Jyske Bank

Interim Financial Report

First quarter of 2018

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The Jyske Bank Group

Core profit and net profit for the period (DKKm)

	Q1 2018	Q1 2017	Index 18/17	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Year 2017
Net interest income	1,407	1,370	103	1,407	1,537	1,381	1,386	1,370	5,674
Net fee and commission income	506	447	113	506	654	436	420	447	1,957
Value adjustments	-68	346	-	-68	38	96	97	346	577
Other income	65	60	108	65	-29	29	147	60	207
Income from operating lease (net)	26	16	163	26	-6	-43	-21	16	-54
Core income	**1,936**	**2,239**	**86**	**1,936**	**2,194**	**1,899**	**2,029**	**2,239**	**8,361**
Core expenses	1,272	1,390	92	1,272	1,326	1,270	1,388	1,390	5,374
Core profit before loan impairment charges	**664**	**849**	**78**	**664**	**868**	**629**	**641**	**849**	**2,987**
Loan impairment charges	308	-45	-	308	-139	-194	-75	-45	-453
Core profit	**356**	**894**	**40**	**356**	**1,007**	**823**	**716**	**894**	**3,440**
Investment portfolio earnings	407	349	117	407	-30	135	108	349	562
Pre-tax profit	**763**	**1,243**	**61**	**763**	**977**	**958**	**824**	**1,243**	**4,002**
Tax	153	267	57	153	197	210	185	267	859
Net profit or loss for the period	**610**	**976**	**63**	**610**	**780**	**748**	**639**	**976**	**3,143**
Summary of balance sheet, end of period (DKKbn)									
Loans and advances	447.7	424.9	105	447.7	447.7	441.0	435.0	424.9	447.7
- of which mortgage loans	309.4	287.4	108	309.4	306.8	303.0	295.8	287.4	306.8
- of which traditional loans and advances	102.5	96.3	106	102.5	101.3	99.1	98.6	96.3	101.3
- of which new home loans	13.3	14.2	94	13.3	12.2	11.0	11.7	14.2	12.2
- of which repo loans	22.5	27.0	83	22.5	27.4	27.9	28.9	27.0	27.4
Bonds and shares, etc.	75.1	84.4	89	75.1	79.1	75.2	76.0	84.4	79.1
Total assets	593.2	570.2	104	593.2	597.4	584.7	579.9	570.2	597.4
Deposits	155.1	155.5	100	155.1	160.0	154.9	157.2	155.5	160.0
- of which bank deposits	136.4	132.5	103	136.4	139.9	134.0	134.1	132.5	139.9
- of which repo deposits and tri-party deposits	18.7	23.0	81	18.7	20.1	20.9	23.1	23.0	20.1
Issued bonds at fair value	307.9	276.5	111	307.9	302.6	295.2	285.5	276.5	302.6
Issued bonds at amortised cost	30.1	45.7	66	30.1	38.9	38.8	42.0	45.7	38.9
Subordinated debt	4.3	2.1	205	4.3	4.3	4.3	4.3	2.1	4.3
Holders of additional tier 1 capital	2.5	1.5	167	2.5	2.6	2.6	1.5	1.5	2.6
Shareholders' equity	31.5	31.4	100	31.5	32.0	31.8	31.3	31.4	32.0
Financial ratios and key figures									
Earnings per share for the period (DKK)*	6.8	10.7	-	6.8	8.6	8.3	7.0	10.7	34.7
Profit for the period, per share (diluted) (DKK)	6.8	10.7	-	6.8	8.6	8.3	7.0	10.7	34.7
Pre-tax profit p.a. as a percentage of average equity*	9.3	15.7	-	9.3	11.8	11.9	10.3	15.7	12.4
Profit for the period p.a. as a pct. of average equity*	7.4	12.3	-	7.4	9.4	9.2	7.9	12.3	9.7
Expenses as a percentage of income	65.7	62.1	-	65.7	60.4	66.9	68.4	62.1	64.2
Capital ratio	20.0	17.6	-	20.0	19.8	19.8	19.4	17.6	19.8
Common Equity Tier 1 capital ratio (CET1 %)	16.5	15.8	-	16.5	16.4	16.2	16.5	15.8	16.4
Individual solvency requirement (%)	10.2	9.9	-	10.2	10.2	10.3	10.0	9.9	10.2
Capital base (DKKbn)	37.4	32.3	-	37.4	37.3	36.5	35.8	32.3	37.3
Weighted risk exposure (DKKbn)	186.8	183.3	-	186.8	188.0	184.1	184.5	183.3	188.0
Share price at end of period (DKK)	358	353	-	358	353	363	377	353	353
Book value per share (DKK)*	371	353	-	371	374	363	355	353	374
Price/book value per share (DKK)*	1.0	1.0	-	1.0	0.9	1.0	1.1	1.0	0.9
No. of full-time employees at end-period**	3,856	4,024	-	3,856	3,932	4,003	3,988	4,024	3,932

Relationships between income statement items under 'The Jyske Bank Group' (key financial data) and the income statement page 24 appear from page 9 in the Management's review.

*Financial ratios are calculated as if AT1 capital is recognised as a liability.

** The number of employees at the end of the first quarter of 2018 and at the end of 2017 less 43 and 39 employees, respectively, who are financed externally.

SUMMARY

- **Profit before tax and excl. derived effects from IFRS 9: DKK 1,170m, corresponding to a return of 14.5% p.a. on average equity.**
- **Profit after tax and excl. derived effects from IFRS 9: DKK 927m, corresponding to a return of 11.4% p.a. on average equity.**
- **Profit before tax: DKK 763m (Q1 2017: DKK 1,243m), corresponding to a return of 9.3% p.a. on average equity (Q1 2017: 15.7% p.a.).**
- **Profit after tax: DKK 610m (Q1 2017: DKK 976m), corresponding to a return of 7.4% p.a. on average equity (Q1 2017: 12.3% p.a.).**
- **Core profit: DKK 356m (Q1 2017: DKK 894m).**
- **Core expenses at DKK 1,272m fell by 8% relative to 2017 and by 1% when adjusted for one-off expenses.**
- **Reversed loan impairment charges and provisions for guarantees due to improving credit quality of loans, etc. affected the core profit by DKK 99m. (Q1 2017: DKK 45m).**
- **The implementation of IFRS 9 and related adjustments affected core profit by DKK -407m and equity by DKK -628m before tax, and the balance of impairment charges was increased by DKK 1,035m.
The range of DKK 1,000m-1,200m had been expected.**
- **Capital ratio: 20.0%, of which the Common Equity Tier 1 capital ratio was 16.5% (end of 2017: 19.8% and 16.4%).**

COMMENTS BY MANAGEMENT

In connection with the publication of the interim financial report for the first quarter of 2018, Anders Dam, CEO and Managing Director states:

"The Group generated a profit of DKK 927m in the first quarter of 2018, corresponding to a return on equity of 11.4% p.a. adjusted for IFRS 9.

Inclusive of IFRS 9, the Group generated a profit of DKK 610m for the first quarter of 2018, corresponding to a return of 7.4% p.a. on equity.

The financial statements show a satisfactory development when allowing for IFRS 9 in the Group.

Net interest and fee income amounted to DKK 1,913m against DKK 1,817m in the first quarter of 2018, i.e. a satisfactory increase by just above 5%.

Widening of yield spreads and increasing interest rates affected the value adjustments of the Group's bond portfolio adversely, and on the whole, value adjustments amounted to DKK -68m against DKK 346m in the first quarter of 2017 under core profit.

IFRS 9 affected the profit for the period by DKK -407m, as the effect from the changed estimates at BRFkredit are recognised as an expense in the income statement as opposed to the effect at Jyske Bank, where the effect is deducted directly from equity", concludes Anders Dam.

Financial Review

Material circumstances

Nordjyske Bank shareholding

On 18 April 2018, Nordjyske Bank and Ringkjøbing Landbobank announced that the boards of directors of the two banks had entered into a merger agreement, and that the boards of directors of both banks recommend their shareholders to vote in favour of the merger.

Jyske Bank has decided to support the planned merger of Nordjyske Bank and Ringkjøbing Landbobank and will therefore vote in favour of the merger at the upcoming general meetings of Nordjyske Bank.

Jyske Bank has entered into a conditional agreement with Nykredit to sell the shares in Ringkjøbing Landbobank that Jyske Bank will acquire following the merger. The shares will be bought by Nykredit at a price of DKK 372 per share.

In addition, Jyske Bank receives in cash DKK 9 per share in Nordjyske Bank following the merger.

Jyske Bank's conditional, voluntary offer to the shareholders of Nordjyske Bank, which was made in an offer document of 6 April 2018, will lapse when the merger has been approved.

The profit for the first quarter of 2018 was affected by DKK 356m due to increases in the price of and the dividend from the Nordjyske Bank shares.

Implementation of new impairment rules, IFRS 9 and the Group's adjustment

IFRS 9 took effect on 1 January 2018. As a consequence of the new rules, impairment charges are calculated as the expected loss on all loans, advances and guarantees.

Due to the Group's implementation of and adjustment to IFRS 9, the balance of impairment charges was increased by DKK 1,035m. The profit for the period was affected by DKK 407m and equity by DKK 628m before tax; hence the overall effect was fully recognised in the financial statements and solvency ratio in the first quarter of 2018.

The balance of impairment charges broken down by stage after the implementation of IFRS 9 (DKKm)

	Q1 2018
Stage 1: Assets without material deterioration in credit quality	628
Stage 2: Assets with significant deterioration in credit quality	1,351
Stage 3: Assets in default	3,849
Discounts on acquired loans	454
Total balance of loan impairment charges and provisions for guarantees incl. balance of discounts	**6,282**

The Minimum requirement for own funds and eligible liabilities (MREL) and Standard and Poor's upgrade of outlook

For Jyske Bank, the FSA has defined the minimum requirement for own funds and eligible liabilities (the so-called MREL) at 12.7% of Jyske Bank's total liabilities and consolidated capital base, corresponding to 28.1% of the risk exposure amount. The MREL is to be met through capital instruments or a new class of senior debt, subordinated to the existing senior debt. The MREL takes effect on 1 January 2019 and must be met by 1 July 2019, but senior debt issued before 1 January 2018 can be included over the period up to and including 1 January 2022.

Calculations show that the Jyske Bank Group meets the MREL already today.

Based on the FSA's measurement of MREL as well as Jyske Bank's funding plan for the required issues, Standard & Poor's changed in April 2018 its view of Jyske Bank's senior ratings to 'positive outlook' from 'stable outlook'. Jyske Bank's long-term and short-term senior ratings are A-/A-2.

Capital and share buy-backs

Capital adjustment and restructuring continued in the first quarter of 2018.

In the first quarter, Jyske Bank concluded its share buy-back programme that ran over the period 1 March 2017 - 28 March 2018. Over this period, Jyske Bank bought back 4,214,000 of its own shares at a value of DKK 1,499,967,000 corresponding to 4.73% of the company's share capital.

Net profit for the period

In the first quarter of 2018, the Jyske Bank Group generated a pre-tax profit of DKK 763m. Calculated tax amounted to DKK 153m, and after tax the profit amounted to DKK 610m. Post-tax profit corresponded to a return on average equity of 7.4% p.a. against 12.3% p.a. for the corresponding period of 2017.

Core profit and net profit for the period (DKKm)

	Q1 2018	Q1 2017	Index 18/17	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Year 2017
Net interest income	1,407	1,370	103	1,407	1,537	1,381	1,386	1,370	5,674
Net fee and commission income	506	447	113	506	654	436	420	447	1,957
Value adjustments	-68	346	-	-68	38	96	97	346	577
Other income	65	60	108	65	-29	29	147	60	207
Income from operating lease (net)	26	16	163	26	-6	-43	-21	16	-54
Core income	**1,936**	**2,239**	**86**	**1,936**	**2,194**	**1,899**	**2,029**	**2,239**	**8,361**
Core expenses	1,272	1,390	92	1,272	1,326	1,270	1,388	1,390	5,374
Core profit before loan impairment charges	**664**	**849**	**78**	**664**	**868**	**629**	**641**	**849**	**2,987**
Loan impairment charges	308	-45	-	308	-139	-194	-75	-45	-453
Core profit	**356**	**894**	**40**	**356**	**1,007**	**823**	**716**	**894**	**3,440**
Investment portfolio earnings	407	349	117	407	-30	135	108	349	562
Pre-tax profit	**763**	**1,243**	**61**	**763**	**977**	**958**	**824**	**1,243**	**4,002**
Tax	153	267	57	153	197	210	185	267	859
Net profit or loss for the period	**610**	**976**	**63**	**610**	**780**	**748**	**639**	**976**	**3,143**

The most important core income from net interest and fee income rose by 5% to DKK 1,913m against DKK 1,817m in the first quarter of 2017.

Net interest income amounted to DKK 1,407m against DKK 1,370m in the first quarter of 2017, i.e. an increase by 3%. Net interest income was still favourably affected by growth in home loans. The market place is still characterised by competition, a certain pressure on margins is seen, and high-yield bonds are after maturity replaced by low-yielding bonds, which are all factors limiting the development of the net interest income. At the beginning of 2018, parts of the return on the Group's portfolio of securities were moved from investment portfolio earnings to core income, having an effect on both net interest income and value adjustments.

Given a parallel yield increase by 100 bp on the current yield curve, the Group's net interest income will increase by about DKK 200m over the first year. A gradually stronger effect is anticipated in the subsequent years. The development will be favourably affected by the improving net interest income from deposits with the Group, while, on the other hand, a negative effect will be seen from the Group's liquidity buffer. This change of net interest income will in actual fact only materialise when Danmarks Nationalbank, the central bank of Denmark, hikes its leading rates.

Net fee and commission income amounted to DKK 506m against DKK 447m in the first quarter of 2017, i.e. an increase by 13%. The increase can in particular be attributed to fee income from Jyske Invest Fund Management and DLR Kredit.

Core expenses fell by 8% to DKK 1,272m against DKK 1,390m in 2017, which period was affected by one-off expenses in the amount of DKK 110m. Adjusting for this, core expenses fell by 1%, which is in line with the development that the Group strives to achieve. At the end of the first quarter 2018, the number of full-time employees in the Group was 3,856, i.e. a decline by 76 full-time employees relative to the number at the end of 2017.

Core profit was affected by value adjustments in the amount of DKK -68m against DKK 346m in 2017 and impairment charges, etc. in the amount of DKK 308m due to the Group's adjustment to IFRS 9 against reversed impairment charges of DKK 45m in 2017. For a more detailed description of impairment charges, please see page 11.
In the first quarter, investment portfolio earnings were favourably affected by DKK 356m in the form of dividend on and value adjustments of shares in Nordjyske Bank.

Business volume and financial position

Summary of balance sheet, end of period (DKKbn)

	Q1 2018	Q1 2017	Index 18/17	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Year 2017
Loans and advances	447.7	424.9	105	447.7	447.7	441.0	435.0	424.9	447.7
- of which mortgage loans	309.4	287.4	108	309.4	306.8	303.0	295.8	287.4	306.8
- of which traditional loans and advances	102.5	96.3	106	102.5	101.3	99.1	98.6	96.3	101.3
- of which new home loans	13.3	14.2	94	13.3	12.2	11.0	11.7	14.2	12.2
- of which repo loans	22.5	27.0	83	22.5	27.4	27.9	28.9	27.0	27.4
Bonds and shares, etc.	75.1	84.4	89	75.1	79.1	75.2	76.0	84.4	79.1
Total assets	593.2	570.2	104	593.2	597.4	584.7	579.9	570.2	597.4
Deposits	155.1	155.5	100	155.1	160.0	154.9	157.2	155.5	160.0
- of which bank deposits	136.4	132.5	103	136.4	139.9	134.0	134.1	132.5	139.9
- of which repo deposits and tri-party deposits	18.7	23.0	81	18.7	20.1	20.9	23.1	23.0	20.1
Issued bonds at fair value	307.9	276.5	111	307.9	302.6	295.2	285.5	276.5	302.6
Issued bonds at amortised cost	30.1	45.7	66	30.1	38.9	38.8	42.0	45.7	38.9
Subordinated debt	4.3	2.1	205	4.3	4.3	4.3	4.3	2.1	4.3
Holders of additional tier 1 capital	2.5	1.5	167	2.5	2.6	2.6	1.5	1.5	2.6
Shareholders' equity	31.5	31.4	100	31.5	32.0	31.8	31.3	31.4	32.0

Mortgage loans at fair value amounted to DKK 309bn at the end of the first quarter of 2018, corresponding to an increase by DKK 2.6bn relative to the level at the end of 2017. Driven by loans and advances to corporate clients, traditional bank loans and advances had at the end of the first quarter of 2018 increased to DKK 102.5bn against DKK 101.3bn at the end of 2017.

At the end of the first quarter of 2018, bank deposits exclusive of repo deposits amounted to DKK 136bn, i.e. a decline by DKK 3.5bn relative to the level at the end of 2017.

At the end of the first quarter of 2018, the business volume within asset management amounted to DKK 142bn compared to DKK 145bn at the end of 2017. The first quarter of the year was affected by increasing volatility and falling prices for most asset classes, where in particular equities were affected. This development resulted in negative returns, typically in the range of 0-4%, depending on the clients' risk profile, which affected the overall business volume. The inflow of new funds from most client segments was unchanged, while at the same time the quarter saw an outflow relating to one single institutional client.

At the end of the first quarter of 2018, shareholders' equity amounted to DKK 31.5bn against DKK 32.0bn at the end of 2017.

Investment portfolio earnings

Investment portfolio earnings (DKKm)

	Q1 2018	Q1 2017	Index 18/17	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Year 2017
Net interest income	36	98	37	36	61	77	94	98	330
Net fee and commission income	0	0	-	0	-1	-2	0	0	-3
Value adjustments	328	222	148	328	-84	65	16	222	219
Other income	49	37	132	49	2	2	6	37	47
Income	**413**	**357**	**116**	**413**	**-22**	**142**	**116**	**357**	**593**
Expenses	6	8	75	6	8	7	8	8	31
Investment portfolio earnings	**407**	**349**	**117**	**407**	**-30**	**135**	**108**	**349**	**562**

For the first quarter of 2018, investment portfolio earnings amounted to DKK 407m against DKK 349m for the corresponding period in 2017.

The general interest rate environment and the effect from the replacement of high-yield bonds after maturity with low-yielding bonds had an adverse effect on the development of net interest income. To this must be added the transfer of parts of the portfolio of bonds to core income.

Widening credit spreads resulted in negative value adjustments of the portfolio of Danish mortgage bonds as opposed to the situation in the first quarter of 2017. Moreover, to a lesser extent the positive value adjustments of the bank's holding of other securitizations as well as the value adjustment of the shares in Nordjyske Bank resulted - seen in isolation - in a positive value adjustment by DKK 325m in the first quarter of 2018.

Core profit and investment portfolio earnings

The pre-tax profit for the first quarter of 2018 broken down by core earnings and investment portfolio earnings is stated below:

Breakdown of the net profit or loss for the period (DKKm)

	Q1 2018				Q1 2017			
	Core profit	Investment portfolio earnings	Reclassifi-cation	Total	Core profit	Investment portfolio earnings	Reclassifi-cation	Total
Net interest income	1,407	36	-18	1,425	1,370	98	62	1,530
Net fee and commission income	506	0	0	506	447	0	0	447
Value adjustments	-68	328	18	278	346	222	10	578
Other income	65	49	9	123	60	37	0	97
Income from operating lease (net)	26	0	106	132	16	0	117	133
Income	**1,936**	**413**	**115**	**2,464**	**2,239**	**357**	**189**	**2,785**
Expenses	1,272	6	115	1,393	1,390	8	117	1,515
Profit before loan impairment charges	**664**	**407**	**0**	**1,071**	**849**	**349**	**72**	**1,270**
Loan impairment charges	308	0	0	308	-45	0	72	27
Pre-tax profit	**356**	**407**	**0**	**763**	**894**	**349**	**0**	**1,243**

Alternative performance targets

The alternative performance targets applied in the management's review constitute valuable information for readers of financial statements as they provide a more uniform basis for comparison of accounting periods. No adjusting entries are made, and therefore the net profit or loss for the period will be the same in the alternative performance targets of the management's review and in the IFRS financial statements.

Core profit is defined as the pre-tax profit exclusive of investment portfolio earnings. Hence earnings from clients are expressed better than in the IFRS financial statements.

Investment portfolio earnings are defined as the return on the Group's portfolio of shares, bonds, derivatives and equity investments, yet exclusive of the liquidity buffer and certain strategic equity investments. Investment portfolio earnings are calculated after expenses for funding and attributable costs.

The above table illustrates relationships between income statement items under 'The Jyske Bank Group' (key financial data), page 3, and income statement items in the IFRS financial statements, page 24.

Reclassification relates to the following:

- Income of DKK 18m (first quarter of 2017: income of DKK 10m) due to value adjustments relating to the balance principle at BRFkredit were reclassified from value adjustments to interest income.
- Income of DKK 9m (Q1 2017: Income of DKK 0m) from external sales was reclassified from income to offsetting against expenses.
- Depreciation and amortisation of DKK 106m (first quarter of 2017: DKK 117m) were reclassified from expenses to income from operating lease (net).

Please see below for definitions of the additional financial ratios stated under the Jyske Bank Group, page 3.

”Earnings per share”, ”Earnings per share (diluted)”, ”Pre-tax profit p.a. as a percentage of average equity” and ”Net profit p.a. as a percentage of average equity” are calculated as if AT1 capital was recognised as a liability. In the numerator, the profit is less interest expenses of DKK 31m (first quarter of 2017: DKK 19m) for Additional Tier 1 Capital (AT1), and the denominator is calculated as equity exclusive of Additional Tier 1 Capital (AT1) of DKK 2,528m. (first quarter of 2017: DKK 1,479m).

”Expenses as a percentage of income” is calculated as Core expenses divided by Core income.

"Book value per share" and "Price/book value per share" are calculated as if Additional Tier 1 Capital (AT1) is accounted for as liabilities. Book value has been calculated exclusive of Additional Tier 1 Capital (AT1) of DKK 2,528m (first quarter of 2017: DKK 1,479m).

Loan impairment charges and provisions for guarantees and value adjustments of acquired loans and advances
Under core profit, an amount of DKK 308m was recognised as an expense under loan impairment charges and provisions for guarantees against reversals of DKK 45m in the same period in 2017. The implementation of IFRS 9 and the Group's adjustment to these standards affected the profit for the period by DKK -407m, as the effect from the changed estimates at BRFkredit are recognised as an expense in the income statement as opposed to the effect at Jyske Bank, where the effect is deducted directly in equity.

Hence, the underlying credit quality was still improving, and the inflow of new non-performing loans continued to be at a low level for both corporate and personal clients, and a lower indication of impairment was seen for existing non-performing loans. Therefore, over the period, the underlying credit quality resulted in reversals of DKK 99m against DKK 45m in the same period of 2017.

IFRS 9 and the Group's adjustment
IFRS 9, which took effect on 1 January 2018, implies earlier recognition of impairment charges on financial assets at amortised cost, provisions for losses on guarantees as well as unutilised credit lines. The impairment model previously applied was based on objective evidence of impairment, and it was replaced with an impairment model based on expected losses on all loans, advances and guarantees as well as unutilised credit lines. Therefore, already at the first recognition, impairment charges corresponding to a 12-month expected credit loss must be recognised. If, subsequently, the credit risk on the asset increases materially, the expected credit loss over the remaining life of the loan will be recognised.

According to the new rules, financial assets must be divided into three categories/stages depending on any deterioration of the debtor's credit rating relative to the first recognition.

- Stage 1: Assets without material deterioration in credit quality
- Stage 2: Assets with significant deterioration in credit quality
- Stage 3: Assets in default

The ranking in the various stages will affect the calculation method applied, and it is determined, among other things, on the basis of the change in the probability of default over the expected remaining life of the exposure. The expected future loss is calculated on the basis of the probability of default, the exposure at the time of default and the loss given default. These parameters are based on the Group's experience with loss history and early repayments, among other things, cf. the Group's advanced IRB set-up.

For exposures in stage 1, impairment charges corresponding to probability-weighted losses expected over the following 12 months are recognised, while for exposures in stages 2 and 3 impairment charges corresponding to losses expected over the remaining life of the exposures are recognised.

The assessment of the indication of impairment for stage 3 assets is based on individual expert assessments of the probability-weighted expected loss. The new rules have not resulted in any material changes in the extent of impairment of these exposures.

The impairment models are based on the Jyske Bank Group's approved advanced risk management set-up, adjusted to IFRS 9 in a number of specific areas. The purpose of the adjustment is to ensure that input variables applied express a true and fair view comprising all available information and expectations of the future.

The EU has adopted a 5-year transitional arrangement so that any negative effect from the new IFRS 9 impairment rules will only take full effect after five years. Jyske Bank has chosen not to make use of the possibility of a 5-year transition period.

The balance of impairment charges broken down by stage after the implementation of IFRS 9 (DKKm)

	Q1 2018
Stage 1: Assets without material deterioration in credit quality	628
Stage 2: Assets with significant deterioration in credit quality	1,351
Stage 3: Assets in default	3,849
Discounts on acquired loans	454
Total balance of loan impairment charges and provisions for guarantees incl. balance of discounts	**6,282**

Value adjustments (DKKm)

	Q1 2018	Q1 2017	Index 18/17	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Year 2017
Non-performing loans and guarantees:									
Loans and advances before impairment charges and provisions, inclusive of discounts.	12,064	21,966	55	12,064	18,692	19,637	20,647	21,966	18,692
Impairment charges and provisions	3,721	5,561	67	3,721	4,748	5,250	5,384	5,561	4,748
Discounts on acquired loans	356	730	49	356	590	569	664	730	590
Loans, advances and guarantees after impairment charges	7,987	15,675	51	7,987	13,354	13,818	14,599	15,675	13,354
NPL ratio	1.7%	3.5%	-	1.7%	2.9%	3.0%	3.2%	3.5%	2.9%
NPL coverage ratio	33.8%	28.6%	-	33.8%	28.0%	29.6%	29.3%	28.6%	28.0%
Non-accrual loans and past due exposures	1,419	2,187	65	1,419	1,836	2,049	2,220	2,187	1,836
Operational loan impairment charges etc.	308	27	-	308	-92	-70	-44	27	-179
Operating loss	429	321	134	429	397	114	173	321	1,005

Non-performing loans, advances and guarantees fell significantly, which can materially be attributed to changed definitions in consequence of the implementation of IFRS 9.

Balance of loan impairment charges and provisions / Loans, advances and guarantees (DKKm / %) — The Jyske Bank Group

	Loans, advances and guarantees		Balance of loan impairment charges and provisions for guarantees		Impairment ratio	
	Q1 2018	Q4 2017	Q1 2018	Q4 2017	Q1 2018	Q4 2017
Dairy farmers	795	917	504	529	39%	37%
Pig farming	1,148	1,161	293	329	20%	22%
Total	**1,943**	**2,078**	**797**	**858**	**29%**	**29%**

At the end of the first quarter of 2018, the overall impairment ratio for dairy farmers and pig farming amounted to 29% of loans, advances and guarantees in line with the level at the end of 2017. For dairy farmers and pig farming the impairment ratios are 39% and 20%, respectively, which is also in line with the situation at the end of 2017.

Capital and liquidity management

Capital structure and capital management

Jyske Bank's long-term capital management objective after the implementation of the new Basel recommendations is a capital ratio of 17.5% and a Common Equity Tier 1 capital ratio of 14%. At these levels, Jyske Bank will have a safe distance to the capital base requirements and will at the same time have the required strategic scope. At the end of the first quarter of 2018, the Group more than met both targets due to its capital ratio of 20.0% and its Common Equity Tier 1 capital ratio of 16.5% compared to 19.8% and 16.4%, respectively, at the end of 2017.

On the basis of the Basel recommendations published in December 2017, Jyske Bank assesses that an increase by 3 percentage points relative to the capital targets will be necessary to meet the Group's long-term target when the revised Basel recommendations have been fully phased in.

Moreover, the Group aims to ensure a risk-adjusted capital ratio (RAC) determined by S&P at the level of 10.5% in order to maintain the score 'strong' in the category 'capital and earnings'. At the end of the first quarter of 2018, RAC was calculated at 10.1% against 10.2% at the end of 2017. The Group's RAC is adversely affected by the new financial reporting standards for impairment, IFRS 9.

Over the coming years, Jyske Bank will seek to maintain capital ratios above the targets in order to be prepared in due time for the legal requirements under the revised Basel recommendations to be implemented on 1 January 2022.

Capital and core capital ratios

	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	End of 2017
Capital ratio	20.0	19.8	19.8	19.4	17.6	19.8
Core capital ratio incl. AT1 capital (%)	18.2	18.0	18.0	17.6	17.0	18.0
Common Equity Tier 1 capital ratio (CET 1) (%)	16.5	16.4	16.2	16.5	15.8	16.4

The Jyske Bank Group's total weighted risk exposure amounted to DKK 187bn at the end of the first quarter of 2018 against DKK 188bn at the end of 2017. The Jyske Bank Group's total weighted risk exposure with credit risk amounted to DKK 155bn, corresponding to 83% of the total weighted risk exposure. An increase by DKK 4.7bn in the total weighted risk exposure with credit risk can chiefly be attributed to the increase in loans and reclassification of bonds from market risk to credit risk.

Capital

In the first quarter of 2018, Jyske Bank did not issue any further AT1 or Tier 2 capital, but the general capital adjustment and restructuring continued in the first quarter of 2018, and Jyske Bank will at any time seek to adjust its capital structure to become even more cost efficient.

In the first quarter, Jyske Bank concluded its share buy-back programme that ran over the period 1 March 2017 - 28 March 2018. Over this period, Jyske Bank bought back 4,214,000 of its own shares at a value of DKK 1,499,967,000 corresponding to 4.73% of the company's share capital.

For Jyske Bank, the FSA has defined the minimum requirement for own funds and eligible liabilities (the so-called MREL) at 12.7% of Jyske Bank's total liabilities and consolidated capital base, corresponding to 28.1% of the risk exposure amount. The MREL is to be met through capital instruments or a new class of senior debt, subordinated to the existing senior debt. The MREL took effect on 1 January 2019 and must be met by 1 July 2019, but senior debt issued before 1 January 2018 can be included over the period up to and including 1 January 2022.

Calculations show that the Jyske Bank Group meets the MREL already today.

Based on the FSA's measurement of MREL as well as Jyske Bank's funding plan for the required issues, Standard & Poor's changed in April 2018 its view of Jyske Bank's senior ratings to 'positive outlook' from 'stable outlook'. Jyske Bank's long-term and short-term senior ratings are A-/A-2.

Individual solvency requirement and capital buffer

At the end of the first quarter of 2018, the Jyske Bank Group calculated its individual solvency requirement to be 10.2% of the total weighted risk exposure in line with the level at the end of 2017. To this must be added a SIFI requirement of 1.2% and a capital conservation buffer of 1.9% in 2018.

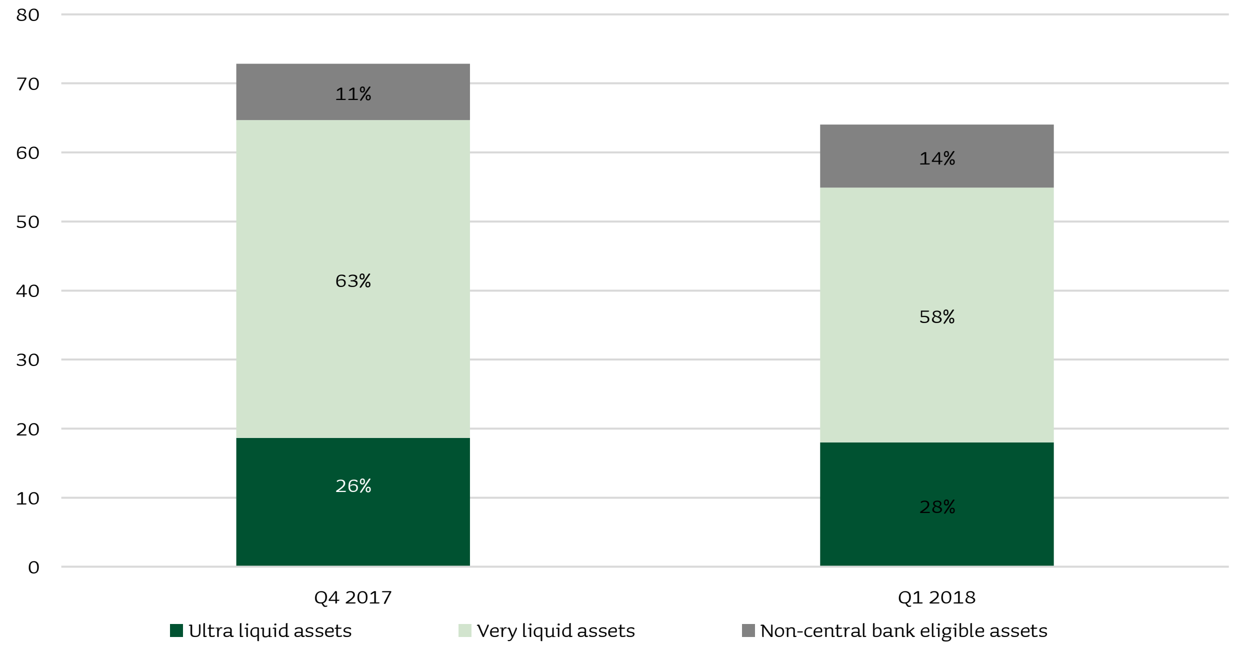
Compared with the actual capital base of DKK 37.4bn, the capital buffer amounted at the end of the first quarter of 2018 to DKK 12.5bn, corresponding to 6.7%. At the end of 2017, the capital buffer was at DKK 13.9bn, corresponding to 7.4%.

Liquidity buffer

At the end of the first quarter of 2018, the Jyske Bank Group's liquidity buffer amounted to DKK 64bn against DKK 73bn at the end of 2017.

The buffer consisted mainly of ultra-liquid and very liquid assets in the form of deposits with central banks as well as government bonds, Danish mortgage bonds and covered bonds ('SDO').

Liquidity buffer by asset class (DKKbn)



The robustness of the liquidity buffer can be determined by measuring it dynamically in a stress scenario presuming that the Group will be precluded from re-financing in the international financial money markets for unsecured senior debt. Under such a scenario, the buffer will after a 12-month period amount to DKK 37bn. As the Group has limited senior debt falling due in 2019, the buffer will amount to DKK 35bn after 24 months.

Liquidity buffer and run-off (DKKbn)

	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	End of 2017
End of period	64.0	72.8	69.0	72.1	71.6	72.8
3 mths.	49.3	54.2	56.0	63.6	52.9	54.2
6 mths.	46.6	49.6	42.5	55.3	47.3	49.6
9 mths.	40.3	47.8	38.5	42.8	42.0	47.8
12 mths.	36.9	42.8	37.4	38.5	29.7	42.8

Capital markets and issuance activity

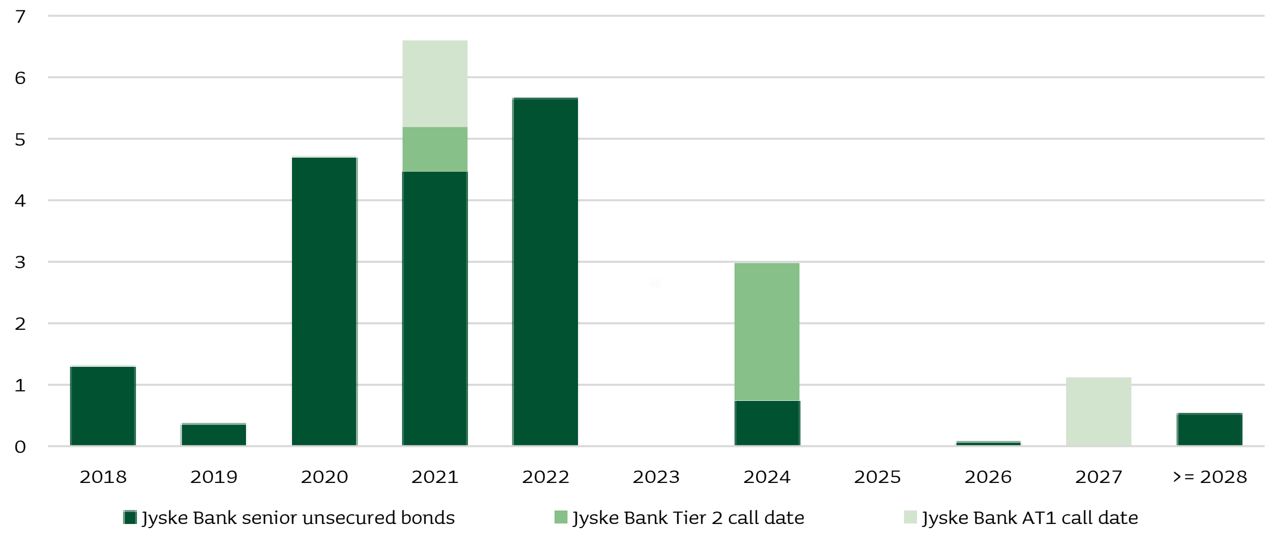
Following the very low levels in 2017, the credit spreads increased in 2018, most significantly in the asset class Additional Tier 1 Capital (AT1). The most important reasons for the change in the market sentiment during the first quarter of 2018 were rising interest rates and volatility in the equity markets in February, expectations of a gradual reduction of the ECB's bond purchase programme in the second half of 2018 as well as a large supply of new issues in the euro markets.

Throughout 2017, the Group was a very active issuer in the international capital markets. Therefore there was no need for long-term issues in the first 3 months of the year. However, the Group is on an on-going basis active in the French CP market. At the end of the first quarter of 2018, the outstanding volume of bonds under the CP programme amounted to DKK 14.4bn against DKK 16bn at the end of 2017.

Refinancing profile

At the end of the first quarter of 2018, outstanding unsecured senior debt and subordinated Tier 2 capital under the Group's EMTN programme amounted to DKK 15.6bn and DKK 3.3bn, respectively, which levels were practically unchanged compared to those at the end of 2017. The run-off profile for the Group's unsecured senior debt as well as the call date profile on the Group’s CRD 4 compliant Tier2 and AT1 capital determined at the end of the first quarter of 2018 is illustrated by the below chart.

Run-off and call date profile (DKKbn)



Funding plans, MREL and credit rating

As part of the implementation of the bank recovery and resolution directive (BRRD) in Denmark, it is expected that a new act will be passed in the second quarter of 2018 and to take effect as of 1 January 2018. The act will introduce a new layer to the creditor hierarchy for financial services companies and a new type of debt in the form of contractual subordinated senior debt (Senior Non-preferred; SNP). SNP bonds will be positioned between regular unsecured senior debt and subordinated debt. It is expected that over the next 4 years, the Group's outstanding unsecured senior debt will gradually be replaced with senior non-preferred debt (SNP). Therefore the funding plan includes an annual SNP benchmark bond issue in the amount of EUR 500m. It is expected that SNP issues will total EUR 2.0bn to 2.5bn by the end of 2021.

Based on the FSA's measurement of MREL as well as Jyske Bank's funding plan for the required issues, Standard & Poor's change in April 2018 its view of Jyske Bank's senior ratings to 'positive outlook' from 'stable outlook'. Jyske Bank's long-term and short-term senior ratings are A-/A-2.

Liquidity Coverage Ratio (LCR)

At the end of the first quarter of 2018, the Group's LCR was at 186% compared to 189% at the end of 2017. The Group's internal guideline points to a LCR for the Group of at least 150%. The Group's LCR buffer after haircuts at the end of the first quarter of 2018 is shown below:

The Group's LCR buffer (DKKbn/%)

	Q1 2018	**%**
Level 1a	25.8	38.3
Level 1b	38.7	57.5
Level 2a + 2b	2.8	4.2
Total	**67.3**	**100.0**

Being a Danish a systemically important financial institution, Jyske Bank must meet a modified LCR requirement in EUR. At the end of the first quarter of 2018, Jyske Bank met the requirement in full with a significant buffer.

As of 30 June 2018, Jyske Bank must also meet the FSA's liquidity benchmark in the supervisory diamond. The benchmark is a simplified version of LCR with a longer survival horizon of 90 days. At the end of the first quarter of 2018, the benchmark for Jyske Bank was at 146%, and therefore the bank already meets the requirement.

Other information

The supervisory diamond for Jyske Bank A/S

The supervisory diamond defines a number of special risk areas including specified limits that financial institutions should generally not exceed.

The supervisory diamond for Jyske Bank A/S

	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	End of 2017
Sum of large exposures < 125% of the adjusted capital base	0%	0%	0%	0%	0%	0%
Increase in loans and advances < 20% annually	4%	2%	2%	3%	5%	2%
Exposures to property administration and property transactions < 25% of total loans and advances	10%	9%	9%	9%	9%	9%
Stable funding < 1	0.59	0.56	0.57	0.57	0.58	0.56
Liquidity surplus > 50%	175%	228%	212%	223%	227%	228%

Jyske Bank A/S meets all the benchmarks of the supervisory diamond.

The supervisory diamond BRFkredit a/s

The supervisory diamond defines a number of special risk areas including specified limits that financial institutions should generally not exceed. The supervisory diamond takes effect in 2018 and 2020, respectively.

The supervisory diamond for BRFkredit a/s

	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	End of 2017
Concentration risk < 100%	49.4%	47.5%	57.0%	60.5%	63.2%	47.5%
Increase in loans and advances < 15% annually in the segment:						
Owner-occupied homes and vacation homes	7.0%	11.7%	12.1%	14.4%	15.8%	11.7%
Residential rental property	7.9%	6.6%	6.6%	9.9%	6.7%	6.6%
Agriculture	-	-	-	-	-	-
Other sectors	6.5%	5.2%	4.5%	3.6%	6.7%	5.2%
Borrower's interest-rate risk < 25%						
Residential property	20.1%	20.8%	20.8%	22.0%	23.3%	20.8%
Interest-only schemes < 10%						
Owner-occupied homes and vacation homes	7.5%	7.9%	7.9%	8.3%	8.4%	7.9%
Loans with frequent interest-rate fixing:						
Refinancing (annually) < 25%	20.8%	19.9%	24.9%	20.7%	17.2%	19.9%
Refinancing (quarterly) < 12.5%	5.5%	4.7%	7.0%	4.0%	4.7%	4.7%

BRFkredit a/s meets all the benchmarks of the supervisory diamond.

Additional information

For further information, please see www.jyskebank.info. Here you will find an interview with Anders Dam, CEO and Managing Director, detailed financial information as well as Jyske Bank's Annual Report 2017 and Risk and Capital Management 2017, which give further information about Jyske Bank's internal risk and capital management as well as regulatory issues, including a description of the most important risks and elements of uncertainty that may affect Jyske Bank.

Also, please see www.brf.dk. BRFkredit's interim financial report for the first quarter of 2018, the Annual Report for 2017 and detailed financial information about BRFkredit are available on that website.

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Business segments

The business segments reflect all activities with respect to banking, mortgage and leasing, inclusive of investing activities relating to clients' regular transactions. The investment portfolio earnings of the legal entities related to the activities of the relevant entities.

Banking activities

Summary of income statement (DKKm)

	Q1 2018	Q1 2017	Index 18/17	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Year 2017
Net interest income	789	804	98	789	938	815	800	804	3,357
Net fee and commission income	468	412	114	468	572	391	393	412	1,768
Value adjustments	-41	342	-	-41	13	97	82	342	534
Other income	57	47	121	57	-34	21	136	47	170
Core income	**1,273**	**1,605**	**79**	**1,273**	**1,489**	**1,324**	**1,411**	**1,605**	**5,829**
Core expenses	1,044	1,136	92	1,044	1,083	1,014	1,117	1,136	4,350
Core profit before loan impairment charges	**229**	**469**	**49**	**229**	**406**	**310**	**294**	**469**	**1,479**
Loan impairment charges	-154	-143	108	-154	-239	-201	-113	-143	-696
Core profit	**383**	**612**	**63**	**383**	**645**	**511**	**407**	**612**	**2,175**
Investment portfolio earnings	407	305	133	407	-16	136	88	305	513
Pre-tax profit	**790**	**917**	**86**	**790**	**629**	**647**	**495**	**917**	**2,688**

Summary of balance sheet, end of period (DKKbn)

	Q1 2018	Q1 2017	Index 18/17	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Year 2017
Loans and advances	121.5	122.2	99	121.5	124.6	122.0	123.5	122.2	124.6
- of which traditional loans and advances	85.7	81.0	106	85.7	85.0	83.1	82.9	81.0	85.0
- of which new home loans	13.3	14.2	94	13.3	12.2	11.0	11.7	14.2	12.2
- of which repo loans	22.5	27.0	83	22.5	27.4	27.9	28.9	27.0	27.4
Total assets	238.1	244.6	97	238.1	240.4	238.5	242.9	244.6	240.4
Deposits	154.8	155.3	100	154.8	159.8	154.6	157.0	155.3	159.8
- of which bank deposits	136.1	132.3	103	136.1	139.7	133.7	133.9	132.3	139.7
- of which repo deposits and tri-party deposits	18.7	23.0	81	18.7	20.1	20.9	23.1	23.0	20.1
Issued bonds	30.1	42.0	72	30.1	37.0	35.9	38.3	42.0	37.0

Profit

Core profit from banking activities amounted to DKK 383m against DKK 612m for the corresponding period in 2017. The decline in core profit can primarily be attributed to value adjustments.

Net interest income amounted to DKK 789m and was 2% below the level in the first quarter of 2017. The primary reasons for the reduction were falling interest rate margins on bank loans and advances for corporate clients and lower as well as negative reinvestment rates on the liquidity portfolio, which is mainly invested in Danish mortgage bonds with a short duration.

Net fee and commission income increased by 14% relative to the first quarter of 2017. Loan application fees still increased and amounted to DKK 42m against DKK 32m for the corresponding period in 2017. Fees from payment services as well as other fees and commission also increased decently relative to the first quarter of 2017.

Value adjustments amounted to DKK -41m against DKK 342m in the first quarter of 2017. To a considerable extent, widening of credit spreads on Danish mortgage bonds had a negative effect on value adjustments of bond holdings, including the liquidity portfolio.

Other income amounted to DKK 57m against DKK 47m in the first quarter of 2017.

For the first quarter of 2018, core expenses amounted to DKK 1,044m against DKK 1,136m for the corresponding period in 2017, i.e. a decline by 8%. Disregarding one-off expenses of DKK 110m in 2017, core expenses increased by 1%.

Business volume

Traditional loans and advances amounted to DKK 85.7bn against DKK 85.0bn at the end of 2017. Hence, this was the fourth quarter in a row where an increase in traditional bank loans and advances was recorded.

Bank deposits and issued bonds amounted to DKK 136.1bn and DKK 30.1bn, and both items fell relative to the level at the end of 2017, at which time they amounted to DKK 139.7bn and DKK 37.0bn, respectively.

Mortgage activities

Summary of income statement (DKKm)

	Q1 2018	Q1 2017	Index 18/17	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Year 2017
Administration margin income, etc.[1]	465	458	102	465	481	468	474	458	1,881
Other net interest income	19	-15	-	19	4	-31	-19	-15	-61
Net fee and commission income	66	63	105	66	77	69	53	63	262
Value adjustments	-27	3	-	-27	24	0	2	3	29
Other income	4	9	44	4	4	5	8	9	26
Core income	**527**	**518**	**102**	**527**	**590**	**511**	**518**	**518**	**2,137**
Core expenses	182	212	86	182	199	212	225	212	848
Core profit before loan impairment charges	**345**	**306**	**113**	**345**	**391**	**299**	**293**	**306**	**1,289**
Loan impairment charges	428	92	465	428	102	-20	28	92	202
Core profit	**-83**	**214**	**-**	**-83**	**289**	**319**	**265**	**214**	**1,087**
Investment portfolio earnings	0	44	-	0	-14	-1	20	44	49
Pre-tax profit	**-83**	**258**	**-**	**-83**	**275**	**318**	**285**	**258**	**1,136**

[1] Administration margin income, etc. covers administration margin income as well as interest rate margin on jointly funded loans.

Summary of balance sheet (DKKbn)

Mortgage loans	309.5	287.4	108	309.5	306.8	303.0	295.8	287.4	306.8
Total assets	335.6	307.5	109	335.6	337.8	327.1	318.1	307.5	337.8
Issued bonds	307.9	280.2	110	307.9	304.5	298.1	289.2	280.2	304.5

The return on BRFkredit's portfolio of securities (investment portfolio earnings) was at the beginning of 2018 moved to core income under 'Other net interest income' and 'Value adjustments, etc.', respectively.

Previously the purpose of the portfolio of securities was to maximise the return within a certain exposure limit. Following the introduction of the new rules, especially the LCR and the SDO rules, etc., BRFkredit's portfolio of securities is typically and generally invested with a view to supporting mortgage loan operations. Therefore the portfolio of securities is generally invested in bonds, etc. with a short time to maturity and low interest-rate risk, which meet the LCR rules on liquid assets, etc., while the return on the portfolio is of secondary importance.

Profit/loss

The pre-tax profit on mortgage activities amounted to DKK -83m against DKK 258m for the same period in 2017. The profit was affected by the implementation of the new new impairment models and adjustments to IFRS 9, which resulted in a one-off adjustment of impairment charges by DKK 407m. Without this effect, the pre-tax profit came to DKK 324m.

Administration margin income, etc. amounted to DKK 465m against DKK 458m in the first quarter of 2017. Administration margin income was positively affected by the increasing portfolio, yet negatively affected by falling administration margin rates. With respect to corporate clients, the falling administration margin rates can mainly be attributed to the improving credit quality of the portfolio. Likewise, in the Personal client area, a minor decline of the average administration margin rate was recorded, which could be attributed to a shift to products, for which administration margins are lower.

Other net interest income consists, among other things, of interest on the portfolio of securities, interest expenses for senior debt incurred in order to comply with SDO and rating requirements, as well as various interest income. The item amounted to an income of DKK 19m against an expense of DKK 15m in the first quarter of 2017. To some extent, the increase can be attributed to reclassification of the portfolio of securities and also to the fact that BRFkredit redeemed senior debt in January 2018.

Net fee and commission income amounted to DKK 66m against DKK 63m in the first quarter of 2017. The reason for the unchanged level is that BRFkredit distributed the refinancing dates for adjustable-rate loans evenly over the year, and this resulted, among other things, in an increasingly even distribution of fee and commission income over the quarters of the year. In addition, the lending activity in the first quarter of 2018 was at practically the same level as in the corresponding period of 2017.

Value adjustments, etc. amounted to an expense of DKK 27m against an income of DKK 3m in the first quarter of 2017. The difference can, among other things, be attributed to investment losses on the portfolio of securities as well as a fair value adjustment of mortgage loans.

Core expenses amounted to DKK 182m against DKK 212m in the first quarter of 2017. The decline by DKK 30m can be attributed to the on-going adjustment of the staff as well as the fact that a number of work functions and areas have been outsourced to Jyske Bank. Based on group-internal service agreements, BRFkredit pays Jyske Bank to perform these tasks.

Core profit before loan impairment charges and provisions for guarantees then amounted to DKK 345m against DKK 306m for the first quarter of 2017.

Total loan impairment charges and provisions for guarantees for the first quarter of 2018 came to an expense of DKK 428m. The impairment charges for the period were affected by the implementation of the new impairment models and adjustments to IFRS 9, which resulted in a one-off adjustment of impairment charges by DKK 407m.

Loan impairment charges and provisions for guarantees exclusive of adjustments then amounted to DKK 21m against an expense of DKK 92m in the first quarter of 2017. Relative to total loans, the effect from the impairment charges on the income statement, exclusive of adjustments, amounted to 0.01% (0.14% inclusive of adjustments) against 0.03% in the first quarter of 2017.

Rising property prices in the major urban areas have a positive effect on BRFkredit's collateral. The number of credit events observed are still falling, both in the personal client as well as the commercial segment.

Business volume

The positive trend in the business volume of mortgage activities continued in the first quarter of 2018, yet at a slower pace, as the volume grew from DKK 306.8bn at the end of 2017 to DKK 309.5bn, corresponding to a growth of 0.9%.

The development in the first quarter of 2018 can chiefly be attributed to the corporate client segment.

Leasing activities

Summary of income statement (DKKm)

	Q1 2018	Q1 2017	Index 18/17	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Year 2017
Net interest income	134	123	109	134	114	129	131	123	497
Net fee and commission income	-28	-28	100	-28	5	-24	-26	-28	-73
Value adjustments	0	1	-	0	1	-1	13	1	14
Other income	4	4	100	4	1	3	3	4	11
Income from operating lease (net)	26	16	163	26	-6	-43	-21	16	-54
Core income	**136**	**116**	**117**	**136**	**115**	**64**	**100**	**116**	**395**
Core expenses	46	42	110	46	44	44	46	42	176
Core profit before loan impairment charges	**90**	**74**	**122**	**90**	**71**	**20**	**54**	**74**	**219**
Loan impairment charges	34	6	567	34	-2	27	10	6	41
Pre-tax profit	**56**	**68**	**82**	**56**	**73**	**-7**	**44**	**68**	**178**

Summary of balance sheet, end of period (DKKbn)

	Q1 2018	Q1 2017	Index 18/17	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Year 2017
Loans and advances	16.8	15.3	110	16.8	16.2	16.0	15.7	15.3	16.2
Total assets	19.5	18.1	108	19.5	19.3	19.1	18.8	18.1	19.3
Deposits	0.2	0.2	100	0.2	0.2	0.2	0.2	0.2	0.2

Profit

In the first quarter of 2018, the segment Leasing developed in line with expectations. The positive development of net interest income was driven by a continued positive development for the volume of loans and advances. Income from operating lease increased compared to the previous quarters, which can be attributed, among other things, to the fact that in the first quarter of 2018 there was no need for further write-downs on the portfolio of cars as compared to the previous quarters.

Core income grew by 17% relative to the same period last year and was at a satisfactory level.

Compared to the same period last year, core expenses increased by 10%. The increase can primarily be attributed to increasing support costs in the Group and severance costs.

In the first quarter of 2018, the level of impairment charges was adversely affected by further impairment charges on one single exposure.

Business volume

Loans and advances grew by 10% relative to the same period last year, and this increase was achieved due to a large volume of new sales. A positive development of the volume of loans and advances is still expected for the coming period.

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Note	The Jyske Bank Group		
	DKKm	**Q1 2018**	Q1 2017
	Income statement		
5	Interest income	**2,634**	2,773
6	Interest expenses	**1,209**	1,243
	Net interest income	**1,425**	1,530
7	Fees and commission income	**623**	550
	Fees and commission expenses	**117**	103
	Net interest and fee income	**1,931**	1,977
8	Value adjustments	**278**	578
9	Other income	**255**	230
10	Employee and administrative expenses	**1,262**	1,324
	Amortisation, depreciation and impairment charges	**131**	191
12	Loan impairment charges	**308**	27
	Pre-tax profit	**763**	1,243
11	Tax	**153**	267
	Net profit or loss for the period	**610**	976
	Distributed to:		
	Jyske Bank A/S shareholders	**579**	957
	Holders of additional tier capital	**31**	19
	Total	**610**	976
	Earnings per share for the period		
	Earnings per share for the period, DKK	**6.79**	10.73
	Earnings per share for the period, DKK, diluted	**6.79**	10.73
	Statement of Comprehensive Income		
	Net profit or loss for the period	**610**	976
	Other comprehensive income:		
	Items that cannot be recycled to the income statement:		
	Revaluation of real property	**145**	0
	Tax on property revaluations	**-29**	0
	Items that can be recycled to the income statement:		
	Foreign currency translation adjustment of international units	**7**	1
	Hedge accounting of international units	**-7**	-1
	Tax on hedge accounting	**2**	0
	Other comprehensive income after tax	**118**	0
	Comprehensive income for the period	**728**	976
	Distributed to:		
	Jyske Bank A/S shareholders	**697**	957
	Holders of additional tier 1 capital	**31**	19
	Total	**728**	976

BALANCE SHEET

Note	The Jyske Bank Group			
	DKKm	**31 March 2018**	31 Dec. 2017	31 March 2017
	BALANCE SHEET			
	ASSETS			
	Cash balance and demand deposits with central banks	**18,975**	19,347	3,706
	Due from credit institutions and central banks	**12,922**	13,046	12,782
15, 16	Loans and advances at fair value	**320,878**	316,998	299,328
17	Loans and advances at amortised cost	**126,867**	130,675	125,586
	Bonds at fair value	**67,022**	69,846	75,746
	Bonds at amortised cost	**2,905**	4,280	4,039
	Shares, etc.	**5,172**	4,972	4,574
	Intangible assets	**10**	13	25
	Property, plant and equipment	**4,288**	5,114	5,297
	Tax assets	**859**	212	714
	Assets held temporarily	**1,580**	577	591
18	Other assets	**31,759**	32,360	37,810
	Total assets	**593,237**	597,440	570,198
	EQUITY AND LIABILITIES			
	Liabilities			
	Due to credit institutions and central banks	**25,647**	17,959	15,260
19	Deposits	**155,061**	160,023	155,461
20	Issued bonds at fair value	**307,854**	302,601	276,502
	Issued bonds at amortised cost	**30,141**	38,920	45,738
21	Other liabilities	**34,442**	37,238	40,517
22	Provisions	**1,780**	1,772	1,703
23	Subordinated debt	**4,289**	4,323	2,133
	Liabilities, total	**559,214**	562,836	537,314
	Equity			
	Share capital	**892**	892	950
	Revaluation reserve	**632**	516	538
	Currency translation reserve	**0**	0	0
	Retained profit	**29,971**	30,093	29,418
	Proposed dividend	**0**	522	499
	Jyske Bank A/S shareholders	**31,495**	32,023	31,405
	Holders of additional tier 1 capital	**2,528**	2,581	1,479
	Total equity	**34,023**	34,604	32,884
	Total equity and liabilities	**593,237**	597,440	570,198
	OFF-BALANCE SHEET ITEMS			
17, 24	Guarantees, etc.	**18,089**	18,729	17,026
24	Other contingent liabilities, etc.	**22,064**	22,256	21,914
	Total guarantees and other contingent liabilities	**40,153**	40,985	38,940

STATEMENT OF CHANGES IN EQUITY

The Jyske Bank Group

DKKm

	Share capital	Revaluation reserve	Currency translation reserve	Retained profit	Proposed dividend	Jyske Bank A/S shareholders	Additional tier 1 capital*	Total equity
Equity at 1 January 2018	892	516	0	30,093	522	32,023	2,581	34,604
Changes to accounting policies, IFRS 9	0	0	0	-628	0	-628	0	-628
Tax effect, IFRS 9	0	0	0	137	0	137	0	137
Adjusted equity, 1 January 2018	892	516	0	29,602	522	31,532	2,581	34,113
Net profit or loss for the period	0	0	0	579	0	579	31	610
Other comprehensive income:								
Revaluation of real property	0	145	0	0	0	145	0	145
Foreign currency translation for international units	0	0	7	0	0	7	0	7
Hedge of international units	0	0	-7	0	0	-7	0	-7
Tax on other comprehensive income	0	-29	0	2	0	-27	0	-27
Other comprehensive income after tax	0	116	0	2	0	118	0	118
Comprehensive income for the period	0	116	0	581	0	697	31	728
Interest paid on AT1 capital	0	0	0	0	0	0	-45	-45
Currency translation adjustment	0	0	0	39	0	39	-39	0
Tax	0	0	0	-2	0	-2	0	-2
Dividends paid	0	0	0	0	-522	-522	0	-522
Dividends, own shares	0	0	0	24	0	24	0	24
Acquisition of own shares	0	0	0	-749	0	-749	0	-749
Sale of own shares	0	0	0	476	0	476	0	476
Transactions with owners	0	0	0	-212	-522	-734	-84	-818
Equity at 31 March 2018	**892**	**632**	**0**	**29,971**	**0**	**31,495**	**2,528**	**34,023**
Equity at 1 January 2017	950	538	-2	29,053	499	31,038	1,476	32,514
Net profit or loss for the period	0	0	2	955	0	957	19	976
Other comprehensive income:								
Foreign currency translation for international units	0	0	1	0	0	1	0	1
Hedge of international units	0	0	-1	0	0	-1	0	-1
Tax on other comprehensive income	0	0	0	0	0	0	0	0
Other comprehensive income after tax	0	0	0	0	0	0	0	0
Comprehensive income for the period	0	0	2	955	0	957	19	976
Interest paid on AT1 capital	0	0	0	0	0	0	-19	-19
Currency translation adjustment	0	0	0	-3	0	-3	3	0
Tax	0	0	0	5	0	5	0	5
Dividends paid	0	0	0	0	-499	-499	0	-499
Dividends, own shares	0	0	0	32	0	32	0	32
Proposed dividend	0	0	0	-499	499	0	0	0
Acquisition of own shares	0	0	0	-633	0	-633	0	-633
Sale of own shares	0	0	0	508	0	508	0	508
Transactions with owners	0	0	0	-590	0	-590	-16	-606
Equity at 31 March 2017	950	538	0	29,418	499	31,405	1,479	32,884

*Additional tier 1capital (AT1) has no maturity. Payment of interest and repayment of principal are voluntary. Therefore AT1 capital is recognised as equity. In September 2016, Jyske Bank issued AT1 amounting to SEK 1.25bn and DKK 500m. The AT1 issue with the possibility of early redemption in September 2021 at the earliest. The interest rates applicable to the issue until September 2021 are STIBOR+5.80% and CIBOR+5.30%, respectively. In September 2017, Jyske Bank made an issue amounting to EUR 150bn, AT1, with the possibility of early redemption in September 2027 at the earliest. The issue has a coupon of 4.75% until September 2027. It applies to all AT1 issues, that if the Common Equity Tier 1 capital of Jyske Bank A/S or the Jyske Bank Group falls below 7%, the loans will be written down.

CAPITAL STATEMENT

The Jyske Bank Group

DKKm	**31 March 2018**	31 Dec. 2017	31 March 2017
Shareholders' equity	**31,495**	32,023	31,405
Net profit for the period not recognised in the capital base	**0**	0	-957
Share buy-back programme, non-utilised limit	**0**	-281	-386
Expected/proposed dividend	**-195**	-522	-499
Intangible assets	**-10**	-13	-25
Deferred tax liabilities relating to intangible assets	**2**	3	6
Deferred tax assets	**-10**	-10	0
Prudent valuation	**-277**	-271	-256
Difference between expected loss and the carrying amount of impairment charges	**0**	-174	-160
Other deductions	**-117**	-14	-120
Common Equity Tier 1 capital	**30,888**	30,741	29,008
Additional Tier 1 capital after reduction	**3,042**	3,209	2,123
Other deductions	**0**	-27	-28
Core capital	**33,930**	33,923	31,103
Subordinated loan capital after reduction	**3,726**	3,631	1,428
Other deductions	**-275**	-248	-247
Capital base	**37,381**	37,306	32,284
Weighted risk exposure involving credit risk etc.	**154,634**	149,906	143,538
Weighted risk exposure involving market risk	**15,313**	21,355	23,003
Weighted risk exposure involving operational risk	**16,887**	16,737	16,737
Total weighted risk exposure	**186,834**	187,998	183,278
Capital requirement, Pillar I	**14,947**	15,040	14,662
Capital requirement, transitional provisions	**0**	4,204	3,921
Capital requirement, total	**14,947**	19,244	18,583
Capital ratio	**20.0**	19.8	17.6
Core Tier 1 Capital ratio (%)	**18.2**	18.0	17.0
Common Equity Tier 1 capital ratio (%)	**16.5**	16.4	15.8

Transitional rules for capital requirements according to Basel I ended at the end of 2017.

For a statement of the individual solvency requirement, please see Risk and Capital Management 2017 or investor.jyskebank.com/investorrelations/capitalstructure.

SUMMARY OF CASH FLOW STATEMENT

		The Jyske Bank Group
DKKm	**Q1 2018**	Q1 2017
Net profit or loss for the period	**610**	976
Adjustment for non-cash operating items and change in working capital	**-143**	-3,627
Cash flows from operating activities	**467**	-2,651
Acquisition and sale of property, plant and equipment	**-51**	-250
Acquisition of intangible assets	**-3**	-7
Cash flows from investment activities	**-54**	-257
Dividends paid	**-522**	-499
Dividends, own shares	**24**	32
Acquisition of own shares	**-749**	-633
Sale of own shares	**476**	508
Cash flows from financing activities	**-771**	-592
Cash flow for the period	**-358**	-3,500
Cash and cash equivalents, beginning of period	**32,255**	19,988
Cash and cash equivalents, end of period	**31,897**	16,488
Cash and cash equivalents, end of period, comprise:		
Cash balance and demand deposits with central banks	**18,975**	3,706
Due from credit institutions and central banks	**12,922**	12,782
Cash and cash equivalents, end of period	**31,897**	16,488

1 Accounting Policies

The Interim Financial Report for the period 1 January to 31 March 2018 was prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. Furthermore, the Interim Financial Report was prepared in accordance with the additional Danish disclosure requirements for the interim reports of listed financial undertakings.

Except for the implementation of the below new standards, IFRS 9 and IFRS 15, the accounting policies are unchanged compared to those applied to and described in detail in the Annual Report 2017.

IFRS 9 Financial Instruments.

IFRS 9 on Financial Instruments covers new provisions on classification and measurement of financial assets and liabilities, impairment of financial assets as well as hedge accounting. IFRS 9 replaced IAS 39 and took effect on 1 January 2018.

In accordance with the transitional provisions of IFRS 9, no adjustment of comparative figures was made, as it is not possible to apply the impairment provisions to previous financial years without any subsequent rationalisation.

Classification and measurement

According to IFRS 9, classification and measurement of financial assets are based on the business model for the financial assets and related contractual cash flows. In consequence of this, financial assets must be classified as one of the following categories:

- Financial assets that are held to generate the contractual cash flows and where the contractual cash flows solely consist of interest and instalments on the outstanding amounts are measured after the time of the first recognition at amortised cost. As a typical example, this measurement category comprises loans, advances and bonds included in an investment portfolio that is, in general, held to maturity.

- Financial assets held in a mixed business model where financial assets are held both with a view to generating the contractual cash flows and returns on sales and where the contractual cash flows on the financial assets in the mixed business model solely consist of interest and instalments on the outstanding amount are measured after the time of the first recognition at fair value through other comprehensive income. In connection with a subsequent sale, recirculation of the change in fair value will take place to the income statement. As a typical example, this measurement category comprises bonds included in the day-to-day liquidity management, unless they are used by a risk management system or an investment strategy based on fair values, cf. below.

- Financial assets that do not belong under one of the above-mentioned business models or where the contractual cash flows do not solely consist of interest and instalments on the outstanding amounts are measured after the time of the first recognition at fair value through the income statement. As a typical example, this measurement category comprises shares, derivatives and financial assets, which are otherwise included in the trading portfolio or in a risk management system or an investment strategy based on fair values and, on this basis, are included in the bank's internal management reporting. Moreover, financial assets can be measured at fair value through the income statement, if the measurement according to the two above-mentioned business models results in a recognition or accounting mismatch.

Based on Jyske Bank's assessment of the business models in IFRS 9, no material changes to classification and measuring will take place. Mortgage loans and certain other home loans are still measured at fair value though the income statement, and other loans and advances will still be measured at amortised cost. Jyske Bank has no financial assets that fall under the new measurement category with recognition of financial assets at fair value through Other comprehensive income. Instead, Jyske Bank's bond portfolio will be measured at fair value through the income statement either because they are included in a trading portfolio or because they are used by a risk management system or an investment strategy based on fair values and, on this basis, are included in the bank's internal management reporting, except for a minor holding of bonds that is kept under a business model where the bonds will be measured at amortised cost.

Impairment charges

IFRS 9 implies earlier recognition of impairment charges on financial assets at amortised cost, provisions for losses on guarantees and unutilised credit facilities, as the previous impairment model, which was based on objective evidence of impairment, will be replaced by an impairment model based on expected losses. Therefore, already at the first recognition, impairment charges corresponding to a 12-month expected credit loss must be recognised. If, subsequently, the credit risk on the asset increases materially, the expected credit loss over the remaining life of the loan will be recognised.

According to the new rules, financial assets must be divided into three stages depending on any deterioration of the debtor's credit rating relative to the first recognition. Stage 1 covers exposures without material deterioration in credit quality, while stage 2 covers assets with significant deterioration in credit quality, and stage 3 covers exposures in default. The ranking in the various stages will affect the calculation method applied, and it is determined, among other things, on the basis of the change in the probability of default (PD) over the expected remaining life of the exposure. The definition of default applied is the same as the one applied in the Group's advanced IRB set-up.

1 **Accounting Policies, cont.**

One characteristic of this is that it is assessed to be most probable that liabilities relating to assets cannot be honoured on the agreed terms and conditions. Assessment of whether any material increase in credit risk has taken place will be based on the following circumstances:

a) An increase in the PD for the expected remaining life of the financial asset by 100% and an increase in the 12-month PD of 0.5 percentage point when, at the first recognition, the 12-month PD was below 1.0%.

b) An increase in the PD for the expected remaining life of the financial asset by 100% or an increase in the 12-month PD of 2.0 percentage points when, at the first recognition, the 12-month PD was 1.0% or above.

c) The account manager's risk assessment, which among other things is based on an assessment of the client's ability and will to honour his payment obligations, possibly arrears and/or changes to the initial assumptions on which the client relationship rests.

The expected future loss is calculated on the basis of the probability of default (PD), the exposure at default (EaD) and the loss given default (LGD). These parameters are based on the Group's advanced IRB set-up, which is based on the bank's experience of loss history and early repayments, among other things.

For exposures in stage 1, impairment charges corresponding to probability-weighted losses expected over the following 12 months are recognised, while for exposures in stages 2 and 3 impairment charges corresponding to losses expected over the remaining life of the exposures are recognised.

The assessment of the indication of impairment for stage 3 exposures is based on individual expert assessments of the probability-weighted expected loss. The new rules have not resulted in any material changes in the extent of impairment of these exposures.

For financial assets measured at fair value, the expected element of credit exposure in the determination of fair value follows to a high degree the principles of the impairment model as described above for financial assets recognised at amortised cost.

Implementation by and effect on Jyske Bank

Due to the implementation of the new impairment models, the Jyske Bank Group's balance of impairment charges increased by DKK 1,035m. The amount includes both loans and advances at amortised cost and loans and advances at fair value.

The amount from loans and advances at amortised cost, guarantees and unutilised credit lines is DKK 628m. The amount is accounted for as a change in practice, and after a tax effect of DKK 137m it was recognised at net DKK 491m in equity on 1 January 2018.

The amount from loans and advances at fair value was DKK 407m. The amount is accounted for as a changed estimate, and with the ensuing tax effect it is recognised in the income statement for the first quarter of 2018.

A negative accounting outcome from the new expectations-based IFRS 9 impairment rules will basically have a corresponding effect on the capital position. To soften the potential, negative effect on and hence credit institutions' possibility of supporting the granting of credit, the European Commission has proposed a 5-year transitional arrangement so that any negative effect from the new IFRS 9 impairment rules will only take full effect after five years. Jyske Bank has chosen not to make use of the possibility of a 5-year transition period.

Hedge accounting

The new rules on hedge accounting will ensure application of the hedging rules and then to a higher degree bring the companies' financial reporting in line with the companies' actual risk management.

The changed rules on hedge accounting are not expected to affect Jyske Bank as the existing hedging relationship also qualify as effective hedging relationship according to the new rules.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 is a new standard that has been approved for use in the EU and took effect on 1 January 2018. The standard prescribes a five-step model, which is a process to ensure a systematic assess of all elements in contracts with clients. The standard did not have any impact on Jyske Bank's financial statements.

IFRS 16, Leases

IFRS 16 is a new standard that has been approved for use in the EU and will take effect on 1 January 2019. In consequence of the standard, practically all lease agreements must be recognised in the balance sheet of the lessee's financial statements in the form of a lease liability and an asset representing the lessee's right of use of the underlying asset. A distinction will no longer be made between operating and financial leases. The accounting treatment of leasing in the lessor's financial statements is practically unchanged. It is not expected that the standard will have any material impact on Jyske Bank's financial statements.

Note	The Jyske Bank Group

2 **Material accounting estimates**

Measurement of the carrying value of certain assets and liabilities requires the management's estimate of the influence of future events on the value of such assets and liabilities. Estimates of material importance to the financial reporting are, among other things, based on the impairment of loans and advances, the fair value of unlisted financial instruments and provisions already made, cf. the detailed statement in the Annual Report 2017. The estimates are based on assumptions which management finds reasonable, but which are inherently uncertain. Besides, the Group is subject to risks and uncertainties which may cause results to differ from those estimates.

Note						The Jyske Bank Group
	DKKm	**Q1 2018**	Q4 2017	Q3 2017	Q2 2017	Q1 2017
3	**Key figures and ratios, five quarters**					
	Summary of Income Statement					
	Net interest income	**1,425**	1,670	1,569	1,519	1,530
	Net fee and commission income	**506**	653	434	420	447
	Value adjustments	**278**	-71	174	105	578
	Other income	**255**	140	165	287	230
	Income	**2,464**	2,392	2,342	2,331	2,785
	Expenses	**1,393**	1,507	1,454	1,551	1,515
	Profit or loss before loan impairment charges	**1,071**	885	888	780	1,270
	Loan impairment charges	**308**	-92	-70	-44	27
	Pre-tax profit	**763**	977	958	824	1,243
	Tax	**153**	197	210	185	267
	Net profit or loss for the period	**610**	780	748	639	976
	Financial ratios and key figures					
	Pre-tax profit, per share (DKK)*	**8.6**	10.9	10.7	9.1	13.7
	Earnings per share for the period (DKK)*	**6.8**	8.6	8.3	7.0	10.7
	Earnings per share for the period (diluted) (DKK)*	**6.8**	8.6	8.3	7.0	10.7
	Core profit per share (DKK)*	**3.8**	11.2	9.1	7.9	9.8
	Share price at end of period (DKK)	**358**	353	363	377	353
	Book value per share (DKK)*	**371**	374	363	355	353
	Price/book value per share (DKK)*	**1.0**	0.9	1.0	1.1	1.0
	Outstanding shares in circulation ('000)	**84,934**	85,705	87,389	88,198	88,854
	Average number of shares in circulation ('000)	**85,312**	86,476	87,967	88,496	89,102
	Capital ratio	**20.0**	19.8	19.8	19.4	17.6
	Core Tier 1 Capital ratio (%)	**18.2**	18.0	18.0	17.6	17.0
	Common Equity Tier 1 capital ratio (%)	**16.5**	16.4	16.2	16.5	15.8
	Pre-tax profit as a pct. of average equity	**2.3**	3.0	3.0	2.6	3.9
	Profit for the period as a pct. of av. equity*	**1.8**	2.3	2.3	2.0	3.1
	Income/cost ratio (%)	**1.4**	1.7	1.7	1.5	1.8
	Interest-rate risk (%)	**0.9**	0.8	0.9	0.7	0.8
	Currency risk (%)	**0.1**	0.1	0.1	0.1	0.1
	Accumulated impairment ratio (%)	**1.2**	1.1	1.2	1.2	1.3
	Impairment ratio for the period (%)	**0.1**	0.0	0.0	0.0	0.0
	No. of full-time employees at end-period	**3,899**	3,971	4,003	3,988	4,024
	Average number of full-time employees in the period	**3,935**	3,987	3,996	4,006	4,003

*Financial ratios are calculated as if AT1 capital is recognised as a liability.

DKKm

4 **Segmental financial statements**

	Banking activities	Mortgage activities	Leasing activities	The Jyske Bank Group *
Q1 2018				
Net interest income	789	484	134	1,407
Net fee and commission income	468	66	-28	506
Value adjustments	-41	-27	0	-68
Other income	57	4	4	65
Income from operating lease (net)	0	0	26	26
Core income	**1,273**	**527**	**136**	**1,936**
Core expenses	1,044	182	46	1,272
Core profit before loan impairment charges	**229**	**345**	**90**	**664**
Loan impairment charges	-154	428	34	308
Core profit	**383**	**-83**	**56**	**356**
Investment portfolio earnings	407	0	0	407
Pre-tax profit	**790**	**-83**	**56**	**763**
Loans and advances	121,526	309,461	16,758	447,745
- of which mortgage loans	0	309,461	0	309,461
- of which bank loans	99,002	0	16,758	115,760
- of which repo loans	22,524	0	0	22,524
Total assets	238,126	335,613	19,498	593,237
Deposits	154,845	0	216	155,061
- of which bank deposits	136,156	0	216	136,372
- of which repo deposits and tri-party deposits	18,689	0	0	18,689
Issued bonds	30,141	307,854	0	337,995
Q1 2017				
Net interest income	804	443	123	1,370
Net fee and commission income	412	63	-28	447
Value adjustments	342	3	1	346
Other income	47	9	4	60
Income from operating lease (net)	0	0	16	16
Core income	**1,605**	**518**	**116**	**2,239**
Core expenses	1,136	212	42	1,390
Core profit before loan impairment charges	**469**	**306**	**74**	**849**
Loan impairment charges	-143	92	6	-45
Core profit	**612**	**214**	**68**	**894**
Investment portfolio earnings	305	44	0	349
Pre-tax profit	**917**	**258**	**68**	**1,243**
Loans and advances	122,224	287,380	15,310	424,914
- of which mortgage loans	0	287,380	0	287,380
- of which bank loans	95,215	0	15,310	110,525
- of which repo loans	27,009	0	0	27,009
Total assets	244,613	307,496	18,089	570,198
Deposits	155,252	0	209	155,461
- of which bank deposits	132,259	0	209	132,468
- of which repo deposits and tri-party deposits	22,993	0	0	22,993
Issued bonds	42,024	280,216	0	322,240

* Relationships between income statement items under 'The Jyske Bank Group' (key financial data) and the income statement page 24 appear from page 9 in the Management's review.

DKKm

4 **Segmental financial statements, cont.**

Revenue by country	**Q1 2018** **Revenue**	**Q1 2018** **Full-time employees, end of period**	Q1 2017 Revenue	Q1 2017 Full-time employees, end of period
Denmark	**3,390**	**3,750**	3,458	3,917
Gibraltar	**35**	**97**	35	98
Germany	**1**	**9**	4	9
Spain	**0**	**0**	0	0
Total	**3,426**	**3,856**	3,497	4,024

Revenue is defined as interest income, fee and commission income and also other operating income.

Jyske Bank has activities in the countries stated below in the form of subsidiaries or branches. The names of the subsidiaries appear from the group chart.

Activities in individual countries:
Denmark: The Jyske Bank Group has activities within banking and mortgage banking, trading and wealth management advice as well as leasing.
Gibraltar: The Jyske Bank Group has activities within banking as well as trading and wealth management advice.
Germany: The Jyske Bank Group has activities within banking.
Spain: The Jyske Bank Group has activities within properties.

Note	The Jyske Bank Group		
	DKKm	**Q1 2018**	Q1 2017
5	**Interest income**		
	Due from credit institutions and central banks	**0**	-1
	Loans and advances	**1,903**	2,071
	Contribution	**407**	410
	Bonds	**214**	276
	Derivatives, total	**102**	49
	Of which:		
	Currency contracts	**94**	16
	Interest-rate contracts	**8**	33
	Other	**0**	0
	Total	**2,626**	2,805
	Interest on own mortgage bonds, set off against interest on issued bonds	**81**	101
	Total after offsetting of negative interest	**2,545**	2,704
	Negative interest income set off against interest income	**48**	33
	Negative interest expenses set off against interest expenses	**41**	36
	Total before offsetting of negative interest income	**2,634**	2,773

Negative interest income amounted to DKK 89m (2017: DKK 69m) and related primarily to repo transactions. In the above table, negative interest income is set off against interest income. In the income statement, negative interest income is listed as interest expenses, and negative interest expenses are listed as interest income.

6	**Interest expenses**		
	Due to credit institutions and central banks	**32**	7
	Deposits	**-28**	5
	Issued bonds	**1,137**	1,232
	Subordinated debt	**25**	12
	Other	**35**	19
	Total	**1,201**	1,275
	Interest on own mortgage bonds, set off against interest on issued bonds	**81**	101
	Total after offsetting of negative interest	**1,120**	1,174
	Negative interest expenses set off against interest expenses	**48**	33
	Negative interest income set off against interest income	**41**	36
	Total before offsetting of negative interest income	**1,209**	1,243

Negative interest expenses amounted to DKK 89m (2017: DKK 69m) and related primarily to repo transactions. In the above table, negative interest expenses are set off against interest expenses. In the income statement, negative interest expenses are listed as interest income, and negative interest income is listed as interest expenses.

Note	The Jyske Bank Group		
	DKKm	**Q1 2018**	Q1 2017
7	**Fees and commission income**		
	Securities trading and custody services	**312**	325
	Money transfers and card payments	**52**	46
	Loan application fees	**101**	81
	Guarantee commission	**28**	19
	Other fees and commissions	**130**	79
	Total	**623**	550
8	**Value adjustments**		
	Loans and advances at fair value	**-1,015**	779
	Bonds	**-111**	116
	Other investment securities	**333**	182
	Currency	**-4**	78
	Currency, interest-rate, share, commodity and other contracts as well as other derivatives	**31**	77
	Issued bonds	**1,037**	-657
	Other assets and liabilities	**7**	3
	Total	**278**	578
9	**Other income**		
	Income on real property	**16**	17
	Profit on the sale of property, plant and equipment	**0**	1
	Income from operating lease[1]	**132**	133
	Dividends, etc.	**86**	54
	Profit on investments in associates and group enterprises	**0**	1
	Other income	**21**	24
	Total	**255**	230

[1]) Expenses relating to operating lease affected the item Amortisation, depreciation and impairment charges in the amount of DKK 106m in the first quarter of 2018 against DKK 117m in the same period of 2017.

Note		The Jyske Bank Group	
	DKKm	**Q1 2018**	Q1 2017
10	**Employee and administrative expenses**		
	Employee expenses		
	Wages and salaries, etc.	**605**	599
	Pensions	**88**	82
	Social security	**78**	81
	Total	**771**	762
	Salaries and remuneration to management bodies		
	Executive Board[1]	**10**	7
	Supervisory Board	**1**	1
	Shareholders' Representatives	**0**	0
	Total	**11**	8
	[1] I The Executive Board had an average of 5.0 members in the first quarter of 2018 in line with the same period of 2017.		
	Other administrative expenses		
	IT	**315**	289
	Other operating expenses	**50**	55
	Other administrative expenses	**115**	210
	Total	**480**	554
	Employee and administrative expenses, total	**1,262**	1,324
11	**Effective tax rate**		
	Corporation tax rate in Denmark	**22.0**	22.0
	Non-taxable income and non-deductible expenses, etc.	**-2.0**	-0.5
	Total	**20.0**	21.5

Note			The Jyske Bank Group
	DKKm	**Q1 2018**	Q1 2017
12	**Loan impairment charges and provisions for guarantees recognised in the income statement**		
	Loan impairment charges/provisions for the period	**395**	74
	Impairment charges on balances due from credit institutions in the period	**3**	0
	Provisions for commitments and unutilised credit lines in the period	**-32**	-
	Recognised as a loss, not covered by loan impairment charges/provisions	**82**	78
	Recoveries	**-99**	-125
	Loan impairment charges and provisions for guarantees recognised in the income statement	**349**	27
	Recognised discount for acquired loans	**41**	72
	Net effect on income statement	**308**	-45

13	**Balance of loan impairment charges and provisions for guarantees incl. balance of discounts**		
	Balance of loan impairment charges and provisions for guarantees incl. balance of discounts, beginning of period	**5,656**	6,816
	Implementation of IFRS 9 and adjustments to the standard	**623**	-
	Loan impairment charges/provisions for the period	**363**	74
	Recognised as a loss, covered by impairment charges/provisions	**-347**	-243
	Recognised losses covered by discounts for acquired loans	**-1**	-25
	Recognised discount for acquired loans	**-41**	-72
	Other movements	**29**	22
	Balance of loan impairment charges and provisions for guarantees incl. balance of discounts, end of period	**6,282**	6,572
	Loan impairment charges	**5,482**	5,374
	Provisions for guarantees	**220**	416
	Provisions for commitments and unutilised credit lines	**126**	-
	Balance of loan impairment charges and provisions, end of period	**5,828**	5,790
	Balance of discounts for acquired loans	**454**	782
	Balance of loan impairment charges and provisions for guarantees incl. balance of discounts, end of period	**6,282**	6,572

The regulatory balance of loan impairment charges and provisions for guarantees does not include the discount balance for acquired loans and advances.

14	**The balance of loan impairment charges and provisions for guarantees broken down by stages**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	Balance according to IAS 39, beginning of period				**5,157**
	Transitional effect, IFRS 9, incl. effect on loans at fair value	645	1,352	4,195	**1,035**
	Movements over the period, net	-17	-1	-346	**-364**
	Balance of loan impairment charges and provisions, end of period	**628**	**1,351**	**3,849**	**5,828**
	of which bank loans at fair value	256	748	576	**1,580**

Note	DKKm	**31 March 2018**	31 Dec. 2017	31 March 2017
15	**Loans and advances at fair value**			
	Mortgage loans, nominal value	**302,265**	298,239	280,968
	Adjustment for interest-rate risk, etc.	**8,162**	9,189	6,933
	Adjustment for credit risk[1]	**-1,523**	-1,139	-1,094
	Mortgage loans at fair value, total	**308,904**	306,289	286,807
	Arrears and outlays, total	**134**	101	96
	Other loans and advances	**11,840**	10,608	12,425
	Loans and advances at fair value, total	**320,878**	316,998	299,328

[1] Adjustment for credit risk is calculate so it allows for objective evidence whether loans and advances are impaired compared to the time of the establishment of the loans and advances.

Note	DKKm	**31 March 2018**	31 Dec. 2017	31 March 2017
16	**Loans and advances at fair value broken down by property category**			
	Owner-occupied homes	**168,139**	167,351	157,982
	Vacation homes	**7,751**	7,699	7,300
	Subsidised housing (rental housing)	**50,777**	50,167	48,972
	Cooperative housing	**15,780**	15,893	15,653
	Private rental properties (rental housing)	**38,808**	37,225	32,526
	Industrial properties	**1,186**	1,156	1,212
	Office and business properties	**34,046**	33,356	32,039
	Agricultural properties	**84**	56	48
	Properties for social, cultural and educational purposes	**4,212**	4,041	3,505
	Other properties	**95**	54	91
	Total	**320,878**	316,998	299,328

Note	DKKm	**31 March 2018**	31 Dec. 2017	31 March 2017
17	**Loans and advances at amortised cost and guarantees broken down by sector**			
	Public authorities	**8,143**	9,275	6,773
	Agriculture, hunting, forestry, fishing	**7,222**	7,203	6,567
	Manufacturing, mining, etc.	**7,961**	7,649	8,167
	Energy supply	**4,717**	4,980	4,407
	Building and construction	**3,226**	3,494	3,817
	Commerce	**12,018**	11,984	11,035
	Transport, hotels and restaurants	**4,181**	3,832	3,759
	Information and communication	**1,074**	1,114	875
	Finance and insurance	**29,834**	35,714	35,475
	Real property	**15,615**	14,244	12,874
	Other sectors	**7,305**	7,464	6,471
	Corporates, total	**93,153**	97,678	93,447
	Personal clients, total	**43,660**	42,451	42,392
	Total	**144,956**	149,404	142,612

Note	DKKm	31 March 2018	31 Dec. 2017	31 March 2017
18	**Other assets**			
	Positive fair value of derivatives	**25,184**	25,632	30,915
	Assets in pooled deposits	**3,983**	4,208	4,432
	Interest and commission receivable	**431**	464	556
	Investments in associates	**418**	417	418
	Prepayments	**345**	328	299
	Investment properties	**28**	29	32
	Other assets	**1,370**	1,282	1,158
	Total	**31,759**	32,360	37,810
	Netting			
	Positive fair value of derivatives, etc., gross	**31,407**	31,941	37,214
	Netting of positive and negative fair value	**6,223**	6,309	6,299
	Total	**25,184**	25,632	30,915

The Jyske Bank Group

Netting of fair value can be attributed to clearing of derivatives through a central clearing house (CCP clearing).

Note	DKKm	31 March 2018	31 Dec. 2017	31 March 2017
19	**Deposits**			
	Demand deposits	**106,226**	109,334	98,294
	Term deposits	**2,967**	2,950	4,228
	Time deposits	**34,607**	36,333	41,120
	Special deposits	**6,957**	7,038	7,358
	Pooled deposits	**4,304**	4,368	4,461
	Total	**155,061**	160,023	155,461
20	**Issued bonds at fair value**			
	Issued bonds at fair value, nominal value	**336,527**	332,462	309,187
	Adjustment to fair value	**8,371**	9,300	7,109
	Own mortgage bonds offset, fair value	**-37,044**	-39,161	-39,794
	Total	**307,854**	302,601	276,502
21	**Other liabilities**			
	Set-off entry of negative bond holdings in connection with repos/reverse repos	**3,212**	3,695	3,776
	Negative fair value of derivatives, etc.	**24,349**	25,776	29,641
	Interest and commission payable	**1,894**	2,221	2,113
	Deferred income	**143**	135	144
	Other liabilities	**4,844**	5,411	4,843
	Total	**34,442**	37,238	40,517
	Netting			
	Negative fair value of derivatives, etc., gross	**30,572**	32,085	35,940
	Netting of positive and negative fair value	**6,223**	6,309	6,299
	Total	**24,349**	25,776	29,641

Netting of fair value can be attributed to clearing of derivatives through a central clearing house (CCP clearing).

Note	DKKm	31 March 2018	31 Dec. 2017	31 March 2017
22	**Provisions**			
	Provisions for pensions and similar liabilities	**606**	602	565
	Provisions for deferred tax	**581**	576	525
	Provisions for guarantees	**220**	342	416
	Other provisions	**373**	252	197
	Total	**1,780**	1,772	1,703

Note	DKKm	**31 March 2018**	31 Dec. 2017	31 March 2017
23	**Subordinated debt**			
	Supplementary capital:			
	Var. % bond loan EUR 300m 05.04.2029	**2,235**	2,234	0
	Var. % bond loan SEK 600m 19.05.2026	**435**	454	468
	3.25% bond loan SEK 400m 19.05.2026	**290**	303	312
	6.73% bond loan EUR 13.5m 2018-2026	**100**	101	112
	Var. % bond loan EUR 10m 13.02.2023	**75**	74	75
	5.65% bond loan EUR 10 m 27.03.2023	**75**	74	74
	5.67% bond loan EUR 10 m 31.07.2023	**75**	74	74
		3,285	3,314	1,115
	Hybrid core capital:			
	Var. % bond loan EUR 72.8m Perpetual	**542**	542	541
	Var. % bond loan EUR 60.7m Perpetual	**452**	452	451
		994	994	992
	Subordinated debt, nominal	**4,279**	4,308	2,107
	Hedging of interest-rate risk, fair value	**10**	15	26
	Total	**4,289**	4,323	2,133
	Subordinated debt included in the capital base	**4,245**	4,278	2,075

The above-mentioned issues of hybrid core capital do not meet the conditions for Additional Tier 1 Capital (AT1) in the Capital Requirements Regulation, CRR. The issues are recognised under liability other than provision according to IAS 32.

Note	DKKm	**31 March 2018**	31 Dec. 2017	31 March 2017
24	**Contingent liabilities**			
	Guarantees			
	Financial guarantees	**13,768**	14,169	12,299
	Guarantee for losses on mortgage credits	**1,662**	1,712	1,833
	Registration and refinancing guarantees	**987**	926	897
	Other contingent liabilities	**1,672**	1,922	1,997
	Total	**18,089**	18,729	17,026
	Other contingent liabilities			
	Irrevocable credit commitments	**21,967**	22,151	21,819
	Other	**97**	105	95
	Total	**22,064**	22,256	21,914

Financial guarantees are primarily payment guarantees, and the risk equals that involved in credit facilities.

Guarantees for losses on mortgage loans are typically provided as security for the most risky part of mortgage loans granted to personal clients and to a limited extent for loans secured on commercial real property. Guarantees for residential real property are within 80% and for commercial real property within 60%-80%, of the property value as assessed by a professional expert.

Registration and refinancing guarantees are provided in connection with the registration of new and refinanced mortgages. Such guarantees involve insignificant risk.

Other contingent liabilities include other forms of guarantees at varying degrees of risk, including performance guarantees. The risk involved is deemed to be less than the risk involved in, e.g., credit facilities subject to flexible drawdown.

24 **Contingent liabilities, cont.**

Jyske Bank is also a party to a number of legal disputes arising from its business activities. Jyske Bank estimates the risk involved in each individual case and makes any necessary provisions which are recognised under contingent liabilities. Jyske Bank does not expect such liabilities to have material influence on Jyske Bank's financial position.

Because of its statutory participation in the deposit guarantee scheme, the sector has paid an annual contribution of 2.5‰ of the covered net deposits until the assets of Pengeinstitutafdelingen (the financial institution fund) exceed 1% of the total net deposits covered, which level has been reached. According to Bank Package 3 and Bank Package 4, Pengeinstitutafdelingen bears the immediate losses attributable to covered net deposits and relating to the winding up of financial institutions in distress. Any losses in connection with the final winding up are covered by the Guarantee Fund's Afviklings- og Restruktureringsafdeling (settlement and restructuring fund), where Jyske Bank currently guarantees 9.93% of any losses.

The statutory participation in the resolution financing arrangements (Resolution Fund) as of June 2015 entailed that credit institutions pay an annual contribution over a 10-year period to a Danish national fund with a target size totalling 1% of the covered deposits. Credit institutions are to contribute according to their relative sizes and risk in Denmark, and the first contributions to the Resolution Fund were paid at the end of 2015. The Jyske Bank Group expects having to pay a total of about DKK 500m over a 10-year period.

Jyske Bank is a management company under Danish joint taxation. Therefore, according to the provisions of the Danish Company Taxation, Jyske Bank is liable as of the accounting year 2013 for corporation tax, etc. for the jointly taxed companies and as of 1 July 2012 for any liabilities to withhold tax on interest and dividends for the jointly taxed companies.

25 **Shareholders**

On 6 September 2017, BRFholding a/s, Kgs. Lyngby, Danmark informed Jyske Bank that it owns 20.25% of the share capital. On 19 October 2012, MFS Investment Management, USA reported that it owns 5.14% of the share capital. According to Jyske Bank's Articles of Association, BRFholding a/s and MFS Investment Management have 4,000 votes each.

26 **Related parties**

Jyske Bank is the banker of a number of related parties. Transactions between related parties are characterised as ordinary financial transactions and services of an operational nature. Transactions with related parties were executed on an arm's length basis or at cost.

Over the period, there were no unusual transactions with related parties. Please see Jyske Bank's Annual Report 2017 for a detailed description of transactions with related parties.

27 **Bonds provided as security**

The Jyske Bank Group has deposited bonds with central banks and clearing houses, etc. in connection with clearing and settlement of securities and currency transactions as well as tri-party repo transactions totalling a market value of DKK 20,117m (end of 2017: DKK 17,012m).

In addition, the Jyske Bank Group has provided cash collateral in connection with CSA agreements in the amount of DKK 4,943m (at the end of 2017: DKK 5,224m) as well as bonds in the amount of DKK 1,396m (at the end of 2017: 1,470m).

Repo transactions involve an arrangement where bonds are provided as collateral for the amount borrowed. Repo transactions amounted to DKK 10,951m (end of 2017: DKK 11,725m).

28 **Notes on fair value**

Methods for measuring fair value
Fair value is the price that, at the time of measurement, would be obtained by selling an asset or paid for by transferring a liability in an ordinary transaction between independent market participants. The fair value may equal the book value where book value is recognised on the basis of underlying assets and liabilities measured at fair value.

For all assets listed on active markets, fair values are measured at official prices (the category "Quoted prices". Where no price is quoted, a different official price is used which is taken to reflect most closely the fair value (category: "Observable prices". Financial assets and liabilities of which quoted prices or other official prices are not available or are not taken to reflect the fair value are measured at fair value according to other evaluation techniques and other observable market information. In those cases where observable prices based on market information are not available or are not taken to be useful for measuring fair value, the fair value is measured by recognised techniques, including discounted future cash flows, and own expertise (category "non-observable prices").. The basis of the measurement may be recent transactions involving comparable assets or liabilities, interest rates, exchange rates, volatility, credit spreads, etc. Generally, the Group's unlisted shares are placed in this category.

Generally, quoted prices and observable input are obtained in the form of interest rates and equity and bond prices, exchange rates, forward premiums, volatilities, etc. from recognised stock exchanges and providers.

Specific details on methods for measuring fair value
Bonds at fair value, shares, assets linked to pooled deposits, and derivatives are measured at fair value in the accounts to the effect that the carrying amounts equal fair values.

Generally bonds are measured at prices quoted on a recognised stock exchange. Alternatively, prices are applied that are calculated on the basis of Jyske Bank's own measurement models based on a yield curve with a credit spread. Essentially, the calculated prices are based on observable input.

Generally equities, etc. are measured at prices quoted on a recognised stock exchange. Alternatively, prices are applied that are calculated on the basis of Jyske Bank's own measurement models based on observable input, shareholders' agreements, executed transactions, etc. Unlisted equities are measured on the basis of discounted cash flow models (DCF).

Derivatives are measured on the basis of the following measurement techniques.
- Forward exchange transactions are measured on the basis of forward premiums as well as exchange rates obtained.
- Interest-rate and currency swaps are measured on the basis of exchange rates, interest points, interpolation between these, exchange rates as well as correction of credit risk (CVA and DVA). Client margins are amortised over the remaining time to maturity. Present value calculations with discounting is applied.
- Futures are measured on the basis of prices obtained in the market for stock-exchange traded futures.
- Options are measured on the basis of volatilities, correlation matrices, prices of underlying assets and exercise prices. For this purpose, option models, such as Black-Scholes, are applied.

Assets related to pooled deposits are measured according to the above principles.

Information about differences between recognised value and measurement of fair value
Loans and advances exclusive of mortgage loans and certain other home loans are recognised at amortised cost. The difference to fair value is assumed to be fees and commission received, costs defrayed in connection with lending, plus interest-rate-dependent value adjustment calculated by comparing current market rates with market rates at the time when the loans and advances were established. Changes in credit quality are assumed to be included under impairment charges both for carrying amounts and fair values.

Subordinated debt and issued bonds exclusive of issues of mortgage bonds are recognised at amortised cost supplemented with the fair value of the hedged interest-rate risk. The difference to fair value was calculated on the basis of own-issue prices obtained externally.

Deposits are recognised at amortised cost. The difference to fair value is assumed to be the interest-rate dependent value adjustment calculated by comparing current market rates with market rates at the time when the deposits were made.

Balances with credit institutions are recognised at amortised cost. The difference to fair value is assumed to be the interest-rate dependent value adjustment calculated by comparing current market rates with market rates at the time when the transactions were established. Changes in the credit quality of balances with credit institutions are assumed to be included under impairment charges for loans, advances, and receivables. Changes in the fair values of balances due to credit institutions because of changes in Jyske Bank's own credit rating are not taken into account.

The calculated fair values of financial assets and liabilities recognised at amortised cost are materially non-observable prices (level 3) in the fair value hierarchy.

DKKm

28 **Notes on fair value, cont.**

Information about changes in credit risk on derivatives with positive fair value.
In order to allow for the credit risk on derivatives for clients without objective evidence of impairment (OEI), the fair value is adjusted (CVA). Adjustments will also be made for clients with OEI, but on an individual basis.

For any given counterparty's total portfolio of derivatives, CVA is a function of the probability of the counterparty's probability of default (PD), the expected positive exposure (EPE) as well as the loss given default (LGD). Credit default swaps (CDS) spreads should be used as the primary source for the probability of default in the CVA calculation. However, the Jyske Bank Group enters primarily to derivatives transactions with unlisted Danish counterparties, for which there only to a most limited extent exist CDS or CDS proxy spreads. As CDS spreads are not available for the majority of the portfolio of derivatives counterparties, risk-neutral PDs are used instead. The risk-neutral PDs are calculated on the basis of IRB PDs that are adjusted for the observable price of risk in the market (Sharpe Ratio measured on the basis of the OMX C20 index). By using risk-neutral PDs, it is achieved that the CVA gets closer to the value it would have had if it had been calculated on the basis of market observable PDs. The calculation of CVA also allows for the expected development of the rating over time. This takes place on the basis of historical rating migrations. When determining the EPE, a model is used to establish the expected positive exposure to the counterparty's portfolio over the maturity of the derivatives. For LGD, internal estimates are used for the individual counterparty, adjusted for any collateral received as well as CSA agreements concluded.

In addition to CVA, also an adjustment is made of the fair value of derivatives that have an expected future negative fair value. This takes place to allow for changes in the counterparties' credit risk against the Jyske Bank Group (debt valuation adjustment - DVA). The DVA takes place according to the same principles that apply to the CVA, yet PD for Jyske Bank is determined on the basis of Jyske Bank's external rating by Standard & Poor's. At the end of the first quarter of 2018, CVA and DVA amounted, on an accumulated basis, to net DKK 58m, which accumulated amount was recognised as an expense under value adjustment against an accumulated amount of DKK 70m at the end of 2017.

29 **Fair value of financial assets and liabilities**
The recognised value and fair value of assets classified as held-for-trading amounted to DKK 127.3 bn at the end of the first quarter of 2018 against DKK 134.1 bn at the end of 2017. The recognised value and fair value of liabilities classified as trading portfolio amounted to DKK 35.3 bn at the end of the first quarter of 2018 against DKK 38.6 bn at the end of 2017. The recognised value and fair value of assets classified as held-to-maturity amounted to DKK 2.9 bn and DKK 3.0 bn, respectively, at the end of the first quarter of 2018 against DKK 4.3 bn and 4.3 bn, respectively, at the end of 2017. The Group does not hold any assets classified as available-for-sale. The table shows the fair value of financial assets and liabilities and the carrying amounts. The re-statement at fair value of financial assets and liabilities shows a total unrecognised unrealised loss of DKK 265m at the end of the first quarter of 2018 against a loss of DKK 319m at the end of 2017.

	31 March 2018		31 December 2017	
	Recognised value	**Fair Value**	Recognised value	Fair value
FINANCIAL ASSETS				
Cash balance and demand deposits with central banks	**18,975**	**18,975**	19,347	19,347
Due from credit institutions and central banks	**12,922**	**12,921**	13,046	13,045
Loans and advances at fair value	**320,878**	**320,878**	316,998	316,998
Loans and advances at amortised cost	**126,867**	**127,033**	130,675	130,831
Bonds at fair value	**67,022**	**67,022**	69,846	69,846
Bonds at amortised cost	**2,905**	**2,960**	4,280	4,336
Shares, etc.	**5,172**	**5,172**	4,972	4,972
Assets in pooled deposits	**3,983**	**3,983**	4,208	4,208
Derivatives	**25,184**	**25,184**	25,632	25,632
Total	**583,908**	**584,128**	589,004	589,215
FINANCIAL LIABILITIES				
Due to credit institutions and central banks	**25,647**	**25,650**	17,959	17,963
Deposits	**150,757**	**150,768**	155,655	155,674
Pooled deposits	**4,304**	**4,304**	4,368	4,368
Issued bonds at fair value	**307,854**	**307,854**	302,601	302,601
Issued bonds at amortised cost	**30,141**	**30,536**	38,920	39,376
Subordinated debt	**4,289**	**4,365**	4,323	4,374
Derivatives	**24,349**	**24,349**	25,776	25,776
Total	**547,341**	**547,826**	549,602	550,132

DKKm

30 **The fair value hierarchy**

31 March 2018 **Financial assets**	**Quoted prices**	**Observable prices**	**Non-observable prices**	**Fair value total**	**Recognised amount**
Loans and advances at fair value	0	320,878	0	320,878	320,878
Bonds at fair value	12,586	54,436	0	67,022	67,022
Shares, etc.	2,069	910	2,193	5,172	5,172
Assets in pooled deposits	2,418	1,565	0	3,983	3,983
Derivatives	563	24,621	0	25,184	25,184
Total	**17,636**	**402,410**	**2,193**	**422,239**	**422,239**
Financial liabilities					
Pooled deposits	0	4,304	0	4,304	4,304
Issued bonds at fair value	42,010	265,844	0	307,854	307,854
Derivatives	402	23,947	0	24,349	24,349
Total	**42,412**	**294,095**	**0**	**336,507**	**336,507**
31 December 2017					
Financial assets					
Loans and advances at fair value	0	316,998	0	316,998	316,998
Bonds at fair value	55,412	14,434	0	69,846	69,846
Shares, etc.	1,978	739	2,255	4,972	4,972
Assets in pooled deposits	2,398	1,810	0	4,208	4,208
Derivatives	367	25,265	0	25,632	25,632
Total	60,155	359,246	2,255	421,656	421,656
Financial liabilities					
Pooled deposits	0	4,368	0	4,368	4,368
Issued bonds at fair value	283,416	19,185	0	302,601	302,601
Derivatives	303	25,473	0	25,776	25,776
Total	283,719	49,026	0	332,745	332,745

The above table shows the fair value hierarchy for financial assets and liabilities recognised at fair value. It is the practice of the Group that if prices are not updated for two days, transfers will take place between the categories quoted prices and observable prices.

NON-OBSERVABLE PRICES	**Q1 2018**	2017
Fair value, beginning of period	**2,255**	2,024
Transfers for the period	**0**	-73
Capital gain and loss for the period reflected in the income statement under value adjustments	**66**	149
Sales or redemptions	**128**	30
Purchases	**0**	185
Fair value, end of year	**2,193**	2,255

Non-observable prices

Non-observable prices at the end of the first quarter of 2018 referred to unlisted shares recognised at DKK 2,193m against unlisted shares recognised at DKK 2,255m at the end of 2017. These are primarily sector shares. The measurements, which are associated with some uncertainty, are made on the basis of the shares' book value, market trades, shareholders' agreements as well as own assumptions and extrapolations, etc. In the cases where Jyske Bank calculates the fair value on the basis of the company's expected future earnings, a required rate of return of 15% p.a. before tax is applied. A change in the required rate of return of 1% will result in a change of the fair value of about DKK 35m. Capital gain and loss for the period on illiquid bonds and unlisted shares referred to assets held at the end of the first quarter of 2018. Jyske Bank finds it of little probability that the application of alternative prices in the measurement of fair value would result in a material deviation from the recognised fair value.

30 **Fair value hierarchy, cont.**

Non-financial assets recognised at fair value

Investment properties were recognised at a fair value of DKK 28m (end of 2017: DKK 29m). Fair value belongs to the category of non-observable prices calculated on the basis of a required rate of return of 7% (end of 2017: 7%)

Assets held temporarily comprise repossessed properties, equity investments and cars, etc. and similar assets held for sale. Assets held temporarily are recognised at the lower of cost and fair value less costs of sale. Assets held temporarily were recognised at DKK 1,580m (end of 2017: DKK 577m). Fair value belongs to the category of non-observable prices.

Owner-occupied properties are recognised at the restated value corresponding to the fair value on the date of the revaluation less subsequent amortization, depreciation and impairment. The valuation of selected land and buildings is carried out with the assistance of external experts. Based on the returns method, the measurement takes place in accordance with generally accepted standards and with a weighted average required rate of return of 5.96% at the end of 2017. Owner-occupied properties were recognised at DKK 1,896m (2017: DKK 2,657m). The revalued amount belongs to the category of non-observable prices.

31 **The Jyske Bank Group - overview**

31 March 2018	*	Curr ency	Share capital 1.000 units	Owner-ship share (%)	Voting share %	Assets, DKKm end of 2017	Liabili-ties DKKm at the end of 2017	Equity DKKm, at the end of 2017	Ear-nings, DKKm 2017	Profit, DKKm 2017
Jyske Bank A/S	a	DKK	891,590			295,738	261,134	34,604	6,604	3,143
Subsidiaries										
BRFkredit a/s, Kgs. Lyngby	b	DKK	3,306,480	100	100	337,754	322,023	15,731	2,186	886
Ejendomsselskabet Nørreport 26, 8000 Århus C. A/S, Silkeborg	e	DKK	4,600	100	100	146	14	132	49	38
Jyske Bank (Gibraltar) Ltd.	a	GBP	26,500	100	100	6,501	5,987	514	149	-81
Jyske Bank (Gibraltar) Nominees Ltd.	d	GBP	0	100	100	0	0	0	0	0
Jyske Bank (Gibraltar) Management Ltd.	d	GBP	0	100	100	0	0	0	0	0
Jyske Bank (Gibraltar) Secretaries Ltd.	d	GBP	0	100	100	0	0	0	0	0
Trendsetter, S.L., Spain	e	EUR	706	100	100	16	0	16	0	0
Jyske Bank Nominees Ltd., London	d	GBP	0	100	100	0	0	0	0	0
Inmobiliaria Saroesma S.L., Spain	e	EUR	803	100	100	77	74	3	0	-4
Jyske Finans A/S, Silkeborg	c	DKK	100,000	100	100	19,167	18,017	1,150	983	145
Ejendomsselskabet af 01.11.2017 A/S, Silkeborg	e	DKK	500	100	100	10	9	1	0	0
Gl. Skovridergaard A/S, Silkeborg	e	DKK	500	100	100	31	26	5	18	-2
Sundbyvesterhus A/S, Silkeborg	e	DKK	518	100	100	113	17	96	6	2
Ejendomsselskabet af 1.10.2015 ApS, Silkeborg	c	DKK	500	100	100	125	123	2	1	1
Jyske Invest Fund Management A/S, Silkeborg	d	DKK	76,000	100	100	357	72	285	362	5
Bytorv Horsens ApS, Gentofte (temporarily acquired)	e	DKK	1,080	100	100	286	423	-137	19	-62

All banks and mortgage credit institutions supervised by national financial supervisory authorities are subject to statutory capital requirements. Such capital requirements may limit intra-group facilities and dividend payments.

* Activity:
a: Bank
b: Mortgage credit
c: Leasing, financing and factoring
d: Investment and financing
e: Properties and course activities

The registered offices of the companies are in Silkeborg, unless otherwise stated.

Note		Jyske Bank	
	DKKm	**Q1 2018**	Q1 2017
	Income statement		
3	Interest income	**874**	981
4	Interest expenses	**151**	144
	Net interest income	**723**	837
	Dividends, etc.	**85**	54
5	Fees and commission income	**536**	482
	Fees and commission expenses	**28**	28
	Net interest and fee income	**1,316**	1,345
6	Value adjustments	**288**	545
	Other operating income	**173**	54
	Employee and administrative expenses	**1,136**	1,060
	Amortisation, depreciation and impairment charges	**20**	50
	Other operating expenses	**5**	5
7	Loan impairment charges	**-153**	-89
	Profit on investments in associates and group enterprises	**-3**	256
	Pre-tax profit	**766**	1,174
	Tax	**156**	198
	Net profit or loss for the period	**610**	976
	Distributed to:		
	Jyske Bank A/S shareholders	**579**	957
	Holders of additional tier 1 capital	**31**	19
	Total	**610**	976
	Statement of Comprehensive Income		
	Net profit or loss for the period	**610**	976
	Other comprehensive income:		
	Items that cannot be recycled to the income statement:		
	Revaluation of real property	**145**	0
	Tax on property revaluations	**-29**	0
	Items that can be recycled to the income statement:		
	Foreign currency translation adjustment of international units	**7**	1
	Hedge accounting of international units	**-7**	-1
	Tax on hedge accounting	**2**	0
	Other comprehensive income after tax	**118**	0
	Comprehensive income for the period	**728**	976

Note	DKKm	31 March 2018	31 Dec. 2017	31 March 2017
	BALANCE SHEET			
	ASSETS			
	Cash balance and demand deposits with central banks	**18,880**	19,244	3,657
	Due from credit institutions and central banks	**13,167**	9,532	13,100
10	Loans and advances at fair value	**11,417**	10,154	11,947
8,9,10	Loans and advances at amortised cost	**127,648**	132,585	127,423
	Bonds at fair value	**57,818**	62,030	71,838
	Bonds at amortised cost	**4,295**	5,672	5,438
	Shares, etc.	**4,874**	4,674	4,288
	Investments in associates	**408**	407	407
	Equity investments in group enterprises	**17,681**	17,731	15,073
	Assets in pooled deposits	**3,983**	4,208	4,431
	Intangible assets	**0**	1	8
	Owner-occupied properties	**1,769**	2,020	2,126
	Other property, plant and equipment	**126**	126	145
	Current tax assets	**1,075**	436	1,071
	Assets held temporarily	**365**	48	48
	Other assets	**26,370**	26,782	31,893
	Prepayments	**96**	88	79
	Total assets	**289,972**	295,738	292,972
	EQUITY AND LIABILITIES			
	Debt and payables			
	Due to credit institutions and central banks	**39,294**	31,379	26,404
11	Deposits	**144,970**	149,935	145,825
	Pooled deposits	**4,303**	4,368	4,461
	Issued bonds at amortised cost	**30,142**	35,776	42,317
	Other liabilities	**31,817**	34,251	37,803
	Deferred income	**29**	18	26
	Total debt	**250,555**	255,727	256,836
	Provisions			
	Provisions for pensions and similar liabilities	**572**	568	530
	Provisions for deferred tax	**48**	25	31
	Provisions for guarantees	**217**	338	411
	Other provisions	**268**	153	147
	Provisions, total	**1,105**	1,084	1,119
	Subordinated debt	**4,289**	4,323	2,133
	Equity			
	Share capital	**892**	892	950
	Revaluation reserve	**421**	339	400
	Currency translation reserve	**0**	0	0
	Reserve according to the equity method	**4,348**	4,406	2,964
	Retained profit	**25,834**	25,864	26,592
	Proposed dividend	**0**	522	499
	Jyske Bank A/S shareholders	**31,495**	32,023	31,405
	Holders of additional tier 1 capital	**2,528**	2,581	1,479
	Total equity	**34,023**	34,604	32,884
	Total equity and liabilities	**289,972**	295,738	292,972
	OFF-BALANCE SHEET ITEMS			
	Guarantees, etc.	**18,490**	19,226	17,114
	Other contingent liabilities	**2,493**	3,103	2,848
	Total guarantees and other contingent liabilities	**20,983**	22,329	19,962

Jyske Bank

DKKm

Statement of changes in equity	**Share capital**	**Revaluation reserve**	**Currency translation reserve**	**Reserve according to the equity method**	**Retained profit**	**Proposed dividend**	**Shareholders of Jyske Bank A/S**	**Additional tier 1 capital***	**Total equity**
Equity at 1 January 2018	892	339	0	4,406	25,864	522	32,023	2,581	34,604
Changed accounting policies, IFRS 9	0	0	0	-117	-511	0	-628	0	-628
Tax effect, IFRS 9	0	0	0	25	112	0	137	0	137
Adjusted equity, 1 January 2018	892	339	0	4,314	25,465	522	31,532	2,581	34,113
Net profit or loss for the period	0	0	0	0	579	0	579	31	610
Other comprehensive income	0	82	0	34	2	0	118	0	118
Comprehensive income for the period	0	82	0	34	581	0	697	31	728
Interest paid on AT1 capital	0	0	0	0	0	0	0	-45	-45
Currency translation adjustment	0	0	0	0	39	0	39	-39	0
Tax	0	0	0	0	-2	0	-2	0	-2
Dividends paid	0	0	0	0	0	-522	-522	0	-522
Dividends, own shares	0	0	0	0	24	0	24	0	24
Acquisition of own shares	0	0	0	0	-749	0	-749	0	-749
Sale of own shares	0	0	0	0	476	0	476	0	476
Transactions with owners	0	0	0	0	-212	-522	-734	-84	-818
Equity 31 March 2018	**892**	**421**	**0**	**4,348**	**25,834**	**0**	**31,495**	**2,528**	**34,023**
Equity at 1 January 2017	950	400	-2	2,964	26,227	499	31,038	1,476	32,514
Net profit or loss for the period	0	0	2	0	955	0	957	19	976
Other comprehensive income	0	0	0	0	0	0	0	0	0
Comprehensive income for the period	0	0	2	0	955	0	957	19	976
Interest paid on AT1 capital	0	0	0	0	0	0	0	-19	-19
Currency translation adjustment	0	0	0	0	-3	0	-3	3	0
Tax	0	0	0	0	5	0	5	0	5
Dividends paid	0	0	0	0	0	-499	-499	0	-499
Dividends, own shares	0	0	0	0	32	0	32	0	32
Proposed dividend	0	0	0	0	-499	499	0	0	0
Acquisition of own shares	0	0	0	0	-633	0	-633	0	-633
Sale of own shares	0	0	0	0	508	0	508	0	508
Transactions with shareholders	0	0	0	0	-590	0	-590	-16	-606
Equity 31 March 2017	950	400	0	2,964	26,592	499	31,405	1,479	32,884

*Additional tier 1 capital (AT1) has no maturity. Payment of interest and repayment of principal are voluntary. Therefore AT1 capital is recognised as equity. In September 2016, Jyske Bank issued AT1 amounting to SEK 1.25bn and DKK 500m. The AT1 issue with the possibility of early redemption in September 2021 at the earliest. The interest rates applicable to the issue until September 2021 are STIBOR+5.80% and CIBOR+5.30%, respectively. In September 2017, Jyske Bank made an issue amounting to EUR 150bn, AT1, with the possibility of early redemption in September 2027 at the earliest. The issue has a coupon of 4.75% until September 2027. It applies to all AT1 issues, that if the Common Equity Tier 1 capital of Jyske Bank A/S or the Jyske Bank Group falls below 7%, the loans will be written down.

Jyske Bank

DKKm	**31 March 2018**	31 Dec. 2017	31 March 2017
Capital statement			
Shareholders' equity	**31,495**	32,023	31,405
Net profit for the period not recognised in the capital base	**0**	0	-957
Share buy-back programme, non-utilised limit	**0**	-281	-386
Expected/proposed dividend	**-195**	-522	-499
Intangible assets	**0**	-1	-8
Deferred tax liabilities relating to intangible assets	**0**	0	2
Prudent valuation	**-247**	-251	-234
Other deductions	**-117**	-14	-119
Common Equity Tier 1 capital	**30,936**	30,954	29,204
Additional Tier 1 capital after reduction	**3,042**	3,209	2,123
Other deductions	**0**	-27	-28
Core capital	**33,978**	34,136	31,299
Subordinated loan capital after reduction	**3,726**	3,631	1,428
Difference between expected loss and the carrying amount of impairment charges	**0**	77	124
Other deductions	**-275**	-248	-247
Capital base	**37,429**	37,596	32,604
Weighted risk exposure involving credit risk etc.	**102,841**	99,523	96,801
Weighted risk exposure involving market risk	**16,127**	20,553	23,376
Weighted risk exposure involving operational risk	**11,936**	11,400	11,400
Total weighted risk exposure	**130,904**	131,476	131,577
Capital requirement, Pillar I	**10,472**	10,518	10,526
Capital requirement, transitional provisions	**0**	276	102
Capital requirement, total	**10,472**	10,794	10,628
Capital ratio	**28.6**	28.6	24.8
Core Tier 1 Capital ratio (%)	**26.0**	26.0	23.8
Common Equity Tier 1 capital ratio (%)	**23.6**	23.5	22.2

Transitional rules for capital requirements according to Basel I ended at the end of 2017.

For the determination of individual solvency requirement, please see www.jyskebank.info.

Note	Jyske Bank		
	DKKm	**Q1 2018**	Q1 2017

Notes

1 **Accounting Policies**

The Interim Financial Report of the parent company Jyske Bank A/S for the period 1 January to 31 March 2018 was prepared in accordance with the Danish Financial Business Act, including the Executive Order on Financial Reports for Credit Institutions and Stockbrokers, etc.

The rules applying to recognition and measurement at Jyske Bank A/S are consistent with IFRS. With respect to classification and extent, the preparation for Jyske Bank A/S differs from the preparation for the Group. Please thee the full description of accounting policies in note 71 of the annual report 2017.

Figures in the financial statements are in Danish kroner, rounded to the nearest million in Danish kroner.

Changes to accounting policies

Reference is made to changes to the accounting policies of the Group, note 1, page 29.

Financial situation and risk information

Jyske Bank A/S is affected by the financial situation and the risk factors that are described in the management's review for the Group and reference is made to this.

2 **Financial ratios and key figures**

	Q1 2018	Q1 2017
Pre-tax profit p.a. as a percentage of average equity*	**9.3**	14.8
Profit for the period as a pct. of av. equity*	**1.8**	3.1
Income/cost ratio (%)	**1.8**	2.1
Capital ratio	**28.6**	24.8
Common Equity Tier 1 capital ratio (CET1 %)	**23.6**	22.2
Individual solvency requirement (%)	**11.2**	10.8
Capital base (DKKm)	**37,429**	32,604
Total risk exposure (DKKm)	**130,904**	131,581
Interest-rate risk (%)	**0.8**	0.5
Currency risk (%)	**0.1**	0.1
Accumulated impairment ratio (%)	**2.6**	3.0
Impairment ratio for the period (%)	**-0.1**	-0.1
No. of full-time employees at end-period	**3,539**	2,999
Average number of full-time employees in the period	**3,483**	2,991

*Financial ratios are calculated as if additional tier 1 capital is recognised as a liability.

3 **Interest income**

	Q1 2018	Q1 2017
Due from credit institutions and central banks	**2**	3
Loans and advances	**574**	682
Bonds	**147**	201
Derivatives, total	**62**	26
Of which currency contracts	**54**	16
Of which interest-rate contracts	**8**	10
Other	**0**	0
Total after offsetting of negative interest	**785**	912
Negative interest income set off against interest income	**48**	33
Negative interest expenses set off against interest expenses	**41**	36
Total before offsetting of negative interest income	**874**	981
Of which interest income on reverse repos carried under:		
Due from credit institutions and central banks	**-6**	-5
Loans and advances	**-23**	-21

Note			Jyske Bank
	DKKm	**Q1 2018**	Q1 2017
	Notes		
4	**Interest expenses**		
	Due to credit institutions and central banks	**38**	18
	Deposits	**-33**	2
	Issued bonds	**32**	43
	Subordinated debt	**25**	12
	Total after offsetting of negative interest	**62**	75
	Negative interest expenses set off against interest expenses	**48**	33
	Negative interest income set off against interest income	**41**	36
	Total before offsetting of negative interest income	**151**	144
	Of which interest expenses on reverse repos carried under:		
	Due to credit institutions and central banks	**-13**	-16
	Deposits	**-6**	0
5	**Fees and commission income**		
	Securities trading and custody services	**247**	263
	Money transfers and card payments	**49**	40
	Loan application fees	**42**	32
	Guarantee commission	**27**	18
	Other fees and commissions	**171**	129
	Total	**536**	482
6	**Value adjustments**		
	Loans and advances at fair value	**8**	20
	Bonds	**-140**	79
	Shares, etc.	**333**	181
	Currency	**-7**	71
	Currency, interest-rate, share, commodity and other contracts as well as other derivatives	**72**	163
	Assets in pooled deposits	**-160**	128
	Pooled deposits	**160**	-128
	Other assets	**1**	0
	Issued bonds	**16**	28
	Other liabilities	**5**	3
	Total	**288**	545

Note	DKKm	Q1 2018	Q1 2017
7	**Loan impairment charges and provisions for guarantees recognised in the income statement**		
	Loan impairment charges/provisions for the period	**-73**	-13
	Impairment charges on balances due from credit institutions in the period	**2**	0
	Provisions for commitments and unutilised credit lines in the period	**-32**	-
	Recognised as a loss, not covered by loan impairment charges/provisions	**21**	29
	Recoveries	**-54**	-105
	Loan impairment charges and provisions for guarantees recognised in the income statement	**-136**	-89
	Recognised discount for acquired loans	**-17**	-55
	Net effect on income statement	**-153**	-144
8	**Balance of loan impairment charges and provisions for guarantees incl. balance of discounts**		
	Balance of loan impairment charges and provisions for guarantees incl. balance of discounts, beginning of period	**4,286**	5,514
	Implementation of IFRS 9 and adjustments to the standard	**507**	-
	Loan impairment charges/provisions for the period	**-106**	-13
	Recognised as a loss, covered by impairment charges/provisions	**-290**	-190
	Recognised losses covered by discounts for acquired loans	**-1**	-13
	Recognised discount for acquired loans	**-17**	-55
	Other movements	**19**	24
	Balance of loan impairment charges and provisions for guarantees incl. balance of discounts, end of period	**4,398**	5,267
	Loan impairment charges	**3,891**	4,473
	Provisions for guarantees	**217**	411
	Provisions for commitments and unutilised credit lines	**120**	-
	Balance of loan impairment charges and provisions, end of period	**4,228**	4,884
	Balance of discounts for acquired loans	**170**	383
	Balance of loan impairment charges and provisions for guarantees incl. balance of discounts, end of period	**4,398**	5,267

The regulatory balance of loan impairment charges and provisions for guarantees does not include the discount balance for acquired loans and advances.

Note	**The balance of loan impairment charges and provisions for guarantees broken down by stages**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
9	Balance according to IAS 39, beginning of period				**4,096**
	Transitional effect, IFRS 9	325	637	3,641	**507**
	Movements over the period, net	-22	-34	-319	**-375**
	Balance of loan impairment charges and provisions, end of period	**303**	**603**	**3,322**	**4,228**

DKKm

10 **Loans, advances and guarantees as well as loan impairment charges and provisions for guarantees by sector**

Sector	**Loans, advances and guarantees**				**Balance of loan impairment charges and provisions for guarantees**		**Loan impairment charges and provisions for guarantees for the period**		**Loss for the period**	
	% 31 March 2018	% End of 2017	**31 March 2018**	End of 2017	**31 March 2018**	End of 2017	**Q1 2018**	Q1 2017	**Q1 2018**	Q1 2017
Public authorities	**5**	6	**8,127**	9,265	**0**	0	**0**	0	**0**	0
Agriculture, hunting, forestry, fishing	**4**	4	**6,178**	6,248	**992**	1,085	**-75**	-6	**127**	85
Fishing	**1**	*1*	**1,661**	*1,663*	**2**	*1*	**0**	*-1*	**0**	*0*
Dairy farmers	**0**	*0*	**720**	*838*	**499**	*528*	**-44**	*6*	**49**	*50*
Plant farming	**1**	*1*	**1,620**	*1,498*	**82**	*122*	**-8**	*-7*	**13**	*3*
Pig farming	**1**	*1*	**1,063**	*1,069*	**293**	*329*	**-17**	*-1*	**46**	*20*
Other agriculture	**1**	*1*	**1,114**	*1,180*	**116**	*105*	**-6**	*-3*	**19**	*12*
Manufacturing, mining, etc.	**4**	4	**6,580**	6,091	**240**	197	**6**	-14	**9**	11
Energy supply	**3**	3	**4,503**	4,776	**52**	36	**4**	0	**0**	0
Building and construction	**1**	1	**2,032**	2,262	**82**	93	**0**	-9	**6**	19
Commerce	**6**	6	**10,079**	9,987	**208**	160	**-5**	0	**5**	15
Transport, hotels and restaurants	**2**	1	**2,422**	2,065	**87**	82	**1**	12	**0**	12
Information and communication	**1**	1	**984**	1,018	**43**	29	**9**	-30	**3**	0
Finance and insurance	**31**	33	**48,571**	52,748	**661**	716	**-43**	-47	**42**	2
Real property	**10**	9	**15,483**	14,399	**549**	555	**1**	7	**60**	28
Lease of real property	**6**	*5*	**9,019**	*8,469*	**463**	*484*	**4**	*23*	**57**	*28*
Buying and selling of real property	**2**	*2*	**2,585**	*2,438*	**53**	*44*	**6**	*-7*	**3**	*0*
Other real property	**2**	*2*	**3,879**	*3,492*	**33**	*27*	**-9**	*-9*	**0**	*0*
Other sectors	**3**	3	**5,292**	5,884	**132**	153	**-17**	-6	**29**	1
Corporate clients	**65**	65	**102,124**	105,478	**3,046**	3,106	**-119**	-93	**281**	173
Personal clients	**30**	29	**47,304**	47,222	**1,062**	990	**-4**	4	**30**	46
Unutilised max and commitments, etc.	**-**	-	**-**	-	**120**	-	**-30**	-	**0**	-
Total	**100**	100	**157,555**	161,965	**4,228**	4,096	**-153**	-89	**311**	219

Jyske Bank

		31 March 2018	31 Dec. 2017	31 March 2017
11	**Deposits**			
	Demand deposits	**101,288**	104,521	93,436
	Term deposits	**2,966**	2,950	4,228
	Time deposits	**33,759**	35,427	40,803
	Special deposits	**6,957**	7,037	7,358
	Total	**144,970**	149,935	145,825

Statement by the Executive and Supervisory Boards

We have today discussed and approved the Interim Financial Report of Jyske Bank A/S for the period 1 January to 31 March 2018.

The consolidated Interim Financial Statements were prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and the Parent's Interim Financial Statements in accordance with the Danish Financial Business Act. Further, the Interim Financial Report was prepared in accordance with the additional Danish disclosure requirements for interim financial reports of listed financial companies.

The Interim Financial Report is unaudited and has not been reviewed, but the external auditor verified the profit, and this verification included audit procedures in line with the requirements relating to a review, and hence it was ascertained that the conditions for on-going recognition of the profit for the period in the capital base were met.

In our opinion, the Interim Financial Statements give a true and fair view of the Group's and the Parent's financial position at 31 March 2018 and also of their financial performance as well as the cash flows of the Group for the period 1 January to 31 March 2018.

In our opinion, the Management's Review gives a fair presentation of the development in the Group's and the Parent's performance and financial position, the profit for the period and the Group's and the Parent's financial position as a whole as well as a description of the most material risks and elements of uncertainty that may affect the Group and the Parent.

Silkeborg, 09 May 2018

EXECUTIVE BOARD

ANDERS DAM
Managing Director and CEO

NIELS ERIK JAKOBSEN

PETER SCHLEIDT

PER SKOVHUS

/JENS BORUM
Director, Finance

SUPERVISORY BOARD

SVEN BUHRKALL
Chairman

KURT BLIGAARD PEDERSEN
Deputy Chairman

RINA ASMUSSEN

PHILIP BARUCH

JENS A. BORUP

KELD NORUP

JOHNNY CHRISTENSEN
Employee Representative

MARIANNE LILLEVANG
Employee Representative

CHRISTINA LYKKE MUNK
Employee Representative