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INVESTORS SERVICE

CREDIT OPINION
22 April 2020

Update

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RATINGS

Ringkjobing Landbobank A/S

Domicile	Ringkobing, Denmark
Long Term CRR	Aa3
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Not Assigned
Long Term Deposit	A1
Type	LT Bank Deposits - Fgn Curr
Outlook	Positive

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Ringkjobing Landbobank A/S

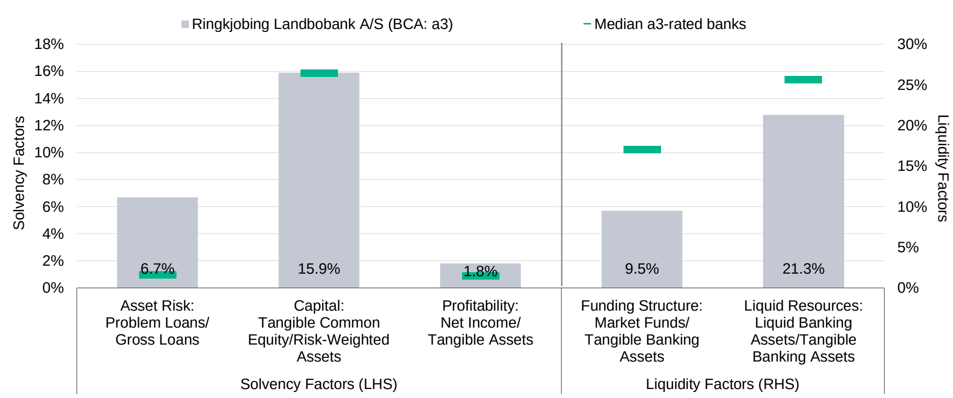
Update to credit analysis

Summary

Ringkjøbing Landbobank A/S' (Ringkjøbing) A1 deposit rating incorporates two notches of rating uplift, and the A2 issuer rating one notch of uplift, from the bank's a3 Baseline Credit Assessment (BCA) based on our Advanced Loss Given Failure (LGF) analysis. LGF takes into account the risks faced by different debt and deposit classes across the liability structure should the bank enter into resolution.

Ringkjøbing's a3 standalone BCA reflects its (1) strong capitalisation, with a 15.0% reported Common Equity Tier 1 (CET1) ratio as of the end of 2019 and a 12.4% tangible common equity-to-total asset ratio; (2) high profitability and improving efficiency following a merger with Nordjyske Bank A/S (Nordjyske) during 2018; and (3) solid funding profile, reflecting ample deposits and low reliance on market funding. However, the bank's BCA is constrained by elevated asset risks from a loan book which is somewhat concentrated by geography, industry and single borrowers. We expect the economic fallout from the coronavirus-induced disruption will lead to some asset quality deterioration in the coming quarters and the bank's strong profitability to come under some pressure.

Exhibit 1
Rating Scorecard - Key financial ratios



These are our Banks Methodology scorecard ratios. Asset risk and profitability reflect the weaker of either the three-year average and latest figure. Capital is the latest reported figure. Funding structure and liquid resources reflect the latest fiscal year-end figures.
Source: Moody's Investors Service

Credit strengths

» Solid regulatory capital metrics and leverage ratio, that will be supported by additional capital retention

» Profitability and cost efficiency have been strong

» Stable funding profile and adequate liquidity

Credit challenges

» Problem loans will rise due to the economic fallout, mitigated by existing provisions

» Elevated asset risks from credit concentrations

» Profitability will face pressure due to rising impairments, market volatility and continued margin compression

Outlook

Ringkjøbing's long-term deposit and issuer ratings carry a positive outlook, reflecting the upward pressure that may arise on these ratings should the bank issue significant amounts of more junior instruments, in line with its overall funding plan. These issuances would predominantly take the form of junior senior unsecured debt (also broadly known as senior non-preferred debt) in order for the bank to continue to meet its minimum requirement for own funds and eligible liabilities (MREL) set by the Danish Financial Supervisory Authority (FSA) along with the subordination requirement that applies from 2022.[1] The increased issuance could result in lower losses-given-failure for junior deposits and senior unsecured debt under our Advanced LGF analysis by providing a higher degree of protection to these debt classes.

In addition, we expect that the bank's strong capital, existing collective provisions and relatively robust revenue generating capacity will provide a substantial buffer against the deteriorating credit environment.

Factors that could lead to an upgrade

» Upward rating momentum for the long-term deposit and issuer ratings of Ringkjøbing could develop from the ongoing issuance of junior debt, that would improve these creditors' position in a resolution scenario.

» Upward pressure on Ringkjøbing's ratings could also develop from an improvement in its fundamental profile, as indicated by the bank's BCA, as a result of: (1) a seasoning of the bank's combined portfolio with low losses and a significant reduction in concentrations, particularly to volatile sectors and to single borrowers, leading to lower susceptibility to adverse events; (2) increased geographic diversification, a constraint at the bank's current level, without an increase in risk taken; and (3) a substantial improvement in the bank's liquidity.

Factors that could lead to a downgrade

» The positive outlook assigned to Ringkjøbing's ratings would be revised to stable if the bank does not issue junior debt volumes in line with its public disclosures, or, if the liability structure changes in a way that negatively affects the volume or subordination amounts of these instruments. Ringkjøbing's ratings could even be downgraded if such a shift in the bank's funding mix is material and results in lower rating uplift, than currently assumed, under our Advanced LGF framework.

» Downward pressure on Ringkjøbing's ratings could emerge from a deterioration in the bank's fundamental credit profile, for instance if we observe: (1) a weakening in capital metrics below current expectations; (2) higher through-the-cycle losses, compared to the low levels experienced in the past for Ringkjøbing, or, an increase in credit concentrations to single borrowers or higher risk sectors; (3) a persistent weakening of the bank's recurring earnings power and operating efficiency; or (4) an increase in the bank's reliance on market funding from the currently expected low level.

Key indicators

Exhibit 2
Ringkjobing Landbobank A/S (Consolidated Financials) [1]

	12-19[2]	12-18[2]	12-17[2]	12-16[2]	12-15[2]	CAGR/Avg.[3]
Total Assets (DKK Million)	52,940.9	49,650.5	25,796.5	24,258.1	22,383.7	24.0[4]
Total Assets (USD Million)	7,952.7	7,605.8	4,160.5	3,441.1	3,258.3	25.0[4]
Tangible Common Equity (DKK Million)	6,559.6	6,123.6	3,816.8	3,554.5	3,293.8	18.8[4]
Tangible Common Equity (USD Million)	985.4	938.1	615.6	504.2	479.5	19.7[4]
Problem Loans / Gross Loans (%)	6.7	6.8	4.1	5.0	5.7	5.7[5]
Tangible Common Equity / Risk Weighted Assets (%)	15.9	16.8	19.4	19.4	18.9	18.1[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	29.4	29.6	17.7	20.4	24.5	24.3[5]
Net Interest Margin (%)	2.2	2.4	2.5	2.9	2.9	2.6[5]
PPI / Average RWA (%)	3.4	3.1	4.0	4.0	3.9	3.7[6]
Net Income / Tangible Assets (%)	1.8	1.4	2.3	2.2	2.0	2.0[5]
Cost / Income Ratio (%)	37.8	44.5	31.0	31.0	32.1	35.3[5]
Market Funds / Tangible Banking Assets (%)	9.5	7.7	9.2	8.0	7.3	8.3[5]
Liquid Banking Assets / Tangible Banking Assets (%)	21.3	20.6	21.2	26.1	20.7	22.0[5]
Gross Loans / Due to Customers (%)	110.5	106.4	106.1	100.5	107.4	106.2[5]

[1]All figures and ratios are adjusted using Moody's standard adjustments. [2]Basel III - fully loaded or transitional phase-in; LOCAL GAAP. [3]May include rounding differences because of the scale of reported amounts. [4]Compound annual growth rate (%) based on the periods for the latest accounting regime. [5]Simple average of periods for the latest accounting regime. [6]Simple average of Basel III periods.
Sources: Moody's Investors Service and company filings

Profile

Ringkjøbing is a Danish regional and niche bank, established in 1886, with operations primarily in central, western and northern Jutland. The bank provides retail and commercial banking products and services; financing for private medical practices and dentists; funding of wind turbines, solar plants and bio mass; and private banking.

On 8 June 2018, Ringkjøbing merged with Nordjyske. Ringkjøbing was the surviving legal entity.

The bank reported a consolidated asset base of DKK52.9 billion (around €7.1 billion) as of the end of 2019 (DKK25.8 billion as of the end of 2017, before the merger). As of end-2019, Ringkjøbing operated through a network of 27 branches and had 652 full-time employees.

Ringkjøbing shares are listed on the NASDAQ Copenhagen Stock Exchange (Ticker: RILBA). As of 31 December 2019, the bank's largest shareholders with more than a 5% stake were Nykredit Realkredit A/S (Baa1 positive, baa1[2]) and pension provider Arbejdsmarkedets Tillægspension (ATP).

Recent developments

We have revised our growth forecasts downward for 2020 as the coronavirus will cause an unprecedented shock to global economy. Business activity will likely fall sharply across advanced economies in the first half of 2020 and we project cumulative contractions over the first and second quarters of 2020 for a substantial number of countries. We now expect real GDP in the global economy to contract in 2020, followed by a pickup in 2021.

We have also changed our outlook for the Danish banking system to negative from stable. We expect the coronavirus outbreak to weigh on Denmark's economy, leading to an uptick in problem loans from a low base, and to exacerbate pressure on banking sector profitability. The Danish government's policy response for those affected has been comprehensive, encompassing financial support for businesses and workers. However, it will not be sufficient to fully counterbalance the coronavirus-induced drop in growth, which will become more severe the longer the outbreak lasts. Nevertheless, the Danish banking sector's capitalisation will likely remain close to current robust levels and funding and liquidity will remain stable. The central bank is also providing extraordinary lending facilities.

We expect asset risk to increase for Danish banks, with the repayment capacity of borrowers in coronavirus-exposed sectors, such as leisure, transportation and retail trade, and small businesses worst affected. Denmark's fiscal and liquidity policy response is providing some initial relief to businesses and households and banks are offering payment holidays to affected borrowers, which will mitigate the short-term credit impact. However, a deeper and more prolonged economic disruption would have a more adverse impact on loan quality. Generally, however, low interest rates, combined with macroprudential measures, a preceding period of modest credit growth and a decline in overall indebtedness have made Danish businesses and households potentially more resilient to the current downturn compared to previous macroeconomic shocks.

Detailed credit considerations

Problem loans will rise due to the economic fallout, mitigated by existing provisions; we continue to see elevated asset risks from credit concentrations

We expect Ringkjøbing's asset quality to deteriorate modestly over the coming quarters as a result of the economic disruption. The full extend of the asset quality deterioration will, however, depend on the length and extend of the economic fallout. Impairments will also rise, somewhat mitigated by existing management-driven collective impairments amounting to DKK126 million (0.34% of gross loans) as of end-2019. Our assigned ba2 Asset Risk score reflects these expectations. It also indicates that elevated risks from credit concentrations, particularly sector, borrower and geographical concentrations, remain a relative weakness for the bank's rating level. Our assessment also takes into account the bank's low average realised credit losses through a number of economic cycles.

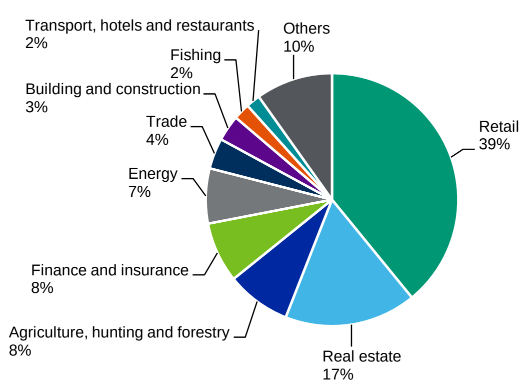
Ringkjøbing's problem loan ratio (defined as IFRS 9 stage 3 and credit-impaired on initial recognition loans over gross loans) improved slightly to 6.7% as of the end of 2019 from 6.8% a year earlier. Nevertheless, it remains higher than pre-merger levels (end-2017: 4.1%). Coverage of problem loans by impairments has remained relatively robust at 60% as of the end of 2019. The bank's loan loss provisions were equivalent to 0.3% of average gross loans in 2019, with around 75% of these provisions being conservatively booked as management estimates.

Ringkjøbing's loan book continues to exhibit relatively high concentration to the volatile real estate sector, with the exposure accounting for 17% of total loans and guarantees as of end-2019 (see Exhibit 3). In light of the weakening economic conditions, commercial real estate borrowers who rely on rental income especially from the most vulnerable sectors pose increased credit risk. However, more than 70% of these loans benefited from a first-lien mortgage, a relatively unique feature in Denmark for loans not provided through a mortgage credit institution. Ringkjøbing's exposure to sectors most exposed to the coronavirus-induced shutdown, such as, transport, hotels and restaurants, was contained at 1.8% of the total, while overall exposure to trade, of which part may be negatively affected by the supply and demand shock, made up an additional 4%. The agricultural sector made up a further 8% as of the same date. In light of increased pork prices, the prospects of the sector have improved.

Exhibit 3

Ringkjøbing has some concentration to real estate and agriculture

Loans portfolio and guarantees breakdown by sector as the end of 2019



Sources: Moody's Investors Service, company reports

Ringkjøbing's loan book also continues to exhibit some geographic and single borrower concentrations. Around 63% of lending was to customers in the bank's key markets in North, West and Central Jutland as of the end of 2019. Lending remains heavily concentrated in Denmark and only 5% of loan book was to customers located outside Denmark. Further, although Ringkjøbing's loan book is now more diversified in terms of higher exposure to private individuals (39% of total loan book as of end-2019 compared to 29% as of end-2017), the bank's top 20 large exposures were equivalent to 121% of the bank's CET1 capital as of end-2019 (end-2018: 106%). These concentrations are, however, well below the regulatory limit of 175% of CET1 capital.

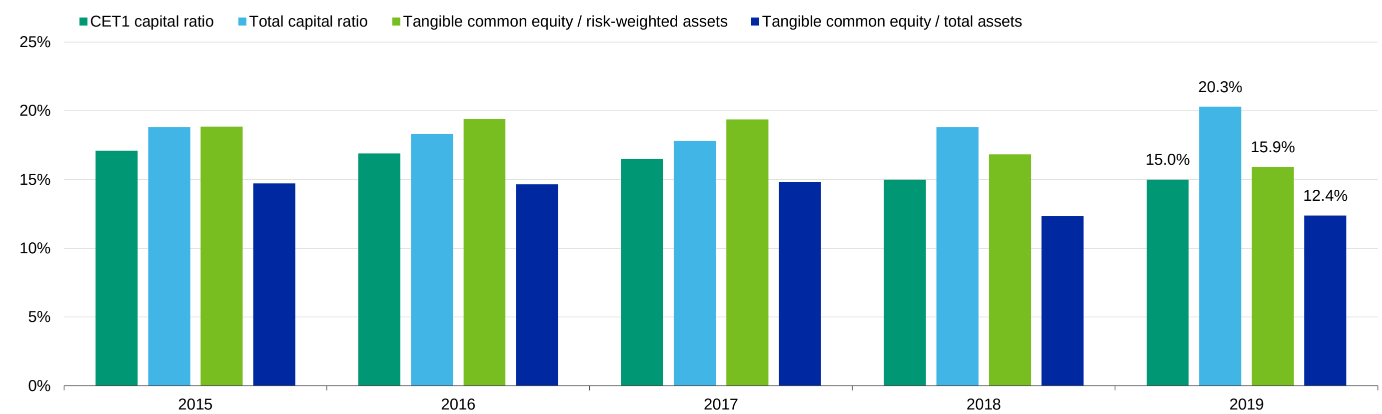
Solid regulatory capital metrics and leverage ratio, that will be supported by additional capital retention

Our assigned aa3 Capital score, which supports Ringkjøbing's standalone credit profile, reflects the bank's solid regulatory capitalisation, which is well in excess of regulatory minima, and strong leverage metrics. We expect the bank to sustain its high capital buffers given more modest loan growth this year and the use of the standardised approach in calculating regulatory capital ratios that render them less susceptible to a rise in risk exposure amounts from the macroeconomic downturn, and supported by the recent suspension of its share buyback program. We also note the bank's historically strong capacity to generate capital internally that has also supported stable capital levels.

Ringkjøbing reported CET1 and total capital ratios of 15.0% and 20.3% respectively as of the end of 2019 (see Exhibit 4). Both metrics were well above the bank's fully loaded requirements for that period. These were 8.7% for the CET1 ratio and 12.8% for the total capital ratio and included the Danish FSA's pillar 1 and pillar 2 components (the latter is 1.3% on total capital for Ringkjøbing), a 2.5% capital conservation buffer, and an additional 1.0% countercyclical buffer.

Exhibit 4

Ringkjøbing's capitalisation remains solid



Source: Moody's Investors Service

In light of the prospect of a significant weakening in economic activity, the Danish government decided to release the countercyclical capital buffer and cancel the planned future increases in order to support the provision of credit to the real economy. At the same time, authorities recommended that financial institutions suspend dividend payouts and share buybacks. Ringkjøbing complied with this recommendation and announced the suspension of its share buyback program. Combined with lower capital consumption because of a slowdown in new lending, capital retention will help support the bank's solid capital levels at broadly the same level.

Ringkjøbing applies the standardised approach to calculate credit-related risk-weighted assets (RWAs). Therefore, the bank's risk density, measured as the ratio of RWAs to total assets, was relatively high at 78% as of end-2019, rendering the bank's capital metrics less sensitive to potential amendments in regulatory methods to calculating RWAs, including floor requirements, or to macroeconomic shocks that could increase RWAs of more risk-sensitive models. Also, the bank's tangible common equity-to-total assets was 12.4% as of end-2019, one of the highest such ratios among those of Nordic and international banks (which are typically within 4%-10% on average), further underpinning our favourable capital assessment.

Strong profitability will face pressure due to rising impairments, market volatility and continued margin compression

Our assigned Profitability score of a1 is informed by our forward-looking view of Ringkjøbing's profitability and the bank's track record of consistent earnings and cost containment. The bank's profitability will decline over the coming quarters due to rising impairments, lower growth, continued margin compression and some forbearance measures for existing borrowers, and financial market volatility that will affect the bank's investment portfolio returns. These pressures will be partly offset by the bank's efforts to support margins and keep costs flat. Even at slightly lower levels, we consider the bank's profitability to be relatively strong, providing ample capacity to generate capital internally and absorb losses.

In March, the bank revised its profit before tax guidance for 2020 downward to DKK800-1,100 million from DKK950-1,250 million previously, in light of the macroeconomic uncertainty. The bank's profit before tax was DKK1,245 million in 2019.

The bank's net income to tangible assets improved to 1.8% during 2019, in line with our expectations. The bank's net income to tangible assets had declined to 1.7% in 2018 on a pro-forma basis (including Nordjyske's full year profits as if the merger had taken effect on 1 January 2018) because of merger related costs and in anticipation of synergies to be extracted, from 2.3% in 2017. The merger also weighed on Ringkjøbing's efficiency, with a pro-forma cost-to-income ratio of 43% in 2018. The bank was historically one of Denmark's most efficient banks, driven by a lean business model, with a cost-to-income ratio of 33% in 2017. The bank's cost control efforts, with no further merger-related costs, resulted in an improvement in the cost-to-income ratio to 38% in 2019. Although the bank expects continued realisation of synergies in 2020 to offset increases in its underlying cost base, further efficiency gains will likely be constrained this year due to falling revenues.

In addition to flat costs, the bank's decision to impose negative rates on some private depositors will help alleviate margin pressure arising from the prolonged low interest rate environment and growing issuances of junior senior debt. The bank will expand the scope of negative rates for private customer deposits above DKK500,000 (around €67,000) effective from 1 May. Although loan growth will slow down markedly this year, over the medium term, the bank's ability to further grow its lending activities raises Ringkjøbing's capacity to cope with the challenges arising from low interest rates, supported by the bank's ability to attract new customers and high customer satisfaction.

Stable funding profile and adequate liquidity

Ringkjøbing's stable funding profile supports the bank's BCA. As of the end of 2019, customer deposits (excluding pooled deposits) accounted for 64% of assets. Furthermore, the bank's reliance on more confidence-sensitive market funding remained low at 9.5% of tangible banking assets. We expect the bank's market funding reliance to increase modestly as a result of junior senior debt issuances to meet its MREL. The bank has, so far, issued smaller tickets of junior senior debt with long maturities reducing its refinancing risk. These strengths and expectations are reflected in our assigned a1 Funding Structure score.

As with other medium-sized Danish banks, Ringkjøbing can secure mortgage financing through specialised mortgage lenders, for example, Totalkredit A/S or DLR Kredit A/S. Loans funded by these specialised lenders are transferred to these institutions and do not appear on Ringkjøbing's balance sheet.

We consider Ringkjøbing's liquidity to be adequate compared with its lending-driven business model, as well as its large and stable deposit base. This view is reflected in our assigned baa2 score for Liquid Resources, which also takes into account that some of the bank's financial securities are pledged for clearing and other purposes. As of the end of 2019, liquid banking assets accounted for around 21% of assets, and the bank reported a liquidity coverage ratio of 204% (2018: 183%) over the same period. Ringkjøbing's liquidity coverage ratio is comfortably above the 100% minimum requirement, set by the Danish FSA. Although we don't expect pressure on the bank's liquidity, the Danish central bank's extraordinary facilities (see Recent developments section) provide a backstop by ensuring sufficient liquidity for banks.

Source of facts and figures cited in this report

Unless noted otherwise, we have sourced data relating to systemwide trends and market shares from the central bank. Bank-specific figures originate from banks' reports and Moody's Banking Financial Metrics. All figures are based on our own chart of accounts and may be adjusted for analytical purposes. Please refer to the document Financial Statement Adjustments in the Analysis of Financial Institutions, published on 9 August 2018.

ESG considerations

In line with our general view for the banking sector, Ringkjøbing has a low exposure to Environmental risks, see our Environmental risks heatmap for further information.

The most relevant Social risks for banks arise from the way they interact with their customers, see our Social risks heatmap for further information. Social risks are particularly high in the area of data security and customer privacy which is partly mitigated by sizeable technology investments and banks' long track record of handling sensitive client data. Fines and reputational damage due to product misselling or other types of misconduct is a further social risk. Societal trends are also relevant in a number of areas, such as shifting customer preferences towards digital banking services, increasing information technology cost, aging population concerns in several countries, including Denmark, impacting demand for financial services or socially driven policy agendas that may translate into regulation that affects banks' revenue base. We also regard the coronavirus outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety. Overall, we consider banks, including Ringkjøbing, to face moderate social risks.

Governance is highly relevant for Ringkjøbing, as it is to all players in the banking industry. Corporate governance weaknesses can lead to a deterioration in a company's credit quality, while governance strengths can benefit its credit profile. Governance risks are largely internal rather than externally driven, and for Ringkjøbing we do not have material governance concerns. Nonetheless corporate governance remains a key credit consideration and requires ongoing monitoring.

Support and structural considerations

Loss Given Failure analysis

Ringkjøbing operates in Denmark and is subject to the EU Bank Resolution and Recovery Directive (BRRD), which we consider an operational resolution regime. In accordance with our methodology we therefore apply our Advanced LGF analysis to Ringkjøbing's liabilities, considering the risks faced by different debt and deposit classes across the liability structure should the bank enter resolution.

In our Advanced LGF analysis we use our standard assumptions and assume residual tangible common equity of 3% and losses post-failure of 8% of tangible banking assets. We also assume a 25% runoff in "junior" wholesale deposits, and a 5% run-off in preferred deposits. We assign a 25% probability to deposits being preferred to senior unsecured debt.

Under these assumptions, for Ringkjøbing's A1 rated deposits, our LGF analysis indicates a very low loss-given-failure, leading to a two-notch uplift from the bank's a3 Adjusted BCA from which these ratings are notched.

For Ringkjøbing's A2 issuer rating, our LGF analysis indicates low loss-given-failure, leading to one notch of rating uplift from the bank's a3 Adjusted BCA. Issuer ratings are opinions of the bank's ability to honour senior unsecured debt and debt-like obligations.

The positive outlook on the bank's long-term deposit and issuer ratings reflects this likely evolution of the bank's liability structure and that the higher volumes of junior senior debt through to the end of 2021 could provide additional subordination to the bank's deposits and senior unsecured debt, thereby reducing their expected loss-given-failure.

In December 2019, Ringkjøbing received its updated MREL by the Danish FSA. This requirement was 21.2% of risk-weighted exposures and was applicable from the start of the year. The bank complied with this requirement as of this date by also grandfathering outstanding senior debt issued before 2018. We expect the bank will continue to gradually replace senior debt with junior senior debt issuance to meet the subordination requirement by 1 January 2022. The bank had junior senior debt of DKK1.2 billion outstanding as of the end of 2019, privately placed with institutional investors. According to its most recent disclosures the bank had expected to issue around DKK750 million in both 2020 and 2021. Ringkjøbing's use of small ticket private placements to issue its junior senior debt means that its plans are less likely to be impacted by market turbulence.

Government support considerations

We do not incorporate any government support uplift on Ringkjøbing's ratings because we consider the probability of government support, in case of need, to be low. Our government support assumptions are driven by the implementation of the EU's BRRD in Denmark.

Counterparty Risk Rating

Counterparty Risk Ratings (CRRs) are opinions of the ability of entities to honour the uncollateralised portion of non-debt counterparty financial liabilities (CRR liabilities) and also reflect the expected financial losses in the event such liabilities are not honoured. CRRs are distinct from ratings assigned to senior unsecured debt instruments and from issuer ratings because they reflect that, in a resolution, CRR liabilities might benefit from preferential treatment compared with senior unsecured debt. Examples of CRR liabilities include the uncollateralised portion of payables arising from derivatives transactions and the uncollateralised portion of liabilities under sale and repurchase agreements.

Ringkjøbing's CRR is positioned at Aa3/Prime-1

The CRR is positioned three notches above the adjusted BCA of a3, reflecting the extremely low loss-given-failure from the high volume of instruments that are subordinated to CRR liabilities.

Counterparty Risk (CR) Assessment

CR Assessments are opinions of how counterparty obligations are likely to be treated if a bank fails, and are distinct from debt and deposit ratings in that they (1) consider only the risk of default rather than both the likelihood of default and the expected financial loss, and (2) apply to counterparty obligations and contractual commitments rather than debt or deposit instruments. The CR Assessment is an opinion of the counterparty risk related to a bank's covered bonds, contractual performance obligations (servicing), derivatives (for example, swaps), letters of credit, guarantees and liquidity facilities.

Ringkjøbing's CR Assessment is positioned at Aa3(cr)/Prime-1(cr)

For Ringkjøbing, our LGF analysis indicates an extremely low loss-given-failure for the CR Assessment, leading to three notches of uplift from the bank's a3 Adjusted BCA.

Methodology and scorecard

About Moody's bank scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 5
Ringkjobing Landbobank A/S

Macro Factors		
Weighted Macro Profile	**Strong +**	**100%**

Factor	**Historic Ratio**	**Initial Score**	**Expected Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency						
Asset Risk						
Problem Loans / Gross Loans	6.7%	ba1	←→	ba2	Sector concentration	Expected trend
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	15.9%	aa3	↑	aa3	Expected trend	Nominal leverage
Profitability						
Net Income / Tangible Assets	1.8%	aa3	↓	a1	Expected trend	
Combined Solvency Score		a3		a3		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	9.5%	a1	←→	a1	Extent of market funding reliance	Expected trend
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	21.3%	baa1	←→	baa2	Asset encumbrance	
Combined Liquidity Score		a2		a3		
Financial Profile				a3		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				Aaa		
BCA Scorecard-indicated Outcome - Range				a2 - baa1		
Assigned BCA				a3		
Affiliate Support notching				0		
Adjusted BCA				a3		

Balance Sheet	**in-scope (DKK Million)**	**% in-scope**	**at-failure (DKK Million)**	**% at-failure**
Other liabilities	7,814	16.4%	11,267	23.7%
Deposits	33,851	71.1%	30,399	63.8%
Preferred deposits	25,050	52.6%	23,798	50.0%
Junior deposits	8,801	18.5%	6,601	13.9%
Senior unsecured bank debt	1,143	2.4%	1,143	2.4%
Junior senior unsecured bank debt	1,182	2.5%	1,182	2.5%
Dated subordinated bank debt	2,196	4.6%	2,196	4.6%
Equity	1,428	3.0%	1,428	3.0%
Total Tangible Banking Assets	47,615	100.0%	47,615	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	26.4%	26.4%	26.4%	26.4%	3	3	3	3	0	aa3
Counterparty Risk Assessment	26.4%	26.4%	26.4%	26.4%	3	3	3	3	0	aa3 (cr)
Deposits	26.4%	10.1%	26.4%	12.5%	3	3	3	2	0	a1

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	aa3	0	Aa3	Aa3
Counterparty Risk Assessment	3	0	aa3 (cr)	0	Aa3(cr)	
Deposits	2	0	a1	0	A1	A1

[1]Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Investors Service

Ratings

Exhibit 6

Category	Moody's Rating
RINGKJOBING LANDBOBANK A/S	
Outlook	Positive
Counterparty Risk Rating	Aa3/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Issuer Rating	A2
ST Issuer Rating	P-1

Source: Moody's Investors Service

Endnotes

1 MREL must be met exclusively with capital and junior debt instruments that are written-down or converted into equity before simple creditors in resolution or bankruptcy from 2022.

2 The bank ratings shown here are the bank's issuer rating and baseline credit assessment

REPORT NUMBER 1224549

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454