



Interim Financial Report, First Quarter of 2022

Please observe that the Danish version of this Interim Financial Report prevails.

Contents

Management's Review

- 3 Financial Highlights
- 4 Summary
- 6 Financial Review
- 9 Credit Quality
- 11 Capital
- 15 Funding and Bond Issues
- 17 Sustainability
- 19 Other Information

Interim Financial Statements

- 20 Income Statement and Statement of Comprehensive Income
- 21 Balance Sheet
- 22 Statement of Changes in Equity
- 22 Capital Statement
- 23 Notes

Statement by the Executive and Supervisory Boards

- 31 Statement by the Executive and Supervisory Boards

Jyske Realkredit A/S
Klampenborgvej 205
DK-2800 Kgs. Lyngby
Telephone: +45 89 89 77 77
FSA No. (CVR nr.) 13409838
E-mail: investors@jyskerealkredit.dk
Website: www.jyskerealkredit.dk

Financial Highlights

Core profit and net profit for the period, DKKm

	Q1 2022	Q1 2021	Index 22/21						Full year 2021
				Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	
Administration margin income, etc.	588	584	101	588	590	585	584	584	2,343
Other net interest income	-2	4	-	-2	3	2	5	4	15
Net fee and commission income, etc.	-121	-193	63	-121	-172	-181	-160	-193	-706
Value adjustments, etc.	-9	46	-	-9	34	7	20	46	107
Other income	-	-	-	-	0	5	0	-	5
Core income	456	440	104	456	456	418	450	440	1,764
Core expenses	100	92	109	100	99	101	97	92	389
Core profit before loan impairment charges	356	348	102	356	357	317	353	348	1,375
Loan impairment charges (- is income)	-37	90	-	-37	-49	11	12	90	64
Core profit/Pre-tax profit	393	258	152	393	407	306	341	258	1,311
Tax	86	52	165	86	89	68	74	52	283
Net profit for the period	307	206	149	307	317	238	267	206	1,028

Summary of Balance Sheet, end of period, DKKm

Mortgage loans, nominal value	341,208	335,673	102	341,208	338,965	338,238	336,045	335,673	338,965
Mortgage loans, fair value	329,534	340,688	97	329,534	340,969	338,512	339,565	340,688	340,969
Bonds and shares	15,242	15,885	96	15,242	15,960	15,630	13,419	15,885	15,960
Total assets	357,414	378,333	94	357,414	369,035	367,824	366,581	378,333	369,035
Issued bonds, fair value	331,008	354,041	93	331,008	344,817	342,537	341,622	354,041	344,817
Equity	21,104	19,976	106	21,104	20,798	20,480	20,242	19,976	20,798

Financial ratios

Pre-tax profit p.a. as a percentage of average equity	7.5	5.2	-	7.5	7.9	6.0	6.8	5.2	6.5
Profit for the period p.a. as % of average equity	5.9	4.2	-	5.9	6.1	4.7	5.3	4.2	5.1
Expenses as a percentage of income	21.9	20.9	-	21.9	21.7	24.2	21.6	20.9	22.1
Capital ratio (%)	26.7	26.5	-	26.7	26.8	27.5	27.0	26.5	26.8
Common Equity Tier 1 capital ratio (CET1 %)	26.7	26.5	-	26.7	26.8	27.5	27.0	26.5	26.8
Individual solvency requirement (%)	9.5	10.1	-	9.5	10.0	10.2	10.2	10.1	10.0
Capital base (DKKm)	21,063	19,953	-	21,063	20,769	20,450	20,209	19,953	20,769
Weighted risk exposure (DKKm)	78,824	75,397	-	78,824	77,621	74,264	74,913	75,397	77,621
No. of full-time employees, end of period	26	25	-	26	25	26	25	25	25
No. of employees split between the companies, at end-period ¹	586	496	-	586	561	565	556	496	561
No. of employees split between the companies converted to full-time equivalent	236	201	-	236	238	238	242	201	238

¹ Employees split between the companies are included in the number of employees stated in the interim financial report for Jyske Bank A/S, and their salaries are paid through Jyske Bank A/S. Jyske Realkredit A/S distributes this expense for employees split between the companies through a service agreement with Jyske Bank A/S, and it is recognised under the item 'Core expenses'.

Summary

In connection with the presentation of the Interim Financial Report for the first quarter of 2022, Carsten Tirsbæk Madsen, Chief Executive Officer, states:

'Today Jyske Realkredit announces a profit of DKK 307m for the first quarter of 2022 against a profit of DKK 206m for the first quarter of 2021. Jyske Realkredit's capital base is at a historically high level and credit quality is solid. Offhand, the Danish economy is sound and robust following the re-opening of society. In the first quarter of 2022, impairment charges were reversed on a net basis, including a part of the management's estimate relating to Covid-19. Rising interest rates and inflation as well as the war in Ukraine result in further uncertainty as to the development of the Danish economy and future property values. In the light of this, Jyske Realkredit has raised its total management's estimates of impairment charges.'

Net profit for the period

Net profit for the period came to DKK 307m, corresponding to a return on equity of 5.9%. Impairment charges for the period amounted to an income of DKK 37m against an expense of DKK 90m in the first quarter of 2021. In the first quarter of 2022, impairment charges were on a net basis reversed due to the improving credit quality of the clients. In addition, the management's estimates relating to the Covid-19 uncertainty were reduced, but on the other hand, new impairment charges were recognised under management's estimates due to the uncertainty relating to rising interest rates and inflation, etc. Overall, the management's estimates were increased by DKK 65m in the first quarter of 2022 and amount now to DKK 745m.

Administration margin income etc., amounting to DKK 588m, were at a practically unchanged level compared with the same period last year. Administration margin income was positively affected by the increasing loans yet negatively affected by falling average administration margin rates.

Core expenses, which amounted to DKK 100m for the first three months of 2022, were unchanged compared with recent quarters, but increased relative to the first quarter of 2021 due to insourcing of activities that had previously been outsourced.

The nominal loan portfolio grew by DKK 2.2 bn in the first quarter of 2022 and amounts now to DKK 341.2 bn.

In the financial statements and on www.jyskerealkredit.dk, a breakdown of loans by Energy Performance Certificate, the estimated CO₂ emission, as well as the distribution of loans according to the UN Sustainable Development Goals are available to investors in Jyske Realkredit's bonds. Jyske Realkredit was the first credit institution in Denmark to have these data audited in its Annual Report. Hence, the increasing internal and external documentation requirements of the sustainability of the investments will be eased. In addition, as the first issuer in Europe, Jyske Realkredit has published an 'Energy Efficient Mortgage Label Harmonised Disclosure template' designed to increase the transparency of energy-efficient loans for borrowers and investors.

The digitization journey continues at Jyske Realkredit with continued improvements of the part of Jyske Bank's Digital Relationship Bank relating to home loans. Now, a functionality has been added relating to application for additional loans, and also the financing proposals in the Bedste Lån app have been integrated in Jyske Bank's Digital Relationship Bank. In early April 2022, the Jyske Bank Group launched the concept of 'Boligklar på 2 timer' (ready for home loan in two hours) which aims at notifying clients within two hours whether the bank is able to give them approval for the purchase of a specific home.

Capital

At the company's Annual General Meeting on 21 March 2022, it was decided to reduce the company's nominal share capital by DKK 3,806m through a provision for a special reserve (distributable reserve). Hence the company's equity was not affected by the reduction of the nominal share capital. At the end of March 2022, the reduction was notified to the Danish Business Authority and will be finally completed in May 2022 after the four-week deadline for objections. Hence the company's nominal share capital now amounts to DKK 500m.

The capital base of Jyske Realkredit is solid with a capital and Tier 1 Capital ratio of 26.7%. At the end of the first quarter of 2022, Jyske Realkredit had a capital buffer of DKK 10.4 bn. It is assessed that the current financial resources can withstand even severe stress scenarios.

Outlook

Jyske Realkredit still anticipates a profit for 2022 in the range of DKK 0.9 bn to 1.1 bn. The expected profit will be affected by the development in the level of interest rates and the development of losses.

Financial Review

Net profit for the period

In the first quarter of 2022, Jyske Realkredit generated a pre-tax profit of DKK 393m against DKK 258m in the corresponding period of last year. The primary reason for the higher profit is that in the first quarter of 2022, impairment charges could on a net basis be reversed relative to the first quarter of 2021, where impairment charges amounted to an expense. Calculated tax amounted to an expense of DKK 86m (first quarter of 2021: DKK 52m), and therefore the profit for the period came to DKK 307m (first quarter of 2021: DKK 206m) corresponding to a return of 5.9% p.a. on average equity (first quarter of 2021: 4.2% p.a.).

Core profit and net profit for the period, DKKm

	Q1 2022	Q1 2021	Index 22/21	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Full year 2021
Administration margin income, etc.	588	584	101	588	590	585	584	584	2,343
Other net interest income	-2	4	-	-2	3	2	5	4	15
Net fee and commission income, etc.	-121	-193	63	-121	-172	-181	-160	-193	-706
Value adjustments, etc.	-9	46	-	-9	34	7	20	46	107
Other income	-	-	-	-	0	5	0	-	5
Core income	456	440	104	456	456	418	450	440	1,764
Core expenses	100	92	109	100	99	101	97	92	389
Core profit before loan impairment charges	356	348	102	356	357	317	353	348	1,375
Loan impairment charges (- is income)	-37	90	-	-37	-49	11	12	90	64
Core profit/Pre-tax profit	393	258	152	393	407	306	341	258	1,311
Tax	86	52	165	86	89	68	74	52	283
Net profit for the period	307	206	149	307	317	238	267	206	1,028

Core income

Core income, consisting primarily of administration margin income, etc. as well as brokerage and fee income from mortgage activities, amounted to DKK 456m against DKK 440m in the first quarter of 2021.

Administration margin income etc. amounted to DKK 588m which is at a minor increase in relation to the same period of 2021. Mortgage loans at nominal value grew by 2% from the end of the first quarter of 2021 to the end of the first quarter of 2022, yet since the average administration margin rates declined marginally over the past twelve months, total administration margin income was on an unchanged level in recent quarters.

Other net interest income consists of interest on the portfolio of securities as well as various interest income and amounted to an expense of DKK 2m against an income of DKK 4m the year before. The decline was primarily due to a lower interest yield (negative interest rates) on the company's portfolios of securities.

Net fee and commission income, etc. amounted to an expense of DKK 121m against an expense of DKK 193m in the first quarter of 2021. Of the above, group external fee and commission income amounted to an income of DKK 155m against DKK 134m in the same period of 2021. The expense relating to distribution fees in connection with mortgage loans etc. to Jyske Bank amounted to DKK 276m against DKK 327m in the same period of 2021. The reason for the decline in distribution fees was that in the first quarter of 2022 higher recognised losses were set off against the distribution fees compared to the same period in 2021.

Value adjustments, etc. amounted to an expense of DKK 9m against an income of DKK 46m in the corresponding period of last year. The decline can be attributed to the poorer return on the company's fixed portfolio of securities in the first quarter of 2022 as well as the fact that in the first quarter of 2021 a capital gain was recognised in connection with the sale of a shareholding.

Core expenses

Core expenses amounted to DKK 100m against DKK 92m for the same period in 2021. The reason for the increase is that in the second quarter of 2021 Jyske Realkredit insourced activities that previously were outsourced, and hence the

expense for the group company agreement increased. In the last four quarters the level of core expenses has been stabil.

Core profit before loan impairment charges and provisions for guarantees then amounted to DKK 356m against DKK 348m for the first quarter of 2021.

Impairment charges

Loan impairment charges etc. amounted to an income of DKK 37m against an expense of DKK 90m in the same period of 2021.

In the first quarter of 2022, impairment charges on a net basis were reversed due to falling arrears and increasing values of the properties that secure the loans. Some of the reversed individual impairment charges relate to two corporate exposures, which were realised in the first quarter of 2022, while at the same time the final loss was recognised, which resulted in a positive effect on the income statement in the first quarter of 2022.

The uncertainty about the lasting effects on the economy after the Covid-19 lockdowns has been reduced, and the management's estimates relating to Covid-19 were lowered by DKK 185m in the first quarter of 2022 to now DKK 330m.

On the other hand, new uncertainty has arisen as to how higher interest rates and inflation as well as the war in Ukraine will affect the Danish economy, including to which degree indication of impairment will have to be recognised for Jyske Realkredit's loan portfolio. In response to this uncertainty, the management's estimate has been increased by DKK 250m, of which DKK 100m relate to personal clients and DKK 150m to corporate clients. The latter amount relates to the risk of falling values of commercial properties.

Hence the total management's estimate was increased by DKK 65m in the first quarter of 2022 and amounts now to DKK 745m.

The total balance of impairment charges amounted to DKK 1,647m at the end of March 2022 (end of 2021: DKK 1,741m) corresponding to 0.5% of total loans which is unchanged relative to the level at the end of 2021.

Relative to total loans, the effect from the impairment charges on the income statement amounted to -0.01% in the first quarter of 2022 against 0.03% in the same period of 2021.

Jyske Realkredit's holding of assets held temporarily amounted to DKK 53m as at 31 March 2022 against DKK 55m at the end of 2021.

Jyske Realkredit had no exposures after deductions that accounted for more than 10% of the capital base. The concentration risk is followed closely and all large exposures are monitored on an on-going basis.

The first quarter of 2022 compared to the fourth quarter of 2021

Administration margin income, etc. in the first quarter of 2022 amounted to DKK 588m against DKK 590m in the fourth quarter of 2021. A minor increase in loans was not able to offset a minor decline in average administration margin rates.

Other net interest income amounted to an expense of DKK 2m against an income of DKK 3m in the fourth quarter of 2021. The decline can be attributed to a lower interest yield (negative interest rates) on the company's portfolio of securities.

Net fee and commission income, etc. amounted to an expense of DKK 121m against an expense of DKK 172m in the fourth quarter of 2021. Group-external fee and commission income amounted to an income of DKK 155m against an income of DKK 81m in the preceding quarter. The increase in fee income was caused by higher lending activity. Distribution fees to Jyske Bank amounted to DKK 276m against DKK 253m in the fourth quarter of 2021. The increase can primarily be related to rising fee income. On the other hand, in the first quarter of 2022, higher recognised losses were set off against the distribution fee, as a result of which this did not increase to the same extent as fee income

Value adjustments, relating to Jyske Realkredit's fixed portfolio of securities, among other things, amounted to an expense of DKK 9m against an income of DKK 34m in the fourth quarter of 2021. The decline was caused by lower returns on the company's fixed portfolio of securities.

Core expenses amounted to 100m, which amount is almost unchanged relative to the fourth quarter of 2021, at which time they amounted to DKK 99m.

Losses and impairment charges amounted to an income of DKK 37m against an income of DKK 49m in the fourth quarter of 2021. Model-calculated impairment charges have fallen over the past two quarters due to improving credit quality on the part of the clients as well as rising prices of properties that were provided as security for the loans. On the other hand, it has been necessary to raise the management's estimates relating to economic uncertainties - first relating to Covid-19 and subsequently to rising interest rates and inflation as well as the war in Ukraine. On the whole, in consequence of this, losses and impairment charges amounted to an income in both the first quarter of 2022 and the fourth quarter of 2021.

Profit before tax for the first quarter of 2022 then amounted to DKK 393m against DKK 407m for the fourth quarter of 2021.

Balance sheet

At the end of March 2022, Jyske Realkredit's balance sheet amounted to DKK 357.4 bn (DKK 369.0 bn at the end of 2021).

Loans at fair value fell from DKK 341.0 bn at the end of 2021 to DKK 329.5 bn at the end of March 2022, corresponding to a decline by 3.4%. The decline relates primarily to value adjustments for interest-rate risk, as nominal mortgage loans in the first quarter of 2022 grew by DKK 2.2 bn from DKK 339.0 bn to DKK 341.2 bn, corresponding to an increase by 0.7%. The growth in loans relates primarily to the corporate client area.

Equity was affected by the profit for the period by DKK 307m and amounted to DKK 21,104m at the end of March 2022 (DKK 20,798m at the end of 2021).

Summary of Balance Sheet, end of period, DKKm

	31 March 2022	31 March 2021	Index 22/21	31 March 2022	31 Dec. 2021	30 Sept 2021	30 June 2021	31 March 2021
Assets / equity and liabilities	357,414	378,333	94	357,414	369,035	367,824	366,581	378,333
Mortgage loans, nominal value	341,208	335,673	102	341,208	338,965	338,238	336,045	335,673
Loans at fair value	329,534	340,688	97	329,534	340,969	338,512	339,565	340,688
Issued bonds, fair value	331,008	354,041	93	331,008	344,817	342,537	341,622	354,041
Equity	21,104	19,976	106	21,104	20,798	20,480	20,242	19,976

Credit Quality

The breakdown of Jyske Realkredit's loans and impairment charges by IFRS 9 impairment category:

Loans and impairment charges broken down by IFRS 9 stages, DKKbn

	Loans before impairment charges		Impairment charges	
	31 March 2022	31 Dec. 2021	30 March 2022	31 Dec. 2021
	Stage 1	316.4	325.5	0.1
Stage 2	10.0	13.2	0.1	0.2
Stage 3	4.4	3.6	0.6	0.7
Management's estimate	-	-	0.7	0.7
Mortgage loans, total	330.8	342.3	1.6	1.7

The proportion of loans in stage 1 was 96% on 31 March 2022 against 95% on 31 December 2021. A change to the credit process for follow-up on personal clients with overdraft at Jyske Bank, caused the proportion of loans in stage 3 rose as at 31 March 2022.

Loans and impairment charges by internal rating, DKK bn

	Loans before impairment charges		Impairment charges	
	31 March 2022	31 Dec. 2021	31 March 2022	31 Dec. 2021
	PD Ratings 1-2	188.0	192.7	0.3
PD Ratings 3-4	115.7	121.7	0.2	0.2
PD Ratings 5-6	16.5	17.9	0.2	0.2
PD 7	1.3	1.4	0.1	0.1
PD 8	1.9	2.0	0.1	0.1
PD 9 (default)	4.5	4.0	0.8	1.1
Other	2.8	2.7	0.0	0.0
Mortgage loans, total	330.8	342.3	1.6	1.7

The breakdown of loans by rating class at 31 March 2022 is predominantly unchanged since 31 December 2021. A larger proportion of impairment charges relates to clients in PD 1-2, which can be attributed to a change to the method of distribution of the management's estimates.

Non-performing loans and guarantees (NPL) (DKK million)

	Q1 2022	Q1 2021	Index 22/21	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Full year 2021
Non-performing loans and guarantees:									
Loans and guarantees before impairment charges	4,521	3,326	136	4,521	3,715	3,256	3,185	3,326	3,715
Impairment charges	793	811	98	793	1,046	910	876	811	1,046
Loans and guarantees after impairment charges	3,728	2,515	148	3,728	2,669	2,346	2,309	2,515	2,669
NPL ratio (%)	1.1	0.7	153	1.1	0.8	0.7	0.7	0.7	0.8
NPL contribution ratio (%)	17.5	24.4	72	17.5	28.2	27.9	27.5	24.4	28.2
Past due mortgage loans (90 days)	168	266	63	168	356	361	387	266	356
Operational loan impairment charges and provisions for guarantees (minus is income)	-37	90	-	-37	-49	11	12	90	64
Operating losses	65	17	382	65	10	14	23	17	64

The increase in non-performing loans in the first quarter of 2022 related mainly to loans for personal clients, who have several times overdrawn their accounts with Jyske Bank. Loans to these clients have been recognised as non-performing loans since early 2022.

Arrears

The arrears rate measured 90 days after the December 2021 repayment date amounted to 0.06% against 0.11% for the corresponding repayment date in 2020. The arrears rate measured 15 days after the March 2022 repayment date amounted to 0.45% against 0.55% after the March 2021 repayment date.

Arrears rate						
	March 2022	December 2021	September 2021	June 2021	March 2021	December 2020
After 90 days	-	0.06	0.11	0.10	0.13	0.11
After 15 days	0.45	0.44	0.54	0.39	0.55	0.49

Despite Covid-19, the situation in Ukraine and generally rising cost of living in Denmark, only very few clients are right now defaulting on the payments on their mortgage loans. The levels of arrears observed in 2021 and 2022 are among the lowest ever observed for Jyske Realkredit's loans.

Capital

Capital management

The purpose of Jyske Realkredit's capital management is to ensure and optimise mortgage activities on the basis of the strategy defined by the Supervisory Board. Jyske Realkredit's desired risk profile aims to reach a solvency ratio sufficient for Jyske Realkredit to continue its lending activities during a period of difficult business conditions. The available capital must be such that regulatory and internal capital requirements are met during such a period, and it must be possible for Jyske Realkredit to weather heavy unexpected losses.

Capital base

Jyske Realkredit's capital base amounts to DKK 21.1 bn (at the end of 2021: DKK 20.8 bn) and consists solely of Common Equity Tier 1, i.e. paid-up equity as well as retained profits. Hence, Jyske Realkredit's capital base does not include any loan capital, which is in line with Jyske Realkredit's wish to have a high quality of its capital base.

Capital requirement

The regulatory capital requirement (Pillar I) is based on the measurement of the risk exposure for the risk types credit risk, market risk and operational risk, for which various methods of accounting can be applied. As regards the majority of Jyske Realkredit's loan portfolio, Jyske Realkredit has obtained permission to use internally developed risk models (AIRB) for the determination of the credit risk, whereas the standardised approach is used for the remaining loans. When determining market risk and operational risk, the standardised approach is applied to the two risk types.

The total risk exposure amounted to DKK 78.8 bn at the end of the first quarter of 2022 against DKK 77.6 bn at the end of 2021. The development of the overall risk exposure in the amount of DKK 1.2 bn can mainly be attributed to another block reservation of DKK 4.5 bn for uncertainty relating to compliance with future requirements of IRB models. The opposite effect was seen from the price development for the loans, which resulted in a lower REA for the loan portfolio.

The capital ratio at 26.7 at the end of the first quarter of 2022 was practically identical to the ratio at the end of 2021 and constituted therefore a solid level relative to Jyske Realkredit's capital management objective of 20%-22%. The capital ratio level is identical to the level of the Common Equity Tier 1 capital ratio and hence the core capital ratio.

Capital base, risk exposure and solvency

DKKm	31 March 2022	31 December 2021
Equity	21,104	20,798
Prudent valuation	-23	-17
Deferred tax assets	-2	-2
Other deductions	-15	-10
Common Equity Tier 1 capital / Core capital	21,063	20,769
Capital base	21,063	20,769
Credit risk	75,546	74,190
Market risk	14	11
Operational risk	3,263	3,419
Total risk exposure	78,824	77,621
Common Equity Tier 1 capital ratio (%)	26.7	26.8
Tier 1 Capital ratio (%)	26.7	26.8
Capital ratio (%)	26.7	26.8

ICAAP and individual solvency requirement

Jyske Realkredit's ICAAP (Internal Capital Adequacy Assessment Process) forms the basis of the assessment of Jyske Realkredit's capital structure and hence the determination of Jyske Realkredit's adequate capital base as well as its individual solvency requirement. The assessment is based on the current relationship between Jyske Realkredit's risk profile and capital structure as well as forward-looking considerations that may affect this.

Adequate capital base

The determination of the adequate capital base (Pillar I + Pillar II) for Jyske Realkredit takes place according to the 8+ method based on the capital requirement of 8% of the total risk exposure with additions to cover further risks that are assessed not to be covered by the capital requirement. These may be either risks that are assessed not to be covered by the capital requirement or risks that are assessed to be above normal in relation to the capital requirement for the risk type in question.

When assessing the adequate capital base, all circumstances as mentioned in appendix 1 in the Executive Order on Calculation of Risk Exposures, Own Funds and Solvency Need are included. Based on Jyske Realkredit's business model and risk profile, the importance of the individual circumstances on Jyske Realkredit's capital structure is assessed. For the circumstances that are assessed to be most material, the size of the capital addition is quantified, among other things based on the guidelines in the instructions on adequate capital base and solvency requirements.

At the end of the first quarter of 2022, Jyske Realkredit was exposed to credit risks, market risks and operational risks that necessitated a separate addition to the Pillar I capital requirement.

The adequate capital base for Jyske Realkredit amounted to DKK 7.5 bn at the end of the first quarter of 2022, corresponding to an individual solvency requirement of 9.5%, i.e. a decline by 0.5 percentage point relative to the end of 2021.

Buffer requirements and excess capital adequacy

The combined capital buffer requirement consists of the statutory buffers in the form of the capital conservation buffer, the systemic risk buffer as well as the countercyclical buffer. The two former amounted to 2.5% and 1.5%, respectively, of the total risk exposure amount, whereas the size of the countercyclical buffer depends on the economic trends. Currently the countercyclical buffer amounts to 0.0% of the total risk exposure, but three increases totalling 2.5% of the total risk exposure are expected in the second half of 2022 and the first quarter of 2023.

Jyske Realkredit's adequate capital base plus the combined capital buffer requirement amounts to DKK 10.6 bn, corresponding to an individual solvency requirement, inclusive of statutory buffers of 13.5% of the total risk exposure amount. Given the capital base of DKK 21.1 bn, Jyske Realkredit's excess capital adequacy amounts to DKK 10.4 bn.

Adequate capital base, combined capital buffer requirement and excess capital adequacy

DKKm/% of REA	31 March 2022		31 December 2021	
Credit risk	6,044	7.7	5,935	7.6
Market risk	1	0.0	1	0.0
Operational risk	261	0.3	274	0.4
Capital requirement, Tier I	6,306	8.0	6,210	8.0
Credit risk	945	1.2	1,322	1.7
Market risk	203	0.3	210	0.3
Operational risk	23	0.0	23	0.0
Capital requirement, Pillar II	1,171	1.5	1,555	2.0
Adequate capital base	7,477	9.5	7,765	10.0
Capital conservation buffer	1,971	2.5	1,941	2.5
Systemic risk buffer	1,186	1.5	1,167	1.5
Countercyclical buffer	0	0.0	0	0.0
Combined capital buffer requirement	3,156	4.0	3,108	4.0
Adequate capital base, incl. combined capital buffer requirement	10,633	13.5	10,873	14.0
Excess capital adequacy	10,430	13.2	9,896	12.7

Debt buffer requirement

Mortgage credit institutions are exempt from the minimum requirement for own funds and eligible liabilities (MREL), but on the other hand, they must meet a debt buffer requirement, amounting to 2% of non-weighted loans. In addition to applying the unused part of the capital base, the debt buffer requirement can be met by issuing senior debt. Currently Jyske Realkredit has issued senior debt in the amount of DKK 750m, maturing in September 2024. At the end of the first quarter of 2022, the debt buffer requirement amounted to DKK 6.6 bn.

Jyske Realkredit is part of the Jyske Bank Group, which as a consolidated company has been appointed a systemically important financial institution (SIFI). For the Jyske Bank Group, a requirement must be set at the size of the Group's eligible liabilities at a consolidated level, where the debt buffer is set at a level, minimum 2%, to ensure that the overall requirement of the Group's debt buffer, capital base and eligible liabilities amount to at least 8% of the Group's total liabilities.

Leverage Ratio

The leverage ratio is defined as the ratio between Jyske Realkredit's core capital and total non-weighted exposures (inclusive of off-balance sheet items) and must amount to at least 3%. The leverage ratio, which does not include the risk relating to the exposures, may be a significant limitation for an institution with a large proportion of loans with a low risk weighting. At the end of the first quarter of 2022, the leverage ratio for Jyske Realkredit was 5.79% against 5.52% at the end of 2021.

Leverage ratio		
DKKm/%	31 March 2022	31 December 2021
Core capital	21,063	20,769
Total exposure value	363,686	375,947
Leverage ratio	5.79	5.52

Other capital requirements

In addition to the regulatory capital requirements, there are further requirements as to the size of Jyske Realkredit's capital in the form of the requirement from Standard & Poor's as to overcollateralisation (OC requirement) as well as the requirement as to supplementary collateral for covered bonds (SDO requirement).

To maintain the AAA rating for all Jyske Realkredit's capital centres (B, E and General Capital Centre), Jyske Realkredit must meet the overcollateralisation from Standard & Poor's. The individual capital centres must meet various requirements depending on the composition of the portfolios. At the end of the first quarter of 2022, the OC requirement amounted to DKK 7.9 bn against DKK 8.2 bn at the end of 2021 and can be met through liquid assets financed with both debt instruments and capital instruments.

Issuance of covered bonds (SDO) for the financing of loans takes place in Jyske Realkredit via capital centres E and S. Loans based on the issuance of covered bonds (SDO) must be monitored on an on-going basis to ensure that the LTV limit is complied with for each individual property. If the LTV limit is exceeded, for instance, due to a decline in the value of the property value, Jyske Realkredit must provide supplementary collateral. At the end of the first quarter of 2022, the SDO requirement amounted to DKK 2.9 bn against DKK 3.7 bn at the end of 2021.

Basel III/IV

On 27 October 2021, the EU Commission published its proposal for implementation of the last elements of Basel III in the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD IV) to take effect on 1 January 2025. The proposed rules, if adopted in the present form, will have a considerable effect on Danish mortgage credit institutions' capital requirements, especially in consequence of the introduction of an output floor (single stack approach) and changes in the risk weighing for both the IRB and the standardised approach. In consequence of the floor requirement, credit institutions will be subject to a capital requirement of at least 72.5% of the capital requirement, calculated on the basis of the standardised approaches, which will be phased in gradually over several years. The special terms applicable to the statement of the output floor for loans secured on properties will only be temporary, and subsequently it is to be clarified how the permanent processing of loans secured on properties is to be drawn up. Based on the current proposal, the capital requirements for Jyske Realkredit are expected to increase due to the transition to the new capital adequacy rules.

In addition, higher capital requirements are expected due to the implementation of new EBA guidelines, which took effect on 1 January 2022.

Stress test and capital requirements

Jyske Realkredit performs a series of stress tests of the capital structure and overcollateralisation on the basis of various scenarios. Jyske Realkredit conducts stress tests according to internal scenarios as well as scenarios defined by the FSA. These stress tests analyse on a continuous basis the development of the capital structure under an economic downturn involving steep price declines in the property markets. The stress tests must demonstrate that Jyske Realkredit's capital is in compliance with the capital requirements and the related capital buffers. Therefore, Jyske Realkredit must maintain a level of capital somewhat in excess of the capital requirement plus capital buffers, otherwise the capital level would not suffice to meet the requirements of the demanding capital stress tests. The ongoing capital stress tests form a key part of Jyske Realkredit's capital planning and form part of the Jyske Bank Group's capital planning. The stress tests conducted show that the capital structures are robust.

Liquidity Coverage Ratio (LCR)

In connection with the determination and compliance with the LCR requirement, Jyske Realkredit has been allowed to offset interdependent incoming and outgoing cash flows related to mortgage loans, cf. Article 26 of the LCR regulation. This permission came with a specific liquidity floor requirement stipulated by the FSA at 2.5% of the total mortgage loans.

The binding requirement for Jyske Realkredit's holding of liquid assets originates from the LCR floor requirement of 2.5% of total mortgage loans, which at the end of the first quarter of 2022 corresponded to DKK 8.2 bn (DKK 8.5 bn at the end of 2021). Jyske Realkredit had unencumbered liquid assets after haircut in the amount of DKK 16.2 bn at the end of the first quarter of 2022 (DKK 17.4 bn at the end 2021) and hence a significant liquidity surplus relative to the LCR floor requirement.

Jyske Realkredit's HQLA (high-quality liquid assets) consist primarily of the bond portfolio. The Liquidity Coverage Ratio (LCR) was calculated at 1,131% of the end of the first quarter of 2022 (could not be calculated at the end of 2021). According to regulation, the ratio must be at least 100%.

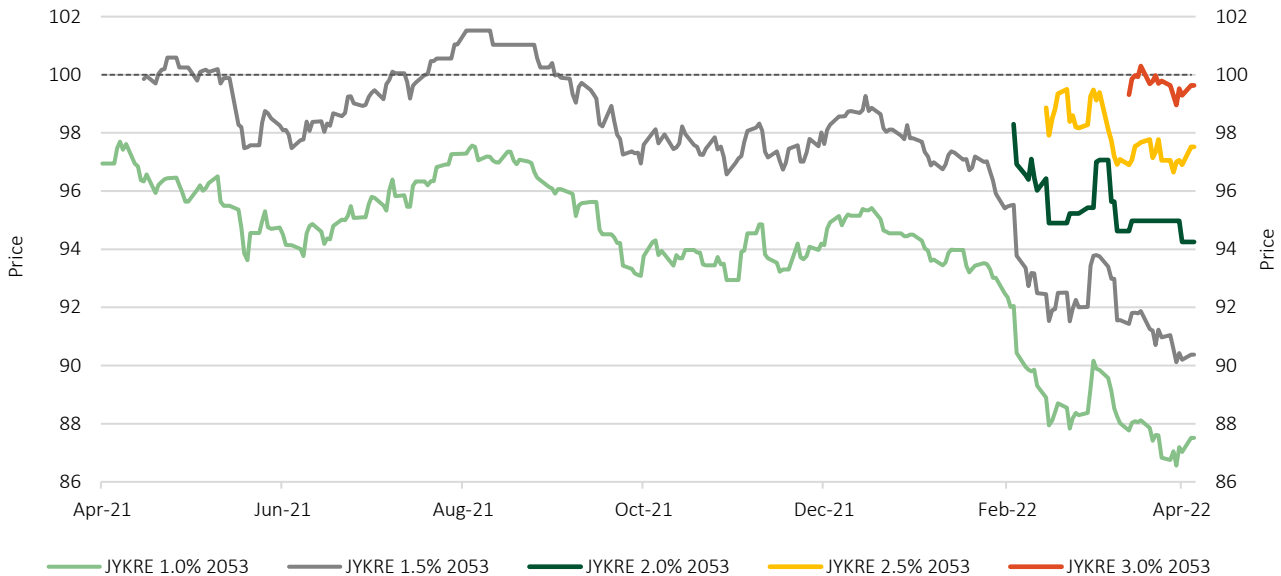
Net stable funding ratio (NSFR)

The purpose of the NSFR is to ensure that the funding profiles of credit institutions are of a sufficiently long-term nature and are stable over a period of one year under both normal as stressed conditions. The purpose of the ratio is to secure stable funding of the institutions' assets in the 12-month term. The funding of Jyske Realkredit's loans is stable, as loans and issued mortgage bonds can be considered mutually dependent. The Net Stable Funding Ratio (NSFR) was calculated at 364% at the end of the first quarter of 2022 (end of fourth quarter 2021: 256%) and must amount to at least 100% according to regulation.

Funding and Bond Issues

The fall in prices of callable bonds seen at the end of 2021 continued in the first quarter of 2022. The price of 30-year callable Danish mortgage bonds fell significantly in the first quarter of 2022. Hence, in the first quarter of 2022, Jyske Realkredit issued new 30-year callable bonds with a coupon of 2.0%, 2.5% and 3.0%. Over the past year, the 30-year callable bond with instalment payments and a price closest to 100 has changed from having a coupon of 1.0% at the beginning of the second quarter of 2021 to a coupon of 3.0% at the end of March 2022.

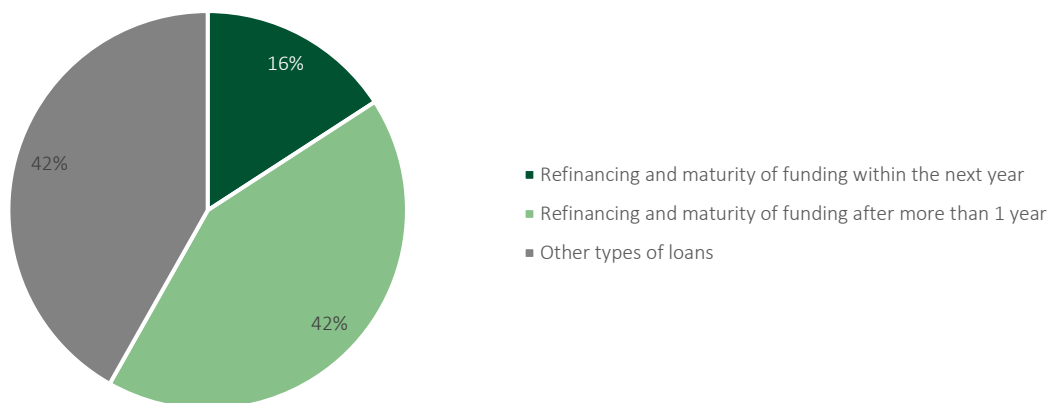
Prices of certain 30-year callable bonds from Jyske Realkredit



Source: Bloomberg

Over the remaining period of 2022, Jyske Realkredit will continue its efforts to reduce the refinancing risk. This takes place in consideration of the requirement that the individual series must be so large that, in respect of the liquidity buffer of the investors, they meet the LCR requirement (Liquidity Coverage Ratio).

Jyske Realkredit's loan portfolio, on 31 March 2022, by time of refinancing



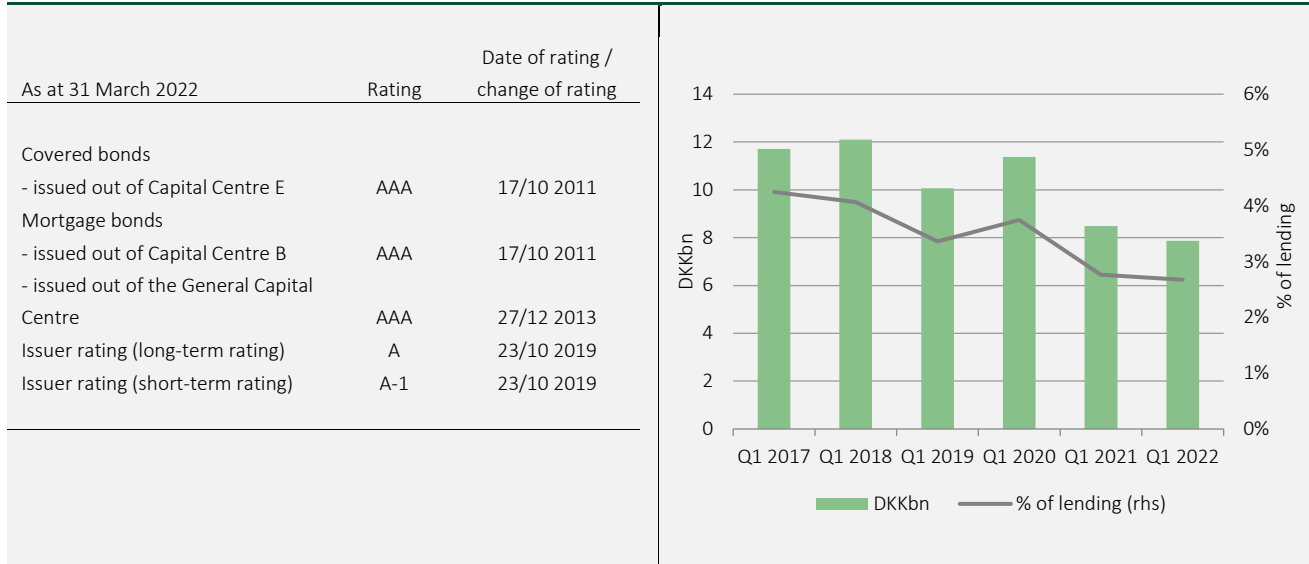
Due to the rising interest rates, particularly on 30-year callable bonds, more borrowers have chosen to remortgage so they reduce the debt outstanding on their mortgages by redeeming their existing fixed-rate mortgages at price below 100 and taking out a new mortgage. Clients who remortgage tend to a higher degree than before to take out a floating rate mortgage. Hence the proportion of personal borrowers with fixed-rate loans relative to the preceding quarter has fallen for the first time since early 2017, while the proportion of personal clients with short-term adjustable-rate loans (Jyske Rentetilpasning F1 and Jyske Renteloft CIBOR3) has increased.

Information according to CRR Article 129(7) on covered bonds (SDO) (among other things, disclosure of the value of the cover pool and outstanding covered bonds (SDO), geographical distribution and type of covered assets, maturity structure and loans more than 90 days past due) will be disclosed in an ECBC label template quarterly simultaneously with interim and annual reports. Please see jyskerealkredit.dk.

Rating

Jyske Bank's and Jyske Realkredit's joint issuer rating by Standard and Poor's (S&P) is A (stable outlook). Jyske Realkredit's bonds issued out of Capital Centre E, Capital Centre B and the General Capital Centre have been assigned a triple A (AAA) rating (Stable).

Rating AAA requirements of supplementary security, Standard & Poor's



Standard & Poor's average requirement in percentage terms for supplementary security to maintain the AAA rating for mortgage bonds issued by Jyske Realkredit was at the end of the first quarter of 2022 practically unchanged relative to the requirement in the first quarter of 2021. The absolute level in terms of Danish kroner has fallen slightly due to lower prices of mortgage loans. The level has not been lower, since Standard & Poor's began to rate Jyske Realkredit's bonds in 2011. The lower average requirement of supplementary security was primarily caused by a change to Standard & Poor's method of calculating supplementary security as well as the general improvement of credit quality.

The supervisory diamond for mortgage credit institutions

The supervisory diamond defines a number of special risk areas including specified limits that financial institutions should generally not exceed. The supervisory diamond limits applicable to Jyske Realkredit are shown below.

Supervisory diamond - benchmarks, %

	31 March 2022	31 December 2021
Concentration risk <100%	44.9	46.8
Increase in loans <15% annually in the segment:		
- Owner-occupied homes and vacation homes	-1.8	-1.2
- Residential rental properties	8.3	8.3
- Other sectors	-1.0	-0.5
Borrower's interest-rate risk <25%		
- Residential properties	15.5	14.9
Instalment-free schemes <10%		
- Owner-occupied homes and vacation homes	5.2	5.6
Loans with frequent interest-rate fixing:		
- Refinancing (annually) <25%	14.3	15.1
- Refinancing (quarterly) <12.5%	5.1	1.0

At the end of the first quarter of 2022, Jyske Realkredit met all benchmarks of the supervisory diamond. On an on-going basis, Jyske Realkredit reviews its positions relative to the benchmarks.

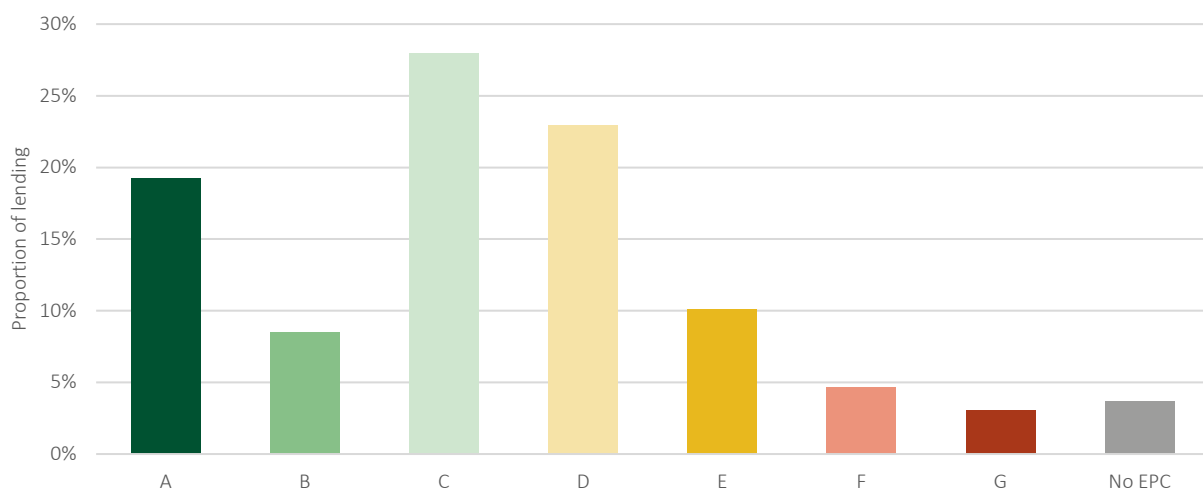
Sustainability

Jyske Realkredit is the first financial institution to launch a Sustainable Transparency Template (STT). The template was created by Jyske Realkredit to offer investors insight into the energy standard of the homes for which Jyske Realkredit has granted loans. The template includes, among other things, calculated CO₂ emission for loans and advances financed in Jyske Realkredit's capital centre E and the proportion of loans for properties supporting one or more of the UN's 17 Sustainable Development Goals. The template is available at jyskerealkredit.dk/stt.

In June 2021, Jyske Realkredit acceded to Energy Efficient Mortgage (EEM) Label. EEM label gives a transparent quality stamp for investors and borrowers so that they are able to identify financial institutions' loans to energy-efficient properties. Jyske Realkredit was the first institution under EEM Label that published EEM Label Harmonised Disclosure Template (HDT). That Jyske Realkredit was the first financial institution to publish the EEM Label template was due to the large focus which has prevailed in the entire Jyske Bank group on transparency within sustainability. It has been an obvious choice by Jyske Realkredit to focus on transparency within sustainability as a supplement to the issue of green bonds for the financing of sustainable loans and advances.

In its Annual Report for 2021, Jyske Realkredit included, for the first time, information of sustainability relating to Jyske Realkredit's loans. The notes included the breakdown by Energy Performance Certificate and CO₂ emission for all Jyske Realkredit's loans and the proportion of loans that support the UN's Sustainable Development Goals. In order to include figures reflecting sustainability relating to Jyske Realkredit's loans in the notes to the Annual Report for 2021, the figures were subject to audit by an external firm of auditors.

Jyske Realkredit's loan portfolio by energy rating



Note: For properties without a valid Energy Performance Certificate (EPC), an average EPC has been calculated for each individual property on the basis of the characteristics of the property

In respect of the upcoming EU taxonomy for sustainable activities, properties established in Denmark at the latest in 2020 with energy ratings A and B will meet the criteria of being a sustainable activity. Properties established after 2020 will only be able to meet the criteria if the energy consumption of the property is lower than the minimum requirement as set out in the Danish building regulations.

Estimated CO₂e emission per year relating to Jyske Realkredit's loans

Property type	Tonnes CO ₂ e (LTV-adjusted)	Kg CO ₂ e/m ²
Private owner-occupied homes and flats	112,589	15.4
Subsidised housing	33,168	7.3
Cooperative housing	5,248	7.4
Residential rental properties	24,112	7.0
Office and commercial properties	41,930	13.1
Other	11,573	8.7
Total	228,620	10.7

The estimated CO₂ emission is based on the Energy Performance Certificate, heating source and total floor area of the property. If the property has not been assigned an energy classification, the energy consumption and CO₂ emission will be estimated on basis of the characteristics of the property. The estimated CO₂ emission will offer a good idea of which properties offer potential for lowering their emission by renovating the properties. As Jyske Realkredit finances new properties with a low energy consumption, and at the same time also finances energy retrofitting of existing properties, it is expected that the average emission will fall over time. Jyske Realkredit will on an ongoing basis report on this development.

As part of Jyske Realkredit's Sustainable Transparency Template, it is also reported how much of the loans supports one or more of the UN's Sustainable Development Goals.

Loans and advances supporting the UN's Sustainable Development Goals

Loan type	FN SDG	Loans and advances (DKKm)	Share of total loans
Renewable energy	7.2	1,117	0.3%
Green buildings	7.3	88,234	25.9%
Subsidised housing	11.3	30,493	8.9%
Total		119,844	35.2%

In aggregate, 35.2% of Jyske Realkredit's loans and advances support one or more of the UN's Sustainable Development Goals. It is expected that this proportion will increase over time.

Other information

Additional information

For further information, please see jyskerealkredit.dk, which website also gives detailed financial information about Jyske Realkredit. Jyske Realkredit's Interim Report for the first quarter of 2022 can be downloaded from jyskerealkredit.dk.

Contact

Carsten Tirsbæk Madsen, Chief Executive Officer,
☎ +45 89 89 90 50 or 📱 +45 40 25 88 74.

Income Statement and Statement of Comprehensive Income

DKKm

Note		Q1 2022	Q1 2021
Income statement			
5	Interest income	1,368	1,302
6	Interest expenses	788	722
	Net interest income	579	580
7	Fees and commission income	176	161
	Fees and commission expenses	296	355
	Net interest and fee income	458	386
8	Value adjustment (- is an expense)	-2	54
9	Employee and administrative expenses	92	84
	Other operating expenses	8	8
10	Loan impairment charges (- is income)	-37	90
	Pre-tax profit	393	258
11	Tax	86	52
	Net profit for the period	307	206
	Distributed to:		
	Jyske Realkredit A/S shareholders	307	206
	Total	307	206
Statement of Comprehensive Income			
	Net profit for the period	307	206
	Other comprehensive income after tax	-	-
	Comprehensive income for the period	307	206
	Distributed to:		
	Jyske Realkredit A/S shareholders	307	206
	Total	307	206

Balance Sheet

DKK m

Note	31 March 2022	31 Dec. 2021	31 March 2021
Assets			
Cash balance and demand deposits with central banks	5	367	2
Due from credit institutions and central banks	11,744	11,110	20,752
12 Loans at fair value	329,534	340,969	340,688
Bonds at fair value	15,186	15,906	15,829
Shares, etc.	56	54	56
Deferred tax assets	2	2	3
13 Assets in temporary possession	53	55	66
14 Other assets	827	562	935
Prepayments	7	9	1
Assets, total	357,414	369,035	378,333
Equity and liabilities			
Liabilities			
Due to credit institutions and central banks	971	343	685
15 Issued bonds at fair value	331,008	344,817	354,041
Issued bonds at amortised cost	750	750	750
Current tax liabilities	369	283	300
16 Other liabilities	3,194	2,030	2,565
Deferred income	15	12	14
Liabilities, total	336,307	348,235	358,356
Provisions			
Other provisions	3	3	2
Total provisions	3	3	2
Equity			
Share capital	4,306	4,306	4,306
Share premium	102	102	102
Retained profit	16,696	16,389	15,567
Total equity	21,104	20,798	19,976
Total equity and liabilities	357,414	369,035	378,333
17 Off-balance sheet items			
Guarantees, etc.	0	0	0
Other contingent liabilities, etc. (loan offers)	15,834	14,614	13,087
Total guarantees and other contingent liabilities	15,834	14,614	13,088

Statement of Changes in Equity

DKK m

	Share capital	Share premium	Retained profit	Total
Equity at 1 January 2022	4,306	102	16,389	20,798
Net profit for the period	-	-	307	307
Other comprehensive income	-	-	-	-
Comprehensive income for the period	-	-	307	307
Equity at 31 March 2022	4,306	102	16,696	21,104
Equity on 1 January 2021	4,306	102	15,361	19,769
Net profit for the period	-	-	206	206
Other comprehensive income	-	-	-	-
Comprehensive income for the period	-	-	206	206
Equity at 31 March 2021	4,306	102	15,567	19,976

Capital statement

	31 March 2022	31 Dec. 2021	31 March 2021
Equity	21,104	20,798	19,976
Deferred tax assets	-2	-2	-3
Prudent valuation	-23	-17	-21
Other deductions	-15	-10	-
Common Equity Tier 1 capital / Core capital	21,063	20,769	19,953
Capital base	21,063	20,769	19,953
Weighted risk exposure involving credit risk etc.	75,546	74,190	71,965
Weighted risk exposure involving market risk	14	11	13
Weighted risk exposure involving operational risk	3,263	3,419	3,419
Total weighted risk exposure	78,824	77,621	75,397
Capital requirement, Pillar I	6,306	6,210	6,032
Capital requirement, total	6,306	6,210	6,032
Capital ratio (%)	26.7	26.8	26.5
Core capital ratio (%)	26.7	26.8	26.5
Common Equity Tier 1 capital ratio (%)	26.7	26.8	26.5

For further information on the individual solvency requirement, please see the section in the management's review on 'Capital structure'.

Notes

1 Accounting policies

The Interim Financial Report for the period 1 January - 31 March 2022 for Jyske Realkredit A/S was prepared according to the Danish Financial Business Act as well as the relevant accounting rules in compliance with IFRS. Furthermore, the Interim Financial Report was prepared in accordance with the additional Danish disclosure requirements for the interim reports of listed financial undertakings.

The accounting policies are identical to those applied to and described in detail in the Annual Report 2021.

2 Material accounting estimates

Measurement of the carrying value of certain assets and liabilities requires the management's estimate of the influence of future events on the value of such assets and liabilities. Estimates of material importance to the financial reporting are, among other things, based on the impairment of loans and also assets in temporary possession, cf. the detailed statement in the Annual Report 2021. The estimates are based on assumptions which management finds reasonable, but which are inherently uncertain. Besides, the company is subject to risks and uncertainties which may cause the actual results to differ from those estimates.

The COVID-19 outbreak has a significant negative impact on economic growth. However, there is considerable uncertainty about the extent of the negative impact, which adds to the uncertainty when determining loan impairment charges.

The financial statements reflect adjusting events until 3 May 2022.

	31 March 2022	31 Dec. 2021	31 March 2021
3 Financial ratios and key figures			
Capital ratio (%)	26.7	26.8	26.5
Core capital ratio (%)	26.7	26.8	26.5
Return on equity (average) before tax for the period (%)	1.9	6.5	1.3
Return on equity (average) after tax for the period (%)	1.5	5.1	1.0
Income/cost ratio (%)	7.2	3.9	2.4
Currency position (%)	0.2	0.3	0.3
Accumulated impairment ratio (%)	0.5	0.5	0.5
Impairment ratio for the period (%)	-0.01	0.02	0.03
Increase in loans for the period (%)	0.7	1.4	0.5
Loans relative to equity	15.6	16.4	17.1
Return on capital employed	0.08	0.28	0.05

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

4 Alternative performance targets

	Q1 2022			Q1 2021		
	Core profit	Reclassification	Total	Core profit	Reclassification	Total
Administration margin income, etc.	588	-	588	584	-	584
Other net interest income, etc.	-2	-6	-9	4	-8	-4
Net interest income	586	-6	579	588	-8	580
Net fee and commission income	-121	-	-121	-193	-	-193
Net interest and fee income	465	-6	458	394	-8	386
Value adjustments	-9	6	-2	46	8	54
Income	456	-	456	440	-	440
Expenses	100	-	100	92	-	92
Profit before loan impairment charges	356	-	356	348	-	348
Loan impairment charges	-37	-	-37	90	-	90
Pre-tax profit	393	-	393	258	-	258

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 pre-tax profit for the period will be the same in the alternative performance targets of the management's review and in the profit according to the provisions of the Danish Executive Order on the Preparation of Financial Statements.

The above table illustrates relationships between income statement items under Jyske Realkredit (key financial data) on page 2 and income statement items prepared according to the Danish Executive Order on the Preparation of Financial Statements (page 20). Expenses in the above table relate to Employee and administrative expenses as well as Other operating expenses in the income statement according to the Danish Executive Order on the Preparation of Financial Statements.

	Q1 2022	Q1 2021
5 Interest income		
Due from credit institutions and central banks ¹	-11	-13
Loans	807	782
Administration margin	505	478
Bonds	39	28
Derivatives, interest-rate and currency contracts	28	27
Other interest income	0	-
Interest income before offsetting of interest on own bonds	1,368	1,301
Interest on own bonds, set off against interest on issued bonds	39	32
Total after offsetting of negative interest income	1,329	1,270
Negative interest income set off against interest income	18	18
Negative interest expenses set off against interest expenses	21	13
Total before offsetting of negative interest income	1,368	1,302
¹ Of which interest income on reverse repos carried under 'Due from credit institutions and central banks'	-11	-13

Notes

DKKm

	Q1 2022	Q1 2021
6 Interest expenses		
Due to credit institutions and central banks ¹	4	4
Issued bonds	784	725
Other interest expenses	1	-7
Interest expenses before offsetting of interest on own bonds	789	722
Interest on own bonds, set off against interest on issued bonds	39	32
Total after offsetting of negative interest expenses	750	690
Negative interest expenses set off against interest expenses	21	13
Negative interest income set off against interest income	18	18
Total before offsetting of negative interest income	788	722
¹ Of which interest expenses on repos carried under 'Due to credit institutions and central banks'	-0	-0

Interest for swaps, etc. that were entered into in connection with the funding of mortgage loans, where the interest on some of the issued bonds is swapped to interest corresponding to interest on the mortgage loan, is recognised under other interest expenses. Hence the total interest expense for the funding of mortgage loans will be recognised as a whole under interest expenses. In this connection, interest income from swaps in the amount of DKK 31m was in the first quarter of 2022 recognised under Other interest expenses (2021: DKK 34m).

7 Fees and commission income		
Securities trading and custody services	101	87
Loan application fees	75	74
Other fees and commissions	0	0
Total	176	161

8 Value adjustment (- is an expense)		
Mortgage loans	-13,704	-5,680
Other loans and receivables at fair value	-5	0
Bonds	-463	-57
Shares, etc.	1	23
Currency	-0	1
Currency, interest-rate and other contracts as well as other derivatives	-167	-73
Issued bonds	14,335	5,839
Total	-2	54

Value adjustment of the balance principle amounted to an expense of DKK 2m (2021: DKK -4m), resulting from a net value adjustment of the following items: mortgage loans by DKK -13,729m (DKK -5,702m) recognised in Mortgage loans, issued mortgage bonds by DKK +14,335m (DKK +5,825m) as well as derivatives by DKK -609m (DKK -128m), recognised in Currency, interest-rate and other contracts as well as other derivatives.

9 Employee and administrative expenses		
Employee expenses		
Wages and salaries, etc.	5	5
Pensions	1	1
Payroll tax	1	1
Social security	-	0
Total	7	6
Salaries and remuneration to the Executive Board and the Supervisory Board		
Executive Board	2	2
Supervisory Board	0	0
Total	2	2
Other administrative expenses		
IT	4	6
Other administrative expenses	80	70
Total	84	77
Total	92	84

	Q1 2022	Q1 2021
10 Loan impairment charges (- is income)		
Loan impairment charges for the period	-35	83
Recognised as a loss, not covered by impairment charges	6	13
Recoveries	-8	-6
Total	-37	90
Balance of impairment charges		
Balance of impairment charges, beginning of period	1,741	1,723
Loan impairment charges for the period	-35	83
Recognised as a loss, covered by impairment charges	-59	-4
Balance of impairment charges, end of period	1,647	1,802
Mortgage loan impairment charges	1,520	1,693
Impairment charges on other loans and receivables, etc.	127	108
Balance of impairment charges, end of period	1,647	1,802

Breakdown of balance of impairment charges by stage Q1 2022

	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of period	323	382	1,036	1,741
Transfer of impairment charges at the beginning of the period to stage 1	57	-57	0	-
Transfer of impairment charges at the beginning of the period to stage 2	-6	13	-7	-
Transfer of impairment charges at the beginning of the period to stage 3	-2	-30	32	-
Impairment charges relating to new loans	55	2	4	62
Decline in the balance of impairment charges due to repayment of loans	-14	-27	-174	-215
Effect from recalculation	166	-5	-80	82
Previously recognised as impairment charges, now losses	0	0	-22	-22
Balance of impairment charges, end of period	579	279	788	1,647

To a great extent, the development relating to new loans and repaid loans in Stages 2 and 3 can be ascribed to refinancing of loans. The increase in impairment charges under Stage 1 is caused by the fact that impairment charges relating to management's estimates in the first quarter of 2022 were mainly distributed on non-credit impaired loans (Stage 1).

Breakdown of balance of impairment charges by stage Q1 2021

	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of period	289	663	770	1,723
Transfer of impairment charges at the beginning of the period to stage 1	75	-61	-15	-
Transfer of impairment charges at the beginning of the period to stage 2	-22	62	-39	-
Transfer of impairment charges at the beginning of the period to stage 3	-0	-27	27	-
Impairment charges relating to new loans	80	13	13	105
Decline in the balance of impairment charges due to repayment of loans	-12	-31	-49	-91
Effect from recalculation	-90	11	148	69
Previously recognised as impairment charges, now losses	-0	0	-4	-4
Balance of impairment charges, end of period	319	631	852	1,802

To a great extent, the development relating to new loans and repaid loans in Stages 2 and 3 can be ascribed to refinancing of loans.

11 Tax
Effective tax rate

Corporation tax rate in Denmark	22.0	22.0
Non-taxable income and non-deductible expenses, etc.	-0.1	-2.0
Total	21.9	20.0

Notes

DKKm

	31 March 2022	31 Dec. 2021	31 March 2021
12 Loans at fair value			
Mortgage loans, nominal value	341,208	338,965	335,673
Adjustment for interest-rate risk, etc.	-10,508	3,223	6,302
Adjustment for credit risk	-1,520	-1,613	-1,693
Mortgage loans at fair value	329,179	340,575	340,281
Arrears and outlays	46	72	55
Other loans and receivables	310	322	352
Total	329,534	340,969	340,688
Mortgage loans at fair value broken down by property category			
Owner-occupied homes	152,260	159,298	161,818
Vacation homes	8,139	8,386	8,338
Subsidised Housing (rental housing)	50,210	52,141	53,329
Cooperative housing	13,043	14,163	14,135
Private rental properties (rental housing)	61,787	61,890	56,677
Industrial properties	2,659	2,729	3,057
Office and business properties	32,730	33,582	36,025
Agricultural properties, etc.	139	148	150
Properties for social, cultural and educational purposes	8,150	8,181	6,664
Other properties	61	56	88
Total	329,179	340,575	340,281
13 Assets in temporary possession			
Properties acquired through foreclosure	53	55	66
Total	53	55	66
14 Other assets			
Positive fair value of derivatives	525	325	671
Interest and commission receivable	80	17	65
Loan applications in process	67	41	90
Other assets	155	179	109
Total	827	562	935
15 Issued bonds at fair value			
Issued mortgage bonds, nominal value	372,872	352,080	373,510
Adjustment to fair value	-10,846	3,773	7,545
Own mortgage bonds, fair value	-31,019	-11,037	-27,014
Total	331,008	344,817	354,041
16 Other liabilities			
Negative fair value of derivatives	639	239	253
Interest and commission payable	1,573	1,285	1,546
Other liabilities	983	507	765
Total	3,194	2,030	2,565

Notes

DKKm

	31 March 2022	31 Dec. 2021	31 March 2021
17 Off-balance sheet items			
Guarantees, etc.			
Other guarantees	0	0	0
Total	0	0	0
Other contingent liabilities, etc.			
Irrevocable loan commitments	15,812	14,593	13,068
Other contingent liabilities	21	21	19
Total	15,834	14,614	13,087

Irrevocable loan commitments relate materially to the obligation to pay out loans according to offers for mortgage loans with a term of up to six months made by Jyske Realkredit (the term may be longer within the subsidised housing sector). All offers were made in accordance with Jyske Realkredit's credit policy and constitute a customary part of the process of paying out mortgage loans. However, in the event that a client is subsequently registered with the RKI debtor register, etc., Jyske Realkredit shall not be bound by the loan offer.

18 Related parties

Jyske Realkredit has debit/credit balances, including bank accounts, etc., with a number of its 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 1 January to 31 March 2022, no unusual related party transactions took place. Please see Jyske Realkredit's Annual Report 2021 for a detailed description of transactions with related parties.

	31 March 2022	31 Dec. 2021	31 March 2021
19 Contractual time to maturity			
Assets			
Due from credit institutions and central banks			
Demand deposits	929	542	316
Up to 3 months	10,815	10,568	20,436
Over 3 months and up to 1 year	-	-	-
Over 1 year and up to 5 years	-	-	-
Over 5 years	-	-	-
Total	11,744	11,110	20,752
Loans at fair value ¹			
Up to 3 months	2,195	2,175	2,138
Over 3 months and up to 1 year	6,636	7,389	7,316
Over 1 year and up to 5 years	40,507	43,102	42,801
Over 5 years	280,197	288,304	288,433
Total	329,534	340,969	340,688
Bonds at fair value			
Up to 3 months	1,264	661	911
Over 3 months and up to 1 year	7,133	8,778	8,597
Over 1 year and up to 5 years	5,874	6,443	6,295
Over 5 years	914	23	26
Total	15,186	15,906	15,829
Liabilities			
Due to credit institutions and central banks			
Demand deposits	919	78	45
Up to 3 months	52	265	640
Over 3 months and up to 1 year	-	-	-
Over 1 year and up to 5 years	-	-	-
Over 5 years	-	-	-
Total	971	343	685
Issued bonds at fair value ¹⁾			
Up to 3 months	6,954	2,741	14,353
Over 3 months and up to 1 year	50,028	65,377	42,321
Over 1 year and up to 5 years	125,466	124,687	135,102
Over 5 years	148,559	152,012	162,266
Total	331,008	344,817	354,041
Issued bonds at amortised cost			
Up to 3 months	-	-	-
Over 3 months and up to 1 year	-	-	-
Over 1 year and up to 5 years	750	750	750
Over 5 years	-	-	-
Total	750	750	750

The above amounts are exclusive of interest.

¹ The cash flow imbalance between mortgage loans (the main item of 'Loans at fair value') and 'Issued bonds at fair value' is due to the fact that 30-year adjustable rate mortgage loans (ARM) are funded by bonds with maturities of 1-10 years.

Notes

DKKm

	31 March 2022	31 Dec. 2021
20 Loan portfolio by EPC (%)		
EPC A	19.2	17.5
EPC B	8.5	8.3
EPC C	27.9	27.4
EPC D	22.9	24.0
EPC E	10.1	10.7
EPC F	4.7	4.9
EPC G	3.0	3.2
No emission/no data	3.7	4.1
Total	100.0	100.0

For properties without a valid Energy Performance Certificate (EPC), an estimated EPC has been applied to each individual property on the basis of the characteristics of the property.

21 Estimated CO₂e emission per year relating to Jyske Realkredit's loans

Loan type	Q1 2022	
	Tonnes CO ₂ e	Kg CO ₂ e/m ²
	(LTV-adjusted)	
Private owner-occupied homes and flats	112,589	15.4
Subsidised housing	33,168	7.3
Cooperative housing	5,248	7.4
Residential rental properties	24,112	7.0
Office and commercial properties	41,930	13.1
Other	11,573	8.7
Total	228,620	10.7

22 Loans supporting the UN Sustainable Development Goals

Loan type	31 March 2022			31 December 2021		
	FN SDG	Loans (DKKm)	Proportion of total loans (%)	FN SDG	Loans (DKKm)	Proportion of total loans (%)
Renewable Energy	7.2	1,117	0.3	7.2	1,143	0.3
Green buildings	7.3	88,234	25.9	7.3	80,857	23.9
Subsidised housing	11.3	30,493	8.9	11.3	32,339	9.5
Total		119,844	35.2		114,339	33.7

UN Sustainable Development Goals

7.2: By 2030, the proportion of renewable energy in the global energy mix must be increased significantly.

7.3: By 2030, the global pace for the improvement of energy efficiency must be doubled.

11.3: By 2030, urban development must be more inclusive and sustainable.

Statement by the Executive and Supervisory Boards

Today we have discussed and approved the Interim Financial Report of Jyske Realkredit A/S for the period 1 January to 31 March 2022.

The Interim Financial Statements of Jyske Realkredit A/S were prepared in accordance with the Danish Financial Business Act. Furthermore, the Interim Financial Report was prepared in accordance with the additional Danish disclosure requirements for interim financial reports of issuers of listed bonds.

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

In our opinion, the Interim Financial Report gives a true and fair view of the company's financial position on 31 March 2022 and of the company's financial performance for the period 1 January to 31 March 2022.

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

Kgs. Lyngby, 3 May 2022.

Executive Board

Carsten Tirsbæk Madsen
CEO and Director

Torben Hansen
Director

Supervisory Board

Niels Erik Jakobsen
Chairman

Lars Waalen Sandberg
Deputy Chairman

Per Skovhus

Peter Schleidt

Kim Henriksen
Elected by employees

Steen Brastrup Clasen
Elected by employees