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## Ringkjøbing Landbobank's announcement of the financial statements for 2018

2018 is the first year in which Nordjyske Bank's operations are recognised. As was the case with the interim report and the Q3 report, the announcement of the financial statements contains both pro forma financial statements and official financial statements.

Both sets of statements show growth compared to last year and the merger has made a good start.

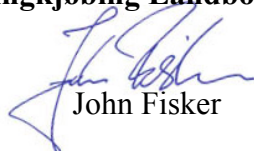
### Core earnings - pro forma

(DKK million)	2018	2017	2016
Total core income	2,001	1,917	1,861
Total expenses and depreciation	-866	-845	-815
<b>Core earnings before impairment charges for loans</b>	<b>1,135</b>	<b>1,072</b>	<b>1,046</b>
Impairment charges for loans etc.	-43	-70	-211
<b>Core earnings</b>	<b>1,092</b>	<b>1,002</b>	<b>835</b>
Result for the portfolio etc.	+77	+84	+78
<b>Profit before special costs</b>	<b>1,169</b>	<b>1,086</b>	<b>913</b>

### 2018 - highlights

- The financial statements show a 9% increase in core earnings to DKK 1,092 million and an 8% increase in profit before special costs to DKK 1,169 million
- The integration of the banks is proceeding as expected and the merger has been well received by the customers
- Continued big increase in customers and 7% growth in loans to DKK 33 billion
- Pay-out ratio of 64%, increase in dividend to DKK 10 per share and a new share buy-back programme of DKK 190 million
- Common equity tier 1 capital ratio of 15.0% and MREL capital ratio of 25.2%
- Customer satisfaction high for both brands
- The bank again tops the list of Voxmeter's reputation survey in Denmark

Yours sincerely  
Ringkjøbing Landbobank



John Fisker

Ringkjøbing Landbobank A/S

## Management's review

This financial report contains both official financial statements and pro forma financial statements. The latter are part of the management's review.

The official financial statements contain both an income statement and core earnings, comprising financial figures for the “old” Ringkjøbing Landbobank for 1 January to 31 December 2018 plus financial figures for the “old” Nordjyske Bank for the period 9 June to 31 December 2018. This includes merger costs relating to the “old” Ringkjøbing Landbobank and the completion of the actual merger.

The pro forma financial statements contain an income statement comprising figures for both the “old” Ringkjøbing Landbobank and the “old” Nordjyske Bank for 1 January to 31 December 2018, i.e. as if the merger had taken effect on 1 January 2018. The pro forma statements show the non-recurring and merger costs etc. in both banks as separate items.

The pro forma statements have been prepared to give the reader a better overview of the development in the bank's profit and its financial position. The pro forma statements also contain comparative quarterly figures for 2016, 2017 and 2018.

## Pro forma financial statements

### Core income

Net interest income was DKK 1,147 million in 2018 compared to DKK 1,124 million in 2017, an increase of 2%. The bank is satisfied with this development, which included a 7% increase in lending during the year. The interest margin continued to fall in 2018, and there were new interest expenses for the subordinated capital issued in June 2018.

Fee, commission and foreign exchange income amounted to DKK 687 million net in 2018, compared to DKK 667 million net in 2017, an increase of 3%. All fee income lines developed positively in the year compared to 2017 except asset management, which reflected an expected fall in income. This was because the bank no longer receives commission from investment funds for arrangements under which it provides discretionary portfolio management.

Earnings from banking sector shares increased by DKK 40 million in 2018 to a total of 160 million. The earnings derive primarily from return on the bank's ownership interests in DLR Kredit and BankInvest (BI Holding).

In March 2018, the board of directors of BI Holding decided to change the valuation principles for the company's shares. The change in valuation principles resulted in a revaluation of the bank's ownership interest by DKK 104 million in 2018. Although the revaluation can be related to a sector share, it has been posted in the bank's statement of core earnings under the item “Result for the portfolio etc.” because it is a once-only income item that does not influence the regular income earned by the bank from its holding of sector shares.

Total core income has developed positively over the last three years, increasing from DKK 1,861 million in 2016 to DKK 1,917 in 2017 and DKK 2,001 million in 2018. In 2018, total core income thus increased by 4%. The bank considers the increase satisfactory.

### Expenses, depreciation and write-downs

Total expenses including depreciation and write-downs on tangible assets amounted to DKK 866 million in 2018, compared to DKK 845 million in 2017, an increase of 2%.

The rate of costs was 43.3% in 2018, compared to 44.1% in 2017.

### Impairment charges for loans etc.

Impairment charges for loans were an expense of DKK 43 million in 2018, compared to an expense of DKK 70 million in 2017. Impairment charges thus amounted to 0.10% of the gross total average of loans and guarantees in 2018, compared to 0.18% in 2017.

The credit quality of the bank's portfolio of loans and guarantees generally developed positively in 2018. However, the situation deteriorated in specific parts of the agricultural segment during the year. The main reasons are low prices being paid to producers of pork, combined with the financial consequences of the drought last summer. The mink sector again experienced falling prices being paid to producers during 2018. As a consequence, the bank increased impairment charges for agriculture-related loans in 2018, but reversals were also made in other areas.

### Core earnings

(DKK million)	2018	2017	2016
Total core income	2,001	1,917	1,861
Total expenses and depreciation	-866	-845	-815
<b>Core earnings before impairment charges for loans</b>	<b>1,135</b>	<b>1,072</b>	<b>1,046</b>
Impairment charges for loans etc.	-43	-70	-211
<b>Core earnings</b>	<b>1,092</b>	<b>1,002</b>	<b>835</b>

Core earnings totalled DKK 1,092 million compared to last year's DKK 1,002 million, an increase of 9%. Core earnings per share were DKK 36.5.

### Result for the portfolio etc.

The result for the portfolio etc. for 2018 was positive by DKK 77 million net, including funding costs for the portfolio. DKK 104 million is attributable to the revaluation of the bank's ownership interest in BI Holding. In 2017 the result for the portfolio etc. was positive by DKK 84 million.

The result for the portfolio was negatively affected by the development on the financial markets with credit spread widening and falling share prices.

### Profit before special costs

The profit before special costs was DKK 1,169 million compared to DKK 1,086 million in 2017, an increase of 8%. The profit equates to a return of 18.8% on average equity, excluding intangible assets.

**Special costs**

The bank considers amortisation and write-downs on intangible assets to be a special item, as posting amortisation and write-downs to this item contributes to strengthening the quality of equity and reduces the deduction when computing total capital. Amortisation and write-downs on intangible assets amounted to DKK 25 million in 2018, compared to DKK 22 million in 2017.

Merger and restructuring costs amounted to DKK 122 million in 2018, which is below the expectations announced in connection with the merger announcement. DKK 33 million of the DKK 122 million was paid by Nordjyske Bank before the merger and DKK 89 million by the merged bank after the merger.

Finally, special costs in the pro forma income statement include non-recurring costs. These non-recurring costs relate to harmonisation of cost accounting and accounting estimates for tangible assets in the two banks. Non-recurring costs amounted to DKK 70 million in 2018, which was paid by Nordjyske Bank before the merger.

**Profit before and after tax**

The profit before tax was DKK 952 million, equivalent to a return of 13.6% p.a. on average equity.

The net profit for the year was DKK 778 million, equivalent to a return of 11.2% p.a. on average equity.

**Balance sheet items and contingent liabilities**

The bank's balance sheet total at the end of December 2018 stood at DKK 49,651 million, compared to last year's DKK 46,324 million.

The bank's deposits including pooled schemes increased by 3% in 2018 from DKK 35,854 million at the end of 2017 to DKK 36,993 million at the end of 2018. The bank's loans increased by 7% from DKK 31,173 million at the end of 2017 to DKK 33,350 million at the end of 2018.

The development in lending was positive both under the "Ringkjøbing Landbobank" brand and under the "Nordjyske Bank" brand in 2018. Loans thus increased by 9% in the "old" Ringkjøbing Landbobank and by 4% in the "old" Nordjyske Bank" in 2018. This resulted in the average increase of the 7%. The positive development is attributable among other things to a continued highly satisfactory inflow of new customers and a low outflow of customers. Both the bank's brands are high or highest in terms of reputation and customer satisfaction.

Equity increased from DKK 6,769 million at the end of 2017 to DKK 7,189 million at the end of 2018.

The bank's contingent liabilities, including guarantees, at the end of the year amounted to DKK 7,829 million, compared to DKK 7,858 million at the end of 2017.

## Pro forma financial statements

### Core earnings

Note		1/1-31/12 2018 DKK 1,000	1/1-31/12 2017 DKK 1,000
	Net interest income	1,147,483	1,123,481
A	Net fee and commission income excluding trading income	568,551	550,297
	Income from sector shares	160,316	120,059
A	Foreign exchange income	30,559	30,953
	Other operating income	6,223	6,047
	<b>Total core income excluding trading income</b>	<b>1,913,132</b>	<b>1,830,837</b>
A	Trading income	87,664	86,094
	<b>Total core income</b>	<b>2,000,796</b>	<b>1,916,931</b>
B	Staff and administration costs	846,507	829,346
	Depreciation and write-downs on tangible assets	15,871	10,957
	Other operating expenses	3,399	4,651
	Total expenses etc.	865,777	844,954
	<b>Core earnings before impairment charges for loans</b>	<b>1,135,019</b>	<b>1,071,977</b>
	Impairment charges for loans and other receivables etc.	-43,118	-70,459
	<b>Core earnings</b>	<b>1,091,901</b>	<b>1,001,518</b>
	Result for the portfolio etc.	+77,267	+84,482
	<b>Profit before special costs</b>	<b>1,169,168</b>	<b>1,086,000</b>
	Amortisation and write-downs on intangible assets	25,140	22,030
	Merger and restructuring costs	121,688	-
	Non-recurring costs	70,362	-
	<b>Profit before tax</b>	<b>951,978</b>	<b>1,063,970</b>
	Tax	173,786	215,722
	<b>Net profit for the year</b>	<b>778,192</b>	<b>848,248</b>

### Balance sheet items and contingent liabilities

Note		31 Dec. 2018 DKK 1,000	31 Dec. 2017 DKK 1,000
	Loans and other receivables at amortised cost	33,350,334	31,172,967
	Deposits and other debt including pooled schemes	36,992,571	35,853,528
	Equity	7,188,690	6,769,082
	Balance sheet total	49,650,528	46,323,863
	Contingent liabilities	7,829,417	7,858,398

## Key figures

	2018	2017
<b>Key figures for the bank</b> (per cent)		
Core earnings as a percentage of average equity excluding intangible assets, per annum	17.5	16.4
Profit before special costs as a percentage of average equity excluding intangible assets, per annum	18.8	17.8
Profit before tax as a percentage of average equity, per annum	13.6	16.3
Net profit for the year after tax as a percentage of average equity, per annum	11.2	13.0
Rate of costs	43.3	44.1
Common equity tier 1 capital ratio (%)	15.0	15.8
Tier 1 capital ratio (%)	15.0	15.8
Total capital ratio (%)	18.8	17.3
MREL requirement (%)	19.7	-
MREL capital ratio (%)	25.2	-
<b>Key figures per DKK 1 share</b> (DKK)		
Core earnings	36.5	-
Profit before special costs	39.1	-
Book value	240.4	-
Price, end of year	340.0	-
Basis of calculation, number of shares	29,906,383	-

## Notes

Note	1/1-31/12 2018 DKK 1,000	1/1-31/12 2017 DKK 1,000
<b>A</b>		
<b>Gross fee and commission income</b>		
Securities trading	98,574	97,961
Asset management and custody accounts	169,097	191,625
Payment handling	111,601	104,098
Loan fees	46,641	37,978
Guarantee commission and mortgage credit commission etc.	215,091	201,418
Other fees and commission	71,487	64,316
<b>Total gross fee and commission income</b>	<b>712,491</b>	<b>697,396</b>
<b>Net fee and commission income</b>		
Securities trading	87,664	86,094
Asset management and custody accounts	159,932	182,776
Payment handling	91,177	83,574
Loan fees	40,363	31,263
Guarantee commission and mortgage credit commission etc.	213,769	199,806
Other fees and commission	63,310	52,878
<b>Total net fee and commission income</b>	<b>656,215</b>	<b>636,391</b>
Foreign exchange income	30,559	30,953
<b>Total net fee, commission and foreign exchange income</b>	<b>686,774</b>	<b>667,344</b>
<b>B</b>		
<b>Staff and administration costs</b>		
Staff costs	481,705	495,600
Administration costs	364,802	333,746
<b>Total staff and administration costs</b>	<b>846,507</b>	<b>829,346</b>

## Quarterly overview

### Core earnings

(DKK million)	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	289	287	284	287	288	277	280	279	283	287	281	285
Net fee and commission income excluding trading income	146	136	141	146	130	128	154	138	163	132	131	122
Income from sector shares etc.	39	34	49	38	31	30	30	29	20	14	17	20
Foreign exchange income	8	8	9	6	7	8	8	8	7	7	6	7
Other operating income	2	1	2	1	1	2	2	1	5	3	8	4
<b>Total core income excluding trading income</b>	<b>484</b>	<b>466</b>	<b>485</b>	<b>478</b>	<b>457</b>	<b>445</b>	<b>474</b>	<b>455</b>	<b>478</b>	<b>443</b>	<b>443</b>	<b>438</b>
Trading income	17	23	20	28	18	24	20	24	13	15	16	15
<b>Total core income</b>	<b>501</b>	<b>489</b>	<b>505</b>	<b>506</b>	<b>475</b>	<b>469</b>	<b>494</b>	<b>479</b>	<b>491</b>	<b>458</b>	<b>459</b>	<b>453</b>
Staff and administration costs	221	203	217	206	225	202	201	201	214	192	195	196
Depreciation and write- downs on tangible assets	3	3	2	8	3	3	2	3	2	3	6	3
Other operating expenses	1	0	1	1	2	1	1	1	1	1	1	1
Total expenses etc.	225	206	220	215	230	206	204	205	217	196	202	200
<b>Core earnings before impairment charges for loans</b>	<b>276</b>	<b>283</b>	<b>285</b>	<b>291</b>	<b>245</b>	<b>263</b>	<b>290</b>	<b>274</b>	<b>274</b>	<b>262</b>	<b>257</b>	<b>253</b>
Impairment charges for loans receivables etc.	-25	-20	-11	+13	+3	-17	-23	-33	-60	-44	-53	-54
<b>Core earnings</b>	<b>251</b>	<b>263</b>	<b>274</b>	<b>304</b>	<b>248</b>	<b>246</b>	<b>267</b>	<b>241</b>	<b>214</b>	<b>218</b>	<b>204</b>	<b>199</b>
Result for the portfolio etc.	-20	+4	+3	+90	-2	+22	+26	+38	+9	+39	+24	+6
<b>Profit before special costs</b>	<b>231</b>	<b>267</b>	<b>277</b>	<b>394</b>	<b>246</b>	<b>268</b>	<b>293</b>	<b>279</b>	<b>223</b>	<b>257</b>	<b>228</b>	<b>205</b>
Amortisation and write- downs on intangible assets	4	3	12	6	5	6	5	6	5	6	5	6
Merger and restructuring costs	26	46	46	4	-	-	-	-	-	-	-	-
Non-recurring costs	1	0	69	0	-	-	-	-	-	-	-	-
<b>Profit before tax</b>	<b>200</b>	<b>218</b>	<b>150</b>	<b>384</b>	<b>241</b>	<b>262</b>	<b>288</b>	<b>273</b>	<b>218</b>	<b>251</b>	<b>223</b>	<b>199</b>
Tax	46	37	33	58	47	52	62	55	37	46	46	36
<b>Net profit for the year</b>	<b>154</b>	<b>181</b>	<b>117</b>	<b>326</b>	<b>194</b>	<b>210</b>	<b>226</b>	<b>218</b>	<b>181</b>	<b>205</b>	<b>177</b>	<b>163</b>



## Quarterly - continued

### Balance sheet items and contingent liabilities

(DKK million)	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Loans	33,350	32,192	31,970	31,647	31,173	30,368	30,371	29,093	28,304	28,074	28,267	27,578
Deposits including pooled schemes	36,993	36,866	37,313	36,307	35,854	36,065	35,593	34,161	34,152	33,833	32,858	31,766
Equity	7,189	7,171	7,066	6,644	6,769	6,609	6,438	6,246	6,313	6,166	6,003	5,865
Balance sheet total	49,651	49,287	49,859	47,349	46,324	46,500	45,577	43,665	43,702	43,038	42,355	40,740
Contingent liabilities	7,829	8,078	7,809	7,821	7,858	7,382	7,235	6,595	6,682	6,755	5,966	5,528

### Statement of capital

(DKK million)	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Common equity tier 1	5,444	5,213	5,092	5,185	5,381	5,263	5,175	4,909	5,032	4,955	4,863	4,718
Tier 1 capital	5,444	5,213	5,092	5,185	5,381	5,263	5,175	4,909	5,032	4,955	4,863	4,718
Total capital	6,831	6,586	6,464	5,757	5,921	5,811	5,722	5,442	5,556	5,513	5,431	5,284
Total risk exposure	36,385	34,123	33,784	34,314	34,162	32,618	32,197	31,517	31,772	30,973	30,070	29,744
Common equity tier 1 capital ratio (%)	15.0	15.3	15.1	15.1	15.8	16.1	16.1	15.6	15.8	16.0	16.2	15.9
Tier 1 capital ratio (%)	15.0	15.3	15.1	15.1	15.8	16.1	16.1	15.6	15.8	16.0	16.2	15.9
Total capital ratio (%)	18.8	19.3	19.1	16.8	17.3	17.8	17.8	17.3	17.5	17.8	18.1	17.8
MREL capital ratio (%)	25.2	-	-	-	-	-	-	-	-	-	-	-

## Miscellaneous comments

The pro forma statements are calculated on the following principles:

The income statement items for 2018 and 2017 on pages 5 and 7 and “Core earnings” in the quarterly overview on page 8 were calculated by adding up figures from Ringkøbing Landbobank’s statement of the alternative measure of performance “Core earnings” and pro forma figures from Nordjyske Bank, converted and adjusted to Ringkøbing Landbobank’s statement of the alternative performance measure “Core earnings”.

Balance sheet items and contingent liabilities as well as capital ratios as at 31 December 2017 on page 5 and the quarterly overviews of “Balance sheet items and contingent liabilities” and “Statement of capital” from the first quarter of 2016 to the first quarter of 2018 inclusive on page 9 were calculated by a simple adding up of figures from the respective accounts from Ringkøbing Landbobank and Nordjyske Bank, without any adjustments.

## Official financial statements

### The merger between Ringkjøbing Landbobank and Nordjyske Bank

Ringkjøbing Landbobank and Nordjyske Bank merged on 8 June 2018, with Ringkjøbing Landbobank as the post-merger entity.

The merger meant that Nordjyske Bank's assets, liabilities and operating activities were included in Ringkjøbing Landbobank's accounts from this date in accordance with the "Acquisition method" as specified by the applicable accounting rules.

The acquisition method meant that a pre-acquisition balance sheet was prepared as at 8 June 2018, in which all assets and liabilities taken over by Ringkjøbing Landbobank were reassessed at fair value.

The acquired goodwill was also calculated. The goodwill value was calculated as the purchase price paid for Nordjyske Bank less the net value of the assets and liabilities taken over as at 8 June 2018.

The acquisition method further meant that Nordjyske Bank's operating activities were included in the official income statement for Ringkjøbing Landbobank with effect from 9 June 2018.

The official financial statements contain both an income statement and core earnings, comprising financial figures for the "old" Ringkjøbing Landbobank for the full year 2018 plus financial figures for the "old" Nordjyske Bank for the period 9 June to 31 December 2018. This includes merger costs relating to the "old" Ringkjøbing Landbobank and the completion of the actual merger after final approval.

Comments on the official financial statements appear below, including on the development in the "old" Ringkjøbing Landbobank, on items from the "old" Nordjyske Bank in the recognition period stated and on a few of the items that are included in the alternative performance measure "core earnings".

### Net interest income

Net interest income increased in the "old" Ringkjøbing Landbobank from DKK 641 million in 2017 to DKK 650 million in 2018, an increase of 1%. To this must be added net interest income of DKK 277 million from the "old" Nordjyske Bank in the recognition period. Total net interest income thus amounted to DKK 927 million in 2018.

### Net fee and commission income

Net fee and commission income in the "old" Ringkjøbing Landbobank amounted to DKK 283 million in 2018, compared to DKK 280 million in 2017. To this must be added net fee and commission income of DKK 208 million from the "old" Nordjyske Bank in the recognition period. Total net fee and commission income thus amounted to DKK 491 million in 2018.

### Net interest and fee income

Net interest and fee income increased in the “old” Ringkjøbing Landbobank from DKK 932 million in 2017 to DKK 960 million in 2018, an increase of 3%.

To this must be added net interest and fee income of DKK 485 million from the “old” Nordjyske Bank in the recognition period. Total net interest and fee income were thus DKK 1,445 million in 2018.

### Value adjustments and market risk

Value adjustments in the “old” Ringkjøbing Landbobank amounted to DKK 169 million in 2018, compared to DKK 143 million in 2017. To this must be added value adjustments of DKK 11 million from the “old” Nordjyske Bank in the recognition period and total value adjustments thus amounted to DKK 180 million in 2018.

The item “Shares etc.” amounted to DKK 1,467 million at the end of the year, with DKK 43 million in listed shares and investment fund certificates and DKK 1,424 million in sector shares etc., mainly in the companies DLR Kredit, BI Holding and PRAS. The bond portfolio amounted to DKK 5,427 million, of which the vast majority consisted of AAA-rated Danish government and mortgage credit bonds.

The total interest rate risk - computed as the impact on the profit of a one percentage point change in the interest level - was 1.0% of the bank’s tier 1 capital at the end of 2018.

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.

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 2018:

	Risk in DKK million	Risk relative to equity end of year in %
Highest risk of loss:	15.9	0.22%
Lowest risk of loss	3.0	0.04%
Average risk of loss	8.5	0.12%
End of year risk of loss	15.4	0.21%

### Staff and administration costs etc.

Total staff and administration costs etc. including amortisation, depreciation and write-downs on intangible and tangible assets amounted to DKK 730 million in 2018, Of which special costs totalling DKK 99 million derived from the merger.

**Impairment charges for loans etc.**

Impairment charges for loans etc. were an expense of DKK 87 million in 2018, compared to an expense of DKK 10 million in 2017.

With effect from 1 January 2018, the bank started using impairment rules compatible with the IFRS 9 reporting standard, which meant that the bank's accounting policies changed. The IFRS 9 rules are incorporated into the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms etc. and with the introduction of IFRS 9, the previous impairment model, which was an incurred loss model, has been replaced by an expected loss model.

The new expected loss model means that, on initial recognition, a financial asset must be impaired by the expected credit loss for a twelve-month period (stage 1). If the credit risk for the asset subsequently increases significantly relative to initial recognition, the asset must be impaired by the expected credit loss over the asset's remaining life (stage 2). Impairment charges for exposures at stages 1 and 2 are calculated on the basis of a statistical model.

If the asset is judged to be impaired (stage 3), the asset must be impaired by the expected credit loss over its remaining life, while interest income must be recognised in the income statement based on the effective interest method applied to the impaired amount.

The IFRS 9 rules resulted in additional impairment charges of DKK 59 million at the beginning of 2018; the effect on the bank's equity after tax at the beginning of the year was thus DKK 46 million, equivalent to 1.2% of equity at the beginning of the year.

Individual impairment charges (stage 3) were DKK 1,570 million at the end of the year, while stages 1 and 2 impairment charges totalled DKK 470 million on 31 December 2018. Following the merger, the loans portfolio from Nordjyske Bank was taken over. The portfolio was considered to be new loans in Ringkjøbing Landbobank and they were recalculated in terms of IFRS 9 impairment.

The bank's total account for impairment charges and provisions was DKK 2,040 million at the end of the year, equivalent to 4.7% of total loans and guarantees.

The portfolio of loans with suspended calculation of interest amounted to DKK 210 million, equivalent to 0.5% of the bank's total loans and guarantees at the end of the year. The portfolio thus decreased compared to 30 June 2018, when the amount was DKK 397 million. One of the reasons for the decrease was harmonising of the impairment policy for losses in the merged bank.

**Core income**

Total core income increased from DKK 1,019 million in 2017 to a total of DKK 1,591 million in 2018, mainly due to the merger and thus the recognition of core income from Nordjyske Bank in the recognition period.

## Core earnings

(DKK million)	2018	2017	2016
Total core income	1,591	1,019	983
Total expenses and depreciation	-632	-334	-318
<b>Core earnings before impairment charges for loans</b>	<b>959</b>	<b>685</b>	<b>665</b>
Impairment charges for loans etc.	-81	-10	-48
<b>Core earnings</b>	<b>878</b>	<b>675</b>	<b>617</b>

Core earnings increased from DKK 675 million in 2017 to DKK 878 million in 2018.

## Profit before and after tax and follow-up on financial expectations for 2018

The profit before tax was DKK 813 million in 2018 and the profit after tax was DKK 663 million, compared to DKK 735 million and DKK 589 million respectively in 2017.

The merger document published on 31 May 2018 contained expectations for 2018 for the merged bank. A profit of DKK 825 - 1,025 million before tax and before merger costs was thus expected for the merged bank for 2018. The realised result for 2018 was DKK 902 million. The expectations for profit after merger costs but before tax for 2018 were an amount of the order of DKK 700 - 900 million. The realised amount was DKK 813 million.

## Balance sheet items and contingent liabilities

The bank's balance sheet at the end of the year stood at DKK 49,651 million, compared to last year's DKK 25,796 million.

Deposits including pooled schemes increased from DKK 19,110 million at the end of 2017 to DKK 36,993 million at the end of 2018. The bank's loans increased from DKK 19,351 million at the end of 2017 to DKK 33,350 million at the end of 2018.

Equity increased from DKK 3,817 million at the end of 2017 to DKK 7,189 million at the end of 2018.

The bank's contingent liabilities, including guarantees, at the end of 2018 amounted to DKK 7,829 million, compared to DKK 3,184 million in 2017.

All of the changes above are attributable mainly to the effect of the merger. There was also a positive development in both the "old" Ringkjøbing Landbobank and the "old" Nordjyske Bank.

## 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 0.9 billion, balanced by DKK 9.2 billion primarily in short-term investments in the Danish central bank and in liquid tradable securities.

The bank's deposits excluding pooled schemes were at the same level as the bank's loans at the end of the year. The bank's deposits and equity therefore more than cover the financing of 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 966 million 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 December 2018, the bank's LCR was 183%, which thus met the statutory requirement by a good margin.

### **Share buy-back programmes, development in the bank's share capital and dividend**

A total of 1,332,462 shares were purchased under the DKK 470 million share buy-back programmes, which were implemented under the Safe Harbour regulation.

The development in the bank's share capital in 2018 and the expected development are given below:

	<b>Number of shares</b>
Beginning of 2018	22,350,000
May 2018	
Capital reduction by cancellation of own shares	-538,000
June 2018	
Issue of new shares in connection with the merger	9,182,258
End of 2018	30,994,258
DKK 170 million share buy-back programme completed July 2018	-463,875
DKK 300 million share buy-back programme completed February 2019	-868,587
Number of shares following capital reduction	29,661,796

It is proposed to the general meeting that 1,332,462 shares be finally cancelled in connection with a capital reduction, thus reducing the number of shares in the bank from 30,994,258 to 29,661,796.

The board of directors further proposes to the general meeting that a dividend of DKK 10.0 per share, equivalent to a total of DKK 310 million, be paid for the 2018 financial year. A dividend of DKK 9.0 per share was paid for the 2017 financial year, and the dividend thus increases by 11%.

A proposal will also be made to the general meeting that a new buy-back programme be established, under which shares for up to DKK 190 million can be bought for cancellation at a future general meeting.

The total pay-out ratio for 2018 is 75% relative to net profit for the year. However, for 2018 it is more appropriate to calculate the pay-out ratio relative to the pro forma profit after tax, and the ratio is then 64% compared to 63% for 2017. Both pay-out ratios for 2018 were calculated without recognising the capital adjustment in connection with the merger via the DKK 300 million share buy-back programme.

### **Capital structure**

The bank's equity at the beginning of 2018 was DKK 3,817 million. To this must be added the net effect of the increase in equity in connection with the merger, which comprised the share capital increase and the cash distribution to Nordjyske Bank's shareholders. The profit for the year must also be added to equity, while the dividend paid must be subtracted and adjustments made for changed accounting policies and movements in the bank's holding of its own shares, after which the equity at the end of 2018 was DKK 7,189 million.

Intangible assets worth DKK 1,065 million as at 31 December 2018 arose out of the merger, and this amount has been deducted from the total capital. In addition, the bank has decided to take advantage of the transition programme for recognition of the negative effect of the IFRS 9 impairment rules and to phase in the full effect on total capital over five years.

As part of the merger, and to strengthen the total capital, with effect from 13 June 2018 the bank issued tier 2 capital in a total amount of DKK 800 million, in two separate issues. One issue, totalling DKK 500 million, has a maturity of ten years with a first call option (redemption) after five years. The interest for the first five years was agreed at a fixed rate consisting of a five-year mid-swap rate plus a margin of 165 basis points. The other issue, totalling DKK 300 million, has a maturity of twelve years with a first call option after seven years. The interest was agreed at a six-month Cibor rate plus a margin of 185 basis points and with fixing of interest every six months. Both issues were unlisted and had been bought in advance by different institutional investors.

The bank's total capital ratio was computed at 18.8% at the end of 2018, and the tier 1 capital ratio at 15.0%.

<b>Capital ratios</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Common equity tier 1 capital ratio (%)	15.0	16.5	16.9	17.1	17.5
Tier 1 capital ratio (%)	15.0	16.5	16.9	17.1	17.5
Total capital ratio (%)	18.8	17.8	18.3	18.8	17.5
MREL requirement (%)	19.7	-	-	-	-
MREL capital ratio (%)	25.2	-	-	-	-

The bank has calculated the individual solvency requirement at the end of December 2018 at 9.3%. To this should be added a capital conservation buffer of 1.9%; the total requirement for the bank's total capital is thus 11.2%.

Compared with the actual total capital of DKK 6.8 billion, the capital buffer at the end of December 2018 was thus DKK 2.8 billion, equivalent to 7.6 percentage points.

It was announced at the bank's annual general meeting on 28 February 2018 that the bank's management had worked towards new capital targets. The capital targets were later finalised by the board of directors and the bank now operates with three different capital targets.

The capital targets are 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 24% including the capital buffers.

All capital targets are minimum figures that must be met at the end of the year, but there may be major fluctuations in the capital ratios over the year, due to the capital rules applying to deductions for share buy-back programmes.

The MREL requirement must be met by the beginning of 2019, because the bank has previously decided to meet the fully phased-in MREL requirement from that date. This was also a pre-condition for recognising (grandfathering) previous issues of contractual senior funding (issued before 31 December 2017).

In December 2018, the bank received the final MREL requirement applicable from the beginning of 2019 from the Danish FSA. The Danish FSA fixed the final MREL requirement to be met from 1



January 2019 at 19.7% of the total risk exposure. On 31 March 2019 the requirement will increase to 20.2% of the total risk exposure and on 30 September 2019 to 20.7% of the total risk exposure.

To comply with the MREL requirement, the bank had established funding to meet the requirements for grandfathering of contractual senior capital by the end of 2017. DKK 2.0 billion of the funding can be included to meet the bank's MREL requirement at the beginning of 2019, and in December 2018, the bank issued non-preferred senior capital totalling DKK 300 million.

The bank's capital for covering the MREL requirement totalled DKK 9,181 million, equivalent to 25.2% of the total risk exposure on 31 December 2018. The excess cover relative to the MREL requirement on 1 January 2019 was thus 5.5 percentage points.

Given the maturity structure in 2020 and 2021 for the subordinated capital issued by the bank and the capital that has been recognised (grandfathered), the bank expects to issue non-preferred senior capital of approximately DKK 1 billion by the end of 2019 and an additional approximately DKK 1 billion by the end of 2020.

In October 2018, the bank updated its EMTN programme which, among other things, has enabled non-preferred senior capital to be issued under the programme.

### 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 benchmark for large exposures was changed with effect from 1 January 2018. In future it must be calculated as the sum of the bank's 20 largest exposures relative to its common equity tier 1 capital with a limit value of less than 175%.

With effect from 30 June 2018, the liquidity benchmark was changed to an LCR benchmark, which will show the ability of banks to survive stressed liquidity for a three-month period with a limit value of more than 100%.

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

<b>Benchmarks (Danish FSA limit values)</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Funding ratio (<1)	0.7	0.8	0.7	0.8	0.8
Liquidity benchmark (>100%)	179.5%	-	-	-	-
Total large exposures (<175%)	106.0%	136.1%	-	-	-
Growth in loans (<20%)	72.3%	10.7%	2.7%	14.0%	7.8%
Real property exposure (<25%)	15.8%	18.0%	14.8%	14.1%	11.6%

\* The increase was mainly caused by the merger. The pro forma growth in loans relative to December 2017 was 7.0%.

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

### **Customer satisfaction and reputation**

We are pleased to note that, measured both on customer satisfaction and general reputation, the bank was high or highest on the list of Danish financial institutions in 2018.

This was established in a survey carried out by Voxmeter published in January 2019, where both of the bank's brands were high or highest on the list. The Voxmeter survey is by far the biggest in Denmark and based on more than 50,000 respondents.

#### Reputation/image among financial institutions in Denmark

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

#### Customer satisfaction in Denmark

- The "Ringkjøbing Landbobank" brand is no. 2
- The "Nordjyske Bank" brand is no. 4

The high level of customer satisfaction and the bank's reputation contribute to the highly satisfactory continued net increase in new customers in both the branch network in Central and West Jutland and within the niche concepts in 2018. This was also the case in North Jutland, despite the merger process during 2018.

### **Merger process, plans for 2019 and expected results**

The merger has been well received by the customers of the entire bank and the integration of the two banks is proceeding as expected. The final IT conversion at Bankdata will take place in March 2019.

Nordjyske Bank's products were almost identical to those of Ringkjøbing Landbobank, because both banks used the same providers: Bankdata, Totalkredit, BankInvest, Letpension, Privatsikring, card providers and others. This means that customers have not, and will not experience any inconvenience from the merger, because the products are unaltered and because it was decided to continue the "Nordjyske Bank" brand post-merger. Customers can therefore continue to use their existing cards, accounts and custody accounts.

Since 2011, the "old" Ringkjøbing Landbobank has had a successful growth strategy that has secured it an average growth in loans of 7.4% per annum, based on a continuous net increase in new customers. This growth is based on both the branch network in Central and West Jutland and niche concepts.

Nordjyske Bank also had a growth strategy before the merger, with satisfactory growth and a good net increase in new customers in 2016 and 2017. Growth in the first half of 2018 was more modest, because the uncertainty of Nordjyske Bank's future made outreach activities difficult. As stated, the merger has been well received by the customers and there was growth again in the second half of 2018.

The bank's focus is both on integrating the two banks and continuing the overall goal of pursuing an organic growth strategy.

Based on the above, the bank's expectations for 2019 are as follows.

### **Ringkjøbing Landbobank A/S**

During the first half of 2019, the bank expects to integrate all of its measuring tools and forecasts a continued net increase in customers in North, Central and West Jutland and within its niche concepts.

Continuing pressure on the bank's interest margin is expected in 2019 due to competition in the sector. Total net interest income is expected to develop positively, despite the issue of non-preferred senior capital which will increase interest expenses.

Total fee income is expected to be positively affected by the forecast increase in customers, but the pressure on asset management margins and competition are pulling in the opposite direction.

Total costs (excluding special costs) are expected to fall by 4 - 6% in 2019 compared to the costs calculated on a pro forma basis (excluding special costs) for 2018. The expectations are stated against the background of realisation of cost synergies, the establishment of a new Private Banking unit in Aalborg, planned investments in the organisation with a higher level of generalist knowledge within pensions and the establishment of bigger specialist environments to meet customer demand for competent advice.

Impairment charges are expected to remain at a low level, although the level in 2019 is expected to increase compared to the impairment charges calculated on a pro forma basis for 2018.

On the basis of the above, the bank expects core earnings for 2019 in the range DKK 950 - 1,150 million and profit before tax in the range DKK 900 - 1,200 million.

### **Accounting policies**

As indicated in the section "Impairment charges for loans etc.", the bank's accounting policy for calculating impairment charges for loans changed with effect from 1 January 2018. It is not practically possible to adjust the comparative figures for 2017 and earlier years to reflect the changed accounting policy, and these figures have therefore not been changed.

Furthermore, new accounting policies for items not previously included in the bank's financial statements were established following the merger, i.e. investments in group undertakings, assets linked to pooled schemes, intangible assets, deposits in pooled schemes and provisions for pensions and similar liabilities.

The accounting policies are otherwise unchanged relative to those in the submitted and audited 2017 annual report.

## Statements of income and comprehensive income

Note		1/1-31/12 2018 DKK 1,000	1/1-31/12 2017 DKK 1,000
1	Interest income	996,906	694,136
2	Interest expenses	70,411	53,094
	<b>Net interest income</b>	<b>926,495</b>	<b>641,042</b>
3	Dividends from shares etc.	27,619	10,258
4	Fee and commission income	538,862	322,717
4	Fee and commission expenses	48,293	42,486
	<b>Net interest and fee income</b>	<b>1,444,683</b>	<b>931,531</b>
5	Value adjustments	+179,833	+143,225
	Other operating income	5,770	4,979
6,7	Staff and administration costs	704,778	327,024
	Amortisation, depreciation and write-downs on intangible and tangible assets	22,690	4,249
	Other operating expenses	2,816	3,174
8	Impairment charges for loans and other receivables etc.	-86,955	-10,320
	Results from investments in associated companies and group undertakings	80	-20
	<b>Profit before tax</b>	<b>813,127</b>	<b>734,948</b>
9	Tax	149,935	146,308
	<b>Net profit for the year</b>	<b>663,192</b>	<b>588,640</b>
	Other comprehensive income:		
	Value changes, pension obligations	-335	0
	<b>Total comprehensive income for the year</b>	<b>662,857</b>	<b>588,640</b>

## Proposed distribution of profit

	Total comprehensive income for the year	662,857	588,640
	<b>Total amount available for distribution</b>	<b>662,857</b>	<b>588,640</b>
	Appropriated for ordinary dividend	309,943	201,150
	Appropriated for charitable purposes	500	500
	Transfer to net revaluation reserve under the equity method	80	-20
	Transfer to retained earnings	352,334	387,010
	<b>Total distribution of the amount available</b>	<b>662,857</b>	<b>588,640</b>

## Core earnings

Note		1/1-31/12 2018 DKK 1,000	1/1-31/12 2017 DKK 1,000
	Net interest income	936,929	642,707
4	Net fee and commission income excluding trading income	412,288	215,374
	Income from sector shares etc.	131,106	70,674
4	Foreign exchange income	26,408	20,902
	Other operating income	5,770	4,979
	<b>Total core income excluding trading income</b>	<b>1,512,501</b>	<b>954,636</b>
4	Trading income	78,281	64,857
	<b>Total core income</b>	<b>1,590,782</b>	<b>1,019,493</b>
	Staff and administration costs	615,637	327,024
	Depreciation and write-downs on tangible assets	13,065	4,249
	Other operating expenses	2,816	3,174
	Total expenses etc.	631,518	334,447
	<b>Core earnings before impairment charges for loans</b>	<b>959,264</b>	<b>685,046</b>
	Impairment charges for loans and other receivables etc.	-81,165	-10,320
	<b>Core earnings</b>	<b>878,099</b>	<b>674,726</b>
	Result for the portfolio etc.	+33,794	+60,222
	<b>Profit before special costs</b>	<b>911,893</b>	<b>734,948</b>
	Amortisation and write-downs on intangible assets	8,417	-
	Merger and restructuring costs	89,141	-
	Non-recurring costs	1,208	-
	<b>Profit before tax</b>	<b>813,127</b>	<b>734,948</b>
9	Tax	149,935	146,308
	<b>Net profit for the year</b>	<b>663,192</b>	<b>588,640</b>

## Balance sheet

Note		31 Dec. 2018 DKK 1,000	31 Dec. 2017 DKK 1,000
	<b>Assets</b>		
	Cash in hand and demand deposits with central banks	657,913	308,211
10	Receivables from credit institutions and central banks	3,165,947	1,211,577
11,12,13	Total loans and other receivables at amortised cost	33,350,334	19,350,866
	Loans and other receivables at amortised cost	32,384,462	18,374,249
	Wind turbine loans etc. with direct funding	965,872	976,617
14	Bonds at fair value	5,427,138	3,952,614
15	Shares etc.	1,467,313	621,285
	Investments in associated companies	480	489
	Investments in group undertakings	11,811	-
16	Assets linked to pooled schemes	3,786,476	-
17	Intangible assets	1,064,838	-
	Total land and buildings	241,745	55,647
	Investment properties	27,337	3,561
	Domicile properties	214,408	52,086
	Other tangible assets	24,520	18,811
	Current tax assets	43,383	20,483
	Deferred tax assets	7,763	8,719
	Temporary assets	4,643	4,000
	Other assets	377,836	235,351
	Prepayments	18,388	8,430
	<b>Total assets</b>	<b>49,650,528</b>	<b>25,796,483</b>

## Balance sheet

Note		31 Dec. 2018 DKK 1,000	31 Dec. 2017 DKK 1,000
	<b>Liabilities and equity</b>		
18	Debt to credit institutions and central banks	1,916,476	1,599,416
	Total deposits and other debt	36,992,571	19,110,127
19	Deposits and other debt	33,206,095	19,110,127
	Deposits in pooled schemes	3,786,476	-
20	Issued bonds at amortised cost	1,428,024	673,436
	Preferred senior capital	1,129,524	673,436
	Non-preferred senior capital	298,500	-
	Other liabilities	595,913	210,691
	Deferred income	4,053	3,879
	<b>Total debt</b>	<b>40,937,037</b>	<b>21,597,549</b>
	Provisions for pensions and similar liabilities	2,882	-
12	Provisions for losses on guarantees	52,754	10,263
12	Other provisions for liabilities	20,691	-
	<b>Total provisions for liabilities</b>	<b>76,327</b>	<b>10,263</b>
	Tier 2 capital	1,448,474	371,753
21	<b>Total subordinated debt</b>	<b>1,448,474</b>	<b>371,753</b>
22	Share capital	30,994	22,350
	Net revaluation reserve under the equity method	218	138
	Retained earnings	6,847,035	3,592,780
	Proposed dividend etc.	310,443	201,650
	<b>Total shareholders' equity</b>	<b>7,188,690</b>	<b>3,816,918</b>
	<b>Total liabilities and equity</b>	<b>49,650,528</b>	<b>25,796,483</b>
23	Own shares		
24	Contingent liabilities etc.		
25	Assets provided as security		
26	Loans and guarantees in per cent, by sector and industry		
27	Merger		

## 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 31 December 2017:</b>					
<b>Shareholders' equity at the end of the previous financial year</b>	<b>22,850</b>	<b>158</b>	<b>3,366,627</b>	<b>165,020</b>	<b>3,554,655</b>
Reduction of share capital	-500		500		0
Dividend etc. paid				-165,020	-165,020
Dividend received on own shares			4,151		4,151
<b>Shareholders' equity after distribution of dividend etc.</b>	<b>22,350</b>	<b>158</b>	<b>3,371,278</b>	<b>0</b>	<b>3,393,786</b>
Purchase of own shares			-662,983		-662,983
Sale of own shares			494,433		494,433
Other equity transactions			3,042		3,042
Total comprehensive income for the year		-20	387,010	201,650	588,640
<b>Shareholders' equity on the balance sheet date</b>	<b>22,350</b>	<b>138</b>	<b>3,592,780</b>	<b>201,650</b>	<b>3,816,918</b>
<b>As at 31 December 2018:</b>					
<b>Shareholders' equity at the end of the previous financial year</b>	<b>22,350</b>	<b>138</b>	<b>3,592,780</b>	<b>201,650</b>	<b>3,816,918</b>
Changed accounting policy for impairment charges etc. under IFRS 9			-45,836		-45,836
<b>Adjusted shareholders' equity at the end of the previous financial year</b>	<b>22,350</b>	<b>138</b>	<b>3,546,944</b>	<b>201,650</b>	<b>3,771,082</b>
Reduction of share capital	-538		538		0
Dividend etc. paid				-201,650	-201,650
Dividend received on own shares			5,112		5,112
<b>Shareholders' equity after distribution of dividend etc.</b>	<b>21,812</b>	<b>138</b>	<b>3,552,594</b>	<b>0</b>	<b>3,574,544</b>
Share capital issued on merger	9,182		-9,182		0
Costs of share capital issue			-1,943		-1,943
Additions on merger			3,323,144		3,323,144
Received own shares on merger			1,793		1,793
Purchase of own shares			-790,333		-790,333
Sale of own shares			411,287		411,287
Other equity transactions			7,341		7,341
Total comprehensive income for the year		80	352,334	310,443	662,857
<b>Shareholders' equity on the balance sheet date</b>	<b>30,994</b>	<b>218</b>	<b>6,847,035</b>	<b>310,443</b>	<b>7,188,690</b>



## Statement of capital

	<b>31 Dec. 2018 DKK 1,000</b>	<b>31 Dec. 2017 DKK 1,000</b>
Credit risk	32,537,543	16,648,306
Market risk	1,584,762	1,169,580
Operational risk	2,262,571	1,890,456
<b>Total risk exposure</b>	<b>36,384,876</b>	<b>19,708,342</b>
Equity	7,188,690	3,816,918
Proposed dividend etc.	-310,443	-201,650
Addition for transition programme concerning IFRS 9	152,730	-
Deduction for the sum of equity investments etc. above 10%	-396,911	-308,194
Deduction for prudent valuation	-13,772	-5,724
Deduction for intangible assets	-1,064,838	-
Deferred tax on intangible assets	31,148	-
Deduction of amounts of share buy-back programmes	-470,000	-
Actual utilisation of amounts of share buy-back programmes	369,878	-
Deduction for trading limit for own shares	-55,000	-55,000
Actual utilisation of the trading limit for own shares	12,849	220
<b>Common equity tier 1</b>	<b>5,444,331</b>	<b>3,246,570</b>
<b>Tier 1 capital</b>	<b>5,444,331</b>	<b>3,246,570</b>
Tier 2 capital	1,448,220	372,253
Deduction for the sum of equity investments etc. above 10%	-61,255	-104,494
<b>Total capital</b>	<b>6,831,296</b>	<b>3,514,329</b>
Contractual senior funding (grandfathered)	2,049,800	-
Non-preferred senior capital	300,000	-
<b>MREL capital</b>	<b>9,181,096</b>	<b>-</b>
Pillar I capital requirements	2,910,790	1,576,667

## Statement of capital - continued

	<b>31 Dec. 2018 DKK 1,000</b>	<b>31 Dec. 2017 DKK 1,000</b>
<b>Common equity tier 1 capital ratio (%)</b>	<b>15.0</b>	<b>16.5</b>
<b>Tier 1 capital ratio (%)</b>	<b>15.0</b>	<b>16.5</b>
<b>Total capital ratio (%)</b>	<b>18.8</b>	<b>17.8</b>
<b>MREL capital ratio (%)</b>	<b>25.2</b>	<b>-</b>
Individual solvency requirement (%)	9.3	9.0
Capital conservation buffer (%)	1.9	1.3
Countercyclical buffer (%)	0.0	0.0
Total requirement for the bank's total capital (%)	11.2	10.3
Excess cover in percentage points relative to individual solvency requirement	9.5	8.8
Excess cover in percentage points relative to total requirement for total capital	7.6	7.5
MREL requirement (%)	19.7	-
Excess cover in percentage points relative to MREL requirement	5.5	-

## Notes

Note		1/1-31/12 2018 DKK 1,000	1/1-31/12 2017 DKK 1,000
<b>1</b>	<b>Interest income</b>		
	Receivables from credit institutions and central banks	-13,199	710
	Loans and other receivables	1,014,911	687,492
	Discounts – amortisation concerning loans taken over etc.	5,790	-
	Loans - interest on the impaired part of loans	-51,075	-29,355
	Bonds	20,326	28,291
	Total derivative financial instruments	12,634	2,446
	Of which currency contracts	7,286	2,654
	Of which interest-rate contracts	5,348	-208
	Other interest income	7,519	4,552
	<b>Total interest income</b>	<b>996,906</b>	<b>694,136</b>
<b>2</b>	<b>Interest expenses</b>		
	Credit institutions and central banks	11,228	14,213
	Deposits and other debt	27,107	32,436
	Issued bonds	7,182	766
	Subordinated debt	24,034	5,651
	Other interest expenses	860	28
	<b>Total interest expenses</b>	<b>70,411</b>	<b>53,094</b>
<b>3</b>	<b>Dividends from shares etc.</b>		
	Shares	27,619	10,258
	<b>Total dividends from shares etc.</b>	<b>27,619</b>	<b>10,258</b>
<b>4</b>	<b>Gross fee and commission income</b>		
	Securities trading	88,478	75,038
	Asset management and custody accounts	127,502	93,203
	Payment handling	77,872	32,277
	Loan fees	32,737	10,660
	Guarantee commission and mortgage credit commission etc.	156,986	77,574
	Other fees and commission	55,287	33,965
	<b>Total gross fee and commission income</b>	<b>538,862</b>	<b>322,717</b>
	<b>Net fee and commission income</b>		
	Securities trading	78,281	64,857
	Asset management and custody accounts	118,433	84,652
	Payment handling	62,172	21,989
	Loan fees	27,632	7,207
	Guarantee commission and mortgage credit commission etc.	156,366	77,574
	Other fees and commission	47,685	23,952
	<b>Total net fee and commission income</b>	<b>490,569</b>	<b>280,231</b>
	Foreign exchange income	26,408	20,902
	<b>Total net fee, commission and foreign exchange income</b>	<b>516,977</b>	<b>301,133</b>

## Notes

Note		1/1-31/12 2018 DKK 1,000	1/1-31/12 2017 DKK 1,000
<b>5</b>	<b>Value adjustments</b>		
	Other loans and receivables, fair value adjustment	2,926	3,879
	Bonds	-17,614	30,502
	Shares etc.	165,402	68,613
	Investment properties	1,494	0
	Foreign exchange	26,408	20,902
	Total derivative financial instruments	15,433	19,329
	Of which currency contracts	11,552	467
	Of which interest-rate contracts	3,410	18,011
	Of which share contracts	471	851
	Assets linked to pooled schemes	-219,637	-
	Deposits in pooled schemes	219,637	-
	Issued bonds	-9,024	-
	Other liabilities	-5,192	-
	<b>Total value adjustments</b>	<b>179,833</b>	<b>143,225</b>
<b>6</b>	<b>Staff and administration costs</b>		
	Salaries and fees to general management, board of directors and shareholders' committee		
	General management	11,591	7,356
	Board of directors	2,208	1,734
	Shareholders' committee	618	469
	Total	14,417	9,559
	Staff costs		
	Salaries	274,539	142,368
	Pensions	32,145	14,852
	Social security expenses	5,206	1,812
	Costs depending on number of staff	40,501	22,431
	Total	352,391	181,463
	Other administration costs	337,970	136,002
	<b>Total staff and administration costs</b>	<b>704,778</b>	<b>327,024</b>
<b>7</b>	<b>Number of full-time employees</b>		
	Average number of full time-equivalent staff during the year	<b>507</b>	<b>274</b>
	Number of full-time employees at the end of the year	<b>674</b>	<b>276</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	-213,688	-6,094
	Stage 1 impairment charges in connection with the merger	100,267	-
	Actual realised net losses	251,451	45,769
	Interest on the impaired part of loans	-51,075	-29,355
	<b>Total impairment charges for loans and other receivables etc.</b>	<b>86,955</b>	<b>10,320</b>

## Notes

Note	1/1-31/12 2018 DKK 1,000	1/1-31/12 2017 DKK 1,000
<b>9 Tax</b>		
Tax calculated on income for the year	149,885	147,863
Adjustment of deferred tax	-4,682	-566
Adjustment of tax calculated for previous years	4,732	-989
<b>Total tax</b>	<b>149,935</b>	<b>146,308</b>
<b>Effective tax rate (%):</b>		
Tax rate currently paid by the bank	22.0	22.0
Permanent deviations	-4.2	-2.0
Adjustment of tax calculated for previous years	0.6	-0.1
<b>Total effective tax rate</b>	<b>18.4</b>	<b>19.9</b>

Note	31 Dec. 2018 DKK 1,000	31 Dec. 2017 DKK 1,000
<b>10 Receivables from credit institutions and central banks</b>		
Demand	181,788	100,211
Up to and including 3 months	2,929,159	957,086
More than 3 months and up to and including 1 year	0	99,280
More than 1 year and up to and including 5 years	5,000	5,000
More than 5 years	50,000	50,000
<b>Total receivables from credit institutions and central banks</b>	<b>3,165,947</b>	<b>1,211,577</b>
<b>11 Loans and other receivables at amortised cost</b>		
Demand	3,031,844	1,975,218
Up to and including 3 months	1,183,998	651,025
More than 3 months and up to and including 1 year	7,633,504	2,568,864
More than 1 year and up to and including 5 years	9,764,398	6,527,126
More than 5 years	11,736,590	7,628,633
<b>Total loans and other receivables at amortised cost</b>	<b>33,350,334</b>	<b>19,350,866</b>

## Notes

Note	31 Dec. 2018 DKK 1,000	31 Dec. 2017 DKK 1,000
<b>12</b>		
<b>Impairment charges for loans and other receivables and provisions for losses on guarantees and unutilised credit facilities</b>		
<b>Individual impairment charges</b>		
Cumulative individual impairment charges at the end of the previous financial year	577,490	589,384
Changed accounting policy for impairment charges	-577,490	-
Impairment charges / value adjustment during the year	-	179,150
Reversal of impairment charges made in previous financial years	-	-136,853
Recognised as a loss, covered by impairment charges	-	-54,191
<b>Cumulative individual impairment charges on the balance sheet date</b>	<b>-</b>	<b>577,490</b>
<b>Collective impairment charges</b>		
Cumulative collective impairment charges at the end of the previous financial year	343,282	341,457
Changed accounting policy for impairment charges	-343,282	-
Impairment charges / value adjustment during the year	-	1,825
<b>Cumulative collective impairment charges on the balance sheet date</b>	<b>-</b>	<b>343,282</b>
<b>Stage 1 impairment charges</b>		
Cumulative stage 1 impairment charges at the end of the previous financial year	-	-
Changed accounting policy for impairment charges	61,228	-
Stage 1 impairment charges in connection with the merger	100,267	-
Stage 1 impairment charges / value adjustment during the year	-5,097	-
<b>Cumulative stage 1 impairment charges on the balance sheet date</b>	<b>156,398</b>	<b>-</b>
<b>Stage 2 impairment charges</b>		
Cumulative stage 2 impairment charges at the end of the previous financial year	-	-
Changed accounting policy for impairment charges	308,912	-
Stage 2 impairment charges / value adjustment during the year	-45,523	-
<b>Cumulative stage 2 impairment charges on the balance sheet date</b>	<b>263,389</b>	<b>-</b>
<b>Stage 3 impairment charges</b>		
Cumulative stage 3 impairment charges at the end of the previous financial year	-	-
Changed accounting policy for impairment charges	575,516	-
Additions on merger	1,158,075	-
Stage 3 impairment charges / value adjustment during the year	388,256	-
Reversal of stage 3 impairment charges during the year	-315,607	-
Recognised as a loss, covered by stage 3 impairment charges	-259,065	-
<b>Cumulative stage 3 impairment charges on the balance sheet date</b>	<b>1,547,175</b>	<b>-</b>
<b>Total cumulative impairment charges for loans and other receivables on the balance sheet date</b>	<b>1,966,962</b>	<b>920,772</b>

## Notes

Note	31 Dec. 2018 DKK 1,000	31 Dec. 2017 DKK 1,000
<b>12</b>		
<b>Impairment charges for loans and other receivables and provisions for losses on guarantees and unutilised credit facilities - continued</b>		
<b>Provisions for losses on guarantees</b>		
Cumulative provisions for losses on guarantees at the end of the previous financial year	10,263	6,287
Changed accounting policy for provisions for losses on guarantees	20,881	-
Additions on merger	15,250	-
Provisions/value adjustments during the year	38,472	7,385
Reversal of provisions during the year	-28,342	-2,095
Recognised as a loss, covered by provisions	-3,770	-1,314
<b>Cumulative provisions for losses on guarantees on the balance sheet date</b>	<b>52,754</b>	<b>10,263</b>
<b>Provisions for losses on unutilised credit facilities</b>		
Cumulative provisions for losses on unutilised credit facilities at the end of the previous financial year	-	-
Changed accounting policy for provisions for losses on unutilised credit facilities	12,996	-
Provisions/value adjustments during the year	7,695	-
<b>Cumulative provisions for losses on unutilised credit facilities on the balance sheet date</b>	<b>20,691</b>	<b>-</b>
<b>Total cumulative impairment charges for loans and other receivables and provisions for losses on guarantees and unutilised credit facilities on the balance sheet date</b>	<b>2,040,407</b>	<b>931,035</b>
In addition, a discount on loans and guarantees taken over from Nordjyske Bank amounted to	45,691	-
The above includes the following stage 3 impairment charges and provisions taken over from Nordjyske Bank:		
Additions on merger	1,173,325	-
Changes during the year	-333,796	-
Stage 3 impairment charges and provisions taken over on the balance sheet date	839,529	-
<b>13</b>		
<b>Suspended calculation of interest</b>		
Loans and other receivables with suspended calculation of interest on the balance sheet date	<b>209,642</b>	<b>24,995</b>
<b>14</b>		
<b>Bonds at fair value</b>		
Listed on the stock exchange	5,427,138	3,952,614
<b>Total bonds at fair value</b>	<b>5,427,138</b>	<b>3,952,614</b>
<b>15</b>		
<b>Shares etc.</b>		
Listed on Nasdaq Copenhagen	9,183	12,233
Investment fund certificates	33,566	7,994
Unlisted shares at fair value	14,891	1,402
Sector shares at fair value	1,409,673	599,656
<b>Total shares etc.</b>	<b>1,467,313</b>	<b>621,285</b>

## Notes

Note		31 Dec. 2018 DKK 1,000	31 Dec. 2017 DKK 1,000
<b>16</b>	<b>Assets linked to pooled schemes</b>		
	Bonds:		
	Index-linked bonds	132,986	-
	Other bonds	1,076,828	-
	Total bonds	1,209,814	-
	Shares:		
	Investment fund certificates	1,964,377	-
	Other shares	612,285	-
	Total shares	2,576,662	-
	<b>Total assets linked to pooled schemes</b>	<b>3,786,476</b>	<b>-</b>
<b>17</b>	<b>Intangible assets</b>		
	<b>Goodwill</b>		
	Cost at the end of the previous financial year	-	-
	Additions on merger	923,255	-
	Total cost on the balance sheet date	923,255	-
	Write-downs at the end of the previous financial year	-	-
	Write-downs for the year	0	-
	Total write-downs on the balance sheet date	0	-
	<b>Total goodwill on the balance sheet date</b>	<b>923,255</b>	<b>-</b>
	<b>Customer relationships</b>		
	Cost at the end of the previous financial year	-	-
	Additions on merger	150,000	-
	Total cost on the balance sheet date	150,000	-
	Amortisation at the end of the previous financial year	-	-
	Amortisation for the year	8,417	-
	Total amortisation on the balance sheet date	8,417	-
	<b>Total customer relationships on the balance sheet date</b>	<b>141,583</b>	<b>-</b>
	<b>Total intangible assets on the balance sheet date</b>	<b>1,064,838</b>	<b>-</b>
<b>18</b>	<b>Debt to credit institutions and central banks</b>		
	Demand	726,673	269,160
	Up to and including 3 months	51,277	240,993
	More than 3 months and up to and including 1 year	145,128	97,329
	More than 1 year and up to and including 5 years	607,107	604,614
	More than 5 years	386,291	387,320
	<b>Total debt to credit institutions and central banks</b>	<b>1,916,476</b>	<b>1,599,416</b>



## Notes

Note	31 Dec. 2018 DKK 1,000	31 Dec. 2017 DKK 1,000
<b>19</b>		
<b>Deposits and other debt</b>		
Demand	26,379,274	12,267,337
Deposits and other debt with notice:		
Up to and including 3 months	818,592	2,646,787
More than 3 months and up to and including 1 year	1,853,305	908,429
More than 1 year and up to and including 5 years	1,572,923	1,468,246
More than 5 years	2,582,001	1,819,328
<b>Total deposits and other debt</b>	<b>33,206,095</b>	<b>19,110,127</b>
Distributed as follows:		
Demand	26,220,891	12,129,959
With notice	1,891,140	1,785,363
Time deposits	642,563	1,725,906
Long-term deposit agreements	1,751,158	2,008,385
Special types of deposits	2,700,343	1,460,514
	<b>33,206,095</b>	<b>19,110,127</b>
<b>20</b>		
<b>Issued bonds at amortised cost</b>		
More than 3 months and up to and including 1 year	0	297,802
More than 1 year and up to and including 5 years	748,100	375,634
More than 5 years	679,924	0
<b>Total issued bonds at amortised cost</b>	<b>1,428,024</b>	<b>673,436</b>
<b>21</b>		
<b>Subordinated debt</b>		
Tier 2 capital:		
Fixed-rate loan, principal of DKK 275 million, maturity date 27 February 2025	275,000	-
Floating-rate loan, principal of EUR 50 million, maturity date 20 May 2025	373,220	372,253
Fixed-rate loan, principal of DKK 500 million, maturity date 13 June 2028	500,000	-
Floating-rate loan, principal of DKK 300 million, maturity date 13 June 2030	300,000	-
Adjustment to amortised cost and fair value adjustment	254	-500
<b>Total subordinated debt</b>	<b>1,448,474</b>	<b>371,753</b>
<b>22</b>		
<b>Share capital</b>		
Number of DKK 1 shares		
Beginning of year	22,350,000	22,850,000
Cancelled during the year	-538,000	-500,000
Issue of new shares in connection with the merger	9,182,258	-
<b>End of year</b>	<b>30,994,258</b>	<b>22,350,000</b>
Reserved for subsequent cancellation	1,087,875	538,000
<b>Total share capital</b>	<b>30,994</b>	<b>22,350</b>

## Notes

Note	31 Dec. 2018 DKK 1,000	31 Dec. 2017 DKK 1,000
<b>23 Own shares</b>		
Own shares included in the balance sheet at	0	0
Market value	382,726	173,187
Number of own shares:		
Beginning of year	538,685	515,890
Purchase during the year	2,328,984	1,444,027
Sale during the year	-1,204,003	-921,232
Cancelled during the year	-538,000	-500,000
End of year	1,125,666	538,685
Reserved for subsequent cancellation	1,087,875	538,000
Nominal value of holding of own shares, end of year	1,126	539
Own shares' proportion of share capital, end of year (%)	3.6	2.4
<b>24 Contingent liabilities etc.</b>		
<b>Contingent liabilities</b>		
Financial guarantees	2,506,093	1,101,189
Guarantees against losses on mortgage credit loans	2,285,909	633,796
Registration and refinancing guarantees	2,235,726	969,390
Sector guarantees	134,604	75,892
Other contingent liabilities	667,085	403,607
<b>Total contingent liabilities</b>	<b>7,829,417</b>	<b>3,183,874</b>
<b>Other contractual obligations</b>		
Irrevocable credit commitments etc.	13,531	392,000
<b>Total other contractual obligations</b>	<b>13,531</b>	<b>392,000</b>
<b>25 Assets furnished 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>965,872</b>	<b>976,617</b>
As collateral for clearing etc., the bank has pledged securities to the Danish central bank to a market price of	<b>279,570</b>	<b>235,418</b>
Amount deposited in a cover-for-liabilities account as security for a loss limit towards the Danish Growth Fund as a consequence of Ringkjøbing Landbobank's ownership interest in Landbrugets Finansieringsbank	<b>418</b>	<b>167</b>
Collateral under CSA agreements etc.	<b>42,947</b>	<b>31,609</b>

## Notes

Note		31 Dec. 2018 DKK 1,000	31 Dec. 2017 DKK 1,000
<b>26</b>	<b>Loans and guarantees in per cent, by sector and industry</b>		
	<b>Public authorities</b>	<b>0.1</b>	<b>0.1</b>
	<b>Business customers:</b>		
	Agriculture, hunting and forestry		
	Cattle farming etc.	1.3	1.7
	Pig farming etc.	1.6	1.7
	Other agriculture, hunting and forestry	4.5	3.9
	Fisheries	2.5	2.4
	Mink production	0.7	1.0
	Industry and raw materials extraction	2.9	1.6
	Energy supply	1.3	1.7
	Wind turbines	5.8	11.0
	Building and construction	3.2	4.3
	Trade	3.8	3.3
	Transport, hotels and restaurants	1.6	1.4
	Information and communication	0.4	0.3
	Finance and insurance	9.9	13.6
	Real property		
	First mortgage without prior creditors	10.6	13.5
	Other real property financing	4.6	2.7
	Other business customers	7.8	7.1
	<b>Total business customers</b>	<b>62.5</b>	<b>71.2</b>
	<b>Private individuals</b>	<b>37.4</b>	<b>28.7</b>
	<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Notes

Note	8 June 2018 DKK 1,000
<b>27</b>	
<b>Merger</b> Ringkjøbing Landbobank A/S merged with Nordjyske Bank A/S on 8 June 2018 with Ringkjøbing Landbobank A/S as the post-merger entity.	
<b>Breakdown of the purchase price for Nordjyske Bank A/S on net assets on 8 June 2018</b>	
<b>Assets</b>	
Cash in hand and demand deposits with central banks	337,381
Receivables from credit institutions and central banks	1,209,353
Loans and other receivables	11,770,671
Bonds at fair value	2,240,865
Shares etc.	650,756
Investments in group undertakings	11,722
Assets linked to pooled schemes	3,657,638
Total land and buildings	193,069
Investment properties	26,175
Domicile properties	166,894
Other tangible assets	10,108
Current tax assets	5,152
Deferred tax assets	27,658
Temporary assets	5,184
Other assets	223,135
Prepayments	15,408
<b>Total assets</b>	<b>20,358,100</b>
<b>Liabilities and equity</b>	
Debt to credit institutions and central banks	146,530
Deposits and other debt	13,268,085
Deposits in pooled schemes	3,903,168
Other liabilities	241,702
Deferred income	9,745
<b>Total debt</b>	<b>17,569,230</b>
Provisions for pensions and similar liabilities	11,777
Provisions for losses on guarantees	31,547
Other provisions for liabilities	1,903
<b>Total provisions for liabilities</b>	<b>45,227</b>
Tier 2 capital	273,236
<b>Subordinated debt</b>	<b>273,236</b>
<b>Total liabilities</b>	<b>17,887,693</b>
<b>Net assets taken over</b>	<b>2,470,407</b>

## Notes

Note	8 June 2018 DKK 1,000
<b>27</b>	
<b>Merger - continued</b>	
<b>Purchase price</b>	
Net assets taken over	2,470,407
Goodwill	923,255
Customer relationships	150,000
Deferred tax on customer relationships	-33,000
<b>Total purchase price</b>	<b>3,510,662</b>
Purchase price paid as follows:	
Issue of 9,182,258 new shares at a price of 364.50	3,346,933
Internal shareholding, 65,265 new shares at a price of 364.50	-23,789
<b>Net increase in equity</b>	<b>3,323,144</b>
Cash distribution	166,721
Shares held by Ringkjøbing Landbobank A/S in Nordjyske Bank A/S etc.	19,004
Shares held by Nordjyske Bank A/S in Ringkjøbing Landbobank A/S etc.	1,793
<b>Total purchase price</b>	<b>3,510,662</b>
<b>Comments</b>	
<p>Net assets taken over included "Loans and other receivables" with a fair value of DKK 11,771 million. The fair value of "Loans and other receivables" was based on an assessment of the market value of the loan portfolio taken over, which was calculated at the present value of the cash flows the bank expects to receive.</p> <p>Receivables from contracts totalled DKK 12,964 million on 8 June 2018, while impairment charges and adjustments to fair value totalled DKK 1,193 million.</p> <p>In connection with the merger with Nordjyske Bank, identifiable intangible assets in the form of customer relationships were calculated and recognised in the pre-acquisition balance sheet at fair value. The fair value of customer relationships expresses the value of the customer base taken over from Nordjyske Bank. The value of customer relationships is amortised over a ten-year period in the bank's income statement.</p> <p>Goodwill was calculated at DKK 923 million. Goodwill is not amortised but the value is impairment tested in connection with financial reports.</p> <p>In addition to the net assets taken over, the bank assumed guarantees for DKK 4,589 million.</p>	

## Main figures

<b>Summary of income statement (DKK million)</b>	<b>1/1-31/12 2018</b>	<b>1/1-31/12 2017</b>
Net interest income	926	641
Dividends from shares etc.	28	10
Net fee and commission income	491	280
Net interest and fee income	1,445	931
Value adjustments	+180	+143
Other operating income	6	5
Staff and administration costs	705	327
Amortisation, depreciation and write-downs on intangible and tangible assets	23	4
Other operating expenses	3	3
Impairment charges for loans and receivables etc.	-87	-10
Results from investments in associated companies and group undertakings	0	0
Profit before tax	813	735
Tax	150	146
Net profit for the year	663	589

<b>Main figures from the balance sheet (DKK million)</b>	<b>31 Dec. 2018</b>	<b>31 Dec. 2017</b>
Loans and other receivables at amortised cost	33,350	19,351
Deposits and other debt including pooled schemes	36,993	19,110
Subordinated debt	1,448	372
Equity	7,189	3,817
Balance sheet total	49,651	25,796

## The Danish FSA's official key figures etc. for Danish Banks

		2018	2017	2016	2015	2014
<b>Capital ratios:</b>						
Total capital ratio	%	18.8	17.8	18.3	18.8	17.5
Tier 1 capital ratio	%	15.0	16.5	16.9	17.1	17.5
Individual solvency requirement	%	9.3	9.0	9.0	9.0	8.9
MREL requirement	%	19.7	-	-	-	-
MREL capital ratio	%	25.2	-	-	-	-
<b>Earnings:</b>						
Return on equity before tax	%	14.8	19.9	19.3	18.4	19.6
Return on equity after tax	%	12.1	16.0	15.8	14.3	14.9
Income / cost ratio	DKK	1.99	3.13	2.81	2.60	2.52
Return on assets	%	1.3	2.3	2.2	2.1	2.1
<b>Market risk:</b>						
Interest rate risk	%	1.0	1.1	1.8	2.2	1.2
Foreign exchange position	%	1.1	1.1	0.6	0.8	0.4
Foreign exchange risk	%	0.0	0.0	0.0	0.0	0.0
<b>Liquidity risk:</b>						
Liquidity Coverage Ratio (LCR)	%	183	193	185	106	-
Loans and impairments thereon relative to deposits	%	95.5	106.1	100.5	107.4	106.4
<b>Credit risk:</b>						
Loans relative to shareholders' equity		4.6	5.1	4.9	5.2	5.0
Growth in loans	%	72.9	10.7	2.7	14.0	7.8
(Pro forma growth in loans in 2018: 7.7%)						
Total large exposures (<175%)	%	106.0	136.1	-	-	-
Cumulative impairment ratio	%	4.7	4.0	4.5	4.6	5.0
Impairment ratio	%	0.20	0.04	0.23	0.29	0.47
Proportion of receivables at reduced interest	%	0.5	0.1	0.3	0.4	0.3
<b>Share return:</b>						
Earnings per share*/***	DKK	2,486.5	2,604.6	2,335.5	1,941.4	1,853.9
Book value per share**	DKK	24,068	17,500	15,916	14,428	13,280
Dividend per share*	DKK	1,000	900	720	600	520
Market price relative to earnings per share*/***		13.7	12.3	12.5	15.5	12.4
Market price relative to book value per share**		1.41	1.84	1.84	2.08	1.73
<p>Calculated on the basis of a denomination of DKK 100 per share.</p> <p>** Calculated on the basis of number of shares in circulation at the end of the year.</p> <p>*** Calculated on the basis of the average number of shares. The average number of shares is calculated as a simple average of the shares at the beginning of the year and at the end of the year.</p>						