Translation from Danish prepared by Jyske Bank of a statement dated 28 April 2023 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 the granting of corporate loans at Jyske Bank A/S

Introduction

In December 2022, The Danish Financial Supervisory Authority (the FSA) conducted an inspection of the granting of corporate loans at Jyske Bank A/S.

The purpose of the inspection was to assess Jyske Bank's risk appetite in connection with the granting of new corporate loans and expansion of existing loans and to assess the quality of Jyske Bank's basis of calculation.

Summary and risk assessment

The FSA ascertained deficiencies in the basis of calculation in 17% of the granting of loans reviewed for instance in the form of incomplete descriptions of debtor and insufficient stress tests in connection with the granting of loans to capital funds and acquisitions.

The FSA found many instances of deviations from the main rules of the credit policy, and the credit policy had inadequate guidelines as to when the main rules can be deviated from so that it would in actual fact become indicative for Jyske Bank's credit granting. The Bank will adjust its credit policy accordingly.

The granting of loans reviewed reflected that the financing of capital funds and acquisitions by financial institutions in some instances involves higher risk appetite than in case of other financing of business enterprises.