

Nasdaq Copenhagen  
London Stock Exchange  
Other stakeholders

28 October 2020

## Ringkjøbing Landbobank's quarterly report for the first three quarters of 2020

In March 2020 we downwardly adjusted our expectations for core earnings and profit before tax as a result of the coronavirus crisis. During the first, second and third quarters we have built up large management reserves for handling of later impairment charges. The effect on the bank's core earnings, however, has been less negative than expected in March, and earlier this month we therefore upwardly adjusted our expectations for core earnings and for profit before tax.

### Core earnings

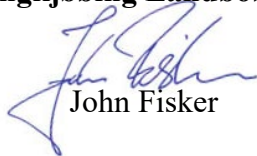
(DKK million)	Q1-Q3 2020	Q1-Q3 2019	2019	2018	2017	2016
Total core income	1,613	1,586	2,116	2,001	1,917	1,861
Total expenses and depreciation	576	593	805	866	845	815
<b>Core earnings before impairment charges for loans</b>	<b>1,037</b>	<b>993</b>	<b>1,311</b>	<b>1,135</b>	<b>1,072</b>	<b>1,046</b>
Impairment charges for loans etc.	-185	-75	-100	-43	-70	-211
<b>Core earnings</b>	<b>852</b>	<b>918</b>	<b>1,211</b>	<b>1,092</b>	<b>1,002</b>	<b>835</b>
Result for the portfolio etc.	-24	+53	+49	+77	+84	+78
Special costs	11	11	15	217	22	22
<b>Profit before tax</b>	<b>817</b>	<b>960</b>	<b>1,245</b>	<b>952</b>	<b>1,064</b>	<b>891</b>

### Highlights of the first three quarters of 2020

- Our main focus during the coronavirus pandemic has been and still is to help our customers and business partners – and of course to ensure safe working conditions for our employees.
- Income increases by 2% and expenses decrease by 3%, reducing the bank's rate of costs to 35.7%.
- After impairment charges of DKK 44 million in the third quarter, the management estimates increases by DKK 17 million to DKK 541 million.
- 7% decrease in core earnings to DKK 852 million.
- 15% decrease in profit before tax to DKK 817 million.
- Growth in loans of 2% relative to the end of September 2019 and 1% during the third quarter of 2020.
- Moody's upgrades the bank's long-term deposits rating from A1 to Aa3.

Yours sincerely

**Ringkjøbing Landbobank**



John Fisker

## Management's review

### Core income

#### Interest

Net interest income was DKK 935 million in the first three quarters of 2020 compared to DKK 881 million in the same period in 2019, an increase of 6%. The bank is satisfied with this development.

The development is partly attributable to a 2% increase in lending compared to the end of September 2019. The development in lending has been more volatile in 2020 than in previous years. Lending thus increased by approximately DKK 700 million in the first quarter of 2020, decreased by approximately DKK 900 million in the second quarter, and finally increased again by approximately DKK 200 million in the third quarter.

One of the reasons is that the bank's business customers have drawn less on their lines of credit during the first three quarters of the year, partly because they have reduced their stocks and debtors and partly because the deadlines for tax and VAT payments were extended. In the third quarter of 2020, businesses have resumed paying tax and VAT. Private customers have also been cautious and paid off debt in 2020.

The bank expects that business customers will increase their drawdowns during the fourth quarter of 2020 and during 2021. Generally, the bank expects a more subdued but positive development in lending.

A further reason for the positive trend in the interest income is that the bank introduced negative interest rates on business accounts in general in the fourth quarter of 2019, and on free deposited funds greater than DKK 2 million held by private customers and on holdings in pension accounts with effect from 1 January 2020. During 2020, the bank lowered the threshold for negative interest twice and it now stands at DKK 250,000.

In the first three quarters of the year, the bank incurred more interest expenses for non-preferred senior capital than in the same period in 2019, but in February and May 2020 respectively the bank carried out early redemption of two issues of subordinated capital, which subsequently reduced interest expenses in part of the first three quarters of 2020.

#### Fee, commission and foreign exchange income

Fee, commission and foreign exchange income amounted to DKK 569 million in the first three quarters of 2020, compared to DKK 587 million in the same period in 2019. The trend reflects both increases and falls in the different fee items.

The income items "Securities trading", "Guarantee commission and mortgage credit commission etc." and "Foreign exchange income" developed positively due to higher levels of activity. "Asset management and custody accounts" stood at the same level as 2019, while "Loan fees" decreased as expected due to less refinancing activity in 2020. In addition, income from "Payment handling" decreased due to the implementation of harmonisation and restriction of payment fees within the EU. Finally, "Other fees and commission" also decreased, because the item included major one-off income in 2019 and because the bank has harmonised its non-life insurance activities in 2020. This change has

meant decreased payments from the bank's external business partner, but also fewer resources allocated by the advisers to these activities.

### **Sector shares and other operating income**

Earnings of DKK 108 million from banking sector shares in the first three quarters of 2020 were slightly lower than at the end of September 2019, when earnings were DKK 109 million. The earnings derive primarily from returns on the bank's ownership interests in DLR Kredit, BankInvest (BI Holding) and PRAS.

Other operating income was DKK 1 million in the first three quarters of the year, in contrast to 2019, when income totalled DKK 8 million.

### **Core income**

Total core income increased by 2% from DKK 1,586 million in the first three quarters of 2019 to DKK 1,613 million in 2020. The bank considers the increase satisfactory.

### **Expenses, depreciation and write-downs**

Total expenses including depreciation and write-downs on tangible assets amounted to DKK 576 million in the first three quarters of 2020, compared to DKK 593 million in 2019, a decrease of 3%.

The positive development in costs is attributable to saved double expenses and initiatives taken during 2019 and the first three quarters of 2020.

The rate of costs was 35.7% in the first three quarters of the year, compared to 37.4% in 2019.

The bank's costs are expected to fall by approximately 3% this year.

### **Impairment charges for loans etc.**

The bank's expenditure for losses and impairment charges was DKK 44 million in the third quarter of 2020, compared to DKK 75 million in the first quarter and DKK 66 million in the second quarter of 2020.

The bank still believes that the great majority of its customers have handled the economic situation relating to the coronavirus pandemic in a way which has so far limited the need for new individual impairment charges. On the other hand, we note that the macroeconomic prospects remain weak and uncertain.

The bank is still very uncertain about how the economy will develop when the many government aid packages are phased out. There is also a risk of a further rise in the coronavirus R number and thus a new partial lockdown.

Among industry-specific events is the occurrence of African swine fever in wild boars in the eastern part of Germany. This occurrence had immediate consequences for Danish piglet exports to Germany where the price is now unsatisfactorily low. On the other hand, the impact on the price for fattening pigs has so far been moderate. The bank's impairment ratio for pig farms is currently 31%. Loans and guarantees to pig farms account for 1.3% of the bank's total exposure.

The situation for many of Denmark's mink farmers has also deteriorated during the third quarter of 2020 as several mink herds have been infected with coronavirus. The consequence of this is that the herds of both the infected farm and nearby farms must be killed. The bank's exposure to mink production accounts for 0.6% of the total exposure. The exposure recognised is to a large extent judged to be fully covered by a conservative valuation of stocks and land.

To counter the financial risk resulting from the coronavirus pandemic and sector-specific events, the bank has made management estimates. These estimates increased from DKK 524 million to DKK 541 million during the third quarter of 2020.

The bank's total account for impairment charges was DKK 2,212 million at the end of the third quarter of 2020 compared to DKK 2,216 million at the end of the second quarter of 2020.

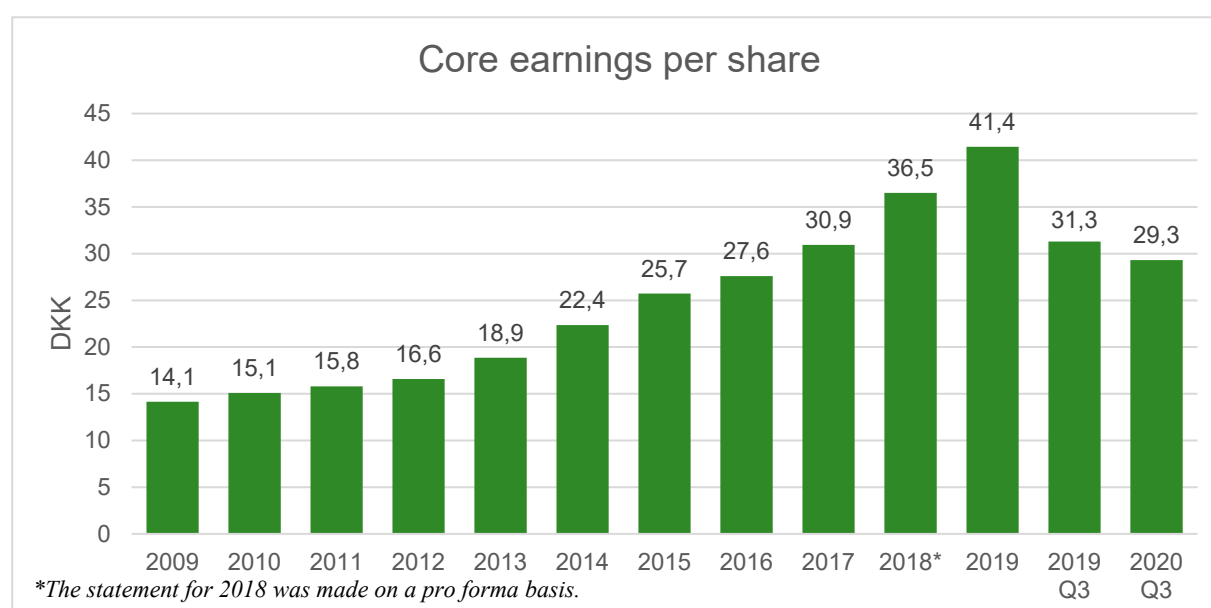
The bank's total loans to customers with suspended calculation of interest was DKK 179 million at the end of September 2020, which is a decrease relative to the end of December 2019, when the amount was DKK 212 million.

## Core earnings

Core earnings for the first three quarters of 2020 totalled DKK 852 million compared to last year's DKK 918 million, a fall of 7%.

(DKK million)	Q1-Q3 2020	Q1-Q3 2019	2019	2018	2017	2016
Total core income	1,613	1,586	2,116	2,001	1,917	1,861
Total expenses and depreciation	576	593	805	866	845	815
<b>Core earnings before impairment charges for loans</b>	<b>1,037</b>	<b>993</b>	<b>1,311</b>	<b>1,135</b>	<b>1,072</b>	<b>1,046</b>
Impairment charges for loans etc.	-185	-75	-100	-43	-70	-211
<b>Core earnings</b>	<b>852</b>	<b>918</b>	<b>1,211</b>	<b>1,092</b>	<b>1,002</b>	<b>835</b>

Core earnings per share were thus DKK 29.3 for the first three quarters of 2020 compared to DKK 31.3 in 2019, a decrease of 6%.



### **Result for the portfolio etc.**

The result for the portfolio etc. including funding costs for the portfolio was negative by DKK 24 million net for the first three quarters of 2020. In the first three quarters of 2019, the result for the portfolio etc. was positive by DKK 53 million net.

The negative result for the portfolio in 2020 is attributable to the turmoil on the financial markets as a result of the coronavirus crisis, with falling prices of Danish mortgage credit bonds and shares in the first quarter of the year and widening of the credit spread of corporate bonds. In that period, the result for the portfolio was negative by DKK 70 million net. The markets recovered during the next two quarters and the total result for the portfolio for the second and third quarters of 2020 was positive by DKK 46 million net.

### **Amortisation and write-downs on intangible assets**

The bank treats amortisation and write-downs on intangible assets as a special item, as 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 11 million in the first three quarters of the year, unchanged relative to the same period in 2019.

### **Profit before and after tax**

The profit before tax was DKK 817 million, equivalent to a return of 14.1% p.a. on average equity.

The profit after tax was DKK 657 million, equivalent to a return of 11.3% p.a. on average equity.

### **Balance sheet items and contingent liabilities**

The bank's balance sheet total at the end of September 2020 stood at DKK 53,956 million, compared to DKK 53,601 million at the end of September 2019.

Relative to September 2019, the bank's deposits including pooled schemes increased by 2% from DKK 38,554 million to DKK 39,204 million at the end of September 2020, while loans in the same period also increased by 2% from DKK 34,757 million to DKK 35,479 million. Loans increased by 1% in the third quarter of 2020.

The bank's contingent liabilities, including guarantees, at the end of September 2020 amounted to DKK 9,590 million, compared to DKK 10,836 million at the end of September 2019. The decrease is mainly attributable to the decreasing refinancing activity.

### Credit intermediation

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

The development in the bank's total credit intermediation is positive by 6% compared to the end of September 2019 and by 3% compared to the end of December 2019 and shown in the following summary:

	30 Sept. 2020 DKK million	30 Sept. 2019 DKK million	31 Dec. 2019 DKK million
<b>Total credit intermediation</b>			
Loans and other receivables at amortised cost	35,479	34,757	35,465
Arranged mortgage loans and funded home loans – Totalkredit	38,740	35,444	36,374
Arranged mortgage loans – DLR Kredit	9,452	8,943	9,029
<b>Total</b>	<b>83,671</b>	<b>79,144</b>	<b>80,868</b>

### Securities and market risk

The item “Shares, etc.” amounted to DKK 1,331 million at the end of September 2020, with DKK 28 million in listed shares and investment fund certificates and DKK 1,303 million in sector shares etc., mainly in DLR Kredit, BI Holding and PRAS. The bond portfolio amounted to DKK 7,479 million, of which the vast majority consisted of AAA-rated Danish government and mortgage credit bonds.

The total interest rate risk – impact on profit of a one percentage point change in interest level – was computed as 1.3% of the bank's tier 1 capital on 30 September 2020.

The bank's risk of losses calculated based on a Value-at-Risk model (computed with a 10-day horizon and 99% probability) was as follows in the first three quarters of 2020:

	Risk in DKK million	Risk relative to equity end of period in %
Highest risk of loss:	21.1	0.27%
Lowest risk of loss	7.2	0.09%
Average risk of loss	15.1	0.19%
End-of-period risk of loss	13.9	0.18%

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.

### Liquidity

The bank's liquidity situation is good. The bank's short-term funding with term to maturity of less than 12 months thus amounts to DKK 1.2 billion, balanced by DKK 10.7 billion in short-term investments in Danmarks Nationalbank, the central bank of Denmark, and in liquid tradable securities.

The bank's deposits (excluding pooled schemes) and equity exceeded its loans by DKK 7.2 billion 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 1.2 billion can be disregarded in terms of liquidity.

In terms of liquidity coverage ratio (LCR), the bank must comply with the statutory requirement of at least 100%. On 30 September 2020, the bank's LCR was 210%, which thus met the statutory requirement by a good margin.

### Capital structure

The bank's equity at the beginning of 2020 was DKK 7,610 million. The profit for the period 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 the third quarter of 2020 was DKK 7,884 million.

In addition to the above, the bank's capital ratios were affected by a number of circumstances during the first nine months of the year.

The bank carried out early redemption of DKK 275 million of tier 2 capital in February 2020 and of tier 2 capital equivalent to EUR 50 million in May 2020. Refinancing of these two issues was already in place in the third quarter of 2019.

In June 2020, the European Parliament adopted amendments to the CRR and CRR II regulations known as the CRR "Quick Fix", with possible implementation already from the end of June 2020. This has also greatly influenced the bank's capital structure in 2020.

A permanent change of the SME discount for the calculation of credit risk in accordance with the standardised method for SMEs has thus positively affected the bank's credit risk exposure. The SME discount was previously 23.89% of exposures not exceeding EUR 1.5 million. The discount is now 23.89% for the part of the exposure less than EUR 2.5 million, and a 15% discount has also been introduced for the part of the exposure that exceeds EUR 2.5 million.

In addition, a new five-year phasing-in period for the dynamic component of the IFRS 9 transitional rules was introduced. This has meant that the bank can 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 thus add back the increase in impairment charges less the effect on tax. The add-back factor is 100% for 2020, 100% for 2021, 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 thus uses both the static and the dynamic components of the IFRS 9 transitional rules, including the simplified approach to recalculation of capital requirements.

In addition, in June 2020, the Danish FSA terminated the possibility of down-weighting agricultural property exposures (buildings only) when calculating the capital requirement, because it considered that there is currently no well-developed and established market for them in Denmark. This decision only had a small negative effect on the bank's capital ratios.

The bank's total capital ratio was computed at 21.6% at the end of September 2020, and the tier 1 capital ratio at 17.8%.



In the third quarter of 2020, the common equity tier 1 capital ratio decreased from 17.9% at the beginning to 17.8% at the end of the quarter.

The development was caused by an increase in the risk exposure amount, which is balanced by the ordinary build-up of capital and the development in the new transition programme concerning IFRS 9 impairment charges.

<b>Capital ratios</b>	<b>Q3</b>	<b>Q3</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>2020</b>	<b>2019</b>			
Common equity tier 1 capital ratio (%)	17.8	14.2	14.7	14.6	16.5
Tier 1 capital ratio (%)	17.8	14.2	14.7	14.6	16.5
Total capital ratio (%)	21.6	19.7	20.0	18.4	17.8
MREL requirement (%) – fixed by the Danish FSA	20.2	20.7	20.7	19.7	-
MREL capital ratio (%)	29.2	27.3	27.3	24.9	-

Calculated without the above IFRS 9 transition programmes, the bank's total capital ratio was 20.0% and the tier 1 capital ratio 16.1% on 30 September 2020.

The bank has calculated the individual solvency requirement at the end of September 2020 at 9.3%. To this should be added a capital conservation buffer of 2.5% and a countercyclical buffer of 0%; the total requirement for the bank's total capital is thus 11.8%.

Compared with the actual total capital of DKK 8.6 billion, the excess cover at the end of September 2020 was thus DKK 3.9 billion, equivalent to 9.8 percentage points.

At the beginning of 2020, the countercyclical capital buffer was 1.0%. Notice had been given during 2019 of additional 0.5 percentage point increases on 30 June 2020 and on 31 December 2020, so that the buffer would be 2.0% at the end of 2020.

The development described above was included in the bank's capital target for the MREL capital ratio. On 12 March 2020, the government released the countercyclical buffer in the light of the uncertainties on the financial markets. This was subsequently maintained, most recently in an announcement from the Minister for Industry, Business and Financial Affairs on 30 September 2020.

Following the release of the buffer, the bank received an updated MREL requirement for 2020, which is now 20.2% at the end of 2020. On this basis, the board of directors reassessed the capital target for the MREL capital ratio in the first half of 2020 and reduced it by 1.5 percentage points.

The bank operates with three different capital targets. The capital targets specify that the common equity tier 1 capital ratio must be at least 13.5%, the total capital ratio at least 17% and the MREL capital ratio for covering the MREL requirement at least 23.5%, including the capital buffers. It is the last-mentioned target that the board of directors reassessed in the first half of 2020 and reduced from 25% to the stated 23.5%.

All capital targets are minimum figures that must be met at the end of the year, but there may be fluctuations in the capital ratios over the year. The MREL requirement must always be met.

To comply with the MREL requirement, the bank had established funding by the end of 2017 to meet the requirements for grandfathering of contractual senior capital. DKK 1.7 billion of the funding was included to meet the bank's MREL requirement at the end of September 2020. In addition, the bank issued non-preferred senior capital totalling DKK 1.2 billion in the period December 2018 to



December 2019. In June 2020 the bank issued an additional DKK 125 million of non-preferred senior capital, so that the total issues now amount to DKK 1.3 billion.

The release of the countercyclical capital buffer, the subsequent adjustment of the bank's target MREL capital ratio and the permanent positive effects on capital mean that the bank no longer requires the previously announced sum of approximately DKK 750 million to finance the non-preferred senior capital in 2020. The bank is not expected to require financing for non-preferred senior capital in 2021 and 2022. Despite this, the bank expects to make minor issues both in 2021 and 2022.

The bank's capital for covering the MREL requirement totalled DKK 11.6 billion, equivalent to 29.2% of the total risk exposure on 30 September 2020. The excess cover relative to the MREL requirement on 30 September 2020 was thus 9.0 percentage points.

### Share buy-back programme and capital reduction

The bank's annual general meeting in March 2020 authorised the board of directors, 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.

The board of directors subsequently acted on the authorisation and initiated a share buy-back programme of DKK 150 million (of an expected total buy-back programme of DKK 300 million). On 30 March 2020, the board of directors decided to suspend the share buy-back programme in progress, based on a joint statement of 23 March 2020 made by the government and Finance Denmark. On 27 March 2020, 160,600 shares to a total value of DKK 57.5 million had been bought back.

In connection with the publication of the interim report for the first half of 2020 and the Danish FSA's recommendation of 26 June 2020, the bank's board of directors decided not to buy back further shares or pay any dividends until the end of 2020.

The board of directors expects to return to normal distribution of capital in the form of dividends and establishment of a share buy-back programme in 2021, based on the financial statements for 2020.

The annual general meeting further decided to cancel 433,475 of the bank's own shares. The capital reduction was finalised in May 2020.

The bank's actual share capital is thus DKK 29,067,721 in nom. DKK 1 shares, see below.

	<b>Number of shares</b>
Beginning of 2020	29,661,796
Capital reduction completed by cancellation of own shares, May 2020	-433,475
After the completed capital reduction	29,228,321
DKK 150 million share buy-back programme	
Bought under the share buy-back programme at the end of September 2020	-160,600
	29,067,721

## The Supervisory Diamond

The bank complies with the Danish FSA's Supervisory Diamond which contains a number of benchmarks and associated limit values which Danish banks must observe.

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

Benchmark	Limit value	Q3	Q3	2019	2018	2017
		2020	2019			
Funding ratio	< 1	0.7	0.7	0.7	0.7	0.8
Liquidity benchmark	> 100%	205.6%	221.7%	193.2%	179.5%	-
Total large exposures	> 175%	104.9%	117.8%	121.0%	106.0%	136.1%
Growth in loans	< 20%	2.1%	8.0%	6.3%	*72.3	10.7%
Real property exposure	< 25%	18.0%	16.0%	17.5%	15.8%	18.0%

\* The increase was mainly caused by the merger with Nordjyske Bank. The pro forma growth in loans for the full year 2018 was 7.0%.

As shown above, Ringkjøbing Landbobank meets all five current limit values by a good margin.

## Rating

The bank is rated by the international credit rating agency Moody's Investors Service.

On 8 September 2020, Moody's upgraded Ringkjøbing Landbobank's long-term bank deposits rating from A1 to Aa3. In addition, the bank's long-term issuer rating was also upgraded – from A2 to A1. The other ratings were unchanged. The outlook for the bank's ratings was changed from "positive" to "stable" in connection with the upgrade.

Moody's, one of the world's biggest rating agencies, based these upgrades on the bank's earning capacity and credit profile, which indicate that the bank will continue to meet current macroeconomic challenges.

## Image survey

In September 2020, the market research company Voxmeter published its annual image survey of Danish financial institutions. The survey is based on as many as 39,000 interviews.

It places both of the bank's brands among the top 5, which is considered highly satisfactory. The "Ringkjøbing Landbobank" brand takes second place and the "Nordjyske Bank" brand is ranked fourth.

## The coronavirus pandemic

We saw and still see it as an important part of our task, during the coronavirus pandemic, to support our customers and business partners.

Since March we have therefore focused on supporting our customers at a difficult time. The bank has carefully studied the aid packages that have been launched and the business banking departments have worked at full capacity. Business customer advisers have been in contact with the greater part of the business customer portfolio to follow up on customers' circumstances and give them help and advice.

The bank has also offered private customers the possibility, at no charge, of deferring interest and capital repayments on loans.

The bank has also supported its suppliers, and local communities and associations, partly by paying bills before they fall due and as soon as possible after receiving them, and partly by offering clubs and associations sponsored by the bank advances on agreed sponsorships. Furthermore, the bank has supported the local daily and weekly newspapers by placing full-page advertisements in them.

Finally, the bank naturally implemented a range of measures to protect its employees and lessen the risk of transmission of the virus.

Following the first wave of coronavirus in spring 2020, redesigned IT workstations with video links were therefore installed for all the bank's employees, who were also trained in the use of the Microsoft "Teams" application. In addition, the layout of the workstations in the bank has been modified in the expectation that restrictions and recommendations will be in force for an extended period.

Most customer meetings were held virtually in the third quarter of 2020 and employee travel activities were limited.

In most cases, the first wave did not affect our customers and business partners as severely as feared at the start of the pandemic. Several places in Europe and the rest of the world are now experiencing a second wave, which will naturally also affect society. The bank has prepared for operating in a changing environment for a long time.

### **Expected results for 2020**

On publication of the 2019 annual report, the bank announced its expectations for core earnings for 2020 in the range DKK 1,000-1,200 million and profit before tax in the range DKK 950-1,250 million.

On 23 March 2020 the bank downwardly adjusted its expected results for 2020 to core earnings in the range DKK 900-1,100 million and profit before tax in the range 800-1,100 million as a result of the coronavirus crisis and the macroeconomic uncertainty arising from it, including falling prices of mortgage bonds, widening credit spreads of corporate bonds and expected higher impairment charges.

On 6 October 2020 the bank announced an upward adjustment of its expectations for 2020. The expectations for core earnings were upwardly adjusted to the DKK 1,000-1,150 million range and the expectations for profit before tax were upwardly adjusted to the DKK 950-1,150 million range.

The background to the upward adjustment was primarily a better income flow than previously expected including from a continued big increase in customers and a high level of activity. The capital loss on the bank's bond portfolio had also been reduced.

The upwardly adjusted expectations remain valid.

### **Accounting policies**

The bank changed its accounting policies at the beginning of 2020 because rules in the Executive Order on Financial Reports for Credit Institutions and Investment Firms etc., compatible with the provisions of IFRS 16 – Leases, entered into force on 1 January 2020.

The changes in the rules and policies mean that the lessee is no longer required to distinguish between finance leasing and operating leasing for accounting purposes. The lessee must recognise all leasing contracts, including leases, as a lease asset representing the value of the right-of-use asset. On initial recognition, the asset must be measured at the present value of the lease liability, including costs and any prepayments. The present value of the agreed lease payments must be recognised as a liability at the same time. Assets leased on short-term contracts and low-value asset leases are exempt from the requirement for recognition of lease assets.

The rule and policy changes thus resulted in an increase of DKK 21 million in the bank's tangible assets and debts at the beginning of 2020. The effect on operations is insignificant since the bank has only entered into a limited number of leasing agreements/leases, mainly for the premises accommodating a few of its branches.

The accounting policies are otherwise unchanged relative to those in the submitted and audited 2019 annual report.

## Key figures

	Q1-Q3 2020	Q1-Q3 2019	Full year 2019
<b>Key figures for the bank</b> (per cent)			
Profit before tax as a percentage of average equity, per annum	14.1	17.5	16.8
Net profit for the period as a percentage of average equity, per annum	11.3	13.8	13.2
Rate of costs	35.7	37.4	38.0
Common equity tier 1 capital ratio	17.8	14.2	14.7
Tier 1 capital ratio	17.8	14.2	14.7
Total capital ratio	21.6	19.7	20.0
MREL requirement – fixed by the Danish FSA	20.2	20.7	20,7
MREL capital ratio	29.2	27.3	27.3
<b>Key figures per DKK 1 share</b> (DKK)			
Core earnings	29.3	31.3	41.4
Net profit for the period	22.6	25.7	33.5
Book value	271.2	253.1	260.4
Share price, end of period	482.0	430.0	514.0
Basis of calculation, number of shares	29,067,721	29,341,321	29,228,321

## Quarterly overviews

### Core earnings

	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
(DKK million)											
Net interest income	319	311	305	292	294	296	291	289	287	284	287
Net fee and commission income excluding securities trading	147	136	152	154	163	159	150	146	136	141	146
Income from sector shares etc.	38	35	35	36	36	36	37	39	34	49	38
Foreign exchange income	9	9	10	8	9	8	6	8	8	9	6
Other operating income	0	1	0	5	7	0	1	2	1	2	1
<b>Total core income excluding securities trading</b>	<b>513</b>	<b>492</b>	<b>502</b>	<b>495</b>	<b>509</b>	<b>499</b>	<b>485</b>	<b>484</b>	<b>466</b>	<b>485</b>	<b>478</b>
Securities trading	39	28	39	35	29	23	41	17	23	20	28
<b>Total core income</b>	<b>552</b>	<b>520</b>	<b>541</b>	<b>530</b>	<b>538</b>	<b>522</b>	<b>526</b>	<b>501</b>	<b>489</b>	<b>505</b>	<b>506</b>
Staff and administration expenses	179	190	191	202	180	198	198	221	203	217	206
Depreciation and write-downs on tangible assets	5	2	3	9	8	4	2	3	3	2	8
Other operating expenses	2	0	4	1	0	2	1	1	0	1	1
Total expenses etc.	186	192	198	212	188	204	201	225	206	220	215
<b>Core earnings before impairment charges for loans</b>	<b>366</b>	<b>328</b>	<b>343</b>	<b>318</b>	<b>350</b>	<b>318</b>	<b>325</b>	<b>276</b>	<b>283</b>	<b>285</b>	<b>291</b>
Impairment charges for loans and other receivables etc.	-44	-66	-75	-25	-26	-24	-25	-25	-20	-11	+13
<b>Core earnings</b>	<b>322</b>	<b>262</b>	<b>268</b>	<b>293</b>	<b>324</b>	<b>294</b>	<b>300</b>	<b>251</b>	<b>263</b>	<b>274</b>	<b>304</b>
Result for the portfolio etc.	+17	+29	-70	-4	+20	+7	+26	-20	+4	+3	+90
Amortisation and write-downs on intangible assets	3	4	4	4	3	4	4	4	3	12	6
Merger and restructuring costs	0	0	0	0	0	0	0	26	46	46	4
Non-recurring costs	0	0	0	0	0	0	0	1	0	69	0
<b>Profit before tax</b>	<b>336</b>	<b>287</b>	<b>194</b>	<b>285</b>	<b>341</b>	<b>297</b>	<b>322</b>	<b>200</b>	<b>218</b>	<b>150</b>	<b>384</b>
Tax	64	60	36	62	66	76	63	46	37	33	58
<b>Net profit for the period</b>	<b>272</b>	<b>227</b>	<b>158</b>	<b>223</b>	<b>275</b>	<b>221</b>	<b>259</b>	<b>154</b>	<b>181</b>	<b>117</b>	<b>326</b>

## Quarterly overviews – continued

### Balance sheet items and contingent liabilities

	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
(DKK million)											
Loans	35,479	35,260	36,130	35,465	34,757	34,528	34,195	33,350	32,192	31,970	31,647
Deposits including pooled schemes	39,204	39,670	37,051	38,128	38,554	39,070	37,439	36,993	36,866	37,313	36,307
Equity	7,884	7,612	7,380	7,610	7,426	7,231	7,071	7,189	7,171	7,066	6,644
Balance sheet total	53,956	53,984	51,531	52,941	53,601	52,426	50,266	49,651	49,287	49,859	47,349
Contingent liabilities	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

	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
(DKK million)											
Common equity tier 1	7,049	6,973	6,109	6,072	5,624	5,441	5,284	5,326	5,099	4,978	5,185
Tier 1 capital	7,049	6,973	6,109	6,072	5,624	5,441	5,284	5,326	5,099	4,978	5,185
Total capital	8,553	8,507	8,009	8,242	7,786	6,854	6,667	6,711	6,470	6,348	5,757
MREL capital	11,587	11,580	10,985	11,248	10,790	9,551	9,033	9,057	-	-	-
Total risk exposure	39,682	38,900	41,444	41,223	39,547	40,106	38,308	36,385	34,123	33,784	34,314
(Per cent)											
Common equity tier 1 capital ratio	17.8	17.9	14.7	14.7	14.2	13.6	13.8	14.6	15.0	14.7	15.1
Tier 1 capital ratio	17.8	17.9	14.7	14.7	14.2	13.6	13.8	14.6	15.0	14.7	15.1
Total capital ratio	21.6	21.9	19.3	20.0	19.7	17.1	17.4	18.4	19.0	18.8	16.8
MREL capital ratio	29.2	29.8	26.5	27.3	27.3	23.8	23.6	24.9	-	-	-



## Statements of income and comprehensive income

Note		Q1-Q3 2020 DKK 1,000	Q1-Q3 2019 DKK 1,000	Full year 2019 DKK 1,000
1	Interest income	1,024,457	973,925	1,299,449
2	Interest expenses	91,921	98,316	131,144
	<b>Net interest income</b>	<b>932,536</b>	<b>875,609</b>	<b>1,168,305</b>
3	Dividends from shares etc.	71,106	70,380	70,409
4	Fee and commission income	603,681	622,177	833,082
4	Fee and commission expenses	62,459	57,422	78,541
	<b>Net interest and fee income</b>	<b>1,544,864</b>	<b>1,510,744</b>	<b>1,993,255</b>
5	Value adjustments	+50,546	+127,408	+168,906
	Other operating income	519	7,879	13,582
6,7	Staff and administration expenses	559,945	576,324	778,458
	Amortisation, depreciation and write-downs on intangible and tangible assets	20,859	24,769	37,959
	Other operating expenses	6,058	2,902	3,934
8,12	Impairment charges for loans and other receivables etc.	-192,505	-82,278	-110,172
	Results from investments in associated companies and group undertakings	0	0	+201
	<b>Profit before tax</b>	<b>816,562</b>	<b>959,758</b>	<b>1,245,421</b>
9	Tax	159,361	204,393	267,156
	<b>Net profit for the period</b>	<b>657,201</b>	<b>755,365</b>	<b>978,265</b>
	Other comprehensive income:			
	Value changes in pension liabilities	0	+59	+50
	<b>Total comprehensive income for the period</b>	<b>657,201</b>	<b>755,424</b>	<b>978,315</b>

## Core earnings

Note		Q1-Q3 2020 DKK 1,000	Q1-Q3 2019 DKK 1,000	Full year 2019 DKK 1,000
	Net interest income	934,599	880,887	1,173,085
4	Net fee and commission income excluding securities trading	435,320	471,620	626,349
	Income from sector shares etc.	108,010	109,476	144,702
4	Foreign exchange income	28,161	22,453	30,749
	Other operating income	519	7,879	13,582
	<b>Total core income excluding securities trading</b>	<b>1,506,609</b>	<b>1,492,315</b>	<b>1,988,467</b>
4	Securities trading	105,902	93,135	128,192
	<b>Total core income</b>	<b>1,612,511</b>	<b>1,585,450</b>	<b>2,116,659</b>
6,7	Staff and administration expenses	559,945	576,324	778,458
	Depreciation and write-downs on tangible assets	9,609	13,519	22,959
	Other operating expenses	6,058	2,902	3,934
	Total expenses etc.	575,612	592,745	805,351
	<b>Core earnings before impairment charges for loans</b>	<b>1,036,899</b>	<b>992,705</b>	<b>1,311,308</b>
	Impairment charges for loans and other receivables etc.	-184,783	-74,556	-99,876
	<b>Core earnings</b>	<b>852,116</b>	<b>918,149</b>	<b>1,211,432</b>
	Result for the portfolio etc.	-24,304	+52,859	+48,989
	Amortisation and write-downs on intangible assets	11,250	11,250	15,000
	<b>Profit before tax</b>	<b>816,562</b>	<b>959,758</b>	<b>1,245,421</b>
9	Tax	159,361	204,393	267,156
	<b>Net profit for the period</b>	<b>657,201</b>	<b>755,365</b>	<b>978,265</b>

## Balance sheet

Note		30 Sept. 2020 DKK 1,000	30 Sept. 2019 DKK 1,000	31 Dec. 2019 DKK 1,000
	<b>Assets</b>			
	Cash in hand and demand deposits with central banks	665,083	691,319	685,380
10	Receivables from credit institutions and central banks	2,571,061	2,665,208	2,668,915
11,12,13	Total loans and other receivables at amortised cost	35,479,206	34,757,488	35,465,416
	Loans and other receivables at amortised cost	34,292,880	33,478,377	34,205,433
	Wind turbine loans etc. with direct funding	1,186,326	1,279,111	1,259,983
14	Bonds at fair value	7,478,938	7,907,907	6,773,533
15	Shares etc.	1,331,306	1,476,480	1,290,523
	Investments in associated companies	457	480	457
	Investments in group undertakings	12,035	11,811	12,035
16	Assets linked to pooled schemes	4,394,837	4,152,454	4,276,344
17	Intangible assets	1,038,588	1,053,588	1,049,838
	Total land and buildings	216,295	214,872	208,881
	Investment properties	10,067	11,567	11,567
	Domicile properties	187,089	203,305	197,314
	Domicile properties (leasing)	19,139	-	-
	Other tangible assets	17,823	21,360	20,055
	Current tax assets	0	0	37,044
	Deferred tax assets	19,404	0	3,849
	Temporary assets	10,115	4,643	3,756
	Other assets	704,020	627,028	423,606
	Prepayments	16,506	16,438	21,262
	<b>Total assets</b>	<b>53,955,674</b>	<b>53,601,076</b>	<b>52,940,894</b>

## Balance sheet – continued

Note		30 Sept. 2020 DKK 1,000	30 Sept. 2019 DKK 1,000	31 Dec. 2019 DKK 1,000
	<b>Liabilities and equity</b>			
18	Debt to credit institutions and central banks	2,245,433	2,331,855	2,172,765
	Total deposits and other debt	39,204,499	38,553,703	38,127,837
19	Deposits and other debt	34,809,662	34,401,249	33,851,493
	Deposits in pooled schemes	4,394,837	4,152,454	4,276,344
20	Issued bonds at amortised cost	2,363,210	2,169,855	2,212,709
	Preferred senior capital	1,033,402	1,041,241	1,030,961
	Non-preferred senior capital	1,329,808	1,128,614	1,181,748
	Current tax liabilities	89,154	118,086	0
	Other liabilities	497,523	695,789	531,576
	Deferred income	1,586	2,400	1,841
	<b>Total debt</b>	<b>44,401,405</b>	<b>43,871,688</b>	<b>43,046,728</b>
	Provisions for pensions and similar liabilities	1,983	2,823	2,398
	Provisions for deferred tax	0	1,478	0
12	Provisions for losses on guarantees	83,224	71,840	58,694
12	Other provisions for liabilities	34,946	22,187	22,341
	<b>Total provisions for liabilities</b>	<b>120,153</b>	<b>98,328</b>	<b>83,433</b>
	Tier 2 capital	1,550,155	2,205,289	2,200,857
21	<b>Total subordinated debt</b>	<b>1,550,155</b>	<b>2,205,289</b>	<b>2,200,857</b>
22	Share capital	29,228	29,662	29,662
	Net revaluation reserve under the equity method	419	218	419
	Retained earnings	7,854,314	7,395,891	7,252,515
	Proposed dividend etc.	-	-	327,280
	<b>Total shareholders' equity</b>	<b>7,883,961</b>	<b>7,425,771</b>	<b>7,609,876</b>
	<b>Total liabilities and equity</b>	<b>53,955,674</b>	<b>53,601,076</b>	<b>52,940,894</b>
23	Own shares			
24	Contingent liabilities etc.			
25	Assets provided as security			
	Credit risk			
26	Loans and guarantees in per cent, by sector and industry			
27	Loans, guarantees and unutilised credit facilities and loan undertakings by credit quality and IFRS 9 stages			
28	Miscellaneous comments			

## Statement of changes in equity

DKK 1,000	Share capital	Net revaluation reserve under the equity method	Retained earnings	Proposed dividend etc.	Total shareholders' equity
<b>As at 30 September 2020:</b>					
<b>Shareholders' equity at the end of the previous financial year</b>	<b>29,662</b>	<b>419</b>	<b>7,252,515</b>	<b>327,280</b>	<b>7,609,876</b>
Reduction of share capital	-434		434		0
Dividend etc. paid				-327,280	-327,280
Dividend received on own shares			4,966		4,966
Purchase of own shares			-519,930		-519,930
Sale of own shares			451,109		451,109
Other equity transactions (employee shares)			8,019		8,019
Total comprehensive income for the period			657,201		657,201
<b>Shareholders' equity on the balance sheet date</b>	<b>29,228</b>	<b>419</b>	<b>7,854,314</b>	<b>0</b>	<b>7,883,961</b>

DKK 1,000	Share capital	Net revaluation reserve under the equity method	Retained earnings	Proposed dividend etc.	Total shareholders' equity
<b>As at 30 September 2019:</b>					
<b>Shareholders' equity at the end of the previous financial year</b>	<b>30,994</b>	<b>218</b>	<b>6,847,035</b>	<b>310,443</b>	<b>7,188,690</b>
Reduction of share capital	-1,332		1,332		0
Dividend etc. paid				-310,443	-310,443
Dividend received on own shares			13,332		13,332
Purchase of own shares			-889,426		-889,427
Sale of own shares			659,829		659,828
Other equity transactions (employee shares)			8,365		8,365
Total comprehensive income for the period			755,424		755,424
<b>Shareholders' equity on the balance sheet date</b>	<b>29,662</b>	<b>218</b>	<b>7,395,891</b>	<b>0</b>	<b>7,425,771</b>

## Statement of changes in equity – continued

DKK 1,000	Share capital	Net revaluation reserve under the equity method	Retained earnings	Proposed dividend etc.	Total shareholders' equity
<b>As at 31 December 2019:</b>					
<b>Shareholders' equity at the end of the previous financial year</b>	<b>30,994</b>	<b>218</b>	<b>6,847,035</b>	<b>310,443</b>	<b>7,188,690</b>
Reduction of share capital	-1,332		1,332		0
Dividend etc. paid				-310,443	-310,443
Dividend received on own shares			13,332		13,332
Purchase of own shares			-906,758		-906,758
Sale of own shares			634,280		634,280
Other equity transactions (employee shares)			12,460		12,460
Total comprehensive income for the year		201	650,834	327,280	978,315
<b>Shareholders' equity on the balance sheet date</b>	<b>29,662</b>	<b>419</b>	<b>7,252,515</b>	<b>327,280</b>	<b>7,609,876</b>

## Statement of capital

	30 Sept. 2020 DKK 1,000	30 Sept. 2019 DKK 1,000	31 Dec. 2019 DKK 1,000
Credit risk	34,311,441	34,800,376	35,824,915
Market risk	2,464,205	2,484,435	2,491,568
Operational risk	2,906,665	2,262,571	2,906,665
<b>Total risk exposure</b>	<b>39,682,311</b>	<b>39,547,382</b>	<b>41,223,148</b>
Shareholders' equity	7,883,961	7,425,771	7,609,876
Proposed dividend etc.	-	-	-327,280
Deduction for expected dividend	-251,051	-354,039	-
Addition for transition programme concerning IFRS 9	700,584	38,960	38,960
Deduction for the sum of equity investments etc. above 10%	-202,981	-353,627	-157,688
Deduction for prudent valuation	-15,963	-16,408	-15,233
Deduction for intangible assets	-1,038,588	-1,053,588	-1,049,838
Deferred tax on intangible assets	25,373	28,673	27,848
Deduction of amounts of share buy-back programmes	-57,504	-190,000	0
Actual utilisation of amounts of share buy-back programmes	57,504	135,956	0
Deduction for trading limit for own shares	-55,000	-55,000	-55,000
Actual utilisation of the trading limit for own shares	2,397	17,599	126
<b>Common equity tier 1</b>	<b>7,048,732</b>	<b>5,624,297</b>	<b>6,071,771</b>
<b>Tier 1 capital</b>	<b>7,048,732</b>	<b>5,624,297</b>	<b>6,071,771</b>
Tier 2 capital	1,544,580	2,194,728	2,195,418
Deduction for the sum of equity investments etc. above 10%	-40,431	-32,924	-24,781
<b>Total capital</b>	<b>8,552,881</b>	<b>7,786,101</b>	<b>8,242,408</b>
Contractual senior funding (grandfathered)	1,728,493	1,897,454	1,824,492
Non-preferred senior capital	1,305,603	1,106,621	1,181,431
<b>MREL capital</b>	<b>11,586,977</b>	<b>10,790,176</b>	<b>11,248,331</b>



## Statement of capital – continued

	<b>30 Sept. 2020 DKK 1,000</b>	<b>30 Sept. 2019 DKK 1,000</b>	<b>31 Dec. 2019 DKK 1,000</b>
<b>Common equity tier 1 capital ratio (%)</b>	<b>17.8</b>	<b>14.2</b>	<b>14.7</b>
<b>Tier 1 capital ratio (%)</b>	<b>17.8</b>	<b>14.2</b>	<b>14.7</b>
<b>Total capital ratio (%)</b>	<b>21.6</b>	<b>19.7</b>	<b>20.0</b>
<b>MREL capital ratio (%)</b>	<b>29.2</b>	<b>27.3</b>	<b>27.3</b>
Pillar I capital requirements	3,174,585	3,163,791	3,297,852
Individual solvency requirement (%)	9.3	9.3	9.3
Capital conservation buffer (%)	2.5	2.5	2.5
Countercyclical buffer (%)	0.0	1.0	1.0
Total requirement for the bank's total capital (%)	11.8	12.8	12.8
Excess cover in percentage points relative to individual solvency requirement	12.3	10.4	10.7
Excess cover in percentage points relative to total requirement for total capital	9.8	6.9	7.2
MREL requirement (%) – fixed by the Danish FSA	20.2	20.7	20.7
Excess cover in percentage points relative to MREL requirement	9.0	6.6	6.6

## Notes

Note	Q1-Q3 2020 DKK 1,000	Q1-Q3 2019 DKK 1,000	Full year 2019 DKK 1,000
<b>1 Interest income</b>			
Receivables from credit institutions and central banks – net	-13,788	-9,357	-12,804
Loans and other receivables	943,548	955,131	1,272,826
Discounts – amortisation concerning loans taken over etc.	7,722	7,722	10,296
Loans – interest on the impaired part of loans	-46,183	-51,144	-68,853
Bonds – net	7,025	15,342	17,314
Total derivative financial instruments – net	15,553	19,438	26,043
of which currency contracts – net	8,799	9,059	10,589
of which interest-rate contracts – net	6,754	10,379	15,454
Other interest income	2,295	3,336	4,594
<b>Total interest income</b>	<b>916,172</b>	<b>940,468</b>	<b>1,249,416</b>
<b>Negative interest income transferred to interest expenses</b>			
Receivables from credit institutions and central banks	15,323	11,310	14,260
Bonds	5,496	5,621	9,838
Total derivative financial instruments	3,558	3,816	3,937
of which currency contracts	928	1,195	1,199
of which interest-rate contracts	2,630	2,621	2,738
<b>Total negative interest income transferred to interest expenses</b>	<b>24,377</b>	<b>20,747</b>	<b>28,035</b>
<b>Negative interest expenses transferred from interest expenses</b>			
Debt to credit institutions and central banks	91	175	273
Deposits and other debt	83,817	12,535	21,725
<b>Total negative interest expenses transferred from interest expenses</b>	<b>83,908</b>	<b>12,710</b>	<b>21,998</b>
<b>Total interest income</b>	<b>1,024,457</b>	<b>973,925</b>	<b>1,299,449</b>

## Notes – continued

Note	Q1-Q3 2020 DKK 1,000	Q1-Q3 2019 DKK 1,000	Full year 2019 DKK 1,000
<b>2 Interest expenses</b>			
Debt to credit institutions and central banks – net	9,144	9,214	12,197
Deposits and other debt – net	-69,293	13,479	9,725
Issued bonds	16,168	12,075	17,131
Subordinated debt	25,233	29,884	41,932
Other interest expenses	2,384	207	126
<b>Total interest expenses</b>	<b>-16,364</b>	<b>64,859</b>	<b>81,111</b>
<b>Negative interest expenses transferred to interest income</b>			
Debt to credit institutions and central banks	91	175	273
Deposits and other debt	83,817	12,535	21,725
<b>Total negative interest expenses transferred to interest income</b>	<b>83,908</b>	<b>12,710</b>	<b>21,998</b>
<b>Negative interest income transferred from interest income</b>			
Receivables from credit institutions and central banks	15,323	11,310	14,260
Bonds	5,496	5,621	9,838
Total derivative financial instruments	3,558	3,816	3,937
of which currency contracts	928	1,195	1,199
of which interest-rate contracts	2,630	2,621	2,738
<b>Total negative interest income transferred from interest income</b>	<b>24,377</b>	<b>20,747</b>	<b>28,035</b>
<b>Total interest expenses</b>	<b>91,921</b>	<b>98,316</b>	<b>131,144</b>
<b>3 Dividends from shares etc.</b>			
Shares	71,106	70,380	70,409
<b>Total dividends from shares etc.</b>	<b>71,106</b>	<b>70,380</b>	<b>70,409</b>
<b>4 Gross fee and commission income</b>			
Securities trading	118,135	99,811	137,452
Asset management and custody accounts	121,974	120,642	160,958
Payment handling	74,063	84,683	113,046
Loan fees	65,006	86,530	115,134
Guarantee commission and mortgage credit commission etc.	166,159	161,540	217,465
Other fees and commission	58,344	68,971	89,027
<b>Total gross fee and commission income</b>	<b>603,681</b>	<b>622,177</b>	<b>833,082</b>
<b>Net fee and commission income</b>			
Securities trading	105,902	93,135	128,192
Asset management and custody accounts	109,876	110,559	147,859
Payment handling	47,233	59,922	79,241
Loan fees	58,861	79,270	103,805
Guarantee commission and mortgage credit commission etc.	166,159	161,540	217,465
Other fees and commission	53,191	60,329	77,979
<b>Total net fee and commission income</b>	<b>541,222</b>	<b>564,755</b>	<b>754,541</b>
Foreign exchange income	28,161	22,453	30,749
<b>Total net fee, commission and foreign exchange income</b>	<b>569,383</b>	<b>587,208</b>	<b>785,290</b>

## Notes – continued

Note		Q1-Q3 2020 DKK 1,000	Q1-Q3 2019 DKK 1,000	Full year 2019 DKK 1,000
<b>5</b>	<b>Value adjustments</b>			
	Other loans and receivables, fair value adjustment	1,484	7,090	2,675
	Bonds	-7,859	39,573	31,350
	Shares etc.	32,760	64,352	101,018
	Investment properties	0	-256	-256
	Foreign exchange	28,161	22,453	30,749
	Total derivative financial instruments	24,340	55,004	26,136
	of which currency contracts	21,923	32,318	12,711
	of which interest-rate contracts	2,411	22,404	13,071
	of which share contracts	6	282	354
	Assets linked to pooled schemes	-64,728	317,896	417,435
	Deposits in pooled schemes	64,728	-317,896	-417,435
	Issued bonds	-29,336	-49,728	-17,325
	Other liabilities	996	-11,080	-5,441
	<b>Total value adjustments</b>	<b>50,546</b>	<b>127,408</b>	<b>168,906</b>
<b>6</b>	<b>Staff and administration expenses</b>			
	Payments and fees to general management, board of directors and shareholders' committee			
	General management	12,241	11,287	15,840
	Board of directors	1,585	1,537	3,075
	Shareholders' committee	0	0	781
	Total	13,826	12,824	19,696
	Staff expenses			
	Salaries	257,882	262,146	362,703
	Pensions	32,449	28,534	39,478
	Social security expenses	5,083	5,106	6,444
	Costs depending on number of staff	45,857	40,613	56,420
	Total	341,271	336,399	465,045
	Other administration expenses	204,848	227,101	293,717
	<b>Total staff and administration expenses</b>	<b>559,945</b>	<b>576,324</b>	<b>778,458</b>
<b>7</b>	<b>Number of full-time employees</b>			
	Average number of employees during the period converted into full-time employees	<b>638</b>	<b>659</b>	<b>657</b>
	Number of full-time employees at the end of the period	<b>630</b>	<b>651</b>	<b>652</b>
<b>8</b>	<b>Impairment charges for loans and other receivables etc.</b>			
	Net changes in impairment charges for loans and other receivables, etc. and provisions for losses on guarantees and unutilised credit facilities	180,274	-8,363	-8,762
	Actual realised net losses	58,414	141,785	187,787
	Interest on the impaired part of loans	-46,183	-51,144	-68,853
	<b>Total impairment charges for loans and other receivables etc.</b>	<b>192,505</b>	<b>82,278</b>	<b>110,172</b>

## Notes – continued

Note	Q1-Q3 2020 DKK 1,000	Q1-Q3 2019 DKK 1,000	Full year 2019 DKK 1,000
<b>6</b>	<b>Staff and administration expenses</b>		
	Payments and fees to general management, board of directors and shareholders' committee		
	12,241	11,287	15,840
	1,585	1,537	3,075
	0	0	781
	13,826	12,824	19,696
	Staff expenses		
	257,882	262,146	362,703
	32,449	28,534	39,478
	5,083	5,106	6,444
	45,857	40,613	56,420
	341,271	336,399	465,045
	204,848	227,101	293,717
	<b>559,945</b>	<b>576,324</b>	<b>778,458</b>
<b>7</b>	<b>Number of full-time employees</b>		
	Average number of employees during the period converted into full-time employees		
	<b>638</b>	<b>659</b>	<b>657</b>
	Number of full-time employees at the end of the period		
	<b>630</b>	<b>651</b>	<b>652</b>
<b>8</b>	<b>Impairment charges for loans and other receivables etc.</b>		
	Net changes in impairment charges for loans and other receivables, etc. and provisions for losses on guarantees and unutilised credit facilities		
	180,274	-8,363	-8,762
	58,414	141,785	187,787
	-46,183	-51,144	-68,853
	<b>192,505</b>	<b>82,278</b>	<b>110,172</b>
<b>9</b>	<b>Tax</b>		
	163,034	192,785	250,816
	-15,580	9,241	3,914
	11,907	2,367	12,426
	<b>159,361</b>	<b>204,393</b>	<b>267,156</b>
	<b>Effective tax rate (%):</b>		
	22.0	22.0	22.0
	-4.0	-1.0	-1.5
	1.5	0.3	1.0
	<b>19.5</b>	<b>21.3</b>	<b>21.5</b>

## Notes – continued

Note	Q1-Q3 2020 DKK 1,000	Q1-Q3 2019 DKK 1,000	Full year 2019 DKK 1,000
<b>9 Tax</b>			
Tax calculated on income for the year	163,034	192,785	250,816
Adjustment of deferred tax	-15,580	9,241	3,914
Adjustment of tax calculated for previous years	11,907	2,367	12,426
<b>Total tax</b>	<b>159,361</b>	<b>204,393</b>	<b>267,156</b>
<b>Effective tax rate (%):</b>			
Tax rate currently paid by the bank	22.0	22.0	22.0
Permanent deviations	-4.0	-1.0	-1.5
Adjustment of tax calculated for previous years	1.5	0.3	1.0
<b>Total effective tax rate</b>	<b>19.5</b>	<b>21.3</b>	<b>21.5</b>

Note	30 Sept. 2020 DKK 1,000	30 Sept. 2019 DKK 1,000	31 Dec. 2019 DKK 1,000
<b>10 Receivables from credit institutions and central banks</b>			
Demand	140,982	221,009	132,760
Up to and including 3 months	2,380,079	2,394,199	2,486,155
More than 3 months and up to and including 1 year	0	0	0
More than 1 year and up to and including 5 years	5,000	5,000	5,000
More than 5 years	45,000	45,000	45,000
<b>Total receivables from credit institutions and central banks</b>	<b>2,571,061</b>	<b>2,665,208</b>	<b>2,668,915</b>
<b>11 Loans and other receivables at amortised cost</b>			
Demand	3,592,117	4,190,866	3,503,230
Up to and including 3 months	2,531,502	1,737,859	1,646,467
More than 3 months and up to and including 1 year	6,302,751	6,091,613	8,170,271
More than 1 year and up to and including 5 years	10,306,442	10,196,822	9,543,370
More than 5 years	12,746,394	12,540,328	12,602,078
<b>Total loans and other receivables at amortised cost</b>	<b>35,479,206</b>	<b>34,757,488</b>	<b>35,465,416</b>

## Notes – continued

Note	Stage 1 DKK 1,000	Stage 2 DKK 1,000	Stage 3 DKK 1,000	Total DKK 1,000
<b>12</b>				
<b>Impairment charges for loans and other receivables and provisions for losses on guarantees, unutilised credit facilities and loan undertakings</b>				
<b>Impairment charges and provisions – by stages</b>				
<b>As at 30 September 2020</b>				
Loans and other receivables at amortised cost	348,424	839,386	905,938	2,093,748
Guarantees	21,409	18,751	43,064	83,224
Unutilised credit facilities and loan undertakings	17,676	17,271	0	34,947
<b>Total impairment charges and provisions by stages</b>	<b>387,509</b>	<b>875,408</b>	<b>949,002</b>	<b>2,211,919</b>
of which management estimates	238,930	174,924	127,000	540,854
<b>As at 30 September 2019</b>				
Loans and other receivables at amortised cost	126,927	317,602	1,493,488	1,938,017
Guarantees				71,840
Unutilised credit facilities and loan undertakings				22,187
<b>Total impairment charges and provisions by stages</b>				<b>2,032,044</b>
of which management estimates				58,000
<b>As at 31 December 2019</b>				
Loans and other receivables at amortised cost	116,610	372,618	1,461,382	1,950,610
Guarantees				58,694
Unutilised credit facilities and loan undertakings				22,341
<b>Total impairment charges and provisions by stages</b>				<b>2,031,645</b>
of which management estimates				126,000

Note	30 Sept. 2020 DKK 1,000	30 Sept. 2019 DKK 1,000	31 Dec. 2019 DKK 1,000
<b>12</b>			
<b>Impairment charges for loans and other receivables and provisions for losses on guarantees, unutilised credit facilities and loan undertakings – continued</b>			
In addition to the above, a discount on loans and guarantees taken over from Nordjyske Bank amounted to	27,672	37,969	35,395
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	507,433	839,529	839,529
Change during the period	-234,669	-141,958	-332,096
<b>Total stage 3 impairment charges and provisions taken over</b>	<b>272,764</b>	<b>697,571</b>	<b>507,433</b>



## Notes – continued

Note	Stage 1 DKK 1,000	Stage 2 DKK 1,000	Stage 3 DKK 1,000	Total DKK 1,000	Impair- ment charges etc. taken to income state- ment DKK 1,000
<b>12</b>					
<b>Impairment charges for loans and other receivables and provisions for losses on guarantees, unutilised credit facilities and loan undertakings – continued</b>					
<b>Impairment charges and provisions</b>					
<b>As at 30 September 2020</b>					
Impairment charges and provisions at the end of the previous financial year	<b>136,729</b>	<b>404,006</b>	<b>1,490,910</b>	<b>2,031,645</b>	-
Impairment charges and provisions for new exposures during the period, including new accounts for existing customers	104,188	60,073	114,353	278,614	278,614
Reversed impairment charges and provisions for repaid accounts	-29,466	-51,458	-132,450	-213,374	-213,374
Change in impairment charges and provisions at beginning of year for/from stage 1	95,673	-45,483	-50,190	0	0
Change in impairment charges and provisions at beginning of year for/from stage 2	-7,729	586,767	-579,038	0	0
Change in impairment charges and provisions at beginning of year for/from stage 3	-1,550	-12,970	14,520	0	0
Impairment charges and provisions during the year resulting from credit risk change	89,664	-65,527	153,854	177,991	177,991
Previously written down, now definitively lost	-	-	-62,957	-62,957	-
Lost, not previously written down	-	-	-	-	32,192
Received on receivables previously written off	-	-	-	-	-82,918
<b>Total impairment charges and provisions</b>	<b>387,509</b>	<b>875,408</b>	<b>949,002</b>	<b>2,211,919</b>	<b>192,505</b>
of which regarding credit institutions etc.	2,228	0	0	2,228	1,317

## Notes – continued

Note	Stage 1 DKK 1,000	Stage 2 DKK 1,000	Stage 3 DKK 1,000	Total DKK 1,000
<b>12</b>				
<b>Impairment charges for loans and other receivables and provisions for losses on guarantees, unutilised credit facilities and loan undertakings – continued</b>				
<b>Impairment charges and provisions</b>				
<b>As at 30 September 2019</b>				
Impairment charges and provisions at the end of the previous financial year	182,963	287,174	1,570,270	2,040,407
Impairment charges and provisions/value adjustments during the period	55,819	215,378	340,759	611,956
Reversed impairment charges and provisions during the period	-81,439	-150,875	-232,845	-465,159
Previously written down, now definitively lost	-	-	-155,160	-155,160
<b>Total impairment charges and provisions</b>	<b>157,343</b>	<b>351,677</b>	<b>1,523,024</b>	<b>2,032,044</b>
of which regarding credit institutions etc.	1,051	603	0	1,654

## Notes – continued

Note	Stage 1 DKK 1,000	Stage 2 DKK 1,000	Stage 3 DKK 1,000	Total DKK 1,000	Impair- ment charges etc. taken to income state- ment DKK 1,000
<b>12</b>					
<b>Impairment charges for loans and other receivables and provisions for losses on guarantees, unutilised credit facilities and loan undertakings – continued</b>					
<b>Impairment charges and provisions</b>					
<b>As at 31 December 2019</b>					
Impairment charges and provisions at the end of the previous financial year	182,963	287,175	1,570,269	2,040,407	-
Impairment charges and provisions for new exposures during the year, including new accounts for existing customers	45,424	62,994	237,441	345,859	345,859
Reversed impairment charges and provisions for repaid accounts	-41,510	-58,905	-123,638	-224,053	-224,053
Change in impairment charges and provisions at beginning of year for/from stage 1	80,160	-53,806	-26,354	0	0
Change in impairment charges and provisions at beginning of year for/from stage 2	-14,884	171,067	-156,183	0	0
Change in impairment charges and provisions at beginning of year for/from stage 3	-14,067	-7,405	21,472	0	0
Impairment charges and provisions during the year resulting from credit risk change	-101,357	2,886	170,066	71,595	71,595
Previously written down, now definitively lost	-	-	-202,163	-202,163	-
Lost, not previously written down	-	-	-	-	6,452
Received on receivables previously written off	-	-	-	-	-89,681
<b>Total impairment charges and provisions</b>	<b>136,729</b>	<b>404,006</b>	<b>1,490,910</b>	<b>2,031,645</b>	<b>110,172</b>
of which regarding credit institutions etc.	911	0	0	911	354

## Notes – continued

Note	30 Sept. 2020 DKK 1,000	30 Sept. 2019 DKK 1,000	31 Dec. 2019 DKK 1,000
<b>13</b>	<b>Suspended calculation of interest</b>		
	Loans and other receivables with suspended calculation of interest on the balance sheet date		
	<b>179,309</b>	<b>232,792</b>	<b>212,195</b>
<b>14</b>	<b>Bonds at fair value</b>		
	Listed on the stock exchange		
	7,478,938	7,907,907	6,773,533
	<b>7,478,938</b>	<b>7,907,907</b>	<b>6,773,533</b>
<b>15</b>	<b>Shares etc.</b>		
	Listed on Nasdaq Copenhagen		
	8,020	10,473	6,094
	Investment fund certificates		
	20,502	30,752	32,598
	Unlisted shares at fair value		
	12,204	14,918	15,576
	Sector shares at fair value		
	1,290,580	1,420,337	1,236,255
	<b>1,331,306</b>	<b>1,476,480</b>	<b>1,290,523</b>
<b>16</b>	<b>Assets linked to pooled schemes</b>		
	Cash deposits etc.		
	18,936	8,589	50,067
	Bonds:		
	Index-linked bonds		
	0	26,503	61,673
	Other bonds		
	1,459,910	1,495,722	1,459,712
	Total bonds		
	1,459,910	1,522,225	1,521,385
	Shares:		
	Other shares		
	671,648	470,580	531,933
	Investment fund certificates		
	2,244,343	2,151,060	2,172,959
	Total shares		
	2,915,991	2,621,640	2,704,892
	<b>4,394,837</b>	<b>4,152,454</b>	<b>4,276,344</b>
<b>17</b>	<b>Intangible assets</b>		
	<b>Goodwill</b>		
	Cost at the end of the previous financial year		
	923,255	923,255	923,255
	Total cost on the balance sheet date		
	923,255	923,255	923,255
	Write-downs at the end of the previous financial year		
	0	0	0
	Write-downs for the period		
	0	0	0
	Total write-downs on the balance sheet date		
	0	0	0
	<b>923,255</b>	<b>923,255</b>	<b>923,255</b>
	<b>Customer relationships</b>		
	Cost at the end of the previous financial year		
	150,000	150,000	150,000
	Total cost on the balance sheet date		
	150,000	150,000	150,000
	Amortisation at the end of the previous financial year		
	23,417	8,417	8,417
	Amortisation for the period		
	11,250	11,250	15,000
	Total amortisation on the balance sheet date		
	34,667	19,667	23,417
	<b>115,333</b>	<b>130,333</b>	<b>126,583</b>
	<b>1,038,588</b>	<b>1,053,588</b>	<b>1,049,838</b>

## Notes – continued

Note	30 Sept. 2020 DKK 1,000	30 Sept. 2019 DKK 1,000	31 Dec. 2019 DKK 1,000
<b>18 Debt to credit institutions and central banks</b>			
Demand	947,420	884,785	744,719
Up to and including 3 months	32,525	19,904	49,588
More than 3 months and up to and including 1 year	172,379	189,171	172,328
More than 1 year and up to and including 5 years	572,081	695,141	686,368
More than 5 years	521,028	542,854	519,762
<b>Total debt to credit institutions and central banks</b>	<b>2,245,433</b>	<b>2,331,855</b>	<b>2,172,765</b>
<b>19 Deposits and other debt</b>			
Demand	28,923,728	27,605,478	27,360,670
Deposits and other debt with notice:			
Up to and including 3 months	456,264	613,101	719,625
More than 3 months and up to and including 1 year	1,468,440	2,113,005	1,831,691
More than 1 year and up to and including 5 years	1,224,866	1,213,237	1,281,235
More than 5 years	2,736,364	2,856,428	2,658,272
<b>Total deposits and other debt</b>	<b>34,809,662</b>	<b>34,401,249</b>	<b>33,851,493</b>
Distributed as follows:			
Demand	28,788,882	27,450,352	27,230,601
With notice	1,529,445	1,883,763	1,803,540
Time deposits	159,673	505,584	437,582
Long-term deposit agreements	1,747,048	1,468,225	1,394,999
Special types of deposits	2,584,614	3,093,325	2,984,771
	<b>34,809,662</b>	<b>34,401,249</b>	<b>33,851,493</b>
<b>20 Issued bonds at amortised cost</b>			
More than 1 year and up to and including 5 years	1,676,420	1,556,915	1,550,609
More than 5 years	686,790	612,940	662,100
<b>Total issued bonds at amortised cost</b>	<b>2,363,210</b>	<b>2,169,855</b>	<b>2,212,709</b>
<b>21 Subordinated debt</b>			
Tier 2 capital:			
Fixed-rate loan, principal of DKK 275 million, maturity date 27 February 2025 (redeemed on 27 February 2020)	-	275,000	275,000
Floating-rate loan, principal of EUR 50 million, maturity date 20 May 2025 (redeemed on 20 May 2020)	-	373,243	373,473
Fixed-rate loan, principal of DKK 500 million, maturity date 13 June 2028	500,000	500,000	500,000
Floating-rate loan, principal of EUR 100 million, maturity date 22 August 2029	744,580	746,485	746,945
Floating-rate loan, principal of DKK 300 million, maturity date 13 June 2030	300,000	300,000	300,000
Adjustment to amortised cost and fair value adjustment	5,575	10,561	5,439
<b>Total subordinated debt</b>	<b>1,550,155</b>	<b>2,205,289</b>	<b>2,200,857</b>
<b>22 Share capital</b>			
Number of DKK 1 shares			
Beginning of period	29,661,796	30,994,258	30,994,258
Cancelled during the period	-433,475	-1,332,462	-1,332,462
<b>End of period</b>	<b>29,228,321</b>	<b>29,661,796</b>	<b>29,661,796</b>
of which reserved for subsequent cancellation	160,600	320,475	433,475
<b>Total share capital</b>	<b>29,228</b>	<b>29,662</b>	<b>29,662</b>

## Notes – continued

Note	30 Sept. 2020 DKK 1,000	30 Sept. 2019 DKK 1,000	31 Dec. 2019 DKK 1,000
<b>23 Own shares</b>			
Own shares included in the balance sheet at	0	0	0
Market value	79,807	151,963	222,933
Number of own shares:			
Beginning of period	433,721	1,125,666	1,125,666
Purchased during the period	1,217,054	2,213,681	2,202,299
Sold during the period	-1,051,726	-1,653,483	-1,561,782
Cancelled during the period	-433,475	-1,332,462	-1,332,462
End of period	165,574	353,402	433,721
of which reserved for subsequent cancellation	160,600	320,475	433,475
Nominal value of holding of own shares, end of period	166	353	434
Own shares' proportion of share capital, end of period (%)	0.6	1.2	1.5
<b>24 Contingent liabilities etc.</b>			
<b>Contingent liabilities</b>			
Financial guarantees	3,055,508	2,840,577	2,607,892
Guarantees against losses on mortgage credit loans	2,739,273	2,456,602	2,562,301
Registration and refinancing guarantees	2,946,257	4,717,609	3,685,346
Sector guarantees	104,802	104,802	104,802
Other contingent liabilities	743,866	716,745	704,333
<b>Total contingent liabilities</b>	<b>9,589,706</b>	<b>10,836,335</b>	<b>9,664,674</b>
<b>Other contractual obligations</b>			
Irrevocable credit commitments etc.	0	261,000	281,000
<b>Total other contractual obligations</b>	<b>0</b>	<b>261,000</b>	<b>281,000</b>
<b>25 Assets provided as security</b>			
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	<b>1,186,326</b>	<b>1,279,111</b>	<b>1,259,983</b>
As collateral for clearing and raising of loans, the bank has pledged securities to the central bank of Denmark at a market price of	<b>170,935</b>	<b>183,566</b>	<b>180,113</b>
Amount deposited in a cover-for-liabilities account as security for a loss limit with regard to the Danish Growth Fund as a consequence of Ringkjøbing Landbobank's ownership interest in Landbrugets Finansieringsbank	<b>377</b>	<b>379</b>	<b>379</b>
Collateral under CSA agreements etc.	<b>47,615</b>	<b>47,288</b>	<b>46,270</b>





## Notes – continued

Note		Stage 1 DKK 1,000	Stage 2 DKK 1,000	Stage 3 DKK 1,000	Credit- impaired on initial recog- nition DKK 1,000	Total DKK 1,000	Total %
<b>27</b>	<b>Loans, guarantees and unutilised credit facilities and loan undertakings by credit quality and IFRS 9 stages</b>						
	<b>As at 30 Sept. 2020</b>						
	<b>Credit quality</b>						
	High	46,095,684	142,916	0	0	<b>46,238,600</b>	<b>71%</b>
	Medium	9,078,550	1,771,758	0	0	<b>10,850,308</b>	<b>17%</b>
	Low	1,873,969	4,059,359	0	0	<b>5,933,328</b>	<b>9%</b>
	Credit-impaired	0	0	1,358,979	397,394	<b>1,756,373</b>	<b>3%</b>
	<b>Total</b>	<b>57,048,203</b>	<b>5,974,033</b>	<b>1,358,979</b>	<b>397,394</b>	<b>64,778,609</b>	<b>100%</b>
	Impairment charges etc.	387,509	875,408	676,239	272,763	2,211,919	
	<b>As at 31 Dec. 2019</b>						
	<b>Credit quality</b>						
	High	46,888,753	184,277	0	0	<b>47,073,030</b>	<b>74%</b>
	Medium	7,953,793	1,307,302	0	0	<b>9,261,095</b>	<b>14%</b>
	Low	1,566,051	3,671,773	0	0	<b>5,237,824</b>	<b>8%</b>
	Credit-impaired	0	0	1,830,870	671,832	<b>2,502,702</b>	<b>4%</b>
	<b>Total</b>	<b>56,408,597</b>	<b>5,163,352</b>	<b>1,830,870</b>	<b>671,832</b>	<b>64,074,651</b>	<b>100%</b>
	Impairment charges etc.	136,729	404,006	983,477	507,433	2,031,645	
<b>28</b>	<b>Miscellaneous comments</b>						
	The statement of core earnings for 2016, 2017 and 2018 on pages 1 and 4 and the income statement items for the first and second quarters of 2018 in "Core earnings" in the quarterly overview on page 14 were calculated pro forma by adding up figures from Ringkjøbing Landbobank's statement of the alternative measure of performance "Core earnings" and pro forma figures from Nordjyske Bank, converted and adjusted to Ringkjøbing Landbobank's statement of the alternative performance measure "Core earnings".						
	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 the first quarter of 2018, on page 15, were calculated pro forma by a simple adding up of figures from the respective accounts of Ringkjøbing Landbobank and Nordjyske Bank, without any adjustments.						
	Core earnings per share on page 4 are stated for the "old" Ringkjøbing Landbobank up to and including 2017, pro forma for 2018 and for the merged bank from 2019.						
	In note 27 no comparative figures are given on 30 September 2019 because it is not possible to compute these retrospectively.						
	The items presenting the bank's various capitals and capital ratios as stated on pages 8, 13, 15, 22, 23 and 39 have been adjusted retrospectively for the period from the end of the second quarter of 2018 to and including the end of the second quarter of 2020 because the Danish FSA has advised the bank that it cannot include the IFRS 9 addition taken over from Nordjyske Bank in the calculation of the transition programme concerning IFRS 9. The change has a small effect on the items presenting the bank's various capitals and capital ratios.						

## Main figures

Summary of income statement (DKK million)	Q1-Q3 2020	Q1-Q3 2019	Full year 2019
Net interest income	933	876	1,168
Dividends from shares etc.	71	70	70
Net fee and commission income	541	565	755
Net interest and fee income	1,545	1,511	1,993
Value adjustments	+51	+127	+169
Other operating income	1	8	13
Staff and administration expenses	560	576	778
Amortisation, depreciation and write-downs on intangible and tangible assets	21	25	38
Other operating expenses	6	3	4
Impairment charges for loans and receivables etc.	-193	-82	-110
Profit before tax	817	960	1,245
Tax	160	205	267
Net profit for the period	657	755	978

Main figures from the balance sheet (DKK million)	30 Sept. 2020	30 Sept. 2019	31 Dec. 2019
Loans and other receivables at amortised cost	35,479	34,757	35,465
Deposits and other debt including pooled schemes	39,204	38,554	38,128
Subordinated debt	1,550	2,205	2,201
Equity	7,884	7,426	7,610
Balance sheet total	53,956	53,601	52,941

## The Danish FSA's official key figures/ratios etc. for Danish banks

		Q1-Q3 2020	Q1-Q3 2019	2019
<b>Capital ratios:</b>				
Total capital ratio	%	21.6	19.7	20.0
Tier 1 capital ratio	%	17.8	14.2	14.7
Individual solvency requirement	%	9.3	9.3	9.3
MREL requirement – fixed by the Danish FSA	%	20.2	20.7	20.7
MREL capital ratio	%	29.2	27.3	27.3
<b>Earnings:</b>				
Return on equity before tax	%	10.5	13.1	16.8
Return on equity after tax	%	8.5	10.3	13.2
Income/cost ratio	DKK	2.05	2.40	2.34
Return on assets	%	1.2	1.4	1.8
<b>Market risk:</b>				
Interest rate risk	%	1.3	0.9	0.9
Foreign exchange position	%	1.3	1.9	1.4
Foreign exchange risk	%	0.0	0.0	0.0
<b>Liquidity risk:</b>				
Liquidity Coverage Ratio (LCR)	%	210	219	204
Loans and impairments thereon relative to deposits	%	95.8	95.2	98.1
<b>Credit risk:</b>				
Loans relative to shareholders' equity		4.5	4.7	4.7
Growth in loans	%	0.0	4.2	6.3
Total large exposures (<175%)	%	104.9	117.8	121.0
Cumulative impairment ratio	%	4.7	4.3	4.3
Impairment ratio	%	0.41	0.16	0.21
Proportion of receivables at reduced interest	%	0.4	0.5	0.4
<b>Share return:</b>				
Earnings per share*/***	DKK	2,254.9	2,552.9	3,310.7
Book value per share*/**	DKK	27,127	25,337	26,036
Dividend per share*	DKK	0	0	1,100
Market price relative to earnings per share*/***		21.4	16.8	15.5
Market price relative to book value per share*/**		1.78	1.70	1.97

\* 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 period.

\*\*\* 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 and the end of the period.

## Management statement

The board of directors and the general management have today discussed and approved the quarterly report of Ringkjøbing Landbobank A/S for the period 1 January to 30 September 2020.

The quarterly report is drawn up in accordance with the provisions of the Danish Financial Business Act and other Danish disclosure requirements for listed financial companies. We consider the chosen accounting policies to be appropriate and the estimates made responsible, so that the quarterly report provides a true and fair view of the bank's assets, liabilities and financial position as of 30 September 2020 and of the result of the bank's activities for the period 1 January to 30 September 2020. 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.

The quarterly report has not been audited or reviewed, but the bank's external auditors have verified the profit by carrying out procedures corresponding to those required for a review and have thereby checked that the conditions for ongoing recognition of the profit for the period in the common equity tier 1 capital have been met.

Ringkøbing, 28 October 2020

### General management:

John Fisker  
CEO

Claus Andersen  
General Manager

Jørn Nielsen  
General Manager

Carl Pedersen  
General Manager

### Board of directors:

Martin Krogh Pedersen  
Chairman

Mads Hvolby  
Deputy Chairman

Jens Møller Nielsen  
Deputy Chairman

Morten Jensen

Jon Steingrim Johnsen

Jacob Møller

Lone Rejkjær Söllumann

Sten Uggerhøj

Dan Junker Astrup  
Employee board member

Gitte E. S. H. Vigsø  
Employee board member

Arne Ugilt  
Employee board member

Finn Aaen  
Employee board member