



Q1 2020 Quarterly Report

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The Vestjysk Bank Q1 Quarterly Report 2020 is a translation of the original report in Danish (Vestjysk Bank 1. Kvartalsrapport 2020).
In case of discrepancies, the Danish version prevails

Summary

Q1 2020 highlights

Vestjysk Bank reported a profit after tax of DKK 57 million in Q1 2020. The reported profit was adversely affected by the impact of the Corona crisis on the financial markets as well as on impairment provisions. The Bank increased impairment provisions by DKK 50 million. The Bank has made a total impairment provision of DKK 100 million for economic uncertainty, corresponding to 1% of the Bank's loans and advances.

- Profit after tax was DKK 57 million (Q1 2019: DKK 72 million), for an annualised return on equity after tax of 7.7%.
- Core income of DKK 198 million (Q1 2019: DKK 221 million).
- Negative market value adjustments of DKK 4 million (Q1 2019: positive value adjustments of DKK 20 million).
- Cost ratio of 63.7% (Q1 2019: 55.8%).
- Core earnings before impairment allowances of DKK 72 million (Q1 2019: DKK 98 million).
- Impairment of loans and receivables, etc. of DKK 12 million (Q1 2019: DKK 22 million). Impairment allowances on agriculture amounted to a net reversal for the quarter.
- The Bank's capital requirements were 13.0%, consisting of an individual solvency need of 10.5%, a general capital conservation buffer of 2.5% and a countercyclical buffer of 0.0%. The MREL was phased in at 1.875%, added to the capital requirement. The individual solvency need includes DKK 50 million, or 0.37 of a percentage point, based on a management estimate of economic uncertainty.
- The Bank's total capital ratio was 22.1, implying an excess cover of 9.1 percentage points or DKK 1,230 million.
- The Bank's MREL ratio was 22.1. This taken into account, the excess cover was 7.2 percentage points, or DKK 975 million.

Preliminary impact of the Corona crisis on Vestjysk Bank

Like the rest of Denmark, the Bank has been impacted by the official lockdown of our society since 12 March 2020. The vast majority of the Bank's employees have been working from home, and the Bank's branches were closed for business until 27 April 2020. During this period, the Bank was able to maintain a reasonable level of operations, and the level of customer activity has been normal.

The Bank's advisers have proactively contacted all business customers to arrange how the Bank can help them through the Corona crisis and to advise them on how to apply the rescue packages provided by the Danish government and parliament. To date, the crisis has not directly impacted the Bank's lending or impairment allowances to any significant extent. This is expected to change over time, however, if the crisis persists through the coming months.

For retail customers, Vestjysk Bank has provided a range of borrowing facilities in the form of permission to skip instalments, temporary overdraft facilities and increased credit facilities to support customers hit by the lockdown. These measures for retail customers have also had a limited effect on the Bank.

The sector distribution of the Bank's lending plays a positive part in this. Most of the Bank's lending is within sectors that have not been adversely affected by the Corona crisis so far. At this point, the hotel, restaurant, transport and retail sectors are the hardest hit, and these sectors account for some 10% of the Bank's total lending.

Vestjysk Bank's two main sectors, agriculture and real estate, have so far been relatively unaffected by the Corona crisis. Until now, pig and dairy farmers have not been hit by the crisis, and although pork settlement prices dropped towards the end of the period, they are still at a high level. The high pork prices have enabled customers, some of which are credit-impaired, to repay debt to the Bank. This resulted in reversals of impairment allowances within this sector in Q1 2020. We expect this development to continue, but if the price level starts to fall, it could have an adverse effect on the Bank. Agriculture still faces risk factors such as an outbreak of African swine fever in Germany and/or in Denmark and a potential adverse impact of Britain's exit from the EU (Brexit).

In the real estate sector, we are so far seeing an effect on commercial leases in the affected sectors, where agreements have been made to defer rent payments. Depending on the duration and depth of the crisis, this effect could widen. So far, private residential rentals have not been affected, and this is not expected to change significantly.

Our retail customers are generally doing well and are in a strong position to withstand the consequences of the Corona crisis. In the long term, we expect to see an increase in impairment allowances, but on a manageable level overall.

The situation is expected to change over the coming weeks and months. The Bank forecasts that the negative impact will spread to a wider range of sectors and that some of the Bank's retail customers may be affected by unemployment, for example.

The Bank's DKK 100 million impairment provisions due to economic uncertainty and DKK 50 million capital reservation in the individual solvency need are expected to be sufficient to cover the Bank's current risk exposure. Projections about the future consequences of the Corona crisis are subject to considerable uncertainty. In particular, the above-mentioned potential risks to pig farmers could lead to an increase in impairment allowances.

Outlook for 2020

At 25 March 2020, Vestjysk Bank suspended its 2020 profit guidance due to the unforeseeable effects of the Corona crisis. The Bank has prepared a new 2020 profit forecast based on the current economic outlook. As it is entirely dependent on the duration and depth of the Corona crisis, the forecast is subject to considerable uncertainty. With this qualification, the Bank guides a profit after tax of DKK 160-240 million, as compared with the previous guidance of DKK 250-300 million.

In addition to the ongoing Corona crisis, we also face uncertainties relating to the global economy and, in particular, agricultural settlement prices. As mentioned, any major adverse development in these could impact the Bank's impairment allowances.

Management's review

Financial highlights

Key figures	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	FY 2019
Statement of income (DKKm)						
Net interest income	118	131	127	127	125	510
Net fee income	84	85	88	81	75	329
Dividends on shares, etc.	0	0	6	23	0	29
Value adjustments	-4	12	153	0	20	185
Other operating income	0	0	0	1	1	2
Core income	198	228	374	232	221	1,055
Staff costs and administrative expenses	123	122	119	116	120	477
Other operating expenses and depreciation, amortisation and impairment of property, plant and equipment and intangible assets	3	19	7	2	3	31
Operating expenses and operating depreciation and amortisation	126	141	126	118	123	508
Core earnings before impairment	72	87	248	114	98	547
Impairment of loans and receivables, etc.	12	20	7	15	22	64
Profit before tax	60	67	241	99	76	483
Tax	3	-14	7	8	4	5
Profit after tax	57	81	234	91	72	478
Statement of financial position (DKKm)						
Total assets	21,102	22,192	22,019	21,592	21,266	22,192
Loans	9,966	10,221	10,756	10,613	10,947	10,221
Deposits, including pooled schemes	16,602	18,276	18,043	17,800	17,590	18,276
Contingent liabilities	3,791	3,966	3,974	3,606	3,326	3,966
Custody services	7,720	8,708	8,332	8,338	8,235	8,708
Arranged mortgage loans	31,297	30,749	30,060	29,491	29,199	30,749
Business volume	30,359	32,463	32,773	32,019	31,863	32,463
Business volume including custody services and arranged mortgage loans	69,376	71,920	71,165	69,848	69,297	71,920
Equity	3,010	2,956	2,892	2,743	2,656	2,956

Management's review

Financial highlights

Financial ratios	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	FY 2019
Solvency						
Total capital ratio	22.1%	21.1%	17.8%	18.6%	18.5%	21.1%
Tier 1 capital ratio	19.5%	18.6%	15.4%	16.3%	16.2%	18.6%
Common equity tier 1 capital ratio	18.4%	17.6%	14.3%	14.7%	14.6%	17.6%
Earnings						
Return on equity before tax p.a.	8.1%	9.1%	33.9%	14.7%	11.7%	17.4%
Return on equity after tax p.a.	7.7%	11.0%	32.9%	13.5%	11.1%	17.2%
Income/cost ratio	1.43	1.42	2.80	1.74	1.52	1.84
Cost ratio ¹	63.7%	61.5%	34.0%	50.6%	55.8%	48.2%
Return on assets	0.3%	0.4%	1.1%	0.4%	0.3%	2.2%
Average number of employees (FTE)	391.5	390.2	375.0	373.1	370.3	377.9
Market Risk						
Interest rate risk	0.8%	0.7%	0.2%	0.2%	0.3%	0.7%
Foreign exchange position	0.4%	0.4%	0.3%	0.4%	0.3%	0.4%
Foreign exchange risk	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
LCR	170.8%	259.2%	203.2%	236.5%	173.5%	259.2%
Credit Risk						
Loans plus impairment on loans relative to deposits	74.3%	68.9%	73.1%	73.7%	76.7%	68.9%
Loans relative to equity	3.3	3.5	3.7	3.9	4.1	3.5
Lending growth for the year	-2.5%	-5.0%	1.3%	-3.0%	1.4%	-5.3%
Sum of large exposures > 10 %	0.0%	0.0%	10.5%	10.1%	26.7%	0.0%
Sum of 20 largest exposures	113.9%	102.7%	126.3%	124.9%	143.5%	102.7%
Accumulated impairment ratio	1.8%	14.5%	14.3%	15.1%	15.3%	14.5%
Impairment ratio	0.1%	0.1%	0.1%	0.2%	0.0%	0.3%
Vestjysk Bank Share						
Earnings per share for the period	0.1	0.1	0.3	0.1	0.1	0.5
Book value per share ²	3.2	3.1	3.1	2.8	2.7	3.1
Price of Vestjysk Bank shares, end of the period	2.8	3.1	3.5	4.2	2.6	3.1
Share price/book value per share	0.9	1.0	1.2	1.5	1.0	1.0

¹ Operating expenses and operating depreciation and amortisation/core income

² The ratio "Book value per share" is adjusted for the portion of equity (additional tier 1 capital), that is not part of the shareholders' share of equity.

Management's review

Financial review

Income statement

Profit after tax

The Bank's profit after tax for Q1 2020 was DKK 57 million, compared with DKK 72 million in Q1 2019.

Core income

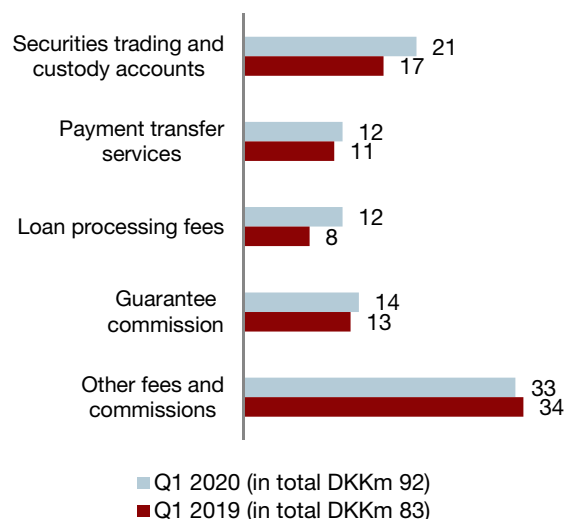
In Q1 2020, Vestjysk Bank recorded core income of DKK 198 million, against DKK 221 million in Q1 2019. The lower core income was mainly caused by a decline in market value adjustments due to the Corona crisis.

Net interest income amounted to DKK 118 million in Q1 2020, against DKK 125 million in Q1 2019. The lower level was due to a DKK 15 million fall in interest income from the Bank's loans and advances and other receivables attributable to a lower lending volume and increased price pressure. The Bank's interest expenses were reduced by DKK 3 million as a result of a lower deposit volume. In addition, the Bank recorded income of DKK 5 million from negative interest rates on deposits.

Net fee income for Q1 2020 amounted to DKK 84 million, compared with DKK 75 million in Q1 2019. The increase in fees in Q1 2020 was largely driven by continued strong remortgaging activity in the mortgage credit area. The distribution of the Bank's fee income is shown in the figure.

Market value adjustments for Q1 2020 were negative in the amount of DKK 4 million, compared with a positive DKK 20 million in Q1 2019. The negative market value adjustments arose towards the end of the quarter as financial markets reacted with turbulence to the Corona crisis. The investment portfolio generated a negative return of DKK 24 million in Q1 2020. Conversely, the Bank's portfolio of sector shares generated a positive return of DKK 12 million, and securities trading activities and currency transactions with the Bank's customers contributed DKK 8 million.

Income from Fees and Commissions (DKKm)



Operating expenses, depreciation and amortisation

Total operating expenses, depreciation and amortisation amounted to DKK 126 million in Q1 2020, against DKK 123 million in Q1 2019.

The increase was mainly attributable to IT investments related to stricter statutory requirements in the banking sector, primarily in the anti-money-laundering area, and an increased headcount.

The number of employees in Q1 2020 was 391.5 FTEs, compared with 370.3 in Q1 2019. The increase of 21.2 FTEs caused staff costs to increase by DKK 3 million compared with Q1 2019. Half of the increase was due to annual pay increases according to the collective agreement. The increase in the number of FTEs was in part due to hiring of temporary staff to handle the strong remortgaging activity. Also, in the second half of 2019, Vestjysk Bank took on 11 new trainees in the Bank's branches to secure a pool of skilled staff and a recruitment base for the future.

Other administrative expenses excluding IT costs were reduced by DKK 4.1 million to DKK 16.3 million in Q1 2020 compared with DKK 20.4 million in Q1 2019. The reduction was due in part to increased marketing activities and in part to expenses relating to the closing of the EU case incurred in Q1 2019.

The expense ratio for Q1 2020 was 63.7%, compared with 55.8% in Q1 2019. Discounting the effects of the Corona

Management's review

Financial review

crisis on market value adjustments, the expense ratio excluding market value adjustments in Q1 2020 was 62.4%, against 61.2% in Q1 2019.

The table below illustrates the composition of operating expenses, depreciation and amortisation.

Operating expenses and operating depreciation and amortisation

(DKKm)	Q1 2020	Q1 2019
Staff costs	73	70
IT costs	33	30
- Of this amount BEC	31	27
Other administrative expenses	16	20
Operating depreciation and amortisation	3	3
Other	1	0
Total	126	123

Core earnings before impairment

For Q1 2020, the Bank's core earnings before impairment stood at DKK 72 million, compared with DKK 98 million in Q1 2019.

Impairment of loans and guarantees etc.

Impairment allowances totalled DKK 12 million in net terms in Q1 2020, compared with DKK 22 million in Q1 2019. The impairment ratio for Q1 2020 was 0.1%, against 0.0% in Q1 2019. The lower impairment level was due to major reversals in the agricultural sector.

As a result of the Corona crisis, Vestjysk Bank increased its impairment provisions by DKK 50 million in Q1 2020 based on a management estimate due to economic uncertainty.

Distribution of loans and guarantees at 31 March 2020 (DKKm)	Loans and guarantees before impairment	Acc. impairment	Loans and guarantees after impairment	Impairment for the period
Dairy farmers	1,485	605	880	4
Pig breeders	1,053	329	724	-29
Other agriculture	509	116	393	3
Agriculture, total	3,047	1,050	1,997	-28
Real estate	2,019	294	1,725	12
Other business	5,539	785	4,754	16
Business, total	10,605	2,129	8,476	0
Retail	5,542	261	5,281	12
Total	16,147	2,390	13,757	12

The Bank has made DKK 100 million in impairment provisions as a result of the current economic uncertainty.

Since April 2019, pork settlement prices have risen sharply as a result of an outbreak and subsequent spread of African swine fever in Asia and Eastern and Central Europe. Due to market turbulence in the wake of the Corona crisis, pork prices fell towards the end of the quarter, but nonetheless remain historically high.

The high prices led to extraordinary debt repayment by pig farmers, which has resulted in a significant reduction of agricultural customers' debt and a reversal of impairment allowances in the amount of DKK 29 million in 2020.

In light of the risk of African swine fever spreading to Germany and/or Denmark and the as yet unknown consequences to Danish exports of Britain's exit from the European Union (Brexit), the long-term financial outlook for pig farmers is still subject to significant risk and uncertainty, however.

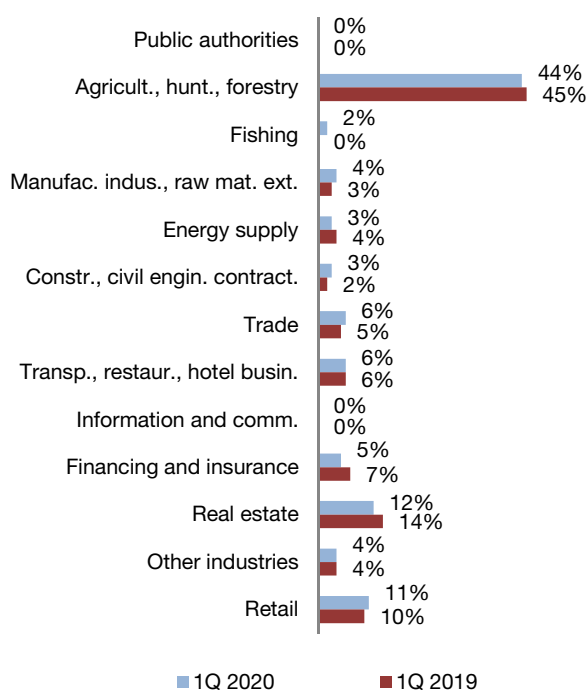
The agricultural sector in general accounted for 44% of Vestjysk Bank's accumulated impairment allowances, equal to DKK 1.05 billion. The Bank has recorded impairment allowances on some 35% of gross loans and guarantees to the agricultural sector. The Bank continues to focus on developments in this sector.

The table below shows the distribution of the Bank's loans and guarantees for and impairment allowances on agricultural exposures by sub-sectors, real estate, other business and the retail segment.

The Bank's accumulated impairment ratio at 31 March 2020 was 14.8%, compared with 15.3% at 31 March 2019.

The sector distribution of accumulated impairment and provisions is shown below:

Accumulated Impairments and provisions by sector at 31 March 2020



Statement of financial position

Vestjysk Bank's total assets stood at DKK 21.1 billion at 31 March 2020, against DKK 22.2 billion at 31 December 2019.

Loans

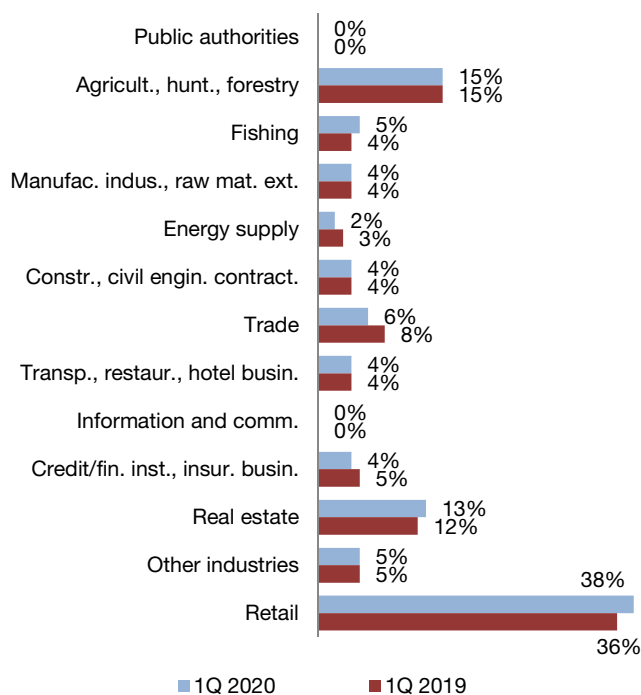
At 31 March 2020, Vestjysk Bank's net lending amounted to DKK 10.0 billion, down DKK 0.2 billion from DKK 10.2 billion at 31 December 2019. The lower lending volume was specifically related to the agricultural segment, which has seen an extraordinary repayment of debt driven by high pork settlement prices.

At 31 March 2020, loans to retail customers accounted for 38% of the Bank's net loans and guarantees.

The Bank's business lending is mainly concentrated within the agricultural and real estate sectors. Of total net loans and guarantees, agriculture accounted for 15% and real estate accounted for 13%. The Bank's overall exposure to these sectors thus amounted to 28% of total net loans and guarantees. At 31 March 2020, the Bank met the overall business plan target that no individual sector is to exceed 15% of total net loans and guarantees.

The distribution of Vestjysk Bank's net loans and guarantees by sector is illustrated below.

Loans and guarantees by sector at 31 March 2020



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Financial review

The credit quality of the Bank's total loans and guarantees improved from 31 March 2019 to 31 March 2020. In Q1 2020, 37% of the Bank's customers were of normal credit quality, and the proportion of credit-impaired customers was 18%, against 22% in Q1 2019. The distribution is illustrated in the table below. This development is satisfactory, and in 2020 the Bank will focus on individual customers in the challenged segments.

Loans and guarantees by credit quality	31 March 2020		31 March 2019	
	DKKm	%	DKKm	%
Normal credit quality	8,263	37%	8,191	36%
Some signs of weakness	9,343	31%	8,709	38%
Significant signs of weakness without impairment	996	6%	933	4%
Impaired loans	4,155	21%	4,933	22%
Total loans and guarantees	22,757	100%	22,766	100%

Large exposures

At 31 March 2020, Vestjysk Bank had no exposures constituting 10% or more of total capital.

The 20 largest exposures represented 113.9% of the Bank's common equity tier 1 capital, which is below the FSA's supervisory diamond benchmark of 175%.

Business volume including custody services

Vestjysk Bank's business volume including custody accounts and arranged mortgage loans amounted to DKK 69.4 billion at 31 March 2020, against DKK 71.9 billion at 31 December 2019.

The Bank's deposits decreased by 1.0 billion in Q1 2020 due to deposits being transferred to the Bank's investment concepts and an outflow of partial service customers who only used the Bank's deposit products.

Pooled schemes and custody accounts were reduced by a total of DKK 1.7 billion as a result of securities price falls due to the Corona crisis.

Arranged mortgage loans continued the positive trend. The Bank is experiencing growth in the volume of mortgage loans to business customers and retail customers alike, and in Q1 2020 this growth amounted to DKK 0.5 billion.

Deferred tax asset

An additional amount of the Bank's deferred tax asset was recognised in 2019. Vestjysk Bank remains confident that part of the deferred tax asset can expectedly be utilised within the next three years based on cautious earnings expectations, and DKK 98 million of the deferred tax asset was therefore recognised. Of this amount, DKK 84 million related to unutilised tax losses deducted from total capital. The remaining unrecognised deferred tax asset amounts to DKK 474 million.

Capital and liquidity

Equity

Vestjysk Bank's equity stood at DKK 3,010 million at 31 March 2020, against DKK 2,956 million at 31 December 2019. The positive development in equity since 31 December 2019 was the result of consolidation via the Bank's profit for Q1 2020. The equity development since 1 January 2019 is detailed in the statement of changes in equity.

Subordinated debt

The Bank's subordinated debt amounted to DKK 347 million at 31 March 2020 and was eligible for full inclusion in total capital.

Total capital

Overall, total capital amounted to DKK 3,003 million at 31 March 2020. With the total risk exposure of DKK 13,593 million, this equalled a total capital ratio of 22.1%. At 31 December 2019, the Bank's total capital ratio was 21.1%.

Capital requirements

Adequate total capital amounted to DKK 1,433 million at 31 March 2020, and with the total risk exposure of DKK 13,593 million, this equalled an individual solvency need of 10.5%. At 31 March 2020, the capital conservation buffer had been fully phased in at 2.5 percentage points and the countercyclical buffer has been reduced to 0% due to the Corona crisis.

DKK 50 million, or 0.37 of a percentage point, has been added to the individual solvency need in response to the uncertainty about the long-term consequences of the Corona crisis. The amount has been reserved to mitigate the negative effects on customers who are not currently credit-impaired, but who will see their credit quality reduced as a consequence of the Corona crisis.

The aggregate capital requirements amounted to 13.0%, corresponding to DKK 1,773 million.

This meant that Vestjysk Bank's excess cover relative to the individual solvency need was 11.6 percentage points, corresponding to DKK 1,570 million, while the excess cover relative to the aggregate capital requirements was 9.1 percentage points or DKK 1,230 million.

MREL requirement

On 19 December 2019, Vestjysk Bank received the FSA's decision on the Bank's MREL add-on, which was fixed at 6% of risk-weighted assets and will be phased in during the period 2019-2023. The MREL requirement for 2020 was phased in at 1.875%, to be added to the 13.0% capital requirement for a total MREL requirement of 14.9%. At 22.1%, Vestjysk Bank's MREL ratio was equal to the total capital ratio. The excess cover was thus 7.2 percentage points, or DKK 975 million. When fully phased in in 2023, the effect of the MREL add-on is expected to be in the region of DKK 815 million. Based on the current MREL ratio of 22.1%, the Bank complies with the coming fully-phased in capital requirements at 31 March 2020.

The Bank's capital position is illustrated below.

Capital position

DKKm	Q1 2020	FY 2019
Equity	3,010	2,956
- corr. for profit not recognised in total capital	-54	0
Deductions:		
- intangible assets	0	0
- prudent valuation	-6	-4
- financial sector entities	-210	-199
- deferred tax assets	-84	-84
Subordinated debt	347	347
Total capital	3,003	3,016
Total risk exposures	13,593	14,316
Common equity tier 1 capital ratio	18.4%	17.6%
Tier 1 capital ratio	19.5%	18.6%
Total capital ratio	22.1%	21.1%
MREL capital ratio	22.1%	21.1%

The Bank did not recognise the profit for the period in total capital for Q1 2020. Moreover, total capital was negatively impacted by contractually committed investments in shares in sector companies. From 31 December 2019 to 31 March 2020, total capital was thus reduced by DKK 13 million.

Liquidity

Vestjysk Bank's liquidity remains strong. At 31 March 2020, the Bank's Liquidity Coverage Ratio (LCR) stood at 170.8%, relative to the LCR requirement of 100%.

The Financial Supervisory Authority's Supervisory Diamond

Vestjysk Bank remains within the threshold values of the five indicators set out in the FSA's Supervisory Diamond.

Vestjysk Bank's values relative to each of these threshold values are set out in the table below.

Realised values at 31 March 2020

Supervisory Diamond Benchmarks	Realised values
Sum of large exposures (< 175%)	113.9%
Lending growth (< 20%)	-9.0%
Real estate exposure (< 25%)	13.3%
Funding ratio (< 1)	0.50
Liquidity benchmark (> 100%)	240.5%

Share capital

Vestjysk Bank's share capital totalled DKK 896 million at 31 March 2020. The share capital consists of 895,981,517 shares with a nominal value of DKK 1 each.

Vestjysk Bank has some 37,000 registered shareholders. The Bank's major shareholders are:

Aktieselskabet Arbejdernes Landsbank	32.44%
AP Pension Livsforsikringsselskab	19.71%
Nykredit Realkredit A/S	13.97%

The Bank's shares are listed as a component of the Nasdaq Nordics Mid Cap index.

Management's review

Financial review

Other matters

Business plan 2020

The business plan for 2020 is based on the objective of ensuring that Vestjysk Bank remains strong and grows even stronger. The business plan for 2020 builds on the business plan for 2019 and remains focused on generating earnings by entering into business transactions with existing and new customers within the Bank's natural market segment, further improving the Bank's credit quality and maintaining strict cost control in order to maintain the Bank's competitive strength.

Preliminary impact of the Corona crisis on Vestjysk Bank

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Outlook for 2020

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dependent on the duration and depth of the Corona crisis, the forecast is subject to considerable uncertainty. With this qualification, the Bank guides a profit after tax of DKK 160-240 million, as compared with the previous guidance of DKK 250-300 million.

In addition to the ongoing Corona crisis, we also face uncertainties relating to the global economy and, in particular, agricultural settlement prices. As mentioned, any major adverse development in these could impact the Bank's impairment allowances.

2020 Financial Calendar

- 19 August Half Year Report, H1
- 18 November Quarterly report for Q1-Q3

Alternative performance measures

The Bank applies a number of alternative performance measures. These measures are applied where they provide greater informational value about, e.g. the Bank's earnings, or a common denomination for several items. The Bank is aware of the need for calculations to be applied consistently and with comparative figures.

The applied performance measures are defined below.

Definitions	
Core income	The sum of Net interest and fee income, Dividends on shares, etc., Value adjustments and Other operating income.
Operating expenses and operating depreciation and amortisation	The sum of Staff costs and administrative expenses, Depreciation, amortisation and impairment losses on intangible and tangible assets and Other operating expenses.
Core earnings before impairment	Profit/loss before tax less Impairment of loans and receivables, etc.
Business volume including custody services and arranged mortgages	The sum of Loans, Guarantees, Deposits, including pooled funds, Customer services and arranged mortgages.

Management's statement

The Bank's Board of Directors and Executive Board have today considered and approved the Quarterly report for the period 1 January – 31 March 2020 of Vestjysk Bank A/S.

The quarterly report is presented in accordance with the Danish Financial Business Act.

In our opinion, the accounting policies applied are appropriate and the financial statements present a true and fair view of the Company's assets and liabilities and financial position as at 31 March 2020, and of the results of the

Bank's activities for the reporting period 1 January – 31 March 2020.

In our opinion, the management's review includes a fair review of the development and performance of the company and a fair description of the principal risks and uncertainty factors that the Bank faces.

The present Quarterly Report has not been audited or reviewed.

Lemvig, Denmark, 13 May 2020

Executive Board

.....
Jan Ulsø Madsen
Chief Executive Officer

.....
Michael Nelander Petersen
Managing Director

Board of Directors

.....
Kim Duus
Chairman of the Board of Directors

.....
Lars Holst
Deputy Chairman of the Board of Directors

.....
Bent Simonsen

.....
Bolette van Ingen Bro

.....
Karina Boldsen

.....
Nicolai Hansen

.....
Jacob Møllgaard

.....
Martin Sand Thomsen

.....
Mette Holmegaard Nielsen

Financial statements

Statements of income and comprehensive income

Note	Q1 2020 DKK'000	Q1 2019 DKK'000	FY 2019 DKK'000
Statement of Income			
2	122,657	137,519	554,382
2a	2,356	900	6,781
3	7,872	11,969	40,797
3a	5,199	346	3,393
	117,628	124,996	510,197
	223	233	29,017
4	91,987	83,212	363,594
	7,563	8,169	34,520
	202,275	200,272	868,288
5	-4,021	19,804	184,939
	198	510	2,433
6	123,095	120,440	477,417
	2,684	2,160	29,547
	657	394	1,569
7	11,893	21,745	64,425
	60,123	75,847	482,702
10	3,036	3,895	4,957
	57,087	71,952	477,745
Statement of comprehensive income			
	57,087	71,952	477,745
Other comprehensive income:			
	0	0	-16,955
	0	0	-801
	0	0	-17,756
	57,087	71,952	459,989

Financial statements

Statement of financial position

Note	31 March 2020 DKK'000	31 March 2019 DKK'000	31 Dec 2019 DKK'000
Assets			
	394,328	382,880	395,706
	744,482	328,131	775,266
	9,966,288	10,947,300	10,220,920
	4,164,022	3,295,720	4,268,252
	512,453	588,105	502,314
	4,522,134	4,946,530	5,232,977
11	0	348	17
	275,232	309,058	261,684
12	275,232	309,058	261,684
	4,452	5,292	4,831
	0	1,094	0
	98,000	75,000	98,000
13	404,049	370,512	415,928
	16,796	16,278	16,004
	21,102,236	21,266,248	22,191,899

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Statement of financial position

Note	31 March 2020 DKK'000	31 March 2019 DKK'000	31 Dec 2019 DKK'000
Equity and liabilities			
Debts			
	439,982	29,300	13,001
	12,080,135	12,643,582	13,042,817
	4,522,134	4,946,530	5,232,977
	2,035	3,184	3,715
14	614,144	497,435	495,429
	8	24	18
	17,658,438	18,120,055	18,787,957
Provisions			
	15,358	15,390	15,532
	21,948	33,426	25,762
	49,263	68,611	59,466
	86,569	117,427	100,760
15	347,251	372,750	347,015
Equity			
16	895,982	895,982	895,982
	47,449	64,563	47,449
	551,600	551,600	551,600
	1,359,947	913,871	1,306,136
	2,854,978	2,426,016	2,801,167
	155,000	230,000	155,000
	3,009,978	2,656,016	2,956,167
	21,102,236	21,266,248	22,191,899

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Statement of changes in equity

DKK'000	Share capital	Revaluation reserves	Reserves provided for in the Bank's Articles of Association	Retained earnings	Shareholder equity, total	Additional tier 1 capital holders *)	Equity, total
Equity, 1 January 2020	895,982	47,449	551,600	1,306,136	2,801,167	155,000	2,956,167
Profit after tax for the period				53,811	53,811	3,276	57,087
Total comprehensive income	0	0	0	53,811	53,811	3,276	57,087
Interest on additional tier 1 capital						-3,276	-3,276
Additions relating to sale of own shares				22,522	22,522		22,522
Disposals relating to purchase of own shares				-22,522	-22,522		-22,522
Equity, 31 March 2020	895,982	47,449	551,600	1,359,947	2,854,978	155,000	3,009,978
Equity, 1 January 2019	895,982	64,563	551,600	846,678	2,358,823	230,000	2,588,823
Other comprehensive income after tax				66,935	66,935	5,017	71,952
Total comprehensive income	0	0	0	66,935	66,935	5,017	71,952
Interest on additional tier 1 capital						-5,017	-5,017
Tax on interest on additional tier 1 capital				258	258		258
Additions relating to sale of own shares				6,590	6,590		6,590
Disposals relating to purchase of own shares				-6,590	-6,590		-6,590
Equity, 31 March 2019	895,982	64,563	551,600	913,871	2,426,016	230,000	2,656,016
Equity, 1 January 2019	895,982	64,563	551,600	846,678	2,358,823	230,000	2,588,823
Profit after tax for the period				459,206	459,206	18,539	477,745
Other comprehensive income after tax		-16,955		-801	-17,756		-17,756
Total comprehensive income	0	-16,955	0	458,405	441,450	18,539	459,989
Redemption of tier 1 capital						-75,000	-75,000
Interest on additional tier 1 capital						-18,539	-18,539
Tax on interest on additional tier 1 capital				894	894		894
Additions relating to sale of own shares				131,720	131,720		131,720
Disposals relating to purchase of own shares				-131,720	-131,720		-131,720
Retained earnings		-159		159	0		0
Equity, 31 December 2019	895,982	47,449	551,600	1,309,136	2,801,167	155,000	2,956,167

*)

Holders of additional tier 1 capital

The additional tier 1 capital has been provided for an indefinite term and Vestjysk Bank has full discretion at all times to omit interest payments, and it is consequently accounted for as equity.

The additional tier 1 capital meets the conditions under CRR/CRD IV.

Additional tier 1 capital DKK 155 million

There is an option of early redemption, subject to approval by the Danish Financial Supervisory Authority, on 16 August 2022. The capital accrues interest at 8.50% until 16 August 2022, after which it accrues interest at a floating rate of CIBOR6 plus a credit spread. If Vestjysk Bank's common equity tier 1 capital ratio falls below 5.125%, the loan will be written down.

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Note

1 **Accounting policies**

Vestjysk Bank's interim report for the period 1 January - 31 March 2020 is presented in accordance with the Danish Financial Business Act, including the Danish Financial Supervisory Authority's executive order on financial reporting for credit institutions and investment companies, etc.

The accounting policies are consistent with those applied in the 2019 Annual Report, which contains a full description of those policies.

Measuring certain assets and liabilities requires Management estimates of how future events will affect the value of such assets and liabilities. Estimates material to the financial reporting are for example made in connection with the determination of impairment allowances according to an expected loss model, fair values of unlisted financial instruments and provisions. For more details, see the 2019 Annual Report. The applied estimates are based on assumptions that Management considers reasonable, but which are inherently uncertain.

The Bank's significant risks and external conditions that may affect the Bank are described in greater detail in the 2019 Annual Report.

Changed income statement presentation

Effective from 2019, negative interest income and negative interest expenses were presented under interest income and interest expenses, respectively, in the notes to the financial statements. Effective from 2020, negative interest income and negative interest expenses will be presented separately in the notes to the financial statements and in the income statement. The changed presentation has no effect on the net profit.

Changed accounting treatment of leases

The Danish FSA's Amending Executive Order of 3 December 2018 became effective for the financial year beginning on 1 January 2020.

The Amending Executive Order introduces new rules on leases, which depart from the previous rules in that the lessee is no longer required to distinguish between finance leases and operating leases when accounting for leases. All leases are to be recognised by the lessee as a lease asset representing the value of the right of use. On initial recognition, the asset is measured at the present value of the lease liability, including costs and any advance payment. At the same time, the present value of the agreed lease payments is recognised as a liability. Short-term leases and leases of low-value assets are exempt from the requirement for recognition of a lease asset.

As a result of the amended rules and changed accounting policies, the Bank's opening property, plant and equipment and liabilities increased by DKK 15.7 million. Of this amount, DKK 15.3 million relates to the Bank's owner-occupied properties.

The effect of the amended rules and accounting policies on net profit is immaterial, as the Bank has a limited number of leases.

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Notes

Note		Q1 2020 DKK'000	Q1 2019 DKK'000	FY 2019 DKK'000
2	Interest income			
	Receivables from credit institutions and central banks	41	15	43
	Loans and other receivables	120,311	135,310	543,366
	Bonds	2,377	2,572	9,023
	Derivative financial instruments	-72	-378	1,950
	Total	122,657	137,519	554,382
2a	Negative interest income			
	Receivables from credit institutions and central banks	571	362	2,426
	Bonds	1,785	538	4,355
	Total	2,356	900	6,781
3	Interest expenses			
	Deposits and other debt	2,765	5,481	16,086
	Subordinated debt	5,038	6,471	24,327
	Other interest expenses	69	17	384
	Total	7,872	11,969	40,797
3a	Negative interest expenses			
	Credit institutions and central banks	19	0	0
	Deposits and other debt	5,180	346	3,393
	Total	5,199	346	3,393
4	Income from fees and commissions			
	Securities trading and custody services	20,793	17,286	83,175
	Payment services	12,691	11,376	50,245
	Loan processing fees	11,587	8,134	58,671
	Guarantee commission	14,059	12,359	53,164
	Other fees and commissions	32,857	34,057	118,339
	Total	91,987	83,212	363,594
5	Value adjustments			
	Bonds	-7,516	1,407	5,046
	Shares, etc.	5,356	13,656	162,604
	Foreign currency	3,173	3,218	13,586
	Foreign exchange, interest rate, equity, commodity, and other contracts as well as derivative financial instruments	-4,694	1,887	4,927
	Assets related to pooled schemes	-853,592	331,455	581,559
	Deposits with pooled schemes	853,592	-331,455	-581,559
	Other assets	-340	-364	-1,224
	Total	-4,021	19,804	184,939

Note	Q1 2020 DKK'000	Q1 2019 DKK'000	FY 2019 DKK'000
6			
Staff costs and administrative expenses			
Staff costs:			
Wages and salaries	56,534	55,131	220,307
Pensions	6,804	6,503	26,670
Payroll tax	9,696	8,624	35,894
Expenses relating to social security contributions etc.	293	4	2,583
Total	73,327	70,262	285,454
Average number of employee (FTE)	391.5	370.3	377.9
Other administrative expenses:			
IT expenses	33,446	29,765	124,853
Rent, electricity and heat	2,324	2,661	11,365
Postage, telephone etc.	388	727	2,136
Other administrative expenses	13,610	17,025	53,609
Total	49,768	50,178	191,963
Total	123,095	120,440	477,417
Salaries and remuneration of the Board of Directors and Executive Board are included in staff costs in the following amounts			
Board of directors	508	514	2,036
Executive board			
Fixed remuneration	1,614	1,568	6,457
Pension	80	78	322
Total	1,694	1,646	6,779
Value of benefits executive board	75	75	302
No agreements have been concluded concerning bonus plans, incentive programmes or similar compensation plans.			
The Bank is exempt from all pension obligations in respect of the departure of members of the Executive Board, whether as a result of age, illness, disability or other reasons.			
7			
Impairment of loans and receivables, etc.			
Impairment of loans and other receivables in the statement of income			
Impairment charges for the period	186,907	156,640	400,647
Reversal of impairment charges in prior financial years	-154,688	-155,464	-339,743
Loans with no prior individual impairment/provisions, written off	544	1,239	10,545
Recovered on previously written off debts	-6,854	-3,289	-12,834
Total	25,909	-874	58,615
Provisions for losses on guarantees and unused credit commitments			
Impairments for the period	17,611	42,195	49,167
Reversal of provisions in prior financial years	-31,627	-19,576	-43,357
Total	-14,016	22,619	5,810
Impairment of loans and other receivables, end of the reporting period	11,893	21,745	64,425
Interest income on impaired loans is offset against impairment in the amount of	15,589	18,424	58,463

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Notes

Note	Q1 2020 DKK'000	Q1 2020 DKK'000	FY 2019 DKK'000
8			
Impairments of loans and receivables and provisions on guarantees and unutilised credit lines - Impairment of loans and receivables			
Stage 1 (absence of significant increase in risk assessment)			
Impairment, beginning of the reporting period	45,111	29,938	29,938
New impairments, new exposures	4,651	5,326	15,178
Reversed impairments repaid accounts	-19,579	-15,900	-48,166
Change in impairments, beginning of period to/from stage 1	-4,961	-2,931	-4,943
Change in impairments, beginning of period to/from stage 2	10,321	11,678	23,758
Change in impairments, beginning of period to/from stage 3	45	0	19,055
Impairments due to change in credit risk	10,390	7,880	10,291
Impairment, end of the reporting period	45,978	35,991	45,111
Stage 2 (significant increase in risk assessment)			
Impairment, beginning of the reporting period	75,845	91,895	91,895
New impairments, new exposures	4,904	4,316	11,033
Reversed impairments repaid accounts	-24,713	-16,538	-67,431
Change in impairments, beginning of period to/from stage 1	3,859	2,800	4,241
Change in impairments, beginning of period to/from stage 2	-10,850	-12,672	-28,602
Change in impairments, beginning of period to/from stage 3	839	554	35,502
Impairments due to change in credit risk	33,073	30,207	29,207
Impairment, end of the reporting period	82,957	100,562	75,845
Stage 3 (credit-impaired)			
Impairment, beginning of the reporting period	2,198,643	2,445,023	2,445,023
New impairments, new exposures	36,448	212	38,309
Reversed impairments repaid accounts	-182,230	-164,846	-353,102
Change in impairments, beginning of period to/from stage 1	1,102	131	702
Change in impairments, beginning of period to/from stage 2	529	994	4,844
Change in impairments, beginning of period to/from stage 3	-884	-554	-54,557
Impairments due to change in credit risk	169,092	149,656	418,441
Impairments lost	-51,792	-82,524	-359,480
Other movements	15,589	18,424	58,463
Impairment, end of the reporting period	2,186,497	2,366,516	2,198,643
Loans, credit-impaired at initial recognition			
Impairment, beginning of the reporting period (acquired impairment)	52,246	47,972	47,972
New impairments	516	1,125	8,627
Reversed impairments	-333	-262	-1,483
Impairments lost	0	-2,869	-2,870
Impairment, end of the reporting period	52,429	45,966	52,246

Note	Q1 2020 DKK'000	Q1 2019 DKK'000	FY 2019 DKK'000
8 Provisions for losses on guarantees			
Provisions, beginning of the reporting period	25,762	32,814	32,814
New provisions, new exposures	268	81	2,220
Reversed provisions for losses at repaid accounts	-4,821	-4,269	-14,247
Provision during the period due to change in credit risk	739	4,800	4,975
Provisions, end of the reporting period	21,948	33,426	25,762
Overall accumulated impairment of loans and receivables and provisions for losses on guarantees	2,389,809	2,582,461	2,397,607
Accumulated impairment ratio	14.8%	15.3%	14.5%
Provisions for losses on unused credit commitments			
Provisions beginning of the reporting period	59,466	46,604	46,604
New provisions, new exposures	881	513	11,615
Reversed provisions for losses at repaid accounts	-28,348	-16,988	-30,178
Provision during the period due to change in credit risk	17,264	38,482	31,425
Provisions at 30 September	49,263	68,611	59,466
9 Receivables for which accrual of interest has been discontinued			
Receivables for which accrual of interest has been discontinued, end of the reporting period	1,016,125	1,039,014	966,895
Total impairment charge thereon	822,815	887,963	743,191
Receivables for which accrual of interest has been discontinued, as a percentage of loans before impairment	8.2%	7.7%	7.7%
10 Tax			
Current tax	3,036	3,895	26,803
Deffered tax	0	0	-23,000
Adjustment of current tax for prior years	0	0	1,154
Total	3,201	3,895	4,957
Applicable tax rate reduced from 22% to 5.0%			
Applicable tax rate	22.0%	22.0%	22.0%
Use of losses from previous years	-8.4%	-9.6%	-7.6%
Tax-free value adjustments	-3.7%	-3.8%	-7.0%
Deffered tax asset	0.0%	0.0%	-4.8%
Other adjustment	-4.9%	-3.5%	-1.8%
Adjustment of current tax for prior years	0.0%	0.0%	0.2%
Effective tax rate	5.0%	5.1%	1.0%

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Notes

Note	Q1 2020 DKK'000	Q1 2019 DKK'000	FY 2019 DKK'000
10 Intangible assets			
Customer relationships			
Total acquisition cost, beginning of the reporting period	14,964	14,964	14,964
Total acquisition cost, end of the reporting period	14,964	14,964	14,964
Depreciation and impairment, beginning of the reporting period	14,964	14,964	14,964
Depreciation and impairment for the period	0	0	0
Depreciation and impairment, end of the reporting period	14,964	14,964	14,964
Recognised holding, end of the reporting period	0	0	0
Other Intangible assets			
Total acquisition cost, beginning of the reporting period	1,416	1,416	1,416
Total acquisition cost, end of the reporting period	1,416	1,416	1,416
Depreciation and impairment, beginning of the reporting period	1,399	950	950
Depreciation and impairment for the period	17	118	449
Depreciation and impairment, end of the reporting period	1,416	1,068	1,399
Recognised holding, end of the reporting period	0	348	17
Total	0	348	17
12 Owner-occupied property			
Revalued amount, beginning of the period	261,684	310,381	310,381
Disposals	0	0	1,483
Depreciations	0	0	7,488
Changes in value recognised in other comprehensive income	1,044	1,323	4,971
Changes in value recognised in the statement of income	0	0	-16,955
Revalued amount, end of the period	0	0	-20,766
Revalued amount, end of the period	260,640	309,058	261,684
External valuation experts have been involved in measuring the most important owner-occupied and investment properties.			
Leased owner-occupied property			
Value of leases, beginning of the period	0	0	0
Value of leases recognised, change in accounting treatment	15,316	0	0
Recognised in statement of financial position, beginning period	15,316	0	0
Depreciations	724	0	0
Value of leases, end of the period	14,592	0	0
Total	275,232	309,058	261,684

Note	Q1 2020 DKK'000	Q1 2019 DKK'000	FY 2019 DKK'000
13 Other assets			
Positive market value of derivative financial instruments	35,904	22,160	13,801
Interest and commission receivable	86,725	85,453	104,750
Investments in BEC	242,278	201,267	242,278
Other assets	39,142	61,632	55,099
Total	404,049	370,512	415,928
14 Other liabilities			
Negative market value of derivative financial instruments	41,465	25,259	15,852
Various creditors	517,667	431,092	447,057
Interest and commission payable	23,761	22,400	15,751
Lease liabilities	15,014	0	0
Other liabilities	16,237	18,684	16,769
Total	614,144	497,435	495,429
15 Subordinated debt			
Tier 2 capital	347,251	372,750	347,015
A nominal DKK 225 million will fall due on 16 August 2027 with an option for early redemption on 16 August 2022 subject to the Financial Supervisory Authority's approval. The capital accrues interest at a fixed 6.50% until 16 August 2022, after which it accrues interest at a floating rate of CIBOR6 plus a credit spread. The capital meets the tier 2 capital requirements under CRR/CRD IV.			
A nominal DKK 125 million will fall due on 28 August 2029 with an option for early repayment on 28 August 2024 subject to the Financial Supervisory Authority's approval. The capital accrues interest at a fixed 3.75% until 28 August 2028, after which it accrues interest at a floating rate of CIBOR6 plus a credit spread. The capital meets the requirements under CRR/CRD IV.			
Total	347,251	372,750	347,015
15 Charged as an expense under interest expenses/subordinated debt:			
Interest expenses	4,802	6,302	23,539
Costs related to incurrence and repayment	236	169	788
Total	5,038	6,471	24,327
Subordinated debt that can be included in the total capital	347,251	325,433	347,015

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Notes

Note	Q1 2020 DKK'000	Q1 2019 DKK'000	FY 2019 DKK'000
16			
Share capital			
Share capital	895,982	895,982	895,982
Number of shares (units of DKK 1)	895,981,517	895,981,517	895,981,517
Number of own shares, beginning of the period			
Number of own shares (thousands)	173	173	173
Nominal value DKK'000	173	173	173
Percentage of the share capital	0.0%	0.0%	0.0%
Additions			
Purchase of own shares (thousands)	7,039	2,701	38,103
Nominal value DKK'000	7,039	2,701	38,103
Percentage of the share capital	0.8%	0.3%	4.3%
Total purchase price DKK'000	22,522	6,590	131,720
Disposals			
Sold own shares (thousands)	7,039	2,701	38,103
Nominal value DKK'000	7,039	2,701	38,103
Percentage of the share capital	0.8%	0.3%	4.3%
Total selling price DKK'000	22,522	6,590	131,720
Number of own shares, end of reporting period			
Number of own shares (thousands)	173	173	173
Nominal value DKK'000	173	173	173
Percentage of the share capital	0.0%	0.0%	0.0%
Own shares are intermediated, purchased and sold through the securities exchange as part of Vestjysk Bank's normal customer banking transactions. The Bank is not a direct counterparty in such transactions.			
Vestjysk Bank has a constant holding of own shares.			

Note	Q1 2020 DKK'000	Q1 2019 DKK'000	FY 2019 DKK'000
17 Capital			
Shareholders' Equity	2,854,978	2,426,016	2,801,167
Profit not recognised in total capital	-53,811	-66,935	-
Intangible assets	0	-348	-17
Prudent valuation	-6,460	-3,375	-4,343
Holdings in financial sector entities	-210,219	-195,087	-199,573
Deferred tax assets	-83,707	-57,201	-83,707
Common equity tier 1 capital	2,500,981	2,103,070	2,513,527
Additional tier 1 capital	155,000	230,000	155,000
Tier 1 capital	2,655,981	2,333,070	2,668,527
Tier 2 capital	347,251	325,433	347,015
Total capital	3,003,232	2,658,503	3,015,542
Total risk exposure	13,593,234	14,376,726	14,316,337
Common equity tier 1 capital ratio	18.4%	14.6%	17.6%
Tier 1 capital ratio	19.5%	16.2%	18.6%
Total capital ratio	22.1%	18.5%	21.1%
MREL- capital			
Total capital	3,003,232	2,658,503	3,015,991
MREL-capital	0	47,316	0
MREL- total capital	3,003,232	2,705,819	3,015,991
MREL-capital ratio	22.1%	18.8%	21.1%
18 Contingent assets			
Deffered tax asset at a tax rate of 22% The deferred tax asset is primarily related to carry forward taxable deficits. It is the Banks assessment that there is no basis for recognition of all of the deffered tax asset presently. Therefore, the deferred tax is partly recognised at DKK 98 million in the financial statement. The remaining deffered tax asset is treated as a contingent asset which is not recognised in the Statement of Financial Position.	473,561	537,339	480,480

Financial statements

Notes

Note	Q1 2020 DKK'000	Q1 2019 DKK'000	FY 2019 DKK'000
19 Contingent liabilities			
Guarantees			
Financial guarantees	663,540	448,127	741,057
Loss guarantees on mortgage loans	2,129,932	2,038,846	2,172,001
Other contingent liabilities	997,328	838,843	1,052,605
Total	3,790,800	3,325,816	3,965,663
'Other contingent liabilities' include, among other things, performance bonds, delivery guarantees as well as provisions of indemnity in relation to the Guarantee Fund.			
Other commitments			
Irreversible credit commitments	12,910	10,958	144,799
Other liabilities	0	18,497	12,554
Total	12,910	29,455	157,353
Security pledged			
Credit institutions:			
Margin accounts pledged as security in relation to financial derivatives	16,317	17,239	14,391
Deposited in the Danish Growth Fund	406	455	455
Bonds:			
Pledged as security for credit facility with Danmarks Nationalbank			
Total nominal value	1,251,585	927,168	942,470
Total market value	1,253,553	936,510	948,682

20 Pending litigation

Vestjysk Bank is a party to various lawsuits. The proceedings are evaluated on an ongoing basis, and requisite provisions are made based on an assessment of the risk of losses.

The pending proceedings are not expected to have material influence on the Bank's financial position.

Note	Q1 2020	Q1 2019	FY 2019
21			
Financial highlights			
Key figures			
Statement of income (DKKm)			
Net interest income	118	125	510
Net fee income	84	75	329
Dividends on shares etc.	0	0	29
Value adjustments	-4	20	185
Other operating income	0	1	2
Core income	198	221	1,055
Staff costs and administrative expenses	123	120	477
Other operating expenses and depreciation, amortisation and impairment of property plant, equipment and intangible assets	3	3	31
Operating expenses and operating depreciation and amortisation	126	123	508
Core earnings before impairment	72	98	547
Impairment of loans and receivables, etc.	12	22	64
Profit before tax	60	76	483
Tax	3	4	5
Profit after tax	57	72	478
	Q1 2020	Q1 2019	FY 2019
Statement of financial position (DKKm)			
Assets, total	21,102	21,266	22,192
Loans	9,966	10,947	10,221
Deposits, including pooled schemes	16,602	17,590	18,276
Guarantees etc.	3,791	3,326	3,966
Custody services	7,720	8,235	8,708
Arranged mortgages	31,297	29,199	30,749
Business volume	30,359	31,863	32,463
Business volume including custody services and arranged mortgages	69,376	69,297	71,920
Equity	3,010	2,656	2,956

