Risk and Capital Management

Jyske Bank 2007

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1. Risk and capital management at Jyske Bank

Jyske Bank uses advanced and integrated solutions to identify and manage Group risks and to assess the necessary capital requirement. Capital management is based on the principles of RAROC (Risk Adjusted Return on Capital), and these are applied at all levels throughout Jyske Bank.

For the past year, focus has primarily been on the consolidation of methodologies and models for measuring credit risk and on the implementation of models for managing and measuring operational risk. Work is continuously being done to improve, further develop, validate and embed these models. In September 2006, the Bank applied for 'advanced bank' status under the Capital Requirements Directive (Basel II). The application was for approval to apply advanced rules to the majority of domestic loans and advances. The Danish Financial Supervisory Authority granted Jyske Bank the desired approval in November 2007 with effect from 1 January 2008.

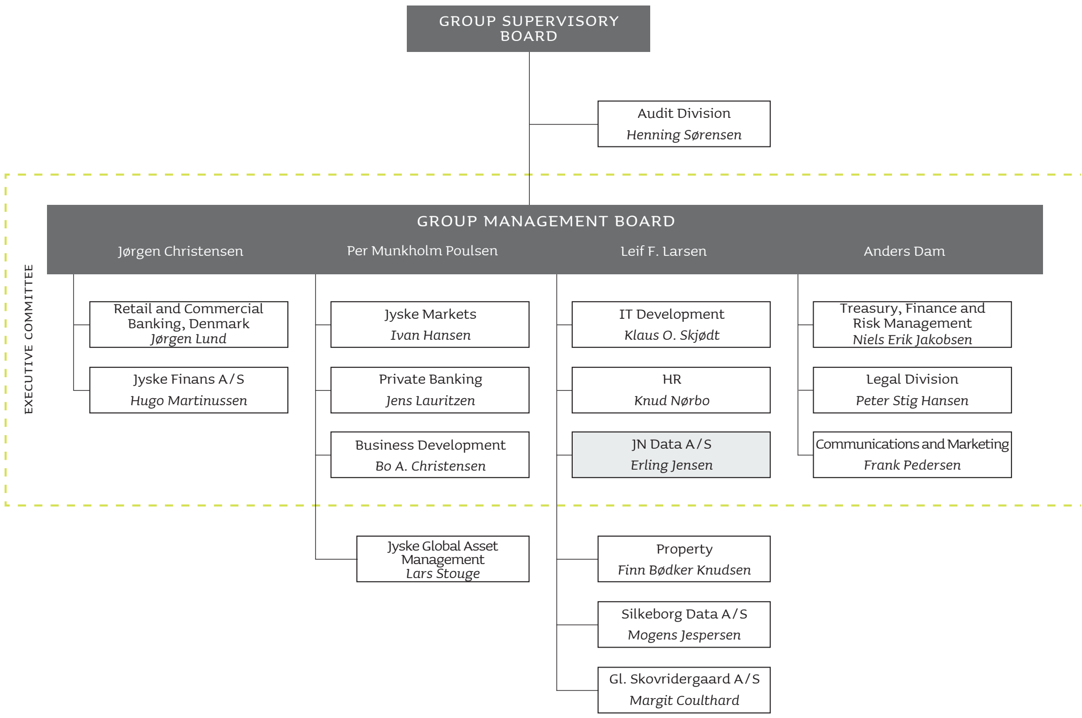
1.1 Organisation

The Supervisory Board lays down general policies, guidelines and principles for risk and capital management. The Supervisory Board regularly receives detailed reports on the trend in risks and the degree of utilisation of allocated risk limits.

The Treasury, Finance & Risk Management Division, which is in charge of overall financial and risk management as well as capital optimisation, includes:

- functions responsible for the Bank's own securities portfolio and balance-sheet management (Treasury);
- functions responsible for Group financial management and for customer-oriented financial and risk management tools (Finance);
- functions whose task is to measure, supervise, analyse, model and report Group risks and capital positions (Risk Management).

Organisation plan of the Jyske Bank Group



1.2 Risk management

Departments under Treasury and Risk Management submit new risk management principles and policies to the Group Management and Supervisory Board for approval. The departments are subsequently responsible for the implementation of these principles and policies with a view to improving both risk management and capital allocation. The Risk Management Division checks that risk levels do not exceed the limits laid down by the Supervisory Board.

The day-to-day management of Group credit risks is undertaken by account managers and the central credit department. The Risk Management Division is responsible for the supervision of the Group's overall credit risks.

The Finance Division is responsible for the day-to-day management of Group market risk. Investments made by the Finance Division are based on macroeconomic principles and are thus of a long-term nature.

The heads of divisions are responsible for operational risk management in their own division. The management of significant Group operational risks is undertaken by the Risk Management Division which regularly reports risks to Group Management and the Group Risk Committee.

Group market risk positions are assessed on a monthly basis by the Asset and Liability Committee. The Committee is charged with ensuring that the Group's risk profile is in line with the intended risk profile.

At quarterly meetings, the Group Risk Committee decides on measures aimed at meeting the statutory capital adequacy requirements, on internal procedures for risk measurement and management, on capital base and solvency requirements, on capital and liquidity reserves and the attached contingency plans as well as on allocation of risk capital to divisions and to risk types.

Functions that manage Group risks

Risk Management	Overall monitoring of the Group's total risk, the Group's large operational risks. Reports daily to the Bank's Group Risk Committee
Credit Department	Daily management of the Group's credit risks.
Treasury	Daily management of the Group's market risks.
Asset and Liability Committee	Ensures that the Group's risk profile is in line with the intended risk profile.
Group Risk Committee	Decides on measures aimed at meeting external and internal management requirements.

1.3 Capital requirement

The calculation of Jyske Bank's capital requirement rests on analyses of all material risks. These risks are analysed partly independently, partly collectively.

Stress-testing is an important tool for analysing the overall picture of risk. Stress-testing will show whether Jyske Bank's capital base is sufficient even during a period of recession. For that purpose, a number of macroeconomic scenarios with 3-5 year horizons are described, which reveal the consequences for Jyske Bank with regard to losses and earnings. These scenarios describe situations when the activity level falls due to overheating of the Danish economy.

Projections of economic indicators are made on the basis of the macroeconometric models ADAM (Statistics Denmark) and MONA (the Danish central bank). Moreover, internal error correction models are used as well as credit risk models for projecting Jyske Bank's loss in various macroeconomic scenarios.

On the background of the results of the scenario projections it is determined whether it is necessary to include an extra capital buffer in the allocation of capital base to deal with unfavourable economic trends. The quantification of the capital buffer will inter alia depend on the Bank's expected earnings during a recession. If the expected earnings capacity is sufficient in relation to the estimated losses during a recession, there is less need of a capital buffer.

1.4 RAROC

RAROC is the Group's principal performance measurement tool designed to measure risk-adjusted financial performance. The different characteristics of risk associated with the Group's business areas and activities can be quantified in a single risk figure, economic capital. RAROC is applied to provide a consistent risk-adjusted view of profitability across the Group's activities. RAROC is an excellent risk management tool, as cost of capital can be assigned to specific activities.

The Bank now has RAROC-based methodology at all levels, from profitability assessment of single transactions to profitability assessment at customer, branch, division and unit level.

1.5 Economic capital

Economic capital is a key concept in the management of the Bank's risk and capital structure. Economic capital is the minimum capital required to support the current level of risk at a 12-month horizon. It requires quantification of risk across risk categories and is a central concept in the Bank's internal financial management. After implementation of the second pillar of the Capital Adequacy Directive, economic capital will continue to play a big role in connection with regulative capital, because economic capital will be one of the cornerstones of the Bank's internal process for determining its capital requirement (ICAAP).

Jyske Bank allocates economic capital to risks such as credit, market, business and operational risks. In accordance with market practice, the Bank no longer allocates economic capital to liquidity risks.

Jyske Bank has decided that the economic capital must cover at least 99.97% of non-anticipated losses over a 12-month period. The calculation of economic capital is based on the assumption that the current level of risk, the current portfolio and the current risk categories remain constant over a 12-month period.

In the first quarter, Jyske Bank implemented an advanced credit portfolio model which means that more attention still is paid to the specific characteristics of individual exposures including maturities, sectors, concentration effects and correlations between customers. The model takes into account default loss as well as a expected changes in credit risk.

1.6 Supporting models

The calculation of economic capital and the Bank's risk management in general are supported by a number of quantitative models for the quantification and structuring of various risk types. The models are used intensively for many purposes, from management reporting to providing advisory service to the Bank's customers. It is therefore important that the Bank is at all times confident of the quality of those models. The models are reviewed at least once a year and validated with the purpose of updating them with respect to the latest data and to reveal any problems that need attending to. Validation generally involves an assessment of model stability, back-testing and benchmarking.

The result of this work is documented in re-estimation and validation documentation which is used as a background for information and possibly for application to the Bank's Group Risk Committee. Existing models are improved, and new models are implemented on a continuing basis. Responsibility for the supervision and review of the above-mentioned validation and re-estimation processes is vested in "Solvency and Legislation" under Risk Management, which acts as a credit risk control unit in relation to the capital adequacy requirements.

1.7 Capital base

The table below shows the Group's capital base at end-2007 recognised according to the previous rules and the CRD rules.

Capital base, the Jyske Bank Group (DKK m)

	2007	2007 (CRD)
Equity	560	560
Retained earnings	8,826	8,826
Minority shareholders	49	49
Intangible assets	-291	-291
Deferred tax assets	-25	-25
Core capital excluding hybrid core capital	**9,119**	**9,119**
Hybrid core capital	1,609	1,609
Diff. between anticipated losses and write-offs	0	-312
Deduction for investments above 10%	-24	-24
Deduction for delivery risk	-22	-22
Core capital	**10,682**	**10,370**
Subordinated debt (excluding hybrid core capital)	1,640	1,640
Hybrid core capital	68	68
Revaluation reserves	272	272
Diff. between anticipated losses and write-offs	0	-312
Deduction for investments above 10%	-24	-24
Deduction for delivery risk	-22	-22
Capital base	**12,616**	**11,992**

After the adoption of the CRD rules at 1 January the core capital is adjusted for the difference between model-based anticipated losses and impairment charges on exposures to which IRB methods are applied. There are no differences in the consolidation basis between accounting objectives and consolidation pursuant to chapter 12 of the Danish Financial Business Act. Fast transfer of capital resources or repayment of claims between the parent business and its subsidiaries can be made to the extent that it is possible considering the solvency and liquidity situation of the subsidiaries.

2. Market risk

2. Market risk

Market risk arises from the Bank's open positions in the financial markets such as interest-rate, currency, equity-market and commodity positions. In assessing, managing and controlling market risk, the Jyske Bank Group has adopted a fully-integrated approach comprising both the Bank's own portfolio and its trading portfolio.

Jyske Bank has developed policies and procedures for the management of market risk. These policies relate to the identification and measurement of various categories of market risk and define specific limits with regard to the market risk acceptable to the Group. The risk management database allows Jyske Bank to generate detailed risk reports of Group positions.

Jyske Bank has implemented a three-level approach to define the acceptable level of market risk. The first level reflects the limits of overall Group market risk. The limits are defined by the Supervisory Board and delegated to the CEO. The second level consists of maximum risk limits delegated by the CEO to the heads of Jyske Markets and Treasury, the only divisions authorised to assume significant market risk. The third level reflects the further delegation of lines by the heads of the above-mentioned divisions to staff at Jyske Markets and Treasury.

Market risks are managed at Group level. Optimisation of the Group's own market risk is undertaken by Treasury. Jyske Markets is in charge of position-taking primarily aimed at supporting trading activities.

Market risk in other Group entities is in all material respects hedged on a daily basis by the parent company.

Controls have been established to ensure that each position and transaction complies with the risk management policy and the delegated limits. All risk positions are monitored on a daily basis by a function separate from customer-oriented functions. The Executive Board is notified immediately of any positions exceeding the pre-determined limits. The Supervisory Board and Internal Audit are notified immediately if positions exceed the overall authority of the Executive Board.

Not all aspects of market risk can be quantified by means of a single method of calculation. Calculations, measurements and delegated limits are therefore based on a number of methodologies. In the day-to-day risk management, traditional risk measurements are used alongside more advanced internal mathematical / statistical models such as Value at Risk. To ensure an adequate degree of accuracy in the internal models, measurements are checked on an on-going basis.

2.1 Value-at-Risk

Jyske Bank applies the Value-at-Risk method (VaR) for the calculation and monitoring of market risks. Value at Risk expresses the anticipated maximum risk of loss over a period based on historical price and correlation developments. Risk limits for VaR have been defined and delegated.

The model is a parametric VaR based on an enhanced Risk Metrics model. Volatilities and covariances in the model are estimated on the basis of data going back six months. The data are weighted so that the latest observations carry the highest weight. The VaR approach is specially modified to reflect the embedded prepayment risk of Danish mortgage bonds. Jyske Bank's VaR model does not include commodity positions or positions in structured credit obligations (CLOs / CDOs). VaR is calculated with a time frame of one day, and with 99% probability, and is defined as Daily Earnings at Risk (DEaR). A DEaR of 99% indicates a 1% probability of a day's actual market value adjustments exceeding DEaR. There is a statistical chance of 2-3 days in the course of the year when the Bank's market value adjustments exceed the DEaR estimated by the VaR model. Such an occurrence is termed an outlier.

No application has been made to the Danish Financial Supervisory Authority for approval of the VaR model.

2.2 Back-testing

To assess the accuracy of the VaR model, daily back-testing of the model is conducted against actual daily value adjustment of market-risk related positions. Back-testing is conducted and reported for 99% DEaR.

Jyske Bank has applied VaR in its risk management since 2001. Since then there has been an average of 2.0 outliers annually within a band of 1-3 outliers, which substantiates the validity of Jyske Bank's VaR model.

2.3 Scenario-based stress testing

Scenario-based stress testing of positions is conducted monthly as an integral part of the work done by Treasury. These tests do not have any direct influence on the calculation of the economic capital and are not applied directly in the limit structure.

2.4 Risk types

Jyske Bank handles several types of market risk every day. Each risk type has its own characteristics, and in the following we describe the management of interest-rate, currency, equity and commodity risks and other risks.

2.4.1 Interest-rate risk

Interest-rate risk is measured daily on the basis of duration. Duration is defined as the interest-rate risk resulting from a general one percentage point increase in interest rates (Interest rate risk 1). Duration denotes the percentage gain or loss if all rates of interest (across all currencies and all interest rate curves) simultaneously rose by one percentage point. The calculation is based on the entire portfolio of interest-rate-related instruments of both Treasury and Jyske Markets. Because of Jyske Bank's exposure to Danish mortgage bonds, comprehensive risk management models have been developed to take into account the embedded prepayment option. As Danish mortgage bonds are to a large extent issued with an embedded right of prepayment at par, standard risk indicators such as duration cannot be applied unless they are adjusted for this prepayment right. Risk management includes the calculation of and limits to OAS positions (Option-Adjusted Spreads). Interest-rate risk is calculated on the basis of agreed payments. The customer and the Bank are assumed to fulfil the agreed contractual payments, although certain fixed-rate loans may be prepaid. Interest-rate risk 1 is adjusted for this option element. The Bank has no fixed-rate balances without an agreed due date.

In addition to the common Interest-rate risk 1, Jyske Bank calculates a Jyske Bank-specific Interest-rate risk 2. This is because Interest-rate risk 1 is in several respects too simplistic. For instance, Interest-rate risk 1 does not take into account risk attached to spread transactions involving interest-rate positions in various instruments and currencies. Interest-rate risk 2 is calculated as Interest-rate risk 1 plus an addition for yield curve risks, volatility risks, country risks, and basis risks.

2.4.2 Currency risk

Currency risk is calculated in accordance with the rules on capital adequacy set out by the Danish Financial Supervisory Authority. Currency indicator 1 is calculated as the sum of the numerically higher of long or short positions in each currency, translated into DKK.

Exposures in respect of indicator 1 are reported to the authorities on a quarterly basis.

Currency indicator 1 does not take into account that some currencies are more volatile and perhaps less liquid than others. For management purposes Jyske Bank therefore uses a weighted currency indicator 1 (Jyske Currency Indicator). Here individual currencies are given a weighting of 100%-250%, which is multiplied by the nominal currency position. Subsequently the weighted currency positions are added to form a 'weighted currency indicator 1', which better measures risk than the unweighted Currency indicator 1.

Moreover, VaR is applied to currency positions in risk management taking into account the correlation between currency positions and the volatility of individual currencies.

2.4.3 Equity risk

Equity risk is calculated as a risk A and a risk B.

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

Equity risk B is calculated as 10% of the numerical equity exposure. This risk measure thus expresses the gross exposure, as it shows the loss at a 10% negative price change on all positive positions and a 10% positive price change on all negative positions.

Jyske Bank shares and financial sector equities and the like are not included in equity risks A and B.

2.4.4 Commodity risk

Both Jyske Markets and Treasury hold commodity positions. Risk is managed according to the principle of a nominal amount, whereby the market values of numerical positions are added together.

2.4.5 Other risks

Jyske Bank calculates risk in connection with non-linear derivatives such as options - primarily interest-rate and currency options. Risk calculations and risk limitation include delta, gamma and vega risks. The same risk measurements are applied to structured products which involve options, such as Danish mortgage bonds.

In addition, limits have been defined for individual bond and equity positions so as to limit concentration risk.

2.5 Derivatives

The use of derivatives plays an important role in market risk management, both to the Bank's customers and the Bank itself.

Market risk on derivatives is included in the Bank's calculation of market risks. Credit risk in connection with derivatives is calculated for each counterparty and is included in the Bank's overall credit risk management. Subject to specific bilateral agreement, netting of the credit risk associated with derivatives is undertaken for each counterparty. Moreover, Jyske Bank has entered into CSA Agreements with a number of large counterparties. Under those agreements, Jyske Bank will receive cash payment if the market value of transactions is in Jyske Bank's favour. On the other hand, Jyske Bank must make payment to the counterparty, if the market value of transactions is in favour of the counterparty.

2.6 Sensitivity analyses

Sensitivity analyses (figures in DKK m)

Risikovariabel	Effect on Income Statement
A 1 percentage point increase in interest rates*	-243
A negative 0.5 percentage point change in interest rates	-190
A general 10% fall in equity prices	-103
A negative 5% change in equity prices	-81
A negative 5% change in commodity prices	-5
A negative 5% change in exchange rates**	-207

*The scenario corresponds to the Bank's 'Interest-rate Risk 1'
**EUR positions are not included
This is a mild stress scenario. "Negative" means that the prices of long positions fall, while those of short positions rise. All calculated per currency.

Jyske Bank extensively holds offsetting positions across markets. The worst-case scenario is that the prices of all long (positive) positions decline whereas the prices of short (negative) positions increase. The effect on the Income Statement of such a negative price trend , calculated at a negative interest-rate change of 0.5 percentage point, is shown in the table above. The table also shows the Bank's sensitivity to a one percentage point rise in the interest-rate level as well as the sensitivity to a global 10% decline in the equity markets. The sensitivity analyses express an other-things-being-equal situation, which will seldom exist in reality.

2.7 Solvency requirement

Solvency requirement, market risk (figures in DKK m) at 31 December 2007

	Risk-adjusted amounts	Solvency requirement
Debt instruments	12,503	1,000
Equities, etc.	431	34
Commodities	92	7
Supply risk	86	7
Option premium	0	0
Foreign currency position	2,696	216
Total	**15,809**	**1,265**

2.8 Shares that are not held for trading

The shares listed below are not included in the trading portfolio or equity risk A and B. The shares are primarily financial-sector shares relating to the ordinary operating activities of the Group. There are no plans of a resale.

Shares not held for trading - figures in DKK m

	31.12.07	Realised gain/loss	Unrealisd gain/loss	Total gain/loss
DLH Kredit A/S	280.3	0	38.2	38.2
PBS Holding A/S	95.7	0	21.5	21.5
Toyota Financial A/S	46.7	0	3.8	3.8
Multidata Holding A/S	17.6	0	1	1
VP A/S	13.9	0	0	0
Mezzanin A/S	16.8	0	-1.8	-1.8
Other	9.8	0	0.4	0.4
Total	**480.9**	**0**	**63.1**	**63.1**

The shares are stated at market value as described in the accounting policies of the Group's annual report. Unrealised capital gains/losses have influenced the operating income of the year.

3. Credit risk

3. Credit risk

Credit risk is the risk of loss arising from a counter-party's non-fulfilment in part or in full of his obligations towards the Bank. In addition to loans, committed credit facilities and guarantees, credit risk extends to the market values of financial instruments and equity investments. Credit risk is calculated on the basis of internal systems which facilitate credit scoring, exposure at default (EAD) and the value of collateral provided, see "Concepts, etc." at the end of the Annual Report.

3.1 Credit policy

Jyske Bank's credit policy seeks to maintain Group losses at an acceptable level in relation to the capital base and business volume of the Group, given the general trend in the Danish economy. Customer transactions must generate a satisfactory long-term return in accordance with RAROC principles.

Risk diversification is a key consideration. A single commitment or a group of related commitments must not be of a size such that default can materially affect the financial situation of the Bank. The risk associated with commitments exceeding 10% of the Bank's capital base is closely monitored to ensure that the risk involved and the total gross commitments are maintained at a comfortable level.

Group commitments by sector and geographical area are constantly monitored and analysed with a view to reducing the risk associated with specific high-risk sectors and geographical areas.

Specific credit policies have been formulated for all areas in which the Group assumes credit risks. These policies define risk levels and undesirable transaction types. The main risks are posed by the customer segments SMEs and corporate customers s and private customers. The central element in the assessment of the creditworthiness of SMEs and corporate customers is their ability to service debt out of cash flow from operations in combination with their financial strength. For private customers, factors like net income, expenses and assets are important.

The policies are regularly adjusted to meet current requirements and adapted to the management tools available to account managers and the supervisory functions.

3.2 Risk assessment

For the classification and risk assessment of customers, each is assigned a credit rating on a scale from 1 to 14, 1 reflecting the lowest default risk. Credit ratings are primarily assigned on the basis of statistically-based models. Where those models cannot readily be applied, an individual assessment will be made by experts from a function separate from customer-oriented functions.

The models are based on Jyske Bank's own data for a full economic cycle. The models use elements such as financial information, customer characteristics, account history and a qualitative assessment.

3.3 The credit rating process

Credit procedures are adjusted to match the level of risk assessed on the basis of the credit rating, the size of the commitment and the security provided. The credit rating is thus an important element in the credit-granting process.

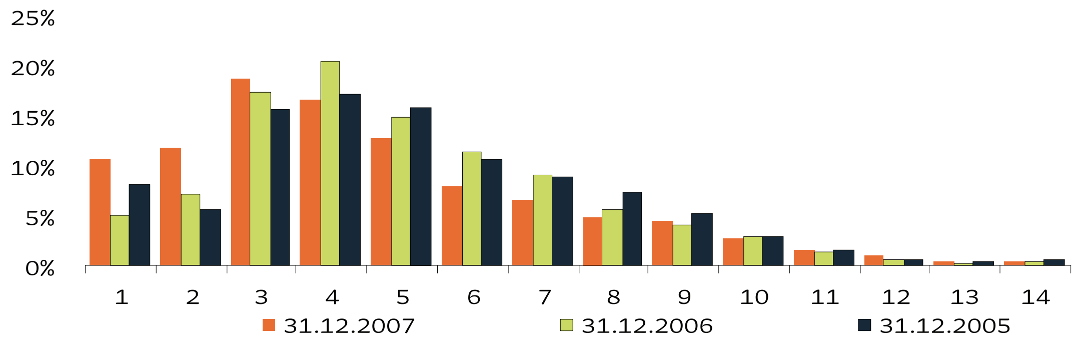
Corporate customers, SMEs and private customers are automatically rated by the Bank's rating models. Credit ratings are reviewed on an ongoing basis, and qualitative elements are reviewed at least once a year at the account manager's initiative as well as in connection with all material credit decisions, since the credit rating is an important parameter for the granting of loans and for the terms and fees quoted to individual customers.

Selected corporate customers and certain customer segments for which the Bank's models are not regarded as suitable are rated by experts from a function separate from customer-oriented functions.

Financial institutions, central governments and central banks are rated by experts from a function separate from customer-oriented functions. Such an expert credit rating will be based on a rating from a recognised international rating agency, if available, on a country rating of the customer's country of residence and any other information that the Bank may hold on the customer.

The chart below shows Jyske Bank's loans and advances broken down on credit ratings, to customers who have been granted a rating according to the advanced method.

Total loans and advances by credit rating



Total loans and advances are stated as exposure at default, EAD. This concept is material to the calculation of credit risk, but should not be mistaken for loans and advances and guarantees as stated in the Group Balance Sheet. The chart shows Jyske Bank's loans and advances exclusive of loans to banks and sovereign states whose ratings are typically 1 or 2. The calculation of ratings is based on a number of models, which are checked annually and constantly developed. This may cause minor deviations in the figures. Loans to customers classified by the Bank as representing high or full risk are not distributed on the 14 rating classes. Loans to such customers account for 1% of the Bank's total EAD.

3.4 Credit organisation

Jyske Bank attaches great importance to its decentralised credit-granting process. Lending limits have been delegated to account mangers so that the majority of decisions are made decentrally. Limits are delegated individually on the basis of perceived requirement and competence. Decisions about commitments exceeding the limits granted to account managers are made at the Bank's three credit centres, which will be gathered into one department in 2008.

Group credit quality in terms of overall risk, single commitment risk and satisfactory risk diversification is monitored on the basis of accumulated data, the specific credit quality of each department and on the basis of a review of selected large commitments.

Moreover, risk monitoring includes qualitative as well as quantitative control of data used in risk and RAROC calculations.

3.5 Total loans and advances (EAD)

Exposure at Default (EAD) is material to the calculation of credit risk according to the principles of RAROC and the Capital Requirements Directive (CRD). The calculation includes the actual outstanding balances together with an assessment of the probability of default. The probability may increase (in the event of drawdown of a non-utilised, but confirmed facility), and decrease (in the event of loan repayment). The calculation includes risk-weighted amounts for guarantees and financial instruments.

The method of calculation is based on Jyske Bank's own data and experience, but should not be mistaken for loans and advances and guarantees as recognised in the Group Balance Sheet.

The Group's credit risk by method and exposure category is shown in the below tables.

Credit risk broken down by Advanced IRB and Standard

Exposure category	Advanced IRB	Standard
a. State	0	24,164
b. Institutional	0	19,320
c. Corporate	82,376	25,865
d. Retail	56,775	11,106
1) Property	19,609	0
2) Qualified revolving exposure	5,746	0
3) Other retail	31,420	11,106
e. Equities	438	0
f. Securitisation	0	0
g. Assets without counterparties	3,163	0
Total	**142,752**	**80,455**

Note: Under the IRB approach we only have own estimates of LGD.

Credit risk broken down by exposure category

	2007
Exposure category	EaD
a. State	24,164
b. Institutional	19,320
c. Corporate	108,241
d. Retail	67,881
1) Property	19,609
2) Qualified revolving exposure	5,746
3) Other retail	42,526
e. Equities	438
f. Securitisation	0
g. Assets without counterparties	3,163
Total	**223,207**

The table shows the Group's total credit risk (EaD) broken down by exposure category at end-2007. Sufficient data have not yet been collected for the calculation of average figures, and hence the figures are at end-2007.

The below table shows credit risk by time to maturity. Just above 65% of the Bank's exposures have maturities of less than 12 months. Corporate exposure accounts for the majority hereof and is typically characterised by annual reviews. Exposures with maturities of more than five years account for 17% of the Bank's total exposures. Of these 17%, retail exposure accounts for approx. 65% which is primarily housing loans for private individuals.

Credit risk broken down by time to maturity

Exposure category	<1 yr	1-5 yrs	> 5 yrs	Year-end
a. State	23,475	624	64	24,163
b. Institutional	13,355	5,546	419	19,320
c. Corporate	81,955	16,842	9,444	108,241
d. Retail	26,431	17,534	23,917	67,882
e. Equities	0	0	438	438
f. Securitisation	0	0	0	0
g. Assets without counterparties	0	0	3,162	
Total	**145,216**	**40,546**	**37,444**	**223,206**

Appendix 1 sets out supplementary breakdowns of credit risk - including geographical and sector breakdowns. The appendix also shows the Bank's exposure to specialised lending.

3.6 Collateral

In support of the credit assessment and to limit risk, it will be considered whether to demand security. As a main rule, customers are required to provide full or partial security for their commitments.

The value of collateral provided is measured as the estimated compulsory sale value, and in the majority of cases the measurement is based on expert models or statistical models which themselves are based on historical realisation experience. The models relating to real estate and vehicles include on-going updating of the value accorded to security provided and take into account market-related changes in value, and wear and tear. Listed financial instruments are measured daily.

For certain asset types, measurement is not model-based. In those cases the asset value is assessed by experts from a function separate from customer-oriented functions

Credit risk secured by guarantee and surety

Exposure category	EaD partly secured	EaD fully secured
a. State	0	30
b. Institutional	0	16
c. Corporate	9,725	30,004
d. Retail	1,753	895
e. Equities	0	0
f. Securitisation	0	0
g. Assets without counterparties	0	0
Total	**11,478**	**30,945**

Note: EaD is assumed to be fully secured if the guarantee or the surety is unlimited although unutilised commitments are also included in the calculation of EaD. In case of limited guarantees and sureties the EaD of a counterparty is also considered to be fully secured if the advances and guarantees of the counterparty calculated according to IFRS are fully secured.

3.7 Impairment charges

Jyske Bank foretager nedskrivninger på udlån, når der er objektiv indikation for værdiforringelse. Kunderådgiverne vurderer løbende - og minimum hvert kvartal - behovet for nedskrivninger.

3.7.1 Impairment of individual loans

Impairment of individual loans is divided into two: impairment of significant loans (loans of a size which is considerable for Jyske Bank) and impairment of smaller loans. The impairment charge is recognised as the difference between the carrying amount before impairment and the present value of anticipated future payments. The estimated future cash flow is based on an assessment of the likely outcome.

3.7.2 Collective loan impairment

The method for calculating collective impairment has been developed further since 2006. The main adjustments are the replacement of the Bank's macro model by a rating-based method, and the fact that the Bank now uses a net approach.

For the purpose of determining impairment, all commitments which are not assessed individually are classified into segments, inter alia on the basis of their current credit ratings. Within each segment there will be customers whose credit ratings are higher, lower or unchanged in relation to their initial recognition.

Jyske Bank's models for calculating collective impairment use adjusted loss parameters developed for use in connection with Basel II. For the purpose of calculating impairment, the parameters have been adjusted in a number of respects to comply with the accounting principles.

The method of calculating collective impairment at Jyske Bank rests on a net approach. This means that the net impairment of future cash flows is calculated for each segment from the establishment of the relevant commitment. Objective evidence of impairment is deemed present when data are observed for a segment which indicate a decline in the future payments from that segment. In those cases, collective impairment is calculated as the discounted extraordinary expected net loss on that segment. No impairment charge is made for segments where no objective evidence of a decline in future payments is observed.

3.8 Provisions for guarantees and other liabilities

Jyske Bank's provisions for guarantees and other liabilities include guarantees in favour of business partners or at the request of customers of the Bank, financial instruments, and unutilised credit commitments.

A provision is made when it is deemed likely that a commitment will cause a drain on the Bank's resources and the liability can be measured reliably.

On the basis of historical loss experience, the Bank makes an estimate of the expected costs involved in meeting claims under guarantees or costs caused by customers defaulting on their obligations under transactions involving financial instruments. The estimate includes an assessment of the risk associated with relevant types of guarantees and the current risk of loss on uniform segments of customers. Provisions are made for the estimated loss.

3.9 Write-offs

An estimated loss is recognised immediately after a loss has been deemed unavoidable.

3.10 Risk categories

Problem loans are broken down into three categories: low risk, high risk and potentially loss-making commitments. Customers in the two last-mentioned risk categories are not assigned a credit rating, since they are no longer deemed capable of meeting their obligations towards the Bank in full. The risk categories are used in the Bank's assessment for impairment process.
The Jyske Bank Group's impairment charges, provisions and write-offs recognised in accordance with IAS are stated in the following tables.

Write-offs, impairment charges and provisions for guarantees

The Jyske Bank Group (DKK m)	2007	2006
Impairment of individual loans		
Impairment of significant loans	506	292
Impairment of small individual loans	122	138
Total	**628**	**430**
Collective impairment	178	209
Total impairment of advances and receivables	**806**	**639**
Provisions for guarantees	72	127
Total impairment and provisions	**878**	**766**
Write-offs		
Loss on individually assessed commitments	52	158
Loss on loans assessed collectively, etc.	**124**	**123**
Total write-off	176	281
Recoveries	**163**	**80**
Interest-rate adjustment	51	36
Net write-off, impairment charges and provisions included in the Income Statement	**74**	**-348**

Total EAD before and after impairment charges

The Jyske Bank Group (DKK m)	2007
EaD – before impairment charges	223,207
Impairment charges and provisions	878

The loan impairment balance and total provisions at DKK 878m was calculated for non-performing loans and loans with indication of impairment inclusive of collective impairment for customers with an objective indication of impairment, which the Group calculates in accordance with IAS. Since collective impairment is calculated for customers who are not in default, the impairment charge and provisions for loss on guarantees in CRD relation account for only DKK 685m as will be evident from the below tables.

Sector breakdown of credit risk represented by defaults and past due commitments

Sector	EAD on defaults and past-due commitments	Value adjustment/impairment charges	Operating item over the year*	Realised loss
States	0	0	0	0
Public authorities in general	0	0	0	0
Banks	142	0	0	0
Agriculture, forestry, etc	120	25	2	2
Fishing industry	11	7	-1	2
Manufacturing and mining, etc.	443	189	23	10
Construction	73	28	-4	4
Commerce and hotel	345	125	5	49
Transport	48	19	9	3
Finance and insurance	33	4	-3	36
Property admin. and service	386	194	157	13
Other sectors	34	12	68	15
Private individuals	745	82	9	42
Total	**2,380**	**685**	**265**	**176**

* *The operating item over the year broken down by sector is for commitments with individual assessment of impairment, cf. IFRS which are considered in default in relation to the Group's solvency requirement. The operating item for the Group's other value adjustments/impairment charges was a negative DKK 153m over the year and the total operating item for the year is DKK 112m.*

Appendix 2 shows supplementary information about country breakdown, undrawn commitments etc. of exposures in default.

4. Operational risk

Operational risk is inherent in all the Bank's processes and is defined as the potential loss as the result of operational errors or events caused by human beings, processes, systems or external events. Risk may arise from the inappropriate behaviour of employees, breakdown of IT systems, breach of policies, legal risks, the failure to comply with statutory regulations, etc.

For the calculation of capital requirements (CRD), the Bank will use the standardised method for operational risk from 1 January 2008. For the internal determination of capital and for the management, measurement and reporting of operational risks we use models developed internally and implemented by the Group in 2007. Focus has primarily been on the Group's most significant risks, and the concept is based on Danish capital adequacy principles, on scenario analyses, risk indicators and the use of internal and external loss-related data. Analysis and monitoring of risks are in the hands of a function in Risk Management separate from customer-oriented functions.

Operational risk is managed Group-wide using a system of comprehensive policies and controls designed to provide the best possible process environment. On the background of regular reporting of the Group's operational risks, management considers the Bank's exposure on an ongoing basis and decides whether to introduce initiatives to reduce operational risks.

5. Liquidity risk and liquidity management

5. Liquidity risk and liquidity management

Liquidity risk is the risk of Jyske Bank not being able to generate or obtain sufficient liquidity at a reasonable price to meet its payment obligations or ultimately being unable to meet its obligations as they fall due.

Liquidity risk occurs when there is a maturity mismatch between the Bank's liabilities and assets. Management determines the liquidity risk acceptable to the Bank, expressed as the balance between the risk level and Jyske Bank's costs of managing liquidity risk.

The overall objective of Jyske Bank's liquidity management is to ensure adequate liquidity for the timely fulfilment of Jyske Bank's payment obligations at reasonable funding costs. The fulfilment of this overall objective is ensured by compliance with the following sub-objectives and policies:

1. a strong and stable deposit basis which ensures stable long-term funding of the Bank's lending activities;
2. high credit ratings at international rating agencies;
3. active participation in the international money markets and access to international capital markets through borrowing programmes; this and high credit ratings ensure that the Bank has access at all times to a highly diversified and professional funding base;
4. maintenance of a considerable buffer of highly liquid securities which, together with prudent management of the outflow of capital market funding, ensures that the Bank can operate over a one-year period without being dependent on funding in the capital markets. For the short and medium term, the buffer can thus eliminate the effect of an adverse liquidity situation.

In line with the guidelines of the Basel Committee, Jyske Bank's liquidity management is built on
- gap analysis of future cash flows;
- stress tests integrated in the limit structure;
- Liquidity contingency plan

The Supervisory Board has adopted a liquidity policy which defines a specific critical survival horizon for the Bank during an adverse stress scenario. On the basis of the pre-set limits, the Executive Board has defined specific operational limits for Jyske Markets and Treasury. Jyske Markets and Treasury are responsible for monitoring and managing liquidity on a daily basis in compliance with the delegated limits and guidelines which ensure that the liquidity policy and risk profile adopted are observed. In addition, Treasury must ensure that specific guidelines and limits governing the liquidity of assets are adhered to and that the Group's sources of funding are diversified. Liquidity positions are monitored on a daily basis for observance of the delegated limits. Liquidity positions that exceed authorised limits are promptly reported to the Executive Board.

5.1 Short-term liquidity management

Short-term liquidity management is undertaken by Jyske Markets. Jyske Markets is an active player in the international money markets of all major currencies and related derivatives. Moreover, Jyske Markets is a market-maker in the Scandinavian inter-bank money markets. Jyske Markets has been granted specific limits for short-term funding in the interbank and wholesale fixed-term markets and for longer-term deposits in the same markets.

5.2 Strategic liquidity management

Treasury undertakes strategic liquidity management. Strategic management rests on measurements of the Bank's liquidity position in various stress scenarios. The measurements are based on gap analyses of individual payments. The financial asset side of the liquidity balance is broken down and grouped in order of liquidity, whereas the financial liabilities side is grouped according to expected run-off risk in various scenarios. While the gap analyses basically build on the contractual maturity of each individual payment, allowance is made for the fact that the actual maturities of part of the balance deviate from the contractual maturities. The gap analyses therefore apply scenario-specific expectations of customer behaviour in those cases where contractual maturities are not considered to give a true and fair view of the actual maturities of deposits or loans. In relevant stress scenarios the liquidity reserves are used as a buffer to cover negative payment gaps.

The purpose of integrating stress scenarios into the limit structure of delegated authority is to ensure that the Bank can at all times meet its obligations and pursue its operations for a specific time horizon, should a crisis occur during which the Bank is unable to access a material part of its normal funding sources.

Treasury is responsible for ensuring that the Bank can at all times meet the ”critical survival horizon” in the three scenarios used in strategic management.

Scenario 1 - hard Jyske Bank-specific stress scenario which is monitored daily

A hard “Jyske Bank-specific” stress scenario with a short critical survival horizon: the Bank must be able to withstand non-market access to a broad part of its price- and credit-sensitive funding sources. In addition to failure to obtain refinancing in the capital markets, the scenario assumes a run-off of all large wholesale and retail deposits at call as well as fixed term.

Scenario 2 - broad sector stress scenario which is monitored currently

A broad general capital and money-market crisis which to a certain extent spreads to private customers and results in drawdown by corporate customers of unutilised lines and commitments. At the same time, growth in deposits is assumed to stagnate and possibilities of obtaining refinancing in the international capital markets to dry out. The target is a horizon of six months, during which time basic banking activities must be maintained.

Scenario 3 - soft sector stress scenario which is monitored currently

A soft non-Jyske Bank-specific capital market crisis with a survival horizon of at least one year. The Bank must be able to withstand non market access to the capital markets defined as the interbank, commercial paper and EMTN markets, while at the same time funding normal growth in the loan portfolio.

5. 3 Liquidity contingency plan

The liquidity contingency plan comes into force if the Bank can only meet the internally delegated limits at very high costs or is ultimately unable to do so within the critical horizons. The contingency plan stipulates a detailed set of management reports, and it describes and sets out a broad range of initiatives that might be resorted to in order to strengthen the Bank's liquidity position.

Since the money-market crisis started in August 2007, Jyske Bank has at no time had any difficulty in meeting the stress-based internally delegated limits and guidelines.

5.4 The Bank's liquidity reserve

The Bank's total holdings of securities consist of a trading portfolio held by Jyske Markets and Treasury's portfolio of securities. The trading portfolio is a function of the customer-related business of Jyske Markets and ultra short operational liquidity management. Treasury's holding of securities consists of a portfolio of securities with market risk positions and a strategic portfolio of liquid securities. The liquidity portfolio is to ensure that the Bank's strategic liquidity risk profile is observed and to even out swings in the Bank's market risk positions. The Bank's liquidity reserve consists solely of assets which are not pledged as security or used in the day-to-day operations of the Bank. Such assets may be sold immediately or pledged as security for loans and are therefore a swift and efficient source of liquidity. The availability of secured funding does not depend on Jyske Bank's creditworthiness, but solely on the quality of the assets that can be offered as security. The measurement of the Bank's liquidity reserve takes into account any impairment of the relevant assets.

The Bank's holding of securities is divided into five groups in order of liquidity:

1. ultra liquid assets (DKK-denominated assets which can be used in repo transactions with the Danish central bank): certificates of deposit with the Danish central bank, Danish government and mortgage bonds;
2. very liquid assets (EUR-denominated assets which can be used in repo transactions with the European Central Bank [ECB]): European mortgage bonds and senior financial instruments.
3. liquid assets: as 2., but denominated in currencies other than EUR
4. other liquid assets: other low-risk liquid bonds;
5. relatively illiquid assets: emerging-market bonds, corporate and mortgage bonds, and shares.

The Bank has adopted a general policy for the size and quality of its liquidity reserve, which is adjusted to suit the Bank's balance sheet composition and risk profile. Specific guidelines have been laid down for the securities which are included in the strategic portfolio of liquid securities.

In practice, the liquidity reserve policy means that the large majority of the reserve consists of assets from liquidity group 1, alternatively group 2. It is thus the Bank's policy that it must be possible to meet the limit of the survival horizon of stress scenario 1 merely by freeing assets from liquidity groups 1 and 2.

At end-2007 the Bank's liquidity reserve amounted to almost DKK 36bn inclusive of the Bank's syndicated loan facility of EUR 500m - at end-2006 the reserve was DKK 19m. Certificates of deposit with the Danish central bank amounted to DKK 21bn; and the remainder of the reserve consisted of highly liquid Danish mortgage bonds. The Bank's liquidity reserves according to S.152(2) of the Danish Financial Business Act have constantly been high. At the end of December, the liquidity ratio was 20.2%, corresponding to a liquidity surplus of 102.1%; at end-2006 the surplus was 45.7%.

5.5 Funding

Jyske Bank's primary source of funding is deposits from customers. Jyske Bank has a sound and well-diversified customer deposit base, and deposits fund 73% of the loan portfolio (84% if pooled deposits are included). The Bank's sources of funding include the inter-bank market, the wholesale fixed-term market, bilateral agreements, the markets for commercial paper and European medium-term notes.

Funding via the inter-bank and wholesale fixed-term markets is obtained through Jyske Markets as part of the short-term operational liquidity management. In addition, Jyske Markets funds its own wholesale-related activities by taking up unsecured loans in the wholesale fixed-term and inter-bank markets. Continued activity in the above-mentioned markets enhances the possibility of refinancing short-term positions and is a natural part of Jyske Markets' business.

In 2006, Jyske Bank established a EUR 500m revolving syndicated loan facility with Citigroup Corporate & Investment Banking, Deutsche Bank AG, London Branch, J.P. Morgan plc and SOCIÉTÉ GÉNÉRALE Corporate & Investment Banking acting as Lead Managers. Fifteen banks have committed themselves under the facility. Aligned to Moody's rating scale on a conservative basis, the weighted credit rating of the facility was between A1 and Aa2 at year-end 2007. The facility will be used as a standby source of immediate funding, also under unfavourable market conditions.

5.6 Capital market funding through capital market programmes

Treasury is responsible for the Bank's long-term structural liquidity profile, which includes the management of the Bank's overall balance sheet structure. The Bank's balance sheet is monitored daily by Treasury. So as to meet both the internal limits and the longer-term strategic guidelines, monitoring aims to prevent a build-up of funding mismatches in the balance sheet. To manage the long-term strategic risk profile, two capital market programmes are utilised, which ensure flexibility with regard to maturity, currency, interest rate (fixed/floating) and investor base.

Capital market programmes	Limit
French Commercial Paper (CP)	EUR 3bn
European Medium Term Note (EMTN)	USD 6bn

The French-regulated CP programme was established in September 2006 to strengthen diversification and the depth of short- and medium-term liquidity management in relation to the implementation of new liquidity management principles. Funding under the facility will typically have a maturity of 3-6 months. The maximum maturity is one year. At year-end 2007, funds drawn under the facility amounted to DKK 8.2bn (EUR 1.1bn). Since the facility was established, Jyske Bank has worked to extend investor awareness of Jyske Bank's CP programme. The general CP market was hit hard by the crisis in the international financial and money markets. Even so, the Bank's funding under the programme was unchanged in the second half of 2007.

For long-term funding in the international capital markets, Jyske Bank has utilised a Euro Medium Term Note Programme (EMTN) since 1999. The typical maturity of senior debt is between two and seven years. At year-end 2007, the Bank had issued notes for a total of DKK 26.4bn (EUR 5.2bn) under the programme. The primary investor segment for bonds issued under the Bank's EMTN programme is well diversified throughout Europe. Jyske Bank regularly issues so-called strategic benchmark bonds, which are an important part of our funding strategy. The last benchmark bond was issued in March 2007 and was a 7-year bond. Benchmark issues are regularly supplemented with smaller private placements. The aim is to expand the investor base continuously and to increase investor awareness of Jyske Bank well in advance of a possible need to raise funds. At year-end 2007, Jyske Bank had five outstanding benchmark bonds in the market:

Benchmark issues at 31.12.2007

Currency and volume	Maturity
USD 750m	16.12.2009
USD 500m	06.06.2011
USD 500m	04.04.2012
EUR 500m	06.06.2013
EUR 600m	30.03.2014

Despite the money-market crisis in the latter half of 2007, the Bank has been able to use the EMTN programme for long- and medium-term funding in the international capital markets.

5.7 Credit ratings

The Group's credit ratings are material to the price of liquidity and capital as well as to funding flexibility in the form of access to a broad investor base. In June 2007, Standard and Poor's upgraded the rating of Jyske Bank's senior debt to A+ from A, with positive outlook. Jyske Bank had had the latter rating since the rating agreement was entered in 2006. Moody's also upgraded the rating of Jyske Bank long-term obligations in 2007 when its rating methodology was changed to include government support more explicitly. Jyske Bank's individual bank rating at Moody's remained unchanged at B-.

Ratings

	Long-term debt	Short-term debt	Individual
Moody's			
1993	A3	P-2	-
1997	A2	P-1	C+
1999	A1	P-1	C+
2001	A1	P-1	B
2007	Aa2	P-1	B
Standard and Poor's			
2006	A	A-1	-
2007	A+	A-1	-

Appendix 1

Geographical break-down of credit risk

Exposure category	Denmark (zone A)	EU (zone A)	Other European zone A countries	USA + Canada (zone A)	Other zone A countries	South America	Rest of the world	Total
a. State	24,161	0	3	0	0	0	0	24,164
b. Institutional	7,969	8,140	1,057	2,034	60	0	59	19,319
c. Corporate	97,346	6,978	1,400	268	66	9	2,175	108,242
d. Retail	59,842	6,321	591	499	68	64	497	67,882
1) Property	19,347	158	49	21	4	6	24	19,609
2) Qualified revolving retail exposure	5,672	46	13	5	1	1	8	5,746
3) Other retail exposure	34,823	6,117	529	473	63	57	465	42,527
e. Equities	438	0	0	0	0	0	0	438
f. Securitisation	0	0	0	0	0	0	0	0
g. Assets without counterparties	2,997	126	40	0	0	0	0	3,163
Total	**192,753**	**21,565**	**3,091**	**2,801**	**194**	**73**	**2,731**	**223,208**

The amount of just below DKK 20bn mentioned under property exposure corresponds to the Group's fully secured credit risks involved in property exposure, (this exposure carries a weight of 0 in the risk-weighted assets).

Credit exposure broken down by sector

	States	Institutions	Corporate	Equities	Assets without counter-parties
States	22,207	0	0	0	0
Public authorities in general	1,621	0	814	0	0
Banks	36	18,981	75	0	0
Agriculture, forestry, etc	0	0	7,419	0	0
Fishing industry		0	1,559	0	0
Manufacturing and mining, etc.	186	70	17,787	0	0
Construction	0	0	3,720	0	0
Commerce and hotel	0	0	10,976	0	0
Transport	2	0	3,647	0	0
Finance and insurance	0	175	28,906	0	0
Property admin. and service	4	77	26,561	0	0
Other sectors	100	1	3,951	438	3,162
Private individuals	8	16	2,826	0	0
Total	**24,164**	**19,320**	**108,241**	**438**	**3,162**

Credit risk – retail exposure broken down by sector

	Property	Qualified revolving retail exposure	Other retail exposure	Retail exposure, total
States	0	0	0	0
Public authorities in general	z	0	10	12
Banks	0	0	0	0
Agriculture, forestry, etc	1,300	1	2,586	3,887
Fishing industry	11	0	40	51
Manufacturing and mining, etc.	98	0	685	783
Construction	120	0	492	612
Commerce and hotel	366	0	1,246	1,612
Transport	49	0	606	655
Finance and insurance	0	0	576	576
Property admin. and service	116	0	523	639
Other sectors	101	0	399	500
Private individuals	17,446	5,745	35,363	58,554
Total	**19,609**	**5,746**	**42,526**	**67,881**

Appendix 2

Country distribution of defaulted exposures

	EAD on defaults and past-due commitments	Value adjust-ment/impairment charges
Denmark (zone A)	2,067	654
EU (zone A)	276	17
Other European zone A countries	8	3
USA + Canada (zone A)	4	2
Other zone A countries	0	0
South America	0	0
Rest of the world	25	9
Total	**2,380**	**685**

For information about movements on the value of impaired claims due to value adjustments and impairment charges, we refer to note 13 in the Bank's Annual Report.

Defaulted exposures by exposure type

Exposure category	EaD	Unutilised	Average LGD %	Average RV
a. State	0	0	-	1,5000
b. Institutional	142	0	-	1,5000
c. Corporate	179	5	58%	6,9120
d. Retail	391	62	44%	5,4896
e. Equities	-	-	-	-
f. Securitisation	-	-	-	-
g. Assets without counterparties	-	-	-	-
Total	**712**	**67**		

Specification of credit risk on counterparties in default

Exposure category	EaD	Unutilised	Average LGD %	Average RV
a. State	-	-	-	-
b. Institutional	-	-	-	-
c. Corporate	1,279	69	57%	2,3954
d. Retail	388	20	39%	2,3313
e. Equities	-	-	-	-
f. Securitisation	-	-	-	-
g. Assets without counterparties	-	-	-	-
Total	**1,667**	**89**		

Specialised lending broken down on exposure categories

	Maturities of 2½ years or more
Category 1	444
Category 2	5.151
Category 3	5.348
Category 4	546
Category 5	16
Total	**11.505**

The table shows Jyske Bank's exposures with respect to specialised lending. 50% of the exposures are to customers in category 1 or 2. 5% of the exposures are to loans of the highest category or for customers in default. So far, Jyske Bank has adopted a conservative approach and classified all exposures with maturities of 2½ years or more.

The Group's credit risks appear from the tables below broken down by the credit quality of individual exposures – including credit rating, impaired and default exposure.

Specification of credit risk for counterparties with credit ratings of 1-5

Exposure category	EaD	Uudnyttede forpligtelser	Gennem-snitlig LGD %	Gennem-snitlig RV
a. State	-	-	-	-
b. Institutional	-	-	-	-
c. Corporate	49,117	9,018	48%	0,3974
d. Retail	44,354	6,881	36%	0,1358
e. Equities	-	-	-	-
f. Securitisation	-	-	-	-
g. Assets without counterparties	-	-	-	-
Total	**93,471**	**15,899**		

Specification of credit risk for counterparties with credit ratings of 6-10

Exposure category	EaD	Unutilised	Average LGD %	Average RV
a. State	-	-	-	-
b. Institutional	-	-	-	-
c. Corporate	28,651	3.831	51%	0,8321
d. Retail	10,584	1,354	44%	0.4383
e. Equities	-	-	-	-
f. Securitisation	-	-	-	-
g. Assets without counterparties	-	-	-	-
Total	39,235	**5,185**		

Specification of credit risk on counterparties with credit ratings of 11-14

Exposure category	EaD	Unutilised	Average LGD %	Average RV
a. State	-	-	-	-
b. Institutional	-	-	-	-
c. Corporate	3,245	339	54%	1.4752
d. Retail	1,125	122	46%	0.7855
e. Equities	-	-	-	-
f. Securitisation	-	-	-	-
g. Assets without counterparties	-	-	-	-
Total	**4,370**	**461**		

Specification of credit risk on unrated counterparties and counterparties under the standard approach

Exposure category	EaD	Unutilised	Average LGD %	Average RV
a. State	24,163	180	-	0.0015
b. Institutional	19,178	12,410	-	0.1912
c. Corporate	25,770	10,701	-	0.4650
d. Retail	11,040	44	-	0.4325
e. Equities	438	0	-	1.0000
f. Securitisation	-	-	-	-
g. Assets without counterparties	3,162	0	-	1.0000
Ttoal	**83,751**	**23,335**		

GØR EN FORSKEL

JYSKE BANK