

Jyske Bank
Interim Financial Report
First quarter of 2017

Interim Financial Report, first quarter of 2017

Management's Review

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The Jyske Bank Group

| CORE PROFIT AND PROFIT FOR THE PERIOD | | | Index | | | | | The year | |
|---|--------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| DKKm | Q1 2017 | Q1 2016 | 17/16 | Q1 2017 | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 | 2016 |
| Net interest income | 1,370 | 1,450 | 94 | 1,370 | 1,457 | 1,393 | 1,448 | 1,450 | 5,748 |
| Net fee and commission income | 447 | 324 | 138 | 447 | 501 | 363 | 343 | 324 | 1,531 |
| Value adjustments | 346 | 210 | 165 | 346 | 232 | 170 | 169 | 210 | 781 |
| Other income | 60 | 57 | 105 | 60 | 79 | 48 | 73 | 57 | 257 |
| Income from operating lease (net) | 16 | 22 | 73 | 16 | -27 | 21 | 28 | 22 | 44 |
| Core income | 2,239 | 2,063 | 109 | 2,239 | 2,242 | 1,995 | 2,061 | 2,063 | 8,361 |
| Core expenses | 1,390 | 1,268 | 110 | 1,390 | 1,335 | 1,275 | 1,230 | 1,268 | 5,108 |
| Core profit before loan impairment charges | 849 | 795 | 107 | 849 | 907 | 720 | 831 | 795 | 3,253 |
| Loan impairment charges | -45 | 172 | - | -45 | -293 | 77 | -105 | 172 | -149 |
| Core profit | 894 | 623 | 143 | 894 | 1,200 | 643 | 936 | 623 | 3,402 |
| Investment portfolio earnings | 349 | -145 | - | 349 | 303 | 258 | 88 | -145 | 504 |
| Pre-tax profit | 1,243 | 478 | 260 | 1,243 | 1,503 | 901 | 1,024 | 478 | 3,906 |
| Tax | 267 | 94 | 284 | 267 | 301 | 180 | 215 | 94 | 790 |
| Net profit for the period | 976 | 384 | 254 | 976 | 1,202 | 721 | 809 | 384 | 3,116 |

| SUMMARY OF BALANCE SHEET, END OF PERIOD | | | | | | | | | |
|---|---------|---------|-----|---------|---------|---------|---------|---------|---------|
| DKKm | | | | | | | | | |
| Loans and advances | 424,914 | 410,591 | 103 | 424,914 | 422,445 | 410,328 | 406,910 | 410,591 | 422,445 |
| - of which mortgage loans | 287,380 | 257,909 | 111 | 287,380 | 277,016 | 275,267 | 267,568 | 257,909 | 277,016 |
| - of which bank loans, traditional bank loans | 96,298 | 93,811 | 103 | 96,298 | 94,151 | 93,984 | 96,454 | 93,811 | 94,151 |
| - of which bank loans, new home loans | 14,227 | 11,220 | 127 | 14,227 | 17,427 | 13,917 | 11,369 | 11,220 | 17,427 |
| - of which repo loans | 27,009 | 47,651 | 57 | 27,009 | 33,851 | 27,160 | 31,519 | 47,651 | 33,851 |
| Bonds and shares, etc. | 84,359 | 80,933 | 104 | 84,359 | 89,929 | 88,868 | 76,771 | 80,933 | 89,929 |
| Total assets | 570,198 | 558,925 | 102 | 570,198 | 586,703 | 562,477 | 564,450 | 558,925 | 586,703 |
| Due to credit institutions and central banks | 15,260 | 43,891 | 35 | 15,260 | 19,941 | 10,690 | 30,350 | 43,891 | 19,941 |
| Deposits | 155,461 | 143,673 | 108 | 155,461 | 154,648 | 152,592 | 147,921 | 143,673 | 154,648 |
| - of which bank deposits | 132,468 | 125,416 | 106 | 132,468 | 134,194 | 132,384 | 128,769 | 125,416 | 134,194 |
| - of which repo deposits and tri-party deposits | 22,993 | 18,257 | 126 | 22,993 | 20,454 | 20,208 | 19,152 | 18,257 | 20,454 |
| Issued bonds at fair value | 276,502 | 241,095 | 115 | 276,502 | 271,212 | 264,793 | 256,357 | 241,095 | 271,212 |
| Issued bonds at amortised cost | 45,738 | 47,510 | 96 | 45,738 | 51,028 | 50,564 | 45,674 | 47,510 | 51,028 |
| Subordinated debt | 2,133 | 1,357 | 157 | 2,133 | 2,131 | 2,134 | 2,146 | 1,357 | 2,131 |
| Holder of hybrid core capital | 1,479 | 0 | - | 1,479 | 1,476 | 1,471 | 0 | 0 | 1,476 |
| Shareholders' equity | 31,405 | 29,680 | 106 | 31,405 | 31,038 | 30,404 | 30,091 | 29,680 | 31,038 |

| SELECTED DATA AND FINANCIAL RATIOS | | | | | | | | | |
|--|---------|---------|--|---------|---------|---------|---------|---------|---------|
| Earnings per share for the period (DKK)* | 10.7 | 4.1 | | 10.7 | 13.1 | 7, 8 | 8.7 | 4.1 | 33.5 |
| Profit for the period, per share (diluted) (DKK) | 10.7 | 4.1 | | 10.7 | 13.1 | 7, 8 | 8.7 | 4.1 | 33.5 |
| Pre-tax profit p.a. as a percentage of opening equity* | 15.8 | 6.4 | | 15.8 | 19.8 | 12.0 | 13.6 | 6.4 | 13.0 |
| Profit for the period as a pct. of opening equity* | 12.3 | 5.1 | | 12.3 | 15.7 | 9.6 | 10.8 | 5.1 | 10.3 |
| Expenses as a percentage of income | 62.1 | 61.5 | | 62.1 | 59.5 | 63.9 | 59.7 | 61.5 | 61.1 |
| Capital ratio (%) | 17.6 | 16.7 | | 17.6 | 18.3 | 17.8 | 17.0 | 16.7 | 18.3 |
| Common Equity Tier 1 capital ratio (CET1 %) | 15.8 | 15.9 | | 15.8 | 16.5 | 15.9 | 15.8 | 15.9 | 16.5 |
| Individual solvency requirement (%) | 9.9 | 10.3 | | 9.9 | 10.0 | 10.1 | 10.3 | 10.3 | 10.0 |
| Capital base (DKKm) | 32,284 | 30,169 | | 32,284 | 33,354 | 32,403 | 30,883 | 30,169 | 33,354 |
| Weighted risk exposure (DKKm) | 183,278 | 180,491 | | 183,278 | 182,195 | 181,887 | 182,071 | 180,491 | 182,195 |
| Share price at end of period (DKK) | 353 | 296 | | 353 | 337 | 309 | 253 | 296 | 337 |
| Book value per share (DKK)* | 353 | 316 | | 353 | 348 | 334 | 326 | 316 | 348 |
| Price/book value per share (DKK)* | 1.0 | 0.9 | | 1.0 | 1.0 | 0.93 | 0.8 | 0.9 | 1.0 |
| No. of full-time employees at end-period | 4,024 | 4,013 | | 4,024 | 3,981 | 3,993 | 3,977 | 4,013 | 3,981 |

Relationships between income statement items under 'The Jyske Bank Group' (key financial data) and the income statement page 24 appear from page 18 in the Management's review.

*Financial ratios are calculated as if hybrid core capital is recognised as a liability.

SUMMARY

- **Pre-tax profit: DKK 1,243m (Q1 2016: DKK 478m) corresponding to a return of 15.8% p.a. on opening equity (Q1 2016: 6.4% p.a.)**
- **Net profit: DKK 976m (Q1 2016: DKK 384m) corresponding to a return of 12.3% p.a. on opening equity (Q1 2016: 5.1% p.a.)**
- **Core profit: DKK 894m (Q1 2016: DKK 623m)**
- **Core expenses of DKK 1,390m, of which DKK 110m for non-recurring expenses in the form of write-offs relating to intangible assets and anniversary activities**
- **Reversal of loan impairment charges and provisions for guarantees under core profit: DKK 45m (Q1 2016: DKK 172m as impairment charges)**
- **The Supervisory Board will make a motion at an extraordinary general meeting in the second quarter of 2017 for the distribution of an extraordinary dividend in the amount of DKK 500m**
- **Capital ratio: 17.6%, of which the Common Equity Tier 1 capital ratio was 15.8% after deduction of extraordinary dividend (end of 2016: 18.3% and 16.5%)**
 - **If the current profit and the issue of subordinated loan of DKK 2.2bn were recognised, the capital ratio would be 19.4% and the Common Equity Tier 1 capital ratio 16.3%**
- **Implementation of a new client-centric organisation will adjust the number of employees by about -50**

COMMENTS BY MANAGEMENT

In connection with the publication of the interim financial report for the first quarter of 2017, Anders Dam, CEO and Managing Director states:

”The Jyske Bank Group will implement a new client-centric organisation. This implementation will take place to accommodate various types of clients' wishes, needs and requirements and to achieve the most simple and efficient client service and production. Due to this new client-centric organisation, the number of employees will be adjusted by about -50.

In the first quarter, the net profit came to DKK 976m, which corresponds to a return of 12.3% p.a. on equity. The profit was in particular fuelled by continuing progress in sales of home loans, improvement of the credit quality and solid earnings on capital market activities.

Credit quality is still improving, and reversals in the amount of DKK 45m were made in the first quarter. To the greatest extent, reversals were made in connection with banking clients. Also in the first quarter, general improvement was seen in respect of agricultural clients, when a reversal in the amount of DKK 6m was made compared to a reversal of DKK 92m in the fourth quarter of 2016.

The development in the financial markets and client-driven activities in the first quarter supported solid earnings in the capital market area. In the first quarter of 2017, DKK 110m was recognised as one-off expenses relating to write-offs of intangible assets and anniversary activities.

A change to the capital structure was also made in the first quarter through the issue of a subordinated loan in the amount of EUR 300m. Therefore, subordinated debt totalling 3.1% of the weighted risk exposure has been issued. The target is to make issues amounting to 3.5%, which is expected to be met, at the latest, in the first half of 2018.

Based on the profit generated in the first quarter of 2017 and the capital position, the Supervisory Board will make a motion at an extraordinary general meeting in the second quarter of 2017 for the distribution of an extraordinary dividend in the amount of DKK 500m.

First quarter of 2017

Material circumstances

New client-centric organisation

As of today, the Jyske Bank Group will implement a new client-centric organisation. This implementation will take place to accommodate various types of clients' wishes, needs and requirements and to achieve the most simple and efficient client service and production. This will entail the following material changes:

- Three client-oriented business units will be established: Personal Clients, Corporate Clients and Private Banking Denmark
- The client-oriented functions in BRFkredit and Jyske Bank's branch network will be merged
- Administrative tasks related to client service will be gathered in one Group unit

Due to the changes, the number of employees will be adjusted by about -50.

Other material items

A change to the capital structure was also made in the first quarter through the issue of a subordinated loan in the amount of EUR 300m. The loan will be recognised in the capital base in the second quarter of 2017. Therefore, subordinated debt totalling 3.1% of the weighted risk exposure has been issued. The target is to make issues amounting to 3.5%, which is expected to be met, at the latest, in the first half of 2018.

The current share buy-back programme in the amount of DKK 500m runs over the period 1 March to 29 September 2017. As at today's date, Jyske Bank has bought back 574,500 shares under the programme. Since 9 November 2015, a total of 6.79% of the share capital has been bought back. The extraordinary general meeting held on 20 April decided that 5,880,955 shares be cancelled through a capital reduction. Subsequently the share capital will be distributed on 89,159,044 shares.

In view of the profit generated in the first quarter of 2017 and the capital position, the Supervisory Board will make a motion at an extraordinary general meeting in the second quarter of 2017 for the distribution of an extraordinary dividend in the amount of DKK 500m.

On 21 February 2017, Jyske Bank made the offer to buy all shares in Jyske Invest Fund Management A/S from the shareholders. The offer to buy was subsequently approved by the general meetings of the associations. The transfer of Jyske Invest Fund Management was completed on 31 March 2017.

Jyske Invest Fund Management continues as a fully owned subsidiary of the Jyske Bank Group, and in line with the existing cooperation and in continuation of already implemented optimisation initiatives, the bank will seek to strengthen the basis of even closer and better coordination between the investment, sales and administrative functions, so also in future Jyske Invest can operate as competitively as possible, and the bank can still position itself as a significant asset manager. The objective is to ensure a robust, solid and future-oriented administrative solution. The takeover increased the number of full-time employees of the Jyske Bank Group by 27.

Net profit for the period

In the first quarter of 2017, the Jyske Bank Group generated a pre-tax profit of DKK 1,243m. Calculated tax amounted to DKK 267m, and after tax the profit amounted to DKK 976m.

Net profit corresponded to a return on opening equity of 12.3% p.a. against 5.1% p.a. for the corresponding period of 2016.

| CORE PROFIT AND PROFIT FOR THE PERIOD | | | Index | | | | | | The year |
|---|--------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
| DKKm | Q1 2017 | Q1 2016 | 17/16 | Q1 2017 | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 | 2016 |
| Net interest income | 1,370 | 1,450 | 94 | 1,370 | 1,457 | 1,393 | 1,448 | 1,450 | 5,748 |
| Net fee and commission income | 447 | 324 | 138 | 447 | 501 | 363 | 343 | 324 | 1,531 |
| Value adjustments | 346 | 210 | 165 | 346 | 232 | 170 | 169 | 210 | 781 |
| Other income | 60 | 57 | 105 | 60 | 79 | 48 | 73 | 57 | 257 |
| Income from operating lease (net) | 16 | 22 | 73 | 16 | -27 | 21 | 28 | 22 | 44 |
| Core income | 2,239 | 2,063 | 109 | 2,239 | 2,242 | 1,995 | 2,061 | 2,063 | 8,361 |
| Core expenses | 1,390 | 1,268 | 110 | 1,390 | 1,335 | 1,275 | 1,230 | 1,268 | 5,108 |
| Core profit before loan impairment charges | 849 | 795 | 107 | 849 | 907 | 720 | 831 | 795 | 3,253 |
| Loan impairment charges | -45 | 172 | - | -45 | -293 | 77 | -105 | 172 | -149 |
| Core profit | 894 | 623 | 143 | 894 | 1,200 | 643 | 936 | 623 | 3,402 |
| Investment portfolio earnings | 349 | -145 | - | 349 | 303 | 258 | 88 | -145 | 504 |
| Pre-tax profit | 1,243 | 478 | 260 | 1,243 | 1,503 | 901 | 1,024 | 478 | 3,906 |
| Tax | 267 | 94 | 284 | 267 | 301 | 180 | 215 | 94 | 790 |
| Net profit for the period | 976 | 384 | 254 | 976 | 1,202 | 721 | 809 | 384 | 3,116 |

Core profit amounted to DKK 894m, corresponding to an increase of 43% compared to the same period of 2016. Before impairment charges, the increase amounted to 7% and was driven by a material increase in net fee and commission income as well as value adjustments.

Net interest income for the first quarter of 2017 fell by 6% compared to the same period in 2016. Net interest income was favourably affected by growth in the new home loans and the introduction of negative deposit rates on demand deposits for corporate clients. To some extent, these circumstances offset the continued pressure on the margins, particularly on bank loans and advances to corporate clients as well as lower coupon income following primarily lower reinvestment rates.

Compared to the fourth quarter of 2016, the lower net interest income can be attributed to the fact that the first quarter of 2017 had fewer interest days, to the positive one-off effect of DKK 52m under leasing activities in the fourth quarter of 2016 and to the reduced bond holdings. On the other hand, there was a favourable effect from the introduction of negative deposit rates in mid-December 2016.

Net fee and commission income amounted to DKK 447m against DKK 324m in the first quarter of 2016. The increase of 38% can primarily be attributed to the development in the financial markets, resulting in performance fees and a higher activity level within capital market activities. To this must be added the increased fee income due to increased lending activity within mortgage activities.

Value adjustments amounted to DKK 346m against DKK 210m in the first quarter of 2016. In the first quarter of 2017, clients' transactions relating to interest-rate hedging had a positive effect in the amount of DKK 96m due to rising long-term market rates and the clients' improved credit quality. In addition, the continued narrowing of credit spreads on Danish mortgage bonds had a significant, positive effect.

Other income for the first quarter of 2017 was affected by dividends received on shares. In the fourth quarter of 2016, an income of DKK 38m was recognised relating to the sale of an owner-occupied property.

In the first quarter of 2017, core expenses amounted to DKK 1,390m, corresponding to an increase by 10% compared with the same period of 2016. One-off expenses in the amount of DKK 110m were recognised as an expense, which amount

relates to write-offs of intangible assets and expenses relating to activities in connection with Jyske Bank's 50th anniversary. Disregarding one-off expenses, the underlying development of core expenses was stable compared to the first quarter of 2016.

Compared to the fourth quarter of 2016, the increase amounted to DKK 55m due to the costs in the fourth quarter of 2016, among other things, relating to provisions and the bank's joining MobilePay.

Under core profit, impairment charges in the amount of DKK 45m were reversed in the first quarter of 2017 against the recognition of impairment charges of DKK 172m in the corresponding period of last year. For a more detailed description of impairment charges, please see page 10.

Business volume and financial position

| SUMMARY OF BALANCE SHEET, END OF PERIOD DKKm | Index | | | | | | | | The year |
|---|---------|---------|-------|---------|---------|---------|---------|---------|----------|
| | Q1 2017 | Q1 2016 | 17/16 | Q1 2017 | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 | 2016 |
| Loans and advances | 424,914 | 410,591 | 103 | 424,914 | 422,445 | 410,328 | 406,910 | 410,591 | 422,445 |
| - of which mortgage loans | 287,380 | 257,909 | 111 | 287,380 | 277,016 | 275,267 | 267,568 | 257,909 | 277,016 |
| - of which loans and advances, traditional loans and advances | 96,298 | 93,811 | 103 | 96,298 | 94,151 | 93,984 | 96,454 | 93,811 | 94,151 |
| - of which loans and advances, new home loans | 14,227 | 11,220 | 127 | 14,227 | 17,427 | 13,917 | 11,369 | 11,220 | 17,427 |
| - of which repo loans | 27,009 | 47,651 | 57 | 27,009 | 33,851 | 27,160 | 31,519 | 47,651 | 33,851 |
| Bonds and shares, etc. | 84,359 | 80,933 | 104 | 84,359 | 89,929 | 88,868 | 76,771 | 80,933 | 89,929 |
| Total assets | 570,198 | 558,925 | 102 | 570,198 | 586,703 | 562,477 | 564,450 | 558,925 | 586,703 |
| Due to credit institutions and central banks | 15,260 | 43,891 | 35 | 15,260 | 19,941 | 10,690 | 30,350 | 43,891 | 19,941 |
| Deposits | 155,461 | 143,673 | 108 | 155,461 | 154,648 | 152,592 | 147,921 | 143,673 | 154,648 |
| - of which bank deposits | 132,468 | 125,416 | 106 | 132,468 | 134,194 | 132,384 | 128,769 | 125,416 | 134,194 |
| - of which repo deposits and tri-party deposits | 22,993 | 18,257 | 126 | 22,993 | 20,454 | 20,208 | 19,152 | 18,257 | 20,454 |
| Issued bonds at fair value | 276,502 | 241,095 | 115 | 276,502 | 271,212 | 264,793 | 256,357 | 241,095 | 271,212 |
| Issued bonds at amortised cost | 45,738 | 47,510 | 96 | 45,738 | 51,028 | 50,564 | 45,674 | 47,510 | 51,028 |
| Subordinated debt | 2,133 | 1,357 | 157 | 2,133 | 2,131 | 2,134 | 2,146 | 1,357 | 2,131 |
| Holders of hybrid core capital | 1,479 | 0 | - | 1,479 | 1,476 | 1,471 | 0 | 0 | 1,476 |
| Shareholders' equity | 31,405 | 29,680 | 106 | 31,405 | 31,038 | 30,404 | 30,091 | 29,680 | 31,038 |

Mortgage loans amounted to DKK 287bn at the end of the first quarter of 2017, corresponding to an increase of DKK 10bn relative to the level at the end of 2016. At the end of the first quarter of 2017, new home loans had been granted in the amount of DKK 84.3bn against DKK 79.5bn at the end of 2016.

The objective is still to increase the Group's housing-related loans by DKK 100bn measured as from early 2014. In respect of corporate clients, the objective is that mortgage loans increase by DKK 20bn over a 5-year period. Since early 2014, the increase has been in the amount of DKK 13.6bn.

At the end of the first quarter of 2017, traditional bank loans and advances had increased to DKK 96bn against DKK 94bn at the end of 2016. The increase can primarily be attributed to commercial credits subject to variable drawdown.

At the end of the first quarter of 2017, bank deposits exclusive of repo deposits amounted to DKK 132bn, corresponding to a decrease by DKK 2bn relative to the level at the end of 2016. The decrease can chiefly be attributed to demand deposits.

At the end of the first quarter 2017, the business volume within asset management amounted to DKK 129bn against DKK 127bn at the end of 2016. The positive development in the business volume can be attributed to fair returns for the clients and a net inflow of new funds from the international client base, among others.

At the end of the first quarter of 2017, shareholders' equity amounted to DKK 31.4bn against DKK 31.0bn at the end of 2016.

Loan impairment charges and provisions for guarantees and value adjustments of acquired loans and advances

Under core profit, loan impairment charges and provisions for guarantees of DKK 45m were reversed against recognition of impairment charges of DKK 172m in the same period in 2016. In the statutory reporting format, an amount of DKK 27m was recognised as an expense under loan impairment charges and provisions for guarantees. The difference from impairment charges under core profit can be attributed to reclassification relating to write-downs on impaired loans and advances from BRFKredit Bank, BRFKredit and SparLolland.

| LOANS, ADVANCES AND GUARANTEES AS WELL AS VALUE ADJUSTMENTS OF LOANS AND ADVANCES, ETC. DKKm | Index | | | | | | | | The year |
|--|---------|---------|-------|---------|---------|---------|---------|---------|----------|
| | Q1 2017 | Q1 2016 | 17/16 | Q1 2017 | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 | 2016 |
| Loans, advances and guarantees | 441,940 | 424,423 | 194 | 441,940 | 438,592 | 426,124 | 422,554 | 424,423 | 438,592 |
| Balance of loan impairment charges and provisions for guarantees | 5,790 | 6,924 | 84 | 5,790 | 5,937 | 6,482 | 6,716 | 6,924 | 5,937 |
| Individual impairment charges and provisions for guarantees | 4,518 | 5,199 | 87 | 4,518 | 4,640 | 4,806 | 5,107 | 5,199 | 4,640 |
| Collective impairment charges and provisions for guarantees | 1,272 | 1,725 | 74 | 1,272 | 1,297 | 1,676 | 1,609 | 1,725 | 1,297 |
| Value adjustments of acquired loans: | | | | | | | | | |
| Balance of discounts for acquired loans and advances, beginning of period | 879 | 1,548 | 57 | 879 | 1,145 | 1,238 | 1,420 | 1,548 | 1,145 |
| Positive value adjustments (interest income) | 72 | 62 | 116 | 72 | 100 | 91 | 97 | 62 | 100 |
| Negative value adjustments (loss) | 25 | 66 | 38 | 25 | 166 | 2 | 85 | 66 | 166 |
| Balance of discounts for acquired loans and advances, end of period | 782 | 1,420 | 55 | 782 | 879 | 1,145 | 1,238 | 1,420 | 879 |
| Total balance for loan impairment charges and provisions for guarantees and balance of discounts for acquired loans and advances | 6,572 | 8,344 | 79 | 6,572 | 6,816 | 7,627 | 7,954 | 8,344 | 6,816 |
| Non-performing loans and guarantees: | | | | | | | | | |
| Loans and advances before impairment charges and provisions, inclusive of discounts. | 21,966 | 25,027 | 88 | 21,966 | 22,936 | 22,747 | 24,939 | 25,027 | 22,936 |
| Impairment charges and provisions | 5,561 | 6,491 | 86 | 5,561 | 5,730 | 6,048 | 6,290 | 6,491 | 5,730 |
| Discounts on acquired loans | 730 | 1,320 | 55 | 730 | 857 | 1,118 | 1,203 | 1,320 | 857 |
| Loans, advances and guarantees after impairment charges | 15,675 | 17,216 | 91 | 15,675 | 16,348 | 15,581 | 17,446 | 17,216 | 16,348 |
| NPL ratio | 3.5% | 4.1% | | 3.5% | 3.7% | 3.6% | 4.1% | 4.1% | 3.7% |
| NPL coverage ratio | 28.6% | 31.2% | | 28.6% | 28.7% | 31.5% | 30.0% | 31.2% | 28.7% |
| Non-performing loans and past due exposures | 2,151 | 2,826 | 76 | 2,151 | 2,281 | 2,841 | 2,835 | 2,826 | 2,281 |
| Operational loan impairment charges and provisions for guarantees | 27 | 234 | 12 | 27 | -193 | 168 | -8 | 234 | -193 |
| Operating loss | 321 | 126 | 255 | 321 | 445 | 456 | 269 | 126 | 445 |

In the first quarter of 2017, the inflow of new impaired exposures was still low both in respect of corporate and personal clients, and the indication of impairment was lower for clients marked with an existing risk indicator code.

For corporate clients, the improvements are broadly based across lines of business. In the first quarter of 2017, a net reversal of DKK 6m was made for agricultural clients. There was still a need to recognise individual impairment charges for agricultural clients. In connection with corporate clients within mortgage activities, impairment charges were

characterised by increases in impairment charges for hard-to-sell mortgaged properties.

In the first quarter of 2017, recoveries in the amount of DKK 125 were recognised, against DKK 71m for the same period last year.

At the end of the first quarter of 2017, management's estimates amounted to DKK 465m, of which DKK 185m related to agricultural clients against DKK 471m and DKK 235m, respectively, at the end of 2016.

| BALANCE OF LOAN IMPAIRMENT CHARGES AND PROVISIONS FOR GUARANTEES / LOANS, ADVANCES AND GUARANTEES | | | | | | The Jyske Bank Group | |
|--|--------------------------------|--------------|--|--------------|------------------|-----------------------------|--|
| DKKm/% | Loans, advances and guarantees | | Balance of loan impairment charges and provisions for guarantees | | Impairment ratio | | |
| | Q1 | Q4 2016 | Q1 2017 | Q4 2016 | Q1 | Q4 | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | |
| Dairy farmers | 801 | 889 | 692 | 722 | 46% | 45% | |
| Pig farming | 1,223 | 1,237 | 424 | 431 | 26% | 26% | |
| Total | 2,024 | 2,126 | 1,116 | 1,153 | 36% | 35% | |

At the end of the first quarter of 2017, the Jyske Bank Group's total impairment ratio for dairy farmers and pig farming amounted to 36% of loans, advances and guarantees against 35% at the end of 2016. For dairy farmers and pig farming, the impairment ratios were 46% and 26%, respectively. At the end of the first quarter of 2017, settlement prices for milk was 10% higher than the level at the end of 2016, and pig prices were at the same level as the level at the end of 2016. In the first quarter of 2017, an amount of DKK 50m was recognised as losses relating to dairy farmers, and an amount of DKK 20m was recognised as losses relating to pig farmers.

The total balance of loan impairment charges and provisions for guarantees and discounts for loans taken over amounted to 1.5% of total loans, advances and guarantees.

In certain situations, the Group has to ease terms and conditions agreed for clients in financial problems to minimise the Group's loss (forbearance). Irrespective of the client's subsequent compliance with the terms and conditions, the client will be subject to forbearance for at least two years. The definition of forbearance is based on the EBA's technical standards. At the end of the first quarter 2017, loans and advances subject to forbearance amounted to 4.5% against 4.7% at the end of 2016.

Non-performing loans comprise exposures with individually assessed impairment charges and exposures with high or full risk as well as past due exposures. If the criteria for non-performing exposures are no longer met, and if previously credit easing measures have been granted, clients are still subject to the criterion for non-performing exposures for at least a year after the credit easing was granted. The definition of non-performing exposures is based on the EBA's technical standards. At the end of the first quarter 2017, non-performing loans and advances amounted to 3.5% against 3.7% at the end of 2016.

At the end of the first quarter of 2017, the Group had no exposures amounting to more than 7.5% of the adjusted capital base. The Group had five exposures amounting to between 5% and 7.5% of the adjusted capital base. At the end of the first quarter of 2016, the Group had no exposures amounting to more than 10% of the adjusted capital base, one exposure between 7.5% and 10% and four exposures between 5% and 7.5%.

Investment portfolio earnings

| INVESTMENT PORTFOLIO EARNINGS | | | | | | | | | | The year 2016 |
|---|------------|-------------|-------------|------------|------------|------------|-----------|-------------|--|---------------|
| DKKm | Q1 2017 | Q1 2016 | Index 17/16 | Q1 2017 | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 | | |
| Net interest income | 98 | 114 | 86 | 98 | 91 | 105 | 107 | 114 | | 417 |
| Net fee and commission income | 0 | -1 | - | 0 | 0 | -1 | -1 | -1 | | -3 |
| Value adjustments | 222 | -267 | - | 222 | 217 | 157 | -20 | -267 | | 87 |
| Other income | 37 | 16 | 231 | 37 | 1 | 3 | 10 | 16 | | 30 |
| Income | 357 | -138 | - | 357 | 309 | 264 | 96 | -138 | | 531 |
| Expenses | 8 | 7 | 114 | 8 | 6 | 6 | 8 | 7 | | 27 |
| Investment portfolio earnings before loan impairment charges | 349 | -145 | - | 349 | 303 | 258 | 88 | -145 | | 504 |
| Loan impairment charges | 0 | 0 | - | 0 | 0 | 0 | 0 | 0 | | 0 |
| Investment portfolio earnings | 349 | -145 | - | 349 | 303 | 258 | 88 | -145 | | 504 |

For the first quarter of 2017, investment portfolio earnings amounted to DKK 349m against DKK -145m for the corresponding period in 2016.

The continued narrowing of credit spreads resulted in material, positive value adjustments relating to the holding of Danish mortgage bonds. The holding of Nordjyske Bank shares affected the profit favourably by DKK 100m due to positive value adjustments and dividend received. To a lesser degree, also positive value adjustments relating to the bank's holding of securitisations and currency positions as well as shares had an effect.

The lower net interest income relative to the first quarter of 2016 can primarily be attributed to smaller bond holdings.

Nordjyske Bank shareholding

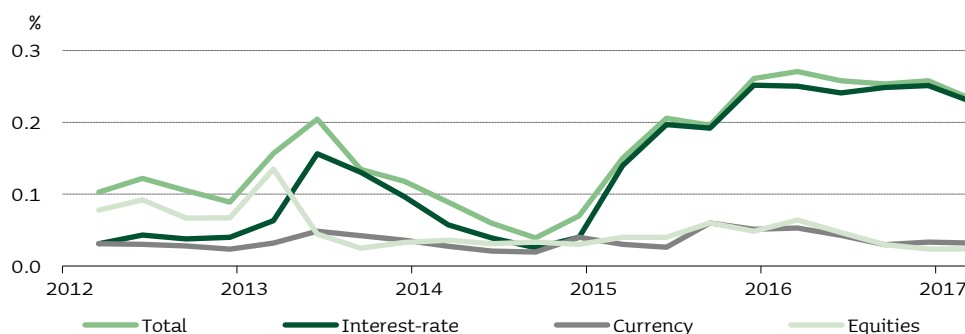
Jyske Bank became a shareholder of Nordjyske Bank when the guarantee for the share issue that partially financed Nordjyske Bank's acquisition of Nørresundby Bank was executed. Jyske Bank owns about 38% of the shares in Nordjyske Bank and will all the time reserve the possibility of buying further shares in Nordjyske Bank within the limit of 40% agreed with the supervisory board of Nordjyske Bank.

Jyske Bank does not have any major shareholdings in other banks. The merger of Nordjyske Bank and Nørresundby Bank has now been completed with continued membership of Bankdata. Therefore, in the course of 2017, Jyske Bank will attempt to sell its shareholding in Nordjyske Bank at a price acceptable to Jyske Bank.

Market risk

At the end of the first quarter of 2017, the aggregate interest-rate, currency and equity-price risk – expressed as Value-at-Risk (VaR) – was calculated at DKK 69m (calculated with a time frame of one day and 99% probability) against DKK 77m at the end of 2016. At the beginning of the first quarter of 2017, the interest-rate risk expressed as VaR had been reduced due to lower holdings of mortgage bonds.

Value-at-Risk as a percentage of equity



Segment information

The business segments reflect all activities with respect to banking, mortgage finance and leasing, inclusive of investing activities relating to clients' regular transactions. The investment portfolio earnings of the legal entities related to the activities of the relevant entities.

Banking activities

| SUMMARY OF INCOME STATEMENT | | | | | | | | | The year |
|---|--------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|
| DKKm | Q1 2017 | Q1 2016 | Index 17/16 | Q1 2017 | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 | 2016 |
| Net interest income | 804 | 924 | 87 | 804 | 841 | 838 | 886 | 924 | 3,489 |
| Net fee and commission income | 412 | 306 | 135 | 412 | 451 | 318 | 339 | 306 | 1,414 |
| Value adjustments | 342 | 194 | 176 | 342 | 228 | 160 | 153 | 194 | 735 |
| Other income | 47 | 41 | 115 | 47 | 66 | 31 | 55 | 41 | 193 |
| Core income | 1,605 | 1,465 | 110 | 1,605 | 1,586 | 1,347 | 1,433 | 1,465 | 5,831 |
| Core expenses | 1,136 | 1,027 | 111 | 1,136 | 1,073 | 1,015 | 988 | 1,027 | 4,103 |
| Core profit before loan impairment charges | 469 | 438 | 107 | 469 | 513 | 332 | 445 | 438 | 1,728 |
| Loan impairment charges | -143 | 205 | - | -143 | -276 | 74 | -125 | 205 | -122 |
| Core profit | 612 | 233 | 263 | 612 | 789 | 258 | 570 | 233 | 1,850 |
| Investment portfolio earnings | 305 | -136 | - | 305 | 267 | 236 | 57 | -136 | 424 |
| Pre-tax profit | 917 | 97 | 945 | 917 | 1,056 | 494 | 627 | 97 | 2,274 |

| SUMMARY OF BALANCE SHEET, END OF PERIOD | | | | | | | | | |
|--|---------|---------|----------------|---------|---------|---------|---------|---------|---------|
| DKKm | Q1 2017 | Q1 2016 | Index 17/16 | Q1 2017 | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 | |
| Loans and advances | 122,224 | 138,822 | 88 | 122,224 | 130,564 | 120,573 | 125,036 | 138,822 | 130,564 |
| - of which bank loans and advances, traditional loans and advances | 80,988 | 79,951 | 101 | 80,988 | 79,286 | 79,496 | 82,148 | 79,951 | 79,286 |
| - of which loans and advances, new home loans | 14,227 | 11,220 | 127 | 14,227 | 17,427 | 13,917 | 11,369 | 11,220 | 17,427 |
| - of which repo loans | 27,009 | 47,651 | 57 | 27,009 | 33,851 | 27,160 | 31,519 | 47,651 | 33,851 |
| Total assets | 244,613 | 261,994 | 93 | 244,613 | 262,151 | 240,577 | 253,883 | 261,994 | 262,151 |
| Deposits | 155,252 | 143,223 | 108 | 155,252 | 154,428 | 152,164 | 147,495 | 143,223 | 154,428 |
| - of which bank deposits | 132,259 | 124,966 | 106 | 132,259 | 133,974 | 131,956 | 128,343 | 124,966 | 133,974 |
| - of which repo deposits and tri-party deposits | 22,993 | 18,257 | 126 | 22,993 | 20,454 | 20,208 | 19,152 | 18,257 | 20,454 |
| Issued bonds | 42,024 | 42,795 | 98 | 42,024 | 49,016 | 46,846 | 41,964 | 42,795 | 49,016 |

Profit

Core profit from banking activities amounted to DKK 612m against DKK 233m for the corresponding period in 2016. The increase can be attributed to the improved core profit before impairment charges and reversal of impairment charges.

Net interest income amounted to DKK 804m and was significantly below the level in the first quarter of 2016. The primary reasons for this decline were falling interest rate margins and lower coupon income on bonds due to lower reinvestment rates. The total return (inclusive of value adjustments) on the bond holdings was satisfactory. The increasing volume of the new home loans and the introduction of negative deposit rates on demand deposits of corporate clients made a positive contribution and compensated to some extent for the above. Moreover, in the first quarter of 2016, DKK 14m were recognised as income relating to fixed-rate home loans issued at a discount, while in the first quarter of 2017 the amount recognised was DKK 1m.

Net fee and commission income increased by 35% relative to the first quarter of 2016. The increase can primarily be attributed to investment-related income, which was fuelled by the development in the financial markets and, to some degree, by fees on home loans. In the first quarter of the year, commission income was also received from Letsikring.

Value adjustments amounted to DKK 342m against DKK 194m in the first quarter of 2016. In the first quarter of 2017, clients' transactions relating to interest-rate hedging had a positive effect in the amount of DKK 96m. Increasing long-term market interest rates as well as the improved credit quality of the clients made positive contributions. The same period last year saw a positive effect by DKK 136m.

Continued narrowing of credit spreads on Danish mortgage bonds resulted in considerable, positive value adjustments on bond holdings.

For the first quarter of 2017, core expenses amounted to DKK 1,136m against DKK 1,027m for the corresponding period in 2016. The underlying development is stable as the increase can be attributed to one-off expenses totalling DKK 110m. The one-off expenses relate to write-offs of intangible assets and expenses relating to activities in connection with Jyske Bank's 50th anniversary.

Business volume

The volume in the segment's traditional bank loans and advances still stabilised and amounted to DKK 81bn against DKK 79bn at the end of 2016. On the whole, bank deposits fell by DKK 2bn to DKK 132bn.

Demand for the new home loan products was still satisfactory.

Mortgage activities

| SUMMARY OF INCOME STATEMENT DKKm | Q1 | Q1 | Index 17/16 | Q1 | Q4 | Q3 | Q2 | Q1 | The year 2016 |
|---|------------|------------|----------------|------------|------------|------------|------------|------------|---------------------|
| | 2017 | 2016 | | 2017 | 2016 | 2016 | 2016 | 2016 | |
| Contribution income, etc. ¹ | 458 | 434 | 106 | 458 | 456 | 451 | 444 | 434 | 1,785 |
| Other net interest income | -15 | -22 | 68 | -15 | -15 | -16 | 0 | -22 | -53 |
| Net fee and commission income | 63 | 35 | 180 | 63 | 79 | 66 | 27 | 35 | 207 |
| Value adjustments | 3 | 16 | 19 | 3 | 4 | 10 | 4 | 16 | 34 |
| Other income | 9 | 12 | 75 | 9 | 11 | 14 | 15 | 12 | 52 |
| Core income | 518 | 475 | 109 | 518 | 535 | 525 | 490 | 475 | 2,025 |
| Core expenses | 212 | 203 | 104 | 212 | 217 | 219 | 198 | 203 | 837 |
| Core profit before loan impairment charges | 306 | 272 | 113 | 306 | 318 | 306 | 292 | 272 | 1,188 |
| Loan impairment charges | 92 | -35 | - | 92 | -12 | -1 | 16 | -35 | -32 |
| Core profit | 214 | 307 | 70 | 214 | 330 | 307 | 276 | 307 | 1,220 |
| Investment portfolio earnings | 44 | -9 | - | 44 | 36 | 22 | 31 | -9 | 80 |
| Pre-tax profit | 258 | 298 | 87 | 258 | 366 | 329 | 307 | 298 | 1,300 |

¹ Contribution income, etc. covers contribution income as well as interest rate margin on jointly funded loans.

| SUMMARY OF BALANCE SHEET, END OF PERIOD | | | | | | | | | |
|---|---------|---------|-----|---------|---------|---------|---------|---------|---------|
| DKKm | | | | | | | | | |
| Mortgage loans | 287,380 | 257,909 | 111 | 287,380 | 277,016 | 275,267 | 267,568 | 257,909 | 277,016 |
| Total assets | 307,496 | 280,687 | 110 | 307,496 | 307,037 | 304,664 | 293,633 | 280,687 | 307,037 |
| Issued bonds | 280,216 | 245,810 | 114 | 280,216 | 273,224 | 268,511 | 260,067 | 245,810 | 273,224 |

Profit

The pre-tax profit from mortgage activities amounted to DKK 258m against DKK 298m for the same period in 2016.

Contribution income, etc. amounted to DKK 458m in the first quarter of 2017 against DKK 434m in the first quarter of 2016. The increase can primarily be attributed to the larger portfolio, particularly of personal clients.

Other net interest income amounted to DKK -15m against DKK -22m in the first quarter of 2016. The item was favourably affected by falling interest expenses on senior debt as well as higher interest income from other loans and advances. The item consists primarily of interest expenses for senior debt incurred in order to comply with SDO and rating requirements (issued senior loans, etc.) as well as various interest income, among others, from other loans and advances.

In the first quarter of 2017, net fee and commission income amounted to DKK 63m against DKK 35m in the first quarter of 2016. The increase was primarily caused by growing lending activity as well as a decline in fees and commissions paid.

Value adjustments, etc. amounted to an income of DKK 3m against an income of DKK 16m in the first quarter of 2016. The difference of DKK 13m can be attributed to a large value adjustment of the core portfolio of bonds in the first quarter 2016.

Core expenses amounted to DKK 212m in the first quarter of 2017 against DKK 203m in the first quarter of 2016. The difference can primarily be attributed to higher expenses for consultants and marketing activities, etc.

In the first quarter of 2017, core profit before loan impairment charges and provisions for guarantees amounted to DKK 306m against DKK 272m in the first quarter of 2016.

Total loan impairment charges and provisions for guarantees for the first quarter of 2017 amounted to an expense of DKK 92m against an income of DKK 35m in the first quarter of 2016. The effect on the income statement can in the first quarter of 2017 be broken down into an expense of DKK 26m (2016: an expense of DKK 57m) on personal clients and an expense of DKK 66m (2016: an income of DKK 92m) on corporate clients. The increase can primarily be attributed to higher impairment charges on hard-to-sell mortgaged properties.

Relative to total loans, the effect from the impairment charges on the income statement amounted to 0.03% in the first quarter of 2017 against -0.01% in the first quarter of 2016.

Investment portfolio earnings amounted in the first quarter of 2017 to an income of DKK 44m against an expense of DKK 9m in the first quarter of 2016.

The securities portfolio, which predominantly consisted of interest-bearing instruments, was mainly in the form of mortgage bonds with a short time to maturity and a limited interest rate sensitivity as well as financial instruments for risk hedging.

Business volume

The positive trend in the business volume of mortgage activities continued in the first quarter of 2017 as the volume grew from DKK 277.0bn at the end of 2016 to DKK 287.4bn, corresponding to 3.8% growth.

The development can primarily be attributed to personal clients, including the Group's home loan products.

Leasing activities

| SUMMARY OF INCOME STATEMENT | | | | | | | | | The year |
|--|------------|------------|----------------|------------|------------|------------|------------|------------|------------|
| DKKm | Q1 2017 | Q1 2016 | Index 17/16 | Q1 2017 | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 | 2016 |
| Net interest income | 123 | 114 | 108 | 123 | 175 | 120 | 118 | 114 | 527 |
| Net fee and commission income | -28 | -17 | 165 | -28 | -29 | -21 | -23 | -17 | -90 |
| Value adjustments | 1 | 0 | - | 1 | 0 | 0 | 12 | 0 | 12 |
| Other income | 4 | 4 | 100 | 4 | 2 | 3 | 3 | 4 | 12 |
| Income from operating lease (net) | 16 | 22 | 73 | 16 | -27 | 21 | 28 | 22 | 44 |
| Core income | 116 | 123 | 94 | 116 | 121 | 123 | 138 | 123 | 505 |
| Core expenses | 42 | 38 | 111 | 42 | 45 | 41 | 44 | 38 | 168 |
| Core profit before loan impairment charges | 74 | 85 | 87 | 74 | 76 | 82 | 94 | 85 | 337 |
| Loan impairment charges and provisions for guarantees | 6 | 2 | 300 | 6 | -5 | 4 | 4 | 2 | 5 |
| Pre-tax profit | 68 | 83 | 82 | 68 | 81 | 78 | 90 | 83 | 332 |

| SUMMARY OF BALANCE SHEET, END OF PERIOD | | | | | | | | | |
|--|--------|--------|-----|--------|--------|--------|--------|--------|--------|
| DKKm | | | | | | | | | |
| Loans and advances | 15,310 | 13,860 | 110 | 15,310 | 14,865 | 14,488 | 14,306 | 13,860 | 14,865 |
| Total assets | 18,089 | 16,244 | 111 | 18,089 | 17,515 | 17,236 | 16,934 | 16,244 | 17,515 |
| Deposits | 209 | 450 | 46 | 209 | 220 | 428 | 426 | 450 | 220 |

Profit

The pre-tax profit from leasing activities amounted to DKK 68m against DKK 83m for the corresponding period in 2016. The profit before impairment charges was DKK 11m lower than the level for the first quarter of 2016.

This profit was achieved on the basis of a high activity level and the ensuing larger business volume.

Net interest income was 8% above the level for the same period last year.

On the whole, core income was 6% below the level for the same period in 2016, which can be attributed to an increase in commission paid and lower income from operating lease.

Compared to the same period in 2016, core expenses increased by 11%, which can be attributed to an increase in capacity in the course of 2016.

Loan impairment charges and provisions for guarantees came to DKK 6m.

Business volume

Compared to the level at the end of 2016, loans and advances rose, due to new sales, by DKK 445m, corresponding to an increase of 3%. A positive development of the business volume is still expected for the coming period.

Core profit and investment portfolio earnings

The pre-tax profit for the first quarter of 2017 broken down by core earnings and investment portfolio earnings is stated below:

| BREAKDOWN OF THE PERIOD'S PROFIT DKKm | First quarter of 2017 | | | | First quarter of 2016 | | | |
|--|-----------------------|-------------------------------|------------------|--------------|-----------------------|-------------------------------|------------------|--------------|
| | Core profit | Investment portfolio earnings | Reclassification | Total | Core profit | Investment portfolio earnings | Reclassification | Total |
| Net interest income | 1,370 | 98 | 62 | 1,530 | 1,450 | 114 | 49 | 1,613 |
| Net fee and commission income | 447 | 0 | 0 | 447 | 324 | -1 | 0 | 323 |
| Value adjustments | 346 | 222 | 10 | 578 | 210 | -267 | 13 | -44 |
| Other income | 60 | 37 | 0 | 97 | 57 | 16 | 0 | 73 |
| Income from operating lease (net) | 16 | 0 | 117 | 133 | 22 | 0 | 99 | 121 |
| Income | 2,239 | 357 | 189 | 2,785 | 2,063 | -138 | 161 | 2,086 |
| Expenses | 1,390 | 8 | 117 | 1,515 | 1,268 | 7 | 99 | 1,374 |
| Profit or loss before loan impairment charges | 849 | 349 | 72 | 1,270 | 795 | -145 | 62 | 712 |
| Loan impairment charges | -45 | 0 | 72 | 27 | 172 | 0 | 62 | 234 |
| Pre-tax profit | 894 | 349 | 0 | 1,243 | 623 | -145 | 0 | 478 |

Alternative performance targets

Jyske Bank is of the opinion that 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 period 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.

The above table illustrates relationships between income statement items under 'The Jyske Bank Group' (key financial data), page 3, and income statement items in the IFRS financial statements, page 24.

Reclassification relates to the following:

- Income of DKK 72m (Q1 2016: DKK 62m) from impaired loans and advances taken over was reclassified from interest income to loan impairment charges.
- Expenses of DKK 10m (first quarter of 2016: DKK 13m) due to value adjustments relating to the balance principle at BRFKredit were reclassified from value adjustments to interest income.
- Depreciation and amortisation of DKK 117m (first quarter of 2016: DKK 99m) 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 3.

"Earnings per share", "Earnings per share (diluted)", "Pre-tax profit as a percentage of opening equity" and "Net profit as a percentage of opening equity" are calculated as if hybrid core capital was recognised as a liability. In the numerator, the profit is less interest expenses for hybrid core capital, and the denominator is calculated as equity exclusive of hybrid core capital.

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

Capital structure and capital management

Common Equity Tier 1 capital and capital base

As of 1 January 2017, the current profit is not recognised in the capital base, which is in contrast with the recognition in 2016.

At the end of the first quarter of 2017, Common Equity Tier 1 capital (CET1) amounted to DKK 29,008m and 90% of the capital base against DKK 30,095m and 90% at the end of 2016. With value date on 5 April 2017, the Group issued a subordinated loan (Tier 2 capital) in the amount of EUR 300m (DKK 2.2bn). This will be recognised in the capital base in the second quarter of 2017. If the current profit and the subordinated loan were recognised, the capital ratio and the Common Equity Tier 1 capital ratio would be 19.4% and 16.3%, respectively, compared to 17.6% and 15.8% at the end of the first quarter 2017.

| CAPITAL AND CORE CAPITAL RATIOS | Q1 2017 | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 | End of 2016 |
|--|---------|---------|---------|---------|---------|-------------|
| Capital ratio (%) | 17.6 | 18.3 | 17.8 | 17.0 | 16.7 | 18.3 |
| Core capital ratio incl. hybrid capital (%) | 17.0 | 17.7 | 17.1 | 16.2 | 16.3 | 17.7 |
| Common Equity Tier 1 capital ratio (CET 1) (%) | 15.8 | 16.5 | 15.9 | 15.8 | 15.9 | 16.5 |

The Jyske Bank Group's total weighted risk exposure amounted to DKK 183bn at the end of the first quarter of 2017 against DKK 182bn at the end of 2016. The Jyske Bank Group's total weighted risk exposure with credit risk amounted to DKK 144bn, corresponding to 78% of the total weighted risk exposure. The increase in the weighted risk exposure with credit risk of DKK 3bn can primarily be attributed to the increase in new home loans.

Jyske Bank has established a long-term goal of achieving a capital ratio of 17.5% and a Common Equity Tier 1 capital ratio of 14.0% when the capital adequacy rules have been fully implemented in 2019. Through the issue of the subordinated loan in the amount of EUR 300m, Jyske Bank continues the previously announced adjustment of the capital structure. At the end of the first quarter of 2017, subordinated debt amounted to 1.8% of the capital base and to 3.1% after recognition of the subordinated debt issued in early April. It is expected that the capital structure adjustment will at the latest be completed by the end of first half of 2018.

Capital policy

The current share buy-back programme in the amount of DKK 500m runs over the period 1 March to 29 September 2017. As at today's date, Jyske Bank has bought back 574,500 shares under the programme. Since 9 November 2015, a total of 6.79% of the share capital has been bought back. The extraordinary general meeting on 20 April 2017 decided to cancel 5,880,955 own shares. The cancellation takes place through a capital reduction.

Considering the profit generated in the first quarter of 2017 and the capital position, the Supervisory Board will make a motion at an extraordinary general meeting in the second quarter of 2017 for the distribution of an extraordinary dividend in the amount of DKK 500m.

Individual solvency requirement and capital buffer

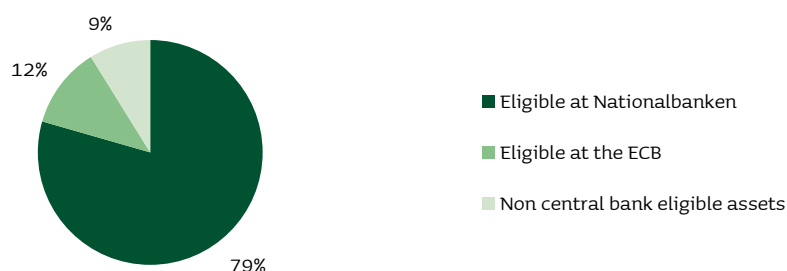
At the end of the first quarter of 2017, the Jyske Bank Group calculated its individual solvency requirement to be 9.9% of the total weighted risk exposure against 10.0% at the end of 2016. To this must be added a SIFI requirement of 0.9% and a capital conservation buffer of 1.3% at the end of the first quarter of 2017.

Compared with the actual capital base of DKK 32.3bn, the capital buffer amounted at the end of the first quarter of 2017 to DKK 10.1bn, corresponding to 5.5%. At the end of 2016, the capital buffer was at DKK 12.8bn, corresponding to 7.0%. The capital buffer plus earnings from operations denote the maximum sustainable loss for the Group without triggering a need for additional capital. The Jyske Bank Group's large proportion of Common Equity Tier 1 capital cements the quality of the total capital.

Liquidity management

The Group's liquidity buffer

At the end of the first quarter of 2017, the Jyske Bank Group's liquidity reserve amounted to DKK 72bn against DKK 77bn at the end of 2016. The reserve consisted mainly of Danish mortgage bonds and covered bonds. Of this, an amount of DKK 65bn, equalling 90%, is eligible at either the Danish central bank or the ECB.



The robustness of the liquidity buffer can be determined by measuring it dynamically in a stress scenario presuming that the Group will be precluded from re-financing in the international financial money markets for unsecured senior debt. Under such a scenario, the buffer will after a 12-month period amount to DKK 30bn and after a 24-month period to DKK 28bn.

| LIQUIDITY RESERVE AND RUN-OFF DKKbn | Q1 2017 | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 | End of 2016 |
|--|---------|---------|---------|---------|---------|----------------|
| End of period | 71.6 | 76.9 | 74.8 | 71.3 | 68.1 | 76.9 |
| 3 mths. | 52.9 | 55.1 | 55.2 | 52.3 | 39.0 | 55.1 |
| 6 mths. | 47.3 | 45.5 | 43.1 | 48.2 | 32.3 | 45.5 |
| 9 mths. | 42.0 | 42.3 | 36.3 | 41.4 | 29.5 | 42.3 |
| 12 mths. | 29.7 | 37.3 | 33.8 | 34.6 | 23.7 | 37.3 |

Liquidity Coverage Ratio

On 31 March 2017, the Group's Liquidity Coverage Ratio was 219% against 193% at the end of 2016. The Group's internal guideline points to a LCR for the Group of at least 150% compared to the statutory requirement of 100%.

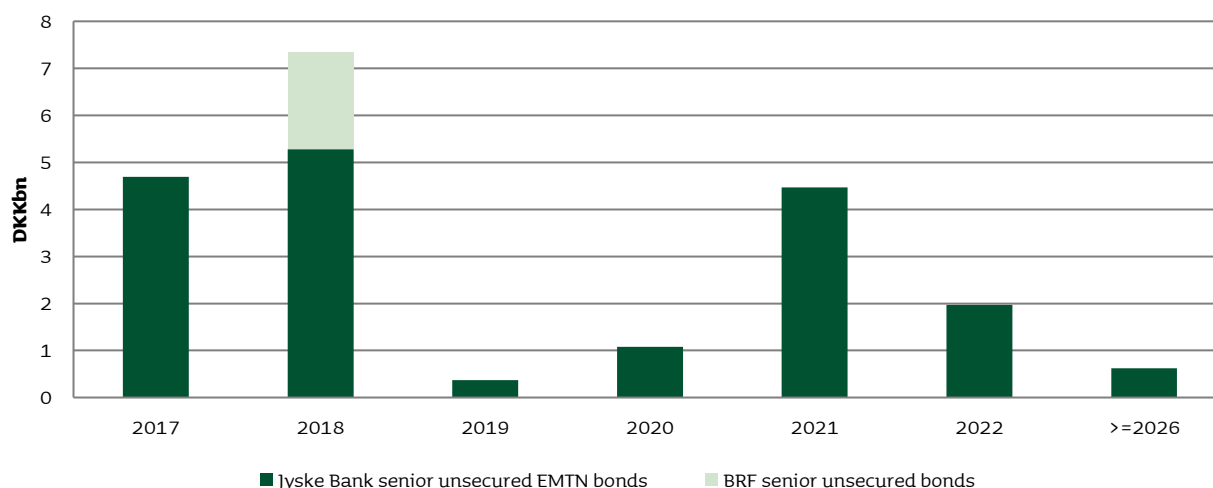
International capital market funding via loan programmes

At the end of the first quarter of 2017, the outstanding volume of bonds under the CP programme amounted to DKK 23.7bn against DKK 27.5bn at the end of 2016. At the end of the first quarter of 2017, issues of long-term senior debt under Jyske Bank's EMTN programme amounted to DKK 16.9bn against DKK 18.3bn at the end of 2016.

A large amount of liquidity in the market and a limited supply of new bonds supported extensive narrowing of credit spreads in all asset classes over the first two months of the year. Even though the major part of March was characterised by widening credit spreads on covered bonds and senior issues, the credit spreads on all asset classes stabilised towards the end of the first quarter at a considerably lower level than was seen at the beginning of the year, and generally in the first quarter of 2017 it was an issuer's market, particularly in respect of the asset classes supplementary capital (Tier 2) and hybrid core capital (AT1).

The Group took advantage of the attractive market conditions in the first quarter and issued supplementary Tier 2 capital in the amount of EUR 300m at the end of March with value date in early April. The bond is a 12-year bond with the possibility of early repayment after 7 years. The issue is part of the gradual adjustment of the Group's capital structure. The Group's long-term capital target is a capital ratio of 17.5% and a Common Equity Tier 1 capital ratio of 14%.

The run-off profile for the Group's senior debt as at the end of the first quarter of 2017 is illustrated by the below chart:

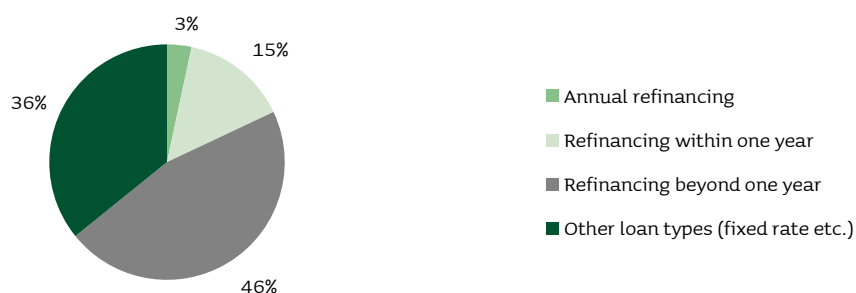


In the course of the ordinary management of the run-off profile, Jyske Bank had, at the end of first quarter of 2017, bought back EMTN issues with a shorter time to maturity in the amount of DKK 1.7bn.

Refinancing in mortgage activities

The primary impact on the Group's liquidity profile from BRFkredit can be attributed to the refinancing risk. The Group's refinancing risk from mortgage activities has been reduced markedly over the past year, among other things due to the spreading out of the refinancing dates over the year, the use of RTL F bonds (pre-financed bonds) for the funding of F1 loans (1-year bullet loans) and also, not least, through BRFkredit's issues in EUR (EUR covered bonds), which are used for the funding of the jointly funded home loan products from Jyske Bank.

Breakdown of BRFkredit's loan portfolio by loan type



Other information

The supervisory diamond for Jyske Bank A/S

The supervisory diamond defines a number of special risk areas including specified limits that financial institutions should generally not exceed. The supervisory diamond limits applicable to Jyske Bank A/S are shown on the next page.

| THE SUPERVISORY DIAMOND FOR JYSKE BANK A/S | Q1 2017 | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 | End of 2016 |
|--|------------|------------|------------|------------|------------|----------------|
| Sum of large exposures < 125% of the adjusted capital base | 0% | 0% | 0% | 0% | 0% | 0% |
| Increase in loans and advances < 20% annually | 5% | 6% | -1% | -4% | -9% | 6% |
| Exposures to property administration and property transactions < 25% of total loans and advances | 9% | 8% | 8% | 8% | 7% | 8% |
| Stable funding < 1 | 0.58 | 0.58 | 0.60 | 0.65 | 0.65 | 0.58 |
| Liquidity surplus > 50% | 227% | 213% | 228% | 194% | 180% | 213% |

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

The supervisory diamond BRFkredit a/s

The supervisory diamond defines a number of special risk areas including specified limits that financial institutions should generally not exceed. The supervisory diamond takes effect in 2018 and 2020, respectively. The supervisory diamond limits applicable to BRFkredit a/s are shown below.

| THE SUPERVISORY DIAMOND FOR BRFkredit a/s | Q1 2017 | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 | End of 2016 |
|---|------------|------------|------------|------------|------------|----------------|
| Concentration risk < 100% | 63.2% | 65.3% | 65.0% | 77.8% | 84.5% | 65.3% |
| Increase in loans and advances < 15% annually in the segment: | | | | | | |
| Owner-occupied homes and vacation homes | 14.9% | 12.7% | 16.4% | 20.3% | 23.1% | 12.7% |
| Residential rental property | 7.4% | 7.5% | 9.4% | 6.3% | 8.0% | 7.5% |
| Agriculture | - | - | - | - | - | - |
| Other sectors | 7.4% | 6.2% | 6.0% | 8.5% | 6.6% | 6.2% |
| Borrower's interest-rate risk < 25% | | | | | | |
| Residential property | 23.4% | 24.5% | 25.4% | 24.7% | 23.9% | 24.5% |
| Interest-only schemes < 10% | | | | | | |
| Owner-occupied homes and vacation homes | 9.2% | 9.2% | 9.7% | 10.1% | 10.0% | 9.2% |
| Loans with frequent interest-rate fixing: | | | | | | |
| Refinancing (annually) < 25% | 17.2% | 16.2% | 20.5% | 21.9% | 22.5% | 16.2% |
| Refinancing (quarterly) < 12.5% | 4.7% | 10.3% | 2.7% | 0.0% | 3.5% | 10.3% |

At the end of the first quarter of 2017, BRFkredit a/s met all benchmarks of the supervisory diamond.

Additional information

For further information, please see www.jyskebank.info. Here you will find an interview with Anders Dam, CEO and Managing Director, detailed financial information as well as Jyske Bank's Annual Report 2016 and Risk and Capital Management 2016, which give 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.brf.dk. BRFkredit's interim financial report for the first quarter of 2017, the Annual Report for 2016 and detailed financial information about BRFkredit are available on that website.

Contact persons:

Anders Dam (+45 89 89 89 89)

Birger Krøgh Nielsen (+45 89 89 64 44)

Statement by the Executive and Supervisory Boards

We have today discussed and approved the Interim Financial Report of Jyske Bank A/S for the period 1 January to 31 March 2017.

The consolidated Interim Financial Statements were prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and the Parent's Interim Financial Statements in accordance with the Danish Financial Business Act. Further, the Interim Financial Report was prepared in accordance with the additional Danish disclosure requirements for interim financial reports of listed financial companies.

The Interim Financial Report is unaudited and has not been reviewed.

In our opinion, the Interim Financial Statements give a true and fair view of the Group's and the Parent's financial position at 31 March 2017 and also of their financial performance as well as the cash flows of the Group for the period 1 January to 31 March 2017.

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 profit for the period 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.

Silkeborg, 2 May 2017

EXECUTIVE BOARD

ANDERS DAM
Managing Director and CEO

SVEN A. BLOMBERG
Deputy Managing Director and Chief Executive

NIELS ERIK JAKOBSEN

LEIF F. LARSEN

PER SKOVHUS

/JENS BORUM
Director, Finance

SUPERVISORY BOARD

SVEN BUHRKALL
Chairman

KURT BLIGAARD PEDERSEN
Deputy Chairman

RINA ASMUSSEN

PHILIP BARUCH

JENS A. BORUP

KELD NORUP

PETER SCHLEIDT

HAGGAI KUNISCH
Employee Representative

MARIANNE LILLEVANG
Employee Representative

CHRISTINA LYKKE MUNK
Employee Representative

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

| Note | DKKrn | The Jyske Bank Group | |
|--|--|----------------------|------------|
| | | Q1 2017 | Q1 2016 |
| INCOME STATEMENT | | | |
| 5 | Interest income | 2,704 | 2,930 |
| 6 | Interest expenses | 1,174 | 1,317 |
| | Net interest income | 1,530 | 1,613 |
| 7 | Fees and commission income | 550 | 428 |
| | Fees and commission expenses | 103 | 105 |
| | Net interest and fee income | 1,977 | 1,936 |
| 8 | Value adjustments | 578 | -44 |
| 9 | Other income | 230 | 194 |
| 10 | Employee and administrative expenses | 1,324 | 1,255 |
| | Amortisation, depreciation and impairment charges | 191 | 119 |
| 12 | Loan impairment charges and provisions for guarantees | 27 | 234 |
| | Pre-tax profit | 1,243 | 478 |
| 11 | Tax | 267 | 94 |
| | Net profit or loss for the period | 976 | 384 |
| | Distributed to: | | |
| | Jyske Bank A/S shareholders | 957 | 384 |
| | Holders of hybrid core capital | 19 | 0 |
| | Total | 976 | 384 |
| | Earnings per share for the period | | |
| | Earnings per share for the period, DKK | 10.73 | 4.06 |
| | Earnings per share for the period, DKK, diluted | 10.73 | 4.06 |
| STATEMENT OF COMPREHENSIVE INCOME | | | |
| | Net profit or loss for the period | 976 | 384 |
| | Other comprehensive income: | | |
| | Items that can be recycled to the income statement: | | |
| | Foreign currency translation adjustment of international units | 1 | -61 |
| | Hedge accounting of international units | -1 | 60 |
| | Tax on hedge accounting | 0 | -13 |
| | Other comprehensive income after tax | 0 | -14 |
| | Comprehensive income for the period | 976 | 370 |
| | Distributed to: | | |
| | Jyske Bank A/S shareholders | 957 | 370 |
| | Holders of hybrid core capital | 19 | 0 |
| | Total | 976 | 370 |

BALANCE SHEET

| Note | DKKm | The Jyske Bank Group | | |
|--------------------------------|--|----------------------|-----------------|------------------|
| | | 31 March 2017 | 31 Dec. 2016 | 31 March 2016 |
| BALANCE SHEET | | | | |
| ASSETS | | | | |
| | Cash balance and demand deposits with central banks | 3,706 | 2,068 | 1,104 |
| | Due from credit institutions and central banks | 12,782 | 18,018 | 13,394 |
| 13, 14 | Loans and advances at fair value | 299,328 | 292,049 | 262,451 |
| 15 | Loans and advances at amortised cost | 125,586 | 130,396 | 148,140 |
| | Bonds at fair value | 75,746 | 81,770 | 72,782 |
| | Bonds at amortised cost | 4,039 | 3,949 | 3,998 |
| | Shares, etc. | 4,574 | 4,210 | 4,153 |
| | Intangible assets | 25 | 71 | 85 |
| | Property, plant and equipment | 5,297 | 5,186 | 4,459 |
| | Tax assets | 714 | 22 | 822 |
| 16 | Other assets | 38,401 | 48,964 | 47,537 |
| | Total assets | 570,198 | 586,703 | 558,925 |
| EQUITY AND LIABILITIES | | | | |
| Liabilities | | | | |
| | Due to credit institutions and central banks | 15,260 | 19,941 | 43,891 |
| 17 | Deposits | 155,461 | 154,648 | 143,673 |
| 18 | Issued bonds at fair value | 276,502 | 271,212 | 241,095 |
| | Issued bonds at amortised cost | 45,738 | 51,028 | 47,510 |
| 19 | Other liabilities | 40,517 | 53,504 | 50,021 |
| 20 | Provisions | 1,703 | 1,725 | 1,698 |
| 21 | Subordinated debt | 2,133 | 2,131 | 1,357 |
| | Liabilities, total | 537,314 | 554,189 | 529,245 |
| Equity | | | | |
| | Share capital | 950 | 950 | 950 |
| | Revaluation reserve | 538 | 538 | 499 |
| | Currency translation reserve | 0 | -2 | -1 |
| | Retained profit | 29,418 | 29,053 | 28,232 |
| | Proposed dividend | 499 | 499 | 0 |
| | Jyske Bank A/S shareholders | 31,405 | 31,038 | 29,680 |
| | Holder of hybrid core capital | 1,479 | 1,476 | 0 |
| | Equity, total | 32,884 | 32,514 | 29,680 |
| | Equity and liabilities, total | 570,198 | 586,703 | 558,925 |
| OFF-BALANCE SHEET ITEMS | | | | |
| | Guarantees, etc. | 17,026 | 16,147 | 13,832 |
| | Other contingent liabilities, etc. | 21,914 | 22,627 | 19,793 |
| 22 | Total guarantees and other contingent liabilities | 38,940 | 38,774 | 33,625 |

STATEMENT OF CHANGES IN EQUITY

The Jyske Bank Group

DKKm

| | Share capital | Revaluation reserve | Currency translation reserve | Retained profit | Proposed dividend | Shareholders of Jyske Bank A/S | Hybrid core capital* | Total equity |
|--|---------------|---------------------|------------------------------|-----------------|-------------------|--------------------------------|----------------------|---------------|
| Equity at 1 January 2017 | 950 | 538 | -2 | 29,053 | 499 | 31,038 | 1,476 | 32,514 |
| Net profit or loss for the period | 0 | 0 | 2 | 955 | 0 | 957 | 19 | 976 |
| Other comprehensive income: | | | | | | | | |
| Foreign currency translation for international units | 0 | 0 | 1 | 1 | 0 | 1 | 0 | 1 |
| Hedge of international units | 0 | 0 | -1 | -1 | 0 | -1 | 0 | -1 |
| Tax on other comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other comprehensive income after tax | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Comprehensive income for the period | 0 | 0 | 2 | 955 | 0 | 957 | 19 | 976 |
| Interest paid on hybrid capital | 0 | 0 | 0 | 0 | 0 | 0 | -19 | -19 |
| Currency translation adjustment | 0 | 0 | 0 | -3 | 0 | -3 | 3 | 0 |
| Tax | 0 | 0 | 0 | 5 | 0 | 5 | 0 | 5 |
| Dividends paid | 0 | 0 | 0 | 0 | -499 | -499 | 0 | -499 |
| Dividends, own shares | 0 | 0 | 0 | 32 | 0 | 32 | 0 | 32 |
| Proposed dividend | 0 | 0 | 0 | -499 | 499 | 0 | 0 | 0 |
| Acquisition of own shares | 0 | 0 | 0 | -633 | 0 | -633 | 0 | -633 |
| Sale of own shares | 0 | 0 | 0 | 508 | 0 | 508 | 0 | 508 |
| Transactions with owners | 0 | 0 | 0 | -590 | 0 | -590 | -16 | -606 |
| Equity at 31 March 2017 | 950 | 538 | 0 | 29,418 | 499 | 31,405 | 1,479 | 32,884 |
| Equity at 1 January 2016 | 950 | 499 | 0 | 28,092 | 499 | 30,040 | 0 | 30,040 |
| Net profit or loss for the period | 0 | 0 | 0 | 384 | 0 | 384 | 0 | 384 |
| Other comprehensive income: | | | | | | | | |
| Foreign currency translation for international units | 0 | 0 | -61 | 0 | 0 | -61 | 0 | -61 |
| Hedge of international units | 0 | 0 | 60 | 0 | 0 | 60 | 0 | 60 |
| Tax on other comprehensive income | 0 | 0 | 0 | -13 | 0 | -13 | 0 | -13 |
| Other comprehensive income after tax | 0 | 0 | -1 | -13 | 0 | -14 | 0 | -14 |
| Comprehensive income for the period | 0 | 0 | -1 | 371 | 0 | 370 | 0 | 370 |
| Dividends paid | 0 | 0 | 0 | 0 | -499 | -499 | 0 | -499 |
| Dividends, own shares | 0 | 0 | 0 | 5 | 0 | 5 | 0 | 5 |
| Acquisition of own shares | 0 | 0 | 0 | -586 | 0 | -586 | 0 | -586 |
| Sale of own shares | 0 | 0 | 0 | 350 | 0 | 350 | 0 | 350 |
| Transactions with owners | 0 | 0 | 0 | -231 | -499 | -730 | 0 | -730 |
| Equity at 31 March 2016 | 950 | 499 | -1 | 28,232 | 0 | 29,680 | 0 | 29,680 |

*Hybrid core capital has no maturity. Payment of interest and repayment of principal are voluntary. Therefore hybrid core capital (additional Tier 1 Capital) is recognised as equity. In September 2016, Jyske Bank made an issue amounting to SEK 1.25bn and DKK 500m with the possibility of early redemption in September 2021 at the earliest. The interest rates applicable to the hybrid core capital until September 2021 are STIBOR+5.80% and CIBOR+5.30%, respectively. If the Common Equity Tier 1 capital of Jyske Bank A/S or the Jyske Bank Group falls below 7%, the loan will be written down.

CAPITAL STATEMENT

| DKKm | The Jyske Bank Group | | |
|--|----------------------|-----------------|------------------|
| | 31 March 2017 | 31 Dec. 2016 | 31 March 2016 |
| Shareholders' equity | 31,405 | 31,038 | 29,680 |
| Net profit for the period not recognised in the capital base | -957 | 0 | 0 |
| Share buy-back programme, non-utilised limit | -386 | 0 | -414 |
| Proposed/expected dividends | -499 | -499 | -77 |
| Intangible assets | -25 | -71 | -85 |
| Deferred tax liabilities relating to intangible assets | 6 | 15 | 19 |
| Prudent valuation | -256 | -268 | -346 |
| Difference between expected loss and the carrying amount of impairment charges | -160 | -89 | 0 |
| Other deductions | -120 | -31 | -83 |
| Common Equity Tier 1 capital | 29,008 | 30,095 | 28,694 |
| Additional Tier 1 Capital after reduction | 2,123 | 2,250 | 777 |
| Other deductions | -28 | -69 | -70 |
| Core capital | 31,103 | 32,276 | 29,401 |
| Subordinated loan capital after reduction | 1,428 | 1,298 | 530 |
| Difference between expected loss and the carrying amount of impairment charges | 0 | 0 | 458 |
| Other deductions | -247 | -220 | -220 |
| Capital base | 32,284 | 33,354 | 30,169 |
| Weighted risk exposure involving credit risk etc. | 143,538 | 140,577 | 141,299 |
| Weighted risk exposure involving market risk | 23,003 | 24,586 | 22,160 |
| Weighted risk exposure involving operational risk | 16,737 | 17,032 | 17,032 |
| Total weighted risk exposure | 183,278 | 182,195 | 180,491 |
| Capital requirement, Pillar I | 14,662 | 14,576 | 14,439 |
| Capital requirement, transitional provisions | 3,921 | 3,995 | 2,752 |
| Capital requirement, total | 18,583 | 18,571 | 17,191 |
| Capital ratio (%) | 17.6 | 18.3 | 16.7 |
| Core Tier 1 Capital ratio (%) | 17.0 | 17.7 | 16.3 |
| Common Equity Tier 1 capital ratio (%) | 15.8 | 16.5 | 15.9 |

Over the period 2008-2013, capital ratios were calculated in accordance with the CRD III (Basel II). On 31 March 2017, the total weighted risk exposure according to Basel I amounted to DKK 290,366m for the Jyske Bank Group. The capital requirement according to the transitional provisions was for 80% of the capital requirement of 8% of the total weighted risk exposure corresponding to DKK 18,583m for the Jyske Bank Group. At the end of 2016, the transitional provisions resulted in a capital requirement of DKK 18,571m for the Jyske Bank Group. The transitional rules applying to total weighted risk exposure will still apply in the coming years.

For a statement of the individual solvency requirement, please see Risk and Capital Management 2016 or investor/jyskebank.com/investorrelations/capitalstructure.

SUMMARY OF CASH FLOW STATEMENT

| DKKm | The Jyske Bank Group | |
|---|----------------------|---------|
| | Q1 2017 | Q1 2016 |
| Net profit or loss for the period | 976 | 384 |
| Adjustment for non-cash operating items and change in working capital | -3,627 | -8,191 |
| Cash flows from operating activities | -2,651 | -7,807 |
| Acquisition of property, plant and equipment | -250 | -213 |
| Acquisition of intangible assets | -7 | -2 |
| Cash flows from investment activities | -257 | -215 |
| Dividends distributed | -467 | -494 |
| Acquisition of own shares | -633 | -586 |
| Sale of own shares | 508 | 350 |
| Cash flows from financing activities | -592 | -730 |
| Cash flow for the period | -3,500 | -8,752 |
| Cash and cash equivalents, beginning of period | 19,988 | 23,250 |
| Cash and cash equivalents, end of period | 16,488 | 14,498 |
| Cash and cash equivalents, end of period, comprise: | | |
| Cash in hand, etc. | 3,706 | 1,140 |
| Due from credit institutions and central banks | 12,782 | 13,394 |
| Cash and cash equivalents, end of period | 16,488 | 14,498 |

1 Accounting Policies

The Interim Financial Report for the period 1 January to 31 March 2017 was prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. Furthermore, the Interim Financial Report was prepared in accordance with the additional Danish disclosure requirements for the interim reports of listed financial undertakings.

As from 1 January 2017, the Jyske Bank Group has implemented the standards and interpretations that take effect in the EU for 2017. The implementation of these standards and interpretations did not have any material impact on recognition and measurement.

Moreover, the accounting policies are identical to those applied to and described in detail in the Annual Report 2016.

At the time of publication of this Interim Financial Report, a number of new or amended standards and interpretations had not come into force or been approved for use in the EU. In the following are set out the standards which are expected to have a material effect on the financial reporting of the Jyske Bank Group.

- IFRS 9 on financial assets covers classification and measurement of financial assets and liabilities, impairment of financial assets as well as hedge accounting. The IASB completed the IFRS 9 in July 2014, and subsequently the standard has been endorsed by the EU. Compared to the current standard, IFRS 9 will, among other things, entail earlier recognition of loan impairment charges, etc., as already at the time of the first recognition, impairment charges corresponding to the expected credit loss over 12 months must be recognised. If, subsequently, the probability of loss on the loan increases materially, the expected credit loss over the term must under certain circumstances be recognised. IFRS 9 replaces IAS 39 and will take effect on 1 January 2018.

Development efforts are made in the Jyske Bank Group with a view to developing a joint impairment model for all entities in the Group. The model will be based on the Jyske Bank Group's approved advanced risk management set-up, adjusted to IFRS 9 in a number of specific areas.

It is not possible at this point in time to make a reasonable assessment of the accounting outcome of the first application of IFRS 9 as regards the rules on impairment. However, it is generally expected that the new rules on impairment will on the whole result in higher impairment charges and hence a larger provisions account as all loans and advances, etc. will be given an impairment amount corresponding to the expected credit loss over 12 months or the expected credit loss over the remaining life of the asset in the event of a material increase in the probability of loss on the asset.

2 Material 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. Estimates of material importance to the financial reporting are, among other things, based on the impairment of loans and advances, the fair value of unlisted financial instruments and provisions already made, cf. the detailed statement in the Annual Report 2016. 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.

3 Key figures and ratios, five quarters

Summary of Income Statement

| | | | | | |
|---|--------------|-------|-------|-------|-------|
| Net interest income | 1,530 | 1,716 | 1,597 | 1,647 | 1,613 |
| Net fee and commission income | 447 | 501 | 362 | 342 | 323 |
| Value adjustments | 578 | 381 | 319 | 154 | -44 |
| Other income | 230 | 223 | 184 | 216 | 194 |
| Income | 2,785 | 2,821 | 2,462 | 2,359 | 2,086 |
| Expenses | 1,515 | 1,511 | 1,393 | 1,343 | 1,374 |
| Profit or loss before loan impairment charges | 1,270 | 1,310 | 1,069 | 1,016 | 712 |
| Loan impairment charges and provisions for guarantees | 27 | -193 | 168 | -8 | 234 |
| Pre-tax profit | 1,243 | 1,503 | 901 | 1,024 | 478 |
| Tax | 267 | 301 | 180 | 215 | 94 |
| Net profit or loss for the period | 976 | 1,202 | 721 | 809 | 384 |

Financial ratios and key figures

| | | | | | |
|---|---------------|--------|--------|--------|--------|
| Pre-tax profit, per share (DKK)* | 13.7 | 16.5 | 9.8 | 11.0 | 5.1 |
| Earnings per share for the period (DKK)* | 10.7 | 13.1 | 7.8 | 8.7 | 4.1 |
| Earnings per share for the period (diluted) (DKK)* | 10.7 | 13.1 | 7.8 | 8.7 | 4.1 |
| Core profit per share (DKK)* | 9.8 | 13.1 | 7.0 | 10.0 | 6.6 |
| Share price at end of period (DKK) | 353 | 337 | 309 | 253 | 296 |
| Book value per share (DKK)* | 353 | 348 | 334 | 326 | 316 |
| Price/book value per share (DKK)* | 1.0 | 1.0 | 0.9 | 0.8 | 0.9 |
| Outstanding shares in circulation ('000) | 88,854 | 89,200 | 91,082 | 92,431 | 93,881 |
| Average number of shares in circulation ('000) | 89,102 | 90,135 | 91,851 | 93,200 | 94,366 |
| Capital ratio (%) | 17.6 | 18.3 | 17.8 | 17.0 | 16.7 |
| Core Tier 1 Capital ratio (%) | 17.0 | 17.7 | 17.1 | 16.2 | 16.3 |
| Common Equity Tier 1 capital ratio (%) | 15.8 | 16.5 | 15.9 | 15.8 | 15.9 |
| Pre-tax profit as a pct. of average equity | 3.9 | 4.9 | 3.0 | 3.4 | 1.6 |
| Profit for the period as a pct. of av. equity* | 3.1 | 3.9 | 2.4 | 2.7 | 1.3 |
| Income/cost ratio (%) | 1.8 | 2.1 | 1.6 | 1.8 | 1.3 |
| Interest-rate risk (%) | 0.8 | 1.0 | 0.2 | 0.5 | 0.3 |
| Currency risk (%) | 0.1 | 0.0 | 0.1 | 0.1 | 0.1 |
| Accumulated impairment ratio (%) | 1.3 | 1.3 | 1.5 | 1.6 | 1.6 |
| Impairment ratio for the period (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| No. of full-time employees at end-period | 4,024 | 3,981 | 3,993 | 3,977 | 4,013 |
| Average number of full-time employees in the period | 4,003 | 3,987 | 3,985 | 3,995 | 4,017 |

*Financial ratios are calculated as if hybrid core capital is recognised as a liability.

NOTES

| Note | The Jyske Bank Group | | | | |
|------|---|---------------------------|----------------------------|---------------------------|------------------------------|
| | DKKm | | | | |
| 4 | Segmental financial statements | Banking activities | Mortgage activities | Leasing activities | The Jyske Bank Group* |
| | First quarter of 2017 | | | | |
| | Net interest income | 804 | 443 | 123 | 1,370 |
| | Net fee and commission income | 412 | 63 | -28 | 447 |
| | Value adjustments | 342 | 3 | 1 | 346 |
| | Other income | 47 | 9 | 4 | 60 |
| | Income from operating lease (net) | 0 | 0 | 16 | 16 |
| | Core income | 1,605 | 518 | 116 | 2,239 |
| | Core expenses | 1,136 | 212 | 42 | 1,390 |
| | Core profit before loan impairment charges and provisions for guarantees | 469 | 306 | 74 | 849 |
| | Loan impairment charges | -143 | 92 | 6 | -45 |
| | Core profit | 612 | 214 | 68 | 894 |
| | Investment portfolio earnings | 305 | 44 | 0 | 349 |
| | Pre-tax profit | 917 | 258 | 68 | 1,243 |
| | Loans and advances | 122,224 | 287,380 | 15,310 | 424,914 |
| | - of which mortgage loans | 0 | 287,380 | 0 | 287,380 |
| | - of which bank loans | 95,215 | 0 | 15,310 | 110,525 |
| | - of which repo loans | 27,009 | 0 | 0 | 27,009 |
| | Total assets | 244,613 | 307,496 | 18,089 | 570,198 |
| | Deposits | 155,252 | 0 | 209 | 155,461 |
| | - of which bank deposits | 132,259 | 0 | 209 | 132,468 |
| | - of which repo deposits and tri-party deposits | 22,993 | 0 | 0 | 22,993 |
| | Issued bonds | 42,024 | 280,216 | 0 | 322,240 |
| | First quarter of 2016 | | | | |
| | Net interest income | 924 | 412 | 114 | 1,450 |
| | Net fee and commission income | 306 | 35 | -17 | 324 |
| | Value adjustments | 194 | 16 | 0 | 210 |
| | Other income | 41 | 12 | 4 | 57 |
| | Income from operating lease (net) | 0 | 0 | 22 | 22 |
| | Core income | 1,465 | 475 | 123 | 2,063 |
| | Core expenses | 1,027 | 203 | 38 | 1,268 |
| | Core profit before loan impairment charges and provisions for guarantees | 438 | 272 | 85 | 795 |
| | Loan impairment charges | 205 | -35 | 2 | 172 |
| | Core profit | 233 | 307 | 83 | 623 |
| | Investment portfolio earnings | -136 | -9 | 0 | -145 |
| | Pre-tax profit | 97 | 298 | 83 | 478 |
| | Loans and advances | 138,822 | 257,909 | 13,860 | 410,591 |
| | - of which mortgage loans | 0 | 257,909 | 0 | 257,909 |
| | - of which bank loans | 91,171 | 0 | 13,860 | 105,031 |
| | - of which repo loans | 47,651 | 0 | 0 | 47,651 |
| | Total assets | 261,994 | 280,687 | 16,244 | 558,925 |
| | Deposits | 143,223 | 0 | 450 | 143,673 |
| | - of which bank deposits | 124,966 | 0 | 450 | 125,416 |
| | - of which repo deposits and tri-party deposits | 18,257 | 0 | 0 | 18,257 |
| | Issued bonds | 42,795 | 245,810 | 0 | 288,605 |

* Relationships between income statement items under 'The Jyske Bank Group' (key financial data) and the income statement page 24 appear from page 18 in the Management's review.

NOTES

| Note | The Jyske Bank Group | |
|------|----------------------|------------|
| | Q1 2017 | Q1 2016 |

DKKm

4 Segmental financial statements, cont.

| Revenue by country | Revenue | Full-time employees, end of period | Revenue | Full-time employees, end of period |
|--------------------|--------------|------------------------------------|---------|------------------------------------|
| Denmark | 3,389 | 3,917 | 3,486 | 3,901 |
| Switzerland | 0 | 0 | 0 | 11 |
| Gibraltar | 35 | 98 | 25 | 92 |
| Germany | 4 | 9 | 10 | 9 |
| Spain | 0 | 0 | 0 | 0 |
| Total | 3,428 | 4,024 | 3,521 | 4,013 |

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

Jyske Bank has activities in the countries stated below in the form of subsidiaries or branches. The names of the subsidiaries appear from the group chart.

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.

Switzerland: The Jyske Bank Group has activities within banking as well as trading and wealth management advice. The activities were discontinued at the end of 2015.

Gibraltar: The Jyske Bank Group has activities within banking as well as trading and wealth management advice.

Germany: The Jyske Bank Group has activities within banking.

Spain: The Jyske Bank Group has activities within properties.

| DKKm | The Jyske Bank Group | |
|------|----------------------|---------|
| | Q1 2017 | Q1 2016 |

5 Interest income

| | | |
|---|--------------|-------|
| Due from credit institutions and central banks | -1 | -4 |
| Loans and advances | 2,071 | 2,266 |
| Contribution | 410 | 397 |
| Bonds | 276 | 354 |
| Derivatives, total | 49 | 44 |
| Of which: | | |
| Currency contracts | 16 | 75 |
| Interest-rate contracts | 33 | -31 |
| Other | 0 | 0 |
| Interest income before offsetting of interest against own mortgage bonds | 2,805 | 3,057 |
| Interest on own bonds, set off against interest on issued bonds | 101 | 127 |
| Total | 2,704 | 2,930 |

6 Interest expenses

| | | |
|--|--------------|-------|
| Due to credit institutions and central banks | 7 | -12 |
| Deposits | 5 | 65 |
| Issued bonds | 1,232 | 1,355 |
| Subordinated debt | 12 | 7 |
| Other | 19 | 29 |
| Interest expenses before offsetting of interest on own mortgage bonds | 1,275 | 1,444 |
| Interest on own bonds, set off against interest on issued bonds | 101 | 127 |
| Total | 1,174 | 1,317 |

NOTES

| Note | DKKm | The Jyske Bank Group | |
|------|--|----------------------|------------|
| | | Q1 2017 | Q1 2016 |
| 7 | Fees and commission income | | |
| | Securities trading and custody services | 325 | 246 |
| | Money transfers and card payments | 46 | 43 |
| | Loan application fees | 81 | 63 |
| | Guarantee commission | 19 | 19 |
| | Other fees and commissions | 79 | 57 |
| | Total | 550 | 428 |
| 8 | Value adjustments | | |
| | Loans and advances at fair value | 779 | 2,129 |
| | Bonds | 116 | 199 |
| | Other investment securities | 182 | -97 |
| | Currency | 78 | 111 |
| | Currency, interest-rate, share, commodity and other contracts as well as other derivatives | 77 | -211 |
| | Issued bonds | -657 | -2,175 |
| | Other assets and liabilities | 3 | 0 |
| | Total | 578 | -44 |
| 9 | Other income | | |
| | Income on real property | 17 | 18 |
| | Income from operating lease ¹ | 133 | 121 |
| | Dividends, etc. | 54 | 30 |
| | Profit on investments in associates and group enterprises | 1 | 1 |
| | Other income | 25 | 24 |
| | Total | 230 | 194 |

¹) Expenses relating to operating lease affected the item Amortisation, depreciation and impairment charges in the amount of DKK 117m in the first quarter of 2017 against DKK 99m in the same period of 2016.

NOTES

| Note | The Jyske Bank Group | | |
|------|---|--------------|--------------|
| | DKKm | Q1 2017 | Q1 2016 |
| 10 | Employee and administrative expenses | | |
| | Employee expenses | | |
| | Wages and salaries, etc. | 599 | 585 |
| | Pensions | 82 | 84 |
| | Social security | 81 | 78 |
| | Total | 762 | 747 |
| | Salaries and remuneration to management bodies | | |
| | Executive Board ¹ | 7 | 7 |
| | Supervisory Board | 1 | 1 |
| | Shareholders' Representatives | 0 | 0 |
| | Total | 8 | 8 |
| | ¹ I The Executive Board had an average of 5.0 members in the first quarter of 2017 in line with the same period of 2016. | | |
| | Other administrative expenses | | |
| | IT | 289 | 298 |
| | Other operating expenses | 55 | 50 |
| | Other administrative expenses | 210 | 152 |
| | Total | 554 | 500 |
| | Total | 1,324 | 1,255 |
| 11 | Effective tax rate | | |
| | Corporation tax rate in Denmark | 22.0 | 22.0 |
| | Non-taxable income and non-deductible expenses, etc. | -0.5 | -2.3 |
| | Total | 21.5 | 19.7 |

NOTES

| Note | The Jyske Bank Group | |
|---|----------------------|---------|
| DKKm | Q1 2017 | Q1 2016 |
| 12 Loan impairment charges and provisions for guarantees, incl. balance of discounts | | |
| Balance of loan impairment charges and provisions for guarantees incl. balance of discounts, beginning of period | 6,816 | 8,261 |
| Loan impairment charges/provisions for the period | 74 | 260 |
| Recognised as a loss, covered by impairment charges/provisions | -243 | -81 |
| Recognised losses covered by discounts for acquired loans | -25 | -66 |
| Recognised discount for acquired loans | -72 | -62 |
| Other movements | 22 | 32 |
| Balance of loan impairment charges and provisions for guarantees incl. balance of discounts, end of period | 6,572 | 8,344 |
| Loan impairment charges | 5,374 | 6,425 |
| Provisions for guarantees | 416 | 499 |
| Balance of loan impairment charges and provisions, end of period | 5,790 | 6,924 |
| Balance of discounts for acquired loans | 782 | 1,420 |
| Balance of loan impairment charges and provisions for guarantees incl. balance of discounts, end of period | 6,572 | 8,344 |
| Loan impairment charges/provisions for the period | 74 | 260 |
| Recognised as a loss, not covered by loan impairment charges/provisions | 78 | 45 |
| Recoveries | -125 | -71 |
| Loan impairment charges and provisions for guarantees recognised in the income statement | 27 | 234 |
| Recognised discount for acquired loans | 72 | 62 |
| Net effect on income statement | -45 | 172 |
| Individual loan impairment charges, beginning of period | 4,276 | 4,551 |
| Loan impairment charges for the period | 120 | 284 |
| Recognised as a loss, covered by impairment charges/provisions | -243 | -81 |
| Other movements | 17 | 25 |
| Individual loan impairment charges, end of period | 4,170 | 4,779 |
| Individual provisions for loss on guarantees, beginning of period | 364 | 383 |
| Provisions for the period | -16 | 37 |
| Individual provisions for loss on guarantees, end of period | 348 | 420 |
| Collective loan impairment charges, beginning of period | 1,227 | 1,687 |
| Loan impairment charges for the period | -28 | -48 |
| Other movements | 5 | 7 |
| Collective loan impairment charges, end of period | 1,204 | 1,646 |
| Collective provisions for loss on guarantees, beginning of period | 70 | 92 |
| Provisions for the period | -2 | -13 |
| Collective provisions for loss on guarantees, end of period | 68 | 79 |
| Impairment charges on balances due from credit institutions | | |
| Individual impairment charges on balances due from credit institutions, beginning of period | 15 | 15 |
| Loan impairment charges for the period | 0 | 0 |
| Individual impairment charges on balances due from credit institutions, end of period | 15 | 15 |

The regulatory balance of loan impairment charges and provisions for guarantees does not include the discount balance for acquired loans and advances.

NOTES

| Note | DKKm | The Jyske Bank Group | | |
|------|---|----------------------|-----------------|------------------|
| | | 31 March 2017 | 31 Dec. 2016 | 31 March 2016 |
| 13 | Loans and advances at fair value | | | |
| | Mortgage loans, nominal value | 280,968 | 271,299 | 252,772 |
| | Adjustment for interest-rate risk, etc. | 6,933 | 6,171 | 5,856 |
| | Adjustment for credit risk ¹ | -1,094 | -1,076 | -1,399 |
| | Mortgage loans at fair value, total | 286,807 | 276,394 | 257,229 |
| | Arrears and outlays, total | 96 | 97 | 170 |
| | Other loans and advances | 12,425 | 15,558 | 5,052 |
| | Loans and advances at fair value, total | 299,328 | 292,049 | 262,451 |
| | ¹ Adjustment for credit risk is calculate so it allows for objective evidence whether loans and advances are impaired compared to the time of the establishment of the loans and advances. | | | |
| 14 | Loans and advances at fair value broken down by property category | | | |
| | Owner-occupied homes | 157,982 | 152,597 | 130,405 |
| | Vacation homes | 7,300 | 6,920 | 6,617 |
| | Subsidised housing (rental housing) | 48,972 | 48,754 | 46,264 |
| | Cooperative Housing | 15,653 | 15,371 | 15,139 |
| | Private rental properties (rental housing) | 32,526 | 32,108 | 30,108 |
| | Industrial properties | 1,212 | 1,260 | 1,384 |
| | Office and business properties | 32,039 | 31,481 | 29,606 |
| | Agricultural properties | 48 | 46 | 50 |
| | Properties for social, cultural and educational purposes | 3,505 | 3,437 | 2,820 |
| | Other properties | 91 | 75 | 58 |
| | Total | 299,328 | 292,049 | 262,451 |
| 15 | Loans and advances at amortised cost and guarantees broken down by sector | | | |
| | Public authorities | 6,773 | 6,149 | 6,331 |
| | Agriculture, hunting, forestry, fishing | 6,567 | 6,827 | 7,567 |
| | Manufacturing, mining, etc. | 8,167 | 9,759 | 10,112 |
| | Energy supply | 4,407 | 4,066 | 3,641 |
| | Building and construction | 3,817 | 3,681 | 3,223 |
| | Commerce | 11,035 | 8,998 | 9,161 |
| | Transport, hotels and restaurants | 3,759 | 3,534 | 3,845 |
| | Information and communication | 875 | 609 | 587 |
| | Finance and insurance | 35,475 | 40,565 | 52,713 |
| | Real property | 12,874 | 11,914 | 10,486 |
| | Other sectors | 6,471 | 6,519 | 6,329 |
| | Corporates, total | 93,447 | 96,472 | 107,664 |
| | Personal clients, total | 42,392 | 43,922 | 47,977 |
| | Total | 142,612 | 146,543 | 161,972 |

NOTES

| Note | DKKm | The Jyske Bank Group | | |
|---|------|----------------------|-----------------|------------------|
| | | 31 March 2017 | 31 Dec. 2016 | 31 March 2016 |
| 16 Other assets | | | | |
| Positive fair value of derivatives | | 30,915 | 41,325 | 39,829 |
| Assets in pooled deposits | | 4,432 | 4,397 | 4,229 |
| Interest and commission receivable | | 556 | 583 | 677 |
| Investments in associates | | 418 | 344 | 338 |
| Assets held temporarily | | 591 | 635 | 556 |
| Prepayments | | 299 | 283 | 308 |
| Investment properties | | 32 | 32 | 32 |
| Other assets | | 1,158 | 1,365 | 1,568 |
| Total | | 38,401 | 48,964 | 47,537 |
| Netting | | | | |
| Positive fair value of derivatives, etc., gross | | 37,214 | 48,068 | 46,750 |
| Netting of positive and negative fair value | | 6,299 | 6,743 | 6,921 |
| Total | | 30,915 | 41,325 | 39,829 |
| Netting of fair value can be attributed to clearing of derivatives through a central clearing house (CCP clearing). | | | | |
| 17 Deposits | | | | |
| Demand deposits | | 98,294 | 99,009 | 92,926 |
| Term deposits | | 4,228 | 3,617 | 4,153 |
| Time deposits | | 41,120 | 40,227 | 34,945 |
| Special deposits | | 7,358 | 7,284 | 7,180 |
| Pooled deposits | | 4,461 | 4,511 | 4,469 |
| Total | | 155,461 | 154,648 | 143,673 |
| 18 Issued bonds at fair value | | | | |
| Issued bonds at fair value, nominal value | | 309,187 | 327,401 | 275,108 |
| Adjustment to fair value | | 7,109 | 6,357 | 6,080 |
| Own mortgage bonds offset, fair value | | -39,794 | -62,546 | -40,093 |
| Total | | 276,502 | 271,212 | 241,095 |
| 19 Other liabilities | | | | |
| Set-off entry of negative bond holdings in connection with repos / reverse repos | | 3,776 | 3,966 | 1,660 |
| Negative fair value of derivatives, etc. | | 29,641 | 40,612 | 39,348 |
| Interest and commission payable | | 2,113 | 2,490 | 1,837 |
| Deferred income | | 144 | 137 | 349 |
| Other liabilities | | 4,843 | 6,299 | 6,827 |
| Total | | 40,517 | 53,504 | 50,021 |
| Netting | | | | |
| Negative fair value of derivatives, etc., gross | | 35,940 | 47,355 | 45,639 |
| Netting of positive and negative fair value | | 6,299 | 6,743 | 6,291 |
| Total | | 29,641 | 40,612 | 39,348 |
| Netting of fair value can be attributed to clearing of derivatives through a central clearing house (CCP clearing). | | | | |
| 20 Provisions | | | | |
| Provisions for pensions and similar liabilities | | 565 | 562 | 545 |
| Provisions for deferred tax | | 525 | 434 | 467 |
| Provisions for guarantees | | 416 | 529 | 499 |
| Other provisions | | 197 | 200 | 187 |
| Total | | 1,703 | 1,725 | 1,698 |

NOTES

| Note | The Jyske Bank Group | | |
|---|----------------------|-----------------|------------------|
| | 31 March 2017 | 31 Dec. 2016 | 31 March 2016 |
| | DKKm | | |
| 21 Subordinated debt | | | |
| Supplementary capital: | | | |
| Var. % bond loan SEK 600m 19.05.2026 | 468 | 467 | 0 |
| 3.25% bond loan SEK 400m 19.05.2026 | 312 | 311 | 0 |
| 6.73% bond loan EUR 15m 2017-2026 | 112 | 112 | 112 |
| Var. % bond loan EUR 10m 13.02.2023 | 75 | 75 | 75 |
| 5.65% bond loan EUR 10 m 27.03.2023 | 74 | 74 | 74 |
| 5.67% bond loan EUR 10 m 31.07.2023 | 74 | 74 | 74 |
| | 1,115 | 1,113 | 335 |
| Hybrid core capital: | | | |
| Var. % bond loan EUR 72.8m Perpetual | 541 | 541 | 541 |
| Var. % bond loan EUR 60.7m Perpetual | 451 | 451 | 452 |
| | 992 | 992 | 993 |
| Subordinated debt, nominal | 2,107 | 2,105 | 1,328 |
| Hedging of interest-rate risk, fair value | 26 | 26 | 29 |
| Total | 2,133 | 2,131 | 1,357 |
| Subordinated debt included in the capital base | 2,075 | 2,062 | 1,292 |
| The above-mentioned issues of additional Tier 1 Capital do not meet the conditions for additional Tier 1 Capital in the Capital Requirements Regulation, CRR. | | | |
| The issues are recognised under liability other than provision according to IAS 32. | | | |
| 22 Contingent liabilities | | | |
| Guarantees | | | |
| Financial guarantees | 12,299 | 11,108 | 9,635 |
| Guarantee for losses on mortgage credits | 1,833 | 1,880 | 1,982 |
| Registration and refinancing guarantees | 897 | 1,098 | 396 |
| Other contingent liabilities | 1,997 | 2,061 | 1,819 |
| Total | 17,026 | 16,147 | 13,832 |
| Other contingent liabilities | | | |
| Irrevocable credit commitments | 21,819 | 22,531 | 19,671 |
| Other | 95 | 96 | 122 |
| Total | 21,914 | 22,627 | 19,793 |

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.

| Note | The Jyske Bank Group |
|------|----------------------|
| DKKm | |

22 **Contingent liabilities, cont.**

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.

Because of its statutory 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 1% 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 7.91% 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 500m over a 10-year period.

Jyske Bank is a management company under Danish joint taxation. Therefore, according to the provisions of the Danish Company Taxation, Jyske Bank is liable as of the accounting year 2013 for corporation tax, etc. for the jointly taxed companies and as of 1 July 2012 for any liabilities to withhold tax on interest and dividends for the jointly taxed companies.

23 **Shareholders**

On 3 November 2016, BRFFholding a/s, Kgs. Lyngby, Danmark informed Jyske Bank that it owns 24.00% of the share capital.

On 19 October 2012, MFS Investment Management, USA reported that it owns 5.14% of the share capital.

According to Jyske Bank's Articles of Association, BRFFholding a/s and MFS Investment Management have 4,000 votes each.

24 **Related parties**

Jyske Bank is the banker of a number of related parties. Transactions between related parties are characterised as ordinary financial transactions and services of an operational nature. Transactions with related parties were executed on an arm's length basis or at cost.

Over the period, there were no unusual transactions with related parties. Please see Jyske Bank's Annual Report 2016 for a detailed description of transactions with related parties.

25 **Bonds provided as security**

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 21,315m (end of 2016: DKK 29,467m).

Repo transactions involve an arrangement where bonds are provided as collateral for the amount borrowed. Repo transactions amounted to DKK 7,737m (end of 2016: DKK 12,462m).

26 **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, whose 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, forward premiums, volatilities, etc. from recognised stock exchanges and providers.

Specific details on methods for measuring fair value

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 measurement models based on observable input, shareholders' agreements, executed transactions, etc. Unlisted equities are measured on the basis of discounted cash flow models (DCF).

Derivatives are measured on the basis of the following measurement techniques.

- Forward exchange transactions are measured on the basis of forward premiums as well as exchange rates obtained.
- Interest-rate and currency swaps are measured on the basis of exchange rates, interest points, interpolation between these, exchange rates as well as correction of credit risk (CVA and DVA). Client margins are amortised over the remaining time to maturity. Present value calculations with discounting is applied.
- Futures are measured on the basis of prices obtained in the market for stock-exchange traded futures.
- Options are measured on the basis of volatilities, correlation matrices, prices of underlying assets and exercise prices. For this purpose, option models, such as Black-Scholes, are applied.

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.

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.

DKK m

26 **Notes on fair value, cont.****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 objective evidence of impairment (OEI), the fair value is adjusted (CVA). Adjustments will also be made for clients with OEI, but on an individual basis.

For any given counterparty's total portfolio of derivatives, CVA is a function of the probability of the counterparty's probability of default (PD), the expected positive exposure (EPE) as well as the loss given default (LGD). Credit default swaps (CDS) spreads should be used as the primary source for the probability of default in the CVA calculation. However, the Jyske Bank Group enters primarily to derivatives transactions with unlisted Danish counterparties, for which there only to a most limited extent exist CDS or CDS proxy spreads. As CDS spreads are not available for the majority of the portfolio of derivatives counterparties, risk-neutral PDs are used instead. The risk-neutral PDs are calculated on the basis of IRB PDs that are adjusted for the observable price of risk in the market (Sharpe Ratio measured on the basis of the OMX C20 index). By using risk-neutral PDs, it is achieved that the CVA gets closer to the value it would have had if it had been calculated on the basis of market observable PDs. The calculation of CVA also allows for the expected development of the rating over time. This takes place on the basis of historical rating migrations. 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. For LGD, internal estimates are used for the individual counterparty, adjusted for any collateral received as well as CSA agreements concluded.

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 the first quarter of 2017, CVA and DVA amounted net to DKK 48m, which amount was recognised as an expense under value adjustment against DKK 62m at the end of 2016.

27 **Fair value of financial assets and liabilities**

The recognised value and fair value of assets classified as held-for-trading amounted to DKK 147.9bn at the end of the first quarter of 2017 against DKK 169.9bn at the end of 2016. The recognised value and fair value of liabilities classified as trading portfolio amounted to DKK 37.3bn at the end of the first quarter of 2017 against DKK 53.1bn at the end of 2016. The recognised value and fair value of assets classified as held-to-maturity amounted to DKK 4.0bn and DKK 4.1bn, respectively, at the end of the first quarter of 2017 against DKK 3.9bn and 4.1bn, respectively, at the end of 2016. The Group does not hold any assets classified as available-for-sale. 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 gain of DKK 28m at the end of the first quarter of 2017 against DKK 367m at the end of 2016.

| | 31 March 2017 | | 31 December 2016 | |
|---|-----------------|----------------|------------------|------------|
| | Carrying amount | Fair Value | Carrying amount | Fair value |
| FINANCIAL ASSETS | | | | |
| Cash balance and demand deposits with central banks | 3,706 | 3,706 | 2,068 | 2,068 |
| Due from credit institutions and central banks | 12,782 | 12,782 | 18,018 | 18,020 |
| Loans and advances at fair value | 299,328 | 299,328 | 292,049 | 292,049 |
| Loans and advances at amortised cost | 125,586 | 125,740 | 130,396 | 130,563 |
| Bonds at fair value | 75,746 | 75,746 | 81,770 | 81,770 |
| Bonds at amortised cost | 4,039 | 4,128 | 3,949 | 4,051 |
| Shares, etc. | 4,574 | 4,574 | 4,210 | 4,210 |
| Assets in pooled deposits | 4,432 | 4,432 | 4,397 | 4,397 |
| Derivatives | 30,915 | 30,915 | 41,325 | 41,325 |
| Total | 561,108 | 561,351 | 578,182 | 578,453 |
| FINANCIAL LIABILITIES | | | | |
| Due to credit institutions and central banks | 15,260 | 15,292 | 19,941 | 19,974 |
| Deposits | 151,000 | 151,020 | 150,137 | 150,170 |
| Pooled deposits | 4,461 | 4,461 | 4,511 | 4,511 |
| Issued bonds at fair value | 276,502 | 276,502 | 271,212 | 271,212 |
| Issued bonds at amortised cost | 45,738 | 46,066 | 51,028 | 51,201 |
| Subordinated debt | 2,133 | 1,968 | 2,131 | 1,796 |
| Derivatives | 29,641 | 29,641 | 40,612 | 40,612 |
| Total | 524,735 | 524,950 | 539,572 | 539,476 |

NOTES

Note

The Jyske Bank Group

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28 The fair value hierarchy

| 31 March 2017 | | Observable | Non-observable | Fair value | Carrying |
|----------------------------------|----------------------|-------------------|-----------------------|-------------------|-----------------|
| Financial assets | Quoted prices | prices | prices | total | amount |
| Loans and advances at fair value | 0 | 299,328 | 0 | 299,328 | 299,328 |
| Bonds at fair value | 60,067 | 15,679 | 0 | 75,746 | 75,746 |
| Shares, etc. | 2,389 | 218 | 1,967 | 4,574 | 4,574 |
| Assets in pooled deposits | 3,538 | 894 | 0 | 4,432 | 4,432 |
| Derivatives | 530 | 30,385 | 0 | 30,915 | 30,915 |
| Total | 66,524 | 346,504 | 1,967 | 414,995 | 414,995 |
| Financial liabilities | | | | | |
| Pooled deposits | 0 | 4,461 | 0 | 4,461 | 4,461 |
| Issued bonds at fair value | 267,616 | 8,886 | 0 | 276,502 | 276,502 |
| Derivatives | 529 | 29,112 | 0 | 29,641 | 29,641 |
| Total | 268,145 | 42,459 | 0 | 310,604 | 310,604 |
| 31 December 2016 | | | | | |
| Financial assets | | | | | |
| Loans and advances at fair value | 0 | 292,049 | 0 | 292,049 | 292,049 |
| Bonds at fair value | 68,147 | 13,623 | 0 | 81,770 | 81,770 |
| Shares, etc. | 2,186 | 0 | 2,024 | 4,210 | 4,210 |
| Assets in pooled deposits | 2,880 | 1,517 | 0 | 4,397 | 4,397 |
| Derivatives | 260 | 41,065 | 0 | 41,325 | 41,325 |
| Total | 73,473 | 348,254 | 2,024 | 423,751 | 423,751 |
| Financial liabilities | | | | | |
| Pooled deposits | 0 | 4,511 | 0 | 4,511 | 4,511 |
| Issued bonds at fair value | 258,614 | 12,598 | 0 | 271,212 | 271,212 |
| Derivatives | 247 | 40,365 | 0 | 40,612 | 40,612 |
| Total | 258,861 | 57,474 | 0 | 316,335 | 316,335 |

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 are not updated for two days, transfers will take place between the categories quoted prices and observable prices.

NON-OBSERVABLE PRICES

| | Q1 2017 | 2016 |
|--|----------------|-------|
| Fair value, beginning of period | 2,024 | 1,794 |
| Transfers for the period | -73 | 135 |
| Capital gain and loss for the period reflected in the income statement under value adjustments | 11 | 46 |
| Sales or redemptions | 6 | 69 |
| Purchases | 11 | 118 |
| Fair value, end of period | 1,967 | 2,024 |

Non-observable prices

Non-observable prices at the end of the first quarter of 2017 referred to unlisted shares recognised at DKK 1,967m against unlisted shares recognised at DKK 2,024m at the end of 2016. 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 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. A change in the required rate of return of 1% will result in a change of the fair value of about DKK 35m. Capital gain and loss for the period on illiquid bonds and unlisted shares referred to assets held at the end of the first quarter of 2017. 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.

Non-financial assets recognised at fair value

Investment properties were recognised at a fair value of DKK 32m (end of 2016: DKK 32m). Fair value belongs to the category of non-observable prices calculated on the basis of a required rate of return of 7% (end of 2016: 7%).

Assets held temporarily comprise repossessed properties, equity investments and cars, etc. Assets held temporarily are recognised at the lower of cost and fair value less costs of sale. Assets held temporarily are recognised at DKK 591m (end of 2016: DKK 635m). Fair value belongs to the category of non-observable prices.

NOTES

| Note | The Jyske Bank Group | | | | | | | | | |
|------|----------------------|--|--|--|--|--|--|--|--|--|
|------|----------------------|--|--|--|--|--|--|--|--|--|

DKKkm

29 The Jyske Bank Group - overview

| 31 March 2017 | Acti- vity* | Cur- rency | Share capital 1.000 units | Owner- ship share (%) | Voting share % | Assets (DKKkm) end of 2016 | Liabi- lities DKKkm at the end of 2016 | Equity DKKkm, at the end of 2016 | Ear- nings (DKKkm) 2016 | Profit, DKKkm 2016 |
|--|----------------|---------------|---------------------------------|--------------------------------|----------------------|-------------------------------------|---|--|----------------------------------|--------------------------|
| Jyske Bank A/S | a | DKK | 950,400 | | | 318,452 | 285,938 | 32,514 | 6,283 | 3,116 |
| Subsidiaries | | | | | | | | | | |
| BRFkredit a/s, Kgs. Lyngby | b | DKK | 1,306,480 | 100 | 100 | 307,037 | 294,225 | 12,812 | 2,105 | 1,015 |
| Ejendomsselskabet Nørreport 26, 8000 Århus C. A/S, Silkeborg | e | DKK | 4,600 | 100 | 100 | 99 | 6 | 93 | 5 | 3 |
| Ejendomsselskabet Nørsgaardsvej, 37-41, 2800 Lyngby A/S, Silkeborg | e | DKK | 2,600 | 100 | 100 | 7 | 0 | 7 | 0 | 1 |
| Jyske Bank (Gibraltar) Ltd. | a | GBP | 26,500 | 100 | 100 | 5,596 | 4,983 | 613 | 169 | 44 |
| Jyske Bank (Gibraltar) Nominees Ltd. | d | GBP | 0 | 100 | 100 | 0 | 0 | 0 | 0 | 0 |
| Jyske Bank (Gibraltar) Management Ltd. | d | GBP | 0 | 100 | 100 | 0 | 0 | 0 | 0 | 0 |
| Jyske Bank (Gibraltar) Secretaries Ltd. | d | GBP | 0 | 100 | 100 | 0 | 0 | 0 | 0 | 0 |
| Trendsetter, S.L., Spain | e | EUR | 706 | 100 | 100 | 15 | 0 | 15 | 0 | 0 |
| Jyske Bank Nominees Ltd., London | d | GBP | 0 | 100 | 100 | 0 | 0 | 0 | 0 | 0 |
| Jyske Verwaltung AG, Schweiz | d | CHF | 1,000 | 100 | 100 | 29 | 12 | 17 | 0 | -9 |
| Inmobiliaria Saresma S.L., Spain | e | EUR | 803 | 100 | 100 | 74 | 68 | 6 | -1 | -8 |
| Jyske Finans A/S, Silkeborg | c | DKK | 100,000 | 100 | 100 | 17,389 | 16,119 | 1,270 | 992 | 297 |
| Gl. Skovridergaard A/S, Silkeborg | e | DKK | 500 | 100 | 100 | 32 | 25 | 7 | 19 | -2 |
| Sundbyvesterhus A/S, Silkeborg | e | DKK | 518 | 100 | 100 | 108 | 17 | 91 | 6 | 3 |
| Ejendomsselskabet af 1.10.2015 ApS, Silkeborg | c | DKK | 500 | 100 | 100 | 126 | 124 | 2 | 2 | 1 |
| Jyske Invest Fund Management Bytorv Horsens ApS, Gentofte | d | DKK | 75,000 | 100 | 100 | 88 | 8 | 80 | 26 | 0 |
| (temporarily acquired) | e | DKK | 1,080 | 100 | 100 | 352 | 426 | -74 | 20 | -59 |
| Gallerierne Hillerød A/S, Lyngby (temporarily acquired) | e | DKK | 500 | 100 | 100 | 158 | 587 | -429 | 10 | -14 |

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.

* Activity:

a: Bank

b: Mortgage credit

c: Leasing, financing and factoring

d: Investment and financing

e: Properties and course activities

The registered offices of the companies are in Silkeborg, unless otherwise stated.

| Note | DKKm | Jyske Bank | |
|--|--|--------------|------------|
| | | Q1 2017 | Q1 2016 |
| INCOME STATEMENT | | | |
| 3 | Interest income | 912 | 1,054 |
| 4 | Interest expenses | 75 | 122 |
| | Net interest income | 837 | 932 |
| | Dividends, etc. | 54 | 27 |
| 5 | Fees and commission income | 482 | 370 |
| | Fees and commission expenses | 28 | 26 |
| | Net interest and fee income | 1,345 | 1,303 |
| 6 | Value adjustments | 545 | -26 |
| | Other operating income | 54 | 47 |
| | Employee and administrative expenses | 1,060 | 1,004 |
| | Amortisation, depreciation and impairment charges | 50 | 14 |
| | Other operating expenses | 5 | 0 |
| 7,8 | Loan impairment charges and provisions for guarantees | -89 | 226 |
| | Profit on investments in associates and group enterprises | 256 | 319 |
| | Pre-tax profit | 1,174 | 399 |
| | Tax | 198 | 15 |
| | Net profit or loss for the period | 976 | 384 |
| | Distributed to: | | |
| | Jyske Bank A/S shareholders | 957 | 384 |
| | Holder of hybrid core capital | 19 | 0 |
| | Total | 976 | 384 |
| STATEMENT OF COMPREHENSIVE INCOME | | | |
| | Net profit or loss for the period | 976 | 384 |
| | Other comprehensive income: | | |
| | Items that can be recycled to the income statement: | | |
| | Foreign currency translation adjustment of international units | 1 | -61 |
| | Hedge accounting of international units | -1 | 60 |
| | Tax on hedge accounting | 0 | -13 |
| | Other comprehensive income after tax | 0 | -14 |
| | Comprehensive income for the period | 976 | 370 |

| Note | DKKm | 31 March 2017 | 31 Dec. 2016 | Jyske Bank 31 March 2016 |
|--------------------------------|--|------------------|-----------------|--------------------------------|
| BALANCE SHEET | | | | |
| ASSETS | | | | |
| | Cash balance and demand deposits with central banks | 3,657 | 1,903 | 881 |
| | Due from credit institutions and central banks | 13,100 | 16,787 | 12,526 |
| 8 | Loans and advances at fair value | 11,947 | 15,033 | 4,543 |
| 7,8 | Loans and advances at amortised cost | 127,423 | 132,208 | 149,729 |
| | Bonds at fair value | 71,838 | 78,620 | 78,212 |
| | Bonds at amortised cost | 5,438 | 5,351 | 5,407 |
| | Shares, etc. | 4,288 | 3,927 | 3,870 |
| | Investments in associates | 407 | 333 | 327 |
| | Equity investments in group enterprises | 15,073 | 14,733 | 14,383 |
| | Assets in pooled deposits | 4,431 | 4,397 | 4,229 |
| | Intangible assets | 8 | 40 | 46 |
| | Owner-occupied properties | 2,126 | 2,122 | 2,121 |
| | Other property, plant and equipment | 145 | 2,122 | 97 |
| | Current tax assets | 1,071 | 143 | 911 |
| | Deferred tax assets | 0 | 305 | 0 |
| | Assets held temporarily | 48 | 60 | 41 |
| | Other assets | 31,893 | 42,412 | 41,287 |
| | Prepayments | 79 | 78 | 80 |
| | Total assets | 292,972 | 318,452 | 318,690 |
| EQUITY AND LIABILITIES | | | | |
| Debt and payables | | | | |
| | Due to credit institutions and central banks | 26,404 | 35,615 | 60,090 |
| 9 | Deposits | 145,825 | 145,273 | 133,964 |
| | Pooled deposits | 4,461 | 4,511 | 4,469 |
| | Issued bonds at amortised cost | 42,317 | 47,619 | 41,333 |
| | Other liabilities | 37,803 | 49,633 | 46,607 |
| | Deferred income | 26 | 19 | 25 |
| | Total debt | 256,836 | 282,670 | 286,488 |
| Provisions | | | | |
| | Provisions for pensions and similar liabilities | 530 | 528 | 514 |
| | Provisions for deferred tax | 31 | 31 | 29 |
| | Provisions for guarantees | 411 | 429 | 493 |
| | Other provisions | 147 | 149 | 129 |
| | Provisions, total | 1,119 | 1,137 | 1,165 |
| | Subordinated debt | 2,133 | 2,131 | 1,357 |
| Equity | | | | |
| | Share capital | 950 | 950 | 950 |
| | Revaluation reserve | 400 | 400 | 381 |
| | Currency translation reserve | 0 | -2 | -1 |
| | Reserve according to the equity method | 2,964 | 2,964 | 2,170 |
| | Retained profit | 26,592 | 26,227 | 26,180 |
| | Proposed dividend | 499 | 499 | 0 |
| | Jyske Bank A/S shareholders | 31,405 | 31,038 | 29,680 |
| | Holders of hybrid core capital | 1,479 | 1,476 | 0 |
| | Equity, total | 32,884 | 32,514 | 29,680 |
| | Equity and liabilities, total | 292,972 | 318,452 | 318,690 |
| OFF-BALANCE SHEET ITEMS | | | | |
| | Guarantees, etc. | 17,114 | 18,201 | 15,913 |
| | Other contingent liabilities | 2,848 | 3,340 | 2,205 |
| | Total guarantees and other contingent liabilities | 19,962 | 21,541 | 18,118 |

DKKm

| STATEMENT OF CHANGES IN EQUITY | Share capital | Revaluation reserve | Currency translation reserve | Reserve according to the equity method | Retained profit | Proposed dividend | Shareholders of Jyske Bank A/S | Hybrid core capital* | Total equity |
|-------------------------------------|---------------|---------------------|------------------------------|--|-----------------|-------------------|--------------------------------|----------------------|---------------|
| | | | | | | | | | |
| Equity at 1 January 2017 | 950 | 400 | -2 | 2,964 | 26,227 | 499 | 31,038 | 1,476 | 32,514 |
| Net profit or loss for the period | 0 | 0 | 2 | 0 | 955 | 0 | 957 | 19 | 976 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Comprehensive income for the period | 0 | 0 | 2 | 0 | 955 | 0 | 957 | 19 | 976 |
| Interest paid on hybrid capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -19 | -19 |
| Currency translation adjustment | 0 | 0 | 0 | 0 | -3 | 0 | -3 | 3 | 0 |
| Tax | 0 | 0 | 0 | 0 | 5 | 0 | 5 | 0 | 5 |
| Dividends paid | 0 | 0 | 0 | 0 | 0 | -499 | -499 | 0 | -499 |
| Dividends, own shares | 0 | 0 | 0 | 0 | 32 | 0 | 32 | 0 | 32 |
| Proposed dividend | 0 | 0 | 0 | 0 | -499 | 499 | 0 | 0 | 0 |
| Acquisition of own shares | 0 | 0 | 0 | 0 | -633 | 0 | -633 | 0 | -633 |
| Sale of own shares | 0 | 0 | 0 | 0 | 508 | 0 | 508 | 0 | 508 |
| Transactions with owners | 0 | 0 | 0 | 0 | -590 | 0 | -590 | -16 | -606 |
| Equity 31 March 2017 | 950 | 400 | 0 | 2,964 | 26,592 | 499 | 31,405 | 1,479 | 32,884 |
| Equity at 1 January 2016 | 950 | 381 | 0 | 2,170 | 26,040 | 499 | 30,040 | 0 | 30,040 |
| Net profit or loss for the period | 0 | 0 | 0 | 0 | 384 | 0 | 384 | 0 | 384 |
| Other comprehensive income | 0 | 0 | -1 | 0 | -13 | 0 | -14 | 0 | -14 |
| Comprehensive income for the period | 0 | 0 | -1 | 0 | 371 | 0 | 370 | 0 | 370 |
| Dividends paid | 0 | 0 | 0 | 0 | 0 | -499 | -499 | 0 | -499 |
| Dividends, own shares | 0 | 0 | 0 | 0 | 5 | 0 | 5 | 0 | 5 |
| Acquisition of own shares | 0 | 0 | 0 | 0 | -586 | 0 | -586 | 0 | -586 |
| Sale of own shares | 0 | 0 | 0 | 0 | 350 | 0 | 350 | 0 | 350 |
| Transactions with shareholders | 0 | 0 | 0 | 0 | -231 | -499 | -730 | 0 | -730 |
| Equity 31 March 2016 | 950 | 381 | -1 | 2,170 | 26,180 | 0 | 29,680 | 0 | 29,680 |

*Hybrid core capital has no maturity. Payment of interest and repayment of principal are voluntary. Therefore hybrid core capital (additional Tier 1 Capital) is recognised as equity. In September 2016, Jyske Bank made an issue amounting to SEK 1.25bn and DKK 500m with the possibility of early redemption in September 2021 at the earliest. The interest rates applicable to the hybrid core capital until September 2021 are STIBOR+5.80% and CIBOR+5.30%, respectively. If the Common Equity Tier 1 capital of Jyske Bank A/S or the Jyske Bank Group falls below 7%, the loan will be written down.

| DKKm | 31 March 2017 | 31 Dec. 2016 | Jyske Bank 31 March 2016 |
|--|--------------------------|-----------------|---|
| CAPITAL STATEMENT | | | |
| Shareholders' equity | 31,405 | 31,038 | 29,680 |
| Net profit for the period not recognised in the capital base | -957 | 0 | 0 |
| Share buy-back programme, non-utilised limit | -386 | 0 | -414 |
| Proposed/expected dividends | -499 | -499 | -77 |
| Intangible assets | -8 | -40 | -46 |
| Deferred tax liabilities relating to intangible assets | 2 | 9 | 10 |
| Prudent valuation | -234 | -251 | -261 |
| Other deductions | -119 | -30 | -83 |
| Common Equity Tier 1 capital | 29,204 | 30,227 | 28,809 |
| Additional Tier 1 Capital after reduction | 2,123 | 2,250 | 777 |
| Other deductions | -28 | -69 | -70 |
| Core capital | 31,299 | 32,408 | 29,516 |
| Subordinated loan capital after reduction | 1,428 | 1,298 | 530 |
| Difference between expected loss and the carrying amount of impairment charges | 124 | 203 | 418 |
| Other deductions | -247 | -220 | -220 |
| Capital base | 32,604 | 33,689 | 30,244 |
| Weighted risk exposure involving credit risk etc. | 96,801 | 97,297 | 99,781 |
| Weighted risk exposure involving market risk | 23,376 | 25,658 | 23,457 |
| Weighted risk exposure involving operational risk | 11,400 | 11,870 | 11,870 |
| Total weighted risk exposure | 131,577 | 134,825 | 135,108 |
| Capital requirement, Pillar I | 10,526 | 10,786 | 10,809 |
| Capital requirement, transitional provisions | 102 | 277 | 0 |
| Capital requirement, total | 10,628 | 11,063 | 10,809 |
| Capital ratio (%) | 24.8 | 25.0 | 22.4 |
| Core Tier 1 Capital ratio (%) | 23.8 | 24.0 | 21.9 |
| Common Equity Tier 1 capital ratio (%) | 22.2 | 22.4 | 21.3 |

Over the period 2008-2013, capital ratios were calculated in accordance with the CRD III (Basel II). On 31 March 2017, the total weighted risk exposure according to Basel I amounted to DKK 166,057m for Jyske Bank. The capital requirement according to the transitional provisions was for 80% of the capital requirement of 8% of the total weighted risk exposure corresponding to DKK 10,628m for Jyske Bank. At the end of 2016, the transitional provisions resulted in a capital requirement of DKK 11,063m for Jyske Bank. The transitional rules applying to total weighted risk exposure will still apply in the coming years.

For a statement of the individual solvency requirement, please see Risk and Capital Management 2016 or investor.jyskebank.com/investorrelations/capitalstructure.

| Note | Jyske Bank | |
|------|------------|------------|
| | Q1 2017 | Q1 2016 |
| DKKm | | |

NOTES
1 Accounting Policies

The Interim Financial Report of the parent company Jyske Bank A/S for the period 1 January to 31 March 2017 was prepared in accordance with the Danish Financial Business Act, including the Executive Order on Financial Reports for Credit Institutions and 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 accounting policies in note 72 of the annual report 2016.

Figures in the financial statements are in Danish kroner, rounded to the nearest million in Danish kroner.

Changes to accounting policies

The accounting policies are identical to those applied to and described in the financial statements 2016.

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.

2 Financial ratios and key figures

| | | |
|--|----------------|---------|
| Pre-tax profit p.a. as a percentage of opening equity* | 14.9 | 5.3 |
| Profit for the period as a pct. of av. equity* | 3.1 | 1.3 |
| Income / cost ratio (%) | 2.1 | 1.3 |
| Capital ratio (%) | 24.8 | 22.4 |
| Common Equity Tier 1 capital ratio (CET1 %) | 22.2 | 21.3 |
| Individual solvency requirement (%) | 10.8 | 13.7 |
| Capital base (DKKm) | 32,604 | 30,244 |
| Total risk exposure (DKKm) | 131,581 | 135,108 |
| Interest-rate risk (%) | 0.5 | 0.5 |
| Currency risk (%) | 0.1 | 0.1 |
| Accumulated impairment ratio (%) | 3.0 | 3.5 |
| Impairment ratio for the period (%) | -0.1 | 0.1 |
| No. of full-time employees at end-period | 2,999 | 3,012 |
| Average number of full-time employees in the period | 2,991 | 3,016 |

*Financial ratios are calculated as if hybrid core capital is recognised as a liability.

3 Interest income

| | | |
|--|------------|-------|
| Due from credit institutions and central banks | 3 | 1 |
| Loans and advances | 682 | 741 |
| Bonds | 201 | 268 |
| Derivatives, total | 26 | 44 |
| Of which currency contracts | 16 | 75 |
| Of which interest-rate contracts | 10 | -31 |
| Other | 0 | 0 |
| Total | 912 | 1,054 |

Of which interest income on reverse repos carried under:

| | | |
|--|------------|-----|
| Due from credit institutions and central banks | -5 | -5 |
| Loans and advances | -21 | -23 |

| Note | DKK m | Jyske Bank | |
|--------------|--|-------------|---------|
| | | Q1 2017 | Q1 2016 |
| NOTES | | | |
| 4 | Interest expenses | | |
| | Due to credit institutions and central banks | 18 | 0 |
| | Deposits | 2 | 61 |
| | Issued bonds | 43 | 54 |
| | Subordinated debt | 12 | 7 |
| | Total | 75 | 122 |
| | Of which interest expenses on reverse repos carried under: | | |
| | Due to credit institutions and central banks | -16 | -33 |
| | Deposits | 0 | -7 |
| 5 | Fees and commission income | | |
| | Securities trading and custody services | 263 | 198 |
| | Money transfers and card payments | 40 | 39 |
| | Loan application fees | 32 | 13 |
| | Guarantee commission | 18 | 19 |
| | Other fees and commissions | 129 | 101 |
| | Total | 482 | 370 |
| 6 | Value adjustments | | |
| | Loans and advances at fair value | 20 | 20 |
| | Bonds | 79 | 166 |
| | Shares, etc. | 181 | -99 |
| | Currency | 71 | 108 |
| | Currency, interest-rate, share, commodity and other contracts as well as other derivatives | 163 | -172 |
| | Assets in pooled deposits | 128 | -150 |
| | Pooled deposits | -128 | 150 |
| | Other assets | 0 | 5 |
| | Issued bonds | 28 | -50 |
| | Other liabilities | 3 | -4 |
| | Total | 545 | -26 |

| Note | Jyske Bank | |
|---|---|---------|
| DKKm | Q1 2017 | Q1 2016 |
| Notes | | |
| 7 | Loan impairment charges and provisions for guarantees, incl. balance of discounts | |
| | Balance of loan impairment charges and provisions for guarantees incl. balance of discounts, beginning of period | |
| | 5,514 | 6,703 |
| Loan impairment charges/provisions for the period | -13 | 233 |
| Recognised as a loss, covered by impairment charges/provisions | -190 | -77 |
| Recognised losses covered by discounts for acquired loans | -13 | -66 |
| Recognised discount for acquired loans | -55 | -20 |
| Other movements | 24 | 33 |
| | Balance of loan impairment charges and provisions for guarantees incl. balance of discounts, end of period | |
| | 5,267 | 6,806 |
| Loan impairment charges | 4,473 | 5,646 |
| Provisions for guarantees | 411 | 493 |
| | Balance of loan impairment charges and provisions, end of period | |
| | 4,884 | 6,139 |
| Balance of discounts for acquired loans | 383 | 667 |
| | Balance of loan impairment charges and provisions for guarantees incl. balance of discounts, end of period | |
| | 5,267 | 6,806 |
| Loan impairment charges/provisions for the period | -13 | 233 |
| Recognised as a loss, not covered by loan impairment charges/provisions | 29 | 19 |
| Recoveries | -105 | -26 |
| | Loan impairment charges and provisions for guarantees recognised in the income statement | |
| | -89 | 226 |
| Recognised discount for acquired loans | -55 | 20 |
| | Net effect on income statement | |
| | -144 | 206 |
| | Individual loan impairment charges, beginning of period | |
| | 3,531 | 4,157 |
| Loan impairment charges for the period | 47 | 225 |
| Recognised as a loss, covered by impairment charges/provisions | -190 | -77 |
| Other movements | 18 | 25 |
| | Individual loan impairment charges, end of period | |
| | 3,406 | 4,330 |
| | Individual provisions for loss on guarantees, beginning of period | |
| | 359 | 377 |
| Provisions for the period | -16 | 38 |
| | Individual provisions for loss on guarantees, end of period | |
| | 343 | 415 |
| | Collective loan impairment charges, beginning of period | |
| | 1,103 | 1,325 |
| Loan impairment charges for the period | -42 | -17 |
| Other movements | 6 | 8 |
| | Collective loan impairment charges, end of period | |
| | 1,067 | 1,316 |
| | Collective provisions for loss on guarantees, beginning of period | |
| | 70 | 91 |
| Provisions for the period | -2 | -13 |
| | Collective provisions for loss on guarantees, end of period | |
| | 68 | 78 |
| | Impairment charges on balances due from credit institutions | |
| | Individual impairment charges on balances due from credit institutions, beginning of period | |
| | 15 | 15 |
| Loan impairment charges for the period | 0 | 0 |
| | Individual impairment charges on balances due from credit institutions, end of period | |
| | 15 | 15 |

The regulatory balance of loan impairment charges and provisions for guarantees does not include the discount balance for acquired loans and advances.

DKKkm

Notes

8 **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 period | | Loss for the period | |
|---|--------------------------------|------------|----------------|----------------|--|--------------|--|------------|---------------------|-----------|
| | % 31 March 2017 | | % End of 2016 | | 31 March 2017 | End of 2016 | Q1 2017 | Q1 2016 | Q1 2017 | Q1 2016 |
| | | | | | | | | | | |
| Public authorities | 4 | 4 | 6,761 | 6,134 | 0 | 0 | 0 | 0 | 0 | 0 |
| Agriculture, hunting, forestry, fishing | 4 | 4 | 5,546 | 5,787 | 1,315 | 1,375 | -6 | 181 | 85 | 22 |
| Fishing | 1 | 1 | 1,282 | 1,297 | 4 | 4 | -1 | 1 | 0 | 0 |
| Dairy farmers | 0 | 0 | 711 | 794 | 691 | 721 | 6 | 51 | 50 | 21 |
| Plant farming | 1 | 1 | 1,440 | 1,483 | 108 | 118 | -7 | 16 | 3 | 0 |
| Pig farming | 1 | 1 | 1,125 | 1,133 | 424 | 431 | -1 | 71 | 20 | 1 |
| Other agriculture | 1 | 1 | 988 | 1,080 | 88 | 101 | -3 | 42 | 12 | 0 |
| Manufacturing, mining, etc. | 4 | 5 | 6,632 | 8,254 | 192 | 199 | -14 | 46 | 11 | 8 |
| Energy supply | 3 | 2 | 4,198 | 3,860 | 31 | 30 | 0 | 0 | 0 | 0 |
| Building and construction | 2 | 2 | 2,621 | 2,502 | 91 | 116 | -9 | 10 | 19 | 5 |
| Commerce | 6 | 4 | 9,115 | 7,245 | 144 | 154 | 0 | 3 | 15 | 5 |
| Transport, hotels and restaurants | 1 | 1 | 2,074 | 1,896 | 92 | 89 | 12 | 10 | 12 | 1 |
| Information and communication | 0 | 0 | 784 | 514 | 37 | 68 | -30 | -2 | 0 | 0 |
| Finance and insurance | 33 | 33 | 50,895 | 55,078 | 763 | 769 | -47 | -24 | 2 | 2 |
| Real property | 8 | 8 | 13,170 | 12,243 | 956 | 966 | 7 | -20 | 28 | 16 |
| Lease of real property | 5 | 5 | 8,063 | 8,017 | 775 | 771 | 23 | -2 | 28 | 16 |
| Buying and selling of real property | 1 | 1 | 1,418 | 1,337 | 54 | 60 | -7 | -22 | 0 | 0 |
| Other real property | 2 | 2 | 3,689 | 2,889 | 127 | 135 | -9 | 4 | 0 | 0 |
| Other sectors | 3 | 4 | 4,651 | 6,675 | 172 | 177 | -6 | 6 | 1 | 5 |
| Corporate clients | 64 | 63 | 99,686 | 104,054 | 3,793 | 3,943 | -93 | 210 | 173 | 64 |
| Private individuals | 32 | 33 | 50,037 | 55,254 | 1,091 | 1,120 | 4 | 16 | 46 | 32 |
| Total | 100 | 100 | 156,484 | 165,442 | 4,884 | 5,063 | -89 | 226 | 219 | 96 |

DKKkm

31 March 2017

31 Dec. 2016

Jyske Bank
31 March 2016

Notes

9 **Deposits**

| | | | |
|------------------|----------------|----------------|----------------|
| Demand deposits | 93,436 | 94,462 | 87,948 |
| Term deposits | 4,228 | 3,617 | 4,153 |
| Time deposits | 40,803 | 39,910 | 34,683 |
| Special deposits | 7,358 | 7,284 | 7,180 |
| Total | 145,825 | 145,273 | 133,964 |