

Nasdaq Copenhagen A/S

Vestjysk Bank A/S

Torvet 4-5
DK-7620 Lemvig
Denmark
Phone +45 96 63 20 00

22 November 2017

Vestjysk Bank's Quarterly Report for Q1-Q3 2017

Q1-Q3 2017 Highlights

Vestjysk Bank realised a profit after tax of DKK 150 million in Q1-Q3 2017. The Bank's core operations are still sound, and a profit before impairment charges of DKK 335 million for Q1-Q3 2017 is considered satisfactory. Impairment losses relating to the Bank's agricultural customers are at a lower level than they were for the corresponding period of 2016. This is the main reason the Bank's profit after tax for the Q1-Q3 2017 period is considered satisfactory under the given circumstances. The overall plan as mentioned in the Half-Year Report has been executed and the Bank has been restored as a well-capitalised bank.

Summary of Vestjysk Bank's results in Q1-Q3 2017:

- Profit after tax of DKK 150 million (Q1-Q3 2016: DKK 26 million).
- Core income of DKK 711 million (Q1-Q3 2016: DKK 725 million), including value adjustments of DKK 17 million (Q1-Q3 2016: DKK 41 million).
- Cost ratio of 52.9 per cent (Q1-Q3 2016: 51.2 per cent).
- Core earnings of DKK 335 million before impairment (Q1-Q3 2016: DKK 354 million).
- Impairment of loans and receivables, etc. of DKK 177 million (Q1-Q3 2016: DKK 326 million).
- With the execution of the overall plan the Bank's equity has been increased from DKK 1,596 million at 30 June 2017 to DKK 2,508 million at 30 September 2017.
- The minimum requirements for continued banking operations are 8.0 per cent (total capital ratio) and 4.5 per cent (common equity tier 1 capital ratio), respectively, of weighted risk exposures. At 30 September 2017, the Bank's surplus relative to these requirements was 10.7 percentage points, or DKK 1,644 million, and 10.3 percentage points, or DKK 1,582 million, respectively.
- The total capital ratio stood at 18.7 per cent and the individual solvency need at 10.6 per cent, corresponding to a surplus of 8.1 percentage points or DKK 1,251 million at 30 September 2017.
- Common equity tier 1 capital ratio of 14.8 at 30 September 2017, compared with a requirement of 7.9. That means a surplus of 6.9 of a percentage point or DKK 1,059 million at 30 September 2017
- At 30 September 2017 the Bank's LCR was 250 per cent, compared with a requirement of 80 per cent (263.6 per cent at 30 September 2016).

Outlook for 2017 maintained

Given unchanged market conditions, the Bank's total business volume is expected to have the capacity to generate core earnings before impairment at around DKK 400-450 million. Lower impairment losses are expected. Assuming unchanged economic conditions, Management expects that impairment losses can be absorbed by the Bank's core earnings, resulting in a significant improvement of the result in 2017 compared to last year.

Please address any enquiries regarding the present announcement to Jan Ulsø Madsen, CEO, at tel. +45 96 63 21 04.

Vestjysk Bank A/S

Vagn Thorsager
Chairman

Jan Ulsø Madsen
CEO