

Preliminary announcement of financial statements 2014

24 February 2015

SUMMARY

- **Pre-tax profit: DKK 3,103m (2013: DKK 2,301m)**
- **The pre-tax profit corresponded to an annualised return of 17.8% on opening equity (2013: 14.7%)**
- **BRFkredit's pre-tax profit for the period 1 May to 31 December 2014 amounted to DKK 457m**
- **Value adjustments DKK -653m (2013: DKK 541m)**
 - **Of which relating to customers interest-rate hedging DKK -541m (2013: DKK 249m)**
- **Loan impairment charges and provisions for guarantees: DKK 2,538m (2013: DKK 1,147m)**
 - **Of which management's estimate, primarily relating to agriculture: DKK 350m (2013: DKK 0m)**
 - **At end-2014, the overall impairment ratio for milk producers and pig farming amounted to 36%**
 - **Recognised losses DKK 1,139m (2013: DKK 1,331m)**
- **Loans and advances: DKK 362bn (2013: DKK 131bn)**
 - **Mortgage loans: DKK 219bn (2013: DKK 0bn)**
 - **Bank loans and advances: DKK 120bn (2013: DKK 111bn)**
 - **Of which new home loan products: DKK 18bn (2013: DKK 0.4bn)**
- **Bank deposits: DKK 133bn (2013: DKK 116bn)**
- **Capital ratio 16.4%, of which Common Equity Tier 1 capital ratio of 15.3% (2013: 16.0% and 15.3%)**
- **Individual solvency requirement: 10.9% (2013: 9.8%)**

COMMENTS BY MANAGEMENT

In connection with the publication of Jyske Bank's Annual Report 2014, Anders Dam, Jyske Bank's CEO and Managing Director states:

"A profit of DKK 3.1bn is - seen in isolation - satisfactory, and compared with the results of previous years, this is a historically high profit for the Group. The year 2014 was historic for the Group, where the merger with BRFkredit was beyond all comparison the all-important event and the greatest, strategic initiative in the Group for many years. The first eight months after the merger confirmed to us that the Group offers considerable growth potential, and that the expected possibilities of synergies still exist. Also, the merger with BRFkredit resulted in Jyske Bank's exit from the Totalkredit cooperation, and the terms and conditions relating to this were finally agreed in February 2015 after the end of the financial year, and therefore the Group can now fully optimise the processes relating to its mortgage activities.

Our new home loan products, and the reception that the products enjoyed among clients, were very satisfactory, and lending growth in the amount of DKK 32bn relating to these products created a solid basis for the development in the lending volume in a market that is otherwise under pressure, and with the sector as a whole being characterised by set-backs. Per today there has been granted new home loan products for DKK 37bn.

The profit was favourably affected by the merger with BRFkredit, including bargain purchases DKK 2,360m and the pre-tax profit of DKK 457m over eight months. The low and falling level of interest rates, the limited activity level in some parts of the Group, the outcome of the European Asset Quality Review (AQR) and management's estimates primarily in respect of agricultural clients, on the other hand, had a negative effect on the profit. Loan impairment charges and provisions for guarantees totalling DKK 2,538m were recognised as an expense compared to DKK 1,147m in 2013, and losses in the amount of DKK 1,139m were recognised against DKK 1,331m in 2013. Finally, DKK 541m for clients' transactions relating to interest-rate hedging were recognised as an expense against an income of DKK 249m in 2013.

At the end of 2014, the capital ratio was 16.4% and the Common Equity Tier 1 capital ratio was 15.3% against 16.0% and 15.3%, respectively, at end-2013. The individual solvency requirement was calculated at 10.9% and the capital buffer was at 5.5%. The Group's capital structure offers a satisfactory basis for continued growth, especially in respect of mortgage activities and home loans in 2015," concludes Anders Dam.

SUMMARY OF INCOME STATEMENT			Index			
DKKm	2014	2013	14/13	2012	2011	2010
Net interest income	6,615	5,018	132	4,879	4,742	4,723
Net fee and commission income	1,759	1,729	102	1,650	1,307	1,320
Value adjustments	-653	541	-	269	-31	431
Other income	3,453	951	363	718	655	425
Income	11,174	8,239	136	7,516	6,673	6,899
Expenses	5,533	4,791	115	4,827	4,562	4,089
Profit before loan impairment charges and provisions for guarantees	5,641	3,448	164	2,689	2,111	2,810
Loan impairment charges and provisions for guarantees	2,538	1,147	221	1,840	1,480	1,798
Pre-tax profit	3,103	2,301	135	849	631	1,012
Tax	14	493	3	254	115	248
Profit for the year	3,089	1,808	171	595	516	764
of which non-controlling interests	1	1	100	3	3	0

SUMMARY OF BALANCE SHEET, END OF PERIOD						
DKKm	2014	2013	Index	2012	2011	2010
Loans and advances	361,799	131,378	275	118,554	124,494	114,023
- of which mortgage loans	218,864	0	-	0	0	0
- of which bank loans	120,423	111,115	108	105,947	108,546	105,742
- of which repo loans	22,512	20,263	111	12,607	15,948	8,281
Bonds and shares, etc.	92,309	74,853	123	78,195	74,543	68,326
Total assets	541,679	262,004	207	258,247	270,220	244,114
Due to credit institutions and central banks	49,885	43,936	114	38,818	45,713	32,475
Deposits	152,693	131,424	116	120,977	127,338	115,776
- of which bank deposits	133,198	115,846	115	103,015	110,243	111,193
- of which repo deposits	19,495	10,175	192	17,962	17,095	4,583
Issued bonds at fair value	208,539	0	-	0	0	0
Issued bonds at amortised cost	43,413	27,760	156	34,921	37,482	45,383
Subordinated debt	1,355	1,649	82	2,742	2,720	3,257
Equity	27,561	17,479	158	15,642	13,846	13,352

SELECTED DATA AND FINANCIAL RATIOS						
	2014	2013	Index	2012	2011	2010
Earnings per share (DKK)	35.1	25.4	-	8.5	8.0	11.8
Profit for the year, per share (diluted) (DKK)	35.1	25.4	-	8.5	8.0	11.8
Pre-tax profit as a percentage of opening equity	17.8	14.7	-	6.1	4.7	8.1
Net profit as a percentage of average equity	13.7	10.9	-	4.0	3.8	5.9
Expenses as a percentage of income	49.5	58.2	-	64.2	68.4	59.3
Capital ratio (%)	16.4	16.0	-	17.3	14.7	15.8
Common Equity Tier 1 capital ratio (CET1 %)	15.3	15.3	-	14.2	12.1	12.5
Individual solvency requirement (%)	10.9	9.8	-	10.2	10.0	9.4
Capital base (DKKm)	28,990	17,831	-	18,603	15,983	16,071
Weighted risk exposure (DKKm)	176,433	111,276	-	107,636	108,637	101,572
Share price at end of period (DKK)	313	293	-	157	141	259
Book value per share (DKK)	290	245	-	220	214	206
Price/book value per share (DKK)	1.1	1.2	-	0.7	0.7	1.3
Number of full-time employees, year-end	4,191	3,774	-	3,574	3,809	3,847

With effect from 2014, the capital ratio and Common Equity Tier 1 capital ratio are calculated in accordance with CRD IV/CRR. Comparative figures have not been restated accordingly.

BRFKredit is included in the income statement for the period 1 May to 31 December 2014 and in the balance sheet at the end of 2014.

CORE PROFIT AND NET PROFIT FOR THE YEAR				Q4	Q3	Q2	Q1	Q4
DKKm	2014	2013	Index 14 / 13	2014	2014	2014	2014	2013
Net interest income	5,315	4,438	120	1,428	1,529	1,325	1,033	1,093
Net fee and commission income	1,761	1,731	102	626	360	351	424	505
Value adjustments	-42	410	-	-250	132	-107	183	114
Other income	3,074	561	548	78	172	2,753	71	87
Income from operating lease (net)	78	65	120	20	19	21	18	16
Core income	10,186	7,205	141	1,902	2,212	4,343	1,729	1,815
Core expenses	5,231	4,469	117	1,341	1,297	1,408	1,185	1,135
Core profit before loan impairment charges and provisions for guarantees	4,955	2,736	181	561	915	2,935	544	680
Loan impairment charges and provisions for guarantees	1,953	930	210	717	398	589	249	234
Core profit	3,002	1,806	166	-156	517	2,346	295	446
Investment portfolio earnings	101	495	20	-145	84	39	123	145
Pre-tax profit	3,103	2,301	135	-301	601	2,385	418	591
Tax	14	493	3	-80	53	-36	77	123
Profit for the year	3,089	1,808	171	-221	548	2,421	341	468

SUMMARY OF BALANCE SHEET, END OF PERIOD								
DKKm								
Loans and advances	361,799	131,378	275	361,799	358,638	343,889	137,560	131,378
- of which mortgage loans	218,864	0	-	218,864	215,998	208,853	0	0
- of which loans and advances, traditional loans and advances	102,331	110,667	93	102,331	105,577	107,592	108,778	110,667
- of which loans and advances, new home loan products	18,092	448	-	18,092	11,957	8,295	6,292	448
- of which repo loans	22,512	20,263	111	22,512	25,106	19,149	22,490	20,263
Bonds and shares, etc.	92,309	74,853	123	92,309	89,155	91,414	68,951	74,853
Total assets	541,679	262,004	207	541,679	521,140	493,577	257,428	262,004
Deposits	152,693	131,424	116	152,693	148,103	148,908	139,396	131,424
- of which bank deposits	133,198	115,846	115	133,198	128,476	129,506	121,224	115,846
- of which repo deposits	19,495	10,175	192	19,495	19,627	19,402	13,052	10,175
Issued bonds at fair value	208,539	0	-	208,539	198,099	194,308	0	0
Issued bonds at amortised cost	43,413	27,760	156	43,413	37,750	35,517	26,371	27,760
Equity	27,561	17,479	158	27,561	27,830	27,274	17,825	17,479

CAPITAL AND CORE CAPITAL RATIOS								
Capital ratio (%)	16.4	16.0	103	16.4	16.7	16.4	16.2	16.0
Core capital ratio incl. hybrid capital (%)	15.8	15.9	99	15.8	16.2	15.8	15.9	15.9
Common Equity Tier 1 capital ratio (CET 1) (%)	15.3	15.3	100	15.3	15.7	15.3	15.1	15.3

LIQUIDITY RESERVE AND RUN-OFF				Q4	Q3	Q2	Q1	Q4
DKKbn	2014	2013	Index 14 / 13	2014	2014	2014	2014	2013
End of period	55.1	49.9	110	55.1	52.4	54.3	51.3	49.9
3 months	48.2	30.1	160	48.2	38.1	44.0	38.2	30.1
6 months	42.4	29.5	144	42.4	32.0	33.5	37.5	29.5
9 months	39.7	28.2	141	39.7	27.7	30.9	35.1	28.2
12 months	30.3	26.9	113	30.3	25.2	25.8	31.8	26.9

LOANS, ADVANCES AND GUARANTEES AS WELL AS VALUE ADJUSTMENTS OF LOANS AND AD- VANCES, ETC. DKKm				Q4	Q3	Q2	Q1	Q4
	2014	2013	Index 14/13	2014	2014	2014	2014	2013
Loans, advances and guarantees	375,017	145,497	258	375,017	371,669	356,428	150,963	145,497
Non-performing loans and past due exposures	3,795	1,780	213	3,795	3,084	3,187	1,719	1,780
Loans and advances assessed individually:								
Loans and advances with OEI before loan impairment charges	31,659	10,749	295	31,659	31,740	30,697	10,508	10,749
Impairment charges	4,233	3,386	125	4,233	3,778	3,625	3,372	3,386
Loans and advances with OEI after loan impairment charges	27,426	7,363	372	27,426	27,962	27,072	7,136	7,363
Balance of loan impairment charges and provisions for guarantees	6,360	4,693	136	6,360	5,545	5,243	4,737	4,693
Individual impairment charges and provisions for guarantees	4,706	3,750	125	4,706	4,250	4,030	3,731	3,750
Collective impairment charges and provisions for guarantees	1,654	943	175	1,654	1,295	1,213	1,006	943
Value adjustments of acquired assets:								
Balance of discounts for acquired assets, beginning of period	907	0	-	3,024	3,213	748	907	1,045
Discounts relating to business combinations	2,717	1,398	194	0	0	2,717	0	0
Positive value adjustments (interest income)	585	217	270	332	97	116	40	54
Negative value adjustments (recognised as loss)	414	274	151	67	92	136	119	84
Balance of discounts for acquired assets, end of period	2,625	907	289	2,625	3,024	3,213	748	907
Total balance for loan impairment charges and provisions for guarantees and balance of discounts for acquired assets	8,985	5,600	160	8,985	8,569	8,456	5,485	5,600
Operational loan impairment charges and provisions for guarantees	2,538	1,132	224	1,049	495	705	289	274
Operational impairment charges on balances due from credit institutions	0	15	-	0	0	0	0	15
Recognised loss	1,139	1,331	86	344	262	252	281	259

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME DKKm	The Jyske Bank Group	
	2014	2013
INCOME STATEMENT		
Interest income	11,268	6,373
Interest expenses	4,653	1,355
Net interest income	6,615	5,018
Fees and commission income	2,102	1,980
Fees and commission expenses	343	251
Net interest and fee income	8,374	6,747
Value adjustments	-653	541
Other income	3,453	951
Employee and administrative expenses	5,109	4,401
Amortisation, depreciation and impairment charges	424	390
Loan impairment charges and provisions for guarantees	2,538	1,147
Pre-tax profit	3,103	2,301
Tax	14	493
Profit for the year	3,089	1,808
Attributable to:		
Jyske Bank A/S shareholders	3,088	1,807
Non-controlling interests	1	1
Total	3,089	1,808
Earnings per share for the year		
Earnings per share, DKK	35.07	25.38
Earnings per share for the year, DKK, diluted	35.07	25.38
STATEMENT OF COMPREHENSIVE INCOME		
Profit for the year	3,089	1,808
Other comprehensive income:		
Items that cannot be recycled to the income statement:		
Revaluation of real property	21	8
Tax on property revaluations over the year	-2	-4
Effect of the change to the tax rate	0	13
Actuarial losses and gains	-41	14
Tax on actuarial losses and gains	9	-3
Items that can be recycled to the income statement:		
Foreign currency translation adjustment of international units	53	-73
Hedge accounting of international units	-53	73
Tax on hedge accounting	12	-18
Other comprehensive income after tax	-1	10
Comprehensive income for the year	3,088	1,818
Attributable to:		
Jyske Bank A/S shareholders	3,087	1,817
Non-controlling interests	1	1
Total	3,088	1,818

BALANCE SHEET AT 31 DECEMBER	The Jyske Bank Group	
DKKm	2014	2013
BALANCE SHEET		
ASSETS		
Cash, cash equivalents and demand deposits with central banks	1,850	2,427
Due from credit institutions and central banks	30,882	15,143
Loans and advances at fair value	218,864	0
Loans and advances at amortised cost	142,935	131,378
Bonds at fair value	82,459	57,754
Bonds at amortised cost	6,878	14,794
Shares, etc.	2,972	2,305
Intangible assets	113	71
Property, plant and equipment	3,788	3,204
Tax assets	495	49
Other assets	50,443	34,879
Total assets	541,679	262,004
EQUITY AND LIABILITIES		
Liabilities		
Due to credit institutions and central banks	49,885	43,936
Deposits	152,693	131,424
Issued bonds at fair value	208,539	0
Issued bonds at amortised cost	43,413	27,760
Other liabilities	56,628	38,203
Provisions	1,605	1,553
Subordinated debt	1,355	1,649
Liabilities, total	514,118	244,525
Equity		
Share capital	950	713
Revaluation reserve	380	361
Retained profit	26,231	16,372
Non-controlling interests	0	33
Equity, total	27,561	17,479
Equity and liabilities, total	541,679	262,004
OFF-BALANCE SHEET ITEMS		
Guarantees, etc.	13,218	14,119
Other contingent liabilities, etc.	14,636	1,827
Total guarantees and other contingent liabilities	27,854	15,946

STATEMENT OF CHANGES IN EQUITY

The Jyske Bank Group

DKKm

	Share capital	Revaluation reserve	Currency translation reserve	Retained profit	Total	Non-controlling interests	Total equity
Equity at 1 January 2014	713	361	0	16,372	17,446	33	17,479
Profit for the year	0	0	0	3,088	3,088	1	3,089
Other comprehensive income:							
Foreign currency translation adjustment of international units	0	0	53	0	53	0	53
Hedge accounting of international units	0	0	-53	0	-53	0	-53
Revaluation of real property	0	21	0	0	21	0	21
Actuarial losses and gains	0	0	0	-41	-41	0	-41
Tax on other comprehensive income	0	-2	0	21	19	0	19
Other comprehensive income after tax	0	19	0	-20	-1	0	-1
Comprehensive income for the year	0	19	0	3,068	3,087	1	3,088
Capital increase	237	0	0	6,794	7,031	0	7,031
Expenses relating to capital increase	0	0	0	-7	-7	0	-7
Acquisition of own shares	0	0	0	-1,366	-1,366	0	-1,366
Sale of own shares	0	0	0	1,370	1,370	0	1,370
Reduction of non-controlling interests	0	0	0	0	0	-34	-34
Transactions with shareholders	237	0	0	6,791	7,028	-34	6,994
Equity at 31 December 2014	950	380	0	26,231	27,561	0	27,561
Equity at 1 January 2013	713	344	1	14,548	15,606	36	15,642
Profit for the year	0	0	-1	1,808	1,807	1	1,808
Other comprehensive income:							
Foreign currency translation adjustment of international units	0	0	-73	0	-73	0	-73
Hedge accounting of international units	0	0	73	0	73	0	73
Revaluation of real property	0	8	0	0	8	0	8
Actuarial losses and gains	0	0	0	14	14	0	14
Tax on other comprehensive income	0	9	0	-21	-12	0	-12
Other comprehensive income after tax	0	17	0	-7	10	0	10
Comprehensive income for the year	0	17	-1	1,801	1,817	1	1,818
Acquisition of own shares	0	0	0	-1,148	-1,148	0	-1,148
Sale of own shares	0	0	0	1,171	1,171	0	1,171
Reduction of non-controlling interests	0	0	0	0	0	-4	-4
Transactions with shareholders	0	0	0	23	23	-4	19
Equity at 31 December 2013	713	361	0	16,372	17,446	33	17,479

CAPITAL STATEMENT	The Jyske Bank Group	
DKKm	2014	2013
Equity	27,561	17,479
Revaluation reserve	0	-361
Intangible assets	-113	-71
Deferred tax liabilities relating to intangible assets	26	0
Cautious valuation	-256	0
Deferred tax assets	-198	0
Other deductions	-64	0
Common Equity Tier 1 capital	26,956	17,047
Hybrid core capital	993	1,303
Difference between expected loss and the carrying amount of impairment charges	0	-55
Deduction for equity investments above 10%	0	-550
Other deductions	-57	-3
Core capital	27,892	17,742
Subordinated loan capital	324	336
Revaluation reserve	0	361
Difference between expected loss and the carrying amount of impairment charges *	709	-55
Collective impairment under the standard approach	65	0
Deduction for equity investments above 10%	0	-550
Other deductions	0	-3
Capital base	28,990	17,831
Weighted risk exposure involving credit risk etc.	137,973	81,106
Weighted risk exposure involving market risk	21,409	17,687
Weighted risk exposure involving operational risk	17,051	12,483
Total weighted risk exposure	176,433	111,276
Capital requirement, Pillar I	14,115	8,902
Capital requirement, transitional provisions	2,111	79
Capital requirement, total	16,226	8,981
Capital ratio (%)	16.4	16.0
Core capital ratio (%)	15.8	15.9
Common Equity Tier 1 capital ratio (%)	15.3	15.3

*) Accounting impairments exceed the expected loss of DKK 1,097m end-2014, but a limitation rule cause that only DKK 709m can be included in the capital base.

Over the period 2008-2013, capital ratios were calculated in accordance with the CRD III (Basel II). As at On 31 December 2014, the total risk-weighted exposure according to Basel I amounted to DKK 253,526m for the Jyske Bank Group. The capital requirement according to the transitional provisions was for 80% of the capital requirement of 8% of the total weighted risk exposure corresponding to DKK 16,226m for the Jyske Bank Group. At end-2013, the transitional provisions resulted in a capital requirement of DKK 8,981m for the Jyske Bank Group. The transitional rules applying to total weighted risk exposure will still apply in the coming years.

With effect from 2014, capital ratios are calculated in accordance with CRD IV/CRR (Basel III). The new rules result in changes in the calculation of the capital base and the total weighted risk exposure. The comparative figures for 2013 and earlier years have not been adjusted.

For the determination of individual solvency requirement, please see the Risk and Capital Management Report 2014 or www.investor.jyskebank.com/investorrelations/capitalstructure.

The determination of individual solvency requirement was not covered by the audit.

Events after the balance sheet date

After the end of the financial year, Jyske Bank and Nykredit/Totalkredit entered into an agreement to settle the pending arbitration case.

The settlement contains the specific terms and conditions for Jyske Bank's exit from the Totalkredit cooperation, and also, the parties have clarified a number of outstanding issues in other areas where the parties have co-operative relations.

The settlement did not have any material effect on the Group's financial position in 2014, nor will it have so in 2015.

In addition to the above, after the end of the financial year, no material events have been established that are assessed to effect the financial statement user's view of the annual report 2014.

Outlook

The Group expects 2015 to be yet another year with a moderate economic recovery where consumer spending and investments will still take the backseat to saving and consolidation.

It is anticipated that the low level of interest rates and activity will affect the earnings capacity of the Group, and in 2015 there will therefore still be focus on organic growth through the merger of Jyske Bank and BRFKredit, including optimisation of processes, business procedures and realisation of the full sales potential in the Group. It is expected that organic growth will primarily be generated by new home loan products and mortgage products.

In 2015 the Group will continue to focus on business units in the core business and seek to optimise the use of costs and capital.

It is still the aim of the Group to realise a long-term, competitive return for its shareholders.

Considering the economic situation, including and in particular the generally very low level of interest rates and the currently negative interest rate on certificates of deposit with Danmarks Nationalbank, the Group's current objective of a return on equity before tax of 10 to 15% will be challenged in 2015.

The Annual General Meeting and dividend

In 2014, Jyske Bank did not buy back own shares with a view to reducing the share capital.

At the Annual General Meeting, the Supervisory Board will propose a dividend of 0% for 2014.

The Annual General Meeting of Jyske Bank will be held in Silkeborg on Tuesday 24 March 2015.

Financial calendar 2015

Jyske Bank anticipates releasing the following financial statements in 2015:

Interim financial statement - first quarter of 2015	29 April 2015
Interim financial statement - first half of 2015	18 August 2015
Interim financial statement - first nine months of 2015	28 October 2015

Additional information

For further information, please see www.jyskebank.info. Here you will find an interview with Anders Dam, detailed financial information as well as the Group's Annual Report 2014 and Risk and Capital Management 2014, which give further information about the Group's internal risk and capital management as well as regulatory issues, including a description of the most important risks and elements of uncertainty that may affect the Group.

Also, please see www.brf.dk. BRFkredit's Annual report 2014 and detailed financial information about BRFkredit are available on that website.

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