Jyske Bank
2015

23 February 2016

Jyske Bank in brief

JYSKE BANK

Our vision is "to make a difference" and the strategy is to position Jyske Bank as a visible and distinct alternative to more traditional providers of financial services

Banking:
Retail and commercial, Asset management, Private Banking and Customer driven trading
Segments:
Personal, corporate and institutional clients

Mortgage:
Mortgage loans for real property

Segments:
Private, Commercial, Subsidised housing and Joint funding

Leasing:
Leasing and financing of cars and commercial equipment

Segments:
Personal and corporate clients, dealer cooperation schemes and partnerships

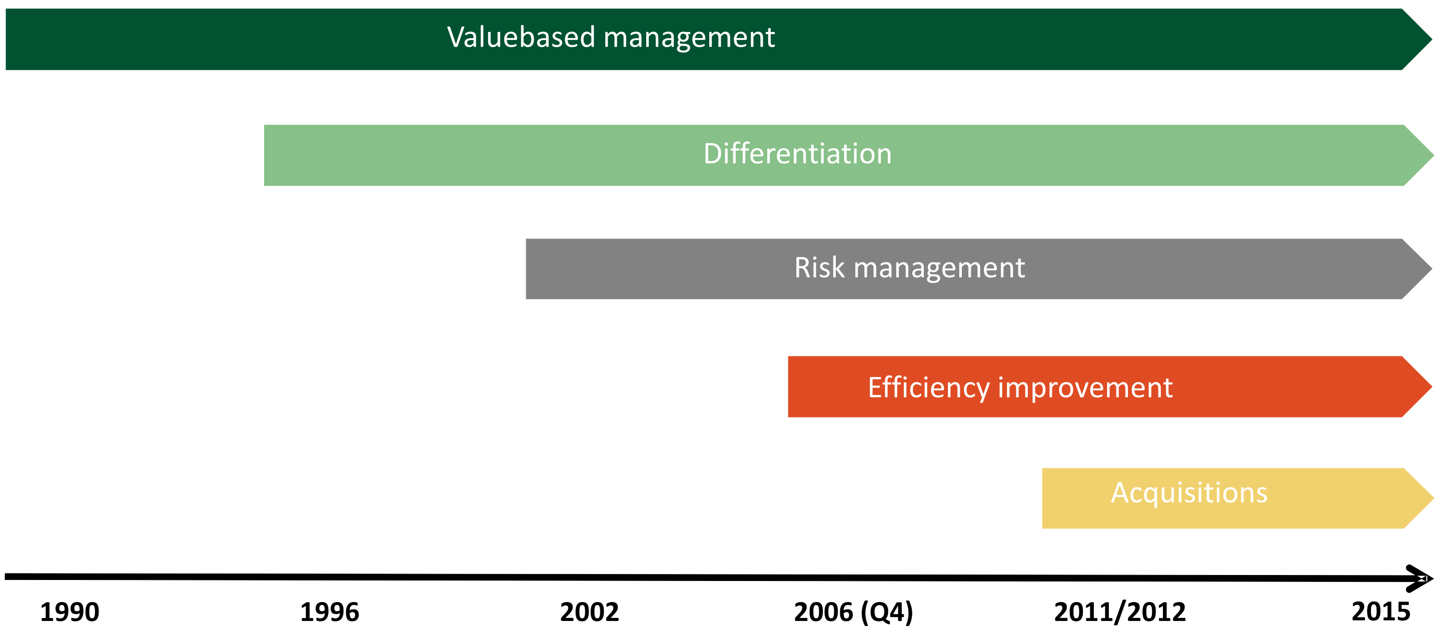
A balancing act between stakeholders, clients, shareholders and employees, as we believe that – in the long run - the best results are achieved by maintaining a balance between the 3 groups

Our values: holistic approach & common sense, open & honest, different & unpretentious, equal respect & commitment, and efficient & persevering

Jyske Bank in brief

1967: Jyske Bank was founded through the merger of several local banks, some dating back to 1882
1970’s and 80’s: Jyske Bank grew through acquisitions of small and medium sized banks
-> 2011: Organic growth while carrying out strategic initiatives

Strategic initiatives:



Acquisitions made:

- Finans Nord & Easy Fleet (Q4 2011)
- Fjordbank Mors
- (Q4 2011)
- Spar Lolland
- (Q1 2013)
- BRFkredit
- (Q2 2014)

Jyske Bank's ranking within Top20 Danish banks

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TOP20 DANISH BANKS MEASURED BY EQUITY	
DKKm	1967
1 Handelsbanken	657.2
2 Den danske Landmandsbank	643.4
3 Privatbanken	439.1
4 Andelsbanken	234.4
5 Provinsbanken, Århus	180.2
6 Sparekassen Danmark (Bikuben)	154.7
7 Sparekassen for København og Omegn	104.9
8 Arbejdernes Landsbank	**93.0**
9 Sparekassen Fyn	82.1
10 Sparekassen, Sjælland	**77.8**
11 Fællesbanken for sparekasser	66.1
12 Sjællandske bank	52.7
13 Sparekassen Nordjylland	52.1
14 Amagerbanken	**52.1**
15 Varde Bank	45.6
16 Midtbank	44.7
17 Aalborg Diskontobank	42.7
18 Jyske Bank	**36.7**
19 Haandværkerbanken i Kbh	36.1
20 Vejle Bank	31.4

TOP20 DANISH BANKS MEASURED BY EQUITY	
DKKm	2008
1 Danske Bank	104,355
2 Jyske Bank	**9,704**
3 FIH Erhvervsbank	7,849
4 Sydbank	6,697
5 Nykredit Bank	6,099
6 Spar Nord	4,138
7 Arbejdernes Landsbank	**2,952**
~~8 Roskilde Bank~~	~~2,633~~
~~**9 Amagerbanken**~~	~~**2,319**~~
~~10 Forstædernes Bank~~	~~2,208~~
11 Kronjylland, Sparekassen	2,191
~~12 Fionia Bank~~	~~2,018~~
13 Alm. Brand Bank	1,917
14 Den Jyske Sparekasse	1,826
15 Ringkøbing Landbobank	1,779
16 Vestjysk Bank	1,714
17 Sparekassen Sjælland	**1,701**
~~18 Sparbank Vest~~	~~1,673~~
19 Sparekassen Himmerland	1,459
~~20 Sparekassen Lolland~~	~~1,313~~

TOP20 DANISH BANKS MEASURED BY EQUITY	
DKKm	2015
1 Danske Bank (2015)	149,513
2 Jyske Bank (2015)	**30,040**
3 Nykredit Bank (2015)	16,117
4 Sydbank	11,311
5 Spar Nord (2015)	7,887
6 FIH Erhvervsbank	5,739
7 Arbejdernes Landsbank	**4,200**
8 Ringkjøbing Landbobank (2015)	3,296
9 Nordjyske Bank (2015)	2,617
10 Kronjylland, Sparekassen	2,451
11 Jutlander Bank	2,328
12 BankNordik	1,999
13 Sparekassen Vendsyssel	1,877
14 Alm. Brand Bank	1,744
15 Sparekassen Sjælland	**1,634**
16 Den Jyske Sparekasse	1,249
17 Vestjysk Bank	1,247
18 Lån & Spar Bank (2015)	1,078
19 Grønlandsbanken	910
20 Fynske Bank (2015)	867

- Jyske Bank is one out of 3 banks that have been in business since 1967
- Since the outset of the financial crisis 6 banks from the top 20 in 2008 have gone out of business
- Jyske Bank has experienced growth, tripling the equity, from 2008 to 2015

Financial performance 1997-2015

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Jyske Bank Group key figures							
DKKbn	Pre-tax profit	Equity, end of year	Pre-tax ROE, opening equity	Loans and advances	Deposits	Total assets	Number of FTEs
1997	0.6	4.8	13%	36.6	41.5	63.1	2,671
1998	0.7	5.2	15%	39.7	43.8	76.9	2,772
1999	1.3	5.4	25%	49.8	49.8	92.6	3,013
2000	1.3	5.9	23%	75.4	52.3	127.4	3,19
2001	0.9	6.2	15%	82.5	54.4	133.2	3,418
2002	1.1	6.7	18%	95.3	59.0	153.2	3,359
2003	1.8	7.8	27%	63.8	63.8	116.4	3,547
2004	2.0	7.9	25%	74.6	68.7	125.2	3,713
2005	2.2	9.5	28%	90.9	79.8	141.6	4,026
2006	2.8	9.6	30%	107.2	88.8	160.7	4,216
2007	2.3	9.7	24%	134.0	112.7	214.3	4,145
2008	1.3	10.7	13%	129.1	117.0	236.8	4,112
2009	0.6	12.5	5%	110.6	109.3	224.5	3,877
2010	1.0	13.4	8%	114.0	115.8	244.1	3,847
2011	0.6	13.8	5%	124.5	127.3	270.2	3,809
2012	0.8	15.6	6%	118.6	121.0	258.2	3,574
2013	2.3	17.5	15%	131.4	131.4	262.0	3,774
2014	3.1	27.6	18%	361.8	152.7	541.7	4,191
2015	3.2	30.0	12%	396.2	144.9	543.4	4,021

1997-2015: Average pre-tax ROE of 17%

Financial performance 1967-2015

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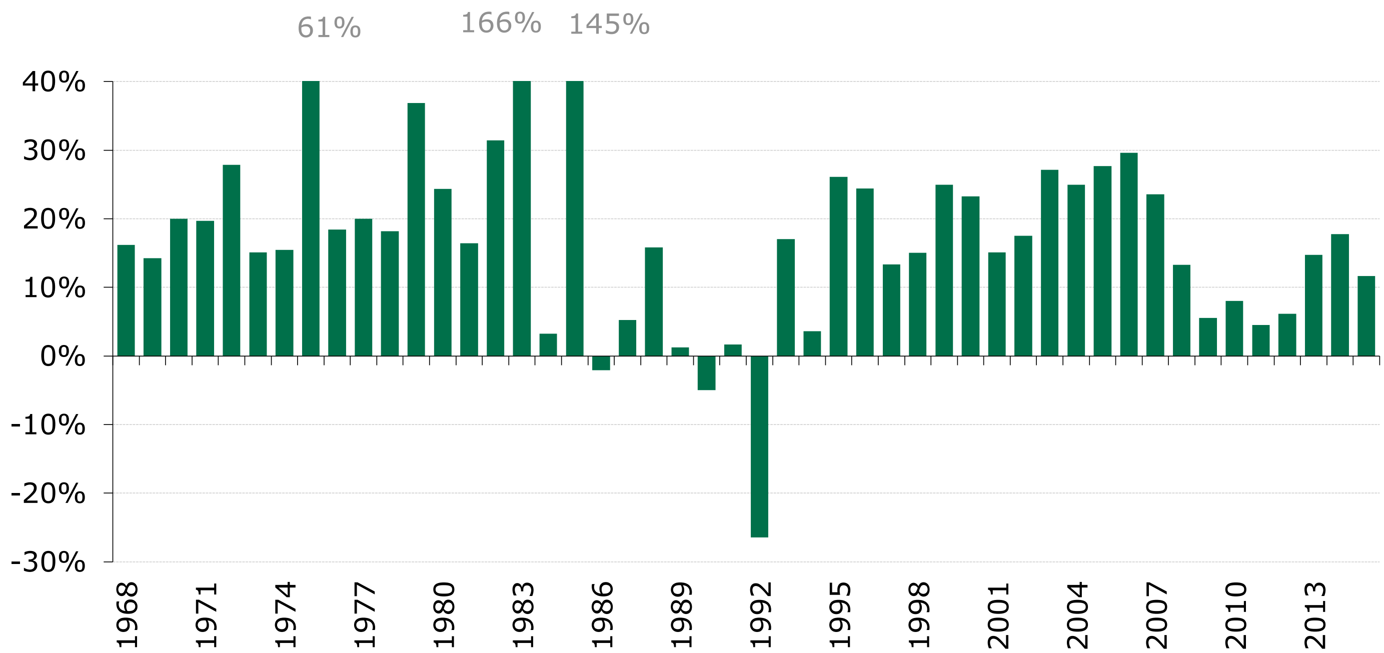
Pre-tax profit (ROE on open. equity)



1967-2015: Average pre-tax ROE of 22%

Our history

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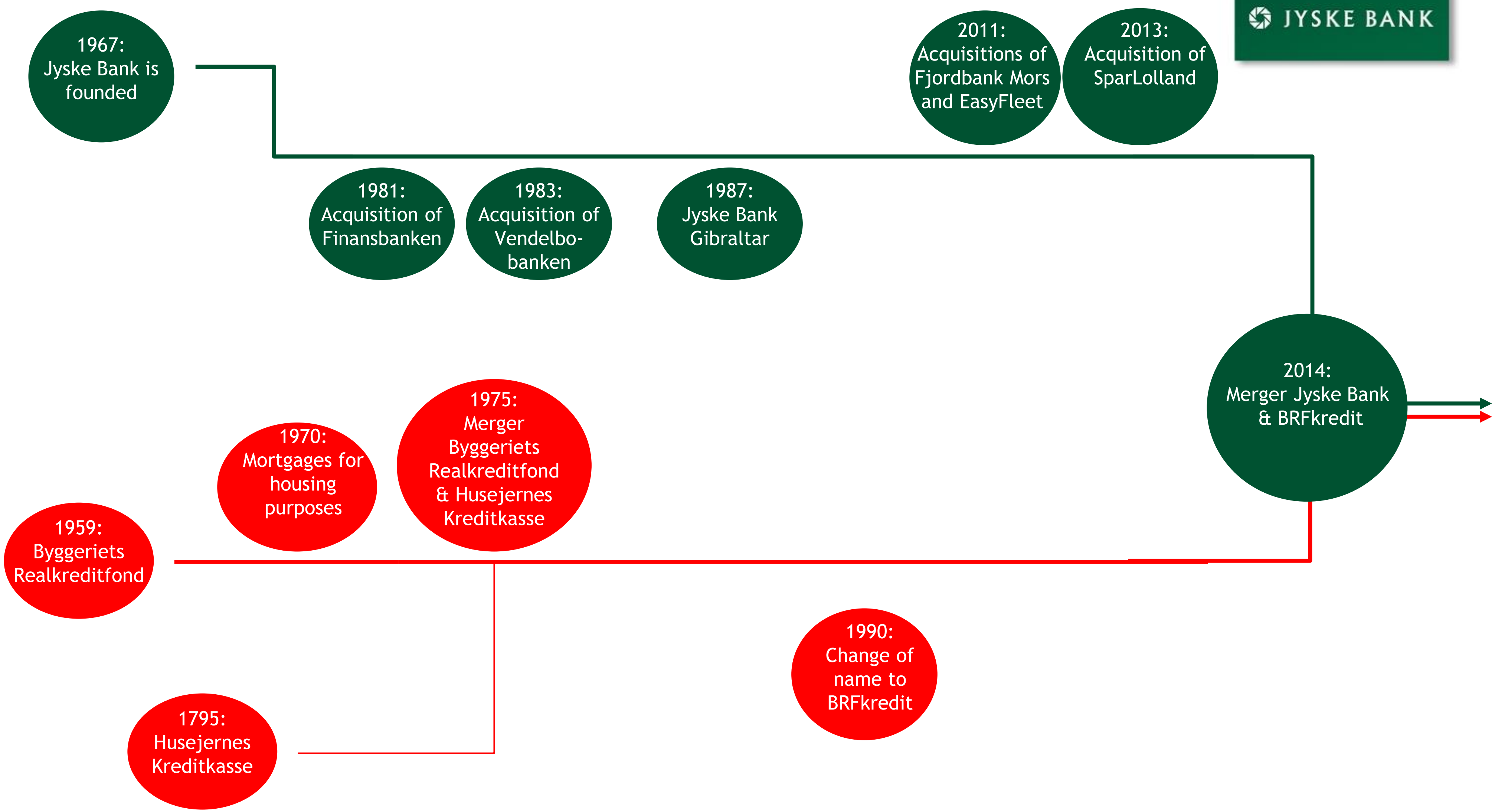

Jyske Bank's market position

- One of the four large financial institutions in Denmark – estimated market share of 8-9% and a Danish SIFI
- Growth through acquisitions
  - Proven track record of successfully managing acquisitions: all acquisitions made at a discount (negative goodwill), fully integrated and organisation streamlined
- Focused on core business
  - Divesture of non-core business (2012: IT R&D to Bankdata, 2013: JGAM, 2014: Silkeborg Data, Berben)
  - Winding up of Jyske Bank Switzerland (2015/16)
- Jyske Bank home loan products
  - Challenging the border between banks and mortgage institutions
  - Repatriating mortgage loans from Totalkredit
- Jyske Bank/BRFkredit merger
  - Creating growth in a declining market – BRFkredit's market share of net new lending is 30% or above in all segments
  - Extensive distribution platforms and customer bases provide attractive opportunities for organic growth
  - Significant cost synergies from optimising IT, business processes, overlapping functions and capital, with low integration risk
  - Immunization from shift between bank loans and mortgage loans
  - Diversified balance sheet and de-risked earnings profile
- Credit quality
  - Danish play
  - Danish credit recovery driven by moderate economic recovery
  - Jyske Bank's credit quality supported by geographical distribution of mortgage loan book (BRFkredit's East-East strategy) and banking loan book's limited exposure to agriculture
- Strong capital position
  - Conservative capital policy and well-positioned to manage effects of regulatory requirements (IFRS9 impairments, changes in calculation of risks)
  - Capital distribution - share buy-back programme of DKK 750m and DPS of DKK 5.25 totalling DKK 499m
  - Able and willing to participate in further consolidation of the Danish financial sector

Our targets

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2015

- Delivering an attractive long-term return on equity
  - Long-term target of pre-tax ROE of minimum 10%
  - In 2015 a pre-tax ROE of 11.6% was achieved

11.6%

- Harvesting annual synergies of DKK 600m related to the Jyske Bank/BRFkredit merger
  - Expected 50/50 split between earnings and cost synergies
  - DKK 100bn in property related loans
  - Approx. 10% reduction in number of employees (from 4,444 to 4,000 employees)
  - Synergies of DKK 550m in place as at end-2015
  - Full year effect in 2017, 1 year ahead of plan

DKK 60bn

DKK 550m

- Maintaining a strong capital position
  - Long-term targets for capital ratio 17.5% and CET1 ratio 14%
  - S&P rating A- (stable outlook)
  - In 2015 capital ratio and CET1 ratio were at 17.0% and 16.1%

17.0% and 16.1%

2015 highlights

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- Danish economy continues its recovery as moderate economic growth persists although challenged by slowdown in exports and housing prices
- Danish agriculture – in particular dairy and pig farmers – still face structural challenges

- Negative interest rate environment persists and expected to continue (Central Bank deposit rate currently at -65 bps). Thus, continued pressure on NII

- Jyske Bank delivers record-high pre-tax profit of DKK 3.2bn, equal to pre-tax ROE on opening equity of 11.6%
  - NII positively affected of new home loan products
  - Impairment charges considerably lower driven by improvement in Danish economy

- Jyske Bank/BRFkredit merger
  - Growth strategy: Sales of new home loan products at DKK 60bn (end-2015: DKK 57.5bn) and DKK 4bn in commercial mortgage loans referred to BRFkredit
  - Synergies of DKK 550m in place by end of 2015. Annual synergies of minimum DKK 600m to have full effect in 2017
  - Continued progress with integrating BRFkredit and Jyske Bank: approx. DKK 110m has been incurred in integration costs (of which DKK 47m was incurred in 2015) – few integration costs remain – total integration costs still expected to be in the range of DKK 100-150m

- Capital distribution
  - Share buyback programme increased by DKK 250m to DKK 750m. Increase will be effective from March 1st 2016
  - As previously announced a DPS of DKK 5.25 totalling DKK 499m is proposed for AGM on March 16th 2016

Merger - one year ahead of plan

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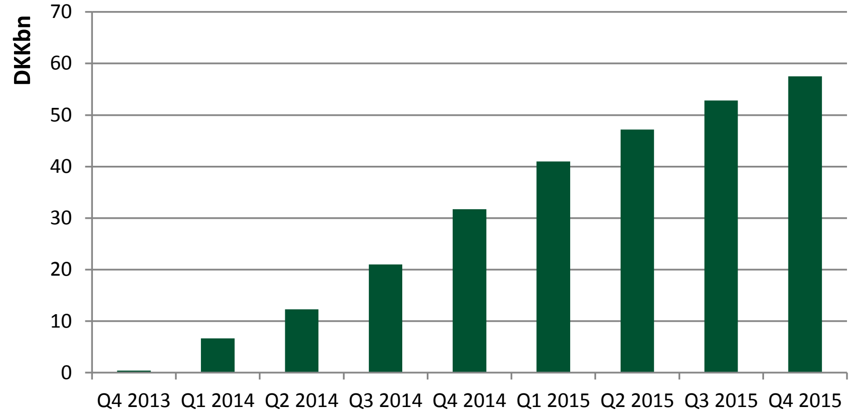
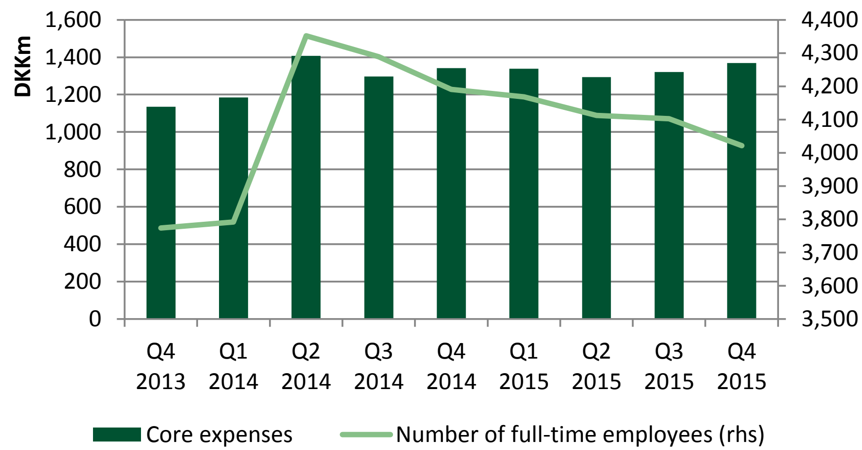
- Annual earnings and cost synergies of DKK 600m expected to have full annual impact by 2017 – one year earlier than originally planned and 6 months earlier than previously announced
- Synergies with full year effect of DKK 550m in place by end of 2015
  - Synergies are after deduction of lost fee income of about DKK 300m from Totalkredit
- New volume:
  - Volume of new home loan products granted reaches DKK 57.5bn (DKK 57bn booked at end of 2015) – an increase of DKK 25.5bn in 2015
  - DKK 4bn in mortgage loans for corporate clients referred to BRFkredit
  - Annual net interest income on total new volume approx. DKK 440m
- Capital costs in BRFkredit reduced by DKK 134m from 2013-level
- Number of employees reduced by 170 in 2015 and 423 since announcement of the merger. Annual cost synergies of approx. DKK 300m
- Integration costs:
  - Approx. DKK 110m incurred of which DKK 47m was incurred in 2014
  - Total integration costs still expected in the range of DKK 100-150m.

New home loan products



Core expenses and FTEs



Danish Macro Economy Q4 2015

The Danish structural financial features are strong

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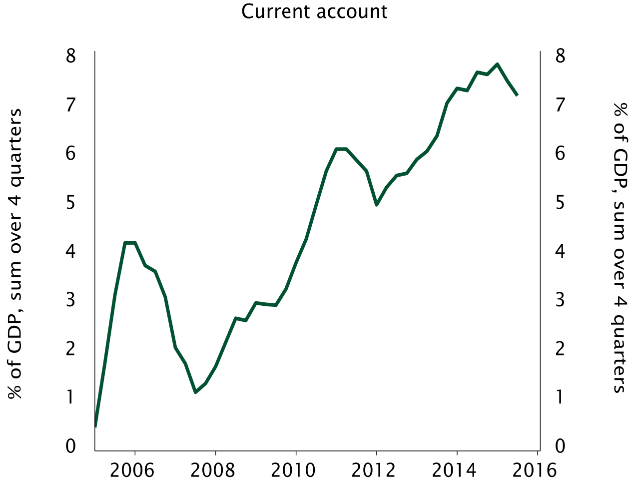
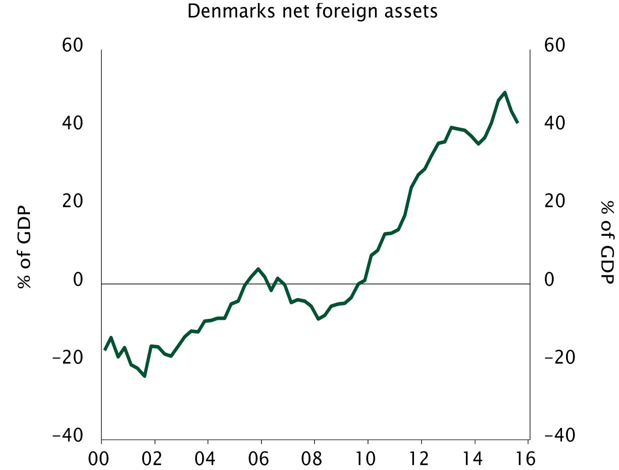
Current account surpluses since late 90s



Kilde: Thomson Reuters Datastream

..imply that foreign assets are increasing



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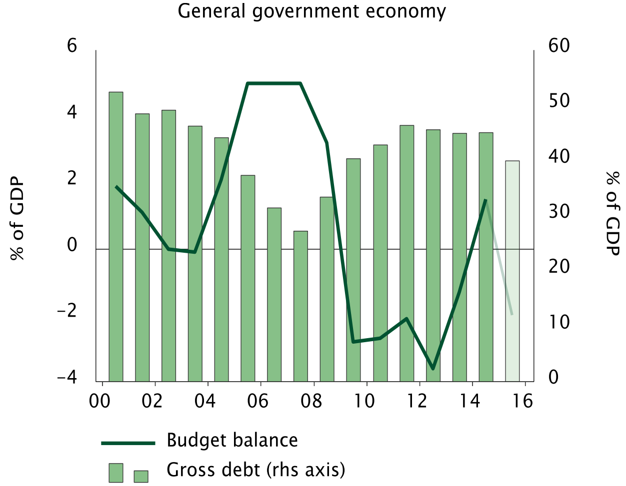
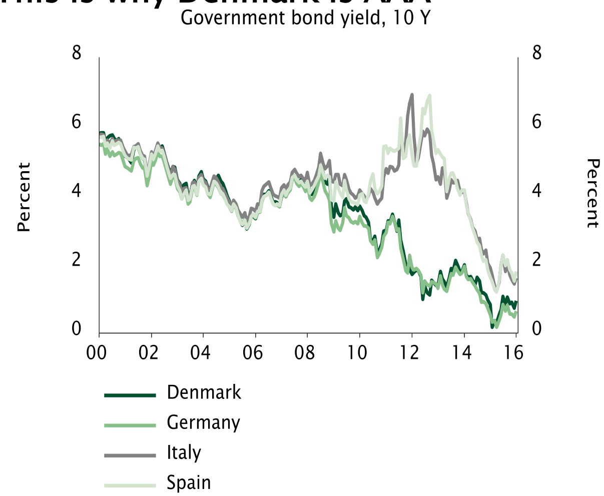
And public sector debt is low



Kilde: Thomson Reuters Datastream and Jyske Bank forecasts

This is why Denmark is AAA



Kilde: Thomson Reuters Datastream

Turnaround for the Danish economy

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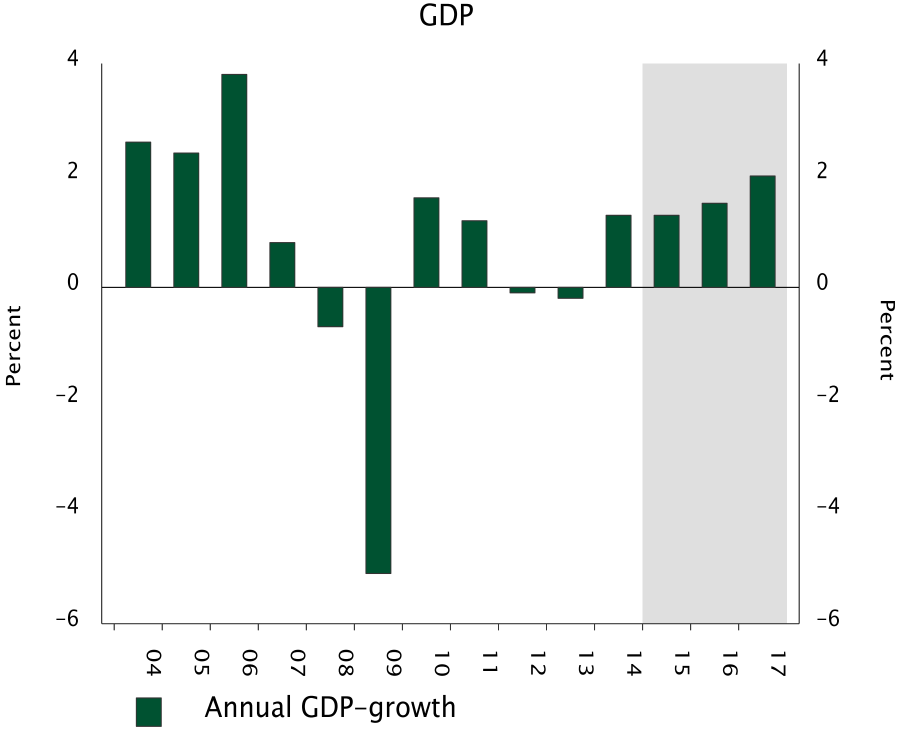
The upturn is set to continue over the next years, but of course depending on the global economy.



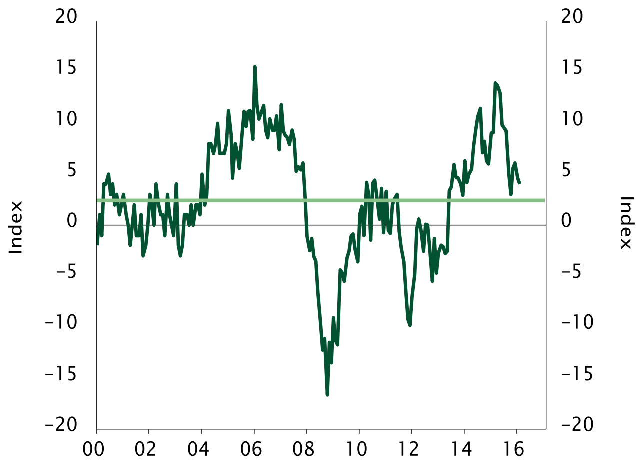
Kilde: Thomson Reuters Datastream and Jyske Bank forecasts

Private sector is behind +2% increase in employment

Kilde: Thomson Reuters Datastream

Positive-housing-consumption-cycle

Consumer sentiment above average



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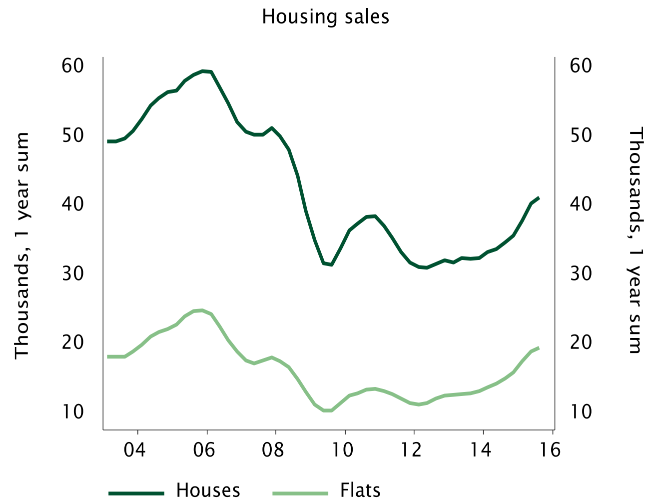
Increasing acitivity in the housing market



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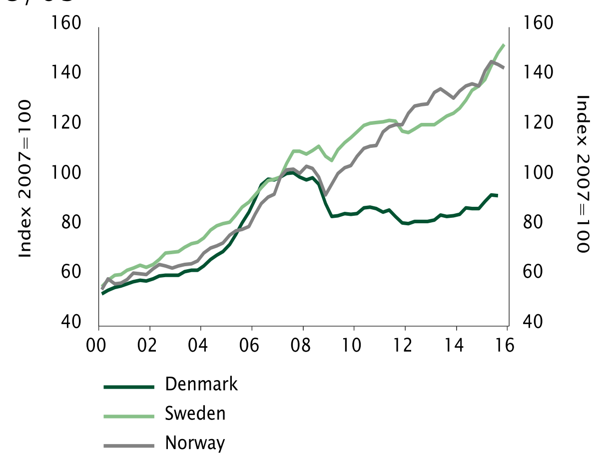
House prices recovering after collapse in 08/09



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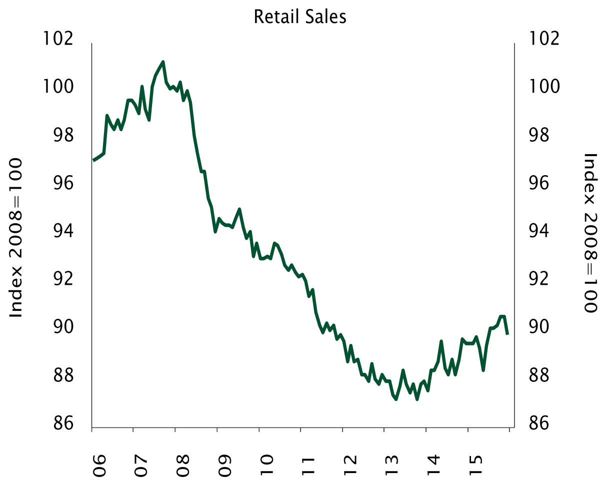
Household consumption is rising



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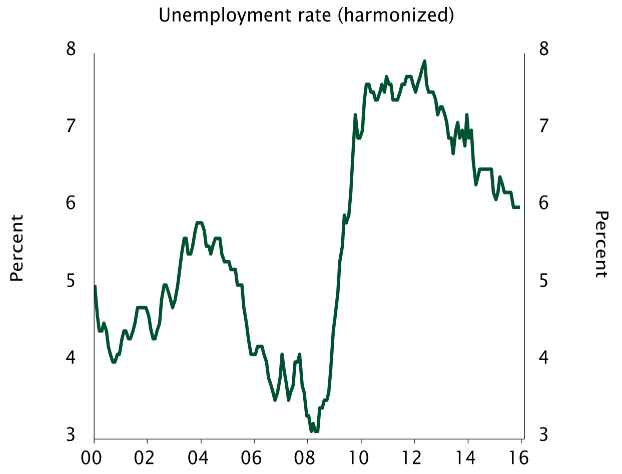
Defaults are close to normalization

Unemployment is moderate and declining



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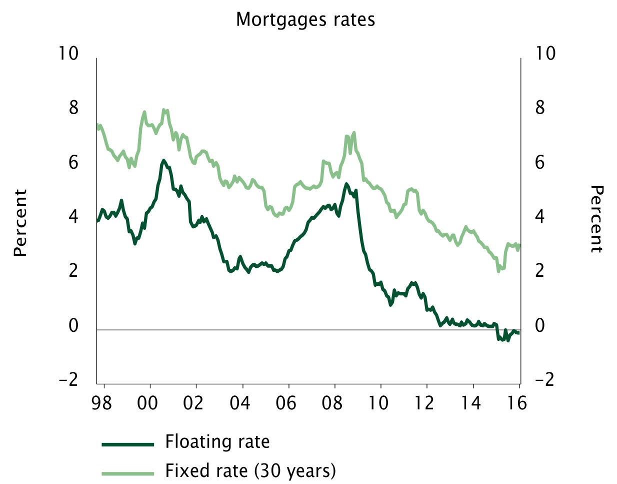
And interest rates are at historic low



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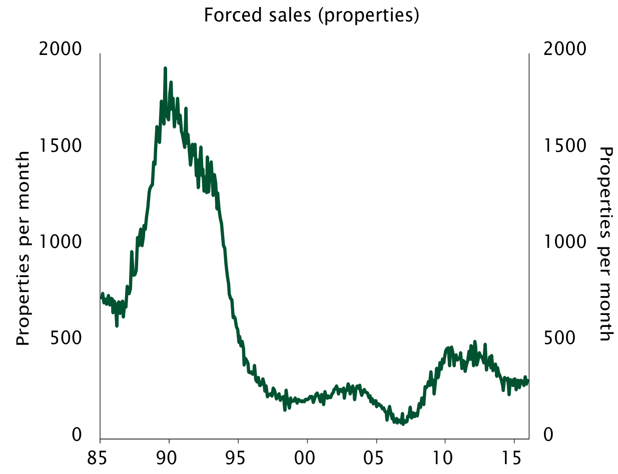
Forced house sales below 0,2 % per year



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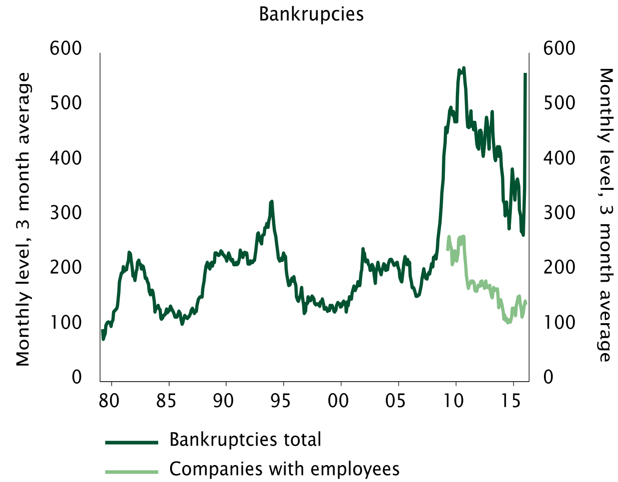
Business bankruptcies are trending down



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Turnaround and consolidation at the same time

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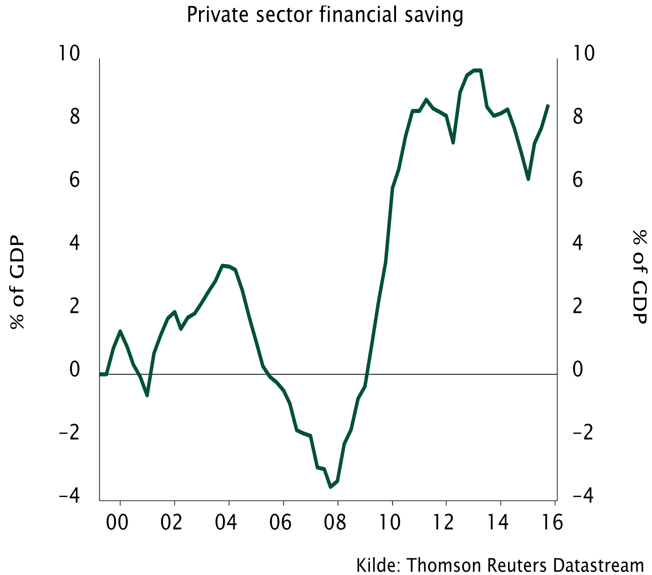
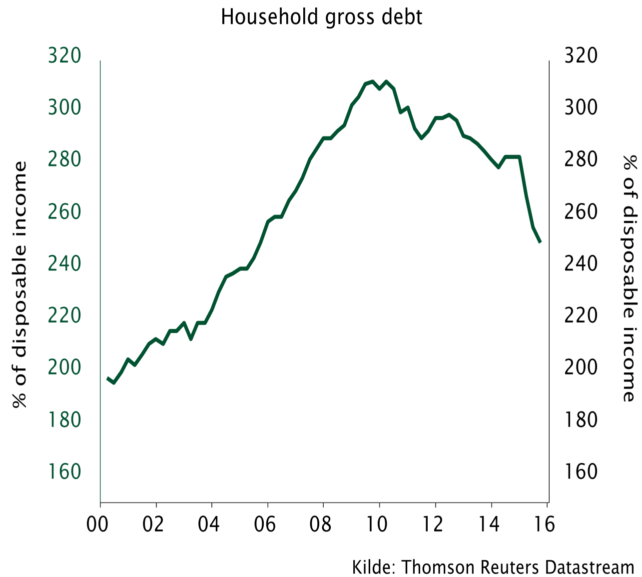
– made possible by low interest rates and real wage growth

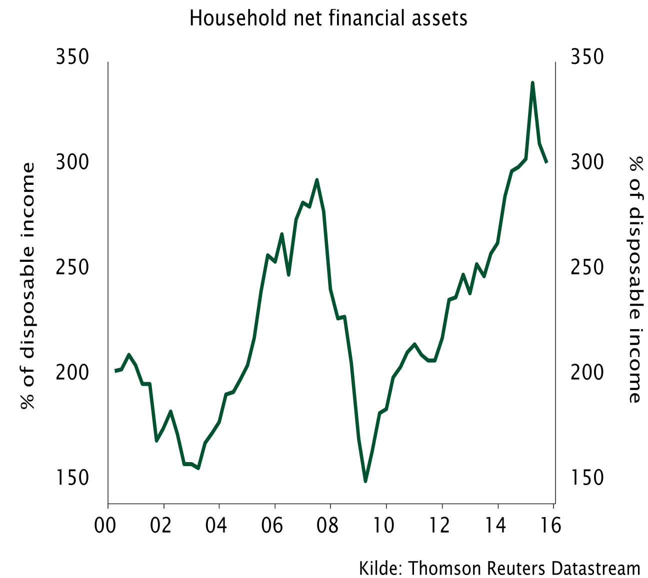
The private sector is still saving up



…so household debt is declining



…and household net assets are considerable



Jyske Bank forecasts

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The Danish economy 2013-2017						
	2014	Real Growth in %				
	Bn DKK	2013	2014	2015	2016	2017
Consumer spending	899	0.2	0.6	2.2	1.6	2.0
Public spending	512	-0.7	0.2	1.2	0.3	0.3
Fixed gross investment	371	1.1	3.4	1.0	2.8	4.7
Inventory investments**	15	-0.1	0.3	-0.5	0.2	0.0
Exports	1037	0.9	3.1	-0.6	2.1	3.1
Import	919	1.1	3.3	-1.3	2.5	3.5
Gross domestic product (GDP)	1943	-0.1	1.3	1.3	1.5	2.0
Current account						
- DKKbn		136	150	145	145	135
- percentage of GDP		7.1	7.7	7.3	7.1	6.4
Public budget balance						
- DKKbn		-20	29	-40	-60	-45
- percentage of GDP		-1.1	1.5	-2.0	-3.0	-2.1
Unemployment						
- Unemployment (thousands) average		153	134	124	119	112
- percentage of the workforce		5.3	4.6	4.3	4.1	3.8
Employed average (thousands)		2.743	2.765	2.792	2.806	2.827
Inflation (%)		0.8	0.6	0.5	1.2	1.8
Wage index (manufacturing industry, %)		1.3	1.3	1.5	1.7	2.0
House prices (nominal prices, %)		2.7	3.4	6.5	3.5	4.5
Naionalbanken's lending rate, year-end (%)		0.20	0.20	0.05	0.05	0.05
Nationalbanken's CD rate, year-end (%)		-0.10	0.05	-0.75	-0.55	-0.35

** Contribution to growth as a percentage of preceding year's GDP
Jyske Bank's forecast for 2015, 2016 and 2017

Jyske Bank Q4 2015 results

Q4 2015 results

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- Pre-tax profit of DKK 1.1bn (equal to ROE 15.6% p.a.)
- Core income driven by
  - Net interest income increases due to income from fixed-rate loans issued at a discount. Otherwise stable
  - Increase in fee and commission income due to Q4 seasonality in investment fees
  - Positive effect on value adjustments from clients' transactions re interest-rate hedging due to rising long-term interest rates
- Core expenses increase due to integration costs and costs related to winding up the Swiss banking operations. Otherwise stable
- Loan impairment charges show a net reversal – although agriculture continues to require new impairment charges
- Core profit generated on the basis of a business volume where:
  - Competition for traditional bank loans continues
  - Continued growth in new home loan products
  - Mortgage volume shows growth in all loan segments
  - Deposits are still at a high level
  - Assets under management experience inflow but depressed by negative returns
- Capital ratio 17.0% and CET1 ratio 16.1%.

CORE PROFIT AND NET PROFIT FOR THE YEAR DKKm	2015	2014	Index 15/14	Q4 2015	Q3 2015	Index Q4/Q3
Net interest income	6,051	5,315	114	1,598	1,500	107
Net fee and commission income	1,834	1,761	104	495	372	133
Value adjustments	216	-42	-	81	-251	-
Other income	239	3,074	8	59	60	98
Income from operating lease (net)	93	78	119	25	22	114
Core income	**8,433**	**10,186**	**83**	**2,258**	**1,703**	**133**
Core expenses	5,322	5,231	102	1,369	1,321	104
Core profit before loan impairment charges and provisions for guarantees	**3,111**	**4,955**	**63**	**889**	**382**	**188**
Loan impairment charges and provisions for guarantees	347	1,953	18	-34	30	-
Core profit	**2,764**	**3,002**	**92**	**923**	**352**	**376**
Investment portfolio earnings	440	101	436	152	-26	-
Pre-tax profit	**3,204**	**3,103**	**103**	**1,075**	**326**	**259**
Tax	728	14	5,200	238	76	313
Profit for the year	**2,476**	**3,089**	**80**	**837**	**250**	**335**

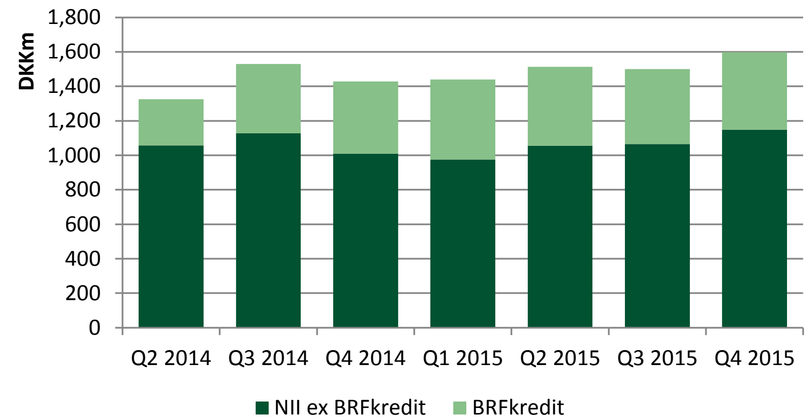
SUMMARY OF BALANCE SHEET, END OF PERIOD DKKbn	2015	2014	Index 15/14	Q4 2015	Q3 2015	Index Q4/Q3
Mortgage loans	249	219	114	249	242	103
Traditional bank loans	93	102	91	93	96	97
New home loans	12	18	66	12	14	84
Bank deposits	129	133	97	129	125	103
Assets under management	118	94	126	118	117	101

Note: BRFkredit has been included in the income statement as of 1 May 2014

New home loans continue to support NII

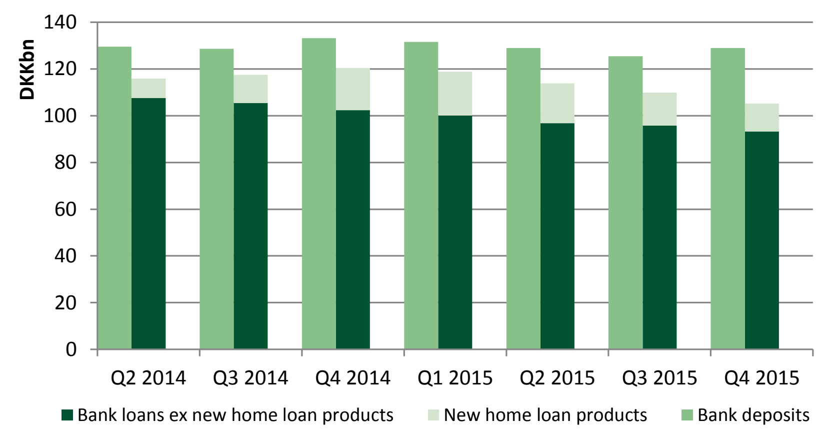
- NII is supported by:
  - Continued growth in new home loan products
  - Increased margins in mortgage activities
  - Mortgages for corporate clients begin to pick up
  - Recognition as NII of DKK 96m related to fixed-rate home loan products issued at a discount (a balance of approx. DKK 50m remains and will be recognised as NII in 2016)

Net interest income



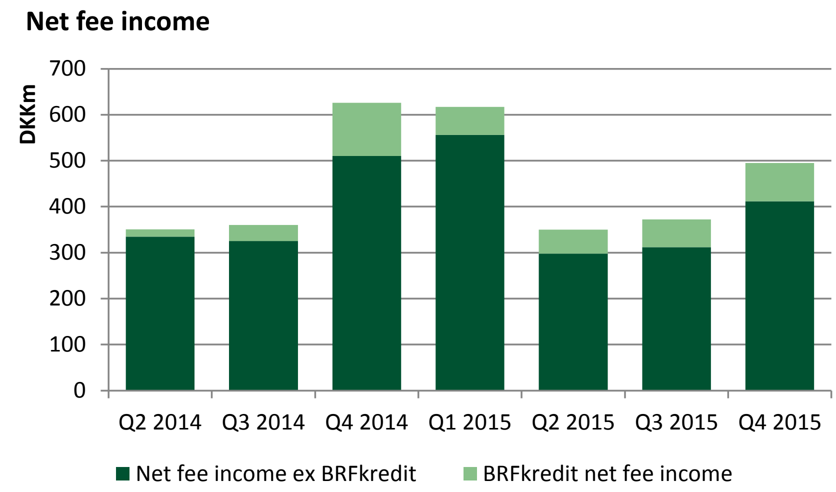
- NII is pressured by:
  - Transformation of loan book composition: from purely traditional bank loans to traditional bank loans and home loans – short term effect, will stabilise core profit long-term and reduce risk-profile
  - Lack of growth in traditional bank loans, limited demand from both personal and corporate clients
  - Continued pressure on margins due to competition
  - Negative/low interest rate level that turns deposits unprofitable

Bank loans and deposits



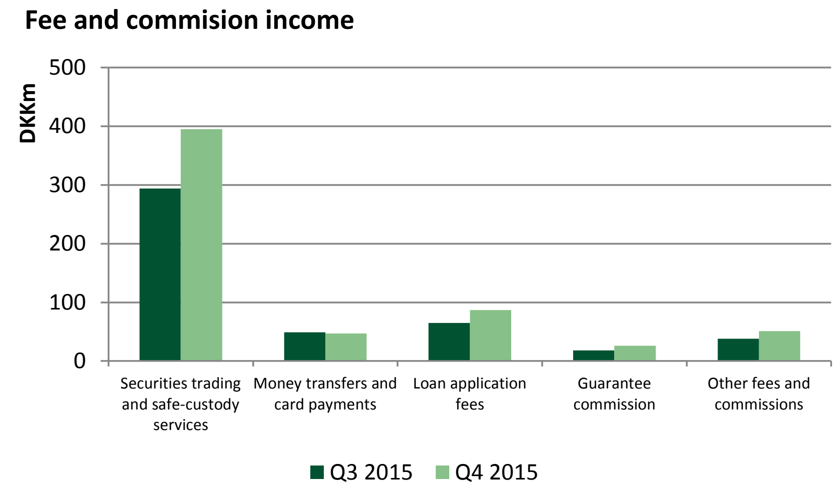
Q4 seasonality in investment related fees

- Net fee income in Q4 is up by DKK 123m compared to Q3 due to Q4 seasonality
- Lack of performance-related fees from investment activities make up most of the difference compared to Q4 2014



- Securities trading etc.:
  - Increase driven by annual fees related to custody services and investment products

- Loan application fees:
  - Fees from mortgage activities saw an increase due to refinancing and re-mortgaging activities as well as fixed-price agreements
  - Fees from banking activities stay low as most home loan transactions are still fee-exempt (Jyske Bank offers repatriation free of charge until end of 2016)

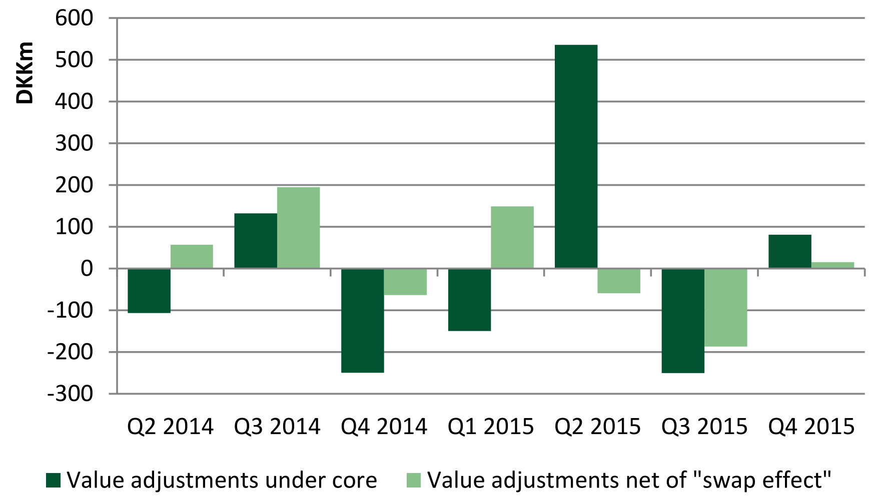


Value adjustments volatile due to interest rate movements

- Interest rate development continues to drive development in value adjustments and Q4 was characterised by:
  - Continued volatility in especially DKK interest rates
  - Rising long-term interest rates
  - Stable/narrowing of credit spreads on Danish mortgage bonds

- Value adjustment on non-performing clients' transactions relating to interest-rate hedging (swaps):
  - Q4: positive effect of DKK 66m (Q3 2015: DKK -64m)
  - 2015: positive effect of DKK 298m (2014: DKK -541m)

Value adjustments under core income



One-offs result in Q3 to Q4 increase in core expenses

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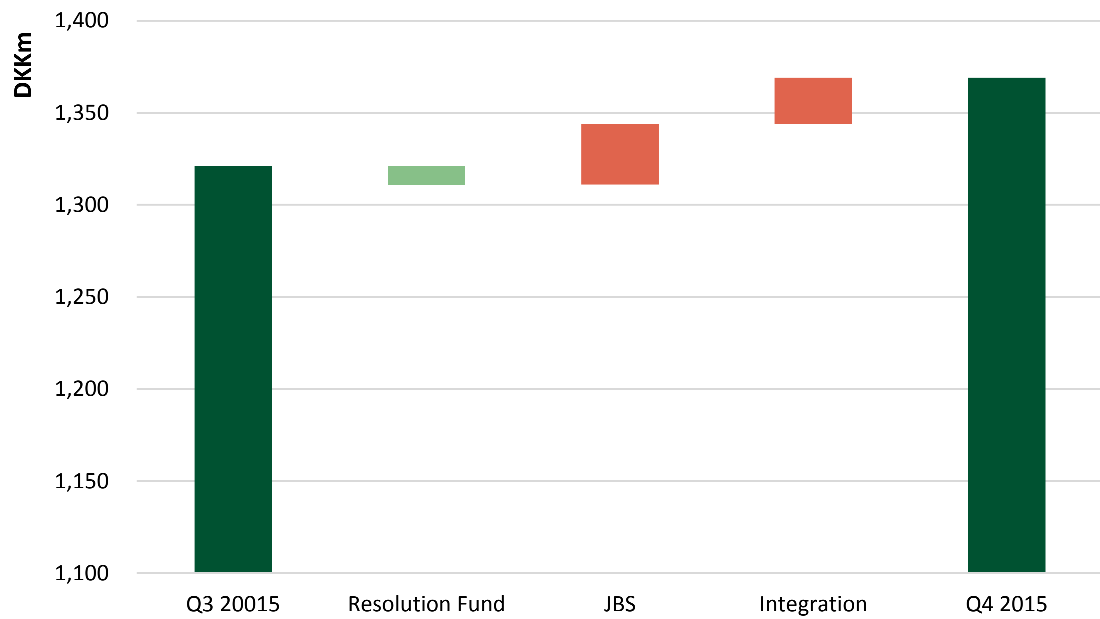
- Core expenses increased by DKK 48m from Q3 to Q4 2015. The increase is related to one-off costs, namely:
  - Costs of winding up Swiss banking operations DKK 35m in Q4 (DKK 50m in 2015)
  - Integration costs, primarily severance, DKK 25m

- Excluding one-offs core expenses are stable – coming quarters will benefit from the lower number of FTEs

Q3 vs. Q4: Development in core expenses



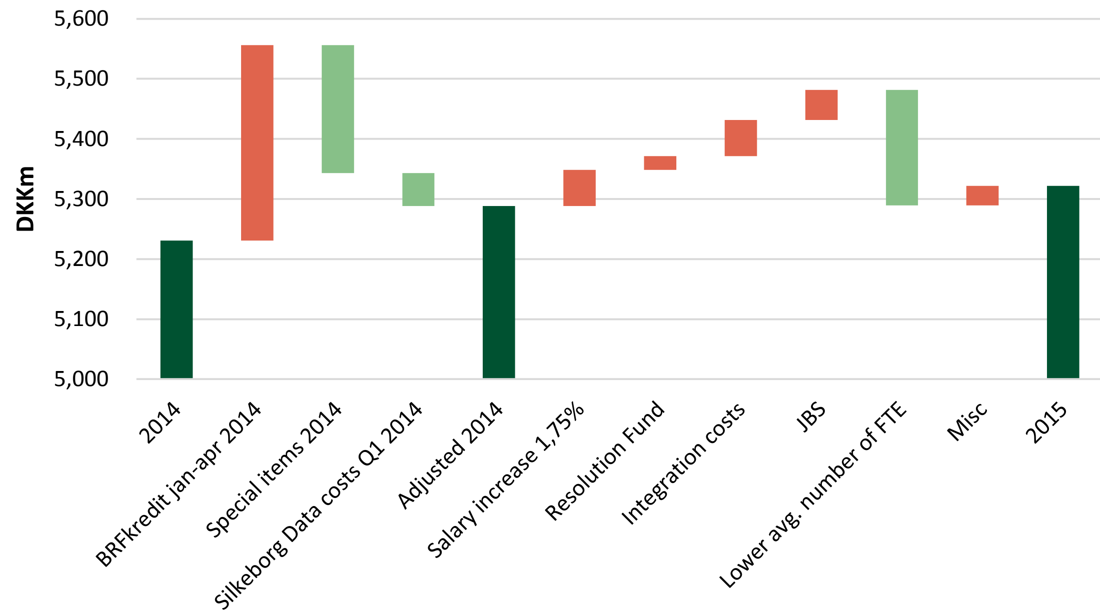
Effect of lower number of FTEs shows

- Lower number of FTEs keep core expenses in 2015 in line with 2014 in spite of:
  - Salary increase prescribed by collective agreement – annual impact approx. DKK 60m
  - New statutory Resolution Fund approx. DKK 20m
  - Costs of winding up Swiss banking operations DKK 50m
  - Integration costs, primarily severance, DKK 60m
  - Increase in other expenses DKK 35m

- Effect of lower average number of FTEs DKK -190m
  - Avg. FTE 2015 = 4,119
  - Avg. FTE adjusted 2014 = 4,386

- Adjusted 2014 includes BRFkredit full year and excludes Silkeborg Data (sold April 2014) and special costs 2014

2014 vs. 2015: Development in core expenses



Improved credit quality leads to net reversals

- Loan impairment charges under core profit of DKK -34m

- Management's estimate of DKK 100m related to agriculture made in Q4

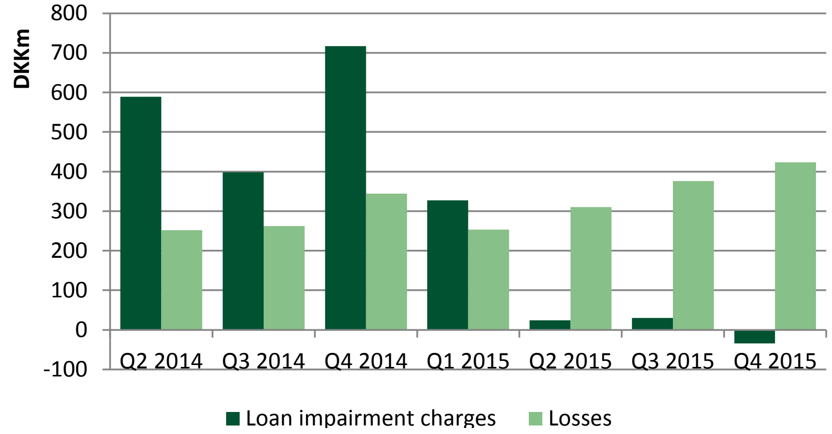
- End of 2015 total balance of management's estimates of DKK 462m, of which DKK 285m related to agriculture – yet to be individualized

- Impairment ratios (under core profit):
  - Impairment ratio for Q4 -1 bp (8 bps for 2015)
  - Below normalized level
  - Accumulated impairment ratio 2.0% (incl. balance of discounts for assets taken over)

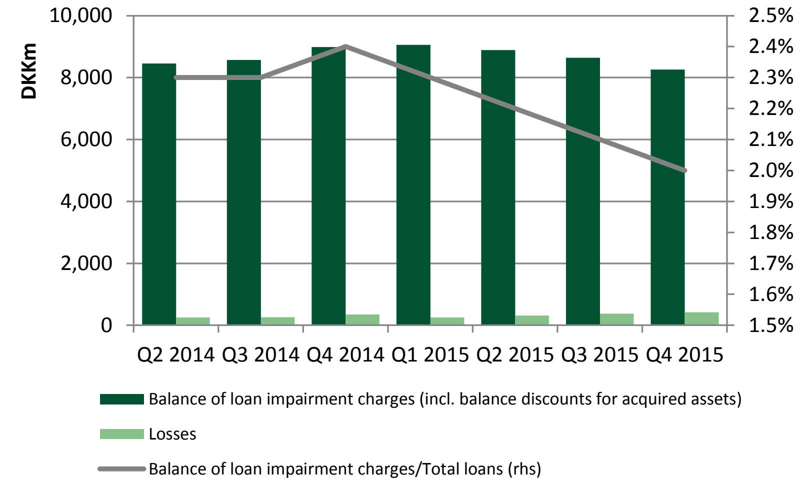
- Banking:
  - Economic recovery leads to improvement in already impaired exposures
  - Agriculture requires new impairment charges
  - Very high level of recoveries
  - Limited exposure to sectors that are directly affected by falling oil prices

- Mortgage:
  - Overall positive development in credit quality – increasing housing prices in primary segments, decreasing arrears and realised losses

Loan impairment charges and losses (under core profit)



Balance of loan impairment charges and losses



Increasing impairment ratios on dairy and pig farmers

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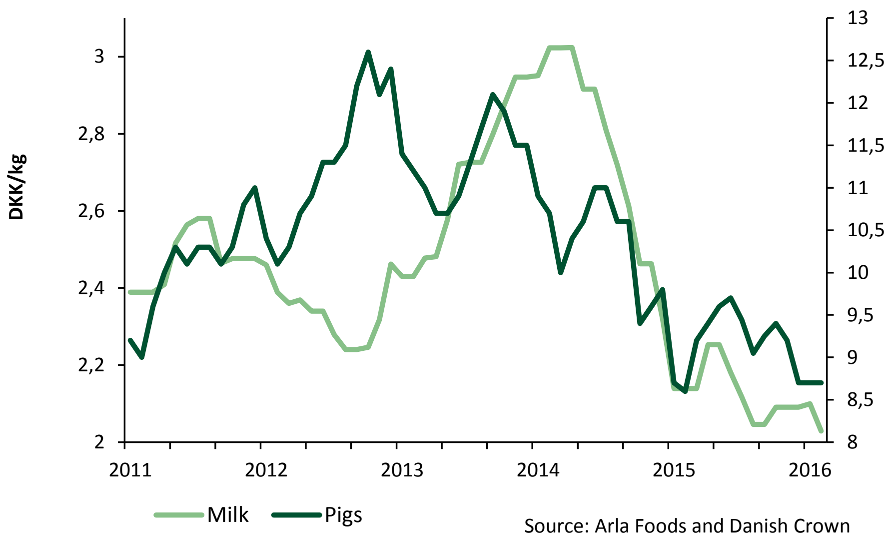
- Agriculture, in particular dairy and pig farmers, is still in distress
- No sign of relief to be found in commodity prices
- Agriculture Relief Package proposed by the government will only have limited effect/will not solve structural problems
- Impairment ratios for dairy farmers and pig farmers at 41% and 33% respectively – up from 34% and 23% in 2014

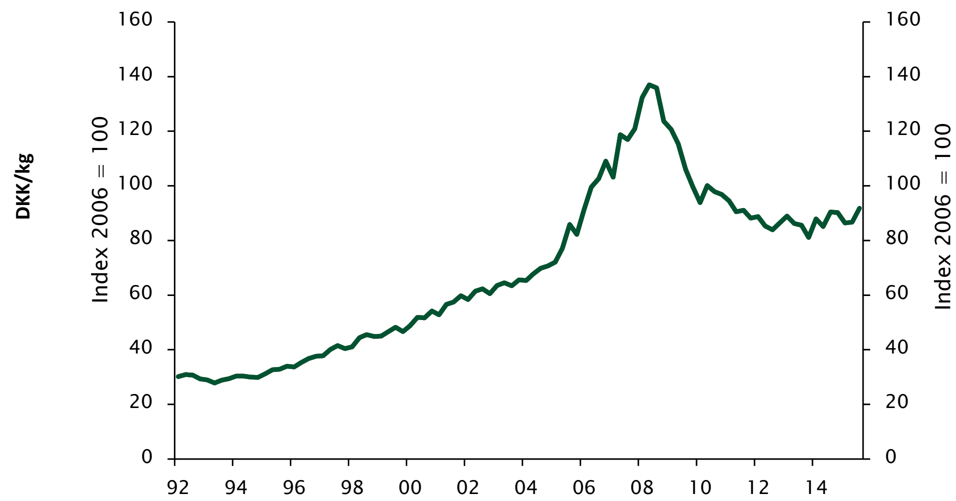
	Loans, advances and guarantees		Balance of loan impairment charges		Impairment ratio	
DKKm/%	2015	2014	2015	2014	2015	2014
Dairy farmers	1,016	1,354	709	706	41%	34%
Pig farmers	1,237	1,682	605	505	33%	23%
Total	**2,253**	**3,036**	**1,314**	**1,211**	**37%**	**29%**

Commodity prices



Source: Arla Foods and Danish Crown

Agricultural properties - price index



Source: Datastream

High credit quality in mortgage loan portfolio

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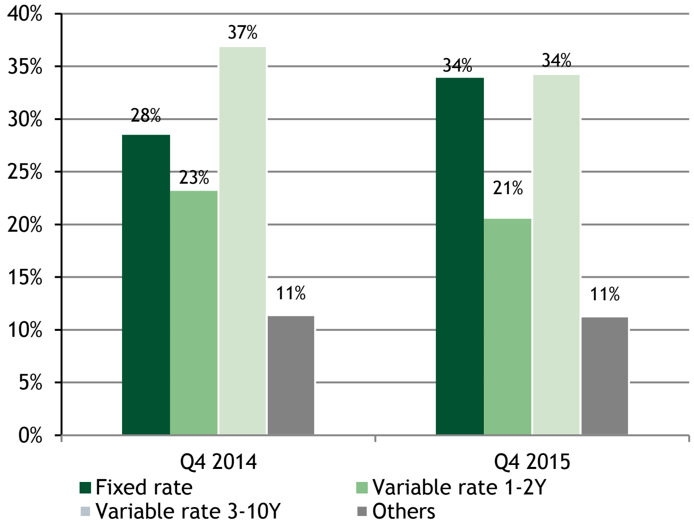
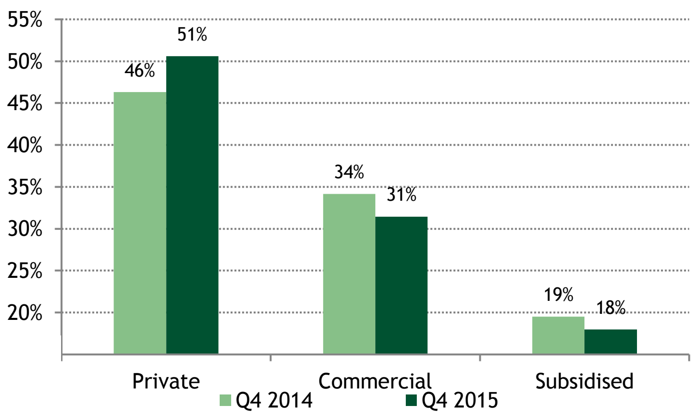
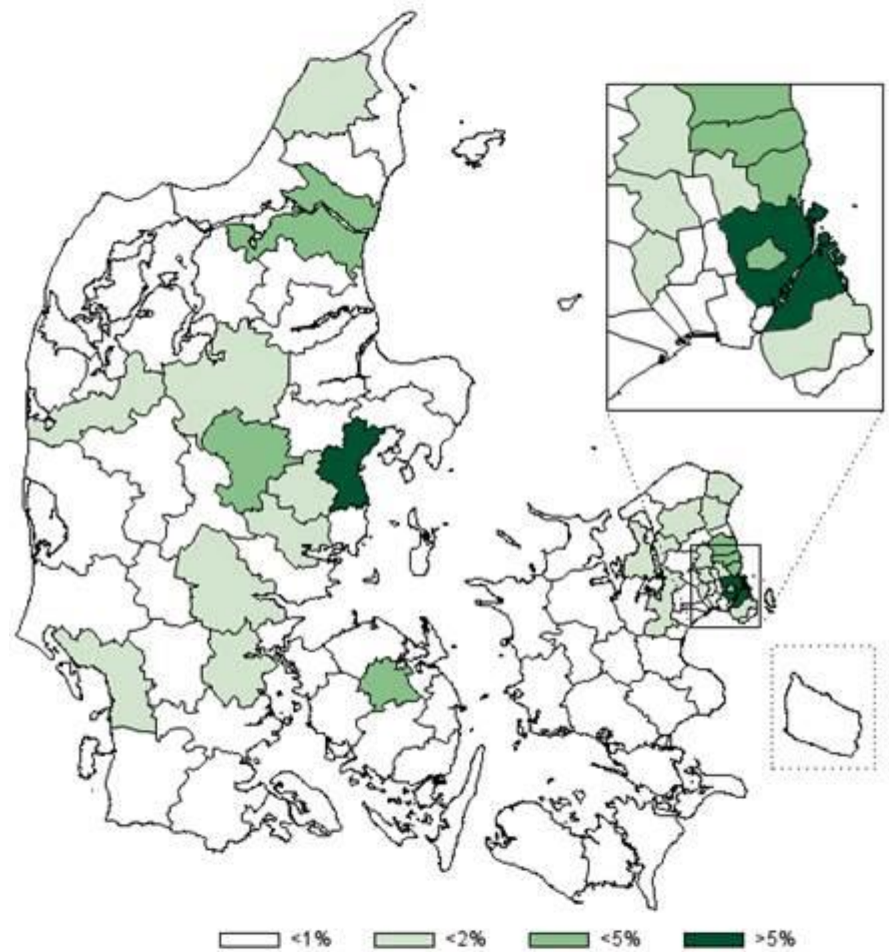
Portfolio distribution by loan type



Portfolio distribution by segment



Distribution of new lending (% of total new lending in 2015)



Improved credit quality in mortgage loan portfolio

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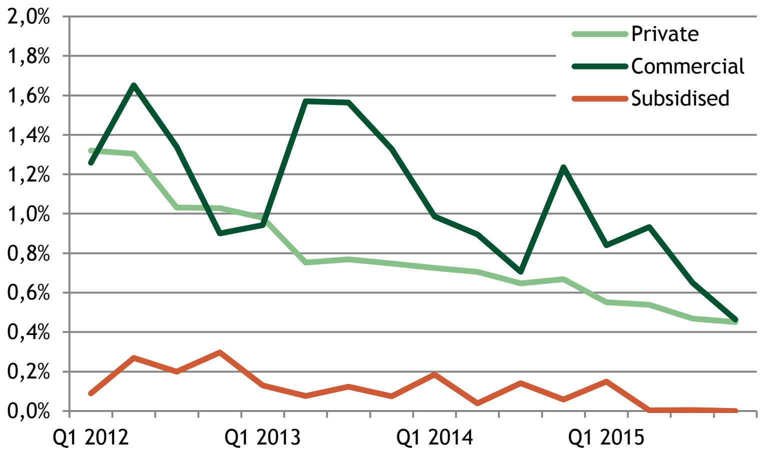
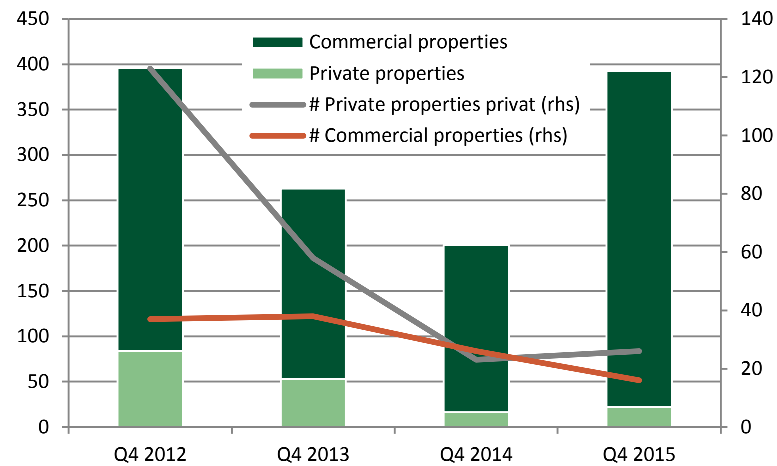
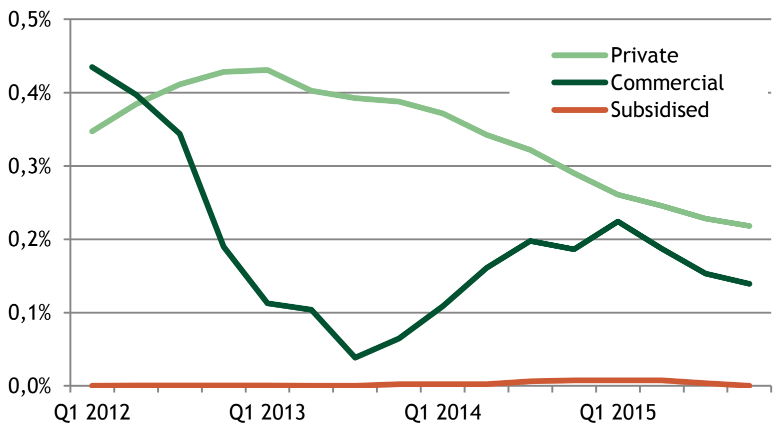
90-days arrears (*percent of outstanding lending*)



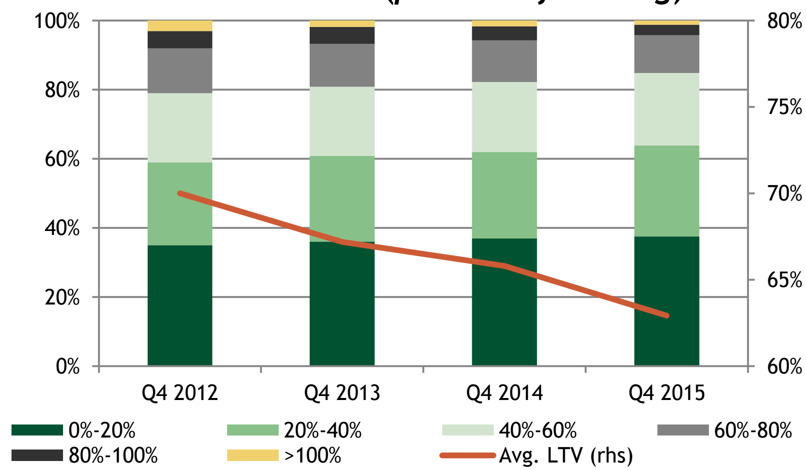
Repossessed properties (DKKm/#)



Annual realised losses (*rolling average*)

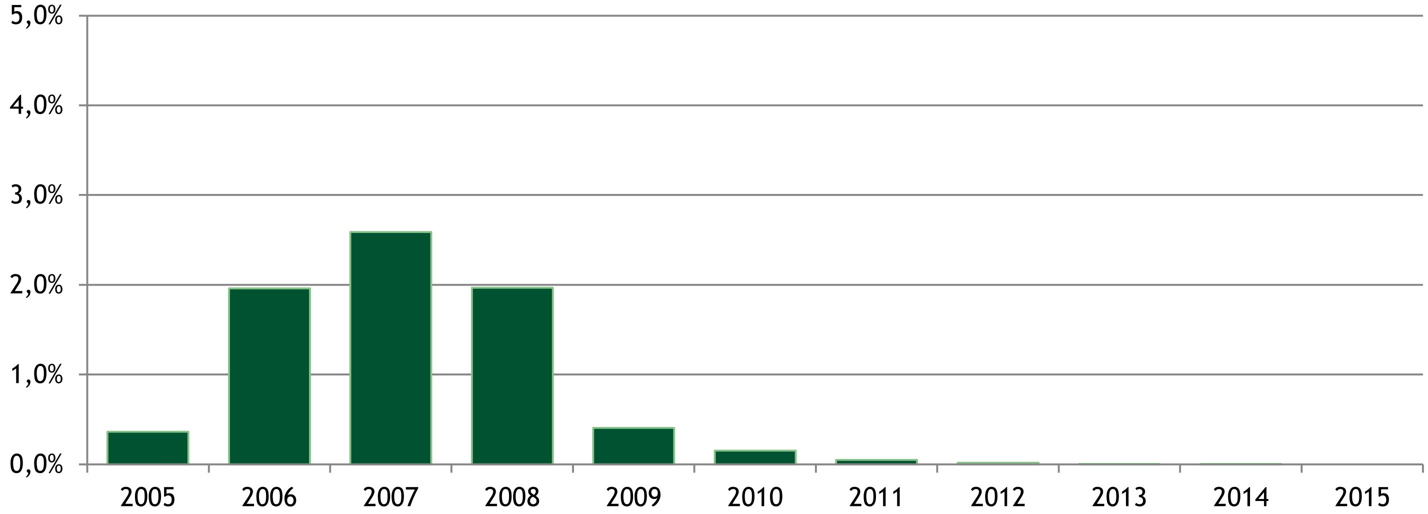


Loan to Value brackets (*percent of lending*)



Tighter credit policies lead to lower losses in mortgage loan portfolio

Realised losses (%) by year of disbursement



- Tightening of credit policies in 2008 and 2009 has led to a decreasing number of losses
- Full information on the customer for new lending from 2009 and better monitoring of the customer after the disbursement of the loan
- Many ”new” customers are already known to the Group

Consolidation leads to increase in capital distribution

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- Capital distribution:
  - The previously announced share buy-back programme has been raised by DKK 250m to DKK 750m (effective from 1 March 2016)
  - An ordinary dividend for 2015 of about DKK 500m proposed for AGM in March 2016

- Capital ratio 17.0% and CET1 ratio 16.1% end of 2015 versus long-term targets of 17.5% and 14% (based on fully implemented CRD IV requirements as per 2019)

- S&P confirmed Jyske Bank's rating (A-/A2 stable outlook) in mid-July 2015:
  - The increasingly robust capital and risk position (RAC ratio) offsets the removal of the one notch of systemic support due to implementation of the BRRD in Denmark in June 2015
  - Adjustment towards the long-term CET1 target of 14% is conditional upon maintaining the current strong S&P RAC ratio in accordance with their capital position "strong"
  - Defending and securing a stable S&P rating of A- remains a key priority

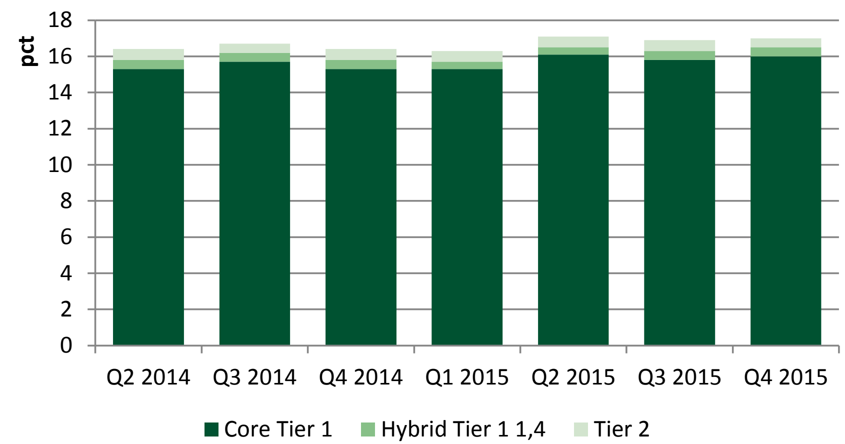
- Solid capital base remains essential to allow room for:
  - Expansion (home loan products)
  - M&A activity if the opportunity should arise
  - Higher capital requirements imposed by upcoming legislation
  - Aligning capital to S&P requirements

- Individual solvency requirement as at end of 2015:
  - 10.5% (+0.3% SIFI requirement)

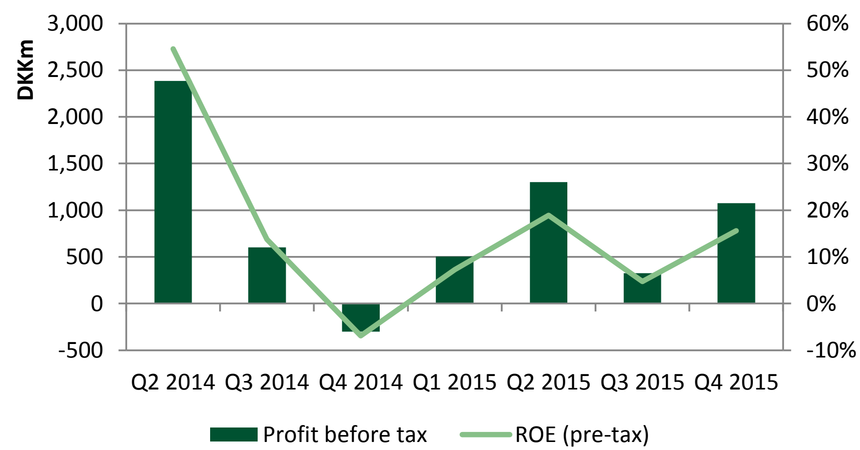
- ROE pre-tax 15.6% and 11.6% for Q4 2015 and 2015, respectively

- Target of min. 10% ROE pre-tax achieved in 2015 due to strong performance in Q4.

Capital ratio



Profit before tax



Already compliant with CET1 requirements in CRD IV & Danish SIFI

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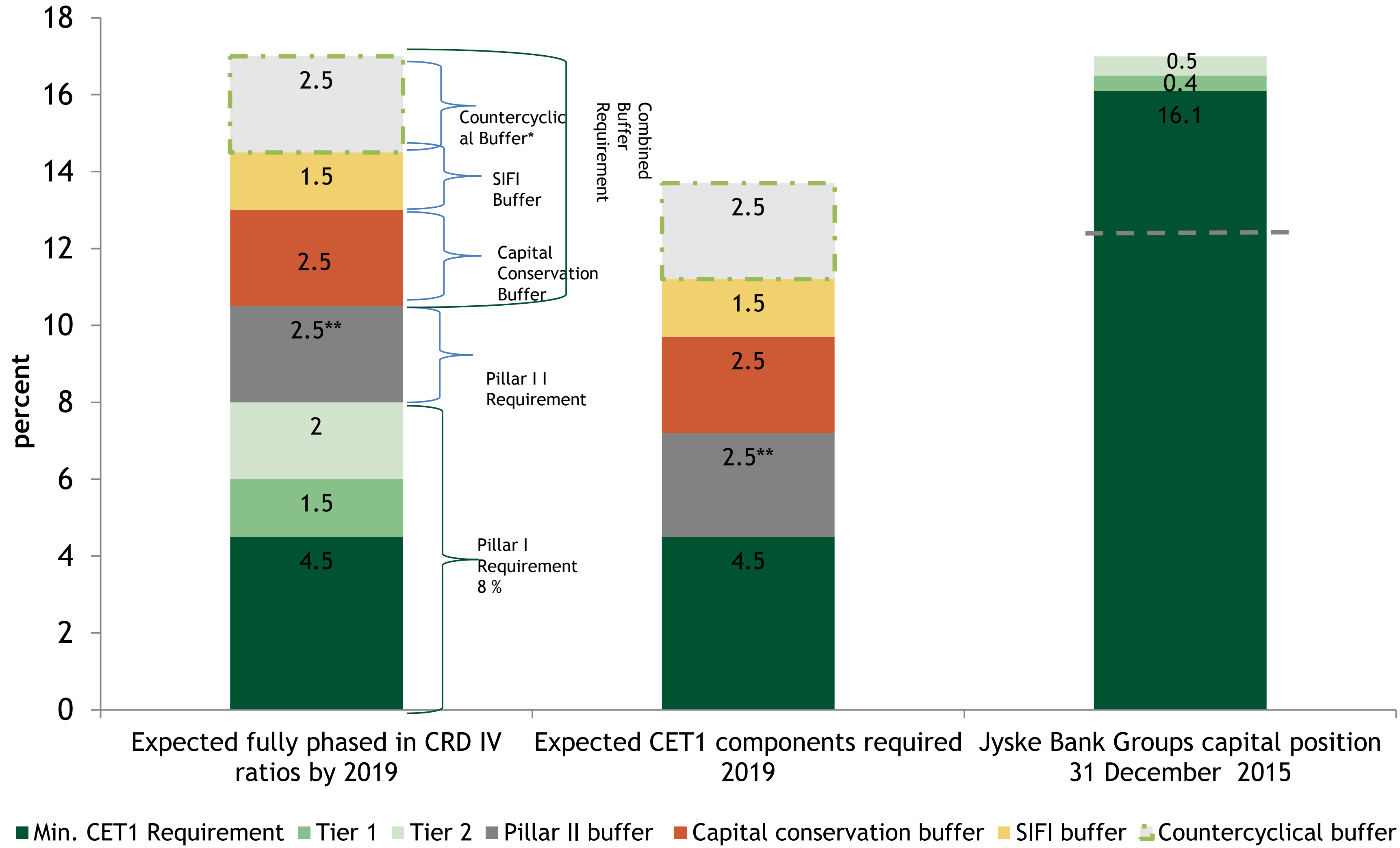
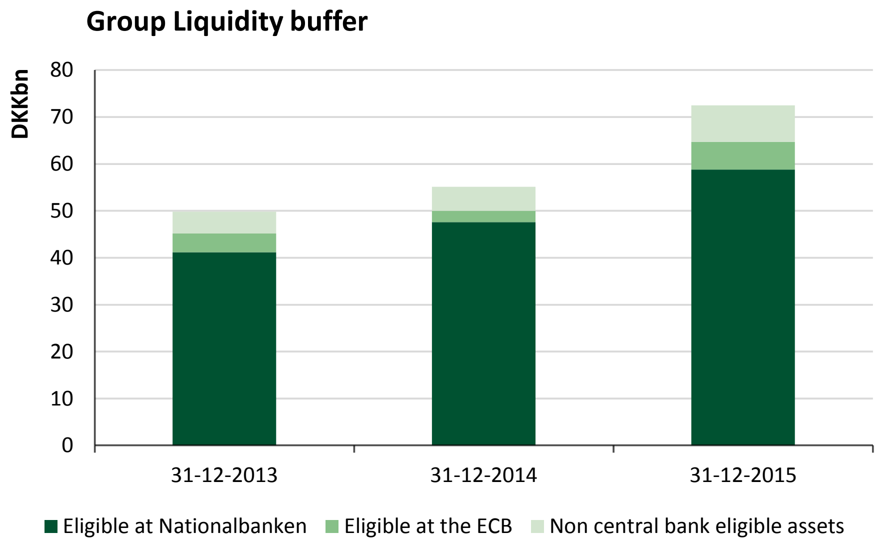
Total capital requirement by 2019 expected to be around 17-17.5 % (incl. worst case fully loaded countercyclical buffer*)
- With a CET1 ratio of 13.5 – 14 % (11 % if Pillar II is filled by a high trigger coco AT1 or AT2)



*) Countercyclical Buffer will depend on Danish macroeconomic and business cycle factors , the final level to be build up from 2016-2019 not certain yet
**) To follow EBA definition so at least 56 % (4.5/8) of the Pillar II requirement must be covered by CET1, but 19 % (1.5/8) can be AT1 and 25 % (2/8) can be AT2

Strong liquidity position

- Liquidity buffer DKK 73bn end of Q4 2015 (DKK 55bn end of 2014)
- Stress scenarios an integrated part of daily liquidity risk management and the limit structure since early 2007
- The Group's liquidity reserves are conservatively calculated (with haircuts) and consist solely of assets which are not pledged as collateral or necessary to ensure the day-to-day operations of the Group
- Focus is on central bank eligibility and the buffer consists mainly of assets that can be repoed at either the Danish Central Bank (Nationalbanken) or at the ECB.
- LCR compliance – key focus area during 2015
- As a Danish full SIFI, compliance (100%) was required from October 1st 2015
- During 2015 the Group has recalibrated the liquidity buffer by increasing the holdings of Level 1a assets and adjusting repo positions. Furthermore, the core liquidity position has been enhanced
- As at end of Q4 2015 the Group's LCR was 174% and primarily comprised of level 1a and 1b assets
- Internal minimum target for LCR of 150%



GROUP LCR BUFFER		
Assets	DKKbn	%
Level 1a	27	39.7
Level 1b	36	52.9
Level 2a + 2b	5	7.4
Total	**68**	**100.0**

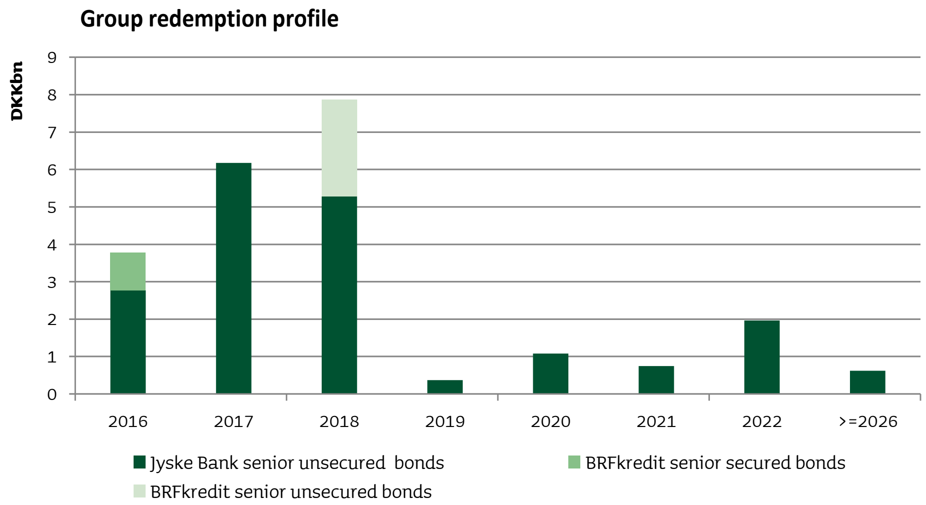
A rare but regular issuer on the EMTN market

- Group issuance of senior debt will be from Jyske Bank A/S, thus no new issuance of senior secured bonds from BRFkredit A/S

- Senior unsecured activity will depend on developments in the balance sheet (funding gap)

- Integrated part of policy is to maintain a deposit/loan ratio in the banking activities of a min of 95 %

- Maintenance of access to diversified funding sources in the international debt capital markets remains a cornerstone in liquidity risk management – thus min. one EUR benchmark (EUR 500m) to be expected annually.



Senior unsecured longer dated funding activities 2015:

- Private placements of:
  - SEK 1bn 2 year FRN
  - SEK 1.35bn 5 year FRN
  - EUR 10m 7 year FRN
  - EUR 50m 1 year FRN
  - EUR 130m 2 year FRN
- Public benchmark bond of EUR 500m 3 year FRN (>90% placed outside of Denmark).

Banking activities

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Pre-tax profit:

- NII increase due to recognition of DKK 96m related to fixed rate home loans issued at a discount
- Q4 seasonality effect in net fee & commission income
- Positive value adjustments driven by interest rate movements
- Core expenses increase due to integration costs and costs of winding up Swiss banking operations. Otherwise stable
- Loan impairment charges: reversals but also new impairment charges related to agriculture

Business volume:

- Home loan products: Continues to increase in volume but majority of new home loans are transferred to BRFkredit for joint funding, i.e. mortgage loan volume increases
- Bank loans: Demand still sluggish in spite of gradually improving Danish economy, thus still fierce competition
- Deposits: Still high levels of deposits.

SUMMARY OF INCOME STATEMENT DKKm	2015	2014	Index 15/14	Q4 2015	Q3 2015	Index Q4/Q3
Net interest income	3,793	3,795	100	1,036	952	109
Net fee and commission income	1,639	1,621	101	424	331	128
Value adjustments	490	6	8,167	94	-227	-
Other income	193	3,046	6	46	46	100
Core income	**6,115**	**8,468**	**72**	**1,600**	**1,102**	**145**
Core expenses	4,249	4,425	96	1,114	1,056	105
Core profit before loan impairment charges	**1,866**	**4,043**	**46**	**486**	**46**	**4**
Loan impairment charges	248	1,882	13	-113	60	-
Core profit	**1,618**	**2,161**	**75**	**599**	**-14**	-
Investment portfolio earnings	351	152	231	115	5	2,300
Pre-tax profit	**1,969**	**2,313**	**85**	**714**	**-9**	-

BUSINESS VOLUME, END OF PERIOD DKKbn						
Bank loans	92	105	87	92	97	95
- of which new home loans	12	18	66	12	14	84
Bank deposits	129	128	101	129	125	103
Assets under management	118	94	126	118	117	101

Mortgage activities

Pre-tax profit:

- NII supported by increase in margins as well as jointly funded loans (= home loan products)
- Net fee & commission income supported by re-financing activities
- Core expenses decrease in line with reduction in number of employees
- Loan impairment charges at a low level – avg. LTV declines as housing prices increase

Business volume:

- Growth in all lending segments - most significant in Private segment where the primary growth driver is Jyske Bank home loan products (jointly funded loans).

SUMMARY OF INCOME STATEMENT DKKm	2015	2014	Index 15/14	Q4 2015	Q3 2015	Index Q4/Q3
Contribution income, etc.[1]	1,687	991	170	432	431	100
Other net interest income	120	97	124	18	4	450
Net fee and commission income	256	167	153	83	60	138
Value adjustments	-285	-59	483	-13	-24	54
Other income	39	15	260	14	13	108
Core income	**1,817**	**1,211**	**150**	**534**	**484**	**110**
Core expenses	908	627	145	211	225	94
Core profit before loan impairment charges	**909**	**584**	**156**	**323**	**259**	**125**
Loan impairment charges	103	76	136	82	-27	-
Core profit	**806**	**508**	**159**	**241**	**286**	84
Investment portfolio earnings	89	-51	-	37	-31	-
Pre-tax profit	**895**	**457**	**196**	**278**	**255**	109

1) Contribution income, etc. covers contribution income as well as interest rate margin on jointly funded loans.

BRFkredit has been included in the P/L as of 1 May 2014 and the BS as of Q2 2014

BUSINESS VOLUME, END OF PERIOD DKKbn						
Loans	249	222	113	249	242	103
- of which mortgage loans	249	219	114	249	242	103
- of which bank loans	0	3	-	0	0	-
Bank deposits	0	5	-	0	0	-
Issued bonds	236	214	110	236	231	102

Leasing activities

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Pre-tax profit:

- Stable NII
- Net fee & commission income lower due to change in contract types (amortization rather than up-front recognition, no material change in profitability)
- Core expenses continue at level below 2014
- Reversals of impairment charges for the 3rd consecutive quarter

Business volume:

- Stable development – steady growth quarter by quarter in particular in corporate segment

SUMMARY OF INCOME STATEMENT DKKm	2015	2014	Index 15/14	Q4 2015	Q3 2015	Index Q4/Q3
Net interest income	451	432	104	112	113	99
Net fee and commission income	-61	-27	226	-12	-19	63
Value adjustments	11	11	100	0	0	-
Other income	7	13	54	-1	1	-
Income from operating lease (net)	93	78	119	25	22	114
Core income	**501**	**507**	**99**	**124**	**117**	**106**
Core expenses	165	179	92	44	40	110
Core profit before loan impairment charges	**336**	**328**	**102**	**80**	**77**	**104**
Loan impairment charges	-4	-5	80	-3	-3	100
Pre-tax profit	**340**	**333**	**102**	**83**	**80**	104

BUSINESS VOLUME, END OF PERIOD DKKm						
Loans	13,681	12,393	110	13,681	13,092	104
Deposits	250	236	106	250	222	113

Additional information

Danish mortgage credit system

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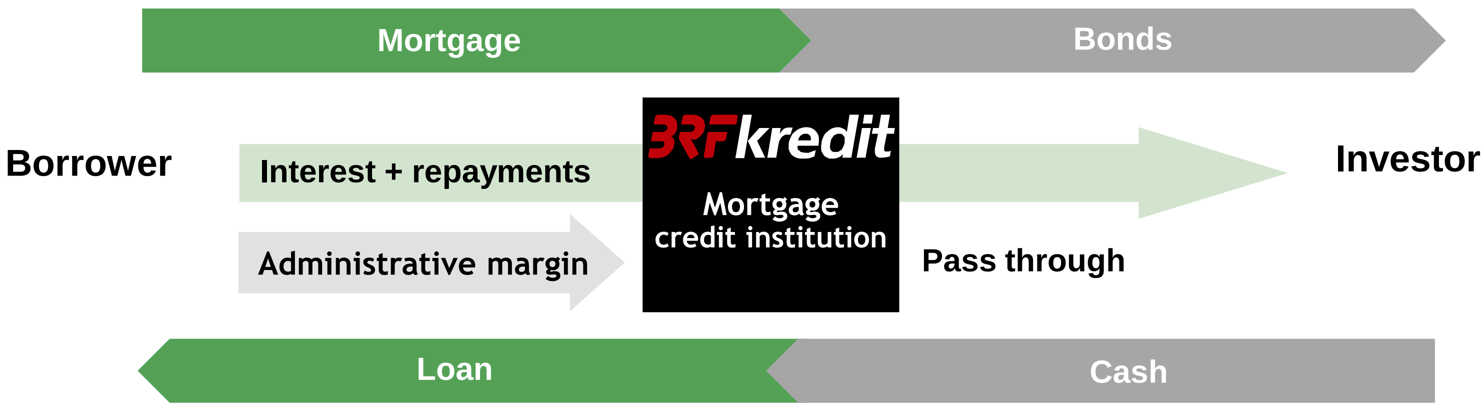
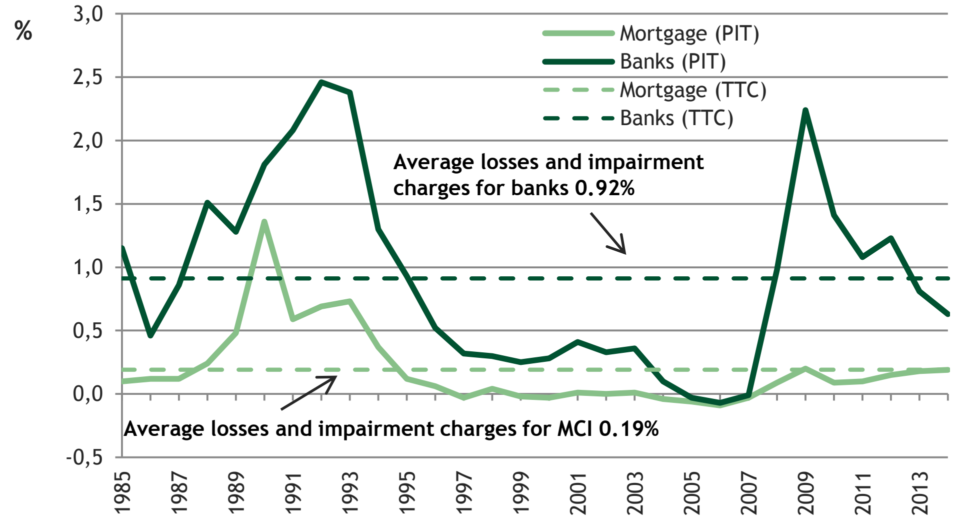
- The Danish mortgage system is based on the matched funding principle (balance principle)
  - The loan type, repayment profile, term, interest rate and currency thus determine which bonds the mortgage banks will sell. e.g. a mortgage bank issues and sells 30-year bonds with a fixed interest of 3 pct. at a value of DKK 1m in order to issue and pay out a 30-year mortgage credit loan with a fixed interest of 3 pct. to the amount of DKK 1m
  - The matched funding principle eliminates mortgage banks' direct loss risk if market conditions change during the loan term. This is because the payments received by a mortgage bank from its borrowers correspond exactly to the payments it makes to the bondholders. Mortgage banks only incur a loss if a borrower fails to make interest and principal payments
  - The administrative margin paid by the borrower to BRFkredit is set by BRFkredit and is payable on top of the interest and principal payments. The margin is not linked to the interest rate and is adjustable over time



The Danish mortgage credit system is robust

- Low credit risk
  - Mortgage loans are secured by a mortgage on the borrowers property and loans are capped by statutory LTV limits:
    - 80 % for housing properties
    - 60 % for commercial properties
- Additional security
  - Public authority guarantees (subsidised non-profit housing), bank guarantees (on loans provided via other banks) and personal recourse
- Over-collateral:
  - The Danish SDO-legislation: any breach of the statutory LTV limit on a loan-by-loan basis should be covered 1:1 with collateral proceeds from SSB issuance and other funds (unsecured debt), as well as subordinated debt and shareholders' equity (the regulatory capital, i.e. own funds)
  - In BRFkredit, the over-collateral is held in very liquid and low risk assets (Danish gov't bond and Danish covered bonds)

Losses and impairment charges 1985 - 2014 (as a % of loans)



Source: Danish FSA

Non-performing loans

- As per end of Q3 2014 Jyske Bank submits information about non-performing loans (NPLs) to EBA
- Jyske Bank has chosen to apply EBA’s technical standards as definition for NPLs
- NPLs comprise exposures with individually assessed impairment charges and exposures with high or full risk as well as past due exposures. If criteria for non-performing exposures are no longer present, and if previously credit easing measures have been granted, clients are still subject to the criterion for non-performing exposures for at least a year after the credit easing was granted
- At group level NPLs amounted to 4.7% of loans and advances at the end of 2015
- Please refer to the following slides for further details as well as breakdown by banking and mortgage activities.

NPLs – Jyske Bank Group

JYSKE BANK GROUP, DKKm	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4
Carrying amount	410,030	394,666	390,290	390,877	375,559
Balance of loan impairments charges and provisions for guarantees	6,713	6,762	6,778	6,717	6,361
Balance of discounts for acquired assets	1,548	1,878	2,105	2,338	2,624
Gross carrying amount (incl. discounts)	418,291	403,306	399,173	399,932	384,544
Non-performing [1]					
Carrying amount - Loans and advances	18,053	17,591	19,361	18,624	18,916
Carrying amount - Guarantees	1,367	1,220	1,206	1,262	1,386
Carrying amount	19,419	18,811	20,568	19,886	20,302
Balance of impairment charges on non-performing exposures	6,233	6,161	6,254	6,118	6,045
- loans and advances	5,776	5,695	5,779	5,518	5,503
- guarantees	457	466	475	600	542
Balance of discounts for acquired assets	1,415	1,438	1,574	1,735	1,717
Gross carrying amount (incl. discounts)	27,068	26,409	28,395	27,739	28,064
NPL Coverage ratio [2]	28.3%	28.8%	27.6%	28.3%	27.7%
NPL Level [3]	4.7%	4.8%	5.3%	5.1%	5.4%
Performing					
Carrying amount	390,610	375,855	369,722	370,991	355,257
Balance of loan impairments charges and provisions for guarantees	462	602	525	599	316
Balance of discounts for acquired assets	133	440	532	604	907
Gross carrying amount (incl. discounts)	391,205	376,896	370,778	372,193	356,480

1) As defined by EBA's technical standards.

2) Balance of loan impairments charges and provisions for guarantees plus discounts in relation to non-performing gross carrying amount, incl. discounts

3) Non-performing carrying amount in relation to total carrying amount

NPLs - Banking activities

JYSKE BANK

BANKING, DKKm	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4
Carrying amount	160,563	154,199	158,453	163,378	158,301
Balance of loan impairments charges and provisions for guarantees	6,083	6,215	6,337	6,392	6,168
Balance of discounts for acquired assets	753	978	1,034	1,126	1,232
Gross carrying amount (incl. discounts)	167,399	161,391	165,824	170,896	165,701
Non-performing [1]					
Carrying amount - Loans and advances	8,810	9,750	10,943	10,064	9,587
Carrying amount - Guarantees	1,367	1,220	1,206	1,262	1,386
Carrying amount	10,176	10,970	12,150	11,327	10,973
Balance of impairment charges on non-performing exposures	5,958	5,950	6,066	5,963	5,922
- loans and advances	5,501	5,484	5,591	5,363	5,380
- guarantees	457	466	475	600	542
Balance of discounts for acquired assets	751	916	972	1,059	1,158
Gross carrying amount (incl. discounts)	16,886	17,836	19,188	18,349	18,054
NPL Coverage ratio [2]	39.7%	38.5%	36.7%	38.3%	39.2%
NPL Level [3]	6.3%	7.1%	7.7%	6.9%	6.9%
Performing					
Carrying amount	150,387	143,229	146,303	152,051	147,328
Balance of loan impairments charges and provisions for guarantees	107	265	271	428	246
Balance of discounts for acquired assets	2	62	62	68	74
Gross carrying amount (incl. discounts)	150,496	143,556	146,636	152,547	147,648

1) As defined by EBA's technical standards.

2) Balance of loan impairments charges and provisions for guarantees plus discounts in relation to non-performing gross carrying amount, incl. discounts

3) Non-performing carrying amount in relation to total carrying amount

NPLs – Mortgage activities

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MORTGAGE, DKKm	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2014 Q4
Carrying amount	249,467	240,467	231,837	227,499	217,258
Balance of loan impairments charges and provisions for guarantees	630	547	441	325	193
Balance of discounts for acquired assets	795	900	1,071	1,212	1,392
Gross carrying amount (incl. discounts)	250,892	241,914	233,350	229,036	218,843
Non-performing [1]					
Carrying amount - Loans and advances	9,243	7,841	8,418	8,559	9,329
Carrying amount - Guarantees					
Carrying amount	9,243	7,841	8,418	8,559	9,329
Balance of impairment charges on non-performing exposures	275	211	188	155	123
- loans and advances	275	211	188	155	123
- guarantees					
Balance of discounts for acquired assets	664	523	601	676	559
Gross carrying amount (incl. discounts)	10,182	8,574	9,207	9,390	10,011
NPL Coverage ratio [2]	9.2%	8.6%	8.6%	8.8%	6.8%
NPL Level [3]	3.7%	3.3%	3.6%	3.8%	4.3%
Performing					
Carrying amount	240,224	232,626	223,420	218,940	207,929
Balance of loan impairments charges and provisions for guarantees	355	337	254	170	70
Balance of discounts for acquired assets	131	378	470	536	833
Gross carrying amount (incl. discounts)	240,710	233,340	224,143	219,646	208,832

1) As defined by EBA's technical standards.

2) Balance of loan impairments charges and provisions for guarantees plus discounts in relation to non-performing gross carrying amount, incl. discounts

3) Non-performing carrying amount in relation to total carrying amount

The Danish economy at a glance

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The basics
Population: 5.6 million (2013)
Area: 43.098 sq km (0.4 % of USA)
Currency: Kroner (fixed exchange rate policy to the euro)

Among the rich
Denmark 10th richest country in the OECD
OECD-ranking, GDP (PPP) per capita (2014)

A welfare state
Total tax revenue as % of GDP (2013)
Denmark 48.6 % (Highest in the OECD)
Germany 36.7 %
USA 25.4 %

Equal disposable incomes
OECD-ranking lowest Gini coefficient (2012)
1. Denmark
4. Norway
13. Germany
29. USA

Flexible labour market
Unemployment (latest)
Denmark 6.0 %
Euro Area 10.4 %
USA 5.0 %

Open to the world
Exports as % of GDP (2014)
Denmark 53.7 %
Germany 45.6 %
USA 13.5 %

From goods to services
Production, value added 2014 (USA)
Agriculture 1 % (1 %)
Food products 3 % (1 %)
Oil and gas 4% (1 %)
Manufacturing 14 % (21 %)
Services etc. 76 % (78 %)

Questions

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