

JYSKE BANK GROUP CREDIT PROFILE



May 2022

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 650bn, a total of 3,237 employees, ~865,000 customers and a market share of approximately 11% of aggregate Danish mortgage lending, bank lending as well as bank deposit taking. The Group's 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 focuses 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 through PFA Pension and mortgage products within agriculture through DLR Kredit. Mobile payment solutions are offered via "MobilePay", "ApplePay" and "Google Pay". Since the start of Q3 2021 Jyske Bank has offered private and business clients access to a full range of insurance solutions in a turnkey white label solution "Jyske Forsikring" ("Jyske Insurance") provided by Købstædernes Forsikring. 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 (%)	Q1 2022*	Capital position Q1'22	Capital targets
CET1	10.0	17.2	15 - 17
Total Capital	14.7	21.6	20 - 22

*Pillar 2 = 2.7%

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).

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.

The Jyske Bank Group's structure

- with significant 100% owned subsidiaries



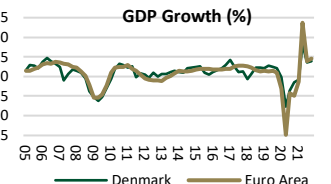
Financial performance highlights	Index			
Jyske Bank Group (DKKbn)	22/21	Q1'22	Q1'21	2021
Net interest income	107	1,312	1,224	4,973
Net fee and commission income	119	683	576	2,308
Value adjustments	2	9	362	940
Other income	318	105	33	175
Income from operating lease (net)	200	80	40	256
Core income	98	2,189	2,235	8,652
Core expenses	99	-1,160	-1,171	-4,904
Core profit before loan imp. charges	97	1,029	1,064	3,748
Loan impairment charges	-	55	-10	218
Core profit	103	1,084	1,054	3,966
Investment portfolio earnings	5	4	75	61
Pre-tax profit	96	1,088	1,129	4,027
Tax	96	-237	-246	-851
Net profit for the period	96	851	883	3,176

Key balance sheet items (DKKbn)	Index	22/21	Q1'22	Q1'21	2021
Bank loans	115	115.0	96.0	103.2	
Mortgage loans	97	329.5	339.6	340.9	
Total assets	95	650.2	682.8	647.1	
Bank deposits	100	127.1	126.5	121.5	
Issued bonds	90	67.8	75.6	73.1	
Issued mortgage bonds	94	327.1	349.3	340.3	
Total equity	103	35.0	34.0	34.9	
Total REA	108	198.0	183.3	188.2	

Selected key ratios	Q1'22	Q1'21	2021
After tax return on equity (%) p.a.	9.3	10.0	8.8
After tax return on total assets (%) p.a.	0.5	0.5	0.5
After tax return on REA (%) p.a.	1.8	1.9	1.7
Impairment ratio for the period (%) p.a.	0.0	0.0	0.0

Selected key ratios	Q1'22	Q1'21	2021
Total capital ratio (%)	21.6	23.2	22.8
CET1 ratio (%)	17.2	18.0	18.2
Acc. impairment ratio (%)	1.0	1.1	1.0
NPL acc. To EBA definition (%)	1.4	1.0	1.1
Loans & advances / equity	12.5	13.1	12.7
Equity / total assets (%)	5.3	5.0	5.4

Latest macro economics		DK	Euro area
Real GDP y/y growth (%)	Q4'21/Q1'22	6.8	5.0
Unemployment rate (%)	Dec 21/Feb 22	5.1	6.8
HICP y/y growth (%)	Mar/Apr 22	6	7.5
Current account balance of GDP (%)	2021	8.2	2.3
Public budget balance of GDP (%)	2020	2.3	-5.1
Public gross debt of GDP (%)	2020	36.7	95.6



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Group funding profile

Bank lending activities

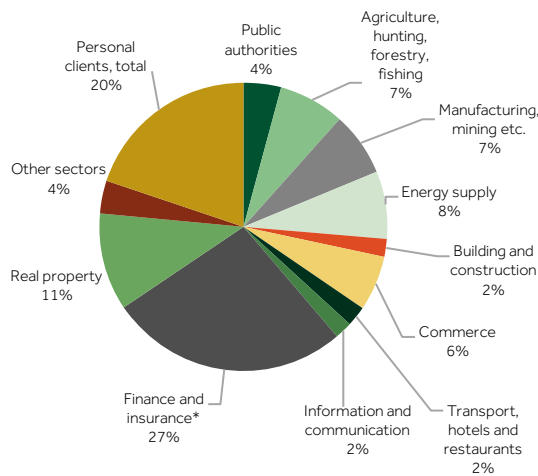
The Jyske Bank Group's bank lending activities are primarily funded via customer deposits, which ensures stability in long term funding. Longer term capital market funding is done via public benchmarks and private placements under Jyske Bank's EMTN program. Short term funding sources include the interbank 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 six EUR covered bond benchmarks outstanding in the market. Market risk in the covered pool when issuing in EUR is fully hedged via derivatives.

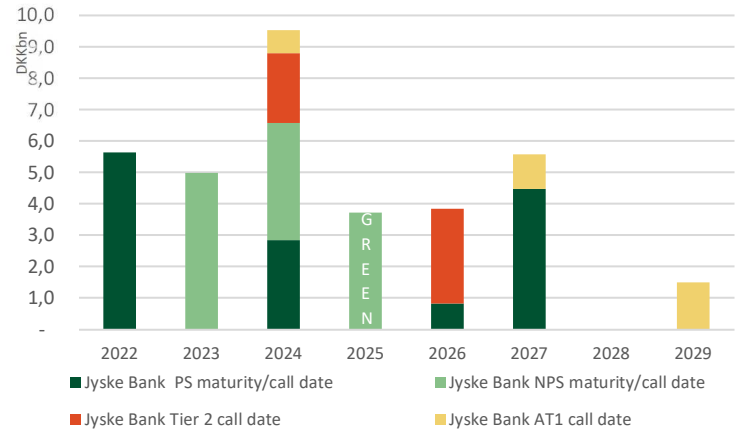
Bank lending* – credit quality

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



*) Excl. of DKK 40bn of revers repo loans

Redemption & call-date profile - May 2022



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)	(DKKm)
	Q1'22	Q1'22	Q1'22	Q1'22	Q1'22	2021
Public authorities	0.0%	11,659	0	0	0	0
Agriculture, hunting, forestry & fishing	2.5%	9,739	26	-39	252	314
Manufacturing and mining, etc.	3.0%	9,557	0	-105	291	395
Energy supply	0.3%	10,060	0	-11	32	43
Building and construction	2.1%	2,701	1	-1	58	58
Commerce	2.5%	8,204	0	-49	210	257
Transport, hotels and restaurants	2.2%	2,985	0	-17	68	84
Information and communication	5.2%	2,545	0	-2	139	140
Finance and insurance	1.1%	68,903	0	268	765	473
Commercial property	0.8%	14,586	111	-51	117	267
Other sectors	2.6%	5,409	2	12	144	131
Total balance of impairments on corporate custom	1.5%	134,689	140	5	2,076	2,162
Total balance of impairments on personal custom	3.4%	26,347	38	-95	930	1,038
Unutilised credits and credit commitments		0	0	70	342	271
Total balance of impairments	1.9%	172,695	178	-20	3,348	3,471

Selected key ratios - mortgage lending

Jyske Realkredit A/S - Q1'22	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)	0.5%	0.4%	0.0%	0.4%	1.9%	0.1%
90 days arrears in % of installment payments	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%
90 days arrears in % of total lending	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Average loan-to-value (%)	47.9%	21.0%	50.5%	46.8%	38.7%	44.3%

