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4 August 2021

Ringkjøbing Landbobank's interim report for the first half of 2021

The bank delivers core earnings of DKK 727 million and profit before tax of DKK 716 million in the first half of 2021. The profit before tax is equivalent to a return on equity of 17.4% p.a.

Core earnings

(DKK million)	H1 2021	H1 2020	2020	2019	2018	2017
Total core income	1,179	1,061	2,179	2,116	2,001	1,917
Total expenses and depreciation	404	390	788	805	866	845
Core earnings before impairment charges for loans	775	671	1,391	1,311	1,135	1,072
Impairment charges for loans etc.	-48	-141	-223	-100	-43	-70
Core earnings	727	530	1,168	1,211	1,092	1,002
Result for the portfolio etc.	-3	-41	-9	+49	+77	+84
Special costs	8	8	15	15	217	22
Profit before tax	716	481	1,144	1,245	952	1,064

Highlights of the first half of 2021

- The profit before tax is DKK 716 million, equivalent to a return on equity of 17.4% p.a.
- Core income increases by 11% to DKK 1,179 million following a high level of activity in the first half of the year
- Expenses increase by 3% to DKK 404 million
- The rate of costs decreases to 34% in the half-year
- Continued increase in new customers results in growth of 6% in the bank's loans compared to the end of June 2020
- The expectations for profit before tax were upwardly adjusted to DKK 1,200-1,500 million in June
- An extra share buy-back programme of DKK 242.5 million is planned to start on 1 October 2021
- The purchase of BIL Danmark adds more clients and strengthens the bank's position in private banking

Yours sincerely
Ringkjøbing Landbobank



John Fisker

Management's review

Core income

Interest

Net interest income was DKK 652 million in the first half of 2021, compared to DKK 616 million in the same period in 2020, an increase of 6%. The bank is highly satisfied with this development.

The development is partly attributable to a 6% increase in lending compared to the end of June 2020. The increase in lending is broadly based and relates to both niches and retail.

A further reason for the positive development in interest is that the bank lowered the threshold for negative interest on personal customers' deposits to DKK 100,000 with effect from the beginning of January 2021.

Fee, commission and foreign exchange income

Fee, commission and foreign exchange income amounted to DKK 439 million in the first half of 2021, compared to DKK 374 million in the same period in 2020, an increase of 17%. The bank is also highly satisfied with this development, and the increase reflects a very high level of activity – especially in the first quarter of the year. However, the activity level remained high in the second quarter of 2021.

The bank's focus on the private banking segment has had a positive effect on the "Securities trading", "Foreign exchange income" and "Asset management and custody accounts" items in particular.

Due to the high level of activity and the continued increase in new customers, the items "Guarantee commission and mortgage credit commission etc." and "Loan fees" also developed positively compared to the first half of 2020.

Initiatives aimed at normalising the income from payment handling activities were announced with effect from 1 April 2021. These initiatives are reflected in the income from "Payment handling", which has improved compared to the first half of 2020.

The income from "Other fees and commission" also developed positively compared to the first half of 2020. This is partly attributable to the bank's focus on the pension and insurance activities.

Sector shares and other operating income

Earnings of DKK 83 million from banking sector shares in the first half of 2021 were DKK 13 million higher than in the first half of 2020, when earnings were DKK 70 million. 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 5 million in the first half of the year, in contrast to 2020, when the figure was DKK 1 million. The other operating income for the year relates primarily to the sale of a property.

Core income

Total core income increased by 11%, from DKK 1,061 million in the first half of 2020 to DKK 1,179 million in 2021.

Expenses, depreciation and write-downs

Total expenses including depreciation and write-downs on tangible assets amounted to DKK 404 million in the first half of 2021, compared to DKK 390 million in 2020, an increase of 3%.

The increase in the cost level relates to the high level of activity, but an even bigger increase in income compensates for this.

The rate of costs was 34.2% in the first half of the year, compared to 36.8% in 2020.

Impairment charges for loans etc.

The bank's expenditure for losses and impairment charges was DKK 48 million in the first half of 2021 – which breaks down into DKK 19 million in the second quarter of 2021 and DKK 29 million in the first quarter of 2021, compared to DKK 38 million and DKK 75 million respectively in the second and first quarters of 2020.

The credit quality of the bank's loans portfolio is generally judged to be good. During the first half of 2021 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 bank thus increased its management estimates for losses and impairment charges considerably during 2020, from DKK 126 million to DKK 566 million. During the first half of 2021, the management estimates increased further to a total of DKK 609 million.

A significant part of the management estimates is attributable to the current economic risks associated with the coronavirus pandemic. Until the first quarter of 2021, the vast majority of the bank's customers managed the economic situation relating to the coronavirus pandemic and the need for new individual impairment charges was thus limited. This pattern continued in the second quarter of 2021. However, it continues to be the bank's assessment that considerable risks are associated with how the economy will develop as and when the many state aid schemes are scaled down and discontinued etc. The management estimates relating to the coronavirus pandemic are therefore maintained at a relatively high cumulative level.

In June 2021, the EU reached a political agreement on its common agricultural policy for 2023-2027. A consequence of the agreement is a decrease in the direct support paid to farmers. The actual implementation and detailed consequences are not yet known. The bank has consequently allocated a management estimate to losses and impairment charges with regard to this uncertainty.

In addition, certain parts of the bank's loans to fisheries are affected by significant quota reductions, primarily as a result of the political agreement with Great Britain in connection with Brexit. The economic framework conditions for large parts of Danish fisheries are thus pending political clarification. The bank allocated management estimates related to this risk as early as 2020. The estimate was further increased in the first half of 2021. The bank's total exposure to the fisheries sector

is 1.6% and the majority of this exposure is judged to be covered by first mortgages on fishing vessels and quotas.

The credit quality of the bank's personal customers is generally judged to be good. The marked price increases on the housing market in the past few quarters have increased the wealth of many of them. On the other hand, the bank is aware that rising house prices may increase its risk exposure – in particular in respect of first-time buyers.

The bank's total account for impairment charges was DKK 2,273 million at the end of June 2021 compared to DKK 2,205 million at the end of 2020. At the end of June 2021, 51% of the total account for impairment charges was classified as stage 1 or 2 exposures.

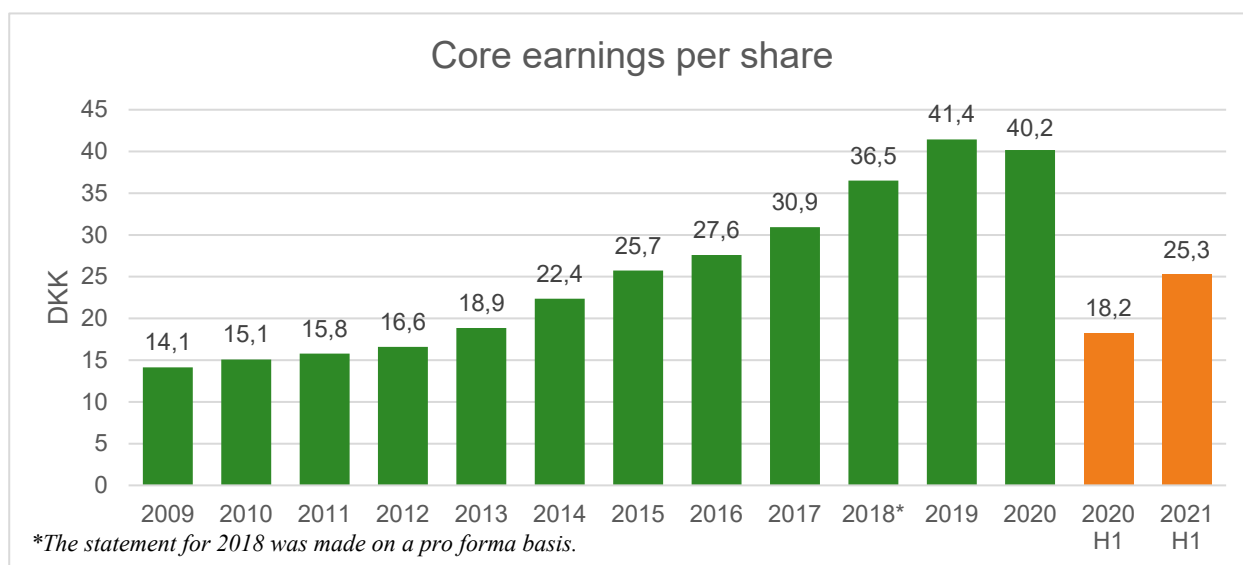
The bank's total loans to customers with suspended calculation of interest were DKK 179 million at the end of June 2021, compared to DKK 211 million at the end of March 2021. The decline relative to the end of December 2020, when the amount was DKK 265 million, thus continued.

Core earnings

Core earnings for the first half of 2021 were DKK 727 million compared to last year's DKK 530 million, an increase of 37%.

(DKK million)	H1 2021	H1 2020	2020	2019	2018	2017
Total core income	1,179	1,061	2,179	2,116	2,001	1,917
Total expenses and depreciation	404	390	788	805	866	845
Core earnings before impairment charges for loans	775	671	1,391	1,311	1,135	1,072
Impairment charges for loans etc.	-48	-141	-223	-100	-43	-70
Core earnings	727	530	1,168	1,211	1,092	1,002

Core earnings per share were DKK 25.3 for the first half of 2021 compared to DKK 18.2 in 2020.



Result for the portfolio etc.

The result for the portfolio etc. including funding costs for the portfolio was negative by DKK 3 million net for the first half of the year. In the first half of 2020, the result for the portfolio etc. was negative by DKK 41 million net, as a result of the turmoil on the financial markets due to the coronavirus pandemic.

The bank has thus recovered some of the negative result of DKK 10 million for the portfolio in the first quarter of 2021, which was attributable to the increase in the long-term interest rates.

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 8 million in the first half-year, unchanged relative to 2020.

Profit before and after tax

The profit before tax was DKK 716 million, equivalent to a return on average equity of 17.4% p.a.

The profit after tax was DKK 573 million, equivalent to a return on average equity of 13.9% p.a.

Balance sheet items and contingent liabilities

The bank's balance sheet total at the end of June 2021 stood at DKK 57,123 million, compared to DKK 53,984 million at the end of June 2020.

Relative to June 2020, the bank's deposits including pooled schemes increased by 4% from DKK 39,670 million to DKK 41,376 million at the end of June 2021, while its loans in the same period increased by 6% from DKK 35,260 million to DKK 37,268 million. Loans increased by 0.2% in the second quarter of 2021.

The bank's contingent liabilities including guarantees at the end of June 2021 amounted to DKK 11,811 million, compared to DKK 9,379 million at the end of June 2020.

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.

The development in the bank's total credit intermediation is positive by 8% compared to the end of 2020.

The development is shown in the following summary:

	30 June 2021 DKK million	30 June 2020 DKK million	31 Dec. 2020 DKK million
Total credit intermediation			
Loans and other receivables at amortised cost	37,268	35,260	36,241
Arranged mortgage loans and funded home loans – Totalkredit	41,708	37,720	39,454
Arranged mortgage loans – DLR Kredit	9,638	9,291	9,511
Total	88,614	82,271	85,206

Securities and market risk

The item “Shares etc.” amounted to DKK 1,373 million at the end of June 2021, with DKK 27 million in listed shares and investment fund certificates and DKK 1,346 million in sector shares etc., mainly in the companies DLR Kredit, BI Holding and PRAS.

The bond portfolio amounted to DKK 6,966 million, of which the vast majority consisted of AAA-rated Danish government and mortgage credit bonds.

The total interest rate risk – impact on profit of a one percentage point change in interest level – was computed as 1.1% of the bank’s tier 1 capital on 30 June 2021.

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 2021:

	Risk in DKK million	Risk relative to equity end of period in %
Highest risk of loss	15.0	0.18%
Lowest risk of loss	7.4	0.09%
Average risk of loss	11.5	0.14%
End-of-period risk of loss	13.6	0.16%

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

The bank’s liquidity situation is good. The bank’s short-term funding with term to maturity of less than 12 months thus amounts to DKK 1.2 billion, balanced by DKK 10.7 billion in short-term deposits in Danmarks Nationalbank, the central bank of Denmark, and in liquid tradable securities.

The bank’s deposits (excluding pooled schemes) and equity exceeded its loans by DKK 7.3 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 coverage ratio (LCR), the bank must comply with the statutory requirement of at least 100%. On 30 June 2021, the bank’s LCR was 185%, which thus met the statutory requirement by a good margin.

Capital structure

The bank's equity at the beginning of 2021 was DKK 8,146 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. After this, equity at the end of June 2021 was DKK 8,333 million.

The bank's total capital ratio and tier 1 capital ratio were 21.3% and 17.7% respectively at the end of June 2021.

Capital ratios	H1	H1	2020	2019	2018
	2021	2020			
Common equity tier 1 capital ratio (%)	17.7	18.1	17.5	14.7	14.6
Tier 1 capital ratio (%)	17.7	18.1	17.5	14.7	14.6
Total capital ratio (%)	21.3	22.1	21.1	20.0	18.4
MREL requirement (%) – fixed by the Danish FSA	17.9	20.2	17.9	20.7	19.7
MREL capital ratio (%)	28.2	30.0	26.7	27.3	24.9

A new five-year phasing-in period for the dynamic component of the IFRS 9 transitional arrangements was introduced in 2020. The bank now uses both the static and the dynamic components of the IFRS 9 transitional arrangements, including the simplified approach to recalculation of capital requirements.

Calculated without the IFRS 9 transition programmes, the bank's total capital ratio was 20.1% and the common equity tier 1 capital ratio 16.4% on 30 June 2021.

In the second quarter of 2021, the bank has started using a new system for calculating the risk-weighted assets. The system was delivered by Moody's and implemented at the bank's IT supplier, Bankdata. The system ensures continuous updating of future amendments to acts.

At the end of June 2021, the bank has calculated the individual solvency requirement at 9.3%. To this should be added a capital conservation buffer of 2.5% and a countercyclical buffer of 0%. The total requirement for the bank's total capital was thus 11.8% at the end of June 2021.

On 22 June 2021, the Systemic Risk Council issued a press release containing a recommendation to re-activate the countercyclical capital buffer at 1.0% with effect from 30 September 2022. The Systemic Risk Council also stated that, unless the build-up of risk in the financial system is curbed considerably, the Council expects to recommend a further increase of the buffer rate to 2.0% by the end of 2022.

On 24 June 2021 the Minister for Industry, Business and Financial Affairs decided to re-activate the countercyclical capital buffer at 1.0% from 30 September 2022.

Compared with the actual total capital of DKK 8.8 billion, the bank had excess capital cover of DKK 4.9 billion relative to the individual solvency requirement, equivalent to 12.0 percentage points at the end of June 2021, and excess capital cover of DKK 3.9 billion compared to the total requirement, equivalent to 9.5 percentage points.

In December 2020, the bank received an MREL requirement of 17.9% applicable from 28 December 2020.

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% and the MREL capital ratio for covering the MREL requirement at least 23.5%, including the capital buffers.

All capital targets must be met at the end of the year, but the capital ratios may fluctuate over the year. However, the MREL requirement must always be met.

To comply with the MREL requirement, the bank had established funding by the end of 2017 to meet the requirements for grandfathering of contractual senior capital. DKK 0.9 billion of the funding was included to meet the bank's MREL requirement at the end of June 2021. In addition, the bank issued non-preferred senior capital totalling the equivalent of DKK 1.3 billion from December 2018 to December 2020. In May and June 2021, the bank has issued additional non-preferred senior capital totalling the equivalent of DKK 638 million, meaning that the bank has now issued non-preferred senior capital to the equivalent of DKK 1.9 billion in total. The bank judges that the issues in the second quarter of 2021 have met the need for issues in 2021.

The bank's capital for covering the MREL requirement totalled DKK 11.6 billion on 30 June 2021, equivalent to an MREL capital ratio of 28.2%. The excess cover relative to the MREL requirement on 30 June 2021 was thus 10.3 percentage points.

Share buy-back programme and capital reduction

The bank's annual general meeting of 3 March 2021 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. The share buy-back programme for the period 4 February to 29 July 2021 was completed by DKK 225 million. On 30 June 2021, 305,500 shares had been bought back and, when the programme ended on 29 July 2021, a total of 361,605 shares had been bought back, which the overview below shows. The remainder of the DKK 255 million share buy-back programme, equivalent to DKK 30 million, will be executed in the period 5 August to 30 September 2021.

The general meeting further decided to cancel the 160,600 of the bank's own shares that were bought in 2020. The capital reduction was finalised on 6 May 2021.

On 30 June 2021, the bank's actual share capital was thus DKK 28,762,221 in nom. DKK 1 shares: see below.

	Number of shares
Beginning of 2021	29,228,321
Capital reduction completed by cancellation of own shares	-160,600
After the capital reduction in May 2021	29,067,721
DKK 255 million share buy-back programme	
Bought under the share buy-back programme at the end of June 2021	-305,500
Actual number of shares on 30 June 2021	28,762,221
DKK 255 million share buy-back programme	
Bought under the share buy-back programme in July 2021	-56,105
Actual number of shares on 31 July 2021	28,706,116

In August 2021, the bank has received the Danish FSA's approval of a new share buy-back programme totalling DKK 242.5 million for implementation from 1 October 2021. The amount of the share buy-back corresponds to the part of the 2020 share buy-back programme totalling DKK 300 million, which was not completed in 2020.

The board of directors is expected to make the final decision to initiate the share buy-back programme during the second half of 2021.

The Supervisory Diamond

The bank complies with the Danish FSA's Supervisory Diamond which contains a number of benchmarks and associated limit values which Danish banks must observe.

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

Benchmark	Limit value	H1 2021	H1 2020	2020	2019	2018
Funding ratio	< 1	0.7	0.7	0.7	0.7	0.7
Liquidity benchmark	> 100%	178.6%	222.5%	177.6%	193.2%	179.5%
Total large exposures	< 175%	108.4%	103.8%	99.8%	121.0%	106.0%
Growth in loans	< 20%	5.6%	2.1%	2.2%	6.3%	*72.3%
Real property exposure	< 25%	17.9%	18.5%	17.9%	17.5%	15.8%

* The increase was mainly caused by the merger with Nordjyske Bank. The pro forma growth in loans for the full year 2018 was 7.0%.

As shown above, Ringkjøbing Landbobank meets all five current limit values by a good margin.

Rating

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

Moody's confirmed the bank's ratings on 30 March 2021, including Aa3 for long-term bank deposits, P-1 for short-term bank deposits and A1 for long-term issuer – all with stable outlook.

BIL Danmark

On 23 June 2021, the bank entered into an agreement with Banque Internationale à Luxembourg S.A., of Luxembourg, regarding takeover of all BIL Danmark's clients. The Danish FSA's approval of a Section 204 takeover pursuant to the Danish Financial Business Act was received on 25 June 2021.

BIL Danmark has branches in both Copenhagen and Aarhus. The clients taken over will primarily be attached to the bank's private banking branches in Holte and Aarhus.

Ringkjøbing Landbobank took over the client portfolio on 1 July 2021. The clients will be transferred to Ringkjøbing Landbobank during the third quarter of 2021 and will continue to be served by BIL Danmark until then.

The takeover comprises

- Loans of DKK 1.2 billion
- Deposits of DKK 0.9 billion
- Assets under management and custody account holdings of DKK 6.0 billion

distributed across approximately 500 families and companies.

In connection with the transaction, eight client-oriented employees were transferred from BIL Danmark to Ringkjøbing Landbobank.

Payment for the client portfolio will take the form of an earn-out, based on earnings over a two-year period. In this connection, intangible assets in the form of client relationships equivalent to DKK 45 million will be capitalised on the bank's balance sheet.

The purchase of the BIL Danmark client portfolio will strengthen the bank's position in private banking.

New mobile banking service

The bank's IT supplier, Bankdata, has supplied a new mobile banking app. The new mobile banking app establishes a new future-proofed communication platform with the customers and also offers good possibilities for customer self-compliance, better security and integration with third parties.

Roll-out of the new mobile banking app will take place during the third quarter of 2021.

Bank of the year

In June 2021, the bank was awarded the accolade of Bank of the Year among major banks for the sixth time in a row.

As in previous years, the award was made by the online news portal FinansWatch in collaboration with the audit and consultancy firm EY. We are very humbled by this, since happy customers and skilled staff are fundamental to a good bank.

Enlarging the head office

The bank has entered into agreements with a number of builders in the second quarter of 2021 and thus made the final decision to enlarge the head office in Ringkøbing. The plan is that the builders will start the construction work in the fourth quarter of 2021 for completion in December 2022. The enlargement will add just over 1,200 m².

The enlargement of the head office will help ensure that the bank can continue to pursue an organic growth strategy.

Job appraisal reviews

The annual job appraisal reviews were completed in June. We are pleased to note that the preceding evaluation process and subsequent interviews showed that both wellbeing and collaboration in the bank are generally really good – which is particularly gratifying after five quarters coping with the coronavirus.

The coronavirus situation

We see support of our customers and business partners during the coronavirus pandemic as an important part of our task. From the start of the pandemic we have, of course, also placed great emphasis on protecting our employees to lessen the risk of transmission of the virus.

The bank has thus prepared for operating in an ever-changing environment due to the coronavirus situation and if varying kinds of restrictions may be reintroduced.

Expected results for 2021

On publication of the 2020 annual report, the bank announced its expectations for core earnings for 2021 in the range DKK 1,100-1,300 million and profit before tax in the range DKK 1,000-1,300 million.

On 8 June 2021, the bank upwardly adjusted its expectations for 2021, primarily as a result of a better income flow than previously expected, primarily as a result of a continued big increase in customers and a high level of activity.

The upwardly adjusted expectations for the full year are now core earnings in the range DKK 1,300-1,500 million and profit before tax in the range DKK 1,200-1,500 million. The upwardly adjusted expectations are maintained.

Accounting policies

The accounting policies are unchanged relative to those in the submitted and audited 2020 annual report.

Key figures

	H1 2021	H1 2020	Full year 2020
Key figures for the bank (percent)			
Profit before tax as a percentage of average equity, per annum	17.4	12.6	14.5
Net profit as a percentage of average equity, per annum	13.9	10.1	11.7
Rate of costs	34.2	36.8	36.2
Common equity tier 1 capital ratio	17.7	17.9	17.5
Tier 1 capital ratio	17.7	17.9	17.5
Total capital ratio	21.3	21.9	21.1
MREL requirement – fixed by the Danish FSA	17.9	20.2	17.9
MREL capital ratio	28.2	29.8	26.7
Key figures per DKK 1 share (DKK)			
Core earnings	25.3	18.2	40.2
Net profit	24.9	13.3	31.6
Book value	289.7	261.9	280.2
Share price, end of period	636.0	468.5	554.0
Basis of calculation, number of shares	28,765,821	29,067,721	29,067,721

Quarterly overviews

Core earnings

	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
(DKK million)										
Net interest income	327	325	321	319	311	305	292	294	296	291
Net fee and commission income excluding securities trading	166	159	156	147	136	152	154	163	159	150
Income from sector shares etc.	43	40	43	38	35	35	36	36	36	37
Foreign exchange income	13	16	13	9	9	10	8	9	8	6
Other operating income	1	4	1	0	1	0	5	7	0	1
Total core income excluding securities trading	550	544	534	513	492	502	495	509	499	485
Securities trading	29	56	32	39	28	39	35	29	23	41
Total core income	579	600	566	552	520	541	530	538	522	526
Staff and administration expenses	195	198	206	179	190	191	202	180	198	198
Depreciation and write-downs on tangible assets	4	3	4	5	2	3	9	8	4	2
Other operating expenses	2	2	2	2	0	4	1	0	2	1
Total expenses etc.	201	203	212	186	192	198	212	188	204	201
Core earnings before impairment charges for loans	378	397	354	366	328	343	318	350	318	325
Impairment charges for loans and other receivables etc.	-19	-29	-38	-44	-66	-75	-25	-26	-24	-25
Core earnings	359	368	316	322	262	268	293	324	294	300
Result for the portfolio etc.	+7	-10	+15	+17	+29	-70	-4	+20	+7	+26
Amortisation and write-downs on intangible assets	4	4	4	3	4	4	4	3	4	4
Profit before tax	362	354	327	336	287	194	285	341	297	322
Tax	71	72	64	64	60	36	62	66	76	63
Net profit	291	282	263	272	227	158	223	275	221	259

Quarterly overviews – continued

Balance sheet items and contingent liabilities

	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	37,268	37,210	36,241	35,479	35,260	36,130	35,465	34,757	34,528	34,195
Deposits including pooled schemes	41,376	41,766	39,639	39,204	39,670	37,051	38,128	38,554	39,070	37,439
Equity	8,333	8,132	8,146	7,884	7,612	7,380	7,610	7,426	7,231	7,071
Balance sheet total	57,123	56,845	54,862	53,956	53,984	51,531	52,941	53,601	52,426	50,266
Contingent liabilities	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 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	7,274	7,122	7,277	7,049	6,973	6,109	6,072	5,624	5,441	5,284
Tier 1 capital	7,274	7,122	7,277	7,049	6,973	6,109	6,072	5,624	5,441	5,284
Total capital	8,763	8,614	8,774	8,553	8,507	8,009	8,242	7,786	6,854	6,667
MREL capital	11,596	10,837	11,112	11,587	11,580	10,985	11,248	10,790	9,551	9,033
Total risk exposure	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 capital ratio	17.7	16.8	17.5	17.8	17.9	14.7	14.7	14.2	13.6	13.8
Tier 1 capital ratio	17.7	16.8	17.5	17.8	17.9	14.7	14.7	14.2	13.6	13.8
Total capital ratio	21.3	20.4	21.1	21.6	21.9	19.3	20.0	19.7	17.1	17.4
MREL capital ratio	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 2021 DKK 1,000	H1 2020 DKK 1,000	Full year 2020 DKK 1,000
1	Interest income	704,063	680,406	1,373,215
2	Interest expenses	45,476	62,799	120,910
	Net interest income	658,587	617,607	1,252,305
3	Dividends from shares etc.	73,048	71,106	71,241
4	Fee and commission income	454,908	398,037	814,821
4	Fee and commission expenses	44,922	42,604	85,545
	Net interest and fee income	1,141,621	1,044,146	2,052,822
5	Value adjustments	+34,528	-19,850	+126,079
	Other operating income	4,751	619	2,054
6,7	Staff and administration expenses	392,539	380,689	765,933
	Amortisation, depreciation and write-downs on intangible and tangible assets	14,544	12,866	29,241
	Other operating expenses	4,018	4,218	8,110
8,12	Impairment charges for loans and other receivables etc.	-53,564	-145,938	-233,348
	Results from investments in associated companies and group undertakings	0	0	-13
	Profit before tax	716,235	481,204	1,144,310
9	Tax	143,050	95,952	224,596
	Net profit	573,185	385,252	919,714
	Other comprehensive income:			
	Value changes in pension liabilities	0	0	-561
	Total comprehensive income for the period	573,185	385,252	919,153

Core earnings

Note	H1 2021 DKK 1,000	H1 2020 DKK 1,000	Full year 2020 DKK 1,000
	651,865	616,265	1,255,816
4	325,164	288,490	591,147
4	82,834	69,626	150,935
	29,113	18,725	40,759
	4,751	619	2,054
	1,093,727	993,725	2,040,711
4	84,822	66,943	138,129
	1,178,549	1,060,668	2,178,840
6,7	392,539	380,689	765,933
	7,044	5,366	14,241
	4,018	4,218	8,110
	403,601	390,273	788,284
	774,948	670,395	1,390,556
	-48,416	-140,790	-223,052
	726,532	529,605	1,167,504
	-2,797	-40,901	-8,194
	7,500	7,500	15,000
	716,235	481,204	1,144,310
9	143,050	95,952	224,596
	573,185	385,252	919,714

Balance sheet

Note		30 June 2021 DKK 1,000	30 June 2020 DKK 1,000	31 Dec. 2020 DKK 1,000
	Assets			
	Cash in hand and demand deposits with central banks	3,579,716	688,104	659,004
10	Receivables from credit institutions and central banks	223,034	3,950,526	3,376,233
11,12,13	Total loans and other receivables at amortised cost	37,268,165	35,259,875	36,241,166
	Loans and other receivables at amortised cost	36,153,561	34,021,803	35,088,380
	Wind turbine loans etc. with direct funding	1,114,604	1,238,072	1,152,786
14	Bonds at fair value	6,965,697	6,575,542	6,636,965
15	Shares etc.	1,373,038	1,297,597	1,385,807
	Investments in associated companies	482	457	482
	Investments in group undertakings	11,997	12,035	11,997
16	Assets linked to pooled schemes	5,159,665	4,240,387	4,700,080
17	Intangible assets	1,027,338	1,042,338	1,034,838
	Total land and buildings	212,660	221,320	215,910
	Investment properties	7,667	11,567	7,667
	Domicile properties	177,803	189,735	186,971
	Domicile properties (leasing)	27,190	20,018	21,272
	Other tangible assets	15,871	18,466	17,626
	Current tax assets	0	0	24,249
	Deferred tax assets	18,985	1,828	17,868
	Temporary assets	6,368	9,115	6,368
	Other assets	1,242,803	648,719	510,327
	Prepayments	17,106	17,964	23,209
	Total assets	57,122,925	53,984,273	54,862,129

Balance sheet – continued

Note		30 June 2021 DKK 1,000	30 June 2020 DKK 1,000	31 Dec. 2020 DKK 1,000
	Liabilities and equity			
18	Debt to credit institutions and central banks	2,256,658	2,106,397	2,448,918
	Total deposits and other debt	41,375,546	39,670,395	39,638,645
19	Deposits and other debt	36,215,881	35,430,008	34,938,565
	Deposits in pooled schemes	5,159,665	4,240,387	4,700,080
20	Issued bonds at amortised cost	2,969,715	2,363,398	2,361,796
	Preferred senior capital	1,024,285	1,034,703	1,032,489
	Non-preferred senior capital	1,945,430	1,328,695	1,329,307
	Current tax liabilities	73,808	17,720	0
	Other liabilities	452,366	561,724	591,109
	Deferred income	1,976	2,129	1,728
	Total debt	47,130,069	44,721,763	45,042,196
	Provisions for pensions and similar liabilities	2,278	2,121	2,560
12	Provisions for losses on guarantees	77,194	63,142	85,814
12	Other provisions for liabilities	33,540	34,597	36,534
	Total provisions for liabilities	113,012	99,860	124,908
	Tier 2 capital	1,546,998	1,551,091	1,549,150
21	Total subordinated debt	1,546,998	1,551,091	1,549,150
22	Share capital	29,068	29,228	29,228
	Net revaluation reserve under the equity method	406	419	406
	Retained earnings	8,303,372	7,581,912	7,909,643
	Proposed dividend etc.	-	-	206,598
	Total shareholders' equity	8,332,846	7,611,559	8,145,875
	Total liabilities and equity	57,122,925	53,984,273	54,862,129
23	Own shares			
24	Contingent liabilities etc.			
25	Assets provided as security			
	Credit risk			
26	Loans and guarantees in percent, by sector and industry			
27	Loans, guarantees and unutilised credit facilities and loan undertakings by credit quality and IFRS 9 stages			
28	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 2021:					
Shareholders' equity at the end of the previous financial year	29,228	406	7,909,643	206,598	8,145,875
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 comprehensive income for the period			573,185		573,185
Shareholders' equity on the balance sheet date	29,068	406	8,303,372	0	8,332,846

DKK 1,000	Share capital	Net revaluation reserve under the equity method	Retained earnings	Proposed dividend etc.	Total shareholders' equity
As at 30 June 2020:					
Shareholders' equity at the end of the previous financial year	29,662	419	7,252,515	327,280	7,609,876
Reduction of share capital	-434		434		0
Dividend etc. paid				-327,280	-327,280
Dividend received on own shares			4,966		4,966
Purchase of own shares			-421,125		-421,125
Sale of own shares			351,851		351,851
Other equity transactions (employee shares)			8,019		8,019
Total comprehensive income for the period			385,252		385,252
Shareholders' equity on the balance sheet date	29,228	419	7,581,912	0	7,611,559

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 2020:					
Shareholders' equity at the end of the previous financial year	29,662	419	7,252,515	327,280	7,609,876
Reduction of share capital	-434		434		0
Dividend etc. paid				-327,280	-327,280
Dividend received on own shares			4,966		4,966
Purchase of own shares			-680,099		-680,099
Sale of own shares			611,241		611,241
Other equity transactions (employee shares)			8,018		8,018
Total comprehensive income for the year		-13	712,568	206,598	919,153
Shareholders' equity on the balance sheet date	29,228	406	7,909,643	206,598	8,145,875

Statement of capital

	30 June 2021 DKK 1,000	30 June 2020 DKK 1,000	31 Dec. 2020 DKK 1,000
Credit risk	34,153,097	33,777,036	35,080,095
Market risk	3,341,854	2,216,053	2,912,209
Operational risk	3,568,376	2,906,665	3,568,376
Total risk exposure	41,063,327	38,899,754	41,560,680
Shareholders' equity	8,332,846	7,611,559	8,145,875
Proposed dividend etc.	-	-	-206,598
Deduction for expected dividend	-196,603	-147,167	-
Addition for transition programme concerning IFRS 9	571,682	677,179	661,258
Deduction for insufficient coverage for non-performing exposures	-3,715	-	-
Deduction for the sum of equity investments etc. above 10%	-281,387	-84,170	-244,297
Deduction for prudent valuation	-18,214	-16,151	-16,284
Deduction for intangible assets	-1,027,338	-1,042,338	-1,034,838
Deferred tax on intangible assets	22,898	26,198	24,548
Deduction of amount of share buy-back programme	-255,000	-57,504	-57,504
Actual utilisation of amount of share buy-back programme	183,855	57,504	57,504
Deduction for trading limit for own shares	-55,000	-55,000	-55,000
Actual utilisation of the trading limit for own shares	388	2,525	2,794
Common equity tier 1	7,274,412	6,972,635	7,277,458
Tier 1 capital	7,274,412	6,972,635	7,277,458
Tier 2 capital	1,543,615	1,545,435	1,543,925
Deduction for the sum of equity investments etc. above 10%	-54,980	-10,998	-46,950
Total capital	8,763,047	8,507,072	8,774,433
Contractual senior funding (grandfathered)	891,424	1,766,956	1,031,852
Non-preferred senior capital	1,941,169	1,305,902	1,305,374
MREL capital	11,595,640	11,579,930	11,111,659

Statement of capital – continued

	30 June 2021 DKK 1,000	30 June 2020 DKK 1,000	31 Dec. 2020 DKK 1,000
Common equity tier 1 capital ratio (%)	17.7	17.9	17.5
Tier 1 capital ratio (%)	17.7	17.9	17.5
Total capital ratio (%)	21.3	21.9	21.1
MREL capital ratio (%)	28.2	29.8	26.7
Pillar I capital requirements	3,285,066	3,111,980	3,324,854
Individual solvency requirement (%)	9.3	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 (%)	11.8	11.8	11.8
Excess cover in percentage points relative to individual solvency requirement	12.0	12.6	11.8
Excess cover in percentage points relative to total requirement for total capital	9.5	10.1	9.3
MREL requirement (%) – fixed by the Danish FSA	17.9	20.2	17.9
Excess cover in percentage points relative to MREL requirement	10.3	9.6	8.8

Notes

Note	H1 2021 DKK 1,000	H1 2020 DKK 1,000	Full year 2020 DKK 1,000
1 Interest income			
Receivables from credit institutions and central banks – net	-6,049	-8,786	-15,917
Loans and other receivables	616,162	629,492	1,251,394
Discounts – amortisation concerning loans taken over etc.	5,148	5,148	10,296
Loans – interest on the impaired part of loans	-25,192	-31,982	-59,678
Bonds – net	13,694	4,820	13,188
Total derivative financial instruments – net	10,946	11,266	20,424
of which currency contracts – net	4,352	8,017	9,740
of which interest-rate contracts – net	6,594	3,249	10,684
Other interest income	1,223	1,762	2,862
Total interest income	615,932	611,720	1,222,569
Negative interest income transferred to interest expenses			
Receivables from credit institutions and central banks	2,876	9,842	17,969
Bonds	2,574	4,383	10,883
Total derivative financial instruments	1,527	2,988	4,064
of which currency contracts	320	776	1,102
of which interest-rate contracts	1,207	2,212	2,962
Total negative interest income transferred to interest expenses	6,977	17,213	32,916
Negative interest expenses transferred from interest expenses			
Debt to credit institutions and central banks	0	76	161
Deposits and other debt	81,154	51,397	117,569
Total negative interest expenses transferred from interest expenses	81,154	51,473	117,730
Total interest income	704,063	680,406	1,373,215
of which interest income from collateralised repurchase agreements/reverse repo transactions booked under the item “Loans and other receivables”	-60	-	-

Notes – continued

Note	H1 2021 DKK 1,000	H1 2020 DKK 1,000	Full year 2020 DKK 1,000
2			
Interest expenses			
Debt to credit institutions and central banks – net	4,674	6,051	11,885
Deposits and other debt – net	-71,620	-40,854	-97,803
Issued bonds	10,726	10,285	21,538
Subordinated debt	13,135	18,000	32,003
Other interest expenses	430	631	2,641
Total interest expenses	-42,655	-5,887	-29,736
Negative interest expenses transferred to interest income			
Debt to credit institutions and central banks	0	76	161
Deposits and other debt	81,154	51,397	117,569
Total negative interest expenses transferred to interest income	81,154	51,473	117,730
Negative interest income transferred from interest income			
Receivables from credit institutions and central banks	2,876	9,842	17,969
Bonds	2,574	4,383	10,883
Total derivative financial instruments	1,527	2,988	4,064
of which currency contracts	320	776	1,102
of which interest-rate contracts	1,207	2,212	2,962
Total negative interest income transferred from interest income	6,977	17,213	32,916
Total interest expenses	45,476	62,799	120,910
3			
Dividends from shares etc.			
Shares	73,048	71,106	71,241
Total dividends from shares etc.	73,048	71,106	71,241
4			
Gross fee and commission income			
Securities trading	93,884	75,915	154,196
Asset management and custody accounts	89,488	81,868	165,388
Payment handling	55,944	49,041	100,790
Loan fees	50,796	41,489	91,361
Guarantee commission and mortgage credit commission etc.	119,421	108,865	224,817
Other fees and commission	45,375	40,859	78,269
Total gross fee and commission income	454,908	398,037	814,821
Net fee and commission income			
Securities trading	84,822	66,943	138,129
Asset management and custody accounts	81,033	72,547	150,012
Payment handling	37,967	31,979	63,072
Loan fees	44,648	37,938	82,039
Guarantee commission and mortgage credit commission etc.	119,421	108,865	224,817
Other fees and commission	42,095	37,161	71,207
Total net fee and commission income	409,986	355,433	729,276
Foreign exchange income	29,113	18,725	40,759
Total net fee, commission and foreign exchange income	439,099	374,158	770,035

Notes – continued

Note		H1 2021 DKK 1,000	H1 2020 DKK 1,000	Full year 2020 DKK 1,000
5	Value adjustments			
	Other loans and receivables, fair value adjustment	-2,577	1,453	1,292
	Bonds	-16,741	-30,958	10,658
	Shares etc.	12,145	-5,409	76,441
	Foreign exchange	29,113	18,725	40,759
	Total derivative financial instruments	-15,339	23,894	24,106
	of which currency contracts	-19,887	21,332	22,235
	of which interest-rate contracts	4,549	2,556	1,870
	of which share contracts	-1	6	1
	Assets linked to pooled schemes	271,792	-196,275	124,574
	Deposits in pooled schemes	-271,792	196,275	-124,574
	Issued bonds etc.	27,927	-27,555	-27,177
	Total value adjustments	34,528	-19,850	126,079
6	Staff and administration expenses			
	Payments and fees to general management, board of directors and shareholders' committee			
	General management	8,933	7,965	17,174
	Board of directors	2,050	1,585	3,170
	Shareholders' committee	0	0	857
	Total	10,983	9,550	21,201
	Staff expenses			
	Salaries	178,818	178,657	344,570
	Pensions	18,938	21,761	41,958
	Social security expenses	3,042	3,367	5,244
	Costs depending on number of staff	29,690	30,350	60,840
	Total	230,488	234,135	452,612
	Other administration expenses	151,068	137,004	292,120
	Total staff and administration expenses	392,539	380,689	765,933
7	Number of full-time employees			
	Average number of employees during the period converted into full-time employees	614	645	632
	Number of full-time employees at the end of the period	612	640	612
8	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	68,209	184,363	172,975
	Actual realised net losses	10,547	-6,443	120,051
	Interest on the impaired part of loans	-25,192	-31,982	-59,678
	Total impairment charges for loans and other receivables etc.	53,564	145,938	233,348

Notes – continued

Note	H1 2021 DKK 1,000	H1 2020 DKK 1,000	Full year 2020 DKK 1,000
9 Tax			
Tax calculated on income for the year	137,350	91,600	223,794
Adjustment of deferred tax	-2,636	2,004	-3,689
Adjustment of tax calculated for previous years	8,336	2,348	4,491
Total tax	143,050	95,952	224,596
Effective tax rate (%):			
Tax rate currently paid by the bank	22.0	22.0	22.0
Non-taxable income and non-deductible costs*	-2.8	-2.6	-2.5
Adjustment of tax calculated for previous years etc.	0.8	0.5	0.1
Total effective tax rate	20.0	19.9	19.6
<i>* Primarily value adjustment of and dividends from sector shares.</i>			

Note	30 June 2021 DKK 1,000	30 June 2020 DKK 1,000	31 Dec. 2020 DKK 1,000
10 Receivables from credit institutions and central banks			
Demand	173,034	267,102	114,751
Up to and including 3 months	0	3,633,424	3,211,482
More than 1 year and up to and including 5 years	5,000	5,000	5,000
More than 5 years	45,000	45,000	45,000
Total receivables from credit institutions and central banks	223,034	3,950,526	3,376,233
11 Loans and other receivables at amortised cost			
Demand	4,296,466	3,185,101	3,859,843
Up to and including 3 months	2,699,357	2,768,568	1,252,486
More than 3 months and up to and including 1 year	6,124,764	6,361,359	7,954,602
More than 1 year and up to and including 5 years	10,939,389	10,163,551	10,053,336
More than 5 years	13,208,189	12,781,296	13,120,899
Total loans and other receivables at amortised cost	37,268,165	35,259,875	36,241,166
of which collateralised repurchase agreements/reverse repo transactions	20,552	-	-

Notes – continued

Note	Stage 1 DKK 1,000	Stage 2 DKK 1,000	Stage 3 DKK 1,000	Total DKK 1,000
12				
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 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 30 June 2020				
Loans and other receivables at amortised cost	206,485	1,026,425	885,359	2,118,269
Guarantees	18,467	23,698	20,977	63,142
Unutilised credit facilities and loan undertakings	16,601	17,996	0	34,597
Total impairment charges and provisions by stages	241,553	1,068,119	906,336	2,216,008
of which management estimates	95,152	328,620	100,000	523,772
As at 31 December 2020				
Loans and other receivables at amortised cost	304,520	839,303	938,449	2,082,272
Guarantees	23,665	23,886	38,263	85,814
Unutilised credit facilities and loan undertakings	18,659	17,875	0	36,534
Total impairment charges and provisions by stages	346,844	881,064	976,712	2,204,620
of which management estimates	205,137	255,284	105,765	566,186

Note	30 June 2021 DKK 1,000	30 June 2020 DKK 1,000	31 Dec. 2020 DKK 1,000
12			
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	19,950	30,246	25,099
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	247,609	507,433	507,433
Change during the period	-45,500	-186,248	-259,824
Total stage 3 impairment charges and provisions taken over	202,109	321,185	247,609

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
12					
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 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 etc. previously written off	-	-	-	-	-40,218
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
12					
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 2020					
Impairment charges and provisions at the end of the previous financial year	136,729	404,006	1,490,910	2,031,645	-
Impairment charges and provisions for new exposures during the period, including new accounts for existing customers	53,772	45,382	110,374	209,528	209,528
Reversed impairment charges and provisions for repaid accounts	-22,567	-40,101	-151,183	-213,851	-213,851
Transfer of impairment charges and provisions at beginning of period to stage 1	77,271	-34,537	-42,734	0	0
Transfer of impairment charges and provisions at beginning of period to stage 2	-6,897	612,243	-605,346	0	0
Transfer of impairment charges and provisions at beginning of period to stage 3	-778	-3,395	4,173	0	0
Impairment charges and provisions during the year resulting from credit risk change	4,023	84,521	115,536	204,080	204,080
Previously written down, now definitively lost	-	-	-15,394	-15,394	-
Lost, not previously written down	-	-	-	-	11,989
Received on receivables etc. previously written off	-	-	-	-	-65,808
Total impairment charges and provisions	241,553	1,068,119	906,336	2,216,008	145,938
of which regarding credit institutions etc.	2,586	0	0	2,586	1,675

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
12					
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 2020					
Impairment charges and provisions at the end of the previous financial year	136,729	404,006	1,490,910	2,031,645	-
Impairment charges and provisions for new exposures during the period, including new accounts for existing customers	110,102	86,720	122,077	318,899	318,899
Reversed impairment charges and provisions for repaid accounts	-35,138	-70,486	-180,189	-285,813	-285,813
Transfer of impairment charges and provisions at beginning of period to stage 1	147,307	-58,732	-88,575	0	0
Transfer of impairment charges and provisions at beginning of period to stage 2	-10,189	453,417	-443,228	0	0
Transfer of impairment charges and provisions at beginning of period to stage 3	-1,573	-17,205	18,778	0	0
Impairment charges and provisions during the year resulting from credit risk change	-394	83,344	153,320	236,270	236,270
Previously written down, now definitively lost	-	-	-96,381	-96,381	-
Lost, not previously written down	-	-	-	-	66,781
Received on receivables etc. previously written off	-	-	-	-	-102,789
Total impairment charges and provisions	346,844	881,064	976,712	2,204,620	233,348
of which regarding credit institutions etc.	2,005	0	0	2,005	1,094

Notes – continued

Note	30 June 2021 DKK 1,000	30 June 2020 DKK 1,000	31 Dec. 2020 DKK 1,000
13	Suspended calculation of interest		
	Loans and other receivables with suspended calculation of interest on the balance sheet date		
	179,134	210,744	264,721
14	Bonds at fair value		
	Listed on the stock exchange		
	6,965,697	6,575,542	6,636,965
	6,965,697	6,575,542	6,636,965
15	Shares etc.		
	Listed on Nasdaq Copenhagen		
	8,595	5,328	10,850
	Investment fund certificates		
	18,766	20,407	29,577
	Unlisted shares at fair value		
	11,357	12,204	14,186
	Sector shares at fair value		
	1,334,320	1,259,658	1,331,194
	1,373,038	1,297,597	1,385,807
16	Assets linked to pooled schemes		
	Cash deposits		
	22,193	14,296	101,854
	Bonds:		
	Other bonds		
	1,405,930	1,649,986	1,513,905
	Total bonds		
	1,405,930	1,649,986	1,513,905
	Shares:		
	Other shares		
	767,379	583,278	672,557
	Investment fund certificates		
	2,984,403	2,011,417	2,411,764
	Total shares		
	3,751,782	2,594,695	3,084,321
	Other items		
	-20,240	-18,590	0
	5,159,665	4,240,387	4,700,080
17	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		
	150,000	150,000	150,000
	Total cost on the balance sheet date		
	150,000	150,000	150,000
	Amortisation at the end of the previous financial year		
	38,417	23,417	23,417
	Amortisation for the period		
	7,500	7,500	15,000
	Total amortisation on the balance sheet date		
	45,917	30,917	38,417
	104,083	119,083	111,583
	1,027,338	1,042,338	1,034,838

Notes – continued

Note	30 June 2021 DKK 1,000	30 June 2020 DKK 1,000	31 Dec. 2020 DKK 1,000
18 Debt to credit institutions and central banks			
Demand	1,086,282	700,603	711,366
Up to and including 3 months	0	106,291	292,643
More than 3 months and up to and including 1 year	70,778	163,762	385,258
More than 1 year and up to and including 5 years	491,573	590,736	562,413
More than 5 years	608,025	545,005	497,238
Total debt to credit institutions and central banks	2,256,658	2,106,397	2,448,918
19 Deposits and other debt			
Demand	31,147,768	29,139,020	29,973,193
Deposits and other debt with notice:			
Up to and including 3 months	461,770	936,063	418,740
More than 3 months and up to and including 1 year	1,619,261	1,855,910	1,395,528
More than 1 year and up to and including 5 years	589,293	1,259,521	668,580
More than 5 years	2,397,789	2,239,494	2,482,524
Total deposits and other debt	36,215,881	35,430,008	34,938,565
of which deposits covered by the Guarantee Fund	61.2%	62.8%	64.1%
Distributed as follows:			
Demand	31,021,372	29,009,745	29,849,983
With notice	1,353,354	1,924,570	1,328,132
Time deposits	516,455	624,097	277,918
Long-term deposit agreements	966,304	1,338,331	1,050,783
Special types of deposits	2,358,396	2,533,265	2,431,749
	36,215,881	35,430,008	34,938,565
20 Issued bonds at amortised cost			
More than 1 year and up to and including 5 years	2,356,502	1,676,433	1,675,470
More than 5 years	613,213	686,965	686,326
Total issued bonds at amortised cost	2,969,715	2,363,398	2,361,796
21 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	743,615	745,435	743,925
Floating-rate loan, principal of DKK 300 million, maturity date 13 June 2030	300,000	300,000	300,000
Adjustment to amortised cost and fair value adjustment	3,383	5,656	5,225
Total subordinated debt	1,546,998	1,551,091	1,549,150
22 Share capital			
Number of DKK 1 shares			
Beginning of period	29,228,321	29,661,796	29,661,796
Cancelled during the period	-160,600	-433,475	-433,475
End of period	29,067,721	29,228,321	29,228,321
of which reserved for subsequent cancellation	300,900	160,600	160,600
Total share capital	29,068	29,228	29,228

Notes – continued

Note	30 June 2021 DKK 1,000	30 June 2020 DKK 1,000	31 Dec. 2020 DKK 1,000
23 Own shares			
Own shares included in the balance sheet at	0	0	0
Market value	191,760	77,766	91,767
Number of own shares:			
Beginning of period	165,644	433,721	433,721
Purchased during the period	999,016	1,009,724	1,525,629
Sold during the period	-702,550	-843,980	-1,360,231
Cancelled during the period	-160,600	-433,475	-433,475
End of period	301,510	165,990	165,644
of which reserved for subsequent cancellation	300,900	160,600	160,600
Nominal value of holding of own shares, end of period	302	166	166
Own shares' proportion of share capital, end of period (%)	1.0	0.6	0.6
24 Contingent liabilities etc.			
Contingent liabilities			
Financial guarantees	4,371,476	2,943,005	3,536,326
Guarantees against losses on mortgage credit loans	2,849,588	2,661,206	2,813,424
Registration and refinancing guarantees	3,762,824	2,925,519	2,684,855
Sector guarantees	104,802	104,802	104,802
Other contingent liabilities	721,942	744,079	672,423
Total contingent liabilities	11,810,632	9,378,611	9,811,830
Other contractual obligations			
Irrevocable credit commitments etc.	335,995	0	0
Total other contractual obligations	335,995	0	0
25 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	1,114,604	1,238,072	1,152,786
As collateral for clearing and raising of loans, the bank has pledged securities to the central bank of Denmark at a market price of	162,234	309,807	168,512
Amount deposited in a cover-for-liabilities account as security for the Danish Growth Fund up to a specific limit of loss as a consequence of Ringkjøbing Landbobank's ownership interest in Landbrugets Finansieringsbank	0	378	0
Collateral under CSA agreements etc.	33,256	44,110	35,193

Notes – continued

Note	30 June 2021 percent	30 June 2020 percent	31 Dec. 2020 percent
26			
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.	1.2	1.4	1.3
Pig farming etc.	1.2	1.3	1.2
Other agriculture, hunting and forestry	4.8	5.7	5.4
Fisheries	1.6	2.0	1.8
Industry and raw materials extraction	2.4	2.7	2.7
Energy supply			
Renewable energy	6.6	6.9	7.2
Other energy supply	0.3	0.3	0.3
Building and construction	3.2	3.4	3.3
Trade	3.3	3.7	3.3
Transport, hotels and restaurants	1.9	2.0	2.0
Information and communication	0.5	0.5	0.5
Finance and insurance	8.1	7.7	8.1
Real property			
First mortgage without prior creditors	13.0	12.6	12.7
Other real property financing	4.3	4.6	4.2
Other business customers	6.7	6.7	7.1
Total business customers	59.1	61.5	61.1
Private individuals	40.9	38.5	38.9
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 %
27	Loans, guarantees and unutilised credit facilities and loan undertakings by credit quality and IFRS 9 stages						
	As at 30 June 2021						
	Credit quality						
	High	52,126,575	141,350	0	0	52,267,925	73%
	Medium	10,263,306	1,620,183	0	0	11,883,489	17%
	Low	1,515,242	3,842,766	0	0	5,358,008	7%
	Credit-impaired	0	0	1,539,220	318,197	1,857,417	3%
	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 30 June 2020						
	Credit quality						
	High	45,626,332	148,067	0	0	45,774,399	72%
	Medium	8,688,157	1,793,429	0	0	10,481,586	16%
	Low	1,745,464	4,493,542	0	0	6,239,006	10%
	Credit-impaired	0	0	955,858	463,229	1,419,087	2%
	Total	56,059,953	6,435,038	955,858	463,229	63,914,078	100%
	Impairment charges etc.	241,553	1,068,119	585,151	321,185	2,216,008	
	As at 31 December 2020						
	Credit quality						
	High	47,043,274	123,728	0	0	47,167,002	72%
	Medium	9,525,618	1,630,433	0	0	11,156,051	17%
	Low	1,640,245	3,932,329	0	0	5,572,574	8%
	Credit-impaired	0	0	1,415,013	366,909	1,781,922	3%
	Total	58,209,137	5,686,490	1,415,013	366,909	65,677,549	100%
	Impairment charges etc.	346,844	881,064	729,103	247,609	2,204,620	

Notes – continued

28	Miscellaneous comments <p>The statement of core earnings for 2017 and 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> <p>The various items presenting the bank's capital and capital ratios as stated on pages 7, 12, 14, 21, 22 and 38 were adjusted retrospectively in 2020 for the period from the end of the second quarter of 2018 to the end of the second quarter of 2020. The adjustment was made because the Danish FSA advised the bank in 2020 that it cannot include the IFRS 9 addition taken over from Nordjyske Bank in the calculation of the transition programme concerning IFRS 9. The change had a small effect on the various items presenting the bank's capital and capital ratios.</p>
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Main figures

Summary of income statement (DKK million)	H1 2021	H1 2020	Full year 2020
Net interest income	659	618	1,252
Dividends from shares etc.	73	71	71
Net fee and commission income	410	355	730
Net interest and fee income	1,142	1,044	2,053
Value adjustments	+35	-20	+126
Other operating income	5	1	2
Staff and administration expenses	393	381	766
Amortisation, depreciation and write-downs on intangible and tangible assets	15	13	29
Other operating expenses	4	4	8
Impairment charges for loans and receivables etc.	-54	-146	-234
Profit before tax	716	481	1,144
Tax	143	96	224
Net profit	573	385	920

Main figures from the balance sheet (DKK million)	30 June 2021	30 June 2020	31 Dec. 2020
Loans and other receivables at amortised cost	37,268	35,260	36,241
Deposits and other debt including pooled schemes	41,376	39,670	39,639
Subordinated debt	1,547	1,551	1,549
Equity	8,333	7,612	8,146
Balance sheet total	57,123	53,984	54,862

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

		H1 2021	H1 2020	2020
Capital ratios:				
Total capital ratio	%	21.3	22.1	21.1
Tier 1 capital ratio	%	17.7	18.1	17.5
Individual solvency requirement	%	9.3	9.3	9.3
MREL requirement – fixed by the Danish FSA	%	17.9	20.2	17.9
MREL capital ratio	%	28.2	30.0	26.7
Earnings:				
Return on equity before tax	%	8.7	6.3	14.5
Return on equity after tax	%	7.0	5.1	11.7
Income/cost ratio	DKK	2.54	1.89	2.10
Return on assets	%	1.0	0.7	1.7
Market risk:				
Interest rate risk	%	1.1	1.2	1.0
Foreign exchange position	%	1.3	2.1	0.1
Foreign exchange risk	%	0.0	0.0	0.0
Liquidity risk:				
Liquidity Coverage Ratio (LCR)	%	185	239	206
Loans and impairments thereon relative to deposits	%	95.2	94.2	96.7
Credit risk:				
Loans relative to shareholders' equity		4.5	4.6	4.4
Growth in loans	%	2.8	-0.6	2.2
Total large exposures (< 175%)	%	108.4	103.8	99.8
Cumulative impairment ratio	%	4.4	4.7	4.6
Impairment ratio	%	0.10	0.31	0.48
Proportion of receivables at reduced interest	%	0.3	0.4	0.5
Share return:				
Earnings per share*/***	DKK	1,982.3	1,321.8	3,155.6
Book value per share*/**	DKK	28,967	26,190	28,029
Dividend per share*	DKK	0	0	700
Market price relative to earnings per share*/***		32.1	35.4	17.6
Market price relative to book value per share*/**		2.20	1.79	1.98

* 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 2021.

The interim report is drawn up in accordance with the provisions of the Danish Financial Business Act and other Danish disclosure requirements for listed financial companies. We consider the chosen accounting policies to be appropriate and the estimates made responsible, so that the interim report provides a true and fair view of the bank's assets, liabilities and financial position as at 30 June 2021 and of the result of the bank's activities for the period 1 January to 30 June 2021. 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.

Ringkjøbing, 4 August 2021

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

Jacob Møller

Lone Rejkjær Söllmann

Sten Uggerhøj

Dan Junker Astrup
Employee board member

Gitte E.S.H. Vigsø
Employee board member

Arne Ugilt
Employee board member

Finn Aaen
Employee board member