

Interim Financial Report First to third quarter 2012



Agenda

Jyske Bank in brief

Jyske Bank performance 2008-2012

Jyske Bank actions in 2010, 2011 and 2012

- Strengthening the revenue base
- Cost reductions
- Select acquisitions including portfolios
- Optimizing capital structure
- Improving funding structure

Danish FSA

- Reports in 2011 and 2012
- New stringent guidelines for impairments

Q2 2012 in figures

- Core earnings
- Credit quality
- Investment portfolio earnings
- Fee and commission income
- Value adjustments

The Financial Sector in Denmark

Jyske Bank in brief

Jyske Bank in brief

Jyske Bank focuses on core business

Description

- Established and listed in 1967
- 2nd largest Danish bank by lending
- Total lending of approx. DKK 119bn
- 109 domestic branches
- Approx. 550,000 domestic customers
- Business focus is on Danish private individuals, SMEs and international private and institutional investment clients
- International units in Hamburg, Zürich, Gibraltar, Cannes and Weert
- A de-centralised organisation
- 3,772 employees (end of Q3 2012)
- Full-scale bank with core operations within retail and commercial banking, customer driven trading, asset management and private banking
- Flexible business model using strategic partnerships within life insurance (PFA), mortgage products (Nykredit, DLR, BRF), credit cards (SEB) and IT operations (JN Data) and IT R&D (Bankdata)

Branch Network

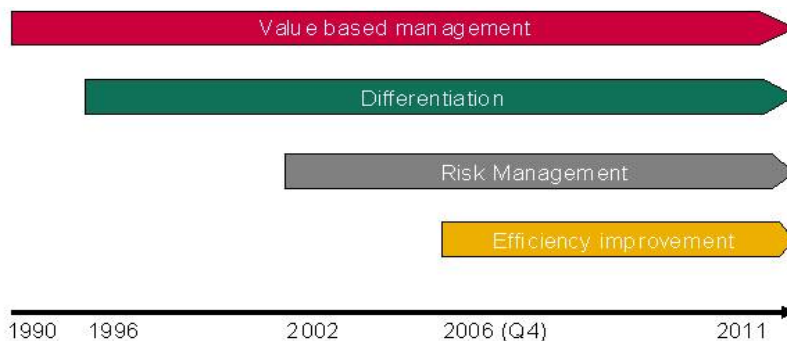
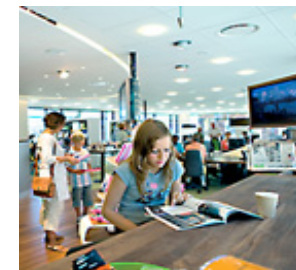


Jyske Bank in brief

Jyske Bank has a differentiation strategy

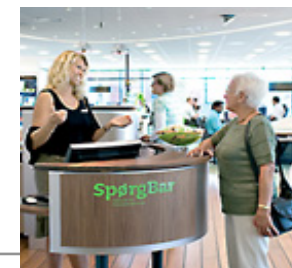
"Jyske Differences"

- Vision is to be Denmark's most customer-oriented bank by providing high standard personal financial advice and taking a genuine interest in customers
- The strategy is to position Jyske Bank as a visible and distinct alternative to more traditional providers of financial services, with regard to distribution channels, products, branches, layout and communication forms
- Equal treatment and long term relationships with stakeholders
- Core values driven by common sense
- Strategic initiatives:



Acquisitions

Bankdata



Jyske Bank performance 2008-2012

Jyske Bank performance

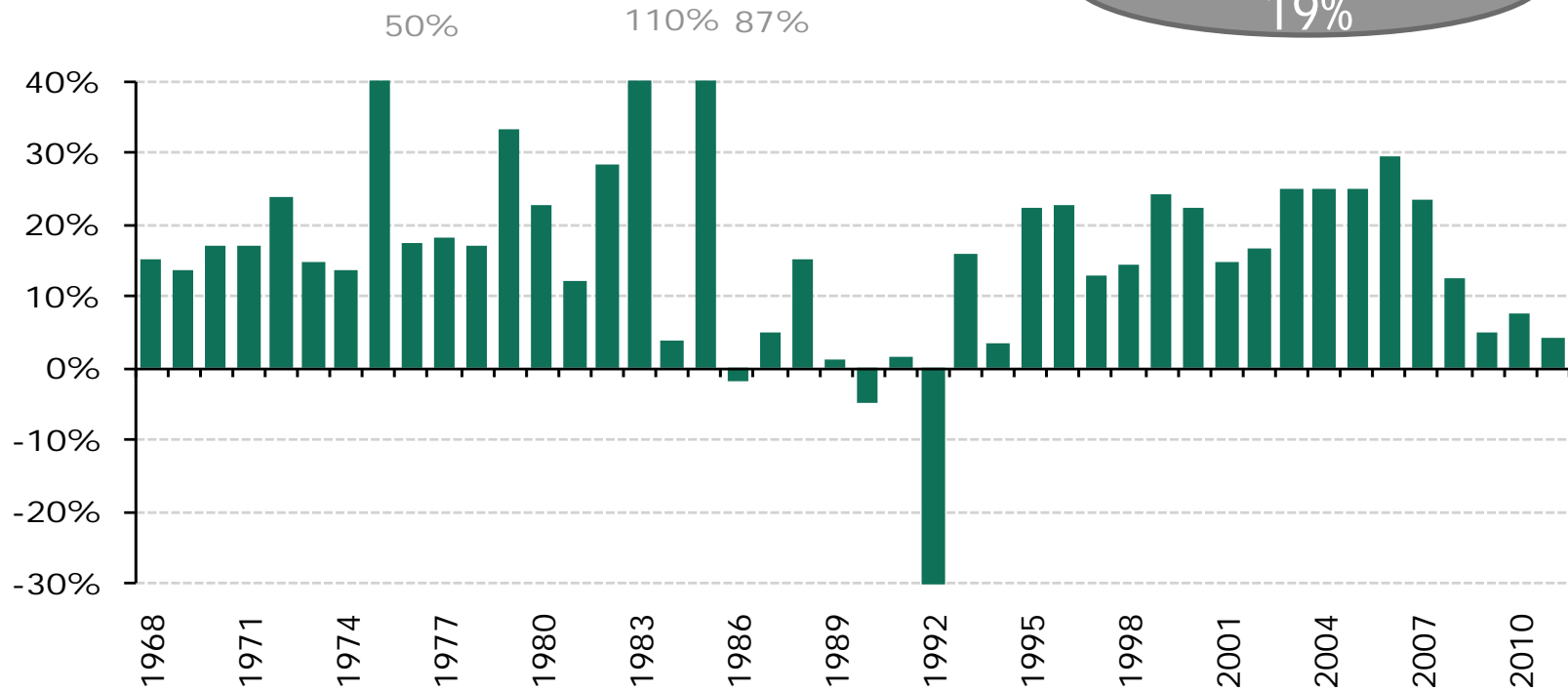
DKKm	2008	2009	2010	2011	Q1-Q3 2012	Q1-Q3 2012 **
Profit before Bank Packages, the Guarantee fund and tax	1522	1208	1509	1269*	494	1394
ROE	15.7%	11.3%	12.1%	9.5%	4.8%	13.4%

* Exclusive of one off items and special items

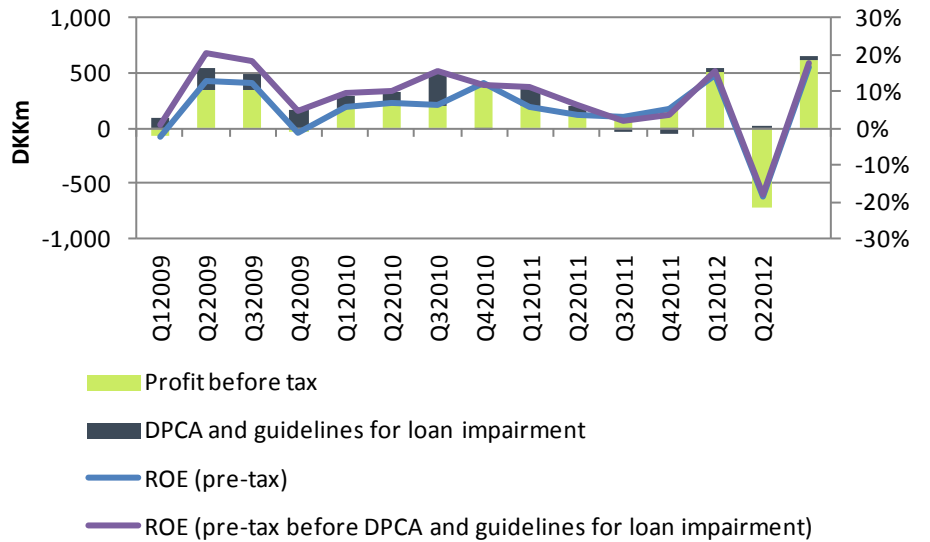
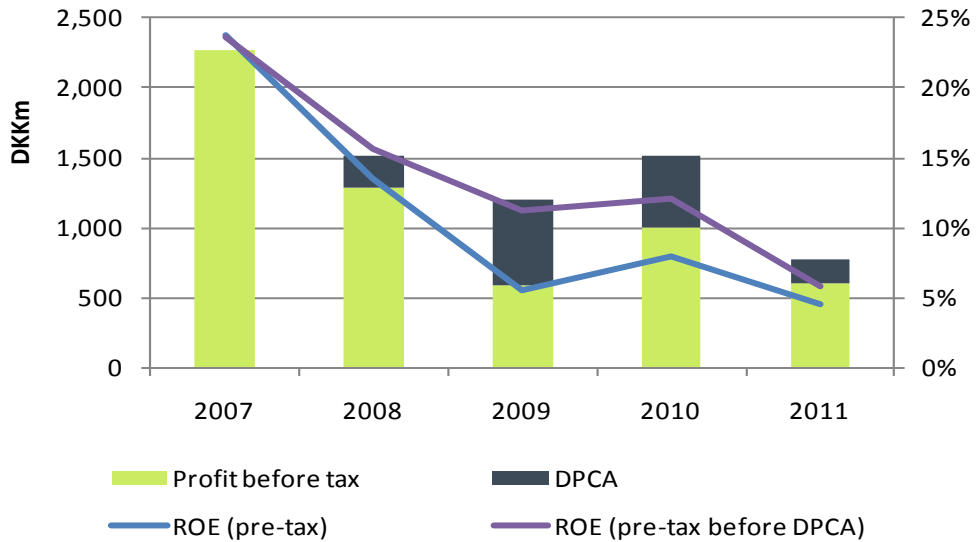
** Exclusive of more stringent guidelines regarding loan impairment charges

Pre-tax profit
(ROE on avg. equity)

Average:
19%



Profit before tax and DPCA



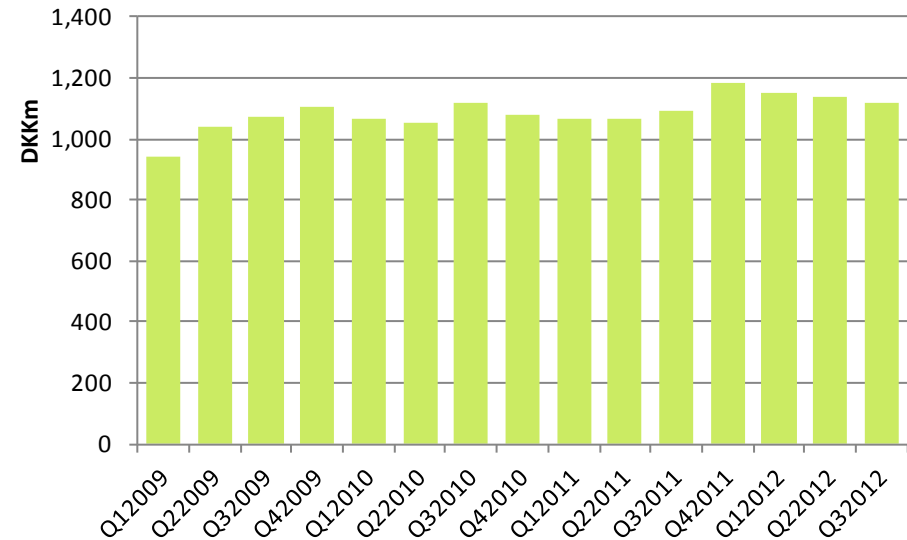
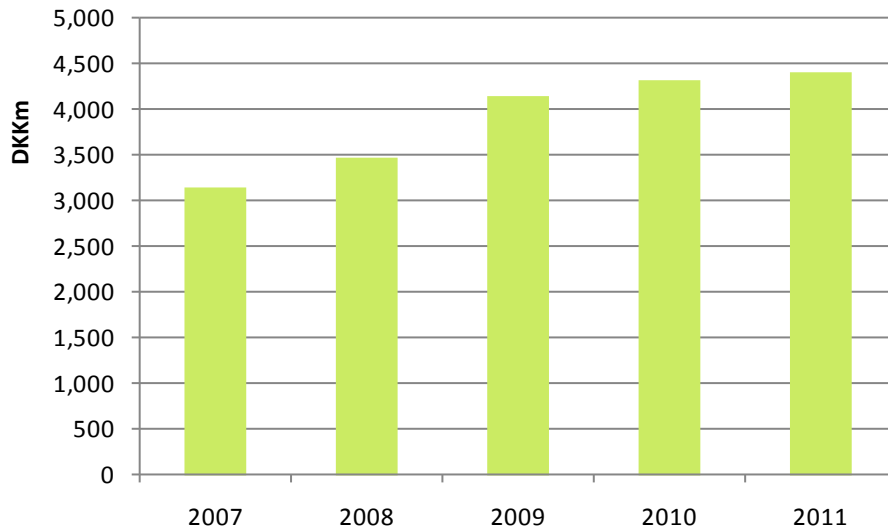
Jyske Bank actions in 2010, 2011 and 2012

- Strengthening the revenue base
- Cost reductions
- Selective acquisitions including portfolios
- Optimizing capital structure
- Improving funding structure

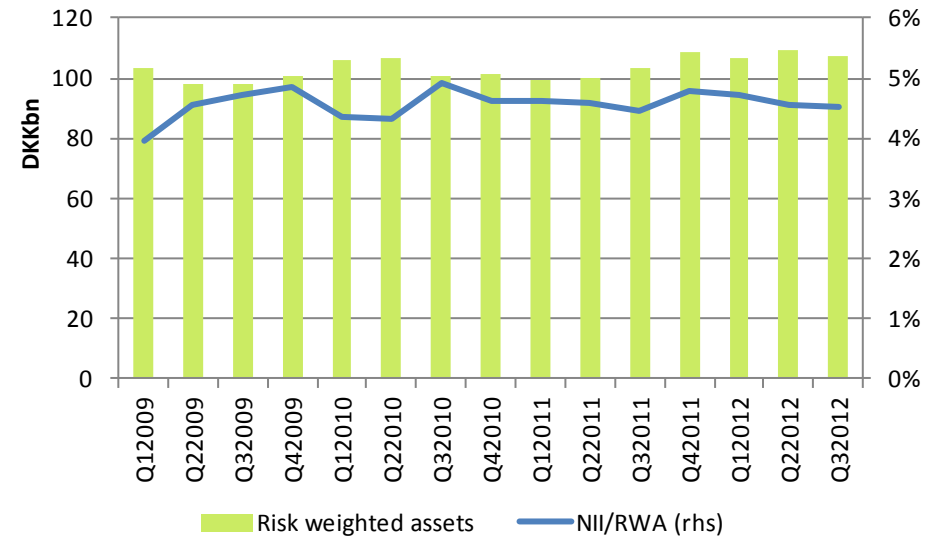
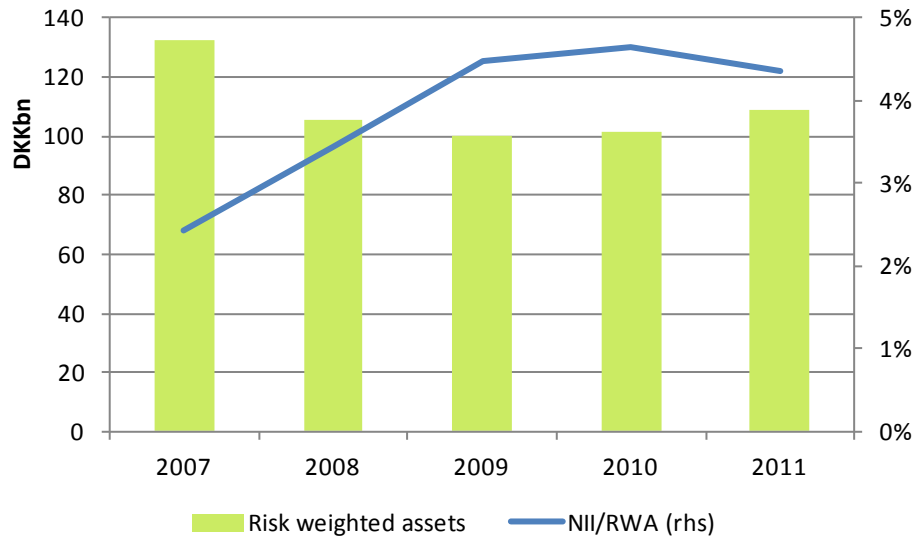
Strengthening the revenue base

- Interest rate hikes since Q2 2011 of 150 bp (gross) in 2011 and 100 bp (gross) in 2012 due to higher funding costs and payments to the Guarantee Fund
- High floor risk due to very low short term interest rates
- Decreasing efficiency of interest rate hikes over time due to alignment of return to risk
- Full effect in P/L in Q4 2012

Net Interest Income



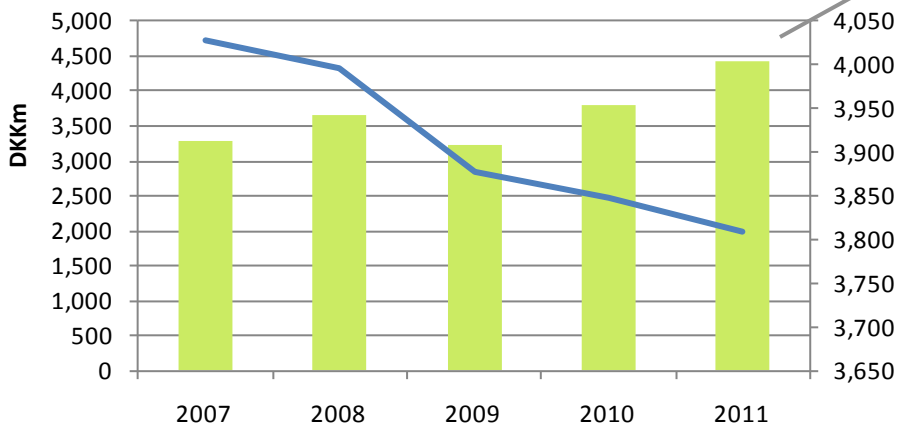
Return/risk-trade off



Cost reductions

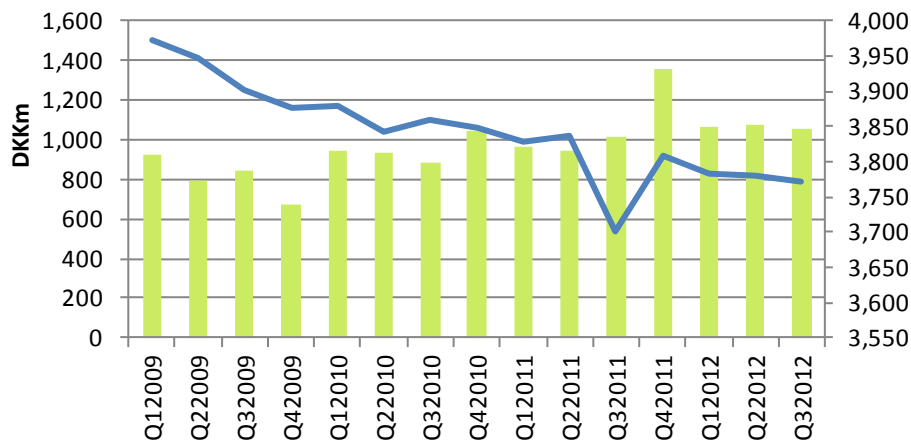
- Staff reductions
 - Expected 3550 employees (exclusive of approx. 60 temporary employees) end of 2012 against 4158 in Q3 2006
- 9 branch mergers in NW Jutland and Copenhagen
- **Successful conversion of IT systems to Bankdata in October 2012**

Operating expenses and employees



■ Operating expenses, depreciation and amortisation
— Number of full-time employees (rhs)

Special items
DKK 460m



■ Operating expenses, depreciation and amortisation
— Number of full-time employees (rhs)

Selective acquisitions including portfolios

Parts of Finans Nord (lease portfolio)

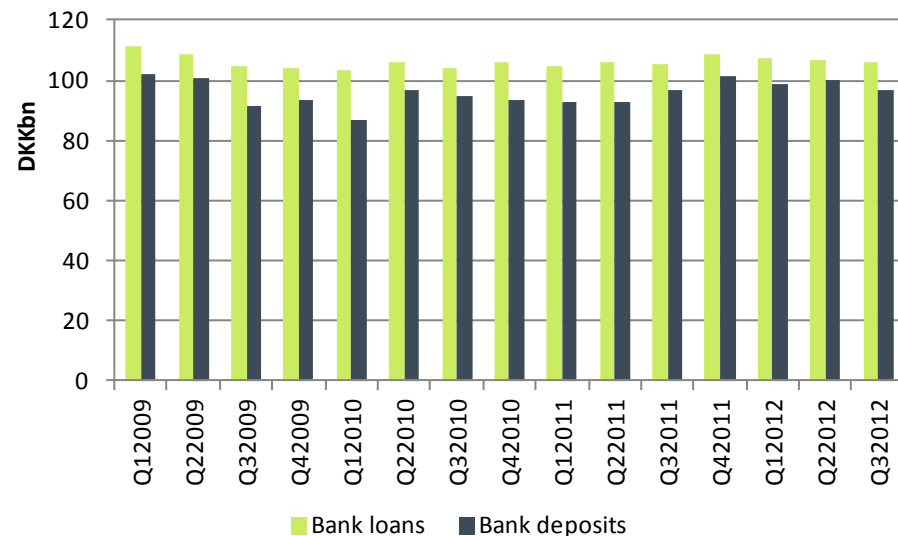
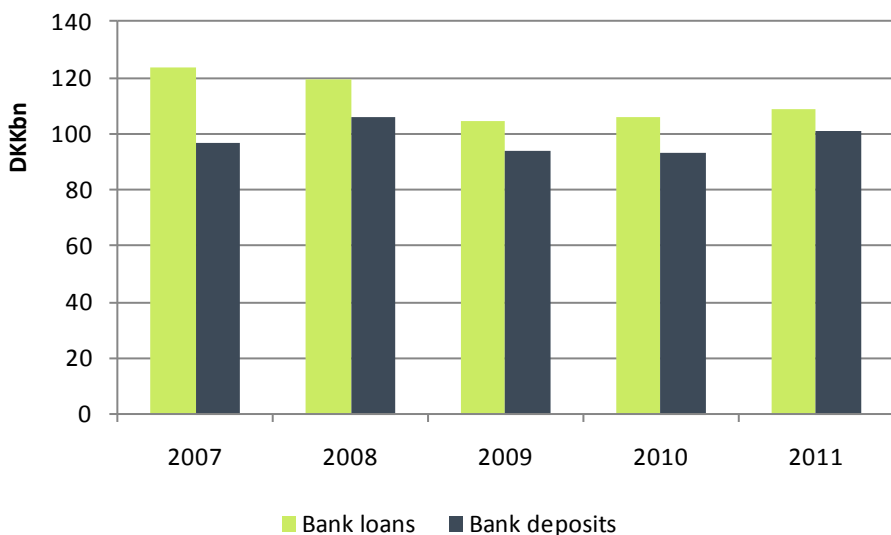
- Future new sales and administration of existing corporate leasing portfolio; approx. DKK 6bn (gross)
- DKK 1.0bn on Jyske Bank balance sheet (branch) by Q3 2012.
- Car-leasing company Easyfleet (subsidiary), approx. DKK 600m by Q3 2012
- Badwill DKK 4m

Fjordbank Mors (branch)

- Retail and SME portfolio; 40.000+ customers
- Loans DKK 1.9bn
- Deposits DKK 3.1bn
- AUM approx. DKK 2.4bn
- Badwill DKK 155m

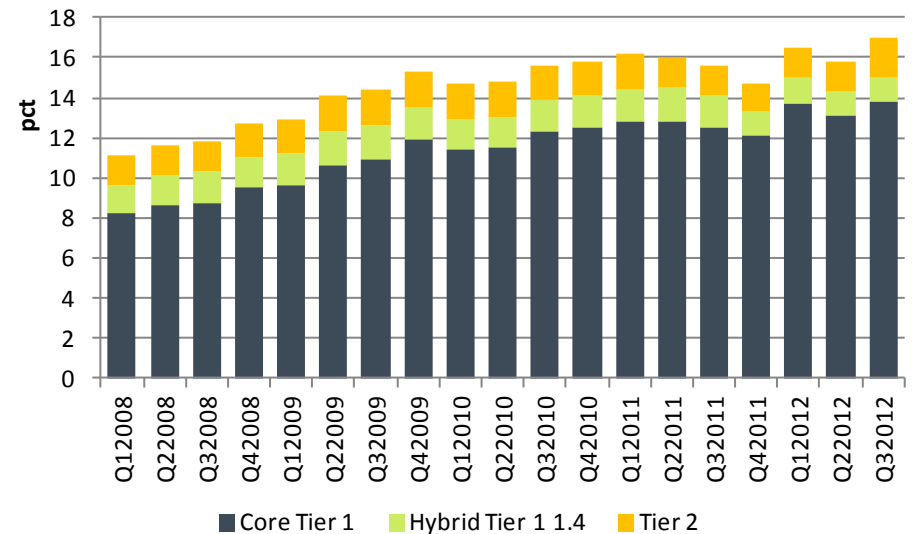
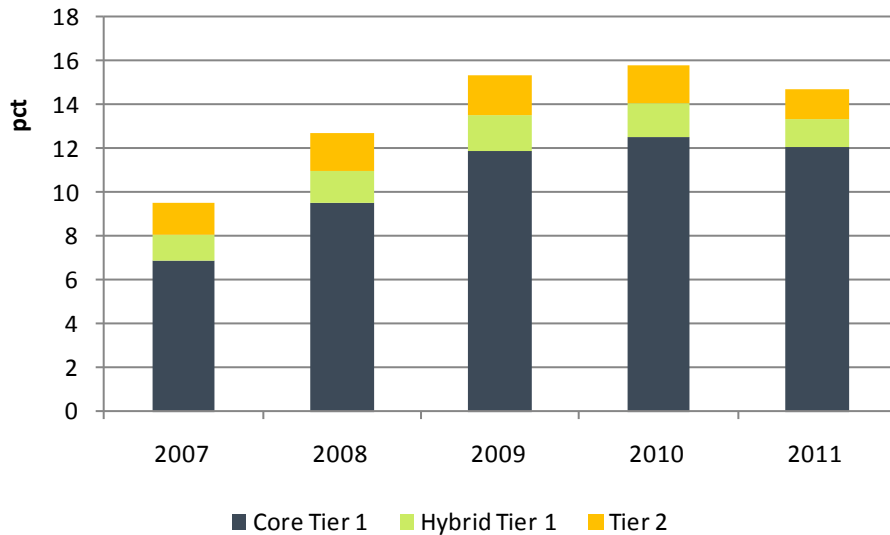
Acquisitions deliver ROE according to budget

Loans :
-1.0% q/q
0.1% y/y



Optimizing capital structure

- Redemption of EUR 25m supplementary capital in Q2 2011
- Buy back of EUR 50m hybrid capital in Q4 2011
- Capital increase Q1 2012
- All time high ratios Q3 2012 - due to lower market risk, consolidated P/L and improved capital structure (base capital)



• Focus on equity
 • Aligned capital targets with requirements for swedish SIFI's (Core Tier 1 of 12%)
 • No government capital
 • No dividend payments (since 2000)

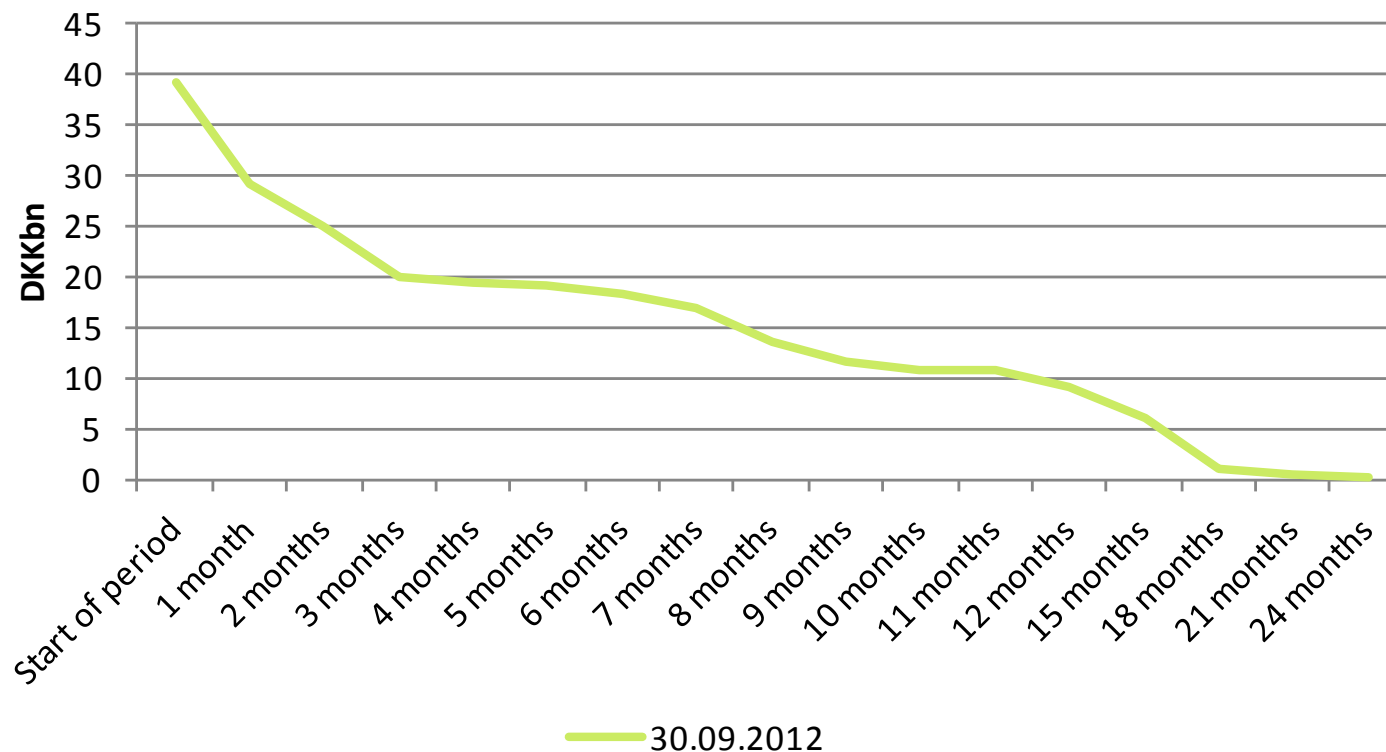
Improving funding structure

Agreement with BRFKredit to issue covered bonds from Q1 2012

- Home loans transferred from JB balance sheet to BRF Kredit
- Issue AAA covered bonds from existing capital centre
- All new loans from February 2012, part of the existing stock of home loans
- DKK 1.6bn in Q3 2012, expected DKK 1.4bn in Q4 2012 and DKK 7-8bn by end 2013.

Agreement with BRFKredit to channel commercial real estate loans from Q2 2012

Liquidity position and run-off

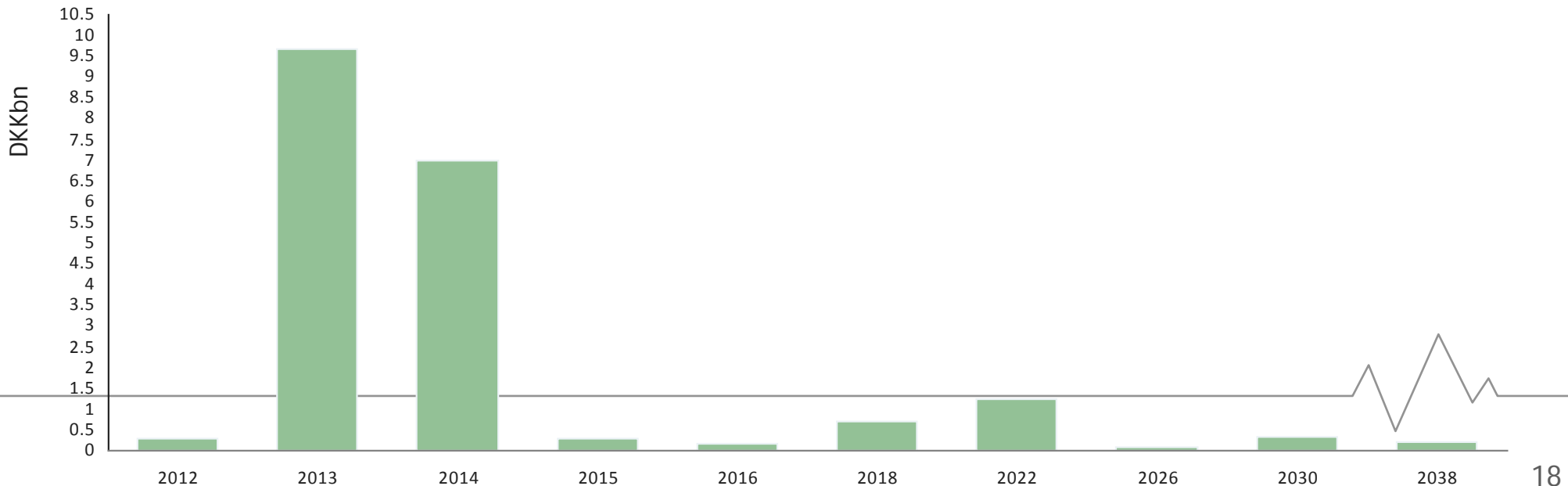


Long-term funding strategy - A rare but regular issuer in the EMTN market

Funding plans from 2012 and beyond will depend on developments in the balance sheet (funding gap) - policy is to maintain a deposit/loan ratio in the region of 90% (end Q3 2012: 91%):

- Maturity profile shows an ongoing but decreasing refinancing need in the years ahead
- Expect approx. 1 public benchmarks a year and ongoing activities in the private placement market
- With a limited funding gap and solid core deposits focus will likely be on 2 to 3-year maturities
- Covered bonds issued by Q4 2012 via BRFKredit (DKK 3.0bn)

Jyske Bank will continue to maintain a conservative funding profile



Danish FSA

- Reports in 2011 and 2012
- New stringent guidelines for impairments

Danish FSA reports 2011 and 2012

SME customers and IRB setup

- Decision making material satisfactory
- No ground for changing impairment charges
- IRB models satisfactory

IT inspection

- Principles and policies meet required demands

Market Risk and Compliance

- Management of market risk satisfactory
- Minor change in composition of the compliance report

Custodian bank for Jyske Invest

- The bank should improve some of the control measures in relation to the management of the assets of Jyske Invest - fully implemented

Agricultural clients

- The bank's credit control in respect of agricultural clients is satisfactory
- No ground for changing impairment charges

New stringent guidelines for impairments

- Focus real estate portfolios and agriculture
- More stringent impairment principles (net exposures, asset values)
- Customers interest rated hedges at fair value
- One off effect Q2 2012:
 - Impairments DKK 543m
 - Value adjustments DKK 357m
- Higher volatility in value adjustments and impairments when interest rates changes

Q3 2012 in figures

- Core earnings
- Credit quality
- Investment portfolio earnings
- Fee and commission income
- Value adjustments

Core earnings

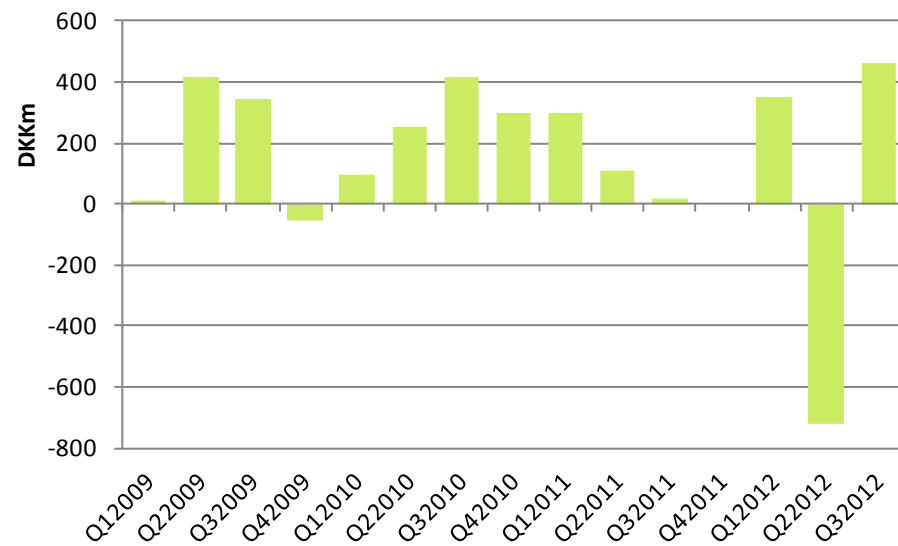
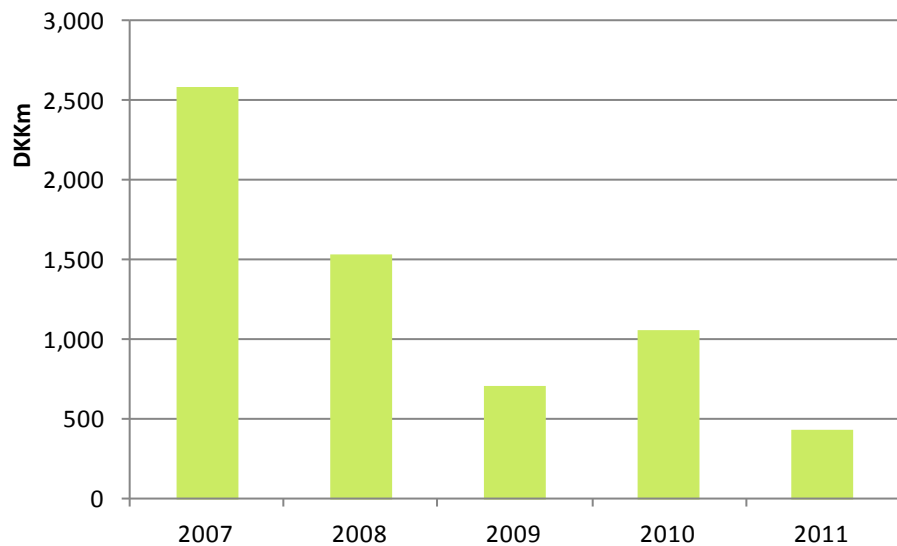
Profit/loss

DKKm	Q1-Q3 2012					Q1-Q3 2011				
	Core earnings	Earnings on investment portfolios	The Guarantee Fund, etc.	Re-classification	Total	Core earnings	Earnings on investment portfolios	The Guarantee Fund, etc.	Re-classification	Total
Net interest income	3,404	295	0	0	3,699	3,224	222	0	0	3,446
Dividends, etc.	20	9	0	0	29	17	9	0	0	26
Net fee and commission income	1,148	-2	0	0	1,146	923	-2	0	0	921
Net interest and fee income	4,572	302	0	0	4,874	4,164	229	0	0	4,393
Value adjustments	-31	108	0	0	77	-66	-4	0	0	-70
Other operating income	257	0	0	0	257	230	0	0	0	230
Income from operating lease	42	0	0	182	224	16	0	0	90	106
Gross earnings	4,840	410	0	182	5,432	4,344	225	0	90	4,659
Operating expenses, depreciation and amortisation	3,189	7	83	182	3,461	2,922	6	215	90	3,233
Profit on investments in associates and group enterprises	-2	0	0	0	-2	-5	0	0	0	-5
Core earnings before loan impairment charges and provisions for guarantees	1,649	403	-83	0	1,969	1,417	219	-215	0	1,421
Loan impairment charges and provisions for guarantees	1,559	-1	0	0	1,558	990	-1	6	0	995
Pre-tax profit for the period	90	404	-83	0	411	427	220	-221	0	426

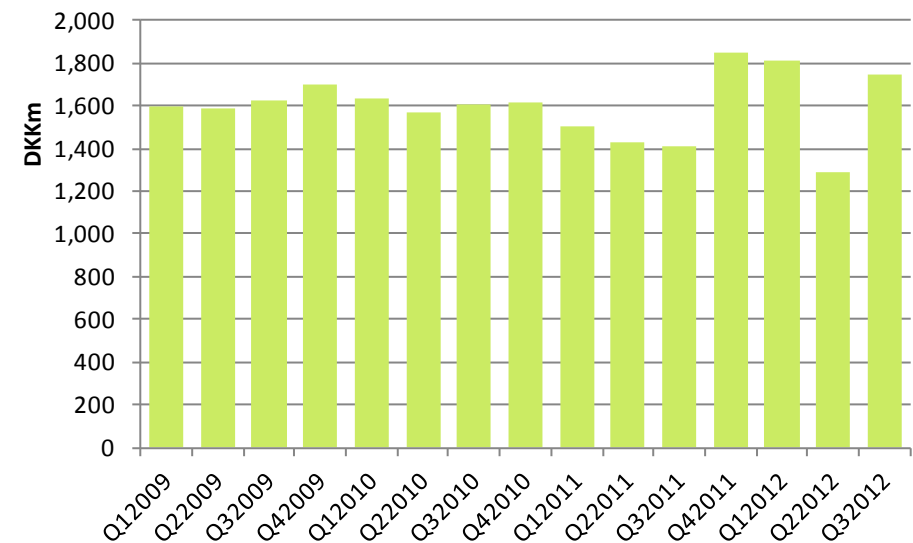
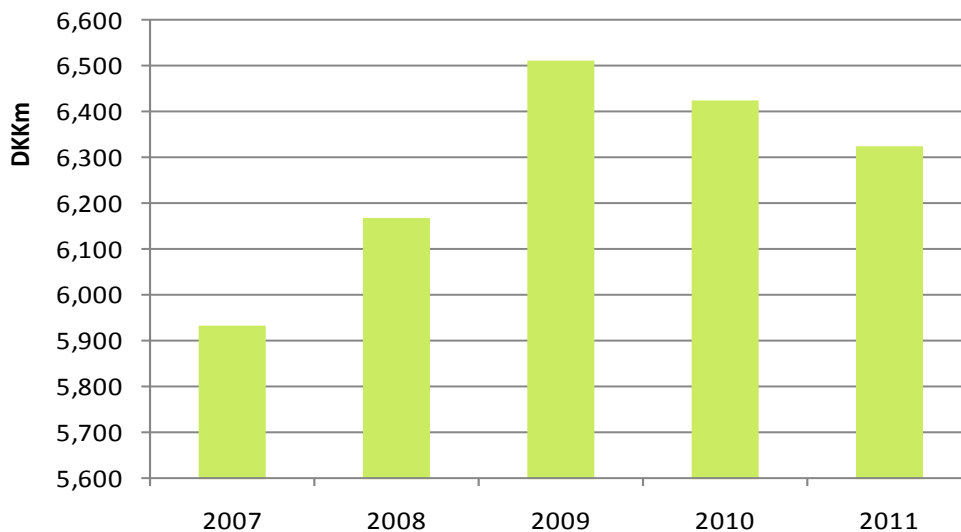
Core earnings

Profit for the period DKKm	Q1-Q3 2012	Q1-Q3 2011	Index 12/11	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	2011
Net interest income	3,404	3,224	106	1,121	1,135	1,148	1,186	1,091	4,410
Dividends, etc.	20	17	118	0	17	3	0	1	17
Net fee and commission income	1,148	923	124	392	351	405	387	306	1,310
Net interest and fee income	4,572	4,164	110	1,513	1,503	1,556	1,573	1,398	5,737
Value adjustments	-31	-66	47	138	-320	151	22	-74	-44
Other operating income	257	230	112	82	88	87	240	78	469
Income from operating lease (net)	42	16	263	14	14	14	10	5	27
Gross earnings	4,840	4,344	111	1,747	1,285	1,808	1,845	1,407	6,189
Operating expenses, depreciation and amortisation	3,189	2,922	109	1,051	1,076	1,062	1,355	1,013	4,277
Profit on investments in associates and group enterprises	-2	-5	40	1	-3	0	-2	2	-7
Core earnings before loan impairment charges and provisions for guarantees	1,649	1,417	116	697	206	746	488	396	1,905
Loan impairment charges and provisions for guarantees	1,559	990	157	235	926	398	488	376	1,478
Core earnings	90	427	21	462	-720	348	0	20	427
Earnings from investment portfolios	404	220	184	189	23	192	126	53	346
Profit before contribution to the Guarantee Fund, etc.	494	647	76	651	-697	540	126	73	773
The Guarantee Fund, etc.	-83	-221	38	-31	-14	-38	49	35	-172
Pre-tax profit	411	426	96	620	-711	502	175	108	601
Tax	97	110	88	150	-177	124	-2	26	108
Profit for the period	314	316	99	470	-534	378	177	82	493

Core earnings

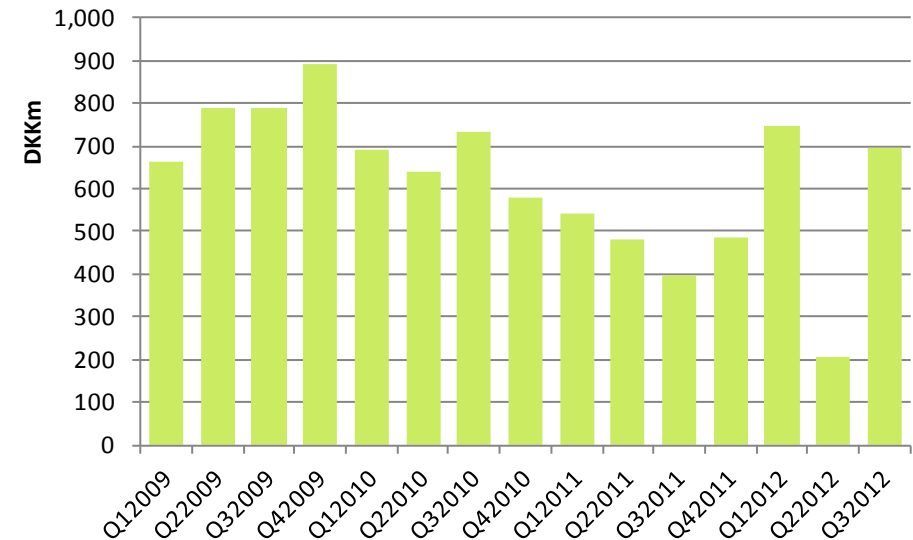
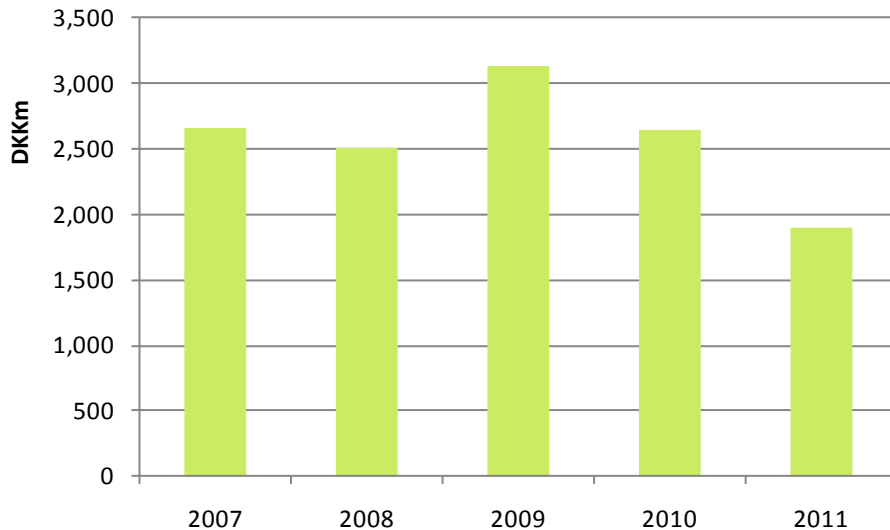


Gross earnings



- NII +6%
- Fees and commissions +24%
- Other operating income +12%
 - Operational lease +163%
- Value adjustments DKK -31m due to stricter guidelines regarding impairments in Q2 2012

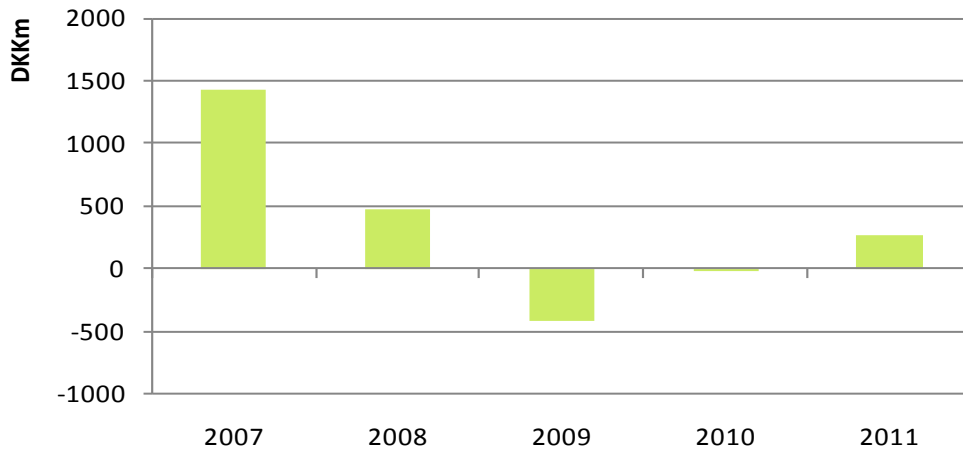
Core earnings before loan impairment charges



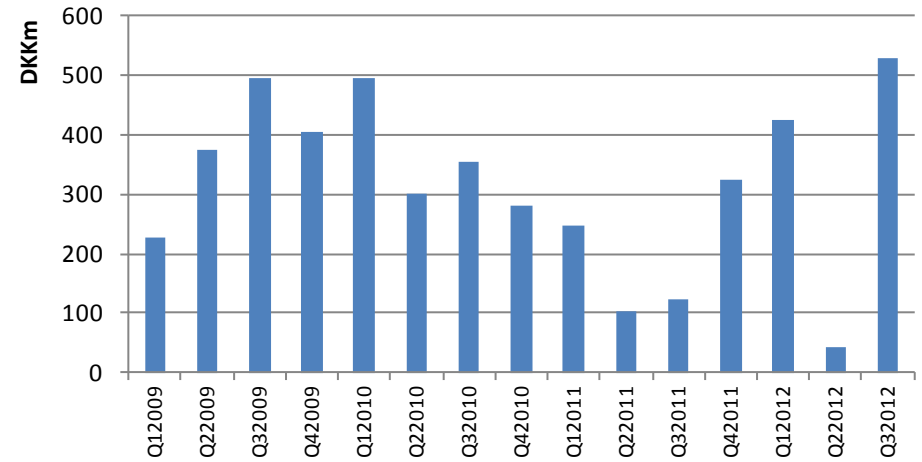
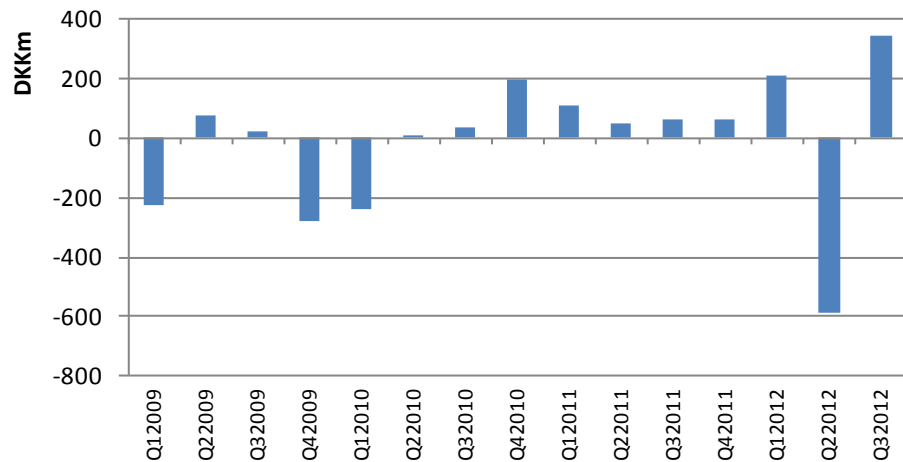
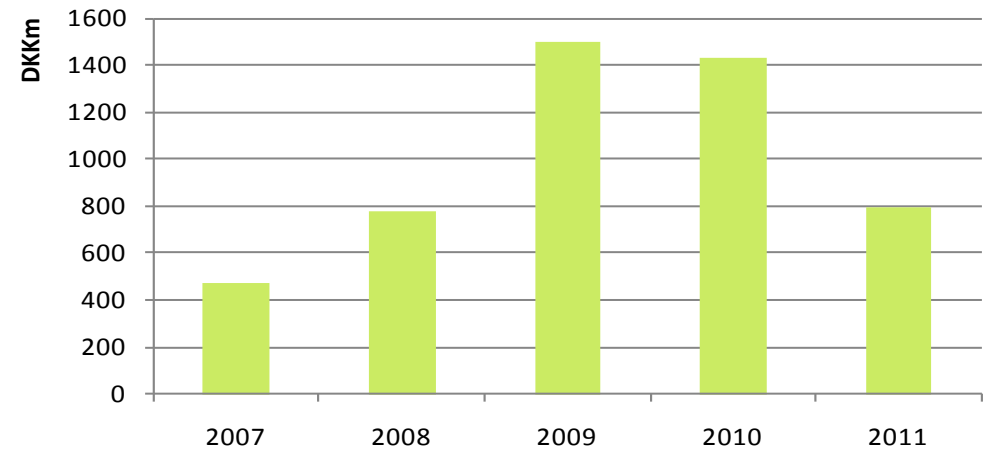
- NII under pressure due to lower loan balances and decreases of margins
 - Positive rebound from Q2 driven by positive development in all major business areas
 - Interest rate hikes opposed by margin pressure

Segment reporting

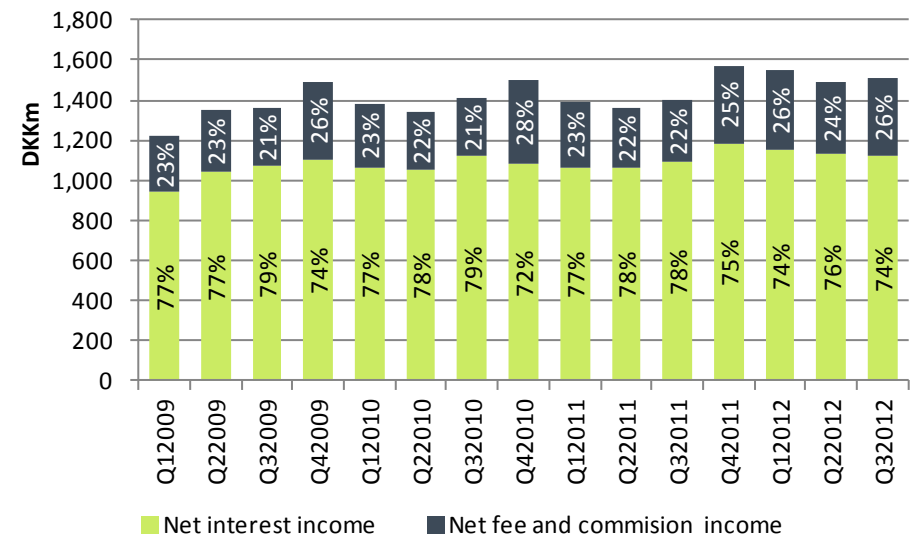
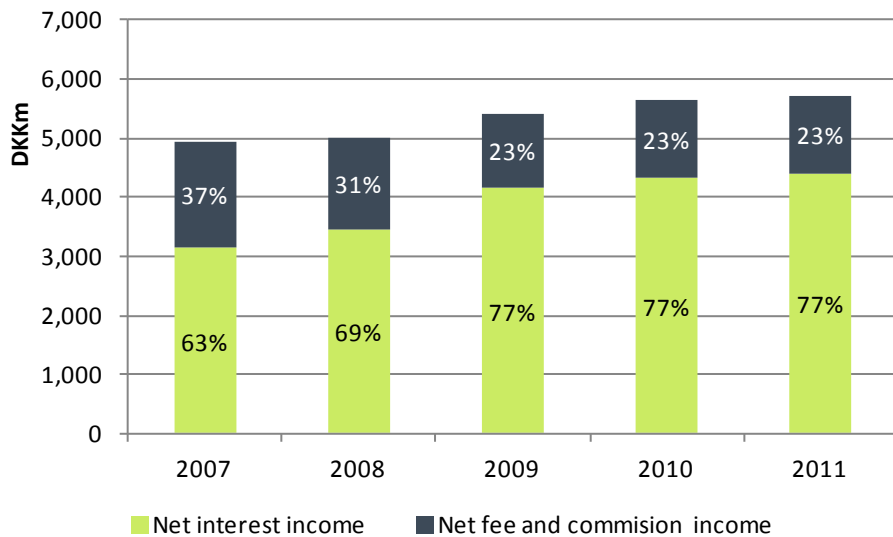
Banking activities



Trading and Investment



Net interest and fee income



• Stable distribution since 2009 after rebound in net interest income

Credit quality

Loans and advances split by sector

Jyske Bank A/S	Loans, advances and guarantees		Balance of loan impairment charges and provisions for guarantees		Loan impairment charges and provisions for guarantees for the period		Loss for the period	
	First nine months of 2012	End-2011	First nine months of 2012	End-2011	First nine months of 2012	First nine months of 2011	First nine months of 2012	First nine months of 2011
Loans, advances and guarantees as well as loan impairment charges and provisions for guarantees DKKm								
Public authorities	4,762	5,065	0	0	0	0	0	0
Agriculture, hunting, forestry, fisheries	8,239	8,174	533	590	155	152	229	115
Manufacturing and raw material extraction	6,680	7,894	170	125	66	30	29	138
Energy supply	2,249	2,355	14	17	-3	27	0	17
Building and construction	2,208	1,966	90	94	50	36	60	42
Commerce	7,610	7,178	218	238	88	66	117	164
Transport, hotels and restaurants	3,065	3,129	27	26	13	3	14	25
Information and communication	522	397	5	12	-1	0	5	3
Finance and insurance	36,770	38,179	595	495	208	134	131	¹ 836
Real property	9,804	10,739	971	780	318	260	161	123
Other sectors	4,505	4,492	270	131	200	-39	81	28
Corporate customers, individually assessed, total	81,652	84,503	2,893	2,508	1,094	669	827	1,491
Corporate customers, collective impairment charges			734	506	209	41	3	6
Personal customers, individually assessed	43,178	44,379	440	448	123	243	144	146
Personal customers, collective impairment charges			246	147	108	20	21	17
Total	129,592	133,947	4,313	3,609	1,534	973	995	1,660

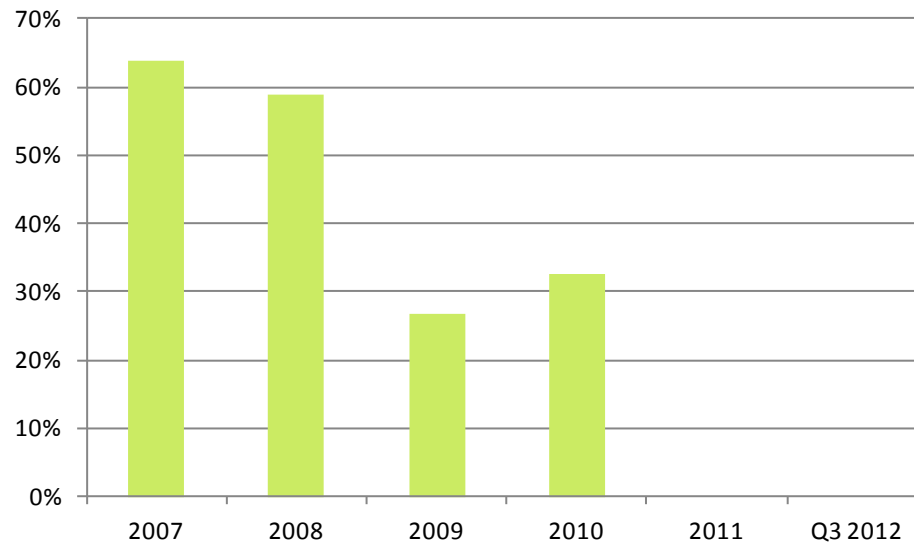


Loans and advances split by sector

Jyske Bank A/S	Loans, advances and guarantees	Balance of loan impairment charges and provisions for guarantees	Loans, advances and guarantees	Balance of loan impairment charges and provisions for guarantees	Loss for the period/loans, advances	Loan impairment charges for the period/loans, advances
Loans, advances and guarantees as well as loan impairment charges and provisions for guarantees (DKKm)	Q3 2011	Q3 2011	Change in pct.	Change in pct.	Pct.	Pct.
Public authorities	4,762	0	27.6%		0.0%	0.0%
Agriculture, hunting, forestry, fishing industry	8,239	533	-6.1%	-10.1%	2.8%	2.0%
Manufacturing and mining, etc.	6,680	170	-21.1%	2.4%	0.4%	1.0%
Energy supply	2,249	14	-17.7%	-17.6%	0.0%	-0.1%
Building and construction	2,208	90	5.7%	-1.1%	2.7%	2.4%
Commerce	7,610	218	5.2%	-11.7%	1.5%	1.2%
Transport, hotels and restaurants	3,065	27	-2.6%	-27.0%	0.5%	0.5%
Information and communication	522	5	14.0%	-61.5%	1.0%	-0.4%
Finance and insurance	36,770	595	32.9%	15.5%	0.4%	0.6%
Real property	9,804	971	-7.9%	40.9%	1.6%	3.4%
Other sectors	4,505	270	28.3%	81.2%	1.8%	1.2%
Corporate customers, individually assessed, total	81,652	2,893	9.3%	14.9%	1.0%	1.2%
Corporate customers, collective impairment charges		734		44.5%		
Personal customers, individually assessed	43,178	440	-0.6%	3.5%	0.3%	0.5%
Personal customers, collective impairment charges		246		103.3%		
Total	129,592	4,313	6.3%	20.8%	0.8%	1.2%

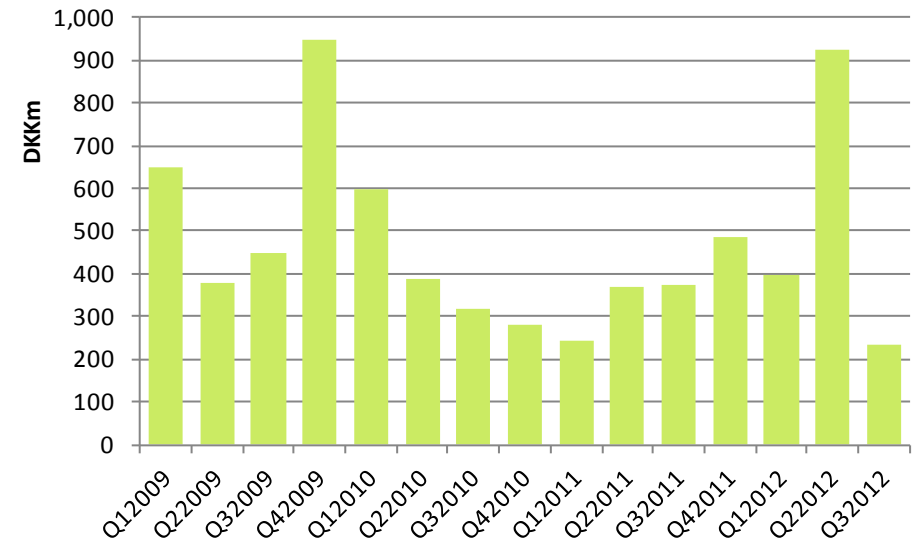
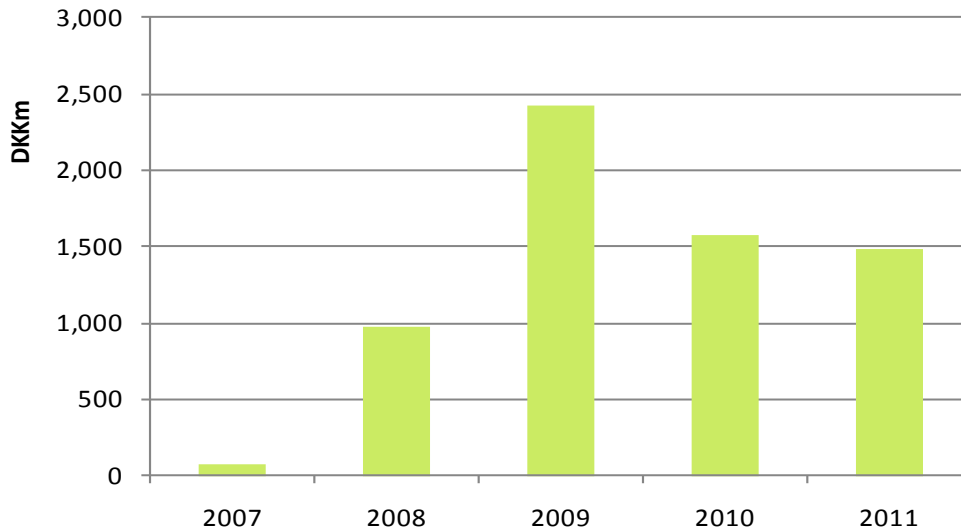
Large exposures

per cent of capital base



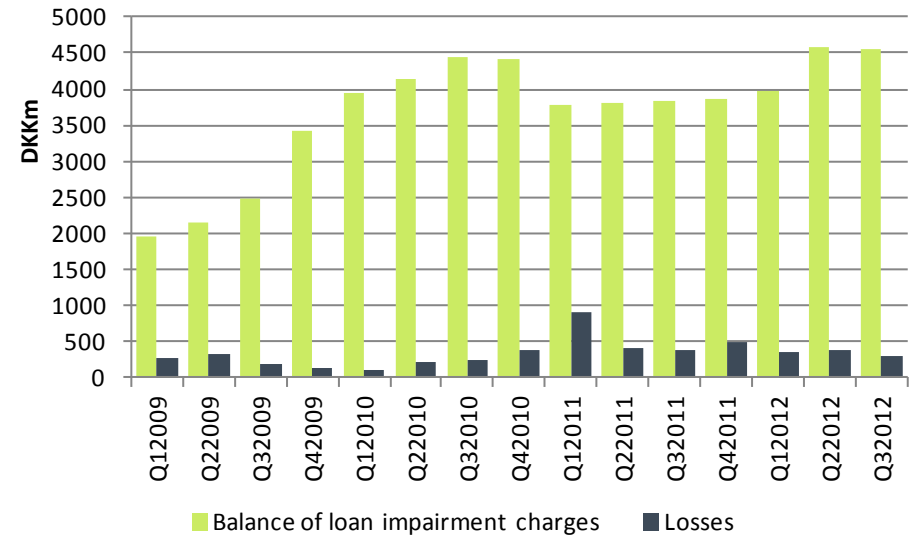
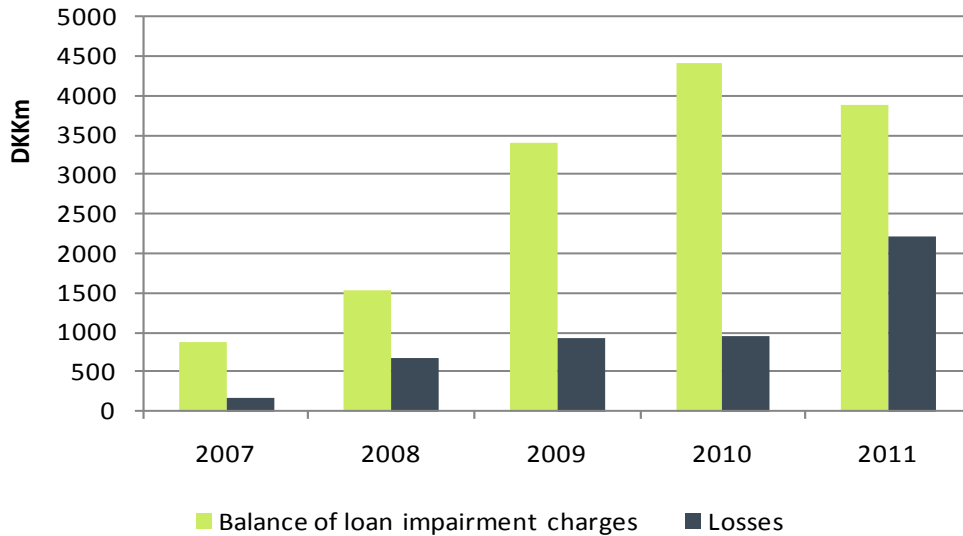
• Long-term strategy is intact to reduce dependence of large corporates

Loan impairment charges



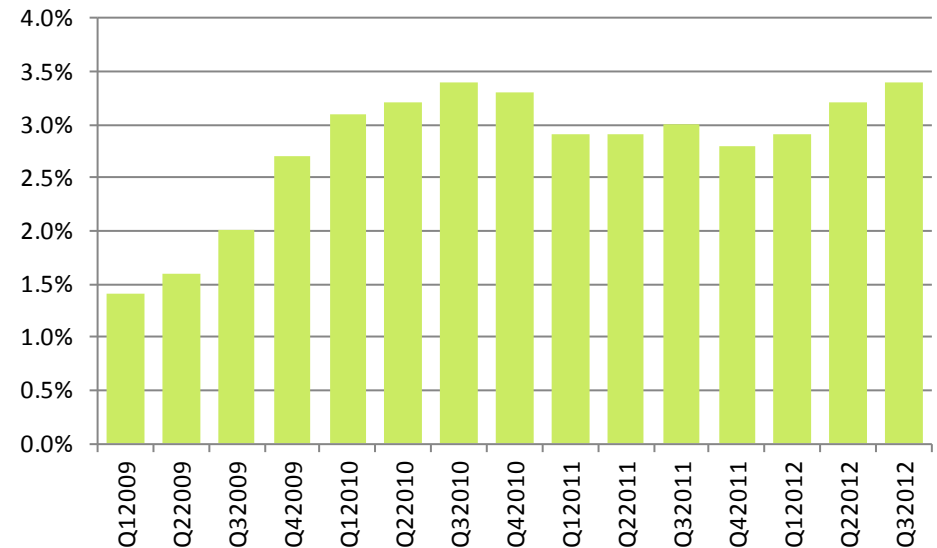
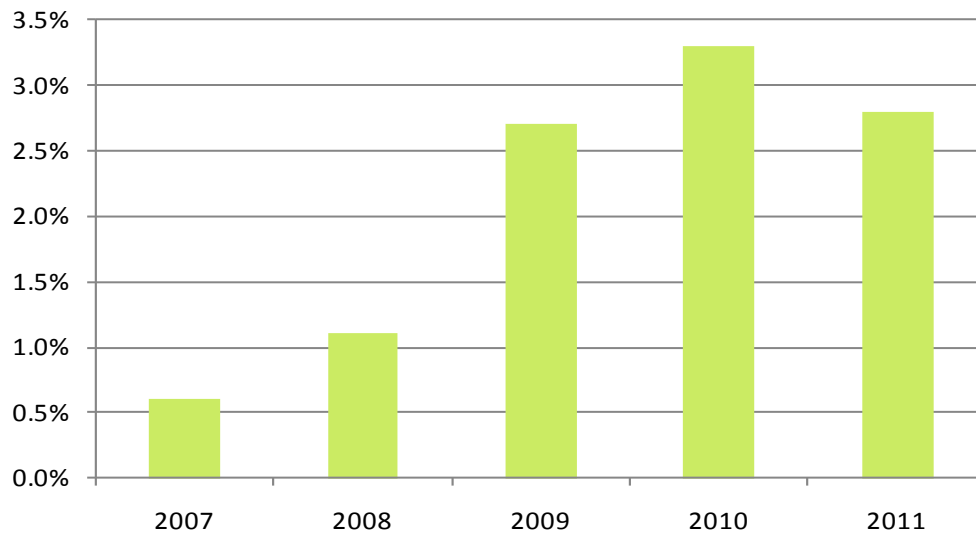
- Strong performance throughout 2010
- Positive trend reversed in Q2 2011 driven by economic standstill
- New level of impairment charges, particularly driven by agriculture, real estate
- New guidelines from Danish FSA one off in Q2 2012
- Contribution to impairments retail/corp: 19%/81%

Balance of loan impairment charges



- Loan losses at run rate DKK 300m-400m as expected
 - Balance decreased by 1% from Q2 to Q3 2012
- Balance of impairment charges retail/corp: 16%/84%

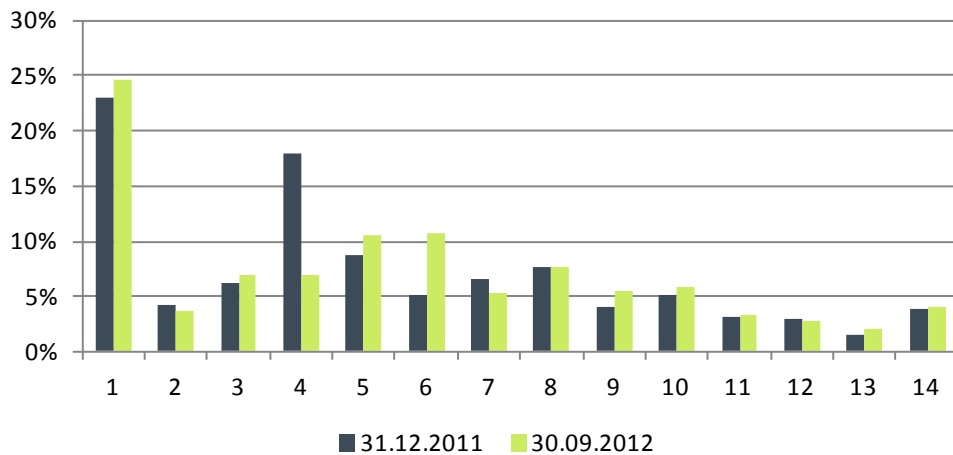
Balance of loan impairment charges per cent of loans and advances



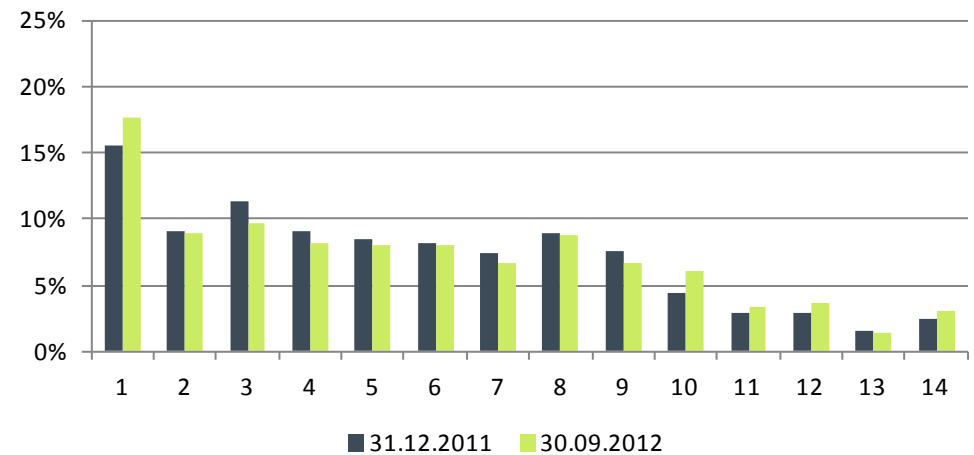
- Growth of 0.4 pp in Q2 due to new guidelines
- Growth of 0.2 pp in Q3 due to lower loans and guarantees
- Normalised interval approx. 2.5-3%

Exposures by credit rating

Corporates

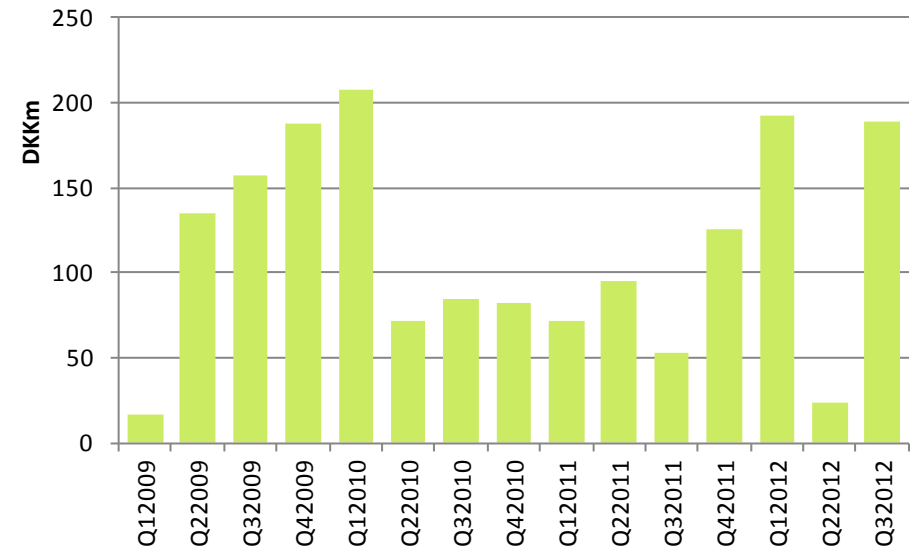
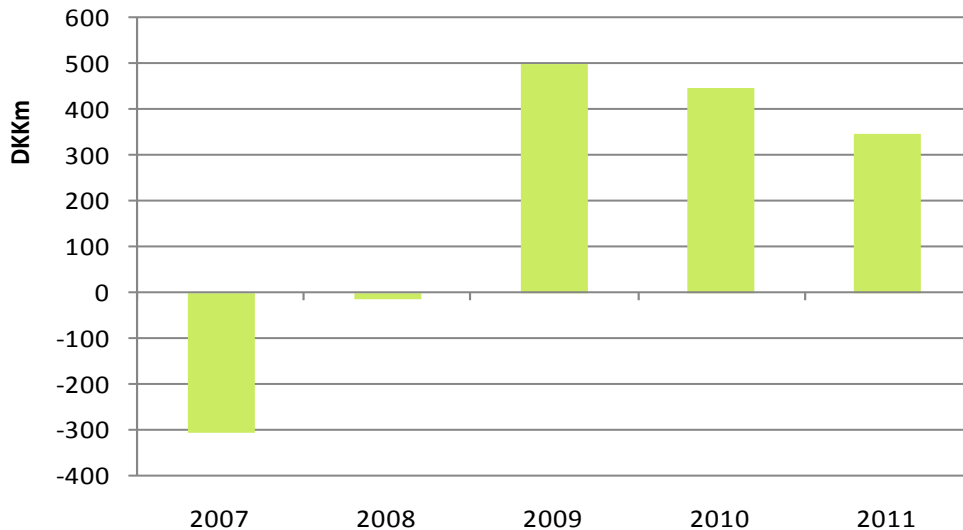


Retail



Earnings from investment portfolios

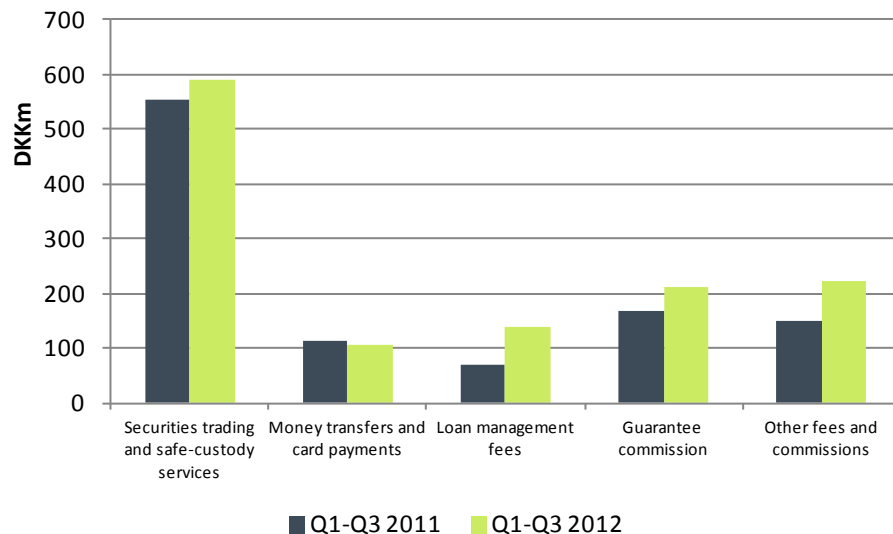
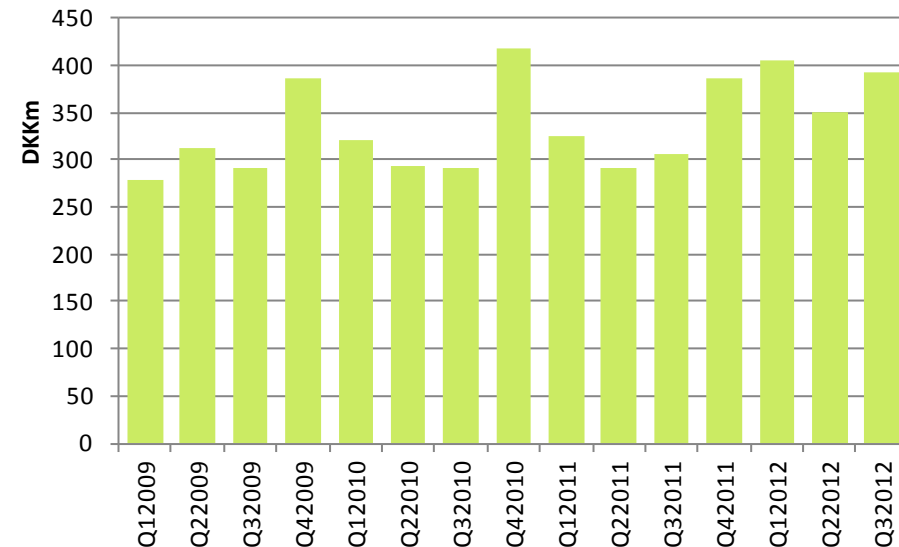
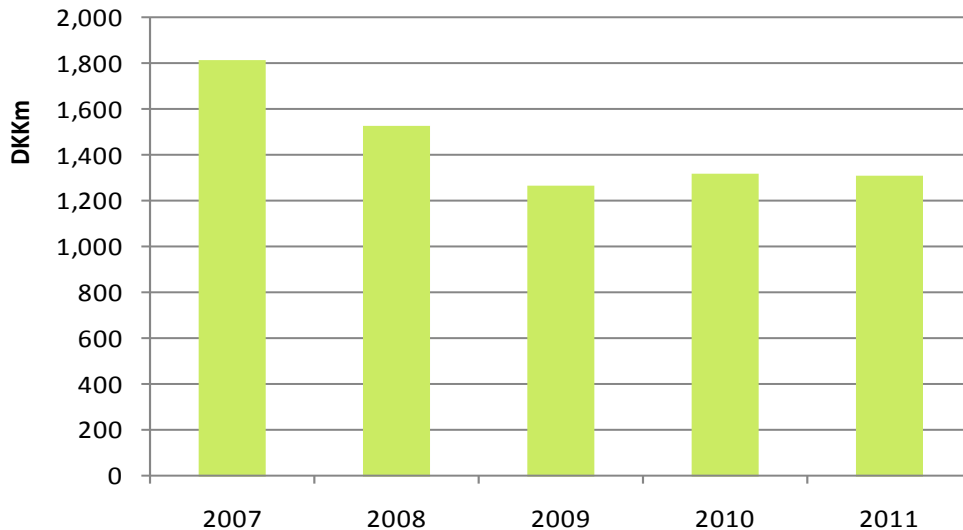
Earnings from investment portfolios



- Satisfactory return in Q1-Q3 2012 of DKK 260m above 5-year average of DKK 144m after funding costs
- Still very low interest rate risk (VaR) in Treasury portfolio
- Interest rate risk hedges interest rate risk in banking book

Fee and commission income

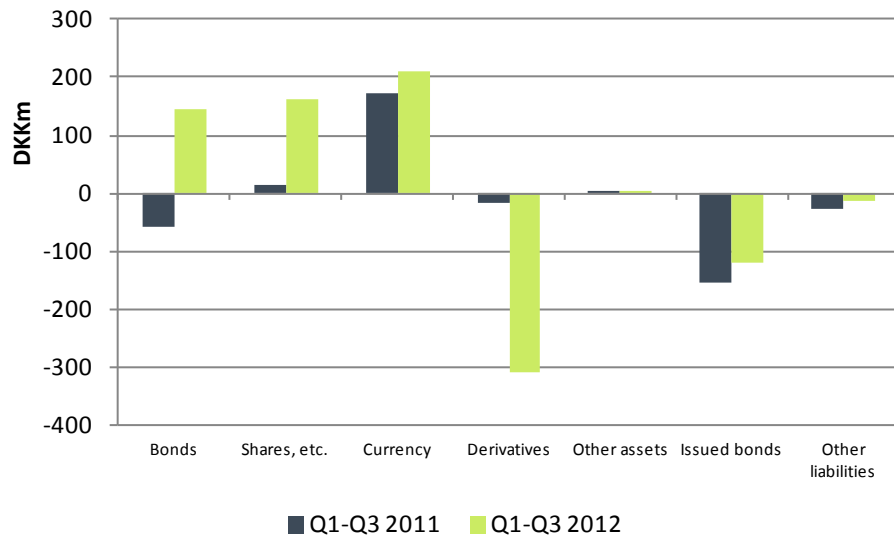
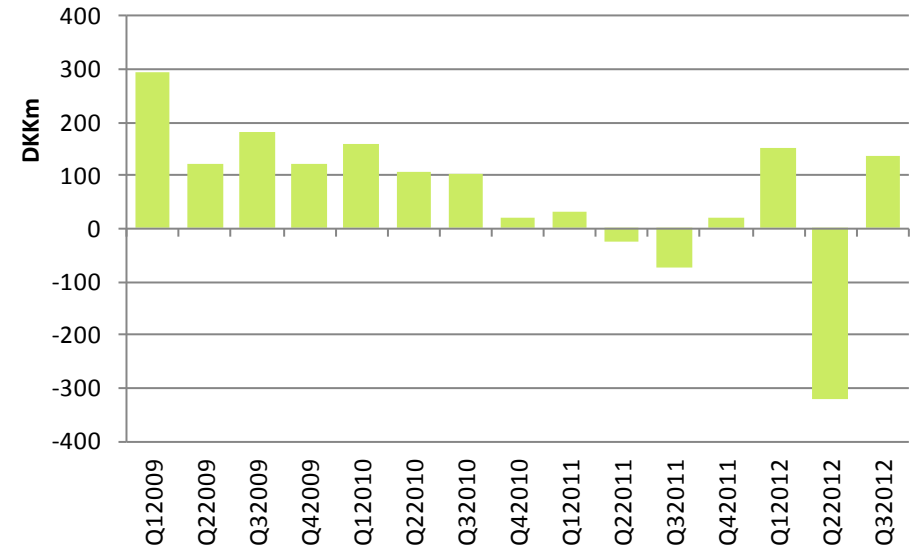
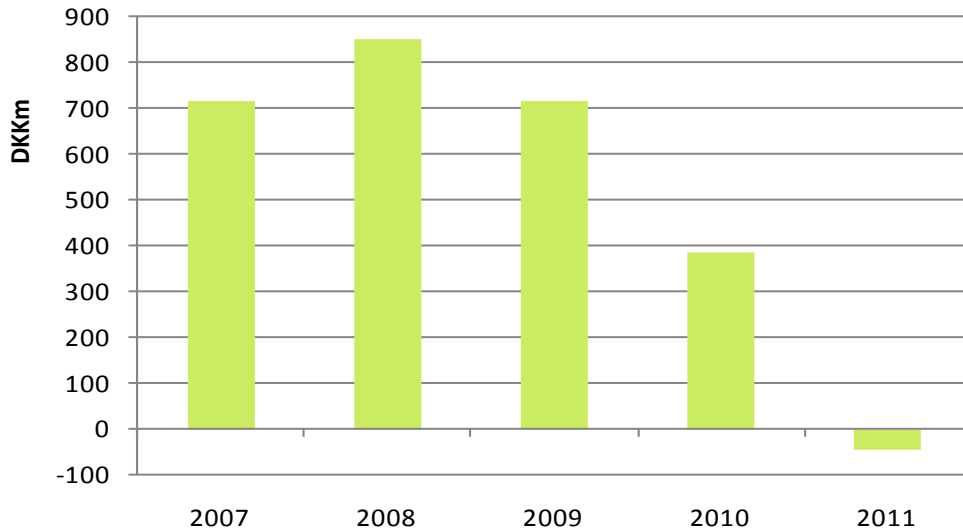
Fee and commission income



- 2012 change of level compared to 2009-2011
- Positive development in all significant components of fees and commissions
- Low activity level and low risk appetite from Q4 2011 expected to increase slightly by end 2012 and 2013

Value adjustments

Value adjustments



- Rebound in Q3 2012 from low level in Q2 due to impairment guidelines
- Value adjustments in FX, shares and currency all improved in 2012
- Volatile due to new FSA guidelines

Questions