

Statutory statement on corporate social responsibility 2016

in accordance with Section 135 of the Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc.

Published 31 January 2017

This statement is the statutory statement on corporate social responsibility for 2016. The bank's annual report for 2016 contains a summary of the statement. The statement covers the financial reporting period from 1 January to 31 December 2016. The statement shall be seen in correlation with the bank's corporate social responsibility policy, which is reviewed and approved annually by the bank's board of directors. In 2016, the board made a few adjustments to the policy.

Corporate social responsibility policy

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

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

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

It is advised further to the bank's CSR policy that in 2016 the bank's board of directors discussed and endorsed the recommendations on good advice on cross-border taxation prepared by a committee under the Danish Ministry of Taxation.

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

The statement below on the bank's activities in 2016 is targeted towards the four stakeholder groups.

Customers

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

The work included:

- Continued focus on the bank's concept within the area of advice on pensions, where the bank's advisers give the customer a general view of pension saving schemes and insurance cover in the event of disablement and death.
- Providing advice on conversion of mortgage loans and the bank's home loans.
- Continued focus on dissemination of the bank's payment solution via mobile phone and tablet.
- Joining the Mobile Pay payment app
- Focusing on the possibility for personal and business customers to sign documents electronically.
- Holding web meetings with the bank's customers.
- Installation of cash machines which allow both withdrawals and deposits in Danish kroner and euros.

Expectations concerning the advisory service, products offered etc. for 2017 include:

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

Employees

The following was implemented in 2016 in relation to the bank's employees:

- Performance reviews with all employees.
- Training and certification of advisers in financial products to ensure their provision of competent advice on such products in accordance with applicable rules. The required recertification was also made by rotation, and new employees completed a training and certification programme if they had not already done so on the date of employment.
- Training and tests in the areas of anti-money laundering and terrorism financing.
- Continued training within advice on pensions.
- In-service training for a number of employees in provision of all-inclusive advice.
- In-service training of a large number of employees in wealth management advice.
- Employment of a total of 31 new employees, including 12 financial economists and trainees. With a view to recruiting financial economists and trainees next year, the bank held a Ringkjøbing Landbobank career day and visited the educational institutions in the area in autumn 2016 to give the students in upper secondary programmes in the bank's local area information on a further education programme with the bank, thus providing them with a basis on which to make a qualified career choice. The bank thus helps to create job opportunities in the local area. The bank also contributed as a partner to Educational Centre Ringkjøbing Skjern's offer of economics and finance courses in relation to upper secondary programmes.
- Optimising and increasing the efficiency of case handling procedures and processes to ensure happier employees, less stress and better advice to the bank's customers.
- New concept for performance reviews.
- Supported social activities in the bank, including financial support for the bank's staff association.
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In 2017, focus will be placed inter alia on the following in relation to the stakeholder group "Employees":

- Completion of training of the bank's employees, including additional training of Private Banking advisers, training of customer advisers in adding financial value in the advisory context, training relating to the anti-money laundering and terrorism financing areas.
- Continued focus on optimising and increasing the efficiency of the administrative processes and routines, including optimal utilisation of digital possibilities.
- Implementation of certification and recertification programmes on investment products for the bank's employees.
- Further development of the bank's concept for performance reviews.

The environment

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

In 2016 this included the following concerning the banking activities:

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

As a workplace, the environmental and other initiatives in 2016 included the following initiatives and focus areas:

- During the year, the bank put a great effort into encouraging both personal and business customers to sign documents electronically, and the numbers and use of hard copy documents are thus at a historic low.
- The bank started utilising the facility for holding web meetings with customers in 2016 and focused on training the staff in using it.
- Optimisation and increasing the efficiency of case handling procedures and processes .
- The bank has installed videoconference equipment in several meeting rooms, which has made it possible to hold even more meetings internally, with the bank's IT supplier Bankdata (to reduce time and resources spent by the employees when travelling to Bankdata's departments in Silkeborg and Fredericia), and with customers etc. as videoconferences. The bank has exchanged parts of the lighting in the main office and in certain branches for LED lighting for energy optimisation.
- The bank has replaced and modified the ventilation and cooling system in the main office to recover heat and minimise waste heat.
- Implementation of a statutory energy audit of the bank's properties and means of transportation.

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

In 2017, the bank will continue to focus on reductions through the following initiatives:

- The bank will continue to finance renewable energy.
- Optimisation of procedures and processes.
- Continue training of the bank's employees in holding web meetings.
- Use of the installed video conference equipment for customer meetings, internal meetings, meetings with business partners, internal training etc.
- Continue to exchange lighting in the bank for LED lighting.

Local communities

Given its position in the local area, the bank has a natural wish to support the area's development. Activities in 2016 included the following:

- Total payment of DKK 151 million in corporation tax and payroll tax, of which DKK 133 million was corporation tax.
- Allocations to charitable purposes from the following foundations:
 - Sdr. Lem Andelskasses Fond
 - Tarm Banks Jubilæumsfond
 - Ulfborg Sparekasses Fond
 - The bank's profit distribution
- Sponsorship agreements with more than 700 clubs and associations in the bank's local area. This includes sponsorships and subsidies for cultural activities, general and elite sports in order to support the goal of putting the local community on the map, and the bank also supported other local activities. Specific activities during the year included support for:
 - Business Combat day – held for the business college and business community in Ringkøbing
 - The great party in Ulfborg park
 - Various football cup competitions, including the Ramsing Cup in Spjald, Ulfborg Cup and Vildbjerg Cup
 - Various running events etc., including the Ringkøbing Fiord race, North Sea Beach Marathon, Skjern River Running Challenge and Thor Beach Triathlon
 - Handball Association of Jutland (JHF), district 3 - handball club of the year
 - Ringkøbing-Skjern Municipality golf championships
 - “Kunsten inviterer indenfor” - invitation to visit local artists - open house event
 - Landbobanken Rally Sprint in Sdr. Vium
 - Multi-purpose sports field at Ringkøbing Stadium
 - New Year concert in Ringkøbing
 - Money game for various primary and lower secondary school classes
 - Ringkøbing cinema
 - Ringkøbing Fiord Jazz Festival at Stauning harbour
 - Ringkøbing and environs' motoring club (ROMK) - rally show
 - Rock in Ringkøbing
 - School football in Ringkøbing-Skjern Municipality
 - The music venue Generator
 - Stauning Airshow
 - Stand at Skjern Stadium
 - Wood sculpture festival in Ringkøbing
 - UR Nat – International Performance Art Festival in Ringkøbing-Skjern Municipality
 - Windsurfing – partnership with Waterz in Hvide Sande for support for a windsurfing project for the schools in Ringkøbing-Skjern Municipality
 - And many more

The bank will also continue to provide active support to the many clubs and associations in the bank's local area in 2017.

The board of directors of Ringkjøbing Landbobank A/S, 31 January 2017.