

Jyske Bank 2019

25 February 2020



Satisfied clients and good products

- According to a Voxmeter survey, we had the most satisfied personal clients among the Danish SIFs, and for the fourth year running the most satisfied private-banking clients.
- For the third time, we were named Best in Test – “Particularly for consumers with high home equity” - by the magazine “Forbrugerrådet Tænk Penge” from the Danish Consumer Council.



Positive trend in investment activities

- Particularly during the last part of the year, client demand for the bank's investment products increased.
- Most asset classes generated positive returns in 2019, and Danish mutual funds reported the highest return in ten years.



Negative interest rates and wave of mortgage refinancing

- We were the first one to introduce 10-year mortgage loans with a negative interest rate, and we introduced negative deposit rates for personal clients.
- 2019 was affected by strong refinancing activity due to the falling interest rates.



Sustainability on the agenda

- We have become signatories of the UN Principles for Responsible Banking, and we were an active participant in the preparation of the recommendations from Forum for Sustainable Finance.
- We financed the first Danish wind park project without government subsidies on the harbour in Hirtshals.
- It is Jyske Bank's ambition that our power consumption will be carbon neutral as of 2021 through own production of renewable energy.



AML efforts

- Possibility of requesting clients with a business registration number (CVR) to use an approved auditor.
- No cashier's desks nor outdoor ATMs at Jyske Bank's 98 branches, and three branches will become “cashless” in H1 2020.
- Withdrawal limits reduced from DKK 15,000 to DKK 10,000 per banking day.
- Cash withdrawal only available to non-clients during opening hours.
- Number of cash withdrawals reduced by almost 50% in five years.

Net profit of DKK 2,440m, equal to 7.1% return on equity in 2019

Business volumes

- Lending (excl. repo) up 1% y/y, as growth in mortgage and leasing activities was counteracted by pressure on bank lending.
- Assets under management grew 21% due to strong net inflow and healthy market returns.

Core income

- Net interest income down 6%, primarily due to pressure on bank lending volumes and margins as well as higher funding costs.
- Net fee income picks up mainly due to higher refinancing activity and performance-related fees.
- Value adjustments up due to positive development in financial markets and narrowing of credit spreads.

Core expenses up by 3% y/y, primarily caused by yearly salary increase and a lower impact from positive one-offs.

Investment portfolio earnings at level of 2018 adjusted for Nordjyske Bank position. Flattening of yield curves had negative impact in 2019.

Core profit and profit for the period

DKKm

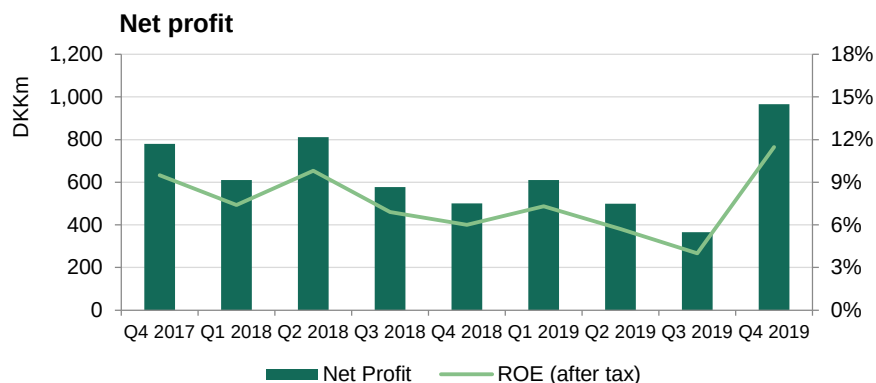
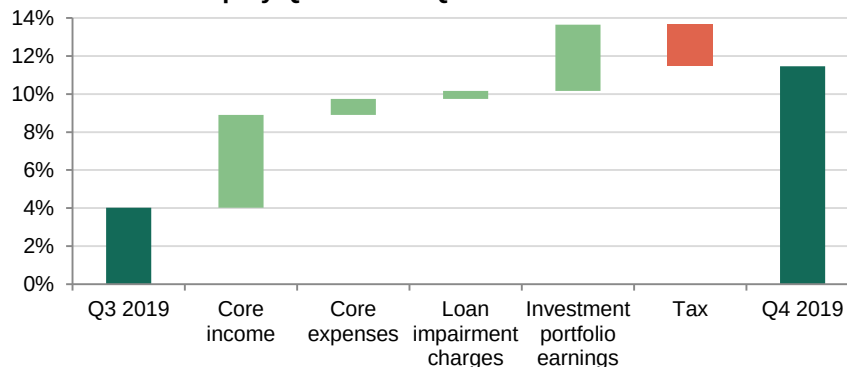
	2019	2018	Index 19/18	Q4 2019	Q3 2019	Index Q4/Q3
Net interest income	5,152	5,505	94	1,270	1,279	99
Net fee and commission income	2,311	1,973	117	653	611	107
Value adjustments	342	-23	-	252	-95	-
Other income	154	463	33	41	7	586
Income from operating lease (net)	101	81	125	15	28	54
Core income	8,060	7,999	101	2,231	1,830	122
Core expenses	5,029	4,896	103	1,213	1,275	95
Core profit before loan impairment charges	3,031	3,103	98	1,018	555	183
Loan impairment charges	-101	468	-	-64	-30	213
Core profit	3,132	2,635	119	1,082	585	185
Investment portfolio earnings	-53	505	-	144	-136	-
Pre-tax profit	3,079	3,140	98	1,226	449	273
Tax	639	640	100	260	84	310
Profit for the period	2,440	2,500	98	966	365	265

Summary of balancesheet, end of period

DKKbn

	2019	2018	Index 19/18	Q4 2019	Q3 2019	Index Q4/Q3
Mortgage loans	338	326	104	338	339	100
Traditional bank loans	98	104	95	98	102	96
New home loans	3	6	57	3	4	85
Bank deposits	127	136	93	127	138	92
Assets under management	171	141	121	171	162	106

Return on equity Q4 2019 vs. Q3 2019



Net interest income under pressure

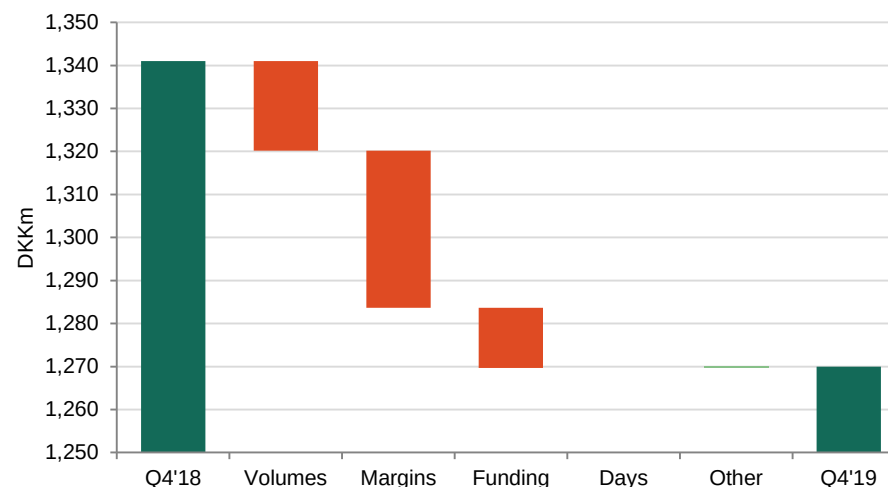
Q4 2019 vs. Q4 2018: Net interest income down 5% y/y

- Lending growth in mortgage and leasing activities counteracted by pressure on bank lending volumes.
- Pressure on margins in banking, mortgage and leasing activities.
- Higher funding costs due to issuance of NPS debt.
- Lower net interest income from trading activities.

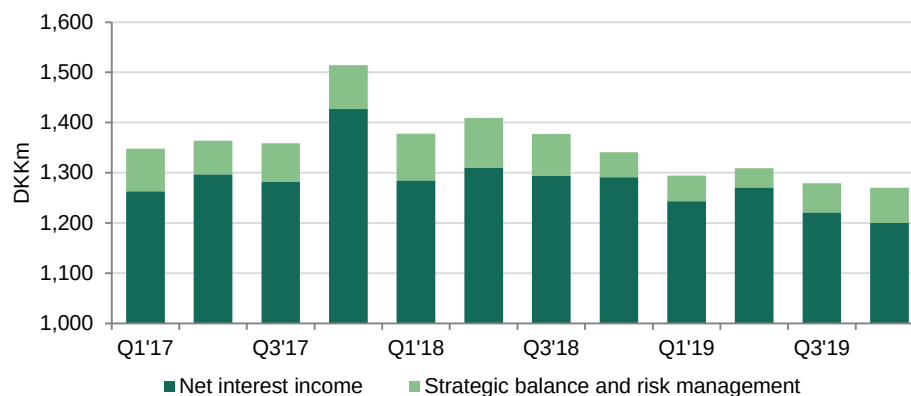
Q4 2019 vs. Q3 2019: Net interest income down 1% q/q

- Decrease mainly driven by lower bank lending volumes.
- Slightly lower bank lending and mortgage margins.
- Lower net interest income from trading activities.
- Net interest income from strategic balance and risk management rose.

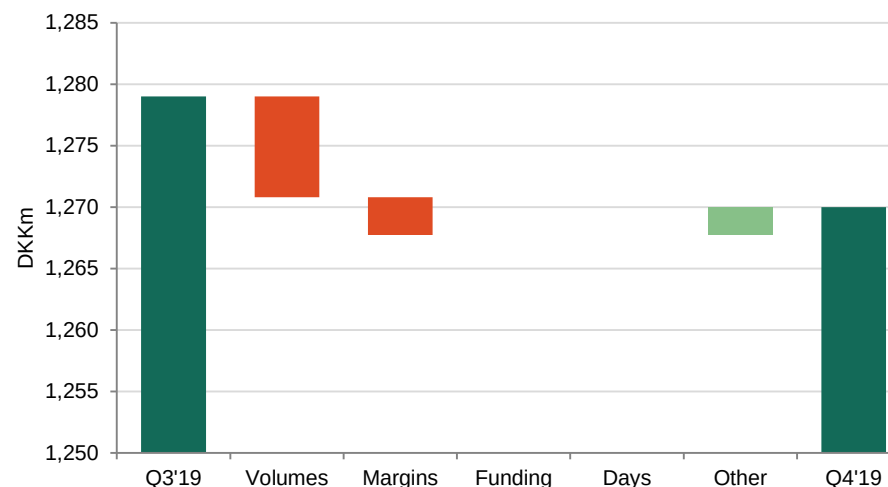
Net interest income Q4 2019 vs. Q4 2018



Net interest income



Net interest income Q4 2019 vs. Q3 2019



Net interest income and value adjustments excl. strategic balance and risk management (DKKm)

	2019	2018	Index 19/18	Q4 2019	Q3 2019	Index Q4/Q3
Net interest income	4,936	5,180	95	1,200	1,252	96
Value adjustments	399	199	201	162	24	675

Note: Comments on volumes are adjusted for the reclassification of lending and deposits of Jyske Bank (Gibraltar) Ltd. as of Q4 2019.

Negative interest rates: The Danish central bank's main policy rate has been negative for more than five years in a row.

High propensity to save and low investment demand: Bank deposit surplus rose 8% in 2019 to DKK 27bn.

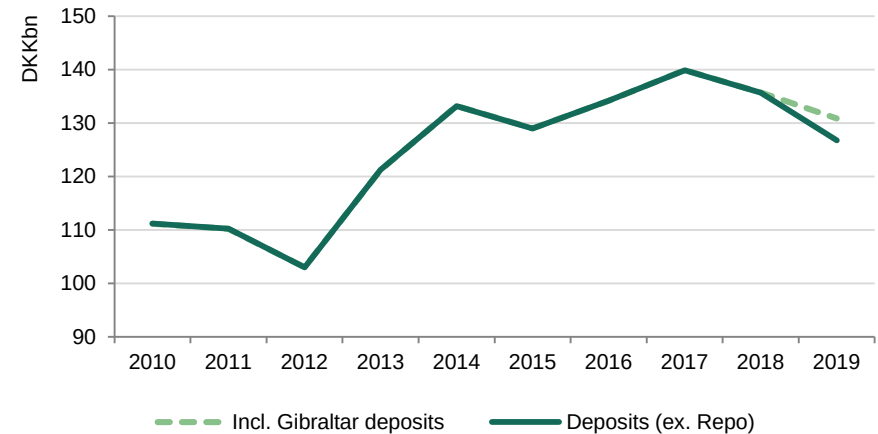
Negative deposit rate on private clients' deposits

- -75bp on deposits > DKK 750K from 1 Dec. 2019 (DKK ~10bn gross).
- -75bp on deposits > DKK 250K from 1 May 2020 (DKK ~25bn gross).

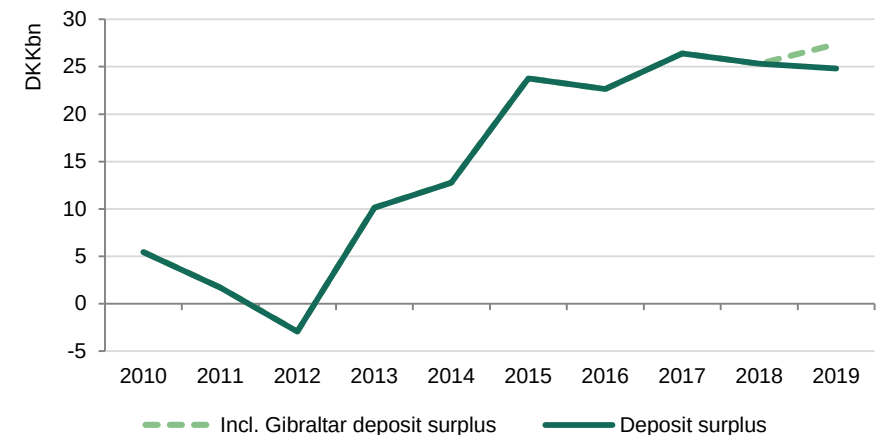
Preliminary feedback from private clients

- Clients invest, accept the standard terms, restructure their deposits, reduce debt or increase spending.
- Indicates low net impact on net interest income and a somewhat positive effect on assets under management.

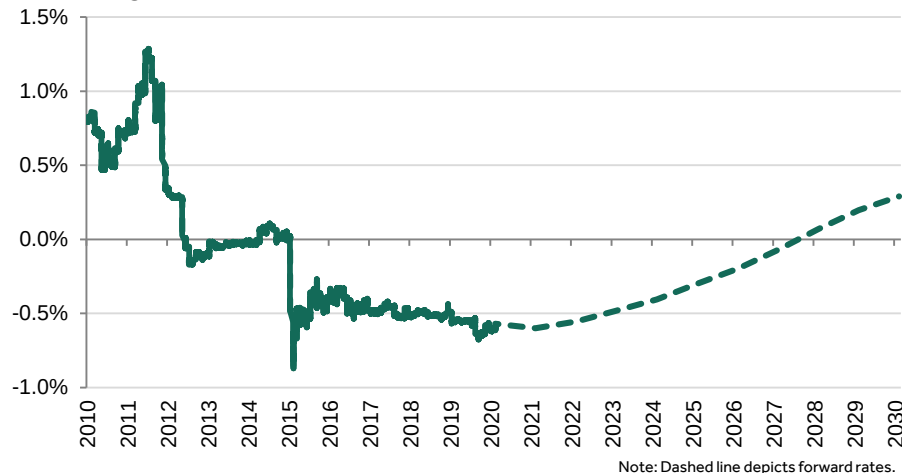
Bank deposits (ex. repo)



Bank deposit surplus



CITA 1M



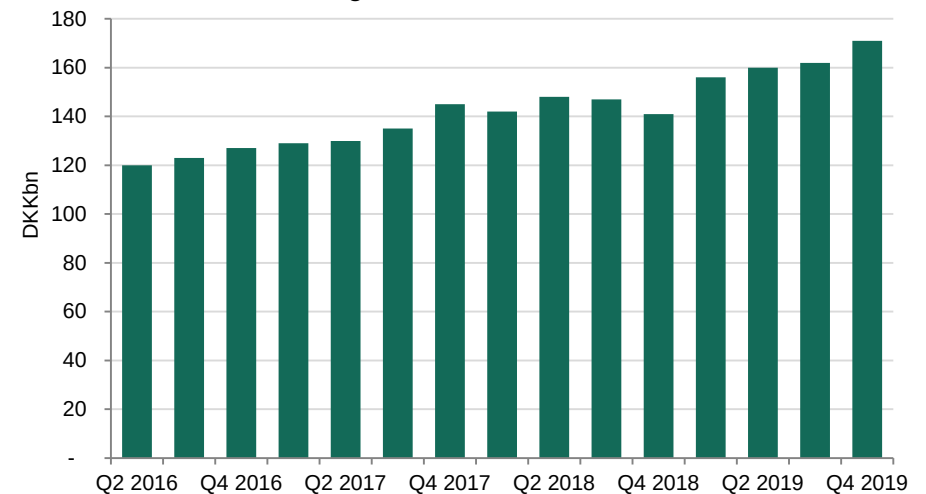
Q4 2019 vs. Q4 2018:

- Assets under management up 21% y/y due to a positive development on financial markets and a positive net inflow.
- Bank lending down 6% due to low demand and high propensity to save. Leasing up 9% from positive structural trend.
- Nominal mortgage lending up 3%, partly due to higher real estate prices.

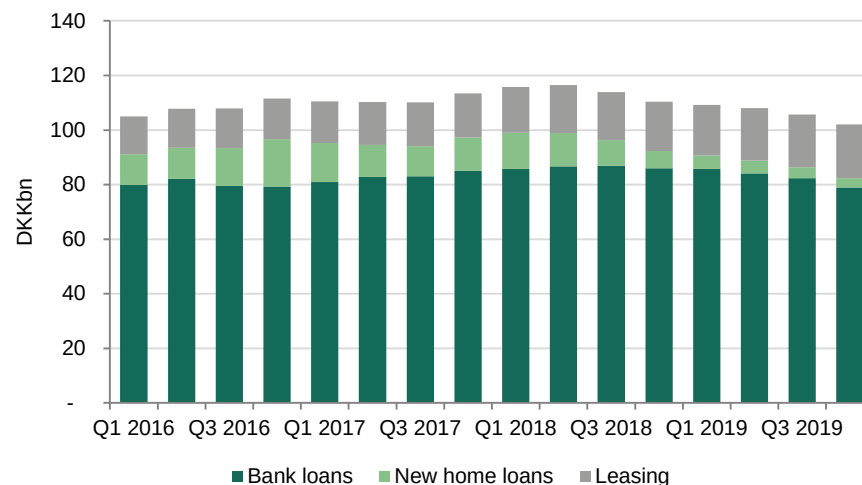
Q4 2019 vs. Q3 2019:

- Assets under management up 6% q/q due to a positive development on financial markets and a significant positive net inflow.
- Bank lending down 2%, leasing up 2%.
- Nominal mortgage lending up 1%.

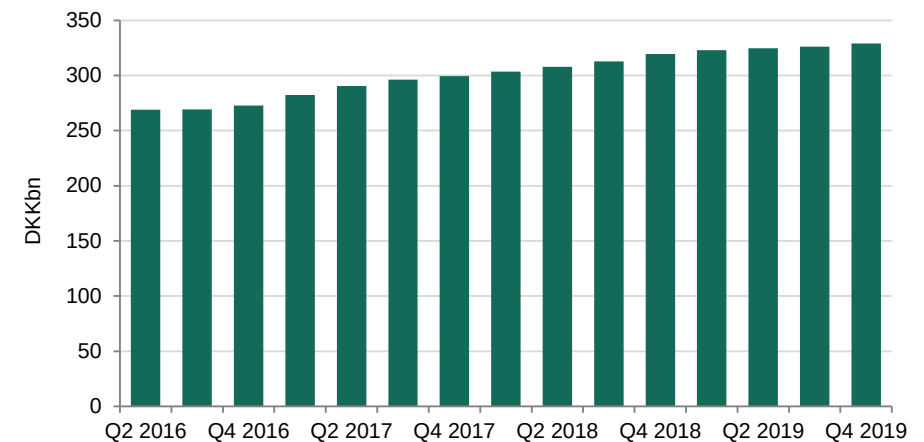
Assets under management



Leasing and banking activities



Mortgage lending (nominal)



Net fee income showing strong momentum

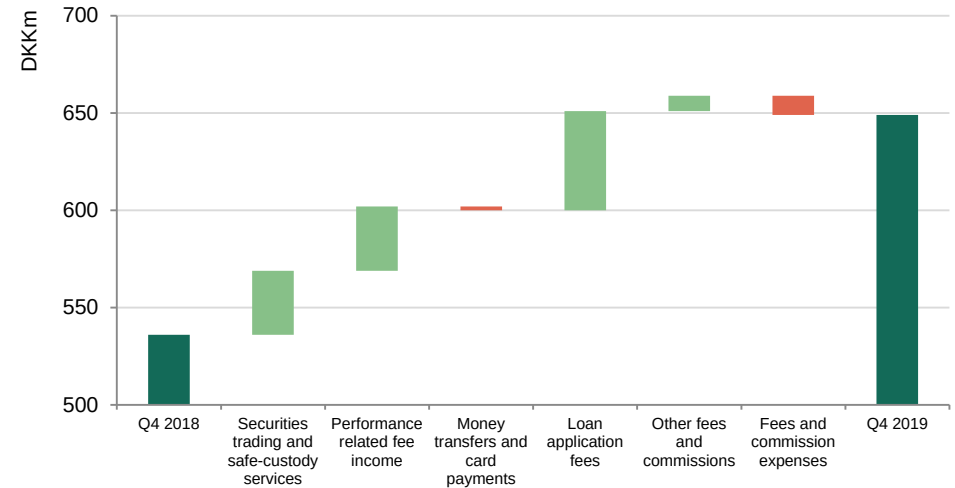
Q4 2019 vs. Q4 2018: Net fee income up 22% y/y

- Very high remortgaging activity.
- Performance-related fee income of DKK 33m.
- Net inflow of assets under management, which was up 21% y/y.

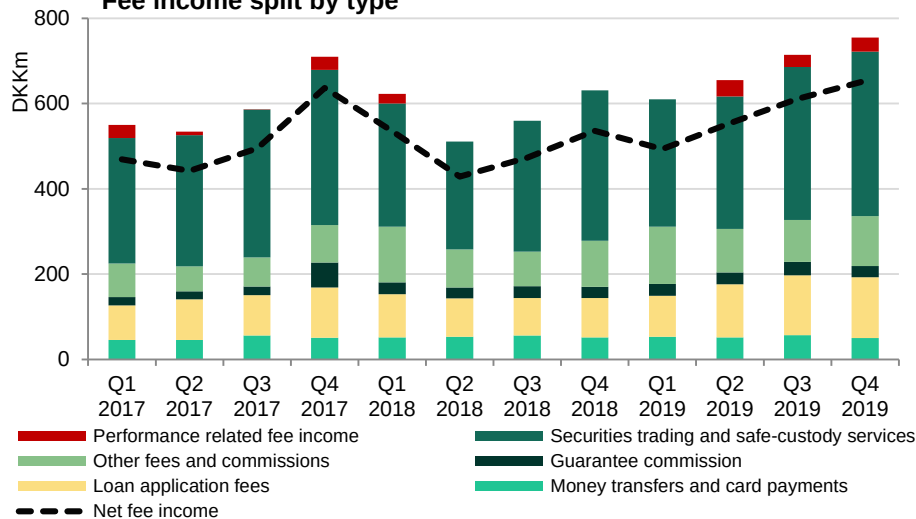
Q4 2019 vs. Q3 2019: Net fee income up 7% q/q

- Higher seasonal fee income.
- Continued strong inflow of assets under management.
- Fee changes for a broad range of services.

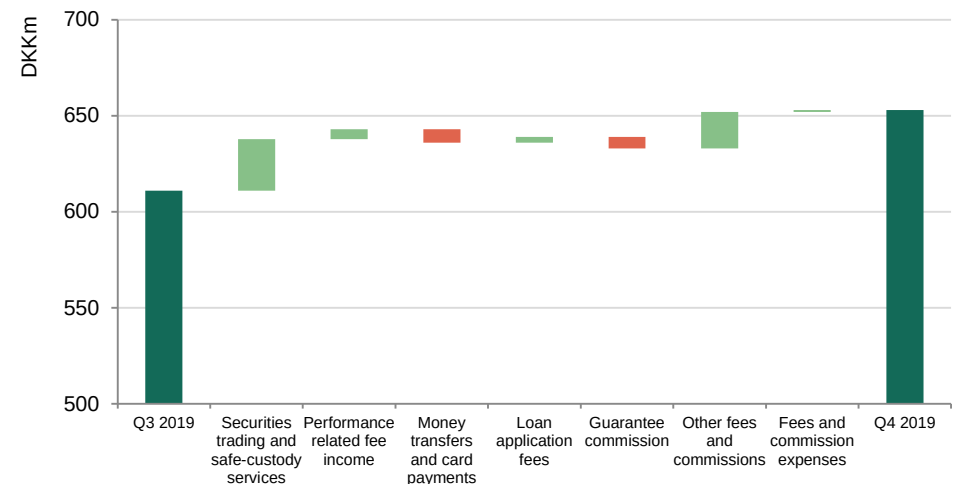
Net fee and commission income Q4 2019 vs Q4 2018



Fee income split by type



Net fee and commission income Q4 2019 vs. Q3 2019



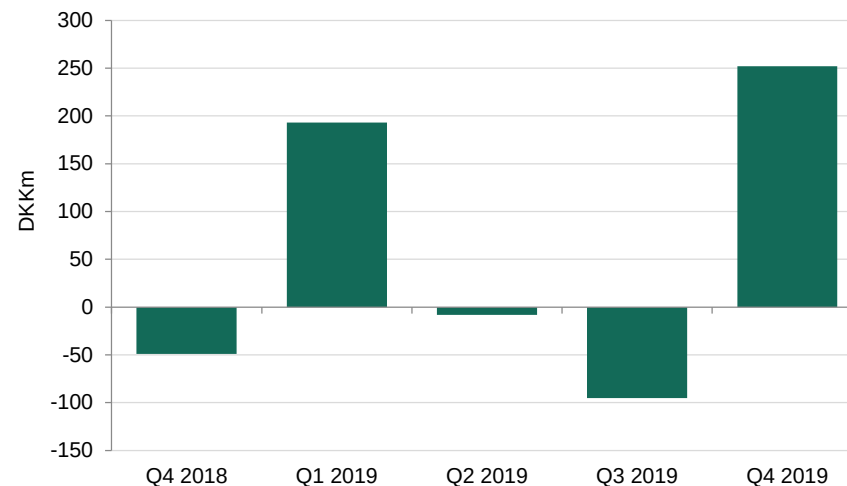
Q4 2019 vs. Q4 2018: Value adjustments up DKK 301m y/y

- Higher contribution from strategic balance and risk management (liquidity portfolio of approx. DKK 41bn, primarily consisting of Danish mortgage bonds).
- Higher value adjustments from clients' transactions relating to interest-rate hedging (swaps) due to rising interest rates.
- Underlying value adjustments underpinned by positive market returns.

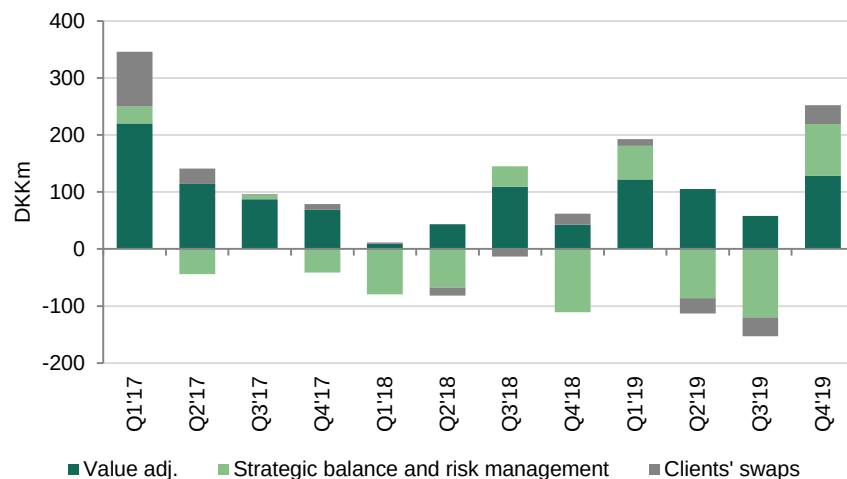
Q4 2019 vs. Q3 2019: Value adjustments up DKK 347m q/q

- Steepening of yield curves in Q4 helped value adjustments from strategic balance and risk management.
- Value adjustments of DKK 33m in Q4 2019 from clients' transactions relating to interest-rate hedging (swaps) due to rising interest rates.
- Underlying value adjustments supported by positive market returns and FX positions.

Value adjustments under core income



Value adjustments under core income



Strategic balance and risk management (DKKm)

	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018
Net interest income	50	38	18	27	32
Value adjustments	97	-84	-80	66	-83
Banking activities, total	147	-46	-62	93	-51
Net interest income	20	19	20	24	18
Value adjustments	-7	-35	-6	-7	-28
Mortgage activities, total	13	-16	14	17	-10
Jyske Bank Group, total	160	-62	-48	110	-61

Continued reduction of headcount

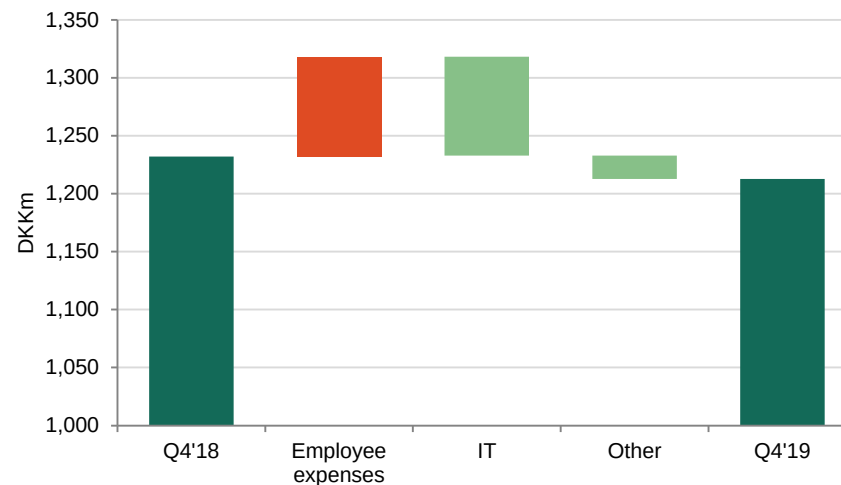
Q4 2019 vs. Q4 2018: Costs down 2% y/y

- Number of FTE's 3% lower y/y.
- Yearly increase in salaries prescribed by collective agreement (+2%).
- Higher payroll tax (15.0% vs. 14.5%).
- Positive one-off of DKK 65m in Q4 2018 and positive effects of DKK 114m in Q4 2019.

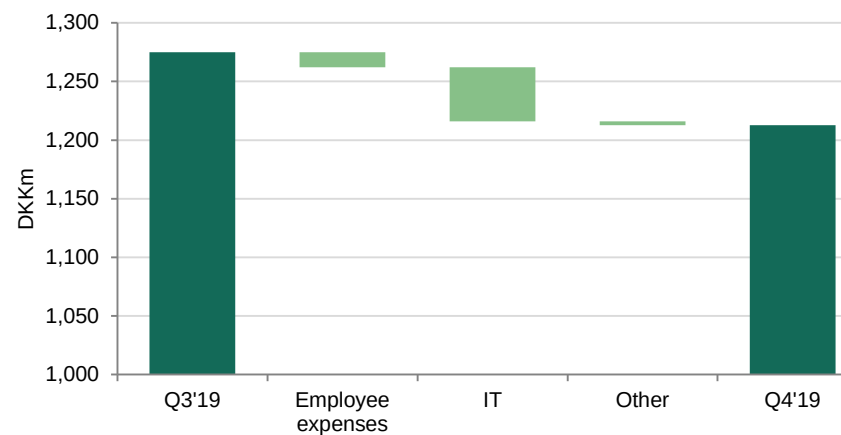
Q4 2019 vs. Q3 2019: Costs down 5% q/q

- Number of FTEs 3% lower q/q.
- Positive effects of DKK 114m in Q4 2019 stemming from two approx. equally sized components:
 - The other Bankdata member banks choosing to participate in the development of a new digital relationship bank (compensating for expenses booked in Q1-Q3).
 - Lower provisions for court cases and an adjustment of employee-related provisions.

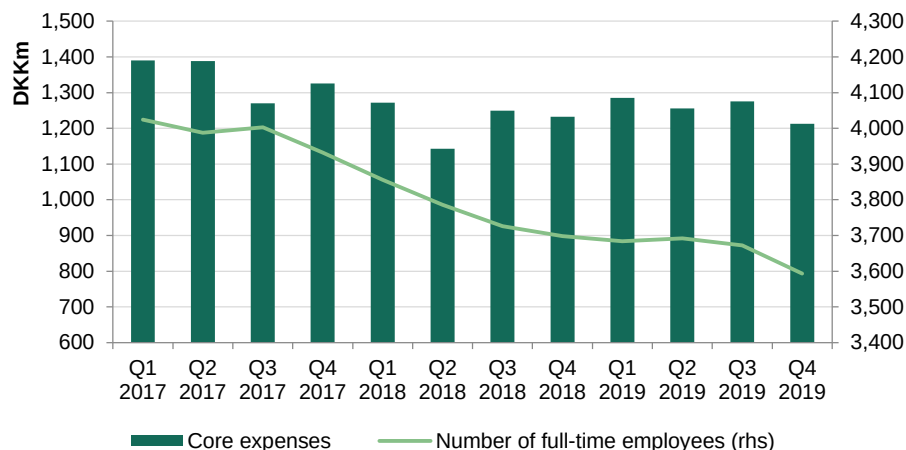
Costs Q4 2019 vs. Q4 2018



Costs Q4 2019 vs. Q3 2019



Core expenses and FTEs



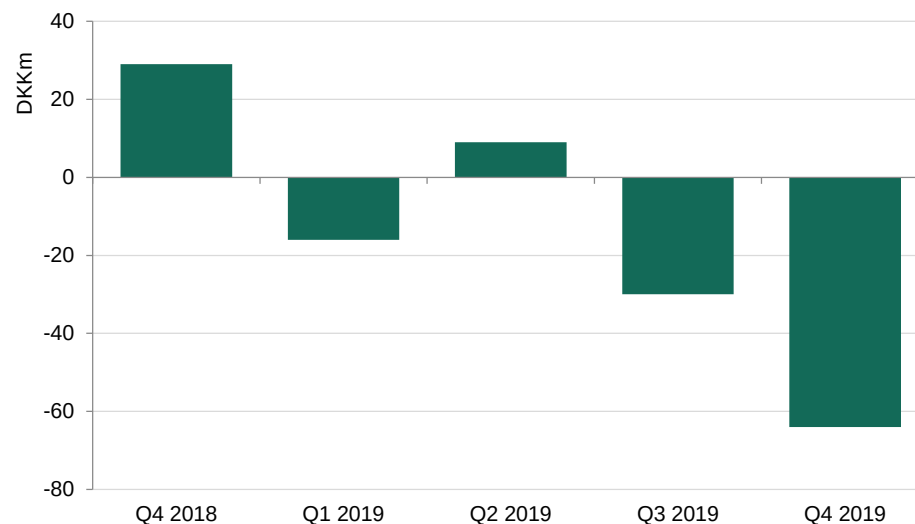
Q4 2019 vs. Q4 2018: Impairment charges down DKK 93m y/y

- Cost of risk of -5bp, down 7bp y/y.
- Management's estimate up, partly due to sector-wide letter of information from the Danish FSA.
 - DKK 589m (DKK 180m relating to agriculture) in Q4 2019.
 - DKK 511m (DKK 275m relating to agriculture) in Q4 2018.
- The increase in new non-performing loans remained at a low level in respect of both corporate and retail clients.

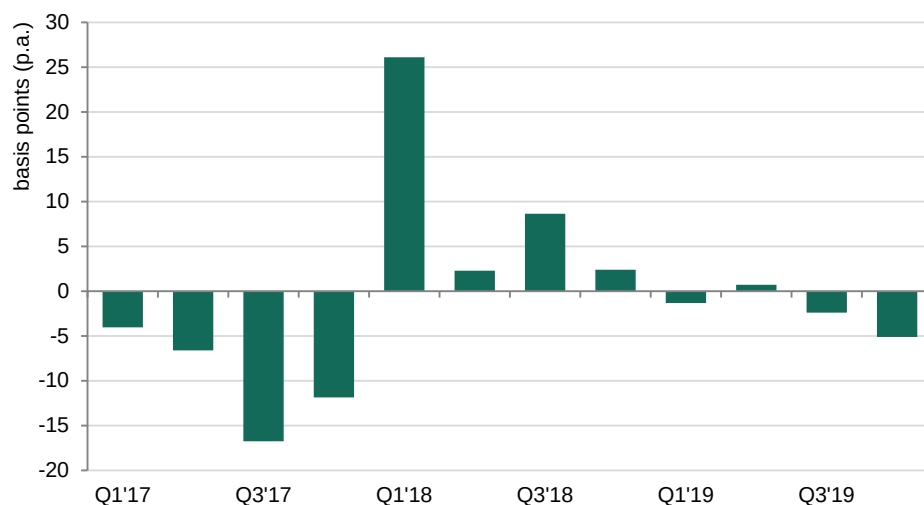
Q4 2019 vs. Q3 2019: Impairment charges down DKK 34m q/q

- Cost of risk down 3bp q/q.
- Management's estimate up DKK 120m q/q despite lower amount relating to agriculture.

Loan impairment charges



Cost of risk (annualised)



Loans, advances and guarantees - by IFRS 9 stages (DKKbn)

	Q4 2019			Q4 2018		
	Loans, advances and guarantees	Balance of impairment charges	Ratio	Loans and guarantees	Balance of impairment charges	Ratio
Stage 1	468.4	0.7	0.2%	449.1	0.6	0.1%
Stage 2	23.5	1.2	4.9%	26.0	1.3	4.8%
Stage 3	5.9	3.3	35.9%	6.5	3.6	35.6%
Total	497.8	5.1	1.0%	481.6	5.5	1.1%

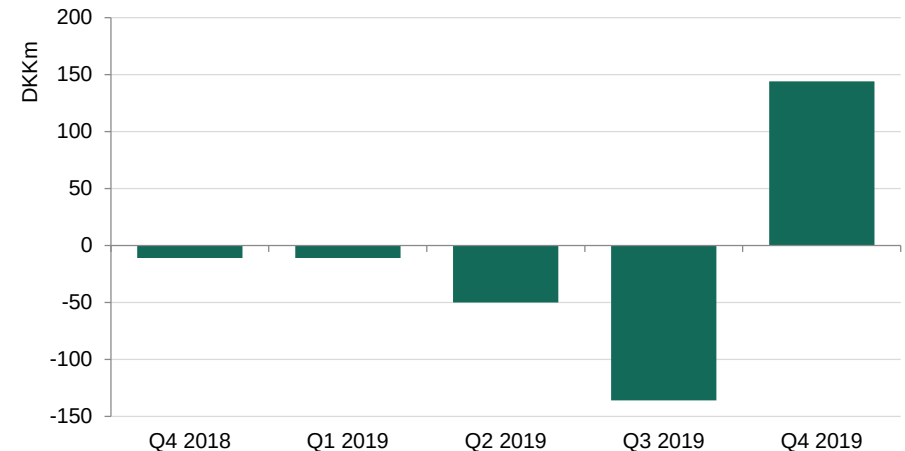
Q4 2019 vs. Q4 2018: Investment portfolio earnings up DKK 155m y/y

- Positive impact from being positioned for steepening of the yield curve in Q4 2019.
- FX positions also impacted investment portfolio earnings positively in Q4 2019.

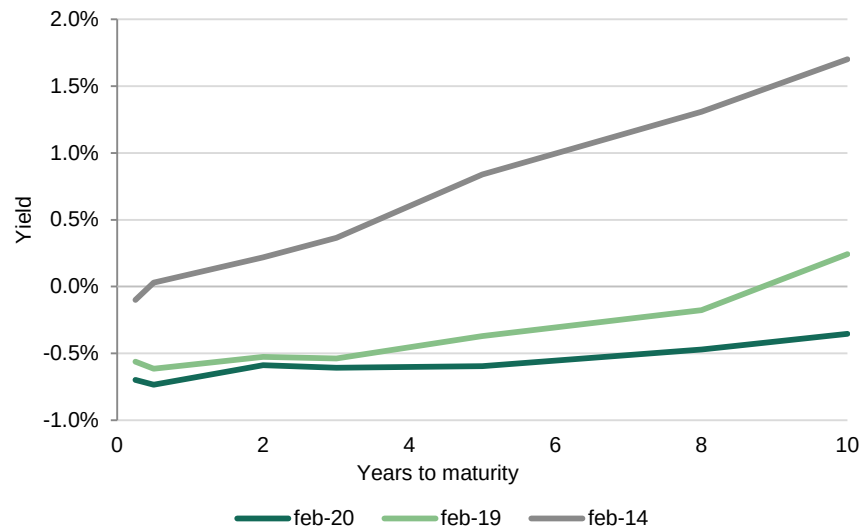
Q4 2019 vs. Q3 2019: Investment portfolio earnings up DKK 280m q/q

- While Q3 2019 was challenged by a yield curve steepener exposure, investment portfolio earnings in Q4 2019 saw a positive effect from the same positioning.
- Likewise, FX positions contributed positively in Q4 2019 following two difficult quarters.

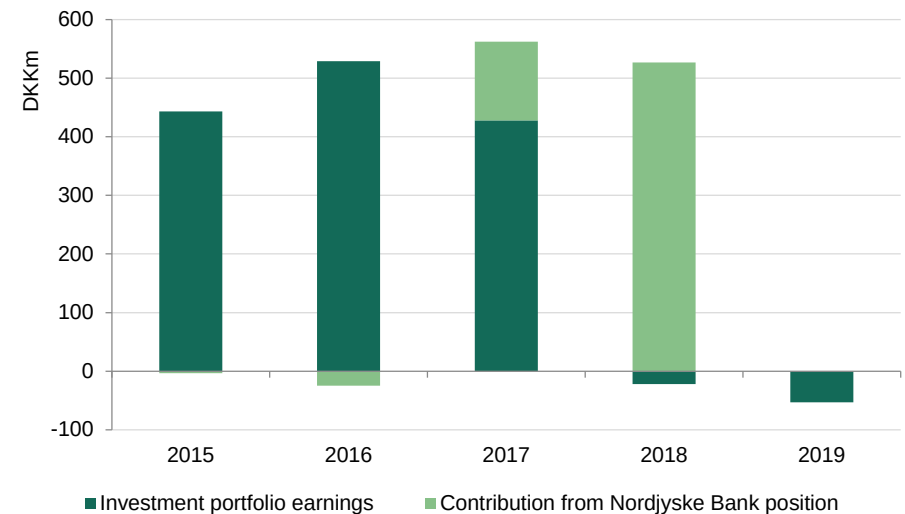
Investment portfolio earnings (quarterly)



Danish government bonds



Investment portfolio earnings (yearly)



Lending growth	Moderate
Total income	Lower than 2019 level
Expenses	Flat (underlying) vs. 2019 level
Impairment charges	Low level
Net profit	DKK 1.8-2.2bn
CET1 ratio	15-17%
Capital ratio	20-22%

Capital and Liquidity

Capital ratio of 21.5% and CET1 ratio of 17.4% Q4 2019 vs. targets of 20-22% and 15-17% for the next 2-3 years, respectively

- Higher earnings, lower bank lending, sale of DLR Kredit shares impacted capital position positively in Q4 2019.
- Effects of Basel IV/CRR regulation to be fully financed by 2022. Potential for capital distribution is assessed on a quarterly basis.

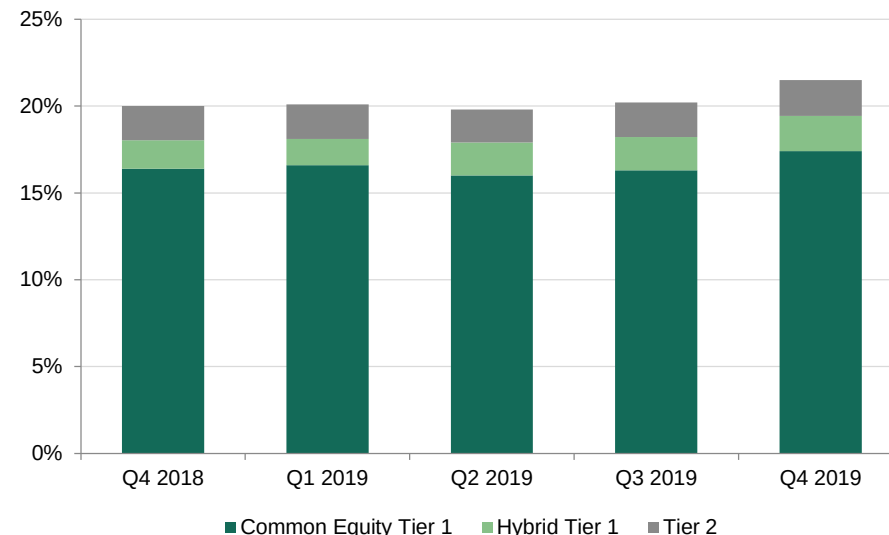
Defending and securing a stable S&P rating of A is a key priority

- S&P issuer credit rating upgraded: Preferred senior ratings upgraded to A/A-1 from A-/A-2. RAC ratio of approx. 12.1% end of 2019 vs. 10.3% end of 2018.

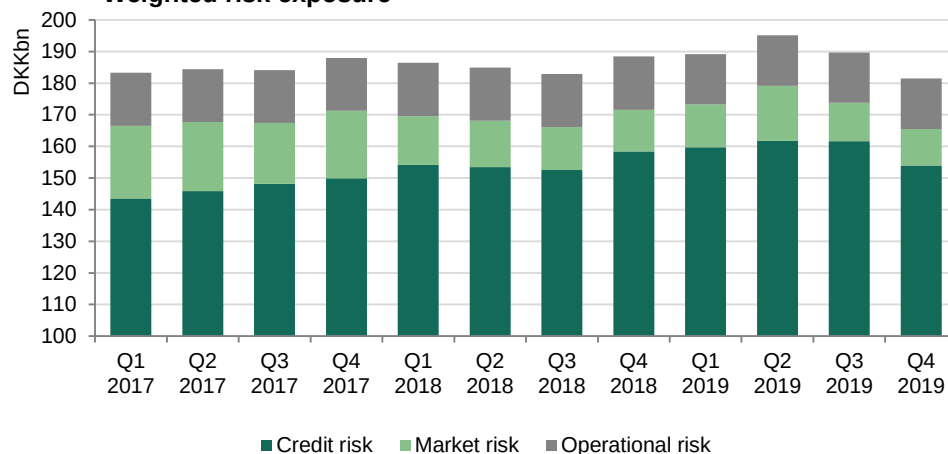
Ongoing share buy-back programme to be increased by DKK 500m and extended until 31st of July 2020.

Capital distribution since November 2015: Share buy-back programmes of DKK 6.75bn and dividends of DKK 2.5bn.

Capital ratios



Weighted risk exposure



Capital Distribution (time of announcement)



Minimum Requirement for own funds and Eligible Liabilities (MREL)

- Preferred senior issued before 2018 with residual maturity above 1 year are MREL-eligible until the end of 2021 and will gradually be replaced with non-preferred senior before 2022.
- EUR 750m non-preferred senior expected to be issued in 2020.

Liquidity buffer DKK 64bn end of 2019, similar to end of 2018.

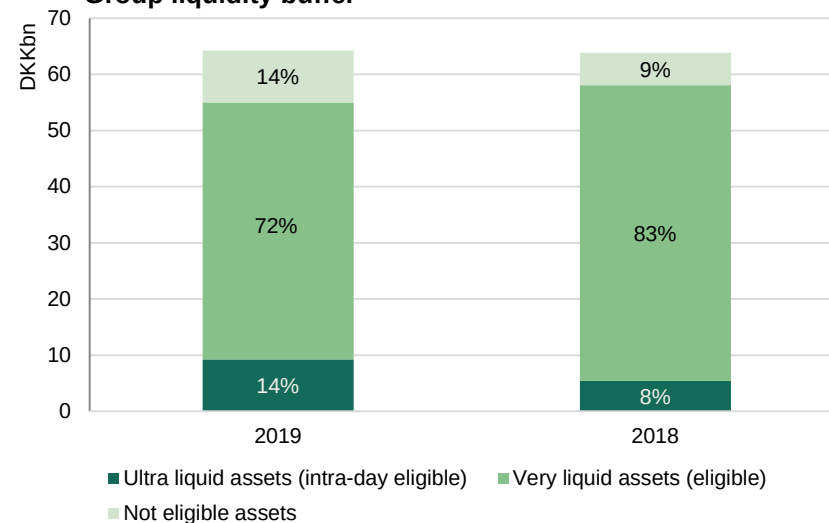
- 86% is highly liquid assets or eligible for repo transactions at central banks.

Group's LCR was 253% end of 2019 vs. 219% end of 2018 (target: >150%).

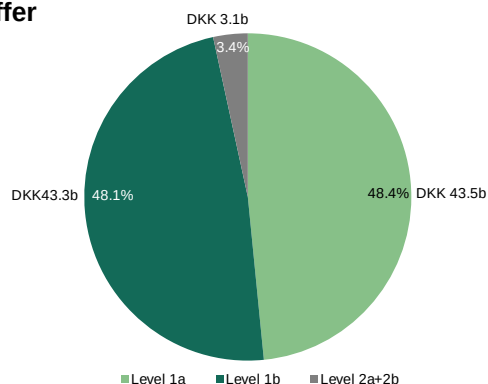
Liquidity benchmark based on simplified LCR with 90-days horizon brought into effect in the FSA's supervisory diamond: 241% end of Q4 2019.

Leverage ratio of 5.3% end of 2019 vs. 5.3% end of 2018.

Group liquidity buffer

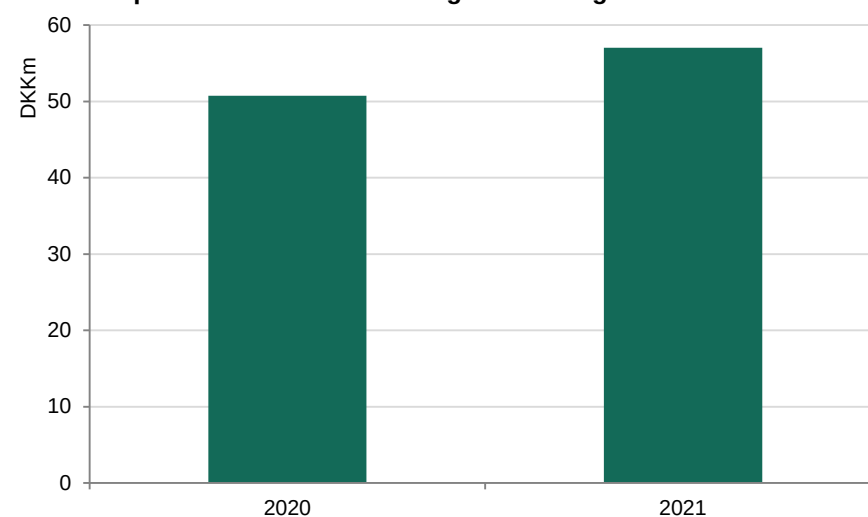


LCR liquidity buffer



Recent issues	Value date	Maturity	3M CIBOR spread
SEK 1bn AT1	09.04.2019	Perpetual (call 2024)	3M CIBOR + 470bp
EUR 500m NPS	20.06.2019	20.06.2024 (call 2023)	3M CIBOR + 83bp
EUR 200m T2	28.01.2020	28.01.2031 (call 2026)	3M CIBOR + 130bp

Expected accumulated change in funding costs vs. 2019



Note: Based on current expected spreads, run-off profile and funding plans for senior, NPS and capital instruments.

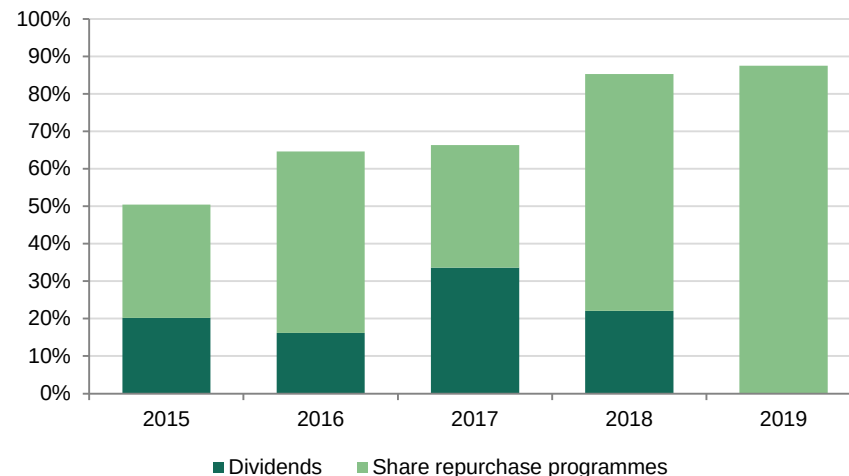
Appendices

- 1) Jyske Bank in brief and business segments
- 2) Danish Economy Q4 2019

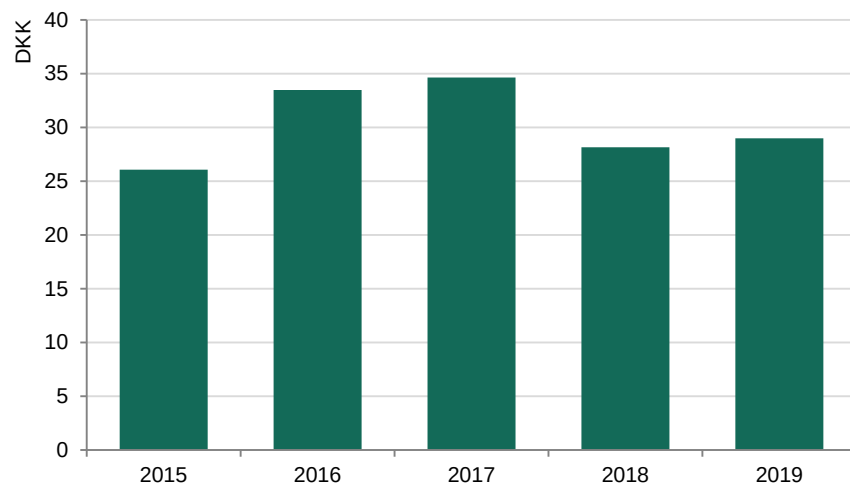
One of the largest financial institutions in Denmark

- Founded in 1967 by a merger of four local banks, now a Danish SIFI.
- Three complementary segments: The third largest bank in Denmark, the fourth largest mortgage credit institute and one of the largest leasing providers.
- Estimated total market share of approximately 12%.
- Danish play with strong presence through nationwide branch network.
- 77% of lending (excl. repo) is mortgage lending with low risk/margin in consolidated market.
- Solid capital position and high payout ratio.

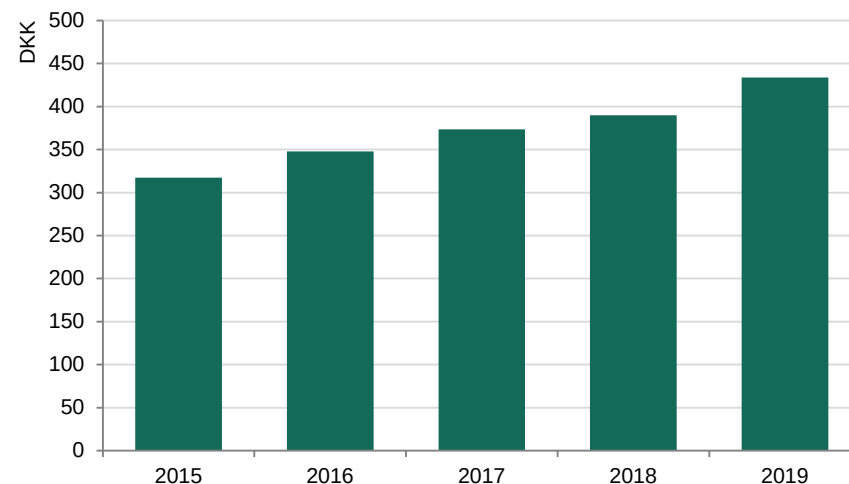
Payout ratio



Earnings per share



Book value per share



Jyske Bank Group key figures

Year	Profit before tax, DKKm	Net profit, DKKm	Shareholders' equity at year-end, DKKm	ROE after tax, average equity	Loans and advances, DKKbn	Deposits, DKKbn	Total assets, DKKbn	Number of FTEs
1997	584	443	4,772	9.6%	36.6	41.5	63.1	2,671
1998	710	511	5,173	10.3%	39.7	43.8	76.9	2,772
1999	1,276	897	5,421	16.9%	49.8	49.8	92.6	2,923
2000	1,255	1,083	5,887	19.2%	75.4	52.3	127.4	3,107
2001	890	623	6,174	10.3%	82.5	54.4	133.2	3,418
2002	1,083	511	6,658	8.0%	95.3	59.0	153.2	3,359
2003	1,809	1,284	7,843	17.7%	63.8	63.8	116.4	3,547
2004	1,960	1,407	7,858	17.9%	74.6	68.7	125.2	3,713
2005	2,174	1,701	9,477	19.6%	90.9	79.8	141.6	4,026
2006	2,810	2,134	9,637	22.3%	107.2	88.8	160.7	4,216
2007	2,273	1,735	9,704	17.9%	134.0	112.7	214.3	4,145
2008	1,307	988	10,722	9.7%	129.1	117.0	236.8	3,996
2009	597	471	12,523	4.1%	110.6	109.3	224.5	3,877
2010	1,003	757	13,352	5.9%	114.0	115.8	244.1	3,847
2011	601	493	13,846	3.6%	124.5	127.3	270.2	3,809
2012	851	596	15,642	4.0%	118.6	121.0	258.2	3,574
2013	2,301	1,808	17,479	10.9%	131.4	131.4	262.0	3,774
2014	3,103	3,089	27,561	13.7%	361.8	152.7	541.7	4,191
2015	3,204	2,476	30,040	8.6%	396.2	144.9	543.4	4,021
2016	3,906	3,116	31,038	10.1%	422.4	154.6	586.7	3,981
2017	4,002	3,143	32,023	9.7%	447.7	160.0	597.4	3,932
2018	3,140	2,500	31,786	7.6%	462.8	148.7	599.9	3,698
2019	3,079	2,440	32,453	7.1%	485.9	140.2	649.7	3,593

Average ROE after tax 1997 – 2019 of 11.5%

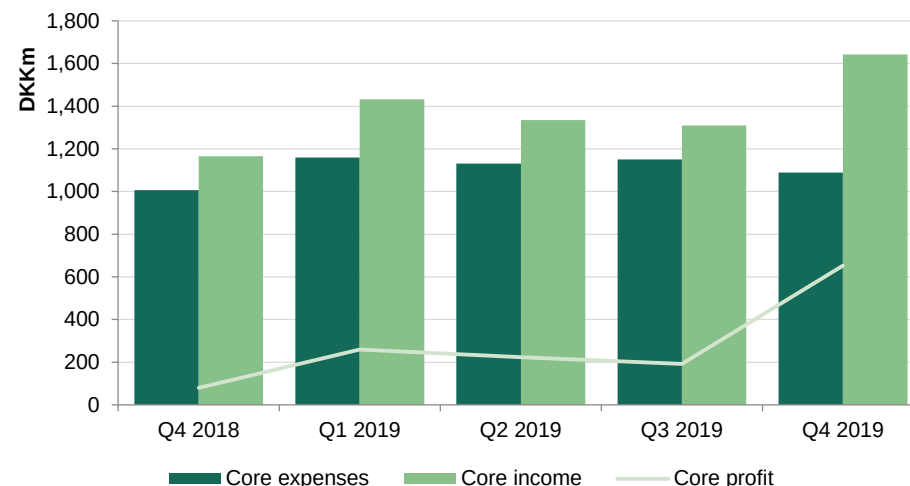
Q4 2019 vs. Q4 2018: Profit before tax up DKK 727m y/y

- Significantly higher value adjustments and investment portfolio earnings from a positive development in financial markets.
- Positive effect from elevated remortgaging activity and higher assets under management.
- Lending (excl. repo) down 7% due to low investment demand and high propensity to save.

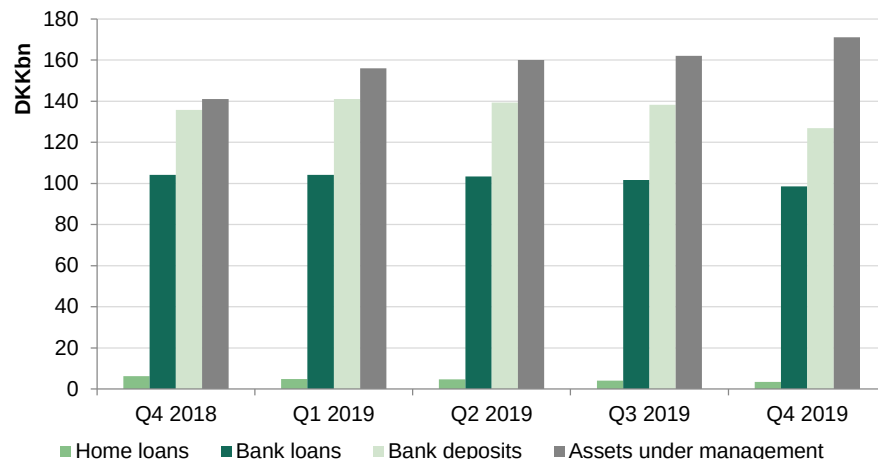
Q4 2019 vs. Q3 2019: Profit before tax up DKK 740m q/q

- Significantly higher value adjustments and investment portfolio earnings from yield curve steepener exposure.
- DKK 7bn lower bank deposits, partly caused by the introduction of negative deposit rates for private clients' deposits exceeding DKK 750,000.

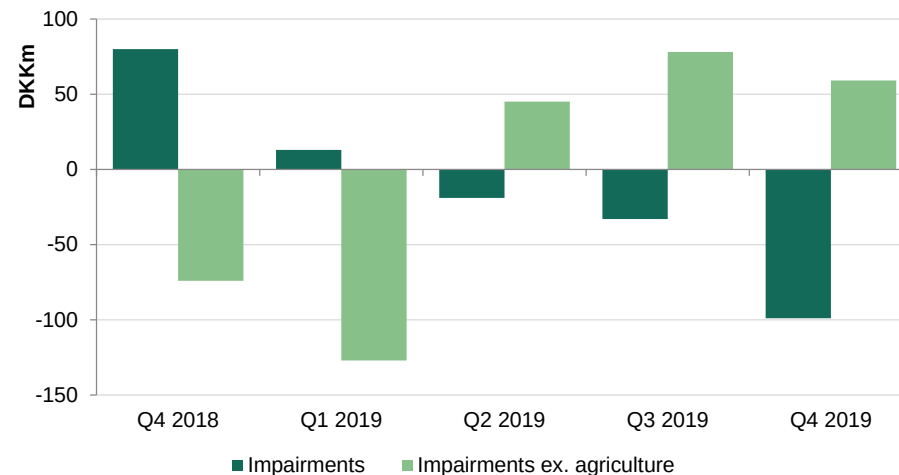
Financials (Banking)



Business volumes



Impairments (Banking)



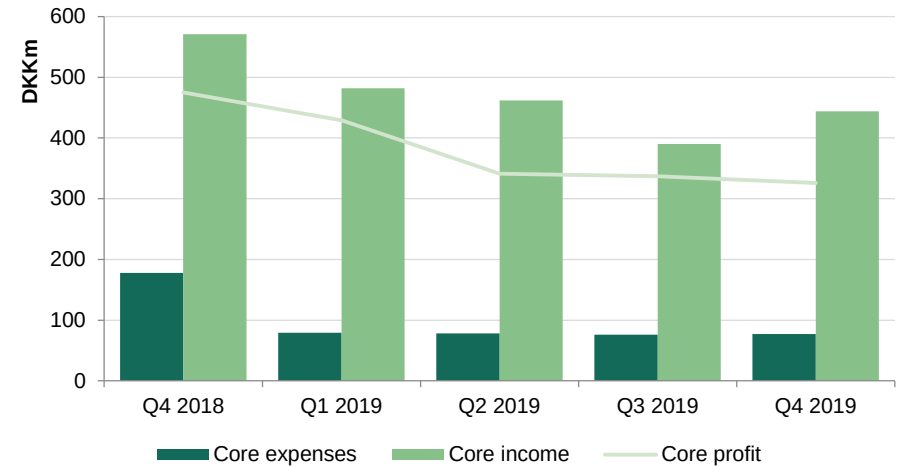
Q4 2019 vs. Q4 2018: Profit before tax down DKK 149m y/y

- Negatively affected by new intra-group settlement model and new intra-group service model between Jyske Bank A/S and Jyske Realkredit.
- Higher management's estimate in Q4 2019 impacted impairment charges negatively.
- Lending up 3% following elevated remortgaging activity.

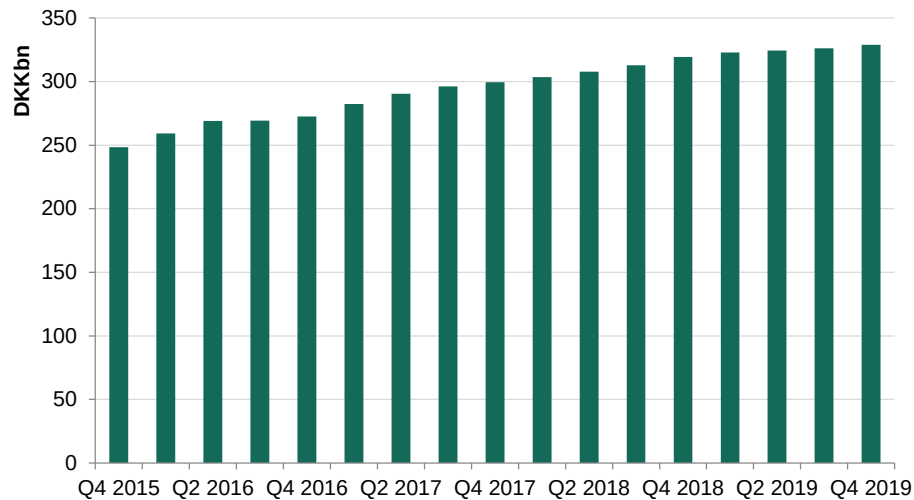
Q4 2019 vs. Q3 2019: Profit before tax down DKK 11m q/q

- Higher management's estimate in Q4 2019 impacted impairment charges negatively.
- Lower level of distribution fees paid to Jyske Bank A/S.
- Lending close to unchanged.

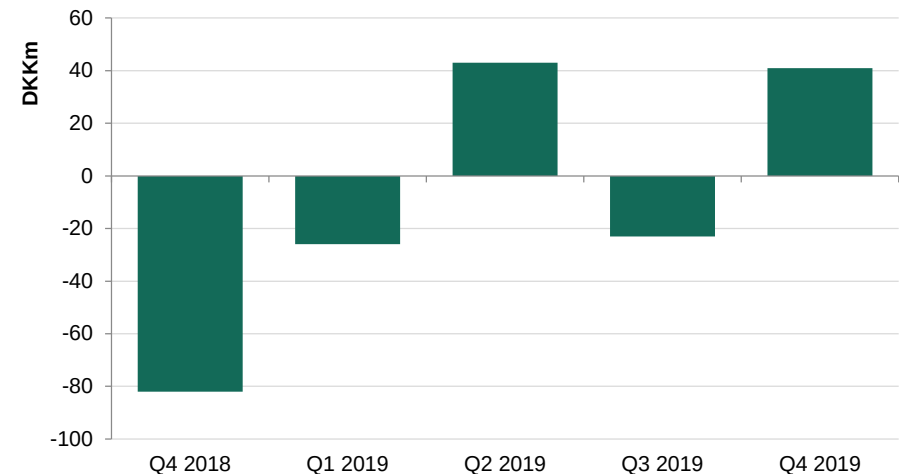
Financials



Business volumes (Jyske Realkredit, nominal values)



Impairments (Mortgage)



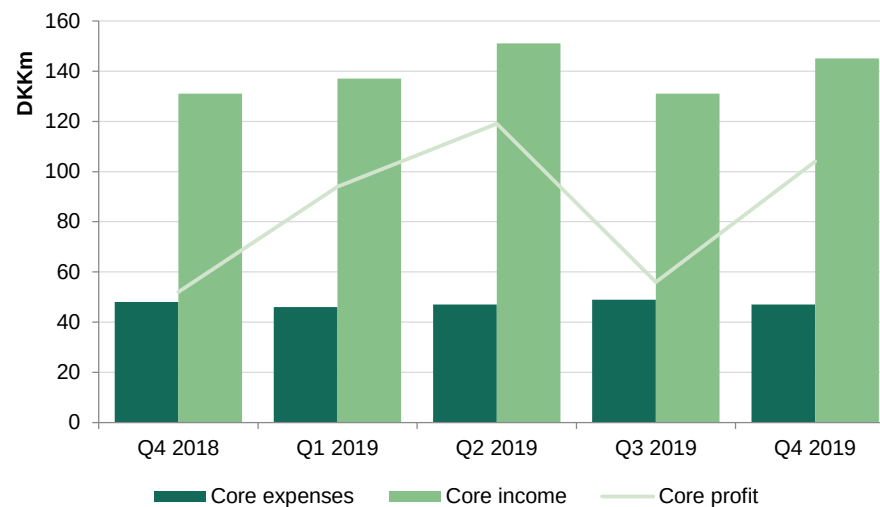
Q4 2019 vs. Q4 2018: Profit before tax up DKK 52m y/y

- 9% higher lending volumes partly counteracted by margin pressure.
- Net reversal of impairments in Q4 2019.

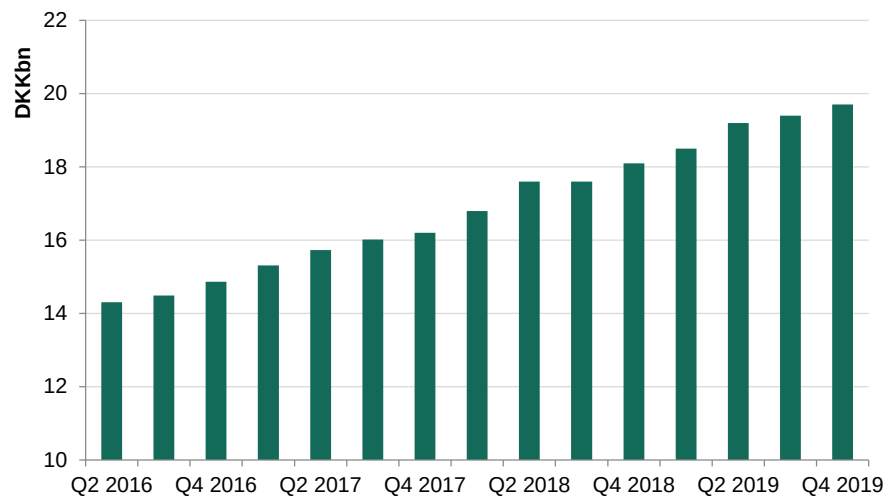
Q4 2019 vs. Q3 2019: Profit before tax up DKK 48m q/q

- Lending up close to 2% vs. Q3 2019.
- Net reversal of impairments in Q4 2019 and higher value adjustments.

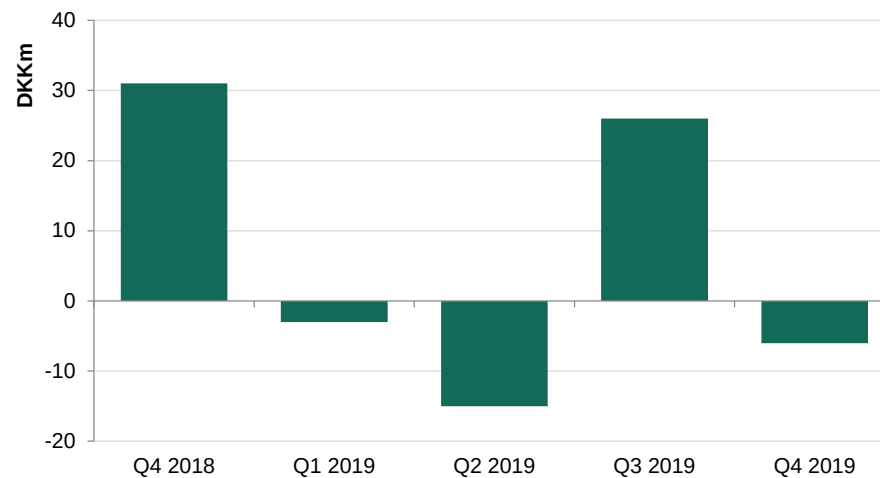
Financials (Leasing)



Business volumes - Leasing



Impairments (Leasing)



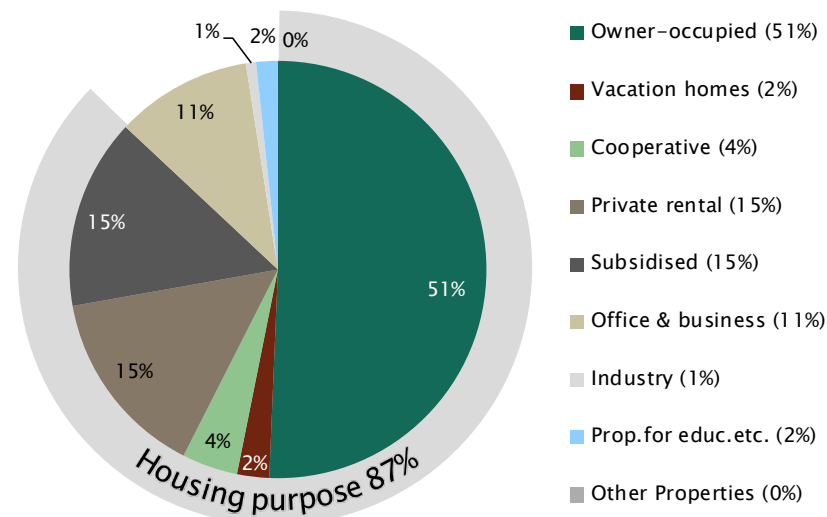
87% of lending to properties with housing purposes.

- No loans with swaps to co-operative housing.
- No lending to agriculture and other primary production.

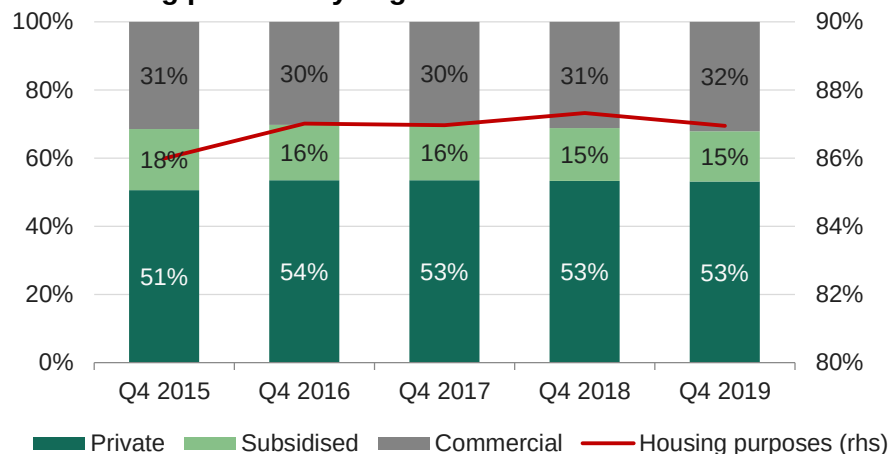
Continued increase in lending for the private residential segment and for the commercial segment.

Increasing share of mortgages with fixed rate and amortisation.

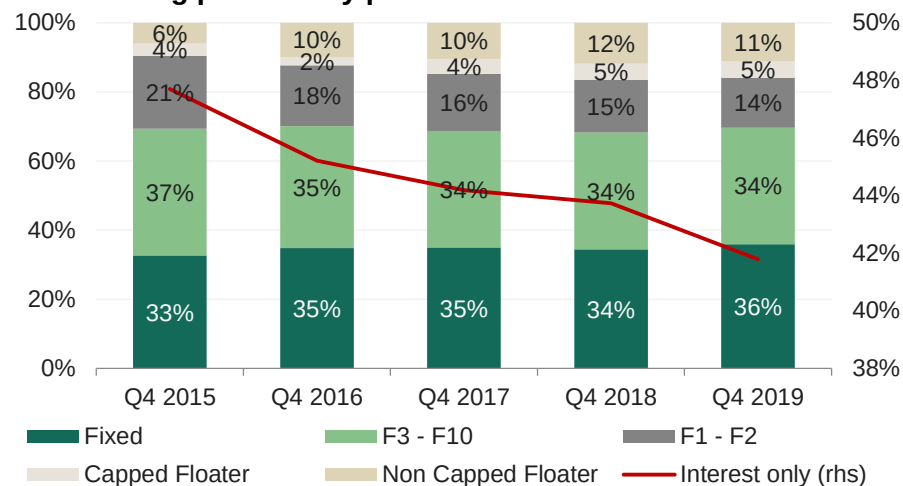
Lending portfolio split



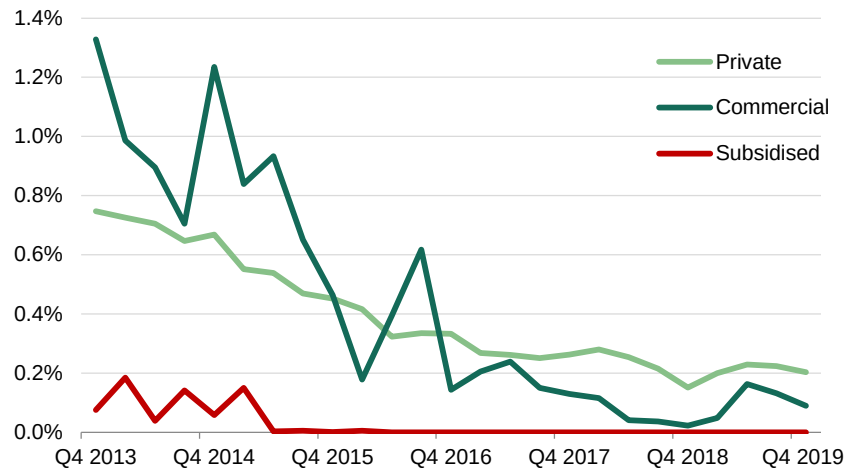
Lending portfolio by segment



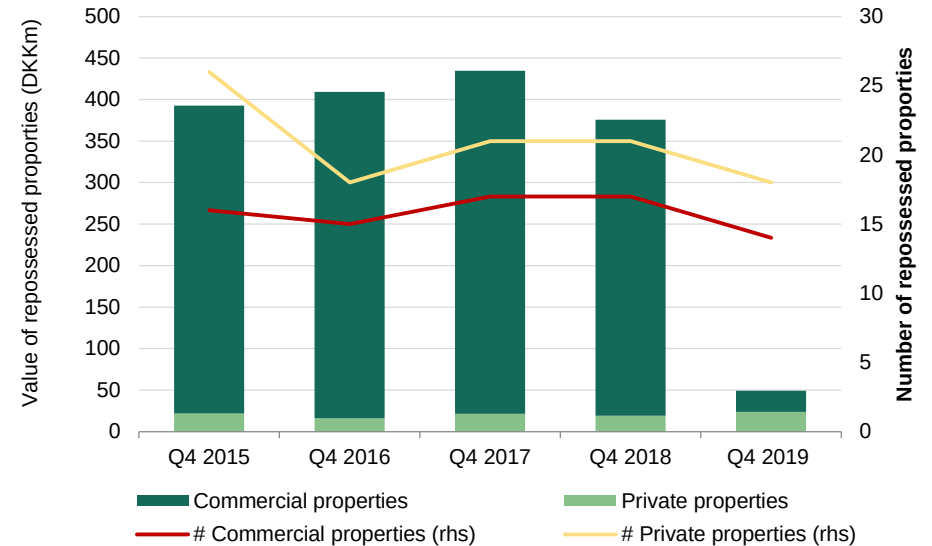
Lending portfolio by product



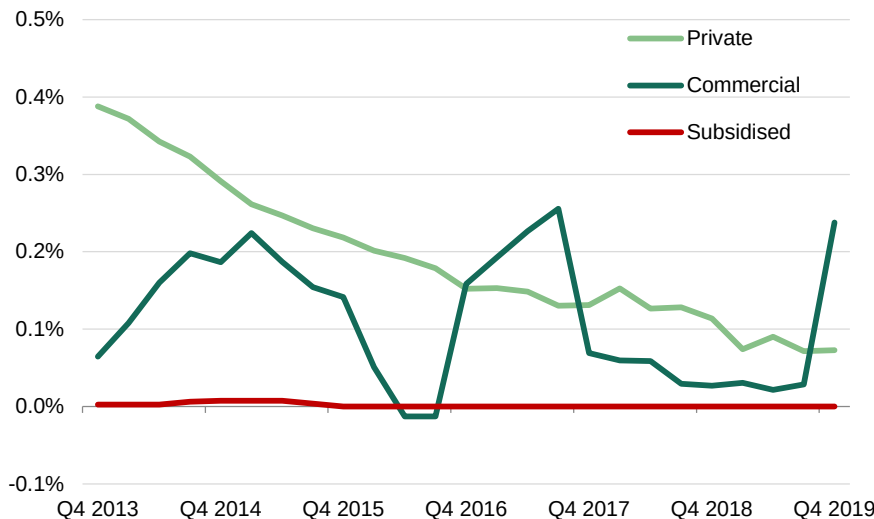
Lending in 90-days arrears



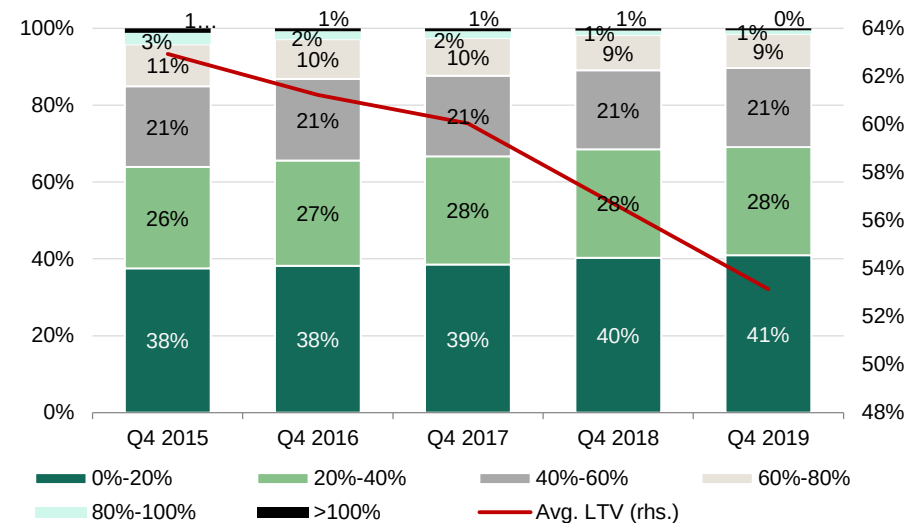
Reposessed properties



Yearly realised losses (running year)



Loan-to-Value brackets



Portfolio composition end of Q4 2019

- Corporates take up larger proportion, 66% vs. 63% end of 2018.
- Private individuals at 27% compared to 31% end of 2018.
- Public authorities at 7%.

Accumulated impairment ratio total portfolio 3.1%

- Public authorities 0%.
- Corporates 3.3%.
- Private individuals 2.8%.

Corporates

- Reversal of impairment charges re. agriculture.
- Cost of risk at -7bp in Q4 2019.

Private individuals

- Lower impairment charges.
- Cost of risk at -17bp in Q4 2019.

Loans and guarantees by sector (DKKm/%)

	Loans, advances and guarantees		Balance of loan impairment charges		Losses	Impairment charges
	Q4 2019	Q4 2018	Q4 2019	Q4 2018	YTD	Q4 2019
Public authorities	7%	7%	0%	0%	0	0
Agriculture, hunting, forestry and fishing	5%	5%	19%	25%	196	-150
Manufacturing, mining etc.	5%	5%	5%	6%	34	-75
Energy supply	3%	3%	1%	2%	3	-23
Building and construction	3%	2%	3%	2%	9	45
Commerce	7%	8%	5%	6%	26	-42
Transport, hotels and restaurants	3%	3%	2%	3%	20	-5
Information and communication	1%	1%	7%	1%	5	216
Finance and insurance (ex repo loans)	22%	20%	17%	15%	46	16
Real property	14%	11%	9%	9%	16	-31
Other sectors	4%	4%	4%	4%	16	-10
Corporate clients	66%	63%	72%	72%	371	-59
Private individuals	27%	31%	25%	25%	108	-59
Unused credit commitments	0%	0%	4%	3%	0	-5
Total	100%	100%	100%	100%	479	-123

Note: Bank loans, advances and guarantees excl. repo loans. Based on impairment charges as reported according to IFRS (as opposed to impairment charges under core profit)

Sustainability is ingrained in Jyske Bank's vision

"We have an ambition of running our business responsibly and in a way that promotes sustainability." – *Jyske Bank's vision: To make a difference.*

Signatory of UN's Principles for Responsible Banking

Jyske Bank is also a member of Global Compact and has been working according to the UN Principles for Responsible Investment (PRI) in the area of asset management for the past decade. Jyske Bank is committed to the 20 recommendations developed by Forum for Sustainable Finance (FinansDanmark).

Reorganisation furthers sustainability efforts

Investor Relations, CSR activities, and the Sustainability programme have been combined in the IR & Sustainability department, which refers to group CFO.

New initiatives

- UN Principles for Responsible Banking: Preliminary impact analysis – greenhouse gas emission
- Green Finance Framework
- ESG fact book
- New website for Investor Relations and Sustainability
- Aim to make Jyske Bank's power consumption, inclusive of the bank's share of JN Data's and Bankdata's power consumption, carbon neutral through its own production of renewable energy as from 2021.



Jyske Bank identifies sustainable lending areas

Being a financial services group, we can make the biggest difference through our advice and product range. Therefore we now launch our Green Finance Framework with loans from the Jyske Bank Group that make contributions to a green and sustainable transition in society.

Jyske Bank's objective and initiatives for selected sustainable lending areas

Jyske Bank will finance production of additional 2 TWh renewable energy in 2025 - corresponding to 6% of the production in Denmark in 2018.



Jyske Bank will develop products that assist and motivate clients to undertake energy renovation of their properties.



In 2025, 40% of new financing of vehicles will finance low-emission vehicles.



Objective of carbon-neutral power consumption

- Carbon-neutral power consumption, inclusive of the bank's share of JN Data's and Bankdata's power consumption, through own production of renewable energy as from 2021, rather than through the current carbon compensation obtained through purchases of green power certificates.
- Jyske Bank has obtained permission from the FSA to acquire a land-based wind turbine capable of producing about 16 GWh a year.



Investor Relations



New website for IR and Sustainability

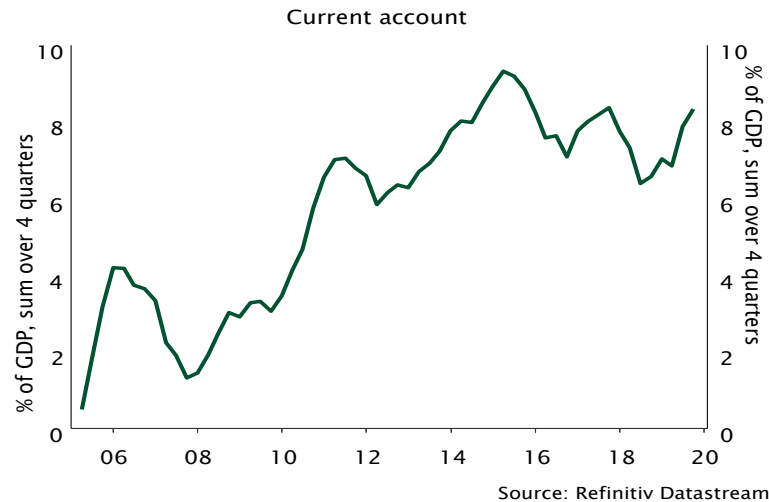
www.jyskebank.dk/ir

(in Danish)

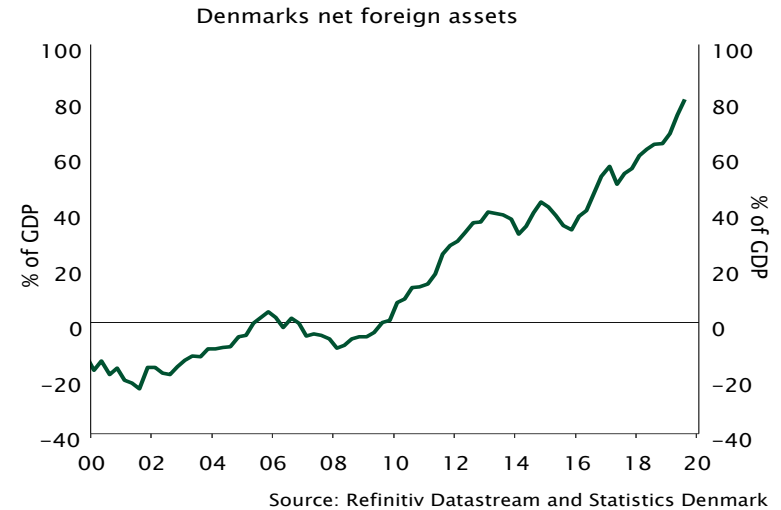
Danish Economy February 2020

- The Danish economy has been in an upturn for seven years.
- The upturn slowed down slightly in 2019. We expect further, modest slow down in 2020 due to decreasing global growth. But we don't expect an actual downturn.
- Low interest rates and increasing house prices continue to stimulate domestic demand, but the positive impact from the labour market has decreased slightly due to lower job growth.
- Saving behaviour is still pronounced. Overall lending growth is positive, but very modest.
- Denmark is a AAA economy with strong structural financial features.

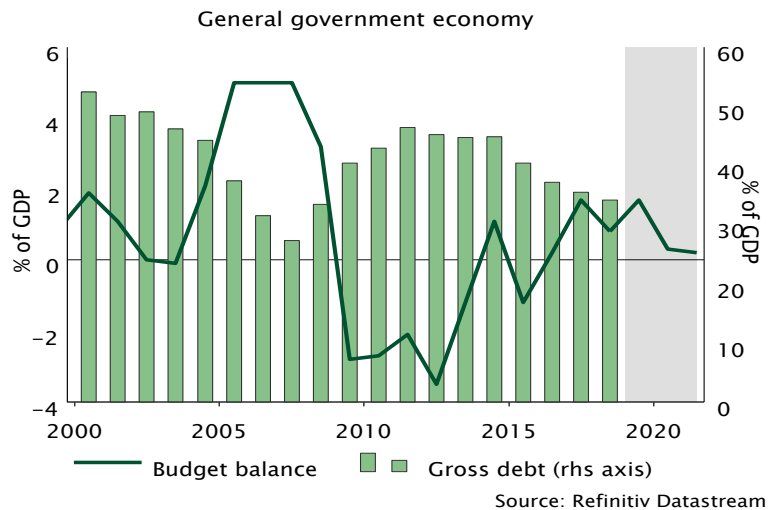
Current account surpluses since late 90s



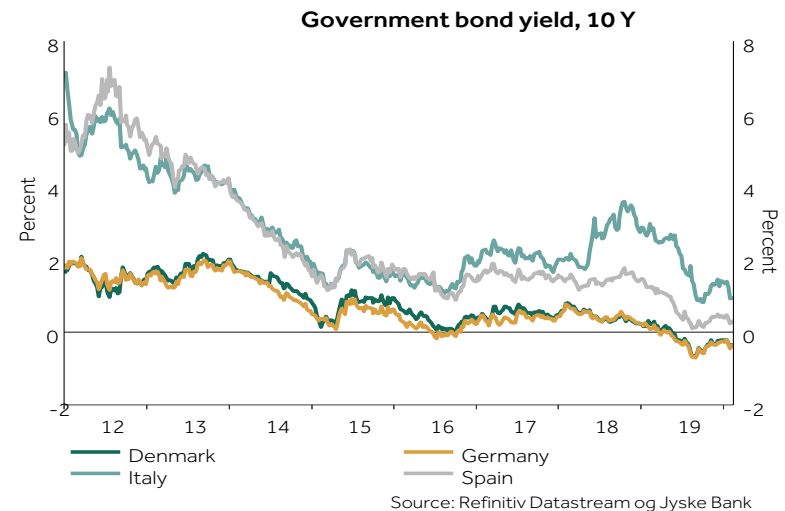
..imply that foreign assets are increasing

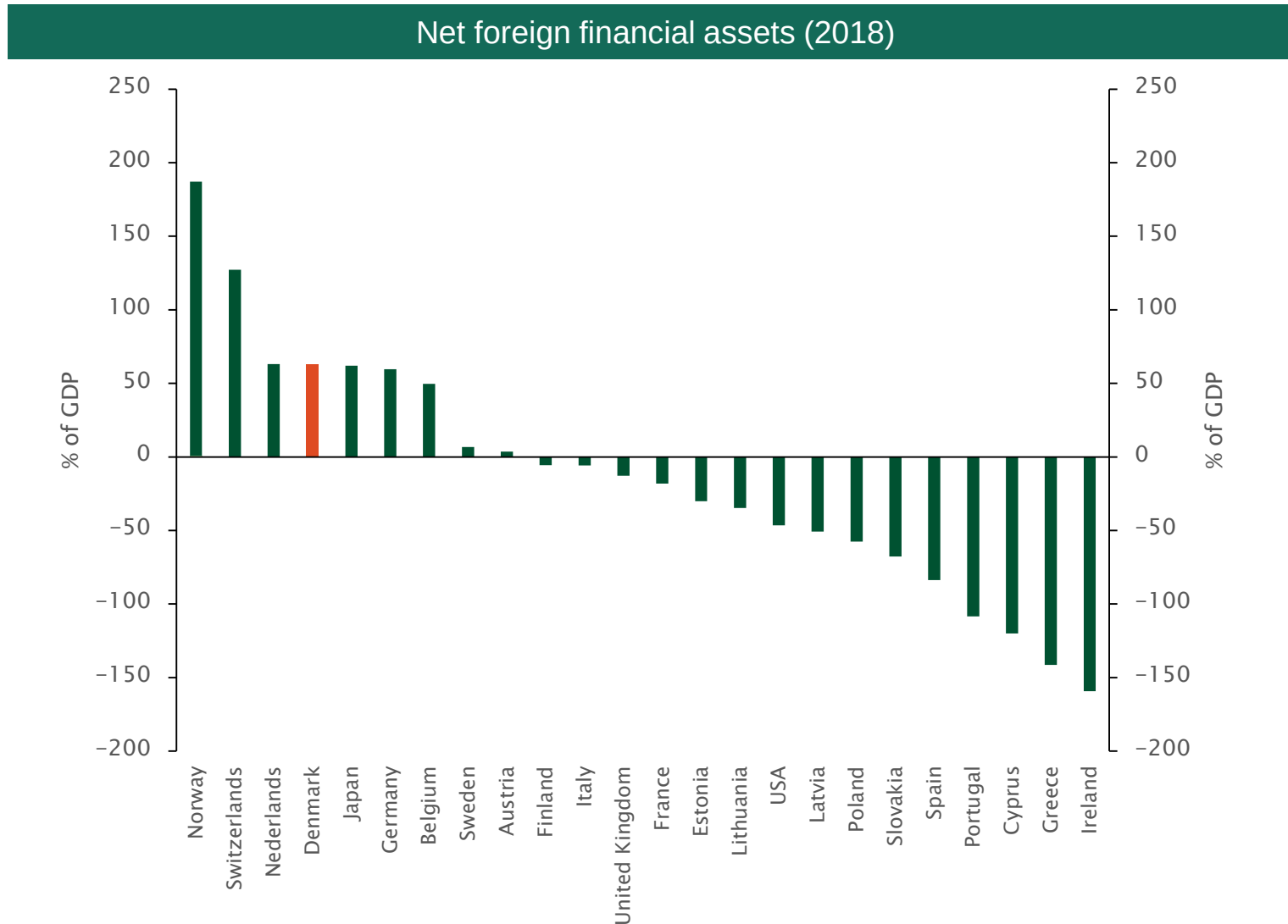


...and low public sector debt



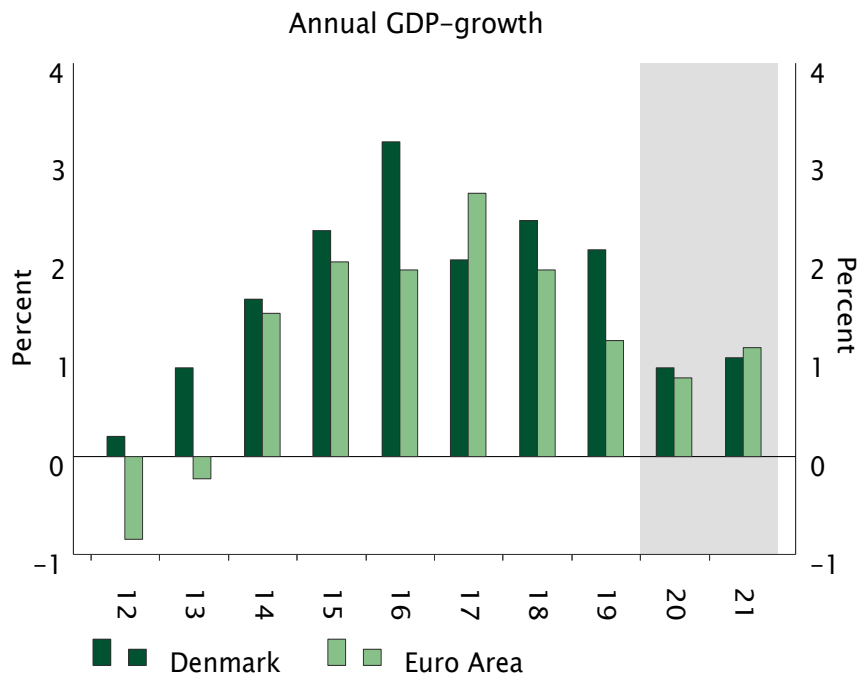
This is why Denmark is AAA



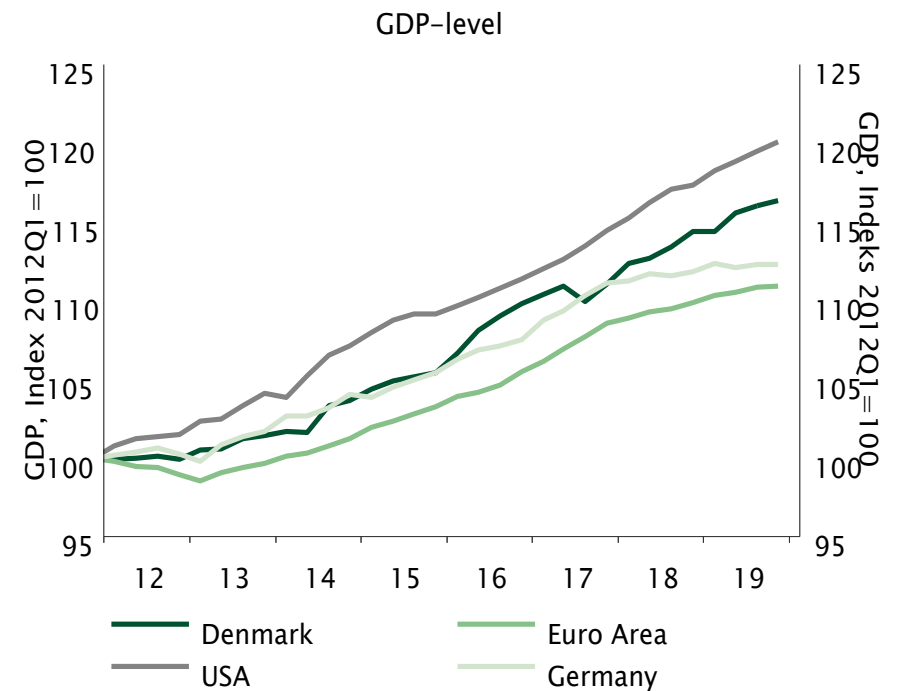


- The upturn will slow down, but we do not expect a real downturn.
- It has not been a credit driven upturn. No credit imbalances.

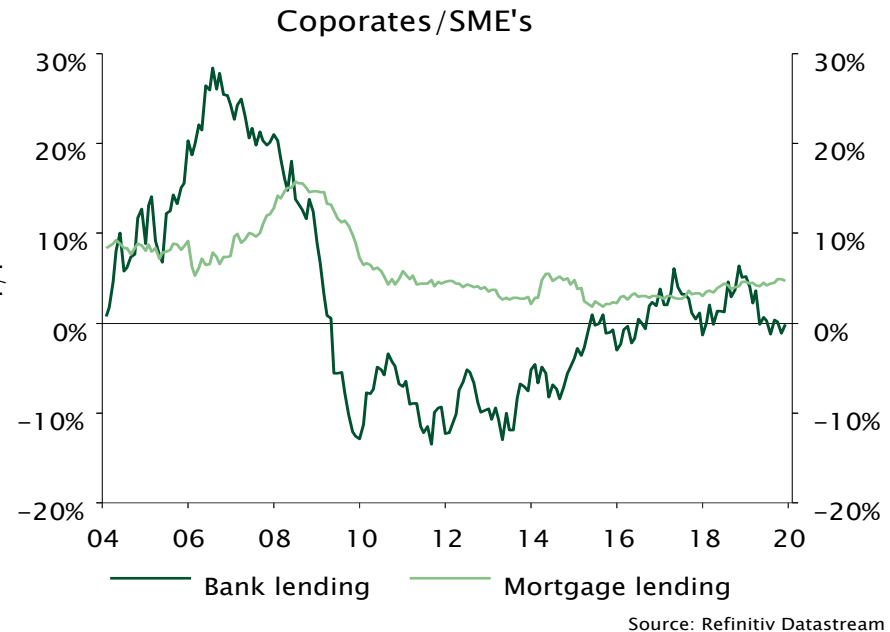
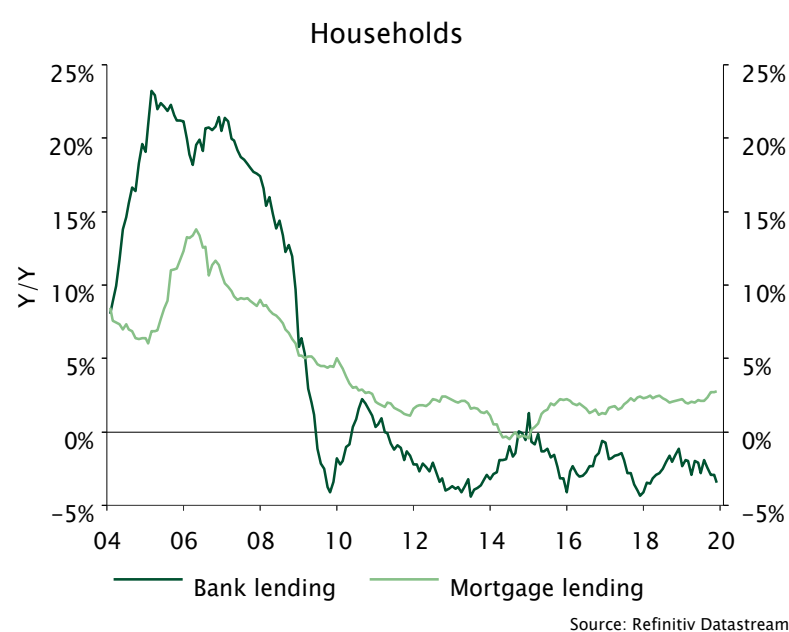
The upturn will slow down, but not to a downturn



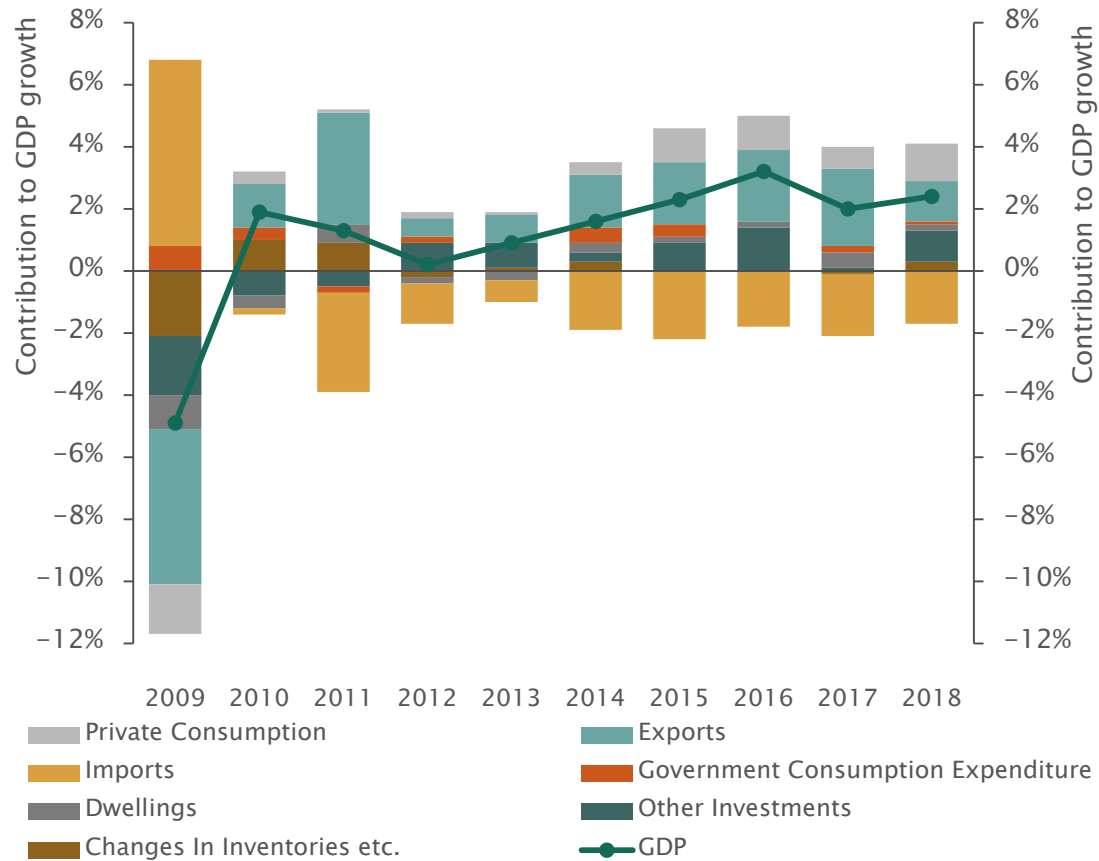
Danish GDP growth in comparison



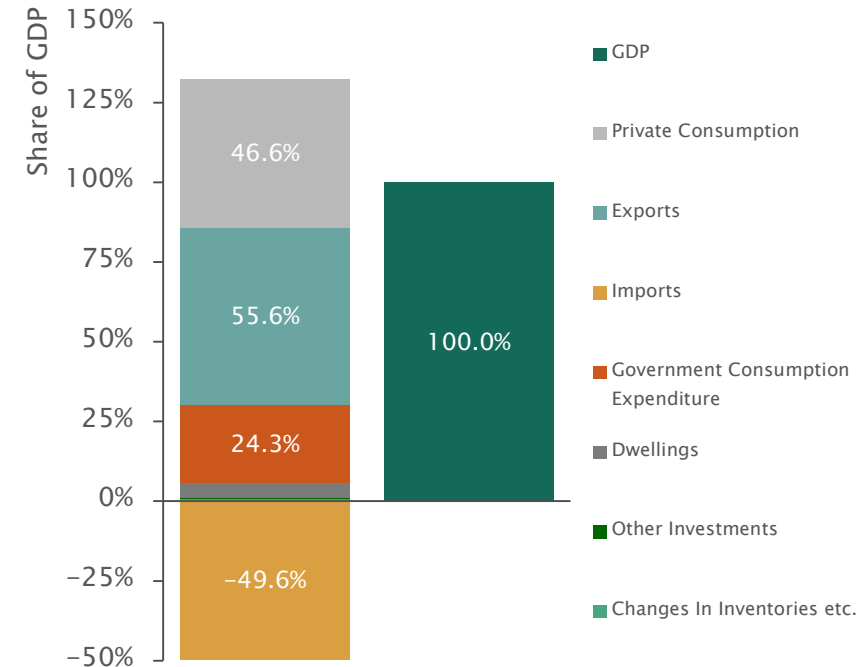
- Overall credit growth of 2 %/year since 2008.
- Main growth driver is mortgage loans.



Private consumption and Exports are upturn drivers



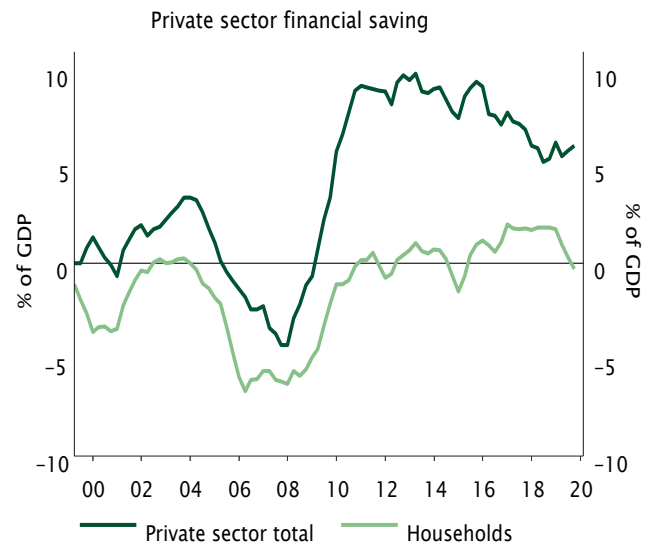
Composition of Danish GDP 2018



Source: Danmarks Statistik

- Low interest rates and solid real wage growth make it possible for households to consume more and save up at the same time.

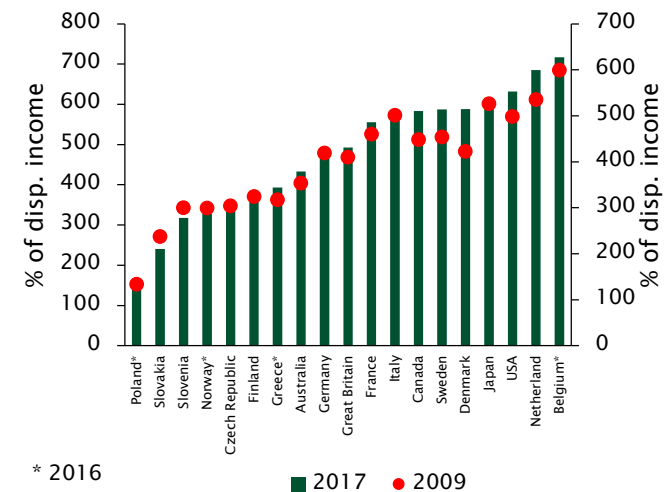
The private sector is saving up



...so household debt has declined



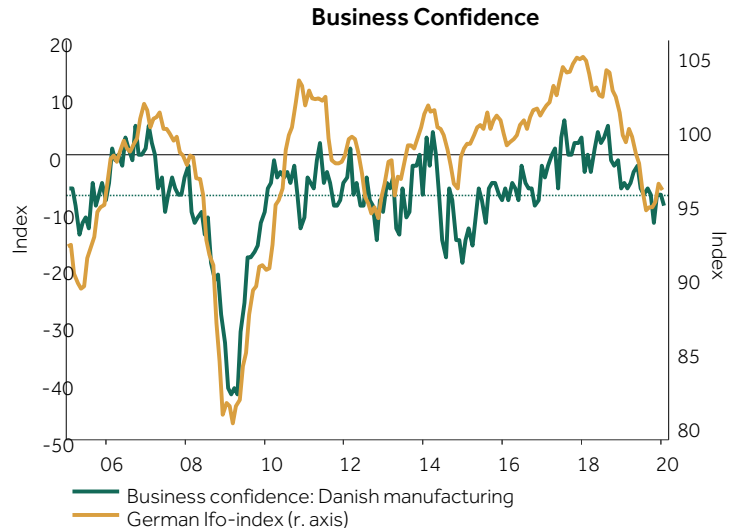
...and household net assets are large



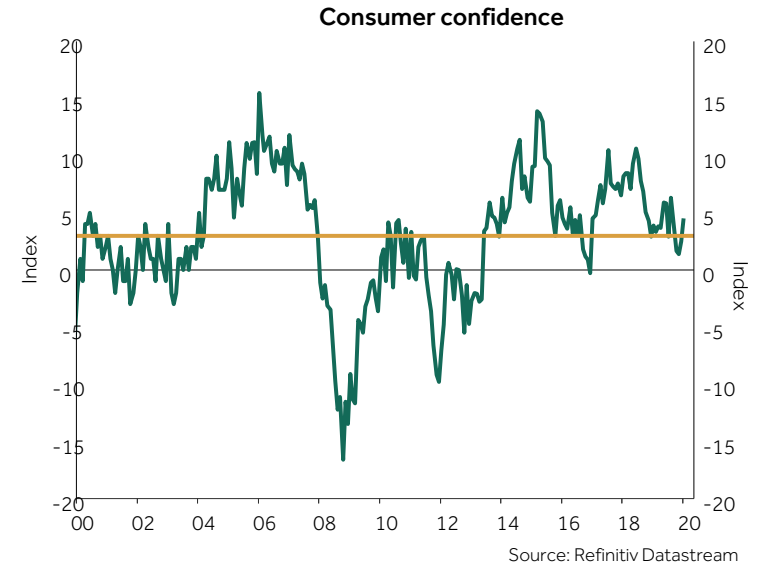
Source: OECD

Spill-over from global weakness, but now stabilization

Spill-over-effect from Germany to Denmark

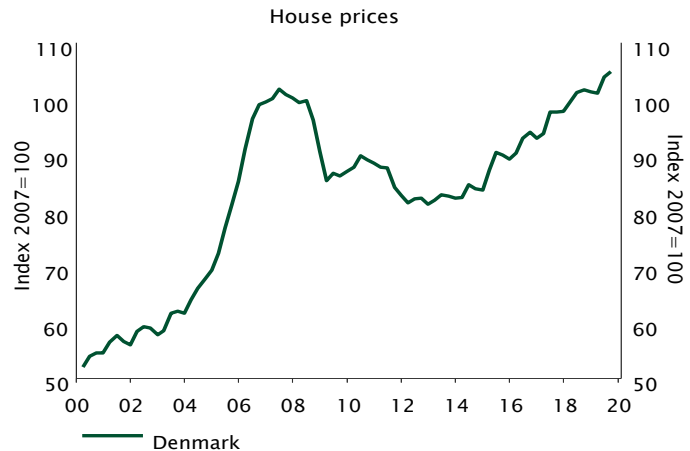


But consumer confidence remains neutral



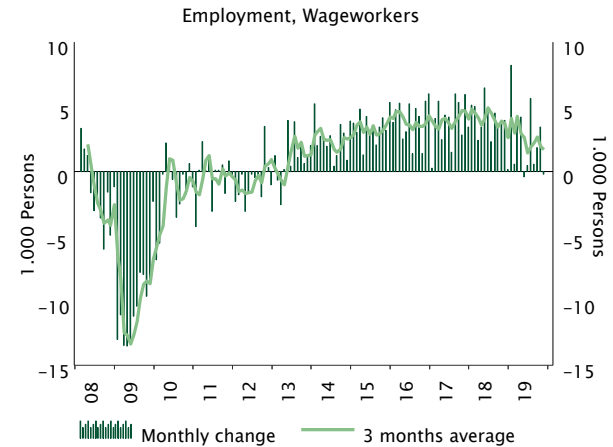
Three kinds of stimuli still support demand

House prices recovering after burst in 08/09



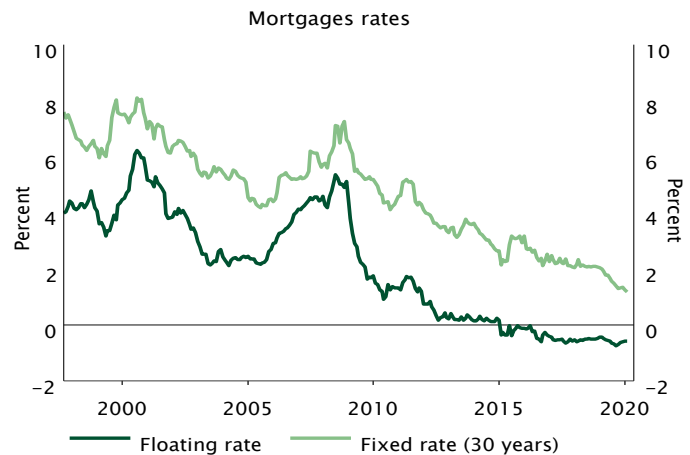
Source: Refinitiv Datastream

(Lower, but still) solid rise in employment



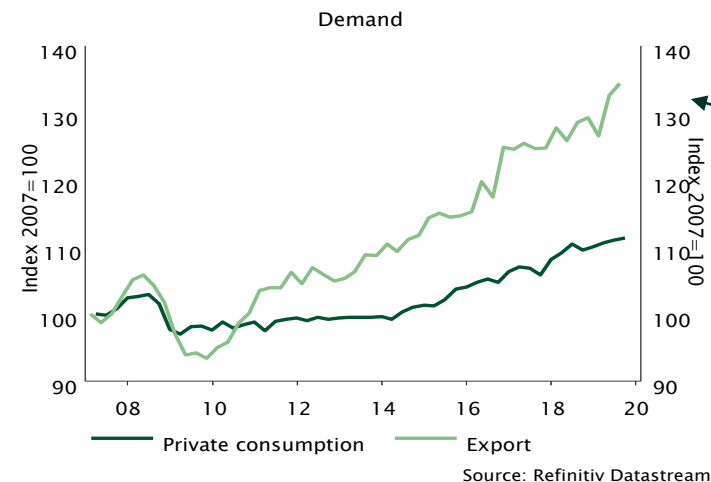
Source: Refinitiv Datastream

Interest rates are at a historic low



Source: Refinitiv Datastream

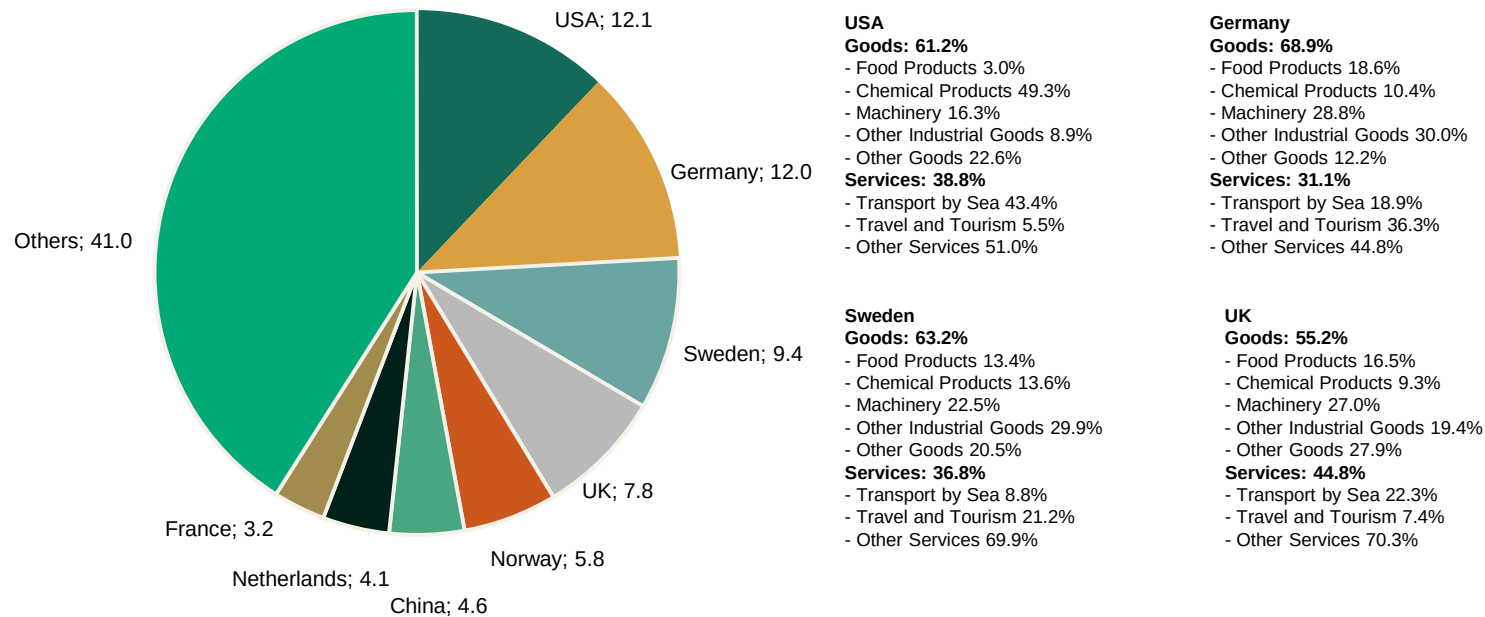
Both domestic and foreign demand is increasing



Exports are performing despite global slowdown. Pharmaceutical industry is 25 % of manufacturing sector

- Danish export markets: 52 % to EU incl. UK, 12 % to USA, 8 % to BRIC countries.
- Trade negotiations after Brexit is now important for Danish exporters to the UK.
- Brexit can still result in significant negative consequences for the most affected sectors.
- Brexit is not a likely threat for the overall development in the Danish economy.

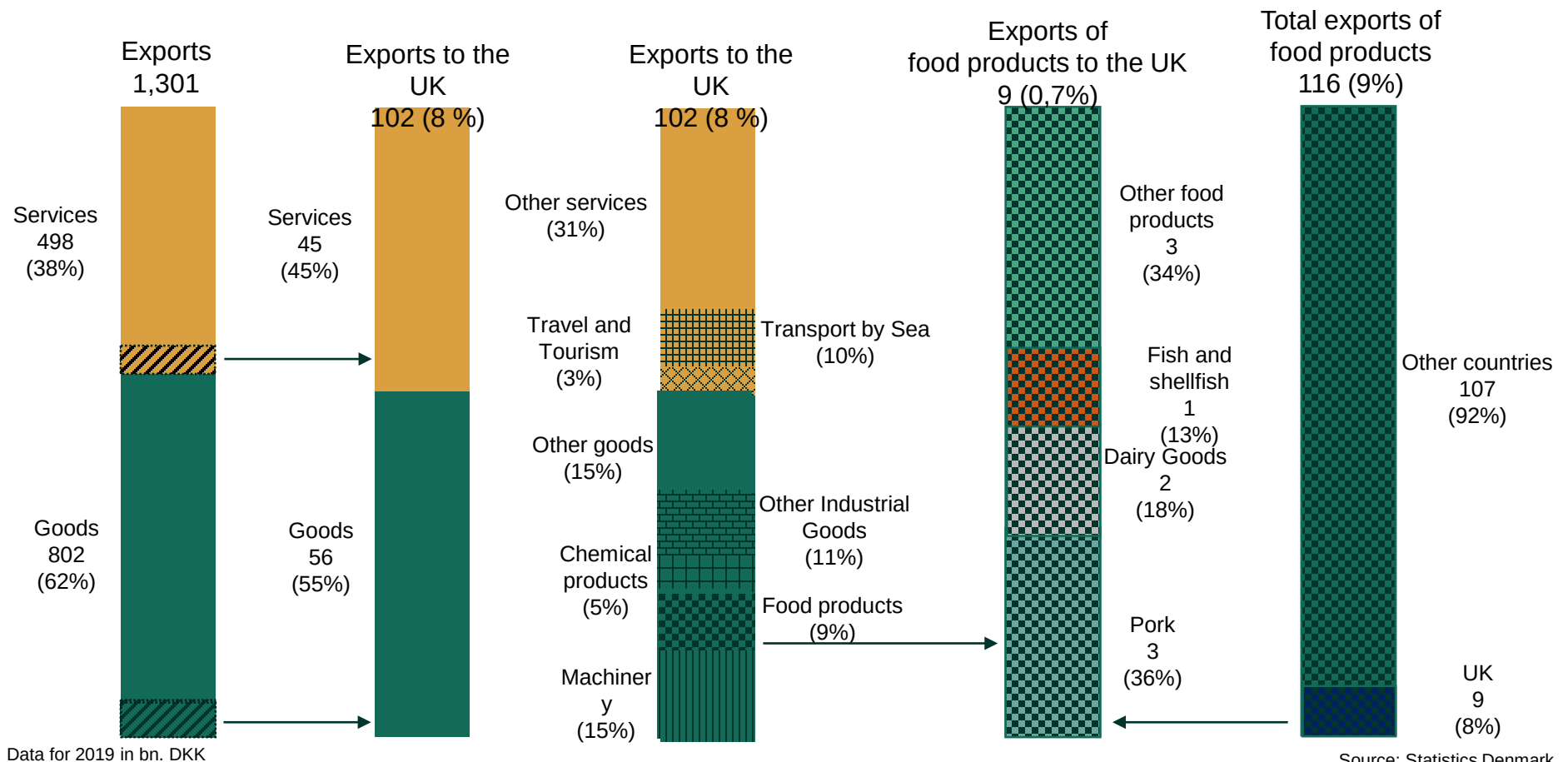
Danish export of goods and services % of total, 2019



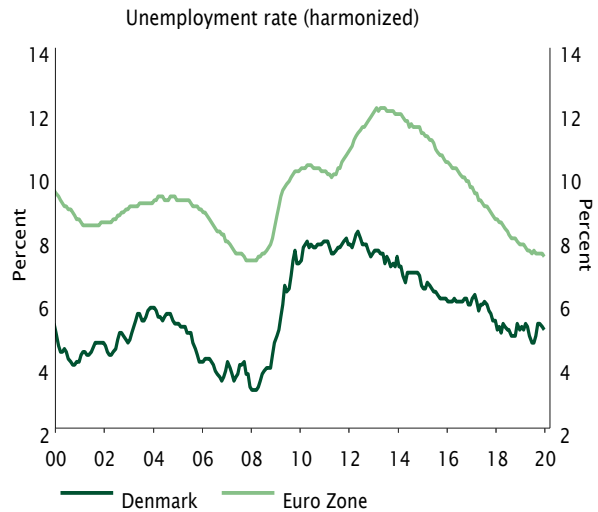
Source: Statistics Denmark and Jyske Bank

Denmark's exports to UK: Focus on food products

- Denmark's exports to the UK correspond to 8% of total exports. 0.7%-point of the 8% consists of food products.
- Pork is the largest export to the UK among food products with a proportion of 36%.
- Approximately 15% of Denmark's total exports of pork is to the UK.

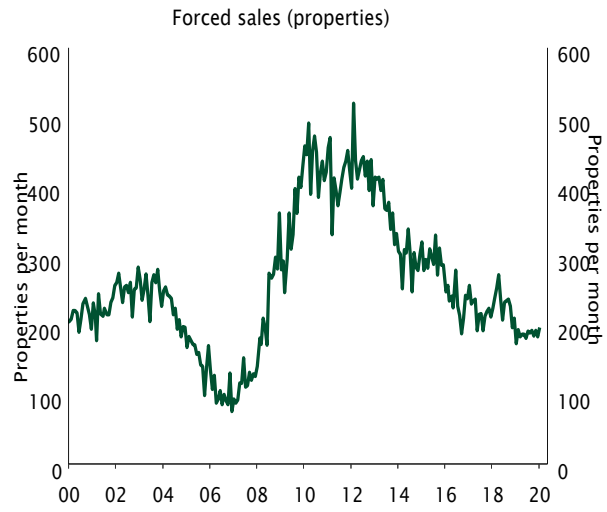


Unemployment has declined



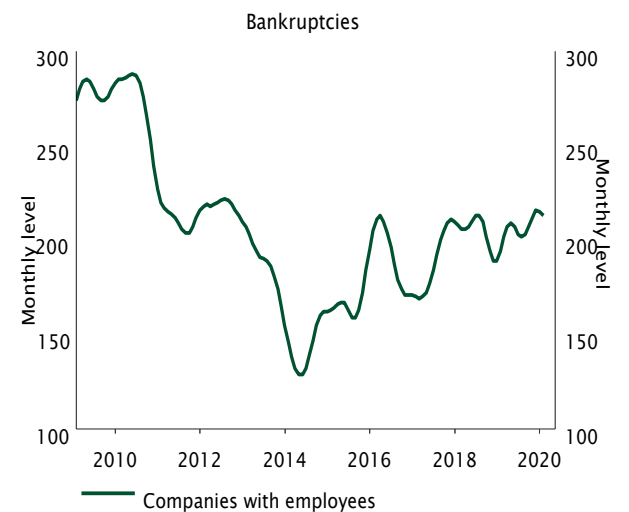
Source: Refinitiv Datastream

Forced house sales below 0.2 % per year



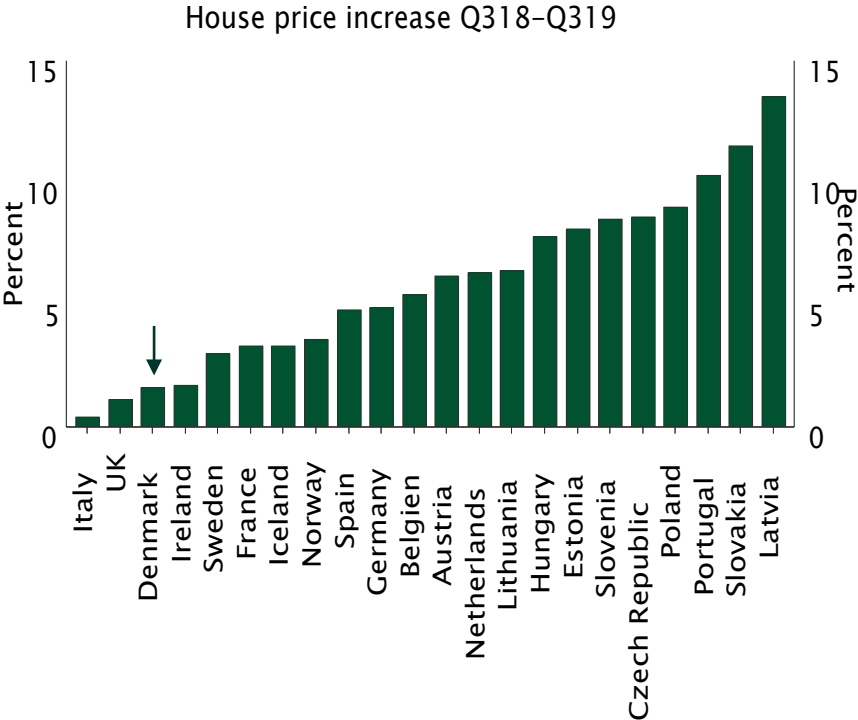
Source: Refinitiv Datastream

Business bankruptcies at neutral level



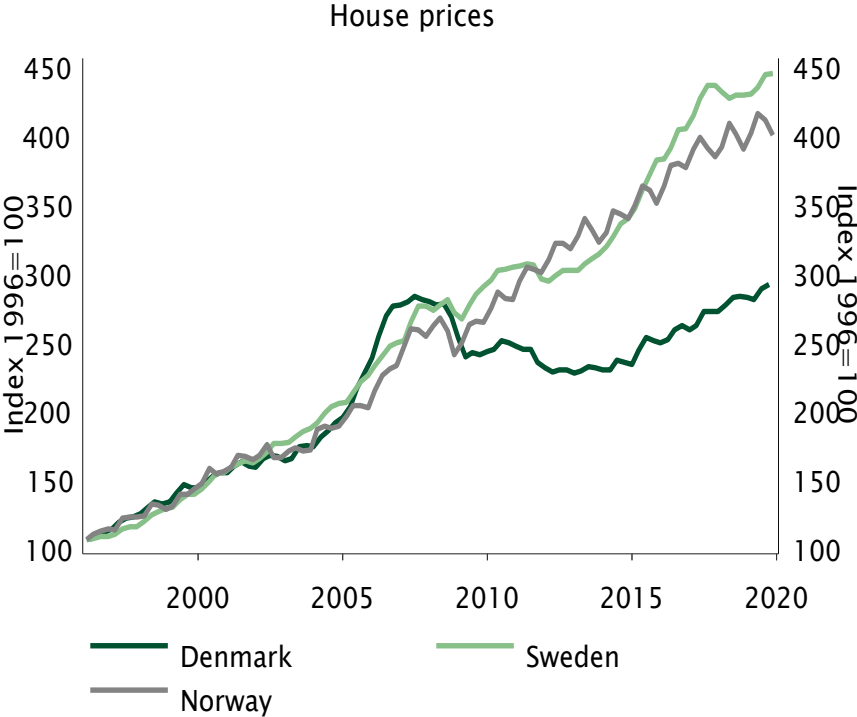
Source: Refinitiv Datastream

European house prices the past year



Source: Refinitiv Datastream

The development in Scandinavian houseprices



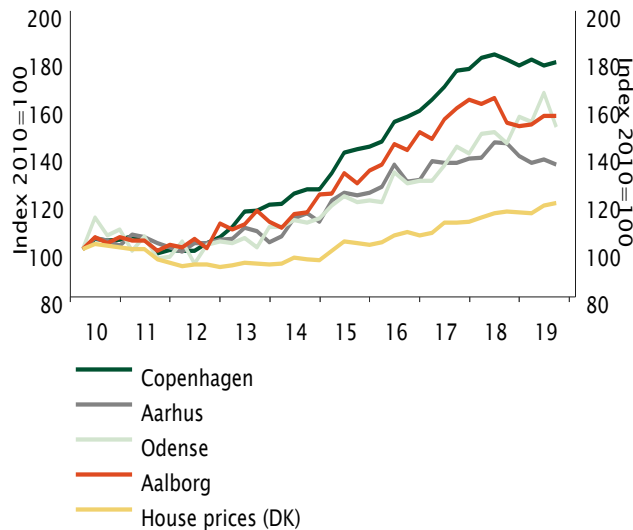
Source: Refinitiv Datastream

Widespread, moderate recovery on the housing market

- Overall house prices are rising 2-4 % y/y.
- Large price increases on flats in biggest cities have stopped.
- Postponement of new housing tax model from 2021 to 2024 removes a short term risk element for flat prices. New model will lead to higher housing tax for flats in the big cities.
- Rental housing and cooperative housing negative effected by new legislation limiting possibility of rent increase following building renovation.

Large differences on the housing market

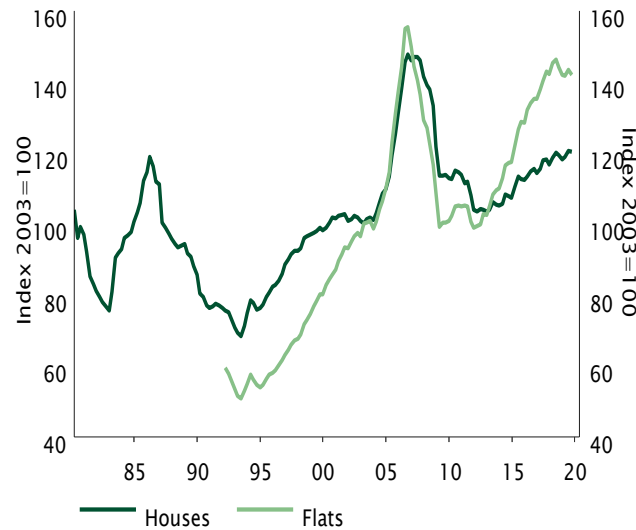
Flat prices in big cities vs. house prices



Source: Refinitiv Datastream

Real house prices are up since 2012

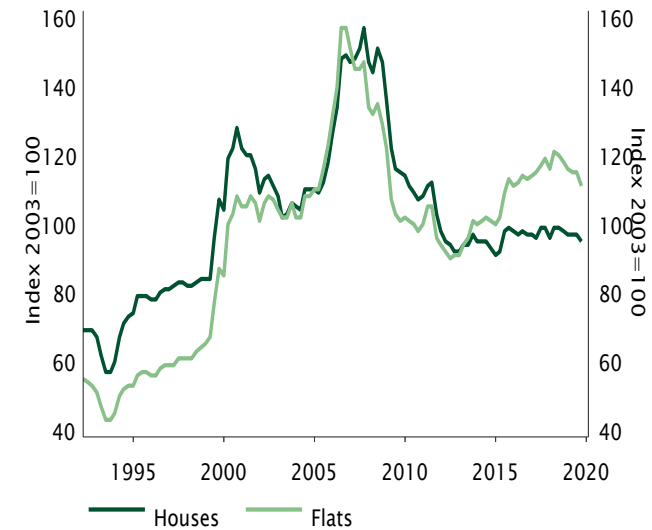
House prices relative to income



Source: Refinitiv Datastream and Jyske Bank

But housing costs are at a moderate level

Housing cost burden

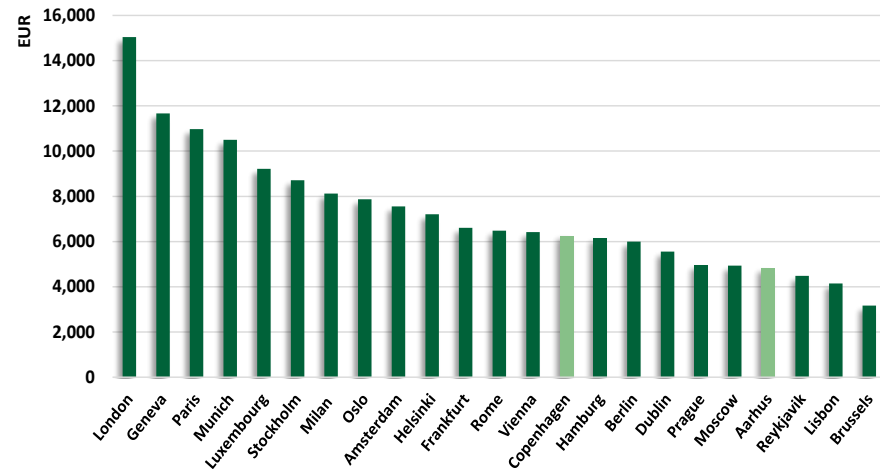


Source: Refinitiv Datastream and Jyske Bank

Note: First year net payment (incl. installment) on fixed interest mortgage relative to wages.

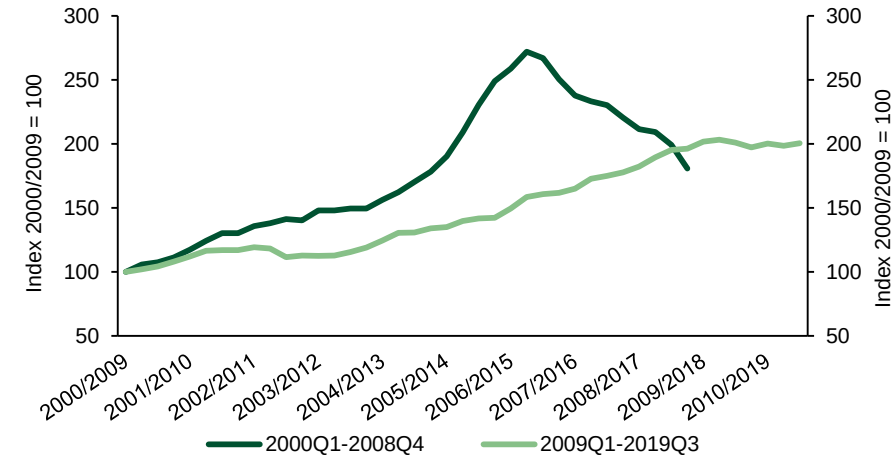
Copenhagen apartments remain a small part of the market

Prices for flats per m2 in EUR



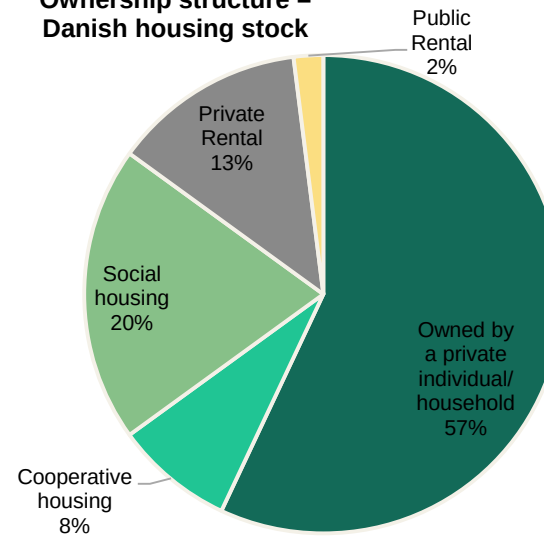
Source: Numbeo & Jyske Realkredit (November 2019)

Flats in Copenhagen price-index 2000-2008 vs. 2009-2019

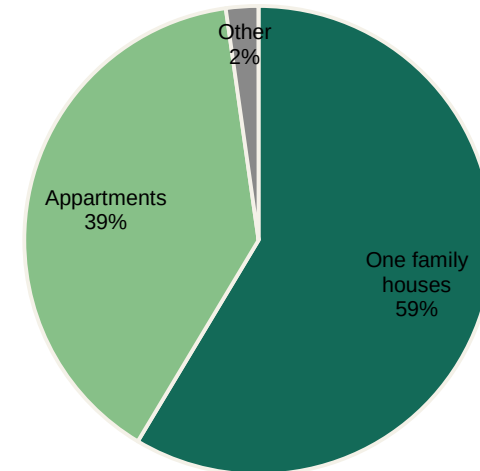


Source: Finans Danmark and Jyske Bank

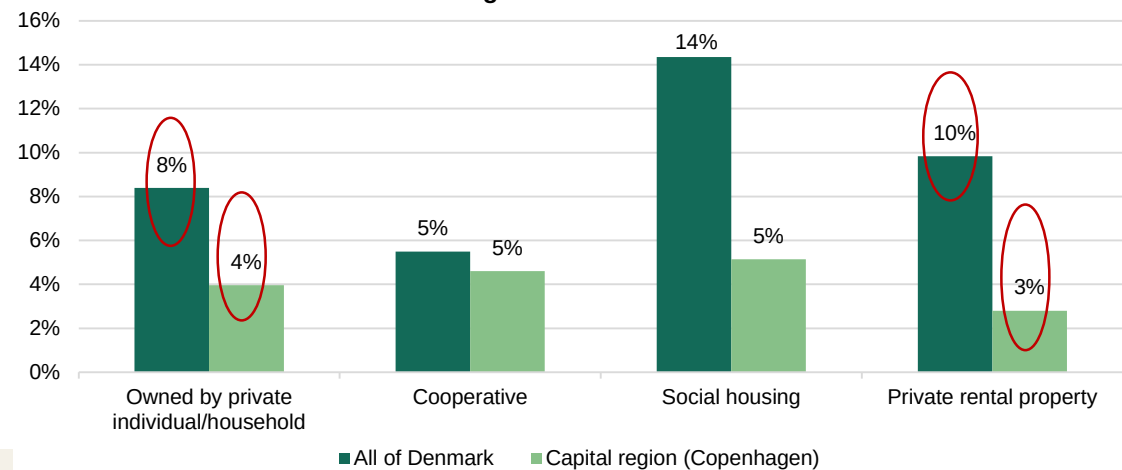
Ownership structure – Danish housing stock



Type of homes – Danish housing stock

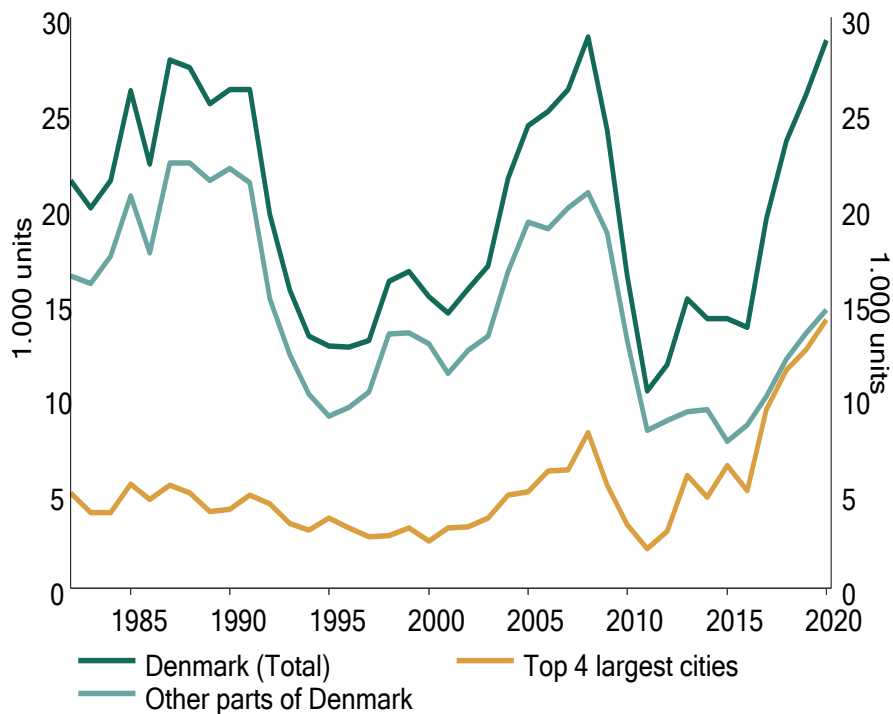


Apartments* - ownership – as share of total Danish housing stock



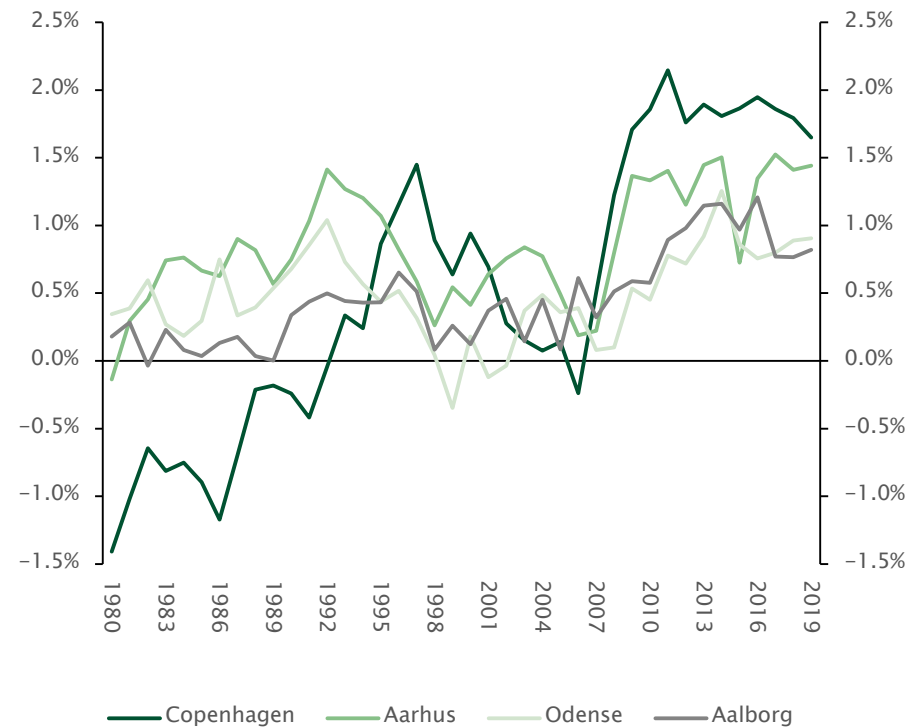
- There has been an unprecedented building boom in the big cities following strong population growth driven by the urbanisation trend.

Completed housing units, per year, 1981-2019



Source: Refinitiv Datastream og Jyske Bank

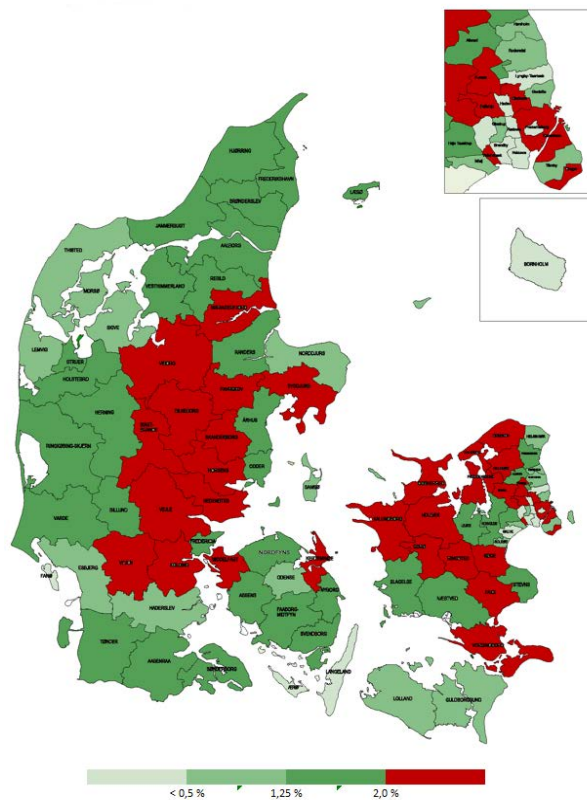
Population growth, %



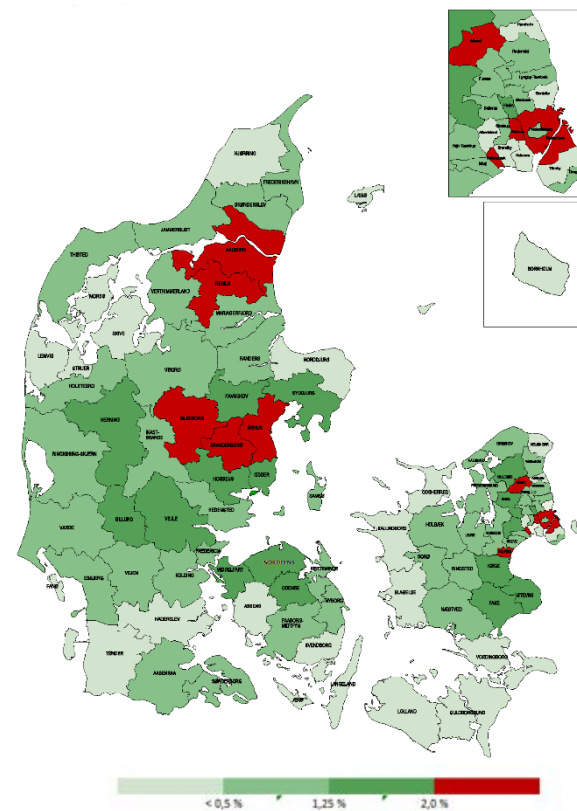
Source: Danmarks Statistik

Completed housing units during 7 quarters, units in % of total stock

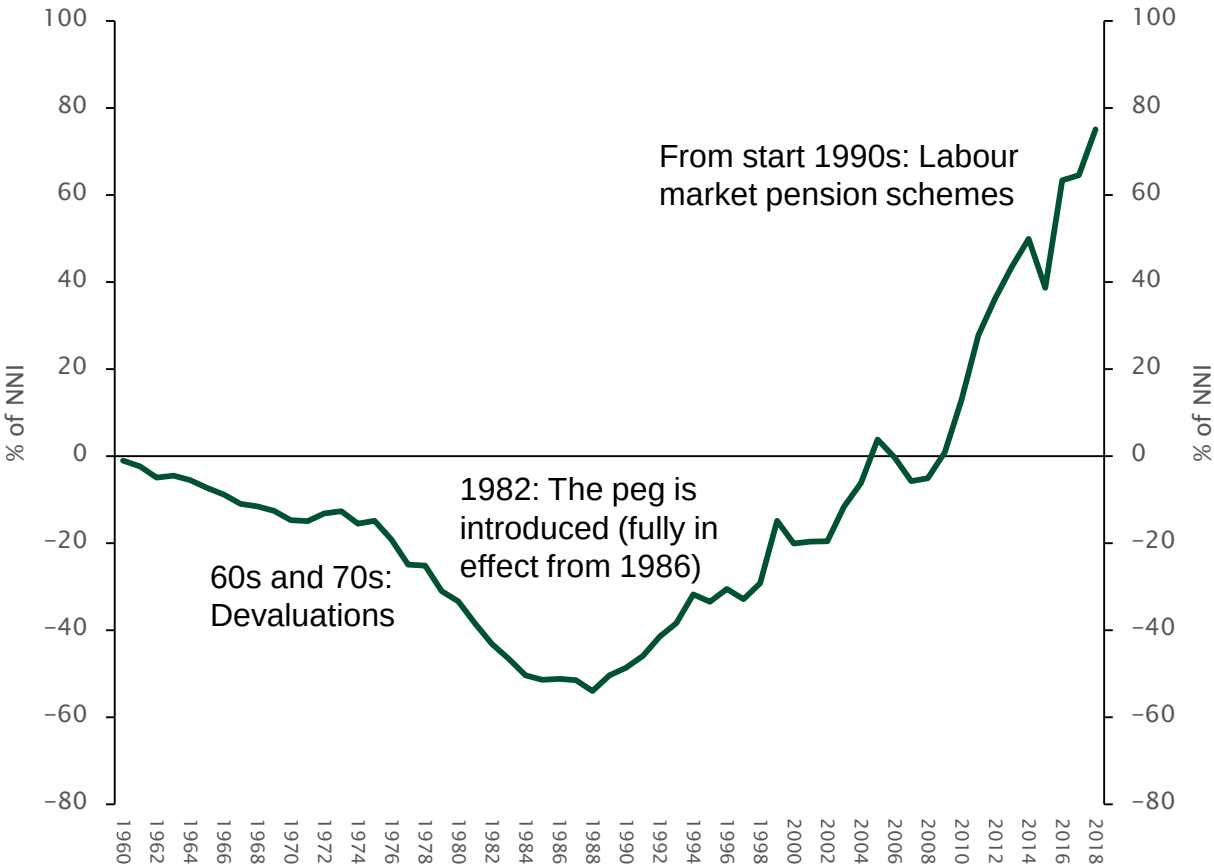
Q2 2006 - Q4 2007



Q2 2017 - Q4 2018



Denmark's net foreign assets 1960-2018



Source: Danmarks Nationalbank

Danish economy 2016-2020	DKKbn	Real growth (%)				
	2018	2017	2018	2019	2020	2021
Consumer spending	1048	1,6	2,6	1,3	1,3	1,3
Public spending	547	1,0	0,4	0,1	0,9	0,6
Fixed gross investment	495	3,0	5,4	-1,0	0,9	2,1
Inventory investment*	21	-0,1	0,3	0,0	0,0	0,0
Exports	1250	4,6	2,4	2,9	1,9	1,7
Imports	1114	4,3	3,6	0,0	2,4	2,3
Gross domestic product (GDP)	2246	2,0	2,4	2,0	0,9	1,0
Balance of payments						
- DKKbn		169	158	195	185	185
- percentage of GDP		7,8	7,0	8,4	7,8	7,6
Public budget balance						
- DKKbn		31	12	39	8	4
- percentage of GDP		1,4	0,5	1,7	0,3	0,2
Unemployment						
- Gross unemployment, average (thousands)		116	108	104	104	106
- Percentage of workforce		3,8	3,5	3,4	3,3	3,4
Employment, avg. (thousands)		2922	2963	2998	3016	3025
Inflation (%)		1,1	0,8	0,8	1,3	1,3
Wage index (Private, %)		1,7	2,2	2,0	2,1	2,1
House prices (nominal prices, %)		4,0	3,8	2,5	1,7	1,6
Danmarks Nationalbank's lending rate, year-end (%)		0,05	0,05	0,05	0,05	0,05
Danmarks Nationalbank's CD rate, year-end (%)		-0,75	-0,65	-0,75	-0,85	-0,85

* Contribution to growth as a percentage of the preceding year's GDP

Source: Statistics Denmark and Jyske Bank's 2019, 2020 and 2021 forecast.