

# **Risk disclosure for Ringkøbing Landbobank A/S**

## **Report on the adequacy of the capital base and individual solvency requirement**

(as of 5 August 2026)

Please note that the report is structured to supplement the report “Risk disclosure for Ringkøbing Landbobank A/S – Report on other disclosure requirements”, which is published once a year. This report contains information on the capital base and individual solvency requirement, which follow *inter alia* from CRR Article 438. The report follows the chronology of this Article.

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## **1 Approach to assessing the adequacy of the capital base, Article 438(a)**

The bank's approach to assessing whether the internal capital is sufficient to support current and future activities (the solvency requirement) follows the bank's ICAAP (Internal Capital Adequacy Assessment Process).

The bank applies the 8+ method in calculation of the adequate total capital. It means that the adequate total capital is calculated as the minimum requirement of 8% of the total risk exposure (the Pillar I requirement) with a supplement for risks and circumstances which are not fully reflected in the calculation of the total risk exposure (Pillar II add-on). The bank's individual solvency requirement is calculated by the adequate total capital measured in relation to the bank's total risk exposure which is thereby the bank's own assessment of the capital requirement attributable to the risks assumed by the bank.

The 8+ method is based on "Guideline on adequate capital base and solvency requirement for credit institutions" issued by The Danish Financial Supervisory Authority. In addition, The Association of Local Banks, Savings Banks and Cooperative Banks in Denmark has also issued a solvency requirement model which the bank uses. The 8+ method includes the risk types which are judged to require capital cover: credit risks, market risks, operational risks, other risks and supplements following from statutory requirements.

The risks to which the bank is exposed are identified in the ICAAP to assess the risk profile. When the risks are identified, an assessment is made of how they can be reduced, e.g. via procedures, emergency plans etc. Finally, an assessment is made of which risks are to be covered by capital in supplement to the minimum requirement of 8% of the total risk exposure. The assessment is based on the bank's risk profile, capital circumstances and considerations regarding the future which can be of significance for these, including the budget.

The bank's board of directors has quarterly discussions on the determination of the adequate total capital and individual solvency requirement to ensure that it supports current and future activities. The discussions are based on a recommendation from the bank's general management. Based on the discussions, the board of directors makes a decision on the calculation.

Once a year, the board of directors also discusses the details of the method of calculation of the bank's individual solvency requirement as part of the ICAAP, including the risk areas and benchmarks which should be taken into account. The FSA's guideline also sets out benchmarks for when the FSA judges that in principle, Pillar I is not adequate within the individual risk areas, such that the minimum requirement must be supplemented. Methods and benchmarks for the amount of Pillar II add-ons are also specified in the FSA's guideline within the individual risk areas.

Although the FSA sets up benchmarks in most areas, the bank assesses whether the specified benchmarks take account of the bank's risks to an adequate degree in all areas, and individual adaptations are made to the requisite extent. The bank's own records are used for this purpose.

The bank follows the template below when calculating its internal capital (solvency requirement):

| Item      |                                                                                                                                                                                                                                                                                                                         | DKK 1.000 | % |
|-----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>1</b>  | <b>Pillar I requirement</b> (8% of the total risk exposure)                                                                                                                                                                                                                                                             |           |   |
| <b>2</b>  | <b>+ Earnings</b> (capital for risk hedging because of weak earnings)                                                                                                                                                                                                                                                   |           |   |
| <b>3</b>  | <b>+ Growth in loans</b> (capital to cover organic growth in the volume of business)                                                                                                                                                                                                                                    |           |   |
| <b>4</b>  | <b>+ Credit risks,</b><br>of which<br>a) Credit risks on major customers (>2% of the capital base) with financial problems<br>b) Other credit risks<br>c) Concentration risk on individual commitments<br>d) Concentration risk on sectors<br>e) Expected increase in insufficient coverage of non-performing exposures |           |   |
| <b>5</b>  | <b>+ Market risks,</b><br>of which<br>a) Interest risks<br>b) Share risks<br>c) Exchange rate risks<br>d) Credit spread risks                                                                                                                                                                                           |           |   |
| <b>6</b>  | <b>+ Liquidity risks</b> (capital to cover costlier liquidity)                                                                                                                                                                                                                                                          |           |   |
| <b>7</b>  | <b>+ Operational risks</b> (capital to hedge operational risks over and above Pillar I)                                                                                                                                                                                                                                 |           |   |
| <b>8</b>  | <b>+ Gearing</b> (capital for hedging of risks attributable to high gearing)                                                                                                                                                                                                                                            |           |   |
| <b>9</b>  | <b>+ Possible supplement caused by regulatory maturity of capital instruments</b>                                                                                                                                                                                                                                       |           |   |
| <b>10</b> | <b>+ Possible supplement under statutory requirements</b>                                                                                                                                                                                                                                                               |           |   |
|           | = Total capital requirement/solvency requirement<br>of which for credit risks (4)<br>of which for market risks (5)<br>of which for operational risks (7)<br>of which for other risks (2+3+6+8+9)<br>of which supplements under statutory requirements (10)                                                              |           |   |
|           | Total risk exposure                                                                                                                                                                                                                                                                                                     |           |   |
|           | Capital base/capital ratio                                                                                                                                                                                                                                                                                              |           |   |
|           | Excess capital cover (internal capital))                                                                                                                                                                                                                                                                                |           |   |

The bank believes that the risk factors included in the model are adequate for all the risk areas which the bank's management is required by law to consider when fixing the adequate total capital and solvency requirement and the risks which management finds that the bank has assumed.

The board of directors and general management must also assess whether the capital base is adequate for supporting future activities. This assessment is a part of the bank's general determination of its adequate total capital and solvency requirement.

## 2 Individual solvency requirement and how it is met, Article 438(c)

An overview of the bank's individually calculated solvency requirement is given below. It should be noted that the FSA has not fixed additional requirements for the capital base.

| <b>Solvency requirement<br/>In DKK million on 30 June 2026</b> | <b>DKK<br/>million</b> | <b>%</b> |
|----------------------------------------------------------------|------------------------|----------|
| Pillar I requirement                                           | 4,903                  | 8.0 %    |
| Supplements                                                    |                        |          |
| - of which for credit risks (item 4)                           | 256                    | 0.4 %    |
| - of which for market risks (item 5)                           | 180                    | 0.3 %    |
| - of which for operational risks (item 7)                      | 173                    | 0.3 %    |
| - of which for other risks (item 2+3+6+8+9)                    | 73                     | 0.1 %    |
| - of which supplements under statutory requirements (item 10)  | 0                      | 0.0 %    |
| Solvency requirement in total                                  | 5,585                  | 9.1 %    |

Ringkjøbing Landbobank's capital position / excess solvency (DKK million):

|                                                     |        |
|-----------------------------------------------------|--------|
| Common equity tier 1                                | 12,888 |
| Solvency requirement                                | 5,585  |
| Excess internal capital base                        | 7,303  |
|                                                     |        |
| Total capital ratio                                 | 21.0 % |
| Internal capital requirement (solvency requirement) | 9.1 %  |
| Internal excess solvency in percentage points       | 11.9 % |
| Total capital requirement                           | 14.6 % |
| Total excess capital in percentage points           | 6.4 %  |

The total capital requirement is based on the solvency requirement plus a capital conservation buffer, a counter cyclical capital buffer and a Danish sectoral systemic risk buffer, which respectively accounts for 2.5%, 2.3% and 0.7% in Q2 2026.

The following is advised on the elements of the bank's individual solvency requirement:

Credit risks (item 4): Risk of losses because debtors or counterparties commit a breach of their payment obligations over and above the cover in Pillar I, including major customers with financial problems, concentration risk on individual commitments and sectors, including any ESG risks, and the expected increase in insufficient coverage of non-performing exposures.

Market risks (item 5): Risk of losses because of potential changes in interest rates, share prices and exchange rates over and above what is covered in Pillar I. The basis is not the bank's current risks, but on the contrary the maximum risks which the bank can assume within the limits which the board of directors has set for management's powers to take market risks under the Danish Financial Business Act.

Operational risks (item 7): Risk of losses because of inappropriate or defective internal procedures, human error, system error and external events, including legal risks, over and above the cover in Pillar I.

Other factors (item 2, 3, 6, 8 and 9): Potential capital requirements for risk coverage due to weak profitability, to support organic growth in business volumes, resulting from a low leverage ratio, to cover increased funding costs from professional investors, or to accommodate the effects of the derecognition or redemption of capital instruments

Statutory requirements (item 10): Covers possible supplement in the situations where requirements under the Financial Business Act specify a direct supplement in the solvency requirement. Ringkjøbing Landbobank has no additional capital requirements for its capital need because of statutory requirements

### 3 Additional capital requirement, Article 438(b)

Please see the spreadsheet “Additional Pillar III Disclosures Q2 2026” regarding risk information for pillar-III.

It should be noted that the FSA has not fixed additional requirements for the capital base.

### 4 Risk-weighted exposures by exposure class, Article 438(d)

The provision applies to banks, which calculate the risk exposures using the standardised approach. The chart below shows the risk-weighted exposures and the capital requirements for credit risk incl. CVA.

The minimum capital requirement is 8% for each exposure class.

| <b>In DKK 1,000 on 30 June 2026</b><br><b>Exposure classes</b> | <b>Risk-weighted exposure</b> | <b>Minimum capital requirement of 8%</b> |
|----------------------------------------------------------------|-------------------------------|------------------------------------------|
| Central governments and central banks                          | 0                             | 0                                        |
| Regional and local authorities                                 | 0                             | 0                                        |
| Public sector entities                                         | 0                             | 0                                        |
| Multilateral development banks                                 | 11,059                        | 884                                      |
| International organisations                                    | 0                             | 0                                        |
| Institutions                                                   | 752,842                       | 60,227                                   |
| Corporates                                                     | 20,612,180                    | 1,648,974                                |
| Retail exposures                                               | 11,289,556                    | 903,165                                  |
| Secured by mortgages on real property incl. ADC                | 15,685,880                    | 1,254,870                                |
| In default                                                     | 1,621,231                     | 129,698                                  |
| Subordinated debt                                              | 1,886,552                     | 150,924                                  |

| <b>In DKK 1,000 on 30 June 2026</b><br><b>Exposure classes</b>         | <b>Risk-weighted exposure</b> | <b>Minimum capital requirement of 8%</b> |
|------------------------------------------------------------------------|-------------------------------|------------------------------------------|
| Exposures in the form of covered bonds including mortgage credit bonds | 0                             | 0                                        |
| Institutions and corporates with a short-term credit assessment        | 0                             | 0                                        |
| Units or shares in collective investment undertakings (CIUs)           | 0                             | 0                                        |
| Equity exposures                                                       | 2,925,748                     | 234,060                                  |
| Other items                                                            | 559,652                       | 44,772                                   |
| CVA risk                                                               | 8,740                         | 699                                      |
| <b>Weighted items with credit risk, in total incl. CVA</b>             | <b>55,353,440</b>             | <b>4,428,275</b>                         |

## 5 Reporting of risk-weighted market risk exposures, article 438(d) and 445

The chart below shows the bank's capital base requirements for market risks.

Risk-weighted items with market risk

| <b>DKK 1,000 on 30 June 2026</b>                 | <b>Exposure</b>  | <b>Capital base requirement</b> |
|--------------------------------------------------|------------------|---------------------------------|
| Instruments of debt                              | 1,334,183        | 106,735                         |
| Shares                                           | 5,118            | 409                             |
| CIU                                              | 10,939           | 875                             |
| Exchange rate risk                               | 0                |                                 |
| Commodity risk                                   | 0                | 0                               |
| <b>Weighted items with market risk, in total</b> | <b>1,350,239</b> | <b>108,019</b>                  |

## 6 Reporting of operational risk, article 438(d) and 446

The bank uses the standard approach to calculate the solvency requirement for the operational risk. The solvency requirement for the operational risk was calculated at DKK 367 million on 30 June 2026 (8% of tDKK 4,587,849).

## 7 Reporting of article 438(e-h)

Not relevant for Ringkjøbing Landbobank.