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3 August 2022

Ringkjøbing Landbobank's interim report for the first half of 2022

The bank delivers core earnings of DKK 920 million and profit before tax of DKK 891 million in the first half of 2022. The profit before tax is equivalent to a 20% p.a. return on equity.

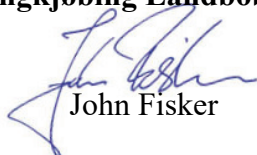
Core earnings

(DKK million)	H1 2022	H1 2021	2021	2020	2019	2018
Total core income	1,358	1,179	2,433	2,179	2,116	2,001
Total expenses and depreciation	436	404	817	788	805	866
Core earnings before impairment charges for loans	922	775	1,616	1,391	1,311	1,135
Impairment charges for loans etc.	-2	-48	-68	-223	-100	-43
Core earnings	920	727	1,548	1,168	1,211	1,092
Result for the portfolio etc.	-19	-3	+7	-9	+49	+77
Special costs	10	8	17	15	15	217
Profit before tax	891	716	1,538	1,144	1,245	952

Highlights of the first half of 2022

- The profit before tax is DKK 891 million, equivalent to a 20% p.a. return on equity
- Core income increases by 15% to DKK 1,358 million
- Costs increase by 8%, and the rate of costs falls to 32.1% for the half-year
- Growth in loans of 25% compared to the end of June 2021 attributable to the takeover of client portfolios from BIL Danmark and SEB, coronavirus effects and a continued satisfactory increase in customers
- The transfer of clients from SEB was smooth and has now been completed
- The bank's long-term issuer rating at Moody's has been upgraded to Aa3
- The ESG-rating for the bank at MSCI has been upgraded to A
- The upwardly adjusted expected results for 2022 are maintained

Yours sincerely
Ringkjøbing Landbobank



John Fisker

Management's review

Core income

Interest

Net interest income was DKK 756 million in the first half of 2022, compared to DKK 652 million in 2021, an increase of 16%. The bank is satisfied with this development.

The development is attributable to a 25% increase in lending compared to the end of June 2021, including an 8% increase in the second quarter of 2022.

The increase in lending is broadly based and relates to both niches and retail. The reasons for the growth in loans are described in further detail in the section "The Supervisory Diamond".

The interest margin at the end of June 2022 was lower than a year ago, partly due to the fact that the interest margin on the bank's loans has been under pressure in the last year and partly a changed product mix.

Fee, commission, and foreign exchange income

Fee, commission, and foreign exchange income amounted to DKK 516 million in the first half of 2022, compared to DKK 439 million in 2021, an increase of 18%. The bank is satisfied with this development, partly attributable to a high level of activity.

The bank's focus on the private banking segment continued to have a positive effect, especially on the "Asset management and custody accounts" item. The "Securities trading" item is also increasing despite being affected by the decreasing securities prices.

A higher level of refinancing positively affected the item "Loan fees", and the increase in the mortgage loans portfolio also resulted in an increase in the item "Guarantee commission and mortgage credit commission etc."

In addition, the income from "Payment handling" increased compared to 2021, due in part to the fee adjustments implemented with effect from the beginning of April 2022.

Finally, the income from "Other fees and commission" developed positively compared to 2021. This is mainly attributable to the bank's focus on pension activities.

Sector shares and other operating income

Total earnings from banking sector shares amounted to DKK 85 million in the first half of 2022 compared to DKK 83 million in 2021. The earnings derive primarily from returns on the bank's ownership interests in DLR Kredit, BankInvest (BI Holding) and PRAS.

Other operating income stood at DKK 1 million in the first half of the year, which is less than 2021, when the figure was DKK 5 million, resulting from the sale of a property.

Core income

Total core income increased by 15%, from DKK 1,179 million in 2021 to DKK 1,358 million in 2022.

Expenses, depreciation, and write-downs

Total expenses including depreciation and write-downs on tangible assets amounted to DKK 436 million in the first half of 2022, compared to DKK 404 million in 2021, an increase of 8%.

The general cost increase was approximately 5%, plus increasing operating expenses resulting from the takeover of the Danish private banking portfolio from Skandinaviska Enskilda Banken AB (SEB) and one-off expenses relating to the takeover.

The rate of costs in the first six months of the year was 32.1%, compared to 34.2% in 2021.

Impairment charges for loans etc.

The bank's expenditure for losses and impairment charges was DKK 2 million in the first half of 2022. This breaks down into DKK 1 million in the second quarter of 2022 and DKK 1 million in the first quarter of 2022, compared to DKK 19 million and DKK 29 million respectively in the second and first quarters of 2021.

The credit quality of the bank's loans portfolio is generally judged to be good and, during the first half of 2022, the bank has seen a decrease in the need for individual impairment charges. At the same time the bank judged that an increase in the management estimates for losses and impairment charges was needed. The total management estimates thus increased from DKK 631 million at the end of 2021 to DKK 699 million at the end of the first half of 2022.

The total account for impairment charges increased from DKK 2,283 million at the end of 2021 to DKK 2,298 million at the end of the first half of 2022. The total account for impairment charges thus represented 3.8% of the bank's total loans and guarantees at the end of June 2022.

The bank's loans with suspended interest amounted to DKK 97 million at the end of the first half of 2022, compared to DKK 179 million at the end of the first half of 2021.

Global inflation was a salient feature of the trend in the second quarter of 2022. As a consequence, significant increases were realised in both the medium- and the long-term interest rates. Various central banks have already implemented the first interest raises and it is expected that they will implement further interest raises during the autumn. At the same time, we have seen a marked fall in consumer confidence, now at a historic low.

These circumstances are expected to negatively affect the prices of many investment assets, including house prices. Thus the bank also discerns the first signs of a weaker housing market in the form of longer time on market and bigger price reductions. The expectations for the economic development in the coming quarters are very uncertain.

Our assessment is that the bank's customers are generally braced to cope with a challenging period. As stated, the bank chose to increase the total management estimates to counter the increased risk. At the same time, we noted that, so far, our customers have generally managed well in the period of coronavirus outbreaks, lock-downs and repayment of the various state aid schemes. The bank was

therefore able to reduce the management estimates relating to the coronavirus but has increased the management estimates relating to the effects of a broader economic downturn.

At industry level the bank continues to see significant challenges for pig farming, where the terms of trade for most producers have now been unsatisfactory and loss-making for an extended period. The bank has increased both individual impairment charges and management estimates relating to pig farming in 2022. The total impairment ratio for pig farming is 25%, and loans and guarantees for pig farming accounted for 1.1% of the bank's total loans and guarantees at the end of June 2022. Earnings in the other production branches of agriculture are generally satisfactory.

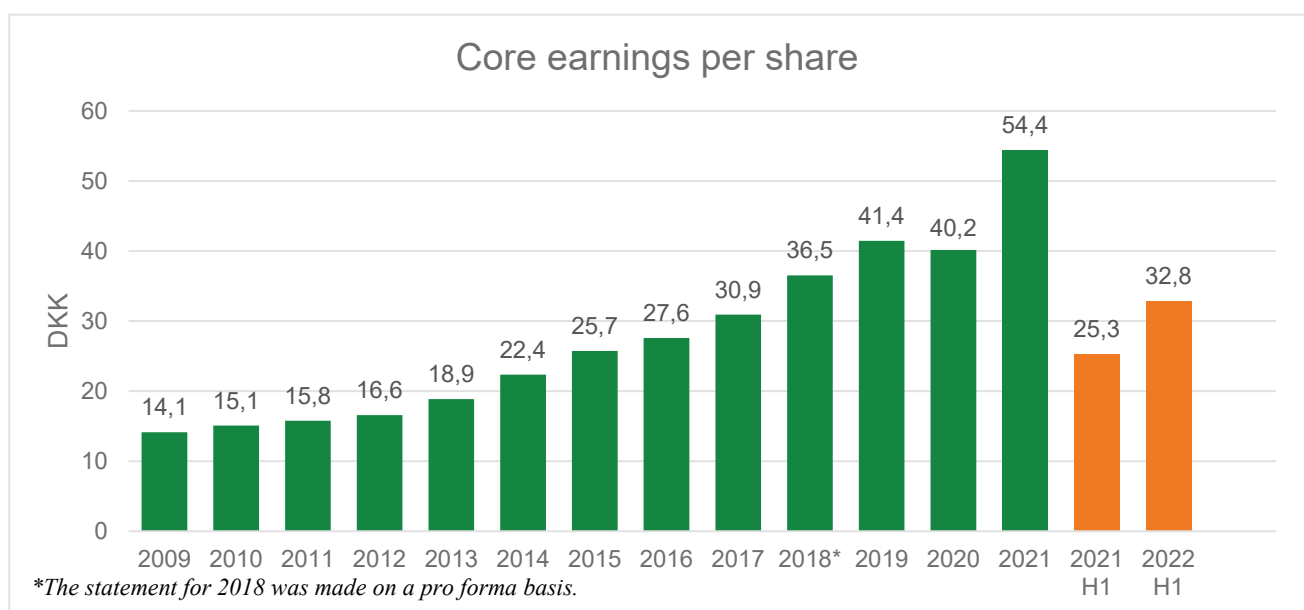
In fisheries, the higher fuel expenses combined with reduced quotas result in generally challenged framework conditions. The bank has also increased the management estimate for fisheries in 2022. The bank's total exposure to fisheries was 1.3% at the end of June 2022, and the majority of this exposure is covered by first mortgages on fishing vessels and quotas.

Core earnings

Core earnings for the first half of 2022 were DKK 920 million compared to last year's DKK 727 million, an increase of 27%.

(DKK million)	H1 2022	H1 2021	2021	2020	2019	2018
Total core income	1,358	1,179	2,433	2,179	2,116	2,001
Total expenses and depreciation	436	404	817	788	805	866
Core earnings before impairment charges for loans	922	775	1,616	1,391	1,311	1,135
Impairment charges for loans etc.	-2	-48	-68	-223	-100	-43
Core earnings	920	727	1,548	1,168	1,211	1,092

Core earnings per share were DKK 32.8 for the first half of 2022 compared to DKK 25.3 in 2021.



Result for the portfolio etc.

The result for the portfolio etc. including funding costs for the portfolio was negative by DKK 19 million net for the first six months of the year, compared to a negative result of DKK 3 million net for the first six months of 2021.

The negative result for the portfolio in the first half of 2022 is attributable to the increase in the medium- and long-term interest rates and widening credit spreads of corporate bonds. However, the bank kept the interest rate risk at a low level throughout the first half of 2022 and is thus satisfied with the result for the portfolio.

Amortisation and write-downs on intangible assets

The bank treats amortisation and write-downs on intangible assets as a special item, since expensing them enhances the quality of equity and helps to reduce the deduction when computing total capital.

Amortisation and write-downs on intangible assets amounted to DKK 10 million in the first half of 2022, which is a little higher than the DKK 8 million for this item in the first half of 2021. The increase is attributable to the purchase of the BIL Danmark client portfolio at the beginning of July 2021.

Profit before and after tax

The profit before tax was DKK 891 million, equivalent to a 20.3% p.a. return on average equity.

The profit after tax was DKK 707 million, equivalent to a 16.1% p.a. return on average equity.

Balance sheet items and contingent liabilities

The bank's balance sheet total at the end of June 2022 stood at DKK 65,226 million, compared to DKK 57,123 million at the end of June 2021.

Relative to June 2021, the bank's deposits including pooled schemes increased by 12% from DKK 41,376 million to DKK 46,144 million at the end of June 2022, while its loans in the same period increased by 25% from DKK 37,268 million to DKK 46,681 million.

The bank's contingent liabilities including guarantees at the end of June 2022 amounted to DKK 11,244 million, compared to DKK 11,811 million at the end of June 2021.

Credit intermediation

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

As in 2021, the development in the bank's total credit intermediation was very positive, increasing by 14% compared to the end of June 2021 and by 6% in the first half of 2022.

The development is shown in the following summary:

	30 June 2022 DKK million	30 June 2021 DKK million	31 Dec. 2021 DKK million
Total credit intermediation			
Loans and other receivables at amortised cost	46,681	37,268	41,179
Arranged mortgage loans and funded home loans – Totalkredit	44,025	41,708	43,849
Arranged mortgage loans – DLR Kredit	10,061	9,638	9,778
Arranged mortgage loans – others	314	0	394
Total	101,081	88,614	95,200

Securities and market risk

The item “Shares, etc.” amounted to DKK 1,467 million at the end of June 2022, with DKK 51 million in listed shares and investment fund certificates and DKK 1,416 million in sector shares etc., mainly in the companies DLR Kredit, BI Holding and PRAS.

The bond portfolio amounted to DKK 3,807 million, of which the majority consisted of AAA-rated Danish mortgage credit bonds.

The total interest rate risk, computed as the impact on profit of a one percentage point change in interest level, was 0.3% of the bank’s tier 1 capital on 30 June 2022.

The bank’s risk of losses based on a Value at Risk model (computed with a 10-day horizon and 99% probability) was as follows in the first half of 2022:

	Risk in DKK million	Risk relative to equity end of period in %
Highest risk of loss:	22.4	0.25%
Lowest risk of loss	7.5	0.08%
Average risk of loss	12.7	0.14%
End-of-period risk of loss	18.4	0.21%

The market situation in the first half of 2022 resulted in price fluctuations which lie outside the framework of fluctuations applied by the bank’s Value at Risk model with 99% probability.

This is not unnatural in a situation where market volatility has exceeded historical market dynamics. The increased volatility is now included in the model and has resulted in an increase in the computed risk. The bank’s total market risk within exposures to interest rate risk, listed shares etc. and foreign currency remains at a moderate level, and this policy will continue.

Liquidity

In terms of liquidity, the bank’s short-term funding liabilities total DKK 2.4 billion, comprising debt to credit institutions and issued bonds with term to maturity of less than 12 months. This is balanced by short-term liquidity management deposits in Danmarks Nationalbank, receivables from credit institutions with term to maturity of less than 12 months and listed securities totalling DKK 10.3 billion, which means the total excess cover is DKK 7.9 billion.

The bank's deposits (excluding pooled schemes) and equity exceeded its loans by DKK 3.4 billion and these two items therefore more than fully finance the loan portfolio. In addition, part of the loan portfolio for renewable energy projects is financed back-to-back with KfW Bankengruppe, which means that DKK 1.1 billion can be disregarded in terms of liquidity.

In terms of liquidity, the bank must comply with the statutory requirement of at least 100% for both liquidity ratios, LCR and NSFR.

On 30 June 2022 the bank's LCR was 187% and its NSFR 115%. The bank thus met the statutory requirement for both ratios by a good margin.

Capital structure

The bank's equity at the beginning of 2022 was DKK 8,723 million. The profit for the period must be added to this, while the dividend paid and the value of the bank's own shares bought must be subtracted. Equity at the end of June 2022 therefore stood at DKK 8,864 million.

The bank's total capital ratio and the tier 1 capital ratio were 20.7% and 16.4% respectively at the end of June 2022.

Capital ratios	H1 2022	H1 2021	2021	2020	2019
Common equity tier 1 capital ratio (%)	16.4	17.7	17.6	17.5	14.7
Tier 1 capital ratio (%)	16.4	17.7	17.6	17.5	14.7
Total capital ratio (%)	20.7	21.3	22.3	21.1	20.0
MREL requirement (%) – fixed by the Danish FSA	17.8	17.9	17.9	17.9	20.7
MREL capital ratio (%)	28.1	28.2	27.8	26.7	27.3

Calculated without the IFRS 9 transition programmes, the bank's total capital ratio was 19.9% and the common equity tier 1 capital ratio 15.6% on 30 June 2022.

The individual solvency requirement at the end of June 2022 was calculated as 9.4%. To this should be added a capital conservation buffer of 2.5%. The total requirement for the bank's total capital was thus 11.9% at the end of June 2022.

The countercyclical capital buffer is currently 0%. It has been decided to re-activate and increase the countercyclical capital buffer in several rounds in 2021 and in the first quarter of 2022, as follows: to 1% with effect from 30 September 2022; by an additional 1 percentage point with effect from 31 December 2022; and finally, by an additional 0.5 percentage point with effect from 31 March 2023.

In January 2022, the bank received an updated MREL requirement of 17.8% for 2022 from the Danish FSA.

The bank operates with three different capital targets. The capital targets specify that the common equity tier 1 capital ratio must be at least 13.5, the total capital ratio at least 17.0% and the MREL capital ratio for covering the MREL requirement at least 25.0%, including the capital buffers.

All capital targets must be met at the end of the year. While capital ratios may fluctuate during the year, the MREL requirement must always be met.

To meet the MREL requirement, the bank has regularly issued non-preferred senior capital totalling the equivalent of DKK 3.5 billion since December 2018. Of this amount, non-preferred senior capital totalling the equivalent of DKK 1.1 billion and DKK 0.5 billion was issued and raised in the first and second quarter of 2022 respectively.

The bank's capital for covering the MREL requirement totalled DKK 13.2 billion on 30 June 2022, equivalent to an MREL capital ratio of 28.1%. The excess cover relative to the MREL requirement on 30 June 2022 was thus 10.3 percentage points.

Share buyback programme and capital reduction

The bank's annual general meeting of 2 March 2022 renewed the previous authorisation of the board of directors to permit the bank, in accordance with applicable law, to acquire its own shares to a total nominal value of 10% of the bank's share capital.

In the period 3 February to 19 July 2022, the share buy-back programme was implemented by DKK 369 million. On 30 June 2022, 396,377 shares had been bought back and, when the programme ended on 19 July 2022, a total of 453,227 shares had been bought back, which the overview below shows.

The general meeting further decided to cancel the 688,055 of the bank's own shares that were bought during 2021 and in early 2022. The capital reduction was finalised in May 2022.

On 30 June 2022, the bank's actual share capital was thus DKK 27,983,289 in nom. DKK 1 shares: see below.

	Number of shares
Beginning of 2022	29,067,721
Capital reduction completed by cancellation of own shares	-688,055
After the capital reduction in May 2022	28,379,666
DKK 369 million share buyback programme	
Bought under the share buy-back programme at the end of June 2022	-396,377
Actual number of shares on 30 June 2022	27,983,289
DKK 369 million share buyback programme	
Bought under the share buy-back programme in July 2022	-56,850
Actual number of shares on 31 July 2022	27,926,439

Part two of the share buyback programme amounts to DKK 369 million (of the total DKK 738 million share buyback programme) and will be initiated for execution in the period 4 August 2022 to 25 January 2023, in accordance with the corporate announcement of 5 July 2022.

The Supervisory Diamond

The bank complies with the Danish FSA's Supervisory Diamond. The Supervisory Diamond contains four different benchmarks and associated limit values which Danish banks are expected to observe.

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

Benchmark	Limit value	H1 2022	H1 2021	2021	2020	2019
Liquidity benchmark	> 100%	152.9%	178.6%	161.1%	177.6%	193.2%
Total large exposures	< 175%	119.5%	108.4%	109.8%	99.8%	121.0%
Growth in loans	< 20%	25.1%	5.6%	13.5%	2.2%	6.3%
Real property exposure	< 25%	18.0%	17.9%	18.4%	17.9%	17.5%

The bank exceeded the limit value for the benchmark "Growth in loans" at the end of June 2022 as the growth in loans for the half-year amounted to 25.1% compared to the end of June 2021.

Exceeding of the benchmark was expected since the bank has acquired two client portfolios in the last year and has experienced a return to normality after the coronavirus pandemic.

Since the end of June 2021, the bank thus took over client portfolios from BIL Danmark and SEB.

In 2020 and 2021 many businesses reduced their inventories and debtors and postponed their VAT and other tax payments. The bank has seen many business customers again drawing on their facilities at the bank from the fourth quarter of 2021. Many businesses have thus built up inventories and increased their debtors, and most of the bank's business customers have repaid their VAT and tax loans to the state.

Finally, the increase in new customers remained highly satisfactory in the last year or so, and the bank also experienced strong customer demand for the flexibility of the bank's home loan product in connection with the refinancing boom in the first half of 2022.

The bank expects that the growth in loans to be computed at the end of the year will again be below the limit value.

Financial rating

The bank is rated by the international credit rating agency Moody's Investors Service.

The bank's rating for long-term bank deposits has been "Aa3" since 8 September 2020. On 18 May 2022, the long-term issuer rating was upgraded – also to "Aa3", and all the bank's ratings were affirmed with stable outlook.

ESG rating

The bank is also rated by MSCI, one of the world's largest, and most used ESG rating agencies.

In July 2022, MSCI upgraded the bank's ESG rating from "BBB" to "A", which is the third highest rating on MSCI's rating scale.

Takeover of private banking clients from SEB and entering into a strategic partnership with SEB in private banking

As reported in the corporate announcement of 27 April 2022, Ringkjøbing Landbobank entered into an agreement with SEB on taking over SEB's Danish private banking client portfolio and entered into a strategic partnership in the private banking segment.

The integration of SEB's private banking division proceeds according to plan and the process of transferring the clients has been completed. The loss of customers has been very low. We are also pleased that SEB's entire experienced private banking team transferred to Ringkjøbing Landbobank's new Private Banking branch in the SEB building in Copenhagen.

The clients taken over will have access to a wider product range within mortgage credit, pension products and everything else that serves the day-to-day banking needs of personal and business customers.

We see significant potential in the partnership with SEB and enjoy extensive support from both organisational structures. We have already started developing the partnership and will continue this work in the second half of 2022. The bank expects that this will have a positive influence on our organic growth in the coming years.

Bank of the year

In June 2022, Ringkjøbing Landbobank was awarded the accolade of Bank of the Year among major banks for the seventh time in a row. As in previous years, the award was made by FinansWatch in collaboration with the audit and consultancy firm EY.

This top ranking is underlined by a high level of both customer and job satisfaction. The job satisfaction survey was completed in the second quarter of 2022 and is at its highest level since these surveys began.

We will continue to expand our focused strategy, working every single day to create value for our customers in their relations with the bank.

Expected results for 2022

The Bank announced its expectations for 2022 on 6 January 2022. The bank's expectations for 2022 were core earnings in the range DKK 1,350-1,650 million and profit before tax in the range DKK 1,300-1,650 million.

On 3 June 2022, the bank upwardly adjusted its expectations for 2022 to core earnings in the range DKK 1,600-1,850 million and profit before tax in the range DKK 1,550-1,800 million. The background to the upward adjustment was primarily a continued positive development in lending and a satisfactory increase in customers, which ensures a more satisfactory income flow than budgeted.

The upwardly adjusted expectations for 2022 for core earnings and for profit before tax are maintained.

Accounting policies

The accounting policies are unchanged relative to those in the submitted and audited 2021 annual report, but the bank has specified the recognition time for sale of home loans to the transaction date/the date of the agreement. This specification is insignificant compared to the balance sheet total.

Key figures

	H1 2022	H1 2021	Full year 2021
Key figures for the bank (percent)			
Profit before tax as a percentage of average equity, per annum	20.3	17.4	18.2
Net profit as a percentage of average equity, per annum	16.1	13.9	14.6
Rate of costs	32.1	34.2	33.6
Common equity tier 1 capital ratio	16.4	17.7	17.6
Tier 1 capital ratio	16.4	17.7	17.6
Total capital ratio	20.7	21.3	22.3
MREL requirement – fixed by the Danish FSA	17.8	17.9	17.9
MREL capital ratio	28.1	28.2	27.8
Key figures per DKK 1 share (DKK)			
Core earnings	32.8	25.3	54.4
Net profit	25.3	19.9	43.2
Book value	316.6	289.7	306.8
Share price, end of period	773.0	636.0	878.0
Basis of calculation, number of shares	27,992,289	28,765,821	28,431,916

Quarterly overviews

Core earnings

	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
(DKK million)														
Interest income	390	366	355	336	327	325	321	319	311	305	292	294	296	291
Fee and commission income	196	199	182	170	166	159	156	147	136	152	154	163	159	150
Sector shares etc.	41	44	47	49	43	40	43	38	35	35	36	36	36	37
Foreign exchange income	16	15	15	14	13	16	13	9	9	10	8	9	8	6
Other operating income	0	1	0	0	1	4	1	0	1	0	5	7	0	1
Total core income excluding securities	643	625	599	569	550	544	534	513	492	502	495	509	499	485
Securities trading	41	49	52	34	29	56	32	39	28	39	35	29	23	41
Total core income	684	674	651	603	579	600	566	552	520	541	530	538	522	526
Staff and administration expenses	221	207	206	191	195	198	206	179	190	191	202	180	198	198
Depreciation and write-downs on tangible assets	4	1	9	3	4	3	4	5	2	3	9	8	4	2
Other operating expenses	1	2	2	2	2	2	2	2	0	4	1	0	2	1
Total expenses etc.	226	210	217	196	201	203	212	186	192	198	212	188	204	201
Core earnings before impairment charges for loans	458	464	434	407	378	397	354	366	328	343	318	350	318	325
Impairment charges for loans etc.	-1	-1	-7	-13	-19	-29	-38	-44	-66	-75	-25	-26	-24	-25
Core earnings	457	463	427	394	359	368	316	322	262	268	293	324	294	300
Result for the portfolio etc.	-10	-9	+11	-1	+7	-10	+15	+17	+29	-70	-4	+20	+7	+26
Amortisation and write-downs on intangible assets	5	5	5	4	4	4	4	3	4	4	4	3	4	4
Profit before tax	442	449	433	389	362	354	327	336	287	194	285	341	297	322
Tax	94	90	79	87	71	72	64	64	60	36	62	66	76	63
Net profit	348	359	354	302	291	282	263	272	227	158	223	275	221	259

Quarterly overviews – continued

Balance sheet items and contingent liabilities

	End of Q2 2022	End of Q1 2022	End of Q4 2021	End of Q3 2021	End of Q2 2021	End of Q1 2021	End of Q4 2020	End of Q3 2020	End of Q2 2020	End of Q1 2020	End of Q4 2019	End of Q3 2019	End of Q2 2019	End of Q1 2019
(DKK million)														
Loans	46,681	43,352	41,179	38,849	37,268	37,210	36,241	35,479	35,260	36,130	35,465	34,757	34,528	34,195
Deposits including pooled schemes	46,144	42,599	43,740	41,475	41,376	41,766	39,639	39,204	39,670	37,051	38,128	38,554	39,070	37,439
Equity	8,864	8,671	8,723	8,563	8,333	8,132	8,146	7,884	7,612	7,380	7,610	7,426	7,231	7,071
Balance sheet total	65,226	60,157	60,357	57,562	57,123	56,845	54,862	53,956	53,984	51,531	52,941	53,601	52,426	50,266
Contingent liabilities	11,244	12,432	10,270	10,886	11,811	10,370	9,812	9,590	9,379	9,992	9,665	10,836	10,466	7,976

Statement of capital

	End of Q2 2022	End of Q1 2022	End of Q4 2021	End of Q3 2021	End of Q2 2021	End of Q1 2021	End of Q4 2020	End of Q3 2020	End of Q2 2020	End of Q1 2020	End of Q4 2019	End of Q3 2019	End of Q2 2019	End of Q1 2019
(DKK million)														
Common equity tier 1	7,720	7,471	7,632	7,255	7,274	7,122	7,277	7,049	6,973	6,109	6,072	5,624	5,441	5,284
Tier 1 capital	7,720	7,471	7,632	7,255	7,274	7,122	7,277	7,049	6,973	6,109	6,072	5,624	5,441	5,284
Capital	9,730	9,476	9,635	8,743	8,763	8,614	8,774	8,553	8,507	8,009	8,242	7,786	6,854	6,667
MREL capital	13,183	12,445	12,033	11,167	11,596	10,837	11,112	11,587	11,580	10,985	11,248	10,790	9,551	9,033
Risk exposure	46,940	44,880	43,285	41,729	41,063	42,271	41,561	39,682	38,900	41,444	41,223	39,547	40,106	38,308
(Percent)														
Common equity tier 1	16.4	16.6	17.6	17.4	17.7	16.8	17.5	17.8	17.9	14.7	14.7	14.2	13.6	13.8
Tier 1 capital	16.4	16.6	17.6	17.4	17.7	16.8	17.5	17.8	17.9	14.7	14.7	14.2	13.6	13.8
Total capital	20.7	21.1	22.3	21.0	21.3	20.4	21.1	21.6	21.9	19.3	20.0	19.7	17.1	17.4
MREL capital	28.1	27.7	27.8	26.8	28.2	25.6	26.7	29.2	29.8	26.5	27.3	27.3	23.8	23.6

Statements of income and comprehensive income

Note		H1 2022 DKK 1,000	H1 2021 DKK 1,000	Full year 2021 DKK 1,000
1	Interest income	828,652	704,063	1,459,846
2	Interest expenses	62,405	45,476	103,080
	Net interest income	766,247	658,587	1,356,766
	Dividends from shares etc.	97,801	73,048	77,109
3	Fee and commission income	526,357	454,908	939,219
3	Fee and commission expenses	40,863	44,922	91,183
	Net interest and fee income	1,349,542	1,141,621	2,281,911
4	Value adjustments	-6,346	+34,528	+163,127
	Other operating income	1,044	4,751	5,490
5,6	Staff and administration expenses	428,169	392,539	790,374
	Amortisation, depreciation, and write-downs on intangible and tangible assets	14,587	14,544	35,793
	Other operating expenses	3,303	4,018	7,643
7,11	Impairment charges for loans and other receivables etc.	-7,131	-53,564	-78,629
	Results from investments in associated companies and group undertakings	0	0	+22
	Profit before tax	891,050	716,235	1,538,111
8	Tax	183,997	143,050	308,846
	Net profit	707,053	573,185	1,229,265
	Other comprehensive income:			
	Value changes in pension liabilities	0	0	-404
	Total comprehensive income for the period	707,053	573,185	1,228,861

Core earnings

Note	H1 2022 DKK 1,000	H1 2021 DKK 1,000	Full year 2021 DKK 1,000
	755,837	651,865	1,342,559
3	395,131	325,164	676,831
3	84,510	82,834	179,190
	30,949	29,113	57,670
	1,044	4,751	5,490
	1,267,471	1,093,727	2,261,740
3	90,363	84,822	171,205
	1,357,834	1,178,549	2,432,945
5,6	428,169	392,539	790,374
	4,833	7,044	18,539
	3,303	4,018	7,643
	436,305	403,601	816,556
	921,529	774,948	1,616,389
	-1,983	-48,416	-68,333
	919,546	726,532	1,548,056
	-18,742	-2,797	+7,309
	9,754	7,500	17,254
	891,050	716,235	1,538,111
8	183,997	143,050	308,846
	707,053	573,185	1,229,265

Balance sheet

Note		30 June 2022 DKK 1,000	30 June 2021 DKK 1,000	31 Dec. 2021 DKK 1,000
	Assets			
	Cash in hand and demand deposits with central banks	5,742,021	3,579,716	3,459,464
9	Receivables from credit institutions and central banks	710,432	223,034	216,097
10,11,12	Total loans and other receivables at amortised cost	46,681,061	37,268,165	41,179,255
	Loans and other receivables at amortised cost	45,554,986	36,153,561	40,008,162
	Wind turbine loans etc. with direct funding	1,126,075	1,114,604	1,171,093
	Bonds at fair value	3,807,098	6,965,697	6,743,836
13	Shares etc.	1,467,154	1,373,038	1,467,417
	Investments in associated companies	481	482	481
	Investments in group undertakings	12,020	11,997	12,020
14	Assets linked to pooled schemes	4,936,525	5,159,665	5,537,863
15	Intangible assets	1,052,918	1,027,338	1,062,672
	Total land and buildings	202,558	212,660	199,632
	Investment properties	8,667	7,667	8,667
	Domicile properties	167,467	177,803	168,387
	Domicile properties (leasing)	26,424	27,190	22,578
	Other tangible assets	15,594	15,871	14,999
	Current tax assets	0	0	23,501
	Deferred tax assets	19,626	18,985	11,263
	Temporary assets	4,381	6,368	5,868
	Other assets	555,296	1,242,803	407,166
	Prepayments	18,365	17,106	15,854
	Total assets	65,225,530	57,122,925	60,357,388

Balance sheet – continued

Note		30 June 2022 DKK 1,000	30 June 2021 DKK 1,000	31 Dec. 2021 DKK 1,000
	Liabilities and equity			
16	Debt to credit institutions and central banks	2,402,460	2,256,658	2,030,175
	Total deposits and other debt	46,143,588	41,375,546	43,740,049
17	Deposits and other debt	41,207,063	36,215,881	38,202,186
	Deposits in pooled schemes	4,936,525	5,159,665	5,537,863
18	Issued bonds at amortised cost	4,710,340	2,969,715	2,961,422
	Preferred senior capital	1,144,921	1,024,285	1,019,790
	Non-preferred senior capital	3,565,419	1,945,430	1,941,632
	Current tax liabilities	116,474	73,808	0
	Other liabilities	850,044	452,366	728,954
	Deferred income	785	1,976	1,167
	Total debt	54,223,691	47,130,069	49,461,767
	Provisions for pensions and similar liabilities	2,187	2,278	2,473
11	Provisions for losses on guarantees	74,046	77,194	97,207
11	Other provisions for liabilities	23,770	33,540	28,763
	Total provisions for liabilities	100,003	113,012	128,443
	Tier 2 capital	2,038,305	1,546,998	2,044,505
19	Total subordinated debt	2,038,305	1,546,998	2,044,505
20	Share capital	28,380	29,068	29,068
	Net revaluation reserve under the equity method	428	406	428
	Retained earnings	8,834,723	8,303,372	8,487,703
	Proposed dividend etc.	-	-	205,474
	Total shareholders' equity	8,863,531	8,332,846	8,722,673
	Total liabilities and equity	65,225,530	57,122,925	60,357,388
21	Own shares			
22	Contingent liabilities etc.			
23	Assets provided as security			
	Credit risk			
24	Loans and guarantees in percent, by sector and industry			
25	Loans, guarantees and unutilised credit facilities and loan undertakings by credit quality and IFRS 9 stages			
26	Miscellaneous comments			

Statement of changes in equity

DKK 1,000	Share capital	Net revaluation reserve under the equity method	Retained earnings	Proposed dividend etc.	Total shareholders' equity
As at 30 June 2022:					
Shareholders' equity at the end of the previous financial year	29,068	428	8,487,703	205,474	8,722,673
Comprehensive income					
Net profit for the period			707,053		707,053
Total comprehensive income	0	0	707,053	0	707,053
Transactions with shareholders					
Reduction of share capital	-688		688		0
Dividend etc. paid				-205,474	-205,474
Dividend received on own shares			5,638		5,638
Purchase of own shares			-909,946		-909,946
Sale of own shares			532,734		532,734
Other equity transactions (employee shares)			10,853		10,853
Total transactions with shareholders	-688	0	-360,033	-205,474	-566,195
Shareholders' equity on the balance sheet date	28,380	428	8,834,723	0	8,863,531

Statement of changes in equity – continued

DKK 1,000	Share capital	Net revaluation reserve under the equity method	Retained earnings	Proposed dividend etc.	Total shareholders' equity
As at 30 June 2021:					
Shareholders' equity at the end of the previous financial year	29,228	406	7,909,643	206,598	8,145,875
Comprehensive income					
Net profit for the period			573,185		573,185
Total comprehensive income	0	0	573,185	0	573,185
Transactions with shareholders					
Reduction of share capital	-160		160		0
Dividend etc. paid				-206,598	-206,598
Dividend received on own shares			1,645		1,645
Purchase of own shares			-613,400		-613,400
Sale of own shares			424,304		424,304
Other equity transactions (employee shares)			7,835		7,835
Total transactions with shareholders	-160	0	-179,456	-206,598	-386,214
Shareholders' equity on the balance sheet date	29,068	406	8,303,372	0	8,332,846

Statement of changes in equity – continued

DKK 1,000	Share capital	Net revaluation reserve under the equity method	Retained earnings	Proposed dividend etc.	Total shareholders' equity
As at 31 December 2021:					
Shareholders' equity at the end of the previous financial year	29,228	406	7,909,643	206,598	8,145,875
Comprehensive income					
Net profit for the year		22	1,023,769	205,474	1,229,265
Other comprehensive income			-404		-404
Total comprehensive income	0	22	1,023,365	205,474	1,228,861
Transactions with shareholders					
Reduction of share capital	-160		160		0
Dividend etc. paid				-206,598	-206,598
Dividend received on own shares			1,645		1,645
Purchase of own shares			-1,238,871		-1,238,871
Sale of own shares			776,227		776,227
Other equity transactions (employee shares)			15,534		15,534
Total transactions with shareholders	-160	0	-445,305	-206,598	-652,063
Shareholders' equity on the balance sheet date	29,068	428	8,487,703	205,474	8,722,673

Statement of capital

	30 June 2022 DKK 1,000	30 June 2021 DKK 1,000	31 Dec. 2021 DKK 1,000
Credit risk	42,061,642	34,153,097	37,454,457
Market risk	767,340	3,341,854	1,719,608
Operational risk	4,111,013	3,568,376	4,111,013
Total risk exposure	46,939,995	41,063,327	43,285,078
Shareholders' equity	8,863,531	8,332,846	8,722,673
Proposed dividend etc.	-	-	-205,474
Deduction for expected dividend	-171,106	-196,603	-
Addition for transition programme concerning IFRS 9	410,792	571,682	533,172
Deduction for insufficient coverage of non-performing exposures	-13,980	-3,715	-3,215
Deduction for the sum of equity investments etc. above 10%	-187,644	-281,387	-258,432
Deduction for prudent valuation	-10,844	-18,214	-14,044
Deduction for intangible assets	-1,052,918	-1,027,338	-1,062,672
Deferred tax on intangible assets	18,606	22,898	22,169
Deferred tax on tangible assets etc.	-38,232	-	-
Deduction of amount of share buyback programme	-369,000	-255,000	-497,500
Actual utilisation of amount of share buyback programme	325,406	183,855	449,894
Deduction for trading limit for own shares	-55,000	-55,000	-55,000
Actual utilisation of the trading limit for own shares	388	388	161
Common equity tier 1	7,719,999	7,274,412	7,631,732
Tier 1 capital	7,719,999	7,274,412	7,631,732
Tier 2 capital	2,043,920	1,543,615	2,043,630
Deduction for the sum of equity investments etc. above 10%	-33,702	-54,980	-40,258
Total capital	9,729,972	8,763,047	9,635,104
Contractual senior funding (grandfathered)	0	891,424	456,272
Non-preferred senior capital	3,452,973	1,941,169	1,941,178
MREL capital	13,182,945	11,595,640	12,032,554

Statement of capital – continued

	30 June 2022	30 June 2021	31 Dec. 2021
Common equity tier 1 capital ratio (%)	16.4	17.7	17.6
Tier 1 capital ratio (%)	16.4	17.7	17.6
Total capital ratio (%)	20.7	21.3	22.3
MREL capital ratio (%)	28.1	28.2	27.8
Pillar I capital requirements (DKK 1,000)	3,755,200	3,285,066	3,462,806
Individual solvency requirement (%)	9.4	9.3	9.3
Capital conservation buffer (%)	2.5	2.5	2.5
Countercyclical buffer (%)	0.0	0.0	0.0
Total requirement for the bank's total capital (%)	11.9	11.8	11.8
Excess cover in percentage points relative to individual solvency requirement	11.3	12.0	13.0
Excess cover in percentage points relative to total requirement for total capital	8.8	9.5	10.5
MREL requirement (%) – fixed by the Danish FSA	17.8	17.9	17.9
Excess cover in percentage points relative to MREL requirement	10.3	10.3	9.9

Notes

Note	H1 2022 DKK 1,000	H1 2021 DKK 1,000	Full year 2021 DKK 1,000
1 Interest income			
Receivables from credit institutions and central banks – net	-10,559	-6,049	-14,893
Loans and other receivables	679,712	616,162	1,253,811
Discounts – amortisation concerning loans taken over etc.	5,148	5,148	10,296
Loans – interest on the impaired part of loans	-23,782	-25,192	-49,612
Bonds – net	14,262	13,694	28,211
Total derivative financial instruments – net	36,488	10,946	21,620
of which currency contracts – net	7,999	4,352	5,079
of which interest-rate contracts – net	28,489	6,594	16,541
Other interest income	566	1,223	2,464
Total interest income	701,835	615,932	1,251,897
of which interest income from collateralised repurchase agreements/reverse repo transactions booked under the item “Loans and other receivables”	568	-60	-108
Negative interest income transferred to interest expenses			
Receivables from credit institutions and central banks	9,456	2,876	16,685
Bonds	2,489	2,574	5,134
Total derivative financial instruments	1,314	1,527	2,979
of which currency contracts	554	320	771
of which interest-rate contracts	760	1,207	2,208
Total negative interest income transferred to interest expenses	13,259	6,977	24,798
Negative interest expenses transferred from interest expenses			
Debt to credit institutions and central banks	54	0	1
Deposits and other debt	113,504	81,154	183,150
Total negative interest expenses transferred from interest expenses	113,558	81,154	183,151
Total interest income	828,652	704,063	1,459,846

Notes – continued

Note	H1 2022 DKK 1,000	H1 2021 DKK 1,000	Full year 2021 DKK 1,000
2			
Interest expenses			
Debt to credit institutions and central banks – net	3,269	4,674	9,996
Deposits and other debt – net	-99,595	-71,620	-165,948
Issued bonds	16,254	10,726	22,959
Subordinated debt	15,241	13,135	27,311
Other interest expenses	419	430	813
Total interest expenses	-64,412	-42,655	-104,869
Negative interest expenses transferred to interest income			
Debt to credit institutions and central banks	54	0	1
Deposits and other debt	113,504	81,154	183,150
Total negative interest expenses transferred to interest income	113,558	81,154	183,151
Negative interest income transferred from interest income			
Receivables from credit institutions and central banks	9,456	2,876	16,685
Bonds	2,489	2,574	5,134
Total derivative financial instruments	1,314	1,527	2,979
of which currency contracts	554	320	771
of which interest-rate contracts	760	1,207	2,208
Total negative interest income transferred from interest income	13,259	6,977	24,798
Total interest expenses	62,405	45,476	103,080
3			
Gross fee and commission income			
Securities trading	96,614	93,884	188,682
Asset management and custody accounts	109,316	89,488	197,448
Payment handling	72,342	55,944	125,136
Loan fees	61,169	50,796	93,246
Guarantee commission and mortgage credit commission etc.	130,324	119,421	244,423
Other fees and commission	56,592	45,375	90,284
Total gross fee and commission income	526,357	454,908	939,219
Net fee and commission income			
Securities trading	90,363	84,822	171,205
Asset management and custody accounts	102,239	81,033	181,940
Payment handling	52,966	37,967	83,912
Loan fees	54,883	44,648	81,381
Guarantee commission and mortgage credit commission etc.	130,324	119,421	244,423
Other fees and commission	54,719	42,095	85,175
Total net fee and commission income	485,494	409,986	848,036
Foreign exchange income	30,949	29,113	57,670
Total net fee, commission, and foreign exchange income	516,443	439,099	905,706

Notes – continued

Note	H1 2022 DKK 1,000	H1 2021 DKK 1,000	Full year 2021 DKK 1,000
4 Value adjustments			
Other loans and receivables, fair value adjustment	-14,263	-2,577	-4,492
Bonds	-112,054	-16,741	-15,820
Shares etc.	-16,055	12,145	106,003
Foreign exchange	30,949	29,113	57,670
Total derivative financial instruments	-34,389	-15,339	-18,337
of which currency contracts	-95,547	-19,887	-23,489
of which interest-rate contracts	61,141	4,549	5,095
of which share contracts	17	-1	57
Assets linked to pooled schemes	-832,431	271,792	490,318
Deposits in pooled schemes	832,431	-271,792	-490,318
Issued bonds etc.	139,466	27,927	38,103
Total value adjustments	-6,346	34,528	163,127
5 Staff and administration expenses			
Payments and fees to general management, board of directors and shareholders' committee			
General management	9,898	8,933	16,966
Board of directors	2,050	2,050	4,225
Shareholders' committee	0	0	890
Total	11,948	10,983	22,081
Staff expenses			
Salaries	202,170	178,818	345,780
Pensions	21,345	18,938	39,665
Social security expenses	2,978	3,042	5,353
Costs depending on number of staff	30,666	29,690	60,293
Total	257,159	230,488	451,091
Other administration expenses	159,062	151,068	317,202
Total staff and administration expenses	428,169	392,539	790,374
6 Number of full-time employees			
Average number of employees during the period converted into full-time employees	633	614	619
Number of full-time employees at the end of the period	644	612	626
7 Impairment charges for loans and other receivables etc.			
Net changes in impairment charges for loans and other receivables etc. and provisions for losses on guarantees and unutilised credit facilities	14,203	68,209	78,700
Actual realised net losses	16,710	10,547	49,541
Interest on the impaired part of loans	-23,782	-25,192	-49,612
Total impairment charges for loans and other receivables etc.	7,131	53,564	78,629

Notes – continued

Note	H1 2022 DKK 1,000	H1 2021 DKK 1,000	Full year 2021 DKK 1,000
8 Tax			
Tax calculated on income for the year	171,194	137,350	293,912
Adjustment of deferred tax	12,796	-2,636	6,604
Adjustment of tax calculated for previous years	7	8,336	8,330
Total tax	183,997	143,050	308,846
Effective tax rate (%):			
Tax rate currently paid by the bank	22.0	22.0	22.0
Non-taxable income and non-deductible costs*	-1.4	-2.8	-2.4
Adjustment regarding previous years etc.	0.0	0.8	0.5
Total effective tax rate	20.6	20.0	20.1

* Primarily value adjustment of and dividends from sector shares.

Note	30 June 2022 DKK 1,000	30 June 2021 DKK 1,000	31 Dec. 2021 DKK 1,000
9 Receivables from credit institutions and central banks			
Demand	710,432	173,034	216,097
More than 5 years	0	50,000	0
Total receivables from credit institutions and central banks	710,432	223,034	216,097
10 Loans and other receivables at amortised cost			
Demand	6,998,746	4,296,466	4,889,428
Up to and including 3 months	3,477,991	2,699,357	1,396,536
More than 3 months and up to and including 1 year	8,236,359	6,124,764	9,266,165
More than 1 year and up to and including 5 years	11,987,470	10,939,389	11,311,679
More than 5 years	15,980,495	13,208,189	14,315,447
Total loans and other receivables at amortised cost	46,681,061	37,268,165	41,179,255
of which collateralised repurchase agreements/reverse repo transactions	92,541	20,552	52,090

Notes – continued

Note	Stage 1 DKK 1,000	Stage 2 DKK 1,000	Stage 3 DKK 1,000	Total DKK 1,000
11				
Impairment charges for loans and other receivables and provisions for losses on guarantees, unutilised credit facilities and loan undertakings				
Impairment charges and provisions – by stages				
As at 30 June 2022				
Loans and other receivables at amortised cost	202,174	919,583	1,077,951	2,199,708
Guarantees	6,516	14,352	53,178	74,046
Unutilised credit facilities and loan undertakings	7,501	16,269	0	23,770
Total impairment charges and provisions by stages	216,191	950,204	1,131,129	2,297,524
of which management estimates	106,714	368,697	223,300	698,711
As at 30 June 2021				
Loans and other receivables at amortised cost	249,147	840,023	1,072,925	2,162,095
Guarantees	19,528	16,671	40,995	77,194
Unutilised credit facilities and loan undertakings	13,876	19,664	0	33,540
Total impairment charges and provisions by stages	282,551	876,358	1,113,920	2,272,829
of which management estimates	130,081	279,666	199,190	608,937
As at 31 December 2021				
Loans and other receivables at amortised cost	232,549	825,278	1,099,523	2,157,350
Guarantees	7,961	14,987	74,259	97,207
Unutilised credit facilities and loan undertakings	10,531	18,232	0	28,763
Total impairment charges and provisions by stages	251,041	858,497	1,173,782	2,283,320
of which management estimates	123,178	283,159	224,906	631,243

Note	30 June 2022 DKK 1,000	30 June 2021 DKK 1,000	31 Dec. 2021 DKK 1,000
11			
Impairment charges for loans and other receivables and provisions for losses on guarantees, unutilised credit facilities and loan undertakings – continued			
In addition to the above, a discount on loans and guarantees taken over from Nordjyske Bank amounted to	9,654	19,950	14,803
The above includes the following stage 3 impairment charges and provisions taken over from Nordjyske Bank:			
Cumulative stage 3 impairment charges and provisions at the end of the previous financial year	190,619	247,609	247,609
Change during the period	-19,040	-45,500	-56,990
Total stage 3 impairment charges and provisions taken over	171,579	202,109	190,619

Notes – continued

Note	Stage 1 DKK 1,000	Stage 2 DKK 1,000	Stage 3 DKK 1,000	Total DKK 1,000	Impair- ment charges etc. taken to income state- ment DKK 1,000
11					
Impairment charges for loans and other receivables and provisions for losses on guarantees, unutilised credit facilities and loan undertakings – continued					
Impairment charges and provisions					
As at 30 June 2022					
Impairment charges and provisions at the end of the previous financial year	251,041	858,497	1,173,782	2,283,320	-
Impairment charges and provisions for new exposures during the period, including new accounts for existing customers	50,437	53,941	57,614	161,992	161,992
Reversed impairment charges and provisions for repaid accounts	-43,270	-85,562	-66,145	-194,977	-194,977
Transfer of impairment charges and provisions at beginning of period to stage 1	109,163	-98,072	-11,091	0	0
Transfer of impairment charges and provisions at beginning of period to stage 2	-9,886	30,735	-20,849	0	0
Transfer of impairment charges and provisions at beginning of period to stage 3	-169	-30,147	30,316	0	0
Impairment charges and provisions during the year resulting from credit risk change	-141,125	220,812	-11,515	68,172	68,172
Previously written down, now definitively lost	-	-	-20,983	-20,983	-
Lost, not previously written down	-	-	-	-	5,297
Received on receivables previously written off	-	-	-	-	-9,571
Interest on the impaired part of loans					-23,782
Total impairment charges and provisions	216,191	950,204	1,131,129	2,297,524	7,131
of which regarding credit institutions etc.	3,223	0	0	3,223	-79

Notes – continued

Note	Stage 1 DKK 1,000	Stage 2 DKK 1,000	Stage 3 DKK 1,000	Total DKK 1,000	Impair- ment charges etc. taken to income state- ment DKK 1,000
11					
Impairment charges for loans and other receivables and provisions for losses on guarantees, unutilised credit facilities and loan undertakings – continued					
Impairment charges and provisions					
30 June 2021					
Impairment charges and provisions at the end of the previous financial year	346,844	881,064	976,712	2,204,620	-
Impairment charges and provisions for new exposures during the period, including new accounts for existing customers	61,579	32,439	53,075	147,093	147,093
Reversed impairment charges and provisions for repaid accounts	-52,601	-81,391	-58,519	-192,511	-192,511
Transfer of impairment charges and provisions at beginning of period to stage 1	100,798	-95,320	-5,478	0	0
Transfer of impairment charges and provisions at beginning of period to stage 2	-9,119	27,340	-18,221	0	0
Transfer of impairment charges and provisions at beginning of period to stage 3	-1,320	-39,310	40,630	0	0
Impairment charges and provisions during the year resulting from credit risk change	-163,630	151,536	142,270	130,176	130,176
Previously written down, now definitively lost	-	0	-16,549	-16,549	-
Lost, not previously written down	-	-	-	-	9,024
Received on receivables previously written off	-	-	-	-	-15,026
Interest on the impaired part of loans	-	-	-	-	-25,192
Total impairment charges and provisions	282,551	876,358	1,113,920	2,272,829	53,564
of which regarding credit institutions etc.	10,871	0	0	10,871	8,866

Notes – continued

Note	Stage 1 DKK 1,000	Stage 2 DKK 1,000	Stage 3 DKK 1,000	Total DKK 1,000	Impair- ment charges etc. taken to income state- ment DKK 1,000
11					
Impairment charges for loans and other receivables and provisions for losses on guarantees, unutilised credit facilities and loan undertakings – continued					
Impairment charges and provisions					
As at 31 December 2021					
Impairment charges and provisions at the end of the previous financial year	346,844	881,064	976,712	2,204,620	-
Impairment charges and provisions for new exposures during the period, including new accounts for existing customers	91,455	118,960	98,793	309,208	309,208
Reversed impairment charges and provisions for repaid accounts	-83,784	-134,825	-95,421	-314,030	-314,030
Transfer of impairment charges and provisions at beginning of period to stage 1	158,998	-152,580	-6,418	0	0
Transfer of impairment charges and provisions at beginning of period to stage 2	-15,390	66,408	-51,018	0	0
Transfer of impairment charges and provisions at beginning of period to stage 3	-1,731	-107,727	109,458	0	0
Impairment charges and provisions during the year resulting from credit risk change	-245,351	187,197	203,740	145,586	145,586
Previously written down, now definitively lost	-	-	-62,064	-62,064	-
Lost, not previously written down	-	-	-	-	10,088
Received on receivables previously written off	-	-	-	-	-22,611
Interest on the impaired part of loans					-49,612
Total impairment charges and provisions	251,041	858,497	1,173,782	2,283,320	78,629
of which regarding credit institutions etc.	3,302	0	0	3,302	1,297

Notes – continued

Note	30 June 2022 DKK 1,000	30 June 2021 DKK 1,000	31 Dec. 2021 DKK 1,000
12	Suspended interest		
	Loans and other receivables with suspended interest on the balance sheet date		
	96,646	179,134	97,757
13	Shares etc.		
	Listed on Nasdaq Copenhagen		
	36,186	8,595	8,879
	Investment fund certificates		
	15,257	18,766	20,345
	Unlisted shares at fair value		
	6,838	11,357	6,838
	Sector shares at fair value		
	1,408,873	1,334,320	1,431,355
	1,467,154	1,373,038	1,467,417
14	Assets linked to pooled schemes		
	Cash deposits		
	24,356	22,193	267,180
	Bonds:		
	Other bonds		
	1,446,878	1,405,930	1,431,770
	Total bonds		
	1,446,878	1,405,930	1,431,770
	Shares:		
	Other shares		
	802,734	767,379	777,747
	Investment fund certificates		
	2,686,109	2,984,403	3,061,166
	Total shares		
	3,488,843	3,751,782	3,838,913
	Other items		
	-23,552	-20,240	0
	4,936,525	5,159,665	5,537,863
15	Intangible assets		
	Goodwill		
	Cost at the end of the previous financial year		
	923,255	923,255	923,255
	Total cost on the balance sheet date		
	923,255	923,255	923,255
	Write-downs at the end of the previous financial year		
	0	0	0
	Total write-downs on the balance sheet date		
	0	0	0
	923,255	923,255	923,255
	Customer relationships		
	Cost at the end of the previous financial year		
	195,088	150,000	150,000
	Addition		
	0	0	45,088
	Total cost on the balance sheet date		
	195,088	150,000	195,088
	Amortisation at the end of the previous financial year		
	55,671	38,417	38,417
	Amortisation for the period		
	9,754	7,500	17,254
	Total amortisation on the balance sheet date		
	65,425	45,917	55,671
	129,663	104,083	139,417
	1,052,918	1,027,338	1,062,672

Notes – continued

Note	30 June 2022 DKK 1,000	30 June 2021 DKK 1,000	31 Dec. 2021 DKK 1,000
16 Debt to credit institutions and central banks			
Demand	1,053,209	1,086,282	803,571
Up to and including 3 months	238,269	0	62,901
More than 3 months and up to and including 1 year	130,501	70,778	53,704
More than 1 year and up to and including 5 years	313,095	491,573	405,266
More than 5 years	667,386	608,025	704,733
Total debt to credit institutions and central banks	2,402,460	2,256,658	2,030,175
17 Deposits and other debt			
Demand	34,616,905	31,147,768	32,744,980
Deposits and other debt with notice:			
Up to and including 3 months	1,491,482	461,770	853,645
More than 3 months and up to and including 1 year	2,160,221	1,619,261	1,620,263
More than 1 year and up to and including 5 years	508,943	589,293	532,593
More than 5 years	2,429,512	2,397,789	2,450,705
Total deposits and other debt	41,207,063	36,215,881	38,202,186
of which deposits covered by the Guarantee Fund	57.4%	61.2%	59.2%
Distributed as follows:			
Demand	34,483,738	31,021,372	32,632,512
With notice	973,057	1,353,354	1,246,496
Time deposits	2,437,641	516,455	968,119
Long-term deposit agreements	876,817	966,304	902,960
Special types of deposits	2,435,810	2,358,396	2,452,099
	41,207,063	36,215,881	38,202,186
18 Issued bonds at amortised cost			
Up to and including 3 months	371,960	0	0
More than 3 months and up to and including 1 year	631,349	0	372,191
More than 1 year and up to and including 5 years	2,912,755	2,356,502	1,982,321
More than 5 years	794,276	613,213	606,910
Total issued bonds at amortised cost	4,710,340	2,969,715	2,961,422
19 Subordinated debt			
Tier 2 capital:			
Fixed-rate loan, principal of DKK 500 million, maturity date 13 June 2028	500,000	500,000	500,000
Floating-rate loan, principal of EUR 100 million, maturity date 22 August 2029	743,920	743,615	743,630
Floating-rate loan, principal of DKK 300 million, maturity date 13 June 2030	300,000	300,000	300,000
Floating-rate loan, principal of DKK 500 million, maturity date 11 January 2032	500,000	0	500,000
Adjustment to amortised cost and fair value adjustment	-5,615	3,383	875
Total subordinated debt	2,038,305	1,546,998	2,044,505
20 Share capital			
Number of DKK 1 shares			
Beginning of period	29,067,721	29,228,321	29,228,321
Cancelled during the period	-688,055	-160,600	-160,600
End of period	28,379,666	29,067,721	29,067,721
of which reserved for subsequent cancellation	387,377	300,900	635,805
Total share capital	28,380	29,068	29,068

Notes – continued

Note	30 June 2022 DKK 1,000	30 June 2021 DKK 1,000	31 Dec. 2021 DKK 1,000
21 Own shares			
Own shares included in the balance sheet at	0	0	0
Market value	299,830	191,760	558,397
Number of own shares:			
Beginning of period	635,988	165,644	165,644
Purchased during the period	1,070,210	999,016	1,792,600
Sold during the period	-630,264	-702,550	-1,161,656
Cancelled during the period	-688,055	-160,600	-160,600
End of period	387,879	301,510	635,988
of which reserved for subsequent cancellation	387,377	300,900	635,805
Nominal value of holding of own shares, end of period	388	302	636
Own shares' proportion of share capital, end of period (%)	1.4	1.0	2.2
22 Contingent liabilities etc.			
Contingent liabilities			
Financial guarantees	4,079,582	4,371,476	3,673,137
Guarantees against losses on mortgage credit loans	2,637,957	2,849,588	3,065,101
Registration and refinancing guarantees	3,656,240	3,762,824	2,713,942
Sector guarantees	105,626	104,802	105,626
Other contingent liabilities	764,931	721,942	712,622
Total contingent liabilities	11,244,336	11,810,632	10,270,428
Other contractual obligations			
Irrevocable credit undertakings etc.	60,000	335,995	781,832
Total other contractual obligations	60,000	335,995	781,832
23 Assets provided as security			
First-mortgage loans are provided for renewable energy projects. The loans are funded directly by KfW Bankengruppe, to which security in the associated loans has been provided. Each reduction of the first-mortgage loans is deducted directly from the funding at KfW Bankengruppe.			
The balance sheet item is	1,126,075	1,114,604	1,171,093
As collateral for clearing and raising of loans, the bank has pledged securities to the central bank of Denmark at a market price of	109,434	162,234	114,020
Collateral under CSA agreements etc.	91,938	33,256	20,720

Notes – continued

Note		30 June 2022	30 June 2021	31 Dec. 2021
24	Loans and guarantees in percent, by sector and industry			
	Public authorities	0.0	0.0	0.0
	Business customers:			
	Agriculture, hunting and forestry			
	Cattle farming etc.	1.1	1.2	1.1
	Pig farming etc.	1.1	1.2	1.1
	Other agriculture, hunting and forestry	3.8	4.8	4.4
	Fisheries	1.3	1.6	1.4
	Industry and raw materials extraction	3.8	2.4	3.2
	Energy supply			
	Renewable energy	6.4	6.6	6.5
	Other energy supply	0.5	0.3	0.3
	Building and construction	3.1	3.2	3.8
	Trade	4.0	3.3	3.4
	Transport, hotels, and restaurants	1.4	1.9	1.8
	Information and communication	0.3	0.5	0.5
	Finance and insurance	9.6	8.1	9.7
	Real property			
	Real property financing without prior creditors	13.1	13.0	13.1
	Other real property financing	3.9	4.3	4.3
	Other business customers	6.5	6.7	6.6
	Total business customers	59.9	59.1	61.2
	Private individuals	40.1	40.9	38.8
	Total	100.0	100.0	100.0

Notes – continued

Note	Stage 1 DKK 1,000	Stage 2 DKK 1,000	Stage 3 DKK 1,000	Credit- impaired on initial recogni- tion DKK 1,000	Total DKK 1,000	Total %
25	Loans, guarantees and unutilised credit facilities and loan undertakings by credit quality and IFRS 9 stages					
	As at 30 June 2022					
	Credit quality					
High	61,764,054	184,212	0	0	61,948,266	76.0%
Medium	10,573,623	1,759,434	0	0	12,333,057	15.1%
Low	1,546,233	3,855,457	0	0	5,401,690	6.7%
Credit-impaired	0	0	1,546,563	260,846	1,807,409	2.2%
Total	73,883,910	5,799,103	1,546,563	260,846	81,490,422	100%
Impairment charges etc.	216,191	950,204	959,550	171,579	2,297,524	
	As at 30 June 2021					
	Credit quality					
High	52,126,575	141,350	0	0	52,267,925	73.2%
Medium	10,263,306	1,620,183	0	0	11,883,489	16.7%
Low	1,515,242	3,842,766	0	0	5,358,008	7.5%
Credit-impaired	0	0	1,539,220	318,197	1,857,417	2.6%
Total	63,905,123	5,604,299	1,539,220	318,197	71,366,839	100%
Impairment charges etc.	282,551	876,358	911,811	202,109	2,272,829	
	As at 31 December 2021					
	Credit quality					
High	56,013,173	244,013	0	0	56,257,186	75.2%
Medium	10,262,509	1,751,905	0	0	12,014,414	16.0%
Low	1,215,687	3,570,338	0	0	4,786,025	6.4%
Credit-impaired	0	0	1,499,175	287,173	1,786,348	2.4%
Total	67,491,369	5,566,256	1,499,175	287,173	74,843,973	100%
Impairment charges etc.	251,041	858,497	983,163	190,619	2,283,320	

Notes – continued

26	<p>Miscellaneous comments</p> <p>The statement of core earnings for 2018 on pages 1 and 4 was calculated pro forma by adding up figures from Ringkjøbing Landbobank's statement of the alternative measure of performance "Core earnings" and pro forma figures from Nordjyske Bank, converted and adjusted to Ringkjøbing Landbobank's statement of the alternative performance measure "Core earnings".</p> <p>Core earnings per share on page 4 are stated for the "old" Ringkjøbing Landbobank up to and including 2017, pro forma for 2018 and for the merged bank from 2019.</p>
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Main figures

Summary of income statement (DKK million)	H1 2022	H1 2021	Full year 2021
Net interest income	766	659	1,357
Dividends from shares etc.	98	73	77
Net fee and commission income	485	410	848
Net interest and fee income	1,349	1,142	2,282
Value adjustments	-6	+35	+163
Other operating income	1	5	6
Staff and administration expenses	428	393	790
Amortisation, depreciation and write-downs on intangible and tangible assets	15	15	36
Other operating expenses	3	4	8
Impairment charges for loans and receivables etc.	-7	-54	-79
Profit before tax	891	716	1,538
Tax	184	143	309
Net profit	707	573	1,229

Main figures from the balance sheet (DKK million)	30 June 2022	30 June 2021	31 Dec. 2021
Loans and other receivables at amortised cost	46,681	37,268	41,179
Deposits and other debt including pooled schemes	46,144	41,376	43,740
Subordinated debt	2,038	1,547	2,045
Equity	8,864	8,333	8,723
Balance sheet total	65,226	57,123	60,357

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

		H1 2022	H1 2021	2021
Capital ratios:				
Total capital ratio	%	20,7	21.3	22.3
Tier 1 capital ratio	%	16.4	17.7	17.6
Individual solvency requirement	%	9.4	9.3	9.3
MREL requirement – fixed by the Danish FSA	%	17.8	17.9	17.9
MREL capital ratio	%	28.1	28.2	27.8
Earnings:				
Return on equity before tax	%	10.1	8.7	18.2
Return on equity after tax	%	8.0	7.0	14.6
Income/cost ratio	DKK	2.97	2.54	2.69
Return on assets	%	1.1	1.0	2.0
Market risk:				
Interest rate risk	%	0.3	1.1	0.4
Foreign exchange position	%	0.6	1.3	1.5
Foreign exchange risk	%	0.0	0.0	0.0
Liquidity risk:				
Liquidity Coverage Ratio (LCR)	%	186.7	185.0	176.0
Loans and impairments thereon relative to deposits	%	105.7	95.2	99.0
Credit risk:				
Loans relative to shareholders' equity		5.3	4.5	4.7
Growth in loans	%	13.3	2.8	13.5
Total large exposures (< 175%)	%	119.5	108.4	109.8
Cumulative impairment ratio	%	3.8	4.4	4.2
Impairment ratio	%	0.01	0.10	0.15
Proportion of receivables at reduced interest	%	0.2	0.3	0.2
Share return:				
Earnings per share*/***	DK	2,506.2	1,982.3	4,276.1
Book value per share*/**	DK	31,665	28,967	30,679
Dividend per share*	DK	0	0	700
Market price relative to earnings per share*/***		30.8	32.1	20.5
Market price relative to book value per share*/**		2.44	2.20	2.86

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

** Calculated on the basis of number of shares in circulation at the end of the period.

*** Calculated on the basis of the average number of shares. The average number of shares is calculated as a simple average of the shares at the beginning and the end of the period.

Management statement

The board of directors and the general management have today discussed and approved the interim report of Ringkjøbing Landbobank A/S for the period 1 January to 30 June 2022.

The interim report is drawn up in accordance with the provisions of the Danish Financial Business Act and with other Danish disclosure requirements for listed financial companies. We consider the chosen accounting policies to be appropriate and the estimates made responsible, so that the interim report provides a true and fair view of the bank's assets, liabilities and financial position as of 30 June 2022 and of the result of the bank's activities for the period 1 January to 30 June 2022. We also believe that the management's review contains a true and fair account of the development in the bank's activities and financial circumstances as well as a description of the most important risks and uncertainties which can affect the bank.

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

Ringkøbing, 3 August 2022

General management:

John Fisker
CEO

Claus Andersen
General Manager

Jørn Nielsen
General Manager

Carl Pedersen
General Manager

Board of directors:

Martin Krogh Pedersen
Chairman

Mads Hvolby
Deputy Chairman

Jens Møller Nielsen
Deputy Chairman

Morten Jensen

Jon Steingrim Johnsen

Anne Kaptain

Jacob Møller

Lone Rejkjær Söllmann

Dan Junker Astrup
Employee board member

Gitte E.S.H. Vigsø
Employee board member

Arne Ugilt
Employee board member

Finn Aaen
Employee board member