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## **Ringkjøbing Landbobank's report for the first quarter of 2018 - Early publication**

As indicated in the report below for the first quarter of 2018, the Danish FSA carried out a “major” inspection of the bank during the quarter.

The inspection process was satisfactory and it was concluded just before Easter. The inspection meant early clarification of several items and the bank already has a total overview. The full first-quarter report is thus finalised and approved by the bank's management today.

Publication has thus been brought forward compared to the financial calendar for 2018 which was announced earlier.

Please do not hesitate to contact the bank's management if you have any questions.

Yours sincerely,

**Ringkjøbing Landbobank**

John Fisker      Jørn Nielsen

## Ringkjøbing Landbobank's report for the first quarter of 2018 - Substantial growth and upward adjustment of expectations

Profit before tax increased by 36% to DKK 269 million, equivalent to a 30% return on equity at the beginning of the period, which is considered highly satisfactory. Core earnings showed an increase of 27% to DKK 217 million and are thus well above budget for the first quarter of the year.

(DKK million)	Q1 2018	Q1 2017	2017	2016	2015	2014
Total core income	274	251	1,019	983	954	907
Total expenses and depreciation	-83	-75	-334	-318	-306	-298
<b>Core earnings before impairment charges for loans</b>	<b>191</b>	<b>176</b>	<b>685</b>	<b>665</b>	<b>648</b>	<b>609</b>
Impairment charges for loans etc.	+26	-5	-10	-48	-60	-87
<b>Core earnings</b>	<b>217</b>	<b>171</b>	<b>675</b>	<b>617</b>	<b>588</b>	<b>522</b>
Result for the portfolio etc.	+52	+27	+60	+44	0	+65
<b>Profit before tax</b>	<b>269</b>	<b>198</b>	<b>735</b>	<b>661</b>	<b>588</b>	<b>587</b>

### The quarter - highlights

- Upward adjustment of expectations for core earnings by DKK 100 million to the range DKK 700 - 775 million
- Upward adjustment of expectations for profit before tax by approximately DKK 150 million to the range DKK 700 - 875 million
- Profit before tax was DKK 269 million, equivalent to a return of 30% p.a. on equity at the beginning of the period
- Core earnings were DKK 217 million, which is well above budget for the quarter
- Reversal of impairment charges by DKK 26 million
- During the first quarter, the Danish FSA carried out a “major” inspection with a satisfactory result
- Increase in the bank's loans of 10% and an increase in deposits of 5%
- The bank has determined new capital targets in connection with the implementation of the MREL requirement
- The adopted share buy-back programme of DKK 170 million is expected to be initiated later in the 2<sup>nd</sup> quarter
- A good image and high customer satisfaction continue to increase customer numbers

## Management's review

### Core income

Net interest income was DKK 167 million in the first quarter of 2018 compared to DKK 161 million in 2017, an increase of 4%. The bank is satisfied with this development, but it should also be compared to a 10% increase in lending volumes, which underlines that interest income is still influenced by a changed mix of loans with more low-margin and low-risk products. This item is also still influenced by the competition in the sector and continuing low interest rates.

Fee, commission and foreign exchange income amounted to DKK 85 million net in the first quarter of 2018 compared to DKK 71 million net in 2017, an increase of 19%. Fee income in the first quarter of 2018 was primarily affected positively by an increase in income from securities trading, asset management and custody accounts and from guarantee commission and mortgage credit commission.

Earnings from sector shares increased by DKK 4 million to DKK 21 million in the first quarter of 2018. The earnings derive primarily from return on the bank's ownership interests in DLR Kredit and BankInvest Holding (BI Holding).

In March 2018, the board of directors of BI Holding, in which the bank had an ownership interest of 10.3% at the end of March 2018, decided to change the valuation principles for the company's shares. The change in the valuation principles resulted in a revaluation of the bank's ownership interest by DKK 52 million. Although the revaluation can be related to a sector share, it has been booked in the bank's statement of core earnings under the item "Result for the portfolio" because it is a once-only income that does not influence the bank's regular income from its holding of sector shares.

Total core income in the first quarter increased by 9% from DKK 251 million in 2017 to DKK 274 million in 2018.

### Costs and depreciation

Total costs including depreciation and write-downs on tangible assets amounted to DKK 83 million in the first quarter of 2018 compared to DKK 75 million last year, an increase of 11%.

The increase compared to the first quarter of 2018 is related to a DKK 3 million increase in staff costs and a DKK 5 million non-recurrent write-down on property.

The rate of costs was unchanged relative to the 2017 level and was computed at 30.3 for the first quarter of 2018, which continues to be the lowest in Denmark.

The bank expects total costs to increase by 3-5% for the year as a whole including the above write-down on property.

### **Impairment charges for loans**

The bank reversed impairment charges during the first quarter of the year, and a total of DKK 26 million was thus carried to income during the quarter compared to an expense of DKK 5 million in 2017. The reversals were made on the basis of improved credit quality in certain exposures, and as a whole there were no new impairment charges during the quarter.

With effect from 1 January, the bank started using impairment rules that are compatible with the IFRS 9 reporting standard. 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 there is objective evidence of impairment (stage 3), the asset must be impaired by the expected credit loss over the asset's remaining life, but 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 period is thus DKK 46 million, equivalent to 1.2% of equity. Further reference is made to the section "Capital structure".

Individual impairment charges (stage 3) were DKK 558 million at the end of the quarter, while stages 1 and 2 impairment charges totalled DKK 371 million on 31 March 2018.

The bank's total account for impairment charges and provisions was DKK 971 million at the end of the quarter, equivalent to 4.0% of total loans and guarantees.

The portfolio of loans with suspended calculation of interest amounted to DKK 22 million, equivalent to 0.1% of the bank's total loans and guarantees at the end of the quarter.

On the basis of the quality of the bank's loans portfolio and prospects for economic development, the bank still expects total impairment charges in the coming quarters to remain low.

## Core earnings

(DKK million)	Q1 2018	Q1 2017	2017	2016	2015	2014
Total core income	274	251	1,019	983	954	907
Total expenses and depreciation	-83	-75	-334	-318	-306	-298
<b>Core earnings before impairment charges for loans</b>	<b>191</b>	<b>176</b>	<b>685</b>	<b>665</b>	<b>648</b>	<b>609</b>
Impairment charges for loans etc.	+26	-5	-10	-48	-60	-87
<b>Core earnings</b>	<b>217</b>	<b>171</b>	<b>675</b>	<b>617</b>	<b>588</b>	<b>522</b>

Core earnings were DKK 217 million compared to DKK 171 million last year, which is well above budget for the quarter.

## Result for the portfolio and market risk

The result for the portfolio for the first quarter of 2018 was positive by DKK 52 million net including funding costs for the portfolio. DKK 52 million is attributable to the revaluation of the bank's ownership interest in BI Holding. Further details are given in the section "Core income".

Shares etc. at the end of the quarter amounted to DKK 715 million, DKK 41 million of which was in listed shares etc. and DKK 674 million in sector shares etc. The bond portfolio amounted to DKK 3,293 million, and the majority of the portfolio consists 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 0.9% of the bank's tier 1 capital at the end of the quarter.

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 based on a Value at Risk model (computed with a 10-day horizon and 99% probability) was as follows in the first quarter of 2018:

	Risk in DKK million	Risk relative to equity end of Q1 2018 in %
Highest risk of loss:	9.1	0.24%
Lowest risk of loss:	3.3	0.09%
Average risk of loss:	5.5	0.15%
End of period risk of loss:	4.4	0.12%

## Profit after tax

Profit after tax was DKK 224 million for the first quarter of 2018, compared to DKK 158 million last year.

The profit after tax is equivalent to a return on equity at the beginning of the period of 25% p.a. after payment of dividend.

## Balance sheet

The bank's balance sheet at the end of the quarter stood at DKK 27,004 million compared to last year's DKK 24,441 million.

The bank's deposits increased by 5% from DKK 18,565 million at the end of March 2017 to DKK 19,511 million at the end of March 2018. The bank's loans increased by 10% from DKK 18,186 million at the end of March 2017 to DKK 19,925 million at the end of March 2018.

The bank's portfolio of guarantees at the end of the quarter was DKK 3,076 million compared to DKK 2,484 million in 2017.

## The Danish FSA's inspection

The Danish FSA has just completed a "major" inspection of the bank which was carried out in February and March.

The inspection process was satisfactory. There was no objective evidence to suggest that additional impairment charges for loans were required, and the calculated individual solvency requirement was approved at an unchanged level. The final report on the inspection is expected to be published in May 2018.

## Liquidity

The bank's liquidity situation is good. The bank's short-term funding with term to maturity of less than 12 months amounts to DKK 1.2 billion, balanced by DKK 6.0 billion primarily in short-term investments in the Danish central bank and in liquid securities.

The bank's loans at the end of the quarter were at the same level as the bank's deposits. The loan portfolio is thus more than fully financed by the bank's deposits and equity. In addition, part of the loan portfolio for wind turbines in Germany is refinanced back-to-back with KfW Bankengruppe, which means that DKK 923 million can be disregarded in terms of liquidity.

In terms of liquidity, the bank must comply with the LCR requirement. On 31 March 2018 the bank's LCR was 256% and the bank thus met the statutory requirement of at least 100%.

On 31 December 2016, the LCR requirement replaced the statutory Section 152 requirement, which was phased out on the same date. However, the latter must still be disclosed, and the figure at the end of March 2018 was 130%.

During the first quarter of the year, the bank strengthened its long-term liquidity by entering into longer-term deposit and money market agreements and issues for the equivalent of a total of DKK 185 million euros with terms from 5 to 10 years and with disbursement in the first quarter of 2018 and later.

This was done with a view to funding growth, remaining independent of the short-term money market and strengthening the bank's short-term and long-term LCR.

## Capital structure

It was announced at the bank's annual general meeting on 28 February 2018 that the bank's management had worked with new capital targets. These targets are now finalised and the bank will operate with three targets in the future.

The common equity tier 1 capital ratio must be 13.5%, the total capital ratio must be 17% and the total capital for covering the MREL add-ons must be 22%. The 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 share buy-back programmes. Finally, no time-limit has been set for when the targets for the common equity tier 1 capital ratio and the total capital ratio must be met.

The total capital target for covering the MREL add-ons must be met already at the beginning of 2019, because the bank has decided to meet the fully phased-in MREL requirement from that date.

The Danish FSA has given the bank a provisional MREL requirement of 17.9% but it will be recalculated later this year. To this must be added a countercyclical capital buffer of 0.50% which will be introduced with effect from 31 March 2019. To comply with the MREL requirement, the bank had established funding to meet the requirements for grandfathering of contractual senior funding already at the end of 2017. DKK 2.0 billion of this can be included in the sum needed to comply with the bank's MREL requirement at the beginning of 2019. The bank will thus have comfortable excess cover to meet both the MREL requirement and its own target. The bank further expects that it must raise tier 3 capital during 2020 or 2021.

Equity at the beginning of 2018 was DKK 3,817 million. To this must be added the profit for the period, while the dividend paid must be subtracted and adjustments must be made for movements in the bank's holding of own shares, after which the equity at the end of the quarter was DKK 3,785 million.

The bank's total capital ratio was computed at 17.6% at the end of the first quarter of 2018, and the tier 1 capital ratio at 16.1%.

<b>Capital ratios</b>	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Common equity tier 1 capital ratio (%)	16.1	16.4	16.5	16.9	17.1	17.5
Tier 1 capital ratio (%)	16.1	16.4	16.5	16.9	17.1	17.5
<b>Total capital ratio (%)</b>	<b>17.6</b>	<b>17.9</b>	<b>17.8</b>	<b>18.8</b>	<b>18.8</b>	<b>17.5</b>
Individual solvency requirement (%)	9.0	9.0	9.0	9.0	9.0	8.9

The statement of capital is influenced by the deduction of the entire DKK 170 million share buy-back programme from the capital, the equivalent of 0.9 percentage points.

The bank has calculated the individual solvency requirement at the end of March 2018 at 9.0%. To this should be added a capital conservation buffer of 1.9%; the total requirement for the bank's total capital is thus 10.9%.

Compared with the actual total capital of DKK 3.5 billion, the capital buffer at the end of March 2018 was thus DKK 1.3 billion, equivalent to 6.7 percentage points.

### Capital reduction and share buy-back programme

It was decided at the annual general meeting held on 28 February 2018 to cancel 538,000 of the bank's own shares. The capital reduction is expected to be finalised during May 2018. The bank's actual share capital is thus DKK 21.812 million in nom. DKK 1 shares.

The general meeting also adopted a new share buy-back programme, under which the bank may buy back own shares for up to DKK 170 million for cancellation at a future general meeting. The new programme has not yet been initiated and no shares reserved under it. The programme is expected to be initiated later in the 2<sup>nd</sup> quarter.

### The Supervisory Diamond

The bank complies with the Danish FSA's Supervisory Diamond which contains five 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 will 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 175%.

The Danish FSA's benchmarks and associated limit values and the bank's key figures at the end of March 2018, etc. are given in the table below.

<b>The Supervisory Diamond (Danish FSA limit values)</b>	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Stable funding (funding ratio) (< 1)	0.7	0.8	0.8	0.7	0.8	0.8
Excess liquidity (> 50%)	130.3%	130.3%	116.8%	139.6%	99.7%	140.7%
Total large exposures (< 175%)	137.7%	N/A	136.1%	N/A	N/A	N/A
Total large exposures (< 125%) (previous applicable)	22.1%	30.3%	22.5%	29.5%	63.4%	47.8%
Growth in loans (< 20%)	9.6%	6.7%	10.7%	2.7%	14.0%	7.8%
Real property exposure (< 25%)	19.8%	17.2%	18.0%	14.8%	14.1%	11.6%

Ringkjøbing Landbobank thus observes all five current limit values by a good margin.

The Danish FSA has also decided to change the liquidity benchmark with effect from 30 June 2018. The current excess liquidity coverage benchmark calculated on the basis of the minimum requirement in Section 152 of the Financial Business Act will be a future LCR liquidity benchmark and show the ability of banks to survive stressed liquidity for a three-month period. The limit value for the new liquidity benchmark will require the key figure to be greater than 100%. The bank expects to be able to comply with the limit value for the new liquidity benchmark without any problems. Further reference is made to the section "Liquidity".

### Encouraging increase in customer numbers

The bank has previously implemented a large number of outreach initiatives to both current and new customers. The outreach initiatives are scheduled to continue in 2018 at both regional and national levels.

The management has changed the strategy for the bank and no more new branches will be established for the time being. Instead, it was decided to invest in the existing branches and utilise the good potential in the market for attracting additional customers on the basis of the bank's good image and its customers' willingness to recommend the bank to others. In the first quarter of 2018 the bank thus added a business customer department to its Private Banking branch in Aarhus.

The good image and high customer satisfaction continue to increase customer numbers, and the bank also saw a highly satisfactory net increase in new customers in both the branch network and within the niche concepts during the first quarter of the year.

### **Changes in the board of directors**

Due to the provision on age in the articles of association, chairman of the board of directors for 16 years, timber merchant Jens Lykke Kjeldsen retired from the bank's board of directors and from the shareholders' committee with effect from the annual general meeting held on 28 February 2018.

As a consequence, the board of directors has elected the former deputy chairman of the board, CEO Martin Krogh Pedersen, to be the new chairman of the board and manager Jens Møller Nielsen as the new deputy chairman of the board.

The shareholders' committee will elect one additional member to the bank's board of directors on 25 April 2018, to bring the total number of board members back up to nine.

### **Accounting policies and key figures**

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

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

### **Expected results for 2018**

The bank's core earnings for the first quarter of 2018 were DKK 217 million, which is well above the budget for the quarter.

On the basis of the realised increase in loans, increasing net interest income, encouraging increase in customer numbers and the reversed impairment charges, expectations for core earnings for 2018 are adjusted upward from DKK 600 - 675 million to DKK 700 - 775 million.

Profit before tax for the quarter was DKK 269 million. On this basis expectations for profit before tax are adjusted upward from DKK 540 - 735 million to DKK 700 - 875 million.

#### **Disclaimer:**

This document is a translation of an original document in Danish. The original Danish text shall be the governing text for all purposes and in case of any discrepancy the Danish wording shall be applicable.

## Main and key figures

	Q1 2018	Q1 2017	Full year 2017
<b>Main figures for the bank</b> (DKK million)			
Total core income	274	251	1,019
Total expenses and depreciation	-83	-75	-334
<b>Core earnings before impairment charges for loans</b>	<b>191</b>	<b>176</b>	<b>685</b>
Impairment charges for loans etc.	+26	-5	-10
<b>Core earnings</b>	<b>217</b>	<b>171</b>	<b>675</b>
Result for the portfolio	+52	+27	+60
<b>Profit before tax</b>	<b>269</b>	<b>198</b>	<b>735</b>
<b>Profit after tax</b>	<b>224</b>	<b>158</b>	<b>589</b>
Equity	3,785	3,500	3,817
Deposits	19,511	18,565	19,110
Loans	19,925	18,186	19,351
Balance sheet total	27,004	24,441	25,796
Guarantees	3,076	2,484	3,184
<b>Key figures for the bank</b> (per cent)			
Return on equity before tax, beginning of period	30.1	23.3	21.7
Return on equity after tax, beginning of period	25.1	18.6	17.3
Rate of costs	30.3	29.9	32.8
Common equity tier 1 capital ratio	16.1	16.4	16.5
Tier 1 capital ratio	16.1	16.4	16.5
Total capital ratio	17.6	17.9	17.8
Individual solvency requirement	9.0	9.0	9.0
<b>Key figures per DKK 1 share</b> (DKK)			
Core earnings	9.9	7.6	30.9
Profit before tax	12.3	8.8	33.7
Profit after tax	10.3	7.0	27.0
Book value	173.5	156.6	175.0
Price, end of period	332.0	309.0	321.5
Dividend	-	-	9.0

## Statements of income and comprehensive income

Note		Q1 2018 DKK 1,000	Q1 2017 DKK 1,000	Full year 2017 DKK 1,000
1	Interest income	174,072	177,157	694,136
2	Interest expenses	10,318	15,948	53,094
	<b>Net interest income</b>	<b>163,754</b>	<b>161,209</b>	<b>641,042</b>
3	Dividend from shares etc.	852	567	10,258
4	Fee and commission income	90,291	76,431	322,717
4	Fee and commission expenses	9,612	10,326	42,486
	<b>Net interest and fee income</b>	<b>245,285</b>	<b>227,881</b>	<b>931,531</b>
5	Value adjustments	+79,899	+48,729	+143,225
	Other operating income	1,050	823	4,979
6, 7	Staff and administration costs	76,307	73,112	327,024
	Amortisation, depreciation and write-downs on intangible and tangible assets	5,926	1,069	4,249
	Other operating expenses			
	Miscellaneous other operating expenses	0	54	326
	Costs Guarantee Fund and Resolution Fund	750	600	2,848
8	Impairment charges for loans and other receivables etc.	+25,551	-4,972	-10,320
	Results from investments in associated companies	0	0	-20
	<b>Profit before tax</b>	<b>268,802</b>	<b>197,626</b>	<b>734,948</b>
9	Tax	44,375	39,750	146,308
	<b>Profit after tax</b>	<b>224,427</b>	<b>157,876</b>	<b>588,640</b>
	Other comprehensive income	0	0	0
	<b>Total comprehensive income for the period</b>	<b>224,427</b>	<b>157,876</b>	<b>588,640</b>

## Core earnings

Note		Q1 2018 DKK 1,000	Q1 2017 DKK 1,000	Full year 2017 DKK 1,000
	Net interest income	167,157	161,196	642,707
4	Net fee and commission income excluding trading income	58,484	48,134	215,374
	Income from sector shares etc.	20,608	17,095	70,674
4	Foreign exchange income	4,516	5,230	20,902
	Other operating income	1,050	823	4,979
	<b>Total core income excluding trading income</b>	<b>251,815</b>	<b>232,478</b>	<b>954,636</b>
4	Trading income	22,195	17,971	64,857
	<b>Total core income</b>	<b>274,010</b>	<b>250,449</b>	<b>1,019,493</b>
6, 7	Staff and administration costs	76,307	73,112	327,024
	Amortisation, depreciation and write-downs on intangible and tangible assets	5,926	1,069	4,249
	Other operating expenses	750	654	3,174
	Total expenses etc.	82,983	74,835	334,447
	<b>Core earnings before impairment charges for loans</b>	<b>191,027</b>	<b>175,614</b>	<b>685,046</b>
8	Impairment charges for loans and other receivables etc.	+25,551	-4,972	-10,320
	<b>Core earnings</b>	<b>216,578</b>	<b>170,642</b>	<b>674,726</b>
	Result for the portfolio	+52,224	+26,984	+60,222
	<b>Profit before tax</b>	<b>268,802</b>	<b>197,626</b>	<b>734,948</b>
9	Tax	44,375	39,750	146,308
	<b>Profit after tax</b>	<b>224,427</b>	<b>157,876</b>	<b>588,640</b>

## Balance sheet

Note		31 March 2018 DKK 1,000	31 March 2017 DKK 1,000	31 Dec. 2017 DKK 1,000
	<b>Assets</b>			
	Cash in hand and demand deposits with central banks	291,347	279,825	308,211
<b>10</b>	Receivables from credit institutions and central banks	2,405,893	2,163,362	1,211,577
	Receivables with notice from central banks	2,094,341	1,703,184	957,086
	Money market operations and bilateral loans - term to maturity less than 1 year	256,552	310,898	199,491
	Bilateral loans - term to maturity more than 1 year	55,000	149,280	55,000
<b>11, 12</b>	Loans and other receivables at amortised cost	19,925,208	18,185,924	19,350,866
	Loans and other receivables at amortised cost	19,002,703	17,233,447	18,374,249
	Wind turbine loans with direct funding	922,505	952,477	976,617
<b>14</b>	Bonds at fair value	3,292,737	2,801,094	3,952,614
<b>15</b>	Shares etc.	714,513	595,890	621,285
	Investments in associated companies	489	509	489
	Land and buildings, total	50,515	56,045	55,647
	Investment properties	3,561	3,561	3,561
	Domicile properties	46,954	52,484	52,086
	Other tangible assets	18,833	19,495	18,811
	Current tax assets	22,961	12,411	20,483
	Deferred tax assets	8,719	8,153	8,719
	Temporary assets	5,587	5,200	4,000
	Other assets	260,243	306,214	235,351
	Prepayments	6,678	6,414	8,430
	<b>Total assets</b>	<b>27,003,723</b>	<b>24,440,536</b>	<b>25,796,483</b>

## Balance sheet

Note		31 March 2018 DKK 1,000	31 March 2017 DKK 1,000	31 Dec. 2017 DKK 1,000
	<b>Liabilities and equity</b>			
16	Debt to credit institutions and central banks	1,882,258	1,445,493	1,599,416
	Money market operations and bilateral credits - term to maturity less than 1 year	736,218	325,664	455,285
	Bilateral credits - term to maturity more than 1 year	223,535	167,352	167,514
	Bilateral credits from KfW Bankengruppe	922,505	952,477	976,617
17	Deposits and other debt	19,510,746	18,564,515	19,110,127
18	Issued bonds at amortised cost	1,197,939	297,514	673,436
	Other liabilities	211,258	250,520	210,691
	Deferred income	3,545	2,967	3,879
	<b>Total debt</b>	<b>22,805,746</b>	<b>20,561,009</b>	<b>21,597,549</b>
12	Provisions for losses on guarantees	27,318	7,806	10,263
12	Other provisions for liabilities	13,840	0	0
	<b>Total provisions for liabilities</b>	<b>41,158</b>	<b>7,806</b>	<b>10,263</b>
	Tier 2 capital	372,058	371,275	371,753
19	<b>Total subordinated debt</b>	<b>372,058</b>	<b>371,275</b>	<b>371,753</b>
20	Share capital	22,350	22,850	22,350
	Net revaluation reserve under the equity method	138	158	138
	Retained earnings	3,762,273	3,477,438	3,592,780
	Proposed dividend etc.	-	-	201,650
	<b>Total shareholders' equity</b>	<b>3,784,761</b>	<b>3,500,446</b>	<b>3,816,918</b>
	<b>Total liabilities and equity</b>	<b>27,003,723</b>	<b>24,440,536</b>	<b>25,796,483</b>
21	Own shares			
22	Contingent liabilities etc.			
23	Assets furnished as security			
24	Loans and guarantees in per cent, by sector and industry			
25	Miscellaneous comments			

## Statement of changes in equity

DKK 1,000	Share capital	Net revaluation reserve under the equity method	Retained earnings	Proposed dividend etc.	Total shareholders' equity
<b>On 31 March 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 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>
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>22,350</b>	<b>138</b>	<b>3,552,056</b>	<b>0</b>	<b>3,574,544</b>
Purchase of own shares			-74,190		-74,190
Sale of own shares			58,482		58,482
Other equity transactions			1,498		1,498
Total comprehensive income for the period			224,427		224,427
<b>Shareholders' equity on the balance sheet date</b>	<b>22,350</b>	<b>138</b>	<b>3,762,273</b>	<b>0</b>	<b>3,784,761</b>

## 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>On 31 March 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>
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>22,850</b>	<b>158</b>	<b>3,370,778</b>	<b>0</b>	<b>3,393,786</b>
Purchase of own shares			-217,974		-217,974
Sale of own shares			166,758		166,758
Total comprehensive income for the period			157,876		157,876
<b>Shareholders' equity on the balance sheet date</b>	<b>22,850</b>	<b>158</b>	<b>3,477,438</b>	<b>0</b>	<b>3,500,446</b>
<b>On 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>

## Statement of capital

	<b>31 March 2018 DKK 1,000</b>	<b>31 March 2017 DKK 1,000</b>	<b>31 Dec. 2017 DKK 1,000</b>
Credit risk	17,166,610	15,133,930	16,648,306
Market risk	1,035,977	1,183,863	1,169,580
Operational risk	1,890,456	1,827,053	1,890,456
<b>Total risk exposure</b>	<b>20,093,043</b>	<b>18,144,846</b>	<b>19,708,342</b>
Equity	3,784,761	3,500,446	3,816,918
Proposed dividend etc.	0	0	-201,650
Deduction for expected dividend	-77,254	-44,390	0
Addition for transition programme concerning IFRS 9	43,544	0	0
Deduction for prudent valuation	-6,317	-5,365	-5,724
Deduction for the sum of equity investments etc. above 10%	-300,825	-297,375	-308,194
Deduction of the amount of the share buy-back programme	-170,000	-170,000	0
Actual utilisation of the amount of the share buy-back programme	0	47,717	0
Deduction for trading limit for own shares	-55,000	-55,000	-55,000
Actual utilisation of the trading limit for own shares	14,437	8,147	220
<b>Common equity tier 1 capital</b>	<b>3,233,346</b>	<b>2,984,180</b>	<b>3,246,570</b>
<b>Tier 1 capital</b>	<b>3,233,346</b>	<b>2,984,180</b>	<b>3,246,570</b>
Tier 2 capital	372,558	371,893	372,253
Deduction for the sum of equity investments etc. above 10%	-72,942	-107,466	-104,494
<b>Total capital</b>	<b>3,532,962</b>	<b>3,248,607</b>	<b>3,514,329</b>
<b>Common equity tier 1 capital ratio (%)</b>	<b>16.1</b>	<b>16.4</b>	<b>16.5</b>
<b>Tier 1 capital ratio (%)</b>	<b>16.1</b>	<b>16.4</b>	<b>16.5</b>
<b>Total capital ratio (%)</b>	<b>17.6</b>	<b>17.9</b>	<b>17.8</b>
Total capital requirement	1,607,443	1,451,588	1,576,667
Individual solvency requirement (%)	9.0	9.0	9.0
Capital conservation buffer (%)	1.9	1.3	1.3
Countercyclical buffer (%)	0.0	0.0	0.0
Total requirement for the bank's total capital (%)	10.9	10.3	10.3
Excess cover in percentage points relative to individual solvency requirement	8.6	8.9	8.8
Excess cover in percentage points relative to total requirement for total capital	6.7	7.6	7.5

## Notes

Note	Q1 2018 DKK 1,000	Q1 2017 DKK 1,000	Full year 2017 DKK 1,000
<b>1 Interest income</b>			
Receivables from credit institutions and central banks	-2,075	2,450	710
Loans and other receivables	175,608	172,297	687,492
Loans - interest on the impaired part of loans	-6,864	-7,626	-29,355
Bonds	4,120	8,520	28,291
Total derivative financial instruments	1,866	1,383	2,446
Of which currency contracts	1,270	958	2,654
Of which interest-rate contracts	596	425	-208
Other interest income	1,417	133	4,552
<b>Total interest income</b>	<b>174,072</b>	<b>177,157</b>	<b>694,136</b>
<b>2 Interest expenses</b>			
Credit institutions and central banks	2,678	5,297	14,213
Deposits and other debt	5,345	9,140	32,436
Issued bonds	887	117	766
Subordinated debt	1,370	1,367	5,651
Other interest expenses	38	27	28
<b>Total interest expenses</b>	<b>10,318</b>	<b>15,948</b>	<b>53,094</b>
<b>3 Dividends from shares etc.</b>			
Shares	852	567	10,258
<b>Total dividends from shares etc.</b>	<b>852</b>	<b>567</b>	<b>10,258</b>
<b>4 Gross fee and commission income</b>			
Securities trading	24,243	21,202	75,038
Asset management and custody accounts	19,858	16,527	93,203
Payment handling	7,967	7,028	32,277
Loan fees	3,206	1,760	10,660
Guarantee commission and mortgage credit commission etc.	20,102	16,421	77,574
Other fees and commission	14,915	13,493	33,965
<b>Total gross fee and commission income</b>	<b>90,291</b>	<b>76,431</b>	<b>322,717</b>
<b>Net fee and commission income</b>			
Securities trading	22,195	17,971	64,857
Asset management and custody accounts	17,464	14,342	84,652
Payment handling	5,359	5,174	21,989
Loan fees	2,571	1,070	7,207
Guarantee commission and mortgage credit commission etc.	20,102	16,421	77,574
Other fees and commission	12,988	11,127	23,952
<b>Total net fee and commission income</b>	<b>80,679</b>	<b>66,105</b>	<b>280,231</b>
Foreign exchange income	4,516	5,230	20,902
<b>Total net fee, commission and foreign exchange income</b>	<b>85,195</b>	<b>71,335</b>	<b>301,133</b>

## Notes

Note	Q1 2018 DKK 1,000	Q1 2017 DKK 1,000	Full year 2017 DKK 1,000
<b>5 Value adjustments</b>			
Other loans and receivables, fair value adjustment	604	387	3,879
Bonds	-6,237	12,369	30,502
Shares etc.	75,864	20,825	68,613
Foreign exchange	4,516	5,230	20,902
Total derivative financial instruments	8,680	9,918	19,329
Of which currency contracts	7,425	-3,625	467
Of which interest-rate contracts	1,030	13,270	18,011
Of which share contracts	225	273	851
Issued bonds	-3,528	0	0
<b>Total value adjustments</b>	<b>79,899</b>	<b>48,729</b>	<b>143,225</b>
<b>6 Staff and administration costs</b>			
Salaries and fees to general management, board of directors and shareholders' committee			
General management	1,801	1,730	7,356
Board of directors	0	0	1,734
Shareholders' committee	0	0	469
Total	1,801	1,730	9,559
Staff costs			
Salaries	33,955	31,698	142,368
Pensions	3,826	3,561	14,852
Social security expenses	783	460	1,812
Costs depending on number of staff	5,375	5,313	22,431
Total	43,939	41,032	181,463
Other administration costs	30,567	30,350	136,002
<b>Total staff and administration costs</b>	<b>76,307</b>	<b>73,112</b>	<b>327,024</b>
<b>7 Number of full-time employees</b>			
Average number of full-time-equivalent staff during the period	<b>277</b>	<b>271</b>	<b>274</b>
<b>8 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	-19,246	12,646	-6,094
Actual realised net losses	559	-48	45,769
Interest on the impaired part of loans	-6,864	-7,626	-29,355
<b>Total impairment charges for loans and other receivables etc.</b>	<b>-25,551</b>	<b>4,972</b>	<b>10,320</b>

## Notes

Note		Q1 2018 DKK 1,000	Q1 2017 DKK 1,000	Full year 2017 DKK 1,000
<b>9</b>	<b>Tax</b>			
	Tax calculated on income for the period	44,375	39,750	147,863
	Adjustment of deferred tax	0	0	-566
	Adjustment of tax calculated for previous years	0	0	-989
	<b>Total tax</b>	<b>44,375</b>	<b>39,750</b>	<b>146,308</b>
	<b>Effective tax rate (%):</b>			
	Tax rate currently paid by the bank	22.0	22.0	22.0
	Permanent deviations	-5.5	-1.9	-2.0
	Adjustment of tax calculated for previous years	0.0	0.0	-0.1
	<b>Total effective tax rate</b>	<b>16.5</b>	<b>20.1</b>	<b>19.9</b>

Note		31 March 2018 DKK 1,000	31 March 2017 DKK 1,000	31 Dec. 2017 DKK 1,000
<b>10</b>	<b>Receivables from credit institutions and central banks</b>			
	Demand	156,552	140,898	100,211
	Up to and including 3 months	2,094,341	1,873,184	957,086
	More than 3 months and up to and including 1 year	100,000	0	99,280
	More than 1 year and up to and including 5 years	5,000	99,280	5,000
	More than 5 years	50,000	50,000	50,000
	<b>Total receivables from credit institutions and central banks</b>	<b>2,405,893</b>	<b>2,163,362</b>	<b>1,211,577</b>
<b>11</b>	<b>Loans and other receivables at amortised cost</b>			
	Demand	1,825,353	1,803,107	1,975,218
	Up to and including 3 months	1,079,384	920,889	651,025
	More than 3 months and up to and including 1 year	2,172,390	2,098,764	2,568,864
	More than 1 year and up to and including 5 years	7,135,311	6,415,933	6,527,126
	More than 5 years	7,712,770	6,947,231	7,628,633
	<b>Total loans and other receivables at amortised cost</b>	<b>19,925,208</b>	<b>18,185,924</b>	<b>19,350,866</b>

## Notes

Note	31 March 2018 DKK 1,000	31 March 2017 DKK 1,000	31 Dec. 2017 DKK 1,000
<b>12 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	589,384
Changed accounting policy for impairment charges	-577,490		
Impairment charges / value adjustments during the period	0	49,552	179,150
Reversal of impairment charges made in previous financial years	0	-38,212	-136,853
Recognised as a loss, covered by impairment charges	0	-1,258	-54,191
<b>Cumulative individual impairment charges on the balance sheet date</b>	<b>0</b>	<b>599,466</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	341,457
Changed accounting policy for impairment charges	-343,282		
Impairment charges / value adjustments during the period	0	1,045	1,825
<b>Cumulative collective impairment charges on the balance sheet date</b>	<b>0</b>	<b>342,502</b>	<b>343,282</b>
<b>Stage 1 impairment charges</b>			
Cumulative stage 1 impairment charges at the end of the previous financial year	0	-	-
Changed accounting policy for impairment charges	61,228	-	-
Stage 1 impairment charges / value adjustment during the period	2,434	-	-
<b>Cumulative stage 1 impairment charges on the balance sheet date</b>	<b>63,662</b>	<b>-</b>	<b>-</b>
<b>Stage 2 impairment charges</b>			
Cumulative stage 2 impairment charges at the end of the previous financial year	0	-	-
Changed accounting policy for impairment charges	308,912	-	-
Stage 2 impairment charges / value adjustment during the period	-1,305	-	-
<b>Cumulative stage 2 impairment charges on the balance sheet date</b>	<b>307,607</b>	<b>-</b>	<b>-</b>
<b>Stage 3 impairment charges</b>			
Cumulative stage 3 impairment charges at the end of the previous financial year	0	-	-
Changed accounting policy for impairment charges	575,516	-	-
Stage 3 impairment charges / value adjustment during the period	38,638	-	-
Reversal of stage 3 impairment charges during the period	-54,657	-	-
Recognised as a loss, covered by stage 3 impairment charges	-1,372	-	-
<b>Cumulative stage 3 impairment charges on the balance sheet date</b>	<b>558,125</b>	<b>-</b>	<b>-</b>
<b>Total cumulative impairment charges for loans and other receivables on the balance sheet date</b>	<b>929,394</b>	<b>941,968</b>	<b>920,772</b>

## Notes

Note	31 March 2018 DKK 1,000	31 March 2017 DKK 1,000	31 Dec. 2017 DKK 1,000
<b>12 Provisions for losses on guarantees</b>			
Cumulative provisions for losses on guarantees at the end of the previous financial year	10,263	6,287	6,287
Changed accounting policy for provisions for losses on guarantees	20,881		
Provisions / value adjustments during the period	6,101	2,534	7,385
Reversal of provisions made in previous financial years	-8,476	-1,013	-2,095
Recognised as a loss, covered by provisions	-1,451	-2	-1,314
<b>Cumulative provisions for losses on guarantees on the balance sheet date</b>	<b>27,318</b>	<b>7,806</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	0	-	-
Changed accounting policy for provisions for losses on unutilised credit facilities	12,996	-	-
Provisions / value adjustments during the period	844	-	-
<b>Cumulative provisions for losses on unutilised credit facilities on the balance sheet date</b>	<b>13,840</b>	<b>-</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>970,552</b>	<b>949,774</b>	<b>931,035</b>
<b>13 Suspended calculation of interest</b>			
Loans and other receivables with suspended calculation of interest on the balance sheet date	<b>22,425</b>	<b>55,963</b>	<b>24,995</b>
<b>14 Bonds at fair value</b>			
Listed on the stock exchange	3,292,737	2,801,094	3,952,614
<b>Total bonds at fair value</b>	<b>3,292,737</b>	<b>2,801,094</b>	<b>3,952,614</b>
<b>15 Shares etc.</b>			
Listed on Nasdaq Copenhagen	24,373	16,463	12,233
Investment fund certificates	16,793	148,096	7,994
Unlisted shares at fair value	1,402	1,437	1,402
Sector shares at fair value	671,945	429,894	599,656
<b>Total shares etc.</b>	<b>714,513</b>	<b>595,890</b>	<b>621,285</b>

## Notes

Note	31 March 2018 DKK 1,000	31 March 2017 DKK 1,000	31 Dec. 2017 DKK 1,000
<b>16 Debt to credit institutions and central banks</b>			
Demand	229,540	251,286	269,160
Up to and including 3 months	527,926	95,476	240,993
More than 3 months and up to and including 1 year	127,347	133,171	97,329
More than 1 year and up to and including 5 years	629,363	630,929	604,614
More than 5 years	368,082	334,631	387,320
<b>Total debt to credit institutions and central banks</b>	<b>1,882,258</b>	<b>1,445,493</b>	<b>1,599,416</b>
<b>17 Deposits and other debt</b>			
Demand	12,593,496	12,139,398	12,267,337
Deposits and other debt with notice:			
Up to and including 3 months	1,726,408	1,886,928	2,646,787
More than 3 months and up to and including 1 year	1,899,738	1,461,255	908,429
More than 1 year and up to and including 5 years	1,433,666	1,547,668	1,468,246
More than 5 years	1,857,438	1,529,266	1,819,328
<b>Total deposits and other debt</b>	<b>19,510,746</b>	<b>18,564,515</b>	<b>19,110,127</b>
Distributed as follows:			
Demand	12,533,645	11,965,010	12,129,959
With notice	1,806,678	301,725	1,785,363
Time deposits	1,592,908	3,083,319	1,725,906
Long-term deposit agreements	2,151,443	1,874,437	2,008,385
Special types of deposits	1,426,072	1,340,024	1,460,514
	<b>19,510,746</b>	<b>18,564,515</b>	<b>19,110,127</b>
<b>18 Issued bonds at amortised cost</b>			
More than 3 months and up to and including 1 year	298,046	0	297,802
More than 1 year and up to and including 5 years	748,102	297,514	375,634
More than 5 years	151,791	0	0
<b>Total issued bonds at amortised cost</b>	<b>1,197,939</b>	<b>297,514</b>	<b>673,436</b>
<b>19 Subordinated debt</b>			
Tier 2 capital:			
Floating-rate loan, principal of EUR 50 million, maturity date 20 May 2025	372,558	371,893	372,253
Adjustment to amortised cost	-500	-618	-500
<b>Total subordinated debt</b>	<b>372,058</b>	<b>371,275</b>	<b>371,753</b>

## Notes

Note	31 March 2018 DKK 1,000	31 March 2017 DKK 1,000	31 Dec. 2017 DKK 1,000
<b>20 Share capital</b>			
Number of DKK 1 shares			
Beginning of period	22,350,000	22,850,000	22,850,000
Cancelled during the period	0	0	-500,000
<b>End of period</b>	<b>22,350,000</b>	<b>22,850,000</b>	<b>22,350,000</b>
Reserved for the adopted capital reduction	538,000	500,000	0
Reserved for subsequent cancellation	0	160,000	538,000
<b>Total share capital</b>	<b>22,350</b>	<b>22,850</b>	<b>22,350</b>
<b>21 Own shares</b>			
Own shares included in the balance sheet at	0	0	0
The market value is	193,053	212,357	173,187
Number of own shares:			
Beginning of period	538,685	515,890	515,890
Purchased during the period	223,672	568,450	1,444,027
Sold during the period	-180,873	-397,100	-921,232
Cancelled during the period	0	0	-500,000
End of period	581,484	687,240	538,685
Reserved for the adopted capital reduction	538,000	500,000	0
Reserved for subsequent cancellation	0	160,000	538,000
Nominal value of holding of own shares, end of period	581	687	539
Own shares' proportion of share capital, end of period (%)	2.6	3.0	2.4
<b>22 Contingent liabilities etc.</b>			
<b>Contingent liabilities</b>			
Financial guarantees	1,113,237	1,038,166	1,101,189
Guarantees against losses on mortgage credit loans	669,332	527,582	633,796
Registration and refinancing guarantees	857,774	557,609	969,390
Sector guarantees	65,913	60,451	75,892
Other contingent liabilities	369,623	300,316	403,607
<b>Total contingent liabilities</b>	<b>3,075,879</b>	<b>2,484,124</b>	<b>3,183,874</b>
<b>Other contractual obligations</b>			
Irrevocable credit commitments etc.	110,000	123,900	392,000
<b>Total other contractual obligations</b>	<b>110,000</b>	<b>123,900</b>	<b>392,000</b>
<b>23 Assets furnished as security</b>			
First-mortgage loans are provided for German wind turbine 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>922,505</b>	<b>952,477</b>	<b>976,617</b>
As security for clearing etc., the bank has pledged securities from its holding to the central bank of Denmark to a total market price of	<b>173,620</b>	<b>114,471</b>	<b>235,418</b>
Collateral under CSA agreements etc.	<b>25,552</b>	<b>32,304</b>	<b>31,609</b>



## Main figures

<b>Summary of the income statement (DKK million)</b>	<b>Q1 2018</b>	<b>Q1 2017</b>	<b>Full year 2017</b>
Net interest income	164	161	641
Dividend from shares etc.	1	1	10
Net fee and commission income	80	66	280
Net interest and fee income	245	228	931
Value adjustments	+80	+49	+143
Other operating income	1	1	5
Staff and administration costs	76	73	327
Amortisation, depreciation and write-downs on intangible and tangible assets	6	1	4
Other operating expenses	1	1	3
Impairment charges for loans and receivables etc.	+26	-5	-10
Results from investments in associated companies	0	0	0
Profit before tax	269	198	735
Tax	45	40	146
Profit after tax	224	158	589
<b>Main figures from the balance sheet (DKK million)</b>	<b>31 March 2018</b>	<b>31 March 2017</b>	<b>31 Dec. 2017</b>
Loans and other receivables	19,925	18,186	19,351
Deposits and other debt	19,511	18,565	19,110
Subordinated debt	372	371	372
Equity	3,785	3,500	3,817
Balance sheet total	27,004	24,441	25,796

## Quarterly overview

(DKK million)	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net interest income	167	165	158	159	161	165	169	165	166
Net fee and commission income excluding trading income	58	52	48	67	48	70	44	52	48
Income from sector shares etc.	21	19	18	17	17	9	4	15	11
Foreign exchange income	5	5	5	5	6	4	4	4	4
Other operating income	1	1	1	2	1	4	2	1	1
<b>Total core income excluding trading income</b>	<b>252</b>	<b>242</b>	<b>230</b>	<b>250</b>	<b>233</b>	<b>252</b>	<b>223</b>	<b>237</b>	<b>230</b>
Trading income	22	13	18	15	18	10	11	11	9
<b>Total core income</b>	<b>274</b>	<b>255</b>	<b>248</b>	<b>265</b>	<b>251</b>	<b>262</b>	<b>234</b>	<b>248</b>	<b>239</b>
Staff and administration costs	76	98	75	81	73	92	72	74	69
Amortisation, depreciation and write-downs on intangible and tangible assets	6	1	1	1	1	2	2	4	1
Other operating expenses	1	1	0	1	1	0	1	0	1
Total expenses etc.	83	100	76	83	75	94	75	78	71
<b>Core earnings before impairment charges for loans</b>	<b>191</b>	<b>155</b>	<b>172</b>	<b>182</b>	<b>176</b>	<b>168</b>	<b>159</b>	<b>170</b>	<b>168</b>
Impairment charges for loans and other receivables etc.	+26	0	0	-5	-5	-12	-12	-13	-11
<b>Core earnings</b>	<b>217</b>	<b>155</b>	<b>172</b>	<b>177</b>	<b>171</b>	<b>156</b>	<b>147</b>	<b>157</b>	<b>157</b>
Result for the portfolio	+52	0	+17	+16	+27	+8	+23	+11	+2
<b>Profit before tax</b>	<b>269</b>	<b>155</b>	<b>189</b>	<b>193</b>	<b>198</b>	<b>164</b>	<b>170</b>	<b>168</b>	<b>159</b>
Tax	45	29	38	39	40	31	33	30	28
<b>Profit after tax</b>	<b>224</b>	<b>126</b>	<b>151</b>	<b>154</b>	<b>158</b>	<b>133</b>	<b>137</b>	<b>138</b>	<b>131</b>

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

		Q1 2018	Q1 2017	Full year 2017
<b>Capital ratios:</b>				
Total capital ratio	%	17.6	16.4	17.8
Tier 1 capital ratio	%	16.1	16.4	16.5
Individual solvency requirement	%	9.0	9.0	9.0
<b>Earnings:</b>				
Return on equity before tax	%	7.1	5.6	19.9
Return on equity after tax	%	5.9	4.5	16.0
Income / cost ratio	DKK	5.68	3.48	3.13
Return on assets	%	0.8	0.6	2.3
<b>Market risk:</b>				
Interest rate risk	%	0.9	0.8	1.1
Foreign exchange position	%	1.8	0.8	1.1
Foreign exchange risk	%	0.0	0.0	0.0
<b>Liquidity risk:</b>				
Liquidity Coverage Ratio (LCR)	%	256	160	193
Excess cover relative to statutory liquidity requirement	%	130.3	130.3	113.5
Loans and impairments thereon relative to deposits	%	105.0	103.0	106.1
<b>Credit risk:</b>				
Loans relative to shareholders' equity		5.3	5.2	5.1
Growth in loans	%	3.0	4.0	10.7
Total large exposures	%	22.1	30.3	22.5
Cumulative impairment ratio	%	4.0	4.4	4.0
Impairment ratio	%	-0.11	0.02	0.04
Proportion of receivables at reduced interest	%	0.1	0.3	0.1
<b>Share return:</b>				
Earnings per share*/***	DKK	1,004.1	690.9	2,604.6
Book value per share**	DKK	17,386	15,794	17,500
Dividend per share*	DKK	0	0	900
Market price relative to earnings per share*/***		33.1	44.7	12.3
Market price relative to book value per share**		1.91	1.96	1.84
<p>* Calculated on the basis of a denomination of DKK 100 per share.  ** Calculated on the basis of the number of shares in circulation at the end of the period.  *** Calculated on the basis of the average number of shares. The average number of shares is calculated as a simple average of the shares at the beginning and the end of the period.</p>				

## Management statement

The board of directors and the general management have today discussed and approved the quarterly report of Ringkøbing Landbobank A/S for the period 1 January to 31 March 2018.

The report is drawn up in accordance with the provisions of the Danish Financial Business Act and other Danish disclosure requirements for listed financial companies. We consider the chosen accounting policies to be appropriate and the estimates made responsible, so that the quarterly report provides a true and fair view of the bank's assets, liabilities and financial position as of 31 March 2018 and of the result of the bank's activities for the period 1 January to 31 March 2018. We also believe that the management's review contains a true and fair account of the development in the bank's activities and financial circumstances as well as a description of the most important risks and uncertainties which can affect the bank.

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

Ringkøbing, 10 April 2018

### General management:

John Fisker  
CEO

Jørn Nielsen  
General Manager

### Board of directors:

Martin Krogh Pedersen  
Chairman

Jens Møller Nielsen  
Deputy Chairman

Jon Steingrim Johnsen

Jacob Møller

Lone Rejkjær Söllmann

Dan Junker Astrup  
Employee board member

Bo Fuglsang Bennedsgaard  
Employee board member

Gitte E. S. H. Vigsø  
Employee board member

### Ringkøbing Landbobank A/S