

Jyske Bank

Risk and Capital Management 2025

Table of contents	
Executive Summary	1
Business Model	2
Risk Management	4
Capital Management	8
Credit Risk	13
Counterparty Credit Risk	19
Market Risk	21
Liquidity Risk	24
Operational Risk	29
ESG-related Risk	32
Management declaration	34



Executive Summary

This report presents a comprehensive overview of Jyske Bank Group's risk and capital management practices, aimed at promoting transparency and supporting informed decision-making among stakeholders.

In 2025, Denmark's economy remained stable, characterised by low inflation, declining interest rates, and high employment. The country achieved continued growth despite persistent global trade tensions and episodes of financial market volatility. Looking ahead, ongoing geopolitical risks and the risk of renewed asset price corrections require sustained monitoring, as these factors may influence both credit quality and market sentiment.

Jyske Bank's credit portfolio demonstrated resilience throughout the year, with low impairment levels and positive trends in collateral values. The implementation of CRR III and updated internal rating models resulted in an increase in risk-weighted assets, reflecting both regulatory developments and methodological developments.

During 2025, the Group further strengthened its capital base and eligible liabilities through successful market activities and solid financial performance. Jyske Bank's capital position remains robust with a Common Equity Tier 1 (CET1) ratio of 16,1% and a total capital ratio of 21,5% at year-end 2025. Following the strong financial performance of 2025 the Board has proposed a dividend payout of DKK 1.5 billion and an additional share buyback programme of DKK 3 billion. At year-end, the Group's leverage ratio was 5.4%. Both capital ratios and the leverage ratio are comfortably above internal targets and regulatory requirements.

This strong capital position ensures that the Group maintains sufficient capital to meet regulatory requirements, while also supporting stable operations and the ability to pursue future strategic initiatives.



Business Model

The Jyske Bank Group is a financial Group in which Jyske Bank, as the parent company, conducts banking activities while its subsidiaries provide other financial or ancillary services. The Group conducts mortgage-credit activities through Jyske Realkredit and leasing activities through Jyske Finans.

The business model of the Jyske Bank Group is organised to offer financial products and related services to private individuals, businesses, and institutions primarily based in Denmark. The strategic objective is to increase market share through organic growth and profitable acquisitions.

A key component of the Group's business model is the provision of loans in exchange for collateral – mainly real estate. The Group's mortgage loans are primarily funded by issuing CRR-compliant covered bonds (SDO) and, secondarily, by issuing mortgage bonds (RO). It is the Group's ambition to maintain an AAA rating for its covered bond and mortgage bond issues.

The Group includes the leasing company Jyske Finans, which supports the business model by providing services that further enable clients to meet their financial objectives.

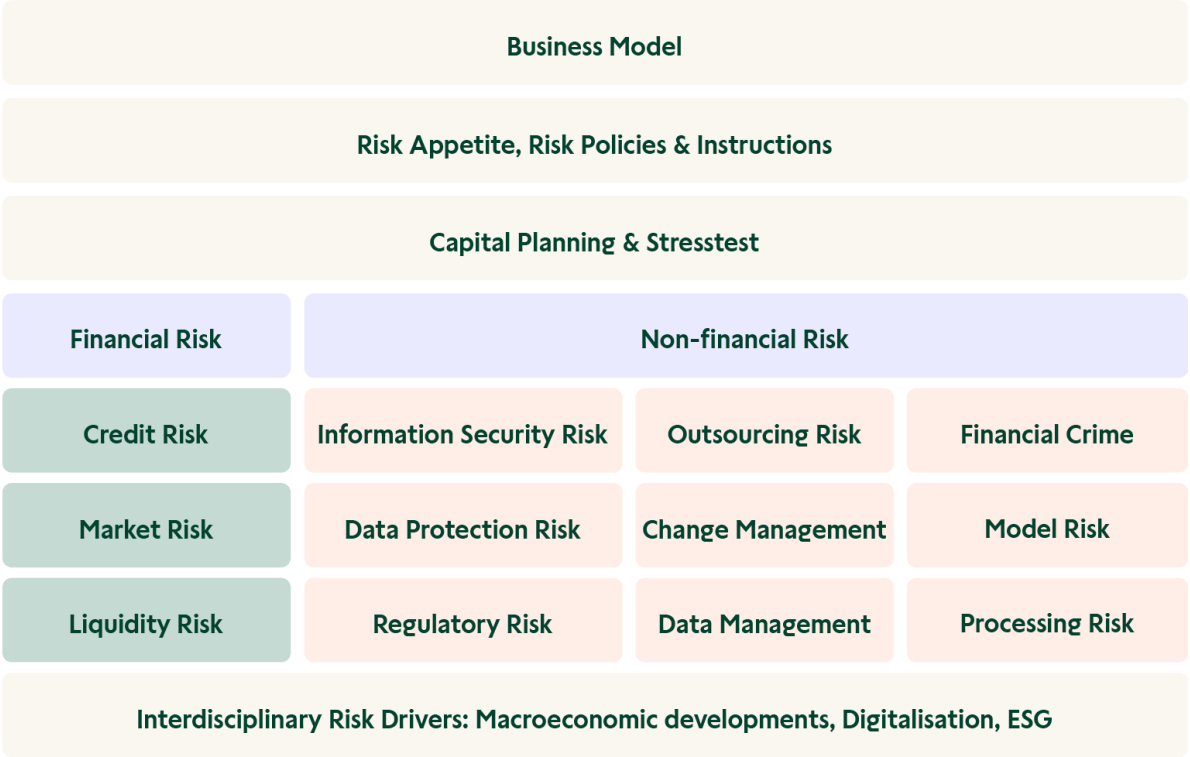
The Jyske Bank Group offers pension and life insurance products, investment and asset-management products, payment services, and advisory services from subcontractors, including jointly owned sector companies.

The Group cooperates with other financial institutions in the delivery and distribution of its products to relevant clients. The Group's primary focus is the Danish market.

Jyske Bank operates responsibly and promotes sustainability. Our ambition is to make a difference and help our customers become more sustainable. We have a long-term goal of achieving net-zero CO₂e emissions in 2050 and aim to contribute to responsible growth in society. Sustainability is therefore an integrated part of our value proposition through products and solutions, and we strive to lead by example by ensuring responsibility and sustainability in our own operations.¹

Jyske Bank's business model involves various risks, which are classified within the Group's risk framework as either financial or non-financial. Financial risks arise from the composition of the balance sheet, while non-financial risks stem from day-to-day operational activities.

The Jyske Bank Group undertakes financial risks within established limits and only when the risk-adjusted return contributes to the Group's financial objectives. Jyske Bank's financial risks consist mainly of credit risk. The Group will assume credit risk when the debtor has the capacity to service the debt and when it is sufficiently probable that the debtor intends to repay the credit granted. To mitigate risk, collateral must have adequate value, and it must be likely that the collateral can be liquidated to cover any outstanding credit. Accordingly, the Group's earnings must match the associated credit risk and capital charge.



¹ A more comprehensive description of the Group's sustainability approach is included in the Group's CSRD reporting.



Market risk arises as an integrated part of banking activities, such as hedging interest-rate risk. The Group also assumes market risk when the expected return adequately compensates for the risk. Trading-related market risks arise primarily from client-related transactions, and the Group maintains only a small trading-related market risk position. The market risk profile is characterised by diversified portfolios, with interest-rate and foreign-exchange risks constituting the main trading-related exposures. Asset and liability management drives non-trading-related market risk, and the Group's interest-rate risk exposure is rooted in core banking activities as well as funding and liquidity management.

Because of the Group's activities, liquidity risk arises when funding mismatches occur in the balance sheet. Active liquidity management ensures sufficient liquidity to meet both short- and long-term obligations. Non-financial risks form an integrated part of banking activities. The Group applies a risk-based approach to ensure that the risk of operational losses remains at acceptable levels and is balanced against the cost of risk-reducing initiatives. Solid risk-management processes and effective control-environments support this approach.

The business model of Jyske Bank is the foundation for assessing the need for adequate capital and liquidity to ensure sound banking operations. The Group's overall risk exposure is always aligned with its capital base, and its risk appetite is reflected in a capital target designed to ensure Jyske Bank remains a reliable long-term partner for its customers and counterparties.



Risk Management

Risk management is an essential aspect of Jyske Bank's everyday operations and is firmly established within both the Group Supervisory Board and the Group Executive Board. The bank operates an independent Risk unit, with the Chief Risk Officer (CRO) serving as a member of the Group Executive Board.

This Risk unit oversees all matters related to risk policies, their implementation, measurement, and reporting. A robust risk management function ensures a consistent emphasis on providing timely and relevant analyses to facilitate informed decisions by management. The Risk unit adopts a risk-based method, meaning that its analyses and reporting are tailored to the significance of the identified risks.

Management receives ongoing reports that prioritise the identification of existing risks and key areas of focus. Furthermore, the Risk unit has set up comprehensive internal procedures designed to promote a strong risk culture and effective risk monitoring., the primary attention is given to the current risk identification and focus areas. Additionally, the risk unit has established adequate internal processes, which ensure a strong risk culture and monitoring.

Risk Organisation

The Group Supervisory Board establishes the general principles for risk and capital management, defines the Group's risk profile, and implements these principles by adopting several risk policies and instructions applicable across the Group. The Group Supervisory Board is responsible for ensuring that the Group has an organisational structure that provides a clear allocation of responsibilities and ensures an appropriate separation of functions between development units, operating units, and control units in the daily monitoring and management of the Group's risks.

The Group Executive Board is responsible for the day-to-day risk management of the Group and ensures that policies and instructions are implemented and adhered to. The Risk unit is as an independent entity under the CRO.

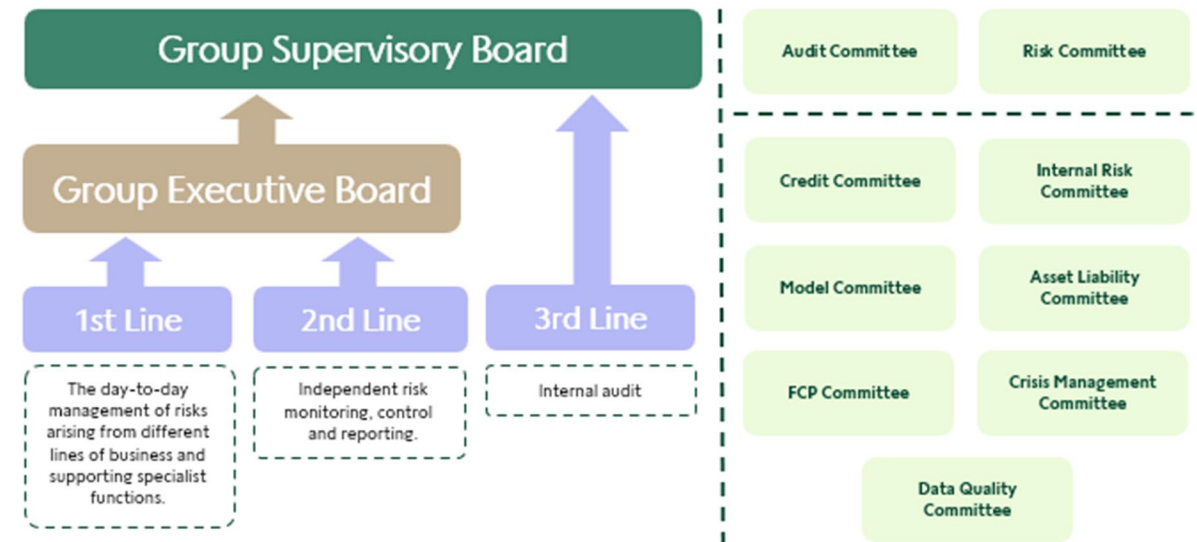
The risk management organisation is based on the "three lines of defence" model, which ensures effective risk management and oversight. The first line consists of business units and support functions, which are responsible for the day-to-day management of risks and operate within predefined limits, risk policies, and the Group's risk appetite.

The second line consists of the various departments within the Risk unit as well as the Compliance function. The second line performs independent monitoring, analysis, and reporting of the risks arising from first-line activities. Furthermore, the second line is responsible for maintaining the risk framework and policies.

Internal Audit constitutes the third line and is an independent unit that evaluates the effectiveness of the overall risk management system. Its independence ensures credible and objective assessments.

The CRO is responsible for the following:

- proposing risk policies and risk management principles to the Group Executive Board and the Group Supervisory Board.
- implementing risk management principles and policies and driving continuous improvements to risk management.
- quantifying the Group's risk exposures and monitoring and reporting to ensure that the Group's risk exposure does not exceed the limits defined by the Group Supervisory Board.





To ensure effective risk management, the Group has also appointed a CRO at Jyske Realkredit in accordance with regulatory requirements.

The organisational structure of the Group, in which the Risk unit is separated from the risk-taking units in the first line, ensures that the Risk unit remains independent of business-oriented activities and decisions.

Day-to-day management of credit risk is performed by relationship managers in the first line, as well as by the Credit Unit, operating within the framework of credit policies and credit instructions.

Jyske Bank has three main business areas responsible for managing market risk. Group Treasury manages strategic market risk, and its investments are generally based on a long-term view of financial markets. Jyske Markets and Jyske Realkredit manage short-term market risk as part of their services related to clients' trading in financial instruments and mortgage activities. Additionally, Group Treasury manages strategic liquidity risks, while Jyske Markets and Jyske Realkredit manage short-term operational liquidity risk.

Risk management for specific risk types is described in greater detail in the chapters covering each individual risk.

Committees

An overview of the committees can be found in the text box. At quarterly meetings, and in special circumstances, the following topics are addressed for the Group Risk Committee:

- the Group's risk profile and its implementation across the organisation.
- the Group's capital base and capital requirements.
- capital and liquidity buffers, related contingency plans, and the Group's recovery plan.

- material changes to the model framework for risk management, as well as model re-estimation and validation.
- internal procedures for risk measurement and risk management.
- assessment of material products' earnings and risk profiles.
- new legislation relating to capital structure or risk management.
- assessment of new products and services involving significant risk to the Group or its clients.
- issues of strategic relevance for the Group's overall risk management.
- assessment of externally and internally driven risks.
- To facilitate more tactical risk management, the Group Executive Board has appointed several committees that ensure specific risks are managed within the risk appetite set by the Executive Board.

Risk reporting

The Group Supervisory Board and the Group Executive Board receive regular reports on risk developments and the utilisation of allocated risk limits and can therefore monitor compliance with these limits and assess their appropriateness.

The Risk unit continuously focuses on providing relevant and timely analyses to support well-informed decision-making by management. This includes analyses of both internal and external conditions that may influence the Group's risk assessment. Consequently, the identification and analysis of all material risks are communicated and managed accordingly.

Risk reports are submitted to the Group Supervisory Board, the Group Executive Board, the Group Supervisory Board Committees, and relevant business areas, depending on the relevance of the report contents.

Moreover, risk reporting is prepared for the supervisory boards and executive boards of the individual subsidiaries.

Overview of committees:

The Group Audit Committee assesses whether the Group's internal controls and risk-management systems function effectively. These tasks are carried out through written and oral reporting to the committee and through its consideration of relevant internal and external audit reports.

The Group Risk Committee conducts the preliminary assessment of risk-related matters ahead of final consideration by the Group Supervisory Board.

The Credit Committee: The primary task is to assess credit facilities that exceed the approval authority of the credit approval unit and ensures, that such facilities remain within the Group's risk appetite.

The Internal Risk Committee secures adequate and effective Group wide risk management across all risk types and categories and is responsible for handling proposals regarding the Group's risk strategy, risk appetite and risk framework for submission to the Executive Board and the Board of directors.

The Model Committee oversees governance related to risk models as part of the Group's overall risk organisation structure

The Asset Liability Committee assesses the Group's liquidity risk profile, balance-sheet development, and financial structure to ensure a continuously adequate liquidity-risk profile and balance-sheet composition in line with general guidelines.

The Financial Crime Prevention Committee (FCP) sets strategic direction for financial crime prevention and ensures implementation and monitoring of risk mitigating measures.

The Crisis Management Committee acts as the Group's crisis management body, ensuring business continuity and coordinated response in critical situations.

The Data Quality Committee ensures governance and oversight of data quality, including review, escalation and approval of key data quality reporting.

The table on the next page provides an overview of Group-wide risk reporting to the Group Executive Board and the Group Supervisory Board.

**Reporting to the Group Supervisory Board and the Group Executive Board**

	REPORT	FREQUENCY	RECIPIENT	CONTENTS
OVERALL PICTURE OF RISK	ICAAP report	Annually	Group Supervisory Board, Group Executive Board	A description of the Group's statement of the capital requirements. It includes a description of the methodological approach to estimating capital requirements and future implications of the capital structure based on sensitivity analyses and projections under stress scenarios. Ultimately, the report outlines the Group's total capital requirement.
	ICAAP quarterly report	Quarterly	Group Supervisory Board, Group Executive Board	A quarterly follow up on the annual ICAAP report. Provides a statement of the Group's capital requirement for pillar I, II, and additional capital buffers, as well as providing explanations of material changes due to portfolio developments, regulation or methodological refinements and developments.
	Group risk report	Quarterly	Group Supervisory Board, Group Executive Board	A detailed description of the development in the Group's risk along with monitoring of established risk targets and recovery indicators. It includes capital projections encompassing all risks in different scenarios, the credit quality of the portfolios, overall market risk exposure, balance sheet development and the development in the largest non-financial risks and realised operational losses.
	Financial and risk reporting	Quarterly	Group Supervisory Board, Group Executive Board	Reports on the development of the business units' risk-adjusted results.
	Group balance sheet and liquidity report	Monthly	Group Executive Board	A description of the development of the Group's balance sheet, capital risk profile, liquidity and funding structure and funding requirements, as well as an overview of supervisory diamond, leverage ratio, etc.
MARKET RISK	Market risk report	Monthly	Group Executive Board	A description of the Group's overall market risk exposure based on the authority granted for both the Group, Group Treasury, Jyske Markets, and Jyske Realkredit. It includes a description of liquidity positions that exceed the authorised limits as well as changes in limits granted.
LIQUIDITY RISK	ILAAP report	Annually	Group Supervisory Board, Group Executive Board	An assessment of the Group's funding and liquidity adequacy profile focusing on the Group's liquidity status, managerial initiatives throughout the year as well as the development of important key figures.



Internal risk management

In the Group's internal risk management, risk-adjusted target returns are used in the form of RoRC (Return on Regulatory Capital) as a general management tool. RoRC calculations provide an overview of the risk and profitability of the Group's various activities. The calculations are based on the currently applicable regulatory capital requirements, which transitioned to CRR III at the beginning of 2025. They also incorporate developments in the overall credit quality of the portfolio, concentration risk, and other capital-related factors.

RoRC forms an integral part of reporting to the management of the business units, who determine follow-up activities and any initiatives to manage risk within the risk appetite set by the Supervisory Board. RoRC is also applied at client and product level to measure results, assess profitability, and determine the pricing of new loans. RoRC calculations and pricing facilities are made available through profitability systems, enabling employees and managers to access up-to-date profitability calculations at various levels. Consequently, RoRC is also key to determining price authority within the organisation, and price approvals are carried out within the profitability system. These systems incorporate expenses, including funding costs related to loans and other types of expenses.

The profitability systems take into account the composition of the Group's credit portfolio through concentration risk calculations based on methodologies developed by the Basel Committee on Banking Supervision. As a result, concentration and diversification effects are directly reflected in the profitability calculations of both new and existing loans. For example, loans granted to clients in sectors that are highly correlated with the market or where the portfolio already contains significant exposures will lead to higher capital requirements and, consequently, lower profitability.

² CRR: The Capital requirements regulation is an EU regulation that lays down the rules for capital requirements of credit institutions.

Remuneration supports risk management

The ambition of Jyske Bank is to maintain a sound and strong risk culture; therefore, the objective of the remuneration policy is to support efficient risk management. In general, the purpose of the remuneration policy is to:

- Reward value-creating, competent, and responsible conduct
- Support productivity and job satisfaction
- Promote sound and efficient risk management
- Ensure an appropriate focus on sustainability and corporate social responsibility
- Prevent conflicts of interest and strengthen the obligation to act in the best interests of clients
- Ensure equal pay for equal work

The policy applies to all companies within the Group. Jyske Bank has opted not to use direct bonus schemes with variable remuneration. The Group's remuneration policy and the latest remuneration reports are available at jyskebank.com/investorrelations/governance.

Supervisory diamond

The Danish FSA has defined a supervisory diamond focusing on specific risk areas and limits which institutions should not exceed. The purpose is to balance the ability of institutions to provide the necessary funding without taking excessive risk.

The supervisory diamond is defined for bank and mortgage separately and the results for Jyske Bank A/S and Jyske Realkredit A/S are shown in the table to the right.

As of end 2025 the Group complied with all thresholds in the supervisory diamonds with large margins. Looking ahead the annual refinancing in Jyske Realkredit is expected to increase gradually with prospect to coming close to the threshold. To counter this tendency Jyske Realkredit will continue to fund

The supervisory diamond

Jyske Bank A/S	Limit	2025	2024
Sum of large exposures	<175%	104.8%	103.8%
Increase in loans and advances (p.a.)	<20%	-2.0%	-3.4%
Exposures to property- administration and transactions	<25%	9.0%	9.3%
Liquidity surplus	>100%	168.0	175.0
Jyske Realkredit A/S	Limit	2025	2024
Concentration risk	<100%	46.8%	43.3%
Increase in loans and advances (segments p.a.)			
Owner occupied homes and vacation houses	<15%	4.7%	0.2%
Residential rental properties	<15%	4.3%	3.9%
Other	<15%	0.5%	5.8%
Borrowers interest rate risk	<25%	19.2%	18.6%
Interest-only schemes	<10%	3.6%	3.8%
Loans with frequent interest-rate fixing			
Refinancing annually	<25%	22.1%	16.6%
Refinancing quarterly	<12.5%	8.8%	5.6%

loans with frequent interest rate resets with longer term funding, amongst other initiatives.

The report on risk and capital management serves as the Group's main document for disclosure of the information required in CRR². In addition to the report, a number of tables on jyskebank.com/investorrelations/capitalstructure provide further details to comply with transparency requirements from the CRR and the EBA guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013. The Group continuously assesses the adequacy of both the content and frequency of its disclosures.



Capital Management

In 2025, Jyske Bank demonstrated very strong consolidation, supported by low impairments and minimal losses. In addition, the Bank's increased presence in the capital markets significantly strengthened its capital base. Consequently, the Group's capital ratios exceeded its internal capital management objectives.

At the beginning of 2025, the revised Capital Requirements Regulation (CRR III) entered into force. Jyske Bank was well prepared for the regulatory transition, which, as expected, resulted in an increase in risk-weighted assets. Following the implementation of CRR III, the Group targets a CET1 capital ratio of around 15%.

The objective of capital management is to maintain an efficient and robust capital structure that is aligned with the Group's risk profile. Jyske Bank aims to maintain a total capital ratio around 20% and a Common Equity Tier 1 (CET1) capital ratio around 15%. These capital targets ensure that Jyske Bank can absorb the impact of forthcoming regulatory changes while preserving the desired strategic capital buffer.

As of year-end 2025, the Group's CET1 capital ratio amounted to 16.1% of REA and its total capital ratio was 21.5%. Consequently, the current capital levels exceed the Group's stated targets.

S&P's Risk-Adjusted Capital (RAC) ratio for the Jyske Bank Group has remained substantially above the critical 10% threshold for many years. In 2025, the ratio remained roughly stable at or above 13%. Forecasts indicate that RAC levels will remain well above S&P's threshold. Therefore, RAC is not expected to constrain capital management, and the "Strong" score in Capital & Earnings is expected to be maintained.

Capital base

At year-end 2025, CET1 capital accounted for 75% of the total capital base. CET1 capital remains broadly unchanged compared with year-end 2024. This development reflects the ongoing share buyback programme of DKK 2.25 billion as well as an additional capital reservation of DKK 3.7 billion.

The level of CET1 capital remains comfortably above the current CET1 requirements and exceeds the Group's capital target. In addition, the total capital ratio is above the Group's objective, partly due to Jyske Bank's capital market issuance activities in 2025, which strengthened the Tier 2 capital positions. The capital base and its underlying components are presented in the table to the right. The capital structure is assessed regularly to ensure that the Group and all Group subsidiaries maintain an appropriate level of capital. Situations may arise that require the transfer of capital between Group entities; however, such transfers must comply with the capital requirements applicable to the individual subsidiaries. There are no restrictions on the prompt repayment of claims between the parent company and its subsidiaries

Capital base

DKKm	2025	2024
Equity	47,379	45,663
Intangible assets	-2,927	-3,328
Cautious valuation	-141	-98
Share-buyback programme/dividends	-3,940	-1,543
Other deductions	-317	-220
Common equity tier 1 capital	40,053	40,474
Additional tier 1 capital	4,925	4,914
Tier 1 capital	44,978	45,388
Tier 2 capital	8,605	7,556
Capital base	53,583	52,944
Risk Exposure Amount	249,331	229,519
CET1 capital (% of REA)	16.1%	17.6%
Tier 1 capital (% of REA)	18.0%	19.8%
Total capital (% of REA)	21.5%	23.1%

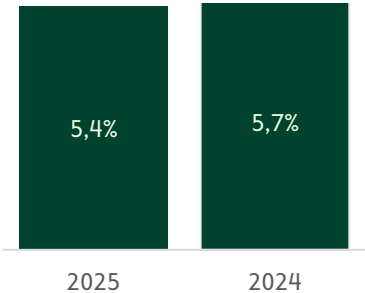


Leverage ratio

The leverage ratio is a non-risk-sensitive measure of the maximum extent of balance-sheet leverage and is calculated as Tier 1 capital relative to the Group’s total non-risk-weighted exposures. A minimum leverage ratio of 3% constitutes the binding leverage requirement as prescribed by the EBA (European Banking Authority).

The Group Supervisory Board has adopted a policy on maximum leverage. To ensure satisfactory balance-sheet development, the Group’s balance sheet is divided into two sub-portfolios, as the Group’s banking and mortgage activities are assessed to have different appropriate leverage levels. The Group’s banking activities involve higher liquidity and capital risk compared with its mortgage activities. Therefore, a higher acceptable leverage level is applied to the mortgage activities than to the banking activities. At the end of 2025, the Group’s leverage ratio was 5.4%.³

Leverage ratio for Jyske Bank Group (%)



³ The leverage ratio is specified in further detail in the disclosure for Jyske Bank Group 2024 according to the requirements as per the CRR at jyskebank.com/investorrelations/capitalstructure.

ICAAP

The ICAAP (Internal Capital Adequacy Assessment Process) is a cornerstone of the Group’s capital management framework, designed to ensure that the Group maintains a sound and resilient capital position. The process involves a comprehensive evaluation of all significant risks linked to the Group’s strategy, business model, and operations. By doing so, ICAAP provides a structured approach to determining whether the Group’s capital base is sufficient to cover these risks under both normal and stressed conditions. Hence, a key feature of ICAAP is its forward-looking perspective, which includes stress testing at both Group and portfolio level. This forward-looking approach enables proactive capital planning and strengthens the Group’s ability to navigate an evolving regulatory and economic landscape.

Capital planning

Capital planning is the structured, forward-looking process which ensures sufficient capital to support current operations, future strategic ambitions, and regulatory obligations. It begins with identifying and measuring all material risks and projecting their impact through stress testing and scenario analysis in both short- and long-term horizons. The capital planning in Jyske Bank is an integrated part of risk management framework and defines both capital targets and the funding plans of the Group while considering both expected future capital requirements and rating ambitions.

Capital Requirement

Jyske Bank applies an 8+ setup when determining the capital requirement. Through the ICAAP, analyses are conducted for each risk type, incorporating both qualitative and quantitative elements related to ongoing quality assurance, including the evaluation of model assumptions and monitoring. These

Capital requirements by risk type

		2025	% of REA	2024	% of REA
Pillar 1	Credit risk	17,075	6.8	15,912	6.9
	Market risk	735	0.3	755	0.3
	Operational risk	2,137	0.9	1,694	0.7
	Total	19,946	8.0	18,361	8.0
Pillar 2	Credit risk	3,250	1.3	3,878	1.7
	Market risk	2,809	1.1	3,125	1.4
	Operational risk	701	0.3	656	0.3
	Other	0	0.0	15	0.0
	Total	6,760	2.7	7,674	3.3
Total capital requirement		26,707	10.7	26,035	11.3

analyses address relevant risk factors within each risk type, in compliance with current legislation.

The capital requirement consists of the pillar I regulatory requirement of 8% of the total risk exposure amount. Additionally, the pillar II requirement defines the Group specific risks which are not covered by pillar I. Thus, it expresses Jyske Bank’s own assessment of the capital requirement based on the risk profile of the Group and reflections concerning the Group’s own data, experience, and management.

In 2008, Jyske Bank was approved to apply the Advanced Internal Ratings-Based (A-IRB) approach for the measurement of credit risk. In early 2025, the Group received regulatory approval to apply the Foundation Internal Ratings-Based (F-IRB) approach for the majority of its corporate exposures, replacing the A-IRB approach for these clients. Retail exposures continue to be assessed under the A-IRB framework. Consequently, the calculation of the Group’s capital requirement for credit risk remains predominantly based on internally developed rating models.

The capital requirements for market risk and operational risk are calculated according to the standard method. The development of the capital requirements for credit risk, market risk and operational risk is outlined in the table above and is further described in the chapters covering the individual risk types.

The higher total capital requirement, in nominal values, is attributable to the increase in the total risk exposure amount, which is caused by increases in the risk exposure amount related to credit risk and operational risk. The increase in risk exposures amounts related to credit risk should be seen as a reflection of the new capital requirement regulation, CRRIII, which was implemented at the start of 2025. The increase in operational risk is attributable to a recalculation of the Business Indicator Component, which is based on a three-year average of relevant income components. As income levels have increased in recent years, this has resulted in a corresponding increase in the risk exposure amount.



The Pillar II capital requirements have decreased primarily driven by decreases in the additions regarding credit risk and market risk. The three main drivers of the reductions are described below:

- 1) **Add-on related to social housing:** The Pillar II add-on of DKK 254m related to social housing exposures at Jyske Realkredit has been removed. This follows the transition to the standardised approach, which resulted in materially higher risk weights for these exposures.
- 2) **Add-on for interest rate risk:** The add-on relating to interest rate risk outside the trading book has been reduced by approximately DKK 300m during 2025. The decrease primarily reflects a reduced level of hedging.
- 3) **Add-on for LGD model uncertainty:** The add-on related to loss given default (LGD) model uncertainty has been reduced by approximately DKK 300m. This reduction reflects the Group's transition to the Foundation Internal Ratings-Based (F-IRB) approach for the corporate portfolio, under which regulatory LGD parameters are applied. Consequently, the capital add-on related to LGD.

Capital Buffers

Jyske Bank constitutes a systemically important financial institution (O-SII). Consequently, the Group will be subject to an additional capital buffer requirement of 1.5%. In addition, the Group is required to hold a capital conservation buffer of 2.5%. Furthermore, a systemic risk buffer relating to commercial real estate exposures was implemented in 2024. This buffer amounts to 7% of the REA attributable to the affected exposure class, which amounts to 0,9% of the risk exposure amount of the Group.

The Danish countercyclical capital buffer currently stands at 2.5%, which represents the maximum applicable level. However, Jyske Bank is also subject to countercyclical buffers in countries outside of Denmark, wherever the Group has exposures. Due to Jyske Bank's low level of foreign exposures, the contribution to the countercyclical buffer from foreign countries is limited. A detailed overview of the foreign exposures is reported in Disclosure Jyske Bank Group in table CCyB1.⁴

The Pillar I and II requirements, along with the combined buffer requirements, constitute the total capital requirement for the Group as of the end of 2025.

Group recovery plan

Total capital requirements (%)

	TCR	CET1
Pillar 1	8.0	4.5
Pillar 2	2.7	1.5
SIFI-buffer	1.5	1.5
Capital conservation buffer	2.5	2.5
Countercyclical buffer	2.4	2.4
Systemic risk buffer	0.9	0.9
Total	18.1	13.4
Capital ratios	21.5	16.1

The Bank Recovery and Resolution Directive (BRRD) requires financial institutions to develop recovery plans. In the unlikely event that the Group suffers from serious financial stress, the recovery plan serves a useful resource. The Jyske Bank Group is composed and organised to facilitate the preservation of the Group's critical business processes in the event of a recovery incident.

The recovery plan contains multiple potential recovery options with distinct individual features, prerequisites, and effects. These options have been tested under different stress scenarios to evaluate their ability in ensuring the Group's recovery from various circumstances of macroeconomic and idiosyncratic adversity.

The recovery options can be divided into three different types:

- Recovery options aiming to improve the capital ratio of the Group.
- Recovery options aiming to improve the liquidity of the Group.
- Recovery options aiming to improve the Group's profitability by reducing the cost base, either through disposal or cost reductions.

The recovery plan defines recovery indicators that monitor the development in capital, liquidity, profitability, and asset quality of the Group as well as relevant macroeconomic and market-based indicators. The indicators serve as potential warnings to allow early identification of an adverse development. The recovery indicators are divided into two primary Groups; indicators of observational character and indicators necessitating actions when breached. As an integrated part of the risk management of the Group, the indicators are monitored and reported quarterly to the Group Supervisory Board, the Group Executive Board, and the Internal Risk Committee, which will consider and act upon adverse developments.

The recovery plan contains a detailed mapping of business lines, economic functions, and services within the Jyske Bank Group, enabling the Danish FSA to obtain a complete picture of all significant activities within the Jyske Bank Group.

Stress test

Stress testing constitutes a decisive element of Jyske Bank's approach to projecting the capital base and relevant capital requirements. Moreover, stress tests are suitable to assess the Group's capital-management objective from a forward-looking perspective, while also considering future legislation.

Stress testing is used for a variety of purposes. In general, stress testing can be characterised as an extensive scenario-based analysis of the impact on the Group of cyclical and legislative changes. The stress testing setup also allows for various sensitivity analyses. Furthermore, reverse stress testing is carried out to test the Group's capacity for loss and produce an understanding of the severity of developments needed to challenge the survival of the Group in its current composition.

A key objective of the stress test analyses is to assess whether the future risk level of a given scenario can be mitigated by excess capital, considering the Group's earnings, capital policy, management objectives, and risk profile. The results of the stress test also provide information that allows for evaluation of the sufficiency of the capital level and quality. Expected consequences of future regulation are also included in the stress test analyses.

Scenarios

The stress test analyses rest on various macroeconomic scenarios. As a standard, a base scenario of the expected macroeconomic development as well as a stress scenario used for long term capital planning is analysed every quarter. In addition, the Group considers alternative stress scenarios building on relevant macroeconomic narratives. Most recently, an alternative stress scenario based on a U.S. debt crisis has been analysed in the Group's internal risk reporting.

When defining stress scenarios, special consideration is given to areas where the Group or its subsidiaries are particularly exposed or have exposure deemed to be of high risk and

⁴ See jyskebank.dk/ir/rating



importance for the Group. This is to ensure that the business model of Jyske Bank is tested under different and severe macroeconomic conditions.

The table and infographic below describe the main macroeconomic developments and underlying narratives of the three scenarios mentioned above.

Scenario developments		2026	2027	2028
GDP	Basis	2.5%	1.8%	1.8%
	Stress	-2.6%	-4.1%	0.2%
	Alternative	-2.3%	2.3%	0.7%
Unemployment	Basis	2.7%	2.7%	2.7%
	Stress	5.5%	8.9%	9.6%
	Alternative	4.7%	7.3%	7.1%
House prices	Basis	2.5%	3.5%	2.0%
	Stress	-20.7%	-6.8%	-1.0%
	Alternative	-15.2%	0.5%	2.4%
Share prices	Basis	8.0%	7.1%	8.2%
	Stress	-50.0%	0.0%	0.0%
	Alternative	-50.0%	0.0%	0.0%
Deposit rate	Basis	1.6%	1.6%	1.6%
	Stress	1.2%	1.1%	1.1%
	Alternative	0.4%	-0.5%	-0.5%

Macroeconomic scenarios

Base Scenario

The base scenario describes the most likely outlook for the Danish economy. The projections are prepared by Jyske Bank's macroeconomic experts based on the current economic situation. In the present scenario, the Danish economy is assumed to be robust and heading into a period of solid but cautious growth. Inflation is projected to remain stable. The ECB and the Danish National Bank are expected to maintain policy rates at the current levels. Housing prices are projected to rise, although uncertainty remains high. Notably, expectations have not changed significantly since the beginning of 2025.

Stress Scenario

The stress scenario illustrates a situation where both domestic and international demand decline sharply. The supply of goods, services, and labor are constrained, resulting in relatively persistent inflation and wage growth. Central banks therefore have limited incentive to pursue an expansionary monetary policy. The recession leads to significant declines in GDP, private consumption, investments, net exports, and employment. Moreover, the housing and commercial real estate markets suffer from substantial price drops. The scenario can be characterized as a severe recession and is considered highly unlikely but not unimaginable.

Alternative Stress Scenario

The alternative stress scenario is based on a debt crisis in the United States, marked by intensified political turmoil and eroding confidence in the independence of the Federal Reserve. The situation triggers a global financial crisis with sharp declines in equity prices, widening credit spreads, and a steep drop in GDP. The downturn remains severe despite the ECB and the Danish National Bank lowering policy rates below zero.



Processes and models

The scenarios play a key role in the projection of the consolidated profit, balance sheet, liquidity, and capital structure. The scenario projections are based on model-based calculations combined with expert assessments. This interaction is necessary as the model-based approach builds on historical data. Hence, the results are to be interpreted considering Jyske Bank's current business structure and risk profile. The scenario projections offer a broader overview of the Group's sensitivity to economic developments.

Reverse stress testing functions as an important tool to put regular stress tests into perspective. Reverse stress testing enables an in-depth understanding of the current and potential vulnerabilities of the Group, as well as circumstances under which the Group's business model would become unviable.

Processing results

The effect from the stress scenario results in deterioration of the earnings capacity and a higher level of risk-weighted assets. Both these elements reduce the capital buffer compared to the expected scenario.

Despite the large impairment under the stress scenarios, the outcome of the analysis of the stress scenarios shows that both the capital base and the capital ratio will remain at a satisfactory level. The effects from the scenarios on the MREL-requirement, the legal requirement for covered bonds as well as the over-collateralisation requirement are also included in the results of the stress tests. The projections of these aspects uniformly display acceptable results with buffers to the regulatory requirement. An illustration of the stress testing process is displayed in the figure below.

External stress tests

Stress testing financial institutions is becoming an increasingly important aspect of both national and international authorities' efforts to ensure integrity of the financial markets and stability of the financial system.

The Group participates in external stress testing exercises facilitated by the Danish FSA as well as by the EBA. The Danish FSA conducts annual macro-economic stress testing exercises, which is an important element into the capital planning of Jyske Bank. Additionally, comprehensive EBA stress testing exercise is conducted every second year. The latest EBA stress

test in 2025 shows the Group maintains a capital surplus under severe stress assuming the countercyclical capital buffer is removed. The next EBA stress test is scheduled for 2027.

MREL

The current minimum requirements for own funds and eligible liabilities (MREL) are set equal to the double of the current capital requirements (the countercyclical buffer only counts once) for the banking business of the Group but with a different treatment of the mortgage assets within the Group.

Mortgage Credit institutions are exempt from the MREL requirement. Instead, they must maintain a debt buffer of 2% of the total non-weighted loans. Jyske Realkredit complies with the debt-buffer requirement based on its high capitalisation.

The MREL requirement is the higher of the risk-weighted requirement and the non-risk-weighted requirements.

- Risk-weighted requirement: MREL for banking activities + capital and debt buffer requirement in the mortgage bank.
- Non-risk-weighted requirement: 8% of total liabilities and own funds (TLOF).

Currently, the most binding requirement consists of the risk-weighted requirement.

The MREL requirement should primarily be fulfilled with senior non-preferred debt (NPS). The implementation of BRRD II allows for senior debt, equal to the sum of the Group's O-SII-buffer, capital conservation buffer and systemic buffer, to count as eligible liabilities and fulfil the MREL requirement. These buffer components constitute around 5% of the Group's REA. Jyske Bank fulfils the MREL requirement with a substantial margin by end 2025.⁵

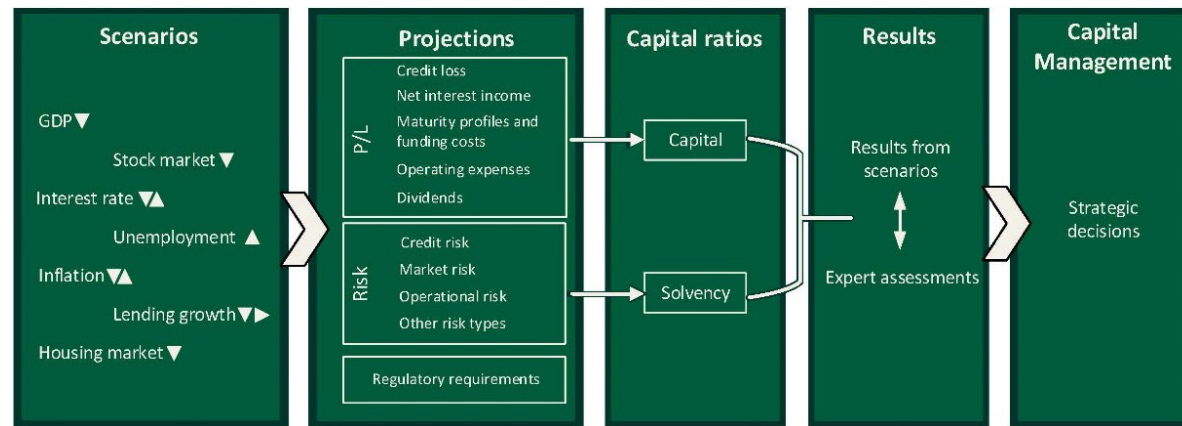
Future legislation

As an important and integrated element of the Group's capital planning, the expected effects of future legislation are included in the projections. Currently, Jyske Bank is working to implement models aligned with the EBA guidelines under the "IRB Repair Programme". However, Jyske Bank has already implemented significant Pillar I add-ons to ensure that the effects of implementing new models are contained within the capital requirements.

Below is a brief description of the regulatory changes expected to have a notable impact on Jyske Bank over the coming years.

The sixth edition of the Capital Requirements Directive (CRD VI) and the third edition of the Capital Requirements Regulation (CRR III) implement the finalisation of the Basel III recommendations in Europe. The overall objective of CRR is to strengthen the capital structure of European financial institutions and to ensure a level playing field across the EU and EEA. With the full implementation of CRR III, the playing field is expected to become more even. This is partly achieved through the introduction of several floors that restrict credit risk parameters used in the calculation of risk-weighted assets, as well as floors on the risk weights applied.

The new rules entered into force on 1 January 2025, with a very long phase-in period for several key elements. Moreover, the implementation of the Fundamental Review of the Trading Book (FRTB) has been delayed and is currently scheduled to take effect from 2027, with further delays or changes still under consideration. The implementation of CRR III contained significant changes to capital requirement calculations for most banks in Europe, including Jyske Bank. Apart from the phasing in of the CRR III there is currently no major new legislation on the tables in either Basel or Bruxelles. Jyske Bank does not expect any increase in total capital requirements because of the phase-in of the output floor given the current risk weights.



⁵ For more information on the Group's MREL requirement, MREL position, and issued MREL bonds, please see the link, which is updated on a quarterly basis: Information for Debt Investors (jyske-bank.com)



Credit Risk

During 2025, the credit risk of the Group has continued to develop positively, with observed declines in risk levels resulting in very low losses and impairments. Collateral values have shown a positive trend, particularly for financial assets and real estate.

The general economic outlook for Denmark remains solid, supported by stable growth and resilient private consumption. It is expected that inter-est rates will remain unchanged at the current low level throughout 2026, further supporting financial stability. Nevertheless, uncertainties persist due to the geopolitical situation, including ongoing conflicts and protectionist tendencies, which may affect global trade and economic conditions.

The risk-weighted assets have increased during the year (DKK +13.2bn), primarily driven by the implementation of CRR III and new credit models (PD) for the Group's corporate customers. This change reflects methodological adjustments and a strategic focus on enhancing risk measurement.

Jyske Bank's Group Supervisory Board lays down the overall guidelines for credit granting within the Group, and the largest exposures are presented to the Group Supervisory Board for approval. The Group Supervisory Board delegates limits to the members of the Group Executive Board.

Credit risk is by far the largest risk category. It is managed through Jyske Bank's credit policy with the objective to keep Group risk at an acceptable level in relation to the capital base and business volume of the Group, given the general trend in the Danish economy. Client transactions with the Group must generate a satisfactory long-term return according to RoRC principles.

Specific credit policies are formulated for all areas in which the Group assumes credit risk, and credit-risk levels and desirable types of business have been identified. The policies are

regularly adjusted to meet current requirements and adapted to the management tools available to relationship managers and the monitoring functions.

Credit risk is managed based on individual credit assessments and the Group's credit-risk models. Credit risk models are used for various purposes, for instance in connection with the advisory services and pricing offered to the Group's clients, in the Group's risk management processes/risk assessment and in management reporting.

Limits and authorization

Jyske Bank attaches great importance to its decentralised credit-authorisation process. The limit structure is in line with the hierarchy described below where, for each level, it is clearly stated which amounts, instances and segments are covered by the limit. The main principle is that regularly occurring credit

cases can be authorised locally whereas credit-related decisions for major or more complicated cases are authorised centrally.

Limits are individually delegated to relationship managers. Credit applications exceeding these limits are decided by the Credit Unit. For credit-related decisions above the Credit Unit's limits, the Group Executive Board, which includes a credit committee with the CRO, takes over. The supervisory boards of the individual subsidiaries handle cases involving their clients. Any credit-related decisions above the Group Executive Board's limits are made by the Group Supervisory Board. The Group Executive Board is represented on the Supervisory Boards of the subsidiaries.

The granting procedures for mortgage credits concerning retail are outsourced from Jyske Realkredit to Jyske Bank.

The credit process and monitoring

Together with policies and business procedures, the credit processes form the basis ensuring that the granting of credit is based on sound risk taking and prudent loss minimisation.

The basis of each approval of credit is the client's ability to repay the loan. A central element in the assessment of the creditworthiness of corporate clients is their ability to service debt out of cash flows from operations in combination with their financial strength. In respect of personal clients, their debt servicing ability, as reflected in budgets and disposable income, is decisive.

The extent of data and analyses depends on the client's financial situation and the complexity of the matter and may therefore vary from case to case.

The provision of collateral is a material element in credit granting in order to minimise the Group's future losses.

Monitoring of the credit-risk positions of the Group is carried out by Risk Management functions, which is separated from client-oriented functions and is independent of core business processes.

Large exposures

Large exposures are monitored on a regular basis in accordance with CRR, including exposures larger than 10% of the Group's capital base. At end-2025, no exposures exceeded 10% of tier 1 capital. Eight exposures amounted to between 5% and 7.5% of tier 1 capital, and one exposure was between 7.5% and 10% of tier 1 capital.

Risk Models

For risk management, and to calculate the own funds requirements, the Group applies IRB approaches for the majority of the Group's credit portfolio. In 2025 the implementation of a new regulatory framework, CRR III, and subsequent applications (and FSA approval) to use less sophisticated methods for different portfolios have changed the way the Jyske Bank applies the different approaches to calculate own funds requirements. As a result, the Group now utilises three primary methodologies: the Advanced IRB approach (A-IRB), the Foundation IRB approach (F-IRB), and the standardised approach.

The standardised approach is already being used for exposures to governments, central banks, public-sector entities, institutions and insurance companies ("Financial institutions treated as corporations") but now the standardised approach is also used for public housing associations and housing cooperatives.



Also following approval by the authorities in 2025, the Group now applies the F-IRB approach to corporate clients instead of the A-IRB approach. This means, that the A-IRB approach is only used for the Retail portfolio.

In the credit modelling under A-IRB and F-IRB, key parameters are the client's probability of default as well as the client's exposure and collateral provided at the time of default.

The Groups credit risk models used in the risk management and the A-IRB and F-IRB approaches are currently being redeveloped to secure compliance with the current regulatory requirements, first and foremost the "IRB Repair Programme" launched by EBA. The first of the redeveloped models, PD Model for Corporate clients, was conditionally approved by the authorities in 2025 and is now used in the calculation of the own funds requirement.

Credit assessment and PD

Credit exposures are risk adjusted to match the level of risk on individual exposures. The key element is the client's credit quality, referred to as credit rating, as this expresses the probability of the client defaulting during the coming year (PD). Default occurs when an obligor is considered unlikely to meet his obligations to the Group. Most clients are assigned a PD based on statistical credit-scoring models, which are developed internally in the Group. Very large enterprises and enterprises within special sectors are, however, assigned a PD based on an assessment by independent experts.

Many different factors are relevant for the calculation of a client's PD. Specific factors relating to the client are considered, but factors relating to the situation of the client are also considered. The calculation of PD therefore considers financial data, transaction data, management and market circumstances, industrial assessments, questionnaires, expert assessments, and any other essential elements. Also included are specific warning signs in relation to the client's credit quality, payment profile and loss history.

In order to reach the best possible overview of client-credit quality, PD is mapped into internal credit ratings at Jyske Bank. Jyske Bank's credit ratings use a scale from 1 to 14, 1 being the highest credit quality (the lowest PD) and 14 the lowest credit quality (the highest PD). Clients migrate up or down the credit ratings scale depending on their actual PD.

PD levels relative to the actual development of the default rate are monitored regularly. Necessary adjustments are made partially relative to the long-term average.

Jyske Realkredit (JR) is transitioning to the same rating system as Jyske Bank, however part of their exposures are still treated in their legacy rating system where the PD is translated into 9 rating classes, where rating class 9 is for clients in default. The subsequent table shows the mapping between credit ratings, PD and external ratings at end-2025.

The Group's internal credit ratings and the mapped JR credit ratings aim to assess the credit risk in a one-year perspective, while external ratings (Aaa - C) aim to assess the credit risk in a longer perspective. The mapping between JB credit ratings, JR credit ratings and the external credit ratings is dynamic and the table below illustrates the current observed ratings.

If the credit rating calculated by the model is inadequate, internal independent credit experts may review the credit rating of corporate clients at the request of the relevant relationship manager.

Credit exposure

Credit exposures are quantified by means of Exposure at Default (EAD). EAD reflects the exposure at default in the event of the client defaulting in the next twelve months. A client's overall EAD depends on client-specific factors and the specific

products held by the client. For revolving commitments for retail customers, EAD is calculated based on statistical models while for other product types EaD is based on the standard method.

With regard to financial instruments, EAD is measured according to the Standardised Approach for Counterparty Credit Risk (SA-CCR).

Collateral

With the objective of limiting credit risk, the need to demand collateral will be considered for each exposure on its merits. As a main rule, clients are required to provide full or partial collateral for their exposures. The Group's mortgage loans are always secured by mortgages on immovable property, and in several cases, guarantees are provided by third parties in connection with cooperation with other financial institutions. In

Internal ratings and PD band

JB Credit rating	JR Credit rating	PD band (%)	External rating equivalence
1		0.00 - 0.10	Aaa-A3
2	1	0.10 - 0.15	Baa1
3		0.15 - 0.22	Baa2
4		0.22 - 0.33	Baa3
5	2	0.33 - 0.48	Ba1
6		0.48 - 0.70	Ba2
7	3	0.70 - 1.02	Ba3
8		1.02 - 1.48	B1
9	4	1.48 - 2.15	
10	5	2.15 - 3.13	B2
11		3.13 - 4.59	B3
12	6	4.59 - 6.79	Caa1
13		6.79 - 10.21	Caa2
14	7 & 8	10.21 - 25.0	Caa3- C

Note: Jyske Realkredit's rating class 8 includes PDs above 25%.



connection with loans for public housing associations, guarantees are provided by municipalities and the government. The Group utilises the FCCM approach to financial collateral and therefore securities (mainly bonds and listed equity) is taken into account when calculating risk weights for exposures secured by financial collateral.

Collateral received is a main element of the Group's assessment of Loss Given Default (LGD) where the Group use internal estimated LGD models for exposures on A-IRB or regulatory LGDs where the Group utilises the Foundation approach. LGD is the part of the Group's total exposure to a client which the Group expects to lose in the event of the client defaulting within the next twelve months. A client's LGD depends on specific factors concerning the client, but also on the commitment and the collateral provided. Overall, LGD also depends on Jyske Bank's ability to collect receivables and liquidate collateral. The models relating to real property and vehicles include ongoing updating of the collateral value, considering, among other things, market-related changes in value, ranking of the loan, and wear and tear. The ongoing updating of the values of real property will also ensure compliance with the requirements relating to the monitoring of LTV limits of the covered bonds according to the rules on eventual, further supplementary capital.

In the calculation of the own funds requirement, LGD estimates are used which reflect the expected loss rates of the Group in the event of an economic downturn. The levels of loss have been calibrated to the crises-period at the end of the 1980s and the beginning of the 1990s.

Overall development in REA

The Group's risk weighted exposure amount (REA) for credit risk increased 6.7% during 2025, while exposures increased 5.6%. Overall, the development in the exposure level can be associated with several factors:

EAD and Risk-weighted exposure amounts for Credit Risk

DKKm	2025		2024		Change	
	EaD	REA	EaD	REA	EaD	REA
<i>Jyske Bank Group - Standardised approach</i>	236,832	29,187	128,682	16,533	84.0%	76.5%
- of which from additional regulatory reservations	-	812	-	543	-	49.5%
<i>Jyske Bank Group - IRB approach</i>	506,400	181,662	575,144	181,111	-12.0%	0.3%
- of which Handelsbanken DK's portfolio treated on the IRB approach	-	-	50,611	14,003	-	100.0%
- of which non-compliance reservation for IRB-models	-	12,960	-	12,621	-	2.7%
- of which from additional regulatory reservations regarding IRB-models	-	6,363	-	-	-	-
Total	743,232	210,849	703,826	197,644	5.6%	6.7%

- Implementation of new regulatory framework, CRR III, and
- subsequent applications (and Danish FSA approval) to use less sophisticated methods for
- Corporate customers (A-IRB → F-IRB)
- Public housing associations (A-IRB → Standardised method)
- Housing cooperatives (A-IRB → Standardised method)
- Deployment of new compliant corporate PD models
- The exposure levels to central banks increased the overall exposure treated on the standardised approach, but without any effect on REA.

The above and the following tables and associated assessments show the breakdown of exposures and risk-weighted exposure amount according to the standardised approach and the A-IRB approach.

Breakdown of exposure classes according to the standardised approach

DKKm	EaD 2025	REA 2025	EaD 2024	REA 2024
Central governments or central banks	115,601	-	43,113	792
Regional governments or local authorities	16,981	10	14,699	29
Public sector entities	324	62	303	57
Multilateral development banks	1,227	-	1,160	-
Institutions	7,329	2,184	8,227	1,853
Corporates	11,398	10,207	3,928	3,713
Retail	834	631	627	246
Secured by mortgages on immovable property	25,764	5,846	431	140
In default	941	587	1,101	708
Exposures associated with particularly high risk	-	-	211	316
Covered bonds	54,118	5,412	52,845	5,284
Subordinated Debt	433	650	-	-
Equity	1,882	2,786	2,037	2,852
	236,832	28,375	128,682	15,990
Additional regulatory reservations	-	812	-	543
Total	236,832	29,187	128,682	16,533

**Development for the standardised approach**

For the standardised approach, the risk weighted exposure amount increased by 76.5% in 2025. This increase was primarily the result of the methodological move from the IRB approach to the standard method for Public housing associations and Housing cooperatives and Jyske Finans customers not eligible for IRB models after FSA approval of the F-IRB approach.

Exposures to central banks have increased during the year, without any effect on REA, due to a 0% risk weight for these exposures.

Regulatory reservations are applied to cover methodological aspects not fully covered in the ordinary regulatory calculations.

Breakdown of development for the IRB approach

The major underlying developments of IRB-treated exposures are described below.

- After approval from the Danish FSA corporate treated customers are now calculated using a Foundation IRB approach (F-IRB) where the Advanced IRB approach (A-IRB) has been used previously. This change has led to a REA increase of approximately DKK 3.1bn.
- The overall exposure level for Corporate treated customers in the IRB approach has decreased DKK 23.7bn over the year, which is mainly associated with the methodological move from the IRB approach to the standard method for Public housing associations and Housing cooperatives and Jyske Fi-nans customers not eligible for IRB models after FSA approval of the F-IRB approach. The risk weighted exposure amount associated with the movement of the mentioned portfolios is DKK 5.8bn.

- Deployment of a new compliant corporate PD model has in isolation increased REA by DKK 6.1bn on Group level.
- Following the implementation of the new PD model for corporate customers, an additional regulatory reservation has been made to offset the reduction resulting from the introduction of a new Group parameter management system. This is done to address uncertainty and unresolved aspects related to the implementation. This is aligned with the Danish FSA.
- The acquired portfolio from Handelsbanken Denmark was originally separated from customers for which Jyske Banks existing A-IRB models could be used when calculating the regulatory capital requirement. Subject to FSA approval the customers originating from the acquired portfolio are now handled together with the Groups other customers. (-2bn.)

Loan impairment charges and provisions for guarantees

For all exposures, impairments are made in accordance with IFRS⁶. The impairment model according to IFRS 9 is based on a calculation of expected credit losses where loans are divided into four categories, depending on the loan's credit deterioration compared to the first recognition:

- 1) Lending with the absence of a significant increase in credit risk (stage 1).
- 2) Loans with a significant increase in credit risk (stage 2).
- 3) Loans that are credit-impaired (stage 3).
- 4) Loans that are purchased or credit impaired at first recognition (POCI-category). This category is only relevant for reporting as the impairment calculation are made in accordance with the actual underlying staging based on the actual risk-assessment.

Risk classifications

The Group divides exposures with objective evidence of impairment into three risk classifications: exposures with low, high, and full risk. The latter two risk categories consist of credit-impaired exposures (stage 3), where the entry criteria are defined according to the default definition as used in the Group's advanced IRB setup.

On an ongoing basis - and at least quarterly - the Group assesses whether objective evidence of impairment relating to the Group's clients has emerged.

The Annual Report provides more information on the definitions for default and rating classes in note 50.

Impairment calculations

For loans at stage 1, impairments are made for expected credit losses in the coming 12 months, while for loans at stages 2 and 3, impairments are made for the expected loss in the loans' expected residual maturity. The classification into the 3 stages is of significance for the calculation method used and is determined, among other things, by the change in probability of default (PD) over the expected residual maturity of the loan. When loans are first recognised, they are assigned to Stage 1, with impairments calculated using 12-month expected credit losses.

The Group's risk assessment (risk classification), which is based on, among other things, assessment of the client's ability and willingness to comply with their payment obligations, breach of contract/covenants and/or changes in the initial conditions for the client relationship.

In addition to the model-based calculations, management undertakes an integrated assessment of the ability of the model - drawing on expert judgement - to ensure that all expected loan impairment considerations are addressed. If it is assessed that certain risk factors are not fully captured in the model calculations, a management adjustment is applied to the

Breakdown of exposure classes according to the IRB approach

DKKmn	EaD 2025	REA 2025	EaD 2024	REA 2024
Corporates, total	261,146	111,390	284,817	104,171
Large corporate clients	167,032	76,709	234,492	86,210
SME corporates	94,114	34,681	50,016	17,733
Specialised lending	-	-	309	228
Retail, total	230,162	41,411	226,623	42,759
Secured by immovable property	205,985	34,761	198,205	34,187
Other retail	24,177	6,650	28,418	8,571
	491,308	152,801	511,440	146,929
Other non-credit obligation assets	8,159	8,159	6,174	6,174
Securitisations	6,933	1,379	6,919	1,384
Handelsbanken DK's portfolio treated on the IRB approach	-	-	50,611	14,003
Non-compliance reservation regarding IRB-models	-	12,960	-	12,621
Additional regulatory reservations regarding IRB-models	-	6,363	-	-
Total	506,400	181,662	575,144	181,111

⁶ IFRS: International Financial Reporting Standards



impairment charges. The management adjustment impairment charge is based on concrete observations and is calculated based on the expected risks in the portfolio.

The calculated impairments (both individual and management's estimates) are based on the credit portfolio to ensure consistency to the accounting framework and are attributable to the specific exposures (specific credit-risk adjustments). The Annual Report provides more detailed information on the impairment methods and processes.

Trend in loan impairment charges and provisions for guarantees

The total balance of loan impairment charges and provisions for guarantees amounted to DKK 4.8bn at end-2025 (2024: DKK 4.9bn). The discount balance from acquired assets at end-2025 amounts to DKK 46m against DKK 112m at end-2024. Hence, the total balance of impairment charges and provisions inclusive of discounts from acquired loans, amounts to DKK 4.9bn at end-2025.

Provisions for financial instruments are recognised in the P/L-item 'value adjustments', and as the negative market value of financial instruments is included in the statement of EAD, the balance of these value adjustments is also shown in the table. At end-2025, the balance of value adjustments amounted to DKK 10m (2024: DKK 16m).

In 2025, the development in loan-impairment charges and provisions for guarantees amounted to DKK 60m (2024: DKK 195m), and Jyske Bank recognised as interest income of DKK -58m (2024: DKK -174m) from the discount balance. Hence, the total net effect recognised in the income statement came to DKK 2m (2024: DKK 21m).

Impairment charges and provisions for guarantees

DKKm	2025	2024
Balance of impairment charges for loans and Advances	4,299	4,448
Balance of provisions for guarantees and liabilities	550	482
Balance of loan impairment charges and provisions for guarantees	4,849	4,930
Balance of discounts	46	112
Balance of loan impairment charges and provisions for guarantees incl. balance of discounts	4,895	5,042
Balance of value adjustments	10	16
Balance of loan impairment charges and provisions for guarantees incl. balance of discounts and balance of value adjustments	4,905	5,058

Net effect from impairment charges, etc.

DKKm	2025	2024
Loan-impairment charges and provisions for the year	-39	145
Recognised as a loss, not covered by loan-impairment charges/provisions	136	97
Recoveries	-37	-47
Loan-impairment charges and provisions for guarantees	60	195
Recognised discount for assets taken over	-58	-174
Net effect on income statement	2	21
Value adjustments for financial instruments	-6	2
Net effect on income statement, inclusive of value adjustments	-4	23



EAD for past-due exposures amounted to DKK 778m at end-2025 (DKK 1,118m at end-2024). The level shows a decrease, which is primarily due to a robust Danish economy and a focus on arrears within the Jyske Bank Group. The alignment of definitions for credit impairment and default introduced in early 2021 implies that the total exposure to a customer with a past-due exposure is classified as impaired.

Credit risk and impairment levels during 2022–2025 have generally performed well and proved robust, even though the economic outlook for Denmark and Europe has been less positive than previously anticipated. While Denmark continues to show a positive outlook, it is somewhat less optimistic than before, and several major European economies are challenged by production constraints. Geopolitical uncertainty remains high,

protectionism. Higher levels of defaults have not yet been observed to a significant extent in the portfolio. The outlook remains subject to uncertainty and will depend on developments in unemployment, interest rates, house prices, and inflation. In addition, there is an increased focus on ESG-related risks, although these have not yet had any observable credit impact on the portfolio. Accordingly, Jyske Bank Group has incorporated these risk factors into the calculation of managerial overlays regarding macroeconomic effects. Further details on the determination of managerial overlays are provided in notes 14 and 68 of the Annual Report.

The total balance of impairment charges for corporate clients as a percentage of total EAD amounted to 0.8% at end-2025.

Construction makes up the riskiest sector in terms of balance of impairment charges as a percentage of total EAD. Total volume in the sector is relatively low.

The balance of impairment charges for real property as a percentage of total EAD amounted to 0.5% at end-2025, compared to 0.5% at end-2024.

The balance of impairment charges for personal clients as a percentage of total EAD is continuously low and amounted to 0.7% at end-2025.

Re-estimation and validation of models

The credit-risk models are enhanced to improve quality and to ensure compliance with current legislation. Therefore,

whether, based on statistical models or on expert opinions, the models behind the calculations of PD, LGD, EAD and collateral models are validated at least annually by the validation function. All new models will also go through an initial validation. The validation function is independent of the department responsible for developing the models.

The validation includes, for example, stability testing and back testing, and its objective is to reveal any areas which require special attention. The purpose of stability testing is to monitor whether the models are stable over time. The identification of structural breaks and systematic changes is an important aspect when the models are applied to such long-time horizons as are involved in credit risk. The purpose of back testing is to compare a model's predictions to what occurred, thus measuring the predictive capabilities of the model. The validation of the models used for credit risk purposes is carried out quantitatively as well as qualitatively. Re-estimation and model improvements of the credit-risk models are undertaken when needed due to the validation results, changing business requirements or significant changes in the legal requirements.

The models also constitute a component highly applicable for other purposes than IRB such as IFRS9. The models form a fundamental structure in this regard. IFRS9 models are also validated by the validation function.

The Group has a governance structure, which ensures that all changes to the IRB models are decided and documented by the Credit Risk Control Unit (CRCU). The CRCU receives information about all validation results and other relevant issues related to models and decides appropriate actions depending on materiality and severity. The CRCU is responsible for communication of relevant issues to the senior management and for the ongoing dialogue about IRB models with the Danish FSA. The members of the CRCU are all senior experts with management responsibility in credit risk and modelling.

EAD for accounting purposes and past-due exposures broken down by sector

DKK m	EAD Stage 1	EAD Stage 2	EAD Stage 3	EAD Past-Due	Balance of loan- impairment charges*	Net effect from impairment charges**
Banks and mortgage-credit institutions	8,656	59	-	-	2	-5
Public authorities	18,826	248	-	-	1	0
Agriculture, hunting, forestry, and fishing	12,867	1,360	72	1	62	-26
Manufacturing, mining, etc.	19,248	1,255	247	6	602	273
Energy supply	11,245	213	43	0	41	10
Construction	2,168	361	120	3	99	2
Commerce	10,055	1,073	234	0	325	-159
Transport, hotels, and restaurants	5,982	356	80	4	160	-52
Information and communication	1,076	9	3	1	18	5
Finance and insurance	82,103	9	297	217	1,054	23
Real property	186,577	3,014	2,107	15	872	-35
Other sectors	103,450	4,637	2,098	19	471	5
Corporate Clients	462,254	12,596	5,300	266	3,706	41
Personal clients	227,637	9,326	2,359	512	1,198	-45
Total 2025	689,890	21,922	7,659	778	4,905	-4
Total 2024	665,707	24,614	9,177	1,118	5,057	23

* Including: provisions for guarantees, discounts and value adjustments.

** Including: provisions for guarantees.



Counterparty Credit Risk

The Group's net exposure, after netting and collateral, is almost unchanged at the aggregate level. Non-CCP gross exposure decreased, compared to end-2024.

Counterparty credit risk is the risk of a financial loss due to a counterparty failing to fulfil its obligations. Counterparty credit risk occurs when Jyske Bank trades derivative contracts with clients and financial counterparties.

The financial loss is the market value of the derivative contract. The future market value of a contract is uncertain, due to the construction of the derivative contract, in which the value depends on the underlying market factors. Jyske Bank has a counterparty credit risk exposure towards a certain counterparty when the market value is positive, meaning that if the counterparty defaults, Jyske Bank has lost this value.

Policy and management

Jyske Banks policy for managing counterparty credit risk distinguishes between small and large counterparties, where the latter includes financial institutions. The basic principles for measuring risk on the two types of counterparties are identical, however the management of risk on large counterparties is extended to include additional management parameters.

Jyske Bank calculates its daily exposure to individual counterparties within the Group's counterparty credit risk management system. These exposures are included in the credit risk management in line with other credit exposures. Counterparties are granted lines in accordance with the instructions in force after risk assessment of the individual counterparty. The lines are reviewed at least once a year or in case of a change in creditworthiness of the respective counterparty.

The daily exposure is calculated as the sum of the current market value of the portfolio, taking netting and collateral into account, and the potential future exposure. The potential future exposure is determined as an add-on of the nominal amount of each transaction intraday and by a portfolio calculation end-of-day. The size of the add-on depends on various characteristics, such as the type of trade, maturity, and currency.

Risk reduction

To manage and monitor large counterparty exposures, the Group calculates settlement risk. To reduce the settlement risk towards each individual counterparty, settlement of foreign exchange transactions will, to the extent possible, take place through the Continuous Linked Settlement system (CLS). Jyske Bank is a third-party member of the CLS system in which settlement is based on the principle of "payment to payment", thus reducing the settlement risk on foreign exchange derivative transactions between participants of the system.

For all derivatives transactions, the Group seeks to mitigate counterparty credit risk further by:

- Clearing through a Central Counterparty (CCP)
- Requiring netting agreements, which gives the Group the right to net market values of derivative trades in case of counterparty default
- Attaching collateral agreements to the netting agreements, which entitles the Group to collateral in case the counterparty's debt to Jyske Bank exceeds the contractually agreed threshold

The table below shows to which extent the Group clears derivatives through a CCP. Of the total amount of principals not cleared in 2025, around 87% was covered by collateral agreements (CSA).

Derivatives – Notional amount

DKKm	2025	2024
CCP	1,373,126	1,312,314
Non-CCP	913,475	985,957
- Collateralised	791,194	851,071
- Non-collateralised	122,281	134,886
Total	2,286,601	2,298,271

The Group is obliged to fulfil the EMIR requirements on Initial Margin for non-cleared derivatives. During 2025, no OTC Initial Margin was posted or collected. Security Agreements and Collateral Transfer Agreements are set up with counterparties approaching the EUR 50m threshold. For most of the Groups financial counterparties, the Threshold Monitoring Agreement is sufficient.

Risk Profile

The current exposure is measured in terms of the market value of a portfolio with a given counterparty, considering any allowed netting and collateral exchanged with the counterparty. The table below shows the Group's exposure at end-2025 for counterparties except CCPs.

Counterparty Credit Risk exposure

DKKm	2025	2024
Gross exposure	9.596	13,830
Effect of netting	5.493	7,059
Exposure after netting	4.104	6,771
Effect of collateral	2.392	4,290
Exposure after netting and collateral	1.711	2,481

Collateral agreements with financial counterparties and large corporate clients are mutual agreements, which means that Jyske Bank is also obliged to post margin to the counterparty if the market value in favor of the counterparty exceeds a pre-agreed threshold. The Group's collateral holdings consist of cash and securities in the form of Danish mortgage bonds and government bonds.

Jyske Bank currently has a few collateral agreements in which additional collateral must be posted to the counterparty in case of a rating downgrade of Jyske Bank. None of these minor independent amounts are currently triggered, and the vast majority of the Group's collateral agreements do not contain this rating dependent clause.



Wrong Way Risk

Wrong way risk occurs when the exposure to a counterparty is negatively correlated with the credit quality of that counterparty. General wrong way risk (GWWR) occurs when the credit quality of a counterparty is correlated with specific macroeconomic factors that also affect the value of the derivative transaction. Specific wrong way risk (SWWR) arises when the exposure to a counterparty is positively correlated with the probability of default of that counterparty due to the type of transaction with the counterparty. In the event of SWWR, there is a legal relationship between the counterparty and the issuer of the underlying OTC derivative or securities-financing transactions. An example is if the Group receives collateral from a counterparty that is legally linked to the issuer of the securities received as collateral. Similarly, SWWR could also arise if the Group enters a repo transaction with a counterparty where the underlying security is issued by the same counterparty. It is Jyske Bank's policy not to assume considerable SWWR and the Group has procedures in place to monitor this.

Capital requirements

Jyske Bank calculates its capital requirements using the Standardised Approach for Counterparty Credit Risk (SA-CCR), in which the exposure at default (EAD) is calculated as the current market value of a portfolio recognizing allowed netting and collateral exchanged plus an add-on for potential future exposure. The capital requirement for counterparty credit risk is reported as part of the requirements for credit risk.

Furthermore, capital must be set aside to cover the Credit Valuation Adjustment (CVA) risk. Jyske Bank uses the Reduced Basic Approach (Reduced BA-CVA) in CRR to calculate the corresponding capital requirement. Hedging of CVA is not considered under the Reduced BA-CVA approach. The capital requirement covers only exposure to financial counterparties. Therefore, a capital addition is computed to cover CVA risk for non-financial counterparties



Market Risk

The sensitivity to interest rate changes in the banking book has increased during 2025. The increase in sensitivity is a consequence of lower central bank deposit rates. In scenarios where the central bank reduces interest rates, Jyske Bank expects that the possibility to lower deposit rates has narrowed due to an assumed rate floor at zero.

Market Risk exposure from trading-related activities was primarily driven by client flows in a volatile market. The Danish mortgage market is the main trading related activity, and the market remained resilient through 2025. The year was characterized by strong institutional demand, lower implied volatility, and a balanced flow from foreign investors. The total issuance was at a higher level than in 2024, related to higher housing turnover, rising property values and higher refinancing activity. For callable bonds in specific, these performed in the second half of the year, due to lower supply, and buybacks in low coupon callable bonds continued through the year.

Market risk is the risk that Jyske Bank will incur losses due to changes in market prices affecting market values or the Group's net interest income. Jyske Bank undertake market risk from position taking in the financial markets and general mortgage-banking operations.

Certain financial instruments include elements of credit risk, which are managed and monitored in parallel with market risk.

Governance and responsibility

The Group Supervisory Board decides the Market Risk Policy, setting the Group's overall market risk profile and framework. The policy is implemented through limits delegated to the Group Executive Board.

The Group Executive Board's limits are further restricted and delegated to the three heads of Jyske Markets, Group Treasury

and Jyske Realkredit (first line). The three business units are the sole units of the Jyske Bank Group that may assume significant market risk.

Market Risk and Models is the second line unit that is responsible for the risk framework for market risk and oversees market risk and monitors delegated limits. This includes establishing methodologies for measuring and assessing market risk, setting limits, and ensuring an appropriate risk control infra-structure. The internal audit (third line) is the independent unit that evaluates the effectiveness of the risk management, monitoring, and governance setup.

The Group Treasury Committee monitors market developments closely and is therefore able to adjust for any discrepancies between the Group's actual risk profile and its risk appetite.

Monitoring and reporting

All risk positions in the Group's trading portfolio are monitored daily. The Group Executive Board is notified immediately of any exposure that breaches the delegated limits or conflicts with the Market Risk Policy. Upon a breach, the responsible business unit is requested to provide an explanation and an action plan. The Group Supervisory Board is notified immediately if an exposure exceeds the overall authority of the Group Executive Board.

New products and services are reviewed in relation to the Group's risk management infrastructure and IT systems.

The development of the market risk exposure of the various units is reported monthly to the Group Executive Board in the Market Risk Report and in the quarterly risk reporting to the Group Risk Committee.

Market risk management

In the management of market risk, the Group distinguishes between:

- Trading Book: Trading related market risks
- Banking Book: Non-trading related market risks which are handled by Group Treasury

Trading-related market risks arise primarily from client-related transactions in Jyske Markets. The portfolios have a differentiated market risk profile, across interest rate risk, foreign exchange risk and equity risk where interest-rate risk and foreign exchange risk are the main market risks. Commodity risk is fully hedged daily. Group Treasury is responsible for a strategic market risk position in the trading book, which primarily consists of interest rate risk and foreign exchange risk. The market risk

exposure from the trading related activities is in large driven by market making activities related to Danish mortgage bonds, Nordic FX and investment funds. The FX risk is concentrated in EUR and a diversified portfolio of investment funds drove the equity risk. The Group has only a minor portfolio of shares.

Non-trading related market risk exposure arises from asset and liability management and is managed in the banking book. The exposure originates from exposure to interest rate risk founded in core banking and mortgage lending activities as well as funding and liquidity management. In addition, the Group holds a portfolio of strategic shares not held for trading, which is primarily related to the ordinary operating activity of the Group.

Own funds requirement for Market Risk

DKKm	2025		2024	
Risk type	REA	OFR*	REA	OFR*
Debt instruments	8,369	669	8,091	647
Equity	820	66	1,346	108
Commodity	-	-	-	-
Foreign exchange	-	-	-	-
Total	9,189	735	9,437	754

Note: OFR = Own funds requirements. The Duration-based approach is applied and for non-delta risk the Delta plus approach is applied

Own funds requirements for market risk

During 2025, REA from market risk decreased with DKK 0.25bn to DKK 9.2bn. The requirement from debt instruments increased while the Groups' equity portfolio decreased during 2025.



The REA from foreign exchange remains zero, as the exposure is below the minimum threshold according to CRR article 351. A large part of the Group's own funds requirement in debt instruments is a result of hedging DKK interest rate risk with EUR instruments.

Methodologies

Every market risk type has its own characteristics and is managed by means of individual risk measurements as well as through stress testing like the Group's VaR (Value at Risk) model and interest-rate scenarios. The management of market risk associated with derivatives is supplemented by risk measurements developed in accordance with conventional option theory. The monitoring and measurement of market risk is performed in internal systems.

Interest rate risk

The Group measures interest rate risk as the gain or loss generated by shifts in the yield curve. In addition to a simple simultaneous 1-percentage point shift in all yield curves the Group also measures and limits the interest rate risk under different scenarios including variants of curve twists.

Interest rate risk is calculated on contractual cash flows. Jyske Bank has no fixed rate balances without an agreed due date. Certain loans are fixed rate loans and can be prepaid. Jyske Bank has developed a risk management model that adjusts the key risk figures for mortgage bonds for the built-in option element of the bonds. Therefore, callable mortgage bonds are included in the interest-rate risk with the option adjusted duration.

Interest rate risk in the banking book

Interest-rate risk in the banking book (IRRBB) is measured and monitored separately from trading related interest rate risk. On a monthly basis, the Group measures, and monitors IRRBB within a risk tolerance framework founded in the Market Risk Policy decided by the Group Supervisory Board. IRRBB is measured in respect to both economic value and earnings at risk

within a 12-month horizon in different interest rate scenarios, including both parallel and non-parallel shifts in interest rates. In addition to the monitoring of overall risk tolerance, sub elements of IRRBB are measured daily in respect to the additional limiting.

The asset and liability management of the Group drives the interest rate risk in the banking book, and a number of activities and risk factors drive the interest rate risk. These include factors such as funding and liquidity risk, interest rate risk from non-maturing deposits, and optionality and interest rate floors within client products.

Interest rate risk in the banking book

DKKm	2025		2024	
	+100bp	-100bp	+100bp	-100bp
DKK	1.481	-2.322	1.056	-1.212
EUR	-126	135	-112	117
Other	-6	6	-7	7
Total	1.349	-2.181	937	-1.088

Hedging the interest rate risk from deposits is of high attention. Management of interest rate risk in the banking book is addressed by hedging with different instrument types and with a high attention on alignment in accounting principles. The interest rate sensitivity in the banking book, measured by economic value, is illustrated below in a 100bp parallel shock to interest rates. A sudden parallel increase in interest rates would positively impact the Group's economic value from the banking-book positions, whereas decreases in interest rates reduce the economic value.

The sensitivity to falling interest rates increase to DKK -2.181m in 2025 from DKK -1.088m in 2024 in a parallel decreasing interest rate scenario. The shift is largely related to a reassessment of modelled risk on non-maturing deposits.

Equity risk

The daily measuring of equity risk distinguishes between equities in- and outside the trading portfolio.

The exposure of the trading portfolio is measured based on the stock holdings as well as equity-based instruments. The equity risk is determined through risk measurements that indicate the maximum loss that Jyske Bank may incur in the event of different simultaneous changes in the underlying equity prices. Equity exposure in the banking book is primarily financial sector shares relating to the ordinary operating activity of the Group.

Shares are valued at fair value though associate holdings are recognised in accordance with the equity method as described in the Group's annual report.

Commodity risk

Jyske Bank's exposure to commodities is modest as commodity trades are made on back-to-back basis and thereby fully hedged. The commodity risk is determined and limited according to simple-risk measurements.

Credit risk exposure

Jyske Bank's exposure to credit risk on financial instruments relates mainly to bond holdings. Jyske Bank manages the exposure by limiting concentration risk expressed as the credit quality of the instruments as defined by ratings granted by recognized international rating agencies. Based on the credit quality of the instruments, concentration risk is calculated for rating classes and bond types. This means that there are different limits depending on whether the instrument is a government bond, a corporate bond, or a securitization. For equities, a concentration risk limit has been defined geographically and for individual exposures.

In addition, risk management of the Group's portfolio of mortgage bonds and government bonds is supplemented with limits for credit-spread risk.

Securitisations

The Group's activity within securitisation is investment in tranches issued by other institutions and legal entities. The Group does not invest in re-securitisations and acts as neither an originator nor a sponsor. Investment is made in traditional securitisations and distributed on the following securitisation types:

- RMBS (Residential Mortgage-Backed Securities) primarily consisting of AAA-rated senior tranches.
- CLOs consisting only of AAA.
- A minor position in one single ABS

Since credit risk on the underlying assets is the most significant, the Group limits itself to acquiring positions that are the most senior in the capital structure and highly rated by rating agencies.

Securitisation exposures

Reported in DKKm	Institution acts as investor		
	Traditional		Sub-total
	STS	Non-STs	
Total exposures	22	6.911	6.933
Retail (total)	22	131	153
Wholesale (total)		6.781	6.781

The portfolio's positions are acquired with the intent of holding them until maturity and are therefore held in the banking book. As such, they are booked at amortized cost though a small amount of legacy positions is at fair value.



The level of the underlying market and credit risks in securitisations is monitored continuously and is analysed at least every quarter. The analyses are based on trustee reports⁷ and information from rating agencies or other external sources. The securitisation types and the geographical exposure of the underlying assets of the portfolio are depicted in the table of exposure types for securitisations above.

The Group acquired new securitisations during 2025. All new investments in CLO's have an AAA-rating and senior status in accordance with the Market Risk Policy.

Crypto-assets

The Group's customers can trade exchange-traded financial instruments with exposure to crypto-assets. These products are offered on an execution-only basis, and Jyske Bank does not provide investment advice regarding to these. The Group has no exposures to crypto-assets or to financial instruments referencing crypto-assets.

Own funds requirements for securitisations

Reported in DKKm	Exposure values (by RW bands/deductions)		Exposure values (by regulatory approach)	RWEA (by regulatory approach)	Capital charge after cap
	≤20% RW	>20% to 50% RW	SEC-ERBA (including IAA)	SEC-ERBA (including IAA)	SEC-SA
Total exposures	6.911	22	6.933	1.379	110
Traditional) securitisation	6.911	22	6.933	1.379	110
securitisation	6.911	22	6.933	1.379	110
Retail underlying	131	22	152	35	3
Of which STS		22	22	9	1
Wholesale	6.781		6.719	1.344	108

⁷ A status report from the securitization's trustee describing the underlying loan portfolio of the securitization and the development of this to be used by investors, among others.



Liquidity Risk

For the regulatory liquidity measures LCR and NSFR the Group maintained a high excess coverage to both internal delegated limits and to a high extend the regulatory limits.

The start of 2025 was dominated by enhanced volatility drive by trade wars and tariff tensions, but already from early Q2 stability was reestablished. Consequently, credit markets and issuing conditions remained overall strong during 2025, structurally supported by modest net supply and solid fund inflows which led to a decline in credit spreads over the year. The Group successfully issued five public benchmark bonds in the international capital markets at attractive prices during 2025 and credit spreads relative to peers remained in line with targets.

Liquidity risk occurs due to funding mismatch in the balance sheet. The Group's liquidity risk can primarily be attributed to its bank-lending activities as the loan portfolio has a longer contractual duration than its average funding sources. The liquidity risk at Jyske Realkredit is contained due to the adherence to the balance objective and overall setup

The Group Supervisory Board determines the liquidity profile expressed as the balance between the risk level and the Group's costs of managing liquidity risk. Jyske Bank's liquidity management must ensure adequate short- and long-term liquidity so the Group can in due time honor its payment obligations by having reasonable funding costs. The risk level is reassessed on an ongoing basis, considering current market and economic conditions in Denmark and the financial sector.

Organisation, Management and monitoring

The Group Supervisory Board has adopted a liquidity policy which sets specific guidelines and limits including critical survival horizons for the Group during three different stress scenarios. Other key ratios include an internal key objective for the LCR and NSFR, the size and quality of the Groups liquidity buffer and the relationship between bank loans and bank deposits. Based on the overall limits, the Group Executive Board has defined and delegated specific limits to those operationally responsible in Jyske Bank, who daily monitor and manage the Group's liquidity. Group liquidity management is conducted by Group Treasury.

Jyske Realkredit is subject to liquidity-related restrictions in respect of the investment profile in the securities portfolio, repo borrowing as well as money-market placements outside the Group to ensure that transactions of Jyske Realkredit are in line

with statutory requirements as well as the internal guidelines at Jyske Realkredit and at Group level.

Market Risk monitor liquidity positions daily for observance of the delegated limits. Liquidity positions that exceed the authorised limits are reported immediately according to the business procedure relating to liquidity risks.

The Group's responsibility for issuing bonds in the capital market is centralised at Group Treasury. As a mortgage-credit institution, Jyske Realkredit must comply with mandatory over-collateralization within the scope of the privileged position of covered bond investors in a bankruptcy scenario. In a scenario with declining real estate prices, Jyske Realkredit may need to have liquidity injected into its capital centers⁸ from Jyske Bank to fund supplementary collateral and to ensure the capital center's compliance with S&P's OC requirements.

Short-term liquidity management

Jyske Markets manage short-term operational liquidity, which is active in the international money markets as a trader in all major currencies and related derivatives and as a market-maker in the Nordic inter-bank money markets. Short-term funding in these markets' forms part of the overall Group limits for short-term funding within strategic liquidity management.

Strategic liquidity management

Strategic liquidity is managed by Group Treasury. Measurement of the Group's liquidity position in various stress scenarios is a cornerstone in managing the Groups strategic liquidity risk

profile. The asset side of the liquidity balance is broken down and grouped in order of liquidity whereas the financial liabilities are grouped according to expected run-off risk in various scenarios. In the three current relevant stress scenarios, the Group's liquidity buffer is used to cover negative payment gaps. In addition to the survival horizon in these stress scenarios, the Group's compliance with the LCR ratio in stress scenarios is monitored. Three scenarios are analyzed: an idiosyncratic scenario, a capital market/recession scenario, and a combination scenario.

For more detailed information on the stress scenarios used, see the Group's Annual Report 2025.

Liquidity contingency plan

The liquidity contingency plan comes into force if the Group can only meet the internally delegated limits at very high costs or is ultimately unable to come back to compliance with limits. The plan determines a broad range of initiatives that can be used to strengthen the Group's liquidity position.

During 2025, Jyske Bank had a very high degree of excess coverage in terms of the stress-based internally delegated limits and guidelines.

Group funding structure

The Group's largest funding source is covered bonds and mortgage bonds issued by Jyske Realkredit which according to the balance principle of the Danish mortgage legislation fund Jyske Realkredit's mortgage loans. Total covered bonds and

⁸Capital centers: Covered bonds and mortgage bonds are issued by capital centers with separate individual own funds requirements.

At Jyske Realkredit, covered bonds (SDO) are issued at Capital Centre E and traditional mortgage bonds (RO) at Capital Centre B.



mortgage bonds amounted to DKK 375bn corresponding to 48% of the balance sheet at the end of 2025. The Group's second largest source of funding is customer deposits representing DKK 197bn (25 % of the balance sheet). The deposit base is granular and well-diversified reflecting a broad client base of private customers as well as small and medium-sized companies. Other important funding sources are primarily short- and long-term bonds issued in the international capital markets. In addition, Jyske Markets funds its own wholesale-related activities by taking up unsecured as well as secured loans in the wholesale fixed-term and interbank markets. Continuous activity in the above-mentioned markets enhances the possibility of refinancing short-term positions and is a natural part of the business of Jyske Markets.

The Group's liquidity buffer

Jyske Bank's liquidity buffer consists primarily of assets which can be sold immediately or pledged as collateral for loans and are therefore a swift and efficient source of liquidity. The procurement of secured funding does not depend on Jyske Bank's creditworthiness, but solely on the quality of the assets that can be offered as collateral. The measurement of the Group's liquidity buffer considers haircuts of the relevant assets.

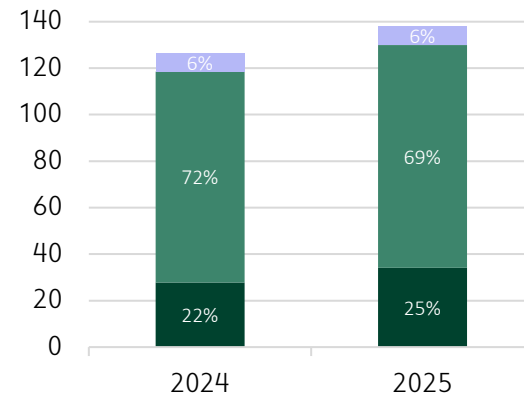
Jyske Bank's holding of securities is divided into three Groups in the internal liquidity management in order of liquidity:

- 1) Ultra-liquid assets (intra-day liquidity): Assets placed with the Danish Central Bank or the ECB (European Central Bank) with intra-day liquidity effect: Cash deposits at the ECB or the Danish Central Bank, certificates of deposit with the Danish Central Bank.
- 2) Very liquid assets (central bank eligible): Assets eligible for borrowing transactions in the Danish Central Bank or the ECB: Danish government-, mortgage-, and covered bonds, as well as European covered bonds, residential mortgage-backed securities (RMBS) and government bonds.

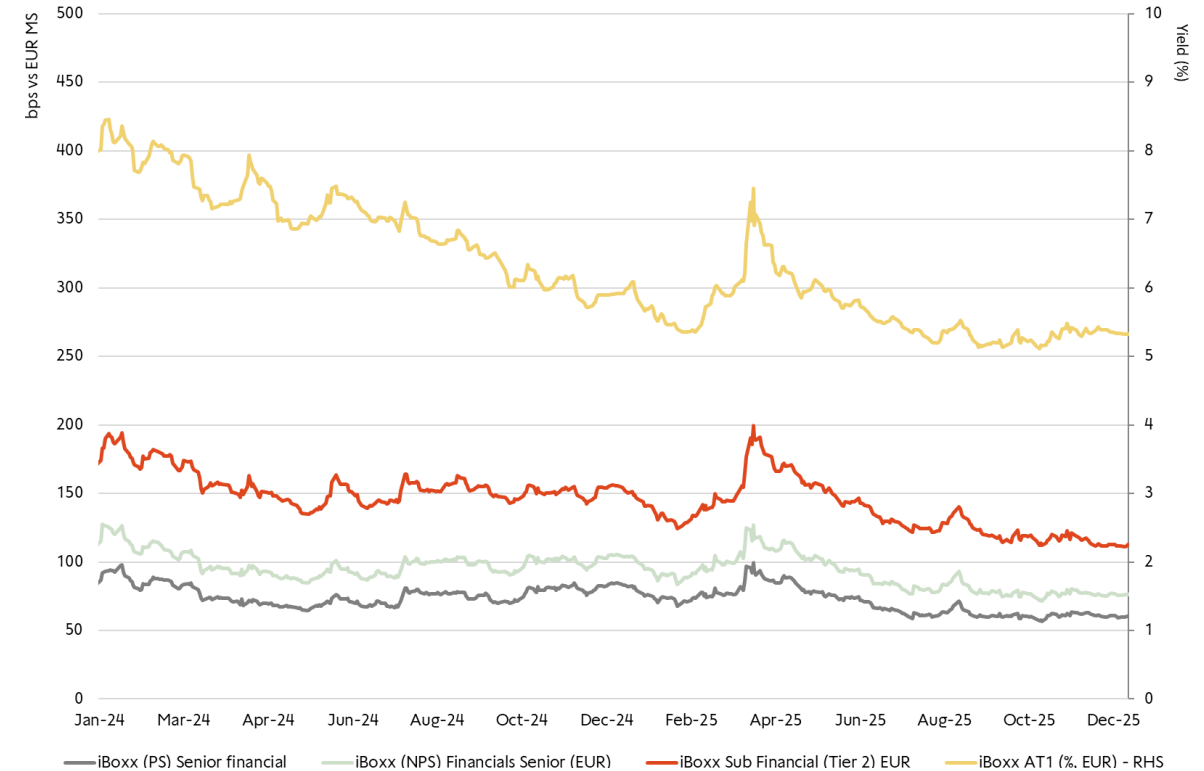
- 3) Non-central bank eligible assets: Other negotiable securities with a longer realization period. Securities in this Group consist primarily of assets denominated in currencies other than DKK and EUR as well as emerging-market bonds, corporate and structured bonds, and equities.

Jyske Bank has adopted a general policy for the size and quality of its liquidity buffer, which is adjusted to suit the Group's balance-sheet composition and risk profile. In practice, the liquidity buffer policy implies that the liquidity buffer consists predominantly of assets from liquidity Group 1 (ultra liquid) and Group 2 (very liquid) as there is a high degree of consistency to the requirements for LCR-reserves. At end-2025, the Group's liquidity buffer amounted to DKK 138bn compared to DKK 126bn end-2024.

Development in the Group liquidity buffer



- Not central bank eligible
- Very liquid
- Ultra liquid



As reflected in the chart the reserve consists mainly of ultra-liquid or very liquid assets such as central bank deposits and Danish mortgage bonds and covered bonds. End of 2025 DKK 130bn of the buffer was eligible at either the Danish Central Bank or the ECB.

Capital markets & issuance activity

At the start of 2025, markets were dominated by political uncertainty and U.S. recession fears amid expectations of global monetary easing. President Trump began his second term focusing on tariffs, culminating in "Liberation Day" on April 2, when duties of 10–60% were imposed on imports from major

trade partners, pushing U.S. tariff rates to 1930s levels. Market volatility followed, but a 90-day tariff pause on April 9 restored stability. European credit supply briefly halted, and the iBoxx EUR index widened substantially before recovering by mid-May. Beyond tariffs, France faced political instability and sovereign downgrades, though the credit impact was limited. By year-end, the U.S. had avoided recession, global easing cycles neared completion, and credit spreads stayed near post-global financial crisis lows. As reflected in the graph below credit markets and issuing conditions remained overall strong during 2025, structurally supported by modest net supply and solid fund inflows.



Bonds issued during 2025

	Maturity/Call/Reset	Credit spread
EUR 750m NPS (value date 29.01.2025)	29.04.2031 (call possible 29.04.2030)	3M Cibur + 108 bp
EUR 500m covered bond (value date 07.02.2025)	01.01.2029	3M Cibur + 14 bp
EUR 500m NPS (value date 19.05.2025)	19.11.2031 (call possible 19.11.2030)	3M Cibur + 105bp
EUR 500m Tier 2 (value date 04.09.2025)	04.03.2037 (call possible from 04.12.2031 untill and incl. 04.03.2032)	3M Cibur + 130 bp
EUR 750m EUR covered bond (value date 10.09.2025)	01.10.2032	3M Cibur + 24 bp
EUR 100m NPS (value date 14.10.2025)	14.10.2028 (call possible 14.10.2027)	3M Cibur + 36 bp

Jyske Bank Group used the attractive market conditions during 2025 to issue five public benchmark transactions during 2025.

An overview of the bonds issued in the international capital markets during 2025 is provided in the table above.

At end-2025, senior unsecured debt amounted to DKK 34bn (EUR 4.6bn) against DKK 35bn (EUR 4.7bn) at end-2024. Outstanding CRD VI compliant issues of subordinated Tier 2 notes and AT1 capital amounted to respectively DKK 11.3bn (EUR 1.5bn) and DKK 4.5bn (EUR 0.6bn) end of 2025 compared to DKK 7.6bn (EUR 1bn) and DKK 4.5bn (EUR 0.6bn) end of 2024. DKK 1.5bn of the outstanding Tier 2 has however been redeemed end January 2026 as Jyske Bank exercised the right to call the EUR 200m Tier 2 bond issued in 2020.

At end-2025, outstanding bonds under the CP program amounted to DKK 31bn (EUR 4.2bn) compared to DKK 35bn (EUR 4.7bn) end-2024.

Group-refinancing-risk

Refinancing risk is the risk of a financial institution not being able to refinance maturing deposits, senior debt, covered bonds or other liabilities, or the risk that the refinancing cost will be so high that it will adversely affect net-interest income.

The refinancing risk of deposits and senior unsecured funding at Jyske Bank is addressed, monitored, and managed via the Group's internal limits and the integration of stress scenarios in liquidity-risk management. Jyske Realkredit's mortgage bonds dominate the Group's refinancing risk measured by volume.

Refinancing risk covered bonds

Through Jyske Realkredit, the Group is a major issuer in the Danish market for covered bonds and has a high dependency on secured capital-market funding on a covered bond basis.

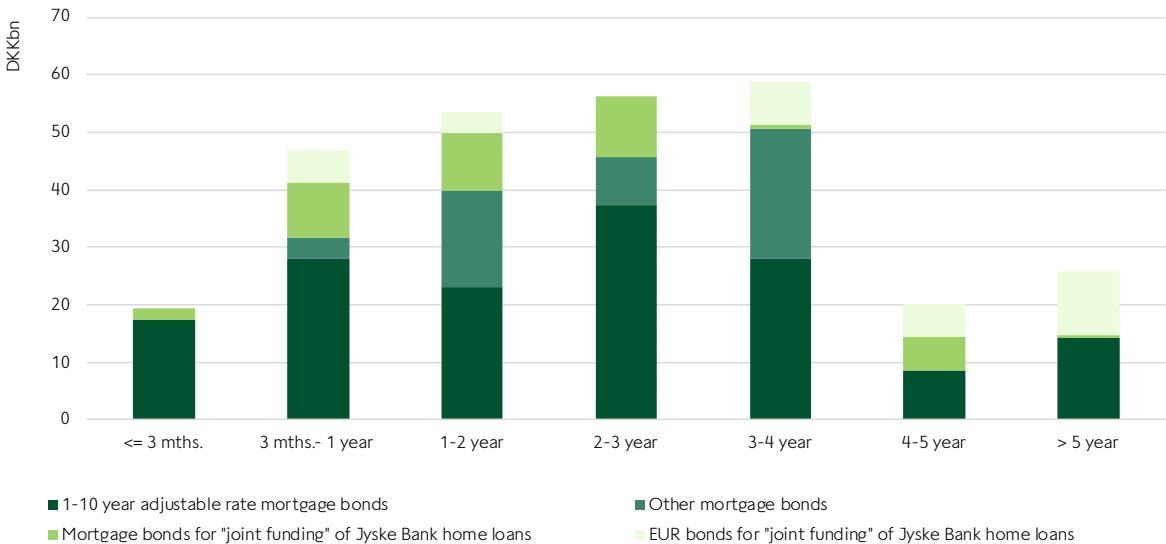
Jyske Realkredit's outstanding volume of covered bonds (premium) and covered bonds in nominal values increased from DKK 382bn at end-2024 to DKK 396bn at end-2025. The increase was driven by general lending growth especially within the private customer segment.

The proportion of loans with 30-year fixed rate callable covered bonds with no refinancing risk decreased with 2 percentage points during 2025. The change in the interest rate profile of existing borrowers has during 2025 increased the proportion of loans with yearly refinancing in Jyske Realkredit as borrowers with 3–5-year adjustable-rate and 30-year fixed interest rate mortgage loans shifted to loans with yearly refinancing.

At the end of 2025 loans with refinancing risk amounted to DKK 281bn and 71% of Jyske Realkredit's lending volume.

The maturity profile for the mortgage loans with refinancing risk, as of end-2025, is illustrated in the chart to the left.

Maturity profile for SDO's with refinancing risk



Refinancing of senior debt and capital instruments

Refinancing risk at Jyske Bank A/S is related to the wholesale fixed-term market, the interbank market, the CP and the market for preferred and non-preferred debt. In addition, refinancing of the Group's capital instruments according to the Group's capital targets and capital policy must also be addressed.

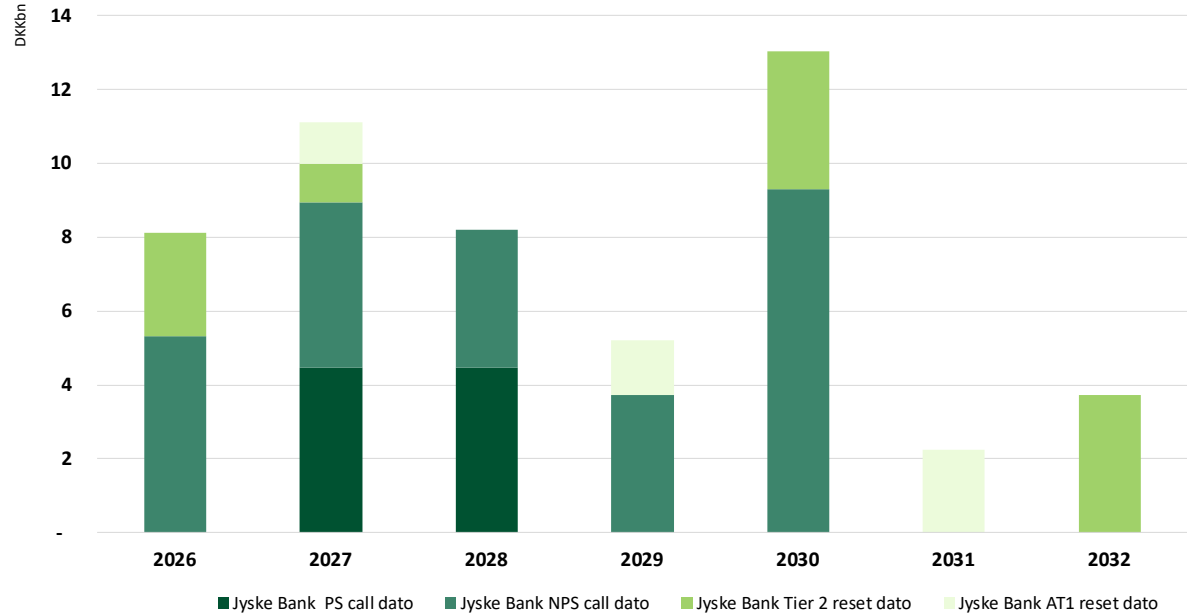
Furthermore, monitoring and assessing the structure and quality of the deposit base is imperative to assess the overall need for longer-dated funding to hedge overall refinancing risk. The Jyske Bank Group has a high-quality deposit base with a high proportion of small deposits from SMEs and private individuals and "core deposits" represents approximately 81% of bank lending.



The run-off of wholesale fixed-term deposits, interbank deposits, CP and EMTN⁹ issues is monitored and managed via the use of stress scenarios to make sure that the Group does not become structurally dependent on these founding sources. In addition, the Group has limitations on the amount of senior debt maturing within a rolling 12- month horizon.

The “call-profile” profile of the Group's MREL eligible preferred and non-preferred senior debt and the “call/reset” profile of outstanding CRD-IV compliant capital instruments as of end-2025 are illustrated in the below chart.

Call/reset date profile



⁹ European Medium-Term Notes. Typically, with maturities of between two and ten years.

Debt buffer requirement at Jyske Realkredit

As part of the Danish BRRD framework, mortgage-credit institutions are required to establish a debt buffer equal to 2% of their total unweighted mort-gage lending to facilitate a more flexible resolution process.

MREL %& MREL eligible debt

Since January 1st, 2022, the Group MREL requirement has been the highest of either 8 % of the Group's total liabilities and own funds (TLOF) or the general MREL requirement consisting of the sum of the MREL requirement for banking activities plus the capital and 2% debt buffer requirement in Jyske Realkredit.

After full implementation of the countercyclical buffer at 2.5 % end of Q1 2023, the latter has been the highest and consequently constitutes the binding MREL requirement. It is important to note that Group capital used to meet Jyske Realkredit's capital and debt buffer requirements cannot be counted towards the MREL requirement for banking activities. The subordination requirement for MREL for banking activities end of 2025 was 29.8% of the risk weighted exposure as set by the Danish FSA. This requirement includes the systemic risk buffer for commercial real estate exposures introduced on 30 June 2024. The subordination requirement for banking activities will increase to 30.0% of the risk-weighted exposure in Q1 2026. Implementation of the amendments to the European Crisis Management Directive (BRRD II), introduced a subordination cap on the MREL requirement (for banking activities). Consequently, Jyske Bank can meet part of the MREL requirement with preferred senior debt. The total MREL requirement for banking activities includes the non-subordinated allowance was 34.9% at the end of December 2025 and will increase to 35.1% in 2026.

To ensure ongoing compliance with statutory requirements, including an internal buffer, Jyske Bank expects to have an outstanding volume of MREL eligible debt instruments of approx. DKK 32bn-34bn, of which DKK approx. 7bn preferred senior debt (PS) and DKK 25bn-27bn non-preferred senior debt (NPS) outstanding in the market.

Liquidity risk legislation

The daily calculation of the LCR ratio is the key short-term limit for liquidity risk management.

As of end-2025, the Group's LCR was 201% compared to 234% as of end-2024. The yearly development in the underlying liquidity buffer and net liquidity outflow is shown in the table below. Furthermore, the composition of the Group's LCR buffer net of haircuts as of end-2025 is shown

Group LCR

	2025	2024
Liquidity buffer	153.42	129.9
Net outflow	76.3	55.4
LCR	201%	234%

Group LCR liquidity buffer 2025

Asset classes	DKKbn	%
Level 1a	55.8	36.4
Level 1b	93.4	60.9
Level 2a+2b	4.2	2.7
Total	153.4	100.0

The minimum target for the LCR is 120% for the Group as well as at bank level.

As a Danish SIFI, Jyske Bank must also comply with a modified LCR requirement in EUR. Jyske Bank is fully compliant with a substantial buffer to the 100% requirement as of end-2025. Net Stable Funding Ratio has been a statutory requirement since the end of June 2021. The "maturity extension trigger" in the Danish mortgage bond legislation means that all bonds qualify as “closely related to the loans” and can be excluded from the calculation. NSFR compliance at Jyske Realkredit is therefore relatively easy to achieve.

At Group level, Jyske Bank was fully NSFR-compliant throughout 2024. The Group NSFR as of end-2025 was 151% compared to 142% as of end-2024.



Funding plans

During 2026 Jyske Bank plans to issue EUR 500m non-preferred senior debt as well as EUR 500m preferred senior debt.

Group encumbrance ratio

DKKbn	2025	2024
Total encumbered assets and collateral	454.69	441.02
of which: derivatives collateral	10.40	15.03
of which: Repo incl. Triparty	29.84	26.09
of which: Central Bank funding	0.00	0.00
of which: SDO-issuance	414.45	399.90
of which: other assets	0.00	0.00
Total assets and collateral	847.28	819.98
Encumbrance ratio	53.7%	53.8%

Asset encumbrance

Assets are encumbered if they have been pledged or are subject to any form of arrangement to secure, collateralise or credit-enhance any on- or off-balance-sheet transaction from which it cannot be freely withdrawn.

Asset encumbrance is a natural and inevitable part of the Group's daily activities. However, a large asset encumbrance on the Group's assets will entail a structural subordination of the Group's unsecured creditors. To ensure that the Group always has access to unsecured funding, a policy has been established to ensure that asset encumbrance is not extended to any inexpedient extent.

At Jyske Bank, the following types of asset encumbrance of material extent have been identified. The primary sources of asset and collateral encumbrance stem from:

- Issuance of covered bonds
- Repo financing
- Derivatives and clearing activities
- Periodical short-term funding in central banks (Danmarks Nationalbank and ECB)

As the amounts in the table above suggest, the issuance of covered bonds out of Jyske Realkredit is by far the most substantial source of encumbrance. Issuance of covered bonds is a long-term and strategically important instrument to ensure stable and attractive funding.

Credit rating

The Jyske Bank Group is rated by Standard & Poor's (S&P) and Jyske Realkredit has the same rating as Jyske Bank. The Issuer Credit Rating of 'A+' has remained un-changed with stable outlook throughout 2025. The stand-alone credit profile ("SACP") of A- has been unchanged with a stable outlook since 2011.

Jyske Realkredit issues mortgage bonds from Jyske Realkredit's Capital Centre E (SDO), which are rated AAA. It is a key objective of the Group to maintain S&P's AAA rating for Jyske Realkredit's capital centres.

The capital requirement to maintain the AAA rating for Jyske Realkredit's capital centres is assessed continuously by S&P, among other things, based on Jyske Realkredit's issuer rating as well as the growth and composition of the loan portfolio at the capital centres. At end-2025 the over-collateralisation requirement from S&P totalled DKK 7.2bn against DKK 8.8bn at end-2024.

Standard & Poor's ratings

Jyske Bank issuer rating profile	rating	outlook	Jyske Realkredit ratings of Mortgage bonds
Stand Alone Credit Profile (SACP)	A-	stable	CRD-compliant covered bonds from Capital Center E AAA
Issuer Credit Rating ("ICR")	A +	stable	
Short term unsecured rating (preferred senior)	A-1	stable	
Long-term unsecured rating (preferred senior)	A +	stable	UCITS-compliant mortgage bonds from Capital Center B and the General Capital Center AAA
Long-term non-preferred senior ("NPS")	BBB+	stable	
Tier 2	BBB	stable	
Additional Tier 1 (AT1)	BB+	stable	



Operational Risk

In 2025, Jyske Bank continued to strengthen its management of operational risks across the Group, maintaining a consistent focus on improving governance and operational resilience.

The implementation of DORA remained a central driver of these efforts, resulting in stronger governance structures, enhanced third party oversight and improved digital resilience. This work continues throughout 2026.

Cyber and ICT risk continued to be top priorities, supported by improvements to disaster recovery, business continuity and supply chain resilience in response to an increasingly volatile global threat landscape.

Although the Group has not experienced ICT related losses in recent years, the overall threat level remains high, and further initiatives will continue in 2026 to reinforce operational and cyber resilience.

Jyske Bank Group faces potential losses arising from operational risk events, including inexpedient or inadequate processes, human errors, ICT errors as well as financial crime. Operational risk is inherent in all internal processes and cannot be fully eliminated. The Group continuously monitors and actively manages these risks to minimize the likelihood of events leading to significant financial losses or reputational harm.

Policy and strategic objective

Jyske Bank's Group Supervisory Board sets out a policy for operational risk that states the framework for identification, assessment, monitoring, and management of operational risk as well as the Group's operational risk appetite.

The policy aims to maintain operational risk at an acceptable level in line with the Group's overall strategic objectives and the costs associated with mitigating these risks. To achieve this,

the Group Supervisory Board has set principles for the organization and management of the Group, emphasizing adequate resources, ICT support for critical processes, proper segregation of duties, and stable development and operational procedures.

Risk identification and assessment

The Group identifies and assesses operational risks primarily through Risk and Control Self-Assessments (RCSA) across all business units, supplemented by analyses of historical losses, near-miss events, scenario analyses of tail-risk events and external events that may generate risk for Jyske Bank. RCSA evaluates potential operational risk events based on likelihood and impact, with all events exceeding DKK 100,000 included in scope.

The Non-Financial Risk Function acts as a second-line function, supporting and challenging the RCSA process and ensuring consistency across the Group.

Operational incidents resulting in losses or gains above DKK 5,000, as well as significant near misses, are recorded and analyzed to improve processes and reduce future losses.

Management and monitoring

Operational risk developments are monitored using a risk-based approach to provide a strong foundation for effective risk management. High risk areas receive more frequent and detailed reporting compared to other areas.

The Group Executive Board and the relevant unit directors oversee operational risk management. Thus, risk management is embedded in daily operations through policies and controls designed to ensure an optimal processing environment.

Regular reports for business unit directors keep management continuously informed about changes in operational risk exposure within their respective units.

Additionally, the Non-Financial Risk Function prepares quarterly reports for the Group Executive Board and the Group Supervisory Board. These reports outline key developments in the Group's operational risk exposure and highlight areas requiring senior management attention.

Cyber security

Cyber risk remains one of the most significant operational risks for the Jyske Bank Group. The global threat landscape continues to be highly volatile, driven by geopolitical tensions and

rapid technological developments. This requires strong governance and continuous investment in security measures to maintain operational resilience.

Throughout 2025, the Group focused on strengthening the cyber security posture through initiatives such as:

- Enhancing disaster recovery and business continuity capabilities to ensure rapid restoration of critical systems in case of major disruptions.
- Increasing resilience against third-party and supply chain risks, which are becoming more prevalent globally.
- Aligning with new regulatory requirements under the Digital Operational Resilience Act (DORA), supported by ongoing investments in compliance and security capabilities.

The Group has not experienced any material losses from cyberattacks or ICT breaches in recent years. However, the overall threat level remains high, and the Group anticipates continued volatility in 2026. To address this, the Jyske Bank Group will maintain focus on improving digital resilience and adapting to the evolving threat landscape, including risks related to advanced technologies and increased digitization.

Third party risk

In 2025, the Group transitioned to a strengthened governance framework for managing third-party and outsourcing risks in line with the Digital Operational Resilience Act (DORA). This framework is built on a risk-based approach and includes comprehensive assessments covering dependency, vendor security, data protection, contractual terms, and exit strategies.



Ongoing oversight is ensured through structured control plans addressing governance, service levels, security practices, incident management, and supply chain resilience.

The Group maintains a low risk tolerance for ICT-related third-party risks and enforces strong governance structures with regular meetings, reporting, and escalation procedures. Third-party risks remain integrated into the overall operational risk profile through RCSA analyses and the risk register.

The current risk level is assessed as acceptable under the new framework. However, failure to comply with regulatory requirements could lead to significant operational and regulatory consequences. The Group continues to prioritize third-party risk management, particularly considering increasing reliance on cloud solutions and complex supply chains.

Financial crime

Efforts to prevent financial crime and violations of international sanctions remain a high priority for the Jyske Bank Group. Substantial resources are continuously invested in strengthening controls, monitoring and risk mitigating measures across this area. The nonfinancial risk function monitors the Group's exposure to financial crime through a set of central risk indicators (CRIs) developed in cooperation with the Group's AML responsible officer. New indicators are added on an ongoing basis to ensure adequate and up-to-date monitoring. In 2025, an additional indicator was introduced to further strengthen oversight of financial crime risks. These indicators supplement the annual RCSA assessment and are reported regularly as part of the Group's quarterly risk reporting.

In 2025, the Group made further improvements to its KYC processes, including enhanced collection of customer information and the initiation of a new centralization effort for complex due diligence cases. These tasks will be handled by specialists, supporting higher data quality and a more consistent approach across the organization. During the year, the Group also revised its governance structure within financial crime prevention to

streamline decision making, resulting in one consolidated committee supported by three subforums.

The Group continues to facilitate transactions to and from Russia and Belarus for a very limited number of the bank's own clients if transfers comply with international sanctions and the Group's sanctions policy. The Group maintains an extensive control framework for transactions to and from countries with close economic, political, or geographic ties to heavily sanctioned jurisdictions.

Employee awareness remains essential, and employees continue to be trained to identify suspicious behaviour. All new employees must complete a developed learning programme, and ongoing communication on the intranet supports continued alertness. In addition, the bank ensures that relevant knowledge is effectively communicated to the customer-facing functions to adhere compliance requirements. External fraud also remains an important focus area due to increasingly sophisticated methods used by criminal actors, and the Group monitors loss developments and risk trends closely.

In April 2025 the Danish Financial Supervisory Authority (DFSA) conducted an inspection of Jyske Finans' handling of AML. The inspection caused 7 supervisory orders, 1 supervisory reprimand and 1 supervisory statement of risk. Efforts are being made diligently to comply with these orders, and as of January 2026 Jyske Finans has informed the DFSA that it considers 4 of the 7 orders to be closed. In November 2025 the DFSA conducted another inspection focusing on Jyske Banks handling of trade-based money laundering in relation to KYC and transaction monitoring and the banks handling of sanctions risks. A report based on this inspection is still pending.

Model risk

Models risk constitutes an important and growing risk type within non-financial risk, due to an increase in digitalisation and need for efficient data-driven processes and decisions. Using models to support decision making introduces risk through

potential errors in model development, operationalisation, and application.

The Group's Model Risk Policy establishes the framework for managing and governing model risk as well as defining the model risk appetite. Model owners are accountable for risks associated with their models, including identifying models and overseeing tasks such as development, validation, monitoring, and processes related to model application. The Model Risk Management (MRM) function serves as the Group's second line for model risk, tasked with developing and updating the model risk policy, composing guidelines and business procedures, classifying models in cooperation with business units, and reviewing relevant model information. The MRM function also produces ongoing reports for areas with significant model risk and reports on the overall development of model risk. Validation of high-risk models forms a key aspect of model risk oversight and control, including those used for IRB, IFRS9 and stress testing. The Group has an internal framework for validating models. The validation unit conducts validations for all high-risk models. These models are subject to both initial and periodic validations.

Validation outcomes are recorded in a repository. This, along with model inventory and the MRM function's review of the business units' model-related activities, provides the basis for evaluating the Group's model risk, which is regularly reported to the Group Model Risk Committee.

Data protection

The Group remains committed to GDPR compliance and continues to strengthen its data protection framework. In 2025, several improvements were implemented, including enhanced monitoring through a GDPR module and automated deletion of unstructured data, reducing risks related to documentation and data breaches.

Despite these efforts, the overall risk level remains elevated due to challenges such as insufficient implementation of Privacy by Design, lack of pre-launch security assessments for certain systems, and increased complexity in managing third-country data transfers. The Group also recognizes the growing dependency on global cloud providers and continues to address governance issues highlighted by internal reviews.

Looking ahead, the Group will maintain its focus on improving data governance, strengthening third-party controls, and ensuring compliance with evolving EU regulations, including DORA and the AI Act. No material losses have occurred, but regulatory and operational risks remain a priority.

Data management

Data management is recognised as a highly important area for risk management in the Jyske Bank Group. Significant efforts go into ongoing assurance and control of data quality to ensure reliable risk reporting as well as risk-based decisions. The Group also recognises, that this area has become even more relevant with the ambitions in Jyske Banks strategy "Potential for more" regarding digitalization, AI and data driven banking.

In 2025, data quality initiatives were strengthened through enhanced governance structures, including the establishment of dedicated coordination bodies and committees with executive-level involvement. Oversight frameworks were reinforced, and key monitoring and documentation processes were expanded to improve transparency and made more accessible to relevant stakeholders.

These initiatives support consistent and transparent data quality and provide a solid foundation for continued progress in data management as the Group moves into 2026.



Breakdown of losses

The breakdown of operational incidents and losses registered in 2025 shows that most incidents relate to ‘execution, delivery and process management’ and ‘external fraud’. Together, these two categories account for 87% of all incidents and 92% of total losses. ‘Execution, delivery and process management’ represents 37% of all incidents but constitutes the largest share of total losses at 75%.

External fraud accounts for 50% of incidents and 17% of total losses. After two consecutive years of elevated losses, the trend in external fraud has now reversed, with the 2025 figures showing a significantly lower share of total losses despite still accounting for half of all incidents. The Group continues to invest substantial resources to strengthen preventative measures. The challenge, and especially the development, within the category of external fraud, is an industry-specific matter. The area continues to have high priority in the Group for 2026.

The remaining categories represent a significantly smaller share. ‘Clients, products and business practice’ makes up 12% of incidents and 7% of losses, while ‘business disruption and system failures’ account for only 1.1% of incidents and 0.5% of losses.

The registration of incidents only includes direct losses that are recognised separately, for instance, compensation to clients, loss of means and extra expenses. Therefore, a category such as ‘business disruption and system failures’ rank low on the list as such incidents will primarily result in loss of working hours.

Own funds requirement for operational risk

The own funds requirement for operational risk in Jyske Bank is calculated under the new capital requirements regulation (CRR III). The requirement is determined using the new business indicator approach, and the annual calculation has been moved from the first to the fourth quarter. This change reflects the requirement that institutions must apply the most up to date

financial statement data available when calculating operational risk.

At the end of 2025, the Group’s total own funds requirement, based on the 2025 financial statements, amounted to DKK 2.137m, compared with the 2025 requirement of DKK 1.903m, which was based on the 2024 financial statements. The corresponding requirement for 2024 was DKK 1.559m. The overall increase in the own funds requirement is primarily driven by rising net income over the most recent fiscal years included in the three year period used for the end 2025 calculation.

In addition to the above mentioned requirement for operational risk, an additional DKK 67m has been included to cover operational risks related to the acquisition of Handelsbanken

Denmark. This addition is reduced by one third annually and will be fully integrated into the Group’s operational risk calculation by the end of the fourth quarter of 2025.

The total own funds requirement for operational risk thus amounts to DKK 2.204m.

Breakdown of losses





ESG-related Risk

In 2025, the Group strengthened its ESG-related risk management through refinements to the materiality assessment framework, improved governance with dedicated ESG-related risk leads, and enhanced integration of ESG considerations across risk categories.

Analyses confirm that transition risks remain the primary concern, driven by regulatory changes, technological developments, and market dynamics. While overall financial risk is still assessed as limited, certain sectors show increased sensitivity to climate-related policies and physical risks.

ESG is a strategic priority for the Group, but it also introduces inherent risk factors. These risks require systematic identification, mitigation, and ongoing monitoring to ensure a holistic approach to risk management. As regulatory frameworks, market conditions, and environmental developments evolve, managing ESG-related risks demands continuous awareness and agility. This approach supports the Group's long-term stability and resilience.

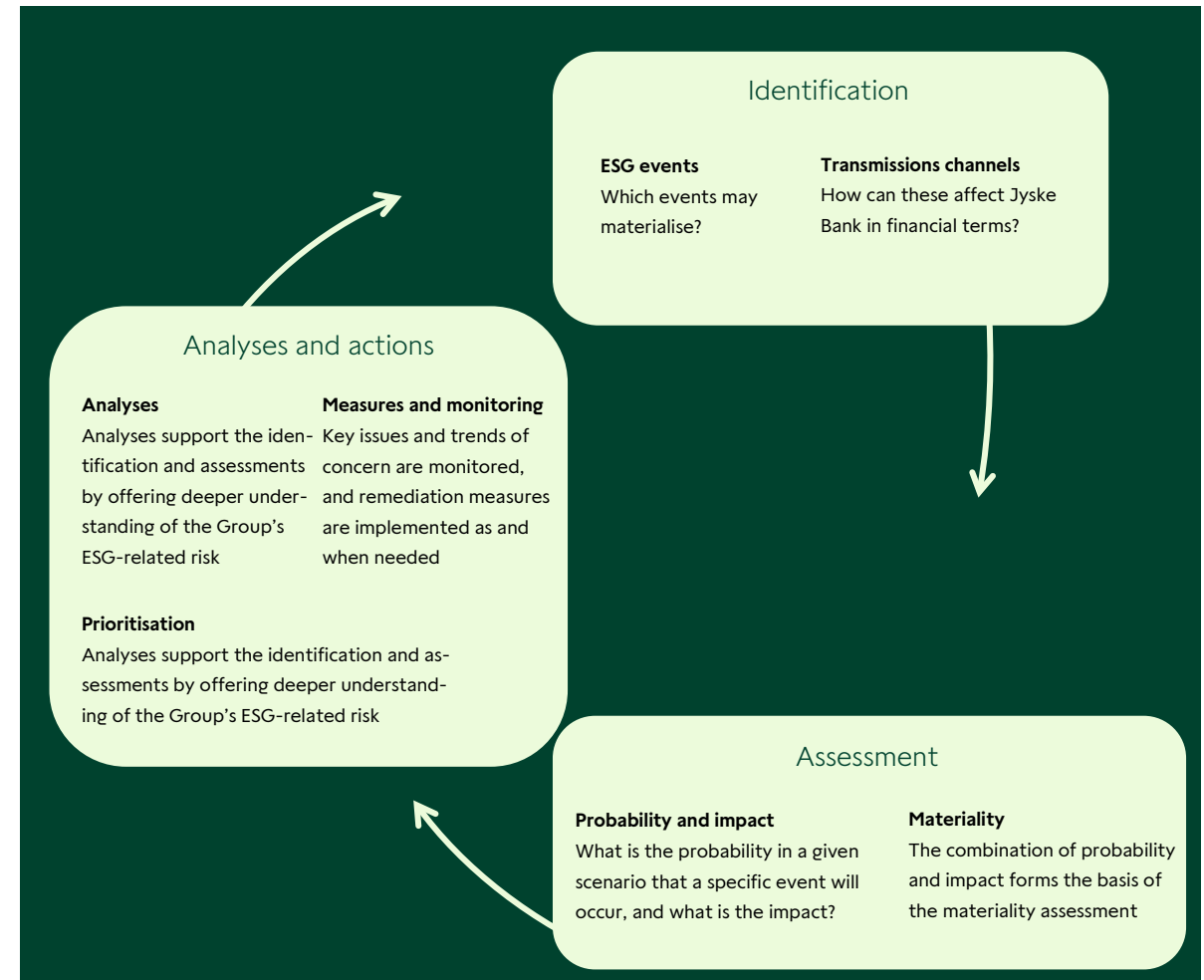
ESG-related risk is defined as the risk of financial loss arising from current or prospective ESG factors affecting counterparties or invested assets. These risks materialize through traditional risk categories such as credit, market, liquidity, and operational risk.

Managing ESG-related risks is a dynamic process shaped by evolving regulatory requirements, market standards, and improving data availability. Currently, the Group places particular emphasis on climate and environmental risks within credit risk assessments, as these represent the most immediate and material risks in the short term.

Governance and Reporting

Responsibility for assessing and reporting ESG-related risks lies within the Risk unit under the Chief Risk Officer (CRO). Dedicated ESG-related risk leads are embedded in specialized risk teams and form part of an ESG Working Group. This governance structure ensures consistent integration of ESG-related risks across all risk categories and strengthens the professional environment for ESG-related risk assessment.

ESG-related risk is included in the Group's risk reporting framework, ensuring that developments are monitored and communicated through established channels. Material risks are escalated to the Supervisory Board for informed decision-making.





Materiality Assessment of ESG-Related Risk

It is important that the Group is capable of continuously identifying, assessing, and managing ESG-related risk – both to minimize potential losses from own operations and to ensure the resilience of the Group's customers in the face of changes in ESG events. The Group has developed a structured ESG-related risk framework with the main purposes:

- To have a comprehensive and documented understanding of how ESG factors affect Jyske Bank – both operationally and in relation to the Group's overall risk profile across risk types.
- To establish a foundation for prioritizing and focusing future work related to ESG events.
- To set up relevant monitoring and identify the need for risk mitigation.

The framework aligns with best practices from the ECB and EBA and supports compliance with EBA guidelines effective January 2026.

The framework, which is utilized in Jyske Banks, builds upon a three-part iterative process. It builds upon a risk-based approach, with ongoing updates and refinements as data availability improves.

The first element is the identification of relevant ESG events. Climate-related disasters (e.g., storm surges or temperature fluctuations), changes in market conditions or regulatory requirements, constitute examples of ESG events, which are evaluated in the framework. Environmental events are classified into physical (acute and chronic) and transition risks, distinguishing between immediate threats and longer-term structural changes. There-upon, channels of potential financial impact are mapped to create a deeper understanding of the underlying mechanisms and impact of the respective ESG events.

Following the phase of identification comes the assessment of probability, consequence and ultimate materiality. At this stage the probability and the financial consequence of a specific ESG

event are assessed. The assessments are conducted using short-, medium- and long-term scenarios. The scenarios applied are developed by NGFS (Network of Central Banks and Supervisors for Greening the Financial System) and have been tailored specifically to Jyske Bank's context. The assessments of probability and consequence constitute the foundation for the materiality assessment. Hence, a high financial consequence combined with a high probability constitutes an ESG event of high materiality. Following the assessment conducted within the framework, an internal expert judgement on the accuracy of the assessment is performed to verify the results.

The assessments provide an overview of ESG events and their materiality, which forms the basis for further analysis, prioritization, actions, and monitoring of these conditions. Effectively, the framework provides a comprehensive picture of the Group's ESG-related risks.

As part of the Group's stress testing framework, the Group has incorporated climate-related stress testing to assess potential impacts across risk categories. While not conducted on a recurring basis, this exercise has been undertaken to strengthen the understanding of climate risk and its implications for the Group's risk profile.

Assessment of Customer-Level ESG-Related Risk

In alignment with legal requirements and Jyske Bank's credit policy, an internally developed ESG profile is integrated into the credit decision process. The profile is used to assess corporate customers' vulnerability to ESG events. The assessment is either made through:

- Automated machine screening in case of small companies.
- A structured questionnaire completed by the responsible bank advisor.

The ESG profile ensures consistency in customer assessments, providing a standardized framework for evaluating ESG-related risks. It helps advisors engage in structured dialogues with customers, fostering a common understanding of ESG implications for their business models.

Additionally, ESG profile data is leveraged in ongoing monitoring and risk management, forming part of the Group's key ESG-related risk indicators.

Current ESG-related risk profile of Jyske Bank

Transition risks remain the most significant ESG exposure for the Group. This is primarily driven by:

- Credit exposure to energy-intensive industries.
- Denmark's ambitious climate targets and regulatory initiatives.
- Increased stakeholder focus on sustainability.

Efforts are ongoing to enhance data coverage and quality across multiple dimensions, ensuring the Group remains well-positioned to meet evolving regulatory and market expectations.



Management declaration

In line with article 435 (1) of the Capital Requirements Regulation, Jyske Bank Group is obligated to provide a declaration and a risk statement approved by the management body – the Group Supervisory Board. Further information on the supervisory board regarding diversity, members and their expertise, please see jyskebank.com.

Board Declaration

The Group Supervisory Board establishes the general principles for risk and capital management and assesses the Group's risk on an ongoing basis. A thorough assessment, based on a report presented by the Group Executive Board, is conducted yearly.

The Group Executive Board is responsible for the day-to-day risk management of the Group and ensures compliance with the implemented policies and instructions. The Group Supervisory Board declares that the Group has adequate risk management arrangements in place, providing assurance that these systems are adequate with regard to the Group's risk profile and strategy.

Risk statement

The Jyske Bank Group's business model offers financial products and services to private individuals, businesses, and institutions, primarily within Denmark. The Group Supervisory Board

sets guidelines for credit granting and approves the largest exposures. Credit risk is managed to maintain an acceptable level relative to the capital base and business volume.

Market risk, mainly interest-rate risk, is managed under the Market Risk Policy set by the Group Supervisory Board, with adjustments made according to market developments.

Liquidity risk is controlled through active management to ensure sufficient liquidity for obligations, with the Group Supervisory Board determining the liquidity profile.

Non-financial risks, including operational risk, are managed to keep exposure and losses at acceptable levels, with policies approved annually and adjusted regularly to align with the Group's risk profile and capital structure.

For further information on key ratios, please see Pillar 3 KM1. All key ratios are within the risk appetite of the Jyske Bank Group.

IntraGroup transactions and transactions with related parties

Affiliated, associated companies and joint ventures are considered to be related parties. Jyske Bank's management and board of directors are also considered related parties. Transactions between related parties are characterized by ordinary financial transactions and services of an operational nature. An agreement on joint funding and an outsourcing agreement has been made between Jyske Bank A/S and Jyske Realkredit A/S. Transactions between Jyske Bank and affiliated companies are eliminated in the Group. Transactions between Jyske Bank and affiliated, associated companies, and other related parties are conducted on market terms.

Group Supervisory Board

Kurt Bligaard Pedersen
Chairman

Anker Laden-Andersen
Deputy Chairman

Rina Asmussen

Bente Overgaard

Lisbeth Holm

Per Schnack

Glenn Söderholm

Birgitte Haurum

Marianne Lillevang
Employee-elected

Michael C. Mariegaard
Employee-elected

Henriette Hoffmann
Employee-elected

