



**JYSKE BANK**

Interim Financial Report

H1 2020

# Interim Financial Report, H1 2020

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# The Jyske Bank Group

## Core profit and net profit for the period (DKKm)

	H1 2020	H1 2019	Index 20/19	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	FY 2019
Net interest income	2,515	2,603	97	1,287	1,228	1,270	1,279	1,309	5,152
Net fee and commission income	1,057	1,047	101	407	650	653	611	554	2,311
Value adjustments	218	185	118	331	-113	252	-95	-8	342
Other income	56	106	53	26	30	41	7	59	154
Income from operating lease (net)	7	58	12	-1	8	15	28	34	101
<b>Core income</b>	<b>3,853</b>	<b>3,999</b>	<b>96</b>	<b>2,050</b>	<b>1,803</b>	<b>2,231</b>	<b>1,830</b>	<b>1,948</b>	<b>8,060</b>
Core expenses*	2,510	2,541	99	1,164	1,346	1,213	1,275	1,256	5,029
<b>Core profit before loan impairment charges</b>	<b>1,343</b>	<b>1,458</b>	<b>92</b>	<b>886</b>	<b>457</b>	<b>1,018</b>	<b>555</b>	<b>692</b>	<b>3,031</b>
Loan impairment charges	1,011	-7	-	8	1,003	-64	-30	9	-101
<b>Core profit</b>	<b>332</b>	<b>1,465</b>	<b>23</b>	<b>878</b>	<b>-546</b>	<b>1,082</b>	<b>585</b>	<b>683</b>	<b>3,132</b>
Investment portfolio earnings	-227	-61	-	223	-450	144	-136	-50	-53
<b>Pre-tax profit</b>	<b>105</b>	<b>1,404</b>	<b>7</b>	<b>1,101</b>	<b>-996</b>	<b>1,226</b>	<b>449</b>	<b>633</b>	<b>3,079</b>
Tax	23	295	8	239	-216	260	84	134	639
<b>Net profit for the period</b>	<b>82</b>	<b>1,109</b>	<b>7</b>	<b>862</b>	<b>-780</b>	<b>966</b>	<b>365</b>	<b>499</b>	<b>2,440</b>

## Summary of balance sheet, end of period (DKKbn)

Loans and advances	481.5	479.9	100	481.5	485.2	485.9	483.8	479.9	485.9
- of which mortgage loans	339.8	336.9	101	339.8	336.6	337.5	338.7	336.9	337.5
- of which traditional loans and advances	95.3	103.3	92	95.3	99.2	98.7	101.7	103.3	98.7
- of which new home loans	3.4	4.7	72	3.4	3.4	3.4	4.0	4.7	3.4
- of which repo loans	43.0	35.0	123	43.0	46.0	46.3	39.4	35.0	46.3
Bonds and shares, etc.	94.7	98.6	96	94.7	90.9	91.9	94.8	98.6	91.9
<b>Total assets</b>	<b>642.1</b>	<b>646.4</b>	<b>99</b>	<b>642.1</b>	<b>674.1</b>	<b>649.7</b>	<b>662.5</b>	<b>646.4</b>	<b>649.7</b>
Deposits	145.9	152.7	96	145.9	146.8	140.2	157.9	152.7	140.2
- of which bank deposits	132.0	139.4	95	132.0	131.2	126.9	138.2	139.4	126.9
- of which repo deposits and tri-party deposits	13.9	13.3	105	13.9	15.6	13.3	19.7	13.3	13.3
Issued bonds at fair value	339.6	350.7	97	339.6	347.3	357.0	359.5	350.7	357.0
Issued bonds at amortised cost	46.7	38.4	122	46.7	42.7	38.6	39.4	38.4	38.6
Subordinated debt	5.8	4.3	135	5.8	5.8	4.3	4.3	4.3	4.3
Holders of Additional Tier 1 Capital	3.2	3.2	100	3.2	3.2	3.3	3.2	3.2	3.3
<b>Shareholders' equity</b>	<b>32.0</b>	<b>32.2</b>	<b>99</b>	<b>32.0</b>	<b>31.2</b>	<b>32.5</b>	<b>32.0</b>	<b>32.2</b>	<b>32.5</b>

## Financial ratios and key figures

Earnings per share for the period (DKK)**	0.0	12.8		11.3	-11.1	12.2	4.2	5.7	29.0
Profit for the period, per share (diluted) (DKK)**	0.0	12.8		11.3	-11.1	12.2	4.2	5.7	29.0
Pre-tax profit p.a. as a percentage of average equity**	0.1	8.3		13.4	-13.0	14.7	5.1	7.3	9.1
Profit for the period p.a. as a percentage of average equity**	0.0	6.6		10.4	-10.3	11.5	4.0	5.7	7.1
Expenses as a percentage of income	65.1	63.5		56.8	74.7	54.4	69.7	64.5	62.4
Capital ratio (%)	22.2	19.8		22.2	21.5	21.5	20.2	19.8	21.5
Common Equity Tier 1 capital ratio (CET1 %)	17.3	16.0		17.3	16.7	17.4	16.3	16.0	17.4
Individual solvency requirement (%)	11.1	10.7		11.1	11.0	11.2	11.0	10.7	11.2
Capital base (DKKbn)	40.3	38.6		40.3	39.3	39.0	38.3	38.6	39.0
Weighted risk exposure (DKKbn)	181.7	195.1		181.7	182.9	181.4	189.7	195.1	181.4
Share price at end of period (DKK)	195	228		195	169	243	221	228	243
Distributed dividend per share (DKK)	-	-		-	-	-	-	-	-
Book value per share (DKK)**	440	408		440	430	434	418	408	434
Price/book value per share (DKK)**	0.4	0.6		0.4	0.4	0.6	0.5	0.6	0.6
No. of full-time employees at end-period***	3,420	3,660		3,420	3,508	3,559	3,639	3,660	3,559

Relationships between income statement items under 'The Jyske Bank Group' (key financial data) and the income statement page 19 appear from note 4.

\* Costs relating to the sale of Jyske Bank (Gibraltar) amounted to DKK 75m in the first half of 2020.

\*\*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 2020 less 49 employees who are financed externally against approx. 50 employees in the other quarters.

## Summary

*"The results for the first half of 2020 are affected by the impact of the COVID-19 outbreak on impairment charges and investment portfolio earnings by about DKK -1.3 bn before tax in comparison with the first half of 2019. The credit quality remains strong with insignificant individual impairment charges in the first half of the year as well as a low proportion of non-performing loans. In the first half of the year, during difficult circumstances and during the entire lockdown period, the Jyske Bank organisation's operational performance was satisfactory. Also, due to its solid capital and liquidity position, Jyske Bank is in a good position to handle the consequences of the COVID-19 outbreak", states Anders Dam, CEO and Managing Director.*

In Denmark, the reopening of the economy as well as the extraordinary economic support from the Danish government has reduced the risk of the worst crisis scenarios materialising after the outbreak of COVID-19, even though there is still limited visibility. So far, after the reopening, the Danish economy has developed in a stable manner with a low level of bankruptcies as well as stabilisation of the housing market and consumer spending.

The clients' capital and liquidity position is strong and supported by compensation schemes relating to COVID-19 as well as deferment of tax and VAT payments. This, in combination with a lower activity and investment level in the economy, resulted in a lower demand for credit. As the extraordinary economic support will be partially phased out in the second half of the year, it is expected that the economic consequences of the outbreak of COVID-19 will be increasingly pronounced. Therefore, Jyske Bank recognised as an expense DKK 1 bn in the first quarter in the form of a management's estimate for impairment charges.

In addition to the economic challenges, the outbreak of COVID-19 also resulted in adjustments in society, among other things of work habits and client behaviour. This caused, for instance a stronger trend towards digital client interactions and an increasingly cashless society.

### Net profit of DKK 82m in first half of 2020

The net profit for the period corresponded to a return on equity of 0.0% p.a. against 6.6% p.a. for the corresponding period of 2019. The lower profit can chiefly be attributed to an increased management's estimate for impairment charges in the amount of DKK 1 bn after the outbreak of COVID-19, to the turbulent financial markets and to expenses relating to the sale of Jyske Bank (Gibraltar).

Moreover, activity levels were adversely affected by the outbreak of COVID-19. Hence, core income fell by 4% relative to the first half of 2019, among other things due to lower bank loans and advances. The lower bank loans and advances contributed to an

increase in the deposit surplus by DKK 8 bn to DKK 33 bn in the first half of the year despite the introduction of negative deposit rates for parts of personal clients' deposits as of 1 December 2019.

However, the second quarter saw signs of improvement as net interest income rose by 5% due to a lower limit of DKK 250,000 for zero interest on personal clients' deposit as of 1 May. Hence, this initiative countered the lower demand for credit as well as a higher deposit rate on clients' deposits in e.g. NemKonto, to -0.60% from -0.75%.

Adjusted for costs relating to the sale of Jyske Bank (Gibraltar), core expenses fell by 4%, as the number of full-time employees was reduced by 7%, and the changed work routines after the outbreak of COVID-19 reduced expenses for e.g. travelling.

In the first half of the year, credit quality remained strong, and the proportion of non-performing loans and advances continued to fall. In the first quarter, an amount of DKK 1 bn was recognised as an expense for potential impairment charges in consequence of the outbreak of COVID-19, and this management's estimate was still intact at the end of the first half of the year. Jyske Bank's direct exposure to especially affected industries, such as the airline, shipping and retail industries, hotels and restaurants as well as the leisure industry is estimated to be smaller than would be implied by the bank's normal market share.

At the end of the first half of 2020, Jyske Bank had a historically high capital ratio of 22.2% with a capital buffer of DKK 13 bn and a liquidity coverage (LCR) of DKK 92 bn. The capital and liquidity buffer continues to be able to withstand severe stress scenarios.

## Outlook

Jyske Bank anticipates that the economic activity level in Denmark will deteriorate significantly in 2020 due to the outbreak of COVID-19.

It is expected that a lower level of core income will be generated compared to 2019 due to more moderate fee income, while it is still expected that net interest income over the coming quarters will be higher than in the first quarter of 2020.

Jyske Bank aims to keep core expenses, inclusive of expenses of a one-off nature of DKK 75m, at an unchanged level in 2020, through continuing focus on costs.

Due to the expected economic and technological development the number of employees is expected to decrease by 150-200 by mid-2021. The natural employee turnover is normally 200-300 annually, and the reduction is thus expected to be realised primarily by natural attrition. Additionally, a decrease in the number of branches of approximately 20% is expected by mid-2021 due to changed customer behaviour.

It is expected that loan impairment charges will be at a higher level than in 2019 due to a management's estimate relating to COVID-19.

For 2020, a net profit of DKK 1.0 bn - 1.5 bn is expected. The expectations are based on the assumption that the financial markets will show a stable development, and the expectations are exclusive of expenses of a one-off nature, which amounted to DKK 75m in the first half of the year.

## Financial Review

### Core profit and net profit for the period (DKKm)

	H1 2020	H1 2019	Index 20/19	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	FY 2019
Net interest income	2,515	2,603	97	1,287	1,228	1,270	1,279	1,309	5,152
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Other income	56	106	53	26	30	41	7	59	154
Income from operating lease (net)	7	58	12	-1	8	15	28	34	101
<b>Core income</b>	<b>3,853</b>	<b>3,999</b>	<b>96</b>	<b>2,050</b>	<b>1,803</b>	<b>2,231</b>	<b>1,830</b>	<b>1,948</b>	<b>8,060</b>
Core expenses	2,510	2,541	99	1,164	1,346	1,213	1,275	1,256	5,029
<b>Core profit before loan impairment charges</b>	<b>1,343</b>	<b>1,458</b>	<b>92</b>	<b>886</b>	<b>457</b>	<b>1,018</b>	<b>555</b>	<b>692</b>	<b>3,031</b>
Loan impairment charges	1,011	-7	-	8	1,003	-64	-30	9	-101
<b>Core profit</b>	<b>332</b>	<b>1,465</b>	<b>23</b>	<b>878</b>	<b>-546</b>	<b>1,082</b>	<b>585</b>	<b>683</b>	<b>3,132</b>
Investment portfolio earnings	-227	-61	-	223	-450	144	-136	-50	-53
<b>Pre-tax profit</b>	<b>105</b>	<b>1,404</b>	<b>7</b>	<b>1,101</b>	<b>-996</b>	<b>1,226</b>	<b>449</b>	<b>633</b>	<b>3,079</b>
Tax	23	295	8	239	-216	260	84	134	639
<b>Net profit for the period</b>	<b>82</b>	<b>1,109</b>	<b>7</b>	<b>862</b>	<b>-780</b>	<b>966</b>	<b>365</b>	<b>499</b>	<b>2,440</b>

### Net profit for the period

Net profit amounted to DKK 82m in the first half of 2020 against DKK 1,109m in the corresponding period in 2019. The lower profit can primarily be attributed to a higher management's estimate for impairment charges following the outbreak of COVID-19.

### Core income

Core income amounted to DKK 3,853m against DKK 3,999m in the first half of 2019. The decline can primarily be attributed to lower net interest income.

Net interest income amounted to DKK 2,515m against DKK 2,603m in the same period in 2019, corresponding to a decline by 3%. The decline can, in addition to the sale of Jyske Bank (Gibraltar), be attributed to higher funding costs as well as a lower contribution from trading activities. Lower bank loans and advances and pressure on lending rates were compensated for by rising nominal mortgage loans and lower deposit rates.

### Strategic balance sheet and risk management (DKKm)

	H1 2020	H1 2019
Net interest income	59	45
Value adjustments	-86	-14
<b>Banking activities, total</b>	<b>-27</b>	<b>31</b>
Net interest income	40	44
Value adjustments	21	-13
<b>Mortgage activities, total</b>	<b>61</b>	<b>31</b>
<b>Jyske Bank Group, total</b>	<b>34</b>	<b>62</b>

### Excl. strategic balance sheet and risk management (DKKm)

	H1 2020	H1 2019
Net interest income	2,416	2,514
Value adjustments	283	212

Net fee and commission income amounted to DKK 1,057m against DKK 1,047m in the first half of 2019, i.e. an increase by 1%. In the first half of 2020, performance fees amounted to DKK 67m against DKK 38m for the same period in 2019 that also included fee expenses relating to the issue of a covered bond in the amount of EUR 500m by Jyske Realkredit. Adjusted for these two effects, net fee and commission income fell by 3%, as the outbreak of COVID-19 posed a challenge, in particular, in relation to income from money transfers and card payments, while also remortgaging activity fell in the second quarter of 2020.

Value adjustments increased to DKK 218m from DKK 185m in the first half of 2019. The effect from turbulent financial markets following the outbreak of COVID-19 were in the second quarter of 2020 compensated for by positive financial markets, which ensured a total increase relative to the first half of 2019 despite lower value adjustments in the amount of DKK 38m from the strategic balance sheet and risk management.

Other income fell to DKK 56m from DKK 106m, primarily due to gains from the sale of real property in the first half of 2019 and value adjustment of equity investments in associates. Income from operating lease (net) fell to DKK 7m from DKK 58m due to the higher management's estimate for impairment charges and lower expected residual values of leased cars.

## Core expenses

In the first half of 2020, core expenses fell by 1% compared with the same period in 2019 despite extraordinary expenses of DKK 75m relating to the sale of Jyske Bank (Gibraltar), as well as an increased payroll tax and a higher contribution to the Resolution Fund under Finansielt Stabilitet (the Danish resolution authority). Adjusted for the sale of Jyske Bank (Gibraltar), core expenses fell by 4% relative to the first half of 2019. At the end of the first half of 2020, the number of full-time employees of Jyske Bank was 3,420 compared to 3,660 at the end of the first half of 2019, corresponding to a decline by 7%, and also the outbreak of COVID-19 reduced expenses for travelling etc.

### Core expenses (DKKm)

	H1 2020	H1 2019
Staff costs	1,507	1,508
IT costs	681	682
Rent, etc.	28	38
Amortisation, depreciation and impairment	57	75
Other operating expenses	162	238
Sale of Jyske Bank (Gibraltar)	75	0
<b>Total</b>	<b>2,510</b>	<b>2,541</b>

## Impairment charges

Loan impairment charges and provisions for guarantees amounted to an expense of DKK 1,011m against an income of DKK 7m in the first half of 2019. The increase can be attributed to a higher management's estimate due to expected economic effects from the outbreak of COVID-19. At the end of the first half of 2020, impairment charges based on the management's estimates amounted to DKK 1,569m against DKK 561m at the same time a year ago.

## Investment portfolio earnings

For the first half of 2020, investment portfolio earnings amounted to DKK -227m against DKK -61m for the same period of 2019. The negative earnings can in particular be attributed to the market turmoil after the outbreak of COVID-19, resulting in widening of the spreads on Danish mortgage bonds and a flatter yield curve. To this must be added a negative effect from certain currency positions. The hedging of AT-1 capital instruments in SEK had a positive effect of DKK 15m in the first half of 2020, which was offset by a negative adjustment of shareholders' equity.

### Investment portfolio earnings (DKKm)

	H1 2020	H1 2019
Net interest income	47	50
Value adjustments	-258	-97
Other income	0	2
<b>Income</b>	<b>-211</b>	<b>-45</b>
Expenses	16	16
<b>Investment portfolio earnings</b>	<b>-227</b>	<b>-61</b>

The Group's own securities portfolio still consists of tactical market risk positions (primarily interest-rate and currency risk exposures) and a smaller amount of bond investments.

## **Q2 2020 compared to Q1 2020**

Net profit rose to DKK 862m from DKK -780m in Q1.

Core income amounted to DKK 2,050m against DKK 1,803m in Q1, as higher value adjustments more than offset lower net fee and commission income.

Net interest income rose by 5% to DKK 1,287m against DKK 1,228m in Q1. The increase can be attributed to a lower limit of DKK 250,000 for zero interest on personal clients' deposits as of 1 May and to a higher contribution from trading activities. These effects outweighed lower bank loans and the sale of Jyske Bank (Gibraltar).

Net fee and commission income came to DKK 407m against DKK 650m in Q1. The decline was caused by lower remortgaging activity and the absence of performance fees, which amounted to DKK 67m in Q1. To this must be added seasonally lower refinancing activity and fee income relating to Letpension and Letsikring as well as the sale of Jyske Bank (Gibraltar). Finally, the outbreak of COVID-19 reduced activity levels and affected in particular payment services, while mix changes reduced wealth management fees.

Value adjustments rose to DKK 331m from DKK -113m. Contrary to Q1, value adjustments were favourably affected by developments in the financial markets, incl. narrowing of credit spreads and rising equity markets.

Core expenses fell to DKK 1,164m from DKK 1,346m. In Q1, expenses relating to operations and sale of Jyske Bank (Gibraltar) totalled about DKK 100m. To this must be added a lower number of employees, lower IT expenses and a broad-based reduction of administrative expenses, among other things due to less travelling, etc. after the outbreak of COVID-19.

Loan impairment charges and provisions for guarantees amounted to DKK 8m against DKK 1,003m for the preceding quarter. The higher level in the first quarter related to a higher management's estimate due to potential effects from the outbreak of COVID-19.

Investment portfolio earnings rose to DKK 223m from DKK -450m in the first quarter of 2020 and were favourably affected by narrowing credit spreads and currency positions.

## Business volume

### Summary of balance sheet, end of period (DKK bn)

	H1 2020	H1 2019	Index 20/19	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	FY 2019
Loans and advances	481.5	479.9	100	481.5	485.2	485.9	483.8	479.9	485.9
- of which mortgage loans	339.8	336.9	101	339.8	336.6	337.5	338.7	336.9	337.5
- of which traditional loans and advances	95.3	103.3	92	95.3	99.2	98.7	101.7	103.3	98.7
- of which new home loans	3.4	4.7	72	3.4	3.4	3.4	4.0	4.7	3.4
- of which repo loans	43.0	35.0	123	43.0	46.0	46.3	39.4	35.0	46.3
Bonds and shares, etc.	94.7	98.6	96	94.7	90.9	91.9	94.8	98.6	91.9
Total assets	642.1	646.4	99	642.1	674.1	649.7	662.5	646.4	649.7
Deposits	145.9	152.7	96	145.9	146.8	140.2	157.9	152.7	140.2
- of which bank deposits	132.0	139.4	95	132.0	131.2	126.9	138.2	139.4	126.9
- of which repo deposits and tri-party deposits	13.9	13.3	105	13.9	15.6	13.3	19.7	13.3	13.3
Issued bonds at fair value	339.6	350.7	97	339.6	347.3	357.0	359.5	350.7	357.0
Issued bonds at amortised cost	46.7	38.4	122	46.7	42.7	38.6	39.4	38.4	38.6
Subordinated debt	5.8	4.3	135	5.8	5.8	4.3	4.3	4.3	4.3
Holders of Additional Tier 1 Capital	3.2	3.2	100	3.2	3.2	3.3	3.2	3.2	3.3
Shareholders' equity	32.0	32.2	99	32.0	31.2	32.5	32.0	32.2	32.5

Jyske Bank's total loans and advances exclusive of repo loans amounted to DKK 438.5 bn at the end of the first half of 2020 against DKK 439.6 bn at the end of 2019. The reason for the decline was that the increase in mortgage loans was more than offset by the decline in bank loans and advances.

Mortgage loans at fair value rose to DKK 339.8 bn from DKK 337.5 bn at the end of 2019 due to higher loans for corporate clients. Nominal mortgage loans also rose by 1%. At the end of the first half of 2020, the level of new home loans was unchanged at DKK 3.4 bn, and mortgage loans at fair value amounted to 78% of total loans and advances exclusive of repo loans.

Traditional bank loans and advances fell by 3% to DKK 95.3 bn compared with the level at the end of 2019. The decline took place in the second quarter, where particularly loans and advances for corporate clients fell due to the limited demand for credit following the outbreak of COVID-19 as well

as the launch of extraordinary economic support from the Danish government. Loans and advances for personal clients still fell.

At the end of the first half of 2020, bank deposits amounted to DKK 132.0 bn, reflecting an increase by 4% relative to the level at the end of 2019 caused by higher deposits from corporate clients.

At the end of the first half of 2020, bank deposits amounted to DKK 33 bn more than bank loans and advances, i.e. an increase by DKK 8 bn as compared to the level at the end of 2019.

At the end of the first half of 2020, the assets under management amounted to DKK 165 bn as compared to DKK 171 bn at the end of 2019. The first half of the year was characterised by turbulent financial markets. On the whole, net sales to retail clients was positive for the first half of 2020, which also saw continuing inflow of new funds from professional clients.

## Credit quality

### Non-performing loans and guarantees (DKK bn)

	H1 2020	H1 2019	Index 20/19	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	FY 2019
Loans, advances and guarantees	493.2	495.0	100	493.2	497.4	497.8	495.4	495.0	497.8
Non-performing loans and guarantees	9.2	10.4	89	9.2	9.8	10.3	10.2	10.4	10.3
Impairment charges and provisions	3.6	3.5	104	3.6	3.6	3.4	3.3	3.5	3.4
Non-performing loans and guarantees after impairment charges	5.6	6.9	83	5.6	6.2	6.9	6.9	6.9	6.9
NPL ratio	1.1%	1.4%	80	1.1%	1.2%	1.4%	1.4%	1.4%	1.4%
NPL coverage ratio	39.8%	35.1%	114	39.8%	37.3%	34.6%	34.4%	35.1%	33.4%
Non-performing loans and past due exposures	1.1	1.4	79	1.1	1.1	1.2	1.3	1.4	1.2
Loan impairment charges and provisions for guarantees for the period	1.0	0.0	-	0.0	1.0	-0.1	0.0	0.0	-0.1
Operating losses	0.3	0.5	59	0.1	0.2	0.1	0.1	0.2	0.7

At the end of the first half of 2020, non-performing loans and advances amounted to 1.1% of loans, advances and guarantees against 1.4% at the end of 2019. Loans and advances subject to forbearance amounted to 1.3% against 2.0% at the end of 2019.

At the end of the first half of 2020, Jyske Bank's balance of loan impairment charges amounted to DKK 5.9 bn, corresponding to 1.2% of loans, advances and guarantees against DKK 5.1 bn and 1.0%, respectively, at the end of 2019.

### Loans, advances and guarantees – by sector (DKK bn/%)

	Loans, advances and guarantees		Impairment ratio	
	Q2 2020	Q4 2019	Q2 2020	Q4 2019
<b>Public authorities</b>	<b>10.8</b>	<b>8.7</b>	<b>0.0</b>	<b>0.0</b>
Agriculture, hunting, forestry and fishing	7.1	7.3	8.2	9.5
Manufacturing industry and mining	10.2	8.6	2.5	2.4
Energy supply	6.1	4.9	0.9	0.8
Construction	8.0	7.7	1.8	1.6
Commerce	12.3	13.4	2.4	1.4
Transport, hotels and restaurants	6.9	6.9	2.2	1.4
Information and communication	0.5	0.8	26.6	25.4
Finance and insurance	39.9	46.8	2.0	1.4
Real property	155.1	152.4	0.7	0.5
Other sectors	17.6	17.7	1.7	1.1
<b>Corporate clients</b>	<b>263.7</b>	<b>266.5</b>	<b>1.5</b>	<b>1.3</b>
<b>Personal clients</b>	<b>218.7</b>	<b>222.6</b>	<b>0.9</b>	<b>0.8</b>
<b>Total</b>	<b>493.2</b>	<b>497.8</b>	<b>1.2</b>	<b>1.0</b>

At the end of first half of 2020, impairment charges based on management's estimates amounted to DKK 1,569m, of which DKK 140m related to agricultural clients against DKK 589m and DKK 180m, respectively, at the end of 2019. The

increase can be attributed to a higher management's estimate due to expected effects from the outbreak of COVID-19, resulting in a total estimate of DKK 1,045m.

### Loans, advances and guarantees by IFRS 9 stages (DKK bn/%)

	Loans, advances and guarantees		Balance of impairment charges		Impairment ratio	
	Q2 2020	Q4 2019	Q2 2020	Q4 2019	Q2 2020	Q4 2019
Stage 1	466.9	468.4	0.8	0.7	0.2	0.1
Stage 2	21.4	23.5	1.7	1.1	7.2	4.7
Stage 3	4.9	5.9	3.4	3.3	41.0	35.5
<b>Total</b>	<b>493.2</b>	<b>497.8</b>	<b>5.9</b>	<b>5.1</b>	<b>1.2</b>	<b>1.0</b>

## Agriculture

At the end of the first half of 2020, the impairment ratios for dairy farmers and pig farming were 35% and 10%, respectively, of loans, advances and guarantees against 34% and 11%, respectively, at the end of 2019. Settlement prices for milk were stable in the first half of 2020, while settlement prices for slaughter pigs fell in the second quarter of 2020 after a period of increases.

### Agriculture exclusive of fishing (DKK bn/%)

	Loans, advances and guarantees		Balance of impairment charges		Impairment ratio	
	Q2 2020	Q4 2019	Q2 2020	Q4 2019	Q2 2020	Q4 2019
Milk	552	613	299	312	35.1	33.7
Pigs	1,427	1,380	162	178	10.2	11.5
Plants	2,311	2,039	87	98	3.6	4.6
Fur farming	91	115	20	42	18.0	26.8
Other	1,252	1,243	59	124	4.5	9.1
<b>Total</b>	<b>5,633</b>	<b>5,390</b>	<b>627</b>	<b>754</b>	<b>10.0</b>	<b>12.3</b>

## Capital and Liquidity Management

### Capital management

Jyske Bank's objective is to maintain a capital ratio of 20%-22% and a common equity tier 1 capital ratio of 15%-17% over the next two or three years. At these levels, Jyske Bank can comfortably meet capital requirements and has at the same time the required strategic scope.

At the end of the first half of 2020, Jyske Bank had a capital ratio of 22.2% and a common equity tier 1 capital ratio of 17.3%. At the end of 2019, the capital ratios were 21.5% and 17.4%, respectively.

#### Capital ratios (%)

	Q2 2020	Q4 2019
Capital ratio	22.2	21.5
Core Tier 1 capital ratio	19.2	19.4
Common Equity Tier 1 capital ratio	17.3	17.4

The total risk weighted exposure amounted to DKK 181.7 bn at the end of the first half of 2020 against DKK 181.4 bn at the end of 2019.

#### Weighted risk exposure (DKKm)

	Q2 2020	Q4 2019
Credit risk, etc.	156,307	153,912
Market risk	10,707	11,606
Operational risk	14,680	15,930
<b>Total</b>	<b>181,694</b>	<b>181,448</b>

In connection with the presentation of its 2019 Annual Report, Jyske Bank announced that it raised and extended the current share buy-back programme by DKK 500m to DKK 1,500m. In consequence of "the Joint statement of the Danish government and Finance Denmark in the light of the coronavirus outbreak" of 23 March 2020 and in the light of the increased macroeconomic uncertainty, Jyske Bank's Supervisory Board decided to cancel the remaining part of the current share buy-back programme. Buybacks in the amount of DKK 412m were outstanding under the share buy-back programme, under which a total of 4,992,980 shares had been bought back before the cancellation. The extraordinary general meeting on 28 July 2020 adopted a similar reduction of the share capital. After registration with the Danish Business Authority, the share capital will amount to 72,560,778 shares, each of a nominal value of DKK 10.

The Supervisory Board of Jyske Bank will consider the possibilities of activating the capital distribution policy, when the economic consequences of the

COVID-19 outbreak have been clarified to a greater extent.

Jyske Bank sold DLR Kredit shares in the equivalent value of DKK 155m as part of the ordinary reallocation of shares in DLR Kredit A/S. Hence Jyske Bank's equity interest fell to DKK 935m and 6.9% compared to the high of DKK 1,832m and 15.7% at the end of 2017.

### Capital requirement

At the end of the first half of 2020, Jyske Bank's individual solvency requirement was 11.1% of the weighted risk exposure against 11.2% at the end of 2019. To this must be added a SIFI requirement of 1.5% and a capital conservation buffer of 2.5%. Both the SIFI requirements and the capital conservation buffer have been fully phased in. In the first half of 2020, the countercyclical buffer was released, which lowered the capital requirement by 1% of the risk-weighted items. The current level of the countercyclical capital buffer will be maintained at least for the coming four quarters. The buffer is expected to be phased in at the earliest as of the beginning of 2022.

#### Capital requirement (%)

	Capital ratio		CET1 ratio	
	Q2 2020	Q4 2019	Q2 2020	Q4 2019
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	1.0	0.0	1.0
<b>Capital requirement</b>	<b>15.1</b>	<b>16.2</b>	<b>10.3</b>	<b>11.3</b>

This forms the basis of the total capital requirement of 15.1% against 16.2% at the end of 2019 and results in a capital buffer of 7.1% of the weighted risk exposure, corresponding to DKK 12.8 bn against 5.3% and DKK 9.7 bn, respectively, at the end of 2019.

#### Capital buffer (%)

	Q2 2020	Q4 2019
Capital ratio	22.2	21.5
Overall capital requirement	15.1	16.2
<b>Capital buffer</b>	<b>7.1</b>	<b>5.3</b>

### Liquidity management

Jyske Bank's biggest source of funding was covered bonds and mortgage bonds, which amounted to DKK 343 bn, corresponding to 53% of the balance sheet in the first half of 2020. The

second-largest source of funding in the amount of DKK 132 bn was client deposits, 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 2020, Jyske Bank's Liquidity Coverage Ratio (LCR) was 350%, against 253% at the end of 2019. The Group's internal guideline points to a LCR of at least 150%. The increase of the buffer in the first half of 2020 was primarily caused by higher deposits, falling bank loans and advances and a higher outstanding volume under the CP programme. The LCR buffer after haircuts at the end of the first half of 2020 is shown below.

#### LCR buffer

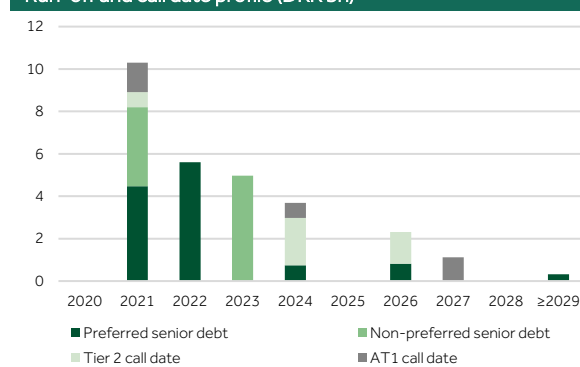
	DKKbn	%
Level 1a assets	41.4	45
Level 1b assets	47.8	52
Level 2a + 2b assets	2.8	3
<b>Total</b>	<b>92.0</b>	<b>100</b>

#### Refinancing profile

At the end of the first half of 2020, outstanding unsecured senior debt and supplementary tier 2 capital amounted to DKK 20.6 bn and DKK 4.7 bn, respectively, against DKK 25.5 bn and DKK 3.3 bn at the end of 2019.

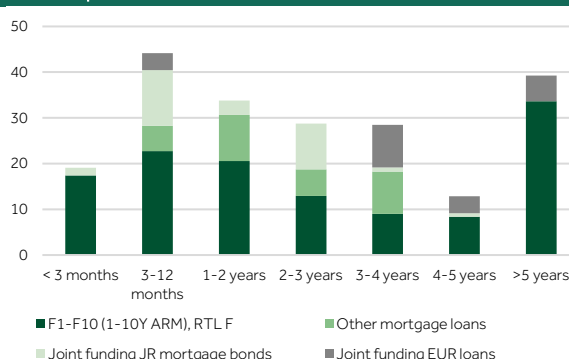
The run-off profile for the Group's unsecured senior debt, etc. determined at the end of the first half of 2020 is illustrated by the below chart.

#### Run-off and call date profile (DKK bn)



At the end of the first half of 2020, covered bonds involving refinancing risk amounted to DKK 206.5 bn, and the run-off profile of the underlying mortgage loans is shown the chart below.

#### Run-off profile of covered bonds (DKK bn)



#### Issuer activity and funding plans

In January 2020, Jyske Bank issued new supplementary tier 2 capital in the amount of EUR 200m at an interest rate corresponding to 3-month CIBOR + 1.3%. The time to maturity of the issue is ten years with the right of early redemption after five years. In addition, Jyske Bank is on an on-going basis active in the French CP market. At the end of the first half of 2020, the outstanding volume under the CP programme amounted to DKK 28.5 bn against DKK 15.6 bn at the end of 2019.

The release of the counter-cyclical buffer in March 2020 and Jyske Bank's tier 2 issue in January 2020 resulted in a reduction of the Group's need to issue non-preferred senior debt in order to meet the minimum requirement for own funds and eligible liabilities (MREL). The implementation of the amendments to the EU Crisis Management Directive (BRRD II) also entails that a part of the MREL can be met with preferred senior debt, which also reduces the need to issue non-preferred senior debt.

Depending on the market conditions, among other things, Jyske Bank aims at issuing MREL-eligible debt instruments in the amount of EUR 500m in the second half of 2020. Once the transitional arrangements for MREL have been phased out at the beginning of 2022, Jyske Bank anticipates a requirement for MREL-eligible debt instruments in an amount of about DKK 16 bn, of which DKK 4 bn - 5 bn in preferred senior debt and DKK 11 bn - 12 bn in the form of non-preferred senior debt.

## 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
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
<b>Jyske Realkredit Bond issues</b>		
Capital Centre E covered bonds	AAA	
Capital Centre B mortgage bonds	AAA	

## 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 2020	Q4 2019
Sum of large exposures <175% of common equity tier 1 capital	88%	84%
Increase in loans and advances <20% annually	-8%	-7%
Exposures to property administration and property transactions <25% of total loans and advances	10%	10%
Funding ratio <1	0.50	0.52
Liquidity benchmark >100%	169%	188%

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

## The supervisory diamond for Jyske Realkredit A/S

	Q2 2020	Q4 2019
<b>Concentration risk &lt;100%</b>	48.5%	47.9%
<b>Increase in loans &lt;15% annually in the segment:</b>		
Owner-occupied homes and vacation homes	-0.2%	2.4%
Residential rental property	4.1%	0.2%
Other sectors	5.9%	6.1%
<b>Borrower's interest-rate risk &lt;25%</b>		
Residential property	17.5%	17.8%
<b>Interest-only schemes &lt;10%</b>		
Owner-occupied homes and vacation homes	6.1%	6.4%
<b>Loans with frequent interest-rate fixing:</b>		
Refinancing (annually) <25%	16.3%	15.0%
Refinancing (quarterly) <12.5%	4.3%	1.7%

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

## Other Information

### **Jyske Bank (Gibraltar) Ltd.**

The sale of Jyske Bank (Gibraltar) Ltd. to Rooke Investments Ltd. was completed on 3 April 2020. Jyske Bank (Gibraltar)'s equity amounted to DKK 686m, loans and advances to DKK 1.4 bn, and deposits to DKK 4.0 bn. Also, the company had 81 full-time employees.

In the first half of 2020, the completion of the sale resulted in total expenses of DKK 75m. In the first quarter, the earnings of Jyske Bank (Gibraltar) amounted to about DKK 4m, which are included in the ordinary items for the first half of the year.

Moreover, in the first half of the year, Jyske Bank sold the owner-occupied property in Gibraltar at the carrying amount to Rooke Investments Ltd.

### **Further information**

For further information, please see [investor.jyskebank.com/investorrelations](https://investor.jyskebank.com/investorrelations). Here you will find an interview with Anders Dam, CEO and Managing Director, detailed financial information as well as Jyske Bank's Annual Report 2019 and Risk and Capital Management 2019, which give further information about Jyske Bank's internal risk and capital management as well as regulatory issues, including a description of the most important risks and elements of uncertainty that may affect Jyske Bank.

Also, please see [www.jyskerealkredit.com](https://www.jyskerealkredit.com). Jyske Realkredit's interim financial report for the first half of 2020, the Annual Report for 2019 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 2020	H1 2019	Index 20/19	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	FY 2019
Net interest income	1,098	1,183	93	579	519	550	568	590	2,301
Net fee and commission income	1,325	1,350	98	547	778	802	816	721	2,968
Value adjustments	129	136	95	198	-69	256	-63	-37	329
Other income	47	98	48	21	26	34	-12	61	120
<b>Core income</b>	<b>2,599</b>	<b>2,767</b>	<b>94</b>	<b>1,345</b>	<b>1,254</b>	<b>1,642</b>	<b>1,309</b>	<b>1,335</b>	<b>5,718</b>
Core expenses	2,251	2,291	98	1,034	1,217	1,089	1,150	1,131	4,530
<b>Core profit before loan impairment charges</b>	<b>348</b>	<b>476</b>	<b>73</b>	<b>311</b>	<b>37</b>	<b>553</b>	<b>159</b>	<b>204</b>	<b>1,188</b>
Loan impairment charges	330	-6	-	-125	455	-99	-33	-19	-138
<b>Core profit</b>	<b>18</b>	<b>482</b>	<b>4</b>	<b>436</b>	<b>-418</b>	<b>652</b>	<b>192</b>	<b>223</b>	<b>1,326</b>
Investment portfolio earnings	-227	-61	-	223	-450	144	-136	-50	-53
<b>Pre-tax profit</b>	<b>-209</b>	<b>421</b>	<b>-</b>	<b>659</b>	<b>-868</b>	<b>796</b>	<b>56</b>	<b>173</b>	<b>1,273</b>

#### Summary of balance sheet, end of period (DKKbn)

Loans and advances	122.6	123.8	99	122.6	129.0	128.7	125.7	123.8	128.7
- of which traditional loans and advances	76.2	84.1	91	76.2	79.6	79.0	82.3	84.1	79.0
- of which new home loans	3.4	4.7	72	3.4	3.4	3.4	4.0	4.7	3.4
- of which repo loans	43.0	35.0	123	43.0	46.0	46.3	39.4	35.0	46.3
Total assets	253.5	244.4	104	253.5	274.9	242.6	248.8	244.4	242.6
Deposits	145.7	152.5	96	145.7	146.6	140.0	157.6	152.5	140.0
- of which bank deposits	131.8	139.2	95	131.8	131.0	126.7	137.9	139.2	126.7
- of which repo deposits and tri-party deposits	13.9	13.3	105	13.9	15.6	13.3	19.7	13.3	13.3
Issued bonds	42.2	38.4	110	42.2	36.8	38.6	39.4	38.4	38.6

Banking activities cover advisory services relating to traditional financial solutions targeting personal clients, private banking clients as well as corporate clients and also trading and investment activities targeting corporate clients and institutional clients, including trading in interest-rate products, currencies, equities, commodities and derivatives.

The strategic balance sheet and risk management as well as the investment portfolio earnings of Jyske Bank are also allocated to Banking activities.

#### Pre-tax profit

Pre-tax profit amounted to DKK -209m in the first half of 2020 against DKK 421m in the corresponding period in 2019. The lower profit can primarily be attributed to a higher management's estimate for impairment charges following the outbreak of COVID-19 as well as lower investment portfolio earnings and net interest income.

#### Core income

Core income fell by 6% relative to the first half of 2019. The decline can primarily be attributed to lower net interest income.

Net interest income amounted to DKK 1,098m against DKK 1,183m in the same period in 2019, corresponding to a decline by 7%. The decline can, in addition to the sale of Jyske Bank (Gibraltar), be attributed to higher funding costs as well as a lower net interest income relating to trading activities. Lower bank loans and advances and pressure on lending rates were compensated for by lower deposit rates.

Net fee and commission income fell by 2% to DKK 1,325m from DKK 1,350m in the first half of 2019. The first half of 2020 saw performance fees in the amount of DKK 67m against DKK 38m in the corresponding period of 2019. Adjusted for this item, net fee and commission income fell by 4%, as the outbreak of COVID-19 challenged, in particular, the income from money transfers and card payments, while remortgaging activity fell in the second quarter of 2020.

Value adjustments fell to DKK 129m from DKK 136m in the first half of 2019 due to a decline by DKK 72m in value adjustment from the strategic

balance sheet and risk management. The effect from the turbulent financial markets following the outbreak of COVID-19 was more than offset by the development in the second quarter of 2020.

### Core expenses

Compared with the same period of 2019, core expenses fell by 2% in the first half of 2020 despite extraordinary expenses of DKK 75m relating to the sale of Jyske Bank (Gibraltar) as well as the increased payroll tax and contributions to the Resolution Fund under Finansiel Stabilitet (the Danish resolution authority). Adjusted for extraordinary expenses, core expenses fell by 5% relative to the first half of 2019 due to the lower number of employees. To this must be added that the outbreak of COVID-19 reduced travel expenses, among other things, in the first half of 2020.

### Impairment charges

Loan impairment charges and provisions for guarantees amounted to an expense of DKK 330m against an income of DKK 6m in the first half of 2019. Of the impairment charges in the first half of 2020, DKK 575m can be attributed to a higher management's estimate relating to the outbreak of COVID-19. The estimate was partially offset by the continuing positive development, among other things in the situation of agricultural clients.

### Investment portfolio earnings

For the first half of 2020, investment portfolio earnings amounted to DKK -227m against DKK -61m for the same period of 2019. The negative earnings can in particular be attributed to the market turmoil caused by the outbreak of COVID-19, resulting in widening of the spreads on Danish mortgage bonds and a flatter yield curve. To this must be added a negative effect from certain currency positions.

### Business volume

At the end of the first half of 2020, traditional bank loans and advances amounted to DKK 76.2 bn, i.e. a decline 4% relative to the level at the end of 2019. The decline took place in the second quarter, where particularly loans and advances for corporate clients fell due to the limited demand for credit following the outbreak of COVID-19 as well as the launch of extraordinary economic support from the Danish government. Loans and advances for personal clients continued to decline.

At the end of the first half of 2020, bank deposits amounted to DKK 131.8 bn, reflecting an increase by 4% relative to the level at the end of 2019 caused by higher deposits from corporate clients.

### Q2 2020 compared to Q1 2020

Pre-tax profit rose to DKK 659m in Q2 from DKK -868m in Q1 2020.

Core income amounted to DKK 1,345m against DKK 1,254m in Q1, as higher value adjustments and net interest income more than offset lower net fee and commission income.

Net interest income rose by 12% to DKK 579m against DKK 519m in Q1. The increase can be attributed to lower deposit rates after the limit for zero interest on personal clients' deposits was lowered to DKK 250,000 as of 1 May and to a higher contribution to net interest income from trading activities. These circumstances more than compensated for the falling bank loans and advances and the sale of Jyske Bank (Gibraltar).

Net fee and commission income came to DKK 547m against DKK 778m in Q1. The decline was caused by lower remortgaging activity and the absence of performance fees, which amounted to DKK 67m in Q1. To this must be added seasonally lower refinancing activity and fee income relating to Letpension and Letsikring as well as the sale of Jyske Bank (Gibraltar). Finally, the outbreak of COVID-19 reduced activity levels and affected in particular payment services, while mix effects reduced wealth management fees.

Value adjustments rose to DKK 198m from DKK -69m. Contrary to Q1, value adjustments were favourably affected by the development in the financial markets, including the narrowing of credit spreads and rising equity markets.

Core expenses fell to DKK 1,034m from DKK 1,217m. In Q1, core expenses relating to operations and the sale of Jyske Bank (Gibraltar) totalled about DKK 100m. To this must be added the lower number of employees, lower IT expenses and a broad-based reduction of administrative expenses, among other things due to less travelling after the COVID-19 outbreak.

Loan impairment charges and provisions for guarantees amounted to an income of DKK 125m against an expense of DKK 455m in the preceding quarter. Q1 was impacted by a higher management's estimate for impairment charges due to expected economic effects from the outbreak of COVID-19.

Investment portfolio earnings rose to DKK 223m from DKK -450m in Q1 and were favourably affected by narrowing credit spreads and currency positions.

## Mortgage Activities

### Summary of income statement (DKKm)

	H1 2020	H1 2019	Index 20/19	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	FY 2019
Administration margin income, etc. <sup>1</sup>	1,167	1,158	101	580	587	590	586	582	2,334
Other net interest income	21	33	64	15	6	15	10	21	58
Net fee and commission income	-247	-297	83	-128	-119	-144	-200	-165	-641
Value adjustments	77	49	157	74	3	-21	-23	23	5
Other income	0	1	-	0	0	4	17	1	22
<b>Core income</b>	<b>1,018</b>	<b>944</b>	<b>108</b>	<b>541</b>	<b>477</b>	<b>444</b>	<b>390</b>	<b>462</b>	<b>1,778</b>
Core expenses	172	157	110	85	87	77	76	78	310
<b>Core profit before loan impairment charges</b>	<b>846</b>	<b>787</b>	<b>107</b>	<b>456</b>	<b>390</b>	<b>367</b>	<b>314</b>	<b>384</b>	<b>1,468</b>
Loan impairment charges	606	17	3,565	121	485	41	-23	43	35
<b>Pre-tax profit</b>	<b>240</b>	<b>770</b>	<b>31</b>	<b>335</b>	<b>-95</b>	<b>326</b>	<b>337</b>	<b>341</b>	<b>1,433</b>

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

### Summary of balance sheet (DKKbn)

Mortgage loans	339.8	336.9	101	339.8	336.6	337.5	338.7	336.9	337.5
Total assets	367.0	380.2	97	367.0	376.7	384.9	391.6	380.2	384.9
Issued bonds	344.1	350.7	98	344.1	353.2	357.0	359.5	350.7	357.0

Mortgage activities comprise financial solutions for the financing of real property carried out by Jyske Realkredit. Mortgage activities are aimed mainly at Danish personal clients, corporate clients and subsidised rental housing.

### Pre-tax profit

Pre-tax profit amounted to DKK 240m in the first half of 2020 against DKK 770m in the corresponding period in 2019. The profit for the first half of 2020 was affected by an increased management's estimate relating to impairment charges in the amount of DKK 415m in consequence of the outbreak of COVID-19.

### Core income

Core income amounted to DKK 1,018m in the first half of 2020 against DKK 944m in the first half of 2019. The increase can primarily be attributed to higher net fee and commission income as well as value adjustments.

Administration margin income, etc. increased by 1% to DKK 1,167m in the first half of 2020. Hence, to some extent, margin pressure counteracted an increase by 2% of mortgage loans stated at nominal value over the same period. Personal clients, in particular, opted for products for which the administration margin rate and risk are lower during the elevated remortgaging activity in Q2 2019-Q1 2020.

Other net interest income fell to DKK 21m from DKK 33m in the first half of 2019. The decline can be attributed to a lower interest on the portfolio of securities.

In the first half of 2020, net fee and commission income amounted to DKK -247m against DKK -297m in the first half of 2019. The improvement can be attributed to lower distribution fee payments.

Due to the positive development in the financial markets in the second quarter of 2020, value adjustments amounted to DKK 77m in the first half of 2020 against DKK 49m in the first half of 2019.

### Core expenses

Core expenses amounted to DKK 172m in the first half of 2020 against DKK 157m for the same period of 2019. The increase can be attributed to a higher number of split employees allocated to Jyske Realkredit.

### Impairment charges

Loan impairment charges and provisions for guarantees amounted to an expense of DKK 606m in the first half of 2020 against DKK 17m in the first half of 2019. Of the impairment charges in the first half of 2020, DKK 415m can be attributed to a higher management's estimate relating to the outbreak of COVID-19. The remaining part of the increase relates primarily to single name-driven individual impairment charges due to a reassessment of the value of the underlying collateral provided.

## Business volume

Mortgage loans at fair value rose to DKK 339.8 bn from DKK 337.5 bn at the end of 2019. Nominal mortgage loans rose by 1% to DKK 330.7 bn from DKK 327.8 bn, primarily due to a higher volume of loans to corporate clients.

For further details about Jyske Realkredit, please see Jyske Realkredit's Interim Financial Report for the first half of 2020.

## Q2 2020 compared to Q1 2020

In Q2 2020, pre-tax profit amounted to DKK 335m against DKK -95m in Q1. The increase can be attributed to higher impairment charges recorded in the first quarter in consequence of a higher management's estimate following the COVID-19 outbreak.

Administration margin income, etc. amounted to DKK 580m in the second quarter of 2020 against DKK 587m in the first quarter of 2020. The decline can mainly be attributed to personal clients remortgaging to products for which the administration margin rate and the risk are lower.

Other net interest income amounted to DKK 15m against DKK 6m in the preceding quarter. The increase can chiefly be attributed to a higher interest on the portfolio of securities.

Net fee and commission income amounted to DKK -128m against DKK -119m in the first quarter of 2020. The decline was caused by lower remortgaging and refinancing activity.

Value adjustments amounted to DKK 74m against DKK 3m in the first quarter of 2020. The increase was caused by a positive development in the financial markets with narrowing spreads for Danish mortgage bonds contrary to the preceding quarter.

Core expenses amounted to DKK 85m in the second quarter of 2020 against DKK 87m in the preceding quarter.

Impairment charges amounted to an expense of DKK 121m in the second quarter of 2020 against an expense of DKK 485m in the first quarter of 2020. The primary reason for the lower level was that a management's estimate relating to COVID-19 was recognised in the first quarter of 2020.

## Leasing Activities

### Summary of income statement (DKKm)

	H1 2020	H1 2019	Index 20/19	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	FY 2019
Net interest income	229	229	100	113	116	115	115	116	459
Net fee and commission income	-21	-6	350	-12	-9	-5	-5	-2	-16
Value adjustments	12	0	-	59	-47	17	-9	6	8
Other income	9	7	129	5	4	3	2	-3	12
Income from operating lease (net)	7	58	12	-1	8	15	28	34	101
<b>Core income</b>	<b>236</b>	<b>288</b>	<b>82</b>	<b>164</b>	<b>72</b>	<b>145</b>	<b>131</b>	<b>151</b>	<b>564</b>
Core expenses	87	93	94	45	42	47	49	47	189
<b>Core profit before loan impairment charges and provisions for guarantees</b>	<b>149</b>	<b>195</b>	<b>76</b>	<b>119</b>	<b>30</b>	<b>98</b>	<b>82</b>	<b>104</b>	<b>375</b>
Loan impairment charges	75	-18	-	12	63	-6	26	-15	2
<b>Pre-tax profit</b>	<b>74</b>	<b>213</b>	<b>35</b>	<b>107</b>	<b>-33</b>	<b>104</b>	<b>56</b>	<b>119</b>	<b>373</b>

### Summary of balance sheet, end of period (DKKbn)

Loans and advances	19.1	19.2	99	19.1	19.6	19.7	19.4	19.2	19.7
Total assets	21.7	21.9	99	21.7	22.5	22.1	22.1	21.9	22.1
Deposits	0.2	0.2	100	0.2	0.2	0.2	0.2	0.2	0.2

Leasing activities cover financial solutions in the form of leasing and financing within car financing as well as leasing and financing of equipment for the corporate sector. The activities primarily target Danish personal and corporate clients as well as dealer cooperation schemes and partnerships. Secondly, the activities target car financing in Sweden.

### Pre-tax profit

In the first half of 2020, pre-tax profit amounted to DKK 74m against DKK 213m in the first half of 2019. The decline was primarily caused by higher impairment charges relating to the outbreak of COVID-19, which also resulted in lower income from operating lease (net).

Net interest income was unchanged at DKK 229m in the first half of 2020, as the higher average business volume during in the first half of the year countered the margin pressure.

Net fee and commission income amounted to DKK -21m in the first half of 2020 against DKK -6m in the same period in 2019.

Value adjustments increased to DKK 12m against DKK 0m in the first half of 2019. The increase was caused by a value adjustment of a shareholding.

Income from operating lease (net) fell to DKK 7m from DKK 58m, as expected residual values of cars under operating lease were written down due to the outbreak of COVID-19. To this must be added writedowns on certain car models.

Expenses fell by 6% relative to the first half of 2019.

Loan impairment charges rose to DKK 75m against an income of DKK 18m in the first half of 2019. The increase can be attributed to a management's estimate of DKK 55m for impairment charges after the outbreak of COVID-19.

### Business volume

In the first half of 2020, loans under leasing activities fell by 1% to DKK 19.1 bn relative to the same period in 2019. The decline was seen in the second quarter of 2020 when clients reduced their inventories due to the lower levels of activity following the outbreak of COVID-19.

### Q2 2020 compared to Q1 2020

Pre-tax profit amounted to DKK 107m against DKK -33m in Q1. The improvement was primarily caused by higher value adjustments and lower impairment charges.

Core income rose to DKK 164m from DKK 72m. The development can be attributed to the foreign currency hedging of the Swedish portfolio in EUR, which contrary to the first quarter resulted in a positive effect in the second quarter. The effect from the foreign currency hedging was partially offset in income from operating lease (net), which in the first quarter was also affected by an estimate of DKK 30m relating to the COVID-19 outbreak.

Core expenses rose by DKK 3m to DKK 45m.

Impairment charges amounted to DKK 12m vs. DKK 63m in Q1, where a management's estimate for impairment charges due to the outbreak of COVID-19 was booked.

	DKKm	H1 2020	H1 2019	Q2 2020	Q2 2019
<b>Income statement</b>					
5	Interest income calculated according to the effective interest method	1,630	1,658	759	785
5	Other interest income	2,997	3,571	1,514	1,843
6	Interest expenses	2,067	2,563	961	1,280
	<b>Net interest income</b>	<b>2,560</b>	<b>2,666</b>	<b>1,312</b>	<b>1,348</b>
7	Fees and commission income	1,263	1,265	509	655
	Fees and commission expenses	206	218	102	101
	<b>Net interest and fee income</b>	<b>3,617</b>	<b>3,713</b>	<b>1,719</b>	<b>1,902</b>
8	Value adjustments	-38	75	537	-91
9	Other income	354	373	167	192
10	Employee and administrative expenses, etc.	2,474	2,492	1,146	1,236
	Amortisation, depreciation and impairment charges	343	272	168	125
12	Loan impairment charges	1,011	-7	8	9
	<b>Pre-tax profit</b>	<b>105</b>	<b>1,404</b>	<b>1,101</b>	<b>633</b>
11	Tax	23	295	239	134
	<b>Net profit for the period</b>	<b>82</b>	<b>1,109</b>	<b>862</b>	<b>499</b>
	Distributed to:				
	Jyske Bank A/S shareholders	-1	1,037	820	459
	Holders of Additional Tier 1 Capital (AT1)	83	72	42	40
	<b>Total</b>	<b>82</b>	<b>1,109</b>	<b>862</b>	<b>499</b>
<b>Earnings per share for the period</b>					
	Earnings per share for the period, DKK	-0.02	12.81	11.29	5.71
	Earnings per share for the period, DKK, diluted	-0.02	12.81	11.29	5.71
<b>Statement of Comprehensive Income</b>					
	Net profit for the period	82	1,109	862	499
	Other comprehensive income:				
	<i>Items that can be recycled to the income statement:</i>				
	Foreign currency translation adjustment of international units	-20	3	7	-29
	Hedge accounting of international units	20	-3	-7	29
	Tax on hedge accounting	-6	1	0	-6
	<b>Other comprehensive income after tax</b>	<b>-6</b>	<b>1</b>	<b>0</b>	<b>-6</b>
	<b>Comprehensive income for the period</b>	<b>76</b>	<b>1,110</b>	<b>862</b>	<b>493</b>
	Distributed to:				
	Jyske Bank A/S shareholders	-7	1,038	820	453
	Holders of Additional Tier 1 Capital (AT1)	83	72	42	40
	<b>Total</b>	<b>76</b>	<b>1,110</b>	<b>862</b>	<b>493</b>

	DKKm	30 June 2020	31 Dec. 2019	30 June 2019
<b>BALANCE SHEET</b>				
<b>ASSETS</b>				
	Cash balance and demand deposits with central banks	10,862	9,889	15,067
	Due from credit institutions and central banks	15,867	23,392	14,199
15,16	Loans and advances at fair value	342,231	339,906	340,210
17	Loans and advances at amortised cost	139,297	145,994	139,665
	Bonds at fair value	71,646	78,333	85,799
	Bonds at amortised cost	20,511	11,136	9,476
	Shares, etc.	2,568	2,422	3,333
	Intangible assets	0	1	2
	Property, plant and equipment	4,404	4,530	4,402
	Tax assets	302	168	774
	Assets held temporarily with a view to sale	263	2,476	586
18	Other assets	34,166	31,491	32,903
	<b>Total assets</b>	<b>642,117</b>	<b>649,738</b>	<b>646,416</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Liabilities</b>				
	Due to credit institutions and central banks	23,650	29,278	21,306
19	Deposits	145,923	140,235	152,719
20	Issued bonds at fair value	339,618	357,037	350,746
	Issued bonds at amortised cost	46,658	38,556	38,386
	Liabilities in disposal group with a view to sale	5	4,037	0
21	Other liabilities	43,766	39,189	41,826
22	Provisions	1,497	1,369	1,708
23	Subordinated debt	5,805	4,327	4,335
	<b>Liabilities, total</b>	<b>606,922</b>	<b>614,028</b>	<b>611,026</b>
<b>Equity</b>				
	Share capital	776	776	816
	Revaluation reserve	205	205	243
	Retained profit	30,972	31,472	31,096
	Jyske Bank A/S shareholders	31,953	32,453	32,155
	Holders of Additional Tier 1 Capital (AT1)	3,242	3,257	3,235
	<b>Total equity</b>	<b>35,195</b>	<b>35,710</b>	<b>35,390</b>
	<b>Total equity and liabilities</b>	<b>642,117</b>	<b>649,738</b>	<b>646,416</b>

**Note**

Jyske Bank Group

DKKmn

**Statement of Changes in Equity**

	Share capital	Revaluation reserve	Currency translation reserve	Retained profit	Proposed dividend	Shareholders of Jyske Bank A/S	AT1 capital*	Total equity
Equity at 1 January 2020	776	205	0	31,472	0	32,453	3,257	35,710
Net profit for the period	0	0	0	-1	0	-1	83	82
Other comprehensive income:								
Properties other movements	0	0	0	0	0	0	0	0
Foreign currency translation for international units	0	0	-20	0	0	-20	0	-20
Hedge of international units	0	0	20	0	0	20	0	20
Tax on other comprehensive income	0	0	0	-6	0	-6	0	-6
Other comprehensive income after tax	0	0	0	-6	0	-6	0	-6
Comprehensive income for the period	0	0	0	-7	0	-7	83	76
Interest paid on Additional Tier 1 Capital	0	0	0	0	0	0	-83	-83
Currency translation adjustment	0	0	0	15	0	15	-15	0
Acquisition of own shares	0	0	0	-1,261	0	-1,261	0	-1,261
Sale of own shares	0	0	0	753	0	753	0	753
Transactions with owners	0	0	0	-493	0	-493	-98	-591
<b>Equity at 30 June 2020</b>	<b>776</b>	<b>205</b>	<b>0</b>	<b>30,972</b>	<b>0</b>	<b>31,953</b>	<b>3,242</b>	<b>35,195</b>
Equity at 1 January 2019	849	316	0	30,101	520	31,786	2,546	34,332
Net profit for the period	0	0	0	1,037	0	1,037	72	1,109
Other comprehensive income:								
Properties other movements	0	-73	0	73	0	0	0	0
Foreign currency translation for international units	0	0	3	0	0	3	0	3
Hedge of international units	0	0	-3	0	0	-3	0	-3
Tax on other comprehensive income	0	0	0	1	0	1	0	1
Other comprehensive income after tax	0	-73	0	74	0	1	0	1
Comprehensive income for the period	0	-73	0	1,111	0	1,038	72	1,110
AT1 capital issue	0	0	0	0	0	0	716	716
Transaction costs	0	0	0	-7	0	-7	0	-7
Interest paid on Additional Tier 1 Capital	0	0	0	0	0	0	-64	-64
Currency translation adjustment	0	0	0	35	0	35	-35	0
Proposed dividend reversed	0	0	0	520	-520	0	0	0
Reduction of share capital	-33	0	0	33	0	0	0	0
Acquisition of own shares	0	0	0	-1,240	0	-1,240	0	-1,240
Sale of own shares	0	0	0	543	0	543	0	543
Transactions with owners	-33	0	0	-116	-520	-669	617	-52
<b>Equity at 30 June 2019</b>	<b>816</b>	<b>243</b>	<b>0</b>	<b>31,096</b>	<b>0</b>	<b>32,155</b>	<b>3,235</b>	<b>35,390</b>

\*Additional Tier 1 Capital (AT1) has no maturity. Payment of interest and repayment of principal are voluntary. Therefore Additional Tier 1 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 issue until September 2021 are STIBOR+5.80% and CIBOR+5.30%, respectively. In September 2017, Jyske Bank issued AT1 amounting to EUR 150bn 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%. 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**

DKKmn	30 June 2020	31 Dec. 2019	30 June 2019
<b>Capital statement</b>			
Shareholders' equity	<b>31,953</b>	32,453	32,155
Share buy-back programme, non-utilised limit	<b>0</b>	-404	-218
Expected dividend, calculated as required by law	<b>0</b>	0	-255
Intangible assets	<b>0</b>	-1	-2
Prudent valuation	<b>-396</b>	-366	-334
Other deductions	<b>-82</b>	-27	-88
<b>Common Equity Tier 1 capital</b>	<b>31,475</b>	31,655	31,258
Additional Tier 1 Capital (AT1) after reduction	<b>3,475</b>	3,619	3,598
<b>Core capital</b>	<b>34,950</b>	35,274	34,856
Subordinated loan capital after reduction	<b>5,341</b>	3,763	3,780
<b>Capital base</b>	<b>40,291</b>	39,037	38,636
Weighted risk exposure involving credit risk etc.	<b>156,307</b>	153,912	161,749
Weighted risk exposure involving market risk	<b>10,707</b>	11,606	17,432
Weighted risk exposure involving operational risk	<b>14,680</b>	15,930	15,930
<b>Total weighted risk exposure</b>	<b>181,694</b>	181,448	195,111
Capital requirement, Pillar I	<b>14,536</b>	14,516	15,609
Capital ratio (%)	<b>22.2</b>	21.5	19.8
Core Tier 1 Capital ratio (%)	<b>19.2</b>	19.4	17.9
Common Equity Tier 1 capital ratio (%)	<b>17.3</b>	17.4	16.0

For a statement of the individual solvency requirement, please see Risk and Capital Management 2019 or [investor.jyskebank.com/investorrelations/capitalstructure](http://investor.jyskebank.com/investorrelations/capitalstructure).

Note	Jyske Bank Group	
	H1 2020	H1 2019
DKK m		
<b>Summary of cash flow statement</b>		
<b>Net profit for the period</b>	<b>82</b>	<b>1,109</b>
Adjustment for non-cash operating items and change in working capital	-7,253	9,121
<b>Cash flows from operating activities</b>	<b>-7,171</b>	<b>10,230</b>
Acquisition and sale of property, plant and equipment	-251	-126
Dividend received	33	35
<b>Cash flows from investment activities</b>	<b>-218</b>	<b>-91</b>
AT1 capital issue	0	709
Interest paid on Additional Tier 1 Capital	-83	-64
Acquisition of own shares	-1,261	-1,240
Sale of own shares	753	543
Additional subordinated debt	1,478	0
Redemption of subordinated debt	-11	-11
Repayment on lease commitment	-34	-34
<b>Cash flows from financing activities</b>	<b>842</b>	<b>-97</b>
<b>Cash flow for the period</b>	<b>-6,547</b>	<b>10,042</b>
Cash and cash equivalents, beginning of period	33,276	19,224
<b>Cash and cash equivalents, end of period</b>	<b>26,729</b>	<b>29,266</b>
Cash and cash equivalents, end of period, comprise:		
Cash balance and demand deposits with central banks	10,862	15,067
Due from credit institutions and central banks	15,867	14,199
<b>Cash and cash equivalents, end of period</b>	<b>26,729</b>	<b>29,266</b>

**1 Accounting policies**

The Interim Financial Report for the period 1 January to 30 June 2020 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.

The accounting policies are identical to those applied to and described in detail in the Annual Report 2019.

**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 the Annual Report 2019. 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.

The COVID-19 outbreak in the first quarter of 2020 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 and provisions for guarantees.

DKKm

**Q2 2020**    Q1 2020    Q4 2019    Q3 2019    Q2 2019

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

Net interest income	<b>1,312</b>	1,248	1,303	1,342	1,348
Net fee and commission income	<b>407</b>	650	653	611	554
Value adjustments	<b>537</b>	-575	371	-286	-91
Other income	<b>167</b>	187	180	138	192
<b>Income</b>	<b>2,423</b>	1,510	2,507	1,805	2,003
Expenses	<b>1,314</b>	1,503	1,345	1,386	1,361
<b>Profit or loss before loan impairment charges</b>	<b>1,109</b>	7	1,162	419	642
Loan impairment charges	<b>8</b>	1,003	-64	-30	9
<b>Pre-tax profit</b>	<b>1,101</b>	-996	1,226	449	633
Tax	<b>239</b>	-216	260	84	134
<b>Net profit for the period</b>	<b>862</b>	-780	966	365	499

**Financial ratios and key figures**

Pre-tax profit, per share (DKK)*	<b>14.6</b>	-14.0	15.7	5.3	7.4
Earnings per share for the period (DKK)*	<b>11.3</b>	-11.1	12.2	4.2	5.7
Earnings per share for the period (diluted) (DKK)*	<b>11.3</b>	-11.1	12.2	4.2	5.7
Core profit per share (DKK)*	<b>11.5</b>	-7.9	13.8	7.0	8.0
Share price at end of period (DKK)	<b>195</b>	169	243	221	228
Book value per share (DKK)*	<b>440</b>	430	434	418	408
Price/book value per share (DKK)*	<b>0.44</b>	0.4	0.6	0.5	0.6
Outstanding shares in circulation ('000)	<b>72,557</b>	72,655	74,841	76,582	78,814
Average number of shares in circulation ('000)	<b>72,564</b>	73,991	75,637	77,515	80,364
Capital ratio (%)	<b>22.2</b>	21.5	21.5	20.2	19.8
Tier 1 Capital ratio (%)	<b>19.2</b>	18.6	19.4	18.2	17.9
Common Equity Tier 1 capital ratio (%)	<b>17.3</b>	16.7	17.4	16.3	16.0
Pre-tax profit as a pct. of average equity	<b>3.3</b>	-3.3	3.7	1.3	1.8
Profit for the period as a pct. of av. equity*	<b>2.6</b>	-2.6	3.0	1.0	1.4
Income/cost ratio (%), inclusive of impairment charges	<b>1.0</b>	0.6	2.0	1.3	1.5
Interest-rate risk (%)	<b>0.8</b>	1.4	0.5	0.2	-0.1
Currency risk (%)	<b>0.1</b>	0.0	0.0	0.0	0.0
Accumulated impairment ratio (%)	<b>1.2</b>	1.2	1.0	1.0	1.0
Impairment ratio for the period (%)	<b>0.0</b>	0.2	0.0	0.0	0.0
No. of full-time employees at end-period	<b>3,469</b>	3,565	3,614	3,693	3,713
Average number of full-time employees in the period	<b>3,517</b>	3,590	3,654	3,703	3,711

\*Financial ratios are calculated as if Additional Tier 1 Capital (AT1) is recognised as a liability.

DKKm

**4 Segmental financial statements**

	Banking activities	Mortgage activities	Leasing activities	The Jyske Bank Group*
<b>H1 2020</b>				
Net interest income	1,098	1,188	229	2,515
Net fee and commission income	1,325	-247	-21	1,057
Value adjustments	129	77	12	218
Other income	47	0	9	56
Income from operating lease (net)	0	0	7	7
<b>Core income</b>	<b>2,599</b>	<b>1,018</b>	<b>236</b>	<b>3,853</b>
Core expenses	2,251	172	87	2,510
<b>Core profit before loan impairment charges and provisions for guarantees</b>	<b>348</b>	<b>846</b>	<b>149</b>	<b>1,343</b>
Loan impairment charges	330	606	75	1,011
<b>Core profit</b>	<b>18</b>	<b>240</b>	<b>74</b>	<b>332</b>
Investment portfolio earnings	-227	0	0	-227
<b>Pre-tax profit</b>	<b>-209</b>	<b>240</b>	<b>74</b>	<b>105</b>
Loans and advances	122,607	339,801	19,120	481,528
- of which mortgage loans	0	339,801	0	339,801
- of which bank loans	79,625	0	19,120	98,745
- of which repo loans	42,982	0	0	42,982
Total assets	253,468	366,986	21,663	642,117
Deposits	145,709	0	214	145,923
- of which bank deposits	131,807	0	214	132,021
- of which repo deposits and tri-party deposits	13,902	0	0	13,902
Issued bonds	42,206	344,070	0	386,276
<b>H1 2019</b>				
Net interest income	1,183	1,191	229	2,603
Net fee and commission income	1,350	-297	-6	1,047
Value adjustments	136	49	0	185
Other income	98	1	7	106
Income from operating lease (net)	0	0	58	58
<b>Core income</b>	<b>2,767</b>	<b>944</b>	<b>288</b>	<b>3,999</b>
Core expenses	2,291	157	93	2,541
<b>Core profit before loan impairment charges and provisions for guarantees</b>	<b>476</b>	<b>787</b>	<b>195</b>	<b>1,458</b>
Loan impairment charges	-6	17	-18	-7
<b>Core profit</b>	<b>482</b>	<b>770</b>	<b>213</b>	<b>1,465</b>
Investment portfolio earnings	-61	0	0	-61
<b>Pre-tax profit</b>	<b>421</b>	<b>770</b>	<b>213</b>	<b>1,404</b>
Loans and advances	123,810	336,881	19,184	479,875
- of which mortgage loans	0	336,881	0	336,881
- of which bank loans	88,846	0	19,184	108,030
- of which repo loans	34,964	0	0	34,964
Total assets	244,380	380,161	21,875	646,416
Deposits	152,489	0	230	152,719
- of which bank deposits	139,141	0	230	139,371
- of which repo deposits and tri-party deposits	13,348	0	0	13,348
Issued bonds	38,386	350,746	0	389,132

\* The relationship between income statement items under 'The Jyske Bank Group' (key financial data) and the income statement page 19 appears from the next page.

DKKm

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

The pre-tax profit for the first half of 2020 broken down by core earnings and investment portfolio earnings is stated below:

**Breakdown of the net profit or loss for the period**

DKKm

	H1 2020				H1 2019			
	Core profit	Investment portfolio earnings	Reclassification	Total	Core profit	Investment portfolio earnings	Reclassification	Total
Net interest income	2,515	47	-2	2,560	2,603	50	13	2,666
Net fee and commission income	1,057	0	0	1,057	1,047	0	0	1,047
Value adjustments	218	-258	2	-38	185	-97	-13	75
Other income	56	0	6	62	106	2	10	118
Income from operating lease (net)	7	0	285	292	58	0	197	255
<b>Income</b>	<b>3,853</b>	<b>-211</b>	<b>291</b>	<b>3,933</b>	<b>3,999</b>	<b>-45</b>	<b>207</b>	<b>4,161</b>
Expenses	2,510	16	291	2,817	2,541	16	207	2,764
<b>Profit before loan impairment charges and provisions for guarantees</b>	<b>1,343</b>	<b>-227</b>	<b>0</b>	<b>1,116</b>	<b>1,458</b>	<b>-61</b>	<b>0</b>	<b>1,397</b>
Loan impairment charges	1,011	0	0	1,011	-7	0	0	-7
<b>Pre-tax profit</b>	<b>332</b>	<b>-227</b>	<b>0</b>	<b>105</b>	<b>1,465</b>	<b>-61</b>	<b>0</b>	<b>1,404</b>

**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 19.

Reclassification relates to the following:

- Income of DKK 2m (first half of 2019: expenses of DKK 13m) due to value adjustments relating to the balance principle at Jyske Realkredit was reclassified from value adjustments to interest income. Income of DKK 6m (first half of 2019: DKK 10m) from external sales was reclassified from income to offsetting against expenses.
- Income of DKK 6m (first half of 2019: DKK 10m) from external sales was reclassified from income to offsetting against expenses.
- Depreciation and amortisation of DKK 285m (first half of 2019: DKK 197m) 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 for the period (diluted)", "Pre-tax profit p.a. as a percentage of average equity" and "Net profit for the period p.a. as a percentage of average equity" are calculated as if Additional Tier 1 capital was recognised as a liability. In the numerator, the profit is less interest expenses of DKK 83m (first half of 2019: DKK 72m) for Additional Tier 1 Capital (AT1), and the denominator is calculated as equity exclusive of Additional Tier 1 Capital (AT1) of DKK 3,242m. (first half of 2019: DKK 3,235m).

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

"Book value per share" and "Price/book value per share" are calculated as if Additional Tier 1 Capital (AT1) is accounted for as liabilities. Book value was calculated exclusive of Additional Tier 1 Capital (AT1) of DKK 3,242m (first half of 2019: DKK 3,235m).

DKKm

**4 Segmental financial statements, cont.**
**H1 2020**
**H1 2019**

Revenue by country	Revenue	Full-time employees, end of period	Revenue	Full-time employees, end of period
Denmark	6,194	3,412	6,765	3,594
Gibraltar	28	0	53	89
Germany	8	8	5	9
<b>Total</b>	<b>6,230</b>	<b>3,420</b>	<b>6,823</b>	<b>3,692</b>

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

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

Activities in individual countries:

Denmark: The Jyske Bank Group has activities within banking and mortgage banking, trading and wealth management advice as well as leasing.

Gibraltar: Until 3 April 2020, the Jyske Bank Group had activities within banking as well as trading and wealth management advice.

Germany: The Jyske Bank Group has activities within banking.

DKKm	H1 2020	H1 2019
<b>5 Interest income</b>		
Due from credit institutions and central banks	10	10
Loans and advances	2,782	3,523
Administration margin	922	875
Bonds	251	353
Derivatives, total	193	197
Of which:		
Currency contracts	198	152
Interest-rate contracts	-5	45
Others	0	1
<b>Total</b>	<b>4,158</b>	<b>4,959</b>
Interest on own mortgage bonds, set off against interest on issued bonds	62	91
<b>Total after offsetting of negative interest</b>	<b>4,096</b>	<b>4,868</b>
Negative interest income set off against interest income	207	136
Negative interest expenses set off against interest expenses	324	225
<b>Total before offsetting of negative interest income</b>	<b>4,627</b>	<b>5,229</b>

Negative interest income amounted to DKK 207m (2019: DKK 136m) and related primarily to repo transactions. In the above table, negative interest income is set off against interest income. In the income statement, negative interest income is listed as interest expenses, and negative interest expenses are listed as interest income.

<b>6 Interest expenses</b>		
Due to credit institutions and central banks	68	41
Deposits	-159	14
Issued bonds	1,684	2,146
Subordinated debt	54	49
Other	-49	43
<b>Total</b>	<b>1,598</b>	<b>2,293</b>
Interest on own mortgage bonds, set off against interest on issued bonds	62	91
<b>Total after offsetting of negative interest</b>	<b>1,536</b>	<b>2,202</b>
Negative interest expenses set off against interest expenses	324	225
Negative interest income set off against interest income	207	136
<b>Total before offsetting of negative interest income</b>	<b>2,067</b>	<b>2,563</b>

Negative interest expenses amounted to DKK 324m (2019: DKK 225m) and related primarily to repo transactions. In the above table, negative interest expenses are set off against interest expenses. In the income statement, negative interest expenses are listed as interest income, and negative interest income is listed as interest expenses.

<b>7 Fees and commission income</b>		
Securities trading and custody services	674	648
Money transfers and card payments	87	105
Loan application fees	213	220
Guarantee commission	53	56
Other fees and commissions	236	236
<b>Total</b>	<b>1,263</b>	<b>1,265</b>

Fee income for the period, amounting to DKK 1,263m less the fees and commissions paid for the period of DKK 206m, constitutes the net fee and commission income for the period in the amount of DKK 1,057m (2019: DKK 1,047m). These are recognised in the segmental financial statements for the bank's three business areas, cf. note 4.

	DKKm	H1 2020	H1 2019
<b>8 Value adjustments</b>			
Loans and advances at fair value		56	5,584
Bonds		-14	318
Shares, etc.		116	163
Currency		-39	41
Currency, interest-rate, share, commodity and other contracts as well as other derivatives		99	217
Issued bonds		-244	-6,221
Other assets and liabilities		-12	-27
<b>Total</b>		<b>-38</b>	<b>75</b>
<b>9 Other income</b>			
Income on real property		24	24
Profit on the sale of property, plant and equipment		0	34
Income from operating lease <sup>1</sup>		292	255
Dividends, etc.		33	35
Profit on investments in associates and group enterprises		-19	9
Other income		24	16
<b>Total</b>		<b>354</b>	<b>373</b>
 <sup>1</sup> ) Expenses relating to operating lease affected the item Amortisation, depreciation and impairment charges in the amount of DKK 285m in the first half of 2020 against DKK 197m in the same period of 2019.			
<b>10 Employee and administrative expenses</b>			
<b>Employee expenses</b>			
Wages and salaries, etc.		1,170	1,191
Pensions		159	145
Social security		166	164
<b>Total</b>		<b>1,495</b>	<b>1,500</b>
<b>Salaries and remuneration to management bodies</b>			
Executive Board		17	17
Supervisory Board		4	4
Shareholders' Representatives		0	1
<b>Total</b>		<b>21</b>	<b>22</b>
<b>Other administrative expense, etc.</b>			
IT		681	682
Other operating expenses		77	80
Expenses relating to the sale of Jyske Bank (Gibraltar)		75	0
Other administrative expenses		125	208
<b>Total</b>		<b>958</b>	<b>970</b>
<b>Employee and administrative expenses, total</b>		<b>2,474</b>	<b>2,492</b>

	DKKm	H1 2020	H1 2019
<b>11 Effective tax rate</b>			
Corporation tax rate in Denmark		22.0	22.0
Non-taxable income and non-deductible expenses, etc.		-0.1	-1.0
<b>Total</b>		<b>21.9</b>	<b>21.0</b>
 <b>12 Loan impairment charges and provisions for guarantees recognised in the income statement</b>			
Loan impairment charges and provisions for guarantees for the period		947	-34
Impairment charges on balances due from credit institutions in the period		4	-1
Provisions for loan commitments and unutilised credit lines in the period		96	-15
Recognised as a loss, not covered by loan impairment charges and provisions		126	179
Recoveries		-123	-82
Recognised discount for acquired loans		-39	-54
<b>Loan impairment charges and provisions for guarantees recognised in the income statement</b>		<b>1,011</b>	<b>-7</b>
Earnings impact exclusive of loans and advances at fair value and discount balance		444	30
 <b>13 Balance of loan impairment charges and provisions for guarantees</b>			
Balance of loan impairment charges and provisions, beginning of period		5,227	5,607
Loan impairment charges and provisions for the period		1,043	-49
Recognised as a loss, covered by loan impairment charges and provisions		-153	-292
Other movements		33	36
<b>Balance of loan impairment charges and provisions, end of period</b>		<b>6,150</b>	<b>5,302</b>
Loan impairment charges and provisions for guarantees at amortised cost		3,891	3,745
Loan impairment charges at fair value		1,764	1,159
Provisions for guarantees		259	265
Provisions for credit commitments and unutilised credit lines		236	133
<b>Balance of loan impairment charges and provisions, end of period</b>		<b>6,150</b>	<b>5,302</b>

DKKm

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2020	705	1,193	3,329	5,227
Transfer of impairment charges at beginning of period to stage 1	195	-181	-14	0
Transfer of impairment charges at beginning of period to stage 2	-20	91	-71	0
Transfer of impairment charges at beginning of period to stage 3	-2	-85	87	0
Impairment charges on new loans, etc.	181	239	100	520
Impairment charges on discontinued loans and provisions for guarantees	-116	-201	-230	-547
Effect from recalculation	-53	681	475	1,103
Previously recognized as impairment charges, now final loss	0	-3	-150	-153
Balance of loan impairment charges and provisions for guarantees on 30 June 2020	890	1,734	3,526	6,150

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2019	640	1,306	3,661	5,607
Transfer of impairment charges at beginning of period to stage 1	223	-171	-52	0
Transfer of impairment charges at beginning of period to stage 2	-32	160	-128	0
Transfer of impairment charges at beginning of period to stage 3	-1	-66	67	0
Impairment charges on new loans, etc.	141	97	68	306
Impairment charges on discontinued loans and provisions for guarantees	-98	-130	-221	-449
Effect from recalculation	-286	139	277	130
Previously recognized as impairment charges, now final loss	-1	-3	-288	-292
Balance of loan impairment charges and provisions for guarantees on 30 June 2019	586	1,332	3,384	5,302

**Balance of impairment charges by stage - loans at amortised cost**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2020	325	505	2,830	3,660
Transfer of impairment charges at beginning of period to stage 1	90	-81	-9	0
Transfer of impairment charges at beginning of period to stage 2	-13	68	-55	0
Transfer of impairment charges at beginning of period to stage 3	-1	-76	77	0
Impairment charges on new loans, etc.	76	36	48	160
Impairment charges on discontinued loans and provisions for guarantees	-49	-49	-172	-270
Effect from recalculation	47	232	192	471
Previously recognized as impairment charges, now final loss	0	0	-130	-130
Balance of loan impairment charges and provisions for guarantees on 30 June 2020	475	635	2,781	3,891

**Balance of impairment charges by stage - loans at amortised cost**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2019	322	590	3,166	4,078
Transfer of impairment charges at beginning of period to stage 1	91	-71	-20	0
Transfer of impairment charges at beginning of period to stage 2	-23	76	-53	0
Transfer of impairment charges at beginning of period to stage 3	-1	-42	43	0
Impairment charges on new loans, etc.	47	35	48	130
Impairment charges on discontinued loans and provisions for guarantees	-28	-68	-154	-250
Effect from recalculation	-120	58	123	61
Previously recognized as impairment charges, now final loss	-1	0	-273	-274
Balance of loan impairment charges and provisions for guarantees on 30 June 2019	287	578	2,880	3,745

DKKm

**14 Balance of impairment charges by stage— loans at fair value**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2020	323	623	248	1,194
Transfer of impairment charges at beginning of period to stage 1	96	-92	-4	0
Transfer of impairment charges at beginning of period to stage 2	-6	12	-6	0
Transfer of impairment charges at beginning of period to stage 3	0	-8	8	0
Impairment charges on new loans, etc.	75	188	12	275
Impairment charges on discontinued loans and provisions for guarantees	-48	-140	-34	-222
Effect from recalculation	-120	411	246	537
Previously recognized as impairment charges, now final loss	0	-3	-17	-20
Balance of loan impairment charges and provisions for guarantees on 30 June 2020	320	991	453	1,764

**Balance of impairment charges by stage— loans at fair value**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2019	249	634	283	1,166
Transfer of impairment charges at beginning of period to stage 1	109	-82	-27	0
Transfer of impairment charges at beginning of period to stage 2	-7	78	-71	0
Transfer of impairment charges at beginning of period to stage 3	-1	-23	24	0
Impairment charges on new loans, etc.	66	51	8	125
Impairment charges on discontinued loans and provisions for guarantees	-43	-37	-36	-116
Effect from recalculation	-143	74	68	-1
Previously recognized as impairment charges, now final loss	0	-2	-13	-15
Balance of loan impairment charges and provisions for guarantees on 30 June 2019	230	693	236	1,159

**Balance of provisions by stage - guarantees and loan commitments**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2020	57	65	251	373
Transfer of impairment charges at beginning of period to stage 1	9	-8	-1	0
Transfer of impairment charges at beginning of period to stage 2	-1	11	-10	0
Transfer of impairment charges at beginning of period to stage 3	0	-1	1	0
Impairment charges on new loans, etc.	28	16	40	84
Impairment charges on discontinued loans and provisions for guarantees	-18	-12	-25	-55
Effect from recalculation	20	38	37	95
Previously recognized as impairment charges, now final loss	0	0	-2	-2
Balance of loan impairment charges and provisions for guarantees on 30 June 2020	95	109	291	495

**Balance of provisions by stage - guarantees and loan commitments**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2019	69	82	212	363
Transfer of impairment charges at beginning of period to stage 1	23	-19	-4	0
Transfer of impairment charges at beginning of period to stage 2	-2	6	-4	0
Transfer of impairment charges at beginning of period to stage 3	0	-1	1	0
Impairment charges on new loans, etc.	28	12	10	50
Impairment charges on discontinued loans and provisions for guarantees	-26	-25	-31	-82
Effect from recalculation	-23	7	86	70
Previously recognized as impairment charges, now final loss	0	0	-3	-3
Balance of loan impairment charges and provisions for guarantees on 30 June 2019	69	62	267	398

DKKm

**14 Gross loans, advances and guarantees by stage**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Gross loans, advances and guarantees, 1 January 2020	469,093	24,608	9,217	<b>502,918</b>
Transfer of loans, advances and guarantees to stage 1	7,519	-7,344	-175	<b>0</b>
Transfer of loans, advances and guarantees to stage 2	-6,701	7,136	-435	<b>0</b>
Transfer of loans, advances and guarantees to stage 3	-630	-589	1,219	<b>0</b>
Other movements	-1,574	-737	-1,453	<b>-3,764</b>
Gross loans, advances and guarantees, 30 June 2020	467,707	23,074	8,373	<b>499,154</b>
Loan impairment charges and provisions for guarantees, total	816	1,664	3,433	<b>5,913</b>
Net loans, advances and guarantees, 30 June 2020	466,891	21,410	4,940	<b>493,241</b>

**Gross loans, advances and guarantees by stage**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Gross loans, advances and guarantees, 1 January 2019	449,690	27,305	10,049	<b>487,044</b>
Transfer of loans, advances and guarantees to stage 1	12,813	-12,411	-402	<b>0</b>
Transfer of loans, advances and guarantees to stage 2	-7,982	8,517	-535	<b>0</b>
Transfer of loans, advances and guarantees to stage 3	-673	-1,412	2,085	<b>0</b>
Other movements	15,245	2,609	-1,980	<b>15,874</b>
Gross loans, advances and guarantees, 31 December 2019	469,093	24,608	9,217	<b>502,918</b>
Loan impairment charges and provisions for guarantees, total	663	1,151	3,272	<b>5,086</b>
Gross loans, advances and guarantees, 31 December 2019	468,430	23,457	5,945	<b>497,832</b>

DKKm

**14 Loans, advances and guarantees by stage and internal rating - gross before impairment charges and provisions**

		H1 2020				31 Dec. 2019
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	37,967	383	0	<b>38,350</b>	41,057
2	0.10 - 0.15	11,974	22	0	<b>11,996</b>	10,691
3	0.15 - 0.22	35,491	239	0	<b>35,730</b>	33,419
4	0.22 - 0.33	36,255	93	0	<b>36,348</b>	37,827
5	0.33 - 0.48	97,871	313	0	<b>98,184</b>	92,561
STY Ratings 1 – 5		219,558	1,050	0	<b>220,608</b>	215,555
6	0.48 - 0.70	81,330	786	0	<b>82,116</b>	82,304
7	0.70 - 1.02	68,537	928	0	<b>69,465</b>	71,193
8	1.02 - 1.48	40,879	1,628	0	<b>42,507</b>	45,712
9	1.48 - 2.15	27,604	1,283	0	<b>28,887</b>	31,443
10	2.15 - 3.13	10,683	1,520	0	<b>12,203</b>	12,018
11	3.13 - 4.59	7,434	2,334	0	<b>9,768</b>	10,041
STY Ratings 6 – 11		236,467	8,479	0	<b>244,946</b>	252,711
12	4.59 - 6.79	4,528	2,452	0	<b>6,980</b>	6,216
13	6.79 - 10.21	1,639	3,229	0	<b>4,868</b>	5,322
14	10.21 - 25.0	949	6,955	0	<b>7,904</b>	9,145
STY Ratings 12-14		7,116	12,636	0	<b>19,752</b>	20,683
Others		4,415	291	0	<b>4,706</b>	3,853
Non-performing loans		152	619	8,371	<b>9,142</b>	10,116
<b>Total</b>		<b>467,708</b>	<b>23,075</b>	<b>8,371</b>	<b>499,154</b>	<b>502,918</b>

Irrevocable credit commitments of DKK 16,735m (end of 2019: DKK 18,770m) are all in stage 1 and are distributed according to internal ratings (STY Rating) in this way: STY Rating 1: DKK 2,166m, STY Rating 2: DKK 881m, STY Rating 3: DKK 1,007m, STY Rating 4: DKK 540, STY Rating 7: DKK 4,609m, STY Rating 8: DKK 40m, STY Rating 9: DKK 1,874m and STY Rating 11: DKK 5,618m

(End of 2019: STY Rating 1: DKK 2,565m, STY Rating 2: DKK 520m, STY Rating 3: DKK 473m, STY Rating 4: DKK 784m, STY Rating 7: DKK 5,543m, STY Rating 9: DKK 1,886m and STY Rating 11: DKK 6,999m).

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

		H1 2020				31 Dec. 2019
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	9	1	0	<b>10</b>	17
2	0.10 - 0.15	9	0	0	<b>9</b>	10
3	0.15 - 0.22	20	2	0	<b>22</b>	31
4	0.22 - 0.33	26	0	0	<b>26</b>	29
5	0.33 - 0.48	90	6	0	<b>96</b>	92
STY Ratings 1- 5		154	9	0	<b>163</b>	179
6	0.48 - 0.70	119	16	0	<b>135</b>	86
7	0.70 - 1.02	94	27	0	<b>121</b>	102
8	1.02 - 1.48	127	23	0	<b>150</b>	109
9	1.48 - 2.15	97	29	0	<b>126</b>	109
10	2.15 - 3.13	62	85	0	<b>147</b>	65
11	3.13 - 4.59	71	88	0	<b>159</b>	111
STY Ratings 6 – 11		570	268	0	<b>838</b>	582
12	4.59 - 6.79	43	112	0	<b>155</b>	90
13	6.79 - 10.21	22	224	0	<b>246</b>	136
14	10.21 - 25.0	13	873	0	<b>886</b>	575
STY Ratings 12-14		78	1,209	0	<b>1,287</b>	801
Others		14	30	0	<b>44</b>	142
Non-performing loans		1	145	3,435	<b>3,581</b>	3,381
<b>Total</b>		<b>817</b>	<b>1,661</b>	<b>3,435</b>	<b>5,913</b>	<b>5,085</b>

Note		Jyske Bank Group		
		30 June 2020	31 Dec. 2019	30 June 2019
	DKKm			
15	<b>Loans and advances at fair value</b>			
	Mortgage loans, nominal value	330,698	327,926	323,410
	Adjustment for interest-rate risk, etc.	10,457	10,410	14,334
	Adjustment for credit risk	-1,784	-1,286	-1,266
	<b>Mortgage loans at fair value, total</b>	<b>339,371</b>	<b>337,050</b>	<b>336,478</b>
	<b>Arrears and outlays, total</b>	<b>88</b>	<b>148</b>	<b>114</b>
	<b>Other loans and advances</b>	<b>2,772</b>	<b>2,708</b>	<b>3,618</b>
	<b>Loans and advances at fair value, total</b>	<b>342,231</b>	<b>339,906</b>	<b>340,210</b>
16	<b>Loans and advances at fair value broken down by property category</b>			
	Owner-occupied homes	168,997	170,836	171,395
	Vacation homes	8,232	8,285	8,285
	Subsidised housing (rental housing)	54,304	53,989	55,421
	Cooperative housing	14,451	14,820	16,103
	Private rental properties (rental housing)	52,358	49,366	46,939
	Industrial properties	3,003	2,630	1,832
	Office and retail properties	34,910	34,365	34,812
	Agricultural properties	120	63	62
	Properties for social, cultural and educational purposes	5,722	5,415	5,214
	Other properties	134	137	147
	<b>Total</b>	<b>342,231</b>	<b>339,906</b>	<b>340,210</b>
17	<b>Loans and advances at amortised cost and guarantees broken down by sector</b>			
	Public authorities	10,312	8,255	7,080
	Agriculture, hunting, forestry, fishing	6,938	7,083	8,647
	Manufacturing, mining, etc.	9,628	8,114	9,092
	Energy supply	5,015	4,029	3,889
	Building and construction	3,882	4,265	4,245
	Commerce	9,802	11,187	12,721
	Transport, hotels and restaurants	5,807	6,044	6,578
	Information and communication	433	706	1,076
	Finance and insurance	37,646	44,079	32,479
	Real property	16,199	17,083	16,884
	Other sectors	8,465	7,348	8,312
	Corporates, total	103,815	109,938	103,923
	Personal clients, total	36,883	39,733	43,820
	<b>Total</b>	<b>151,010</b>	<b>157,926</b>	<b>154,823</b>

	DKKm	30 June 2020	31 Dec. 2019	30 June 2019
<b>18 Other assets</b>				
Positive fair value of derivatives		28,241	24,911	25,854
Assets in pooled deposits		3,758	4,128	4,018
Interest and commission receivable		247	280	309
Investments in associates and joint ventures		238	257	302
Prepayments		391	370	651
Investment properties		28	28	28
Other assets		1,263	1,517	1,741
<b>Total</b>		<b>34,166</b>	<b>31,491</b>	<b>32,903</b>
<b>Netting</b>				
Positive fair value of derivatives, etc., gross		43,727	37,138	38,922
Netting of positive and negative fair value		15,486	12,227	13,068
<b>Total</b>		<b>28,241</b>	<b>24,911</b>	<b>25,854</b>
Netting of fair value can be attributed to clearing of derivatives through a central clearing house (CCP clearing).				
<b>19 Deposits</b>				
Demand deposits		111,591	106,481	111,398
Term deposits		1,439	1,777	2,645
Time deposits		22,879	21,405	27,940
Special deposits		5,918	6,370	7,016
Pooled deposits		4,096	4,202	3,720
<b>Total</b>		<b>145,923</b>	<b>140,235</b>	<b>152,719</b>
<b>20 Issued bonds at fair value</b>				
Issued bonds at fair value, nominal value		357,345	365,561	358,893
Adjustment to fair value		11,169	11,003	14,938
Own mortgage bonds offset, fair value		-28,896	-19,527	-23,085
<b>Total</b>		<b>339,618</b>	<b>357,037</b>	<b>350,746</b>

DKKm	30 June 2020	31 Dec. 2019	30 June 2019
<b>21 Other liabilities</b>			
Set-off entry of negative bond holdings in connection with repos/reverse repos	5,327	3,988	5,457
Negative fair value of derivatives, etc.	31,158	26,882	27,699
Interest and commission payable	1,236	1,562	1,921
Deferred income	137	139	166
Lease commitment	335	369	332
Other liabilities	5,573	6,249	6,251
<b>Total</b>	<b>43,766</b>	<b>39,189</b>	<b>41,826</b>
<b>Netting</b>			
Negative fair value of derivatives, etc., gross	46,644	39,109	40,767
Netting of positive and negative fair value	15,486	12,227	13,068
<b>Total</b>	<b>31,158</b>	<b>26,882</b>	<b>27,699</b>

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

<b>22 Provisions</b>			
Provisions for pensions and similar liabilities	647	639	596
Provisions for guarantees	259	233	265
Provisions for losses on loan commitments and unutilised credit lines	228	140	133
Provisions for deferred tax	241	241	565
Other provisions	122	116	149
<b>Total</b>	<b>1,497</b>	<b>1,369</b>	<b>1,708</b>

<b>23 Subordinated debt</b>			
Supplementary capital:			
1.25% bond loan EUR 200m 28.01.2031	1,491	0	0
2.25% bond loan EUR 300m 05.04.2029	2,236	2,241	2,239
Var. % bond loan SEK 600m 19.05.2026	426	429	424
3.25% bond loan SEK 400m 19.05.2026	284	286	283
6.73% bond loan EUR 9m 2021-2026	67	78	78
Var. % bond loan EUR 10m 13.02.2023	75	75	75
5.65% bond loan EUR 10m 27.03.2023	75	75	75
5.67% bond loan EUR 10m 31.07.2023	75	75	75
	<b>4,729</b>	<b>3,259</b>	<b>3,249</b>
Hybrid core capital:			
Var. % bond loan EUR 72.8m Perpetual	542	544	543
Var. % bond loan EUR 60.7m Perpetual	452	453	453
	<b>994</b>	<b>997</b>	<b>996</b>
Subordinated debt, nominal	5,723	4,256	4,245
Hedging of interest-rate risk, fair value	82	71	90
<b>Total</b>	<b>5,805</b>	<b>4,327</b>	<b>4,335</b>
Subordinated debt included in the capital base	5,600	4,151	4,168

The above-mentioned issues of hybrid core capital issued in 2004 and 2005 do not meet the conditions for Additional Tier 1 Capital in the Capital Requirements Regulation, CRR. The issues are recognised under liability other than provision according to IAS 32.

	DKKm	30 June 2020	31 Dec. 2019	30 June 2019
24	<b>Contingent liabilities</b>			
	Guarantees, etc.	11,713	11,932	15,158
	Other contingent liabilities, etc.	16,809	18,846	20,094
	<b>Total guarantees and other contingent liabilities</b>	<b>28,522</b>	<b>30,778</b>	<b>35,252</b>

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

Other contingent liabilities primarily consist of irrevocable credit commitments relating to mortgage loans.

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 0.8% 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 8.70% of any losses.

The statutory participation in the resolution financing arrangements (Resolution Fund) as of June 2015 entailed that credit institutions pay an annual contribution over a 10-year period to a Danish national fund with a target size totalling 1% of the covered deposits. Credit institutions are to contribute according to their relative sizes and risk in Denmark, and the first contributions to the Resolution Fund were paid at the end of 2015. The Jyske Bank Group expects having to pay a total of about DKK 500m over the 10-year period 2015 -2025.

Due to Jyske Bank's membership of Bankdata, the bank is - in the event of its withdrawal - under the obligation to pay a material exit charge to Bankdata.

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

## 25 Shareholders

BRFHolding a/s, Kgs. Lyngby, Denmark informed Jyske Bank that it owns 23.28% 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 at 30 June 2020, Jyske Bank owns 6.44% of the share capital.

## 26 Related parties

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

Over the period, there were no unusual transactions with related parties. Please see Jyske Bank's Annual Report 2019 for a detailed description of transactions with related parties.

## 27 Bonds provided as security

The Jyske Bank Group has deposited bonds with central banks and clearing houses, etc. in connection with clearing and settlement of securities and currency transactions as well as tri-party repo transactions totalling a market value of DKK 21,276m (end of 2019: DKK 23,743m).

In addition, in connection with CSA agreements, the Jyske Bank Group has provided cash collateral in the amount of DKK 7,145m (end of 2019: DKK 6,544m) as well as bonds in the amount of DKK 3,005m (end of 2019: 1,677m).

Repo transactions involve an arrangement where bonds are provided as collateral for the amount borrowed. Repo transactions amounted to DKK 8,744m (end of 2019: DKK 10,058m).

**28 Notes on fair value**
**Methods for measuring fair value**

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

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

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

**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 measurement models based on observable input, shareholders' agreements, executed transactions, etc. Unlisted equities are measured on the basis of discounted cash flow models (DCF).

Derivatives are measured on the basis of the following measurement techniques.

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

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

**Information about differences between recognised value and measurement of fair value**

Loans and advances exclusive of mortgage loans and certain other home loans are recognised at amortised cost. The difference to fair value is assumed to be 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.

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

In order to allow for the credit risk on derivatives for clients without 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 probability of the counterparty's probability of default (PD), the expected positive exposure (EPE) as well as the loss given default (LGD). Jyske Bank applies risk-neutral PDs calculated on the basis of IRB PDs. The IRB PDs are adjusted through the correlation to the observable price of risk in the market, calculated on the basis of the OMX C25 index. By using this method, PDs are generated that correspond to PDs that can be observed in the market. Another way of seeing market-observable PDs is to infer them from Credit Default Swap (CDS) spreads. However, Jyske Bank enters primarily into derivatives transactions with unlisted Danish counterparties, for which there only to a most limited extent exist CDS or CDS proxy spreads, and therefore the former method is used instead. The calculation of CVA also allows for the expected development of the rating over time. This takes place on the basis of historical rating migrations. When determining the EPE, a model is used to establish the expected positive exposure to the counterparty's portfolio over the maturity of the derivatives. For LGD, internal estimates are used for the individual counterparty, adjusted for any collateral received as well as CSA agreements concluded.

In addition to CVA, also an adjustment is made of the fair value of derivatives that have an expected future negative fair value. This takes place to allow for changes in the counterparties' credit risk against the Jyske Bank Group (debt valuation adjustment - DVA). The DVA takes place according to the same principles that apply to the CVA, yet PD for Jyske Bank is determined on the basis of Jyske Bank's external rating by Standard & Poor's. At the end of the first half of 2020, CVA and DVA amounted, on an accumulated basis, to net DKK 140m, which accumulated amount was recognised as an expense under value adjustment against an accumulated amount of DKK 73m at the end of 2019.

**29 Fair value of financial assets and liabilities**

The table shows the fair value of financial assets and liabilities and the carrying amounts. The Group has non-financial assets at fair value through Other comprehensive income.

The re-statement at fair value of financial assets and liabilities shows a total unrecognised unrealised gain of DKK 79m at the end of the first half of 2020 against an unrealised loss of DKK 136m at the end of 2019.

	30 June 2020		31 Dec. 2019	
	Recognised value	Fair value	Recognised value	Fair value
<b>FINANCIAL ASSETS</b>				
Cash balance and demand deposits with central banks	10,862	10,862	9,889	9,889
Due from credit institutions and central banks	15,867	15,874	23,392	23,397
Loans and advances at fair value	342,231	342,231	339,906	339,906
Loans and advances at amortised cost	139,297	139,305	145,994	146,033
Bonds at fair value	71,646	71,646	78,333	78,333
Bonds at amortised cost	20,511	20,590	11,136	11,245
Shares, etc.	2,568	2,568	2,422	2,422
Assets in pooled deposits	3,758	3,758	4,128	4,128
Derivatives	28,241	28,241	24,911	24,911
<b>Total</b>	<b>634,981</b>	<b>635,075</b>	<b>640,111</b>	<b>640,264</b>
<b>FINANCIAL LIABILITIES</b>				
Due to credit institutions and central banks	23,650	23,692	29,278	29,315
Deposits	141,827	141,824	136,033	136,042
Pooled deposits	4,096	4,096	4,202	4,202
Issued bonds at fair value	339,618	339,618	357,037	357,037
Issued bonds at amortised cost	46,658	46,821	38,556	38,887
Subordinated debt	5,805	5,618	4,327	4,239
Set-off entry of negative bond holdings	5,327	5,327	3,988	3,988
Derivatives	31,158	31,158	26,882	26,882
<b>Total</b>	<b>598,139</b>	<b>598,154</b>	<b>600,303</b>	<b>600,592</b>

DKKm

**30 The fair value hierarchy**
**30 June 2020**

	Quoted prices	Observable prices	Non- observable prices	Fair value, total	Recognised value
<b>Financial assets</b>					
Loans and advances at fair value	0	342,231	0	342,231	342,231
Bonds at fair value	57,310	14,336	0	71,646	71,646
Shares, etc.	669	416	1,483	2,568	2,568
Assets in pooled deposits	2,605	1,153	0	3,758	3,758
Derivatives	446	27,795	0	28,241	28,241
<b>Total</b>	<b>61,030</b>	<b>385,931</b>	<b>1,483</b>	<b>448,444</b>	<b>448,444</b>
<b>Financial liabilities</b>					
Pooled deposits	0	4,096	0	4,096	4,096
Issued bonds at fair value	284,797	54,821	0	339,618	339,618
Set-off entry of negative bond holdings	4,866	461	0	5,327	5,327
Derivatives	393	30,766	0	31,159	31,159
<b>Total</b>	<b>290,056</b>	<b>90,144</b>	<b>0</b>	<b>380,200</b>	<b>380,200</b>
<b>31 December 2019</b>					
<b>Financial assets</b>					
Loans and advances at fair value	0	339,906	0	339,906	339,906
Bonds at fair value	60,178	18,155	0	78,333	78,333
Shares, etc.	418	474	1,530	2,422	2,422
Assets in pooled deposits	1	4,127	0	4,128	4,128
Derivatives	375	24,536	0	24,911	24,911
<b>Total</b>	<b>60,972</b>	<b>387,198</b>	<b>1,530</b>	<b>449,700</b>	<b>449,700</b>
<b>Financial liabilities</b>					
Pooled deposits	0	4,202	0	4,202	4,202
Issued bonds at fair value	272,829	84,208	0	357,037	357,037
Set-off entry of negative bond holdings	3,677	311	0	3,988	3,988
Derivatives	302	26,580	0	26,882	26,882
<b>Total</b>	<b>276,808</b>	<b>115,301</b>	<b>0</b>	<b>392,109</b>	<b>392,109</b>

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 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 2020 and 2019.

**NON-OBSERVABLE PRICES**

	H1 2020	2019
Fair value, beginning of period	<b>1,530</b>	2,052
Transfers for the period	<b>0</b>	0
Capital gain and loss for the period reflected in the income statement under value adjustments	<b>75</b>	111
Sales or redemptions	<b>160</b>	633
Purchases	<b>38</b>	0
<b>Fair value, end of period</b>	<b>1,483</b>	1,530

Non-observable prices at the end of the first half of 2020 referred to unlisted shares recognised at DKK 1,483m against unlisted shares recognised at DKK 1,530m at the end of 2019. 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 148m on 30 June 2020 (0.46% of the shareholders' equity on 30 June 2020). For 2019, the effect on the income statement is estimated at DKK 153m (0.48% of the shareholders' equity at the end of 2019). Capital gain and loss for the period on illiquid bonds and unlisted shares referred to assets held at the end of the first half of 2020. Jyske Bank finds it of little probability that the application of alternative prices in the measurement of fair value would result in a material deviation from the recognised fair value.

## 30 Fair value hierarchy, cont.

**Non-financial assets recognised at fair value**

Investment properties were recognised at a fair value of DKK 28m (end of 2019: 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 2019: 7%).

Assets held temporarily comprise repossessed properties, equity investments and cars, etc. and similar assets held for sale. At the end of 2019, assets held temporarily also covered assets in disposal groups, which are recognised at the lower of cost and fair value less costs of sale. Assets held temporarily were recognised at DKK 263m (end of 2019: DKK 2,476m). Fair value belongs to the category of non-observable prices, except for bonds in the amount of DKK 0m (end of 2019: DKK 570m).

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 6.44% at the end of 2019. Owner-occupied properties, exclusive of leased properties, were recognised at DKK 1,774m (2019: DKK 1,776m). The revalued amount belongs to the category of non-observable prices. Leased properties were recognised at DKK 325m (end of 2019: DKK 360m).

**31 Group overview**

30 June 2020	Currency	Share capital 1.000 units	Owner- ship share (%)	Vo- ting share (%)	Assets DKKm, end of 2019	Liabilities DKKm, end of 2019	Equity DKKm, end of 2019	Earnings (DKKm) 2019	Profit or loss, DKKm 2019
Jyske Bank A/S <sup>1</sup>	DKK	776			304,100	268,390	35,710	6,228	2,440
<b>Subsidiaries</b>									
Jyske Realkredit, Kgs. Lyngby <sup>2</sup>	DKK	4,306	100	100	384,899	366,038	18,861	6,666	1,117
Trendsetter, S.L., Spain <sup>5</sup>	EUR	1	100	100	18	0	18	1	0
Jyske Bank Nominees Ltd., London <sup>4</sup>	GBP	0	100	100	0	0	0	0	0
Inmobiliaria Saroesma S.L., Spain <sup>5</sup>	EUR	1	100	100	47	41	6	1	-10
Jyske Finans A/S, Silkeborg <sup>3</sup>	DKK	100	100	100	22,150	20,790	1,360	1,227	294
Ejendomsselskabet af 01.11.2017 A/S, Silkeborg <sup>5</sup>	DKK	1	100	100	45	44	1	2	1
Gl. Skovridergaard A/S, Silkeborg <sup>5</sup>	DKK	1	100	100	30	27	3	19	0
Ejendomsselskabet af 01.10.2015 ApS, Silkeborg <sup>5</sup>	DKK	1	100	100	114	113	1	1	1
Jyske Invest Fund Management A/S, Silkeborg <sup>4</sup>	DKK	76	100	100	397	73	324	134	24
Jyske Banks Vindmølle A/S, Hobro <sup>5</sup>	DKK	1	100	100	-	-	-	-	-

Activity:

<sup>1</sup>Banking

<sup>2</sup>Mortgage-credit activities

<sup>3</sup>Leasing, financing and factoring

<sup>4</sup>Investment and financing

<sup>5</sup>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.

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

	DKK m	H1 2020	H1 2019
<b>Income statement</b>			
3 Interest income		<b>1,653</b>	1,704
4 Interest expenses		<b>515</b>	494
<b>Net interest income</b>		<b>1,138</b>	1,210
Dividends, etc.		<b>32</b>	34
5 Fees and commission income		<b>1,315</b>	1,345
Fees and commission expenses		<b>55</b>	70
<b>Net interest and fee income</b>		<b>2,430</b>	2,519
6 Value adjustments		<b>-132</b>	16
Other operating income		<b>191</b>	175
Employee and administrative expenses		<b>2,211</b>	2,284
Amortisation, depreciation and impairment charges		<b>55</b>	63
Other operating expenses		<b>103</b>	18
7 Loan impairment charges		<b>330</b>	0
Profit on investments in associates and group enterprises		<b>236</b>	831
<b>Pre-tax profit</b>		<b>26</b>	1,176
Tax		<b>-56</b>	67
<b>Net profit for the period</b>		<b>82</b>	1,109
Distributed to:			
Jyske Bank A/S shareholders		<b>-1</b>	1,037
Holders of Additional Tier 1 Capital (AT1)		<b>83</b>	72
<b>Total</b>		<b>82</b>	1,109
<b>Statement of Comprehensive Income</b>			
Net profit for the period		<b>82</b>	1,109
Other comprehensive income:			
<i>Items that can be recycled to the income statement:</i>			
Foreign currency translation adjustment of international units		<b>-20</b>	3
Hedge accounting of international units		<b>20</b>	-3
Tax on hedge accounting		<b>-6</b>	1
<b>Other comprehensive income after tax</b>		<b>-6</b>	1
<b>Comprehensive income for the period</b>		<b>76</b>	1,110

		30 June 2020	31 Dec. 2019	30 June 2019
	DKK m			
<b>BALANCE SHEET</b>				
<b>ASSETS</b>				
	Cash balance and demand deposits with central banks	10,857	9,848	14,962
	Due from credit institutions and central banks	12,612	11,846	12,946
10	Loans and advances at fair value	2,430	2,357	3,328
8,9,10	Loans and advances at amortised cost	140,758	147,040	140,067
	Bonds at fair value	55,164	64,021	65,498
	Bonds at amortised cost	21,261	11,887	9,476
	Shares, etc.	2,262	2,137	3,010
	Investments in associates	233	252	302
	Equity investments in group enterprises	20,526	20,534	19,853
	Assets in pooled deposits	3,758	4,128	4,018
	Owner-occupied properties	1,753	1,759	1,757
	Owner-occupied properties, leasing	325	360	326
	Other property, plant and equipment	61	70	86
	Current tax assets	1,042	880	1,247
	Deferred tax assets	77	24	9
	Assets held temporarily	118	696	671
	Other assets	29,055	25,929	26,789
	Prepayments	342	332	356
	<b>Total assets</b>	<b>302,634</b>	<b>304,100</b>	<b>304,701</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Debt and payables</b>				
	Due to credit institutions and central banks	25,687	47,188	37,042
11	Deposits	141,886	135,838	144,657
	Pooled deposits	4,096	4,202	3,720
	Issued bonds at amortised cost	46,658	38,556	38,387
	Other liabilities	42,050	37,158	40,046
	Deferred income	20	20	21
	<b>Total debt</b>	<b>260,397</b>	<b>262,962</b>	<b>263,873</b>
<b>Provisions</b>				
	Provisions for pensions and similar liabilities	612	603	563
	Provisions for guarantees	284	247	267
	Provisions for credit commitments and unutilised credit lines	228	138	126
	Other provisions	113	113	147
	<b>Provisions, total</b>	<b>1,237</b>	<b>1,101</b>	<b>1,103</b>
	<b>Subordinated debt</b>	<b>5,805</b>	<b>4,327</b>	<b>4,335</b>
<b>Equity</b>				
	Share capital	776	776	816
	Revaluation reserve	205	205	214
	Reserve according to the equity method	5,958	6,703	6,096
	Retained profit	25,014	24,769	25,029
	Jyske Bank A/S shareholders	31,953	32,453	32,155
	Holders of Additional Tier 1 Capital (AT1)	3,242	3,257	3,235
	<b>Total equity</b>	<b>35,195</b>	<b>35,710</b>	<b>35,390</b>
	<b>Total equity and liabilities</b>	<b>302,634</b>	<b>304,100</b>	<b>304,701</b>
<b>OFF-BALANCE SHEET ITEMS</b>				
	Guarantees, etc.	20,506	20,260	20,639
	Other contingent liabilities	4,687	4,397	4,881
	<b>Total guarantees and other contingent liabilities</b>	<b>25,193</b>	<b>24,657</b>	<b>25,520</b>

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**Statement of Changes in Equity**

	Share capital	Revaluation reserve	Currency translation reserve	Reserve according to the equity method	Retained profit	Proposed dividend	Shareholders of Jyske Bank A/S	AT1 capital*	Total equity
Equity at 1 January 2020	776	205	0	6,703	24,769	0	32,453	3,257	35,710
Net profit for the period	0	0	0	-745	744	0	-1	83	82
Other comprehensive income	0	0	0	0	-6	0	-6	0	-6
Comprehensive income for the period	0	0	0	-745	738	0	-7	83	76
Interest paid on Additional Tier 1 Capital	0	0	0	0	0	0	0	-83	-83
Currency translation adjustment	0	0	0	0	15	0	15	-15	0
Acquisition of own shares	0	0	0	0	-1,261	0	-1,261	0	-1,261
Sale of own shares	0	0	0	0	753	0	753	0	753
Transactions with owners	0	0	0	0	-493	0	-493	-98	-591
<b>Equity at 30 June 2020</b>	<b>776</b>	<b>205</b>	<b>0</b>	<b>5,958</b>	<b>25,014</b>	<b>0</b>	<b>31,953</b>	<b>3,242</b>	<b>35,195</b>

Equity at 1 January 2019	849	214	0	5,612	24,591	520	31,786	2,546	34,332
Net profit for the period	0	0	0	484	553	0	1,037	72	1,109
Other comprehensive income	0	0	0	0	1	0	1	0	1
Comprehensive income for the period	0	0	0	484	554	0	1,038	72	1,110
AT1 capital issue	0	0	0	0	0	0	0	716	716
Transaction costs	0	0	0	0	-7	0	-7	0	-7
Interest paid on Additional Tier 1 Capital	0	0	0	0	0	0	0	-64	-64
Currency translation adjustment	0	0	0	0	35	0	35	-35	0
Proposed dividend reversed	0	0	0	0	520	-520	0	0	0
Reduction of share capital	-33	0	0	0	33	0	0	0	0
Acquisition of own shares	0	0	0	0	-1,240	0	-1,240	0	-1,240
Sale of own shares	0	0	0	0	543	0	543	0	543
Transactions with owners	-33	0	0	0	-116	-520	-669	617	-52
<b>Equity at 30 June 2019</b>	<b>816</b>	<b>214</b>	<b>0</b>	<b>6,096</b>	<b>25,029</b>	<b>0</b>	<b>32,155</b>	<b>3,235</b>	<b>35,390</b>

\*Additional Tier 1 Capital (AT1) has no maturity. Payment of interest and repayment of principal are voluntary. Therefore Additional Tier 1 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 issue until September 2021 are STIBOR+5.80% and CIBOR+5.30%, respectively. In September 2017, Jyske Bank issued AT1 amounting to EUR 150bn 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%. 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 2020	31 Dec. 2019	30 June 2019
<b>Capital statement</b>			
Shareholders' equity	<b>31,953</b>	32,453	32,155
Share buy-back programme, non-utilised limit	<b>0</b>	-404	-218
Expected dividend, calculated as required by law	<b>0</b>	0	-255
Deferred tax assets	<b>-77</b>	-24	-9
Prudent valuation	<b>-373</b>	-349	-319
Other deductions	<b>-82</b>	-27	-88
<b>Common Equity Tier 1 capital</b>	<b>31,421</b>	31,649	31,266
Additional Tier 1 Capital (AT1) after reduction	<b>3,475</b>	3,619	3,598
<b>Core capital</b>	<b>34,896</b>	35,268	34,864
Subordinated loan capital after reduction	<b>5,341</b>	3,763	3,780
<b>Capital base</b>	<b>40,237</b>	39,031	38,644
Weighted risk exposure involving credit risk etc.	<b>103,394</b>	100,706	104,856
Weighted risk exposure involving market risk	<b>11,026</b>	11,850	18,060
Weighted risk exposure involving operational risk	<b>10,936</b>	11,478	11,478
<b>Total weighted risk exposure</b>	<b>125,356</b>	124,034	134,394
Capital requirement, Pillar I	<b>10,108</b>	9,923	10,752
Capital ratio (%)	<b>32.1</b>	31.5	28.8
Core Tier 1 Capital ratio (%)	<b>27.8</b>	28.4	25.9
Common Equity Tier 1 capital ratio (%)	<b>25.1</b>	25.5	23.3

For a statement of the individual solvency requirement, please see Risk and Capital Management 2019 or [investor.jyskebank.com/investorrelations/capitalstructure](http://investor.jyskebank.com/investorrelations/capitalstructure).

**1 Accounting policies**

The interim financial statements of the parent company Jyske Bank A/S for the period 1 January to 30 June 2020 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 68 of the annual report 2019. The accounting policies are identical to those applied to and described in the annual report 2019.

Figures in the 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 2020	H1 2019
<b>2 Financial ratios and key figures</b>		
Pre-tax profit p.a. as a percentage of average equity*	-0.2	6.9
Profit for the period as a pct. of av. equity*	0.0	3.3
Income/cost ratio (%)	1.0	1.5
Capital ratio (%)	32.1	28.8
Common Equity Tier 1 capital ratio (CET 1) (%)	25.1	23.3
Individual solvency requirement (%)	12.6	11.9
Capital base (DKKm)	40,237	38,644
Total risk exposure (DKKm)	125,356	134,394
Interest-rate risk (%)	0.6	-0.2
Currency risk (%)	0.1	0.0
Accumulated impairment ratio (%)	2.3	2.2
Impairment ratio for the period (%)	0.2	0.0
No. of full-time employees at end-period	3,231	3,367
Average number of full-time employees in the period	3,256	3,370

\* Ratios are calculated as if Additional Tier 1 Capital (AT1) is recognised as a liability.

	DKKm	H1 2020	H1 2019
<b>3 Interest income</b>			
Due from credit institutions and central banks		32	13
Loans and advances		828	1,022
Bonds		213	273
Derivatives, total		127	91
Of which currency contracts		-71	151
Of which interest-rate contracts		198	-60
Others		0	1
<b>Total after offsetting of negative interest</b>		<b>1,200</b>	<b>1,400</b>
Negative interest income set off against interest income		169	116
Negative interest expenses set off against interest expenses		284	188
<b>Total before offsetting of negative interest income</b>		<b>1,653</b>	<b>1,704</b>
Of which interest income on reverse repos carried under:			
Due from credit institutions and central banks		-9	-10
Loans and advances		-94	-60
<b>4 Interest expenses</b>			
Due to credit institutions and central banks		64	48
Deposits		-165	4
Issued bonds		105	84
Subordinated debt		54	49
Other interest expenses		4	5
<b>Total after offsetting of negative interest</b>		<b>62</b>	<b>190</b>
Negative interest expenses set off against interest expenses		284	188
Negative interest income set off against interest income		169	116
<b>Total before offsetting of negative interest income</b>		<b>515</b>	<b>494</b>
Of which interest expenses on reverse repos carried under:			
Due to credit institutions and central banks		-28	-28
Deposits		-10	-10
<b>5 Fees and commission income</b>			
Securities trading and custody services		509	473
Money transfers and card payments		85	100
Loan application fees		51	54
Guarantee commission		52	56
Other fees and commissions		618	662
<b>Total</b>		<b>1,315</b>	<b>1,345</b>

	DKKm	H1 2020	H1 2019
<b>6 Value adjustments</b>			
Loans and advances at fair value		8	18
Bonds		19	168
Shares, etc.		80	143
Currency		-38	53
Currency, interest-rate, share, commodity and other contracts as well as other derivatives		-168	-265
Assets in pooled deposits		-257	429
Pooled deposits		257	-429
Other assets		0	8
Issued bonds		-21	-60
Other liabilities		-12	-49
<b>Total</b>		<b>-132</b>	<b>16</b>
<b>7 Loan impairment charges and provisions for guarantees recognised in the income statement</b>			
Loan impairment charges and provisions for guarantees for the period		296	-8
Impairment charges on balances due from credit institutions in the period		4	-1
Provisions for loan commitments and unutilised credit lines in the period		91	-16
Recognised as a loss, not covered by loan impairment charges and provisions		53	91
Recoveries		-104	-57
Recognised discount for acquired loans		-10	-9
<b>Loan impairment charges and provisions for guarantees recognised in the income statement</b>		<b>330</b>	<b>0</b>
<b>8 Balance of loan impairment charges and provisions for guarantees</b>			
Balance of loan impairment charges and provisions, beginning of period		3,801	4,118
Loan impairment charges and provisions for the period		388	-24
Recognised as a loss, covered by loan impairment charges and provisions		-127	-271
Other movements		33	37
<b>Balance of loan impairment charges and provisions for guarantees</b>		<b>4,095</b>	<b>3,860</b>
Loan impairment charges and provisions for guarantees at amortised cost		3,582	3,464
Loan impairment charges at fair value		2	3
Provisions for guarantees		283	267
Provisions for credit commitments and unutilised credit lines		228	126
<b>Balance of loan impairment charges and provisions, end of period</b>		<b>4,095</b>	<b>3,860</b>

DKKm

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2020	335	513	2,953	<b>3,801</b>
Transfer of impairment charges at beginning of period to stage 1	83	-74	-9	<b>0</b>
Transfer of impairment charges at beginning of period to stage 2	-12	65	-53	<b>0</b>
Transfer of impairment charges at beginning of period to stage 3	-1	-70	71	<b>0</b>
Impairment charges on new loans, etc.	81	34	72	<b>187</b>
Impairment charges on discontinued loans and provisions for guarantees	-62	-52	-173	<b>-287</b>
Effect from recalculation	63	256	202	<b>521</b>
Previously recognized as impairment charges, now final loss	0	0	-127	<b>-127</b>
Balance of loan impairment charges and provisions for guarantees on 30 June 2020	<b>487</b>	<b>672</b>	<b>2,936</b>	<b>4,095</b>

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2019	320	603	3,195	<b>4,118</b>
Transfer of impairment charges at beginning of period to stage 1	97	-73	-24	<b>0</b>
Transfer of impairment charges at beginning of period to stage 2	-22	76	-54	<b>0</b>
Transfer of impairment charges at beginning of period to stage 3	-1	-39	40	<b>0</b>
Impairment charges on new loans, etc.	59	32	46	<b>137</b>
Impairment charges on discontinued loans and provisions for guarantees	-48	-76	-159	<b>-283</b>
Effect from recalculation	-103	62	200	<b>159</b>
Previously recognized as impairment charges, now final loss	-1	0	-270	<b>-271</b>
Balance of loan impairment charges and provisions for guarantees on 30 June 2019	<b>301</b>	<b>585</b>	<b>2,974</b>	<b>3,860</b>

**Balance of impairment charges by stage - loans at amortised cost**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2020	269	445	2,703	<b>3,417</b>
Transfer of impairment charges at beginning of period to stage 1	74	-65	-9	<b>0</b>
Transfer of impairment charges at beginning of period to stage 2	-11	54	-43	<b>0</b>
Transfer of impairment charges at beginning of period to stage 3	-1	-69	70	<b>0</b>
Impairment charges on new loans, etc.	53	17	35	<b>105</b>
Impairment charges on discontinued loans and provisions for guarantees	-44	-40	-147	<b>-231</b>
Effect from recalculation	43	216	157	<b>416</b>
Previously recognized as impairment charges, now final loss	0	0	-125	<b>-125</b>
Balance of loan impairment charges and provisions for guarantees on 30 June 2020	<b>383</b>	<b>558</b>	<b>2,641</b>	<b>3,582</b>

**Balance of impairment charges by stage - loans at amortised cost**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2019	253	522	2,986	<b>3,761</b>
Transfer of impairment charges at beginning of period to stage 1	68	-48	-20	<b>0</b>
Transfer of impairment charges at beginning of period to stage 2	-20	70	-50	<b>0</b>
Transfer of impairment charges at beginning of period to stage 3	-1	-37	38	<b>0</b>
Impairment charges on new loans, etc.	32	21	34	<b>87</b>
Impairment charges on discontinued loans and provisions for guarantees	-26	-61	-123	<b>-210</b>
Effect from recalculation	-74	53	115	<b>94</b>
Previously recognized as impairment charges, now final loss	1	0	-269	<b>-268</b>
Balance of loan impairment charges and provisions for guarantees on 30 June 2019	<b>233</b>	<b>520</b>	<b>2,711</b>	<b>3,464</b>

DKKm

**9 Balance of impairment charges by stage— loans at fair value**

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2020	0	0	1	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	1	0	0	1
Previously recognized as impairment charges, now final loss	0	0	0	0
Balance of loan impairment charges and provisions for guarantees on 30 June 2020	1	0	1	2

**Balance of impairment charges by stage— loans at fair value**

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2019	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.	0	0	1	1
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 of loan impairment charges and provisions for guarantees on 30 June 2019	1	1	1	3

**Balance of provisions by stage - guarantees and loan commitments**

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2020	65	68	250	383
Transfer of impairment charges at beginning of period to stage 1	9	-8	-1	0
Transfer of impairment charges at beginning of period to stage 2	-1	11	-10	0
Transfer of impairment charges at beginning of period to stage 3	0	-1	1	0
Impairment charges on new loans, etc.	28	16	39	83
Impairment charges on discontinued loans and provisions for guarantees	-19	-12	-24	-55
Effect from recalculation	21	39	44	104
Previously recognized as impairment charges, now final loss	0	0	-2	-2
Balance of loan impairment charges and provisions for guarantees on 30 June 2020	103	113	297	513

**Balance of provisions by stage - guarantees and loan commitments**

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2019	66	80	209	355
Transfer of impairment charges at beginning of period to stage 1	29	-24	-5	0
Transfer of impairment charges at beginning of period to stage 2	-2	6	-4	0
Transfer of impairment charges at beginning of period to stage 3	0	-1	1	0
Impairment charges on new loans, etc.	27	12	9	48
Impairment charges on discontinued loans and provisions for guarantees	-24	-18	-29	-71
Effect from recalculation	-29	8	85	64
Previously recognized as impairment charges, now final loss	0	0	-3	-3
Balance of loan impairment charges and provisions for guarantees on 30 June 2019	67	63	263	393

DKKm

**9 Gross loans, advances and guarantees by stage**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Gross loans, advances and guarantees, 1 January 2020	159,229	8,212	5,880	<b>173,321</b>
Transfer of loans, advances and guarantees to stage 1	1,925	-1,824	-101	<b>0</b>
Transfer of loans, advances and guarantees to stage 2	-2,955	3,074	-119	<b>0</b>
Transfer of loans, advances and guarantees to stage 3	-195	-367	562	<b>0</b>
Other movements	-4,311	-527	-923	<b>-5,761</b>
Gross loans, advances and guarantees, 30 June 2020	153,693	8,568	5,299	<b>167,560</b>
Loan impairment charges and provisions for guarantees, total	417	603	2,846	<b>3,866</b>
Net loans, advances and guarantees, 30 June 2020	153,276	7,965	2,453	<b>163,694</b>

**Gross loans, advances and guarantees by stage**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Gross loans, advances and guarantees, 1 January 2019	143,725	9,840	6,491	<b>160,056</b>
Transfer of loans, advances and guarantees to stage 1	5,810	-5,507	-303	<b>0</b>
Transfer of loans, advances and guarantees to stage 2	-4,039	4,231	-192	<b>0</b>
Transfer of loans, advances and guarantees to stage 3	-244	-946	1,190	<b>0</b>
Other movements	13,977	594	-1,306	<b>13,265</b>
Gross loans, advances and guarantees, 31 December 2019	159,229	8,212	5,880	<b>173,321</b>
Loan impairment charges and provisions for guarantees, total	294	472	2,898	<b>3,664</b>
Gross loans, advances and guarantees, 31 December 2019	158,935	7,740	2,982	<b>169,657</b>

DKKm

**9 Loans, advances and guarantees by stage and internal rating - gross before impairment charges and provisions**

		H1 2020				31 Dec. 2019
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	46,496	309	0	46,805	51,345
2	0.10 - 0.15	10,805	18	0	10,823	9,787
3	0.15 - 0.22	17,568	211	0	17,779	14,545
4	0.22 - 0.33	18,266	52	0	18,318	16,697
5	0.33 - 0.48	13,737	102	0	13,839	14,430
STY Ratings 1 – 5		106,872	692	0	107,564	106,804
6	0.48 - 0.70	15,686	545	0	16,231	18,060
7	0.70 - 1.02	8,275	743	0	9,018	9,732
8	1.02 - 1.48	8,105	685	0	8,790	9,157
9	1.48 - 2.15	7,424	924	0	8,348	11,386
10	2.15 - 3.13	4,057	992	0	5,049	4,423
11	3.13 - 4.59	1,006	582	0	1,588	2,300
STY Ratings 6 – 11		44,553	4,471	0	49,024	55,058
12	4.59 - 6.79	535	737	0	1,272	1,256
13	6.79 - 10.21	127	581	0	708	859
14	10.21 - 25.0	25	1,781	0	1,806	2,191
STY Ratings 12-14		687	3,099	0	3,786	4,306
Others		1,574	212	0	1,786	1,189
Non-performing loans		4	94	5,302	5,400	5,964
<b>Total</b>		153,690	8,568	5,302	167,560	173,321

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

		H1 2020				31 Dec. 2019
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	4	1	0	5	7
2	0.10 - 0.15	8	1	0	9	10
3	0.15 - 0.22	19	2	0	21	20
4	0.22 - 0.33	20	0	0	20	21
5	0.33 - 0.48	37	1	0	38	29
STY Ratings 1- 5		88	5	0	93	87
6	0.48 - 0.70	62	11	0	73	32
7	0.70 - 1.02	47	25	0	72	52
8	1.02 - 1.48	64	15	0	79	48
9	1.48 - 2.15	47	21	0	68	67
10	2.15 - 3.13	44	72	0	116	43
11	3.13 - 4.59	36	42	0	78	51
STY Ratings 6 – 11		300	186	0	486	293
12	4.59 - 6.79	17	59	0	76	46
13	6.79 - 10.21	4	46	0	50	35
14	10.21 - 25.0	3	283	0	286	288
STY Ratings 12-14		24	388	0	412	369
Others		6	19	0	25	14
Non-performing loans		0	3	2,847	2,850	2,901
<b>Total</b>		418	601	2,847	3,866	3,664

Irrevocable credit commitments of DKK 4,633m (end of 2019: DKK 4,343m) are all in stage 1 and are distributed according to internal ratings (STY Rating) in this way: STY Rating 1: DKK 2,166m, STY Rating 2: DKK 881m, STY Rating 3: DKK 1,007m, STY Rating 4: DKK 540m and STY Rating 8: DKK 39m

(End of 2019: STY Rating 1: DKK 2,565m, STY Rating 2: DKK 520m, STY Rating 3: DKK 473m and STY Rating 4: DKK 785m).

DKK m

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

Sector	Loans, advances and guarantees				Balance of loan impairment charges and provisions for guarantees		Loan impairment charges and provisions for guarantees for the period		Loss for the period	
	% 30 June 2020		30 June 2020		30 June 2020		H1 2020		H1 2020	
	% End of 2019		End of 2019		End of 2019		H1 2019		H1 2019	
Public authorities	6	5	10,111	8,244	0	0	0	0	0	0
Agriculture, hunting, forestry, fishing	4	4	6,114	6,250	614	740	-109	76	69	170
<i>Fishing</i>	1	1	1,391	1,780	2	1	1	0	0	0
<i>Dairy farmers</i>	0	0	482	538	296	310	-35	-7	5	52
<i>Plant production</i>	1	1	2,049	1,759	84	97	-8	41	11	49
<i>Pig farming</i>	1	1	1,325	1,278	159	176	-31	22	0	43
<i>Other agriculture</i>	1	1	867	895	73	156	-36	20	53	26
Manufacturing, mining, etc.	5	4	8,033	6,502	222	180	54	-45	20	34
Energy supply	3	2	4,631	3,717	49	38	19	-25	9	0
Building and construction	2	2	2,670	3,190	112	105	13	29	9	4
Commerce	5	5	8,081	8,958	269	173	93	-16	4	24
Transport, hotels and restaurants	2	2	3,991	4,044	112	81	27	-4	1	8
Information and communication	0	0	383	652	185	267	-80	5	5	3
Finance and insurance	40	43	66,616	72,806	716	649	69	-6	17	48
Real property	10	10	16,079	16,960	438	339	86	8	1	15
<i>Lease of real property</i>	5	6	8,477	9,362	340	269	59	3	1	10
<i>Buying and selling of real property</i>	2	2	2,885	2,638	48	40	8	6	0	5
<i>Other real property</i>	3	3	4,717	4,960	50	30	19	-1	0	0
Other sectors	4	3	5,967	4,789	151	146	19	-2	19	10
Corporate clients	75	75	122,565	127,868	2,868	2,718	191	20	154	316
Personal clients	19	20	31,018	33,545	996	946	42	-4	27	46
Unutilised credit lines and loan commitments	-	-	0	0	0	137	97	-16	0	0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>163,694</b>	<b>169,657</b>	<b>3,864</b>	<b>3,801</b>	<b>330</b>	<b>0</b>	<b>181</b>	<b>362</b>

	DKKm	30 June 2020	31 Dec. 2019	30 June 2019
11	<b>Deposits</b>			
	Demand deposits	111,650	106,286	107,848
	Term deposits	1,439	1,777	2,645
	Time deposits	22,879	21,405	27,148
	Special deposits	5,918	6,370	7,016
	<b>Total</b>	<b>141,886</b>	<b>135,838</b>	<b>144,657</b>

## 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 2020.

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.

In our opinion, the Interim Financial Statements give a true and fair view of the Group's and the Parent's financial position at 30 June 2020 and also of their financial performance as well as the cash flows of the Group for the period 1 January to 30 June 2020.

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, 18 August 2020

### 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

PHILIP BARUCH  
Deputy Chairman

RINA ASMUSSEN

JENS A. BORUP

ANKER LADEN-ANDERSEN

KELD NORUP

BENTE OVERGAARD

PER SCHNACK

JOHNNY CHRISTENSEN  
Employee Representative

MARIANNE LILLEVANG  
Employee Representative

CHRISTINA LYKKE MUNK  
Employee Representative