Translation from Danish prepared by Jyske Bank of a statement dated 24 June 2026 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 inspection of management of operational risk at Jyske Bank A/S

1. Introduction

In February 2026, The Danish Financial Supervisory Authority (the FSA) conducted an inspection of the management of operational risk at Jyske Bank A/S. Operational risk is defined in the FSA's Executive Order on the management and control of banks, etc. as the risk of loss resulting from inadequate or failed internal procedures, human error, and system failures, or from external events, including, but not limited to, legal risk, model risk, information and communication technology (ICT) risk, and risks arising from outsourcing.

The purpose of the inspection was to assess whether the Bank's management of operational risk is conducted in accordance with relevant policies and procedures and with the requirements set out in the FSA's Executive Order on the management and control of banks, etc.

During the inspection, the Danish Financial Supervisory Authority reviewed the Bank's practices for managing operational risk in three selected units within the Bank, including the units' procedures for the identification, assessment, and monitoring of operational risks. In addition, the inspection covered relevant parts of the Bank's policies, business procedures, etc.

2. Summary and risk assessment

The Danish Financial Supervisory Authority found that the Bank's management of operational risk was not carried out in accordance with its policies and procedures for the area.

The Bank did not follow a clear and well-documented method for the systematic identification of risks. As a result, there was an increased risk that the Bank had not identified all relevant risks. In connection with an inspection of operational risk in 2021, the Bank introduced a requirement in its procedures to link identified risks to a process or a system to the greatest extent possible. This had so far only been done for approximately one third of the risks.

The Bank's description of the individual risks, the assessment thereof, and the description of the risk-mitigating controls were of widely varying scope and quality. The Bank did not have any documentation of the considerations underlying the assessment of the individual risks and the effectiveness of the relevant controls.

There was therefore an increased risk that the Bank's assessment of risks and the effectiveness of controls was overly optimistic.

Only to a limited extent, did the Bank record operational loss events that did not result in losses. Such events were not linked to identified risks. This reduced the possibility to use the

experience gained to improve the identification and assessment of risks and to assess the effectiveness of risk-mitigating controls.

The Bank had a sound policy in this area approved by the Supervisory Board. However, over several years, the risk officer and the Executive Board had not succeeded in implementing the policy satisfactorily. Consequently, the work carried out across the organisation fell significantly short of achieving the intended effect.

The Danish Financial Supervisory Authority has therefore ordered the Bank to ensure that the Group's entities manage operational risks in accordance with the Bank's operational risk policy.[1]

Moreover, the Bank has been ordered to ensure that the risk officer establishes an adequate and well-documented basis for the Supervisory Board's assessment of operational risks. This basis must, among other things, include the risk officer's assessment of whether the Bank's operational risks are appropriately identified, measured, managed, and reported.[2]

The Bank had appointed a new head of the non-financial risk management function and has decided to allocate additional resources. At the time of the inspection, the new head and the additional resources had not yet taken up their positions.

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

[1] The FSA's Executive Order on the management and control of banks, etc. section 8(2), and Annex 3, paragraph 8.
[2] The FSA's Executive Order on the management and control of banks, etc., Annex 7, paragraphs 5–6.