

ANNUAL REPORT 2015



Ringkjøbing
Landboforening
Kyst



Ringkjøbing

Landskab
oparbejdet

CONTENTS

Page	
2	Dear shareholder
3	Annual report - highlights
3	Main and key figures
	Management report:
6	Financial review
17	Capital structure
21	Risks and risk management
33	Corporate governance
41	Diversity in the board of directors
42	The under-represented gender
44	Corporate social responsibility
49	Information on listed companies
	Statement and reports:
54	Management's statement
55	Auditors' reports
	Accounts:
60	Profit and loss account
60	Proposed distribution of profit
61	Core earnings
62	Balance sheet
64	Statement of shareholders' equity
65	Capital statement
66	Cash flow statement
68	Accounting policies
72	Note overview
73	Notes to the annual report
96	Five year main figures
98	Five year key figures
	Other information:
102	Shareholders' committee
103	Board of directors
109	General management
110	Company information
111	Stock exchange reports
111	Financial calendar
112	The bank's branches etc.

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.«

DEAR SHAREHOLDER

2015 was a really good year for Ringkjøbing Landbobank. The net profit of DKK 588 million before tax is the best in the bank's history, which gives a 20% return on equity. The bank's core earnings also exceeded expectations and were also DKK 588 million. These results were achieved on the basis of the best ever increase in customer numbers, which led to a 12% increase in the bank's loans and a 10% increase in deposits.

High customer satisfaction and a position as the bank in Denmark where customers most actively recommend the bank to others naturally supported the substantial increase in customers. Trust, a high level of expertise and fast decision-making have been keywords for the many new customers we welcomed in 2015.

This was another year in Denmark with modest growth and a record low interest rate level. The prices of energy and raw materials have fallen dramatically and are supporting a general very low inflation rate and a continuing low interest rate level. The hope is that the improved purchasing power will be able to boost growth in 2016 despite higher political and economic risks than previously.

The return on the bank's shares in 2015 was 32% including the dividend paid, and the market value is now DKK 6.8 billion. It is recommended to the general meeting that the ordinary dividend be increased to DKK 30 per share, and a new buy-back programme for up to DKK 140 million is also proposed.

The bank's rate of costs was 32.1, and we thus remain the most efficient bank in Denmark. This is a situation we are happy about because it makes us very competitive and makes our results highly robust for the benefit of all our stakeholders.

We are satisfied with the bank's strong capitalisation and business model, which also were recognised by the international rating bureau Moody's in 2015 when it gave the bank an A1 rating for its long-term liabilities. This solid base thereby ensures that we have the strength we need to support our customers and their good investments.

The bank's skilled employees again did a fantastic job in 2015. Their expertise, stability, loyalty and fighting spirit are an unsurpassed combination.

We expect 2016 to be an interesting year, where the main task will be to serve our current customers and continue to increase our market share with additional new customers. We expect core earnings in the range DKK 475 - 575 million, to which must be added the result for the securities portfolio.

Finally, we would like to thank our customers and shareholders for the high level of support which they have shown the bank.



John Bull Fisker



Jørn Nielsen

ANNUAL REPORT - HIGHLIGHTS

- The best profit in the bank's history
- The profit before tax was DKK 588 million, equivalent to a return of 20% on equity at the beginning of the year
- Core earnings exceed expectations, increasing by 13% to DKK 588 million
- Best ever net increase in customers
- High levels of customer satisfaction and willingness to recommend the bank
- The rate of costs improved by 2% to 32.1 - the lowest in Denmark
- 12% increase in loans and 10% increase in deposits
- Proposed dividend raised from DKK 26 to DKK 30 per share. A new buy-back programme for up to DKK 140 million is also proposed, increasing total distribution to 61%
- Expectations for core earnings of DKK 475 - 575 million in 2016, to this must be added the result for portfolio

MAIN AND KEY FIGURES

	2015	2014	2013	2012	2011
Main figures for the bank (million DKK)					
Total core income	954	907	844	823	767
Total costs and depreciations	-306	-298	-273	-265	-248
Core earnings before impairments	648	609	571	558	519
Impairment charge for loans etc.	-60	-87	-120	-157	-129
Core earnings	588	522	451	401	390
Result for portfolio	0	+65	+23	+49	+1
Expenses for bank packages	0	0	-2	-2	-11
Profit before tax	588	587	472	448	380
Profit after tax	459	446	358	328	286
Shareholders' equity	3,296	3,099	2,901	2,676	2,483
Deposits	16,987	15,450	14,114	12,867	12,755
Loans	17,300	15,507	13,849	12,424	12,747
Balance sheet total	22,317	21,238	19,583	17,682	17,549
Guarantees	2,234	2,218	1,902	1,667	1,052
Key figures for the bank (per cent)					
Return on equity before tax, beginning of year	19.8	21.1	18.1	18.5	16.9
Return on equity after tax, beginning of year	15.4	16.0	13.7	13.6	12.7
Rate of costs	32.1	32.8	32.4	32.2	32.4
Common Equity Tier 1 capital ratio	17.1	17.5	18.7	19.6	18.3
Tier 1 capital ratio	17.1	17.5	19.2	20.9	19.8
Total capital ratio	18.8	17.5	20.0	22.4	21.4
Individual solvency requirement	9.0	8.9	8.9	8.0	8.0
Key figures per 5 DKK share (DKK)					
Core earnings	129	112	94	83	79
Profit before tax	129	126	99	93	77
Profit after tax	100	95	75	68	58
Net asset value	721	664	607	553	503
Price, end of year	1,500	1,152	1,099	770	579
Dividend	30	26	25	14	13



Ringkjøbing

Landskab
program

MANAGEMENT REPORT

Page	
6	Financial review
17	Capital structure
21	Risks and risk management
33	Corporate governance
41	Diversity in the board of directors
42	The under-represented gender
44	Corporate social responsibility
49	Information on listed companies

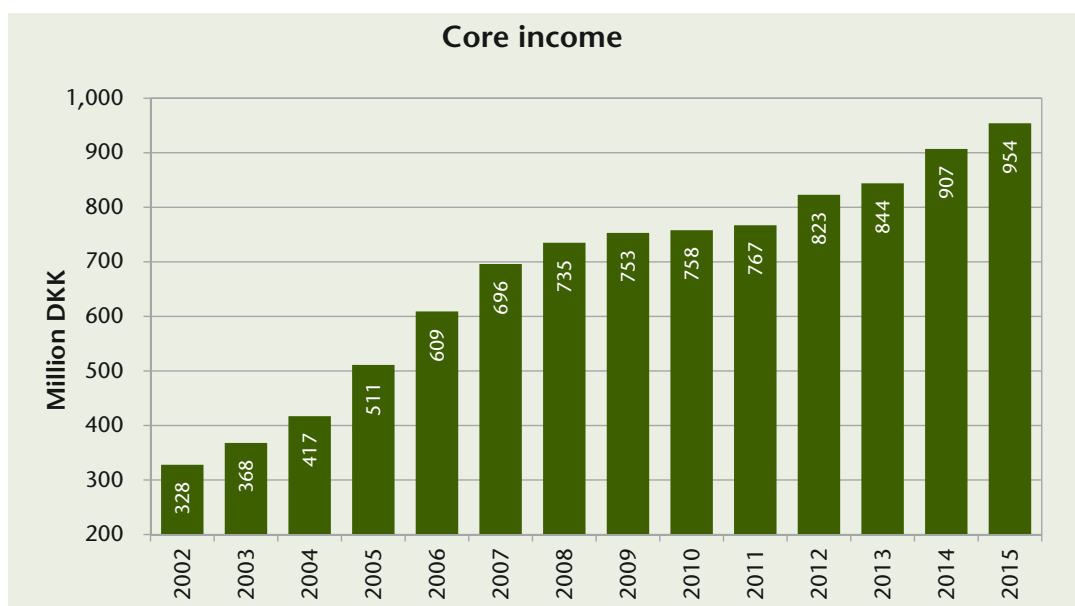
Financial review

The profit before tax was DKK 588 million, which is marginally better than 2014 and equivalent to a return of 20% on equity at the beginning of the year. The core earnings show an increase of 13% to DKK 588 million, which is thus above the upwardly adjusted DKK 500 - 575 million interval.

The profit before tax and the core earnings are the best in the bank's history and considered highly satisfactory.

Core income

The total core income was 5% higher for the year, with an increase from DKK 907 million in 2014 to DKK 954 million in 2015. The bank considers the increase satisfactory.



Net interest income was DKK 638 million in 2015, which is marginally higher than in 2014, where net interest income was DKK 635 million.

The modest increase in net interest income should be compared to a 12% increase in lending. The net interest income was thus influenced by a falling interest margin which reflects the competition in the sector, and the net interest income was also affected by the low level of interest rates. The increase in lending was also primarily realised in the second half-year.

Fees, commissions and foreign exchange income currency amounted to net DKK 275 million in 2015 against net DKK 243 million in 2014, a 13% increase. The increase is attributable inter alia to strengthened earnings from securities trading and custody accounts as a result of greater trading activity and from asset management as a result of increasing volumes, and the conversion activity within mortgage loans also had a positive effect on earnings in 2015.

Earnings from sector shares also increased by DKK 10 million from DKK 26 million in 2014 to DKK 36 million in 2015.

Net fees, commissions and foreign exchange income were derived as follows:

(Million DKK)	2015	2014
Securities trading and custody accounts	48	36
Asset management	106	91
Payment handling	17	21
Loan fees	13	10
Guarantee commissions	56	52
Other fees and commissions	19	19
Foreign exchange income	16	14
Total	275	243

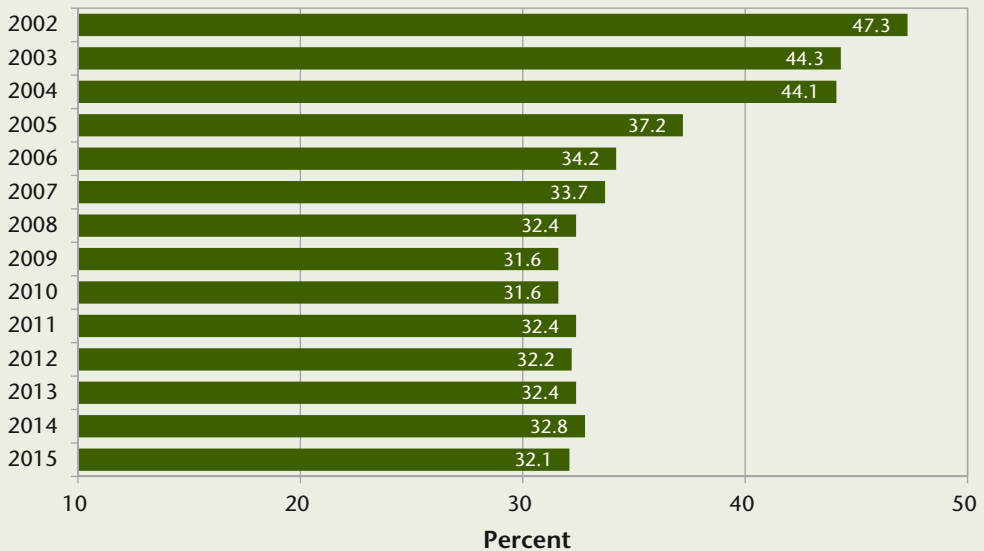
Costs and depreciations

Total costs including depreciations on tangible assets were DKK 306 million in 2015 against DKK 298 million last year, an increase of 3%.

The increase in costs for the year is attributable to the appointment of additional employees and a general salary increase. There was also a small increase in other administration costs, and the total expenses for the Guarantee Fund and the Resolution Fund in 2015 increased by just over DKK 2 million relative to 2014. Finally, write-downs on tangible assets fell in the year.

The rate of costs improved by 2% relative to 2014 and is now 32.1%, still the lowest in Denmark.

Rate of costs



Impairment charges for loans

Impairment charges for loans amounted to DKK 60 million against DKK 87 million in the previous year. The falling trend from 2014 thus continues for impairment charges, which are equivalent to 0.3% of the total average of loans, impairment charges, guarantees and provisions against 0.5% in 2014.

It is noted generally that the average credit quality of the bank's loans portfolio remained at a high level in 2015.

During 2015, individual impairment charges were reversed on a number of customers. The bank also terminated certain customer accounts in the financial year. These two circumstances contributed to a reduction of the bank's total balance of individual impairment charges during the financial year from DKK 701 million at the beginning of the year to DKK 665 million at the end of the year.

The bank assessed that there was a need to increase the collective impairment charges by DKK 47 million from DKK 226 million at the beginning of the year to DKK 273 million at the end of the year. The increased collective impairment charges are mainly related to animal production in the bank's agricultural portfolio.

The quoted prices for both pork and conventional milk fell from the beginning to the end of 2015, which further increased the pressure on the sector. The exposure to animal production accounts for 3% of the bank's total loans and guarantees. Individual impairment charges on cattle and pig farms were DKK 284 million and collective impairment charges totalled DKK 160 million, and the total impairment ratio was 43% at the end of 2015. Given the challenges experienced in animal production, the bank is satisfied with the fact that its farmers are less indebted than the average in the sector, and we feel comfortable with the current impairment level.

The bank's total account for impairment charges and provisions was DKK 943 million at the end of the year, equivalent to 4.6% of total loans and guarantees.

Actual losses on loans for the year less interest on the impaired part of loans and receivables previously written off were on a par with the impairment charges recognised as expenses, and provisions increased by DKK 12 million.

The portfolio of loans with suspended calculation of interest amounts to DKK 74 million, equivalent to 0.4% of the bank's total loans and guarantees at the end of the year.

On the basis of prospects for economic development in 2016, including those for trade and industry, the bank expects total impairment charges in 2016 to be lower than in 2015.

Core earnings

(Million DKK)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total core income	954	907	844	823	767	758	753	735	696	609
Total costs etc.	-306	-298	-273	-265	-248	-240	-238	-239	-234	-208
Core earnings before impairments	648	609	571	558	519	518	515	496	462	401
Impairment charges for loans	-60	-87	-120	-157	-129	-138	-159	-77	+11	+69
Core earnings	588	522	451	401	390	380	356	419	473	470

The core earnings were DKK 588 million against DKK 522 million last year, an increase of 13% and the best ever for the bank. At the beginning of the year, the bank announced expected core earnings for the year in the DKK 450 - 525 million range. This range was upwardly adjusted to DKK 500 - 575 million in connection with the presentation of the bank's half-yearly report, and the core earnings realised are thus above the upwardly adjusted range.

Result for the portfolio and market risk

The result for portfolio for all of 2015 was zero including funding costs for the portfolio.

The result for portfolio was affected by the interest rate fluctuations which characterised the financial markets throughout 2015.

Shares etc. at the end of the year amounted to DKK 467 million, DKK 11 million of which was in listed shares, DKK 197 million in investment fund certificates and DKK 259 million in sector shares etc. The bond portfolio amounted to DKK 3,115 million, and the majority of the portfolio consists of AAA-rated Danish government and mortgage credit bonds.

The total interest rate risk - calculated as the impact on the profit of a 1%-point change in the interest level - was 2.2% of the bank's Tier 1 capital at the end of the year.

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 2015:

Value at Risk	Risk in million DKK	Risk relative to equity end of year in %
Highest risk of loss:	25.8	0.78%
Lowest risk of loss:	5.2	0.16%
Average risk of loss:	15.7	0.48%
End of year risk of loss:	15.0	0.46%

Profit after tax

The profit before tax was DKK 588 million. The profit after tax of DKK 129 million was DKK 459 million against last year's DKK 446 million.

The profit before and after tax is equivalent to a return on equity at the beginning of the year after payment of dividend of 20% and 15% respectively.

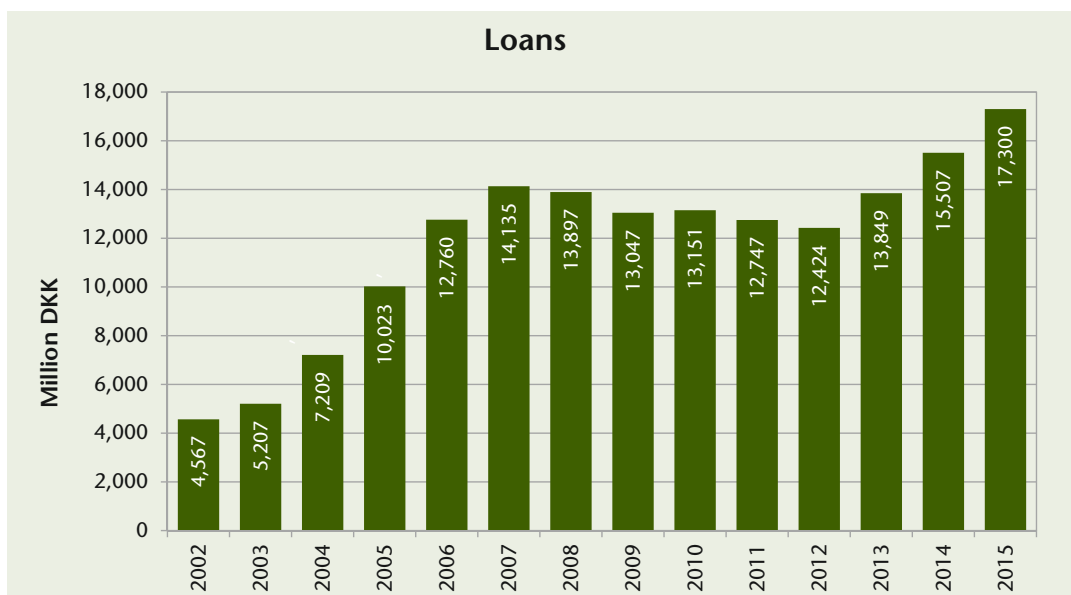
Balance sheet

The bank's balance sheet at the end of the year stood at DKK 22,317 million against last year's DKK 21,238 million.

The bank's deposits increased by 10% from DKK 15,450 million at the end of 2014 to DKK 16,987 million at the end of 2015. The bank's loans increased by 12% from DKK 15,507 million at the end of 2014 to DKK 17,300 million at the end of 2015.

The growth in the bank's loans is broadly based with growth from both the branch network and the bank's niche concepts. The bank thus also in 2015 met its goal of realising growth in loans via an organic growth strategy.

The bank's portfolio of guarantees at the end of the year was DKK 2,234 million against DKK 2,218 million in 2014.



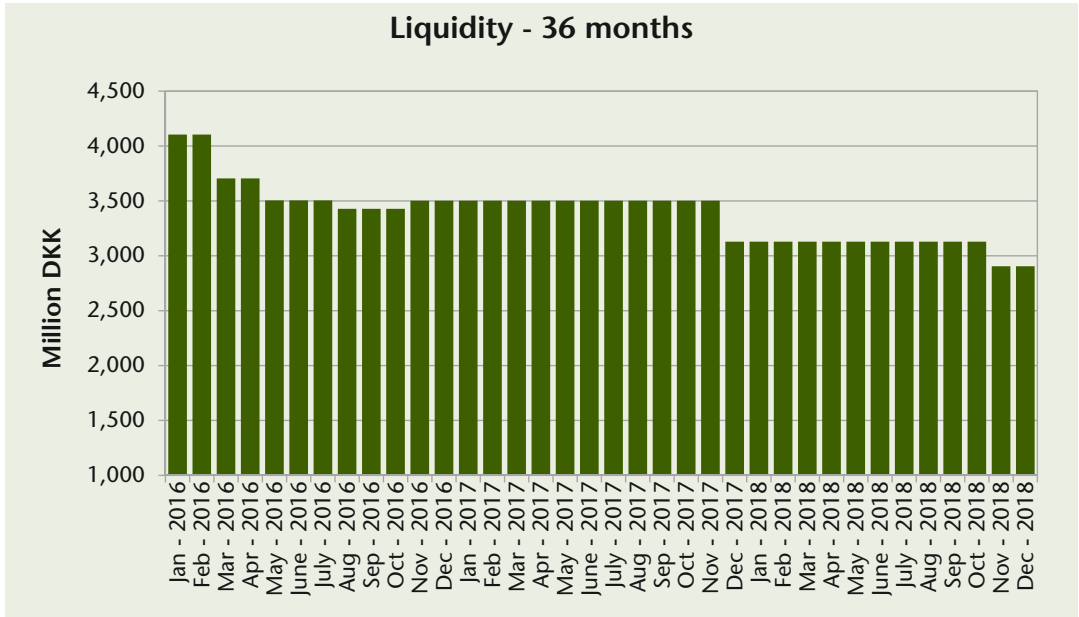
Liquidity

The bank's liquidity is good, and the excess liquidity relative to the statutory requirement is 100%. The bank's short-term funding with term to maturity of less than 12 months amounts to DKK 0.5 billion, balanced by DKK 4.0 billion, primarily in short-term placings in the Central Bank of Denmark and in liquid securities. The bank is thus not dependent on the short-term money market.

During 2015, the bank raised long-term funding to the equivalent value of a total of DKK 0.7 billion with an average term of 5 years.

The bank's loans excluding reverse transactions are at the same level as the bank's deposits at the end of the year. The loans portfolio is thus more than fully financed by the bank's deposits and equity. In addition, part of the loans portfolio for wind turbines in Germany was refinanced back-to-back with KfW Bankengruppe, which means that DKK 1,102 million can be disregarded in terms of liquidity.

The bank thus requires no financing for the coming year to meet the minimum requirement that it must always be able to manage for up to 12 months without access to the financial markets.



New liquidity regulations came into force with effect from 1 October 2015, viz. the so-called LCR (Liquidity Coverage Ratio) key figure. The key figure will show the ability of banks to honour their payment obligations for a 30-day period without access to market funds, and the key figure will replace the current Section 152 liquidity key figure. The LCR key figure is computed as the ratio of the bank's cash and cash equivalents / liquid assets to its payment obligations for the next 30 days as computed in accordance with specific rules.

Non-SIFI banks must have a cover of minimum 60% on 1 October 2015, gradually increasing by 10% on 1 January 2016 and 1 January 2017 and by 20% on 1 January 2018 such that the key figure must be minimum 100% on 1 January 2018. SIFI banks must have a cover of 100% as early as 1 October 2015.

Ringkjøbing Landbobank wishes to follow the rules applying to SIFI banks, and the bank's target for the LCR key figure was 100% as early as 1 October 2015.

On 31 December 2015 the bank's LCR key figure was 106% and the bank thus met the target.

Rating

Ringkjøbing Landbobank was rated for the first time by the international credit rating bureau Moody's Investors Service in May 2007.

Moody's Investors Service completed in 2015 a review of rated Danish banks and consequently also of the bank's ratings, which were upgraded at the review and the bank is thus satisfied with the result thereof.

The bank's ratings at the end of 2015 were as follows:

Baseline Credit Assessment (BCA)	Long-term Deposit Rating	Short-term Deposit Rating	Counterparty Risk Assessment	Outlook
A3	A1	P-1	Aaa3 / P-1	Stabil

The bank's Baseline Credit Assessment and Long-term Deposit Rating are the highest among Danish banks rated by Moody's Investors Service.

The supervisory diamond

The Danish Financial Supervisory Authority has prepared a set of rules with five different landmarks and related limit values with which Danish banks must comply with.

The bank's key figures and the FSA's landmarks and the related limit values are given in the table below.

Ringkjøbing Landbobank complies with all five limit values by a good margin.

Landmarks	Limit values	The bank's key figures end 2015
Stable funding (funding ratio)	< 1	0.8
Excess liquidity	> 50%	99.7%
Total large exposures	< 125%	63.4%
Growth in loans	< 20%	14.0%
Real estate exposure	< 25%	14.1%

Dividend and share buy-back programme

Under the share buy-back programme which was adopted by the annual general meeting in February 2015, 100,000 shares have been bought and reserved during the year. It is proposed to the general meeting that these 100,000 shares be finally cancelled in connection with a capital reduction, thus reducing the number of shares in the bank from 4,670,000 to 4,570,000.

The bank's board of directors will also propose to the general meeting that a dividend of DKK 30 per share, equivalent to DKK 140 million, be paid for the 2015 financial year. A dividend of DKK 26 per share was paid for the 2014 financial year.

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 140 million can be bought for cancellation at a future general meeting.

The total distribution increases from 60% in 2014 to 61% in 2015 on the basis of the above proposals.

Capital

The equity at the beginning of 2015 was DKK 3,099 million. To this must be added the profit for the year, while the dividend paid and the value of the own shares bought must be subtracted, after which the equity at the end of the year was DKK 3,296 million, an increase of 6%.

The bank's total capital ratio was computed at 18.8% at the end of 2015, and the Tier 1 capital ratio was computed at 17.1%.

Capital ratios	2015	2014	2013	2012	2011
Common Equity Tier 1 capital ratio (%)	17.1	17.5	18.7	19.6	18.3
Tier 1 capital ratio (%)	17.1	17.5	19.2	20.9	19.8
Total capital ratio (%)	18.8	17.5	20.0	22.4	21.4
Individual solvency requirement (%)	9.0	8.9	8.9	8.0	8.0

In 2015 the bank redeemed previously issued additional Tier 1 capital and Tier 2 capital because these items could no longer be fully included in the bank's own funds due to the phasing-out rules of the CRD IV provisions.

The additional Tier 1 capital of nom. DKK 200 million issued in 2005 was consequently redeemed in March 2015, and early redemption of the Tier 2 capital of nom. EUR 27 million issued in 2008 was made in June 2015.

In May 2015 the bank issued Tier 2 capital of EUR 50 million in replacement of the redeemed capital. The issue, which was oversubscribed, has a maturity period of 10 years with a first call-option / early redemption after five years. The interest on the issue was fixed at the Euribor 3M plus 180 basis points and with fixing of interest every three months. The issue took place under the bank's EMTN programme and it is registered at the London Stock Exchange.

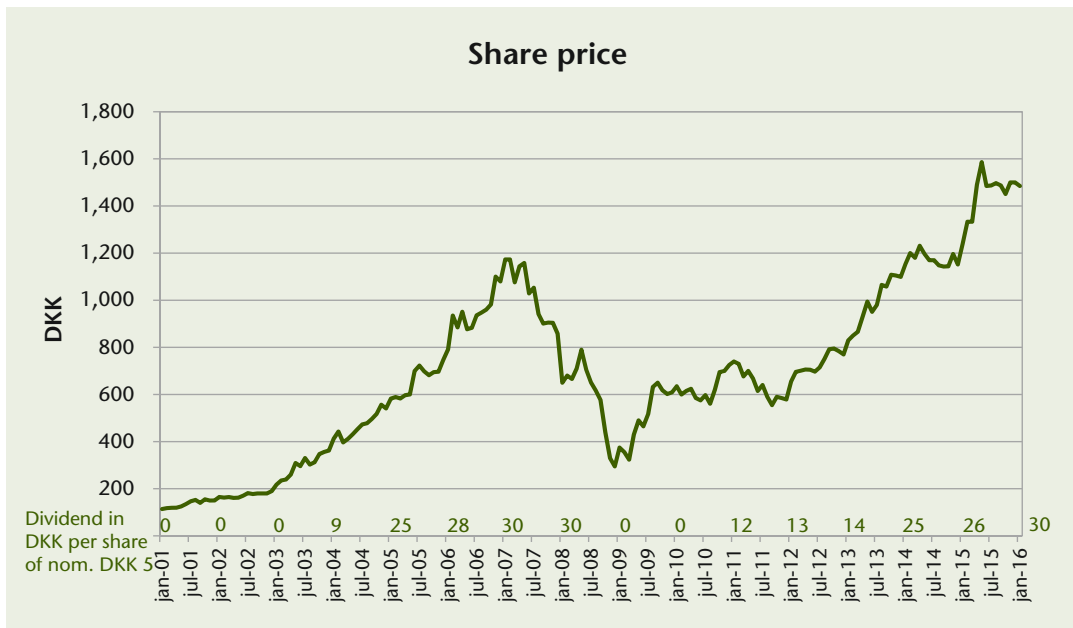
The bank calculates the individual solvency requirement on the basis of the so-called 8+ model. The calculation method is based on 8% plus any supplements calculated inter alia for customers with financial problems. The 8+ model thus takes no account of the bank's earnings and cost base or its robust business model. Despite this, the bank's individual solvency requirement at the end of 2015 was calculated at 9.0%, which is on level with the end of 2014.

The bank's shares

The bank's share capital on 31 December 2015 was DKK 23.4 million in 4,670,000 nom. DKK 5 shares.

The bank's shares at the beginning of the year were listed on the Nasdaq Copenhagen at 1,152. During 2015, the share price increased to 1,500 at the end of the year.

Including dividend, an investment in the bank's shares at the beginning of 2001 had increased by over 18 times at the end of 2015.



High levels of customer satisfaction and willingness to give referrals

The bank has gained a large number of satisfied and loyal customers over many years. The good customer relationships have greatly contributed to the bank's growth in recent years because existing customers have referred new customers to the bank.

The bank is very proud of and pleased with the high levels of customer satisfaction and willingness to refer new customers to the bank. We are also very satisfied with the fact that these two points were confirmed in a major customer satisfaction survey among the 20 biggest banks in Denmark (Voxmeter Customer Experience Management survey 2015).

Measured on customer satisfaction, the bank is in third place and it also ranks as the bank in Denmark with the highest rate of customers (47%) who most actively recommend it to others.

Record increase in customer numbers

The bank has carried out a large number of outreach initiatives towards both existing and new customers in recent years, including opening a Private Banking branch in Aarhus and upgrading the bank's Private Banking branch in Holte in 2014. Over the years, other outreach initiatives have also been carried out within both the other niche products and the branch network in Central and West Jutland.

The outreach activities were maintained during 2015, which contributed to a net increase in customer numbers in 2015, the greatest net increase ever recorded measured on the contribution margin.

The increase in customer numbers is broadly based and relates to new customers in both the branch network and niche concepts, and the loss of customers was also in 2015 at a modest level.

The outreach initiatives are scheduled to continue in 2016 at both regional and national levels.

Establishment of a new Private Banking branch in the Triangle Region Denmark

In January 2016, the bank opened a Private Banking branch in the Triangle Region. The branch is located in Lysholtparken, which is situated direct at the motorway E45 in northern Vejle.

The branch will focus on the provision of financial advice and discussions with affluent personal and business clients in the Triangle Region. The branch will also be concerned with major deposit and loan transactions with both personal and business clients. Finally, the bank will offer individual investment advice and trading in securities.

Takeover of the savings bank Ulfborg Sparekasse

The bank took over Ulfborg Sparekasse's activities at the end of June 2015. Taking over the activities had only a very limited effect on the bank's balance sheet and income statement.

Following the takeover of the activities of Ulfborg Sparekasse, the savings bank's capital was transferred to a charitable foundation. The foundation's object is to support activities for the benefit of charitable or non-profit purposes in areas previously served by Ulfborg Sparekasse. The foundation's capital base is DKK 6.6 million.

Changes in management during 2015

Various changes were made in the bank's management in 2015.

Farmer Gravers Kjærgaard, who has been a long-standing member of the bank's shareholders' committee and board of directors, resigned from the shareholders' committee and the board of directors with effect from the annual general meeting on 25 February 2015.

At a shareholders' committee meeting on 22 April 2015, the shareholders' committee elected Jens Møller Nielsen, Ringkøbing, manager of Vestjysk Landboforening (the western Jutland farmers association), as a new member of the bank's board of directors.

With effect from 1 September 2015, assistant general manager Jørn Nielsen was appointed general manager and member of the general management. Jørn Nielsen, 43, has been employed by the bank since 1991. He was appointed head of the credit division in 1998, credit manager in 2009 and assistant general manager in 2012.

Expected result and plans for 2016

The bank's core earnings in 2015 were DKK 588 million, which is above the upwardly adjusted DKK 500 - 575 million interval for the year.

Ringkjøbing Landbobank's market share is about 50% in that part of West Jutland where the bank's old branches are located. The bank also has well-established branches in Herning, Holstebro and Viborg which are continuing to operate positively. The bank's plan is to retain and develop this portion of the customer portfolio with sound and competitive products and with focus on the employees' expertise and work in advising customers of the financial products. In 2016, the bank expects a continuing positive inflow of customers to its branches in Central and West Jutland because of its long-term outreach marketing and its market position in general.

The bank will also focus on developing the activities in its niche concepts in the forthcoming year. Focus will thus be placed on serving the bank's existing customers and further developing the portfolio within inter alia renewable energy, wholesale loans and medical practitioners / dentists.

The bank's Private Banking branches in Ringkjøbing, Herning, Holte and Aarhus were also successful in 2015. The bank continues to see major opportunities in this segment, and it will continue to focus strongly on the segment, inter alia with the opening of the Private Banking branch in the Triangle Region. The bank will provide highly competent and dedicated staff to serve the segment, and the bank expects to be able to continue developing this business area in the future.

Based on the prospects for 2016 and the activities and initiatives we want to carry out in 2016, the bank expects to be able to realise a growth in lending during 2016.

Continuing pressure on the bank's interest margin is, however, also expected. The bank does not expect the conversion activity to continue in 2016, whereas the bank's activities in Private Banking and asset management are expected to continue to develop positively in the coming year. Finally, an increase in the level of cost of approximately 3% relative to the total costs in 2015 is expected, and impairment charges in 2016 are expected to be lower than in 2015.

As a whole, core earnings in 2016 are expected to be in the range DKK 475 - 575 million. To this must be added the profit from the bank's portfolio of securities.

Accounting policies

The accounting policies applied are unchanged relative to the audited annual report presented for 2014.

Events after the end of the financial year

From the date of the balance sheet to today, no circumstances have arisen to change the assessment of the bank's annual report.

Profit distribution

The bank's general meeting in February 2015 authorised the bank's management to implement a share buy-back programme for up to DKK 145 million on the basis of the 2014 profit with a view to cancelling the shares bought back under the programme at a future general meeting.

Under the share buy-back programme, shares to the value of DKK 142.6 million, equivalent to 100,000 shares, have been bought and reserved during the year, as shown in this table:

	Number of shares	Average purchase price - in DKK	Transaction value - in 1,000 DKK
Reserved as of 11 March 2015	30,000	1,262.09	37,863
Reserved as of 3 June 2015	20,000	1,507.92	30,158
Reserved as of 16 September 2015	24,000	1,509.27	36,222
Reserved as of 2 December 2015	26,000	1,475.99	38,376
Total	100,000		142,619

It is thus proposed to the general meeting to cancel the 100,000 shares, which will reduce the number of shares from 4,670,000 to 4,570,000 by a capital reduction.

The board of directors further proposes to the general meeting that a dividend of DKK 30 per share, equivalent to DKK 140 million, be paid for the 2015 financial year. A dividend of DKK 26 per share was paid for the 2014 financial year.

Finally, it is proposed to the general meeting that a new share buy-back programme be established for up to DKK 140 million with a view to cancelling the shares bought back under the programme at a future general meeting. It is also proposed that the board of directors be authorised to cancel or reduce the share buy-back programme if this is considered commercially appropriate for the bank, in the bank's long-term interest, or the bank's circumstances with respect to capital otherwise so require. If the general meeting adopts the proposal for a new share buy-back programme, the frame for the share buy-back programme must be deducted from the bank's capital base which, seen in isolation, will mean a reduction of the bank's Common Equity Tier 1 capital ratio by 0.8 percentage points calculated on the basis of the capital structure on 31 December 2015.

Capital objective

In management's general assessment, the bank's strong capitalisation in recent years contributed to securing competitive funding and a considerable increase in new customers.

The bank's management wants the bank to be capitalised in such a way that it has sufficient capital for future growth, and there must also be sufficient capital to cover any fluctuations in the risks assumed by the bank.

CAPITAL STRUCTURE

Given these general objectives, the bank's management has set a long-term capital target of approximately 15% for the bank's Common Equity Tier 1 capital.

The long-term capital target will be met by continuing the policy for distributions practised in recent years. The policy is characterised by stable dividends combined with share buy-backs / extraordinary dividends to regularly adjust the capital structure relative to the development in the bank's total risk exposure amount and the bank's future growth opportunities as envisaged by the bank's management.

The following summary shows the actual distributions in percent in recent years. The summary lists the percentages distributed for the 2011 - 2014 financial years and the expected percentage for 2015.

Pay-out ratio*

(Million DKK)	2015	2014	2013	2012	2011
Profit for the year after tax	458.7	445.9	357.7	328.0	286.1
Distributions					
Ordinary dividend	140.1	124.3	72.6	69.2	65.5
Extraordinary dividend	0.0	0.0	0.0	**48.4	0.0
Buy-back programme	140.0	142.6	127.6	58.7	74.2
Total	280.1	266.9	200.2	176.3	139.7
Pay-out ratio in %	***61	60	56	54	49

* Percentages for the individual years were computed by dividing the actual distributions in one year by the profit for the year after tax. Actual distributions were calculated as the proposed and subsequently paid dividend, any proposed and subsequently paid extraordinary dividend and the actual cost of buying back the shares under an adopted share buy-back programme which were actually cancelled, on the basis of the result for a given financial year.

** At the bank's annual general meeting in February 2014, a proposal was made and accepted for payment of extraordinary dividend relating to the 2012 financial year, and the proposed extraordinary dividend is included in the percentage calculated for this financial year.

*** The percentage for 2015 is the expected distribution. The percentage was thus calculated on the basis of the proposed ordinary dividend and the maximum value of the proposed share buy-back programme.

During 2015 the bank realised an increase in the total risk exposure amount of 10%, among other attributable to the growth in loans for the year. This contributed to an adjustment of the bank's capital structure towards the long-term capital target as indicated in the summary below.

	2015	2014	2013	2012
Common Equity Tier 1 capital ratio (%)	17.1	17.5	18.7	19.6
Long-term capital target, approximately (%)	15.0	15.0	15.0	15.0
Excess cover relative to capital target in percentage points	2.1	2.5	3.7	4.6
Change in excess cover 2012 - 2015	-54% (-2.5 percentage points)			

The bank also expects to be able to create growth in the total risk exposure amount items in the years to come through an increase in the bank's loans.

Actual capital structure

The bank's capital ratios as of the end of December 2011 - 2015 were as follows:

Capital ratios	2015	2014	2013	2012	2011
Common Equity Tier 1 capital ratio (%)	17.1	17.5	18.7	19.6	18.3
Tier 1 capital ratio (%)	17.1	17.5	19.2	20.9	19.8
Total capital ratio (%)	18.8	17.5	20.0	22.4	21.4
Individual solvency requirement (%)	9.0	8.9	8.9	8.0	8.0

Subordinated debt

The maturity structure of the bank's external subordinated debt is presented in the following overview:

Tier 2 capital

- Nom. EUR 50 million taken up on 20 May 2015, term 10 years to 20 May 2025, option of early redemption from 20 May 2020 if approved by the Danish Financial Supervisory Authority.

Capital adequacy rules

The bank uses the following methods for the calculation of the total risk exposure amount as provided by the CRD IV rules:

Calculation of capital adequacy - methods used

- | | |
|---|------------------------|
| • Credit risk outside the trading portfolio | Standardised Approach |
| • Counterparty risk | Mark-to-Market Method |
| • Credit risk reducing method - financial collaterals | Comprehensive Method |
| • Market risk | Standardised Approach |
| • Operational risk | Basic Indicator Method |

As will be evident from the above, the bank uses the standardised method for calculation of its credit risk and therewith the total risk exposure amount. This approach uses fixed risk weightings.

The method means that the bank does not apply the same down-weighting of risks as those banks which apply one of the advanced methods.

On the other hand, the bank does not experience increasing risk weightings in periods of recession. Relative to the advanced methods, use of the standardised method means that there is significantly greater robustness in the calculated capital ratios and a smaller volatility in the total risk exposure amount.

The calculation of the total risk exposure amount includes a discount on the risk weighting of exposures with small and medium-sized enterprises. The EU Commission will present a report on the effects of the discount by 2 January 2017 and implement possible initiatives. Whether the discount will cease or continue is thus an open question at present.

Furthermore, a limit of a share buy-back programmes will be deducted from the capital on adoption of a programme approved by the authorities and the limit for a trading frame of own shares approved by the authorities will also be deducted from the capital.

Individual solvency requirement

Regarding the capital structure, Ringkjøbing Landbobank also focuses on its internally calculated individual solvency requirement, defined as an adequate own funds as a percentage of the bank's total risk exposure amount.

The adequate own funds is assessed and calculated on the basis of an internal calculation model as the amount which is appropriate to cover the bank's current and future risks.

The bank calculates the individual solvency requirement on the basis of the so-called 8+ model. The calculation method is based on 8% plus any supplements calculated inter alia for customers with financial problems. The 8+ model takes no account of the bank's earnings and cost base and its robust business model.

Despite this, the bank's individual solvency requirement at the end of 2015 was calculated at 9.0%, which is on level with the end of 2014.

The computed adequate own funds is assessed on a regular basis, and reports to the Danish Financial Supervisory Authority are also made on a regular basis. The Authority most recently reviewed the bank's statement of its individual solvency requirement in the autumn 2015 in connection with the annual visit.

For further information on the calculation of Ringkjøbing Landbobank's individual solvency requirement, please see the bank's solvency requirement report for the fourth quarter of 2015 on the bank's website at the address: www.landbobanken.dk/solvency.

Risks and risk management

Ringkjøbing Landbobank is exposed to various types of risk in connection with its operations: credit risk, market risk, liquidity risk and operational risk.

The credit risk is defined as the risk that payments owing to the bank are not judged to be recoverable because of lack of either ability or willingness to make payment at the agreed time.

The market risk is defined as the risk that the market value of the bank's assets and liabilities will change as a result of changes in market conditions. The bank's total market risk includes interest rate risks, foreign currency risks, share price risks and property risks.

The liquidity risk is defined as the risk that the bank's obligations to make payments cannot be honoured under the bank's cash flow position.

Finally, the operational risk is defined as the risk of either direct or indirect financial losses as a result of faults in internal processes and systems, human error or external events.

Policy for risk taking and management

The framework for the bank's risk taking is specified by the board of directors, which has adopted a policy for each individual risk area, which inter alia defines the bank's risk profile in the area. Each policy is reviewed and reassessed by the board at least once a year in connection with the board's position on the bank's general business model and risk profile.

The bank's general principle for assuming a risk is that the bank will only assume risks within a moderate risk profile which the bank has the expertise to manage.

The basis for the board of directors' review of the bank's business model and associated policies for each individual risk area is a general risk report which is provided to the board. The report covers the various risks to which the bank is exposed, and gives the board a complete picture of the bank's general risk profile. In comparison with the market possibilities, the board then assesses whether the bank's business model and risk profile should be adjusted. The report also acts as a basis for a possible decision on adaptation of the policies in the various risk areas.

Apart from the strategic risk management, there is an on-going operational central management and monitoring of the bank's risks in each area. This monitoring is reported to the bank's general management and board of directors. The management function and the control and reporting functions are separate, and the work is performed by different central staff functions in the bank. The bank's risk manager ensures full reporting of risks which provides a meaningful picture of the bank's actual risk taking. In this context, the risk manager prepares a report on risk management to the board of directors' risk committee.

The various types of risk are described in more detail below.

Credit risks loans

Over the years, Ringkjøbing Landbobank has developed to its present status as primarily a regional bank in Central and West Jutland and a niche bank within selected areas.

This development has been a part of the bank's strategy, and the bank's management notes with satisfaction that the bank has achieved a significant diversified portfolio of loans, including with respect to industries and geographical areas.

In general, Ringkjøbing Landbobank assumes credit risks on the basis of a policy, the objectives of which are to have a well-balanced relationship between assumed risks and the return gained by the bank, that the bank's losses must be at an acceptable level relative to the Danish financial sector, and finally, losses suffered even in extreme situations must be able to be accommodated within the bank's results.

The bank's ratio of loans relative to its capital base is more than five, and the bank's objective is that the results must be achieved with a lesser or the same credit gearing as that of the Denmark's major banks.

Historically, the bank has always had a sound and conservative credit policy, and focus will remain on ensuring efficient management and monitoring of the bank's total portfolio of loans via its central credit department.

Apart from the normal following up and management of credit in the bank's central credit department, where there is regular reviewing of and following up on all large exposures, the bank has developed a set of credit evaluation models which are used to assess the quality of the credit exposure.

Statistical models are used for personal and small business customers, while expert models are used for major business customers. The statistical models use various factors, including information on the customer's assets and a quantity of behavioural data. The expert models for major business customers are based on information on the customer's financial standing and earning capacity.

Using these models, the bank's judgment is that the credit quality for those of the bank's loans and guarantees which have not been impaired is at the same level as in 2014, and the bank thus maintained the improvement in quality which was noted from 2013 to 2014. The bank gained many new customers throughout 2015. When establishing new customer relationships, the bank is highly attentive to the customers' creditworthiness and potential risks. A separate review of new customers in 2015 shows that these customers' credit quality is better on average than the bank's portfolio in general. However, the bank's many customers with high credit quality also repay debts at a high rate, and in combination the result is a credit quality which is practically unchanged relative to 2014 - cf. note 37 on page 88.

Actual net losses

(In DKK 1,000)

Year	Actual net losses	Actual net losses after interest	Loans and other debtors with suspended calculation of interest	Impairments for loans and provisions for guarantees	Total loans and guarantees etc.	Percentage loss before interest*	Percentage loss after interest*
1987	-6,696	304	10,544	75,000	1,358,464	-0.49%	0.02%
1988	-14,205	-5,205	4,522	93,900	1,408,830	-1.01%	-0.37%
1989	-18,302	-5,302	13,107	117,270	1,468,206	-1.25%	-0.36%
1990	-15,867	-1,867	47,182	147,800	1,555,647	-1.02%	-0.12%
1991	-11,429	3,571	47,626	170,000	1,805,506	-0.63%	0.20%
1992	-32,928	-14,928	43,325	177,900	1,933,081	-1.70%	-0.77%
1993	-27,875	-6,875	30,964	208,700	1,893,098	-1.47%	-0.36%
1994	-14,554	4,446	33,889	223,500	1,938,572	-0.75%	0.23%
1995	-10,806	10,194	27,292	238,800	2,058,561	-0.52%	0.50%
1996	-19,802	-1,802	18,404	233,400	2,588,028	-0.77%	-0.07%
1997	-31,412	-12,412	39,846	236,600	3,261,429	-0.96%	-0.38%
1998	-2,914	18,086	4,905	263,600	3,752,602	-0.08%	0.48%
1999	-442	21,558	18,595	290,450	5,148,190	-0.01%	0.42%
2000	-405	27,595	12,843	316,750	5,377,749	-0.01%	0.51%
2001	-8,038	20,962	14,222	331,950	6,113,523	-0.13%	0.34%
2002	-8,470	20,530	26,290	382,850	7,655,112	-0.11%	0.27%
2003	-22,741	2,259	23,412	394,850	8,497,124	-0.27%	0.03%
2004	-14,554	9,446	18,875	404,855	11,523,143	-0.13%	0.08%
2005	-22,908	192	35,796	357,000	15,522,264	-0.15%	0.00%
2006	-13,531	7,028	20,578	295,000	17,858,787	-0.08%	0.04%
2007	-15,264	4,888	13,190	289,097	19,227,573	-0.08%	0.03%
2008	-34,789	-10,237	22,110	356,083	16,475,975	-0.21%	-0.06%
2009	-73,767	-47,658	62,649	467,025	14,890,027	-0.50%	-0.32%
2010	-69,428	-40,207	66,237	565,035	14,758,234	-0.47%	-0.27%
2011	-78,813	-43,073	61,419	649,856	14,448,638	-0.55%	-0.30%
2012	-90,022	-48,337	113,312	758,363	14,849,602	-0.61%	-0.33%
2013	-69,030	-25,117	85,258	853,421	16,604,640	-0.42%	-0.15%
2014	-53,427	-9,206	58,244	931,398	18,073,200	-0.30%	-0.05%
2015	-87,250	-48,815	74,220	942,950	20,194,063	-0.43%	-0.24%
25-year average (1991 - 2015)						-0.45%	-0.01%
10-year average (2006 - 2015)						-0.36%	-0.17%

* Actual net losses relative to total loans, guarantees, impairments for loans and provisions for guarantees.

Explanation: The percentage losses are computed as the actual net losses for the year before and after the interest on the written down portion of loans in percent of total loans, guarantees, impairments for loans and provisions for guarantees. A minus in front of a percentage loss indicates a loss, while a positive percentage loss means that the interest on the written down portion of loans was greater than the actual net losses for the year. All the above figures are computed excluding amounts concerning reverse transactions and the national Bank Package I etc.

The above table documents the bank's sound credit policy. As will be evident, the bank's average percentage loss after interest over the last 25 years (1991-2015) was -0.01%, with -0.77% (1992) as the highest percentage loss and +0.51% (2000) the most positive figure. The average percentage loss before interest over the last 25 years is -0.45%, with -1.70% (1992) the highest percentage loss and -0.01% (1999 and 2000) the lowest percentage loss. The average percentage loss after interest over the last ten years (2006-2015) was -0.17%; the average percentage loss before interest was -0.36%.

The regional section of the bank is run partly via branches in the bank's original core area in West Jutland and partly via branches in the three big central and western Jutland cities Herning, Holstebro and Viborg.

The most important areas within the bank's niche section are a Private Banking concept covering affluent personal customers and financing of securities, financing of medical practitioners' and dentists' purchases of private practices, loans for the financing of renewable energy, including wind turbines, and selected wholesale loans.

RISKS AND RISK MANAGEMENT

The financing of wind turbines is primarily for Danish investors' purchases of wind turbines erected in Denmark and Germany.

An important common factor in the niche loans is that the bank attempts to obtain a first mortgage, and therewith satisfactory security in the mortgaged assets, which is an important part of the bank's business philosophy.

Credit concentration

As indicated in the summary below, total large exposures amount to 63.4% on four good quality exposures and fully hedged with adequate security.

Credit concentration

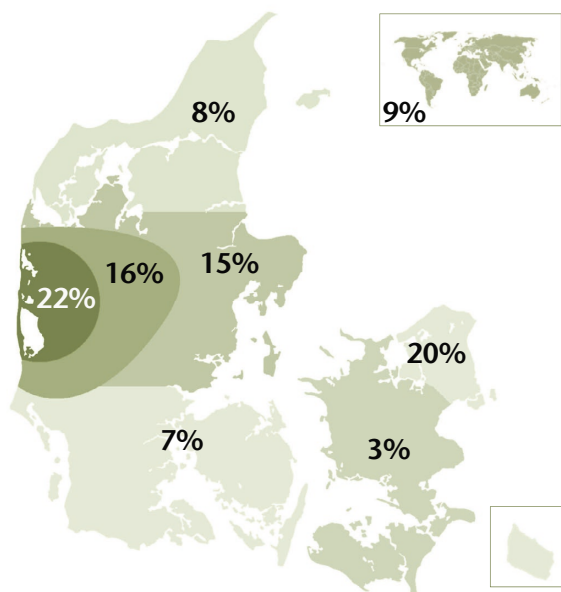
	2015	2014	2013	2012	2011
Total large exposures	63.4%	47.8%	35.0%	27.2%	11.8%

Explanation: The Danish Financial Supervisory Authority key figure »Total large exposures«.

Geographic spread of the bank's loans and guarantee portfolio

As is evident from the figure, a significant geographic diversification of the bank's portfolio of loans and guarantees has been achieved via both the regional section and the niche section.

The loans via the bank's niche section have also helped to ensure a major diversification in the bank's loans portfolio, so that this portfolio is not correlated with the economic cycle to the same extent as if the bank were run exclusively as a regional bank.



Explanation: Distribution of the bank's portfolio of loans and guarantees (excluding reverse transactions) before impairments and provisions, based on the customers address.

Credit risks on financial counterparties

Exposure to financial counterparties, and consequently a credit risk, including a settlement risk, arises in connection with the bank's trading in securities, foreign currency and derivative financial instruments, the bank's loans to other banks, and the bank's possession of bonds and payment handling.

The settlement risk is the risk that in connection with the settlement of trades in securities and/or currency, the bank will not receive payment or securities corresponding to the securities and/or payments which the bank had made and delivered.

The bank's board of directors grants lines of credit for credit risks and settlement risks on financial counterparties. When granting lines of credit, account is taken of the individual counterparty's risk profile, rating, size and financial circumstances, and there is constant follow-up on the lines of credit which are granted. The bank also mitigates its settlement risk concerning clearing of foreign exchange via its membership in a clearing partnership (referred to as the CLS partnership).

The bank has also entered into a number of CSA-agreements in connection with ISDA-agreements which had been signed. The CSA-agreements contribute to reducing the credit risks for either the bank or the financial counterparties in relation to derivatives contracts. Whether it is the bank or the financial counterparty (with whom the individual derivatives contract was signed) which is hedged, depends on the market value of the derivatives in question.

The annual report for 2014 mentioned the gradual introduction of a requirement concerning clearing of derivatives (referred to as CCP) from 2015. The gradual implementation has been postponed to 2016 - 2019 by the regulators. The bank wants to participate in the CCP clearing to further mitigate the counterparty risk concerning derivatives, and the bank also wants to be able to continue to offer competitive products to its customers.

The bank's policy is to keep the credit risk exposure to financial counterparties at a balanced level relative to the bank's size, and to credit institutions with good credit quality.

Credit balances with central banks and credit institutions

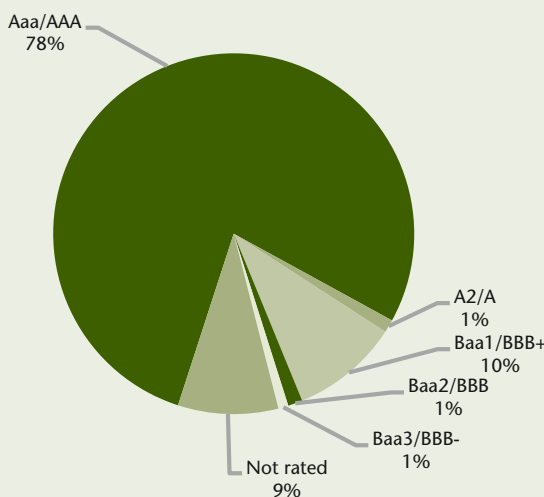
One of the two major items concerning the credit risk exposure to financial counterparties is credit balances with central banks and credit institutions. The bank has assumed only a moderate risk on this item, and in the total credit balances with central banks and credit institutions, 62% is thus due within three months.

The bond portfolio

The second of the two major items concerning the credit risk exposure to financial counterparties is the bank's bond portfolio.

The majority of the bond portfolio is AAA-rated Danish government and mortgage credit bonds. There is also a holding of corporate bonds. The credit quality of the bonds in the portfolio of corporate bonds is good, but their market value can vary over time in connection with general changes in credit spreads in the market, and company-specific circumstances can also affect the value of these bonds.

Bonds distributed by rating classes



Explanation: The bond portfolio distributed by rating classes. Ratings from the credit rating bureaus Moody's Investors Service, Standard & Poor's and Fitch were used in the specification.

Market risks

The bank's basic policy with respect to market risks is that the bank wishes to keep the total of such risks at a moderate level.

The bank has determined a concrete frame for each type of market risk, and the risk assessment includes the objective that there must be a sensible and balanced relationship between risk and return.

The bank uses derivatives to hedge and manage the various market risk types to the extent to which the bank wishes to reduce the extent of, or eliminate, the market risks which the bank has assumed. To supplement the more traditional measures of market risk, the bank has a mathematical / statistical model to compute market risks. The model is used to compute Value at Risk (VaR), which is regularly reported to the bank's management.

VaR is a measure of risk which describes the bank's risk under normal market conditions.

A separate VaR is calculated for interest rate, foreign exchange and listed share positions etc., and a total VaR is also calculated for all of the bank's market risks consisting of

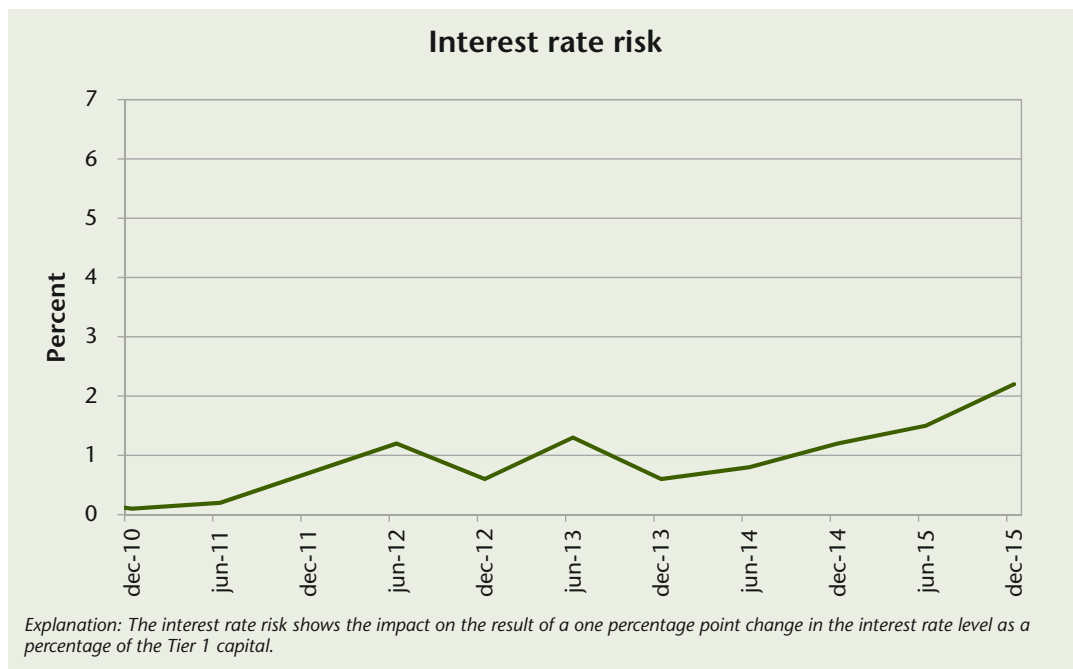
interest rate, foreign exchange and listed share positions etc. This possibility of calculating a total VaR for the bank's market risks is one of the major advantages of the VaR model compared with more traditional measures of risk. The reader is referred to the following section "Value at Risk" for the specific results etc. under the VaR model.

Interest rate risk

The bank's lending and deposit activities and accounts with credit institutions are mostly entered into on a variable basis. The bank also has certain fixed interest rate financial assets and liabilities which are monitored continuously, and hedging transactions are entered into as needed with a consequent reduction of the interest rate risk.

Ringkjøbing Landbobank's policy is to maintain a moderate interest rate risk, and the bank thus does not assume high levels of exposure to movements in interest rates.

The bank's interest rate risk is monitored and managed daily by the bank's securities department, and the bank's accounts department controls maintenance of the limits for assumption of interest rate risk, and reports to the bank's board of directors and general management.



As will be evident from the figure, the bank has had a moderate interest rate risk over the last five years in accordance with the bank's policy for this type of risk.

Foreign exchange risk

The bank's principal currency is the Danish krone, but the bank has also entered into lending and deposit activities in other currencies.

The bank's policy is to maintain a low foreign exchange risk, and the bank thus reduces on-going positions in foreign currencies via hedging.

The bank's positions in foreign exchange are managed daily by the foreign department,

RISKS AND RISK MANAGEMENT

while the bank's accounts department monitors maintenance of limits and reports to the board of directors and general management.

As in previous years, the bank's foreign exchange risk in 2015 was at an insignificant level.

Share risk

The bank is co-owner of various sector companies via equity interests in Bankernes Kontantservice A/S, BankInvest Holding A/S, Bokis A/S, DLR Kredit A/S, EgnsINVEST Holding A/S, Landbrugets FinansieringsBank A/S, Letpension Holding A/S, PRAS A/S, Sparinvest Holding A/S, Stonehenge Fondsmæglerselskab A/S, Swift, Swipp Holding ApS and VP Securities A/S.

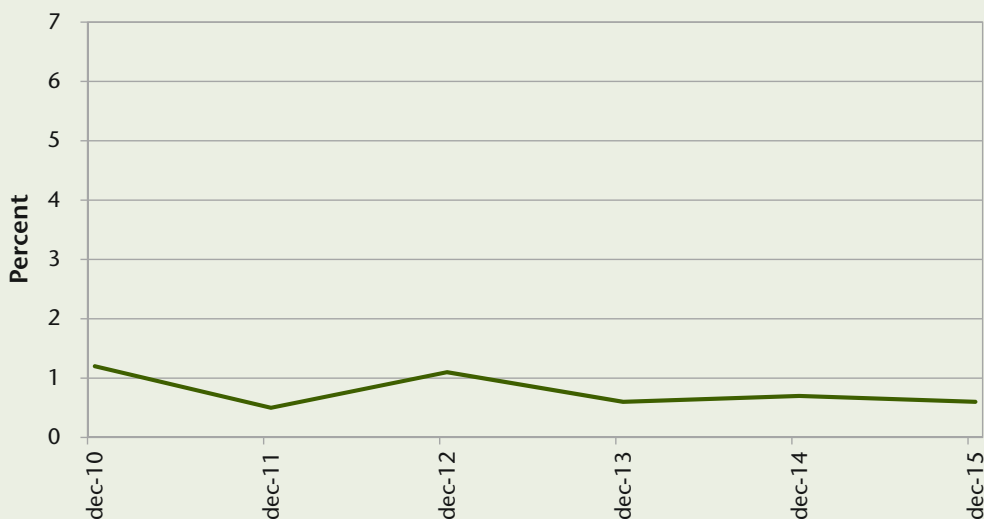
These holdings are comparable with the wholly owned subsidiaries of major banks, and the equity interests are thus not deemed to be a part of the bank's share price risk. The bank also holds a small portfolio of listed shares and a portfolio of investment fund certificates.

The holding of shares etc. amounted to DKK 467 million at the end of the year, with DKK 11 million in listed shares, DKK 197 million in investment fund certificates and DKK 259 million in sector shares etc.

The bank's policy is to maintain a low share price risk. The daily management of the bank's share portfolio is undertaken by the securities department, while monitoring of limits and reporting to general management and the board of directors are performed by the bank's accounts department.

As will be evident from the figure below, the bank's exposure to shares (excluding sector and bond-based investment fund certificates) as a percentage of the bank's equity has been modest, therewith documenting the bank's goal of maintaining a low risk on shares.

Share exposure



Explanation: The share price exposure is computed as the bank's portfolio of shares (excluding sector shares and bond-based investment fund certificates) as a percentage of the bank's equity.

Property risk

The bank primarily wishes to possess only properties for use in banking operations, and also to maintain minimal property risks.

The bank's portfolio of both domicile and investment properties is thus quite modest relative to the bank's balance sheet total and equity.

Value at Risk

The bank's total VaR was DKK 15.0 million at the end of 2015. This sum is an expression of the maximum loss in a statistical perspective which the bank could risk losing with 99% probability if all market positions were retained unchanged for a period of ten days.

Value at Risk summary

(In DKK million) Risk	Average VaR figure	Min. VaR figure*	Max. VaR figure*	End of year VaR figur
Interest	13.6	4.3	18.0	14.3
Foreign currency	0.4	0.3	0.5	0.2
Share	7.2	2.6	20.1	3.1
Diversification	-5.5	-2.0	-12.8	-2.6
Total VaR figure	15.7	5.2	25.8	15.0

* Based on the total VaR figure.

As indicated in the table, the bank's total VaR throughout 2015 varied from DKK 5.2 million to DKK 25.8 million. The average VaR figure was DKK 15.7 million, an increase relative to last year.

Reference is made to note 40 on page 92 for the VaR figures for the years 2011 - 2015.

The model in brief

The model is a parametric VaR model based on a historical analysis of the covariation (correlations) between the prices of various financial assets etc., including different share indices, various official interest rates and interest swap rates, and different exchange rate indices. By combining the historical knowledge of the covariation for the financial markets with the bank's current positions, the model can calculate a risk of losses for a forthcoming ten-day period. All of the bank's interest rate positions, foreign currency positions and listed share positions etc. are included in the calculation, while positions in sector shares are not included. The model does not take account of credit spread risks on the bank's bond portfolio. The model is unchanged relative to last year.

Back tests and stress tests

So-called "back tests" are made to document that the VaR model provides a sensible picture of the bank's risk. The test compares the calculated loss under the model with the losses which the bank would actually have suffered if the positions in question had been retained for a ten-day period. A number of stress tests are also carried out to indicate the bank's risk of loss in abnormal market situations. Back tests of the model were performed throughout the year with satisfactory results.

Liquidity risk

In general with respect to the bank's liquidity management, it is the bank's objective not to have any uncovered net funding requirements and not to be dependent on the short-term money market. An objective is thus that the bank must be able to manage for up to 12 months without access to the financial markets.

New liquidity regulations came into force with effect from 1 October 2015, viz. the so-called LCR (Liquidity Coverage Ratio) key figure. The key figure will show the ability of banks to honour their payment obligations for a 30-day period without access to market funds, and the key figure will replace the current Section 152 liquidity key figure. The LCR key figure is computed as the ratio of the bank's cash and cash equivalents / liquid assets to its payment obligations for the next 30 days as computed in accordance with specific rules.

Non-SIFI banks must have a cover of minimum 60% on 1 October 2015, gradually increasing by 10% on 1 January 2016 and 1 January 2017 and by 20% on 1 January 2018 such that the key figure must be minimum 100% on 1 January 2018. SIFI banks must have a cover of 100% as early as 1 October 2015.

Ringkjøbing Landbobank wishes to follow the rules applying to SIFI banks and the bank's target for the LCR key figure was 100% as early as 1 October 2015.

The bank's assets and thus its loans portfolio is funded via a range of sources, primarily the bank's deposits, by taking out longer-term loans with other credit institutions, and finally via the subordinated capital raised by the bank, and the bank's equity.

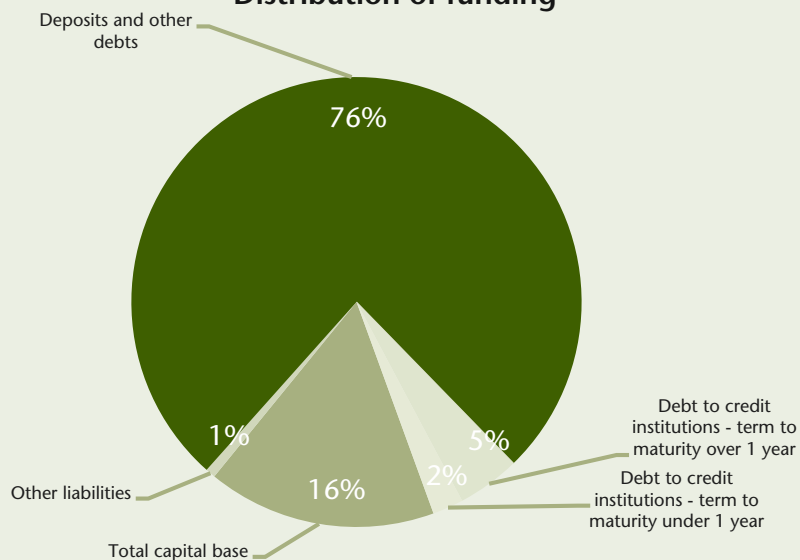
The bank's deposit base consists of core deposits and deposits from customers with a long-term relationship with the bank. Ringkjøbing Landbobank has also entered into longer-term bilateral loan agreements with various European business partners.

It should be noted that the bank's funding situation is not comprised such that the bank is dependent on the individual business partners or partners in a single country.

To ensure diversification in funding, the bank also has an EMTN bond programme of EUR 2 billion. The programme helps to ensure alternative funding sources for the bank. The bank has made issues under the programme in 2010, 2011, 2013 and 2015.

The bank entered into an agreement with BRFKredit in 2012 on joint funding. This agreement means that the bank can procure liquidity by letting BRFKredit issue SDO bonds against security in the loans which the bank has provided to customers with security in real property. The bank has also entered into an agreement with Totalkredit on a similar joint funding facility, which will be put into practice during 2016. The bank sees these agreements as a supplementary source of funding for the bank in the future.

Distribution of funding



(DKK 1,000)

The short-term funding (term to maturity under 1 year):

Debt to credit institutions and central banks - term to maturity under 1 year	495,213
Total	495,213

Is covered as follows:

Cash in hand and claims at call on the Central Bank of Denmark	331,563
Claims at notice on central banks - certificates of deposit	130,019
Claims on credit institutions - term to maturity under 1 year	262,583
Listed bonds, shares and investment fund certificates at current value	3,322,803
Total	4,046,968

Excess cover **3,551,755**

As will be evident from the above, the short-term funding (time to maturity less than one year) is supported via the bank's cash, cash equivalents and demand deposits with the Central Bank of Denmark, certificates of deposit, short-term placings with other bank's etc., and the bank's portfolio of liquid securities. The excess liquidity at the end of 2015 was DKK 3.6 billion, while the corresponding figures at the end of 2014 and 2013 were DKK 3.7 billion and DKK 4.2 billion respectively.

As a whole, the bank entered into longer-term funding agreements with its partners during 2015 to the equivalent value of a total of DKK 0.7 billion with an average term of 5 years.

Operational risk

The capital adequacy rules require the banks to quantify and include an amount for operational risks when computing their capital adequacy.

The bank uses the so-called basic indicator method where, on the basis of calculation of an average of the most recent three financial years' net incomes, a sum is quantified and added to the total risk exposure to cover the bank's operational risks.

The bank regularly produces reports on the losses and events which are judged to be attributable to operational risks. An assessment is made on the basis of the reports of whether procedures etc. can be adjusted and improved in order to avoid or minimise any operational risks, and the bank's procedures are also regularly reviewed and assessed by the bank's internal and external auditors.

An important area in assessment of the bank's operational risks is IT.

The bank's IT organisation and management are always concerned about IT security, including preparation of IT emergency plans, in connection with which the bank specifies requirements and levels for availability and stability of the IT systems and data used by the bank. These requirements apply to both the bank's internal IT organisation and its primary external IT supplier Bankdata, which the bank owns together with a number of other banks.

Further information of the bank's risks

Danish banks are required by law to disclose information on risk. Some of the required risk information is given in this annual report, but for a full overview of the bank's disclosure requirement, the reader is referred to the bank's website at the address: www.landbobanken.dk/risk-information.

Statement on corporate governance

In accordance with Section 134 of the Executive Order on Financial Reports for Credit Institutions and Investment Firms etc., the following statutory statement has been prepared for corporate governance in Ringkjøbing Landbobank. The statement is a summary of a complete statement of management and corporate governance in Ringkjøbing Landbobank which is available on the bank's website at the address: www.landbobank-en.dk/cg.

Goal

Ringkjøbing Landbobank has set a goal for corporate governance which focuses on the bank's primary stakeholders, namely its shareholders, customers, employees, and the local areas where the bank has branches.

With respect to the bank's owners, its shareholders, the bank's goal is to realise the best possible return for them in the long term, and it is also the bank's goal to realise operating results among the best third in the Danish financial sector, to be achieved via rational operation of the bank and a sound credit policy.

With respect to its customers, the bank's goal is to play a central role in Central and West Jutland, of which the bank is an integral part. The bank's goal is thus to retain and further develop that section of its customer portfolio which is situated in Central and West Jutland.

The bank's goal is also to serve selected customer groups throughout Denmark via the bank's distance customer department and niche concepts and the bank's Private Banking branches via a high level of expertise and competitive products.

In general, the bank will thus meet the expectations of a full-service bank for both personal and business customers via its strengths in both capital and consultancy.

It is also a goal for Ringkjøbing Landbobank to be a good and attractive place to work for its employees. On the basis of its chosen strategy, the bank wishes to create an interesting and challenging workplace which can attract and retain competent employees.

Finally, the bank's goal is to support development in those areas where it has branches.

Codes of management

As a listed financial institution and a member of the Danish Bankers' Association, the bank is covered by a number of codes. As a company listed on the Nasdaq Copenhagen, the bank is covered by the Recommendations on Corporate Governance issued by the Committee for Corporate Governance, and as a member of the Danish Bankers' Association, the bank is covered by the "The Danish Bankers' Association's corporate governance code".

The corporate governance recommendations

Corporate governance in Ringkjøbing Landbobank concerns the objectives and the general principles and structures governing the bank and the interplay between the bank, the bank's management and its primary stakeholders: the bank's shareholders, customers and employees, and the local areas in which the bank has branches.

Since 2002, the bank's management has taken an active approach to the recommendations issued on corporate governance, and the bank's attitude to corporate governance and its position thereon has been minuted in the annual reports since that year.

The Committee on Corporate Governance issued the latest updated revision of the recommendations in May 2013 with a minor update in November 2014. The number of recommendations is 47, and in the latest edition of the recommendations, the Committee has particularly focused on companies' value creation, on the self-evaluation of the boards of directors and their involvement in companies' development.

When preparing the 2015 annual report, the bank's board of directors and general management has again under the "comply or explain" principle re-assessed the bank's positions and the bank's actions on the recommendations. The bank's management supports the efforts in the area of corporate governance, and the bank's board of directors and the general management have elected to adopt almost all the recommendations in this area. In a small number of areas, the bank's management has, however, elected either not to follow the recommendations or to follow them only in part. The bank thus follows 43 of the total of 47 recommendations.

The Danish Bankers' Association's corporate governance code

In 2013, the Danish Bankers' Association adopted and published a new corporate governance code, hereinafter called "the Danish Bankers' Association's corporate governance code". The corporate governance code replaced and expanded the Association's "Recommendations for member companies of the Danish Bankers' Association".

The object of the recommendations in the Association's corporate governance code is that the Association's member companies must actively consider a number of managerial matters and that greater openness will be obtained concerning the frameworks for management of the individual member companies.

Under the "comply or explain" principle, the Association's member companies must specify how they view the Association's corporate governance code in connection with the presentation of the annual report.

The bank's management generally also supports the Association's corporate governance code, and the bank's board of directors and general management have thus elected to follow all 12 recommendations.

Communication with the bank's stakeholders

The bank also places great weight on communication with the bank's stakeholders. It has always been a priority to the bank that its advisers and other staff must be available to both customers and other stakeholders. This will remain a top priority to the bank in the future and the bank also gives high priority to having a website and an online bank which are accessible and easy to understand and can be used in the bank's communication with its customers and other stakeholders.

The bank has prepared an Investor Relations policy dealing with the bank's information to and communication with investors and other stakeholders, and a code of conduct has also been prepared which includes general guidelines for the bank's interaction with its stakeholders.

Investor Relations policy

The bank's Investor Relations policy states among other that the bank must strive for openness and for a good dialogue with its shareholders.

The bank's goal is thus to give

- the stock exchanges on which the bank has listed issues
- existing and potential shareholders and investors
- share analysts and securities brokers
- other stakeholders

quick information which gives a true and fair view of both price-related and other significant matters.

The Investor Relations policy is available at the bank's website at the address: www.landbobanken.dk/policies.

Code of conduct

In December 2014, the bank's board of directors for the first time adopted a code of conduct which designates the guidelines for the bank's employees (including the bank's board of directors and general management) concerning the conduct which is expected of them, i.e. their conduct to stakeholders such as customers, suppliers and authorities. In 2015, the board of directors adopted an update of the code of conduct which comprised minor linguistic adjustments.

The object of the current code of conduct is to assist employees in their daily decisions and conduct. The code is general and in no way exhaustive, but it provides examples of unacceptable behaviour, where there is a particular risk for the bank and its employees.

The complete code of conduct is available at the bank's website at the address: www.landbobanken.dk/policies.

The financial reporting process

The board of directors, the audit committee and the general management regularly ensure that the bank's controls and risk management in connection with the financial reporting process are functioning satisfactorily.

The process is arranged in order to ensure that the annual report is presented in accordance with statutory requirements and that it is free of significant misstatements, whether attributable to fraud or error.

The financial reporting process is further organised so that the bank's annual report is prepared by the bank's accounts department in cooperation with the bank's general management and other relevant departments.

A general rule for the financial reporting process is that the bank's general management and the accounts department continuously monitor compliance with relevant legislation and other regulations and provisions in connection with the financial reporting process and report regularly to the bank's board of directors and the audit committee.

The internal controls and risk management systems in connection with the financial reporting process are also structured with the following main elements:

- The accounts department has overall management of the process of financial reporting.
- The accounts department coordinates and obtains relevant information from other departments for use in the preparation of accounts and it also reviews such information.
- The accounts department assists external and internal auditing with information and details in connection with the auditing of the financial statements.
- The general management makes a review of the draft annual report and other reports.
- The audit committee and the board of directors review the draft annual report.
- The board of directors, the audit committee and the general management hold meetings with the bank's auditors.

The above also applies to the presentation of quarterly and interim reports with their consequent changes and adaptations resulting from the absence of audit hereof.

A statement is given below of the bank's audit committee and the internal controls and risk management process in connection with the financial reporting process.

The audit committee

The audit committee's tasks include monitoring and checking accounting and auditing matters and preparing the board of directors' handling of accounting- and auditing-related items.

The board of directors has appointed an independent board member who possesses the requisite qualifications within accounting and auditing, including the financial reporting process, internal controls and risk management. The specially qualified member is also chairman of the committee.

Internal control and risk management systems

The board of directors and the general management have general responsibility for the bank's internal control and risk management systems in connection with the presentation of accounts.

Recognition and measurement

For the recognition and measurement of certain assets and liabilities, an estimate is required of how future events will affect the value of these assets and liabilities on the balance sheet date. Estimates of significance for the presentation of accounts are made and exercised among other ways by summarising impairment charges on impaired loans, current values of unlisted financial instruments and provisions.

The exercised estimates used are based on assumptions which management judges to be responsible, but which by their nature are uncertain. In management's assessment, assets and liabilities provide a true and fair view of the bank's financial position, and the control environment for the estimates made is satisfactory.

The control environment

The most important elements in the control environment are an appropriate organisation, including proper separation of functions and internal policies, routines and procedures.

The board of directors, the general management and the other persons concerned with the presentation of accounts are comprised such that relevant competencies concerning risk management and assessment of internal controls are present and independently functioning.

The appointed audit committee regularly monitors the adequacy of the bank's internal controls and assesses material risks in connection with the financial reporting process, including the risk that fraud or errors could lead to material misstatement in the annual report.

Risk assessment

A risk assessment of the information in the annual report is regularly made in order to identify elements which carry increased risks because they are based on estimates and / or generated via complex or manual processes.

The audit committee is regularly advised of the assessment of the bank's risks, including risks which affect the process of presentation of the accounts. At least once a year, the audit committee, the board of directors and the general management decide whether new internal controls should be implemented to counter identified risks. The audit committee and the board of directors also review particularly risky areas at least once a year, including the recognition and measurement of material assets and liabilities and any changes in accounting policies.

Control activities

Control activities have been established, the object of which is to prevent, discover and correct any errors and deficiencies in the data which form the basis for preparation of the accounts.

These activities include certification, authorisation, approval, reconciliation, analysis of results, separation of duties, general IT controls, and controls concerning IT applications.

Monitoring and reporting

The bank uses systems and manual resources to monitor the data on the basis of which the accounts are prepared. Any weaknesses and errors are regularly corrected and reported.

Further analysis and control activities are carried out in connection with the preparation of the accounts to ensure that the accounts are presented in accordance with legal requirements. The audit committee follows up to ensure that the weaknesses in the internal controls and major errors and omissions in the annual financial statements noted and reported by the internal audit and independent auditor are corrected.

The bank's management organs and their committees and functions

The bank's management bodies comprise the following:

- The general meeting
- The shareholders' committee
- The board of directors
- The general management

The bank advises as follows with respect to the individual bodies' functions:

Re The general meeting

The general meeting is the bank's supreme decision-making authority. The general meeting's tasks include electing members to the bank's shareholders' committee.

Re The shareholders' committee

In accordance with the articles of association, the bank's shareholders' committee has at least 25 and at most 30 members elected for four years at a time. As of the end of December 2015, 25 members had been elected to the bank's shareholders' committee.

The bank's shareholders' committee elects the members of the bank's board of directors. In addition, the shareholders' committee has a duty to act in the bank's best interest and, to the best of its ability, to assist the board of directors and the general management with the procuring of information they may need. The shareholders' committee is also charged with setting the fixed remuneration for the board of directors and shareholders' committee and with deciding on the establishment of branches as recommended by the board of directors.

Members of the shareholders' committee must retire from the committee at the latest at the first annual general meeting after they have reached the age of 67.

Re The board of directors

In accordance with the articles of association, the bank's board of directors consists of at least four and at most six members elected by the shareholders' committee. As of the end of December 2015, the board of directors had six members elected by the shareholders' committee and three members elected by the employees.

The bank's general management does not serve on the board of directors, but it participates in board meetings. The board of directors normally holds 10 - 12 meetings with physical attendance a year.

In 2015, a total of 11 meetings with physical attendance and four electronic meetings were held.

The total rate of attendance for the full board for all board meetings with physical attendance in 2015 was 97.9%.

The board of directors' nomination committee proposes members to the board of directors to the shareholders committee such that its composition ensures adequate skills on the board of directors and compliance with the expertise profile specified by the nomination committee and the board itself, and that the bank's policy on diversity in the board of directors is complied with.

Board members are also elected for four-year terms. The Committee for Corporate Governance recommends that at least half the board members elected by the shareholders' committee are independent, and the bank complies with this recommendation.

Members of the board of directors must retire at the latest at the first annual general meeting after they have reached the age of 67.

Committees of the board of directors

The board of directors has appointed the following committees:

- Remuneration committee
- Nomination committee
- Audit committee
- Risk committee

The remuneration committee consists of the chairman and deputy chairman of the bank's board of directors and a board member elected by the employees. The nomination committee and the risk committee consist of the bank's full board of directors, while the audit committee consists of the specially qualified member, who is also chairman of the committee, and the chairman and deputy chairman of the board of directors.

The committees held the following numbers of meetings in 2015: the remuneration committee held three meetings with physical attendance, the nomination committee held four meetings with physical attendance, the audit committee held four meetings with physical attendance and three conference calls and the risk committee held six meetings with physical attendance.

The audit committee's tasks are described in general in a preceding paragraph on page 36. The remuneration committee's tasks include assessment of the bank's remuneration policy, various controls and negotiation with the general management on the latter's remuneration. The nomination committee carries out tasks in relation to policies for diversity on the board of directors and the under-represented gender on the board, recommendation of candidates for the board of directors and the shareholders' committee and in relation to the evaluation process for the board of directors. Finally, the risk committee carries out tasks inter alia in relation to assessment etc. of the current and future risk profile and strategy and reviewing of quarterly credit reports. The risk committee thus reviews annual risk reports and the bank's risk manager participates in one or more committee meetings to discuss the reports and answer questions from the committee.

Further information on the committees of the board of directors, including their tasks, is given on pages 105 - 107 of this annual report.

Evaluation of the board of directors etc.

The board of directors has for several years conducted an evaluation process concerning the working relationship of the board, and from and including 2012 the board of directors supplemented the process on the basis of the Financial Supervisory Authority's guideline for evaluation of the board of directors' knowledge and experience in credit institutions.

In the fourth quarter of 2015, the board of directors again conducted its annual evaluation process etc. As a basis for the evaluation, the nomination committee and the board also identified the competencies which it should possess in order to be able to perform its activities in a competent way. This was done on the basis of the bank's business model and a comprehensive analysis of the associated risks. The general competencies required include knowledge of the following matters:

- The business model and relevant related matters
- Credit risks and relevant related matters
- Market risks and relevant related matters
- Liquidity risks and relevant related matters
- Operational risks and relevant related matters including IT

- Other matters:
 - Budgets, accounting and auditing
 - Capital matters consisting of capital adequacy and solvency requirement
 - Insurance risks
 - Risk management including interdisciplinary risk management
 - General managerial experience
 - Managerial experience from other financial companies
 - Legal insight, including in relation to financial legislation

Each individual board member evaluated his or her own qualifications and the work and working relationships of the board of directors on the basis of the specified requirements. The board's nomination committee discussed the result of the evaluations, and its assessment and conclusion is that its work and working relationships are functioning satisfactorily and that its members possess adequate collective knowledge and the professional skills and experience to understand the bank's activities and their associated risks, and that the number of board members is appropriate relative to what is judged to be required for the bank.

Each member of the board of directors has also declared his or her judgment that he or she is fit and proper under applicable rules, and that he or she possesses the necessary time resources for the job. The nomination committee has assessed the individual board members' assessment of sufficient time resources and declared its agreement with the assessments made, and the committee has also assessed that the board of directors complies with the policy of diversity on the board of directors.

Remuneration policy

In 2012 the bank's board of directors for the first time adopted a remuneration policy which includes guidelines for the remuneration paid to Ringkjøbing Landbobank's board of directors and general management. The policy was presented to the 2013 annual general meeting for approval and the meeting approved the policy.

The board of directors and the remuneration committee reviewed the remuneration policy in 2013, 2014 and 2015 and found no requirement to make changes.

The current policy for management specifies that the bank's management is paid remuneration which is both in line with the market and reflects the management's performance for the bank. It was also decided that the remuneration paid to both the board of directors and the general management will be fixed such that there are no incentive payments. Other risk takers and employees in control functions will not be paid variable salary components outside the framework of the collective agreement which was entered into.

Supplementary information on the members of management, including other managerial offices

The reader is referred to pages 103 - 104 and 108 - 109 of this annual report for supplementary information on the members of the bank's management, including information on their other managerial activities and on the competencies of the members of the board of directors.

Re The general management

The general management undertakes the bank's daily management.

Statement on diversity in the board of directors

In 2014, the bank's nomination committee adopted a policy on diversity in the board of directors.

In 2015, the nomination committee reassessed the need for changes to the policy and the committee found that only minor linguistic adjustments were needed.

The policy on diversity in the board of directors specifies the desire for a board composition with diversity of the member's competencies and backgrounds, including diversity with respect to differences in professional identity, work experience, gender, age, etc.

The policy further lays down that when recruiting candidates for the board of directors, focus must be placed on ensuring that the candidates possess different competencies, backgrounds, knowledge and resources which match the bank's business model etc.

Compliance with the adopted policy on diversity on the board of directors was assessed by the nomination committee during the annual evaluation process, and the assessment on this basis confirms compliance, inter alia through focus being placed on the policy's criteria in the recruitment process for candidates both for the board of directors and shareholders' committee. The reason why focus is also being placed on the criteria when recruiting candidates for the shareholders' committee is partly that the shareholders' committee elects the bank's board of directors and partly that five of the current six board members elected by the shareholders' committee were elected among the members of the shareholders' committee, while only one board member (the member with managerial experience from another financial company) was not elected among the members of the shareholders' committee.

Statement on the under-represented gender

In accordance with Section 135a of the Executive Order on Financial Reports for Credit Institutions and Investment Firms etc., the following statutory statement has been prepared.

In March 2013, the bank's board of directors adopted a target figure for the percentage of the under-represented gender to be represented on the board of directors and a policy aiming at increasing the percentage of the under-represented gender at the bank's other management levels.

The board's nomination committee made a few adjustments in 2015 to the "Policy to increase the percentage of the under-represented gender at the bank's other management levels".

Target figure for the percentage of the under-represented gender on the board of directors

When the board of directors adopted the target figure in March 2013, the gender distribution of board members elected by the shareholders' committee was the following:

- 17% women
- 83% men

The target is that the proportion of board members of the under-represented gender elected by the shareholders' committee should be at least 16% - 33% from 2017 (provided that the number of board members elected by the shareholders' committee is 6).

The gender distribution of the bank's board members elected by the shareholders' committee has remained unchanged since March 2013 and the distribution above still applies.

The target figure has been adopted as a target applicable from 2017, and in connection with future nomination processes for the election of board members, the board and the nomination committee will continue to focus on whether the target figure is achieved.

Policy to increase the percentage of the under-represented gender at the bank's other management levels

As stated above, a policy was also adopted in March 2013 aiming at increasing the percentage of the under-represented gender at the bank's other management levels.

The adopted policy aims at creating a basis for a more equal gender distribution at the bank's other management levels.

Other management levels (in the following called management) should be understood as management positions not related to the board of directors, i.e. the general management, department managers, branch managers and leaders and team leaders.

It is the bank's overall and long-term aim to provide a more equal gender distribution at management level. The bank wants to be able to follow up on developments with respect to gender distribution in management and to adjust the effort continually in relation to the target.

The bank considers targets and target figures as tools when it comes to ensuring progress and obtaining results. The bank has set the following concrete targets for the under-represented gender at the bank's management:

- The employees must, irrespective of gender, feel that they have equal career and management opportunities.
- The percentage of managers in the management from the under-represented gender must be at least 20%.

In order to reach the specified targets and target figures, the bank will implement initiatives in relevant areas.

Such initiatives will, however, take into consideration the bank's wish to maintain and develop the current open-minded and unprejudiced culture in which the individual employee can make the best possible use of his or her skills irrespective of gender, and the bank will thus always appoint the best qualified manager irrespective of gender.

The bank also wants to continue the long-standing policy of Ringkjøbing Landbobank according to which all employees are inspired to study and develop their potential to be promoted internally in the bank.

Finally, the bank offers all employees the opportunity to develop their professional and personal skills by participating in various training and personality development activities. It is the aim of the bank that employees of both genders should generally participate in these activities on an equal footing.

At the end of 2015, the gender distribution in the bank's management was as follows:

- 19% women
- 81% men

The current gender distribution is thus below the target. In connection with future recruiting processes for management positions, the bank will take the above targets and additional comments into consideration.

This statutory statement on the under-represented gender is also published on the bank's website at the address: www.landbobanken.dk/gender.

Statement on corporate social responsibility

In accordance with Section 135 of the Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc., the following statutory statement on corporate social responsibility has been prepared.

Corporate social responsibility policy

Ringkjøbing Landbobank's corporate social responsibility (CSR) policy is based on the bank's long-standing roots in the local communities in which the bank is represented. The bank has a desire to be a responsible and value-creating bank, and the bank works to create the best results for its shareholders, customers and employees, the respective local communities, the surrounding environment and finally the bank itself as a financial institution.

It is also the bank's goal to be seen as a solid and attentive partner among all its stakeholders.

The bank's CSR policy is divided to focus specifically on the four stakeholder groups: customers, employees, the environment and the local community. The bank's CSR policy is available on the bank's website at the address: www.landbobanken.dk/csr, and furthermore this complete statement is also published at the same internet address.

It is advised further to the bank's CSR policy that the bank has not prepared a specific human rights policy or a specific policy on climate. The bank supports the efforts to put human rights and the climate high on the agenda, but as a local and regional bank, the bank has not currently found it necessary to develop separate policies for this.

The statement below on the bank's activities in 2015 is targeted towards the four stakeholder groups.

Customers

During the year, the bank continued its work on development of its advisory service and products offered etc.

The work included:

- Continued focus on the bank's concept within the area of advice on pensions, where the bank's advisers give the customer a general view of pension saving schemes and insurance cover in the event of disablement and death.
- Providing advice on conversion of capital pensions and mortgage loans.
- Implementation of a new user-friendly online bank solution for personal customers.
- Continued focus on dissemination of the bank's payment solution via mobile phone and tablet - called "Swipp", for which an independent app was introduced during the year.
- Extension of the possibility for personal customers to sign documents electronically and introduction of the same possibility for business customers.
- Installation of cash machines which allow both withdrawals and deposits in Danish kroner and euros.

Expectations concerning the advisory service, products offered etc. for 2016 include:

- Continued development of the bank's online and mobile banking solutions.
- Further strengthening of the Private Banking advice, where the bank's Private Banking advisers provide specialised advice to customers with complex financial situations.
- Introduction of new consulting tools in connection with asset optimisation and management.
- Implementation of the possibility of holding web meetings with the bank's customers.

Employees

The following was implemented in 2015 in relation to the bank's employees:

- Performance reviews with all employees.
- Training and certification of advisers in financial products to ensure their provision of competent advice on such products in accordance with applicable rules. The required recertification was also made, and new employees completed a training and certification programme if they had not already done so on the date of employment.
- Continued training within advice on pensions.
- In-service training for a large number of employees in provision of all-inclusive advice.
- Employment of a total of 46 employees, including 12 new financial economists and trainees. With a view to recruiting financial economists and trainees next year, the bank held a Ringkjøbing Landbobank career day and visited the educational institutions in the area in autumn 2015 to give the students in upper secondary programmes in the bank's local area information on a further education programme with the bank, thus providing them with a basis on which to make a qualified career choice. The bank also contributed as a partner to Educational Centre Ringkjøbing Skjern's offer of economics and finance courses in relation to upper secondary programmes.
- Continued focus on the implementation of new routines and systems to increase the efficiency of the bank's administrative processes, which is a continuation of a previous in-house campaign to ensure employees a better overview of their own duties. In the bank's experience, this ensures happier employees, less stress and better provision of advice to the bank's customers.
- Supported social activities in the bank, including financial support for the bank's staff association.
- Visit by a physiotherapist to the bank's employees for a review of the individual employee's working posture etc.
- Election among the bank's employees of employee representatives on the bank's board of directors.

In 2016, focus will be placed inter alia on the following in relation to the stakeholder-group "Employees":

- Completion of training of the bank's employees - both general initiatives for the entire staff and specific initiatives for specific advisers and adviser groups.
- Completion of a training programme tailored to the bank's Private Banking advisers and others.
- Continued focus on optimising and increasing the efficiency of the administrative processes and routines, including optimal utilisation of digital possibilities.
- Implementation of a certification programme on investment products for the bank's employees.
- Development of a new concept for performance reviews.

The environment

As a bank as well as a workplace, the bank accepts shared responsibility for the environment.

In 2015 this included the following concerning the banking activities:

- Loans for financing of wind turbines and solar cell plants.
- Financing of other energy-saving initiatives.
- Partnership with interactive web portal to help the bank's customers to identify energy-saving initiatives in their homes.

As a workplace, the environmental and other initiatives in 2015 included:

- The number of documents which the bank's personal customers can sign electronically increased. The majority of personal customers' agreements and documents can thus be signed electronically.
- Towards the end of the year it also became possible for the bank's business customers to sign agreements and documents electronically.
- One of the bank's branches held web meetings with customers as a trial.

- Continue to focus on:
 - Optimisation of procedures and processes and conversion of procedures to electronic case handling.
 - The energy saving workstation via previously implemented initiatives in the form of bigger more energy-efficient monitors (lower power consumption and monitors switching to energy-saving mode when the user leaves the workstation), installation of two monitors at the workplace (which gives the staff the opportunity to structure their work better on the monitors and helps to reduce the amount of unnecessary printing), purchasing and use of power-saving printers, and finally via a power-saving campaign (where as many electrical appliances as possible apart from the computer monitors turn off automatically at the end of the working day).
 - Use of the video conference equipment installed in the bank's branches for video conferences held internally in the bank, with the bank's IT supplier Bankdata (to reduce time and resources spent by the employees when travelling to Bankdata's departments in Silkeborg and Fredericia), for meetings with customers etc. The bank saw an increase in the use of the video conference equipment during 2015.
 - Car-sharing for and planning of training and meeting activities with physical attendance to reduce the associated travel as much as possible.

In all of the above initiatives, focus has been placed on reducing the bank's environmental impact, including reduction of CO2 emissions, lower power and paper consumption etc.

In 2016, the bank will continue to focus on reductions through the following initiatives:

- The bank will continue to finance renewable energy.
- Optimisation of procedures and processes.
- Training of the bank's employees in holding web meetings and implementing web meetings throughout the bank.
- Use of the installed video conference equipment for customer meetings, internal meetings, meetings with business partners, internal training etc.
- Carrying out an energy audit comprising a screening of the bank's properties and the means of transportation used in the bank's operations.
- When taking over and fitting up leased premises, the bank will ensure that they are energy optimised.

Local community

Given its position in the local area, the bank has a natural wish to support the area's development. Activities in 2015 included the following:

- Total payment of DKK 151 million in corporation tax and payroll tax, of which DKK 133 million was corporation tax.
- Allocations to charitable purposes from the following:
 - Sdr. Lem Andelskasses Fond
 - Tarm Banks Jubilæumsfond
 - The bank's profit distribution
- Sponsorship agreements with more than 700 clubs and associations in the bank's local area. This includes sponsorships and subsidies for cultural activities, general and elite sports in order to support the goal of putting the local community on the map, and the bank also supported other local activities. Specific activities during the year included support for:
 - Business Combat day - held for the business college and business community in Ringkøbing
 - DGI gymnastic displays in the spring in Ringkøbing and Skjern
 - DGI World Gymnastics Team in Holstebro
 - Various running events etc., including the Ringkøbing Fiord race, Hvide Sande Triathlon, North Sea Beach Marathon, Skjern River Running Challenge
 - Gospel festival in Hvide Sande
 - Handball Association of Jutland (JHF), district 3 - handball club of the year
 - KidsAid event in Holstebro
 - Ringkøbing-Skjern Municipality golf championships
 - "Kunsten inviterer indenfor" - invitation to visit local artists - open house event
 - New Year concert in Ringkøbing
 - Money game for various primary and lower secondary school classes
 - Ringkøbing Fiord Jazz Festival at Stauning harbour
 - Ringkøbing and environs' motoring club - rally show
 - Rock in Ringkøbing
 - School football in Ringkøbing-Skjern Municipality
 - The music venue Generator
 - Stauning Airshow's 50th Anniversary
 - Wood sculpture festival in Ringkøbing
 - Windsurfing - signed a cooperation agreement with Waterz in Hvide Sande for support for a windsurfing project for the schools in Ringkøbing-Skjern Municipality
 - And many more

The bank will also continue to provide active support to the many clubs and associations in the bank's local area in 2016.

Information on listed companies

In accordance with Section 133a of the Executive Order on Financial Reports for Credit Institutions and Investment Firms etc., the bank advises as follows:

The bank's share capital on 31 December 2015 was DKK 23.350 million in 4,670,000 nom. DKK 5 shares.

The bank has only one share class, and the entire share capital, and thus all shares, are listed on the Nasdaq Copenhagen. There are no restrictions on the shares' negotiability.

ATP, Hillerød, Denmark and Parvus Asset Management Europe Limited, London, United Kingdom, have advised that they own more than 5% of the bank's share capital. Both shareholders have two votes each.

With respect to the exercising of voting rights, each shareholding up to and including nom. DKK 500 carries one vote. Shareholdings above this level carry a total of two votes, which is the highest number of votes a shareholder can exercise when the shares are listed in the company's register of shareholders or when the shareholder has reported and documented his or her right.

The members of the bank's board of directors are elected by the members of the bank's shareholders' committee, and the bank's employees also elect members to the bank's board of directors in accordance with rules in force.

With respect to amendments of the bank's articles of association, a decision to change these is only valid if the proposal is agreed upon by at least two thirds of votes cast and of the share capital with voting rights represented at the general meeting.

On the date of presenting the financial statements, the board of directors has the following authorities pursuant to the articles of association to issue shares:

The board of directors is authorised to increase the share capital by cash payment in one or more rounds by up to nom. DKK 14,210,980 to nom. DKK 37,560,980 by subscription for new shares for which the board of directors will determine the price. The capital increase must be fully paid.

The authorisation is valid until 24 February 2020. The capital increase will take place with right of pre-emption for existing shareholders.

The board of directors is authorised to increase the share capital by payment of values other than cash in one or more rounds by up to nom. DKK 14,210,980 to nom. DKK 37,560,980 by subscription for new shares for which the board of directors will determine the price as payment for the bank's takeover of an existing company or specific asset values corresponding to the value of the shares issued. The capital increase must be fully paid.

The authorisation is valid until 24 February 2020. The capital increase will take place without right of pre-emption for existing shareholders.

Use of the authorisations may not exceed a total of nom. DKK 14,210,980, and each use of the authorizations shall trigger simultaneous reductions in the amounts authorised in both authorisations by the subscribed nominal capital concerned in the use of the authorisation.

The board of directors has the following powers with respect to the possibility of acquiring own shares:

The bank's annual general meeting of 25 February 2015 has authorised the board of directors, before the next annual general meeting and in accordance with applicable law, to permit the bank to acquire its own shares to a total nominal value of 10% of the bank's share capital, such that the shares can be acquired at the current listed price +/- 10%.

At the annual general meeting in 2015, the board was also authorised to buy back own shares under a separate share buy-back programme up to a market value of DKK 145,000,000, but maximum 145,000 nom. DKK 5 shares, and set them aside for later cancellation, and this authority was exercised in 2015 by DKK 142,619,294, the equivalent of 100,000 nom DKK 5 shares.

In conclusion, it is advised that the bank has accepted so-called change of control clauses in certain funding agreements.



Ringkjøbing

Landsby
Kyst

STATEMENT AND REPORTS

Page	
54	Management's statement
55	Auditors' reports

Management's statement

The board of directors and the general management have today reviewed and approved the annual report of Ringkjøbing Landbobank A/S for the financial year 1 January - 31 December 2015.

The annual report is prepared in accordance with the provisions of the Danish Financial Business Act and other Danish requirements regarding information in the annual financial statements of listed financial companies. We consider the chosen accounting policies to be appropriate and the estimates made to be responsible, so that the annual report provides a true and fair picture of the bank's assets, liabilities and financial position as of 31 December 2015 and the result of the bank's activities and cash flows for the financial year 1 January - 31 December 2015. We also believe that the management report contains a true and fair account of the bank's activities and financial position as well as a description of the most important risks and uncertainties which can affect the bank.

The annual report is recommended for approval by the general meeting.

Ringkøbing, 27 January 2016

General management:



John Bull Fisker
CEO



Jørn Nielsen
General manager

Ringkøbing, 27 January 2016

Board of directors:



Jens Lykke Kjeldsen
Chairman



Martin Krogh Pedersen
Deputy Chairman



Gert Asmussen



Inge Sandgrav Bak



Jørgen Møller Nielsen



Jørgen Lund Pedersen



Bo Bennedsgaard
Employee board member



Dan Astrup Sørensen
Employee board member



Gitte E. S. Vigsø
Employee board member

Internal auditor's report

To the shareholders of Ringkjøbing Landbobank A/S

Endorsement of the annual financial statements

I have audited the annual financial statements of Ringkjøbing Landbobank A/S for the financial year 1 January - 31 December 2015, covering the profit and loss account, core earnings, balance sheet, statement of shareholders' equity, capital statement, cash flow statement and notes, including accounting policies and five year main and key figures. The annual financial statements were prepared in accordance with the Danish Financial Business Act.

The audit

The audit was performed on the basis of the Danish FSA's statutory order on the auditing of financial companies etc. and in accordance with international auditing standards. This requires that the audit be planned and performed to achieve a high degree of assurance that the financial statements do not contain material misstatements.

The audit was performed in accordance with the division of labour agreed with the external auditor, and included an assessment of established procedures and internal checks and balances, including the risk management set by management with respect to reporting processes and material business risks. I have made a random sampling of the basis for amounts and other information in the financial statements on grounds of probability and risk. The audit also included an assessment of whether management's choice of accounting policies is appropriate, whether management's accounting estimates are reasonable, and the total presentation of the financial statements.

I participated in the audit of all material and risk areas, and I believe that the basis for the audit is adequate and appropriate for my conclusion.

My audit did not give rise to any qualifications.

Conclusion

I believe that the established procedures and internal controls, including the risk management chosen by management for the bank's reporting processes and material business risks, are functioning satisfactorily.

I also believe that the annual financial statements provide a true and fair picture of the bank's assets, liabilities and financial position as of 31 December 2015 and of the result of the bank's activities and cash flows for the financial year 1 January - 31 December 2015 in accordance with the Danish act on financial activities.

Statement on management report

As required under the Danish Financial Business Act, I have read management's report. I have not performed any further actions in addition to the audit of the annual financial statements. On this basis, I believe that the information in management's report is in accordance with the annual financial statements.

Ringkjøbing, 27 January 2016


Henrik Haugaard
Chief auditor

The independent auditor's report

To the shareholders of Ringkjøbing Landbobank A/S

Endorsement of the annual financial statements

We have audited the annual financial statements for Ringkjøbing Landbobank A/S for the financial year 1 January - 31 December 2015, covering the profit and loss account, core earnings, balance sheet, statement of shareholders' equity, capital adequacy computation, cash flow statement and notes, including the accounting policy and five year main and key figures. The annual financial statements were prepared in accordance with the Danish Financial Business Act.

Management's responsibility for the annual financial statements

Management is responsible for the preparation of annual financial statements which provide a true and fair picture in accordance with the Danish Financial Business Act. Management is also responsible for the internal controls deemed necessary to prepare annual financial statements without material misstatements, whether attributable to fraud or error.

The auditor's responsibility

Our responsibility is to express a conclusion on the annual financial statements on the basis of our audit. We performed the audit in accordance with international auditing standards and additional requirements under Danish auditing law. These require that we observe ethical requirements and plan and perform the audit in order to achieve a high degree of assurance that the annual financial statements do not contain material misstatements.

An audit covers the performance of auditing actions to gain evidence for amounts and information in the financial statements. The chosen actions depend on the auditor's assessment, including an assessment of risks of material misstatements in the financial statements whether attributable to fraud or error. In the risk assessment, the auditor considers internal controls that are relevant for the company's preparation of annual financial statements which provide a true and fair picture. The object is to design audit actions which are appropriate under the circumstances, but not to express a conclusion on the effectiveness of the company's internal controls. An audit also includes an assessment of whether management's choice of accounting policies is appropriate and whether management's estimates are reasonable, as well as an assessment of the total presentation of the financial statements.

We believe that the evidence we obtained for our audit is an appropriate basis for our conclusion.

Our audit did not give rise to any qualifications.

The independent auditor's report - continued

Conclusion


We believe that the annual financial statements provide a true and fair picture of the bank's assets, liabilities and financial position as of 31 December 2015 and of the result of the bank's activities and cash flows for the financial year 1 January-31 December 2015 in accordance with the Danish Financial Business Act.

Statement on the management report

In accordance with the Danish Financial Business Act, we have read the management report. We have not performed any further actions in addition to the audit of the annual financial statements. We believe on this basis that the information in the management report is in accordance with the annual financial statements.

Ringkøbing, 27 January 2016

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33 77 12 31



H. C. Krogh
State-authorized
public accountant



Ringkjøbing

Landskab
program

ACCOUNTS

Page	
60	Profit and loss account
60	Proposed distribution of profit
61	Core earnings
62	Balance sheet
64	Statement of shareholders' equity
65	Capital statement
66	Cash flow statement
68	Accounting policies
72	Note overview
73	Notes to the annual report
96	Five year main figures
98	Five year key figures

PROFIT AND LOSS ACCOUNT

Note no.		2015 DKK 1,000	2014 DKK 1,000
1	Interest receivable	736,995	787,924
2	Interest payable	91,165	139,253
	Net income from interest	645,830	648,671
3	Dividend from shares etc.	13,010	7,897
4	Income from fees and commissions	301,076	261,082
4	Fees and commissions paid	41,687	31,701
	Net income from interest and fees	918,229	885,949
5	Value adjustments	+29,583	+82,293
	Other operating income	4,964	4,001
6,7,8,9	Staff and administration costs	281,634	270,532
10	Amortisations, depreciations and write-downs on intangible and tangible assets	7,351	12,192
	Other operating costs		
	Miscellaneous other operating costs	68	268
	Costs Guarantee Fund and Resolution Fund	17,233	15,041
11	Impairment charges for loans and other debtors etc.	-60,367	-87,186
	Result of investments in associated companies	+2,137	-11
	Profit before tax	588,260	587,013
12	Tax	129,595	141,152
	Profit after tax	458,665	445,861
	Other comprehensive income	0	0
	Total comprehensive income	458,665	445,861

PROPOSED DISTRIBUTION OF PROFIT

	2015 DKK 1,000	2014 DKK 1,000
Profit after tax	458,665	445,861
Total amount available for distribution	458,665	445,861
Spent on ordinary dividend	140,100	124,280
Spent on charitable purposes	500	500
Transferred to reserve for net revaluation under the equity method	+2,137	-11
Appropriation to own funds	315,928	321,092
Total distribution of the amount available	458,665	445,861

CORE EARNINGS

Note no.		2015 DKK 1,000	2014 DKK 1,000
	Net income from interest	637,960	634,681
4	Net income from fees and commissions excl. trade income	211,541	192,941
	Income from sector shares etc.	36,413	25,576
4	Foreign exchange income	15,812	13,489
	Other operating income	4,964	4,001
	Total core income excl. trade income	906,690	870,688
4	Trade income	47,848	36,440
	Total core income	954,538	907,128
6	Staff and administration costs	281,634	270,532
10	Amortisations, depreciations and write-downs on intangible and tangible assets	7,351	12,192
	Other operating costs	17,301	15,177
	Total costs etc.	306,286	297,901
	Core earnings before impairments	648,252	609,227
11	Impairment charges for loans and other debtors etc.	-60,367	-87,186
	Core earnings	587,885	522,041
	Result for portfolio	375	+65,104
	Expenses for bank packages	0	132
	Profit before tax	588,260	587,013
12	Tax	129,595	141,152
	Profit after tax	458,665	445,861

BALANCE SHEET

Note no.		End Dec. 2015 DKK 1,000	End Dec. 2014 DKK 1,000
	Assets		
	Cash in hand and claims at call on central banks	331,563	190,873
13	Claims on credit institutions and central banks	717,602	180,490
	Claims at notice on central banks	130,019	0
	Money market operations and bilateral loans - term to maturity under 1 year	262,583	60,490
	Bilateral loans - term to maturity over 1 year	325,000	120,000
14,15	Loans and other debtors at amortised cost price	17,299,920	15,507,134
	Loans and other debtors at amortised cost price	15,914,993	13,842,752
	Wind turbine loans with direct funding	1,101,739	1,081,240
	Collateralised repurchase agreements / reverse transactions	283,188	583,142
16	Bonds at current value	3,114,721	4,659,495
17	Shares etc.	467,049	283,047
	Investments in associated companies	2,667	530
18	Land and buildings total	64,287	66,401
	Investment properties	6,056	6,056
	Domicile properties	58,231	60,345
19	Other tangible assets	4,206	4,666
	Current tax assets	71,624	87,779
	Temporary assets	5,200	997
20	Other assets	230,620	248,863
	Prepayments and accrued income	7,970	7,633
	Total assets	22,317,429	21,237,908

Note no.		End Dec. 2015 DKK 1,000	End Dec. 2014 DKK 1,000
	Liabilities and equity		
21	Debt to credit institutions and central banks	1,502,586	1,911,215
	Money market operations and bilateral credits - term to maturity under 1 year	344,879	697,712
	Bilateral credits - term to maturity over 1 year	55,968	132,263
	Bilateral credits from the KfW Bankengruppe	1,101,739	1,081,240
22	Deposits and other debts	16,986,543	15,450,273
23	Issued bonds at amortised cost price	0	236,238
24	Other liabilities	142,737	156,231
	Deferred income and accruals	1,130	1,205
	Total debt	18,632,996	17,755,162
25	Provisions for deferred tax	10,579	14,476
15	Provisions for losses on guarantees	5,478	3,995
	Total provisions for liabilities	16,057	18,471
	Tier 2 capital	372,278	200,216
	Additional Tier 1 capital	0	165,451
26	Total subordinated debt	372,278	365,667
27	Share capital	23,350	23,900
	Reserve for net revaluation under the equity method	2,317	178
	Profit carried forward	3,129,831	2,949,750
	Proposed dividend etc.	140,600	124,780
	Total shareholders' equity	3,296,098	3,098,608
	Total liabilities and equity	22,317,429	21,237,908

STATEMENT OF SHAREHOLDERS' EQUITY

DKK 1,000	Share capital	Reserve for net revaluation under the equity method	Profit carried forward	Proposed dividend etc.	Total shareholders' equity
2014					
Shareholders' equity at the end of the previous financial year	24,200	189	2,755,211	121,500	2,901,100
Reduction of share capital	-300		300		0
Dividend etc. paid				-121,500	-121,500
Dividend received on own shares			2,022		2,022
Shareholders' equity after allocation of dividend etc.	23,900	189	2,757,533	0	2,781,622
Purchase and sale of own shares			-128,875		-128,875
Total comprehensive income		-11	321,092	124,780	445,861
Shareholders' equity on the balance sheet date	23,900	178	2,949,750	124,780	3,098,608
2015					
Shareholders' equity at the end of the previous financial year	23,900	178	2,949,750	124,780	3,098,608
Reduction of share capital	-550		550		0
Dividend etc. paid				-124,780	-124,780
Dividend received on own shares			3,385		3,385
Shareholders' equity after allocation of dividend etc.	23,350	178	2,953,685	0	2,977,213
Purchase and sale of own shares			-139,780		-139,780
Total comprehensive income		2,139	315,926	140,600	458,665
Shareholders' equity on the balance sheet date	23,350	2,317	3,129,831	140,600	3,296,098

CAPITAL STATEMENT

	End Dec. 2015 DKK 1,000	End Dec. 2014 DKK 1,000
Credit risk	14,173,867	12,879,048
Market risk	1,539,489	1,464,214
Operational risk	1,750,809	1,567,369
Total risk exposure amount	17,464,165	15,910,631
Shareholders' equity	3,296,098	3,098,608
Proposed dividend etc.	-140,600	-124,780
Deduction for prudent valuation	-3,910	0
Deduction for the sum of equity investments etc. above 10%	-118,672	-143,584
Deduction of trading frame for own shares	-55,000	-55,000
Actual utilization of the trading frame for own shares	1,221	4,061
Common Equity Tier 1 capital	2,979,137	2,779,305
Additional Tier 1 capital	0	131,600
Deduction for the sum of equity investments etc. above 10%	0	-131,600
Tier 1 capital	2,979,137	2,779,305
Tier 2 capital	373,125	160,782
Deduction for the sum of equity investments etc. above 10%	-76,769	-160,782
Own funds	3,275,493	2,779,305
Common Equity Tier 1 capital ratio (%)	17.1	17.5
Tier 1 capital ratio (%)	17.1	17.5
Total capital ratio (%)	18.8	17.5
Own funds requirements	1,397,133	1,272,850

CASH FLOW STATEMENT

	2015 DKK 1,000	2014 DKK 1,000
Operation activities		
Profit for the financial year	458,665	445,861
Amortisations, depreciations and write-downs on intangible and tangible assets	7,351	12,192
Impairments charges for loans and other debtors etc.	98,802	131,407
Other items not affecting liquidity	-6,832	1,432
Adjusted result of operations	557,986	590,892
Changes in operating capital		
Claims on and debt to credit institutions etc., net	-776,153	337,736
Loans and other debtors at amortised cost price	-1,891,588	-1,789,256
Securities, not liquid and pledged	-184,317	55,779
Deposits and other debts	1,536,270	1,336,457
Issued bonds at amortised cost price	-236,238	-13,576
Other assets and liabilities, net	17,772	-66,486
Cash flows from operating activities	-976,268	451,546
Investment activities		
Tangible assets, purchase	-3,979	-5,911
Tangible assets, sale	0	774
Cash flows from investment activities	-3,979	-5,137
Financing activities		
Paid dividend, net	-121,395	-119,478
Own shares etc.	-139,780	-128,875
Subordinated debt, obtained	372,278	0
Subordinated debt, repaid etc.	-365,667	-5,373
Cash flows from financing activities	-254,564	-253,726
Total effect on liquidity for the year	-1,234,811	192,683
Cash and cash equivalents, beginning of year	4,838,219	4,645,536
Cash and cash equivalents, end of year	3,603,408	4,838,219
Cash and cash equivalents, end of year specified thus:		
Cash in hand and claims at call on central banks	331,563	190,873
Claims on credit institutions and central banks	228,602	59,014
Securities, unpledged	3,043,243	4,588,332
Total cash and cash equivalents, end of year	3,603,408	4,838,219

The cash flow statement cannot be derived from this annual report, and the statement has also been adapted to the special statement of accounts etc. for banks.

ACCOUNTING POLICIES

Basis for preparing the annual report

General

The annual report is prepared in accordance with the provisions of the Danish Financial Business Act and other Danish requirements regarding information in the annual financial statements of listed financial companies.

The annual report is presented in DKK.

The accounting policies are unchanged from the latest financial year.

Inclusion and measuring - general

Assets are included in the balance sheet when it is probable that future financial advantages will accrue to the bank and the value can be measured reliably. Liabilities are included in the balance sheet, when they are probable, and that they can be measured reliably.

Income is included in the profit and loss account in step with its earning. Costs paid to achieve the income for the year are included in the profit and loss account, and value adjustments made to financial assets, financial liabilities and derivative financial instruments are also included in the profit and loss account.

Regarding the criteria for inclusion and the basis of measurement we refer to the following sections.

Accounting estimates

In computing the book value of certain assets and liabilities, an estimate has been made of how future events will affect the value of the assets and liabilities on the balance sheet date.

The estimates made are based on assumptions which management judges to be responsible, but which are not certain. The final actual results may thus deviate from the estimates as the bank is subject to risks and uncertainties which can affect the results.

The most important estimates concern impairment charges on loans and debtors, computation of current values for unlisted financial instruments, and provisions for liabilities. The most important estimates on impairment charges on loans and debtors are associated with quantification of the risk that no future payments will be received.

Foreign currency

Assets and liabilities in foreign currency are converted to Danish kroner at the closing exchange rate for the currency on balance sheet date, corresponding to the rate published by the Central Bank of Denmark. Income and expenses are converted continuously at the exchange rate on the transaction date.

Financial instruments - general

In general, the bank measures financial assets and liabilities at current value on first inclusion. Measuring is subsequently made at current value unless otherwise specifically emerges from the following sections on the individual accounts items. The bank uses the date of payment as the date of entry for financial instruments.

Derivative financial instruments

Forward transactions, interest rate swaps and other derivative financial instruments are included at current value on balance sheet date.

Hedging transactions which, under the terms of the Danish Financial Supervisory Authority's Executive Order on Financial Reports for Credit Institutions and Investment Companies etc. are regarded as hedging at current value for accounting purposes are included at current value on the balance sheet date with respect to both the hedging instrument and the hedged part of the financial instrument.

All value adjustments concerning derivative financial instruments and items subject to hedging for accounting purposes are entered under the item »Value adjustments« in the profit and loss account.

The profit and loss account

Interest income

Interest income is included on the basis of the effective interest method, under which interest income also includes the allocated portion of establishment fees etc. which are considered to be a part of the effective interest on the loan.

On loans which in full or in part have been written down, the interest income relating to the written-down part is entered under the item »Impairment charges for loans and debtors etc.«.

Income from fees and commissions, net

Fees and commissions relating to loans and receivables are recognized as part of the carrying amount

of loans and receivables and are recognized in the profit and loss account over the term of the loans and receivables as part of the effective interest rate on the loans as interest income, as referred to in the above section »Interest income«. Commissions relating to guarantees are carried to income over the term of the guarantees. Income generated upon performing a given transaction, including securities and custodianship fees plus payment handling fees, are recognised as income when the transaction has been performed.

Staff and administration costs

Staff and administration costs comprise among other things salaries, pension costs, IT-costs, etc.

Other operating costs

Other operating costs include contributions to the Guarantee Fund and the Resolution Fund. Other operating costs also include items which by their nature are secondary to the banking activities.

Impairment charges for loans and debtors etc.

This item includes losses and impairment charges for loans and other debtors and losses and provisions on guarantees. The item also includes losses and impairment charges on claims on credit institutions.

Tax

Tax on the profit for the year is booked as a cost in the profit and loss account.

Net deferred tax is calculated on the items which cover the temporary differences in accounting and booking of taxable income and expenses. Changes in the corporate tax rate will be taken into account.

Core earnings

The core earnings show a statement of the bank's income and costs. In total, the core earnings contain the same items as the profit and loss account but with a different degree of specification.

The statement divides the year's result into two main elements; core earnings and result for the portfolio. Interest and dividends are included in the result for the portfolio and funding costs for the bank's trading portfolio are deducted.

The balance sheet

Claims on credit institutions and central banks

The first inclusion is made at current value plus transactions costs, less establishment fees etc., and subsequent measurement is at amortised cost price, but reference is made to the section »Derivative financial instruments« with respect to hedging for accounting purposes.

Loans and other debtors

The first inclusion is made at current value plus transaction costs, less establishment fees etc., and subsequent measurement is at amortised cost price. Establishment fees etc. which are comparable with ongoing interest payments, and are thus deemed to be an integral part of the effective interest on the loan, are accrued over the life of the individual loan.

If an objective indication of impairment is found on an individually assessed loan, an impairment charge is made to cover the bank's loss on the basis of expected future payments series based on an assessment of the most likely outcome.

With respect to loans and receivables which have not been individually impaired, a group-wise assessment is made of whether there is an objective indication of impairment in value for the group.

This group-wise assessment is made on groups of loans and debtors with uniform characteristics with respect to credit risk. 12 groups are used, one of public clients, one of private clients and 10 of business clients, the latter further grouped by sector.

The group-wise assessment is made on the basis of a segmentation model developed by the Association of Local Banks, Savings Banks and Cooperative Savings Banks in Denmark, which undertakes the ongoing maintenance and development. The segmentation model sets the relationship in the individual groups between losses suffered and a number of significant explanatory macroeconomic variables via a linear regression analysis. The explanatory macroeconomic variables include unemployment, house prices, interest rates, number of bankruptcies/forced auctions etc.

The macroeconomic segmentation model is initially calculated on the basis of loss data for the entire banking sector. The bank has therefore made an assessment of whether the model estimates reflect the credit risk for the bank's own loan portfolio.

ACCOUNTING POLICIES

This assessment has resulted in an adaptation of the estimates under the model to the bank's own circumstances, under which the adapted estimates form the basis for calculation of the collective impairment charges. The adjusted estimates were further corrected to take account of the changed economic conditions, hereunder "early events". For each group of loans and debtors, there is an estimate which expresses the percentage decrease in value associated with a given group of loans and debtors on the balance sheet date. A comparison of the individual loan's current risk of loss with the loan's original risk of loss and its risk of loss at the beginning of the current accounting period provides the individual loan's contribution to the collective impairments. The impairment is calculated as the difference between the book value and the discounted value of the expected future payments.

Changes in impairments which have been made are adjusted in the profit and loss account under the item »Impairment charges for loans and debtors etc.«.

Sales and repurchase agreements (repo / reverse transactions)

Securities which have been sold under associated repurchase agreements remain listed under securities in the balance sheet. Amounts received are recognised as deposits or debt to credit institutions.

Securities which have been bought under associated resale agreements are recognised as loans or amounts owed by credit institutions, and the return is recognised under »Interest income«.

Bonds and shares

Securities listed on a stock exchange are measured at current value determined at the quoted price, best expressed by the closing price at the balance sheet date.

Unlisted securities and other ownership interests (including level 3 assets) are also included at fair value, computed on the basis of the transaction price in an exchange between independent parties. If no current market data exist, the fair value is determined on the basis of published announcements of financial results, or alternatively a yield model will be used which is based on payment flows and other available information.

The management actively considers the fair value computations.

All ongoing value adjustments to listed and unlisted securities are entered in operations under the item »Value adjustments«.

Capital shares in associated companies

Capital shares in associated companies are entered in the balance sheet under the intrinsic value method.

Land and buildings

Land and buildings cover the two items »Investment properties« and »Domicile properties«. The properties which house the bank's branches are included under domicile properties, while other properties are considered to be investment properties.

Investment properties are included in the balance sheet at current value, computed under the yield method. Ongoing changes in value concerning investment properties are included in the profit and loss account.

Domicile properties are included in the balance sheet at reassessed value, which is the current value computed on the basis of the yield method less cumulative depreciation and any loss due to impairment. Depreciation is calculated on the basis of expected useful life, which is 50 years, on the basis of depreciation computed as cost price less scrap value. Depreciations and losses due to impairment are included in the profit and loss account, while increases in the reassessed value are included in total comprehensive income in the shareholders' equity under the item »Provisions for revaluation« unless the increase corresponds to a reduction in value which was previously included in the profit and loss account.

Other tangible assets

Other tangible assets including operating equipment are included in the balance sheet at cost price less cumulative depreciation and write-downs for any loss due to impairment. Depreciations are calculated on the basis of the assets' expected lives, which are 1-5 years, on the basis of depreciation computed as cost price less scrap value. Depreciations and losses due to impairment are included in the profit and loss account.

Temporary assets

Temporary assets comprise assets taken over as a result of the unwinding of customer engagements, the intention being to sell off the assets as soon as possible. Temporary assets are included at cost price on transfer and will subsequently be written down to a possibly lower realisation value.

Other assets

Other assets include interest and commissions receivable as well as the positive market value of derivative financial instruments.

Tax

Actual tax assets and actual tax liabilities are recognized in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax paid on account.

A deferred tax liability is allocated under the item »Provisions for deferred tax«. A deferred tax asset is booked under the item »Deferred tax assets« following a cautious assessment of the asset's value.

The effect of changes in the corporate tax rate is recognized in »Deferred tax assets« / »Provisions for deferred tax«.

Debt to credit institutions and central banks / Deposits and other debts / Issued bonds at amortised cost price / Subordinated debt

Measurement is at amortised cost price, but reference is made to the section »Derivative financial instruments« with respect to hedging for accounting purposes.

Other liabilities

Other liabilities include interest and commissions payable and the negative marked value of derivative financial instruments.

Provisions for liabilities

Provisions for liabilities include mainly deferred tax and provisions for losses on guarantees. A provision is recognized in respect of a guarantee or an irrevocable credit commitment if it is likely that the guarantee or the credit commitment will be exercised and the amount of the commitment can be reliably determined. Provisions are based on management's best estimate of the amount of the commitments.

In measuring provisions for liabilities, discounting to net present value is made where deemed material.

Various informations

Contingent liabilities / guarantees

The bank's outstanding guarantees are given in the notes under the item »Contingent liabilities«. If it is considered likely that an outstanding guarantee will incur a loss to the bank, the liability is given under the item »Provisions for losses on guarantees« and booked under costs in the profit and loss account under the item »Impairment charges for loans and debtors etc.«

Cash flow statement

The cash flow statement is presented in accordance with the indirect method on the basis of the result for the year, adjusted for non-liquid items.

The statement shows net changes in the balance sheet, and on some points it will therefore not provide the full picture of the actual cash flows.

The cash flows from the operating activity are computed as the result for the year, adjusted for non-liquid items and changes in operating capital. Cash flows from the investment activity cover purchases and sale of fixed assets etc. Cash flows from the financing activity cover movements and allocations in subordinated debt and in shareholders' equity.

Liquid assets cover cash in hand, claims at call on the Central Bank of Denmark, fully secured and liquid claims at call on banks, unpledged certificates of deposit issued by the Central Bank of Denmark, and secure and easily saleable listed unpledged securities, under Section 152 of the Danish Financial Business Act.

Information and key figures

The »Return on equity before tax, beginning of the year«, and the »Return on equity after tax, beginning of the year« as given on page 3 under »Key figures for the bank« were calculated after deduction of dividend etc., net.

»Key figures per DKK 5 share« on page 3 were calculated on the basis of 2015: 4,570,000 shares, 2014: 4,670,000 shares, 2013: 4,780,000 shares, 2012: 4,840,000 shares and 2011: 4,940,000 shares.

The market value listed on page 2 is calculated from the closing price of the Ringkjøbing Landbobank share on 22 January 2016 at 1,455.

NOTE OVERVIEW

	Page
1 Interest receivable	73
2 Interest payable	73
3 Dividend from shares etc.	73
4 Fees and commissions	73
5 Value adjustments	74
6 Staff and administration costs.....	74
7 Number of full-time employees	74
8 Salaries to major risk takers and control functions.....	75
9 Fee to the auditor elected by the general meeting.....	75
10 Amortisations, depreciations and write-downs on intangible and tangible assets	75
11 Impairment charges on loans and other debtors etc.....	75
12 Tax	75
13 Claims on credit institutions and central banks	75
14 Loans and other debtors at amortised cost price.....	76
15 Impairment charges for loans and other debtors and provisions for losses on guarantees.	76
16 Bonds at current value.....	76
17 Shares etc.....	77
18 Land and buildings.	77
19 Other tangible assets.....	77
20 Other assets	77
21 Debt to credit institutions and central banks	78
22 Deposits and other debts	78
23 Issued bonds at amortised cost price	78
24 Other liabilities	78
25 Provisions for deferred tax	79
26 Subordinated debt	79
27 Share capital	79
28 Own capital shares	80
29 Contingent liabilities etc.....	80
30 Assets furnished as security.....	80
31 Contractual obligations	80
32 Legal proceedings etc.....	81
33 Related parties.....	81
34 Current value of financial instruments	82
35 Hedging.....	83
36 Risks and risk management	83
37 Credit risk.....	83
38 Foreign exchange risk.....	91
39 Interest rate risk.....	91
40 Value at Risk / Market risk.....	92
41 Derivative financial instruments.....	93

NOTES TO THE ANNUAL REPORT

Note no.		2015 DKK 1,000	2014 DKK 1,000
1	Interest receivable		
	Claims on credit institutions and central banks	15,990	16,750
	Loans and other debtors	700,503	740,222
	Loans - interest concerning the impaired part of loans	-38,435	-44,221
	Reverse loans	5,094	-3,457
	Bonds	54,379	90,054
	Total derivatives financial instruments, of which	-4,281	-12,782
	Currency contracts	1,166	193
	Interest-rate contracts	-5,447	-12,975
	Other interest receivable	3,745	1,358
	Total interest receivable	736,995	787,924
2	Interest payable		
	Credit institutions and central banks	24,354	26,425
	Deposits and other debts	54,268	92,049
	Repo deposits	66	0
	Issued bonds	3,679	7,207
	Subordinated debt	8,790	13,023
	Other interest payable	8	549
	Total interest payable	91,165	139,253
3	Dividend from shares etc.		
	Shares	13,010	7,897
	Total dividend from shares etc.	13,010	7,897
4	Fees and commissions		
	Gross income from fees and commissions		
	Securities trading and custody accounts	58,631	45,378
	Asset management	111,887	96,994
	Payment handling	26,357	23,883
	Loan fees	15,879	11,851
	Guarantee commissions	56,362	51,891
	Other fees and commissions	31,960	31,085
	Total gross income from fees and commissions	301,076	261,082
	Fees and commissions paid		
	Securities trading and custody accounts	10,783	8,938
	Asset management	6,391	5,551
	Payment handling	8,973	3,034
	Loan fees	2,637	2,128
	Other fees and commissions	12,903	12,050
	Total fees and commissions paid	41,867	31,701
	Net income from fees and commissions		
	Securities trading and custody accounts	47,848	36,440
	Asset management	105,496	91,443
	Payment handling	17,384	20,849
	Loan fees	13,242	9,723
	Guarantee commissions	56,362	51,891
	Other fees and commissions	19,057	19,035
	Total net income from fees and commissions	259,389	229,381
	Foreign exchange income	15,812	13,489
	Total net income from fees, commissions and foreign exchange income	275,201	242,870

NOTES TO THE ANNUAL REPORT

Note no.		2015 DKK 1,000	2014 DKK 1,000
5	Value adjustments		
	Loans and other debtors, current value adjustment*	9,249	11,129
	Bonds	-29,648	21,779
	Shares etc.	34,659	23,594
	Foreign exchange income	15,812	13,489
	Total derivative financial instruments, of which	-489	3,482
	Interest-rate contracts	-1,650	2,543
	Share contracts	1,161	939
	Issued bonds	0	3,295
	Other liabilities	0	5,525
	Total value adjustments	29,583	82,293
	* Cf. note 35.		
6	Staff and administration costs		
	Payments to general management, board of directors and shareholders' committee		
	General management*/**:		
	John Bull Fisker	4,336	4,001
	Salary	4,069	4,001
	Pension	267	0
	Jørn Nielsen (joined on 1 September 2015)	701	-
	Salary	701	-
	Pension	0	-
	Total payment	5,037	4,001
	Board of directors*:		
	Jens Lykke Kjeldsen, chairman	328	299
	Martin Krogh Pedersen, deputy chairman	218	199
	Gert Asmussen	163	149
	Inge Sandgrav Bak	163	149
	Gravers Kjærgaard (retired on 25 February 2015)	27	149
	Jens Møller Nielsen (joined on 22 April 2015)	109	0
	Jørgen Lund Pedersen	163	149
	Bo Bennedsgaard	163	149
	Dan Astrup Sørensen (joined on 1 March 2015)	136	0
	Gitte E. S. Vigsø	163	149
	Total payment	1,633	1,392
	Shareholders committee*:		
	Total payment	415	393
	Total	7,085	5,786
	Staff costs		
	Salaries	130,240	124,634
	Pensions	13,281	12,749
	Social security expenses	932	905
	Costs depending on number of staff	20,485	17,826
	Total	164,938	156,144
	Other administration costs	109,611	108,602
	Total staff and administration costs	281,634	270,532
	* The general management, the board of directors and the shareholders committee does not receive variable payment.		
	** The general management has a company car.		
7	Number of full-time employees		
	Average number of employees during the financial year converted into full-time employees	269	257

Note no.		2015 DKK 1,000	2014 DKK 1,000
8	Salaries to major risk takers and control functions		
	Fixed salary	11,763	11,577
	Variable salary	225	350
	Pension	1,248	1,273
	Total	13,236	13,200
	Number of full-time employees end of year	14	14
9	Fee to the auditor elected by the general meeting		
	Statutory audit	625	625
	Other declarations with security	60	50
	Advice on tax	0	0
	Other services	114	100
	Total fee to the auditor elected by the general meeting	799	775
	The bank has also an internal auditor.		
10	Amortisations, depreciations and write-downs on intangible and tangible assets		
	Tangible assets		
	Domicile properties, depreciations	613	662
	Domicile properties, write-downs	1,500	6,000
	Other tangible assets, depreciations	5,238	5,530
	Total amortisations, depreciations and write-downs on intangible and tangible assets	7,351	12,192
11	Impairment charges on loans and other debtors etc.		
	Net changes in impairment charges on loans and other debtors and provisions for losses on guarantees	11,552	77,980
	Actual realised net losses	87,250	53,427
	Interest concerning the impaired part of loans	-38,435	-44,221
	Total impairment charges on loans and other debtors etc.	60,367	87,186
12	Tax		
	Tax calculated on the years profit	133,489	139,780
	Adjustment of deferred tax	-2,973	1,826
	Adjustment of deferred tax due to change in tax rate	-924	-538
	Adjustment of tax calculated for previous years	3	84
	Total tax	129,595	141,152
	Effective tax rate (%):		
	The current tax rate of the bank	23.5	24.5
	Permanent deviations	-1.3	-0.4
	Adjustment of deferred tax due to change in tax rate	-0.2	-0.1
	Adjustment of tax calculated for previous years	0.0	0.0
	Total effective tax rate	22.0	24.0
		End Dec. 2015	End Dec. 2014
		DKK 1,000	DKK 1,000
13	Claims on credit institutions and central banks		
	Claims at call	98,583	59,014
	Up to and including 3 months	230,019	0
	More than 3 months and up to and including 1 year	64,000	1,476
	More than 1 year and up to and including 5 years	320,000	120,000
	More than 5 years	5,000	0
	Total claims on credit institutions and central banks	717,602	180,490
	Distributed as follows:		
	Claims on central banks	130,019	0
	Claims on credit institutions	587,583	180,490
		717,602	180,490

NOTES TO THE ANNUAL REPORT

Note no.		End Dec. 2015 DKK 1,000	End Dec. 2014 DKK 1,000
14	Loans and other debtors at amortised cost price		
	At call	2,055,385	1,383,877
	Up to and including 3 months	1,054,786	1,248,521
	More than 3 months and up to and including 1 year	2,273,914	1,869,846
	More than 1 year and up to and including 5 years	5,849,053	5,281,673
	More than 5 years	6,066,782	5,723,217
	Total loans and other debtors at amortised cost price	17,299,920	15,507,134
	Of which collateralised repurchase agreements / reverse transactions	283,188	583,142
15	Impairment charges for loans and other debtors and provisions for losses on guarantees*		
	Individual impairment charges		
	Cumulative individual impairment charges for loans and other debtors at the end of the previous financial year	701,131	736,513
	Impairment charges / value adjustments during the year	149,057	179,129
	Reverse entry - impairment charges made in previous financial years	-121,034	-174,736
	Booked losses covered by impairment charges	-64,604	-39,775
	Cumulative individual impairment charges for loans and other debtors on the balance sheet date	664,550	701,131
	Collective impairment charges		
	Cumulative collective impairment charges for loans and other debtors at the end of the previous financial year	226,272	112,652
	Impairment charges / value adjustments during the year	46,650	113,620
	Cumulative collective impairment charges for loans and other debtors on the balance sheet date	272,922	226,272
	Total cumulative impairment charges for loans and other debtors on the balance sheet date	937,472	927,403
	Provisions for losses on guarantees		
	Cumulative individual provisions for losses on guarantees at the end of the previous financial year	3,995	4,256
	Provisions / value adjustments during the year	5,152	2,261
	Reverse entry - provisions made in previous financial years	-3,586	-2,469
	Booked losses covered by provisions	-83	-53
	Cumulative individual provisions for losses on guarantees on the balance sheet date	5,478	3,995
	* No impairment charges have been recognised for credit balances with credit institutions and central banks.		
	Total cumulative impairment charges for loans and other debtors and provisions for losses on guarantees on the balance sheet date	942,950	931,398
16	Bonds at current value*		
	Listed on the stock exchange**	3,114,721	4,659,495
	Total bonds at current value	3,114,721	4,659,495

* The bank has no held-to-maturity bonds.

** See page 26 of the management report, where the rating classes are stated.

Note no.		End Dec. 2015 DKK 1,000	End Dec. 2014 DKK 1,000
17	Shares etc.		
	Listed on Nasdaq Copenhagen	11,492	13,237
	Investment fund certificates	196,590	27,413
	Unlisted shares at current value	1,450	1,473
	Sector shares at current value	257,517	240,924
	Total shares etc.	467,049	283,047
18	Land and buildings		
	Investment properties		
	Current value at the end of the previous financial year	6,056	6,056
	Acquisitions during the year, including improvements	0	0
	Disposals during the year	0	0
	Value adjustments to current value for the year	0	0
	Reverse entry of previous years' write-downs during the year and reverse entry of total depreciations and write-downs on assets which were sold or taken out of operation during the year	0	0
	Current value on the balance sheet date	6,056	6,056
	Domicile properties		
	Reassessed value at the end of the previous financial year	60,345	67,815
	Acquisitions during the year, including improvements	0	0
	Disposals during the year	0	-1,236
	Depreciations for the year	-614	-662
	Write-downs after revaluation for the year	-1,500	-6,000
	Reverse entry of previous years' write-downs during the year and reverse entry of total depreciations and write-downs on assets which were sold or taken out of operation during the year	0	428
	Total reassessed value on the balance sheet date	58,231	60,345
	When measuring investment and domicile properties a rate of return between 6% and 8% is used. No external experts were involved in the valuation of investment and domicile properties.		
19	Other tangible assets		
	Cost price		
	Cost price at the end of the previous financial year without depreciations and write-downs	33,515	28,846
	Acquisitions during the year, including improvements	3,979	5,911
	Disposals during the year	-2,776	-1,242
	Total cost price on the balance sheet date	34,718	33,515
	Amortisations, depreciations and write-downs		
	Amortisations, depreciations and write-downs at the end of the previous financial year	28,849	24,461
	Depreciations for the year	4,371	5,530
	Reverse entry of previous years' write-downs during the year and reverse entry of total depreciations and write-downs on assets which were sold or taken out of operation during the year	-2,708	-1,142
	Total amortisations, depreciations and write-downs on the balance sheet date	30,512	28,849
	Total other tangible assets on the balance sheet date	4,206	4,666
20	Other assets		
	Interest and commissions receivable	55,181	62,538
	Positive market value of derivative financial instruments	133,559	138,054
	Miscellaneous receivables and other assets	24,827	31,325
	Other deposits	17,053	16,946
	Total other assets	230,620	248,863

NOTES TO THE ANNUAL REPORT

Note no.		End Dec. 2015 DKK 1,000	End Dec. 2014 DKK 1,000
21	Debt to credit institutions and central banks		
	Debt payable on demand	268,254	258,042
	Up to and including 3 months	55,023	478,264
	More than 3 months and up to and including 1 year	171,936	76,818
	More than 1 year and up to and including 5 years	593,775	611,326
	More than 5 years	413,598	486,765
	Total debt to credit institutions and central banks	1,502,986	1,911,215
	Distributed as follows:		
	Debt to credit institutions	1,502,586	1,911,215
		1,502,586	1,911,215
22	Deposits and other debts		
	On demand*	11,332,913	9,209,187
	Deposits and other debts at notice:		
	Up to and including 3 months	1,891,994	1,761,577
	More than 3 months and up to and including 1 year	667,677	1,064,673
	More than 1 year and up to and including 5 years	966,866	948,383
	More than 5 years	2,127,093	2,466,453
	Total deposits and other debts	16,986,543	15,450,273
	Distributed as follows:		
	On demand	10,912,726	8,815,421
	At notice	327,726	348,422
	Time deposits	2,352,697	2,735,273
	Long-term deposit agreements	2,192,532	2,238,720
	Special types of deposits*	1,201,282	1,312,437
		16,986,543	15,450,273
	* Special types of deposits are entered under the item »On demand« pending payment, while in the specification of the different types of deposits, the sum is instead included under »Special types of deposits«.		
23	Issued bonds at amortised cost price		
	Up to and including 3 months	0	2,573
	More than 3 months and up to and including 1 year	0	233,665
	Total issued bonds at amortised cost price	0	236,238
	Distributed as follows:		
	Issues in Norwegian kroner		
	Nom. NOK 100 million*	0	82,320
	Regulation at amortised cost price and adjustment to current value of issues in Norwegian kroner*	0	2,473
	Issues in Euro:		
	Nom. EUR 20 million*	0	148,872
	Other issues	0	2,573
		0	236,238
	* Cf. note 35.		
24	Other liabilities		
	Interest and commissions payable	6,430	26,240
	Negative market value of derivative financial instruments	55,077	42,384
	Micellaneous payables and other liabilities	81,230	87,607
	Total other liabilities	142,737	156,231

Note no.		End Dec. 2015 DKK 1,000	End Dec. 2014 DKK 1,000					
25	Provisions for deferred tax							
	The calculated provisions for deferred tax relates to the balance sheet items:							
	Loans and other debtors	-5,864	-2,817					
	Tangible assets	-455	-451					
	Temporary assets	-224	-80					
	Other balance sheet items	17,122	17,824					
	Total provisions for deferred tax	10,579	14,476					
26	Subordinated debt							
	Type	Interest rate (%)	Currency	Mil-lion	Due date	Possible early redemption date		
	Tier 2 capital							
	Bond loan*	Floating	EUR	50	20 May 2025	20 May 2020	373,125	0
	Bilateral agreement**	Floating	EUR	27	Repaid	Repaid	0	200,977
	Total Tier 2 capital						373,125	200,977
	Additional Tier 1 capital							
	Bond loan***	4.795	DKK	200	Repaid	Repaid	0	200,000
	Own holding						0	-35,500
	Total additional Tier 1 capital						0	164,500
	Regulation at amortised cost price and adjustment to current value****						-847	190
	Total subordinated debt						372,278	365,667
	Distributed as follows:							
	Subordinated debt included in own funds						373,125	292,382
	Subordinated debt not included in own funds						0	73,095
	Regulation at amortised cost price and adjustment to current value****						-847	190
							372,278	365,667
	* Obtained on 20 May 2015. The interest rate is a quarterly variable rate corresponding to the three-month Euribor plus 1.80% p.a. Interest - 2015: tDKK 4,365.							
	** Repaid on 30 June 2015. Interest - 2015: tDKK 3,127 / 2014: tDKK 5,096.							
	*** Repaid on 2 March 2015. Interest - 2015: tDKK 1,298 / 2014: tDKK 7,927.							
	**** Cf. note 35.							
27	Share capital							
	Number of shares at DKK 5 each:							
	Beginning of year						4,780,000	4,840,000
	Cancellation during the year						-110,000	-60,000
	End of year						4,670,000	4,780,000
	Reserved for subsequent cancellation						100,000	110,000
	Share capital						23,350	23,900
	The whole share capital has been admitted for listing on Nasdaq Copenhagen.							

NOTES TO THE ANNUAL REPORT

Note no.		End Dec. 2015 DKK 1,000	End Dec. 2014 DKK 1,000
28	Own shares		
	Own shares included in the balance sheet at	0	0
	The market value is	151,226	130,781
	Number of own shares:		
	Beginning of year	113,525	62,554
	Purchase during the year	347,731	290,886
	Sale during the year	-250,439	-179,915
	Cancellation during the year	-110,000	-60,000
	End of year	100,817	113,525
	Reserved for subsequent cancellation	100,000	110,000
	Nominal value of holding of own shares, end of year	504	568
	Own shares' proportion of share capital end of year (%):		
	Beginning of year	2.4	1.3
	Purchase during the year	7.5	6.1
	Sale during the year	-5.4	-3.8
	Cancellation during the year	-2.3	-1.2
	End of year	2.2	2.4
	Total purchase price for shares acquired during the year	640,370	466,512
	Total sales price for shares sold during the year	500,590	337,637
	The transactions for the year in own shares were made on the basis of the bank's ordinary trading with shares and share buy-back programme.		
29	Contingent liabilities etc.		
	Contingent liabilities		
	Finance guarantees	1,112,688	978,987
	Guarantees against losses on mortgage credit loans	80,981	62,074
	Guarantees against losses Totalkredit	116,104	187,068
	Registration and conversion guarantees	641,756	728,745
	Sector guarantees	45,321	48,596
	Other contingent liabilities	237,531	212,340
	Total contingent liabilities	2,234,381	2,217,810
30	Assets furnished as security		
	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 the KfW Bankengruppe.		
	The balance sheet item is	1,101,739	1,081,240
	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	231,505	275,685
31	Contractual obligations		
	The following information is provided on material contractual obligations:		
	The bank is a member of the association Bankdata. If the bank terminates its membership, it is liable to pay an exit charge.		
	Like the rest of the Danish banking sector, the bank has an obligation to make payments to the Guarantee Fund and the Resolution Fund.		
	The bank has entered into a number of leases in connection with its operations and is liable to pay rent.		

Note
no.

32 Legal proceedings etc.

The bank is not party to any legal proceedings that are estimated to result in major losses and in that way to a substantial change of the accounts.

33 Related parties

Related parties are the bank's board of directors and general management and their relatives. Ringkjøbing Landbobank advises that it has no related parties with controlling interest.

There were no transactions during the year with the board of directors and the general management apart from the payment of salaries and fees etc., securities trading and the provision of loans and guarantees.

It is also noted that all of the transactions performed in 2015 and 2014 with related parties, were carried out on market terms or a cost-cover basis.

Information on the remuneration made to the board of directors and the general management is given in note 6.

Information on the size of loans, mortgages, sureties and guarantees provided to members of the bank's board of directors and general management and the security received is given in this note. The information in the note covers these parties' personal engagements and those of their relatives.

Information on the shareholdings held by the board of directors and the general managers is also given in this note.

	End Dec. 2015 DKK 1,000	End Dec. 2014 DKK 1,000
The amount of loans issued to and mortgages, sureties or guarantees issued for the members of the bank's:		
Interest rates 2015 (Mastercard)		
General management	350	250
Board of directors, incl. elected by the staff 0.75% - 12.0%	10,249	9,755
New engagements during the year have been granted for net	2,810	2,400
All engagements are performed under market terms, including both interest and guarantee commission rates.		
Security pledged from members of the bank's:		
General management	0	0
Board of directors, incl. elected by the staff	1,805	74
	End Dec. 2015	End Dec. 2014
	Number of shares	Number of shares
The board of directors' and the general management shareholdings* in Ringkjøbing Landbobank at the end of the year		
The board of directors:		
Jens Lykke Kjeldsen	7,070	7,000
Martin Krogh Pedersen	6,501	6,501
Gert Asmussen	4,528	4,528
Inge Sandgrav Bak	2,521	2,521
Gravers Kjærsgaard (retired on 25 February 2015)	-	6,663
Jens Møller Nielsen (joined on 22 April 2015)	138	-
Jørgen Lund Pedersen	200	100
Bo Bennedsgaard	532	532
Dan Astrup Sørensen (joined on 1 March 2015)	1	-
Gitte E. S. Vigsø	23	30
General management:		
John Bull Fisker	14,994	15,192
Jørn Nielsen (joined on 1 September 2015)	2,264	-

* Stated in accordance with the rules on insiders.

NOTES TO THE ANNUAL REPORT

Note
no.

34 Current value of financial instruments

Financial instruments are measured in the balance sheet at either current value or amortised cost price (with consideration to risk cover that fulfil the conditions applying to hedging).

The current value is the amount at which a financial asset can be sold or the amount at which a financial liability can be redeemed between agreed independent parties. The current values of financial assets and liabilities valued on active markets are calculated on the basis of observed market prices on the balance sheet date. The current values of financial instruments which are not valued on active markets are calculated on the basis of generally recognised methods of valuation.

Shares etc. and derivative financial instruments are measured in the accounts at market value such that included book values correspond to current values.

Loans and other debtors are measured in the balance sheet at amortised cost. The difference from current value is calculated as fees and commissions received, costs incurred in the lending activities, and for fixed-interest loans, the value adjustment which is independent of the interest level and which can be calculated by comparing the actual market interest rate with the nominal rate applying to the loans.

The current value of claims on credit institutions and central banks is determined under the same method as for loans, but the bank has not currently made any impairment charges for claims on credit institutions and central banks.

Issued bonds and subordinated debt are measured at amortised cost price, which is estimated to be the current value.

For variable-interest financial liabilities in the form of deposits and debts to credit institutions measured at amortised cost price, it is estimated that the book value corresponds to the current value.

For fixed-interest financial liabilities in the form of deposits and debts to credit institutions measured at amortised cost price, the difference from current values is estimated to be the value adjustment which is independent of interest level.

	End Dec. 2015		End Dec. 2014	
	Book value DKK 1,000	Current value DKK 1,000	Book value DKK 1,000	Current value DKK 1,000
Financial assets				
Cash in hand + claims at call on central banks	331,563	331,563	190,873	190,873
Claims on credit institut. and central banks*	717,602	717,602	180,490	180,490
Loans and other debtors at amort. cost price*	17,329,606	17,366,133	15,537,722	15,559,875
Bonds at current value*	3,114,721	3,114,721	4,659,495	4,659,495
Shares etc.	469,716	469,716	283,577	283,577
Derivative financial instruments	133,559	133,559	138,054	138,054
Total financial assets	22,096,767	22,133,294	20,990,211	21,012,364
Financial liabilities				
Debt to credit institutions and central banks*	1,502,586	1,502,586	1,911,215	1,911,215
Deposits and other debts*	16,991,639	17,003,076	15,460,254	15,478,548
Issued bonds at amortised cost price*	0	0	239,293	236,820
Derivative financial instruments	55,077	55,077	42,384	42,384
Subordinated debt*	373,057	373,057	373,344	372,087
Total financial liabilities	18,922,359	18,933,796	18,026,490	18,041,054

* The item includes calculated interest on the balance sheet date. The calculated interest in the balance sheet is included under the items »Other assets« and »Other liabilities«.

Note
no.

35 Hedging*

The following are hedged:

Risk cover:

Book values:

Loans
Issued bonds
Tier 2 capital
Additional Tier 1 capital

Cover is thus:

Interest swaps - total synthetic principal
Currency swaps - total synthetic principal
Total current value

	End Dec. 2015 DKK 1,000	End Dec. 2014 DKK 1,000
Fixed interest loans		Fixed interest loans Issued bonds Floating interest Tier 2 capital Fixed interest additional Tier 1 capital
Interest rate risk		Interest rate risk
Foreign exchange risk		Foreign exchange risk
Loans	218,846	58,000
Issued bonds	0	84,793
Tier 2 capital	0	200,216
Additional Tier 1 capital	0	165,451
Interest swaps - total synthetic principal	182,000	221,250
Currency swaps - total synthetic principal	36,846	283,297
Total current value	-3,616	-3,088

* Current value hedging only.

36 Risks and risk management

As described in the section on risk »Risks and risk management« in the management report contained, Ringkjøbing Landbobank is exposed to various types of risk. See the section on risks on pages 21 - 32 of the management report for a description of financial risks and policies and objectives for their management:

- Credit risks - page 22
- Interest rate risk - page 27
- Foreign exchange risk - page 27
- Share risk - page 28
- Liquidity risk - page 30

The following notes to the annual report contain some additional information and a more detailed description of the bank's credit and market risks.

37 Credit risk

Maximum credit exposure classified by balance sheet and off-balance sheet items

Loans and other debtors at amortised cost price
Guarantees (contingent liabilities)
Unutilised credit facilities*
Other exposures, including derivative financial instruments
Total maximum credit exposure

	End Dec. 2015 DKK 1,000	End Dec. 2014 DKK 1,000
Loans and other debtors at amortised cost price	17,299,920	15,507,134
Guarantees (contingent liabilities)	2,228,903	2,213,815
Unutilised credit facilities*	6,100,991	4,904,891
Other exposures, including derivative financial instruments	404,455	355,626
Total maximum credit exposure	26,034,269	22,981,466

* The bank has made unused credit facilities to a total of DKK 6.1 billion available. The amount of committed credit facilities is limited and the bank will be able to terminate the non-committed credit facilities with immediate effect.

NOTES TO THE ANNUAL REPORT

Note no.

37 Credit risk - continued

Security received for maximum credit exposure	Maximum credit exposure DKK 1,000	Loans and contingent liabilities DKK 1,000	Security received				Total DKK 1,000
			Real property DKK 1,000	Movable property DKK 1,000	Securities and cash DKK 1,000	Other security* DKK 1,000	
2015							
Public authorities	33,429	12,976	1,640	179	11,300	0	13,119
Business:							
Agriculture, forestry and fishing	2,614,403	1,969,487	463,844	297,646	138,758	553,324	1,453,572
Industry and raw materials extraction	834,174	505,223	83,549	187,830	15,283	40,487	327,149
Energy supply	5,037,869	4,175,046	112,157	0	49,366	2,934,401	3,095,924
Building and construction	530,745	358,043	103,339	45,038	20,148	5,865	174,390
Trade	1,089,733	707,035	180,548	48,620	55,088	19,583	303,839
Transport, hotels and restaurants	385,118	342,699	40,550	50,997	59,347	156,272	307,166
Information and communication	79,743	42,269	11,923	5,124	11,000	2,927	30,974
Financing and insurance	3,979,826	2,932,431	79,563	1,246	2,128,096	205,812	2,414,717
Real property	3,137,172	2,686,575	1,405,638	1,650	120,828	145,697	1,673,813
Other business	1,797,293	1,191,704	302,540	58,230	248,404	43,812	652,986
Total business	19,486,076	14,910,512	2,783,651	696,381	2,846,318	4,108,180	10,434,530
Private	6,514,764	4,605,333	1,842,484	188,221	390,687	70,469	2,491,861
Total	26,034,269	19,528,823	4,627,775	884,781	3,248,305	4,178,649	12,939,510

* Includes security in the form of wind turbines, production farms, mortgaged share capital, surety etc.

Description of security

When entering into transactions with its customers, Ringkjøbing Landbobank wants to reduce the risk as much as possible by obtaining security in the form of collateral on physical assets, securities, bank deposits etc. as well as obtaining guarantees, including by surety.

The bank regularly monitors the value of security obtained. When computing loan values, a deduction from the value is always made to cover the risk in connection with realisation, costs etc.

The above table shows the loan values used for maximum credit exposures. The loan values are computed in accordance with the bank's internal procedures and used when approving exposures. The table only shows values corresponding to the maximum credit exposure for the individual exposure. If the loan value for an exposure exceed the maximum credit exposure allowed, the surplus loan value is not included in the table.

Note
no.

37 Credit risk - continued

As a result of general cautiousness when computing loan values, the possible realization values are often higher than the loan values shown. In a number of instances, the customer's utilisation of his or her maximum credit facilities is also conditional upon the customer's ability to deposit additional security. The real collateral values for the maximum credit risk are therefore actually higher than indicated in the table.

In addition, a portion of the undrawn credit limits which are part of the maximum credit exposure is in closed circuits where the bank has financed assets without enabling the customers to claim any undrawn credit facilities. The maximum credit exposure is consequently lower in practice than indicated in the table.

Distribution by sector and industry

A more detailed distribution by sector and industry of the items »Loans and other debtors at amortised cost price«, »Guarantees« and »Unutilised credit facilities« are given below. There is also a distribution by sector and industry covering only the items »Loans and other debtors at amortised cost price« and »Guarantees«.

	End Dec. 2015 Per cent	End Dec. 2014 Per cent
Loans, guarantees and unutilised credit facilities in percent, end of year, by sector		
Public authorities	0.1	0.1
Business:		
Agriculture, hunting and forestry		
Cattle farming etc.	1.5	2.0
Pig farming etc.	1.5	2.0
Other agriculture, hunting and forestry	4.1	4.7
Fishing	2.0	2.2
Mink production	1.0	0.9
Industry and raw materials extraction	3.2	3.0
Energy supply	3.1	1.4
Wind turbines - Denmark	5.3	7.3
Wind turbines - foreign	10.5	12.5
Building and construction	2.3	2.1
Trade	4.3	4.1
Transport, hotels and restaurants	1.5	1.2
Information and communication	0.3	0.3
Financing and insurance	15.7	12.7
Real property	11.8	10.4
Other business	6.8	6.9
Total business	74.9	73.7
Private	25.0	26.2
Total	100.0	100.0

NOTES TO THE ANNUAL REPORT

Note no.		End Dec. 2015 Per cent	End Dec. 2014 Per cent
37	Credit risk - continued		
	Loans and guarantees in percent, end of year, by sector		
	Public authorities	0.1	0.0
	Business:		
	Agriculture, hunting and forestry		
	Cattle farming etc.	1.5	2.1
	Pig farming etc.	1.5	2.1
	Other agriculture, hunting and forestry	3.9	4.4
	Fishing	2.2	2.3
	Mink production	1.0	0.8
	Industry and raw materials extraction	2.6	2.6
	Energy	3.5	1.5
	Wind turbines - Denmark	6.0	7.7
	Wind turbines - foreign	11.9	13.1
	Building and construction	1.8	1.7
	Trade	3.6	3.5
	Transport, hotels and restaurants	1.8	1.1
	Information and communication	0.2	0.2
	Financing and insurance	15.0	15.0
	Real property	13.7	11.6
	Other business	6.1	6.1
	Total business	76.3	75.8
	Private	23.6	24.2
	Total	100.0	100.0

The distribution by sector and industry was made on the basis of Statistics Denmark's sector codes etc.

Comments on distribution by sector and industry

The bank's general assessment is that the credit quality of its loans is high. The ability of the bank's customers to pay is generally good, and combined with the bank's solid cover of many exposures through collateral, the result is low credit risks.

Private customers account for a total of 23.6% of Ringkjøbing Landbobank's total loans and guarantees. The majority of these customers are in the bank's core area in Central and West Jutland, and they are characterised by a solid credit quality. After a few years with substantial impairment charges and reduced quality, the bank saw stabilisation of its customers' credit quality in 2014, and this development continued in 2015 with a resulting improved quality and reduction in impairment charges. As in previous years, losses on private customers were at a low level. Collateral received from personal customers consists primarily of mortgages on real property (private homes).

The bank has a well-diversified portfolio related to agriculture, with pig farms accounting for 1.5% of the total volume of loans and guarantees, cattle farms accounting for 1.5%, and others for 3.9%. The total exposure to these three agricultural sectors fell from 8.6% in 2014 to 6.9% in 2015. The terms of trade for agriculture have weakened over the past year, and the economic conditions for agriculture as a whole are difficult. The earnings within agriculture are generally weak, and despite the fact that the bank's agricultural customers are relatively less indebted than the sector in general, the bank has allocated considerable impairment charges to this sector. These impairment charges increased considerably throughout 2015. Security consists primarily of mortgages on agricultural property (land, buildings and other production facilities on the farms). To this must be added assignment of aid per hectare and other accounts etc.

Note
no.

37 Credit risk - continued

Wind turbine funding has been a core competence for the bank for over 20 years, and the bank's loans to wind turbines accounts for a total of 17.9%. The exposure to wind turbines primarily concerns wind turbines erected in Germany, but many turbines have also been erected in Denmark from 2010 to 2014, and the bank's loans for these have increased appreciably. However, the level of activity within installation of new wind turbines in Denmark in 2015 was low because falling prices to producers for power generated by wind turbines reduced the profitability and willingness to invest. The bank's concept for wind turbine financing is based on first mortgage financing and the concept includes a legal and commercial due diligence, which combined with subsidy schemes provide a high degree of security for the bank's loans. Fixed prices to the producers on the German market provide additional security that the bank will be paid. The falling prices to the producers for power generated by wind turbines in Denmark weaken the profitability of the Danish wind turbines, but the bank's conservative fixing of lending limits means that the projects are highly resilient to falling prices. The bank's realised losses in this sector were minimal, and the financial crisis has confirmed that the risk in this sector is limited. Security consists primarily of first mortgages on wind turbines as well as assignment of electricity accounts and possible subsidies. The bank is still experiencing an efficient wind turbine market with high marketability.

Real property accounts for a total of 13.7% of the bank's total loans and guarantees, which is an increasing share. Loans and security can be divided into the following main groups:

- Loans with first mortgages on real property (the majority of loans).
- Loans with second mortgage on real property and a strong lessee with an irrevocable lease.

In the context of second mortgage financing, the bank emphasises the project's ability to settle the debt prior to expiration of the lease. Both types of loans have shown their strength during the financial crisis, and the bank feels comfortable about them.

Financing and insurance comprise a total of 15.0% of the bank's total loans and guarantees and include inter alia exposure to well-consolidated financial counterparties and the bank's concept for securities lending. Security in this concept is primarily provided in the form of listed securities. The concept has certainly demonstrated its strength during the extremely volatile periods on the financial markets during the financial crisis.

Note no.

37 Credit risk - continued

Credit quality of loans and guarantees which are neither in arrears nor impaired

The bank has credit rated a substantial number of customers. Statistical models are used for the rating of personal and small business customers (based on the probability of default), while an expert model is used for major business customers.

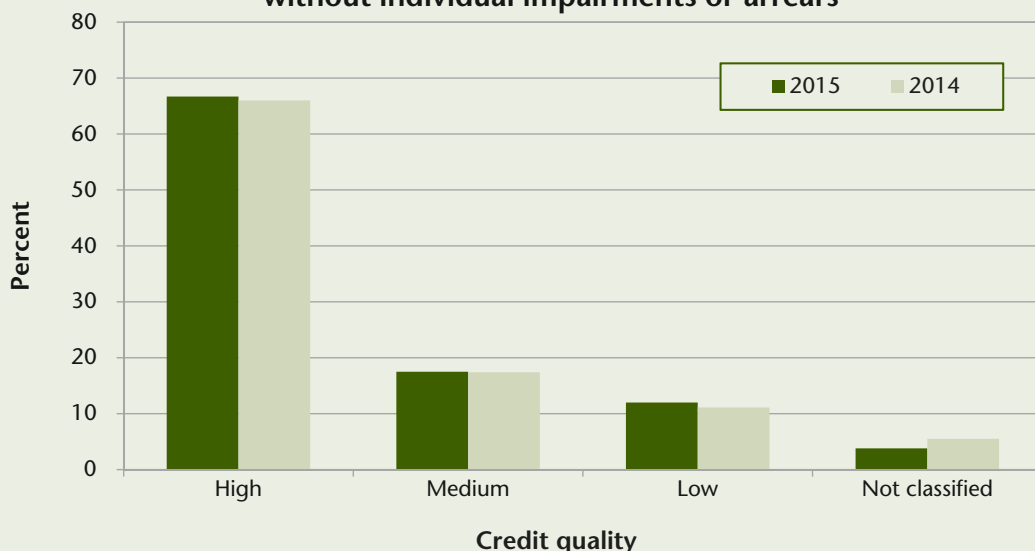
The statistical models use various factors, including information on the customer's assets and a quantity of behavioural data. The factors chosen are those among a number of possible factors which best describe previously distressed accounts.

The expert models for major business customers are based on information on the customer's financial standing and earning capacity.

The figure below indicates that the credit quality was high for 67% of loans and guarantees at the end of 2015 compared to 66% at the end of 2014. The group with medium quality remains unchanged at 17%, whereas the group with low credit quality increased from 11% to 12%. The group of not classified exposures accounts for 4% against 6% end of 2014.

The bank gained many new customers throughout 2015, and when establishing new customer relationships, the bank is highly attentive to the customers' creditworthiness and potential risks. A separate review of new customers in 2015 shows that these customers' credit quality is better on average than the bank's portfolio in general. The bank's many customers with high credit quality also repay debts at a high rate, however, and in combination, the result is a credit quality which is practically unchanged relative to 2014. The bank thus maintained the improvement in credit quality which was experienced from 2013 to 2014.

Distribution of loans* and guarantees without individual impairments or arrears



Total loans* and guarantees without individual impairments or arrears (million DKK)

2015 18,573

2014 15,789

* Excluding reverse transactions.

Note
no.

37 Credit risk - continued

Distribution by time from the due date for loan engagements without impairments in arrears	Arrears under 90 days DKK 1,000	Arrears over 90 days DKK 1,000	Arrears total DKK 1,000	Loans inclusive arrears under 90 days DKK 1,000	Loans inclusive arrears over 90 days DKK 1,000	Total loans inclusive arrears DKK 1,000
2015						
Public authorities	0	0	0	0	0	0
Business:						
Agriculture, forestry and fishing	25,138	7,523	32,661	122,723	23,133	145,856
Industry and raw materials extraction	2,170	68	2,238	13,192	688	13,880
Energy supply	2,299	757	3,056	65,842	12,495	78,337
Building and construction	29,169	555	29,724	53,220	10,240	63,460
Trade	6,474	450	6,924	60,628	2,120	62,748
Transport, hotels and restaurants	779	946	1,725	4,074	946	5,020
Information and communication	175	38	213	725	153	878
Financing and insurance	7,344	12	7,356	139,009	262	139,271
Real property	8,186	95	8,281	40,631	1,395	42,026
Other business	10,228	2,146	12,374	45,444	5,966	51,410
Total business	91,962	12,590	104,552	545,488	57,398	602,886
Private	31,174	12,237	43,411	145,550	28,146	173,696
Total	123,136	24,827	147,964	691,038	85,544	776,582
2014						
Public authorities	4,802	1	4,803	4,802	1	4,803
Business:						
Agriculture, forestry and fishing	12,377	4,248	16,625	113,914	21,328	135,242
Industry and raw materials extraction	606	10	616	13,962	315	14,277
Energy supply	5,819	3	5,822	10,535	3	10,538
Building and construction	3,857	145	4,002	21,548	160	21,708
Trade	6,300	807	7,107	40,775	2,457	43,232
Transport, hotels and restaurants	6,151	345	6,496	61,250	345	61,595
Information and communication	245	188	433	1,650	488	2,138
Financing and insurance	2,180	7,914	10,094	6,085	17,914	23,999
Real property	2,750	13,137	15,887	35,868	13,138	49,006
Other business	11,672	2,518	14,190	57,723	4,953	62,676
Total business	51,957	29,315	81,272	363,310	61,101	424,411
Private	33,453	5,960	39,413	128,847	24,805	153,652
Total	90,212	35,276	125,488	496,959	85,907	582,866

NOTES TO THE ANNUAL REPORT

Note
no.

37 Credit risk - continued

The value of loans where individual impairment charges have been made

Credit exposure by reason for impairment	Major financial difficulties DKK 1,000	Breach of contract DKK 1,000	Relaxation of terms DKK 1,000	Probable bankruptcy DKK 1,000	Total credit exposure DKK 1,000	Individual impairment charges DKK 1,000
2015						
Public authorities	0	0	0	0	0	0
Business:						
Agriculture, forestry and fishing	183,656	96,117	105,333	62,373	447,479	332,628
Industry and raw materials extraction	7,996	2,025	5	0	10,026	7,983
Energy supply	1,941	5,125	3,679	0	10,745	8,435
Building and construction	6,576	4,021	1,374	3,602	15,573	6,542
Trade	8,702	7,248	2,096	2,740	20,786	12,900
Transport, hotels and restaurants	7,835	2,669	5,579	916	16,999	14,129
Information and communication	579	163	574	2,730	4,046	2,675
Financing and insurance	0	0	0	949	949	931
Real property	60,754	33,619	1,592	50,848	146,813	60,315
Other business	21,965	17,325	7,920	12,079	59,289	38,049
Total business	300,004	168,312	128,152	136,237	732,705	484,587
Private	151,106	89,923	34,763	30,125	305,917	179,963
Total credit exposure	451,110	258,235	162,915	166,362	1,038,622	664,550
Individual impairment charges	290,815	161,116	120,736	91,883	664,550	
2014						
Public authorities	0	0	0	0	0	0
Business:						
Agriculture, forestry and fishing	168,050	68,101	100,197	91,275	427,623	312,683
Industry and raw materials extraction	10,971	2,017	2,445	0	15,433	12,163
Energy supply	2,078	5,463	0	0	7,541	4,686
Building and construction	7,590	4,131	0	6,386	18,107	11,059
Trade	13,889	9,421	1,750	383	25,443	16,992
Transport, hotels and restaurants	6,046	3,824	6,000	1,866	17,736	13,601
Information and communication	425	962	36	250	1,673	1,526
Financing and insurance	0	0	0	1,841	1,841	1,546
Real property	83,350	46,659	1,523	54,337	185,869	85,980
Other business	29,843	21,688	7,848	13,698	73,077	47,871
Total business	322,242	162,266	119,799	170,036	774,343	508,107
Private	167,470	98,585	23,684	33,255	322,994	193,024
Total credit exposure	489,712	260,851	143,483	203,291	1,097,337	701,131
Individual impairment charges	293,346	182,390	108,333	117,062	701,131	

Note
no.

37 Credit risk - continued

The bank is particularly focused on covering the risk on exposures which have been impaired. Under the bank's credit policy, these exposures must be covered to the greatest possible extent by securities. When determining the need for an impairment charge, the value of securities is included at the expected net realisation value. The bank only includes the ability to make payments over and above the value of securities to a modest extent when determining the need for an impairment charge.

The bank has also made collective impairment charges of DKK 273 million as of the end of December 2015.

	End Dec. 2015 DKK 1,000	End Dec. 2014 DKK 1,000
Loans and other debtors with an objective indication of impairment included in the balance sheet at a book value greater than zero		
Individual impaired loans		
Balance for loans and other debtors before impairments	1,238,474	1,305,572
Impairment charges	-612,462	-645,068
Balance for loans and other debtors after impairments	626,012	660,504
Collective impaired loans		
Balance for loans and other debtors before impairments	16,239,543	14,167,573
Impairment charges	-272,922	-226,272
Balance for loans and other debtors after impairments	15,966,621	13,941,301
Suspended calculation of interest		
Loans and other debtors with suspended calculation of interest on the balance sheet date	74,220	58,244
Credit risk on derivative financial instruments		
Positive market value (by counterpart risk) after netting		
Counterpart riskweight 20%	38,372	79,843
Counterpart riskweight 50%	8,695	8,602
Counterpart riskweight 75%	35,227	44,663
Counterpart riskweight 100%	101,560	63,461
Total counterpart riskweight	183,854	196,569
38 Foreign exchange risk		
Total assets in foreign currency	4,532,752	4,832,007
Total liabilities in foreign currency	3,916,791	4,003,894
Foreign exchange indicator 1	23,440	10,409
Foreign exchange indicator 1 in per cent of Tier 1 capital (%)	0.8	0.4
Foreign exchange indicator 2	101	196
Foreign exchange indicator 2 in per cent of Tier 1 capital (%)	0.0	0.0
39 Interest rate risk		
Total interest rate risk	64,203	31,963
Total interest rate risk (%)	2,2	1.2
Interest rate risk by the foreign currencies:		
DKK	51,802	36,060
NOK	58	-311
EUR	12,103	-2,959
CHF	-266	-125
USD	-238	-675
GBP	0	-30
SEK	694	0
Other currencies	50	3
Total	64,203	31,963

Note no.

40 Value at Risk / Market risk

Ringkjøbing Landbobank uses a Value at Risk (VaR) model as a sensitivity analysis for market risks. The model is a parametric VaR model based on a historic analysis of the covariation (the correlations) between the prices of various financial assets etc. The model combines the historical knowledge of the covariation on the financial markets with the bank's current positions, and on this basis calculates the risk of losses for a forthcoming ten-day period. The bank's interest rate positions, foreign currency positions and listed share positions etc. are included in the calculation, while positions in sector shares etc. are not included, and the model does not include the credit spread risks on the bank's portfolio of bonds. The calculated VaR thus indicates the bank's sensitivity to losses on the basis of its positions. The model is used as one of a number of tools in the bank's management of market risks.

Reference is made to page 26 - 27 and 29 of this annual report for further description of the model etc.

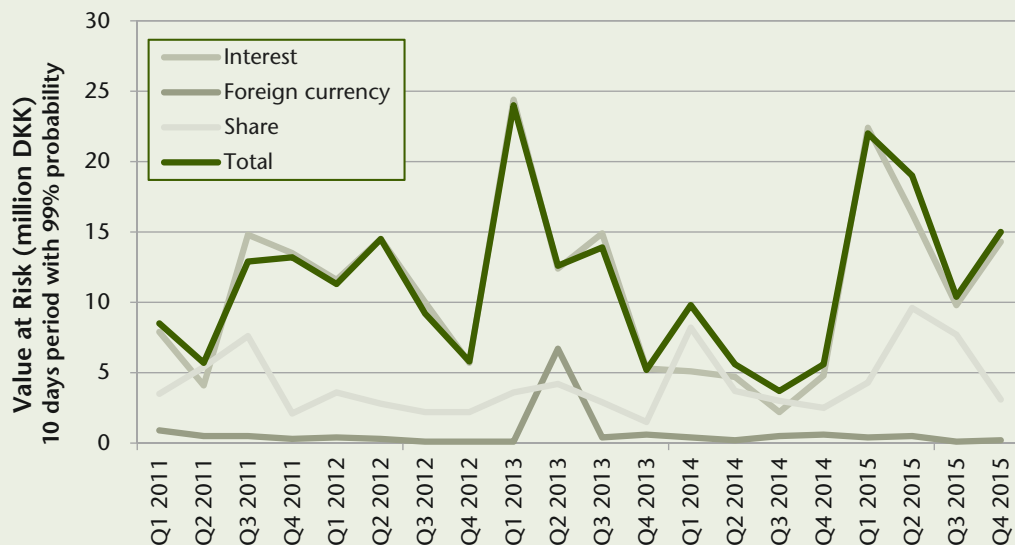
Risk (DKK million)	Average VaR-figure	Minimum VaR-figure*	Maximum VaR-figure*	End of year VaR-figure
2015				
Interest	13.6	4.3	18.0	14.3
Foreign currency	0.4	0.3	0.5	0.2
Share	7.2	2.6	20.1	3.1
Diversification	-5.5	-2.0	-12.8	-2.6
Total VaR-figure	15.7	5.2	25.8	15.0

* Determined by the total VaR-figure.

Sensitivity analysis of sector shares (DKK 1,000)

Sector shares cf. note 17	257,517
Effect of a 10% price change on the result	25,712

Development in Value at Risk



Note
no.

41 Derivative financial instruments

By residual maturity

DKK 1,000

	Up to 3 month		Over 3 month and up to 1 year	
	Nominal value	Net market value	Nominal value	Net market value
Foreign-exchange contracts				
Spot, purchase	46,863	2,177		
Spot, sale	45,372	-222		
Forward transactions / futures, purchase	720,615	5,802	141,786	-213
Forward transactions / futures, sale	1,447,903	17,588	129,772	-99
Options, acquired	52,320	492		
Options, written	52,320	-501		
Interest-rate contracts				
Spot, purchase	118,511	44		
Spot, sale	107,508	220		
Forward transactions / futures, purchase	20,232	74	2,000	-15
Forward transactions / futures, sale	63,555	-17	9,576	-9
Swaps	247,741	-7,110	596,955	-2,322
Options, acquired			24,347	243
Options, written			24,347	-243
Share contracts				
Spot, purchase	20,232	155		
Spot, sale	22,018	-97		
Forward transactions / futures, purchase	6	-107		
Forward transactions / futures, sale	6	107		
Options, acquired	284	2	100	31
Options, written	284	-2	100	-31
	Over 1 year and up to 5 years		Over 5 years	
	Nominal value	Net market value	Nominal value	Net market value
Foreign-exchange contracts				
Forward transactions / futures, purchase	64,637	-617		
Forward transactions / futures, sale	64,672	821		
Swaps	17,194	0	36,846	-1,311
Interest-rate contracts				
Swaps	1,262,061	-7,066	711,619	4,419
Options, acquired	39,712	1,850	183,004	9,671
Options, written	39,712	-1,850	183,004	-9,671
Share contracts				
Options, acquired	2	38		

NOTES TO THE ANNUAL REPORT

41 Derivative financial instruments - continued

DKK 1,000

	Total nominal value		Total net marketvalue	
	2015	2014	2015	2014
Foreign-exchange contracts				
Spot, purchase	46,863	26,063	2,117	141
Spot, sale	45,372	29,605	-222	-171
Forward transactions / futures, purchase	927,038	1,637,339	4,973	6,832
Forward transactions / futures, sale	1,642,347	2,823,698	18,310	17,940
Swaps	54,040	296,839	-1,311	-7,015
Options, acquired	52,320	73,979	492	382
Options, written	52,320	73,978	-501	-387
Interest-rate contracts				
Spot, purchase	118,511	193,022	44	5,606
Spot, sale	107,508	145,269	220	-930
Forward transactions / futures, purchase	22,232	24,321	59	217
Forward transactions / futures, sale	73,131	61,222	-26	32
Swaps	2,818,376	2,060,468	-12,081	-13,911
Options, acquired	247,063	404,694	11,764	14,834
Options, written	247,063	404,694	-11,764	-14,834
Share contracts				
Spot, purchase	20,232	12,108	156	-109
Spot, sale	22,018	18,545	-97	136
Forward transactions / futures, purchase	8	8	-69	215
Forward transactions / futures, sale	6	8	107	-215
Options, acquired	384	184	33	507
Options, written	384	184	-33	-507
Other derivative contracts				
Credit Default Swaps		74,346		638
Net market value, total			12,231	9,401

41 Derivative financial instruments - continued

DKK 1,000

	Market value				Average market value			
	Positive		Negative		Positive		Negative	
	2015	2014	2015	2014	2015	2014	2015	2014
Foreign-exchange contracts								
Spot, purchase	2,177	141			601	50	109	34
Spot, sale			222	171	865	26	87	294
Forward transactions / futures, purchase	19,498	19,695	14,525	12,863	29,916	17,675	14,046	5,797
Forward transactions / futures, sale	28,918	32,141	10,608	14,201	28,838	31,641	20,809	11,065
Swaps	785	1,017	2,096	8,032	583	1,127	1,787	4,737
Options, acquired	492	386		4	470	97		1
Options, written		5	501	392		1	479	98
Interest-rate contracts								
Spot, purchase	75	5,629	31	23	2,581	3,888	542	2,856
Spot, sale	279	32	59	962	425	3,169	191	4,039
Forward transactions / futures, purchase	87	217	28		569	360	1,050	
Forward transactions / futures, sale	120	75	146	43	1,185	134	380	2,348
Swaps	68,426	61,887	80,507	75,798	58,005	65,617	66,907	26,432
Options, acquired	11,764	14,834			12,950	3,709		
Options, written			11,764	14,834			12,950	3,709
Share contracts								
Spot, purchase	439	253	283	362	981	3,287	793	379
Spot, sale	321	382	418	246	766	400	875	3,351
Forward transactions / futures, purchase	38	215	107		9,553	131	100	38
Forward transactions / futures, sale	107			215	102	38	9,600	131
Options, acquired	33	507			207	199		
Options, written			33	507			207	199
Other derivative contracts								
Credit Default Swaps		638			243	834		
Total	133,559	138,054	121,328	128,653	148,840	132,083	130,912	65,508
Collateral under CSA agreements			-66,251	-86,269				
Total other assets / other liabilities	133,559	138,054	55,077	42,384				

All contracts of derivative financial instruments are non-guaranteed contracts.

FIVE YEAR MAIN FIGURES

Summary (DKK 1,000)	2015	2014	2013	2012	2011
Profit and loss account					
Interest receivable	736,995	787,924	776,268	834,021	858,257
Interest payable	91,165	139,253	146,037	200,764	245,291
Net income from interest	645,830	648,671	630,231	633,257	612,966
Dividend from shares etc.	13,010	7,897	12,610	1,463	1,111
Income from fees and commissions	301,076	261,082	229,813	210,516	158,303
Fees and commissions paid	41,687	31,701	31,123	24,029	24,312
Net income from interest and fees	918,229	885,949	841,531	821,207	748,068
Value adjustments	+29,583	+82,293	+23,074	+46,957	+16,386
Other operating income	4,964	4,001	2,730	3,303	4,535
Staff and administration costs	281,634	270,532	254,909	252,796	244,068
Amortisations, depreciations and write-downs on intangible and tangible assets	7,351	12,192	4,270	3,233	4,375
Other operating costs	68	268	28	133	381
Costs Guarantee Fund and Resolution Fund	17,233	15,041	16,091	10,281	11,178
Impairment charges for loans and other debtors etc.	-60,367	-87,186	-120,175	-156,844	-128,799
Result of investments in associated companies	+2,137	-11	-3	+5	+11
Profit before tax	588,260	587,013	471,859	448,185	380,199
Tax	129,595	141,152	114,199	120,188	94,128
Profit after tax	458,665	445,861	357,660	327,997	286,071

Summary (DKK 1,000)	End 2015	End 2014	End 2013	End 2012	End 2011
Balance sheet					
Assets					
Cash in hand and claims on credit institutions and central banks	1,049,165	371,363	479,977	856,488	1,348,253
Loans and other debtors at amortised cost price	17,299,920	15,507,134	13,849,285	12,424,139	12,746,560
Securities	3,584,437	4,943,072	4,878,969	4,013,342	3,005,504
Tangible assets	68,493	71,067	78,256	79,811	79,615
Other assets	315,414	345,272	296,334	307,766	369,091
Total assets	22,317,429	21,237,908	19,582,821	17,681,546	17,549,023
Liabilities and equity					
Debt to credit institutions and central banks					
Term to maturity under 1 year	495,213	813,124	750,834	414,472	387,432
Term to maturity over 1 year	1,007,373	1,098,091	1,004,050	783,599	854,643
Deposits and other debts	16,986,543	15,450,273	14,113,816	12,866,748	12,755,415
Issued bonds	0	236,238	249,814	340,809	338,958
Other liabilities	143,867	157,436	174,723	191,035	301,996
Provisions for liabilities	16,057	18,471	17,444	26,109	14,973
Subordinated debt	372,278	365,667	371,040	382,634	412,486
Share capital	23,350	23,900	24,200	24,700	25,200
Reserves	3,272,748	3,074,708	2,876,900	2,651,440	2,457,920
Total shareholders' equity	3,296,098	3,098,608	2,901,100	2,676,140	2,483,120
Total liabilities and equity	22,317,429	21,237,908	19,582,821	17,681,546	17,549,023
Contingent liabilities etc.					
Contingent liabilities	2,234,381	2,217,810	1,901,934	1,667,100	1,052,222
Total contingent liabilities etc.	2,234,381	2,217,810	1,901,934	1,667,100	1,052,222

FIVE YEAR KEY FIGURES

		2015	2014	2013	2012	2011
Capital ratios:						
Total capital ratio	%	18.8	17.5	20.0	22.4	21.4
Tier 1 capital ratio	%	17.1	17.5	19.2	20.9	19.8
Earnings:						
Return on equity before tax	%	18.4	19.6	16.9	17.4	15.9
Return on equity after tax	%	14.3	14.9	12.8	12.7	11.9
Income / cost ratio	DKK	2.60	2.52	2.19	2.06	1.98
Return on assets	%	2.1	2.1	1.8	1.9	1.6
Market risk:						
Interest rate risk	%	2.2	1.2	0.6	0.6	0.7
Foreign exchange position	%	0.8	0.4	1.6	0.6	0.9
Foreign exchange risk	%	0.0	0.0	0.0	0.0	0.0
Liquidity risk:						
Excess cover relative to statutory liquidity requirement	%	99.7	140.7	166.2	185.5	140.5
Loans and impairments thereon relative to deposits	%	107.4	106.4	104.1	102.4	105.0
Credit risk:						
Loans relative to shareholders' equity		5.2	5.0	4.8	4.6	5.1
Growth in loans for the year	%	14.0	12.0	11.5	-2.5	-3.1
Total large exposures	%	63.4	47.8	35.0	27.2	11.8
Cumulative impairment percentage	%	4.6	5.0	5.1	5.1	4.5
Impairment percentage for the year	%	0.29	0.47	0.72	1.06	0.89
Proportion of debtors at reduced interest	%	0.4	0.3	0.5	0.8	0.4
Share return:						
Profit for the year after tax per share*/***	DKK	1,941.4	1,853.9	1,462.8	1,314.6	1,135.2
Book value per share*/**	DKK	14,428	13,280	12,145	11,049	10,055
Dividend per share*	DKK	600	520	500	280	260
Share price relative to profit for the year per share*/***		15.5	12.4	15.0	11.7	10.2
Share price relative to book value per share*/**		2.08	1.73	1.81	1.39	1.15

* Calculated on the basis of a denomination of DKK 100 per share.

** Calculated on the basis of number of shares outstanding at the end of the year.

*** 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.

Definitions of the official key figures / ratios from the Danish Financial Supervisory Authority

Total capital ratio

Own funds in per cent of total risk exposure amount.

Tier 1 capital ratio

Tier 1 capital in per cent of total risk exposure amount.

Return on equity before tax

Profit before tax in per cent of average shareholders' equity. The average shareholders' equity is calculated as a simple average of the shareholders' equity at the beginning of the year and at the end of the year.

Return on equity after tax

Profit after tax in per cent of average shareholders' equity. The average shareholders' equity is calculated as a simple average of the shareholders' equity at the beginning of the year and at the end of the year.

Income / cost ratio

Income for the year divided with expenses for the year including impairment charges for loans and other debtors etc.

Return on assets

Profit for the year in per cent of total assets.

Interest rate risk

Interest rate risk in per cent of Tier 1 capital.

Foreign exchange position

Foreign exchange indicator 1 in per cent of Tier 1 capital.

Foreign exchange risk

Foreign exchange indicator 2 in per cent of Tier 1 capital.

Excess coverage relative to statutory liquidity requirement

Cash in hand, demand deposits with the Central Bank of Denmark, fully secured and liquid on-demand credit balance in credit institutions and insurance companies, unencumbered certificates of deposit issued by the Central Bank of Denmark, secure readily negotiable listed unencumbered securities and other secure readily negotiable unencumbered securities. The total of all elements measured in percent relative to 10% of the reduced debt and guarantee liabilities.

Loans and impairments thereon relative to deposits

Loans + impairments thereon in per cent of deposits.

Loans relative to shareholders' equity

Loans / shareholders' equity.

Growth in loans for the year

Growth in loans from the beginning of the year to the end of the year, in per cent.

Total large exposures

The total sum of large exposures in per cent of own funds.

Cumulative impairment percentage

Impairment charges for loans and provisions for losses on guarantees in per cent of loans + impairment charges for loans + guarantees + provisions for losses for guarantees.

Impairment percentage for the year

Impairment charges etc. for the year in per cent of loans + impairment charges for loans + guarantees + provision for losses on guarantees.

Proportion of debtors at reduced interest

Proportion of debtors at reduced interest before impairment charges etc. in per cent of loans + impairment charges for loans + guarantees + provision for losses on guarantees.

Profit for the year after tax per share^{*/***}

Profit for the year after tax / average number of shares.

Book value per share^{*/**}

Shareholders' equity / share capital excl. own shares.

Dividend per share^{*}

Proposed dividend / share capital.

Share price relative to profit for the year per share^{*/***}

Share price / profit for the year per share.

Share price relative to book value per share^{*/**}

Share price / book value per share.

^{*/**/**}: See page 98.



Ringkjøbing

Landskab
program

OTHER INFORMATION

Page	
102	Shareholders' committee
103	Board of directors
109	General management
110	Company information
111	Stock exchange reports
111	Financial calendar
112	The bank's branches etc.

Shareholders' committee

Name	Position	Hometown	Born
Jacob Møller, chairman of the shareholders' committee	CEO	Ringkøbing	02 August 1969
Else Kirkegaard Hansen, deputy chairman of the shareholders' committee	senior master	Ringkøbing	06 August 1954
Hejne F. Andersen	manufacturer	Ringkøbing	30 August 1954
Jens Arnth-Jensen	manager	Holte	09 June 1948
Gert Asmussen*	printer	Tarm	14 April 1950
Inge Sandgrav Bak*	administrative manager	Ringkøbing	31 July 1960
Claus Dalgaard	vice manager	Ringkøbing	28 April 1962
Ole K. Erlandsen	butcher	Snebjerg	19 December 1962
Niels Ole Hansen	business consultant	Ringkøbing	01 September 1951
Tonny Hansen	college principal	Ringkøbing	27 May 1958
Leif Haubjerg	farmer	No	18 December 1959
Erik Jensen	manager	Skjern	07 September 1965
Claus Kaj Junge	manager	Filskov	25 May 1968
Jens Lykke Kjeldsen*	timber merchant	Ringkøbing	02 September 1950
Niels Erik Burgdorf Madsen	manager	Ølgod	25 October 1959
Lars Møller	municipal chief executive	Holstebro	30 November 1957
Jens Møller Nielsen*	manager	Ringkøbing	25 August 1956
Martin Krogh Pedersen*	CEO	Ringkøbing	07 June 1967
Ole Christian Pedersen	manager	Vostrup	15 February 1950
Poul Kjær Poulsen	farmer	Madum	21 February 1974
Kristian Skannerup	manufacturer	Tim	14 June 1959
Lone R. Søllmann	financial manager	Tarm	26 January 1968
Allan Brunsvig Sørensen	lawyer	Ringkøbing	26 June 1982
Egon Sørensen	insurer	Spjald	16 June 1965
Jørgen Kolle Sørensen	car dealer	Hvide Sande	17 September 1970

* Member of the board of directors

Board of directors

Jens Lykke Kjeldsen, timber merchant, Ringkøbing, chairman of the board of directors

Born on 02 September 1950

Member of the board of directors since 28 March 1995

End of current term of election to the board of directors: 2016

Other managerial activities - member of the management of:

A/S Henry Kjeldsen

A/S Miljøpark Vest

Aktieselskabet af 1. august 1989

Asta og Henry Kjeldsens Familiefond

Henry Kjeldsen, Ringkøbing Tømmerhandel A/S

VT Hallen A/S

Martin Krogh Pedersen, CEO, Ringkøbing, deputy chairman of the board of directors

Born on 07 June 1967

Independent

Member of the board of directors since 27 April 2011

End of current term of election to the board of directors: 2019

Other managerial activities - member of the management of:

A/S Maskinfabrikken PCP

Ejendomsselskabet Ringkøbing ApS

Elefantriste A/S

KP Group ApS

KP Group Holding ApS

K. P. Components Inc.

K. P. Holding A/S

MHKP Holding ApS

MHKPO ApS

MHKPS A/S

PF Group A/S

Gert Asmussen, printer, Tarm

Born on 14 April 1950

Member of the board of directors since 25 September 2002

End of current term of election to the board of directors: 2018

Other managerial activities - member of the management of:

Gert Asmussen Holding A/S

Gullanders Bogtrykkeri A/S

Tarm Bogtryk A/S

Tarm Elværk Net A/S

Tarm Ugeblad ApS

TB Anlæg ApS

BOARD OF DIRECTORS

Inge Sandgrav Bak, administrative manager, Ringkøbing

Born on 31 July 1960

Independent

Member of the board of directors since 27 April 2011

End of current term of election to the board of directors: 2019

Other managerial activities - member of the management of:

International A/S

Rindum ApS

Jens Møller Nielsen, general manager, Ringkøbing

Born on 25 August 1956

Independent

Member of the board of directors since 22 April 2015

End of current term of election to the board of directors: 2019

Other managerial activities - member of the management of:

VL Revision, registreret revisionsaktieselskab

Vestjysk Landboforening

Jørgen Lund Pedersen, manager, Skanderborg

Born on 07 October 1949

Independent

Member of the board of directors since 27 February 2013

End of current term of election to the board of directors: 2017

Other managerial activities - member of the management of:

Løvbjerg Fonden

Tove og Carsten Løvbjergs Almene Fond

Bo Bennedsgaard, IT consultant, Holstebro, elected by the employees

Born on 23 January 1972

Member of the board of directors since 01 March 2007

End of current term of election to the board of directors: 2019

No other managerial activities

Dan Astrup Sørensen, business customer manager, Herning, elected by the employees

Born on 20 January 1989

Member of the board of directors since 01 March 2015

End of current term of election to the board of directors: 2019

No other managerial activities

Gitte Elisa Sigersmunda Høgholm Vigsø, MA (Laws) / administrative employee, Holstebro, elected by the employees

Born on 24 April 1976

Member of the board of directors since 01 March 2011

End of current term of election to the board of directors: 2019

No other managerial activities

Board committees

The board of directors has appointed a remuneration committee, a nomination committee, an audit committee and a risk committee.

Find below subsequent information about the individual committees.

Remuneration committee

The following are members of the remuneration committee:

- Jens Lykke Kjeldsen, chairman of the committee
- Martin Krogh Pedersen*
- Gitte E. S. Vigsø

The bank's board of directors has agreed on a commission for the remuneration committee which include provisions on the area of scope and objective, members and constitution, tasks, meetings, authority and resources, reporting and minutes of meeting, publication, evaluation and self-assessment, as well as changes to the commission.

The remuneration committee is as minimum responsible for the following tasks:

- Negotiation with the general management on remuneration of the general management.
- Undertake the preparatory work for the board of directors' decisions on remuneration in the bank, including assessing the need for changes to the bank's remuneration policy, and, if deemed necessary, prepare and recommend draft changes to the policy for approval by the board of directors prior to adoption by the general meeting.
- Prepare and recommend draft guidelines for the board of directors' monitoring of compliance with the remuneration policy etc. for approval by the board of directors, including ensuring that compliance with the policy is monitored.
- Monitoring remuneration of the management of the part of the organisation in charge of monitoring the limits of risk-taking, and the management of the part of the organisation otherwise in charge of monitoring and auditing, including the management of the compliance function and the chief internal auditor.
- Submit annual proposals for remuneration of the members of the bank's board of directors and shareholders' committee for approval by the shareholders' committee, and ensure that the remuneration is in accordance with the bank's remuneration policy.
- Other tasks regarding remuneration, including preparing the board of director's task of identifying significant risk takers.

BOARD OF DIRECTORS

Nomination committee

The following are members of the nomination committee:

- Jens Lykke Kjeldsen, chairman of the committee
- Martin Krogh Pedersen*
- Gert Asmussen
- Inge Sandgrav Bak*
- Jens Møller Nielsen*
- Jørgen Lund Pedersen*
- Bo Bennedsgaard
- Dan Astrup Sørensen
- Gitte E. S. Vigsø

The bank's board of directors has agreed on a commission for the nomination committee which include provisions on the area of scope and objective, members and constitution, tasks, meetings, authority and resources, reporting and minutes of meeting, publication, evaluation and self-assessment, as well as changes to the commission.

The nomination committee is as minimum responsible for the following tasks:

- Prepare proposals and recommendations in connection with election and re-election of members to the bank's shareholders' committee and board of directors and appointment of the bank's general management, including describing the qualifications required of the board of directors and the bank's general management etc. The process for recruitment of candidates for the board of directors is carried out on the basis of discussions in the committee.
- Regularly and minimum once a year assess the board of directors' size, structure, composition and results with respect to their tasks and report and make recommendations for possible changes thereon to the full board of directors.
- Regularly and minimum once a year assess whether the full board of directors has the required combination of knowledge, professional skills, diversity and experience, and whether the individual member meets the requirements of Section 64 of the Danish Financial Business Act, and report and make recommendations for possible changes thereon to the full board of directors, including a possible action plan for the future composition and proposals for specific changes. The individual member of the management (the board of directors and the general management) must also regularly assess that he or she has allocated sufficient time for carrying out his or her duties cf. Section 64a of the Danish Financial Business Act. The nomination committee must assess minimum once a year whether it agrees with the individual's assessment.
- Regularly and minimum once a year evaluate the bank's general management and make recommendations thereon to the board of directors and ensure that the board of directors discuss succession plans when judged to be necessary.
- Regularly review the board of directors' policy for selection and appointment of members to the general management if such a policy was prepared, and make recommendations thereon to the board of directors (currently there is not formulated such a policy).
- Set a target figure for the percentage of the under-represented gender on the board of directors and prepare a policy on how to reach the figure.
- Prepare a policy for diversity on the board of directors.

Audit committee

The following are members of the audit committee:

- Inge Sandgrav Bak*, chairman of the committee
- Jens Lykke Kjeldsen
- Martin Krogh Pedersen*

Inge Sandgrav Bak is the specially qualified member of the audit committee. Given the bank's size and complexity and Mrs Bak's education, professional experience and experience from the bank's board of directors and committees, including the audit committee, the bank's board of directors judges that Mrs

Bak is independent and that she possesses the qualifications required pursuant to the Danish Executive order on audit committees in companies and groups subject to the supervision of the Danish Financial Supervisory Authority.

The bank's board of directors has agreed on a commission for the audit committee which include provisions on the committee's constitution and objective, members, meetings, authority etc., tasks, reporting and self-assessment.

The audit committee is as minimum responsible for the following tasks:

- Monitor the financial reporting process.
- Monitor whether the bank's internal control system, risk management systems and internal audit are effective.
- Monitor the statutory auditing of the annual financial statements etc.
- Monitor and check the auditor's independence pursuant to Section 24 of the Danish act on approved auditors and audit firms, including in particular the delivery of additional services to the bank.
- Make a recommendation on election of auditor to the board of directors.

Risk committee

The following are members of the risk committee:

- Jens Lykke Kjeldsen, chairman of the committee
- Martin Krogh Pedersen*
- Gert Asmussen
- Inge Sandgrav Bak*
- Jens Møller Nielsen*
- Jørgen Lund Pedersen*
- Bo Bennedsgaard
- Dan Astrup Sørensen
- Gitte E. S. Vigsø

The bank's board of directors has agreed on a commission for the risk committee which include provisions on the area of scope and objective, members and constitution, tasks, meetings, authority and resources, reporting and minutes of meeting, publication, evaluation and self-assessment, as well as changes to the commission.

The risk committee is as minimum responsible for the following tasks:

- Advise the board of directors on the bank's general existing and future risk profile and strategy.
- Assist the board of directors with ensuring that the board's risk strategy is implemented correctly in the organisation.
- Assess whether the financial products and services traded by the bank are in accordance with the bank's business model and risk profile, including whether the earnings on the products and services reflect the associated risks, and prepare proposals for remedies if the products or services and the associated earnings are not in accordance with the bank's business model and risk profile.
- Assess whether the incentive components of the bank's remuneration structure take account of the bank's risks, capital, liquidity and the probability and time of payment of remuneration (under the bank's remuneration policy, no forms of incentive components are used in the bank).
- Conduct a review of the quarterly credit reports.

Regarding the committees in general, in cases where a committee consists of the bank's full board of directors, both the committee and the board of directors' treatment may in some cases take place simultaneously.

*Independent.

Board of directors - competencies

The members of the bank's board of directors together possess all the competencies required for the overall management of the bank on the basis of the business model for the bank's operations.

The members of the bank's full board of directors thus possess competencies concerning:

- The business model and relevant related matters
- Credit risks and relevant related matters
- Market risks and relevant related matters
- Liquidity risks and relevant related matters
- Operational risks and relevant related matters including IT
- Budgets, accounting and auditing
- Capital matters consisting of capital adequacy and solvency requirement
- Insurance risks
- Risk management including interdisciplinary risk management
- General managerial experience
- Managerial experience from other financial companies
- Legal insight, including in relation to financial legislation

We advise as follows concerning the individual board members' special competencies within specific areas:

- Jens Lykke Kjeldsen has special competencies, knowledge and experience within the areas of the business model, credit risks, liquidity risks, operational risks, insurance risks, risk management and general managerial experience and within sections of the market risk area.
- Martin Krogh Pedersen has special competencies, knowledge and experience within the areas of the business model, market risks, budgets, accounting and auditing, insurance risks and general managerial experience and within sections of the credit risk area.
- Gert Asmussen has special competencies, knowledge and experience within the areas of the business model, budgets, accounting and auditing and general managerial experience and within sections of the credit risk and market risk areas.
- Inge Sandgrav Bak has special competencies, knowledge and experience within the areas of the business model, budgets, accounting and auditing, and general managerial experience, and within sections of the credit risk and market risk areas. As the chairman of the bank's audit committee, Inge Sandgrav Bak has competencies within accounting or auditing.
- Jens Møller Nielsen has special competences, knowledge and experience within the areas of market risks, budgets, accounting and auditing and general managerial experience, and within sections of the credit risk area.
- Jørgen Lund Pedersen has special competencies, knowledge and experience within the areas of the business model, credit risks, market risks, liquidity risks, operational risks, capital, risk management, managerial experience from another financial company, general managerial experience and legal insight.
- Bo Bennedsgaard has special competencies, knowledge and experience within the area operational risks and within a section of the credit risk area.
- Dan Astrup Sørensen has special competences, knowledge and experience within the areas of the business concept, credit risks, budgets, accounting and auditing, and within sections of the market risk area.
- Gitte E. S. Vigsø has special competencies, knowledge and experience within the area legal insight and within sections of the business model and credit risk areas.

Holdings of Ringkjøbing Landbobank shares by members of the board of directors

Reference is made to note 33 on page 81 for information on holdings of Ringkjøbing Landbobank shares by members of the board of directors.

General management

John Bull Fisker, CEO

Born on 03 December 1964

Member of the general management since 1999

On the board of directors of the following companies etc.:

Chairman of Letpension A/S, Copenhagen

Deputy chairman of Bankdata, Fredericia

Deputy chairman of BI Holding A/S, Copenhagen

Deputy chairman of BI Asset Management Fondsmæglerselskab A/S, Copenhagen

Member of the boards of directors of Bankpension, Copenhagen

Member of the boards of directors of PRAS A/S, Copenhagen

Member of the boards of directors of AUHE Midtvest's Støttefond, Herning

Member of the customer board of:

PFA Pension A/S, Copenhagen

Jørn Nielsen, general manager

Born on 09 November 1972

Member of the general management since 2015

No other managerial activities

Holdings of Ringkjøbing Landbobank shares by the general management

Reference is made to note 33 on page 81 for information on holdings of Ringkjøbing Landbobank shares by members of the general management.

Ringkøbing Landbobank Aktieselskab

Torvet 1
DK-6950 Ringkøbing
Denmark

Founded: 1886

Phone: +45 9732 1166
Telefax: +45 7624 4913
E-mail: post@landbobanken.dk
Website: www.landbobanken.com

CVR-no.: 37 53 68 14
Bank registration number in Denmark: 7670
SWIFT / BIC: RINGDK22

Share capital

Ringkøbing Landbobank's share capital is DKK 23.4 million in 4,670,000 shares of nom. DKK 5.

Ownership

17.324 shareholders were registered at end of 2015, this represents 96.8 percent of the nominal share capital.

Major shareholders

Two shareholders have advised their holding of at least 5% of Ringkøbing Landbobank's share capital:

ATP, Hillerød, Denmark
Parvus Asset Management Europe Limited, London, United Kingdom

Stock Exchange reports 2015

Review of Ringkjøbing Landbobank's reports to Nasdaq Copenhagen and others in 2015:

28 January 2015	Annual accounts for 2014
28 January 2015	Annual report 2014
28 January 2015	Notice convening annual general meeting 2015
28 January 2015	Redemption of hybrid core capital
06 February 2015	Election of employee representatives to the board of directors
25 February 2015	Announcement concerning large shareholders
25 February 2015	Minutes of the annual general meeting the 25 February 2015 and the board of directors
04 March 2015	Announcement concerning large shareholders
18 March 2015	Moody's Investors Service places the bank's ratings under review for possible upgrade
26 March 2015	Articles of Association
22 April 2015	Quarterly report 1st quarter 2015
23 April 2015	The board of directors etc.
27 April 2015	Implementation of capital reduction
27 April 2015	Articles of Association
30 April 2015	Voting rights
11 May 2015	Tier 2 capital issue
13 June 2015	The bank and an employee were fully acquitted by the High Court on a charge of participation in price manipulation
17 June 2015	Moody's Investors Service upgrades the bank's rating
18 June 2015	Tier 2 capital redemption
05 August 2015	Interim report 2015
05 August 2015	The general management - appointment
09 October 2015	Decision by the Danish Appeals Permission Board
21 October 2015	Quarterly report 1st - 3rd quarter 2015
22 October 2015	Financial calendar for 2016

Reports regarding insiders' transactions do not emerge from the above review.

All the reports from the bank to Nasdaq Copenhagen and others can be seen on the bank's website: www.landbobanken.com.

FINANCIAL CALENDAR

Financial calendar 2016

The financial calendar for the upcoming publications is as follows:

24 February 2016	Annual general meeting
20 April 2016	Quarterly report 1st quarter 2016
03 August 2016	Interim report 2016
26 October 2016	Quarterly report 1st - 3rd quarters 2016

THE BANK'S BRANCHES ETC.

Head office:

Ringkøbing

Branches:

Herning

Holstebro

Hvide Sande

Tarm

Viborg

Vildbjerg

Private Banking branches:

Herning

Holte

Ringkøbing

Vejle

Aarhus



John Bull Fisker
CEO



Jørn Nielsen
General manager



Sten Erlandsen
Head of treasury



Ole Bjerregaard Pedersen
Financial manager



Lars Hindø
Executive assistant / Head of Investor Relations
Telephone: +45 7624 9455
E-mail: larsh@landbobanken.dk



Ringkjøbing

Landskab
oparbejdet

Ringkøbing Landbobank A/S
Torvet 1
DK-6950 Ringkøbing
Denmark

Telephone
+45 9732 1166

Telefax
+45 7624 4913

E-mail
post@landbobanken.dk

Web
www.landbobanken.com

SWIFT
RINGDK22

CVR-no.
37 53 68 14

