

JYSKE BANK GROUP CREDIT PROFILE



August 2020

The Jyske Bank Group in brief

The Jyske Bank Group is a Danish SIFI. The group is the fourth largest financial service group in Denmark with total assets of DKK 642.1bn, a total of 3,420 employees, 865,000 customers and a market share of approximately 12% of aggregate Danish mortgage lending, bank lending as well as bank deposit taking. The Groups credit portfolio is well diversified with a balanced split between the SME/corporate sector and the private individuals/residential sector.

The Group is organized in three business units:

- Banking activities in Jyske Bank A/S;
- Mortgage lending activities in Jyske Realkredit A/S;
- Leasing activities in Jyske Finans A/S

Core business activities & business model

The Group focus primarily on Danish SME and retail clients. Through retail and commercial banking activities, the Group offers a full range of financial services in relation to financial solutions, including leasing and financing activities, private banking, as well as mortgage lending activities via the subsidiary Jyske Realkredit. Jyske Realkredit is Denmark's fourth largest mortgage lender specialising in owner-occupied homes, vacation homes, commercial properties and subsidised housing. The Group has strong nationwide market presence with an extensive distribution platform where customers are serviced via the branch network as well as via internet and mobile phone banking platforms. The trading & investment activities of the Group are anchored in the business division Capital Markets in Silkeborg and comprise investment advice and asset management services, including trading in fixed-income products foreign currency, bonds, shares, commodities and derivatives. Capital Markets also services larger institutional- and corporate clients. The Group's business model involves strategic sourcing partnerships in key areas, including life insurance products via GF Forsikring, mortgage products within agriculture through DLR Kredit as well as payment cards via SEB. Mobile payment solutions are offered via MOBILEPAY, Apple Pay and Google Pay. Similarly, the Group is a member of Foreningen Bankdata, which delivers essential parts of Jyske Bank's IT development and IT solutions, and Jyske Bank's IT operations are performed at JN Data.

Capital position and capital targets

| Total Capital Requirements (%) | 2020* | Capital position H1'20 | Capital targets 2020 - 2022 |
|--------------------------------|-------|------------------------|-----------------------------|
| CET1 | 10.2 | 17.3 | 15 - 17 |
| Total Capital | 15.1 | 22.2 | 20 - 22 |

*)Pillar 2 = 3.1%

The objective of capital management remains to optimise the Group's capital structure given the adopted risk profile, the operating environment and current and upcoming regulation (Basel IV). As of now and expected until 2022 the objective is to achieve a capital ratio of 20 -22% and a CET1 ratio of 15 -17%.

Strategic focus

The Group has strong strategic focus on financing of real property as growth driver. Since 2014 the Group has successfully strengthened its overall market position in Denmark, primarily via extensive growth in home loan products to private individuals. Jyske has gradually broadened its strategic growth focus in mortgage lending to include corporate clients. Since 2018 the net growth in mortgage lending to corporate clients has taken over as the main growth engine.

The Group keeps continued strategic focus on cost reductions, and has divested non-core activities over the recent years to enhance the strategic focus on Denmark and Danish customers. Over the last few decades, the Group has built up considerable trading and investment activities based on client transactions and asset management via the unit Capital Markets. Since 2018 trading, investment and wealth management activities have been identified as an area with strong potential for growth in volume and earnings.

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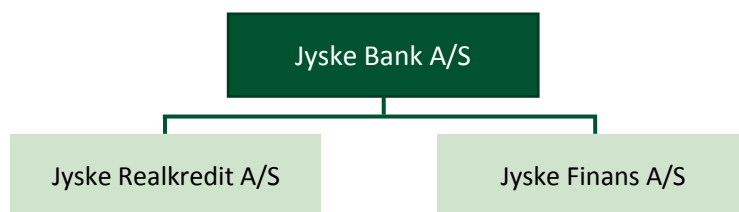
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The Jyske Bank Group's structure

- with significant 100% owned subsidiaries



| Financial performance highlights | Index | 20/19 | H1'20 | H1'19 | 2019 |
|---|-----------|-------|--------------|--------------|--------------|
| Jyske Bank Group (DKKkm) | | | | | |
| Net interest income | 97 | | 2,515 | 2,603 | 5,152 |
| Net fee and commission income | 101 | | 1,057 | 1,047 | 2,311 |
| Value adjustments | 118 | | 218 | 185 | 342 |
| Other income | 53 | | 56 | 106 | 154 |
| Income from operating lease (net) | 12 | | 7 | 58 | 101 |
| Core income | 96 | | 3,853 | 3,999 | 8,060 |
| Core expenses | 99 | | -2,510 | -2,541 | -5,029 |
| Core profit before loan imp. charges | 92 | | 1,343 | 1,458 | 3,031 |
| Loan impairment charges | - | | -1,011 | 7 | 101 |
| Core profit | 23 | | 332 | 1,465 | 3,132 |
| Investment portfolio earnings | 372 | | -227 | -61 | -53 |
| Pre-tax profit | 7 | | 105 | 1,404 | 3,079 |
| Tax | 8 | | -23 | -295 | -639 |
| Net profit for the period | 7 | | 82 | 1,110 | 2,440 |

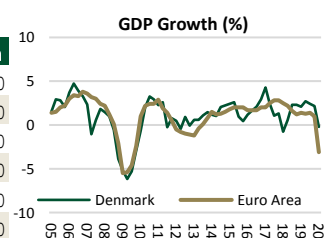
| Key balance sheet items | Index | 20/19 | H1'20 | H1'19 | 2019 |
|-------------------------|-------|-------|-------|-------|-------|
| Bank loans | 91 | | 98.7 | 108.0 | 100.7 |
| Mortgage loans | 101 | | 339.8 | 336.9 | 337.5 |
| Total assets | 99 | | 642.1 | 646.4 | 649.7 |
| Bank deposits | 95 | | 132.0 | 139.4 | 126.9 |
| Issued bonds | 122 | | 46.7 | 38.4 | 38.6 |
| Issued mortgage bonds | 97 | | 339.6 | 350.7 | 357.0 |
| Total equity | 99 | | 32.0 | 32.2 | 32.5 |
| Total REA | 93 | | 181.7 | 195.1 | 181.4 |

| Selected key ratios | H1'20 | H1'19 | 2019 |
|---|-------|-------|------|
| After tax return on equity (%) p.a | 0.0 | 6.6 | 7.1 |
| After tax return on total assets (%) p.a. | 0.0 | 0.4 | 0.4 |
| After tax return on REA (%) p.a | 0.1 | 1.2 | 1.3 |
| Impairment ratio for the period (%) p.a. | 0.2 | 0.0 | 0.0 |

| Selected key ratios | H1'20 | H1'19 | 2019 |
|--------------------------------|-------|-------|------|
| Total capital ratio (%) | 22.2 | 19.8 | 21.5 |
| CET1 ratio (%) | 17.3 | 16.0 | 17.4 |
| Acc. impairment ratio (%) | 1.2 | 1.0 | 1.0 |
| NPL acc. To EBA definition (%) | 1.1 | 1.4 | 1.4 |
| Loans & advances / equity | 13.7 | 13.6 | 13.6 |
| Equity / total assets (%) | 4.9 | 5.2 | 5.2 |

| Standard & Poor's ratings | | | Jyske Realkredit ratings of mortgage bonds | |
|----------------------------------|--------|---------|---|-----|
| Jyske Bank Issuer rating profile | Rating | Outlook | | |
| Stand-Alone Credit Profile | A- | Stable | CRD-compliant covered bonds from Capital Center E | AAA |
| Short-term preferred senior | A-1 | Stable | | |
| Long-term preferred senior | A | Stable | | |
| Long-term non-preferred senior | BBB+ | Stable | UCITS-compliant mortgage bonds from Capital Center B and the General Capital Center | AAA |
| Tier 2 | BBB | Stable | | |
| Additional Tier 1 | BB+ | Stable | | |

| Latest macro economics | DK | Euro area |
|------------------------------------|-------------|-----------|
| Real GDP/y/y growth (%) | Q1'20 -0.20 | -3.10 |
| Unemployment rate (%) | Jun 20 5.80 | 7.80 |
| HICP/y/y growth (%) | Jul 20 0.40 | 0.40 |
| Current account balance of GDP (%) | 2019 7.80 | 2.60 |
| Public budget balance of GDP (%) | 2019 3.70 | -0.60 |
| Public gross debt of GDP (%) | 2019 33.20 | 84.10 |



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Group funding profile

Bank lending activities

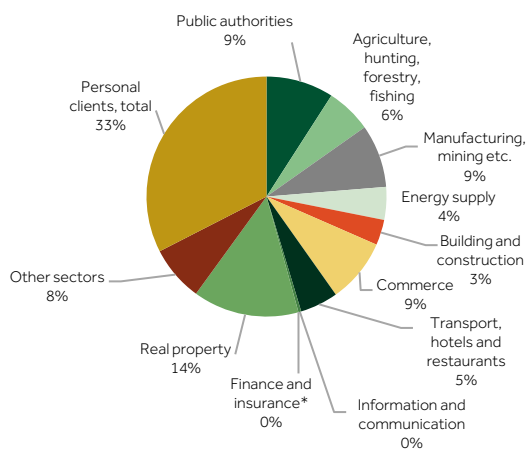
The Jyske Bank Group's bank lending activities are primarily funded via customer deposits, which ensures stability in long term funding. Longer term capital market funding is done via public benchmarks and private placements under Jyske Bank's EMTN program. Short term funding sources include the interbank market, repo markets and the French CD market.

Mortgage lending activities

Mortgage lending in Jyske Realkredit is regulated by the Danish "balance principle". Jyske Realkredit funds the Groups mortgage activities via issuance of covered bonds. In addition to the daily issuance of covered bonds in DKK Jyske Realkredit has five EUR covered bond benchmarks outstanding in the market. Market risk in the covered pool when issuing in EUR is fully hedged via derivatives.

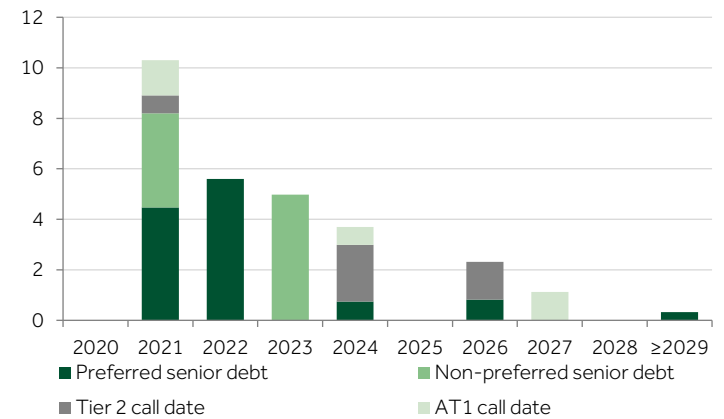
Bank lending – credit quality

Breakdown of the Jyske Bank Group's portfolio of bank loans and guarantees



Redemption & call-date profile

- August 2020



| Jyske Bank A/S | Balance of loan imp. in % of total loans, etc. | Loans, advances & guarantees (DKKm) | Loss for the period (DKKm) | Loan imp. charges (DKKm) | Balance of loan imp. charges & prov. for the period (DKKm) |
|--|--|-------------------------------------|----------------------------|--------------------------|--|
| | H1'20 | H1'20 | H1'20 | H1'20 | H1'20 |
| Public authorities | 0.0% | 10,111 | 0 | 0 | 0 |
| Agriculture, hunting, forestry & fishing | 9.1% | 6,114 | 69 | -109 | 614 |
| Manufacturing and mining, etc. | 2.7% | 8,033 | 20 | 54 | 180 |
| Energy supply | 1.0% | 4,631 | 9 | 19 | 49 |
| Building and construction | 4.0% | 2,670 | 9 | 13 | 112 |
| Commerce | 3.2% | 8,081 | 4 | 93 | 269 |
| Transport, hotels and restaurants | 2.7% | 3,991 | 1 | 27 | 112 |
| Information and communication | 32.6% | 383 | 5 | -80 | 185 |
| Finance and insurance | 1.1% | 66,616 | 17 | 69 | 716 |
| Commercial property | 2.7% | 16,079 | 1 | 86 | 438 |
| Other sectors | 2.5% | 5,967 | 19 | 19 | 151 |
| Total balance of imp. on corporate clients | 2% | 122,565 | 154 | 191 | 2,868 |
| Total balance of imp. on personal clients | 3% | 31,018 | 27 | 42 | 996 |
| Unutilised credits and credit commitments | | | | 97 | 0 |
| Total balance of Impairments | 2% | 163,694 | 181 | 330 | 3,864 |

* Excl. of DKK 43bn of revers repo loans

Selected key ratios - mortgage lending

| Jyske Realkredit A/S - Q2'20 | Private (Owner occupied & vacation homes) | Subsidised housing (rental housing) | Private rental properties (rental housing) | Offices & business properties | Other (agriculture, industry & crafts) | Total |
|--|---|-------------------------------------|--|-------------------------------|--|-------|
| Loan loss provisions (% of mortgage lending) | 0.01 | 0.00 | 0.00 | 0.01 | 0.00 | 0.01 |
| 90 days arrears in % of installment payments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 90 days arrears in % of total lending | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Average loan-to-value (%) | 60.65 | 27.46 | 59.92 | 52.28 | 43.33 | 54.28 |

Jyske Realkredit mortgage lending - Mainly housing purposes

