

This is a translation of the original Danish text. In case of any discrepancies, between the Danish original and the translation, the Danish original shall prevail in all respects.

23 February 2021



Jyske Realkredit A/S  
(domiciled in Denmark as a Danish limited liability company)

**Base Prospectus for the issue of Covered Bonds (SDO), Mortgage bonds (“RO”) and Mortgage Bonds (RO) and bonds issued pursuant to Section 15 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act (Section 15 Bonds).**

On the basis of this base prospectus (“**Base Prospectus**”) prepared in accordance with the regulation of the European Parliament and the Council (EU) 2017/1129 (“**Prospectus Regulation**”), Jyske Realkredit will from time to time issue Covered Bonds (“**SDO**”), Mortgage Bonds (“**RO**”) and together with SDO (“**SDO/RO Bonds**”) and bonds pursuant to S. 15 of the Danish act No. 1188 of 19 September 2018 on mortgage loans and mortgage bonds, etc. (“**the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act**”) (“**Section 15 Bonds**”) and together with SDO and RO (“**Bonds**”). This Base Prospectus has been approved as a base prospectus by the Danish Financial Supervisory Authority as the competent authority according to the Prospectus Regulation. The Base Prospectus constitutes a base prospectus according to Article 8 of the Prospectus Regulation and has been prepared in accordance with the Prospectus Regulation (and delegated regulations issued according to this) with the purpose of offering information of the issued Bonds. The total outstanding amount under the Base Prospectus has not been maximised.

Covered bonds (such as the SDOs) and mortgage bonds (such as the ROs) are issued with a view to financing mortgage loans. These SDOs and ROs may carry interest at a fixed or floating rate and can finance, among other things bullet loans, amortized loans or a mix of these. The Borrower has certain options available to prepay his mortgage loan, and subsequently Jyske Realkredit may choose also to redeem the underlying bonds (SDO/RO Bonds). Section 15 Bonds are issued to provide supplementary security or to increase the overcollateralisation of Jyske Realkredit’s capital centres.

For official Bonds under the Base Prospectus, an application may be submitted for trading and possibly listing on a regulated market as defined by the European Parliament’s and the Council’s Directive 2014/65 EU (“**MiFID II**”) in Denmark. References in the Base Prospectus to Bonds being ‘listed’ (and all similar references) shall mean that such Bonds have been included in the official list and been admitted to trading on a regulated market according to MiFID II.

Bonds are issued and registered electronically (book-entry) at VP Securities A/S (“**VP**”) and are settled through VP.

Unless otherwise announced to the public, the Base Prospectus shall be valid for 12 months as of the approval date of the Base Prospectus for Bonds to be admitted to trading on a regulated market in the European Economic Area (“**EEA**”) and/or offered to the public in the EEA, except for the cases where an exception is in force under Article 1(4) and/or Article 3(2) of the Prospectus Regulation. The obligation to prepare an addendum to the Base Prospectus in the event of a material new circumstance, error or inaccuracy shall not apply when the Base Prospectus is no longer valid.

The Bonds have not been and will not be registered under the US Securities Act of 1933 (“**U.S. Securities Act**”) and may be subject to US tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of, “**US persons**” (as defined in Regulation S of US, “**U.S. Securities Act**”). The Bonds may be offered and sold outside the United States to non-US persons according to Regulation S of the U.S. Securities Act. For a description of certain restrictions for the supply, offer, sale and deliveries of the Bonds and of distribution of the Base Prospectus and other offer documents relating to the Bonds, please see section 13 “**SALES AND TRADING RESTRICTIONS**”.

Information of the Bonds’ currency, denomination, number and interest rate and other information that applies to an ISIN code (“**ISIN code**”) for Bonds issued under the Base Prospectus will appear from a document on final terms (“**Final Terms**”).

S&P Global Ratings Europe Limited (“**S&P**”) has granted Jyske Realkredit an issuer rating for “long-term issuer credit rating” of A with “stable outlook” and a “short-term issuer credit rating” of A-1 with “stable outlook”. Jyske Realkredit’s Capital Centres B and E have both been rated AAA by S&P. Bonds issued by Capital Centre S have not been rated by S&P. Covered Bonds and Mortgage Bonds have the same rating as the capital centre from which the bonds in question were issued, while Section 15 Bonds are expected to follow Jyske Realkredit’s Reference Rating Level from S&P if Jyske Realkredit chooses to have them rated. S&P was established in the European Union (“**EU**”) and registered according to regulation (EC) No. 1060/2009 of the European Parliament and of the Council on the date of the Base Prospectus. A rating is not a recommendation to buy, sell or own securities and may at any time by the relevant credit rating agency be suspended, lowered or withdrawn. Jyske Realkredit may decide not to have the issued Bonds rated. Jyske Realkredit may choose to terminate the cooperation on rating with S&P or choose other credit rating agencies. The rating of the bonds will appear from the Final Terms for the specific Bonds.

**This Base Prospectus, including the Final Terms of the specific Bonds, does not constitute a recommendation to subscribe for or purchase Bonds issued in accordance with this Base Prospectus. Each recipient of this Base Prospectus and/or the Final Terms of the specific Bonds must make his or her own assessment of the Bonds and of Jyske Realkredit on the basis of the contents of this Base Prospectus, all documents incorporated**

by reference herein, the Final Terms of each offer under this Base Prospectus and any addenda to this Base Prospectus. Prospective investors should read the section “*Risk factors*” on pages 6ff of this Base Prospectus carefully. Each investor must assess any possible tax implications on subscription, purchase or sale of the Bonds issued in accordance with this Base Prospectus and consult tax advisers to this effect.

1	INTRODUCTION.....	4
2	RESPONSIBILITY FOR PREPARATION OF BASE PROSPECTUS .....	6
3	RISK FACTORS.....	7
4	LEGISLATION .....	19
5	TERMS OF THE BONDS.....	32
6	TEMPLATE FOR FINAL TERMS .....	42
7	INFORMATION INTEGRATED IN THE BASE PROSPECTUS BY REFERENCE.....	49
8	REASON FOR THE SALE OF THE BONDS AND APPLICATION OF PROCEEDS .....	50
9	ABOUT THE JYSKE BANK GROUP AND JYSKE REALKREDIT .....	51
10	SUPERVISORY BOARD AND EXECUTIVE BOARD OF JYSKE REALKREDIT .....	57
11	TAXATION.....	58
12	OFFERING, PRICE DETERMINATION, SALE, REGISTRATION AND EXECUTION, ETC. ...	59
13	SALES AND TRADING RESTRICTIONS .....	62
14	GENERAL INFORMATION .....	63

## 1 INTRODUCTION

### 1.1 Introduction to the Base Prospectus

The Base Prospectus is a base prospectus according to the Prospectus Regulation. The purpose of the Base Prospectus is to offer the information on Jyske Realkredit, Jyske Realkredit's parent company, Jyske Bank A/S ("**Jyske Bank**") as well as associated companies as a whole ("**The Jyske Bank Group**") and the securities covered by the Base Prospectus that according to the nature of Jyske Realkredit and the securities covered by the Base Prospectus that are considered necessary for investors to form a qualified estimate of Jyske Realkredit's assets and liabilities, financial position, results and future prospects as well as the rights that are associated with the securities offered. Investors must form their own opinion of whether the Bonds constitute a suitable investment for them.

Under the Base Prospectus, securities that are subject to the rules in the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act can be issued. Securities that can be issued under the Base Prospectus are covered bonds ("**Særligt Dækkede Obligationer/covered bonds**" or "**SDO**"), according to S.33 b of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, mortgage bonds ("**Mortgage Bonds**" or "**RO**"), according to S.18 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act and bonds according to Section 15 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act ("**Section 15 Bonds**"). In this Base Prospectus, "*covered bonds*", "*mortgage bonds*" and "*bonds issued according to Section 15 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act*" (without capital letters) shall subsequently be used to describe the various types of securities in general, i.e. where the subject of the description both applies to Bonds issued under the Base Prospectus and in general.

The outstanding number of Bonds issued under the Base Prospectus varies in step with Jyske Realkredit's loan volume. The volumes in circulation of Bonds appear, with reference to relevant ISIN codes, on Jyske Realkredit's investor website.

In this Base Prospectus, the term "**Bonds**" shall refer to all types of securities issued under the Base Prospectus, i.e. SDO, RO and Section 15 Bonds. In this Base Prospectus, the term "**SDO/RO Bonds**" shall refer to all SDO and RO issued under the Base Prospectus. "**Bondholder**" shall mean the investors who own the Bonds.

In this Base Prospectus, "**Final Terms**" shall mean the final terms that, read in the context of the Base Prospectus and information integrated with references, apply to an ISIN code for Bonds issued under the Base Prospectus.

This Base Prospectus shall be read in the context of all documents that by reference are included in the Base Prospectus and the Final Terms for the various Bonds. Please see section 7 "INFORMATION INTEGRATED IN THE BASE PROSPECTUS BY REFERENCE" and section 6 "TEMPLATE FOR FINAL TERMS". In addition to the documents that by reference are included in the Base Prospectus, information on the websites that the Base Prospectus refers to shall not be included in this Base Prospectus and that have not been reviewed or approved by the Danish FSA.

Any offering of Bonds in any other member state of the EEA than Denmark will be carried out according to an exemption from the requirement to publish a prospectus for the offering of securities according to the Prospectus Regulation. Consequently, any person who makes or intends to make an offering of the Bonds in the EEA member state in question will only be able to do so in the event where no obligation arises for Jyske Realkredit to publish a prospectus according to the Prospectus Regulation or to prepare an addendum to a prospectus prepared according to the Prospectus Regulation in each case in connection with such an offering. Jyske Realkredit has not consented to or in any other way approved that an offering be made of Bonds in circumstances where an obligation arises for Jyske Realkredit to publish or supplement a prospectus for such an offering.

In connection with an offering of Bonds to the public, which offering is not exempted from the requirement of the Prospectus Regulation to publish a prospectus, it shall apply that if a financial intermediary uses this Base Prospectus to offer Bonds, the financial intermediary shall be obliged to inform investors of the terms and conditions for the offering at the time of the offering. Financial intermediaries using this Base Prospectus are also under the obligation to state at their website that they use this Base Prospectus in accordance with the related consent and its conditions.

No persons have been authorised to give information or to submit undertakings other than those contained in this Base Prospectus in connection with the issue or sale of Bonds, and if such information or undertakings have been given or made, it cannot be claimed that such information or undertakings were approved by Jyske Realkredit.

Distribution of the Base Prospectus or sale of Bonds in connection with this shall in no circumstance be considered an indication that no change has taken place to Jyske Realkredit's circumstances since the date of the Base Prospectus or the date on which the Base Prospectus was most recently changed (possibly through an addendum), or that there has been no negative development of Jyske Realkredit's financial position since the date of the Base Prospectus or the date on which

the Base Prospectus was most recently changed (possibly through an addendum) or that no other information in connection with the Base Prospectus is correct at any time or at the time when the information is given.

The distribution of this Base Prospectus and the Final Terms for the specific Bonds and the offering, sale or delivery of the Bonds may be restricted by law in certain jurisdictions. Jyske Realkredit presumes that persons who get possession of this Base Prospectus and/or the Final Terms for the specific Bonds issued inform themselves about and observe any such relevant restrictions. The Bonds have not been and will not be registered under the US Securities Act of 1933 (“**U.S. Securities Act**”) and may be subject to US tax law requirements. Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to or for the account or benefit of “US persons” (as defined in Regulation S of the U.S. Securities Act). The Bonds may be offered and sold outside the United States to non-US persons according to Regulation S of the U.S. Securities Act. For a description of certain restrictions for the supply, offer, sale and deliveries of the Bonds and of distribution of the Base Prospectus and other offer documents relating to the Bonds, please see section 13 “*SALES AND TRADING RESTRICTIONS*”.

All references in the Base Prospectus to “**DKK**” shall mean Danish kroner, which is the official currency of Denmark at the time of the approval of the Base Prospectus, and references to “**EUR**” shall mean euro, which designates the single European currency, which is used by the participating member states of the third stage of the Economic and Monetary Union.

### **1.2 The Benchmark Regulation**

Amounts to be paid in connection with floating-rate Bonds may, if this has been stipulated in the Final Terms, be calculated on the basis of a reference rate. If such a reference rate constitutes a ‘benchmark’ according to Regulation (EU) 2016/1011 of the European Parliament and of the Council (“**the Benchmark Regulation**”), this will be stated in the Final Terms whether the reference rate in question is delivered by an administrator, who is listed in the European Securities and Markets Authority’s (“**ESMA**”) register of administrators according to Article 36 of the Benchmark Regulation. Unless it is required by law, Jyske Realkredit does not intend to update the Base Prospectus or relevant Final Terms with new registration status of an administrator, as ESMA’s register of administrators is publicly available.

### **1.3 MiFID II product management/target markets**

The relevant Final Terms of the Bonds will include a subsection titled “MiFID II product management”, which will describe the assessment of which target markets and distribution channels that have been deemed suited for the relevant Bonds. Any person who subsequently offers, sells or recommends the Bonds (a “**Distributor**”) must take the assessment of the target market into consideration. A Distributor who is subject to MiFID II is, however, under the responsibility to undertake his own assessment of the target market of the Bonds (either by assuming or improving the assessment of the target market) and also to determine appropriate distribution channels.

### **1.4 Pursuing claims against Jyske Realkredit in relation to liquidation or bankruptcy**

Jyske Realkredit is domiciled in Denmark as a Danish limited liability company. Should Jyske Realkredit be subject to liquidation or bankruptcy proceedings, any Bondholder according to the relevant ISIN code will have to pursue his claim against Jyske Realkredit in Denmark. In the event the relevant Bondholder will be entitled to a claim under such liquidation or bankruptcy proceedings, the relevant claim will be settled in Danish kroner. In the event, the relevant Bonds are issued in another currency than Danish kroner, the claim against Jyske Realkredit will be based on the relevant exchange rate to Danish kroner for the relevant currency on the day when Jyske Realkredit was subject to liquidation or bankruptcy proceedings.

## **2 RESPONSIBILITY FOR PREPARATION OF BASE PROSPECTUS**

### **2.1 Jyske Realkredit's responsibility**

Jyske Realkredit, Klampenborgvej 205, DK-2800 Kgs. Lyngby is responsible for the Base Prospectus under applicable Danish law.

### **2.2 Responsible persons**

On behalf of Jyske Realkredit, the following persons are responsible for the Base Prospectus:

On the Supervisory Board:

Niels Erik Jakobsen, Managing Director, Chairman of the Supervisory Board of Jyske Realkredit A/S

Lars Waalen Sandberg, Director, Deputy Chairman of the Supervisory Board of Jyske Realkredit A/S

Per Skovhus, Managing Director, Member of the Supervisory Board of Jyske Realkredit A/S

Peter Trier Schleidt, Managing Director, Member of the Supervisory Board of Jyske Realkredit A/S

Steen Brastrup Clasen, Valuer, Employee Representative at Jyske Realkredit A/S

Kim Henriksen, Credit Specialist, Employee Representative at Jyske Realkredit A/S

who by authority as of 23 September 2019 has authorised the Executive Board to sign the Base Prospectus and future addenda.

The Executive Board:

Carsten Tirsbæk Madsen, CEO and Director

Torben Hansen, Director

The persons responsible for the information provided in this Base Prospectus, hereby declare to have taken all reasonable care to ensure that, to the best of their knowledge and belief, the information provided in the Base Prospectus is in accordance with the facts and contains no omissions likely to affect the import thereof.

This Base Prospectus (including the declaration contained in the Base Prospectus) is hereby signed on behalf of Jyske Realkredit A/S' management in accordance with the special authorisation by Jyske Realkredit Supervisory Board:

Kgs. Lyngby, 23 February 2021

---

Carsten Tirsbæk Madsen  
CEO and Director

---

Torben Hansen  
Director

### **2.3 Declaration**

Jyske Realkredit declares that:

- (a) The Base Prospectus has been approved by the Danish FSA in its capacity as competent authority according to the Prospectus Regulation.
- (b) The FSA only approves that this Base Prospectus meets the standards for completeness, comprehensibility and consistency according to the Prospectus Regulation.
- (c) The approval is not to be considered an approval of the issuer (Jyske Realkredit) that is covered by this Base Prospectus.

### 3 RISK FACTORS

It is the assessment of Jyske Realkredit that the circumstances described below represent the most material risks associated with investment in the Bonds. It is not possible for Jyske Realkredit to identify all such risk factors or determine which risk factors that are most likely to occur, as Jyske Realkredit is not familiar with all relevant risk factors, and certain risk factors that are not considered material at this time may turn out to be material due to circumstances outside Jyske Realkredit's control. If one or more of the above-mentioned circumstances materialise, this may have a negative effect on Jyske Realkredit's activities, financial position, results and reputation, and consequently investors may, in part or in full, lose their investment in the Bonds.

Risk factors are grouped in three sections. The first section covers risk factors relating to Jyske Realkredit that may affect Jyske Realkredit's ability to pay amounts due in connection with the Bonds. The second section covers factors related to the market in general that are material to assess market risks associated with the Bonds. The third section covers risks relating to the offered Bonds.

Prospective investors should also read this Base Prospectus in its entirety (including documents incorporated by reference) and make their own opinion, including consulting own advisers, prior to making any investment decision.

#### **RISK FACTORS RELATAING TO JYSKE REALKREDIT THAT MAY AFFECT JYSKE REALKREDIT'S ABILITY TO PAY AMOUNTS DUE IN CONNECTION WITH THE BONDS**

##### *Credit Risk*

Credit risk is the risk of loss caused by the failure of any borrower or other counterparties to honour its payment obligations to Jyske Realkredit. Jyske Realkredit credit risk relates primarily to its loan portfolio, unutilised credit lines, guarantees and trading and hedging activities.

Since the loans issued by Jyske Realkredit's capital centres are secured by mortgages on real property, Jyske Realkredit's credit risk relies particularly on developments in the Danish property market. If property prices fall materially, this may affect Jyske Realkredit's financial position and hence Jyske Realkredit's ability to fulfil its obligations.

A negative development in the credit quality of Jyske Realkredit's borrowers or counterparties may affect the value of Jyske Realkredit's assets and result in increasing provisions for losses and may have a negative effect on Jyske Realkredit's activities and Jyske Realkredit's ability to pay amounts due on the Bonds issued under this Base Prospectus.

##### *Market risk*

Market risk is the risk of loss following movements in the financial markets (including interest rate, equity and foreign-currency risks). Market value fluctuations may result in losses and have an adverse effect on the income from Jyske Realkredit's primary activities.

The most material risks relate to Jyske Realkredit's portfolio of securities for which the interest-rate risk and the spread risk on the bond portfolio are the most important ones. The purpose of the portfolio of securities is to support the mortgage credit business.

Jyske Realkredit finances its loans through match-funded issues and through non-match funded issues of Bonds subject to the general balance principle according to the provisions of the Danish Executive order No. 1425 of 16 December 2014 on the Issue of Bonds, the Balance Principle and Risk Management ("**Executive order on the Issue of Bonds**").

The majority of Jyske Realkredit's loans are pass-through match funded, which practically eliminates market risk as market risks are transferred to the borrowers, and in consequence of this these risks become credit risks (see "*Credit risk*" above). For the part of the loans that are not pass-through match funded, Jyske Realkredit seeks to hedge market (and liquidity) risks through derivatives agreements. The counterparty risk on financial derivatives is reduced through netting agreements and margin calls with major counterparties in accordance with the standard documentation from the International Swaps and Derivatives Association (ISDA) and the International Capital Market Association (ICMA). However, derivative agreements will always entail risks, for instance a risk associated with the derivative counterparty.

Jyske Realkredit has entered into agreements with various derivative counterparties. Any financial problems of a derivative counterparty may affect the counterparty's ability to meet his contractual obligations to Jyske Realkredit. In this respect, Jyske Realkredit does not issue any guarantees to investors. Financial problems of one or more of Jyske

Realkredit's derivative counterparties may have a negative effect on Jyske Realkredit's activities and Jyske Realkredit's ability to pay amounts due on the Bonds issued under this Base Prospectus.

### ***Liquidity risk***

Jyske Realkredit defines liquidity risk as the risk of higher funding costs and/or lack of access to liquidity, as a result of which Jyske Realkredit may not be able to continue its operations with their current scope and/or meet its payment obligations on a timely basis.

Jyske Realkredit finances its loans through match-funded issues and through non-match funded issues of Bonds subject to the general balance principle according to the provisions of the Executive order on the Issue of Bonds.

Some of Jyske Realkredit's loans, including callable fixed-rate loans, have fixed funding throughout the term of the loans. The rest of Jyske Realkredit's loans do not have fixed funding throughout the term of the loans but is funded through Bonds with a shorter time to maturity than the loans.

Jyske Realkredit's liquidity risk is primarily linked to a situation in which the issuer is unable to sell the required volume of Bonds in connection with refinancing. The rules on refinancing and extension of maturity of the Bonds are described in greater detail in section 4.14 (*Maturity Extension of the Bonds*). When Bonds have been sold, the primary risk will be if the borrower fails to make timely payments of interest or repayments on their loans. This is a consequence of the funding costs being paid by the borrower. However, this does not apply to Tier 2 capital in the form of interest-bearing liabilities, such as Bonds issued pursuant to Section 15 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, unsecured senior debt or other credit lines. Lack of access to such funding entails a direct liquidity risk.

In the event of a future market-stress situation, the institution must meet a large number of ratio requirements relating to the liquidity and the composition of the portfolio of securities, which did not apply previously to a market-stress situation.

Higher funding costs and/or lack of access to liquidity for Jyske Realkredit may have a negative effect on Jyske Realkredit's activities and Jyske Realkredit's ability to pay amounts due on Bonds issued under this Base Prospectus.

### ***Operational risk***

Jyske Realkredit's activities may be affected by operational risks due to human error, system error, breakdown of IT systems, inadequate or defective internal procedures or external events. Operational risk also includes risk pertaining to reputation and strategy as well as legal risk.

Operational risk is chiefly managed by way of business procedures and controls. If such controls do not work, this may result in higher costs or liabilities for Jyske Realkredit, which may have a negative effect on Jyske Realkredit's activities and Jyske Realkredit's ability to pay amounts due on the Bonds issued under this Base Prospectus.

### ***Sanctions***

As a result of the current regulation, including the personal data, anti-money laundering and competition regulation, sanctions having material financial consequences or consequences as to their reputation may be imposed on financial services companies in the event of violations. In consequence of, for instance the uniform nature of the products, errors in individual cases may in special instances relate to a good many loan and client relationships and hence affect the extent of the claims that are brought against Jyske Realkredit.

Such circumstances may have a negative effect on Jyske Realkredit's activities and Jyske Realkredit's ability to pay amounts due on the Bonds issued under this Base Prospectus.

### ***Cyber risk***

Jyske Realkredit maintains an IT security system, yet despite of this Jyske Realkredit may be the target of malicious hacking with consequences in the form of shutdown of individual or all IT systems. Consequences of a malicious hacker attack may be the lack of possibility of issuing bonds, lack of possibility of servicing payments on time, etc., which may have a negative effect on Jyske Realkredit's activities and Jyske Realkredit's ability to pay amounts due on the Bonds issued under this Base Prospectus.



### ***Risk relating to the implementation of new rules***

Jyske Realkredit is subject to extensive legislation and supervision. Changes to these may have a negative effect on Jyske Realkredit's possibilities of maintaining the current business volume and also have a negative effect on Jyske Realkredit's activities and Jyske Realkredit's ability to pay amounts due on the Bonds issued under this Base Prospectus. Even though Jyske Realkredit follows the work of the FSA closely and consistently monitors the development in the Danish as well as European regulation of financial services companies, future changes are unpredictable and beyond the control of Jyske Realkredit. Changes to legislation that does not affect Jyske Realkredit directly, but Jyske Realkredit's business volume (for instance regulation of real property, including owner-occupied homes, subsidised housing, rental property and property taxes, etc.) may also have a material negative effect on Jyske Realkredit's possibilities of maintaining the current business volume and hence also have a negative effect on Jyske Realkredit's activities and Jyske Realkredit's ability to pay amounts due on the Bonds issued under this Base Prospectus. There can be no assurance as to the impact of any possible judicial decision or change to Danish law or principle of administration after the issue date of the Bonds.

On 7 December 2017, the Basel Committee published a publication titled: "*Basel III: Finalising post-crisis reforms*". The publication contains various proposals for rules with the purpose of limiting the capital reduction by using internal models rather than a standardised approach. An input floor as well as an output floor based on a standardised approach will be introduced in the internal models. To Jyske Realkredit, the introduction of a floor requirement for credit institutions using internal models be the most significant change. The floor requirement will entail that credit institutions will be subject to a capital requirement of at least 72.5% of the capital requirement calculated on the basis of the standardised approaches, which may have a negative effect on Jyske Realkredit's activities and Jyske Realkredit's ability to pay amounts due on the Bonds issued under this Base Prospectus. According to a statement published by the Basel Committee on 27 March 2020, among other things, the date of implementation of the floor requirement has, due to the outbreak of the Coronavirus (COVID-19), been postponed from 1 January 2022 to 1 January 2023 and the related transitional arrangement has been postponed from 1 January 2027 to 1 January 2028.

### ***Competition in mortgage lending***

Competition in mortgage lending is keen, both from new and established players in the market. The continuing consolidation among credit institutions as well as the possibility of future mergers of bank data centres also add to competition. Increasingly keen competition may have an adverse effect on Jyske Realkredit's position in the mortgage market, which may have a negative effect on Jyske Realkredit's activities and Jyske Realkredit's ability to pay amounts due on the Bonds issued under this Base Prospectus.

### ***Ratings may not reflect all risks***

Currently, Jyske Bank and Jyske Realkredit have a joint issuer rating from S&P. Jyske Realkredit's bonds issued from Capital Centre E, Capital Centre B as well as the General Capital Centre are currently rated by S&P, whereas the fully state-guaranteed Capital Centre S is not rated, nor are there plans to apply for a rating of Capital Centre S. Such ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed in this paragraph and other factors that may affect the value of the Bonds or the credit standing of Jyske Realkredit.

A rating is not a recommendation to buy, sell or hold securities, and any credit rating agency may at any time revise, suspend or withdraw a rating assigned by it if, in the judgement of the credit rating agency, the credit quality of the Bonds or Jyske Realkredit, as the case may be, has been impaired.

The credit rating agencies may also at any time change the methodology/principles applied to the rating of Jyske Realkredit and the Bonds, and this may result in material revisions of previously assigned ratings. Significant changes to Jyske Realkredit's issuer rating may result in rising overcollateralisation requirement in order to maintain the existing ratings of the Bonds (including the OC requirements of the credit rating agencies), which may result in considerable costs of capital, and this may have a negative effect on Jyske Realkredit's activities and Jyske Realkredit's ability to pay amounts due on the Bonds issued under this Base Prospectus.

There can be no assurance that a rating of Bonds and/or Jyske Realkredit will be retained after the date of this Base Prospectus.

If a rating assigned to the Bonds and/or Jyske Realkredit is downgraded, suspended, withdrawn, and/or Jyske Realkredit terminates its business relationship with one or more rating agencies, the market value of the Bonds may fall due to the occurrence of one of the events mentioned in the section.

Jyske Realkredit's ratings may also decline if the rating of the Kingdom of Denmark is downgraded without any direct correlation with Jyske Realkredit's activities.

Jyske Realkredit can at any time choose to cancel its cooperation with the relevant credit rating agencies, which would have the consequence that the Bonds are no longer rated, unless Jyske Mortgage credit chooses to be rated by one or several other credit rating agencies. If a Bond is no longer rated, the consequence may be that the Bond will be included at a lower value in capital adequacy calculations.

### ***Risks relating to statutory capital***

The FSA supervises Jyske Realkredit, and there is a structure stipulating the minimum level of statutory own funds, including, among other things a minimum capital requirement, individual solvency requirement and a combined capital buffer requirement (including a SIFI buffer). These requirements, and the calculation of these, may be changed or raised in the future. Non-compliance with capital requirements on the part of Jyske Realkredit may result in administrative actions or sanctions on the part of the FSA and eventually revocation of Jyske Realkredit's license to operate as a mortgage credit institution, which may have a negative effect on Jyske Realkredit's activities and Jyske Realkredit's ability to pay amounts due on the Bonds issued under this Base Prospectus.

### ***Transfer of funds between capital centres***

The rules on a minimum level of capital also apply to the individual capital centres. Jyske Realkredit can transfer funds (overcollateralisation) from the individual capital centre to the General Capital Centre, and also funds can be transferred from the General Capital Centre to other capital centres to meet a capital centre's solvency requirement, requirement of supplementary security or further overcollateralisation requirements, among other things due to the rating of the Bonds, provide that the solvency requirement of the General Capital Centre will also subsequently be met. A decline in the value of the assets of a capital centre may also have an effect on the payments to the holders of Section 15 Bonds, which in the order of priority of creditors rank below SDO/RO Bonds.

In the event of Jyske Realkredit going bankrupt, only the Bondholders will have a claim against Jyske Realkredit according to the ordinary compensation rules according to Danish law for the loss that the Bondholder may have incurred due to the transfer of funds from one capital centre to another capital centre.

In addition, according to section 5.4.1 in the terms of the Bonds, Jyske Realkredit is entitled at any time, and without notice and consent from the relevant Bondholders to separate and transfer Bonds covered by Base Prospectus, the mortgage deeds linked to them and any derivatives agreements to another capital centre. The separation presupposes that the rating, if any, of the Bonds in question with a credit rating agency is not lowered in connection with the separation.

### ***Resolution tools and authorities according to the BRRD***

The European Parliament's and Council's Directive 2014/59/EU of 15 May 2014 on rules for the recovery and resolution of credit institutions and investment firms ("**BRRD**") has been implemented in Danish law through the Danish Act on Recovery and Resolution of Certain Financial Enterprises ("**Act on recovery and resolution**"). References below to the BRRD in this Base Prospectus will also constitute references to the implementation of this in Danish law.

The purpose of the BRRD is to offer the authorities appointed by the member states a credible set of tools to intervene at a sufficiently early stage and fast against an unhealthy or distressed credit institution or investment company (an "**institution**").

The BRRD contains four resolution tools that can be used individually or in combination if the relevant resolution authority finds that (a) an institution is distressed or is likely to become distressed, (b) there is not realistic prospects that alternatives measures on the part of the private sector will prevent that the institution will have to be resolved, and (c) resolution is in the public interest. An institution is considered distressed or likely to become distressed when (i) it violates or is expected in the near future to violate the requirements for maintaining its licence; (ii) it cannot or is expected in the near future not to be able to repay its debt as it falls due; or (iii) it needs extraordinary financial aid from the state (except for special circumstances). The BRRD contains four resolution tools, including (i) the sale of business tool; (ii) the bridge institution tool; (iii) the asset separation tool, and (iv) the bail-in tool (from which specifically mortgage credit institutions have been exempted).

The BRRD also vests further authority in the resolution authorities to implement other resolution measures in connection with distressed institutions, including yet not limited to changes to the terms and conditions for contracts (including changes to the accrued interest amount and/or the introduction of temporary suspension of payments) and suspension of the listing of and trading in financial instruments.

The implementation of resolution measures or other authorities under the BRRD in respect of Jyske Realkredit or any indication of such measures or authorities may affect the rights of the holders of the Bonds and may have a negative effect on Jyske Realkredit's activities and Jyske Realkredit's ability to pay amounts due on the Bonds issued under this Base Prospectus.

See also section 4.18 ("*Recovery and Resolution*") for a further discussion of the BRRD rules.

#### ***MREL requirements and changes to the BRRD***

The BRRD introduces to financial institutions, but not for mortgage credit institutions (if certain conditions are met) a minimum requirement for own funds and eligible liabilities ("**MREL**"). The rules for calculating and meeting the MREL requirement were changed through Directive (EU) 2017/2399 of 12 December 2017 amending Directive 2014/59/EU as regards the ranking of unsecured debt instruments in insolvency hierarchy ("**Insolvency Hierarchy Directive**") and through Directive (EU) 2019/879 of 20 May 2019, amending Directive 2014/59/EU as regards credit institutions' and investment firms' loss absorbing and recapitalisation capacity ("**BRRD amending directive**"). The Insolvency Hierarchy Directive has been implemented in the Danish Act no 706 of 8 June 2018 to amend the Danish Financial Business Act, the Danish Act on Measures to Prevent Money Laundering and Financing of Terrorism, the Danish Alternative Investment Fund Managers etc. Act and various other Acts. The BRRD amending directive must, subject to certain exceptions, be implemented and be applicable to national legislation as of 28 December 2020. The BRRD amending directive contains a series of changes to the calculation and compliance with the MREL requirement. According to the BRRD amending directive, mortgage credit institutions such as Jyske Realkredit are still exempt from having to meet the MREL requirement. However, there can be no assurance that mortgage credit institutions will still be exempt from the MREL requirement in the long term or that the conditions for being exempt from the MREL requirement will still be met by Danish mortgage credit institutions. If a MREL requirement is introduced for Jyske Realkredit, this may have a negative effect on Jyske Realkredit's activities and Jyske Realkredit's ability to pay amounts due on the Bonds issued under this Base Prospectus.

Instead of the MREL requirement, Jyske Realkredit is subject to a 2% debt buffer requirement of the total non-weighted loans in addition to the other capital requirements in force. The debt that Jyske Realkredit may issue to meet the debt buffer requirement is sold to Jyske Realkredit's parent company, Jyske Bank, which is a requirement according to the resolution legislation with the purpose of maintaining an overall resolution strategy for the Jyske Bank Group.

#### ***Risks relating to deposit guarantee schemes, the Danish Resolution Fund and resolution funds and the possible accession of Denmark to the European Banking Union***

In Denmark and other jurisdictions, deposit guarantee schemes and similar funds (each one a '**Deposit Guarantee Scheme**') have been introduced. The purpose of such schemes is that compensation can be paid to financial services clients if a financial services company cannot pay or is likely not to be able to pay a claim against the company. In many jurisdictions, these deposit guarantee schemes are financed directly or indirectly by financial services companies that operate in and/or are licensed in the relevant jurisdiction. The future target level for funds to be accumulated in deposit guarantee schemes and resolution funds in various EU countries may exceed the minimum levels stipulated by the BRRD, Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes and the Council Implementing Regulation (EU) 2015/81 specifying uniform conditions of application of Regulation (EU) No 806/2014 of the European Parliament and of the Council with regard to ex ante contributions to the Single Resolution Fund ("**revised deposit guarantee scheme**") (the last one would be relevant if Denmark chooses to participate in the Single Resolution Mechanism).

By participating in the Deposit Guarantee Scheme, Danish financial institutions as well as mortgage credit institutions, such as Jyske Realkredit, undertake obligations to cover losses of distressed credit institutions, where the losses originate from banks' deposits that are covered by the guarantee and mortgage credit institutions' liquid assets covered by the guarantee. The funds of the Danish Deposit Guarantee Scheme must amount to at least 0.8% of the covered deposits with Danish banks and 0.8% of the covered cash with the Danish mortgage credit institutions.

At the moment, the Deposit Guarantee Scheme is fully financed. If subsequently the scheme does not have sufficient funds to make the necessary payments, extraordinary contributions of up to 0.5% of the individual institution's covered deposit or covered cash may be required.

In addition, Jyske Realkredit makes contributions to the Danish Resolution Fund ("**Resolution Fund**"), which was established as the Danish resolution financing arrangement under the BRRD, where the capital of the Danish Resolution Fund must, as at 31 December 2024, amount to 1.0% of the covered deposits with Danish Banks and 1.0% of the covered cash with Danish mortgage credit institutions.

It is still not clear whether, despite being outside the euro zone, Denmark will join the European Banking Union and hence become part of the Single Resolution Mechanism. Therefore, it is not clear which costs Jyske Realkredit will, under the circumstances, incur over the coming year in connection with payments to deposit guarantee funds and/or resolutions funds at a national or European level. Other costs relating to Denmark's entry into the European Banking Union may also materialise. Such additional costs may have a negative effect on Jyske Realkredit's activities and Jyske Realkredit's ability to pay amounts due on the Bonds issued under this Base Prospectus.

### ***Risk relating to the use of risk models***

Jyske Realkredit applies internal rating-based risk models to calculate its risk exposure for credit risk (A-IRB). The models are in compliance with existing national and international guidelines for such models. There can be no assurance that the models are adequate with a view to uncovering the actual credit risk. These models may be revised as a result of a number of factors, including amendments to national and international legislation and due to changes to supervisory procedures. Changes to the models may result in an increased solvency requirement for Jyske Realkredit and hence reduce the existing solvency overcollateralisation, which may have a negative effect on Jyske Realkredit's activities and Jyske Realkredit's ability to pay amounts due on the Bonds issued under this Base Prospectus.

See also section 4.20 (*Future capital rules, full implementation of Basel III*) for a detailed review of the importance of the implementation of the so-called "input floor" and "output floor" resulting from the implementation of the CRR amendment regulation and the directive amending CRD IV.

### ***Risk pertaining to forced sale***

While the Bonds are covered by Danish law, and the vast majority of Jyske Realkredit assets are located in Denmark, where the methods used in and the time horizon for a forced sale are well known, other assets will be located in other jurisdictions where different legislation such as mandatory consumer protection rules may entail that a forced sale of assets takes longer time than anticipated and may involve costs that would reduce the funds received from a forced sale. Hence the value of the charged assets may turn out to be lower than assumed, which may have negative effect on Jyske Realkredit's activities and Jyske Realkredit's ability to pay amounts due on the Bonds issued under this Base Prospectus.

## **FACTORS THAT ARE MATERIAL FOR AN ASSESSMENT OF MARKET RISKS ASSOCIATED WITH THE BONDS**

### ***The secondary market in general***

There can be no assurance that a liquid market for the Bonds will be maintained. Investors may find it difficult to sell their Bonds or to sell them at prices producing a return comparable to returns on similar investments in the secondary market.

Bond investors will be exposed to general fluctuations in market conditions and demand for the Bonds, which affect the price and the yield outlook. For instance, the increasing foreign ownership interest in Danish mortgage bonds, if the current interest weakens or actually turn around, also be of importance to the liquidity in the market.

### ***Interest-rate risk***

An investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Particularly long-term fixed-rate Bonds involve a high risk of a material decline in value if the market rate exceeds the rate paid in accordance with the fixed-rate Bonds. On the other hand, holders of Bonds with redemption options should not expect, in case of falling market rates, that the price would substantially exceed the redemption price.

The yield to maturity on the Bonds is affected by a number of factors that cannot be predicted at the time of the investment.

### ***Discontinuation of reference rates***

The basis for the fixing of interest rates on floating-rate Bonds that apply a reference rate or other indexation may be affected if the chosen basis of the interest rate is no longer published or listed, if the terms and conditions behind the chosen basis change materially, if one or more public authorities to a material extent challenge the agreed basis as reference for the fixing of the interest rate on the Bonds or if a relevant financial sector enters into an agreement with a public authority to use a different basis (the reference rate) than the one agreed.

Currently work is undertaken in Denmark and internationally to reform and/or find alternatives to existing (in full or in part) estimate-based reference rates in most currencies with a view to securing to a greater extent the use of transaction-based reference rates. In the long term, this may be of importance to the development and the use of Danish and international reference rates, such as Cibor (Copenhagen Interbank Offered Rate), Cita (Copenhagen Interbank Tomorrow/Next Average) and Euribor (Euro Interbank Offered Rate).

Therefore investors must be aware that in connection with Bonds that use estimate-based reference rates as the basis for the interest rate fixing, there may be a risk that these, before the Bonds mature, due to this work, may be lower and/or more volatile than would otherwise have been the case and/or may have to be replaced by other reference rates, which are very likely to have other characteristics than the various reference rates they are to replace.

Investors should consult their own independent advisers and make their own assessment of the potential risks that ensue from the current work with Danish and international reference rates when making investment decisions about Bonds that use any of these as a reference rate.

### **RISKS RELATING TO THE BONDS OFFERED**

#### ***No events of default***

The terms of the Bonds do not include any events of default that relate to Jyske Realkredit and/or the capital centres. According to the terms of the bonds, it cannot by the Bondholders be invoked as a reason for prepayment of payment obligations if an order of liquidation is made against Jyske Realkredit. Likewise, pursuant to the terms of the bonds, it cannot be invoked as a reason for prepayment of payment obligations if the Bonds are covered by the rules on statutory refinancing. Finally, nor can it be invoked as a reason for prepayment of payment obligations if Jyske Realkredit does not meet its obligations to provide additional security as regards the SDOs.

#### ***No grounds of default in connection with Bonds guaranteed by the government***

Bondholders cannot claim compensation on the grounds of default in connection with Bonds guaranteed by the government to the extent that the Danish state has taken over the liabilities payable, which will restrict Bondholders' rights compared to usual rights and may have a negative impact on the price of the Bonds.

#### ***Interest on overdue payments with respect to Bonds***

Investors in Bonds will only receive amounts when they fall due under the terms of the Bonds.

If any payment of interest and/or principal due in respect of the Bonds is not made on the relevant due date, the terms of the Bonds do not include provisions on the payment of interest on such amounts during such a delay. This does not affect any rights that holders of Bonds may have with respect to interest on any such payments under the general rules of Danish law.

#### ***Investor meetings and changes to terms***

The terms of the Bonds do not include provisions on summoning bondholders for meetings to discuss circumstances generally relevant to their interests. Any modifications to the terms of the Bonds may, depending on the circumstances, require the consent of the Bondholders as well as the approval of Jyske Realkredit.

#### ***Possible Eurosystem eligibility of the Bonds***

The Bonds are intended to be issued in a manner which will allow Eurosystem eligibility, as following issuance, they can be deposited with a Eurosystem eligible central securities depository in a joint safe-custody account. This does not

necessarily mean that the Bonds will be recognised as eligible collateral for Eurosystem monetary policy operations and intraday credit, neither upon issuance nor during their term to maturity. Such recognition will depend upon the European Central Bank being satisfied that the Eurosystem eligibility criteria have been met. Failure to be recognised as eligible collateral may have a negative effect on the price of the Bonds.

### ***European Monetary Union***

In the event, that prior to the maturity of the Bonds, the euro becomes the official currency of Denmark,

- all amounts payable in respect of the Bonds denominated in DKK may become payable in EUR;
- legislation may allow or require such Bonds to be re-denominated into EUR and/or additional measures to be taken in respect of such Bonds;
- interest rates applicable to deposits in DKK that are used to determine the rates of interest on the Bonds may no longer be published, or
- changes may be made in the way those rates are calculated, quoted, published or displayed.

### ***Investors to bear the risk of withholding tax***

All payments of principal and interest by or on behalf of Jyske Realkredit in respect of the Bonds will be made free and clear of, and without withholding or deduction for, any taxes and duties imposed, levied, collected, withheld or assessed by Danish authorities unless otherwise stipulated by law. For a detailed description of the rules on taxation of investors, please see section 11 "TAXATION".

### ***No financial intermediaries have conducted a thorough review of loan or other assets that may now or in the future be placed in the capital centres***

No financial intermediaries have conducted or will conduct reviews, surveys, searches or other acts in connection with the loans or other assets that now or in future may be placed with the capital centres but will instead refer to Jyske Realkredit's liabilities according to the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act.

### ***Bondholders only receive a limited description of the capital centres***

The composition of the individual capital centre may vary over time. Bondholders do not receive any detailed statistics or information about the individual loan, the location of each mortgaged home or commercial property or other assets that now or in future may be placed at the capital centre in question, as the composition of the individual capital centre is to be expected to change over time.

### ***Clearing risk***

All payments to investors on the Bonds take place through the central securities depository at which the Bonds are registered, cf. the Final Terms, and in accordance with the rules applicable to the central securities depository in question.

As regards the Bonds that are issued through VP, the payments take place to the central bank account that is linked to each relevant custody account with VP where Bonds are registered. Hence payment takes place to the account-holding institutions that participate in VP and takes place through a transfer between two central bank accounts based on instructions generated by VP and sent to the payment system. Once Jyske Realkredit has made a payment on time to the relevant account-holding institution's central bank account according to the terms of the bonds, this payment will discharge Jyske Realkredit's liabilities. In the event that Jyske Realkredit's payment to the account-holding institution is not passed on to investors - irrespective of the reason - Jyske Realkredit shall not be legally obliged to make a payment again. If, irrespective of the reason, the relevant account-holding institution does not pass on Jyske Realkredit's payment to investors, this may have the effect that investors do not receive the payment.

### ***Risks associated with bankruptcy rules***

According to Danish bankruptcy rules, a claim may on certain conditions be raised against Jyske Realkredit for repayment of funds received by Jyske Realkredit within a period of up to three months from the bankruptcy of a borrower or other debtor. In connection with consolidated companies, a claim may on certain conditions be raised against Jyske Realkredit

for repayment of funds received by Jyske Realkredit within a period of up to two years from the date of bankruptcy of a borrower or other debtor. Where it is found that a repayment of the said funds must be made by Jyske Realkredit, such repayment will reduce the assets available for satisfying the Bondholders' claims.

In addition, investors must assess the order of priority of creditors, where holders of SDO/RO Bonds together with certain derivative counterparties (“**Privileged Derivative Counterparties**”) hold a primary preferential right (subject to certain costs relating to the administration of the estate) to all assets in the relevant capital centre, and the holders of Section 15 Bonds hold a secondary preferential right to all assets of the relevant capital centre. Any remaining claims by holders of SDO/RO Bonds and Privileged Derivative Counterparties rank before unsecured claims against Jyske Realkredit's estate in bankruptcy according to S.97 of the Danish Bankruptcy Act, while any remaining claim by holders of Section 15 Bonds can be filed as an unsecured claim against Jyske Realkredit's estate in bankruptcy according to S.97 of the Danish Bankruptcy Act.

#### ***Limitation of Jyske Realkredit's liability for damages (force majeure)***

However, even in areas where stricter liability applies, Jyske Realkredit shall not be held liable in damages for any loss incurred as a result of: (i) breakdown of/non-access to IT systems or the corruption of data on said systems as a result of any of the undermentioned events, regardless of whether Jyske Realkredit or an external supplier operates the systems; (ii) interruption of Jyske Realkredit's power supply or telecommunication channels, statutory intervention or administrative acts, natural disasters, war, rebellion, civil commotion, sabotage, terror or vandalism (including computer viruses and hacking); (iii) strikes, lockouts, boycotts or blockades, regardless of whether the conflict is aimed at or initiated by Jyske Realkredit itself or by its organisation and regardless of the reason for the conflict. This also applies when the conflict affects only part of the functions of Jyske Realkredit or (iv) other circumstances beyond the control of Jyske Realkredit.

Jyske Realkredit shall not be exempt from liability where (i) at the time of entering into the agreement, Jyske Realkredit ought to have foreseen the circumstances that caused the loss or ought to have prevented or remedied them, or (ii) under Danish law, Jyske Realkredit is, in any case, liable for the cause of the loss.

If Jyske Realkredit's liability is limited due to circumstances mentioned above, this may preclude or reduce the size of any claims that investors otherwise could justly have raised against Jyske Realkredit in the event of default.

#### ***Risks associated with the structure of the SDO/RO Bonds***

##### Prepayment

Borrowers may in certain cases prepay their mortgage loans either by

- buying the SDO/RO Bonds at market price and applying them for redemption; or
- prepaying the mortgage loan at a predetermined redemption price; in which case the market price is unlikely to rise significantly above such redemption price. Borrowers will often utilise this prepayment option if they can obtain more attractive financing in this way. This means that investors may risk that their SDO/RO Bond are redeemed at a time where reinvestment may take place at a lower interest rate.

Jyske Realkredit reserves the right of prepayment in the following cases:

- In the event of a negative interest coupon, Jyske Realkredit shall be entitled to draw bonds for early redemption to offset the negative interest coupon, in which case the nominal principal is reduced. In the event of drawing of bonds for early redemption due to negative interest coupon, the amount of bonds drawn for early redemption will be based on either par or market price. At redemption at par, the nominal amount drawn may deviate from the amount at which the Bonds could have been sold in the market. In the event of drawing of bonds for early redemption at market price, the proceeds from the drawing may deviate from the nominal amount drawn and hence the proceeds obtained in the event redemption had taken place at the ordinary redemption/maturity of the Bonds.
- Jyske Realkredit reserves the right to redeem, in full or in part, the SDO/ RO Bonds before the maturity date, alternatively to offer investors an exchange to new SDO/ RO Bonds in full or in part if the terms of the loans financed by the SDO/RO Bonds are changed due to legislative amendments, orders from authorities and/or market-related circumstances. Drawing of SDO/RO Bonds for early redemption due to Jyske Realkredit

redemption can take place at the predetermined redemption price for the ISIN code in the event of early redemption immediately or later.

#### Advance and block issues

Pursuant to the Executive Order on Bonds, issuance of SDO/RO Bonds may take place in the form of advance issues of bonds equal to the volume of mortgage loans expected to be funded over the next six months. At the end of the six months, the volume of Bonds for which no mortgage loans were disbursed must be cancelled, and the volume in circulation of the relevant ISINs will be reduced correspondingly.

In addition to this, Jyske Realkredit may issue bonds as block issues, which on the basis of a planned purchase are made with a view to converting existing funding, including future refinancing. Such block issues may not have a maturity of more than six months, after which period cancellation of any surplus SDO/RO Bonds may take place.

Both circumstances may entail an effect on the prices of the SDO/RO Bonds that is unfavourable for investors.

#### Non-compliance with the balance principle

Under Danish mortgage law, Jyske Realkredit must manage its capital centres in a manner which ensures an appropriate balance between the payment obligations on the outstanding liabilities and the assets of the capital centres in terms of currency, interest rate, option and maturity structure. This is known as the balance principle.

Non-compliance with the balance principle may cause Jyske Realkredit to lose its license to issue Bonds, which may have an effect on the price of the Bonds, which is unfavourable to investors.

#### Loss of mortgage-covered bond status (SDO status)

If Jyske Realkredit fails to provide supplementary collateral for SDOs as required by legislation, the SDOs will lose their status as SDOs, which may affect the value of the Bonds and will affect the risk weighting of the SDOs in the capital calculations of financial services companies.

#### Statutory extension of the maturity of SDO/RO Bonds due to refinancing

Under the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, Jyske Realkredit is obliged to extend the maturity of SDO/RO Bonds in special circumstances. Jyske Realkredit is obliged to determine whether, and if so when, the conditions for statutory refinancing have been met. The rules for refinancing and extension of the maturity of SDO/RO Bonds are described in details in section 4.14 (*Extension of the Bonds*) and the terms and conditions for this are laid down in section 5.7 of the terms of the bonds.

#### SDO/RO Bonds issued with a view to applying the proceeds for a certain purpose

As regards SDO/RO Bonds issued with a view to applying the proceeds for a certain purpose, such as Green Bonds, no assurance can be given that such application of the proceeds will match the investors' investment criteria.

It may be stated in the Final Terms applicable to a tranche of SDO/RO Bonds that these are "Green Bonds". This means that Jyske Realkredit intends to apply the proceeds from the sale of the SDO/RO Bonds directly or indirectly to projects and activities that meet certain eligibility requirements with the purpose of furthering climate-friendly or other environmentally sound purposes ("**Eligible Green Loans**"). Projects and activities that can be financed by issuing green bonds are defined in the Jyske Bank Group Green Finance Framework.

Potential investors should - in addition to other examinations they may find necessary - familiarise themselves with the information on the application of the proceeds if it is stated in the Final Terms that the bonds are Green Bonds, and they may individually decide on the relevance of the information in respect of investing in SDO/RO Bonds. Jyske Realkredit does not give any assurance that the application of proceeds to Eligible Green Loans will in full or in part meet investors' current or future expectations or requirements relative to the investment criteria or guidelines that investors and their investments must comply with according to the legislation in force from time to time or according to own articles of association, other rules or investment mandates, particularly as regards the direct or indirect environmental or sustainability effects of any projects or applications that are included in or related to Eligible Green Loans.



Furthermore, it should be pointed out that no legal or otherwise unambiguous definition is found of what the market agrees to what constitutes a 'green', 'sustainable' or similarly designated project, nor which qualities are necessary if a specific project is to be defined as 'green' or 'sustainable' or something similar. Nor is it possible to give any assurance that such an unambiguous definition or consensus will not change over time or that the prevalent consensus in the market will not change significantly after the time when the decision to invest was made.

Consequently, investors will not or cannot obtain any assurance that projects or applications that are included in or relate to Green Loans will at any time meet all investors' expectations, nor can any assurance be given relating to such 'green', 'sustainable' or similarly designated purposes, nor that no negative environmental, social and/or other impact will take place in connection with the implementation of the project or applications that are included in or relate to Eligible Green Loans. In addition, no assurance is given that the assets that are considered Eligible Green Loans will at any time meet the eligibility requirements with the purpose of furthering climate-friendly or other environmentally sound purposes, for instance if the published energy rating is incorrect or if a borrower does not maintain the property.

No assurance nor guarantee is given about the eligibility or reliability, irrespective of the purpose, of any third party's declaration or approval (irrespective whether Jyske Realkredit has requested this or not) that is made available in connection with the issue of SDO/RO Bonds and in particular in connection with Eligible Green Loans with the purpose of meeting environmental, suitability, social and/or other criteria. Any such declaration or approval will, neither now, nor in the future, be considered incorporated in and/or constituting the entire or a part of the Base Prospectus. Any such declaration or approval does not constitute, nor shall it be considered being Jyske Realkredit's or others' recommendation to buy, sell or hold such SDO/RO Bonds.

Any such declaration or approval shall solely apply on the date when it was originally given, and the criteria and/or considerations that form a basis for the one who gives such declaration or approval may at any time change. Potential investors should individually decide on the relevance of such a declaration or approval and/or the information therein and/or of the one who gives such a declaration or approval with a view to investment in the SDO/RO Bonds. The ones who give such a declaration or approval are at this point in time not subject to any specific legislation or other supervision.

If the SDO/RO Bonds are listed on a stock exchange or admitted to trading in a 'green', 'environmentally sound', 'sustainable' or similar area/segment of the stock exchange or the securities market (whether or not this is regulated), Jyske Realkredit or others do not give any guarantee that such listing or admission to trading will in full or in part meet investors' current or future expectations or requirements relative to the investment criteria or guidelines that investors and their investments must comply with according to the legislation in force from time to time or according to own articles of association, other rules or investment mandates, particularly as regards the direct or indirect environmental or sustainability effects of any projects or applications that are included in or related to Eligible Green Loans.

Also, it should be pointed out that the criteria for such listing or admission to trade may vary among the individual stock exchanges and securities markets. Moreover, Jyske Realkredit or others do not give any guarantee that the SDO/RO Bonds will be listed or admitted to trade, nor any guarantee that such listing or admission to trade, if given, will last for the entire term to maturity of the SDO/RO Bonds.

While it is the intention of Jyske Realkredit fully or to a predominant degree to apply the proceeds from SDO/RO Bonds that are earmarked for Eligible Green Loans as described in the Final Terms, no guarantee is given that the Eligible Green Loans and the application of proceeds from such SDO/RO Bonds can or will be implemented in full or to a predominant degree in this way and/or in accordance with any time schedule, nor that any proceeds from such SDO/RO Bonds will consequently be applied in full or in part to such Eligible Green Loans. Nor will any guarantee be given that (i), at any time, Eligible Green Loans will still meet the criteria for constituting Eligible Green Loans, or (ii) that such Eligible Green Loans will be completed within a specified period, if at all, or will have the result (whether environmentally oriented or not) that Jyske Realkredit expected originally.

All the above-mentioned events and/or omissions on the part of Jyske Realkredit shall not constitute default as regards the SDO/RO Bonds. Any such event or omission to use the proceeds from issued SDO/RO Bonds for Eligible Green Loans as stated above, a revocation of or change to a third party's declaration or approval (irrespective of whether Jyske Realkredit has requested this or not) may have a negative effect on the value of the SDO/RO Bonds and potentially also the value of other SDO/RO Bonds that based on the intention are to finance the Eligible Green Loans and/or have negative consequences for certain investors with a portfolio mandate to invest in securities to be applied to a specific purpose. The same applies to a change to the criteria on which such declaration or approval was based, and a third party's declaration or approval from which it appears that Jyske Realkredit in full or in part fails to comply with or meet relevant criteria as regards matters about which declarations are given or that are approved through the declaration or the approval. Likewise

it also applies, in the event the SDO/RO Bonds are no longer listed or admitted to trading on a stock exchange or a security market as stated above, that this may have a negative effect on the value of the SDO/RO Bonds and potentially also the value of other SDO/RO Bonds that based on the intention are to finance the Eligible Green Loans and/or have negative consequences for certain investors with a portfolio mandate to invest in securities to be applied to a specific purpose.

### ***Risks associated with the structure of Section 15 Bonds***

#### Deferment of payments

Payments may be deferred if Jyske Realkredit is declared bankrupt or if Jyske Realkredit has initiated corporate reconstruction according to the Danish Bankruptcy Act. According to the terms of Section 15 Bonds, addition of interest will not be continued as regards the deferred amounts of payment.

#### Statutory extension of the term to maturity of Section 15 Bonds due to extension of SDO/RO Bonds

Pursuant to the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, Jyske Realkredit is under the obligation in certain special situations to extend the term to maturity of Section 15 Bonds, if the term to maturity of Jyske Realkredit's SDO/RO Bonds is extended in consequence of it being established in connection with refinancing that there are not buyers available for all necessary new SDO/RO Bonds (see "*Risks relating to the structure of SDO/RO Bonds*" - "*Statutory extension of the maturity of SDO/RO Bonds due to refinancing*"). Jyske Realkredit is obliged to determine whether, and if so when, the conditions for statutory maturity extension have been met.

The rules for extension of the maturity of Section 15 Bonds are described in details in section 4.14 (*Extension of the Bonds*), and the terms and conditions for this are laid down in section 5.7 of the terms of the bonds.

## **4 LEGISLATION**

### **4.1 Introduction and supervision**

As a mortgage credit institution, Jyske Realkredit is governed by the Financial Business Act and related executive orders, among other things, with regard to rules on authorisations, exclusivity, business area, good practice, ownership structure, management, structuring of business activities, disclosure of confidential information, capital, placement of funds, liquidity, group rules, consolidation, annual report, audit, appropriation of profit for the year, mergers and conversions, discontinuation of financial business, crisis management, supervision, duties and joint funding.

Mortgage credit institutions are also governed by the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act and related executive orders.

The Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act lays down rules governing mortgage credit institutions' lending against registered mortgages on real estate, unsecured loans to public authorities, loans guaranteed by public authorities or loans granted against other unsubordinated claims against and guarantees issued by credit institutions with respect to security for loans, maturities, repayment profiles, LTV limits, disbursements against guarantees, valuation of real estate, lending limits, supplementary collateral and lending outside Denmark.

The Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act also provides rules on the issuance of mortgage bonds (as ROs), covered bonds (as SDOs) and bonds issued in accordance with S.15 of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act (as Section 15 Bonds), including rules on exclusivity, bond issuance, balance principle and liability. The Act also provides rules on supervision.

Mortgage credit institutions may not carry on any business other than mortgage banking subject to the following exceptions:

- Mortgage credit institutions may carry on business as securities dealers;
- Mortgage credit institution may carry on other activities ancillary to mortgage lending;
- The Danish FSA may decide that the ancillary business activities must be conducted by another company; and
- Mortgage credit institutions may carry out other financial business through subsidiaries.

As of 1 January 2014, Jyske Realkredit's activities are also regulated by Regulation (EU) No. 575/2013 of 26 June 2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms ("CRR"). The CRR lays down rules the following, among others:

- Capital base
- Large exposures
- Liquidity
- Reporting to the supervisory authorities of information about capital base, large exposures, liquidity and leverage
- Disclosures regarding capital base, large exposures, liquidity and leverage

If the legislation that regulates Jyske Realkredit's business is amended, Jyske Realkredit reserves the right to change the Base Prospectus by way of a supplement in order that Jyske Realkredit's future Bond issuance under this Base Prospectus complies with national and international legislation in force from time to time and the business framework set out under such legislation.

Jyske Realkredit is supervised by the Danish FSA, which forms part of the Danish Minister for Industry, Business and Financial Affairs. The Danish FSA conducts regular supervision of Jyske Realkredit's activities, including inspections, and also on the basis of regular reporting from Jyske Realkredit.

Set out below is an overview of the contents of the legislation governing a mortgage credit institution's issuance of Bonds and the operations of a mortgage credit institution.

The overview does not take into account any legislative amendments entering into force after the date of this Base Prospectus.

#### 4.2 Loans

Mortgage credit institutions may provide loans against registered mortgages on real estate, unsecured loans to public authorities, loans guaranteed by public authorities or loans granted against other unsubordinated claims against and guarantees issued by credit institutions on the basis of the issuance of ROs, and SDOs.

When granting loans against mortgages on real estate financed through the issuance of SDOs and ROs, mortgage credit institutions must make their valuations and determine lending limits on the basis of the provisions of the Mortgage Credit Loans and Mortgage Credit Bonds, etc. Act and the Executive Order No. 417 of 27 April 2017 on valuation of mortgage and loans in real property provided as collateral against issuance of covered mortgage-credit bonds (SDROs) and Covered Bonds (SDOs) as well as the Executive Order No. 416 of 27 April 2017 on the valuation and lending limits of mortgage credit institutions.

The rules on valuation and lending limits are intended to ensure that loans are calculated and granted within the limits defined by law.

Generally, the valuation is made on the basis of the market value of the property. However, mortgage credit institutions may mortgage certain property segments at the reacquisition price.

Lending against mortgages on real property is measured against the value of the mortgaged property. Generally, the loan can only be determined at the maximum loan-to-value ratio, cf. the table below. In certain cases, for instance remortgaging, including change of credit institution, this maximum may be exceeded. The value of the loans and other assets covering issued SDOs must at any time correspond to the value of the issued bonds. The individual loan is recognised at the part of the value secured by mortgage on the property that is within the loan-to-value limit of the type of property in question. The part of the loan value in excess of the loan-to-value limit is covered by other approved assets (requirement for supplementary collateral).

The requirement for supplementary collateral for loans above the loan-to-value limits does not apply to loans funded using ROs.

<b>Maximum loan-to-value ratios for ROs and SDOs by property category</b>			
	RO	SDO	SDO  – if additional collateral of not less than 10% is provided for the part of the loan exceeding 60% of the value of the property
Owner-occupied housing for all-year habitation	80 %	80 %	
Private cooperative housing	80 %	80 %	
Private rental properties (rental housing)	80 %	80 %	
Subsidised housing	80 %	80 %	
Youth housing	80 %	80 %	
Housing for the elderly, etc.	80 %	80 %	
Vacation homes	75 %	75 %	

Vacation homes for commercial rental purposes	60 %	60 %	70 %
Agricultural and forestry property	70 %	60 %	70 %
Market gardens, etc.	70 %	60 %	70 %
Office and business properties	60 %	60 %	70 %
Industrial properties	60 %	60 %	70 %
Collective energy plants	60 %	60 %	70 %
Properties for social, cultural and educational purposes	80 %	60 %	70 %
Undeveloped sites	40 %	40 %	70 %
Loan-to-value ratios are stipulated by law. If the loan-to-value ratios are changed, Jyske Realkredit will apply the rules in the changed form.			

### 4.3 Repayment profile and mortgage loan maturities

The maximum maturity of loans against mortgages on real property offered by mortgage credit institutions is 30 years. However, the maximum term is 40 years for loans provided for subsidised housing, youth housing or private co-operative housing, provided the loan is granted on the basis of a commitment of public subsidy or support under the Danish Social Housing Act (lov nr. 1203 af 30. august 2020 om almene boliger m.v.). The term and the repayment profile of the loan must be determined with due consideration for the anticipated value depreciation of the mortgaged property and the eligible loan-to-value limits.

Loans to owner-occupied housing and vacation homes may not be granted, regardless of the collateral provided if the loan is amortised at a slower rate than that for a 30-year annuity loan. Within the maturity of the loan, the minimum amortisation requirement may be derogated from for a period of up to 10 years, during which the borrower does not pay principal payments on the loan but only interest. The minimum requirement for the amortisation profile may, however, be derogated from for a period of more than 10 years for loans granted for owner-occupied housing for all-year habitation, if the loan provided is funded using SDOs and its loan-to-value ratio does not exceed 75% (70% for loans offered before 1 July 2009). Interest-only loans should be granted with due consideration for the anticipated value depreciation of the mortgaged property.

The maximum term to maturity of 30 years does not apply to the property categories set out below, if the loan provided is funded using SDOs and its loan-to-value ratio does not exceed 75% (70% for loans granted before 1 July 2009):

- Owner-occupied housing for all-year habitation
- Private cooperative housing
- Private rental properties (rental housing)
- Subsidised housing
- Youth housing
- Housing for the elderly, etc.
- Properties for social, cultural and educational purposes

Currently, Jyske Realkredit does not avail itself of these possibilities of deviating from the maturity requirements.

### 4.4 Assets eligible as collateral for the issuance of SDO/ RO Bonds

The following types of assets may also be used as collateral for the issuance of SDOs, cf. Article 129 of the CRR, and ROs according to S.2 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act:

- loans secured through a registered mortgage on real property, also against temporary collateral

- bonds and instruments of debt issued by or guaranteed by public authorities and central banks
- public loans

The following types of assets may also be used as collateral for the issuance of SDOs, cf. Article 129 of the CRR:

- loans secured through a registered mortgage on real property, also against temporary security granted by other credit institutions according to the statutory provisions on joint funding
- bonds, instruments of debt and other claims and guarantees issued by credit institutions that qualify for credit quality steps 1 and 2, yet no more than a value corresponding to a nominal 15% of the issued SDOs, in the event of credit quality step 1 or credit quality step 2 with a maturity of no more than 100 days, and no more than 10% in the event of credit quality step 2 with a maturity of more than 100 days.

For loans secured by mortgages on immovable property, the borrower is liable to the extent of the mortgaged property and personally. Jyske Realkredit may derogate from the requirement of personal liability for loans financed through SDOs, but not for loans financed through ROs.

#### **4.5 Exclusion of asset-backed securities in the collateral basis**

According to the mortgage criteria of the European Central Bank (“ECB”), the cover pool for covered bonds must not contain asset-backed securities (“ABS”) unless they

- Satisfy the CRR requirements on ABSs in the cover pool
- Originate from a unit with close connections to the issuer of the Bonds, and
- Are used as a technical tool for assigning a mortgage on real property or guaranteed loans secured by mortgage from the unit from which they originate to be placed as collateral for the relevant Bonds.

For the purposes of the Eurosystem monetary policy, ROs SDOs are not considered ABSs.

As collateral for SDO/RO Bonds, Jyske Realkredit currently uses only ABSs that meet the requirements of the ECB.

#### **4.6 Capital centre**

Jyske Realkredit issues SDOs and ROs through its capital centres. ROs and SDOs cannot be issued from the same capital centre.

Currently SDOs are issued from Jyske Realkredit Capital Centre E and Capital Centre S.

From the latter, Jyske Realkredit issues government-guaranteed SDOs to finance subsidised housing with a 100% government guarantee. As a guarantor assuming primary liability, the Danish government guarantees SDOs that are issued from Capital Centre S. The government guarantee is valid throughout the maturity of the bonds. The government guarantee covers all liabilities that Capital Centre S may assume to the bondholders.

Currently ROs are issued from Jyske Realkredit’s Capital Centre B.

Capital centres that issue SDOs and ROs may issue Section 15 Bonds with a view to increasing overcollateralisation in the capital centre. Capital centres that issue SDOs may also issue Section 15 Bonds with a view to providing supplementary collateral.

If Jyske Realkredit opens additional capital centres at a later time, such capital centres may be covered by this Base Prospectus subject to the publication of a prospectus supplementary to this Base Prospectus.

SDOs and ROs are issued in series. A series or a group of series with a joint capital centre and joint liability constitute a capital centre. The assets of each capital centre consist of all the mortgages, guarantees, etc. relating to the loans granted through the capital centre and the reserve funds, etc. of the capital centre.

The liabilities of each capital centre consist of Bonds issued and the equity of the capital centres.

Furthermore, each capital centre may include off-balance sheet items such as derivative agreements. Derivatives agreements may be included only if used to hedge the risk between assets relating to the series and liabilities in the form of issued SDO/RO Bonds, and if the derivative agreement stipulates that the mortgage credit institution's reconstruction proceedings, bankruptcy or failure to provide collateral does not constitute an event of default ("**Preferential Derivatives Agreements**").

Income in each capital centre consists of interest etc. on mortgages, bonds, debt instruments and other claims, upfront fees, other fees and similar income as well as returns on other assets in each capital centre and off-balance sheet items.

Expenses in each capital centre consist of interest on issued SDO/RO Bonds, and also interest on Section 15 Bonds, administrative expenses etc., losses on and write-down of assets in the capital centres, off-balance sheet items and the proportion of Jyske Realkredit's tax payable by the relevant capital centre.

Pursuant to current legislation, Jyske Realkredit may distribute the profit from the current and previous years.

Jyske Realkredit's capital centres may also consist of assets and liabilities that result from loans raised in order for Jyske Realkredit to meet a requirement to provide supplementary collateral, for instance in connection with loans against mortgages on real estate or loans raised with a view to increasing the overcollateralisation of the capital centres.

Jyske Realkredit and each capital centre are liable for obligations under SDO/RO Bonds pursuant to the rules set out in the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act. The capital centres are not subject to cross liability. Please see section 4.19 (Bankruptcy and restructuring) for further details on bankruptcy.

#### **4.7 The balance principle**

The Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act requires that mortgage credit institutions observe a balance principle and a set of risk management rules in connection with the issuance of SDO/RO Bonds. The detailed provisions are laid down in the Executive order on the Issue of Bonds, the Balance Principle and Risk Management (The Executive order on Bonds).

The Executive Order on Bonds stipulates limits to the payment differences linked to the mortgage credit institutions' loans financed through SDO/RO Bonds, i.e. differences between, on the one hand, the future payments into the capital centre from the borrowers, other allowed assets and Preferential Derivatives Agreements used for hedging of payment differences and, on the other hand, the future payouts from the capital centres to SDO/RO Bonds and Preferential Derivatives Agreements used for hedging of payment differences, cf. S. 6 and S.23 of the Executive Order on Bonds.

The limits are adjusted by fixing loss limits to the interest rate, currency, option and liquidity risk resulting from cash flow differences.

The Executive Order on Bonds also contains a number of other provisions on limits to financial risks, relating, among other things, to the mortgage credit institution's own securities portfolio and funds resulting from the issue of Section 15 Bonds.

The balance principle and risk management are based on the following two main components:

- The statutory requirement for placing the proceeds in eligible assets in connection with the issuance by mortgage credit institutions of SDO/RO Bonds and Section 15 Bonds
- Interest rate, currency and option risk exposures are allowed only to a limited extent.

However, owing to various technical aspects of the lending activities of a mortgage credit institution, a number of placements of funds are not subject to the statutory limit on unsecured claims against other credit institutions in connection with the issuance of SDO/RO Bonds.

- Placement of funds in connection with the disbursement of new loans, refinancing, remortgaging or the redemption of existing loans, which will lead to an amount of outstanding bonds for which the credit institution has not yet obtained a mortgage on real estate (disbursements and refinancing) or awaits redemption of outstanding bonds (remortgaging and redemption);
- Guarantees representing temporary collateral in connection with lending against mortgage on real property until a registered mortgage is available;

- Own Bonds issued in the same capital centre.

The balance principle applies to each capital centre including the General Capital Centre. For each capital centre, mortgage credit institutions must determine whether the capital centre is to be governed by the general balance principle or the specific balance principle. For all capital centres, Jyske Realkredit has chosen to be governed by the general balance principle. Therefore, only the general balance principle is described below.

Under the general balance principle, the present value of future payments into the capital centre must always be higher than the present value of the future disbursements from the capital centre. Furthermore, interest payments to the capital centre must be higher than interest expenses paid from the capital centre over a current period of 12 months. Excess cover and liquidity investments may be included as interest payments to the capital centre, provided they have been made in safe and liquid securities.

Mortgage credit institutions may only assume limited interest rate risks arising from differences between future inflows and outflows in the capital centre, cf. above.

Interest-rate risk is calculated as the largest loss in terms of present value based on clearly defined assumptions about changes in the yield curve. Depending on the assumptions for the development of the yield curve, the calculated interest-rate risk must not exceed 1% of the capital adequacy requirement for mortgage credit institutions plus 2% of the additional excess cover or 5% of the capital adequacy requirement for mortgage credit institutions plus 10% of the additional excess cover.

Notwithstanding the fact that mortgage credit institutions are not entitled to offset interest rate risks resulting from different currencies, mortgage credit institutions are entitled to offset an interest-rate risk resulting from differences in payments in EUR against an interest rate risk resulting from differences in payments in DKK by up to 50% of the interest rate risk in the currency with the numerically smaller interest rate risk. In connection with the establishment or closure of a capital centre, the interest-rate risk must not exceed DKK 20m, irrespective of the limits stipulated above.

Mortgage credit institutions may only assume limited currency risks arising from differences between future inflows and outflows in the capital centre, cf. above.

Currency risk is measured as the loss incurred from an increase or a decrease of 10% in the exchange rate for currencies within the EU, EEA or Switzerland against DKK and as the loss incurred from an increase or decrease of 50% in the exchange rate for other currencies against DKK. For mortgage credit institutions, the calculated currency risk must not exceed 10% of the capital adequacy requirement plus 10% of additional excess cover for EUR or, for other currencies, 1% of the capital adequacy requirement plus 1% of additional excess cover. The currency risk in the securities portfolio of the mortgage credit institution must not exceed 10% of the mortgage credit institution's capital base.

Risk exposure pertaining to hedging of conditional (asymmetric) claims on debtors as well as term mismatches between conditional (asymmetric) claims on debtors and hedged options in a capital centre must only be held to a limited extent. The option risk is measured and calculated on the basis of the larger loss of the present value of cash flow differences resulting from two different assumptions for the development of the volatility structure.

The option risk must not exceed 0.5% of the capital adequacy requirement for mortgage credit institutions plus 1% of the additional excess cover. Notwithstanding the fact that mortgage credit institutions are not entitled to offset option risks resulting from different currencies, mortgage credit institutions are entitled to offset an interest-rate risk resulting from differences in payments in EUR against an option risk resulting from differences in payments in DKK by up to 50% of the option risk in the currency with the numerically smaller option risk.

The interest-rate risk on the mortgage credit institution's securities portfolio must not exceed 8% of the mortgage credit institution's capital base. See S.13 of the Executive Order on Bonds.

#### **4.8 Investment of the own securities portfolio**

A mortgage credit institution's equity investment in other companies must not exceed 100% of the own funds. A mortgage credit institution must not, without obtaining exemption from the FSA, own real property or have ownership interests in property companies amounting to more than the 20% of its own funds. This provision does not apply to properties acquired by a mortgage credit institution for the purpose of carrying on mortgage lending or accessory activities.



## 4.9 Capital adequacy

The regulatory framework for capital management is rooted in the CRR and Directive 2013/36/EU of 26 June 2013 of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (“**CRD/IV**”) (implemented in the Danish Financial Business Act). The CRD IV consists of three pillars:

- Pillar I contains a set of rules for calculating the capital requirement (8% of the risk exposure amount for credit risk, market risk and operational risk).
- Pillar II describes the ICAAP (Internal Capital Adequacy Assessment Process) framework and the supervisory review. The ICAAP determines the solvency need.
- Pillar III deals with market discipline and sets forth disclosure requirements for risk and capital management and the solvency need.

### 4.9.1 Rules on solvency need

According to a special requirement in Danish legislation, S4 and S.6 of the Executive Order No. 295 of 27 March 2014 on Calculation of Risk Exposures, Own Funds and Solvency Need, mortgage credit institutions must publish their solvency need each quarter. The solvency need is the capital considered sufficient to cover the Group’s risks. The solvency need is calculated on the basis of the requirement under Pillar I plus a supplement for requirements under Pillar II. Pillar II reflects any uncertainty relating to the risk models, and the capital level is subject to ongoing qualitative adequacy assessments.

### 4.9.2 Rules on leverage risk

CRR/CRD IV requires credit institutions to calculate, report on and monitor their leverage ratio, which is defined as tier 1 capital as a percentage of total risk exposure. Due to the amendments to CRR through Regulation (EU) 2019/876 of 20 May 2019 (“**CRR Amendment Regulation**”), the leverage ratio, i.e. the institution’s capital target (core capital) divided by the exposure target (the exposure values of a series of assets, derivatives agreements and off-balance items, among other things) must at least amount to 3%.

### 4.9.3 Rules on capital buffer and debt buffer requirements

Jyske Realkredit is subject to a series of capital buffer and debt buffer requirement. The former, the combined capital buffer requirement, consists in the case of Jyske Realkredit of a 2.5% capital conservation buffer, a 1.5% SIFI buffer and a countercyclical buffer, currently at 0 %, in Denmark (all are stated as a percentage of the overall risk exposure and must be met through the Common Equity Tier 1 capital). It is expected that, at the earliest, the countercyclical buffer will be a positive percentage in 2022. To this must be added a special debt buffer requirement for Danish mortgage credit institutions, which amounts to 2% of the unweighted loans. The debt buffer requirement can be met through senior debt, but the FSA can determine whether the requirement is to be met in full or in part through capital instruments with a contractual possibility of write-down or remortgaging (bail-in).

Jyske Realkredit is part of the Jyske Bank Group, which as a consolidated company has been appointed a systemically important financial institution (SIFI). For the Jyske Bank Group, a requirement must be set of the size of the Group’s eligible liabilities at a consolidated level, where the debt buffer is set at a level, minimum 2%, to ensure that the overall requirement of the Group’s debt buffer, capital base and eligible liabilities amount to at least 8% of the Group’s total liabilities. The overall requirement must be met no later than 1 January 2022.

### 4.9.4 Capital adequacy in the capital centres

Mortgage credit institutions must have a capital base representing at least 8% of the total risk exposure (but always at least EUR 5m). This requirement applies to the mortgage credit institution as a whole and to its individual capital centres.

In the event that a capital centre is unable to meet the capital adequacy requirement, funds must be transferred from the general capital centre, unless such transfer would prevent the general capital centre itself from meeting the 8% capital base requirement. Excess capital may be transferred from individual capital centres to "the General Capital Centre". To the extent the capital requirements cannot be met, the mortgage credit institution may be treated according to the rules on recovery and resolution after default. Reference is made to section 4.18 (Recovery and resolution) as well as section 4.19 (“*Bankruptcy and restructuring*”).

#### 4.10 The Jyske Bank Group designated a SIFI

Each year the - Danish FSA designates the systemically important financial institutions (SIFI) based on whether, the institution meets one or more indicators, including the institution's balance sheet amounting to more than 6.5% of Denmark's gross domestic product. The designation of the SIFIs may take place on an individual, partly consolidated or consolidated basis. Jyske Bank has been designated a SIFI on a consolidated basis. The SIFIs are subject to stricter supervision and a higher capital buffer requirement in the form of a SIFI buffer. See section 4.9.3 (*Rules on buffer and debt buffer requirements*). The SIFI buffer requirement applies the same percentage requirement at a consolidated level for the Jyske Bank Group and at the individual level for each financial institution (Jyske Bank) and mortgage credit institution (Jyske Realkredit) that are included in the group.

#### 4.11 Covered Bonds Directive

Directive (EU) 2019/2162 of 27 November 2019 on the issue of covered bonds and covered bond public supervision ("**covered bonds directive**") and the amendments to CRR regarding covered bonds, pursuant to Regulation (EU) 2019/2160 of 27 November 2019 on amendments to Regulation (EU) No. 575/2013, as regards exposures in the form of covered bonds shall in future establish the framework of EU harmonised "European Covered Bonds".

The covered bonds directive is a framework directive, which is to be implemented in Danish law. The directive establishes which types of assets that can be provided as collateral for covered bonds and the basic qualities of covered bonds, which also means that in the event of bankruptcy investors shall be entitled to direct their claims to both the issuer and the underlying collateral of the issued covered bonds ("**dual recourse**"). Other elements are, among others, the use derivatives, maturity extensions for covered bonds, adequacy requirements, transparency requirements and special public supervision of issuers of covered bonds.

To a great extent, the directive continues the Danish regulation of covered bonds and mortgage bonds, including the possibility of both issuing mortgage bonds and covered bond with a lower risk weight by meeting stricter CRR requirement, among other things, of overcollateralisation and on-going compliance with loan-to-value limits. Covered bonds issued before the new EU regulation was applied are subject to transitional provisions (grandfathering) so that they can maintain their status as covered bonds under the new regulation.

A bill to implement the directive in Denmark is expected to be introduced in February 2021. It is expected that the bill will be passed in the first half of 2021. The most important content of the bill is the introduction of a coverage requirement, which requires that covered bonds are covered by the value and cash flows of the covered assets, and in addition, a minimum overcollateralisation requirement of 2% for CRR Compliant Covered Bonds (SDO) as well as a general liquidity buffer requirement for the capital centres. The liquidity requirement is expected to be limited due to match funded loans and the Danish requirement for maturity extensions for bonds financing loans subject to refinancing.

Mortgage bonds that solely meet the requirements of the directive will in future be given the designation Euro Covered Bonds, while covered bonds (SDOs) that meet the supplementary CRR requirements for overcollateralisation and ongoing compliance with loan-to-value limits will be eligible for the designation Euro Covered Bonds (Premium). The requirements will be in force as of 8 July 2022. If the current capital centres close for new issues no later than 7 July 2022, they will not be subject to the requirements. At this point, Jyske Realkredit has not decided whether or not to close the capital centres or whether the activities of these shall remain the same, which means that they as a whole must meet the new requirements.

#### 4.12 Liquidity rules

Mortgage credit institutions are subject to the EU liquidity rules, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) of minimum 100%. The LCR is in force today, while, due to the CRR Amendment Regulation, the NSFR will take effect on 28 June 2021. In addition, the new Covered Bonds directive will also implement a new liquidity buffer requirement applicable to each of the capital centres from which issues are made after 8 July 2022.

##### 4.12.1 Liquidity Coverage Ratio (LCR)

The FSA has permitted Jyske Realkredit to offset interdependent incoming and outgoing cash flows relating to mortgage loans, cf. Article 26 of the Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 with regard to liquidity coverage requirement for Credit Institutions ("**LCR regulation**"). This permission came with a specific liquidity floor requirement of 2.5% of the total mortgage loans stipulated by the FSA. The requirement must be met with unencumbered High Quality Liquid Assets (HQLA), including government bonds and high-grade mortgage bonds in a series size of minimum EUR 250m.

It is expected that, at the latest in connection with the implementation of a new OC requirement in the covered bonds regulation, the liquidity floor requirement will be replaced by a more individual and risk-based pillar II liquidity premium, which will depend on liquidity risks related to the mortgage credit institution's outstanding amounts, open remortgaging and refinancing.

Among other things, the liquidity rules will entail that SDO/RO Bonds of a volume of at least EUR 500m per ISIN code and a rating of at least AA- can constitute up to 70% of credit institutions' LCR liquidity buffer, while SDO/RO Bonds of a volume of at least EUR 250m per ISIN code and a rating of at least AA- can constitute up to 40%. The remaining 30% must be in the form of government bonds, certificates of deposits or cash.

The rules may also have implications for investors' acquisition of Bonds as the possibility of including the Bonds in the liquidity buffer will, among other things, depend on the outstanding amount of Bonds.

#### *4.12.2 Net stable funding ratio (NSFR)*

According to the CRR (as amended by the CRR Amendment Regulation), mortgage credit institutions must comply with a structural Net Stable Funding Ratio (NSFR) with the purpose of securing stable funding of the institutions' asset in the 12-month term.

#### *4.12.3 Cover pool liquidity buffer requirements (180 days)*

Due to the new Covered Bonds Directive, mortgage credit institutions must also meet a new 180-day liquidity buffer requirement for each of the capital centres (cover pools) from which issues are made after 8 July 2022. The requirement is to be met with High Quality Liquid Assets (HQLA), yet it is expected to be limited due to match funded loans and the Danish requirement for maturity extensions for bonds financing loans subject to refinancing.

### **4.13 Supplementary collateral**

If the value of the assets covering the SDOs issued no longer correspond at least to the value of the SDOs issued or do not comply with the relevant loan-to-value ratios, the mortgage credit institution must provide supplementary collateral to satisfy the requirement and notify the Danish FSA thereof. Supplementary collateral must be provided in the form of low-risk and marketable securities.

The following types of assets may be used as supplementary collateral for SDOs:

- Bonds and instruments of debt issued by or guaranteed by public authorities and central banks;
- Bonds, instruments of debt and other claims and guarantees issued by credit institutions that qualify for credit quality steps 1 and 2, yet with a value corresponding to no more than a nominal 15% of the issued SDOs, in the event of credit quality step 1 or credit quality step 2 with a maturity of no more than 100 days, and no more than 10% in the event of credit quality step 2 with a maturity of more than 100 days.. This limit also covers exposures in financial hedging instruments where the counterparty is a credit institution. Own Bonds from the same capital centre are not included in the 15% limit.

Pursuant to S.4 of the Executive Order on Bonds, the limits of 15% or 10%, respectively, do not apply to specific investments.

In the event that the mortgage credit institution fails to provide supplementary collateral, all SDOs issued in said capital centre will lose the SDO designation. Bonds having lost the SDO designation may be designated ROs, provided they comply with the statutory requirements for ROs when the loan offer is made. If subsequently the Bonds again satisfy the requirements for SDOs, the Danish FSA may allow such Bonds to be re-designated SDOs. The requirement regarding supplementary collateral does not apply to loans funded using ROs. Failure to comply with the requirement of supplementary collateral cannot result in claims for prepayments by holders of SDOs or holders of bonds issued according to S.15 of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act.

### **4.14 Extension of the Bonds**

#### SDO/RO Bonds

In accordance with the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act and the Executive Order No. 1038 of 2 September 2015 on the refinancing of adjustable-rate mortgage loans issued in pursuance thereof, rules on statutory refinancing of bonds used for the funding of mortgage loans (as SDO and RO) apply in special situations where the

maturity of these Bonds is shorter than the term of the mortgage loan funded by the Bonds. We also refer to section 5.7 of the terms of the bonds.

Pursuant to S.6 of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, mortgage credit institutions must establish guidelines for how to act in the very special situation that a refinancing either cannot be carried out on market terms due to lack of buyers of Bonds or where the yield to maturity in connection with refinancing is higher than the extension rate determined by Jyske Realkredit for extendable bonds pursuant to S.6 of the Mortgage-Credit Loans and Mortgage-Credit Bonds, etc. Act.

For floating-rate Bonds covered by S.6 of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, the interest rate at the interest rate fixing cannot be more than 5 percentage points higher than the most recently fixed interest rate. This interest rate must then remain unchanged for 12 months or up to the next refinancing unless a lower interest rate is fixed within the said 12 months or before the next refinancing.

Pursuant to S.6 of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, Jyske Realkredit may decide that bonds in a specific ISIN can be fully or partly extended by 12 months from the ordinary maturity date of the Bonds.

Jyske Realkredit must resolve to extend the maturity of the bonds if, in connection with a refinancing, Jyske Realkredit does not realistically expect that the auction may be held without the yield to maturity being 5 percentage points higher than the yield to maturity on a similar bond with the same term to maturity issued 11 to 14 months earlier. However, the requirement concerning realistic expectation does not apply if Jyske Realkredit conducts a sale of a smaller volume of bonds with a view to clarifying whether the yield to maturity will be 5 percentage points higher than the yield to maturity on a similar bond with the same term to maturity issued 11 to 14 months earlier.

If buyers cannot be found for the volume of new bonds required to be refinanced, the maturity of the Bonds in question may be extended by 12 months at a time until enough buyers can be found for the required volume of bonds to be refinanced.

For refinancing of loans whose underlying bonds have maturities of more than 12 months, Jyske Realkredit may prior to a possible extension seek to refinance the loans using bonds with shorter maturities.

The extension rate on extendable bonds will be determined by Jyske Realkredit in accordance with S.6 of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act and announced on Jyske Realkredit website, [www.jyskerealkredit.dk](http://www.jyskerealkredit.dk), and in a company announcement, and will take effect at the time of the first extension of maturity. The interest rate set for the first extension of maturity also applies to any further extensions of maturity.

## Section 15 Bonds

If the maturity of covered bonds issued by Jyske Realkredit are extended pursuant to a statutory maturity extension, cf. above, Jyske Realkredit will be under the obligation to extend the maturity correspondingly for Section 15 Bonds that are issued by the same capital centre and that are used as supplementary collateral for the extended covered bonds if these Section 15 Bonds mature ordinarily during the extension period. However, the Section 15 Bonds in question can be redeemed at the ordinary maturity if Jyske Realkredit issues or has issued new loans to replace these in full or in part. Extension can take place for the entire or parts of a given ISIN code.

### **4.15 Right to raise loans**

Mortgage credit institutions licensed to issue SDOs may in pursuance of S.15 of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act raise loans (as Section 15 Bonds) to meet the requirement on the provision of supplementary collateral or to increase overcollateralisation in a capital centre.

The Final Terms will specify to which capital centre the loan funds relate. The loan funds resulting from Section 15 Bonds must be placed in secure and liquid assets, as stated in section 4.13 (*Supplementary collateral*).

As from the time when the Section 15 Bonds are issued, the loan funds resulting from the Section 15 Bonds must be placed in a separate account, a separate custody account or otherwise be designated as deriving from the relevant loan. Loan funds used as supplementary collateral must be recognised in the relevant capital centre.

#### 4.16 Joint funding

Subject to FSA approval, SDOs may be issued for the joint funding of lending against mortgages on real estate originally granted by other credit institutions.

The original lender shall transfer title to the loans and mortgages to the mortgage credit institution. The joint funding is regulated by SS.16 b to 16 g and S.120 b of the Danish Financial Business Act.

Jyske Realkredit has by the FSA been granted permission for joint funding with other credit institutions, which permission is being utilised and has been utilised since 2013.

#### 4.17 Arrears

If payments on a mortgage loan are not made in due time, the institution has the option of arranging a compulsory sale in order to raise funds for repayment. During any period in which the borrower fails to service his mortgage, the institution pays the bondholder for as long as funds are available in the capital centre.

#### 4.18 Recovery and resolution

The BRRD includes a set of rules for recovery and resolution of credit institutions and investment firms. The objective of the BRRD is to ensure the continuity of critical functions in distressed institutions and to avoid a significant adverse effect on the financial system as well as to obviate the need for the public to participate in the resolution of a distressed institution.

The following main points apply:

- All mortgage credit institutions must prepare and regularly update recovery plans that set out measures to be taken by institutions for the restoration of their financial position following a significant deterioration (“**recovery plan**”). The recovery plan must be updated at least each year and be submitted to the FSA. The recovery plan must ensure fast reaction to financial problems. The recovery plan includes a number of indicators and ratios that form part of the ongoing internal management and risk reporting. The recovery plan must prevent that Jyske Realkredit get in serious problems so that resolution becomes necessary.
- Finansiel Stabilitet (the Danish resolution authority) and the Danish FSA must prepare a plan for all Danish institutions detailing resolution proceedings should they become distressed or be expected to become distressed (“**resolution plan**”). Each institution is required to provide information relevant for this purpose.
- Each institution must in the period 2015-2024 contribute funds to a resolution fund that will contribute to resolving distressed institutions.
- All mortgage credit institutions must have a debt buffer, the size of which is based on the institution’s total unweighted lending. Debt buffers can be topped up with excess capital or unsecured senior debt with a minimum maturity of 2 years. Jyske Bank will buy these issues.
- Jyske Bank has been designated a systemically important financial institutions (SIFI) on a consolidated basis. For the Jyske Bank Group, a requirement is set of the size of the Group’s eligible liabilities at a consolidated level, where the debt buffer is set at a level, minimum 2%, to ensure that the overall requirement of the Group’s debt buffer, capital base and eligible liabilities amount to at least 8% of the Group’s total liabilities. The overall requirement must be met no later than 1 January 2022.
- Where an institution experiences significantly deteriorated conditions, the Danish FSA may require the institution to implement relevant measures (“early intervention”). The resolution powers will take effect when the authorities find that:
  - The institution is distressed and is likely to become distressed
  - There are no prospects that other measures, including measures launched by the private sector or the FSA within an appropriate time horizon will prevent the institution from being resolved.
  - Resolution is in the public interest.
- In these cases, the resolution authority may use resolution tools and powers, which are:

- Transfer to a buyer that is not a bridge institution all or parts of (i) ownership instruments issued by a company or a unit under resolution or (ii) assets, rights or obligations in a company or unit under resolution
  - Transfer to a bridge institution all or parts of (i) ownership instruments issued by a company or a unit under resolution or (ii) assets, rights or obligations in a company or unit under resolution
  - Transfer of portfolios of assets, rights or obligations from a company or unit under resolution or from a bridge institution to a portfolio management company,
  - Write-down and/or conversion into Common Equity Tier 1 capital ratio instruments of unsubordinated debt as well as subordinated debt (“**bail-in**”), from which the mortgage credit institution has, however, been explicitly exempted.
- If resolution proceedings are initiated for an institution, Finansiel Stabilitet (the Danish resolution authority) is required to write down or convert relevant capital instruments of the institution into Common Equity Tier 1 instruments when the conditions for resolution have been met. Subsequently, Finansiel Stabilitet (the Danish resolution authority) can use one or more of the resolution measures (including the resolution tools as listed above).

#### **4.19 Bankruptcy and Restructuring**

If a mortgage credit institution becomes insolvent, the Danish FSA may file a petition of bankruptcy. After a bankruptcy order has been issued or after the initiation of restructuring proceedings, assets cannot be transferred between capital centres and the General Capital Centre.

Holders of covered bonds, mortgage bonds and counterparties to Preferential Derivatives Agreements in the respective capital centres will in the event of bankruptcy have a primary preferential right to the assets of the capital centre in question. The assets consist of mortgage deeds issued by the capital centre, bonds, debt instruments as well as other assets of the capital centre in question. Prior to covering claims with a primary preferential right, the assets of a capital centre will be applied to cover expenses for the administration of the estate in bankruptcy and the like, including expenses for the trustee, personnel, etc. The primary preferential right extends to

- payment of claims according to the issued covered bonds, mortgage bonds and Preferential Derivatives Agreements entered into, and
- claims for interest on such debt accrued from the date of the bankruptcy order.

If there is not full coverage for creditors with a primary preferential right, the remaining claim can be asserted against the assets available for distribution of the General Capital Centre. The remaining claim shall be covered subsequent to claims according to S.96 of the Danish Bankruptcy Act, yet before claims according to S.97 of the Bankruptcy Act (unsecured claims).

If bonds have been issued according to S.15 of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, the holders of these shall according to S.27 of said act, subsequent to coverage of claims with a primary preferential right, have a secondary preferential right to the assets of the capital centre in question. If there is not full coverage for creditors with a secondary preferential right, the remaining claim can be asserted against the assets available for distribution of the General Capital Centre. The remaining claim shall be covered as an unsecured claim, according to S.97 of the Bankruptcy Act.

If, following the coverage of claims from creditors with a primary and secondary preferential right, there are surplus assets, these shall be transferred to the assets available for distribution of the General Capital Centre.

If Jyske Realkredit does not provide the required supplementary collateral for covered bonds, the bonds may lose this status, cf. S.33d(2) of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act. In such an event, the interests in bankruptcy of creditors with a primary or secondary preferential right shall be unchanged.

An order of liquidation cannot by holders of covered bonds, mortgage bonds or bonds issued according to S.15 of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act as well as by Privileged Derivative Counterparties be claimed as reason for prepayment of payment obligations. Likewise, it cannot be claimed as a reason for prepayment of payment obligations, if covered bonds, mortgage bonds or bonds issued according to S.15 of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act become subject to the rules on statutory refinancing, cf. S.6, S.15a and S.32 of the

Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, or if Jyske Realkredit does not meet its obligations to provide additional collateral, cf. S.28(2) of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act.

As a general rule, the supplementary collateral cannot be set aside, cf. S.33d(5) of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act.

In the event that reconstruction proceedings are initiated against Jyske Realkredit, Jyske Realkredit shall to the extent possible still meet its payment obligations relating to holders of covered bonds and mortgage bonds, as well as Privileged Derivative Counterparties at the time of maturity, unless otherwise decided by the reconstruction administrator.

In the event of bankruptcy of Jyske Realkredit, the trustee in bankruptcy shall, to the extent possible, continue or resume honouring the obligations to holders of covered bonds, mortgage bonds and Privileged Derivative Counterparties.

The trustee in bankruptcy can issue bonds (“**Refinancing Bonds**”), which may only be used for the refinancing of matured covered bonds or mortgage bonds in the series in question. The same applies under restructuring. An order of liquidation made against Jyske Realkredit or the initiation of reconstruction proceedings shall not, per se, mean that matured bonds will not be paid as they mature. Matured bonds that are to be refinanced with a view to continued financing of a mortgage loan with a longer term may be extended by a 12-month period at a time in the event that, after an issue of the Refinancing Bonds, it cannot be expected that the funds will suffice to cover claims from creditors as stated in S.32(4) of maturity Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, or if there is not a sufficient number of buyers of the Refinancing Bonds. The trustee in bankruptcy or the reconstruction administrator shall fix the interest rate on the extended bonds as a variable reference rate (for instance Cita) in the same currency as the extended bonds plus up to 5 percentage points. This may continue throughout the remaining term of the mortgage loan. Refinancing Bonds cannot be issued under this Base Prospectus.

According to S.33 of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, the trustee in bankruptcy may transfer a capital centre to another mortgage credit institution. Such transfer shall be subject to permission by the minister responsible. Bondholders or Privileged Derivative Counterparties cannot claim such transfer as reason for prepayment. The same applies under restructuring.

#### **4.20 Future capital rules, full implementation of Basel III**

Over the coming years, the final implementation of Basel III (also referred to as Basel IV) will be completed due to the CRR Amendment Regulation and Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (“**CRD IV amending directive**”). This will affect the capital requirements for Jyske Realkredit. An input floor will be introduced in the AIRB models, which will raise the average risk weights, and an output floor will be implemented based on a standard model. The higher of the “two floors” will constitute the binding capital restriction. See also section 3 (*Risk factors*) “*Risk factors relating to Jyske Realkredit*” – “*Risks relating to new regulation and to the implementation hereof*” relating to the Basel Committee’s publication titled “Basel III: Finalising post-crisis reforms”.

## 5 TERMS OF THE BONDS

### 5.1 Introduction

These terms and conditions apply to Bonds issued by Jyske Realkredit according to this Base Prospectus in ISIN codes that are opened on or after the date of the Base Prospectus.

For covered bonds and mortgage bonds issued by Jyske Realkredit in ISIN codes opened prior to the date of the Base Prospectus, please see terms and conditions as stated in the relevant base prospectus applicable at the time of the opening of the ISIN code in question and the relevant final terms. See also section 7 of the Base Prospectus *"INFORMATION INTEGRATED IN THE BASE PROSPECTUS BY REFERENCE"*.

For each issue of Bonds in ISIN codes, which is opened on or after the date of the Base Prospectus, a final terms document ("**Final Terms**") applies, which together with the below terms and conditions lay down the terms applicable to issues of Bonds in the relevant ISIN code. The Final Terms are published on <https://jyskerealkredit.com/funding/prospectus-and-terms/covered-bonds>, among other places.

### 5.2 Definitions

In this section 5 *"TERMS OF THE BONDS"*, the following terms and expressions shall have the meanings set forth below:

**"Section 15 Bonds"** shall mean bonds issued under the Base Prospectus according to S.15 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act.

The **"Limitations Act"** shall mean the Danish Act no. 1238 of 9 November 2015 on the time barring of claims (with later amendments).

**"Green Bonds"** shall mean SDO/RO Bonds, from which the proceeds are applied to direct or indirect financing or refinancing of projects and activities that meet certain eligibility requirements, with the purpose of advancing climate-friendly or other environmentally sound purposes.

The **"Capital Market Act"** shall mean the Danish Act No. 931 of 6 September 2019 on capital markets (with later amendments).

The **"Bankruptcy Act"** shall mean the Danish Act no. 11 of 6 January 2014 on bankruptcy (with later amendments).

**"Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act"** shall mean the Danish Act No. 1188 of 19 September 2018 on mortgage loans and mortgage credit bond, etc.

**"Bonds"** shall mean SDO, RO and Section 15 Bonds issued under the Base Prospectus.

**"Executive order on the Issue of Bonds"** shall mean the executive order No. 1425 of 16 December 2014 on the issue of bonds, the balance principle and risk management.

**"Bondholder"** shall mean investors who own Bonds

**"Preferential Derivatives Contracts"** shall have the same meaning as stated in section 5.4.2.

**"Interest Rate Floor"** shall mean that the interest rate of the Bonds cannot be lower than the fixed Interest Rate Floor

**"Interest Rate Ceiling"** shall mean that the Bonds interest rate cannot be higher than the fixed Interest Rate Ceiling as a Ratchet, were the Bonds is maximised to the interest rate set most recently.

**"RO"** shall mean mortgage bonds issued under the Base Prospectus.

**"SDO"** shall mean covered bonds issued under the Base Prospectus.

**"SDO/RO Bonds"** shall mean RO and SDO.



”**Denomination**” shall mean the smallest unit of value the Bond in question can be divided into.

”**VP**” shall mean VP Securities A/S, business registration number (CVR) 21599336, Weidekampsgade 14, 2300 Copenhagen S, Denmark.

### **5.3 Form, title, listing denomination, currency, etc.**

#### *5.3.1 Form*

Unless a different place of registration appears from the Final Terms, the Bonds shall be issued and registered in electronic (book-entry) form with VP and settled through VP.

#### *5.3.2 Title*

Ownership of the Bonds shall solely follow the registration that appears from the register at VP or the place of registration as stipulated in the Final Terms. Hence the Bonds can only change owner through registration of the transfer at the register at VP according to the rules and procedures applicable from time to time to VP or according to the rules and procedures that may apply to another place of registration stipulated in the Final Terms.

The Bonds are negotiable mass instruments of debt. No restrictions apply to the transferability of the Bonds.

#### *5.3.3 Trading and possible official listing*

The Bonds issued under this Base Prospectus have been or are expected to be admitted to trading and officially listed at Nasdaq Copenhagen A/S. However, Jyske Realkredit may resolve not to apply for official listing of new issues of Bonds. The regulated market in which the Bonds are admitted to trading is disclosed in the Final Terms.

The first expected day of listing, if relevant, will appear from the Final Terms

#### *5.3.4 Denomination*

The denomination of the Bonds is stated in the Final Terms, and from these it will also appear if for the relevant Bonds a minimum trading unit applies that deviates from the denomination.

#### *5.3.5 Currency*

The Bonds are issued in DKK, EUR, SEK or another currency. The currency in which the Bonds are issued is disclosed in the Final Terms.

#### *5.3.6 ISIN code*

The Bonds are issued in one or more ISINs. The ISIN appears from the Final Terms.

#### *5.3.7 Opening period*

The ISIN code for the Bonds in question is open for new issues during a predetermined opening period. Jyske Realkredit may issue Bonds on tap during the opening period. The opening date and closing date (opening period) for the individual ISINs appears from the Final Terms.

Jyske Realkredit may decide to terminate the offer during parts of the opening period.

#### *5.3.8 Request for information of Bondholders with VP*

If it has been stated in the Final Terms under “*Access to information about the Bondholders*”, Jyske Realkredit shall following request for this to VP have access to available information of name, address and other contact details of the Bondholders, the date of registration in the custody account, the size of the holding as well as any other relevant custody account details relating to the Bonds registered with VP.

### **5.4 Bond ranking**

#### *5.4.1 Issue of Bonds from capital centres and in general*

Jyske Realkredit issues Bonds in multiple capital centres. The Final Terms describe in which capital centre each specific ISIN is issued. Any new capital centres may be covered by the Base Prospectus by means of addenda.

Any claims by the Bondholders with respect to the Bond may only be made against the capital centre in which the specific ISIN is issued. Bondholders can exercise their rights by contacting Jyske Realkredit.

Jyske Realkredit determines the opening of other ISIN codes in the respective capital centres. Jyske Realkredit also determines when to transfer funds to the respective capital centres.

Jyske Realkredit is entitled at any time, and without notice and consent from the relevant Bondholders to separate and transfer to another capital centre Bonds covered by this Base Prospectus, the mortgage deeds linked to them and any collateral as well as any relevant derivative agreements. The separation presupposes that the rating, if any, of the Bonds in question with a credit rating agency is not lowered in connection with the separation.

Jyske Realkredit's borrowers under the loans that the SDO/RO Bonds financed in the individual ISIN code of SDO/RO Bonds are not jointly and severally liable to Jyske Realkredit and are not entitled to receive a share of Jyske Realkredit's assets upon redemption of their loans.

#### 5.4.2 *SDO/RO Bonds*

Pursuant to the provisions of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, holders of the SDO/RO Bonds will together with other holders of mortgage credit bonds and covered bonds have a primary preferential right (after deduction of expenses relating to the administration of the estate in bankruptcy and similar expenses) to all the assets in the capital centre through which the relevant ISIN code was issued, and subsequently a primary preferential right to Jyske Realkredit in general (also after deduction of expenses relating to the administration of the estate in bankruptcy and similar expenses).

In the event that the relevant capital centre through which the SDO/RO Bonds are issued enters into derivatives contracts to hedge risks between assets and the issued covered bonds and mortgage bonds according to S.26(4) of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act Preferential Derivative Agreements, and provided that the derivatives agreement stipulates that Jyske Realkredit's reconstruction proceedings, bankruptcy or failure to comply with any obligation to provide supplementary collateral according to S.33 d(1) shall not constitute an event of default, the right of counterparties to a Preferential Derivatives Agreement shall rank *pari passu* with that of the holders of SDO/RO Bonds, cf. S.27(3) of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act.

The SDO/RO Bonds constitute preferential claims against Jyske Realkredit and the relevant capital centre and rank *pari passu* with already issued and future issues of mortgage credit bonds, covered mortgage-credit bonds and covered bonds (including refinancing bonds issued by any reconstruction administrator and the trustee in bankruptcy) as well as *pari passu* with Preferential Derivatives Agreements and *pari passu* with claims for interest on the SDO/RO Bonds and other mortgage-credit bonds, covered mortgage-credit bonds and covered bonds in the period following the date of a bankruptcy order issued against Jyske Realkredit.

If Jyske Realkredit is declared bankrupt, expenses relating to the administration of the estate in bankruptcy and similar, including expenses relating to the trustee in bankruptcy and staff, etc., will be covered by the assets of each capital centre before claims pertaining to the SDO/RO Bonds, Preferential Derivatives Agreements, and claims for interest on the SDO/RO Bonds in the period following the issue date of a bankruptcy order.

To the extent that claims pertaining to the SDO/RO Bonds, Preferential Derivatives Agreements and claims for interest on the SDO/RO Bonds in the period following the issue date of a bankruptcy order cannot be covered by the relevant capital centre, residual claims may be raised against Jyske Realkredit's estate in bankruptcy. Such claims will rank after pre-preferential claims (SS.93 and 94 of the Danish Bankruptcy Act) and preferential claims (SS.95 and 96 of the Danish Bankruptcy Act), but before unsecured claims (S.97 of the Danish Bankruptcy Act).

#### 5.4.3 *Section 15 Bonds*

Claims from holders of Section 15 Bonds shall together with claims from holders of other bonds issued according to S.15 of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act rank immediately after the claims from SDO/RO Bonds and other mortgage bonds, Preferential Derivatives Agreements and claims for interest on SDO/RO Bonds and other mortgage bonds for the period following the issue date of a bankruptcy order, and hence they have a secondary preferential right to the assets of the capital centre from they were issued. To the extent that the claims from the Section 15 Bonds cannot be covered by the assets of the relevant

capital centre, the claim can be asserted against Jyske Realkredit's estate in bankruptcy as an unsecured claim, according to S.97 of the Bankruptcy Act.

Covered bonds that have lost the designation of "covered bonds" shall, according to bankruptcy law, retain their position against Jyske Realkredit's estate in bankruptcy. The same applies to coverage of debt that Jyske Realkredit has raised with a view to providing supplementary collateral or increasing the overcollateralisation of a capital centre according to S.15 of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act.

## **5.5 Interest rate**

### *5.5.1 Coupon rate*

The Bonds can be issued with a coupon rate that is fixed or floating. The Final Terms will state the coupon at which the Bond is issued.

### *5.5.2 Bonds issued at a floating rate*

If the Bonds' interest rate is floating, the interest rate can be determined on a chosen underlying basis and possibly a premium with a fixed range. The premium can be fixed at an auction and may possible have a negative value. The basis may be a market-consistent reference rate, such as the Copenhagen Interbank Offered Rate (Cibor), Copenhagen Interbank Tomorrow/Next Average (Cita), Euro Interbank Offered Rate (Euribor) or Stockholm Interbank Offered Rate (Stibor), yet another basis may also be determined, such as the rate of interest on certificates of deposit of Danmarks Nationalbank, the central bank of Denmark. The basis and the premium of the individual Bonds will be stated in the Final Terms.

### *5.5.3 Basis of calculation*

In connection with an interest rate fixing, the basis of calculation may comprise one or more observations and may if so, be a simple or weighted average of these.

In the Final Terms, Jyske Realkredit may determine one or more interest rate ceilings and/or interest rate floors - and if so, applicable for the entire or parts of the time to maturity of the Bonds.

Jyske Realkredit calculates the floating rate of the Bond unless it appears from the Final Terms that the interest rate is calculated by a calculation agent.

### *5.5.4 Method for fixing the relationship between the basis and the interest rate on the Bonds*

The determination of the interest rate of the Bonds can take place on a quarterly, semi-annually or annual basis – or with another specified interval. The number of annual fixings is specified in the Final Terms.

The interest rate is determined according to one of the following methods as stated in the Final Terms:

- (a) Simple observation: The basis chosen, stated with the number of decimals as determined in the Final Terms and the banking day as established in the Final Terms in the months chosen as stated in the Final Terms.
- (b) Simple average: A simple average is calculated for the chosen basis stated with the number of decimals as determined in the Final Terms over a period of the number of banking days determined in the Final Terms ending the banking day chosen in the Final Terms in the months stated in the Final Terms.
- (c) Weighted average: A day count fraction weighted average is calculated of the chosen basis stated for the number of actual calendar days in a period from but not including the banking day determined in the Final Terms of the preceding quarter to and including the interest rate fixing day. The daily applicable observations of the chosen basis is included in the calculation with a weight equal to 1 divided by the number of actual calendar days of the year when the basis applies.

For each method for determining the interest on the Bonds, the Final Terms stipulates whether any recalculation shall take place of the interest rate and possibly the interest rate premium (multiplication by 365/360).

Each method for the determination of the interest rate on the Bonds calculates the interest rate rounded to the number of decimal places stipulated in the Final Terms.

For each method for the determination of the interest rate on the Bonds, it will always apply that any Interest Rate Floor or Interest Rate Ceiling shall take precedence so the interest rate on the Bonds cannot be lower than the Interest Rate Floor, nor higher than the Interest Rate Ceiling.

In connection with floating-rate Bonds, Jyske Realkredit may determine an initial rate of interest. The initial interest rate and the period for which the rate is valid will be specified in the Final Terms.

#### 5.5.5 *Past and future price development*

Details of the past and future price development in the basis chosen, which forms the basis for the ongoing determination of the interest rate on the Bonds will be disclosed - if available - in the Final Terms.

#### 5.5.6 *Adjustment rules in connection with events that affect the basis*

If a basis is changed materially or ceases to exist, Jyske Realkredit will determine the interest rate on the Bonds as stated in the Final Terms based on a corresponding basis as estimated by Jyske Realkredit and possibly an addition or deduction from this, which is established with a view to putting the Bondholders the same position as would have applied if the basis that is replaced were available. As regards the basis in the form of a reference rate, a new basis will, if possible, be fixed on the basis of other similar reference rates with the same maturity. Jyske Realkredit has prepared fallback plans, which will be applied in connection with changes or the discontinuation of an existing interest rate fixing basis.

#### 5.5.7 *Interest payment*

Bonds may have 1, 2, 4, 12 or another number of annual payment dates. The number of annual payment dates for the individual ISIN are set out in the Final Terms.

Interest is paid on a proportionate basis on each payment date according to the defined day count convention stated in the Final Terms. The day count convention may be:

- (a) Actual/actual per payment period (fixed day count fraction). Coupon is paid at a fixed proportion of annual interest on each payment date.
- (b) Actual/360: Coupon is paid on each payment date according to the actual number of days in the payment period relative to 360 days, i.e. the interest payment on each payment date corresponds to the interest rate multiplied by the actual number of days in the payment period divided by 360.
- (c) Calendar-day weighted: Coupon is paid on the basis of the number of actual calendar days and the actual number of days in the time period elapsed in the calendar year.

Addition of and accrual for interest can be changed by Jyske Realkredit following changes in market conventions

The start date for payment of interest is stated in the Final Terms.

The due dates for the payment of interest are stated in the Final Terms. If the payment date is a Saturday, Sunday or a bank holiday, the Final Terms determines the day to which interest payment is delayed.

The Bonds will no longer carry interest as of the payment date when the Bonds are redeemed.

#### 5.5.8 *Interest payment in the event of negative interest rates*

If the interest rate on a Bond becomes negative, Jyske Realkredit has a claim against the Bondholders corresponding to the absolute value of the negative interest amount. This amount will fall due on the payment date for the payment period in question. In such cases, Jyske Realkredit may choose to offset the negative interest amount against the redemption amount falling due for payment on the same payment date.

If the negative interest amount exceeds the redemption amount (the remaining negative interest amount), Jyske Realkredit may choose to redeem Bonds at par or at market price three trading days before the relevant payment date, corresponding to the remaining negative interest amount and offset the remaining negative interest amount against this. For each Bond, it has been set out in the Final Terms whether this redemption takes place at par or market price.

## **5.6 Amortisation and redemption**

### **5.6.1 Amortisation of SDO/RO Bonds**

The maturity date of the individual SDO/RO Bonds is stated in the Final Terms of the specific SDO/RO Bonds. Subject to another amortisation method than the one stated in these terms and conditions, including the Final Terms, amortisation of the SDO/RO Bonds will at redemption take place at par on the maturity date stipulated in the Final Terms.

For the loans, the repayment amounts are determined in such a way that interest and repayment of capital on the SDO/RO Bonds issued in connection with the loans will be covered.

The loans may be repaid as:

- (a) a bullet loan
- (b) an annuity
- (c) a serial loan
- (d) an index-linked loan (where repayments follow a specified index)
- (e) a hybrid (a combination of repayment methods), including any form of amortisation in combination with the possibility of interest-only periods).

In the event the interest rate is or becomes negative in a payment period, bullet loans (interest-only periods) may have a repayment equivalent to the loan's negative interest.

Amortisation of the SDO/RO Bonds takes place in accordance with drawings carried out by Jyske Realkredit and is made with redemption at a fixed price on a payment date for the relevant SDO/RO Bonds. At the drawing, the number of the issued SDO/RO Bonds that are to be redeemed will be determined. The extent of the amount drawn is determined by the Borrower's payments adjusted for any interest, interest rate premium, administration margin and similar, as well as redemptions, and for certain types of bonds it can be supplemented by proceeds arising from the sale of new SDO/RO Bonds. For loans without a direct link to the underlying bond funding, the SDO/RO Bonds are amortised through redemption at par on the maturity date.

For each issue of SDO/RO Bonds, the Final Terms set out whether the SDO/RO Bonds issued under that ISIN code are callable so that, due to early redemptions of the loans the SDO/RO Bonds financed, extraordinary drawings of SDO/RO Bonds in the relevant ISIN code may take place. The redemption price may be a weighted average of the price of 100 and another price as stipulated in the Final Terms with ordinary repayments and extraordinary redemptions, respectively, as weightings.

Jyske Realkredit reserves the right to amortise the bonds through cancellation after purchases with regard to that part of the amortisation of the SDO/RO Bonds which exceeds the ordinary amortisation as calculated by Jyske Realkredit from time to time.

Jyske Realkredit reserves the right to offer the borrowers under the loans that SDO/RO Bonds have financed in a bond ISIN code the opportunity to pay off a loan without a simultaneous drawing or cancellation of SDO/RO Bonds corresponding to those issued in connection with the loan.

If repayments of loans are not matched by drawings or cancellation of SDO/RO Bonds in the ISIN code that financed the loans, the amortisation will continue to the same extent as if the loans were paid off by instalments in an ordinary way until the SDO/RO Bonds are drawn or cancelled.

For SDO/RO Bonds in a given ISIN code where the SDO/RO Bonds are amortised in step with financed loans, the Final Terms will stipulate if the ordinary repayment of financed loans may in optional periods take place as bullet loans (the borrower has the option of interest-only periods available).

For floating-rate SDO/RO Bonds, amortisation may vary due to recalculation of the instalments at each interest rate fixing as well as, generally for all SDO/RO Bonds, due to extraordinary instalments and termination of loans.

The Final Terms may specify that the principal of the SDO/RO Bonds and hence amortisation are regulated through an index and/or indexation is paid, including indexation of the principal based on price development (wages, consumer prices, property prices, rent levels, etc.) as well as loss-indexed SDO/RO Bonds. The Final Terms of the specific SDO/RO Bonds will state whether they are subject to indexation of the principal, and if so, how this is determined, when and for how long this is determined as well as how it is determined if the basis of calculation applied ceases to exist or is no longer published.

Finally the Final Terms may stipulate that the SDO/RO Bonds in the relevant ISIN code are amortised by drawing at par following Jyske Realkredit's decision.

#### 5.6.2 *Amortisation of RTL F*

The Bonds are amortised at redemption at the price of 100 at the times of redemption with an amount consisting of the debtors' payments adjusted for bond yields, contributions, interest rate premium, etc. and repayments and the proceeds from sales of new bonds in replacement of the Bonds which are redeemed. Redemption is made in the volume in circulation after cancellation, if any, of the bonds held by Jyske Realkredit.

New bonds will be sold before a redemption date of the ISIN code stated in the Final Terms. Upon sale, an amount is offered which according to the above is sufficient for full redemption of the ISIN code specified in the Final Terms.

A separate sale of new bonds will be carried out to replace the ISIN code specified in the Final Terms. When purchasing the replacing bonds from Jyske Realkredit, bonds in the ISIN code stated in the Final Terms may be deposited and accordingly, the settlement amount from the purchase corresponds to the settlement amount from the deposited bonds as at the agreed value date.

No later than a week prior to the redemption date, Jyske Realkredit will publish the terms, including the requirements for proceeds, for the sale of new bonds to replace the ISIN code specified in the Final Terms and how and when the expected sale is to be completed.

When the sale of the new bonds to replace the bonds that are redeemed in the ISIN code specified in the Final Terms is completed, the proceeds are calculated, and then these proceeds - with any investment interest (positive or negative), including debtors' payments adjusted for the yield on the bond, administration margin, interest rate premium, etc. and repayments – constitute the redemption that may take place in full or in part on the first payment date.

The decision about drawing/redemption may be made until the last banking day before the drawing/redemption of the bonds and is notified by way of a company announcement.

#### 5.6.3 *Amortisation of Section 15 Bonds*

The maturity date of the individual Section 15 Bonds is stated in the Final Terms of the specific Section 15 Bonds. At redemption, Section 15 Bonds are amortised at par on the maturity date stipulated in the Final Terms.

#### 5.6.4 *Amortisation/redemption due to negative interest rate*

Drawing for redemption of Bonds due to negative coupon rates, where the negative interest amount exceeds the redemption amount will take place at the same time as any other drawing for redemption of the Bonds, cf. section 5.5.8 on interest payment in the event of negative interest rates.

#### 5.6.5 *Redemption date*

Redemption date(s), including the first redemption date for the Bonds will be stated in the Final Terms.

### 5.7 **Extension of maturity in the absence of buyers at refinancing or interest-rate increases**

#### 5.7.1 *Extension of maturity for SDO/RO Bonds in the absence of buyers (sales trigger)*

For SDO/RO Bonds, for which the Final Terms state that the maturity of the SDO/RO Bonds may be extended in the absence of buyers at refinancing, the following shall apply:

- (a) Jyske Realkredit may decide that SDO/RO Bonds in a specific ISIN code be fully or partly extended by 12 months at a time from the ordinary maturity date of the Bonds.

- (b) If buyers cannot be found for the volume of new SDO/RO Bonds required in connection with refinancing, the term to maturity of the SDO/RO Bonds in question may be extended by 12 months at a time until enough buyers can be found for the volume of SDO/RO Bonds required for the refinancing.
- (c) A decision to extend the term to maturity may be made up until two banking days before the ordinary maturity date of the SDO/RO Bonds and will be announced in a company announcement.
- (d) For refinancing of loans whose underlying SDO/RO Bonds have terms to maturity of more than 12 months, Jyske Realkredit may prior to a possible extension seek to refinance the loans using Bonds with a shorter term to maturity.

*5.7.2 Extension of the time to maturity for SDO/RO Bonds in the event of interest-rate increases (interest rate trigger)*  
For SDO/RO Bonds, for which the Final Terms state that SDO/RO Bonds may be extended in the event of interest-rate increases, the following shall apply:

- (a) Pursuant to S.6 of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, Jyske Realkredit may decide that SDO/RO Bonds in a specific ISIN can be fully or partly extended by 12 months from the ordinary maturity date of the SDO/RO Bonds.
- (b) Jyske Realkredit may resolve to extend the maturity of the bonds if, in connection with a refinancing, Jyske Realkredit does not realistically expect that the auction may be held without the yield to maturity being 5 percentage points higher than the yield to maturity on a similar SDO/RO Bond with the same remaining term to maturity issued 11 to 14 months earlier. However, the requirement concerning realistic expectation does not apply if Jyske Realkredit conducts a sale of a smaller volume of SDO/RO Bonds with a view to clarifying whether the yield to maturity will be 5 percentage points higher than the yield to maturity on a similar SDO/RO Bond with the same remaining term to maturity issued 11 to 14 months earlier.
- (c) A decision to extend the term to maturity may be made up until two banking days before the ordinary maturity date of the SDO/RO Bonds and will be announced in a company announcement.

*5.7.3 Notification of extension of term to maturity*

For SDO/RO Bonds for which the Final Terms state that the term to maturity of the SDO/RO Bonds may be extended pursuant to S.6 of the Mortgage-Credit Loans and Mortgage-Credit Bonds, etc. Act, Jyske Realkredit will announce a plan for the sale before it starts selling the new SDO/RO Bonds for refinancing of loans. The plan will state: (i) the loan types to be refinanced by the SDO/RO Bonds auctioned; (ii) the volume expected to be sold; (iii) how and when the auction is to take place; and (iv) when it is established whether the required volumes of new SDO/RO Bonds have been sold. The plan may be revised.

The extension rate on extendable SDO/RO Bonds will be determined by Jyske Realkredit in accordance with S.6 of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act and announced on Jyske Realkredit's website, [www.jyskerealkredit.dk](http://www.jyskerealkredit.dk), and in a company announcement, and will take effect at the time of the first extension of the term to maturity of the SDO/RO Bonds. The coupon set for the first extension of maturity also applies to any further extensions of maturity.

*5.7.4 Extension of the term to maturity of Section 15 Bonds*

If the term to maturity of SDO/RO Bonds is extended or changed in connection with refinancing because buyers cannot be found for the volume of new SDO/RO Bonds required, the term of loans raised as additional collateral pursuant to S.15 of the Mortgage Credit Loans and Mortgage Covered Bonds Credit bonds etc. Act that ordinarily fall due during the extension period and that are linked to the extended SDO/RO Bonds that are to be extended shall be extended or changed according to the term to maturity of the extended SDO/RO Bonds in question. However, the Section 15 Bonds in question can be redeemed at the ordinary maturity if Jyske Realkredit issues or has issued new loans to replace these in full or in part. Extension can take place for the entire or parts of a given ISIN code.

Announcement of extension of the term to maturity of Section 15 Bonds shall, subject to relevant adjustments, take place according to section 5.7.3 above.

## **5.8 Jyske Realkredit's acquisition of Bonds**

Jyske Realkredit may at any time acquire its own issued Bonds (or parts of these) in free trade and at any price before these mature, and also Jyske Realkredit may keep any such acquired Bonds as own bonds or amortize these through cancellation.

## **5.9 Payments**

Jyske Realkredit's payment in full discharge of interest and redemption amounts to the Bondholders takes through transfers, on the due date, to the central bank account that is linked to each relevant custody account with VP, in connection with which Bonds are registered, which appears from the registration with VP.

In the event the place of registration of the Bonds is another than VP, Jyske Realkredit's payment of interest and the redemption amount to the Bondholders shall take place in accordance with the procedures and rules of the relevant place of registration in force from time to time.

Bondholders cannot claim payment of interest or other amounts as a result of deferred payment or the validation rules of the account-holding institution.

If the due date is not a banking day, payment takes place on the next banking day.

## **5.10 Tax**

Jyske Realkredit shall assume no responsibility for withheld tax or collection of withholding tax, no matter where the Bonds are registered. If, on the basis of rules introduced after the issue of the Bonds, Jyske Realkredit is under the obligation to withhold tax or collect withholding tax, Jyske Realkredit will do this. Jyske Realkredit shall not be obliged to pay any further amount to the Bondholders and shall assume no liability when Bondholders therefore are paid a reduced amount.

## **5.11 Limited remedy for breach for Bondholders**

### *5.11.1 SDO/RO Bonds and Section 15 Bonds*

It cannot by the Bondholders be invoked as reason for prepayment of Jyske Realkredit's payment obligations if an order of liquidation is made against of Jyske Realkredit. Similarly, if an order of liquidation is made, Jyske Realkredit's borrowers under the loans financed by the SDO/RO Bonds shall not be deprived of the right, in full or in part, to pay off the loans according to the terms and conditions of repayment applicable to the loans in question.

The estate cannot extricate itself from a payment obligation before the presupposed due date.

Extension of terms to maturity in the absence of buyers at refinancing or interest-rate increases according to section 5.7 above cannot by the Bondholders be invoked as reason for prepayment of Jyske Realkredit's payment obligations. Similarly, statutory refinancing shall not constitute default on the part of Jyske Realkredit. Jyske Realkredit's borrowers under the loans financed by the SDO/RO Bonds shall retain the right, in full or in part, to pay off mortgage loans according to the terms and conditions of repayment applicable to the loans in question.

Finally, nor shall it amount to default against the Bondholders, if Jyske Realkredit does not meet its obligations to provide additional collateral, cf. S.28(2) of the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act.

### *5.11.2 SDOs issued by Capital Centre S*

Bondholders cannot claim compensation on the grounds of default in connection with SDOs issued by Capital Centre S to the extent that the Danish state has taken over the liabilities payable.

## **5.12 Time-barring**

Claims for payment of interest, fees and similar charges become time barred three years after the due date, and claims for payment of principal become time barred ten years after the due date according to the Danish Limitation Act.

Interest amounts and payments due on bonds do not carry interest from and including the due date and fall to Jyske Realkredit if they are not collected before the expiry of the limitation period.



### **5.13 Notification**

Notification to the Bondholders shall be given in accordance with the VP rules and procedures for the Bonds that are registered with VP and the rules for the regulated market in which the Bonds have been admitted to trading.

### **5.14 Jyske Realkredit's liability in damages**

Jyske Realkredit shall be held liable in damages in the event that due to errors or omissions Jyske Realkredit meets agreed obligations too late or in a defective manner.

However, even in areas where stricter liability applies, Jyske Realkredit shall not be held liable in damages for any loss incurred as a result of:

- (a) breakdown of/non-access to IT systems or corruption of data in these systems as a result of any of the events mentioned below, regardless of whether Jyske Realkredit or an external supplier operates the systems;
- (b) interruption of Jyske Realkredit's power supply or telecommunication channels, statutory intervention or administrative acts, natural disasters, war, rebellion, civil commotion, sabotage, terror or vandalism (including computer viruses and hacking);
- (c) strikes, lockouts, boycotts or blockades, regardless of whether the conflict is aimed at or initiated by Jyske Realkredit itself or by its organisation and regardless of the reason for the conflict; This also applies when the conflict affects only part of the functions of Jyske Realkredit, or
- (d) other circumstances beyond the control of Jyske Realkredit.

Jyske Realkredit shall not be exempt from liability where

- (e) at the time of entering into the agreement, Jyske Realkredit ought to have foreseen the circumstances that caused the loss or ought to have prevented or remedied them, or
- (f) under Danish law, Jyske Realkredit is, in any case, liable for the cause of the loss.

### **5.15 Bondholder representative**

No bondholder representative has been appointed for the Bondholders according to Part 4 of the Danish Capital Market Act (Act. No. 931 of 6 September 2019).

### **5.16 Applicable law and jurisdiction**

The Bonds are subject to Danish law, and any litigation concerning the Bonds is governed by Danish law and jurisdiction.

## 6 TEMPLATE FOR FINAL TERMS

*Below is shown a template for the Final Terms applicable to the issue of Bonds under the Base Prospectus. Text in italics in the below templates indicated instructions on how to fill out the field.*

**Final Terms dated [●]  
Jyske Realkredit A/S  
LEI code: 529900R9HQNZRT2OXB26  
Business Reg. No. (CVR-nr.): 13409838  
("Jyske Realkredit")**

**for the issue of [Mortgage Bonds (RO)/Covered Bonds (SDO)/Section 15 Bonds]**

These final terms ("**Final Terms**") shall only apply to [Mortgage Bonds (RO)/Covered Bonds (SDO)/Section 15 Bonds] issued in the ISIN code stated below ("**Bonds**"). The Bonds were issued according to Jyske Realkredit's base prospectus for the issue of Covered Bonds (SDO), Mortgage bonds ("RO") and bonds issued pursuant to S. 15 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act (Section 15 Bonds) dated on 23 February 2021 and any addenda to this base prospectus ("**Base Prospectus**").

Together with the terms of the bonds in the Base Prospectus section 5 "*TERMS OF THE BONDS*", these Final Terms constitute the terms of the issued Bonds.

The total prospectus for the Bonds consists of the Base Prospectus and the Final Terms. Definitions stated in these Final Terms shall be understood in accordance with the definitions in section 5 "*TERMS OF THE BONDS*" of the Base Prospectus. Definitions stated in the Base Prospectus will have the same meaning in the Final Terms unless otherwise stated by the context.

### **MiFID II product management/target markets**

[THE TARGET MARKET FOR THE BONDS IS RETAIL CLIENTS, PROFESSIONAL CLIENTS AND ELIGIBLE COUNTERPARTIES - Solely what applies to the individual producer's procedure for product approval, the assessment of the target market of the Bonds led to the conclusion that: (i) the target market for the Bonds is solely eligible counterparties, professional clients and retail clients as defined in Directive 2014/65/EU ("**MiFID II**"), and (ii) all channels of distribution are appropriate. Any person who subsequently offers, sells or recommends the Bonds (a "**Distributor**") must take the producer's assessment of the target market into consideration. A Distributor who is subject to MiFID II is, however, under the responsibility to undertake his own assessment of the target market of the Bonds (either by assuming or improving the producer's assessment of the target market) and also to determine appropriate distribution channels subject to the Distributor's execution of suitability and appropriateness tests under MiFID II, if relevant.]

[THE TARGET MARKET FOR THE BONDS IS SOLELY PROFESSIONAL CLIENTS AND ELIGIBLE COUNTERPARTIES - Solely what applies to the individual producer's procedure for product approval, the assessment of the target market of the Bonds led to the conclusion that: (i) the target market for the Bonds is solely eligible counterparties and professional clients as defined in Directive 2014/65/EU ("**MiFID II**"), and (ii) all channels of distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person who subsequently offers, sells or recommends the Bonds (a "**Distributor**") must take the producer's assessment of the client type into consideration. A Distributor who is subject to MiFID II is, however, under the responsibility to undertake his own assessment of the target market of the Bonds (either by assuming or improving the producer's assessment of the target market) and also to determine appropriate distribution channels.

### **[UK MIFIR product management / the target market for the bonds is solely professional investors and eligible counterparties**

Solely what applies to the individual producer's procedure for product approval, the assessment of the target market of the Bonds led to the conclusion that: (i) the target market for the Bonds is solely eligible counterparties as defined in FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients as defined in Directive (EU) No. 600/2014 as this constitutes part of the national legislation pursuant to "the European Union (Withdrawal Act) 2018 ("**UK MiFIR**"); and (ii) all channels of distribution of the Bonds to eligible counterparties and professional clients are appropriate.

Any person who subsequently offers, sells or recommends the Bonds (a “distributor”) must take the producer’s assessment of the target market into consideration. A Distributor who is subject to ”FCA Handbook Product Intervention and Product Governance Sourcebook” (the “UK MiFIR Product Governance Rules”) is, however, under the responsibility to undertake his own assessment of the target market of the Bonds (either by assuming or improving the producer’s assessment of the target market) and also to determine appropriate distribution channels.

<b>ISIN code</b>	[•]
<b>Series</b>	[•]
<b>Capital centre</b>	[B / E / S (capital centre for government-guaranteed SDOs)] / [•]
<b>Bond type</b>	[RO / SDO / Section 15 Bonds]
<b>Green Bonds</b>	[Yes/Not applicable]
<b>Currency</b>	[DKK / EUR / SEK / •]
<b>Name</b>	[•]
<b>Denomination</b>	[0.01 / •]  [All trades in the Bonds, including the initial subscription for Bonds must take place in trading units of at least [minimum trading unit]. A Bondholder who due to trading in these trading units holds Bonds in a custody account in the relevant settlement system at a value lower than [minimum trading unit] cannot sell the rest of this holding without first buying Bonds at a nominal value at or above [minimum trading unit] so this holding will correspond to or exceed [minimum trading unit]]
<b>Volume in circulation</b>	[The volume in circulation is stated on an ongoing basis on Jyske Realkredit’s website <a href="http://www.jyskerealkredit.com">www.jyskerealkredit.com</a> [and on Nasdaq Copenhagen A/S’ website <a href="http://nasdaqomxnordic.com">nasdaqomxnordic.com</a> .]/[other regulated or similar markets where Bonds of the same ISIN code have been admitted to trade]
<b>Opening date</b>	[•]
<b>Closing date</b>	[•]  (last day the ISIN code in question is open for issues)
<b>Expiry date</b>	[•]
<b>Interest rate</b>	The interest rate of the Bonds is [fixed] / [floating] and consists of the sum of the chosen basis for the Bonds’ interest rate and a premium.] [ <i>The interest-rate premium for floating-rate Bonds is determined below.</i> ]  [any additional description]  [The interest rate is set at [•] % [p.a.] [until and including [•].] [ <i>Fixed-rate Bonds</i> ]  The Bonds will no longer carry interest as of the payment date when the Bonds are redeemed.
<b>Start date of interest accrual</b>	[•]
<b>Interest rate premium</b>	[Not applicable] [Set at auction] [[•] % p.a.]

**Basis for the interest rate of the Bonds**

[Not applicable] [*Fixed-rate Bonds*]

[The interest rate of the Bonds is set [quarterly/every six months/•] with effect as of [the previous][payment dates], such as

- [the [•] stated with [•] decimals and as published daily by the [relevant reference] on [•] last banking day in [number of months] respectively]]
- [a simple average of [•] stated with [•] decimals over a period of [•] trading days ending on [•] last trading day of [specify months] respectively]
- [a daily fraction weighted average of [•] calculated for the number of actual calendar days in a period from, but not including, the [•] last banking day in the previous quarter until and including the day when the interest is set]

[rounded to [•] decimals][, ][added an interest rate premium][ and ][multiplied by [•]]

[The Bonds' interest rate is rounded to [•] decimals.]

[The daily applicable interest rate on [•] is included in the calculation with a weight equal to 1 divided by the number of actual calendar days of the year when the interest rate applies.]

[•] delivered by [the benchmark administrator's legal name ("Administrator")]. On the date of these Final Terms, the Administrator does [not] appear from the European Securities and Markets Authority's ("ESMA") register of administrators and benchmarks, which has been established and is maintained by ESMA according to Article 36 in regulation (EU) 2016/1011 ("**Benchmark Regulation**"). [To the best knowledge of Jyske Realkredit, the Benchmark Regulation does not apply to [*name of reference rate*], according to Article 2 of the Benchmark Regulation, and therefore the Administrator is not currently under the obligation to achieve approval and registration according to the Benchmark Regulation.]

[The past and future price development for the basis chosen, which forms the basis for the ongoing determination of the interest rate on the Bonds can be seen on [*enter relevant information*].

**Interest Rate Cap/  
Interest Rate Floor**

[Not applicable] [Interest rate ceiling [enter rate] %] [Interest rate floor [enter rate] %]

[*Ratchet*: The interest rate of the Bonds is maximised to the interest rate set most recently. If the calculated interest rate is lower than the interest rate applicable until now, the interest rate of the Bonds will be set at the calculated interest rate.] [Possibly a description of periods of validity] [enter different description]

**Value at Redemption due to negative interest rate**

[Not applicable]/[100]/[Market price]

**Day-count convention**

[Actual/actual per payment period] [Actual/360] [Interest is paid on [insert payment dates] on the basis of the number of actual calendar days and the actual number of days in the calendar year for the [insert interval of time] elapsed.]

**Amortisation**

[The Bonds are redeemed on the maturity date at par value, unless the term to maturity of the Bonds is extended according to the terms of the bonds.] [*Section 15 Bonds.*]

[the Bonds are redeemed on the maturity date at par value, unless the term to maturity of the Bonds is extended according to the terms of the bonds.]

[The Bonds are amortized at drawing/redemption at par upon Jyske Realkredit's decision, and the notification is made to the market observing the usual notices.]

[The Bonds are amortized at drawing/redemption at par concurrently with the ordinary repayment of the loans financed by the Bonds[.] [as:]

- [Bullet loans]

- [Annuity loans]
- [Serial loans]
- [An index-linked loan (where repayments follow a specified index)]
- [Hybrid (a combination of repayment methods), including any form of amortisation in combination with the possibility of interest-only periods].
- [Other amortisation]

[The general repayment of the underlying loans may be made as [[annuity/serial/ ●] loans or] as a bullet loan (interest-only periods). [The latter amortization form may be used for up to [10/30/●] years of the loan's term.]

[The terms of the loans can be maximum [● years].]

[Loans are amortized following an interest-only period as if the loan's remaining term is the original term with reduction of the time passed since disbursement of the loan.]

[The amortization of the Bonds may vary due to recalculation of the instalments at each determination of interest rate and based on exceptional instalments and termination of loans.]

[When financing loans without a direct link to the underlying bond funding, the Bonds are amortised through redemption at par on the maturity date or cancellation after acquisition.]

[In the event the interest rate is or becomes negative in a payment period, bullet loans (interest-only periods) may have a repayment amount equivalent to the loan's negative interest.]

[Prepayment of loans results in either an extraordinary drawing/redemption of Bonds [at the price of [●]] or cancellation of bonds in Jyske Realkredit's own holding].

[The redemption value will be a weighted average of the price of 100 and the price of [●] with ordinary instalments and extraordinary redemptions as weightings.]

[The Bonds will be finally amortized no later than on the maturity date and are redeemed [at par] upon the maturity of the Bonds][unless the Bonds are extended in accordance with the terms of the Bonds.]

[*RTL F*: The Bonds are amortised at redemption at the price of 100 at the times of redemption with an amount consisting of the debtors' payments adjusted for bond yields, contributions, interest rate premium, etc. and repayments and the proceeds from sales of new bonds in replacement of the Bonds which are redeemed. Redemption is made in the volume in circulation after cancellation, if any, of the bonds held by Jyske Realkredit.

New bonds will be sold before a redemption date with the below ISIN-code. Upon sale, an amount is offered which according to the above is sufficient for full redemption of the below ISIN-code.

A separate sale of new bonds to replace the below ISIN-code will be carried out. When purchasing the replacing bonds from Jyske Realkredit, bonds in the below ISIN-code may be deposited and accordingly, the settlement amount from the purchase corresponds to the settlement amount from the deposited bonds as at the agreed value date.

No later than a week prior to the drawing/redemption date, Jyske Realkredit will publish the terms, including the requirements for proceeds, for the sale of new bonds to replace the below ISIN-code and how and when the expected sale is to be completed.

When the sale of the new bonds to replace the bonds that are redeemed with the below ISIN-code is completed, the proceeds are calculated, and then these proceeds - with any investment interest (positive or negative), including debtors' payments corrected for yield on the bond, contributions, interest rate premium, etc. and redemptions – constitute the redemption that may take place in full or in part on the first payment date.

The decision about redemption may be made until the last banking day before the bonds' redemption and is notified by way of a company announcement.].

<b>Indexation of principal</b>	[Not applicable] [The terms of indexation of the principal, including how this is determined, when and for how long this is determined as well as how it is determined if the basis of calculation applied ceases to exist or is no longer published.]
<b>Drawing/Redemption dates</b>	[Not applicable] [The first drawing/redemption date is [enter date of payment]. Drawing/Redemption can subsequently take place [annually/semi-annually/quarterly/enter other interval] at the payment date on [enter payment date(s)].
<b>Termination by notice</b>	[Not Applicable] [ <i>SDO/RO and Section 15 Bonds</i> ] / [The Bonds are callable and may be called in for redemption on a payment date in the event of the Borrower's extraordinary redemption.] [The bonds cannot be terminated by the creditors.] [ <i>SDO/RO Bonds</i> ]
<b>Number of annual payment dates</b>	[•]
<b>Payments and banking days</b>	Payments are due on the payment dates on [•]. If the payment date is a Saturday, Sunday or a bank holiday, the payment is due on the first [banking day in Denmark/TARGET2 banking day] [other banking day] hereafter. [Different description of dates of payment.]
<b>Subject to the rules for statutory refinancing</b>	[Not applicable] [ i) Sales trigger: Yes / No ii) Interest-rate trigger: Yes (1-year) / Yes (2-year) / No / • ]
<b>Calculation agent</b>	[•]/[Not applicable]
<b>Trading and possible official listing</b>	[Nasdaq Copenhagen A/S] [The bonds are not admitted to trading and official listing]/ [•]
<b>First day of listing</b>	[•]/[The bonds are not admitted to trading and official listing]
<b>Place of registration</b>	[VP Securities A/S, Weidekampsgade 14, 2300 Copenhagen S ("VP")]/[ <i>other central securities depository</i> ]
<b>Offer period for resale and final placement</b>	[Not applicable]/The offer period for financial intermediaries' resale or final placement of the Bonds is [•]
<b>Unambiguous and objective terms and conditions</b>	[Not applicable]/[ <i>Other unambiguous and objective terms and conditions that may be linked to the commitment and that are relevant for the use of the prospectus.</i> ]
<b>Access to information about the Bondholders</b>	[Jyske Realkredit shall upon request to VP be entitled to have access to available details of name, address and other contact details of the Bondholders, the date of registration in the custody account, the size of the holding as well as any other relevant custody account details relating to the Bonds registered with VP]/[Not applicable]

<b>Credit rating</b>	[●] [Not determined yet] [Not applicable] [The Bonds that are issued [are/are not expected to be] credit rated by a credit rating agency]
<b>Costs for buyers of the Bonds</b>	[Enter a description of relevant costs, such as usual trading costs that are incurred when trading with Jyske Realkredit, i.e. Brokerage, price spread, etc.]
<b>Restrictions to the individual investor's right to subscribe to the Bonds</b>	[Jyske Realkredit has not defined restrictions to the individual investor's right to subscribe to the Bonds]/[Description of any restrictions]
<b>Other terms and conditions</b>	[Insert description of other terms, if any.]  [Bonds issued by Capital Centre S are guaranteed by the Danish government through a guarantee whereby the guarantor assumes primary liability. Bondholders cannot claim compensation on the grounds of default in connection with the Bonds to the extent that the Danish state has taken over all liabilities.]
<b>Agreement on placement and/or guarantee for the offering</b>	[Jyske Realkredit has not entered into any binding agreement with any unit about placing and/or guaranteeing issues of the Bonds]/  [Jyske Realkredit has entered into an agreement with the following organisers: [Organiser, address] [Organiser2, address]  The following terms and conditions apply to the agreement: [Material terms and conditions of the Agreement]] [●]
<b>Agreement on pricing</b>	[At this time, Jyske Realkredit has not entered into any agreement with any company about quoting bid and offer prices for the Bonds] / [Jyske Realkredit pays [Name and address of company] for quoting bid and offer prices for the Bonds on the following terms and conditions [description of the terms and conditions of the agreement on pricing.]
<b>Conflicts of interest</b>	[Jyske Realkredit is not familiar with any interests and/or conflicts of interest of importance for the supply of the Bonds]/[●] [Description of any interests and/or conflicts of interest for the supply of the Bonds, including statement of the involved persons and the nature of the interest]
<b>Authorisation to issue</b>	[Jyske Realkredit's Supervisory Board has decided on [23 September 2019] to authorise the issuer of these Bonds.]/[Enter other relevant authorisation.]
<b>Declaration</b>	Jyske Realkredit hereby declares: <ul style="list-style-type: none"> <li>a) The Final Terms were prepared according to the Prospectus Regulation and must be read in connection with the Base Prospectus in order to have all relevant details about the Bonds</li> <li>b) That the Base Prospectus (including any addenda) has been made available electronically on Jyske Realkredit's website <a href="http://www.jyskerealkredit.com">www.jyskerealkredit.com</a></li> <li>c) That the the Base Prospectus as well as the Final Terms must be read in order to obtain all information</li> <li>d) [The summary of the Bonds have been attached as Appendix A to these Final Terms.] [The reference to the summary is to be removed in the event it is not relevant to the specific issue]</li> </ul>

These Final Terms were signed on behalf of Jyske Realkredit A/S:

---

(name)

(position)

---

(name)

(position)



## 7 INFORMATION INTEGRATED IN THE BASE PROSPECTUS BY REFERENCE

The Base Prospectus should be read and understood in connection with the following documents that are integrated in the Base Prospectus by reference:

- (a) Jyske Realkredit's audited financial annual reports for the financial years ending 31 December 2019 and 31 December 2020, and in both cases the relevant audit report, to which page references are made in the tables below, and
- (b) Pages 31-40 of Jyske Realkredit's Base Prospectus of 24 February 2020 for the issue of Covered Bonds (SDO), Mortgage bonds ("RO") and bonds issued pursuant to Section 15 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act (Section 15 Bonds), pages 44-71 in the BRFkredit a/s Base Prospectus of 1 February 2017, pages 41-56 in the BRFkredit a/s Base Prospectus of 1 March 2016 for the offering of Covered Bonds (SDO) and Mortgage Bonds (RO), as well as page 24 of the BRFkredit a/s Base Prospectus of 6 December 2007, and addenda to these, which were each previously published and registered with the Danish FSA.

Information in the above-mentioned documents is included in the Base Prospectus, except that any declaration included in the documents integrated in this way must be considered changed or replaced if a declaration in the Base Prospectus changes or replaces such previously declaration given (either explicitly, implicitly or in other ways). Any such declaration that has been changed or replaced in this way shall no longer form part of the Base Prospectus.

### Audited annual report for Jyske Realkredit, the financial year 2020

Management's Review	page	2-31
Statement by the Management and Supervisory Boards on the Annual Report	page	67
Auditors' Report	page	68-71
Income Statement	page	32
Balance Sheet	page	33
Capital Statement	page	34
Accounting policies	page	58-64
Notes	page	35-65

Link to Annual Report 2020: <https://jyskerealkredit.com/financial-statements/statement/8c5617f7-7714-4006-a704-03ac48bcd925>

### Audited annual report for Jyske Realkredit, the financial year 2019

Management's Review	page	2-30
Statement by the Management and Supervisory Boards on the Annual Report	page	66
Auditors' Report	page	67-71
Income Statement	page	31
Balance Sheet	page	32
Capital Statement	page	33
Accounting policies	page	57-63
Notes	page	34-64

Link to Annual Report 2019: <https://jyskerealkredit.com/financial-statements/statement/29e89beb-653c-41a7-ac37-2029a3487462>

## **8 REASON FOR THE SALE OF THE BONDS AND APPLICATION OF PROCEEDS**

### **8.1 SDO/RO Bonds**

Funds generated by issuance and sale of SDO/RO Bonds under this Base Prospectus are applied to the funding of loans secured against real property, unsecured loans to public authorities or loans guaranteed by public authorities. Funds generated by issuance and sale of SDOs can also be invested in assets permissible according to CRR, article 129. Funds generated by the issuance of ROs may in accordance with the Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act be invested in secure and liquid securities. It is not relevant to state total expected net proceeds from issues under this Base Prospectus as the volume of the bond issues will depend on the development of Jyske Realkredit mortgage business.

If, in connection with an issue, Jyske Realkredit must apply the proceeds to direct or indirect financing or refinancing of loans that meet certain eligibility requirements with the purpose of advancing climate-friendly or other environmentally sound purposes (“**Eligible Green Loans**”) it will appear from the Final Terms. The loans to be financed or refinanced will at any time be described in Jyske Realkredit's internal policies and/or framework conditions (“**Jyske Bank Group Green Finance Framework**”), which are available on [www.jyskebank.dk/greenfinanceframework](http://www.jyskebank.dk/greenfinanceframework).

### **8.2 Section 15 Bonds**

Under the Base Prospectus, Section 15 Bonds can be issued with a view to providing supplementary collateral in capital centres that issue SDOs before the requirement for supplementary collateral arises or with a view to building up overcollateralisation in capital centres that issue SDOs or ROs.

The proceeds from the issue is to be applied to building up overcollateralisation in the capital centres (whether or not SDOs or ROs are issued by the capital centre in question) or to acquiring supplementary collateral with a view to meeting the requirement that the value of the assets that are provided as security for the issued SDOs in Capital Centre E must at least correspond to the value of the issued SDOs.

Funds generated by issuance of Section 15 Bonds can also be invested in assets permissible according to Article 29 of the CRR.

## **9 ABOUT THE JYSKE BANK GROUP AND JYSKE REALKREDIT**

### **9.1 Jyske Bank Group**

Jyske Realkredit is a wholly-owned subsidiary of Jyske Bank. Internal procedures and guidelines are prepared in the Jyske Bank Group to ensure that Jyske Bank's control of Jyske Realkredit is not abused, for instance the control and management reporting of the credit quality of the loans that are distributed through Jyske Bank. At the date of this Base Prospectus, Jyske Realkredit has no knowledge of any agreement that may at a subsequent date result in parties other than Jyske Bank gaining a controlling interest in Jyske Realkredit. In addition, Jyske Bank owns Jyske Finans A/S. Moreover, Jyske Bank owns 50 % of JN Data A/S.

Jyske Realkredit's products and services are primarily sold through Jyske Bank's channels of distribution.

Jyske Realkredit cooperates with Jyske Bank about operations and development of certain IT systems.

Jyske Bank and Jyske Realkredit cooperate in respect of staff functions as well as business functions. Jyske Realkredit has outsourced a number of material areas of activity to Jyske Bank, including:

- Sales, advisory services, credit processing and granting of mortgage loans for personal clients as well as client relationship management and servicing of these borrowers.
- Sales, advisory services and credit-improving work when granting mortgage loans secured on commercial properties as well as client relationship management of these borrowers.
- Operation of Jyske Realkredit's system areas
- Development and maintenance of a limited part of Jyske Realkredit's system areas.
- Operation and maintenance of the statutory whistleblower programme for Jyske Realkredit, which is operated jointly with Jyske Bank.

Currently, Jyske Realkredit has no subsidiaries.

### **9.2 Jyske Realkredit**

Jyske Realkredit is a limited liability company with a share capital amounting nominally to DKK 4,306,480,000. Each share has a nominal value of DKK 100 and all shares are fully paid up. The shares are not divided into share classes.

Jyske Realkredit's full name is Jyske Realkredit A/S. The secondary name is BRFkredit a/s. Jyske Realkredit is registered with the Danish Business Authority under the business registration No. (CVR-nr.) 13 40 98 38. Jyske Realkredit's LEI code is: 529900R9HQNZRT2OXB26. The object of Jyske Realkredit is to carry on business as a mortgage credit institution, including any kind of business permitted pursuant to legislation on mortgage credit institutions in force from time to time. See Article 2 of the Articles of Association of Jyske Realkredit.

Jyske Realkredit is domiciled in Kgs. Lyngby. Jyske Realkredit's municipality of residence is Lyngby-Taarbæk. Jyske Realkredit is governed by Danish law and is registered in Denmark. The address and telephone number for Jyske Realkredit's registered office is:

Jyske Realkredit A/S  
Klampenborgvej 205  
DK- 2800 Kgs. Lyngby

Website: [www.jyskerealkredit.dk](http://www.jyskerealkredit.dk) (the information stated on the website shall not constitute part of the Base Prospectus unless the information is integrated in the Base Prospectus by reference).

Tel.: +45 89 89 89 89

#### *9.2.1 Jyske Realkredit's history and development*

Jyske Realkredit commenced mortgage lending in 1959 under the name of Byggeriets Realkreditfond (BRF). In May 1990, the foundation's activities, with effect on the financial statements as of December 1989, transferred to BRFkredit a/s and the foundation changed its name to BRFFonden.

In February 2014, BRFkredit a/s entered into an agreement on a takeover by Jyske Bank. The final takeover was completed in April 2014, Jyske Bank being the parent company of the surviving group and BRFkredit a/s as a subsidiary subject to Danish mortgage legislation. In 2018, the name of the company was changed to Jyske Realkredit A/S.

### 9.2.2 Approved business areas

Jyske Realkredit has been permitted by the FSA to perform activities as a mortgage credit institution according to S.8(1) of and addendum 3 to the Danish Financial Business Act and to perform activities as a securities dealer in connection with the mortgage activities according to S.9(1) of and addendum A to the Danish Financial Business Act.

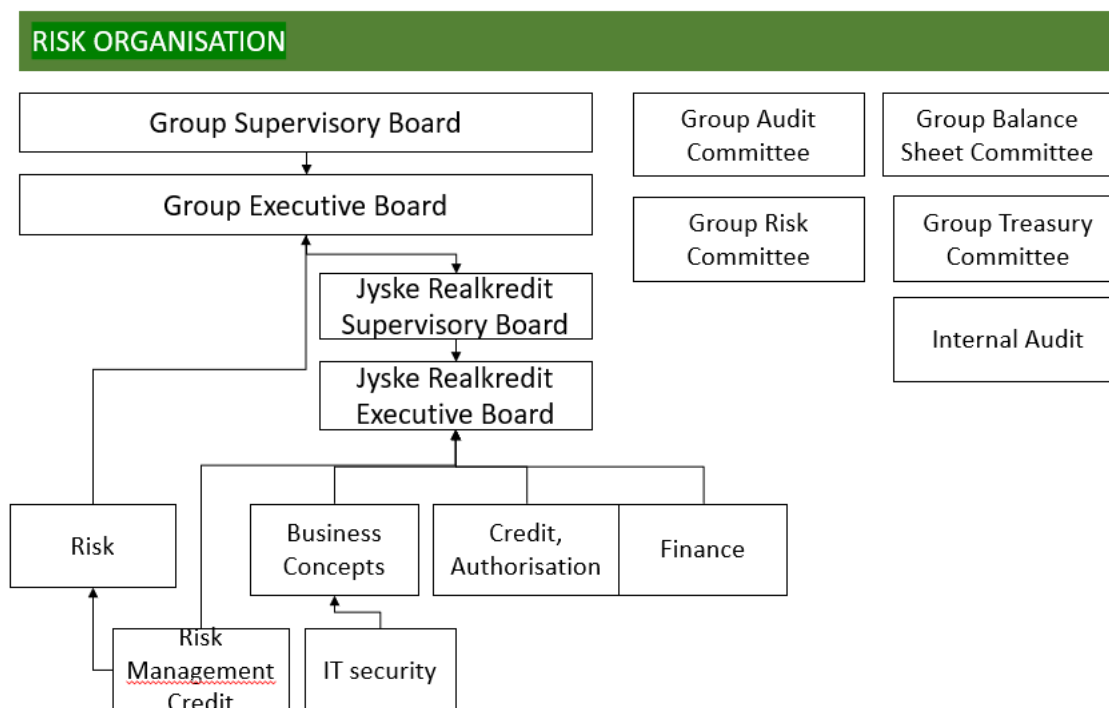
### 9.2.3 Area of activity

Jyske Realkredit's mortgage loans measured as debt outstanding at fair value amounted to DKK 345 bn on 31 December 2020. The primary area of activity for Jyske Realkredit is lending secured on real property in Denmark (less than 1% of the loan portfolio relates to homes outside Denmark, primarily the Faroe Islands). Among other things, Jyske Realkredit grants loans for financing of homes as well as office and business properties. Loans for financing of homes, i.e. loans for owner-occupied homes, vacation homes, cooperative housing, private rental properties as well as subsidised housing amounted on 31 December 2020 to the majority of Jyske Realkredit's loan portfolio, 86.6%, whereas loans for the financing of office and business properties amounted to 10.4%.

### 9.2.4 Risk organisation

Based on the Jyske Bank Group's strategic targets and policies, the Supervisory Board of Jyske Realkredit determines risk policies, risk instructions, risk targets and principles of risk and capital management. According to a fixed procedure the Supervisory Board grants authorisation to the Executive Board through the instructions, and subsequently the Managing Directors may subdelegate to relevant employees. On an ongoing basis, the Supervisory Board and the Executive Board receive reporting on the development in risks and the utilisation of the risk limits and risk targets granted and may hence monitor whether the exposure limits are complied with and continue to be appropriate for Jyske Realkredit.

Jyske Realkredit is organised to ensure segregation between the departments assuming risks and the controlling departments. Jyske Realkredit is organised with an independent risk management function. The department has no authority within the business areas that it monitors and submits reports on to the Executive Board and Supervisory Board of Jyske Realkredit. The head of Risk Management, Mortgage Activities, has been appointed risk officer of Jyske Realkredit.



In connection with Jyske Realkredit, it is the responsibility of Risk Management, Mortgage Activities to:

- Present risk policies and risk management principles to the Executive Board and the Supervisory Board
- Implement risk management principles and policies with a view to current improvement of risk management and internal capital allocation
- Quantify risks through risk models and monitor and report on whether risks are within the framework determined by the Supervisory Board

Risk management, monitoring and reporting are based on the most essential risk areas for the institution:

- Credit risk, including counterparty risk
- Market risk
- Liquidity and funding risk
- Operational risk, including outsourcing

A number of group committees consider risk-related issues.

#### 9.2.5 Capital structure

The tables below from Jyske Realkredit's Annual Report 2020 show Jyske Realkredit's capital structure, capital ratios, adequate capital base as well as buffer requirements.

##### Own funds, risk exposure and solvency

DKKm	2020	2019
Equity	19769	18,861
Prudent valuation	-24	-23
Deferred tax assets	-3	-4
Difference between expected loss and impairment charges (deduction)	-	-23
<b>Common Equity Tier 1 capital / Core capital</b>	<b>19743</b>	<b>18811</b>
<b>Capital base</b>	<b>19743</b>	<b>18811</b>
Credit risk	74304	77,665
Market risk	19	20
Operational risk	3464	3,636
<b>Total risk exposure</b>	<b>77787</b>	<b>81,321</b>
Common Equity Tier 1 capital ratio (%)	25.4	23.1
Tier 1 Capital ratio (%)	25.4	23.1
Capital ratio (%)	25.4	23.1

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

DKKm/% of REA	2020	2019		
Credit risk	5944	7.6	6,213	7.6
Market risk	2	0.0	2	0.0
Operational risk	277	0.4	291	0.3
<b>Capital requirement, Tier I</b>	<b>6223</b>	<b>8.0</b>	<b>6,506</b>	<b>8.0</b>
Credit risk	1366	1.8	1,485	1.8
Market risk	145	0.2	144	0.2
Operational risk	60	0.1	60	0.1
<b>Capital requirement, Pillar II</b>	<b>1571</b>	<b>2.0</b>	<b>1,689</b>	<b>2.1</b>
<b>Adequate capital base</b>	<b>7794</b>	<b>10.0</b>	<b>8,194</b>	<b>10.1</b>
Capital conservation buffer	1945	2.5	2,033	2.5
Systemic risk buffer	1168	1.5	1,220	1.5

Countercyclical buffer	0	0.0	813	1.0
<b>Combined capital buffer requirement</b>	<b>3112</b>	<b>4.0</b>	<b>4,066</b>	<b>5.0</b>
<b>Adequate capital base, incl. combined capital buffer requirement</b>	<b>10907</b>	<b>14.0</b>	<b>12,260</b>	<b>15.1</b>
<b>Excess capital adequacy</b>	<b>8836</b>	<b>11.4</b>	<b>6,550</b>	<b>8.1</b>

### 9.2.6 *Financing*

No material changes have taken place to Jyske Realkredit's credit requirements and financial structure since the latest annual report. Jyske Realkredit finances its lending activity through issues of SDO and RO Bonds.

### 9.2.7 *Jyske Realkredit's accounts with financial institutions*

Jyske Realkredit's accounts with financial institutions are subject to certain requirements from S&P. These requirements may be subject to future changes, both in the form of stricter or easier requirements of Jyske Realkredit's accounts with financial institutions. According to the current requirements from S&P, the accounts must be held with financial institutions that have an Issuer Credit Rating from S&P at least BBB/A-2, provided that the total exposure does not exceed 5% of the capital centre's balance sheet, and provided that a) it is unlikely that the consequence of an account-holding financial institution's failure to meet its obligations will cause a direct interruption of payments on Jyske Realkredit covered bonds during the replacement period, or b) a negative impact on Jyske Realkredit's covered bonds will only be likely in the event of several concurrent events. If the exposure exceeds 5% of the capital centre's balance sheet, the account-holding financial institution must have an Issuer Credit Rating from S&P of at least A/A-1.

If the account-holding financial institution does not meet S&P's rating criteria stated above, Jyske Realkredit must within 30 days take what is considered reasonable steps to replace the account-holding financial institution with a financial institution that satisfies the rating criteria (replacement). In the event of replacement and where new payment instructions to the borrowers are necessary, the borrowers must in connection with the replacement be notified that future payments must be made into an account with another financial institution (that meets S&P's rating criteria) as designated by Jyske Realkredit.

The above requirements from S&P applies to funds in accounts that are not included in the financial institution's assets available for distribution.

The above requirements from S&P are based on the current rating of covered bonds and mortgage bonds and S&P's current published methodology and criteria for counterparties. Changes in the rating of the Bonds and/or the wording and interpretation of the methodology/criteria as well as the clarification of these in respect of S&P's understanding may result in changes to Jyske Realkredit's regulation of accounts with financial institutions.

The above requirements from S&P will no longer apply if Jyske Realkredit and/or S&P terminates the agreement on the rating of Jyske Realkredit's covered bonds and/or mortgage bonds.

### 9.2.8 *Business overview*

The object Jyske Realkredit is to operate as a mortgage credit institution, including any kind of business permitted pursuant to applicable legislation on mortgage credit institutions.

Jyske Realkredit offers mortgage loans to its clients within Jyske Realkredit's two current business areas, i.e. Personal Clients and Corporate Clients.

Jyske Realkredit is part of the Jyske Bank Group. It is the responsibility of Jyske Realkredit to ensure that Jyske Realkredit and Jyske Bank can offer their clients competitive mortgage products and services. This must take place with advice and services carefully adjusted to the individual client.

Within the area of mortgage lending, and to the extent it is deemed profitable, Jyske Realkredit will develop new mortgage products and cultivate new business areas. At the date of this Base Prospectus, Jyske Realkredit has no plans for material, new mortgage products or new business areas.

Jyske Realkredit principal market is the Danish market. Subject to permission by the Danish FSA, Jyske Realkredit may offer mortgage loans in other countries within the EEA. Currently, Jyske Realkredit provides mortgage loans in the Faroe Islands.

Jyske Realkredit may offer loans within all segments, but on the date of this Base Prospectus, Jyske Realkredit is organised in two business areas - Personal Clients and Corporate Clients. At the date of this Base Prospectus, the personal client area covers lending for owner-occupied homes and vacation homes and is Jyske Realkredit's largest business area. At the date of this Base Prospectus, corporate loans are mainly granted within the areas of office and business properties, residential rental property as well as cooperative housing societies and subsidised housing. Clients in subsidised housing consist primarily of major housing associations. A substantial part of the solutions for the housing associations are offered in cooperation with Jyske Bank.

For further details on the breakdown of loans by property category, please see Jyske Realkredit's most recent annual report.

#### *9.2.9 Selected financial information*

Audited financial information, including the income statement, balance sheet, statement of changes in equity, capital statement and accounting policies as well as notes for the latest two financial years is set out in Annual Report 2019 and Annual Report 2020 of Jyske Realkredit. See section 7 "*INFORMATION INTEGRATED IN THE BASE PROSPECTUS BY REFERENCE*". The auditors' report are included in Jyske Realkredit's annual reports for 2019 and 2020.

The above-mentioned financial data were prepared in accordance with the national rules, the Danish Financial Business Act, including the Executive Order No. 281 of 26 March 2014, as amended most recently through the Executive Order No. 1441 of 3 December 2018 on Financial Reports for Credit Institutions and Investment Companies, etc., which are consistent with the International Financial Reporting Standards (IFRS).

#### *9.2.10 Cash flow statement*

<b>Cash Flow Statement</b>	<b>Jyske Realkredit A/S</b>	
	<b>2020</b>	<b>2019</b>
<b>Period 1 January – 31 December</b>		
<b>Cash flow from operations</b>		
Net profit for the year after tax	908	1.117
Tax	259	316
Adjustments for non-liquid operating items	420	-42
	1.588	1.391
<b>Change to working capital</b>		
Bonds at fair value	2.769	2.681
Loans, advances and other receivables	-6.691	-11.213
Due to credit institutions and central banks	-203	1.026
Issued bonds at fair value before offsetting	-9.826	25.773
Adjustment, other working capital	-101	-195
Corporation tax paid	-325	-263
<b>Cash Flow from Operations, total</b>	<b>-12.789</b>	<b>19.202</b>
<b>Cash flows from investment activities</b>		
Purchase of of property, plant and equipment	-	0
Sale of property, plant and equipment	-	0
Purchase of investments	0	-0
Sale of investments	31	1
<b>Cash Flow from investment activities, total</b>	<b>31</b>	<b>1</b>
<b>Cash flows from financing activities</b>		
New share capital paid up	-	-
Issued bonds at amortised cost (Senior Secured Bonds and Senior debt)	-	750
Redeemed bonds at amortised cost (Senior Secured Bonds and Senior debt)	-	0
<b>Cash Flow from financing activities, total</b>	<b>0</b>	<b>750</b>
<b>Adjustment of cash and cash equivalents, total</b>	<b>-12.757</b>	<b>19.952</b>
<b>Cash and cash equivalents, beginning of period</b>		
Cash balance and demand deposits with central banks	41	49
Due from credit institutions and central banks	26.435	6.438
Of which receivables not directly available	-144	-107
<b>Cash and cash equivalents, beginning of period, total</b>	<b>26.332</b>	<b>6.380</b>
<b>Cash and cash equivalents, end of period</b>		
Cash balance and demand deposits with central banks	50	41
Due from credit institutions and central banks	13.604	26.435
Of which receivables not directly available	-79	-144
<b>Cash and cash equivalents, end of period, total</b>	<b>13.574</b>	<b>26.332</b>

Jyske Realkredit declares that the above cash flow statement has not been separately audited but renders a true and fair view and has been prepared on the basis of Jyske Realkredit's audited annual report, which has been prepared in accordance with the current rules and standards applicable to Danish mortgage credit institutions, including the Danish Financial Business Act and the Danish Executive Order on the Preparation of Financial Statements.

#### 9.2.11 *Lawsuits or arbitration proceedings against Jyske Realkredit*

No governmental, legal or arbitration proceedings had been brought against Jyske Realkredit within the past 12 months prior to the date of the Base Prospectus, which could have or which in the near past had a material effect on Jyske Realkredit and/or Jyske Realkredit's financial position or results.

#### 9.2.12 *Material contracts*

At the date of this Base Prospectus, Jyske Realkredit has not entered into material contracts outside its normal business that could cause Jyske Realkredit to assume obligations or acquire rights that would affect Jyske Realkredit ability to meet its obligations towards the Bondholders with respect to the Bonds.



## **10 SUPERVISORY BOARD AND EXECUTIVE BOARD OF JYSKE REALKREDIT**

### **10.1 Supervisory Board**

**Niels Erik Jakobsen**, Chairman

- Board Member (deputy chairman), Letpension A/S
- Board Member, BI Holding A/S as well as the fully owned BI Asset Management Fondsmæglerselskab A/S

**Lars Waalen Sandberg**, Deputy Chairman

- Board Member, E-Nettet A/S

**Per Skovhus**, Board Member

**Peter Trier Schleidt**, Board Member

- Board Member (Deputy Chairman), JN Data A/S

**Steen Brastrup Clasen**, Employee Representative

**Kim Henriksen**, Employee Representative

### **10.2 Executive Board**

**Carsten Tirsbæk Madsen**, CEO and Director

**Torben Hansen**, Director

### **10.3 The company address for the Supervisory Board and the Executive Board of Jyske Realkredit is:**

Jyske Realkredit A/S  
Klampenborgvej 205  
DK- 2800 Kgs. Lyngby  
Tel. +45 89 89 89 89

### **10.4 Conflicts of interest**

There are no potential conflicts between Jyske Realkredit's Supervisory Board, Executive Board and supervisory bodies, between the obligations that the members of Jyske Realkredit's Supervisory Board, Executive Board and supervisory bodies have to Jyske Realkredit and their private interests and/or other obligations.

## 11 TAXATION

Jyske Realkredit points out to possible investors that the tax legislation in the member state of an investor and Jyske Realkredit's country of registration may affect the taxation of the income from the Bonds.

**All investors, including those who are not tax residents of Denmark, are recommended to seek separate and individual advice on their tax positions.**

### **Danish tax residents**

At the date of this Base Prospectus, the following main rules for taxation applies with respect to taxation of investors who are subject to full tax liability in Denmark:

Any interest income and capital gains from Bonds are taxable, whereas any capital loss is tax-deductible. Gains and losses on the Bonds are subject to the triviality threshold of DKK 2,000., according to S.14 in Act No. 1283 of 25 October 2016 on Taxation of Gains on Securities, Claims and Foreign Currency Act.

Companies' interest income and capital gains from Bonds are taxable, whereas any capital loss is tax-deductible.

Interest due and possession, redemption and transfer of Bonds will be reported to the Danish tax authorities in compliance with current legislation.

Pursuant to current legislation, tax will not be withheld at source in Denmark, save for in certain cases relating to payments in respect of controlled debt in relation to Jyske Realkredit pursuant to the Danish Corporation Tax Act. Consequently, this will not have any impact on investors who do not control, or are controlled by Jyske Realkredit.

### *Tax on negative interest*

In its Legal Guide 2020-2, section C.A.11.2.1, the Danish Customs and Tax Administration (SKAT) states that interest income in the form of negative interest is taxable for debtors according to S.4 e of the Danish Central Government Tax Act, and an interest expense in the form of negative interest is tax deductible for creditors according to S.6 e of the Danish Central Government Tax Act.

Both interest income for debtors in the form of negative interest and an interest expense in the form of negative interest for creditors will be included in a person's capital income, cf. S.4(1)(i) of the Danish Personal Tax Act.

Persons who use the Danish Business Taxation Scheme must include interest relating to the company in their personal income. This also applies to negative interest relating to the company.

Interest expenses accrued in the form of negative interest for creditors shall be deducted according to S.9 (1) of the Danish Act on Taxation of Pension Returns (PAL) when calculating the basis of taxation. Likewise, interest income received in the form of negative interest for debtors shall be included as return on assets in the basis of taxations according to S.3, S.6 and S.7 of the Danish Act on Taxation of Pension Returns (PAL), cf. S.15(1) of the Danish Act on Taxation of Pension Returns (PAL).

### **Non-tax residents in Denmark**

Natural or legal persons that are not resident in Denmark for tax purposes are, pursuant to current legislation, not subject to taxation in Denmark on payments to said persons of interest or principal, save for, in certain cases, taxation on payments in respect of controlled debt in relation to Jyske Realkredit, as mentioned above.

No Danish withholding tax will be payable with respect to such payments, and no capital gain in connection with the sale, exchange or cancellation of the Bonds will be subject to taxation in Denmark, save for, in certain cases, taxation on payments in respect of controlled debt in relation to Jyske Realkredit, as mentioned above. This tax treatment applies only to investors who are not subject to full tax liability in Denmark or included in a Danish joint taxation scheme and who do not carry on business in Denmark through a permanent establishment.

Jyske Realkredit is not liable for any changes in the tax treatment of the Bonds or in the tax position of the investors – including any withholding of tax of any kind or collection of tax at source imposed by public authorities.

## **12 OFFERING, PRICE DETERMINATION, SALE, REGISTRATION AND EXECUTION, ETC.**

### **12.1 Terms and conditions of the offer of Bonds under the Base Prospectus**

Jyske Realkredit has not determined limitations for the number of subscriptions of each investor. The Final Terms will lay out any possibility to reduce the number of subscriptions and the method to pay back any excess amounts that investors may have paid.

The minimum amount for investment is equivalent to the denomination of the individual ISIN code. The denomination of the Bonds is disclosed in the Final Terms. From time to time, the Final Terms may state a minimum trading unit, which - if so - means that trading cannot take place in smaller units than the minimum trading unit stated. Subsequently the denomination may be changed by Jyske Realkredit, if this is necessary in the event Denmark should join the euro.

In connection with SDO/RO Bonds, the final size of the issue required (and hence the final size of the offering of the SDO/RO Bonds) is not known until the ISIN code of the relevant SDO/RO Bonds has been closed. The largest amount for investment is equivalent to the volume in circulation of the SDO/RO Bonds. During the opening period, the volume in circulation may be increased through ongoing issues, auctions, pre-issues or block issues. During such a period, prepayment may take place at the same time, and also instalments may be paid on an ongoing basis on the mortgage loans granted, however not for bullet or interest-only mortgage loans. Hence, the volume in circulation may both increase and decrease during the opening period for the individual SDO/RO Bonds. When the opening period ends, no more bonds are issued in an ISIN code, and the volume in circulation can no longer increase. The volume in circulation will on an ongoing basis be stated on Jyske Realkredit's website, [www.jyskerealkredit.com](http://www.jyskerealkredit.com), and on Nasdaq Copenhagen A/S' website, [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com). (or the website of any other relevant regulated market).

The volume in circulation of Section 15 Bonds will vary in step with Jyske Realkredit's requirement for supplementary collateral and/or excess capital adequacy. The volume in circulation will on an ongoing basis be stated on Jyske Realkredit's website, [www.jyskerealkredit.com](http://www.jyskerealkredit.com), and on Nasdaq Copenhagen A/S' website, [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com). (or the website of any other relevant regulated market).

In general, when the Bonds are traded, the value date is two banking days after the trade is executed, however this may be derogated from.

Trading in Bonds admitted to trading in a regulated market is made public in accordance with the rules laid down in the Danish Capital Market Act and other relevant legislation.

There are no subscription rights attached to the Bonds.

The Bonds are sold either on tap in the bond market or by auction.

When Bonds are sold on tap in the bond market, the price and amount are determined in connection with the transaction, and the Bonds usually have two-day settlement.

Auction participants will be notified of the price and the allocated amount immediately before the auction. Bonds may be traded before they have been issued. Jyske Realkredit has no influence on trading in Bonds between third parties.

### **12.2 Plan of allocation and allotment**

Generally, the Bonds can be sold in various ways:

- Sale or auction to the market via Bloomberg systems
- Syndication with organisers
- Private placements, possibly via organisers
- Nasdaq Copenhagen A/S or another regulated market

In the event of regular issues and block issues, SDO/RO Bonds are sold on an ongoing basis in the bond market, and no investor has any preferential right to buy these. In connection with auctions via Bloomberg's auction system, SDO/RO Bonds are allocated according to Jyske Realkredit's conditions of sale by auction. The SDO/RO Bonds are allocated after a period stipulated by Jyske Realkredit.

When selling Bonds with a government guarantee, these must be offered to Danmarks Nationalbank, the central bank of Denmark, as investor on behalf of the Danish state before the bonds are offered to other investors. The government is not under any obligation to make an offer or buy the Bonds in question. In addition, Bonds with a government guarantee can be sold in the same way as other Bonds.

### **12.3 Price determination**

The offer price of the Bonds is determined on market terms based on bid/ask prices. Consequently, the price will change over the life of the Bonds.

Other than the market price of the Bonds, buyers of the Bonds are, when trading with Jyske Realkredit, not charged costs other than ordinary transaction costs.

### **12.4 Location**

Jyske Realkredit is the issuer of the Bonds and acts as a securities dealer. Bonds issued according to the Base Prospectus will be registered with VP, or another place of registration with which the Bonds are registered. The selected place of registration is stated in the Final Terms. Payment of interest and redemption takes place according to the relevant rules and procedures of the place of registration in force from time to time.

Jyske Realkredit has not entered into agreements with any paying agent or depository with respect to the Bonds that are issued according to the Base Prospectus.

### **12.5 Agreement on admission to trading and volume of trade**

The bonds issued under this Base Prospectus have been or are expected to be admitted to trading and listed on Nasdaq Copenhagen A/S. The regulated market in which the Bonds are admitted to trading is disclosed in the Final Terms. The first day of listing will appear from the Final Terms. However, Jyske Realkredit may resolve not to apply for official listing of new issues.

Jyske Realkredit may enter into an agreement on quotation of Bonds issued under this Base Prospectus. The agreements can at any time - possibly subject to a notice period - be terminated by the parties to the agreement. The agreements can cover all or only some Bonds under this Base Prospectus. Jyske Realkredit shall be under no obligation to maintain market maker agreements or to enter into new agreements.

### **12.6 Yield to maturity**

The yield to maturity on the Bonds cannot be stated in the Final Terms because the Bonds are issued on tap, and the yield to maturity depends on the price and transaction date.

The yield to maturity on the Bonds offered will depend on the selling price at the time of issue, the time of issue relative to the maturity date of the Bonds and the exact composition of the series of payments of the Bonds, which may be changed after the time of issue. For bonds which may be prepaid or are regulated via an index or in which index payments are made or where the interest rate is floating or where the terms and conditions of the Bond may change, the yield to maturity may only be calculated as an approximation.

### **12.7 Registration and execution**

Unless another place of registration has been stated in the Final Terms, the Bonds will be issued in a dematerialised register with VP.

Ownership of the Bonds shall solely be documented by the items entered in the register at VP or the place of registration that is stipulated in the Final Terms. The Bonds cannot be exchanged for physical bonds.

Registration and execution of transactions in connection with the Bonds will take place in accordance with the rules and procedures in force from time to time at VP or the place of registration that is stipulated in the Final Terms.

### **12.8 Financial intermediaries**

In connection with an offering of Bonds to the public, which offering is not exempted from the requirement of the Prospectus Regulation to publish a prospectus, Jyske Realkredit may on the basis of a written agreement accept that, according to Article 5(2) of the Prospectus Regulation, financial intermediaries may use the Base Prospectus with a view to re-sale or final placement of the Bonds, provided this is stipulated in the Final Terms. In that case, Jyske Realkredit agrees to the use of the Base Prospectus. Jyske Realkredit declares that it assumes responsibility for the contents of the

Base Prospectus, also in connection with re-sale or final placement of the Bonds via financial intermediaries, who have been given an undertaking as regards the use of the Base Prospectus.

**Financial intermediaries using this Base Prospectus are obliged to state on their website that they use this Base Prospectus in accordance with the related consent and its conditions.**

Financial intermediaries who have been given Jyske Realkredit's consent on the basis of a written agreement shall hereafter be referred to as "Authorised Financial Intermediaries". Jyske Realkredit will update the Base Prospectus on an ongoing basis, possibly through addenda, when necessary with a view to being able to issue Bonds continuously that can be admitted to trading in a regulated market. The consent can be in force as long as this Base Prospectus is valid – i.e. up to 12 months from the approval date of the Base Prospectus, however, subject to the prior revocation, cancellation or replacement of this Base Prospectus. In such events, Jyske Realkredit will issue a Corporate Announcement to that effect. Any conditions relating to the consent made to Authorised Financial Intermediaries will be set out in the Final Bond Terms for the specific issue and the attached summary for the specific issue. At the time of approval of the Base Prospectus, no consent was given on the basis of a written agreement to any financial intermediary. Authorised Financial Intermediaries may use the Base Prospectus in Denmark at re-sale or final placement of the Bonds.

In connection with an offering of Bonds to the public, which offering is not exempted from the requirement of the Prospectus Regulation to publish a prospectus, Jyske Realkredit has, except for the instances mentioned above, not given its consent that any financial intermediary or other natural or legal person may use the Base Prospectus for a public offering of Bonds, and hence the use of the Base Prospectus is not permitted. Such public offering to which Jyske Realkredit has not given its consent to the use of the Base Prospectus has not been made by Jyske Realkredit nor on behalf of Jyske Realkredit. Consequently, Jyske Realkredit shall not assume any responsibility or liability to pay damages for such offering or the persons who make the offering.

In connection with an offering of Bonds to the public, which offering is not exempted from the requirement of the Prospectus Regulation to publish a prospectus, any investor in the Bonds who buys, sells or is being offered these by Authorised Financial Intermediaries, acts according to an agreement between the investor and the Authorised Financial Intermediary, and Jyske Realkredit is not party to such agreements. **Authorised Financial Intermediaries, if any such makes an offering, shall inform the investors of the terms and conditions of the offering at the time when the offering takes place.**

No financial intermediary has participated in the preparation of the Base Prospectus and shall therefore assume no responsibility for the information stated in this.

Any potential investor in the Bonds is encouraged to decide on the relevance of the information in the Base Prospectus and documents incorporated by reference, and any purchase of Bonds should be based on such investigations about own circumstances that a potential investor deems necessary in this context.

This Base Prospectus does not constitute an offer or a solicitation from or on behalf of any financial intermediary to subscribe for or buy securities. To the greatest extent possible that it is allowed by law, any financial intermediaries disclaim responsibility for the content in this Base Prospectus or a declaration or allegation made by others in connection with Jyske Realkredit or the issue of securities under the Base Prospectus. Any financial intermediaries hence disclaim any responsibility, whether this arises contractually or non-contractually (except for what is described above) and which otherwise could be related to this Base Prospectus or such a declaration. Neither this Base Prospectus nor any financial statements is intended to form a basis for a credit evaluation or other evaluation of Jyske Realkredit and should not be considered a recommendation by any financial intermediaries or others to buy securities under the Base Prospectus.

## **13 SALES AND TRADING RESTRICTIONS**

### **13.1 USA**

Designations in this section shall have the meaning that appears from Regulation S of the U.S. Securities Act.

The Bonds have not been and will not be registered according to the U.S. Securities Act and must not be offered for sale or be sold in the US or to or on the account of or for the benefit of U.S. Persons (as defined in Regulation S), except for certain transactions that are exempt for the requirement of registration according to the U.S. Securities Act. Jyske Realkredit declares that it has not offered for sale or sold, and declares furthermore that it will not offer for sale or sell any Bonds in the US or to or on the account of or for the benefit of any U.S. Persons, except when in accordance with Article 903 of Regulation S of the U.S. Securities Act. Therefore, neither Jyske Realkredit, nor Jyske Realkredit and its subsidiaries or persons trading on its or their behalf participated or will participate in any offering or similar aimed at U.S. Persons (in the U.S. Securities Act designated "directed selling efforts").

Generally, the Bonds will only be sold

- if the Bonds are sold by Jyske Realkredit
- if each financial intermediary has declared that except from what is permitted through agreement with Jyske Realkredit, it will not offer or sell Bonds (i) as part of its distribution at any time or (ii) otherwise only 40 days after the last day of the launch of the offering and the issue date ("40-Day Period") within the US or to or on the account of or for the benefit of U.S. Persons, and that the financial intermediary will have sent to each additional financial intermediary, distributor, dealer or person to whom it sells Bonds during the 40-Day Period confirmation or other notification describing the restrictions for offering and sale of the Bonds in the US or to or on the account of or for the benefit of U.S. Persons.

The Bonds will be offered for sale and sold outside the US according to Regulation S. Moreover, within the 40-Day Period, it may be a violation of the registration requirements of the U.S. Securities Act to offer or sell the Bonds in the US by a financial intermediary (whether or not this participates in the offering).

### **13.2 Denmark**

Each financial intermediary who makes an offering of Bonds shall be under the obligation to declare and guarantee that it has not offered or sold and will not offer, sell or deliver Bonds directly or indirectly in Denmark through a public offering, unless it is in accordance with the Prospectus Regulation, the Danish Act on capital markets with later amendments and executive orders issued pursuant to this and in accordance with the Danish Executive Order on Investor Protection in connection with Securities Trading to the extent this is applicable.

### **13.3 Great Britain**

Each financial intermediary who makes an offering of Bonds shall be under the obligation to declare and guarantee that:

- (a) it has only communicated or had an invitation or inducement to engage in investment activity communicated and will only communicate or have communicated an invitation or inducement to engage in investment activity (as defined according to S.21 of the Financial Services and Markets Act 2000 ("FSMA")) received by it in connection with the issue or sale of any Bonds in events where Section 21(1) does not apply to Jyske Realkredit, and
- (b) it has complied with and will comply with all current provisions of the FSMA as regards its actions relating to Bonds in, from or which in any other way involve Great Britain.

### **13.4 General**

No undertaking is given through the Base Prospectus to the effect that any action has been or will be made by

Jyske Realkredit as regards any jurisdiction that would legalise a public offering of the Bonds or possession or distribution of the Base Prospectus or any other offer documents, in any country or any jurisdiction where such action would be required. Jyske Realkredit assumes that persons who take possession of this Base Prospectus will comply with all current acts and rules in any country or jurisdiction in which or from which they buy, offer, sell or deliver Bonds or possess or distribute the Base Prospectus and act, in any case, on their own account. Each financial intermediary who make an offering of Bonds shall be under an obligation to declare and guarantee that, to the best of its ability and knowledge, it will materially comply with current legislation in any jurisdiction in which it buys, offers, sells or delivers Bonds or possesses or distributes the Base Prospectus and acts in any case on its own account.

## **14 GENERAL INFORMATION**

### **14.1 Disclosures from third parties and expert statements**

No information stated in the Base Prospectus originates from third parties, and the Base Prospectus does not include expert statements or expert reports.

### **14.2 Legal adviser**

Jyske Realkredit did not employ external legal advisers in connection with the preparation of this Base Prospectus.

### **14.3 Auditors**

Lars Rhod Søndergaard, State-Authorised Public Accountant, and Anne Tønsberg, State-Authorised Public Accountant, Ernst & Young, Dirch Passers Allé 36, DK-2000 Frederiksberg audited Jyske Realkredit's annual report for 2020. Both are members of "Foreningen af Statsautoriserede Revisorer (FSR)" [The Institute of State-Authorised Public Accountants]. Hans Trærup, State-Authorised Public Accountant, Deloitte Statsautoriseret Revisionselskab, Papirfabrikken 26, 8600 Silkeborg, and Kasper Bruhn Udam, State-Authorised Public Accountant, Deloitte Statsautoriseret Revisionselskab, Weidekampsgade 6, 2300 Copenhagen S audited Jyske Realkredit's annual report for 2019. The auditors' report was prepared in accordance with Directive 2014/56/EU and the Regulation (EU) No. 2014/537. Moreover, Jyske Realkredit is also audited by the internal audit department of the Jyske Bank Group. The department, represented by Henning Sørensen, Head of Internal Audit, reports directly to the Supervisory Board of Jyske Bank.

The change of appointed auditors took place at the annual general meeting in 2020.

Jyske Realkredit's auditors have solely audited the annual reports to which reference is made in this Base Prospectus. All financial data included in the Base Prospectus originate from Jyske Realkredit's audited annual reports. The Base Prospectus has not been controlled or audited by Jyske Realkredit's auditors.

### **14.4 Solvency**

After the publication of the most recent annual report, no events have occurred which to any significant degree are of material relevance to the evaluation of Jyske Realkredit's solvency.

### **14.5 Future prospects**

At the date of this Base Prospectus, there has been no adverse material change in the prospects of Jyske Realkredit since the date of its latest published financial statements, and the Jyske Bank Group's financial position has not changed materially since the end the most recent accounting period.

### **14.6 Financial position**

Jyske Realkredit's financial position has not changed materially since the end the most recent accounting period.

### **14.7 Conflicts of interest**

Jyske Realkredit knows of no interests and/or conflicts of interest of significance to the offer of the Bonds. Descriptions of any interests and/or conflicts of interests that in connection with an issue of Bonds is material to Jyske Realkredit, including specification of the persons involved and the nature of the interest will appear from the Final Terms.

### **14.8 Trends**

On the date of this Base Prospectus, Jyske Realkredit is not aware of any trends, uncertainty, requirements, obligations or events that may reasonably be expected to have a material impact on Jyske Realkredit prospects for the current financial year.

### **14.9 Earnings expectations or forecasts**

Earnings expectations or forecasts for Jyske Realkredit are generally not considered material to the pricing of the Bonds and are therefore not included in the Base Prospectus.

### **14.10 Inspection of documents**

The Supervisory Board and the Executive Board of Jyske Realkredit declare that the following documents are available for inspection during the life of the Base Prospectus:

- Articles of Association for Jyske Realkredit
- Memorandum of Association of A/S PSE 14 No. 1273

- Jyske Realkredit's annual reports and financial information, which are included in full or in part in the Base Prospectus. No further reports, letters and other documents, assessments and expert statements appear from the Base Prospectus.

The documents are available for inspection in person on application to Jyske Realkredit's head office, Klampenborgvej 205, 2800 Kgs. Lyngby, between the hours of 09.00 and 16.00, or the documents may be inspected in electronic form on [www.jyskerealkredit.com](http://www.jyskerealkredit.com).