

Nasdaq Copenhagen
London Stock Exchange
Other stakeholders

29 April 2020

Ringkjøbing Landbobank's report for the first quarter of 2020

The first quarter of the year was heavily influenced by the corona crisis. We are pleased, in this context, that the bank's business model is robust with a low rate of costs and a strong capital base.

Core earnings

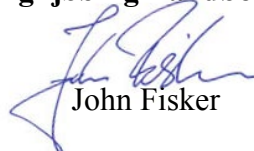
(DKK million)	Q1 2020	Q1 2019	2019	2018	2017	2016
Total core income	541	526	2,116	2,001	1,917	1,861
Total expenses and depreciation	198	201	805	866	845	815
Core earnings before impairment charges for loans	343	325	1,311	1,135	1,072	1,046
Impairment charges for loans etc.	-75	-25	-100	-43	-70	-211
Core earnings	268	300	1,211	1,092	1,002	835
Result for the portfolio etc.	-70	+26	+49	+77	+84	+78
Special costs	4	4	15	217	22	22
Profit before tax	194	322	1,245	952	1,064	891

Highlights of the first quarter of 2020

- Our main focus during the corona crisis has been to help our customers and business partners – and of course to safeguard the working conditions of our employees
- 3% increase in total core income to DKK 541 million
- 11% fall in core earnings to DKK 268 million
- DKK 200 million corona-led impairment buffer established resulting in a total management estimate for impairment charges of DKK 326 million at the end of the quarter
- Result for the portfolio negative by DKK 70 million, which means a 40% fall to DKK 194 million in profit before tax
- Continued increase in customers and 6% increase in the bank's loans
- Updating of the bank's strategy with continued focus on organic growth
- Share buy-back programme suspended
- Following downward adjustment, core earnings are expected to be in the range DKK 900-1,100 million and profit before tax in the range DKK 800-1.100 million

Yours sincerely

Ringkjøbing Landbobank



John Fisker

Management's review

Corona crisis

During the corona crisis we see it as an important part of our task to support our customers and business partners.

During the quarter we have thus placed a strong focus on supporting our customers at a difficult time. The bank has carefully studied the relief packages that have been launched and its business departments have worked at full capacity. Business customer advisers have been in contact with the greater part of the customer portfolio to follow up on customers' circumstances and give them help and advice. The bank has also offered personal customers the possibility, at no charge, of deferring interest and capital repayments on loans.

To support its suppliers, association activities and the local communities, the bank has also decided to pay bills before they fall due and as soon as possible after receiving them. Clubs and associations sponsored by the bank can request the bank to pay advances on agreed sponsorships.

In response to appeals from local mayors, the bank has also increased its marketing budget and inserted full-page advertisements in local daily and weekly newspapers in support of those media.

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

The bank's branches have been closed. Customers have, however, continued to receive full service by telephone, video or self-service solutions. The customers are now again given physical access by prior arrangement. In addition to following the general advice in connection with the coronavirus situation, some of the bank's employees have been working from other locations than usual or had home workstations.

The corona crisis has also affected the bank's financial situation. The bank's expectations for the financial results for the year were adjusted downward during the first quarter of 2020. The bank now expects core earnings in the range DKK 900-1,100 million and profit before tax in the range DKK 800-1.100 million.

In addition, we have built up a corona buffer totalling DKK 200 million at the end of the quarter to cover impairment charges that we have not yet identified at customer level. This buffer is in addition to the management estimate which was DKK 126 million at the beginning of the year and now totals DKK 326 million. We now expect impairment charges for the rest of the year which, including the management estimate, will correspond to the level of the bank's impairment ratio for loans in the worst year during the financial crisis.

Finally, based on the joint statement of 23 March 2020 made by the Danish government and Finance Denmark in light of the outbreak of coronavirus, the bank's management has decided to suspend its share buy-back programme.

In this serious situation, the bank's management is pleased that we have a business model which is robust in terms of liquidity, capital and a low rate of costs.

Core income

Interest

Net interest income was DKK 305 million in the first quarter of 2020, compared to DKK 291 million in 2019, an increase of 5%.

The bank is satisfied with this development, which included a 6% increase in lending compared to the end of March 2019. A further reason for the positive development 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 personal customers and on holdings in pension accounts with effect from 1 January 2020.

Compared to the first quarter of last year, there were more interest expenses for non-preferred senior capital, but in February 2020 the bank also carried out early redemption of subordinated capital, which reduced interest expenses in part of the quarter.

With effect from 1 May 2020, the bank has announced an increase from -0.75% to -0.60% in the interest paid on personal customers' deposits. At the same time the limit for negative interest on free deposited funds will be reduced from DKK 2 million to DKK 500,000.

Fee, commission and foreign exchange income

Fee, commission and foreign exchange income amounted to DKK 200 million in the first quarter of 2020, compared to DKK 197 million in 2019, an increase of 2%. The development in loan fees was more positive than last year, with mortgage loan refinancing activity continuing into the first quarter. The item "Guarantee commission and mortgage credit commission etc." also developed positively, while the other fee items developed negatively.

Sector shares and other operating income

Earnings of DKK 35 million from banking sector shares in the first quarter stood at the same level as 2019, when earnings were DKK 37 million. The earnings derive primarily from returns on the bank's ownership interests in DLR Kredit, BankInvest (BI Holding) and PRAS. As in 2019, other operating income was at an insignificant level.

Core income

Total core income increased by 3% from DKK 526 million in the first quarter of 2019 to DKK 541 million in the first quarter of 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 198 million in the first quarter of 2020, compared to DKK 201 million in 2019, a fall of 1%.

The flatlining development in costs is attributable to saved duplication of expenses and decisions made in 2019.

The rate of costs was 36.6% in the first quarter of the year, compared to 38.2% in 2019.

The rate of costs is not expected to remain at this level throughout 2020, as the corona crisis is expected to result in declining fee income.

Impairment charges for loans etc.

The bank's impairment charges in the first quarter of 2020 were strongly affected by the outbreak of coronavirus and subsequent implementation of measures to contain the virus.

The bank has systematically reviewed a very large part of our portfolio of loans to business customers. This review was based on a risk-based prioritisation of both the size of commitments and the industries concerned. The bank's exposure to the industries that are currently hardest hit (e.g. transport, retail, hotels, restaurants and the hospitality and leisure industry in general) is relatively modest. The bank's risk of loss is linked more to the depth and length of a recession of the Danish economy in the wake of the corona virus.

To counter this risk, the bank chose to make a management estimate of DKK 200 million in the first quarter. These impairment charges are in addition to the existing management estimate of DKK 126 million. It should be mentioned in this context that in 2019 the bank increased its management estimate, based on an assessment of the increased risk due to macroeconomic prospects. The total management estimate has thus increased from DKK 52 million at the end of 2018 to DKK 326 million at the end of March 2020.

Ignoring the expense of the above-mentioned management estimate, the development in individual impairment charges was positive in the first quarter. Isolated positive events have enabled full or partial reversal of a number of individual impairment charges. This is supported, among other things, by a positive development in all production branches of agriculture except mink farming. The vast majority of individual impairment charges are levied on customers who receive normal addition and payment of interest, which also works in the bank's favour. The bank's total impairment charges in the first quarter were thus DKK 75 million. This amount includes the increased management estimate of DKK 200 million.

The bank's total account for impairment charges increased from DKK 2,032 million to DKK 2,136 million during the quarter. The bank's total loans to customers with suspended calculation of interest is DKK 212 million, unchanged relative to the end of 2019.

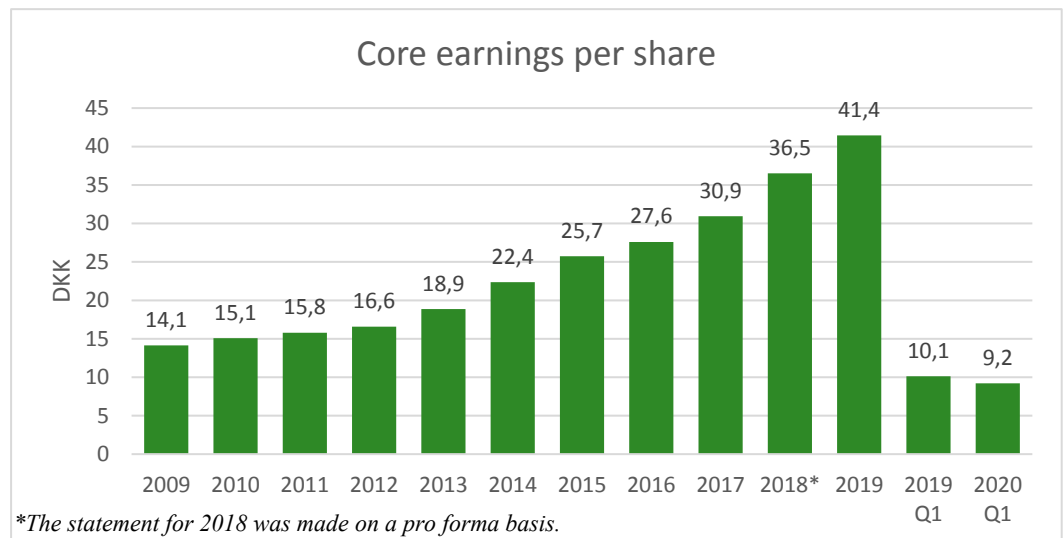
The level of impairment charges in the coming quarters is associated with higher than normal uncertainty. However, our judgment remains that the quality of the bank's loans portfolio is generally good and that the bank benefits from the fact that loans to our niche areas are protected by first mortgages.

Core earnings

(DKK million)	Q1 2020	Q1 2019	2019	2018	2017	2016
Total core income	541	526	2,116	2,001	1,917	1,861
Total expenses and depreciation	198	201	805	866	845	815
Core earnings before impairment charges for loans	343	325	1,311	1,135	1,072	1,046
Impairment charges for loans etc.	-75	-25	-100	-43	-70	-211
Core earnings	268	300	1,211	1,092	1,002	835

Core earnings for the first quarter of 2020 totalled DKK 268 million compared to last year's DKK 300 million, a decrease of 11%.

Core earnings per share were thus DKK 9.2 for the first quarter of 2020 compared to DKK 10.1 in 2019, a decrease of 9%.



Result for the portfolio etc.

The result for the portfolio etc. for the first quarter of 2020 was negative by DKK 70 million net, including funding costs for the portfolio. In 2019 the result for the portfolio etc. was positive by DKK 26 million net.

The negative result for the portfolio in 2020 is attributable to the turmoil on the financial markets as a result of the corona crisis, with falling prices of Danish mortgage credit bonds and widening of the credit spread of corporate bonds in the first quarter of the year. The bank also suffered a loss on its holding of listed shares.

Amortisation and write-downs on intangible assets

The bank treats amortisation and write-downs on intangible assets as a special item. Posting amortisation and write-downs to this item 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 4 million in the first quarter, unchanged relative to 2019.

Profit before and after tax

The profit before tax was DKK 194 million, equivalent to a return of 10.3% p.a. on average equity.

The profit after tax was DKK 158 million, equivalent to a return of 8.4% p.a. on average equity.

Balance sheet items and contingent liabilities

The bank's balance sheet total at the end of March 2020 stood at DKK 51,531 million, compared to DKK 50,266 million at the end of March 2019.

Relative to March 2019, the bank's deposits including pooled schemes decreased marginally by 1% to DKK 37,051 at the end of March 2020, while the bank's loans increased by 6% to DKK 36,130 million at the end of March 2020.

The positive development in loans in 2019 has thus continued into 2020, and the bank has seen a continued highly satisfactory inflow of new customers and low customer outflow.

The bank's contingent liabilities, including guarantees, at the end of March 2020 amounted to DKK 9,992 million, compared to DKK 7,976 million at the end of March 2019 and DKK 9,665 at the end of 2019.

Credit intermediation

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

The development in the bank's total credit intermediation is shown in the following summary:

	31 March 2020 DKK million	31 March 2019 DKK million	31 Dec. 2019 DKK million
Total credit intermediation			
Loans and other receivables at amortised cost	36,130	34,195	35,465
Arranged mortgage loans and funded home loans – Totalkredit	37,214	33,377	36,374
Arranged mortgage loans – DLR Kredit	9,211	8,730	9,029
Total	82,555	76,302	80,868

Securities and market risk

The item "Shares, etc." amounted to DKK 1,331 million at the end of March 2020, with DKK 46 million in listed shares and investment fund certificates and DKK 1,285 million in sector shares etc., mainly in the companies DLR Kredit, BI Holding and PRAS. The bond portfolio amounted to DKK 4,152 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 the interest level – was computed at 0.7% of the bank's tier 1 capital on 31 March 2020.

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 the first quarter of 2020:

	Risk in DKK million	Risk relative to equity end of period in %
Highest risk of loss:	19.5	0.26%
Lowest risk of loss	7.2	0.10%
Average risk of loss	13.2	0.18%
End-of-period risk of loss	19.3	0.26%

The extraordinary market situation has resulted in capital losses which lie 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. The increased volatility is now part of the model's data basis, which has resulted in an increase in the computed risk.

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 1.1 billion, balanced by DKK 8.3 billion, primarily 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 4.4 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 31 March 2020, the bank's LCR was 176%, which 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 quarter was DKK 7,380 million. The bank's total capital ratio is also influenced by the bank's early redemption of tier 2 capital of DKK 275 million in February 2020.

As part of the ongoing capital adjustment, the bank has obtained the Danish FSA's approval of early redemption of tier 2 capital equivalent to EUR 50 million in May 2020: see corporate announcement of 22 April 2020. The refinancing of this item was already in place in the third quarter of 2019.

The bank's total capital ratio was computed at 19.5% at the end of the first quarter of 2020, and the tier 1 capital ratio at 15.0%.

Capital ratios	Q1 2020	Q1 2019	2019	2018	2017
Common equity tier 1 capital ratio (%)	15.0	14.1	15.0	15.0	16.5
Tier 1 capital ratio (%)	15.0	14.1	15.0	15.0	16.5
Total capital ratio (%)	19.5	17.7	20.3	18.8	17.8
MREL requirement (%) – fixed by the Danish FSA	20.2	20.2	20.7	19.7	-
MREL capital ratio (%)	26.7	23.9	27.5	25.2	-

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

Compared with the actual total capital of DKK 8.1 billion, the excess capital at the end of March 2020 was thus DKK 3.2 billion, equivalent to 7.7 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 had been included in the bank's capital target for the MREL capital ratio. On 11 March 2020, the Minister for Industry, Business and Financial Affairs released the countercyclical buffer in the light of the uncertainties on the financial markets. Following release of the buffer, the bank has received an updated MREL requirement for 2020, which is now 20.2% at the end of 2020. On this basis, the board of directors has reassessed the capital target for the MREL capital ratio and reduced it by 1.5 percentage points.

The bank thus 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 must be at least 17% and the MREL capital ratio for covering the MREL requirement must be at least 23.5%, including the capital buffers. It is the last-mentioned target that the board of directors has revised 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, as 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 1.8 billion of this funding could be included to meet the bank's MREL requirement at the end of March 2020. In addition, the bank issued non-preferred senior capital totalling DKK 1.2 billion in the period December 2018 to December 2019.

The release of the countercyclical capital buffer and subsequent adjustment of the bank's target MREL capital ratio mean that the previously announced requirement for approximately DKK 750 million to finance the MREL capital in 2020 is reduced.

The bank's capital for covering the MREL requirement totalled DKK 11,074 million, equivalent to 26.7% of the total risk exposure on 31 March 2020. The excess cover relative to the MREL requirement on 31 March 2020 was thus 6.5 percentage points.

Share buy-back programme and capital reduction

The bank's annual general meeting of 4 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.

Based on this authority, the bank's board of directors on the same date initiated a share buy-back programme of DKK 150 million (of an expected total buy-back programme of DKK 300 million) for execution in the period from 5 March to 30 June 2020.

After a few weeks of buying back shares, the corona crisis hit Denmark and in this connection the Danish government and Finance Denmark issued a joint statement on 23 March 2020 in light of the outbreak of coronavirus. Based on this statement, the bank's board of directors decided on 30 March 2020 to suspend the share buy-back programme in progress. On 27 March 2020, 160,600 shares to a total value of DKK 57.5 million had been bought back. DKK 92.5 million of the share buy-back programme thus remains, to which DKK 150 million must be added in the second part of the programme, i.e. a total of DKK 242.5 million.

The annual general meeting further decided to cancel 433,475 of the bank's own shares. The capital reduction is expected to be finalised during May 2020. The bank's actual share capital will thus be DKK 29,067,721 in nom. DKK 1 shares: see below.

	Number of shares
Beginning of 2020	29,661,796
May 2020	
Expected capital reduction by cancellation of own shares	-433,475
After the expected capital reduction	29,228,321
New DKK 150 million share buy-back programme – suspended	
Bought under the new share buy-back programme at the end of March 2020	-160,600
	29,067,721

The Supervisory Diamond

The bank complies with the Danish FSA's Supervisory Diamond which contains different 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.

Benchmarks (Danish FSA limit values)	Q1			
	2020	2019	2018	2017
Funding ratio (<1)	0.8	0.7	0.7	0.8
Liquidity benchmark (>100%)	178.4%	193.2%	179.5%	-
Total large exposures (<175%)	120.9%	121.0%	106.0%	136.1%
Growth in loans (<20%)	5.7%	6.3%	72.3%*	10.7%
Real property exposure (<25%)	17.3%	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 observes all five current limit values by a good margin.

Rating

The bank is rated by the international credit rating agency Moody's Investors Service. Moody's confirmed the bank's ratings on 22 April 2020, including the ratings A1 for Long Term Bank Deposits and P-1 for Short Term Bank Deposits, where the former is given a positive outlook. The bank is satisfied with this confirmation, which endorses the bank's robust business model.

Strategy update 2020

It is now almost two years since Ringkjøbing Landbobank and Nordjyske Bank merged. Since then, the focus has been on integrating the two banks, including the two organisations, the IT systems and work processes. The integration process was smooth and the bank's management has therefore been working for a long period with an update of the bank's strategy.

Overall, the bank will continue to have an organic growth strategy going forward. At the same time, it has decided to implement a number of initiatives to future-proof the foundations for a continued strong and competitive bank in West, Central and North Jutland for the benefit of its customers.

It has thus decided to harmonise the management structure in the entire bank by closing down two functions in North Jutland. This will take place on 1 May 2020 when general managers Claus Andersen and Carl Pedersen take over the direct management of the branch network in North Jutland.

Based on customer demand for advice on home ownership, pension, wealth and lending, it has also been decided to expand the specialist environments to provide a high level of expertise and fast decision-making. Three branches will therefore be combined with other branches. The bank's branch in Nibe will be combined with the branch in Hasseris, and the branches in Sindal and Hirtshals will be combined with the branch in Hjørring.

In addition, before the summer holidays, the bank's Private Banking branch in Holte will move into a new domicile, with room for continued expansion. The Private Banking branch in Aarhus, which has so far worked with both Private Banking customers and business customers, will be expanded to include personal customers.

Finally, the bank has decided to automate the last of its cashier functions. The number of cash transactions physically handled by the bank's cashiers has been declining for years and almost 100% of customers today use cards. The result is a greatly reduced need for manual cash handling and the bank has therefore decided to close the last cashier positions. Going forward, customers can serve themselves at ATMs where they can make deposits and withdrawals in Danish kroner and euros. Other currencies can still be pre-ordered for collection at the bank's branches.

The new structure and the elimination of the cashier functions unfortunately mean that the bank must part company with 2.9% of its staff through retirement or redundancy packages.

Expected results for 2020

As described above, the bank on 23 March 2020 downwardly adjusted its expected results for 2020 as a result of the corona 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 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. The updated expectations for 2020 are now core earnings in the range DKK 900-1,100 million and profit before tax in the range DKK 800-1,100 million.

The downwardly 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 have entered into force.

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 have 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 the bank's branches.

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

Key figures

	Q1 2020	Q1 2019	Full year 2019
Key figures for the bank (per cent)			
Profit before tax as a percentage of average equity, per annum	10.3	18.1	16.8
Net profit for the period as a percentage of average equity, per annum	8.4	14.5	13.2
Rate of costs	36.6	38.2	38.0
Common equity tier 1 capital ratio	15.0	14.1	15.0
Tier 1 capital ratio	15.0	14.1	15.0
Total capital ratio	19.5	17.7	20.3
MREL requirement – fixed by the Danish FSA	20.2	20.2	20.7
MREL capital ratio	26.7	23.9	27.5
Key figures per DKK 1 share (DKK)			
Core earnings	9.2	10.1	41.4
Net profit for the period	5.4	8.7	33.5
Book value	253.9	238.5	260.4
Share price, end of period	382.0	409.0	514.0
Basis of calculation, number of shares	29,067,721	29,644,596	29,228,321

Quarterly overviews

Core earnings

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

Quarterly overviews – continued

Balance sheet items and contingent liabilities

	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	36,130	35,465	34,757	34,528	34,195	33,350	32,192	31,970	31,647
Deposits including pooled schemes	37,051	38,128	38,554	39,070	37,439	36,993	36,866	37,313	36,307
Equity	7,380	7,610	7,426	7,231	7,071	7,189	7,171	7,066	6,644
Balance sheet total	51,531	52,941	53,601	52,426	50,266	49,651	49,287	49,859	47,349
Contingent liabilities	9,992	9,665	10,836	10,466	7,976	7,829	8,078	7,809	7,821

Statement of capital

	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	6,197	6,178	5,731	5,547	5,391	5,444	5,213	5,092	5,185
Tier 1 capital	6,197	6,178	5,731	5,547	5,391	5,444	5,213	5,092	5,185
Total capital	8,097	8,350	7,894	6,961	6,775	6,831	6,586	6,464	5,757
MREL capital	11,074	11,356	10,898	9,659	9,140	9,181	-	-	-
Total risk exposure	41,444	41,223	39,547	40,106	38,308	36,385	34,123	33,784	34,314
(Percent)									
Common equity tier 1 capital ratio	15.0	15.0	14.5	13.8	14.1	15.0	15.3	15.1	15.1
Tier 1 capital ratio	15.0	15.0	14.5	13.8	14.1	15.0	15.3	15.1	15.1
Total capital ratio	19.5	20.3	20.0	17.4	17.7	18.8	19.3	19.1	16.8
MREL capital ratio	26.7	27.5	27.6	24.1	23.9	25.2	-	-	-

Statements of income and comprehensive income

Note		Q1 2020 DKK 1,000	Q1 2019 DKK 1,000	Full year 2019 DKK 1,000
1	Interest income	341,631	323,657	1,299,449
2	Interest expenses	34,898	31,927	131,144
	Net interest income	306,733	291,730	1,168,305
3	Dividends from shares etc.	3,456	221	70,409
4	Fee and commission income	211,736	209,527	833,082
4	Fee and commission expenses	21,087	18,395	78,541
	Net interest and fee income	500,838	483,083	1,993,255
5	Value adjustments	-27,375	+69,892	+168,906
	Other operating income	193	1,326	13,582
6,7	Staff and administration expenses	190,880	198,313	778,458
	Amortisation, depreciation and write-downs on intangible and tangible assets	6,764	6,001	37,959
	Other operating expenses	4,464	364	3,934
8	Impairment charges for loans and other receivables etc.	-77,983	-27,473	-110,172
	Results from investments in associated companies and group undertakings	0	0	+201
	Profit before tax	193,565	322,150	1,245,421
9	Tax	36,187	63,166	267,156
	Net profit for the period	157,378	258,984	978,265
	Other comprehensive income:			
	Value changes in pension liabilities	0	+59	+50
	Total comprehensive income for the period	157,378	259,043	978,315

Core earnings

Note		Q1 2020 DKK 1,000	Q1 2019 DKK 1,000	Full year 2019 DKK 1,000
	Net interest income	305,466	291,248	1,173,085
4	Net fee and commission income excluding securities trading	151,542	150,046	626,349
	Income from sector shares etc.	35,255	36,697	144,702
4	Foreign exchange income	9,725	5,796	30,749
	Other operating income	193	1,326	13,582
	Total core income excluding securities trading	502,181	485,113	1,988,467
4	Securities trading	39,107	41,086	128,192
	Total core income	541,288	526,199	2,116,659
	Staff and administration expenses	190,880	198,313	778,458
	Depreciation and write-downs on tangible assets	3,014	2,251	22,959
	Other operating expenses	4,464	364	3,934
	Total expenses etc.	198,358	200,928	805,351
	Core earnings before impairment charges for loans	342,930	325,271	1,311,308
	Impairment charges for loans and other receivables etc.	-75,409	-24,899	-99,876
	Core earnings	267,521	300,372	1,211,432
	Result for the portfolio etc.	-70,206	+25,528	+48,989
	Amortisation and write-downs on intangible assets	3,750	3,750	15,000
	Profit before tax	193,565	322,150	1,245,421
9	Tax	36,187	63,166	267,156
	Net profit for the period	157,378	258,984	978,265

Balance sheet

Note		31 March 2020 DKK 1,000	31 March 2019 DKK 1,000	31 Dec. 2019 DKK 1,000
	Assets			
	Cash in hand and demand deposits with central banks	703,915	641,153	685,380
10	Receivables from credit institutions and central banks	3,461,052	2,265,245	2,668,915
11.12, 13	Total loans and other receivables at amortised cost	36,130,393	34,195,389	35,465,416
	Loans and other receivables at amortised cost	34,931,145	33,005,071	34,205,433
	Wind turbine loans etc. with direct funding	1,199,248	1,190,318	1,259,983
14	Bonds at fair value	4,152,007	5,749,387	6,773,533
15	Shares etc.	1,330,963	1,499,775	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	3,893,581	4,063,534	4,276,344
17	Intangible assets	1,046,088	1,061,088	1,049,838
	Total land and buildings	229,627	229,578	208,881
	Investment properties	11,567	15,337	11,567
	Domicile properties	197,162	214,241	197,314
	Domicile properties (leases)	20,898	-	-
	Other tangible assets	19,264	23,216	20,055
	Current tax assets	0	15,408	37,044
	Deferred tax assets	3,208	8,022	3,849
	Temporary assets	3,773	4,643	3,756
	Other assets	528,256	478,897	423,606
	Prepayments	16,500	18,169	21,262
	Total assets	51,531,119	50,265,795	52,940,894

Balance sheet – continued

Note		31 March 2020 DKK 1,000	31 March 2019 DKK 1,000	31 Dec. 2019 DKK 1,000
	Liabilities and equity			
18	Debt to credit institutions and central banks	2,277,397	2,043,825	2,172,765
	Total deposits and other debt	37,050,795	37,438,745	38,127,837
19	Deposits and other debt	33,157,214	33,375,211	33,851,493
	Deposits in pooled schemes	3,893,581	4,063,534	4,276,344
20	Issued bonds at amortised cost	2,229,192	1,514,018	2,212,709
	Preferred senior capital	1,034,093	1,138,715	1,030,961
	Non-preferred senior capital	1,195,099	375,303	1,181,748
	Current tax liabilities	19,475	0	0
	Other liabilities	578,340	656,942	531,576
	Deferred income	1,672	3,888	1,841
	Total debt	42,156,871	41,657,418	43,046,728
	Provisions for pensions and similar liabilities	2,260	2,823	2,398
12	Provisions for losses on guarantees	46,044	60,619	58,694
12	Other provisions for liabilities	21,356	20,117	22,341
	Total provisions for liabilities	69,660	83,559	83,433
	Tier 2 capital	1,924,763	1,453,437	2,200,857
21	Total subordinated debt	1,924,763	1,453,437	2,200,857
22	Share capital	29,662	30,994	29,662
	Net revaluation reserve under the equity method	419	218	419
	Retained earnings	7,349,744	7,040,169	7,252,515
	Proposed dividend etc.	-	-	327,280
	Total shareholders' equity	7,379,825	7,071,381	7,609,876
	Total liabilities and equity	51,531,119	50,265,795	52,940,894
23	Own shares			
24	Contingent liabilities etc.			
25	Assets provided as security			
26	Loans and guarantees in per cent, by sector and industry			
27	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
As at 31 March 2020:					
Shareholders' equity at the end of the previous financial year	29,662	419	7,252,515	327,280	7,609,876
Dividend etc. paid				-327,280	-327,280
Dividend received on own shares			4,966		4,966
Purchase of own shares			-266,005		-266,005
Sale of own shares			196,848		196,848
Other equity transactions (employee shares)			4,042		4,042
Total comprehensive income for the period			157,378		157,378
Shareholders' equity on the balance sheet date	29,662	419	7,349,744	0	7,379,825

DKK 1,000	Share capital	Net revaluation reserve under the equity method	Retained earnings	Proposed dividend etc.	Total shareholders' equity
As at 31 March 2019:					
Shareholders' equity at the end of the previous financial year	30,994	218	6,847,035	310,443	7,188,690
Dividend etc. paid				-310,443	-310,443
Dividend received on own shares			13,332		13,332
Purchase of own shares			-348,352		-348,352
Sale of own shares			269,111		269,111
Total comprehensive income for the period			259,043		259,043
Shareholders' equity on the balance sheet date	30,994	218	7,040,169	0	7,071,381

Statement of capital – continued

DKK 1,000	Share capital	Net revaluation reserve under the equity method	Retained earnings	Proposed dividend etc.	Total shareholders' equity
As at 31 December 2019:					
Shareholders' equity at the end of the previous financial year	30,994	218	6,847,035	310,443	7,188,690
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
Shareholders' equity on the balance sheet date	29,662	419	7,252,515	327,280	7,609,876

Statement of capital

	31 March 2020 DKK 1,000	31 March 2019 DKK 1,000	31 Dec. 2019 DKK 1,000
Credit risk	36,671,588	33,323,229	35,824,915
Market risk	1,865,386	2,722,506	2,491,568
Operational risk	2,906,665	2,262,571	2,906,665
Total risk exposure	41,443,639	38,308,306	41,223,148
Shareholders' equity	7,379,825	7,071,381	7,609,876
Proposed dividend etc.	-	-	-327,280
Deduction for expected dividend	-60,118	-121,732	-
Addition for transition programme concerning IFRS 9	112,538	136,653	136,653
Deduction for the sum of equity investments etc. above 10%	-152,942	-413,653	-149,246
Deduction for prudent valuation	-13,034	-13,602	-15,233
Deduction for intangible assets	-1,046,088	-1,061,088	-1,049,838
Deferred tax on intangible assets	27,023	30,323	27,848
Deduction of amounts of share buy-back programmes	0	-660,000	0
Actual utilisation of amounts of share buy-back programmes	0	476,809	0
Deduction for trading limit for own shares	-55,000	-55,000	-55,000
Actual utilisation of the trading limit for own shares	4,847	516	126
Common equity tier 1	6,197,051	5,390,607	6,177,906
Tier 1 capital	6,197,051	5,390,607	6,177,906
Tier 2 capital	1,920,133	1,448,310	2,195,418
Deduction for the sum of equity investments etc. above 10%	-19,911	-64,111	-23,454
Total capital	8,097,273	6,774,806	8,349,870
Contractual senior funding (grandfathered)	1,795,046	1,990,800	1,824,492
Non-preferred senior capital	1,181,364	374,662	1,181,431
MREL capital	11,073,683	9,140,268	11,355,793

Statement of capital – continued

	31 March 2020 DKK 1,000	31 March 2019 DKK 1,000	31 Dec. 2019 DKK 1,000
Common equity tier 1 capital ratio (%)	15.0	14.1	15.0
Tier 1 capital ratio (%)	15.0	14.1	15.0
Total capital ratio (%)	19.5	17.7	20.3
MREL capital ratio (%)	26.7	23.9	27.5
Pillar I capital requirements	3,315,491	3,064,664	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	0.5	1.0
Total requirement for the bank's total capital (%)	11.8	12.3	12.8
Excess cover in percentage points relative to individual solvency requirement	10.2	8.4	11.0
Excess cover in percentage points relative to total requirement for total capital	7.7	5.4	7.5
MREL requirement (%) – fixed by the Danish FSA	20.2	20.2	20.7
Excess cover in percentage points relative to MREL requirement	6.5	3.7	6.8

Notes

Note	Q1 2020 DKK 1,000	Q1 2019 DKK 1,000	Full year 2019 DKK 1,000
1 Interest income			
Receivables from credit institutions and central banks – net	-3,419	-3,007	-12,804
Loans and other receivables	315,392	316,144	1,272,826
Discounts – amortisation concerning loans taken over etc.	2,574	2,574	10,296
Loans – interest on the impaired part of loans	-17,061	-17,403	-68,853
Bonds – net	1,690	8,474	17,314
Total derivative financial instruments – net	7,713	5,071	26,043
of which currency contracts – net	6,652	6,622	10,589
of which interest-rate contracts – net	1,061	-1,551	15,454
Other interest income	1,229	1,230	4,594
Total interest income	308,118	313,083	1,249,416
Negative interest income transferred to interest expenses			
Receivables from credit institutions and central banks	3,937	3,686	14,260
Bonds	2,882	113	9,838
Total derivative financial instruments	2,476	1,246	3,937
of which currency contracts	761	429	1,199
of which interest-rate contracts	1,715	817	2,738
Total negative interest income transferred to interest expenses	9,295	5,045	28,035
Negative interest expenses transferred from interest expenses			
Debt to credit institutions and central banks	57	15	273
Deposits and other debt	24,161	5,514	21,725
Total negative interest expenses transferred from interest expenses	24,218	5,529	21,998
Total interest income	341,631	323,657	1,299,449

Notes – continued

Note	Q1 2020 DKK 1,000	Q1 2019 DKK 1,000	Full year 2019 DKK 1,000
2 Interest expenses			
Credit institutions and central banks – net	3,013	3,059	12,197
Deposits and other debt – net	-17,665	5,273	9,725
Issued bonds	5,077	3,359	17,131
Subordinated debt	10,755	9,464	41,932
Other interest expenses	205	198	126
Total interest expenses	1,385	21,353	81,111
Negative interest expenses transferred to interest income			
Debt to credit institutions and central banks	57	15	273
Deposits and other debt	24,161	5,514	21,725
Total negative interest expenses transferred to interest income	24,218	5,529	21,998
Negative interest income transferred from interest income			
Receivables from credit institutions and central banks	3,937	3,686	14,260
Bonds	2,882	113	9,838
Total derivative financial instruments	2,476	1,246	3,937
of which currency contracts	761	429	1,199
of which interest-rate contracts	1,715	817	2,738
Total negative interest income transferred from interest income	9,295	5,045	28,035
Total interest expenses	34,898	31,927	131,144
3 Dividends from shares etc.			
Shares	3,456	221	70,409
Total dividends from shares etc.	3,456	221	70,409
4 Gross fee and commission income			
Securities trading	43,193	43,287	137,452
Asset management and custody accounts	38,560	39,801	160,958
Payment handling	26,329	29,881	113,046
Loan fees	24,230	16,268	115,134
Guarantee commission and mortgage credit commission etc.	55,879	53,684	217,465
Other fees and commission	23,545	26,606	89,027
Total gross fee and commission income	211,736	209,527	833,082
Net fee and commission income			
Securities trading	39,107	41,086	128,192
Asset management and custody accounts	33,705	36,381	147,859
Payment handling	18,407	21,809	79,241
Loan fees	22,083	14,942	103,805
Guarantee commission and mortgage credit commission etc.	55,879	53,684	217,465
Other fees and commission	21,468	23,230	77,979
Total net fee and commission income	190,649	191,132	754,541
Foreign exchange income	9,725	5,796	30,749
Total net fee, commission and foreign exchange income	200,374	196,928	785,290

Notes – continued

Note	Q1 2020 DKK 1,000	Q1 2019 DKK 1,000	Full year 2019 DKK 1,000
5 Value adjustments			
Other loans and receivables, fair value adjustment	629	3,724	2,675
Bonds	-61,198	21,217	31,350
Shares etc.	26,436	40,124	101,018
Investment properties	0	2,602	-256
Foreign exchange	9,725	5,796	30,749
Total derivative financial instruments	12,427	12,453	26,136
of which currency contracts	13,684	7,729	12,711
of which interest-rate contracts	-1,320	4,694	13,071
of which share contracts	63	30	354
Assets linked to pooled schemes	-507,654	210,581	417,435
Deposits in pooled schemes	507,654	-210,581	-417,435
Issued bonds	-16,818	-11,682	-17,325
Other liabilities	1,424	-4,342	-5,441
Total value adjustments	-27,375	69,892	168,906
6 Staff and administration expenses			
Payments and fees to general management, board of directors and shareholders' committee			
General management	3,736	3,692	15,840
Board of directors	0	0	3,075
Shareholders' committee	0	0	781
Total	3,736	3,692	19,696
Staff expenses			
Salaries	87,321	86,154	353,703
Pensions	10,141	9,571	39,478
Social security expenses	1,853	2,705	6,444
Costs depending on number of staff	14,948	14,749	56,420
Total	114,263	113,179	456,045
Other administration expenses	72,881	81,442	302,717
Total staff and administration expenses	190,880	198,313	778,458
7 Number of full-time employees			
Average number of employees during the period converted into full-time employees	646	669	657
Number of full-time employees at the end of the period	650	659	652
8 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 and unutilised credit facilities	104,235	-68,766	-8,762
Actual realised net losses	-9,191	113,642	187,787
Interest on the impaired part of loans	-17,061	-17,403	-68,853
Total impairment charges for loans and other receivables etc.	77,983	27,473	110,172

Notes – continued

Note	Q1 2020 DKK 1,000	Q1 2019 DKK 1,000	Full year 2019 DKK 1,000
9 Tax			
Tax calculated on income for the period	35,555	63,425	250,816
Adjustment of deferred tax	632	-259	3,914
Adjustment of tax calculated for previous years	0	0	12,426
Total tax	36,187	63,166	267,156
Effective tax rate (%):			
Tax rate currently paid by the bank	22.0	22.0	22.0
Permanent deviations	-3.3	-2.4	-1.5
Adjustment of tax calculated for previous years	0.0	0.0	1.0
Total effective tax rate	18.7	19.6	21.5

Note	31 March 2020 DKK 1,000	31 March 2019 DKK 1,000	31 Dec. 2019 DKK 1,000
10 Receivables from credit institutions and central banks			
Demand	233,920	311,005	132,760
Up to and including 3 months	3,177,132	1,899,240	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	50,000	45,000
Total receivables from credit institutions and central banks	3,461,052	2,265,245	2,668,915
11 Loans and other receivables at amortised cost			
Demand	3,722,724	2,737,458	3,503,230
Up to and including 3 months	3,209,228	2,793,706	1,646,467
More than 3 months and up to and including 1 year	6,685,429	6,113,139	8,170,271
More than 1 year and up to and including 5 years	9,894,665	10,416,863	9,543,370
More than 5 years	12,618,347	12,134,223	12,602,078
Total loans and other receivables at amortised cost	36,130,393	34,195,389	35,465,416

Notes – continued

Note	Stage 1 DKK 1,000	Stage 2 DKK 1,000	Stage 3 DKK 1,000	Total DKK 1,000
12				
Impairment charges for loans and other receivables and provisions for losses on guarantees, unutilised credit facilities and loan undertakings				
Impairment charges and provisions – by stages				
31 March 2020				
Loans and other receivables at amortised cost	114,735	474,077	1,479,668	2,068,480
Guarantees	12,475	12,608	20,961	46,044
Unutilised credit facilities and loan undertakings	8,726	12,630	0	21,356
Total impairment charges and provisions by stages	135,936	499,315	1,500,629	2,135,880
31 March 2019				
Loans and other receivables at amortised cost	140,642	289,135	1,461,128	1,890,905
Guarantees				60,619
Unutilised credit facilities and loan undertakings				20,117
Total impairment charges and provisions by stages				1,971,641
31 Dec. 2019				
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
Total impairment charges and provisions by stages				2,031,645

Note	31 March 2020 DKK 1,000	31 March 2019 DKK 1,000	31 Dec. 2019 DKK 1,000
12			
Impairment charges for loans and other receivables and provisions for losses on guarantees, unutilised credit facilities and loan undertakings – continued			
In addition to the above, a discount on loans and guarantees taken over from Nordjyske Bank amounted to	32,821	43,117	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	637,359	839,529	839,529
Change during the period	-134,673	-115,634	-202,170
Total stage 3 impairment charges and provisions taken over	502,686	723,895	637,359

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
12					
Impairment charges for loans and other receivables and provisions for losses on guarantees, unutilised credit facilities and loan undertakings – continued					
Impairment charges and provisions					
31 March 2020					
Impairment charges and provisions at the end of the previous financial year	136,729	404,006	1,490,910	2,031,645	-
Impairment charges and provisions for new exposures during the period, including new accounts for existing customers	16,020	16,639	51,257	83,916	83,916
Reversed impairment charges and provisions for repaid accounts	-13,923	-32,651	-93,682	-140,256	-140,256
Change in impairment charges and provisions at beginning of year for/from stage 1	63,092	-20,842	-42,250	0	0
Change in impairment charges and provisions at beginning of year for/from stage 2	-3,736	101,622	-97,886	0	0
Change in impairment charges and provisions at beginning of year for/from stage 3	-873	-3,730	4,603	0	0
Impairment charges and provisions during the year resulting from credit risk change	-61,373	34,271	198,286	171,184	171,184
Previously written down, now definitively lost	-	-	-10,609	-10,609	-
Lost, not previously written down	-	-	-	-	1,699
Received on receivables previously written off	-	-	-	-	-38,560
Total impairment charges and provisions	135,936	499,315	1,500,629	2,135,880	77,983
of which regarding credit institutions etc.	1,081	0	0	1,081	170

Notes – continued

Note	Stage 1 DKK 1,000	Stage 2 DKK 1,000	Stage 3 DKK 1,000	Total DKK 1,000
12				
Impairment charges for loans and other receivables and provisions for losses on guarantees, unutilised credit facilities and loan undertakings – continued				
Impairment charges and provisions				
31 March 2019				
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 / value adjustments during the period	31,576	120,210	125,127	276,913
Reversed impairment charges and provisions during the period	-47,414	-86,737	-94,718	-228,869
Previously written down, now definitively lost	-	-	-116,810	-116,810
Total impairment charges and provisions	167,125	320,648	1,483,868	1,971,641
of which regarding credit institutions etc.	1,073	6	0	1,079

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
12					
Impairment charges for loans and other receivables and provisions for losses on guarantees, unutilised credit facilities and loan undertakings – continued					
Impairment charges and provisions					
31 Dec. 2019					
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
Total impairment charges and provisions	136,729	404,006	1,490,910	2,031,645	110,172
of which regarding credit institutions etc.	911	0	0	911	354

Notes – continued

Note	31 March 2020 DKK 1,000	31 March 2019 DKK 1,000	31 Dec. 2019 DKK 1,000
13	Suspended calculation of interest		
	Loans and other receivables with suspended calculation of interest on the balance sheet date		
	211,792	203,605	212,195
14	Bonds at fair value		
	Listed on the stock exchange		
	4,152,007	5,749,387	6,773,533
	4,152,007	5,749,387	6,773,533
15	Shares etc.		
	Listed on Nasdaq Copenhagen		
	18,422	7,773	6,094
	Investment fund certificates		
	27,177	30,620	32,598
	Unlisted shares at fair value		
	12,204	15,024	15,576
	Sector shares at fair value		
	1,273,160	1,446,358	1,236,255
	1,330,963	1,499,775	1,290,523
16	Assets linked to pooled schemes		
	Cash deposits		
	21,857	73,663	50,067
	Bonds:		
	Index-linked bonds		
	0	26,356	61,673
	Other bonds		
	1,619,783	1,552,032	1,459,712
	1,619,783	1,578,388	1,521,385
	Shares:		
	Other shares		
	465,870	412,710	531,933
	Investment fund certificates		
	1,786,071	1,998,773	2,172,959
	2,251,941	2,411,483	2,704,892
	3,893,581	4,063,534	4,276,344
17	Intangible assets		
	Goodwill		
	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
	923,255	923,255	923,255
	Customer relationships		
	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		
	3,750	3,750	15,000
	Total amortisation on the balance sheet date		
	27,167	12,167	23,417
	122,833	137,833	126,583
	1,046,088	1,061,088	1,049,838

Notes – continued

Note	31 March 2020 DKK 1,000	31 March 2019 DKK 1,000	31 Dec. 2019 DKK 1,000
18 Debt to credit institutions and central banks			
Demand	910,130	629,521	744,719
Up to and including 3 months	30,442	77,198	49,588
More than 3 months and up to and including 1 year	183,053	117,531	172,328
More than 1 year and up to and including 5 years	657,563	714,780	686,368
More than 5 years	496,209	504,795	519,762
Total debt to credit institutions and central banks	2,277,397	2,043,825	2,172,765
19 Deposits and other debt			
Demand	27,005,522	26,340,726	27,360,670
Deposits and other debt with notice:			
Up to and including 3 months	566,791	893,904	719,625
More than 3 months and up to and including 1 year	1,961,692	2,146,756	1,831,691
More than 1 year and up to and including 5 years	1,242,882	1,320,227	1,281,235
More than 5 years	2,380,327	2,673,598	2,658,272
Total deposits and other debt	33,157,214	33,375,211	33,851,493
Distributed as follows:			
Demand	26,867,459	26,169,303	27,230,601
With notice	2,021,787	1,856,779	1,803,540
Time deposits	212,075	1,028,518	437,582
Long-term deposit agreements	1,365,662	1,505,544	1,394,999
Special types of deposits	2,690,231	2,815,067	2,984,771
	33,157,214	33,375,211	33,851,493
20 Issued bonds at amortised cost			
More than 1 year and up to and including 5 years	1,550,244	1,046,561	1,550,609
More than 5 years	678,948	467,457	662,100
Total issued bonds at amortised cost	2,229,192	1,514,018	2,212,709
21 Subordinated debt			
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	373,378	373,310	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	746,755	-	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	4,630	5,127	5,439
Total subordinated debt	1,924,763	1,453,437	2,200,857
22 Share capital			
Number of DKK 1 shares			
Beginning of period	29,661,796	30,994,258	30,994,258
Cancelled during the period	0	0	-1,332,462
End of period	29,661,796	30,994,258	29,661,796
Reserved for subsequent cancellation	594,075	1,332,462	433,475
Total share capital	29,662	30,994	29,662

Notes – continued

Note	31 March 2020 DKK 1,000	31 March 2019 DKK 1,000	31 Dec. 2019 DKK 1,000
23 Own shares			
Own shares included in the balance sheet at	0	0	0
Market value	231,783	552,476	222,933
Number of own shares:			
Beginning of period	433,721	1,125,666	1,125,666
Purchased during the period	478,890	944,059	2,202,299
Sold during the period	-305,848	-718,927	-1,561,782
Cancelled during the period	0	0	-1,332,462
End of period	606,763	1,350,798	433,721
Reserved for subsequent cancellation	594,075	1,349,662	433,475
Nominal value of holding of own shares, end of period	607	1,351	434
Own shares' proportion of share capital, end of period (%)	2.0	4.4	1.5
24 Contingent liabilities etc.			
Contingent liabilities			
Financial guarantees	2,772,917	2,540,311	2,607,892
Guarantees against losses on mortgage credit loans	2,596,912	2,375,183	2,562,301
Registration and refinancing guarantees	3,829,909	2,256,806	3,685,346
Sector guarantees	104,802	134,604	104,802
Other contingent liabilities	687,454	669,241	704,333
Total contingent liabilities	9,991,994	7,976,145	9,664,674
Other contractual obligations			
Irrevocable credit commitments etc.	101,000	58,500	281,000
Total other contractual obligations	101,000	58,500	281,000
25 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	1,199,248	1,190,318	1,259,983
As collateral for clearing and raising of loans, the bank has pledged securities to the central bank of Denmark at a market price of	312,965	187,915	180,113
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	378	417	379
Collateral under CSA agreements etc.	48,897	46,937	46,270

Notes – continued

Note		31 March 2020 %	31 March 2019 %	31 Dec. 2019 %
26	Loans and guarantees in per cent, by sector and industry			
	Public authorities	0.0	0.0	0.0
	Business customers:			
	Agriculture, hunting and forestry			
	Cattle farming etc.	1.5	1.3	1.4
	Pig farming etc.	1.3	1.6	1.3
	Other agriculture, hunting and forestry	5.5	5.5	5.5
	Fishing	2.2	2.4	2.1
	Industry and raw materials extraction	3.0	3.1	3.2
	Energy supply			
	Renewable energy	6.5	7.0	6.7
	Other energy supply	0.3	0.3	0.3
	Building and construction	3.4	3.4	3.3
	Trade	4.0	3.9	3.9
	Transport, hotels and restaurants	1.8	1.6	1.8
	Information and communication	0.5	0.4	0.5
	Finance and insurance	8.4	6.6	7.7
	Real property			
	First mortgage without prior creditors	11.8	10.5	12.0
	Other real property financing	4.6	4.7	4.8
	Other business customers	6.6	7.5	6.6
	Total business customers	61.4	59.8	61.1
	Private individuals	38.6	40.2	38.9
	Total	100.0	100.0	100.0
27	Miscellaneous comments			
	<p>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 13 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”.</p>			
	<p>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 14, were calculated pro forma by a simple adding up of figures from the respective accounts from Ringkjøbing Landbobank and Nordjyske Bank, without any adjustments.</p>			
	<p>Core earnings per share on page 5 are stated for the “old” Ringkjøbing Landbobank up to and including 2017, pro forma for 2018 and for the merged bank from 2019.</p>			

Main figures

Summary of income statement (DKK million)	Q1 2020	Q1 2019	Full year 2019
Net interest income	307	292	1,168
Dividends from shares etc.	3	0	70
Net fee and commission income	191	191	755
Net interest and fee income	501	483	1,993
Value adjustments	-27	+70	+169
Other operating income	0	1	13
Staff and administration expenses	191	198	778
Amortisation, depreciation and write-downs on intangible and tangible assets	7	6	38
Other operating expenses	4	1	4
Impairment charges for loans and receivables etc.	-78	-27	-110
Profit before tax	194	322	1,245
Tax	36	63	267
Net profit for the period	158	259	978

Main figures from the balance sheet (DKK million)	31 March 2020	31 March 2019	31 Dec. 2019
Loans and other receivables at amortised cost	36,130	34,195	35,465
Deposits and other debt including pooled schemes	37,051	37,439	38,128
Subordinated debt	1,925	1,453	2,201
Equity	7,380	7,071	7,610
Balance sheet total	51,531	50,266	52,941

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

		Q1 2020	Q1 2019	2019
Capital ratios:				
Total capital ratio	%	19.5	17.7	20.3
Tier 1 capital ratio	%	15.0	14.1	15.0
Individual solvency requirement	%	9.3	9.3	9.3
MREL requirement – fixed by the Danish FSA	%	20.2	20.2	20.7
MREL capital ratio	%	26.7	23.9	27.5
Earnings:				
Return on equity before tax	%	2.6	4.5	16.8
Return on equity after tax	%	2.1	3.6	13.2
Income/cost ratio	DK	1.69	2.39	2.34
Return on assets	%	0.3	0.5	1.8
Market risk:				
Interest rate risk	%	0.7	1.8	0.9
Foreign exchange position	%	1.4	0.9	1.4
Foreign exchange risk	%	0.0	0.0	0.0
Liquidity risk:				
Liquidity Coverage Ratio (LCR)	%	176	177	204
Loans and impairments thereon relative to deposits	%	103.1	96.4	98.1
Credit risk:				
Loans relative to shareholders' equity		4.9	4.8	4.7
Growth in loans	%	1.9	2.5	6.3
Total large exposures (<175%)	%	120.9	120.8	121.0
Cumulative impairment ratio	%	4.4	4.5	4.3
Impairment ratio	%	0.16	0.06	0.21
Proportion of receivables at reduced interest	%	0.4	0.5	0.4
Share return:				
Earnings per share*/***	DK	540.0	870.4	3,310.7
Book value per share**/**	DK	25,399	23,855	26,036
Dividend per share*	DK	0	0	1,100
Market price relative to earnings per share*/***		70.7	47.0	15.5
Market price relative to book value per share**/**		1.50	1.71	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 31 March 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 at 31 March 2020 and of the result of the bank's activities for the period 1 January to 31 March 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.

Ringkjøbing, 29 April 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 Söllmann

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