MOODY'S INVESTORS SERVICE

CREDIT OPINION

24 February 2023

Update

Send Your Feedback

Ringkjobing Landbobank A/S

Update to credit analysis

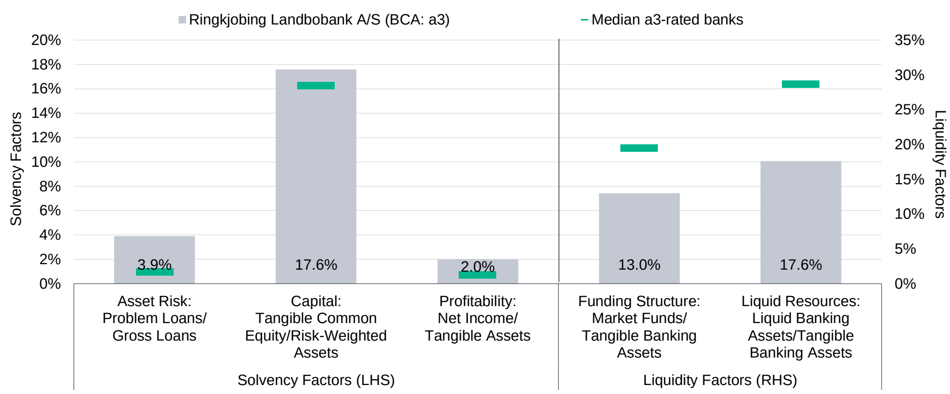
Summary

Ringkjøbing Landbobank's (Ringkjøbing) Aa3 deposit and issuer ratings incorporate three notches of rating uplift from the bank's a3 Baseline Credit Assessment (BCA) based on our Advanced Loss Given Failure (LGF) analysis. Our LGF takes into account the risks faced by deposit and different debt classes should the bank enter into resolution.

Ringkjøbing's a3 standalone BCA reflects its (1) strong capitalisation, with a 17.6% tangible common equity (TCE)/risk-weighted assets (RWAs) ratio and a 12.0% TCE/total assets ratio as of December 2022; (2) relatively high profitability, supported by strong operating efficiency; and (3) solid funding profile, reflecting ample deposits and low reliance on market funding. However, the bank's BCA is constrained by moderate asset risks from a loan book which is somewhat concentrated by geography, industry and single borrowers.

Exhibit 1

Rating Scorecard - Key financial ratios



These are our Banks Methodology scorecard ratios. Asset risk and profitability reflect the weaker of either the latest figure or the three-year and latest figure average. Capital is the latest reported figure. Funding structure and liquid resources reflect the latest fiscal year-end figures.

Source: Moody's Investors Service

RATINGS

Ringkjobing Landbobank A/S

Domicile	Ringkobing, Denmark
Long Term CRR	Aa3
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Not Assigned
Long Term Deposit	Aa3
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Niclas Boheman +46.8.5179.1281
VP-Senior Analyst
niclas.boheman@moodys.com

Corina Moustra +357.2569.3003
Associate Analyst
corina.moustra@moodys.com

Louise Welin +46.8.5179.1280
VP-Sr Credit Officer
louise.welin@moodys.com

Simon James Robin Ainsworth +44 207 772 5347
Associate Managing Director
simon.ainsworth@moodys.com

Credit strengths

» Strong capitalisation, including a strong leverage ratio

» High profitability, supported by strong operating efficiency

» Stable funding profile

Credit challenges

» Elevated asset risks from credit concentrations by geography, industry and single names

» Problem loans will rise modestly, mitigated by existing provisions

» Lower liquidity level than the median of a3-rated banks

Outlook

Ringkjøbing's long-term deposit and issuer ratings carry a stable outlook, reflecting our expectation that the bank's solid capital, existing management provisions and strong revenue generating capacity will provide a substantial buffer against downside risks in the operating environment.

The stable outlook also reflects our expectation of a broadly stable liability structure, resulting in unchanged rating uplift over the next 12-18 months from the bank's Advanced LGF analysis.

Factors that could lead to an upgrade

» Ringkjøbing's ratings could be upgraded following an improvement in its fundamental profile, as indicated by the bank's BCA, as a result of: (1) a significant reduction in concentrations, particularly to volatile sectors and to single borrowers, leading to lower susceptibility to adverse events, as well as, a long period with lower than historic losses; (2) increased geographic diversification, a constraint at the bank's current level, without an increase in risk; and (3) an improvement in the bank's liquidity.

Factors that could lead to a downgrade

» Downward pressure on Ringkjøbing's ratings could emerge from a deterioration in the bank's fundamental credit profile, for instance if we observe: (1) a material weakening in capital metrics; (2) a substantial increase in problem loans and higher through-the-cycle losses, compared to the low levels experienced in the past for Ringkjøbing, or, an increase in credit concentrations to single borrowers or higher risk sectors; (3) a persistent weakening of the bank's recurring earnings power and operating efficiency; or (4) a significant increase in the bank's reliance on market funding from the currently expected low level.

» Ringkjøbing's deposit and issuer ratings could also be downgraded if there is a material shift in the bank's funding mix, or, the bank's assets grow more rapidly without a corresponding increase in junior senior debt or Tier 2 issuances and that results in lower rating uplift, than currently assumed, under our Advanced LGF framework.

Key indicators

Exhibit 2

Ringkjobing Landbobank A/S (Consolidated Financials) [1]

	12-22[2]	12-21[2]	12-20[2]	12-19[2]	12-18[2]	CAGR/Avg.[3]
Total Assets (DKK Million)	68,979.6	60,357.4	54,862.1	52,940.9	49,650.5	8.6[4]
Total Assets (USD Million)	9,899.7	9,196.9	9,018.2	7,952.7	7,605.8	6.8[4]
Tangible Common Equity (DKK Million)	8,251.2	7,659.6	7,110.6	6,559.6	6,123.6	7.7[4]
Tangible Common Equity (USD Million)	1,184.2	1,167.1	1,168.8	985.4	938.1	6.0[4]
Problem Loans / Gross Loans (%)	2.9	4.1	4.6	6.7	6.8	5.0[5]
Tangible Common Equity / Risk Weighted Assets (%)	17.6	17.7	17.1	15.9	16.8	17.0[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	13.8	18.2	19.4	29.4	29.6	22.1[5]
Net Interest Margin (%)	2.6	2.4	2.3	2.2	2.4	2.4[5]
PPI / Average RWA (%)	4.1	3.9	3.4	3.4	3.1	3.6[6]
Net Income / Tangible Assets (%)	2.2	2.1	1.7	1.8	1.4	1.8[5]
Cost / Income Ratio (%)	32.6	33.8	36.8	37.8	44.5	37.1[5]
Market Funds / Tangible Banking Assets (%)	13.0	9.4	10.0	9.5	7.7	9.9[5]
Liquid Banking Assets / Tangible Banking Assets (%)	17.6	19.5	21.7	21.3	20.6	20.2[5]
Gross Loans / Due to Customers (%)	115.6	113.3	109.7	110.5	106.4	111.1[5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; LOCAL GAAP. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

Sources: Moody's Investors Service and company filings

Profile

Ringkjøbing is a Danish regional and niche bank, established in 1886, with operations primarily in central, western and northern Jutland. The bank provides retail and commercial banking products and services; financing for private medical practices and dentists; funding of wind turbines, solar plants and bio mass; and private banking.

On 8 June 2018, Ringkjøbing merged with Nordjyske Bank A/S. Ringkjøbing was the surviving legal entity.

The bank reported a consolidated asset base of DKK69.0 billion (around €9.3 billion) as of December 2022. As of the same date, Ringkjøbing operated through a network of 23 branches and had 646 full-time employees.

Ringkjøbing shares are listed on the NASDAQ Copenhagen Stock Exchange (Ticker: RILBA). As of December 2022, the bank's largest shareholders with more than a 5% stake was pension provider Arbejdsmarkedets Tillægspension (ATP) and Liontrust Asset Management Plc (London, Great Britain).

Detailed credit considerations

Problem loans will rise modestly, mitigated by existing provisions; continued elevated asset risks from credit concentrations

We expect Ringkjøbing's asset quality to deteriorate modestly over the coming quarters due to a combination of higher inflation, rising interest rates and subdued economic growth that will challenge borrowers' loan servicing capacity. The rise in problem loans will, however, be mitigated by the conservative build-up in management provisions. Our assigned ba1 Asset Risk score reflects these expectations. It also indicates that elevated risks from credit concentrations, particularly geographical, sector and borrower concentrations, remain a relative weakness for the bank's rating level. Our assessment, however, also takes into account the bank's low average realised credit losses and strong coverage of these losses from pre-provision income through a number of economic cycles.

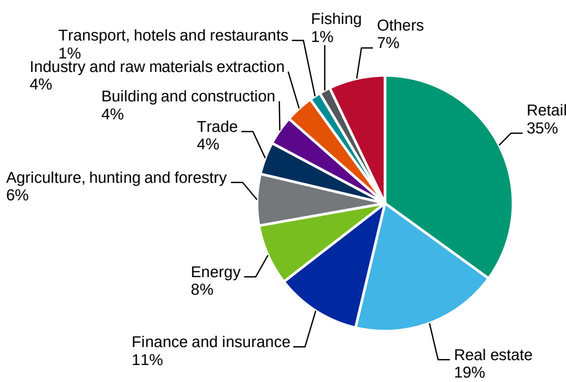
Ringkjøbing's problem loan ratio (defined as IFRS 9 stage 3 and credit-impaired on initial recognition loans over gross loans) improved to 2.9% as of December 2022, lower than pre-crisis levels (end-2019: 6.7%) and pre-merger levels (end-2017: 4.1%), reflecting strong lending growth and limited new problem loan formation. Coverage of problem loans by provisions has remained relatively strong at 72% as of December 2022 (end-2021: 66%). Asset quality deterioration has been muted so far, supported by Denmark's strong post-pandemic economic recovery and low unemployment. However, we expect higher problem loan formation going forward in the context of a challenging macroeconomic outlook, with stage 2 exposures increasing to 8.7% of total exposures[1] as of December 2022 from 7.4% as of December 2021, and as newly originated loans season. Loans grew by a high 17.5% year-over-year in December 2022 that drives some unseasoned risk.

The bank reported low loan loss provisions to average gross loans of 3 basis points in 2022 (2021: 0.2%; 2020: 0.6%), driven by a low need for individual impairments. Ringkjøbing, however, maintained significant management provisions to capture the increased macroeconomic uncertainty, including an economic slowdown and a cooling property market. Total management provisions amounted to DKK794 million as of December 2022, equivalent to 1.6% of gross loans and around 36% of total accumulated impairments[2].

Ringkjøbing's loan book continues to exhibit relatively high concentration to the volatile real estate sector, with the exposure accounting for 19% of total loans and guarantees as of December 2022 (see Exhibit 3). The repayment capacity of borrowers in this sector will be tested given higher interest rates, input prices and a weakening property market, prompting the bank to allocate management provisions to this sector. However, 77% of these loans benefited from a first-lien mortgage, a relatively unique feature in Denmark for loans not provided through a mortgage credit institution. The historically challenged agricultural sector made up a further 6% as of the same date. Stage 3 exposures in the agricultural sector accounted for around 50% of total exposures as of December 2022.

Asset risk has also increased in the personal clients space, with loans to personal clients accounting for 35% of total loans and guarantees, as higher interest rates and inflation weigh on disposable income. The bank has allocated total provisions equivalent to 3% of total exposure in this sector to mitigate the higher credit risk.

Exhibit 3
Ringkjøbing has some concentration to real estate
Loan portfolio and guarantees breakdown by sector as of December 2022



Sources: Moody's Investors Service, bank's reports

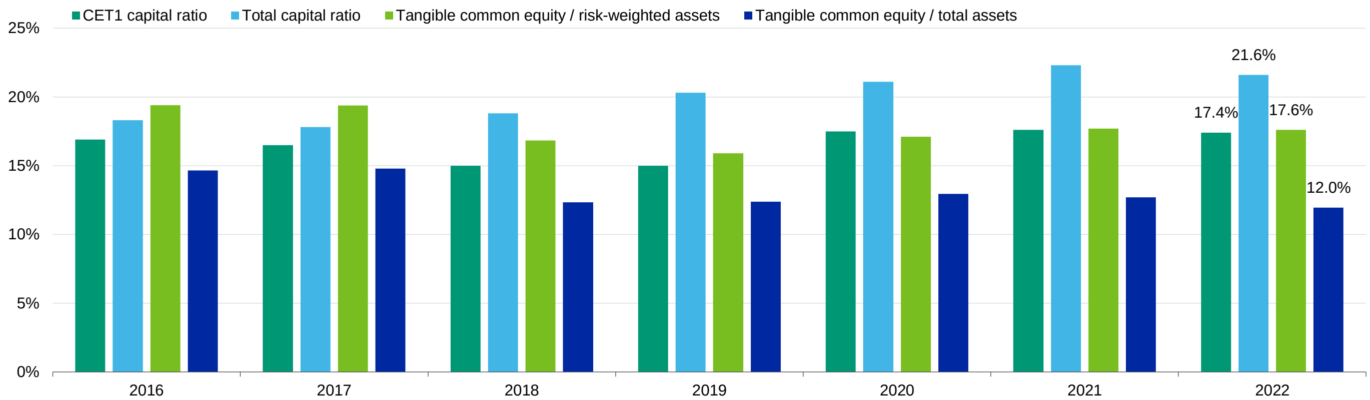
Ringkjøbing's loan book also continues to exhibit some geographic and single borrower concentrations. Around 55% of lending was to customers in the bank's key markets in North, West and Central Jutland as of the end of 2022. Lending remains heavily concentrated in Denmark and only 5% of loan book was to customers located outside Denmark. Further, the bank's top 20 large exposures were equivalent to 118% of the bank's Common Equity Tier 1 (CET1) capital as of December 2022 (end-2021: 110%). These concentrations are, however, well below the regulatory limit of 175% of CET1 capital.

Solid capitalisation, including a strong leverage ratio

Our assigned aa3 Capital score, which supports Ringkjøbing's standalone credit profile, reflects the bank's solid risk-weighted capital ratios, including regulatory metrics that are well in excess of requirements, and strong leverage metrics. It also reflects the bank's historically strong capacity to generate capital internally that has also supported stable capital levels. For the next 12-18 months, we expect the bank's capital metrics to decline but to remain solid as the bank maintains its organic growth strategy and profit distributions in line with its distribution policy.

Ringkjøbing's TCE/RWAs ratio, our preferred capital metric, was a strong 17.6% as of December 2022 (end-2021: 17.7%, see Exhibit 4). Also its TCE/total assets ratio was 12.0%, one of the highest such ratios among those of Nordic and international banks (which are typically within the 4%-10% range), further underpinning our favourable capital assessment. The bank reported regulatory CET1 and total capital ratios of 17.4% and 21.6% respectively as of December 2022. Both metrics were substantially above the bank's requirements for that period. These were 10.2% for the CET1 ratio and 14.3% for the total capital ratio and included the Danish FSA's pillar 1 and pillar 2 components (the latter is 1.3% on total capital for Ringkjøbing), a 2.5% capital conservation buffer, and a 2.5% countercyclical buffer effective from the end of the first quarter of 2023.

Exhibit 4
Ringkjøbing's capitalisation remains solid



Source: Moody's Investors Service

The bank's regulatory capital metrics have benefitted from the flexibility to initially neutralise and spread over years the effect of stage 1 and stage 2 provisions[3] on CET1 capital that were driven by the coronavirus crisis. Excluding the IFRS 9 transitional arrangements, which are fully phased out by 2025, the bank's CET1 ratio would be 0.9 percentage points lower as of December 2022. Our TCE ratio is, however, not affected by this.

The bank's capital ratios will continue to decline in the next 12-18 months, but remain solid, owing to ongoing, but more moderate loan growth and sustained profit distributions in line with the bank's policy. The bank's capital management approach includes stable dividends combined with share buybacks as a tool to optimise its capital position while allowing for growth, translating to a payout ratio between 60% and 65% in recent years. Subject to approval by the Danish Financial Supervisory Authority, the bank intends to initiate a share buyback program totaling DKK770 million which will deduct 1.8 percentage points from the bank's capital levels.

Finally, we note that Ringkjøbing applies the standardised approach to calculate credit-related risk-weighted assets (RWAs). Therefore, the bank's risk density, measured as the ratio of RWAs to total assets, was relatively high at 68% as of December 2022, rendering the bank's capital metrics less sensitive to potential amendments in regulatory methods to calculating RWAs, including floor requirements, or to macroeconomic shocks that could increase RWAs of more risk-sensitive models.

Strong profitability, supported by strong operating efficiency

Our assigned a1 Profitability score reflects Ringkjøbing's strong earnings track record and high profitability, which provides ample capacity to generate capital internally and absorb losses. The bank's robust growth, underpinned by its ability to attract new customers amid high customer satisfaction, and its lean business model, with Ringkjøbing being one of Denmark's most efficient banks in terms of cost to income, support the bank's high profitability which compares favorably with both local and regional peers.

The bank's net income to tangible assets was 2.2% in 2022 (2021: 2.1%, 2020: 1.7%), supported by strong net interest income growth because of strong loan growth and restored deposit margins, as well as low loan loss provisions, as mentioned above. These factors offset lower value adjustments as well as higher costs. As a result of income growth surpassing cost growth, the bank's cost-to-income ratio also improved to 31.1% in 2022, from 33.6% and 36.2% in 2021 and 2020 respectively, falling below the pre-merger level (2017:

32.8%). Ringkjøbing realized the planned synergies from the merger in just over two years and was able to restore its profitability, which was reduced post merger, to premerger levels (net income to tangible assets averaging 2.2% for the period 2014-2017).

We expect profitability to remain strong and broadly stable in 2023, supported by the lagged positive impact of higher interest rates, given timing differences between the repricing of loans and deposits, as well as ongoing, but more moderate, loan growth. However, costs will be higher, also driven by higher inflation, implying more limited efficiency improvements going forward, also in view of the fact that the merger synergies have been fully realised. Loan loss provisions will also increase because of reduced loan affordability from the higher interest rates and inflation. The bank maintained its guidance of profits after tax for 2023 ranging from DKK1,200 million to DKK1,600 million, compared to net profits of DKK1,495 million in 2022, reflecting the above considerations.

Similarly to other medium-sized Danish banks, Ringkjøbing secures mortgage financing through mortgage credit institutions (MCIs), for example, Totalkredit A/S or DLR Kredit A/S. MCIs fund their mortgage lending through the issuance of covered bonds. Ringkjøbing's profitability is stronger than those of Danish banks that consolidate MCIs, given that margins for low risk mortgages are typically lower than that for bank lending. Market funding ratios are also stronger. Conversely, the bank's asset-quality metrics based on on-balance-sheet loans appear weaker than what they would have been if it were to consolidate these predominantly first-lien and lower-risk mortgages.

However, our assessment takes into account that the bank retains the risk for the transferred mortgages between 60% to 80% loan-to-value, despite these loans not appearing on the bank's balance sheet. Potential loan loss provisions are shared by Ringkjøbing through lower remuneration. This risk is reflected through a negative adjustment of the assigned profitability score. As of December 2022, Ringkjøbing had on-balance-sheet loans of DKK48.3 billion, compared to a total of DKK55.5 billion of mortgage loans transferred, on which the bank earns commissions.

Stable funding profile and adequate liquidity

Ringkjøbing's stable funding profile supports the bank's BCA. As of December 2022, customer deposits (excluding pooled schemes) accounted for 63% of total assets. The bank reported a net stable funding ratio of 119% as of December 2022, exceeding the 100% minimum requirement. Furthermore, the bank's reliance on more confidence-sensitive market funding remained relatively low at 13.0% of tangible banking assets. We expect the bank's market funding reliance to remain broadly stable going forward. The bank comfortably meets both its minimum requirement for own funds and eligible liabilities (MREL) as well as its internal target. The outstanding amount of junior senior (senior non-preferred debt) totaled DKK3.4 billion as of December 2022, and the bank does not expect to need additional refinancing of junior senior debt or Tier 2 capital in 2023. The bank has, so far, issued small tickets of junior senior debt with relatively long maturities reducing its refinancing risk. These strengths and expectations are reflected in our assigned a2 Funding Structure score.

We consider Ringkjøbing's liquidity to be adequate compared with its lending-driven business model, as well as its large and stable deposit base. Liquidity is however lower than the median for banks with an a3 BCA. This view is reflected in our assigned baa2 score for Liquid Resources, which also takes into account that some of the bank's liquid assets are pledged for clearing and other purposes. As of December 2022, liquid banking assets accounted for 17.6% of tangible banking assets. Cash, balances with central banks and interbank placements accounted for 8% of total assets, and bond securities for a further 10% as of December 2022, primarily consisting of highly rated Danish mortgage credit bonds. The bank reported a liquidity coverage ratio of 188% (2021: 176%) as of the same date. Ringkjøbing's liquidity coverage ratio is comfortably above the 100% minimum requirement, set by the Danish FSA.

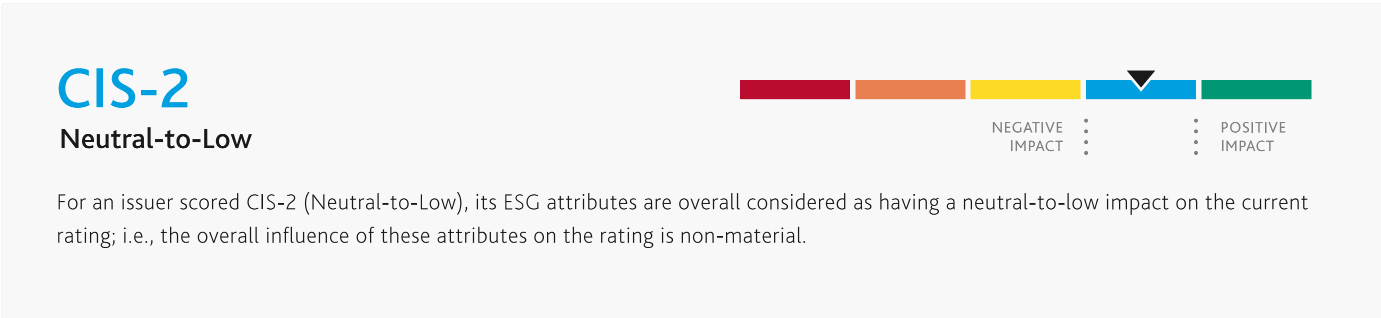
Source of facts and figures cited in this report

Unless noted otherwise, we have sourced data relating to systemwide trends and market shares from the central bank. Bank-specific figures originate from banks' reports and Moody's Banking Financial Metrics. All figures are based on our own chart of accounts and may be adjusted for analytical purposes. Please refer to the document Financial Statement Adjustments in the Analysis of Financial Institutions, published on 9 August 2018.

ESG considerations

Ringkjobing Landbobank A/S' ESG Credit Impact Score is Neutral-to-Low CIS-2

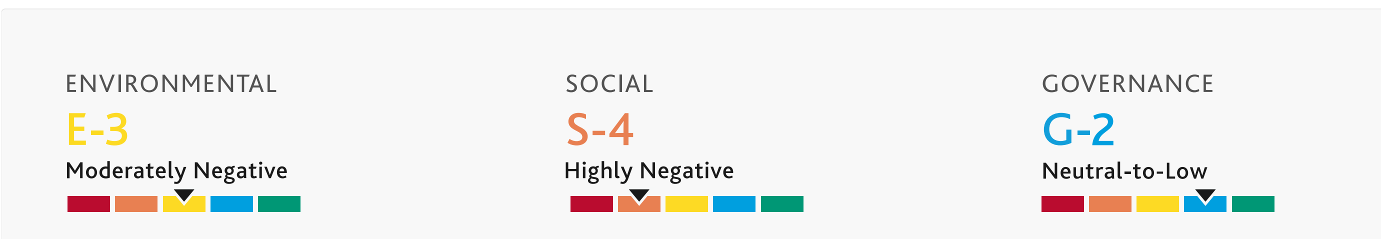
Exhibit 5
ESG Credit Impact Score



Source: Moody's Investors Service

Ringkjøbing's ESG Credit Impact Score is neutral-to-low (**CIS-2**). This reflects the limited credit impact of environmental and social risk factors on the rating to date, and the neutral-to-low governance risks.

Exhibit 6
ESG Issuer Profile Scores



Source: Moody's Investors Service

Environmental

Ringkjøbing faces moderate environmental risks primarily because of its portfolio exposure to carbon transition risk as a diversified bank. In line with its peers, the bank is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. In response, Ringkjøbing is developing its climate risk and portfolio management capabilities.

Social

Ringkjøbing faces high industry-wide social risks related to regulatory and litigation risks, requiring high compliance standards. These risks are mitigated by the bank's developed policies and procedures. High cyber and personal data risks are mitigated by the bank's strong IT framework.

Governance

Ringkjøbing has neutral-to-low governance risks, and its risk management, policies and procedures are in line with industry best practices. Ringkjøbing is a regional bank with a stable track record of good risk management and financial strategy. The bank has a clear and simple organisational structure with no identified concerns regarding ownership and control.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Loss Given Failure analysis

We apply our Advanced LGF analysis to Ringkjøbing's liabilities because the bank is subject to the European Union Bank Recovery and Resolution Directive (BRRD), which we consider an operational resolution regime.

For this analysis, which considers the risks faced by different debt and deposit classes across the liability structure should the bank enter resolution, we use our standard assumptions and assume residual tangible common equity of 3% and losses post-failure of 8% of tangible banking assets. We also assume a 25% runoff in “junior” wholesale deposits, a 5% run-off in preferred deposits, and a proportion of 26% of deposits as junior. We assign a 25% probability to deposits being preferred to senior unsecured debt.

Under these assumptions, for Ringkjøbing's Aa3 rated deposits and issuer rating, our forward-looking LGF analysis indicates an extremely low loss-given-failure, leading to a three-notch uplift from the bank's a3 Adjusted BCA from which these ratings are notched. Issuer ratings are opinions of the bank's ability to honour senior unsecured debt and debt-like obligations.

Both of these senior classes benefit from the subordination afforded by substantial buffers of loss-absorbing liabilities, predominantly junior senior debt (also known as senior non-preferred) and Tier 2 instruments. Ringkjøbing meets its bank-specific MREL of 17.9% for 2023 through a combination of junior senior debt, Tier 2 instruments and common equity driving a reported MREL ratio of 28.9% as of December 2022. We expect that Ringkjøbing will maintain these higher volumes of loss-absorbing debt in line with the bank's current capital and MREL minimum targets.

Government support considerations

We do not incorporate any government support uplift on Ringkjøbing’s ratings because we consider the probability of government support, in case of need, to be low. Our government support assumptions are driven by the implementation of the EU's BRRD in Denmark.

Counterparty Risk Ratings (CRRs)

Ringkjøbing's CRR is Aa3/Prime-1

The CRR is three notches above the adjusted BCA of a3, reflecting the extremely low loss-given-failure from the high volume of instruments that are subordinated to CRR liabilities.

Counterparty Risk (CR) Assessment

Ringkjøbing's CR Assessment is Aa3(cr)/Prime-1(cr)

For Ringkjøbing, our LGF analysis indicates an extremely low loss-given-failure for the CR Assessment, leading to three notches of uplift above the bank's a3 Adjusted BCA.

Methodology and scorecard

About Moody's bank scorecard

Our Bank Scorecard is designed to capture, express and explain in summary form our Rating Committee's judgment. When read in conjunction with our research, a fulsome presentation of our judgment is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 7

Ringkjobing Landbobank A/S

Macro Factors							
Weighted Macro Profile	**Strong +**	**100%**					
Factor		**Historic Ratio**	**Initial Score**	**Expected Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency							
Asset Risk							
Problem Loans / Gross Loans		3.9%	a3	↓	ba1	Expected trend	Sector concentration
Capital							
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)		17.6%	aa2	↓	aa3	Expected trend	Nominal leverage
Profitability							
Net Income / Tangible Assets		2.0%	aa3	↔	a1	Expected trend	Earnings quality
Combined Solvency Score			a1		a3		
Liquidity							
Funding Structure							
Market Funds / Tangible Banking Assets		13.0%	a2	↔	a2	Expected trend	
Liquid Resources							
Liquid Banking Assets / Tangible Banking Assets		17.6%	baa2	↔	baa2	Asset encumbrance	Expected trend
Combined Liquidity Score			a3		a3		
Financial Profile					a3		
Qualitative Adjustments					Adjustment		
Business Diversification					0		
Opacity and Complexity					0		
Corporate Behavior					0		
Total Qualitative Adjustments					0		
Sovereign or Affiliate constraint					Aaa		
BCA Scorecard-indicated Outcome - Range					a2 - baa1		
Assigned BCA					a3		
Affiliate Support notching					0		
Adjusted BCA					a3		

Balance Sheet	**in-scope (DKK Million)**	**% in-scope**	**at-failure (DKK Million)**	**% at-failure**
Other liabilities	10,911	17.3%	15,371	24.4%
Deposits	43,727	69.4%	39,267	62.4%
Preferred deposits	32,358	51.4%	30,740	48.8%
Junior deposits	11,369	18.1%	8,527	13.5%
Senior unsecured bank debt	966	1.5%	966	1.5%
Junior senior unsecured bank debt	3,426	5.4%	3,426	5.4%
Dated subordinated bank debt	2,044	3.2%	2,044	3.2%
Equity	1,889	3.0%	1,889	3.0%
Total Tangible Banking Assets	62,964	100.0%	62,964	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	26.8%	26.8%	26.8%	26.8%	3	3	3	3	0	aa3
Counterparty Risk Assessment	26.8%	26.8%	26.8%	26.8%	3	3	3	3	0	aa3 (cr)
Deposits	26.8%	11.7%	26.8%	13.2%	3	3	3	3	0	aa3
Senior unsecured bank debt	26.8%	11.7%	13.2%	11.7%	3	2	3	3	0	aa3

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	aa3	0	Aa3	Aa3
Counterparty Risk Assessment	3	0	aa3 (cr)	0	Aa3(cr)	
Deposits	3	0	aa3	0	Aa3	Aa3
Senior unsecured bank debt	3	0	aa3	0	Aa3	Aa3

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Investors Service

Ratings

Exhibit 8

Category	Moody's Rating
RINGKJOBING LANDBOBANK A/S	
Outlook	Stable
Counterparty Risk Rating	Aa3/P-1
Bank Deposits	Aa3/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
Issuer Rating	Aa3
ST Issuer Rating	P-1

Source: Moody's Investors Service

Endnotes

1 Exposures include loans, guarantees and unutilised credit facilities and credit undertakings

2 Accumulated impairments for loans and other receivables at amortised cost

3 Booked since 1 January 2020

REPORT NUMBER 1357155

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454