

## **Notification regarding minutes of the Annual General Meeting on 25 February 2015 and the board of directors in Ringkøbing Landbobank**

### **Minutes of the Annual General Meeting**

The bank held its Annual General Meeting (AGM) on Wednesday 25 February 2015 with the agenda as previously published.

Minutes of the AGM as per the points on the agenda.

#### **1. Election of chairperson**

Jens Møller Nielsen, chairman of the shareholders' committee, was elected chairman of the AGM.

#### **2. The board's report on the bank's activities in the previous year, and**

#### **3. Presentation of the annual report for approval**

Jens Lykke Kjeldsen, chairman of the board of directors, distributed the report of the board of directors on the bank's activities in the previous year.

John Fisker, CEO, submitted the annual report for 2014 for approval.

Comments and questions from shareholders:

Portfolio Manager Jakob Johansen from ATP said thank you for the report and the review of the 2014 annual report. He then commented on developments in 2014, including the return on equity, competition on the Danish banking market, expansion of the bank's business volume and the development in the capital ratios in 2014.

He also asked what minimum growth in loans the bank must create to prevent an increase in the core tier 1 capital ratio and whether the bank is considering the possibility of issuing more supplementary capital which is less expensive than equity.

Anna Marie Schou Ringive from the Danish Shareholders Association commented on and praised various aspects of the annual report presented for 2014. Ms Ringive further asked a number of different questions, *inter alia* on the bank's income from asset management, on the annual return on the bank's wealth management schemes, whether the bank is geared to affluent customers, on the bank's payroll controls and on the board of directors' compliance with the increasing competence requirements.

Preben Holm, Ringkøbing, commented on and praised the bank, including the bank's development and results and the bank's work for the community's associations. He then commented on the bank's request to use the former regional council building in the centre of Ringkøbing.

Chairman of the board Jens Lykke Kjeldsen commented on and answered the questions from ATP, stating that the growth in loans must in principle be approximately 5% for the core tier 1 capital ratio to remain unchanged, but that repayment of the hybrid core capital among other things will affect the bank's capital ratios, and he also advised that it remains the bank's goal to strive for a core tier 1 capital ratio of 15%. This will be obtained via the organic growth strategy which the bank is following, a fixed dividend, and finally via share buy-back programmes, the sizes of which are adjusted to the bank's actual growth in loans. The chairman of the board also advised that there are no concrete plans at present to issue supplementary capital, but that this is, of course, a good opportunity if the associated cost falls even more. The bank has previously issued supplementary capital at times when the price was at a satisfactory level.

Jens Lykke Kjeldsen also answered the question from the Danish Shareholders Association on the competence requirements for the board, while CEO John Fisker answered the questions on the bank's income from asset management, on the annual return on the bank's wealth management schemes, whether the bank is geared to affluent customers, and on the bank's payroll controls. John Fisker stated that the increasing income from asset management is thus attributable *inter alia* to the increases in securities deposits from DKK 20 billion to DKK 23 billion in 2014 and to the bank's focusing on the Private Banking segment, that the return on the bank's wealth management schemes has been satisfactory for a number of years, that the bank is geared to provide service to affluent customers, and that the bank is in control of its costs, including payroll costs.

The representatives from ATP and the Danish Shareholders Association had no comments on the answers.

The report of the board of directors was noted, and the annual report was adopted.

#### **4. Decision on allocation of profit or covering of loss under the approved annual report**

The AGM resolved to distribute the profits for the year as follows (thousand DKK.):

Dividend	121,280
Charitable purposes	500
Transferred to reserve for net revaluation under the intrinsic value method	-11
Appropriation for own funds	<u>321,092</u>
Total	<u>445,861</u>

## **5. Election of members of the shareholders' committee**

The following members retired: Hejne F. Andersen, Ole K. Erlandsen, Gravers Kjærgaard and Jørgen Kolle Sørensen. Gravers Kjærgaard had advised that he was not offering himself for re-election, and he had also advised that he wanted to resign from the board of directors with effect from the annual general meeting on 25 February 2015. In addition, Per Dam had advised that he wished to retire from the shareholders' committee, and finally, Johan Øllgaard should retire from the shareholders' committee due to the provision on age in the articles of association.

The following members were re-elected to the shareholders' committee:

- Hejne F. Andersen, Ringkøbing, manufacturer, born 1954
- Ole K. Erlandsen, Herning, butcher, born 1962
- Jørgen Kolle Sørensen, Hvide Sande, car dealer, born 1970

The following members were elected to the shareholders' committee:

- Claus Kaj Junge, Filskov, co-owner and manager of Junge Byg ApS in Grindsted, born 1968
- Poul Kjær Poulsen, Madum, farmer, born 1974

## **6. Election of one or more auditors**

The shareholders re-elected the auditor:

- PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab (State Authorized Public Accountants)

## **7. Authorisation of the board of directors to permit the bank to acquire own shares within current legislation until the next annual general meeting to a total nominal value of ten percent (10%) of the bank's share capital, such that the shares can be acquired at current market price +/- ten percent (10%)**

The below proposed authorisation for the board of directors was adopted:

“The board of directors proposes that it be authorised to permit the bank to acquire own shares in accordance with current legislation until the next annual general meeting to a total nominal value of ten percent (10%) of the bank's share capital, such that the shares can be acquired at current market price +/- ten percent (10%).”

## **8. Any proposals from the board of directors, the shareholders' committee or shareholders**

### **8a. Proposed amendments to the articles of association**

Proposal to amend the articles of association with the following new wording of the articles of association was adopted:

“Art. 2a

The general meeting has decided to authorise the board of directors to increase the share capital by cash payment in one or more rounds by up to nom. DKK 14,210,980 to nom. DKK 38,110,980 by subscription for new shares for which the board shall determine the price. The capital increase shall be fully paid. This authorisation shall apply until 24 February 2020. The capital increase shall take place with right of pre-emption for existing shareholders.”

and

“Art. 2b

The general meeting has decided to authorise the board of directors to increase the share capital by payment in values other than cash in one or more rounds by up to nom. DKK 14,210,980 to nom. DKK 38,110,980 by subscription for new shares for which the board shall determine the price, as payment for the bank's takeover of an existing company or specific asset values corresponding to the value of the shares issued. The capital increase shall be fully paid. This authorisation shall apply until 24 February 2020. The capital increase shall take place without right of pre-emption for existing shareholders.”

### **8b. Proposal to reduce the bank's share capital by nom. DKK 550,000 by cancellation of own shares**

The following proposal for the reduction of the share capital was adopted:

“The board of directors proposes a reduction in the bank's share capital from nom. DKK 23,900,000 to nom. DKK 23,350,000 by cancellation of 110,000 nom. DKK 5 shares from the bank's holding of own shares, to a nominal value of DKK 550,000.

It is advised in accordance with Section 188 (1) of the Danish Companies Act that the object of the reduction in the bank's share capital is payment to shareholders, and the amount of the reduction will be used as payment to shareholders for shares acquired by the bank under previous authorisation of the board of directors by the general meeting.

The share capital will consequently be reduced by nom. DKK 550,000 and the bank's holding of own shares will be reduced by 110,000 DKK 5 shares. It is advised in accordance with Section 188 (2) of the Danish Companies Act that the shares in question were acquired for a total sum of DKK 127,569,400, meaning that apart from the reduction in nominal capital, DKK 127,019,400 will be paid to shareholders.

The board of directors' proposed reduction of the share capital is being made to maintain flexibility in the bank's capital structure.

If the proposal is adopted, it will mean an amendment to article 2 and of articles 2a and 2b of the bank's articles of association such that the amount of “23,900,000” in article 2 is changed to “23,350,000” and the amount of “38,110,980” in articles 2a and 2b is changed to “37,560,980.”

### **8c. Proposal for adoption of a buy-back programme to implement a subsequent capital reduction**

The following proposal for a new buy-back programme was adopted:

“The board of directors proposes the establishment of a special buy-back programme, under which the board of directors can permit the bank to acquire own shares up to a market value of DKK 145,000,000, but maximum up to 145,000 nom. DKK 5 shares before the next annual general meeting. This special buy-back programme requires purchase of the shares at market price. It is also proposed that the board of directors be authorised to cancel or reduce the buy-back programme if this is considered commercially appropriate for the bank, in the bank’s long-term interest, or the bank’s circumstances with respect to capital otherwise so require. The shares covered by the buy-back programme will be acquired by the bank for subsequent implementation of a capital reduction.”

### **8d. Proposed authorisation for the board of directors or its designated appointee**

The following proposed authorisation for the board of directors or its designated appointee was adopted:

“The board of directors proposes that the board of directors, or whoever the board may so designate, be authorised to report the decisions which have been adopted at the general meeting for registration and to make such changes to the documents submitted to the Danish Business Authority as the Authority may require or find appropriate in connection with registration of the decisions of the general meeting.”

## **The board of directors of Ringkjøbing Landbobank**

As stated above, Gravers Kjærgaard, member of the bank’s shareholders’ committee and board of directors, had advised that he was not offering himself for re-election to the bank’s shareholders’ committee and that he also wanted to resign from the board of directors with effect from the annual general meeting on 25 February 2015 because he will no longer be an active farmer.

The bank’s shareholders’ committee will elect a new board member at a meeting on 22 April 2015.

Kind regards

**Ringkjøbing Landbobank**

John Fisker