Annual Report

2022

JYSKE BANK

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The Annual Report has been prepared in a Danish and an English version. In case of discrepancy between the Danish-language original text and the English-language translation, the Danish text shall prevail.

The Jyske Bank Group

Core profit and net profit for the year (DKKm)

	2022	2021	Index 22/21	2020	2019	2018
Net interest income	5,856	4,973	118	4,966	5,152	5,505
Net fee and commission income	2,529	2,308	110	2,091	2,311	1,973
Value adjustments	139	940	15	685	342	-23
Other income	239	175	137	130	154	463
Income from operating lease (net)	343	256	134	110	101	81
Core income	**9,106**	**8,652**	**105**	**7,982**	**8,060**	**7,999**
Core expenses	4,879	4,904	99	4,848	5,029	4,896
Core profit before loan impairment charges	**4,227**	**3,748**	**113**	**3,134**	**3,031**	**3,103**
Loan impairment charges	-605	-218	278	968	-101	468
Core profit	**4,832**	**3,966**	**122**	**2,166**	**3,132**	**2,635**
Investment portfolio earnings	-131	61	-	-56	-53	505
Profit before one-off costs	**4,701**	**4,027**	**117**	**2,110**	**3,079**	**3,140**
One-off costs relating to Handelsbanken DK	-144	0	-	0	0	0
Pre-tax profit	**4,557**	**4,027**	**113**	**2,110**	**3,079**	**3,140**
Tax	805	851	95	501	639	640
Net profit for the period	**3,752**	**3,176**	**118**	**1,609**	**2,440**	**2,500**
Interest on AT1 capital, charged against equity	147	176	84	168	156	127

Summary of balance sheet, end of period (DKKbn)

	2022	2021	Index 22/21	2020	2019	2018
Loans and advances	541.7	485.2	112	491.4	485.9	462.8
- of which mortgage loans	333.7	340.9	98	343.9	337.5	326.3
- of which bank loans	155.5	103.3	151	95.5	102.1	110.4
- of which repo loans	52.5	41.0	128	52.0	46.3	26.1
Bonds and shares, etc.	97.4	85.7	114	92.9	91.9	83.2
Total assets	750.0	647.1	116	672.6	649.7	599.9
Deposits	208.4	134.2	155	137.0	140.2	148.7
- of which bank deposits	189.1	121.5	156	127.5	126.9	135.7
- of which repo and triparty deposits	19.3	12.7	152	9.5	13.3	13.0
Issued bonds at fair value	324.2	340.3	95	348.8	357.0	324.7
Issued bonds at amortised cost	95.4	73.1	131	63.7	38.6	35.0
Subordinated debt	6.4	5.5	116	5.8	4.3	4.3
Holders of additional tier 1 capital	3.3	3.4	97	3.3	3.3	2.5
Shareholders' equity	37.3	34.9	107	33.3	32.5	31.8

Financial ratios and key figures

	2022	2021	Index 22/21	2020	2019	2018
Earnings per share for the period (DKK)*	55.4	42.4		19.8	29.0	28.2
Earnings per share for the period (diluted) (DKK)*	55.4	42.4		19.8	29.0	28.2
Pre-tax profit as % of average equity*	12.2	11.3		5.9	9.1	9.5
Profit for the period as % of average equity*	10.0	8.8		4.4	7.1	7.6
Expenses as a percentage of income	53.6	56.7		60.7	62.4	61.2
Capital ratio (%)	19.5	22.8		22.9	21.5	20.0
Common equity tier 1 capital ratio (%)	15.2	18.2		17.9	17.4	16.4
Individual solvency requirement (%)	10.8	11.2		11.6	11.2	10.8
Capital base (DKKbn)	43.0	42.9		41.1	39.0	37.7
Weighted risk exposure (DKKbn)	220.9	188.2		179.4	181.4	188.4
Share price at end of period (DKK)	451	337		233	243	235
Distributed dividend per share (DKK)	0	0		0	0	11.7
Book value per share (DKK)*	581	515		459	434	390
Price/book value per share (DKK)*	0.8	0.7		0.5	0.6	0.6
Outstanding shares in circulation ('000)	64,264	67,840		72,553	74,841	81,536
Number of full-time employees, end of period**	3,854	3,242		3,318	3,559	3,698

Relationships between income statement items under 'The Jyske Bank Group' (key financial data) and the IFRS income statement page 29 appear from note 2.

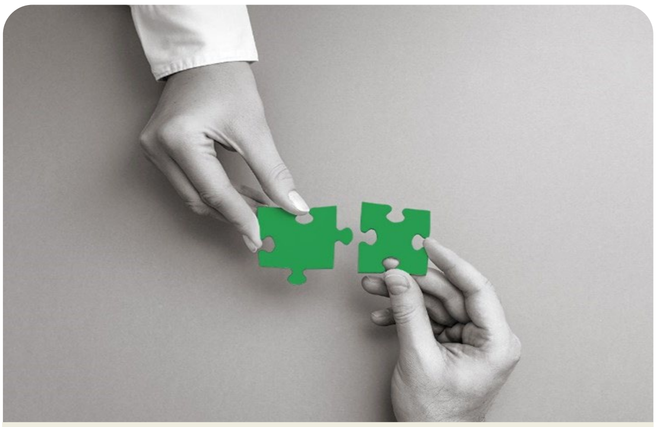
* Financial ratios are calculated as if additional tier 1 capital (AT1) is recognised as a liability, cf. note 69.

** The number of employees at the end of 2022, at the end of 2021, at the end of 2020, at the end of 2019 and at the end of 2018 less 19, 15, 31, 54 and 25 employees, respectively, who are financed externally.

Highlights 2022

A record-setting year

Jyske Bank's earnings per share came to DKK 55.4 in 2022.



Target of net zero CO_2 emissions

Net zero CO_2 emission from loans, advances, investments, and own activities not later than 2050.

#1

Best at Private Banking once again

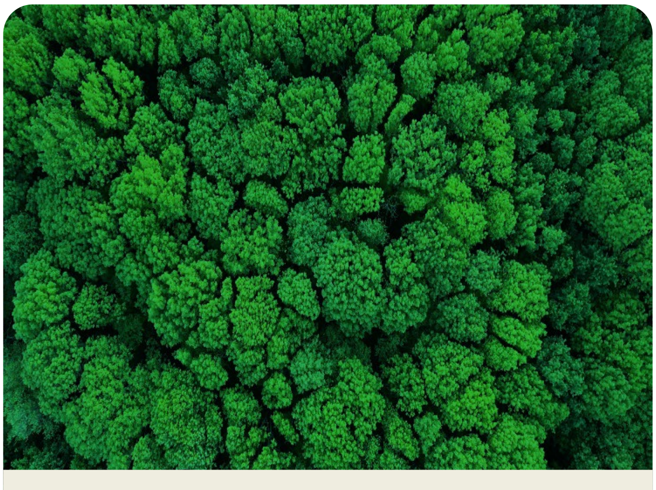
Also, Jyske Bank was by Voxmeter named the best bank for private banking for the seventh year running.

Sixth largest taxpayer in Denmark

Jyske Bank's total tax contribution to society exceeded DKK 2bn in 2022.

Reduced energy consumption

- Own energy consumption lowered by >15% as of September.
- Solar panels installed at the Group's Head Office, more solar panels to be installed in the course of 2023.



Acquisition of Handelsbanken Denmark

- The transaction was completed on 1 December 2022.
- The market position strengthens by nearly a fifth.
- Closest to the clients due to the largest branch network in the country.

Summary

"In the eventful year 2022, Jyske Bank's earnings per share reached a record-setting level for the second year in a row. The year saw a sudden end to the period of negative interest rates in consequence of the strongly accelerating inflation, which was strengthened by the war in Ukraine. The development led to great turmoil in the financial markets. The year was also characterised by the highest growth in bank loans and deposits for more than a decade, a good level of activity, and still solid credit quality. Hence the core profit exclusive of value adjustments rose by 55%. The year 2022 also saw a milestone in the history of Jyske Bank in the form of the acquisition of Handelsbanken Denmark. The acquisition will to a material degree strengthen the total business and long-term competitive power to the benefit of clients, employees and shareholders. Jyske Bank anticipates to continue the positive development in 2023, expecting earnings per share of DKK 60 - 70, supported by the full-year effect from the acquisition of Handelsbanken Denmark, the higher level of interest rates as well as solid credit quality", states Anders Dam, CEO and Managing Director.

The upswing in the Danish economy continued in 2022 with strong employment growth. However, the high economic growth after the lifting of the COVID-19 pandemic restrictions slowed down in the course of the year. Capacity pressure in the global supply chains contributed to the accelerating inflation, which reached the highest level for several decades and resulted in historical increases in interest rates. This weakened the purchasing power of households and led to large fluctuations in financial markets, falling housing prices, and a new low in consumer confidence. The development accelerated the prospects of an economic slowdown, which may weaken the debt-servicing ability of some clients. However, the Danish economy is well positioned with respect to being able to handle a period of slower economic growth. The clients' loan-to-value ratios are low, and Jyske Bank is well prepared to counter an economic decline.

The war in Ukraine has resulted in huge human costs, put millions of Ukrainians to flight and changed the geopolitical world order. Jyske Bank contributes to an improvement of the situation for the Ukrainian refugees in Denmark by creating jobs for Ukrainian refugees and by allowing employees time off to do voluntary work. In addition, we focus on assisting clients handling the implications of the war and complying with the extensive sanctions against Russia. Moreover, Jyske Bank has lowered its own energy consumption by more than 15% since September relative to the same period in 2021.

On 20 June 2022, Jyske Bank entered into an agreement to buy the activities of Svenska Handelsbanken in Denmark, with about 600 employees and 42 branches, headquartered in Copenhagen. In connection with the closing on 1 December 2022, Jyske Bank made a cash payment for the assets and liabilities of Handelsbanken Denmark as well as a goodwill payment in the amount of DKK 3.0bn. Handelsbanken Denmark was established in 1992 and grew subsequently organically supplemented by the acquisition of Midtbank and Lokalbanken i Nordsjælland. The transaction involved loans and advances amounting to DKK 65.2bn and deposits amounting to DKK 35.4bn. The acquisition of Handelsbanken will strengthen Jyske Bank's market position, and the business volume will increase significantly. The greater scale will support the possibilities of developing and offering attractive products and services to Jyske Bank's present and future clients. The acquisition will also offer the possibility of realising economies of scale based on a common IT platform from November 2023. The integration of Handelsbanken Denmark is progressing according to plan as regards financial, commercial and organisational issues. The future work tasks for all employees were clarified at the beginning of February 2023, and branch mergers in cities where both Handelsbanken and Jyske Bank are present will reduce the total number of branches by about one fourth. It is expected that all branch mergers will be completed by November 2023.

Jyske Bank is well positioned for both organic growth and the integration of Svenska Handelsbanken's activities in Denmark. Over the past decade, the Jyske Bank Group has optimised its business through significant acquisitions, income and cost initiatives, organisational adjustments and new strategic cooperation agreements, most recently when the Group joined the cooperation on leasing and financing, Opendo.

In 2022, the corporate client area realised a large increase in business volumes. The personal client area implemented further branch mergers, and with effect as of 1 April 2022 it introduced a new customer programme. The purpose of this programme is to secure that, in a profitable manner, Jyske Bank will still be able to offer its personal clients accessible, personal, and competent advisory services as well as good and fast services. These characteristics also apply to

Jyske Bank's private banking activities, and for the seventh year in a row Jyske Bank was named the best bank for private banking clients in Denmark according to Voxmeter. In 2022, the expansion of easy and digital access to Jyske Bank's services continued in the form of, among other things, self-service ordering of additional loans and a Jyske Forsikring (insurance) overview in Jyske Mobilbank. The latter was by users named the best mobile bank in Denmark in a survey conducted by I Love Mobile and Shape.

The efforts to meet Jyske Bank's long-term target of net zero CO_2 emissions on loans and investments continued in 2022. For investments, the 2030 intermediate targets for investment in equities and mortgage bonds were approved by the Net Zero Asset Managers Initiative. For lending, Jyske Bank has determined intermediate targets for the reduction of CO_2 emissions for certain industries, covering 33% of financed CO_2 emissions for loans. The CO_2 emissions from own activities were reduced by 15% in 2022, and the target is a reduction of 65% in 2030. Since 2021, emissions associated with the consumption of electricity, heating and the use of the Group's cars have almost been offset by own production of renewable energy. Jyske Bank is determined to integrate sustainability in its own as well as business-oriented activities. As a result of this, the year 2022 saw the implementation of extensive training activities for advisers within sustainability, implementation of the identification of sustainability preferences in investment advice, and the establishment of solar panels at the headquarter.

Earnings per share of DKK 55.4 in 2022

Earnings per share rose to DKK 55.4 from DKK 42.4, which allows for an amount of DKK 144m incurred as one-off expenses relating to the acquisition of Handelsbanken Denmark. The net profit for the year of DKK 3,752m corresponds to a return on equity by 10.0% against DKK 3,176m and 8.8%, respectively, for 2021.

Jyske Bank's business volumes increased significantly in 2022. Lending under banking activities realised one of the highest organic growth rates seen so far, driven by corporate clients, and this was further supported by the acquisition of Handelsbanken Denmark. This resulted in a growth rate of 63% in bank lending, while bank deposits increased by 56%. The full earnings impact from the growth will not be realised until 2023. Leasing and car financing realised an increase of 6% despite challenged supply chains in the auto industry. Nominal mortgage loans rose by 8% due to the acquisition of Handelsbanken Denmark and a significant increase in lending to corporate clients.

Core income saw broadly based growth of 16% adjusted for a negative impact from value adjustments. Net interest income was supported by higher interest rates as well as higher lending to corporate clients and the acquisition of Handelsbanken Denmark. Net fee and commission income rose, among other things, due to a high level of lending and remortgaging activity as well as a new customer programme for personal clients. Other income was favourably affected by higher dividends, and continued favourable sales conditions in the used-car market resulted in higher income from operating lease (net).

Core expenses fell 1%. To this must be added one-off expenses of DKK 144m relating the acquisition of Svenska Handelsbanken's activities in Denmark. Adjusted for a one-off expense of DKK 165m in 2021, core expenses rose 3%. The increase can primarily be attributed to the acquisition of Handelsbanken Denmark on 1 December 2022, wage adjustments relating to the sector-wide collective agreement, and a high level of activity.

Loan impairment charges amounted to an income of DKK 605m against an income of DKK 218m in 2021. The credit quality is still solid with a low level of non-performing loans. Jyske Bank maintains a significant management's estimate in the balance of impairment charges and discounts totalling DKK 1,777m against DKK 1,770m at the end of 2021, especially with a view to countering the macroeconomic uncertainty.

At the end of 2022, Jyske Bank's common equity tier 1 capital ratio was 15.2%, which is within the targeted range of 15%-17% despite the acquisition of Handelsbanken Denmark.

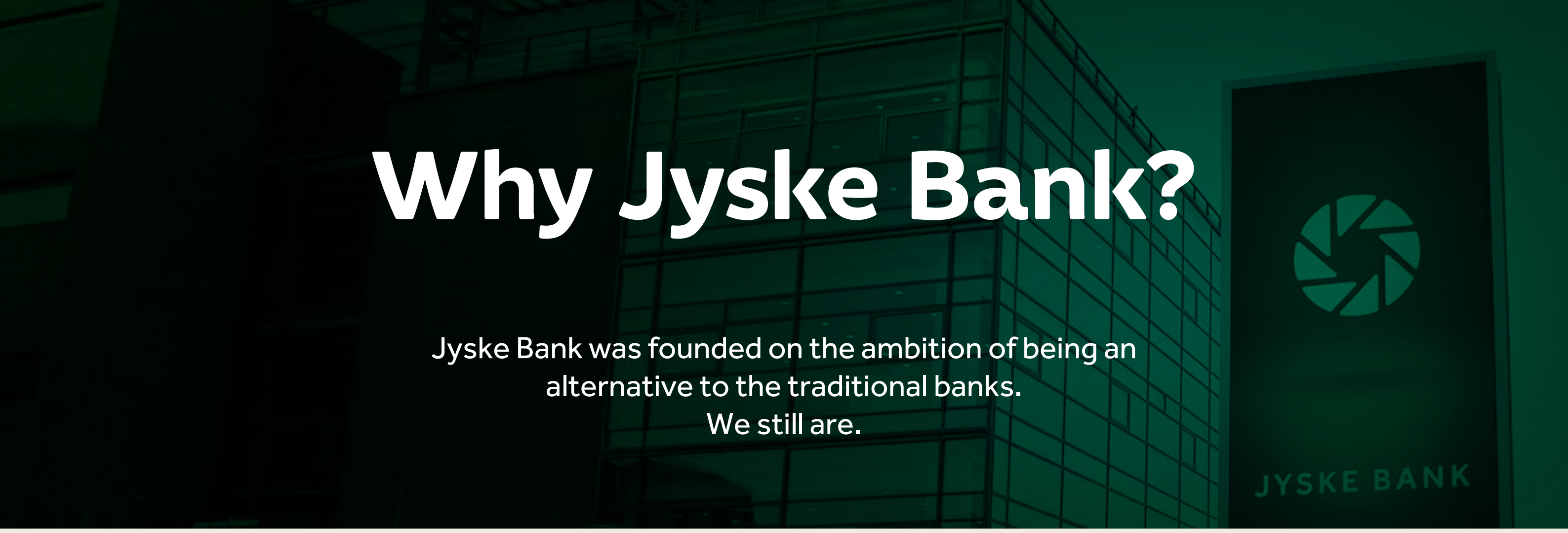
Outlook 2023

Jyske Bank anticipates earnings per share in the range of DKK 60-70 for 2023. This corresponds to net profit in the range of DKK 4.0bn-4.6bn and a pre-tax profit in the range of DKK 5.3bn-6.1bn.

Core income is expected to increase significantly in 2023, especially due to the acquisition of Handelsbanken Denmark and the effects from a higher level of interest rates.

Likewise, core expenses are expected to rise considerably in 2023. The increase can primarily be attributed to the acquisition of Handelsbanken Denmark. To this must be added derived integration and restructuring costs of about DKK 0.3bn.

Loan impairment charges are expected to amount to an expense in 2023.



Why Jyske Bank?

Jyske Bank was founded on the ambition of being an alternative to the traditional banks.
We still are.

We have always challenged the financial sector by having a different approach to customers and the market. We believe that is the way to create value for clients, employees and shareholders.

Common sense · Honest · Efficiency · Equality · Unpretentious

To be the catfish:

- We run a sustainable and responsible business that challenges and develops the Danish banking market and the surrounding society in a positive direction.
- We are an independent bank with views that makes a difference and creates freedom.
- We ensure balance between clients, employees and shareholders.

We will be at the cutting edge, create value for our clients and offer them an experience beyond the expected

JYSKE BANK

Read furher information about Jyske Bank's foundation, strategy, values, etc. at investor.jyskebank.com/investorrelations/governance/code-of-conduct.

Financial Review

Core profit and net profit for the year (DKKm)	FY 2022	FY 2021	Index 22/21	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Net interest income	5,856	4,973	118	1,773	1,412	1,359	1,312	1,277
Net fee and commission income	2,529	2,308	110	681	598	567	683	645
Value adjustments	139	940	15	523	-300	-93	9	207
Other income	239	175	137	44	20	70	105	26
Income from operating lease (net)	343	256	134	60	98	105	80	72
Core income	**9,106**	**8,652**	**105**	**3,081**	**1,828**	**2,008**	**2,189**	**2,227**
Core expenses	4,879	4,904	99	1,329	1,206	1,184	1,160	1,388
Core profit before loan impairment charges	**4,227**	**3,748**	**113**	**1,752**	**622**	**824**	**1,029**	**839**
Loan impairment charges	-605	-218	278	-158	-200	-192	-55	-145
Core profit	**4,832**	**3,966**	**122**	**1,910**	**822**	**1,016**	**1,084**	**984**
Investment portfolio earnings	-131	61	-	-29	-119	13	4	-21
Profit before one-off costs	**4,701**	**4,027**	**117**	**1,881**	**703**	**1,029**	**1,088**	**963**
One-off costs relating to Handelsbanken DK	-144	0	-	-66	-67	-11	0	0
Pre-tax profit	**4,557**	**4,027**	**113**	**1,815**	**636**	**1,018**	**1,088**	**963**
Tax	805	851	95	257	133	178	237	178
Net profit for the period	**3,752**	**3,176**	**118**	**1,558**	**503**	**840**	**851**	**785**
Interest on AT1 capital, charged against equity	147	176	84	39	37	35	36	36

Profit for the year

Earnings per share rose by 31% to DKK 55.4 against DKK 42.4 for the previous year, corresponding to a post-tax profit of DKK 3,752m and DKK 3,176m, respectively. The increase in the results took place despite a negative change in value adjustments and investment portfolio earnings of DKK 1bn, hence reflecting a good underlying development due to the increasing business volumes and higher interest rates, a good level of activity, tight cost management, and solid credit quality.

The profit for 2022 is in line with the most recently announced expectations of earnings per share of DKK 57 and a post-tax profit of DKK 3.9bn exclusive of one-off expenses of just above DKK 0.1bn.

Core income

Core income rose by 5% relative to 2021. Adjusted for a negative development in value adjustments, core income rose by 16%.

Net Interest income increased by 18% relative to 2021. The increase can be attributed to higher interest rates as well as higher lending to corporate clients and the acquisition of Handelsbanken Denmark.

Net fee and commission income increased by 10% in 2022, The increase was primarily caused by refinancing of fixed-rate mortgage loans due to increasing interest rates, introduction of a new customer programme, as well as a high lending activity. To this must be added the effect from the acquisition of Handelsbanken Denmark.

Value adjustments fell to DKK 139m from DKK 940m the preceding year. The fall from a high level was primarily caused by the effect from rising interest rates as well as widening spreads for Danish mortgage bonds.

Other income rose to DKK 239m from DKK 175m due to higher dividends, etc. as well as positive results on equity investments in associates.

Income from operating lease (net) rose to DKK 343m from DKK 256m due to the favourable sales conditions in the used car market.

Core expenses

Core expenses fell by 1%. To this must be added one-off expenses of DKK 144m relating the acquisition of Svenska Handelsbanken's activities in Denmark. Adjusted for a one-off expense of DKK 165m in 2021, core expenses rose by 3%. The increase can primarily be attributed to core expenses concerning Handelsbanken Denmark from 1 December 2022, wage adjustments relating to the sector-wide collective agreement, and a high level of activity.

Core expenses (DKKm)	2022	2021
Staff costs	2,983	2,871
IT costs	1,330	1,492
Rent, etc.	55	56
Amortisation, depreciation and impairment	130	107
Other operating expenses	381	378
Total	4,879	4,904

Loan impairment charges
Loan impairment charges and provisions for guarantees amounted to an income of DKK 605m against an income of DKK 218m in 2021. The credit quality is still solid with a low level of non-performing loans. Jyske Bank still has significant management's estimates of the balance of impairment charges and discounts totalling DKK 1,777m, especially with a view to countering the macroeconomic uncertainty.

Investment portfolio earnings
In 2022, investment portfolio earnings amounted to DKK -131m against DKK 61m for 2021. The negative result can primarily be attributed to the effect from the wider credit spreads on bonds. Hedging of AT1 capital instruments in SEK had a negative effect of DKK 57m in 2022 and was offset by a positive adjustment of shareholders' share of equity.

Investment portfolio earnings (DKKm)	2022	2021
Net interest income	33	72
Value adjustments	-135	17
Income	-102	89
Expenses	29	28
Investment portfolio earnings	-131	61

Q4 2022 compared to Q3 2022
Earnings per share amounted to DKK 23.7 in the fourth quarter against DKK 7.3 in the third quarter, corresponding to a net profit of DKK 1,558m and DKK 503m, respectively.

Core income rose by 69%, among other things, due to higher value adjustments and net interest income.

Net interest income increased by 26%. The increase was caused by higher interest rates as well as the acquisition of Handelsbanken Denmark.

Net fee and commission income increased by 14% relative to the preceding quarter The development can mainly be attributed to the acquisition of Handelsbanken Denmark as well as seasonally higher income relating to securities trading and custody services. These circumstances more than offset the effect from the seasonally lower refinancing activity.

Other income rose to DKK 44m from DKK 20m primarily attributed to higher results of investments in associates.

Income from operating lease (net) fell to DKK 60m from a high level of DKK 98m. The decline can be attributed to falling used-car prices and a higher management's estimate concerning derived impairment charges.

Value adjustments amounted to DKK 523m against DKK -300m in the preceding quarter. The positive results can, among other things, be attributed to spread narrowing of Danish mortgage bonds and positive equity returns.

Core expenses rose to DKK 1,329m from DKK 1,206m. The increase was mainly due to the acquisition of Handelsbanken Denmark on 1 December 2022. The level of associated one-offs remained practically unchanged.

Loan impairment charges amounted to an income of DKK 158m against an income of DKK 200m in the preceding quarter. The low impairment level can be attributed to a continued solid underlying credit quality.

Investment portfolio earnings amounted to DKK -29m against DKK -119m in the preceding quarter. The Q4 results can primarily be attributed to currency positions which more than offset the positive effect from bond spread narrowing.

Business volume

Summary of balance sheet, end of period (DKKbn)	FY 2022	FY 2021	Index 22/21	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Loans and advances	541.7	485.2	112	541.7	466.5	481.8	479.9	485.2
- of which mortgage loans	333.7	340.9	98	333.7	304.5	319.1	329.5	340.9
- of which bank loans	155.5	103.3	151	155.5	115.2	113.3	110.5	103.3
- of which repo loans	52.5	41.0	128	52.5	46.8	49.4	39.9	41.0
Bonds and shares, etc.	97.4	85.7	114	97.4	88.7	89.4	90.0	85.7
Total assets	750.0	647.1	116	750.0	672.0	667.1	650.2	647.1
Deposits	208.4	134.2	155	208.4	162.1	156.4	141.9	134.2
- of which bank deposits	189.1	121.5	156	189.1	149.2	140.1	127.1	121.5
- of which repo and triparty deposits	19.3	12.7	152	19.3	12.9	16.3	14.8	12.7
Issued bonds at fair value	324.2	340.3	95	324.2	299.8	312.2	327.1	340.3
Issued bonds at amortised cost	95.4	73.1	131	95.4	87.7	77.7	67.8	73.1
Subordinated debt	6.4	5.5	116	6.4	6.4	5.4	5.5	5.5
Holders of additional tier 1 capital	3.3	3.4	97	3.3	3.3	3.3	3.3	3.4
Shareholders' equity	37.3	34.9	107	37.3	35.8	35.2	35.0	34.9

Jyske Bank's total loans and advances (excl. repo loans) came to DKK 489.2bn at end-2022 and consisted of 68% mortgage loans and 32% bank loans and advances. The increase of 10% compared with end-2021 was due to the acquisition of Handelsbanken Denmark which more than offset that mortgage loans stated at fair value were adversely affected by higher interest rates.

Nominal mortgage loans rose by 8% to DKK 365.6bn due to the acquisition of Handelsbanken Denmark. Rising mortgage loans to corporate clients were partly offset by lower mortgage loans to personal clients.

Bank deposits amounted to DKK 155.5bn, corresponding to an increase by 51% relative to the end of 2021. Lending under banking activities realised one of the highest organic growth rates seen so far, driven by corporate clients, and this was further supported by the acquisition of Handelsbanken Denmark. Loans under leasing activities rose by 6% in 2022 despite challenged supply chains in the auto industry.

Bank deposits amounted to DKK 189.1bn, corresponding to an increase by 56% relative to the end of 2021. The development was driven by the acquisition of Handelsbanken Denmark and higher deposits from corporate clients, especially after the limit for payments to companies' tax accounts was lowered on 15 June 2022. Bank deposits were DKK 33.6bn higher than bank lending at the end of 2022.

The business volume within asset management rose to DKK 218bn at the end of 2022 from DKK 208bn at the end of 2021. The development can in particular be attributed to an increase of DKK 28bn relating to the acquisition of Handelsbanken Denmark which more than offset the effect from a negative market return and the phasing out of international private banking activities. Net sales to both retail clients as well as institutional clients were positive for the year.

Q4 2022 compared to Q3 2022

Jyske Bank's total bank loans and advances (excl. repo loans) were 17% higher at end-Q4 compared with the preceding quarter.

Nominal mortgage loans rose by 7% due to the acquisition of Handelsbanken Denmark. Organic lending growth relating to corporate clients was offset by lower loans and advances to personal clients.

Bank loans and deposits rose by 35% and 27%, respectively fuelled by the acquisition of Handelsbanken Denmark.

The business volume within asset management rose to DKK 218bn from DKK 176bn, primarily caused by the acquisition of Handelsbanken Denmark.

Credit quality

Loan impairment charges and provisions for guarantees (DKKbn)

	FY 2022	FY 2021	Index 22/21	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Loans, advances and guarantees	552.8	498.9	111	552.8	477.0	495.8	495.0	499.0
- stage 1	528.4	470.4	112	528.4	453.6	470.7	467.7	470.5
- stage 2	17.8	23.6	75	17.8	16.9	18.4	20.9	23.6
- stage 3	6.5	4.9	133	6.5	6.5	6.7	6.4	4.9
- credit-impaired at initial recognition	0.1	0.0	-	0.1	0.0	0.0	0.0	0.0
Balance of loan impairment charges	4.6	5.2	88	4.6	4.7	4.8	4.9	5.2
- stage 1	1.2	1.0	120	1.2	1.1	1.1	1.2	1.0
- stage 2	1.1	0.8	138	1.1	1.2	1.0	1.0	0.8
- stage 3	2.3	3.4	68	2.3	2.4	2.7	2.7	3.4
Balance of discounts for acquired assets	0.6	0.1	600	0.6	0.0	0.0	0.1	0.1
Non-accrual loans and past due exposures	0.6	0.5	122	0.6	0.5	0.5	0.5	0.5
Loan impairment charges.	-0.6	-0.2	300	-0.2	-0.2	-0.2	0.0	-0.1
Operating losses	0.4	0.3	140	0.1	0.1	0.1	0.2	0.1

Jyske Bank's credit risks primarily relate to mortgage loans secured against real property as well as bank loans, advances and guarantees. Loans, advances and guarantees are distributed with 59% to corporate clients, 39% to personal clients, and 2% to public authorities. Total exposure rose by 11% in 2022 due primarily to the acquisition of Handelsbanken Denmark.

Loans, advances and guarantees – by sector (DKKbn/%)

	Loans, advances and guarantees		Impairment ratio	
	2022	2021	2022	2021
Public authorities	**13.8**	**12.8**	**0.0**	**0.0**
Agriculture, hunting, forestry and fishing	12.5	7.8	1.2	4.0
Manufacturing industry and mining	14.8	9.5	1.5	4.3
Energy supply	9.0	10.7	0.3	0.4
Construction	10.4	7.8	0.9	1.2
Commerce	13.0	11.7	2.2	2.5
Transport, hotels and restaurants	6.4	6.2	1.7	1.8
Information and communication	3.1	1.1	4.3	11.4
Finance and insurance	62.7	43.6	1.4	1.1
Real property	165.3	163.1	0.5	0.8
Other sectors	24.5	17.9	1.0	1.1
Corporate clients	**321.7**	**279.4**	**0.9**	**1.2**
Personal clients	**217.3**	**206.7**	**0.7**	**0.9**
Total	**552.8**	**498.9**	**0.8**	**1.0**

Loan impairment charges and provisions for guarantees amounted to an income of DKK 605m in 2022, corresponding to 11bp of gross loans, advances and guarantees. The effect on the income statement is distributed with an income of DKK 391m relating to banking activities, an income of DKK 272m relating to mortgage activities, and an expense of DKK 58m relating to leasing activities. The reversal of impairment charges in 2022 was generally caused by a good underlying development of the clients' credit quality and a lower management's estimate relating to loan impairment charges.

At the end of 2022, stage 3 loans amounted to 1.2% of loans, advances and guarantees against 1.0% at the end of 2021. The increase was mainly caused by the FSA's clarification that repeated overdrafts must be considered a breach of contract, with resulting ranking of exposures in stage 3. The proportion of loans subject to forbearance measures was roughly unchanged at 1.4% compared to 1.5% at the end of 2021. The proportion of loans, advances and guarantees in stage 1 rose to 95.6% from 94.3% at the end of 2021.

At the end of 2022, Jyske Bank's balance of loan impairment charges amounted to DKK 4.6bn, corresponding to 0.8% of loans, advances and guarantees against DKK 5.2bn and 1.0%, respectively, at the end of 2021. Inclusive of the balance of discounts for acquired assets at DKK 0.6bn at end-2022, Jyske Bank's balance of impairment charges and discounts amounted to DKK 5.2bn, or 0.9% of loans, advances and guarantees.

At the end of 2022, loan impairment charges based on management's estimates amounted to DKK 1,425m against DKK 1,770m at the end of 2021. The decline can be attributed to lower additions relating to process-related risks, as the estimate relating to amounts overdrawn by personal clients and limited insight into the finances of personal clients was reduced. The estimate of macroeconomic risks remained practically unchanged. The estimate relating to failure to identify risks relating to the COVID-19 pandemic declined whereas the estimate relating to the energy and inflation crisis was raised.

Inclusive of estimates included in the discount balance relating to the acquisition of Handelsbanken Denmark at DKK 352m, the total estimates relating to the balance of impairment charges and discounts remained practically unchanged at DKK 1,777m at the end of 2022 compared with the end of 2021.

Recognition and measurement uncertainty

Measurement of certain assets and liabilities is based on accounting estimates made by the Group management.

The areas that involve assumptions and estimates that are material for the financial statements include loan impairment charges, fair value of unlisted financial instruments, provisions and acquisitions and are described in detail under Accounting Policies (note 68), to which reference is made.

Capital and Liquidity Management

Capital management

Jyske Bank's objective is to achieve a capital ratio of 20%-22% and a common equity tier 1 capital ratio of 15%-17% in the coming years. At these levels, Jyske Bank can comfortably absorb the effects from future legislative changes while at the same time having the required strategic scope.

At the end of 2022, Jyske Bank had a capital ratio of 19.5% and a common equity tier 1 capital ratio of 15.2% against 22.8% and 18.2%, respectively, at the end of 2021. In 2022, the capital ratios were reduced due to the acquisition of Handelsbanken Denmark which included a goodwill payment at DKK 3.0bn as well as a considerable increase in the weighted risk exposure.

Capital ratios (%)

	2022	2021
Capital ratio	19.5	22.8
Core capital ratio incl. hybrid capital	16.7	20.0
Common equity tier 1 capital ratio	15.2	18.2

The total weighted risk exposure amounted to DKK 220.9bn at the end of 2022 against DKK 188.2bn at the end of 2021. The increase can primarily be attributed to the acquisition of Handelsbanken Denmark as well as higher credit risks due to the implementation of EBA guidelines.

Weighted risk exposure (DKKm)

	2022	2021
Credit risk, etc.	195,379	163,154
Market risk	8,381	10,723
Operational risk	17,161	14,304
Total	220,921	188,181

A reduction of the share capital by 3,560,778 shares, each of a nominal value of DKK 10 was adopted at the extraordinary general meeting on 6 January 2022 and implemented on 15 February 2022. The share capital then amounted to 69,000,000 shares, each of a nominal value of DKK 10.

At the extraordinary general meeting on 14 September 2022, a further reduction of the share capital by 4,727,905 bought-back shares, each of a nominal value of DKK 10, was adopted, and the capital reduction was implemented in October. The share capital then amounted to 64,272,095 shares, each of a nominal value of DKK 10.

Jyske Bank completed the most recent share-buyback programme in the amount of DKK 2.0bn on 31 May 2022.

Depending on the development of the capital position, the Supervisory Board will endeavour to resume the capital distribution to shareholders in the second half of 2023.

Capital requirement

The requirements of the total capital base consist of one Pillar I requirement of 8% of the weighted risk exposure with a capital addition for above-normal risk under Pillar II and buffers.

At the end of 2022, Jyske Bank's individual solvency requirement was 10.8% of the weighted risk exposure against 11.2% at the end of 2021. To this must be added a SIFI requirement of 1.5% and a capital conservation buffer of 2.5% as well as the countercyclical buffer of 2.0%. Hence, the total capital requirement is 16.7%, which is an increase compared with the end of 2021 when the capital requirement was 15.2%.

Capital requirement (%)

	Capital ratio		CET1 ratio	
	2022	2021	2022	2021
Pillar I	8.0	8.0	4.5	4.5
Pillar II	2.8	3.2	1.6	1.8
SIFI	1.5	1.5	1.5	1.5
Capital conservation buffer	2.5	2.5	2.5	2.5
Countercyclical buffer	1.9	0.0	1.9	0.0
Capital requirement	16.7	15.2	12.0	10.3

Both the SIFI requirements and the capital conservation buffer have been fully phased in. The countercyclical buffer will increase from 2.0% at the end of 2022 to 2.5% in the first quarter of 2023.

Excess capital relative to CET1 capital requirement (%)

	2022	2021
Common equity tier 1 capital ratio	15.2	18.2
Common equity tier 1 capital requirement	12.0	10.3
Excess capital	3.2	7.9

Consequently, compared with the common equity tier 1 capital ratio, the excess capital adequacy came to 3.2% of the weighted risk exposure, corresponding to DKK 7.0bn against 7.9% and DKK 14.9bn, respectively, at the end of 2021.

Liquidity management

Jyske Bank's biggest source of funding is covered bonds and mortgage bonds, which amounted to DKK 324bn corresponding to 43% of the balance sheet at the end of 2022. The second-largest funding source is client deposits, which amounted to DKK 189bn, of which a high proportion consists of deposits from small and medium-sized enterprises as well as personal clients.

At the end of 2022, the Jyske Bank Group's liquidity coverage ratio (LCR) was 417%, and hence at a very high seasonal level. The Group's internal exposure limit is a LCR of at least 120%. Nevertheless, the aim is that LCR is, under normal market conditions, above 150%.

The LCR buffer after haircuts at the end of 2022 is shown below.

Liquidity Coverage Ratio (LCR)

	DKKbn	%
Level 1a assets	84.1	63
Level 1b assets	46.5	35
Level 2a + 2b assets	2.8	2
Total	133.4	100

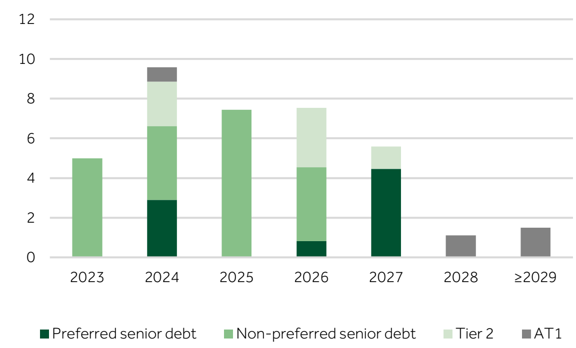
At the end of 2022, the Jyske Bank Group's Net Stable Funding Ratio (NSFR) was 129%, against 138% at the end of 2021.

Refinancing profile

The Group is on an ongoing basis active in the French commercial paper (CP) market. At the end of 2022, the outstanding volume under the CP programme amounted to DKK 71bn against DKK 51bn at the end of 2021.

At the end of 2022, outstanding unsecured senior debt amounted to DKK 27.8bn against DKK 24.1bn at the end of 2021. At the end of 2022, outstanding CRD-IV compliant tier 2 and AT1 capital instruments amounted to DKK 6.2bn and DKK 3.3bn, respectively, against DKK 5.2bn and DKK 3.3bn, respectively, at the end of 2021.

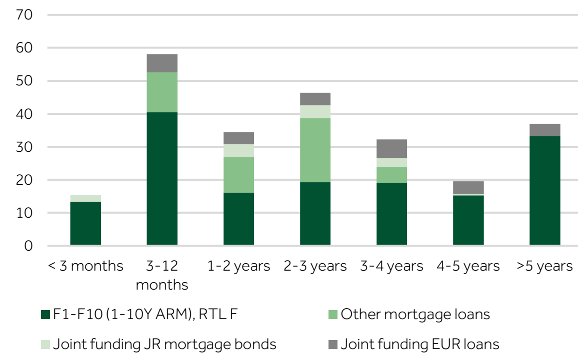
Run-off and call date profile (DKKbn)



The run-off profile for the Group's unsecured senior debt, etc. determined at the end of 2022 is illustrated by the preceding chart.

At the end of 2022, covered bonds involving refinancing risk amounted to DKK 243bn, and the run-off profile of the underlying mortgage loans is shown by the chart below.

Run-off profile of covered bonds (DKKbn)



Issuance activity and funding plans

At the publication of its Financial Report for 2022, Jyske Bank had issued the following bonds on the international capital markets since early 2022.

Issuance activity

	Maturity	Credit spread
SEK 3bn preferred senior debt (value date 12.04.2022)	12.04.2025 (call 2024)	3M CIBOR +31 bp.
DKK 400m tier 2 capital (value date 31.08.2022)	31.08.2032 (call 2027)	3M CIBOR +245 bp.
SEK 600m tier 2 capital (value date 31.08.2022)	31.08.2032 (call 2027)	3M CIBOR +245 bp.
NOK 400m tier 2 capital (value date 31.08.2022)	31.08.2032 (call 2027)	3M CIBOR +245 bp.
EUR 500m non-preferred senior debt (value date 11.10.2022)	11.04.2026 (call 2025)	3M CIBOR +184 bp.
EUR 500m non-preferred senior debt (value date 16.11.2022)	16.11.2027 (call 2026)	3M CIBOR +223 bp.
SEK 2,250m non-preferred senior debt (value date 02.02.2023)	02.02.2027 (call 2026)	3M CIBOR +148 bp.

Jyske Bank anticipates a requirement of an outstanding amount of MREL-eligible instruments in the range of DKK 25bn - 27bn (inclusive of an internal buffer for statutory requirements) of which about DKK 6bn in the form of senior debt and DKK 19bn - 21bn in the form of non-preferred senior debt. At the end of 2022, MREL-eligible instruments totalling DKK 24.3bn had been issued, distributed by DKK 5.7bn and DKK 18.6bn on preferred senior debt and non-preferred senior debt, respectively, with a term to maturity of more than 12 months.

Jyske Bank expects to issue non-preferred senior debt in the amount of EUR 500m-750m in the first half of 2023. Further issues of senior debt will be conditional on the balance sheet development. Any issuance of AT1 capital will depend on the Group's capital position as well as the development of the capital markets in 2023.

Credit rating

Jyske Bank is being rated by Standard & Poor's (S&P). Jyske Realkredit has the same credit rating as Jyske Bank.

S&P credit rating

Jyske Bank issuer rating	Rating	Outlook
Stand Alone Credit Profile (SACP)	A-	Stable
Issuer rating (Issuer Credit Rating)	A	Stable
Short-term unsecured senior debt (preferred senior)	A-1	Stable
Long-term unsecured senior debt (preferred senior)	A	Stable
Long-term non-preferred senior debt (non-preferred senior)	BBB+	Stable
Tier 2	BBB	Stable
Additional tier 1 (AT1)	BB+	Stable
Jyske Realkredit bond issues		
Capital Centre E covered bonds	AAA	
Capital Centre B mortgage bonds	AAA	

Sustainability ratings

Jyske Bank has chosen to work with certain ESG rating agencies, whose ratings appear from the table below.

Sustainability ratings

ESG raters	Rating
MSCI (CCC to AAA)	AAA
Sustainalytics (Negl. to Severe Risk)	Medium risk
ISS ESG (D- to A+)	C Prime
Moody's ESG Solutions (0 to 100)	47
CDP (D- to A)	C

Upcoming legislation

Jyske Bank is well prepared to comply with known future statutory requirements. Below is a brief description of the most important legislative changes that are expected to impact Jyske Bank the most in the years to come.

New legislation will result in increasing capital requirements, where the strongest effects are expected in connection with credit risk due to input and output floors relating to Basel III. This must be seen in addition to the increase of the capital requirement due to the implementation of new EBA guidelines in connection with the IRB repair programme, which took effect on 1 January 2022.

The present CRR3 proposal did not cause any changes to Jyske Bank's expectations of the effect of new legislation. However, because of the temporary easing in relation to Basel III regarding calculation of the output floor, this is not expected to result in additional capital requirements before the expiry of temporary easing in 2032.

The CRR3 draft proposal from the EU Commission includes a mandate to the EBA on the preparation of a report concerning the handling of ESC risks before the end of 2023. The EBA report will focus on exposure against sectors such as energy, raw materials, transport and infrastructure. The CRR3 draft proposal also includes new definitions of ESG risks as well as new reporting requirements to clarify the ESG risks of the institutions.

After the implementation of the EBA guidelines relating to the IRB repair programme, which after the first quarter of 2022 have been fully recognised, future regulation until 2030 is expected to reduce the common equity tier 1 capital ratio by about 1.5 percentage points. Jyske Bank's current capital levels are still assessed to be at a comfortable distance to the capital requirements, inclusive of regulatory capital buffers for both expected and stressed scenarios for capital adequacy assessment.

Supervisory diamond

The supervisory diamond defines several special risk areas including specified limits that financial institutions should generally not exceed.

The supervisory diamond for Jyske Bank A/S

	2022	2021
Sum of large exposures <175% of common equity tier 1 capital	116%	110%
Increase in loans and advances <20% annually	51%	8%
Exposures to property administration and property transactions <25% of total loans and advances	12%	9%
Liquidity benchmark >100%	135%	188%

Jyske Bank A/S exeeds the limits for lending growth due to the acquisition of Handelsbanken Denmark. Exclusive of Handelsbanken Denmark, the lending growth was 9% in 2022. Other indicators of the supervisory diamond were met.

The supervisory diamond for Jyske Realkredit A/S	2022	2021
Concentration risk <100%	47.8%	46.8%
Increase in loans and advances <15% annually in the segment:		
Owner-occupied homes and vacation homes	9.3%	-1.2%
Residential rental property	6.5%	8.3%
Other sectors	6.6%	-0.5%
Borrower's interest-rate risk <25%		
Residential property	17.4%	14.9%
Interest-only schemes <10%		
Owner-occupied homes and vacation homes	4.8%	5.6%
Loans with frequent interest-rate fixing:		
Refinancing (annually) <25%	14.1%	15.1%
Refinancing (quarterly) <12.5%	1.6%	1.0%

Jyske Realkredit A/S meets all the benchmarks of the supervisory diamond.

Risk and Capital Management 2022

Additional information about Jyske Bank's internal risk and capital management as well as the regulatory capital requirements is available in the report Risk and Capital Management 2022, available on jyskebank.com/investorrelations/capitalstructure.

The Jyske Bank Share

Financial ratios and key figures

	2022	2021	2020	2019	2018
Issued shares, end of period ('000)	64,272	72,561	72,561	77,554	84,945
Outstanding shares in circulation, end of period ('000)	64.264	67,840	72,553	74,841	81,536
Dividends paid (DKKbn)	0.0	0.0	0.0	0.0	1.0
Share buy-back (DKKbn)	1.3	1.5	0.5	1.6	1.3
Share price at end of period (DKK)	451	337	233	243	235
Market value, end of period (DKKbn)	29.0	24.5	16.9	18.9	20.0
Earnings per share (DKK)	55.4	42.4	19.8	29.0	28.2
Book value per share (DKK)	581	515	459	434	390
Price/book value per share (DKK)	0.78	0.65	0.51	0.56	0.60

At the end of 2022, the share capital amounted to the nominal amount of DKK 643m. It consisted of 64.3 million shares at a nominal value of DKK 10 in one class of shares. In 2022, the number of issued shares were reduced two times by a total number of 8.3 million shares, corresponding to 11% due to share buy-backs.

All shares are listed on Nasdaq Copenhagen A/S (DK0010307958) and included in the OMX C25 index. The shares are freely transferable, always provided that the transfer of shares to an acquirer who holds or by the acquisition obtains 10% or more of the Group's share capital shall require the consent of the Group, cf. Art.3 of Jyske Bank's Articles of Association. Each share represents one vote. No shareholder can cast more than 4,000 votes on his own behalf. In 2022, the turnover of the Jyske Bank share came to DKK 21.4bn compared to DKK 17.8bn the previous year.

Subject to a resolution passed at the Annual General Meeting, Jyske Bank's Supervisory Board is authorised to acquire Jyske Bank shares for a sum not exceeding 1/10 of the share capital. According to Art. 4(2) and (3) and Art. 5(1) and (2), the Supervisory Board may increase the Group's share capital by no more than DKK 200m (20 million shares of a face value of DKK 10).

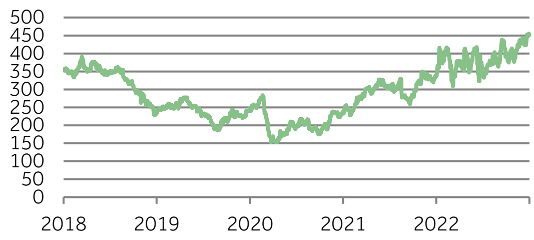
Price development and capital distribution

In 2022, the price of the Jyske Bank share rose to DKK 451.3 from DKK 337.0, corresponding to an increase by 34%.

In 2022, share buy-backs in the amount of DKK 1.3bn were completed, against DKK 1.5bn in 2021. The lower level can be attributed to the acquisition of Handelsbanken Denmark.

At the end of 2022, the share was covered by six analysts.

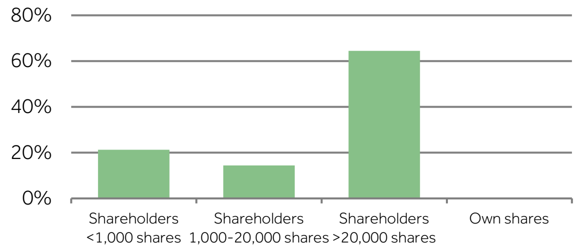
Price development of the Jyske Bank share



Breakdown of share capital

At the end of 2022, the number of shareholders was about 150,000. It is characteristic of Jyske Bank's share capital that it is distributed among many shareholders, including Jyske Bank clients and employees. About 68% of the share capital is held by Danish investors.

Shareholders by number of shares



One shareholder reported that it owned more than 5% of the share capital. At the end of 2022, BRFholding a/s, Kgs. Lyngby, Danmark owned 28.10% of the share capital. BRFholding a/s is a 100% owned subsidiary of BRFfonden, which has the purpose of carrying on mortgage banking through partial ownership of Jyske Bank. In addition, at the end of 2022, Jyske Bank A/S owned own shares corresponding to 0.01% of the share capital.

General Meeting

The Annual General Meeting of Jyske Bank will be held in Silkeborg on Thursday 30 March 2023.

Sustainability

ESG ambitions		
Environment We support Denmark's climate goals and have targets of net zero CO_2 emissions and growth in ending that counteract climate change.	**Social** We ensure that the Group has the best possible employees.	**Governance** We have our own house in order

Running a sustainable and responsible business is part of Jyske Bank's identity and a joint task to which all employees of the Group contribute in their daily work.

Based on the 17 UN Sustainable Development Goals and the Principles for Responsible Banking, Jyske Bank consistently endeavours to integrate sustainability in our business activities as well as the bank's operations.

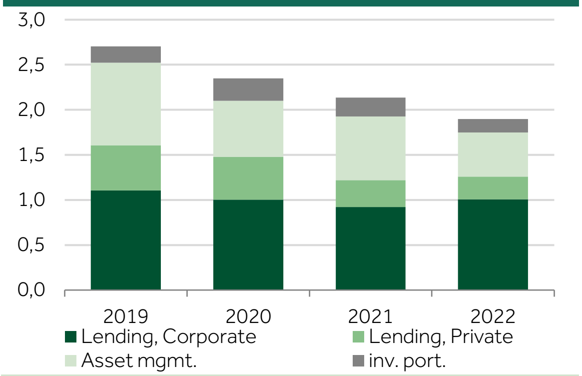
Our holistic approach ensures that we take initiatives in the areas in which we can make the greatest difference. Climate is Jyske Bank's main impact area and the centre of our business-focused initiatives. It is through our business activities that we can make the largest difference.

The approach also ensures that focus is also on the activities within banking operations that relate to social and corporate governance issues. These have for many years contributed and continue to contribute to the running of a sustainable and responsible bank no matter whether it is about preventing financial crime, being an attractive place to work or reducing CO_2 emissions stemming from in our banking operations.

Long-term target of net zero CO_2 emissions

In 2021, Jyske Bank committed to net carbon neutral investments on behalf of its clients by 2050, and we now supplement this target with the target that also the CO_2 emissions from our lending must be at net zero in 2045. Thus, we will be net CO_2 neutral across business activities.

Emissions (million tonnes CO2)



In 2022, we determined the first CO_2 reduction targets for the sectors in our loan portfolio with the highest emission intensity: transport, agriculture and energy supply as well as commercial property which accounts for a large proportion of our loan portfolio. All in all, the determined sub-targets amount to DKK 114bn or 23% of the total loan portfolio (excl. repo loans), covering 33% of the financed emissions for loans.

For banking operations, we have determined a target of reducing the CO_2 emissions (scopes 1 and 2) by 65% in 2030 from 2,130 tonnes CO_2 in 2022.

Moreover, our target is still to increase our lending volume in areas counteracting climate change, for instance renewable energy, low-energy commercial property and low-emission vehicles. At the end of 2022, loans to these areas amounted to DKK 119bn, corresponding to 24% of total loans (excl. repo loans).

Lending volumes under Green Finance Framework (DKKm)

	2022	2021
Renewable energy	5,431	3,953
Buildings	108,940	80,878
Low-emission vehicles and material	4,100	2,755
Sustainable use of resources	259	259
Recycling and sustainable production	272	272
Total	119,002	88,117

Activities in 2022

In 2022, comprehensive training activities within sustainability were implemented for employees in all business areas. 97% of the employees have implemented one or more training modules. For instance more than 80% of the employees in the corporate area have gone through a comprehensive course with e-learning, cases and workshops. This contributes to qualifying the dialogue with the clients and enabling our clients to make sustainable decisions.

Within investment Jyske Bank in 2022 implemented identification of our investment clients' sustainability preferences, which resulted in sustainability becoming a central element in connection with investment advisory services. The preliminary results from the identification show that the majority of our clients prefer that sustainability considerations be included in investment decisions. At the end of 2022, DKK 96bn had been invested in funds using sustainability criteria.

Whereas 2021 saw the introduction of both green mortgage loans and green building credits for corporate clients, no new loan products were launched in 2022. On the other hand, the activity level has been high. Some of Jyske Bank's largest corporate clients took up loans totalling DKK 6bn whose interest rates are dependent on the development of relevant sustainability criteria, also called sustainability-linked loans. We anticipate that this loan type will be relevant and accessible to several of our corporate clients going forward.

The acquisition of Handelsbanken's Danish activities will strengthen Jyske Bank's position as one of Denmark's largest banks. This poses an obligation on us, and we will consistently work to produce specific initiatives, creating incentives for our clients to make progress.

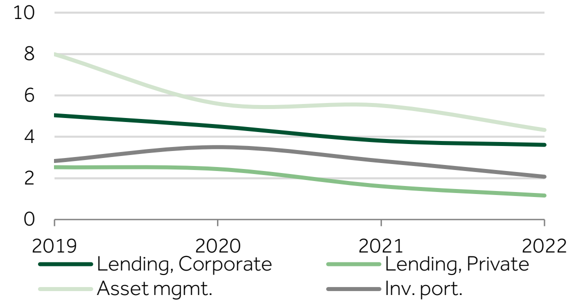
The way forward

Long-term targets and the first supportive sub-targets have been determined, but the way to go to attain these still includes many uncertainties. This must, however, not prevent us from taking action and gathering experience. We get new knowledge as we go, and we offer our stakeholders a possibility to follow suit by being transparent about our work and approach.

Jyske Bank has been front runners with respect to estimation of CO_2 emissions for loans and investments, and in 2022, we have for the fourth time estimated financed CO_2 emission.

In the past three years, the average emission intensity for loans and investments at Jyske Bank has been reduced by 39% to 2.79 tCO_2 per DKKm from 4.54 tCO_2 per DKKm.

Emission intensity (tonnes CO2 per DKKm)



We continue our endeavours of improving the quality and accessibility of sustainability data and will on an ongoing basis expand our reporting. Read more in Report on Sustainability 2022 at jyskebank.com/investorrelations/sustainability.

ESG KPIs

		Unit	2022	2021	2020	2019	2018
Environmental data	Scope 1	tCO_2	603	655	679	703	-
	Scope 2 (location-based)	tCO_2	1,527	1,841*	1,957*	2,179*	-
	Scope 3**	tCO_2	1,848,817	2,050,284*	2,648*	3,264*	-
	Water consumption	V^3	17,775	17,357	-	-	-
	Waste	Kg	559,408	-	-	-	-
	Energy consumption	GJ	68,752	78,957	72,532	78,431	-
	Energy intensity per employee	GJ/FTE	21	24	22	22	-
	Renewable energy share	%	83.8	73.7	75.3	74.1	-
Social data	Full-time equivalents	FTE	3,284	3,257	3,349	3,614	3,723
	Gender diversity	%	46.8	47.3	48.0	49.3	49.7
	Gender diversity in mgmt. team	%	27.2	25.8	26.4	29.4	29.3
	Pay difference between genders	times	1.18	1.18	1.18	1.18	1.16
	Employee turnover	%	10.6	11.8	14.7	10.7	11.4
	Satisfaction & Motivation	1-100	78	76	74	-	77
	Sickness-related absence	days/FTE	7.0	5.9	5.3	5.5	5.7
	Contribution to society	DKKm	2,042	1,312	1,153	1,378	1,075
	Current tax, recognised	DKKm	1,566	842	730	937	640
	Payroll tax	DKKm	318	320	308	314	297
	VAT	DKKm	149	140	105	116	123
	Real property tax	DKKm	9	10	10	11	15
Management data	Supervisory Board gender diversity	%	33.3	44.4	36.4	27.3	33.3
	Attendance at Board meetings	%	97.4	97.7	97.3	93.4	93.1
	Pay difference, CEO and employees	Times	14.9	14.9	14.9	13.8	15.0

Note: Computed exclusive of the activities Jyske Bank acquired from Svenska Handelsbanken on 1 December 2022, unless otherwise stated.* Historical figures restated, cf. p. 52 in Report on Sustainability 2022. ** Incl. financed emission for loans from Handelsbanken DK.

Corporate governance

Organisation and management

The Supervisory Board and the Executive Board are independent of each other and no person is a member of both the Supervisory Board and the Executive Board.

Annual General Meeting

Shareholders' right to pass resolutions shall be exercised at the Annual General Meeting. Jyske Bank's Articles of Association contain information about notice of the general meeting, the right to propose resolutions to the general meeting and right to participate and vote. The Articles of Association are available at jyskebank.com/investorrelations/generalmeetings.

Motions to amend the Articles of Association can only be adopted when at least 90% of the voting share capital is represented at the Annual General Meeting and the motion is adopted by ¾ of the votes cast at the Annual General Meeting as well as by ¾ of the voting share capital represented at the Annual General Meeting.

Where less than 90% of the voting share capital is represented at the Annual General Meeting, but the motion obtained both ¾ of the votes cast and ¾ of the voting capital represented, and provided the motion was proposed by the Shareholders' Representatives and/or the Supervisory Board Bank, the motion can be adopted at an extraordinary general meeting by the said qualified majority irrespective of the proportion of the share capital represented.

Such an extraordinary general meeting shall be convened at the usual notice within 14 days after the first Annual General Meeting. Only the rules applying to amendments of the Articles of Association shall apply to motions to wind up Jyske Bank voluntarily or merge it with other financial institutions where Jyske Bank will not be the surviving company.

Shareholders' Representatives

The Shareholders' Representatives elect from its number six members of the Group Supervisory Board based on the recommendation from Nomination Committee.

The purpose and tasks of the Shareholders' Representatives and the individual Representative are, among other things:

- To be informed about the bank's operations and development plans.
- To contribute knowledge and viewpoints to the positive development of the bank.
- To act as ambassadors based on the bank's set of values.
- To generate added value and cohesion between clients, employees and shareholders.
- To support the bank's role and importance in society.

Shareholders' representatives shall be elected at the Annual General Meeting. Shareholders' Representatives shall be elected for terms of three years. Members can be re-elected.

Supervisory Board

The Supervisory Board shall be in charge of the overall management of the Group and supervise the decisions and arrangements made by the Executive Board.

The Supervisory Board shall on behalf of the shareholders determine the overall strategy and contribute actively to maintaining and developing Jyske Bank's position in the financial sector.

The Supervisory Board consists of

- six members elected by and among the members of the Shareholders' Representatives,
- up to two members elected by members in General Meeting and who meet the requirements of the Danish FSA in respect of relevant knowledge and experience of supervisory board members of banks, and
- any additional members as required by law (members elected by employees)

Each one of the six members who are elected by and among the Shareholders' Representatives is elected for a three-year period. Additional members elected by members in general meeting to meet the requirements of the FSA in respect of relevant knowledge and experience of supervisory board members are elected for a one-year period. Members can be re-elected. Employee-elected members of the Supervisory Board are elected for a term of four years.

Executive Board

Currently the Executive Board has four members. The number of members is determined by the Supervisory Board. The Executive Board undertakes the day-to-day management of the Group.

Without having the right to vote, the Executive Board attends the meetings of the Shareholders' Representatives and the Supervisory Board.

Further information about the Group's organisation and management is available at jyskebank.com/investorrelations/governance.

Corporate governance

The Group's Supervisory Board has reviewed and monitors the development in the Recommendations issued by the Committee on Corporate Governance.

By and large, the Group's Supervisory Board adheres to the Recommendations for good corporate governance. In the event of deviations, these will often be based on the wish to uphold the balance between shareholders, clients and employees. It is assessed that this wish supports a long-term, balanced development of the Jyske Bank Group.

According to "Nordic Main Market Rulebook for Issuers of Shares" paragraph 2.15, Jyske Bank is under the obligation to give an account of how Jyske Bank addresses the Recommendations on Corporate Governance issued by the Committee on Corporate Governance. Further information about the Group's work on corporate governance is available at jyskebank.com/investorrelations/governance.

Gender distribution

At the end of 2022, the Group Supervisory Board consisted of nine members, hereof six members elected by shareholders and three members elected by the employees. Of the six members elected by shareholders two are women and four are men. The proportion of members of the underrepresented gender among members elected by shareholders is hence 33%, corresponding to an equal distribution according to the Danish Business Authority's guidelines. The distribution is unchanged if including the three members of the Supervisory Board elected by the employees.

For Jyske Bank A/S, a target figure at 15% has been defined for other management levels[1], which the bank endeavours to attain before the end of 2025. At the end of 2022, 8% of the managers at other management levels were women.

Three primary activities are given top priority with respect to attaining the target figure:

- We follow a structured process for identification, development and retention of persons who within a relevant time horizon hold potential to undertake a strategic position in the organisation.
- Particular focus on the underrepresented gender in recruitment efforts.
- Focus on inclusion and awareness of bias so that everybody can thrive, perform and develop.

At the end of 2022, the proportion of the underrepresented gender (female) across all management levels in the Group was 27%. Jyske Bank is targeting a share of 30%-33% of female managers by 2025.

The above accounts for Jyske Bank's reporting in accordance with S.135a of the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

Reports

See jyskebank.com/investorrelations/governance for reports on issues such as management's remuneration, and jyskebank.com/investorrelations/governance/code-of-conduct for policies such as remuneration policy and policy on data ethics.

For the report on corporate social responsibility, please see Report on Sustainability 2022, which is available at jyskebank.com/investorrelations/sustainability.

[1] Defined as the Executive Board and persons with managerial responsibility, with reference to the Executive Board and the Head of Internal Audit.

Other Information

Events after the end of the accounting period

No events have taken place during the period prior to the publication of the Annual Report 2022 that have any material effect on the financial position of Jyske Bank.

Financial calendar 2023

Jyske Bank anticipates releasing financial statements on the following dates in 2023.

Financial calendar 2023	
2 May	Interim Financial Report, Q1 2023
15 August	Interim Financial Report, First Half of 2023
31 October	Interim Financial Report, Q1 - Q3 2023

Danish FSA's report on Jyske Bank

In September 2022, the Danish FSA published a report on an anti-money laundering inspection in Jyske Bank made in the autumn of 2021, relating primarily to a small number of home loans in Southern Europe.

Jyske Bank took note of the orders given in the FSA's report and has rectified the specific shortcomings in the handling of the portfolio as soon as they were brought to the attention of the Bank.

After the publication of its report, the FSA informed Jyske Bank that it intended to file a police report on the Bank for the violation of provisions of the Danish anti-money laundering act on client due diligence procedures and duty of inspection.

In Jyske Bank's assessment, there is a limited risk that the Bank has been exploited for money laundering. The portfolio in question is primarily a small portfolio, established before 2012, to be phased out. The portfolio has since 2009 been administered from Denmark. The foreign clients in question only have home loans and no access to payment accounts or cards with Jyske Bank.

Jyske Bank assesses to have a good understanding of the clients and the origin of the funds. The Bank has physically visited all clients and their properties and also before the inspection, notifications about the portfolio were made on the basis of ongoing monitoring.

Jyske Bank has contacted the police with a view to initiating a cooperation and providing all relevant information.

See note 41 for further details on contingent liabilities.

Acquisition of Handelsbanken Denmark

On 1 December 2022, Jyske Bank acquired Svenska Handelsbanken's activities in Denmark.

In connection with the acquisition, Jyske Bank made a cash payment for assets and liabilities as well as a payment for goodwill in the amount of DKK 3.0bn.

The transaction comprised approx. 130,000 clients, 42 branches, approx. 600 full-time employees, loans and advances at DKK 65.1bn and deposits at DKK 35.4bn.

As from the day of take-over, 1 December 2022, Handelsbanken Denmark contributed with a post-tax profit at DKK -36m to the Group's income statement. The impact was, among other things, affected by one-off costs involved in the integration and stage 1 loan impairment charges etc. Net interest and fee income amounted to DKK 173m in the same period.

Note 65 includes further details about the transaction.

Further information

For further information, please see jyskebank.com/investorrelations. Here you will find an interview with Anders Dam, Managing Director and CEO, detailed financial information as well as Jyske Bank's Annual Report 2022 and Risk and Capital Management 2022, which gives further information about Jyske Bank's internal risk and capital management as well as regulatory issues, including a description of the most important risks and elements of uncertainty that may affect Jyske Bank.

Also, please see www.jyskerealkredit.com. Here Jyske Realkredit's Annual Report for 2022 etc. is available.

Business Segments

The business segments reflect all activities in banking, mortgage financing and leasing.

Banking Activities

Summary of income statement (DKKm)	FY 2022	FY 2021	Index 22/21	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Net interest income	2,889	2,154	134	959	693	635	602	567
Net fee and commission income	3,193	3,038	105	867	793	722	811	834
Value adjustments	111	817	14	434	-292	-47	16	173
Other income	211	149	142	30	16	65	100	17
Core income	**6,404**	**6,158**	**104**	**2,290**	**1,210**	**1,375**	**1,529**	**1,591**
Core expenses	4,304	4,343	99	1,181	1,069	1,037	1,017	1,246
Core profit before loan impairment charges	**2,100**	**1,815**	**116**	**1,109**	**141**	**338**	**512**	**345**
Loan impairment charges	-391	-274	143	-15	-231	-125	-20	-97
Core profit	**2,491**	**2,089**	**119**	**1,124**	**372**	**463**	**532**	**442**
Investment portfolio earnings	-131	61	-	-29	-119	13	4	-21
Profit before one-off costs	**2,360**	**2,150**	**110**	**1,095**	**253**	**476**	**536**	**421**
One-off costs relating to Handelsbanken DK	-144	0	-	-66	-67	-11	0	0
Pre-tax profit	**2,216**	**2,150**	**103**	**1,029**	**186**	**465**	**536**	**421**

Summary of balance sheet, end of period (DKKbn)	FY 2022	FY 2021	Index 22/21	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Loans and advances	184.6	122.1	151	184.6	139.0	140.0	128.0	122.1
- of which bank loans	132.1	81.1	163	132.1	92.2	90.6	88.1	81.1
- of which repo loans	52.5	41.0	128	52.5	46.8	49.4	39.9	41.0
Total assets	363.1	253.4	143	363.1	313.7	300.2	267.9	253.4
Deposits	208.2	134.0	155	208.2	161.9	156.2	141.7	134.0
- of which bank deposits	188.9	121.3	156	188.9	149.0	139.9	126.9	121.3
- of which repo and triparty deposits	19.3	12.7	152	19.3	12.9	16.3	14.8	12.7
Issued bonds	89.3	67.9	132	89.3	82.3	73.7	63.1	67.9

Banking activities cover advisory services relating to financial solutions targeting personal clients, private banking clients as well as corporate clients and also trading and investment activities targeting large corporate clients and institutional clients, including trading in interest-rate products, currencies, equities, commodities and derivatives.

The strategic balance sheet and risk management as well as the investment portfolio earnings of Jyske Bank are also allocated to Banking activities.

Profit

Pre-tax profit amounted to DKK 2,216m in 2022 against DKK 2,150m in the same period in 2021. Higher net interest and fee income was partly offset by lower value adjustments.

Core income

Core income rose to DKK 6,404m from DKK 6,158m since all income items except value adjustments showed advance.

Net Interest income increased by 34% relative to 2021. The increase can be attributed to higher interest rates relating to surplus liquidity, higher bank lending to corporate clients and the acquisition of Handelsbanken Denmark.

Net fee and commission income increased by 5%. Adjusted for distribution fees from mortgage activities, net fee and commission income rose by 6% relative to 2021. The increase was due to the introduction of a new customer programme, high lending activity and the acquisition of Handelsbanken Denmark.

Value adjustments fell to DKK 111m from DKK 817m in the preceding year. The fall from a high level was primarily caused by the effect from rising interest rates as well as widening spreads for Danish mortgage bonds.

Other income rose to DKK 211m from DKK 149m due to higher dividends, etc. as well as positive results on equity investments in associates.

Core expenses

Core expenses fell by 1%. To this must be added one-off expenses of DKK 144m relating the acquisition of Svenska Handelsbanken's activities in Denmark. Adjusted for a one-off expense of DKK

165m in 2021, core expenses rose by 3%. The increase can primarily be attributed to core expenses concerning Handelsbanken Denmark from 1 December 2022, wage adjustments relating to the collective agreement, and a high level of activity.

Loan impairment charges
Loan impairment charges and provisions for guarantees amounted to an income of DKK 391m against an income of DKK 274m in 2021. The credit quality is still solid with a low level of non-performing loans.

Investment portfolio earnings
In 2022, investment portfolio earnings amounted to DKK -131m against DKK 61m for 2021. The negative result can primarily be attributed to the effect from the wider credit spreads on bonds. Hedging of AT1 capital instruments in SEK had a negative effect of DKK 57m in 2022 and was offset by a positive adjustment of shareholders' share of equity.

Business volume
Bank lending rose by 63% and bank deposits were up by 56% in 2022 compared with the end of 2021 fuelled by corporate clients and the acquisition of Handelsbanken Denmark.

Q4 2022 compared to Q3 2022
Pre-tax profit rose to DKK 1,029m in the fourth quarter from DKK 186m in the third quarter.

Core income rose by 89%, driven by advance in all income items.

Net interest income increased by 38%. The increase was caused by a higher interest rate level as well as the acquisition of Handelsbanken Denmark.

Net fee and commission income increased by 9%. Exclusive of distribution fees from mortgage activities, net fee and commission income rose by 31%. The increase is primarily attributed to seasonal fluctuations in investment-related fees and the acquisition of Handelsbanken Denmark.

Other income rose to DKK 30m from DKK 16m due to higher results on equity investments in associates.

Value adjustments amounted to DKK 434m against DKK -292m in the preceding quarter. The positive results can, among other things, be attributed to spread narrowing of Danish mortgage bonds and positive equity returns.

Core expenses rose to DKK 1,181m from DKK 1,069m. The increase was mainly due to the acquisition of Handelsbanken Denmark on 1 December 2022. The level of associated one-offs remained practically unchanged.

Loan impairment charges and provisions for guarantees amounted to an income of DKK 15m against an income of DKK 231m in the preceding quarter. The low impairment level can be attributed to a continued solid underlying credit quality.

Investment portfolio earnings amounted to DKK -29m against DKK -119m in the preceding quarter. The Q4 results can primarily be attributed to currency positions which more than offset the positive effect from bond spread narrowing.

Mortgage Activities

Summary of income statement (DKKm)	FY 2022	FY 2021	Index 22/21	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Administration margin income, etc.[1]	2,355	2,343	101	599	581	587	588	590
Other net interest income	160	15	-	109	32	21	-2	4
Net fee and commission income	-653	-706	92	-190	-194	-148	-121	-172
Value adjustments	2	107	2	88	-10	-67	-9	34
Other income	0	5	0	0	0	0	0	0
Core income	**1,864**	**1,764**	**106**	**606**	**409**	**393**	**456**	**456**
Core expenses	394	389	101	99	95	100	100	99
Core profit before loan impairment charges	**1,470**	**1,375**	**107**	**507**	**314**	**293**	**356**	**357**
Loan impairment charges	-272	64	-	-167	-12	-56	-37	-49
Pre-tax profit	**1,742**	**1,311**	**133**	**674**	**326**	**349**	**393**	**406**

[1] Administration margin income, etc. covers administration margin income as well as interest rate margin on jointly funded loans.

Summary of balance sheet (DKKbn)	FY 2022	FY 2021	Index 22/21	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Mortgage loans, nominal value	365.6	339.0	108	365.6	342.6	343.9	341.2	339.0
Mortgage loans, fair value	333.7	340.9	98	333.7	304.5	319.1	329.5	340.9
Total assets	359.6	369.0	97	359.6	332.7	341.8	357.4	369.0
Issued bonds	330.3	345.6	96	330.3	305.2	316.2	331.8	345.6

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.

Profit
In 2022, pre-tax profit amounted to DKK 1,742m against DKK 1,311m in 2021. The improved results were due to a lower level of loan impairment charges and higher other net interest income.

Core income
Core income amounted to DKK 1,864m in 2022 against DKK 1,764m in the preceding year. The change can be attributed to higher other net interest income.

Administration margin income etc. was up by 1% to DKK 2,355m in 2022 due to lending taken over from Handelsbanken Denmark, which more than offset a slightly lower average administration margin.

Other net interest income rose to DKK 160m from DKK 15m due to a higher interest yield associated with surplus liquidity.

Net fee and commission income amounted to DKK -653m against DKK -706m in the preceding year. Distribution fees rose to DKK 1,169m from DKK 1,136m. Exclusive of distribution fees, net fee and commission income rose by 20% due to higher remortgaging activity.

In 2022, value adjustments amounted to DKK 2m against DKK 107m last year. The decline can be attributed to falling bond prices, etc. in 2022 as well as a capital gain relating to the sale of a shareholding in 2021.

Core expenses
Core expenses came out at DKK 394m in 2022 against DKK 389m in the same period the year before, which can partly be ascribed to wage adjustments relating to the collective agreement.

Loan impairment charges
Loan impairment charges and provisions for guarantees amounted to an income of DKK 272m in 2022 against an expense of DKK 64m in 2021. The income can be attributed to falling arrears and rising collateral values. Moreover, the risk of failure to identify risks relating to the COVID-19 pandemic has decreased. On the other hand, new impairment charges were recognized relating to the energy and inflation crisis.

Business volume
Nominal mortgage loans rose by 8% to DKK 365.6bn due to the take-over of a portfolio of mortgage loans. Rising mortgage loans to corporate clients were partly offset by lower mortgage lending to personal clients. Mortgage loans stated at fair value were adversely affected by higher interest rates in 2022 and dropped back to DKK 333.7bn from DKK 340.9bn.

For further details about Jyske Realkredit, please see Jyske Realkredit's annual report for 2022.

Q4 2022 compared to Q3 2022
In the fourth quarter of 2022, pre-tax profit amounted to DKK 674m against DKK 326m in the third quarter of 2022.

Core income increased to DKK 606m in the fourth quarter of 2022 from DKK 409m in the third quarter. The increase is due primarily to higher value adjustments and other net interest income.

Administration margin income amounted to DKK 599m against DKK 581m in the preceding quarter. The increase can chiefly be attributed to loans and advances taken over from Handelsbanken Denmark as of 1 December 2022.

Other net interest income amounted to DKK 109m against DKK 32m in the preceding quarter. The advance can be attributed to the impact of the higher interest-rate level on the return associated with the investment of surplus liquidity.

Net fee and commission income amounted to DKK -190m against DKK -194m. Exclusive of distribution fees paid, net fee and commission income fell to DKK 94m from DKK 153m. The decline was due to seasonally lower refinancing activity.

Value adjustments amounted to DKK 88m against DKK -10m in the preceding quarter. The development can primarily be attributed to narrowing spreads on Danish mortgage bonds.

Core expenses amounted to DKK 99m against DKK 95m in the preceding quarter. The higher cost level is partly associated with the acquired loan portfolio from Handelsbanken Denmark.

Loan impairment charges amounted to an income of DKK 167m against an income of DKK 12m in the third quarter of 2022. Credit quality is still solid, and the level of management's estimate was reduced in the fourth quarter.

Leasing activities

Summary of income statement (DKKm)	FY 2022	FY 2021	Index 22/21	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Net interest income	452	461	98	106	106	116	124	116
Net fee and commission income	-11	-24	46	4	-1	-7	-7	-17
Value adjustments	26	16	163	1	2	21	2	0
Other income	28	21	133	14	4	5	5	9
Income from operating lease (net)	343	256	134	60	98	105	80	72
Core income	**838**	**730**	**115**	**185**	**209**	**240**	**204**	**180**
Core expenses	181	172	105	49	42	47	43	43
Core profit before loan impairment charges	**657**	**558**	**118**	**136**	**167**	**193**	**161**	**137**
Loan impairment charges	58	-8	-	24	43	-11	2	1
Pre-tax profit	**599**	**566**	**106**	**112**	**124**	**204**	**159**	**136**

Summary of balance sheet, end of period (DKKbn)	FY 2022	FY 2021	Index 22/21	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Loans and advances	23.4	22.1	106	23.4	22.9	22.7	22.5	22.1
Total assets	27.3	24.7	111	27.3	25.6	25.1	24.9	24.7
Deposits	0.2	0.2	100	0.2	0.2	0.2	0.2	0.2

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

Profit

In 2022, pre-tax profit amounted to DKK 599m against DKK 566m in 2021. The positive development could primarily be attributed to favourable sales conditions in the market for used cars.

Net interest income dropped to DKK 452m from DKK 461m, which is attributed to higher funding costs derived by a higher level of interest rates.

Net fee and commission income amounted to an expense of DKK 11m against an expense of DKK 24m in 2021. The trend was due mainly to a lower level of activity.

Value adjustments increased to DKK 26m in 2022 from DKK 16m in 2021.

In 2022, income from operating lease (net) rose to DKK 343m from DKK 256m in 2021 due to the favourable sales conditions in the used car market.

Core expenses rose to DKK 181m in 2022 from DKK 172m in 2021, due to a broadly based increase.

Loan impairment charges amounted to an expense of DKK 58m against an income of DKK 8m in 2021. The rise was due to higher management's estimates derived from macroeconomic risks.

Business volume

In 2022, lending increased by 6% to DKK 23.4bn relative to the level at the end of 2021 despite challenged supply chains in several sub-segments.

Q4 2022 compared to Q3 2022

Pre-tax profit declined to DKK 112m from DKK 124m in the preceding quarter.

Net interest income was unchanged at DKK 106m. Higher finance costs offset the effect from higher interest income relating to lending.

Net fee and commission income amounted to an income of DKK 4m against an expense of DKK 1m due to lower fees paid.

Value adjustments fell to DKK 1m from DKK 2m.

Income from operating lease (net) fell to DKK 60m from DKK 98m in the preceding quarter. The decline was due primarily to a higher mgmt. est. relating to loan impairment charges.

Core expenses rose to DKK 49m from DKK 42m, due to a broadly based increase.

Loan impairment charges amounted to an expense of DKK 24m against an expense of DKK 43m in the preceding quarter. The expense in the fourth quarter can be attributed to a continued rise in management's estimates.

Jyske Bank Group

Note		Jyske Bank Group	
	DKKm	2022	2021
	Income statement		
6, 7	Interest income calculated according to the effective interest method	4,372	3,257
6, 7	Other interest income	6,926	5,519
6, 8	Interest expenses	5,401	3,734
	Net interest income	5,897	5,042
9	Fees and commission income	3,008	2,763
9	Fees and commission expenses	479	455
	Net interest and fee income	8,426	7,350
10	Value adjustments	-4	960
11	Other income	1,113	931
12	Employee and administrative expenses etc.	4,925	4,828
29.30	Amortisation, depreciation and impairment charges	658	604
14	Loan impairment charges	-605	-218
	Pre-tax profit	4,557	4,027
15	Tax	805	851
	Profit for the year	3,752	3,176
	Distributed to:		
	Jyske Bank A/S shareholders	3,605	3,000
	Holders of additional tier 1 capital (AT1)	147	176
	Total	3,752	3,176
	Earnings per share for the year		
16	Earnings per share, DKK	55.35	42.41
16	Earnings per share for the year, DKK, diluted	55.35	42.41
	Proposed dividend per share, DKK	0.00	0.00
	Statement of Comprehensive Income		
	Profit for the year	3,752	3,176
	Other comprehensive income:		
	Items that cannot be recycled to the income statement:		
	Revaluation of real property	13	6
	Tax on property revaluations over the year	-3	-1
	Actuarial losses and gains	86	12
	Tax on actuarial losses and gains	-19	-3
	Other comprehensive income after tax	77	14
	Comprehensive income for the year	3,829	3,190
	Distributed to:		
	Jyske Bank A/S shareholders	3,682	3,014
	Holders of additional tier 1 capital (AT1)	147	176
	Total	3,829	3,190

Note		Jyske Bank Group	
	DKKm	2022	2021
	Balance Sheet		
	Assets		
	Cash balance and demand deposits with central banks	58,519	30,685
18	Due from credit institutions and central banks	8,347	9,535
14,19,20	Loans and advances at fair value	337,632	342,714
14,21	Loans and advances at amortised cost	204,050	142,500
23	Bonds at fair value	55,505	56,002
23,24	Bonds at amortised cost	39,660	26,953
26	Shares, etc.	2,260	2,708
29	Intangible assets	3,328	0
30	Property, plant and equipment	4,193	4,303
	Deferred tax assets	1,206	0
	Current tax assets	0	432
31	Assets held temporarily with a view to sale	65	80
32	Other assets	35,232	31,210
	Total assets	749,997	647,122
	Liabilities		
33	Due to credit institutions and central banks	28,430	14,971
34	Deposits	208,405	134,212
35	Issued bonds at fair value	324,156	340,340
	Issued bonds at amortised cost	95,435	73,124
31	Liabilities in disposal group with a view to sale	5	4
36	Other liabilities	45,585	39,341
37	Provisions	992	1,351
38	Subordinated debt	6,365	5,513
	Liabilities, total	709,373	608,856
	Equity		
39	Share capital	643	726
	Revaluation reserve	168	171
	Retained profit	36,512	34,014
	Jyske Bank A/S shareholders	37,323	34,911
	Holders of additional tier 1 capital (AT1)	3,301	3,355
	Total equity	40,624	38,266
	Total equity and liabilities	749,997	647,122

DKKm

Statement of Changes in Equity

	Share capital	Revaluation reserve	Retained profit	Jyske Bank A/S shareholders	Hybrid core capital*	Total equity
Equity at 1 January 2022	726	171	34,014	34,911	3,355	38,266
Profit for the year	0	0	3,605	3,605	147	3,752
Other comprehensive income:						
Property revaluations for the year	0	13	0	13	0	13
Properties other movements	0	-12	12	0	0	0
Realised property revaluations	0	-1	1	0	0	0
Actuarial losses and gains	0	0	86	86	0	86
Tax on other comprehensive income	0	-3	-19	-22	0	-22
Other comprehensive income after tax	0	-3	80	77	0	77
Comprehensive income for the year	0	-3	3,685	3,682	147	3,829
Interest paid on additional tier 1 capital	0	0	0	0	-144	-144
Currency translation adjustment	0	0	57	57	-57	0
Reduction of share capital	-83	0	83	0	0	0
Acquisition of own shares	0	0	-3,316	-3,316	0	-3,316
Sale of own shares	0	0	1,989	1,989	0	1,989
Transactions with owners	-83	0	-1,187	-1,270	-201	-1,471
Equity at 31 December 2022	**643**	**168**	**36,512**	**37,323**	**3,301**	**40,624**

	Share capital	Revaluation reserve	Retained profit	Jyske Bank A/S shareholders	Hybrid core capital*	Total equity
Equity at 1 January 2021	726	200	32,399	33,325	3,307	36,632
Profit for the year	0	0	3,000	3,000	176	3,176
Other comprehensive income:						
Property revaluations for the year	0	6	0	6	0	6
Realised property revaluations	0	-34	34	0	0	0
Actuarial losses and gains	0	0	12	12	0	12
Tax on other comprehensive income	0	-1	-3	-4	0	-4
Other comprehensive income after tax	0	-29	43	14	0	14
Comprehensive income for the year	0	-29	3,043	3,014	176	3,190
Redemption of hybrid core capital	0	0	0	0	-1,417	-1,417
Hybrid core capital issue	0	0	0	0	1,487	1,487
Transaction costs	0	0	-15	-15	0	-15
Interest paid on additional tier 1 capital	0	0	0	0	-176	-176
Currency translation adjustment	0	0	22	22	-22	0
Acquisition of own shares	0	0	-2,991	-2,991	0	-2,991
Sale of own shares	0	0	1,556	1,556	0	1,556
Transactions with owners	0	0	-1,428	-1,428	-128	-1,556
Equity at 31 December 2021	**726**	**171**	**34,014**	**34,911**	**3,355**	**38,266**

*Additional tier 1 capital (AT1) has no maturity. Payment of interest and repayment of principal are voluntary. Therefore, additional tier 1 capital (AT1) is recognised as equity. In September 2016, Jyske Bank issued AT1 amounting to SEK 1.25bn and AT1 amounting to DKK 500m with the possibility of early redemption in September 2021 at the earliest. The interest rates applicable to the issues are STIBOR+5.80% and CIBOR+5.30%, respectively, up to September 2021 when the issues are redeemed. In September 2017, Jyske Bank issued AT1 amounting to EUR 150m with the possibility of early redemption in September 2027 at the earliest. The issue has a coupon of 4.75% until September 2027. In April 2019, Jyske Bank issued AT1 amounting to SEK 1bn with the possibility of early redemption in April 2024 at the earliest. The interest rate applicable to the issue until April 2024 is STIBOR+5%. In May 2021, Jyske Bank issued AT1 amounting to EUR 200m with the possibility of early redemption from 4 December 2028 at the earliest. The interest rate applicable to the issue until June 2029 is 3,625%. It applies to all AT1 issues that if the common equity tier 1 capital ratio of Jyske Bank A/S or the Jyske Bank Group falls below 7%, the loans will be written down.

Jyske Bank Group		
DKKm	2022	2021
Capital Statement		
Shareholders' equity	37,323	34,911
Share buy-back programme, non-utilised limit	0	-272
Intangible assets*	-3,328	0
Prudent valuation	-271	-285
Insufficient coverage of non-performing loans and guarantees	-75	-63
Other deductions	-93	-39
Common equity tier 1 capital	33,556	34,252
Additional tier 1 capital (AT1) after reduction	3,272	3,329
Core capital	36,828	37,581
Subordinated loan capital after reduction	6,178	5,275
Capital base	43,006	42,856
Weighted risk exposure involving credit risk, etc.	195,379	163,154
Weighted risk exposure involving market risk	8,381	10,723
Weighted risk exposure involving operational risk	17,161	14,304
Total weighted risk exposure	220,921	188,181
Capital requirement, Pillar I	17,674	15,054
Capital ratio (%)	19.5	22.8
Tier 1 capital ratio (%)	16.7	20.0
Common equity tier 1 capital ratio (%)	15.2	18.2

*Intangible assets consist of goodwill and client relations, cf. note 29.

The capital statement was calculated according to Regulation (EU) No. 575/2013 of 26 June 2013 of the European Parliament and of the Council (CRR) with subsequent amendments.

For the determination of the individual solvency requirement, please see the report Risk and Capital Management 2022 and jyskebank.com/investorrelations/capitalstructure, which shows Jyske Bank's quarterly determination of the individual solvency requirement.

Risk and Capital Management 2022 was not covered by the audit.

Jyske Bank Group

DKKm	2022	2021
Cash Flow Statement		
Profit for the year	3,752	3,176
Adjustment for non-cash operating items, etc.		
Loan impairment charges	-605	-218
Amortisation, depreciation and impairment charges	658	604
Unrealised value adjustment of securities	900	27
Unrealised value adjustment of investments	5	-2
Interest not paid and received	412	-69
Other outstanding operating items	-1,062	192
Tax charged to the income statement	805	851
Taxes paid	-1,400	-873
Total	3,465	3,688
Change in working capital		
Loans and advances	9,280	6,383
Deposits	35,074	-2,741
Issued bonds	6,127	940
Receivables from credit institutions	243	-243
Due to credit institutions	13,205	-15,096
Other assets and liabilities	-7,231	3,983
Total	56,698	-6,774
Cash flows from operating activities	60,163	-3,086
Dividend	87	56
Acquisition of property, plant and equipment	-1,666	-1,029
Sale of property, plant and equipment	1,203	623
Acquisition of Danish activities from Svenska Handelsbanken*	-32,049	0
Cash flows from investment activities	-32,425	-350
Hybrid core capital issue	0	1,472
Redemption of hybrid core capital	0	-1,417
Interest paid on additional tier 1 capital	-144	-176
Acquisition of own shares	-3,316	-2,991
Sale of own shares	1,989	1,556
Addition and repayment of subordinated debt	1,117	-274
Repayment on lease commitment	-91	-72
Cash flows from financing activities	-445	-1,902
Cash flow for the year	27,293	-5,338
Cash and cash equivalents, beginning of period	39,977	45,489
Foreign currency translation adjustment of cash at bank and in hand	-404	-174
Cash flow for the year, total	27,293	-5,338
Cash and cash equivalents, end of period	66,866	39,977
Cash and cash equivalents, end of period, comprise:		
Cash balance and demand deposits with central banks**	58,519	30,685
Due in less than three months from credit institutions and central banks, cf. Note 17	8,347	9,292
Cash and cash equivalents, end of period	66,866	39,977
Liabilities due to financing activities* **	Subordinated debt	
Carrying amount, beginning of period	5,513	5,821
Change in exchange rates	-139	0
Change in fair value of the hedged interest-rate risk	-126	-35
Cash flow from repayments	-11	-1,738
Cash flow from issues	1,128	1,465
Recognised value, end of period	6,365	5,513

* Acquisition of the Danish activities from Svenska Handelsbanken has been computed at a purchase sum of DKK 34,428m with deduction of the acquired liquid assets at DKK 2,379 m.

** Distributed on cash balance DKK 193m and demand deposits at central banks DKK 58,326m (2021: cash balance DKK 190m and demand deposits at central banks DKK 30,495m).

***Lease commitments from financing activities, beginning of 2022: DKK 385m, interest for the year: DKK 6m, repayments for the year: DKK 91m, remeasurement for the year: DKK -74m, additions during the year: DKK 87m, lease commitment, end of 2022: DKK 313 million
Lease commitments from financing activities, beginning of 2021: DKK 374m, interest for the year: DKK 9m, repayments for the year: DKK 72m, remeasurement for the year: DKK 45m, additions during the year: DKK 29m, lease commitment, end of 2021: DKK 385 million.

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Note		2022	2021	2020	2019	2018
1	Financial ratios and key figures					
	Pre-tax profit, per share (DKK)*	**67.71**	54.42	26.63	37.11	35.74
	Earnings per share (DKK)*	**55.35**	42.41	19.76	29.00	28.15
	Earnings per share (diluted) (DKK)*	**55.35**	42.41	19.76	29.00	28.15
	Core profit per share (DKK)*	**71.95**	53.57	27.40	37.79	29.76
	Share price at end of period (DKK)	**451**	337	233	243	235
	Book value per share (DKK)*	**581**	515	459	434	390
	Price/book value per share (DKK)*	**0.78**	0.65	0.51	0.56	0.60
	Price/earnings per share*	**8.1**	7.9	11.8	8.4	8.4
	Proposed dividend per share (DKK)	**0**	0	0	0	6.12
	Distributed dividend per share (DKK)	**0**	0	0	0	11.74
	Outstanding shares in circulation ('000)	**64,264**	67,840	72,553	74,841	81,536
	Average number of shares in circulation ('000)	**65,128**	70,748	72,911	78,771	84,282
	Capital ratio (%)	**19.5**	22.8	22.9	21.5	20.0
	Tier 1 capital ratio (%)	**16.7**	20.0	19.9	19.4	18.0
	Common equity tier 1 capital ratio (%)	**15.2**	18.2	17.9	17.4	16.4
	Pre-tax profit as a pct. of average equity*	**12.2**	11.3	5.9	9.1	9.5
	Net profit as a percentage of average equity*	**10.0**	8.8	4.4	7.1	7.6
	Income/cost ratio (%)	**1.9**	1.8	1.3	1.6	1.5
	Interest-rate risk (%)	**2.4**	1.3	0.8	0.5	1.0
	Currency position	**3.0**	2.5	4.7	12.8	8.2
	Currency risk (%)	**0.0**	0.0	0.1	0.0	0.1
	Liquidity Coverage Ratio (LCR) (%)	**417**	448	339	243	219
	Total large exposures (%)	**134.6**	122.9	96.6	95.1	86.2
	Accumulated impairment ratio (%)	**0.8**	1.0	1.1	1.0	1.1
	Impairment ratio for the year (%)	**-0.1**	0.0	0.2	0.0	0.1
	Increase in loans and advances for the year, excl. repo loans (%)	**10.1**	1.1	0.0	0.7	3.9
	Loans and advances in relation to deposits	**2.6**	3.7	3.6	3.5	3.1
	Loans relative to equity	**13.3**	12.7	13.4	13.6	13.5
	Return on capital employed	**0.5**	0.5	0.2	0.4	0.4
	Number of full-time employees, year-end	**3,873**	3,257	3,349	3,614	3,723
	Average number of full-time employees in year	**3,381**	3,296	3,482	3,690	3,838

Reference is made to definitions of financial ratios, cf. note 69.
* Financial ratios are calculated as if additional tier 1 capital (AT1) is recognised as a liability, cf. note 2.

2 Segmental financial statements

	Banking activities	Mortgage activities	Leasing activities	The Jyske Bank Group*
2022				
Net interest income	2,889	2,515	452	5,856
Net fee and commission income	3,193	-653	-11	2,529
Value adjustments	111	2	26	139
Other income	211	0	28	239
Income from operating lease (net)	0	0	343	343
Core income	6,404	1,864	838	9,106
Core expenses	4,304	394	181	4,879
Core profit before loan impairment charges	2,100	1,470	657	4,227
Loan impairment charges	-391	-272	58	-605
Core profit	2,491	1,742	599	4,832
Investment portfolio earnings	-131	0	0	-131
Profit before one-off costs	2,360	1,742	599	4,701
One-off costs relating to Handelsbanken DK	-144	0	0	-144
Pre-tax profit	2,216	1,742	599	4,557
Loans and advances	184,568	333,712	23,401	541,682
- of which mortgage loans	0	333,712	0	333,712
- of which bank loans	132,046	0	23,401	155,447
- of which repo loans	52,523	0	0	52,523
Total assets	363,067	359,621	27,309	749,997
Deposits	208,233	0	172	208,405
- of which bank deposits	188,892	0	172	189,064
- of which repo and triparty deposits	19,341	0	0	19,341
Issued bonds	89,312	330,279	0	419,591
2021				
Net interest income	2,154	2,358	461	4,973
Net fee and commission income	3,038	-706	-24	2,308
Value adjustments	817	107	16	940
Other income	149	5	21	175
Income from operating lease (net)	0	0	256	256
Core income	6,158	1,764	730	8,652
Core expenses	4,343	389	172	4,904
Core profit before loan impairment charges	1,815	1,375	558	3,748
Loan impairment charges	-274	64	-8	-218
Core profit	2,089	1,311	566	3,966
Investment portfolio earnings	61	0	0	61
Profit before one-off costs	2,150	1,311	566	4,027
One-off costs relating to Handelsbanken DK	0	0	0	0
Pre-tax profit	2,150	1,311	566	4,027
Loans and advances	122,131	340,943	22,140	485,214
- of which mortgage loans	0	340,943	0	340,943
- of which bank loans	81,087	0	22,140	103,227
- of which repo loans	41,044	0	0	41,044
Total assets	253,420	369,035	24,667	647,122
Deposits	133,994	0	218	134,212
- of which bank deposits	121,300	0	218	121,518
- of which repo and triparty deposits	12,694	0	0	12,694
Issued bonds	67,898	345,567	0	413,465

* The relationship between income statement items under 'The Jyske Bank Group' (key financial data) and the income statement page 29 appears from the next page.

2 Segmental financial statements, cont.

Banking Activities
Banking activities cover advisory services relating to traditional financial solutions targeting personal and private banking clients as well as corporate clients and trading and investment activities targeting large corporate clients and institutional clients, including trading in interest-rate products, currencies, equities, commodities and derivatives. Investment portfolio earnings are allocated to Banking activities

Mortgage Activities
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.

Leasing Activities
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.

Internal allocation
Internal transactions are based on market conditions, and services are allocated according to agreed volume of consumption and under reference to calculated unit prices in accordance with the rules about transfer pricing. Cash transactions are settled via intercompany accounts, follow the money-market rate and are adjusted accordingly.

Assets and liabilities are presented in the segments that obtain or lose the relevant financial advantages.

Core profit and investment portfolio earnings
The pre-tax profit of 2022 broken down by core earnings and investment portfolio earnings as well as one-off costs is stated below:

Breakdown of the profit for the year
DKKm

DKKm	2022 Core profit	2022 Inv. portfolio earnings	2022 One-off costs	2022 Reclas-sification	2022 Total	2021 Core profit	2021 Inv. portfolio earnings	2021 Reclas-sification	2021 Total
Net interest income	5,856	33	0	8	5,897	4,973	72	-3	5,042
Net fee and commission income	2,529	0	0	0	2,529	2,308	0	0	2,308
Value adjustments	139	-135	0	-8	-4	940	17	3	960
Other income	239	0	0	4	243	175	0	3	178
Income from operating lease (net)	343	0	0	528	871	256	0	497	753
Income	**9,106**	**-102**	**0**	**532**	**9,536**	**8,652**	**89**	**500**	**9,241**
Expenses	4,879	29	144	532	5,584	4,904	28	500	5,432
Profit before loan impairment charges	**4,227**	**-131**	**-144**	**0**	**3,952**	**3,748**	**61**	**0**	**3,809**
Loan impairment charges	-605	0	0	0	-605	-218	0	0	-218
Pre-tax profit	**4,832**	**-131**	**-144**	**0**	**4,557**	**3,966**	**61**	**0**	**4,027**

Alternative performance targets
The alternative performance targets applied in the management's review constitute valuable information for readers of financial statements as they provide a more uniform basis for comparison of accounting periods. No adjusting entries are made, and therefore the net profit or loss for the year will be the same in the alternative performance targets of the management's review and in the IFRS financial statements.

Core profit is defined as the pre-tax profit exclusive of investment portfolio earnings. Hence earnings from clients are expressed better than in the IFRS financial statements.

Investment portfolio earnings are defined as the return on the Group's portfolio of shares, bonds, derivatives and equity investments, yet exclusive of the liquidity buffer and certain strategic equity investments. Investment portfolio earnings are calculated after expenses for funding and attributable costs.

Non-recurring items are costs relating to the acquisition of Svenska Handelsbanken's Danish activities. These one-offs are included in the IFRS profit and loss account under expenses for staff and administrative expenses, etc.

The above table illustrates relationships between income statement items under 'The Jyske Bank Group' (key financial data), page 2, and income statement items in the IFRS financial statements, page 29.

2 **Segmental financial statements, cont.**

Reclassification relates to the following:
- Expenses of DKK 8m (2021: income of DKK 3m) due to value adjustments relating to the balance principle at Jyske Realkredit was reclassified from value adjustments to interest income.
- Income of DKK 4m (2021: Income of DKK 3m) from external revenue was reclassified from income to offsetting against expenses.
- Depreciation and amortisation of DKK 528m (2021: DKK 497m) were reclassified from expenses to income from operating lease (net).

Please see below for definitions of the additional financial ratios stated under the Jyske Bank Group, page 2.

"Earnings per share", "Earnings per share (diluted)", "Pre-tax profit as a percentage of average equity" and "Net profit as a percentage of average equity" are calculated as if additional tier 1 capital (AT1) is recognised as a liability. In the numerator, the profit is less interest expenses for additional tier 1 capital (AT1) of DKK 174m (2021: DKK 176m) and the denominator is calculated as equity exclusive of hybrid core capital (AT1) of DKK 3,301m (2021: DKK 3,355m).

"Expenses as a percentage of income" is calculated as Core expenses divided by Core income.

"Book value per share" and "Price/book value per share" are calculated as if additional tier 1 capital (AT1) is accounted for as a liability. Book value was calculated exclusive of additional tier 1 capital (AT1) of DKK 3,301m (2021: DKK 3,355m).

DKKm	**2022**	2021
3 Segment information, income by product		
Corporate clients	**3,908**	3,104
Personal clients	**2,170**	2,172
Trading income	**1,565**	2,322
Other	**1,834**	1,642
Total	**9,477**	9,240

The item Corporate clients consists of interest and fee income from activities with corporate clients. The item Private clients consists of interest and fee income from activities with personal clients. Trading income consists of earnings from interest-rate and currency products as well as brokerage.

The Group has no single client who contributes 10% or more of the total income.

4 **Segment information, income by geography**

The Group's sum of net interest and fee income and value adjustments amounted to DKK 8,422m. (2021: DKK 8,310m), which is distributed with DKK 8,407m (2021: DKK 8,288m) for Denmark and with DKK 15m (2021: DKK 22m) internationally.

Geographical segments are listed according to where transactions are booked.

5 **Segment information, sales by country**

2022	Revenue	Pre-tax profit	Tax	Profit for the year	Public subsidies	Full-time employees, end of period
Denmark	15,258	4,554	805	3,749	0	3,845
Germany	15	3	0	3	0	9
Total	**15,273**	**4,557**	**805**	**3,752**	**0**	**3,854**
2021						
Denmark	12,391	4,017	849	3,168	0	3,233
Germany	20	10	2	8	0	9
Total	**12,411**	**4,027**	**851**	**3,176**	**0**	**3,242**

Revenue is defined as interest income, fee and commission income and also other operating income.

Activities in individual countries:
Denmark: The Jyske Bank Group has activities within banking and mortgage banking, trading and wealth management advice as well as leasing.
Germany: The Jyske Bank Group has activities within banking.

DKKm

6 Net interest income and value adjustments

	Interest income	Interest expenses	Net interest income	Dividends	Value adjustments	Total
2022						
Financial portfolios at amortised cost						
Due from and to credit institutions and central banks	193	126	67	0	80	147
Loans, advances and deposits	2,959	-63	3,022	0	0	3,022
Bonds	263	0	263	0	0	263
Issued bonds	0	762	-762	0	202	-560
Subordinated debt	0	141	-141	0	125	-16
Other financial instruments	0	7	-7	0	0	-7
Total	3,415	973	2,442	0	407	2,849
Financial portfolios at fair value through profit or loss						
Bonds	273	0	273	0	-2,071	-1,798
Shares, etc.	0	0	0	87	21	108
Derivatives, etc.	755	20	735	0	-382	353
Total	1,028	20	1,008	87	-2,432	-1,337
Financial portfolios designated at fair value margins through profit						
Loans and issued bonds	5,968	3,521	2,447	0	1,893	4,340
Total	5,968	3,521	2,447	0	1,893	4,340
Foreign currency translation adjustments	0	0	0	0	128	128
Total net interest income and value adjustments after offsetting of negative interest	**10,411**	**4,514**	**5,897**	**87**	**-4**	**5,980**
Negative interest income set off against interest income	178	178	0	0	0	0
Negative interest expenses set off against interest expenses	709	709	0	0	0	0
Total net interest income and value adjustments before offsetting of negative interest	**11,298**	**5,401**	**5,897**	**87**	**-4**	**5,980**
2021						
Financial portfolios at amortised cost						
Due from and to credit institutions and central banks	-94	84	-178	0	18	-160
Loans, advances and deposits	1,927	-581	2,508	0	0	2,508
Bonds	120	0	120	0	0	120
Issued bonds	0	102	-102	0	107	5
Subordinated debt	0	114	-114	0	35	-79
Other financial instruments	0	9	-9	0	0	-9
Total	1,953	-272	2,225	0	160	2,385
Financial portfolios at fair value through profit or loss						
Bonds	181	0	181	0	-410	-229
Shares, etc.	0	0	0	56	266	322
Derivatives, etc.	259	-49	308	0	348	656
Total	440	-49	489	56	204	749
Financial portfolios designated at fair value margins through profit						
Loans and issued bonds	5,020	2,692	2,328	0	398	2,726
Total	5,020	2,692	2,328	0	398	2,726
Foreign currency translation adjustments	0	0	0	0	198	198
Total net interest income and value adjustments after offsetting of negative interest	**7,413**	**2,371**	**5,042**	**56**	**960**	**6,058**
Negative interest income set off against interest income	417	417	0	0	0	0
Negative interest expenses set off against interest expenses	946	946	0	0	0	0
Total net interest income and value adjustments before offsetting of negative interest	**8,776**	**3,734**	**5,042**	**56**	**960**	**6,058**

Note		Jyske Bank Group

DKKm

Note		2022	2021
7	Interest income		
	Due from credit institutions and central banks	193	-94
	Loans and advances	6,897	4,991
	Administration margin	2,029	1,957
	Bonds	739	430
	Derivatives, total	756	258
	Of which currency contracts	620	294
	Of which interest-rate contracts	136	-36
	Total	10,614	7,542
	Interest on own mortgage bonds, set off against interest on issued bonds	203	129
	Total after offsetting of negative interest	10,411	7,413
	Negative interest income set off against interest income	178	417
	Negative interest expenses set off against interest expenses	709	946
	Total before offsetting of negative interest income	11,298	8,776
	Of which Interest income calculated according to the effective interest method	4,372	3,257

Negative interest income amounted to DKK 178m (2021: DKK 417m) and related primarily to repo transactions. In the above table, negative interest income is set off against interest income. In the income statement, negative interest income is listed as interest expenses, and negative interest expenses are listed as interest income.

Note		2022	2021
8	Interest expenses		
	Due to credit institutions and central banks	126	84
	Deposits	-63	-581
	Issued bonds	4,486	2,924
	Subordinated debt	141	114
	Other	27	-41
	Total	4,717	2,500
	Interest on own mortgage bonds, set off against interest on issued bonds	203	129
	Total after offsetting of negative interest	4,514	2,371
	Negative interest expenses set off against interest expenses	709	946
	Negative interest income set off against interest income	178	417
	Total before offsetting of negative interest income	5,401	3,734

Negative interest expenses amounted to DKK 709m (2021: DKK 946m) related primarily to repo transactions as well as deposits and issued bonds. In the above table, negative interest expenses are set off against interest expenses. In the income statement, negative interest expenses are listed as interest income, and negative interest income is listed as interest expenses.

Note		2022	2021
9	Fees and commission income		
	Securities trading and custody services	1,437	1,422
	Money transfers and card payments	289	251
	Loan application fees	540	458
	Guarantee commission	104	108
	Other fees and commissions	638	524
	Fees and commissions received, total	3,008	2,763
	Fees and commissions paid, total	479	455
	Fee and commission income, net	2,529	2,308

Jyske Bank's fee and commission income was finally calculated at the end of the year, when the bank's obligation to deliver had been fulfilled and also the client's payment had been effected. Hence there remains no material balances of contractual assets and liabilities. The fee income for the year amounting to DKK 3,008m less the fees and commissions paid for the year and commission expenses of DKK 479m constitute the net fee and commission income for the year in the amount of DKK 2,529m (2021: DKK 2,308m). These are recognised in the segmental financial statements for the bank's three business areas, cf. note 2. Loan application fees received relating to financial instruments measured at amortised cost amounted to DKK 231m (2021: DKK 214m). Fee and commission income from from asset-management activities and other activities entrusted to the bank that entail management or investment of assets on behalf of individuals, funds, pension funds and other institutions amounted to DKK 769m. (2021: DKK 792m).

DKKm

Note		2022	2021
10	Value adjustments		
	Loans at fair value	-33,015	-8,741
	Bonds	-2,071	-410
	Shares, etc.	21	266
	Currency	128	198
	Currency, interest-rate, share, commodity and other contracts as well as other derivatives	-398	327
	Issued bonds	35,110	9,246
	Other assets and liabilities	221	74
	Total	-4	960

Note			
11	**Other income**		
	Income on real property	41	42
	Profit on the sale of property, plant and equipment	6	39
	Income from operating lease[1]	871	753
	Dividends, etc.	87	56
	Profit/loss on investments in associates	59	2
	Other income	49	39
	Total	1,113	931

[1]) Expenses relating to operating leases affected the item Amortisation, depreciation and impairment charges in the amount of DKK 528m in 2022 against DKK 497m in 2021.

Note			
12	**Employee and administrative expenses**		
	Employee expenses		
	Wages and salaries, etc.	2,324	2,229
	Pensions	284	266
	Social security	340	342
	Total	2,948	2,837
	Salaries and remuneration to management bodies		
	Executive Board*	38	36
	Supervisory Board	7	7
	Shareholders' Representatives	3	3
	Total	48	46

*Salaries and remuneration to the Executive Board include value of company car, etc. as well as the retirement remuneration in the amount of DKK 3m (2021: DKK 2m). Variable remuneration to the Executive Board totalled DKK 0m (2021: DKK 0m).

Details of the individual remuneration of the members of the Executive Board and the Supervisory are stated in the remuneration report, available on jyskebank.com/investorrelations/governance.

The members of the Supervisory Board and the Executive Board are not offered any incentive programmes. No member of the Supervisory Board or the Executive Board is specifically remunerated as a member of the board in any group enterprise. Members of the Executive Board are not separately remunerated as members of supervisory boards or board of directors outside the Group (for instance, sector companies). Alternatively, such remuneration will be set off against the salary of the individual member of the Executive Board.

Members of the Executive Board as well as Jyske Bank can mutually terminate the employment subject to a term of notice of six months. Where Jyske Bank terminates the employment, a severance pay equalling the past 24 months' pay, inclusive of any retirement remuneration from Jyske Bank's Pensionstilskudsfond will also be given.

The Group does not pay any separate pension contribution for the members of the Supervisory Board and the Executive Board in addition to the remuneration stated in the financial statements.

Jyske Bank's Pensionstilskudsfond is a fund which offers supplementary pensions to current and former members of the Executive Board and their surviving relatives, if any. Payment will commence upon the resignation of the individual member of the Executive Board. Since 1 January 2011, members of the Executive Board do not qualify for any further rights to pension supplements from Jyske Bank's Pensionstilskudfond apart from a one-off payment in the form of a seniority-dependent retirement remuneration not exceeding 83.33% of the annual salary at the time of resignation, cf. the above table showing the total remuneration of the Executive Board. The retirement remuneration will be maximised when a member reaches 25 years of seniority, however, as regards Peter Schleidt and Per Skovhus when they reach 10 years of seniority. In the event of lower seniority at the time of resignation, the retirement remuneration will be reduced proportionally according to the shorter seniority. The pension liabilities of Jyske Bank's Pensionstilskudsfond are calculated actuarially and based on a number of assumptions. To the extent the value of Jyske Bank's Pensionstilskudsfond's assets does not match the net present value of the liabilities, the remaining amount has been recognised as a liability in the financial statements. See notes 37 and 62 for further details.

Note	DKKm	2022	2021
12	**Employee and administrative expenses, cont.**		
	Other administrative expenses		
	IT	1,330	1,492
	Other operating expenses	194	164
	Other administrative expenses	405	289
	Total	1,929	1,945
	Employee and administrative expenses, total	4,925	4,828
	Average number of employees for the financial year (full-time employees)	3,381	3,296
	Average number of members of the Executive Board	4.0	4.0
	Average number of members of the Supervisory Board	9.0	9.5
	Specification of wages and salaries, etc.		
	Wages and salaries and other short-term employee benefits	2,316	2,219
	Other long-term employee benefits	8	10
	Total	2,324	2,229
	Remuneration of material risk takers		
	Number of members over the year	122	105
	Number of members at year-end	111	100
	Contractual remuneration	139	131
	Variable remuneration	4	4
	Pension	14	14

The group comprises employees (exclusive of the Executive Board) with a special impact on the Group's risk profile.
The group does not participate in any incentive schemes. Remuneration is included in the period during which the employee was a material risk taker.

Note		2022	2021
13	**Audit fees**		
	Total fees to Jyske Bank A/S's auditors elected at the Annual General Meeting and to auditors in the subsidiaries in and outside Denmark	15	10
	Breakdown of audit fees:		
	Fee for statutory audit of the financial statements	7	4
	Fee for other assurance services	2	1
	Fee for tax advice	0	0
	Fee for other services	6	5

In addition to fees to the auditors elected at the Annual General Meeting, expenses were recognised for Internal Audit.

Fees for non-audit services rendered 2022 to the Jyske Bank Group cover review in connection with continual recognition of profit, submission of various statutory declarations, assistance for validation of the bank's credit models and assistance and preparation of various statements in relation to the acquisition of Svenska Handelsbanken's Danish activities.

DKKm	2022	2021
14 Loan impairment charges and provisions for guarantees		
Loan impairment charges and provisions for guarantees recognised in the income statement		
Loan impairment charges and provisions for guarantees for the year	-348	-121
Impairment charges on balances due from credit institutions for the year	-5	-6
Provisions for loan commitments and unutilised credit lines in the year	-100	-23
Recognised as a loss, not covered by loan impairment charges and provisions	112	92
Recoveries	-157	-126
Recognised discount for acquired loans*	-107	-34
Loan impairment charges and provisions for guarantees recognised in the income statement	-605	-218
Balance of loan impairment charges and provisions for guarantees		
Balance of loan impairment charges and provisions, beginning of period	5,443	5,761
Loan impairment charges and provisions for the year	-447	-145
Recognised as a loss, covered by loan impairment charges and provisions	-326	-221
Other movements	71	48
Balance of loan impairment charges and provisions, end of period	4,741	5,443
Loan impairment charges and provisions for guarantees at amortised cost	2,944	3,120
Loan impairment charges at fair value	1,404	1,685
Provisions for guarantees	212	358
Provisions for credit commitments and unutilised credit lines	181	280
Balance of loan impairment charges and provisions, end of period	4,741	5,443

* The discount balance for loans and advances taken over amounts to the expected credit losses at the initial recognition at fair value. Subsequent positive changes to the expected credit losses during the term are recognise as income and stated under loan impairment charges and provisions for guarantees.

The discount balance for loans and advances taken over is not included in the balance of loan impairment charges and provisions for guarantees.

The contractual balances outstanding for financial assets that were written off as losses in 2022 and that are still attempted to be recovered amounted to DKK 438m (2021: DKK 313m).

DKKm

14 Loan impairment charges and provisions for guarantees, cont.

Balance of loan impairment charges and provisions for guarantees by stage – total	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Balance, beginning of 2022	1,081	923	3,439	0	**5,443**
Transfer of impairment charges at beginning of period to stage 1	327	-288	-39	0	**0**
Transfer of impairment charges at beginning of period to stage 2	-59	181	-122	0	**0**
Transfer of impairment charges at beginning of period to stage 3	-11	-66	77	0	**0**
Impairment charges relating to new portfolio	93	0	0	1	**94**
Impairment charges on new loans, etc.	360	141	214	0	**715**
Impairment charges on discontinued loans and provisions for guarantees	-304	-254	-543	0	**-1,101**
Effect from recalculation	-174	438	-345	0	**-81**
Previously recognized as impairment charges, now final loss	-1	-2	-326	0	**-329**
Balance, end of 2022	1,312	1,073	2,355	1	**4,741**

Balance of loan impairment charges and provisions for guarantees by stage – total	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Balance, beginning of 2021	973	1,401	3,387	0	**5,761**
Transfer of impairment charges at beginning of period to stage 1	319	-290	-29	0	**0**
Transfer of impairment charges at beginning of period to stage 2	-82	217	-135	0	**0**
Transfer of impairment charges at beginning of period to stage 3	-3	-299	302	0	**0**
Impairment charges on new loans, etc.	409	177	327	0	**913**
Impairment charges on discontinued loans and provisions for guarantees	-215	-263	-695	0	**-1,173**
Effect from recalculation	-319	-17	499	0	**163**
Previously recognized as impairment charges, now final loss	-1	-3	-217	0	**-221**
Balance, end of 2021	1,081	923	3,439	0	**5,443**

In general, impairment charges at the Jyske Bank Group still developed favourably in 2022. This resulted in a decline in the balance of impairment charges, and it was also reflected in the stage migrations, which were small and showed a trend towards improving credit quality.

The transfer of impairment charges from stage 2 to stage 3 is relatively small and primarily covers few client relations. Impairment charges relating to new portfolio relate to the acquisition of Handelsbanken Denmark. The items of new loans and advances, etc. and discontinued loans and advances, etc. were affected by natural refinancing and remortgaging. The period only saw minor model adjustments, and the write-offs of losses are at a low level.

Gross loans and advances rose in 2022 due primarily to the take-over of Handelsbanken's Danish portfolio. Primarily stage-1 loans and only a small proportion of the acquired loans is credit-impaired at first recognition.
In the other portfolio, loans dropped back slightly in stages 1 and 2 whereas loans increased slightly in stage 3. The increase in stage-3 loans was, among other things, caused by the FSA's clarification that repeated overdrafts must be considered a breach of contract, with resulting ranking at stage 3.

DKKm

14 Loan impairment charges and provisions for guarantees, cont.

Balance of impairment charges by stage - loans at amortised cost	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Balance, beginning of 2022	575	407	2,138	0	3,120
Transfer of impairment charges at beginning of period to stage 1	173	-144	-29	0	0
Transfer of impairment charges at beginning of period to stage 2	-44	130	-86	0	0
Transfer of impairment charges at beginning of period to stage 3	-8	-31	39	0	0
Impairment charges relating to new portfolio	33	0	0	0	33
Impairment charges on new loans, etc.	174	61	108	0	343
Impairment charges on discontinued loans and provisions for guarantees	-143	-81	-276	0	-500
Effect from recalculation	-253	438	-80	0	105
Previously recognized as impairment charges, now final loss	-1	0	-156	0	-157
Balance, end of 2022	506	780	1,658	0	2,944

Balance of impairment charges by stage - loans at amortised cost	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Balance, beginning of 2021	527	646	2,390	0	3,563
Transfer of impairment charges at beginning of period to stage 1	112	-91	-21	0	0
Transfer of impairment charges at beginning of period to stage 2	-52	146	-94	0	0
Transfer of impairment charges at beginning of period to stage 3	-2	-188	190	0	0
Impairment charges on new loans, etc.	205	69	90	0	364
Impairment charges on discontinued loans and provisions for guarantees	-99	-138	-380	0	-617
Effect from recalculation	-116	-36	162	0	10
Previously recognized as impairment charges, now final loss	0	-1	-199	0	-200
Balance, end of 2021	575	407	2,138	0	3,120

Balance of impairment charges by stage – loans at fair value	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Balance, beginning of 2022	335	373	977	0	1,685
Transfer of impairment charges at beginning of period to stage 1	89	-83	-6	0	0
Transfer of impairment charges at beginning of period to stage 2	-11	35	-24	0	0
Transfer of impairment charges at beginning of period to stage 3	-1	-31	32	0	0
Impairment charges relating to new portfolio	39	0	0	0	39
Impairment charges on new loans, etc.	141	53	28	0	222
Impairment charges on discontinued loans and provisions for guarantees	-70	-139	-166	0	-375
Effect from recalculation	157	12	-275	0	-106
Previously recognized as impairment charges, now final loss	0	-1	-60	0	-61
Balance, end of 2022	679	219	506	0	1,404

Balance of impairment charges by stage – loans at fair value	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Balance, beginning of 2021	303	618	709	0	1,630
Transfer of impairment charges at beginning of period to stage 1	181	-175	-6	0	0
Transfer of impairment charges at beginning of period to stage 2	-14	48	-34	0	0
Transfer of impairment charges at beginning of period to stage 3	-1	-81	82	0	0
Impairment charges on new loans, etc.	97	79	52	0	228
Impairment charges on discontinued loans and provisions for guarantees	-50	-101	-99	0	-250
Effect from recalculation	-181	-13	290	0	96
Previously recognized as impairment charges, now final loss	0	-2	-17	0	-19
Balance, end of 2021	335	373	977	0	1,685

DKKm

14 Loan impairment charges and provisions for guarantees, cont.

Balance of provisions by stage - guarantees and loan commitments, etc.	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Balance, beginning of 2022	175	143	320	0	638
Transfer of impairment charges at beginning of period to stage 1	65	-60	-5	0	0
Transfer of impairment charges at beginning of period to stage 2	-4	16	-12	0	0
Transfer of impairment charges at beginning of period to stage 3	-1	-4	5	0	0
Impairment charges relating to new portfolio	21	0	0	1	22
Impairment charges on new loans, etc.	44	27	77	0	148
Impairment charges on discontinued loans and provisions for guarantees	-91	-33	-101	0	-225
Effect from recalculation	-77	-13	10	0	-80
Previously recognized as impairment charges, now final loss	0	0	-110	0	-110
Balance, end of 2022	132	76	184	1	393

Balance of provisions by stage - guarantees and loan commitments, etc.	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Balance, beginning of 2021	143	139	286	0	568
Transfer of impairment charges at beginning of period to stage 1	27	-24	-3	0	0
Transfer of impairment charges at beginning of period to stage 2	-16	23	-7	0	0
Transfer of impairment charges at beginning of period to stage 3	0	-31	31	0	0
Impairment charges on new loans, etc.	108	28	183	0	319
Impairment charges on discontinued loans and provisions for guarantees	-66	-24	-215	0	-305
Effect from recalculation	-21	32	46	0	57
Previously recognized as impairment charges, now final loss	0	0	-1	0	-1
Balance, end of 2021	175	143	320	0	638

Gross loans, advances and guarantees by stage	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Gross loans, advances and guarantees, 1 January 2022	471,338	24,447	8,315	0	504,100
Additions relating to new portfolio	65,059	0	0	84	65,143
Transfer of loans, advances and guarantees to stage 1	9,925	-9,780	-145	0	0
Transfer of loans, advances and guarantees to stage 2	-8,156	8,603	-447	0	0
Transfer of loans, advances and guarantees to stage 3	-1,706	-774	2,480	0	0
Other movements	-6,699	-3,707	-1,454	0	-11,860
Gross loans, advances and guarantees, 31 December 2022	529,761	18,789	8,749	84	557,383
Loan impairment charges and provisions for guarantees, total	1,237	1,025	2,298	0	4,560
Net loans, advances and guarantees, 31 December 2022	528,524	17,764	6,451	84	552,823

Gross loans, advances and guarantees by stage	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Gross loans, advances and guarantees, 1 January 2021	480,368	19,726	8,215	0	508,309
Additions relating to new portfolio	0	0	0	0	0
Transfer of loans, advances and guarantees to stage 1	5,581	-5,463	-118	0	0
Transfer of loans, advances and guarantees to stage 2	-12,766	13,336	-570	0	0
Transfer of loans, advances and guarantees to stage 3	-701	-1,866	2,567	0	0
Other movements	-1,144	-1,286	-1,779	0	-4,209
Gross loans, advances and guarantees, 31 December 2021	471,338	24,447	8,315	0	504,100
Loan impairment charges and provisions for guarantees, total	961	826	3,376	0	5,163
Net loans, advances and guarantees, 31 December 2021	470,377	23,621	4,939	0	498,937

DKKm

14 Loan impairment charges and provisions for guarantees, cont.

Loans, advances and guarantees by stage and internal rating - gross before impairment charges and provisions		31 December 2022					31 Dec. 2021
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end	Year-end
1	0.00 - 0.10	78,006	118	0	0	**78,124**	54,379
2	0.10 - 0.15	18,769	39	0	0	**18,808**	16,860
3	0.15 - 0.22	34,772	47	0	0	**34,819**	34,183
4	0.22 - 0.33	56,806	37	0	0	**56,843**	30,402
5	0.33 - 0.48	85,353	308	0	0	**85,661**	109,129
STY Ratings 1 – 5		273,706	549	0	0	**274,255**	244,953
6	0.48 - 0.70	86,006	323	0	0	**86,329**	81,135
7	0.70 - 1.02	67,538	811	0	0	**68,349**	61,177
8	1.02 - 1.48	49,767	498	0	0	**50,265**	41,175
9	1.48 - 2.15	23,608	704	0	0	**24,312**	28,599
10	2.15 - 3.13	11,090	2,115	0	0	**13,205**	12,839
11	3.13 - 4.59	5,912	1,880	0	0	**7,792**	7,461
STY Ratings 6 – 11		243,921	6,331	0	0	**250,252**	232,386
12	4.59 - 6.79	3,612	2,798	0	0	**6,410**	5,758
13	6.79 - 10.21	2,066	2,559	0	0	**4,625**	4,621
14	10.21 - 25.0	1,073	5,436	0	0	**6,509**	5,938
STY Ratings 12-14		6,751	10,793	0	0	**17,544**	16,317
Other		4,765	223	0	0	**4,988**	1,745
Non-performing loans		618	893	8,749	84	**10,344**	8,699
Total		529,761	18,789	8,749	84	**557,383**	504,100

Loan impairment charges and provisions for guarantees by stage and internal rating		31 December 2022					31 Dec. 2021
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end	Year-end
1	0.00 - 0.10	91	0	0	0	**91**	33
2	0.10 - 0.15	22	0	0	0	**22**	23
3	0.15 - 0.22	50	0	0	0	**50**	64
4	0.22 - 0.33	98	0	0	0	**98**	75
5	0.33 - 0.48	217	3	0	0	**220**	156
STY Ratings 1- 5		478	3	0	0	**481**	351
6	0.48 - 0.70	139	4	0	0	**143**	129
7	0.70 - 1.02	165	5	0	0	**170**	135
8	1.02 - 1.48	123	7	0	0	**130**	145
9	1.48 - 2.15	110	10	0	0	**120**	162
10	2.15 - 3.13	51	88	0	0	**139**	107
11	3.13 - 4.59	48	41	0	0	**89**	102
STY Ratings 6 – 11		636	155	0	0	**791**	780
12	4.59 - 6.79	51	56	0	0	**107**	111
13	6.79 - 10.21	27	110	0	0	**137**	139
14	10.21 - 25.0	14	620	0	0	**634**	370
STY Ratings 12-14		92	786	0	0	**878**	620
Other		24	17	0	0	**41**	16
Non-performing loans		7	64	2,298	0	**2,369**	3,396
Total		1,237	1,025	2,298	0	**4,560**	5,163

DKKm

14 Loan impairment charges and provisions for guarantees, cont.

Loan commitments and unutilised credit facilities by stage		31 December 2022					31 Dec. 2021
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end	Year-end
1	0.00 - 0.10	21,174	2	0	0	**21,176**	11,019
2	0.10 - 0.15	5,631	1	0	0	**5,632**	7,317
3	0.15 - 0.22	6,404	44	0	0	**6,448**	11,043
4	0.22 - 0.33	9,606	23	0	0	**9,629**	10,395
5	0.33 - 0.48	4,988	46	0	0	**5,034**	6,978
STY Ratings 1 – 5		47,803	116	0	0	**47,919**	46,752
6	0.48 - 0.70	13,863	38	0	0	**13,901**	11,807
7	0.70 - 1.02	4,951	215	0	0	**5,166**	5,677
8	1.02 - 1.48	8,637	25	0	0	**8,662**	8,024
9	1.48 - 2.15	1,600	74	0	0	**1,674**	2,707
10	2.15 - 3.13	2,008	191	0	0	**2,199**	2,008
11	3.13 - 4.59	673	92	0	0	**765**	478
STY Ratings 6 – 11		31,732	635	0	0	**32,367**	30,701
12	4.59 - 6.79	786	100	0	0	**886**	720
13	6.79 - 10.21	555	367	0	0	**922**	106
14	10.21 - 25.0	470	450	0	0	**920**	965
STY Ratings 12-14		1,811	917	0	0	**2,728**	1,791
Other		3,809	83	0	0	**3,892**	1,007
Non-performing loans		7	42	467	2	**518**	402
Total		85,162	1,793	467	2	**87,424**	80,653

Provisions for loan commitments and unutilised credit lines by stage		31 December 2022					31 Dec. 2021
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end	Year-end
1	0.00 - 0.10	2	0	0	0	**2**	1
2	0.10 - 0.15	4	0	0	0	**4**	3
3	0.15 - 0.22	6	0	0	0	**6**	13
4	0.22 - 0.33	7	0	0	0	**7**	17
5	0.33 - 0.48	7	1	0	0	**8**	15
STY Ratings 1 – 5		26	1	0	0	**27**	49
6	0.48 - 0.70	17	0	0	0	**17**	20
7	0.70 - 1.02	7	0	0	0	**7**	19
8	1.02 - 1.48	9	0	0	0	**9**	17
9	1.48 - 2.15	4	1	0	0	**5**	20
10	2.15 - 3.13	3	4	0	0	**7**	9
11	3.13 - 4.59	3	1	0	0	**4**	10
STY Ratings 6 – 11		43	6	0	0	**49**	95
12	4.59 - 6.79	2	2	0	0	**4**	4
13	6.79 - 10.21	4	12	0	0	**16**	3
14	10.21 - 25.0	0	15	0	0	**15**	56
STY Ratings 12-14		6	29	0	0	**35**	63
Other		4	4	0	0	**8**	7
Non-performing loans		0	9	53	0	**62**	66
Total		79	49	53	0	**181**	280

14 Loan impairment charges and provisions for guarantees, cont.

Management's estimates
In addition to the calculations of impairment charges, a management's assessment is performed of the impairment models and the ability of the expert-assessed impairment calculations to take into consideration the future economic development. To the extent that it is assessed that circumstances and risks are not included in the models, an addition to the impairment calculations is made which is based on a management's estimate. This estimate is based on specific observations and is calculated on the basis of the expected risks of the specific sub-portfolios.

At the end of 2022, the Jyske Bank Group's management's estimates totalled DKK 1,425m (2021: DKK 1,770m)

DKKm	2022	2021
Corporate clients		
Macroeconomic risks	760	975
Non-linear impairment effects	121	69
Process-related risks	55	40
Corporate clients, total	936	1,084
Personal clients		
Macroeconomic risks	320	325
Non-linear impairment effects	34	41
Process-related risks	135	320
Personal clients, total	489	686
Management's estimates, total	1,425	1,770

It is essential that the basis of the management's estimates is well-founded on realistic circumstances and expectations that are not fully recognized in the impairment charges calculated. Documentation and determination will always consist of a coherent chain of reasoning between the well-founded circumstances and the expectation of loss. The determination is supported by data and is based on the specific portfolio, yet it may also be based on an estimate of the effect. On a quarterly basis, the management's estimates are reassessed on the basis of updated controls and analyses of the specific areas.

14 **Loan impairment charges and provisions for guarantees, cont.**

The table below elaborates on the rationale as well as the method of the individual estimates, also including a statement of which sub-portfolios the management's estimates relate to.

Area	*Rationale*	*Methods of accounting and material assumptions*	*Sub-portfolio*
Macroeconomic risks	At the end of 2022, management's estimated additions to macroeconomic risks covered expected losses relating to: • Energy crisis, high inflation, increasing interest rates, rising housing burden, etc., including the derived negative economic effects from the war in Ukraine. • In continuation of the above issue, expectations point to a challenged property market and by implication declining values of especially commercial property. Based on the good economic conditions in recent years for both corporate and personal clients, it is at the present point in time difficult to identify all individual clients who will, over the coming period, face challenges relating to liquidity. Therefore it is right now necessary to handle the risk based on a portfolio perspective.	Jyske Bank and Jyske Finans For Jyske Bank and Jyske Finans, the effect on impairment charges has been computed by stressing the input parameters for placement in stages for clients with a PD above 2% and reducing the value of property security by 15%-20%. It is estimated that the best part of the credit portfolio defined as PD<2% has low credit risk and will not be materially affected by the macroeconomic risks. In addition, it has been decided to stress the value of property security since this is the most important security type which will be affected by macroeconomic risks. Jyske Realkredit The effect on impairment charges has for Jyske Realkredit been computed by assessing the scope of commercial property with LTV>100 in a middle stress scenario in which interest rates increase by a further 2 percentage points, WACC by 1 percentage point and rental income declines by 5%-10%. For loans and advances to private homes at Jyske Realkredit the evaluation of the effect on impairment charges is based on expert estimates of the number of clients who may land in financial difficulties.	The Jyske Bank Group's portfolio of corporate and personal clients in stages 1, 2 and 3.
Impairment effects derived from macroeconomic scenarios (quantification of non-linear impairment effects)	The calculation of impairment charges is associated with a number of assumptions about expectations of the future economic development. To take account of uncertainties in these assumptions the impairment effect is quantified in several economic scenarios. Therefore, at the end of 2022, additions for non-linear loan impairment charges and provisions for guarantees estimated by management cover estimated loss associated with the non-linear correlation of the impairment effect in case of different economic scenarios (good, base-line, weak and hard economic scenario).	The quantification of non-linear impairment effects (sensitivities relating to the base-line scenario) is for clients in stages 1 and 2 calculated by stressing input parameters for PD and the value of property security. In the Jyske Bank Group's ordinary impairment model a probability-weighted expected loss based on several scenarios is calculated for credit-impaired loans and advances (stage 3). Consequently, the result hereof is not included under management's estimates. The method of accounting is described in detail under the table.	The Jyske Bank Group's portfolio of corporate and personal clients in stages 1 and 2.

14 Loan impairment charges and provisions for guarantees, cont.

Area	*Rationale*	*Methods of accounting and material assumptions*	*Sub-portfolio*
Process-related risks	At the end of 2022, management's estimated additions to process-related risks covered expected losses relating to: • Errors in the risk classification relating to exposures with limited financial insight and erroneous assessment of risk • Expiry of instalment-free periods where the models cannot to a sufficient degree handle the higher risk when the instalment-free period expires. The effect on impairment charges of these risks is reassessed on an ongoing basis and at least once a year based on controls performed and the size of the portfolio.	The extent of process-related risks is estimated on basis of ongoing spot checks and controls for identification and registration of risks. Based on this, it has been experienced that the identified circumstances are in the nature of risks that have not yet been registered and risks that have been misinterpreted in manual processes. For each of the spot checks carried out, the impairment effect was calculated for the spot check, and subsequently the portfolio effect was estimated by scaling the results from the spot check to the portfolio.	The Jyske Bank Group's portfolio of corporate and personal clients in stages 1 and 2.

Impairment effects derived from macroeconomic scenarios (quantification of non-linear impairment effects)

The macroeconomic forecasts are very much affected by the recent economic development, and in combination with low, observed default rates in recent years, the uncertainty is considered high in relation to a projection disregarding scenarios of derived economic effects from repayment of government rescue packages in connection with COVID-19, interest rate development, rising inflation, challenged supply chains, falling property prices, etc. Therefore, analyses are performed of the indication of impairment in several scenarios. This is done with a view to assessment of the sensitivity relating to the most probable scenario (base line scenario) and with a view to quantification of non-linear effects from scenario-specific impairment calculations.

Four scenarios are used, based on the Group's expectations of the macro-economic development (Good, Baseline, Weak and Hard). The scenarios are based on forecasts prepared by Jyske Markets, Macro Research, a unit that is independent of the impairment process. The 'Hard' scenario is in line with the scenario used in the Group's internal stress tests. For each scenario, the probability of default (PD) and the value of securities are re-calculated. Hence it is ensured that the results of the models are balanced. The impairment effect of the scenarios is calculated by weighting the results against the assessed event probability, which is defined by management.

Macroeconomic scenarios and event probability are reviewed at least once a year. The economic development over the recent period has affected the impairment model in the base line scenario and absorbed part of the scenario effects. On the whole, derived from the scenario calculation, this results in impairment charges of DKK 155m (2021: DKK 110m). The increase in impairment charges can be directly attributed to the increased risk of the macroeconomic scenarios, including that part of the risk is included in the impairment charges in the base line scenario of the model-based impairment calculations.

	2022		2021	
Scenario	Probability	Weighted additional impairment charges	Probability	Weighted additional impairment charges
Good	30%	-7	30%	-11
Baseline	30%	0	30%	0
Weak	30%	53	30%	66
Hard	10%	109	10%	55
Total	100%	155	100%	110

The probability of the scenarios is maintained at an unchanged level relative to 2021. This is assessed to be a fair presentation based on the update of the base line scenario to the current macro-economic forecasts and that the uncertainty relating to the outcome space is subsequently considered unchanged. The results shown in the above table can be applied to a sensitivity assessment of the calculations for the portfolio. For instance, the additional indication of impairment will increase to DKK 177m, if the scenario Weak is weighted 100% in the analysis. Likewise, the additional indication of impairment will increase to DKK 1,090m, if the scenario Hard is weighted 100% in the analysis.

14 Loan impairment charges and provisions for guarantees, cont.

Development in management's estimates 2022

In 2021, the risk of large losses as a direct result of the outbreak of COVID-19 played a large role in the determination of management's estimates. In the course of 2022, the risk is expected to have decreased materially and now primarily consists of the risk of business enterprises' repayment ability in connection with the repayment of loans raised under the government aid packages. Moreover, the economy was in 2022 greatly affected by large changes of several material economic factors, including rising interest rates, rising housing burdens (interest, heating, electricity and consumer prices), deteriorating supply chains and economic effects derived from the war in Ukraine.

It is difficult to separate the large economic uncertainty caused by developments from the residual effects from COVID-19. Consequently, the Jyske Bank Group has decided to combine the calculation of the management's estimate relating to macroeconomic effects into one. This results in a reversal of management's estimate relating to COVID-19 since it is expected that any repercussions from COVID-19 will be included in the overall estimate to cover macroeconomic uncertainty.

In this process, the previous management's estimates to cover the risk of loss derived from uncertainty relating to the valuation of foreign property (key-plan) and uncertain valuation of agricultural assets have accordingly been absorbed.

Management's estimates to cover process-related risks essentially gather the previous management's estimates of limited financial insight, expiry of instalment-free period and breaches of contract/overdraft. The latter was reversed over 2022 in connection with the development of systems support of risk classification as a direct consequence of breaches of contract/overdraft. Credit risk derived hereof is subsequently included in the ordinary impairment calculations.

Moreover, the Jyske Bank Group's ordinary impairment calculation is affected by an update of the parameters in the base line scenario as the probability of clients defaulting on their obligations has been updated with current information about default rates and expectations of the future. On this basis, the non-linear effects from scenario-specific impairment calculations have been re-calculated, cf. above.

DKKm	2022	2021
14 Loan impairment charges and provisions for guarantees, cont.		
Security provided for assets credit-impaired on the balance sheet date		
Cash deposits	58	176
Highly liquid securities	47	32
Bank guarantees	5	35
Real property, residential	3,073	2,515
Real property, commercial	2,371	2,574
Movable property, cars, rolling stock	323	143
Other movable property	333	358
Guarantees (financial institutions)	184	191
Year-end	6,394	6,024

Reference is made to note 22.

15 Tax	2022	2021
Current tax for the year	1,650	845
Adjustment of deferred tax	-854	8
Adjustment of current tax for previous years	405	0
Adjustment of deferred tax for previous years	-396	-2
Total, end of year	805	851
Effective tax rate		
Corporation tax rate in Denmark	22.0	22.0
Adjustments as regards previous years	0.2	-0.1
Non-taxable income and non-deductible expenses, etc.	-0.4	-0.8
Change of corporate tax rate (conversion factor)	-4.1	0.0
Effective tax rate	17.7	21.1

Th corporate tax rate for financial institutions etc. increases from 22% to 25.2% in 2023 and 26% in 2024 and subsequent years. At the end of 2022, deferred tax assets and obligations were adjusted accordingly, and the effect at DKK 187m has been recognised in 2022 as tax income.

16 Earnings per share	2022	2021
Profit for the year	3,752	3,176
Holders of additional tier 1 capital	147	176
Proportion attributable to shareholders of Jyske Bank A/S	3,605	3,000
Average number of shares, 1,000 shares	68,115	72,561
Average number of own shares, 1,000 shares	-2,987	-1,813
Average number of shares in circulation, 1,000 shares	65,128	70,748
Number of shares outstanding, 1,000 shares	64,264	67,840
Earnings per share (EPS) DKK	55.35	42.41
Earnings per share diluted (EPS-D) DKK	55.35	42.41
Core earnings per share		
Core profit	4,832	3,966
Holders of additional tier 1 capital	147	176
Core profit ex holders of additional tier 1 capital	4,685	3,790
Average number of shares in circulation, 1,000 shares	65,128	70,748
Core earnings (DKK) per share	71.95	53.57

DKKm

17 Contractual time to maturity, 2022	On demand	Up to 3 months	3 months - 1 year	1-5 yrs	Over 5 years	Year-end
The below amounts are exclusive of interest.						
Assets						
Claims on credit institutions and central banks	1,337	7,010	0	0	0	8,347
Loans at fair value	0	1,709	6,487	39,866	289,570	337,632
Loans and advances at amortised cost	10	102,764	37,057	19,661	44,558	204,050
Bonds at fair value	0	637	13,412	32,908	8,548	55,505
Bonds at amortised cost	0	2,983	3,479	25,200	7,998	39,660
Liabilities						
Due to credit institutions and central banks	10,434	8,218	7,529	2,249	0	28,430
Deposits, exclusive of pooled deposits	121,692	63,476	11,496	1,039	3,523	201,226
Issued bonds at fair value	0	1,664	74,364	135,972	112,156	324,156
Issued bonds at amortised cost	0	53,131	17,914	20,672	3,718	95,435
Subordinated debt	0	149	86	33	6,097	6,365
Off-balance sheet items						
Guarantees, etc.	4,923	2,328	1,663	1,997	229	11,140
Loan commitments and unutilised credit facilities	4	44,029	15,877	8,423	19,091	87,424

Contractual time to maturity, 2021	On demand	Up to 3 months	3 months - 1 year	1-5 yrs	Over 5 years	Year-end
Assets						
Claims on credit institutions and central banks	38	9,254	243	0	0	9,535
Loans at fair value	0	2,193	7,413	43,260	289,848	342,714
Loans and advances at amortised cost	27	71,698	27,400	30,241	13,134	142,500
Bonds at fair value	0	1,202	17,085	29,236	8,479	56,002
Bonds at amortised cost	0	153	3,625	17,131	6,044	26,953
Liabilities						
Due to credit institutions and central banks	3,351	9,405	69	1,487	659	14,971
Deposits, exclusive of pooled deposits	108,885	7,857	8,665	967	3,502	129,876
Issued bonds at fair value	0	2,740	64,859	123,923	148,818	340,340
Issued bonds at amortised cost	0	26,317	30,568	12,521	3,718	73,124
Subordinated debt	0	0	11	268	5,234	5,513
Off-balance sheet items						
Guarantees, etc.	4,895	2,596	2,869	3,093	270	13,723
Loan commitments and unutilised credit facilities	15	40,581	15,508	17,116	7,433	80,653

Standard terms

Personal clients
Jyske Bank can call in floating-rate loans and credit facilities with a reasonable or usual notice of termination according to the rules on good business practice. Fixed-rate loans are non-callable. Clients can terminate their commitment with Jyske Bank without notice or, in the case of fixed-rate credit facilities, at two business days' notice. In case of default, Jyske Bank can terminate an agreement without notice.
As a main rule, the debtor undertakes to disclose financial information. Jyske Bank may dispense with such undertaking where other information on the commitment, the repayment record and the collateral provided is deemed adequate to assess the credit risk.

Small and medium-sized corporate clients
Jyske Bank can call in floating-rate loans and credit facilities without notice. In respect of old agreements, a term of notice of four weeks may apply on the part of Jyske Bank. Fixed-rate loans are non-callable. In case of default, a client relationship can be terminated without notice.
Unless collateral has been provided in full, the borrower is obliged to submit financial information.

Large corporate clients
Terms of notice are agreed upon on an individual basis and may correspond to the standard notice applicable to other corporate clients. For facilities that cannot be terminated at short notice, covenants regarding financial ratios and material changes in the position of the client are standard.
Generally, financial information is submitted quarterly.

DKKm	2022	2021
18 Claims on credit institutions and central banks		
Due from credit institutions	8,347	9,535
Total, end of year	8,347	9,535

Note			Jyske Bank Group
19	**Loans at fair value**		
	Mortgage loans, nominal value	365,580	338,938
	Adjustment for interest-rate risk, etc.	-30,839	3,223
	Adjustment for credit risk	-1,371	-1,613
	Mortgage loans at fair value, total	333,370	340,548
	Arrears and outlays, total	54	72
	Other loans and advances	4,208	2,094
	Loans and advances at fair value, total	337,632	342,714

20	**Loans and advances at fair value broken down by property category**		
	Owner-occupied homes	164,014	161,070
	Vacation homes	9,713	8,386
	Subsidised housing (rental housing)	44,819	52,141
	Cooperative housing	11,181	14,163
	Private rental properties (rental housing)	63,110	61,890
	Industrial properties	3,314	2,729
	Office and retail properties	33,937	33,949
	Agricultural properties	158	148
	Properties for social, cultural and educational purposes	7,344	8,181
	Other properties	42	57
	Total, end of year	337,632	342,714

21	**Loans and advances at amortised cost and guarantees broken down by sector**		
	Public authorities	13,402	12,383
	Agriculture, hunting, forestry, fishing	12,272	7,670
	Manufacturing, mining, etc.	13,928	8,860
	Energy supply	7,529	9,411
	Building and construction	6,184	3,858
	Commerce	11,151	10,112
	Transport, hotels and restaurants	5,915	5,733
	Information and communication	2,829	1,019
	Finance and insurance	59,106	40,456
	Real property	24,854	14,358
	Other sectors	14,953	9,036
	Corporates, total	158,721	110,513
	Personal clients, total	43,068	33,327
	Total, end of year	215,191	156,223

Note	DKKm	2022	2021
22	**Fair value of collateral for loans, advances and guarantees**		
	Cash deposits	2,973	2,063
	Securities	8,193	7,029
	Guarantees made out directly to the Group	41,152	39,475
	Real property, residential	197,912	177,925
	Real property, commercial	145,092	148,389
	Movable property, cars and rolling stock	10,655	10,535
	Other movable property	10,902	8,850
	Other collateral	646	580
	Guarantees whereby the guarantors assume primary liability	2,733	2,831
	Total, end of year	420,258	397,677
	Collateral for loans and advances by other guarantee types, including default and secondary guarantees as well as co-suretyship	4,300	2,822

The Jyske Bank Group has not seen significant changes to the quality of the collateral or other credit protection due to deterioration or changes to the company's policy on provision of collateral during the accounting period. In 2022, collateral values were affected by two opposing effects, including generally declining loans and advances in the Group, lower outstanding debt in the mortgage credit portfolio due to interest-rate increases and the Group's acquisition of Svenska Handelsbanken's Danish activities as at 1 December 2022. All circumstances which primarily affect the collateral values relating to mortgages on real property.

The types of collateral are ranked with the most liquid types at the top. The collateral values have been reduced in order of priority according to liquidity if the collateral values exceed loans, advances and guarantees at client level. Consequently, surplus collateral values from exposures that have been fully guaranteed are not included in the above.
For clients with fully guaranteed exposures in all impairment scenarios, the calculated indication of impairment will generally be DKK 0. This may be the case with exposures with a high surplus of fixed-value collateral such as cash, securities and properties. Therefore, exposure categories with a calculated indication of impairment of DKK 0 are typically mortgage loans, home loans, cooperative unit loans and investment credit facilities.

In the financial year 2022, no changes were made to the valuation principles. Recognition of security from the acquired Handelsbanken portfolio is basically made according to the same general principles as the other part of the Group. Collateral values are recognised according to the following principles:

Highly liquid securities
Basically, Jyske Bank applies the official listed price, adjusted where necessary for marketability, currency of denomination, maturity, etc.

Real property, residential
The collateral value of a charge on real property is calculated on the basis of the expected fair value of the property less sales costs and any senior mortgages. The value of real property is regularly assessed on the basis of the price trend of comparable real property, among other things. Loan values are assessed individually depending on the characteristics of the real property in question, inter alia, type of property, location and size less expenses for realisation. The collateral value is applied for various purposes and is therefore adjusted to specific requirements depending on its application.

Real property, commercial
The collateral value of a charge on real property is calculated on the basis of the expected fair value of the property less sales costs and any senior mortgages. The value of real property is regularly assessed on the basis of the price trend of comparable real property, among other things. Collateral values are assessed individually depending on the characteristics of the real property in question, inter alia, the type of property in question, or by an independent assessment or the public land assessment. The collateral value is applied for various purposes and is therefore adjusted to specific requirements depending on its application.

Movable property
Jyske Bank's model is based on our historical loss experience of various asset types. Collateral value is reduced in accordance with the diminishing-balance method, which involves an immediate write-off and an ongoing annual depreciation, both typically of 10%-50% of the asset value, during the useful life of the assets.

Guarantees
The value of guarantees is calculated by means of a 'double-default' model which takes into account that Jyske Bank only risks a loss if both the debtor and the guarantor default. The effect of this is recognised by calculating an equivalent collateral value.

Note	DKKm	2022	2021
23	**Bonds at fair value and amortised cost, total, measured at fair value**		
	Own mortgage bonds	23,298	16,263
	Other mortgage bonds	80,289	67,672
	Government bonds	3,367	4,971
	Other bonds	9,723	10,447
	Total before offsetting of own mortgage bonds	116,677	99,353
	Own mortgage bonds offset against issued bonds	23,298	16,263
	Bonds, total, at fair value	93,379	83,090

Note		2022	2021
24	**Bonds at amortised cost**		
	Carrying amount of bonds at amortised cost	39,660	26,953
	Fair value of bonds at amortised cost	37,874	27,088
	Fair value of bonds at amortised cost relative to carrying amount	-1,786	135

Fair value of the "held-to-maturity portfolio" was lower than the carrying amount by DKK 1,786m against DKK 135m higher than the carrying amount at the end of 2021.

25 **Security**

The Jyske Bank Group receives and provides collateral in connection with money and securities clearing, outstanding accounts with central banks, repo and reverse repo transactions, tri-party agreements as well as fair value of derivatives covered by CSA agreements.

Provision of collateral is a regular part of business transactions and are carried out at market-consistent terms and conditions. Collateral is increased and reduced on an on-going basis as liabilities change.

Depending on agreements entered, collateral is provided and received with an owner's rights so that the recipient of collateral can sell this or use it to provide security for loans and other outstanding accounts.

The Jyske Bank Group has deposited bonds with central banks and clearing houses, etc. in connection with clearing and settlement of securities and currency transactions as well as tri-party repo transactions totalling a market value of DKK 15,686m at the end of 2022 (2021: DKK 10,862m).

In addition, in connection with CSA agreements, the Jyske Bank Group has provided cash collateral of DKK 6,725m (2021: DKK 7,326m) and bonds worth DKK 6,566m (2021: DKK 440m).

The conclusion of repo transactions, i.e., sale of securities involving agreements to repurchase them at a later point in time, implies that bonds worth DKK 18,042m were provided as collateral at the end of 2022. (2021: DKK 11,103m) as collateral for the amount borrowed. See note 40 for further details.

Mortgage loans of DKK 333,370m (2021: DKK 340,548m) and other assets worth DKK 25,532m (2021: DKK 19,691m) were at the end of 2022 registered as collateral for issued mortgage bonds, including covered bonds. According to the Danish mortgage legislation, the issued mortgage bonds, including covered bonds, are secured against the underlying mortgage loans.

Due to reverse repos, i.e., purchase of securities involving agreements to resell them at a later point in time, the Jyske Bank Group received the sold bonds as security for the amount that was lent. At the end of 2022, reverse repos amounted to DKK 54,902m (2021: DKK 42,917m).

In addition, in connection with CSA agreements, the Jyske Bank Group has received provided cash collateral of DKK 10,848m (2021: DKK 2,971m) and bonds worth DKK 2,712m (2021: DKK 3,057m).

Please see note 22 on collateral received for loans, advances and guarantees.

Note			Jyske Bank Group
	DKKm	2022	2021
26	**Shares, etc.**		
	Shares/investment fund units listed on Nasdaq Copenhagen A/S	717	812
	Shares/mutual fund certificates listed on other exchanges	10	139
	Unlisted shares are stated at fair value.	1,533	1,757
	Total, end of year	2,260	2,708

27	**Portfolio of own shares**		
	Own shares ('000)	8	4,721
	Nominal value of own shares	82	47,208
	Portfolio of own shares as a percentage of the share capital	0.01	6.51
	Acquisition of own shares		
	Own shares ('000)	8,744	10,029
	Nominal value of own shares	87,436	100,291
	Portfolio of own shares as a percentage of the share capital	13.60	13.82
	Sale of own shares		
	Own shares ('000)	5,168	5,316
	Nominal value of own shares	51,674	53,158
	Portfolio of own shares as a percentage of the share capital	8.04	7.33
	Cancellation of own shares		
	Own shares ('000)	8,289	0
	Nominal value of own shares	82,888	0
	Total purchase price	3,316	2,991
	Total selling price	1,989	1,556

The acquisition of own shares is primarily explained by the buy-back programme and transactions involving clients and other investors wishing to trade Jyske Bank shares.

28	**Subordinated receivables**		
	Loans	3	5
	Bonds	340	319
	Total, end of year	343	324

Subordinated receivables consist materially of listed subordinated and hybrid bonds issued by European SIFI institutions and Danish institutions. These are recognised in the balance sheet under bonds at fair value.

Note			Jyske Bank Group
	DKKm	**2022**	2021
29	**Intangible assets**		
	Goodwill	**2,841**	0
	Client relationship	**485**	0
	Other intangible assets	**2**	0
	Intangible assets, total	**3,328**	0

Goodwill
Goodwill consists of the additional value Jyske Bank paid for the acquisition of Svenska Handelsbanken's Danish activities as at 1 December 2022. Goodwill is allocated to banking activities.

Goodwill is tested on an annual basis and on indications of impairment. An impairment test has not given rise to impairment of goodwill as at 31 December 2022.

The impairment test compares the carrying amount of goodwill with the estimated net present value of expected future cash flows. The net present value is estimated in an equity/dividend model as the value of the expected capital distribution to shareholders discounted back with a cost of equity before tax at 12.8% p.a., or at 9.4% p.a. after tax. The cost of equity is based on the historical valuation of the earnings expectations of equity analysts.

The cash flow forecast consists of a five-year budget period based on approved strategies, earnings projections and capital targets. The budget period mirrors moderate growth in income inclusive of expectations of client inflow and client outflow as well as margin developments. Expenses are affected in the budget period by integration and restructuring costs as well as an ongoing underlying cost inflation and realisation of synergies. The cash flow forecast for the subsequent terminal period mirrors long-term growth at 1.7% p.a.

An increase in the cost of equity or reduction of terminal growth by 1 percentage point will not give rise to goodwill depreciation. Likewise, a reduction of the distribution in the terminal period by 10% will not result in impairment.

	2022	2021
Cost, beginning of period	**0**	0
Additions	**2,841**	0
Disposals	**0**	0
Cost, end of period	**2,841**	0
Amortisation, depreciation and impairment charges, end of period	**0**	0
Recognised value, end of period	**2,841**	0

Customer relationships
Fair value of customer relations has been determined by means of the Multi-Period Excess Earnings method (MEEM). Customer relations are computed at the net present value of the expected future cash flows which are obtained through sale to the clients after deduction of a reasonable return on all other assets which contribute to generating the relevant cash flows.

The value of client relations is depreciated by the straight-line method over the expected useful life of 10 years.

	2022	2021
Cost, beginning of period	**0**	0
Additions	**489**	0
Cost, end of period	**489**	0
Amortisation, depreciation and impairment charges, beginning of period	**0**	0
Depreciation and amortisation for the year	**4**	0
Amortisation, depreciation and impairment charges, end of period	**4**	0
Recognised value, end of period	**485**	0

Note	DKKm	2022	2021
30	**Property, plant and equipment**		
	Owner-occupied properties	1,591	1,601
	Owner-occupied properties, leasing	292	370
	Other property, plant and equipment	2,310	2,332
	Total, end of year	4,193	4,303
	Specification of property, plant and equipment, owner-occupied properties, exclusive of leasing		
	Restated value, beginning of period	1,601	1,759
	Additions during the year, including improvements	3	0
	Disposals for the year	17	153
	Depreciation and amortisation	9	9
	Positive changes in values recognised in other comprehensive income in the course of the year	13	9
	Negative changes in values recognised in other comprehensive income in the course of the year	0	2
	Positive changes in value recognised directly in the income statement during the year	0	1
	Negative changes in value recognised directly in the income statement during the year	0	4
	Restated value, end of period	1,591	1,601
	Cost less accumulated amortisation, depreciation and impairment charges	1,471	1,423
	Required rate of return	3%-10%	4.3%-10%
	Weighted average return applied	6.43%	6.41%
	Specification of property, plant and equipment, other property, plant and equipment		
	Total cost, beginning of period	4,276	4,532
	Additions	1,740	1,029
	Disposals	1,649	1,285
	Total cost, end of period	4,367	4,276
	Amortisation, depreciation and impairment charges, beginning of period	1,944	2,159
	Depreciation and amortisation for the year	542	536
	Impairment charges for the year	42	12
	Reversed impairment charges recognised in the income statement	0	20
	Reversed amortisation and impairment charges at disposals	471	743
	Amortisation, depreciation and impairment charges, end of period	2,057	1,944
	Recognised value, end of period	2,310	2,332

Leases for which the Group acts as the lessor have been entered for machinery and equipment, including cars, vans and lorries. These are recognised in the amount of DKK 2,170m under other property, plant and equipment (2021: DKK 2,206m). Reference is made to note 64.

Jyske Bank is lessee in a number of lease contracts which have from 2019 been included in Jyske Bank's balance sheet as leasing assets under Tangible assets by DKK 292m (2021: DKK 370m) under owner-occupied property and with DKK 9m (2021: DKK 5m) under other tangible assets. The lease commitment is recognised under Other liabilities in the amount of DKK 313m (2021: DKK 385m). Reference is made to note 64.

Note		2022	2021
31	**Assets held temporarily**		
	Properties acquired through foreclosure	56	75
	Leased assets acquired through foreclosure	9	5
	Total, end of year	65	80

Attempts are made to sell, in the best possible way and within 12 months, assets held temporarily

The assets have been included in the business segments by 15m (2021: DKK 20m) under banking activities, DKK 41m (2021: DKK 55m) under mortgage activities and with DKK 9m (2021: DKK 5m) under leasing activities.

Note	DKKm	2022	2021
32	**Other assets**		
	Positive fair value of derivatives	25,827	25,046
	Assets in pooled deposits	7125	4,303
	Interest and commission receivable	537	235
	Investments in associates and joint ventures	187	227
	Deferred income	175	147
	Investment properties	97	28
	Other assets	1,284	1,224
	Total, end of year	35,232	31,210
	Netting		
	Positive fair value of derivatives, gross	64,650	36,893
	Netting of positive and negative fair value	38,823	11,847
	Total, end of year	25,827	25,046

Netting of fair value can be attributed to clearing of derivatives through a central clearing house (CCP clearing).

	2022	2021
Specification of other assets, assets in pooled deposits		
Cash	53	38
Investment fund certificates	7,125	4,303
Assets	7,178	4,341
Elimination of cash	-53	-38
Total assets	7,125	4,303
Specification of other assets, investments in associates ventures and joint ventures		
Total cost, beginning of period	262	266
Additions	10	0
Disposals	81	4
Total cost, end of period	191	262
Revaluations and impairment charges, beginning of period	-35	-32
Dividend	5	5
Revaluations and impairment charges for the year	59	2
Reversed revaluations and impairment charges	-23	0
Revaluations and impairment charges, end of period	-4	-35
Recognised value, end of period	187	227
Of which joint ventures, at end of period	9	10

See The Jyske Bank Group – overview, note 66.

Note			Jyske Bank Group
	DKKm	2022	2021
33	**Due to credit institutions and central banks**		
	Due to central banks	10	10
	Due to credit institutions	28,420	14,961
	Total, end of year	28,430	14,971
34	**Deposits**		
	Demand deposits	154,923	108,885
	Term deposits	748	1,136
	Time deposits	39,240	15,210
	Special deposits	6,316	4,644
	Pooled deposits	7,178	4,337
	Total, end of year	208,405	134,212
35	**Issued bonds at fair value**		
	Issued bonds at fair value, nominal value	380,506	352,080
	Adjustment to fair value	-33,052	3,773
	Own mortgage bonds offset, fair value	-23,298	-15,513
	Total, end of year	324,156	340,340
	Pre-issued	7,885	5,512
	Drawn for redemption at next repayment date	7,989	6,113

On a daily basis, the Jyske Bank Group issues and redeems a large number of mortgage bonds. Consequently, to some extent the change in the fair value of the issued mortgage bonds attributable to the change in credit risk can only be stated subject to some estimation. The model applied performs the calculation on the basis of the change in the option-adjusted spread (OAS) relative to the swap curve. The calculation allows for, among other things, the maturity of the issued bonds as well as the nominal holding at the beginning and at the end of the year, and also adjustments are made for the Jyske Bank Group's own holding of Jyske Realkredit bonds, which are offset.

The change in the fair value of issued mortgage bonds that can be attributed to credit risk is then calculated so it implies an increase in the fair value by DKK 2.5 bn in 2022 (2021: an increase by DKK 0.6 bn). Since the issue, the accumulated change in fair value of the issued mortgage bonds at the end of 2022 attributable to credit risk is estimated to be an increase of DKK 3.7 bn (2021: an increase of DKK 1.2 bn).

The change in fair value of the issued mortgage bonds that can be attributed to credit risk can also be stated relative to corresponding mortgage bonds with the same rating (AAA) from other Danish issuers. In recent years these bonds have been traded at prices showing no measurable price differences between the various issuers' bonds with similar characteristics. Stated according to this method, no changes have taken place to the fair value that can be attributed to credit risk, neither in the course of the year, nor since issue.

Net profit for the year or equity was not affected by the change, since the value of mortgage loans changed correspondingly

The difference between the fair value of the issued bonds of DKK 324bn (2021: DKK 340bn) and the nominal value of the issued bonds at DKK 357bn (2021: DKK 336bn), corresponding to the value which is to be repaid via redemptions and/or maturity of the bonds amount to DKK -32bn. (2021: DKK 4 bn).

36	**Other liabilities**		
	Set-off entry of negative bond holdings in connection with repos/reverse repos	5,799	5,507
	Negative fair value of derivatives	27,908	25,815
	Interest and commission payable	2,043	1,328
	Deferred income	156	151
	Lease commitment	313	385
	Other liabilities	9,366	6,155
	Total, end of year	45,585	39,341
	Netting		
	Negative fair value of derivatives, gross	66,731	37,662
	Netting of positive and negative fair value	38,823	11,847
	Total, end of year	27,908	25,815

Netting of fair value can be attributed to clearing of derivatives through a central clearing house (CCP clearing).

Note	DKKm	2022	2021
37	**Provisions**		
	Provisions for pensions and similar liabilities	503	594
	Provisions for guarantees	212	358
	Provisions for losses on loan commitments and unutilised credit lines	181	280
	Provisions for deferred tax	0	22
	Other provisions	91	95
	Other provisions	5	2
	Total	**992**	**1,351**

Please see note 14 for provisions for losses on guarantees as well as loan commitments and unused loan commitments.

Specification of provisions for pensions and similar liabilities

	2022	2021
Provisions for pensions and similar liabilities		
Provisions for defined benefit plans	443	537
Provisions for long-term employee benefits	60	57
Recognised in the balance sheet, end of period	**503**	**594**
Provisions for defined benefit plans		
Present value of pension plan obligations	516	614
Fair value of pension plan assets	73	77
Net liability recognised in the balance sheet	**443**	**537**
Change in provisions for defined benefit plans		
Provisions, beginning of period	614	640
Costs for the current financial year	2	25
Calculated interest expenses	18	3
Actuarial losses/gains	-82	-9
Pension payments	-36	-45
Provisions, end of period	**516**	**614**
Change in the fair value of pension plan assets		
Assets, beginning of period	77	81
Calculated interest on assets	3	1
Return ex calculated interest on assets	0	2
Pension payments	-7	-7
Assets, end of period	**73**	**77**
Costs for the current financial year	2	25
Calculated interest related to liabilities	18	3
Calculated interest on assets	-3	-1
Total recognised defined benefit plans	**17**	**27**
Total recognised defined contribution plans	267	239
Recognised in the income statement	**284**	**266**
Pension plan assets:		
Shares	16	14
Bonds	27	17
Liquidity, etc.	30	46
Pension plan assets, total	**73**	**77**

Pension plan assets include 40,000 Jyske Bank A/S shares (2021: 40,000 shares).

Note	DKKm	2022	2021	2020	2019	2018
37	Provisions, cont.					
	Specification of provisions for pensions and similar liabilities, cont.					
	The Group's pension plan liabilities					
	Present value of pension plan obligations	**516**	614	640	672	629
	Fair value of pension plan assets	**73**	77	81	87	92
	Surplus/deficit	**443**	537	559	585	537
	Actuarial assumptions					
	Defined benefit plans					
	Retirement remuneration					
	Discount rate	**3.00%**	0.50%	0.25%	0.50%	2.00%
	Future general rate of wage increase	**2.00%**	2.00%	2.00%	1.85%	2.00%
	Jyske Banks Pensionstilskudsfond					
	Discount rate	**3.00%**	0.50%	0.25%	0.50%	2.00%
	Future general rate of wage increases	**2.00%**	2.00%	2.00%	1.85%	2.00%
	Calculated interest on pension plan assets	**3.00%**	2.00%	2.00%	2.00%	2.00%
	Long-term employee benefits					
	Discount rate	**3.00%**	0.50%	0.25%	0.50%	2.00%
	Future general rate of wage increases	**2.00%**	2.00%	2.00%	1.85%	2.00%

The most important actuarial assumptions in the calculation of pension liabilities relate to interest rate level and the general rate of wage increases. If the discount rate fall by 0.25% to 2.75%, the pension provisions increase by DKK 7m. If the rate of wage increases by 0.25% to 2.25%, the pension provisions increase by DKK 7m.

For 2024, payments to defined contribution and defined benefit pension plans are expected to be DKK 293m.

Defined contribution pension plans
A large part of the Group's pension plans are defined contribution plans under which payments are made into pension funds, primarily PFA Pension. These payments are charged to the income statement as they occur.

Defined benefit plans
Retirement remuneration equalling a maximum of one year's salary is paid to employees on retirement. In 2022, total provisions in the balance sheet amounted to DKK 392m (2021: DKK 474m) recognised as the net present value of the part of the overall liability which relates to the term during which employees have been employed with the Group. Employees recruited not later than on 31 August 2005 are offered participation in the retirement remuneration plan. Please see note 12 for details on the terms and conditions for retirement remuneration for the Executive Board.

Jyske Bank A/S's Pensionstilskudsfond is a fund which offers supplementary pensions to current and former members of Jyske Bank's Executive Board and their surviving relatives. Provisions at end-2022 of DKK 51m (2021: DKK 63m) are computed as the net present value of the obligations at DKK 124m (2021: DKK 146m) less the fair value of the assets at DKK 73m (2021: DKK 77m).

Long-term employee benefits
An anniversary bonus equalling one month's salary is paid when an employee has worked for the Group for 25 years and 40 years. Provisions at end-2022 of DKK 60m (2021: DKK 53m) are computed as the net present value of the expected future anniversary bonus payments.

DKKm	2022	2021
37 Provisions, cont.		
Specification of other provisions		
Provisions, beginning of period	95	77
Additions	20	25
Disposals inclusive of consumption	7	3
Disposals exclusive of consumption	17	4
Provisions, end of period	91	95

Other provisions relate to lawsuits.

The provisions are expected, in essence, to be reduced to zero within a year.

Specification of deferred tax

Deferred tax		
Deferred tax assets, recognised under tax assets	1,206	0
Deferred tax liabilities	0	22
Net deferred tax	-1,206	22

Changes in deferred tax 2022	Beginning of period	Recognised in the net profit for the year	Recognised in other comprehensive income	Other adjustments	End of year
Bonds at amortised cost	-30	-1	0	0	-31
Intangible assets	0	-1	0	0	-1
Property, plant and equipment	246	-150	3	0	99
Loans and advances, etc.	-40	-1,072	0	0	-1,112
Provisions for pensions	-130	-19	19	0	-130
Other	-24	-7	0	0	-31
Total, end of year	22	-1,250	22	0	-1,206
Changes in deferred tax 2021					
Bonds at amortised cost	-58	28	0	0	-30
Intangible assets	-1	1	0	0	0
Property, plant and equipment	225	20	1	0	246
Loans and advances, etc.	-5	-35	0	0	-40
Provisions for pensions	-135	2	3	0	-130
Other	-17	-7	0	0	-24
Total, end of year	9	9	4	0	22

The corporation tax rate for financial institutions etc. in Denmark rose from 22% in 2022 to 25.2% in 2023 and 26% in 2024 and subsequent years relating to Jyske Bank, Jyske Realkredit, Jyske Finans and Jyske Invest Fund Management. Deferred tax assets and obligations were at the end of 2022 adjusted accordingly.

Note	DKKm	2022	2021
38	**Subordinated debt**		
	Supplementary capital:		
	Var. % bond loan NOK 1,000m 24.03.2031	707	746
	Var. % bond loan SEK 1,000m 24.03.2031	669	726
	1.25% bond loan EUR 200m 28.01.2031	1,487	1,487
	2.25 % bond loan EUR 300m 05.04.2029	2,231	2,231
	6.73% bond loan EUR 6m 2023-2026	45	56
	Var. % bond loan EUR 10m 13.02.2023	74	74
	5.65% bond loan EUR 10m 27.03.2023	74	74
	5.67% bond loan EUR 10m 31.07.2023	74	74
	Var. bond loan SEK 600m 31.08.2032	402	0
	Var. bond loan NOK 400m 31.08.2032	283	0
	Var. bond loan DKK 400m 31.08.2032	400	0
	Subordinated debt, nominal	6,446	5,468
	Hedging of interest-rate risk, fair value	-81	45
	Total, end of year	6,365	5,513
	Subordinated debt included in the capital base	6,178	5,275

Supplementary bond loans in the amount of EUR 200m fall due on 28 January 2031 at the latest but can, subject to permission by the FSA, be redeemed at par as of 28 January 2026. The loan bears a fixed rate of interest until 28 January 2026, after which date the interest rate will be set for the next five years.

Supplementary bond loans in the amount of EUR 300m fall due on 05 April 2029 at the latest but can, subject to permission by the FSA, be redeemed at par as of 5 April 2024. The loan bears a fixed rate of interest until 05 April 2024, after which date the interest rate will be set for the next five years.

Supplementary bond loans in the amount of NOK 1,000m fall due on 24 March 2031 at the latest but can, subject to permission by the FSA, be redeemed at par as of 24 March 2026. The loan is a floating-rate loan, and the rate of interest is 3M Nibor + 128 bps throughout the term of the loan.

Supplementary bond loans in the amount of SEK 1,000m fall due on 24 March 2031 at the latest but can, subject to permission by the FSA, be redeemed at par as of 24 March 2026. The loan is a floating-rate loan, and the rate of interest is 3M Stibor + 125 bps throughout the term of the loan.

Supplementary bond loans in the amount of DKK 400m fall due on 31 August 2032 at the latest but can, subject to permission by the FSA, be redeemed at par as of 31 August 2027. The loan is a floating-rate loan, and the rate of interest is 3M Cibor + 245 bps throughout the term of the loan.

Supplementary bond loans in the amount of SEK 600m fall due on 31 August 2032 at the latest but can, subject to permission by the FSA, be redeemed at par as of 31 August 2027. The loan is a floating-rate loan, and the rate of interest is 3M Stibor + 300 bps throughout the term of the loan.

Supplementary bond loans in the amount of NOK 400m fall due on 31 August 2032 at the latest but can, subject to permission by the FSA, be redeemed at par as of 31 August 2027. The loan is a floating-rate loan, and the rate of interest is 3M Nibor + 305 bps throughout the term of the loan.

Cost relating to the addition and repayment of subordinated debt amount to DKK 4m (2021: DKK 5m)

Note		2022	2021
39	**Share capital**		
	Opening share capital, 1,000 shares.	72,561	72,561
	Capital reduction through cancellation of own shares	-8,289	0
	Closing share capital, 1,000 shares	64,272	72,561

Note	DKKm	2022	2021
40	**Transferred financial assets recognised in the balance sheet**		
	Carrying amount of transferred financial assets		
	Bonds in repo transactions	18,042	11,103
	Transferred financial assets, total	18,042	11,103
	Repo transactions are included in the following liability items as follows:		
	Debt to credit institutions in repo transactions	14,230	8,703
	Deposits and other debts in repo transactions	4,241	2,494
	Total, end of year	18,471	11,197
	Net positions	-429	-94

Jyske Bank has not lent bonds that are still recognised in the balance sheet. Moreover, Jyske Bank has not borrowed bonds that are not recognised in the balance sheet.

Jyske Bank enters into transactions transferring the ownership to financial assets to the counterparty, yet Jyske Bank maintains the material part of the risks on the assets in question. When the most material risks are maintained, the asset is still recognised in Jyske Bank's balance sheet. Such transactions include repo transactions. Repo transactions are sales of bonds where at the time of a sale an agreement is made on the repurchase at some later point in time at a certain price.

Jyske Bank has not entered into agreements on the transfer of financial assets, where the assets sold no longer are recognised in the balance sheet, but where after the sale material risk and continued involvement exist.

41 Contingent liabilities

General
Jyske Bank's credit review of guarantee applicant takes into consideration the risk on guarantees. For 80% of Jyske Bank Group's guarantees, the contractual term to maturity is below one year; for 18%, the contractual terms to maturity is between 1 and 5 years; for 2%, the contractual term to maturity is above 5 years, compared to 75%, 23% and 2%, respectively, in 2021.

Financial guarantees are primarily payment guarantees, and the risk equals that involved in credit facilities.

Guarantees for losses on mortgage loans are typically provided as security for the most risky part of mortgage loans granted to personal clients and to a limited extent for loans secured on commercial real property. Guarantees for residential real property are within 80% and for commercial real property within 60%-80%, of the property value as assessed by a professional expert.

Registration and refinancing guarantees are provided in connection with the registration of new and refinanced mortgages. Such guarantees involve insignificant risk.

Other contingent liabilities include other forms of guarantees at varying degrees of risk, including performance guarantees. The risk involved is deemed to be less than the risk involved in, e.g., credit facilities subject to flexible drawdown.

The Group is also a party to a number of legal disputes arising from its business activities. The Group estimates the risk involved in each individual case and makes any necessary provisions which are recognised under contingent liabilities. The Group does not expect such liabilities to have material influence on the Group's financial position.

In 2021, the FSA performed a money-laundering inspection at Jyske Bank and in 2022, it published its report on the inspection relating primarily to a small number of home loans in Southern Europe.
Subsequently, the FSA informed Jyske Bank that it intended to file a police report on the Bank for the violation of provisions of the Danish anti-money laundering act on client due diligence procedures and duty of inspection. Jyske Banks estimates that there is a limited risk that the Bank has been exploited for money laundering, and Jyske Bank assesses to have a good understanding of the clients and the origin of the funds. Jyske Bank will cooperate with the police on all issues of the matter.
Jyske Bank does not expect that the matter will influence the Group's financial position.

Because of its mandatory participation in the deposit guarantee scheme, the sector has paid an annual contribution of 2.5‰ of the covered net deposits until the assets of Pengeinstitutafdelingen (the financial institution fund) exceed 0.8% of the total net deposits covered, which level has been reached. According to Bank Package 3 and Bank Package 4, Pengeinstitutafdelingen bears the immediate losses attributable to covered net deposits and relating to the winding up of financial institutions in distress. Any losses in connection with the final winding up are covered by the Guarantee Fund's Afviklings- og Restruktureringsafdeling (settlement and restructuring fund), where Jyske Bank currently guarantees 7.64% of any losses.

The statutory participation in the resolution financing arrangements (Resolution Fund) as of June 2015 entailed that credit institutions pay an annual contribution over a 10-year period to a Danish national fund with a target size totalling 1% of the covered deposits. Credit institutions are to contribute according to their relative sizes and risk in Denmark, and the first contributions to the Resolution Fund were paid at the end of 2015. The Jyske Bank Group expects having to pay a total of about DKK 600m over the 10-year period 2015 -2024.

Due to Jyske Bank's membership of Foreningen Bankdata, the bank is - in the event of its withdrawal - under the obligation to pay a substantial exit charge to Bankdata in the amount of about DKK 3.2bn.

Jyske Bank A/S is assessed for Danish tax purposes jointly with all domestic subsidiaries which are part of the Jyske Bank Group. Jyske Bank A/S is the administration company of the joint taxation and has unlimited joint and several liability for the Danish corporation taxes of the joint taxation. Jyske Bank A/S and its most important subsidiaries are part of a joint VAT registration and is thus jointly and severally liable for the payment of VAT and payroll tax of the joint registration.

DKKm	2022	2021
Guarantees		
Financial guarantees	5,480	10,904
Guarantee for losses on mortgage credits	275	375
Registration and refinancing guarantees	10	145
Other contingent liabilities	5,376	2,299
Total, end of year	11,141	13,723

42 Other contingent liabilities

Loan commitments and unutilised credit facilities	87,424	80,653
Other	33	75
Total, end of year	87,457	80,728

43 Offsetting

2022	Carrying amount before offsetting	Financial instruments set off	Carrying amount after offsetting	Further offsetting, master netting agreement	Collateral	Net value
Financial assets						
Derivatives with positive fair value	64,650	38,823	25,827	12,023	8,827	4,977
Reverse repo transactions	54,902	0	54,902	0	54,902	0
Total, end of year	**119,552**	**38,823**	**80,729**	**12,023**	**63,729**	**4,977**
Financial liabilities						
Derivatives with negative fair value	66,731	38,823	27,908	12,023	11,864	4,021
Repo transactions	18,471	0	18,471	0	18,471	0
Total, end of year	**85,202**	**38,823**	**46,379**	**12,023**	**30,335**	**4,021**
2021						
Financial assets						
Derivatives with positive fair value	36,893	11,847	25,046	16,400	4,703	3,943
Reverse repo transactions	42,917	0	42,917	0	42,917	0
Total, end of year	79,810	11,847	67,963	16,400	47,620	3,943
Financial liabilities						
Derivatives with negative fair value	37,662	11,847	25,815	16,400	6,975	2,440
Repo transactions	11,197	0	11,197	0	11,197	0
Total, end of year	48,859	11,847	37,012	16,400	18,172	2,440

On the balance sheet, reverse repo transactions are classified as claims on credit institutions or loans at amortised cost. On the balance sheet, repo transactions are classified as debt to credit institutions or deposits.

Financial assets and liabilities are offset on the balance sheet when the Group and the counterparty has a legal right to offset and have also agreed to settle net or realise the asset and the liability at the same time. Positive and negative fair values of derivative financial instruments with the same counterparty are offset if net settlement of the contractual payments has been agreed and daily cash payments or provision of collateral for changes in the fair value take place. The Group's netting of positive and negative fair values of derivative financial instruments can be referred to clearing through a central clearing house (CCP clearing).

Master netting agreements and similar agreements entitles a party to further offsetting if a counterparty is in default, which lowers the exposure further when a counterparty is in default but does not meet the conditions for accounting offsetting on the balance sheet.

DKKm

44 Classification of financial instruments

2022	Amortised cost	Fair value through profit	Designated at fair value margins through profit	Total, end of year
Financial assets				
Cash balance and demand deposits with central banks	58,519	0	0	58,519
Due from credit institutions and central banks	8,347	0	0	8,347
Loans at fair value	0	0	337,632	337,632
Loans and advances at amortised cost	204,050	0	0	204,050
Bonds at fair value	0	55,505	0	55,505
Bonds at amortised cost	39,660	0	0	39,660
Shares, etc.	0	2,260	0	2,260
Assets in pooled deposits	0	7,125	0	7,125
Derivatives (Other assets)	0	25,827	0	25,827
Total, end of year	**310,576**	**90,717**	**337,632**	**738,925**
Financial liabilities				
Due to credit institutions and central banks	28,430	0	0	28,430
Deposits	208,405	0	0	208,405
Issued bonds at fair value	0	0	324,156	324,156
Issued bonds at amortised cost	95,435	0	0	95,435
Subordinated debt	6,365	0	0	6,365
Set-off entry of negative bond holdings	0	5,799	0	5,799
Derivatives (Other liabilities)	0	27,908	0	27,908
Total, end of year	**338,635**	**33,707**	**324,156**	**696,498**
2021				
Financial assets				
Cash balance and demand deposits with central banks	30,685	0	0	30,685
Due from credit institutions and central banks	9,535	0	0	9,535
Loans at fair value	0	0	342,714	342,714
Loans and advances at amortised cost	142,500	0	0	142,500
Bonds at fair value	0	56,002	0	56,002
Bonds at amortised cost	26,953	0	0	26,953
Shares, etc.	0	2,708	0	2,708
Assets in pooled deposits	0	4,303	0	4,303
Derivatives (Other assets)	0	25,046	0	25,046
Total, end of year	209,673	88,059	342,714	640,446
Financial liabilities				
Due to credit institutions and central banks	14,971	0	0	14,971
Deposits	134,212	0	0	134,212
Issued bonds at fair value	0	0	340,340	340,340
Issued bonds at amortised cost	73,124	0	0	73,124
Subordinated debt	5,513	0	0	5,513
Set-off entry of negative bond holdings	0	5,507	0	5,507
Derivatives (Other liabilities)	0	25,815	0	25,815
Total, end of year	227,820	31,322	340,340	599,482

45 Notes on fair value

Methods for measuring fair value
Fair value is the price that, at the time of measurement, would be obtained by selling an asset or paid for by transferring a liability in an ordinary transaction between independent market participants. The fair value may equal the book value where book value is recognised on the basis of underlying assets and liabilities measured at fair value.

For all assets listed on active markets, fair values are measured at official prices (the category "Quoted prices". Where no price is quoted, a different official price is used which is taken to reflect most closely the fair value (category: "Observable prices". Financial assets and liabilities of which quoted prices or other official prices are not available or are not taken to reflect the fair value are measured at fair value according to other evaluation techniques and other observable market information. In those cases where observable prices based on market information are not available or are not taken to be useful for measuring fair value, the fair value is measured by recognised techniques, including discounted future cash flows, and own expertise (category "non-observable prices"). The basis of the measurement may be recent transactions involving comparable assets or liabilities, interest rates, exchange rates, volatility, credit spreads, etc. Generally, the Group's unlisted shares are placed in this category.

Generally, quoted prices and observable input are obtained in the form of interest rates and equity and bond prices, exchange rates, volatilities, etc. from recognised stock exchanges and providers.

Specific details on methods for measuring fair value
Loans at fair value are predominantly mortgage loans and generally measured at prices of the underlying bonds quoted on a recognised stock exchange. If such a market price is not available for the preceding 7 days, a calculated price based on the official market rate will be applied for determining the value. If derivatives are part of the funding of the mortgage loans, the value of these will be integrated in the valuation of the loans. The fair value is reduced by the calculated impairment charge, which for loans at fair value is measured according to the same principles that apply to impairments of loans and advances at amortised cost.

Bonds at fair value, shares, assets linked to pooled deposits, and derivatives are measured at fair value in the accounts to the effect that the carrying amounts equal fair values.

Generally, bonds are measured at prices quoted on a recognised stock exchange. Alternatively, prices are applied that are calculated on the basis of Jyske Bank's own measurement models based on a yield curve with a credit spread. Essentially, the calculated prices are based on observable input.

Generally, equities, etc. are measured at prices quoted on a recognised stock exchange. Alternatively, prices are applied that are calculated on the basis of Jyske Bank's own valuation models based on observable input, shareholders' agreements, executed transactions, etc. Unlisted equities are valued on the basis of discounted cash flow models (DCF).

Derivatives are valued on the basis of a market-consistent yield curve set-up, credit models and option models such as Black-Scholes. The models applied are monitored on an ongoing basis to ensure robustness and a high quality of the output of the models. To ensure that the methods of valuation are always consistent with current market practice, the models are validated by units independent of the unit that develop the models.

To the greatest extent possible, the methods of valuation are based on observable market quotes, such as market rates, exchange rates, volatilities, market prices, etc. Often methods of interpolation will also be incorporated to value the specific contracts.

The fair value of derivatives is also adjusted for credit risk (CVA and DVA) and funding costs (FVA). Client margins are amortised over the remaining time to maturity.

Assets related to pooled deposits are measured according to the above principles.

Information about differences between recognised value and measurement of fair value
Loans and advances exclusive of mortgage loans and certain other home loans are recognised at amortised cost. The difference to fair value is assumed to be fee and commission received, costs defrayed in connection with lending, plus interest-rate-dependent value adjustment calculated by comparing current market rates with market rates at the time when the loans and advances were established. Changes in credit quality are assumed to be included under impairment charges both for carrying amounts and fair values.

Subordinated debt and issued bonds exclusive of issues of mortgage bonds are recognised at amortised cost supplemented with the fair value of the hedged interest-rate risk. The difference to fair value was calculated on the basis of own-issue prices obtained externally.
Deposits are recognised at amortised cost. The difference to fair value is assumed to be the interest-rate dependent value adjustment calculated by comparing current market rates with market rates at the time when the deposits were made.

Balances with credit institutions are recognised at amortised cost. The difference to fair value is assumed to be the interest-rate dependent value adjustment calculated by comparing current market rates with market rates at the time when the transactions were established. Changes in the credit quality of balances with credit institutions are assumed to be included under impairment charges for loans, advances, and receivables. Changes in the fair values of balances due to credit institutions because of changes in Jyske Bank’s own credit rating are not taken into account.

45 Notes on fair value, cont.

The calculated fair values of financial assets and liabilities recognised at amortised cost are materially non-observable prices (level 3) in the fair value hierarchy.

Information about changes in credit risk on derivatives with positive fair value.
In order to allow for the credit risk on derivatives for clients without credit impairment, the fair value is adjusted (CVA). Adjustments will also be made for clients with credit impairment, but on an individual basis.

For any given counterparty's total portfolio of derivatives, CVA is a function of the expected positive exposure (EPE), loss given default (LGD) as well as the probability of default (PD).

When determining the EPE, a model is used to establish the expected positive exposure to the counterparty's portfolio over the maturity of the derivatives. The PDs that Jyske Bank has applied in the model so far were estimated on the basis of IRB (internal rating based) PDs. This method of estimating PDs was in 2021 replaced with a new method, which to a higher extent mirrors the likelihood of default, which can be seen in the market, as the likelihoods of default are inferred via market-observable CDS spreads. LGD is set at compliant with quotations of CDS spreads in connection with the calculation of likelihoods of default whereas the exposure profiles have been adjusted for the effect from any security and CSA agreements.

In addition to CVA, also an adjustment is made of the fair value of derivatives that have an expected future negative fair value. This takes place to allow for changes in the counterparties' credit risk against the Jyske Bank Group (debt valuation adjustment - DVA). The DVA takes place according to the same principles that apply to the CVA, yet PD for Jyske Bank is determined on the basis of Jyske Bank's external rating by Standard & Poor's. At the end of 2022, CVA and DVA amounted, on an accumulated basis, to net DKK 9m, which accumulated amount was recognised as an expense under value adjustments, against an accumulated amount of DKK 139m at the end of 2021.

46 Fair value of financial assets and liabilities

The table shows the fair value of financial assets and liabilities and the carrying amounts. The re-statement at fair value of financial assets and liabilities shows a total non-recognised unrealised loss of DKK 753m at the end of 2022 against a total non-recognised unrealised gain of DKK 14m at the end of 2021. Unrealised gains and losses caused by changes in the fair values of shares in sector-owned undertakings are recognised in the income statement. The carrying amount of those shares in the Balance Sheet at the end of 2022 amounted to DKK 883m (2021: DKK 1,055m), and the recognised value adjustment in the income statement amounted to DKK 81m (2021: DKK 102m).

DKKm	2022		2021	
	Recognised value	Fair value	Recognised value	Fair value
FINANCIAL ASSETS				
Cash balance and demand deposits with central banks	**58,519**	**58,519**	30,685	30,685
Due from credit institutions and central banks	**8,347**	**8,343**	9,535	9,532
Loans at fair value	**337,632**	**337,632**	342,714	342,714
Loans and advances at amortised cost	**204,050**	**203,008**	142,500	142,456
Bonds at fair value	**55,505**	**55,505**	56,002	56,002
Bonds at amortised cost	**39,660**	**37,874**	26,953	27,088
Shares, etc.	**2,260**	**2,260**	2,708	2,708
Assets in pooled deposits	**7,125**	**7,125**	4,303	4,303
Derivatives	**25,827**	**25,827**	25,046	25,046
Total, end of year	**738,925**	**736,093**	640,446	640,534
FINANCIAL LIABILITIES				
Due to credit institutions and central banks	**28,430**	**28,282**	14,971	14,967
Deposits	**201,227**	**201,198**	129,875	129,875
Pooled deposits	**7,178**	**7,178**	4,337	4,337
Issued bonds at fair value	**324,156**	**324,156**	340,340	340,340
Issued bonds at amortised cost	**95,435**	**94,007**	73,124	73,114
Subordinated debt	**6,365**	**5,891**	5,513	5,601
Set-off entry of negative bond holdings	**5,799**	**5,799**	5,507	5,507
Derivatives	**27,908**	**27,908**	25,815	25,815
Total, end of year	**696,498**	**694,419**	599,482	599,556

The Group has non-financial assets at fair value through Other comprehensive income.

DKKm

47 The fair value hierarchy

2022 Financial assets	Quoted prices	Observable input	Non-observable input	Fair value, total	Recognised value
Loans at fair value	0	337,632	0	337,632	337,632
Bonds at fair value	43,641	11,864	0	55,505	55,505
Shares, etc.	626	466	1,168	2,260	2,260
Assets in pooled deposits	124	7,001	0	7,125	7,125
Derivatives	685	25,142	0	25,827	25,827
Total, end of year	45,076	382,105	1,168	428,349	428,349
Financial liabilities					
Pooled deposits	0	7,178	0	7,178	7,178
Issued bonds at fair value	246,294	77,862	0	324,156	324,156
Set-off entry of negative bond holdings	4,973	826	0	5,799	5,799
Derivatives	622	27,286	0	27,908	27,908
Total, end of year	251,889	113,152	0	365,041	365,041
2021					
Financial assets					
Loans at fair value	0	342,714	0	342,714	342,714
Bonds at fair value	46,848	9,154	0	56,002	56,002
Shares, etc.	828	599	1,281	2,708	2,708
Assets in pooled deposits	314	3,989	0	4,303	4,303
Derivatives	677	24,369	0	25,046	25,046
Total, end of year	48,667	380,825	1,281	430,773	430,773
Financial liabilities					
Pooled deposits	0	4,337	0	4,337	4,337
Issued bonds at fair value	256,799	83,541	0	340,340	340,340
Set-off entry of negative bond holdings	5,065	442	0	5,507	5,507
Derivatives	470	25,345	0	25,815	25,815
Total, end of year	262,334	113,665	0	375,999	375,999

The above table shows the fair value hierarchy for financial assets and liabilities recognised at fair value.
It is the practice of the Group that if prices of Danish bonds and shares are not updated for two days, transfers will take place between the categories quoted prices and observable input. This did not result in material transfers in 2022 and 2021.

NON-OBSERVABLE INPUT	2022	2021
Fair value, beginning of period	1,281	1,456
Transfers for the year	0	0
Capital gain and loss for the year reflected in the income statement under value adjustments	66	109
Sales or redemptions for the year	258	319
Purchases made over the year	79	35
Fair value, end of period	1,168	1,281

Non-observable input
Non-observable input at the end of 2022 referred to unlisted shares recognised at DKK 1,168m against unlisted shares recognised at DKK 1,281m at the end of 2021. These are primarily sector shares. The measurements, which are associated with some uncertainty, are made on the basis of the shares' book value, market trades, shareholders' agreements as well as own assumptions and extrapolations, etc. In the cases where Jyske Bank calculates the fair value on the basis of the company's expected future earnings, a required rate of return of 15% p.a. before tax is applied. If it is assumed that the actual market price will deviate by +/- 10% relative to the calculated fair value, the effect on the income statement would amount to DKK 117m on 31 December 2022 (0.31% of the shareholders' equity at the end of 2022). For 2021, the effect on the income statement is estimated at DKK 128m (0.44% of shareholders' funds at the end of 2021). Capital gain and loss for the year on unlisted shares recognised in the income statement is attributable to assets held at the end of 2022. Jyske Bank finds it of little probability that the application of alternative prices in the measurement of fair value would result in a material deviation from the recognised fair value.

47 **Fair value hierarchy, cont.**

Non-financial assets recognised at fair value

Investment properties were recognised at a fair value of DKK 97m (end of 2021: DKK 28m). Fair value belongs to the category of non-observable prices calculated on the basis of a required rate of return of 3%-10% (end of 2021: 7%).

At the end of 2022, assets held temporarily included properties repossessed temporarily and cars etc. Assets held temporarily were recognised at the lower of cost and fair value less costs of sale. Assets held temporarily were recognised at DKK 65m (end of 2021: DKK 80m). Fair value belongs to the category of non-observable prices.

Owner-occupied properties, exclusive of leased properties, were recognised at the restated value corresponding to the fair value on the date of the revaluation less subsequent amortization, depreciation and impairment. The valuation of selected land and buildings is carried out with the assistance of external experts. Based on the returns method, the measurement takes place in accordance with generally accepted standards and with a weighted average required rate of return of 6.43% (2021: 6.41%). Owner-occupied properties, exclusive of leased properties, were recognised at DKK 1,591m (2021: DKK 1,601m). See note 30 for further details. The revalued amount belongs to the category of ' non-observable prices'. Leased properties were recognised at DKK 292m (end of 2021: DKK 370m).

48 **Risk exposure**

Jyske Bank assumes financial risks within established limits and to the extent the risk-adjusted return in this way contributes to the Group's financial goal.

The Jyske Bank's Group financial risks consist mainly of credit risks. The Group assumes credit risks if, through individual credit processing, it can be substantiated that

- the debtor has the necessary ability to service debts and that it can be rendered probable that the debtor has the will and the ability to repay the credit granted, failing that
- the subject matter of the charge has sufficient value as well as stability of value, and it can be substantiated that the subject matter of the charge can be realised and pay off the remaining credit, and finally that
- the Group's earnings match the associated credit risk and capital charge.

Moreover, Jyske Bank assumes market risks when a return matching the involved risk can be rendered probable. The Group's market risk consists chiefly of interest-rate risk. The Jyske Bank Group manages its market risks on the basis of a portfolio approach across instruments and types of risk and hence in consideration of the correlation based on both economic theory and empirical methods. Total risk is expressed through risk measurement value-at-risk (VaR), and in times with high market volatility it is ensured that positions associated with market risk are kept at a moderate level, so the determined VaR will still be at an acceptable level.

As a consequence of the Group's activities, liquidity risks arise when there is a funding mismatch in the balance sheet because the loan portfolio has a longer duration than its average funding sources. Active liquidity management will ensure that there is sufficient liquidity in the short and long term to meet the Group's payment obligations.

It is to the greatest possible extent attempted to minimise operational risks considering the related costs.

At any time, the total risks of the Group are adjusted to the Group's capital structure, and the Group's risk tolerance is expressed by a capital management objective. This will ensure that Jyske Bank is a trustworthy, long-term business partner for its clients.

49 **Risk management and risk organisation**

Risk management is a key element in the Group's daily operations and is anchored in the Group Supervisory Board and the Group Executive Board.

The Group Supervisory Board lays down the general principles for risk and capital management as well as for the Group's risk profile, nd implement these in the Group by adopting a number of risk policies and instructions. Together with the Group Executive Board, the Group Supervisory Board is responsible for ensuring that the Group has an organisational structure that will secure a distinct allocation of responsibility and include an appropriate separation of functions between development units, operating units and control units in the daily monitoring and management of the Group's risks.

The Group Executive Board is responsible for the day-to-day risk management and the management of the Group and will ensure that policies and instructions are operationalized and complied with. The Group Executive Board has appointed a group chief risk officer, who is also the director of the Risk unit. The responsibilities of the unit include assets involving risks across areas of risk and organisational units, including:

- presentation of risk policies and risk-management principles to the Group Executive Board and the Group Supervisory Board;
- presentation of a comprehensive picture of risk for the decision-makers;
- implementation of risk management principles and policies in order to improve risk management on an on-going basis;
- quantification of the Group's risk exposure as well as monitoring and reporting to ascertain that the Group's risk exposure does not exceed the limits defined by the Group Supervisory Board;

To achieve efficient risk management close to the mortgage-credit business, the Group has also appointed a risk officer at Jyske Realkredit. The risk officer and his employees form an integral part of the unit Risk to ensure that the group chief risk officer has a complete overview of the entire Group's risks.

Day-to-day management of credit risk is undertaken by account managers as well as the Credit Division with due regard to credit policies and credit instructions.

Jyske Bank has three business areas that manage market risk. Strategic market risks are managed by Group Treasury, and investments are in general based on a long-term perspective on the financial markets. Jyske Markets and Jyske Realkredit manage short-term market risks as part of the servicing of clients' trades with financial instruments and in the mortgage credit business.

Similarly, the strategic liquidity risks are managed by Group Treasury, and the short-term operational liquidity is managed at Jyske Markets.

The day-to-day management of operational risk is undertaken by the individual units of the Group.

Set-up for climate-related risks

Jyske Bank still has great focus on sustainability. The Group wishes to operate a sustainable and responsible business, and we apply the UN Principles for Responsible Banking (PRB) as an overarching approach to our work on integrating sustainability. The "All Progress Counts" approach means focusing on supporting client progress and facilitating clients' sustainable choices and decisions. Add to this, higher focus on climate-related risks as Jyske Bank in 2021 joined Task force on Climate related Financial Disclosures (TCFD). Read more in ESG fact book 2022.

Risk management of climate-related risks is performed as an integral part of the Group's other risk types and hence risk management set-up and organisation. As a consequence hereof, a group responsible for climate risks has been appointed within each risk type, and this group has the total responsibility for disclosing the Group's climate risks. Currently, climate risk is included as a separate element in the Group's assessment of an adequate capital base (ICAAP). See Risk and Capital Management 2022 for further information of climate risk at Jyske Bank. For the Group's general sustainability efforts reference is made to the Jyske Bank Group's Report on Sustainability 2022.

50 **Credit risk**

Credit risk is managed, among other things, on the basis of the Group's approved advanced credit risk models, The models are used for various purposes, from advisory services offered to the Jyske Bank Group's clients to determination of risk and for management reporting.

Credit policy and responsibility

The Group Supervisory Board determines the general framework for the granting of credit in the Group. The authority structure relating to the granting of credit in the Group is determined by the Group Supervisory Board, which is also the granting authority in connection with the largest exposures. Granting authority in connection with other exposures has been delegated to the Group Executive Board.

Credit risk is managed through the credit policy, which defines objectives and framework for the credit risk of the Group with the objective of keeping the Group's risk at a satisfactory and balanced level in respect of the business model, capital base and business volume of the Group as well as the general trend in the Danish economy. Currently we see strong focus on the handling of derived economic effects from high inflation, rising interest rates, challenging supply chains and generally higher uncertainty.

Specific credit policies have been formulated for all areas in which the Group assumes credit risk, and credit risk levels and desired and undesirable types of business have been identified. In connection with this is also the Jyske Bank Group's ongoing integration of ESG in its credit policy, where the company's ability to identify with and relate to risks relating to ESG in connection with credit rating should be pointed out. The policies are regularly adjusted to meet current requirements and adapted to the management tools available to account managers and the monitoring functions. In actual practice, the credit policy materialises through detailed business procedures for all material areas.

Clients' transactions with the Group must for the long term generate a satisfactory risk-adjusted return

Climate-related factors

In addition, Jyske Bank still has great focus on sustainability. The Group wishes to operate a sustainable and responsible business, and we apply the UN Principles for Responsible Banking (PRB) as an overarching approach to our work on integrating sustainability. The "All Progress Counts" approach means focusing on supporting client progress and facilitating clients' sustainable choices and decisions.

Throughout 2022, Jyske Bank has been working on higher integration of climate risk and analyses of the impact of physical risks based on the Group's credit portfolio. These ongoing efforts contribute to an analysis and assessment of whether Jyske Bank has assumed above-normal risk, which is at present not estimated to be the case. For instance, an analysis has been made of risk exposures relating to river floods. The analysis is based on private owner-occupied homes and shows that only a limited part of the portfolio is at risk in connection with floods, even in case of a 1,000-year event. See Risk and Capital Management 2022 for more information.

Limits and authorisation

The Group attaches great importance to its decentralised credit-authorisation process. The limit structure states which amounts can be granted and which instances and segments are covered. The main principle is that regularly occurring credit cases can be decided locally, and credit-related decisions for major or more complicated cases must be made centrally - in respect of leasing, bank loans as well as mortgage loans.

Limits are delegated to account managers individually on the basis of perceived competence and need. Decisions about applications over and above the limits delegated to account managers are made by the Credit unit. Credit-related decisions relating to Credit's limits are made by the Group Executive Board for credit cases at Jyske Bank, whereas the Supervisory Boards of the individual subsidiaries are the granting authority in connection with cases involving clients of the subsidiaries, including and primarily Jyske Realkredit and Jyske Finans. The Group Executive Board is represented on the Supervisory Boards of the individual subsidiaries. Finally, credit-related decisions exceeding the powers of the supervisory boards of the subsidiaries are made by the Group Supervisory Board.

The credit process and monitoring

Together with policies and business procedures, the credit processes form the basis ensuring that the granting of credit is based on sound risk taking and the highest degree of loss minimisation.

The basis of each authorisation of credit is the client's ability to repay the loan. A central element in the assessment of the creditworthiness of corporate clients is their ability to service debt out of cash flows from operations in combination with their financial strength. In respect of personal clients, their debt servicing ability, as reflected in budgets and disposable income (before and after the raising of the loan), is decisive. The extent of data and analyses depends on the client's financial situation and the complexity of the case and may therefore vary from case to case.

The provision of collateral is a material element in credit granting in order to minimise the Group's future losses. In respect of mortgage loans, real property is always mortgaged, and in respect of leasing, the financed asset has always been provided as security.

Supervision of the Group's credit risk is made partly by the first line (the business) and the second line (Risk Management). The business performs supervision in connection with the ongoing work of account managers and/or credit specialists with the individual clients. Risk Management, which is fully independent on the processes of the business and without business responsibility, performs its supervision from a client as well as a portfolio perspective. Risk Management is responsible for the ongoing monitoring and analysis of the exposures of the Group, by size, sector, type and geographical area with the main focus on reducing the risk and ensuring satisfactory diversification of the portfolio in accordance with the Group's risk targets. Monitoring takes place through quantitative models at portfolio level.

Risk Management also monitors the credit quality and compliance with the credit quality through spot checks of the portfolio. Spot checks are carried out continuously on the basis of several approaches (client types, industries, product types, etc.). Moreover, risk monitoring includes qualitative as well as quantitative control, for instance, of data and risk classification.

50 Credit risk, cont.

Credit assessment and PD
Credit procedures are adjusted to match the level of risk on individual exposures. One of the key elements is the ranking (classification) of the client's credit quality through credit scores. The credit rating expresses the probability of the client defaulting on his obligations in the coming year. The probability of default is expressed by allocating the clients a PD (PD, Probability of Default). A client in default is defined as a client who is not expected to meet his obligations in full. Hence defaulted clients are exposures for which it is assessed more probable that the exposure will result in losses and/or forced sale of assets provided as security to the Jyske Bank Group or other creditors.

By far, most clients are awarded a PD on the basis of statistical credit scoring models developed internally in the Group. Very large companies and companies within special sectors are awarded a PD on the basis of an assessment by an independent expert. Examples are financing companies, financial institutions and central governments. In those cases, external ratings, if available, will primarily form the basis of the internal credit rating of the client.

Many factors are relevant for the calculation of a client's PD. Specific factors relating to the client and a large number of factors relating to the situation of the client are taken into account when making the calculation. The calculation of PD therefore takes into account financial data, changes in transaction data, management and market circumstances, etc. Also included in the calculation are specific danger signals in relation to the client's credit quality, payment and loss history.

In order to reach the best possible overview of client credit quality, PD is mapped into internal credit ratings ("STY") at Jyske Bank and Jyske Finans. Jyske Bank's credit ratings are on a scale from 1 to 14, 1 being the best credit quality (the lowest PD) and 14 the poorest credit quality (the highest PD). The scale is constant over time so that clients migrate up or down depending on their PD.

The PD level is monitored quarterly relative to the actual development of the default rate. Adjustments are made with half of the fluctuations relative to the long-term average.

At Jyske Realkredit, the PD is translated into 9 rating classes, where rating class 9 designates clients in default. For clients from the acquired client portfolio from Handelsbanken rating categories from 1 to 5 are allocated to personal clients and 1 to 9 to corporate clients. These rating categories have been mapped to the concept for Jyske Bank. Work is undergoing to harmonise the concepts relating to credit rating in the Group.

Below is shown the mapping between credit ratings, the Jyske Realkredit rating, former Handelsbanken rating, PD as well as external ratings at the end of 2022 for clients that are not in default.

The Group's internal credit ratings and the Group's mapped Jyske Realkredit/Handelsbanken ratings aim to assess the credit risk in a one-year perspective, while external ratings (Aaa - C) aim to assess the credit risk in a longer perspective. The mapping between the internal credit ratings, the Jyske Realkredit rating and the external credit ratings is based on the currently observed default frequency for companies rated by Jyske Realkredit and Moody's. The mapping between the internal rating, the Jyske Realkredit ratings and external ratings is therefore dynamic. Observations are made on at least a quarterly basis to determine whether changes are to be made in the mapping. The mapping from Handelsbanken rating to the concept for Jyske Bank has been made on a temporary basis in order to support the business in the period up to the data conversion to Bankdata.

If the credit rating calculated by the model is considered to be inadequate, independent credit experts may review the credit rating of corporate clients at the request of the relevant account manager.

INTERNAL RATINGS AND PD BAND

		Handelsbanken rating			
Jyske Bank credit rating	Jyske Realkredit rating	Personal clients	Corporate clients	PD band (%)	External rating equivalence
1		1	1	0.00 - 0.10	Aaa-A3
2	1		2	0.10 - 0.15	Baa1
3				0.15 - 0.22	Baa2
4		2		0.22 - 0.33	Baa3
5	2		3	0.33 - 0.48	Ba1
6				0.48 - 0.70	Ba2
7	3		4	0.70 - 1.02	Ba3
8		3		1.02 - 1.48	B1
9	4		5	1.48 - 2.15	B1-B2
10	5			2.15 - 3.13	B2
11				3.13 - 4.59	B3
12	6		6	4.59 - 6.79	Caa1
13				6.79 - 10.21	Caa2
14	7 and 8[1]	4 and 5	7, 8, and 9	10.21 - 25.0	Caa3/Ca/C

[1]Jyske Realkredit rating 8 includes PDs above 25%.

Risk classification
At the Jyske Bank Group exposures with objective evidence of impairment are divided into three categories: exposures with low, high and full risk. The latter two risk categories consist of defaulted clients.

Exposures with low risk are exposures for which it is assessed more probable that the exposure will again become sound, while exposures with high and full risk (defaulted clients) are exposures for which it is assessed more probable that the exposure will result in losses and/or forced sale of assets provided as security to the Jyske Bank Group or other creditors.

50 Credit risk, cont.

The Jyske Bank Group's definition of default is defined as clients with a high or full risk (unlikely to pay) and clients past due more than 90 days on payment of contractual interest and instalments. The definition of default is based on the requirements set forth in Article 178 of the EU Regulation No. 575/2013. For instance, clients are considered associated with high or full risk (defaulted clients) in the event of bankruptcy, restructuring, debt rescheduling, indication of current or expected future challenges establishing balance between income and expenditure, etc. The principles and the definitions of the risk classification have been applied for many years and are assessed to be a well-defined and robust element in the Group's risk management practice.

The classification of risk is monitored continuously by account managers and/or credit specialists and is reviewed at least once a year for sound accounts and at least twice a year for weak accounts. In addition, automated monitoring of objective signs of danger is carried out and on an ongoing basis reported to account managers and/or credit specialists with a view to a review of the risk classification. For clients with limited financial insight, the objective signs of danger are applied directly in the risk classification.

The same requirement as to being updated applies to changes of the risk classification in the event of deterioration and improvement. This ensures a high level of assurance that the Group's statement of indication of impairment is true and fair, and that the solvency requirement has not been determined on an imprudent basis.

There is close correlation between the Group's risk classification principles and credit management in the business, reflected, among other things, in the credit policy and credit-related business procedures. Depending on the client's risk classification, for instance requirements of frequency of credit follow-up, requirements of degree of collateral and requirements of pricing are made. The principles are generally applicable to the entire Group and apply to all categories of loans and client segments.

There are only minor differences between the Jyske Bank Group's application of the default definition, the accounting definition of credit-impaired loans (stage 3), and the definition of non-performing. As the Jyske Bank Group has aligned the entry criteria for default, stage 3 and non-performing, only the different exit criteria and quarantine periods associated with the individual risk classification concepts constitute the difference.

The accounting treatment of loans and advances reflects very much the current financial assessments of clients' circumstances with a view to a true and fair estimation of the risk of loss in the financial report, while as a precautionary measure quarantine periods are used for default and non-performing in the capital statement.

Credit exposure
Credit exposures are quantified by means of EAD (Exposure At Default). EAD reflects the exposure at default in the event of the client defaulting in the course of the next twelve months. A client's overall EAD depends on client-specific factors and the specific products held by the client. For most product types, EAD is calculated on the basis of statistical models, while a few product types are based on expert models.

For loans with a fixed principal, the only element of uncertainty in the determination of EAD is the time until possible default. Uncertainty is higher, however, for credit facilities under which the client may draw up to a maximum. In those cases, the amount drawn by the client at the time of loss is decisive. This can be modelled by means of client-specific factors and the circumstances surrounding the exposure.

Guarantees and credit commitments are special products inasmuch as a certain event must take place before they are utilised. It is therefore material to assess the probability and the extent of utilisation of the product in the event of the customer defaulting within the next twelve months. In this regard, the EAD parameters are based mainly on expert assessments: the Group has recorded very few default events over time, so the available data are too meagre for statistical modelling as such. In respect of guarantees, there is a sufficient body of data for statistical modelling.

In respect of financial instruments, EAD is measured according to the market-value method for regulatory calculation, while for internal management purposes, the more advanced EPE method is used.

Collateral
As a main rule, clients are required to provide full or partial collateral for their commitments with a view to limiting the credit risk and ensuring an adequate balance between risk and earnings. The Group's mortgage loans are always secured by mortgages on immovable property, and also in a large number of cases, guarantees are provided by third parties in connection with cooperation with other financial institutions. In connection with loans for social housing, guarantees are provided by municipalities and the state.

Collateral received is a main element of the Group's assessment of Loss Given Default (Loss Given Default (LGD)). LGD is the part of the Jyske Bank Group's total exposure to a client which the Jyske Bank Group expects to lose in the event the client defaults within the next twelve months. A client's LGD depends on specific factors, including the client's commitment and the collateral provided. Overall, LGD also depends on Jyske Bank's ability to collect receivables and liquidate collateral.

The models relating to real and personal property and vehicles include on-going updating of the collateral value, taking into account, among other things, market-related changes in value, ranking as well as wear and tear. The on-going updating of the values of real property will also ensure compliance with the requirements relating to the monitoring of LTV limits of the SDO loans according to the rules on possible, further supplementary capital.

The calculation of impairment charges and solvency requirement uses LGD estimates which reflect the Group's expected loss rates. The loss levels for impairment purposes have been calibrated for the current expectations of loss given default, while LGD for solvency purposes have been calibrated for the period at the end of the 1980s and the beginning of the 1990s.

50 Credit risk, cont.

Loan impairment charges
The Jyske Bank Group recognises loan impairment charges and provisions for guarantees already as of the initial recognition. All loans are segmented into four stages, depending on the credit-impairment of the individual loans relative to the initial recognition:

- Stage 1: Loans with no significant increase in credit risk
- Stage 2: Loans with significant increase in credit risk
- Stage 3: Credit-impaired loans
- Loans that were credit-impaired at first recognition.

On an on-going basis, it is secured that the credit rating and the risk classification are true and fair, including whether objective evidence of impairment has been established for the Group's clients. Where easier conditions have been granted to clients with financial problems, this will be regarded as individual objective evidence of impairment.
In the Jyske Bank Group, all loans are assessed for objective evidence of impairment. Objective evidence of impairment exists if one or more of the following events have occurred:

- The borrower is facing considerable financial difficulties.
- The borrower is in serious breach of contract, for instance by failing to observe its liability to pay instalments and interest.
- The borrower is granted easier terms that would not be considered if the borrower was not facing financial difficulties.
- The borrower will go bankrupt or undergo some other financial restructuring.

Loans that were credit-impaired at first recognition are reported under this category until the loan has been repaid regardless that the credit risk since the first recognition has improved.

	DKKm	2022	2021
51	**Maximum credit exposure**		
	Loans at fair value	**337,632**	342,714
	Loans and advances at amortised cost	**204,050**	142,500
	Guarantees	**11,141**	13,723
	Loan commitments and unutilised credit facilities	**87,424**	80,653
	Loans, advances and guarantees, etc.	**640,247**	579,590
	Demand deposits at central banks	**58,326**	30,495
	Due from credit institutions and central banks	**8,347**	9,535
	Bonds at fair value	**55,505**	56,002
	Bonds at amortised cost	**39,660**	26,953
	Positive fair value of derivatives	**25,827**	25,046
	Total, end of year	**827,912**	727,621

%

52 Loans at amortised cost and guarantees by country and client segment

	Clients	Banks	Central govts, etc.	Total
2022				
Denmark	90	13	0	87
EU	6	55	0	8
Rest of Europe	4	19	0	4
USA + Canada	0	8	0	0
Other zone-A countries	0	0	0	0
South America	0	0	0	0
Rest of the world	0	5	0	1
Total, end of year	**100**	**100**	**0**	**100**
2021				
Denmark	92	16	0	87
EU	6	37	0	8
Rest of Europe	2	30	0	4
USA + Canada	0	14	0	1
Other zone-A countries	0	0	0	0
South America	0	0	0	0
Rest of the world	0	3	0	0
Total, end of year	100	100	0	100

53 **Market risk**

Jyske Bank assumes market risk as a result of position-taking in the financial markets and general banking and mortgage banking operations. The measurement of market risk includes all products which involve interest-rate, currency, equity or commodity risk. Certain financial instruments include elements of credit risk. This type of credit risk is managed and monitored in parallel with market risk. Every risk type has its own characteristics and is managed and monitored by means of individual risk measurements as well as through the Group's Value-at-Risk (VaR) model. Value at Risk expresses the maximum risk of loss over a period based on historical price and correlation developments of individual business types.

ESG risk

The assessment of ESG issues and risks is an integrated part of Jyske Bank's investment decisions and is comprised by Sustainability and Corporate Social Responsibility Policy. The majority of Jyske Bank's investment portfolio consists of asset classes such as mortgage bonds for which the ESG risks involved are assessed as being very low. In connection with investment in other asset classes such as corporate and mortgage bonds the individual investment is assessed according to Jyske Bank's policies and guidelines.

Sensitivity analyses

Jyske Bank extensively holds offsetting positions across markets. The worst-case scenario is one where the prices of all long (positive) positions decline, while the prices of short (negative) positions increase. A sensitivity analysis of the balance sheet at the end of the period is shown in the table below, from which the earnings impact from the stated negative development in prices and rates for the Group appears. The sensitivity analyses are based on 'other things being equal' observations and do not take into account changes in the balance sheet due to changes in the market development.
The Group's sensitivity to interest-rate changes increased in 2022. The balance of deposits increased with the acquisition of Handelsbanken and the sensitivity of the balance of demand deposits increased on a whole due to expectations of an improvement of net interest rates in step with an increase in market rates. The Group has in step with the interest-rate increases increased its hedging of the earnings risk in 2022.

DKKm

Sensitivity analyses – effect on Income Statement	2022	2021
A 0.5 percentage-point increase in interest rates*	**374**	308
A 0.5 percentage-point decrease in interest rates*	**-424**	-305
A general fall of 10% in equity prices	**-50**	-68
A negative 2% change in equity prices	**-20**	-27
A negative 5% change in commodity prices	**0**	0
A negative 5% change in exchange rates**	**-35**	-35

* Determined in the event of the Group's present value of both the trading portfolio and the banking book being under stress.
** EUR is not included in the calculation
Equity risk was calculated for the trading portfolio.
"Negative" means that the prices of long positions fall, while those of short positions rise.

DKKm

54 **Interest-rate risk by currency and duration**

	<= 1 year	2 years	5 years	>= 10 years	Total, end of year	Of which interest-rate risk outside the trading portfolio
2022						
DKK	310	64	-1,277	130	-773	-792
EUR	-131	133	-118	26	-90	-90
GBP	-3	0	-2	5	0	-2
JPY	4	0	-3	10	11	2
SEK	4	3	11	-1	17	4
USD	6	7	-8	1	6	3
Others	4	-1	2	1	6	2
Total	**194**	**206**	**-1,395**	**172**	**-823**	**-873**
2021						
DKK	288	202	-682	73	-119	-236
EUR	-70	-226	-57	-30	-383	-261
GBP	-6	-8	3	-6	-17	-4
JPY	0	1	-5	12	8	1
SEK	4	0	15	-1	18	1
CHF	5	-3	1	0	3	1
Other	0	-7	-25	31	-1	11
Total, end of year	221	-41	-750	79	-491	-487

The interest-rate risk is expressed as the change in market value in case of -1% shift to all interest rates

DKKm

55 Interest-rate risk by product and duration

	<= 1 year	2 years	5 years	>= 10 years	Total, end of year	Of which interest-rate risk outside trading portfolio
2022						
Assets						
Due from credit institutions and central banks	-21	-45	75	4	13	13
Loans and advances	422	310	395	294	1,421	1,421
Bonds	236	140	576	603	1,555	1,251
Liabilities						
Due to credit institutions and central banks	-28	0	0	0	-28	-28
Deposits	-112	-42	-1,694	0	-1,848	-1,848
Issued bonds	-105	-106	-438	-67	-716	-716
Subordinated debt	0	0	-112	0	-112	-112
Joint funding	-140	-20	-69	-163	-392	-392
Derivatives						
Interest-rate and currency swaps	-60	16	-48	-531	-623	-324
Other derivatives	-1	-24	-69	-9	-103	-103
Futures	3	-23	-11	41	10	-35
Total, end of year	**194**	**206**	**-1,395**	**172**	**-823**	**-873**
2021						
Assets						
Due from credit institutions and central banks	-27	-59	102	17	33	33
Loans and advances	322	189	281	151	943	942
Bonds	192	94	651	628	1,565	1,283
Liabilities						
Due to credit institutions and central banks	-1	0	0	0	-1	-1
Deposits	0	-27	-1,231	-7	-1,265	-1,265
Issued bonds	-143	-66	-300	-322	-831	-831
Subordinated debt	0	0	-157	0	-157	-157
Joint funding	-89	-31	-77	-30	-227	-227
Derivatives						
Interest-rate and currency swaps	-49	-97	1	-303	-448	-255
Other derivatives	6	-11	28	-40	-17	37
Futures	10	-33	-48	-15	-86	-46
Total, end of year	221	-41	-750	79	-491	-487

The interest-rate risk is expressed as the change in market value in case of -1% shift to all interest rates

56 Currency risk

DKKm	2022	2021
Total foreign-currency assets	**77,196**	80,354
Total foreign-currency liabilities	**167,057**	129,335
Currency-exposure indicator 1	**1,110**	941
Currency-exposure indicator 1 as a percentage of core capital	**3.0**	2.5

Exchange rate indicators are calculated according to FSA guidelines

Exposure by currency	2022	2021
EUR	**-1,060**	-791
SEK	**163**	108
CAD	**71**	70
MXN	**22**	90
NOK	**86**	45
USD	**79**	85
AUD	**74**	60
GBP	**37**	36
Other, long	**108**	46
Other, short	**-51**	-151
Total, end of year	**-471**	**-402**

	DKKm	2022	2021
57	**Equity risks**		
	Equity risk A		
	Listed shares and derivatives	43	36
	Unlisted shares	117	129
	Total, end of year	160	165
	Equity risk B		
	Listed shares and derivatives	91	100
	Unlisted shares	117	129
	Total, end of year	208	229

Equity risk A is put at 10% of net equity exposure, net exposure being calculated as positive exposure less negative exposure. Equity risk A is therefore an indication of the loss/gain in the event of a 10% change in global equity prices.

Equity risk B is put at 10% of the numerical equity exposure. This risk measurement thus expresses the gross exposure, as it shows the loss at a 10% negative price change on total positive exposure and a simultaneous 10% positive price change on total negative exposure.

Besides equity risks A and B, the Jyske Bank group applies limits to individual exposures to shares with the objective of limiting concentration risk. There is also a limit to the proportion of Jyske Bank shares held.

DKKm

58 **Hedge accounting**

2022	Amortised cost/ Nominal value	Carrying amount	Acc. carrying amount fair value adjustment	Profit/loss for the year
Interest-rate risk on fixed-rate liabilities				
Issued bonds	12,459	12,304	155	202
Subordinated debt	2,380	2,298	82	126
Due to credit institutions	744	673	71	81
Total, end of year	15,583	15,275	308	409
Derivatives, swaps				
Swaps, hedging issued bonds	12,459	-161	-161	-207
Swaps, hedging subordinated debt	2,380	-81	-81	-122
Swaps, hedging debt to credit institutions	744	-68	-68	-77
Total, end of year	15,583	-310	-310	-406
2021				
Interest-rate risk on fixed-rate liabilities				
Issued bonds	6,175	6,222	-47	107
Subordinated debt	2,380	2,423	-44	35
Due to credit institutions	744	753	-10	18
Total, end of year	9,299	9,398	-101	160
Derivatives, swaps				
Swaps, hedging issued bonds	6,175	46	46	-98
Swaps, hedging subordinated debt	2,380	41	41	-40
Swaps, hedging debt to credit institutions	744	9	9	-18
Total, end of year	9,299	96	96	-156

	2022	2021
Hedging instruments, nominal value by yield curve		
EURIBOR	14,278	8,755
STIBOR	1,304	544
Total, end of year	15,582	9,299
Hedging instruments, nominal value by maturity		
Up to 12 months	4,369	1,913
1-5 yrs	11,213	7,386
Total, end of year	15,582	9,299

58 Hedge accounting, cont.

Interest-rate risk

Jyske Bank applies the rules for hedge accounting of fair value for certain fixed-rate issued bonds at amortised cost, subordinated debt and debt to credit institutions. The purpose is to avoid asymmetric fluctuations in the financial statements as both the hedging instruments as well as the hedged items will then be adjusted to market value in the income statement in the event of changes to the interest-rate level. The hedging instruments used are interest-rate swaps, which are used for hedging against changes in the interest-rate level. The interest rate is the only material element of risk that is hedged in the hedged items, and not credit margins or similar.

For each secured bond issued, subordinated debt or debt to credit institutions, an interest-rate swap is entered into with the same reference rate, same time to maturity and same nominal amount, and therefore the hedging relationship is 1:1.
The fixed interest rate on the hedged items is hedged directly on the fixed rate of the hedging instruments, which are swapped into a floating 3- to 6-month EURIBOR rate, which is included in the bank's normal risk management.
The carrying amount of the hedging instruments is recognised in the balance sheet under the item "Other assets" in the event of a positive fair value and under the item "Other liabilities" in the event of a negative fair value.

The hedge effectiveness is determined by comparing the interest element of the total fair value of the hedging instruments with the interest element of the total fair value of the hedged items. Moreover, the hedge effectiveness is calculated each month and each quarter for hedging instruments against the hedged items for the period's gain/loss on the element of interest of the fair value.

The current portfolio of hedged items will mature over the decade with the last transaction in 2026. A large number of instruments will mature in 2023-2025 (about DKK 11.1 bn), which is, by far, the largest part of the hedging.

A minor degree of inefficiency between the hedged items and the hedging instruments can be caused by a difference in the discount curves applied. In addition, inefficiency may occur when the recognised carrying amounts are very low. The hedge ineffectiveness recognised in the profit amounted to DKK 3m (2021: DKK 4m) as the loss for the year on hedging instruments amounted to DKK 406m (2021: DKK 156m) and the profit loss for the year on hedged items at amortised cost was DKK 409m (2021: DKK 160m).

IBOR reform

IBOR rates are quoted in the interbank market for unsecured loans, which since the financial crisis has become an illiquid market where unsecured fixed-term loans and advances are actually not granted. IBOR rates are therefore often based on estimates. This is one of the reasons behind the global reform of the use of interest rate benchmarks, including the IBOR transition or the IBOR reform. In the EU, the EU Benchmark Regulation (EU BMR) forms the basis of the IBOR reform.

IBOR rates are used generally to determine cash flows in both derivatives agreements, floating-rate consumer and corporate loans as well as mortgage loans. In its entirety, the IBOR reform has the aim that derivatives and loan agreements to a higher degree are to be based on new alternative risk-free reference rates (RFR) instead of the current IBOR rates.

The new RFR rates are based on overnight transactions in the interbank market and are therefore, contrary to IBOR rates, not based on estimates. For derivatives transactions, the ISDA has published new definitions of fallback rates to replace the current IBOR rates if they are discontinued. Fallback rates are published by Bloomberg and are calculated as accumulated RFR rates plus a fixed credit spread. Among other things, the rates will be retrospective rather than forward-looking.

EURIBOR and scandi IBORs (CIBOR, STIBOR and NIBOR) are not expected to be discontinued for some time to come, but instead they have been reformed into a new and BMR-compliant version. Also, robust fallbacks for EURIBOR, STIBOR and NIBOR have been prepared based on the RFR rate in the relevant currency. In DKK, the transaction-based RFR rate, DESTR, was published for the first time on 4 April 2022 based on transactions as of 1 April 2022. In November 2022, ISDA defined fallback for CIBOR for derivative products. This follows the method for EURIBOR, STIBOR and NIBOR and is hence based on DESTR plus a spread.

Jyske Bank has established a task force to lead the bank and its clients through the IBOR transition. The task force is to disclose which trades are affected by the IBOR transition, look into the economic effect of the transition, inform clients, negotiate changes in the contractual basis and secure the handling of the transition in the bank's IT systems.

Jyske Bank has endorsed the ISDA 2020 IBOR Fallbacks Protocol and the ISDA 2018 Benchmarks Supplement Protocol, which will ensure robust fallback mechanisms when the LIBOR rates are discontinued. With reference to these, USD LIBOR-based derivative transactions will change their reference rate to RFR-based fallback rates, most recently with effect as at 1 July 2023 when the publishing of USD LIBOR rates will be abandoned. Similar transition of cleared USD LIBOR transactions will be implemented in the course of April and May 2023. At the end of 2022, the total principal of derivative transactions affected by the USD LIBOR transitions amounts to DKK 42,914m (against DKK 45,620m at the end of 2021). Jyske Bank does not expect to have any commitments based on USD LIBOR when this benchmark is finally abandoned in July 2023.

The IBOR reform and the ensuing changes to the interest rate benchmarks and cash flows are not considered to be of importance for the hedging relationship for the hedged items and the hedging instrument. The transactions are hedged in the hedging relationship 1:1 and the effectiveness test in the hedging relationship at 80% to 125% is still expected to be fulfilled.

The table on page 82 shows the distribution of the hedging instruments according to current reference rates, where Jyske Bank is primarily in EURIBOR. The majority of the hedging instruments' nominal value is also EURIBOR, where the timing of these are mainly maturities of 1 - 5 years.

DKKm

59 Derivatives

Both its clients and the Group use derivatives to hedge against and manage market risk. Market risk on derivatives is included in the Group's measurement of market risk. Credit risk in connection with derivatives is calculated for each counterparty and is included in Jyske Bank's overall credit risk management. Subject to specific bilateral agreement, netting of the credit risk associated with derivatives is undertaken for each counterparty.

2022	Net fair value				Fair value			Principal amounts, total
	Up to 3 months	Over 3 months and up to 1 year	Over 1 year and up to 5 years	Over 5 years	Assets	Liabilities	Net	Nominal value
Currency contracts								
Forwards/futures, bought	6,648	3,735	314	0	10,700	3	10,697	393,479
Forwards/futures, sold	-7,326	-3,910	-322	-13	3	11,574	-11,571	434,596
Swaps	-239	-186	-1,067	-383	1,040	2,915	-1,875	114,842
Options, acquired	4	22	0	0	26	0	26	1,422
Options, issued	-4	-26	0	0	0	30	-30	1,271
Total, end of year	-917	-365	-1,075	-396	11,769	14,522	-2,753	945,610
Interest-rate contracts								
Forwards/futures, bought	-36	0	0	0	7	43	-36	8,022
Forwards/futures, sold	37	0	0	0	37	0	37	28,397
Forward Rate Agreements, bought	0	-14	0	0	0	14	-14	2,002
Forward Rate Agreements, sold	0	0	0	0	0	0	0	0
Swaps	79	87	250	509	50,376	49,451	925	1,489,674
Options, acquired	-525	4	591	207	287	10	277	5,556
Options, issued	0	521	-347	-195	8	29	-21	965
Total, end of year	-445	598	494	521	50,715	49,547	1,168	1,534,616
Share contracts								
Forwards/futures, bought	-17	0	0	0	0	17	-17	24
Forwards/futures, sold	23	0	0	0	23	0	23	38
Options, acquired	3	0	0	0	3	0	3	0
Options, issued	-3	0	0	0	0	3	-3	0
Total, end of year	6	0	0	0	26	20	6	62
Commodity contracts								
Forwards/futures, bought	-14	-103	5	0	241	353	-112	52
Forwards/futures, sold	58	117	-4	0	331	160	171	52
Swaps	-36	-553	30	0	1,521	2,080	-559	5
Total, end of year	8	-539	31	0	2,093	2,593	-500	109
Total, end of year	-1,348	-306	-550	125	64,603	66,682	-2,079	2,480,397
Outstanding spot transactions					47	49	-2	30,377
CCP netting					-38,823	-38,823	0	0
Total after CCP netting					25,827	27,908	-2,081	2,510,774

59 Derivatives – cont.

2021	Net fair value				Fair value			Principal amounts, total
	Up to 3 months	Over 3 months and up to 1 year	Over 1 year and up to 5 years	Over 5 years	Assets	Liabilities	Net	Nominal value
Currency contracts								
Forwards/futures, bought	4,447	1,299	388	0	6,135	1	6,134	395,489
Forwards/futures, sold	-4,061	-1,332	-393	-12	1	5,799	-5,798	366,307
Swaps	40	-177	-230	4	547	910	-363	123,061
Options, acquired	6	14	0	0	20	0	20	1,759
Options, issued	-6	-13	0	0	0	19	-19	1,858
Total, end of year	426	-209	-235	-8	6,703	6,729	-26	888,474
Interest-rate contracts								
Forwards/futures, bought	-21	0	0	0	25	46	-21	13,886
Forwards/futures, sold	33	0	0	0	41	8	33	25,426
Forward Rate Agreements, bought	0	0	0	0	0	0	0	0
Forward Rate Agreements, sold	0	0	0	0	0	0	0	0
Swaps	-289	22	322	-1,068	27,460	28,473	-1,013	1,290,921
Options, acquired	6	0	-6	28	40	12	28	-794
Options, issued	0	1	9	-8	25	23	2	10,978
Total, end of year	-271	23	325	-1,048	27,591	28,562	-971	1,340,417
Share contracts								
Forwards/futures, bought	10	0	0	0	10	0	10	52
Forwards/futures, sold	-17	0	0	0	0	17	-17	57
Options, acquired	1	0	0	0	1	0	1	0
Options, issued	-1	0	0	0	0	1	-1	0
Total, end of year	-7	0	0	0	11	18	-7	109
Commodity contracts								
Forwards/futures, bought	310	188	8	0	527	21	506	37
Forwards/futures, sold	-149	-160	-7	0	45	361	-316	37
Swaps	70	-116	79	0	1,987	1,954	33	3
Total, end of year	231	-88	80	0	2,559	2,336	223	77
Total, end of year	379	-274	170	-1,056	36,864	37,645	-781	2,229,077
Outstanding spot transactions					29	17	12	40,366
CCP netting					-11,847	-11,847	0	0
Total after CCP netting					25,046	25,815	-769	2,269,443

60 **Liquidity risk**

Liquidity risk occurs due to funding mismatch in the balance sheet. The Group's liquidity risk can primarily be attributed to its bank lending activities as loans and advances have a longer contractual duration than its average funding sources. Liquidity risks at Jyske Realkredit are limited due to compliance with the balance principle for SDO issues as set out in the mortgage legislation. Note 17 states the remaining time to maturity for a number of assets and liabilities.

Objective and overall setup

The Group Supervisory Board determines the liquidity profile expressed as the balance between the risk level and the Group's costs of managing liquidity risk. The risk levels are re-assessed on an on-going basis in consideration of the current market-related and economic conditions in Denmark and the financial sector.

The overall development in lending and deposits in the Danish banking sector, the rating agencies' assessment of the Group's liquidity and funding risks as well as changes in statutory requirements will of course cause Jyske Bank to re-assess which risk levels can be deemed satisfactory.

Jyske Bank's liquidity management must ensure adequate short- and long-term liquidity so the Group can in due time honour its payment obligations by having reasonable funding costs. This is ensured through the following objectives and policies:

1. a strong and stable deposit basis which ensures stable long-term funding of the Group's lending activities;
2. continued high credit ratings by international rating agencies;
3. permanent access to international capital markets, hence achieving access to a diversified and professional funding base;
4. maintenance of a considerable buffer of highly liquid securities reflecting the run-off risk of more volatile price and credit sensitive funding sources. The liquidity buffer ensures that Jyske Bank can withstand the effect of several adverse liquidity scenarios.

Organisation, management and monitoring

The Group Supervisory Board has adopted a liquidity policy with relevant liquidity instructions, which among other things defines specific critical time horizons for the Group during various adverse stress scenarios. Other key ratios include an internal target for LCR, NSFR, requirements for the Group's liquidity buffer and the ratio between bank loans and bank deposits. On the basis of the general limits, the Group Executive Board has delegated specific operational limits to the operationally responsible officers at Jyske Bank, who on a daily basis follow and manage the Group's liquidity in line with limits and liquidity policies.

Jyske Realkredit is subject to liquidity-related restrictions in respect of investment profile in the securities portfolio and money-market placements outside the Group to ensure that transactions at Jyske Realkredit are in line with statutory requirements as well as internal guidelines at Jyske Realkredit and at Group level.

Liquidity positions are monitored daily by Market Risk & Models for observance of the delegated limits. Liquidity positions that exceed the authorised limits are reported immediately according to the business procedure relating to market risks.

Short-term liquidity management

Short-term operational liquidity is managed by Jyske Markets, which is active in the international money markets as a trader in all major currencies and related derivatives and as a market-maker in the Nordic inter-bank money markets. Short-term funding in these markets form part of Group's overall financial structure and is hence integrated in the strategic liquidity management.

60 Liquidity risk, cont.

Strategic liquidity management
Strategic liquidity management is embedded in Group Treasury. This management is based on various balance sheet and financing-related targets and statements of the Group's liquidity position under various stress scenarios.

Under the stress scenarios applied, payments from the asset side of the liquidity balance sheet are grouped in order of liquidity, whereas payments from the financial liabilities side are grouped according to expected run-off risk in various scenarios. The analyses are based on the contractual maturity of each individual payment, but they make allowance for the fact that the actual maturities of a large part of the balance sheet deviate from the contractual maturities. The analyses therefore apply scenario-specific expectations of client behaviour in those cases where contractual maturities are not considered to give a true and fair view of the actual maturities of deposits or loans. In relevant stress scenarios, the liquidity buffer is used to cover negative cash flows.

Under the various stress scenarios, both a survival horizon and a horizon regarding compliance with the mandatory LCR requirement are determined. The survival horizon is defined as the horizon with which the liquidity buffer will suffice to honour due dates relating to financing. Group Treasury is responsible for ensuring that the Group can at all times meet the critical survival horizons in the three scenarios used in strategic management:

- Institution-specific liquidity scenario (scenario 1): The scenario is based on an isolated incident in the Group, which will shake the surrounding world's confidence. Also, the incident may result in the loss of clients. The scenario also entails that Jyske Bank's rating is downgraded by one notch. It is, among other things, assumed that the Group is entirely cut off from access to the capital markets defined as CP, Interbank as well as to issues of senior debt and capital instrument. In addition, the Group is fast losing a significant part of the credit-sensitive client deposits, and it is also facing the risk that the bank must provide additional collateral as a derivative counterparty. *The target is a horizon of at least 24 months.*

- Capital market scenario (scenario 2): This scenario is, in actual fact, also a recession scenario. Following a long-lasting economic slowdown, banks are generally suffering from increasing credit losses and weak earnings. The property market is characterised by steep price declines. The surrounding world's confidence in the banking sector is seriously shaken, with the result that the capital market is frozen. The Group performs in line with the sector and avoids a downgrade on the part of the rating agencies. The Group is cut off from the capital markets defined as CP, Interbank as well as issues of senior debt and capital instrument. On the other hand, deposits with Jyske Bank are only affected to a modest degree. A decline in property prices totalling 20% over two years will entail that Jyske Realkredit must provide higher collateral at the capital centres to meet the SDO requirement, and that, due to turmoil in the capital markets, the need for CAS collateral increases. Moreover, rising risk aversion in the market will have the result that the value of the liquidity reserve is lowered due to widening credit spreads. *The target is a horizon of at least 18 months.*

- Combination scenario (scenario 3): This scenario is a combination of the two above ones; in the middle of a deep financial crisis, the Group is affected by a specific incident that undermines the confidence in the bank, see scenario 1. As the Group is affected by two incidents at the same time, the rating will be downgraded by two notches, which again adds to a negative liquidity flow. The outflow of the scenario is the union of scenario 1 and scenario 2. In addition, it must be assumed that a downgrade by two notches in a general market crisis will make it more difficult to find new derivative counterparties. It is therefore anticipated that it may be necessary for the Group to provide significant (and of a more permanent nature) collateral to new derivative counterparties. *The target is a horizon of at least 9 months.*

In addition to the targets for survival horizons, the ongoing Group Reporting also includes the calculated horizon for compliance with the statutory LCR requirement in the scenarios.

Liquidity contingency plan
The liquidity contingency plan comes into force if the Group can only meet the internally delegated limits at very high costs or is ultimately unable to do so within the critical horizons. The contingency plan establishes a wide range of possible actions to strengthen the Group's liquidity situation.

In 2022, Jyske Bank had overcollateralisation of internally delegated limits and powers.

60 **Liquidity risk, cont.**

The Group's liquidity buffer
The Jyske Bank Group's liquidity buffer is determined as assets that be can sold quickly or put up as collateral for loans, and such assets are therefore an efficient source of liquidity. The procurement of secured funding does not depend on Jyske Bank's creditworthiness, but solely on the quality of the assets that can be offered as collateral. Only assets that are not applied for the Group's daily operations are included. The measurement of the Group's liquidity buffer takes into account haircuts of the relevant assets.

Jyske Bank's securities portfolio is, in the internal liquidity management, divided into three groups according to liquidity ratio:

1. **Ultra-liquid assets** Cash deposits placed with the Danish Central Bank or the

   ECB with intra-day liquidity effect according to the rules of the central banks.
2. **Very liquid assets**. Bonds eligible for borrowing transactions in the Danish central bank or the ECB. The liquidity value of Danish government and mortgage bonds as well as covered bonds is determined at market value less the Danish central bank's specific haircuts on bonds in connection with borrowing. To this must be added European mortgage bonds and government bonds. The liquidity value of these is determined at market value less the ECB's specific haircuts in connection with borrowing. The internal statement of liquidity reserves includes own mortgage bonds and small bond series in line with other mortgage bonds (contrary to the LCR buffer).
3. **Non-eligible assets** Consist of other negotiable securities. The realisation period of such assets may vary considerably depending on the market - either in the form of sales or charging in the private repo market. Haircuts are determined at 25%. Securities in this group consist primarily of assets denominated in currencies other than DKK and EUR as well as securitization positions in the fom of CLOs.

Additional information about liquidity risk is provided in the section 'Liquidity management' in the Management's review.

Asset encumbrance
Asset encumbrance is a natural and inevitable part of the Group's daily activities. A large asset encumbrance of the Group's assets will, however, entail structural subordination of the Group's unsecured creditors. To ensure that the Group at all times has access to unsecured funding, a policy has been established in the area to ensure that asset encumbrance is not extended to any inexpedient extent.

At Jyske Bank, the following types of asset encumbrance of material extent have been identified:

- Issuance of SDOs.
- Periodical short-term financing from Danmarks Nationalbank and the ECB.
- Repo financing.
- Derivatives and clearing activities.

Issuance of SDOs is the most important asset encumbrance of Jyske Realkredit A/S. Issuance of SDOs is a long-term and strategically important instrument to ensure stable and attractive funding.

The Group does not wish to be structurally dependent on funding of its activities from central banks, and the liquidity management is planned in such a way that private funding can be obtained in most cases. On the other hand, short-term loans cannot be ruled out in the event of major unexpected shifts in liquidity and the use of central banks is considered a natural last resort.

Participation in the repo market for institutional clients and other financial institutions forms an integral part of the business model of Jyske Markets. It is the policy that such repo transactions are covered by collateral agreements (CSA) so the Group does not assume credit risk through such transactions. Repo transactions are only carried out for very liquid assets. Also, repo transactions are included as a natural element of the management of the Group's liquidity buffer. Even though repo transactions form an important element in Jyske Markets, these can fairly quickly be scaled up or down.

Derivatives and clearing activities involve asset encumbrance via agreements on provision of financial collateral. The Group strives to ensure that collateral is primarily received and given through cash but includes also provision of collateral in the form of bonds.

61 Operational risk

The Group is exposed to potential losses as a result of operational risks, including inexpedient processes, human errors, IT errors as well as fraud. Operational risk relates to all internal processes and can therefore not be eliminated.

The Group monitors and actively manages operational risk to reduce the risk of operational events resulting in material loss and damage to the Group's reputation.

Objective and overall setup

Jyske Bank's Group Supervisory Board sets out a policy for operational risk, which states the framework for identification, assessment, monitoring and management of the operational risk as well as the Group Supervisory Board's risk profile for the area.

The purpose of the policy is to keep operational risks at an acceptable level in respect of the Group's overall objectives and the cost associated with reducing the risks. Therefore, the Group Supervisory Board has laid down a number of principles for the set-up and management of the Group where, among other things, attention must be paid to sufficient resources, IT support of material work processes, due separation of functions as well as stable development and operational processes.

Management and monitoring

Developments in operational risk are monitored to ensure the best possible basis for risk management. Monitoring is based on continuous dialogue with management to ensure that all the material operational risks of the Group are identified, analysed and anchored in the Group's risk register. Risk scenarios, risk exposure and control environment are evaluated annually in cooperation with the business units.

In addition to the monitoring of potential risks, registration takes place in the Group of all operational errors or incidents that caused losses or gains in excess of DKK 5,000. Each registration includes information about the incident, for instance about product, work process and cause of error. Data are used for analysis and reporting with a view to optimising processes and reducing future losses.

The Group Executive Board and the relevant business unit directors are in charge of operational risk management. This management is an integral part of daily operations through business procedures and controls established with the object of securing the best possible processing environment. On the basis of risk analyses and regular reporting of the Group's operational risks, management considers the Group's risk exposure on an ongoing basis and decides whether to introduce initiatives to reduce operational risks.

Every quarter, the Group Executive Board and the Group Supervisory Board receive a comprehensive report that describes the development of the Group's operational risks accompanied by error statistics from the error registry. Non-compliance with established risk targets will also be reported.

DKKm	2022	2021
62 Transactions involving related parties		
Transactions with associates		
Loans	0	47
Deposits	0	12
Other liabilities	71	66
Employee and administrative expenses	746	697
Transactions with joint ventures		
Loans	25	26
Interest income	3	3

	Members of the Supervisory Board and related parties		Members of the Executive Board and related parties	
	2022	2021	2022	2021
Short-term consideration	7	7	38	36
Guarantees provided	2	2	0	0
Guarantees received	34	25	9	10
Debt of the Jyske Bank Group	13	11	19	12
Account receivable, the Jyske Bank Group, amount drawn down	36	27	9	10
Account receivable, the Jyske Bank Group, credit facility	38	33	9	10
Changes in the present value of the pension liability	-	-	0	2
Interest rates for loans and advances (%)	0.3-7.0	0.4-6.9	1.3-1.4	0.9-1.0

Group enterprises and associates as well as joint ventures are considered related parties. Please see the Group chart.

Jyske Bank's Executive Board and Supervisory Board as well as their related parties are also considered related parties.
No loans to related parties were credit impaired.

Jyske Bank does not consider the Shareholders' Representatives a restricted management body.

Transactions between related parties are characterised as ordinary financial transactions and services of an operational nature. Jyske Bank A/S and Jyske Realkredit A/S have entered into an agreement on joint funding and an agreement on outsourcing. Transactions related to these agreements are eliminated in the Group.

Transactions between Jyske Bank and group enterprises and associates as well as joint ventures are entered into on an arm's length or at cost. The transactions are eliminated upon consolidation. Transactions between Jyske Bank and other related parties were executed on an arm's length basis. This also holds for the rates of interest and commission charges.

Jyske Bank A/S's Pensionstilskudsfond is a fund which offers supplementary pensions to current and former members of Jyske Bank's Executive Board and their surviving relatives. Pension liabilities are actuarial items based on a number of assumptions, cf. also note 37 on pension provisions. At an unchanged discount rate, Jyske Bank's Executive Board earned additional retirement remuneration of DKK 2m in 2021 (2020: DKK 2m), cf. note 12.

For Jyske Bank A/S' related party transactions, please see note 34 in Jyske Bank' A/S' financial statements.

DKKm

63 **Leasing as lessee**

2022

Leased assets	Real property	Cars	Total, end of year
Beginning of period	370	5	375
Additions	72	12	84
Remeasurement of lease liability	-74	0	-74
Disposals	0	-3	-3
Depreciation and amortisation for the year	-76	-5	-81
Recognised value, end of period	292	9	301

Lease liabilities	
Termination of lease liabilities	
0-1 yrs	114
1-5 yrs	180
Over 5 years	30
Non-discounted lease liability, end of period	324
Recognised value, end of period	313

Amounts recognised in income statement as lessee	
Interest expenses relating to lease liabilities	6
Variable lease payments not recognised as part of the lease liability	0
Costs relating to short-term leased assets (less than 12 months) and for leasing activity with a low value	0

2021

Leased assets	Real property	Cars	Year-end
Beginning of period	363	4	367
Additions	54	8	62
Remeasurement of lease liability	45	0	45
Disposals	-29	-4	-33
Depreciation and amortisation for the year	-63	-3	-66
Recognised value, end of period	370	5	375

Lease liabilities	
Termination of lease liabilities	
0-1 yrs	72
1-5 yrs	266
Over 5 years	73
Non-discounted lease liability, end of period	411
Recognised value, end of period	385

Amounts recognised in income statement as lessee	
Interest expenses relating to lease liabilities	9
Variable lease payments not recognised as part of the lease liability	0
Costs relating to short-term leased assets (less than 12 months) and for leasing activity with a low value	0

Jyske Bank holds a number of leases. The contracts cover primarily rent of properties and as of 2019 they are recognised in Jyske Bank's balance sheet as leased assets and lease liability.

DKKm	2022	2021
64 Leasing as lessor		
Income from finance and operating lease		
Finance income from finance leasing	269	238
Gain from sale of leased assets	17	12
Lease income from finance lease	286	250
Lease income and gains from sale from operating lease	871	753
Total, end of year	1,157	1,003

Income consists of finance income from finance leasing as well as lease income from operating lease. This includes any fees received and paid relating to finance leasing that is closely related to the financing.

No income from variable lease payments for finance leasing is included in the measurement of the net investment.

No variable lease payments from operating lease depend on an index or an interest rate.

As was the case in previous years, the main activity was object financing, which primarily includes capital investment in plant and equipment/movable property as well as certain loan purposes and secondarily administration and financing tasks for third parties relating to such investments, including finance arrangements under a third party's own brand.

Financing and leasing are primarily offered to Danish and Swedish personal clients, companies registered in Denmark and foreign private individuals or companies against commitment provided by a Danish company.

	2022	2021
Amortisation, depreciation and impairment charges on operating leased assets		
Depreciation and impairment charges on property, plant and equipment	501	503
Impairment charges on property, plant and equipment	26	-8
Recognised losses attributed to non-current assets	1	2
Total	528	497
Operating leased assets		
Cost, beginning of period	3,094	3,393
Additions	1,682	980
Disposals	1,645	1,279
Cost, end of period	3,131	3,094
Depreciation and amortisation, beginning of period	860	1,064
Depreciation and amortisation for the year	500	502
Reversal of amortisation and depreciation on assets disposed of	443	706
Depreciation and amortisation, end of period	917	860
Depreciation and amortisation, beginning of period	27	69
Impairment charges for the year	42	12
Reversal of impairment charges in previous years	25	54
Depreciation and amortisation, end of period	44	27
Carrying amount, end of period	2,170	2,207
Maturity analyses leased assets		
Present value of future minimum lease payments that fall due as follows:		
Fall due within 1 year	409	461
Fall due within 1-2 years	181	277
Fall due within 2-3 years	49	94
Fall due within 3-4 years	8	6
Fall due within 4-5 years	1	1
Fall due after 5 years	0	0
Total, end of year	648	839

64 **Leasing as lessor, cont.**

In addition, there are non-guaranteed residual values related to operating leased assets that are not included in the lessee's minimum lease payments.

Operating leased assets consist mainly of vehicles.

Leased assets include repossessed assets totalling DKK 104m. (2021: DKK 64m). It is expected that the assets will be leased again to new clients or, alternatively, sold within the next 12 months.

Description of risks and uncertainty relating to estimation of residual values
The Group has assumed risks relating to the residual value of its holding of operating lease agreements.

The measurement of the Group's property, plant and equipment relating to operating lease agreements is subject to some uncertainty, which can be attributed to a number of external market effects as well as the Group's own estimates of future circumstances. This is in particular related to the expected cash flows from the lease agreements in connection with the assets, and in particular cash flows from the subsequent sale of the assets and the circumstances related to this.

The accounting residual values are set at the market value at which the object is expected to have at the expiry of the agreement. The actual market value is, however, only finally known at the time of sale, and therefore, to a great extent, the establishment of residual values relies on professional estimates based on experience, market trends, etc. Sales prices of the objects are strongly affected by the supply / demand situation in the Danish and European car market, including industry trends as regards fuel preferences, bodywork, level of equipment, etc.

In addition, the expected net sales price is affected by prepayment patterns for the Group's private lease agreements in Denmark, as expectations of these contribute to deciding the expected time of sale. Moreover, the net sales price is also affected by the rate of turnover measured from the time of the return of the object to the sale and possibly other future income as well as expenses relating to the realisation/contract expiry, etc.

Risk management strategy
The Group monitors continuously whether the established residual values of the contracts in progress match the estimated realisation price, and whether other circumstances also indicate indication of impairment. This takes place in close connection with the ongoing pricing of new campaigns.

The above task has been assigned dedicated employee and management resources and also IT applications that assists in the ongoing monitoring of the picture of risk.

In addition to the above, the Group also works continuously to build new sales channels and also to enhance the logistics, preparation and repair set-up with a view to obtaining the best possible net sales prices.

DKKm	**2022**	2021
Financial Lease Agreements		
Cost, beginning of period	**9,792**	9,272
Additions	**5,766**	5,952
Disposals	**5,198**	5,432
Cost, end of period	**10,360**	9,792
Depreciation and amortisation, beginning of period	**172**	180
Impairment charges for the year	**102**	100
Reversal of impairment charges in previous years	**107**	108
Depreciation and amortisation, end of period	**167**	172
Carrying amount, end of period	**10,193**	9,620

DKKm	2022	2021
64 Leasing as lessor, cont.		
Maturity analysis		
Nominal value of future lease payments.		
Fall due within 1 year	2,531	2,362
Fall due within 1-2 years	1,929	1,785
Fall due within 2-3 years	1,406	1,316
Fall due within 3-4 years	925	840
Fall due within 4-5 years	510	444
Fall due after 5 years	388	288
Total, end of year	7,689	7,035
Correlation between maturity analysis and net investment		
Nominal value of future minimum lease payments, cf. above	7,690	7,035
Of which unrecognised interest income (at the current interest-rate level) included in the minimum lease payments	720	397
Net present value of guaranteed residual values at expiry of the agreements	407	359
Net present value of non-guaranteed residual values at expiry of the agreements	2,983	2,795
Total, end of year	10,360	9,792

Carrying amount of finance leasing is affected by inflow of new agreements, extensions, repayments as well as regulation of impairment charges for expected credit loss.

65 **Acquisition of activities from Svenska Handelsbanken**

On 1 December 2022, Jyske Bank acquired Svenska Handelsbanken's Danish activities (Handelsbanken Denmark).

Handelsbanken Denmark was established in 1992 and grew subsequently organically through the acquisition of Midtbank and Localbanken i Nordsjælland. Handelsbanken Denmark carries out nationwide banking operations within the personal client as well as the corporate client segment. The transaction comprises more than 130,000 clients, bank loans and advances of DKK 65.1bn and deposits of DKK 35.4bn. Add to this 42 locations and approx. 600 employees.

The acquisition of Handelsbanken will strengthen Jyske Bank's market position, and its business volume will increase significantly. The greater scale will also support the possibilities of developing and offering attractive products and services to Jyske Bank's present and future clients.

The purchase sum for Handelsbanken Denmark amounts to DKK 34.4bn which has been paid in cash. The purchase sum is based on net assets acquired and a goodwill payment of DKK 3.0bn.

Jyske Bank has paid transaction costs of DKK 60m associated with the acquisition to legal and financial advisers. The amount is included in the profit and loss account under expenses for staff and administrative expenses, etc.

The activities acquired are included in segment information for the Group under Banking, Mortgage and Leasing activities.

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill associated with the acquisition has been computed at DKK 2,841m.

The distribution of the purchase sum on net assets is shown in the table below:

DKKm	1 December 2022
Determination of fair value	
Assets	
Cash balance and demand deposits with central banks	1,704
Due from credit institutions and central banks	675
Loans and advances	65,143
Shares, etc.	43
Equity investments in group enterprises	129
Assets in pooled deposits	3,727
Intangible assets (client relations)	489
Owner-occupied properties	69
Other property, plant and equipment	8
Current tax	93
Other assets	86
Deferred income	307
Total assets	**72,473**
Liabilities	
Due to credit institutions and central banks	254
Deposits	35,392
Pooled deposits	3,727
Other liabilities	1,437
Deferred income	54
Provisions for pensions and similar liabilities	2
Provisions for guarantees and loan commitments	20
Liabilities, total	**40,886**
Net assets acquired	**31,587**
Purchase price, cash	34,428
Goodwill	**2,841**
Guarantees	1,451

65 **Acquisition of activities from Svenska Handelsbanken, cont.**

The pre-acquisition balance sheet is based on the balance of Handelsbanken Denmark at 30 November 2022. Fair value of loans and advances is based on an assessment of the market value of the acquired portfolio. The gross value of loans and advances before fair value adjustment amounted to DKK 67.6bn at the date of acquisition. Fair value adjustment of loans and advances relating to interest-rate risk amounted to DKK -1.9bn and fair value adjustment of loans and advances relating to credit risk amounted to DKK -0.6bn, and total loans and advances after fair value adjustment amounted to DKK 65.1bn.

Fair value of customer relations has been determined by means of the Multi-Period Excess Earnings method (MEEM). Customer relations are computed at the net present value of the expected future cash flows which are obtained through sale to the clients after deduction of a reasonable return on all other assets which contribute to generating the relevant cash flows. The value of the intangible asset has been computed at DKK 489m. Client relations will be capitalised and written off over 10 years.

Goodwill and client relations form part of banking activities at Jyske Bank whereas Jyske Realkredit and Jyske Finans have taken over loans and advances of DKK 23.3bn and DKK 0.2bn.

For the period since the acquisition, Handelsbanken Denmark has contributed to the Group's net interest and fee income with DKK 173m and to the pre-tax profit with DKK -46m. The impact is, among other things, affected by one-offs involved in the integration as well as stage-1 loan impairment charges.

It is not practically possible to make a reliable calculation of the Group's net interest and fee income and pre-tax profit for 2022, computed as if Handelsbanken Denmark was taken over on 1 January 2022.

66 Group overview

31 December 2022	Currency	Share capital 1.000 units	Ownership share (%)	Voting share (%)	Assets (DKKm), end of 2022	Liabilities (DKKm), end of 2022	Equity (DKKm), end of 2022	Earnings (DKKm) 2022	Profit or loss, (DKKm) 2022
Jyske Bank A/S[1]	DKK	642,721			421,675	381,051	40,624	7,606	3,752
Subsidiaries									
Jyske Realkredit, Kgs. Lyngby [2]	DKK	500,000	100	100	359,621	337,462	22,159	6,742	1,361
Jyske Bank Nominees Ltd., London [4]	GBP	0	100	100	0	0	0	0	0
Inmobiliaria Saroesma S.L., Spain [5]	EUR	6,581	100	100	26	26	0	1	0
Jyske Finans A/S, Silkeborg [3]	DKK	100,000	100	100	27,165	25,418	1,747	1,664	655
Ejendomsselskabet af 01.11.2017 A/S, Silkeborg [5]	DKK	500	100	100	47	44	3	4	2
Gl. Skovridergaard A/S, Silkeborg [5]	DKK	500	100	100	31	28	3	17	0
Ejendomsselskabet af 01.10.2015 ApS, Silkeborg [5]	DKK	500	100	100	96	94	1	1	1
Jyske Invest Fund Management A/S, Silkeborg [4]	DKK	76,000	100	100	515	78	437	181	36
Jyske Vindmølle A/S, Hobro [5]	DKK	400	100	100	46	25	21	4	0
Ejendomsselskabet af 1. maj 2009 A/S [5]	DKK	54	100	100	93	2	91	1	0
Lokal Bolig A/S [6]	DKK	1	54	54	18	1	17	1	0
Handelsinvest Investeringsforvaltning A/S [4]	DKK	5	100	100	18	1	16	1	0

Activity:
1 Banking
2 Mortgage-credit activities
3 Leasing, financing and factoring
4 Investment and financing
5 Properties, wind turbine and course activities
6 Estate agency chain

All banks and mortgage credit institutions supervised by national financial supervisory authorities are subject to statutory capital requirements. Such capital requirements may limit intra-group facilities and dividend payments.

	Currency	Share capital 1.000 units	Ownership share (%)	Voting share (%)
Associates*				
Foreningen Bankdata, Fredericia	DKK	472,048	39	39
Greenbow A/S	DKK	149	26	26
Jointly controlled enterprises				
Netto Biler A/S	DKK	5,000	50	50

From associates and jointly controlled enterprises, the Jyske Bank Group recognised a total of DKK 0m (2021: DKK 47m) under assets, DKK 71m (2021: DKK 66m) under liabilities, DKK 0m (2021: DKK 0m) under income, and DKK 746m (2021: DKK 697m) under expenses.
* Accounting figures according to the latest published Annual Report.

DKKm

67 **Investments in associates and jointly controlled companies**

	Associates	
	Foreningen Bankdata	
Equity interest, %	**2022**	2021
Dividend received	**39**	37
	0	0
Income statement and comprehensive income		
Revenue		
Costs and expenses	**1,765**	1,758
Amortisation, depreciation and impairment	**1,582**	1,609
Financial income	**189**	161
Financial expenses	**3**	3
Tax on profit for the year	**2**	1
Profit or loss from discontinuing activities	**1**	-3
Profit for the year	**0**	0
Other comprehensive income	**-6**	-7
Comprehensive income	**0**	0
	-6	-7
Balance Sheet		
Property, plant and equipment		
Intangible assets	**177**	182
Other long-term assets	**388**	508
Cash and cash equivalents	**112**	109
Other short-term assets	**20**	168
Total assets	**320**	253
	1,017	1,220
Equity		
Long-term liabilities	**472**	478
Short-term liabilities	**210**	340
Total equity and liabilities	**335**	402
	1,017	1,220

The amounts stated are the latest published total figures from the financial statements of the individual material associates.

The Group's strategy includes strategic partnerships in key areas, including IT development through the Association Bankdata.

Greenbow A/S is 26%-owned. The carrying amount accounts for DKK 4m.

Netto biler A/S is 50%-owned. The carrying amount accounts for DKK 9m. (2021: DKK 10m).

Stake in Sanistål A/S was sold in 2022.

68 Accounting Policies

Basis of accounting
The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The financial statements of the parent company have been presented in accordance with the Danish Financial Business Act, including the Danish Executive Order on Financial Reports for Credit Institutions, Stockbrokers, etc. Furthermore, the Annual Report has been prepared in accordance with the Danish disclosure requirements for annual reports of listed financial institutions.

Additional Danish reporting requirements for the consolidated financial statements are laid down in the executive order on IFRS relating to financial institutions in accordance with the Danish Financial Business Act and in the rules laid down by Nasdaq Copenhagen A/S, and for the Parent's financial statements in accordance with the Danish Financial Business Act and in the rules laid down by Nasdaq Copenhagen A/S.

The rules applying to recognition and measurement at the Parent are consistent with IFRS.

Figures in the Annual Report are in Danish kroner, rounded to the nearest million in Danish kroner.

Changes to accounting policies, new and changed standards as well as interpretation
A number of minor changes took effect on 1 January 2022, including changes to IFRS 3 References to framework, changes to IAS 16 Income from non-current assets under construction, changes to IAS 37 Expenses relating to the fulfilment of an onerous contract, and Improvements of IFRSs (2018-2020). These changes did not have an effect on Jyske Bank's financial reporting.

The implementation has not had any material effect on the accounting policies and/or the consolidated financial statements, including the comparative figures, and are also not expected to impact present or future periods significantly.

Accounting standards and interpretation that have not taken effect
At the time of publication of this Financial Report, a number of new or amended standards and interpretations had been adopted yet not come into force or been approved for use in the EU. It is not expected that these will have any material impact on Jyske Bank's financial reporting.

IFRS 17 "Insurance contracts", active as from 1 January 2021. It is not expected, that the above will affect Jyske Bank's financial reporting to any material degree.

Except for the above, accounting policies remain unchanged.

Recognition and measurement
Assets under the control of the Jyske Bank Group as a result of past events are recognised in the balance sheet when it is deemed probable that future economic benefits will flow to the Group and the asset value can be measured reliably. Liabilities as a result of past events are recognised in the balance sheet when it is deemed that redemption will result in the relinquishment of future economic benefits and the amount of the liability can be measured reliably.

At the initial recognition, assets and liabilities are measured at fair value, and for assets and liabilities that are subsequently measured at amortised cost, directly attributable transaction costs paid will be added, and directly attributable transaction costs received will be deducted. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account gains, losses and risks that occurred prior to the presentation date of the Annual Report and that confirm or disprove conditions which existed on the balance sheet date.

Income is recognised in the income statement as earned. Incurred expenses that relate directly to the generation of the year's earnings are recognised in the income statement. Value adjustment of financial assets, financial liabilities and derivatives is recognised in the income statement with the exception of value adjustment of instruments entered into with a view to hedging net investment in associates and group enterprises abroad. The latter value adjustment is recognised in other comprehensive income.

Financial instruments are recognised at the date of settlement, and the recognition ceases when the right to receive or deliver cash flows from the financial instrument has expired, or if the financial instrument has been transferred, and the Group has essentially transferred all risks and returns associated with the ownership.

Accounting estimates
Measurement of the carrying value of certain assets and liabilities requires the management's estimate of the influence of future events on the value of such assets and liabilities on the balance sheet date. Estimates of material importance to the presentation of the accounts are, among other things, based on

- loans, including loan impairment charges
- fair value of financial instruments
- provisions, including provisions for defined benefit liabilities, losses on guarantees, lawsuits, etc.
- Acquisitions, including statement of acquired assets and liabilities at fair value as well as measurement of goodwill.

The estimates are based on assumptions which management finds reasonable, but which are inherently uncertain. Besides, the Group is subject to risks and uncertainties which may cause results to differ from those estimates. Key assumptions and any specific risks to which the Group is exposed are stated in the Management's Review and the notes.

Loan impairment charges and provisions for guarantees are subject to significant estimates as regards the quantification of the risk that future payments may not all be received. Where it is established that not all future payments will be received, the determination of the extent of anticipated payments, including specification of scenarios, risk classification, realisable values of security provided and anticipated dividend payments by estates, will also be subject to significant estimates. The division of loans and advances, etc. into stages 1, 2 or 3 is subject to significant estimates, which is decisive when determining whether a loss expected in the 12-month term or an expected loss in the entire term of the loan is to be recognised. In a number of instances, it is necessary to supplement the model-calculated impairment charges in stages 1, 2 and 3 with a management's estimate.

This will typically be the case when social events are assessed to affect the level of impairment, yet these events have not yet been picked up by the Group's credit models. The war in Ukraine and high inflation etc. have increased uncertainty involved in the estimates.

The measurement of the fair value of financial instruments is subject to significant estimates of the fair value in a non-active market. Fair value is recognised on the basis of observable market data and recognised value assessment techniques, which include discounted cash flow models and models for the pricing of options. Input variables include observable market data, including non-listed yield curves, exchange rates and volatility curves. Unlisted shares are recognised at an estimated fair value on the basis of the available budget and accounting figures of the issuer in question or at management's best estimate.

68 Accounting Policies, cont.

Provisions for defined benefit pension plans, etc. are subject to significant estimates with regard to the determination of future employee turnover, discount rate, the rate of wage and salary increase, and the return on associated assets. Provisions for pension liabilities, etc. are based on actuary calculations and estimates. Moreover, provisions for losses on guarantees are subject the uncertainty of assessing the extent to which guarantees may be called upon as a consequence of the financial collapse of the guarantee applicant. The calculation of other provisions is subject to significant estimates with regard to the determination of the probability and to which extent a possible obligating event may and will result in a future drain on Jyske Bank's economic resources.

In case of acquisitions, material estimates are associated with the calculation of the fair value of the acquired assets, liabilities and contingent liabilities, including in particular determination of the credit risk of acquired loans and advances. At recognition of client relations, measured in connection with a recognised valuation method and based on future earnings and retention rate, presumptions and assumptions are also included which give rise to uncertainty relating to recognition and measurement. Goodwill is tested for impairment charges on an annual basis or in case of signs of impairment. The impairment test uses assessments when determining estimates of future cash flows, and in addition uncertainty when determining discount rate and market development.

Hedge accounting

The Group hedges the interest-rate risk on a portfolio of liabilities. The Group applies the rules on hedge accounting as laid down in IAS 39.

Subsequent value adjustments of derivatives that are classified as and meet the requirements for hedging the fair value of a recognised fixed-rate liability are recognised in the income statement together with the value adjustment of the hedged liability, dependent of interest rate levels. If the criteria for hedging are no longer met, the accumulated valuation of the hedged item is amortised over the remaining maturity period.

The consolidated financial statements

The consolidated financial statements cover the financial statements for Jyske Bank A/S and the companies controlled by Jyske Bank A/S. Control is achieved when Jyske Bank A/S

- has control of another company
- has the possibility of or the has the right to a variable return on its investment, and
- is able to use its control to obtain such return.

The Group reassesses whether it controls a company if the situation and circumstances indicate changes to one or more of the three above elements.

The consolidated financial statements have been prepared by adding up the financial statements of Jyske Bank A/S and those of its subsidiaries, which were prepared in accordance with the Group's accounting policies. Intra-group
credit and debit items, intra-group share holdings, commitments and guarantees have been eliminated.

Intra-group transactions

Intra-group transactions are entered into on an arm's length basis or at cost.

Business combinations

Assets, including identifiable intangible assets, liabilities and contingent liabilities are measured at fair value on the date of acquisition. A positive difference between the cost and the fair value of the identifiable net assets is recognised as goodwill. A negative difference between the cost and the fair value of the identifiable net assets is recognised as negative goodwill under Other operating income in the income statement.

The results of subsidiaries acquired or disposed of are recognised in the consolidated income statement at the time when the controlling interest is transferred to the Group and cease to be consolidated from the time when the controlling interest ceases to exist. Transaction costs are recognised in the income statement.

Foreign currency transactions

Transactions in currencies other than Danish kroner are translated at the official exchange rates on the day of the transactions. Unsettled monetary transactions in foreign currencies on the balance-sheet date are translated at the official exchange rates on the balance sheet date. For listed currencies, the published bid and offer prices from external suppliers will be applied.

Non-monetary assets and liabilities acquired in a foreign currency, which are not restated at fair value, are not subject to translation adjustments. In connection with a non-monetary asset, the fair value of which exceeds that stated in the income statement, unrealised translation adjustments are recognised in the income statement.

Foreign exchange gains and losses are included in the profit for the year, with the exception of exchange rate differences related to non-monetary assets and liabilities, where changes in the fair value are recognised in other comprehensive income.

Offsetting

Assets and liabilities are offset when the Jyske Bank Group has a legal right to offset the recognised amounts and also intends to net or realise the asset and settle the liability at the same time.

68 Accounting Policies, cont.

Leasing contracts
A leased asset and a lease liability is recognised in the balance sheet when, according to a lease agreement entered into, a leased asset is made available to the Group for a lease period, and when the Group has the right of practically all the economic benefits from the use of the identified asset and the right to decide on the use of this.

Lease liabilities are measured at the initial recognition at the net present value of the future leasing payments discounted at an alternative interest rate, which will amount to the cost relating externally financing of a corresponding asset. Subsequently, the lease liability is measured at amortised cost in accordance with the effective interest method. The lease liability is recalculated when changes take place in the underlying contractual cash flows, if changes take place in the estimate of the residual value guarantee, or if the Group changes its assessment of whether it is reasonably certain that an option to purchase, extend or cancel is expected to be utilised.

At initial recognition, the leased asset is measured at cost, which corresponds to the value of the lease liability adjusted for prepaid leasing payments plus directly related costs. Subsequently, the leased asset is measured at cost less accumulated impairment and depreciation. Leased assets are depreciated over the shorter of the leasing period or the useful life of the leased asset. The depreciation is recognised in the income statement by the straight-line method. Leased assets are adjusted for changes in the lease liability due to changes in the terms and conditions of the lease agreement or changes in the cash flows of the contract.

Leased assets are depreciated by the straight-line method over the expected lease period, which amounts to:

Properties	5-10 years
Cars	3-5 years

The leased asset and the lease liability are stated in the notes.

The Group does not recognise short-term lease agreements in the balance sheet. Instead lease payments relating to such lease agreements are recognised in the income statement by the straight-line method.

Assets that are leased at financial lease terms and conditions are recognised, measured and presented as loans and advances.

Hence assets that are leased at operating lease terms and conditions are recognised and presented like the Group's other assets of a similar type. Income from operating lease agreements is recognised by the straight-line method over the relevant leasing period under Other operating income.

Tax
Jyske Bank A/S is assessed for Danish tax purposes jointly with its Danish subsidiaries. Tax on the year's income is divided among the Danish enterprises according to the full costing method. Domestic corporation tax is paid in accordance with the Danish tax prepayment scheme.

Tax comprises calculated tax and any change in deferred tax as well as the readjustment of tax for previous years. Calculated tax is based on the year's taxable income. Deferred tax is recognised and measured in accordance with the balance-sheet liability method on the basis of the differences between the carrying amounts and tax values of assets and liabilities. Overall, deferred tax liabilities are recognised on the basis of temporary differences, and deferred tax assets are recognised to the extent that it is deemed probable that taxable income exists against which deductible temporary differences may be offset. Such assets and liabilities are not recognised where the temporary difference is due to goodwill.

Provisions are not made in the Balance Sheet for tax payable on the sale of an investment in subsidiaries where such an investment is not expected to be disposed of within a short period of time, or where a sale is planned so that there is no tax liability.

Deferred tax is calculated at the tax rates applicable during the financial year in which the liability is settled, or the asset is realised. Deferred tax is recognised in the income statement, unless it is associated with items which are carried as expenses or income directly in other comprehensive income, in which case deferred tax is recognised in other comprehensive income as well. Deferred tax assets and liabilities are offset where attributable to tax levied by the same tax authority, and where it is the intention of the Group to net its current tax assets and liabilities.

Financial guarantees
Financial guarantees are contracts according to which the Group must pay certain amounts to the holder of the guarantee as compensation for a loss incurred, because a certain debtor did not make a payment on time according to the terms and conditions of the debt instrument.

Financial guarantee obligations are the first time recognised at fair value, and the initial fair value is accrued over the lifetime of the guarantee. Subsequently, the guarantee obligation will be recognised at the higher one of the value on an accrual basis or the present value of expected payments when a payments under the guarantee has become likely.

For the method for provisions for losses on guarantees, please see loans at amortised cost. Provisions for losses on loan commitments and unutilised loan commitments are made according to the same method.

68 Accounting Policies, cont.

Balance Sheet

According to IFRS 9, classification and measurement of financial assets are based on the business model for the financial assets and related contractual cash flows. In consequence of this, financial assets must be classified as one of the following categories:

- Financial assets that are held to generate the contractual cash flows and where the contractual cash flows solely consist of interest and instalments on the outstanding amounts are measured after the time of the initial recognition at amortised cost. As a typical example, this measurement category comprises loans, advances and bonds included in an investment portfolio that is in general held to maturity.

- Financial assets held in a mixed business model where financial assets are held both with a view to generating the contractual cash flows and returns on sales and where the contractual cash flows on the financial assets in the mixed business model solely consist of interest and instalments on the outstanding amount are measured after the time of the initial recognition at fair value through other comprehensive income. In connection with a subsequent sale, recirculation of the change in fair value will take place to the income statement. As a typical example, this measurement category comprises bonds included in the day-to-day liquidity management, unless they are used by a risk management system or an investment strategy based on fair values, cf. below.

- Financial assets that do not belong under one of the above-mentioned business models or where the contractual cash flows do not solely consist of interest and instalments on the outstanding amounts are measured after the time of the initial recognition at fair value through the income statement. As a typical example, this measurement category comprises shares, derivatives and financial assets, which are otherwise included in the trading portfolio or in a risk management system or an investment strategy based on fair values and, on this basis, are included in the bank's internal management reporting. Moreover, financial assets can be measured at fair value through the income statement, if the measurement according to the two above-mentioned business models results in a recognition or accounting mismatch.

Jyske Bank has no financial assets that fall under the measurement category with recognition of financial assets at fair value through Other comprehensive income. Instead, Jyske Bank's bond portfolio is measured at fair value through the income statement either because they are included in a trading portfolio, or because they are used by a risk management system or an investment strategy based on fair values and are, on this basis, included in the bank's internal management reporting, except for a holding of bonds that is held under a business model where the bonds will be measured at amortised cost.

Due from credit institutions and central banks

Initially, balances due from credit institutions and central banks are recognised at fair value plus directly attributable transaction costs less fees and commissions received which are directly associated with the amount due. Subsequently, balances due from banks and central banks are measured at amortised cost in accordance with the effective interest method, less impairment charges, cf. below.

Loans at fair value

Mortgage loans are recognised according to the trade date approach and classified as 'Loans at fair value'. Mortgage loans are measured at fair value on initial and subsequent recognition through the income statement. This takes place to eliminate financial inconsistency resulting from the purchase and sale of own issued bonds. Index-linked loans are measured on the basis of the index value at the end of the year. The fair value is generally measured at prices of the underlying issued bonds quoted on a recognised stock exchange. If such a market price is not available for the preceding 7 days, a calculated price based on the official market rate will be applied for determining the value. If derivatives are part of the funding of the mortgage loans, the value of these will be integrated in the valuation of the loans.

The fair value is reduced by the calculated impairment charge, which for loans at fair value is measured according to the same principles that apply to impairments of loans and advances at amortised cost. In connection with all loans and advances at initial recognition and all loans and advances without any significant increase in credit risk, a calculation of expected losses over the coming 12 months is made, while in connection with all loans and advances with a significant increase in credit risk, impairment charges corresponding to the expected losses over the remaining term are recognised. Please see the description of accounting policies for impairment charges under loans and advances at amortised cost.

Loans and advances at amortised cost

Initially, loans and advances are recognised at fair value plus directly attributable transaction costs, less fees and commission received which are directly associated with the granting of loans. Subsequently, loans and advances are measured at amortised cost in accordance with the effective interest method.

Stages for development of credit risk

In connection with all loans and advances, impairment charges are recognised according to IFRS 9. The impairment model is based on calculations of expected losses where the loans are segmented into four categories depending on the individual loan's credit impairment relative to the initial recognition:

1. Loans with no significant increase in credit risk
2. Loans with significant increase in credit risk
3. Credit-impaired loans
4. Loans that were credit-impaired at first recognition.

For loans in stage 1, impairment charges corresponding to the expected loss over the following 12 months are recognised, while for loans in stages 2 and 3, impairment charges corresponding to expected losses over the remaining life of the exposures are recognised. Loans that were credit-impaired at first recognition are, with respect to impairment charges, ranked in stages 1, 2, or 3 according to a principle corresponding to the one attributed to the loan on the balance sheet date, while the loan and the impairment are reported under the category "Loans that were credit-impaired at first recognition".

At the initial recognition, the individual loans are generally placed in stage 1, which means that impairment charges corresponding to the expected losses over the following 12 months are recognised.

Loans with a very low probability of default (PD below 0.2%) and without any other indications of significant increases in the credit risk are considered having a low credit risk and are placed in stage 1 regardless of the probability of default since the initial recognition.

Assessment of whether the credit risk has increased for individual loans and advances, the ranking of loans and advances into stages and the determination of expected losses take place on an on-going basis.

The ranking in the various stages will affect the calculation method, and it is determined, among other things, on the basis of the change in the probability of default (PD) over the expected remaining life of the loans. Loans and advances in stage 3 are considered credit-impaired and are classified with risk code 2 or 3, as, under the most likely scenario, a loss is expected.

68 Accounting Policies, cont.

The risk classification concepts are applied generally in the Jyske Bank Group's risk reports, and there are only minor differences between the Jyske Bank Group's accounting definition of credit-impaired loans (stage 3), the use of the default definition and the definition of non-performing. As the Jyske Bank Group has aligned the entry criteria for stage 3 default and non-performing, only the different exit criteria and quarantine periods associated with the individual risk classification concepts constitute the difference. The concepts of default and non-performing are used in the Jyske Bank Group's capital statement and in its reporting to the authorities.

For detailed definitions of default, credit deterioration and risk classifications applied, please see note 50, the section on risk classifications on page 77.

Assessment of significant increase in credit risk
In the event of a significant increase in credit risk, loans and advances will be transferred to stage 2. Assessment of whether any significant increase in credit risk has taken place since the initial recognition is based on the following circumstances:

1. An increase in the PD for the expected remaining life of the financial asset by 100% and an increase in the 12-month PD of 0.5 percentage point when, at the initial recognition, the 12-month PD was below 1.0%.

2. An increase in the PD for the expected remaining life of the financial asset by 100% or an increase in the 12-month PD of 2.0 percentage points when, at the initial recognition, the 12-month PD was 1.0% or above.

3. Loans in arrears by 30 days or more.

4. The risk classification of the client, which among other things is based on an assessment of the client's ability and will to honour his payment obligations, possible arrears and/or changes to the initial assumptions on which the client relationship rests For instance, the development of a client's financial circumstances will be followed and assessed (income, assets/financial position, liquidity, leverage, any arrears, etc.) supplemented with monitoring of objective signs of danger.

Clients for which the credit risk has increased significantly and with a probability of default (PD above 5%) will be placed in the weak part of stage 2 together with loans and advances that have been classified with risk code 1 and with objective evidence of impairment. For loans and advances subject to objective evidence of impairment in stage 2, impairment charges will be calculated according to the principles applicable to loans and advances in stage 3.

If the Group's most likely scenario points to losses, the client is considered credit-impaired and will be ranked in stage 3. Clients in stage 3 are typically characterised by being in considerable financial difficulties, by breach of contract or by probable bankruptcy. A client is in considerable financial difficulties when, due to changes in its earnings, cash flow or capital/net assets, the most likely scenario assumes that the client cannot meet its obligations to the Jyske Bank Group. In addition, a client may be in considerable financial difficulties if other negative information implies that the Jyske Bank Group or other creditors must expect losses.

Hence, the Group's most important credit management tools are used directly in the segmentation and the determination of the expected future credit loss. Please see note 50 on risk classification, credit rating process and monitoring.

Statement of expected losses
The expected future loss is calculated on the basis of the probability of default (PD), the exposure at default (EAD) and the loss given default (LGD). These parameters rest on the Jyske Bank Group's advanced IRB set-up, which is based on the Group's experience of loss history.

and early repayment, among other things. These parameters are adjusted to IFRS 9 in a number of specific areas. The purpose of the adjustments is to ensure that the parameters reflect a current as well as true and fair picture that comprises available information and expectations of the future, including the Group's expectations of the real economy trends in GDP, unemployment, house prices, etc. Hence the parameters are adjusted to cover a longer time horizon. The projection allows for client-specific circumstances such as client segment, credit rating, industry, etc.

Advanced quantitative credit models are applied to all clients in stages 1 and 2 for which there is no evidence of credit impairment.

For most loans, the expected time to maturity is limited to the contractual time to maturity. However, for mortgage loans, allowances are made for expected early repayment. For revolving credit facilities, the expected remaining term is based on analyses of the term for credit-impaired clients. If a loan is secured in full in all scenarios, the impairment charge will generally be zero. This will typically be the case with exposures with a high overcollateralisation and/or fixed-value collaterals such as cash fixed properties.

The assessment of the indication of impairment for the weakest exposures in stages 2 and 3 is based on individual expert assessments of the probability-weighted expected loss. Expert assessments are made in sub-portfolios divided on Group units and relevant industry groups. In connection with the most important loans, an individual assessment of the scenarios is made, including definition of cash flows, security values and scenario probability. At the individual assessment, up to 13 scenarios are applied.

No significant changes were made to the impairment set-up during the financial year.

Write-offs
Loans are written off as a loss when there are no reasonable prospects of collecting the debt. Indications of this are, for instance bankruptcy and debt rescheduling. The Group still seeks to collect debts even though they are written off as losses.

Bonds at fair value
Bonds are recognised at fair value, which is the amount at which the bonds can be bought or sold in a transaction between independent parties. In an active market, the fair value is expressed in the form of a listed price. In a less active or inactive market, the fair value is determined on the basis of a value calculated by a model based on observable market data and recognised models, alternatively on the basis of the management's estimate corresponding to this.

Bonds at amortised cost
Bonds at amortised cost include investments that were acquired with the object of earning a return until maturity. They are measured initially at fair value corresponding to the sum paid plus directly attributable transaction costs and are subsequently measured at amortised cost.

Impairment charges are made in the same way as for loans and advances at amortised cost. If impairment charges cannot be measured reliably, fair value in the form of an observed market price is chosen.

Repos and reverse repos
Securities sold under repurchase agreements (repos) remain in the balance sheet under securities, carry interest and are subject to value adjustment. Amounts received are recognised as balances due to or from credit institutions.

Securities bought under reverse repurchase agreements (reverse repos) are recognised as loans and advances or balances due from credit institutions at amortised cost, and the return is recognised under interest income.

68 Accounting Policies, cont.

Financial instruments, trading portfolio

Financial instruments included in the trading portfolio are instruments which have been acquired with a view to generating a profit from short-term price or margin fluctuations, or instruments included in a portfolio characterised by short-term profit-taking. Assets in the trading portfolio comprise money-market instruments, other instruments of debt including acquired loans and equity instruments held by the Group. Liabilities in the trading portfolio comprise liabilities to deliver
money market instruments, other debt instruments and equity instruments sold short by the Group to a third party. Upon initial recognition, financial instruments are measured
at fair value with subsequent value adjustment in the Profit and Loss Account.

For initial and subsequent recognition, shares in sector-owned companies are measured at fair value. Unrealised gains and losses caused by changes in the fair values are recognised in the income statement.

Gains and losses upon disposal or repayment and unrealised gains and losses are recognised in the income statement.

Shares, etc.

Upon initial as well as subsequent recognition, shares are recognised at fair value, which is the amount at which the shares can be bought or sold in a transaction between independent parties.

In an active market, the fair value is expressed in the form of a listed price. In a less active or inactive market, the fair value is determined on the basis of a value calculated by a model
based on observable market data and recognised models, alternatively on the basis of the management's estimate corresponding to this.

The fair value of unlisted shares and other equity investments is calculated on the basis of available information about transactions, expected cash flows, etc. If a reliable fair value cannot be determined, shares will be recognised at cost less any impairment.

Investments in associated undertakings

An associate is an enterprise in which the Group holds a significant but not controlling interest, by participating in the company's financial and operational decision-making process, and which does not qualify as a subsidiary. Typically, significant interest is achieved when holding between 20% and 50% of the voting rights.

Equity investments in associates are recognised and measured in the consolidated accounts and the accounts of the parent company according to the equity method. Accordingly, the equity investments are measured at the pro rata share of the associates' equity value calculated in accordance with the Group's accounting policies with deduction or addition of unrealised intra-group profits and losses, respectively, and with the addition of the carrying amount of goodwill.

The pro rata share of the associates' results after tax and elimination of unrealised intra-group profit and loss less write-down for impairment of goodwill is recognised in the income statement. The pro rata share of all transactions and events recognised in the equity of the relevant associate is recognised in Group's and parent company's other comprehensive income.

Equity investments in group enterprises

A group enterprise is an enterprise in which the Group holds a controlling interest, cf. the paragraph on the consolidated financial statements.

Investments in group enterprises are recognised in the parent company's financial statements according to the equity method. A positive difference
between cost and the fair value of net assets at the time of acquisition of a group enterprise is recognised as goodwill under intangible assets.

Investments in joint ventures

A joint venture is a contractual relationship whereby the Group and other interested parties undertake a commercial activity of which they have joint control.

Investments in associates are recognised and measured in the consolidated accounts and the financial statements of the parent company according to the equity method, cf. the section on investments in associates.

Intangible assets

Intangible assets relate to the value of client relations acquired in connection with acquisitions and goodwill and IT development costs.

Client relationship

The value of the acquired client relationships is measured at cost less accumulated depreciation and impairment loss. The value of the acquired client relationships is depreciated over the estimated useful lives which do not exceed 7-10 years.

Goodwill

At initial recognition, goodwill is recognised in the balance sheet at cost. Subsequently, goodwill is measured at cost less accumulated impairment. Goodwill is not amortised. Goodwill is tested on an annual basis for indication of impairment and is written down to the recoverable amount in the income statement if the carrying amount is higher. The recoverable amount is calculated as the present value of the expected future net cash flow from the activity associated with goodwill.
Determination of cash-flow generating units follows the management structure and internal financial management. Management assesses the lowest level for cash-flow generating units to which the carrying amount of goodwill can be allocated.

Goodwill write-off is not reversed.

IT development costs

IT development costs are recognised at cost less accumulated amortisation and impairment. Amortisation is provided on a straight-line basis over an estimated useful life of maximum three years.

Land and buildings

Investment properties

Investment properties held for rental income and/or capital gain are recognised at fair value on the balance sheet date. Gains and losses attributable to changes in the fair value of investment properties are included in the result for the period during which they arise. Fair value is measured on the basis of the return method, where the measurement of fair value is carried out with the assistance of external experts.

Owner-occupied properties

Land and buildings for own use are recognised in the balance sheet at the restated value corresponding to the fair value on the date of the revaluation less subsequent depreciation and impairment.
Revaluation is made at a frequency deemed adequate to ensure that the carrying amount is not materially different from the presumed fair value on the balance sheet date. A reduction in the carrying amount as a result of the revaluation of land and buildings is charged to the income statement to the extent that the amount exceeds revaluation reserves under equity attributable to past revaluation of the asset. Any increase in value at revaluation of land and buildings is included in other comprehensive income, unless the increase offsets an impairment charge made earlier for the same asset which was previously recognised as an expense.

68 Accounting Policies, cont.

The valuation of selected land and buildings is carried out with the assistance of external experts. At the regular valuation of land and buildings, the value of a building is recognised on the basis of the return method in accordance with generally accepted standards. The value of the building is recognised at cash value before interest and depreciation. The operating income from the property includes rental income less maintenance costs, administrative costs and other operating costs. The required rate of return on a property is determined to best reflect the transactions undertaken until the date of valuation, and allowances are made for the individual property's location and level of maintenance as well as sales efforts within a reasonable time horizon. The required rate of return on property is discussed with local and national estate agents.

Initially, leased owner-occupied properties are recognised at the net present value of the lease liability inclusive of costs. Subsequently, leased owner-occupied properties are measured at cost less accumulated depreciation, amortisation and impairment.

Once a year, spot checks are made of a number of properties with the assistance of an external appraiser.

The depreciation of revalued buildings is recognised in the income statement. Upon the subsequent sale of a revalued building, any relevant revaluation reserves are transferred to Retained earnings.

Owner-occupied properties are depreciated on a straight-line basis over the estimated useful lives of the assets to the estimated residual value. Land is not depreciated. The following depreciation periods apply:

Buildings	max. 50 years
Residual value of buildings	max. 75%

Methods of depreciation, useful lives, residual values and indication of impairment are reviewed annually.

Other property, plant and equipment
Operating equipment, cars, tools and equipment and leasehold improvements are recognised at cost less accumulated impairment and depreciation. Depreciation is provided on a straight-line basis over an estimated useful life of typically three years. Leasehold improvements are depreciated over the lease term, yet not more than five years.

Methods of depreciation, useful lives, residual values and indication of impairment are reviewed annually. In the event of indications of impairment, depreciation is provided at the recoverable amount, which is the higher of that asset's value in use and its selling price.

Assets held temporarily with a view to sale
Assets held temporarily with a view to sale comprise properties acquired through foreclosure, equity investment and cars, etc. intended for sale shortly, as a sale is considered very likely. The item also covers owner-occupied properties, subsidiaries and disposal groups of assets, intended for sale shortly, and where a sale is very likely.

Assets held temporarily with a view to sale are recognised at the lower amount of the carrying amount at the time of the classification as assets held temporarily or the fair value less sales costs. No depreciation is recognised on the assets from the time when they are classified as assets held temporarily.

Other assets
Other assets comprise assets not recognised under other asset items, including positive fair value of derivatives, assets in pooled deposits as well as interest and commission receivable, etc.
Assets in pooled deposits are recognised at fair value.

Due to credit institutions and central banks
Balances due to credit institutions and central banks are recognised at fair value equal to payments received less directly attributable transaction costs incurred. Subsequently, the item is measured at amortised cost according to the effective interest method.

Deposits
Deposits comprise amounts received, including liabilities relating to genuine repos from counterparties who are not credit institutions or central banks. Deposits are recognised at fair value equal to payments received less directly attributable transaction costs incurred. Subsequently, deposits are measured at amortised cost according to the effective interest method.

Issued bonds at fair value
Issued mortgage bonds are recognised according to the settlement approach and measured at fair value through the income statement on initial and subsequent recognition. This takes place to eliminate financial inconsistency resulting from the purchase and sale of own mortgage bonds. Recognition in the income statement is made to eliminate accounting symmetry. The fair value is generally measured at prices of the underlying issued mortgage bonds quoted on a recognised stock exchange. If such a market price is not available for the preceding 7 days, a calculated price based on the official market rate will be applied for determining the value.

Mortgage bonds drawn for redemption and repayable immediately after the financial year end are measured at par.

The portfolio of own mortgage bonds is deducted.

Issued bonds and subordinated debt at amortised cost
Issued bonds and subordinated debt are recognised at fair value equal to payments received less directly attributable transaction costs incurred. Subsequently, issued bonds and subordinated debt are measured at amortised cost according to the effective interest method. When the interest-rate risk on fixed-rate issued bonds and subordinated debt
has been hedged efficiently through derivatives, the amortised cost is supplemented with the fair value of the hedged interest-rate risk.

Liabilities in disposal group with a view to sale
Liabilities in disposal groups are recognised at fair value and comprise the liabilities that are closely linked to disposal groups of assets awaiting sale within a short period of time and where a sale is very likely.

Other liabilities
Other liabilities comprise liabilities not recognised under other items under equity and liabilities, including liabilities from finance leases with lessees, acceptance of long-term letters of credit, negative fair value of derivatives as well as interest and commission payable, etc.

Provisions
Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, where resources embodying financial benefits are required to settle an obligation, and where a reliable estimate of the obligation can be made.

Provisions are measured as the best estimates of the cost of meeting liabilities on the balance sheet date. Provisions for debt expected to be payable later than 12 months after the balance sheet date are measured at present value, if of material importance, otherwise at cost.

68 Accounting Policies, cont.

Provisions for pension liabilities and the like are based on the actuarial present value of the expected benefit payments. The present value is calculated, among other things, on the basis of expected employee turnover, discount rate and rate of wage increase as well as the return on associated assets. The difference between the expected and the actual development in pension benefits will generate actuarial loss and gain which will be recognised under other comprehensive income.

For provisions for guarantees, loan commitments and unutilised loan commitments, reference is made to the section on financial guarantees and the section on loans and advances at amortised cost.

For provisions for deferred tax, reference is made to the section on tax.

Equity

Share capital is classified as equity where there is no obligation to transfer cash or other assets.

A proposed dividend is recognised as a liability when the motion has been approved at the Annual General Meeting. Dividend for the year is stated separately under equity.

The revaluation reserve relates to the revaluation of property, plant and equipment less deferred tax on the revaluation. A reserve is dissolved once the assets are sold or lapse.

Reserves according to the equity method include value adjustment of investments in associates and group enterprises.

The reserve is reduced by the distribution of dividend to the parent company and adjusted by other changes in equity in associates and group enterprises.

Retained earnings include non-distributed dividends from previous years.

Additional tier 1 capital with no maturity and with voluntary repayment of interest and principal is recognised under equity. Likewise, interest expenses relating to the issue are considered dividend. Interest is deducted from equity at the time of payment.

Own shares

Acquisition costs, consideration and dividend on own shares are recognised in retained earnings under equity. Capital reduction by cancellation of own shares reduces the share capital by an amount equal to the nominal value of the cancelled shares at the time of the registration of the capital reduction.

Contingent assets and contingent liabilities

Contingent assets and contingent liabilities comprise possible assets and liabilities originating from past events and the existence of which depends on the occurrence of future uncertain events not entirely within the control of the Jyske Bank Group.

Contingency assets are disclosed when the occurrence of an economic benefit is likely.

Contingency liabilities that can but most likely will not require a drain on the resources of the Jyske Bank Group are disclosed. Moreover, current liabilities that are not recognised as they are unlikely to cause a drain on the resources of the Jyske Bank Group or the extent of the liability cannot be measured reliably are disclosed.

Income statement

Interest income and interest expenses

Interest income and expenses on all interest-bearing instruments are recognised in the income statement according to the accruals concept at the effective interest rate based on the expected useful life of the relevant financial instrument. For floating-rate assets and liabilities the rate of interest applied is the rate that applies until the next interest-fixing date.

Interest includes amortised fees which are an integral part of the effective return on a financial instrument at amortised cost, including front-end fees.

Interest income includes administrative contributions from mortgage loans.

Interest on mortgage loans and issued mortgage bonds that are governed by the specific balance principle is recognised at the nominal rate of interest on the outstanding bond debt.

Interest on mortgage loans, issued mortgage bonds and relating derivatives that are governed by the general balance principle is recognised at the yield to maturity. Interest relating to the related derivatives is presented together with the interest on the issued mortgage bonds so that the net interest expenses on these are recognised as a whole under Interest expenses.

Negative interest income is recognised under interest expenses, while negative interest expenses are recognised under interest income. In the notes to interest income and interest expenses, negative interest is initially recognised under the original note item and is then transferred net between interest income and interest expenses at the bottom of the notes.

Fees received and paid

Income related to services rendered over a given period of time accrues over the service period. This includes guarantee commission and portfolio management fees. Other fees are recognised in the income statement once the transaction has been completed. This includes securities transaction and safe-custody fees as well as money transfer fees.

Value adjustments

All realised and unrealised value adjustments of assets, liabilities and derivatives measured at fair value as well are recognised under value adjustments. Exempt from these are value adjustment of credit risk on loans and advances recognised under loan impairment charges and provisions for guarantees. Furthermore, the earnings impact of exchange rate adjustments and hedge accounting of fair value is recognised.

Other operating income

Other income not attributable to other income statement items, inclusive of income relating to operational leases and the proceeds from the sale of leased assets, is recognised under Other operating income.

Employee and administrative expenses

Salaries and remuneration, etc. to employees and management as well as administrative expenses, including rent for leased premises, are recognised under Employee and administrative expenses. The expenses comprise among other things salaries, holiday payments and retirement remuneration, anniversary bonuses, pension plans and other long-term employee benefits.

Pension plans and other long-term employee benefits

The Group has entered into defined contribution pension plans with the majority of its employees.

Under defined contribution pension plans, the Group makes fixed contributions to an independent pension fund, etc. The Group is under no obligation to make further contributions. Contributions are included in the income statement over the vesting period.

68 Accounting Policies, cont.

Under defined benefit pension plans, the Group is obliged to pay a certain benefit when an employee retires. Liabilities in connection with defined benefit plans are automatically calculated by actuarially discounting pension liabilities to present value. The present value is calculated on the basis of assumptions relating to the future trend in interest rates, inflation, mortality and disablement.

Anniversary bonuses are recognised as the present value of the part of the overall liability which relates to the term during which the employees have been employed with the Group. Due consideration is paid to staff turnover, etc. The liability is recognised under Provisions for pensions and similar liabilities.

Other operating expenses
Other expenses not attributable to other income statement items, inclusive of Jyske Bank's proportionate share of statutory expenses for the Guarantee Fund for Depositors and Investors as well as the Resolution Fund, are recognised under Other operating expenses.

Earnings per share
Earnings per share is calculated by dividing the profit for the year exclusive of interest for additional tier 1 capital (AT1) by the weighted average number of shares in circulation during the financial year.

Diluted earnings per share are calculated in the same manner as earnings per share, but the decisive factors are adjusted to reflect the effect of all diluted share capital.

Comprehensive income
Comprehensive income comprises the profit for the period plus other comprehensive income relating to property revaluations, actuarial loss and gain and tax adjustments hereof.

Segment information
Information is stated for business sectors identified on the basis of internal management reports and accounting policies in accordance with IFRS 8. The segment information is based on the information used by the Group's highest-ranking decision-making officer for assessing results and allocating resources. Internal management reporting comprises the segments Banking activities, Mortgage activities, Leasing activities. Jyske Bank operates in the following geographical areas: Denmark and Germany

Core profit
Core profit is defined as the pre-tax profit exclusive of earnings from investment portfolios.

Investment portfolio earnings
The investment portfolio earnings consist of the return on the Group's own securities portfolio of tactical market risk positions (primarily interest-rate and currency risk risk exposures) and a smaller amount of bond investments. Investment portfolio earnings are calculated after expenses for funding and directly attributable costs.

Cash Flow Statement
The cash flow statement shows Group cash flows relating to operating, investing and financing activities for the year, changes in cash and cash equivalents for the financial year, and cash and cash equivalents at the beginning and end of the year. The Cash Flow Statement is presented in accordance with the indirect method based on the profit for the year.

Cash flows derived from operating activities are calculated as the profit for the year adjusted for non-cash operating items, changes in operating capital and paid corporate tax. Cash flows relating to investing activities include dividend received, purchase and sale of enterprises and non-current assets. Cash flows relating to financing activities include distribution and movements in equity and subordinated debt as well as repayment on lease commitment.

Cash and cash equivalents include cash and free balances due from credit institutions and central banks with an original time to maturity of less than three months.

European Single Electronic Format
According to EU regulation – EU 2019/815 on European Single Electronic Format (ESEF Regulation) – companies that report results according to IFRS and that issue listed securities must publish the annual reports approved by their supervisory boards in the ESEF format. This is solely a technical format, which allows financial statement users to read the financial statements in a browser (XHTML format) and to retrieve digitally certain details from the financial statements in the XBRL format. The following items in the consolidated financial statements have been marked up (iXBRL tags) for the ESEF taxonomy issued by the European Securities and Markets Authority (ESMA):

- Items in the income statement and other comprehensive income
- Items on the balance sheet
- statement of changes in equity
- cash flow statement

In addition, tagging comprises all notes of the consolidated financial statements and accounting policies. The mark-up has taken place in such a way that initially for each item, an assessment has been made of the relationship to the ESMA taxonomy, which is based on the IASB's IFRS taxonomy, and then a mark-up is made to the element in the taxonomy that is most relevant for the determination and assessment of the individual item. Mark-up requirements solely relate to items, notes and description of accounting policies at a consolidated level, and therefore these items in the parent company are not marked up. The financial statements have been published with the following file name: "3M5E1GQGKL17HI6CPN30-2022-12-31-da.zip".

ESEF Data

Company domicile	Denmark
Name of the Group's top parent company	Jyske Bank A/S
Description of the company's operations and primary activities	Financial business, banking operations
Country of registration	Denmark
Registered office	Denmark
Description of change of name of financial reporting company	N/A
Legal form of company	A/S
Name of financial reporting company	Jyske Bank A/S
Name of parent company	Jyske Bank A/S
Company's Head Office	Vestergade 8-16 DK-8600 Silkeborg

69 Definition of financial ratios

Financial ratios and key figures	Definition
Pre-tax profit, per share (DKK)	Pre-tax profit divided by the average number of outstanding shares during the year
Earnings per share (DKK)	Profit for the year divided by the average number of shares outstanding during the year
Profit for the year, per share (diluted) (DKK)	Profit for the year divided by the average number of shares outstanding during the year adjusted for the dilution effect of share options and conditional shares under share-based payment
Core profit per share (DKK)	Pre-tax profit, exclusive of the investment portfolio earnings, divided by the average number of outstanding shares during the year
Share price at year-end (DKK)	The closing price of the Jyske Bank share at year-end
Book value per share (DKK)	Equity at year-end exclusive of non-controlling interests divided by the number of shares outstanding at year-end
Price/book value per share (DKK)	The closing price of the Jyske Bank share at year-end divided by the book value per share at year-end.
Price/earnings per share	The closing price of the Jyske Bank share at year-end divided by the earnings per share at year-end
Proposed dividend per share (DKK)	Proposed dividend divided by number of shares, year-end
Distributed dividend per share (DKK)	Distributed dividend divided by number of shares, year-end
Capital ratio (%)	Capital base divided by weighted risk exposure
Tier 1 capital ratio (%)	Core capital including hybrid core capital after deductions divided by weighted risk exposure.
Common equity tier 1 capital ratio (%)	Core capital excluding hybrid core capital after deductions divided by weighted risk exposure.
Pre-tax profit as a pct. of average equity	Pre-tax profit divided by average equity during the year
Net profit as a percentage of average equity	Net profit divided by average equity during the year
Income/cost ratio (%)	Income divided by expenses inclusive of loan impairment charges and provisions for loss on guarantees
Interest-rate risk (%)	Interest-rate risk at year-end divided by core capital at year-end
Foreign-currency position (%)	Currency exposure indicator 1 at year-end divided by core capital after deductions at year-end
Currency risk (%)	Currency exposure indicator 2 at year-end divided by core capital after deductions at year-end
Liquidity Coverage Ratio (LCR) (%)	Liquid assets as a percentage of the net value of incoming and outgoing cash flows over a 30-day period in a stress situation.
Total large exposures (%)	The sum of the 20 largest exposures at year-end divided by the common equity tier 1 capital at year-end.
Accumulated impairment ratio (%)	Total of loan impairment charges and provisions for loss on guarantees at year-end divided by total loans, advances, guarantees, provisions and impairment charges at year-end Discount for acquired loans and advances is not included
Impairment ratio for the year (%)	The year's loan impairments charges and provisions for loss on guarantees divided by total loans, advances, guarantees, provisions and impairment charges at year-end
Increase in loans and advances for the year, excl. repo loans (%)	The increase in loans divided by opening loans. Recognised exclusive of repo loans
Loans and advances in relation to deposits	Total loans and advances at year-end divided by total deposits at year-end
Loans relative to equity	Loans and advances at year-end divided by equity at year-end
Return on capital employed	Net profit for the year divided by average total average assets
Number of full-time employees, year-end	Number of full-time employees (part-time employees translated into full-time employees) at year-end.
Number of full-time employees, average for the year	The average number of full-time employees (part-time employees translated into full-time employees) determined on the basis of the end-of-quarter statements

The financial ratios are based on the definitions and guidelines laid down by the Danish Financial Supervisory Authority.
Ratios are calculated as if additional tier 1 capital (AT1) is recognised as a liability.

Jyske Bank A/S

Note			Jyske Bank
	DKKm	2022	2021
	Income statement		
2	Interest income	4,715	3,177
3	Interest expenses	1,797	953
	Net interest income	2,918	2,224
	Dividends, etc.	87	50
4	Fees and commission income	3,243	3,075
	Fees and commission expenses	180	155
	Net interest and fee income	6,068	5,194
5	Value adjustments	-23	821
6	Other operating income	429	458
7	Employee and administrative expenses	4,525	4,482
21.22	Amortisation, depreciation and impairment charges	127	105
	Other operating expenses	101	66
9	Loan impairment charges	-390	-275
11	Profit on investments in associates and group enterprises	2,107	1,531
	Pre-tax profit	4,218	3,626
12	Tax	466	450
	Profit for the year	3,752	3,176
	Distributed to:		
	Total appropriation to shareholders' equity	3,605	3,000
	Holders of additional tier 1 capital (AT1)	147	176
	Total, end of year	3,752	3,176
	Statement of Comprehensive Income		
	Profit for the year	3,752	3,176
	Other comprehensive income:		
	Items that cannot be recycled to the income statement:		
	Revaluation of real property	13	6
	Tax on property revaluations over the year	-3	-1
	Actuarial losses and gains	86	12
	Tax on actuarial losses and gains	-19	-3
	Other comprehensive income after tax	77	14
	Comprehensive income for the year	3,829	3,190

Note		Jyske Bank	
	DKKm	2022	2021
	Balance Sheet		
	Assets		
	Cash balance and demand deposits with central banks	47,184	30,318
15	Due from credit institutions and central banks	8,599	9,268
9	Loans at fair value	3,919	1,771
9, 10	Loans and advances at amortised cost	204,645	142,804
16	Bonds at fair value	47,811	44,235
16	Bonds at amortised cost	40,411	27,703
18	Shares, etc.	2,080	2,554
19	Investments in associates	174	217
20	Equity investments in group enterprises	24,492	22,766
	Assets in pooled deposits	7,125	4,303
21	Intangible assets	3,326	0
22	Owner-occupied properties	1,569	1,578
22	Owner-occupied properties, leasing	292	370
23	Other property, plant and equipment	92	78
	Current tax assets	1,030	844
30	Deferred tax assets	20	21
	Assets held temporarily	10	4
24	Other assets	28,774	25,960
	Deferred income	122	85
	Total assets	421,675	314,879
	Debt and payables		
25	Due to credit institutions and central banks	28,665	25,057
26	Deposits	201,339	129,720
	Pooled deposits	7,178	4,337
	Issued bonds at amortised cost	95,435	73,124
27	Other liabilities	41,081	37,532
	Deferred income	22	19
	Total debt	373,720	269,789
	Provisions		
28	Provisions for pensions and similar liabilities	477	561
9	Provisions for guarantees	227	384
9	Provisions for credit commitments and unutilised credit lines	171	271
29	Other provisions	91	95
	Provisions, total	966	1,311
31	**Subordinated debt**	6,365	5,513
	Equity		
	Share capital	643	726
	Revaluation reserve	168	171
	Reserve according to the equity method	9,805	8,170
	Retained profit	26,707	25,844
	Jyske Bank A/S shareholders	37,323	34,911
	Holders of additional tier 1 capital (AT1)	3,301	3,355
	Total equity	40,624	38,266
	Total equity and liabilities	421,675	314,879
	Off-balance Sheet Items		
9, 32	Guarantees, etc.	16,368	20,667
33	Other contingent liabilities	72,688	64,725
	Total guarantees and other contingent liabilities	89,056	85,392

DKKm

Statement of Changes in Equity

	Share capital	Revaluation reserve	Reserve according to the equity method	Retained profit	Shareholders of Jyske Bank A/S	AT1 capital*	Total equity
Equity at 1 January 2022	726	171	8,170	25,844	34,911	3,355	38,266
Profit for the year	0	0	1,632	1,973	3,605	147	3,752
Other comprehensive income	0	-3	3	77	77	0	77
Comprehensive income for the year	0	-3	1,635	2,050	3,682	147	3,829
Interest paid on additional tier 1 capital	0	0	0	0	0	-144	-144
Currency translation adjustment	0	0	0	57	57	-57	0
Reduction of share capital	-83	0	0	83	0	0	0
Acquisition of own shares	0	0	0	-3,316	-3,316	0	-3,316
Sale of own shares	0	0	0	1,989	1,989	0	1,989
Transactions with owners	-83	0	0	-1,187	-1,270	-201	-1,471
Equity at 31 December 2022	**643**	**168**	**9,805**	**26,707**	**37,323**	**3,301**	**40,624**
Equity at 1 January 2021	726	200	6,905	25,494	33,325	3,307	36,632
Profit for the year	0	0	1,265	1,735	3,000	176	3,176
Other comprehensive income	0	-29	0	43	14	0	14
Comprehensive income for the year	0	-29	1,265	1,778	3,014	176	3,190
Redemption of AT! capital	0	0	0	0	0	-1,417	-1,417
Hybrid core capital issue	0	0	0	0	0	1,487	1,487
Transaction costs	0	0	0	-15	-15	0	-15
Interest paid on additional tier 1 capital	0	0	0	0	0	-176	-176
Currency translation adjustment	0	0	0	22	22	-22	0
Acquisition of own shares	0	0	0	-2,991	-2,991	0	-2,991
Sale of own shares	0	0	0	1,556	1,556	0	1,556
Transactions with owners	0	0	0	-1,428	-1,428	-128	-1,556
Equity at 31 December 2021	**726**	**171**	**8,170**	**25,844**	**34,911**	**3,355**	**38,266**

*Additional tier 1 capital (AT1) has no maturity. Payment of interest and repayment of principal are voluntary. Therefore additional tier 1 capital (AT1) is recognised as equity. In September 2016, Jyske Bank issued AT1 amounting to SEK 1.25bn and AT1 amounting to DKK 500m The AT1 issue with the possibility of early redemption in September 2021 at the earliest. The interest rates applicable to the issues are STIBOR+5.80% and CIBOR+5.30%, respectively, up to September2021 when the issues are redeemed. In September 2017, Jyske Bank issued AT1 amounting to EUR 150m with the possibility of early redemption in September 2027 at the earliest. The issue has a coupon of 4.75% until September 2027. In April 2019, Jyske Bank issued AT1 amounting to SEK 1bn with the possibility of early redemption in April 2024 at the earliest. The interest rate applicable to the issue until April 2024 is STIBOR+5%. In May 2021, Jyske Bank issued AT1 amounting to EUR 200m with the possibility of early redemption from 4 December 2028 at the earliest. The interest rate applicable to the issue until June 2029 is 3,625%. It applies to all AT1 issues that if the common equity tier 1 capital ratio of Jyske Bank A/S or the Jyske Bank Group falls below 7%, the loans will be written down.

Note	Jyske Bank

DKKm	2022	2021
Capital Statement		
Shareholders' equity	37,323	34,911
Share buy-back programme, non-utilised limit	0	-272
Intangible assets*	-3,326	0
Prudent valuation	-242	-272
Insufficient coverage of non-performing loans and guarantees	-48	-52
Other deductions	-93	-61
Common equity tier 1 capital	33,614	34,254
Additional tier 1 capital (AT1) after reduction	3,272	3,329
Core capital	36,886	37,583
Subordinated loan capital after reduction	6,178	5,275
Capital base	43,064	42,858
Weighted risk exposure involving credit risk, etc.	150,264	114,795
Weighted risk exposure involving market risk	8,903	11,086
Weighted risk exposure involving operational risk	12,865	10,249
Total weighted risk exposure	172,032	136,130
Capital requirement, Pillar I	13,763	10,890
Capital ratio (%)	25.0	31.5
Tier 1 capital ratio (%)	21.4	27.6
Common equity tier 1 capital ratio (%)	19.5	25.2

*Intangible assets consist of goodwill and client relations, cf. note 29 to the consolidated financial statements.

The capital statement was calculated according to Regulation (EU) No. 575/2013 of 26 June 2013 of the European Parliament and of the Council (CRR) with subsequent amendments.

For the determination of the individual solvency requirement, please see the report Risk and Capital Management 2022 and jyskebank.com/investorrelations/capitalstructure, which shows Jyske Bank's quarterly determination of the individual solvency requirement.

Risk and Capital Management 2022 was not covered by the audit.

Table of contents, notes section

1 Accounting policies

Basis of accounting

The financial statements of Jyske Bank A/S have been prepared in accordance with the Danish Financial Business Act, including the Danish Executive Order on Financial Reports for Credit Institutions, Stockbrokers, etc. The rules applying to recognition and measurement at Jyske Bank A/S are consistent with IFRS.

With respect to classification and extent, the preparation for Jyske Bank A/S differs from the preparation for the Group. Please see the full description of the Group's accounting policies in note 68.

Figures in the financial statements are in Danish kroner, rounded to the nearest million in Danish kroner.

For a 5-year summary of financial ratios and key figures, please see pages 137-138.

The accounting policies are identical to those applied to and described in the financial statements 2021.

Financial situation and risk information

Jyske Bank A/S is affected by the financial situation and the risk factors that are described in the management's review for the Group and reference is made to this.

On 1 December 2022, the Jyske Bank Group acquired Svenska Handelsbanken's Danish activities. Consequently, Jyske Bank A/S took over loans and advances worth DKK 41,879m and deposits of DKK 35,392m. See note 65 in the consolidated financial statements for further details in this respect.

	DKKm	2022	2021
2	Interest income		
	Due from credit institutions and central banks	171	-87
	Loans and advances	2,501	1,460
	Bonds	530	348
	Derivatives, total	666	182
	Of which currency contracts	620	294
	Of which interest-rate contracts	46	-112
	Total after offsetting of negative interest	3,868	1,903
	Negative interest income set off against interest income	175	385
	Negative interest expenses set off against interest expenses	672	889
	Total before offsetting of negative interest income	4,715	3,177
	Of which interest income on reverse repos carried under:		
	Due from credit institutions and central banks	1	-15
	Loans and advances	84	-166

Negative interest income amounted to DKK 175m (2021: DKK 385m) and related primarily to repo transactions. In the above table, negative interest income is set off against interest income. In the income statement, negative interest income is listed as interest expenses, and negative interest expenses are listed as interest income.

Note			Jyske Bank
	DKKm	2022	2021
3	**Interest expenses**		
	Due to credit institutions and central banks	107	37
	Deposits	-66	-583
	Issued bonds	762	102
	Subordinated debt	141	114
	Other interest expenses	7	9
	Total after offsetting of negative interest	951	-321
	Negative interest expenses set off against interest expenses	672	889
	Negative interest income set off against interest income	175	385
	Total before offsetting of negative interest income	1,798	953
	Of which interest expenses on reverse repos carried under:		
	Due to credit institutions and central banks	-9	-83
	Deposits	-2	-19

Negative interest expenses amounted to DKK 672m (2021: DKK 889m) and related primarily to repo and tri-party transactions. In the above table, negative interest expenses are set off against interest expenses. In the income statement, negative interest expenses are listed as interest income, and negative interest income is listed as interest expenses.

Note	DKKm	2022	2021
4	**Fees and commission income**		
	Securities trading and custody services	1,078	1,133
	Money transfers and card payments	289	251
	Loan application fees	167	113
	Guarantee commission	104	108
	Other fees and commissions	1,605	1,470
	Total, end of year	3,243	3,075
5	**Value adjustments**		
	Loans at fair value	-2	-6
	Bonds	-1,645	-379
	Shares, etc.	-2	219
	Currency	118	195
	Currency, interest-rate, share, commodity and other contracts as well as other derivatives	1,085	612
	Assets in pooled deposits	-674	528
	Pooled deposits	674	-528
	Other assets	15	27
	Issued bonds	202	106
	Other liabilities	206	47
	Total, end of year	-23	821
6	**Other operating income**		
	Income on real property	46	49
	Profit on the sale of property, plant and equipment	6	39
	Other ordinary income	377	370
	Total, end of year	429	458

Note			Jyske Bank
	DKKm	**2022**	2021
7	**Employee and administrative expenses**		
	Employee expenses		
	Wages and salaries, etc.	**2,164**	2,078
	Pensions	**267**	250
	Social security	**319**	321
	Total, end of year	**2,750**	2,649
	Salaries and remuneration to management bodies		
	Executive Board	**38**	36
	Supervisory Board	**7**	7
	Shareholders' Representatives	**3**	3
	Total, end of year	**48**	46

For further details on and remuneration to the Supervisory Board and the Executive Board, please see note 12 in the consolidated financial statements, including the comments on the retirement remuneration for the Executive Board earned over the year.

Other administrative expenses		
IT	**1,272**	1,442
Other operating expenses	**66**	70
Other administrative expenses	**389**	275
Total, end of year	**1,727**	1,787
Total, end of year	**4,525**	4,482
Wages and salaries, etc.		
Wages and salaries and other short-term employee benefits	**2,156**	2,068
Other long-term employee benefits	**8**	10
Total, end of year	**2,164**	2,078
Number of employees		
Average number of employees for the financial year (full-time employees)	**3,146**	3,060
Remuneration of material risk takers		
Number of members	**89**	77
Number of members at year-end	**79**	72
Contractual remuneration	**103**	96
Variable remuneration	**3**	4
Pension	**10**	11

The group of material risk takers comprises employees (exclusive of the Executive Board) with a special impact on the bank's risk profile. The group does not participate in any incentive schemes. Remuneration is included in the period during which the employee was a material risk taker.

8	**Audit fees**		
	Total fee to Jyske Bank A/S's auditors elected at the Annual General Meeting	**12**	9
	Breakdown of audit fees:		
	Fee for statutory audit of the financial statements	**5**	3
	Fee for other assurance services	**1**	1
	Fee for tax advice	**0**	0
	Fee for other services	**6**	5

In addition to fees to the auditors elected at the Annual General Meeting, expenses were recognised for Internal Audit.

Fees for non-audit services rendered in 2022 cover review in connection with continual recognition of profit, submission of various statutory declarations, assistance for validation of the bank's credit models and assistance and preparation of various statements in relation to the acquisition of Svenska Handelsbanken's Danish activities.

9	DKKm	2022	2021
9	**Loan impairment charges and provisions for guarantees**		
	Loan impairment charges and provisions for guarantees recognised in the income statement		
	Loan impairment charges and provisions for guarantees for the year	-195	-171
	Impairment charges on balances due from credit institutions for the year	-5	-6
	Provisions for loan commitments and unutilised credit lines in the year	-100	-26
	Recognised as a loss, not covered by loan impairment charges and provisions	68	40
	Recoveries	-136	-104
	Recognised discount for acquired loans*	-22	-8
	Loan impairment charges and provisions for guarantees recognised in the income statement	-390	-275
	Balance of loan impairment charges and provisions for guarantees		
	Balance of loan impairment charges and provisions, beginning of period	3,471	3,813
	Loan impairment charges and provisions for the year	-295	-198
	Recognised as a loss, covered by loan impairment charges and provisions	-260	-190
	Other movements	68	46
	Balance of loan impairment charges and provisions, end of period	2,984	3,471
	Loan impairment charges and provisions for guarantees at amortised cost	2,581	2,814
	Loan impairment charges at fair value	5	2
	Provisions for guarantees	227	384
	Provisions for credit commitments and unutilised credit lines	171	271
	Balance of loan impairment charges and provisions, end of period	2,984	3,471

* The discount balance for loans and advances taken over amounts to the expected credit losses at the initial recognition at fair value. Subsequent positive changes to the expected credit losses during the term are recognise as income and stated under loan impairment charges and provisions for guarantees.

The discount balance for loans and advances taken over is not included in the balance of loan impairment charges and provisions for guarantees.

DKKm

9 Loan impairment charges and provisions for guarantees, cont.

Balance of loan impairment charges and provisions for guarantees by stage – total

Balance of loan impairment charges and provisions for guarantees by stage – total	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Balance, beginning of 2022	663	462	2,346	0	**3,471**
Transfer of impairment charges at beginning of period to stage 1	204	-175	-29	0	**0**
Transfer of impairment charges at beginning of period to stage 2	-45	125	-80	0	**0**
Transfer of impairment charges at beginning of period to stage 3	-9	-30	39	0	**0**
Impairment charges relating to new portfolio	54	0	0	1	**55**
Impairment charges on new loans, etc.	160	41	158	0	**359**
Impairment charges on discontinued loans and provisions for guarantees	-215	-100	-348	0	**-663**
Effect from recalculation	-293	437	-122	0	**22**
Previously recognized as impairment charges, now final loss	-1	0	-259	0	**-260**
Balance, end of 2022	518	760	1,705	1	**2,984**

Balance of loan impairment charges and provisions for guarantees by stage – total	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Balance, beginning of 2021	581	698	2,534	0	**3,813**
Transfer of impairment charges at beginning of period to stage 1	109	-90	-19	0	**0**
Transfer of impairment charges at beginning of period to stage 2	-53	137	-84	0	**0**
Transfer of impairment charges at beginning of period to stage 3	-2	-212	214	0	**0**
Impairment charges on new loans, etc.	265	69	249	0	**583**
Impairment charges on discontinued loans and provisions for guarantees	-158	-144	-553	0	**-855**
Effect from recalculation	-79	4	195	0	**120**
Previously recognized as impairment charges, now final loss	0	0	-190	0	**-190**
Balance, end of 2021	663	462	2,346	0	**3,471**

In general, impairment charges at Jyske Bank A/S still developed favourably in 2022.
This resulted in a decline in the balance of impairment charges, and it was also reflected in the stage migrations, which were small and showed a trend towards improving credit quality.
The transfer of impairment charges from stage 2 to stage 3 is relatively small and primarily covers few client relations.
Impairment charges relating to new portfolio relate to the acquisition of Handelsbanken.
The items of new loans and advances, etc. and discontinued loans and advances, etc. were affected by natural refinancing and remortgaging. The period only saw minor model adjustments, and the write-offs of losses are at a low level.

Gross loans and advances rose in 2022 due primarily to the take-over of Handelsbanken's Danish portfolio. Primarily stage-1 loans and only a small proportion of the acquired loans is credit-impaired at first recognition.
In the other portfolio, loans dropped back slightly in stages 1 and 2 whereas loans increased slightly in stage 3. The increase in stage-3 loans was, among other things, caused by the FSA's clarification that repeated overdrafts must be considered a breach of contract, with resulting ranking at stage 3.

DKKm

9 Loan impairment charges and provisions for guarantees, cont.

Balance of impairment charges by stage - loans at amortised cost	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Balance, beginning of 2022	484	316	2,014	0	2,814
Transfer of impairment charges at beginning of period to stage 1	139	-115	-24	0	0
Transfer of impairment charges at beginning of period to stage 2	-41	109	-68	0	0
Transfer of impairment charges at beginning of period to stage 3	-7	-26	33	0	0
Impairment charges relating to new portfolio	33	0	0	0	33
Impairment charges on new loans, etc.	114	17	75	0	206
Impairment charges on discontinued loans and provisions for guarantees	-125	-62	-236	0	-423
Effect from recalculation	-215	448	-131	0	102
Previously recognized as impairment charges, now final loss	-1	0	-150	0	-151
Balance, end of 2022	381	687	1,513	0	2,581

Balance of impairment charges by stage - loans at amortised cost	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Balance, beginning of 2021	427	559	2,243	0	3,229
Transfer of impairment charges at beginning of period to stage 1	82	-66	-16	0	0
Transfer of impairment charges at beginning of period to stage 2	-38	114	-76	0	0
Transfer of impairment charges at beginning of period to stage 3	-2	-181	183	0	0
Impairment charges on new loans, etc.	157	37	62	0	256
Impairment charges on discontinued loans and provisions for guarantees	-83	-120	-337	0	-540
Effect from recalculation	-59	-27	144	0	58
Previously recognized as impairment charges, now final loss	0	0	-189	0	-189
Balance, end of 2021	484	316	2,014	0	2,814

Balance of impairment charges by stage – loans at fair value	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Balance, beginning of 2022	1	1	0	0	2
Transfer of impairment charges at beginning of period to stage 1	0	0	0	0	0
Transfer of impairment charges at beginning of period to stage 2	0	0	0	0	0
Transfer of impairment charges at beginning of period to stage 3	0	0	0	0	0
Impairment charges relating to new portfolio	0	0	0	0	0
Impairment charges on new loans, etc.	2	0	2	0	4
Impairment charges on discontinued loans and provisions for guarantees	-1	0	0	0	-1
Effect from recalculation	0	0	0	0	0
Previously recognized as impairment charges, now final loss	0	0	0	0	0
Balance, end of 2022	2	1	2	0	5

Balance of impairment charges by stage – loans at fair value	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Balance, beginning of 2021	0	1	0	0	1
Transfer of impairment charges at beginning of period to stage 1	0	0	0	0	0
Transfer of impairment charges at beginning of period to stage 2	0	0	0	0	0
Transfer of impairment charges at beginning of period to stage 3	0	0	0	0	0
Impairment charges on new loans, etc.	1	0	0	0	1
Impairment charges on discontinued loans and provisions for guarantees	0	0	0	0	0
Effect from recalculation	0	0	0	0	0
Previously recognized as impairment charges, now final loss	0	0	0	0	0
Balance, end of 2021	1	1	0	0	2

DKKm

9 Loan impairment charges and provisions for guarantees, cont.

Balance of provisions by stage - guarantees and loan commitments	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Balance, beginning of 2022	176	145	334	0	655
Transfer of impairment charges at beginning of period to stage 1	66	-61	-5	0	0
Transfer of impairment charges at beginning of period to stage 2	-4	16	-12	0	0
Transfer of impairment charges at beginning of period to stage 3	-1	-4	5	0	0
Impairment charges relating to new portfolio	21	0	0	1	22
Impairment charges on new loans, etc.	44	24	83	0	151
Impairment charges on discontinued loans and provisions for guarantees	-89	-38	-112	0	-239
Effect from recalculation	-78	-11	8	0	-81
Previously recognized as impairment charges, now final loss	0	0	-110	0	-110
Balance, end of 2022	135	71	191	1	398

Balance of provisions by stage - guarantees and loan commitments	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Balance, beginning of 2021	153	138	292	0	583
Transfer of impairment charges at beginning of period to stage 1	27	-24	-3	0	0
Transfer of impairment charges at beginning of period to stage 2	-16	23	-7	0	0
Transfer of impairment charges at beginning of period to stage 3	0	-31	31	0	0
Impairment charges on new loans, etc.	107	32	187	0	326
Impairment charges on discontinued loans and provisions for guarantees	-74	-24	-215	0	-313
Effect from recalculation	-21	31	50	0	60
Previously recognized as impairment charges, now final loss	0	0	-1	0	-1
Balance, end of 2021	176	145	334	0	655

Gross loans, advances and guarantees by stage	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Gross loans, advances and guarantees, 1 January 2022	156,186	7,695	4,561	0	168,442
Additions relating to new portfolio	41,796	0	0	83	41,879
Transfer of loans, advances and guarantees to stage 1	3,687	-3,609	-78	0	0
Transfer of loans, advances and guarantees to stage 2	-4,076	4,252	-176	0	0
Transfer of loans, advances and guarantees to stage 3	-466	-278	744	0	0
Other movements	18,708	-561	-723	0	17,424
Gross loans, advances and guarantees, 31 December 2022	215,835	7,499	4,328	83	227,745
Loan impairment charges and provisions for guarantees, total	444	716	1,653	0	2,813
Net loans, advances and guarantees, 31 December 2022	215,391	6,783	2,675	83	224,932

Gross loans, advances and guarantees by stage	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end
Gross loans, advances and guarantees, 1 January 2021	159,624	5,992	4,610	0	170,226
Transfer of loans, advances and guarantees to stage 1	1,044	-989	-55	0	0
Transfer of loans, advances and guarantees to stage 2	-4,241	4,428	-187	0	0
Transfer of loans, advances and guarantees to stage 3	-218	-1,119	1,337	0	0
Other movements	-23	-617	-1,144	0	-1,784
Gross loans, advances and guarantees, 31 December 2021	156,186	7,695	4,561	0	168,442
Loan impairment charges and provisions for guarantees, total	546	367	2,287	0	3,200
Net loans, advances and guarantees, 31 December 2021	155,640	7,328	2,274	0	165,242

DKKm

9 Loan impairment charges and provisions for guarantees, cont.

Loans, advances and guarantees by stage and internal rating - gross before impairment charges and provisions

		31 December 2022					31 Dec. 2021
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end	Year-end
1	0.00 - 0.10	53,977	85	0	0	**54,062**	48,683
2	0.10 - 0.15	16,804	11	0	0	**16,815**	14,862
3	0.15 - 0.22	21,455	33	0	0	**21,488**	14,429
4	0.22 - 0.33	27,538	23	0	0	**27,561**	13,195
5	0.33 - 0.48	14,799	115	0	0	**14,914**	21,461
STY Ratings 1 – 5		134,573	267	0	0	**134,840**	112,630
6	0.48 - 0.70	26,183	218	0	0	**26,401**	17,271
7	0.70 - 1.02	15,430	638	0	0	**16,068**	7,412
8	1.02 - 1.48	19,471	272	0	0	**19,743**	8,103
9	1.48 - 2.15	7,197	407	0	0	**7,604**	8,885
10	2.15 - 3.13	5,554	1,351	0	0	**6,905**	4,534
11	3.13 - 4.59	1,700	330	0	0	**2,030**	1,403
STY Ratings 6 – 11		75,535	3,216	0	0	**78,751**	47,608
12	4.59 - 6.79	1,306	734	0	0	**2,040**	1,110
13	6.79 - 10.21	1,023	628	0	0	**1,651**	319
14	10.21 - 25.0	532	2,447	0	0	**2,979**	1,330
STY Ratings 12-14		2,861	3,809	0	0	**6,670**	2,759
Other		2,747	30	0	0	**2,777**	776
Non-performing loans		119	177	4,328	83	**4,707**	4,669
Total		215,835	7,499	4,328	83	**227,745**	168,442

Loan impairment charges and provisions for guarantees by stage and internal rating

		31 December 2022					31 Dec. 2021
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end	Year-end
1	0.00 - 0.10	9	0	0	0	**9**	4
2	0.10 - 0.15	17	0	0	0	**17**	22
3	0.15 - 0.22	25	0	0	0	**25**	58
4	0.22 - 0.33	49	0	0	0	**49**	62
5	0.33 - 0.48	38	3	0	0	**41**	81
STY Ratings 1- 5		138	3	0	0	**141**	227
6	0.48 - 0.70	58	4	0	0	**62**	77
7	0.70 - 1.02	52	4	0	0	**56**	70
8	1.02 - 1.48	56	5	0	0	**61**	85
9	1.48 - 2.15	34	7	0	0	**41**	101
10	2.15 - 3.13	28	66	0	0	**94**	67
11	3.13 - 4.59	19	12	0	0	**31**	49
STY Ratings 6 – 11		247	98	0	0	**345**	449
12	4.59 - 6.79	30	25	0	0	**55**	57
13	6.79 - 10.21	12	36	0	0	**48**	28
14	10.21 - 25.0	4	508	0	0	**512**	134
STY Ratings 12-14		46	569	0	0	**615**	219
Other		11	6	0	0	**17**	13
Non-performing loans		2	40	1,653	0	**1,695**	2,292
Total		444	716	1,653	0	**2,813**	3,200

DKKm

9 Loan impairment charges and provisions for guarantees, cont.

Loan commitments and unutilised credit facilities by stage and internal rating

		31 December 2022					31 Dec. 2021
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end	Year-end
1	0.00 - 0.10	21,271	1	0	0	**21,272**	11,051
2	0.10 - 0.15	4,649	1	0	0	**4,650**	6,334
3	0.15 - 0.22	6,385	44	0	0	**6,429**	10,988
4	0.22 - 0.33	8,138	23	0	0	**8,161**	8,769
5	0.33 - 0.48	4,972	46	0	0	**5,018**	6,909
STY Ratings 1 – 5		45,415	115	0	0	**45,530**	44,051
6	0.48 - 0.70	7,564	38	0	0	**7,602**	5,141
7	0.70 - 1.02	4,888	215	0	0	**5,103**	5,619
8	1.02 - 1.48	5,193	25	0	0	**5,218**	4,382
9	1.48 - 2.15	1,543	74	0	0	**1,617**	2,715
10	2.15 - 3.13	990	190	0	0	**1,180**	920
11	3.13 - 4.59	666	92	0	0	**758**	469
STY Ratings 6 – 11		20,844	634	0	0	**21,478**	19,246
12	4.59 - 6.79	465	100	0	0	**565**	369
13	6.79 - 10.21	572	363	0	0	**935**	104
14	10.21 - 25.0	31	447	0	0	**478**	495
STY Ratings 12-14		1,068	910	0	0	**1,978**	968
Other		3,171	6	0	0	**3,177**	11
Non-performing loans		5	42	461	2	**510**	395
Total		70,503	1,707	461	2	**72,673**	64,671

Provisions for loan commitments and unutilised credit facilities by stage and internal rating

		31 December 2022					31 Dec. 2021
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Purchased or Originated Credit Impaired	Year-end	Year-end
1	0.00 - 0.10	2	0	0	0	**2**	1
2	0.10 - 0.15	4	0	0	0	**4**	3
3	0.15 - 0.22	6	0	0	0	**6**	13
4	0.22 - 0.33	7	0	0	0	**7**	17
5	0.33 - 0.48	7	1	0	0	**8**	16
STY Ratings 1 – 5		26	1	0	0	**27**	50
6	0.48 - 0.70	17	0	0	0	**17**	19
7	0.70 - 1.02	7	0	0	0	**7**	19
8	1.02 - 1.48	8	0	0	0	**8**	17
9	1.48 - 2.15	4	1	0	0	**5**	20
10	2.15 - 3.13	3	4	0	0	**7**	9
11	3.13 - 4.59	3	1	0	0	**4**	9
STY Ratings 6 – 11		42	6	0	0	**48**	93
12	4.59 - 6.79	2	2	0	0	**4**	4
13	6.79 - 10.21	3	11	0	0	**14**	3
14	10.21 - 25.0	0	15	0	0	**15**	58
STY Ratings 12-14		5	28	0	0	**33**	65
Other		1	0	0	0	**1**	0
Non-performing loans		0	9	53	0	**62**	63
Total		74	44	53	0	**171**	271

DKKm

10 Loans, advances and guarantees as well as loan impairment charges and provisions for guarantees by sector

Sector	Loans, advances and guarantees				Balance of loan impairment charges and provisions for guarantees		Loan impairment charges and provisions for guarantees for the year		Losses for the year	
	% 2022	% 2021	End of 2022	End of 2021	End of 2022	End of 2021	2022	2021	2022	2021
Public authorities	6	7	13,399	12,379	0	0	0	0	0	0
Agriculture, hunting, forestry, fishing	6	4	11,463	6,885	138	314	-159	-148	26	7
Fishing	2	1	4,147	1,673	18	3	15	2	0	0
Dairy farmers	0	0	443	431	58	166	-88	-54	25	0
Plant production	2	1	3,590	2,412	29	56	-30	-26	0	0
Pig farming	1	1	1,741	1,491	27	66	-39	-27	1	0
Other agriculture	1	1	1,542	878	6	23	-17	-43	0	7
Manufacturing, mining, etc.	5	4	12,259	7,344	176	395	-221	86	0	1
Energy supply	3	6	7,275	8,913	20	43	-23	-1	0	0
Building and construction	2	1	4,465	2,364	56	58	0	-26	8	7
Commerce	4	5	9,156	8,044	265	257	-1	17	2	3
Transport, hotels and restaurants	1	2	3,245	3,551	72	84	-17	-44	0	1
Information and communication	1	1	2,815	986	140	140	-5	-78	0	0
Finance and insurance	39	43	87,515	69,277	851	473	359	-80	44	90
Real property	12	8	24,615	14,157	109	267	-72	-75	114	40
Lease of real property	7	4	14,793	7,242	62	230	-69	-50	114	4
Buying and selling of real property	2	1	3,639	2,122	12	11	-1	-9	0	36
Other real property	3	3	6,183	4,793	35	26	-2	-16	0	0
Other sectors	4	3	10,107	5,330	181	131	54	1	18	12
Corporate Clients	77	77	172,915	126,851	2,008	2,162	-85	-348	212	161
Personal clients	17	16	38,618	26,012	804	1,038	-205	99	116	69
Unutilised credit lines and loan commitments	0	0	0	0	172	271	-100	-26	0	0
Total, end of year	100	100	224,932	165,242	2,984	3,471	-390	-275	328	230

Under loans and advances, reverse repo transactions amount to DKK 52,523m (2021: DKK 41,044m).

Note			Jyske Bank
	DKKm	2022	2021
11	**Profit on investments in associates and group enterprises**		
	Profit/loss on investments in associates	55	-3
	Profit/loss on investments in group enterprises	2,052	1,534
	Total, end of year	2,107	1,531
12	**Tax**		
	Current tax	477	431
	Change in deferred tax	-20	20
	Adjustment of tax for previous years	9	-1
	Total, end of year	466	450
	Effective tax rate		
	Danish tax rate	22.0	22.0
	Adjustments as regards previous years	0.2	-0.1
	Non-taxable income and non-deductible expenses, etc.	0.0	-0.2
	Change in tax rate	-0.1	0.0
	Effective tax rate	22.1	21.7
	Proportion included in income from subsidiaries	-11.0	-9.3
	Total, end of year	11.1	12.4
13	**Earnings per share**		
	Profit for the year	3,752	3,176
	Holders of additional tier 1 capital	147	176
	Proportion attributable to shareholders of Jyske Bank A/S	3,605	3,000
	Average number of shares, 1,000 shares	68,115	72,561
	Average number of own shares, 1,000 shares	-2,987	-1,813
	Average number of shares in circulation, 1,000 shares	65,128	70,748
	Average number of shares in circulation at end of period, 1,000 shares	64,264	67,840
	Earnings per share (EPS) DKK	55.35	42.41
	Earnings per share diluted (EPS-D) DKK	55.35	42.41
	Core earnings per share		
	Core profit	4,832	3,966
	Holders of additional tier 1 capital	147	176
	Core profit ex holders of additional tier 1 capital	4,685	3,790
	Average number of shares in circulation, 1,000 shares	65,128	70,748
	Core earnings (DKK) per share	71.95	53.57

DKKm

14 Contractual time to maturity, 2022

	On demand	Up to 3 months	3 months - 1 year	1-5 yrs	Over 5 years	Year-end
Assets						
Due from credit institutions and central banks	1,375	7,221	3	0	0	8,599
Loans at fair value	0	18	51	335	3,515	3,919
Loans and advances at amortised cost	10	93,204	46,050	23,074	42,307	204,645
Bonds at fair value	0	0	12,095	26,279	9,437	47,811
Bonds at amortised cost	0	2,983	3,479	25,950	7,999	40,411
Liabilities						
Due to credit institutions and central banks	10,511	8,376	7,529	2,249	0	28,665
Deposits	121,977	63,476	11,496	1,039	3,351	201,339
Issued bonds at amortised cost	0	53,131	17,914	20,672	3,718	95,435
Subordinated debt	0	149	86	33	6,097	6,365

Contractual time to maturity, 2021

	On demand	Up to 3 months	3 months - 1 year	1-5 yrs	Over 5 years	Year-end
Assets						
Due from credit institutions and central banks	421	8,594	253	0	0	9,268
Loans at fair value	0	18	25	159	1,569	1,771
Loans and advances at amortised cost	27	69,301	44,873	17,651	10,952	142,804
Bonds at fair value	0	542	8,824	23,218	11,651	44,235
Bonds at amortised cost	0	153	3,625	17,881	6,044	27,703
Liabilities						
Due to credit institutions and central banks	3,351	19,406	69	1,487	744	25,057
Deposits	108,730	8,075	8,665	967	3,283	129,720
Issued bonds at amortised cost	0	26,317	30,568	12,521	3,718	73,124
Subordinated debt	0	0	11	268	5,234	5,513

The above amounts are exclusive of interest.

		2022	2021
15	**Due from credit institutions and central banks**		
	Due from credit institutions	8,599	9,268
	Total, end of year	8,599	9,268
	Of which reverse repo transactions	2,380	1,360
16	**Bonds at fair value and amortised cost, total, measured at fair value**		
	Mortgage credit bonds	73,345	56,655
	Government bonds	3,367	4,971
	Other bonds	9,724	10,447
	Total, end of year	86,436	72,073
	Of which recognised at amortised cost.	40,411	27,703
	Fair value of bonds recognised at amortised cost,	38,625	27,839

17 **Collateral**

Jyske Bank receives and provides collateral in connection with money and securities clearing, outstanding accounts with central banks, repo and reverse repo transactions, tri-party agreements as well as fair value of derivatives covered by CSA agreements.

Provision of collateral is a regular part of business transactions and are carried out at market-consistent terms and conditions. Collateral is increased and reduced on an on-going basis as liabilities change.

Depending on agreements entered, collateral is provided and received with an owner's rights so that the recipient of collateral can sell this or use it to provide security for loans and other outstanding accounts.

Jyske Bank has deposited bonds with central banks and clearing houses, etc. in connection with clearing and settlement of securities and currency transactions as well as tri-party repo transactions totalling a market value of DKK 15,686m at the end of 2022 (2021: DKK 10,862m).

In addition, in connection with CSA agreements, Jyske Bank has provided cash collateral of DKK 6,836m (2021: DKK 7,535m) and bonds worth DKK 6,566m (2021: DKK 440m).

The conclusion of repo transactions, i.e. sale of securities involving agreements to repurchase them at a later point in time, implies that bonds with a market value of DKK 18,042m were provided (2021: DKK 21,061m) as collateral at end-2022 for the amount borrowed.

Due to reverse repos, i.e. purchase of securities involving agreements to resell them at a later point in time, Jyske Bank received the sold bonds as security for the amount that was lent. At the end of 2022, reverse repos amounted to DKK 54,902m (2021: DKK 42,917m).

In addition, in connection with CSA agreements, Jyske Bank received cash collateral of DKK 10,690m (2021: DKK 2,945m) and bonds worth DKK 2,712m (2021: DKK 3,057m).

Note	DKKm	2022	2021
18	**Shares, etc.**		
	Shares/investment fund units listed on Nasdaq Copenhagen A/S	717	813
	Shares/mutual fund certificates listed on other exchanges	10	139
	Unlisted shares are stated at fair value.	1,353	1,602
	Total, end of year	2,080	2,554
19	**Investments in associates and jointly controlled companies**		
	Total cost, beginning of period	257	261
	Additions	6	0
	Disposals	81	4
	Total cost, end of year	182	257
	Revaluations and impairment charges, beginning of period	-40	-37
	Revaluations and impairment charges for the year	55	-3
	Reversed write-ups and write-downs	-23	0
	Revaluations and impairment charges, end of period	-8	-40
	Recognised value, end of year	174	217

Note			Jyske Bank
	DKKm	2022	2021
20	**Equity investments in group enterprises**		
	Total cost, beginning of period	14,448	14,448
	Currency translation adjustment	0	0
	Additions	124	0
	Disposals	0	0
	Total cost, end of year	14,572	14,448
	Revaluations and impairment charges, beginning of period	8,318	7,045
	Currency translation adjustment	0	0
	Profit	2,052	1,537
	Dividend	453	270
	Other capital movements	3	6
	Reversed write-ups and write-downs	0	0
	Revaluations and impairment charges, end of year	9,920	8,318
	Recognised value, end of year	24,492	22,766
	of which credit institutions	22,159	20,798

		2022	2021
21	**Intangible assets**		
	Goodwill	2,841	0
	Client relationship	485	0
	Intangible assets, total	3,326	0

Reference is made to note 29 to the consolidated financial statements.

		2022	2021
22	**Owner-occupied properties, exclusive of leasing**		
	Restated value, beginning of period	1,578	1,736
	Additions during the year, including improvements	3	0
	Disposals for the year	17	154
	Depreciation and amortisation	8	8
	Positive changes in values recognised in other comprehensive income in the course of the year	13	9
	Negative changes in values recognised in other comprehensive income in the course of the year	0	2
	Positive changes in value recognised directly in the income statement during the year	0	1
	Negative changes in value recognised directly in the income statement during the year	0	4
	Restated value, end of period	1,569	1,578
	Cost less accumulated amortisation, depreciation and impairment charges	1,353	1,374
	Required rate of return	3%-10%	4.3%-10%
	Weighted average return applied	6.43%	6.41%

		2022	2021
23	**Other property, plant and equipment**		
	Total cost, beginning of period	1,092	1,051
	Additions	56	47
	Disposals	3	6
	Total cost, end of year	1,145	1,092
	Amortisation, depreciation and impairment charges, beginning of period	1,014	985
	Depreciation and amortisation for the year	39	31
	Reversed amortisation, depreciation and impairment	0	2
	Amortisation, depreciation and impairment charges, end of year	1,053	1,014
	Recognised value, end of year	92	78

Note			Jyske Bank
	DKKm	2022	2021
24	**Other assets**		
	Positive fair value of derivatives	26,879	25,111
	Interest and commission receivable	518	235
	Other assets	1,377	614
	Total, end of year	28,774	25,960
	Netting		
	Positive fair value of derivatives, etc., gross	65,702	36,958
	Netting of positive and negative fair value	38,823	11,847
	Total, end of year	26,879	25,111

Netting of fair value can be attributed to clearing of derivatives through a central clearing house (CCP clearing).

Note		2022	2021
25	**Due to credit institutions and central banks**		
	Due to central banks	10	10
	Due to credit institutions	28,655	25,047
	Total, end of year	28,665	25,057
	Of which repo transactions	14,230	18,705

Note		2022	2021
26	**Deposits**		
	Demand deposits	155,035	108,730
	Term deposits	748	1,136
	Time deposits	39,240	15,211
	Special deposits	6,316	4,643
	Total, end of year	201,339	129,720
	Of which repo transactions	4,241	2,494

Note		2022	2021
27	**Other liabilities**		
	Set-off entry of negative bond holdings in connection with repos/reverse repos	5,799	5,507
	Negative fair value of derivatives	27,412	25,966
	Lease commitment	313	385
	Other liabilities	7,557	5,674
	Total, end of year	41,081	37,532
	Netting		
	Negative fair value of derivatives, etc., gross	66,235	37,813
	Netting of positive and negative fair value	38,823	11,847
	Total, end of year	27,412	25,966

Netting of fair value can be attributed to clearing of derivatives through a central clearing house (CCP clearing).

Note			Jyske Bank
	DKKm	2022	2021
28	**Provisions for pensions and similar liabilities**		
	Provisions for pensions and similar liabilities		
	Provisions for defined benefit plans	419	507
	Provisions for long-term employee benefits	58	54
	Recognised in the balance sheet, end of year	477	561
	Provisions for defined benefit plans		
	Present value of pension plan obligations	492	584
	Fair value of pension plan assets	73	77
	Net liability recognised in the balance sheet	419	507
	Change in provisions for defined benefit plans		
	Provisions, beginning of period	584	610
	Costs for the current financial year	1	22
	Calculated interest expenses	18	3
	Actuarial losses/gains	-78	-8
	Pension payments	-33	-43
	Provisions, end of year	492	584
	Change in the fair value of pension plan assets		
	Assets, beginning of period	77	81
	Calculated interest on assets	3	1
	Return ex calculated interest on assets	0	2
	Pension payments	-7	-7
	Assets, end of year	73	77
	Pension costs recognised in the income statement		
	Costs for the current financial year	1	22
	Calculated interest related to liabilities	18	3
	Calculated interest on assets	-2	-1
	Total recognised defined benefit plans	17	24
	Total recognised defined contribution plans	250	226
	Recognised in the income statement	267	250

The expense is recognised under Employee and administrative expenses.

	Pension plan assets:		
	Shares	16	14
	Bonds	27	17
	Cash and cash equivalents	30	46
	Pension plan assets, total	73	77

Pension plan assets include 40,000 Jyske Bank shares (2021: 40,000 shares).
Measurement of all pension assets is based on quoted prices in an active market.

For further details, please see note 37 in the consolidated financial statements.

29	**Other provisions**		
	Provisions for litigation, beginning of period	95	77
	Additions	20	25
	Disposals inclusive of consumption	7	3
	Disposals exclusive of consumption	17	4
	Provisions for litigation, end of year	91	95

Other provisions relate to lawsuits. The provisions are expected, in essence, to be reduced to zero within a year.

DKKm		2022	2021
30	Provisions for deferred tax		
	Deferred tax		
	Deferred tax assets	20	21
	Deferred tax liabilities	0	0
	Net deferred tax	-20	-21

Change in deferred tax 2022	Beginning of period	Recognised in the net profit for the year	Recognised in other comprehensive income	Other adjustments	End of year
Bonds at amortised cost	-30	-1	0	0	-31
Intangible assets	0	-1	0	0	-1
Property, plant and equipment	173	10	3	0	186
Loans and advances, etc.	-15	-5	0	0	-20
Provisions for pensions	-124	-17	18	0	-123
Other	-25	-6	0	0	-31
Total, end of year	-21	-20	21	0	-20
Change in deferred tax 2021					
Bonds at amortised cost	-58	28	0	0	-30
Intangible assets	-1	1	0	0	0
Property, plant and equipment	180	-8	1	0	173
Loans and advances, etc.	-17	2	0	0	-15
Provisions for pensions	-129	2	3	0	-124
Other	-18	-5	0	-2	-25
Total, end of year	-43	20	4	-2	-21

Th corporate tax rate for financial institutions etc. will increase from 22% in 2022 to 25.2% in 2023 and 26% in 2024 and subsequent years. Deferred tax assets and obligations were at the end of 2022 adjusted accordingly.

Note	DKKm	2022	2021
31	**Subordinated debt**		
	Supplementary capital:		
	Var. % bond loan NOK 1,000m 24.03.2031	707	746
	Var. % bond loan SEK 1,000m 24.03.2031	669	726
	1.25% bond loan EUR 200m 28.01.2031	1,487	1,487
	2.25 % bond loan EUR 300m 05.04.2029	2,231	2,231
	6.73% bond loan EUR 6m 2023-2026	45	56
	Var. % bond loan EUR 10m 13.02.2023	74	74
	5.65% bond loan EUR 10m 27.03.2023	74	74
	5.67% bond loan EUR 10m 31.07.2023	74	74
	Var. bond loan SEK 600m 31.08.2032	402	0
	Var. bond loan NOK 400m 31.08.2032	283	0
	Var. bond loan DKK 400m 31.08.2032	400	0
	Subordinated debt, nominal	6,446	5,468
	Hedging of interest-rate risk, fair value	-81	45
	Total, end of year	6,365	5,513
	Subordinated debt included in the capital base	6,178	5,275

Supplementary bond loans in the amount of EUR 200m fall due on 28 January 2031 at the latest but can, subject to permission by the FSA, be redeemed at par as of 28 January 2026. The loan bears a fixed rate of interest until 28 January 2026, after which date the interest rate will be set for the next five years.

Supplementary bond loans in the amount of EUR 300m fall due on 05 April 2029 at the latest but can, subject to permission by the FSA, be redeemed at par as of 5 April 2024. The loan bears a fixed rate of interest until 05 April 2024, after which date the interest rate will be set for the next five years.

Supplementary bond loans in the amount of NOK 1,000m fall due on 24 March 2031 at the latest but can, subject to permission by the FSA, be redeemed at par as of 24 March 2026. The loan is a floating-rate loan, and the rate of interest is 3M Nibor + 128 bps throughout the term of the loan.

Supplementary bond loans in the amount of SEK 1,000m fall due on 24 March 2031 at the latest but can, subject to permission by the FSA, be redeemed at par as of 24 March 2026. The loan is a floating-rate loan, and the rate of interest is 3M Stibor + 125 bps throughout the term of the loan.

Supplementary bond loans in the amount of DKK 400m fall due on 31 August 2032 at the latest but can, subject to permission by the FSA, be redeemed at par as of 31 August 2027. The loan is a floating-rate loan, and the rate of interest is 3M Cibor + 245 bps throughout the term of the loan.

Supplementary bond loans in the amount of SEK 600m fall due on 31 August 2032 at the latest but can, subject to permission by the FSA, be redeemed at par as of 31 August 2027. The loan is a floating-rate loan, and the rate of interest is 3M Stibor + 300 bps throughout the term of the loan.

Supplementary bond loans in the amount of NOK 400m fall due on 31 August 2032 at the latest but can, subject to permission by the FSA, be redeemed at par as of 31 August 2027. The loan is a floating-rate loan, and the rate of interest is 3M Nibor + 305 bps throughout the term of the loan.

Cost relating to the addition and repayment of subordinated debt amount to DKK 4m (2021: DKK 5m)

32 Contingent liabilities

General
Jyske Bank's credit review of guarantee applicant takes into consideration the risk on guarantees. For 77% of Jyske Bank's guarantees, the contractual term to maturity is below one year; for 19%, the contractual terms to maturity is between 1 and 5 years; for 4%, the contractual term to maturity is above 5 years, compared to 75%, 21% and 4%, respectively, in 2021.

Financial guarantees are primarily payment guarantees, and the risk equals that involved in credit facilities.

Guarantees for losses on mortgage loans are typically provided as security for the most risky part of mortgage loans granted to personal clients and to a limited extent for loans secured on commercial real property. Guarantees for residential real property are within 80% and for commercial real property within 60%-80%, of the property value as assessed by a professional expert.

Registration and refinancing guarantees are provided in connection with the registration of new and refinanced mortgages. Such guarantees involve insignificant risk.

Other contingent liabilities include other forms of guarantees at varying degrees of risk, including performance guarantees. The risk involved is deemed to be less than the risk involved in, e.g., credit facilities subject to flexible drawdown.

Jyske Bank is also a party to a number of legal disputes arising from its business activities. Jyske Bank estimates the risk involved in each individual case and makes any necessary provisions which are recognised under contingent liabilities. Jyske Bank does not expect such liabilities to have material influence on Jyske Bank's financial position.

In 2021, the FSA performed a money-laundering inspection at Jyske Bank and in 2022, it published its report on the inspection relating primarily to a small number of home loans in Southern Europe.
Subsequently, the FSA informed Jyske Bank that it intended to file a police report on the Bank for the violation of provisions of the Danish anti-money laundering act on client due diligence procedures and duty of inspection. Jyske Banks estimates that there is a limited risk that the Bank has been exploited for money laundering, and Jyske Bank assesses to have a good understanding of the clients and the origin of the funds. Jyske Bank will cooperate with the police on all issues of the matter.
Jyske Bank does not expect that the matter will influence the Bank's financial position.

Because of its mandatory participation in the deposit guarantee scheme, the sector has paid an annual contribution of 2.5‰ of the covered net deposits until the assets of Pengeinstitutafdelingen (the financial institution fund) exceed 0.8% of the total net deposits covered, which level has been reached. According to Bank Package 3 and Bank Package 4, Pengeinstitutafdelingen bears the immediate losses attributable to covered net deposits and relating to the winding up of financial institutions in distress. Any losses in connection with the final winding up are covered by the Guarantee Fund's Afviklings- og Restruktureringsafdeling (settlement and restructuring fund), where Jyske Bank currently guarantees 7.64% of any losses.

The statutory participation in the resolution financing arrangements (Resolution Fund) as of June 2015 entailed that credit institutions pay an annual contribution over a 10-year period to a Danish national fund with a target size totalling 1% of the covered deposits. Credit institutions are to contribute according to their relative sizes and risk in Denmark, and the first contributions to the Resolution Fund were paid at the end of 2015. Jyske Bank expects having to pay a total of about DKK 375m over the 10-year period 2015-2024.

Due to Jyske Bank's membership of Foreningen Bankdata, the bank is - in the event of its withdrawal - under the obligation to pay an exit charge to Bankdata in the amount of about DKK 3.2m.

Jyske Bank A/S is assessed for Danish tax purposes jointly with all domestic subsidiaries which are part of the Jyske Bank Group. Jyske Bank A/S is the administration company of the joint taxation and has unlimited joint and several liability for the Danish corporation taxes of the joint taxation. Jyske Bank A/S and its most important subsidiaries are part of a joint VAT registration and is thus jointly and severally liable for the payment of VAT and payroll tax of the joint registration.

DKKm	2022	2021
Guarantees		
Financial guarantees	10,245	17,401
Guarantee for losses on mortgage credits	689	793
Registration and refinancing guarantees	58	174
Other contingent liabilities	5,376	2,299
Total, end of year	16,368	20,667

33 Other contingent liabilities

Loan commitments and unutilised credit facilities	72,673	64,671
Other	15	54
Total, end of year	72,688	64,725

DKKm	2022	2021
34 Transactions involving related parties		
Transactions with group enterprises		
Guarantees provided	414	419
Due from credit institutions	369	323
Loans and advances	23,975	22,419
Bonds	6,122	5,226
Due to credit institutions	24,428	10,112
Deposits	315	111
Derivatives, fair value	1,907	390
Interest income	153	31
Interest expenses	3	4
Fee income	1,964	1,945
Other operating income	362	372
Employee and administrative expenses	17	17
Transactions with associates		
Loans	0	47
Deposits	0	12
Other liabilities	71	66
Employee and administrative expenses	746	697

Group enterprises and associates as well as joint ventures are considered related parties. Reference is made to the Group chart, cf. note 66 to the consolidated financial statements.

Jyske Bank's Executive Board and Supervisory Board as well as their related parties are also considered related parties. Reference is made to note 62 to the consolidated financial statements.

Jyske Bank does not consider the Shareholders' Representatives a restricted management body.

Jyske Bank is the banker of a number of related parties, and Jyske Bank is part of a joint funding cooperation scheme with Jyske Realkredit. Other transactions between related parties are characterised as ordinary financial transactions and services of an operational nature.

Transactions between Jyske Bank and group enterprises and associates as well as joint ventures are entered into on an arm's length or at cost.

Transactions between Jyske Bank and other related parties were executed on an arm's length basis. This also holds for the rates of interest and commission charges.

DKKm

35 Hedge accounting

2022	Amortised cost/ Nominal value	Carrying amount	Accumulated carrying amount fair value adjustment	Profit/loss for the year
Interest-rate risk on fixed-rate liabilities				
Issued bonds	12,459	12,304	155	202
Subordinated debt	2,380	2,298	82	126
Due to credit institutions	744	673	71	81
Total, end of year	**15,583**	**15,275**	**308**	**409**
Derivatives, swaps				
Swaps, hedging issued bonds	12,459	-161	-161	-207
Swaps, hedging subordinated debt	2,380	-81	-81	-122
Swaps, hedging debt to credit institutions	744	-68	-68	-77
Total, end of year	**15,583**	**-310**	**-310**	**-406**
2021				
Interest-rate risk on fixed-rate liabilities				
Issued bonds	6,175	6,222	-47	107
Subordinated debt	2,380	2,423	-44	35
Due to credit institutions	744	753	-10	18
Total, end of year	**9,299**	**9,398**	**-101**	**160**
Derivatives, swaps				
Swaps, hedging issued bonds	6,175	46	46	-98
Swaps, hedging subordinated debt	2,380	41	41	-40
Swaps, hedging debt to credit institutions	744	9	9	-18
Total, end of year	**9,299**	**96**	**96**	**-156**

Reference is made to note 58 to the consolidated financial statements.

DKKm

36 Derivatives

Both its clients and Jyske Bank itself use derivatives to hedge against and manage market risk. Market risk on derivatives is included in the Group's measurement of market risk. Credit risk in connection with derivatives is calculated for each counterparty and is included in Jyske Bank's overall credit risk management. Subject to specific bilateral agreement, netting of the credit risk associated with derivatives is undertaken for each counterparty.

2022	Net fair value				Fair value			Principal amounts, total
	Up to 3 months	Over 3 months and up to 1 year	Over 1 year and up to 5 years	Over 5 years	Assets	Liabilities	Net	Nominal value
Currency contracts	-917	-356	-980	-61	11,841	14,155	-2,314	952,975
Interest-rate contracts	43	70	1,924	243	51,695	49,415	2,280	1,528,857
Share contracts	6	0	0	0	26	20	6	62
Commodity contracts	9	-539	31	0	2,093	2,593	-500	109
Total, end of year	-859	-825	975	182	65,655	66,183	-528	2,482,003
Outstanding spot transactions					47	52	-5	30,768
CCP netting					-38,823	-38,823	0	0
Total after CCP netting					26,879	27,412	-533	2,512,771

2021	Net fair value				Fair value			Principal amounts, total
	Up to 3 months	Over 3 months and up to 1 year	Over 1 year and up to 5 years	Over 5 years	Assets	Liabilities	Net	Nominal value
Currency contracts	426	-209	-205	-9	6,722	6,719	3	899,559
Interest-rate contracts	-277	26	173	-1,007	27,639	28,724	-1,085	1,340,527
Share contracts	-7	0	0	0	11	18	-7	109
Commodity contracts	231	-88	80	0	2,559	2,336	223	77
Total, end of year	373	-271	48	-1,016	36,931	37,797	-866	2,240,272
Outstanding spot transactions					27	16	11	39,244
CCP netting					-11,847	-11,847	0	0
Total after CCP netting					25,111	25,966	-855	2,279,516

DKKm

37 Key figures and ratios, 5 years

SUMMARY OF INCOME STATEMENT	2022	2021	Index 22/21	2020	2019	2018
Net interest income	2,918	2,224	131	2,232	2,357	2,785
Dividends, etc.	87	50	174	41	36	107
Net fee and commission income	3,063	2,920	105	2,578	2,809	1,894
Net interest and fee income	6,068	5,194	117	4,851	5,202	4,786
Value adjustments	-23	821	-	307	176	426
Other operating income	429	458	94	380	395	882
Operating expenses, depreciation and amortisation	4,753	4,653	102	4,590	4,683	4,639
Of which staff and administrative expenses	4,525	4,482	101	4,397	4,542	4,532
Loan impairment charges	-390	-275	142	361	-123	32
Profit on investments in associates and group enterprises	2,107	1,531	138	1,184	1,453	1,374
Pre-tax profit	4,218	3,626	116	1,771	2,666	2,797
Tax	466	450	104	162	226	297
Profit for the year	3,752	3,176	118	1,609	2,440	2,500

BALANCE SHEET, END OF PERIOD	2022	2021	Index 22/21	2020	2019	2018
Loans	208,564	144,575	144	147,987	149,397	136,832
- bank loans	156,041	103,531	151	96,028	103,134	110,719
- repo loans	52,523	41,044	128	51,959	46,263	26,113
Deposits	208,517	134,057	156	136,771	140,040	143,579
- bank deposits	181,998	117,026	156	123,208	122,542	126,808
- repo deposits and tri-party deposits	19,341	12,694	152	9,492	13,296	12,965
- pooled deposits	7,178	4,337	166	4,071	4,202	3,806
Issued bonds	95,435	73,124	131	63,697	38,556	35,039
Subordinated debt	6,365	5,513	115	5,821	4,327	4,319
Holders of additional tier 1 capital	3,301	3,355	98	3,307	3,257	2,546
Shareholders' equity	37,323	34,911	107	33,325	32,453	31,786
Total assets	421,675	314,879	134	335,402	304,100	278,570

Key figures and ratios, 5 years, cont.	2022	2021	2020	2019	2018
Pre-tax profit, per share (DKK)*	62.51	48.77	21.98	31.87	31.67
Earnings per share (DKK)*	55.35	42.41	19.76	29.00	28.15
Earnings per share (diluted) (DKK)*	55.35	42.41	19.76	29.00	28.15
Core profit per share (DKK)*	71.95	53.57	27.40	37.79	29.76
Share price at end of period (DKK)	451	337	233	243	235
Book value per share (DKK)*	581	515	459	434	390
Price/book value per share (DKK)*	0.78	0.65	0.51	0.56	0.60
Price/earnings per share*	8.1	7.9	11.8	8.4	8.4
Proposed dividend per share (DKK)	0	0	0	0	6.12
Distributed dividend per share (DKK)	0	0	0	0	11.74
Capital ratio (%)	25.0	31.5	32.8	31.5	29.2
Tier 1 capital ratio (%)	21.4	27.6	28.6	28.4	26.3
Common equity tier 1 capital ratio (%)	19.5	25.2	25.7	25.5	24.0
Pre-tax profit as a pct. of average equity*	11.3	10.1	4.9	7.8	8.4
Net profit as a percentage of average equity*	10.0	8.8	4.4	7.1	7.6
Income/cost ratio (%)	2.0	1.8	1.4	1.6	1.6
Interest-rate risk (%)	2.4	1.0	0.6	0.4	0.8
Currency position	3.2	2.7	5.0	13.1	8.6
Currency risk (%)	0.0	0.0	0.1	0.0	0.1
Liquidity Coverage Ratio (LCR) (%)	430	416	385	228	171
Total large exposures (%)	116	110	82	84	76
Accumulated impairment ratio (%)	1.2	1.9	2.1	2.1	2.5
Impairment ratio for the year (%)	-0.2	-0.2	0.2	-0.1	0.0
Increase in loans and advances for the year, excl. repo loans (%)	50.7	7.8	-6.9	-6.8	-4.0
Loans and advances in relation to deposits	1.0	1.1	1.1	1.1	1.0
Loans relative to equity	5.1	3.8	4.0	4.2	4.0
Return on capital employed	0.9	1.0	0.5	0.8	0.9
Number of full-time employees, year-end	3,642	3,020	3,109	3,300	3,372
Average number of full-time employees in year	3,146	3,060	3,210	3,353	3,444

The financial ratios are based on the definitions and guidelines laid down by the Danish Financial Supervisory Authority, cf. note 68 to the consolidated financial statements.
* Ratios are calculated as if additional tier 1 capital (AT1) is recognised as a liability.

Statement by the Executive and Supervisory Boards

We have today discussed and approved the Annual Report of Jyske Bank A/S for the accounting year 1 January to 31 December 2022.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Parent's financial statements have been prepared in accordance with the Danish Financial Business Act. Further, the Annual Report has been prepared in accordance with the additional Danish disclosure requirements for listed financial companies.

In our opinion, the consolidated financial statements and the Parent's financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2022 and of their financial performance and cash flows for the financial year 1 January to 31 December 2022.

In our opinion, the Management's Review gives a fair presentation of the development in the Group's and the Parent's performance and financial position, the net profit or loss for the year and the Group's and the Parent's financial position as a whole as well as a description of the most material risks and elements of uncertainty that may affect the Group and the Parent.

In our opinion, the Annual Report for the financial year 1 January to 31 December 2022, with the following file name: " 3M5E1GQGKL17HI6CPN30-2022-12-31-da.zip", has in all material respects been prepared in accordance with the ESEF regulation.

The Annual Report is recommended for adoption at the Annual General Meeting.

Silkeborg, 28 February 2023

EXECUTIVE BOARD

ANDERS DAM
Managing Director and CEO

NIELS ERIK JAKOBSEN

PETER SCHLEIDT

PER SKOVHUS

/JENS BORUM
Director, Finance

SUPERVISORY BOARD

KURT BLIGAARD PEDERSEN
Chairman

KELD NORUP
Deputy Chairman

RINA ASMUSSEN

ANKER LADEN-ANDERSEN

BENTE OVERGAARD

PER SCHNACK

JOHNNY CHRISTENSEN
Employee Representative

MARIANNE LILLEVANG
Employee Representative

MICHAEL C. MARIEGAARD
Employee Representative

Independent Auditors' Report

To the shareholders of Jyske Bank A/S

Independent auditor's report on the consolidated financial statements and the parent company financial statements

Audit opinion

We have audited the consolidated financial statements and the parent company financial statements of Jyske Bank A/S for the financial year 1 January – 31 December 2022, which comprise statement of comprehensive income, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for listed financial institutions, and the Parent's financial statements are prepared in accordance with the Danish Financial Business Act.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group at 31 December 2022 and of the results of the Group's operations and cash flows for the financial year 1 January – 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for listed financial companies.

Further, in our opinion, the financial statements give a true and fair view of the Parent Company's financial position at 31 December 2022 and of the results of the Parent Company's operations for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Business Act.

Our audit opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

Appointment of auditor

We were initially appointed as auditor of Jyske Bank A/S on 16 June 2020 for the financial year 2020. We have been reappointed annually by resolution of the general meeting for a total consecutive period of 3 years up until the financial year 2022.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2022. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Measurement of loans, advances and guarantees

A material part of the Group's assets consists of loans and advances, which are associated with risks of loss in the event of the client's inability to pay. In addition, guarantees and other financial products are also associated with risks of loss.

The Group's total loans amounted to DKK 541,682m at 31 December 2022 (DKK 485,214m at 31 December 2021), and the total impairment charges and provisions for expected credit losses amounted to DKK 4.741m at 31 December 2022 (DKK 5.443m at 31 December 2021).

In our assessment, the Group's statement of loan impairment charges and provisions for losses on guarantees, etc. constitute a key audit matter, as the statement involves material amounts and management's estimates. This relates in particular to the determination of the probability of default, staging assessment and an assessment of indication of credit impairment, realisable value of collateral received as well as the customer's ability to pay in case of default.

Large exposures and exposures with high risk are assessed individually, while small exposures and exposures with low risk are determined on the basis of models for expected credit losses that involve management's estimates in connection with the establishment of methods and parameters for the determination of the expected loss. The Group recognizes additional impairment charges based on management's estimates in such situations where the impairment charges calculated by models and determined individually have not yet been estimated to reflect specific risks of loss.

Reference is made to the notes [14, 50 and 68] of the financial statements, where the Group's and the Bank's credit risks, accounting policies as well as uncertainties and estimates that may affect the statement of expected credit losses are describes.

The audit treatment of the issue
Based on our risk assessment and knowledge of the industry, we have performed the following audit procedures relating to measurement of loans, advances and guarantees:

- Assessment of the Group's methods for stating expected credit losses, including an assessment as to whether methods applied for model-based and individual statements of expected credit losses are in accordance with the accounting rules.
- Test of the Group's procedures and internal controls, including tests relating to the monitoring of exposures, staging assessment, registration of indication of credit impairment as well as registration and valuation of collateral values.
- Sample testing among the largest and most risky exposures, including credit-impaired exposures, for i.e. correct risk classification and identification of objective evidence of credit impairment as well as test of the methods applied, collateral values and future cash flows in impairment calculations.
- As regards model-calculated charges, we tested the completeness and accuracy of input data, determination of model parameters, adjustment for expectations of future economic circumstances, the models' calculations of expected credit losses as well as the Group's validation of models and methods for the determination of expected credit losses.
- As regards management overlays to individual and model-based impairments charges, we assessed whether the methods applied are relevant and suitable and assessed and tested the Group's basis for the applied preconditions, including whether these are reasonable and well-founded relative to relevant bases of comparison.

Furthermore, we assessed whether the disclosures in the notes relating to exposures, credit loss and credit risks comply with the relevant accounting rules and tested the numerical information in these (notes [14, 19, 20 and 21]).

Business combination
On 1 December 2022, the bank acquired Svenska Handelsbanken's business activities in Denmark, including the subsidiaries Handelsbanken Forsikringsformidling A/S, Handelsinvest Investeringsforvaltning A/S, LokalBolig A/S and Ejendomsselskab af 1. maj 2009 A/S. The acquired activities are included in the consolidated financial statements of Jyske Bank A/S as of the acquisition date based on a statement of the fair value of the acquired assets and liabilities.

We assess that the accounting treatment of the acquisition is key to our audit as Management performs significant estimates and assessments in connection with:

A) Determination of the fair value of the acquired assets and liabilities, including the acquired customer relations, loans and other credit exposures as well as fixed-rate assets and liabilities.
B) The accounting treatment of loans acquired and other credit exposures, including staging assessment and subsequent measurement
C) Presentation of the acquisition in the consolidated financial statements in accordance with applicable rules.

Reference is made to note 65 in which the acquisition is described.

How our audit addressed the key audit matter
We have audited the acquisition balance sheet prepared by the bank at 1 December 2022, including the statement of fair value of the acquired assets and liabilities as well as the statement of goodwill in connection with the acquisition.

In that connection, we assessed whether the principles and methods applied are well-founded and in accordance with the accounting rules.

For loans acquired and other credit exposures, we have selected a risk-based sample and tested staging assessment, fair value assessments and the subsequent measurement at 31 December 2022.

Furthermore, we assessed whether the presentation of the acquisition in the consolidated financial statements meet the relevant accounting rules.

Statement on the Management's Review
Management is responsible for the Management' review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements of the Danish Financial Business Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Business Act. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements
Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional disclosure requirements for listed financial institutions and for the preparation of parent company financial statements that give a true and fair view in accordance with the Danish Financial Business Act.

Moreover, Management is responsible for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, safeguards used or actions taken to eliminate those threats. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure.

Report on compliance with the ESEF Regulation
As part of our audit of the Consolidated Financial Statements and Parent Company Financial Statements of Jyske Bank A/S, we performed procedures to express an opinion on whether the annual report of D Group A/S for the financial year 1 January – 31 December 2022 with the file name "3M5E1GQGKL17HI6CPN30-2022-12-31-da.zip" is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format, and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy, and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Jyske Bank A/S for the financial year 1 January – 31 December 2022 with the file name "3M5E1GQGKL17HI6CPN30-2022-12-31-da.zip" is prepared, in all material respects, in compliance with the ESEF Regulation.

Aarhus, 28 February 2023

EY Godkendt Revisionspartnerselskab
Business registration number (CVR) 30 70 02 28

Lars Rhod Søndergaard State Authorised Public Accountant mne28632	Michael Laursen State Authorised Public Accountant mne26804

Directorships held by members of the Supervisory Board in other commercial enterprises at 31 December 2022

Former Man. Dir. Kurt Bligaard Pedersen, Copenhagen Ø, Chairman
- CEO of Bligaard Consult

Director, LL.M Keld Norup, Vejle, Deputy Chairman
- Chairman of the supervisory board/board member, Holmskov-gruppen, Vejle including
  - Chairman of the supervisory board, Holmskov & Co. A/S
  - Chairman of the supervisory board, Holmskov Finans A/S
  - Chairman of the supervisory board, Holmskov Invest A/S
- Managing director, Keld Norup Holding ApS

Rina Asmussen, Consultant, Klampenborg
- Board member, PFA Invest
- Board member and Deputy Chairman, BRFfonden, and on the board of a fully owned subsidiary
- Deputy chairman of Fonden for Håndværkskollegier
- Director of RA-Consulting

Anker Laden-Andersen, Attorney-at-Law, Frederikshavn
- Chairman of the supervisory board of Gisselfeld Kloster
- Chairman of the supervisory board of Hirtshals Havn Drift og Ejendomme A/S and on the board of a fully owned subsidiary
- Chairman of the supervisory board of DEN GREVELIGE OBERBECH-CLAUSEN-PEANSKE FAMILIEFOND (Voergaard Slot)
- Chairman of the supervisory board of Hjerl Fonden
- Chairman of the supervisory board, Olga og Peter Dudeks Fond
- Chairman of the supervisory board, Grøngas Partner A/S and two fully owned subsidiaries
- Board member, Thoraso ApS
- Board member, Vanggaard Fonden (Sæby Fiskeindustri)
- Board member, Jette og Knuds Maritime Fond
- Board member, Alex Jensens Fond
- Director of ALA Advokatpartner anpartsselskab

Per Schnack, prof. board member, Holte
- Board member, MFT Energy A/S
- Director, Talk Management

Bente Overgaard, Managing Director, Hellerup
- Chairman of the supervisory board, Ennogie Solar Group A/S
- Board member, Tømmerhandler Johannes Fogs Fond
- Board member, SP Group A/S
- Committee member, the Danish Nature Fund
- Managing director, Overgaard Advisory ApS
- Director of Bestyrelsesforeningen, CBS

Directorships held by members of the Executive Board in other commercial enterprises* at 31 December 2022

Anders Dam

- Chairman of the Supervisory Board of Jyske Banks Almennyttige Fond as well as the fully owned subsidiary Jyske Banks Almennyttige Fonds Holdingselskab A/S
- Board member (deputy chairman), Foreningen Bankdata F.m.b.a.
- Board member, FR I af 16. september 2015 A/S

Niels Erik Jakobsen

- Board member (deputy chairmen), Letpension Forsikringsformidling A/S
- Board member, BI Holding A/S as well as the fully owned subsidiary BI Asset Management Fondsmæglerselskab A/S

Peter Schleidt

- Board member (deputy chairman), JN Data A/S

* To this must be added the directorships held by members of the Executive Board in wholly-owned subsidiaries.

The holdings of the Members of the Executive Board of Jyske Bank shares (number of shares)

	2022	2021
Anders Dam	34,902	31,844
Niels Erik Jakobsen	28,779	26,051
Peter Schleidt	25,414	22,060
Per Skovhus	26,692	23,358

Members of the Supervisory Board at 31 December 2022

Name	Age	Elected to the Supervisory Board	Expiry of term of office	Audit Committee	Nomination Committee	Remuneration Committee	Risk Committee	Digitalisation and Technology Committee
Chairman, former Man. Dir. Kurt Bligaard Pedersen	63 years	2014	2023	Member	Chairman	Chairman	Member	Member
Deputy Chairman, Director, LL.M Keld Norup	69 years	2007	2025		Member	Member		
Consultant Rina Asmussen	63 years	2014	2023				Chairman	Chairman
Attorney-at-Law Anker Laden-Andersen	66 years	2019	2025	Member	Member			
Director Bente Overgaard	58 years	2020	2024		Member		Member	Member
Professional board member Per Schnack	61 years	2019	2024	Chairman			Member	
Employee representatives:								
District Chairman Marianne Lillevang	57 years	2006	2026			Member	Member	
Head of Large Corporates, CPH Michael Mariegaard	52 years	2022	2026					Member
Deputy District Chairman Johnny Christensen	60 years	2018	2026	Member				

	Number of Jyske Bank shares		Participation and number of meetings 2022					
Name	End-2022	End-2021	Board meeting	Audit Committee	Nomination Committee	Remuneration Committee	Risk Committee	Digitalisation and Technology Committee
Chairman, former Man. Dir. Kurt Bligaard Pedersen	1,150	1,150	44/44	8/9	7/7	2/2	7/7	4/4
Deputy Chairman, Director, LL.M Keld Norup	1,100	1,100	44/44		7/7	2/2		
Consultant Rina Asmussen	1,715	1,715	40/44				7/7	4/4
Attorney-at-Law Anker Laden-Andersen	5,471	2,715	43/44	9/9	7/7			
Director Bente Overgaard	3,262	3,115	44/44		7/7		6/7	3/4
Professional board member Per Schnack	3,668	3,668	44/44	9/9			7/7	
Employee representatives:								
District Chairman Marianne Lillevang	2,541	2,541	42/44			2/2	7/7	
Head of Large Corporates, CPH Michael Mariegaard	5,508	-	32/33					3/3
Deputy District Chairman Johnny Christensen	997	825	42/44	9/9				

The board members' participation in meetings appear above.