

# **Annual Results**

## **2008**

## Contents

Summary	3
Key figures and financial ratios of the Jyske Bank Group	4
Management's review	
- Overall results	5
- Core earnings	5
- Credit risk	6
- Profit on investment portfolios	8
- Market risk	9
- Exposure to financial instruments	9
- Liquidity management	10
- The Danish Private Contingency Association	11
- Capital	11
- Annual General Meeting, dividend, etc.	12
- Outlook for 2009	12
Financial calendar 2009	12
Accounts	
- Accounting policies	13
- Income Statement	13
- Balance Sheet	14
- Statement of Changes in Equity	15
- Solvency Statement	16
- Cash Flow Statement	17
- Core earnings and return on investment portfolios etc.	18
- The Jyske Bank Group - 5-quarter summary	19

## Summary

- PROFIT BEFORE CONTRIBUTION TO THE DANISH PRIVATE CONTINGENCY ASSOCIATION: DKK 1,522M
- Contribution to the Danish Private Contingency Association: DKK 231m.
- Profit before tax: DKK 1,291m.
- Core earnings before loan impairment charges and provisions for guarantees: DKK 2,400m.
- Loan impairment charges and provisions for guarantees under core earnings: DKK 975m.
- Core earnings: DKK 1,425m.
- Profit on investment portfolios net of funding costs: DKK 97m.
- Profit before tax equates to a return of 13.3% on opening equity.
- Liquidity reserve: more than DKK 38bn.
- Solvency ratio: 12.7% (Tier 1: 11.0%).
- For 2009, core earnings before loan impairment charges and provisions for guarantees are expected to be on level with those of 2008.
- For 2009, loan impairment charges and provisions for guarantees are expected to correspond to about 1% of loans, advances and guarantees.

Anders Dam, Chief Executive Officer, on the 2008 results:

"The Group's results for 2008 were affected by the financial crisis and the economic slowdown. The effect was slower growth in gross earnings and increasing impairment charges for the Group's loans and advances. Because of losses on structured credits and corporate bonds, the investment portfolios did not perform satisfactorily. Moreover, the net profit was adversely affected by the contribution to the Danish Private Contingency Association.

Against that background, a profit of almost DKK 1.3bn before tax was acceptable, and at DKK 2,400m, core earnings before loan impairment charges and provisions for guarantees were within the estimated range announced in early 2008.

The financial crisis and the recession at home and abroad will affect Danish banks in coming years, causing falling activity and higher loan impairment charges. Jyske Bank's overall strategy will continue to focus on improving efficiency, on rationalisation and on conservative liquidity and capital policies," concludes Mr Dam.

## THE JYSKE BANK GROUP

SUMMARY OF INCOME STATEMENT (DKKm)	2008	2007	2006	2005	2004
Net interest income	3,638	3,217	3,036	2,754	2,695
Dividends, etc.	27	22	24	20	42
Net fee and commission income	1,513	1,797	1,634	1,473	1,082
<b>Net interest and fee income</b>	<b>5,178</b>	<b>5,036</b>	<b>4,694</b>	<b>4,247</b>	<b>3,819</b>
Value adjustments	685	352	1,142	947	951
Other operating income	301	248	395	386	350
Operating expenses, depreciation and amortisation	3,796	3,290	3,777	3,334	3,030
Loan impairment charges and provisions for guarantees	1,082	74	-348	69	327
Profit on investments in associates and group enterprises	5	1	8	-3	197
<b>Profit before tax</b>	<b>1,291</b>	<b>2,273</b>	<b>2,810</b>	<b>2,174</b>	<b>1,960</b>
Tax	303	538	676	473	553
<b>Profit for the year</b>	<b>988</b>	<b>1,735</b>	<b>2,134</b>	<b>1,701</b>	<b>1,407</b>
Of which minority shareholders	15	20	27	29	5

BALANCE SHEET, END OF PERIOD (DKKm)	2008	2007	2006	2005	2004
Loans and advances	129,117	133,965	107,185	90,880	74,598
- bank loans	119,085	123,733	107,079	90,063	73,705
- repo loans	10,032	10,232	106	817	893
Deposits	117,017	112,716	88,841	79,848	68,655
- bank deposits	105,553	96,450	76,277	69,475	60,868
- repo deposits	56	1,109	0	227	0
- pooled deposits	11,408	15,157	12,564	10,146	7,787
Issued bonds	36,925	34,874	25,393	15,967	11,915
Subordinated debt	3,282	3,318	3,318	2,559	2,737
Equity	10,722	9,704	9,637	9,477	7,858
<b>Total assets</b>	<b>236,848</b>	<b>214,279</b>	<b>160,656</b>	<b>141,571</b>	<b>125,173</b>

SELECTED DATA AND FINANCIAL RATIOS	2008	2007	2006	2005	2004
------------------------------------	------	------	------	------	------

(Data stated per Jyske Bank share )  
Face value: DKK 10

Profit before tax	24.61	41.14	46.72	34.73	30.00
Profit for the year	18.55	31.05	35.02	26.70	21.45
Profit for the year (diluted)	18.55	31.05	35.02	26.70	21.45
Core earnings	27.16	46.68	37.74	27.90	17.19
Share price at year-end	122	402	401	310	206
Book value	202	183	169	152	123
Price/book value	0.60	2.19	2.38	2.04	1.67
Price/earnings	6.6	12.9	11.5	11.6	9.6

### The Jyske Bank Group

Solvency ratio (%)	12.7	9.5	11.3	11.7	11.9
Core capital ratio incl. hybrid capital	11.0	8.1	9.7	10.9	10.0
Core capital ratio excl. hybrid capital	9.5	6.9	8.2	9.3	8.9
Pre-tax profit as a percentage of average equity	12.6	23.5	29.4	24.8	25.0
Net profit as a percentage of average equity	9.7	17.9	22.3	19.4	17.9
Income/cost ratio	1.3	1.7	1.8	1.6	1.6
Interest-rate risk (%)	1.3	2.3	1.1	0.5	0.6
Foreign currency position (%)	8.6	25.1	24.2	19.8	16.1
Currency risk (%)	0.2	0.2	0.2	0.2	0.1
Excess liquidity (%)	99.9	102.1	45.7	48.1	124.3
Total large commitments (%)	58.9	63.7	43.4	98.3	76.7
Accumulated impairment ratio	1.1	0.6	0.6	1.1	2.1
Impairment ratio for the year	0.8	0.0	-0.3	0.1	0.3
Increase in loans and advances for the year (%)	-3.6	25.0	17.9	21.4	17.0
Loans and advances in relation to deposits	1.1	1.2	1.2	1.2	1.1
Loans and advances in relation to equity	12.0	13.8	11.1	9.6	9.5
Number of full-time employees at year-end	4,112	4,145	4,216	4,026	3,713

Comparative figures for 2004 have been partially restated to IFRS.

The solvency and core capital ratios are calculated in accordance with CRD as from 2008.

Key financial ratios are based on the definitions and guidelines of the Danish Financial Supervisory Authority.

## Management's review

### Overall results

The Group's profit before tax amounted to DKK 1,291m against DKK 2,273m in 2007. The profit corresponded to an annual return of 13.3% on opening equity.

PROFIT BEFORE TAX		
DKKm	2008	2007
Core earnings before loan impairment charges and provisions for guarantees	2,400	2,656
Loan impairment charges and provisions for guarantees	975	77
Core earnings	1,425	2,579
Profit on investment portfolios	97	-306
<b>Profit before contribution to the Danish Private Contingency Association</b>	<b>1,522</b>	<b>2,273</b>
The Danish Private Contingency Association	-231	0
<b>Profit before tax</b>	<b>1,291</b>	<b>2,273</b>

Calculated tax was DKK 303m. Profit after tax amounted to DKK 988m, of which minority interests accounted for DKK 15m.

### Core earnings

Gross earnings on customer-related transactions rose by 2%.

The business volume with corporate and personal customers reflected the slowdown in the Danish economy. At end-2007, the business volume was still growing relatively fast, whereas developments in 2008 resulted in what largely amounted to zero growth.

Bank lending fell by 4% to DKK 119bn. Repo loans were unchanged at DKK 10bn. The fall in lending was caused by a fall in loans and advances for investment purposes. The growth rate of loans and advances to corporate customers for the year as a whole was 3%. Lending to personal customers grew at the rate of 15% until the second half of 2008 when the rate fell because of the slowing real economy, the falling house prices and the financial crisis. Group lending to personal customers for 2008 as a whole grew at the rate of 0%.

In 2008, bank deposits increased by 4% to DKK 106bn. Deposits from Danish personal customers rose by 8%. Deposits from Danish corporate customers and institutional customers rose, whereas deposits from foreign corporate customers showed a falling trend.

Net interest income under core earnings amounted to DKK 3,355m, up by 7%. Over the past five years, the lending margin for loans and advances to corporate and personal customers more than halved due to historically low loan losses and keener competition. In anticipation of higher loan losses as the real economy slowed down, margins widened in 2008. Pulling in the opposite direction, funding costs rose due to the strained liquidity situation in the financial markets. Moreover, net interest income was adversely

affected by translation adjustment of income statement items in the international units and by higher loan impairment charges and provisions for guarantees in 2008.

At DKK 2,701m, fee and other income showed a fall of 3%. The development was mainly due to the special market conditions caused by the financial crisis. Trading activities within securities and foreign exchange were reduced significantly. Correspondingly, the lower activity in the housing market reduced earnings from this business area.

Operating expenses, depreciation and amortisation amounted to DKK 3,661m. The underlying rise was 4%. Inclusive of one-off items, which in 2007 reduced the item by about DKK 200m and in 2008 increased it by about DKK 50m, operating expenses, depreciation and amortisation showed a rise of 12%. After years with focus on and large investment in market differentiation and risk management, the Group's development capacity is now directed particularly at rationalising business procedures. The underlying change in expenses, depreciation and amortisation was therefore lower than for the preceding years.

Core earnings before loan impairment charges and provisions for guarantees amounted to DKK 2,400m against DKK 2,656m in 2007. This is in line with the forecasts announced at the beginning of 2008 and in the course of the year.

For 2008, a net amount of DKK 975m was recognised as an expense under core earnings for loan impairment charges and provisions for guarantees corresponding to 0.7% of total loans, advances and guarantees. The Group's balance of loan impairment charges and provisions amounted to DKK 1,537m, which compares with DKK 878m at end-2007.

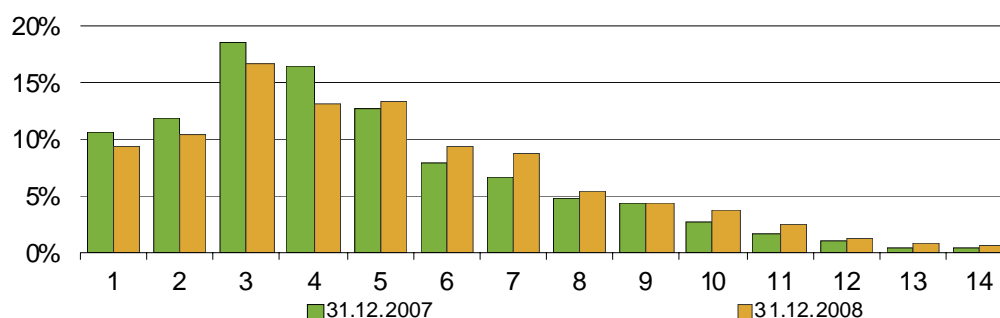
Core earnings amounted to DKK 1,425m against DKK 2,579m in 2007.

### **Credit risk**

The loan portfolio is monitored currently at Group level as are the risk profile and the collateral provided for single commitments and for the loan portfolio in general. As part of the Bank's credit risk management, customers are categorised into 14 rating classes, 1 indicating the lowest and 14 the highest risk of loss.

A breakdown of Jyske Bank's credit portfolio is shown in the chart below, which indicates that the credit quality of the portfolio was still satisfactory. The development in the portfolio seen in 2008 reflected the change in the economic trends in Denmark and the financial crisis.

### Exposures by credit rating



Exposure is stated as the expected exposure at default, EAD. The chart is for Jyske Bank and is exclusive of exposures to banks and central governments, whose rating is typically 1 or 2. EAD for defaulted customers classified by the Bank as representing high or full risk is not distributed on the 14 rating classes. Loans to such customers account for 1.8% of total EAD. The unrated part of EAD (not shown) at Jyske Bank accounts for 4.0%.

The average credit rating was affected by these movements and rose to 5.0 exclusive of banks and central governments, the same level as at end-2006. Inclusive of banks and central governments, the average credit rating was 4.5 at end-2008 against 4.2 at end-2007.

AVERAGE RATING			
	31.12.2008	31.12.2007	31.12.2006
Customers exclusive of banks and central governments	5.0	4.6	5.0

The trend within rating classes 1-5, which equate to the 'Investment Grade' rating of international rating agencies, shows that the proportion of customers within this range is still high, although it fell in 2008. Loans and advances to corporate customers showed the biggest change.

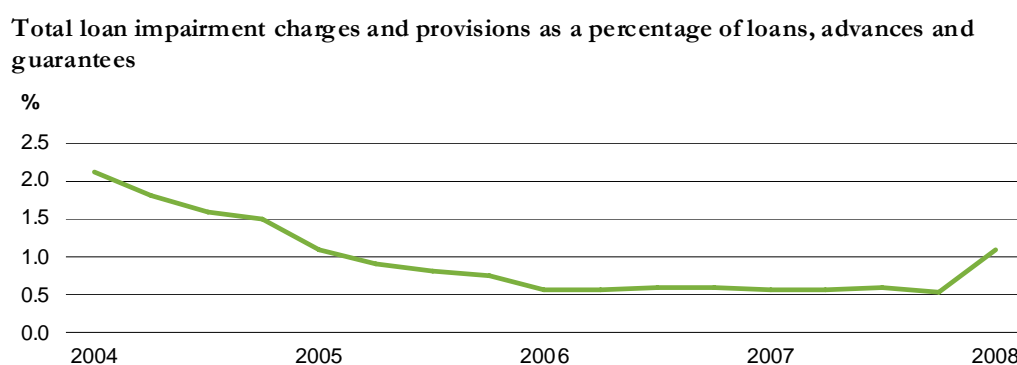
RATINGS 1-5			
As a percentage of total loans and advances	31.12.2008	31.12.2007	31.12.2006
Corporate customers	53.3	63.3	56.7
Personal customers	80.9	82.4	79.8
Total	62.9	70.2	64.6

The number of customers with the highest risk of default (ratings 12-14) rose, with loans and advances to corporate customers showing the highest rise.

RATINGS 12-14			
As a percentage of of total loans and advances	31.12.2008	31.12.2007	31.12.2006
Corporate customers	3.7	2.2	1.5
Personal customers	1.2	0.9	0.7
Total	2.8	1.7	1.2

Overall, the trend of the portfolio was still satisfactory, although the slowdown in the Danish economy was felt - most distinctly in the corporate customer segment which, as expected, was the first to be affected by the changed economic trends in Denmark.

Under core earnings, a net amount of DKK 975m was charged as write-offs, loan impairment charges and provisions for guarantees; in 2007 the item was DKK 74m. The rise mainly reflects the change in the economic trends in Denmark, just as also the global financial crisis had a negative effect on developments. Under loan impairment charges and provisions for guarantees, DKK 109m was charged in relation to the Danish Private Contingency Association.



The Group's balance of impairment charges and provisions was DKK 1,537m or 1.08% of consolidated loans, advances and guarantees, cf. the chart above.

### **Profit on investment portfolios**

For 2008 there was a gain of DKK 97m on the investment portfolios against a loss of DKK 306m for 2007.

In 2008, the return on the Group's own securities portfolio was negative at DKK 240m. The result was mainly caused by the falling value of structured credits and corporate bonds caused by the wide price swings in the market.

In the fourth quarter of 2008, Jyske Bank made use of the possibility of reclassifying parts of the trading portfolio. They are now recognised at amortised cost instead of market value, cf. the Corporate Announcement of 3 November 2008. New investments were made in the held-to-maturity portfolio. Altogether, this resulted in a difference of DKK 490m between the carrying amount and the fair value, and equity showed a change of DKK 368m at end-2008. Subordinated debt and issued bonds showed a difference of DKK 3.5bn between the carrying amount and the fair value. A gain of DKK 42m was realised by a buy-back of such notes with a face value of DKK 283m.

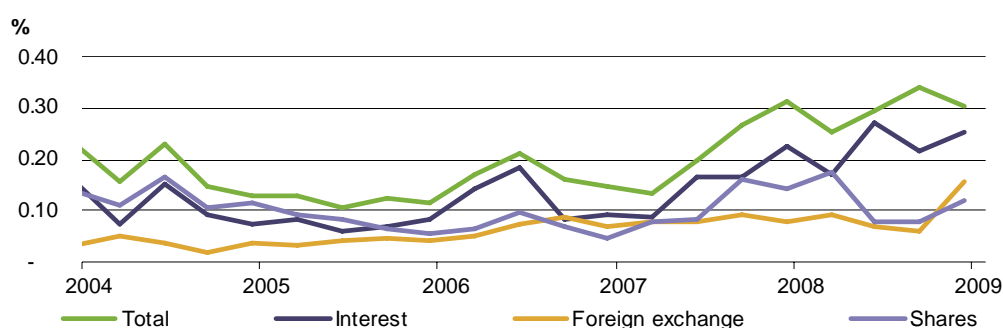


## Market risk

Market risk increased moderately through 2008.

At end-2008, the Group's aggregate Value at Risk for interest-rate, currency and equity risk amounted to DKK 33m (calculated with a time frame of one day and 99% probability). At end-2007, Value at Risk amounted to DKK 30m. The increase was due to the sharp rise in volatility levels. In stress scenarios, however, market risk was reduced - particularly for currencies and equities.

Value at Risk, DEaR, as a percentage of equity at end of quarter

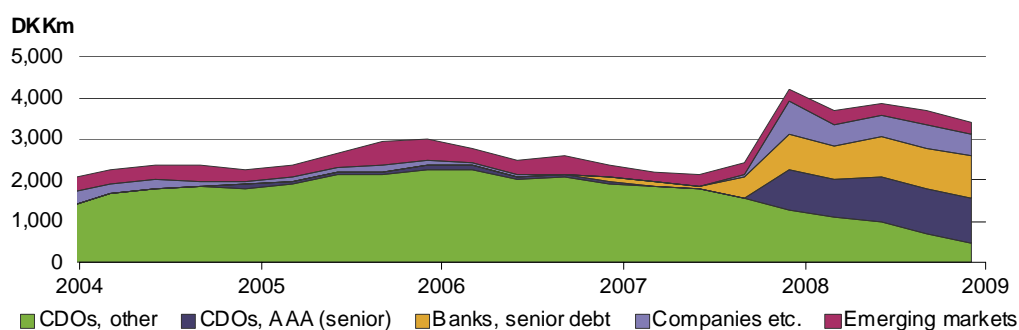


## Exposure to credit risk on financial instruments

Throughout the year, the international credit markets were under pressure from the deteriorating business trends and investors' low risk tolerance and capacity to take on risk.

Closure of positions and falling market prices reduced the value of positions in lower-rated CDOs, while the position in AAA-rated CDOs was stable. The position in senior bank issues was increased moderately over the year.

Credit portfolio



The table below is a breakdown of the portfolio on sectors and ratings.

CREDIT PORTFOLIO - SECTORS AND RATING				
DKKm	End-2008	End-2007	End-2006	Average rating*
Banks, senior debt	1,032	850	93	AA/A
Banks, subordinated debt (LT2)	213	113	0	AA/A
Companies	339	714	0	AA/A
Emerging market government bonds	288	252	316	BBB/BB
CDOs	1,528	2,246	1,954	
Total	3,400	4,175	2,363	
Distribution of CDO ratings:				
AAA (senior)	1,076	962	74	
AA	28	143	167	
A	44	385	682	
BBB	102	256	491	
BB	205	339	423	
Low rating or non-rated	73	161	117	
Total	1,528	2,246	1,954	

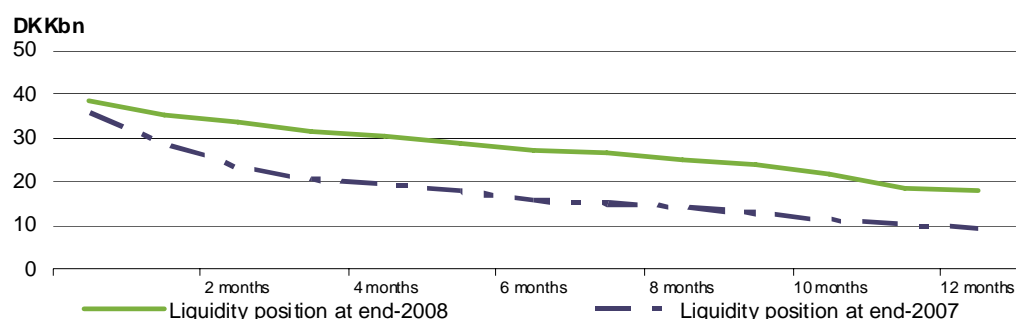
\* The rating average at end-2008 covered three sub-categories from one or more rating agencies.

### Liquidity management

At end-2008 the Group's liquidity reserve amounted to more than DKK 38bn inclusive of the Group's syndicated loan facility of EUR 500m - at end-2007 the reserve was DKK 36bn. Certificates of deposit with the Danish central bank amounted to DKK 12bn; and the remainder of the reserve consisted mainly of highly liquid Danish mortgage bonds.

The Group's liquidity reserve covers more than twelve months' run-off of funding in the capital markets defined as the interbank market, commercial paper and EMTN issues. Also without refinancing via capital-market funding, the Bank will be able to finance normal growth in the balance-sheet total for more than twelve months. The run-off profile and the development of the Bank's liquidity position are illustrated in the chart below:

Liquidity position and run off



The Group's liquidity reserve according to S.152(1)(2) of the Danish Financial Business Act was high throughout the year. At end-December, the liquidity ratio was 19.9%, corresponding to a liquidity surplus of 99.9%; at end-2007 the surplus was 102.1%.

### The Danish Private Contingency Association

In the fourth quarter of 2008, DKK 122m was charged to operating expenses, depreciation and appreciation and DKK 109m to loan impairment charges and provisions for guarantees with relation to the Danish Private Contingency Association.

In January 2009, the government decided to introduce a credit package which, under certain conditions, gives banks access to taking up hybrid core capital. Over the coming months, Jyske Bank will decide whether to apply for capital under the package.

### Capital

At end-2008, Group equity amounted to DKK 10.7bn and the capital base to DKK 13.4bn. The solvency ratio was 12.7%; Tier 1: 11%. The core capital ratio less hybrid capital was 9.5%.

The Group's capital planning and capital management objectives have been adapted to the prevailing economic situation and to the legislation in force, under which share buy-back and dividend distribution are prohibited and Danish banks are subject to a number of quantitative restrictions with regard to lending etc. The Group is therefore focusing on maximum consolidation and optimisation of risk-adjusted assets with due regard to the business strategy, the Group's risk targets and the economic situation.

Economic capital is an important concept in the management of the Group's risk and capital structure. It is calculated as the minimum capital required to meet the level of risk. The calculation of the material risks included in economic capital is based on Jyske Bank's own risk quantification methods and models which are constantly under review.

Group economic capital at end-2008 was calculated at DKK 6.8bn against DKK 6.2bn at end-2007, up by 10%. Of the capital, 74% concerned credit risk, 13% market risk, 4% operational risk and 9% business risk.

#### ECONOMIC CAPITAL - DIVERSIFIED

	2008	2008	2007	2007	2006	2006
	DKKm	%	DKKm	%	DKKm	%
Credit risk	4,988	74	4,502	73	4,375	76
Market risk	891	13	771	13	639	11
Operational risk	288	4	340	6	302	5
Business risk	589	9	540	8	470	8
<b>Total</b>	<b>6,756</b>	<b>100</b>	<b>6,153</b>	<b>100</b>	<b>5,786</b>	<b>100</b>

The increase in economic capital was caused mainly by a rise in credit risk. The financial turmoil in 2008 affected two elements in particular. For one thing, the general credit quality has fallen (rising probability of default), for another the value of collateral has fallen. The main collateral assets types affected are real property and financial instruments.

Market risk rose in the course of 2008 because of mounting volatility in the financial markets, and our interest-rate risk positions were maintained. Currency and equity positions, on the other hand, were reduced.

Group operational risk fell in the course of 2008. The fall masks improvements of the modelling basis involving a more advanced method for assessing risk and a real reduction of operational risk thanks to improved control and to bought insurance.

### **Annual General Meeting, dividend, etc.**

At the Annual General Meeting the Supervisory Board will propose a dividend of 0 for 2008 as for the preceding years; this is in conformity with the agreement between the Danish Private Contingency Association and the government about state guarantee for deposits and unsecured creditors.

In 2008, the Bank cancelled two million of its shares, and at 31 December 2008 the Bank held 1,203,871 own shares, corresponding to 2.2% of the share capital and a market value of about DKK 150m.

In spite of the change in the market price of the Bank's share, the number of shareholders at year-end 2008, at 251,382, was largely unchanged in comparison with the end of 2007. 40.9% of the share capital was owned by shareholders holding fewer than 1,000 shares each.

### **Outlook for 2009**

Core earnings before loan impairment charges and provisions for guarantees are expected to be on level with those of 2008. Loan impairment charges and provisions for guarantees are expected to be around 1% for 2009. Uncertainty is high about the Group's earnings in 2009 because of the slowdown of the Danish economy and the turbulence in the financial markets.

### **Financial calendar 2009**

Interim financial statement - first quarter of 2009	28 April
Interim financial statement - first half of 2009	25 August
Interim financial statement - first nine months of 2009	26 October

The Bank's Annual General Meeting will be held on 10 March 2009.

Yours sincerely

Sven Buhrkall	Anders Dam
Chairman of the Board	Managing Director and CEO

Enclosure:

- The Jyske Bank Group 2008

## ACCOUNTING POLICIES

The accounting policies are identical to those applied to the Annual Report 2007. A full description of the accounting principles is set out in the Annual Report 2008.

## INCOME STATEMENT 2008

(DKK '000)	The Jyske Bank Group		Jyske Bank	
	2008	2007	2008	2007
Interest income	10,960,895	8,546,128	10,525,866	8,085,188
Interest expenses	7,322,780	5,328,723	7,443,805	5,454,543
<b>Net interest income</b>	<b>3,638,115</b>	<b>3,217,405</b>	<b>3,082,061</b>	<b>2,630,645</b>
Dividends, etc.	26,694	21,848	26,694	21,848
Fee and commission income	1,674,875	1,943,881	1,374,401	1,604,513
Fee and commission expenses	161,765	147,138	135,981	122,487
<b>Net interest and fee income</b>	<b>5,177,919</b>	<b>5,035,996</b>	<b>4,347,175</b>	<b>4,134,519</b>
Value adjustments	685,284	351,690	651,383	273,619
Other operating income	301,313	248,143	234,827	204,005
Employee and administrative expenses	3,356,983	3,076,530	3,011,285	2,745,337
Amortisation, depreciation and impairment of intangible and	285,481	216,850	122,725	103,075
Other operating expenses	153,227	-3,430	131,674	-3,481
Loan impairment charges and provisions for guarantees	1,082,212	73,903	1,020,805	59,162
Profit on investments in associates and group enterprises	4,501	783	258,977	446,258
<b>Profit before tax</b>	<b>1,291,114</b>	<b>2,272,759</b>	<b>1,205,873</b>	<b>2,154,308</b>
Tax	303,174	537,750	233,012	438,886
<b>Profit for the year</b>	<b>987,940</b>	<b>1,735,009</b>	<b>972,861</b>	<b>1,715,422</b>
Attributable to:				
Jyske Bank A/S shareholders	972,861	1,715,422		
Minority interests	15,079	19,587		
<b>Total</b>	<b>987,940</b>	<b>1,735,009</b>		
<b>Earnings per share</b>				
Earnings per share, basic DKK	18.55	31.05		
Earnings per share, diluted DKK	18.55	31.05		
<b>Proposal for distribution of profit for the year</b>				
Proposed dividends			0	0
Total appropriation to capital and reserves			972,861	1,715,422
<b>Total</b>			<b>972,861</b>	<b>1,715,422</b>

**BALANCE SHEET AT 31 DECEMBER 2008**

(DKK '000)	The Jyske Bank Group		Jyske Bank	
	2008	2007	2008	2007
<b>ASSETS</b>				
Cash in hand and demand deposits with central banks	930,308	1,453,707	865,278	1,411,159
Due from credit institutions and central banks	30,467,027	30,321,169	43,266,404	48,086,967
Loans and advances	129,116,631	133,965,499	114,053,277	113,144,318
Bonds recognised at fair value	21,031,855	18,969,192	20,868,944	18,767,646
Bonds at amortised cost	14,054,628	0	14,054,628	0
Shares, etc.	1,083,971	1,368,672	697,259	971,222
Equity investments in associates	8,291	9,118	561,780	540,274
Equity investments in group enterprises	0	0	3,711,007	3,901,613
Assets in investment pools	10,774,542	14,334,370	10,774,542	14,334,370
Intangible assets	284,009	291,353	263,913	254,579
Owner-occupied properties	2,059,611	1,972,844	1,899,196	1,792,501
Other property, plant and equipment	537,701	429,381	114,358	172,084
Current tax assets	148,899	215,331	126,013	211,743
Deferred tax assets	40,504	25,089	0	0
Other assets	26,090,107	10,761,271	25,829,630	10,506,408
Prepayments	219,600	161,716	98,233	83,316
<b>Total assets</b>	<b>236,847,684</b>	<b>214,278,712</b>	<b>237,184,462</b>	<b>214,178,200</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Debt and payables</b>				
Due to credit institutions and central banks	32,500,444	31,561,843	38,842,006	39,276,835
Deposits	105,609,790	97,558,663	100,572,117	90,781,617
Deposits in investment pools	11,407,607	15,157,395	11,407,607	15,157,395
Issued bonds	36,924,745	34,873,906	36,924,745	34,873,906
Current tax liabilities	60,238	102,572	3,736	2,608
Other liabilities	34,837,176	20,893,811	34,475,702	20,426,196
Deferred income	197,650	168,448	17,105	6,741
<b>Total debt and payables</b>	<b>221,537,650</b>	<b>200,316,638</b>	<b>222,243,018</b>	<b>200,525,298</b>
<b>Provisions</b>				
Provisions for pensions, etc.	437,131	461,899	391,862	405,342
Provisions for deferred tax	662,534	406,361	351,026	136,521
Provisions for loss on guarantees	179,024	72,025	229,613	138,686
Other provisions	26,994	0	9,462	0
<b>Total provisions</b>	<b>1,305,683</b>	<b>940,285</b>	<b>981,963</b>	<b>680,549</b>
Subordinated debt	3,281,989	3,318,187	3,281,989	3,318,187
<b>Equity</b>				
Share capital	540,000	560,000	540,000	560,000
Revaluation reserve	278,457	271,742	219,864	210,273
Currency translation reserve	-4,828	-3,228	-4,828	-3,228
Reserve according to the equity method	0	0	2,219,901	2,165,330
Retained earnings	9,863,863	8,825,652	7,702,555	6,721,791
Minority interests	44,870	49,436	0	0
<b>Total equity</b>	<b>10,722,362</b>	<b>9,703,602</b>	<b>10,677,492</b>	<b>9,654,166</b>
<b>Total equity and liabilities</b>	<b>236,847,684</b>	<b>214,278,712</b>	<b>237,184,462</b>	<b>214,178,200</b>
Number of shares ('000) face value DKK 10	54,000	56,000	54,000	56,000
Total face value of shares	540,000	560,000	540,000	560,000

**STATEMENT OF CHANGES IN EQUITY**
**The Jyske Bank Group**

	Share capital	Revaluation reserve	Currency translation reserve	Retained earnings	Total	Minority interests	Total equity
(DKK 000)							
<b>Equity at 1 January 2008</b>	560,000	271,742	-3,228	8,825,652	9,654,166	49,436	9,703,602
Foreign currency translation, international units	0	0	-340,494	-3,228	-343,722	0	-343,722
Hedge accounting of international units	0	0	338,894	0	338,894	0	338,894
Revaluation of real property	0	6,715	0	11,145	17,860	0	17,860
Tax on equity items	0	0	0	38,948	38,948	0	38,948
<b>Net income recognised directly in equity</b>	0	6,715	-1,600	46,865	51,980	0	51,980
Profit for the year	0	0	0	972,861	972,861	15,079	987,940
<b>Total income</b>	0	6,715	-1,600	1,019,726	1,024,841	15,079	1,039,920
Capital reduction	-20,000	0	0	20,000	0	0	0
Acquisition of own shares	0	0	0	-1,646,683	-1,646,683	0	-1,646,683
Sale of own shares	0	0	0	1,645,168	1,645,168	0	1,645,168
Adjustment of minority interests	0	0	0	0	0	-19,645	-19,645
<b>Equity at 31 December 2008</b>	540,000	278,457	-4,828	9,863,863	10,677,492	44,870	10,722,362

	Share capital	Revaluation reserve	Currency translation reserve	Retained earnings	Total	Minority interests	Total equity
(DKK 000)							
<b>Equity at 1 January 2007</b>	620,000	172,030	0	8,789,824	9,581,854	55,125	9,636,979
Foreign currency translation, international units	0	0	-175,428	0	-175,428	0	-175,428
Hedge accounting of international units	0	0	172,200	0	172,200	0	172,200
Revaluation of real property	0	99,712	0	1,040	100,752	0	100,752
Tax on equity items	0	0	0	-21,494	-21,494	0	-21,494
<b>Net income recognised directly in equity</b>	0	99,712	-3,228	-20,454	76,030	0	76,030
Profit for the year	0	0	0	1,715,422	1,715,422	19,587	1,735,009
<b>Total income</b>	0	99,712	-3,228	1,694,968	1,791,452	19,587	1,811,039
Capital reduction	-60,000	0	0	60,000	0	0	0
Acquisition of own shares	0	0	0	-3,465,361	-3,465,361	0	-3,465,361
Sale of own shares	0	0	0	1,746,221	1,746,221	0	1,746,221
Adjustment of minority interests	0	0	0	0	0	-25,276	-25,276
<b>Equity at 31 December 2007</b>	560,000	271,742	-3,228	8,825,652	9,654,166	49,436	9,703,602

**SOLVENCY CALCULATION**

(DKK '000)	The Jyske Bank Group		Jyske Bank	
	2008	2007	2008	2007
<b>Solvency statement and capital requirement</b>				
Equity	10,722,362	9,703,602	10,677,492	9,654,166
Of which revaluation reserve	278,457	271,742	219,864	210,273
Of which currency translation reserve	-4,828	-3,228	-4,828	-3,228
<b>Core capital</b>	<b>10,448,733</b>	9,435,088	<b>10,462,456</b>	9,447,121
Intangible assets	284,009	291,353	263,913	254,579
Deferred tax assets	40,504	25,089	0	0
Hybrid core capital included	1,642,857	1,609,173	1,642,857	1,622,213
Difference between expected loss and the carrying amount of impairment charges	-120,692	0	-125,665	0
Other deductions	27,235	46,409	660	22,755
<b>Core capital incl. hybrid core capital less deductions</b>	<b>11,619,150</b>	10,681,410	<b>11,715,075</b>	10,792,000
Subordinated debt and revaluation reserve included	1,917,589	1,912,194	1,858,996	1,850,725
Excess hybrid core capital	0	68,562	0	55,522
Difference between expected loss and the carrying amount of impairment charges	-120,692	0	-125,665	0
Other deductions	27,235	46,408	660	22,755
<b>Supplementary capital less deductions</b>	<b>1,769,662</b>	1,934,348	<b>1,732,671</b>	1,883,492
<b>Capital base less deductions</b>	<b>13,388,812</b>	12,615,758	<b>13,447,746</b>	12,675,492
Weighted items involving credit risk etc.	86,488,298	116,800,858	92,385,464	117,129,294
Weighted items involving market risk	9,029,165	15,738,477	9,028,361	15,725,060
Weighted items involving operational risk	10,035,832	0	8,324,346	0
<b>Total weighted items</b>	<b>105,553,295</b>	132,539,335	<b>109,738,171</b>	132,854,354
Capital requirement, Pillar I	8,444,264	10,603,147	8,779,054	10,628,348
Capital requirement, transitional provision	917,416	0	782,680	0
<b>Capital requirement, total</b>	<b>9,361,680</b>	10,603,147	<b>9,561,734</b>	10,628,348
Solvency ratio (%)	12.7	9.5	12.3	9.5
Core capital ratio including hybrid core capital (%)	11.0	8.1	10.7	8.1
Core capital ratio excluding hybrid core capital (%)	9.5	6.9	9.2	6.9

With effect from 2008, the solvency and core capital ratios are calculated in accordance with CRD (Basel II). For 2007 the ratios were calculated in accordance with CAD (Basel I).

Risk-adjusted assets according to Basel I amounted at end-2008 to DKK 130,023m for the Jyske Bank Group and to DKK 132,802m for Jyske Bank.

The capital requirement according to the interim rules was for 90% of the capital requirement of 8% of risk-adjusted assets corresponding to DKK 9,362m for the Jyske Bank Group and DKK 9,562m for Jyske Bank.



**CASH FLOW STATEMENT**

(DKK '000)	<b>The Jyske Bank Group</b>	
	<b>2008</b>	<b>2007</b>
<b>Profit for the year</b>	<b>987,940</b>	1,735,009
<b>ADJUSTMENT FOR NON-CASH OPERATING ITEMS, ETC.</b>		
Loan impairment charges and provisions for guarantees	<b>1,082,212</b>	73,903
Amortisation, depreciation and impairment of intangible and tangible assets	<b>285,481</b>	216,850
Unrealised market value adjustment of securities	<b>754,900</b>	368,000
Unrealised market value adjustment of investments in associates and group enterprises	<b>-4,501</b>	-783
Interest, not paid	<b>-281,711</b>	-45,893
Other outstanding operating items	<b>80,543</b>	-100,202
Tax charged to the Income Statement	<b>303,174</b>	537,750
Tax paid, net	<b>23,156</b>	-785,459
<b>Total</b>	<b>3,231,194</b>	1,999,175
<b>CHANGE IN WORKING CAPITAL</b>		
Loans and advances	<b>3,766,656</b>	-26,853,921
Deposits	<b>4,301,339</b>	23,875,008
Issued bonds	<b>2,050,839</b>	9,480,789
Credit institutions, net	<b>1,501,700</b>	13,660,369
Other assets and liabilities	<b>-14,148,849</b>	-5,187,112
<b>Total</b>	<b>-2,528,315</b>	14,975,133
<b>Cash flow from operating activities</b>	<b>702,879</b>	16,974,308
Acquisition of subsidiaries	<b>-24,244</b>	-22,166
Acquisition of property, plant and equipment	<b>-364,031</b>	-413,619
Acquisition of intangible assets	<b>-91,333</b>	-105,258
<b>Cash flow from investing activities</b>	<b>-479,608</b>	-541,043
Buy-back of own shares, net	<b>-1,515</b>	-1,719,140
Additional subordinated debt	<b>-36,198</b>	267
<b>Cash flow from financing activities</b>	<b>-37,713</b>	-1,718,873
<b>Cash flow for the year</b>	<b>185,558</b>	14,714,392
Cash and cash equivalents, beginning of period	<b>29,239,563</b>	14,525,171
<b>Cash and cash equivalents, end of period</b>	<b>29,425,121</b>	29,239,563
Cash and cash equivalents, end of period, comprise:		
Cash in hand, etc.	<b>930,308</b>	1,453,707
Due in less than three months from credit institutions and central banks	<b>28,494,813</b>	27,785,856
<b>Cash and cash equivalents, end of period</b>	<b>29,425,121</b>	29,239,563

**CORE EARNINGS (DKK m)**

	2008	2007	2006	2005	2004
Net interest income	3,355	3,140	2,982	2,679	2,602
Dividends, etc.	21	15	16	17	37
Net fee and commission income	1,529	1,813	1,649	1,488	1,093
<b>Net interest and fee income</b>	<b>4,905</b>	<b>4,968</b>	<b>4,647</b>	<b>4,184</b>	<b>3,732</b>
Value adjustments	850	718	641	572	384
Other operating income	301	248	395	386	350
<b>Gross earnings</b>	<b>6,056</b>	<b>5,934</b>	<b>5,683</b>	<b>5,142</b>	<b>4,466</b>
Operating expenses, depreciation and amortisation	3,661	3,278	3,761	3,318	3,012
Profit on investments in associates and group enterprises	5	0	3	-5	-1
<b>Core earnings before loan impairment charges and</b>	<b>2,400</b>	<b>2,656</b>	<b>1,925</b>	<b>1,819</b>	<b>1,453</b>
<b>Loan impairment charges and provisions for guarantees</b>	<b>975</b>	<b>77</b>	<b>-345</b>	<b>72</b>	<b>330</b>
<b>Core earnings</b>	<b>1,425</b>	<b>2,579</b>	<b>2,270</b>	<b>1,747</b>	<b>1,123</b>
Profit on investment portfolios	97	-306	540	427	837
The Danish Private Contingency Association	-231	0	0	0	0
<b>Profit before tax</b>	<b>1,291</b>	<b>2,273</b>	<b>2,810</b>	<b>2,174</b>	<b>1,960</b>

**CORE EARNINGS AND RETURN ON INVESTMENT PORTFOLIOS ETC. (DKK m)**

	2008				2007			
	Core earnings	Profit on own securities portfolio	The Danish Private Contingency Association	Total	Core earnings	Profit on own securities portfolio	The Danish Private Contingency Association	Total
Net interest income	3,355	283	0	3,638	3,140	77	0	3,217
Dividends, etc.	21	6	0	27	15	7	0	22
Net fee and commission income	1,529	-16	0	1,513	1,813	-16	0	1,797
<b>Net interest and fee income</b>	<b>4,905</b>	<b>273</b>	<b>0</b>	<b>5,178</b>	<b>4,968</b>	<b>68</b>	<b>0</b>	<b>5,036</b>
Value adjustments	850	-165	0	685	718	-366	0	352
Other operating income	301	0	0	301	248	0	0	248
<b>Gross earnings</b>	<b>6,056</b>	<b>108</b>	<b>0</b>	<b>6,164</b>	<b>5,934</b>	<b>-298</b>	<b>0</b>	<b>5,636</b>
Operating expenses, depreciation and amortisation	3,661	13	122	3,796	3,278	12	0	3,290
Profit/(loss) on investments in associates and group enterprises	5	0	0	5	0	1	0	1
<b>Core earnings before loan impairment charges and provision for guarantees</b>	<b>2,400</b>	<b>95</b>	<b>-122</b>	<b>2,373</b>	<b>2,656</b>	<b>-309</b>	<b>0</b>	<b>2,347</b>
Loan impairment charges and provisions for guarantees	975	-2	109	1,082	77	-3	0	74
<b>Profit/(loss) before tax</b>	<b>1,425</b>	<b>97</b>	<b>-231</b>	<b>1,291</b>	<b>2,579</b>	<b>-306</b>	<b>0</b>	<b>2,273</b>

Core earnings include profit on customer-related activities. Profit on own securities portfolio includes funding costs and proceeds from the sale of Totalkredit.

The Danish Private Contingency Association includes expenses in relation to the Danish Government Guarantee for financial institutions.

## THE JYSKE BANK GROUP - 5-QUARTER SUMMARY

### SUMMARY OF INCOME STATEMENT (DKKm)

	4th quarter 2008	3rd quarter 2008	2nd quarter 2008	1st quarter 2008	4th quarter 2007
Net interest income	998	877	896	867	787
Dividends, etc.	1	2	22	2	2
Net fee and commission income	416	332	365	400	555
<b>Net interest and fee income</b>	<b>1,415</b>	<b>1,211</b>	<b>1,283</b>	<b>1,269</b>	<b>1,344</b>
Value adjustments	590	-149	0	244	57
Other operating income	76	75	86	64	78
Operating expenses, depreciation and amortisation	1,089	929	888	890	894
Loan impairment charges and provisions for guarantees	790	174	65	53	78
Profit on investments in associates and group enterprises	0	1	4	0	0
<b>Profit before tax</b>	<b>202</b>	<b>35</b>	<b>420</b>	<b>634</b>	<b>507</b>
Tax	25	21	112	145	142
<b>Profit for the period</b>	<b>177</b>	<b>14</b>	<b>308</b>	<b>489</b>	<b>365</b>
Of which minority shareholders	2	3	3	7	4

### SUMMARY OF THE BALANCE SHEET (DKK m)

Loans and advances	129,117	141,815	144,444	141,436	133,965
- bank loans	119,085	125,245	123,587	121,152	123,733
- repo loans	10,032	16,570	20,857	20,284	10,232
Deposits	117,017	115,957	114,529	113,635	112,716
- bank deposits	105,553	97,563	96,800	96,105	96,450
- repo deposits	56	2,552	2,014	2,146	1,109
- pooled deposits	11,408	15,842	15,715	15,384	15,157
Issued bonds	36,925	40,083	36,490	35,084	34,874
Subordinated debt	3,282	3,320	3,319	3,318	3,318
Equity	10,722	10,486	10,367	10,113	9,704
Total assets	236,848	224,608	224,858	222,398	214,279

### CORE EARNINGS (DKKm)

	4th quarter 2008	3rd quarter 2008	2nd quarter 2008	1st quarter 2008	4th quarter 2007
Net interest income	852	821	845	837	742
Dividends, etc.	0	0	20	1	1
Net fee and commission income	419	336	371	403	560
<b>Net interest and fee income</b>	<b>1,271</b>	<b>1,157</b>	<b>1,236</b>	<b>1,241</b>	<b>1,303</b>
Value adjustments	318	188	162	182	175
Other operating income	76	75	86	64	78
<b>Gross earnings</b>	<b>1,665</b>	<b>1,420</b>	<b>1,484</b>	<b>1,487</b>	<b>1,556</b>
Operating expenses, depreciation and amortisation	963	926	885	887	891
Profit on investments in associates and group enterprises	0	1	4	0	0
<b>Core earnings before loan impairment charges and</b>	<b>702</b>	<b>495</b>	<b>603</b>	<b>600</b>	<b>665</b>
Loan impairment charges and provisions for guarantees	681	175	66	53	78
<b>Core earnings</b>	<b>21</b>	<b>320</b>	<b>537</b>	<b>547</b>	<b>587</b>
Profit on investment portfolios	412	-285	-117	87	-80
Det Private Beredskab	-231	0	0	0	
<b>Profit before tax</b>	<b>202</b>	<b>35</b>	<b>420</b>	<b>634</b>	<b>507</b>
No. of full-time staff at the end of quarter	4,112	4,167	4,147	4,141	4,145

In the first to third quarters of 2008, net interest income totalling DKK 54m was reclassified from core earnings to earnings on investment portfolios.