S&P Global Ratings

Research

Jyske Bank A/S

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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-/Stable/A-2

Major Rating Factors

Strengths:	Weaknesses:
• A strong domestic franchise in retail and commercial banking. • Strong capitalization. • Resilient core earnings and profitability, despite the low interest-rate environment.	• Relatively weak, but improving, asset quality metrics. • Use of short-term wholesale funding for mortgage loans. • Limited geographic diversity.

Outlook: Stable

S&P Global Ratings' stable outlook reflects its view that Denmark-based Jyske Bank A/S will maintain a risk-adjusted capital (RAC) ratio sustainably above 10%, including its projected payout ratio and the bank's growth plans, balanced by the generally slow development of the Danish market and the still-low margin environment.

We could consider an upgrade of Jyske Bank if bail-in risks for senior unsecured creditors were reduced by the bank's development of a significant additional loss-absorbing capacity buffer.

We could consider a downgrade of Jyske Bank if capital distributions or volume growth were higher than we expect or we observed a material acquisition, resulting in our RAC ratio declining sustainably below 10%. We could also lower the ratings if Jyske Bank's asset quality metrics were to weaken, leading us to take a negative view of the bank's combined risk and capital positions, or if Jyske Bank's funding and liquidity profile were to deteriorate significantly.

Rationale

The rating reflects our expectation that Jyske Bank will maintain an S&P Global Ratings RAC ratio exceeding 10% in the next two years, and that the overall quality of its assets will continue to improve as it increases its share of retail mortgage lending, primarily targeting existing clients. Being the fourth largest domestic player by market share, Jyske Bank holds a significant role in the Danish banking sector and has wide business diversity. We expect the bank will continue to develop its brand in the future and strengthen the 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 compensate the bank's limited geographic diversity and its use of short-term wholesale funding for mortgage loans.

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

We use our Banking Industry Country Risk Assessment's (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 '4'.

Our assessment of economic risk for Denmark reflects the country's high-income, open economy with mature political and institutional settings that promote fiscal discipline and growth-stimulating policies. Although it has decreased in terms of GDP, household debt remains high and a constraint to our assessment of economic risk. Problem loans from the previous credit cycle are, in our view, falling and lending in the agricultural segment are well provisioned. We expect credit losses to fall below 10 basis points (bps) per year through 2018. Consequently, we expect Denmark's economy and bank performance will remain stable, supported by a balanced fiscal policy, strong external position and improving profitability of the banking sector.

We view the regulatory environment in Denmark as in line with that of other EU countries. We observe an overall improvement in the banking sector's profitability that, in our view, will continue through further cost efficiency measures, decreasing credit losses and higher mortgage margins. This should enable the sector to report improvements in return on equity despite a negative central bank deposit rate weighing on deposit margins. We note the continued stability and strong track record of the Danish covered bond market and expect continuing measures of individual banks and the regulator to reduce the share of short-term financing.

Table 1

Jyske Bank A/S Key Figures

		--Year-ended Dec. 31--			
(Mil. DKK)	**2017***	**2016**	**2015**	**2014**	**2013**
Adjusted assets	584,658.0	586,632.0	543,311.0	541,566.0	261,933.0
Customer loans (gross)	418,265.0	394,097.0	360,888.0	345,089.0	115,364.0
Adjusted common equity	28,522.1	27,639.0	28,310.0	27,068.0	17,047.0
Operating revenues	7,353.0	9,676.0	10,241.0	8,518.0	8,239.0
Noninterest expenses	4,520.0	5,621.0	5,615.0	5,533.0	4,791.0
Core earnings	2,281.0	3,074.5	2,514.6	445.0	1,808.0

*Data as of Sept. 30. DKK--Danish krone.

Business position: Diversified revenues by segment and nationwide business coverage

Our assessment of Jyske Bank's business position as neutral is driven by its position as the fourth-largest lender in Denmark, with 12% market share. Exposure to mortgage loans increased after the acquisition of the mortgage lender BRFkredit in 2014. The deal helped the bank to achieve growth in the private customer segment, in line with its strategy.

On Sept. 30, 2017, Jyske Bank's consolidated assets were Danish krone (DKK) 585 billion (€78.6 billion at DKK7.44 to €1), placing it just outside of Europe's top-50 banks by asset size, but within the top-50 in terms of capitalization. Total loans amounted to DKK441 billion, of which 69% were mortgage loans. We expect the current market share of systemwide loans and core customer deposits to slightly increase, reflecting significant growth in mortgage lending since 2014. Jyske Bank's retail banking and mortgage lending provide revenues and nationwide coverage, resulting in a business risk profile that, in our view, reflects the risks associated with the Danish economy. Jyske Bank has historically been particularly strong in small and midsize enterprise (SME) lending and deposit gathering in the Jutland region. However, the acquisition of BRF in 2014 increased its exposure to the residential and commercial real estate customer bases in the Copenhagen and Aarhus regions. Jyske Bank is also the largest shareholder in agricultural mortgage lender, DLR Kredit, where it owns 15.7%.

Jyske Bank continues to increase its relative share of mortgage lending as Danish corporates remains largely stable, hence lowering the bank's overall risk profile and reducing top-line margins (see chart 1).

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.

We believe 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 10%, excluding onetime and restructuring costs, although negative interest rates present challenges to revenue levels even as the bank reduces staff and expenses.

Chart 1

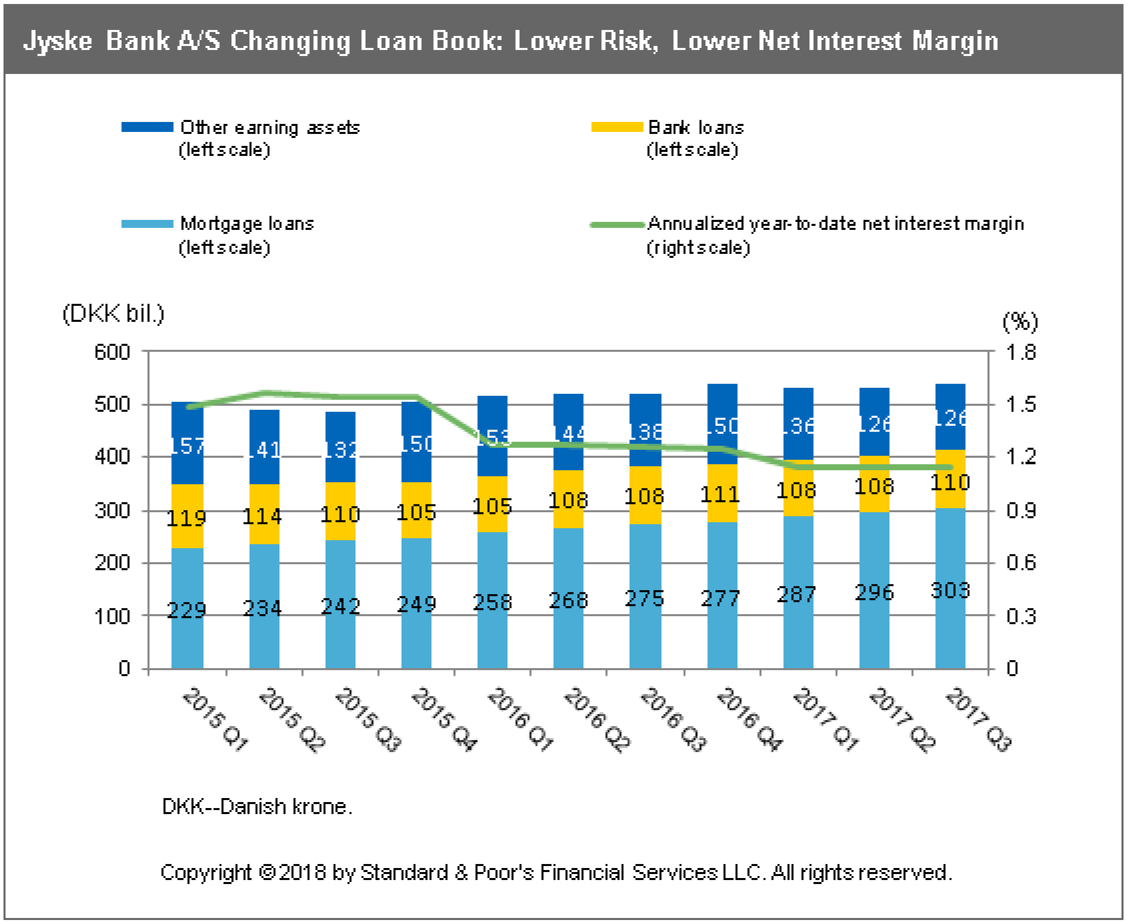


Table 2

Jyske Bank A/S Business Position

		--Year-ended Dec. 31--			
(%)	**2017***	**2016**	**2015**	**2014**	**2013**
Total revenues from business line (mil. DKK)	7,458.0	9,728.0	10,241.0	11,174.0	8,239.0
Commercial & retail banking/total revenues from business line	76.9	80.8	77.5	63.6	86.6
Other revenues/total revenues from business line	23.1	19.2	22.5	36.4	7.4
Return on equity	10.0	10.2	8.6	13.7	10.9

*Data as of Sept. 30. DKK--Danish krone.

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

Our assessment of Jyske Bank's capital and earnings is based on our expectation that the bank will maintain a RAC ratio of more than 10% over the next two years, after its June 2017 level of 9.9%, and versus 10.0% at year-end 2016, showing stability since 2014 (see chart 2).

This ratio is based on our recently updated RAC methodology (see "Risk-Adjusted Capital Framework Methodology," published July 20, 2017, on RatingsDirect). In our calculation, we now deduct the significant minority holdings that Jyske Bank owns in DLR Kredit and Nordjyske Bank--totaling DKK2,291 million--from its total adjusted capital.

Furthermore, we apply a capital charge linked to the bank's exposure to credit valuation adjustments, which contributes to further decreasing its RAC ratio compared with our assessment under our previous criteria.

Jyske Bank issued €150 million in additional tier 1 capital in the third quarter of 2017. Taking into account this additional capital, our June 2017 RAC ratio would have stood at 10.3%, given our assessment of the instrument's equity content as intermediate.

Over time, we expect Jyske Bank will maintain a RAC ratio exceeding 10%, supported by the strengthening of the risk profile of its lending assets and by its considerable flexibility to reduce dividends and share buybacks if necessary.

The bank is undergoing a capital optimization through March 2018, including share buybacks and dividend distributions. In a first share buy-back program between November 2015 and December 2016, DKK1.75 billion of repurchases were completed. The bank has been undergoing a second program since March 2017, recently extended to March 2018, for a total value of DKK1.5 billion. As of Nov. 20, 2017, about DKK1 billion had been repurchased. The ordinary dividend distribution in 2016 was in line with 2015's, at DKK500 million, in addition to an extraordinary dividend of DKK500 million in mid-2017. At its Annual General Meeting in March 2018, Jyske Bank intends to propose the distribution of an ordinary dividend of DKK5.85 per share for the financial year 2017, compared with DKK5.25 for 2016.

We still view the quality of capital as high, with hybrids representing only 5% of the capital included in our mid-2017 RAC ratio, and 8% factoring in the additional tier 1 issuance in the third quarter.

Jyske Bank's regulatory common equity tier 1 (CET1) capital ratio and total capital ratio were 16.2% and 19.8% respectively, on Sept. 30, 2017. 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 and supporting our expectation of a RAC ratio above 10%. We believe the bank would reconsider its buy-back activity if regulatory capital requirements were to increase materially as a result of proposed standardized risk weights and/or floors.

Despite increased diversification, the bank's lower risk profile, due to larger mortgage volumes and lower demand for corporate lending, are pressuring revenues. In addition, low interest rates continue to squeeze margins on bank lending and deposits. We note that increases in the administration fees on mortgage loans could improve revenues over time, but the bank continues to focus on growth via lower margins. We expect operating expenses will remain stable and the cost-to-income ratio to stay at current levels of 58%-60% until the interest-rate environment changes. Loan-loss provisions will likely go up to around 20bps of loans. This results in expected annual net profits exceeding DKK2.3 billion by 2018. The ratio of ore earnings to adjusted assets was 0.52% in 2016, and we expect it will decline slightly as profits drop in 2017 and 2018, unless the bank materially changes the administration fees for mortgage lending.

Given our expectation that earnings will decline slightly from current levels, we anticipate the earnings buffer remaining at 65-70bps, indicating that the bank's earnings generation provides a meaningful cushion to absorb normalized losses of DKK1.5 billion--well above our annual loss expectations over the two-year rating horizon.

Chart 2

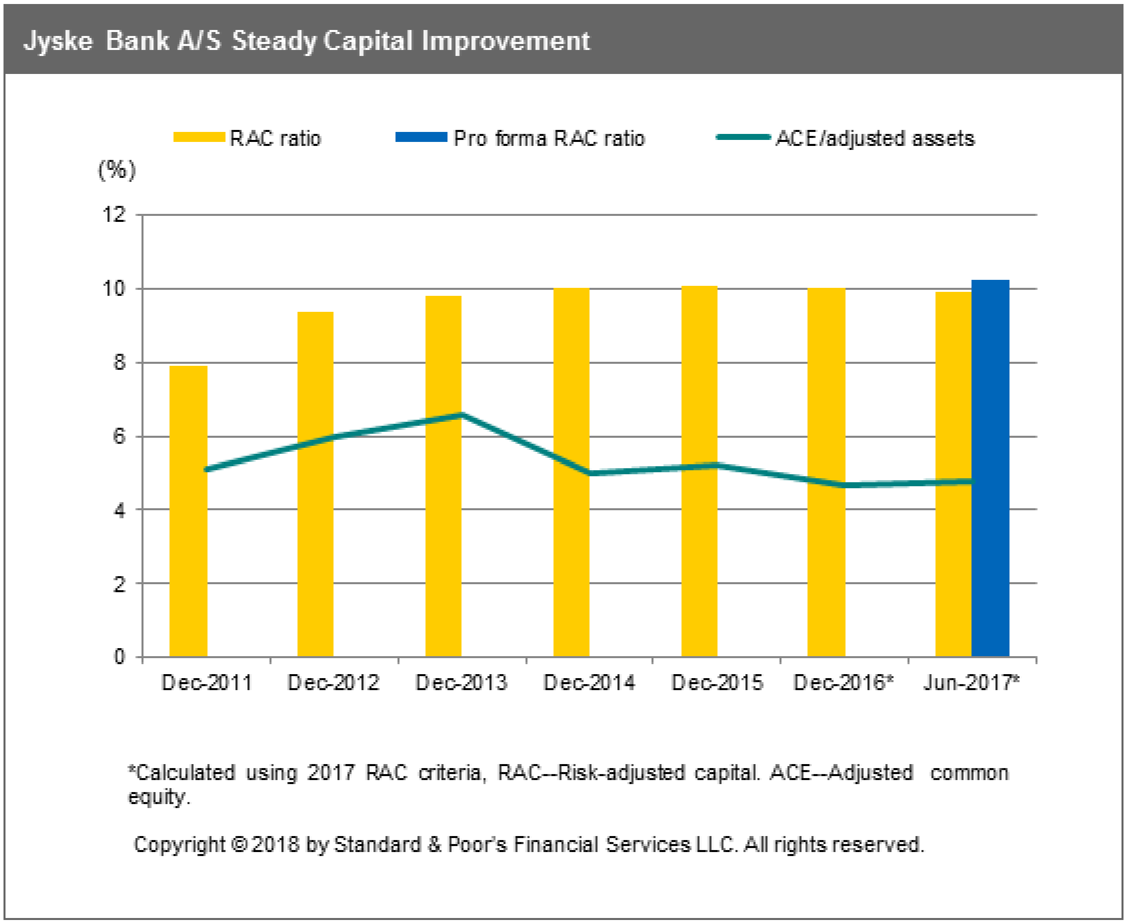


Table 3

Jyske Bank A/S Capital And Earnings

		--Year-ended Dec. 31--			
(%)	**2017***	**2016**	**2015**	**2014**	**2013**
Tier 1 capital ratio	18.0	17.7	16.5§	15.8§	15.9§
S&P Global Ratings' RAC ratio before diversification	N/A	N/A	10.4	10.0	9.8
S&P Global Ratings' RAC ratio after diversification	N/A	N/A	9.8	9.4	9.7
Adjusted common equity/total adjusted capital	91.7	94.9	100.0	100.0	100.0
Net interest income/operating revenues	62.8	67.4	75.2	77.7	60.9
Fee income/operating revenues	17.7	15.8	17.9	20.7	21.0
Market-sensitive income/operating revenues	12.6	9.2	1.0	(6.7)	7.2
Noninterest expenses/operating revenues	61.5	58.1	54.8	65.0	58.2
Preprovision operating income/average assets	0.6	0.7	0.9	0.7	1.3
Core earnings/average managed assets	0.5	0.5	0.5	0.1	0.7

*Data as of Sept. 30. §2010 RAC criteria. RAC--Risk-adjusted capital. N/A--Not applicable.

Table 4

Jyske Bank A/S Risk-Adjusted Capital Framework Data

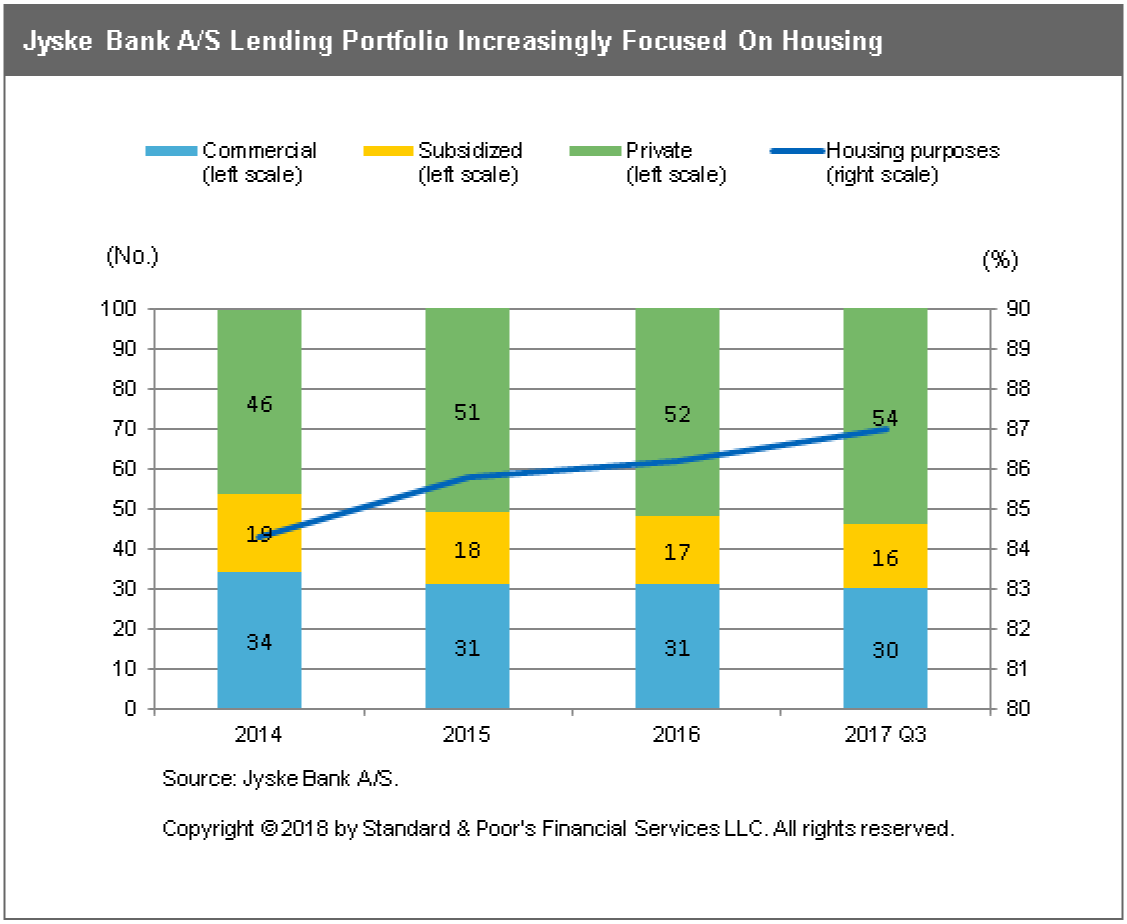
(Mil. DKK)	Exposure*	Basel III RWA	Average Basel III RW (%)	S&P Global Ratings' RWA	Average S&P Global Ratings' RW (%)
Credit risk					
Government and central banks	25,866	0	0	689	3
Institutions and CCPs	57,742	4,040	7	2,995	5
Corporate	190,266	76,548	40	127,427	67
Retail	287,067	49,079	17	90,724	32
Of which mortgage	250,084	38,390	15	65,896	26
Securitization§	1,766	200	11	426	24
Other assets†	7,291	7,326	100	8,209	113
Total credit risk	569,997	137,193	24	230,469	40
Credit valuation adjustment					
Total credit valuation adjustment	--	1,263	--	4,409	--
Market risk					
Equity in the banking book	808	7,410	917	6,969	862
Trading book market risk	--	21,840	--	32,760	--
Total market risk	--	29,250	--	39,728	--
Operational risk					
Total operational risk	--	16,737	--	21,165	--
(Mil. DKK)		**Basel III RWA**		**S&P Global Ratings' RWA**	**% of S&P Global Ratings' RWA**
Diversification adjustments					
RWA before diversification		184,442		295,773	100
Total diversification/ Concentration adjustments		--		52,124	18
RWA after diversification		184,442		347,897	118
(Mil. DKK)		**Tier 1 capital**	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings' RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		32,450	17.6	29,212	9.9
Capital ratio after adjustments‡		32,450	17.6	29,212	8.4

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Other assets includes deferred tax assets not deducted from adjusted common equity. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. DKK--Danish krone. Sources: Company data as of June. 30, 2017, S&P Global Ratings.

Risk position: Asset quality metrics improving as Denmark's economy strengthens

Jyske Bank's risk position is based on its domestic loan book, with asset quality in line with our assessment of industry risk for the Danish banking system based on our BICRA methodology. BRFkredit's collateralized loan book provides regional and product diversification to Jyske Bank's SME-focused loan book, and we expect asset quality metrics will continue to show steady improvement. BRFKredit's lending also shows an increasing focus housing loans (see chart 3).

Chart 3



Jyske Bank continued to report a considerable reduction in loan impairment charges, with reversals of DKK314 million in the first three quarters of 2017, including DKK151 million reversed in the agriculture portfolio. This followed a reduction of DKK149 million in 2016 and impairment charges of DKK347 million in 2015. Given overall high credit conditions in the Danish economy, coupled with still continued pressure on part of the agriculture sector, for which the bank has already made significant provisions, we expect losses will remain at about 20bps of loans over the next two years. However, right-sizing of general provisions and reversals could lead to volatility over the next two years.

Net nonperforming loans (NPLs) also showed improvement in the first three quarters of 2017.

On Sept. 30, 2017, gross NPLs amounted to 4.4% against 5.4% at the end of 2016, and net NPLs were 3.2% versus 3.8% on the same dates. The levels are still relatively high versus larger domestic peers but generally falling for banking and mortgage customers. In addition, we note the reduction in the bank's risk positon, owing to the relative increase in retail mortgage lending. New residential mortgage loans should keep total loan growth at about 4% in 2017 and 2018 and will improve overall asset quality as the portfolio balances more toward these lower risk assets.

Jyske Bank expects the implementation of International Financial Reporting Standards (IFRS) 9 to increase the balance of impairment charges by an amount in the DKK1.0 billion-DKK1.5 billion range. The effect on reported capital is expected to be fully recognized in the financial statements and solvency for the first quarter of 2018.

Although the Danish economy continues to improve, high risk segments remain--related to agriculture. Milk producers and pig farming (less than 1% of total lending) are the most affected segments, but are already well provisioned. After strong price developments until July 2017, we note that pork settlement prices have now reduced back to levels comparable to those observed in summer 2016, while milk prices have remained stable after the rebound observed in late 2016. Although recent improvements have provided hope for improved asset quality and profitability of the sector, the overall recovery remains sensitive, in particular as leverage remains high. On Sept. 30, 2017, the individual balance of loan impairment charges and provisions for guarantees relating to milk producers amounted to 42% of loans, advances and guarantees; and 22% related to pig farming. On the same date, the total impairment ratio for milk producers and pig farming, including collective impairment charges, came to 31% of lending for these segments.

Table 5

Jyske Bank A/S Risk Position

		--Year-ended Dec. 31--			
(%)	**2017***	**2016**	**2015**	**2014**	**2013**
Growth in customer loans	8.2	9.2	4.6	199.1	4.8
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	N/A	6.1	5.9	1.5
Total managed assets/adjusted common equity (x)	20.5	21.2	19.2	20.0	15.4
New loan loss provisions/average customer loans	(0.0)	0.1	0.4	1.1	1.0
Net charge-offs/average customer loans	0.1	0.3	0.3	0.5	1.1
Gross nonperforming assets/customer loans + other real estate owned	4.4	5.4	6.9	7.2	8.9
Loan loss reserves/gross nonperforming assets	28.1	25.9	24.9	23.2	41.2

*Data as of Sept. 30. RWA--Risk-weighted assets. N/A--Not applicable.

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

We consider Jyske Bank's funding to be average and liquidity to be adequate. The bank's group funding profile is similar to that of domestic peers Danske Bank and Nordea Bank Danmark, which consolidate bank and mortgage financing in the group's metrics. The group's stable funding ratio was 96.8% on Sept. 30, 2017, a slight decline from 98.6% on Dec. 31, 2016, mainly due to the increasing share of mortgage lending and higher proportion of debt maturing within one year at BRFkredit, the core mortgage bank subsidiary.

In our ratio, 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. This represents, however, only a minimal proportion.

We compare Jyske Bank's ratios with the ones of its local peers and consider in our assessment the importance of supporting characteristics of the 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 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).

The bank's efforts to extend funding maturities in the medium to long term should also marginally improve liquidity buffers over time. As BRFkredit reduces its structural mismatch of asset and liability maturities, we expect a direct positive impact on our core measures of funding and liquidity for the group. In our view, the 2018 implementation of the supervisory diamond for mortgage institutions and the future regulatory funding and liquidity requirements will encourage BRFkredit 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 upcoming "supervisory diamond."

Customer deposits, particularly large term deposits from corporates, have also been declining since 2015 and have been fairly stable between 2016 and 2017. This has been partly because of the negative interest rate environment, which, along with increased repo lending and growth in mortgage lending, is putting pressure on the stable funding ratio. Despite the substantial contribution of corporate deposits to Jyske Bank's deposit book, we think most deposits are granular and stable--benefitting Jyske Bank's SME lending profile and providing the bank with a steady source of funding for its nonmortgage lending. Core customer deposits formed 22% of the funding base on Sept. 30, 2017.

We view Jyske Bank's liquidity as adequate, with our one-year liquidity ratio (broad liquid assets to short-term wholesale funding) at 0.91 on Sept. 30, 2017, compared with 1.1x at end-September 2016. The decline is mostly due to increased maturities within one year, mainly at BRFkredit, in line with expectations. However, we expect stabilization of funding and liquidity metrics as BRFkredit's legacy bond series mature and BRFkredit smooths its debt maturity profile. The bank's regulatory liquidity coverage ratio (LCR) 2017 was 203% on Sept. 30, 2017, versus 193% at the end of 2016. 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					
		--Year-ended Dec. 31--			
(%)	**2017***	**2016**	**2015**	**2014**	**2013**
Core deposits/funding base	26.1	26.7	27.5	29.0	58.0
Customer loans (net)/customer deposits	308.4	289.6	274.9	254.7	91.6
Long term funding ratio	79.4	78.8	78.0	81.9	66.9
Stable funding ratio	96.8	98.6	97.8	107.5	110.5
Short-term wholesale funding/funding base	22.0	22.5	23.4	19.2	35.8
Broad liquid assets/short-term wholesale funding (x)	1.0	1.1	1.0	1.5	1.3
Net broad liquid assets/short-term customer deposits	(2.3)	4.6	3.3	44.8	24.4
Short-term wholesale funding/total wholesale funding	29.6	30.6	32.3	27.0	85.4

Table 6

Jyske Bank A/S Funding And Liquidity (cont.)					
		--Year-ended Dec. 31--			
(%)	**2017***	**2016**	**2015**	**2014**	**2013**
Narrow liquid assets/3-month wholesale funding (x)	1.7	1.8	1.5	1.7	1.7

*Data as of Sept. 30.

Support: The implementation of bail-in provision of BRRD decreases the likelihood of extraordinary government support; ALAC buffers remain small

We consider that Jyske Bank has moderate systemic importance in Denmark. However, following the implementation of the bail-in provisions in the EU's Bank Recovery and Resolution Directive (BRRD) in June 2015, we view government support as uncertain for senior unsecured creditors. As such, we no longer add any notches to our issuer credit rating on the bank for government support.

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

We currently include no notches of uplift for ALAC in our rating on Jyske Bank. By our measures, we estimate the bank's ALAC will remain below 3% through year-end 2019, owing to expectations of stable capital, high payout ratios, and a lack of clarity from the regulator on minimum requirements for own funds and eligible liabilities (MREL). We anticipate that the Danish regulator will require a large share of bail-in-able liabilities as it outlines its MREL requirements, but we await further clarity before anticipating a ramp up of such instruments and factor them in our ratings on the bank.

Key subsidiary: BRFkredit

We view BRFkredit as a core subsidiary and align our rating and outlook on it with those on Jyske Bank. We believe that BRFkredit is highly unlikely to be sold, given its status as a vital part of 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.

Related Criteria

- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: S&P Global Ratings' National And Regional Scale Mapping Tables, June 1, 2016
- 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
- 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: Revised Market Risk Charges For Banks In Our Risk-Adjusted Capital Framework, June 22, 2012
- Criteria - Financial Institutions - Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria - Financial Institutions - Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria - Financial Institutions - Banks: Bank Capital Methodology And Assumptions, Dec. 6, 2010
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria - Financial Institutions - Banks: Commercial Paper I: Banks, March 23, 2004

Related Research

- 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
- Banking Industry Country Risk Assessment: Denmark, Dec. 19, 2016
- 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
- Credit FAQ: The Danish Covered Bond Market Explained, July 15, 2014
- Credit FAQ: Why Denmark's Proposed Covered Bond Law Doesn't Fully Eradicate Refinancing Risks, Feb. 4, 2014

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 January 12, 2018)

Jyske Bank A/S	
Counterparty Credit Rating	A-/Stable/A-2
Nordic Regional Scale	--/--/K-1

Ratings Detail (As Of January 12, 2018) (cont.)		
Commercial Paper		
Foreign Currency		A-2
Junior Subordinated		BB+
Senior Unsecured		A-
Short-Term Debt		A-2
Subordinated		BBB
Counterparty Credit Ratings History		
01-Dec-2011		A-/Stable/A-2
20-Feb-2009		A/Negative/A-1
30-Sep-2008		A+/Negative/A-1
10-Feb-2012	*Nordic Regional Scale*	--/--/K-1
Sovereign Rating		
Denmark (Kingdom of)		AAA/Stable/A-1+
Related Entities		
BRFkredit A/S		
Issuer Credit Rating		A-/Stable/A-2
Senior Secured		AAA/Stable
Senior Unsecured		A-
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.

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