

Jyske Bank
Q2 2020

18 August 2020

Return on equity of 10.4%

Jyske Bank delivered an annualised return on equity of 10.4% in Q2 underpinned by a continued strong cost focus, which helped reduce expenses 7% y/y in Q2. Additionally, financial markets rebounded significantly, thus more than compensating for lower remortgaging activity, and net interest income increased 5% q/q. Lastly, impairment charges were at a low level in Q2.

Rebounding activity levels

The COVID-19 outbreak and government-imposed lockdown led to reduced activity levels in the Danish economy in Q2. Due to resilient property markets and a rebound in Danish consumer spending, the risk of the most severe recessionary scenarios has lessened. However, GDP is still expected to decline significantly in 2020.

Government support

The rebounding activity levels have been supported by a gradual reopening of the Danish society and a wide range of initiatives from the Danish government. The initiatives include partial wage, fixed cost compensation, postponed taxes, increased investments etc. and will partially be phased out from August 2020, thus increasing visibility of the outbreak's real economic impact.

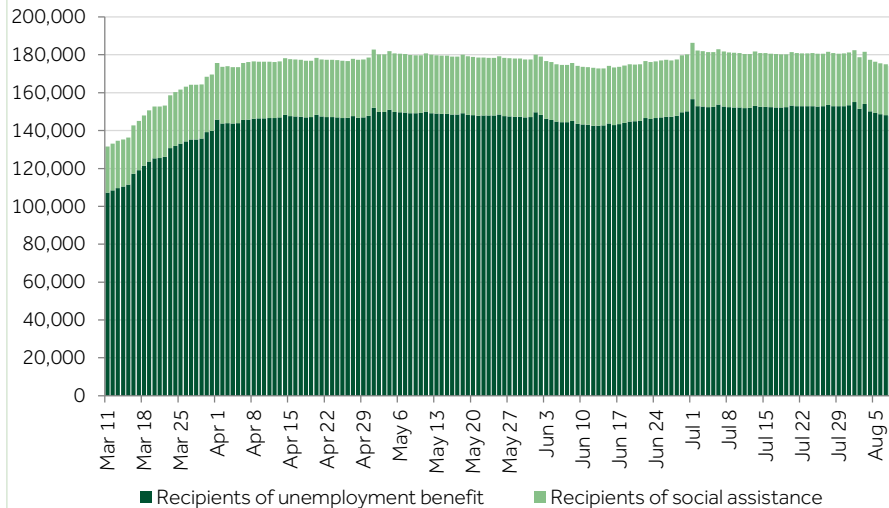
Sound credit quality

Jyske Bank's clients in general had solid capital and liquidity positions prior to the COVID-19 outbreak and have been supported by the large-scale government initiatives and rebounding activity levels. This has limited credit demand and underpinned credit quality. In Q2, Jyske Bank realised a low level of impairment charges and an all-time low share of non-performing loans.

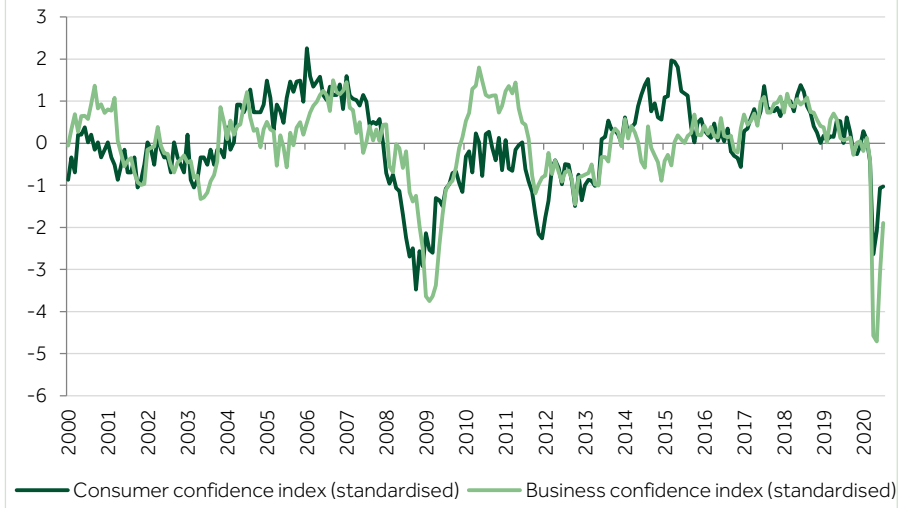
Strong position

Jyske Bank remains focused on helping clients mitigate the financial consequences of the COVID-19 outbreak and continues to have strong capital, liquidity and funding positions with a low direct exposure to industries especially affected by COVID-19. At the end of Q2 2020, Jyske Bank had a record-high capital ratio with a buffer of 7.1pp and a liquidity coverage ratio of 350%.

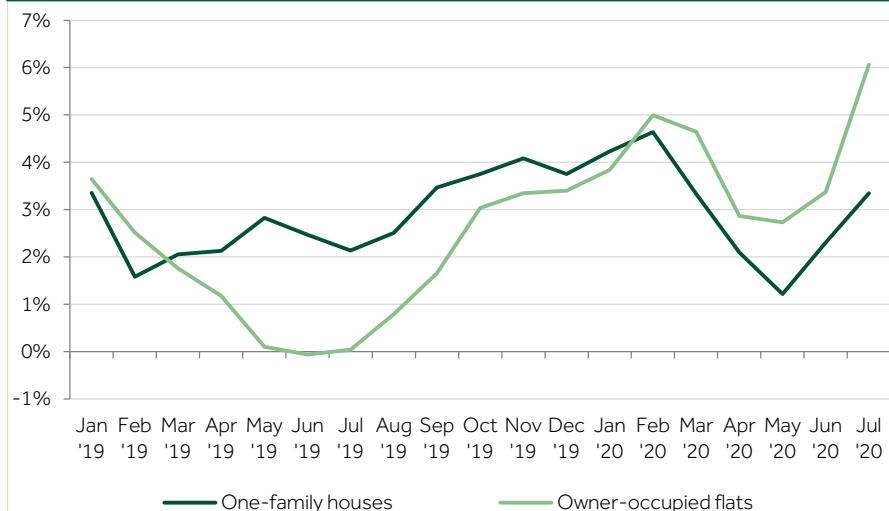
COVID-19 has increased unemployment by approx. 40,000



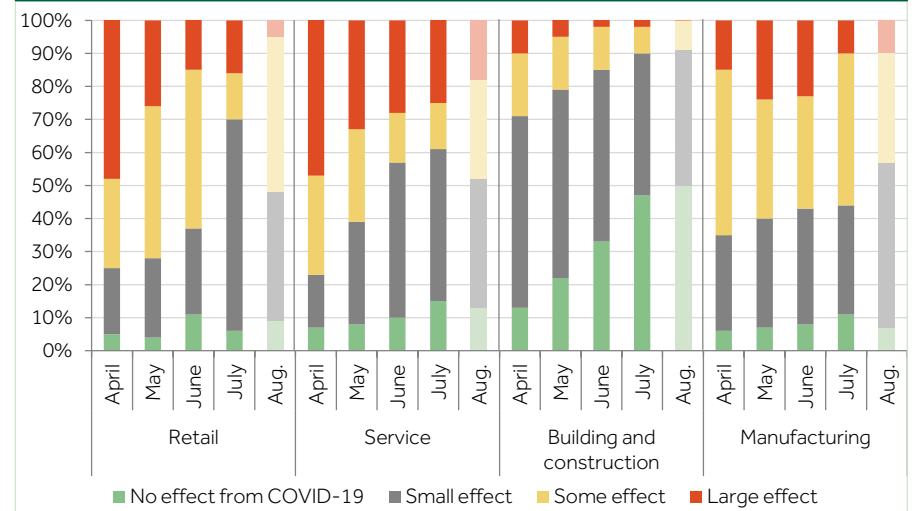
Danish consumer and business confidence remain subdued



High activity levels and resilient real estate prices (y/y)



Impact from COVID-19 has decreased since April



Jyske Bank in brief

One of the largest financial institutions in Denmark

Founded in 1967 by a merger of four local banks, some dating back to 1882, now a Danish SIFI with a total market share of approximately 12% following organic growth and successful M&A.

Complementary segments with full-service offering

The third largest bank in Denmark, the fourth largest mortgage credit institute and one of the largest leasing providers offering customers a full range of financial products and services.

Nationwide operations in sound AAA economy

Operating in a supportive AAA macroeconomic environment with a strong presence through nationwide branch network.

Increasingly stable, low risk business model

Share of mortgage lending has increased significantly and transforms Jyske Bank's business model by heightening credit quality as well as stabilising growth and margins through-the-cycle.

Solid capital position and high payout ratio

Significant capital buffer to regulatory requirements and low risk business model underpin a high payout ratio.

Risk of business model has been lowered

Increasing share of mortgage lending

- Share of mortgage-like lending has increased 11pp to 78% (excl. repo) since merger with Jyske Realkredit in Q2 2014.
- Mortgage-like lending continues to grow more than bank lending, underpinned by structural trend.

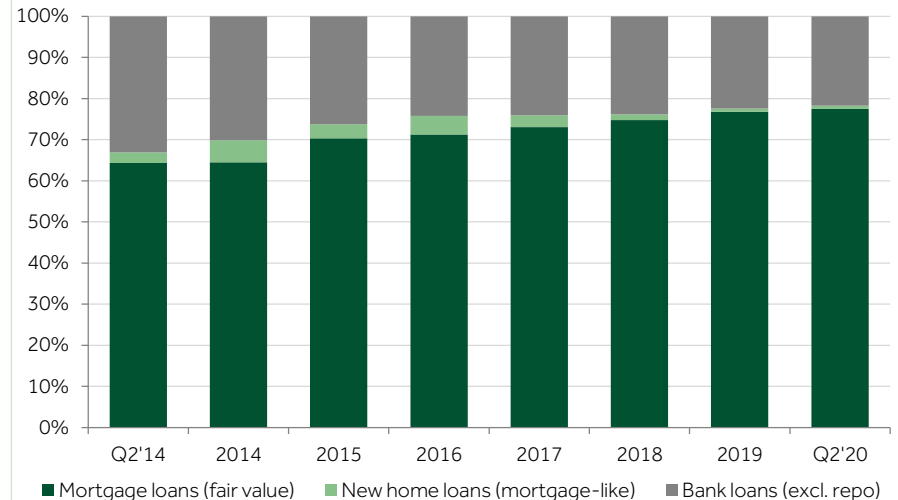
Higher quality of income

- Share of more stable sources of income like net interest income and net fee and commission income exceeded 90% of total income in 2019.

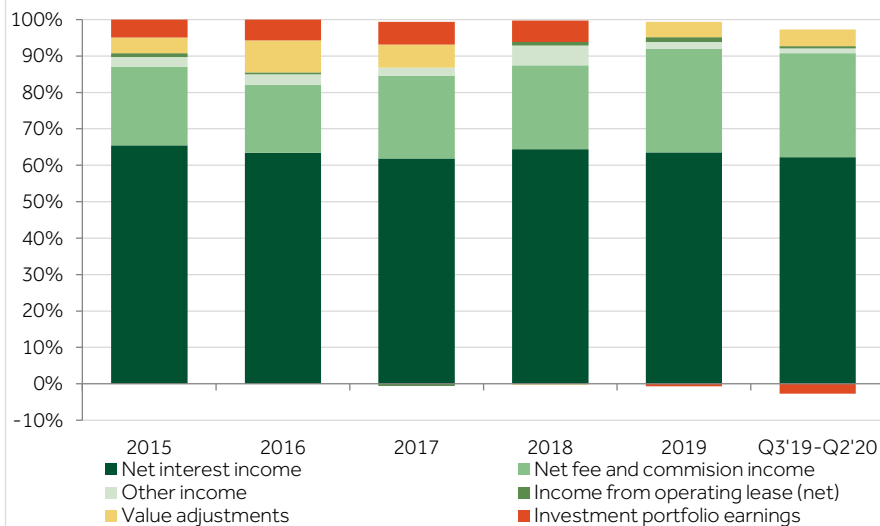
Stable mortgage lending has lower risk weight

- The credit risk weight of mortgage lending is significantly lower than for bank lending, which underpins the potential for capital distribution.

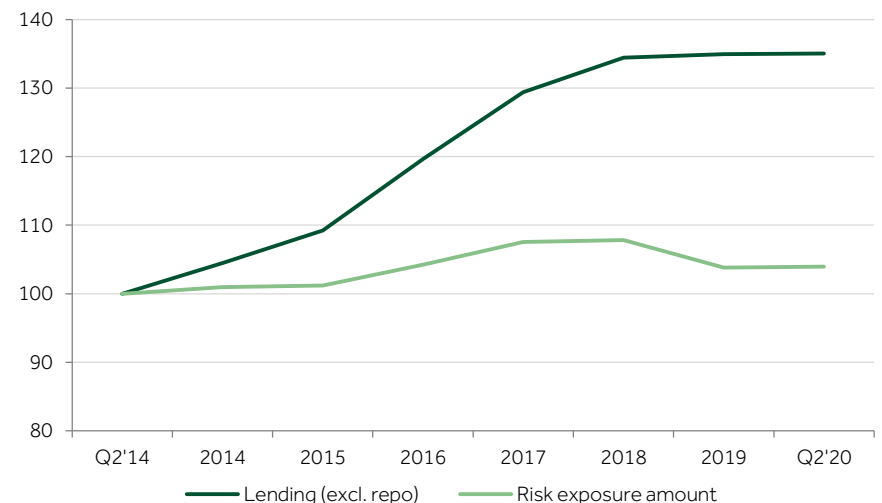
Mortgage-like share of lending up 11pp since merger to 78%



Share of more stable income sources exceeds 90%



REA has increased significantly less than lending (Q2'14=100)



Mortgage lending is relatively low risk, stable growth, margins

Increases ability to withstand a new financial crisis

- Impairment charges have averaged 5bp for Danish mortgage credit institutions vs. 51bp for Danish banks since 2000, peaking in 2009 at 20bp and 224bp, respectively.

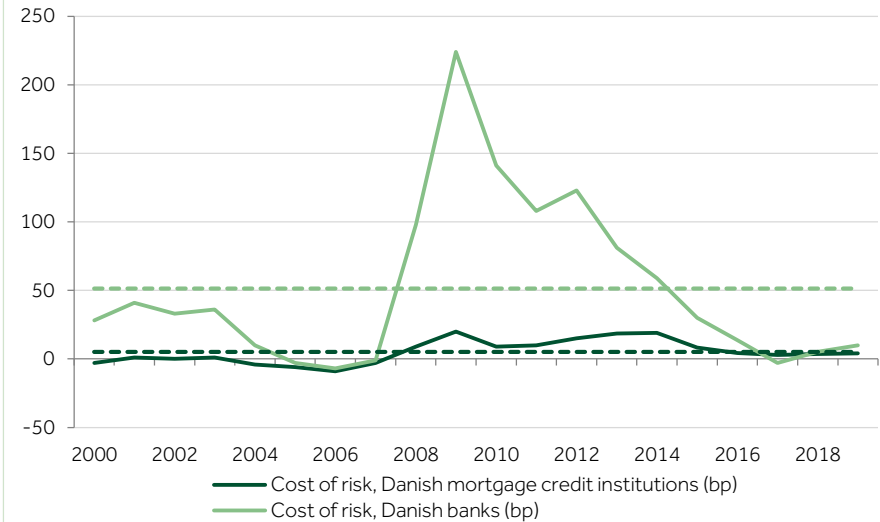
Underpins lending growth during times of financial distress

- Danish mortgage lending growth remained positive during the financial crisis and has averaged 5% p.a. since 2003 vs. 3% p.a. for bank lending.

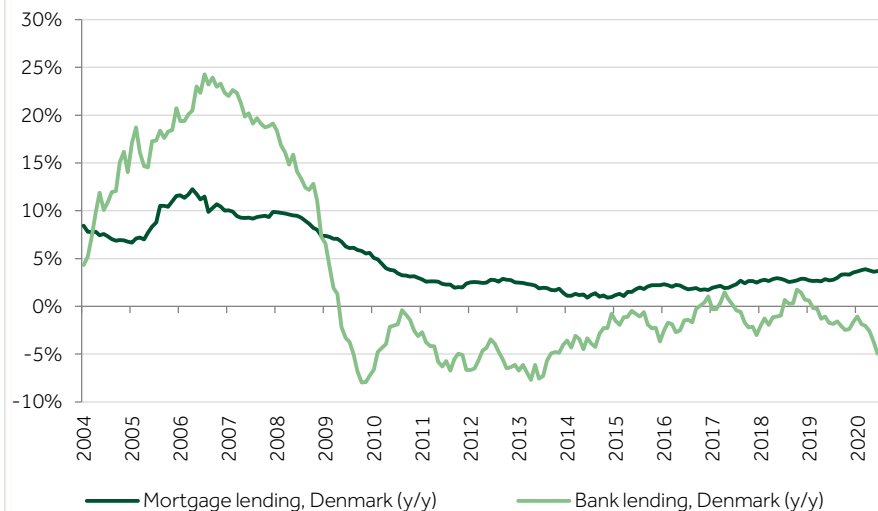
Supports a more stable margin development

- Due to a more consolidated competitive environment and full pass-through of interest rates, administration margins have risen 61% since 2003, whereas banks' net interest margins have deteriorated 43%.

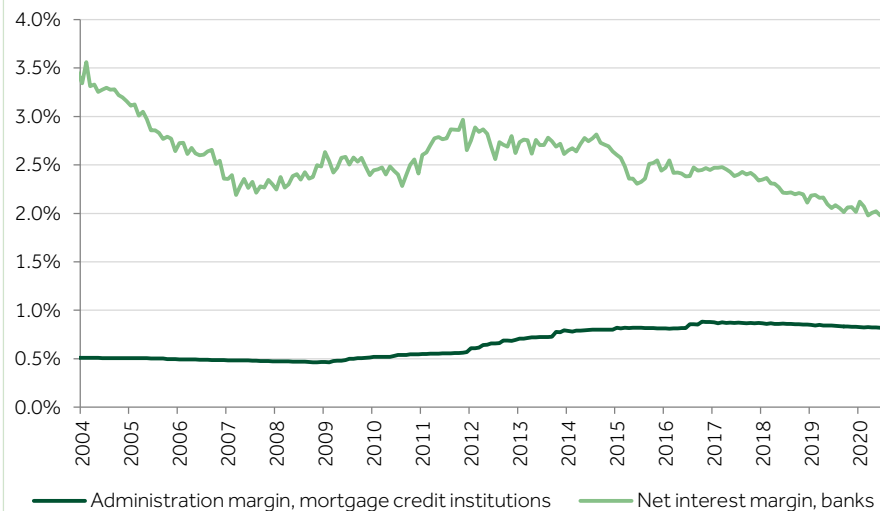
Credit quality of mortgage lending significantly stronger (bp)



Mortgage lending growth stayed positive during the last crisis



Administration margins are unaffected by falling interest rates



Shareholders' view

Book value per share has increased 39% since 2015, as the number of shares outstanding was reduced 18%.

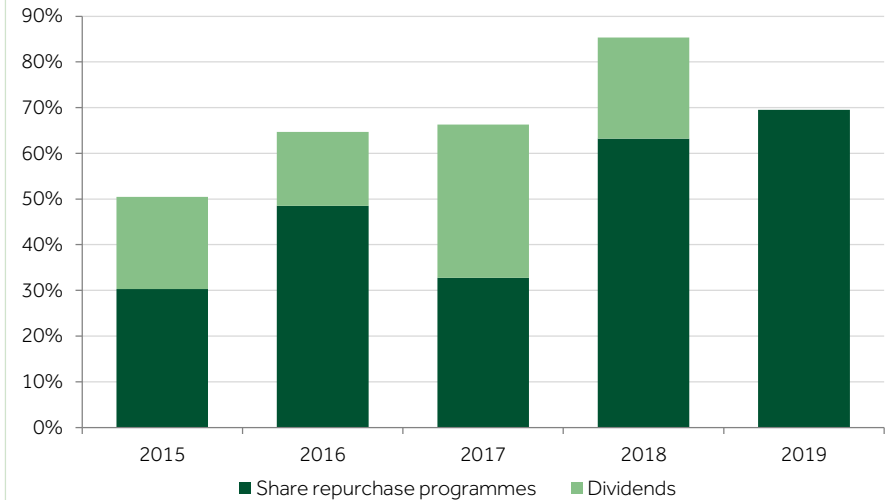
Earnings per share increased 11% from 2015 to 2019 despite lower earnings.

Total payout ratio has increased in recent years with an increasing share of share repurchase programmes.

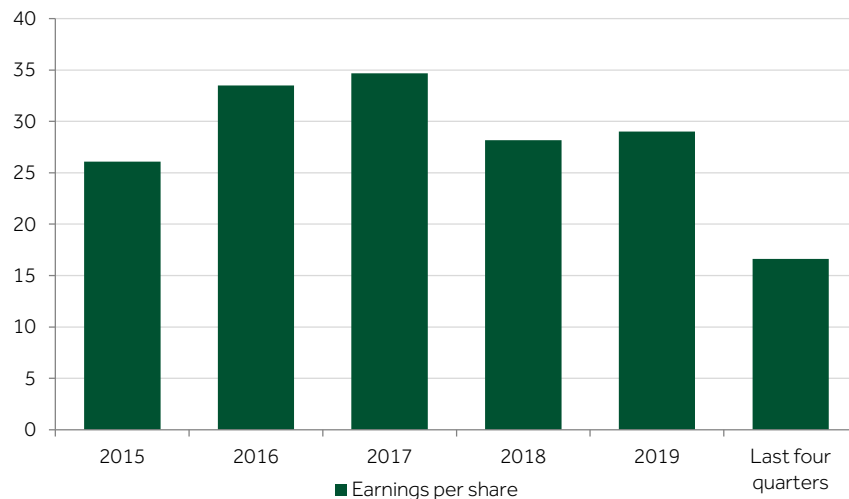
Solid capital position with capital ratio of 22.2% and CET1 ratio of 17.3% vs. targets of 20-22% and 15-17% for the next 2-3 years, respectively.

Potential for capital distribution underpinned by increasingly low risk business model.

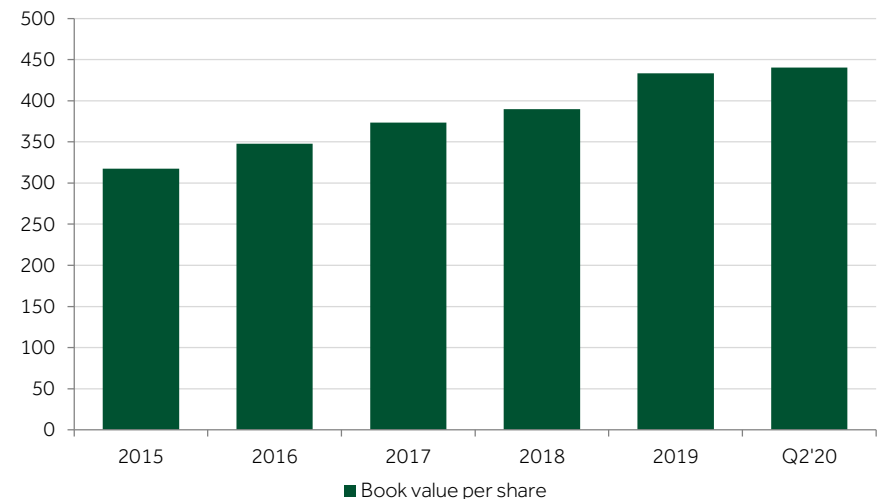
Total payout ratio



Earnings per share (DKK)



Book value per share (DKK)



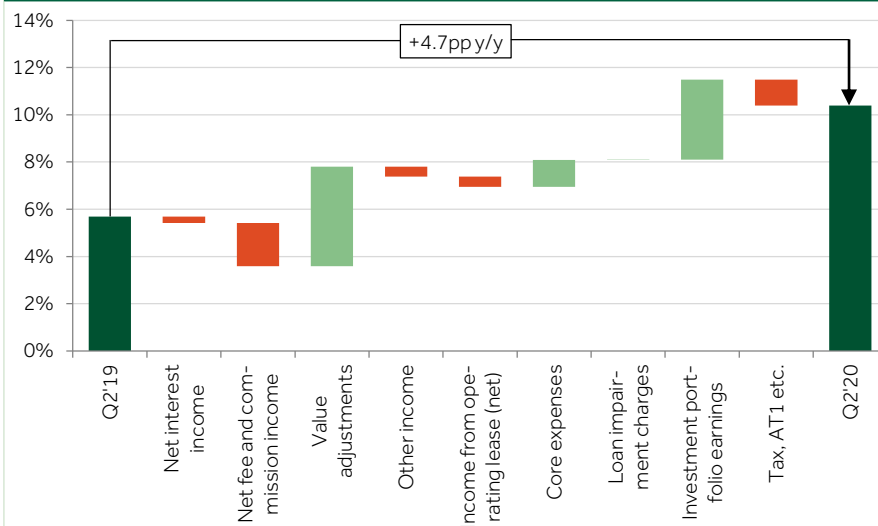
Financial highlights

Q2 2020

Net profit DKK 862m and return on equity of 10.4% in Q2 2020

- **Net interest income** down 2% y/y in Q2 2020, primarily due to the sale of Jyske Bank (Gibraltar) and higher funding costs. Lower bank lending was thus compensated for by lower deposit rates for both private and corporate clients.
- **Net fee and commission income** declined 27% y/y due to lower remortgaging activity and performance-related fee income as well as the COVID-19 outbreak and the sale of Jyske Bank (Gibraltar).
- **Value adjustments** up DKK 339m y/y due to a positive development in financial markets and narrowing of credit spreads in Q2 2020.
- **Core expenses** down 7% y/y due to an equivalent decrease in the number of full-time employees, a positive impact from less travelling etc. following the COVID-19 outbreak and the sale of Jyske Bank (Gibraltar).
- **Loan impairment charges** was unchanged y/y as credit quality remains solid amid the adverse economic effects of the outbreak of COVID-19.
- **Investment portfolio earnings** increased DKK 273m y/y due to a narrowing of credit spreads and a positive impact from FX positions in Q2 2020.

Return on equity Q2 2019 vs. Q2 2020



Income statement and key figures (DKK m)

	Q2'20	Q2'19	Index	Q2'20	Q1'20	Index
Net interest income	1,287	1,309	98	1,287	1,228	105
Net fee and commission income	407	554	73	407	650	63
Value adjustments	331	-8	-	331	-113	-
Other income	26	59	44	26	30	87
Income from operating lease (net)	-1	34	-	-1	8	-
Core income	2,050	1,948	105	2,050	1,803	114
Core expenses	1,164	1,256	93	1,164	1,346	86
Core profit before loan impairment charges	886	692	128	886	457	194
Loan impairment charges	8	9	89	8	1,003	1
Core profit	878	683	129	878	-546	-
Investment portfolio earnings	223	-50	-	223	-450	-
Pre-tax profit	1,101	633	174	1,101	-996	-
Tax	239	134	178	239	-216	-
Net profit for the period	862	499	173	862	-780	-
Earnings per share (DKK)	11.3	5.7	198	11.3	-11.1	-
Return on equity (ann.)	10.4%	5.7%	183	10.4%	-10.3%	-
Cost/income ratio	45.9%	67.0%	68	45.9%	99.6%	46
Capital ratio	22.2%	19.8%	112	22.2%	21.5%	102
CET1 ratio	17.3%	16.0%	108	17.3%	16.7%	102
Mortgage lending (nominal)	330,698	323,410	102	330,698	331,120	100
Bank loans (excl. repo)	76,258	84,143	91	76,258	79,636	96
New home loans	3,367	4,703	72	3,367	3,360	100
Leasing	19,120	19,184	100	19,120	19,589	98
Deposits (excl. repo)	132,037	139,430	95	132,037	131,215	101

Core income	Lower in 2020 than 2019 level
Expenses	<p>Unchanged in 2020 vs. 2019 level, <u>incl.</u> one-off effects of DKK -57m in 2019 and DKK 75m in 2020. FTEs to decrease by 150-200 and branches to be reduced by approx. 20% by mid-2021.</p> <p><i>Previously: Flat vs. 2019 level excl. one-off effects (DKK -57m in 2019 and DKK 78m in 2020)</i></p>
Impairment charges	Significantly higher in 2020 than 2019 level
Net profit	DKK 1.0bn-1.5bn in 2020, excl. one-off expenses and assuming stable financial markets
CET1 ratio	15%-17% for the coming 2-3 years
Capital ratio	20%-22% for the coming 2-3 years

Financial highlights

Business volumes

Volume trends point to increasingly low risk business

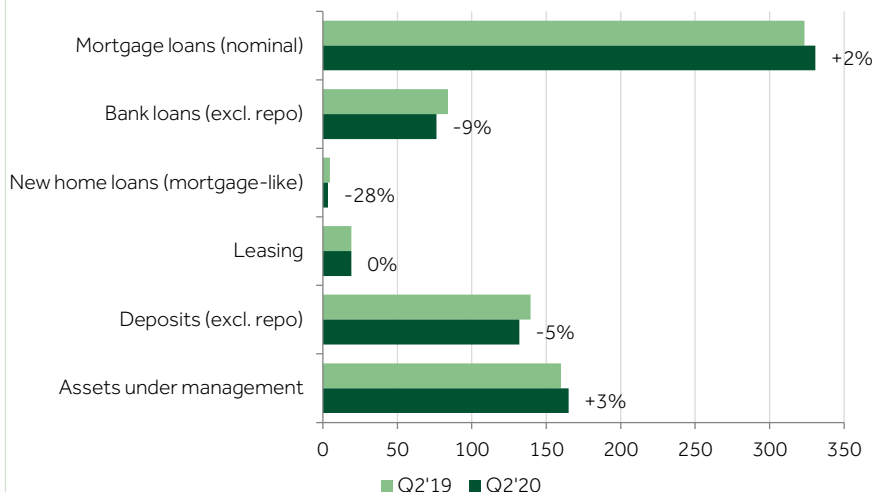
Q2 2020 vs. Q2 2019:

- Assets under management up 3% y/y due to a positive net inflow.
- Bank lending down 9% due to sale of Jyske Bank (Gibraltar) and low demand for credit. Leasing was close to unchanged, as positive trend was counteracted by clients bringing down inventories amid the COVID-19 outbreak.
- Nominal mortgage lending up 2% y/y due to increased lending to corporate clients.

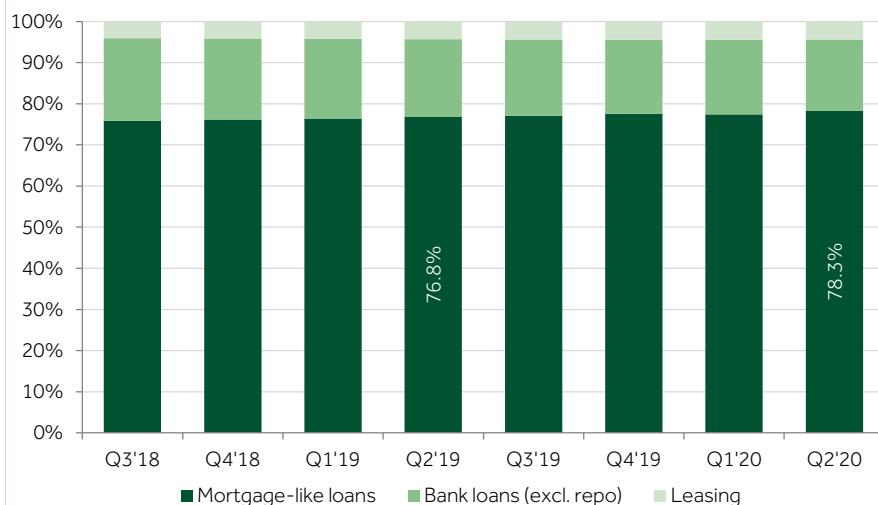
Q2 2020 vs. Q1 2020:

- Assets under management up 6% q/q due to rebounding financial markets.
- Bank lending down 4% q/q, as corporate lending declined amid government initiatives and worsening macroeconomic outlook. Household lending continued to show a downward trend. Leasing decreased due to the COVID-19 outbreak.
- Nominal mortgage lending was unchanged q/q, as slightly higher lending to corporate clients was counteracted by slightly lower lending to private clients.

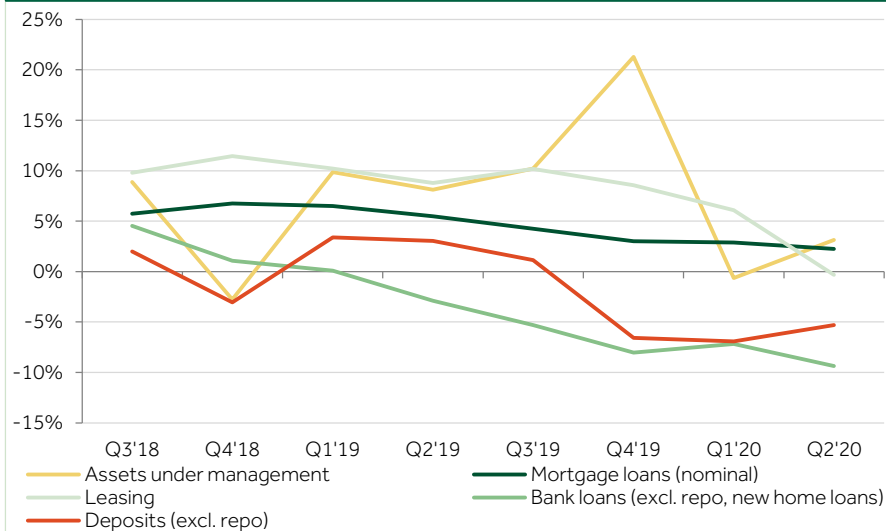
Business volumes (DKKbn)



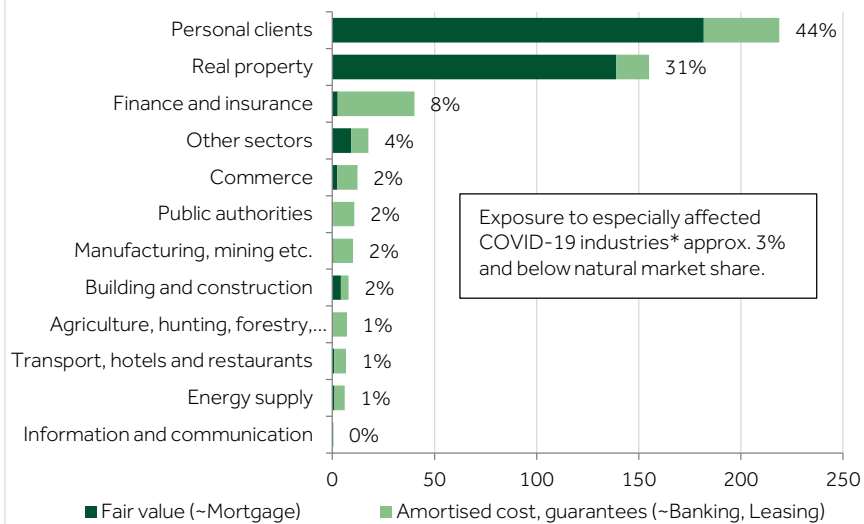
Share of mortgage-like lending increased 1.5pp y/y to 78.3%



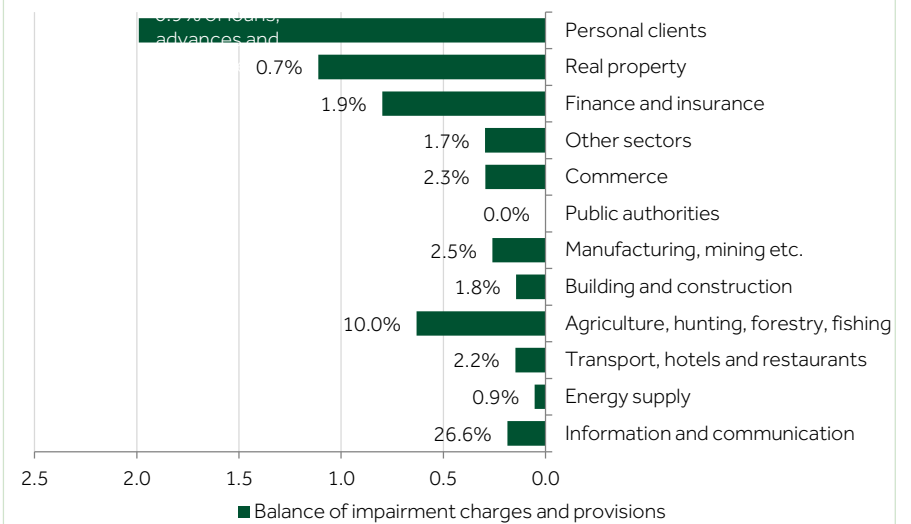
Assets under management rebounded in Q2 2020 (y/y)



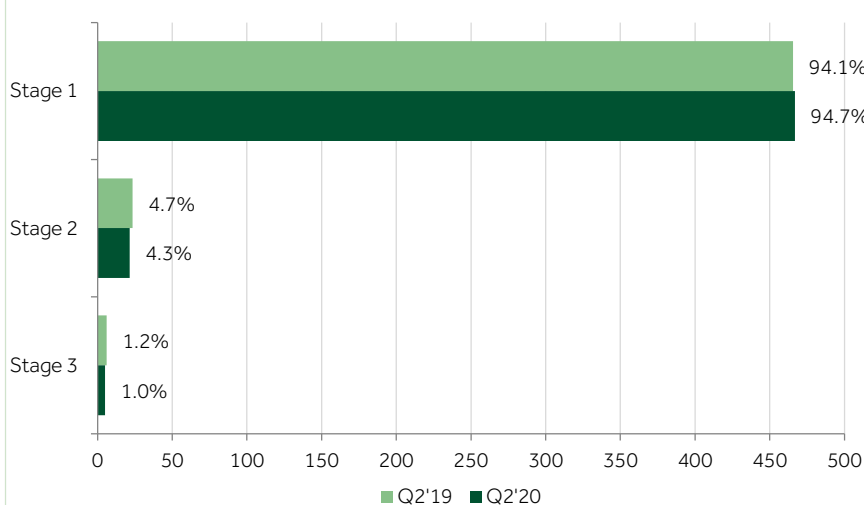
44% private clients/54% corporate clients/2% public (DKKbn)



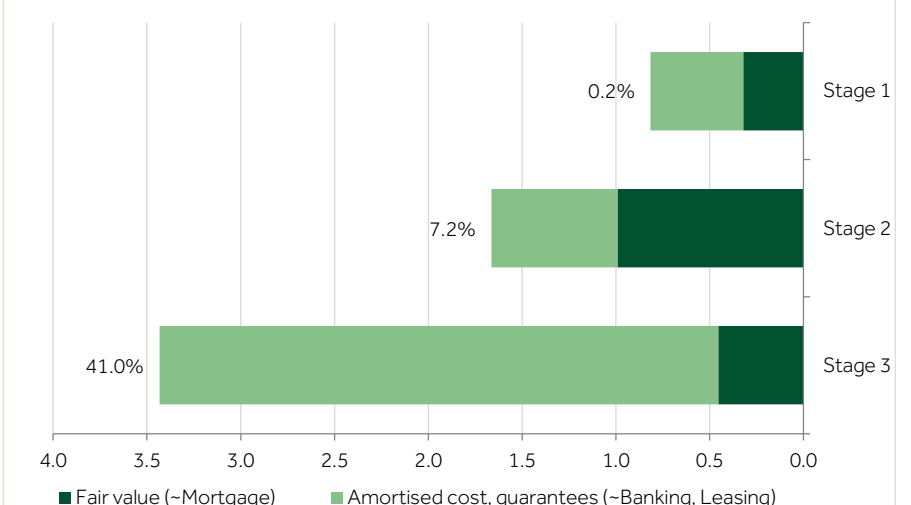
Balance of impairment charges by sector (DKKbn)



Loans, advances and guarantees by IFRS 9 stages (DKKbn)

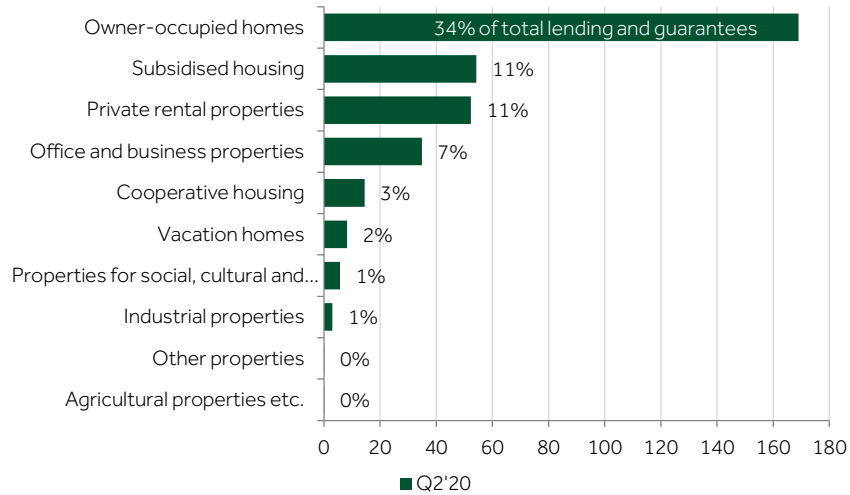


Balance of impairment charges by IFRS 9 stages (DKKbn)

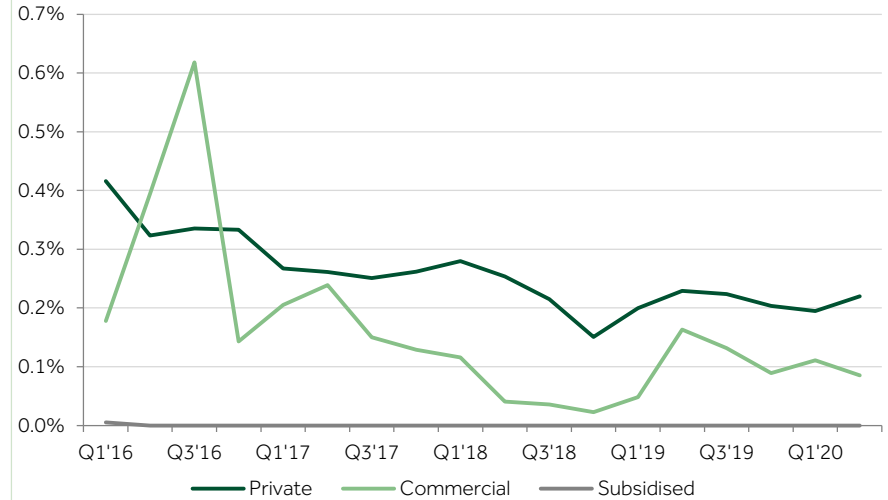


* Especially affected industries include the airline industry, shipping, retail, the hotel, restaurant business as well as the leisure industries.

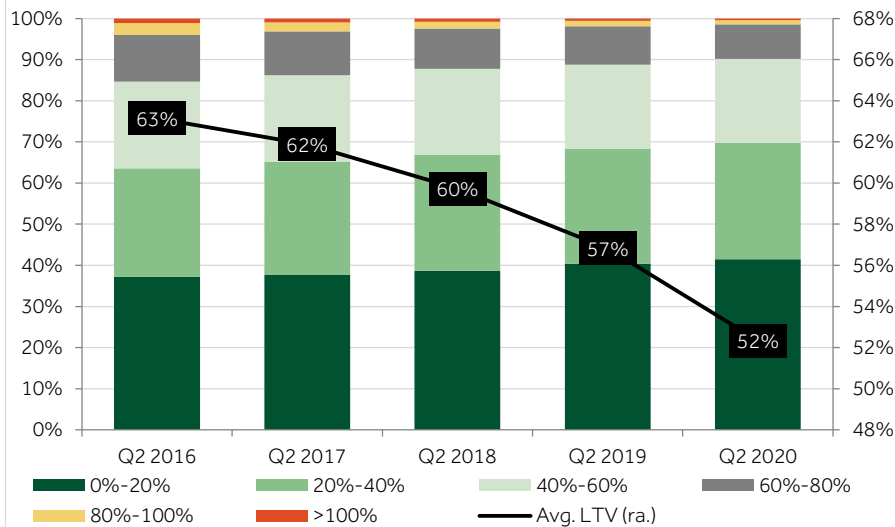
Loans and advances at fair value by property category (DKKbn)



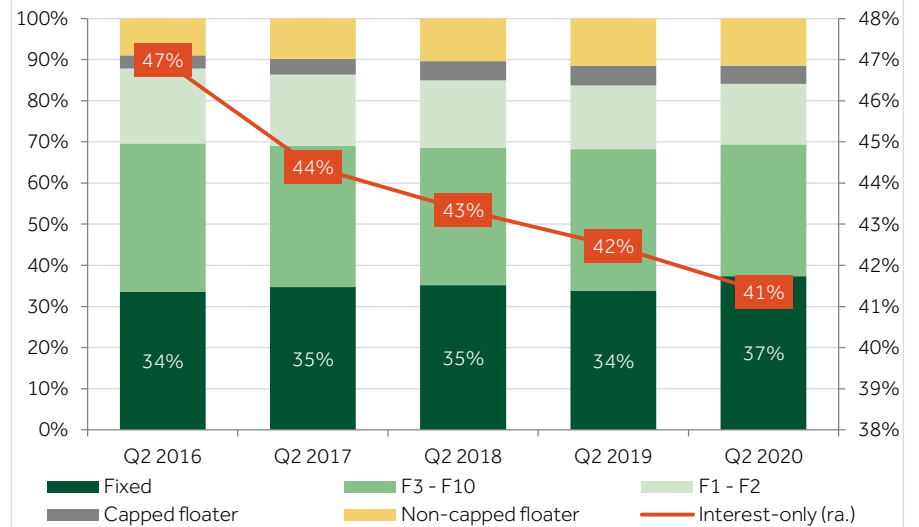
90-day mortgage arrears as % of lending by segment



Significant de-risking of mortgage portfolio LTV in recent years



Clients are opting for fixed-rate mortgages w/ amortisation



Financial highlights

Income statement

Comments

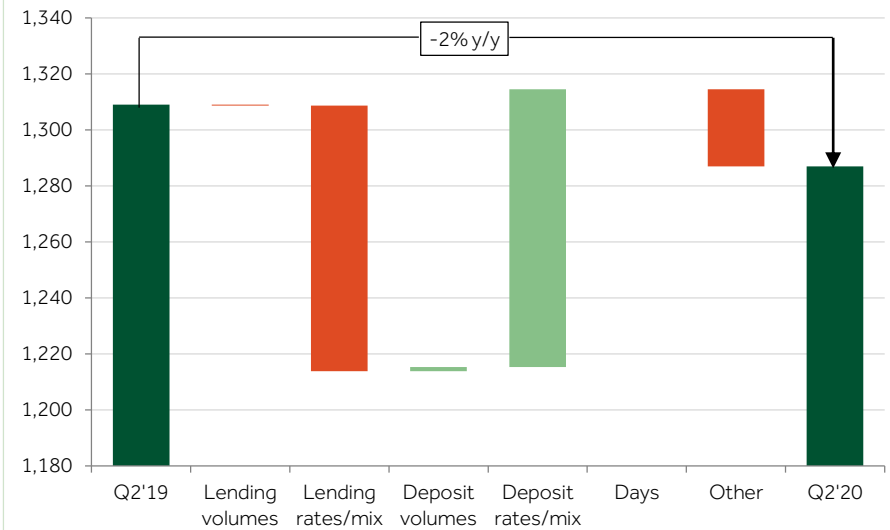
Q2 2020 vs. Q2 2019: Net interest income down 2% y/y

- Higher mortgage lending counteracted by declining bank lending volumes. This entails a lower margin/risk in addition to a broad-based pressure on margins due to competition and clients opting for lower margin/risk products.
- Lower net interest income from lending outweighed by improving deposit margins for both corporate and private clients following several initiatives to increase profitability.
- Sale of Jyske Bank (Gibraltar), lower other net interest income from mortgage activities as well as non-preferred senior and tier 2 issues had negative impact.

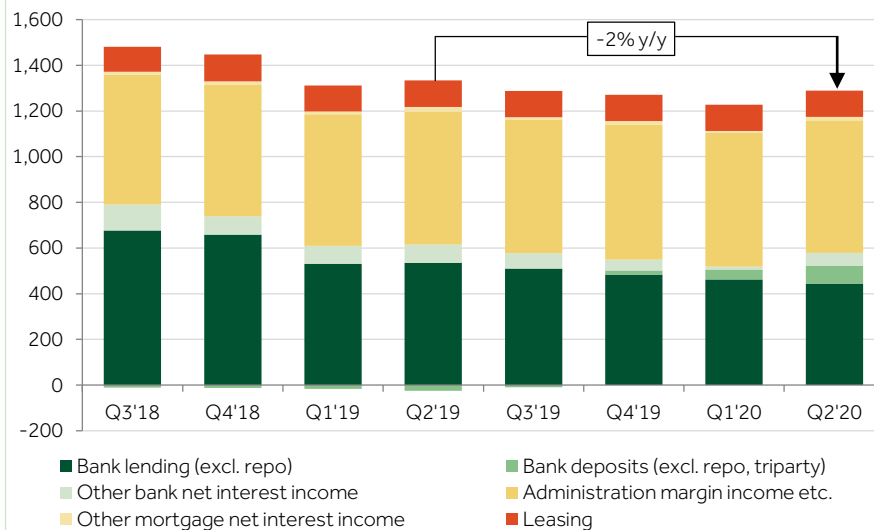
Q2 2020 vs. Q1 2020: Net interest income up 5% q/q

- Higher-margin bank lending and leasing volumes declined with nominal mortgage lending close to unchanged.
- Lower deposit rates more than offset lower bank lending, as the limit for zero interest on private clients' deposits was reduced to DKK 250K on 1 May.
- Increased net interest income from trading activities outweighed negative impact from sale of Jyske Bank (Gibraltar).

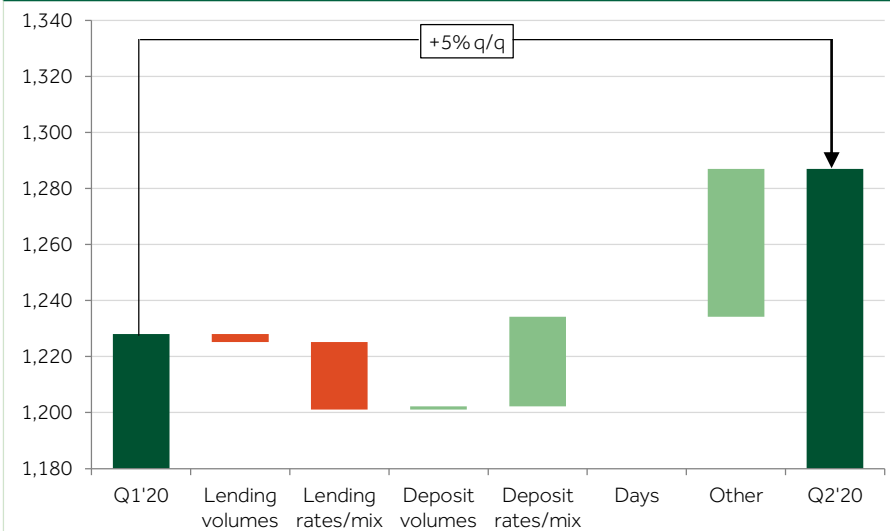
Net interest income Q2 2019 vs. Q2 2020 (DKKm)



Net interest income (DKKm)



Net interest income Q1 2020 vs. Q2 2020 (DKKm)



Comments

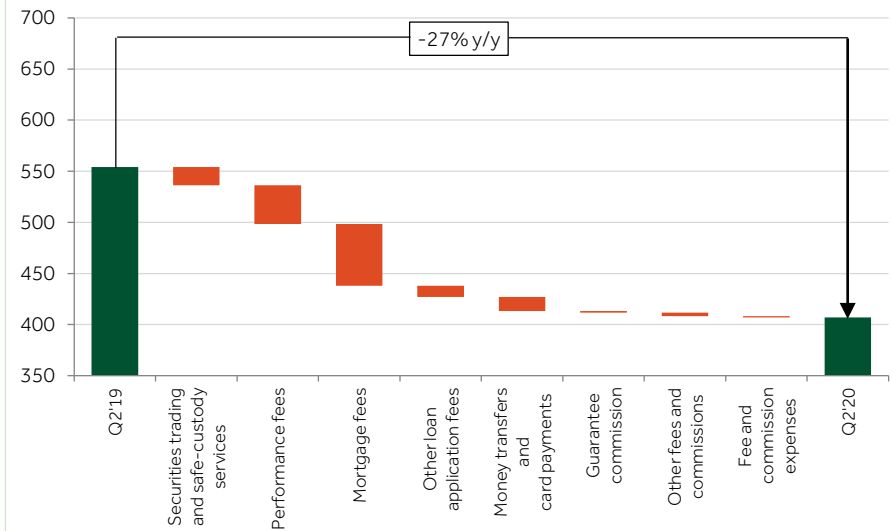
Q2 2020 vs. Q2 2019: Net fee income down 27% y/y

- Normalising remortgaging activity in Q2 2020 following remortgaging wave starting in Q2 2019 had significant impact on net fee and commission income.
- Additionally, performance-related fees declined to DKK 0m from DKK 38m in Q2 2019.
- Sale of Jyske Bank (Gibraltar) and lower activity levels, particularly in money transfers and card payments, following the COVID-19 outbreak had a further negative impact.
- Assets under management were up 3% y/y, as financial markets rebounded in Q2 2020. However, the increase was offset by mix effects.

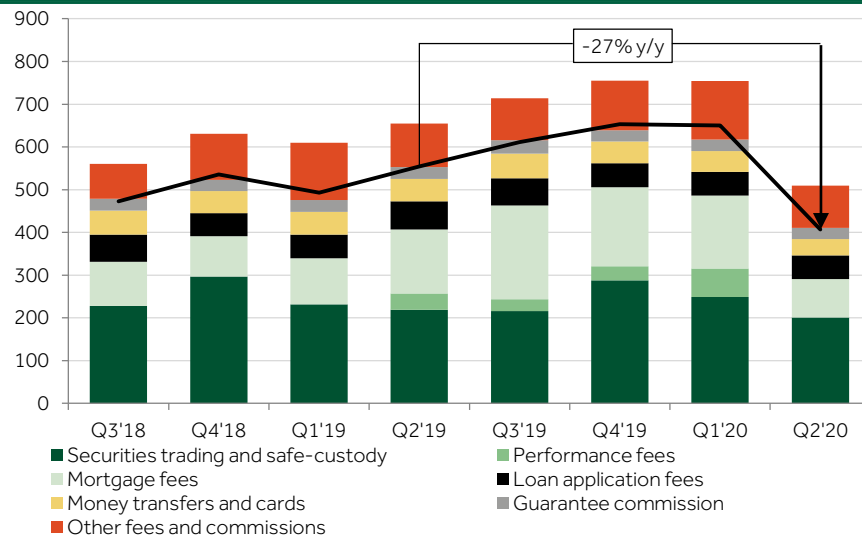
Q2 2020 vs. Q1 2020: Net fee income down 37% q/q

- Normalising remortgaging activity from elevated level in Q1 2020 and performance-related fee income declined to DKK 0m from DKK 67m.
- Sale of Jyske Bank (Gibraltar) and lower activity levels, particularly in money transfers and card payments, following the COVID-19 outbreak had additional negative impact.
- Seasonally lower refinancing activity as well as Letpension and Letsikring fee income.
- Assets under management increased 6% q/q, but management fees were lower in Q2 due to mix effects following the COVID-19 outbreak.

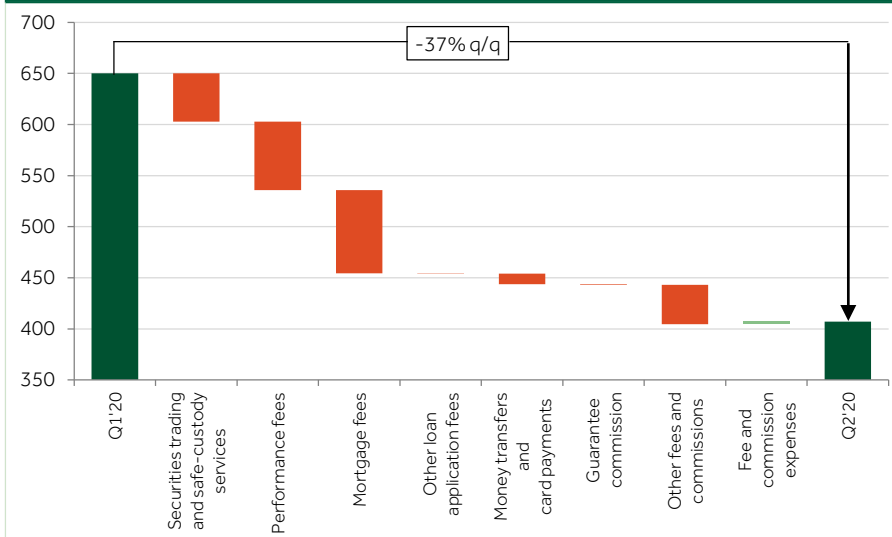
Net fee and commission income Q2 2019 vs. Q2 2020 (DKK m)



Net fee and commission income decomposed (DKK m)



Net fee and commission income Q1 2020 vs. Q2 2020 (DKK m)



Comments

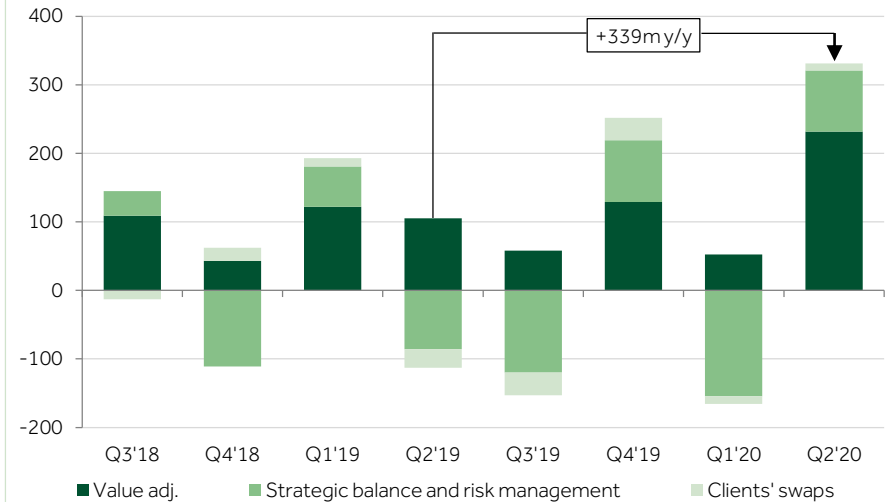
Value adjustments up DKK 444m q/q

- Underlying value adjustments stayed positive during a turbulent Q1 and was significantly higher in Q2 due to rebounding financial markets.
- DKK 244m higher value adjustments from strategic balance and risk management's liquidity portfolio of DKK ~48bn primarily mortgage bonds due to narrowing credit spreads.
- Value adjustments of DKK 10m in Q2 2020 from clients' transactions relating to interest-rate hedging (swaps).

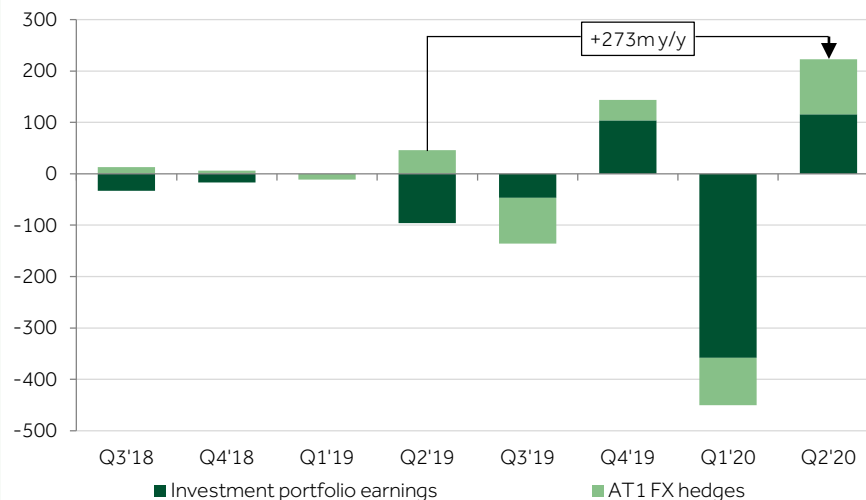
Investment portfolio earnings up DKK 673m q/q

- Significant narrowing of option-adjusted spreads on Danish mortgage bonds.
- Slightly negative effect from yield curve steepener exposure.
- In contrast to Q1, FX positions had a positive impact in Q2, including DKK 107m relating to FX hedging of AT1 issues in SEK.

Value adjustments (DKKm)



Investment portfolio earnings (DKKm)



Significant narrowing of OAS on Danish mortgage bonds (bp)



Strong cost focus helped reduce expenses 7% y/y in Q2

Comments

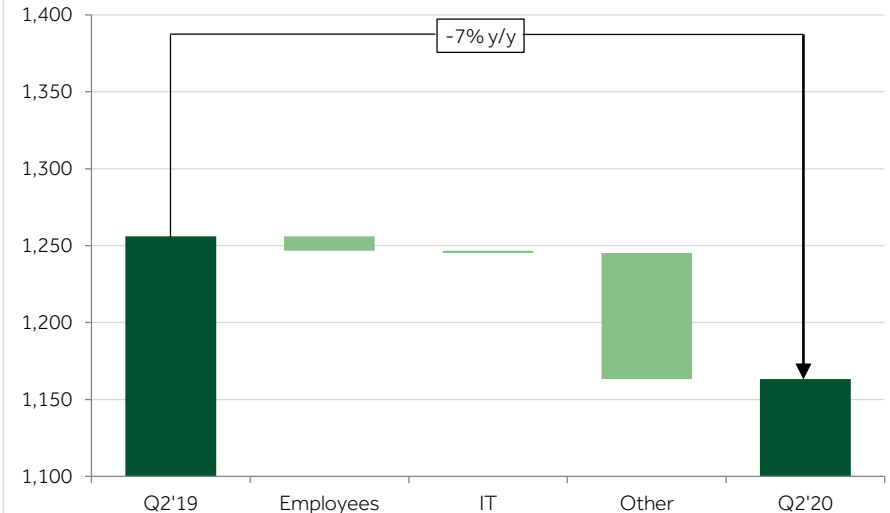
Q2 2020 vs. Q2 2019: Expenses down 7% y/y

- Number of full-time employees declined 7% y/y.
- Sale of Jyske Bank (Gibraltar) in Q1 2020 lowered expenses.
- COVID-19 reduced expenses for travelling etc. Additionally, the level of marketing expenses was elevated in Q2 2019.
- Cost focus helped counteract yearly increase in salaries prescribed by collective agreement (+2%) and higher payroll tax (15.2% in 2020 vs. 15.0% in 2019).

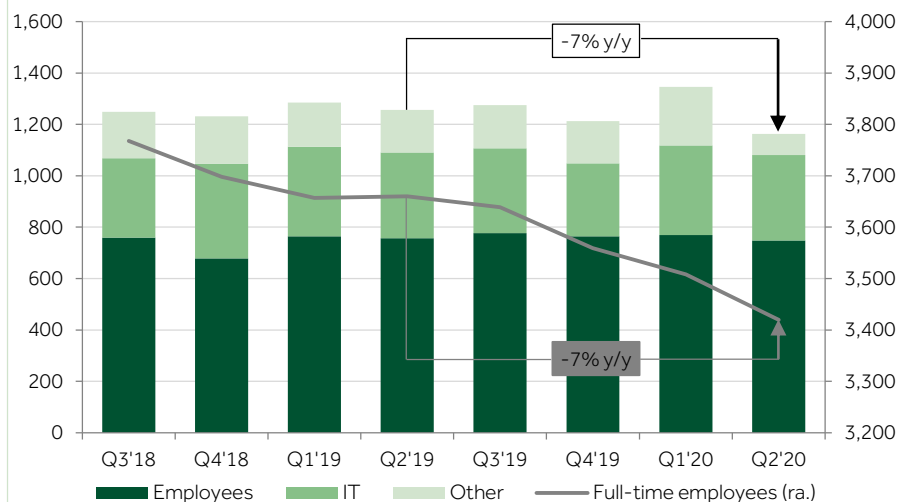
Q2 2020 vs. Q1 2020: Expenses down 14% q/q

- Expenses related to the operation and sale of Jyske Bank (Gibraltar) was approx. DKK 100m in Q1 2020.
- Adjusted for this, expenses declined 7% q/q due to a lower number of full-time employees and the COVID-19 outbreak that reduced expenses for travelling etc.
- Since the merger with Jyske Realkredit in 2014, the number of full-time employees has been reduced by 23%.

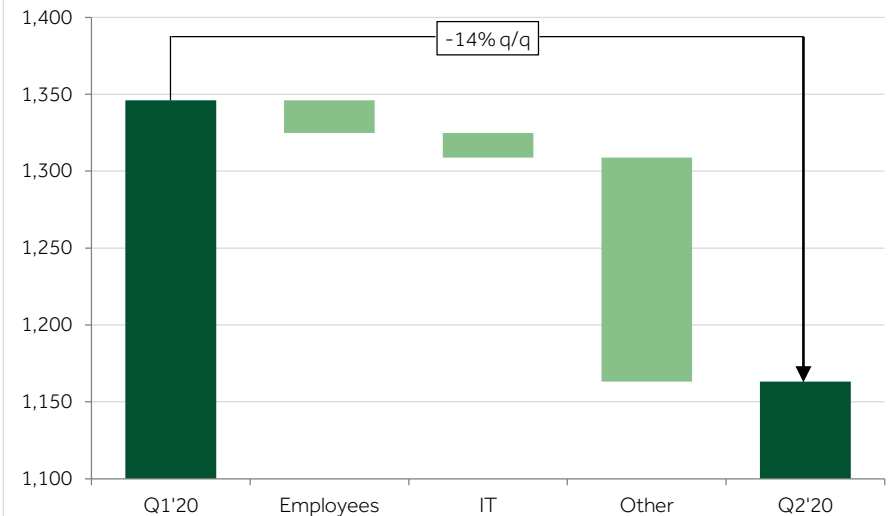
Expenses Q2 2019 vs. Q2 2020 (DKKm)



Core expenses (DKKm) and full-time employees



Expenses Q1 2020 vs. Q2 2020 (DKKm)

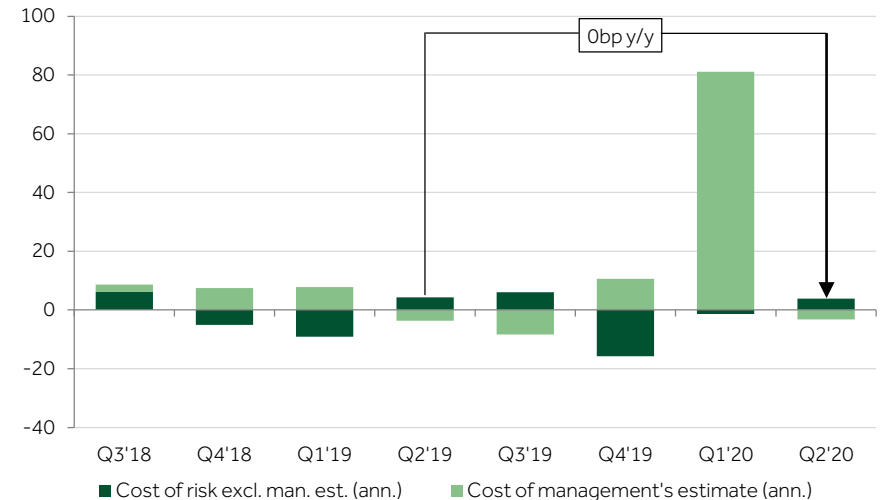


Comments

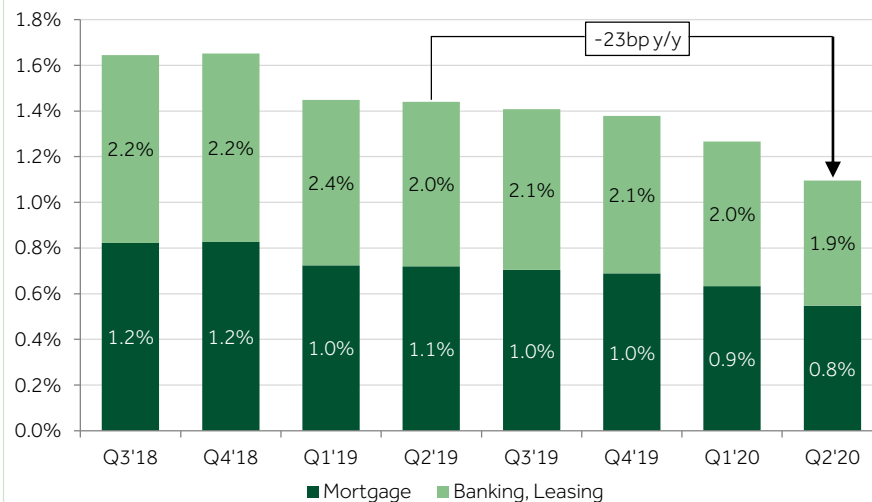
Impairment charges down DKK 995m q/q to DKK 8m

- Cost of risk down 79bp q/q in Q2 2020, as management's estimate related to COVID-19 outbreak was booked in Q1.
- Total management's estimate of DKK 1,569m, of which DKK 1,045m is related to the COVID-19 outbreak.
 - Estimate relating to COVID-19 based on the run-in to the financial crisis in 2008.
 - DKK 415m relates to mortgage activities, DKK 575m to banking activities and DKK 55m to leasing activities.
- Balance of impairment charges up 15bp y/y to 1.2% in Q2 2020. The balance is 0.5% for mortgage activities and 3.8% (excl. repo) for banking and leasing activities.
- Non-performing loans declined 23bp y/y to a record low of 1.1%, while loans subject to forbearance measures amounted to 1.3% vs. 2.0% at the end of 2019.
- 90-day mortgage arrears for private and corporate clients 22bp and 9bp, respectively, vs. 20bp and 9bp in Q4 2019.

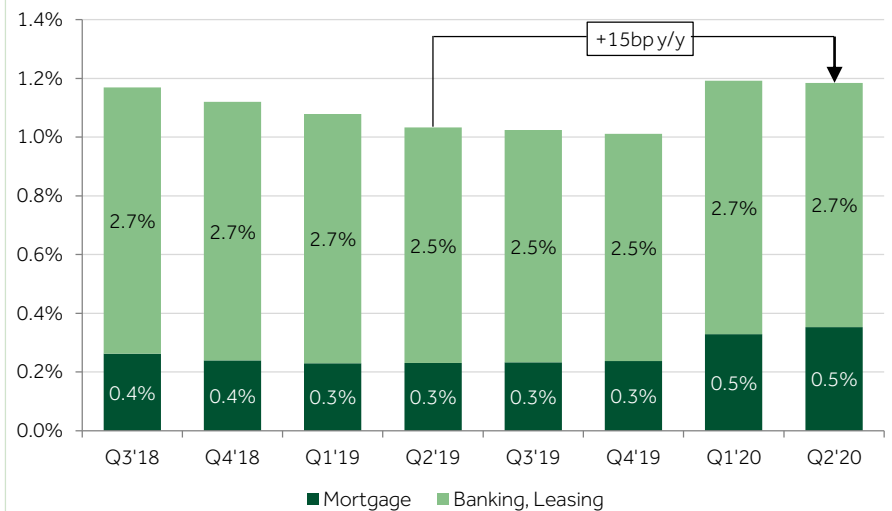
Cost of risk (bp)



Non-performing loans as % of loans, advances and guarantees



Impairment charges as % of gross loans, adv. and guarantees



Comments

Banking activities: Profit before tax up DKK 486m/y

- Net interest income down 2% y/y, primarily attributable to sale of Jyske Bank (Gibraltar) and higher funding costs. Higher deposit margins offset lower bank lending.
- Significantly higher value adjustments and investment portfolio earnings due to a positive development in financial markets in Q2 2020.
- Lending (excl. repo) down 9% due to sale of Jyske Bank (Gibraltar) and low credit demand.

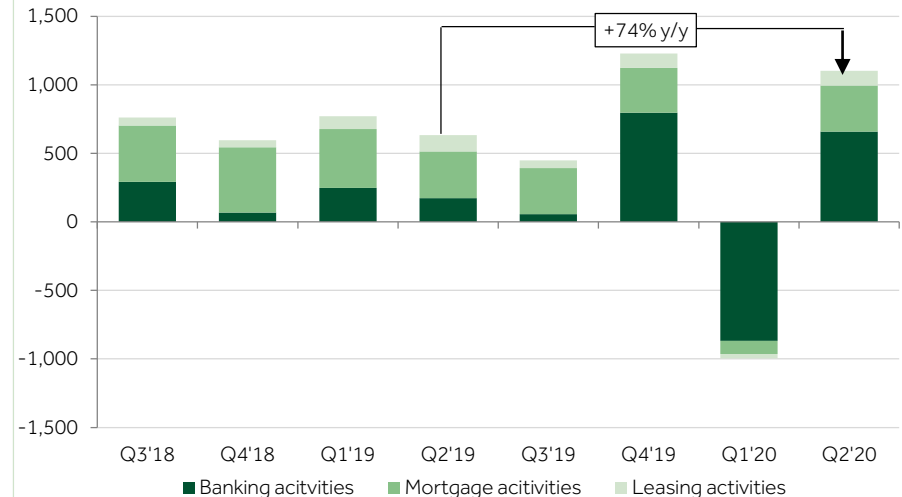
Mortgage activities: Profit before tax down DKK 6m/y

- Net interest income down 1% y/y due to lower other net interest income. Higher lending was offset by clients opting for products with lower margin/risk amid remortgaging wave.
- Higher value adjustments due a positive development in financial markets offset by single name-driven loan losses and costs due to an increased number of split employees.

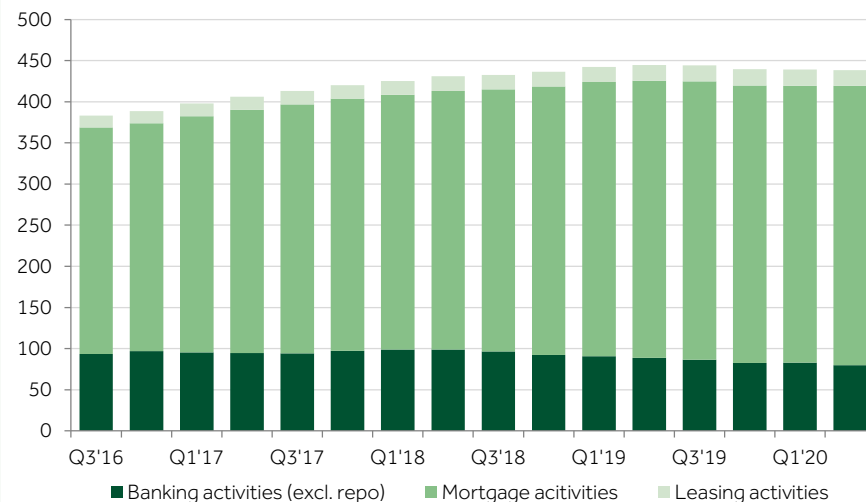
Leasing activities: Profit before tax down DKK 12m/y

- 3% decrease in net interest income due to margin pressure from intense competition.
- Positive value adjustments due to the portfolio in Sweden being hedged in EUR and negative impact on impairment charges and operating leases from COVID-19 outbreak.

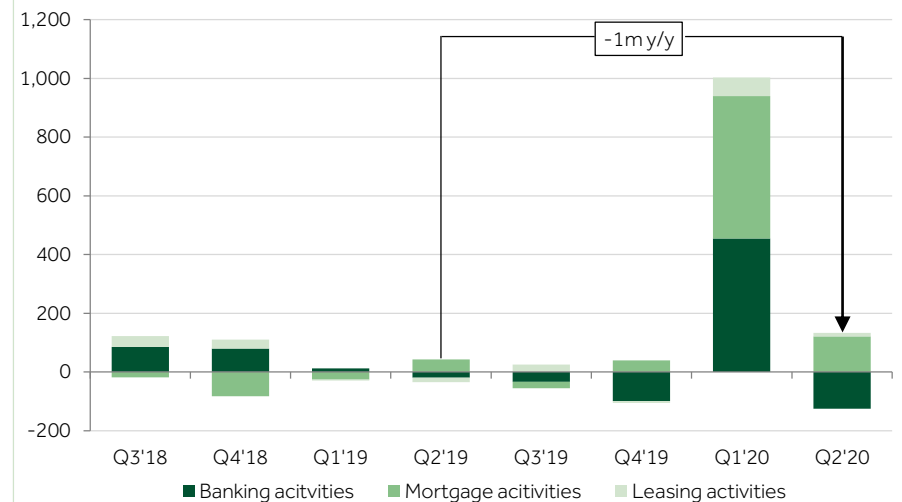
Profit before tax by segment (DKKm)



Lending by segment (DKKbn)



Loan impairment charges by segment (DKKm)



Financial highlights

Capital and liquidity

Comments

Capital ratio of 22.2% and CET1 ratio of 17.3% Q2 2020 vs. targets of 20-22% and 15-17% for the next 2-3 years, respectively

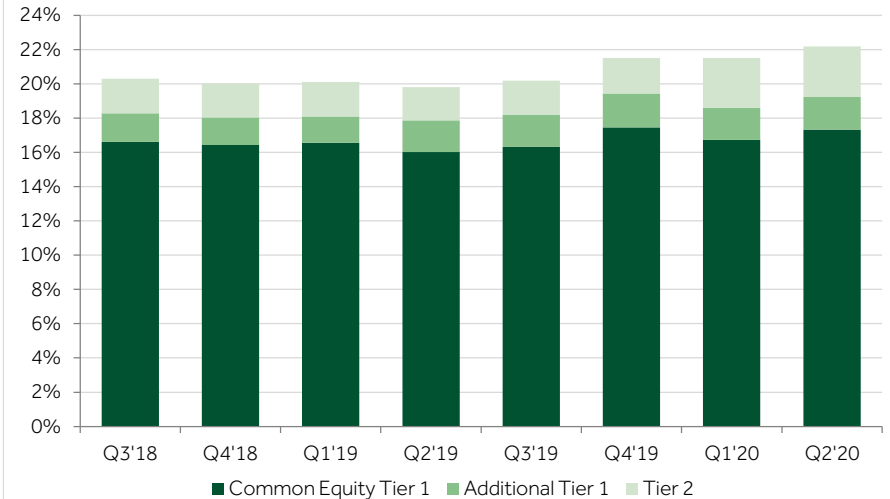
- Positive earnings impact, partly counteracted by higher risk exposure amount.
- Total capital requirement of 15.1% and CET1 requirement of 10.3% in Q2 2020, down approx. 1pp. vs. the end of 2019.

Risk exposure amount down 7% y/y due to elevated level of market risk in Q2 2019 and higher share of mortgage lending/lower share of bank lending reducing credit risk exposure.

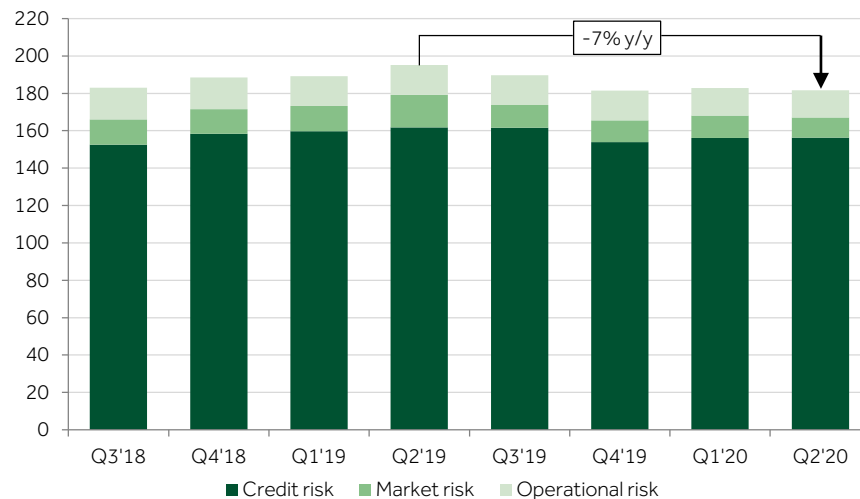
Potential for capital distribution is assessed on a quarterly basis

- Share repurchase programme of DKK 1,500m discontinued due to the joint statement between the Danish government and Finance Denmark in light of the coronavirus outbreak and increased macroeconomic uncertainty. DKK 412m of the programme was cancelled.
- Capital distribution since November 2015: Share repurchase programmes of DKK 6.34bn and dividends of DKK 2.5bn.

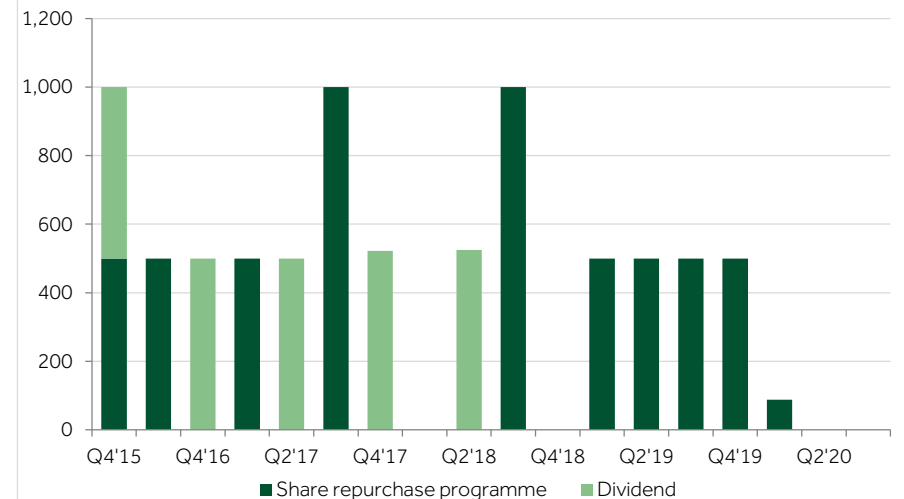
Capital ratio



Risk exposure amount (DKKbn)



Capital distribution by time of announcement (DKKbn)



Comments

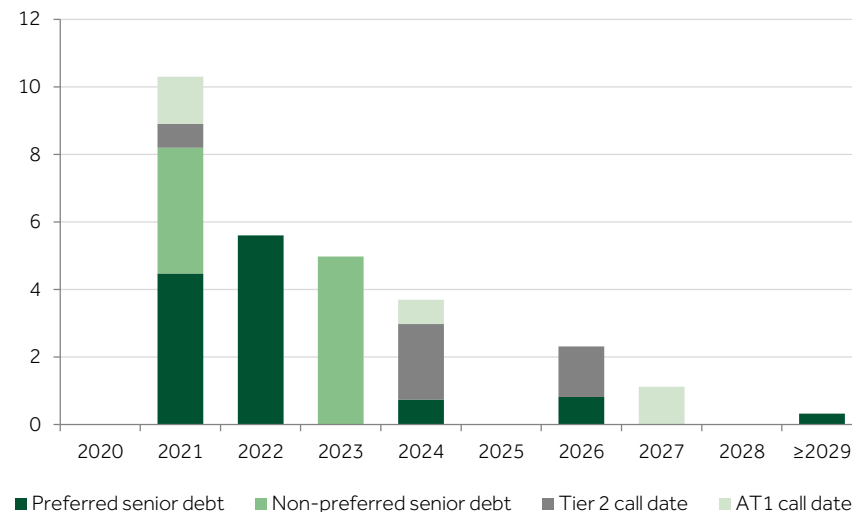
Liquidity coverage ratio was 350% Q2 2020 vs. 253% end of 2019 (internal target: >150%).

Leverage ratio of 5.3% at the end of Q2 2020, unchanged vs. the end of 2019.

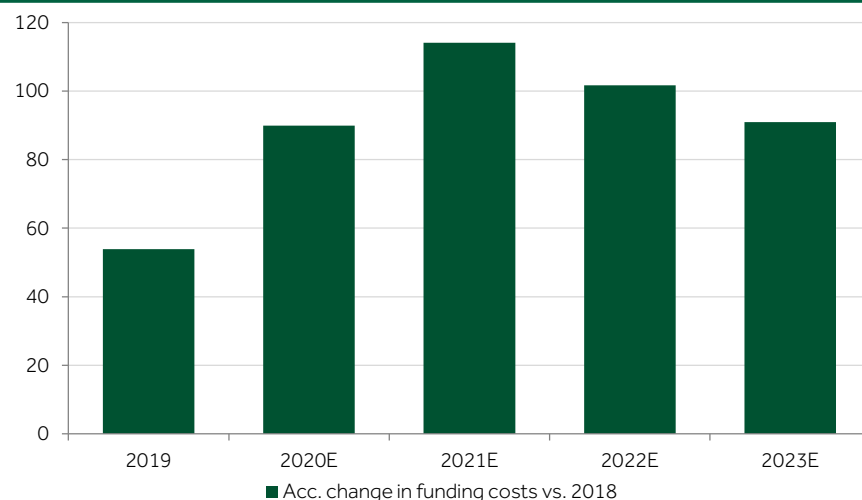
Funding plans

- Jyske Bank monitors the need for new capital and liquidity issues on an ongoing basis, taking regulatory and market-related circumstances into consideration.
- Preferred senior debt issued before 2018 with residual maturity above 1 year is MREL-eligible until the end of 2021 and will gradually be replaced with non-preferred senior debt before 2022.
- Jyske Bank expects to issue EUR 500m of non-preferred or preferred senior debt during H2 2020 in order to build up approx. DKK 11bn-12bn non-preferred senior debt and DKK 4bn-5bn preferred senior debt by the end of 2021.

Maturity/call-date profile (DKKbn)



Acc. change in yearly funding costs vs. 2018 (DKKm)



Note: Based on current expected spreads, run-off profile and funding plans for senior, NPS and capital instruments.

Ratings and issues

Jyske Bank			Jyske Realkredit	
Stand Alone Credit Profile (SACP)	A-	Stable		
Short term unsecured (pref. senior)	A-1	Stable	CRD-compliant covered bonds from Capital Center E	AAA
Long-term unsecured (pref. senior)	A	Stable		
Long-term non-preferred senior	BBB+	Stable		
Tier 2	BBB	Stable	UCITS-compliant mortgage bonds from Capital Center B and the General Capital Center	AAA
Additional Tier 1	BB+	Stable		

Latest issues	Value date	Maturity/call-date	Spread over 3M CIBOR
SEK 1bn Additional Tier 1	9 April 2019	Perpetual (call 2024)	3M CIBOR + 470bp
EUR 500m Non-Preferred Senior	20 June 2019	20 June 2024	3M CIBOR + 83bp
EUR 200m Tier 2	28 January 2020	28 Jan. 2031 (call 2026)	3M CIBOR + 130bp

Sustainability

Sustainability is ingrained in Jyske Bank's vision

"We have an ambition of running our business responsibly and in a way that promotes sustainability."

– Jyske Bank's vision: *To make a difference.*

Reorganisation furthers sustainability efforts

Investor Relations, CSR activities, and the Sustainability programme have been combined in the IR & Sustainability department, which refers to group CFO.

Committed to sustainability

- Signatory of UN's Principles for Responsible Banking.
- Member of Global Compact.
- Working according to the UN Principles for Responsible Investment in asset management for a decade.
- Committed to the 20 recommendations developed by Forum for Sustainable Finance (FinansDanmark).

Recent and upcoming sustainability initiatives

- UN Principles for Responsible Banking: Preliminary impact analysis – greenhouse gas emission.
- Green Finance Framework.
- ESG fact book.
- New website for Investor Relations and Sustainability (in Danish).
- Aim to make power consumption, incl. share of IT vendors' power consumption, carbon neutral through its own production of renewable energy as from 2021.



Jyske Bank identifies sustainable lending areas

Being a financial services group, we can make the biggest difference through our advice and product range. Therefore we now launch our Green Finance Framework with loans from the Jyske Bank Group that make contributions to a green and sustainable transition in society.

Jyske Bank's objective and initiatives for selected sustainable lending areas

Jyske Bank will finance production of additional 2 TWh renewable energy in 2025 - corresponding to 6% of the production in Denmark in 2018.



Jyske Bank will develop products that assist and motivate clients to undertake energy renovation of their properties.



In 2025, 40% of new financing of vehicles will finance low-emission vehicles.



History of Jyske Bank

One of the largest financial institutions in Denmark

Jyske Bank

Banking activities cover advisory services relating to traditional financial solutions targeting personal and private banking clients as well as corporate clients and also trading and investment activities targeting large corporate clients and institutional clients. The strategic balance sheet and risk management as well as earnings from investment portfolios are allocated also to Banking activities.

Jyske Realkredit

Mortgage activities comprise financial solutions for the financing of real property carried out by Jyske Realkredit. Mortgage activities are aimed mainly at Danish personal clients, corporate clients and subsidised rental housing.

Jyske Finans

Leasing activities cover financial solutions in the form of leasing and financing within car financing as well as leasing and financing of equipment for the corporate sector. The activities primarily target Danish personal and corporate clients as well as dealer cooperation schemes and partnerships. Secondly, the activities target car financing in Sweden.

Nationwide presence



Founded in 1967 – now a Danish SIFI

- 1967**
Founded by merger of four local banks, some dating back to 1882.
- 1970's-1989**
Seven acquisitions of small and medium-sized banks and establishment of minor, foreign subsidiaries.
- 1989-2011**
Organic growth while carrying out several strategic initiatives.

History of succesful M&A

- Proven track-record of succesful recent M&A**
Acquisitions made at discount to book value and fully integrated to reap synergies
- 2011**
Acquisition of leasing activities from Spar Nord.

Acquired parts of the client portfolio of Fjordbank Mors from Finansiell Stabilitet.
- 2013**
Acquisition of Sparekassen Lolland.
- 2014**
Acquisition of Jyske Realkredit from BRFFonden.

Focused on core business

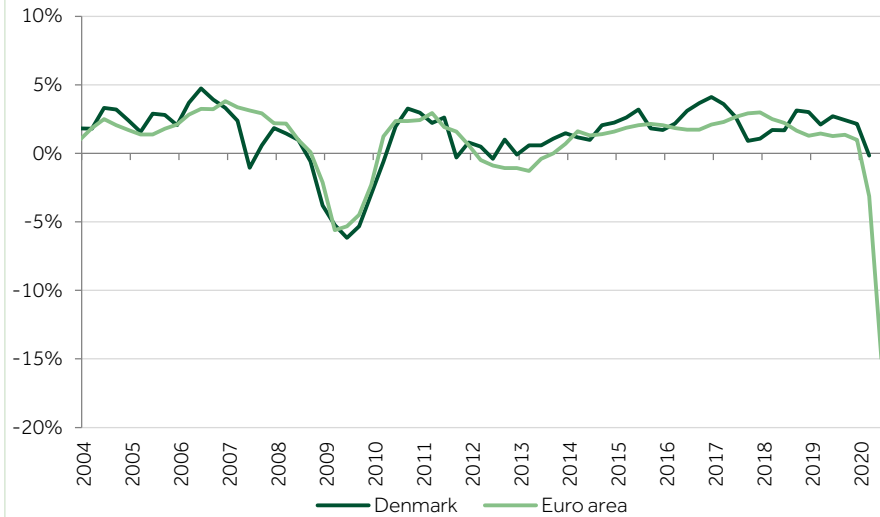
- Divestiture of non-core business**
Sale of Jyske Bank Global Asset Management (US) (2013), Silkeborg Data (2014), stake in Berben's Effectenkantoor (2014), Jyske Bank Schweiz (2015) and Jyske Bank (Gibraltar) Ltd. (2020).
- Ready for new opportunities**
Growth through acquisitions is an ongoing strategic initiative and Jyske Bank remains willing and able to participate in further consolidation of the Danish financial sector.

Financial results and key figures

Year	Profit before tax (DKKkm)	Net profit (DKKkm)	Shareholders' equity (DKKkm)	Return on 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	5,421	16.9%	49.8	49.8	92.6	2,923
2000	1,255	1,083	5,887	19.2%	75.4	52.3	127.4	3,107
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	1,307	988	10,722	9.7%	129.1	117.0	236.8	3,996
2009	597	471	12,523	4.1%	110.6	109.3	224.5	3,877
2010	1,003	757	13,352	5.9%	114.0	115.8	244.1	3,847
2011	601	493	13,846	3.6%	124.5	127.3	270.2	3,809
2012	851	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	9.7%	447.7	160.0	597.4	3,932
2018	3,140	2,500	31,786	7.6%	462.8	148.7	599.9	3,698
2019	3,079	2,440	32,453	7.1%	485.9	140.2	649.7	3,559
H1 2020	105	82	31,953	0.0%	481.5	145.9	642.1	3,420

Macroeconomics

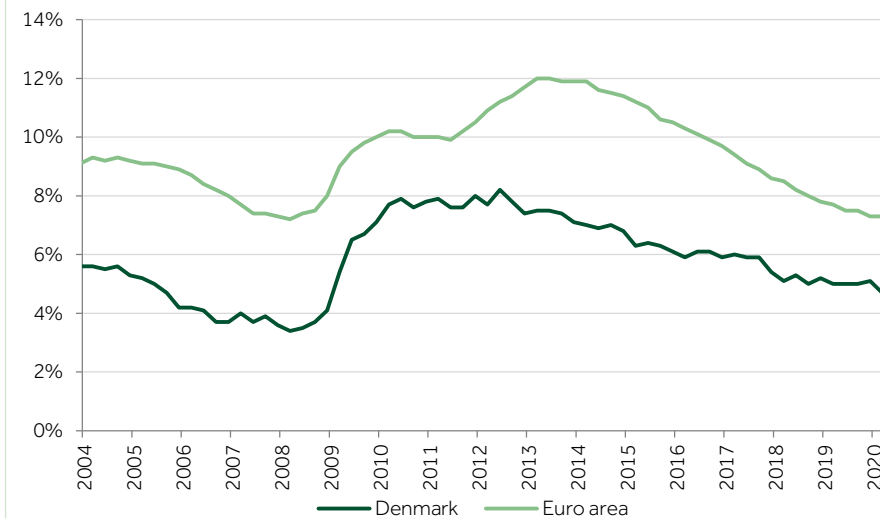
Real gross domestic product (index 2010, y/y)



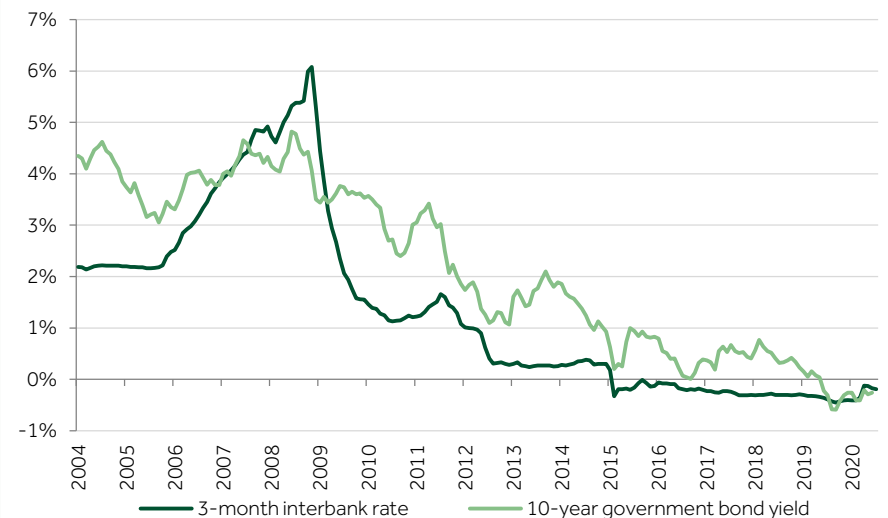
Inflation rate (HICP, y/y)



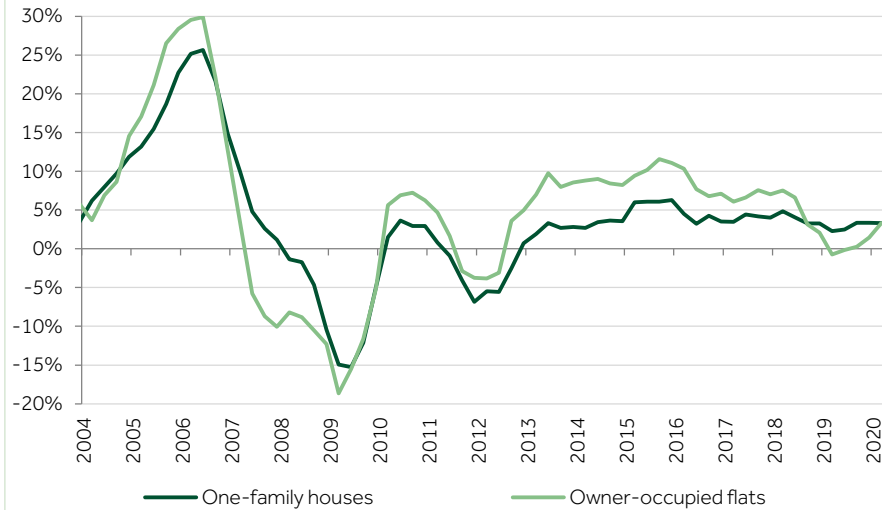
Unemployment rate



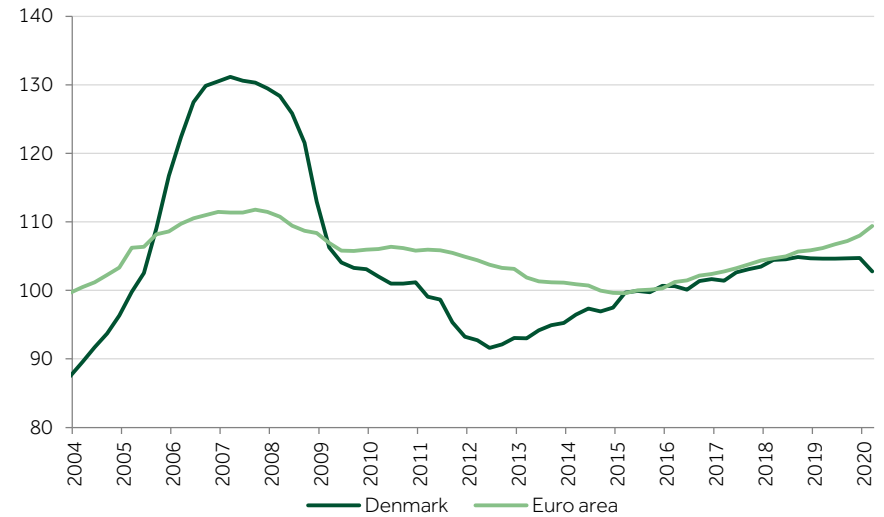
Interest rates, Denmark (monthly averages)



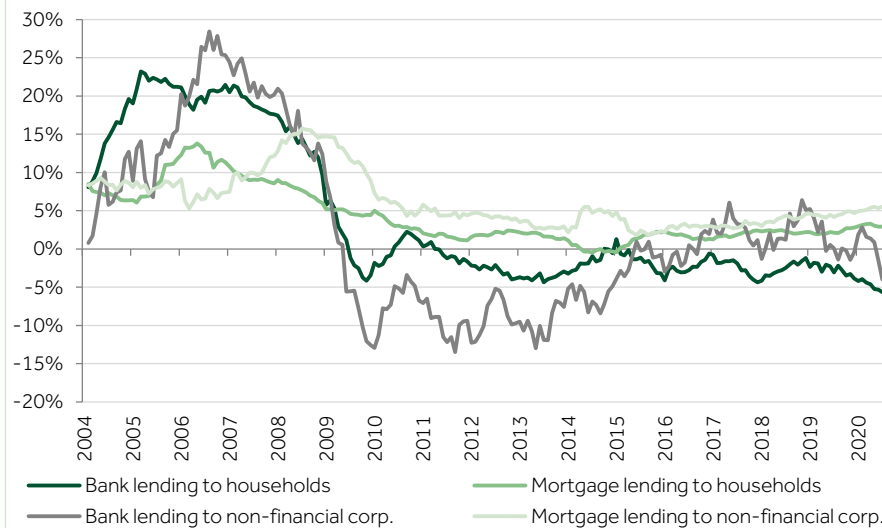
Real estate prices, Denmark (y/y)



House prices to disposable income



Lending growth, Denmark (y/y)



Economic Sentiment Indicator



Danish economy 2017-2021	DKKbn	Real growth (%)				
	2019	2017	2018	2019	2020	2021
Consumer spending	1,080	1.6	2.6	1.9	-2.6	2.9
Public spending	558	1.0	0.4	0.6	0.1	0.8
Fixed gross investment	515	3.0	5.4	2.9	-5.8	3.0
Inventory investment*	12	-0.1	0.3	-0.4	0.5	0.4
Exports	1,297	4.6	2.4	1.9	-5.3	2.7
Imports	1,141	4.3	3.6	0.2	-4.6	2.7
Gross domestic product (GDP)	2,321	2.0	2.4	2.2	-3.7	2.8
Balance of payments						
- DKKbn		169	158	182	165	172
- percentage of GDP		7.8	7.0	7.9	7.3	7.4
Public budget balance						
- DKKbn		31	10	68	-158	-58
- percentage of GDP		1.4	0.4	2.9	-7.0	-2.5
Unemployment						
- Gross unemployment, average (thousands)		116	108	104	153	172
- Percentage of workforce		3.8	3.5	3.4	4.9	5.6
Employment, avg. (thousands)		2,922	2,963	2,998	2,939	2,917
Inflation (%)		1.1	0.8	0.8	0.5	1.0
Wage index (Private, %)		1.7	2.2	2.0	1.5	1.5
House prices (nominal prices, %)		4.0	3.8	2.9	-1.9	0.1
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	-0.75	-0.60	-0.60

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

This presentation and the information contained therein is furnished and has been prepared solely for information purposes by Jyske Bank A/S. It is furnished for your private information with the express understanding, which recipient acknowledges, that it is not an offer, recommendation or solicitation to buy, hold or sell, or a means by which any security may be offered or sold.

The information contained and presented in this presentation, other than the information emanating from and relating to Jyske Bank A/S itself, has been obtained by Jyske Bank A/S from sources believed to be reliable. Jyske Bank A/S can not verify such information, however, and because of the possibility of human or mechanical error by our sources, Jyske Bank A/S or others, no representation is made that such information contained herein is accurate in all material respects or complete. Jyske Bank A/S does not accept any liability for the accuracy, up-to-dateness, adequacy, or completeness of any such information and is not responsible for any errors or omissions or the result obtained from the use of such information. The statements contained herein are statements of our non-binding opinion, not statement of fact or recommendations to buy, hold or sell any securities. Changes to assumptions may have a material impact on any performance detailed. Historic information on performance is not indicative of future performance. Jyske Bank A/S may have issued, and may in the future issue, other presentations or information that are inconsistent with, and reach different conclusions from, the information presented herein. Those presentations or the information reflect the different assumptions, views and analytical methods of the analysts who prepared them and Jyske Bank A/S is under no obligation to ensure that such other presentations or information are brought to the attention of any recipient of the information contained herein.

Nothing in this presentation constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you. This presentation is intended only for and directed to persons sufficiently expert to understand the risks involved, namely market professionals. This publication does not replace personal consultancy. Prior to taking any investment decision you should contact your independent investment adviser, your legal or tax adviser, or any other specialist for further and more up-to-date information on specific investment opportunities and for individual investment advice and in order to confirm that the transaction complies with your objectives and constraints, regarding the appropriateness of investing in any securities or investment strategies discussed herein.

Jyske Bank A/S or its affiliates (and their directors, officers or employees) may have effected or may effect transactions for its own account (buy or sell or have a long or short position) in any investment outlined herein or any investment related to such an investment. Jyske Bank A/S or its affiliates may also have investment banking or other commercial relationship with the issuer of any security mentioned herein. Please note that Jyske Bank A/S or an associated enterprise of Jyske Bank A/S may have been a member of a syndicate of banks, which has underwritten the most recent offering of securities of any company mentioned herein in the last five years. Jyske Bank A/S or an associated enterprise may also have, within the last three years, served as manager or co-manager of a public offering of securities for, or currently may make a primary market in issues of, any or all of the entities mentioned herein or may be providing, or have provided within the previous 12 months, significant advice or investment services in relation to the investment concerned or a related investment.

Any particular security or investment referred to in this presentation may involve a high degree of risk, which may include principal, interest rate, index, currency, credit, political, liquidity, time value, commodity and market risk and is not suitable for all investors. Any securities may experience sudden and large falls in their value causing losses equal to the original investment when that investment is realized. Any transaction entered into is in reliance only upon your judgment as to both financial, suitability and risk criteria. Jyske Bank A/S does not hold itself out to be an advisor in these circumstances, nor does any of its staff have the authority to do so.