Jyske Bank
Q2 2016

18 August 2016

Q2 2016 highlights

JYSKE BANK

- Slow recovery of Danish economy continues
  - Supported by private consumption and gradually increasing housing prices
  - Challenged by weak exports
- Danish dairy and pig farmers still faced by low commodity prices
- Volatile financial markets
- Low/negative interest rate environment persists and is expected to continue

- Jyske Bank delivers a net profit of DKK 809m, equal to after tax ROE 10.8% p.a.
  - Stable development in NII, support from new home loan products and signs of stabilization in traditional bank loans
  - Decreasing core expenses
  - Net reversals in spite of continued need for new impairment charges on agriculture (primarily dairy farmers)

- Jyske Bank/BRFkredit merger
  - Target for synergies achieved as annual synergies of more than DKK 600m in place end of Q2 2016. Synergies will have full effect 18 months earlier than planned
  - Volume growth in new home loan products picks up, adding DKK 6bn net to the portfolio in Q2
  - Total volume in new home loans at DKK 68.0bn end of Q2 (end-2015: DKK 57.5bn) and DKK 71.5bn as per today
  - Total integration costs at DKK 110m. No further integration costs expected. Within expected range of DKK 100-150m

- Capital distribution
  - Share buyback programme of DKK 750m completed by end-June 2016
  - New share buyback programme of DKK 500m initiated at July 1st has been raised by DKK 500m to DKK 1bn

Our targets

JYSKE BANK

	Q2 2016
• Delivering an attractive long-term return on equity – Long-term target of delivering an after tax ROE between 8-12%	10.8%
• 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 housing-related loans and DKK 20bn in mortgage loans for corporates – Approx. 10% reduction in number of employees (from 4,444 to 4,000 employees) – Full year effect from mid-2016, 18 months ahead of plan	DKK 68.0bn >DKK 600m
• Maintaining a strong capital position – Long-term targets for capital ratio 17.5% and CET1 ratio 14% – S&P rating A- (stable outlook)	17.0% and 15.8%

JYSKE BANK

Jyske Bank/BRFkredit merger

Synergies harvested 18 months ahead of plan

- Target for annual earnings and cost synergies of minimum DKK 600m achieved by end of Q2 2016
  - Full impact from Q3 2016 and onwards – 18 months earlier than originally planned

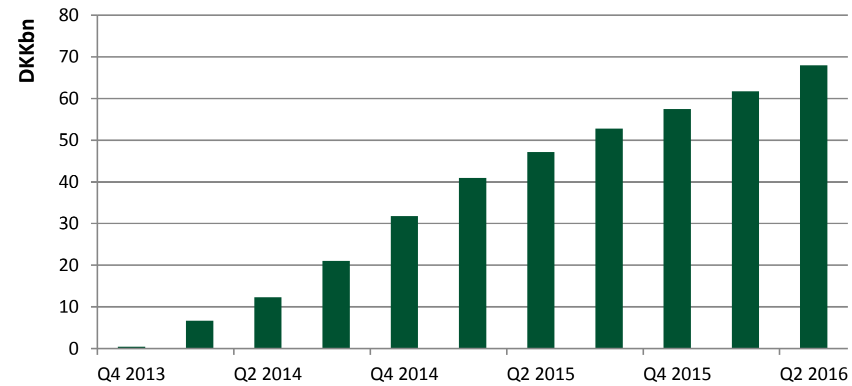
- New volume:
  - Volume of new home loan products DKK 68.0bn of which DKK 66.5bn was booked by end-June

- Capital costs in BRFkredit DKK 27m in Q2 2016 – same level as in Q1 2016

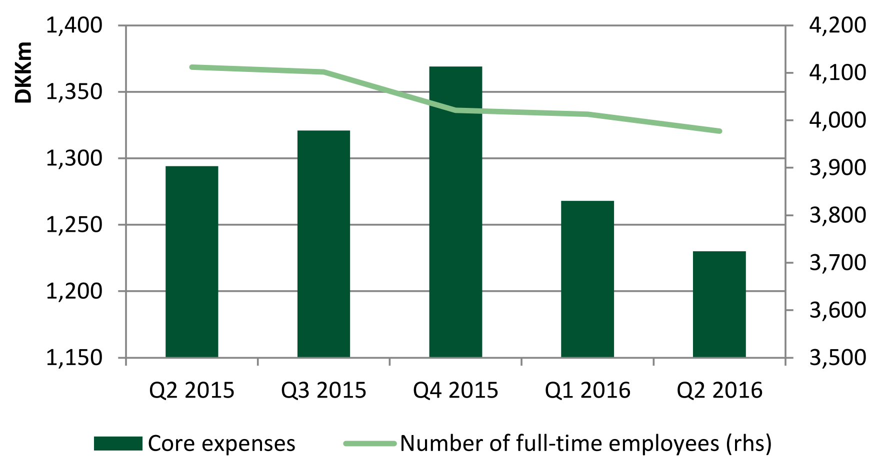
- Number of full-time employees reduced to 3,977 by end of Q2
  - Target of 4,000 full-time employees achieved
  - Resulting in cost synergies of more than DKK 300m annually

- Integration costs:
  - No further integration costs expected
  - Total integration costs come to approx. DKK 110m (incurred in 2014 and 2015)
  - Within the announced range of DKK 100-150m
  - Any additional costs of integrating the banking and mortgage activities will be regarded as operating costs

New home loan products



Core expenses and FTEs



The Group's focus on property lending is a success

JYSKE BANK

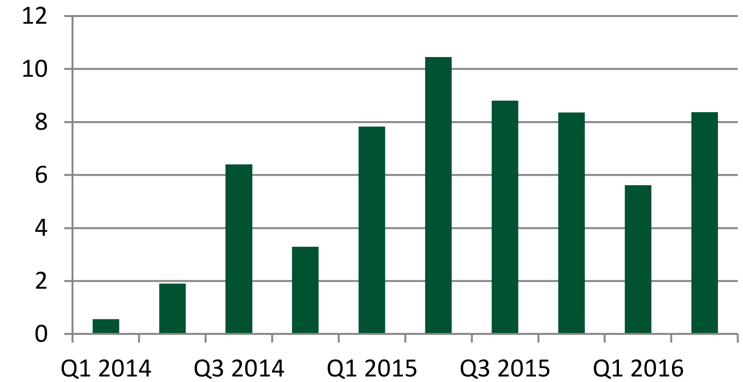
Goal is to reach a property lending balance of DKK 300bn

- This equals a net lending growth of around DKK 100bn from Q1 2014
- The goal has been increased with gross new lending of DKK 20bn to the commercial segment
- Ambitious, but realistic goal

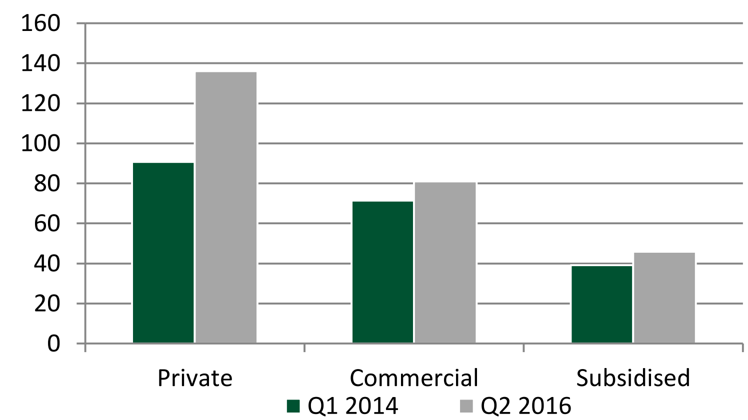
Status H1 2016: Property lending at DKK 270bn

- Net growth in property lending of roughly DKK 70bn has already been achieved
- 27% growth in the property lending balance
- Relatively stable development quarter over quarter
- Net increase in portfolio in both brands
- Focus on residential and commercial lending

Quarterly net new lending in BRFkredit (DKKbn)



Property lending in the group (DKKbn)



Why are we successful in attracting customers?

JYSKE BANK

- Our customers can choose between two different product types:
  - Transparent classic products in BRFkredit
  - Clear and simple new products in Jyske Bank
  - The customers are given the choice and they use it
- The Group has competitive prices (margins)
  - BRFkredit has always been among the mortgage institutions with the lowest margins to attract new customers from other banks and mortgage institutions
  - Jyske Bank is "Best in test" in the magazine TÆNK in August 2015
- Loans financed in BRFkredit SDO covered bonds
  - The loans comply with the Danish mortgage law, as if they were granted by BRFkredit in regards to the balance principle
- The profitability in an increasing portfolio at the current margins depends on the ability to use the advantages of scale in the mortgage market

Margins on residential mortgage loans (LTV 0-80%)

With instalments	Fixed	F5	F1	Floater*
Jyske Bank	0,61	0,75	0,70	0,70**
BRFkredit	0,61	0,85	0,85	0,75
Other Institutions	0,68 – 0,74	0,85 – 0,88	1,11 – 1,15	0,85 – 0,90

Without instalments	Fixed	F5	F1	Floater*
Jyske Bank	0,84	1,03	0,98	0,90**
BRFkredit	0,89	1,08	1,08	1,03
Other Institutions	1,00 – 1,06	1,18 – 1,20	1,43 – 1,48	1,18 – 1,23

* Cibor3M in Jyske Bank and Cita6M for others. The JB margin are calculated as interest minus funding costs in BRFkredit

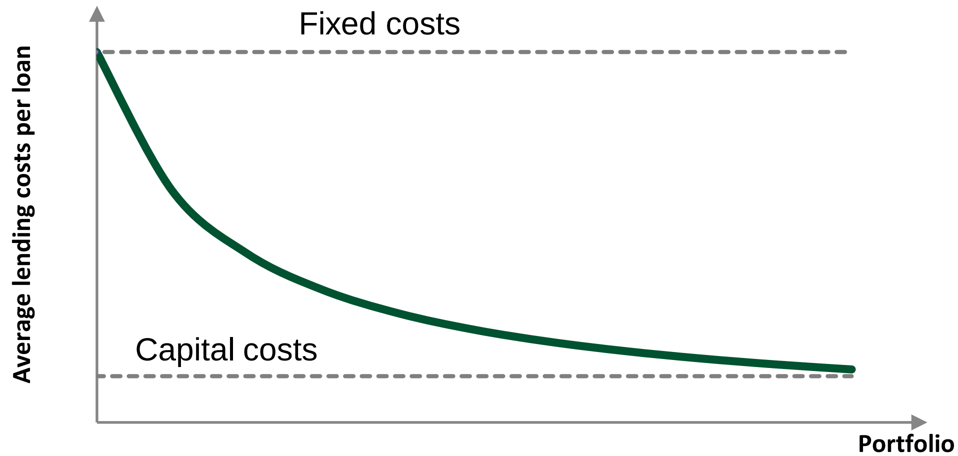
** Is no longer offered

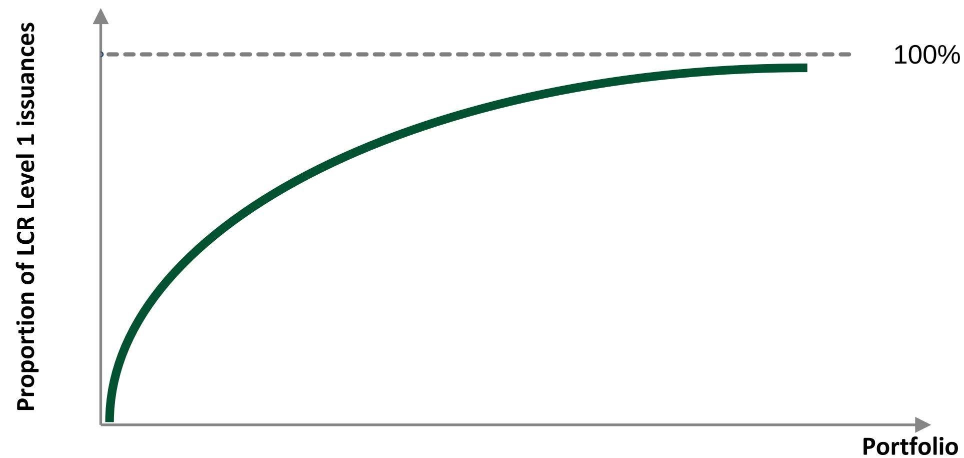
Source: Publicly accessible prices from mortgage institutions' webpages. There has been made no corrections for individual payback programs, customer advantage programs, differences in credit policies and so on

Increased earnings from growth in the portfolio

JYSKE BANK

- Growth in the lending portfolio drives average costs down towards capital costs
- Capital requirements from new customers are simple
  - Low probability of default and LTV < 80 % ⇒ Low capital requirements
  - LTV < 80 % ⇒ No SDO requirements
  - Residential customers with LTV < 80 % ⇒ Low AAA-requirements from S&P
- Increasing capital requirements in the future, but institutions will be hit differently
  - LR and IRB floors is expected to be 3-4% and 20-30% (residential customers), respectively
- Growth in the portfolio creates larger issuances and lower funding costs
  - The proportion in accordance with LCR is increased
  - Focus from investors is increased
  - Better possibilities to offer a greater variety of loan types





Working towards solving the challenges in future regulation

JYSKE BANK

- Increased focus on regulation in the sector
- We have focused on attaining flexibility in our products, capital centers, lending documentation etc.
- To handle regulatory challenges we have developed new funding mechanisms behind our lending
  - LCR/NSFR, Supervisory Diamond, S&P requirements etc.
  - Been able to offer the customers the products they demand
  - Introduction of derivatives and covered bond issuances in EUR gives the Group a new set of funding tools
- The 2-brand strategy gives flexibility
  - Possibility to differentiate prices between products, customers etc.
  - Introduction of derivatives and EUR covered bond issuances gives the group a new set of funding tools
- Together BRFkredit and Jyske Bank have the most complete set of products in the sector

NSFR
Gearing ratio
LCR
BLAST
BRRD
Debt buffer
Supervisory Diamond
Basel IV
SFR
CRD

Need for further flexibility in relation to products and funding

Our focus in the future

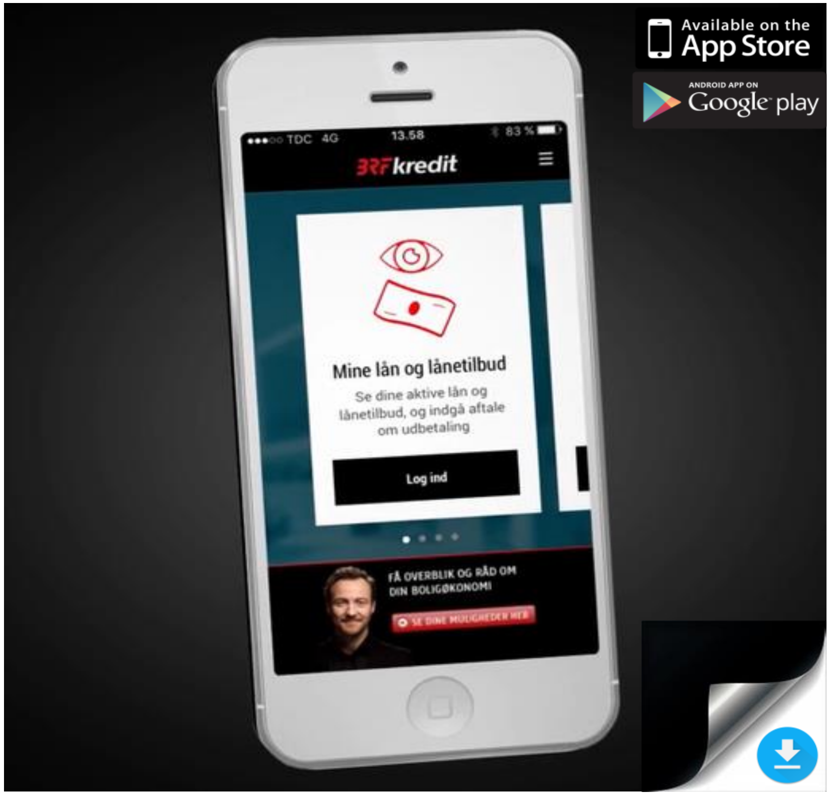
JYSKE BANK

Still a potential to grow in the mortgage market

- The residential portfolio is still increasing at a stable rate
- We have an acceptable success in attracting commercial customers and we still see possibilities
- Still a potential for cross-selling within the Group

Digitalisation

- The lending market is getting increasingly digitalised
- The Group must be able to service customers who want digital solutions
- Within the last 6 months launched new products, new funding sources, new web design, and a new app
- The app offers free independently loan surveillance for homeowners - also non-clients - total market of DKK 1,500bn
- The only institution to offer loan surveillance for all homeowners
- The focus is on the customer but we are also able to create synergies within the Group



Summing up

JYSKE BANK

- Still spending considerable resources on regulation
- Important to prioritise in regards to investments in customers and increasing profits
- Future pricing depends on
  - Future capital requirements
  - Future expenses in regards to regulation
  - Customer price sensitivity
- Digitalisation could affect the market in different ways

- Focus from the Danish FSA on the Supervisory diamond, which is to be implemented in 2018/20
  - ✓ Challenges with F1 is expected to be solved
  - ✓ Refinancing is known for the rest of the year
  - ✓ Funding need is known
  - ✓ Interest only is almost solved
  - ✓ Growth in portfolio is … deliberate
  - ➢ Focus on large exposures

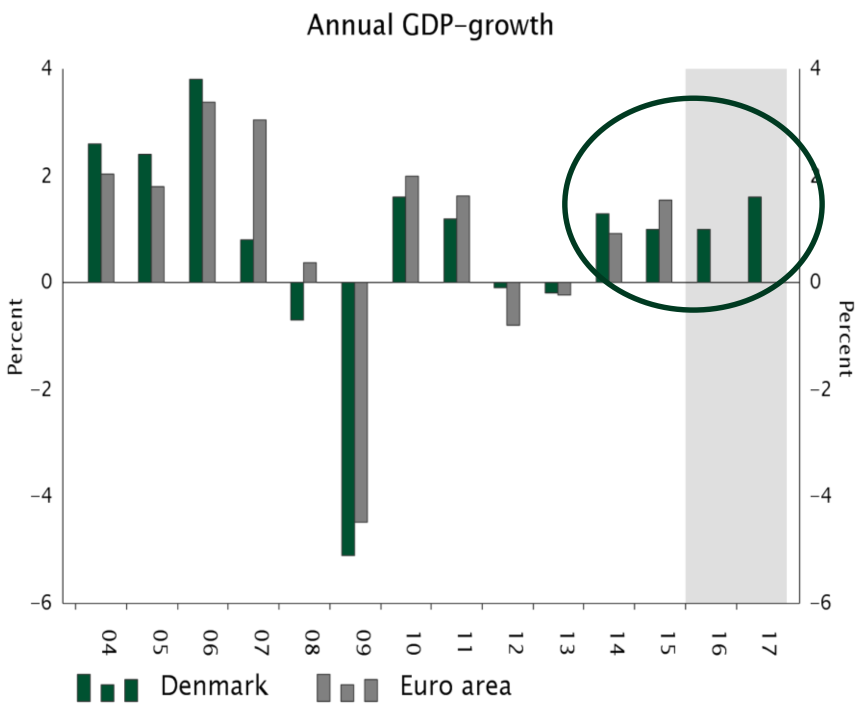
- We are successful in keeping the customer focus externally … and maintaining a strong profitability internally

Danish Macro Economy Q2 2016

Danish economy – a slow recovery story

- Overall the Danish financial sector's operating environment has improved
- The improvement is also reflected in rating agencies' outlook on the Danish banking sector:
    - In Jan 2016 S&P changed their Danish BICRA outlook from stable to positive
    - Moody's sees the Danish operating environment as "more benign"

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

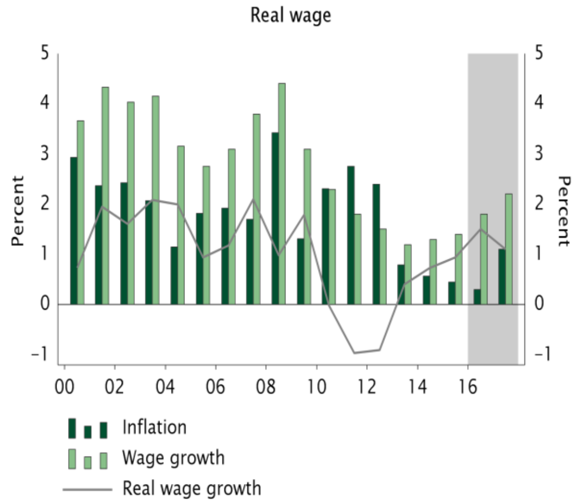
The private sector is driving the +3% increase in employment

Kilde: Thomson Reuters Datastream

3 kinds of stimulus support demand

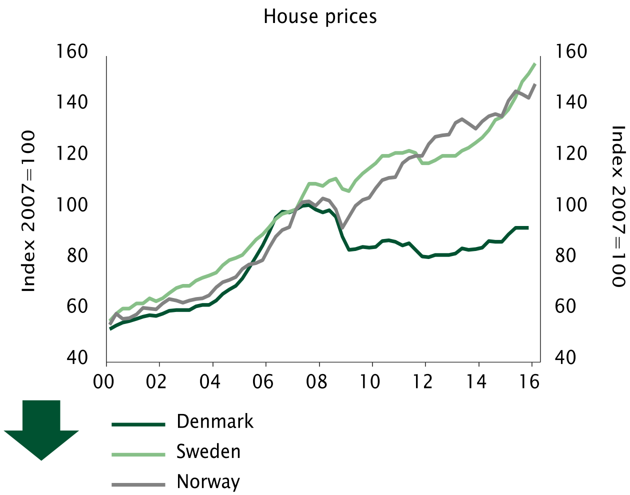
JYSKE BANK

Highest real wage growth since 2009



Kilde: Thomson Reuters Datastream and Jyske Bank

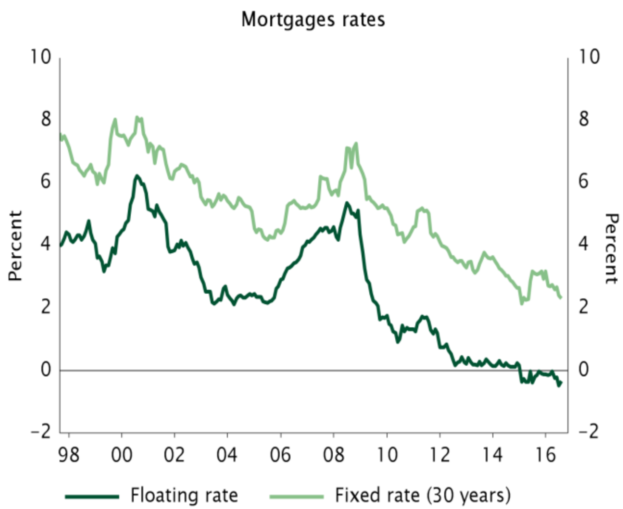
House prices recovering after burst in 2008/09



Kilde: Thomson Reuters Datastream

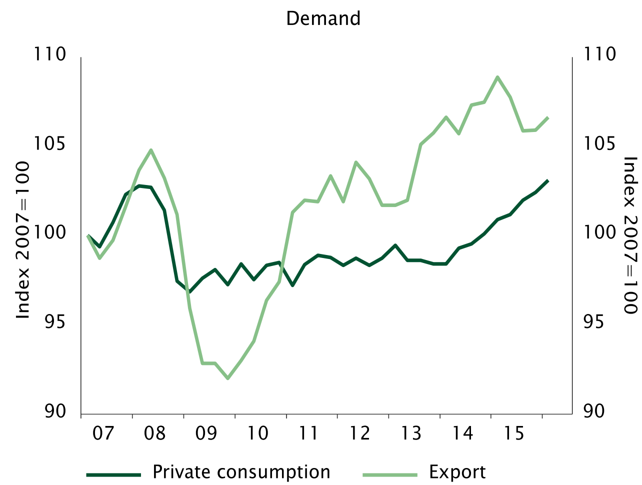
Compared to Sweden and Norway - Denmark has repriced

Interest rates are at a historic low



Kilde: Thomson Reuters Datastream

Demand has increased



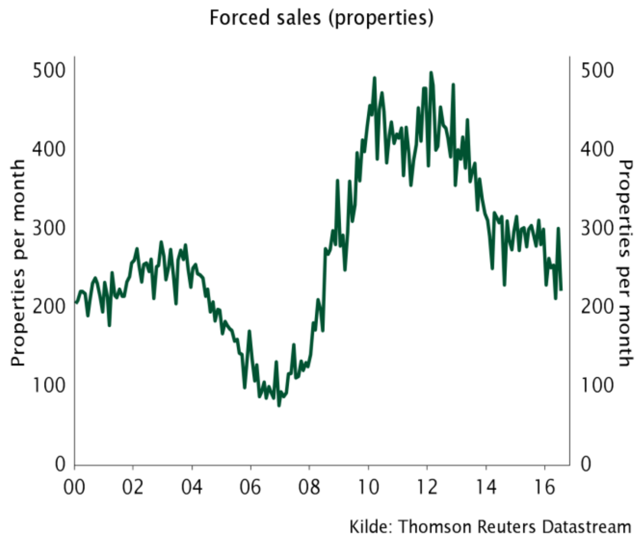
Kilde: Thomson Reuters Datastream

Improved asset quality as defaults are close to normalization

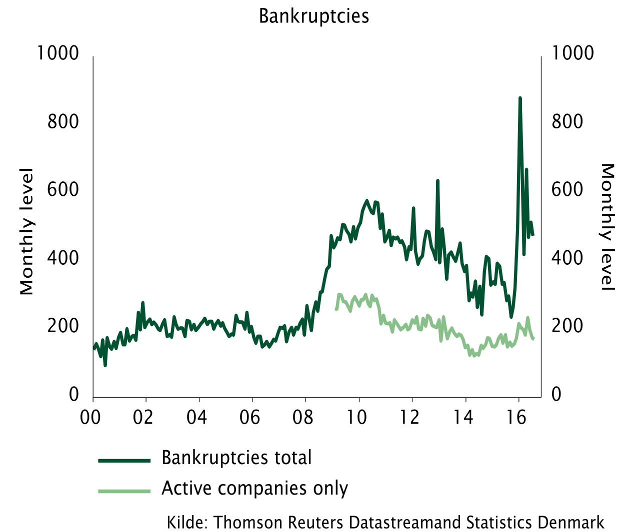
JYSKE BANK

Unemployment is moderate and declining

Forced house sales below 0,2% per year



Business bankruptcies close to normal

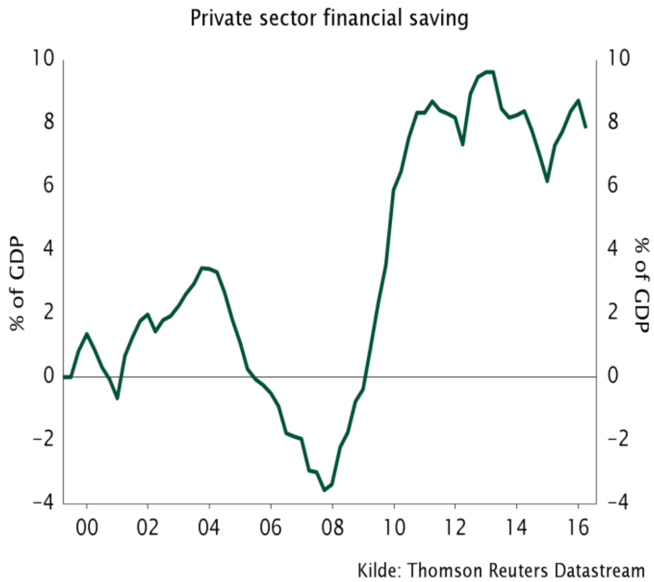


Data for bankruptcies from late 2015 and into 2016 are distorted by a registration issue. Looking at active companies only gives the best possible reflection of the actual development

Turnaround and consolidation at the same time

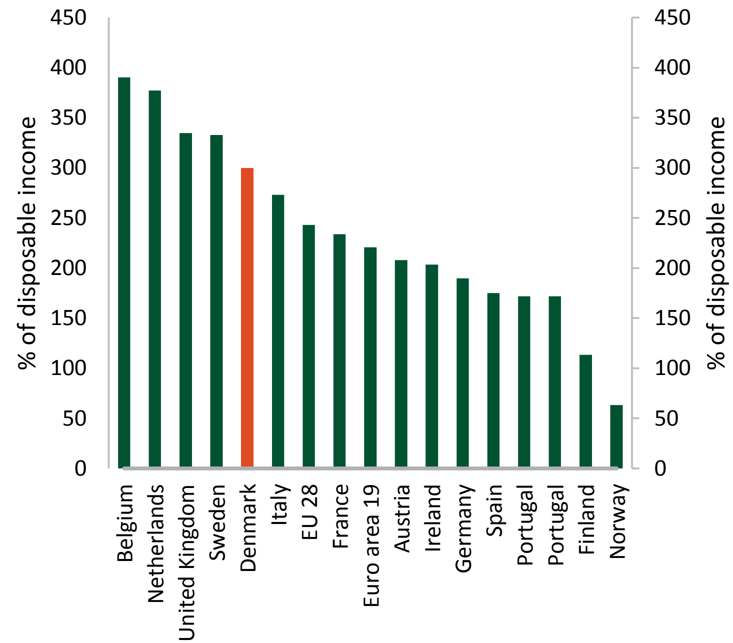
Low interest rates and solid real wage growth make it possible for households to consume more and save up at the same time

The private sector is still saving up



...so household debt is declining

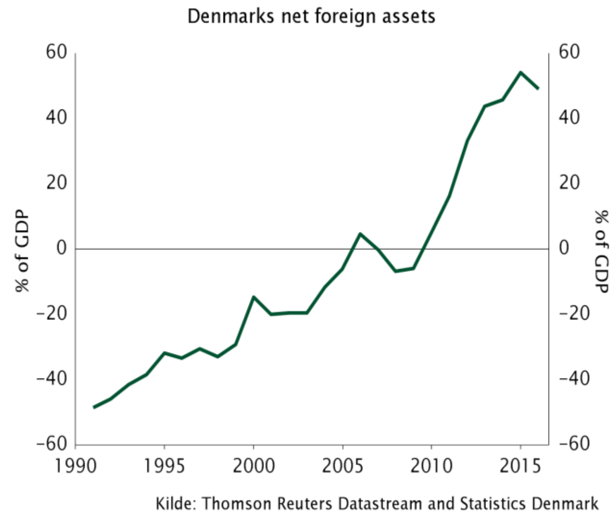
...and household net assets are large



Denmark is a AAA economy with strong structural financial features

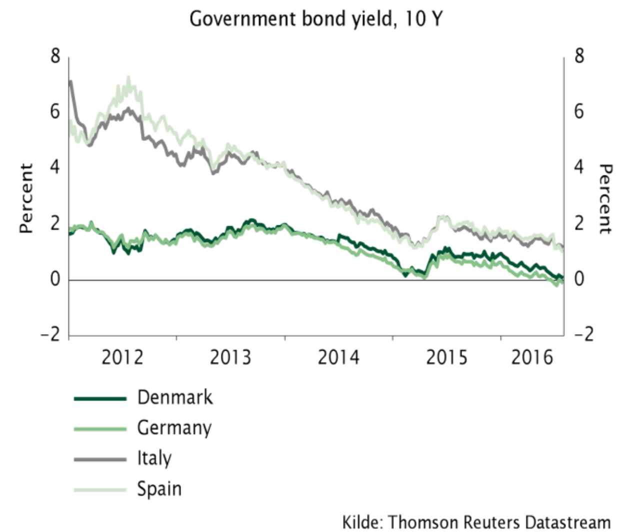
Current account surpluses since late 90s

..imply that foreign assets are increasing



And public sector debt is low

This is why Denmark is AAA



Jyske Bank Q2 2016 results

Q2 2016 results

JYSKE BANK

- Net profit of DKK 809m (equal to after tax ROE of 10.8% p.a.)

- Core income driven by
  - Stable development in NII
  - Modest net fee and commission income. Continuation of Q1 trends: limited refinancing activity, low brokerage income and no performance related fees
  - Negative effect on value adjustments from clients' transactions re interest-rate hedging more than offset by increased client hedging activity and positive value adjustments on bond holdings
- Core expenses decrease as expected
- Net reversals but agriculture continues to require new impairment charges

- Core profit generated on the basis of a business volume where:
  - Traditional bank loans show signs of stabilization
  - Volume growth in new home loan products picks up
  - Mortgage volume shows growth in all loan segments
  - Deposits are close to record high level
  - Assets under management increase due to inflow of funds and positive returns

- Capital ratio 17.0% and CET1 ratio 15.8%.

CORE PROFIT AND PROFIT FOR THE PERIOD DKKm	H1 2016	H1 2015	Index 16/15	Q2 2016	Q1 2016	Index Q2/Q1
Net interest income	2,898	2,841	102	1,448	1,450	100
Net fee and commission income	667	967	69	343	324	106
Value adjustments	379	498	76	169	210	80
Other income	130	120	108	73	57	128
Income from operating lease (net)	50	46	109	28	22	127
Core income	**4,124**	**4,472**	**92**	**2,061**	**2,063**	**100**
Core expenses	2,498	2,632	95	1,230	1,268	97
Core profit before loan impairment charges	**1,626**	**1,840**	**88**	**831**	**795**	**105**
Loan impairment charges	67	351	19	-105	172	-
Core profit	**1,559**	**1,489**	**105**	**936**	**623**	**150**
Investment portfolio earnings	-57	314	-	88	-145	-
Pre-tax profit	**1,502**	**1,803**	**83**	**1,024**	**478**	**0**
Tax	309	414	75	215	94	229
Net profit for the period	**1,193**	**1,389**	**86**	**809**	**384**	**211**

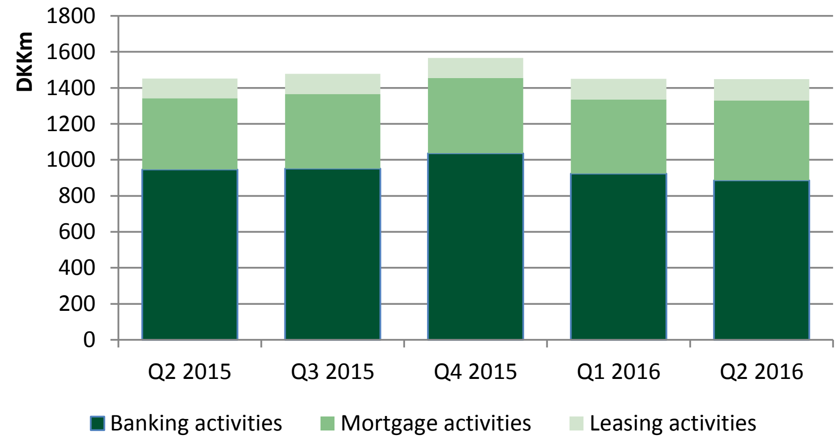
SUMMARY OF BALANCE SHEET, END OF PERIOD DKKbn	H1 2016	H1 2015	Index 16/15	Q2 2016	Q1 2016	Index Q2/Q1
Mortgage loans	268	234	114	268	258	104
Traditional bank loans	96	97	100	96	94	103
New home loans	11	17	67	11	11	101
Bank deposits	129	129	100	129	125	103
Assets under management	120	123	98	120	117	103

Continued NII stability

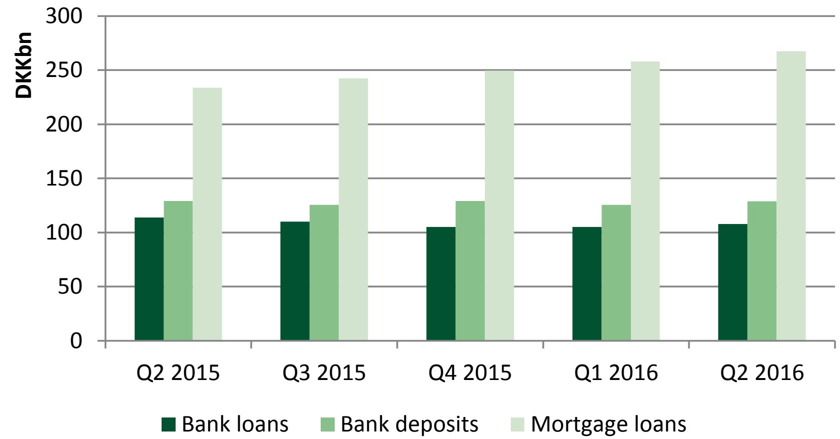
- NII supported by continued growth in new home loans as well as growth in traditional mortgage loans
- Reclassification between NII and value adjustments:
  - All interest income, interest expenses and value adjustments related to the balance principle in BRFkredit is included in NII (other net interest income from mortgage activities), no net effect on income
  - Aligned with method applied in BRFkredit's financial statements
  - Previous quarters have been restated
- Fixed rate home loan products issued at a discount:
  - DKK 10m recognized in Q2 2016 (Q1 2016: DKK 14m)
  - Balance of approx. DKK 25m to be recognised in the course of the loans' expected duration of 7 years as loans do not qualify for joint funding
  - As of January 1 2016 home loan products are stated at fair value at first recognition, thus future issues at a discount will solely affect value adjustments

- Signs of stabilization seen in volume of traditional bank loans
- Mortgage loans show growth in all segments
- Bank deposits are close to the high levels seen in 2014 and 2015

Net interest income



Business volumes



Net fee income continues at moderate level seen in Q1

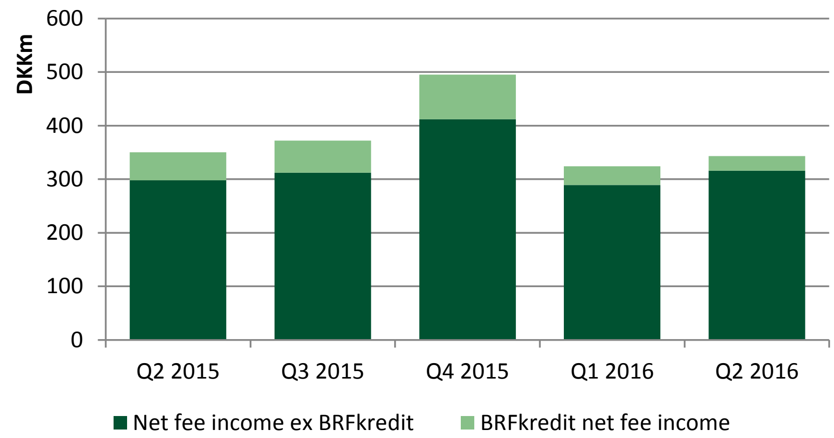
JYSKE BANK

- Net fee income in Q2 is up by 6% compared to Q1 2016 due to
  - Profit from sale of VISA Europe DKK 25m
  - Receipt of annual commission income from DLR Kredit (recorded as guarantee commission)

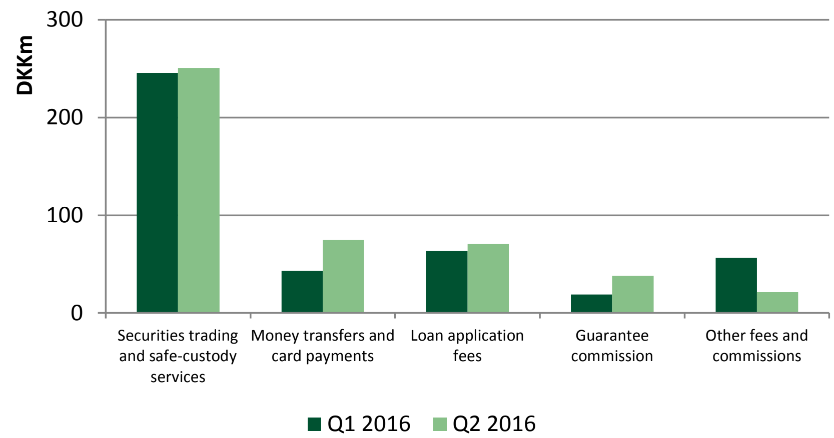
- Securities trading etc.:
  - Brokerage income continues to be at low levels due to low activity among retail clients

- Loan application fees:
  - Slight up-tick due to increased activity level compared to Q1 but refinancing fees lower in 2016 than 2015
  - BRFkredit offers transfer of mortgage loans at reduced fees until end of 2016
  - 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)

Net fee income



Fee and commision income

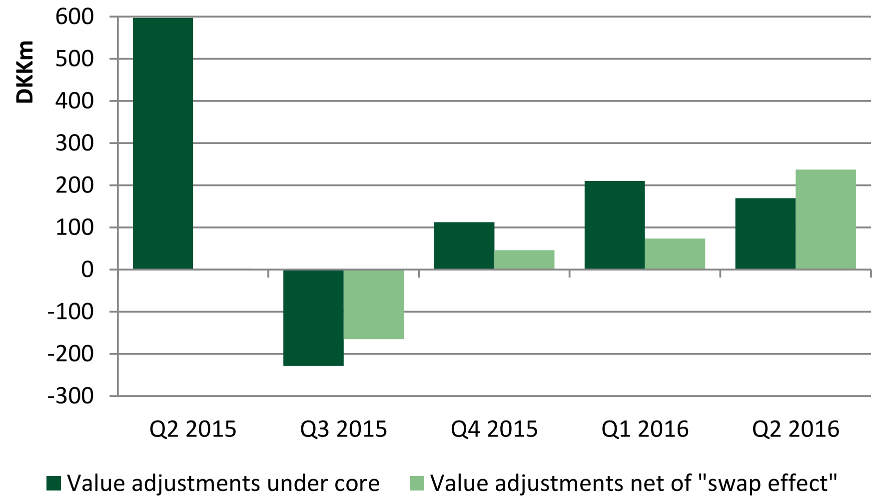


Value adjustments benefit from volatility and lower interest rates

JYSKE BANK

- Q2 2016 has been characterized by volatility linked to the British EU referendum and falling long-term interest rates
- Profit from sale of VISA Europe DKK 40m (DKK 65m in total of which DKK 25m is recorded as fee income)
- Increased volatility led to increased activity among institutional clients wanting to hedge their positions. Primarily a positive effect on value adjustments related to FX
- Positive value adjustments on liquidity portfolio (comprised of highly liquid bonds)
- Value adjustment on clients' transactions relating to interest-rate hedging (swaps):
  - Q2 2016: negative effect of DKK 68m attributed to falling long-term interest rates (Q1 2016: positive effect of DKK 136m)
  - In Q2 2015 the effect was DKK 595m

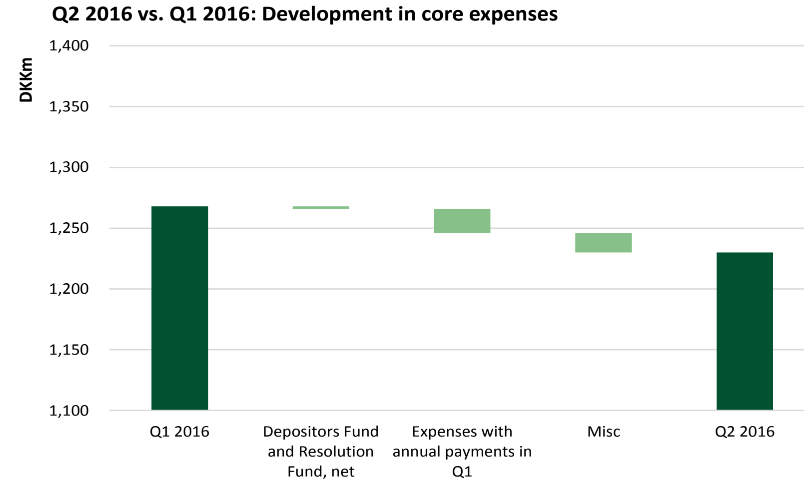
Value adjustments under core income



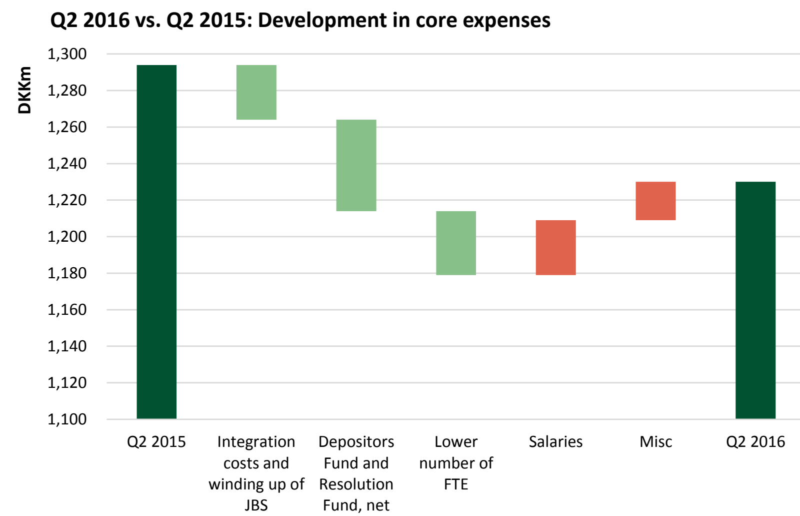
Decreasing core expenses

JYSKE BANK

- Overall, a satisfactory development in line with expectations
- Core expenses down by DKK 38m compared to Q1 2016 primarily due to expenses with annual payments in Q1 for which accruals are not made



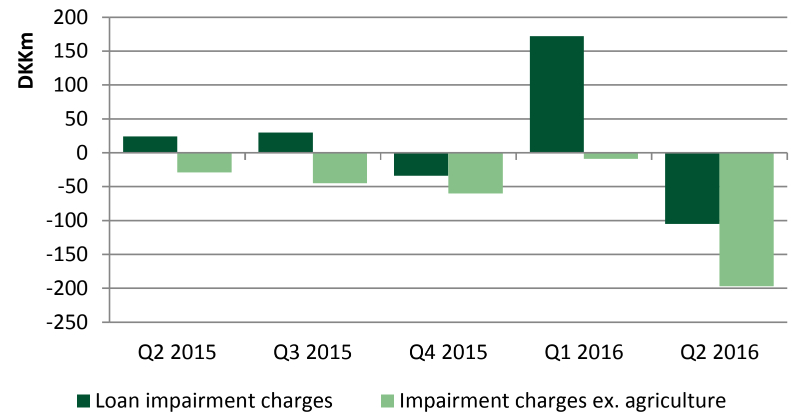
- Compared to Q2 2015 core expenses are down by DKK 64m (DKK 34m if adjusted for costs of winding up Swiss banking operations and integration costs of DKK 30m in Q2 2015)
- Expected decrease primarily due to the shift from Guarantee Fund for Depositors and Investors to Resolution Fund (Q2 2016: DKK 10m, Q2 2015: DKK 36m)



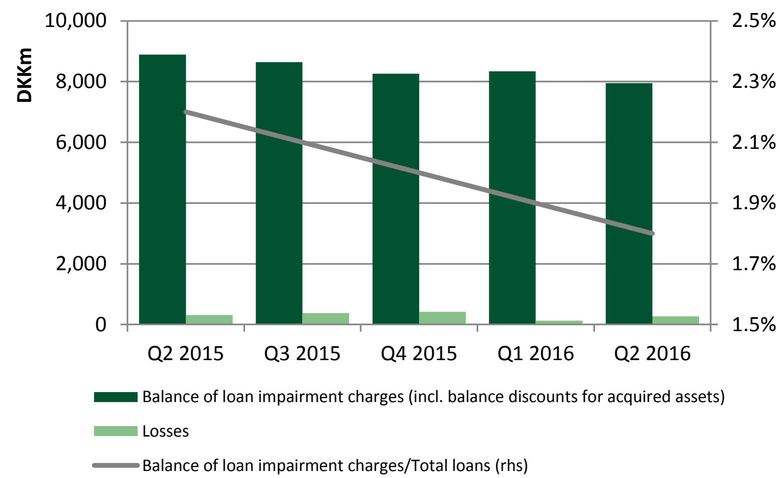
Net reversals

- Net reversals under core profit in the amount of DKK 105m
- Impairment charges related to agriculture DKK 92m
- End of Q2 total balance of management's estimate of DKK 500m, of which DKK 290m relate to agriculture
- Impairment ratios (under core profit):
  - Impairment ratio for Q2 close to zero
  - Below normalized level
  - Accumulated impairment ratio 1.8% (incl. balance of discounts for acquired loans)
- Banking:
  - Overall credit quality is gradually improving
  - Agriculture, in particular dairy farmers, deteriorates further and requires new impairment charges
- Mortgage:
  - Overall positive development in credit quality
  - Reversals on corporates

Loan impairment charges (under core profit)



Balance of loan impairment charges and losses



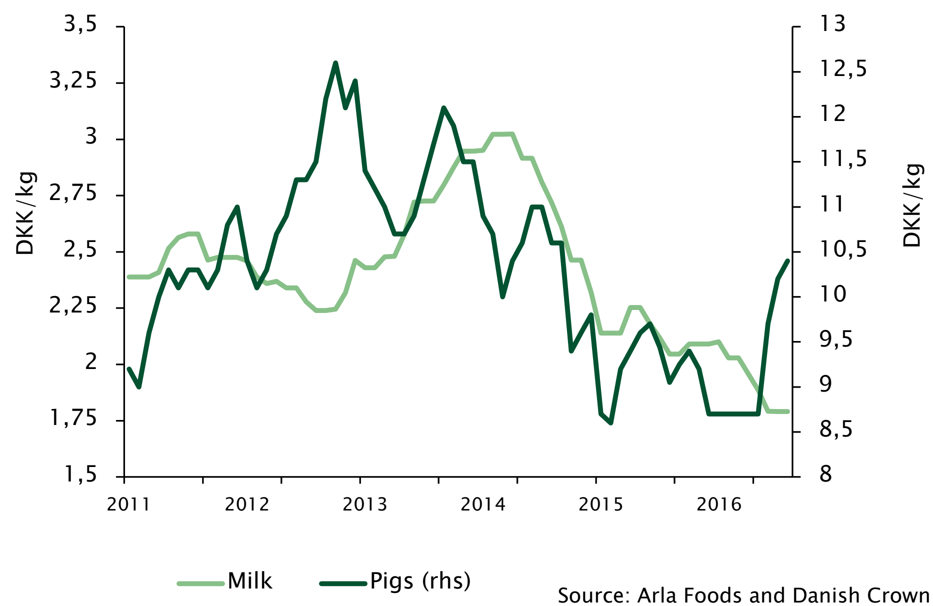
Limited exposure to dairy and pig farmers

JYSKE BANK

- Exposure to dairy and pig farmers accounts for less than 1% of the Group's loans and guarantees
- Increasing commodity prices on pork have improved the outlook for pig farmers
- Commodity prices on milk remain at historic lows. Currently, the milk price is below 2 DKK/kg
- On a national level, there has been a significant increase in number of defaults in H1 2016 compared to H1 2015. Dairy farmers make up a high proportion of the defaults (source: SEGES*)
- Impairment ratio for dairy farmers 45% end of Q2 - up from 41% end of Q4 2015 whereas impairment ratio for pig farmers decreases from 31% to 29% in the same period

	Loans, advances and guarantees		Balance of loan impairment charges		Impairment ratio	
DKKm/%	Q2 2016	Q4 2015	Q2 2016	Q4 2015	Q2 2016	Q4 2015
Dairy farmers	984	1,154	796	710	45%	38%
Pig farmers	1,510	1,365	602	605	29%	31%
Total	**2,494**	**2,519**	**1,398**	**1,315**	**36%**	**34%**

Commodity prices



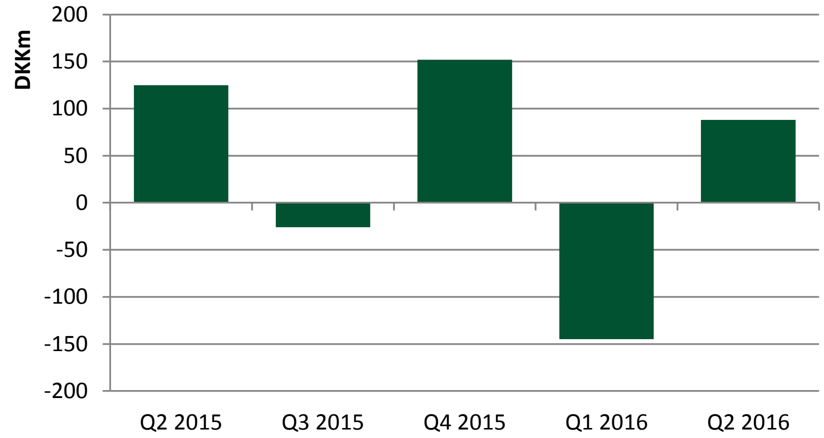
Source: Arla Foods and Danish Crown

*SEGES = newly amalgamated Knowledge Centre for Agriculture and the Danish Pig Research Centre, which was established in January 2015.

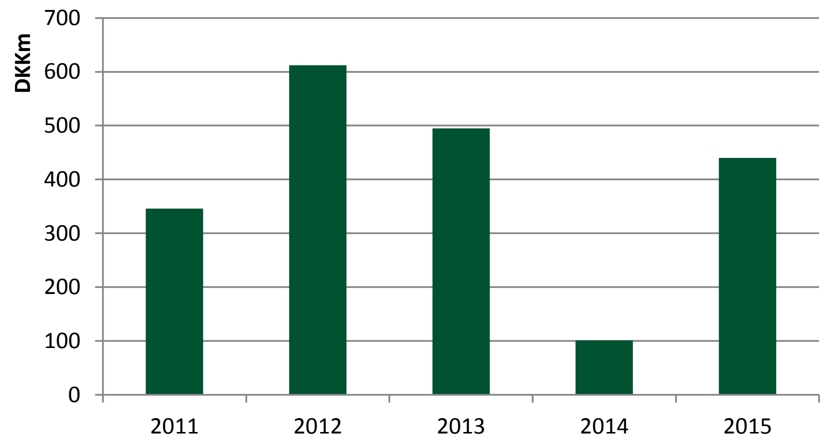
Investment portfolio earnings back in positive territory

- Negatively affected by:
  - Value adjustments of DKK -29m related to fair value assessment of Jyske Bank's holdings in Nordjyske Bank (Q1 2016: DKK -130m)
- Positively affected by:
  - Portfolio of Danish mortgage bonds
  - FX positions
  - Portfolio of securitisations
- Annual investment portfolio earnings have been ranging between DKK 100-600m the past 5 years
  - With an average of DKK 399m

Investment portfolio earnings, quarterly



Investment portfolio earnings, last 5 years



Credit Quality

Bank loans and advances

JYSKE BANK

- Portfolio composition end of Q2 2016
  - Corporates 64%
  - Private individuals 32%
  - Public authorities 4%

- Accumulated impairment ratio total portfolio 3.6%
  - Public authorities 0%
  - Corporates 4.4%
  - Private individuals 2.3%

- Corporates
  - Net reversals for all sectors except agriculture, building and construction, and transport, hotels and restaurants
  - Impairment ratio for 1H 2016 9 bp (annualized)

- Privates individuals
  - Impairment ratio for 1H 2016 32 bp (annualized)

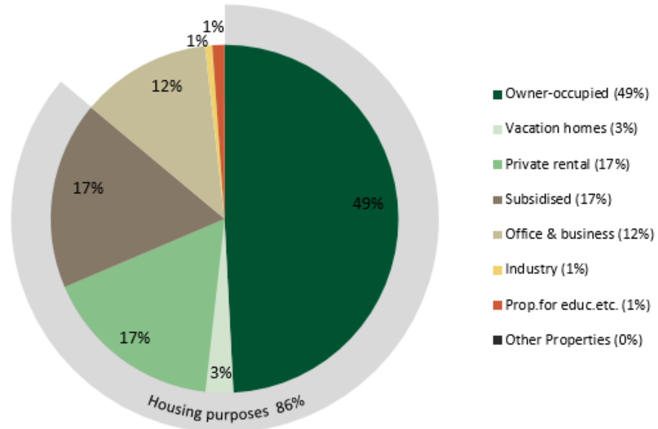
H1 2016	Loans, advances and guarantees	Balance of loan impairment charges	Losses	Impairment charges
Public authorities	4%	0%	0%	0%
Agriculture, hunting, forestry and fishing	4%	28%	50%	209%
Manufacturing, mining, etc.	5%	4%	6%	-38%
Energy supply	2%	1%	0%	-1%
Building and construction	2%	2%	8%	21%
Commerce	5%	4%	4%	-23%
Transport, hotels and restaurants	1%	2%	0%	3%
Information and communication	0%	1%	0%	-8%
Finance and insurance	35%	15%	1%	-42%
Real property	7%	21%	10%	-66%
Other sectors	3%	3%	2%	-17%
Corporate clients	64%	80%	81%	37%
Private individuals	32%	20%	19%	63%
Total	100%	100%	100%	100%

Mortgages: The portfolio

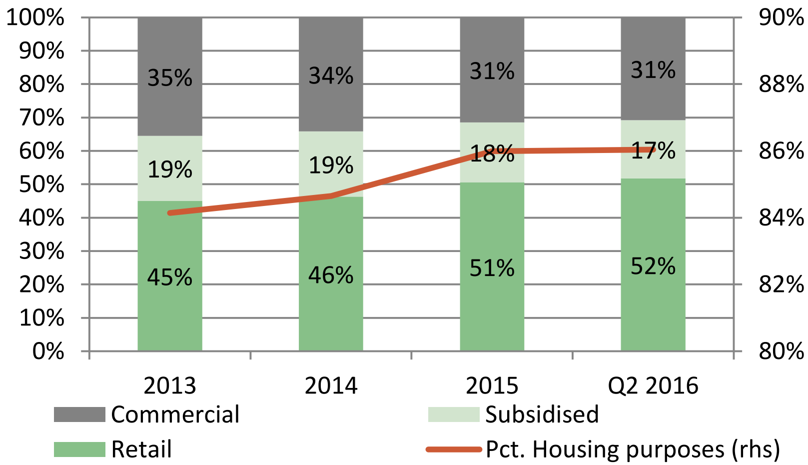
JYSKE BANK

- 86 % of lending to properties with housing purposes
  - No loans with swaps to cooperative housing
  - No lending to agriculture and other primary production
- Increasing share of retail lending
  - The increase is expected to continue
- Increase in share of fixed rate mortgages and decreasing share of F1 and F2

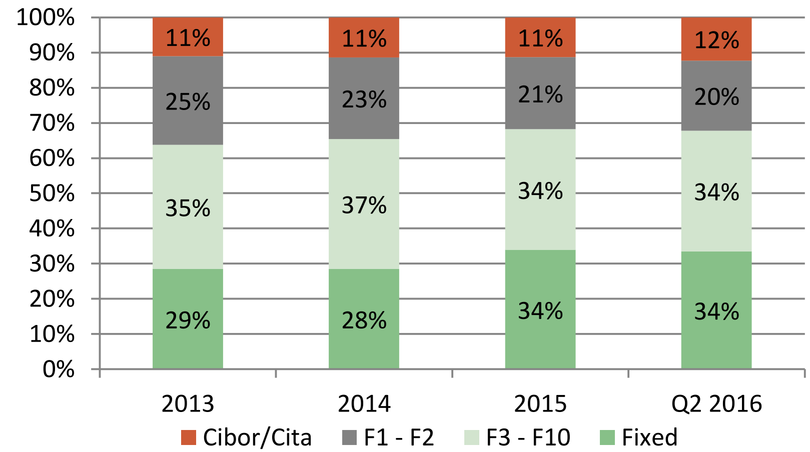
Distribution of lending portfolio



Development in lending portfolio

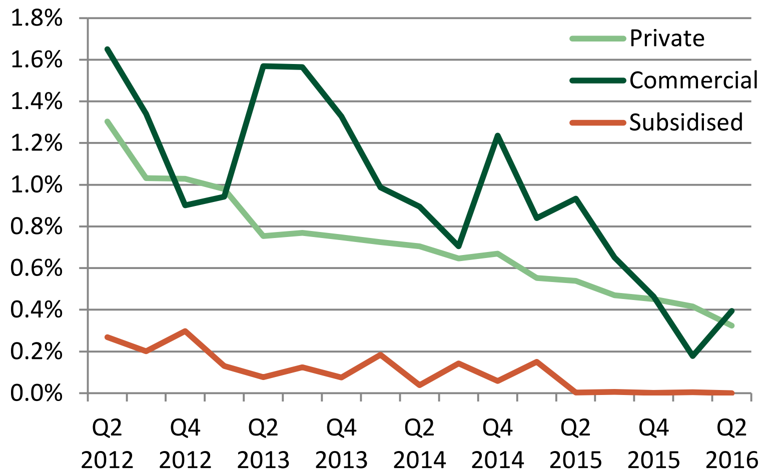


Development in loan types

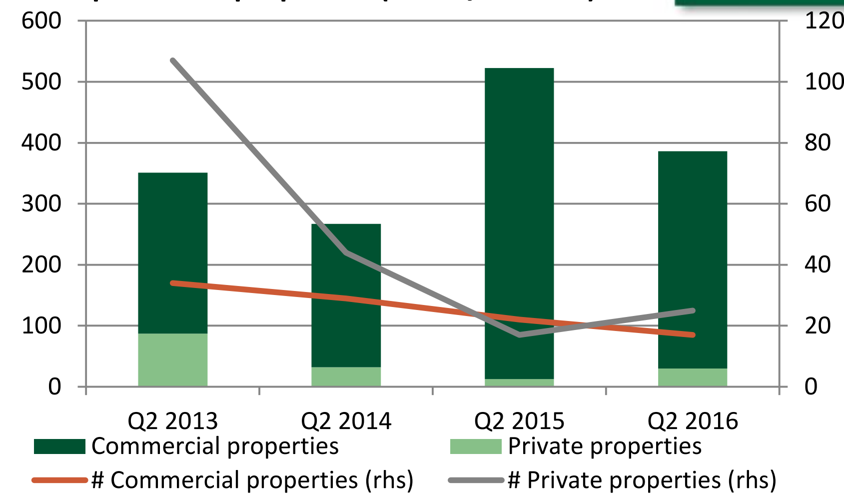


Mortgages: Improved credit quality

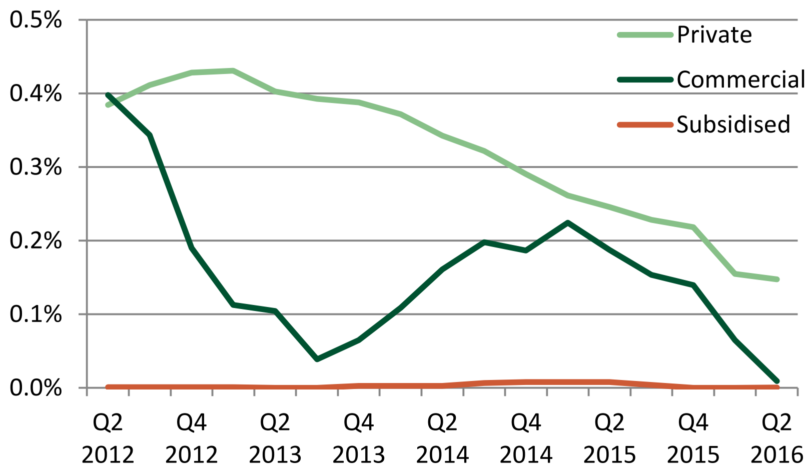
Lending in 90-days arrears (*per cent of lending*)



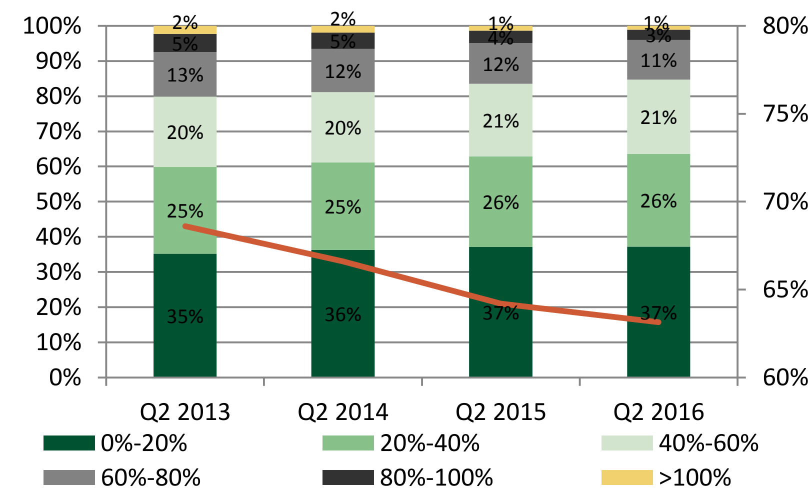
Repossessed properties (*DKKm/number*)



Yearly realised losses (running *year*)



Loan-to-Value brackets (*per cent of lending*)

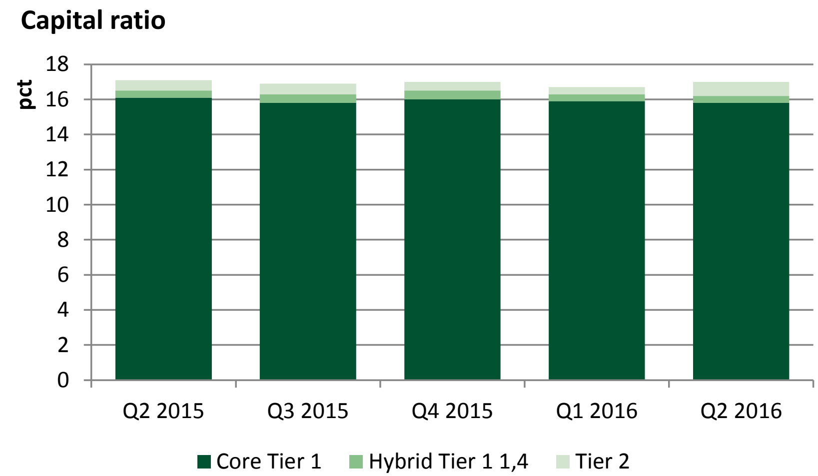


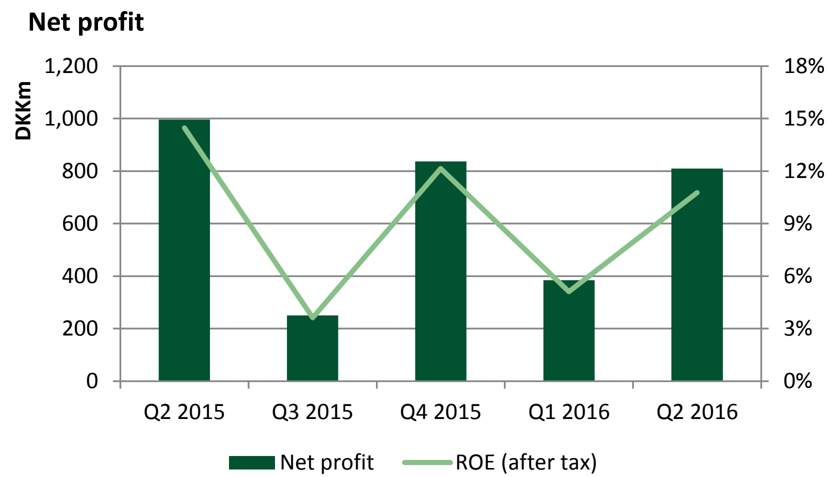
JYSKE BANK

Capital and Liquidity

Strong capital position

- Capital ratio 17.0% and CET1 ratio 15.8% end of Q2 2016 compared to 17.0% and 16.1% end of 2015. Change in capital ratios due to:
  - Consolidation
  - Higher RWA (growth in credit risk)
  - Share buy-backs and expected dividend deducted from consolidated capital
- Long-term targets of 17.5% and 14% (based on fully implemented CRD IV requirements as per 2020)
- Solid capital base remains essential to allow room for:
  - Growth (property related loans)
  - Higher capital requirements imposed by upcoming legislation
  - Aligning capital to S&P requirements
  - M&A activity if the opportunity should arise
- Leverage ratio of 5.1% end of Q2 2016 vs. 5.3% end of 2015
- Individual solvency requirement as at end of Q2 2016:
  - 10.3% (+0.6% SIFI requirement and 0.625% capital conservation buffer)



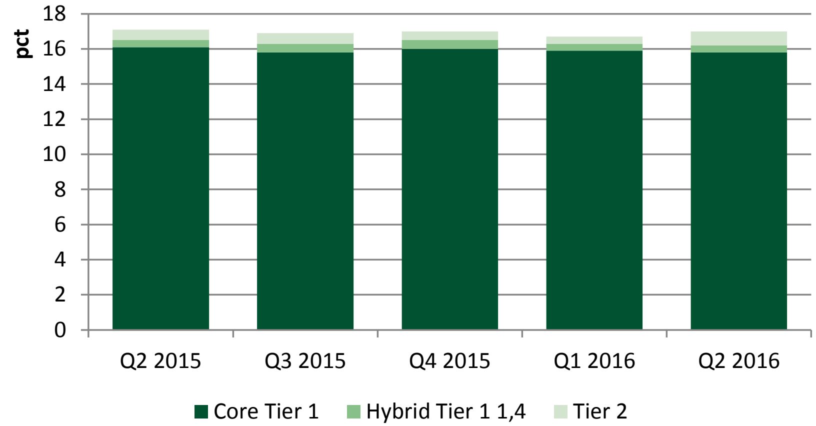


Capital adjustment in process

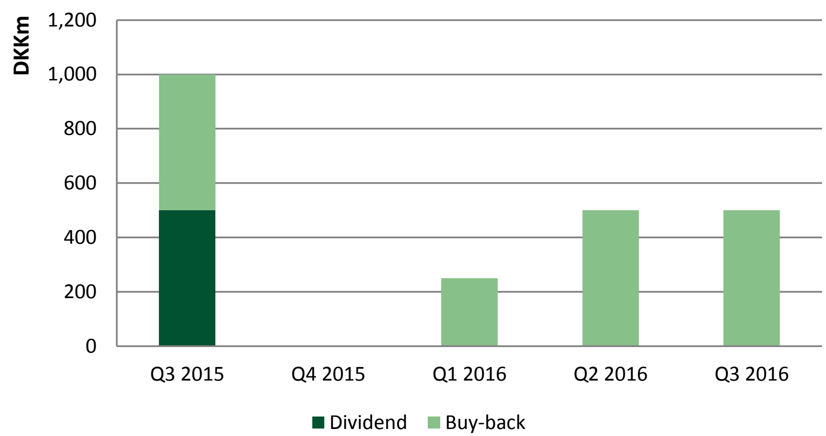
JYSKE BANK

- Capital ratio 17.0% and CET1 ratio 15.8% end of Q2 2016 vs. long-term targets of 17.5% and 14% (based on fully implemented CRD IV requirements as per 2020)
- Gradual capital adjustment towards targets initiated in Q3 2015.
  - Majority of adjustment expected to be completed in the course of 2016-2017
- Steps taken:
  - Share buyback programme DKK 750m (Nov 2015-Jun 2016)
  - Dividend DKK 500m (March 2016)
  - Tier 2 issue of SEK 1bn (May 2016)
  - New share buyback programme of DKK 500m initiated on July 1st and raised by DKK 500m to DKK 1bn (June and August 2016)
- On a on-going basis, the market is explored for opportunities to issue subordinated capital instruments
- 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

Capital ratio

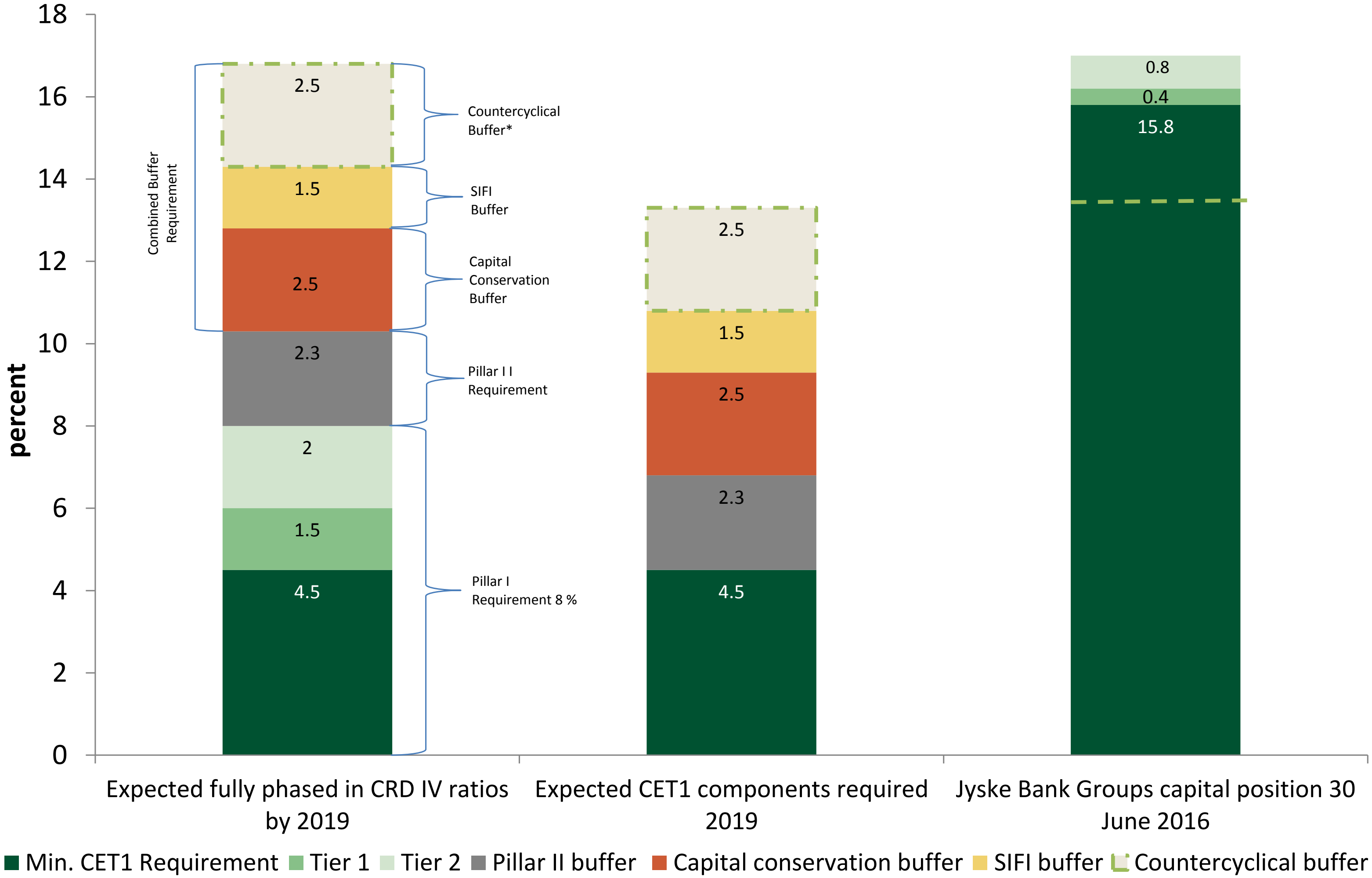


Capital distribution



CRD IV requirements

- Total capital requirement by 2019 expected to be around 17-17.5%***
- Long term (fully loaded CRDIV) capital targets of 14% CET1 and 17.5% total capital ratio



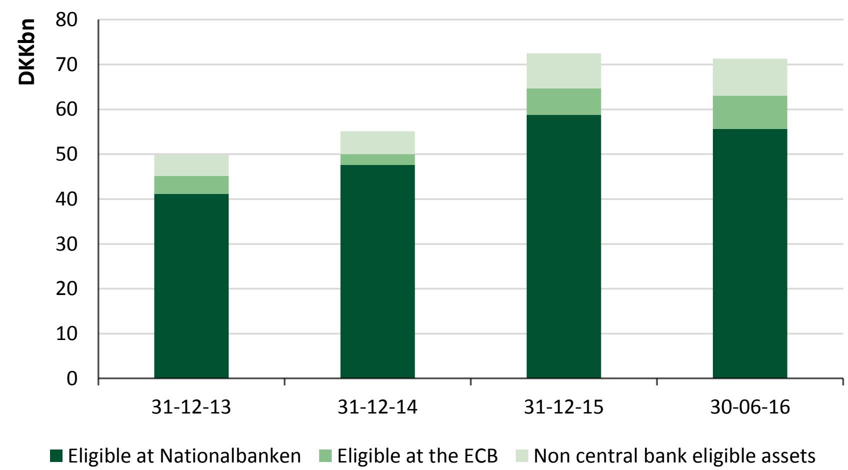
*) Countercyclical Buffer will depend on Danish macroeconomic and business cycle factors , the final level to be built up from 2016-2019 not certain yet
**) To follow EBA definition so at least 56% (4.5/8) of the Pillar II requirement must be covered by CET1, but 19% (1.5/8) can be AT1 and 25% (2/8)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

Ample liquidity

JYSKE BANK

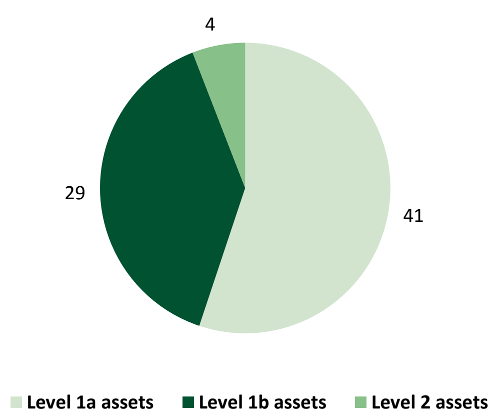
- Liquidity buffer DKK 71bn end of Q2 2016 (DKK 73bn end of 2015)
  - 88% of the buffer - DKK 63bn - is eligible for repo transactions at central banks (the Danish Central Bank or the ECB)

Group Liquidity buffer



- Group's LCR at 357% by end of Q2 2016 vs. 174% end of Q4 2015
  - Primarily comprised of level 1a and 1b assets
  - High level due to significantly lower net outflow (BRFkredit)
  - Internal minimum target for LCR of 150%

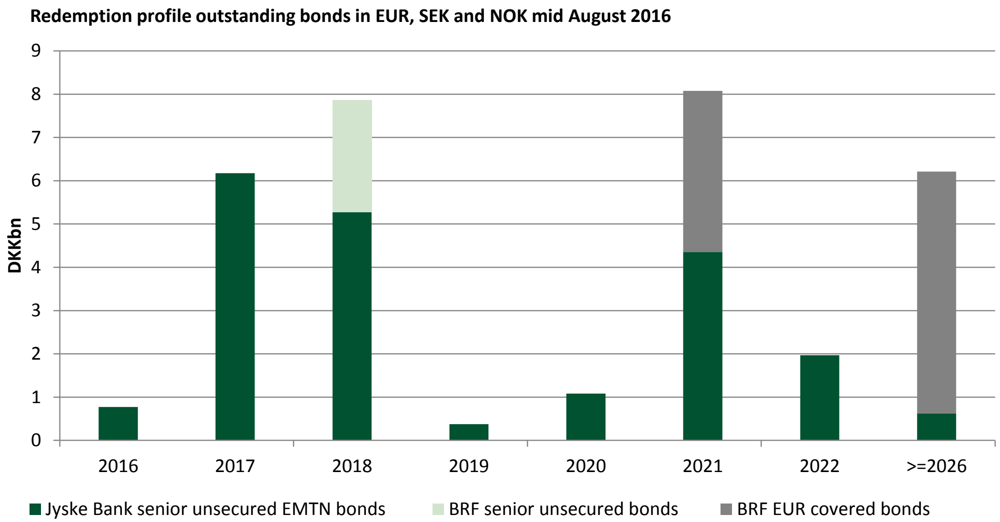
LCR Liquidity buffer (DKKbn)



The Group is becoming a frequent EUR issuer

JYSKE BANK

- Ongoing access to a diversified European investor base safekeeps a prudent liquidity risk and funding profile
- Extending the maturity profile especially in covered bond issuance from BRFkredit is key to underpin compliance with S&Ps SFR and the Danish FSA's upcoming Supervisory Diamond for mortgage institutions



- **Jyske Bank:**
  - Short term on-going activities in French CP (average outstanding volume of program in 2015 EUR 3.5bn)
  - At least 1 senior unsecured EUR public benchmark a year (focus on 3-5 year maturities)
  - Last senior benchmark: EUR 500m 5 year fixed in April 2016

- **BRFkredit:**

  AAA rated covered bonds based on 100% Danish primarily residential mortgages
  - Inaugural EUR covered:

    EUR 500m 5 year bullet in March 2016
  - Second EUR covered:

    EUR 750m 7 year bullet in June 2016
  - Group strategy to build a EUR covered benchmark curve
  - Expected EUR issuance activity: two benchmarks/year

Business Segments

Banking activities

JYSKE BANK

Pre-tax profit:

- NII under pressure – lower reinvestment interest rates on liquidity portfolio place drain on NII
- Net fee & commission income stay low – no performance related fees and waived up-front fees on home loans
- Positive value adjustments related to increased activity among institutional clients, fair value of bond holdings and profit from sale of VISA Europe
- Decreasing core expenses as expected
- Net reversals in spite of new impairments on agriculture

Business volume:

- Home loan products: Volume continues to increase
- Bank loans: Signs of beginning stabilization but still intense competition and subdued demand
- Deposits: Close to record highs.

SUMMARY OF INCOME STATEMENT DKKm	H1 2016	H1 2015	Index 16/15	Q2 2016	Q1 2016	Index Q2/Q1
Net interest income	1,810	1,805	100	886	924	96
Net fee and commission income	645	884	73	339	306	111
Value adjustments	347	623	56	153	194	79
Other income	96	101	95	55	41	134
Core income	**2,898**	**3,413**	**85**	**1,433**	**1,465**	**98**
Core expenses	2,015	2,079	97	988	1,027	96
Core profit before loan impairment charges	**883**	**1,334**	**66**	**445**	**438**	**102**
Loan impairment charges	80	301	27	-125	205	-
Core profit	**803**	**1,033**	**78**	**570**	**233**	**245**
Investment portfolio earnings	-79	231	-	57	-136	-
Pre-tax profit	**724**	**1,264**	**57**	**627**	**97**	**646**

BUSINESS VOLUME, END OF PERIOD DKKbn						
Bank loans	94	101	92	94	91	103
- of which new home loans	11	17	67	11	11	101
Bank deposits	128	129	100	128	125	103
Assets under management	120	123	98	120	117	103

Mortgage activities

JYSKE BANK

Pre-tax profit:

- Contribution income steadily growing
- Reclassification between other net interest income and value adjustments – now in line with principle aplied at BRFkredit
- Net fee & commission income down due to lower refinancing activity and discounted up-front fees
- Core expenses decrease
- Low level of loan impairment charges

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), secondly growth in traditional mortgages

SUMMARY OF INCOME STATEMENT DKKm	**H1 2016**	**H1 2015**	**Index 16/15**	**Q2 2016**	**Q1 2016**	**Index Q2/Q1**
Contribution income, etc.[1]	878	824	107	444	434	102
Other net interest income	-22	-14	157	0	-22	-
Net fee and commission income	62	113	55	27	35	77
Value adjustments	20	-136	-	4	16	25
Other income	27	12	225	15	12	125
Core income	**965**	**799**	**121**	**490**	**475**	**103**
Core expenses	401	472	85	198	203	98
Core profit before loan impairment charges	**564**	**327**	**172**	**292**	**272**	**107**
Loan impairment charges	-19	48	-	16	-35	-
Core profit	**583**	**279**	**209**	**276**	**307**	**90**
Investment portfolio earnings	22	83	27	31	-9	-
Pre-tax profit	**605**	**362**	**167**	**307**	**298**	**103**

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

BUSINESS VOLUME, END OF PERIOD DKKbn						
Mortgage loans	268	234	114	268	258	104
Issued bonds	260	234	111	260	246	106

Leasing activities

JYSKE BANK

Pre-tax profit:

- Solid NII based on increased business volume
- Net fee & commission income continues to be affected by changes in contract types (amortization rather than up-front recognition, no material change in profitability)
- Core expenses develop as expected
- Impairment charges at a low level

Business volume:

- Gradually increasing loan volume

SUMMARY OF INCOME STATEMENT DKKm	H1 2016	H1 2015	Index 16/15	Q2 2016	Q1 2016	Index Q2/Q1
Net interest income	232	226	103	118	114	104
Net fee and commission income	-40	-30	133	-23	-17	135
Value adjustments	12	11	109	12	0	-
Other income	7	7	100	3	4	75
Income from operating lease (net)	50	46	109	28	22	127
Core income	**261**	**260**	**100**	**138**	**123**	**112**
Core expenses	82	81	101	44	38	116
Core profit before loan impairment charges	**179**	**179**	**100**	**94**	**85**	**111**
Loan impairment charges	6	2	300	4	2	200
Pre-tax profit	**173**	**177**	**98**	**90**	**83**	**108**

BUSINESS VOLUME, END OF PERIOD DKKm						
Loans	14,306	12,698	113	14,306	13,860	103
Deposits	426	231	184	426	450	95

General legal disclaimer

JYSKE BANK

- This presentation and the information contained therein is furnished and has been prepared solely for information purposes by Jyske Bank A/S. It is furnished for your private information with the express understanding, which recipient acknowledges, that it is not an offer, recommendation or solicitation to buy, hold or sell, or a means by which any security may be offered or sold
- The information contained and presented in this presentation, other than the information emanating from and relating to Jyske Bank A/S itself, has been obtained by Jyske Bank A/S from sources believed to be reliable. Jyske Bank A/S can not verify such information, however, and because of the possibility of human or mechanical error by our sources, Jyske Bank A/S or others, no representation is made that such information contained herein is accurate in all material respects or complete. Jyske Bank A/S does not accept any liability for the accuracy, up-to-dateness, adequacy, or completeness of any such information and is not responsible for any errors or omissions or the result obtained from the use of such information. The statements contained herein are statements of our non-binding opinion, not statement of fact or recommendations to buy, hold or sell any securities. Changes to assumptions may have a material impact on any performance detailed. Historic information on performance is not indicative of future performance. Jyske Bank A/S may have issued, and may in the future issue, other presentations or information that are inconsistent with, and reach different conclusions from, the information presented herein. Those presentations or the information reflect the different assumptions, views and analytical methods of the analysts who prepared them and Jyske Bank A/S is under no obligation to ensure that such other presentations or information are brought to the attention of any recipient of the information contained herein
- Nothing in this presentation constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. This presentation is intended only for and directed to persons sufficiently expert to understand the risks involved, namely market professionals. This publication does not replace personal consultancy. Prior to taking any investment decision you should contact your independent investment adviser, your legal or tax adviser, or any other specialist for further and more up-to-date information on specific investment opportunities and for individual investment advice and in order to confirm that the transaction complies with your objectives and constraints, regarding the appropriateness of investing in any securities or investment strategies discussed herein
- Jyske Bank A/S or its affiliates (and their directors, officers or employees) may have effected or may effect transactions for its own account (buy or sell or have a long or short position) in any investment outlined herein or any investment related to such an investment. Jyske Bank A/S or its affiliates may also have investment banking or other commercial relationship with the issuer of any security mentioned herein. Please note that Jyske Bank A/S or an associated enterprise of Jyske Bank A/S may have been a member of a syndicate of banks, which has underwritten the most recent offering of securities of any company mentioned herein in the last five years. Jyske Bank A/S or an associated enterprise may also have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned herein or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment
- Any particular security or investment referred to in this presentation may involve a high degree of risk, which may include principal, interest rate, index, currency, credit, political, liquidity, time value, commodity and market risk and is not suitable for all investors. Any securities may experience sudden and large falls in their value causing losses equal to the original investment when that investment is realized. Any transaction entered into is in reliance only upon your judgment as to both financial, suitability and risk criteria. Jyske Bank A/S does not hold itself out to be an advisor in these circumstances, nor does any of its staff have the authority to do so.