

Corporate Announcement

Jyske Bank Interim Financial Report H1 2019

Summary

- Profit before tax: DKK 1,404m (H1 2018: DKK 1,782m), corresponding to a return of 8.3% p.a. on average equity (H1 2018: 10.8% p.a.)
- Profit after tax: DKK 1,109m (H1 2018: DKK 1,421m), corresponding to a return of 6.6% p.a. on average equity (H1 2018: 8.6% p.a.)
- Core income: DKK 3,999m (H1 2018: DKK 3,996m)
- Core profit: DKK 1,465m (H1 2018: DKK 1,246m)
- A maximum of DKK 7.5m on personal clients' demand deposits with an interest rate of 0% will be introduced
- Capital ratio: 19.8%, of which the Common Equity Tier 1 capital ratio was 16.0% (end of 2018: 20.0% and 16.4%)
- A share buy-back programme in the amount of DKK 500m, running from 21 August to 29 November 2019, will be initiated
- An extraordinary general meeting will soon be called, at which a motion will be made to cancel almost 5% of the share capital
- Organisational change with effect as of 1 September 2019

Comments by Management

In connection with the publication of the interim financial report for the first half of 2019, Anders Dam, CEO and Managing Director states:

"Jyske Bank's financial statements are very much affected by the sustained negative interest rate environment and interest expenses for the increasing non-preferred senior debt. Therefore, despite the still rising business volume, net interest income fell by 6% relative to the first half of 2018.

The negative interest rate environment that has affected the Danish market since the spring of 2012, only interrupted in 2014, now seems to be of a rather permanent nature. For instance, it is no longer possible to obtain Danish government bonds yielding positive returns irrespective of the time to maturity. Market expectations indicate that the negative interest rate environment will last for several years.

As Jyske Bank has a significant and increasing deposit surplus from personal clients and hence incurs large expenses in relation to these, Jyske Bank introduces a maximum of DKK 7.5m on personal clients' demand deposits with an interest rate of 0%. The interest rate on deposits in excess of this amount is to be agreed individually with the bank. If no agreement is concluded, the interest rate will be -0.6% p.a.", ends Anders Dam.

Yours faithfully,

Jyske Bank

Contact persons:

CEO and Managing Director, Anders Dam, phone +45 89 89 89 89

CFO, Birger Krøgh Nielsen, phone +45 89 89 64 44