Translation from Danish prepared by Jyske Bank of a statement issued by the Danish Financial Supervisory Authority (Finanstilsynet). In the event of any discrepancy between the Danish version and the English version, the Danish version shall prevail.

Report on the inspection of home loans granted by Jyske Bank AS

In June 2025, the Danish FSA conducted an inspection of Jyske Bank's granting of financing for owner-occupied homes at the end of 2024 and beginning of 2025.

The purpose of the inspection was to assess Jyske Bank's financing of personal customers' purchases of owner-occupied homes. If banks grant loans that customers cannot afford, this will in many cases result in losses for both the customer and the bank.

The Danish FSA reviewed a total of 73 loans granted, 39 in growth areas and 34 outside growth areas. The loans granted were selected for customers with a high debt factor and loan-to-value ratio, as well as a bank exposure above DKK 200,000. These were therefore customers with a higher-than-average risk.

Conclusion and risk assessment

In total, there were one or more errors in 32 of the 73 loans reviewed. This meant that the basis for Jyske Bank's decision-makers' decisions was not satisfactory.

- For 13 loans granted, Jyske Bank assessed that a large decline in disposable income was acceptable because the customer had demonstrated an ability to save, but the Danish FSA's review showed that the ability to save had been overestimated.
- In four cases, it was not clear how Jyske Bank had concluded that the disposable income was sufficient.
- For 14 loans granted, the disposable income had not been calculated correctly.
- For 10 loans granted, there were errors in the calculation of the other key figures: wealth, debt factor, and loan-to-value ratio.

Four of the loans granted could not be justified, even after obtaining additional information.

For the remaining 28 erroneous loans granted, the Danish FSA assessed, after receiving supplementary information and engaging in dialogue with Jyske Bank, that the loans granted could be justified.

Jyske Bank has therefore been ordered[1] to ensure that the basis for granting home financing is not erroneous, that a clear policy exists regarding the handling of large declines in disposable income, and that no loans are granted where the risk for Jyske Bank and the customer is too high.

The inspection did not give rise to any changes to Jyske Bank's solvency requirement.

[1] Executive Order on the Management and Control of Banks, etc., Appendix 1, No. 16.