

Corporate Announcement

Jyske Bank Interim Financial Report Q1 2019

Summary

- Profit before tax: DKK 771m (Q1 2018: DKK 763m), corresponding to a return of 9.2% p.a. on average equity (Q1 2018: 9.3% p.a.)
- Profit after tax: DKK 610m (Q1 2018: DKK 610m), corresponding to a return of 7.3% p.a. on average equity (Q1 2018: 7.4% p.a.)
- Core profit: DKK 782m (Q1 2018: DKK 356m)
- Core income: DKK 2,051m (Q1 2018: DKK 1,936m)
- Core expenses: DKK 1,285m (Q1 2018: DKK 1,272m)
- Reversed impairment charges: DKK 16m (Q1 2018: an expense of DKK 308m. Exclusive of effects derived from IFRS 9, reversed impairment charges of DKK 99m)
 - Management's estimates relating to agricultural clients were increased by DKK 105m and totalled DKK 380m (end of 2018: DKK 275m)
- Capital ratio: 20.1%, of which the Common Equity Tier 1 capital ratio was 16.6% (end of 2018: 20.0% and 16.4%)
- The existing share buyback programme is being raised by DKK 500m and extended until 27 September 2019

Comments by Management

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

"In the first quarter of 2019, Jyske Bank generated a profit before tax of DKK 771m and a profit after tax of DKK 610m. This corresponds to a return on equity of 9.2% before tax and 7.3% after tax, which is in line with our target of a return on equity in the range of 6% to 10% after tax.

At the end of the first quarter of 2019, the capital ratios are at 20.1% and 16.6%, respectively. With effect as of the second quarter of 2019, AT1 capital in the amount of about DKK 700m was issued, which all other things being equal will raise the capital ratios by about 0.4 percentage point. Based on the capital and earnings situation, the existing share buy-back programme has been raised by DKK 500m and extended until 27 September 2019.

5 May was the fifth anniversary of the last extraordinary general meeting in connection with the merger of Jyske Bank and BRFKredit (now Jyske Realkredit). The merger has resulted in total growth in mortgage loans amounting to more than DKK 130 bn, and the market share for mortgage loans has increased from 6.1% to 10.6% in the personal client area, from 11% to 14.1% in the corporate client area and from 26% to 27.5% in the area of financing of subsidised housing. Bonds issued by Jyske Realkredit are now trading at the best prices in the market. The number of full-time employees is 3,684 compared to 4,444 at the time of the merger. Before the merger, Jyske Bank had 3,774 full-time employees. The Group balance sheet amounts to DKK 628 bn against DKK 262 bn at the beginning of 2014, and systems and product lines have been streamlined. Since the merger in the second quarter of 2014, the Group has realised a pre-tax profit of DKK 17.7 bn", ends Anders Dam.

Yours faithfully,

Jyske Bank

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