S&P Global
Ratings

RatingsDirect®

Jyske Bank A/S

Primary Credit Analyst:
Pierre-Brice Hellsing, Stockholm + 46 84 40 5906; Pierre-Brice.Hellsing@spglobal.com

Secondary Contact:
Harm Semder, Frankfurt (49) 69-33-999-158; harm.semder@spglobal.com

Table Of Contents

Major Rating Factors

Outlook

Rationale

Related Criteria

Related Research

Jyske Bank A/S

SACP	a-
Anchor	bbb+	
Business Position	Adequate	0
Capital and Earnings	Strong	+1
Risk Position	Adequate	0
Funding	Average	0
Liquidity	Adequate	

+

Support	0
ALAC Support	0
GRE Support	0
Group Support	0
Sovereign Support	0

+

Additional Factors	0

Issuer Credit Rating

A-/Positive/A-2

Resolution Counterparty Rating

A/--/A-1

Major Rating Factors

Strengths:	Weaknesses:
• A strong domestic franchise in retail and commercial banking. • Strong capitalization. • Increasing buffer of loss-absorbing debt instruments.	• Use of short-term wholesale funding for mortgage loans. • Limited geographic diversity.

Outlook: Stable

S&P Global Ratings' positive outlook on Jyske Bank indicates that we could raise the long-term rating by one notch if Jyske Bank realizes its issuance plans for the minimum requirements for own funds and eligible liabilities (MREL) in 2019-2020. We expect this would enable Jyske Bank to increase its additional loss-absorbing capacity (ALAC) ratio sustainably above the 5% threshold, consistent with a one-notch upgrade.

A stronger anchor for Danish banks, stemming from a revision of the Banking Industry Country Risk Assessment (BICRA), is unlikely to trigger a further upgrade of Jyske Bank, considering the bank's narrow Danish franchise, domestic market share and profitability, and level of nonperforming assets that is higher than international peers'.

We could revise our outlook to stable if we expected that the issuance of ALAC-eligible instruments would total less than 5% of risk-weighted assets (RWAs). In addition, we could lower the ratings if capital distributions or asset growth weakened Jyske Bank's capital adequacy more than we currently expect, resulting in our risk-adjusted criteria (RAC) ratio remaining below 10%, although we think this scenario is highly unlikely.

Rationale

The rating reflects our expectation that Jyske Bank will maintain strong capitalization, with an S&P Global Ratings adjusted RAC ratio exceeding 10% in the next two years. It also reflects that the overall quality of Jyske Bank's assets will remain broadly stable in the currently positive credit conditions of the Danish market, despite the bank's renewed focus on expanding its corporate book. As the fourth largest domestic player by market share, Jyske Bank has an important role in the Danish banking sector. Although Jyske Bank's revenue streams are diversified, combining retail and corporate lending with fee and commission income, it remains geographically concentrated in Denmark. We expect the bank will continue to develop its brand and strengthen its domestic franchise in retail and commercial banking. Moreover, we expect its capital and earnings performance will remain strong as it increases cost efficiency and scale, which will counterbalance the effect of the low interest-rate environment. These factors offset the bank's limited geographic diversity and its use of short-term wholesale funding for mortgage loans.

Anchor: 'bbb+' given that Jyske Bank operates predominantly in Denmark

We use our BICRA's economic risk and industry risk scores to determine a bank's anchor, the starting point in assigning an issuer credit rating. Our anchor for a commercial bank operating only in Denmark is 'bbb+', based on an economic risk score of '3' and an industry risk score of '3'.

Our assessment of economic risk for Denmark reflects our view that Danish banks benefit from operating in a high-income, open economy with established political and institutional settings that promote fiscal discipline and growth-stimulating policies. The economy is competitive, diverse, and continues to expand. Although this growth means that the household debt's share of GDP is decreasing, it remains one of the highest of all global BICRAs per our metrics, constraining our assessment of economic risk. However, credit conditions have been improving in recent years and we expect credit losses will remain low. Although we note a decline in the coverage of nonperforming loans (NPLs), it remains higher than pre-crisis, in line with 2009 levels in nominal terms.

The profitability of the Danish banking sector has improved over the past 10 years due to cost efficiency measures, decreasing credit losses, and higher mortgage margins, rather than a generally higher risk appetite. This supports our assessment of Denmark's industry risk as intermediate. We note that the banking sector's reliance on functioning wholesale markets is higher than peers'. However, we also acknowledge the continued stability and strong track record of the Danish covered bond market. We view the regulatory environment in Denmark as in line with other EU countries'.

Table 1

Jyske Bank A/S - Key Figures					
	--Financial year ended Dec. 31--				
(Mil. DKK)	2018	2017	2016	2015	2014
Adjusted assets	599,942	597,427	586,632	543,311	541,566
Customer loans (gross)	441,928	425,069	394,097	360,888	345,089
Adjusted common equity	29,416	28,012	27,639	28,310	27,068
Operating revenues	8,724	9,787	9,676	10,241	8,518
Noninterest expenses	5,415	6,027	5,621	5,615	5,533

Table 1

Jyske Bank A/S - Key Figures (cont.)

	--Financial year ended Dec. 31--				
(Mil. DKK)	**2018**	**2017**	**2016**	**2015**	**2014**
Core earnings	2,262	3,094	3,075	2,515	445

DKK--Danish krone.

Business position: Denmark concentration but diversified revenues

We expect Jyske Bank to maintain its position as the fourth largest lender in Denmark, with 12% market share, which drives our assessment of the bank's business position as adequate.

On Dec. 31, 2018, Jyske Bank's consolidated assets were Danish krone (DKK) 599 billion (€80.4 billion at DKK7.46 to €1) and its total adjusted capital (TAC) was DKK31.9 billion, placing it just within Europe's top 50 banks in terms of capitalization. Total loans amounted to DKK463 billion, of which 71% were mortgage loans. Jyske Bank has historically been particularly strong in small and midsize enterprise (SME) lending and deposit gathering in the Jutland region. However, the acquisition in 2014 of BRFkredit (renamed Jyske Realkredit in late 2017) increased its exposure to the residential and commercial real estate customer bases in the Copenhagen and Aarhus regions.Jyske Bank also owned 13% of corporate and agriculture mortgage provider DLR Kredit at end-2018, and has since sold DKK178 million shares in the company.

In recent years, Jyske Bank has increased its relative share of mortgage lending by repatriating loans previously financed via mortgage lender Totalkredit, while uncollateralized bank loans—mostly toward corporates--remained largely stable (see chart 1). This contributed to lowering the bank's overall risk profile and reducing topline margins. We now expect the bank will generate most of its net loan growth from corporate lending as borrowing appetite increases in the sector.

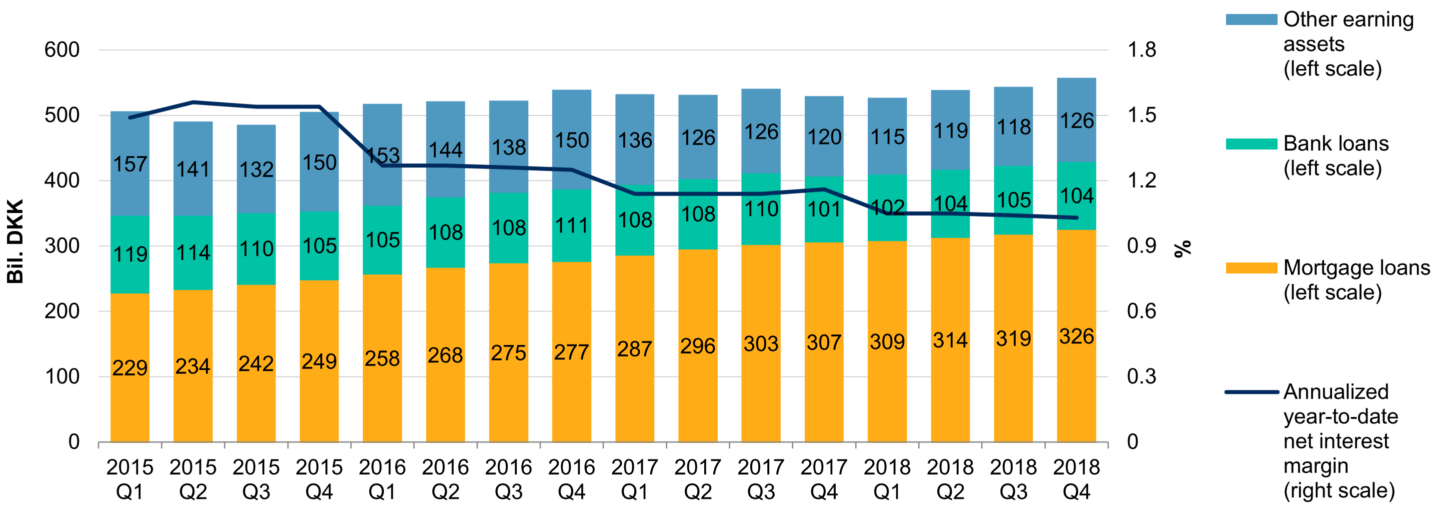
However, we anticipate that Jyske Bank will maintain its strategy of focusing on relationship-based commercial banking for households and SMEs. The bank also provides other value-added services such as asset management, mainly to retail clients, and develops cost-sharing structures with other smaller Danish banks to improve its IT efficiency.

In 2019, Jyske Bank launched an environmental, social, and government (ESG) program. This will initially focus on external ESG reporting and the bank's investing activities—integrating ESG in the bank's advice and product range--before addressing the group's wider activities. Jyske Bank has also been a partner of the European Investment Bank (EIB) since 2012. In May 2019, the EIB approved a new DKK1.5 billion loan facility for Jyske Bank to increase lending to SMEs and mid-caps; Jyske Bank should use at least 20% of this loan for sustainable projects.

We think Jyske Bank has a strong and stable management team and a prudent corporate strategy that has helped it to weather the Danish banking crisis without needing extraordinary capital or liquidity support from the state. The bank continues to optimize its capital base with share buybacks, dividends, and by issuing hybrid capital instruments. We anticipate a long-term return on equity of 7%-10%, excluding one-time and restructuring costs, although negative interest rates present challenges to revenue levels even as the bank reduces staff and expenses.

Chart 1

Jyske Bank A/S Changing Loan Book: Lower Risk, Lower Net Interest Margin



DKK--Danish krone.

Table 2

Jyske Bank A/S - Business Position					
	--Financial year ended Dec. 31--				
(%)	2018	2017	2016	2015	2014
Loan market share in country of domicile	12.00	12.00	11.60	10.40	9.40
Total revenues from business line (mil. DKK)	9,023	9,850	9,728	10,241	11,174
Commercial & retail banking/total revenues from business line	82.51	80.87	80.76	77.45	63.59
Other revenues/total revenues from business line	17.49	19.13	19.24	22.55	36.41
Return on average common equity	7.84	9.97	10.20	8.60	13.72

DKK--Danish krone.

Capital and earnings: Capital ratios to remain strong, despite capital optimization

We base our assessment of Jyske Bank's capital and earnings on our expectation that the bank will maintain a RAC ratio above 10% over the next two years, from 10.3% at end-2018, showing stability since 2014 (see chart 2).

In our calculation of Jyske Bank's capital and earnings, we deduct from the bank's TAC the significant minority holdings of DKK1,529 million that Jyske Bank owned in DLR Kredit at end-2018. We include in our assessment of the bank's capital base for end-2018 the three Additional Tier 1 (AT1) instruments it had outstanding, for a total value of DKK2.5 billion. Our 2019-2021 capital forecast is supported by the Swedish krona (SEK) 1 billion AT1 the bank issued in April 2019, as well as potential additional issuances of capital instruments.

The bank underwent several capital optimization programs between November 2015 and December 2018, totalling DKK4.25 billion of share buyback and DKK3 billion of dividends, equivalent to a payout ratio of 56% in 2017 and 93% in 2018. In April 2019, Jyske Bank announced its intention to acquire up to DKK500 million of its own shares in a buy-back program, running from April 1, 2019 to June 28, 2019. Jyske Bank increased the program by another DKK500 million in May 2019, and extended it to Sept. 27, 2019. We expect the bank to continue optimizing its capital base through 2020, maintaining a RAC ratio close to 10.5%.

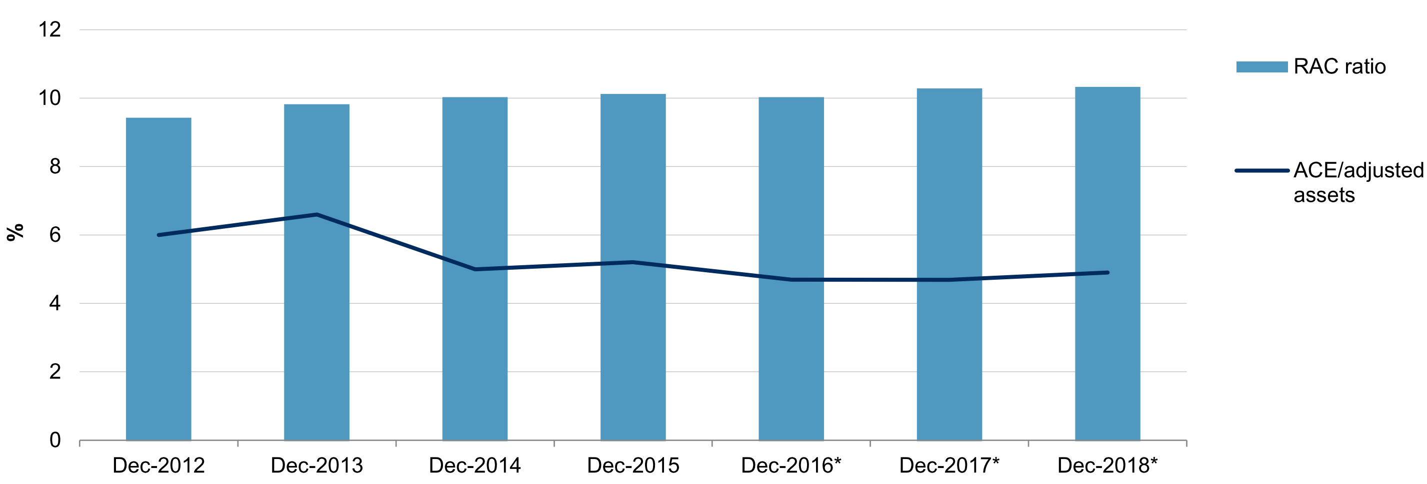
Jyske Bank's regulatory common equity tier 1 (CET1) capital ratio and total capital ratio were 16.4% and 20.0%, respectively, on Dec. 31, 2018. These results exceeded the long-term goal of a total capital ratio of 17.5% and CET1 ratio of 14%, which will ensure meeting future regulatory requirements.

However, Jyske Bank continues to operate in a constrained margin environment. We calculate that the bank's overall net interest margins decreased from about 1.5% in 2015 to just above 1% in 2018. This was partly driven by Jyske Bank increasing the share of private mortgages in its books, and thereby a decrease of its overall credit risk profile. This net interest margin decrease was also a result of continued margin contraction for private and corporate mortgages in Denmark. Although increasing administration fees could improve mortgage revenues over time, the bank continues to focus on expansion via lower margins. In addition, low interest rates and intense competition continue to squeeze margins on nonmortgage bank lending and deposits. On the cost side, we expect Jyske Bank to maintain stable operating expenses through 2020, and its cost-to-income ratio to stay at current levels of 61%-63%, above its larger Danish peers. We forecast the bank's loan-loss provisions to remain at about 4-6 basis points (bps) of loans in 2019, and net profits to decrease slightly to about DKK2.4 billion.

We expect the bank's earnings buffer to hover at about 50-60bps through 2020, indicating that the bank's earnings generation provides a meaningful cushion to absorb normalized losses of DKK1.5 billion--well above our actual loss expectations over this two-year horizon.

Chart 2

Jyske Bank A/S Stable Capitalization



*Calculated using 2017 RAC criteria. ACE--Adjusted common equity. RAC--Risk-adjusted capital.

Table 3

Jyske Bank A/S - Capital And Earnings

	--Financial year ended Dec. 31--				
(%)	**2018**	**2017**	**2016**	**2015**	**2014**
Tier 1 capital ratio	18.00	18.00	17.70	16.50	15.80
S&P Global Ratings' RAC ratio before diversification	10.35	10.26	10.05	10.40*	100*
S&P Global Ratings' RAC ratio after diversification	8.77	8.63	8.51	9.80*	9.40*
Adjusted common equity/total adjusted capital	92.03	91.62	94.93	100.00	100.00
Net interest income/operating revenues	65.52	64.25	67.39	75.23	77.66
Fee income/operating revenues	21.25	19.97	15.79	17.89	20.65
Market-sensitive income/operating revenues	4.21	8.81	9.19	1.02	(6.72)
Noninterest expenses/operating revenues	62.07	61.58	58.09	54.83	64.96
Preprovision operating income/average assets	0.55	0.64	0.72	0.85	0.74
Core earnings/average managed assets	0.38	0.52	0.54	0.46	0.11

RAC--Risk-adjusted capital. *2010 RAC criteria.

Table 4

Jyske Bank A/S - Risk-Adjusted Capital Framework

(Mil. DKK)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk					
Government & central banks	34,209	27	0	623	2
Of which regional governments and local authorities	11,103	19	0	276	2
Institutions and CCPs	75,970	8,450	11	9,180	12
Corporate	211,000	86,187	41	144,534	68
Retail	297,221	52,130	18	90,088	30
Of which mortgage	263,010	42,764	16	67,636	26
Securitization§	2,255	186	8	504	22
Other assets†	6,415	6,458	101	7,256	113
Total credit risk	627,071	153,439	24	252,184	40
Credit valuation adjustment					
Total credit valuation adjustment	--	1,175	--	4,589	--
Market Risk					
Equity in the banking book	1,376	1,425	104	11,306	822
Trading book market risk	--	13,156	--	19,734	--
Total market risk	--	14,581	--	31,040	--
Operational risk					
Total operational risk	--	16,887	--	21,093	--
(Mil. DKK)	**Exposure**	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	189,982	--	308,906	100
Total diversification/ concentration adjustments	--	--	--	55,583	18

Table 4

Jyske Bank A/S - Risk-Adjusted Capital Framework (cont.)						
RWA after diversification	--	189,982	--	364,489		118

(Mil. DKK)	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio				
Capital ratio before adjustments	34,014	17.9	31,962	10.3
Capital ratio after adjustments‡	34,014	18.0	31,962	8.8

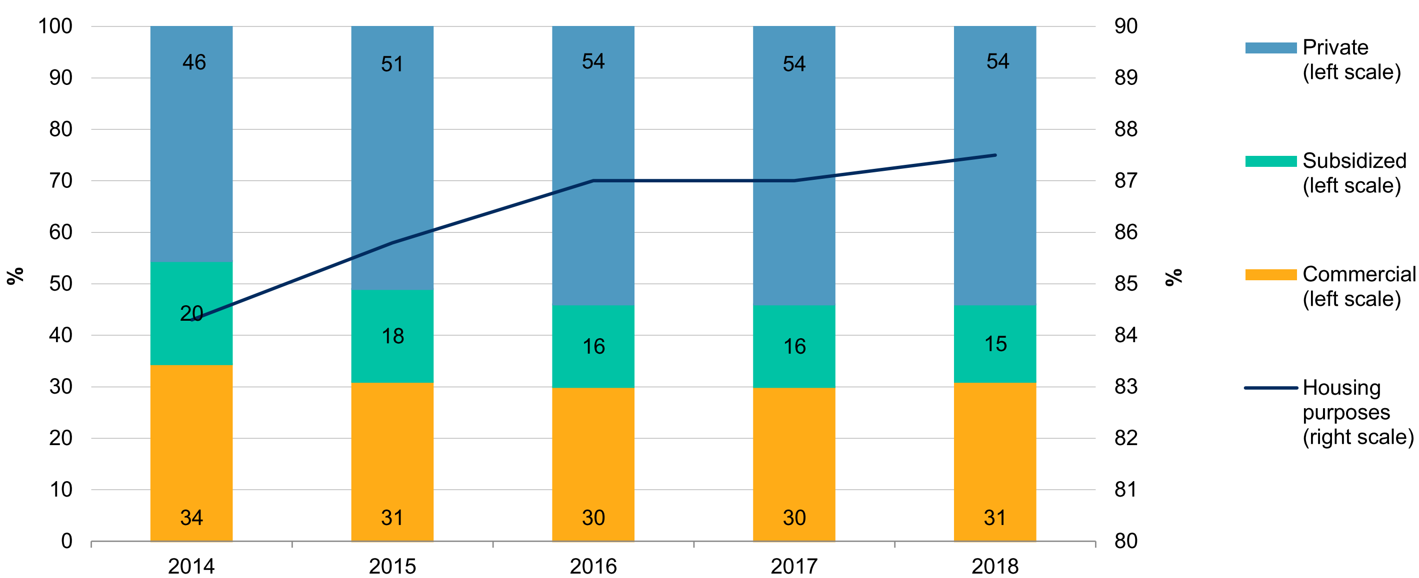
*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). DKK--Danish krone. RAC--Risk-adjusted capital. RW--Risk weight. RWA--Risk-weighted assets. Sources: Company data as of Dec. 31, 2018, S&P Global Ratings.

Risk position:Asset quality no longer expected to improve from robust levels

Jyske Bank's risk position is based on the asset quality of its domestic loan book, which we expect to remain in line with our current assessment of economic risk for the Danish banking system. Jyske Realkredit's collateralized loan book provides regional and product diversification to Jyske Bank's SME-focused loan book. After several years of continuous improvement, we forecast asset quality metrics will deteriorate from their currently robust level. This is because we do not foresee further improvement in Danish credit conditions and we expect a larger share of new lending to originate from corporate clients, after several years of focus on housing loans (see chart 3).

Chart 3

Jyske Bank A/S Lending Portfolio Refocused On Housing



Source: Jyske Bank A/S.

Jyske Bank reported loan impairment charges of DKK468 million for 2018. This followed the implementation of International Financial Reporting Standard 9 (IFRS9) at the beginning of 2018, and included DKK154 million of charges in the bank's agriculture portfolio. Excluding IFRS9, the impairment charges were DKK61 million for the year. This followed net reversals of DKK179 million in 2017 and provisions of DKK201 million in 2016. Given overall high credit conditions in the Danish economy, coupled with still continued pressure on the agriculture sector--for which the bank has already made significant provisions--we expect losses will remain at about 20bps of loans over 2019 and 2020, compared with 3-5bps for the banking market as a whole. However, right-sizing of general provisions could lead to volatility over the period.

Net NPLs showed further improvement in 2018. On Dec. 31, 2018, gross NPLs decreased to 2.39% of customer loans from 4.00% at end-2017; net NPLs decreased to 1.34% at end-2018 from 3.13% at end-2017. Jyske Bank's reported levels are still relatively higher than the ones reported by larger domestic peers', but the difference has reduced in recent years.

Although the Danish economy continues to improve, there remains high risk in the country's agriculture segments. The highest risk segments are milk production and pig farming, along with a very small mink-producing portfolio. However, the three account for less than 1% of total lending, and they are already well provisioned. We note that pork and milk prices have experienced a rebound since the start of 2019, but we expect both sectors to remain exposed to price volatility in the long term. Although recent improvements have increased the likelihood of improved asset quality and sector profitability, the overall recovery remains sensitive, particularly because leverage remains high. On Dec. 31, 2018, the individual balance of loan impairment charges and provisions for guarantees relating to milk producers amounted to 34% of loans, advances, and guarantees; 14% related to pig farming. On the same date, the total impairment ratio for milk producers and pig farming, including collective impairment charges, came to 28% of lending for these segments.

Table 5

Jyske Bank A/S - Risk Position

	--Financial year ended Dec. 31--				
(%)	**2018**	**2017**	**2016**	**2015**	**2014**
Growth in customer loans	3.97	7.86	9.20	4.58	199.13
Total diversification adjustment/S&P Global Ratings' RWA before diversification	17.99	18.87	18.06	6.10*	5.90*
Total managed assets/adjusted common equity (x)	20.40	21.33	21.23	19.19	20.01
New loan loss provisions/average customer loans	0.11	(0.04)	0.05	0.39	1.10
Net charge-offs/average customer loans	0.20	0.17	0.28	0.33	0.45
Gross nonperforming assets/customer loans + other real estate owned	2.39	4.00	5.39	6.94	7.23
Loan loss reserves/gross nonperforming assets	49.71	28.35	25.92	24.90	23.24

RWA--Risk-weighted assets. *2010 risk-adjusted capital criteria.

Funding and liquidity: Funding profile similar to larger Danish peers'

We consider Jyske Bank's funding to be average and liquidity to be adequate. The funding profile consolidates bank and mortgage financing in the group's metrics and, as such, is similar to that of domestic peer Danske Bank. The group's stable funding ratio was 102.8% on Dec. 31, 2018, up slightly from 102.7% on Dec. 31, 2017.

We include in our calculation of short-term funding the covered bonds maturing within a year that are linked to a planned installment on the borrower side of funding. However, this represents only a minimal proportion of short-term funding.

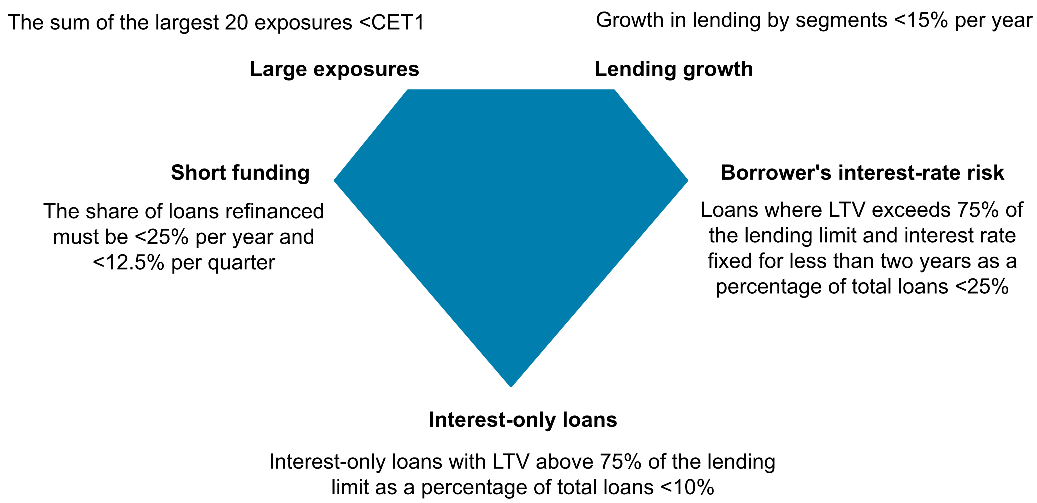
We compare Jyske Bank's ratios with its local peers' and consider in our assessment the importance of the supportive Danish covered bond market. In particular, we note that the balance principle results in a high degree of duration and cash flow matching (in addition to interest rate and currency matching) and that the industry and the regulator have worked to reduce the volume of one-year bond refinancing significantly, resulting in longer and more balanced debt maturity profiles. In our view, this improvement in stability is complemented by the 2014 Danish covered bond legislation that extends bond maturities by 12 months in the event of a failed auction, thus effectively passing refinancing risks to investors and repricing risks onto borrowers. In addition, we note that the Danish covered bond market--a key investment target for Danish pension funds--has, over its 200-year-long history, continued to perform well in several crisis situations, not least during 2008. We expect pension funds' demand for low-risk domestic assets to continue to support stable demand for Danish covered bonds.

Moreover, we note continued marketwide efforts to reduce one- and two-year interest-rate fixings (F1 and F2 loans, respectively) in the Danish mortgage market (see "Credit FAQ: The Danish Covered Bond Market Explained," published July 15, 2014, and "The Danish Mortgage Sector Solved The Immediate Problem Of Interest-Only Mortgages, But Remains Vulnerable To Housing Slumps", published Sept. 12, 2017).

The bank's efforts to extend funding maturities in the medium to long term should also marginally improve liquidity buffers. As Jyske Realkredit reduces its structural mismatch of asset and liability maturities, we expect a direct positive impact on our core measures of the group's funding and liquidity. In our view, the 2018 implementation of the supervisory diamond for mortgage institutions and the future regulatory funding and liquidity requirements will encourage Jyske Realkredit and other mortgage institutions to incentivize longer-term funding structures. We expect an even distribution of funding maturities over time due to the annual and quarterly refinancing limits of 25% and 12.5%, respectively, of outstanding covered bonds in the supervisory diamond (see chart 4).

Chart 4

Supervisory Diamond For Mortgage Credit Institutions



CET1--Common equity tier 1. LTV--Loan to value. Source: Danish Financial Supervisory Authority.

Despite the substantial contribution of corporate deposits to Jyske Bank's deposit book, we think most deposits are granular and stable. This benefits Jyske Bank's SME lending profile and provides the bank with a steady source of funding for its nonmortgage lending. Core customer deposits formed 26% of the funding base on Dec. 31, 2018.

We view Jyske Bank's liquidity as adequate, with our one-year liquidity ratio (broad liquid assets to short-term wholesale funding) at 1.26x on Dec. 31, 2018, compared with 1.25x at end-September 2017. The bank's regulatory liquidity coverage ratio (LCR) was 219% on Dec. 31, 2018, versus 189% at end-2017. Jyske Bank has an internal guideline setting the minimum LCR at 150%, compared with a minimum regulatory requirement of 100%.

Table 6

Jyske Bank A/S - Funding And Liquidity

	--Financial year ended Dec. 31--				
(%)	2018	2017	2016	2015	2014
Core deposits/funding base	25.50	26.53	26.68	27.54	28.97
Customer loans (net)/customer deposits	321.72	300.24	289.58	274.93	254.72
Long-term funding ratio	83.29	83.22	78.83	78.00	81.88
Stable funding ratio	102.79	102.69	98.56	97.77	107.51
Short-term wholesale funding/funding base	17.79	17.87	22.53	23.41	19.20
Broad liquid assets/short-term wholesale funding (x)	1.26	1.25	1.05	1.03	1.49
Net broad liquid assets/short-term customer deposits	19.69	18.63	4.63	3.25	44.85
Short-term wholesale funding/total wholesale funding	23.72	24.17	30.61	32.31	27.03
Narrow liquid assets/three-month wholesale funding (x)	3.16	1.97	1.80	1.46	1.71

Support: Expanding loss-absorbing buffers as MREL issuance continues

We view Denmark's resolution regime as effective under our additional loss-absorption capacity (ALAC) criteria because, among other factors, we think it contains a well-defined bail-in process under which authorities would permit nonviable systemically important banks to continue critical functions as going concerns, following a bail-in of eligible liabilities.

Following the publication of MREL for systemic banks in March 2018, Jyske Bank has started to issue senior nonpreferred instruments, thereby accumulating ALAC. We estimate that the SEK1.75 billion and €500 million benchmark it issued during 2018 led ALAC to rise above 3% of its RWAs by end-2018. We foresee that the bank's ALAC will remain below 5% through end-2019, but that it could durably exceed this threshold from 2020 if issuances progress as planned.

Key subsidiary: Jyske Realkredit

We view Jyske Realkredit as a core subsidiary and align our long-term issuer credit rating and outlook on it with those on Jyske Bank. We think it is highly unlikely that Jyske Bank would sell Jyske Realkredit, given its vital role in the enlarged bank's future funding strategy for Danish residential and commercial mortgages. This is in line with how we see other banking group structures and covered bond-issuing subsidiaries in Denmark and the Nordics.

Resolution Counterparty Ratings (RCR)

Following the completion of our RCR jurisdiction assessments on Denmark, we assigned 'A+/A-1' RCRs to Jyske Bank (see "24 European Banking Groups Assigned Resolution Counterparty Ratings," published June 29, 2018).

An RCR is a forward-looking opinion of the relative default risk of certain senior liabilities that may be protected from default with an effective bail-in resolution process for the issuing financial institution.

Additional rating factors: None

No additional factors affect the ratings.

Related Criteria

- Criteria - Financial Institutions - General: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018
- ARCHIVE - General Criteria: S&P Global Ratings' National And Regional Scale Mapping Tables, Aug. 14, 2017
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Criteria | Financial Institutions | Banks: Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions, Jan. 29, 2015
- ARCHIVE - General Criteria: National And Regional Scale Credit Ratings, Sept. 22, 2014
- General Criteria: Group Rating Methodology, Nov. 19, 2013

- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria | Financial Institutions | Banks: Commercial Paper I: Banks, March 23, 2004

Related Research

- Nordic Banks' Strong Capital Will Cushion Them From The Challenges Ahead, March 28, 2019
- Various Rating Actions Taken On Danish Banks On Signs Of Reducing Economic Risks; Outlooks Positive, July 13, 2018
- 24 European Banking Groups Assigned Resolution Counterparty Ratings, June 29, 2018,
- Danske Bank And Jyske Bank Outlooks Revised To Positive On Requirements To Issue Bail-In-Able Debt, April 5, 2018
- Banking Industry Country Risk Assessment: Denmark, March 7, 2018
- The Danish Mortgage Sector Solved The Immediate Problem Of Interest-Only Mortgages, But Remains Vulnerable To Housing Slumps, Sept. 12, 2017
- Nordic Banks Continue To Outperform European Peers On Capital Thanks To Steady Retained Earnings And Hybrid Issuance, July 12, 2017
- Nordic Banking Regulation Compared, July 10, 2017
- Various Rating Actions On Four Danish Banks After Review Of Government Support And Additional Loss-Absorbing Capacity, July 13, 2015
- Various Rating Actions On Danish Banks On EU Bank Recovery And Resolution Directive To Be Implemented In Denmark, May 12, 2015

Anchor Matrix

Industry Risk	Economic Risk 1	2	**3**	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	**bbb+**	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of May 9, 2019)*

Jyske Bank A/S	
Issuer Credit Rating	A-/Positive/A-2
Nordic Regional Scale	--/--/K-1
Resolution Counterparty Rating	A/--/A-1
Commercial Paper	
Foreign Currency	A-2
Junior Subordinated	BB+
Senior Subordinated	BBB+
Senior Unsecured	A-
Short-Term Debt	A-2
Subordinated	BBB
Issuer Credit Ratings History	
05-Apr-2018	A-/Positive/A-2
01-Dec-2011	A-/Stable/A-2
20-Feb-2009	A/Negative/A-1
10-Feb-2012 *Nordic Regional Scale*	--/--/K-1
Sovereign Rating	
Denmark	AAA/Stable/A-1+
Related Entities	
Jyske Realkredit A/S	
Issuer Credit Rating	A-/Positive/A-2
Resolution Counterparty Rating	A/--/A-1
Senior Secured	AAA/Stable
Short-Term Secured Debt	A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.