Pre-close brief for Q3 2025

Jyske Bank's Q3 2025 report is due on 29 October at 7:30 AM CET. Ahead of publication, we would like to bring relevant public data as well as one-off items to your attention on a line-by-line basis.

Net interest income

Firstly, commenting on volume developments by segment based on recent trends and sector statistics as of August:

- Sector nominal mortgage lending was up 0.9% at the end of August vs. the end of Q2 2025. The increase was driven by both corporates and households.

- For leasing activities, growth has recently been somewhat subdued amid low investment demand. Lending increased by less than 1% q/q in Q2 2025.

- Sector bank lending (excl. repo) was down -2.0% at the end of August compared with the end of Q2 2025. The decrease was caused by non-financial corporations.

  At Jyske Bank, mortgage-like bank lending continues to some extent to be transferred to our mortgage subsidiary, thereby gradually reducing bank lending and increasing mortgage lending.

- Sector deposits (excl. repo) were up 0.4% as of the end of August vs. the end of Q2 2025 driven by both households and non-financial corporations.

Secondly, commenting on rate developments by segment based on recent trends and sector statistics:

- Sector mortgage administration margins were negligibly lower in July-August vs. Q2 2025.

- For the leasing activities segment, net interest income has shown a somewhat stable underlying development in recent quarters, albeit a reclassification related to fee expenses had a positive effect on net interest income in Q2 2025.

- Sector bank lending rates decreased 25bp in July-August vs. Q2 2025. This indicates a lower bank lending margin vs. 3-month CIBOR, which decreased 11bp in the same period.

  Sector deposit rates decreased 17bp in July-August vs. Q2 2025. This indicates a slightly higher deposit margin vs. 3-month CIBOR, which decreased 11bp in the same period.

  Please note that the rate changes mentioned for bank lending and deposits only relate to the first two months of Q3. The average 3-month CIBOR decreased 10bp for the full quarter compared with the average of Q2 2025.

Thirdly, lower short-term interest rates will also have an impact on other interest-bearing assets and liabilities, incl. placings with central banks, bonds, etc. Wholesale funding costs should be impacted by (1) the full quarterly effect from the issuance of EUR 500m non-preferred senior debt on 19 May 2025 at a 3-month CIBOR-equivalent spread of 105bp, and (2) the issuance of EUR 500m tier 2 capital on 4 September 2025 at a 3-month CIBOR-equivalent spread of 129bp.

Lastly, the number of days of interest increased to 92 in Q3 2025 from 91 in Q2 2025.

Net fee and commission income

Below we provide some key considerations regarding some of the elements of the net fee and commission income line shown in the fact book available at our IR website.

- Firstly, asset management and custody fees may surpass the DKK 288m recorded in Q3 2024 driven by higher average assets under management.

- Secondly, sector mortgage lending offers increased 22% y/y as of July-August from a low level. This indicates a higher level of activity-driven mortgage lending fees. On the other hand, the level of fee income from mortgage refinancing auctions could decrease compared with the year before due to a slightly changed seasonality.

- Lastly, fee expenses rose markedly in Q2 2025 and may continue to increase in Q3 2025 due to the full quarterly effect from the reclassification under leasing activities implemented in Q2 2025. The reclassification has an opposite effect on net interest income.

  Additionally, the mortgage subsidiary Jyske Realkredit issued EUR 750m covered bond. The issuance is booked at fair value and the fee expenses related to the issuance is thus paid upfront (not amortised). Jyske Realkredit made a similar issuance in Q1 2024, which entailed fee expenses of DKK 15m in the quarter.

Value adjustments and investment portfolio earnings

Spreads of callable as well as non-callable Danish mortgage bonds tightened significantly in Q3 2025. Conditioned upon positioning, etc., this indicates a highly positive impact on value adjustments. Value adjustments and investment portfolio earnings have averaged DKK 230m and DKK 8m, respectively, per quarter over the last five years.

Other income

A portion of other income has been reflassified to net interest income. Please see the updated Q2 2025 fact book available at our investor relations website (link).

The starting point for other income could be the Q3 2024 level of DKK 11m. However, please note that the underlying level of that quarter was DKK 24m adjusted for a non-recurring loss on investments in associates.

Income from operating lease, etc. (net)

Following elevated gains from the sale of previously leased cars for 20 consecutive quarters, used car prices are now 5% below the level prior to this period according to Statistics Denmark. The long tail of elevated gains should thus be nearing an end with only minor quarterly gains to be realised in a more normalised environment going forward.

Specifically, as stated in the fact book, gains from the sale of assets were elevated at DKK 18m in Q2 2025 and could decrease.

Core expenses

Total core expenses and one-off items amounted to DKK 1,641m in Q3 2024, including DKK 73m of non-recurring items such as integration and restructuring costs related to the acquisitions of Handelsbanken Denmark and PFA Bank.

Several factors should be considered when comparing with the underlying Q3 2024 level of DKK 1,568m, including a sector-wide salary increase of 2.4% implemented on 1 July 2025.

For 2025, we expect total core expenses and one-off items to increase slightly compared to the 2024 level of DKK 6,493m.

Credit quality

The share of stage 3 exposures was at a low level and continued to decline in Q2 2025. Post-model adjustments increased slightly to DKK 1,877m at the end of Q2 2025, equivalent to several years of normalised loan losses.

We have guided for loan impairment charges in 2025 to be at a low level.

Capital

Jyske Bank announced a DKK 2.25bn share buyback programme in connection with the annual report. As of the trade date on 30 September 2025, a total of 2,088,701 shares had been repurchased for a total consideration of DKK 1,268m.

The stipulated capital reservation for expected payout is based on prior capital distribution and includes an ordinary dividend of 30% and share buybacks equivalent to 41%. The 71% total capital deduction is based on shareholders' profit and equated DKK 1,708m at the end of Q2 2025.

Outlook

As previously stated, Jyske Bank expects a net profit at the upper end of DKK 3.8bn-4.6bn for 2025.

Conference call

Jyske Bank will host a conference call with CEO, Lars Mørch, and CFO, Birger Nielsen, on 29 October at 2 PM CET (link).

Contact

Please do not hesitate to reach out to Investor Relations if you have any questions. We will be entering our silent period on 7 October 2025.