Jyske Bank
Q1 2018

9 May 2018

Our targets

JYSKE BANK

Q1 2018

Return on Equity

- Delivering an attractive long-term return on equity of 8-12%

ROE 7.4%

Volume growth 2018-2020

- Total loan portfolio of DKK 350bn in Jyske Realkredit
  - +DKK 20-25bn in housing related loans
  - +DKK 15-20bn in property loans for corporate clients

DKK 309bn

Full Time Employees

- Number of FTE back to 2013-level (3,774) 5 years after the merger

3,856 FTE

Capital position

- Long-term targets for capital ratio 17.5% and CET1 ratio 14% post-Basel IV implementation
- Building sufficient capital level to cover expected Basel IV-effect on capital ratio of 3 percentage points by January 1st 2022
- Gradually building a RAC ratio of about 10.5%

20.0% and 16.5%

RAC 10.1%

Q1 2018 highlights

JYSKE BANK

- Net profit of DKK 610m, equal to ROE 7.4% p.a.
  - Excl. effect of IFRS 9 net profit of DKK 927m corresponding to ROE of 11.4%
- Business volumes:
  - Growth in all segments compared to Q1 2017
- Core income:
  - NII favourably affected by growth in property related loans. The market place characterised by competition and pressure on margins. NII negatively affected by lower bond holdings as well as reinvestment in bonds with lower coupon rates
  - Net fee income increase primarily due to fees from DLR and Jyske Invest Fund Management
- Core expenses at DKK 1,272m, -8% relative to Q1 2017
  - -1% when adjusted for one-off expenses in Q1 2017
- Loan impairment charges DKK 308m of which:
  - Implementation of IFRS 9 DKK 407m
  - Underlying development in credit quality DKK -99m

CORE PROFIT AND PROFIT FOR THE PERIOD DKKm	Q1 2018	Q1 2017	Index 18/17	Q1 2018	Q4 2017	Index Q1/Q4
Net interest income	1,407	1,370	103	1,407	1,537	92
Net fee and commission income	506	447	113	506	654	77
Value adjustments	-68	346	-	-68	38	-
Other income	65	60	108	65	-29	-
Income from operating lease (net)	26	16	163	26	-6	-
Core income	**1,936**	**2,239**	**86**	**1,936**	**2,194**	**88**
Core expenses	1,272	1,390	92	1,272	1,326	96
Core profit before loan impairment charges	**664**	**849**	**78**	**664**	**868**	**76**
Loan impairment charges	308	-45	-	308	-139	-
Core profit	**356**	**894**	**40**	**356**	**1,007**	**35**
Investment portfolio earnings	407	349	117	407	-30	-
Pre-tax profit	**763**	**1,243**	**61**	**763**	**977**	**78**
Tax	153	267	57	153	197	78
Net profit for the period	**610**	**976**	**63**	**610**	**780**	**78**

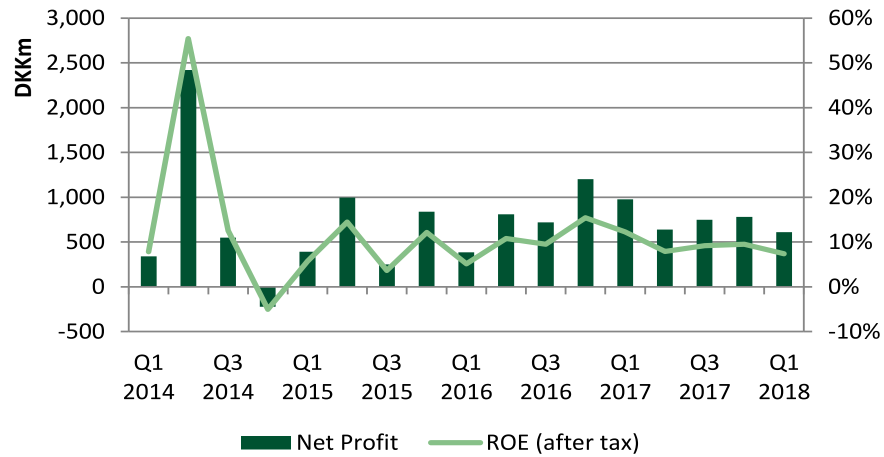
SUMMARY OF BALANCE SHEET, END OF PERIOD DKKbn	Q1 2018	Q1 2017	Index 18/17	Q1 2018	Q4 2017	Index Q1/Q4
Mortgage loans	309	287	108	309	307	101
Traditional bank loans	103	96	106	103	101	101
New home loans	13	14	94	13	12	109
Bank deposits	136	133	103	136	140	97
Assets under management	142	129	110	142	145	98

ROE impacted by turbulent financial markets

JYSKE BANK

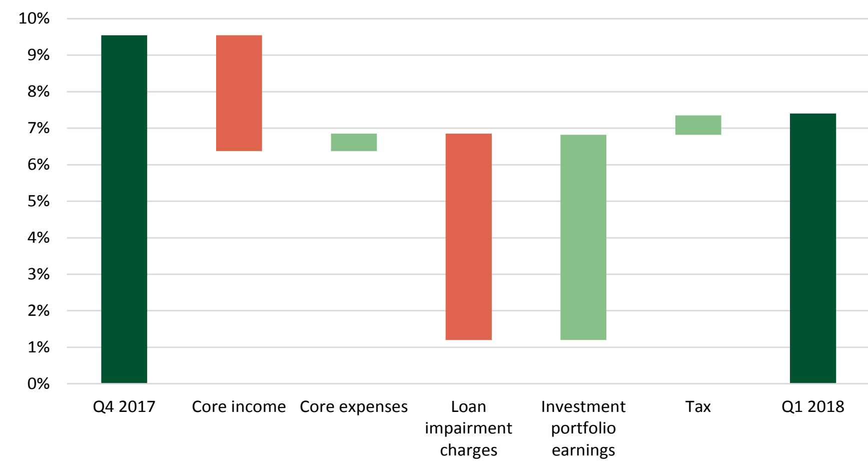
- Net profit of DKK 610m and ROE of 7.4% p.a. in Q1 2018
- Excl. effect of IFRS 9 net profit of DKK 927m corresponding to ROE of 11.4%

Net profit and ROE



- A decrease of 2.3 percentage points compared to Q4 2017 due to primarily:
  - Increase in loan impairment charges due to new impairment rules, based on IFRS9
  - Lower core income as Q4 seasonality in net fee income and one-off NII do not reoccur in Q1 2018
  - Increase in investment portfolio earnings driven by increased fair value of holdings and dividend of Nordjyske Bank shares

Q4 2017 vs. Q1 2018: Development in ROE after tax



NII slightly up y/y

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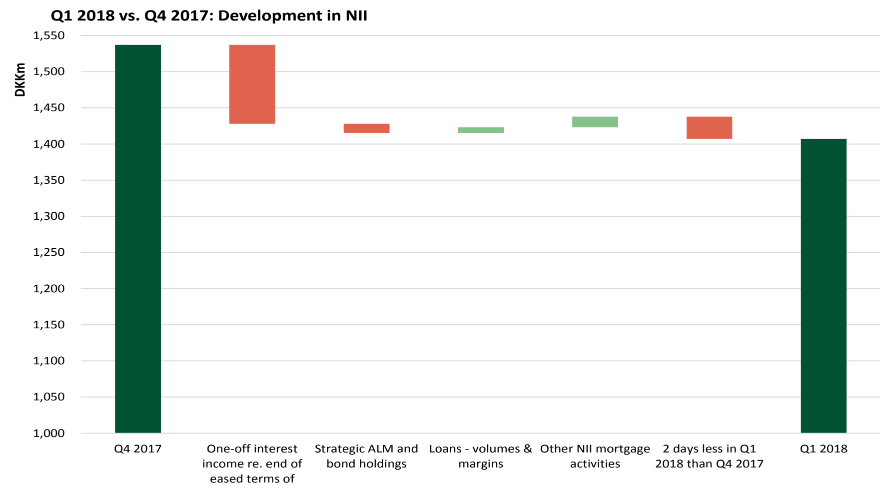
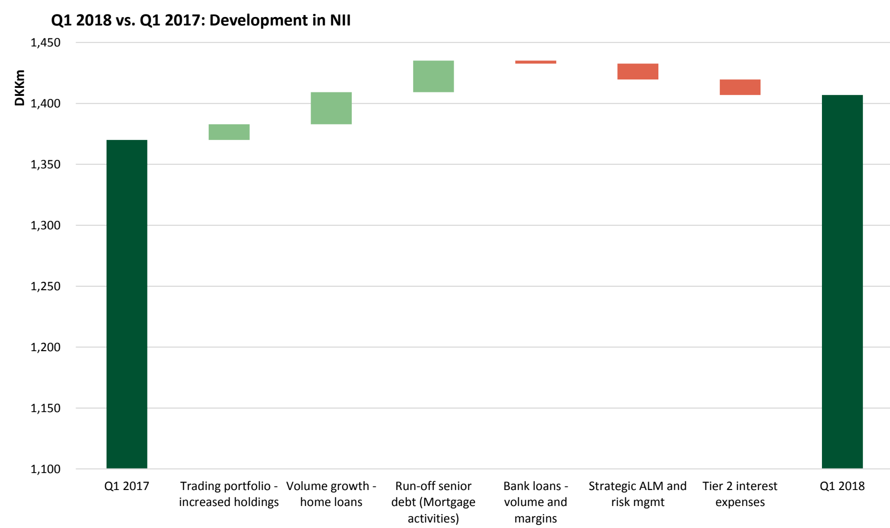
- Adjusted for one-off interest income in Q4 2017 NII in Q1 2018 is slightly down compared to Q4 2017 – primarily due to 2 days less in Q1 than Q4
- Overall NII is:
  - Supported by
    - Volume growth in all 3 segments
    - Other NII from mortgage activities (e.g. run-off senior debt, reclassification of investment portfolio)
  - Pressured by
    - Decrease in NII from strategic ALM and risk management
    - Continued margin compression on corporate bank loans
- Positive variance of DKK 37m compared to Q1 2017:
  - Support from growth in home loans and corporate loans outweigh lower net interest income from strategic ALM and risk management, margin pressure on corporate bank loans and additional Tier 2 interest expenses
- Interest rate sensitivity: A +100bp parallel shift in the interest rate curve would increase NII by approx. DKK 200m





Net fee income continues at high level

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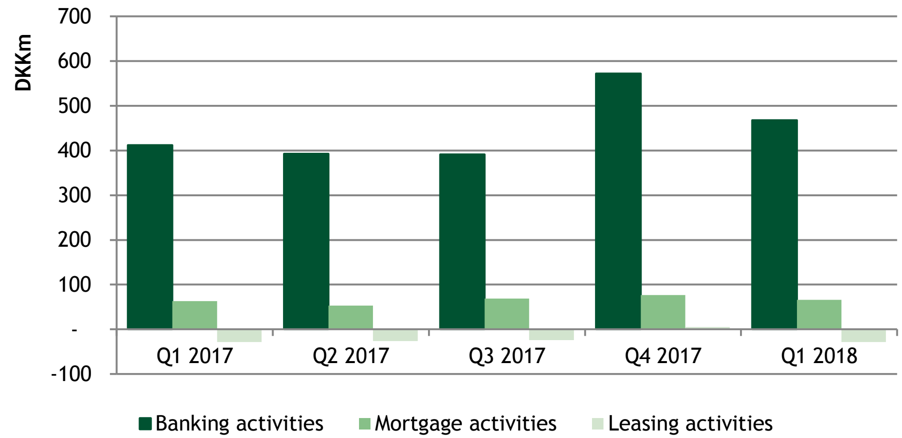
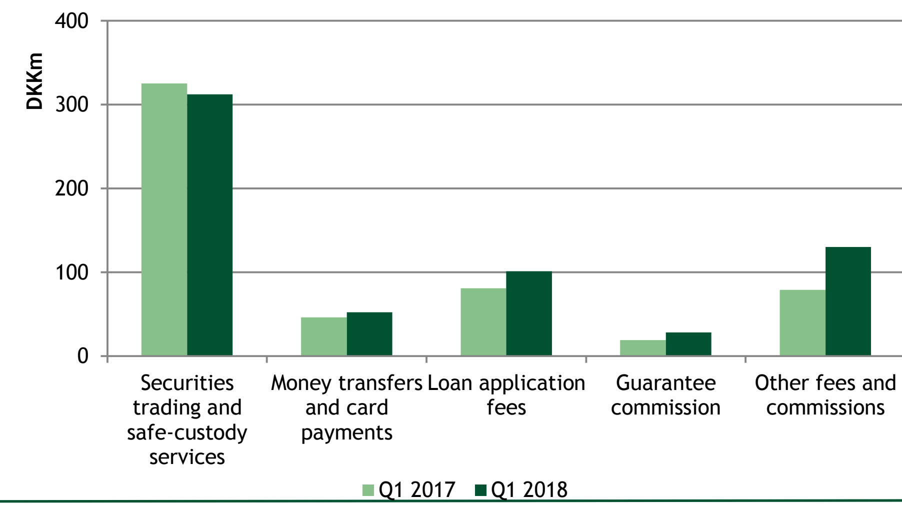
- Net fee income in Q1 2018 of DKK 506m
  - Adjusted for Jyske Invest Fund Management and change in recognition of DLR fees (implemented in Q4 2017), net fee income is up by 4% compared to Q1 2017
- The improved performance can be attributed to:
  - Banking activities: Primarily loan application fees
  - Mortgage activities unchanged relative to Q1 2017 due to practically unchanged lending activity
- Securities trading etc.:
  - Reduction in performance fees
- Other fees and commissions:
  - Q1 2018 includes DKK 27m re. Jyske Invest Fund Management and DKK 12m in DLR fees

Net fee income

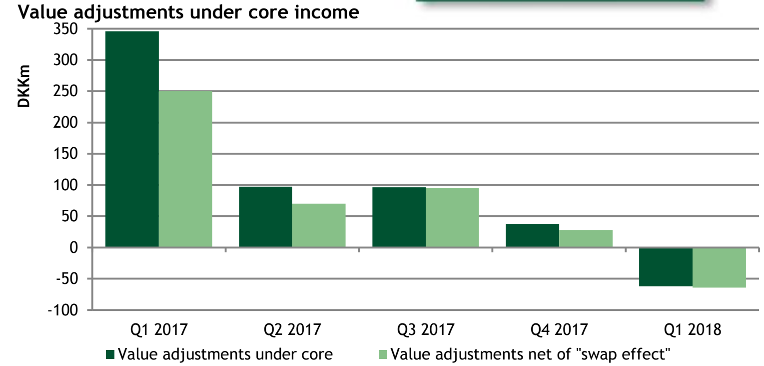


Fee and commision income

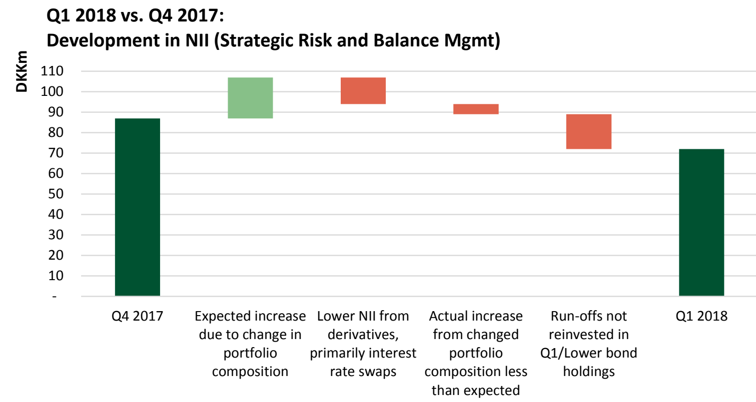


Value adjustments adversely affected

- Widening of yield spreads and increasing interest rates affected the value adjustments of the Group's bond portfolio adversely, and on the whole, value adjustments amounted to DKK -68m against DKK 346m in the first quarter of 2017 under core profit
- Value adjustments from clients' transactions relating to interest-rate hedging (swaps):
  - Q1 2018: a negative effect of DKK 2m (Q1 2017: DKK 96m)
- 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 32bn end of Q1 2018, consists primarily of Danish mortgage bonds
- NII effect of DKK 72m in Q1 2018 vs. DKK 87m in Q4 2017 – down by DKK 15m
  - In Q4 2017 a changed portfolio composition increased the average coupon rate. Therefore - all other things being equal - net interest income was expected to increase by about DKK 20m per quarter. In Q1 2018 DKK 15m was gained from this change
  - The development in NII is shown in the graph on the right



STRATEGIC BALANCE AND RISK MANAGEMENT					
DKKm	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Net interest income	72	87	77	67	85
Value adjustments	-61	-41	8	-44	30
	10	**46**	**85**	**23**	**115**



Stable core expenses

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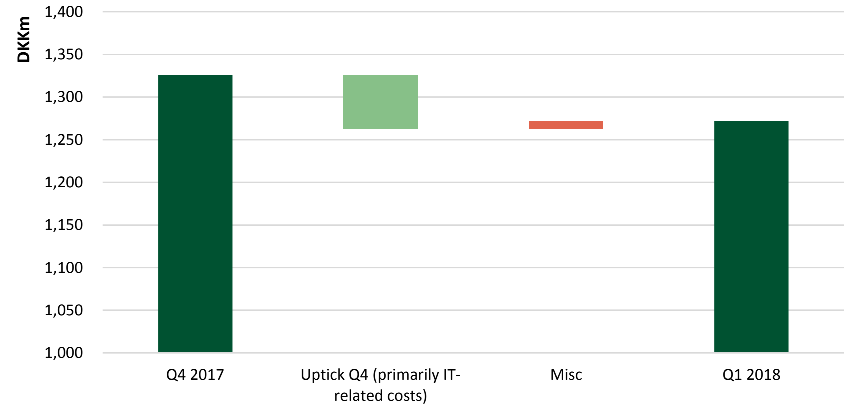
- Stable underlying core expenses – Q1 2018 down by 1% compared to Q1 2017 when adjusted for one-offs in Q1 2017
  - Annual re-occurring salary increase stipulated by collective agreement and increase in payroll tax rate and expenses for Jyske Invest Fund Management off-set by lower number of employees

- Core expenses in Q1 2018 down by DKK 54m compared to Q4 2017 primarily driven by lower IT-related costs

Q1 2018 vs. Q4 2017: Development in core expenses



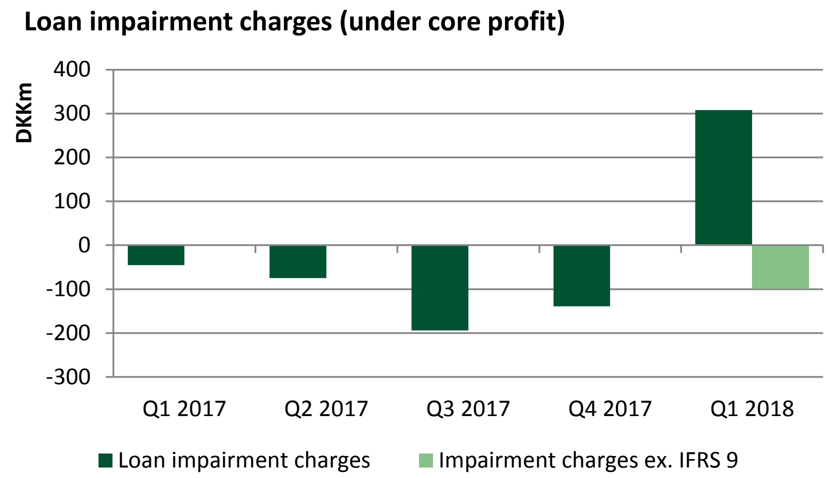
Q1 2018 vs. Q1 2017: Development in core expenses

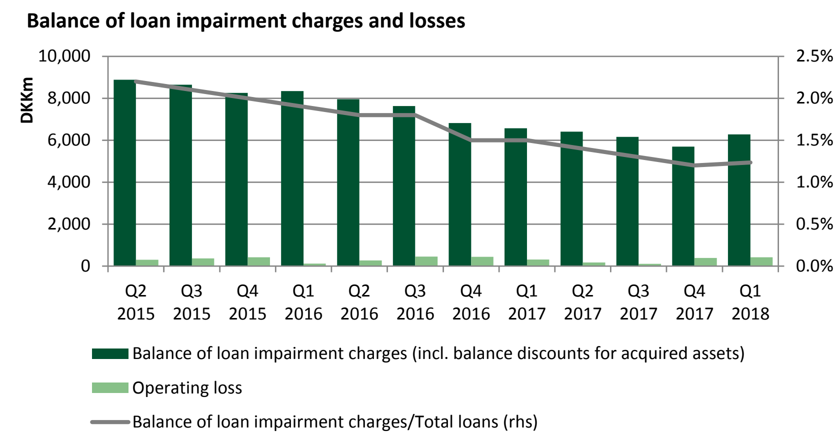
Net reversals excl. IFRS 9 effects

- Impairment charges of DKK 308m under core profit:
  - Implementation of IFRS 9 DKK 407m
  - Underlying development in credit quality DKK -99m

- Total balance of management's estimate of DKK 290m end of Q1 2018, of which DKK 100m relate to agriculture, compared to DKK 466m and DKK 75m respectively end of 2017

- Impairment ratios (under core profit):
  - Impairment ratio for Q1 2018 7bp (excl. IFRS 9: -2bp)
  - Accumulated impairment ratio 1.2%
  - Balance of impairment charges increased by DKK 1,035m due to IFRS 9 vs. estimated effect of DKK 1,000m-1,200m





IFRS 9 implementation highlights

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- The balance of impairment charges was increased by DKK 1,035m compared to the estimate of DKK 1,000m-1,200m
- Core profit was effected by DKK -407m
- Equity was effected by DKK -628m before tax

The balance of impairment charges broken down by stage after the implementation of IFRS 9 incl. balance of discounts (DKKm)

	Q1 2018
Stage 1: Assets without material deterioration in credit quality	628
Stage 2: Assets with significant deterioration in credit quality	1,351
Stage 3: Assets in default	3,849
Discounts on acquired loans	454
Total balance of loan impairment charges and provisions for guarantees incl. balance of discounts	**6,282**

The balance of loan impairment charges and provisions for guarantees broken down by stages excl. balance of discounts (DKKm)

	Stage 1	Stage 2	Stage 3	Total
Balance of loan impairment charges and provisions for guarantees re. IAS 39, beginning of period				5,157
Transition effect of implementation of IFRS 9 incl. effect on loans at fair value	645	1,352	4,195	1,035
Net movements in the period	-17	-1	-346	-364
Balance of loan impairment charges and provisions, end of period	628	1,351	3,849	5,828
Balance of loans and advances and guarantees	439,263	19,524	7,047	465,834
Impairment charges and provisions in per cent of balance of loans and advances and guarantees	0.14%	6.47%	35.32%	1.24%

Nordjyske Bank drives increase in investment portfolio earnings

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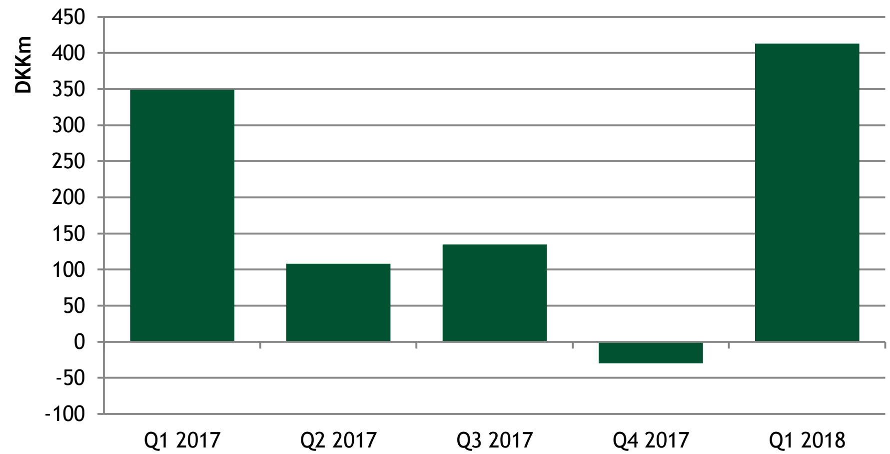
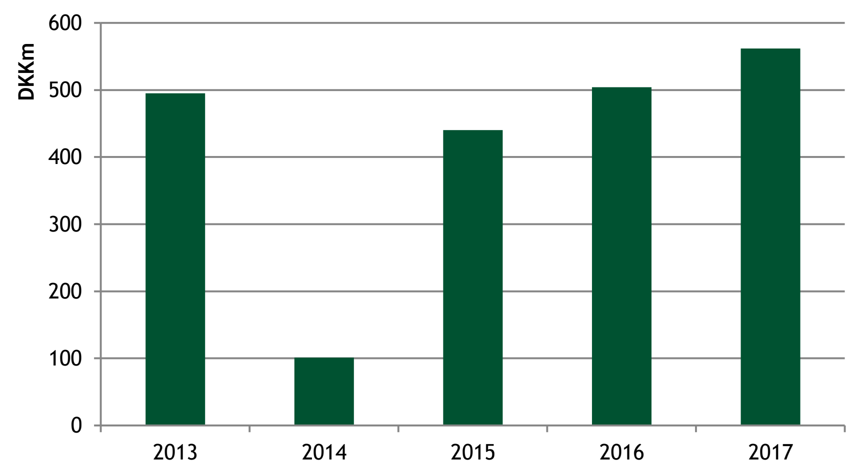
- Nordjyske Bank share priced at 166 end of Q1, up from 121.5 end of Q4. Thus, positive value adjustments and dividend of DKK 356m (Q4 2017: DKK +11 m)
- Excluding Nordjyske Bank value adjustments, the portfolio earnings continue at more moderate levels
- Negative value adjustments on portfolio of Danish mortgage bonds driven by widening of credit spreads (OAS)
- 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



Capital and Liquidity

Aligned with long-term capital targets

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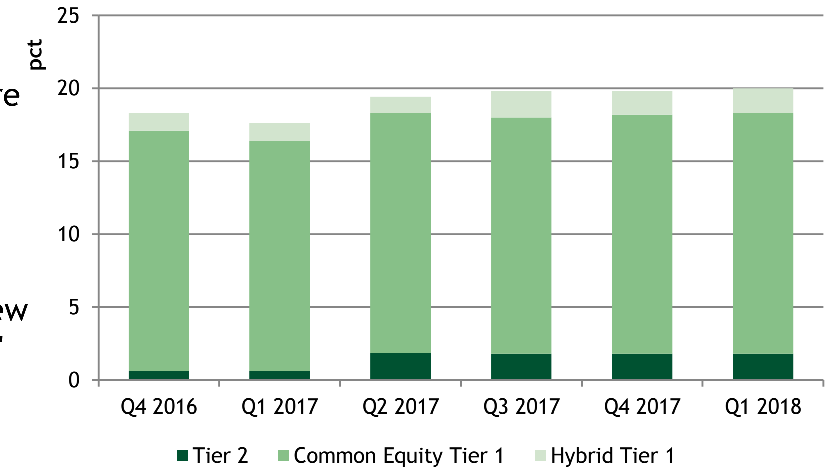
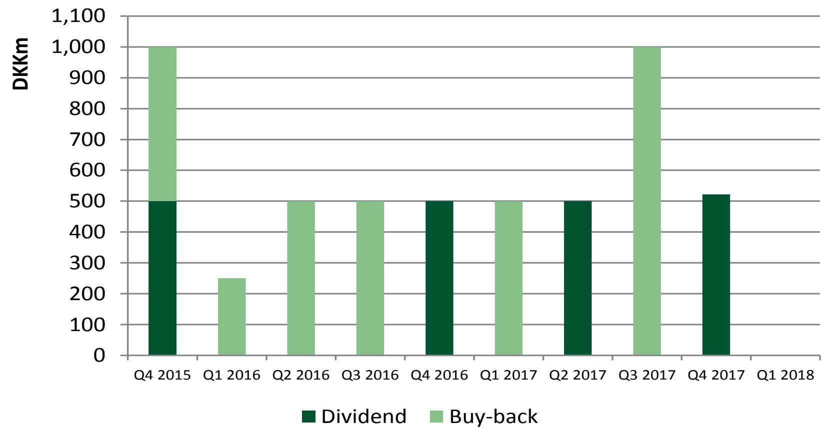
- Capital ratio 20.0% and CET1 ratio 16.5% end of Q1 2018 vs. long-term targets of 17.5% and 14% post-Basel IV implementation
  - Capital structure well aligned with long-term targets
  - Jyske Bank will on an on-going basis seek to make the capital structure even more cost effective
- Defending and securing a stable S&P rating of A- remains a key priority
  - Based on the FSA's measurement of MREL as well as Jyske Bank's funding plan for the required issues S&P's changed in April 2018 its view of Jyske Bank's senior ratings to 'positive outlook' from 'stable outlook'
  - RAC ratio of 10.1% end of Q1 2018
  - Jyske Bank will gradually build a RAC ratio of approx. 10.5%
- 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)
    - DKK 500m (March 2018)

Capital ratios



Capital Distribution (time of announcement)



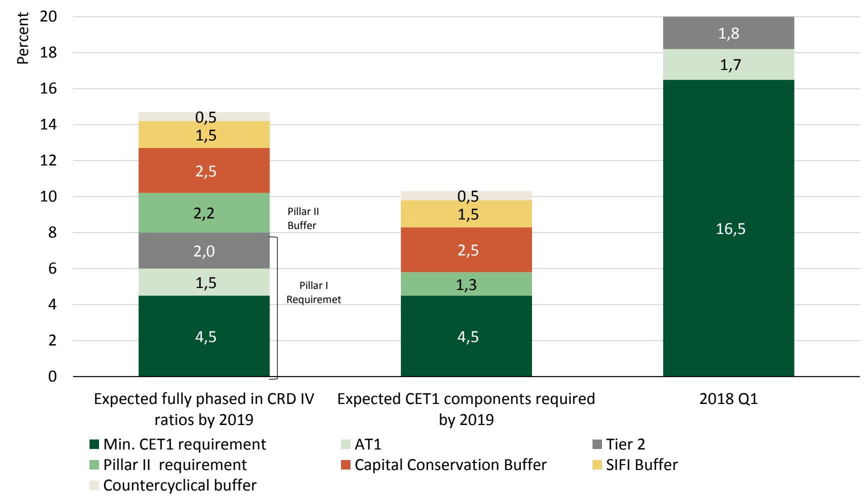
Upcoming regulation

JYSKE BANK

- 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 upcoming capital requirements

- Basel IV
  - The Basel IV recommendations were announced in December 2017
  - Jyske Bank expects the effect on the capital ratio to be 3 percentage points
  - Jyske Bank aims to build the needed capital levels prior to the phasing-in period starting 1 January 2022

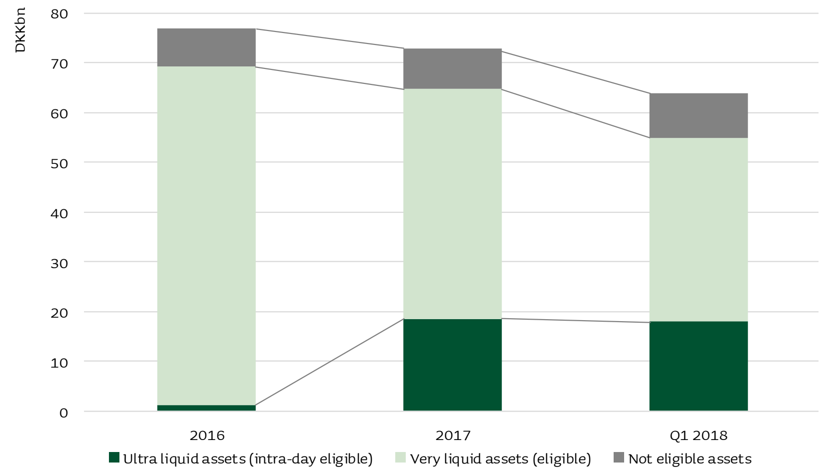
- Minimum requirement for own funds and eligible liabilities (MREL)
  - Final MREL requirements received in February 2018: 2 x solvency requirement incl. all buffer requirements corresponding to 28.1% of REA (DKK 33bn as per end-2016)
  - Jyske Bank already fulfills MREL (with old SP bonds and capital)
  - Grandfathering of senior debt (senior preferred) issued prior to 1 January 2018
  - MREL must be fulfilled entirely with contractually subordinated debt (senior non preferred) from 1 January 2022



The Group has ample liquidity

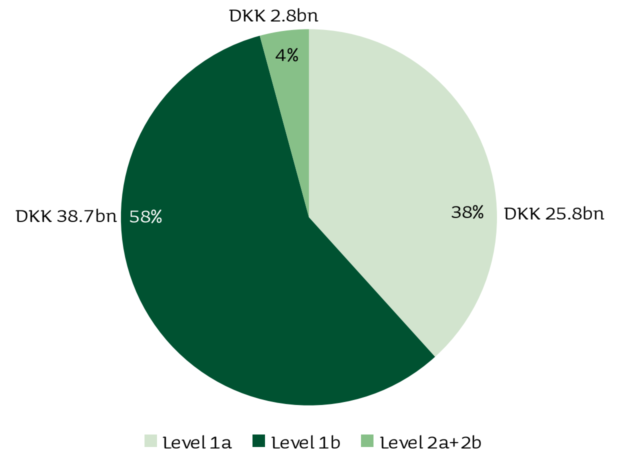
- Liquidity buffer DKK 64bn end of Q1 2018 (DKK 73bn end of 2017)
  - 86% of the buffer - DKK 55bn - is eligible for repo transactions at central banks (Nationalbanken or ECB)
  - Cash placements are categorized as eligible at Nationalbanken or ECB, respectively
  - Large increase in "Eligible at ECB" as cash proceeds from reducing holdings of Danish covered bonds have been placed with ECB

Group liquidity buffer



- Group's LCR at 186% by end of Q1 2018 vs. 189% end of 2017
  - Primarily comprised of level 1a and 1b assets
  - The Group operates with an internal minimum target for LCR of 150%

LCR liquidity buffer



A frequent EUR issuer

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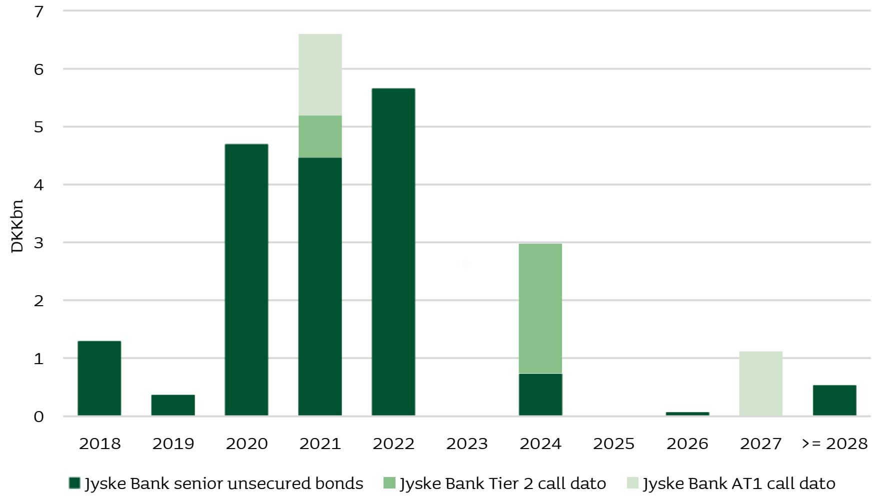
Ongoing access to a diversified European investor base helps Jyske Bank maintain a prudent risk- and funding- profile

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

Redemption profile and call date profile



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
- No long-term issues in Q1 2018 due to frequent issues in 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.

Appendices:

1) Jyske Bank in brief and business segments
2) Credit quality
3) Danish Economy Q1 2018

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. 865,000 customers
  - Nationwide branch network comprised of 92 personal client branches, 32 corporate branches, 9 Private Banking centres
  - Total assets of DKK 593bn and total loans of DKK 447bn of which mortgage loans account for DKK 309bn (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 3.0bn (dividends DKK 1.5bn, buy-back DKK 1.5bn)
  - Able and willing to participate in further consolidation of the Danish financial sector

Jyske Bank in brief

JYSKE BANK

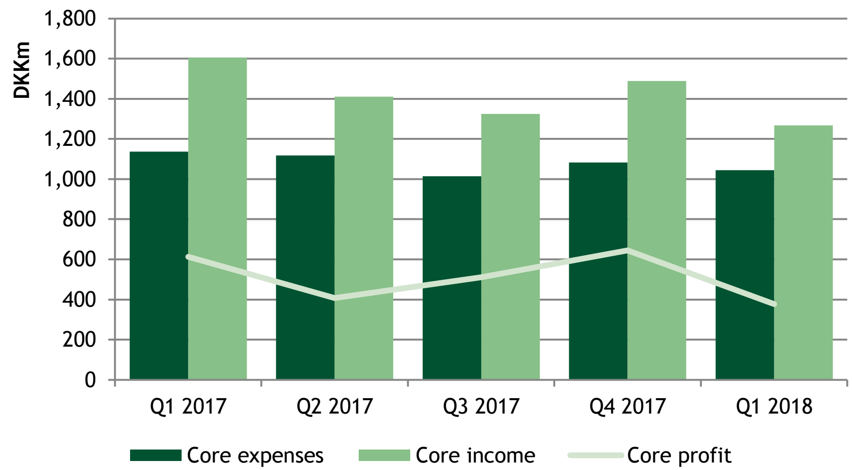
	Profit before tax, DKKm	Net profit, DKKm	Shareholders' equity at year-end, DKKm	ROE after tax, average equity	Loans and advances, DKKbn	Deposits, DKKbn	Total assets, DKKbn	Number of FTEs
1997	584	443	4,772	9.6%	36.6	41.5	63.1	2,671
1998	710	511	5,173	10.3%	39.7	43.8	76.9	2,772
1999	1,276	897	5,391	17.0%	49.8	49.8	92.6	3,013
2000	1,255	1,083	5,887	19.2%	75.4	52.3	127.4	3,190
2001	890	623	6,174	10.3%	82.5	54.4	133.2	3,418
2002	1,083	511	6,658	8.0%	95.3	59.0	153.2	3,359
2003	1,809	1,284	7,843	17.7%	63.8	63.8	116.4	3,547
2004	1,960	1,407	7,858	17.9%	74.6	68.7	125.2	3,713
2005	2,174	1,701	9,477	19.6%	90.9	79.8	141.6	4,026
2006	2,810	2,134	9,637	22.3%	107.2	88.8	160.7	4,216
2007	2,273	1,735	9,704	17.9%	134.0	112.7	214.3	4,145
2008	1,291	988	10,722	9.7%	129.1	117.0	236.8	4,112
2009	589	471	12,523	4.1%	110.6	109.3	224.5	3,877
2010	1,012	757	13,352	5.9%	114.0	115.8	244.1	3,847
2011	631	493	13,846	3.6%	124.5	127.3	270.2	3,809
2012	849	596	15,642	4.0%	118.6	121.0	258.2	3,574
2013	2,301	1,808	17,479	10.9%	131.4	131.4	262.0	3,774
2014	3,103	3,089	27,561	13.7%	361.8	152.7	541.7	4,191
2015	3,204	2,476	30,040	8.6%	396.2	144.9	543.4	4,021
2016	3,906	3,116	31,038	10.1%	422.4	154.6	586.7	3,981
2017	4,002	3,143	32,023	9.8%	447.7	160.0	597.4	3,932
Q1 2018	763	610	31,495	7.4%	447.7	155.1	593.2	3,856

Average ROE after tax 1997- Q1 2018 of 11.7%

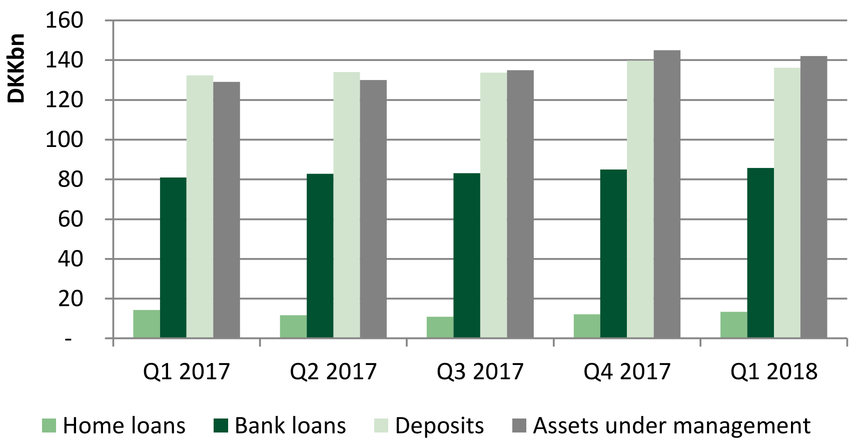
Banking activities

- Increasing volume in bank loans
- Drop in bank deposits – still above average 2017 levels
- Development in AUM adversely affected by increasing volatility and falling prices for most asset classes
- Negative value adjustments primary cause of the reduction in core income
- Stable core expenses
- Net reversals of impairments – approx. half related to agriculture

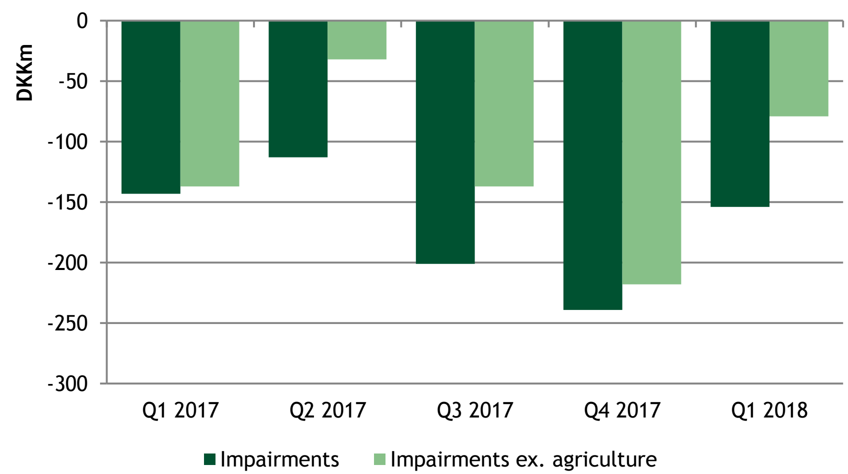
Financials



Business volumes



Impairments

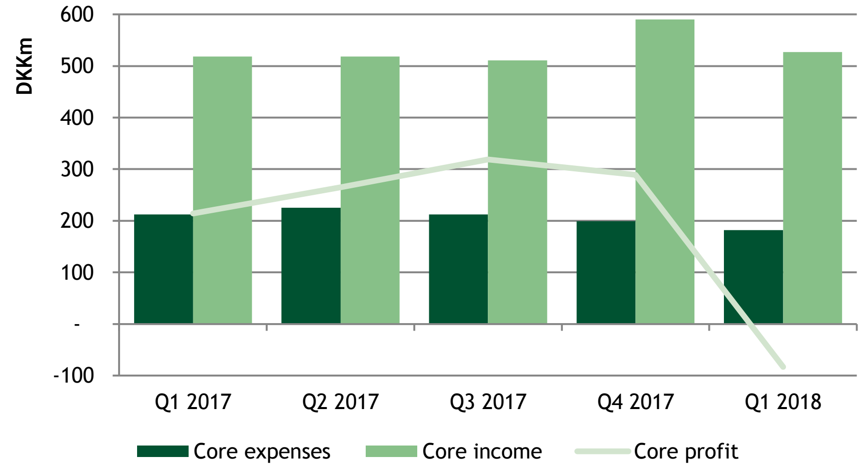


Mortgage activities

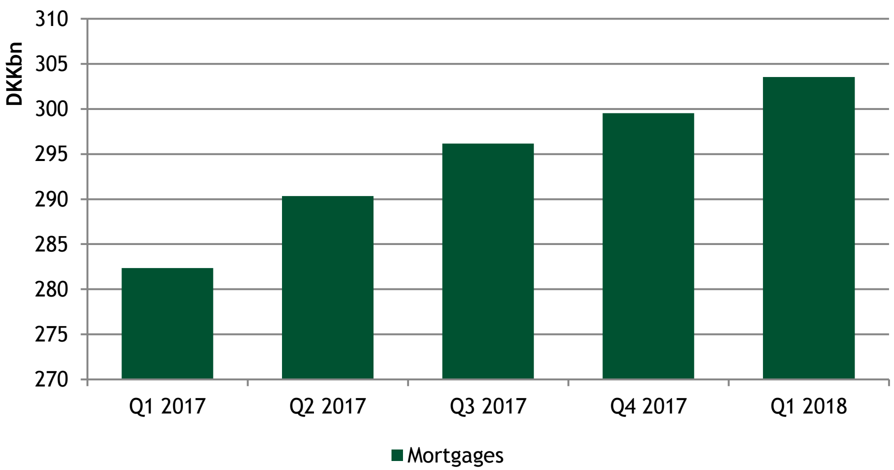
JYSKE BANK

- Growth at slower pace in Q1 2018 – driven by corporate client segment
- Volume growth supports stability in core income
- Negative value adjustments due to investment losses on the portfolio of securities as well as a fair value adjustment of mortgage loans
- Core expenses as expected – reduction primarily due lower FTE
- Core profit affected by implementation of the new impairment models and adjustments to IFRS 9 (one-off adjustment DKK 407m). Core profit without this effect DKK 324m

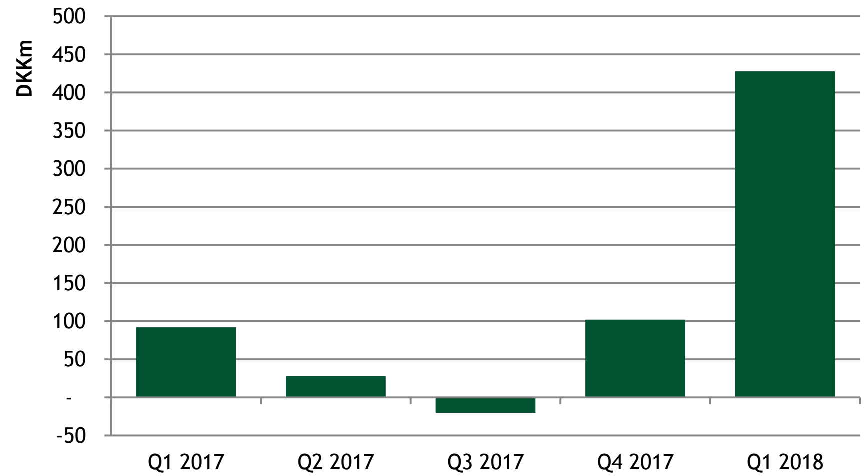
Financials



Business volumes (BRFkredit A/S, nominal values)



Impairments



Leasing activities

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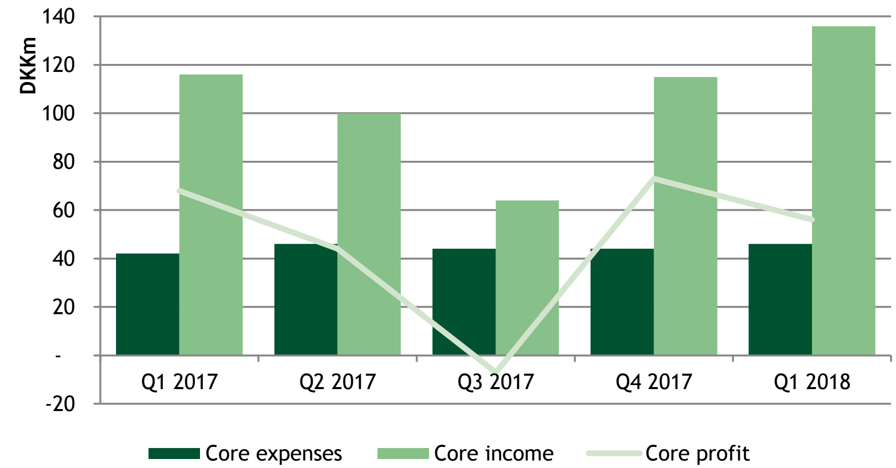
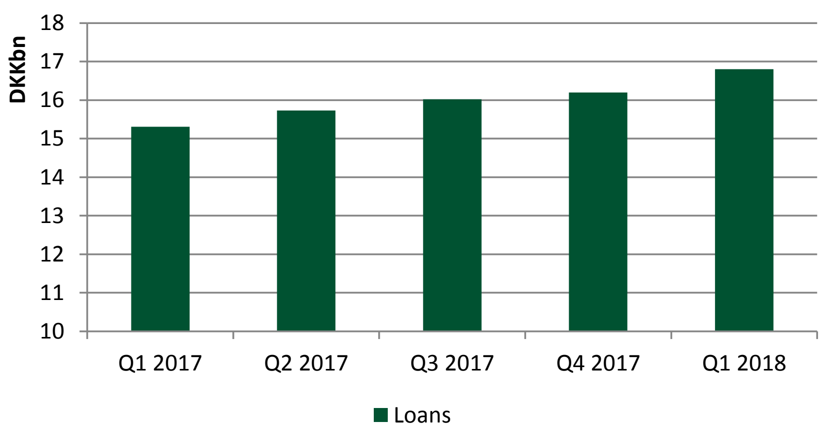
- Loan volumes continue to increase
- Stable development in core income based on increased business volume
- Increase in core expenses due to increasing support costs and severance payments
- Impairment charges adversely affected by further impairment charges on one single exposure
- As opposed to recent quarters, no additional write-downs on operating leases

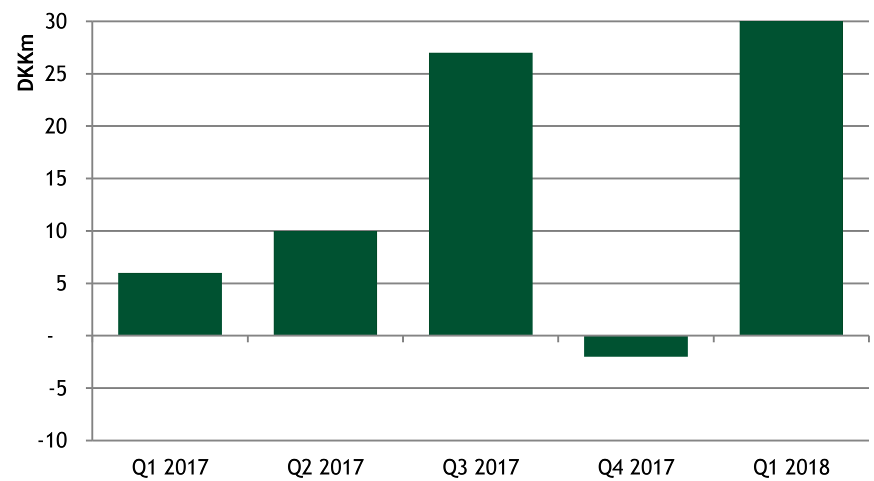
Financials



Business volumes



Impairments (Leasing)



Credit Quality

Mortgages: The portfolio

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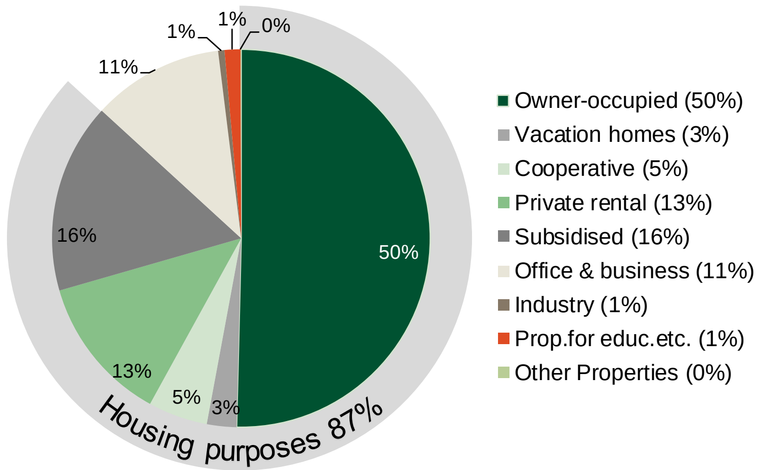
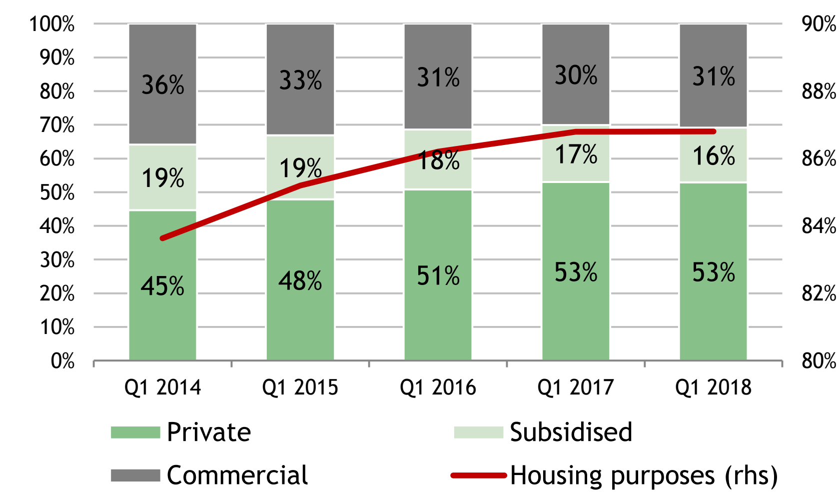
- 87% of lending to properties with housing purposes
  - No loans with swaps to co-operative housing
  - No lending to agriculture and other primary production
- Growth in lending portfolio this quarter primarily driven by lending to corporate clients
- Continued decrease in the share of F1 and F2 mortgages - at the same time increase in capped floaters

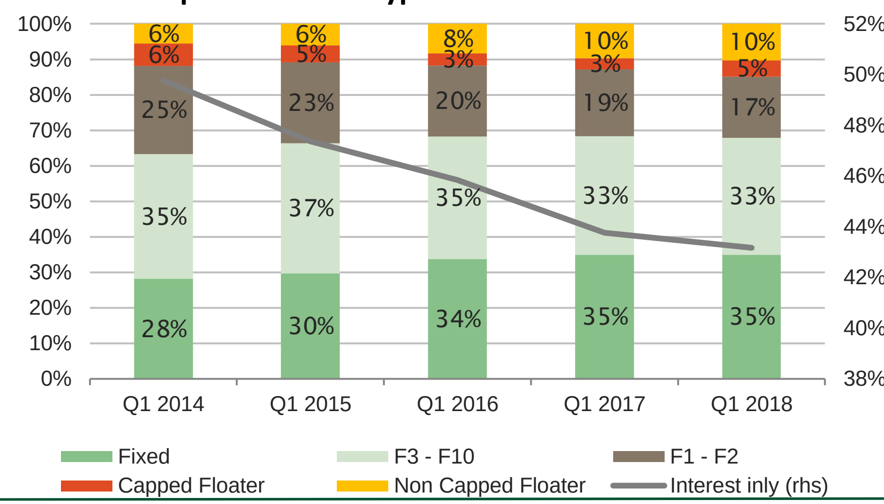
Distribution of lending portfolio



Development in lending portfolio

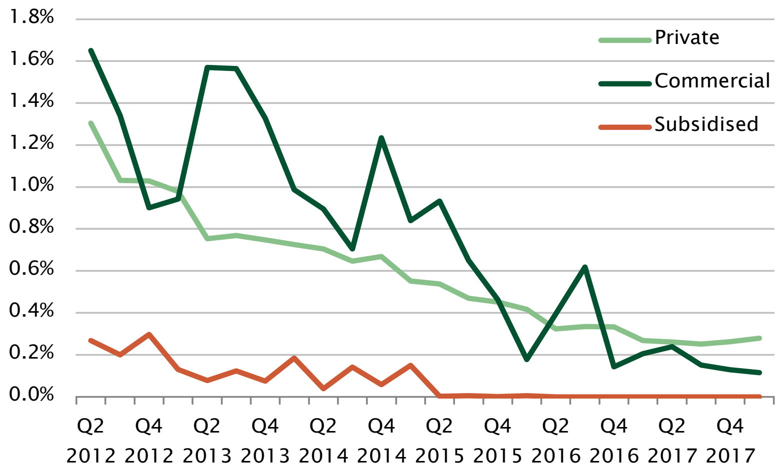


Development in loan types

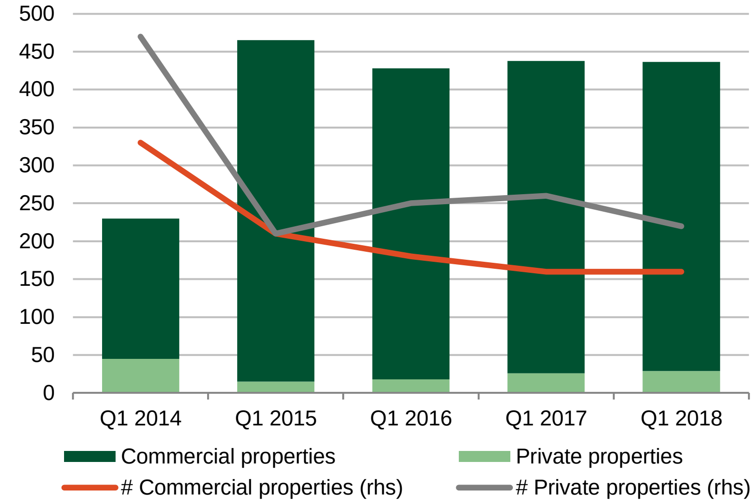


Mortgages: Improved credit quality

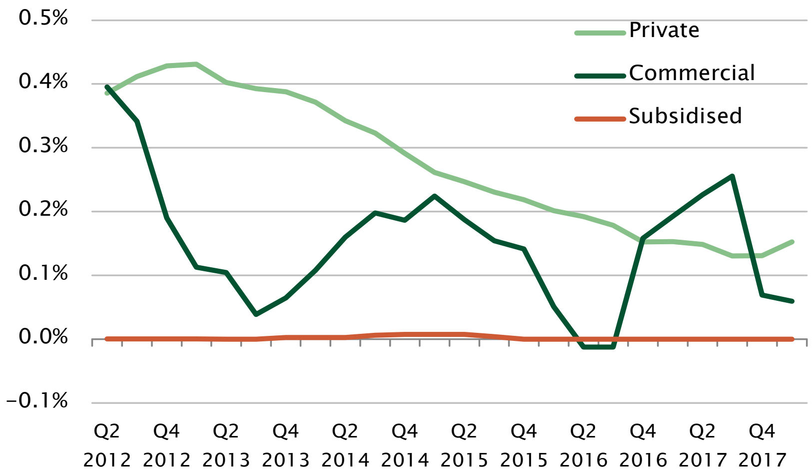
Lending in 90-days arrears (*per cent of lending*)



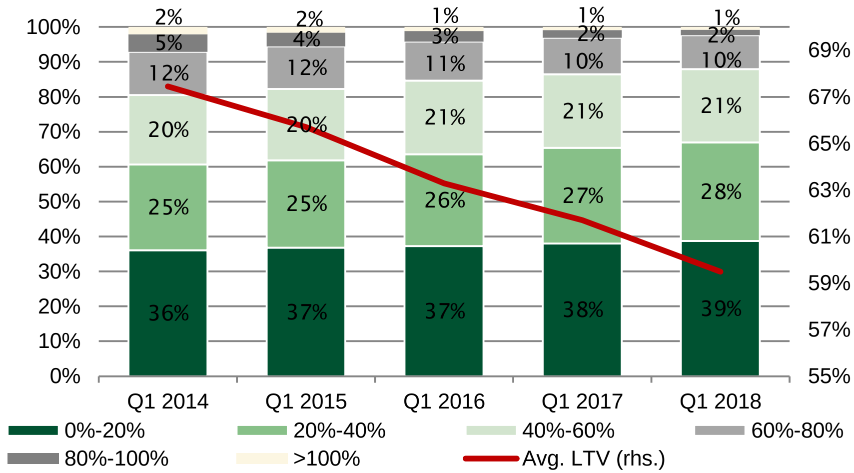
Repossessed properties (*DKKm/number*)



Yearly realised losses (*running year*)



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



Bank loans: the portfolio

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- Portfolio composition end of Q1 2018:
  - Corporates take up larger proportion, 59% vs. 58% end of 2017 and 53% end 2016 as volume grows
  - Private individuals unchanged this quarter
  - Public authorities at 6%
- Accumulated impairment ratio total portfolio 3.0% (unchanged from Q4)
  - Public authorities 0%
  - Corporates 3.7%
  - Private individuals 2.2%
- Corporates
  - Net reversals in most sectors
  - Impairment ratio for Q1 2018 -15bp
- Private individuals
  - Low number of new defaults
  - Impairment ratio for Q1 2018 -1bp

Loans, advances and guarantees (%) – by sector

	Loans, advances and guarantees Q1 2018	Loans, advances and guarantees Q4 2017	Balance of loan impairment charges Q1 2018	Losses YTD	Impairment charges Q1 2018
Public authorities	6%	7%	0%	0%	0%
Agriculture, hunting, forestry and fishing	5%	5%	23%	41%	48%
Manufacturing, mining etc.	5%	5%	6%	3%	-4%
Energy supply	3%	4%	1%	0%	-2%
Building and construction	2%	2%	2%	2%	0%
Commerce	7%	7%	5%	2%	3%
Transport, hotels and restaurants	2%	2%	2%	0%	-1%
Information and communication	1%	1%	1%	1%	-6%
Finance and insurance (ex repo loans)	19%	19%	16%	14%	28%
Real property	11%	11%	13%	19%	-1%
Other sectors	4%	4%	3%	9%	11%
Corporate clients	59%	58%	72%	90%	76%
Private individuals	35%	35%	25%	10%	2%
Unused credit commitments	0%	0%	3%	0%	21%
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)

Agriculture: Commodity prices drop

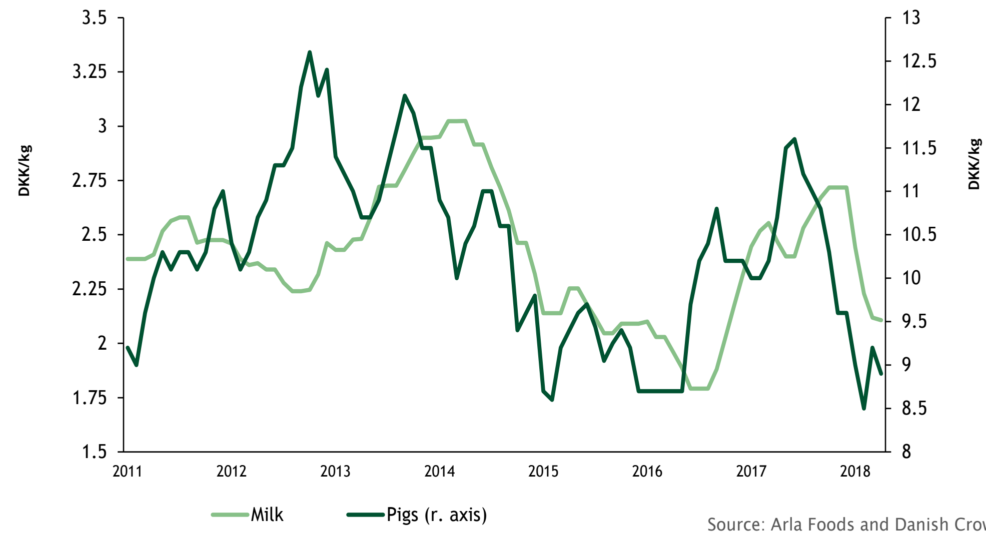
- Impairments ratios at level with end 2017

- Commodity price development:
  - Pork: Prices continue down after a new high of 11.6 DKK/kg in June 2017. Reached a new low of 8.5 in January
  - Milk: After reaching a high of 2.72 DKK/kg in autumn 2017, prices have fallen and now stand at 2.11 DKK/kg

- Pig and diary farmers are still facing a challenging situation as 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

Commodity prices



Source: Arla Foods and Danish Crown

Dairy farmers and pig farming (DKKm/%)						
	Loans, advances and guarantees		Balance of impairment charges		Impairment ratio	
	Q1 2018	Q4 2017	Q1 2018	Q4 2017	Q1 2018	Q4 2017
Milk	795	917	504	529	39 %	37 %
Pigs	1,148	1,161	293	329	20 %	22 %
Total	**1,943**	**2,078**	**796**	**858**	**29 %**	**29 %**

Danish Economy May 2018

Headlines on the Danish Economy

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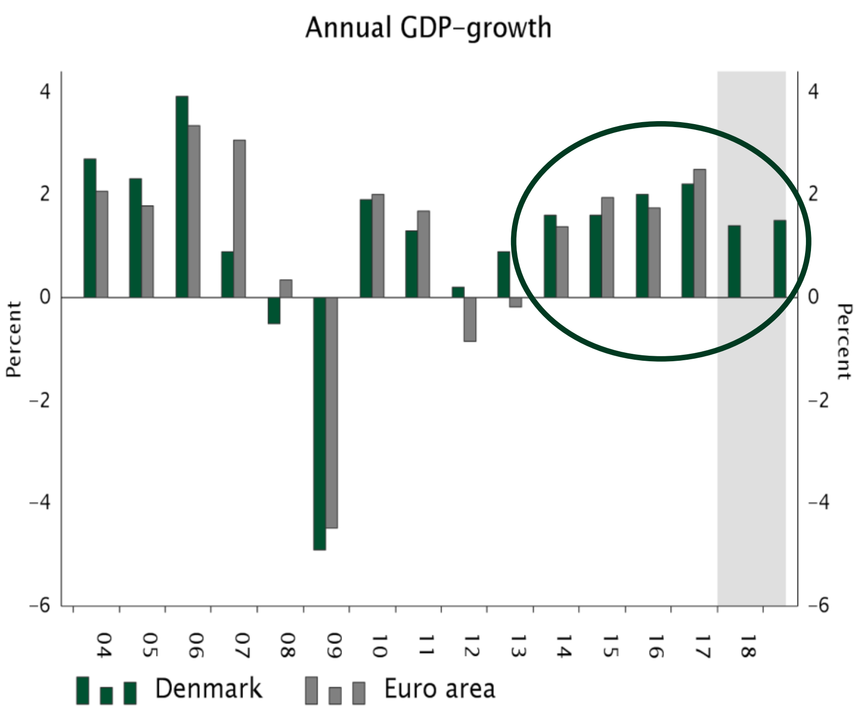
- We expect the upturn in the Danish economy to continue in 2018 and 2019
- Low interest rates, increasing house prices and export market growth stimulates demand. Export competitiveness looks healthy
- Gradually the pace of the upturn is likely to decline due to labour supply shortages and less tailwind from the global economy
- Still, we see employment continue up in both 2018 and 2019
- GDP-growth was 2.2% in 2017. Our growth forecasts for 2018 and 2019 are 1.4% and 1.5%, respectively. Adjusted for a one-off DKK 9 bn export of a pharmaceutical patent in Q1 2017 growth rates are 1.8% in both 2017 and 2018. Thus, the underlying growth profile into 2019 is slowly declining
- Private sector saving is still high. Household gross debt to income have declined. Overall lending growth has turned positive, but is very modest
- House prices are increasing slowly at 4%. Price increases on flats in Copenhagen have declined from 11% in 2015 til 7% in 2017. The large increases in the big cities have been adressed by new regulation of lending
- Denmark is a AAA economy with strong structural financial features

Danish economy – an upturn story

JYSKE BANK

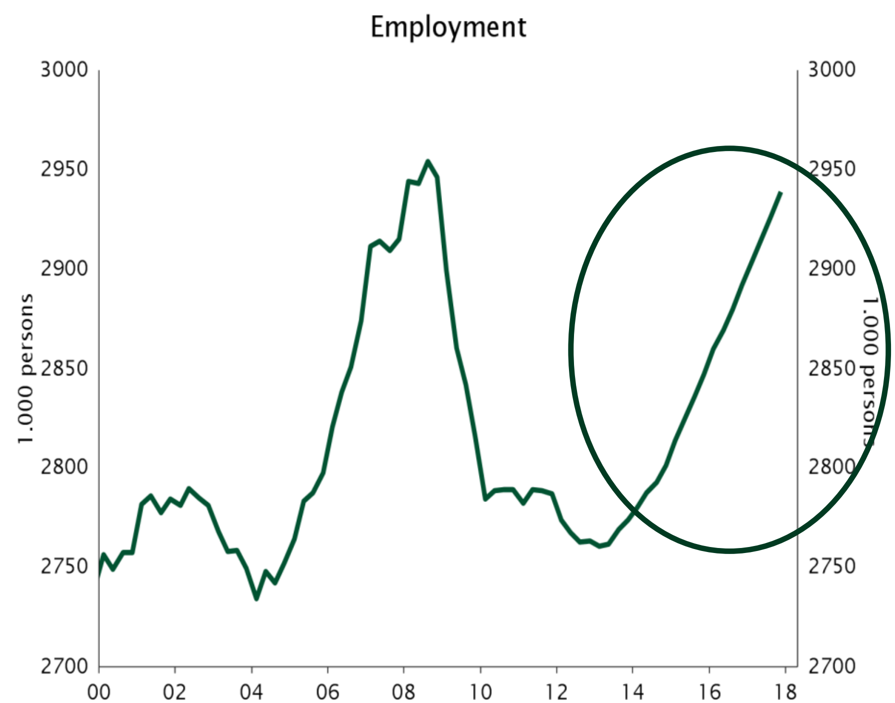
- Overall the Danish financial sector's operating environment is still improving

The upturn will continue



Source: Thomson Reuters Datastream and Jyske Bank forecasts

The private sector is driving the 6% increase in employment



Source: Thomson Reuters Datastream

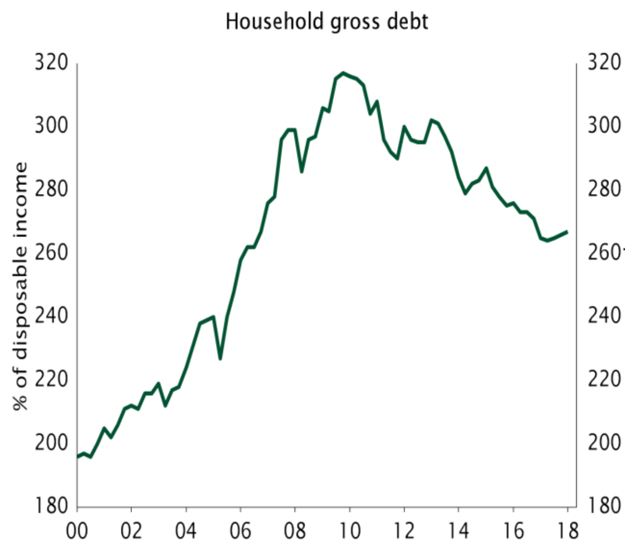
Turnaround and consolidation at the same time

- 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

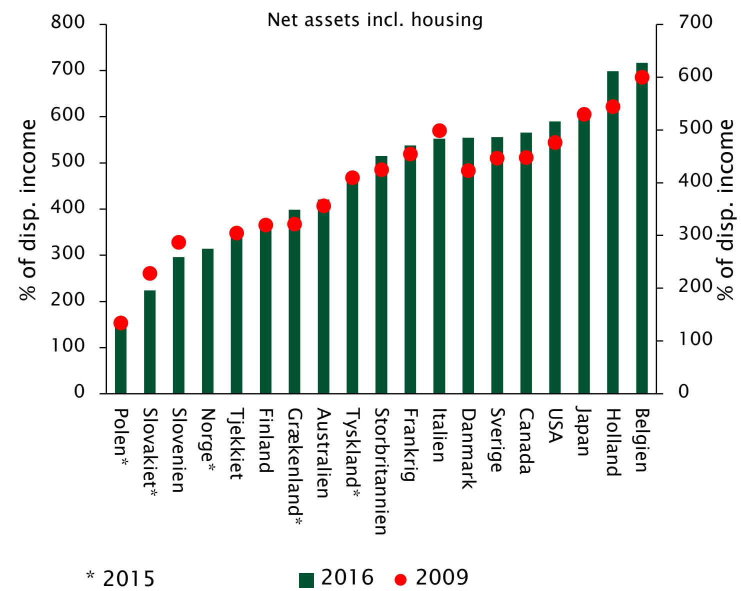
Source: Thomson Reuters Datastream

...so household debt has declined



Source: Thomson Reuters Datastream

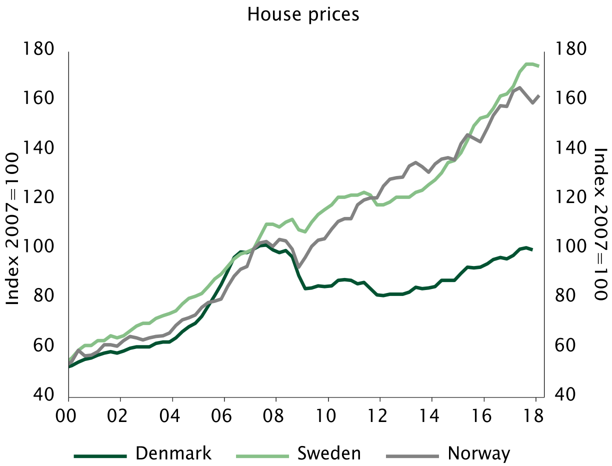
...and household net assets are large



Source: OECD

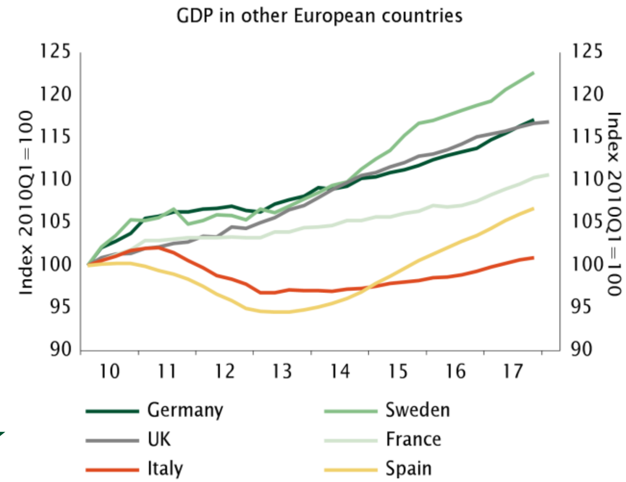
3 kinds of stimulus support demand

House prices recovering after burst in 08/09



Source: Thomson Reuters Datastream

Spill-over from European recovery

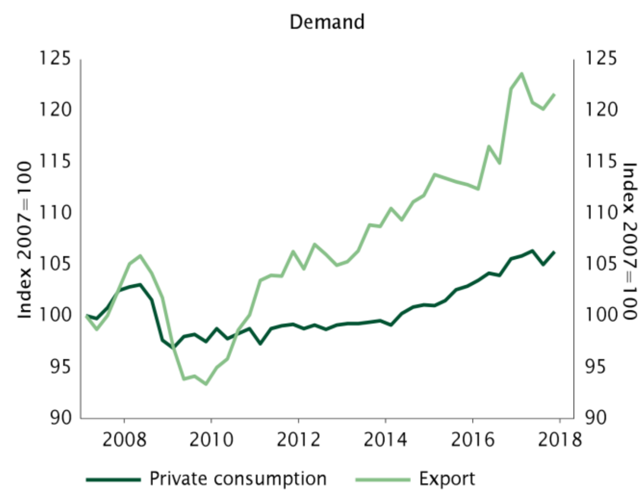


Source: Thomson Reuters Datastream

Interest rates are at a historic low

Source: Thomson Reuters Datastream

Demand has increased



Source: Thomson Reuters Datastream

Improved asset quality – as defaults have normalized

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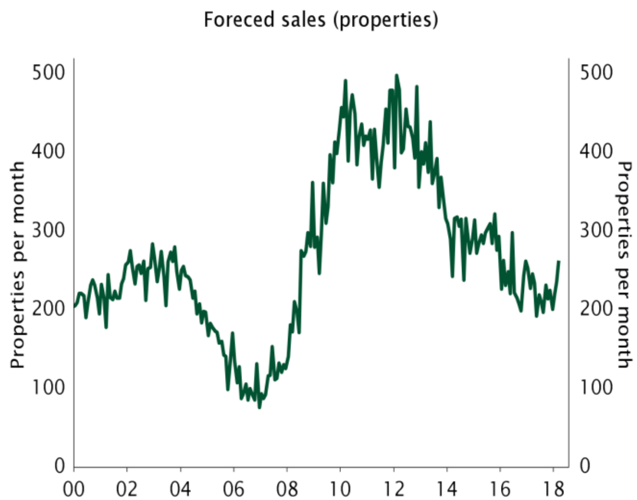
Unemployment is low and declining

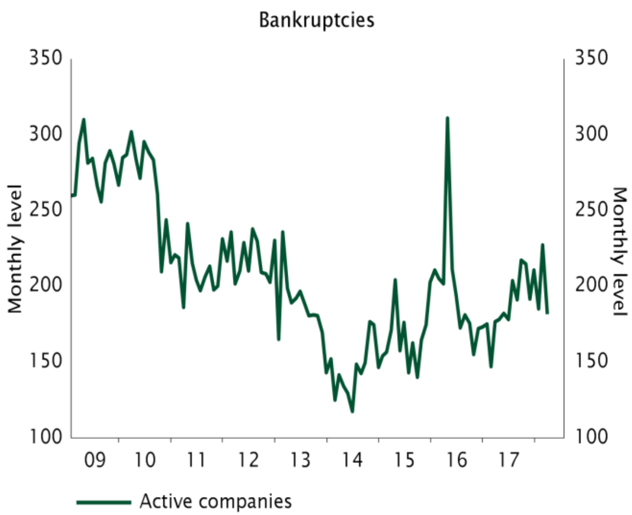
Source: Thomson Reuters Datastream

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



Source: Thomson Reuters Datastream

Business bankruptcies at neutral level



Source: Thomson Reuters Datastream

There are Large Differences in the Housing Market

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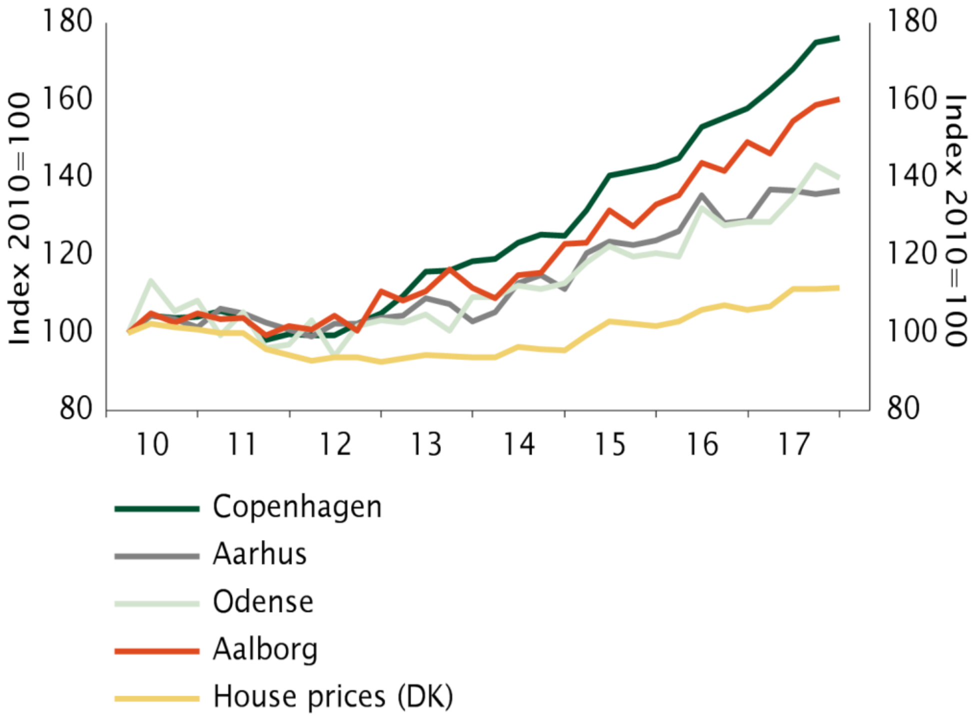
- Prices on flats have increased more than house prices
- Monthly data shows a slowdown in Q4 2017. Typical year-end setback
- New pick-up in January and February

Flat prices in big cities vs. house prices



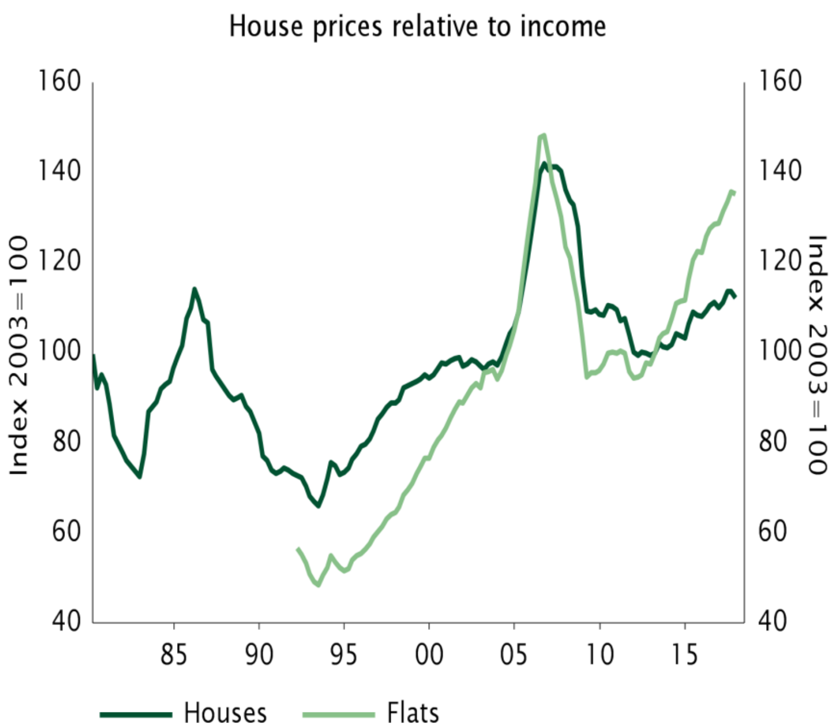
Source: Thomson Reuters Datastream

Property prices – monthly data

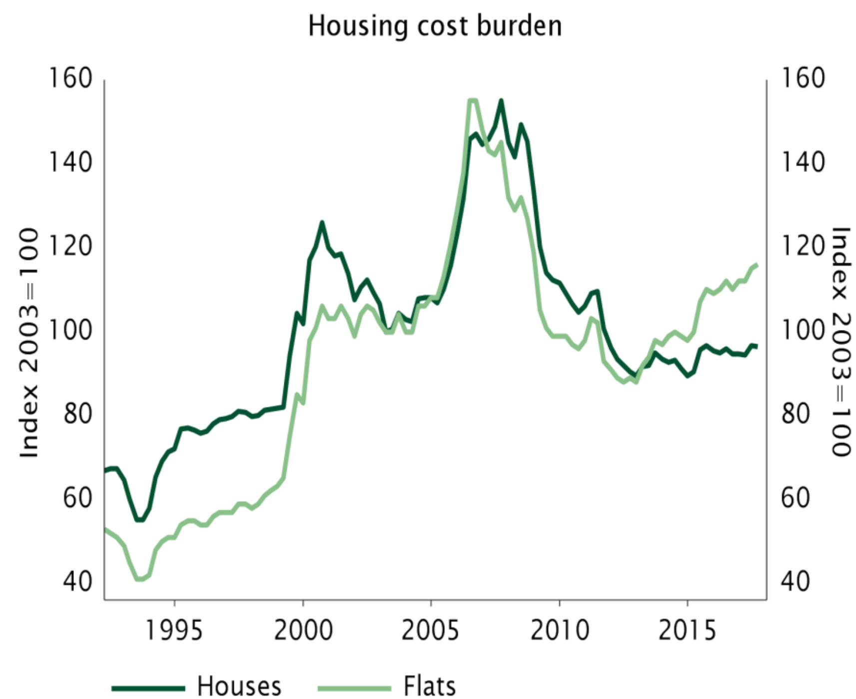
Source: Thomson Reuters Datastream

Housing costs are at a moderate level

- Housing costs are at a moderate level. Increasing on flats
- There is a risk that very low interest rates may overheat local parts of the market especially the Copenhagen market
- However, new regulation and a new housing tax model will have a dampening effect



Source: Thomson Reuters Datastream

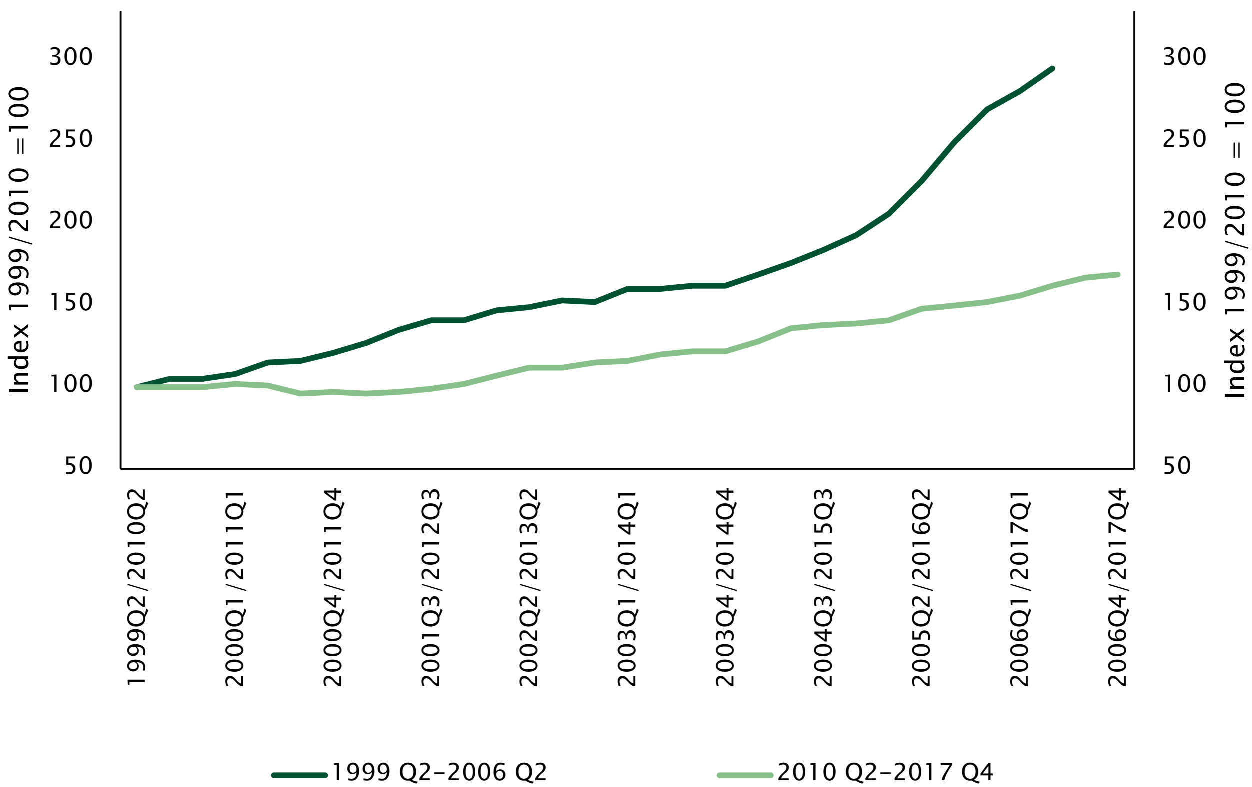


Source: Thomson Reuters Datastream & Jyske Bank

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

Copenhagen prices increases lower than in bubble years

Flats in Copenhagen price-index 1999-2006 vs. 2010-2017



Source: Finans Danmark and Jyske Bank

Denmark is a AAA economy with strong structural financial features

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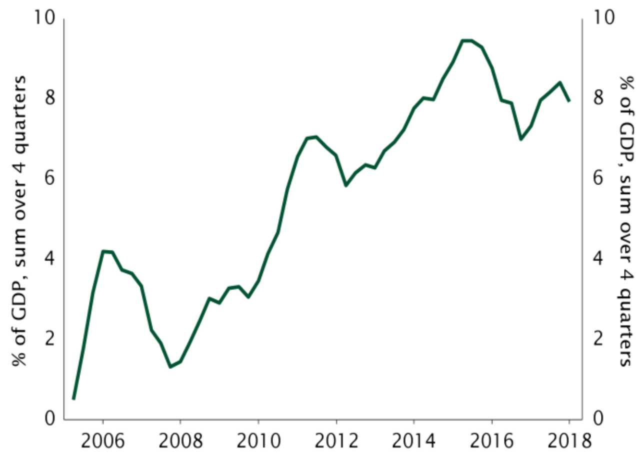
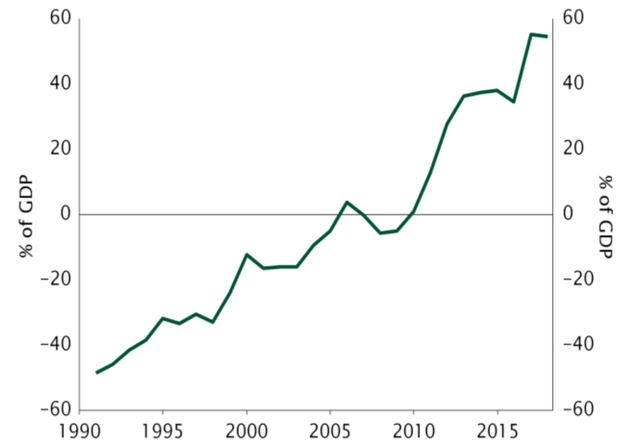
Current account surpluses since late 90s



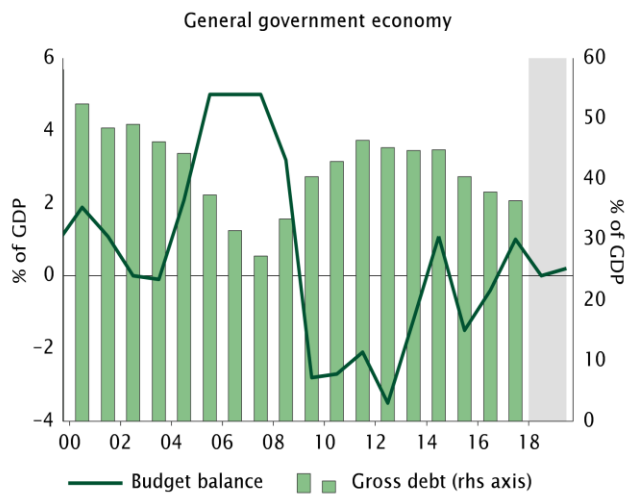
Source: Thomson Reuters Datastream

..imply that foreign assets are increasing



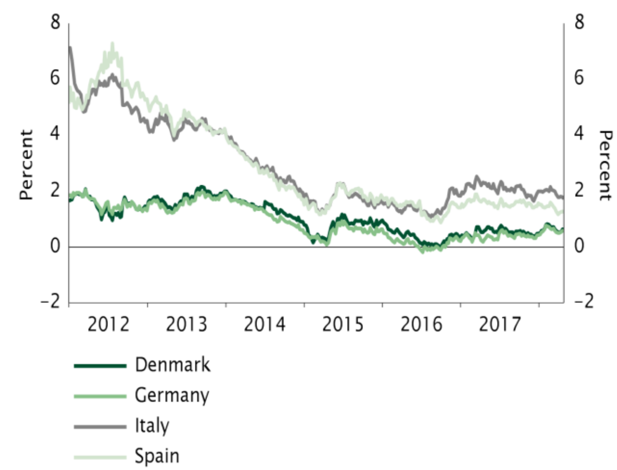
Source: Thomson Reuters Datastream and Statistics Denmark

And public sector debt is low



Source: Thomson Reuters Datastream

This is why Denmark is AAA



Source: Thomson Reuters Datastream

Jyske Bank forecasts

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The Danish Economy 2015-2019

	bn. DKK.	Real growth (%)				
	2017	2015	2016	2017	2018	2019
Household spending	1007	1.6	2.0	1.5	1.7	1.7
Public spending	536	1.1	0.3	1.1	1.0	0.5
Fixed gross investment	436	3.1	6.0	2.5	4.4	3.5
Inventory investment*	11	-0.3	0.0	0.1	0.0	0.0
Exports	1183	2.3	2.8	4.6	2.9	3.2
Imports	1033	1.9	3.8	4.1	4.1	3.8
Gross domestic product (GDP)	2143	1.6	2.0	2.1	1.4	1.5
Current account						
- DKK bn.		179	151	162	160	156
- percentage of GDP		8.8	7.3	7.6	7.3	7.0
Public budget balance						
- DKK bn.		-30	-8	21	0	5
- percentage of GDP		-1.5	-0.4	1.0	0.0	0.2
Unemployment						
- Unemployed, average (thousands)		123	113	117	108	101
- Percentage of the workforce		4.2	3.8	3.8	3.5	3.3
Employment, avg. (thousands)		2829	2877	2923	2960	2974
Inflation (%)		0.5	0.3	1.1	0.9	1.4
Wage index (Private, %)		1.5	1.8	1.7	2.0	2.3
House prices (nominal prices, %)		6.1	3.9	4.0	3.8	3.1
Danmarks Nationalbank's lending rate, year-end, %		0.05	0.05	0.05	0.05	0.05
Danmarks Nationalbank's CD rate, year-end, %		-0.75	-0.65	-0.65	-0.65	-0.4

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

Source: Statistics Denmark and Jyske Bank's forecast for 2018 and 2019.

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