Jyske Bank
Q3 2017

25 October 2017

Our targets

JYSKE BANK

	Q3 2017
• Delivering an attractive long-term return on equity of 8-12%	9.2%
• Volume growth	
• DKK 100bn in housing-related loans	DKK 91.6bn
• DKK 20bn in property loans for corporate clients	DKK 17.1bn
• Maintaining a strong capital position	19.8% and 16.2%

- Long-term targets for capital ratio 17.5% and CET1 ratio 14%
- Capital levels above long-term targets in order to manage future regulatory requirements
- S&P rating A- (stable outlook)

Jyske Bank in brief

- One of the four large financial institutions in Denmark and a Danish SIFI
  - 3 segments (Banking, Mortgage and Leasing)
  - Estimated market share of 12%
  - Danish play
  - Approx. 890,000 customers
  - Nationwide branch network comprised of 95 personal client branches, 30 corporate branches and 10 Private Banking centres
  - Total assets of DKK 585bn and total loans of DKK 441bn of which mortgage loans account for DKK 303bn (69%)

- Growth strategy primarily focused on property lending: home loans and mortgages
  - Creating growth and challenging the border between banks and mortgage credit institutions

- Strong capital position
  - Long-term capital policy and well-positioned to manage effects of regulatory requirements
  - Capital distribution:
    - 2015 and 2016: DKK 2.25bn (dividend DKK 500m and buy-backs DKK 1.75bn)
    - 2017 and 2018: DKK 2.5bn (dividends DKK 1bn, buy-back DKK 1.5bn)
    - Intention to propose ordinary dividend of DKK 5.85 per share at AGM in March 2018
  - Able and willing to participate in further consolidation of the Danish financial sector

Jyske Bank in brief

JYSKE BANK

Jyske Bank Group key figures	Profit before tax, DKKm	Net profit, DKKm	Shareholders' equity at year-end, DKKm	ROE after tax, average equity	Loans and advances, DKKbn	Deposits, DKKbn	Total assets, DKKbn	Number of FTEs
1997	584	443	4,772	11.5%	36.6	41.5	63.1	2,671
1998	710	511	5,173	10.7%	39.7	43.8	76.9	2,772
1999	1,276	897	5,391	17.3%	49.8	49.8	92.6	3,013
2000	1,255	1,083	5,887	20.1%	75.4	52.3	127.4	3,190
2001	890	623	6,174	10.6%	82.5	54.4	133.2	3,418
2002	1,083	511	6,658	8.3%	95.3	59.0	153.2	3,359
2003	1,809	1,284	7,843	19.3%	63.8	63.8	116.4	3,547
2004	1,960	1,407	7,858	17.9%	74.6	68.7	125.2	3,713
2005	2,174	1,701	9,477	21.6%	90.9	79.8	141.6	4,026
2006	2,810	2,134	9,637	22.5%	107.2	88.8	160.7	4,216
2007	2,273	1,735	9,704	18.0%	134.0	112.7	214.3	4,145
2008	1,291	988	10,722	10.2%	129.1	117.0	236.8	4,112
2009	589	471	12,523	4.4%	110.6	109.3	224.5	3,877
2010	1,012	757	13,352	6.0%	114.0	115.8	244.1	3,847
2011	631	493	13,846	3.7%	124.5	127.3	270.2	3,809
2012	849	596	15,642	4.3%	118.6	121.0	258.2	3,574
2013	2,301	1,808	17,479	11.6%	131.4	131.4	262.0	3,774
2014	3,103	3,089	27,561	17.7%	361.8	152.7	541.7	4,191
2015	3,204	2,476	30,040	9.0%	396.2	144.9	543.4	4,021
2016	3,906	3,116	31,038	10.1%	422.4	154.6	586.7	3,981
Q1-Q3 2017	3,025	2,363	31,760	9.8%	441.0	154.9	584.7	4,003

Average ROE 1997- Q3 2017 of 11.9%

Q3 2017 highlights

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- Net profit of DKK 748m, equal to ROE 9.2% p.a.
- Business volumes:
  - Continued growth in new home loans, total volume of DKK 91.6bn end of Q3 (end-2016: DKK 79.5bn), increasing volume in traditional bank loans and stable bank deposits
- Core income:
  - NII supported by growth strategy and increased volume in bank loans but margin compression on bank loans for corporates continues and lower NII from mortgage activities
  - Net fee income continues strong performance
  - Income from operational leases challenged by impairments
- Core expenses revert to Q3 2016 level, no one-offs incurred, development stable
- Net reversals of DKK 194m – credit quality of corporate clients, including agriculture, continues to improve
- Capital distribution
  - Intention to propose ordinary dividend of DKK 5.85 per share at AGM in March 2018

CORE PROFIT AND PROFIT FOR THE PERIOD DKKm	Q3 2017	Q3 2016	Index 17/16	Q3 2017	Q2 2017	Index Q3/Q2
Net interest income	1,381	1,393	99	1,381	1,386	100
Net fee and commission income	436	363	120	436	420	104
Value adjustments	96	170	56	96	97	99
Other income	29	48	60	29	147	20
Income from operating lease (net)	-43	21	-	-43	-21	205
Core income	**1,899**	**1,995**	**95**	**1,899**	**2,029**	**94**
Core expenses	1,270	1,275	100	1,270	1,388	91
Core profit before loan impairment charges	**629**	**720**	**87**	**629**	**641**	**98**
Loan impairment charges	-194	77	-	-194	-75	259
Core profit	**823**	**643**	**128**	**823**	**716**	**115**
Investment portfolio earnings	135	258	52	135	108	125
Pre-tax profit	**958**	**901**	**106**	**958**	**824**	**116**
Tax	210	180	117	210	185	114
Net profit for the period	**748**	**721**	**104**	**748**	**639**	**117**

SUMMARY OF BALANCE SHEET, END OF PERIOD DKKbn	Q3 2017	Q3 2016	Index 17/16	Q3 2017	Q2 2017	Index Q3/Q2
Mortgage loans	303	275	110	303	296	102
Traditional bank loans	99	94	105	99	99	100
New home loans	11	14	79	11	12	93
Bank deposits	134	134	100	134	134	100
Assets under management	135	123	110	135	130	104

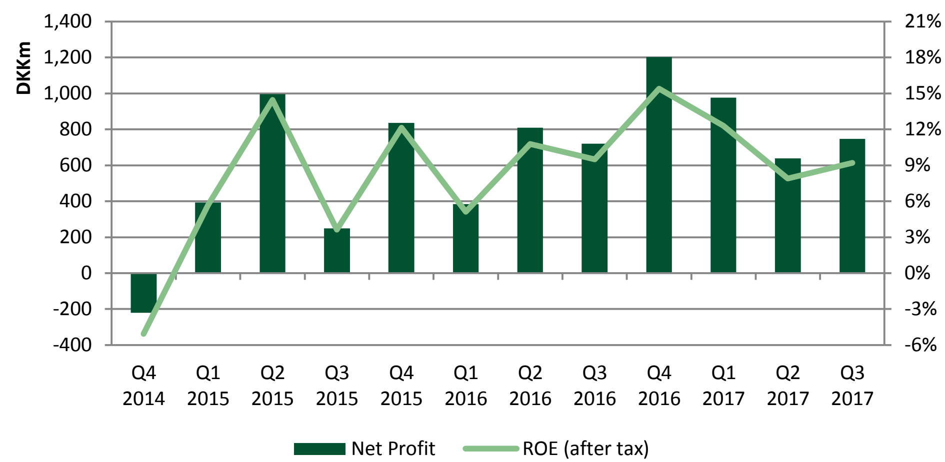
ROE up due to reversal of impairment charges

- Delivering a net profit of DKK 748m and ROE of 9.2% p.a. in Q3 2017

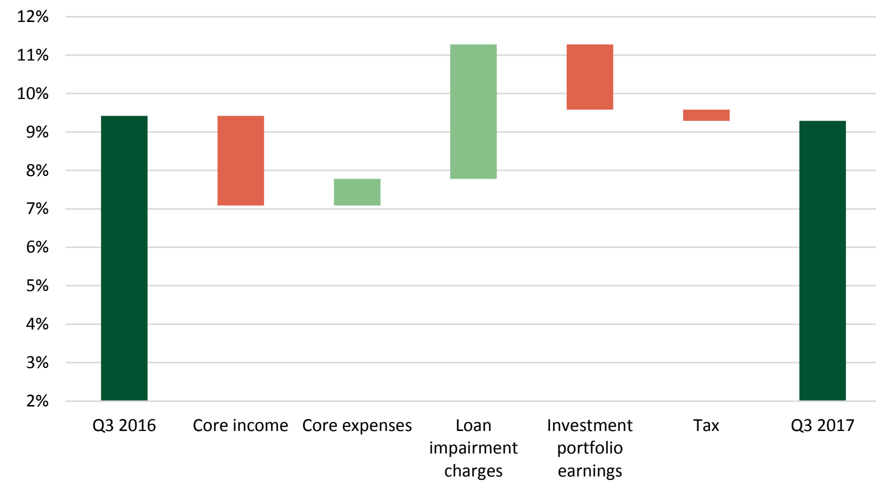
- A increase of 1.3 percentage points compared to Q2 2017 due to primarily:
  - Lower core expenses – no one-offs in Q3 2017
  - Significant reversals of impairment charges related to corporate clients including agriculture

- ROE of 9.2% p.a. in Q3 2017 compared to 9.5% p.a. in Q3 2016, significant gross effects behind small net decrease:
  - Decreases: lower core income mainly driven by pressure on NII (including lower NII from strategic ALM) and lower investment portfolio earnings
  - Increases: substantial reversals of impairment charges

Net profit



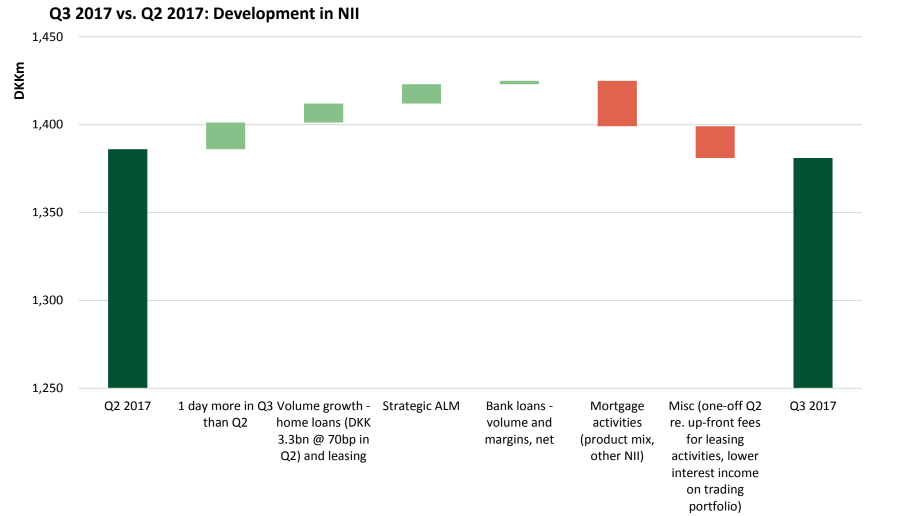
Q3 2017 vs. Q3 2016: Development in ROE after tax

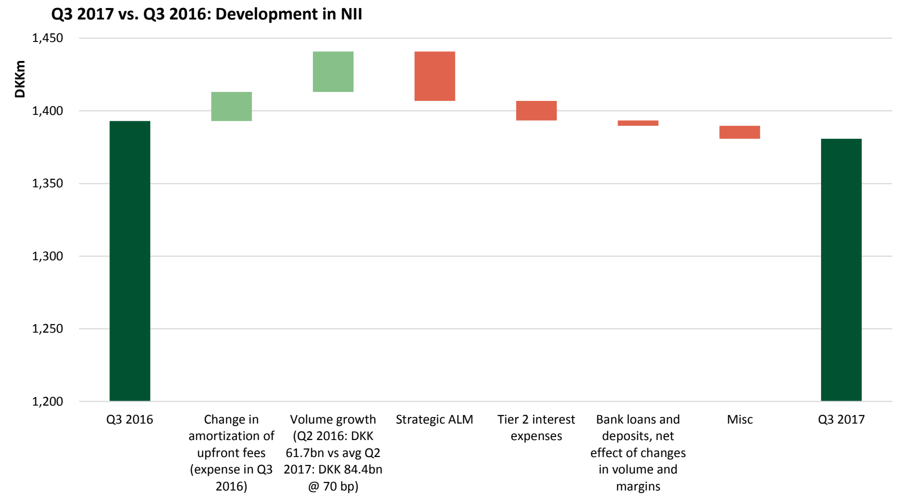


NII slightly down

- Slightly lower NII in Q3 2017 than Q2 2017:
  - NII supported by
    - Volume growth in all 3 segments
    - 1 day more in Q3 than Q2
    - Increase in NII from strategic ALM and risk management
  - NII pressured by
    - Lower NII from mortgage activities due to product mix changes for Private segment, adjustments due to improved credit quality of Commercial segment and a decrease in other NII
    - Continued margin compression on corporate bank loans
    - Lower net interest income from trading portfolio of bonds

- Negative variance of DKK 12m compared to Q3 2016:
  - Support from growth in home loans and mortgages outweighed by lower net interest income from strategic ALM and risk management as well as trading portfolio of bonds and additional Tier 2 interest expenses





Net fee income continues at high level

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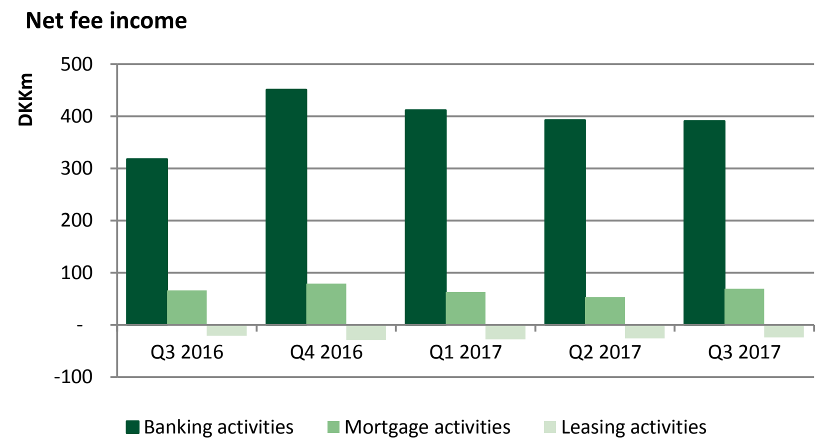
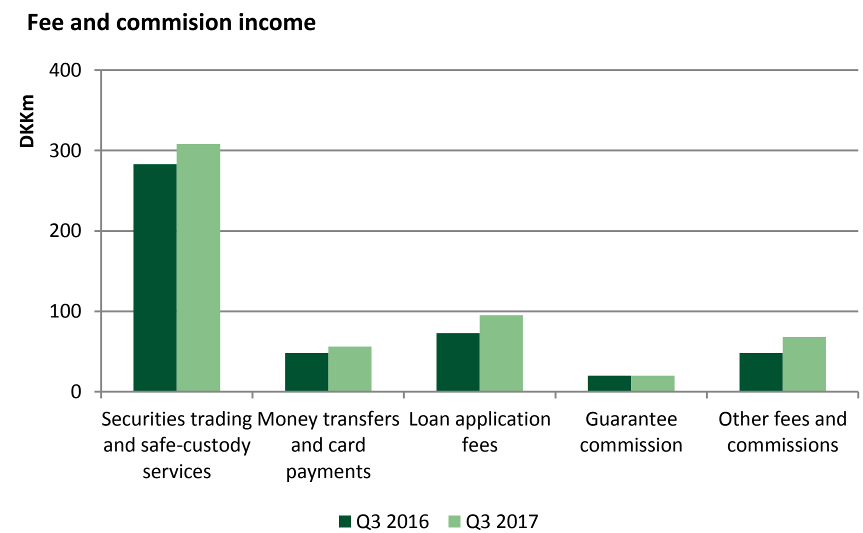
- Net fee income in Q3 2017 of DKK 436m, DKK 423m excl. fee income re. Jyske Invest Fund Management (other fees and commissions), at level with Q2 2017 and approx. 17% up compared to Q3 2016.

- The improved performance can be attributed to:
  - Banking activities: Primarily loan application fees, secondarily investment related fee income
  - Mortgage activities: Fee income increased by higher activity level (loan application fees) and refinancing activity

- Securities trading etc.:
  - Increasing fees and commissions primarily driven by increased activity
  - Increased activity within mortgage activities (refinancing) leads to higher brokerage income
- Loan application fees:
  - Higher activity within mortgage activities and reinstatement of up-front fees on home loans
- Other fees and commissions:
  - Q3 2017 includes DKK 17m re. Jyske Invest Fund Management





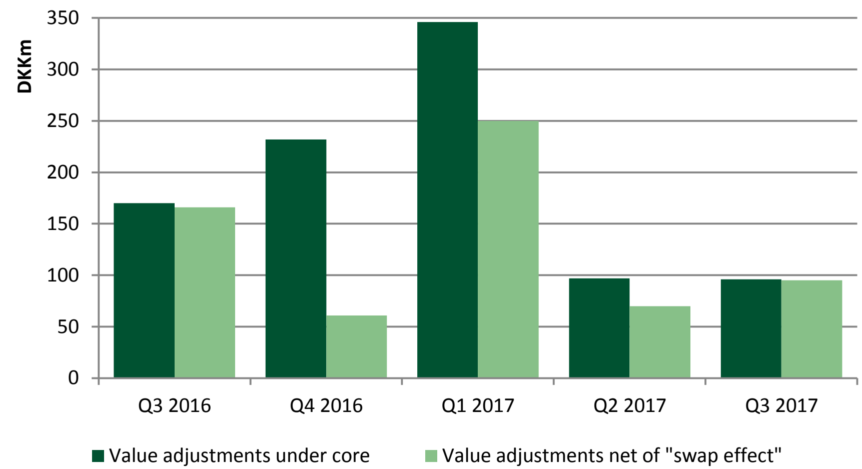
Value adjustments continue at more moderate level

- Value adjustments less impacted by clients' transactions relating to interest rate hedging (swaps) and lower bond holdings dampening the P&L effect of narrowing of OAS spreads (credit spreads on Danish mortgage bonds)

- Value adjustments from clients' transactions relating to interest-rate hedging (swaps):
  - Q3 2017: a positive effect of DKK 1m primarily driven by minor increase in long-term interest rates (Q1-Q3 2017: DKK 124m and Q1-Q3 2016: DKK 72m)

- Strategic ALM and risk management is comprised of a liquidity bond portfolio as well as derivatives used for hedging purposes. Overall, limited interest rate risk
  - Liquidity portfolio of approx. DKK 39bn end of Q3 2017, consists primarily of Danish mortgage bonds
- Net effect (NII and value adjustments) of DKK 85m in Q3 2017
  - Q2 2017: DKK 23m
  - Q3 2016: DKK 154m

Value adjustments under core income

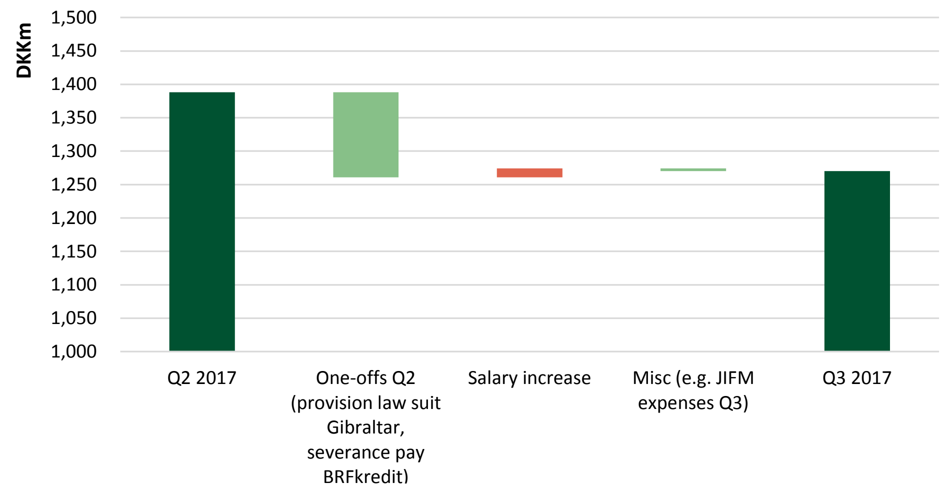


STRATEGIC BALANCE AND RISK MANAGEMENT					
DKKm	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Net interest income	77	67	85	89	112
Value adjustments	8	-44	30	81	42
	85	**23**	**115**	**170**	**154**

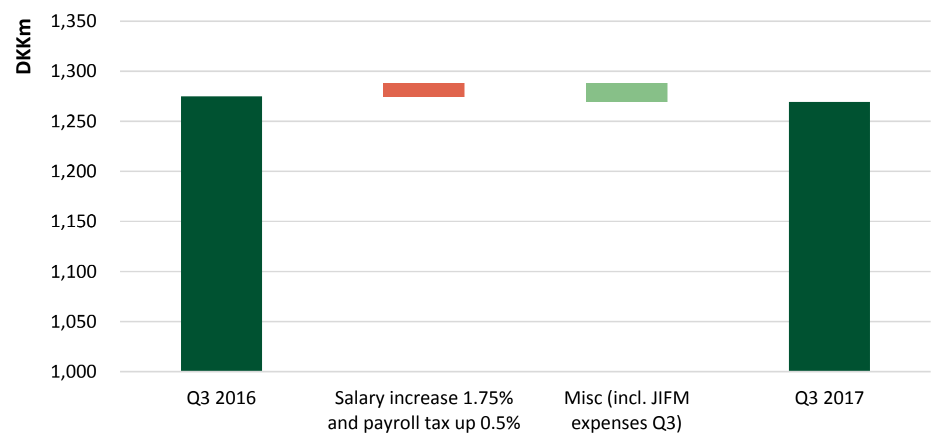
Stable trend in core expenses as expected

- Stable core expenses – Q3 2017 down by 0.4% compared to Q3 2016
- Core expenses in Q3 2017 down by DKK 118m compared to Q2 2017:
  - No one-offs in Q3 2017
- Core expenses in Q3 2017 at level with Q3 2016:
  – Annual re-occurring salary increase stipulated by collective agreement (1.75%) and increase in payroll tax rate (0.5%) and expenses for Jyske Invest Fund Management (DKK 13m) off-set by miscellaneous items

Q3 2017 vs. Q2 2017: Development in core expenses



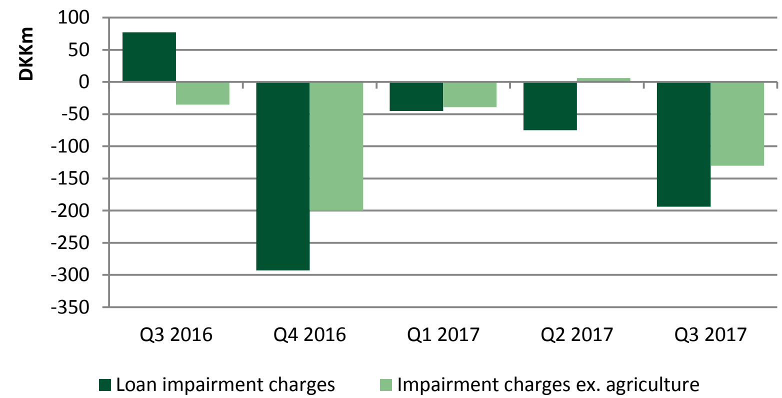
Q3 2017 vs. Q3 2016: Development in core expenses



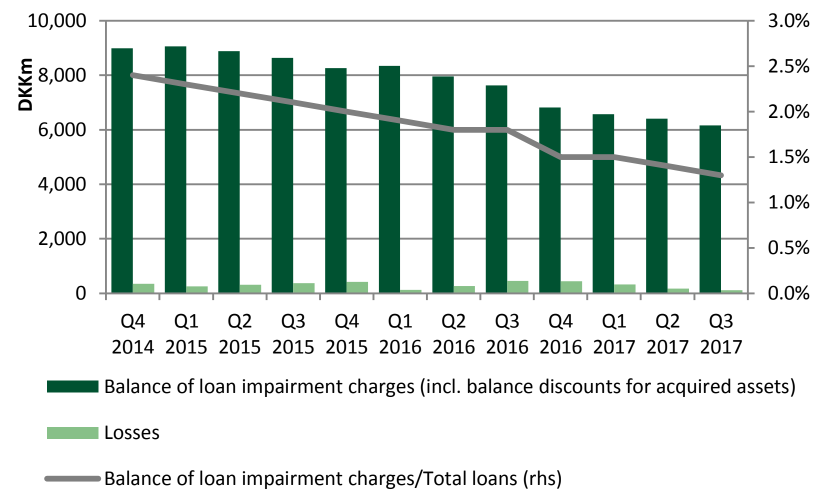
Net reversals

- Net reversals of DKK 194m under core profit
  - Of which reversals on agriculture account for DKK 64m
- Total balance of management's estimate of DKK 423m end of Q3 2017, of which DKK 120m relate to agriculture, compared to DKK 471m and DKK 235m respectively end of 2016
- Impairment ratios (under core profit):
  - Impairment ratio for Q3 2017 -4bp
  - Accumulated impairment ratio 1.3% (incl. balance of discounts for acquired loans) – minor reduction compared to end of 2016
- Banking:
  - Overall credit quality continues to improve
  - Low number of new defaults and improvement in credit quality of previously defaulted clients
  - Significant reversals in corporate segment
- Mortgage:
  - Overall positive development in credit quality

Loan impairment charges (under core profit)



Balance of loan impairment charges and losses



Reversals on agriculture

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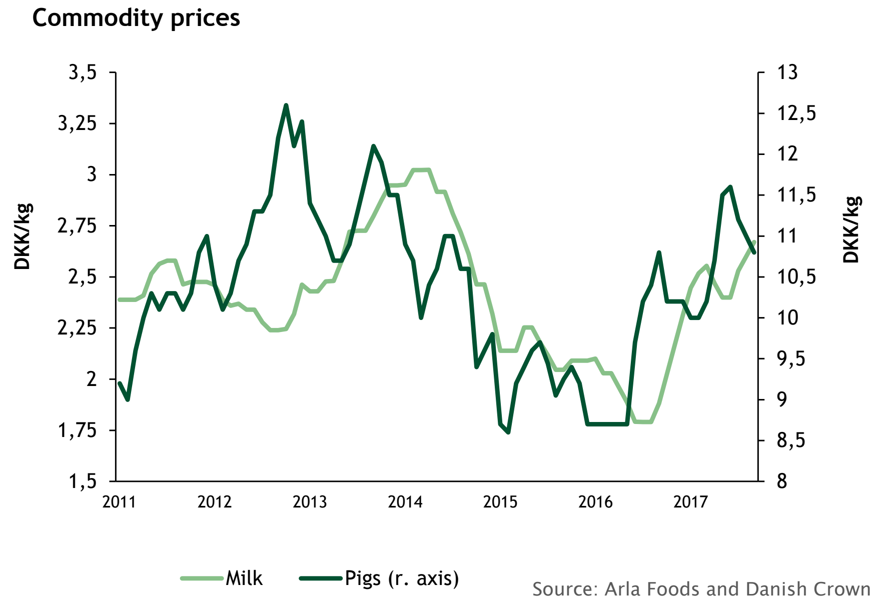
- Decreasing impairment ratios for both dairy and pig farmers, 42% and 22% respectively end of Q3 2017 versus 45% and 26% end of Q4 2016

- Commodity price development:
  - Pork: Prices reached a new high of 11.6 DKK/kg in June 2017. Currently prices are at 10.8 DKK/kg, approx. 6% higher than end of 2016
  - Milk: Prices have continued to climb and now stand at 2.67 DKK/kg, approx. 49% above the lows of mid-2016

- Improved commodity prices provides relief for dairy and pig farmers but they remain structurally challenged by high levels of debt, of which a large proportion has variable interest rates

- Exposure to dairy and pig farmers accounts for less than 1% of the Group's loans and guarantees



Source: Arla Foods and Danish Crown

	Loans, advances and guarantees		Balance of loan impairment charges		Impairment ratio		Impairment charges		Losses	
DKKm/%	Q3 2017	Q4 2016	Q3 2017	Q4 2016	Q3 2017	Q4 2016	Q3 2017	Q3 2016	Q3 2017	Q3 2016
Dairy farmers	793	889	576	722	42%	45%	-30	86	11	107
Pig farmers	1,221	1,237	335	431	22%	26%	-40	1	0	102
Total	**2,014**	**2,126**	**911**	**1,153**	**31%**	**35%**	-70	87	11	209

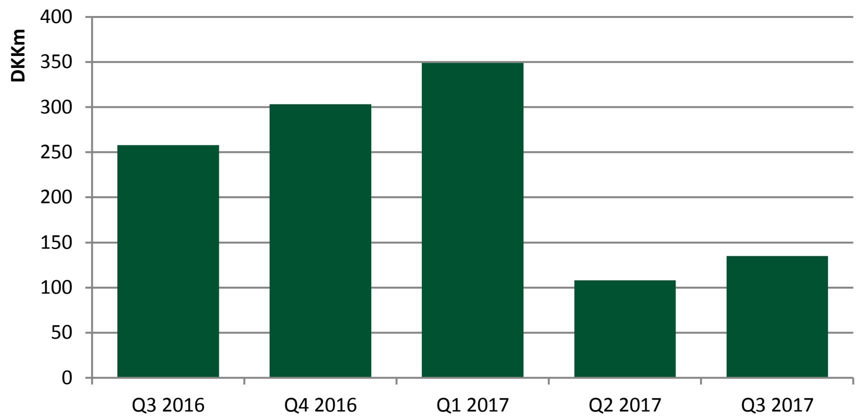
Nordjyske Bank drives increase in investment portfolio earnings

- Investment portfolio earnings continue at more moderate levels after the 3 quarters' elevated earnings

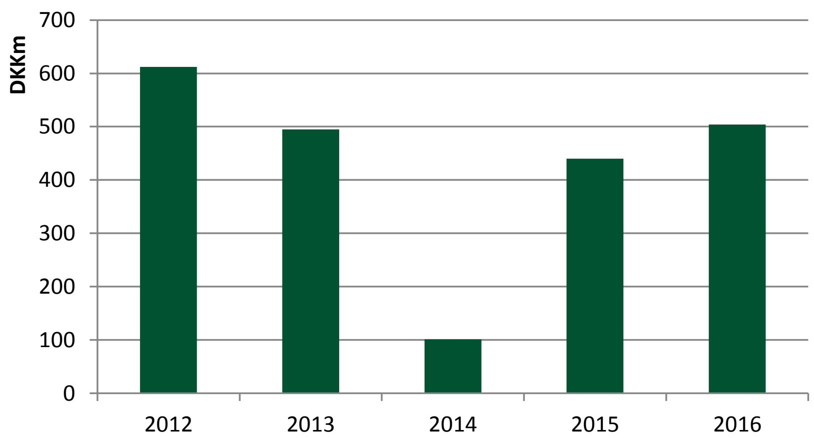
- Nordjyske Bank share priced at 122 end of Q3, up from 115 end of Q2. Thus, positive value adjustments of DKK 46m (Q2: no value adjustments)

- Annual investment portfolio earnings have been ranging between DKK 100-600m the past 5 years
  - With an average of approx. DKK 400m

Investment portfolio earnings, quarterly



Investment portfolio earnings, last 5 years



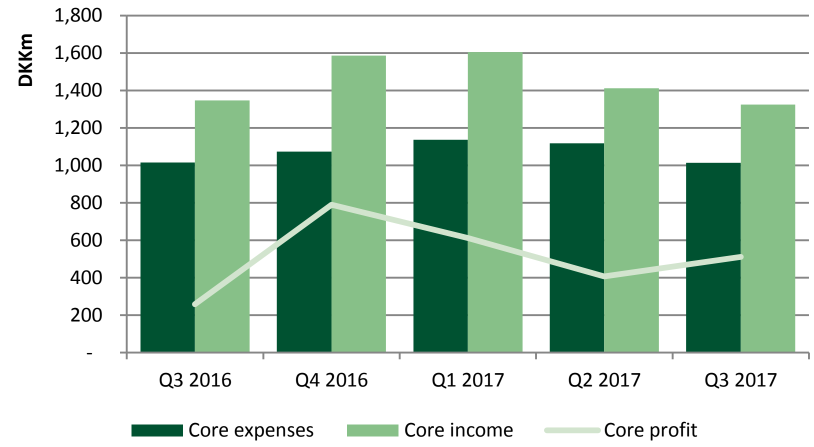
Banking activities

- Increasing volume in bank loans and stable bank deposits
- Positive development in AUM

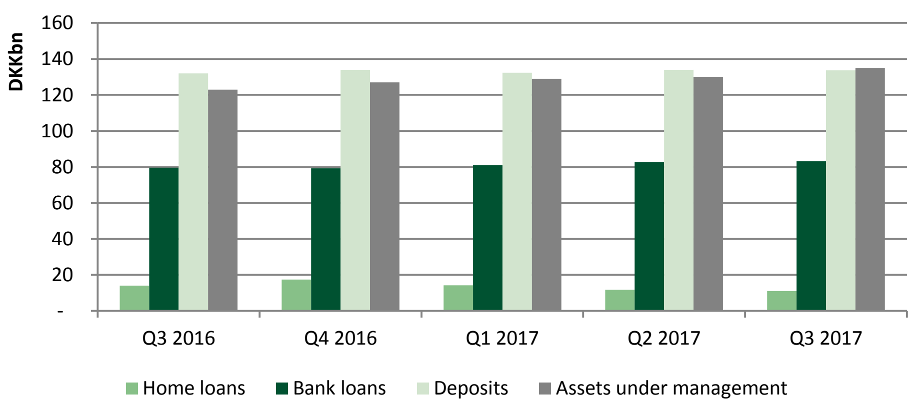
- Core income at level with Q2 2017 when excluding gain on sale of real property recognised in Q2. Fees and commissions still significantly above 2016-level
- Core expenses revert to Q3 2016 level, no one-offs incurred in Q3 2017

- Significant net reversals of impairments – in particular corporate clients including agriculture

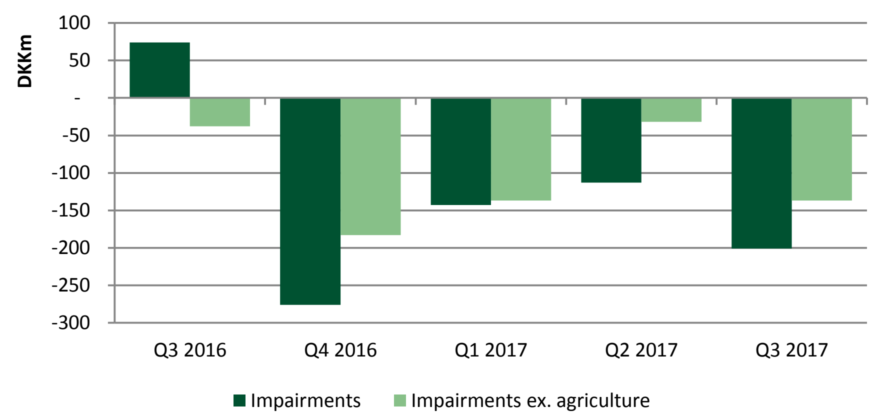
Financials



Business volumes



Impairments



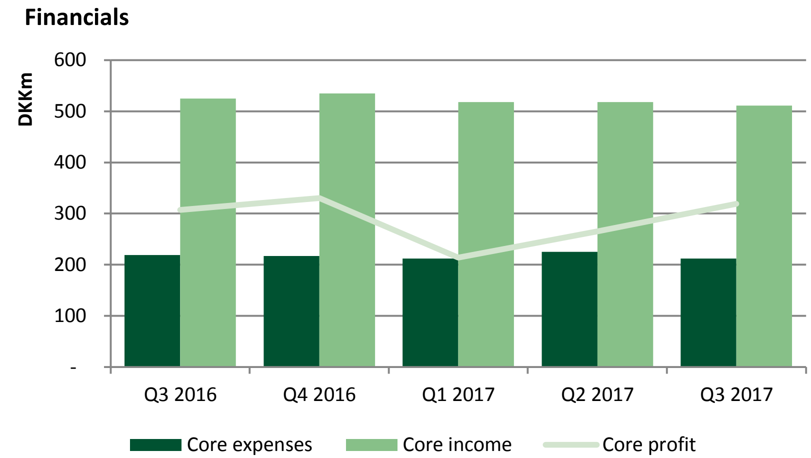
Mortgage activities

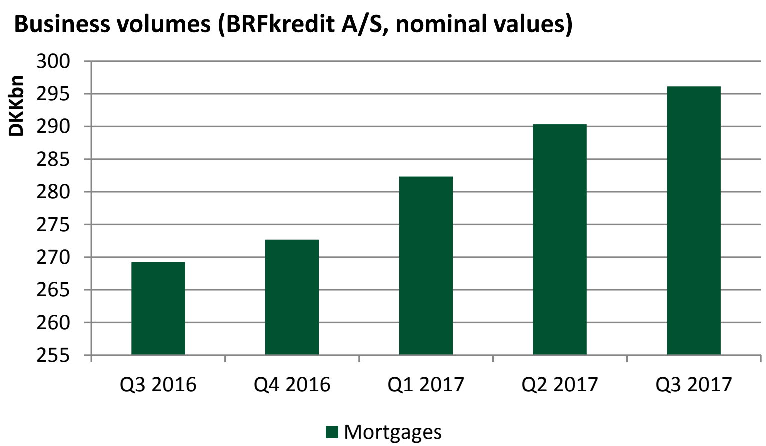
- Growth in all lending segments - most significant in Private and Commercial segment

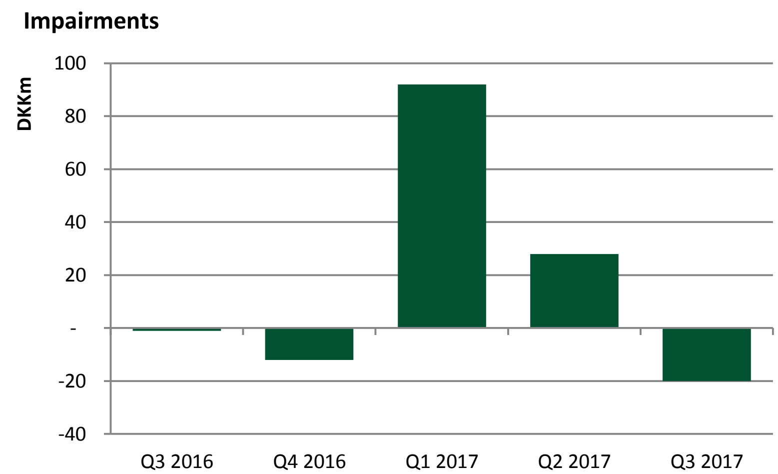
- Core income stable – minor decline in contribution income as private individuals move into products with lower margins, e.g. fixed rate loans, and margin adjustments as credit quality of commercial clients improves

- Core expenses as expected

- Reversal of impairments in both Private and Corporate segment



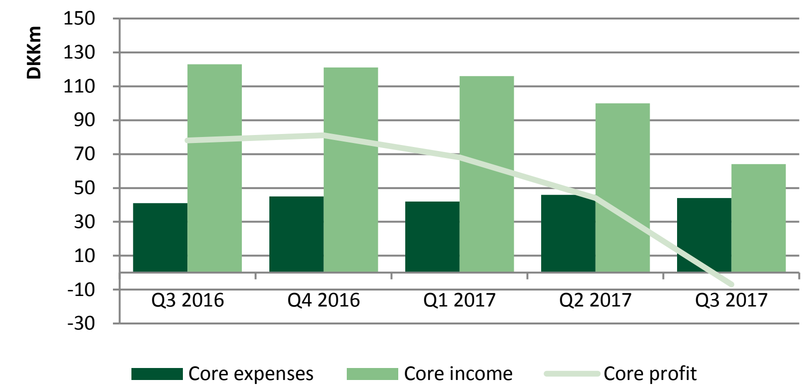




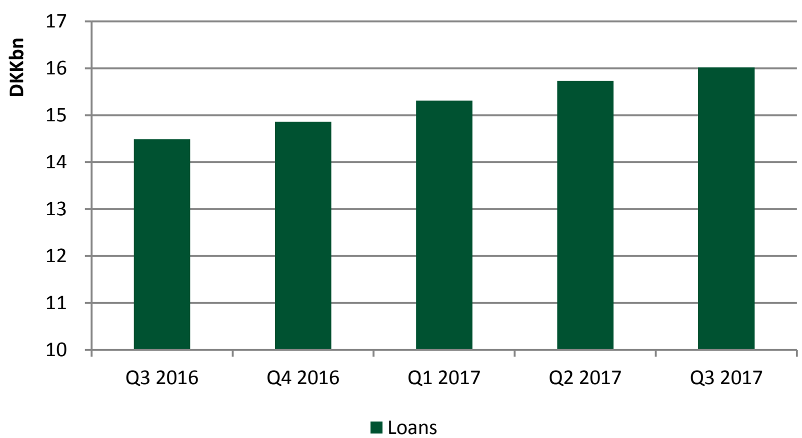
Leasing activities

- Loan volumes continue to increase
- Core income pressured by operating leases as impairments are incurred due to expected changes in tax rules and lower residual market values on certain models
- Core expenses develop as expected
- Increased impairment charges

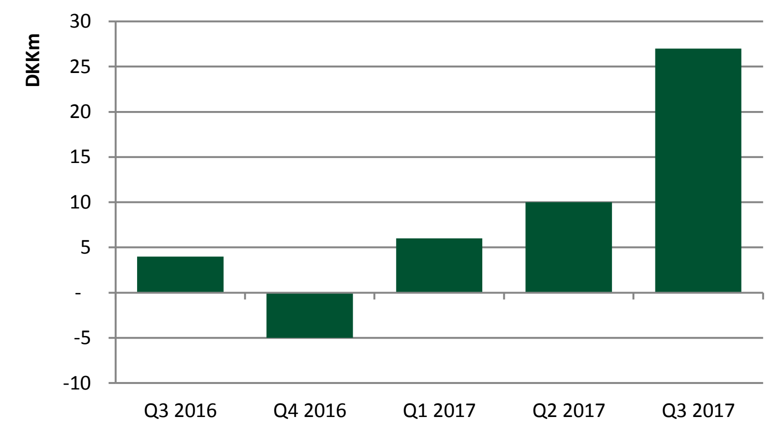
Financials



Business volumes



Impairments



Growth strategy

Continued growth in mortgage lending

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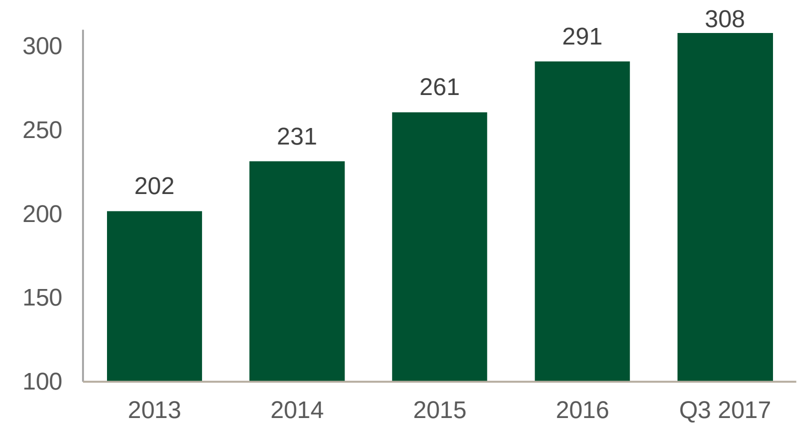
- Net growth of more than DKK 105bn over the last four years for the Group
- Net growth primarily in residential segment
- Commercial and subsidised lending growing by DKK 27bn (DKK 21bn for housing purposes)

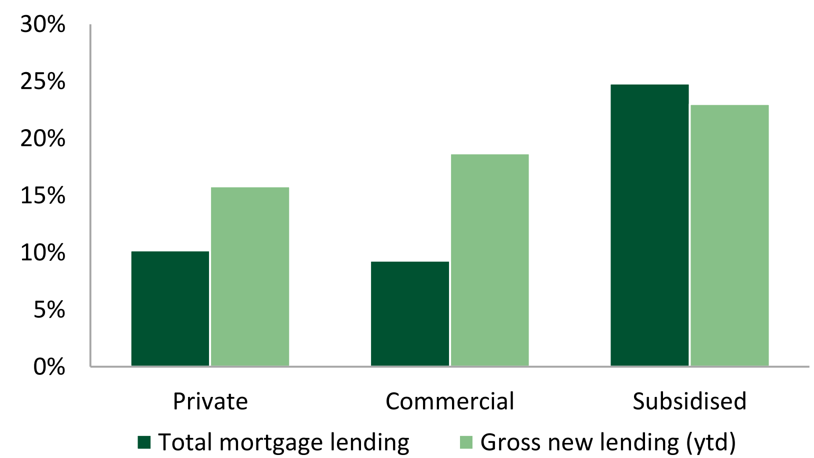
- Growth in the portfolio creates larger issuances and lower funding costs
  - The proportion of series that fullfills LCR requirements has increased
  - Same mortgage funding cost as larger competitors in the Danish market

- Growth of high quality customers
  - Most customers already known to the Group

Total mortgage lending (DKKbn)



Market share of mortgage market (%)



Mortgage initiatives

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Private segment:

- The most competetive prices on the mortgage market
- Change your mortgage loan without changing your bank
  - Most attractive prices are now offered to both full-line clients and mortgage-only clients
- Product differentiation
  - We offer the broadest variety of products in the industry
  - Product characteristics (e.g. capped floaters, 5 days' notice, repayment at par)
  - Two product lines: Jyske Bank home loan products and BRFkredit mortgages

Commercial segment:

- Strategy targets selected commercial banking clients using banking relationship as lever
- Commercial market with strong new investors

Report from Danish Competition and Consumer Authority

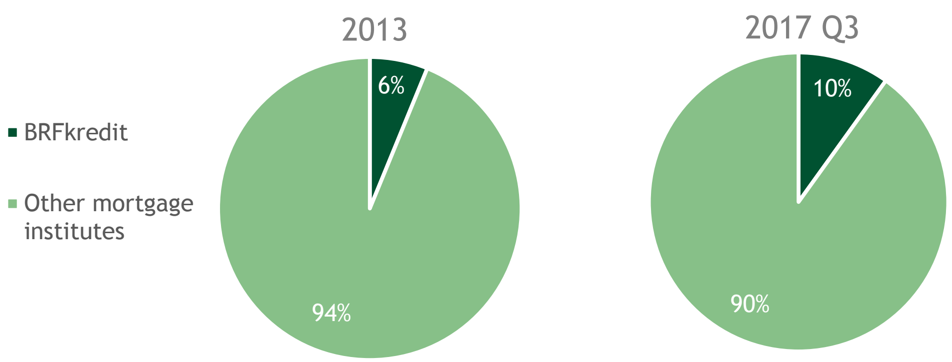
In August 2016 the Danish Competition Authority concluded:

- Competition on the Danish residential mortgage market could be increased
- Regulation can have negative impact on the competition

The report published 16 recommendations to improve competition, i.e.:

- Consumer protection regulation should not limit mortgage banks' possibilities to compete through digital platforms
- Supervisory Diamond: develop other forms of regulation to reduce interest only and ARM loans
- Real estate agents should be allowed to convey mortgage loans
- Borrowers should be able to grant the mortgage bank access to personal information

Market share of private mortgage market



Source: ECBC-label template and cover pool rapports

Professor Jesper Rangvid (leading Danish researcher):

"There is competition. You can see a significant improvement in lending for BRFkredit. This is due to an interesting variety of products and competitive pricing."

Source: Finanswatch.dk

Digital initiatives

JYSKE BANK

Danish Competition Authority report on competition on Danish mortgage market:

"From the borrowers' point of view the mortgage lending market is complex and many borrowers have difficulties navigating in the market"

Our goal: Making lending more user friendly

Best loan

2016

- Introduction of first app for mortgage loans - available to all mortgage holders regardless of mortgage provider
- Loan surveillance 24/7
- Pop-up message when attractive to convert

Best loan 2.0

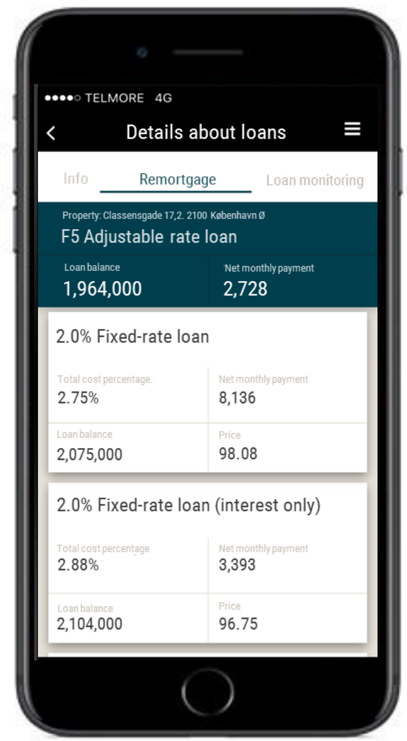
2017

- Including bank loans and house prices

Best Home

2017 (exp.)

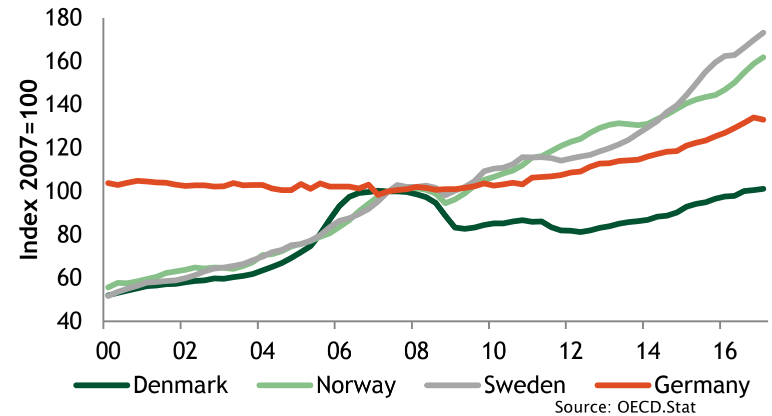
- A search engine targeted at people considering buying a new home
- Making searching for a new home individual, interactive and social



Danish housing market

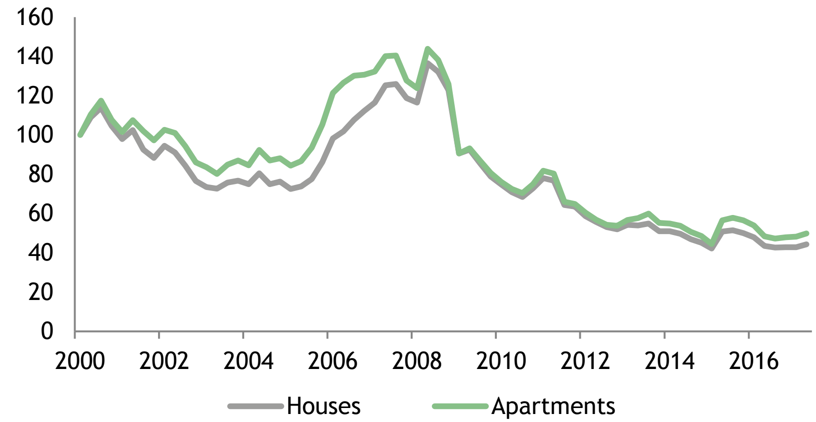
- Increasing house prices after the financial crisis
- Denmark has repriced unlike Sweden and Norway
- The housing burden is expected to remain at a low level
- Debt share of disposable income has decreased and seems to have stabilised at a historically low level

Development in house prices (index 2007 = 100)



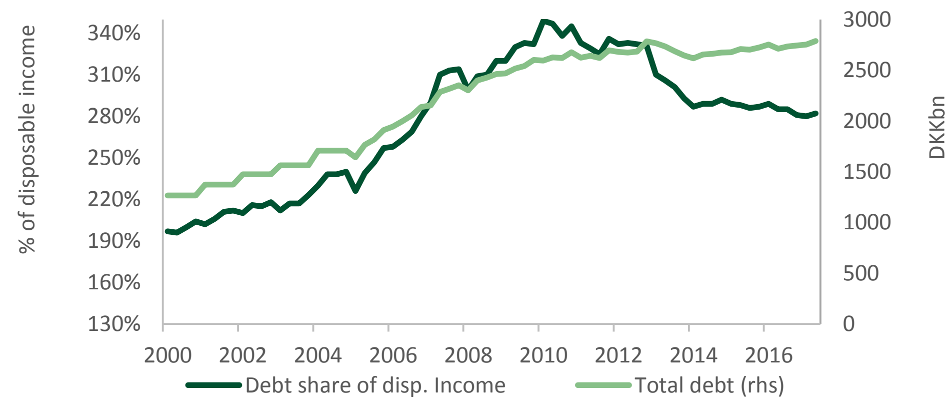
Source: OECD.Stat

Housing burden (index 2000 = 100)



Source: BRFkredit

Households' Debt share of disposable income and total debt



Source: OECD.Stat and Statistikbanken

Focus on Copenhagen area

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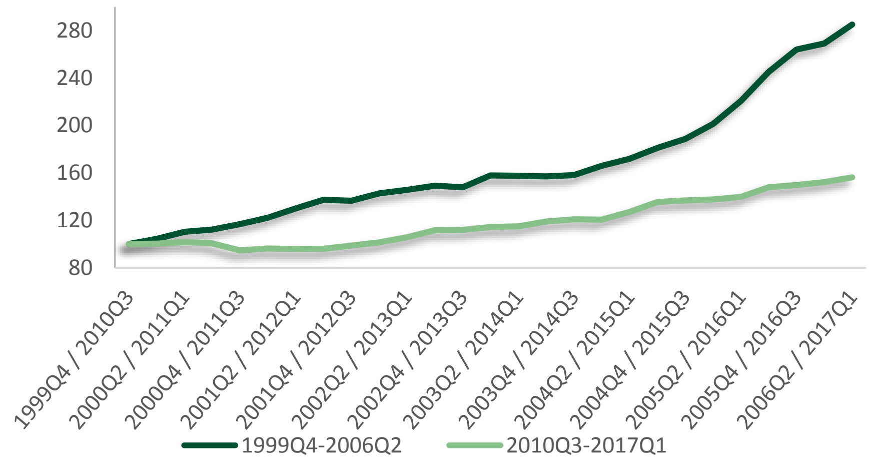
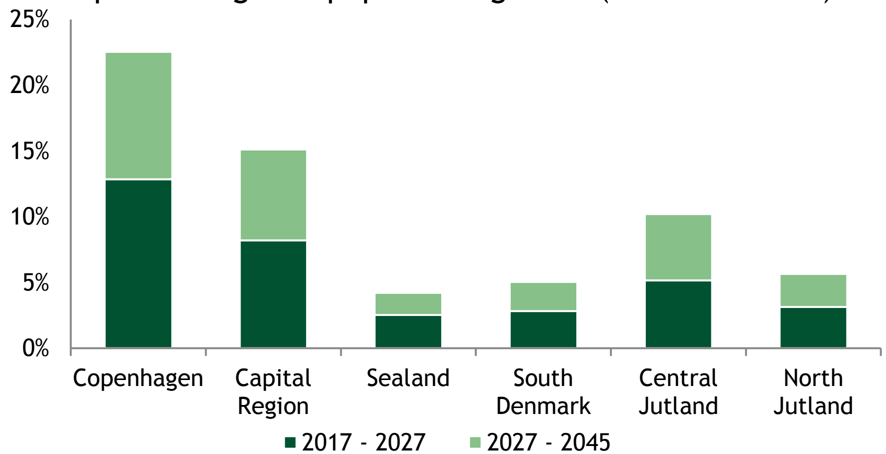
- No price bubble in Copenhagen housing market
- Population in Copenhagen is expected to increase by 15% over the next 10 years
- Construction of new properties in Copenhagen should dampen price increases

Apartments price-index 1999-2006 vs. 2010-2017



Source: Finans Danmark og BRFkredit

Expected regional population growth (2017 H1 – 2045)



Source: Statistics Denmark

Construction of residential properties (1,000 sqm per year)

Source: Statistics Denmark

Danish FSA introduces new measure to limit certain products

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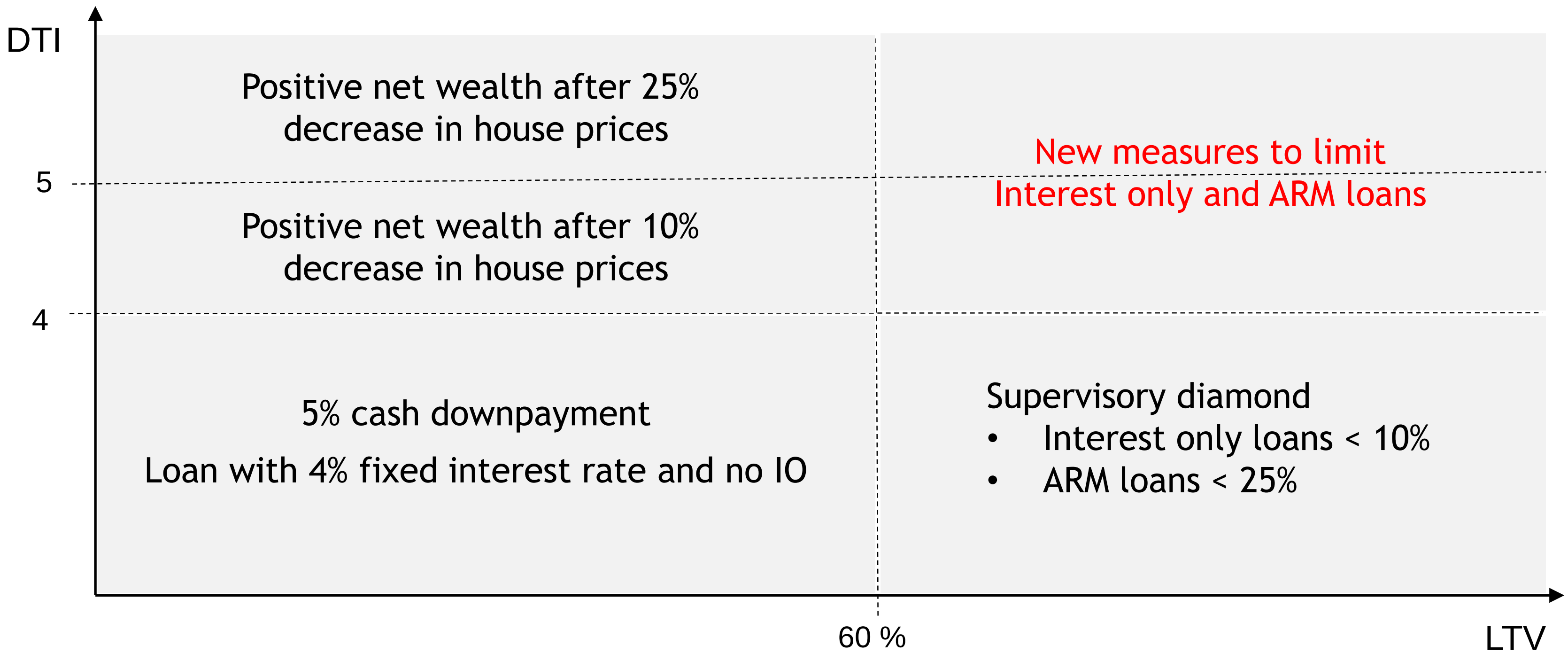
New FSA measure

- Limit the proportion of customers with debt-to-income (DTI) above 4 and adjustable rate mortgages (ARM) or interest-only loans (IO)
- Still uncertain how the measure will be implemented

Illustrative example of lending rules and guidances from the Danish FSA



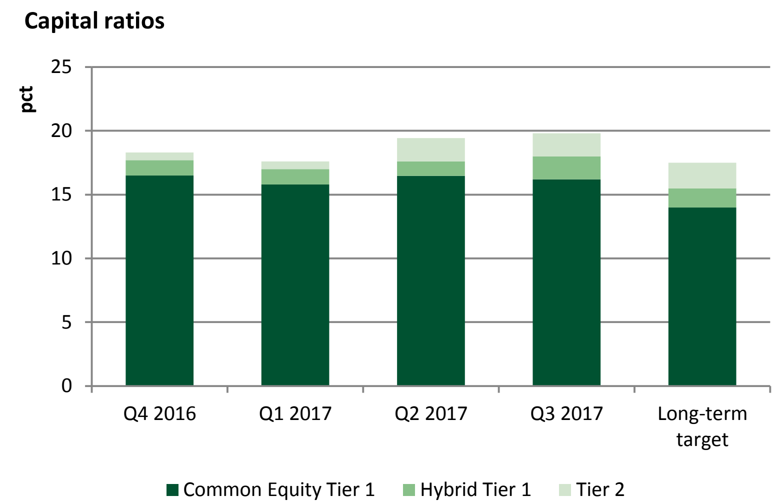
Capital and Liquidity

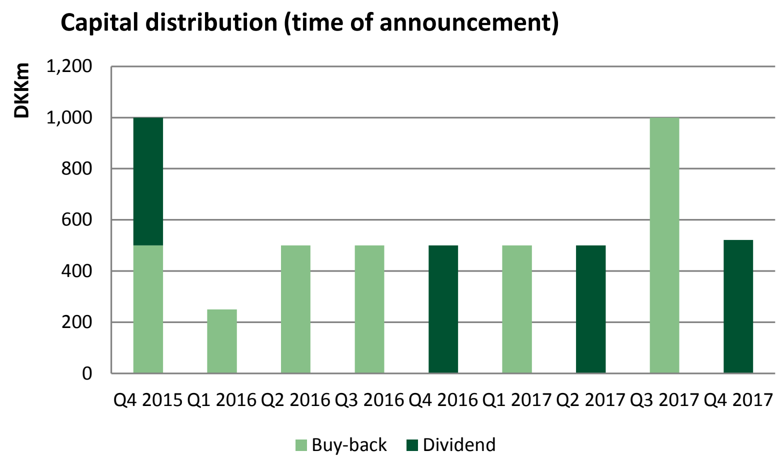
Aligned with long-term capital targets

- Capital ratio 19.8% and CET1 ratio 16.2% end of Q3 2017 vs. long-term targets of 17.5% and 14%
  - Capital structure aligned with long-term targets as subordinated debt reaches 3.6% of REA end of Q3 2017
  - Jyske Bank will on an on-going basis seek to make the capital structure even more cost effective

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

- Capital distribution:
  - Share buy-back programmes of DKK 3.25bn in total:
    - DKK 750m (Nov 2015-Jun 2016)
    - DKK 1bn (Jul - Dec 2016)
    - DKK 1.5bn (Mar 2017 - Mar 2018)
  - Dividends of DKK 2bn in total:
    - DKK 500m (March 2016)
    - DKK 500m (March 2017)
    - DKK 500m (June 2017)
    - Intention to propose dividend of DKK 5.85 per share at AGM in March 2018





Upcoming regulation

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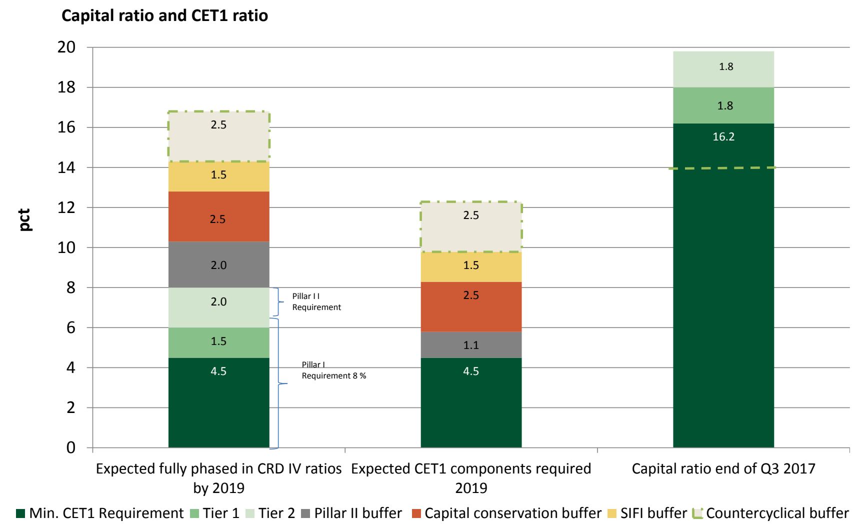
- Long-term capital targets based on fully implemented Basel IV capital requirements:
  - Capital ratio 17.5% and CET1 ratio 14%
  - Capital ratios to remain above long-term targets given the implementation of new rules on impairments (IFRS 9) and the continued uncertainty re. upcoming capital requirements



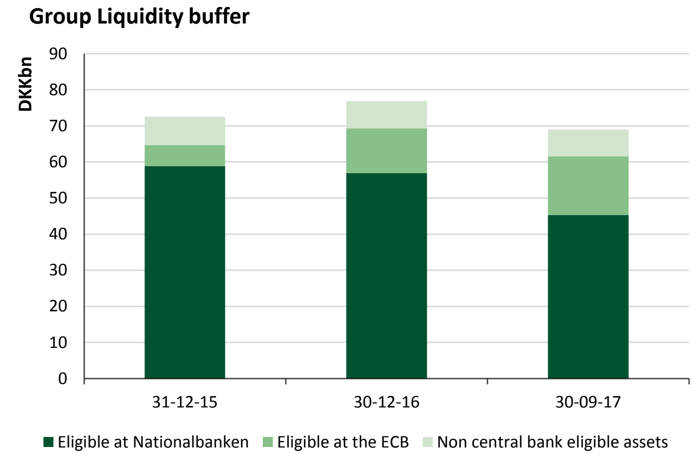
- Basel IV
  - Provided that the new Basel IV requirements will include a 72.5% output floor of new standardised method, this will not fundamentally change Jyske Bank's view of the effect, thus still an expected effect of about 4 percentage point on the capital ratio

- IFRS 9
  - Will take effect on 1 January 2018
  - Balance of impairment charges is expected to increase as impairment charges are to be calculated as expected loss on all loans
  - Estimated effect of DKK 1-1.5bn on balance of impairment charges
  - Jyske Bank does not wish to make use of the 5-year phase-in period proposed by the EU Commission

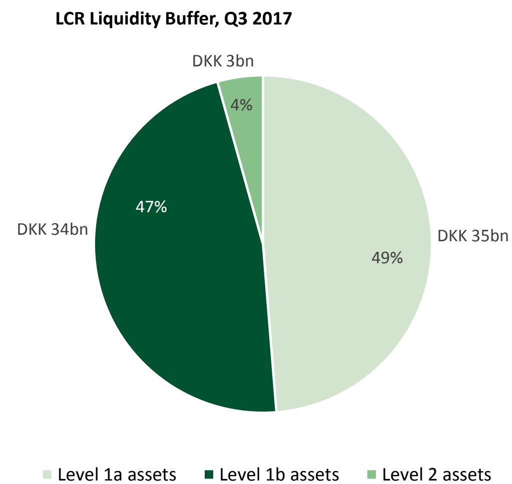
- Minimum requirement for own funds and eligible liabilities (MREL)
  - Final MREL to be determined by Danish FSA in the course of Q4 2017
  - Expected to be fixed at twice the level of solvency requirement incl. all buffer requirements
  - According to preliminary calculations Jyske Bank most likely already fulfills MREL
  - Grandfathering of senior debt issued prior to 1 January 2018

Ample liquidity

- Liquidity buffer DKK 69bn end of Q3 2017 (DKK 77bn end of 2016)
  - 89% of the buffer - DKK 62bn - is eligible for repo transactions at central banks (Nationalbanken or ECB)
  - Cash placements are categorized as eligible at Nationalbanken or ECB, respectively
  - Large increase in “Eligible at ECB” as cash proceeds from reducing holdings of Danish covered bonds have been placed with ECB



- Group’s LCR at 203% by end of Q3 2017 vs. 193% end of Q4 2016
  - Primarily comprised of level 1a and 1b assets
  - The Group operates with an internal minimum target for LCR of 150%

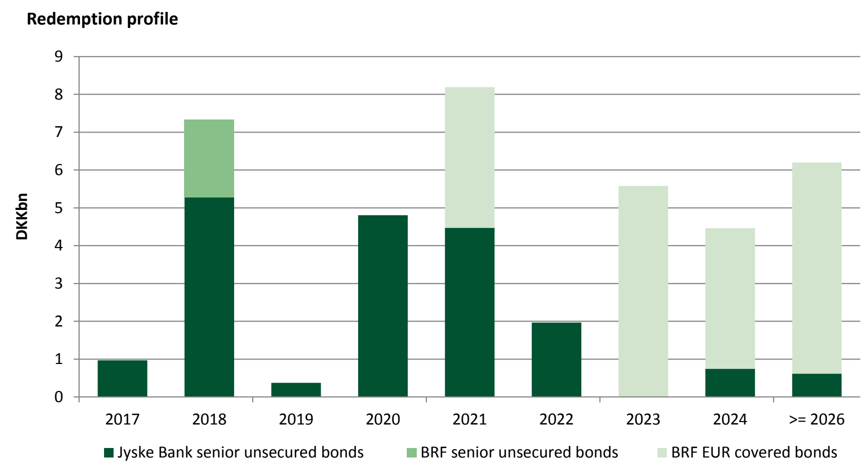


A frequent EUR issuer

Ongoing access to a diversified European investor base helps Jyske Bank maintain a prudent risk – and funding – profile

Since 2012 more than 500 different investors have bought into the Group's senior unsecured debt, capital (Tier 2 and AT1) or EUR covered bonds

Group issuance of senior debt will be from Jyske Bank A/S



Jyske Bank:

- Short term ongoing activities in French CP
- From 2011 and year to date the Group has issued one senior unsecured EUR public benchmark a year (focus on 3-5 year maturities)
- From 2018 it is expected that the issuance of long term senior debt will be replaced by issuance of senior non-preferred debt (to fulfill the Groups MREL* requirement which is expected to be phased in from 1 January 2019 until 1 January 2022)
- Capital: Issuance of a EUR 300m Tier 2 (12NC5) in April 2017 and a EUR 150m AT1 (perpNC10) in September 2017

BRFkredit:

- AAA rated covered bonds based on 100 % Danish primarily residential mortgages. One EUR benchmark a year to be expected

- Extending the maturity profile in covered bond issuance from BRFkredit remains key to underpin compliance with S&Ps SFR and the Danish FSA's upcoming Supervisory Diamond for mortgage institutions

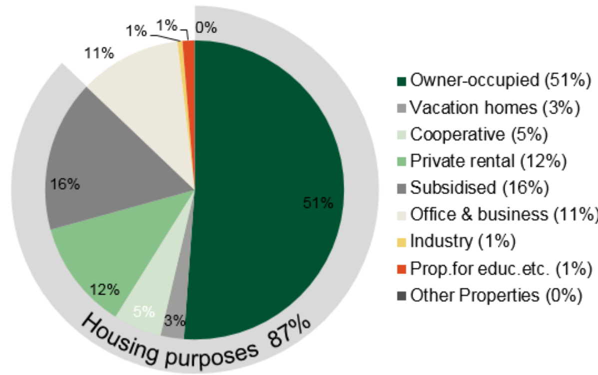
*) As a Danish mortgage institution BRFkredit is exempt from the MREL requirements, but BRFkredit must comply with the Danish BRRD framework's "debt buffer" requirements for mortgage institutions which are phased in gradually from 2016 untill 2020. The debt buffer requirement is 2% of the total unweighted mortgage lending.

Credit Quality

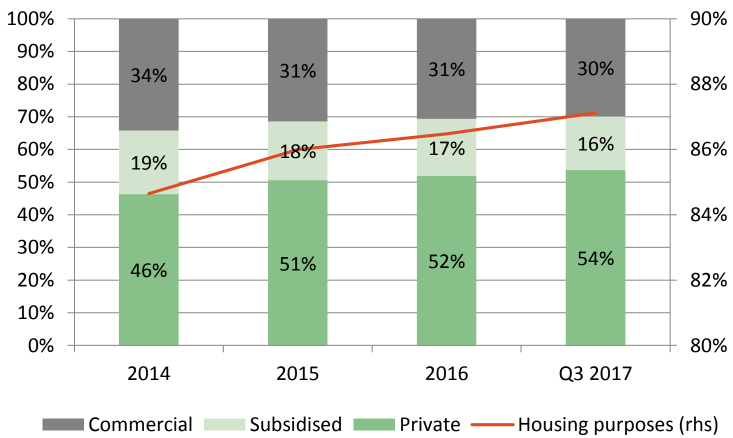
Mortgages: The portfolio

- 87% of lending to properties with housing purposes
  - No loans with swaps to co-operative housing
  - No lending to agriculture and other primary production
- Increasing share of retail lending
  - Primarily driven by joint funding of Jyske Bank home loans
  - The increase is expected to continue
- Increase in share of fixed rate mortgages and decreasing share of F1 and F2

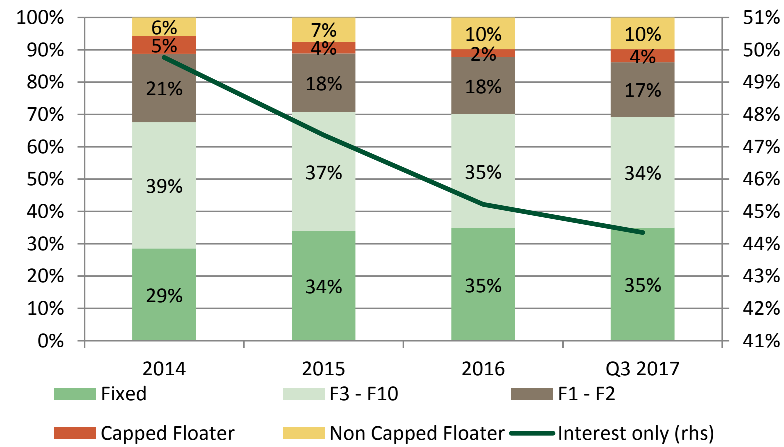
Distribution of lending portfolio



Development in lending portfolio



Development in loan types



Mortgages: Improved credit quality

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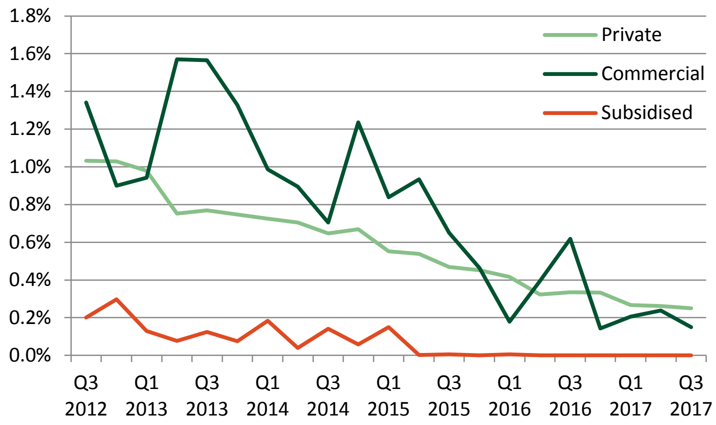
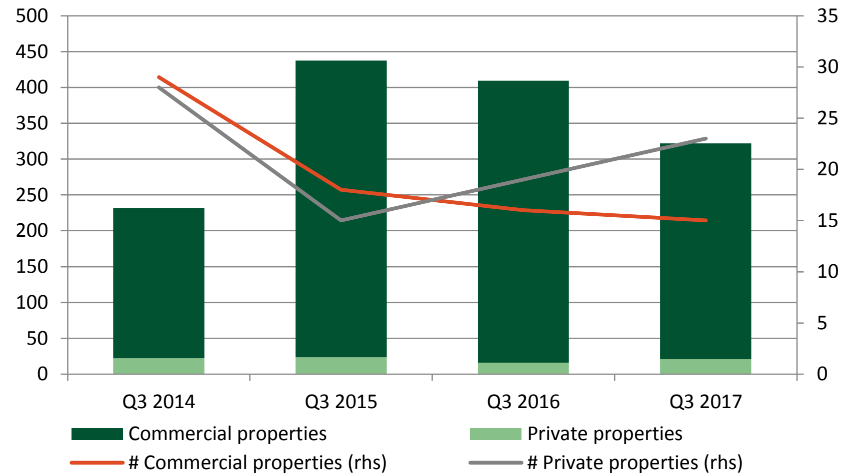
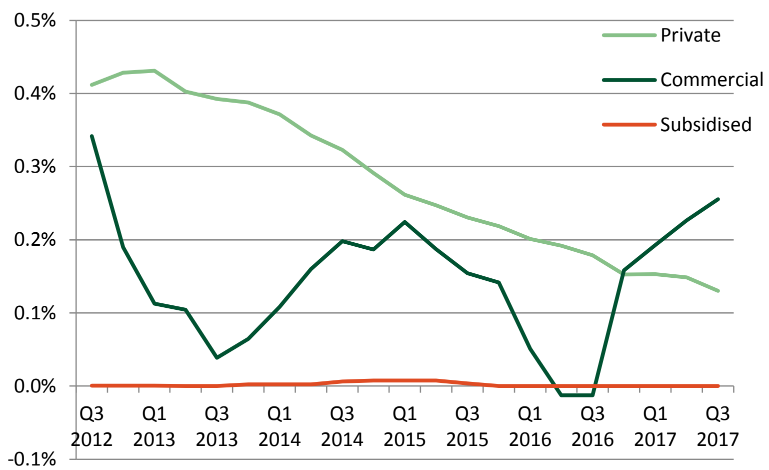
Lending in 90-days arrears (*per cent of lending*)



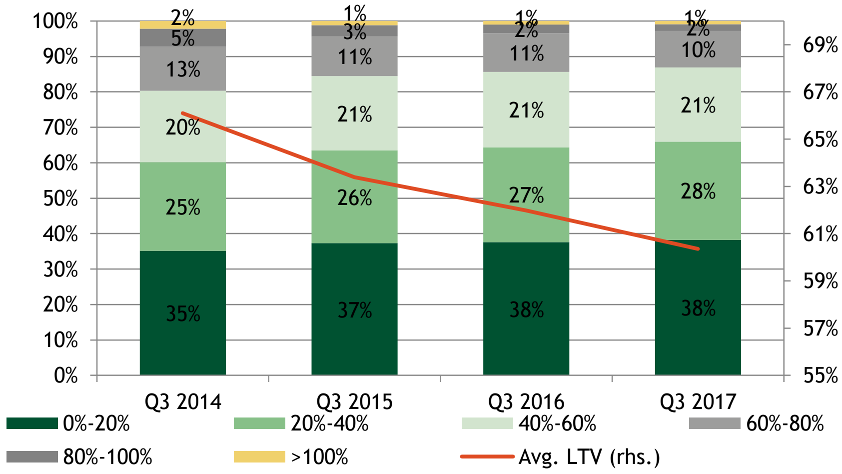
Repossessed properties (*DKKm/number*)



Yearly realised losses (running *year*)



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



Bank loans: the portfolio

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- Portfolio composition end of Q3 2017:
  - Corporates take up larger proportion, 59% vs. 53% end of Q4 2016 as volume grows
  - Private individuals account for 36% compared to 42% end of Q4 2017. Decrease primarily ascribed to transfer of home loans to BRFkredit (mortgages)
  - Public authorities at 6%
- Accumulated impairment ratio total portfolio 3.4%
  - Public authorities 0%
  - Corporates 4.4%
  - Private individuals 2.2%
- Corporates
  - Net reversals in many sectors, in Q3 2017 Agriculture and Finance and Insurance (excl. repo loans) account for the largest reversals, DKK 64m and DKK 41m respectively
  - Impairment ratio for Q3 2017 -13bp
- Private individuals
  - Low number of new defaults
  - Impairment ratio for Q3 2017 -3bp

	Loans, advances and guarantees Q3 2017	Loans, advances and guarantees Q4 2016	Balance of loan impairment charges Q3 2017	Losses Q3 2017	Impairment charges Q3 2017
Public authorities	6%	5%	0%	0%	0%
Agriculture, hunting, forestry and fishing	5%	4%	24%	52%	55%
Manufacturing, mining, etc.	6%	6%	5%	1%	12%
Energy supply	3%	3%	1%	0%	-1%
Building and construction	2%	2%	2%	2%	-1%
Commerce	8%	6%	4%	1%	-19%
Transport, hotels and restaurants	2%	1%	2%	-2%	4%
Information and communication	1%	0%	1%	0%	12%
Finance and insurance (ex repo loans)	19%	16%	14%	10%	36%
Real property	10%	9%	21%	3%	-9%
Other sectors	4%	5%	3%	8%	-2%
Corporate clients	59%	53%	77%	74%	87%
Private individuals	36%	42%	23%	26%	13%
Total	100%	100%	100%	100%	100%

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

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Appendices:
1) Danish Economy Q3
2) NPLs

Danish Economy Q3

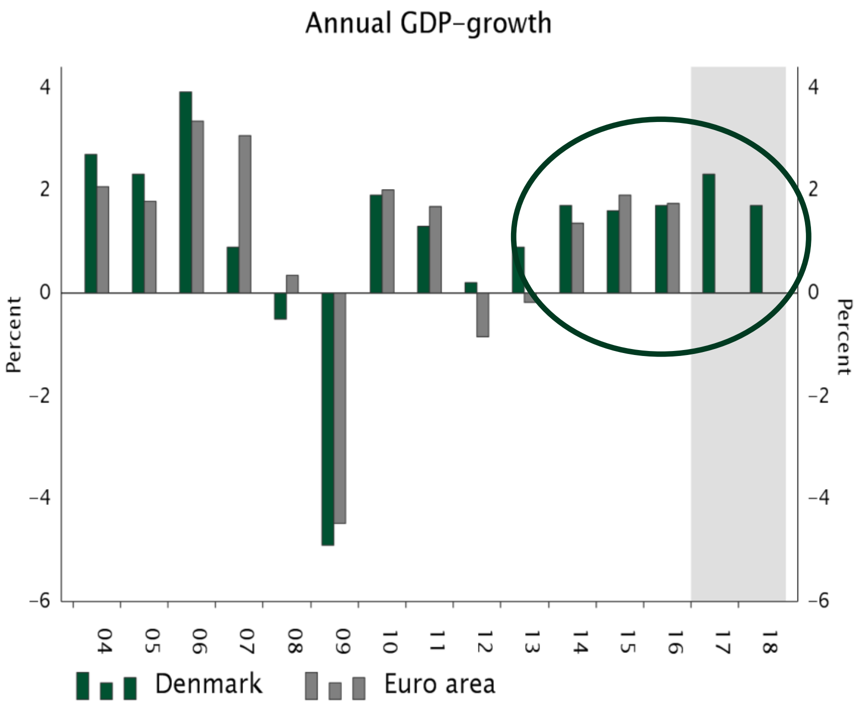
Danish Economy Summary

- We expect the upturn in the Danish economy to continue
- Employment is up 5% since 2012
- Low interest rates, increasing house prices and export market growth stimulates demand. Export competitiveness looks healthy
- The labour force is increasing from foreign labour supply and higher retirement age. Hence, no immediate labour supply shortages. Still, in 2018 labour market constraints may dampen the upturn slightly
- Overall lending growth has turned positive, but is still very modest
- New legislation: The tax freeze on housing is abandoned from 2021 reducing risk of price bubbles in the housing market
- Denmark is a AAA economy with strong structural financial features

Danish economy – an upturn story

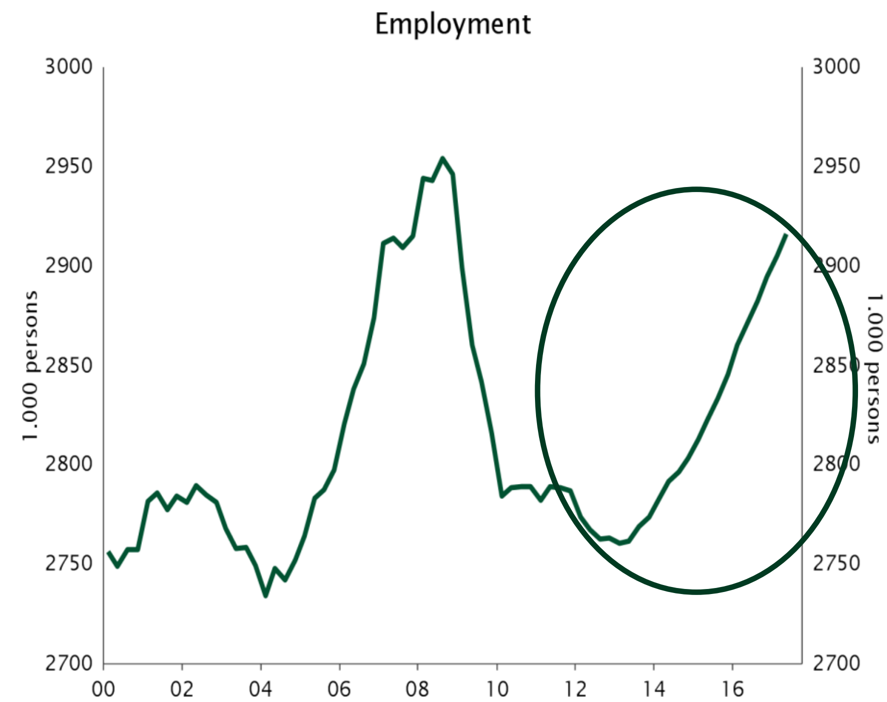
- Overall the Danish financial sector's operating environment is improving

The upturn is set to continue over the next years



Kilde: Thomson Reuters Datastream and Jyske Bank forecasts

The private sector is driving the 5% increase in employment



Kilde: Thomson Reuters Datastream

3 kinds of stimulus support demand

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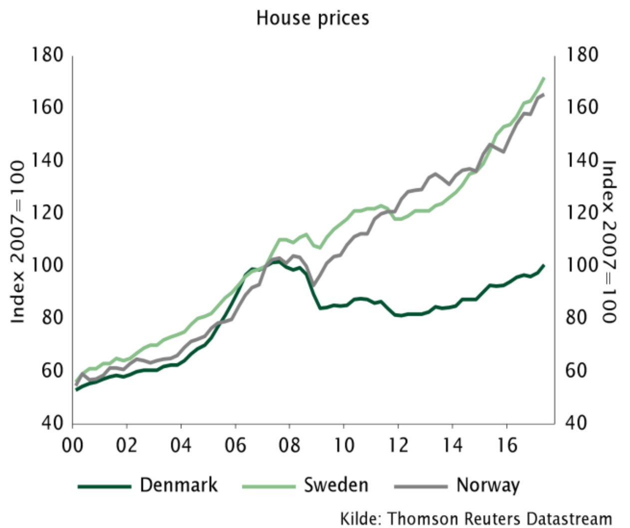
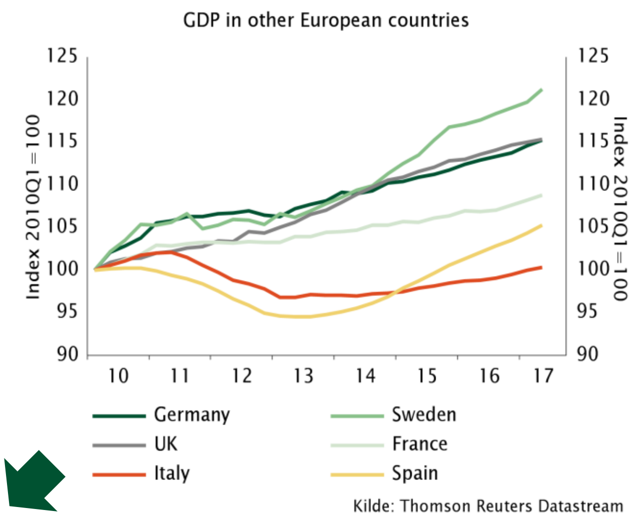
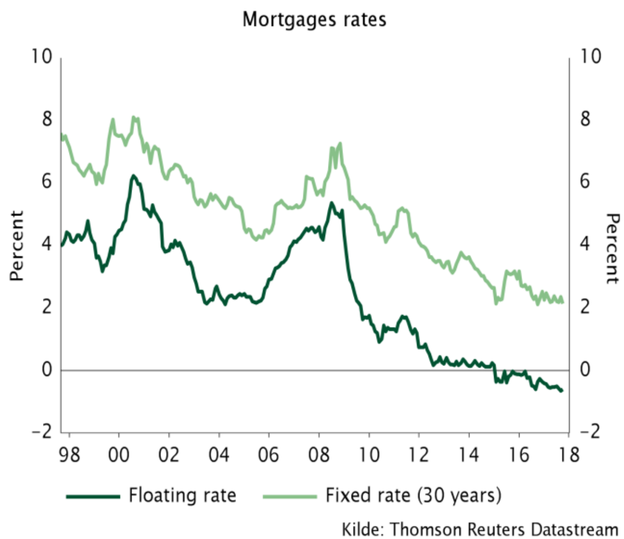
House prices recovering after burst in 08/09



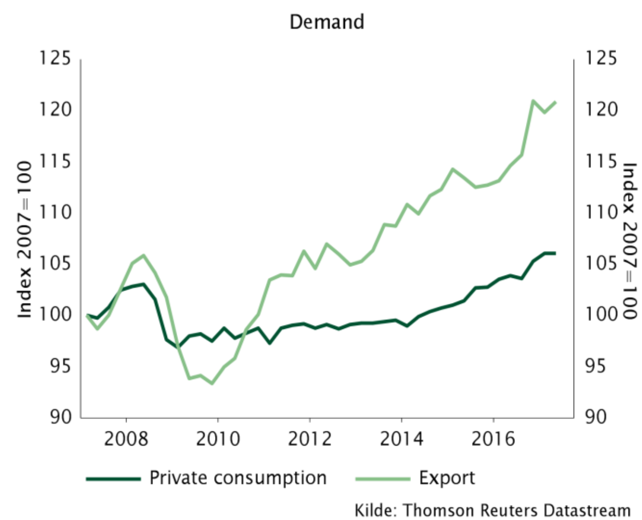
Spill-over from European recovery



Interest rates are at a historic low



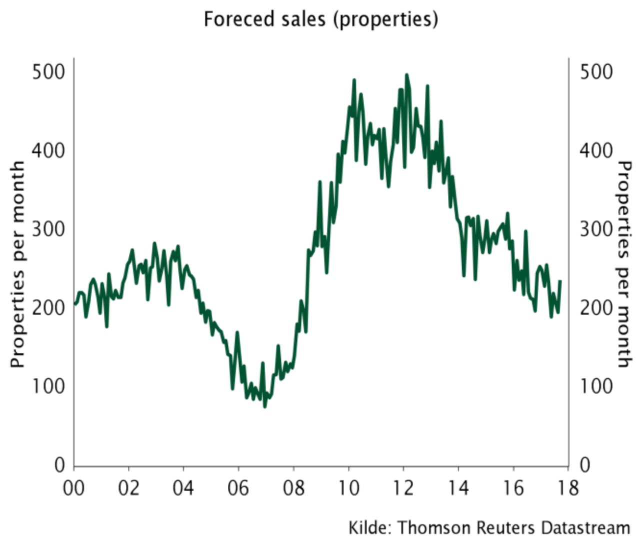
Demand has increased



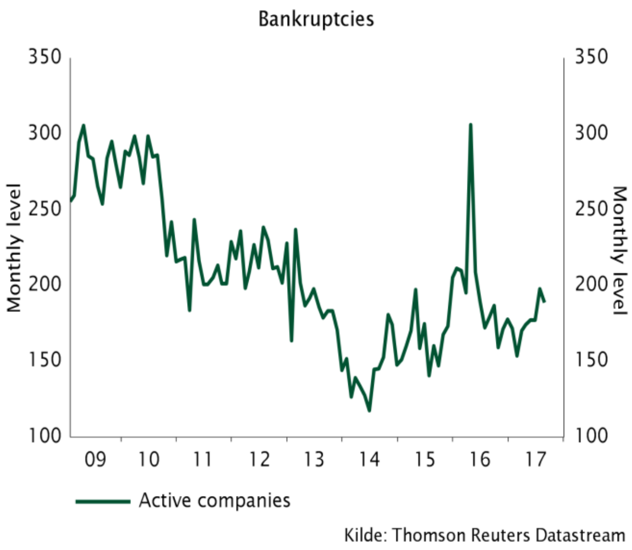
Improved asset quality as defaults have normalized

Unemployment is relatively low

Forced house sales well below 500 properties per month (less than 0.2% per year)



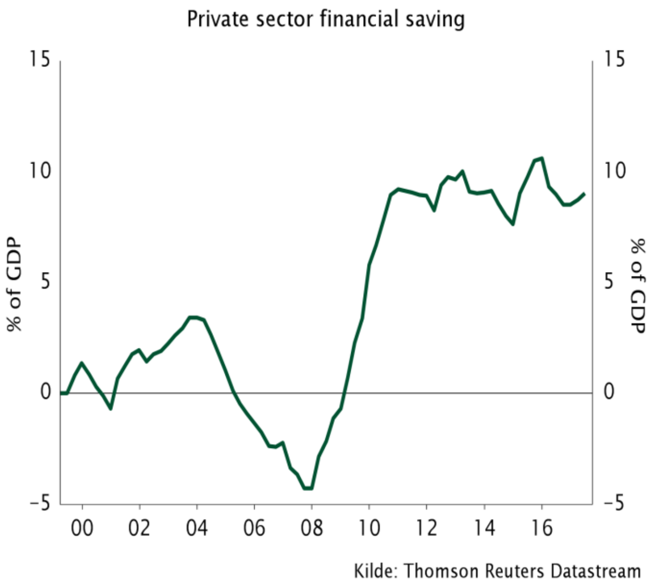
Business bankruptcies are back to normal



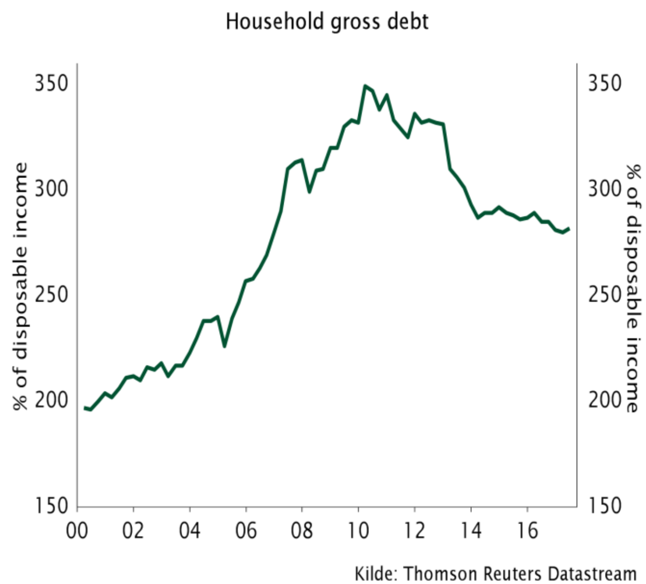
Turnaround and consolidation at the same time

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

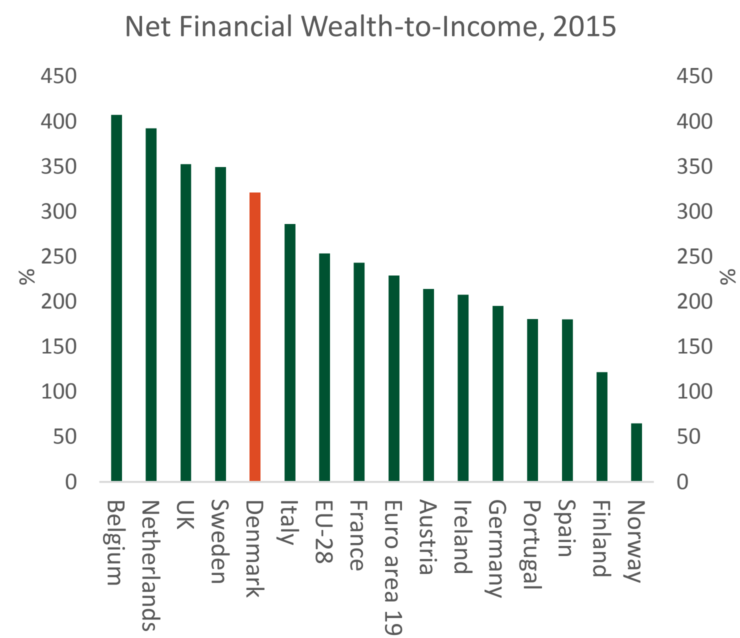
The private sector is saving up



...so household debt has declined



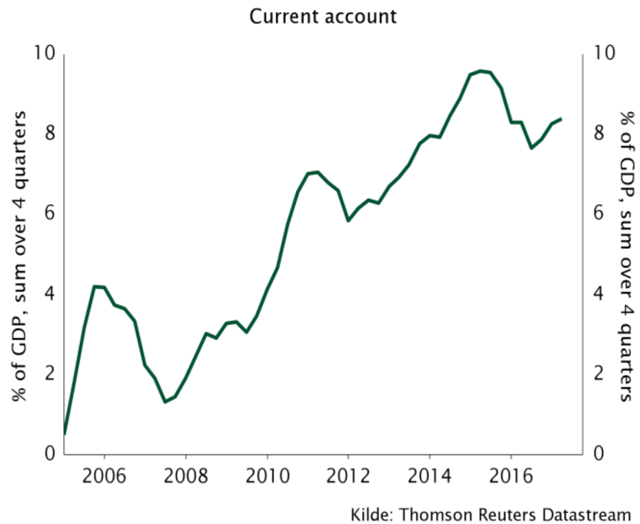
...and household net assets are large



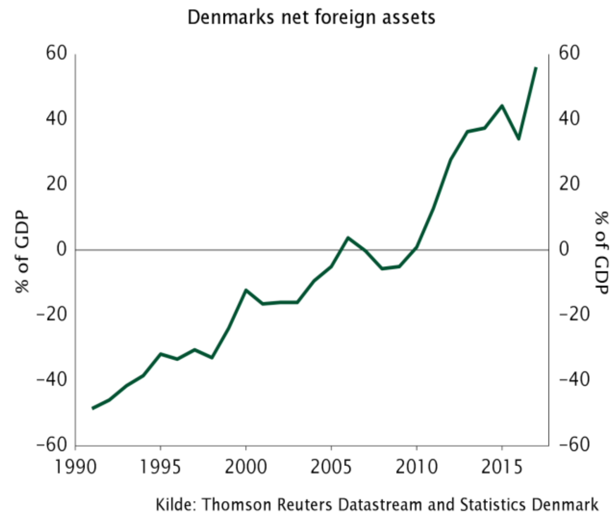
Source: Eurostat

Denmark is a AAA economy with strong structural financial features

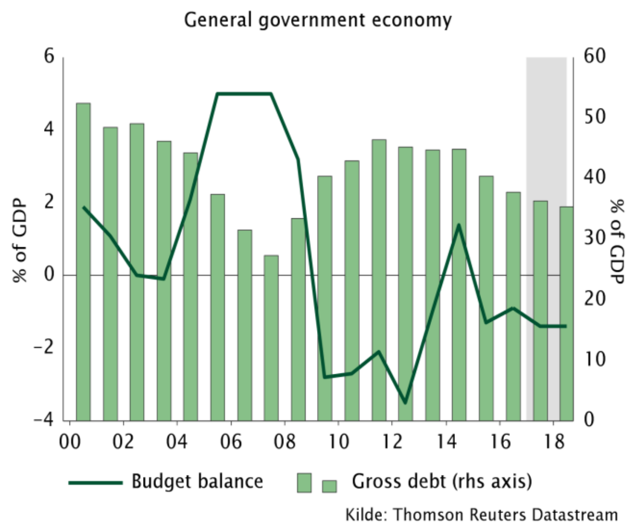
Current account surpluses since late 90s



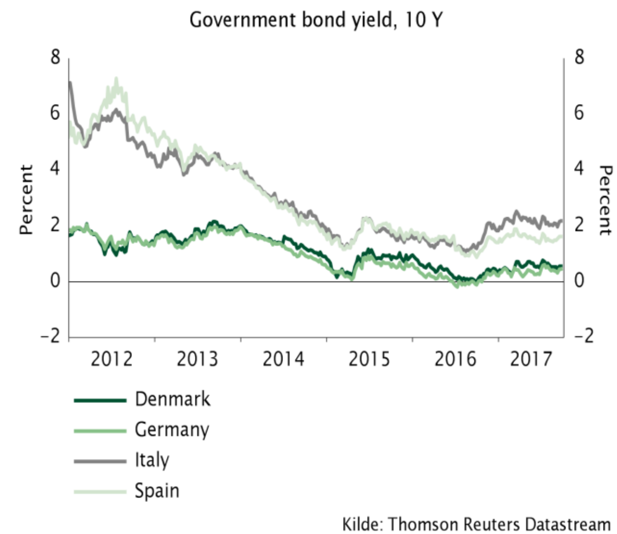
..imply that foreign assets are increasing



And public sector debt is low



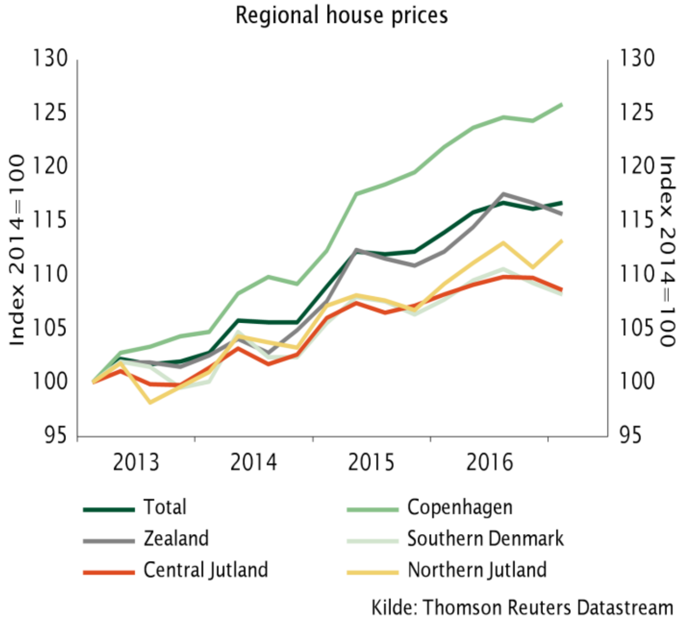
This is why Denmark is AAA



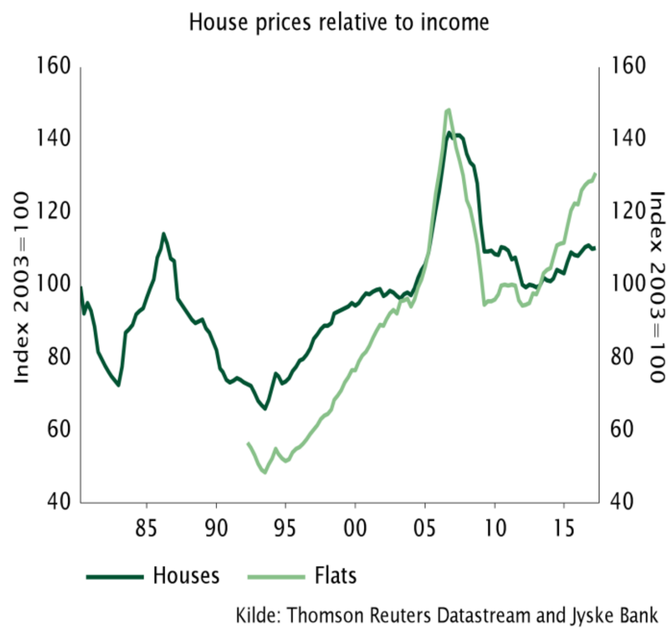
House prices continues up in all regions

- Lately, the Zealand Region posts the largest price increase
- There is a risk that very low interest rates may overheat local parts of the market
- However, new regulation and a new housing tax model can potentially have a dampening effect

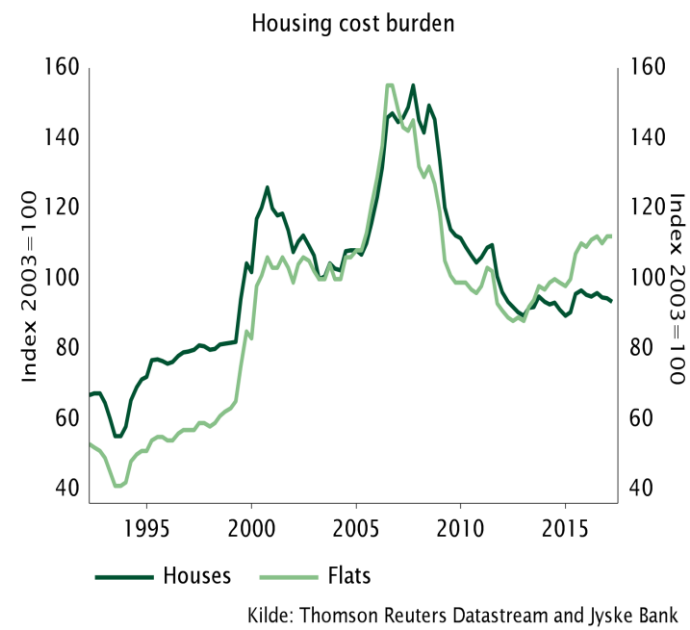
House prices increased 0.5% in Q1



Real house prices are up since 2012



But housing costs are at a moderate level



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

Non-performing loans

Non-performing loans

JYSKE BANK

- At group level NPLs amounted to 3.0% of loans and advances at the end of Q3 2017
- Jyske Bank has been submitting information about non-performing loans (NPLs) since end of Q3 2014
- 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
- Please refer to the following slides for further details as well as a breakdown by banking and mortgage activities.

NPLs – Jyske Bank Group

JYSKE BANK GROUP DKKm	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3
Carrying amount	459,709	453,526	441,941	438,592	431,025
Balance of loan impairments charges and provisions for guarantees	5,576	5,710	5,790	5,937	6,497
Balance of discounts for acquired assets	582	714	782	879	1,144
Gross carrying amount (incl. discounts)	465,866	459,950	448,513	445,408	438,666
NON-performing					
Carrying amount - loans and advances	13,179	14,082	14,787	15,498	14,776
Carrying amount - guarantees	638	517	887	851	805
Carrying amount	13,817	14,599	15,674	16,348	15,581
Balance of impairment charges on non-performing exposures	5,250	5,384	5,561	5,730	6,053
- loans and advances	4,866	4,996	5,160	5,313	5,540
- guarantees	384	387	401	417	513
Balance of discounts for acquired assets	569	664	730	857	1,118
Gross carrying amount (incl. discounts)	19,637	20,647	21,966	22,936	22,752
NPL Coverage ratio[1]	29.6%	29.3%	28.6%	28.7%	31.5%
NPL Level[2]	3.0%	3.2%	3.5%	3.7%	3.6%
Performing					
Carrying amount	445,892	438,927	426,266	422,244	415,444
Balance of loan impairments charges and provisions for guarantees	326	326	229	207	444
Balance of discounts for acquired assets	12	50	52	22	26
Gross carrying amount (incl. discounts)	446,230	439,303	426,547	422,472	415,914

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

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

NPLs - Banking activities

BANKING, DKKm	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3
Carrying amount	155,435	156,366	153,146	160,159	155,758
Balance of loan impairments charges and provisions for guarantees	4,734	4,858	5,007	5,182	5,723
Balance of discounts for acquired assets	242	325	383	451	523
Gross carrying amount (incl. discounts)	160,411	161,549	158,536	165,792	162,004
NON-performing					
Carrying amount - loans and advances	5,412	5,402	6,090	6,426	6,989
Carrying amount - guarantees	638	517	887	851	805
Carrying amount	6,050	5,920	6,977	7,277	7,794
Balance of impairment charges on non-performing exposures	4,610	4,736	4,908	5,091	5,607
- loans and advances	4,226	4,348	4,507	4,674	5,094
- guarantees	384	387	401	417	513
Balance of discounts for acquired assets	240	322	381	448	523
Gross carrying amount (incl. discounts)	10,901	10,978	12,266	12,816	13,924
NPL Coverage ratio[1]	44.5%	46.1%	43.1%	43.2%	44.0%
NPL Level[2]	3.9%	3.8%	4.6%	4.5%	5.0%
Performing					
Carrying amount	149,385	150,446	146,169	152,882	147,964
Balance of loan impairments charges and provisions for guarantees	123	123	99	91	116
Balance of discounts for acquired assets	2	3	2	3	0
Gross carrying amount (incl. discounts)	149,510	150,572	146,270	152,976	148,080

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

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

NPLs - Mortgage activities

JYSKE BANK

MORTGAGE, DKKm	2017 Q3	2017 Q2	2017 Q1	2016 Q4	2016 Q3
Carrying amount	304,274	297,160	288,794	278,433	275,267
Balance of loan impairments charges and provisions for guarantees	842	851	783	755	774
Balance of discounts for acquired assets	340	389	399	428	621
Gross carrying amount (incl. discounts)	305,456	298,401	289,976	279,616	276,661
NON-performing					
Carrying amount - loans and advances	7,767	8,679	8,697	9,071	7,787
Carrying amount - guarantees					
Carrying amount	7,767	8,679	8,697	9,071	7,787
Balance of impairment charges on non-performing exposures	640	648	653	639	446
- loans and advances	640	648	653	639	446
- guarantees					
Balance of discounts for acquired assets	329	342	349	409	595
Gross carrying amount (incl. discounts)	8,736	9,670	9,700	10,120	8,828
NPL Coverage ratio[1]	11.1%	10.2%	10.3%	10.4%	11.8%
NPL Level[2]	2.6%	2.9%	3.0%	3.3%	2.8%
Performing					
Carrying amount	296,507	288,481	280,097	269,362	267,480
Balance of loan impairments charges and provisions for guarantees	202	203	130	116	328
Balance of discounts for acquired assets	11	47	50	18	26
Gross carrying amount (incl. discounts)	296,720	288,731	280,277	269,496	267,834

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

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

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