

**Jyske Bank**

**Interim financial report**

**first nine months of 2011**

## Interim Report, first nine months 2011

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## Summary

- PROFIT BEFORE TAX: DKK 426m (the first nine months of 2010: DKK 601m)
- Net interest and fee income under core earnings: DKK 4,164m (the first nine months of 2010: DKK 4,160m)
- Loan impairment charges and provisions for guarantees, etc. under core earnings: DKK 990m (the first nine months of 2010: DKK 1,302m)
- Core earnings of DKK 427m (the first nine months of 2010: DKK 763m) were adversely affected in the amount of DKK 204m by special items
- Earnings from investment portfolios net of funding costs: DKK 220m (the first nine months of 2010: DKK 364m)
- Solvency ratio: 15.6%, Tier 1 capital: 14.1% and Core Tier 1 capital exclusive of hybrid core capital: 12.5% (end-2010: 15.8%, 14.1% and 12.5%)

## Comments by Management

Anders Dam, Managing Director and CEO:

“The third quarter of 2011 was for Jyske Bank the time of recognition and action.

We had to recognise that the beginning economic recovery that we saw in the course of 2010 and in early 2011 was over the summer replaced by a general economic slowdown due to the unsustainable economic situation in a number of countries. This affected the economic development adversely and will probably continue to do so for an extended period of time. It also had to be recognised that the international and national economic development affected Jyske Bank's earnings considerably, and the stagnating top line in combination with still increasing costs and expenses had led to the result that profit year to date is not at a satisfactory level.

Due to the unsustainable development, the third quarter of 2011 was one of action with focus on future improvement of the bottom line. The initiatives that were implemented in the form of staff reduction, price adjustments and selective acquisitions will affect the earnings and cost development as of 2012 and with full effect in 2013. Inclusive of the effects from the conversion to Bankdata, initiatives have been implemented that, all other things being equal, will increase Jyske Bank's pre-tax profit by DKK 500m-600m as of 2013. In the coming years, we will strive to implement further initiatives to improve the bottom line.

Finally, the third quarter of 2011 offered positive circumstances in the entire IT area. The Danish FSA concluded its inspection of the IT area and we were confirmed in our belief that Jyske Bank's principles and policies essentially meet the requirements in the area. Moreover, a conversion of the IT systems at our international unit in Switzerland has been completed, and a similar conversion took place at Jyske Bank Gibraltar in October 2011. Hence we have begun the conversion of our IT systems and expect that it will be completed with the conversion of the Danish systems to Bankdata in October 2012,” concludes Anders Dam.

## The Jyske Bank Group

Summary of income statement (DKKm)	Q1-Q3 2011	Q1-Q3 2010	Index 11/10	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	2010
Net interest income	3,446	3,546	97	1,152	1,142	1,152	1,177	1,237	4,723
Dividends, etc.	26	23	113	3	20	3	0	1	23
Net fee and commission income	921	903	102	306	291	324	417	291	1,320
<b>Net interest and fee income</b>	<b>4,393</b>	<b>4,472</b>	<b>98</b>	<b>1,461</b>	<b>1,453</b>	<b>1,479</b>	<b>1,594</b>	<b>1,529</b>	<b>6,066</b>
Value adjustments	-70	424	-17	-83	-8	21	7	71	431
Other operating income	336	281	120	114	113	109	99	94	380
Operating expenses, depreciation and amortisation	3,233	3,070	105	1,011	1,068	1,154	1,028	981	4,098
Loan impairment charges and provisions for guarantees	995	1,519	66	375	370	250	279	519	1,798
Profit on investments in associates and group enterprises	-5	13	-38	2	-2	-5	9	9	22
<b>Pre-tax profit</b>	<b>426</b>	<b>601</b>	<b>71</b>	<b>108</b>	<b>118</b>	<b>200</b>	<b>402</b>	<b>203</b>	<b>1,003</b>
Tax	110	151	73	26	30	54	95	49	246
<b>Profit for the period</b>	<b>316</b>	<b>450</b>	<b>70</b>	<b>82</b>	<b>88</b>	<b>146</b>	<b>307</b>	<b>154</b>	<b>757</b>
of which minority interests	3	3	100	1	0	2	-3	2	0
<b>Balance sheet, end of period (DKKm)</b>									
Loans and advances	112,769	109,746	103	112,769	115,557	114,418	114,023	109,746	114,023
- bank loans	105,612	104,096	101	105,612	106,089	104,444	105,742	104,096	105,742
- repo loans	7,157	5,650	127	7,157	9,468	9,974	8,281	5,650	8,281
Deposits	123,037	113,125	109	123,037	116,337	117,821	115,776	113,125	115,776
- bank deposits	96,470	94,778	102	96,470	93,035	92,543	93,437	94,778	93,437
- repo deposits	15,968	3,710	430	15,968	9,777	8,053	4,583	3,710	4,583
- pooled deposits	10,599	14,637	72	10,599	13,525	17,225	17,756	14,637	17,756
Issued bonds	43,318	40,816	106	43,318	40,219	42,139	45,383	40,816	45,383
Subordinated debt	3,067	3,256	94	3,067	3,060	3,225	3,257	3,256	3,257
Equity	13,668	13,026	105	13,668	13,539	13,440	13,352	13,026	13,352
Total assets	246,960	249,216	99	246,960	235,483	232,655	244,114	249,216	244,114
<b>Financial ratios and data</b>									
Pre-tax profit, per share (DKK)	6.60	9.29	-	1.68	1.82	3.10	6.23	3.14	15.52
Earnings per share for the period (DKK)	4.85	6.91	-	1.26	1.36	2.23	4.80	2.36	11.71
Earnings per share for the period (diluted) (DKK)	4.85	6.91	-	1.26	1.36	2.23	4.80	2.36	11.71
Core earnings per share (DKK)	6.61	11.80	-	0.31	1.70	4.60	5.04	6.45	16.44
Share price at end of period (DKK)	166	213	-	166	203	234	259	213	259
Book value per share (DKK)	211	201	-	211	209	208	206	201	206
Price/book value per share (DKK)	0.79	1.06	-	0.79	0.97	1.13	1.26	1.06	1.26
Av. No. of shares in circulation ('000)	64,563	64,667	-	64,568	64,591	64,530	64,687	64,577	64,672
Solvency ratio	15.6	15.6	-	15.6	16.0	16.2	15.8	15.6	15.8
Tier 1 capital ratio incl. hybrid capital	14.1	13.9	-	14.1	14.5	14.4	14.1	13.9	14.1
Core Tier 1 capital ratio excl. hybrid capital	12.5	12.3	-	12.5	12.8	12.8	12.5	12.3	12.5
Pre-tax profit as a percentage of av. Equity	3.2	4.7	-	0.8	0.9	1.5	3.1	1.6	7.8
Net profit for the period as a percentage of av. equity	2.3	3.5	-	0.6	0.6	1.1	2.4	1.2	5.9
Income/cost ratio	1.1	1.1	-	1.1	1.1	1.1	1.3	1.1	1.2
Interest-rate risk (%)	0.7	-0.1	-	0.7	1.7	2.4	1.5	-0.1	1.5
Currency risk (%)	0.2	0.2	-	0.2	0.2	0.1	0.2	0.2	0.2
Accumulated impairment ratio (%)	3.0	3.4	-	3.0	2.9	2.9	3.3	3.4	3.3
Impairment ratio for the period (%)	0.8	1.2	-	0.3	0.3	0.2	0.2	0.4	1.4
No. of full-time employees at end-period	3,701	3,858	-	3,701	3,837	3,828	3,847	3,858	3,847

The financial ratios are based on the definitions and guidelines laid down by the Danish Financial Supervisory Authority.

## Overall results

The Group realised a pre-tax profit of DKK 426m. Calculated tax amounted to DKK 110m, and after tax the profit amounted to DKK 316m. The pre-tax profit corresponded to an annualised return of 4.3% on opening equity. Exclusive of the contributions to Bank Package I and the Guarantee Fund, the return on opening equity came to 6.5% p.a. against 12.0% p.a. for the corresponding period of 2010.

	Q1-Q3 2011	Q1-Q3 2010	Index 11/10	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	2010
<b>Pre-tax profit for the period (DKKm)</b>									
Net interest income	3,224	3,235	100	1,091	1,066	1,067	1,080	1,119	4,315
Dividends, etc.	17	20	85	1	14	2	0	0	20
Net fee and commission income	923	905	102	306	292	325	417	292	1,322
<b>Net interest and fee income</b>	<b>4,164</b>	<b>4,160</b>	<b>100</b>	<b>1,398</b>	<b>1,372</b>	<b>1,394</b>	<b>1,497</b>	<b>1,411</b>	<b>5,657</b>
Value adjustments	-66	367	-18	-74	-24	32	20	103	387
Other operating income	336	281	120	114	113	109	99	94	380
<b>Gross earnings</b>	<b>4,434</b>	<b>4,808</b>	<b>92</b>	<b>1,438</b>	<b>1,461</b>	<b>1,535</b>	<b>1,616</b>	<b>1,608</b>	<b>6,424</b>
Operating expenses, depreciation and amortisation	3,012	2,756	109	1,044	979	989	1,046	882	3,802
Profit on investments in associates and group enterprises	-5	13	-38	2	-2	-5	9	9	22
<b>Core earnings before loan impairment charges and provisions for guarantees</b>	<b>1,417</b>	<b>2,065</b>	<b>69</b>	<b>396</b>	<b>480</b>	<b>541</b>	<b>579</b>	<b>735</b>	<b>2,644</b>
Loan impairment charges and provisions for guarantees	990	1,302	76	376	370	244	279	318	1,581
<b>Core earnings</b>	<b>427</b>	<b>763</b>	<b>56</b>	<b>20</b>	<b>110</b>	<b>297</b>	<b>300</b>	<b>417</b>	<b>1,063</b>
Investment portfolio earnings	220	364	60	53	95	72	82	85	446
<b>Profit before Bank Package I and the Guarantee Fund</b>	<b>647</b>	<b>1,127</b>	<b>57</b>	<b>73</b>	<b>205</b>	<b>369</b>	<b>382</b>	<b>502</b>	<b>1,509</b>
Bank Package I and the Guarantee Fund	-221	-526	42	35	-87	-169	20	-299	-506
<b>Pre-tax profit</b>	<b>426</b>	<b>601</b>	<b>71</b>	<b>108</b>	<b>118</b>	<b>200</b>	<b>402</b>	<b>203</b>	<b>1,003</b>

## Core earnings

Core earnings representing the Group' earnings on customer-related activities amounted to DKK 427m against DKK 763m for the corresponding period in 2010. Core earnings compared to the corresponding period last year were affected by special items in the negative amount of DKK 204m due to the early repayment of subordinate loan capital, staff reduction and a negative value adjustment of the portfolio of held-to-maturity bonds.

Net interest income under core earnings amounted to DKK 3,224m against DKK 3,235m in the corresponding period of 2010. The development was affected by rising funding costs and pressure on interest rate margins due to the economic situation and competition in the market.

Net fee income and other operating income rose by 6% to DKK 1,259m against DKK 1,186m in the corresponding period in 2010. In the first nine months of 2011, DKK 14m and DKK 17m were offset against commission paid in connection with Jyske Bank's channelling of mortgage loans through Totalkredit and DLR, respectively.

Value adjustments amounted to DKK -66m, hence they were at a markedly lower level than in the corresponding period of 2010. Value adjustments of currency and bond holdings were adversely affected by the turmoil in the financial markets and the ensuing falling activity in Trading and Investment.

Operating expenses, depreciation and amortisation amounted to DKK 3,012m against DKK 2,756m for the corresponding period in 2010. The staff reduction that was carried out on 22 September 2011, resulted in severance costs under core earnings of about DKK 80m against the expected level of DKK 90m.

## Loan impairment charges and provisions for guarantees

The loan impairment charges and provisions for guarantees for the period amounted to DKK 995m, and hence they are lower than the corresponding period in 2010.

Loans, advances and guarantees as well as loan impairment charges and provisions for guarantees (DKKm)	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	2010
Loans, advances and guarantees	123,085	126,180	125,546	128,458	124,641	128,458
Balance of loan impairment charges and provisions for guarantees	3,841	3,801	3,785	4,408	4,448	4,408
Individual impairment charges and provisions for guarantees	3,202	3,215	3,230	3,814	3,853	3,814
Collective impairment charges and provisions for guarantees	639	586	555	594	595	594
Total loan impairment charges and provisions as a percentage of loans, advances and guarantees	3.0%	2.9%	2.9%	3.3%	3.4%	3.3%
Loan impairment charges and provisions for guarantees for the period	375	370	250	279	519	1,798
Loss for the period	391	407	914	385	249	955

The Group's balance of loan impairment charges and provisions amounted to DKK 3,841m, against DKK 4,408m at end-2010. The decline in the balance can primarily be attributed to the write-off of DKK 524m relating to Bank Package I. The balance corresponded to 3.0% of loans, advances and guarantees against 3.3% at end-2010. The portfolio of individually assessed loans and advances with objective evidence of impairment (excluding those recognised at nil) fell by DKK 0.2bn to DKK 8.1bn relative to end-2010, and the impairment ratio for these was 34% against 35% at end-2010.

Jyske Bank A/S	Loans, advances and guarantees		Balance of loan impairment charges and provisions for guarantees		Loan impairment charges for the period		Loss for the period	
Loans, advances and guarantees as well as loan impairment charges and provisions for guarantees (DKKm)	Q1-Q3 2011	End- 2010	Q1-Q3 2011	End- 2010	Q1-Q3 2011	Q1-Q3 2010	Q1-Q3 2011	Q1-Q3 2010
Public authorities	3,732	4,582	0	0	0	0	0	0
Agriculture, hunting, forestry, fishing industry	8,772	8,870	593	534	152	246	115	23
Manufacturing and mining, etc.	8,470	7,883	166	270	30	139	138	21
Energy supply	2,732	2,886	17	4	27	2	17	0
Building and construction	2,088	2,202	91	92	36	41	42	10
Commerce	7,234	6,540	247	336	66	84	164	26
Transport, hotels and restaurants	3,148	2,685	37	58	3	12	25	44
Information and communication	458	490	13	16	0	10	3	13
Finance and insurance	27,675	29,179	515	1,199	134	416	836	118
Real property	10,646	11,092	689	517	260	202	123	96
Other sectors	3,512	4,526	149	222	-39	74	29	31
Corporate customers, individually assessed, total	74,735	76,353	2,517	3,248	669	1,226	1,492	382
Corporate customers, collective impairment charges	<sup>1</sup>		508	466	41	105	6	6
Personal customers, individually assessed	43,438	45,645	425	294	243	101	146	118
Personal customers, collective impairment charges	<sup>1</sup>		121	116	20	10	17	21
<b>Total</b>	<b>121,905</b>	<b>126,580</b>	<b>3,571</b>	<b>4,124</b>	<b>973</b>	<b>1,442</b>	<b>1,661</b>	<b>527</b>

<sup>1</sup> Loans, advances and guarantees assessed collectively for impairment amounted to DKK 45,572m at the end of September 2011.

Loans, advances and guarantees as well as the balance of loan impairment charges and provisions for guarantees of Jyske Bank A/S can be broken down by sector as shown in the table above. The balance of loan impairment charges and provisions for guarantees as a percentage of loans, advances and guarantees was highest within agriculture, etc. as well as real property.

The Group had two exposures which exceeded 10% of the capital base. These exposures accounted for 28.1% of the capital base against 32.5% at end-2010. These are exposures to the two largest Danish financial groups. The Group has seven exposures that amount to between 5% and 7.5% and three exposures between 7.5% and 10% of the capital base.

### Investment portfolio earnings

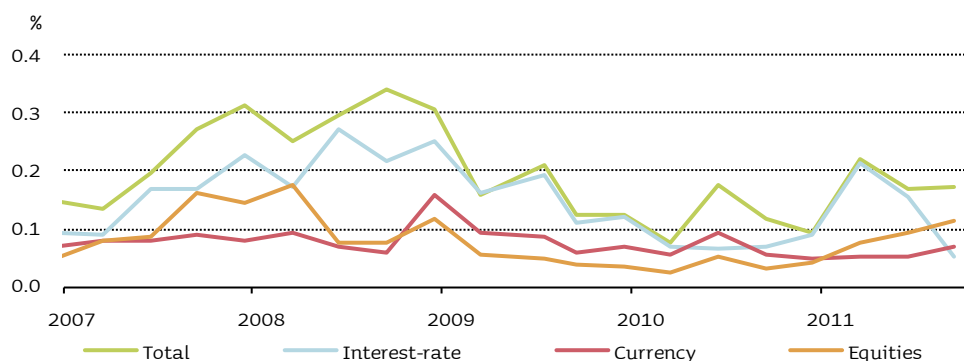
Investment portfolio earnings amounted to DKK 220m against DKK 364m for the corresponding period in 2010. The investment portfolio earnings were affected by the low interest-rate level and the turmoil in the financial markets.

### Market risk

The aggregate interest-rate, currency and equity risk – expressed as Value-at-Risk (VaR) – amounted to DKK 23m (calculated with a time frame of one day and 99% probability) against DKK 12m at end-2010.

Interest-rate risk is Jyske Bank's principal market risk and was dominated by exposure to Danish and international mortgage bonds as well as covered bonds with short and medium time to maturity.

**Value-at-Risk as a percentage of equity**



The Group's total portfolio of held-to-maturity bonds amounted to DKK 12.1bn against DKK 12.4bn at end-2010. It is still dominated by low-risk securities. At the end of the third quarter of 2011, the market value was DKK 53m lower than the carrying amount.

### Bank Package I and the Guarantee Fund

Jyske Bank participated in Bank Package I and is legally covered by the Guarantee Fund; hence Jyske Bank is obliged to pay and guarantee for its proportionate share of the costs relating to the guarantee scheme. In respect of Bank Package I and the Guarantee Fund, Jyske Bank recognised DKK 221m as an expense in the first nine months of 2011 against DKK 526m in the corresponding period in 2010.

In the first nine months of 2011, Jyske Bank recognised as an expense DKK 69m, which amount was assessed to be Jyske Bank's share of the Guarantee Fund's reimbursement to Finansiell Stabilitet after the winding up of Amagerbanken. The amount was calculated according to Jyske Bank's most recently calculated share of 7.12% of the sector's obligations towards the Guarantee Fund and an expected loss of DKK 965m in the sector.

Moreover, Jyske Bank recognised DKK 6m as an expense following the winding up of Amagerbanken, which amount constitutes Jyske Bank's part of Amagerbanken's remaining obligations towards Finansiel Stabilitet.

Likewise, in the first nine months of 2011, Jyske Bank recognised as an expense DKK 96m, which amount was assessed to be Jyske Bank's share of the Guarantee Fund's reimbursement to Finansiel Stabilitet after the winding up of Fjordbank Mors based on the expected loss of DKK 1,355m in the sector, and in the first nine months of 2011 Jyske Bank recognised as an expense DKK 14m as Jyske Bank's share of the Guarantee Fund's liquidity requirements after the winding up of Capinordic Bank.

Most recently, in the first nine months of 2011, Jyske Bank recognised as an expense DKK 36m, which amount was assessed to be Jyske Bank's share of the Guarantee Fund's reimbursement to Finansiel Stabilitet after the winding up of Max Bank based on the expected loss of DKK 500m in the sector.

The total loss incurred by the Guarantee Fund cannot be finally established until the various winding-up processes have been completed, and therefore some of the amounts charged to the Income Statement may be adjusted.

Jyske Bank has recognised as an expense a total of DKK 1,569m for losses in the sector since the bankruptcy of Roskilde Bank in the autumn of 2008.

## Core earnings, earnings from investment portfolios as well as Bank Package I and the Guarantee Fund

The pre-tax profit for the first nine months of 2011 broken down by core earnings and earnings on investment portfolios as well as Bank Package I and the Guarantee Fund is stated below.

(DKKm)	Q1-Q3 2011				Q1-Q3 2010			
	Core earnings	Earnings on investment portfolios	Bank Package I and the Guarantee Fund	Total	Core earnings	Earnings on investment portfolios	Bank Package I and the Guarantee Fund	Total
Net interest income	3,224	222	0	3,446	3,235	311	0	3,546
Dividends, etc.	17	9	0	26	20	3	0	23
Net fee and commission income	923	-2	0	921	905	-2	0	903
<b>Net interest and fee income</b>	<b>4,164</b>	<b>229</b>	<b>0</b>	<b>4,393</b>	<b>4,160</b>	<b>312</b>	<b>0</b>	<b>4,472</b>
Value adjustments	-66	-4	0	-70	367	57	0	424
Other operating income	336	0	0	336	281	0	0	281
<b>Gross earnings</b>	<b>4,434</b>	<b>225</b>	<b>0</b>	<b>4,659</b>	<b>4,808</b>	<b>369</b>	<b>0</b>	<b>5,177</b>
Operating expenses, depreciation and amortisation	3,012	6	215	3,233	2,756	6	308	3,070
Profit on investments in associates and group enterprises	-5	0	0	-5	13	0	0	13
<b>Core earnings before loan impairment charges and provisions for guarantees</b>	<b>1,417</b>	<b>219</b>	<b>-215</b>	<b>1,421</b>	<b>2,065</b>	<b>363</b>	<b>-308</b>	<b>2,120</b>
Loan impairment charges and provisions for guarantees	990	-1	6	995	1,302	-1	218	1,519
<b>Pre-tax profit</b>	<b>427</b>	<b>220</b>	<b>-221</b>	<b>426</b>	<b>763</b>	<b>364</b>	<b>-526</b>	<b>601</b>



## Third quarter of 2011

Seen in isolation the results for the third quarter of 2011 were not at a satisfactory level, and the development reflected the mounting economic challenges, rising funding costs and generally lower activity.

In the third quarter of 2011, Jyske Bank initiated measures to support future earnings and the future business volume as well as measures to reduce the cost base, for instance in the form of the staff reduction by 150 employees.

Loan impairment charges and provisions for guarantees amounted to DKK 375m, and hence they were in line with the second quarter of 2011. The development of loan impairment charges and provisions for guarantees showed that the continued very low level of economic activity had a negative effect on a number of accounts - particularly in respect of small and medium-sized corporate and agricultural customers.

Bank lending fell by almost 1% and bank deposits increased by 4% relative to the end of the first half of 2011.

Finally, the conversion of the IT systems at our international unit in Switzerland was completed, and a similar conversion took place at Jyske Bank Gibraltar in October 2011. The new IT systems result in a considerable technological boost and new business opportunities at the two units.

## Capital structure and capital management

For 2011, capital planning is characterised by consolidation and sustained optimisation of risk-adjusted assets with due regard for the business strategy. Consolidated equity amounted to DKK 13.7bn and the capital base to DKK 16.2bn, which amounts were in line with the level at end-2010.

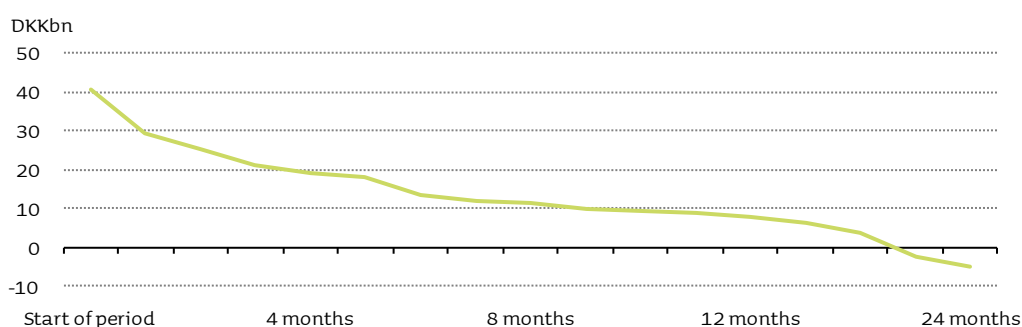
Solvency and core capital ratios	Q3 2011	Q2 2011	Q1 2011	Q4 2010	Q3 2010	2010
Solvency ratio	15.6	16.0	16.2	15.8	15.6	15.8
Tier 1 capital ratio incl. hybrid capital	14.1	14.5	14.4	14.1	13.9	14.1
Core Tier 1 capital ratio excl. hybrid capital	12.5	12.8	12.8	12.5	12.3	12.5

The Group calculated its individual solvency requirement to be 10.0% of the risk-weighted assets. Please see [www.jyskebank.info](http://www.jyskebank.info) for further information about Jyske Bank's capital structure.

## Liquidity management

At the end of the third quarter of 2011, Jyske Bank's liquidity reserve amounted to DKK 40.5bn. Certificates of deposit with the Danish central bank amounted to DKK 2.3bn; in addition to this the reserve consisted mainly of highly liquid Danish mortgage bonds and covered bonds.

Under a stress scenario assuming that Jyske Bank is precluded from refunding in the Interbank market as well as the market for the issue of commercial papers (CP) and European Medium Term Notes (EMTN), Jyske Bank's liquidity reserve will after a 12-month period amount to DKK 7.6bn, which is in line with the level at the end of the first half of 2011. After 24 months, the reserve under this stress scenario will amount to DKK -4.9bn against DKK -8bn at the end of the first half of 2011.



During 2010 and 2011, Jyske Bank was able to issue long-term senior notes. Over the past 18 months, Jyske Bank issued bonds totalling almost DKK 10bn at relatively attractive price levels and maturities.

The Group's liquidity reserve according to S.152(1)(2) of the Danish Financial Business Act was high throughout the period. At the end of the third quarter of 2011, the liquidity ratio was 22.6%, corresponding to a liquidity surplus of 126%.

### Funding

The Group's primary source of funding is deposits from customers, and it has a sound and well-diversified customer deposit base. At the end of Q1 2011, deposits funded 91% of the loan portfolio, which was three percentage points higher than the level at end-2010. The Group's other funding sources are the interbank market as well as the issue of CP and EMTN. At the end of the third quarter of 2011, utilisation of the CP programme amounted to DKK 17.9bn against DKK 24bn at end-2010. At the end of the third quarter of 2011, the senior notes outstanding under the EMTN programme amounted to a total of DKK 25.5bn against DKK 21.9bn at end-2010.

### Outlook for 2011

The adverse economic development, the current turmoil in the financial markets, the challenges of the financial sector in Denmark, the unrest in countries in the euro zone as well as poor economic indicators from the US show that the financial and economic crisis is far from over, and these circumstances make it difficult to predict the development in gross earnings and consequently core earnings; therefore, Jyske Bank will refrain from doing so.

It is expected that Jyske Bank will still increase its customer base and market share over the remainder of 2011.

Moreover, Jyske Bank expects that the interest-rate increases implemented and the activities acquired from Finans Nord and Fjordbank Mors as well as the acquisition of Easyfleet will begin to contribute positively to the Group's pre-tax profit.

### Report from the Danish Financial Supervisory Authority

In the third quarter of 2011, the Danish Financial Supervisory Authority (FSA) inspected Jyske Bank in the IT area.

The inspection concluded that essentially Jyske Bank's organisation and risk management in respect of IT meet the IT-security requirements as stated in the FSA's Executive Order on the management and control of banks, etc. and that the control and management on the part of Jyske Bank A/S of outsourced IT functions, including the control of and follow-up on suppliers' compliance with the bank's IT-security rules, were assessed and found to meet the requirements of the executive order on outsourcing.

The FSA's full report has been annexed as supplementary information.

## **Other information**

Jyske Bank's Annual Report 2010 as well as Risk and Capital Management 2010 give 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.

For further details, please see [www.jyskebank.info](http://www.jyskebank.info). Here you also find other financial information and an interview with Anders Dam. Contact persons: Anders Dam (+45 89 89 89 89) and Birger Krøgh Nielsen (+45 89 89 64 44).

## Statement by the Executive and Supervisory Boards

We have today submitted the Interim Financial Report of Jyske Bank A/S for the period 1 January to 30 September 2011.

The consolidated Interim Financial Statements have been presented 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 has been prepared in accordance with the additional Danish disclosure requirements for the interim financial reports of listed financial companies.

The Interim Financial Report is unaudited and has not been reviewed.

In our opinion, the consolidated Interim Financial Statements and the Parent's Interim Financial Statements give a true and fair view of the Group's and the Parent's assets, equity and liabilities as well as financial position at 30 September 2011 and of their financial performance and the Group's cash flows for the period 1 January to 30 September 2011.

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, 24 October 2011

### EXECUTIVE BOARD

ANDERS DAM  
Managing Director and CEO

JØRGEN CHRISTENSEN

NIELS ERIK JAKOBSEN

LEIF F. LARSEN

/JENS BORUM  
Manager, Accounting and Tax

### SUPERVISORY BOARD

SVEN BUHRKALL  
Chairman

JENS A. BORUP  
Deputy Chairman

PHILIP BARUCH

KURT BRUSGAARD

JOHN EGEBJERG-JOHANSEN

KELD NORUP

HAGGAI KUNISCH  
Employee Representative

MARIANNE LILLEVANG  
Employee Representative

STEEN SNEDKER  
Employee Representative

## INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

Note		The Jyske Bank Group		The Jyske Bank Group		Jyske Bank	
		Q1-Q3 2011	Q1-Q3 2010	Q3 2011	Q3 2010	Q1-Q3 2011	Q1-Q3 2010
	(DKKm)						
1	Interest income	5,030	4,659	1,773	1,611	4,743	4,387
2	Interest expenses	1,584	1,113	621	374	1,639	1,136
	<b>Net interest income</b>	<b>3,446</b>	<b>3,546</b>	<b>1,152</b>	<b>1,237</b>	<b>3,104</b>	<b>3,251</b>
	Dividends, etc.	26	23	3	1	26	23
3	Fee and commission income	1,056	1,031	350	335	875	858
	Fees and commission expenses	135	128	44	44	85	91
	<b>Net interest and fee income</b>	<b>4,393</b>	<b>4,472</b>	<b>1,461</b>	<b>1,529</b>	<b>3,920</b>	<b>4,041</b>
4	Value adjustments	-70	424	-83	71	-67	409
5	Other operating income	336	281	114	94	149	153
6	Employee and administrative expenses	2,877	2,620	997	833	2,553	2,321
	Amortisation, depreciation and impairment charges	145	140	50	50	49	66
	Other operating expenses	211	310	-36	98	211	309
7	Loan impairment charges and provisions for guarantees	995	1,519	375	519	973	1,442
8	Profit on investments in associates and group enterprises	-5	13	2	9	189	106
	<b>Pre-tax profit</b>	<b>426</b>	<b>601</b>	<b>108</b>	<b>203</b>	<b>405</b>	<b>571</b>
9	Tax	110	151	26	49	92	124
	<b>Profit for the period</b>	<b>316</b>	<b>450</b>	<b>82</b>	<b>154</b>	<b>313</b>	<b>447</b>
	Attributable to:						
10	The Jyske Bank A/S shareholders	313	447	81	152		
10	Minority interests	3	3	1	2		
	<b>Total</b>	<b>316</b>	<b>450</b>	<b>82</b>	<b>154</b>		
	Earnings per share, DKK	4.84	6.91	1.25	2.36		
	Earnings per share, diluted DKK	4.84	6.91	1.25	2.36		
	<b>Statement of Comprehensive Income</b>						
	Profit for the period	316	450	82	154	313	447
	Other comprehensive income						
	Foreign currency translation adjustment of international units	8	187	54	-85	8	187
	Hedge accounting of international units	-8	-187	-53	84	-8	-187
	Tax on other comprehensive income	2	47	13	-20	2	47
	<b>Other comprehensive income after tax</b>	<b>2</b>	<b>47</b>	<b>14</b>	<b>-21</b>	<b>2</b>	<b>47</b>
	<b>Comprehensive income for the period</b>	<b>318</b>	<b>497</b>	<b>96</b>	<b>133</b>	<b>315</b>	<b>494</b>
	Attributable to:						
	The Jyske Bank A/S shareholders	315	494	95	131		
	Minority interests	3	3	1	2		
	<b>Total</b>	<b>318</b>	<b>497</b>	<b>96</b>	<b>133</b>		

## BALANCE SHEET, END OF PERIOD

Note	The Jyske Bank Group			Jyske Bank		
	30 Sept. 2011	31 Dec. 2010	30 Sept. 2010	30 Sept. 2011	31 Dec. 2010	30 Sept. 2010
	(DKKm)					
<b>ASSETS</b>						
	Cash, cash equivalents and demand deposits with central banks					
	1,034	1,537	1,393	799	1,303	1,238
11	Due from credit institutions and central banks					
	19,033	16,245	16,105	31,053	29,829	29,104
7	Loans and advances at amortised cost					
	112,769	114,023	109,746	98,254	97,916	94,828
	Bonds recognised at fair value					
	54,517	54,802	49,468	53,966	54,213	48,878
	Bonds at amortised cost					
	12,131	12,405	15,305	12,131	12,405	15,305
	Shares, etc.					
	1,451	1,119	1,100	1,381	1,054	1,034
	Investments in associates					
	712	521	512	711	520	511
	Investments in group enterprises					
	0	0	0	4,268	4,128	3,999
	Assets in pooled deposits					
	9,864	16,560	14,996	9,864	16,560	14,996
	Intangible assets					
	229	240	238	228	238	236
	Land and buildings, total					
	2,110	2,114	2,070	1,950	1,953	1,913
	- of which investment property					
	36	36	33	0	0	0
	- of which owner-occupied properties					
	2,074	2,078	2,037	1,950	1,953	1,913
	Other property, plant and equipment					
	528	511	504	71	89	88
	Current tax assets					
	38	94	171	63	104	79
	Deferred tax assets					
	0	2	2	0	0	0
	Assets in temporary possession					
	93	82	92	12	23	26
12	Other assets					
	32,233	23,676	37,177	32,022	23,374	37,024
	Prepayments					
	218	183	337	125	88	226
	<b>Total assets</b>	<b>246,960</b>	<b>244,114</b>	<b>249,216</b>	<b>246,898</b>	<b>249,485</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Debt and payables</b>						
	Due to credit institutions and central banks					
	22,598	32,475	31,915	27,186	37,340	36,976
13	Deposits					
	112,438	98,020	98,488	108,364	93,496	94,256
	Pooled deposits					
	10,599	17,756	14,637	10,599	17,756	14,637
	Issued bonds					
	43,318	45,383	40,816	43,318	45,383	40,816
	Current tax liabilities					
	0	34	29	0	7	6
14	Other liabilities					
	39,766	31,912	45,188	39,486	31,564	44,933
	Prepayments					
	180	176	158	2	3	4
	<b>Total debt and payables</b>	<b>228,899</b>	<b>225,756</b>	<b>231,231</b>	<b>228,955</b>	<b>231,628</b>
<b>Provisions</b>						
	Provisions for pensions, etc.					
	451	429	418	419	397	381
	Provisions for deferred tax					
	515	519	521	134	134	142
7	Provisions for guarantees					
	335	773	752	663	1,112	1,074
	Other provisions					
	25	28	12	25	28	12
	<b>Provisions, total</b>	<b>1,326</b>	<b>1,749</b>	<b>1,703</b>	<b>1,241</b>	<b>1,609</b>
15	Subordinated debt					
	3,067	3,257	3,256	3,067	3,257	3,256
<b>Equity</b>						
	Share capital					
	648	648	648	648	648	648
	Revaluation reserve					
	299	299	282	252	252	229
	Currency translation reserve					
	0	0	0	0	0	0
	Reserve according to the equity method					
	0	0	0	2,166	2,166	2,021
	Retained earnings					
	12,688	12,373	12,062	10,569	10,254	10,094
	Minority interests					
	33	32	34	0	0	0
	<b>Equity, total</b>	<b>13,668</b>	<b>13,352</b>	<b>13,026</b>	<b>13,635</b>	<b>13,320</b>
	<b>Equity and liabilities, total</b>	<b>246,960</b>	<b>244,114</b>	<b>249,216</b>	<b>246,898</b>	<b>249,485</b>

## STATEMENT OF CHANGES IN EQUITY

<b>The Jyske Bank Group</b>							
(DKKm)	<b>Share capital</b>	<b>Revaluation reserves</b>	<b>Currency translation reserve</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Minority interests</b>	<b>Total equity</b>
Equity at 1 January 2011	648	299	0	12,373	13,320	32	13,352
Profit for the period	0	0	0	313	313	3	316
Other comprehensive income:							
Foreign currency translation adjustment of international units	0	0	8	0	8	0	8
Hedge accounting of international units	0	0	-8	0	-8	0	-8
Tax on hedge accounting	0	0	0	2	2	0	2
Other comprehensive income after tax	0	0	0	2	2	0	2
Comprehensive income for the period	0	0	0	315	315	3	318
Acquisition of own shares	0	0	0	-650	-650	0	-650
Sale of own shares	0	0	0	650	650	0	650
Adj. of minority interests	0	0	0	0	0	-2	-2
Transactions with shareholders	0	0	0	0	0	-2	-2
<b>Equity at 30 September 2011</b>	<b>648</b>	<b>299</b>	<b>0</b>	<b>12,688</b>	<b>13,635</b>	<b>33</b>	<b>13,668</b>
Equity at 1 January 2010	648	282	0	11,556	12,486	37	12,523
Profit for the period	0	0	0	447	447	3	450
Other comprehensive income:							
Foreign currency translation adjustment of international units	0	0	187	0	187	0	187
Hedge accounting of international units	0	0	-187	0	-187	0	-187
Tax on hedge accounting	0	0	0	47	47	0	47
Other comprehensive income after tax	0	0	0	47	47	0	47
Comprehensive income for the period	0	0	0	494	494	3	497
Acquisition of own shares	0	0	0	-665	-665	0	-665
Sale of own shares	0	0	0	677	677	0	677
Adj. of minority interests	0	0	0	0	0	-6	-6
Transactions with shareholders	0	0	0	12	12	-6	6
<b>Equity at 30 September 2010</b>	<b>648</b>	<b>282</b>	<b>0</b>	<b>12,062</b>	<b>12,992</b>	<b>34</b>	<b>13,026</b>

## STATEMENT OF CHANGES IN EQUITY

<b>Jyske Bank</b>				<b>Reserve according to the equity method</b>	<b>Retained earnings</b>	<b>Total</b>
(DKKm)	<b>Share capital</b>	<b>Revaluation reserves</b>	<b>Currency translation reserve</b>			
Equity at 1 January 2011	648	252	0	2,166	10,254	13,320
Profit for the period	0	0	0	0	313	313
Other comprehensive income:						
Foreign currency translation adjustment of international units	0	0	8	0	0	8
Hedge accounting of international units	0	0	-8	0	0	-8
Tax on hedge accounting	0	0	0	0	2	2
Other comprehensive income after tax	0	0	0	0	2	2
Comprehensive income for the period	0	0	0	0	315	315
Acquisition of own shares	0	0	0	0	-650	-650
Sale of own shares	0	0	0	0	650	650
Adj. of minority interests	0	0	0	0	0	0
Transactions with shareholders	0	0	0	0	0	0
<b>Equity at 30 September 2011</b>	<b>648</b>	<b>252</b>	<b>0</b>	<b>2,166</b>	<b>10,569</b>	<b>13,635</b>
Equity at 1 January 2010	648	229	0	2,019	9,590	12,486
Profit for the period	0	0	0	2	445	447
Other comprehensive income:						
Foreign currency translation adjustment of international units	0	0	187	0	0	187
Hedge accounting of international units	0	0	-187	0	0	-187
Tax on hedge accounting	0	0	0	0	47	47
Other comprehensive income after tax	0	0	0	0	47	47
Comprehensive income for the period	0	0	0	2	492	494
Acquisition of own shares	0	0	0	0	-665	-665
Sale of own shares	0	0	0	0	677	677
Adj. of minority interests	0	0	0	0	0	0
Transactions with shareholders	0	0	0	0	12	12
<b>Equity at 30 September 2010</b>	<b>648</b>	<b>229</b>	<b>0</b>	<b>2,021</b>	<b>10,094</b>	<b>12,992</b>



## SOLVENCY STATEMENT AND CAPITAL REQUIREMENT

(DKKm)	The Jyske Bank Group		
	30 Sept. 2011	31 Dec. 2010	30 Sept. 2010
Equity	13,668	13,352	13,026
Of which revaluation reserves	299	299	282
Of which currency translation reserve	0	0	0
<b>Core capital</b>	<b>13,369</b>	<b>13,053</b>	<b>12,744</b>
Intangible assets	-229	-240	-238
Deferred tax assets	0	-2	-2
Hybrid core capital included	1,641	1,644	1,601
Difference between expected loss and the carrying amount of impairment charges	-126	-102	-75
Other deductions	-36	-46	-40
<b>Core capital incl. hybrid core capital less deductions</b>	<b>14,619</b>	<b>14,307</b>	<b>13,990</b>
Subordinated debt and revaluation reserve included	1,725	1,912	1,894
Difference between expected loss and the carrying amount of impairment charges	-126	-102	-75
Other deductions	-36	-46	-41
<b>Supplementary capital less deductions</b>	<b>1,563</b>	<b>1,764</b>	<b>1,778</b>
<b>Capital base less deductions</b>	<b>16,182</b>	<b>16,071</b>	<b>15,768</b>
Risk-weighted assets involving credit risk etc.	78,987	76,895	77,816
Risk-weighted assets involving market risk	12,999	14,009	12,298
Risk-weighted assets involving operational risk	11,612	10,668	10,669
<b>Total risk-weighted assets</b>	<b>103,598</b>	<b>101,572</b>	<b>100,783</b>
Capital requirement, Pillar I	8,288	8,126	8,063
Capital requirement, transitional provisions	152	276	456
<b>Capital requirement, total</b>	<b>8,440</b>	<b>8,402</b>	<b>8,519</b>
Solvency ratio	15.6	15.8	15.6
Core capital ratio including hybrid core capital	14.1	14.1	13.9
Core capital ratio excluding hybrid core capital	12.5	12.5	12.3

With effect from 2008, the solvency and core capital ratios are calculated in accordance with CRD (Basel II). At 30 September 2011, risk-weighted assets according to Basel I amounted to DKK 131.876m for the Jyske Bank Group. The capital requirement according to the transitional provisions was for 80% of the capital requirement of 8% of risk-weighted assets corresponding to DKK 8.440m for the Jyske Bank Group.

## SUMMARY OF CASH FLOW STATEMENT

(DKKm)	The Jyske Bank Group	
	Q1-Q3 2011	Q1-Q3 2010
<b>Profit for the period</b>	<b>316</b>	<b>450</b>
Adjustment for non-cash operating items and change in working capital	2,369	-2,506
<b>Cash flows from operating activities</b>	<b>2,685</b>	<b>-2,056</b>
Acquisition of property, plant and equipment	-147	-164
Acquisition of intangible assets	0	-10
<b>Cash flows from investment activities</b>	<b>-147</b>	<b>-174</b>
Acquisition of own shares	-650	-665
Sale of own shares	650	677
Additional and repayment of subordinated debt	-190	4
<b>Cash flows from financing activities</b>	<b>-190</b>	<b>16</b>
<b>Cash flow for the period</b>	<b>2,348</b>	<b>-2,214</b>
Cash and cash equivalents, beginning of period	15,517	16,957
<b>Cash and cash equivalents, end of period</b>	<b>17,865</b>	<b>14,743</b>
Cash and cash equivalents, end of period, comprise:		
Cash in hand, etc.	1,034	1,393
Due from credit institutions and central banks	16,831	13,350
<b>Cash and cash equivalents, end of period</b>	<b>17,865</b>	<b>14,743</b>

## NOTES

Note	The Jyske Bank Group		Jyske Bank	
	Q1-Q3 2011	Q1-Q3 2010	Q1-Q3 2011	Q1-Q3 2010
(DKKm)				
<b>1 Interest income</b>				
Due from credit institutions and central banks	113	99	226	164
Loans and advances	3,370	3,211	2,981	2,885
Bonds	1,409	1,183	1,399	1,174
Derivatives, total	136	83	137	83
Of which:				
Currency contracts	129	112	130	112
Interest-rate contracts	7	-29	7	-29
Other	2	83	0	81
<b>Total</b>	<b>5,030</b>	<b>4,659</b>	<b>4,743</b>	<b>4,387</b>
Of which interest income on genuine reverse repos carried under:				
Due from credit institutions and central banks	14	10	14	10
Loans and advances	74	48	74	48
<b>2 Interest expenses</b>				
Due to credit institutions and central banks	207	118	262	139
Deposits	780	577	780	579
Issued bonds	519	340	519	340
Subordinated debt	77	77	77	77
Other	1	1	1	1
<b>Total</b>	<b>1,584</b>	<b>1,113</b>	<b>1,639</b>	<b>1,136</b>
Of which interest expenses on genuine repos carried under:				
Due to credit institutions and central banks	90	14	90	14
Deposits	78	14	78	14
<b>3 Fee and commission income</b>				
Securities trading and safe-custody services	552	519	464	433
Money transfers and card payments	115	114	98	97
Loan management fees	70	98	60	88
Guarantee commission	168	166	168	166
Other fees and commissions	151	134	85	74
<b>Total</b>	<b>1,056</b>	<b>1,031</b>	<b>875</b>	<b>858</b>

## NOTES

Note	The Jyske Bank Group		Jyske Bank	
	Q1-Q3 2011	Q1-Q3 2010	Q1-Q3 2011	Q1-Q3 2010
(DKKm)				
<b>4 Value adjustments</b>				
Bonds	-57	336	-27	345
Shares, etc.	14	55	10	54
Currency	171	235	146	219
Currency, interest-rate, share, commodity and other contracts as well as other derivatives	-18	-208	-16	-215
Assets in pooled deposits	-779	1,048	-779	1,048
Pooled deposits	779	-1,048	779	-1,048
Other assets	2	6	2	6
Issued bonds	-155	0	-155	0
Other liabilities	-27	0	-27	0
<b>Total</b>	<b>-70</b>	<b>424</b>	<b>-67</b>	<b>409</b>
<b>5 Other operating income</b>				
Income on real property	44	42	47	47
Profit on the sale of property, plant and equipment	3	1	2	0
Other ordinary income	289	238	100	106
<b>Total</b>	<b>336</b>	<b>281</b>	<b>149</b>	<b>153</b>

## NOTES

Note	The Jyske Bank Group		Jyske Bank	
	Q1-Q3 2011	Q1-Q3 2010	Q1-Q3 2011	Q1-Q3 2010
(DKKm)				
<b>6 Employee and administrative expenses</b>				
<b>Employee expenses</b>				
Wages and salaries, etc.	1,562	1,440	1,389	1,280
Pensions	212	206	193	183
Social security	166	125	161	120
<b>Total</b>	<b>1,940</b>	<b>1,771</b>	<b>1,743</b>	<b>1,583</b>
<b>Salaries and remuneration to management bodies</b>				
Executive Board	18	15	18	15
Supervisory Board	2	1	2	1
Shareholders' representatives	2	1	2	1
<b>Total</b>	<b>22</b>	<b>17</b>	<b>22</b>	<b>17</b>
<b>Other administrative expenses</b>	<b>915</b>	<b>832</b>	<b>788</b>	<b>721</b>
<b>Total employee and administrative expenses</b>	<b>2,877</b>	<b>2,620</b>	<b>2,553</b>	<b>2,321</b>
<b>Other administrative expenses</b>				
IT	453	405	408	369
Rent, lighting, heating, etc.	78	82	68	72
Postage, telephone, etc	54	56	49	51
Other administrative expenses	330	289	263	229
<b>Total</b>	<b>915</b>	<b>832</b>	<b>788</b>	<b>721</b>
<b>Average number of full-time employees</b>	<b>3,803</b>	<b>3,864</b>	<b>3,361</b>	<b>3,421</b>

Jyske Bank A/S's Pensionstilskudsfond is a fund which offers supplementary pensions to current and former members of Jyske Bank's Executive Board and their surviving relatives.

## NOTES

Note	The Jyske Bank Group		Jyske Bank	
	Q1-Q3 2011	Q1-Q3 2010	Q1-Q3 2011	Q1-Q3 2010
(DKKm)				
<b>7</b>	<b>Loan impairment charges and provisions for guarantees</b>			
	<b>4,408</b>	<b>3,412</b>	<b>4,124</b>	<b>3,182</b>
<b>Balance of loan impairment charges and provisions, beginning of period</b>				
Loan impairment/provisions for the period	840	1,358	826	1,294
Recognised loss already covered by impairment/provisions	-1,446	-344	-1,404	-314
Interest-rate and currency translation adjustment	39	22	25	10
<b>Balance of loan impairment charges and provisions, end of period</b>	<b>3,841</b>	<b>4,448</b>	<b>3,571</b>	<b>4,172</b>
Loan impairment charges	3,506	3,696	2,908	3,098
Provisions for guarantees	335	752	663	1,074
<b>Balance of loan impairment charges and provisions, end of period</b>	<b>3,841</b>	<b>4,448</b>	<b>3,571</b>	<b>4,172</b>
Loan impairment/provisions for the period	840	1,358	826	1,294
Recognised loss not covered by loan impairment/provisions	266	226	256	213
Recoveries	-111	-65	-109	-65
<b>Net effect on the Income Statement</b>	<b>995</b>	<b>1,519</b>	<b>973</b>	<b>1,442</b>
<b>Individual loan impairment charges, beginning of period</b>	<b>3,114</b>	<b>2,513</b>	<b>2,574</b>	<b>2,101</b>
Loan impairment charges for the period	699	935	696	817
Recognised loss already covered by impairment charges	-891	-296	-849	-266
Interest-rate and currency translation adjustment	34	20	21	8
<b>Individual loan impairment charges, end of period</b>	<b>2,956</b>	<b>3,172</b>	<b>2,442</b>	<b>2,660</b>
<b>Individual provisions for loss on guarantees, beginning of period</b>	<b>700</b>	<b>399</b>	<b>968</b>	<b>593</b>
Provisions for the period	101	330	87	384
Recognised loss already covered by provisions	-555	-48	-555	-48
<b>Individual provisions for loss on guarantees, end of period</b>	<b>246</b>	<b>681</b>	<b>500</b>	<b>929</b>
<b>Collective loan impairment charges, beginning of period</b>	<b>521</b>	<b>451</b>	<b>438</b>	<b>383</b>
Loan impairment charges for the period	24	71	24	53
Interest-rate adjustment	5	2	4	2
<b>Collective loan impairment charges, end of period</b>	<b>550</b>	<b>524</b>	<b>466</b>	<b>438</b>
<b>Collective provisions for loss on guarantees, beginning of period</b>	<b>73</b>	<b>49</b>	<b>144</b>	<b>105</b>
Provisions for the period	16	22	19	40
<b>Collective provisions for loss on guarantees, end of period</b>	<b>89</b>	<b>71</b>	<b>163</b>	<b>145</b>
<b>8</b>	<b>Profit on investments in associates and group enterprises</b>			
Profit/loss on holdings in associates	-5	13	-5	12
Profit/loss on investments in group enterprises	0	0	194	94
<b>Total</b>	<b>-5</b>	<b>13</b>	<b>189</b>	<b>106</b>

## NOTES

Note	The Jyske Bank Group		Jyske Bank	
	Q1-Q3 2011	Q1-Q3 2010	Q1-Q3 2011	Q1-Q3 2010
(DKKm)				
<b>9 Effective tax rate</b>				
Corporation tax rate in Denmark	25.0	25.0	25.0	25.0
Non-taxable income and non-deductible expenses, etc.	0.8	0.1	-2.3	-3.3
<b>Total</b>	<b>25.8</b>	<b>25.1</b>	<b>22.7</b>	<b>21.7</b>
<b>10 Earnings per share</b>				
Profit for the period	316	450		
Of which minority interests	-3	-3		
<b>Share attributable to shareholders of Jyske Bank A/S</b>	<b>313</b>	<b>447</b>		
Average number of shares	64,800,000	64,800,000		
Average number of own shares	-236,929	-132,603		
<b>Average number of shares in circulation</b>	<b>64,563,071</b>	<b>64,667,397</b>		
Number of outstanding shares in circulation at the end of the period	64,729,576	64,769,076		
Earnings per share (EPS) DKK	4.84	6.91		
Earnings per share diluted (EPS-D) DKK	4.84	6.91		

## NOTES

Note	The Jyske Bank Group			Jyske Bank		
	30 Sept. 2011	31 Dec. 2010	30 Sept. 2010	30 Sept. 2011	31 Dec. 2010	30 Sept. 2010
	(DKKm)					
<b>11 Due from credit institutions and central banks</b>						
At notice with central banks	2,300	4,999	5,100	2,300	4,999	5,100
Due from credit institutions	16,733	11,246	11,005	28,753	24,830	24,004
<b>Total</b>	<b>19,033</b>	<b>16,245</b>	<b>16,105</b>	<b>31,053</b>	<b>29,829</b>	<b>29,104</b>
<b>12 Other assets</b>						
Positive market value of derivatives, etc.	29,966	21,666	35,419	29,948	21,628	35,378
Interest and commission receivable	1,687	1,246	1,052	1,757	1,329	1,180
Other assets	580	764	706	317	417	466
<b>Total</b>	<b>32,233</b>	<b>23,676</b>	<b>37,177</b>	<b>32,022</b>	<b>23,374</b>	<b>37,024</b>
<b>13 Deposits</b>						
Demand deposits	57,330	59,506	57,109	53,744	55,321	53,351
Term deposits	7,955	6,146	6,310	7,468	6,005	6,186
Time deposits	41,017	26,096	28,933	41,017	25,898	28,583
Special deposits	6,136	6,272	6,136	6,135	6,272	6,136
<b>Total</b>	<b>112,438</b>	<b>98,020</b>	<b>98,488</b>	<b>108,364</b>	<b>93,496</b>	<b>94,256</b>
<b>14 Other liabilities</b>						
Set-off entry of negative bond holdings in connection with repos / reverse repos	3,321	2,778	3,209	3,321	2,778	3,209
Negative market value of derivatives, etc.	30,677	21,818	34,680	30,676	21,785	34,646
Interest and commission payable	555	352	1,771	548	353	1,780
Other liabilities	5,213	6,964	5,528	4,941	6,648	5,298
<b>Total</b>	<b>39,766</b>	<b>31,912</b>	<b>45,188</b>	<b>39,486</b>	<b>31,564</b>	<b>44,933</b>



## NOTES

Note	The Jyske Bank Group			Jyske Bank		
	30 Sept. 2011	31 Dec. 2010	30 Sept. 2010	30 Sept. 2011	31 Dec. 2010	30 Sept. 2010
(DKKm)						
<b>15 Subordinated debt</b>						
Supplementary capital:						
6.73% Bond loan EUR 15m 2017-2026	112	112	112	112	112	112
7.00% Bond loan EUR 25m 29.05.2024	0	186	186	0	186	186
Var.% bond loan EUR 10m 13.02.2023	75	75	75	75	75	75
5.65% Bond loan EUR 10m 27.03.2023	75	75	75	75	75	75
5.67% Bond loan EUR 10m 31.07.2023	75	75	75	75	75	75
Var.% bond loan EUR 146.4m 19.04.2016*	1,089	1,090	1,090	1,089	1,090	1,090
	1,426	1,613	1,613	1,426	1,613	1,613
Hybrid core capital:						
Var.% bond loan EUR 120.5m Perpetual	896	898	898	896	898	898
Var.% bond loan EUR 100m Perpetual	744	746	745	744	746	745
	1,640	1,644	1,643	1,640	1,644	1,643
Subordinated debt, nominal	3,066	3,257	3,256	3,066	3,257	3,256
Hedging of interest-rate risk, fair value	1	0	0	1	0	0
<b>Total</b>	<b>3,067</b>	<b>3,257</b>	<b>3,256</b>	<b>3,067</b>	<b>3,257</b>	<b>3,256</b>
Subordinated debt included in the capital base	3,066	3,257	3,214	3,066	3,257	3,214
* Callable on 19.04.2013, otherwise the coupon rate increases by 1.5 percentage points p.a.						
<b>16 Contingent liabilities</b>						
<b>Contingent liabilities</b>						
Financial guarantees	5,742	7,537	7,595	19,077	21,767	21,300
Guarantee for losses on mortgage credits	2,594	3,202	3,219	2,594	3,202	3,219
Registration and re-mortgaging guarantees	275	1,368	2,012	275	1,368	2,012
Other contingent liabilities	1,705	2,328	2,069	1,705	2,328	2,069
<b>Total</b>	<b>10,316</b>	<b>14,435</b>	<b>14,895</b>	<b>23,651</b>	<b>28,665</b>	<b>28,600</b>
<b>Other commitments</b>						
Irrevocable credit commitments	1,755	1,658	1,806	1,755	1,658	1,806
Other	40	39	39	40	39	39
<b>Total</b>	<b>1,795</b>	<b>1,697</b>	<b>1,845</b>	<b>1,795</b>	<b>1,697</b>	<b>1,845</b>

## NOTES

Note

### 16 **Contingent liabilities, cont.**

As from 2007, loans channelled to Totalkredit by Jyske Bank are subject to the right of set-off by Totalkredit against future current commission, which Totalkredit can invoke in the event of default on the loans arranged. Jyske Bank does not expect such set-off to have material influence on Jyske Bank's financial position.

Jyske Bank is 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 disputes to have material influence on Jyske Bank's financial position.

The association of investors in Jyske Invest Hedge Markedsneutral - Obligationer has issued a writ of summons (class action) against Jyske Bank. The writ alleged that Jyske Bank provided insufficient and misleading advisory service when selling investment fund units in the Jyske Invest Hedge Markedsneutral – Obligationer fund. Jyske Bank does not expect the matter to have material influence on Jyske Bank's financial position.

Individual actions against Jyske Bank in relation to its advisory services in connection with the sale of units in Jyske Invest Hedge Markedsneutral – Obligationer will be assessed on their merits. Jyske Bank does not expect the matter to have material influence on Jyske Bank's financial position.

(DKKm)	Jyske Bank		
	30 Sept. 2011	31 Dec. 2010	30 Sept. 2010
<b>Security</b>			
Bonds deposited at central banks and at clearing houses, etc. in connection with clearing and settlement of forward securities and currency transactions (market value)	6,797	4,450	11,705

### 17 **Shareholders**

In its most recent statement, Nykredit Copenhagen reported that it owned 7.19% of the share capital.

In its most recent statement, Baillie Gifford & Co. Ltd., Edinburgh reported that it managed 5.06% of the share capital.

### 18 **Related parties**

Jyske Bank is the banker of a number of related parties. Transactions with related parties were executed on an arm's length basis.

In the first nine months of 2011 there were no unusual transactions with related parties. Please see Jyske Bank's Annual Report 2010 for a detailed description of transactions with related parties.

## NOTES

Note	<b>Bank Package I and the Guarantee Fund</b>					<b>The Jyske Bank Group</b>
(DKKm)	<b>Banking activities</b>	<b>Trading and Investment</b>	<b>Guarantee Fund</b>	<b>Other</b>		
<b>19 Segmental financial statements - the Jyske Bank Group</b>						
<b>Q1-Q3 2011</b>						
Gross earnings	3,288	1,113	0	258	4,659	
Expenses	2,262	586	215	170	3,233	
<b>Profit before loan impairment charges and provisions for guarantees</b>	<b>1,026</b>	<b>527</b>	<b>-215</b>	<b>88</b>	<b>1,426</b>	
Loan impairment charges and provisions for guarantees	937	53	6	-1	995	
Profit from equity investments	123	0	0	-128	-5	
<b>Pre-tax profit</b>	<b>212</b>	<b>474</b>	<b>-221</b>	<b>-39</b>	<b>426</b>	
Internal allocation of earnings	245	-246	0	1	0	
Deposits	72,715	39,137	0	586	112,438	
Loans and advances	82,564	28,514	0	1,691	112,769	
Guarantees	9,060	380	0	876	10,316	
Bonds and shares	57	67,278	0	764	68,099	
Total assets	84,355	146,143	0	16,462	246,960	
<b>Q1-Q3 2010</b>						
Gross earnings	3,184	1,744	0	249	5,177	
Expenses	2,246	559	308	-43	3,070	
<b>Profit before loan impairment charges and provisions for guarantees</b>	<b>938</b>	<b>1,185</b>	<b>-308</b>	<b>292</b>	<b>2,107</b>	
Loan impairment charges and provisions for guarantees	1,263	39	218	-1	1,519	
Profit from equity investments	124	0	0	-111	13	
<b>Pre-tax profit</b>	<b>-201</b>	<b>1,146</b>	<b>-526</b>	<b>182</b>	<b>601</b>	
Internal allocation of earnings	216	-217	0	1	0	
Deposits	69,746	28,230	0	512	98,488	
Loans and advances	79,987	27,593	0	2,166	109,746	
Guarantees	13,095	1,380	0	420	14,895	
Bonds and shares	53	62,636	0	3,184	65,873	
Total assets	81,435	146,883	0	20,898	249,216	

## NOTES

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Note

### 19 **Segmental financial statements - the Jyske Bank Group, cont.**

Jyske Bank operates mainly under the 'Jyske' brand. The Group is organised into a number of business sectors and head-office units according to variations in products and services and for regulatory reasons. Internal management reporting comprises the following segments:

#### **Banking activities**

Banking activities comprise personal advisory service in relation to financial solutions including lease and financing activities. The banking activities are aimed mainly at Danish personal customers, corporate customers, public institutions as well as leasing customers.

#### **Trading and Investment**

Trading and Investment targets Danish and international investors and include investment advisory service and asset management including money-market transactions and trading in foreign exchange, bonds, equities, commodities and derivatives. The activities also include Jyske Bank's strategic asset-and-liability management and risk management as well as the volume of business with the Group's largest corporate customers. Finally, the trading and investment activities cover private-banking activities targeting international customers, including those of the international units in Gibraltar, Switzerland, the Netherlands and France.

#### **Bank Package I and the Guarantee Fund**

Bank Package I and the Guarantee Fund are presented as an operating segment, although it is not a business unit of Jyske Bank as such. Internal management reporting pays close attention to the expenses for Bank Package I and the Guarantee Fund, and the management wishes to assess the other segments exclusive of the expenses for Bank Package I and the Guarantee Fund.

#### **Other**

These include a number of head office units including IT Development, Business Development, Communications and Marketing, Property, Finance and Risk Management and other head office functions and small subsidiaries. These also include eliminations.

#### **Internal allocation**

Internal transactions are based on market conditions, and services are allocated according to agreed volume of consumption and under reference to calculated unit prices in accordance with the rules about transfer pricing. Cash transactions are settled via intercompany accounts, which follow the money-market rate and are adjusted accordingly.

Assets and liabilities are presented in those segments which obtain or lose the relevant financial advantages.

### 20 **Accounting Policies**

#### **Basis of accounting**

The Interim Financial Report of Jyske Bank A/S for the period 1 January to 30 September 2011 has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU with regard to the consolidated interim financial statements and in accordance with the Danish Financial Business Act with regard to the Parent's interim financial statements. Furthermore, the Interim Financial Report has been prepared in accordance with the Danish disclosure requirements for the interim reports of listed financial undertakings.

The accounting policies are identical to those applied to and described in detail in the Annual Report 2010.

At the time of publication of this Interim Financial Report, a number of new or amended standards and interpretations had not come into force and were consequently not implemented into this interim financial report. None of those accounting standards or interpretations is expected to have material influence on the Group's future financial statements.

#### **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 that are of material importance to the presentation of the accounts are among other things applied to the impairment of loans and advances, to the fair value of unlisted financial instruments and to provisions already made, cf. the detailed description in the Annual Report 2010. The estimates are based on assumptions which the 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.

## THE JYSKE BANK GROUP - OVERVIEW

30 Sept. 2011	Activity *	Currency	Share capital 1.000 units	Equity, end-2010	Ownership share (%)	Voting share (%)	Profit 2010
Jyske Bank A/S	a	DKK	648,000	13,320			757
<b>Consolidated subsidiaries</b>							
Jyske Bank (Gibraltar) Ltd.	a	GBP	26,500	1,687	100	100	71
Jyske Bank (Gibraltar) Nominees Ltd.	d	GBP	0	0	100	100	0
Jyske Bank (Gibraltar) Management Ltd.	d	GBP	0	0	100	100	0
Jyske Bank (Gibraltar) Secretaries Ltd.	d	GBP	0	0	100	100	0
Trendsetter, S.L., Spain	e	EUR	706	19	100	100	0
Jyske Bank Nominees Ltd., London	d	GBP	0	0	100	100	0
Jyske Bank (Schweiz) AG	a	CHF	60,000	1,046	100	100	21
Berben's Effectenkantoor B.V, The Netherlands	b	EUR	45	79	60	60	0
Jyske Finans A/S	c	DKK	70,000	741	100	100	35
Nordisk Factoring A/S, Copenhagen	c	DKK	12,000	49	100	100	12
Gl. Skovridergaard A/S	e	DKK	16,000	27	100	100	1
Sundbyvesterhus A/S	e	DKK	518	51	100	100	2
Silkeborg Data A/S	f	DKK	50,000	445	100	100	14
Jyske Global Asset Management							
Fondsmæglerselskab A/S, Copenhagen	b	DKK	15,500	33	100	100	1
Inmobiliaria Saroesma S.L., Spain**	e	EUR	3	-	100	100	-

\* Activity:

a: Bank

b: Portfolio Management

c: Leasing, financing and factoring

d: Investment and financing

e: Properties and course activities

f: IT

\*\* The activities of the company were commenced in 2011.

**Finanstilsynet**  
**The Danish Financial Supervisory Authority**

**MEMORANDUM**

**Finanstilsynet**

31 August 2011

OPRI

Ref. No. 68561-0007

/st

**Report on inspection of Jyske Bank A/S**

**1. Introduction**

In June 2011, Finanstilsynet (the Danish FSA) conducted a function-based inspection of the IT area at Jyske Bank A/S.

This report is published according to the rules in the Executive Order on the duty of financial institutions to publish the Danish FSA's assessment of the financial institution.

**2. Summary and risk assessment**

The FSA examined the IT area, including IT strategy and security policy, organisation, guidelines, disaster recovery plans, the company's control and management of outsourced IT functions as well as control procedures and reporting on IT security.

On this background, the FSA assesses that essentially the bank's organisation and risk management in respect of IT meet the IT-security requirements as stated in the FSA's Executive Order on the management and control of banks, etc.

The control and management on the part of Jyske Bank A/S of outsourced IT functions, including the control of and follow-up on suppliers' compliance with the bank's IT-security rules, were assessed and found to meet the requirements of the executive order on outsourcing.