

## Ringkjøbing Landbobank's annual report for 2020

The bank's board of directors and general management today approved the annual report for 2020.

In March 2020 we downwardly adjusted our expectations for net profit for the year as a result of the coronavirus pandemic. During the year we have built up large management reserves for handling of any later impairment charges. However, the bank's core income was not negatively affected as we had expected in March. We therefore upwardly adjusted our expectations in October. The 2020 profit before tax was realised at the upper end of our expectations.

### Core earnings

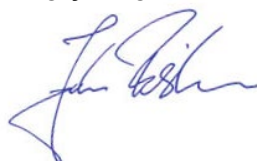
(DKK million)	2020	2019	2018	2017	2016
Total core income	2,179	2,116	2,001	1,917	1,861
Total expenses and depreciation	788	805	866	845	815
<b>Core earnings before impairment charges for loans</b>	<b>1,391</b>	<b>1,311</b>	<b>1,135</b>	<b>1,072</b>	<b>1,046</b>
Impairment charges for loans etc.	223	100	43	70	211
<b>Core earnings</b>	<b>1,168</b>	<b>1,211</b>	<b>1,092</b>	<b>1,002</b>	<b>835</b>
Result for the portfolio etc.	-9	+49	+77	+84	+78
Special costs	15	15	217	22	22
<b>Profit before tax</b>	<b>1,144</b>	<b>1,245</b>	<b>952</b>	<b>1,064</b>	<b>891</b>

### 2020 – highlights

- Our main focus during the coronavirus pandemic has been to help our customers and business partners – and of course to ensure safe working conditions for our employees
- The profit before tax is DKK 1,144 million, equivalent to a 15% p.a. return on equity
- Income increases by 3% and expenses fall by 2%, reducing the rate of costs to 36.2%
- Impairment charges are DKK 223 million in 2020 after increasing management estimates of DKK 440 million to DKK 566 million
- The high level of customer satisfaction and large increase in new customers result in growth of 2% in bank loans
- The pay-out ratio is 50% of net profit for the year and will be effected through a dividend of DKK 7 per share and a DKK 255 million share buy-back programme
- The bank is carbon-neutral from 2020
- Profit before tax is expected to be between DKK 1.0 billion and DKK 1.3 billion in 2021

Yours faithfully

**Ringkjøbing Landbobank**





John Fisker

CEO