



**RINGKJØBING LANDBOBANK AKTIESELSKAB  
(INCORPORATED WITH LIMITED LIABILITY IN DENMARK)**

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**€2,000,000,000  
EURO MEDIUM TERM NOTE PROGRAMME**

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This supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the Prospectus dated 28 March 2017 (the "**Prospectus**") prepared by Ringkjøbing Landbobank Aktieselskab (the "**Issuer**") in connection with its Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €2,000,000,000 in aggregate principal amount of notes (the "**Notes**"). Terms given a defined meaning in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC, as amended (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus supplement issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom.

This Supplement has been prepared for the purposes of: (1) updating the important notice to reflect MIFID II product governance rules; (2) updating the Form of Final Terms to reflect MIFID II product governance rules; (3) adding identifier codes to the Form of Final Terms; (4) updating the overview of financial performance section; (5) incorporating by reference the capital structure, risks and risk management, auditors' reports and financial statements sections of the Issuer's 2017 Annual Report (as defined below); (6) adding the legal entity identifier code to the General Information section in the Prospectus; and (7) updating the significant or material adverse change statement in the Prospectus.

The Issuer accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new factor, material mistake or inaccuracy relating to information included in the Prospectus which is capable of affecting the assessment of Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Prospectus.

Investors should be aware of their rights under Section 87(Q)(4) of the Financial Services and Markets Act 2000.

With effect from the date of this Supplement the information appearing in, or incorporated by reference into, the Prospectus shall be amended and/or supplemented in the manner described below:

## IMPORTANT NOTICE

*The following text is added to page v of the Prospectus:*

**MIFID II product governance / target market** – The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

## FORM OF FINAL TERMS

*On page 21, to reflect MIFID II product governance rules in the Final Terms, the following text is added below the paragraph beginning with [PROHIBITION OF SALES TO EEA RETAIL INVESTORS]:*

[**MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

*On page 27, to allow for additional identification codes to be reflected in the Final Terms, the following rows are added below the line beginning with "Common Code" in the "Operational Information" paragraph:*

CFI: [•]

FISN: [•]

## DESCRIPTION OF THE ISSUER

*More recent data is available as of the date of this Supplement and the following replaces the "Overview of financial performance" section on pages 72-76 of the Prospectus:*

### Overview of financial performance

The tables below set out an analysis of the Issuer's profit and loss account and certain key figures and ratios derived from its financial statements for the years set out below.

The financial statements have been 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 figures for the whole years 2012 to 2017 are audited.

## Profit and loss account

Main figures for the Issuer	Years ended 31 December (million DKK)					
	2017	2016	2015	2014	2013	2012
Total core income excl. trading income .....	955	942	906	871	817	799
Trading income .....	64	41	48	36	27	24
Total core income .....	1,019	983	954	907	844	823
Total expenses and depreciations etc. ....	334	318	306	298	273	265
<b>Core earnings before impairments for loans .....</b>	<b>685</b>	<b>665</b>	<b>648</b>	<b>609</b>	<b>571</b>	<b>558</b>
Impairment charges for loans and other receivables etc. ....	-10	-48	-60	-87	-120	-157
<b>Core earnings .....</b>	<b>675</b>	<b>617</b>	<b>588</b>	<b>522</b>	<b>451</b>	<b>401</b>
<b>Result for the portfolio .....</b>	<b>60</b>	<b>44</b>	<b>0</b>	<b>+65</b>	<b>+23</b>	<b>+49</b>
<b>Expenses for bank packages .....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-2</b>	<b>-2</b>
<b>Profit before tax .....</b>	<b>735</b>	<b>661</b>	<b>588</b>	<b>587</b>	<b>472</b>	<b>448</b>
<b>Net profit for the year .....</b>	<b>589</b>	<b>539</b>	<b>459</b>	<b>446</b>	<b>358</b>	<b>328</b>

## Selected balance sheet figures

Selected balance sheet figures	As at 31 December (million DKK)					
	2017	2016	2015	2014	2013	2012
Shareholders' equity .....	3,817	3,555	3,296	3,099	2,901	2,676
Capital base <sup>1</sup> .....	3,514	3,355	3,275	2,779	2,979	2,980
Deposits .....	19,110	18,314	16,987	15,450	14,114	12,867
Loans .....	19,351	17,482	17,300	15,507	13,849	12,424
Balance sheet total .....	25,796	24,258	22,317	21,238	19,583	17,682
Guarantees .....	3,184	2,460	2,234	2,218	1,902	1,667

<sup>1</sup> Capital base is computed as the Issuers total capital after deductions.

## Key figures for the Issuer

Key figures for the Issuer <sup>*1</sup>	As at 31 December (per cent.)					
	2017	2016	2015	2014	2013	2012
Pre-tax return on equity (per cent.) .....	19.9	19.3	18.4	19.6	16.9	17.4
Return on equity after tax (per cent.) .....	16.0	15.8	14.3	14.9	12.8	12.7
Income/cost ratio .....	3.13	2.81	2.60	2.52	2.19	2.06
Rate of costs (per cent.) <sup>*2</sup> .....	32.8	32.3	32.1	32.8	32.4	32.2
Tier 1 capital ratio (per cent.) .....	16.5	16.9	17.1	17.5	19.2	20.9
Total capital ratio (per cent.) .....	17.8	18.3	18.8	17.5	20.0	22.4

<sup>1</sup> Key figures as defined by the Danish Financial Supervisory Authority (the key figure "Rate of Costs" is not defined by the Danish Financial Supervisory Authority).

<sup>2</sup> Defined as: Total costs and depreciations / Total core income.

The Issuer reduced its share capital once in each of 2012, 2013, 2014, 2015, 2016 and 2017. A further share capital reduction of 538,000 nom. DKK 1 shares and a new share buy-back programme of up to a value of up to DKK 170 million and a maximum of 1,000,000 nom. DKK 1 shares is proposed to the annual general meeting on 28 February 2018.

The Board of Directors can increase the share capital by DKK 14,210,980 to DKK 36,560,980 in one or more increases until the 21 February 2022 (figures after the share capital reduction approved by the general meeting on 22 February 2017).

## Loan and guarantee portfolio

The table below sets out the Issuer's loans and guarantees by sector and industry, as a percentage of the Issuer's total loans and guarantees.

	As at 31 December (per cent)		
	2017	2016	2015
<b>Public authorities .....</b>	0.1	0.2	0.1
<b>Business</b>			
Agriculture, hunting and forestry			
Cattle farming etc. ....	1.7	1.2	1.5
Pig farming etc. ....	1.7	1.6	1.5

	As at 31 December (per cent)		
	2017	2016	2015
Other agriculture, hunting and forestry.....	3.9	3.9	3.9
Fishing.....	2.4	2.5	2.2
Mink production.....	1.0	1.0	1.0
Industry and raw material extraction.....	1.6	2.5	2.6
Energy.....	1.7	2.1	3.5
Wind turbines – Denmark.....	2.9	3.7	6.0
Wind turbines – foreign.....	8.1	10.0	11.9
Building and construction.....	4.3	2.2	1.8
Trade.....	3.3	3.4	3.6
Transport, hotels and restaurants.....	1.4	1.5	1.8
Information and communication.....	0.3	0.3	0.2
Financing and insurance.....	13.6	14.3	15.0
Real property.....			
First-priority without prior creditors*/**.....	13.5	10.7	9.5
Other real estate financing*/***.....	2.7	4.3	4.2
Other business.....	7.1	6.7	6.1
<b>Total business.....</b>	<b>71.2</b>	<b>71.9</b>	<b>76.3</b>
<b>Private.....</b>	<b>28.7</b>	<b>27.9</b>	<b>23.6</b>
<b>Total.....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The distribution by sector and industry is based on the sector codes of Statistics Denmark (Da. "Danmarks Statistik").

\* The comparative figures for 2015 are partly calculated on the basis of an approximate computation principle compared with 2016.

\*\* Loans with first mortgages on real property and construction financing without prior creditors.

\*\*\* Other forms of real estate financing, including loans with second mortgage on real property and a strong lessee with an irrevocable lease.

### Funding structure

The Issuer's principal source of funding is customer deposits which accounted for 76 per cent. of the total funds (Balance Sheet total) at 31 December 2016 and 74 per cent. at 31 December 2017. Other sources of funding include equity, subordinated debt and market funding (from credit institutions and central banks).

Funding sources	As at 31 December (million DKK)					
	2017	2016	2015	2014	2013	2012
<b>Equity.....</b>	<b>3,817</b>	<b>3,555</b>	<b>3,296</b>	<b>3,099</b>	<b>2,901</b>	<b>2,676</b>
<b>Subordinated debt.....</b>	<b>372</b>	<b>371</b>	<b>373</b>	<b>366</b>	<b>371</b>	<b>383</b>
<b>Other liabilities etc.....</b>	<b>225</b>	<b>263</b>	<b>226</b>	<b>176</b>	<b>192</b>	<b>217</b>
<b>Deposits and other debt.....</b>	<b>19,110</b>	<b>18,314</b>	<b>16,987</b>	<b>15,450</b>	<b>14,114</b>	<b>12,867</b>
- on demand.....	12,268	11,952	11,183	9,209	8,325	7,537
- up to 1 year.....	3,555	3,502	2,560	2,826	2,631	2,396
- more than 1 year and up to 5 years.....	1,468	1,192	967	948	1,502	1,415
- more than 5 years.....	1,819	1,668	2,277	2,467	1,656	1,519
<b>Core funding.....</b>	<b>23,524</b>	<b>22,503</b>	<b>20,882</b>	<b>19,091</b>	<b>17,578</b>	<b>16,143</b>
<b>Credit institutions and central banks.....</b>	<b>1,599</b>	<b>1,458</b>	<b>1,502</b>	<b>1,911</b>	<b>1,755</b>	<b>1,198</b>
- on demand.....	269	281	268	258	298	214
- up to 1 year.....	338	162	227	555	453	200
- more than 1 year and up to 5 years.....	605	660	594	611	560	517
- more than 5 years.....	387	355	413	487	444	267
<b>Issued bonds.....</b>	<b>673</b>	<b>297</b>	<b>0</b>	<b>236</b>	<b>250</b>	<b>341</b>
- on demand.....	-	-	-	-	-	-
- up to 1 year.....	298	-	-	236	4	225
- more than 1 year and up to 5 years.....	375	297	-	-	246	116
- more than 5 years.....	-	-	-	-	-	-
<b>Market funding.....</b>	<b>2,272</b>	<b>1,755</b>	<b>1,502</b>	<b>2,147</b>	<b>2,005</b>	<b>1,539</b>
<b>Total Funds (Balance Sheet total).....</b>	<b>25,796</b>	<b>24,258</b>	<b>22,384</b>	<b>21,238</b>	<b>19,583</b>	<b>17,682</b>

The funding structure by the end of December 2016 and the end of December 2017 are both shown in the table below.

<b>Distribution of funding</b>	<b>As at 31 December 2016 (per cent.)</b>	<b>As at 31 December 2017 (per cent.)</b>
Capital base (equity and subordinated debt).....	16	16
Other liabilities .....	1	1
Deposits and other debt.....	76	74
Debt to credit institutions – term to maturity over 1 year.....	4	4
Debt to credit institutions – term to maturity under 1 year.....	2	2
Issued bonds – term to maturity over 1 year .....	1	2
Issued bonds – term to maturity under 1 year .....	-	1
<b>Total.....</b>	<b>100</b>	<b>100</b>

As seen from the table above and the below table, the Issuer has debt to credit institutions and issued bonds of DKK 905 million DKK which expire within the next 12 months. This is more than covered by claims on central banks, other credit institutions and listed securities (as seen from the table below):

	<b>As at 31 December 2016 (million DKK)</b>	<b>As at 31 December 2017 (million DKK)</b>
Debt to credit institutions and central banks – term to maturity under 1 year .....	443	607
Issued bonds – term to maturity under 1 year .....	0	298
<b>Total.....</b>	<b>443</b>	<b>905</b>
Cash in hand and demand deposits with the central bank of Denmark.....	284	308
Receivables with notice from central banks – certificate of deposits .....	1,572	957
Receivables from credit institutions – term to maturity under 1 year.....	356	200
Listed bonds, shares and investment funds certificates at fair value .....	3,612	3,973
<b>Total.....</b>	<b>5,824</b>	<b>5,438</b>
<b>Excess cover.....</b>	<b>5,381</b>	<b>4,532</b>

As per the table above, the Issuer had excess coverage of approximately DKK 5.4 billion at the end of December 2016 and DKK 4.5 billion at the end of December 2017.

### **Market Risk**

The Issuer's total Value at Risk at 31 December 2017 was DKK 6.0 million. This sum relates to the maximum loss from a statistical perspective which the Issuer could risk losing with 99 per cent. probability if all market positions were retained unchanged for a period of 10 days.

<b>VaR summary 2017 (million DKK)</b>	<b>Average VaR figure</b>	<b>Minimum VaR figure*</b>	<b>Maximum VaR figure*</b>	<b>End of year VaR figure</b>
Interest .....	9.6	0.9	16.3	5.8
Foreign exchange.....	0.2	0.2	0.1	0.1
Share price.....	2.5	2.5	2.8	1.1
Diversification .....	-2.3	-1.1	-1.7	-1.0
Total VaR figure.....	10.0	2.5	17.5	6.0

- \*Determined by the total VaR figure.
- As shown from the table, the Issuer's total VaR figure throughout 2017 varied from DKK 2.5 million to DKK 17.5 million with an average of DKK 10.0 million. The variation over time reflects the fact that the Issuer regularly adjusts the size of its market positions, and that the risk in the financial markets varies over time.

### **Credit concentration**

The Issuer is focused on its credit concentration. A measure of the Issuer's credit concentration is given by the Total Large Exposure, which is the Issuer's exposure to customers exceeding 10 per cent. of the Issuer's own funds.

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total Large Exposures (per cent.) .....	22.5	29.5	63.4	47.8	35.0	27.2

Total Large Exposures as at 31 December 2017 amounts to 22.5 per cent. on two good quality exposures and fully hedged with adequate security.

### **DOCUMENTS INCORPORATED BY REFERENCE**

The following sections of the Issuer's annual report for the financial year ended 31 December 2017 (the "2017 Annual Report") shall be deemed to be incorporated by reference in, and form part of, this Supplement and the Prospectus:

- capital structure on pages 19 to 23 inclusive (excluding the section titled "future capital structure" on pages 21 to 23);
- risks and risk management on pages 24 to 35 inclusive;
- auditors' reports on pages 49 to 53 inclusive; and
- financial statements on pages 54 to 101 inclusive.

The information set out on pages 1 to 18, pages 36 to 48 and pages 102 to 120 and the section titled "future capital structure" on pages 21 to 23 of the 2017 Annual Report are not incorporated in and do not form part of this Supplement and the Prospectus.

Any information contained in the 2017 Annual Report which is not incorporated by reference in this Supplement is either not relevant to investors or is covered elsewhere in the Prospectus or this Supplement.

The sections in the 2017 Annual Report which are incorporated by reference in this Prospectus are direct and accurate translations of the original Danish text. To the extent that there is any inconsistency between the English translations and the original Danish text, the original Danish text will prevail.

Copies of the 2017 Annual Report have been filed with the FCA and the National Storage Mechanism. An electronic copy will be available for inspection (without charge) on the National Storage Mechanism website, [www.morningstar.co.uk/uk/nsm](http://www.morningstar.co.uk/uk/nsm), and can also be obtained (without charge) from the website of the Regulatory News Service operated by the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

Copies of the 2017 Annual Report can also be obtained from the registered office of the Issuer and from the specified office of the Paying Agent and [www.landbobanken.com](http://www.landbobanken.com).

### **GENERAL INFORMATION**

*To reflect the Issuer's Legal Entity Identifier code, the following text is added below the paragraph beginning with "The yield of each Tranche of Notes" on page 90 of the Prospectus:*

#### **The Legal Entity Identifier Code**

The Legal Entity Identifier code of the Issuer is 2138002M5U5K4OUMVV62.

*To reflect an update to the significant or material change statement, the sentence beginning with "there has been no significant change in the financial position" is deleted and replaced with the following on page 90 of the Prospectus:*

There has been no significant change in the financial position of the Issuer since 31 December 2017 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2017.