October 2022 and marked the end of negative interest paid by all business customers. In the second half of 2022, the bank reintroduced positive interest rates on savings accounts and various special accounts including pension and children’s savings accounts, and in several rounds the bank introduced high-interest accounts.

The full effect on income of increasing interest rates was not felt in 2022, since applicable rules on giving notice of changes have reduced their impact. Interest rate changes for the bank’s home loan products are implemented with six month’s notice and will therefore not affect the results for the home loan products until the first half of 2023.

The future effect of interest rate changes can be calculated on the basis that the bank has interest-bearing assets that exceed the interest-bearing debt by approximately DKK 9.3 billion. All else being equal, a 1 percentage point increase in interest level would thus result in an increase of approximately DKK 93 million per annum in the bank’s earnings. This figure will be influenced by competition in the sector.

In 2022, we also saw two positive one-off effects on net interest income. Until now, the bank has suffered losses on deposits from personal customers as a result of the DKK 100,000 threshold for negative interest on personal customers’ deposits. This threshold has, of course, been removed as a result of the increasing interest rates. In addition, a deposit margin for deposits from personal customers as well as from business customers was restored in 2022.

Fee, commission and foreign exchange income

Fee, commission and foreign exchange income amounted to DKK 1,014 million in 2022, compared to DKK 906 million in 2021, an increase of 12%. The bank is satisfied with this development, attributable in part to a high level of activity.

The sources of net fee, commission and foreign exchange income were as follows:

(DKK million)	**2022**	**2021**	**2020**	**2019**	**2018**
Securities trading	164	171	138	128	88
Asset management and custody accounts	207	182	150	148	160
Payment handling	104	84	63	79	91
Loan fees	115	81	82	103	40
Guarantee and mortgage credit commission etc.	257	245	225	217	214
Other fees and commission	101	85	71	80	63
Foreign exchange income	66	58	41	30	31
Total	**1,014**	**906**	**770**	**785**	**687**

Income from “Securities trading”, “Asset management and custody accounts” and “Foreign exchange income” is assessed as one item as it relates primarily to the bank’s focus on private banking and other asset management.

Total income from these three items increased from DKK 411 million in 2021 to DKK 437 million in 2022, an increase of 6%.

This development should be seen in the context of a year when the value of shares and bonds fell by approximately 15% on average but in which the bank continued to see an increase in customers. In addition, the bank entered into a partnership with SEB in 2022 and took over SEB’s portfolio of Danish private banking clients during the summer of 2022. As the next page shows, funds in custody accounts etc. increased by a total of 6% in 2022.

Based on the above, the development in income for the three items is considered very satisfactory.

Income from “Guarantee and mortgage credit commission etc.” increased by 5% to DKK 12 million in 2022. The volume of arranged mortgage loans etc. increased by 2%. In addition, the bank sold off home loans totalling DKK 2.3 billion during the year. The explanation for the development in income and volumes is that many customers refinanced during 2022 and consequently brought down their unpaid debts. The result in many cases is that customers pay a lower administration fee.

An additional explanation is that the interest on sold-off home loans is booked under the item “Guarantee and mortgage credit commission etc.” As stated in the “Interest” section, the bank must give six months’ notice of interest rate changes for home loans and an increase in the income from this item is thus expected during the first half of 2023.

A higher level of refinancing in 2022 positively affected the item “Loan fees” by additional income of DKK 34 million compared to 2021.

The 23% increase in income from payment handling was driven, among other things, by a return to normality for income from these activities during 2022. In addition, the increase in customer numbers resulted in a higher transaction volume, which also contributed to the positive development of the item.

The income from "Other fees and commission" also developed positively compared to 2021. This is primarily attributable to the bank's continued focus on the pension and insurance activities.

Funds in custody accounts etc. (DKK million)	**End of 2022**	**End of 2021**	**End of 2020**	**End of 2019**	**End of 2018**
Custody account holdings	79,740	74,589	54,811	48,186	39,668
Deposits in pooled schemes	4,973	5,538	4,700	4,276	3,786
Letpension/PFA Pension	3,669	3,408	2,576	2,050	1,472
Total	**88,382**	**83,535**	**62,087**	**54,512**	**44,926**

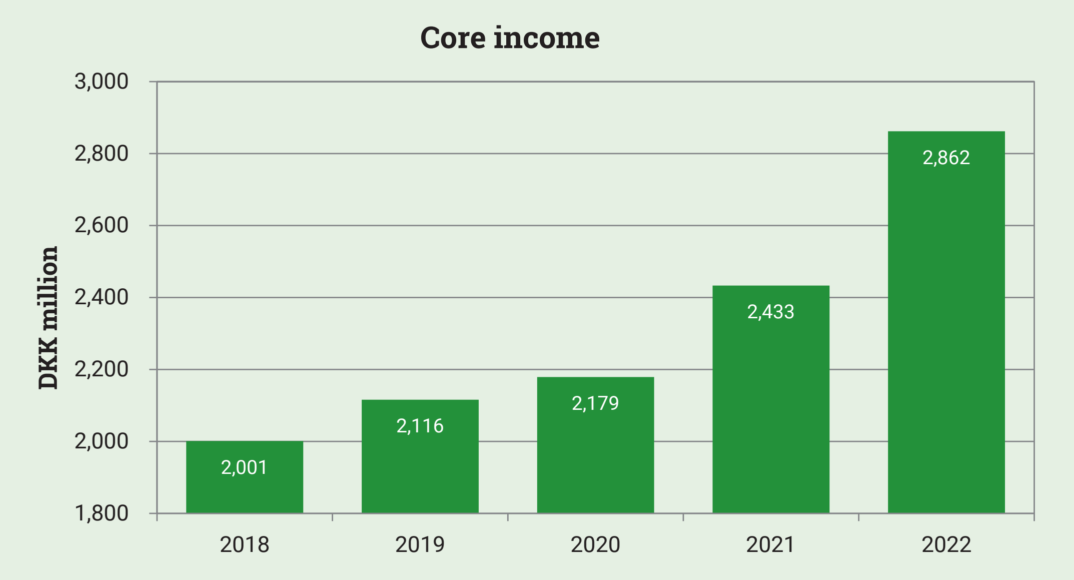
Sector shares and other operating income

Total earnings from banking sector shares amounted to DKK 169 million in 2022 compared to DKK 179 million in 2021. The earnings derive mainly from return on the bank's ownership interests in BankInvest (BI Holding), DLR Kredit and PRAS. The declining earnings in 2022 are primarily attributable to a marginal decline in earnings in BankInvest.

Other operating income stood at DKK 2 million in 2022, which is less than 2021, when the figure was DKK 5 million, resulting from the sale of a property.

Core income

Total core income increased by 18% in 2022, from DKK 2,433 million in 2021 to DKK 2,862 million in 2022. The bank considers the increase highly satisfactory.

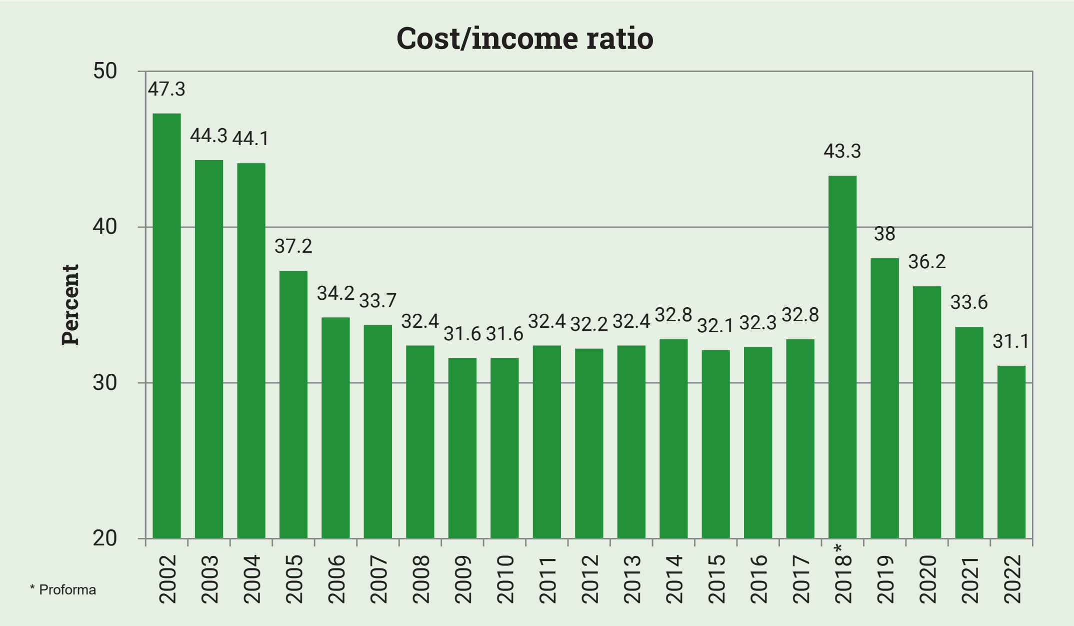


Expenses, depreciation and write-downs

Total expenses including depreciation and write-downs on tangible assets amounted to DKK 891 million in 2022, compared to DKK 817 million in 2021, an increase of 9%.

Expenses for the year increased more than had been expected at the beginning of 2022, due to increased operating expenses for the bank's new private banking branch in Bernstorffsgade in Copenhagen in the last three quarters of the year. The bank established the branch when entering into a strategic partnership with SEB and taking over its Danish private banking portfolio. Various one-off expenses relating to this were also recognised as expenses.

The cost/income ratio was 31.1% in 2022, compared to 33.6% in 2021, which is considered highly satisfactory.



A low cost/income ratio combined with good credit quality are the foundation for the bank's business model. This combination provides a high free cash flow and a strong revenue shield.

The bank's business model is functioning as planned and a cost/income ratio below the present level is not in itself a goal. In the years to come we therefore expect increasing costs as the bank's income grows.

Impairment charges for loans etc.

Impairment charges for loans etc. represented an expense of DKK 2 million in 2022, compared to an expense of DKK 68 million in 2021.

During 2022, the bank's total account for impairment charges increased by DKK 19 million to DKK 2,302 million and amounted to 4.0% of the bank's total loans and guarantees at the end of 2022. DKK 1,035 million of the total account for impairment charges is attributable to stage 3 exposures. The remainder is attributable to stage 1 and 2 exposures.

The bank's loans with suspended interest decreased from DKK 98 million at the end of 2021 to DKK 81 million at the end of 2022.

Actual losses were at a satisfactory low level in 2022. The development has generally been positive with lower losses and impairment charges than expected at the beginning of the year.

The positive development of the bank's expenses for losses and impairment charges is attributable exclusively to reduced individual impairment charges, whereas the bank's expenses for management estimates increased considerably. The bank thus increased the total management estimates for credit losses by DKK 163 million to a total of DKK 794 million during 2022. Management estimates now account for 34% of the bank's total provisions for losses. This development is considered positive.

The need for increasing the management estimates should be seen in the light of the marked weakening in the macroeconomic outlook, which materialised in 2022, starting with Russia's invasion of Ukraine in February. It should be mentioned that the bank has not provided loans based on assets in either Russia or Ukraine.

We also note that historically, trade between the bank's customers and the two countries has been extremely modest. The direct economic impact on the bank's credit quality as a result of the war is also extremely modest.

On the other hand, the implications in the form of increasing energy prices in particular have hit the European and Danish economies in general and added more fuel to generally increasing inflation. At record speed, inflation in Europe and Denmark has reached a level which has not been seen for decades, and frequent, substantial interest rate increases have been needed from the respective central banks. The long-term interest rates have also increased noticeably. The bank's exposure to particularly energy-intensive business customers is modest, however.

All else being equal, the factors above will result in a declining credit quality and for the first time in several years, the bank is also seeing a small decrease in the reported credit quality. We continue to be of the opinion, however, that the credit quality of the bank's loans is at a satisfactory high level.

The vast majority of the management estimates totalling DKK 794 million are attributable to the general economic uncertainty resulting from the increasing inflation and interest rates and historically low consumer confidence. It is positive in this context that the bank has largely been able to reverse previous years' management estimates relating to credit uncertainty associated with the coronavirus pandemic. The bank's expense for individual losses and impairment charges in the period with coronavirus was very low.

At a more sector-specific level, the bank's portfolio of personal customers is naturally hit by inflation and increasing interest rates. We are going through a period with a weak housing market where revenue and prices are falling. However, highly-geared customers generally have fixed-rate financing consistent with both the bank's credit policy and the Danish FSA's guidelines. This ensures great robustness in the current interest rate situation. The bank does not at present see a significant increase in the need for individual impairment charges but has also increased the management estimates relating to personal customers. The cumulative impairment ratio for personal customers is 3%.

The bank continues to have substantial impairment charges relating to its exposures to agriculture. With the exception of pig production, the development in 2022 was positive, however, with good earnings for both dairy and crop farmers. The bank's exposure to pig farms accounted for 0.9% of total loans and guarantees and at the end of 2022, the bank's cumulative impairment ratio was 32%.

The bank has a considerable exposure to financing of real property of 18.7% of loans and guarantees. It is important to note that 77% of the bank's exposure to financing of real property is granted without prior debt. The increasing interest rates naturally depress prices and put revenue for investment properties under pressure. The bank continually assesses the value of the security under the mortgages provided and we continue to believe that the bank's loans are generally well covered. However, acknowledging the weakening property market and uncertain prospects, the bank has also made management estimates relating to real property financing.

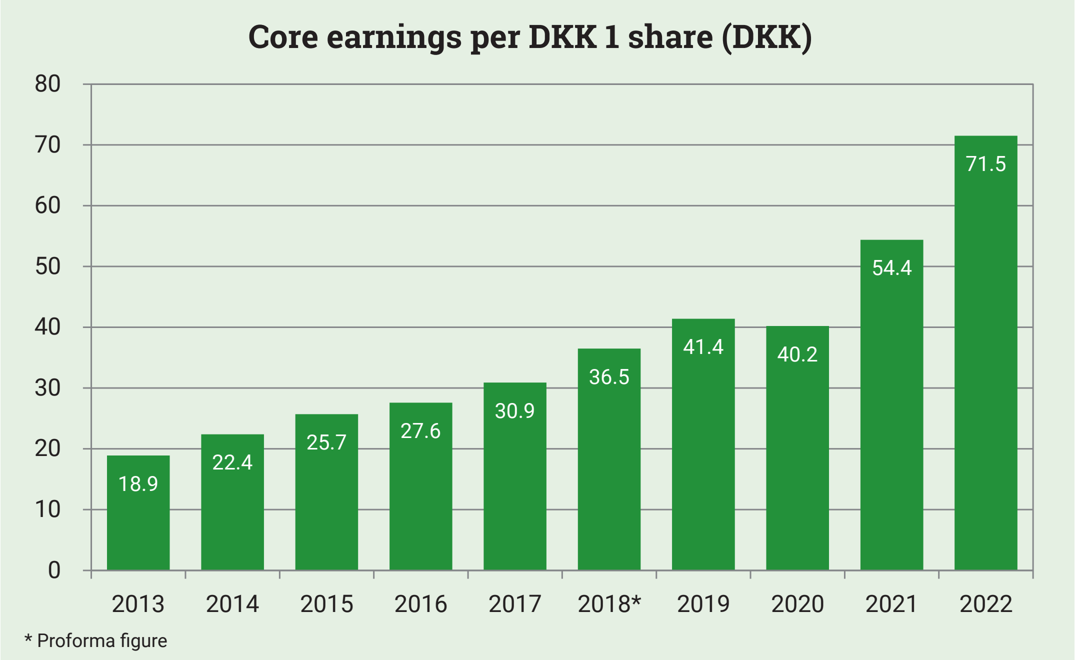
Core earnings

Core earnings in 2022 totalled DKK 1,969 million compared to the previous year's DKK 1,548 million, an increase of 27%.

(DKK million)	**2022**	**2021**	**2020**	**2019**	**2018**
Total core income	2,862	2,433	2,179	2,116	2,001
Total expenses and depreciation	891	817	788	805	866
Core earnings before impairments	1,971	1,616	1,391	1,311	1,135
Impairment charges for loans etc.	-2	-68	-223	-100	-43
Core earnings	**1,969**	**1,548**	**1,168**	**1,211**	**1,092**

The bank places emphasis on the key figure "Core earnings per share" and how it develops. Apart from 2020, the bank has been able to increase core earnings per share each year in the period 2013-2022.

In 2022, "Core earnings per share" increased by 31% from DKK 54.4 in 2021 to DKK 71.5 in 2022. The development in the bank's earnings and the share buy-back programmes completed thus had a positive effect on "Core earnings per share".



Result for the portfolio etc.

The result for the portfolio etc. including portfolio funding costs was negative by DKK 69 million net for 2022. In 2021, the result for the portfolio etc. was positive by DKK 7 million net.

Despite the bank keeping the interest rate risk at a low level throughout 2022, Danmarks Nationalbank's rate increases in the third quarter of 2022 and the expectations for the future rate development also led to increases in the very short rates, which negatively affected the value of the bank's holding of short-term mortgage credit bonds.

Amortisation and write-downs on intangible assets

The bank treats amortisation and write-downs on intangible assets as a special item, since expensing them enhances the quality of equity and helps to reduce the deduction when computing total capital.

Amortisation and write-downs on intangible assets amounted to DKK 20 million in 2022, which is marginally higher than the DKK 17 million in 2021. The increase is attributable to amortisation of the purchase in mid-2021 of the BIL Danmark (Banque Internationale à Luxembourg) client portfolio.

Profit before and after tax and follow-up on financial expectations for 2022

The profit before tax was DKK 1,880 million, equivalent to a 20.9% p.a. return on average equity, which is considered satisfactory.

The net profit for the year was DKK 1,495 million, equivalent to a 16.6% p.a. return on average equity.

In January 2022, the bank announced its expectations for core earnings for 2022 in the range DKK 1,350-1,650 million and profit before tax in the range DKK 1,300-1,600 million.

On 3 June 2022, the bank upwardly adjusted its expectations for 2022 to core earnings in the range DKK 1,600-1,850 million and profit before tax in the range DKK 1,550-1,800 million. The background to the upward adjustment was primarily a continued positive development in lending and a satisfactory increase in customers, which was expected to ensure a more positive income flow than budgeted.

On 5 December 2022, the bank again upwardly adjusted its expectations for 2022. The expectations for core earnings were upwardly adjusted to the DKK 1,850-2,000 million range and the expectations for profit before tax were upwardly adjusted to the DKK 1,700-1,950 million range.

The upward adjustment was made primarily as a result of a continued good level of activity, the effect of the higher interest rate level, the growth in lending in the first three quarters of the year as well as continued good credit quality and a loss level that has remained on a very satisfactory level.

Core earnings stood at DKK 1,969 million and profit before tax at DKK 1,880 million, both realised within the ranges announced on 5 December 2022.

Balance sheet items and contingent liabilities

The bank's balance sheet total stood at DKK 68,980 million at the end of 2022, compared to DKK 60,357 million the year before.

Loans increased by 17% in 2022 from DKK 41,179 million at the end of 2021 to DKK 48,342 million at the end of 2022.

The increase in loans for the year should be seen in the context of the growth in loans in 2020 and 2021, which was 2% and 14% respectively. The coronavirus affected 2020 in particular, and in 2020 and 2021 many businesses reduced their inventories and debtors and postponed their VAT and tax payments.

Not until the fourth quarter of 2021 did the bank see many business customers again drawing on their facilities at the bank, which continued in 2022. Many businesses built up inventories and increased their debtors, and most of the bank's business customers have repaid their VAT and tax loans to the state.

In addition, the bank enjoyed a big increase in customer numbers throughout the three years, which has positively affected the bank's loans and other business volume.

Thus, the three years should be judged as one and the average increase in loans for the three years was 11%. This figure is also positively affected by the takeover of the Danish private banking client portfolios of BIL Danmark and SEB in 2021 and 2022 respectively.

Deposits including pooled schemes increased by 11% in 2022 from DKK 43,740 million at the end of 2021 to DKK 48,700 million at the end of 2022.

Equity increased from DKK 8,723 million at the end of 2021 to DKK 9,295 million at the end of 2022.

The bank's contingent liabilities, including guarantees, at the end of the year amounted to DKK 7,570 million, compared to DKK 10,270 million at the end of 2021. The decrease is primarily a result of the slowdown of the housing market.

Credit intermediation

In addition to the traditional bank loans shown on its balance sheet, the bank also arranges mortgage loans on behalf of both Totalkredit and DLR Kredit.

With an increase of 9% compared to the end of 2021, the development in the bank's total credit intermediation was positive in 2022. The development is shown in the following summary and please also refer to page 7:

Total credit intermediation (DKK million)	**31 Dec. 2022**	**31 Dec. 2021**	**31 Dec. 2020**	**31 Dec. 2019**
Loans and other receivables	48,342	41,179	36,241	35,465
Arranged mortgage loans etc. – Totalkredit	45,248	43,849	39,454	36,374
Arranged mortgage loans – DLR Kredit	10,001	9,778	9,511	9,029
Arranged mortgage loans – others	255	394	-	-
Total	**103,846**	**95,200**	**85,206**	**80,868**

Securities and market risk

The item "Shares, etc." amounted to DKK 1,332 million at the end of 2022, with DKK 37 million in listed shares and investment fund certificates and DKK 1,295 million in sector shares etc., mainly in the companies DLR Kredit, BI Holding (BankInvest) and PRAS.

The bond portfolio amounted to DKK 6,776 million, of which the majority consisted of AAA-rated Danish mortgage credit bonds.

The total interest rate risk – impact on profit of a 1 percentage point change in the interest level – was computed as 0.7% of the bank's tier 1 capital on 31 December 2022, the equivalent of DKK 61 million.

The bank's risk of losses calculated on the basis of a Value at Risk model (computed with a 10-day horizon and 99% probability) was as follows in 2022:

Value at Risk	**Risk in DKK million**	**Risk relative to equity end of year in %**
Highest risk of loss:	80.3	0.86%
Lowest risk of loss:	7.5	0.08%
Average risk of loss:	30.1	0.32%
End-of-year risk of loss:	50.0	0.54%

The bank's total market risk within exposures to interest rate risk, listed shares etc. and foreign currency remains at a moderate level, and this policy will continue. Please see note 51 on pages 100-101 for further information.

Liquidity

In terms of liquidity, the bank's short-term funding liabilities total DKK 2.8 billion, comprising debt to credit institutions and issued bonds with term to maturity of less than 12 months. This is balanced by short-term liquidity management deposits in Danmarks Nationalbank, receivables from credit institutions with term to maturity of less than 12 months and securities at fair value totalling DKK 12.3 billion, which means the total excess cover is DKK 9.5 billion.

The bank's deposits (excluding pooled schemes) and equity exceeded its loans by DKK 4.7 billion on 31 December 2022 and these two items therefore more than fully finance the loan portfolio. In addition, part of the loan portfolio for renewable energy projects is financed back-to-back with KfW Bankengruppe, which means that DKK 1.0 billion can be disregarded in terms of liquidity.

In terms of liquidity, the bank must comply with the statutory requirement of at least 100% for both of the two liquidity ratios LCR and NSFR.

On 31 December 2022 the bank's LCR was 188% and its NSFR 119%. The bank thus met the statutory requirement for both ratios by a good margin.

The Supervisory Diamond

The bank complies with the Danish FSA's Supervisory Diamond. The Supervisory Diamond contains four different benchmarks and associated limit values which Danish banks are expected to observe.

The Supervisory Diamond benchmarks and limit values and the bank's key figures are given in the following table.

Benchmark	**Limit value**	**2022**	**2021**	**2020**	**2019**	**2018**
Liquidity benchmark	>100%	143.4%	161.1%	177.6%	193.2%	179.5%
Total large exposures	<175%	118.0%	109.8%	99.8%	121.0%	106.0%
Growth in loans	<20%	17.5%	13.5%	2.2%	6.3%	72.3%*
Real property exposure	<25%	20.0%	18.4%	17.9%	17.5%	15.8%

* The growth was mainly caused by the merger. The proforma growth in loans relative to December 2017 was 7.0%.

During 2022, the bank exceeded the limit value for the benchmark "Growth in loans" both at the end of June 2022 and at the end of September 2022.

The two cases of exceeding the benchmark are linked to reasons stated in the section "Balance sheet items and contingent liabilities". In August 2022, the bank received a risk information from the Danish FSA regarding exceeding of the limit value but, as stated in that risk information, the bank expected the growth in loans to fall again at the end of 2022, which it did.

As shown above, Ringkjøbing Landbobank met all four current limit values by a good margin at the end of 2022.

Financial rating

The bank is rated by the international credit rating agency Moody's Investors Service. In May 2022, the bank's Long Term Issuer Rating was upgraded from "A1" to "Aa3".

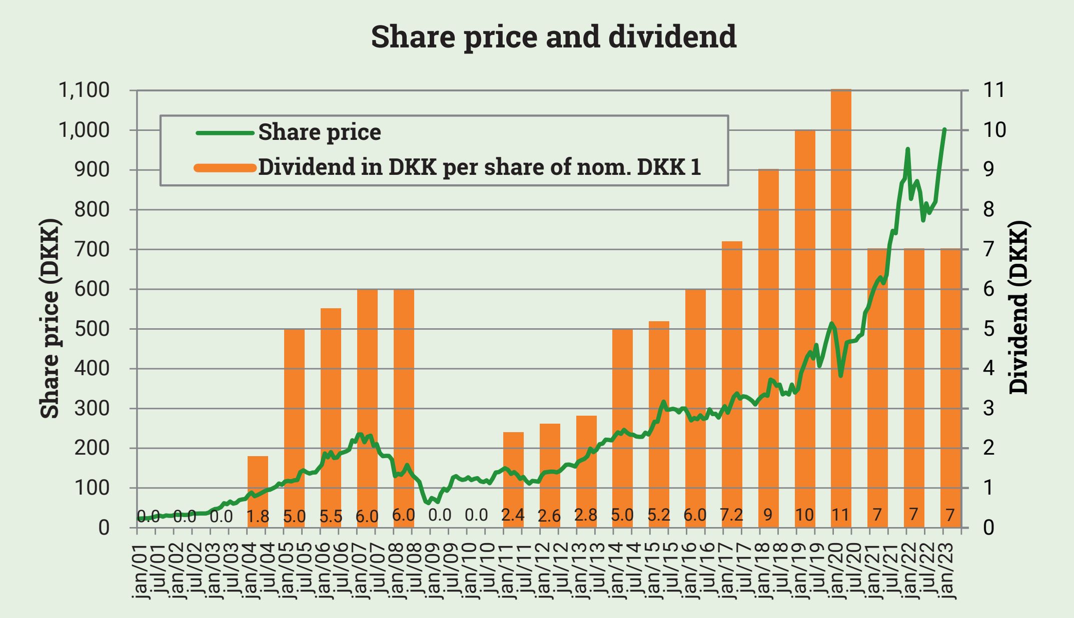
The most important ratings at the end of 2022 were as follows:

Rating	Assigned rating
Long Term Bank Deposits	Aa3
Long Term Issuer Rating	Aa3
Short Term Bank Deposits	P-1
Short Term Issuer Rating	P-1
Outlook	Stable

The bank's share

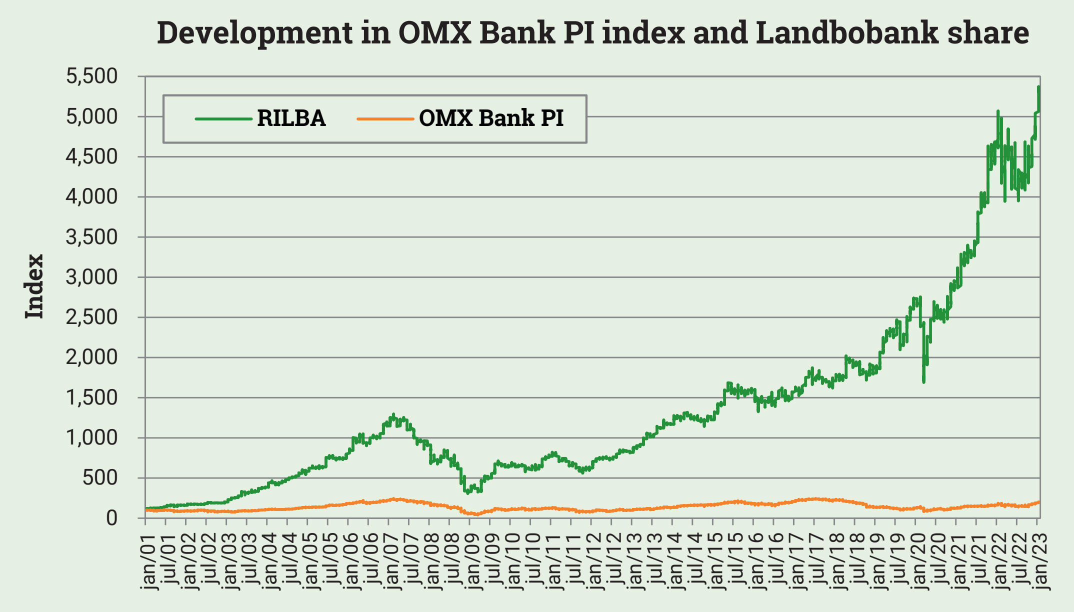
The bank's share is listed on the Nasdaq Copenhagen and the volume in circulation is 100%. The Ringkjøbing Landbobank share is part of both the Danish Large Cap index on OMX Copenhagen and the Stoxx Europe 600 index.

At the beginning of 2022 the share price was 878. At the end of 2022, the price was 948. The market capitalisation totalled DKK 26.9 billion at the end of the year.



The return on the share in 2022 was 9% including the dividend of DKK 7.0 distributed in 2022.

Including dividends up to and including the 2022 financial year and given the share price on 31 December 2022, the average annual return on an investment in the bank's shares at the beginning of 2001 is 20%. As indicated in the chart below, the bank's share has outperformed the index for banks (OMX Copenhagen Banks PI) in the same period.



ESG

As in previous years, the bank has focused on ESG in 2022. This is natural to a financial institution wanting to play an important role in society.

In the third quarter of 2022, the bank announced a Green Bond Framework which will enable the bank to offer green bonds under its EMTN programme in future. The EMTN programme is listed on Euronext Dublin in Ireland.

The research business Sustainalytics evaluated the framework and issued a second-party opinion on it.

In addition to this annual report, the bank also publishes its fourth ESG report. The ESG report contains the bank's statutory statement on corporate social responsibility.

In the ESG report for 2021, for the first time, the bank published portfolio-level carbon emissions from the securities it either owns or has under management.

In the ESG report for 2022, also for the first time, the bank publishes portfolio-level carbon emissions from its loan portfolio. This first statement is entirely model-based but over time more business customers are expected to state their actual carbon emissions.

The bank's ESG affairs are also evaluated by external parties. This includes rating by MSCI, one of the world's largest ESG rating agencies.

In July 2022, MSCI upgraded the bank's ESG rating from BBB to A, which is the third-highest rating on MSCI's 7-point rating scale.

The Danish FSA's ordinary inspection

The Danish FSA carried out an ordinary inspection of the bank in the first half of 2022, four years after the last ordinary inspection.

In January 2022, the FSA requested substantial material for use in the inspection, which was conducted during visits to the bank in May and June 2022.

The following areas were examined during the inspection: The work of the board of directors and general management; assessment of the business model; the compliance function; the risk management function; the credit area including review of exposures; the finance area; operational risks; market risks; IT risks; liquidity; auditing; solvency requirement calculation; etc.

The outcome of the inspection was published in September 2022, and the bank received various orders of an administrative nature.

At the same time, the bank was very pleased to note that the Danish FSA assessed the bank's credit quality to be better than that of comparable financial institutions, and that the FSA generally agreed with the bank's risk classification of the loans under review and with the bank's impairment level, and agreed that the solvency requirement calculated as at 31 December 2021 was sufficient at the time of the inspection.

In January 2023, the bank has submitted a report with documentation to the Danish FSA regarding compliance with the orders received.

Reputation/image, customer satisfaction and Bank of the Year

In September 2022, the market research company Voxmeter published a reputation/image survey of Danish financial institutions.

The analysis is based on 39,000 respondents and the bank's two brands obtained the following places:

- The Ringkjøbing Landbobank brand is no. 1
- The Nordjyske Bank brand is no. 3

The latter advanced one place compared to the survey in 2021.

FinansWatch also conducts an analysis of the image of Danish financial undertakings in partnership with the market research company Wilke. The analysis "Image in Finance 2022" is based on answers from a representative sample of just over 3,000 Danes. Ringkjøbing Landbobank is in second place in Denmark in the 2022 analysis published in November. The Nordjyske Bank brand is in first place in North Jutland.

In January 2023, Voxmeter published a customer satisfaction survey of Danish financial institutions.

The Voxmeter survey is by far the biggest in Denmark and based on more than 60,000 respondents. The bank's two brands obtained the following places:

- The Ringkjøbing Landbobank brand is no. 3
- The Nordjyske Bank brand is no. 5

In June 2022, Ringkjøbing Landbobank was awarded the accolade of Bank of the Year among major banks for the seventh time in a row. As in previous years, the award was made by FinansWatch in collaboration with the audit and consultancy firm EY.

The Bank of the Year award supplements the satisfactory rankings regarding image, reputation and customer satisfaction.

Happy customers and skilled staff are fundamental to a good bank.

New mobile banking service

In 2021 the bank's IT supplier, Bankdata, supplied a new mobile banking app for the bank's personal customers.

More functionalities were added to the new app during 2022 and it now has a wide range of uses.

First and foremost, the mobile banking app of course contains all the functions personal customers are using today for their ordinary day-to-day banking business, including a modern investment platform enabling them to buy and sell shares online on stock exchanges in most of the world.

It also contains various self-serve and self-compliance solutions. Digital signing of documents has been possible for several years via the mobile banking app. Now, customers can now also profile themselves in relation to investments, including sustainability preferences, submit information relating to anti-money laundering and have a written dialogue with their adviser.

In addition, the mobile banking app can serve as a communication platform between the customers and the bank, and via third-party integrations the app gives customers access to relevant details on their own matters from the bank's partners, which today comprise Totalkredit, Letpension and Privatsikring.

Private banking

After 2021, when Ringkjøbing Landbobank entered into an agreement with Banque Internationale à Luxembourg S.A., of Luxembourg, regarding takeover of all BIL Danmark's clients, the private banking area was expanded once again in 2022.

In April 2022, the bank thus entered into an agreement with SEB on taking over SEB's Danish private banking client portfolio and on a strategic partnership in the private banking segment.

In connection with this agreement, Ringkjøbing Landbobank opened a new private banking branch in the SEB building in Bernstorffsgade in Copenhagen and took over a number of competent employees from SEB.

The takeover of the private banking clients from SEB was finalised in the second half of 2022 and in the half-year the bank worked on strengthening and developing the resources in the new branch, both in private banking and core banking comprising mortgage credit, pensions and other products, to ensure the customers taken over are offered the full product range covering the day-to-day banking needs of both personal and business customers.

The bank has also worked with SEB to determine the framework and structure of the strategic partnership to ensure it can be put into practice for the benefit of customers in both banks.

Taking over the employees from SEB, combined with employment of a number of new employees with a high level of expertise and extensive experience from the sector, strengthened the bank's investment organisation which has thus been raised to a new level. The organisation was thus strengthened and prepared for the bank's continued intention to focus on growth in the private banking and investment fields.

New deposit products

Following the increasing interest rates, the bank introduced new deposit products with positive interest rates in the second half of 2022. The new products are savings accounts offered to both personal and business customers with different commitment periods. The bank has also reintroduced a savings account with no commitment period and the possibility of making withdrawals.

Head office enlargement

In the last quarter of the year, the extension of the head office in Ringkøbing by more than 1,300 m² was completed and taken into use and it now houses a number of the bank's departments.

The new building has significantly enlarged the office area for the benefit of both customers and employees as there are more conference rooms and more space in the different head office departments, and it will also help the bank to continue its organic growth strategy.

Expected results and plans for 2023

In 2022, core earnings were DKK 1,969 million and profit before tax was DKK 1,880 million.

2022 was a year when the bank continued its organic growth strategy and took over SEB's Danish private banking client portfolio. Both helped strengthen and increase the bank's customer base.

It is judged, therefore, that the bank has a stronger basis for continuing to pursue its organic growth strategy by focusing on serving its existing customers and attracting more new ones. However, we are also looking ahead to a year in which macroeconomic uncertainty has increased due to increasing consumer and energy prices, increasing interest rates and other uncertainties resulting from the war in Ukraine, all of which also result in uncertainty in the development of impairment charges.

Based on the above, the bank's expectations for 2023 are as follows:

- Total core income is expected to develop positively in 2023 compared to 2022 because the full impact of increasing interest rates will be felt in 2023 and the inflow of customers and increase in business volume are expected to continue.
- An increase of approximately 7% in total expenses is expected in 2023 compared to 2022
- Impairment charges are expected to increase during 2023

On the basis of the above, the bank maintains the previously announced expectations for 2023 for core earnings in the range DKK 1,700-2,100 million and net profit for the year in the range DKK 1,200-1,600 million.

Accounting policies

The accounting policies for the 2022 financial year are unchanged compared to the 2021 financial year.

However, in 2022 the bank specified the recognition time for sold-off home loans to the transaction date/the date of the agreement. The specification does not affect the profit, equity or balance sheet total.

For a detailed description of the accounting policies, please see “Accounting policies etc.” in note 57 on page 110-119.

Events after the reporting period

No events after 31 December 2022 are judged to have an impact on the annual report for 2022.

Comments on the fourth quarter of 2022

Core income

Core income of DKK 799 million in the fourth quarter of 2022 is the highest ever realised by the bank in a single quarter.

The development reflects a very positive trend in net interest income, but at the same time income from certain fees was influenced by a lower level of activity in the last quarter of the year.

Expenses

Expenses in the quarter totalled DKK 236 million compared to DKK 217 million in the fourth quarter of 2021. Apart from general increases in expenses, the development is attributable to increased expenses associated with the new private banking branch in Copenhagen.

Impairment charges for loans

With the good credit quality, impairment charges in the quarter followed the pattern from the first three quarters of the year and were thus zero in the fourth quarter of 2022.

The management estimate in the quarter increased during the quarter: From DKK 746 million at the beginning to DKK 794 million at the end of the quarter.

Result for the portfolio

The result for the portfolio in the quarter was positive by DKK 11 million and the bank thus recovered some of the negative result for the portfolio in the three preceding quarters.

Quarterly overviews

The following pages contain quarterly overviews comprising core earnings, balance sheet items and contingent liabilities, and statement of capital.

Core earnings

(DKK million)	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Net interest income	511	410	390	366	355	336	327	325
Net fee and commission income excluding securities trading	190	199	196	199	182	170	166	159
Income from sector shares etc.	46	38	41	44	47	49	43	40
Foreign exchange income	17	18	16	15	15	14	13	16
Other operating income	1	0	0	1	0	0	1	4
Total core income excluding securities trading	**765**	**665**	**643**	**625**	**599**	**569**	**550**	**544**
Securities trading	34	40	41	49	52	34	29	56
Total core income	**799**	**705**	**684**	**674**	**651**	**603**	**579**	**600**
Staff and administration expenses	229	214	221	207	206	191	195	198
Depreciation and write-downs on tangible assets	5	3	4	1	9	3	4	3
Other operating expenses	2	2	1	2	2	2	2	2
Total expenses etc.	236	219	226	210	217	196	201	203
Core earnings before impairment charges for loans	**563**	**486**	**458**	**464**	**434**	**407**	**378**	**397**
Impairment charges for loans and other receivables etc.	0	0	-1	-1	-7	-13	-19	-29
Core earnings	**563**	**486**	**457**	**463**	**427**	**394**	**359**	**368**
Result for the portfolio etc.	+11	-61	-10	-9	+11	-1	+7	-10
Amortisation and write-downs on intangible assets	5	5	5	5	5	4	4	4
Merger and restructuring costs	0	0	0	0	0	0	0	0
Non-recurring costs	0	0	0	0	0	0	0	0
Profit before tax	**569**	**420**	**442**	**449**	**433**	**389**	**362**	**354**
Tax	110	91	94	90	79	87	71	72
Net profit for the year	**459**	**329**	**348**	**359**	**354**	**302**	**291**	**282**

Core earnings – continued

Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
321	319	311	305	292	294	296	291	289	287	284	287
156	147	136	152	154	163	159	150	146	136	141	146
43	38	35	35	36	36	36	37	39	34	49	38
13	9	9	10	8	9	8	6	8	8	9	6
1	0	1	0	5	7	0	1	2	1	2	1
534	**513**	**492**	**502**	**495**	**509**	**499**	**485**	**484**	**466**	**485**	**478**
32	39	28	39	35	29	23	41	17	23	20	28
566	**552**	**520**	**541**	**530**	**538**	**522**	**526**	**501**	**489**	**505**	**506**
206	179	190	191	202	180	198	198	221	203	217	206
4	5	2	3	9	8	4	2	3	3	2	8
2	2	0	4	1	0	2	1	1	0	1	1
212	186	192	198	212	188	204	201	225	206	220	215
354	**366**	**328**	**343**	**318**	**350**	**318**	**325**	**276**	**283**	**285**	**291**
-38	-44	-66	-75	-25	-26	-24	-25	-25	-20	-11	+13
316	**322**	**262**	**268**	**293**	**324**	**294**	**300**	**251**	**263**	**274**	**304**
+15	+17	+29	-70	-4	+20	+7	+26	-20	+4	+3	+90
4	3	4	4	4	3	4	4	4	3	12	6
0	0	0	0	0	0	0	0	26	46	46	4
0	0	0	0	0	0	0	0	1	0	69	0
327	**336**	**287**	**194**	**285**	**341**	**297**	**322**	**200**	**218**	**150**	**384**
64	64	60	36	62	66	76	63	46	37	33	58
263	**272**	**227**	**158**	**223**	**275**	**221**	**259**	**154**	**181**	**117**	**326**

Quarterly overviews – continued

Balance sheet items and contingent liabilities

(DKK million)	End of Q4 2022	End of Q3 2022	End of Q2 2022	End of Q1 2022	End of Q4 2021	End of Q3 2021	End of Q2 2021	End of Q1 2021
Loans	48,342	48,052	46,681	43,352	41,179	38,849	37,268	37,210
Deposits including pooled schemes	48,700	47,637	46,144	42,599	43,740	41,475	41,376	41,766
Equity	9,295	9,009	8,864	8,671	8,723	8,563	8,333	8,132
Balance sheet total	68,980	67,463	65,226	60,157	60,357	57,562	57,123	56,845
Contingent liabilities	7,570	8,998	11,244	12,432	10,270	10,886	11,811	10,370

Statement of capital

(DKK million)	End of Q4 2022	End of Q3 2022	End of Q2 2022	End of Q1 2022	End of Q4 2021	End of Q3 2021	End of Q2 2021	End of Q1 2021
Common equity tier 1	8,154	7,532	7,720	7,471	7,632	7,255	7,274	7,122
Tier 1 capital	8,154	7,532	7,720	7,471	7,632	7,255	7,274	7,122
Total capital	10,107	9,499	9,730	9,476	9,635	8,743	8,763	8,614
MREL capital	13,533	12,937	13,183	12,445	12,033	11,167	11,596	10,837
Total risk exposure	46,855	47,326	46,940	44,880	43,285	41,729	41,063	42,271
(Percent)								
Common equity tier 1 capital ratio	17.4	15.9	16.4	16.6	17.6	17.4	17.7	16.8
Tier 1 capital ratio	17.4	15.9	16.4	16.6	17.6	17.4	17.7	16.8
Total capital ratio	21.6	20.1	20.7	21.1	22.3	21.0	21.3	20.4
MREL capital ratio	28.9	27.3	28.1	27.7	27.8	26.8	28.2	25.6

Balance sheet items and contingent liabilities – continued

End of Q4 2020	End of Q3 2020	End of Q2 2020	End of Q1 2020	End of Q4 2019	End of Q3 2019	End of Q2 2019	End of Q1 2019	End of Q4 2018	End of Q3 2018	End of Q2 2018	End of Q1 2018
36,241	35,479	35,260	36,130	35,465	34,757	34,528	34,195	33,350	32,192	31,970	31,647
39,639	39,204	39,670	37,051	38,128	38,554	39,070	37,439	36,993	36,866	37,313	36,307
8,146	7,884	7,612	7,380	7,610	7,426	7,231	7,071	7,189	7,171	7,066	6,644
54,862	53,956	53,984	51,531	52,941	53,601	52,426	50,266	49,651	49,287	49,859	47,349
9,812	9,590	9,379	9,992	9,665	10,836	10,466	7,976	7,829	8,078	7,809	7,821

Statement of capital – continued

End of Q4 2020	End of Q3 2020	End of Q2 2020	End of Q1 2020	End of Q4 2019	End of Q3 2019	End of Q2 2019	End of Q1 2019	End of Q4 2018	End of Q3 2018	End of Q2 2018	End of Q1 2018
7,277	7,049	6,973	6,109	6,072	5,624	5,441	5,284	5,326	5,099	4,978	5,185
7,277	7,049	6,973	6,109	6,072	5,624	5,441	5,284	5,326	5,099	4,978	5,185
8,774	8,553	8,507	8,009	8,242	7,786	6,854	6,667	6,711	6,470	6,348	5,757
11,112	11,587	11,580	10,985	11,248	10,790	9,551	9,033	9,057	-	-	-
41,561	39,682	38,900	41,444	41,223	39,547	40,106	38,308	36,385	34,123	33,784	34,314
17.5	17.8	17.9	14.7	14.7	14.2	13.6	13.8	14.6	15.0	14.7	15.1
17.5	17.8	17.9	14.7	14.7	14.2	13.6	13.8	14.6	15.0	14.7	15.1
21.1	21.6	21.9	19.3	20.0	19.7	17.1	17.4	18.4	19.0	18.8	16.8
26.7	29.2	29.8	26.5	27.3	27.3	23.8	23.6	24.9	-	-	-

Share buyback programmes, capital reduction and profit distribution

The bank's board of directors initiated share buy-back programmes in both February and July 2022, each for DKK 369 million. Of the total of DKK 738 million, DKK 600 million relates to the profit distribution for 2021 and DKK 138 million to the profit distribution for 2020.

Both share buy-back programmes were completed under the Safe Harbour regulation with the purpose of cancelling the shares bought at a future general meeting.

The annual general meeting in March 2022 also decided to cancel the 688,055 shares in Ringkjøbing Landbobank bought in 2021/22. The capital reduction was finalised in May 2022.

It is proposed to the general meeting in March 2023 that the 888,327 shares bought in 2022 and up to and including 25 January 2023 be finally cancelled in connection with a capital reduction, thus reducing the number of shares in the bank from 28,379,666 to 27,491,339.

The bank's actual share capital at the end of the year was thus DKK 27,548,139 in nom. DKK 1 shares, see below.

	Share capital/ Number of shares
Beginning of 2022	29,067,721
Capital reduction by cancellation of own shares in May 2022	-688,055
Share capital at end of 2022	28,379,666
Share buy-back programmes – purchased in 2022	-831,527
Actual share capital at end of 2022	27,548,139
Share buy-back programmes – purchased in 2023	-56,800
Actual share capital following a capital reduction in 2023	27,491,339

The bank has completed an application process at the Danish FSA regarding distribution of the profit for 2022. Based on this process, the bank's board of directors intends to distribute 65% of the net profit for the year.

The board of directors proposes that a dividend of DKK 7 per share be paid for the 2022 financial year, equivalent to a total of DKK 199 million. A dividend of DKK 7 per share was also paid for the 2021 financial year.

The board of directors further intends to initiate share buy-back programmes totalling DKK 770 million.

The first part of the share buy-back programme is for DKK 385 million. It is expected to begin on 2 February 2023 and end on 27 July 2023. Implementation of the programme is subject to the annual general meeting in March 2023, as in previous years, authorising the board of directors to acquire the bank's own shares.

It is therefore proposed to the general meeting that the bank's board of directors be authorised, as in previous years, to permit the bank to acquire its own shares, in accordance with current legislation, until the next annual general meeting, to a total nominal value of ten percent (10%) of the share capital, such that the shares can be acquired at current market price plus or minus ten percent (+/- 10%) at the time of acquisition.

The share buy-back programmes will be initiated in several rounds. This means that the amount of the share buy-back programmes must be deducted from the bank's total capital on the dates in 2023 when the bank obtains the Danish FSA's approval and the board of directors decides to initiate the programmes.

Seen in isolation, this will mean a reduction of the bank's common equity tier 1 capital ratio by a total of 1.8 percentage points calculated on the basis of the capital structure on 31 December 2022; 0.9 percentage point of this relates to the first share buy-back programme of DKK 385 million.

Capital objectives and pay-out ratios

Management wants the bank's general capitalisation to be such as will ensure sufficient capital for future growth and for hedging against any fluctuations in the risks assumed by the bank.

At the beginning of 2022, the countercyclical capital buffer was 0%. During 2022, the capital buffer was increased twice, each time by 1 percentage point, which means it totalled 2% at the end of 2022. With effect from 30 September 2023, the buffer will be increased by an additional 0.5 percentage point. The Systemic Risk Council announced on 20 December 2022 that the Council is ready to recommend a reduction of the buffer rate with immediate effect if stress occurs in the financial system and there is a risk of severe tightening of lending to households and businesses.

On the basis of the above and in connection with presenting this annual report, the board of directors has decided to maintain the current capital targets which specify that the common equity tier 1 capital ratio must be at least 13.5%, the total capital ratio must be at least 17.0% and the MREL capital ratio for covering the MREL requirement must be at least 25.0% including the capital buffers. All capital targets must be met at the end of the year. While capital ratios may fluctuate during the year, the MREL requirement must always be met.

The bank intends to continue the policy for distributions practised in recent years. The policy has been characterised by stable dividends combined with share buy-back to adjust the capital structure regularly to the development in the bank's total risk exposure amount and its future growth opportunities as envisaged by management.

For quite a few years, the bank's pay-out ratios have been between 60% and 65%. Due to the coronavirus situation, the pay-out ratio for the 2019 and 2020 financial years was restricted to 39% and 50% respectively. The pay-out ratio for the 2021 financial year increased to 77% to compensate for the low pay-out ratios in the preceding years. With the proposed and expected pay-out ratio of 65% for the 2022 financial year, the ratio is now back to its normal level.

Current capital structure

The bank's equity at the beginning of 2022 was DKK 8,723 million. The profit for the year must be added to this, while the dividend paid and the value of the bank's own shares bought must be subtracted. After this, equity at the end of 2022 was DKK 9,295 million.

At the end of 2022, the bank's tier 1 capital ratio was 17.4%, and the total capital ratio 21.6%.

The bank's capital ratios as at the end of December 2018-2022 were as follows:

Capital ratios	**2022**	**2021**	**2020**	**2019**	**2018**
Common equity tier 1 capital ratio	17.4	17.6	17.5	14.7	14.6
Tier 1 capital ratio	17.4	17.6	17.5	14.7	14.6
Total capital ratio	21.6	22.3	21.1	20.0	18.4
MREL capital ratio	28.9	27.8	26.7	27.3	24.9

Calculated without IFRS 9 transition programmes, the bank's tier 1 capital ratio was 16.5% and the total capital ratio 20.7% on 31 December 2022.

Individual solvency requirement and capital buffers

Ringkjøbing Landbobank focuses on its internally calculated individual solvency requirement, defined as adequate total capital as a percentage of the bank's total risk exposure amount.

Adequate total capital is assessed and calculated, on the basis of an internal calculation model, as the amount which is appropriate to hedge against the bank's current and future risks.

The bank calculates the individual solvency requirement using the 8+ model. The model is based on 8 percentage points, plus any supplements calculated for customers with financial problems, and others. The 8+ model thus takes no account of the bank's earnings and cost base and its robust business model.

Despite this, the bank's individual solvency requirement at the end of 2022 was calculated at 9.3%, which is unchanged relative to the end of 2021. The capital conservation buffer of 2.5% should be added to this, while the countercyclical buffer was 2.0% at the end of 2022.

The total requirement for the bank's total capital was thus 13.8% at the end of 2022. Compared with the actual total capital of DKK 10.1 billion, the capital buffer at the end of 2022 was thus DKK 3.6 billion, equivalent to 7.8 percentage points.

For further information, see the summary below.

Individual solvency requirement and excess cover	**2022**	**2021**	**2020**	**2019**	**2018**
Individual solvency requirement (%)	9.3	9.3	9.3	9.3	9.3
Capital conservation buffer (%)	2.5	2.5	2.5	2.5	1.9
Countercyclical buffer (%)	2.0	0.0	0.0	1.0	0.0
Total requirement for the bank's total capital (%)	13.8	11.8	11.8	12.8	11.2
Excess cover in percentage points relative to individual solvency requirement	12.3	13.0	11.8	10.7	9.1
Excess cover in percentage points relative to total requirement for total capital	7.8	10.5	9.3	7.2	7.2

The computed adequate total capital is assessed on a regular basis, and regular reports are also made to the Danish FSA.

During the Danish FSA's ordinary inspection in 2022, the FSA noted that the bank's solvency requirement at 31 December 2021 was calculated at 9.3%. In its report, the FSA judged that this was sufficient at the time of inspection.

For further information on the calculation of Ringkjøbing Landbobank's individual solvency requirement, please see the bank's solvency requirement report for the fourth quarter of 2022 on the bank's website: www.landbobanken.dk/solvency

MREL requirement

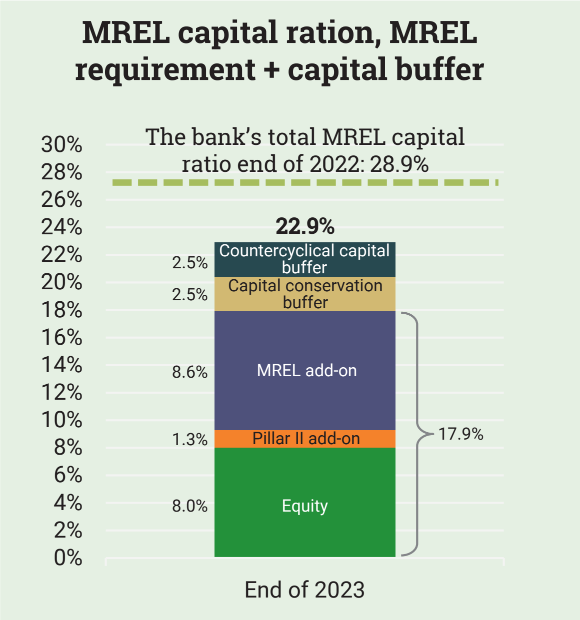
The bank's MREL requirement at the end of 2022 was 17.8%.

In December 2022, the bank received an updated MREL requirement of 17.9% from the Danish FSA, applicable from the beginning of 2023. The MREL requirement must always be met.

To meet the MREL requirement, the bank has issued non-preferred senior capital.

At the end of 2022, non-preferred senior capital equivalent to DKK 3.4 billion had been issued.

Most recently, in October 2022, the bank extended non-preferred senior capital totalling DKK 425 million which had an option of early redemption in January 2023.



Based on the above-mentioned issue, the bank does not expect to need additional refinancing of non-preferred senior capital and tier 2 capital in 2023.

The bank can issue non-preferred senior capital under its EMTN programme, which gives the bank a high degree of flexibility.

The bank's MREL capital ratio was 28.9% at the end of 2022, which met the target fixed for the MREL capital ratio. At the end of 2022, the excess cover relative to the MREL requirement was 11.1 percentage points.

Capital adequacy rules

The bank used the methods below for the calculation of its total risk exposure amount at the end of 2022 as provided by the CRD IV rules:

Calculation of capital adequacy – methods used	
• Credit risk outside the trading portfolio	Standardised Approach
• Counterparty risk	Mark-to-Market Method
• Credit risk reducing method – financial collateral	Comprehensive Method
• Market risk	Standardised Approach
• Operational risk	Basic Indicator Method

As evident from the above, the bank uses the standardised method for calculation of its credit risk and thereby the total risk exposure amount. This approach uses fixed risk weightings.

The method means that the bank does not apply the same down-weighting of risks as those banks which apply one of the advanced methods.

On the other hand, the bank does not experience increasing risk weightings in periods of recession. Relative to the advanced methods, use of the standardised method means significantly greater robustness in the calculated capital ratios and less volatility in the total risk exposure amount.

In 2020, a new five-year phasing-in period for the dynamic component of the IFRS 9 transitional rules was introduced. This meant that the bank was able to add back to its capital the difference between its current stage 1 and 2 impairment charges and the stage 1 and 2 impairment charges on 1 January 2020.

Provided the stage 1 and 2 impairment charges have increased since 1 January 2020, the bank can add back the increase in impairment charges less the effect on tax. The add-back is 75% for 2022, 50% for 2023, 25% for 2024, and 0% for 2025. The arrangement's positive effect on the bank's capital ratios is therefore only temporary. The bank now uses both the static and the dynamic components of the IFRS 9 transitional rules, including the simplified approach to recalculation of capital requirements.

The bank is also subject to the provisions on a backstop for non-performing exposures (NPEs). The rules mean that NPEs must be fully deducted from common equity tier 1 within a period of at most ten years. Deduction must be in the form of either write-downs of the exposure or deduction from tier 1 capital. The deduction from common equity tier 1 at the end of 2022 was limited.

Risks and risk management

Risk-taking is a natural part of banking.

Ringkjøbing Landbobank's business activities result in exposure to credit, market and liquidity risks and to operational risks including IT, compliance and reputational risks.

Risks associated with climate change are an integral part of the individual risk types.

The annual report contains details on the individual risk areas.

The bank's general approach to risk-taking has been unchanged for years.

The absolutely biggest risk area for the bank is credit risk, for which the bank's credit policy sets the framework.

The bank wants to assume moderate credit risks based on a balanced relationship between risk and return. Over a sequence of years, the bank wants to operate with losses which are lower relative to losses in the Danish financial sector. The result of this historically is credit losses at a low level as shown in the table on the next page.

Further information on the bank's risks

The various types of risk are described in more detail in notes 45-54 on pages 84-105 of this annual report.

In addition, Danish banks are required by law to disclose information on risk. This annual report gives some of the required risk information but, for a more detailed overview of the bank's disclosure requirement, the reader is referred to the bank's website at: www.landbobanken.dk/risk-information

Actual net losses

Year	Actual net losses	Actual net losses after interest	Loans and other receivables with suspended interest	Impairments for loans etc.	Total loans and guarantees etc.	Percentage loss before interest*	Percentage loss after interest*
(DKK 1,000)							
1987	-6,696	304	10,544	75,000	1,358,464	-0.49%	0.02%
1988	-14,205	-5,205	4,522	93,900	1,408,830	-1.01%	-0.37%
1989	-18,302	-5,302	13,107	117,270	1,468,206	-1.25%	-0.36%
1990	-15,867	-1,867	47,182	147,800	1,555,647	-1.02%	-0.12%
1991	-11,429	3,571	47,626	170,000	1,805,506	-0.63%	0.20%
1992	-32,928	-14,928	43,325	177,900	1,933,081	-1.70%	-0.77%
1993	-27,875	-6,875	30,964	208,700	1,893,098	-1.47%	-0.36%
1994	-14,554	4,446	33,889	223,500	1,938,572	-0.75%	0.23%
1995	-10,806	10,194	27,292	238,800	2,058,561	-0.52%	0.50%
1996	-19,802	-1,802	18,404	233,400	2,588,028	-0.77%	-0.07%
1997	-31,412	-12,412	39,846	236,600	3,261,429	-0.96%	-0.38%
1998	-2,914	18,086	4,905	263,600	3,752,602	-0.08%	0.48%
1999	-442	21,558	18,595	290,450	5,148,190	-0.01%	0.42%
2000	-405	27,595	12,843	316,750	5,377,749	-0.01%	0.51%
2001	-8,038	20,962	14,222	331,950	6,113,523	-0.13%	0.34%
2002	-8,470	20,530	26,290	382,850	7,655,112	-0.11%	0.27%
2003	-22,741	2,259	23,412	394,850	8,497,124	-0.27%	0.03%
2004	-14,554	9,446	18,875	404,855	11,523,143	-0.13%	0.08%
2005	-22,908	192	35,796	357,000	15,522,264	-0.15%	0.00%
2006	-13,531	7,028	20,578	295,000	17,858,787	-0.08%	0.04%
2007	-15,264	4,888	13,190	289,097	19,227,573	-0.08%	0.03%
2008	-34,789	-10,237	22,110	356,083	16,475,975	-0.21%	-0.06%
2009	-73,767	-47,658	62,649	467,025	14,890,027	-0.50%	-0.32%
2010	-69,428	-40,207	66,237	565,035	14,758,234	-0.47%	-0.27%
2011	-78,813	-43,073	61,419	649,856	14,448,638	-0.55%	-0.30%
2012	-90,022	-48,337	113,312	758,363	14,849,602	-0.61%	-0.33%
2013	-69,030	-25,117	85,258	853,421	16,604,640	-0.42%	-0.15%
2014	-53,427	-9,206	58,244	931,398	18,073,200	-0.30%	-0.05%
2015	-87,250	-48,815	74,220	942,950	20,194,063	-0.43%	-0.24%
2016	-86,666	-54,200	59,904	937,128	20,878,475	-0.42%	-0.26%
2017	-45,769	-16,414	24,995	931,035	23,465,775	-0.20%	-0.07%
2018	-251,451	-200,376	209,642	2,040,407	43,220,158	-0.58%	-0.46%
2019	-187,787	-118,934	212,195	2,031,645	47,161,735	-0.40%	-0.25%
2020	-120,051	-60,373	264,721	2,204,620	48,257,615	-0.25%	-0.13%
2021	-49,541	71	97,757	2,283,320	53,680,913	-0.09%	0.00%
2022	-42,658	6,401	81,176	2,302,171	58,213,791	-0.07%	0.01%
36-year average (1987-2022)						**-0.47%**	**-0.06%**
10-year average (2013-2022)						**-0.31%**	**-0.16%**

** Actual net losses relative to total loans excluding reverse repo transactions, guarantees, impairment charges for loans, provisions for losses on guarantees, and unutilised credit facilities and credit undertakings.*

Explanation: The percentage losses are computed as the actual net losses for the year before and after interest on the impaired part of loans as a percentage of total loans, guarantees, impairments for loans and provisions for guarantees. A minus in front of a percentage loss indicates a loss, while a positive percentage loss means that the interest on the impaired part of loans was greater than the actual net losses for the year. All the above figures are computed exclusive of amounts concerning reverse repo transactions and the national Bank Package I etc.

The 10-year average and the 36-year average are calculated as simple averages.

Supplementary comments on actual net losses in 2018, 2019 and 2020: In connection with the merger in 2018, the two banks' impairment policies for losses were harmonised. In 2018 this resulted in full and partial impairment losses on exposures taken over from Nordjyske Bank. This harmonisation continued to a lesser extent in 2019 and partly in 2020.

Statement on corporate governance

Goal

Ringkjøbing Landbobank has set a goal for corporate governance which focuses on the bank's primary stakeholders, namely its shareholders, customers, employees, and the local areas where the bank operates.

The bank's goals are to realise good long-term results and thus achieve the best possible long-term returns for its owners, the shareholders, and to achieve an annual return on equity among the top one-third of the Danish financial sector, via rational operation of the bank and sound credit policy.

For its customers, the bank's goal is to play a central role in West, Central and North Jutland, of which it is an integral part. The bank's goal is thus to retain and further develop that section of its customer portfolio which is situated in these areas.

It also seeks to serve selected customer groups throughout Denmark via the bank's niche concepts and its private banking branches, offering a high level of expertise and competitive products.

In general, the bank will thus meet the expectations of a full-service bank for personal and business customers via its strengths in both capital and consultancy.

It is also a goal for Ringkjøbing Landbobank to be a good and attractive place to work for its employees. On the basis of this goal and the chosen strategy, the bank wishes to create an interesting and challenging workplace which can attract and retain competent employees.

Finally, the bank's goal is to support development in those areas where it is rooted historically.

Codes of management etc.

As a listed financial institution and member of Finance Denmark, the bank is covered by a number of codes of practice.

Being listed on the Nasdaq Copenhagen, the bank is covered by the Recommendations on Corporate Governance issued by the Committee on Corporate Governance, and as a member of Finance Denmark, by the Corporate Governance Code of the Danish Bankers Association.

The Recommendations on Corporate Governance

Corporate governance in Ringkjøbing Landbobank concerns the objectives, general principles and structures governing the bank and the interplay between the bank, its management and its primary stakeholders: Shareholders, customers and employees, and the local areas in which it has branches.

Since 2002, the management has pursued an active approach to the recommendations issued on corporate governance. The bank's position on corporate governance has been recorded in the annual reports since that year.

In December 2020, the Committee on Corporate Governance adopted and published the current Recommendations on Corporate Governance applicable to financial years commencing on or after 1 January 2021.

The bank's management has again addressed the 40 different recommendations for the 2022 financial year. The recommendations fall into five main areas: 1) Interaction with the company's shareholders, investors and other stakeholders; 2) The duties and responsibilities of the board of directors; 3) The composition, organisation and evaluation of the board of directors; 4) Remuneration of management; and 5) Risk management.

The recommendations supplement Danish law, particularly the Danish Companies Act, the Danish Financial Statements Act, EU corporate law rules and the OECD Principles of Corporate Governance.

When preparing the 2022 annual report, under the "comply or explain" principle, the bank's board of directors and general management have assessed the bank's positions and actions on the recommendations.

The bank's management supports the efforts in the area of corporate governance, and the general management and board of directors have elected to comply with almost all of the recommendations in this area. Where the bank does not comply, the bank's management has explained why not, and which approach the bank has chosen instead.

By doing so, the bank thus complies with all 40 recommendations.

Finance Denmark's Corporate Governance Code

In 2013, the then Danish Bankers Association (now Finance Denmark) published a corporate governance code.

The recommendations in the Corporate Governance Code aim both to ensure that Finance Denmark's member companies actively consider a number of managerial matters and to achieve greater openness concerning the frameworks for management of the individual member companies.

On the "comply or explain" principle, the member companies of Finance Denmark must specify how they view the Corporate Governance Code in connection with the presentation of the annual report.

When preparing the 2022 annual report, the bank's board of directors and general management also specified how they viewed Finance Denmark's Corporate Governance Code.

The bank's management also supports Finance Denmark's Corporate Governance Code, and the board of directors and general management have thus elected to follow all 12 recommendations.

Active ownership

Section 101a of the Danish Financial Business Act contains a provision on active ownership policy. Under that provision, an active ownership policy must either be prepared or an explanation given for why a policy has not been prepared.

The bank's board of directors and general management assess that a policy is not necessary since the bank only has a very modest holding of listed shares and, in the role of asset manager, has not explicitly agreed with its customers that it must exercise active ownership, for example by exercising the voting rights pertaining to investments in listed shares.

The bank's financial reporting process, management organs and their functions

The board of directors, the board's audit committee and the general management regularly ensure that the bank's controls and risk management in connection with the financial reporting process are functioning satisfactorily.

The process is designed to ensure that the annual report is presented in accordance with statutory requirements and is free of material misstatement attributable to fraud or error.

The financial reporting process is further organised so that the bank's accounts department prepares its annual report in cooperation with the general management and other relevant departments.

A general rule for the financial reporting process is that the bank's general management and accounts department continuously monitor compliance with relevant legislation and other regulations and provisions in connection with the financial reporting process and report regularly to the bank's board of directors and the board's audit committee.

The complete statement on corporate governance describes in detail matters including processes, internal systems, recognition and measurement, the control environment, risk assessment, control activities, monitoring and reporting.

The statement also describes the bank's management organs and their functions in detail.

Complete statement on management and corporate governance

The statutory complete statement on management and corporate governance in Ringkjøbing Landbobank is available on the bank's website at:
www.landbobanken.dk/cg

Diversity in the board of directors

The bank has a policy for diversity on the board of directors. The board of directors and its nomination committee assessed the policy in November 2022 and found no need for changes.

The intention of this policy is that the board's composition should embrace diverse competences and backgrounds, including diversity in professional identity, work experience, gender, age etc.

The policy further lays down that recruitment of candidates to serve as board members must focus on ensuring that the candidates possess competences, backgrounds, knowledge and resources that are different to the current board members and collectively match the bank's business model etc.

Compliance with the adopted policy on diversity on the board of directors was assessed by the board of directors and its nomination committee during the annual evaluation process.

The board of directors' assessment on this basis confirms compliance, through focus on the policy criteria when candidates are recruited to serve as members of the board of directors and the shareholders' committee respectively, and otherwise.

The reason for focusing on these criteria also when recruiting candidates to serve as members of the shareholders' committee is that the shareholders' committee elects the members of the bank's board of directors primarily from among the members of the shareholders' committee.

On the date of closing the accounts, seven of the eight board members elected by the shareholders' committee came from the membership of the shareholders' committee, while only one board member (who has managerial experience from another financial undertaking) was not elected from the membership of the shareholders' committee.

The under-represented gender

The bank has a target figure for the under-represented gender to sit on the board of directors and both a target figure and a policy aimed at increasing the percentage of the under-represented gender at the bank's other management levels.

The board of directors and its nomination committee assessed the need for changes to the target figures and the policy in December 2022 and found that various changes were needed given that a definition of "other management levels" is now enshrined in an act, which was not the case previously.

The bank's other management levels are in future defined as members of the general management (reported to the Danish Business Authority), employees placed at the same management level, in organisational terms, as the general management, and employees with staff responsibilities reporting directly to the general management or to employees placed at the same level, in organisational terms, as the general management.

The new rules in the Act only took effect at the beginning of 2023, but we report below on the basis of the updated policy and its definitions. The target figures for the board of directors and the bank's other management levels were also changed.

The board of directors

The board of directors and its nomination committee have set a target figure of at least 30% for the under-represented gender to be met in 2023.

On the date of closing the accounts, the gender distribution figures for the board of directors were:

- 25% women
- 75% men

An amendment to the articles of association permitting an enlargement of the board of directors will be proposed at the annual general meeting to be held on 1 March 2023. If the shareholders' committee elects the candidate proposed by the nomination committee and the board, the target figure will be met.

Other management levels

The policy adopted to increase the percentage of the under-represented gender at the bank's other management levels aims at creating a basis for a more equal gender distribution at these management levels.

It is the bank's overall and long-term aim to create a more equal gender distribution at the bank's other management levels. The bank wants to follow up on developments with respect to gender distribution at other management levels and to adjust the effort continually in relation to the target.

Based on these aims, the bank has set a target figure of at least 25% for the under-represented gender at the bank's other management levels to by met by 2025. It is also a goal that the bank's employees should feel that equal career and management opportunities are open to them, irrespective of gender.

Based on the new definition, the gender distribution at the bank's other management levels was as follows at the end of 2022:

- 20% women
- 80% men

In the coming years, the bank will launch initiatives to achieve the target figure by 2025.

In accordance with Section 135a of the Executive Order on Financial Reports for Credit Institutions and Investment Firms etc., the statutory complete statement on the under-represented gender is available on the bank's website at: www.landbobanken.dk/gender

Sound corporate culture

The bank's board of directors has adopted a policy for a sound corporate culture containing various principles for the bank's and the employees' actions, which supplements the framework of the bank's code of conduct.

The policy was most recently updated in November 2022 and is available on the bank's website: www.landbobanken.dk/policies

The bank's general management must report annually to the board of directors on the bank's compliance with the policy and the code of conduct. Through this report and otherwise, the board of directors gains insight into matters relating to the policy and code of conduct.

The report of the chair of the bank's board of directors to the annual general meeting on behalf of the board must cover the implementation of the corporate culture policy and compliance with it. The bank's ESG report also reports on these matters.

Combating money laundering and financing of terrorism

The bank's board of directors has endorsed the 25 recommendations contained in the report issued in November 2019 by the Anti-Money Laundering Task Force, which was appointed by Finance Denmark. The 25 recommendations for anti-money laundering and counter-terrorist financing measures are aimed at various stakeholders including authorities, the banking sector in general and the individual banks.

One of the 25 recommendations is that the banks dedicate a page on their websites to targeted and publicly available information about their anti-money laundering and counter-terrorist financing efforts.

The bank complies with this recommendation by having created the web page: www.landbobanken.dk/antimoneylaundering

Another of the 25 recommendations is that the individual banks undertake to outline their commitment to action against money laundering and terrorist financing, including their anti-money laundering policy, in the management's review section of their annual reports.

The bank naturally also wants to comply with this recommendation and details of how Ringkjøbing Landbobank combats money laundering and financing of terrorism are given below in this management's review.

Combating money laundering and financing of terrorism is basically a task for all employees in Ringkjøbing Landbobank, one reason being that the bank has a statutory obligation to know all its customers, including collect proper documentation of identity and details of ownership structures of legal persons.

The bank must also have details of the individual customer's purpose of being a customer in the bank, the scope of the customer relationship and the origin of their funds. This task is carried out by collecting data, including by the individual customer advisers and/or via customers' self-serve solutions.

However, the bank's central anti-money laundering department carries out the general work of combating money-laundering and financing of terrorism and continuously checks that the necessary information on the individual customers' identity and ownership are registered. It also checks that the purpose and intended scope of the customers' relations with the bank are registered and updated.

In addition, the bank must monitor customer transactions on an ongoing basis. All of the bank's employees are both entitled and required to report unusual/suspicious transactions or activities to the anti-money laundering department. The anti-money laundering department thus supports the efforts of customer advisers and other employees, and is also responsible for digital/automated monitoring of unusual/suspicious transactions or activities and for manual follow-up on them. The department works continuously to set up and adjust the criteria for identifying transactions that are picked out for further investigation by the department.

The anti-money laundering department also reports to the Money Laundering Secretariat at the Special Crime Unit.

The bank's monitoring of customers includes a risk assessment in which the bank has divided the customers into different risk categories. The risk assessment is based, among other things, on the EU's supranatural risk assessment.

The current procedures for combating money laundering and financing of terrorism are available to the employees on the bank's intranet.

The bank's employees regularly receive training and are tested in combating money laundering and financing of terrorism. Training is provided:

- In a two-year cycle to continuously keep the employees up to date on new rules and new methods and tools implemented by the bank
- On an ad hoc basis to familiarise new employees with the area on employment/redeployment.

Data ethics

The bank's board of directors has adopted a data ethics policy which provides the framework for the bank's ethical principles and conduct in relation to data. The board of directors made minor editorial changes to the policy in November 2022.

In 2021, a new provision was inserted in section 135d of the Executive Order on Financial Reports for Credit Institutions and Investment Firms etc. The provision requires companies which have a data ethics policy to supplement the management's review with a statement on data ethics.

The statement must contain information on the companies' work and policy on matters of data ethics.

The bank's board of directors has prepared a statement, which is available on the bank's website at: www.landbobanken.dk/dataethics

Product approval and product management

The bank has a policy for product approval and product management to ensure that customers are offered suitable investment products and investment services etc.

If new investment products and services are introduced which may result in significant risks, the bank's board of directors has overall responsibility for approving them.

In addition to this, the product approval and management of investment products and services is structured such that the bank's middle office function handles matters in this respect on an ongoing basis.

The middle office function, in a cycle, recommends investment products and services for review by the bank's compliance function. New products are subject to approval by the bank's compliance function, risk management function and general management. The compliance function and risk management function can always request that risks be submitted to the board of directors.

At least annually, the compliance function reports to the board of directors on the bank's investment products and services, including target group compliance.

Complaints handling

In the event of disagreements between a customer and the bank, the bank's fundamental view is that they are always best solved through dialogue between the customer and the adviser, possibly with the involvement of the adviser's line manager.

If agreement is not reached, the customer always has the possibility of complaining to the bank's complaints function. The complaints function is independent of the departments serving customers and handles complaints received and sends answers to the customer.

The complaints function reports annually to both the bank's board of directors and general management, which gives them full insight into the scope and type of complaints.

Communication with stakeholders

The bank places great emphasis on communication with its stakeholders. It has always been a priority for the bank that its advisers and other employees must be available to both customers and other stakeholders.

This will remain a top priority in the future. The bank also gives high priority to having a website and a mobile and online banking platform which are accessible, easy to understand and can be used in the bank's communication with its customers and other stakeholders.

In addition, the bank has prepared an investor relations policy dealing with the bank's information to, and communication with, investors and other stakeholders. A code of conduct has also been prepared which includes general guidelines for the bank's interaction with its stakeholders.

Investor relations policy

The bank's investor relations policy states among other things that the bank must strive for openness and for good dialogue with its shareholders, investors and other stakeholders.

The bank's goal is thus to give

- the stock exchanges on which the bank has listed issues
- existing and potential shareholders and investors
- share analysts and securities brokers and
- other stakeholders

quick information which gives a true and fair view of both price-related and other significant matters.

The bank's board of directors assessed the policy in November 2022 and found that only a few adjustments were needed.

The investor relations policy is available on the bank's website at:
www.landbobanken.dk/policies

Code of conduct

In 2014, the bank's board of directors for the first time adopted a code of conduct which establishes guidelines for the bank's employees (including the bank's board of directors and general management) concerning the conduct expected of them towards stakeholders such as customers, suppliers and authorities on a range of different subjects. The code of conduct also specifies the bank's expectations of its business partners and their actions. The overall object of the code of conduct is to assist employees in their daily decisions and conduct.

The code is general and in no way exhaustive, but provides examples of unacceptable behaviour.

The code of conduct was also reviewed in 2022 and the board of directors adopted an update to the code in November 2022.

The complete code of conduct is available on the bank's website at: www.landbobanken.dk/policies

Remuneration

Remuneration policy

In 2012, the bank's board of directors for the first time adopted a remuneration policy, which was subsequently approved by the annual general meeting in 2013.

The board of directors and the board's remuneration committee have subsequently reviewed the remuneration policy each year to assess any need for updating. If changes have been adopted, the updated remuneration policy has been submitted to the bank's annual general meeting for approval.

The current policy is from 2021 and was approved by the bank's annual general meeting on 3 March 2021.

In December 2022, the bank's board of directors and its remuneration committee assessed the need for changes to the policy. The committee assessed that various additions and minor adjustments and clarifications were needed. The policy adopted and updated by the board of directors will be recommended for approval at the bank's annual general meeting in March 2023.

The updated policy continues to specify that the bank's management is paid remuneration which is both in line with the market and reflects the management's performance for the bank.

It also specifies that the remuneration paid to the board of directors and the general management should be a fixed amount without any form of incentive component.

Other major risk-takers and employees in control functions may be paid variable salary components in cash within the financial framework for payment of personal allowances under a current workplace agreement, below the cap on variable salary components and subject to the other provisions of the remuneration policy. Severance may also be paid unless it is deemed to be variable salary in the terms of the applicable law.

In addition, the remuneration policy contains provisions on the remuneration paid to the bank’s other employees, including variable salary paid to them.

The remuneration policy also complies with the remuneration policy requirements of the Danish Companies Act applicable to public limited companies with shares admitted to trading on a regulated market.

The current remuneration policy is available on the bank's website at: www.landbobanken.dk/policies

Remuneration report and remuneration details

Pursuant to the Danish Companies Act, a remuneration report has also been prepared on the remuneration paid to the board of directors and the general management for the 2022 financial year.

The remuneration report will be submitted for a consultative vote at the bank’s annual general meeting in March 2023. The remuneration report contains a statement by the bank’s external auditor.

In addition, a document with various remuneration details etc. is prepared pursuant to the executive order on wage policies and remuneration in financial institutions etc., Article 450 of the CRR and section 80c of the Danish Financial Business Act.

The remuneration policy and the remuneration details document are available at the bank's website: www.landbobanken.dk/policies

Information on listed companies

In accordance with Section 133a of the Executive Order on Financial Reports for Credit Institutions and Investment Firms etc., the bank advises as follows:

The bank's share capital on 31 December 2022 was DKK 28,379,666 in 28,379,666 nom. DKK 1 shares.

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

The following shareholders have advised ownership etc. of more than 5% of the bank's share capital on 31 December 2022:

- Liontrust Investment Partners LLP, London, Great Britain owned/managed 5.85% of the bank's share capital on 31 December 2022 and held 3,000 voting rights.
- ATP, of Hillerød, Denmark owned 5.07% of the bank's share capital on 31 December 2022 and held 3,000 voting rights.

With respect to the exercising of voting rights, each nom. DKK 1 share carries one vote when the share is recorded in the company's register of shareholders, or when the shareholder has reported and documented his or her right. However, a shareholder may cast no more than 3,000 votes.

Under the bank's articles of association, the members of the bank's board of directors are elected by the members of the bank's shareholders' committee for four-year periods, and the bank's employees also elect members to the bank's board of directors in accordance with rules in force.

A decision to amend the bank's articles of association is only valid if the resolution is adopted by at least two-thirds of votes cast and two-thirds of the voting capital represented at the general meeting.

On the date of closing the accounts, the board of directors is authorised as follows, pursuant to the articles of association, to issue shares:

The general meeting has decided to authorise the board of directors to increase the share capital in one or more rounds by up to nom. DKK 5,675,933 with right of preemption for the bank's existing shareholders. The capital increase must be fully paid up in cash. The capital increase may be below the market price. This authorisation applies until 1 March 2027 (Article 2a of the articles of association).

The general meeting has decided to authorise the board of directors to increase the share capital in one or more rounds by up to nom. DKK 2,837,966 without right of preemption for the bank's existing shareholders. The capital increase may be by cash payment or contribution of an existing company or specific asset values corresponding to the value of the shares issued. The capital increase must be fully paid up at the market price ascertained by the board of directors. This authorisation applies until 1 March 2027 (Article 2b of the articles of association).

The board of directors may use the authorisations under Articles 2a and 2b to increase the share capital by a maximum of nom. DKK 5,675,933 in total (Article 2c of the articles of association).

The board of directors has the following powers with respect to the possibility of acquiring the bank's own shares:

The bank's annual general meeting has continually authorised the board of directors, before the next annual general meeting and in accordance with applicable law, to permit the bank to acquire its own shares to a total nominal value of 10% of the bank's share capital, so that the shares can be acquired at the current market price plus or minus 10%.

The authorisation was most recently renewed at the bank's annual general meeting on 2 March 2022.

This authority was used in several rounds during 2022 to initiate share buy-back programmes: On 2 February 2022 for a DKK 369 million share buy-back programme (for execution in the period 3 February 2022 to 28 July 2022), and on 5 July 2022 for another DKK 369 million share buy-back programme (for execution in the period 4 August 2022 to 25 January 2023).

A total of 888,327 shares have been bought under the share buy-back programmes. Cancellation of the shares will be recommended at the bank's annual general meeting in March 2023.

In conclusion, the bank has accepted "change of control" clauses in certain funding agreements. For reasons of competition, no further details are given.

Corporate social responsibility and ESG report

Ringkjøbing Landbobank wants to be a responsible and value-creating bank that shows social responsibility.

The bank wants to serve its customers based on its core values, competent, responsive and proper, and works to generate good, long-term results for its shareholders. The bank also intends to contribute to creating a sustainable society, focusing on customers, employees, climate and the environment, and society.

It is also the bank's overall goal to be seen as a reliable and attentive partner by all its stakeholders.

In response to this goal and the bank's anchoring in Denmark and the local communities where we have roots, the board of directors has prepared and adopted a corporate social responsibility (CSR) policy.

The bank's CSR policy focuses specifically on the five stakeholder groups: Customers, employees, climate and the environment, the local community and Danish society.

The bank's policy in the area of social responsibility is available on its website at: www.landbobanken.dk/csr

The CSR policy is supplemented by other policies adopted by the board of directors, including the policy on responsible purchasing and the tax policy, and the board has also adopted a code of conduct.

As in previous financial years, the bank has also prepared an ESG report for 2022.

The ESG report is comprehensive and contains a number of details on the Environment, Social aspects and Governance.

The ESG report also covers the requirement for a statutory statement on corporate social responsibility pursuant to sections 135 and 135b of the Executive Order on Financial Reports for Credit Institutions and Investment Firms etc.

The ESG report is available on the bank's website:
www.landbobanken.dk/esg-en

As a supplement to the annual ESG report, the bank has also prepared and published an ESG Fact Book at: www.landbobanken.dk/factbook

The ESG Fact Book is a compact and clear presentation of various ESG information and data which supplement the bank's ESG report. The Fact Book is updated continually.

Further to the above, please note that the bank has not prepared specific policies on human rights or climate. The bank supports the efforts to put human rights and climate high on the agenda, however.

The bank's CSR policy thus contains a goal of being and remaining carbon neutral in respect of its CO_2 scope 1 and scope 2 emissions. The bank's management also finds that the bank has clearly shown its attitude to and support of both areas via its CSR policy and code of conduct.

In addition, the bank has joined the Ten Principles of the UN Global Compact, which includes principles regarding human rights.The ESG report contains an extract of the bank's CoP (Communication on Progress) report for 2022, including reports on the work of implementing and complying with the Ten Principles and the support of the UN Sustainable Development Goals in the bank's operations.

STATEMENT AND REPORTS

Management statement

The board of directors and the general management have today discussed and approved the annual report of Ringkjøbing Landbobank A/S for the financial year 1 January to 31 December 2022.

The annual report was prepared in accordance with the provisions of the Danish Financial Business Act. We consider the chosen accounting policies to be appropriate and the estimates made responsible, so that the financial statements provide a true and fair view of the bank's assets, liabilities and financial position at 31 December 2022 and of the result of the bank's activities for the financial year 1 January to 31 December 2022. We also believe that the management's review contains a true and fair account of the development in the bank's activities and financial circumstances as well as a description of the most important risks and uncertainties which can affect the bank.

In our opinion, the annual report of Ringkjøbing Landbobank A/S for the financial year 1 January to 31 December 2022, identified as "RILBA-2022-12-31-da.xhtml", is prepared, in all material respects, in compliance with the ESEF regulation.

The annual report is recommended for approval by the general meeting.

Ringkøbing, 1 February 2023

General management:

John Fisker	Claus Andersen	Jørn Nielsen	Carl Pedersen
CEO	General Manager	General Manager	General Manager

Ringkøbing, 1 February 2023

Board of directors:

Martin Krogh Pedersen	Mads Hvolby	Jens Møller Nielsen
Chairman	Deputy chairman	Deputy chairman

Morten Jensen

Jon Steingrim Johnsen

Anne Kaptain

Jacob Møller

Lone Rejkjær Söllmann

Dan Junker Astrup	Arne Ugilt	Gitte E.S.H. Vigsø	Finn Aaen
Employee representative	Employee representative	Employee representative	Employee representative

Internal auditor's report

To the shareholders of Ringkjøbing Landbobank A/S

Auditor's report on the financial statements

Opinion

In my opinion, the financial statements for Ringkjøbing Landbobank A/S give a true and fair view of the bank's assets, liabilities and financial position at 31 December 2022, and of the results of the bank operations for the financial year 1 January to 31 December 2022 in accordance with the Danish Financial Business Act.

My opinion is consistent with my long-form audit report to the audit committee and the board of directors.

The audit

I have audited the financial statements for Ringkjøbing Landbobank A/S for the financial year 1 January to 31 December 2022, which comprise income statement and statement of comprehensive income, core earnings, balance sheet, statement of changes in equity, statement of capital and notes, including accounting policies, and five-year main and key figures. The financial statements were prepared in accordance with the Danish Financial Business Act.

The audit was performed on the basis of the Danish FSA's Executive Order on Auditing Financial Undertakings etc. and Financial Groups, and in accordance with international auditing standards regarding planning and performing the audit.

I have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatement. I participated in the audit of all material and high-risk areas.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Statement on management review

Management is responsible for the management review.

My opinion on the financial statements does not cover the management review, and I express no form of assurance conclusion on that review.

In connection with my audit of the financial statements, my responsibility is to read the management review and, in doing so, consider whether it is materially inconsistent with the financial statements or with my knowledge obtained in the audit, or otherwise appears to be materially misstated.

I also considered whether the management review includes the disclosures required by the Danish Financial Business Act.

Based on the work I have performed, in my view, the management review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Business Act. I did not identify any material misstatement in the management review.

Ringkøbing, 1 February 2023

Henrik Haugaard
Chief internal auditor

The independent auditor's report

To the Shareholders of Ringkjøbing Landbobank A/S

Auditor's Report on the Financial Statements

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Bank at 31 December 2022, and of the results of the Bank operations for the financial year 1 January to 31 December 2022 in accordance with the Danish Financial Business Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

Ringkjøbing Landbobank A/S's Financial Statements for the financial year 1 January to 31 December 2022 comprise the income statement and statement of comprehensive income, the core income, the balance sheet, the statement of changes in equity, the statement of capital and notes, including summary of significant accounting policies, and five-year financial highlights ('the Financial Statements').

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

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

Independence

We are independent of the Bank in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge, no prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) No 537/2014 have been provided.

Appointment

We were first appointed auditors of Ringkjøbing Landbobank A/S on 8 June 2018 for the financial year 2018. We have been re-appointed annually by shareholder resolution for a total period of uninterrupted engagement of five years up to and including the 2022 financial year.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2022. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	*How our audit addressed the key audit matter*
Loan impairment charges Loans and advances are measured at amortised cost less impairment charges. Impairment of loans and advances constitutes Management's best estimate of expected losses on loans and advances at the balance sheet date in accordance with the provisions of IFRS 9 as	We reviewed and assessed the impairment charges recognised in the income statement for 2022 and in the balance sheet at 31 December 2022. We carried out risk assessment procedures to gain an understanding of IT systems, business practices and relevant controls relating to the calculation of loan impairment charges. We assessed whether

Key audit matter	*How our audit addressed the key audit matter*
incorporated in the Danish Executive Order on the Presentation of Financial Statements of Credit Institutions and Stockbroker Companies, etc. We refer to note 57 to the Financial Statements for a detailed description of the accounting policies applied. As a result of the macroeconomic development as reflected in, for example, the soaring energy prices, high rate of inflation and increased interest rate levels, Management has recognised a significant increase in loan impairment charges by way of an accounting estimate (“management estimate”). The impact of the macroeconomic development on the Bank's customers is largely undetermined, which implies that the estimation uncertainty related to the calculation of the indication of impairment is increased. Since accounting estimates are inherently complex and subjective, and thus subject to considerable estimation uncertainty, loan impairment charges constitute a central focus area. The following areas are central to the calculation of loan impairment charges: • Determination of credit classification on initial and subsequent recognition. • Model-based impairment charges in stages 1 and 2, including Management’s determination of model variables adapted to the Bank’s loan portfolio. • The Bank’s procedures to ensure completeness of the registration of credit-impaired loans (stage 3) or loans with significant increase in credit risk (stage 2). • Most significant assumptions and estimates applied by Management in the calculations of impairment charges, including principles for the assessment of various outcomes of the customer’s financial position (scenarios) and for the assessment of collateral value of, for example, properties included in the calculations of impairment. • Management’s assessment of expected credit losses at the balance sheet date as a result of possible changes in conditions and which are not included in the model-based calculations or individually assessed impairment charges, including in particular the impact of the macroeconomic development on the Bank’s customers. We refer to note 56 ‘Accounting estimates and judgements’, note 45 ‘Risk factors and risk management’ and note 46 ‘Credit risk’ to the Financial Statements which show factors that may affect the impairment of loans and advances.	the controls have been designed and implemented to effectively address the risk of material misstatement. Selected controls, which we planned to rely on, were tested to check whether they had been carried out on a consistent basis. We assessed the impairment model applied, prepared by the data centre Bankdata, and its use, including the division of responsibilities between Bankdata and the Bank. We assessed and tested the Bank’s calculation of model-based impairment charges in stages 1 and 2, including assessment of Management’s determination and adaptation of model variables to own issues. We reviewed and assessed the Bank’s validation of the methods applied for the calculation of expected credit losses as well as the procedures designed to ensure that credit-impaired loans in stage 3 and underperforming loans in stage 2 are identified and recorded on a timely basis. We assessed and tested the principles applied by the Bank for the determination of impairment scenarios and for the measurement of collateral value of, for example, properties included in the calculations of impairment of credit-impaired loans and advances, and loans and advances that are significantly underperforming. We tested a sample of credit-impaired loans in stage 3 and underperforming loans in stage 2 by testing the calculations of impairment charges and applied data to underlying documentation. We tested a sample of other loans by making an assessment of stage and credit classification. This included samples of large loans as well as loans relating to segments with generally increased exposure, including segments which are particularly affected by the macroeconomic development. We reviewed and challenged the material assumptions underlying Management’s estimates of expected credit losses not included in the model-based calculations or individually assessed impairment charges based on our knowledge of the portfolio, the sectors and current market conditions. We focussed specifically on the Bank's calculation of management estimates for hedging of expected credit losses as a result of the macroeconomic development. We assessed whether the factors which may affect loan impairment charges had been disclosed appropriately.

The independent auditor's report – continued

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Financial Business Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Business Act. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Business Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

The independent auditor's report – continued

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, safeguards in place or measures taken to eliminate threats.

Based on the matters communicated with those charged with governance, we determine those matters that were of the most significance in our audit of the Financial Statements for the current period, and which thus constitute key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements of Ringkjøbing Landbobank A/S, we have performed procedures for the purpose of expressing an opinion as to whether the Annual Report for the financial year 1 January to 31 December 2022, with the file name RILBA-2022-12-31-da.xhtml, has been prepared in accordance with the Commission Delegated Regulation (EU) 2019/815 on the single electronic reporting format (the ESEF Regulation), which requires the preparation of an annual report in XHTML format.

Management is responsible for preparing an annual report in compliance with the ESEF Regulation, including the preparation of an annual report in XHTML format.

Based on the evidence obtained, our responsibility is to obtain reasonable assurance whether the Annual Report, in all material respects, has been prepared in accordance with the ESEF Regulation, and to express an opinion. Our procedures include verifying whether the Annual Report has been prepared in XHTML format.

In our opinion, the Annual Report for the financial year 1 January to 31 December 2022, with the file name RILBA-2022-12-31-da.xhtml, has, in all material respects, been prepared in accordance with the ESEF Regulation.

Herning, 1 February 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31

Per Rolf Larssen
State Authorised Public Accountant
mne24822

FINANCIAL STATEMENTS

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

Note no.		2022 DKK 1,000	2021 DKK 1,000
1	Interest income	1,865,848	1,459,846
2	Interest expenses	185,174	103,080
	Net interest income	**1,680,674**	**1,356,766**
3	Dividends from shares etc.	99,637	77,109
4	Fee and commission income	1,038,855	939,219
4	Fee and commission expenses	91,602	91,183
	Net interest and fee income	**2,727,564**	**2,281,911**
5	Value adjustments	+73,493	+163,127
	Other operating income	2,055	5,490
6,7,8,9	Staff and administration expenses	870,847	790,374
10	Amortisation, depreciation and write-downs on intangible and tangible assets	33,035	35,793
	Other operating expenses	6,607	7,643
11	Impairment charges for loans and other receivables etc.	-12,450	-78,629
	Results from investments in associated companies and subsidiaries	-37	+22
	Profit before tax	**1,880,136**	**1,538,111**
12	Tax	385,239	308,846
	Net profit for the year	**1,494,897**	**1,229,265**
	Other comprehensive income:		
	Value changes in pension liabilities	+2,111	-404
	Total comprehensive income for the year	**1,497,008**	**1,228,861**

PROPOSED DISTRIBUTION OF PROFIT

	2022 DKK 1,000	2021 DKK 1,000
Total comprehensive income for the year	1,497,008	1,228,861
Total amount available for distribution	**1,497,008**	**1,228,861**
Appropriated for ordinary dividend	198,658	203,474
Appropriated for charitable purposes	2,000	2,000
Transfer to net revaluation reserve under the equity method	-37	22
Transfer to retained earnings	1,296,387	1,023,365
Total distribution of the amount available	**1,497,008**	**1,228,861**

CORE EARNINGS

Note no.		2022 DKK 1,000	2021 DKK 1,000
13	Net interest income	1,677,409	1,342,559
14	Net fee and commission income excluding securities trading	783,728	676,831
15	Income from sector shares etc.	168,922	179,190
5	Foreign exchange income	66,262	57,670
	Other operating income	2,055	5,490
	Total core income excluding securities trading	**2,698,376**	**2,261,740**
14	Securities trading	163,525	171,205
	Total core income	**2,861,901**	**2,432,945**
16	Staff and administration expenses	870,847	790,374
16	Depreciation and write-downs on tangible assets	13,526	18,539
16	Other operating expenses	6,607	7,643
16	Total expenses etc.	890,980	816,556
	Core earnings before impairment charges for loans	**1,970,921**	**1,616,389**
17	Impairment charges for loans and other receivables etc.	-2,154	-68,333
18	**Core earnings**	**1,968,767**	**1,548,056**
18	Result for the portfolio etc.	-69,122	7,309
16,18	Amortisation and write-downs on intangible assets	19,509	17,254
18	**Profit before tax**	**1,880,136**	**1,538,111**
12	Tax	385,239	308,846
	Net profit for the year	**1,494,897**	**1,229,265**

BALANCE SHEET

Note no.		31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
	Assets		
	Cash in hand and demand deposits with central banks	4,750,398	3,459,464
19	Receivables from credit institutions and central banks	776,039	216,097
20,21	Total loans and other receivables at amortised cost	48,341,941	41,179,255
	Loans and other receivables at amortised cost	47,300,816	40,008,162
	Loans for renewable energy projects with direct funding	1,041,125	1,171,093
22	Bonds at fair value	6,775,872	6,743,836
23	Shares etc.	1,331,791	1,467,417
	Investments in associated companies	481	481
	Investments in subsidiaries	11,982	12,020
24	Assets linked to pooled schemes	4,972,840	5,537,863
25	Intangible assets	1,043,163	1,062,672
26	Total land and buildings	220,579	199,632
	Investment properties	3,667	8,667
	Domicile properties	196,048	168,387
	Domicile properties (leasing)	20,864	22,578
27	Other tangible assets	14,731	14,999
	Current tax assets	20,056	23,501
28	Deferred tax assets	23,033	11,263
	Temporary assets	2,000	5,868
29	Other assets	677,490	407,166
	Prepayments	17,185	15,854
	Total assets	**68,979,581**	**60,357,388**

Note no.		31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
	Liabilities and equity		
30	Debt to credit institutions and central banks	3,567,758	2,030,175
	Total deposits and other debt	48,699,778	43,740,049
31	Deposits and other debt	43,726,938	38,202,186
	Deposits in pooled schemes	4,972,840	5,537,863
32	Issued bonds at amortised cost	4,255,498	2,961,422
	Preferred senior capital	966,492	1,019,790
	Non-preferred senior capital	3,289,006	1,941,632
33	Other liabilities	1,033,971	728,954
	Deferred income	579	1,167
	Total debt	**57,557,584**	**49,461,767**
34	Provisions for pensions and similar liabilities	0	2,473
21	Provisions for losses on guarantees	66,596	97,207
21	Other provisions for liabilities	24,113	28,763
	Total provisions for liabilities	**90,709**	**128,443**
	Tier 2 capital	2,036,526	2,044,505
35	**Total subordinated debt**	**2,036,526**	**2,044,505**
36	Share capital	28,380	29,068
	Net revaluation reserve under the equity method	391	428
	Retained earnings	9,065,333	8,487,703
	Proposed dividend etc.	200,658	205,474
	Total shareholders' equity	**9,294,762**	**8,722,673**
	Total liabilities and equity	**68,979,581**	**60,357,388**

STATEMENT OF CHANGES IN EQUITY

DKK 1,000	Share capital	Net revaluation reserve under the equity method	Retained earnings	Proposed dividend etc.	Total share-holders' equity
2021					
Shareholders' equity at the end of the previous financial year	**29,228**	**406**	**7,909,643**	**206,598**	**8,145,875**
Comprehensive income					
Net profit for the year		22	1,023,769	205,474	1,229,265
Other comprehensive income			-404		-404
Total comprehensive income	**0**	**22**	**1,023,365**	**205,474**	**1,228,861**
Transactions with shareholders					
Reduction of share capital	-160		160		0
Dividend etc. paid				-206,598	-206,598
Dividend received on own shares			1,645		1,645
Purchase of own shares			-1,238,871		-1,238,871
Sale of own shares			776,227		776,227
Other equity transactions (employee shares)			15,534		15,534
Total transactions with shareholders	**-160**	**0**	**-445,305**	**-206,598**	**-652,063**
Shareholders' equity on the balance sheet date	**29,068**	**428**	**8,487,703**	**205,474**	**8,722,673**
2022					
Shareholders' equity at the end of the previous financial year	**29,068**	**428**	**8,487,703**	**205,474**	**8,722,673**
Comprehensive income					
Net profit for the year		-37	1,294,276	200,658	1,494,897
Other comprehensive income			2,111		2,111
Total comprehensive income	**0**	**-37**	**1,296,387**	**200,658**	**1,497,008**
Transactions with shareholders					
Reduction of share capital	-688		688		0
Dividend etc. paid				-205,474	-205,474
Dividend received on own shares			5,638		5,638
Purchase of own shares			-1,507,045		-1,507,045
Sale of own shares			760,509		760,509
Other equity transactions (employee shares)			21,453		21,453
Total transactions with shareholders	**-688**	**0**	**-718,757**	**-205,474**	**-924,919**
Shareholders' equity on the balance sheet date	**28,380**	**391**	**9,065,333**	**200,658**	**9,294,762**

STATEMENT OF CAPITAL

	31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
Credit risk	40,843,152	37,454,457
Market risk	1,483,592	1,719,608
Operational risk	4,528,649	4,111,013
Total risk exposure	**46,855,393**	**43,285,078**
Shareholders' equity	9,294,762	8,722,673
Proposed dividend etc.	-200,658	-205,474
Addition for transition programme concerning IFRS 9	469,846	533,172
Deduction for insufficient coverage of non-performing exposures	-25,341	-3,215
Deduction for the sum of equity investments etc. above 10%	-194,192	-258,432
Deduction for prudent valuation	-13,924	-14,044
Deduction for intangible assets	-1,043,163	-1,062,672
Deferred tax on intangible assets	18,855	22,169
Deferred tax assets	-41,888	-
Deduction of amount of share buy-back programme	-738,000	-497,500
Actual utilisation of amount of share buy-back programme	682,262	449,894
Deduction for trading limit for direct and indirect ownership of own shares	-55,000	-55,000
Actual utilisation of the trading limit for own shares	0	161
Common equity tier 1	**8,153,559**	**7,631,732**
Tier 1 capital	**8,153,559**	**7,631,732**
Tier 2 capital	2,043,645	2,043,630
Deduction for the sum of equity investments etc. above 10%	-90,606	-40,258
Total capital	**10,106,598**	**9,635,104**
Contractual senior funding (grandfathered)	0	456,272
Non-preferred senior capital	3,426,434	1,941,178
MREL capital	**13,533,032**	**12,032,554**
Common equity tier 1 capital ratio	**17.4**	**17.6**
Tier 1 capital ratio	**17.4**	**17.6**
Total capital ratio	**21.6**	**22.3**
MREL capital ratio	**28.9**	**27.8**
Pillar I capital requirements	3,748,431	3,462,806
MREL requirement (%) fixed by the Danish FSA	17.8	17.9
Excess cover in percentage points relative to MREL requirement	11.1	9.9

OVERVIEW OF NOTES

Note no.		2022 DKK 1,000	2021 DKK 1,000
1	**Interest income**		
	Receivables from credit institutions and central banks – net	-1,136	-14,893
	Loans and other receivables	1,581,790	1,253,811
	Discounts – amortisation concerning loans taken over etc.	10,296	10,296
	Loans – interest on the impaired part of loans	-49,059	-49,612
	Bonds – net	59,503	28,211
	Total derivative financial instruments – net	82,373	21,620
	of which currency contracts – net	27,665	5,079
	of which interest-rate contracts – net	54,708	16,541
	Other interest income	1,285	2,464
	Total interest income after offsetting of negative interest	**1,685,052**	**1,251,897**
	of which interest income from collateralised repurchase agreements/reverse repo transactions booked under the item “Loans and other receivables” is	808	-108
	Negative interest income transferred to interest expenses		
	Receivables from credit institutions and central banks	13,452	16,685
	Bonds	2,497	5,134
	Total derivative financial instruments	1,344	2,979
	of which currency contracts	554	771
	of which interest-rate contracts	790	2,208
	Total negative interest income transferred to interest expenses	**17,293**	**24,798**
	Negative interest expenses transferred from interest expenses		
	Debt to credit institutions and central banks	57	1
	Deposits and other debt	163,446	183,150
	Total negative interest expenses transferred from interest	**163,503**	**183,151**
	Total interest income	**1,865,848**	**1,459,846**
2	**Interest expenses**		
	Credit institutions and central banks – net	18,736	9,996
	Deposits and other debt – net	-100,778	-165,948
	Issued bonds	49,980	22,959
	Subordinated debt	35,542	27,311
	Other interest expenses	898	813
	Total interest expenses after offsetting of negative interest	**4,378**	**-104,869**
	Negative interest expenses transferred to interest income		
	Debt to credit institutions and central banks	57	1
	Deposits and other debt	163,446	183,150
	Total negative interest expenses transferred to interest income	**163,503**	**183,151**
	Negative interest income transferred from interest income		
	Receivables from credit institutions and central banks	13,452	16,685
	Bonds	2,497	5,134
	Total derivative financial instruments	1,344	2,979
	of which currency contracts	554	771
	of which interest-rate contracts	790	2,208
	Total negative interest income transferred from interest	**17,293**	**24,798**
	Total interest expenses	**185,174**	**103,080**

Note no.		2022 DKK 1,000	2021 DKK 1,000
3	**Dividends from shares etc.**		
	Shares	99,637	77,109
	Total dividends from shares etc.	**99,637**	**77,109**
4	**Fees and commission**		
	Gross fee and commission income		
	Securities trading	175,681	188,682
	Asset management and custody accounts	221,355	197,448
	Payment handling	151,053	125,136
	Loan fees	126,221	93,246
	Guarantee commission and mortgage credit commission etc.	256,622	244,423
	Other fees and commission	107,923	90,284
	Total gross fee and commission income	**1,038,855**	**939,219**
	Fee and commission expenses		
	Securities trading	12,156	17,477
	Asset management and custody accounts	13,919	15,508
	Payment handling	47,484	41,224
	Loan fees	11,694	11,865
	Other fees and commission	6,349	5,109
	Total fee and commission expenses	**91,602**	**91,183**
	Net fee and commission income		
	Securities trading	163,525	171,205
	Asset management and custody accounts	207,436	181,940
	Payment handling	103,569	83,912
	Loan fees	114,527	81,381
	Guarantee commission and mortgage credit commission etc.	256,622	244,423
	Other fees and commission	101,574	85,175
	Total net fee and commission income	**947,253**	**848,036**
	Foreign exchange income	66,262	57,670
	Total net fee, commission and foreign exchange income	**1,013,515**	**905,706**
5	**Value adjustments**		
	Other loans and receivables, fair value adjustment*	-28,775	-4,492
	Bonds	-166,484	-15,820
	Shares etc.	65,409	106,003
	Foreign exchange	66,262	57,670
	Total derivative financial instruments	-79,598	-18,337
	of which currency contracts	-130,997	-23,489
	of which interest-rate contracts	51,399	5,095
	of which share contracts	0	57
	Assets linked to pooled schemes	-864,971	490,318
	Deposits in pooled schemes	864,971	-490,318
	Issued bonds etc.*	198,702	38,103
	Debt to credit institutions	17,977	0
	Total value adjustments	**73,493**	**163,127**

** See also note 44.*

Note no.		2022 DKK 1,000	2021 DKK 1,000
6	**Staff and administration expenses**		
	Payments to general management, board of directors and shareholders' committee:		
	General management (4 persons):		
	Salary	16,851	14,601
	Pension	2,321	2,365
	Total payments	19,172	16,966
	Total taxable value of company car: 2022: tDKK 613, 2021: tDKK 526. The amounts are not included in the salary amounts stated.		
	Board of directors (12 persons):		
	Total payments	4,367	4,225
	Shareholders' committee (41 persons):		
	Total payments	898	890
	Total	24,437	22,081
	Staff expenses:		
	Salaries	389,689	345,780
	Pensions	43,876	39,665
	Social security expenses	5,727	5,353
	Costs depending on number of staff	62,268	60,293
	Total	501,560	451,091
	Other administration expenses	344,850	317,202
	Total staff and administration expenses	**870,847**	**790,374**
	Information on the remuneration paid to the individual members of the board of directors and general management is shown in the remuneration report for 2022, available on the bank's website: www.landbobanken.dk/policies		
7	**Number of full-time employees**		
	Average number of employees during the financial year converted into full-time employees	641	619
	Number of full-time employees at the end of the period	646	626
8	**Salaries paid to other major risk-takers and employees in control functions**		
	Fixed salary	18,053	17,631
	Variable salary	500	630
	Pension	2,052	1,926
	Total	**20,605**	**20,187**
	Number of full-time employees at end of year	21	21
9	**Fee to the auditor elected by the general meeting**		
	Statutory audit	718	712
	Other assurance engagements	140	101
	Advice on tax	0	145
	Other services	298	270
	Total fee to the auditor elected by the general meeting	**1,156**	**1,228**

Fees for other assurance engagements primarily concern reports to public authorities and business partners.

Fees for other services primarily concern issue of the comfort letter regarding the bank's EMTN programme and verification of regular recognition of profit in common equity tier 1.

The bank also has an internal auditor.

Note no.		2022 DKK 1,000	2021 DKK 1,000
10	**Amortisation, depreciation and write-downs on intangible and tangible assets**		
	Intangible assets		
	Customer relationships, amortisation	19,509	17,254
	Tangible assets		
	Domicile properties, depreciation	1,839	1,838
	Domicile properties, write-down to reassessed value (net)	-2,000	5,500
	Domicile properties (leasing), depreciation	5,736	5,438
	Other tangible assets, depreciation	7,848	5,660
	Other tangible assets (leasing), depreciation	103	103
	Total amortisation, depreciation and write-downs on intangible and tangible assets	**33,035**	**35,793**
11	**Impairment charges for loans and other receivables etc.**		
	Net changes in impairment charges for loans and other receivables etc. and provisions for losses on guarantees	18,851	78,700
	Actual realised net losses	42,658	49,541
	Interest on the impaired part of loans	-49,059	-49,612
	Total impairment charges for loans and other receivables etc.	**12,450**	**78,629**
12	**Tax**		
	Tax calculated on income for the year	374,752	293,912
	Adjustment of deferred tax for the year	11,928	6,604
	Adjustment of deferred tax due to change in tax rate (factor increase)	-2,925	-
	Adjustment of tax calculated for previous years	1,484	8,330
	Total tax	**385,239**	**308,846**
	Effective tax rate (%):		
	Tax rate currently paid by the bank	22.0	22.0
	Non-taxable income and non-deductible costs*	-1.4	-2.4
	Change in tax rate (factor increase)	-0.2	-
	Adjustment of tax calculated for previous years	0.1	0.5
	Total effective tax rate	**20.5**	**20.1**

** Primarily value adjustment of and dividends from sector shares.*

Note no.		2022 DKK 1,000	2021 DKK 1,000
	Explanation of the correlation between profit before tax and core earnings		
13	**Net interest income**		
	Net interest income – income statement	1,680,674	1,356,766
	Discounts – amortisation concerning loans taken over etc.	-10,296	-10,296
	Funding income – own portfolio	66,534	26,088
	Bond yields etc.	-59,503	-29,999
	Net interest income – core earnings	**1,677,409**	**1,342,559**
14	**Net fee and commission income excluding securities trading**		
	Fee and commission income – income statement	1,038,855	939,219
	Fee and commission expenses – income statement	-91,602	-91,183
	Securities trading – core earnings	-163,525	-171,205
	Net fee and commission income excluding securities trading – core earnings	**783,728**	**676,831**
15	**Income from sector shares etc.**		
	Value adjustment of sector shares etc.	70,470	102,933
	Dividends from sector shares etc.	98,452	76,257
	Income from sector shares etc. – core earnings	**168,922**	**179,190**
16	**Total expenses etc.**		
	Staff and administration expenses – income statement	870,847	790,374
	Amortisation, depreciation and write-downs on intangible and tangible assets – income statement	33,035	35,793
	Other operating expenses – income statement	6,607	7,643
	Amortisation and write-downs on intangible assets – core earnings	-19,509	-17,254
	Total expenses etc. – core earnings	**890,980**	**816,556**
17	**Impairment charges for loans and other receivables etc.**		
	Impairment charges for loans and other receivables etc. – income statement	-12,450	-78,629
	Discounts – amortisation concerning loans taken over etc.	10,296	10,296
	Impairment charges for loans and other receivables etc. – core earnings	**-2,154**	**-68,333**
18	**Profit before tax and core earnings**		
	Profit before tax	**1,880,136**	**1,538,111**
	Value adjustments – income statement	73,493	163,127
	Results from investments in associated companies and group undertakings – income statement	-37	22
	Value adjustment of sector shares etc.	-70,470	-102,933
	Foreign exchange income – core earnings	-66,262	-57,670
	Funding expenses – own portfolio	-66,534	-26,088
	Bond yields etc.	59,503	29,999
	Dividends – not sector shares	1,185	852
	Result for the portfolio – core earnings (minus)	**-69,122**	**7,309**
	Special costs – core earnings (plus)	19,509	17,254
	Core earnings	**1,968,767**	**1,548,056**

Note no.		31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
19	**Receivables from credit institutions and central banks**		
	Demand	776,039	216,097
	Total receivables from credit institutions and central banks	**776,039**	**216,097**
	Distributed as follows:		
	Receivables from credit institutions	776,039	216,097
		776,039	**216,097**
20	**Loans and other receivables at amortised cost***		
	Demand	7,353,370	4,889,428
	Up to and including 3 months	2,475,978	1,396,536
	More than 3 months and up to and including 1 year	9,815,126	9,266,165
	More than 1 year and up to and including 5 years	11,945,344	11,311,679
	More than 5 years	16,752,123	14,315,447
	Total loans and other receivables at amortised cost	**48,341,941**	**41,179,255**
	of which collateralised repurchase agreements/ reverse repo transactions	0	52,090

** See also note 44.*

21 Impairment charges for loans and other receivables and provisions for losses on guarantees, unutilised credit facilities and credit undertakings

Impairment charges and provisions by stages

	Stage 1 DKK 1,000	Stage 2 DKK 1,000	Stage 3 DKK 1,000	Total DKK 1,000
2022				
Loans and other receivables at amortised cost	213,651	1,009,429	988,382	2,211,462
Guarantees	4,955	15,194	46,447	66,596
Unutilised credit facilities and credit undertakings	8,154	15,959	0	24,113
Total impairment charges and provisions by stages	**226,760**	**1,040,582**	**1,034,829**	**2,302,171**
of which management estimates*	107,591	409,336	277,283	794,210
2021				
Loans and other receivables at amortised cost	232,549	825,278	1,099,523	2,157,350
Guarantees	7,961	14,987	74,259	97,207
Unutilised credit facilities and credit undertakings	10,531	18,232	0	28,763
Total impairment charges and provisions by stages	**251,041**	**858,497**	**1,173,782**	**2,283,320**
of which management estimates*	123,178	283,159	224,906	631,243

** See the description of distribution by stages on page 91-93.*

	31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
In addition, a discount on loans and guarantees taken over from Nordjyske Bank amounted to	4,507	14,803
The above includes the following stage 3 impairment charges and provisions taken over from Nordjyske Bank:		
Cumulative stage 3 impairment charges and provisions at the end of the previous financial year	190,619	247,609
Changes during the year	-35,276	-56,990
Total stage 3 impairment charges and provisions taken over	**155,343**	**190,619**

Note no.

21 Impairment charges for loans and other receivables and provisions for losses on guarantees, unutilised credit facilities and credit undertakings – continued

Impairment charges and provisions

2022	Stage 1 DKK 1,000	Stage 2 DKK 1,000	Stage 3 DKK 1,000	Total DKK 1,000	Impairment charges etc. taken to income statement DKK 1,000
Impairment charges and provisions at the end of the previous financial year	251,041	858,497	1,173,782	2,283,320	-
Impairment charges and provisions for new exposures during the year, including new accounts for existing customers	80,296	148,705	60,126	289,127	289,127
Reversed impairment charges and provisions for repaid accounts	-66,346	-144,630	-124,811	-335,787	-335,787
Transfer of impairment charges and provisions at beginning of year to stage 1	178,445	-154,905	-23,540	0	0
Transfer of impairment charges and provisions at beginning of year to stage 2	-18,592	108,600	-90,008	0	0
Transfer of impairment charges and provisions at beginning of year to stage 3	-429	-20,717	21,146	0	0
Impairment charges and provisions during the year resulting from credit risk change	-197,655	245,032	69,725	117,102	117,102
Previously written down, now definitively lost	-	-	-51,591	-51,591	0
Lost, not previously written down	-	-	-	-	16,300
Received on receivables previously written off	-	-	-	-	-25,233
Interest on the impaired part of loans					-49,059
Total impairment charges and provisions	**226,760**	**1,040,582**	**1,034,829**	**2,302,171**	**12,450**
of which regarding credit institutions etc.	391	0	0	391	-2,911
2021					
Impairment charges and provisions at the end of the previous financial year	346,844	881,064	976,712	2,204,620	-
Impairment charges and provisions for new exposures during the year, including new accounts for existing customers	91,455	118,960	98,793	309,208	309,208
Reversed impairment charges and provisions for repaid accounts	-83,784	-134,825	-95,421	-314,030	-314,030
Transfer of impairment charges and provisions at beginning of year to stage 1	158,998	-152,580	-6,418	0	0
Transfer of impairment charges and provisions at beginning of year to stage 2	-15,390	66,408	-51,018	0	0
Transfer of impairment charges and provisions at beginning of year to stage 3	-1,731	-107,727	109,458	0	0
Impairment charges and provisions during the year resulting from credit risk change	-245,351	187,197	203,740	145,586	145,586
Previously written down, now definitively lost	-	-	-62,064	-62,064	-
Lost, not previously written down	-	-	-	-	10,088
Received on receivables previously written off	-	-	-	-	-22,611
Interest on the impaired part of loans					-49,612
Total impairment charges and provisions	**251,041**	**858,497**	**1,173,782**	**2,283,320**	**78,629**
of which regarding credit institutions etc.	3,302	0	0	3,302	1,297

Note no.		31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
22	**Bonds at fair value**		
	Mortgage credit bonds	5,578,166	5,038,241
	Other bonds	1,197,706	1,705,595
	Total bonds at fair value	**6,775,872**	**6,743,836**
		Percent	Percent
	Bonds at fair value by rating classes		
	Aaa/AAA	82	73
	A3/A-	4	4
	Baa1/BBB+	1	4
	Baa2/BBB	2	5
	Ba1/BB+	0	1
	Not rated	11	13
	Total	**100**	**100**

Ratings from the credit rating agencies Moody's Investors Service, Standard & Poor's and Fitch were used in the specification. If an issue has more than one rating, the lowest is used.

		31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
23	**Shares etc.**		
	Listed on Nasdaq Copenhagen	26,449	8,879
	Investment fund certificates	10,012	20,345
	Unlisted shares at fair value	8,798	6,838
	Sector shares at fair value	1,286,532	1,431,355
	Total shares etc.	**1,331,791**	**1,467,417**
24	**Assets linked to pooled schemes**		
	Cash deposits	103,301	267,180
	Bonds:		
	Other bonds	1,394,342	1,431,770
	Total bonds	1,394,342	1,431,770
	Shares:		
	Other shares	815,830	777,747
	Investment fund certificates	2,659,367	3,061,166
	Total shares	3,475,197	3,838,913
	Total assets linked to pooled schemes	**4,972,840**	**5,537,863**

Note no.		31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
25	**Intangible assets**		
	Goodwill		
	Cost at the end of the previous financial year	923,255	923,255
	Total cost on the balance sheet date	923,255	923,255
	Total goodwill on the balance sheet date	**923,255**	**923,255**
	Customer relationships		
	Cost at the end of the previous financial year	195,088	150,000
	Additions during the year	0	45,088
	Total cost on the balance sheet date	195,088	195,088
	Amortisation at the end of the previous financial year	55,671	38,417
	Amortisation for the year	19,509	17,254
	Total amortisation on the balance sheet date	75,180	55,671
	Total customer relationships on the balance sheet date	**119,908**	**139,417**
	Total intangible assets on the balance sheet date	**1,043,163**	**1,062,672**

Goodwill was impairment-tested at the end of 2022. The merged bank was tested as a single unit, since the “old” Nordjyske Bank is financially fully integrated in Ringkjøbing Landbobank. Therefore a true and fair view could not be obtained from a test only of the part that had been taken over. The impairment test did not result in any write-downs.

The model used in the impairment test is based on the bank’s budget for 2023. “Net profit for the year” is used as the opening value for calculating the sensitivity. The tax rate is expected to be unchanged throughout the period. Using “Net profit for the year” as the opening value in the model makes the test harder than if free cash flows were used. A weighted average cost of capital of 9% and an expected annual increase in “Net profit for the year” of 3% were used.

The robustness of the model is tested in sensitivity analyses where the required rate of return, changes in growth rate and negative effects of “Result for the portfolio etc.” are tested. The management believes that the model is robust in respect of the relevant scenarios chosen.

In addition, the bank’s market value is an indicator that there is no need for impairment. On 31 December 2022, the market value was approximately three times the equity value.

Note no.		31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
26	**Land and buildings**		
	Investment properties		
	Fair value at the end of the previous financial year	8,667	7,667
	Disposals during the year	0	-2,340
	Value adjustments to fair value for the year	-5,000	2,500
	Reversal of previous years' write-downs for the year and reversal of total depreciation and write-downs on assets which were disposed of or decommissioned during the year	0	840
	Fair value on the balance sheet date	**3,667**	**8,667**
	Domicile properties		
	Revalued amount at the end of the previous financial year	168,387	186,971
	Additions during the year, including improvements	29,500	5,000
	Additions on reclassification due to changed use	3,868	0
	Disposals during the year	-5,868	-17,882
	Depreciation for the year	-1,839	-1,838
	Write-downs after revaluation for the year	-2,500	-5,500
	Reversal of previous years' write-downs for the year and reversal of total depreciation and write-downs on assets which were disposed of or decommissioned during the year	4,500	1,636
	Total revalued amount on the balance sheet date	**196,048**	**168,387**
	Domicile properties (leasing)		
	Recognised amount at the end of the previous financial year	22,578	21,272
	Additions during the year	4,041	8,655
	Disposals during the year	0	-2,164
	Depreciation for the year	-5,736	-5,438
	Reversal of previous years' write-downs for the year and reversal of total depreciation and write-downs on assets which were disposed of or decommissioned during the year	-19	253
	Total recognised amount on the balance sheet date	**20,864**	**22,578**
	When valuing investment and domicile properties, a required rate of return between 6% and 10% is applied. No external experts were involved in the valuations of investment and domicile properties.		
27	**Other tangible assets**		
	Cost		
	Cost at the end of the previous financial year without depreciation and write-downs	85,621	82,701
	Additions during the year, including improvements	7,683	3,136
	Disposals during the year	-917	-216
	Total cost on the balance sheet date	**92,387**	**85,621**
	Depreciation and write-downs		
	Depreciation and write-downs at the end of the previous financial year	70,622	65,075
	Depreciation for the year	7,951	5,763
	Reversal of previous years' write-downs for the year and reversal of total depreciation and write-downs on assets which were disposed of or decommissioned during the year	-917	-216
	Total depreciation and write-downs on the balance sheet date	**77,656**	**70,622**
	Total other tangible assets on the balance sheet date	**14,731**	**14,999**
	The bank is a lessee under leases for other tangible assets, which are recognised at:	104	207

Note no.		31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
28	**Deferred tax assets**		
	The calculated provisions for deferred tax relate to the following balance sheet items:		
	Loans and other receivables	77,220	31,325
	Securities and financial instruments	-52,423	-10,326
	Intangible assets	-18,855	-22,169
	Tangible assets	8,649	4,597
	Other balance sheet items	8,442	7,836
	Total deferred tax assets	**23,033**	**11,263**
	Deferred tax assets, beginning of year	11,263	17,868
	Adjustment of amount at beginning of year (transferred to current tax)	20,773	0
	Deferred tax for the year	-11,928	-6,605
	Adjustment of deferred tax due to change in tax rate (factor increase)	2,925	0
	Total deferred tax assets	**23,033**	**11,263**
29	**Other assets**		
	Interest and commission receivable	132,024	78,373
	Positive market value of derivative financial instruments	150,673	117,478
	Collateral under CSA agreements	226,293	20,720
	Miscellaneous debtors and other assets	117,925	142,895
	Other deposits	50,575	47,700
	Total other assets	**677,490**	**407,166**
30	**Debt to credit institutions and central banks***		
	Demand	758,592	803,571
	Up to and including 3 months	331,075	62,901
	More than 3 months and up to and including 1 year	1,128,099	53,704
	More than 1 year and up to and including 5 years	758,383	405,266
	More than 5 years	591,609	704,733
	Total debt to credit institutions and central banks	**3,567,758**	**2,030,175**
	** See also note 44.*		
	Distributed as follows:		
	Debt to credit institutions	3,567,758	2,030,175
		3,567,758	**2,030,175**
31	**Deposits and other debt**		
	Demand*	35,665,320	32,744,980
	Deposits and other debt with notice:		
	Up to and including 3 months	2,190,631	853,645
	More than 3 months and up to and including 1 year	2,577,901	1,620,263
	More than 1 year and up to and including 5 years	621,464	532,593
	More than 5 years	2,671,622	2,450,705
	Total deposits and other debt	**43,726,938**	**38,202,186**
	of which deposits covered by the Guarantee Fund	55.6%	59.2%
	Distributed as follows:		
	Demand	34,739,640	32,632,512
	With notice	2,185,866	1,246,496
	Time deposits	3,106,657	968,119
	Long-term deposit agreements	758,090	902,960
	Special types of deposits*	2,936,685	2,452,099
		43,726,938	**38,202,186**

** Special types of deposits are entered under the item "Demand" pending payment whereas, in the specification of the different types of deposits, the sum is included under "Special types of deposit".*

Note no.		31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
32	**Issued bonds at amortised cost***		
	Up to and including 3 months	259,405	0
	More than 3 months and up to and including 1 year	368,799	372,191
	More than 1 year and up to and including 5 years	2,450,260	1,982,321
	More than 5 years	1,177,034	606,910
	Total issued bonds at amortised cost	**4,255,498**	**2,961,422**

** See also note 44.*

Note no.		31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
33	**Other liabilities**		
	Interest and commission payable	62,372	24,750
	Negative market value of derivative financial instruments	366,884	70,605
	Collateral under CSA agreements	23,309	15,752
	Miscellaneous creditors and other liabilities	581,406	617,847
	Total other liabilities	**1,033,971**	**728,954**
34	**Provisions for pensions and similar liabilities**		
	Pension obligations taken over on the merger	0	2,473
	Total provisions for pensions and similar liabilities	**0**	**2,473**

35 Subordinated debt*

Type	Interest	Currency	Million	Due date	Possible early repayment date	31 Dec. 2022	31 Dec. 2021
Tier 2 capital							
Bond loan**	Fixed-rate	DKK	500	13 June 2028	13 June 2023	500,000	500,000
Bond loan***	Floating-rate	DKK	300	13 June 2030	13 June 2025	300,000	300,000
Bond loan****	Floating-rate	EUR	100	22 Aug. 2029	22 Aug. 2024	743,645	743,630
Bond loan*****	Floating-rate	DKK	500	11 Jan. 2032	11 Jan. 2027	500,000	500,000
Total tier 2 capital (included in total capital)						**2,043,645**	**2,043,630**
Adjustment to amortised cost and fair value adjustment						-7,119	875
Total subordinated debt						**2,036,526**	**2,044,505**

* *See also note 44.*

** *Issued on 13 June 2018. The interest rate is a fixed rate corresponding to a 5-year mid-swap plus 1.65% p.a., after which the interest rate will be a floating rate corresponding to Cibor 6M plus 1.65% p.a. interest expenses etc. – 2022: tDKK 11,283, 2021: tDKK 11,283. Costs of raising loan: tDKK 2,500*

*** *Issued on 13 June 2018. The interest rate is a floating rate corresponding to the Cibor 6M plus 1.85% p.a. interest expenses etc. – 2022: tDKK 6,269, 2021: tDKK 5,460. Costs of raising loan: tDKK 1,500*

**** *Issued on 22 August 2019. The interest rate is a floating rate corresponding to the Euribor 3M plus 1.75% p.a. interest expenses etc. – 2022: tDKK 12,503, 2021: tDKK 9,557. Costs of raising loan: tDKK 2,462*

***** *Issued on 11 October 2021. The interest rate is a floating rate corresponding to the Euribor 3M plus 1.10% p.a. interest expenses etc. – 2022: tDKK 5,487, 2021: tDKK 1,011. Costs of raising loan: tDKK 1,750*

Note no.		31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
36	**Share capital**		
	Number of DKK 1 shares:		
	Beginning of year	29,067,721	29,228,321
	Cancellation during the year	-688,055	-160,600
	End of year	**28,379,666**	**29,067,721**
	of which reserved for subsequent cancellation	826,527	635,805
	Total share capital	**28,380**	**29,068**

The whole share capital has been admitted for listing on Nasdaq Copenhagen.

Note no.		31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
37	**Own shares**		
	Own shares included in the balance sheet at	0	0
	Market value	783,548	558,397
	Number of own shares:		
	Beginning of year	635,988	165,644
	Purchase during the year	1,781,303	1,792,600
	Sale during the year	-902,709	-1,161,656
	Cancellation during the year	-688,055	-160,600
	End of year	826,527	635,988
	of which reserved for subsequent cancellation	826,527	635,805
	Nominal value of holding of own shares, end of year	827	636
	Own shares' proportion of share capital, end of year (%):		
	Beginning of year	2.2	0.6
	Purchase during the year	6.3	6.2
	Sale during the year	-3.2	-4.0
	Cancellation during the year	-2.4	-0.6
	End of year	2.9	2.2
	The purchases and sales of own shares during the year were effected on the basis of the bank's ordinary trading in shares and share buy-back programmes.		
38	**Contingent liabilities etc.**		
	Contingent liabilities		
	Financial guarantees	2,345,714	3,673,137
	Guarantees against losses on mortgage credit loans	2,199,287	3,065,101
	Registration and refinancing guarantees	2,163,492	2,713,942
	Sector guarantees	104,485	105,626
	Other contingent liabilities	756,701	712,622
	Total contingent liabilities	**7,569,679**	**10,270,428**
	Other contractual obligations		
	Irrevocable credit undertakings etc.	84,055	781,832
	Total other contractual obligations	**84,055**	**781,832**
39	**Assets provided as security**		
	First-mortgage loans are provided for renewable energy projects. The loans are funded directly by KfW Bankengruppe, to which security in the associated loans has been provided. Each reduction of the first-mortgage loans is deducted directly from the funding at KfW Bankengruppe. The balance sheet item is	**1,041,125**	**1,171,093**
	Pledged to Danmarks Nationalbank as collateral for clearing etc.:		
	Securities	**0**	**114,020**
	Balance in current account with Danmarks Nationalbank	**35,531**	**0**
	Collateral under CSA agreements etc.	**226,293**	**20,720**

Note
no.

40 Contractual obligations

The following information is provided on material contractual obligations:

- The bank is a member of the association Bankdata. If the bank terminates its membership, it is liable to pay an exit charge.
- Like the rest of the Danish banking sector, the bank has an obligation to make payments to the Guarantee Fund and the Resolution Fund.

41 Legal proceedings etc.

The bank is not party to legal proceedings expected to result in major losses and therefore to substantial alteration of the accounts.

42 Related parties

Persons comprised and definition

Related parties comprise both physical and legal persons who or which have a controlling interest in or control the bank.

The bank has no owners, including legal persons which have a controlling or significant interest in or control the bank.

The bank's related parties are thus the members of the bank's board of directors and general management and their related parties.

Board members are elected in part by the bank's shareholders' committee and in part by the bank's employees, and the members of general management are employed by the board of directors on recommendation by the board's nomination committee.

The bank also has a subsidiary, Sæbygård Skov A/S, and an associated company Tarm Plantage ApS.

Transactions with related parties

There were no transactions with members of the board of directors and general management or their related parties in 2022 except

- payment of salaries and remuneration etc. to the members of the bank's board of directors and general management
- securities trading
- deposit activities
- loans and provision of collateral security, and
- other day-to-day banking business.

All transactions during the year with related parties were on market terms or on an at-cost basis.

Information on the remuneration paid to the board of directors and general management is given in note 8 and the remuneration report for 2022.

Information on the size of loans, mortgages, sureties and guarantees provided to members of the bank's board of directors and general management, the collateral security received and shareholdings is given in this note. The information in this note covers these parties' personal exposures and those of their related parties.

Note no.

42 Related parties – continued

Amounts of loans issued to and mortgages, sureties or guarantees issued for the members of the bank's organs:	**31 Dec. 2022** DKK 1,000	**31 Dec. 2021** DKK 1,000
Board of directors, including members elected by the employees	30,986	48,814
Interest rate	2.22%-21,35%	0.75%-19.50%
General management	1,330	1,330
Interest rate	4.22%-7,42%	2.75%-5.95%
New exposures during the year have been granted for a net All exposures are on market terms, including both interest and guarantee commission rates.	10,502	27,995
Security provided by members of the bank's organs:		
Board of directors, including members elected by the employees	12,916	6,702
General management	0	0
Shareholdings* of the board of directors and general management in Ringkjøbing Landbobank at the end of the year	No. of shares	No. of shares
Board of directors:		
Martin Krogh Pedersen, chairman	36,015	30,015
Mads Hvolby, deputy chairman	3,204	3,204
Jens Møller Nielsen, deputy chairman	270	270
Morten Jensen	1,100	1,100
Jon Steingrim Johnsen	0	0
Anne Kaptain (joined on 2 March 2022)	16	-
Jacob Møller	795	785
Lone Rejkjær Söllmann	999	978
Sten Uggerhøj (retired on 2 March 2022)	-	30,122
Dan Junker Astrup	298	163
Arne Ugilt	839	839
Gitte E.S.H. Vigsø	132	293
Finn Aaen	608	555
General management:		
John Bull Fisker	76,015	76,015
Claus Andersen	1,947	1,947
Jørn Nielsen	8,939	9,089
Carl Pedersen	1,378	1,289

** Shares owned by members of management and their personal related parties.*

Note
no.

43 Fair value of financial instruments

Financial instruments are measured in the balance sheet at either fair value or amortised cost (with consideration to risk cover that fulfils the conditions applying to hedge accounting).

Fair value is the amount at which a financial asset can be traded or at which a financial liability can be repaid between agreed independent parties. The fair values of financial assets and liabilities priced on active markets are calculated on the basis of observed market prices on the balance sheet date. The fair values of financial instruments which are not priced on active markets are calculated on the basis of generally recognised pricing methods.

Shares etc., investments in associated companies and subsidiaries, assets linked to pooled schemes and derivative financial instruments are measured in the accounts at fair value. Recognised amounts equal fair values.

Loans are measured in the balance sheet at amortised cost plus any fair value hedging.
The difference from fair values is calculated as fees and commission received, costs paid in the lending activities, and for fixed-interest loans, the value adjustment which is dependent on the interest level. This, in turn, is calculated by comparing the actual market interest rate with the nominal rate applying to the loans. The stage 1 impairment charges stated on the balance sheet date are also added.

The fair value of receivables from credit institutions and central banks is determined by the same method as for loans.

For floating-rate financial liabilities in the form of deposits and debt to credit institutions measured at amortised cost, it is estimated that the carrying value corresponds to the fair value. For fixed-rate financial liabilities in the form of deposits and debt to credit institutions measured at amortised cost, the difference from fair values is estimated to be the value adjustment which is dependent on interest level.

Deposits in pooled schemes are measured in the accounts at fair value. Recognised amounts equal fair values.

Issued bonds and subordinated debt are measured at amortised cost plus any fair value hedging, which is estimated to correspond to the fair value.

Note no.

43 Fair value of financial instruments – continued

	31 Dec. 2022 Book value DKK 1,000	31 Dec. 2022 Fair value DKK 1,000	31 Dec. 2021 Book value DKK 1,000	31 Dec. 2021 Fair value DKK 1,000
Financial assets				
Cash in hand and demand deposits with central banks	4,750,398	4,750,398	3,459,464	3,459,464
Receivables from credit institutions and central banks*	776,039	776,039	216,097	216,097
Loans and other receivables at amortised cost*	48,437,342	48,611,400	41,237,540	41,509,682
Bonds at fair value*	6,811,728	6,811,728	6,756,373	6,756,373
Shares etc.	1,331,791	1,331,791	1,467,417	1,467,417
Investments in associated companies	481	481	481	481
Investments in subsidiaries	11,982	11,982	12,020	12,020
Assets linked to pooled schemes	4,972,840	4,972,840	5,537,863	5,537,863
Derivative financial instruments	150,673	150,673	117,478	117,478
Total financial assets	**67,243,274**	**67,417,332**	**58,804,733**	**59,076,875**
Financial liabilities				
Debt to credit institutions and central banks*	3,577,849	3,535,296	2,030,582	2,030,700
Deposits and other debt*	43,747,721	43,740,175	38,195,382	38,195,161
Deposits in pooled schemes	4,972,840	4,972,840	5,537,863	5,537,863
Issued bonds at amortised cost*	4,277,336	4,277,336	2,975,764	2,975,764
Derivative financial instruments	366,884	366,884	70,605	70,605
Subordinated debt*	2,045,954	2,045,954	2,052,632	2,052,632
Total financial liabilities	**58,988,584**	**58,938,485**	**50,862,828**	**50,862,725**

** The item includes calculated interest on the balance sheet date. The calculated interest in the balance sheet is included under the items “Other assets” and “Other liabilities”.*

Note no.		31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
44	**Hedging***		
	Fixed-rate loans at book value	**328,788**	**194,821**
	Hedged by currency swap (EUR/DKK), maturity 2025:		
	Synthetic principal	149,101	149,098
	Fair value	8,925	-4,393
	Hedged by interest rate swaps, maturity 2026-2035:		
	Synthetic principal	179,887	46,219
	Fair value	7,174	-1,113
	Fixed-rate debt to credit institutions at book value	**557,734**	**-**
	Hedged by interest rate swap, maturity 2024:		
	Synthetic principal	557,734	-
	Fair value	-18,255	-
	Issued bonds at book value	**3,105,355**	**1,698,264**
	Hedged by currency swaps (EUR/DKK), maturity 2023-2039:		
	Synthetic principal	1,154,662	1,005,846
	Fair value	-125,929	20,965
	Hedged by currency swaps (SEK/DKK), maturity 2026:		
	Synthetic principal	684,182	-
	Fair value	-55,369	-
	Hedged by currency swaps (NOK/DKK), maturity 2027:		
	Synthetic principal	189,375	-
	Fair value	-13,300	-
	Hedged by interest rate swaps, maturity 2023-2029:		
	Synthetic principal	1,140,552	694,363
	Fair value	-34,119	4,211
	Tier 2 capital at book value	**500,000**	**500,000**
	Hedged by interest rate swap, maturity 2023:		
	Synthetic principal	500,000	500,000
	Fair value	-46	10,201
	Hedging is thus:		
	Currency swaps – total synthetic principal	2,177,320	1,154,944
	Interest rate swaps – total synthetic principal	2,378,173	1,240,582
	Fair value – currency swaps	-185,673	16,572
	Fair value – interest rate swaps	-45,246	13,299
	Value adjustment for the year is distributed as follows:		
	Currency swaps	-140,792	-27,125
	Interest rate swaps	-54,196	-6,486
	Fixed-rate loans	-21,692	-4,492
	Fixed-rate debt to credit institutions	17,978	3,886
	Issued bonds	189,168	34,217
	Tier 2 capital	9,534	0
	Total effect on profit	**0**	**0**

** Fair value hedging only.*

Note no.

45 Risks and risk management

The bank is exposed to various financial risks in its operations, including credit risks, market risks and liquidity risks. There are also a number of non-financial risks, including money laundering and financing of terrorism, IT risks and other operational risks.

The framework for the bank's risk-taking is established by the board of directors, which has adopted a policy for each individual risk area which includes a definition of the bank's risk profile in that area. The board reviews and reassesses each policy at least once a year in connection with its position on the bank's general business model and risk profile, or more often if needed.

The bank's general principle for risk-taking is only to take risks within a moderate risk profile which it has the expertise to manage.

The board of directors' review of the bank's business model and associated policies for each individual risk area is based on various risk reports which are supplied to the board.

The reports describe the various risks to which the bank is exposed and give the board a complete picture of the bank's general risk profile. In line with the market possibilities, the board then assesses whether to adjust the bank's business model and risk profile. The reports also act as a basis for a possible decision on adaptation of the policies in the various risk areas.

Apart from the strategic risk management, there is ongoing central operational management and monitoring of the bank's risks in each area. This monitoring is reported to the bank's general management and board of directors. The management function and the control and reporting functions are separate, and the work is performed by different central staff functions in the bank.

The bank's risk manager ensures full reporting of risks which provides an adequate picture of the bank's actual risk taking. In this context, the risk manager prepares a risk management report to the board of directors' risk committee.

See the following notes for a detailed description of risks and policies and objectives for the management of these risks:

- Credit risks – note 46 – page 85
- Market risks – note 47 – page 96
- Interest rate risks – note 48 – page 97
- Foreign exchange risks – note 49 – page 98
- Share price risks – note 50 – page 99
- Value at Risk – note 51 – page 100
- Property risks – note 52 – page 101
- Liquidity risks – note 53 – page 102
- Operational risks – note 54 – page 104

The following notes to the financial statements also contain detailed information and descriptions of the bank's risks.

Note
no.

46 Credit risks

Credit risk is defined as the risk that payments owing to the bank are non-recoverable because the debtor is either unable or unwilling to pay at the agreed time. Credit risk is the most significant risk area in the bank.

In general, the bank assumes moderate credit risks on the basis of policy objectives of striking the right balance between assumed risks and return gained by the bank and keeping the bank's losses below the level of losses in the Danish financial sector.

No material changes were made to the assumptions, objectives, exposures or calculation methods etc. in 2022 relative to the previous year.

General information on the portfolio, its management and risk profile

Over the years, Ringkjøbing Landbobank has developed to its present status as a local bank in West, Central and North Jutland while also operating within selected niches.

The local section is run via branches in the bank's core areas in West, Central and North Jutland. The most important areas within the niche are a private banking concept covering asset management for affluent personal clients, medical practitioners' and dentists' purchases of private practices, loans for the financing of renewable energy including wind turbines, biogas and solar cell systems, and selected wholesale loans, including real property financing.

An important common factor in the niche loans is that the bank attempts to obtain a first mortgage and thereby satisfactory security in the mortgaged assets, which is an important part of its business philosophy.

Historically, Ringkjøbing Landbobank has always operated a sound credit policy, and its focus will remain on ensuring efficient management and monitoring of its total portfolio of loans via its central credit function.

The central credit function regularly reviews and follows up all large exposures. Apart from this routine credit monitoring and management, the bank has developed a set of credit evaluation models which are used to assess the quality of the credit exposure. The models take various factors into account.

The personal customer models (for personal and small business customers) are based on information on the customer's assets, debt gearing and disposable amount as well as a range of behavioural data.

The models for major business customers are based on information on the customer's financial standing and earning capacity.

Credit exposure

The bank's credit exposure has increased in recent years in step with the growth in its loan portfolio.

Maximum credit exposure classified by balance sheet and off-balance sheet items (after impairment charges and provisions)

	31 Dec. 2022 DKK 1,000	**31 Dec. 2021** DKK 1,000
Loans and other receivables at amortised cost	48,341,941	41,179,255
Guarantees	7,503,083	10,173,221
Unutilised credit facilities and credit undertakings*	20,583,956	21,208,177
Other exposures, including derivative financial instruments	1,072,417	1,006,348
Total maximum credit exposure	**77,501,397**	**73,567,001**

** On 31 December 2022 the bank had provided unutilised credit facilities and credit undertakings to a total of DKK 20.6 billion (2021: DKK 21.2 billion). Committed credit facilities and credit undertakings were DKK 84.0 million (2021: DKK 781.8 million).*

Note no.

46 Credit risks – continued

Security received

When entering into transactions with its customers, Ringkjøbing Landbobank wants to reduce the risk as much as possible by obtaining collateral in the form of physical assets, securities, bank deposits etc. as well as guarantees, including by surety.

The bank regularly monitors the value of collateral security obtained, and the related loan values are calculated in accordance with the bank's internal procedures as follows:

- Detached houses, owner-occupied flats and holiday homes are valued at fair value less a deduction.
- Rental properties are valued at fair values calculated on the basis of profitability analyses less a deduction.
- Movables and production facilities are in principle valued at book value less a deduction.
- Agricultural properties are valued on the same principles as used by the Danish FSA, except that the bank applies lower prices for farmland.
- Securities are valued at fair value less a safety margin.
- Wind turbines and solar energy plants are valued at the present value of the calculated cash flow over the assets' expected/remaining lives. The calculation is based on the expected output in a normal year.

The deductions are made to cover the risk in connection with realisation, costs etc.

			Security received				
	Maximum credit exposure	**Loans and guarantees**	**Real property**	**Movables**	**Securities and cash**	**Other security***	**Total**
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
31 Dec. 2022							
Public authorities	**23,745**	**2,388**	**702**	**1,348**	**843**	**120**	**3,013**
Business customers:							
Agriculture, forestry and fisheries	5,687,342	4,367,757	1,613,811	698,809	159,823	1,323,888	**3,796,331**
Industry and raw materials extraction	2,957,433	2,001,414	282,104	662,525	54,057	212,776	**1,211,462**
Energy supply	5,539,631	4,301,792	247,940	500	36,073	1,977,800	**2,262,313**
Building and construction	3,234,559	2,065,485	705,761	201,131	165,546	153,922	**1,226,360**
Trade	3,382,669	2,311,666	582,236	676,697	86,983	94,864	**1,440,780**
Transport, hotels and restaurants	1,034,260	808,522	362,295	74,447	63,927	213,671	**714,340**
Information and communication	292,301	173,738	67,180	43,595	23,196	10,757	**144,728**
Finance and insurance	9,317,870	6,005,502	513,705	832,112	1,911,538	386,785	**3,644,140**
Real property	13,619,395	10,480,129	6,173,461	17,217	546,817	455,358	**7,192,853**
Other business customers	6,800,451	3,796,549	1,342,454	250,348	1,129,790	269,118	**2,991,710**
Total business customers	**51,865,911**	**36,312,554**	**11,890,947**	**3,457,381**	**4,177,750**	**5,098,939**	**24,625,017**
Private individuals	**25,611,741**	**19,530,082**	**9,520,495**	**2,412,294**	**1,816,245**	**2,236,228**	**15,985,262**
Total	**77,501,397**	**55,845,024**	**21,412,144**	**5,871,023**	**5,994,838**	**7,335,287**	**40,613,292**

** Includes security in the form of wind turbines, farms, mortgaged share capital, surety etc.*

Note
no.

46 Credit risks – continued

Security received – continued

	Maximum credit exposure	Loans and guarantees	Security received				
			Real property	Movables	Securities and cash	Other security*	Total
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
31 Dec. 2021							
Public authorities	**22,470**	**2,020**	**117**	**963**	**912**	**120**	**2,112**
Business customers:							
Agriculture, forestry and fisheries	5,742,096	4,147,045	1,502,751	777,203	190,273	1,483,151	**3,953,378**
Industry and raw materials extraction	2,576,960	1,621,696	226,662	534,402	17,298	171,128	**949,490**
Energy supply	4,702,091	3,510,502	92,425	700	21,721	2,183,499	**2,298,345**
Building and construction	3,235,952	1,929,500	734,221	186,528	173,580	139,831	**1,234,160**
Trade	3,122,538	1,746,443	499,554	508,192	112,322	106,063	**1,226,131**
Transport, hotels and restaurants	1,164,156	933,470	287,185	74,301	108,899	374,852	**845,237**
Information and communication	405,912	277,166	94,823	60,206	19,218	68,223	**242,470**
Finance and insurance	8,027,396	4,956,447	296,928	386,246	1,632,097	502,247	**2,817,518**
Real property	12,893,856	8,940,036	5,527,036	19,498	486,740	625,880	**6,659,154**
Other business customers	6,203,776	3,381,542	1,192,305	265,603	686,408	320,325	**2,464,641**
Total business customers	**48,074,733**	**31,443,847**	**10,453,890**	**2,812,879**	**3,448,556**	**5,975,199**	**22,690,524**
Private individuals	**25,469,798**	**19,906,609**	**8,954,470**	**2,060,668**	**1,319,083**	**2,721,142**	**15,055,363**
Total	**73,567,001**	**51,352,476**	**19,408,477**	**4,874,510**	**4,768,551**	**8,696,461**	**37,747,999**

** Includes security in the form of wind turbines, farms, mortgaged share capital, surety etc.*

The tables above only show loan values corresponding to the maximum credit exposure for the individual exposure. If the loan value for the individual exposure exceeds the maximum credit exposure allowed, the surplus loan value is not included in the tables.

As a result of general cautiousness when computing loan values, the possible realisation values are often higher than the loan values shown. In a number of instances, customers' drawdown of their maximum credit facilities is also conditional upon their ability to deposit additional security.

The real collateral values for the maximum credit risk are therefore actually higher than indicated in the tables.

In addition, a portion of the undrawn credit lines which are part of the maximum credit exposure is in closed circuits, where the bank has financed assets without enabling the customers to claim any undrawn credit facilities. The maximum credit exposure is consequently lower in practice than indicated in the tables.

Note no.

46 Credit risks – continued

Credit concentration

The key figure for large exposures is defined as the sum of the bank's 20 largest exposures relative to its common equity tier 1 capital.

The credit quality of the bank's 20 largest exposures is generally high. One of the exposures shows objective evidence of credit impairment, but the exposure is largely covered by security. None of the other exposures show any material signs of weakness.

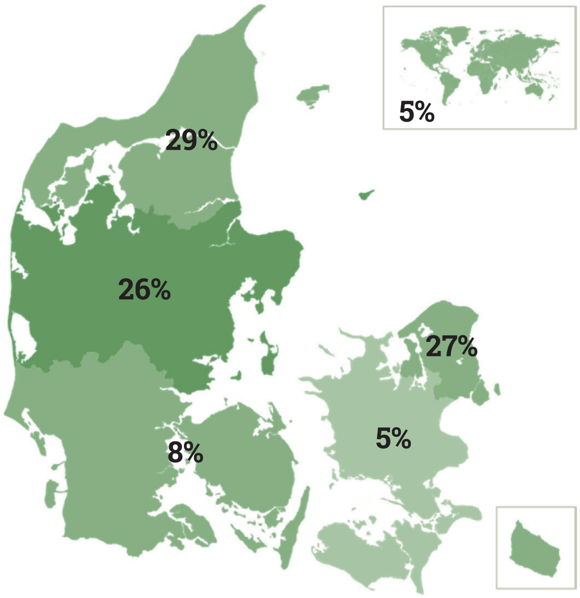
Credit concentration

	End of 2022	End of 2021	End of 2020	End of 2019	End of 2018
Total large exposures	118.0%	109.8%	99.8%	121.0%	106.0%

Explanation: The Danish FSA key figure "Total large exposures".

Geographical diversification

As the figure below shows, considerable geographical diversification of the bank's portfolio of loans and guarantees has been achieved via both the local and niche sections.



Explanation: Distribution of the bank's portfolio of loans and guarantees before impairments and provisions, based on the customers' addresses.

Note
no.

46 Credit risks – continued

Diversification across industries

The loans via the bank's niche have helped to ensure major diversification in the bank's loan portfolio, so that this portfolio is less exposed to cyclical economic fluctuations than it would be if the bank were run exclusively as a local bank.

A more detailed distribution by sector and industry of the items "Loans and other receivables at amortised cost" and "Guarantees" (less provisions for losses on guarantees) is given below.

Loans and guarantees in percent, end of year, by sector and industry (net)*

	31 Dec. 2022 DKK 1,000	31 Dec. 2022 Percent	31 Dec. 2021 DKK 1,000	31 Dec. 2021 Percent
Public authorities	**2,388**	**0.0**	**2,020**	**0.0**
Business customers:				
Agriculture, hunting and forestry				
Cattle farming etc.	587,975	1.1	587,222	1.1
Pig farming etc.	501,863	0.9	560,772	1.1
Other agriculture, hunting and forestry	2,518,250	4.5	2,258,418	4.4
Fisheries	759,669	1.4	740,633	1.4
Industry and raw materials extraction	2,001,414	3.6	1,621,696	3.2
Energy supply				
Renewable energy	4,213,630	7.5	3,347,550	6.5
Other energy supply	88,162	0.2	162,952	0.3
Building and construction	2,065,485	3.7	1,929,500	3.8
Trade	2,311,666	4.1	1,746,443	3.4
Transport, hotels and restaurants	808,522	1.4	933,470	1.8
Information and communication	173,738	0.3	277,166	0.5
Finance and insurance	6,005,502	10.8	4,956,447	9.7
Real property				
Real property financing without prior creditors	8,061,051	14.4	6,743,210	13.1
Other real property financing	2,419,078	4.3	2,196,826	4.3
Other business customers	3,796,549	6.8	3,381,542	6.6
Total business customers	**36,312,554**	**65.0**	**31,443,847**	**61.2**
SMEs' share of this (in percentage points)	31,215,956	55.9	28,162,342	54.8
Private individuals	**19,530,082**	**35.0**	**19,906,609**	**38.8**
Total	**55,845,024**	**100.0**	**51,352,476**	**100.0**

** The distribution by sector and industry is made on the basis of Statistics Denmark's sector codes etc.*

Note no.

46 Credit risks – continued

Diversification across industries – continued

Comments on certain industries

The banks loans grew significantly in 2022 and this influenced the distribution by industry to a certain degree.

Loans and guarantees for renewable energy grew from 6.5% to 7.5%. The industry comprises financing of wind turbines, solar energy plants and biogas plants. Growth is primarily attributable to new loans to biogas plants. Security consists of mortgages on the plants and assignment in electricity accounts etc.

Loans and guarantees for finance and insurance grew from 9.7% to 10.8%. This industry includes exposure to well-consolidated financial counterparties, loans granted on mortgage deed portfolios, leasing companies and the bank's concept for securities lending. Security consists, among other things, of listed securities, mortgage deeds and lease assets.

Loans and guarantees for real property also increased, particularly property financing without prior creditors, which grew from 13.1% to 14.4%. These loans include first mortgages on real property and construction financing without prior creditors. The risk profile is judged to be lower than for traditional real property financing, which is typically junior to mortgage credit financing.

The share of loans and guarantees to personal customers decreased in the period. The reasons include a transfer of home loans for funding by Totalkredit, a decrease in guarantees for home loans and the fact that the share decreases automatically when the loans in other industries grow. Loans to the industry were mainly used to finance homes and the security received from personal customers consists primarily of mortgages on real property (private homes).

Note
no.

46 Credit risks – continued

Credit quality

The bank's assessment is that the credit quality of its loans is generally high. The ability of the bank's customers to pay is generally good and, combined with the bank's solid cover of many exposures through collateral, the result is low credit risks.

Loans, guarantees and unutilised credit facilities and credit undertakings by credit quality, sector and industry and IFRS 9 stages (before impairment and provisions)

Distribution by credit quality and stages

	Stage 1	Stage 2	Stage 3	Credit-impaired on initial recognition	Total	Total
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	Percent
31 Dec. 2022						
Credit quality						
High	58,193,355	51,430	0	0	**58,244,785**	**74.0**
Medium	11,063,228	2,409,161	0	0	**13,472,389**	**17.1**
Low	1,165,646	4,404,266	0	0	**5,569,912**	**7.1**
Credit-impaired	-	-	1,214,455	229,610	**1,444,065**	**1.8**
Total	**70,422,229**	**6,864,857**	**1,214,455**	**229,610**	**78,731,151**	**100.0**
Impairment charges etc.	**226,760**	**1,040,582**	**879,486**	**155,343**	**2,302,171**	
31 Dec. 2021						
Credit quality						
High	56,013,173	244,013	0	0	**56,257,186**	**75.2**
Medium	10,262,509	1,751,905	0	0	**12,014,414**	**16.0**
Low	1,215,687	3,570,338	0	0	**4,786,025**	**6.4**
Credit-impaired	-	-	1,499,175	287,173	**1,786,348**	**2.4**
Total	**67,491,369**	**5,566,256**	**1,499,175**	**287,173**	**74,843,973**	**100.0**
Impairment charges etc.	**251,041**	**858,497**	**983,163**	**190,619**	**2,283,320**	

The table shows exposures by high, medium and low credit quality as well as credit-impaired on initial recognition and indicates that the credit quality is high for 74.0% of the bank's exposures, a decrease compared to the 75.2% last year. Despite the marginal decrease, the credit quality remains high.

The categories high, medium and low credit quality do not translate directly into the Danish FSA's rating classes but, as a rule, high credit quality can be viewed as FSA rating classes 3 and 2a, medium credit quality as the best part of FSA rating class 2b, while low credit quality covers the rest of FSA rating classes 2b and 2c as well as the customers with objective evidence of impairment where losses are not expected in the most probable scenario. Exposures which are credit-impaired on initial recognition are those where losses are expected in the most probable scenario.

The credit quality is determined mainly on the basis of the customer's accounting figures and financial circumstances. Accounts reflect the economic situation with a natural delay, and falling house prices are only gradually incorporated into statements of assets and liabilities etc. Changes in the economic situation are consequently not reflected as an immediate decrease in credit quality. The present economic downturn is therefore only reflected to some degree in the credit quality stated. The bank is aware of this and has downward adjusted the credit quality of the largest customers. If the economic downturn continues, the stated credit quality is also expected to fall.

Note
no.

46 Credit risks – continued

Credit quality – continued

Loans, guarantees and unutilised credit facilities and credit undertakings by credit quality, sector and industry and IFRS 9 stages (before impairment and provisions) – continued

Distribution by sector and industry and stage

	Stage 1	Stage 2	Stage 3	Credit-impaired on initial recognition	Total	Total impairment charges etc.
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
31 Dec. 2022						
Public authorities	**23,442**	**374**	**660**	**0**	**24,476**	**731**
Business customers:						
Agriculture, forestry and fisheries	4,474,520	1,382,805	618,976	119,354	**6,595,655**	**974,753**
Industry and raw materials extraction	2,552,250	320,438	42,847	225	**2,915,760**	**59,694**
Energy supply	5,425,297	126,750	458	7,290	**5,559,795**	**37,758**
Building and construction	2,872,240	356,916	107,760	2,396	**3,339,312**	**104,887**
Trade	2,999,472	345,575	40,352	2,998	**3,388,397**	**82,139**
Transport, hotels and restaurants	877,953	166,483	12,764	1,587	**1,058,787**	**34,026**
Information and communication	255,802	30,660	25,681	0	**312,143**	**21,892**
Finance and insurance	8,678,227	484,874	38,501	0	**9,201,602**	**98,842**
Real property	12,457,659	1,126,304	70,608	31,571	**13,686,142**	**219,831**
Other business customers	5,983,638	534,520	55,741	2,405	**6,576,304**	**143,513**
Total business customers	**46,577,058**	**4,875,327**	**1,013,688**	**167,824**	**52,633,897**	**1,777,335**
Private individuals	**23,821,729**	**1,989,158**	**200,107**	**61,784**	**26,072,778**	**524,105**
Total	**70,422,229**	**6,864,857**	**1,214,455**	**229,610**	**78,731,151**	**2,302,171**
Total (percent)	**89.4**	**8.7**	**1.6**	**0.3**	**100.0**	

Note
no.

46 Credit risks – continued

Credit quality – continued

Loans, guarantees and unutilised credit facilities and credit undertakings by credit quality, sector and industry and IFRS 9 stages (before impairment and provisions) – continued

Distribution by sector and industry and stage

	Stage 1	Stage 2	Stage 3	Credit-impaired on initial recognition	Total	Total impairment charges etc.
	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000	DKK 1,000
31 Dec. 2021						
Public authorities	**21,929**	**375**	**479**	**0**	**22,783**	**614**
Business customers:						
Agriculture, forestry and fisheries	4,317,397	1,409,516	779,352	153,226	**6,659,491**	**993,851**
Industry and raw materials extraction	2,277,955	190,311	43,872	227	**2,512,365**	**54,352**
Energy supply	4,608,886	96,405	0	6,990	**4,712,281**	**28,590**
Building and construction	3,038,868	226,606	91,585	5,466	**3,362,525**	**128,206**
Trade	2,800,461	316,009	29,721	3,200	**3,149,391**	**89,312**
Transport, hotels and restaurants	950,632	209,282	37,771	1,861	**1,199,546**	**44,890**
Information and communication	363,571	35,872	24,157	0	**423,600**	**19,739**
Finance and insurance	7,254,369	680,927	54,078	0	**7,989,374**	**89,648**
Real property	12,172,671	600,708	94,271	30,399	**12,898,049**	**160,333**
Other business customers	5,407,604	480,891	90,747	3,554	**5,982,796**	**182,680**
Total business customers	**43,192,414**	**4,246,527**	**1,245,554**	**204,923**	**48,889,418**	**1,791,601**
Private individuals	**24,277,026**	**1,319,354**	**253,142**	**82,250**	**25,931,772**	**491,105**
Total	**67,491,369**	**5,566,256**	**1,499,175**	**287,173**	**74,843,973**	**2,283,320**
Total (percent)	**90.2**	**7.4**	**2.0**	**0.4**	**100.0**	

According to the table as at 31 December 2022 on page 92, 89.4 percent of the bank’s exposures are in stage 1, while 8.7% are in stage 2. The bank's exposures in stage 3 account for 1.9%. The group “Credit-impaired on initial recognition” is included as a part of stage 3.

The table shows that exposures in agriculture in particular are in stage 3. The principles for classification in stages are described in note 57 “Accounting policies etc.” in the section “Model for impairment of expected credit losses on loans and other receivables etc.”

The bank regularly assesses the classification in stages and during the year, some customers moved from stage 3 to stage 2.

Note no.

46 Credit risks – continued

Credit quality – continued

Loans in stage 3

	Loans (gross) with impairment charges	Impairment charges	Security for impaired loans
	DKK 1,000	DKK 1,000	DKK 1,000
31 Dec. 2022			
Public authorities	**660**	**621**	**45**
Business customers:			
Agriculture, forestry and fisheries	674,155	335,451	311,977
Industry and raw materials extraction	6,804	3,733	1,673
Energy supply	7,477	7,497	1
Building and construction	86,074	43,232	43,725
Trade	36,553	25,328	11,145
Transport, hotels and restaurants	12,862	8,676	4,232
Information and communication	24,182	16,303	7,335
Finance and insurance	35,399	12,816	23,024
Real property	100,874	40,276	54,506
Other business customers	52,730	34,694	16,554
Total business customers	**1,037,110**	**528,006**	**474,172**
Private individuals	**226,499**	**182,472**	**51,159**
Total	**1,264,269**	**711,099**	**525,376**
31 Dec. 2021			
Public authorities	**678**	**533**	**128**
Business customers:			
Agriculture, forestry and fisheries	829,987	405,495	373,691
Industry and raw materials extraction	6,368	4,455	2,080
Energy supply	6,835	7,008	0
Building and construction	74,478	47,408	27,373
Trade	26,492	23,330	5,021
Transport, hotels and restaurants	34,510	18,408	10,081
Information and communication	21,067	12,389	9,550
Finance and insurance	51,952	15,752	33,378
Real property	123,447	46,244	54,269
Other business customers	86,818	68,963	19,871
Total business customers	**1,261,954**	**649,452**	**535,314**
Private individuals	**298,600**	**224,632**	**81,158**
Total	**1,561,232**	**874,617**	**616,600**

The bank is particularly focused on covering the risk on exposures which have been impaired. Under the bank's credit policy, these exposures must be covered to the greatest possible extent by collateral. When determining the need for an impairment charge, the value of collateral is included at the expected net realisation value in different scenarios. When determining the need for an impairment charge, the bank makes only modest allowance for the ability to make payments over and above the value of collateral.

Note no.

46 Credit risks – continued

Credit quality – continued

Suspended interest

The credit quality is also documented by the size of exposures with suspended interest.

	31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
Loans and other receivables with suspended interest on the balance sheet date	**81,176**	**97,757**

Other credit risks

Exposure to financial counterparties, and consequently a credit risk, including a settlement risk, arises from the bank's loans to other banks, its possession of bonds, its trading in securities, foreign currency and derivative financial instruments, and its payment handling.

The settlement risk is the risk that the bank will not receive payment or securities corresponding to the securities and/or payments which it had made and delivered in the context of trades in securities and/or currency.

The bank's board of directors grants lines for credit risks and settlement risks on financial counterparties. When granting lines, account is taken of the individual counterparty's risk profile, any rating, size, and financial circumstances, and there is continuous follow-up of the lines which are granted. The bank also mitigates its settlement risk concerning clearing of foreign exchange via its membership of a clearing partnership (referred to as the CLS partnership).

The bank has also entered into a number of CSA (Credit Support Annex) agreements in connection with ISDA (International Swaps and Derivatives Association) agreements which had been signed. The CSA agreements contribute to reducing the credit risk for either the bank or the financial counterparties in derivatives contracts. Whether hedging covers the bank or the financial counterparty with whom the individual derivatives contract was signed depends on the market value of the derivatives in question.

The bank's policy is to keep the credit risk exposure to financial counterparties at a balanced level relative to the bank's size, and limit it to credit institutions of good credit quality.

Receivables from central banks and credit institutions

One of the major items of credit risk exposure to financial counterparties is receivables from central banks and credit institutions. The bank has assumed only a moderate risk on this item and all of the total receivables from central banks and credit institutions are thus due on demand.

The bond portfolio

The bank's bond portfolio is another major item involving credit risk exposure to financial counterparties.

The majority of the bond portfolio is AAA-rated Danish mortgage credit bonds.

The bank also has a portfolio of corporate bonds etc. The credit quality of these bonds is good, but their market value can vary over time in connection with general changes in credit spreads in the market, and company-specific circumstances can also affect the value of these bonds.

The 11% non-rated securities includes non-preferred senior issues.

Please also refer to note 22.

Note no.

46 Credit risks – continued

Derivative financial instruments

The positive market value of derivative financial instruments increased during the year.

	31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
Positive market value (by counterparty risk) after netting		
Counterparty risk weighting 20%	42,315	19,998
Counterparty risk weighting 50%	50,102	24,611
Counterparty risk weighting 75%	12,727	19,452
Counterparty risk weighting 100%	13,416	30,941
Counterparty risk weighting 150%	78	4,467
Total risk weighting	**118,638**	**99,469**

47 Market risks

Market risk is defined as the risk that the market value of the bank's assets and liabilities will change as a result of fluctuations in market conditions. The bank's total market risk comprises interest rate risks, foreign currency risks, share price risks and property risks. The bank's basic policy is to keep total market risks at a moderate level.

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

The bank uses derivatives to hedge and manage the various market risk types if it wishes to reduce or eliminate the market risks which it has assumed.

To supplement the more traditional measures of market risk, the bank uses a mathematical/ statistical model to compute market risks. The model is used to compute Value at Risk (VaR), which is regularly reported to the bank's management. The model is thus used as one of a number of tools in the bank's management of market risks. Please see note 51 on page 100 for information.

Note no.

48 Interest rate risks

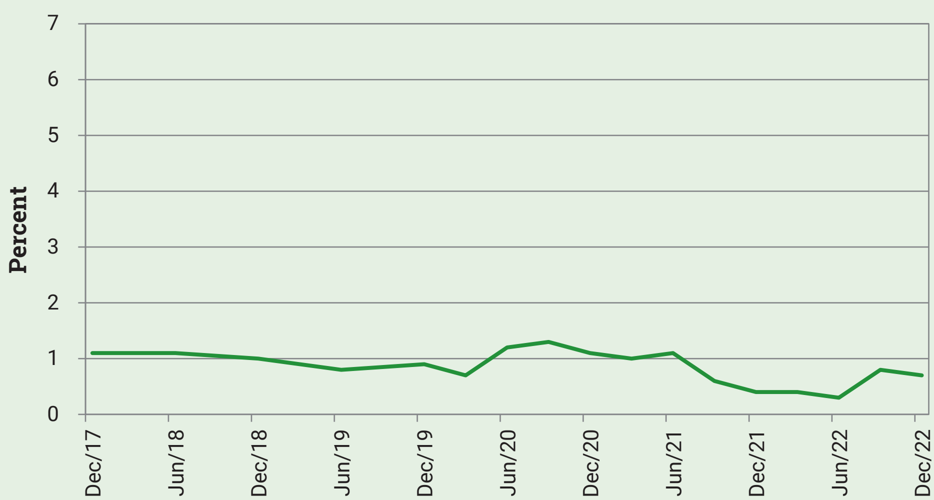
The bank's lending and deposit activities and accounts with credit institutions are mostly based on a floating rate. However, the bank also has certain fixed-rate financial assets and liabilities which are monitored continuously, and hedging transactions are entered into as needed, with a consequent reduction of the interest rate risk.

Ringkjøbing Landbobank's policy is to maintain a moderate interest rate risk, so it does not assume high levels of exposure to movements in interest rates.

The bank's securities department monitors and manages its interest rate risk daily. The bank's accounts department checks that the limits for assumption of interest rate risk are observed, and reports to the bank's board of directors and general management.

As the figure shows, the bank has had a moderate interest rate risk over the last five years, in accordance with its policy for this type of risk.

Interest rate risk



Explanation: The interest rate risk shows the impact on profit of a one percentage point change in interest rate level

Note no.		31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
48	**Interest rate risks – continued**		
	Total interest rate risk, including by foreign currency		
	Total interest rate risk	**60,813**	**31,033**
	Interest rate risk (%)	**0.7**	**0.4**
	Interest rate risk by foreign currency:		
	DKK	59,858	24,064
	CHF	-133	-163
	EUR	1,096	6,706
	GBP	-630	-529
	NOK	121	196
	SEK	304	307
	USD	198	469
	Other currencies	-1	-17
	Total	**60,813**	**31,033**

49 Foreign exchange risks

The bank's principal currency is the Danish krone, but it has also entered into lending and deposit activities, owns securities, and has issued bonds and raised loans in other currencies.

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

The bank's foreign department manages its positions in foreign exchange daily, while the accounts department monitors compliance with limits and reports to the board of directors and general management.

As in previous years, the bank's foreign exchange risk in 2022 was at an insignificant level.

	31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
Assets and liabilities in foreign currency and foreign exchange indicators		
Total assets in foreign currency	5,710,341	5,753,404
Total liabilities in foreign currency	9,741,588	5,653,534
Foreign exchange indicator 1	87,595	112,524
Foreign exchange indicator 1 as a percentage of tier 1 capital (%)	**1.1**	**1.5**
Foreign exchange indicator 2	1,052	100
Foreign exchange indicator 2 as a percentage of tier 1 capital (%)	**0.0**	**0.0**

Note
no.

50 Share price risks

The bank is a co-owner of various sector companies such as BI Holding A/S (BankInvest), Bokis A/S, DLR Kredit A/S, Letpension Holding A/S, PRAS A/S and others.

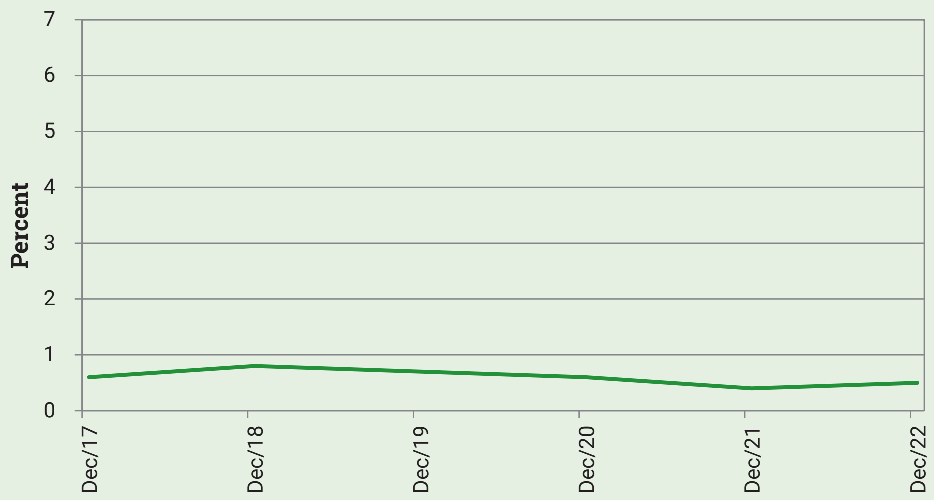
These holdings are comparable with the wholly-owned subsidiaries of major banks, and the equity interests are thus not deemed to be a part of the bank's share price risk. The bank also holds a small portfolio of listed shares etc.

The holding of shares etc. amounted to DKK 1,332 million at the end of the year, with DKK 37 million in listed shares and investment fund certificates and DKK 1,295 million in sector shares etc. Please see note 23 on page 73 for a specification.

The bank's policy is to maintain a moderate exposure to share price risk. The securities department undertakes the daily management of the bank's share portfolio, while the accounts department monitors limits and reports to general management and the board of directors.

As is evident from the figure below, the bank's exposure to shares, excluding sector and bond-based investment fund certificates etc., as a percentage of its equity, has been in accordance with the bank's policy for this type of risk over the last five years. This documents the bank's efforts to achieve its goal of maintaining a moderate risk on share prices.

Share exposure



Explanation: The share price exposure is computed as the bank's portfolio of shares (excluding sector shares and bond-based investment fund certificates etc.) as a percentage of its equity.

Note no.

50 Share price risks – continued

Sensitivity analysis

	31 Dec. 2022 DKK 1,000	31 Dec. 2021 DKK 1,000
Sensitivity analysis of sector shares		
Sector shares cf. note 23	1,286,532	1,431,355
Impact on the profit of a 10% price change	128,653	143,136

The price on the sector shares depends on earnings in the companies. The above shows the effect of a 10% decrease in earnings.

51 Value at Risk

As stated in the management review and note 47, Ringkjøbing Landbobank uses a Value at Risk (VaR) model as a sensitivity analysis to compute market risks as a supplement to the more traditional measures of market risk. The model is thus used as one of a number of tools in the bank's management of market risks. VaR is a measure of risk which describes the bank's risk under normal market conditions.

The model in brief

The model is a parametric VaR model based on a historical analysis of the covariance (correlations) between the prices of various financial assets etc., including different share indices, various official interest rates and interest swap rates, and different exchange rate indices.

By combining historical knowledge of the covariance on the financial markets with the bank's current positions, the model can calculate a risk of losses for a forthcoming ten-day period.

The bank's interest rate positions, foreign currency positions and listed share positions etc. are included in the calculation, while positions in sector shares etc. are not included. The model does not include the credit spread risks on the bank's portfolio of bonds.

A separate VaR is thus calculated for interest rate, foreign exchange and listed share positions etc., and a total VaR is also calculated for all of these. The calculated VaR indicates the bank's sensitivity to losses on the basis of its positions.

This possibility of calculating a VaR for the bank's market risks is one of the major advantages of the VaR model over more traditional measures of risk.

The model's underlying data are calibrated every month to reflect current market conditions, but the model's method is unchanged compared to last year.

Back tests and stress tests

"Back tests" are carried out to demonstrate that the VaR model provides a sensible picture of the bank's risk. The test compares the loss calculated by the model with the losses which the bank would actually have suffered if the positions in question had been retained for a ten-day period.

The extraordinary market situation arising in connection with Russia's invasion of Ukraine and the considerable changes in monetary policy in Europe in the first half of 2022 resulted in capital losses which lay outside the framework of fluctuations applied by the bank's Value at Risk model with 99% probability.

This is not unnatural in a situation where market volatility has exceeded historical market dynamics and where the nature of the correlations between the returns for different asset classes changes. The changed correlations and increased volatility have subsequently become part of the model's underlying data and result in a higher VaR figure.

Note
no.

51 Value at Risk – continued

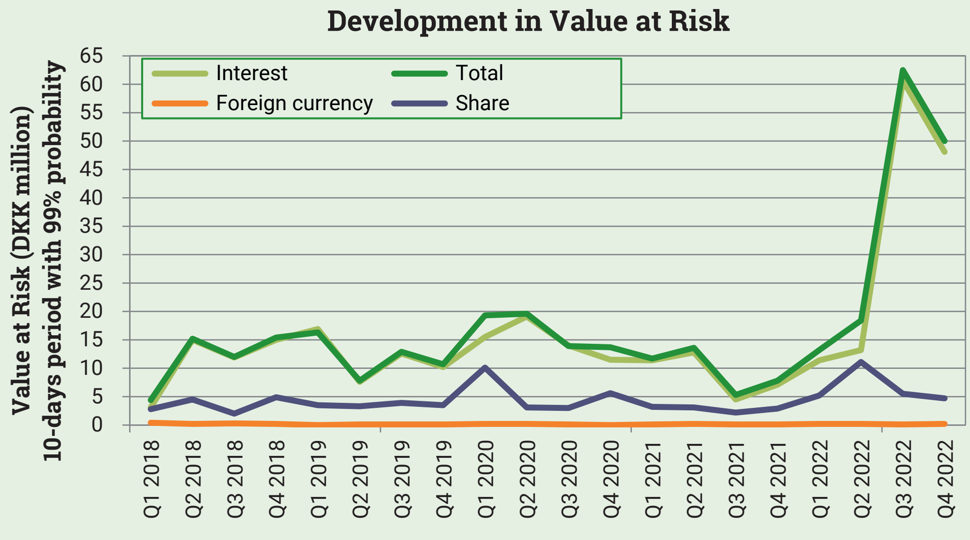
Value at Risk summary

The bank's total VaR was DKK 50.0 million at the end of 2022. This sum is an expression of the maximum loss in a statistical perspective which the bank could risk losing with 99% probability if all market positions were retained unchanged for a period of ten days.

As indicated in the table, the bank's total VaR in 2022 varied from DKK 7.5 million to DKK 80.3 million. The average VaR figure was DKK 30.1 million.

Risk type	Average VaR figure	Min. VaR figure*	Max. VaR figure*	End of year VaR figure
(DKK million)				
Interest	28.7	6.7	79.0	48.1
Foreign exchange	0.2	0.3	0.1	0.2
Share price	5.4	4.1	5.9	4.7
Diversification	-4.2	-3.6	-4.7	-3.0
Total VaR figure	**30.1**	**7.5**	**80.3**	**50.0**

** Determined by the total VaR figure.*



52 Property risks

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

The bank's portfolio therefore mainly consists of domicile properties to which investment properties should be added that are relatively modest relative to both the bank's balance sheet total and its equity.

Note no.

53 Liquidity risks

Liquidity risk is defined as the risk that the bank's cash resources prevent it from honouring its obligations.

It is the bank's objective that the budgeted liquidity should meet the current LCR (liquidity coverage ratio) requirement for a period of at least 12 months. The bank seeks to maintain sufficient liquidity for a stress scenario by means of recovery plans for a period of at least 12 months.

In terms of the LCR, the bank must comply with the statutory requirement of at least 100%.

This key ratio expresses the ability of banks to honour their payment obligations for a 30-day period without access to market funds.

The LCR figure is computed as the ratio of the bank's cash and cash equivalents/liquid assets to its payment obligations for the next 30 days as computed in accordance with specific rules.

On 31 December 2022 the bank's LCR was 188%, which thus met the statutory requirement.

In addition to the LCR figure, a liquidity benchmark also applies to the bank as mentioned in the section "The Supervisory Diamond" in the financial review. The liquidity benchmark is based on a projected version of the LCR requirement. The projection is made on a stressed three-month basis instead of the 30 days used for the LCR figure, but the basis of calculation is more relaxed for some of the components involved. The bank's key figure for the liquidity benchmark was 143% on 31 December 2022, compared to a limit value of 100%. The bank thus also met this statutory requirement.

Finally, the bank must meet the Net Stable Funding Ratio (NSFR). Like the LCR requirement, the NSFR requirement is part of EU regulations and aims to ensure that financial institutions have sufficient long-term funding for their activities.

The NSFR is calculated in percent as the ratio of total available stable funding to total required stable funding. The statutory requirement is that the ratio must exceed 100%.

The bank's NSFR was 119% on 31 December 2022, which thus exceeded the statutory requirement.

The bank's assets and thus its loan portfolio are funded from a range of sources, primarily the bank's deposits, but also by joint funding (bond issuance) of the bank's home loans, by taking out longer-term loans with other credit institutions, issuing both preferred and non-preferred senior capital and finally via the tier 2 capital issued by the bank and its equity.

The bank's deposit base consists of core deposits and deposits from customers with a long-term relationship with the bank. Ringkjøbing Landbobank has also entered into longer-term bilateral loan agreements with various European business partners.

The composition of the bank's funding situation does not leave the bank dependent on individual business partners.

To ensure diversification in funding, the bank also has an EMTN bond programme of EUR 2 billion. The programme helps to ensure alternative funding sources for the bank. Historically, the bank has used the EMTN bond programme to issue ordinary senior capital, non-preferred senior capital and tier 2 capital, and funds were also raised under the programme in 2022.

The bank thus issued non-preferred senior capital equivalent to a total of DKK 2 billion in 2022.

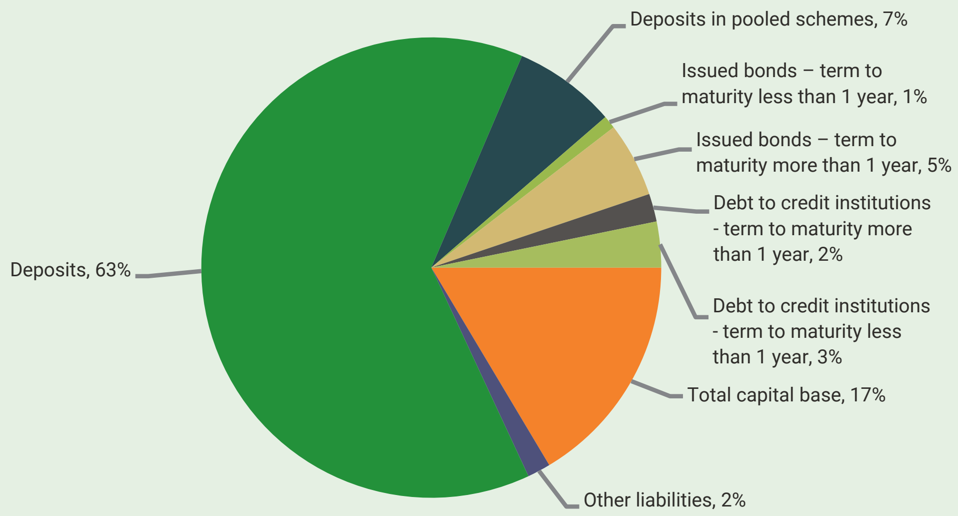
Note
no.

53 Liquidity risks – continued

The bank also has a joint funding agreement with Totalkredit/Nykredit. The agreement means that the bank can procure liquidity by letting Totalkredit/Nykredit issue SDO bonds against security in the loans which the bank has provided to customers with security in real property.

As evident from the following, the short-term funding (time to maturity less than one year) is supported via the bank's cash in hand and receivables from Danmarks Nationalbank, short-term deposits with other credit institutions, and the bank's own portfolio of liquid securities. Surplus liquidity at the end of 2022 was DKK 9.5 billion, while the corresponding figure at the end of 2021 was DKK 9.2 billion.

Distribution of funding



	(DKK 1,000)
The short-term funding (term to maturity less than 1 year):	
Debt to credit institutions and central banks – term to maturity less than 1 year	2,217,766
Issued bonds – term to maturity less than 1 year	628,204
Total	**2,845,970**
Covered as follows:	
Cash in hand and demand deposits with Danmarks Nationalbank	4,750,398
Receivables from credit institutions – term to maturity less than 1 year	776,039
Bonds, shares and investment fund certificates at fair value	6,812,333
Total	**12,338,770**
Excess cover	**9,492,800**

Note no.

54 Non-financial risks

Non-financial risks comprise various risks: The risk of money laundering and financing of terrorism etc., IT risks and other operational risks.

The risk of money laundering and financing of terrorism is defined as the inherent risk that the bank may be abused for money laundering and financing of terrorism. Another non-financial risk is the risk of non-compliance with financial sanctions.

IT risk is defined as risks associated with the bank's systems and data, including cyber security, compliance with data ethics, the integration and adequacy of the bank's IT systems, dependence on external factors, including subsuppliers, and with the bank's organisation, including ineffective separation of functions.

Other operational risks are those entailing other direct or indirect financial losses as a result of flaws in internal processes and systems, human error or external events.

The bank regularly produces reports on the losses and events which are attributed to operational/non-financial risks.

From these reports, an assessment is made of whether procedures etc. should be adjusted and improved in order to avoid or minimise any operational risks. The bank's procedures are regularly reviewed and assessed by the bank's internal and external auditors.

In addition, the bank conducts internal thematic reviews of selected business areas, identifying and assessing the potential risk scenarios for each area and subsequently adjusting and improving the bank's procedures etc. accordingly.

Combating money laundering etc.

An important area under non-financial risks is the risk that the bank could be abused for money laundering or financing of terrorism.

The bank wants to combat any form of money laundering and financing of terrorism etc.

The bank is required to maintain high standards for combating money laundering and financing of terrorism and to monitor and comply with financial sanctions. This role is an important part of banking in a globalised world.

The bank has implemented internal procedures, controls, monitoring etc. to help comply with applicable rules in the area. The bank also regularly provides in-service training for its employees in combating money laundering and financing of terrorism. Please also see pages 39-40.

Note
no.

54 Non-financial risks – continued

IT risks

IT supports a large part of the systems and processes used by both the bank's customers and its employees. IT security is therefore an important element in the assessment of the bank's non-financial risks.

The bank's board of directors sets and formulates the requirements regarding the level of the bank's IT risks in the IT risk management policy and the IT security policy. The two policies form the basis for the bank's work with IT risks.

Part of the work with IT risks and their management is an annual risk analysis. The analysis assesses different IT risk scenarios for the bank's different systems and the probability and consequences of the different scenarios – before and after mitigating measures.

The risk analysis is expressed as a risk score for each individual system. Requirements for the confidentiality, availability and integrity of the bank's systems are also assessed annually.

Based on the above, the board of directors annually updates and approves the two policies.

In addition to addressing IT risk management risks and IT security risks, the bank's IT organisation and management also regularly decide on the IT preparedness plans made.

Preparedness exercises are carried out regularly to ensure that the bank is able to handle events that may arise.

The bank's IT risk management policy, IT security policy and IT preparedness plans apply to all aspects of its use of IT, including IT that is fully or partly outsourced.

These requirements apply to the bank's internal IT organisation as well as its primary external IT supplier Bankdata, which the bank owns together with a number of other banks, and JN Data which is a supplier to Bankdata and responsible for the daily operation.

Data processing

The processing and confidentiality of customer data under applicable rules on data processing are a high priority for the bank. The bank's board of directors has therefore adopted a data ethics policy. The policy supplements the bank's systems and procedures. The policy, systems and procedures are all designed with the aim of ensuring correct and confidential processing of customer data.

Quantification of operational risks in the statement of capital

The capital adequacy rules require the banks to quantify and recognise an amount for operational risks when computing their capital adequacy.

The bank uses the basic indicator method which bases the calculation on an average of the most recent three financial years' net incomes. A sum is then quantified and added to the total risk exposure to cover the bank's operational risks.

Please see page 63 for further details on the amount recognised.

Note no.

55 Derivative financial instruments

Remaining time to maturity

DKK 1,000	Up to and including 3 months		More than 3 months and up to and including 1 year	
31 Dec. 2022	Nominal value	Net market value	Nominal value	Net market value
Currency contracts				
Spot, purchase	74,343	-138	0	0
Spot, sale	13,507	39	0	0
Forward transactions/futures, purchase	3,910,355	-50,635	981,745	672
Forward transactions/futures, sale	74,826	482	18,852	530
Swaps	483,537	2,565	72,140	2,343
Options, acquired	930	-5	0	0
Options, issued	956	5	0	0
Interest-rate contracts				
Spot, purchase	708,804	584	0	0
Spot, sale	175,689	1,138	0	0
Forward transactions/futures, purchase	250,237	-5,014	22,969	142
Forward transactions/futures, sale	495,976	6,358	66,882	282
Swaps	8,000	-6	1,547,697	-17,278
Options, acquired	0	0	19,200	181
Options, issued	0	0	19,200	-105
Share contracts				
Spot, purchase	1,621	214	0	0
Spot, sale	1,638	-172	0	0
Forward transactions/futures, purchase	147	144	0	0
Forward transactions/futures, sale	147	-109	0	0
Options, acquired	27,413	6	4,563	745
Options, issued	27,338	-6	4,563	-745

	More than 1 year and up to and including 5 years		More than 5 years	
	Nominal value	Net market value	Nominal value	Net market value
Currency contracts				
Swaps	1,995,551	-54,064	999,733	-47,724
Interest-rate contracts				
Swaps	868,748	-42,776	257,060	-14,011
Options, acquired	39,921	1,304	7,367	-46
Options, issued	39,921	-1,211	3,620	100
Share contracts				
Options, acquired	10,750	192	0	0
Options, issued	10,765	-192	0	0

Note no.

55 Derivative financial instruments – continued

DKK 1,000	Total nominal value		Total net market value	
31 Dec.	**2022**	**2021**	**2022**	**2021**
Currency contracts				
Spot, purchase	74,343	24,519	-138	-60
Spot, sale	13,507	56,428	39	22
Forward transactions/futures, purchase	4,892,100	1,296,589	-49,963	14,381
Forward transactions/futures, sale	93,678	2,378,342	1,012	-1,579
Swaps	3,550,961	2,281,530	-96,880	54,176
Options, acquired	930	5,490	-5	111
Options, issued	956	5,447	5	-111
Interest-rate contracts				
Spot, purchase	708,804	127,313	584	62
Spot, sale	175,689	163,331	1,138	116
Forward transactions/futures, purchase	273,206	309,097	-4,872	1,485
Forward transactions/futures, sale	562,858	562,394	6,640	-728
Swaps	2,681,505	2,123,013	-74,071	-21,565
Options, acquired	66,488	129,897	1,439	-1,021
Options, issued	62,741	121,556	-1,216	1,470
Share contracts				
Spot, purchase	1,621	3,339	214	1,138
Spot, sale	1,638	3,279	-172	-1,024
Forward transactions/futures, purchase	147	0	144	0
Forward transactions/futures, sale	147	0	-109	0
Options, acquired	42,726	13,510	943	0
Options, issued	42,666	13,516	-943	0
Total net market value			**-216,211**	**46,873**

Note
no.

55 Derivative financial instruments – continued

DKK 1,000	Market value				Average market value			
	Positive		Negative		Positive		Negative	
31 Dec.	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Currency contracts								
Spot, purchase	88	70	226	130	488	190	480	307
Spot, sale	39	34	0	12	86	97	168	32
Forward transactions/ futures, purchase	21,109	19,757	71,072	5,376	49,042	16,152	24,671	3,024
Forward transactions/ futures, sale	2,613	8,580	1,601	10,159	8,621	9,403	14,750	8,351
Swaps	99,556	64,065	196,436	9,889	77,056	71,890	134,555	12,090
Options, acquired	0	111	5	0	9	70	3	0
Options, issued	5	0	0	111	3	0	9	70
Interest-rate contracts								
Spot, purchase	1,121	137	537	75	4,073	562	2,418	318
Spot, sale	1,624	388	486	272	6,635	762	2,920	355
Forward transactions/ futures, purchase	1,917	2,023	6,789	538	5,474	2,155	12,830	2,221
Forward transactions/ futures, sale	9,728	1,501	3,088	2,229	24,617	4,850	5,690	1,954
Swaps	8,753	17,579	82,824	39,144	10,268	16,553	62,932	44,362
Options, acquired	1,497	33	58	1,054	969	23	441	1,762
Options, issued	157	1,503	1,373	33	678	2,165	915	35
Share contracts								
Spot, purchase	754	1,397	540	259	5,117	8,862	1,402	1,179
Spot, sale	571	300	743	1,324	1,491	1,253	4,901	8,599
Forward transactions/ futures, purchase	166	0	22	0	382	0	10	0
Forward transactions/ futures, sale	32	0	141	0	13	2	372	0
Options, acquired	943	0	0	0	396	18	0	0
Options, issued	0	0	943	0	0	0	396	18
Total market value	**150,673**	**117,478**	**366,884**	**70,605**	**195,418**	**135,007**	**269,863**	**84,677**

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

Note
no.

56 Accounting estimates and judgments

General

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

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

The most important estimates concern the following areas:

• Calculation of expected losses on loans and other credit exposures

• Assessment of collateral security

• Fair value of unlisted financial instruments

• Valuation of intangible assets including goodwill

Calculation of expected losses on loans and other credit exposures

Expected impairment is computed as a combination of individual calculations for facilities with objective evidence of impairment and model-based calculations for facilities without objective evidence of impairment.

The calculations for facilities with objective evidence of impairment involve a number of estimates. The assessment involves estimates of various scenarios of future cash flows which the customer is expected to generate. In addition to the calculated impairment charges which are based on probability-weighted scenarios, a management estimate is also allocated for facilities with objective evidence of impairment.

Facilities that do not show objective evidence of impairment are included in a portfolio of exposures where automated impairment calculations are made on the basis of customer ratings and a number of parametric values. The parametric values are determined on the basis of historical data, including the risk of loss on different rating classes and the expected percentage loss if a loss arises. The historical data are translated into forward-looking expectations via a macroeconomic adjustment.

These estimates comprise considerations regarding the industry, i.e. not the individual exposure, and the macro-economic impact of the probability weightings used for calculating the individual facilities. In 2022, the concern about the housing market, land prices and pig prices and the general economic uncertainty resulting from the tightened monetary policy and Russia’s invasion of Ukraine in particular have given rise to the management estimates for both customers with and customers without objective evidence of impairment.

The reader is referred to note 57 “Accounting policies etc.” under “Model for impairment of expected credit losses on loans and other receivables etc.” for details of the calculation of expected loss.

Assessment of collateral security

To reduce the risk of the individual exposures, the bank receives collateral security mainly in the form of physical assets (with real property as the main form), securities etc. Material estimates are involved in valuing the security.

A detailed description of security is provided in note 46 “Credit risks”.

Note
no.

56 Accounting estimates and judgments – continued

Fair value of unlisted financial instruments

The bank measures a number of unlisted financial instruments at fair value, including all derivative financial instruments and unlisted shares.

As part of its operations, the bank has acquired strategic shares in different sector companies. Strategic shares in sector companies are measured at fair value on the basis of available information on transactions in the relevant company's shares or, alternatively, by a valuation model using recognised methods and various data. Valuation is also influenced by co-ownership, trading, shareholders' agreements etc.

Estimates are an influence where valuations of financial instruments are based less on observable market data. This is the case, for example, with unlisted shares and certain bonds where there is no active market. Please also see the sections "Derivative financial instruments" and "Bonds and shares" under "Accounting policies etc." in note 57.

Valuation of goodwill

Goodwill is impairment-tested at least annually. This involves a degree of estimation in quantifying the future income and determining the weighted average cost of capital (consisting of the return on shareholders' equity and the cost of loan capital) in line with presumed market expectations.

See note 25 "Intangible assets" for further details on the impairment test.

57 Accounting policies etc.

General

The annual report was prepared in accordance with the provisions of the Danish Financial Business Act.

The annual report is presented in Danish kroner (DKK).

The accounting policies are unchanged since the last financial year. However, in 2022 the bank specified the recognition time for sold-off home loans to the transaction date/the date of the agreement. The specification does not affect the profit, equity or balance sheet total.

Recognition and measurement – general

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

Liabilities are recognised in the balance sheet when they are probable and can be measured reliably.

Income is recognised in the income statement as it is earned.

Expenses paid to earn the income for the year are recognised in the income statement, and value adjustments made to financial assets, financial liabilities and derivative financial instruments are also recognised in the income statement.

When measuring fair value etc. of bonds and shares, the three levels of the IFRS 13 hierarchy are used as valuation categories:

- Level 1: Quoted prices in active markets for identical instruments, i.e. without changes in form or composition, including listed shares and bonds.
- Level 2: Quoted prices in active markets for similar assets or other valuation methods where all significant inputs are based on observable market data.
- Level 3: Valuation methods where any significant inputs are based on unobservable inputs.

Valuation is primarily based on generally recognised valuation techniques.

The following sections describe the criteria for recognition and the basis of measurement.

Note
no.

57 Accounting policies etc. – continued

Foreign currency

Assets and liabilities in foreign currency are converted to DKK at the exchange rate for the currency published by the central bank of Denmark on the balance sheet date. Income and expenses are converted continuously at the exchange rate on the transaction date.

Lease contracts (lessee)

Lease assets consist only of operating leases with the bank as lessee and concern primarily rental contracts for properties used by the branch network (domicile properties) and a few other assets.

When assessing the expected lease terms, the bank identified the fixed lease term in the agreements at 3-25 years. The lease assets are depreciated on a straight-line basis over the expected periods of use of 3-25 years and the lease liabilities are repaid according to the principle of annuities and measured at amortised cost.

The lease liabilities are discounted to present value using the bank's incremental borrowing rate, which is the cost of raising external finance for a similar asset with a financing term similar to the term of the lease. When measuring the lease liability, the bank uses borrowing rates of 1-2% for discounting future lease payments.

The bank has chosen not to recognise low-value asset leases and short-term leases in the balance sheet. Lease payments for these leases are instead recognised in the income statement.

Financial instruments – general

In general, the bank measures financial assets and liabilities at fair value on initial recognition. Measuring is subsequently carried out at fair value unless otherwise specifically stated in the following sections on the individual items. The bank uses the date of payment as the date of recognition for financial instruments.

Derivative financial instruments

Forward transactions, interest rate swaps and other derivative financial instruments are measured at fair value on the balance sheet date.

Hedging transactions which, under the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Firms etc., are regarded as hedge accounting at fair value, are recognised at fair value on the balance sheet date with respect to both the hedging instrument and the hedged part of the financial instrument.

All value adjustments concerning derivative financial instruments and items subject to hedge accounting are entered under the item "Value adjustments" in the income statement.

Business combination

The acquisition method is used when new businesses are bought. Under this method, the acquired businesses' identifiable assets and liabilities, including any assets and liabilities that have not previously been booked in the acquired business, are measured at fair value on the takeover date.

Any positive difference between the cost price and fair value of the identifiable net assets is recognised as goodwill.

Any negative difference between the cost price and fair value of the identifiable net assets is recognised as badwill under other operating income in the income statement.

Note no.

57 Accounting policies etc. – continued

Group

The bank owns the entire share capital of Sæbygård Skov A/S, of Ringkøbing. Consolidated accounts have not been prepared, as the subsidiary's business is insignificant with respect to both balance sheet and activity compared to the bank.

The income statement

Interest income

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

Negative interest income is recognised as interest expenses and negative interest expenses are recognised as interest income. Negative interest is presented separately in the notes to interest income and interest expenses.

On stage 3 loans which have been written down or off, the interest income relating to the written-down part is entered under the item "Impairment charges for loans and receivables etc."

Net fee and commission income

Fees and commission relating to loans and receivables are recognised as part of the book value of loans and receivables. They are recognised as interest income in the income statement over the term of the loans and receivables, as part of the effective interest rate on the loans. See "Interest income" section above. Guarantee-related commission is carried to income over the guarantee term. Income generated on performing a given transaction, including securities and custodianship fees plus payment handling fees, is recognised as income when the transaction has been completed.

Staff and administration expenses

Staff and administration expenses include salaries, pension costs, IT costs, etc.

Other operating expenses

Other operating expenses include contributions to the Guarantee Fund and the Resolution Fund. Other operating expenses also include items which, by nature, are secondary to the banking activities.

Impairment charges for loans and receivables etc.

This item includes losses and impairment charges for loans and losses and provisions on guarantees etc. Losses and impairment charges for receivables from credit institutions are also included.

Tax

Tax on the profit for the year is booked as an expense in the income statement.

Net deferred tax is calculated on the items which cover the temporary differences in accounting and booking of taxable income and expenses. Changes in the corporate tax rate will be taken into account.

The bank is jointly taxed with the group undertaking Sæbygård Skov A/S.

Corporation tax is paid in accordance with the Danish Tax Prepayment Scheme.

Core earnings

The bank uses the alternative performance measure "Core earnings". Core earnings are used as a measure of performance for both external and internal financial reporting because they are deemed to give a true and fair view of the actual banking operations. Overall, core earnings contain the same items as the traditional measure of performance "Profit before tax," but the calculation method and degree of specification are different.

Core earnings show the bank's income and expenses adjusted for temporary fluctuations following from the development in the bank's trading portfolio of securities (the securities portfolio less sector shares etc.), and the profit before tax is divided into two main elements: Core earnings and result for the portfolio.

Note
no.

57 Accounting policies etc. – continued

The result for the trading portfolio is composed of value adjustments for the portfolio plus the actual return in the form of interest and dividends from the portfolio and less the calculated funding costs for the portfolio.

A numerical explanation of the correlation between “Profit before tax” and “Core earnings” is given in notes 13-18 on page 70.

The balance sheet

Receivables from credit institutions and central banks

Initial recognition takes place at fair value plus transaction costs, less establishment fees etc., and subsequent measurement is at amortised cost. Please see the section “Derivative financial instruments” with respect to hedge accounting.

Loans and other receivables

Initial recognition is at fair value plus transaction costs, less establishment fees etc., and subsequent measurement is at amortised cost. Establishment fees etc. which are comparable with ongoing interest payments, and thus deemed part of the effective interest on the loan, are accrued over the life of the individual loan.

Leasing
Lease contracts are classified as finance leases if they transfer substantially all risks and rewards of ownership pertaining to an asset to the lessee.

Finance lease assets where the bank is the lessor are recognised as loans at the net investment in the lease contracts less depreciation (repayments) calculated according to the annuity method over the lease term.

Income from the lease assets is recognised on the basis of the effective interest agreed in the lease contracts and included under interest income in the income statement.

All of the bank’s lease agreements are finance lease agreements.

Model for impairment of expected credit losses on loans and other receivables etc.

Under the IFRS 9-compatible impairment rules, all financial assets recognised at amortised cost are impaired by the expected credit losses. Under the same rules, provisions for expected credit losses are made for unutilised credit lines, loan undertakings and financial guarantees.

The impairment rules use a model based on expectations, which means earlier recognition of impairment charges compared to the previous impairment model under which objective evidence of impairment had to exist before impairment charges could be and had to be recognised.

For financial assets recognised at amortised cost, impairment charges for expected credit losses are recognised in the income statement and reduce the value of the asset in the balance sheet.

Provisions for losses on unutilised credit facilities, loan undertakings and financial guarantees are recognised as liabilities.

Development stages for credit risk
The expected loss impairment rules mean that, on initial recognition, a financial asset etc. must be impaired by the expected credit loss for a twelve-month period (stage 1). If the credit risk for the asset subsequently increases significantly relative to initial recognition, the financial asset must be impaired by the expected credit loss over the asset’s expected remaining life (stage 2). If the instrument is found to be impaired (stage 3), the asset must be impaired by the expected credit loss over its remaining life, and interest income must be recognised in the income statement based on the effective interest method applied to the impaired amount. The same applies to the part of the impaired instruments that are classified as weak stage 2 for presentation purposes: See the section “Definition of credit-impaired and default”.

Note
no.

57 Accounting policies etc. – continued

The expected loss is calculated as a function of PD (the Probability of Default), EAD (Exposure At Default) and LGD (Loss Given Default), into which forward-looking information representing the management's expectations for future development has been incorporated.

The EAD values for on-balance sheet items are determined as 100% of actual drawdowns, while off-balance sheet items are recognised on the basis of annex 1 of the CRR on classification of off-balance sheet items. The maturities of the facilities are determined based on their actual term to maturity up to a maximum of five years. For customers showing material signs of weakness, the actual term to maturity is used.

The classification in stages and computation of the expected loss are based on the bank's rating models, which were developed by the data centre Bankdata, and the bank's internal credit management.

Assessment of significant increase in credit risk etc.
A significant increase in the credit risk compared to initial recognition is presumed to have occurred on a downgrading in the bank's internal rating of the customer corresponding to one rating class in the Danish FSA's recommended rating classification.

Payments that are more than 30 days overdue are also considered a significant increase in credit risk.

A major downgrading within the Danish FSA's rating class 2b is also considered a significant increase in credit risk. The Danish FSA's rating class 2c in principle always characterises a significant increase in credit risk, regardless of the facility's initial rating.

In accordance with the rules, stage 1 and 2 facilities from Nordjyske Bank were considered initial recognitions in connection with the merger and thus classified in stage 1. Facilities in stage 3 are treated as credit-impaired on initial recognition.

If the credit risk on the financial asset is considered low on the balance sheet date, the asset remains in stage 1, which is characterised by no significant increase in credit risk.

The bank considers credit risk to be low when the bank's internal rating of the customer corresponds to the Danish FSA's rating class 3 and the best part of 2a. The rest of 2a is only considered low credit risk if payments are not overdue. Please also see the section on credit quality in note 46, "Credit risks", which shows the classification of assets with low credit risks in stages and the distribution by industry. It is judged only to be relevant to give an account of assets with credit risk for the item "Loans and other receivables at amortised cost".

Definition of credit-impaired and default
An exposure is defined as credit-impaired (stage 3) and in default if it meets at least one of the following criteria:

- The borrower is in significant financial difficulties and the bank judges that the borrower will fail to honour its obligations as agreed;
- The borrower is in breach of contract, for example by failing to meet its obligation to pay interest and repayments or by repeated overdrafts;
- The bank has granted the borrower a relaxation of terms which would not have been considered were it not for the debtor's financial difficulties;
- The borrower is likely to go bankrupt or be subject to other types of financial restructuring;
- A financial asset is acquired at a considerable discount which reflects losses incurred;
- The exposure has been in arrears/overdue for more than 90 days by an amount judged to be not insignificant.

Note
no.

57 Accounting policies etc. – continued

However, if the customer is in significant financial difficulties or the bank has granted a relaxation of terms because of the customer's financial difficulties, the financial asset remains in stage 2 if no losses are expected in the most probable scenario (weak stage 2).

The definition of credit-impaired and default used by the bank when measuring the expected credit loss and for transfers to stage 3 corresponds to the definition used for internal risk management purposes and is also adjusted to the definition of default in the capital requirements regulation (CCR).

The definitions of default and credit-impaired are also in line with the definition of non-performing as the bank has aligned the entry criteria for the three concepts. Only the exit and quarantine periods associated with the different risk classification concepts differ.

The calculation of impairment for exposures in stages 1 and 2, except for exposures in weak stage 2, is on a portfolio-based model, while impairment for the rest of the exposures is based on a manual, individual assessment of relevant scenarios and probabilities that they will occur.

In addition, a management estimate reflecting macroeconomic expectations and uncertainties in models is allocated: See also note 56.

Calculation of expected losses
The portfolio-based calculation model is based on the bank's rating of its customers in different rating classes and an estimation of the risk for the individual classes. Calculations are made in a set-up developed and maintained by the bank's data centre Bankdata, supplemented by a forward-looking macroeconomic module developed and maintained by LOPI, the Association of Local Banks, Savings Banks and Cooperative Banks in Denmark, and used as the starting point for incorporating management's expectations for the future.

The macroeconomic module is built around a number of regression models that determine the historical connection between impairment charges for the year in a number of sectors and industries and a number of explanatory macroeconomic variables. The regression models are then supplied with estimates for the macroeconomic variables based on forecasts from consistent sources such as the Danish Economic Councils, Danmarks Nationalbank and others. The forecasts generally cover two years and include variables such as increase in public spending, increase in GDP, interest etc. The expected impairment charges are thus calculated up to two years ahead for the individual sectors and industries. For terms of more than two years, a linear interpolation is applied between the impairment ratio for year 2 and the impairment ratio for year 10. The model assumes that long-term equilibrium will exist in the form of a normal impairment level. The calculated impairment ratios are then transformed into adjustment factors adjusting the data centre's estimates in the individual sectors and industries.

Practice for derecognising financial assets from the balance sheet

Financial assets are derecognised fully or partly from the balance sheet when the exposure or a significant part of it is deemed to be lost. Derecognition is based on a specific assessment of the individual exposures. For business customers, the bank bases its assessment on financial indicators such as the customer's cash flows, earnings and equity and on any collateral furnished as security for the exposure. For personal customers, the assessment is also based on the customer's financial situation, including the possibility of enforcing the security, if any. When a financial asset is derecognised fully or partly from the balance sheet, the associated impairment charges for the financial asset are also removed from the cumulative impairment charges: see note 21.

As a rule, the bank's efforts to collect the assets continue after derecognition from the balance sheet. The steps taken depend on the specific situation. The bank first attempts to reach a voluntary agreement with the customer, including renegotiation of terms or restructuring of an enterprise. Debt recovery and petition for bankruptcy are not applied until other steps have been tried.

Note no.

57 Accounting policies etc. – continued

Bonds and shares

Bonds at fair value
Bonds listed on a stock exchange are measured at fair value determined on the basis of the closing price on the balance sheet day (level 1).

Unlisted bonds are measured at fair value, computed on the basis of price information from the issuer (levels 2 and 3).

Shares etc.
Shares listed on a stock exchange are measured at fair value determined on the basis of the closing price on the balance sheet day (level 1).

Unlisted shares are measured at fair value, computed on the basis of the price of a transaction between independent parties. Measurement is based on available information on transactions, published announcements of financial results or, alternatively, market capitalisation calculations (levels 2 and 3).

For unlisted shares in the form of shares in companies owned by the sector where the shares are distributed, the redistribution is considered to be the primary market for the shares. Fair value is determined at the redistribution price and the shares are included as level 2 assets.

Unlisted shares for which a reliable fair value cannot be determined are measured at cost less impairment charges (level 3).

The management actively considers the fair value computations.

All ongoing value adjustments to listed and unlisted securities are entered in the income statement under the item “Value adjustments”.

Investments in group undertakings and associated companies

Investments in group undertakings and associated companies are recognised and measured by the equity method, which means that the investments are measured at the proportionate share of the entity’s equity value.

The bank’s share of the entity’s profits after tax and any gain or loss on sale of the investment are recognised in the income statement.

Net revaluation of investments in group undertakings is transferred to the net revaluation reserve by the equity method, subject to statutory reserves, to the extent that the equity value exceeds the cost price. Write-downs are recognised in and deducted from any positive statutory reserves as long as a reserve for offsetting exists.

Group undertakings and associated companies with negative equity values are recognised at DKK 0. If the bank has an obligation in law or in fact to cover the entity’s deficit, a provision will be recognised.

Assets linked to pooled schemes

All pooled assets and deposits are recognised as separate balance sheet items.

Returns on pooled assets and distributions to participants are posted under the item “Value adjustments” in the income statement.

Intangible assets

Goodwill
Goodwill acquired in connection with acquisitions is recognised at cost less cumulative impairment charges.

Goodwill is not amortised but the value is impairment tested at least once a year. Goodwill is written down to the recoverable amount through the income statement if the net asset’s carrying amount exceeds the higher of net sales price and value in use, which corresponds to the net present value of expected future cash flows.

Note
no.

57 Accounting policies etc. – continued

Customer relationships
The value of customer relationships acquired in connection with acquisitions is recognised at cost and amortised on a straight-line basis over the estimated useful life, which will not exceed ten years. The useful life depends on customer loyalty, and is reassessed annually. Changes in amortisation as a result of changes in useful life are recognised prospectively as a change in accounting estimates.

Customer relationships are impairment tested when there is evidence of impairment. Impairment charges for customer relationships are recognised in the income statement and not subsequently reversed.

Land and buildings

Land and buildings cover the three items “Investment properties”, “Domicile properties” and “Domicile properties (leasing)”. The properties which house the bank’s branches are included under domicile properties, while other properties are considered to be investment properties.

Investment properties are included in the balance sheet at fair value, computed by the return method. Ongoing changes in the value of investment properties are recognised in the income statement.

Domicile properties are included in the balance sheet at reassessed value, which is the fair value computed by the return method less cumulative depreciation and any impairment loss.

Depreciation is calculated on the basis of an expected useful life of 50 years, computing depreciation at cost plus or minus revaluation less scrap value. Depreciation and losses due to impairment are recognised in the income statement, while increases in reassessed value are recognised in total comprehensive income in shareholders’ equity under the item “Provisions for revaluation” unless the increase corresponds to a reduction in value which was previously recognised in the income statement.

Other tangible assets

Other tangible assets, including operating equipment and improvements to rented premises, are recognised in the balance sheet at cost less cumulative depreciation and write-downs for any loss due to impairment.

Depreciation is calculated on the basis of the assets’ expected lives, which are one to five years for operating equipment and thirty years for improvements to rented premises, on the basis of depreciation computed at cost less scrap value. Depreciation and losses due to impairment are recognised in the income statement.

Temporary assets

Temporary assets comprise assets taken over as a result of termination of customer exposures, the intention being to sell off the assets as soon as possible. The item also includes domicile properties for sale. Temporary assets are included at cost on transfer and will subsequently be written down to a possibly lower realisation value.

Loss due to impairment arising on initial classification as temporary assets, and gains and losses in subsequent measurements are recognised in the income statement under the items they concern.

Other assets

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

Note no.

57 Accounting policies etc. – continued

Tax

Current tax assets and current tax liabilities are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax paid on account.

A deferred tax liability is allocated under the item "Provisions for deferred tax".

A deferred tax asset is booked under the item "Deferred tax assets" following a prudent assessment of the asset's value.

The effect of changes in the corporate tax rate is recognised in "Deferred tax assets"/"Provisions for deferred tax".

Debt to credit institutions and central banks/Deposits and other debt/Deposits in pooled schemes/Issued bonds at amortised cost/Subordinated debt

Measurement is at amortised cost, but see the section "Derivative financial instruments" with respect to hedge accounting.

Other liabilities

Other liabilities include interest and commission payable and the negative market value of derivative financial instruments.

Provisions for liabilities

"Provisions for pensions and similar liabilities", "Provisions for losses on guarantees" and "Other provisions for liabilities" all come under the heading of Provisions for liabilities.

Unfunded pension liabilities for former management members are itemised in the balance sheet under the item "Provisions for pensions and similar liabilities". The liability is calculated as the capitalised value of the expected future pension payments.

A provision is recognised in respect of financial guarantees and unutilised credit undertakings in accordance with the IFRS 9-compatible impairment rules: See the section "Model for impairment of expected credit losses on loans and other receivables etc."

Provisions are also made for other guarantees if it is probable that the guarantee will be called and the amount of the liability can be reliably determined.

Contingent liabilities/guarantees

The bank's outstanding guarantees are given in the notes under the item "Contingent liabilities".

Statement of capital

Phasing in IFRS 9 impairment rules concerning capital
The bank has decided to take advantage of the transition programme under the capital requirements regulation (CRR). Thus both the static and the dynamic components of the IFRS 9 transitional rules are now used, including the simplified approach to recalculation of capital requirements. The negative effect of the transition to the IFRS 9 impairment rules will thus not take full effect on total capital until the beginning of 2025.

Main and key figures (page 3)

"Main figures for the bank" for 2018 are stated on a proforma basis, whereas the figures for 2019-2022 are the actual figures.

"Key figures for the bank" for 2018 are calculated on a proforma basis, although the capital ratios at the end of 2018 are the actual figures. The figures for 2019-2022 are also the actual figures.

"Key figures per DKK 1 share" for 2018 are calculated on a proforma basis, whereas the figures for 2019-2022 are the actual figures. "Key figures per DKK 1 share" are calculated on the basis of 2022: 27,553,139 shares, and 2021: 28,431,916 shares, and 2020: 29,067,721 shares, and 2019: 29,228,321 shares and 2018: 29,906,383 shares.

Note
no.

57 Accounting policies etc. – continued

Statements in the financial review (pages 6-25)

Core earnings and the associated specifications for 2018 and the income statement items for the first quarter of 2018 up to and including the second quarter of 2018 in the quarterly overview "Core earnings" are proforma figures (i.e. as if the merger had taken effect on 1 January 2018). The figures were calculated by adding up figures from Ringkjøbing Landbobank's statement of the alternative measure of performance "Core earnings" and proforma figures from Nordjyske Bank, converted and adjusted to Ringkjøbing Landbobank's statement of the alternative performance measure "Core earnings".

The core earnings for 2022, 2021, 2020 and 2019, and the core earnings from the third quarter of 2018 onwards are the actual figures for the post-merger entity.

Balance sheet items and contingent liabilities, as well as capital ratios, in the quarterly overviews of "Balance sheet items and contingent liabilities" and "Statement of capital" for 2018 are proforma figures (i.e. as if the merger had taken effect on 1 January 2018), calculated by simple addition of figures from the respective accounts from Ringkjøbing Landbobank and Nordjyske Bank, without any adjustments, while the figures from and including the second quarter of 2018 are for the post-merger entity.

Core earnings per DKK 1 share (page 12)

The bank's alternative performance measure "Core earnings" is used as the value of earnings. For the years 2013-2017, core earnings figures from the "old" Ringkjøbing Landbobank were used, for 2018, the proforma core earnings for the merged bank were used and finally, for 2019-2022 the actual core earnings for 2019-2022 for the merged bank were used.

The following numbers of shares were used in the calculation: End of 2013: 23,900,000 shares, end of 2014: 23,350,000 shares, end of 2015: 22,850,000 shares, end of 2016: 22,350,000 shares, end of 2017: 21,812,000 shares, end of 2018: 29,906,383 shares, end of 2019: 29,228,321 shares, end of 2020: 29,067,721 shares, end of 2021: 28,431,916 shares, and end of 2022: 27,553,139 shares.

The number of shares is calculated based on transactions made.

FIVE-YEAR MAIN FIGURES

Summary (DKK 1,000)	**2022**	**2021**	**2020**	**2019**	**2018**
Income statement					
Interest income	1,865,848	1,459,846	1,373,215	1,299,449	1,031,664
Interest expenses	185,174	103,080	120,910	131,144	105,169
Net interest income	**1,680,674**	**1,356,766**	**1,252,305**	**1,168,305**	**926,495**
Dividends from shares etc.	99,637	77,109	71,241	70,409	27,619
Fee and commission income	1,038,855	939,219	814,821	833,082	538,862
Fee and commission expenses	91,602	91,183	85,545	78,541	48,293
Net interest and fee income	**2,727,564**	**2,281,911**	**2,052,822**	**1,993,255**	**1,444,683**
Value adjustments	+73,493	+163,127	+126,079	+168,906	+179,833
Other operating income	2,055	5,490	2,054	13,582	5,770
Staff and administration expenses	870,847	790,374	765,933	778,458	704,778
Amortisation, depreciation and write-downs on intangible and tangible assets	33,035	35,793	29,241	37,959	22,690
Other operating expenses	6,607	7,643	8,110	3,934	2,816
Impairment charges for loans and receivables etc.	-12,450	-78,629	-233,348	-110,172	-86,955
Results from investments in associated companies and group undertakings	-37	+22	-13	+201	+80
Profit before tax	**1,880,136**	**1,538,111**	**1,144,310**	**1,245,421**	**813,127**
Tax	385,239	308,846	224,596	267,156	149,935
Net profit for the year	**1,494,897**	**1,229,265**	**919,714**	**978,265**	**663,192**

Summary (DKK 1,000)	**End of 2022**	**End of 2021**	**End of 2020**	**End of 2019**	**End of 2018**
Balance sheet					
Assets					
Cash in hand and deposits with credit institutions and central banks	5,526,437	3,675,561	4,035,237	3,354,295	3,823,860
Loans and other receivables at amortised cost	48,341,941	41,179,255	36,241,166	35,465,416	33,350,334
Securities	8,120,126	8,223,754	8,035,251	8,076,548	6,906,742
Assets linked to pooled schemes	4,972,840	5,537,863	4,700,080	4,276,344	3,786,476
Intangible assets	1,043,163	1,062,672	1,034,838	1,049,838	1,064,838
Tangible assets	235,310	214,631	233,536	228,936	266,265
Other assets	739,764	463,652	582,021	489,517	452,013
Total assets	**68,979,581**	**60,357,388**	**54,862,129**	**52,940,894**	**49,650,528**
Liabilities and equity					
Debt to credit institutions and central banks	3,567,758	2,030,175	2,448,918	2,172,765	1,916,476
Deposits and other debt	43,726,938	38,202,186	34,938,565	33,851,493	33,206,095
Deposits in pooled schemes	4,972,840	5,537,863	4,700,080	4,276,344	3,786,476
Issued bonds	4,255,498	2,961,422	2,361,796	2,212,709	1,428,024
Other liabilities	1,034,550	730,121	592,837	533,417	599,966
Provisions for liabilities	90,709	128,443	124,908	83,433	76,327
Subordinated debt	2,036,526	2,044,505	1,549,150	2,200,857	1,448,474
Share capital	28,380	29,068	29,228	29,662	30,994
Reserves	9,266,382	8,693,605	8,116,647	7,580,214	7,157,696
Total shareholders' equity	9,294,762	8,722,673	8,145,875	7,609,876	7,188,690
Total liabilities and equity	**68,979,581**	**60,357,388**	**54,862,129**	**52,940,894**	**49,650,528**
Contingent liabilities etc.					
Contingent liabilities	7,569,679	10,270,428	9,811,830	9,664,674	7,829,417
Irrevocable credit undertakings	84,055	781,832	0	281,000	13,531
Total contingent liabilities etc.	**7,653,734**	**11,052,260**	**9,811,830**	**9,945,674**	**7,842,948**

FIVE-YEAR KEY FIGURES

		2022	2021	2020	2019	2018
Capital ratios:						
Total capital ratio	%	21.6	22.3	21.1	20.0	18.4
Tier 1 capital ratio	%	17.4	17.6	17.5	14.7	14.6
MREL capital ratio	%	28.9	27.8	26.7	27.3	24.9
Earnings:						
Return on equity before tax	%	20.9	18.2	14.5	16.8	14.8
Return on equity after tax	%	16.6	14.6	11.7	13.2	12.1
Income/cost ratio	DKK	3.04	2.69	2.10	2.34	1.99
Cost/income ratio	%	31.1	33.6	36.2	38.0	43.3
Return on assets	%	2.2	2.0	1.7	1.8	1.3
Market risk:						
Interest rate risk	%	0.7	0.4	1.1	0.9	1.0
Foreign exchange position	%	1.1	1.5	0.1	1.4	1.1
Foreign exchange risk	%	0.0	0.0	0.0	0.0	0.0
Liquidity risk:						
Liquidity Coverage Ratio (LCR)	%	187.9	175.8	207.3	203.5	183.3
Net Stable Funding Ratio (NSFR)*	%	118.9	116.2	-	-	-
Loans and impairments thereon relative to deposits	%	103.8	99.0	96.7	98.1	95.5
Credit risk:						
Loans relative to shareholders' equity		5.2	4.7	4.4	4.7	4.6
Growth in loans for the year (Proforma growth in loans in 2018: 7.7%)	%	17.5	13.5	2.2	6.3	72.9
Total large exposures	%	118.0	109.8	99.8	121.0	106.0
Cumulative impairment ratio	%	4.0	4.2	4.6	4.3	4.7
Impairment ratio for the year	%	0.02	0.15	0.48	0.21	0.20
Proportion of receivables at reduced interest	%	0.1	0.2	0.5	0.4	0.5
Share return:						
Earnings per share**/****	DKK	5,340.4	4,276.1	3,155.6	3,310.7	2,486.5
Book value per share**/***	DKK	33,734	30,679	28,029	26,036	24,068
Dividend per share**	DKK	700	700	700	1,100	1,000
Market price relative to earnings per share**/****		17.8	20.5	17.6	15.5	13.7
Market price relative to book value per share**/***		2.81	2.86	1.98	1.97	1.41

* *Comparative figures are only stated for the years when the key figure has applied.*

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

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

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

Definitions of the official key figures/ratios etc. from the Danish FSA

Total capital ratio
Total capital in percent of total risk exposure.

Tier 1 capital ratio
Tier 1 capital in percent of total risk exposure.

MREL capital ratio*
MREL capital in percent of total risk exposure.

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

Return on equity after tax
Net profit for the year in percent of average shareholders' equity. The average shareholders' equity is calculated as a simple average of the shareholders' equity at the beginning of the year and at the end of the year.

Income/cost ratio
Income for the year divided by expenses for the year including impairment charges for loans and other receivables etc.

Cost/income ratio
Total expenses etc. in percent of total core income.

Return on assets
Net profit for the year as a percentage of total assets.

Interest rate risk
Interest rate risk as a percentage of tier 1 capital.

Foreign exchange position
Foreign exchange indicator 1 as a percentage of tier 1 capital.

Foreign exchange risk
Foreign exchange indicator 2 as a percentage of tier 1 capital.

Liquidity Coverage Ratio (LCR)
Holding of liquid assets as a percentage of net outflows over 30 days.

Net Stable Funding Ratio (NSFR)
The ratio of available stable funding, which includes deposits and shareholders' equity, to the required stable funding.

Loans and impairments thereon relative to deposits
Loans plus impairments thereon in percent of deposits.

Loans relative to shareholders' equity
Loans/shareholders' equity.

Growth in loans for the year
Growth in loans from the beginning of the year to the end of the year, in percent
(excluding reverse repo transactions).

Total large exposures
The total sum of the 20 largest exposures as a percentage of common equity tier 1.

Cumulative impairment ratio
Impairment charges for loans and provisions for losses on guarantees etc. as a percentage of loans plus impairment charges for loans plus guarantees plus provisions for losses on guarantees etc.

Impairment ratio for the year
Impairment charges for the year as a percentage of loans plus impairment charges for loans plus guarantees plus provisions for losses on guarantees etc.

Proportion of receivables at reduced interest
Proportion of receivables at reduced interest before impairment charges as a percentage of loans plus impairment charges for loans plus guarantees plus provisions for losses on guarantees etc.

Earnings per share/******
Net profit for the year/average number of shares.

Book value per share/*****
Shareholders' equity/share capital excluding own shares.

Dividend per share**
Proposed dividend/share capital.

Market price relative to earnings per share/******
Market price/earnings per share.

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

*/**/***/****: See page 122.

OTHER INFORMATION (PART OF THE MANAGEMENT'S REVIEW)

Shareholders’ committee

Name	Position	Home town	Born
Kristian Skannerup chairman of the shareholders' committee	Manufacturer	Tim	14 June 1959
Allan Østergaard Sørensen deputy chairman of the shareholders’ committee	Attorney-at-law (High Court)	Ringkøbing	26 June 1982
Anette Ørbæk Andersen	Manager	Skjern	4 March 1963
Mette Bundgaard	Police superintendent	No	3 November 1966
Per Lykkegaard Christensen	Farmer	Hjallerup	12 December 1959
Dennis Conradsen	General Manager	Frederikshavn	26 June 1984
Claus Dalgaard	Vice president	Ringkøbing	28 April 1962
Ole Kirkegård Erlandsen	Butcher	Snejbjerg	19 December 1962
Thomas Sindberg Hansen	Grocer	Kloster	12 December 1978
Tonny Hansen	Former college principal	Ringkøbing	27 May 1958
Mads Hvolby*	Chartered surveyor	Nørresundby	9 December 1956
Poul Johnsen Høj	Fishing boat skipper	Hvide Sande	10 November 1964
Kim Jacobsen	Manager	Aalborg	25 September 1969
Erik Jensen	Manager	Skjern	7 September 1965
Morten Jensen*	Attorney-at-law (Supreme Court)	Dronninglund	31 October 1961
Toke Kjær Juul	CEO	Herning	15 August 1978
Anne Kaptain*	Chief legal and HR officer	Sæby	14 March 1980
Kasper Lykke Kjeldsen	Timber merchant	Højbjerg	27 February 1981
Carl Erik Kristensen	Manager	Hvide Sande	28 January 1978
Henrik Lintner	Pharmacist	Hjørring	7 May 1955
Karsten Madsen	Attorney-at-law (Supreme Court)	Sæby	26 July 1961
Niels Erik Burgdorf Madsen	Manager	Ølgod	25 October 1959
Dorte Zacho Martinsen	Self-employed business consultant	Holstebro	2 May 1972
Jacob Møller*	CEO	Ringkøbing	2 August 1969
Lars Møller	Municipal chief executive	Holstebro	30 November 1957
Bjarne Bjørnkjær Nielsen	Manager	Skjern	11 March 1973
Jens Møller Nielsen*	Former manager	Ringkøbing	25 August 1956
Marianne Oksbjerre	Manager	Brande	26 November 1966
Bente Skjørbæk Olesen	Shop owner	Vemb	16 February 1971
Martin Krogh Pedersen*	CEO	Ringkøbing	7 June 1967

Name	Position	Home town	Born
Poul Kjær Poulsgaard	Farmer	Madum	21 February 1974
Karsten Sandal	Manager	Ølstrup	25 June 1969
Yvonne Skagen	Manager	Aalborg	22 August 1957
Lone Rejkjær Söllmann*	Finance manager	Tarm	26 January 1968
Egon Sørensen	Insurance broker	Spjald	16 June 1965
Jørgen Kolle Sørensen	Car dealer	Hvide Sande	17 September 1970
Peer Buch Sørensen	Draper	Frederikshavn	20 May 1967
Lise Kvist Thomsen	Manager	Virum	24 May 1984
Sten Uggerhøj	Car dealer	Frederikshavn	6 July 1959
Lasse Svoldgaard Vesterby	Manager	Ringkøbing	25 April 1978
John Christian Aasted	Manager	Aalborg	12 February 1961

** Member of the board of directors*

Board of directors

Martin Krogh Pedersen
CEO
Ringkøbing
Born on 7 June 1967
Chairman of the board of directors

Board committees:
Remuneration committee, committee chairman
Nomination committee, committee chairman
Audit committee, committee member
Risk committee, committee chairman

Seniority:
Member of the board of directors since 27 April 2011

End of current term of office: 2023

Independence assessment:
Independent

Professional competences:
Has special competences, knowledge and experience within the areas of the business model, credit risks, market risks, liquidity risks, other risks including risks of money laundering, financing of terrorism and other financial crime, and within good practice and compliance, budgets, accounting and auditing, capital structure, insurance risks, and has general managerial experience.

Other managerial activities – member of the management of:
- KP Group Holding ApS and two wholly owned Danish subsidiaries
- MHKP Holding ApS and two wholly owned Danish subsidiaries
- PcP Corporation A/S and one wholly owned Danish subsidiary
- The supplementary pension fund for employees of Ringkjøbing Landbobank
- Techo A/S

Mads Hvolby
Chartered surveyor
Nørresundby
Born on 9 December 1956
Deputy chairman of the board of directors

Board committees:
Remuneration committee, committee member
Nomination committee, committee member
Audit committee, committee member
Risk committee, committee member

Seniority:
Member of the board of directors since 7 June 2018

End of current term of office: 2026

Independence assessment:
Independent

Professional competences:
Has special competences, knowledge and experience within the areas of the business model, credit risks, operational risks, budgets, accounting and auditing, capital structure, insurance risks and risk management, and has general managerial experience, managerial experience from other financial undertakings and legal insight.

Other managerial activities – member of the management of:
- Landinspektørernes Gensidige Erhvervsansvarsforsikring
- Landinspektørfirmaet LE34 A/S
- M. Hvolby Holding ApS
- NB Partnere I/S
- Ny NB Gruppen Landinspektøranpartsselskab

Jens Møller Nielsen
Former manager
Ringkøbing
Born on 25 August 1956
Deputy chairman of the board of directors

Board committees:
Remuneration committee, committee member
Nomination committee, committee member
Audit committee, committee chairman
Risk committee, committee member

Seniority:
Member of the board of directors since 22 April 2015

End of current term of office:
2023

Independence assessment:
Independent

Professional competences:
Has special competences, knowledge and experience within the areas of the business model, credit risks, market risks, liquidity risks, operational risks, other risks including risks of money laundering, financing of terrorism and other financial crime, and within good practice and compliance, budgets, accounting and auditing, capital structure, insurance risks, risk management and has general managerial experience and legal insight. As the chairman of the bank's audit committee, Jens Møller Nielsen has competences within accounting or auditing.

Other managerial activities
– member of the management of:
- The independent institution Generator
- Ringkøbing Station

Morten Jensen
Attorney-at-law (Supreme Court)
Dronninglund
Born on 31 October 1961

Board committees:
Nomination committee, committee member
Risk committee, committee member

Seniority:
Member of the board of directors since 7 June 2018

End of current term of office:
2026

Independence assessment:
Independent

Professional competences:
Has special competences, knowledge and experience within the areas of credit risks, operational risks, risks of outsourcing, other risks including risks of money laundering, financing of terrorism and other financial crime, and within good practice and compliance, budgets, accounting and auditing, risk management, general managerial experience and legal insight and within sections of the business model and liquidity risk areas.

Other managerial activities – member of the management of:
- Advokatfirmaet Børge Nielsen
- AEC-Fonden
- Andersen & Aaquist A/S
- ANS-Fundacion Fonden
- Christine og Poul Goos Fond for Fri Forsikring
- Dansk Facility Service Holding A/S and two wholly owned Danish subsidiaries
- DCH A/S and one wholly owned Danish subsidiary
- Ejendomsselskabet Nordtyskland Kommanditaktieselskab as the main company and 22 Danish feeder companies (Ejendomsselskabet Nordtyskland I A/S - Ejendomsselskabet Nordtyskland Nr. 22 A/S)
- Ejendomsselskabet Svinkløv Badehotel A/S
- Ergonomic Solutions International Ltd and two wholly owned Danish subsidiaries
- Fonden for Dronninglund Kunstcenter
- Havnens Fiskebod A/S
- JenSchu K/S
- Kjærgaard Nord A/S
- Lundagergaard Holding ApS and one wholly owned Danish subsidiary
- Mesterbyg Klokkerholm A/S
- Micodan Holding A/S and four wholly owned Danish subsidiaries
- P. J. Skovværktøj, Nørresundby ApS
- PM Energi A/S
- RengøringsCompagniets Fond
- Saga Shipping A/S
- Sølund Ejendomsinvest Holding A/S
- Teglbakken, Niverød P/S
- Toma Facility Danmark A/S
- Vibeke Emborg Holding ApS and one wholly owned Danish subsidiary

Jon Steingrim Johnsen
CEO
Humlebæk
Born on 17 April 1968

Board committees:
Nomination committee, committee member
Risk committee, committee member

Seniority:
Member of the board of directors since 22 February 2017

End of current term of office:
2025

Independence assessment:
Independent

Professional competences:
Has special competences, knowledge and experience within the areas of the business model, market risks, liquidity risks, operational risks, IT risks, risks of outsourcing, other risks including risks of money laundering, financing of terrorism and other financial crime, and within good practice and compliance, budgets, accounting and auditing, capital structure, insurance risks, risk management, general managerial experience, managerial experience from other financial undertakings and legal insight and within sections of the credit risk area.

Other managerial activities – member of the management of:
- Pensionskassen for Farmakonomer
- Pensionskassen for Socialrådgivere, Socialpædagoger og Kontorpersonale
- Pensionskassen for Sundhedsfaglige
- Pensionskassen for Sygeplejersker og Lægesekretærer
- PKA+ Pension Forsikringsselskab A/S
- 17 Danish investment companies wholly owned by the above company and four pension funds – either individually or co-owned by several of them
- The following operational Danish group undertakings which are wholly or partly owned by the above four pension funds – either individually or co-owned by several of them:
  - Pensionskassernes Administration A/S
  - Forca A/S
  - AIP Management P/S and Institutional Holding P/S
  - IIP Denmark P/S, IIP Denmark GP ApS and 5 underlying Danish fonds

In addition, a member of the governing body of the following interest organisations:
- Axcelfuture
- Dansk Sygeplejehistorisk Fond
- Forsikring & Pension
- Institutional Investors Group on Climate Change (IIGCC)

BOARD OF DIRECTORS

Anne Kaptain
Chief HR and Legal Officer
Sæby
Born on 14 March 1980

Board committees:
Nomination committee, committee member
Risk committee, committee member

Seniority:
Member of the board of directors since 2 March 2022

End of current term of office:
2026

Independence assessment:
Independent

Professional competences:
Has special competences, knowledge and experience within the areas of insurance risks, general managerial experience and legal insight and within sections of the business model and credit risk areas.

Other managerial activities – member of the management of:
- Kaptain Invest ApS
- Scandinavian Medical Solutions A/S

Jacob Møller
CEO
Ringkøbing
Born on 2 August 1969

Board committees:
Nomination committee, committee member
Audit committee, committee member
Risk committee, committee member

Seniority:
Member of the board of directors since 26 April 2017

End of current term of office:
2023

Independence assessment:
Independent

Professional competences:
Has special competences, knowledge and experience within the areas of budgets, accounting and auditing, capital structure, insurance risks, general managerial experience and legal insight and within sections of the business model, credit risk and market risk areas.

Other managerial activities – member of the management of:
- Goenergi A/S
- Green Power Denmark
- Iron Fonden and three wholly owned Danish subsidiaries
- N H Vind 16 ApS
- RAH A.M.B.A and two wholly owned Danish subsidiaries
- RAH Fiberbredbånd A/S
- RAH Net A/S
- Scanenergi Holding A/S and three wholly owned Danish subsidiaries
- Vestjyske Net 60 KV A/S and one wholly owned Danish subsidiary

Lone Rejkjær Söllmann
Finance manager
Tarm
Born on 26 January 1968

Board committees:
Nomination committee, committee member
Risk committee, committee member

Seniority:
Member of the board of directors since 26 April 2017

End of current term of office:
2026

Independence assessment:
Independent

Professional competences:
Has special competences, knowledge and experience within the areas of budgets, accounting and auditing and within sections of the business model and credit risk areas.

Other managerial activities – member of the management of:
• Tama ApS

Dan Junker Astrup
Credit manager
Videbæk
Born on 20 January 1989
Elected by the employees

Board committees:
Nomination committee, committee member
Risk committee, committee member

Seniority:
Member of the board of directors since 1 March 2015

End of current term of office:
2023

Independence assessment:
Not independent

Professional competences:
Has special competences, knowledge and experience within the areas of the business model, credit risks, market risks, budgets, accounting and auditing, capital structure, risk management, general managerial experience and legal insight.

No other managerial activities

Arne Ugilt
Credit consultant
Hjørring
Born on 6 August 1956
Elected by the employees

Board committees:
Nomination committee, committee member
Risk committee, committee member

Seniority:
Member of the board of directors since
7 June 2018

End of current term of office:
2023

Independence assessment:
Not independent

Professional competences:
Has special competences, knowledge and experience within the areas of the business model, credit risks and market risks.

No other managerial activities

Gitte E.S.H. Vigsø
Compliance officer/MA (Laws)
Holstebro
Born on 24 April 1976
Elected by the employees

Board committees:
Remuneration committee,
committee member
Nomination committee, committee member
Risk committee, committee member

Seniority:
Member of the board of directors since
1 March 2011

End of current term of office:
2023

Independence assessment:
Not independent

Professional competences:
Has special competences, knowledge and experience within the areas of operational risks, risks of outsourcing, other risks, including risks of money laundering, financing of terrorism and other financial crime, and within good practice and compliance and legal insight and within sections of the business model and credit risk areas.

No other managerial activities

Finn Aaen
Business customer adviser
Aalborg
Born on 22 April 1970
Elected by the employees

Board committees:
Nomination committee, committee member
Risk committee, committee member

Seniority:
Member of the board of directors since
7 June 2018

End of current term of office:
2023

Independence assessment:
Not independent

Professional competences:
Has special competences, knowledge and experience within sections of the business model and credit risk areas.

No other managerial activities

The board members' other managerial activities are stated as at the date of closing the accounts.

Board committees

The board of directors has appointed a remuneration committee, a nomination committee, an audit committee and a risk committee. Information on the individual board committees is provided below.

Remuneration committee

The bank's board of directors has agreed a brief for the remuneration committee which includes provisions on scope and objective, members and how it is constituted, tasks, meetings, authority and resources, reporting and minutes of meetings, publication, evaluation and self-assessment, as well as changes to its brief.

The remuneration committee is, as a minimum, responsible for the following tasks:

- Negotiation with the general management on remuneration of the general management
- Undertaking the preparatory work for the board of directors' decisions on remuneration, including the remuneration policy and any other associated decisions that may affect the bank's risk management and, in that connection, undertaking any tasks and obligations following from the legislation, including:
    - Advising the board of directors on the development of the remuneration policy, assisting the board with monitoring compliance with it, assessing whether the remuneration policy needs to be updated and, if necessary, proposing changes to the policy including:
        - Drafting the remuneration policy for approval by the board of directors before recommendation for approval by the general meeting
        - Drafting and recommending guidelines for the board of directors' monitoring of compliance with the remuneration policy etc. for approval by the board of directors, including ensuring that compliance with the policy is monitored
        - Monitoring remuneration of the management of the part of the organisation in charge of monitoring the limits of risk-taking, and the management of the part of the organisation otherwise in charge of monitoring and auditing, including the management of the compliance function and the chief internal auditor
    - Ensuring that the information on the bank's remuneration policy and practice presented to the general meeting is adequate
    - Assessing whether the bank's procedures and systems are adequate and allow for the bank's risks associated with the management of capital and liquidity in relation to the remuneration structure
    - Ensuring that the remuneration policy and practice are in accordance with and promote sound and effective risk management and comply with the bank's business strategy, objectives, values and long-term interests
    - Ensuring that independent control functions and other relevant functions are included to the extent necessary for the performance of such tasks and, if necessary, seeking external advice
- In its preparatory work, and with reference to the adopted remuneration policy, the committee must protect the bank's long-term interests, including those of shareholders, other investors and the public
- Other remuneration-related tasks, including supporting the board of directors in its task of identifying major risk takers
- Tasks in connection with the bank's compliance with the remuneration policy under the special requirements for housing

In addition, the Recommendations on Corporate Governance require the remuneration committee to undertake at least the following preparatory tasks:

- Prior to approval by the shareholders' committee, the remuneration committee must submit proposals for remuneration of members of the bank's board of directors and shareholders' committee to the board and the shareholders' committee, ensure that the remuneration is in accordance with the bank's remuneration policy and recommend a remuneration policy applying to the bank in general
- Assist with preparing the annual remuneration report for approval by the board of directors before recommendation for a consultative vote by the general meeting.

Nomination committee

The bank's board of directors has agreed a brief for the nomination committee which includes provisions on scope and objective, members and how the committee is constituted, tasks, meetings, authority and resources, reporting and minutes of meeting, publication, evaluation and self-assessment, as well as changes to the brief.

The nomination committee is, as a minimum, responsible for the following tasks:

- Preparing proposals and recommendations for the election and re-election of members to the bank's shareholders' committee and board of directors, including considering proposals for election and re-election, recruiting candidates for the bank's general management, including describing all qualifications required of the board of directors and of the bank's general management etc. The process of recruitment of candidates for the board of directors is carried out on the basis of discussions in the committee
- Regularly and at least once a year assessing the board of directors' size, structure, composition and results in relation to its tasks and reporting and making recommendations to the full board of directors for possible changes
- In partnership with the chair of the committee, undertaking the annual board evaluation, including assessing the individual board members' competences, knowledge and experience, assessing whether the full board of directors has the required combination of knowledge, professional skills, diversity and experience, and whether individual members meet the requirements of section 64 of the Danish Financial Business Act, and reporting and making recommendations to the full board of directors for possible changes, including a possible action plan for the future composition and proposals for specific changes. Individual members of the management (board of directors) must also regularly assess that they have allocated sufficient time to their duties: See section 64a of the Danish Financial Business Act. The nomination committee must assess at least once a year whether it agrees with the individual's assessment
- Regularly and at least once a year evaluating the bank's general management, including its size, structure, composition and results, and making recommendations to the board of directors and ensuring that the board of directors discusses succession plans when judged to be necessary
- Regularly reviewing the board of directors' policy for selection and appointment of members to the general management if such a policy has been prepared, and making recommendations to the board of directors (currently there is no such policy)
- Setting a target percentage of the under-represented gender on the board of directors and preparing a policy on how to reach this figure
- Preparing a policy for diversity on the board of directors.

Audit committee

Jens Møller Nielsen is the specially qualified member of the audit committee. Given the bank's size and complexity and Mr Nielsen's education, professional experience and experience on the bank's board of directors and board committees, including the audit committee, the bank's board of directors considers that Mr Nielsen is independent and that he possesses the qualifications required pursuant to the Danish Act on Approved Auditors and Audit Firms.

The bank's board of directors has agreed a brief for the audit committee which includes provisions on how the committee is constituted and its objective, members, meetings, authority etc., tasks, reporting and self-assessment.

The audit committee is, as a minimum, responsible for the following tasks:

- Informing the board of directors of the result of the statutory audit, including the financial reporting process
- Monitoring the financial reporting process and making recommendations or proposals for the purpose of ensuring integrity
- Monitoring whether the bank's internal control system, internal audit and risk management systems are effective with respect to the financial reporting of the bank without violating its independence
- Monitoring the statutory auditing of the financial statements etc.
- Monitoring and verifying the auditor's independence, pursuant to sections 24-24c of the Act on Approved Auditors and Audit Firms and to Article 6 of Regulation (EU) no. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding audit of public-interest entities, and approving the auditor's provision of services other than audit, pursuant to Article 5 of the Regulation
- Being in charge of the procedure for selecting and recommending an auditor for election, pursuant to Article 16 of Regulation (EU) no. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding audit of public-interest entities.

Risk committee

The bank's board of directors has agreed a brief for the risk committee which includes provisions on scope and objective, members and how the committee is constituted, tasks, its meetings, authority and resources, reporting and minutes of meetings, publication, evaluation and self-assessment, as well as changes to its brief.

The risk committee is, as a minimum, responsible for the following tasks:

- Advising the board of directors on the bank's general existing and future risk profile and risk strategy
- Assisting the board of directors with ensuring that the board's risk strategy is implemented correctly in the organisation
- Assessing whether the financial products and services traded by the bank are in accordance with the bank's business model and risk profile, including whether the earnings on such products and services reflect the associated risks, and preparing proposals for remedies if the products or services and the associated earnings are not in accordance with the bank's business model and risk profile
- Assessing whether the incentive components of the bank's remuneration structure take account of the bank's risks, capital, liquidity and the probability and time of payment of remuneration (under the bank's remuneration policy, no forms of incentive components are used for the bank's board of directors and general management)
- Conducting a review of the quarterly credit reports.

Regarding all four committees in general, in cases where a committee consists of the bank's full board of directors or where the full board of directors participates in a committee meeting, both the committee and the board of directors' proceedings may take place simultaneously.

Board of directors – competences

The members of the bank's board of directors together possess all the competences required for the overall management of the bank on the basis of the business model for the bank's operations.

The members of the bank's full board of directors thus possess competences concerning:

- The business model and relevant related matters
- Credit risks and relevant related matters
- Market risks and relevant related matters
- Liquidity risks and relevant related matters
- Operational risks and relevant related matters
- IT risks and relevant related matters
- Risks of outsourcing
- Other risks, including in relation to money laundering, terror financing, other economic crime, good practice and compliance
- Budgets, accounting and auditing
- Capital structure including capital adequacy and solvency requirement
- Insurance risks
- Risk management including interdisciplinary risk management
- General managerial experience
- Managerial experience from other financial undertakings
- Legal insight, including in relation to financial legislation

See also pages 128-135 for the special competences of the individual board members.

Holdings of Ringkjøbing Landbobank shares by members of the board of directors

Reference is made to note 42 on pages 79-80 for information on holdings of Ringkjøbing Landbobank shares by members of the board of directors.

General management

John Bull Fisker
Born on 3 December 1964
CEO

Seniority:
Employed by the bank on 1 January 1995
Member of the general management since 1 May 1999
CEO since 1 May 2012

On the board of directors of the following companies etc.
- Chairman of Letpension Forsikringsformidling A/S, Copenhagen
- Deputy chairman of Foreningen Bankdata, Fredericia
- Deputy chairman of BI Holding A/S, Copenhagen
- Deputy chairman of BI Asset Management Fondsmæglerselskab A/S, Copenhagen
- Board member of PRAS A/S, Copenhagen
- Board member of the supplementary pension fund for employees of Ringkjøbing Landbobank, Ringkøbing

Claus Andersen
Born on 19 April 1966
General manager

Seniority:
Employed by the bank on 7 June 2018
Member of the general management since 7 June 2018

On the board of directors of the following companies etc.
- Chairman of Sæbygård Skov A/S, Ringkøbing
- Board member of Bokis A/S, Copenhagen
- Board member of DLR Kredit A/S, Copenhagen
- Board member of the Association of Local Banks, Savings Banks and Cooperative Banks in Denmark, Copenhagen
- Board member of the Education Fund of the Association of Local Banks, Savings Banks and Cooperative Banks in Denmark, Copenhagen

Jørn Nielsen
Born on 9 November 1972
General manager

Seniority:
Employed by the bank on 1 August 1991
Member of the general management since 1 September 2015

No other managerial activities

Carl Pedersen
Born on 28 December 1962
General manager

Seniority:
Employed by the bank on 7 June 2018
Member of the general management since 7 June 2018

On the board of directors of the following companies etc.
• Board member of Byggesocietetet Aalborg, Aalborg
• Board member of Direktør Carl Nøhr Frandsens Familiefond, Nørresundby
• Board member of Vækst-Invest Nordjylland A/S, Aalborg

The board members' other managerial activities are stated as at the date of closing the accounts.

Holdings of Ringkjøbing Landbobank shares by the general management

Reference is made to note 42 on pages 79-80 for information on holdings of Ringkjøbing Landbobank shares by members of the general management.

Ringkjøbing Landbobank Aktieselskab

Torvet 1
6950 Ringkøbing, Denmark

Founded: 1886

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E-mail: post@landbobanken.dk
Website: www.landbobanken.com

CVR no.: 37536814
Sort code: 7670
SWIFT/BIC: RINGDK22
LEI code: 2138002M5U5K4OUMVV62
ISIN: DK0060854669

Share capital

Ringkjøbing Landbobank’s share capital is DKK 28,379,666, divided into 28,379,666 nom. DKK 1 shares.

SHAREHOLDERS

Ownership

On 31 December 2022, Ringkjøbing Landbobank had registered shares of DKK 27,983,522 of the total share capital of DKK 28,379,666, equivalent to 98.6% of the total share capital.

The number of registered shareholders on 31 December 2022 totalled 50,554.

Major shareholders

On 31 December 2022, two shareholders had advised their ownership etc. of between 5% and 9.99% of Ringkjøbing Landbobank's share capital:

- Liontrust Investment Partners LLP, London, Great Britain owned/managed 5.85% of the bank's share capital on 31 December 2022 and held 3,000 voting rights.
- ATP, of Hillerød, Denmark owned 5.07% of the bank's share capital on 31 December 2022 and held 3,000 voting rights.

Distribution of shareholders	**End of 2022**	**End of 2021**	**End of 2020**	**End of 2019**	**End of 2018**
Danish institutional shareholders	17%	16%	25%	27%	36%
Other Danish shareholders	37%	38%	37%	40%	43%
Foreign institutional shareholders	41%	42%	33%	29%	17%
Other foreign shareholders	5%	4%	5%	4%	4%
	100%	**100%**	**100%**	**100%**	**100%**

Company announcements 2022

Summary of Ringkjøbing Landbobank's company announcements to Nasdaq Copenhagen and others in 2022:

03.01.2022	Share buy-back programme – week 52
06.01.2022	Upward adjustment of expectations for 2021 and announcement of expectations for 2022
10.01.2022	Share buy-back programme – week 01
11.01.2022	The board of directors of Ringkjøbing Landbobank
17.01.2022	Share buy-back programme – week 02
24.01.2022	Share buy-back programme – week 03
26.01.2022	Conclusion of share buy-back programme
02.02.2022	Ringkjøbing Landbobank's annual report for 2021
02.02.2022	Initiation of share buy-back programme
02.02.2022	Annual general meeting of Ringkjøbing Landbobank A/S
02.02.2022	The board of directors of Ringkjøbing Landbobank
07.02.2022	Share buy-back programme – week 05
14.02.2022	Share buy-back programme – week 06
21.02.2022	Share buy-back programme – week 07
28.02.2022	Share buy-back programme – week 08
02.03.2022	Minutes of the annual general meeting on 2 March 2022
07.03.2022	Share buy-back programme – week 09
07.03.2022	Articles of association for Ringkjøbing Landbobank
14.03.2022	Share buy-back programme – week 10
21.03.2022	Share buy-back programme – week 11
28.03.2022	Share buy-back programme – week 12
04.04.2022	Share buy-back programme – week 13
11.04.2022	Share buy-back programme – week 14
19.04.2022	Share buy-back programme – week 15
25.04.2022	Share buy-back programme – week 16
27.04.2022	Entering into a strategic partnership with SEB in private banking
27.04.2022	Ringkjøbing Landbobank's report for the first quarter of 2022
02.05.2022	Share buy-back programme – week 17
05.05.2022	Articles of association for Ringkjøbing Landbobank
09.05.2022	Share buy-back programme – week 18
09.05.2022	Implementation of capital reduction
12.05.2022	Share buy-back programme – week 19
23.05.2022	Share buy-back programme – week 20
30.05.2022	Share buy-back programme – week 21
03.06.2022	Upward adjustment of expectations for 2022
07.06.2022	Share buy-back programme – week 22
13.06.2022	Share buy-back programme – week 23

Company announcements 2022 – continued

20.06.2022	Share buy-back programme – week 24
27.06.2022	Share buy-back programme – week 25
04.07.2022	Share buy-back programme – week 26
05.07.2022	Initiation of share buy-back programme
11.07.2022	Share buy-back programme – week 27
18.07.2022	Share buy-back programme – week 28
20.07.2022	Conclusion of share buy-back programme
03.08.2022	Ringkjøbing Landbobank's interim report for the first half of 2022
08.08.2022	Share buy-back programme – week 31
15.08.2022	Share buy-back programme – week 32
22.08.2022	Share buy-back programme – week 33
29.08.2022	Share buy-back programme – week 34
05.09.2022	Share buy-back programme – week 35
12.09.2022	Share buy-back programme – week 36
19.09.2022	Share buy-back programme – week 37
26.09.2022	Share buy-back programme – week 38
03.10.2022	Share buy-back programme – week 39
10.10.2022	Share buy-back programme – week 40
17.10.2022	Share buy-back programme – week 41
24.10.2022	Share buy-back programme – week 42
26.10.2022	Ringkjøbing Landbobank's quarterly report for the first three quarters of 2022
26.10.2022	Financial calendar for 2023
31.10.2022	Share buy-back programme – week 43
07.11.2022	Share buy-back programme – week 44
14.11.2022	Share buy-back programme – week 45
21.11.2022	Share buy-back programme – week 46
28.11.2022	Share buy-back programme – week 47
05.12.2022	Upward adjustment of expectations for 2022
05.12.2022	Share buy-back programme – week 48
12.12.2022	Share buy-back programme – week 49
19.12.2022	Share buy-back programme – week 50
27.12.2022	Share buy-back programme – week 51

Notices regarding reportable transactions in Ringkjøbing Landbobank shares are not included in the summary above.

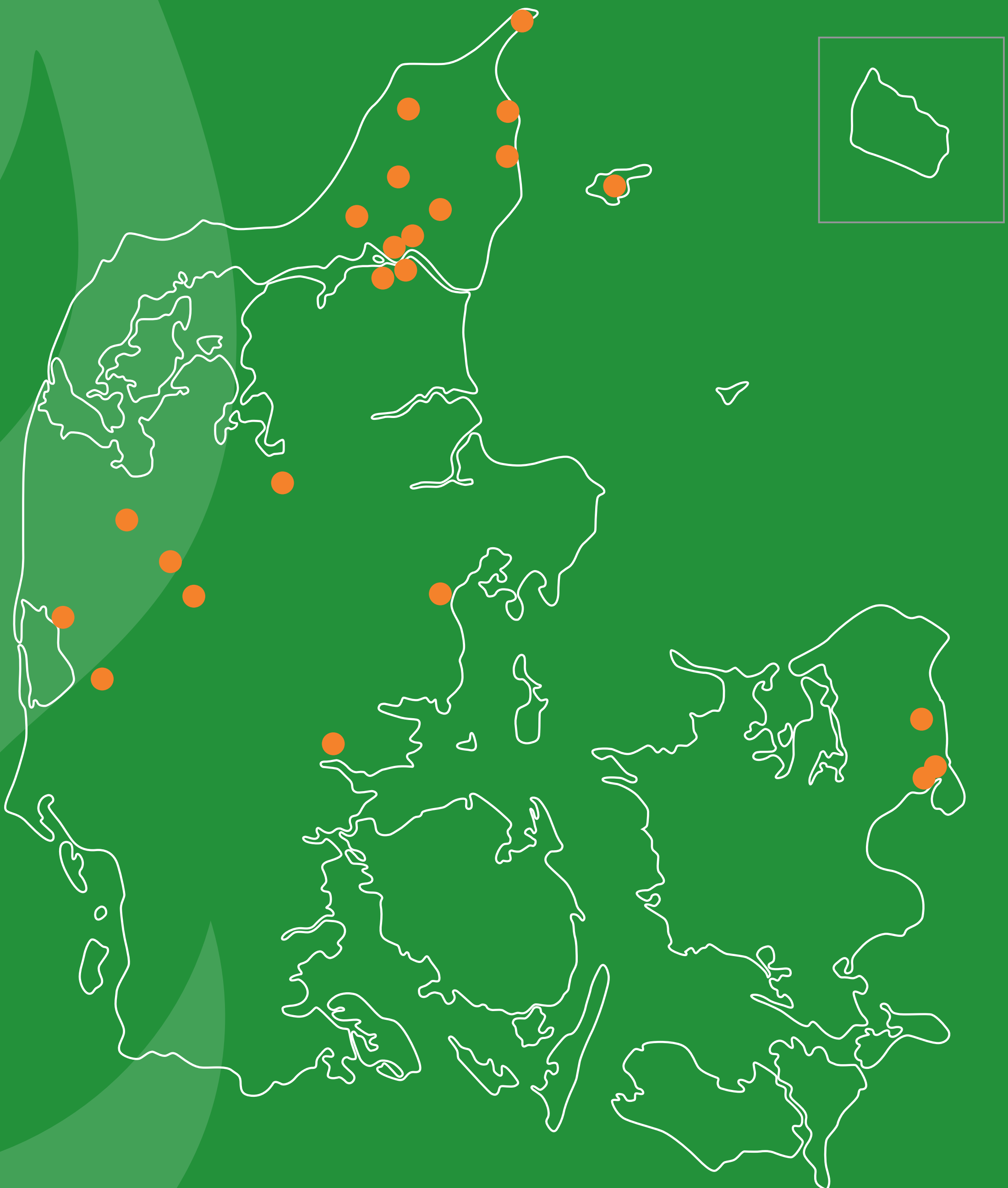
All the company announcements from the bank to Nasdaq Copenhagen and others can be seen on the bank´s website: www.landbobanken.com

Financial calendar 2023

The financial calendar for the upcoming publications is as follows:

01.03.2023	Annual general meeting
26.04.2023	Quarterly report 1st quarter 2023
02.08.2023	Interim report 2023
25.10.2023	Quarterly report 1st-3rd quarters 2023

THE BANK'S BRANCHES



Branch	Address	Telephone
Ringkøbing, HQ	Torvet 1, DK-6950 Ringkøbing	+45 9732 1166
Brønderslev	Algade 39-41, DK-9700 Brønderslev	+45 9870 4500
Frederikshavn	Jernbanegade 4-8, DK-9900 Frederikshavn	+45 9870 6000
Hasseris	Thulebakken 34, DK-9000 Aalborg	+45 9870 5900
Herning	Torvet 18, DK-7400 Herning	+45 9721 4800
Hjallerup	Hjallerup Centret 5, DK-9320 Hjallerup	+45 9870 5100
Hjørring	Østergade 4, DK-9800 Hjørring	+45 9633 5520
Holstebro	Den Røde Plads 2, DK-7500 Holstebro	+45 9610 9500
Holte	Kongevejen 272A, DK-2830 Virum	+45 7624 9550
Copenhagen	Bernstorffsgade 50, 8. sal, DK-1577 København V	+45 7624 9640
Copenhagen	Frederiksborggade 1, 1.th., DK-1360 Copenhagen K	+45 9633 5240
Læsø	Byrum Hovedgade 79, DK-9940 Læsø	+45 9633 5480
Nørresundby	Torvet 4, DK-9400 Nørresundby	+45 9870 5000
Skagen	Sct. Laurentii Vej 39 B, DK-9990 Skagen	+45 9633 5210
Sæby	Vestergade 21, DK-9300 Sæby	+45 9633 5320
Tarm	Storegade 6-10, DK-6880 Tarm	+45 9737 1411
Vejgaard	Vejgaard Bymidte 2, DK-9000 Aalborg	+45 9870 4400
Vejle	Lysholt Allé 10, DK-7100 Vejle	+45 7624 9780
Vestbjerg	Bakkelyvej 2A, DK-9380 Vestbjerg	+45 9870 4900
Viborg	Gravene 18, DK-8800 Viborg	+45 8662 5501
Vildbjerg	Søndergade 6, DK-7480 Vildbjerg	+45 9713 3166
Aabybro	Østergade 12, DK-9440 Aabybro	+45 9870 5400
Aarhus	Marselis Boulevard 9, DK-8000 Aarhus C	+45 7624 9760

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Ringkjøbing
Landbobank

Rasmussens Bogtrykkeri, Ringkøbing