



Interim Financial Report, first half of 2024

Please observe that the Danish version of this Annual Report prevails.

Table of contents

Management's Review

3	Financial Highlights
4	Summary
5	Financial Review
8	Credit Quality
10	Capital
14	Funding and Bond Issues
16	Green transition
18	Other Information

Interim Financial Statements

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

Statements by the Executive and Supervisory Boards

31	Statement by the Executive and Supervisory Boards
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Financial Highlights

Core profit and net profit for the period, DKKm

	H1 2024	H1 2023	Index 24/23	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Full year 2023
Administration margin income, etc.	1,234	1,252	99	620	615	627	617	624	2,496
Other net interest income	518	306	169	262	256	249	240	166	795
Net fee and commission income, etc.	-42	-265	16	55	-97	-133	-158	-115	-556
Value adjustments, etc.	97	151	64	43	55	143	76	64	370
Other income	-	-	-	-	-	0	-	-	0
Core income	1,807	1,444	125	980	828	886	775	739	3,106
Core expenses	222	222	100	110	112	113	110	116	445
Core profit before loan impairment charges	1,585	1,222	130	869	716	774	665	624	2,661
Loan impairment charges (- is income)	-45	-37	122	-66	21	11	14	9	-12
Core profit/Pre-tax profit	1,630	1,259	129	935	695	763	651	614	2,673
Tax	425	317	134	243	181	162	164	154	643
Net profit for the period	1,205	942	128	692	514	601	487	460	2,030

Summary of Balance Sheet, end of period, DKKm

Mortgage loans, nominal value	375,965	369,402	102	375,965	373,147	373,677	370,315	369,402	373,677
Mortgage loans, fair value	353,302	337,960	105	353,302	351,542	352,663	337,614	337,960	352,663
Bonds and shares	19,659	16,896	116	19,659	18,241	19,160	19,726	16,896	19,160
Total assets	382,249	366,756	104	382,249	385,161	383,021	369,195	366,756	383,021
Issued bonds, fair value	350,266	337,068	104	350,266	353,275	351,790	338,315	337,068	351,790
Equity	25,394	23,100	110	25,394	24,702	24,189	23,587	23,100	24,189

Financial ratios and key figures

Pre-tax profit p.a. as a percentage of average equity	13.1	11.1	-	14.9	11.4	12.8	11.2	10.7	11.5
Profit for the period p.a. as a percentage of average equity	9.7	8.3	-	11.0	8.4	10.1	8.3	8.0	8.8
Expenses as a percentage of income	12.3	15.4	-	11.2	13.5	12.8	14.2	15.7	14.3
Capital ratio (%)	28.6	29.1	-	28.6	28.4	27.5	28.7	29.1	27.5
Common Equity Tier 1 capital ratio (CET1 %)	28.6	29.1	-	28.6	28.4	27.5	28.7	29.1	27.5
Individual solvency requirement (%)	10.1	9.7	-	10.1	9.9	9.9	9.6	9.7	9.9
Capital base (DKKm)	25,298	23,058	-	25,298	24,557	24,053	23,478	23,058	24,053
Weighted risk exposure (DKKm)	88,314	79,183	-	88,314	86,457	87,469	81,719	79,183	87,469
No. of full-time employees, at end-period	30	26	-	30	29	27	26	26	27
No. of employees split between the companies, at end-period ¹	664	684	-	664	664	725	712	684	725
No. of employees split between the companies converted to full-time equivalent	251	251	-	251	251	253	246	251	253

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

Summary

- Profit before tax amounted to DKK 1,630m (first half of 2023: DKK 1,259m) corresponding to a return of 13.1% p.a. on average equity (first half of 2023: 11.1%).
- Net profit for the period amounted to DKK 1,205m (First half of 2023 DKK 942m) corresponding to a return of 9.7% p.a. on average equity (2023: 8.3%).
- Core expenses for the period amounted to DKK 222m (first half of 2023: DKK 222m).
- Impairment charges affected core profit by an income of DKK 45m (first half of 2023: an income of DKK 37m).
- The portfolio at nominal value amounted to DKK 376bn. (end of 2023: DKK 374bn), and at a fair value of DKK 353bn (end of 2023: DKK 353bn).
- At 30 June 2024, the capital and the Tier 1 capital ratio amounted to 28.6% (end of 2023: 27.5%).

Comments by management

In connection with the presentation of the Interim Financial Report for the first half of 2024, Carsten Tirsbæk Madsen, Chief Executive Officer, states:

'Today Jyske Realkredit announces a profit of DKK 1,205m for the first half of 2024 against a profit of DKK 942m in the same period last year. The improved results can be attributed to a higher return on Jyske Realkredit's securities portfolios due to the interest-rate level and lower distribution fees to Jyske Bank. Jyske Realkredit's capital base is still at a high level and the credit quality is good.'

Capital structure

Jyske Realkredit's equity rose by the net profit for the period of DKK 1,205m and amounted to DKK 25,394m at 30 June 2024. The capital base, exclusive of various deductions, amounts to DKK 25,298m, an increase of DKK 1,245m since the end of 2023.

Jyske Realkredit's capital base is solid with a capital ratio of 28.6% and a capital buffer of DKK 9.2bn. It is assessed that the current financial resources can withstand even severe stress scenarios.

Company-specific circumstances

In connection with Per Skovhus' retirement from the Jyske Bank Group, he resigned from the Supervisory Board of Jyske Realkredit on 1 July 2024. Instead, Morten Lykke, Head of Credit at Jyske Bank, joined the Supervisory Board of Jyske Realkredit.

Now the Supervisory Board consists of Niels Erik Jakobsen (Chairman), Lars Waalen Sandberg (Deputy Chairman), Peter Schleidt, Morten Lykke as well as Kim Henriksen and Steen Brastrup Clasen, the latter two elected by the employees.

Outlook

Jyske Realkredit anticipates a profit for 2024 in the range of DKK 1.8bn to 2.1bn, i.e., an increase of DKK 0.2bn relative to the previous announcements. The increase was due to a better-than-expected return on securities and reversed loan impairment charges in the first half of 2024. The expected profit will, however, be affected by the development of the level of interest rates and loan impairment charges.

Financial Review

Net profit for the period

In the first half of 2024, Jyske Realkredit reported a pre-tax profit of DKK 1,630m against DKK 1,259m in the corresponding period of last year. The primary reason behind the higher profit is higher interest income from Jyske Realkredit's portfolios of securities due to the higher interest-rate level against the same period of 2023. In addition, the group-internal distribution fee to Jyske Bank has been reduced due to the setting off of recognised losses on a corporate client exposure.

Calculated tax was DKK 425m (2023: DKK 317m), and the profit for the period amounted to DKK 1,205m (2023: DKK 942m), corresponding to a return on average equity of 9.7% p.a. (2023: 8.3% p.a.).

Core profit and net profit for the period, DKKm

	H1 2024	H1 2023	Index 24/23	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Full year 2023
Administration margin income, etc.	1,234	1,252	99	620	615	627	617	624	2,496
Other net interest income	518	306	169	262	256	249	240	166	795
Net fee and commission income, etc.	-42	-265	16	55	-97	-133	-158	-115	-556
Value adjustments, etc. (- is an expense)	97	151	64	43	55	143	76	64	370
Other income	-	-	-	-	-	0	-	-	0
Core income	1,807	1,444	125	980	828	886	775	739	3,106
Core expenses	222	222	100	110	112	113	110	116	445
Core profit before loan impairment charges	1,585	1,222	130	869	716	774	665	624	2,661
Loan impairment charges (- is income)	-45	-37	122	-66	21	11	14	9	-12
Core profit/Pre-tax profit	1,630	1,259	129	935	695	763	651	614	2,673
Tax	425	317	134	243	181	162	164	154	643
Net profit for the period	1,205	942	128	692	514	601	487	460	2,030

Core income

Core income, consisting primarily of administration margin income, etc. brokerage and fee income from mortgage activities and return on Jyske Realkredit's portfolios of securities, amounted to DKK 1,807m against DKK 1,444m in same period of the previous year.

Administration margin income etc. amounted to DKK 1,234m, which is a decline of DKK 18m relative to the same period of 2023. Administration margin income was affected by slightly falling average administration margin rates.

Other net interest income consists of interest on the portfolios of securities as well as various interest income and amounts to an income of DKK 518m against DKK 306m in the same period the year before. The increase was primarily due to a higher interest yield on Jyske Realkredit's securities portfolio as a result of the higher interest-rate level in the first half of 2024 relative to the first half of 2023.

Net fee and commission income, etc. amounted to an expense of DKK 42m against an expense of DKK 265m in the first half of 2023. The difference can primarily be attributed to a reduction in Jyske Realkredit's distribution fee payable to Jyske Bank. When calculating the distribution fee to Jyske Bank, recognised losses on lending exposures are offset. In the second quarter of 2024, Jyske Realkredit took over the security for a loan commitment and hence realised a loss on this commitment (the loss was covered by previous impairment charges). Fee income from lending activity was at a lower level in the first half of 2024 relative to the first half of 2023 when we saw higher refinancing activity.

Value adjustments, etc. amounted to an income of DKK 97m against an income of DKK 151m in the corresponding period of last year and relate to Jyske Realkredit's securities portfolios.

Core expenses

Core expenses are unchanged at DKK 222m against the same period last year.

Core profit before loan impairment charges then amounted to DKK 1,585m against DKK 1,222m for the first half of 2023.

Loan impairment charges

Loan impairment charges amounted to an income of DKK 45m against an income of DKK 37m in the same period of 2023.

In the first half of 2024, we saw a decline in model-calculated loan impairment charges by DKK 29m (2023: an increase of DKK 2m), primarily attributed to the personal client segment. In the first half of 2024, the individually calculated loan impairment charges declined by DKK 185m (2023: a decline of DKK 57m), and this primarily relates to the corporate client segment. The change in the individual loan impairment charges can primarily be attributed to one single non-performing corporate client exposure as the security behind the loans has been realised, and simultaneously a loss has been realised. The previously recognised loan impairment charges were able to cover the recognised loss. The total change in model-calculated loan impairment charges and the individually calculated loan impairment charges amounted to a decline of DKK 214m (2023: a decline of DKK 55m) whereas the recognised losses covered by loan impairment charges amounted to DKK 202m (2023: DKK 5m).

In the first half of 2024, DKK 40m was reversed (2023: DKK 0m) of the management's estimates and at 30 June 2024, these amounted to DKK 637m. The most important management's estimates relate to macroeconomic risks as the higher interest-rate level accounts for a material factor. These estimates amount to DKK 500m. (end of 2023: DKK 550m) and hereof DKK 350m relates to (end of 2023: DKK 350m) corporate clients and DKK 150m (end of 2023: DKK 200m) relates to personal clients.

The total balance of impairment charges amounted to DKK 1,187m at 30 June 2024 (end of 2023: DKK 1,441m) corresponding to 0.3% of total loans and advances (end-2023: 0.4%).

Relative to total loans, the effect from the impairment charges on the income statement amounted to -0.01% in the first half of 2024 corresponding to the same period of 2023.

Jyske Realkredit's holding of assets held temporarily amounted to DKK 169m as at 30 June 2024 against DKK 40m at the end of 2023. The increase was due to a company which was taken over in the second quarter of 2024.

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

Second quarter compared to first quarter of 2024

Administration margin income, etc. in the second quarter of 2024 amounted to DKK 620m against DKK 615m in the first quarter of 2024. The increase was due to an increase of the loan portfolio in the second quarter of 2024.

Other net interest income amounted to an income of DKK 262m against an income of DKK 256m in the first quarter of 2024. The increase was due to a higher interest income on Jyske Realkredit's securities portfolios as a result of slightly higher portfolios.

Net fee and commission income, etc. amounted to an income of DKK 55m against an expense of DKK 97m in the first quarter of 2024. As mentioned previously, the distribution fee to Jyske Bank was calculated at DKK 0 whereas it amounted to DKK 152m in the first quarter of 2024. In the second quarter of 2024, net fee and commission income etc. consists alone of group-external fees which are at an unchanged level relative to the first quarter of 2024.

Value adjustments, relating to Jyske Realkredit's securities portfolios, among other things, amounted to an income of DKK 43m against an income of DKK 55m in the preceding quarter.

Core expenses amounted to DKK 110m against DKK 112m in the first quarter of 2024. This was due primarily to a lower contribution to the Single Resolution Fund.

Losses and impairment charges amounted to an income of DKK 66m against an expense of DKK 21m in the first quarter of 2024. The income in the second quarter of 2024 relates primarily to lower loan impairment charges within the personal client segment - both with respect to model-calculated loan impairment charges and management's estimates.

Pre-tax profit for the second quarter of 2024 then amounted to DKK 935m against DKK 695m for the first quarter of 2024.

Balance sheet

At the end of June 2024, Jyske Realkredit's balance sheet amounted to DKK 382.2bn (DKK 383.0bn at the end of 2023).

Loans at fair value rose from DKK 352.7bn at the end of 2023 to DKK 353.3bn at the end of June 2024, corresponding to an increase of 0.2%. DKK 2.3bn was due to an increase in nominal lending, and DKK 1.7bn was due to a decline in the value adjustment of the loan portfolio as a result of changed interest-rate conditions in the first half of 2024.

Equity was affected by the profit for the period by DKK 1,205m and subsequently amounted to DKK 25,394m at the end of June 2024 (DKK 24,189m at the end of 2023).

Summary of Balance Sheet, end of period, DKKm

	30 June 2024	30 June 2023	Index 24/23	30 June 2024	31 March 2024	31 Dec. 2023	30 Sept 2023	30 June 2023
Assets / equity and liabilities	382,249	366,756	104	382,249	385,161	383,021	369,195	366,756
Mortgage loans, nominal value	375,965	369,402	102	375,965	373,147	373,677	370,315	369,402
Loans and advances at fair value	353,302	337,960	105	353,302	351,542	352,663	337,614	337,960
Issued bonds, fair value	350,266	337,068	104	350,266	353,275	351,790	338,315	337,068
Equity	25,394	23,100	110	25,394	24,702	24,189	23,587	23,100

Credit Quality

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

Mortgage loans at fair value and loan impairment charges, DKKm								
	H1 2024	H1 2023	Index 24/23	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Loans and advances ¹	354,077	338,950	104	354,077	352,513	353,628	338,602	338,950
Stage 1	339,815	325,808	104	339,815	336,737	340,180	325,550	325,808
Stage 2	11,022	9,829	112	11,022	12,341	9,996	9,847	9,829
Stage 3	3,239	3,313	98	3,239	3,435	3,452	3,205	3,313
Balance of impairment charges	1,187	1,400	85	1,187	1,455	1,441	1,439	1,400
Stage 1	638	742	86	638	673	738	762	742
Stage 2	265	227	117	265	304	220	229	227
Stage 3	285	432	66	285	478	483	448	432
Arrears	68	53	128	68	88	74	57	53
Operational loan impairment charges (- is income)	-45	-35	129	-66	21	11	14	9
Operating losses	218	18	1,206	204	13	10	8	12

¹ Mortgage loans were calculated exclusive of loan impairment charges.

The majority of Jyske Realkredit's portfolio is still invested at stage 1. Apart from price effects, we have in the first half of 2024 for a minor part of the portfolio in the personal and corporate client area seen a deterioration of the credit rating. This part of loans and advances has been moved from stage 1 (loans and advances without a material increase in the credit risk) to stage 2 (loans with a significant increase in the credit risk).

An increase in loans and advances with a material increase in the credit risk resulted in an increase of total loan impairment charges at stage 2 whereas loan impairment charges on individually processed exposures at stage 3 were on the decline. The change in the individual loan impairment charges can primarily be attributed to one single non-performing corporate client exposure as Jyske Realkredit has taken over the security, and a recognised loss was simultaneously realised.

Apart from the recognised loss which is attributable to one single non-performing corporate client exposure, losses are still at a historically low level which can be attributed to a record-low number of non-performing loans and properties subject to foreclosures.

The table below shows loans and advances and loan impairment charges specified on property category:

	Mortgage loans (DKKm)		Impairment ratio (%)	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Owner-occupied homes	164,235	164,518	0.3	0.4
Vacation homes	9,627	9,691	0.2	0.4
Subsidised	47,330	47,549	0.0	0.0
Cooperative housing	11,445	11,791	0.5	0.4
Private rental properties	70,242	70,826	0.4	0.4
Manual and manufacturing industries	6,484	5,072	0.1	0.1
Office and commercial properties	37,114	36,274	0.6	1.0
Agriculture, etc.	167	180	0.1	0.1
Properties for social, cultural, and educational purposes	7,365	7,688	0.1	0.1
Other properties	69	39	0.1	0.2
Total	354,077	353,628	0.3	0.4

Loan impairment charges are still at a low level with an impairment ratio at 0.3% (end of 2023: 0.4%).

As at 30 June 2024, the impairment ratio for residential properties and private rental properties was 0.3% and 0.4%, respectively. The two property categories amount to 66% of total mortgage loans. The impairment ratio for office and commercial properties was 0.6% (end-2023: 1.0%). The property category amounts to 10% of total mortgage loans.

Arrears

The arrears rate measured 90 days after the March 2024 repayment date amounted to 0.07% against 0.07% for the corresponding repayment date in 2023. The arrears rate measured 15 days after the June 2024 repayment date amounted to 0.31% against 0.32% after the June 2023 repayment date.

Arrears rate						
	June 2024	March 2024	December 2023	September 2023	June 2023	March 2023
After 90 days	-	0.07	0.07	0.08	0.09	0.07
After 15 days	0.31	0.42	0.47	0.33	0.32	0.34

Despite the rising costs of living in Denmark, very few clients are right now defaulting on the payments on their mortgage loans. The levels of arrears observed over the past three years are among the lowest ever observed for Jyske Realkredit's loans.

Capital structure

Capital management

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

Capital base

Jyske Realkredit's capital base amounts to DKK 25.3bn (end of 2023: DKK 24.1bn) and consists solely of Common Equity Tier 1, i.e., paid-up equity as well as retained profits. Hence, Jyske Realkredit's capital base does not include any loan capital, which is in line with Jyske Realkredit's wish to have a high quality of its capital base.

Capital requirement

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

The total risk exposure amounted to DKK 88.3bn at the end of the second quarter of 2024 against DKK 87.5bn at the end of 2023. The development of the total risk exposure of DKK 0.8bn is a combination of several issues but the most important contribution is from operational risk. Operational risk is measured according to the standardised approach so changes to REA derive from improved earnings over the past three years.

At the end of the second quarter of 2024, the capital ratio at 28.6% (end of 2023: 27.5%) constituted a solid level relative to Jyske Realkredit's capital management objective of 20%. The capital ratio level is identical to the level of the Common Equity Tier 1 capital ratio and hence the core capital ratio.

Capital base, risk exposure and solvency

DKKm	30 June 2024	31 December 2023
Equity	25,394	24,189
Prudent valuation	-39	-31
Other deductions	-57	-104
Common Equity Tier 1 capital / Core capital	25,298	24,053
Capital base	25,298	24,053
Credit risk	83,938	83,760
Operational risk	4,376	3,709
Total risk exposure ¹	88,314	87,469
Common Equity Tier 1 capital ratio (%)	28.6	27.5
Tier 1 capital ratio (%)	28.6	27.5
Capital ratio (%)	28.6	27.5

¹ The risk exposure for market risk was nil at the end of 2023 because Jyske Realkredit has since the third quarter of 2022 applied the option set out in Article 351 of CRR permitting an institution to choose not to calculate a capital requirement for foreign-exchange risk if its overall net foreign-exchange position amounts to less than 2% of the capital base.

ICAAP and individual solvency requirement

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

Adequate capital base

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

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

At the end of the second quarter of 2024, Jyske Realkredit was exposed to credit risks, market risks and operational risks that necessitated a separate addition to the Pillar I capital requirement.

The adequate capital base for Jyske Realkredit amounted to DKK 8.9bn at the end of the second quarter of 2024, corresponding to an individual solvency requirement of 10.1%, i.e., an increase by 0.2 percentage point relative to the end of 2023.

Buffer requirements and excess capital adequacy

The combined capital buffer requirement consists of the statutory buffers in the form of the capital conservation buffer, the SIFI buffer, the countercyclical buffer as well as the systemic risk buffer. The two former amounted to 2.5% and 1.5%, respectively, of the total risk exposure amount whereas the size of the countercyclical buffer depends on the economic trends and currently accounts for 2.5% of the total risk exposure. The systemic risk buffer is computed as 7% of the risk exposure for loans and advances to property companies and can be computed at 1.6% of the total risk exposure.

Add to this a systemic risk buffer of 2.0% of the total risk exposure and a countercyclical buffer at 1.0% of the total risk exposure relating to limited lending in the Faroe Islands.

Jyske Realkredit's adequate capital base plus the combined capital buffer requirement amounts to DKK 16.1bn, corresponding to an individual solvency requirement, inclusive of statutory buffers of 18.2% of the total risk exposure amount. Given the capital base of DKK 25.3bn, Jyske Realkredit's excess capital adequacy amounts to DKK 9.2bn.

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

DKKm/% of REA	30 June 2024		31 December 2023	
Credit risk	6,715	7.6	6,701	7.7
Operational risk	350	0.4	297	0.3
Capital requirement, Pillar I	7,065	8.0	6,997	8.0
Credit risk	1,251	1.4	1,339	1.5
Market risk	304	0.3	205	0.2
Operational risk	275	0.3	150	0.2
Capital requirement, Pillar II	1,829	2.1	1,694	1.9
Adequate capital base	8,895	10.1	8,692	9.9
Capital conservation buffer	2,208	2.5	2,187	2.5
SIFI buffer	1,325	1.5	1,312	1.5
Countercyclical buffer	2,205	2.5	2,184	2.5
Systemic risk buffer	1,420	1.6	-	-
Countercyclical buffer and systemic risk buffer, the Faroe Islands	3	0.0	2	0.0
Combined capital buffer requirement	7,161	8.1	5,685	6.5
Adequate capital base, incl. combined capital buffer requirement	16,055	18.2	14,377	16.4
Excess capital adequacy	9,243	10.5	9,676	11.1

Debt buffer requirement

Mortgage credit institutions are exempt from the minimum requirement for own funds and eligible liabilities (MREL), but on the other hand, they must meet a debt buffer requirement, amounting to 2% of non-weighted loans. In addition to applying the unused part of the capital base, the debt buffer requirement can be met by issuing senior debt.

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 for the size of the Group's eligible liabilities at a consolidated level, where Jyske Realkredit's 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.

Currently Jyske Realkredit has issued senior debt in the amount of DKK 750m, maturing in September 2024. At the end of the second quarter of 2024, the debt buffer requirement amounted to DKK 7.1bn, for which DKK 9.9bn was available to cover the requirement.

Leverage Ratio

The leverage ratio is defined as the ratio between Jyske Realkredit's core capital and total non-weighted exposures (inclusive of off-balance sheet items) and must amount to at least 3%. The leverage ratio, which does not include the risk relating to the exposures, may be a significant limitation for an institution with a large proportion of loans with a low risk weighting. At the end of the second quarter of 2024, the leverage ratio for Jyske Realkredit was 6.51%, a minor increase from 6.20% computed at the end of 2023.

Leverage Ratio		
DKKm/%	30 June 2024	31 December 2023
Core capital	25,298	24,053
Total exposure value	388,324	388,068
Leverage ratio	6.51	6.20

Other capital requirements

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

To maintain the AAA rating for all Jyske Realkredit's capital centres (B, E and General Capital Centre), Jyske Realkredit must meet the overcollateralisation from Standard & Poor's. The individual capital centres must meet various requirements depending on the composition of the portfolios. At the end of the second quarter of 2024, the OC requirement amounted to DKK 8.6bn against DKK 8.7bn at the end of 2023 and can be met through liquid assets financed with both debt instruments and capital instruments.

Issuance of covered bonds (SDO) for the financing of loans takes place in Jyske Realkredit via capital centres E and S. Loans based on the issuance of covered bonds (SDO) must be monitored on an on-going basis to ensure that the LTV limit is complied with for each individual property. If the LTV limit is exceeded, for instance, due to a decline in the value of the property value, Jyske Realkredit must provide supplementary collateral. In addition, supplementary security calculated as 2% of the issued amount of SDO bonds will be required. At the end of the second quarter of 2024, the SDO requirement amounted to DKK 9.6bn, of which DKK 2.6bn related to declining property values, etc. At the end of 2023, the SDO requirement amounted to DKK 10.1bn.

New capital adequacy rules

The Regulation (EU) 2024/1623 of 31 May 2024 of the European Parliament and the Council on amendment of Regulation (EU) 575/2013 with respect to requirements concerning credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor was published in the Official Journal of the European Union on 19 June 2024. The Regulation formally took effect on 9 July 2024, but in practice most of the measures will not apply until 1 January 2025. However, the measures from the directive part will first have to be implemented in Danish legislation, which is expected to happen before the end of 2025.

The adopted rules will have a considerable effect on Danish mortgage credit institutions' capital requirements, especially due to the introduction of an output floor (single stack approach) and changes in the risk weighing for both the IRB and the standardised approach. Due to the floor requirement, credit institutions will be subject to a capital requirement of at least 72.5% of the capital requirement calculated on the basis of the standardised approaches, which will be phased in gradually over several years. The special terms applicable to the statement of the output floor for loans secured on properties will only be temporary, and subsequently it is to be clarified how the permanent processing of loans secured on properties is to be drawn up.

The capital requirement applying to Jyske Realkredit is expected to increase due to the transition to the new capital adequacy rules.

Stress test and capital requirements

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

Liquidity Coverage Ratio (LCR)

In connection with the determination of LCR, Jyske Realkredit has obtained permission to offset interdependent incoming and outgoing cash flows relating to mortgage loans, cf. Article 26 of the LCR regulation. In addition, a Pillar II liquidity requirement has been imposed on Jyske Realkredit.

The binding requirement on Jyske Realkredit's holding of liquid assets (HQLA - high-quality liquid assets) is based on the sum of the net outflow from LCR at DKK 3.7bn (end of 2023: DKK 13m) and the pillar II liquidity requirement at DKK 3.1bn (end of 2023: DKK 1.4bn) corresponding to a total requirement of DKK 6.8bn at the end of June 2024 (end of 2023: DKK 1.4bn) which must be met with HQLA. HQLA amounted to DKK 18.5bn (End of 2023: DKK 13.7bn), corresponding to an overcollateralisation of DKK 11.7bn. The LCR where the pillar II requirement is not included in the calculation was at the end of June 2024 calculated at 496% (end of 2023: 101,387%). According to regulation, the LCR must be at least 100%.

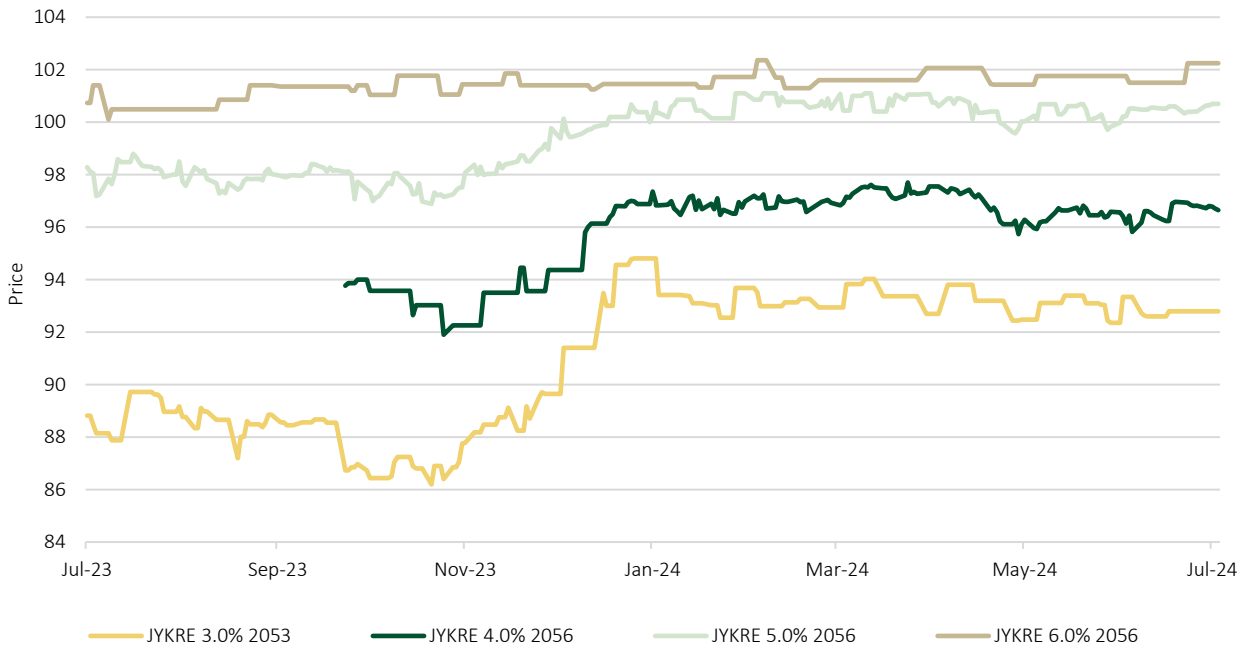
Net stable funding ratio (NSFR)

The NSFR must ensure that the credit institutions' funding profile is of a sufficiently long-term and stable nature relative to lending on the assets side. It is calculated with a time horizon of one year. Parallel to the LCR statement, interdependent assets and liabilities can be exempt from the NSFR calculation. The NSFR amounts to 276% at the end of June 2024 (end-2023: 262%) and must according to regulation amount to at least 100%.

Funding and Bond Issues

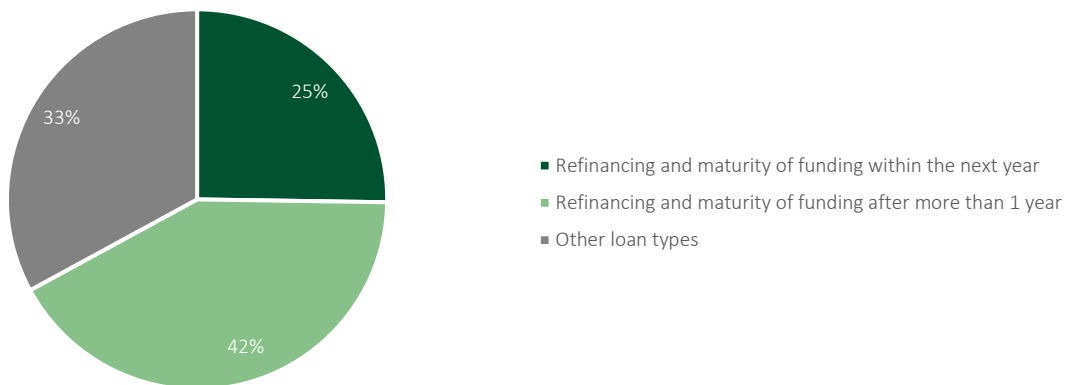
In the first half of 2024, the prices of Jyske Realkredit bonds were comparatively stable. The open 30-year callable bond with instalment payments closest to 100 had a coupon of 4% practically over the full first half year except for a few days when the bond with a coupon of 5% was open for issues. Over the past year, the open callable bond with instalment payments was at 4% or 5%.

Prices of certain 30-year callable bonds from Jyske Realkredit



Source: Bloomberg

Jyske Realkredit's loan portfolio, on 30 June 2024, by time of refinancing



Due to the rising yields, particularly on 30-year callable bonds over the past three years, more borrowers have chosen to re-mortgage to reduce the debt outstanding on their mortgages by redeeming their existing fixed-rate mortgages, as they can be priced below 100 and taking out a new mortgage. Clients who remortgage tend to a higher degree than before to take out a floating rate mortgage. Hence the proportion of personal borrowers with 30-year fixed-rate loans has fallen, while the proportion of clients with short-term adjustable-rate loans has increased.

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

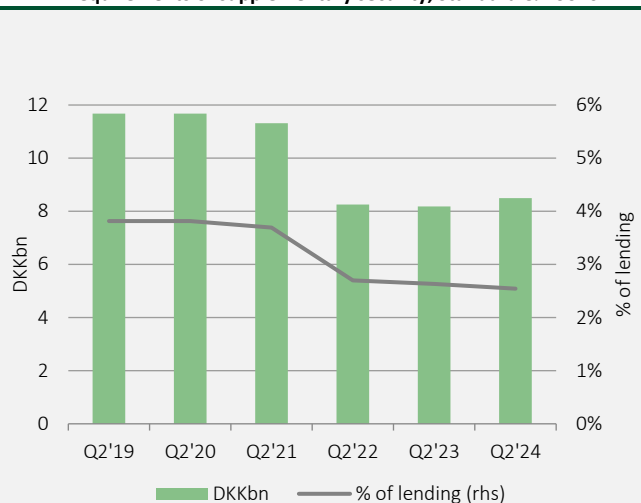
Rating

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

Rating

As at 30 June 2024	Rating	Date of rating / change of rating
Covered bonds		
- issued out of Capital Centre E	AAA	17/10 2011
Mortgage bonds		
- issued out of Capital Centre B	AAA	17/10 2011
- issued out of the General Capital Centre	AAA	27/12 2013
Issuer rating (long-term rating)	A+	21/07 2023
Issuer rating (short-term rating)	A-1	23/10 2019

AAA requirements of supplementary security, Standard & Poor's



Standard & Poor's average percentage requirement for supplementary security to maintain the AAA rating for mortgage bonds issued by Jyske Realkredit was practically unchanged at the end of the second quarter of 2024 compared with the end of the second quarter of 2023. Due to the composition of property types and the generally good credit quality, S&P's overcollateralisation requirement for Jyske Realkredit's bonds from Capital Centres E and B is close to S&P's minimum overcollateralisation requirement.

The supervisory diamond for mortgage credit institutions

The supervisory diamond defines a number of special risk areas including specified limits that financial institutions should generally not exceed. At the end of June 2024, Jyske Realkredit met all benchmarks of the supervisory diamond.

On an on-going basis, Jyske Realkredit reviews its positions relative to the benchmarks.

Supervisory diamond – benchmarks, %

	30 June 2024	31 December 2023
Concentration risk <100 %	47.0	45.6
Increase in loans <15 % annually in the segment:		
- Residential property and vacation homes	-1.8	-1.5
- Residential rental properties	5.1	7.4
- Other sectors	6.3	6.6
Borrower's interest-rate risk <25 %		
- Residential properties	18.5	18.5
Instalment-free option <10 %		
- Residential property and vacation homes	4.0	4.3
Loans with frequent interest-rate fixing:		
- Refinancing (annually) <25 %	16.6	20.8*
- Refinancing (quarterly) <12.5%	3.0	4.9

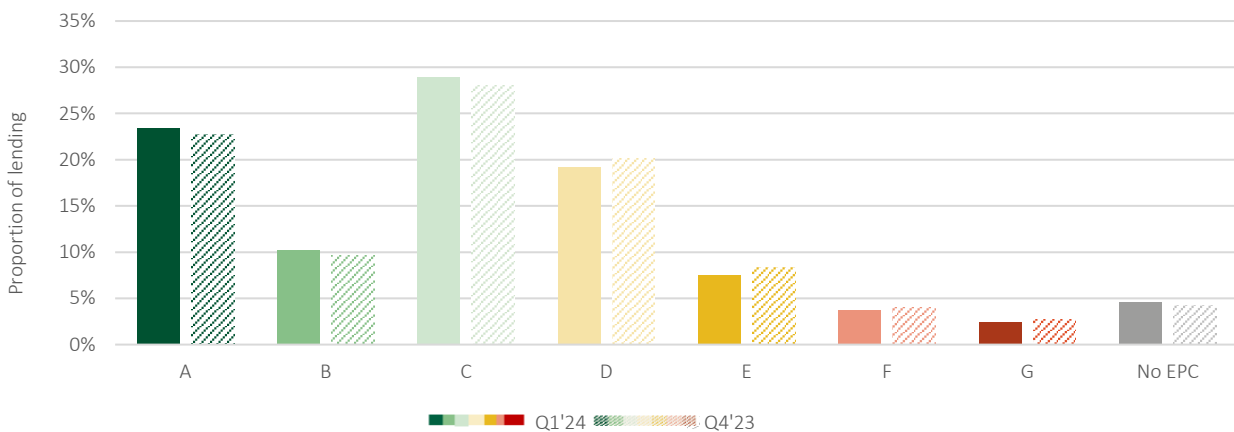
* Comparison figures per 31 December 2024 has been corrected as a result of recalculation.

Green transition

Jyske Realkredit is the first financial institution to launch a Sustainable Transparency Template. The template was prepared by Jyske Realkredit to offer investors insight into for instance the energy standard and CO₂e emission of the homes for which Jyske Realkredit has granted loans. With focus on transparency within sustainability, Jyske Realkredit has contributed to setting up national as well as international standards for reporting on sustainability. The template is available at jyskerealkredit.dk/stt.

In the Sustainable Transparency Template, Jyske Realkredit publishes the distribution of Energy Performance Certificates for the properties it has financed. For the properties for which no valid Energy Performance Certificate has been issued, Jyske Realkredit estimates Energy Performance Certificates based on characteristics of the properties.

Jyske Realkredit's loan portfolio by energy rating



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

Relative to the statement for the end of Q4 2023, the proportion of properties with low energy consumption has been increasing in the first half of 2024.

In its attempts to increase the transparency for investors of how Jyske Realkredit through its lending contributes to the green transition, Jyske Realkredit also publishes the total CO₂e emission from properties financed through Jyske Realkredit.

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

Property type	30 June 2024		31 December 2023	
	Tonnes CO ₂ e (LTV-adjusted)	Kg CO ₂ e/m ²	Tonnes CO ₂ e (LTV-adjusted)	Kg CO ₂ e/m ²
Private owner-occupied homes and flats	88,650	11.5	96,039	12.1
Subsidised housing	24,579	5.3	24,931	5.4
Cooperative housing	4,014	6.1	4,054	6.1
Residential rental properties	20,523	5.4	20,833	5.6
Office and commercial properties	35,233	10.1	37,321	11.0
Other	20,450	11.3	14,329	8.3
Total	193,448	8.3	197,507	8.5

The total financed emission declined relative to the end of 2023. The decline can primarily be attributed to a change in the composition of loans and advances at Jyske Realkredit, as the proportion of properties with low energy consumption has increased.

The estimated CO₂e emission is based on the Energy Performance Certificate, heating source, and total floor area of the individual property. If the property has not been assigned an energy classification, the energy consumption and CO₂e

emission will be estimated on the basis of the characteristics of the property. The estimated CO₂e emission will offer a good idea of which properties offer potential for lowering their emission by renovating the properties.

As Jyske Realkredit finances new properties with a low energy consumption, and at the same time also finances energy retrofitting of existing properties, it is expected that the average emission will fall over time. Jyske Realkredit will on an ongoing basis report on this development – see jyskerealkredit.dk/stt.

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

Loans and advances supporting the UN's Sustainable Development Goals

Loan type	FN SDG	30 June 2024		31 December 2023	
		Loans, nominal (DKKm)	Proportion of total loans (%)	Loans, nominal (DKKm)	Proportion of total loans (%)
Renewable Energy	7.2	4,269	1.1	3,059	0.8
Green buildings	7.3	120,668	32.1	116,437	31.2
Subsidised housing	11.3	23,528	6.3	24,210	6.5
Recycling	12.5	74	0.0	76	0.0
Total		148,538	39.5	143,752	38.5

Altogether, 39.5% of Jyske Realkredit's loans support one or more of the UN Sustainable Development Goals. Loans and advances, that support the UN's Sustainable Development Goals, remain practically unchanged relative to the end of 2023.

It is expected that the proportion of properties supporting the UN's targets will increase over time.

Criteria of which loans that support UN Sustainable Development Goals are defined in Jyske Bank Green Finance Framework. So far there have been many different definitions of which financial activities can be qualified as sustainable. The EU wishes to change this, and therefore, in 2021, the first version of the EU Taxonomy Regulation (the EU Taxonomy) was published. The Taxonomy Regulation defines six climate and environment objectives with criteria defined under each objective that activities must meet in order to qualify as climate and environmentally sustainable. In order for an activity to support one of the objectives, it must meet the criteria for significant contribution as well as criteria ensuring that the activity does not cause any significant harm to any of the other objectives (the do no significant harm principle). Moreover, it must live up to the minimum safeguard.

At present, the Jyske Realkredit Sustainable Transparency Template states the activities that Jyske Realkredit finances and that meet the criteria for significant contribution under the objective of climate change mitigation. In the future, Jyske Realkredit will endeavour also to classify loans that meet the other objectives under the Taxonomy Regulation.

Loans subject to the technical screening criteria of the EU taxonomy regulation's targets to counter climate changes

Loan type	Criterion	30 June 2024		31 December 2023	
		Loans, nominal (DKKm)	Proportion of total loans (%)	Loans, nominal (DKKm)	Proportion of total loans (%)
Electricity from the sun	4.1	657	0.2	645	0.2
Electricity from the wind	4.3	815	0.2	710	0.2
Distribution of electricity	4.9	1,745	0.5	1,674	0.4
Distribution of district heating	4.15	1,052	0.3	-	-
Ownership of existing buildings	7.7	98,401	26.2	96,254	25.8
Total		102,670	27.3	99,283	26.6

The loan criteria are stated in the notes to the financial statements.

Other information

Additional information

For further information, please see jyskerealkredit.dk, which website also gives detailed financial information about Jyske Realkredit. Jyske Realkredit's Interim Report for the first half of 2024 can be downloaded from jyskerealkredit.dk/regnskaber.

Contact

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Income Statement and Statement of Comprehensive Income

DKKm

Note	H1 2024	H1 2023
Income statement		
5 Interest income	6,303	5,338
6 Interest expenses	4,511	3,727
Net interest income	1,791	1,611
7 Fees and commission income	170	206
Fees and commission expenses	212	471
Net interest and fee income	1,749	1,346
8 Value adjustments	58	98
9 Employee and administrative expenses	208	203
Other operating expenses	14	19
10 Loan impairment charges (- is income)	-45	-37
Pre-tax profit	1,630	1,259
11 Tax	425	317
Net profit for the period	1,205	942
Distributed to:		
Jyske Realkredit A/S shareholders	1,205	942
Total	1,205	942
Statement of Comprehensive Income		
Net profit for the period	1,205	942
Comprehensive income for the period	1,205	942
Distributed to:		
Jyske Realkredit A/S shareholders	1,205	942
Total	1,205	942

Statement of Changes in Equity

DKKm

	Share capital	Share premium	Retained earnings	Total
Equity at 1 January 2024	500	102	23,587	24,189
Net profit for the period	-	-	1,205	1,205
Comprehensive income for the period	-	-	1,205	1,205
Equity at 30 June 2024	500	102	24,792	25,394
Equity at 1 January 2023	500	102	21,557	22,159
Net profit for the period	-	-	942	942
Comprehensive income for the period	-	-	942	942
Equity at 30 June 2023	500	102	22,499	23,100

Capital statement

	30 June 2024	31 Dec. 2023	30 June 2023
Equity	25,394	24,189	23,100
Prudent valuation	-39	-31	-30
Other deductions	-57	-104	-13
Common Equity Tier 1 capital / Core capital	25,298	24,053	23,058
Capital base	25,298	24,053	23,058
Weighted risk exposure involving credit risk etc.	83,938	83,760	75,474
Weighted risk exposure involving operational risk	4,376	3,709	3,709
Total weighted risk exposure	88,314	87,469	79,183
Capital requirement, Pillar I	7,065	6,997	6,335
Capital requirement, Pillar II	1,829	1,694	1,361
Capital requirement, total	8,895	8,692	7,696
Capital ratio (%)	28.6	27.5	29.1
Core capital ratio (%)	28.6	27.5	29.1
Common Equity Tier 1 capital ratio (%)	28.6	27.5	29.1

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

Notes

1 Accounting policies

The Interim Financial Report for the period 1 January - 30 June 2024 for Jyske Realkredit A/S was prepared according to the Danish Financial Business Act as well as the relevant accounting rules in compliance with IFRS. Furthermore, the Interim Financial Report was prepared in accordance with the additional Danish disclosure requirements for the interim reports of listed financial undertakings.

The accounting policies are identical to those applied to and described in detail in the Annual Report 2023.

2 Material accounting estimates

Measurement of the carrying value of certain assets and liabilities requires the management's estimate of the influence of future events on the value of such assets and liabilities. Estimates of material importance to the financial reporting are, among other things, based on the impairment of loans and also assets in temporary possession, cf. the detailed statement in the Annual Report 2023. The estimates are based on assumptions which management finds reasonable, but which are inherently uncertain. Besides, the company is subject to risks and uncertainties which may cause the actual results to differ from those estimates.

The financial statements reflect adjusting events until 20 August 2024.

	30 June 2024	31 Dec. 2023	30 June 2023
3 Financial ratios and key figures			
Capital ratio (%)	28.6	27.5	29.1
Core capital ratio (%)	28.6	27.5	29.1
Return on equity (average) before tax for the period (%)	6.6	11.5	5.6
Return on equity (average) after tax for the period (%)	4.9	8.8	4.2
Income/cost ratio (%)	10.2	7.2	7.8
Currency position (%)	0.0	0.0	0.2
Accumulated impairment ratio (%)	0.3	0.4	0.4
Impairment ratio for the period (%)	-0.01	0.00	-0.01
Increase in loans for the period (%)	0.6	2.2	1.0
Loans relative to equity	13.9	14.6	14.6
Return on capital employed	0.32	0.53	0.26

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

Notes

4 Alternative performance targets

	H1 2024			H1 2023		
	Core profit	Reclassification	Total	Core profit	Reclassification	Total
Administration margin income, etc.	1,234	-	1,234	1,252	-	1,252
Other net interest income, etc.	518	39	557	306	53	359
Net interest income	1,752	39	1,791	1,558	53	1,611
Net fee and commission income	-42	-	-42	-265	-	-265
Net interest and fee income	1,710	39	1,749	1,293	53	1,346
Value adjustments	97	-39	58	151	-53	98
Income	1,807	-	1,807	1,444	-	1,444
Expenses	222	-	222	222	-	222
Profit before loan impairment charges	1,585	-	1,585	1,222	-	1,222
Loan impairment charges (- is an income)	-45	-	-45	-37	-	-37
Pre-tax profit	1,630	-	1,630	1,259	-	1,259

The alternative performance targets applied in the management's review constitute valuable information for readers of financial statements as they provide a more uniform basis for comparison of accounting periods. No adjusting entries are made, and therefore the pre-tax profit for the period will be the same in the alternative performance targets of the management's review and in the profit according to the provisions of the Danish Executive Order on the Preparation of Financial Statements.

The above table illustrates relationships between income statement items under Jyske Realkredit (key financial data) on page 2 and income statement items prepared according to the Danish Executive Order on the Preparation of Financial Statements (page 19). Expenses in the above table relate to Employee and administrative expenses as well as Other operating expenses in the income statement according to the Danish Executive Order on the Preparation of Financial Statements.

	H1 2024	H1 2023
5 Interest income		
Due from credit institutions and central banks ¹	112	95
Loans	4,639	3,940
Administration margin	1,030	1,001
Bonds	432	291
Derivatives, interest-rate and currency contracts	129	75
Other interest income	50	34
Interest income before offsetting of interest on own bonds	6,393	5,437
Interest on own bonds, set off against interest on issued bonds	90	100
Total	6,303	5,338
¹ Of which interest income on reverse repos carried under 'Due from credit institutions and central banks'	6	15

	H1 2024	H1 2023
6 Interest expenses		
Due to credit institutions and central banks ¹	13	12
Issued bonds	4,129	3,501
Other interest expenses	459	313
Interest expenses before offsetting of interest on own bonds	4,601	3,827
Interest on own bonds, set off against interest on issued bonds	90	100
Total	4,511	3,727
¹ Of which interest expenses on repos carried under 'Due to credit institutions and central banks'	0	-
7 Fees and commission income		
Securities trading and custody services	91	115
Loan application fees	79	90
Other fees and commissions	0	0
Total	170	206
8 Value adjustment		
Mortgage loans	-1,973	144
Other loans and receivables at fair value	-1	0
Bonds	62	179
Shares, etc.	-1	0
Currency	-1	-2
Currency, interest-rate and other contracts as well as other derivatives	-278	127
Issued bonds	2,249	-349
Total	58	98
Value adjustment of the balance principle amounted to an indcome of DKK 0,03m (2023: DKK -2m), resulting from a net value adjustment of the following items: mortgage loans by DKK -1.975m (DKK +226m), issued mortgage bonds by DKK +2.249m (DKK -349m) as well as derivatives by DKK -274m (DKK +122m), recognised in Currency, interest-rate and other contracts as well as other derivatives.		
9 Employee and administrative expenses		
Employee expenses		
Wages and salaries, etc.	13	12
Pensions	1	1
Payroll tax	3	2
Social security	0	0
Total	17	16
Salaries and remuneration to the Executive Board and the Supervisory Board		
Executive Board	4	3
Supervisory Board	0	0
Total	4	3
Other administrative expenses		
IT	9	8
Other administrative expenses	177	176
Total	186	184
Total	208	203

	H1 2024	H1 2023
10 Loan impairment charges		
Loan impairment charges for the period	-52	-45
Recognised as a loss, not covered by impairment charges	16	12
Recoveries	-8	-5
Total	-45	-37
Balance of impairment charges		
Balance of impairment charges, beginning of period	1,441	1,384
Loan impairment charges for the period	-52	-45
Other adjustments	-	66
Recognised as a loss, covered by impairment charges	-202	-5
Balance of impairment charges, end of period	1,187	1,400
Mortgage loan impairment charges	1,107	1,291
Impairment charges on other loans and receivables, etc.	80	109
Balance of impairment charges, end of period	1,187	1,400

Recognised as a loss, not covered by previous loan impairment charges primarily relating to a limited number of loans to private individuals. At the beginning of the year, the loans were categorised as stage 1 loans with limited risk and loan impairment charges, but defaulted during the year, after which a loss was established on these cases exceeding the loan impairment charges. The extent of these cases has over the year not been at an unusual level. Recognised as a loss, covered by loan impairment charges was affected by a loan commitment as Jyske Realkredit realised the loss in connection with the take-over of the security.

Breakdown of balance of impairment charges by stage H1 2024	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of period	738	220	483	1,441
Transfer of impairment charges at the beginning of the period to stage 1	64	-55	-9	-
Transfer of impairment charges at the beginning of the period to stage 2	-61	72	-11	-
Transfer of impairment charges at the beginning of the period to stage 3	-3	-8	10	-
Impairment charges relating to new loans	53	11	1	66
Decline in the balance of impairment charges due to repayment of loans	-52	-16	-21	-89
Effect from recalculation	-103	40	34	-29
Previously recognised as impairment charges, now losses	-0	-0	-202	-202
Balance of impairment charges, end of period	638	265	285	1,187

To a great extent, the development relating to new loans and repaid loans can be ascribed to refinancing of loans. Effect from recalculation is affected by changes in Loss Given Default (LGD), Probability of default (PD) and management's estimates.

Breakdown of balance of impairment charges by stage H1 2023	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of period	668	216	500	1,384
Transfer of impairment charges at the beginning of the period to stage 1	47	-44	-3	-
Transfer of impairment charges at the beginning of the period to stage 2	-12	27	-15	-
Transfer of impairment charges at the beginning of the period to stage 3	-1	-2	4	-
Impairment charges relating to new loans	59	12	5	76
Decline in the balance of impairment charges due to repayment of loans	-39	-16	-81	-137
Effect from recalculation	21	36	26	82
Previously recognised as impairment charges, now losses	-0	-2	-3	-5
Balance of impairment charges, end of period	742	227	432	1,400

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

11 Tax
Effective tax rate

Corporation tax rate in Denmark	22.0	22.0
Special tax for financial companies	4.0	3.2
Non-taxable income and non-deductible expenses, etc.	0.0	0.0
Effect due to a change to the tax rate ¹	-	-0.0
Total	26.0	25.2

¹ The corporation tax rate for financial services companies was raised from 25.2 in 2023 to 26.0 in 2024 and onwards.

Notes

DKK m

	30 June 2024	31 Dec. 2023	30 June 2023
12 Loans at fair value			
Mortgage loans, nominal value	375,965	373,677	369,402
Adjustment for interest-rate risk, etc.	-21,888	-20,049	-30,452
Adjustment for credit risk	-1,107	-1,321	-1,320
Mortgage loans at fair value	352,970	352,307	337,630
Arrears and outlays	68	74	53
Other loans and receivables	263	283	277
Total	353,302	352,663	337,960
Mortgage loans at fair value broken down by property category			
Owner-occupied homes	163,692	163,915	160,699
Vacation homes	9,604	9,654	9,749
Subsidised Housing (rental housing)	47,329	47,547	45,203
Cooperative housing	11,391	11,739	11,177
Private rental properties (rental housing)	69,979	70,578	64,271
Industrial properties	6,479	5,065	4,433
Office and business properties	36,901	35,911	34,691
Agricultural properties, etc.	167	180	173
Properties for social, cultural and educational purposes	7,360	7,678	7,197
Other properties	69	39	37
Total	352,970	352,307	337,630
13 Assets in temporary possession			
Properties acquired through foreclosure	40	40	42
Subsidiary in possession in preparation for sale ¹	129	-	-
Total	169	40	42
¹ As at 30 June 2024, this item consisted of one company that had been taken over in connection with a loan commitment.			
14 Other assets			
Positive fair value of derivatives	554	775	850
Interest and commission receivable	228	225	160
Loan applications in process	37	150	9
Other assets	72	51	27
Total	891	1,201	1,046
15 Issued bonds at fair value			
Issued mortgage bonds, nominal value	397,348	400,674	394,010
Adjustment to fair value	-23,642	-22,012	-32,363
Own mortgage bonds, fair value	-23,440	-26,872	-24,578
Total	350,266	351,790	337,068
16 Other liabilities			
Negative fair value of derivatives	1,574	1,700	2,277
Interest and commission payable	2,364	2,448	1,914
Other liabilities	844	1,462	570
Total	4,782	5,610	4,761

Notes

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	30 June 2024	31 Dec. 2023	30 June 2023
17 Off-balance sheet items			
Guarantees, etc.			
Other guarantees	0	0	0
Total	0	0	0
Other contingent liabilities, etc.			
Irrevocable loan commitments	14,758	12,329	15,687
Other contingent liabilities	8	8	8
Total	14,766	12,337	15,695

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

18 Related parties

Jyske Realkredit has debit/credit balances, including bank accounts, etc., with a number of its related parties. Transactions between related parties are characterised as ordinary financial transactions and services of an operational nature. Transactions with related parties were executed on an arm's length basis or at cost.

Over the period 1 January to 30 June 2024, no unusual related party transactions took place. Please see Jyske Realkredit's Annual Report 2023 for a detailed description of transactions with related parties.

	30 June 2024	31 Dec. 2023	30 June 2023
19 Contractual time to maturity			
Assets			
Due from credit institutions and central banks			
Demand deposits	739	957	809
Up to 3 months	1,366	2,459	8,763
Over 3 months and up to 1 year	-	-	-
Over 1 year and up to 5 years	-	-	-
Over 5 years	-	-	-
Total	2,104	3,415	9,572
Loans at fair value ¹			
Up to 3 months	1,834	1,974	1,728
Over 3 months and up to 1 year	6,402	6,484	6,356
Over 1 year and up to 5 years	40,717	40,594	38,790
Over 5 years	304,349	303,612	291,086
Total	353,302	352,663	337,960
Bonds at fair value			
Up to 3 months	2,696	3,017	867
Over 3 months and up to 1 year	3,005	8,588	8,148
Over 1 year and up to 5 years	13,863	7,458	7,799
Over 5 years	37	39	22
Total	19,601	19,101	16,836
Liabilities			
Due to credit institutions and central banks			
Demand deposits	-	-	261
Up to 3 months	67	79	108
Over 3 months and up to 1 year	-	-	-
Over 1 year and up to 5 years	-	-	-
Over 5 years	-	-	-
Total	67	79	369
Issued bonds at fair value ¹			
Up to 3 months	6,803	7,308	7,784
Over 3 months and up to 1 year	67,509	76,408	83,355
Over 1 year and up to 5 years	159,621	157,490	130,437
Over 5 years	116,332	110,583	115,492
Total	350,266	351,790	337,068
Issued bonds at amortised cost			
Up to 3 months	750	-	-
Over 3 months and up to 1 year	-	750	-
Over 1 year and up to 5 years	-	-	750
Over 5 years	-	-	-
Total	750	750	750

The above amounts are exclusive of interest.

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

	30 June 2024	31 Dec. 2023	31. March 2023
20 Loan portfolio by EPC (%)			
EPC A	23.4	22.8	22.2
EPC B	10.2	9.9	9.5
EPC C	28.9	28.5	28.2
EPC D	19.2	19.7	20.4
EPC E	7.6	8.1	8.7
EPC F	3.7	4.0	4.1
EPC G	2.4	2.7	2.8
No emission/no data	4.6	4.3	4.2
Total	100.0	100.0	100.0

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

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

Loan type	30 June 2024		31 Dec. 2023		30 June 2023	
	Tonnes CO ₂ e (LTV- adjusted)	Kg CO ₂ e/m ²	Tonnes CO ₂ e (LTV- adjusted)	Kg CO ₂ e/m ²	Tonnes CO ₂ e (LTV- adjusted)	Kg CO ₂ e/m ²
Private owner-occupied homes and flats	88,650	11.5	96,039	12.1	106,501	13.2
Subsidised housing	24,579	5.3	24,931	5.4	26,228	5.7
Cooperative housing	4,014	6.1	4,054	6.1	4,454	6.7
Residential rental properties	20,523	5.4	20,833	5.6	21,495	6.1
Office and commercial properties	35,233	10.1	37,321	11.0	40,159	11.9
Other	20,450	11.3	14,329	8.3	16,876	9.5
Total	193,448	8.3	197,507	8.5	215,714	9.3

The year's CO₂e emission are calculated as estimated emissions for the past 12 month.

22 Loans supporting the UN Sustainable Development Goals

Loan type	FN SDG	30 June 2024		31 Dec. 2023		30 June 2023	
		Loans nominal (DKKm)	Proportion of total loans (%)	Loans nominal (DKKm)	Proportion of total loans (%)	Loans nominal (DKKm)	Proportion of total loans (%)
Renewable energy	7.2	4,269	1.1	3,029	0.8	2,324	0.6
Green buildings	7.3	120,668	32.1	116,437	31.2	110,796	30.0
Subsidised housing	11.3	23,528	6.3	24,210	6.5	24,730	6.7
Recycling	12.5	74	0.0	76	0.0	6	0.0
Total		148,538	39.5	143,752	38.5	137,856	37.3

UN Sustainable Development Goals:

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

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

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

12.5: Before 2030, waste generation must be significantly reduced through prevention, reduction, recovery and recycling.

23 Loans subject to the technical screening criteria of the EU taxonomy regulation's targets to counter climate changes

Loan type	Criterion	30 June 2024		31 Dec. 2023		30 June 2023	
		Loans nominal (DKKm)	Proportion of total loans (%)	Loans nominal (DKKm)	Proportion of total loans (%)	Loans nominal (DKKm)	Proportion of total loans (%)
Electricity from the sun	4.1	657	0.2	645	0.2	133	0.0
Electricity from the wind	4.3	815	0.2	710	0.2	798	0.2
Distribution of electricity	4.9	1,745	0.5	1,674	0.4	1,393	0.4
Distribution of district heating	4.15	1,052	0.3	-	-	-	-
Ownership of existing buildings	7.7	98,401	26.2	96,254	25.8	93,372	25.3
Total		102,670	27.3	99,283	26.6	95,697	25.9

Jyske Realkredit reports the technical screening criteria voluntarily. The statement does not consider whether the loans meet the Do No Significant Harm (DNSH) criteria and minimum Social Safeguards criteria.

Statement by the Executive and Supervisory Boards

Today we have discussed and approved the Interim Financial Report of Jyske Realkredit A/S for the period 1 January to 30 June 2024.

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

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

In our opinion, the Interim Financial Report gives a true and fair view of the company's financial position on 30 June 2024 and of the company's financial performance for the period 1 January to 30 June 2024.

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

Kgs. Lyngby, 20 August 2024.

Executive Board

Carsten Tirsbæk Madsen
CEO and Director

Torben Hansen
Director

Anders Lund Hansen
Director

Supervisory Board

Niels Erik Jakobsen
Chairman

Lars Waalen Sandberg
Deputy Chairman

Morten Lykke

Peter Schleidt

Kim Henriksen
Elected by employees

Steen Brastrup Clasen
Elected by employees