



Interim Financial Report, H1 2022

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The Jyske Bank Group

Core profit and net profit for the period (DKKm)

	H1 2022	H1 2021	Index 22/21	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	FY 2021
Net interest income	2,671	2,454	109	1,359	1,312	1,277	1,242	1,230	4,973
Net fee and commission income	1,250	1,085	115	567	683	645	578	509	2,308
Value adjustments	-84	605	-	-93	9	207	128	243	940
Other income	175	117	150	70	105	26	32	84	175
Income, operating lease (net)	185	103	180	105	80	72	81	63	256
Core income	4,197	4,364	96	2,008	2,189	2,227	2,061	2,129	8,652
Core expenses	2,355	2,342	101	1,195	1,160	1,388	1,174	1,171	4,904
Core profit before loan impairment charges	1,842	2,022	91	813	1,029	839	887	958	3,748
Loan impairment charges	-247	-37	-	-192	-55	-145	-36	-47	-218
Core profit	2,089	2,059	101	1,005	1,084	984	923	1,005	3,966
Investment portfolio earnings	17	104	16	13	4	-21	-22	29	61
Pre-tax profit	2,106	2,163	97	1,018	1,088	963	901	1,034	4,027
Tax	415	478	87	178	237	178	195	232	851
Net profit for the period	1,691	1,685	100	840	851	785	706	802	3,176
Interest on AT1 capital, charged against equity	71	88	81	35	36	36	52	46	176

Summary of balance sheet, end of period (DKKbn)

Loans and advances	481.8	482.3	100	481.8	479.9	485.2	482.3	482.3	485.2
- of which mortgage loans	319.1	339.5	94	319.1	329.5	340.9	338.5	339.5	340.9
- of which bank loans	113.3	95.3	119	113.3	110.5	103.3	97.1	95.3	103.3
- of which repo loans	49.4	47.5	104	49.4	39.9	41.0	46.7	47.5	41.0
Bonds and shares, etc.	89.4	85.5	105	89.4	90.0	85.7	88.6	85.5	85.7
Total assets	667.1	656.5	102	667.1	650.2	647.1	670.5	656.5	647.1
Deposits	156.4	135.1	116	156.4	141.9	134.2	136.2	135.1	134.2
- of which bank deposits	140.1	122.3	115	140.1	127.1	121.5	122.5	122.3	121.5
- of which repo and triparty deposits	16.3	12.8	127	16.3	14.8	12.7	13.7	12.8	12.7
Issued bonds at fair value	312.2	337.8	92	312.2	327.1	340.3	338.5	337.8	340.3
Issued bonds at amortised cost	77.7	71.0	109	77.7	67.8	73.1	76.0	71.0	73.1
Subordinated debt	5.4	6.5	83	5.4	5.5	5.5	5.5	6.5	5.5
Holders of additional tier 1 capital	3.3	4.8	69	3.3	3.3	3.4	3.4	4.8	3.4
Shareholders' equity	35.2	34.5	102	35.2	35.0	34.9	34.8	34.5	34.9

Financial ratios and key figures

Earnings per share for the period (DKK)*	24.5	22.2		12.4	12.1	10.9	9.3	10.6	42.4
Earnings per share for the period (diluted) (DKK)*	24.5	22.2		12.4	12.1	10.9	9.3	10.6	42.4
Pre-tax profit as % of average equity*	11.6	12.2		11.2	12.0	10.7	9.8	11.5	11.3
Profit for the period as % of average equity*	9.2	9.4		9.2	9.3	8.6	7.6	8.8	8.8
Expenses as a percentage of income	56.1	53.7		59.5	53.0	62.3	57.0	55.0	56.7
Capital ratio (%)	22.2	23.0		22.2	21.6	22.8	22.6	23.0	22.8
Common equity tier 1 capital ratio (%)	17.9	18.3		17.9	17.2	18.2	18.0	18.3	18.2
Individual solvency requirement (%)	11.1	11.3		11.1	10.7	11.2	11.2	11.3	11.2
Capital base (DKKbn)	43.2	42.3		43.2	42.5	42.9	41.9	42.3	42.9
Weighted risk exposure (DKKbn)	194.3	184.4		194.3	197.1	188.2	185.1	184.4	188.2
Share price at end of period (DKK)	347	303		347	369	337	277	303	337
Distributed dividend per share (DKK)	0	0		0	0	0	0	0	0
Book value per share (DKK)*	548	486		548	532	515	498	486	515
Price/book value per share (DKK)*	0.6	0.6		0.6	0.7	0.7	0.6	0.6	0.7
Outstanding shares in circulation ('000)	64,258	70,972		64,258	65,836	67,840	69,954	70,972	67,840
No. of full-time employees, end of period**	3,218	3,264		3,218	3,237	3,242	3,266	3,264	3,242

Relationships between income statement items under 'The Jyske Bank Group' (key financial data) and the income statement page 18 appear from note 4.

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

** The number of employees at the end of the first half of 2022 less 19 employees who are financed externally against 15-20 employees in the other quarters.

Summary

"For a period characterised by the invasion of Ukraine as well as accelerating inflation and challenging financial markets, Jyske Bank is able to report one of the best interim profits in the history of the Group and the ninth consecutive quarter with a profit of about DKK 1 bn before tax. This can in particular be attributed to an increase in net interest and fee income, supported by a growing business volume and a high level of activity. To this must be added that the underlying development of core expenses is stable, and the credit quality remains solid. The first half of 2022 saw a landmark development in the history of Jyske Bank in the form of an agreement to buy the activities of Svenska Handelsbanken in Denmark. Through the merger, we can develop the overall business further, to the benefit of our clients, create new career opportunities for employees across the Group and create value for our shareholders. We are very much looking forward to welcoming clients and employees," says Anders Dam, Managing Director and CEO.

The upswing in the Danish economy continued in the first half of 2022 with a substantial increase in employment and an unemployment rate in line with the low in 2008. However, it is assessed that the economy may be in for a slowdown in growth of an unknown extent and length. Consumer confidence is at a low level due to a heavy inflationary pressure, the war in Ukraine, and significant increases in interest rates, which will probably put a damper on demand and lead to lower housing prices. The Danish economy is well positioned to handle a period of lower growth, and Jyske Bank is focusing on helping its clients through times of economic uncertainty.

The war in Ukraine has resulted in huge human costs, put millions of Ukrainians to flight and changed the geopolitical world order. Jyske Bank attempts to make a contribution to alleviate the situation for Ukrainian refugees in Denmark by creating 15 - 20 jobs for these refugees, and until now five have been employed. Employees of the Jyske Bank Group can still apply for time off with full wage compensation in order to offer voluntary work in consequence of the refugee situation. In addition, we focus on assisting clients handling the implications of the war and complying with the extensive international sanctions against Russia.

On 20 June 2022, Jyske Bank entered into an agreement to buy the activities of Svenska Handelsbanken in Denmark, comprising about 600 employees and 43 branches with a headquarter in Copenhagen. The Danish activities were established in 1992 and have since then grown organically supplemented by acquisitions of Midtbank and Lokalbanken. Based on the level at the end of 2021, the transaction comprises more than 130,000 clients, loans and advances of DKK 66 bn and deposits of DKK 36 bn. According to the agreement, Jyske Bank will on the acquisition date make a payment in cash for assets and liabilities in addition to a payment for goodwill in the amount of DKK 3.0 bn. The acquisition will strengthen Jyske Bank's market position, and its business volume will

increase by about a fifth. The greater scale will also support the possibilities of developing and offering attractive products and services to Jyske Bank's current and future clients on a common IT platform. It is expected that the transaction will be completed in the fourth quarter of 2022, subject to approval by the authorities.

Jyske Bank is well positioned for both organic growth and integration of Svenska Handelsbanken's activities in Denmark. Over the past decade, the business has been optimised through significant income and cost initiatives, new strategic cooperations, as well as organisational adjustments. Several acquisitions have been integrated, including the merger with BRFKredit in 2014 being the most important one. Since the financial crisis, asset totalling DKK 257 bn have been acquired.

In the first half of 2022, the corporate client area realised a large increase in business volume. The personal client area implemented further branch mergers, and with effect as of 1 April 2022 it has introduced a new client programme. The purpose of this programme is to secure that, in a profitable manner, Jyske Bank will still be able to offer its personal clients accessible, personal, and competent advice as well as good and fast service. These characteristics also apply to Jyske Bank's private banking activities, and for the seventh year in a row Jyske Bank has according to Voxmeter been voted the best bank for private banking clients in Denmark.

In the first half of 2022, the expansion of easy and digital access to Jyske Bank's services continued in the form of, among other things, self-service ordering of additional loans and a Jyske Forsikring (insurance) overview in Jyske Mobilbank. The first half of the year also saw the implementation of extensive training activities for advisers in respect of sustainability, and Jyske Bank joined the Green Building Council Denmark, which endeavours to

promote sustainability in construction to the whole range of players.

Earnings per share of DKK 24.5 in H1 2022

Earnings per share rose to DKK 24.5 from DKK 22.2 in the first half of 2021. Net profit for the period at DKK 1,691m corresponded to a return on equity of 9.2% p.a. against DKK 1,685m and 9.4% p.a., respectively, for the first half of 2021. The still solid profit can be attributed to a high level of activity, rising business volumes, tight cost management, and solid credit quality. These factors more than compensated for the effect from the challenging financial markets resulting in lower value adjustments.

In the first half of 2022, Jyske Bank's business volumes continued to increase. Loans and advances under banking activities saw one of the highest growth rates reported so far, namely of 22% relative to the first half of 2021. The progress was driven by corporate clients. Leasing and car financing realised an increase of 7% despite challenged supply chains in the auto industry. Nominal mortgage loans rose by 2% due to higher loans to corporate clients, while mortgage loans to personal clients fell slightly, partly due to an increased level of remortgaging activity, as clients with fixed-rate loans took advantage of the opportunity to reduce their outstanding debt. Bank deposits rose by 15%, which can partly be attributed to the lowering of the limit for payments from companies' tax accounts.

Core income fell by 4% relative to the first half of 2021. However, adjusted for a negative development of value adjustments due to challenging financial markets, core income rose by 14%. Hence other income items showed increases supported by increasing business volumes as well as a generally high activity level.

Core expenses rose by 1% compared to the first half of 2021 due to one-off expenses of DKK 11m relating to the acquisition of Svenska Handelsbanken's activities in Denmark. Restructuring and integration costs relating to the acquisition are estimated at a total of about DKK 0.5 bn. The underlying costs were kept down due to lower expenses for the joint development of a capital market program at Bankdata, which was completed in 2021, as well as a 1% reduction in the number of full-time employees.

Loan impairment charges amounted to an income of DKK 247m against an income of DKK 37m in the first half of 2021. The credit quality is still solid with a low level of non-performing loans. Jyske Bank maintains a significant management's estimate for

possible effects from the war in Ukraine as well as COVID-19. The total management's estimate for impairment charges amounted to DKK 1,655m against DKK 1,770m at the end of 2021.

At the end of the first half of 2022, Jyske Bank's common equity tier 1 capital ratio was calculated at 17.9%, corresponding to an excess capital adequacy of DKK 14.7 bn relative to regulatory requirements.

Outlook 2022

For 2022, Jyske Bank anticipates earnings per share at the upper end of the range of DKK 44-50 and a net profit at the upper end of the range of DKK 3.0 bn - 3.4 bn.

For 2022, the business volume is expected to be affected by increasing bank loans as well as increasing nominal mortgage loans, in particular to corporate clients.

Core income may fall in 2022 due to lower value adjustments than in 2021.

Core expenses exclusive of one-off expenses are expected to fall in 2022 compared to 2021.

Loan impairment charges are expected to amount to an income in 2022.

Financial Review

Core profit and net profit for the period (DKKm)

	H1 2022	H1 2021	Index 22/21	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	FY 2021
Net interest income	2,671	2,454	109	1,359	1,312	1,277	1,242	1,230	4,973
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Value adjustments	-84	605	-	-93	9	207	128	243	940
Other income	175	117	150	70	105	26	32	84	175
Income from operating lease (net)	185	103	180	105	80	72	81	63	256
Core income	4,197	4,364	96	2,008	2,189	2,227	2,061	2,129	8,652
Core expenses	2,355	2,342	101	1,195	1,160	1,388	1,174	1,171	4,904
Core profit before loan impairment charges	1,842	2,022	91	813	1,029	839	887	958	3,748
Loan impairment charges	-247	-37	-	-192	-55	-145	-36	-47	-218
Core profit	2,089	2,059	101	1,005	1,084	984	923	1,005	3,966
Investment portfolio earnings	17	104	16	13	4	-21	-22	29	61
Pre-tax profit	2,106	2,163	97	1,018	1,088	963	901	1,034	4,027
Tax	415	478	87	178	237	178	195	232	851
Net profit for the period	1,691	1,685	100	840	851	785	706	802	3,176
Interest on AT1 capital charged against equity	71	88	81	35	36	36	52	46	176

Net profit for the period

Earnings per share amounted to DKK 24.5 in the first half of 2022 against DKK 22.2 in the first half of 2020, corresponding to a net profit of DKK 1,691m and DKK 1,685m, respectively. The still solid earnings per share can be attributed to a high level of activity, growing business volume, tight cost management, as well as a high credit quality. These factors more than compensated for the effect from the challenging financial markets resulting in lower value adjustments.

Core income

Core income fell by 4% relative to the first half of 2021. However, adjusted for a negative development of value adjustments, core income rose by 14%.

Net interest income increased by 9% relative to the first half of 2021. The increase can be attributed to reduced deposit rates for personal and corporate clients as well as higher net interest income relating to excess liquidity. Net interest income relating to lending was practically unchanged, as the effect from higher bank lending was set off by lower lending rates.

Net fee and commission income rose by 15% to DKK 1,250m. The increase can mainly be attributed to improved possibilities of remortgaging of fixed-rate mortgage loans due to higher interest rates, changes to fees, as well as a still high level of activity, particularly thanks to higher lending growth.

Value adjustments fell to DKK -84m from DKK 605m the preceding year. The fall from a high level can be attributed to the negative effect from

increasing interest rates on the Group's hedging of interest-rate risk as well as widening spreads for Danish mortgage bonds.

Other income rose to DKK 175m from DKK 117m due to higher dividends, etc. as well as positive results on equity investments in associates.

Income from operating lease (net) rose to DKK 185m from DKK 103m due to the favourable sales conditions in the used car market.

Core expenses

Core expenses rose by 1% compared to the first half of 2021 due to one-off expenses of DKK 11m relating to the acquisition of Svenska Handelsbanken's activities in Denmark. The underlying costs were kept down due to lower expenses for the joint development of a capital market program at Bankdata, which was completed in 2021, as well as a 1% reduction in the number of full-time employees.

Core expenses (DKKm)

	H1 2022	H1 2021
Employee costs	1,464	1,455
IT costs	630	663
Rent, etc.	30	26
Amortisation, depreciation and impairment	53	50
Other operating expenses	167	148
Acquisition of Handelsbanken Danmark	11	0
Total	2,355	2,342

Loan impairment charges

Loan impairment charges and provisions for guarantees amounted to an income of DKK 247m against an income of DKK 37m in the first half of 2021. The credit quality is still solid with a low level of non-performing loans, and the management's estimate for the COVID-19 pandemic was reduced in the first half of 2022. Jyske Bank maintains a significant management's estimate for possible effects from COVID-19 as well as the war in Ukraine. The total management's estimate amounted to DKK 1,655m against DKK 1,770m at the end of 2021.

Investment portfolio earnings

For the first half of 2022, investment portfolio earnings amounted to DKK 17m against DKK 104m for the same period of 2021. A positive effect from the exposure to rising interest rates was offset by widening credit spreads for bonds. The first half of 2021 was to a greater extent positively affected by the exposure to a steeper yield curve. Hedging of AT1 capital instruments in SEK had a negative effect of DKK 32m in the first half of 2022 and was offset by a positive adjustment of shareholders' equity.

Investment portfolio earnings (DKKm)

	H1 2022	H1 2021
Net interest income	35	34
Value adjustments	-3	85
Income	32	119
Expenses	15	15
Investment portfolio earnings	17	104

Q2 2022 compared to Q1 2022

Earnings per share amounted to DKK 12.4 in the second quarter against DKK 12.1 in the first quarter, corresponding to a net profit of DKK 840m and DKK 851m, respectively.

Core income fell by 8% due to lower net fee and commission income as well as lower value adjustments.

Net interest income increased by 4% to DKK 1,359m. The increase was mainly caused by rising bank loans as well as one additional interest-bearing day.

Net fee and commission income amounted to DKK 567m against DKK 683m in the previous quarter. The development can primarily be attributed to seasonally lower income relating to remortgaging activity, Letpension, and Letsikring.

Other income fell to DKK 70m from DKK 105m due to lower results on equity investments in associates.

Income from operating lease (net) rose to DKK 105m from DKK 80m due to the continuing favourable sales conditions in the used car market.

Value adjustments amounted to DKK -93m against DKK 9m in the preceding quarter. The decline can partially be attributed to spread widenings for Danish mortgage bonds over the quarter.

Core expenses rose to DKK 1,195m from DKK 1,160m due to one-off expenses of DKK 11m relating to the acquisition of Svenska Handelsbanken's activities in Denmark as well as higher employee costs due to a high activity level.

Loan impairment charges amounted to an income of DKK 192m against an income of DKK 55m in the preceding quarter. The low impairment level can be attributed to a continued solid credit quality. In the second quarter, the management's estimate relating to impairment charges rose by DKK 25m to DKK 1,655m.

Investment portfolio earnings amounted to DKK 13m against DKK 4m in the preceding quarter. The development was caused by a slightly higher contribution from the interest-rate exposure in the second quarter.

Business volume

Summary of balance sheet, end of period (DKKbn)

	H1 2022	H1 2021	Index 22/21	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	FY 2021
Loans and advances	481.8	482.3	100	481.8	479.9	485.2	482.3	482.3	485.2
- of which mortgage loans	319.1	339.5	94	319.1	329.5	340.9	338.5	339.5	340.9
- of which bank loans	113.3	95.3	119	113.3	110.5	103.3	97.1	95.3	103.3
- of which repo loans	49.4	47.5	104	49.4	39.9	41.0	46.7	47.5	41.0
Bonds and shares, etc.	89.4	85.5	105	89.4	90.0	85.7	88.6	85.5	85.7
Total assets	667.1	656.5	102	667.1	650.2	647.1	670.5	656.5	647.1
Deposits	156.4	135.1	116	156.4	141.9	134.2	136.2	135.1	134.2
- of which bank deposits	140.1	122.3	115	140.1	127.1	121.5	122.5	122.3	121.5
- of which repo and triparty deposits	16.3	12.8	127	16.3	14.8	12.7	13.7	12.8	12.7
Issued bonds at fair value	312.2	337.8	92	312.2	327.1	340.3	338.5	337.8	340.3
Issued bonds at amortised cost	77.7	71.0	109	77.7	67.8	73.1	76.0	71.0	73.1
Subordinated debt	5.4	6.5	83	5.4	5.5	5.5	5.5	6.5	5.5
Holders of additional tier 1 capital	3.3	4.8	69	3.3	3.3	3.4	3.4	4.8	3.4
Shareholders' equity	35.2	34.5	102	35.2	35.0	34.9	34.8	34.5	34.9

Jyske Bank's total loans and advances (exclusive of repo loans) came to DKK 432.4 bn at the end of the first half of 2022 against DKK 444.2 bn at the end of 2021. Loans and advances were adversely affected by lower bond prices since mortgage loans are recognised at fair value and fell to DKK 319.1 bn from DKK 340.9 bn. Nominal mortgage loans, on the other hand, rose by 1% to DKK 343.9 bn as higher lending to corporate clients more than offset the impact of slightly lower lending to personal clients.

Bank loans rose by 10% to DKK 113.3 bn compared to the level at the end of 2021. Loans under leasing activities rose by 3% in the first half of 2022 despite challenged supply chains in the auto industry. Loans and advances under banking activities saw a continued positive development, increasing by 12% over the first half of the year driven by higher loans to major corporate clients.

At the end of the first half of 2022, bank deposits amounted to DKK 140.1 bn, corresponding to an increase by 15% relative to the level at the end of 2021 fuelled by corporate clients, especially after the limit for payments from companies' tax accounts was lowered on 15 June 2022. At the end of the first half of 2022, bank deposits were DKK 26.8 bn higher than bank loans and advances.

At the end of the first half of 2022, the business volume within asset management had fallen to DKK 185 bn from DKK 208 bn at the end of 2021. The development can be attributed to a negative market return as well as the continued phasing out of international private banking activities. The business volume was favourably affected by net

sales of investment solutions to retail clients, however, with a falling trend during the last part of the six-month period, as well as positive net sales to institutional clients.

Q2 2022 compared to Q1 2022

Jyske Bank's total loans and advances (exclusive of repo loans) amounted to DKK 432.4 bn at the end of the second quarter against DKK 440.0 bn at the end of the previous quarter.

Nominal mortgage loans rose by 1% due to higher loans to corporate clients.

Bank loans and advances rose by 3% due to higher loans to corporate clients.

Bank deposits rose by 10%, partly caused by higher deposits from corporate clients after the reduction of the limit for payments from companies' tax accounts on 15 June 2022.

The business volume within asset management fell to DKK 185 bn from DKK 200 bn, primarily caused by the price development in the financial markets.

Credit Quality

Non-performing loans and guarantees (DKKbn)

	H1 2022	H1 2021	Index 22/21	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	FY 2021
Loans, advances and guarantees	495.8	496.1	100	495.8	495.0	498.9	495.5	496.1	498.9
Non-performing loans (gross)	10.0	8.8	114	10.0	9.6	8.8	8.5	8.8	8.8
Impairment charges and provisions	2.7	3.5	78	2.7	2.8	3.4	3.3	3.5	3.4
Non-performing loans (net)	7.3	5.3	138	7.3	6.8	5.4	5.2	5.3	5.4
Proportion of non-performing loans (gross)	2.0%	1.8%	115	2.0%	1.9%	1.7%	1.7%	1.8%	1.7%
Coverage ratio, non-performing loans	27.1%	39.7%	68	27.1%	28.8%	38.6%	38.5%	39.7%	38.6%
Proportion of non-performing loans (net)	1.5%	1.1%	138	1.5%	1.4%	1.1%	1.1%	1.1%	1.1%
Non-accrual loans and past due exposures	0.5	0.5	86	0.5	0.5	0.5	0.5	0.5	0.5
Loan impairment charges.	-0.3	0.0	-	-0.2	-0.1	-0.2	0.0	0.0	-0.2
Operating losses	0.3	0.2	201	0.1	0.2	0.1	0.0	0.1	0.3

Loan impairment charges amounted to an income of DKK 247m in the first half of 2022, corresponding to 5 bp of gross loans, advances and guarantees. The effect is distributed with an income of DKK 145m relating to banking activities, an income of DKK 93m relating to mortgage activities, and an income of DKK 9m relating to leasing activities. The reversal of impairment charges in the first half of 2022 was generally caused by a good underlying development of the clients' credit quality despite the increasing uncertainty about the macroeconomic development relating to the war in Ukraine, accelerating inflation, and increasing interest rates.

At the end of the first half of 2022, non-performing loans amounted to 1.5% of loans, advances and guarantees against 1.1% at the end of 2021. The increase was mainly caused by the FSA's clarification that repeated overdrafts must be considered breach of contract, with the result that the exposure is ranked in stage 3. The proportion of loans subject to forbearance was roughly unchanged at 1.6% compared to 1.5% at the end of 2021. The proportion of exposures in stage 1 rose to 94.9% from 94.3% at the end of 2021.

Loans, advances and guarantees by IFRS 9 stages (DKKbn/%)

	Loans, advances and guarantees		Balance of impairment charges		Impairment ratio	
	Q2 2022	Q4 2021	Q2 2022	Q4 2021	Q2 2022	Q4 2021
Stage 1	470.7	470.4	1.1	1.0	0.2	0.2
Stage 2	18.4	23.6	1.0	0.8	5.2	3.4
Stage 3	6.7	4.9	2.7	3.4	28.6	40.6
Total	495.8	498.9	4.8	5.2	1.0	1.0

At the end of the first half of 2022, Jyske Bank's balance of loan impairment charges amounted to DKK 4.8 bn, corresponding to 1.0% of loans, advances and guarantees against DKK 5.2 bn and

1.0%, respectively, at the end of 2021.

At the end of the first half of 2022, impairment charges based on the management's estimates amounted to DKK 1,655m against DKK 1,770m at the end of 2021. The decline can primarily be attributed to a lower addition relating to process-related risks, as the estimate for amounts overdrawn by personal clients and limited insight into personal clients' finances was reduced. Moreover, the estimate for macroeconomic risks was reduced marginally. The risk of failure to identify risks relating to the COVID-19 pandemic is on the decline. On the other hand, the war in Ukraine has increased the uncertainty and increased management's estimate. Jyske Bank has no direct credit exposure to Ukraine or Russia, but Jyske Bank may be affected adversely by a changed macroeconomic outlook with a heightened risk of a severe or very severe economic scenario.

Loans, advances and guarantees – by sector (DKKbn/%)

	Loans, advances and guarantees		Impairment ratio	
	Q2 2022	Q4 2021	Q2 2022	Q4 2021
Public authorities	12.6	12.8	0.0	0.0
Agriculture, hunting, forestry and fishing	11.2	7.8	3.5	4.0
Manufacturing industry and mining	12.5	9.5	2.3	4.3
Energy supply	11.3	10.7	0.3	0.4
Construction	8.6	7.8	0.9	1.2
Commerce	12.4	11.7	2.0	2.5
Transport, hotels and restaurants	5.8	6.2	1.6	1.8
Information and communication	2.4	1.1	5.6	11.4
Financing and insurance	51.9	43.6	1.6	1.1
Real property	157.8	163.1	0.6	0.8
Other sectors	18.5	17.9	1.0	1.1
Corporate clients	292.4	279.4	1.0	1.2
Personal clients	190.8	206.7	0.9	0.9
Total	495.8	498.9	1.0	1.0

Capital and Liquidity Management

Capital management

Jyske Bank's objective is to achieve a capital ratio of 20%-22% and a common equity tier 1 capital ratio of 15%-17% in the coming years. At these levels, Jyske Bank can comfortably absorb the effects from future legislative changes while at the same time having the required strategic scope.

It is anticipated that the purchase of Svenska Handelsbanken's activities in Denmark will be completed in the fourth quarter of 2022, and that - as a result of this - Jyske Bank's capital ratios could temporarily be below the targeted ranges.

At the end of the first half of 2022, Jyske Bank had a capital ratio of 22.2% and a common equity tier 1 capital ratio of 17.9% compared to 22.8% and 18.2%, respectively, at the end of 2021. In the first half of the year, the capital ratios were reduced due to an increase by DKK 1 bn of the share repurchase programme as well as an increase in the weighted risk exposure after the implementation of EBA guidelines.

Capital ratios (%)

	Q2 2022	Q4 2021
Capital ratio	22.2	22.8
Core capital ratio incl. hybrid capital	19.6	20.0
Common equity tier 1 capital ratio	17.9	18.2

The weighted risk exposure amounted to DKK 194.3 bn at the end of the first half of 2022 against DKK 188.2 bn at the end of 2021. The increase can primarily be attributed to higher credit risk due to the implementation of a EBA guidelines, which have now been fully recognised.

Weighted risk exposure (DKKm)

	Q2 2022	Q4 2021
Credit risk, etc.	170,486	163,154
Market risk	9,201	10,723
Operational risk	14,634	14,304
Total	194,321	188,181

A reduction of the share capital by 3,560,778 shares, each of a nominal value of DKK 10. was adopted at the extraordinary general meeting on 6 January 2022 and implemented on 15 February 2022. The share capital then amounted to 69,000,000 shares, each of a nominal value of DKK 10.

On the extraordinary general meeting on 22 August 2022, a further reduction of the share capital by 4,727,905 bought-back shares will be proposed.

Jyske Bank completed the most recent share-buyback programme in the amount of DKK 2 bn on 31 May 2022.

Capital requirement

The requirements of the total capital base consist of one Pillar I requirement of 8% of the weighted risk exposure with a capital addition for above-normal risk under Pillar II and buffers.

At the end of the first half of 2022, Jyske Bank's individual solvency requirement was 11.1% of the weighted risk exposure against 11.2% at the end of 2021. However, at the end of the first half of 2022, the individual solvency requirement was temporarily raised due to the expected acquisition of Svenska Handelsbanken's activities in Denmark. To this must be added a SIFI requirement of 1.5% and a capital conservation buffer of 2.5%. Hence, the total capital requirement is 15.1%, which is a decline compared with the end of 2021 when the capital requirement was 15.2%.

Both the SIFI requirements and the capital conservation buffer have been fully phased in. In the spring of 2020, the countercyclical buffer was released by the Danish authorities following the COVID-19 outbreak. On recommendation by the Systemic Risk Council, the Minister for Industry, Business and Financial Affairs has reactivated the buffer, which will be phased in by 1 percentage point in the third quarter of 2022 and then being increased to 2.5% in the first half of 2023.

Capital requirement (%)

	Capital ratio		CET ratio	
	Q2 2022	Q4 2021	Q2 2022	Q4 2021
Pillar I	8.0	8.0	4.5	4.5
Pillar II	3.1	3.2	1.8	1.8
SIFI	1.5	1.5	1.5	1.5
Capital conservation buffer	2.5	2.5	2.5	2.5
Countercyclical buffer	0.0	0.0	0.0	0.0
Capital requirement	15.1	15.2	10.3	10.3

Therefore, compared with the common equity tier 1 capital ratio, the excess capital adequacy came to 7.6% of the weighted risk exposure, corresponding to DKK 14.7 bn against 7.9% and DKK 14.9 bn, respectively, at the end of 2021.

Excess capital relative to CET1 capital requirement (%)

	Q2 2022	Q4 2021
Common equity tier 1 capital ratio	17.9	18.2
Common equity tier 1 capital requirement	10.3	10.3
Excess capital	7.6	7.9

Liquidity management

Jyske Bank's biggest source of funding is covered bonds and mortgage bonds, which amounted to DKK 312 bn, corresponding to 47% of the balance sheet at the end of the first half of 2022. The second-largest funding source is client deposits, which amounted to DKK 140 bn, of which a high proportion consists of deposits from small and medium-sized enterprises as well as personal clients.

At the end of the first half of 2022, the Jyske Bank Group's liquidity coverage ratio (LCR) was 208%, down from an unusually high seasonal level at the end of 2021. The Group's hard internal exposure limit is a LCR of at least 120%. Nevertheless, the aim is that LCR is, under normal market conditions, above 150%.

The LCR buffer after haircuts at the end of the first half of 2022 is shown below:

Liquidity coverage ratio (LCR)

	DKKbn	%
Level 1a assets	78.2	61
Level 1b assets	47.9	37
Level 2a + 2b assets	3.0	2
Total	129.1	100

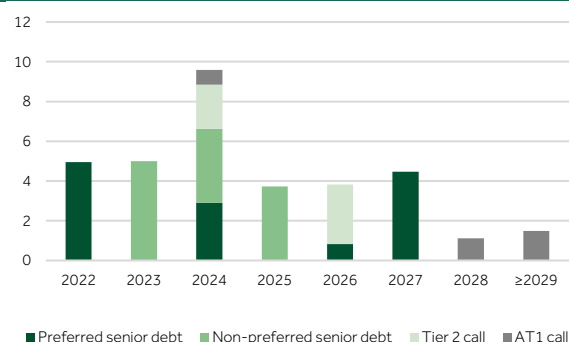
At the end of the first half of 2022, the Jyske Bank Group's Net Stable Funding Ratio (NSFR) was 137%, against 138% at the end of 2021.

Refinancing profile

The Group is on an ongoing basis active in the French commercial paper (CP) market. At the end of the first half of 2022, the outstanding volume under the CP programme amounted to DKK 54 bn against DKK 51 bn at the end of 2021.

At the end of the first half of 2022, outstanding unsecured senior debt amounted to DKK 25.4 bn against DKK 24.1 bn at the end of 2021. At the end of the first half of 2022, outstanding CRD-IV compliant tier 2 and AT1 capital instruments amounted to DKK 5.1 bn and DKK 3.3 bn, respectively, against DKK 5.2 bn and DKK 3.3 bn, respectively, at the end of 2021.

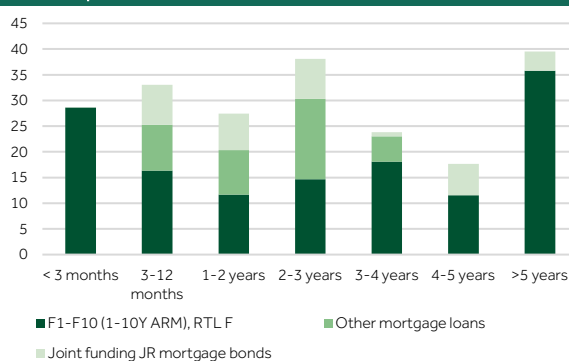
Run-off and call date profile (DKKbn)



The run-off profile for the Group's unsecured senior debt, etc. determined at the end of the first half of 2022 is illustrated by the above chart.

At the end of the first half of 2022, covered bonds involving refinancing risk amounted to DKK 208 bn, and the run-off profile of the underlying mortgage loans is shown the chart below.

Run-off profile of covered bonds (DKKbn)



Issuance activity and funding plans

At the publication of its Interim Financial Report for the first half of 2022, the Jyske Bank Group had issued the following bonds on the international capital markets.

Issuance activity

	Maturity	Credit spread
SEK 3 bn non-preferred senior debt (value date 12.04.2022)	12.04.2025 (call 2024)	3M CIBOR +31 bp.

The acquisition of Svenska Handelsbanken's activities in Denmark is expected to be completed in the fourth quarter of 2022 and changes Jyske Bank's funding plans. Based on the expected increase in the weighted risk exposure due to the acquisition and changed regulation, Jyske Bank anticipates a requirement (inclusive of an internal buffer) for MREL-eligible debt instruments in an amount of DKK 24 bn - 26 bn, of which about DKK 6 bn in the form of preferred senior debt and DKK 18 bn - 20 bn in the form of non-preferred senior debt. At the end of the first half of 2022, a total of MREL -

eligible instruments had been issued, distributed by DKK 5.9 bn and DKK 12.4 bn on preferred senior debt and non-preferred senior debt, respectively, with a time to maturity of more than 12 months.

Jyske Bank anticipates that it will issue non-preferred senior debt in the range of EUR 750m - 1,000m as well as AT1 capital instruments of up to EUR 200m and tier 2 capital instruments of about EUR 150m in the second half of 2022. Further issues of unsecured senior debt will depend on the balance sheet development.

Credit rating

Jyske Bank is being rated by Standard & Poor's (S&P). Jyske Realkredit has the same credit rating as Jyske Bank.

S&P credit rating

Jyske Bank issuer rating	Rating	Outlook
Stand Alone Credit Profile (SACP)	A-	Stable
Issuer rating (Issuer Credit Rating)	A	Stable
Short-term unsecured senior debt (preferred senior)	A-1	Stable
Long-term unsecured senior debt (preferred senior)	A	Stable
Long-term non-preferred senior debt (non-preferred senior)	BBB+	Stable
Tier 2	BBB	Stable
Additional Tier 1 (AT1)	BB+	Stable
Jyske Realkredit Bond issues		
Capital Centre E covered bonds	AAA	
Capital Centre B mortgage bonds	AAA	

Sustainability ratings

Jyske Bank has chosen to focus on and verify data from select ESG rating agencies, whose ratings appear from the table below.

Sustainability ratings

ESG raters	Rating
MSCI (CCC to AAA)	AAA
Sustainalytics (Negl. to Severe Risk)	Medium risk
ISS ESG (D- to A+)	C-
Moody's ESG Solutions (0 to 100)	47
CDP (D- to A)	C

Supervisory diamond

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

The supervisory diamond for Jyske Bank A/S

	Q2 2022	Q4 2021
Sum of large exposures <175% of common equity tier 1 capital	91%	110%
Increase in loans and advances <20% annually	19%	8%
Exposures to property administration and property transactions <25% of total loans and advances	8%	9%
Liquidity benchmark >100%	153%	188%

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

The supervisory diamond for Jyske Realkredit A/S

	Q2 2022	Q4 2021
Concentration risk <100%	44.5%	46.8%
Increase in loans <15% annually in the segment:		
Owner-occupied homes and vacation homes	-2.2%	-1.2%
Residential rental property	8.9%	8.3%
Other sectors	6.3%	-0.5%
Borrower's interest-rate risk <25%		
Residential property	15.8%	14.9%
Instalment-free schemes <10%		
Owner-occupied homes and vacation homes	5.0%	5.6%
Loans with frequent interest-rate fixing:		
Refinancing (annually) <25%	11.6%	15.1%
Refinancing (quarterly) <12.5%	0.2%	1.0%

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

Other Information

Events after the end of the accounting period

No events have taken place during the period prior to the publication of the Interim Financial Report for the first half of 2022 that have any material effect on the financial position of Jyske Bank.

Financial calendar 2022

Jyske Bank anticipates publishing its interim report for the first nine months of 2022 on 1 November 2022.

Further information

For further information, please see www.jyskebank.info. Here you will find an interview with Anders Dam, Managing Director and CEO, detailed financial information as well as Jyske Bank's Annual Report 2021 and Risk and Capital Management 2021, which gives further information about Jyske Bank's internal risk and capital management as well as regulatory issues, including a description of the most important risks and elements of uncertainty that may affect Jyske Bank.

Also, please see www.jyskerealkredit.com. Jyske Realkredit's interim financial report for the first half of 2022, the Annual Report for 2021 and detailed financial information about Jyske Realkredit are available on that website.

Business Segments

The business segments reflect all activities in banking, mortgage financing and leasing.

Banking Activities

Summary of income statement (DKKm)

	H1 2022	H1 2021	Index 22/21	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	FY 2021
Net interest income	1,237	1,049	118	635	602	567	538	526	2,154
Net fee and commission income	1,533	1,445	106	722	811	834	759	674	3,038
Value adjustments	-31	525	-	-47	16	173	119	211	817
Other income	165	108	153	65	100	17	24	79	149
Core income	2,904	3,127	93	1,375	1,529	1,591	1,440	1,490	6,158
Core expenses	2,065	2,067	100	1,048	1,017	1,246	1,030	1,030	4,343
Core profit before loan impairment charges	839	1,060	79	327	512	345	410	460	1,815
Loan impairment charges	-145	-141	-	-125	-20	-97	-36	-47	-274
Core profit	984	1,201	82	452	532	442	446	507	2,089
Investment portfolio earnings	17	104	16	13	4	-21	-22	29	61
Pre-tax profit	1,001	1,305	77	465	536	421	424	536	2,150

Summary of balance sheet, end of period (DKKbn)

Loans and advances	140.0	121.4	115	140.0	128.0	122.1	122.5	121.4	122.1
- of which bank loans	90.6	73.9	122	90.6	88.1	81.1	75.8	73.9	81.1
- of which repo loans	49.4	47.5	104	49.4	39.9	41.0	46.7	47.5	41.0
Total assets	300.2	266.0	113	300.2	267.9	253.4	278.8	266.0	253.4
Deposits	156.2	134.8	116	156.2	141.7	134.0	135.9	134.8	134.0
- of which bank deposits	139.9	122.0	115	139.9	126.9	121.3	123.2	122.0	121.3
- of which repo and triparty deposits	16.3	12.8	127	16.3	14.8	12.7	12.7	12.8	12.7
Issued bonds	73.7	66.4	111	73.7	63.1	67.9	71.2	66.4	67.9

Profit

Pre-tax profit amounted to DKK 1,001m in the first half of 2022 against DKK 1,305m in the same period in 2021. The development can be attributed to lower value adjustments and investment portfolio earnings, as the other items in the income statement showed increases.

Core income

Core income fell to DKK 2,904m from DKK 3,127m, due to lower value adjustments.

Net interest income increased by 18% relative to the first half of 2021. The increase can be attributed to higher bank loans, reduced deposit rates for personal and corporate clients, as well as higher net interest income relating to excess liquidity.

Net fee and commission income increased by 6%. Adjusted for distribution fees received from Jyske Realkredit, net fee and commission income rose by 13% relative to the first half of 2021. The increase was caused by a broadly based increase on the basis of a continued high level of activity, supported especially by increased lending growth.

Value adjustments fell to DKK -31m from DKK 525m the preceding year. The fall from a high level

was primarily caused by the negative effect from increasing interest rates on the Group's hedging of interest-rate risk as well as widening spreads for Danish mortgage bonds.

Other income rose to DKK 165m from DKK 108m due to higher dividends, etc. as well as positive results on equity investments in associates.

Core expenses

Core expenses were unchanged in the first half of 2022 compared to the first half of 2021 despite one-off expenses of DKK 11m relating to the acquisition of Svenska Handelsbanken's activities in Denmark. The underlying costs were kept down due to lower expenses for the joint development of a capital market program at Bankdata, which was completed in 2021, as well as a reduction in the number of full-time employees.

Loan impairment charges

Loan impairment charges and provisions for guarantees amounted to an income of DKK 145m against an income of DKK 141m in the first half of 2021. The management's estimate for the COVID-19 pandemic was reduced in the first half of the year, while the credit quality developed favourably.

Investment portfolio earnings

For the first half of 2022, investment portfolio earnings amounted to DKK 17m against DKK 104m for the same period of 2021. A positive effect from the exposure to rising interest rates was offset by widening credit spreads for bonds. The first half of 2021 was to a greater extent positively affected by the exposure to a steeper yield curve. Hedging of AT1 capital instruments in SEK had a negative effect of DKK 32m in the first half of 2022 and was offset by a positive adjustment of shareholders' equity.

Business volume

Bank loans rose by 12% in the first half of 2022 compared to the level at the end of 2021, fuelled by higher lending to corporate clients. At the end of the first half of 2022, bank deposits amounted to DKK 139.9 bn, corresponding to an increase by 15% relative to the level at the end of 2021 fuelled by corporate clients, especially after the limit for payments from companies' tax accounts was lowered on 15 June 2022.

Q2 2022 compared to Q1 2022

In the second quarter, pre-tax profit amounted to DKK 465m against DKK 536m in the first quarter.

Core income fell to DKK 1,375m from DKK 1,529m due to lower value adjustments and lower distribution fees from Jyske Realkredit.

Net interest income rose by 5% to DKK 635m. The increase can be attributed to higher bank loans in the first half of 2022, partly due to client inflow, repayment of government aid packages as well as companies' investments and inventory build-up.

Net fee and commission income declined to DKK 722m from DKK 811m. Exclusive of distribution fees from Jyske Realkredit, net fee and commission income fell by 14% in the quarter. The decline can primarily be attributed to seasonally lower fee income relating to Letpension, and Letsikring, as well as lower investment-related fee income.

Other income fell to DKK 65m from DKK 100m, as the profit on investments in associates declined from a high level.

Value adjustments amounted to DKK -47m against DKK 16m in the preceding quarter. The decline can be attributed to still challenging financial markets with widening bond spreads.

Core expenses rose to DKK 1,048m from DKK 1,017m. The increase was caused by one-off expenses of DKK 11m relating to the acquisition of Svenska Handelsbanken's activities in Denmark as well as higher employee costs due to a high activity level.

Loan impairment charges and provisions for guarantees amounted to an income of DKK 125m against an income of DKK 20m in the preceding quarter. The low level of impairment charges can be attributed to a continued solid credit quality.

Investment portfolio earnings amounted to DKK 13m against DKK 4m in the preceding quarter. The development was caused by a slightly higher contribution from the interest-rate curve exposure in the second quarter.

Mortgage activities

Summary of income statement (DKK m)

	H1 2022	H1 2021	Index 22/21	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	FY 2021
Administration margin income, etc. ¹	1,175	1,168	101	587	588	590	585	584	2,343
Other net interest income	19	9	211	21	-2	4	2	5	15
Net fee and commission income	-269	-353	-	-148	-121	-172	-181	-160	-706
Value adjustments	-76	66	-	-67	-9	34	7	21	107
Other income	0	0	-	0	0	0	5	0	5
Core income	849	890	95	393	456	456	418	450	1,764
Core expenses	200	189	106	100	100	99	101	97	389
Core profit before loan impairment charges	649	701	93	293	356	357	317	353	1,375
Loan impairment charges	-93	102	-	-56	-37	-49	11	12	64
Pre-tax profit	742	599	124	349	393	406	306	341	1,311

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

Summary of balance sheet (DKK bn)

Mortgage loans, nominal value	343.9	336.0	102	343.9	341.2	339.0	338.2	336.0	339.0
Mortgage loans, fair value	319.1	339.5	94	319.1	329.5	340.9	338.5	339.5	340.9
Total assets	341.8	366.6	93	341.8	357.4	369.0	367.8	366.6	369.0
Issued bonds	316.2	342.4	92	316.2	331.8	345.6	343.3	342.4	345.6

Profit

In the first half of 2022, pre-tax profit amounted to DKK 742m against DKK 599m in the first half of 2021. The higher profit can primarily be attributed to a lower level of loan impairment charges.

Core income

Core income amounted to DKK 849m in the first half against DKK 890m in the preceding year. The change was caused by lower value adjustments, which were partially offset by lower distribution fees paid.

Administration margin income, etc. increased by 1% to DKK 1,175m in the first half of 2022.

Mortgage loans stated at nominal value rose by 2% compared to the first half of 2021, which was partially offset by a slightly lower margin.

Other net interest income amounted to DKK 19m in the first half against DKK 9m in the first half of 2021. The increase was caused by a higher interest yield relating to the strategic balance sheet and risk management.

Net fee and commission income amounted to DKK -269m against DKK -353m in the first half of 2021. Distribution fees paid fell to DKK 538m from DKK 567m due to set-off of recognised losses. Exclusive of distribution fees, net fee and commission income rose by 26% due to higher remortgaging activity.

Value adjustments amounted to DKK -76m in the first half of 2022 against DKK 66m in the same

period last year. The decline can be attributed to the strategic balance sheet and risk management as well as a capital gain relating to the sale of a shareholding in the first half of 2021.

Core expenses

For the first half of 2022, core expenses amounted to DKK 200m against DKK 189m for the same period of the preceding year. The increase was due to the fact that Jyske Realkredit insourced the development of IT systems relating to mortgage operations from Jyske Bank in the second quarter of 2021.

Loan impairment charges

Loan impairment charges and provisions for guarantees amounted to an income of DKK 93m in the first half of 2022 against an expense of DKK 102m in the first half of 2021. The income can be attributed to falling arrears and rising collateral values. Moreover, the risk of failure to identify risks relating to the COVID-19 pandemic is on the decline. On the other hand, further impairment charges have been recognised relating to the war in Ukraine and changed macro-economic prospects.

Business volume

Mortgage loans stated at nominal value rose by 1% to DKK 343.9 bn compared to the level at the end of 2021. The increase related to loans to corporate clients. Mortgage loans at fair value fell to DKK 319.1 bn from DKK 340.9 bn in the same period. The decline can be attributed to falling prices of Danish mortgage bonds.

For further details about Jyske Realkredit, please see Jyske Realkredit's Interim Financial Report for the first half of 2022.

Q2 2022 compared to Q1 2022

In the second quarter of 2022, pre-tax profit amounted to DKK 349m against DKK 393m in the first quarter of 2022.

Core income fell to DKK 393m in the second quarter of 2022 from DKK 456m in the first quarter. The decline was primarily caused by lower value adjustments relating to the strategic balance sheet and risk management.

Administration margin income amounted to DKK 587m against DKK 588m in the preceding quarter. Hence a minor increase in loans was more than offset by marginally lower average administration margin rates.

Other net interest income amounted to DKK 21m against DKK -2m in the first quarter of 2022. The increase can be attributed to the strategic balance sheet and risk management, which should be seen in the context of the development of value adjustments.

Net fee and commission income amounted to DKK -148m against DKK -121m. Exclusive of distribution fees paid, net fee and commission income fell to DKK 114m from DKK 155m. The decline was caused by seasonally lower remortgaging activity and a slightly lower activity level.

Value adjustments amounted to DKK -67m against DKK -9m in the preceding quarter. The lower level reflects the development in the financial markets, which had a negative effect on the strategic balance sheet and risk management.

Core expenses amounted to DKK 100m, i.e. an unchanged level relative to the first quarter of 2022.

Loan impairment charges amounted to an income of DKK 56m against an income of DKK 37m in the first quarter of 2022. The credit quality was still solid with a good underlying development.

Leasing activities

Summary of income statement (DKKm)

	H1 2022	H1 2021	Index 22/21	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	FY 2021
Net interest income	240	228	105	116	124	116	117	115	461
Net fee and commission income	-14	-7	-	-7	-7	-17	0	-5	-24
Value adjustments	23	14	164	21	2	0	2	11	16
Other income	10	9	111	5	5	9	3	5	21
Income from operating lease (net)	185	103	180	105	80	72	81	63	256
Core income	444	347	128	240	204	180	203	189	730
Core expenses	90	86	105	47	43	43	43	44	172
Core profit before loan impairment charges	354	261	136	193	161	137	160	145	558
Loan impairment charges	-9	2	-	-11	2	1	-11	-12	-8
Pre-tax profit	363	259	140	204	159	136	171	157	566

Summary of balance sheet, end of period (DKKbn)

Loans and advances	22.7	21.3	107	22.7	22.5	22.1	21.3	21.3	22.1
Total assets	25.1	23.9	104	25.1	24.9	24.7	23.9	23.9	24.7
Deposits	0.2	0.2	100	0.2	0.2	0.2	0.2	0.2	0.2

Profit

In the first half of 2022, pre-tax profit amounted to DKK 363m against DKK 259m in the first half of 2021. The positive development could primarily be attributed to favourable sales conditions in the market for used cars and a growing business volume.

Net interest income rose by 5% relative to the first half of 2021 due a growing business volume.

Net fee and commission income amounted to an expense of DKK 14m in the first half of 2022 against an expense of DKK 7m in the first half of 2021. The increased expense can primarily be attributed to higher costs for distribution fees, etc.

In the first half of 2022, value adjustments rose to DKK 23m from DKK 14m in the same period in 2021. The change was caused, among other things, by a positive return on equity positions.

In the first half of 2022, income from operating lease (net) rose to DKK 185m from DKK 103m in the first half of 2021 due to favourable sales conditions in the used car market.

In the first half of 2022, core expenses rose to DKK 90m from DKK 86m in the same period in 2021. The increase was caused, among other things, by higher payroll costs.

Loan impairment charges amounted to an income of DKK 9m against an expense of DKK 2m in the same period of 2021.

Business volume

At the end of the first half of 2022, loans under leasing activities had increased by 3% to DKK 22.7 bn relative to the level at the end of 2021 despite challenged supply chains in the auto industry.

Q2 2022 compared to Q1 2022

Pre-tax profit rose to DKK 204m in the second quarter of 2022 from DKK 159m in the preceding quarter, primarily caused by higher income relating to operating lease (net).

Net interest income fell to DKK 116m from DKK 124m. The development can be attributed to an extraordinary income relating to a major client account in the first quarter of 2022.

In the second quarter, net fee and commission income was unchanged at DKK -7m.

Value adjustments rose to DKK 21m from DKK 2m due to a positive return on equity positions.

In the second quarter of 2022, income from operating lease (net) rose to DKK 105m from DKK 80m. in the preceding quarter. The change could be attributed to continuing good sales conditions in the used car market.

Core expenses rose to DKK 47m from DKK 43m. The increase was caused, among other things, by higher payroll costs.

Loan impairment charges amounted to an income of DKK 11m against an expense of DKK 2m in the preceding quarter. The development was characterised by a continued good credit quality.

	DKKm	H1 2022	H1 2021	Q2 2022	Q2 2021
Income statement					
5	Interest income calculated according to the effective interest method	1,760	1,659	928	817
5	Other interest income	3,016	2,763	1,534	1,360
6	Interest expenses	2,062	1,932	1,073	921
	Net interest income	2,714	2,490	1,389	1,256
7	Fees and commission income	1,491	1,302	687	617
7	Fees and commission expenses	241	217	120	108
	Net interest and fee income	3,964	3,575	1,956	1,765
8	Value adjustments	-95	688	-104	253
9	Other income	607	470	298	265
10	Employee and administrative expenses, etc.	2,317	2,310	1,174	1,153
	Amortisation, depreciation and impairment charges	300	297	150	143
12	Loan impairment charges	-247	-37	-192	-47
	Pre-tax profit	2,106	2,163	1,018	1,034
11	Tax	415	478	178	232
	Net profit for the period	1,691	1,685	840	802
	Distributed to:				
	Jyske Bank A/S shareholders	1,620	1,597	805	756
	Holders of additional tier 1 capital (AT1)	71	88	35	46
	Total	1,691	1,685	840	802
Earnings per share for the period					
	Earnings per share for the period, DKK	24.55	22.23	12.42	10.59
	Earnings per share for the period, DKK, diluted	24.55	22.23	12.42	10.59
Statement of Comprehensive Income					
	Net profit for the period	1,691	1,685	840	802
	Other comprehensive income	0	0	0	0
	Comprehensive income for the period	1,691	1,685	840	802
	Distributed to:				
	Jyske Bank A/S shareholders	1,620	1,597	805	756
	Holders of additional tier 1 capital (AT1)	71	88	35	46
	Total	1,691	1,685	840	802

		30 June 2022	31 Dec. 2021	30 June 2021
	DKKm			
Balance Sheet				
Assets				
	Cash balance and demand deposits with central banks	49,038	30,685	43,197
	Due from credit institutions and central banks	11,304	9,535	9,104
13,14	Loans at fair value	322,292	342,714	341,437
15	Loans and advances at amortised cost	159,507	142,500	140,859
	Bonds at fair value	52,222	56,002	59,033
	Bonds at amortised cost	34,858	26,953	23,811
	Shares, etc.	2,340	2,708	2,625
	Property, plant and equipment	4,084	4,303	4,439
	Deferred tax assets	302	0	0
	Current tax assets	458	432	601
	Assets held temporarily with a view to sale	71	80	123
16	Other assets	30,666	31,210	31,271
	Total assets	667,142	647,122	656,500
Liabilities				
	Due to credit institutions and central banks	31,974	14,971	24,162
17	Deposits	156,456	134,212	135,077
18	Issued bonds at fair value	312,227	340,340	337,763
	Issued bonds at amortised cost	77,682	73,124	71,026
	Liabilities in disposal group with a view to sale	4	4	6
19	Other liabilities	43,695	39,341	41,347
20	Provisions	1,180	1,351	1,346
21	Subordinated debt	5,368	5,513	6,519
	Liabilities, total	628,586	608,856	617,246
Equity				
	Share capital	690	726	726
	Revaluation reserve	171	171	200
	Retained profit	34,372	34,014	33,541
	Jyske Bank A/S shareholders	35,233	34,911	34,467
	Holders of additional tier 1 capital (AT1)	3,323	3,355	4,787
	Total equity	38,556	38,266	39,254
	Total equity and liabilities	667,142	647,122	656,500

DKK m

Statement of Changes in Equity

	Share capital	Revaluation reserve	Retained profit	Jyske Bank A/S shareholders	AT1 capital*	Total equity
Equity on 1 January 2022	726	171	34,014	34,911	3,355	38,266
Net profit for the period	0	0	1,620	1,620	71	1,691
Other comprehensive income	0	0	0	0	0	0
Comprehensive income for the period	0	0	1,620	1,620	71	1,691
Interest paid on additional tier 1 capital	0	0	0	0	-71	-71
Currency translation adjustment	0	0	32	32	-32	0
Reduction of share capital	-36	0	36	0	0	0
Acquisition of own shares	0	0	-2,350	-2,350	0	-2,350
Sale of own shares	0	0	1,020	1,020	0	1,020
Transactions with owners	-36	0	-1,262	-1,298	-103	-1,401
Equity on 30 June 2022	690	171	34,372	35,233	3,323	38,556
Equity on 1 January 2021	726	200	32,399	33,325	3,307	36,632
Net profit for the period	0	0	1,597	1,597	88	1,685
Other comprehensive income	0	0	0	0	0	0
Comprehensive income for the period	0	0	1,597	1,597	88	1,685
Hybrid core capital issue	0	0	0	0	1,486	1,486
Transaction costs	0	0	-15	-15	0	-15
Interest paid on additional tier 1 capital	0	0	0	0	-84	-84
Currency translation adjustment	0	0	10	10	-10	0
Reduction of share capital	0	0	0	0	0	0
Acquisition of own shares	0	0	-1,187	-1,187	0	-1,187
Sale of own shares	0	0	737	737	0	737
Transactions with owners	0	0	-455	-455	1,392	937
Equity on 30 June 2021	726	200	33,541	34,467	4,787	39,254

*Additional tier 1 capital (AT1) has no maturity. Payment of interest and repayment of principal are voluntary. Therefore AT1 capital is recognised as equity. In September 2016, Jyske Bank issued AT1 amounting to SEK 1.25bn and AT1 amounting to DKK 500m with the possibility of early redemption in September 2021 at the earliest. The interest rates applicable to the issues are STIBOR+5.80% and CIBOR+5.30%, respectively, up to September 2021 when the issues are redeemed. In September 2017, Jyske Bank issued AT1 amounting to EUR 150m with the possibility of early redemption in September 2027 at the earliest. The issue has a coupon of 4.75% until September 2027. In April 2019, Jyske Bank issued AT1 in the amount of SEK 1 bn, with the possibility of early redemption in April 2024 at the earliest. The interest rate applicable to the issue until April 2024 is STIBOR+5%. In May 2021, Jyske Bank issued AT1 amounting to EUR 200m with the possibility of early redemption from 4 December 2028 at the earliest. The interest rate applicable to the issue until June 2029 is 3,625%. It applies to all AT1 issues that if the common equity tier 1 capital ratio of Jyske Bank A/S or the Jyske Bank Group falls below 7%, the loans will be written down.

Note

Jyske Bank Group

DKKm	30 June 2022	31 Dec. 2021	30 June 2021
Capital Statement			
Shareholders' equity	35,233	34,911	34,467
Share buy-back programme, non-utilised limit	0	-272	-290
Expected dividend, calculated as required by law	0	0	-112
Prudent valuation	-225	-285	-251
Insufficient coverage of non-performing loans and guarantees	-96	-63	-59
Other deductions	-175	-39	-75
Common equity tier 1 capital	34,737	34,252	33,680
Additional tier 1 capital after reduction	3,297	3,329	3,338
Core capital	38,034	37,581	37,018
Subordinated loan capital after reduction	5,132	5,275	5,297
Capital base	43,166	42,856	42,315
Weighted risk exposure involving credit risk, etc.	170,486	163,154	159,669
Weighted risk exposure involving market risk	9,201	10,723	10,400
Weighted risk exposure involving operational risk	14,634	14,304	14,304
Total weighted risk exposure	194,321	188,181	184,373
Capital requirement, Pillar I	15,546	15,054	14,750
Capital ratio (%)	22.2	22.8	23.0
Tier 1 capital ratio (%)	19.6	20.0	20.1
Common equity tier 1 capital ratio (%)	17.9	18.2	18.3

The capital statement was calculated according to Regulation (EU) No. 575/2013 of 26 June 2013 of the European Parliament and of the Council (CRR) with subsequent amendments.

For the determination of the individual solvency requirement, please see the report Risk and Capital Management 2021 and jyskebank.com/investorrelations/capitalstructure, which shows Jyske Bank's quarterly determination of the individual solvency requirement.

Note	Jyske Bank Group	
DKKmn	H1 2022	H1 2021
Summary of cash flow statement		
Net profit for the period	1,691	1,685
Adjustment for non-cash operating items and change in working capital	20,147	3,802
Cash flows from operating activities	21,838	5,487
Acquisition and sale of property, plant and equipment	-51	-274
Dividend received	85	48
Cash flows from investment activities	34	-226
Hybrid core capital issue	0	1,471
Interest paid on additional tier 1 capital	-71	-84
Acquisition of own shares	-2,350	-1,187
Sale of own shares	1,020	737
Additional subordinated debt	0	1,466
Redemption of subordinated debt	-11	-756
Repayment on lease commitment	-30	-33
Cash flows from financing activities	-1,442	1,614
Cash flow for the period	20,430	6,875
Cash and cash equivalents, beginning of period	39,977	45,489
Foreign currency translation adjustment of cash at bank and in hand	-65	-63
Cash flow for the period, total	20,430	6,875
Cash and cash equivalents, end of period	60,342	52,301
Cash and cash equivalents, end of period, comprise:		
Cash balance and demand deposits with central banks	49,038	43,197
Due from credit institutions and central banks	11,304	9,104
Cash and cash equivalents, end of period	60,342	52,301

1 Accounting policies

The Interim Financial Report for the period 1 January to 31 March 2022 for the Jyske Bank Group was prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. Furthermore, the Interim Financial Report was prepared in accordance with the additional Danish disclosure requirements for the interim reports of listed financial undertakings. Due to the application of IAS 34, the presentation is more limited relative to the presentation of an annual report, and also the recognition and determination principles of the International Financial Reporting Standards (IFRS) were adhered to.

A number of minor changes to accounting standards took effect on 1 January 2022, including changes to IFRS 3 References framework, changes to IAS 16 Income from non-current assets under construction, changes to IAS 37 Expenses relating to the fulfilment of an onerous contract, and Improvements of IFRSs (2018-2020). These changes did not have an effect on Jyske Bank's financial reporting.

Except from the above, accounting policies remain unchanged compared with the annual report for 2021, including the full description of accounting policies.

2 Material accounting estimates

Measurement of the carrying value of certain assets and liabilities requires the management's estimate of the influence of future events on the value of such assets and liabilities. Estimates of material importance to the financial reporting are, among other things, based on the determination of loan impairment charges and provisions for guarantees, the fair value of unlisted financial instruments and provisions already made, cf. the detailed statement in note 67 in the Annual Report 2021. The estimates are based on assumptions which management finds reasonable, but which are inherently uncertain. Besides, the Group is subject to risks and uncertainties which may cause results to differ from those estimates. At the preparation of the interim financial statements, the material accounting estimates are the same as the ones applied at the preparation of the Annual Report for 2021, however, with reference to the below mentioning of changes to additions estimated by management for loan impairment charges and provisions for guarantees.

The total additions for loan impairment charges and provisions for guarantees estimated by management amounted to DKK 1,655m against DKK 1,770m at the end of 2021 and are distributed as stated in the below table.

DKKm	30 June 2022	31 Dec. 2021
Corporate Clients		
Macroeconomic risks	900	954
Process-related risks	55	40
Value of agricultural assets and pork prices	75	90
Corporate clients, total	1,030	1,084
Personal clients		
Macroeconomic risks	300	276
Process-related risks	235	320
Value of foreign properties (Key-Plan)	90	90
Personal clients, total	625	686
Management's estimates, total	1,655	1,770

Additions estimated by management for macroeconomic risks cover expected losses relating to COVID-19 and the war in the Ukraine, including negative economic effects from shortage and rising prices of commodities as well as rising interest rates and energy prices, etc.

Additions estimated by management for process-related risks cover expected losses relating to limited financial insight, expiry of instalment-free periods and breach of contract/amounts overdrawn.

Jyske Bank's Annual Report 2021, note 14, describes in detail the additions estimated by management for loan impairment charges and provisions for guarantees.

DKKm

Q2 2022 Q1 2022 Q4 2021 Q3 2021 Q2 2021

3 Key figures and ratios, five quarters
Summary of Income Statement

Net interest income	1,389	1,325	1,298	1,254	1,256
Net fee and commission income	567	683	645	578	509
Value adjustments	-104	9	170	102	253
Other income	298	309	223	238	265
Income	2,150	2,326	2,336	2,172	2,283
Expenses	1,324	1,293	1,518	1,307	1,296
Profit or loss before loan impairment charges	826	1,033	818	865	987
Loan impairment charges	-192	-55	-145	-36	-47
Pre-tax profit	1,018	1,088	963	901	1,034
Tax	178	237	178	195	232
Net profit for the period	840	851	785	706	802

Financial ratios and key figures

Pre-tax profit, per share (DKK)*	15.2	15.7	13.5	12.1	13.8
Earnings per share for the period (DKK)*	12.4	12.1	10.9	9.3	10.6
Earnings per share for the period (diluted) (DKK)*	12.4	12.1	10.9	9.3	10.6
Core profit per share (DKK)*	15.0	15.6	13.8	12.4	13.4
Share price at end of period (DKK)	347	369	337	277	303
Book value per share (DKK)*	548	532	515	498	486
Price/book value per share (DKK)*	0.6	0.7	0.7	0.6	0.6
Outstanding shares in circulation ('000)	64,258	65,836	67,840	69,954	70,972
Average number of shares in circulation ('000)	64,835	67,154	68,908	70,364	71,415
Capital ratio (%)	22.2	21.6	22.8	22.6	23.0
Tier 1 capital ratio (%)	19.6	18.9	20.0	19.8	20.1
Common equity tier 1 capital ratio (%)	17.9	17.2	18.2	18.0	18.3
Pre-tax profit as a pct. of average equity*	2.8	3.0	2.7	2.5	2.9
Profit for the period as a pct. of avg. equity*	2.3	2.3	2.1	1.9	2.2
Income/cost ratio (%), inclusive of impairment charges	1.9	1.9	1.7	1.7	1.8
Interest-rate risk (%)	1.9	2.5	1.3	0.8	0.6
Currency risk (%)	0.0	0.0	0.0	0.1	0.0
Accumulated impairment ratio (%)	1.0	1.0	1.0	1.1	1.1
Impairment ratio for the period (%)	0.0	0.0	0.0	0.0	0.0
No. of full-time employees at end-period	3,237	3,252	3,257	3,283	3,280
Average number of full-time employees in the period	3,245	3,254	3,270	3,282	3,295

The financial ratios are based on the definitions and guidelines laid down by the Danish Financial Supervisory Authority, cf. note 68 to the consolidated financial statements for 2021.

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

DKKm

4 Segmental financial statements

	Banking activities	Mortgage activities	Leasing activities	The Jyske Bank Group*
H1 2022				
Net interest income	1,237	1,194	240	2,671
Net fee and commission income	1,533	-269	-14	1,250
Value adjustments	-31	-76	23	-84
Other income	165	0	10	175
Income from operating lease (net)	0	0	185	185
Core income	2,904	849	444	4,197
Core expenses	2,065	200	90	2,355
Core profit before loan impairment charges	839	649	354	1,842
Loan impairment charges	-145	-93	-9	-247
Core profit	984	742	363	2,089
Investment portfolio earnings	17	0	0	17
Pre-tax profit	1,001	742	363	2,106
Loans and advances	139,991	319,071	22,737	481,799
- of which mortgage loans	0	319,071	0	319,071
- of which bank loans	90,567	0	22,737	113,304
- of which repo loans	49,424	0	0	49,424
Total assets	300,225	341,825	25,092	667,142
Deposits	156,240	0	216	156,456
- of which bank deposits	139,898	0	216	140,114
- of which repo and triparty deposits	16,342	0	0	16,342
Issued bonds	73,697	316,212	0	389,909
H1 2021				
Net interest income	1,049	1,177	228	2,454
Net fee and commission income	1,445	-353	-7	1,085
Value adjustments	525	66	14	605
Other income	108	0	9	117
Income from operating lease (net)	0	0	103	103
Core income	3,127	890	347	4,364
Core expenses	2,067	189	86	2,342
Core profit before loan impairment charges	1,060	701	261	2,022
Loan impairment charges	-141	102	2	-37
Core profit	1,201	599	259	2,059
Investment portfolio earnings	104	0	0	104
Pre-tax profit	1,305	599	259	2,163
Loans and advances	121,440	339,542	21,314	482,296
- of which mortgage loans	0	339,542	0	339,542
- of which bank loans	73,968	0	21,314	95,282
- of which repo loans	47,472	0	0	47,472
Total assets	265,979	366,581	23,940	656,500
Deposits	134,840	0	237	135,077
- of which bank deposits	122,012	0	237	122,249
- of which repo and triparty deposits	12,828	0	0	12,828
Issued bonds	66,417	342,372	0	408,789

* The relationship between income statement items under 'The Jyske Bank Group' (key financial data) and the income statement page 18 appears from the next page.

DKK m

4 Segmental financial statements, cont.
Core profit and investment portfolio earnings

The pre-tax profit for the first half of 2021 broken down by core earnings and investment portfolio earnings is stated below:

Breakdown of profit or loss for the period
H1 2022
H1 2021

DKK m

	Core profit	Investment portfolio earnings	Reclas- sification	Total	Core profit	Investment portfolio earnings	Reclas- sification	Total
Net interest income	2,671	35	8	2,714	2,454	34	2	2,490
Net fee and commission income	1,250	0	0	1,250	1,085	0	0	1,085
Value adjustments	-84	-3	-8	-95	605	85	-2	688
Other income	175	0	0	175	117	0	3	120
Income from operating lease (net)	185	0	247	432	103	0	247	350
Income	4,197	32	247	4,476	4,364	119	250	4,733
Expenses	2,355	15	247	2,617	2,342	15	250	2,607
Profit before loan impairment charges	1,842	17	0	1,859	2,022	104	0	2,126
Loan impairment charges	-247	0	0	-247	-37	0	0	-37
Pre-tax profit	2,089	17	0	2,106	2,059	104	0	2,163

Alternative performance targets

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

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

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

The above table illustrates relationships between income statement items under 'The Jyske Bank Group' (key financial data), page 2, and income statement items in the IFRS financial statements, page 18.

Reclassification relates to the following:

- Expenses of DKK 8m (first half of 2021: expenses of DKK 2m) due to value adjustments relating to the balance principle at Jyske Realkredit were reclassified from value adjustments to interest income.
- Income of DKK 0m (first half of 2021: income of 3m) from external sales was reclassified from income to offsetting against expenses.
- Depreciation and amortisation of DKK 247m (first half of 2021: DKK 247m) were reclassified from expenses to income from operating lease (net).

Please see below for definitions of the additional financial ratios stated under the Jyske Bank Group, page 2.

"Earnings per share for the period", "Earnings per share (diluted) for the period", "Pre-tax profit as a percentage of average equity" and "Net profit for the period as a percentage of average equity" are calculated as if additional tier 1 capital (AT1) is recognised as a liability. In the numerator, the profit is less interest expenses for AT1 capital of DKK 71m (first half of 2021: DKK 88m) and the denominator is calculated as equity exclusive of AT1 of DKK 3,323m (first half of 2021: DKK 4,787m).

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

"Book value per share" and "Price/book value per share" are calculated as if AT1 capital is accounted for as a liability. Book value was calculated exclusive of AT1 capital of DKK 3,323m (first half of 2021: DKK 4,787m).

DKKm H1 2022 H1 2021

5 Interest income

Due from credit institutions and central banks	-59	-2
Loans and advances	2,644	2,524
Administration margin	1,015	963
Bonds	233	229
Derivatives, total	291	128
Of which currency contracts	221	154
Of which interest-rate contracts	70	-26
Total	4,124	3,842
Interest on own mortgage bonds, set off against interest on issued bonds	88	64
Total after offsetting of negative interest	4,036	3,778
Negative interest income set off against interest income	203	198
Negative interest expenses set off against interest expenses	537	446
Total before offsetting of negative interest income	4,776	4,422

Of which Interest income calculated according to the effective interest method 1,760 1,659

Negative interest income amounted to DKK 203m (first half of 2021: DKK 198m) and relates primarily to repo transactions. In the above table, negative interest income is set off against interest income. In the income statement, negative interest income is listed as interest expenses, and negative interest expenses are listed as interest income.

6 Interest expenses

Due to credit institutions and central banks	12	81
Deposits	-360	-248
Issued bonds	1,674	1,481
Subordinated debt	58	59
Other	26	-21
Total	1,410	1,352
Interest on own mortgage bonds, set off against interest on issued bonds	88	64
Total after offsetting of negative interest	1,322	1,288
Negative interest expenses set off against interest expenses	537	446
Negative interest income set off against interest income	203	198
Total before offsetting of negative interest income	2,062	1,932

Negative interest expenses amounted to DKK 537m (first half of 2021: DKK 446m) and related primarily to repo transactions as well as deposits and issued bonds. In the above table, negative interest expenses are set off against interest expenses. In the income statement, negative interest expenses are listed as interest income, and negative interest income is listed as interest expenses.

7 Fees and commission income

Securities trading and custody services	673	618
Money transfers and card payments	140	120
Loan application fees	280	238
Guarantee commission	52	56
Other fees and commissions	346	270
Fees and commissions received, total	1,491	1,302
Fees and commissions paid, total	241	217
Fee and commission income, net	1,250	1,085

Fee income for the period, amounting to DKK 1,491m less fees and commission paid for the period amounting to DKK 241m, constitutes the net fee and commission income for the period in the amount of DKK 1,250m (first half of 2021: DKK 1,085m). These are recognised in the segmental financial statements for the bank's three business areas, cf. note 4.

Note

Jyske Bank Group

	DKKm	H1 2022	H1 2021
8 Value adjustments			
Loans at fair value		-26,960	-7,160
Bonds		-2,023	-326
Shares, etc.		-91	141
Currency		38	113
Currency, interest-rate, share, commodity and other contracts as well as other derivatives		641	422
Issued bonds		28,147	7,451
Other assets and liabilities		153	47
Total		-95	688
9 Other income			
Income on real property		20	22
Profit on the sale of property, plant and equipment		6	33
Income from operating lease ¹		432	350
Dividends, etc.		85	48
Profit/loss on investments in associates		44	-3
Other income		20	20
Total		607	470
¹) Expenses relating to operating lease affected the item Amortisation, depreciation and impairment charges in the amount of DKK 247m in the first half of 2022 against DKK 247m in the first half of 2021.			
10 Employee and administrative expenses			
Employee expenses			
Wages and salaries, etc.		1,126	1,118
Pensions		152	145
Social security		166	175
Total		1,444	1,438
Salaries and remuneration to management bodies			
Executive Board		18	18
Supervisory Board		3	4
Shareholders' Representatives		1	1
Total		22	23
Other administrative expenses			
IT		630	663
Other operating expenses		82	66
Other administrative expenses		139	120
Total		851	849
Employee and administrative expenses, total		2,317	2,310
11 Effective tax rate			
Corporation tax rate in Denmark		22.0	22.0
Non-taxable income and non-deductible expenses, etc.		-2.3	0.1
Effective tax rate		19.7	22.1

	DKKm	H1 2022	H1 2021
12	Loan impairment charges and provisions for guarantees		
	Loan impairment charges and provisions for guarantees recognised in the income statement		
	Loan impairment charges and provisions for guarantees for the period	-130	46
	Impairment charges on balances due from credit institutions in the period	-4	-5
	Provisions for loan commitments and unutilised credit lines in the period	1	-27
	Recognised as a loss, not covered by loan impairment charges and provisions	64	56
	Recoveries	-119	-84
	Recognised discount for acquired loans	-59	-23
	Loan impairment charges and provisions for guarantees recognised in the income statement	-247	-37
	Balance of loan impairment charges and provisions for guarantees		
	Balance of loan impairment charges and provisions, beginning of period	5,443	5,761
	Loan impairment charges and provisions for the period	-128	20
	Recognised as a loss, covered by loan impairment charges and provisions	-238	-94
	Other movements	21	30
	Balance of loan impairment charges and provisions, end of period	5,098	5,717
	Loan impairment charges and provisions for guarantees at amortised cost	3,039	3,359
	Loan impairment charges at fair value	1,579	1,725
	Provisions for guarantees	198	356
	Provisions for credit commitments and unutilised credit lines	282	277
	Balance of loan impairment charges and provisions, end of period	5,098	5,717

DKKm

12 Loan impairment charges and provisions for guarantees, cont.
Balance of loan impairment charges and provisions for guarantees by stage – total

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2022	1,081	923	3,439	5,443
Transfer of impairment charges at beginning of period to stage 1	280	-250	-30	0
Transfer of impairment charges at beginning of period to stage 2	-59	107	-48	0
Transfer of impairment charges at beginning of period to stage 3	-10	-60	70	0
Impairment charges on new loans, etc.	284	71	153	508
Impairment charges on discontinued loans and provisions for guarantees	-194	-134	-373	-701
Effect from recalculation	-150	384	-147	87
Previously recognized as impairment charges, now final loss	0	-1	-238	-239
Balance on 30 June 2022	1,232	1,040	2,826	5,098

Balance of loan impairment charges and provisions for guarantees by stage – total

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2021	973	1,401	3,387	5,761
Transfer of impairment charges at beginning of period to stage 1	195	-178	-17	0
Transfer of impairment charges at beginning of period to stage 2	-112	213	-101	0
Transfer of impairment charges at beginning of period to stage 3	-2	-245	247	0
Impairment charges on new loans, etc.	247	97	117	461
Impairment charges on discontinued loans and provisions for guarantees	-143	-149	-266	-558
Effect from recalculation	-200	34	313	147
Previously recognized as impairment charges, now final loss	0	-1	-93	-94
Balance on 30 June 2021	958	1,172	3,587	5,717

Balance of impairment charges by stage - loans at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2022	575	407	2,138	3,120
Transfer of impairment charges at beginning of period to stage 1	163	-137	-26	0
Transfer of impairment charges at beginning of period to stage 2	-43	69	-26	0
Transfer of impairment charges at beginning of period to stage 3	-7	-25	32	0
Impairment charges on new loans, etc.	115	32	71	218
Impairment charges on discontinued loans and provisions for guarantees	-83	-45	-158	-286
Effect from recalculation	-210	398	-125	63
Previously recognized as impairment charges, now final loss	0	0	-76	-76
Balance on 30 June 2022	510	699	1,830	3,039

Balance of impairment charges by stage - loans at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2021	527	646	2,390	3,563
Transfer of impairment charges at beginning of period to stage 1	58	-52	-6	0
Transfer of impairment charges at beginning of period to stage 2	-77	146	-69	0
Transfer of impairment charges at beginning of period to stage 3	-1	-174	175	0
Impairment charges on new loans, etc.	106	43	67	216
Impairment charges on discontinued loans and provisions for guarantees	-60	-79	-163	-302
Effect from recalculation	-127	9	82	-36
Previously recognized as impairment charges, now final loss	0	0	-82	-82
Balance on 30 June 2021	426	539	2,394	3,359

DKKm

12 Loan impairment charges and provisions for guarantees, cont.
Balance of impairment charges by stage – loans at fair value

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2022	335	373	977	1,685
Transfer of impairment charges at beginning of period to stage 1	71	-70	-1	0
Transfer of impairment charges at beginning of period to stage 2	-12	32	-20	0
Transfer of impairment charges at beginning of period to stage 3	-2	-32	34	0
Impairment charges on new loans, etc.	98	29	17	144
Impairment charges on discontinued loans and provisions for guarantees	-37	-69	-136	-242
Effect from recalculation	112	23	-90	45
Previously recognized as impairment charges, now final loss	0	-1	-52	-53
Balance on 30 June 2022	565	285	729	1,579

Balance of impairment charges by stage – loans at fair value

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2021	303	618	709	1,630
Transfer of impairment charges at beginning of period to stage 1	129	-119	-10	0
Transfer of impairment charges at beginning of period to stage 2	-17	45	-28	0
Transfer of impairment charges at beginning of period to stage 3	-1	-41	42	0
Impairment charges on new loans, etc.	66	36	28	130
Impairment charges on discontinued loans and provisions for guarantees	-26	-56	-65	-147
Effect from recalculation	-61	25	159	123
Previously recognized as impairment charges, now final loss	0	-1	-10	-11
Balance on 30 June 2021	393	507	825	1,725

Balance of provisions by stage - guarantees and loan commitments, etc.

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2022	175	143	320	638
Transfer of impairment charges at beginning of period to stage 1	46	-43	-3	0
Transfer of impairment charges at beginning of period to stage 2	-3	6	-3	0
Transfer of impairment charges at beginning of period to stage 3	-1	-3	4	0
Impairment charges on new loans, etc.	71	10	63	144
Impairment charges on discontinued loans and provisions for guarantees	-73	-20	-80	-173
Effect from recalculation	-52	-36	68	-20
Previously recognized as impairment charges, now final loss	0	0	-109	-109
Balance on 30 June 2022	163	57	260	480

Balance of provisions by stage - guarantees and loan commitments, etc.

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2021	143	139	286	568
Transfer of impairment charges at beginning of period to stage 1	7	-6	-1	0
Transfer of impairment charges at beginning of period to stage 2	-18	22	-4	0
Transfer of impairment charges at beginning of period to stage 3	0	-30	30	0
Impairment charges on new loans, etc.	76	17	22	115
Impairment charges on discontinued loans and provisions for guarantees	-56	-13	-39	-108
Effect from recalculation	-13	0	72	59
Previously recognized as impairment charges, now final loss	0	0	-1	-1
Balance on 30 June 2021	139	129	365	633

DKKm

12 Loan impairment charges and provisions for guarantees, cont.
Gross loans, advances and guarantees by stage

	Stage 1	Stage 2	Stage 3	Total
Gross loans, advances and guarantees, 1 January 2022	471,338	24,447	8,315	504,100
Transfer of loans, advances and guarantees to stage 1	9,063	-8,980	-83	0
Transfer of loans, advances and guarantees to stage 2	-7,761	8,010	-249	0
Transfer of loans, advances and guarantees to stage 3	-1,627	-702	2,329	0
Other movements	805	-3,346	-946	-3,487
Gross loans, advances and guarantees, 30 June 2022	471,818	19,429	9,366	500,613
Loan impairment charges and provisions for guarantees, total	1,125	1,010	2,681	4,816
Net loans, advances and guarantees, 30 June 2022	470,693	18,419	6,685	495,797

Gross loans, advances and guarantees by stage

	Stage 1	Stage 2	Stage 3	Total
Gross loans, advances and guarantees, 1 January 2021	480,368	19,726	8,215	508,309
Transfer of loans, advances and guarantees to stage 1	5,581	-5,463	-118	0
Transfer of loans, advances and guarantees to stage 2	-12,766	13,336	-570	0
Transfer of loans, advances and guarantees to stage 3	-701	-1,866	2,567	0
Other movements	-1,144	-1,286	-1,779	-4,209
Gross loans, advances and guarantees, 31 December 2021	471,338	24,447	8,315	504,100
Loan impairment charges and provisions for guarantees, total	961	826	3,376	5,163
Net loans, advances and guarantees, 31 December 2021	470,377	23,621	4,939	498,937

DKKm

12 Loan impairment charges and provisions for guarantees, cont.
Loans, advances and guarantees by stage and internal rating - gross before impairment charges and provisions

		30 June 2022				31 Dec. 2021
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	62,945	105	0	63,050	54,379
2	0.10 - 0.15	19,623	28	0	19,651	16,860
3	0.15 - 0.22	34,584	100	0	34,684	34,183
4	0.22 - 0.33	32,810	98	0	32,908	30,402
5	0.33 - 0.48	84,741	553	0	85,294	109,129
STY Ratings 1 – 5		234,703	884	0	235,587	244,953
6	0.48 - 0.70	87,437	559	0	87,996	81,135
7	0.70 - 1.02	61,919	1,044	0	62,963	61,177
8	1.02 - 1.48	39,277	496	0	39,773	41,175
9	1.48 - 2.15	23,283	937	0	24,220	28,599
10	2.15 - 3.13	12,227	2,171	0	14,398	12,839
11	3.13 - 4.59	5,725	1,961	0	7,686	7,461
STY Ratings 6 – 11		229,868	7,168	0	237,036	232,386
12	4.59 - 6.79	2,584	3,049	0	5,633	5,758
13	6.79 - 10.21	1,580	2,244	0	3,824	4,621
14	10.21 - 25.0	533	5,194	0	5,727	5,938
STY Ratings 12-14		4,697	10,487	0	15,184	16,317
Other		2,178	618	0	2,796	1,745
Non-performing loans		185	453	9,372	10,010	8,699
Total		471,631	19,610	9,372	500,613	504,100

Loan impairment charges and provisions for guarantees by stage and internal rating

		30 June 2022				31 Dec. 2021
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	61	0	0	61	33
2	0.10 - 0.15	33	0	0	33	23
3	0.15 - 0.22	59	1	0	60	64
4	0.22 - 0.33	73	1	0	74	75
5	0.33 - 0.48	205	12	0	217	156
STY Ratings 1- 5		431	14	0	445	351
6	0.48 - 0.70	139	9	0	148	129
7	0.70 - 1.02	149	13	0	162	135
8	1.02 - 1.48	110	15	0	125	145
9	1.48 - 2.15	100	19	0	119	162
10	2.15 - 3.13	64	75	0	139	107
11	3.13 - 4.59	55	47	0	102	102
STY Ratings 6 – 11		617	178	0	795	780
12	4.59 - 6.79	26	81	0	107	111
13	6.79 - 10.21	18	104	0	122	139
14	10.21 - 25.0	10	578	0	588	370
STY Ratings 12-14		54	763	0	817	620
Other		13	22	0	35	16
Non-performing loans		9	34	2,681	2,724	3,396
Total		1,124	1,011	2,681	4,816	5,163

DKKm

12 Loan impairment charges and provisions for guarantees, cont.
Loan commitments and unutilised credit facilities by stage and internal rating

Performing	PD band (%)	30 June 2022				31 Dec. 2021
		Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	13,831	0	0	13,831	11,019
2	0.10 - 0.15	7,300	0	0	7,300	7,317
3	0.15 - 0.22	8,198	46	0	8,244	11,043
4	0.22 - 0.33	8,026	18	0	8,044	10,395
5	0.33 - 0.48	5,105	48	0	5,153	6,978
STY Ratings 1 – 5		42,460	112	0	42,572	46,752
6	0.48 - 0.70	12,015	58	0	12,073	11,807
7	0.70 - 1.02	5,857	119	0	5,976	5,677
8	1.02 - 1.48	7,334	88	0	7,422	8,024
9	1.48 - 2.15	1,667	232	0	1,899	2,707
10	2.15 - 3.13	3,274	171	0	3,445	2,008
11	3.13 - 4.59	413	138	0	551	478
STY Ratings 6 – 11		30,560	806	0	31,366	30,701
12	4.59 - 6.79	562	208	0	770	720
13	6.79 - 10.21	14	110	0	124	106
14	10.21 - 25.0	513	427	0	940	965
STY Ratings 12-14		1,089	745	0	1,834	1,791
Other		1,443	118	0	1,561	1,007
Non-performing loans		8	4	493	505	402
Total		75,560	1,785	493	77,838	80,653

Provisions for loan commitments and unutilised credit facilities by stage and internal rating

Performing	PD band (%)	30 June 2022				31 Dec. 2021
		Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	1	0	0	1	1
2	0.10 - 0.15	8	0	0	8	3
3	0.15 - 0.22	13	0	0	13	13
4	0.22 - 0.33	12	0	0	12	17
5	0.33 - 0.48	12	0	0	12	15
STY Ratings 1 – 5		46	0	0	46	49
6	0.48 - 0.70	12	0	0	12	20
7	0.70 - 1.02	11	1	0	12	19
8	1.02 - 1.48	10	0	0	10	17
9	1.48 - 2.15	5	2	0	7	20
10	2.15 - 3.13	7	5	0	12	9
11	3.13 - 4.59	3	2	0	5	10
STY Ratings 6 – 11		48	10	0	58	95
12	4.59 - 6.79	2	1	0	3	4
13	6.79 - 10.21	0	5	0	5	3
14	10.21 - 25.0	0	10	0	10	56
STY Ratings 12-14		2	16	0	18	63
Other		9	3	0	12	7
Non-performing loans		0	0	148	148	66
Total		105	29	148	282	280

	DKKmn	30 June 2022	31 Dec. 2021	30 June 2021
13 Loans at fair value				
Mortgage loans, nominal value		343,947	338,938	336,045
Adjustment for interest-rate risk, etc.		-23,768	3,223	4,818
Adjustment for credit risk		-1,450	-1,613	-1,679
Mortgage loans at fair value, total		318,729	340,548	339,184
Arrears and outlays, total		53	72	47
Other loans and advances		3,510	2,094	2,206
Loans and advances at fair value, total		322,292	342,714	341,437
14 Loans and advances at fair value broken down by property category				
Owner-occupied homes		147,982	161,070	162,668
Vacation homes		7,834	8,386	8,282
Subsidised housing (rental housing)		46,801	52,141	52,984
Cooperative housing		11,975	14,163	14,076
Private rental properties (rental housing)		63,042	61,890	58,559
Industrial properties		2,681	2,729	2,475
Office and retail properties		34,156	33,949	35,203
Agricultural properties		135	148	146
Properties for social, cultural and educational purposes		7,629	8,181	6,957
Other properties		57	57	87
Total		322,292	342,714	341,437
15 Loans and advances at amortised cost and guarantees broken down by sector				
Public authorities		12,174	12,383	10,433
Agriculture, hunting, forestry, fishing		11,036	7,670	7,287
Manufacturing, mining, etc.		11,916	8,860	8,384
Energy supply		10,137	9,411	4,862
Building and construction		4,599	3,858	3,526
Commerce		10,805	10,112	9,202
Transport, hotels and restaurants		5,328	5,733	6,160
Information and communication		2,270	1,019	726
Financing and insurance		48,752	40,456	44,991
Real property		14,934	14,358	14,736
Other sectors		9,987	9,036	7,938
Corporates, total		129,764	110,513	107,812
Personal clients, total		31,567	33,327	36,429
Total		173,505	156,223	154,674

Note

Jyske Bank Group

	DKKm	30 June 2022	31 Dec. 2021	30 June 2021
16 Other assets				
Positive fair value of derivatives		25,095	25,046	24,694
Assets in pooled deposits		3,638	4,303	4,106
Interest and commission receivable		197	235	157
Investments in associates and joint ventures		252	227	222
Prepayments		178	147	350
Investment properties		28	28	28
Other assets		1,278	1,224	1,714
Total		30,666	31,210	31,271
Netting				
Positive fair value of derivatives, gross		50,692	36,893	36,458
Netting of positive and negative fair value		25,597	11,847	11,764
Total		25,095	25,046	24,694
Netting of fair value can be attributed to clearing of derivatives through a central clearing house (CCP clearing).				
17 Deposits				
Demand deposits		117,617	108,885	109,058
Term deposits		940	1,136	1,237
Time deposits		29,657	15,210	15,697
Special deposits		4,584	4,644	4,823
Pooled deposits		3,658	4,337	4,262
Total		156,456	134,212	135,077
18 Issued bonds at fair value				
Issued bonds at fair value, nominal value		360,010	352,080	354,133
Adjustment to fair value		-24,869	3,773	5,465
Own mortgage bonds offset, fair value		-22,914	-15,513	-21,835
Total		312,227	340,340	337,763
19 Other liabilities				
Set-off entry of negative bond holdings in connection with repos/reverse repos		8,063	5,507	8,264
Negative fair value of derivatives		26,504	25,815	25,284
Interest and commission payable		1,251	1,328	1,153
Deferred income		146	151	154
Lease commitment		354	385	341
Other liabilities		7,377	6,155	6,151
Total		43,695	39,341	41,347
Netting				
Negative fair value of derivatives, gross		52,101	37,662	37,048
Netting of positive and negative fair value		25,597	11,847	11,764
Total		26,504	25,815	25,284

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

	DKKm	30 June 2022	31 Dec. 2021	30 June 2021
20 Provisions				
Provisions for pensions and similar liabilities		603	594	624
Provisions for guarantees		198	358	356
Provisions for losses on loan commitments and unutilised credit lines		282	280	277
Provisions for deferred tax		0	22	12
Other provisions		97	97	77
Total		1,180	1,351	1,346
21 Subordinated debt				
Supplementary capital:				
Var. % bond loan NOK 1,000m 24.03.2031		693	746	735
Var. % bond loan SEK 1,000m 24.03.2031		719	726	731
1.25% bond loan EUR 200m 28.01.2031		1,488	1,487	1,487
2.25 % bond loan EUR 300m 05.04.2029		2,232	2,231	2,231
6.73% bond loan EUR 6m 2023-2026		45	56	56
Var. % bond loan EUR 10m 13.02.2023		74	74	74
5.65% bond loan EUR 10m 27.03.2023		74	74	74
5.67% bond loan EUR 10m 31.07.2023		74	74	74
		5,399	5,468	5,462
Hybrid core capital:				
Var. % bond loan EUR 72.8m , perpetual, called on 05.07.2021		0	0	541
Var. % bond loan EUR 60.7m, perpetual, called on 05.07.2021.		0	0	452
		0	0	993
Subordinated debt, nominal		5,399	5,468	6,455
Hedging of interest-rate risk, fair value		-31	45	64
Total		5,368	5,513	6,519
Subordinated debt included in the capital base		5,132	5,275	5,297

The above-mentioned issues of additional tier 1 capital issued in 2004 and 2005 and called in Q3 2021 did not meet the conditions for additional tier 1 capital in the Capital Requirements Regulation, CRR. The issues were recognised under liability other than provision according to IAS 32.

	DKKm	30 June 2022	31 Dec. 2021	30 June 2021
22	Contingent liabilities			
	Guarantees, etc.	13,998	13,723	13,815
	Other contingent liabilities, etc.	77,872	80,728	75,259
	Total	91,870	94,451	89,074

Guarantees are primarily payment guarantees, where the risk equals that involved in credit facilities.

Other contingent liabilities are primarily loan commitments and unutilised credit facilities.

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

Because of its mandatory participation in the deposit guarantee scheme, the sector has paid an annual contribution of 2.5‰ of the covered net deposits until the assets of Pengeinstitutafdelingen (the financial institution fund) exceed 1% of the total net deposits covered, which level has been reached. According to Bank Package 3 and Bank Package 4, Pengeinstitutafdelingen bears the immediate losses attributable to covered net deposits and relating to the winding up of financial institutions in distress. Any losses in connection with the final winding up are covered by the Guarantee Fund's Afviklings- og Restruktureringsafdeling (settlement and restructuring fund), where Jyske Bank currently guarantees 7.64% of any losses.

The statutory participation in the resolution financing arrangements (Resolution Fund) as of June 2015 entailed that credit institutions pay an annual contribution over a 10-year period to a Danish national fund with a target size totalling 1% of the covered deposits. Credit institutions are to contribute according to their relative sizes and risk in Denmark, and the first contributions to the Resolution Fund were paid at the end of 2015. The Jyske Bank Group expects having to pay a total of about DKK 600m over the 10-year period 2015 - 2025.

Due to Jyske Bank's membership of the Foreningen Bankdata, the bank is - in the event of its withdrawal - under the obligation to pay an exit charge to Bankdata in the amount of about DKK 3.2 bn.

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

23 Shareholders

BRFholding a/s, Kgs. Lyngby, Denmark owns 26.17% of the share capital. BRFholding a/s is a 100% owned subsidiary of BRFFonden. According to Jyske Bank's Articles of Association, BRFholding a/s has 4,000 votes.

As of 30 June 2022, Jyske Bank owns 6.87% of the share capital.

24 Related parties

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

Over the period, there were no unusual transactions with related parties. Please see Jyske Bank's Annual Report 2021 for a detailed description of transactions with related parties.

25 Bonds provided as security

The Jyske Bank Group has deposited bonds with central banks and clearing houses, etc. in connection with clearing and settlement of securities and currency transactions as well as triparty repo transactions totalling a market value of DKK 17,852m (end of 2021: DKK 10,862m).

In addition, in connection with CSA agreements, the Jyske Bank Group has provided cash collateral of DKK 8,774m (end of 2021: DKK 7,326m) and bonds worth DKK 1,940m (end of 2021: DKK 440m).

The conclusion of repo transactions, i.e. sale of securities involving agreements to repurchase them at a later point in time, implies that bonds are provided as collateral for the amount that is borrowed. Repo transactions amounted to DKK 16,219m (end of 2021: DKK 11,103m).

26 Notes on fair value
Methods for measuring fair value

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

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

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

26 **Notes on fair value, cont.****Specific details on methods for measuring fair value**

Loans at fair value are predominantly mortgage loans and generally measured at prices of the underlying bonds quoted on a recognised stock exchange. If such a market price is not available for the preceding 7 days, a calculated price based on the official market rate will be applied for determining the value. If derivatives are part of the funding of the mortgage loans, the value of these will be integrated in the valuation of the loans. The fair value is reduced by the calculated impairment charge, which for loans at fair value is measured according to the same principles that apply to impairments of loans and advances at amortised cost.

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

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

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

Derivatives are valued on the basis of a market-consistent yield curve set-up, credit models and option models such as Black-Scholes. The models applied are monitored on an ongoing basis to ensure robustness and a high quality of the output of the models. To ensure that the methods of valuation are always consistent with current market practice, the models are validated by units independent of the unit that develop the models.

To the greatest extent possible, the methods of valuation are based on observable market quotes, such as market rates, exchange rates, volatilities, market prices, etc. Often methods of interpolation will also be incorporated to value the specific contracts.

The fair value of derivatives is also adjusted for credit risk (CVA and DVA) and funding costs (FVA). Client margins are amortised over the remaining time to maturity.

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

Information about differences between recognised value and measurement of fair value

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

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

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

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

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

26 Notes on fair value, cont.
Information about changes in credit risk on derivatives with positive fair value.

In order to allow for the credit risk on derivatives for clients without credit impairment, the fair value is adjusted (CVA). Adjustments will also be made for clients with credit impairment, but on an individual basis.

For any given counterparty's total portfolio of derivatives, CVA is a function of the expected positive exposure (EPE), loss given default (LGD) as well as the probability of default (PD).

When determining the EPE, a model is used to establish the expected positive exposure to the counterparty's portfolio over the maturity of the derivatives. The PDs that Jyske Bank has applied in the model so far were estimated on the basis of IRB (internal rating based) PDs. This method of estimating PDs has in the second quarter of 2021 been replaced with a new method which to a higher extent mirrors the likelihood of default which can be seen in the market as the likelihoods of default are inferred via market-observable CDS spreads. LGD is set at compliant with quotations of CDS spreads in connection with the calculation of likelihoods of default whereas the exposure profiles have been adjusted for the effect from any security and CSA agreements.

In addition to CVA, also an adjustment is made of the fair value of derivatives that have an expected future negative fair value. This takes place to allow for changes in the counterparties' credit risk against the Jyske Bank Group (debt valuation adjustment - DVA). The DVA takes place according to the same principles that apply to the CVA, yet PD for Jyske Bank is determined on the basis of Jyske Bank's external rating by Standard & Poor's. At the end of the second quarter of 2022, CVA and DVA amounted, on an accumulated basis, to net DKK 30m, which accumulated amount was recognised as an expense under value adjustments, against an accumulated amount of DKK 139m at the end of 2021.

27 Fair value of financial assets and liabilities

The table shows the fair value of financial assets and liabilities and the carrying amounts. The re-statement at fair value of financial assets and liabilities shows a total non-recognised unrealised loss of DKK 447m at the end of the second quarter of 2022 against a total non-recognised unrealised gain of DKK 14m at the end of 2021.

DKK m

	30 June 2022		31 Dec. 2021	
	Recognised value	Fair value	Recognised value	Fair value
FINANCIAL ASSETS				
Cash balance and demand deposits with central banks	49,038	49,038	30,685	30,685
Due from credit institutions and central banks	11,304	11,297	9,535	9,532
Loans at fair value	322,292	322,292	342,714	342,714
Loans and advances at amortised cost	159,507	159,010	142,500	142,456
Bonds at fair value	52,222	52,222	56,002	56,002
Bonds at amortised cost	34,858	33,606	26,953	27,088
Shares, etc.	2,340	2,340	2,708	2,708
Assets in pooled deposits	3,638	3,638	4,303	4,303
Derivatives	25,095	25,095	25,046	25,046
Total	660,294	658,538	640,446	640,534
FINANCIAL LIABILITIES				
Due to credit institutions and central banks	31,974	31,875	14,971	14,967
Deposits	152,798	152,791	129,875	129,875
Pooled deposits	3,658	3,658	4,337	4,337
Issued bonds at fair value	312,227	312,227	340,340	340,340
Issued bonds at amortised cost	77,682	76,705	73,124	73,114
Subordinated debt	5,368	5,142	5,513	5,601
Set-off entry of negative bond holdings	8,063	8,063	5,507	5,507
Derivatives	26,504	26,504	25,815	25,815
Total	618,274	616,965	599,482	599,556

DKKm

28 The fair value hierarchy
30 June 2022

	Quoted prices	Observable prices	Non- observable prices	Fair value, total	Recognised value
Financial assets					
Loans at fair value	0	322,292	0	322,292	322,292
Bonds at fair value	45,866	6,356	0	52,222	52,222
Shares, etc.	671	610	1,059	2,340	2,340
Assets in pooled deposits	272	3,366	0	3,638	3,638
Derivatives	1,368	23,727	0	25,095	25,095
Total	48,177	356,351	1,059	405,587	405,587
Financial liabilities					
Pooled deposits	0	3,658	0	3,658	3,658
Issued bonds at fair value	255,144	57,083	0	312,227	312,227
Set-off entry of negative bond holdings	7,738	325	0	8,063	8,063
Derivatives	1,049	25,455	0	26,504	26,504
Total	263,931	86,521	0	350,452	350,452
31 December 2021					
Financial assets					
Loans at fair value	0	342,714	0	342,714	342,714
Bonds at fair value	46,848	9,154	0	56,002	56,002
Shares, etc.	828	599	1,281	2,708	2,708
Assets in pooled deposits	314	3,989	0	4,303	4,303
Derivatives	677	24,369	0	25,046	25,046
Total	48,667	380,825	1,281	430,773	430,773
Financial liabilities					
Pooled deposits	0	4,337	0	4,337	4,337
Issued bonds at fair value	256,799	83,541	0	340,340	340,340
Set-off entry of negative bond holdings	5,065	442	0	5,507	5,507
Derivatives	470	25,345	0	25,815	25,815
Total	262,334	113,665	0	375,999	375,999

The above table shows the fair value hierarchy for financial assets and liabilities recognised at fair value.

It is the practice of the Group that if prices of Danish bonds and shares are not updated for two days, transfers will take place between the categories quoted prices and observable prices. This did not result in material transfers in 2022 and 2021.

NON-OBSERVABLE PRICES

	H1 2022	2021
Fair value, beginning of period	1,281	1,456
Transfers for the period	0	0
Capital gain and loss for the period reflected in the income statement under value adjustments	26	109
Sales or redemptions	255	319
Purchases	7	35
Fair value, end of period	1,059	1,281

Non-observable prices at the end of the second quarter of 2022 referred to unlisted shares recognised at DKK 1,059m against unlisted shares recognised at DKK 1,281m at the end of 2021. These are primarily sector shares. The measurements, which are associated with some uncertainty, are made on the basis of the shares' book value, market trades, shareholders' agreements as well as own assumptions and extrapolations, etc. In the cases where Jyske Bank calculates the fair value on the basis of the company's expected future earnings, a required rate of return of 15% p.a. before tax is applied. If it is assumed that the actual market price will deviate by +/- 10% relative to the calculated fair value, the effect on the income statement would amount to DKK 106m on 30 June 2022 (0.30% of the shareholders' equity at the end of the second quarter of 2022). For 2021, the effect on the income statement is estimated at DKK 128m (0.44% of shareholders' funds at the end of 2021). Capital gain and loss for the period on unlisted shares recognised in the income statement is attributable to assets held at the end of the second quarter of 2022. Jyske Bank finds it of little probability that the application of alternative prices in the measurement of fair value would result in a material deviation from the recognised fair value.

28 Fair value hierarchy, cont.
Non-financial assets recognised at fair value

Investment properties were recognised at a fair value of DKK 28m (end of 2021: DKK 28m). Fair value belongs to the category of non-observable prices calculated on the basis of a required rate of return of 7% (end of 2020: 7%).

Assets held temporarily comprise repossessed properties, equity investments and cars, etc. and similar assets held for sale. Assets held temporarily are recognised at the lower of cost and fair value less costs of sale. Assets held temporarily were recognised at DKK 71m (end of 2021: DKK 80m). Fair value belongs to the category of non-observable prices.

Owner-occupied properties, exclusive of leased properties, were recognised at the restated value corresponding to the fair value on the date of the revaluation less subsequent amortization, depreciation and impairment. The valuation of selected land and buildings is carried out with the assistance of external experts. Based on the returns method, the measurement takes place in accordance with generally accepted standards and with a weighted average required rate of return of 6.41% at the end of 2021. Owner-occupied properties, exclusive of leased properties, were recognised at DKK 1,582m (2021: DKK 1,601m). The revalued amount belongs to the category of 'non-observable prices'. Leased properties were recognised at DKK 339m (end of 2021: DKK 370m).

29 Group overview

30 June 2022	Currency	Share capital 1,000 units	Ownership share (%)	Voting share (%)	Assets DKKm, end of 2021	Liabilities DKKm, end of 2021	Equity DKKm, end of 2021	Earnings (DKKm) 2021	Profit or loss, DKKm 2021
Jyske Bank A/S ¹	DKK	690,000			314,879	276,613	38,266	6,308	3,176
Subsidiaries									
Jyske Realkredit, Kgs. Lyngby ²	DKK	4,306,480	100	100	369,035	348,237	20,798	5,685	1,028
Jyske Bank Nominees Ltd., London ⁴	GBP	0	100	100	0	0	0	0	0
Inmobiliaria Saroesma S.L., Spain ⁵	EUR	885	100	100	3	3	0	0	0
Jyske Finans A/S, Silkeborg ³	DKK	100,000	100	100	24,519	22,977	1,542	1,459	462
Ejendomsselskabet af 01.11.2017 A/S, Silkeborg ⁵	DKK	500	100	100	48	45	3	4	2
Gl. Skovridergaard A/S, Silkeborg ⁵	DKK	500	100	100	31	28	3	18	0
Ejendomsselskabet af 01.10.2015 ApS, Silkeborg ⁵	DKK	500	100	100	106	104	2	1	1
Jyske Invest Fund Management A/S, Silkeborg ⁴	DKK	76,000	100	100	491	90	401	179	48
Jyske Banks Vindmølle A/S, Hobro ⁵	DKK	400	100	100	47	26	21	4	1

Activity:

¹ Banking

² Mortgage-credit activities

³ Leasing, financing and factoring

⁴ Investment and financing

⁵ Properties, wind turbine and course activities

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

	DKKm	H1 2022	H1 2021
Income statement			
3	Interest income	1,767	1,627
4	Interest expenses	496	546
	Net interest income	1,271	1,081
	Dividends, etc.	85	48
5	Fees and commission income	1,551	1,463
	Fees and commission expenses	84	71
	Net interest and fee income	2,823	2,521
6	Value adjustments	-33	609
	Other operating income	222	234
	Employee and administrative expenses	2,140	2,149
	Amortisation, depreciation and impairment charges	51	49
	Other operating expenses	31	21
	Loan impairment charges	-145	-142
7	Profit on investments in associates and group enterprises	974	687
	Pre-tax profit	1,909	1,974
	Tax	218	289
	Net profit for the period	1,691	1,685
Distributed to:			
	Total appropriation to shareholders' equity	1,620	1,597
	Holders of additional tier 1 capital (AT1)	71	88
	Total	1,691	1,685
Statement of Comprehensive Income			
	Net profit for the period	1,691	1,685
	Other comprehensive income	0	0
	Comprehensive income for the period	1,691	1,685

	30 June 2022	31 Dec. 2021	30 June 2021
DKK m			
BALANCE SHEET			
ASSETS			
Cash balance and demand deposits with central banks	48,514	30,318	42,336
Due from credit institutions and central banks	11,192	9,268	10,165
Loans at fair value	3,220	1,771	1,894
8 Loans and advances at amortised cost	159,748	142,804	141,385
Bonds at fair value	39,544	44,235	49,191
Bonds at amortised cost	35,608	27,703	24,561
Shares, etc.	2,165	2,554	2,461
Investments in associates	242	217	217
Equity investments in group enterprises	23,242	22,766	21,919
Assets in pooled deposits	3,638	4,303	4,106
Owner-occupied properties	1,561	1,578	1,631
Owner-occupied properties, leasing	339	370	331
Other property, plant and equipment	88	78	63
Current tax assets	1,392	844	1,260
Deferred tax assets	21	21	44
Assets held temporarily	6	4	35
Other assets	26,444	25,960	25,593
Prepayments	110	85	309
Total assets	357,074	314,879	327,501
EQUITY AND LIABILITIES			
Debt and payables			
Due to credit institutions and central banks	36,709	25,057	34,489
9 Deposits	152,622	129,720	130,610
Pooled deposits	3,658	4,337	4,262
Issued bonds at amortised cost	77,682	73,124	71,026
Other liabilities	41,299	37,532	40,003
Deferred income	25	19	23
Total debt	311,995	269,789	280,413
Provisions			
Provisions for pensions and similar liabilities	570	561	591
Provisions for guarantees	223	384	379
Provisions for credit commitments and unutilised credit lines	267	271	268
Other provisions	95	95	77
Provisions, total	1,155	1,311	1,315
Subordinated debt	5,368	5,513	6,519
Equity			
Share capital	690	726	726
Revaluation reserve	171	171	200
Reserve according to the equity method	8,680	8,170	7,322
Retained profit	25,692	25,844	26,219
Jyske Bank A/S shareholders	35,233	34,911	34,467
Holders of additional tier 1 capital (AT1)	3,323	3,355	4,787
Total equity	38,556	38,266	39,254
Total equity and liabilities	357,074	314,879	327,501
OFF-BALANCE SHEET ITEMS			
Guarantees, etc.	20,777	20,667	21,934
Other contingent liabilities	60,809	64,725	60,846
Total guarantees and other contingent liabilities	81,586	85,392	82,780

DKK m

Statement of Changes in Equity

	Share capital	Revaluation reserve	Reserve according to the equity method	Retained profit	Shareholders of Jyske Bank A/S	AT1 capital*	Total equity
Equity on 1 January 2022	726	171	8,170	25,844	34,911	3,355	38,266
Net profit for the period	0	0	510	1,110	1,620	71	1,691
Other comprehensive income	0	0	0	0	0	0	0
Comprehensive income for the period	0	0	510	1,110	1,620	71	1,691
Interest paid on additional tier 1 capital	0	0	0	0	0	-71	-71
Currency translation adjustment	0	0	0	32	32	-32	0
Reduction of share capital	-36	0	0	36	0	0	0
Acquisition of own shares	0	0	0	-2,350	-2,350	0	-2,350
Sale of own shares	0	0	0	1,020	1,020	0	1,020
Transactions with owners	-36	0	0	-1,262	-1,298	-103	-1,401
Equity on 30 June 2022	690	171	8,680	25,692	35,233	3,323	38,556
Equity on 1 January 2021	726	200	6,905	25,494	33,325	3,307	36,632
Net profit for the period	0	0	417	1,180	1,597	88	1,685
Other comprehensive income	0	0	0	0	0	0	0
Comprehensive income for the period	0	0	417	1,180	1,597	88	1,685
Hybrid core capital issue	0	0	0	0	0	1,486	1,486
Transaction costs	0	0	0	-15	-15	0	-15
Interest paid on additional tier 1 capital	0	0	0	0	0	-84	-84
Currency translation adjustment	0	0	0	10	10	-10	0
Reduction of share capital	0	0	0	0	0	0	0
Acquisition of own shares	0	0	0	-1,187	-1,187	0	-1,187
Sale of own shares	0	0	0	737	737	0	737
Transactions with owners	0	0	0	-455	-455	1,392	937
Equity on 30 June 2021	726	200	7,322	26,219	34,467	4,787	39,254

*Additional tier 1 capital (AT1) has no maturity. Payment of interest and repayment of principal are voluntary. Therefore AT1 capital is recognised as equity. In September 2016, Jyske Bank issued AT1 amounting to SEK 1.25bn and AT1 amounting to DKK 500m with the possibility of early redemption in September 2021 at the earliest. The interest rates applicable to the issues are STIBOR+5.80% and CIBOR+5.30%, respectively, up to September 2021 when the issues are redeemed. In September 2017, Jyske Bank issued AT1 amounting to EUR 150m with the possibility of early redemption in September 2027 at the earliest. The issue has a coupon of 4.75% until September 2027. In April 2019, Jyske Bank issued AT1 in the amount of SEK 1 bn, with the possibility of early redemption in April 2024 at the earliest. The interest rate applicable to the issue until April 2024 is STIBOR+5%. In May 2020, Jyske Bank issued AT1 amounting to EUR 200m with the possibility of early redemption from 4 December 2028 at the earliest. The interest rate applicable to the issue until June 2029 is 3.625%. It applies to all AT1 issues that if the common equity tier 1 capital ratio of Jyske Bank A/S or the Jyske Bank Group falls below 7%, the loans will be written down.

DKKm	30 June 2022	31 Dec. 2021	30 June 2021
Statement of changes in equity			
Shareholders' equity	35,233	34,911	34,467
Share buy-back programme, non-utilised limit	0	-272	-290
Expected dividend, calculated as required by law	0	0	-112
Deferred tax assets	0	-21	-44
Prudent valuation	-193	-272	-235
Insufficient coverage of non-performing loans and guarantees	-73	-52	-46
Other deductions	-175	-40	-74
Common equity tier 1 capital	34,792	34,254	33,666
Additional tier 1 capital after reduction	3,297	3,329	3,338
Core capital	38,089	37,583	37,004
Subordinated loan capital after reduction	5,132	5,275	5,297
Capital base	43,221	42,858	42,301
Weighted risk exposure involving credit risk, etc.	120,837	114,795	110,388
Weighted risk exposure involving market risk	9,502	11,086	10,785
Weighted risk exposure involving operational risk	10,705	10,249	10,249
Total weighted risk exposure	141,044	136,130	131,422
Capital requirement, Pillar I	11,284	10,890	10,514
Capital ratio (%)	30.6	31.5	32.2
Tier 1 capital ratio (%)	27.0	27.6	28.2
Common equity tier 1 capital ratio (%)	24.7	25.2	25.6

The capital statement was calculated according to Regulation (EU) No. 575/2013 of 26 June 2013 of the European Parliament and of the Council (CRR) with subsequent amendments.

For the determination of the individual solvency requirement, please see the report Risk and Capital Management 2021 and jyskebank.com/investorrelations/capitalstructure, which shows Jyske Bank's quarterly determination of the individual solvency requirement.

1 Accounting policies

The interim financial statements of the parent company Jyske Bank A/S for the period 1 January to 30 June 2022 were prepared in accordance with the Danish Financial Business Act, including the Danish Executive Order on Financial Reports for Credit Institutions, Stockbrokers, etc.

The rules applying to recognition and measurement at Jyske Bank A/S are consistent with IFRS.

With respect to classification and extent, the preparation for Jyske Bank A/S differs from the preparation for the Group. Please see the full description of accounting policies in note 67 of the annual report 2021. The accounting policies are identical to those applied to and described in the annual report 2021.

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

Financial situation and risk information

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

	H1 2022	H1 2021
2 Financial ratios and key figures		
Pre-tax profit p.a. as a percentage of average equity*	10.5	11.1
Profit for the period as a pct. of av. equity*	4.6	4.7
Income/cost ratio (%)	1.9	2.0
Capital ratio (%)	30.6	32.2
Common equity tier 1 capital ratio (CET 1) (%)	24.7	25.6
Individual solvency requirement (%)	12.3	12.6
Capital base (DKKm)	43,221	42,301
Total risk exposure (DKKm)	141,044	131,422
Interest-rate risk (%)	1.8	0.5
Currency risk (%)	0.0	0.0
Accumulated impairment ratio (%)	1.6	2.0
Impairment ratio for the period (%)	-0.1	-0.1
No. of full-time employees at end-period	3,005	3,049
Average number of full-time employees in the period	3,013	3,079

The financial ratios are based on the definitions and guidelines laid down by the Danish Financial Supervisory Authority, cf. note 68 to the consolidated financial statements for 2021.

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

	DKKm	H1 2022	H1 2021
3 Interest income			
Due from credit institutions and central banks		-59	1
Loans and advances		761	747
Bonds		161	189
Derivatives, total		197	83
Of which currency contracts		221	154
Of which interest-rate contracts		-24	-71
Total after offsetting of negative interest		1,060	1,020
Negative interest income set off against interest income		192	186
Negative interest expenses set off against interest expenses		515	421
Total before offsetting of negative interest income		1,767	1,627
Of which interest income on reverse repos carried under:			
Due from credit institutions and central banks		-5	-9
Loans and advances		-92	-82
4 Interest expenses			
Due to credit institutions and central banks		-12	60
Deposits		-361	-249
Issued bonds		99	64
Subordinated debt		58	59
Other interest expenses		5	5
Total after offsetting of negative interest		-211	-61
Negative interest expenses set off against interest expenses		515	421
Negative interest income set off against interest income		192	186
Total before offsetting of negative interest income		496	546
Of which interest expenses on reverse repos carried under:			
Due to credit institutions and central banks		-46	-44
Deposits		-11	-10
5 Fees and commission income			
Securities trading and custody services		502	482
Money transfers and card payments		140	120
Loan application fees		78	56
Guarantee commission		52	56
Other fees and commissions		779	749
Total		1,551	1,463
6 Value adjustments			
Loans at fair value		-44	-3
Bonds		-1,166	-292
Shares, etc.		-113	102
Currency		32	112
Currency, interest-rate, share, commodity and other contracts as well as other derivatives		1,004	592
Assets in pooled deposits		-541	304
Pooled deposits		541	-304
Other assets		27	27
Issued bonds		100	52
Other liabilities		127	19
Total		-33	609

DKKm

H1 2022
H1 2021
7 Loan impairment charges and provisions for guarantees
Loan impairment charges and provisions for guarantees recognised in the income statement

Loan impairment charges and provisions for guarantees for the period	-63	-55
Impairment charges on balances due from credit institutions in the period	-4	-5
Provisions for loan commitments and unutilised credit lines in the period	-4	-30
Recognised as a loss, not covered by loan impairment charges and provisions	29	22
Recoveries	-102	-69
Recognised discount for acquired loans	-1	-5
Loan impairment charges and provisions for guarantees recognised in the income statement	-145	-142

Balance of loan impairment charges and provisions for guarantees

Balance of loan impairment charges and provisions, beginning of period	3,471	3,813
Loan impairment charges and provisions for the period	-66	-85
Recognised as a loss, covered by loan impairment charges and provisions	-182	-76
Other movements	21	31
Balance of loan impairment charges and provisions, end of period	3,244	3,683

Loan impairment charges and provisions for guarantees at amortised cost	2,747	3,035
Loan impairment charges at fair value	7	1
Provisions for guarantees	223	379
Provisions for credit commitments and unutilised credit lines	267	268
Balance of loan impairment charges and provisions, end of period	3,244	3,683

DKKm

7 Loan impairment charges and provisions for guarantees, cont.
Balance of loan impairment charges and provisions for guarantees by stage – total

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2022	663	462	2,346	3,471
Transfer of impairment charges at beginning of period to stage 1	184	-156	-28	0
Transfer of impairment charges at beginning of period to stage 2	-43	66	-23	0
Transfer of impairment charges at beginning of period to stage 3	-8	-23	31	0
Impairment charges on new loans, etc.	150	21	125	296
Impairment charges on discontinued loans and provisions for guarantees	-144	-52	-219	-415
Effect from recalculation	-232	363	-57	74
Previously recognized as impairment charges, now final loss	0	0	-182	-182
Balance on 30 June 2022	570	681	1,993	3,244

Balance of loan impairment charges and provisions for guarantees by stage – total

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2021	581	698	2,534	3,813
Transfer of impairment charges at beginning of period to stage 1	47	-42	-5	0
Transfer of impairment charges at beginning of period to stage 2	-74	137	-63	0
Transfer of impairment charges at beginning of period to stage 3	-1	-197	198	0
Impairment charges on new loans, etc.	154	37	83	274
Impairment charges on discontinued loans and provisions for guarantees	-109	-80	-176	-365
Effect from recalculation	-95	-7	139	37
Previously recognized as impairment charges, now final loss	0	0	-76	-76
Balance on 30 June 2021	503	546	2,634	3,683

Balance of impairment charges by stage - loans at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2022	484	316	2,014	2,814
Transfer of impairment charges at beginning of period to stage 1	137	-112	-25	0
Transfer of impairment charges at beginning of period to stage 2	-40	60	-20	0
Transfer of impairment charges at beginning of period to stage 3	-7	-20	27	0
Impairment charges on new loans, etc.	81	13	58	152
Impairment charges on discontinued loans and provisions for guarantees	-72	-31	-130	-233
Effect from recalculation	-179	398	-133	86
Previously recognized as impairment charges, now final loss	0	0	-72	-72
Balance on 30 June 2022	404	624	1,719	2,747

Balance of impairment charges by stage - loans at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2021	427	559	2,243	3,229
Transfer of impairment charges at beginning of period to stage 1	39	-35	-4	0
Transfer of impairment charges at beginning of period to stage 2	-56	114	-58	0
Transfer of impairment charges at beginning of period to stage 3	-1	-167	168	0
Impairment charges on new loans, etc.	80	19	62	161
Impairment charges on discontinued loans and provisions for guarantees	-51	-67	-138	-256
Effect from recalculation	-82	-7	64	-25
Previously recognized as impairment charges, now final loss	0	0	-74	-74
Balance on 30 June 2021	356	416	2,263	3,035

DKKm

7 Loan impairment charges and provisions for guarantees, cont.
Balance of impairment charges by stage – loans at fair value

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2022	1	1	0	2
Transfer of impairment charges at beginning of period to stage 1	0	0	0	0
Transfer of impairment charges at beginning of period to stage 2	0	0	0	0
Transfer of impairment charges at beginning of period to stage 3	0	0	0	0
Impairment charges on new loans, etc.	3	0	3	6
Impairment charges on discontinued loans and provisions for guarantees	-1	0	0	-1
Effect from recalculation	0	0	0	0
Previously recognized as impairment charges, now final loss	0	0	0	0
Balance on 30 June 2022	3	1	3	7

Balance of impairment charges by stage – loans at fair value

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2021	0	1	0	1
Transfer of impairment charges at beginning of period to stage 1	0	0	0	0
Transfer of impairment charges at beginning of period to stage 2	0	0	0	0
Transfer of impairment charges at beginning of period to stage 3	0	0	0	0
Impairment charges on new loans, etc.	0	0	0	0
Impairment charges on discontinued loans and provisions for guarantees	0	0	0	0
Effect from recalculation	0	0	0	0
Previously recognized as impairment charges, now final loss	0	0	0	0
Balance on 30 June 2021	0	1	0	1

Balance of provisions by stage - guarantees and loan commitments

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2022	176	145	334	655
Transfer of impairment charges at beginning of period to stage 1	47	-44	-3	0
Transfer of impairment charges at beginning of period to stage 2	-3	6	-3	0
Transfer of impairment charges at beginning of period to stage 3	-1	-3	4	0
Impairment charges on new loans, etc.	65	7	67	139
Impairment charges on discontinued loans and provisions for guarantees	-71	-21	-90	-182
Effect from recalculation	-53	-35	75	-13
Previously recognized as impairment charges, now final loss	0	0	-109	-109
Balance on 30 June 2022	160	55	275	490

Balance of provisions by stage - guarantees and loan commitments

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2021	153	138	292	583
Transfer of impairment charges at beginning of period to stage 1	8	-6	-2	0
Transfer of impairment charges at beginning of period to stage 2	-18	22	-4	0
Transfer of impairment charges at beginning of period to stage 3	0	-30	30	0
Impairment charges on new loans, etc.	73	18	22	113
Impairment charges on discontinued loans and provisions for guarantees	-57	-12	-39	-108
Effect from recalculation	-13	0	73	60
Previously recognized as impairment charges, now final loss	0	0	-1	-1
Balance on 30 June 2021	146	130	371	647

DKKm

7 Loan impairment charges and provisions for guarantees, cont.
Gross loans, advances and guarantees by stage

	Stage 1	Stage 2	Stage 3	Total
Gross loans, advances and guarantees, 1 January 2022	156,186	7,695	4,561	168,442
Transfer of loans, advances and guarantees to stage 1	3,470	-3,407	-63	0
Transfer of loans, advances and guarantees to stage 2	-3,916	3,965	-49	0
Transfer of loans, advances and guarantees to stage 3	-354	-208	562	0
Other movements	18,837	-223	-334	18,280
Gross loans, advances and guarantees, 30 June 2022	174,223	7,822	4,677	186,722
Loan impairment charges and provisions for guarantees, total	469	653	1,855	2,977
Net loans, advances and guarantees, 30 June 2022	173,754	7,169	2,822	183,745

Gross loans, advances and guarantees by stage

	Stage 1	Stage 2	Stage 3	Total
Gross loans, advances and guarantees, 1 January 2021	159,624	5,992	4,610	170,226
Transfer of loans, advances and guarantees to stage 1	1,044	-989	-55	0
Transfer of loans, advances and guarantees to stage 2	-4,241	4,428	-187	0
Transfer of loans, advances and guarantees to stage 3	-218	-1,119	1,337	0
Other movements	-23	-617	-1,144	-1,784
Gross loans, advances and guarantees, 31 December 2021	156,186	7,695	4,561	168,442
Loan impairment charges and provisions for guarantees, total	546	367	2,287	3,200
Net loans, advances and guarantees, 31 December 2021	155,640	7,328	2,274	165,242

DKKm

7 Loan impairment charges and provisions for guarantees, cont.
Loans, advances and guarantees by stage and internal rating - gross before impairment charges and provisions

		30 June 2022				31 Dec. 2021
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	47,120	77	0	47,197	48,683
2	0.10 - 0.15	17,941	7	0	17,948	14,862
3	0.15 - 0.22	17,401	87	0	17,488	14,429
4	0.22 - 0.33	17,214	85	0	17,299	13,195
5	0.33 - 0.48	10,012	156	0	10,168	21,461
STY Ratings 1 – 5		109,688	412	0	110,100	112,630
6	0.48 - 0.70	27,947	477	0	28,424	17,271
7	0.70 - 1.02	9,721	709	0	10,430	7,412
8	1.02 - 1.48	10,969	310	0	11,279	8,103
9	1.48 - 2.15	7,032	650	0	7,682	8,885
10	2.15 - 3.13	5,322	1,226	0	6,548	4,534
11	3.13 - 4.59	1,480	515	0	1,995	1,403
STY Ratings 6 – 11		62,471	3,887	0	66,358	47,608
12	4.59 - 6.79	468	921	0	1,389	1,110
13	6.79 - 10.21	176	365	0	541	319
14	10.21 - 25.0	85	2,095	0	2,180	1,330
STY Ratings 12-14		729	3,381	0	4,110	2,759
Other		1,327	81	0	1,408	776
Non-performing loans		7	64	4,677	4,748	4,669
Total		174,222	7,825	4,677	186,724	168,442

Loan impairment charges and provisions for guarantees by stage and internal rating

		30 June 2022				31 Dec. 2021
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	4	0	0	4	4
2	0.10 - 0.15	30	0	0	30	22
3	0.15 - 0.22	40	1	0	41	58
4	0.22 - 0.33	50	1	0	51	62
5	0.33 - 0.48	55	5	0	60	81
STY Ratings 1- 5		179	7	0	186	227
6	0.48 - 0.70	66	7	0	73	77
7	0.70 - 1.02	50	9	0	59	70
8	1.02 - 1.48	59	12	0	71	85
9	1.48 - 2.15	40	16	0	56	101
10	2.15 - 3.13	30	58	0	88	67
11	3.13 - 4.59	30	19	0	49	49
STY Ratings 6 – 11		275	121	0	396	449
12	4.59 - 6.79	8	44	0	52	57
13	6.79 - 10.21	3	29	0	32	28
14	10.21 - 25.0	2	441	0	443	134
STY Ratings 12-14		13	514	0	527	219
Other		2	7	0	9	13
Non-performing loans		0	5	1,854	1,859	2,292
Total		469	654	1,854	2,977	3,200

DKKm

7 Loan impairment charges and provisions for guarantees, cont.
Loan commitments and unutilised credit facilities by stage and internal rating

		30 June 2022				31 Dec. 2021
		Stage 1	Stage 2	Stage 3	Total	Total
Performing	PD band (%)					
1	0.00 - 0.10	14,067	0	0	14,067	11,051
2	0.10 - 0.15	6,202	0	0	6,202	6,334
3	0.15 - 0.22	8,172	45	0	8,217	10,988
4	0.22 - 0.33	6,408	18	0	6,426	8,769
5	0.33 - 0.48	5,056	48	0	5,104	6,909
STY Ratings 1 – 5		39,905	111	0	40,016	44,051
6	0.48 - 0.70	5,035	58	0	5,093	5,141
7	0.70 - 1.02	5,777	119	0	5,896	5,619
8	1.02 - 1.48	3,468	88	0	3,556	4,382
9	1.48 - 2.15	1,617	232	0	1,849	2,715
10	2.15 - 3.13	2,188	170	0	2,358	920
11	3.13 - 4.59	394	137	0	531	469
STY Ratings 6 – 11		18,479	804	0	19,283	19,246
12	4.59 - 6.79	194	203	0	397	369
13	6.79 - 10.21	13	110	0	123	104
14	10.21 - 25.0	22	426	0	448	495
STY Ratings 12-14		229	739	0	968	968
Other		5	27	0	32	11
Non-performing loans		3	3	487	493	395
Total		58,621	1,684	487	60,792	64,671

Provisions for loan commitments and unutilised credit facilities by stage and internal rating

		30 June 2022				31 Dec. 2021
		Stage 1	Stage 2	Stage 3	Total	Total
Performing	PD band (%)					
1	0.00 - 0.10	1	0	0	1	1
2	0.10 - 0.15	8	0	0	8	3
3	0.15 - 0.22	13	0	0	13	13
4	0.22 - 0.33	12	0	0	12	17
5	0.33 - 0.48	12	0	0	12	16
STY Ratings 1 – 5		46	0	0	46	50
6	0.48 - 0.70	12	0	0	12	19
7	0.70 - 1.02	11	1	0	12	19
8	1.02 - 1.48	10	0	0	10	17
9	1.48 - 2.15	5	2	0	7	20
10	2.15 - 3.13	7	5	0	12	9
11	3.13 - 4.59	3	2	0	5	9
STY Ratings 6 – 11		48	10	0	58	93
12	4.59 - 6.79	2	1	0	3	4
13	6.79 - 10.21	0	5	0	5	3
14	10.21 - 25.0	0	10	0	10	58
STY Ratings 12-14		2	16	0	18	65
Other		0	0	0	0	0
Non-performing loans		0	0	145	145	63
Total		96	26	145	267	271

DKKm

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

Sector	Loans, advances and guarantees				Balance of loan impairment charges and provisions for guarantees		Loan impairment charges and provisions for guarantees for the period		Loss for the period	
	% 30 June 2022		% End of 2021 30 June 2022		30 June 2022		H1 2022		H1 2022	
	End of 2021		30 June 2022		End of 2021		H1 2021		H1 2021	
Public authorities	7	7	12,170	12,379	0	0	0	0	0	0
Agriculture, hunting, forestry, fishing	6	4	10,235	6,885	251	314	-43	-104	26	5
<i>Fishing</i>	2	1	4,168	1,673	11	3	8	2	0	0
<i>Dairy farmers</i>	0	0	491	431	112	166	-33	-19	25	0
<i>Plant production</i>	2	1	2,911	2,412	42	56	-15	-24	0	0
<i>Pig farming</i>	1	1	1,716	1,491	70	66	4	-36	1	0
<i>Other agriculture</i>	1	1	949	878	16	23	-7	-27	0	5
Manufacturing, mining, etc.	6	4	10,339	7,344	267	395	-132	41	0	0
Energy supply	5	6	9,669	8,913	34	43	-9	-4	0	0
Building and construction	2	1	3,045	2,364	47	58	-6	-24	7	3
Commerce	5	5	8,877	8,044	223	257	-38	35	1	2
Transport, hotels and restaurants	2	2	2,973	3,551	61	84	-24	0	0	0
Information and communication	1	1	2,241	986	138	140	-3	-5	0	0
Financing and insurance	41	43	77,810	69,277	819	473	322	-27	18	11
Real property	8	8	14,863	14,157	88	267	-87	-37	111	36
<i>Lease of real property</i>	4	4	7,489	7,242	58	230	-74	-13	111	0
<i>Buying and selling of real property</i>	1	1	1,713	2,122	11	11	-2	-9	0	36
<i>Other real property</i>	3	3	5,661	4,793	19	26	-11	-15	0	0
Other sectors	3	3	5,744	5,330	127	131	-7	-3	3	10
Corporate clients	79	77	145,796	126,851	2,055	2,162	-27	-128	166	67
Personal clients	14	16	25,779	26,012	922	1,038	-114	16	45	31
Unutilised credit lines and loan commitments	0	0	0	0	267	271	-4	-30	0	0
Total	100	100	183,745	165,242	3,244	3,471	-145	-142	211	98

	DKKm	30 June 2022	31 Dec. 2021	30 June 2021
9	Deposits			
	Demand deposits	117,440	108,730	108,853
	Term deposits	940	1,136	1,237
	Time deposits	29,657	15,211	15,697
	Special deposits	4,585	4,643	4,823
	Total	152,622	129,720	130,610

Statement by the Executive and Supervisory Boards

We have today discussed and approved the Interim Financial Report of Jyske Bank A/S for the period 1 January to 30 June 2022.

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

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

In our opinion, the Interim Financial Statements give a true and fair view of the Group's and the Parent's assets, liabilities and financial position at 30 June 2022 and also of their financial performance as well as the cash flows of the Group for the period 1 January to 30 June 2022.

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, 16 August 2022

EXECUTIVE BOARD

ANDERS DAM
Managing Director and CEO

NIELS ERIK JAKOBSEN

PETER SCHLEIDT

PER SKOVHUS

/JENS BORUM
Director, Finance

SUPERVISORY BOARD

KURT BLIGAARD PEDERSEN
Chairman

KELD NORUP
Deputy Chairman

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BENTE OVERGAARD

PER SCHNACK

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Employee Representative

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Employee Representative