



Interim Financial Report, first nine months of 2023

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

Contents

Management's Review

3	Financial Highlights
4	Summary
6	Financial Review
9	Credit Quality
10	Capital
14	Funding and Bond Issues
16	Sustainability
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

Statement by the Executive and Supervisory Boards

32	Statement by the Executive and Supervisory Boards
----	---

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

Financial Highlights

Core profit and net profit for the period, DKKm

	Q1-Q3 2023	Q1 - Q3 2022	Index 23/22	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Full year 2022
Administration margin income, etc.	1,869	1,756	106	617	624	628	600	581	2,356
Other net interest income	546	51	1,071	240	166	140	108	33	160
Net fee and commission income, etc.	-423	-463	91	-158	-115	-150	-190	-194	-653
Value adjustments, etc. (- is an expense)	227	-86	-	76	64	87	88	-10	2
Other income	-	-	-	-	-	-	0	-	0
Core income	2,219	1,259	176	775	739	704	606	410	1,865
Core expenses	332	295	113	110	116	106	98	96	394
Core profit before loan impairment charges	1,887	963	196	665	624	598	508	314	1,471
Loan impairment charges (- is income)	-23	-105	22	14	9	-46	-167	-12	-272
Core profit/Pre-tax profit	1,910	1,069	179	651	614	645	675	326	1,743
Tax	481	235	205	164	154	163	148	72	383
Net profit for the period	1,429	834	171	487	460	482	527	254	1,361

Summary of Balance Sheet, end of period, DKKm

Mortgage loans, nominal value	370,315	342,625	108	370,315	369,402	367,293	365,595	342,625	365,595
Mortgage loans, fair value	337,614	304,537	111	337,614	337,960	338,214	333,728	304,537	333,728
Bonds and shares	19,726	13,720	144	19,726	16,896	15,322	12,728	13,720	12,728
Total assets	369,195	332,720	111	369,195	366,756	367,725	359,621	332,720	359,621
Issued bonds, fair value	338,315	304,458	111	338,315	337,068	338,018	329,529	304,458	329,529
Equity	23,587	21,631	109	23,587	23,100	22,640	22,159	21,631	22,159

Financial ratios

Pre-tax profit p.a. as a percentage of average equity	11.1	6.7	-	11.2	10.7	11.5	12.3	6.1	8.1
Profit for the period p.a. as % of average equity	8.3	5.2	-	8.3	8.0	8.6	9.6	4.7	6.3
Expenses as a percentage of income	14.9	23.4	-	14.2	15.7	15.1	16.2	23.4	21.1
Capital ratio (%)	28.7	29.6	-	28.7	29.1	28.4	28.3	29.6	28.3
Common Equity Tier 1 capital ratio (CET1 %)	28.7	29.6	-	28.7	29.1	28.4	28.3	29.6	28.3
Individual solvency requirement (%)	9.6	9.7	-	9.6	9.7	9.7	9.7	9.7	9.7
Capital base (DKKm)	23,478	21,588	-	23,478	23,058	22,578	22,096	21,588	22,096
Weighted risk exposure (DKKm)	81,719	72,859	-	81,719	79,183	79,637	78,193	72,859	78,193
No. of full-time employees, end of period	26	25	-	26	26	24	25	25	25
No. of employees split between the companies, at end-period ¹	712	576	-	712	684	661	594	576	594
No. of employees split between the companies converted to full-time equivalent	246	221	-	246	251	248	239	221	239

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 1,910m (First nine months of 2022: DKK 1,069m) corresponding to a return of 11.1% p.a. on average equity (First nine months of 2022: 6.7%).
- Net profit for the period amounted to DKK 1,429m (First nine months of 2022: DKK 834m) corresponding to a return of 8.3% p.a. on average equity (2022: 5.2%).
- Core expenses for the period amounted to DKK 332m (First nine months of 2022: DKK 295m).
- Impairment charges affected core profit by an income of DKK 23m (First nine months of 2022: an income of DKK 105m).
- The portfolio at nominal value amounted to DKK 370bn. (end of 2022: DKK 366bn), and at a fair value of DKK 338bn (end of 2022: DKK 334 bn).
- At 30 September 2023, the capital and core capital ratio amounted to 28.7% (end of 2022: 28.3).

Comments by management

In connection with the presentation of the Interim Financial Report for the first nine months of 2023, Carsten Tirsbæk Madsen, Chief Executive Officer, states:

'Today Jyske Realkredit announces a profit of DKK 1,429m for the first nine months of 2023 against a profit of DKK 834m in the same period last year. The higher profit is due to a higher return on Jyske Realkredit's portfolios of securities due to the rising interest-rate level and the addition of loans taken over from Handelsbanken in December 2022. The capital base of Jyske Realkredit is still at a high level, and the credit quality is good.'

Net profit for the period

Net profit for the period came to DKK 1,429m, corresponding to a return on equity of 8.3% p.a. Loan impairment charges for the period amounted to an income of DKK 23m against an income of DKK 105m in the first nine months of 2022. In the first nine months of 2023, loan impairment charges etc. were on a net basis reversed due to the improved credit quality of the clients. Management's estimates amounted to DKK 575m which is on par with the end of 2022. Management's estimates relate to the uncertainty in the Danish economy as a result of considerable interest-rate increases pointing to lower revenue in the property market as well as lower property prices.

Administration margin income etc. amounted to DKK 1,869m, which amount is DKK 113m higher relative to the same period last year. Administration margin income was positively affected by the addition of loans taken over from Handelsbanken at the end of 2022 and generally rising loans and advances but was adversely affected by slightly declining average administration margin rates.

Core expenses, amounting to DKK 332m, were DKK 37m higher compared with the same period in 2022, due, among other things, to higher payroll costs taken over from Handelsbanken.

The nominal loan portfolio grew by DKK 4.7bn in the first nine months of 2023 and now amounts to DKK 370.3bn.

Loans and advances taken over from Svenska Handelsbanken's activities in Denmark

On 1 December 2022, Jyske Realkredit took over loans in the amount of DKK 24.3bn in connection with the Jyske Bank Group's acquisition of Svenska Handelsbanken's activities in Denmark. The integration of these loans and advances into Jyske Realkredit's systems is proceeding according to plan and expected to be fully implemented in Q4 2023.

Rating

On 21 July 2023, Standard & Poor's upgraded Jyske Bank's and Jyske Realkredit's joint issuer rating to 'A+' from 'A'. The higher rating was due to a higher level of eligible liabilities, improved profitability and a solid capital position in the Group. Outlook is considered stable.

Sustainability

Jyske Realkredit continues to focus on improving the transparency of sustainability reporting. In addition, Jyske Realkredit on an ongoing basis endeavour to meet borrowers' requests for green financing solutions, for instance through the financing of loans through the issue of green bonds. The Group has focused on a close dialogue with clients about sustainability and green financing. Due to the higher focus, Jyske Realkredit was in September awarded the prize for issuing the highest amount of green Danish mortgage bonds in 2023 from Euronext Securities Copenhagen.

Outlook

Jyske Realkredit anticipates a profit for 2023 in the range of DKK 1.7bn to 1.9bn. This is an upgrade of the most recently announced expectations of results in the range of DKK 1.6bn – 1.8bn. The expected profit will, however, be affected by the development of the level of interest rates and the development of losses and loan impairment charges.

Financial Review

Net profit for the period

In the first nine months of 2023, Jyske Realkredit generated a pre-tax profit of DKK 1,910m against DKK 1,069m 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 rising interest-rate level and rising net interest income from loans taken over from Handelsbanken. In addition, there have been positive value adjustments of Jyske Realkredit's portfolios of securities in the first nine months of 2023.

Calculated tax was DKK 481m (2022: DKK 235m), and the profit for the period amounted to DKK 1,429m (2022: DKK 834m), corresponding to a return on average equity of 8.3% p.a. (2022: 5.2% p.a.).

Core profit and net profit for the period, DKKm

	Q1-Q3 2023	Q1 - Q3 2022	Index 23/22	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Full year 2022
Administration margin income, etc.	1,869	1,756	106	617	624	628	600	581	2,356
Other net interest income	546	51	1,071	240	166	140	108	33	160
Net fee and commission income, etc.	-423	-463	91	-158	-115	-150	-190	-194	-653
Value adjustments, etc. (- is an expense)	227	-86	-	76	64	87	88	-10	2
Other income	-	-	-	-	-	-	0	-	0
Core income	2,219	1,259	176	775	739	704	606	410	1,865
Core expenses	332	295	113	110	116	106	98	96	394
Core profit before loan impairment charges	1,887	963	196	665	624	598	508	314	1,471
Loan impairment charges (- is income)	-23	-105	22	14	9	-46	-167	-12	-272
Core profit/Pre-tax profit	1,910	1,069	179	651	614	645	675	326	1,743
Tax	481	235	205	164	154	163	148	72	383
Net profit for the period	1,429	834	171	487	460	482	527	254	1,361

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 2,219m against DKK 1,259m in same period of the previous year.

Administration margin income etc. amounted to DKK 1,869m, which is an increase of DKK 113m relative to the same period of 2022. A significant part of the increase relates to the addition of loans and advances in December 2022 in connection with the Jyske Bank Group's takeover of Handelsbanken's Danish activities and generally increasing loans and advances of Jyske Realkredit. Yet, administration margin income was also negatively affected by slightly falling average administration margin rates.

Other net interest income consists of interest on the portfolio of securities as well as various interest income and amounts to an income of DKK 546m against DKK 51m in the same period the year before. The increase is primarily due to a higher interest yield on Jyske Realkredit's portfolios of securities as a result of the rising interest-rate level.

Net fee and commission income, etc. amounted to an expense of DKK 423m against an expense of DKK 463m in the first nine months of 2022. In the first nine months of 2023, we saw lower fee income from lending activity, but at the same time, we saw lower distribution fees to Jyske Bank, and therefore net expenses were slightly lower in 2023.

Value adjustments, etc. amounted to an income of DKK 227m against an expense of DKK 86m in the corresponding period of last year and relate to Jyske Realkredit's portfolios of securities. The portfolios of securities have to a high extent been invested in short-term bonds acquired below par and held to maturity which contributed to the positive price adjustments in the first nine months of 2023.

Core expenses

Core expenses amounted to DKK 332m against DKK 295m for the same period in 2022. The increase was due, among other things, to higher payroll costs taken over from Handelsbanken and a higher contribution to the Resolution Fund.

Core profit before loan impairment charges then amounted to DKK 1,887m against DKK 963m for the first nine months of 2022.

Loan impairment charges

Loan impairment charges amounted to an income of DKK 23m against an income of DKK 105m in the same period of 2022.

The income in the first nine month of 2023 was dominated by a reversal of impairment charges in individual corporate commitments. Over the year, reversals of DKK 10m of the management's estimates were made. At 30 September 2023, these amounted to DKK 575m. The management's estimate reflects primarily uncertainty as to how higher interest rates and inflation as well as the war in Ukraine will affect the Danish economy, and hence to which degree indication of impairment will have to be recognised for Jyske Realkredit's loan portfolio.

The total balance of impairment charges amounted to DKK 1,439m at the end of September 2023 (end of 2022: DKK 1,384m) corresponding to 0.4% of total loans which is unchanged relative to the level at the end of 2022.

Relative to total loans, the effect from the impairment charges on the income statement amounted to -0.01% in the first nine months of 2023 against -0.03% for the same period of 2022.

Jyske Realkredit's holding of assets held temporarily amounted to DKK 43m as at 30 September 2023 against DKK 41m at the end of 2022.

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

Q3 2023 compared to Q2 2023

In the third quarter of 2023 administration margin income amounted to DKK 617m against DKK 624m in Q2 2023. We have seen an addition of loans in a nominal amount of DKK 0.9bn in Q3 2023, but simultaneously we have seen declining administration margin rates.

Other net interest income amounted to an income of DKK 240m against an income of DKK 166m in Q2 2023. The increase was due to a higher interest income on Jyske Realkredit's portfolios of securities as a result of the rising interest-rate level.

Net fee and commission income, etc. amounted to an expense of DKK 158m against an expense of DKK 115m in the Q2 2023. The higher expense was due to higher distribution fees paid to Jyske Bank in Q3.

Value adjustments, relating to Jyske Realkredit's portfolios of securities, among other things, amounted to an income of DKK 76m against an income of DKK 64m in the preceding quarter. The increase can be attributed to higher value adjustments of Jyske Realkredit's portfolio of securities.

Core expenses amounted to DKK 110m against DKK 116m in Q2 2023. The decline was due, among other things, to the fact that the contribution to the Resolution Fund was adjusted in Q2.

Losses and impairment charges amounted to an expense of DKK 14m against an expense of DKK 9m in Q2 2023. Both in Q2 and Q3 2023, we saw no major changes to loan impairment charges, and recognised losses were at a low level.

Pre-tax profit for Q3 2023 then amounted to DKK 651m against DKK 614m for Q2 2023.

Balance sheet

At the end of September 2023, Jyske Realkredit's balance sheet amounted to DKK 369.2 bn (DKK 359.6bn at the end of 2022).

Loans at fair value rose from DKK 333.7bn at the end of 2022 to DKK 337.6bn at the end of September 2023, corresponding to an increase by 1.2%. DKK 4.7bn was due to an increase in nominal loans and DKK -0.8bn was due to value adjustment as a result of changed interest-rate conditions in 2023. The growth in loans and advances relates primarily to the corporate client area.

Equity was affected by the profit for the period by DKK 1,429m and amounted to DKK 23,587m at the end of September 2023 (DKK 22,159m at the end of 2022).

Summary of Balance Sheet, end of period, DKKm

	30 Sept. 2023	30 Sept. 2022	Index 23/22	30 Sept. 2023	30 June 2023	31 March 2023	31 Dec. 2022	30 Sept 2022
Assets / equity and liabilities	369,195	332,720	111	369,195	366,756	367,725	359,621	332,720
Mortgage loans, nominal value	370,315	342,625	108	370,315	369,402	367,293	365,595	342,625
Loans at fair value	337,614	304,537	111	337,614	337,960	338,214	333,728	304,537
Issued bonds, fair value	338,315	304,458	111	338,315	337,068	338,018	329,529	304,458
Equity	23,587	21,631	109	23,587	23,100	22,640	22,159	21,631

Credit Quality

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

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

	Loans before impairment charges		Loan impairment charges	
	30 Sept. 2023	31 Dec. 2022	30 Sept. 2023	31 Dec. 2022
Stage 1	325.2	322.1	0.2	0.1
Stage 2	10.0	8.7	0.1	0.1
Stage 3	3.4	3.9	0.4	0.5
Stage 4	0.0	0.0	0.0	0.0
Management's estimate	-	-	0.6	0.6
Total	338.6	334.7	1.3	1.3

The proportion of loans in stage 1 was 96% as at 30 September 2023 which is unchanged relative to the end of 2022.

Loans and impairment charges by internal rating, DKK bn

	Loans before impairment charges		Loan impairment charges	
	30 Sept. 2023	31 Dec. 2022	30 Sept. 2023	31 Dec. 2022
PD Ratings 1-2	199.2	198.5	0.4	0.4
PD Ratings 3-4	113.8	112.7	0.3	0.2
PD Ratings 5-6	14.3	14.1	0.2	0.2
PD 7	1.6	1.9	0.0	0.1
PD 8	1.7	1.2	0.0	0.0
PD 9 (default)	3.8	4.6	0.4	0.5
Other	4.2	1.6	0.0	0.0
Total	338.6	334.7	1.3	1.3

The breakdown of loans by rating class at 30 September 2023 is predominantly unchanged since the end of 2022.

Arrears

The arrears rate measured 90 days after the June 2023 repayment date amounted to 0.09% against 0.07% for the corresponding repayment date in 2022. The arrears rate measured 15 days after the September 2023 repayment date amounted to 0.33% against 0.52% after the September 2022 repayment date.

Arrears rate (%)	Sept. 2023	June 2023	March 2023	December 2022	September 2022	June 2022
After 90 days	-	0.09	0.07	0.11	0.15	0.07
After 15 days	0.33	0.32	0.34	0.43	0.52	0.43

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 in 2023 and 2022 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 23.5bn (end of 2022: DKK 22.1bn) 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 81.7bn at the end of the third quarter of 2023 against DKK 78.2bn at the end of 2022. The development of the total risk exposure of DKK 3.5bn is due primarily to portfolio growth in the first nine months of 2023, but also adjustments of PD for some of the large property companies and the annual re-calculation of REA for operational risk.

At the end of Q3, the capital ratio of 28.7% increased 0.4 percentage point relative to the capital ratio at the end of 2022 and therefore constituted a solid level relative to Jyske Realkredit's capital management objective of 20%-22%. The capital ratio level is identical to the level of the Common Equity Tier 1 capital ratio and hence the core capital ratio.

Capital base, risk exposure and solvency

DKKm	30 Sept. 2023	31 Dec. 2022
Equity	23,587	22,159
Other deductions	-109	-62
Common Equity Tier 1 capital / Core capital	23,478	22,096
Capital base	23,478	22,096
Credit risk	78,010	74,563
Operational risk	3,709	3,631
Total risk exposure	81,719	78,193
Common Equity Tier 1 capital ratio (%)	28.7	28.3
Tier 1 Capital ratio (%)	28.7	28.3
Capital ratio (%)	28.7	28.3

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 + 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 third quarter of 2023, Jyske Realkredit was exposed to credit risks, market risks and operational risks that necessitated a separate addition to the Pillar I capital requirement.

The adequate capital base for Jyske Realkredit amounted to DKK 7.8bn at the end of Q3 2023, corresponding to an individual solvency requirement of 9.6%, i.e. marginally lower relative to the end of 2022.

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 as well as the countercyclical buffer. The two formers amounted to 2.5% and 1.5%, respectively, of the total risk exposure amount, whereas the size of the countercyclical buffer depends on the economic trends. Currently, the countercyclical buffer amounts to 2.5% of the total risk exposure. In addition, a systemic risk buffer of 2.0% 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 13.1bn, corresponding to an individual solvency requirement, inclusive of statutory buffers of 16.1% of the total risk exposure amount. Given the capital base of DKK 23.5bn, Jyske Realkredit's excess capital adequacy amounts to DKK 10.4bn.

On 3 October 2023, the Systemic Risk Council recommended to the Minister for Industry, Business and Financial Affairs that a systemic risk buffer at 7% of REA be introduced for loans and advances to property companies as at 30 June 2024. Based on the contents of the recommendation – and the current solvency calculations – it will for Jyske Realkredit result in an increase in the combined buffer requirement by DKK 1.83bn. The Minister for Industry, Business and Financial Affairs is obliged within a period of three months to implement the recommendation or to give an account in which it is explained and justified why the recommendation will not be implemented.

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

DKKm/% of REA	30 September 2023		31 December 2022	
Credit risk	6,270	7.6	5,965	7.6
Operational risk	267	0.4	290	0.4
Capital requirement, Tier I	6,537	8.0	6,255	8.0
Credit risk	1,106	1.3	1,001	1.3
Market risk	148	0.4	290	0.4
Operational risk	25	0.0	25	0.0
Capital requirement, Tier II	1,279	1.6	1,316	1.7
Adequate capital base	7,816	9.6	7,571	9.7
Capital conservation buffer	2,043	2.5	1,955	2.5
SIFI buffer	1,226	1.5	1,176	1.5
Countercyclical buffer, inclusive of systemic risk buffer for the Faroe Islands	2,042	2.5	1,561	2.0
Combined capital buffer requirement	5,311	6.5	4,692	6.0
Adequate capital base inclusive of combined capital buffer requirement	13,127	16.1	12,263	15.7
Excess capital adequacy	10,351	12.7	9,834	12.6

Debt buffer requirement

Mortgage credit institutions are exempt from the minimum requirement for own funds and eligible liabilities (MREL), but on the other hand, they must meet a debt buffer requirement, amounting to 2% of non-weighted loans. In addition to applying the unused part of the capital base, the debt buffer requirement can be met by issuing senior debt. Currently Jyske Realkredit has issued senior debt in the amount of DKK 750m, maturing in September 2024. At the end of the third quarter of 2023, the debt buffer requirement amounted to DKK 6.8bn.

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

Leverage Ratio

The leverage ratio is defined as the ratio between Jyske Realkredit's core capital and total non-weighted exposures (inclusive of off-balance sheet items) and must amount to at least 3%. The leverage ratio, which does not include the risk relating to the exposures, may be a significant limitation for an institution with a large proportion of loans with a low-risk weighting. At the end of September 2023, the leverage ratio for Jyske Realkredit was 6.28%, a minor increase from 6.06% computed at the end of 2022.

Leverage Ratio		
DKKm/%	30 September 2023	31 December 2022
Core capital	23,478	22,096
Total exposure value	374,060	364,662
Leverage ratio	6.28	6.06

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 third quarter of 2023, the OC requirement amounted to DKK 7.8 bn against DKK 8.9 bn at the end of 2022 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 is required. At the end of Q3 2023, the SDO requirement amounted to DKK 9.8bn, of which DKK 2.8bn related to declining property values, etc. At the end of 2022, the SDO requirement amounted to DKK 9.1bn.

Basel III/IV

The EU Commission's proposal for implementation of the last elements of Basel III in the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD IV) is expected to take effect on 1 January 2025. The proposed rules will - if adopted in the present form - have significant implications for the capital requirements applying to Danish mortgage credit institutions, especially in consequence of the introduction of an output floor (single stack approach) and changes to the risk weights of 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 easing applicable to the determination of the output floor for loans secured against properties will only be temporary as it is to be clarified how the permanent treatment of loans secured against a mortgage on properties is to be defined. Based on the current proposal, the capital requirements for Jyske Realkredit are expected to increase due to the transition to the new capital adequacy rules.

In addition, Jyske Realkredit is already subject to higher capital requirements due to the implementation of new EBA guidelines, which took effect on 1 January 2022.

Stress test and capital requirements

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

Liquidity Coverage Ratio (LCR)

In connection with the determination 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 2.4bn (end of 2022: DKK 1.1bn) and the pillar II liquidity requirement at DKK 5.0bn (end of 2022: DKK 1.0bn) corresponding to a total requirement of DKK 7.4bn at the end of September 2023 (end of 2022: DKK 2.1bn) which must be met with HQLA. HQLA amounted to DKK 17.7bn (end of 2022: DKK 18.2bn), corresponding to an overcollateralisation of DKK 10.3bn. The LCR where the pillar II requirement is not included in the calculation was at the end of September 2023 calculated at 737% (end of 2022: 1.665%). According to regulation, the LCR must be at least 100%.

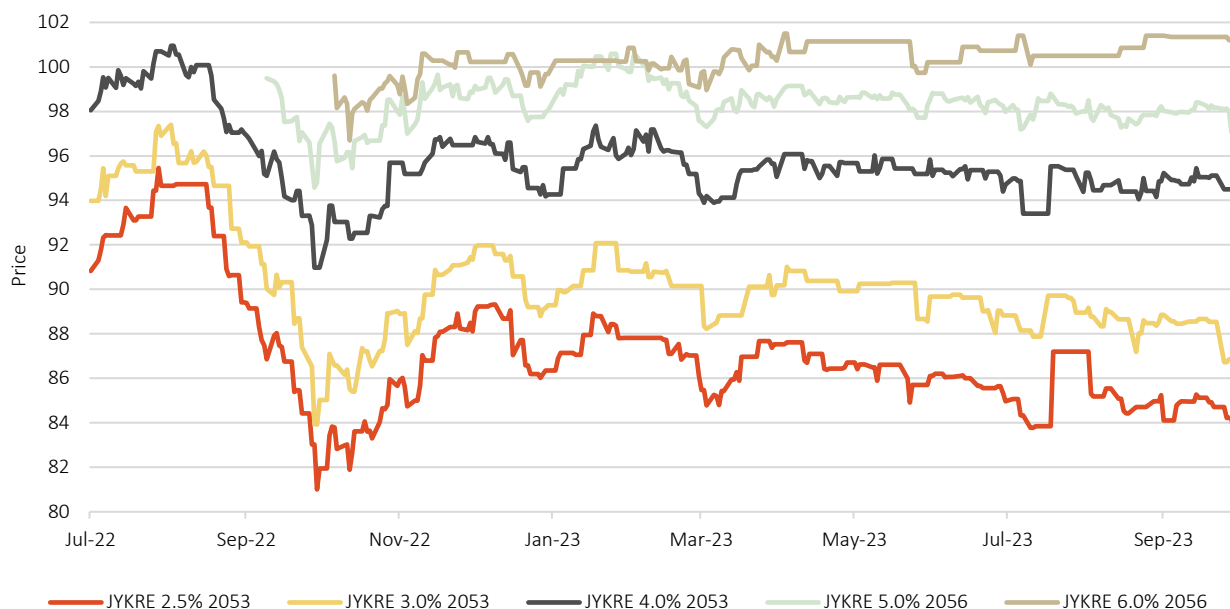
Net stable funding ratio (NSFR)

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 313% at the end of September 2023 (end-2022: 230%) and must according to regulation amount to at least 100%.

Funding and Bond Issues

In Q3 2023, the prices of Jyske Realkredit bonds were comparatively stable relative to the large fluctuations we have seen in the past year. In full Q3 2023, the open 30-year callable bond with instalment payments closest to 100 had a coupon of 5%. Over the past year, the open 30-year callable bond with instalment payments changed from a bond with a coupon of 3% to a bond with a coupon of 5% at the end of September 2023.

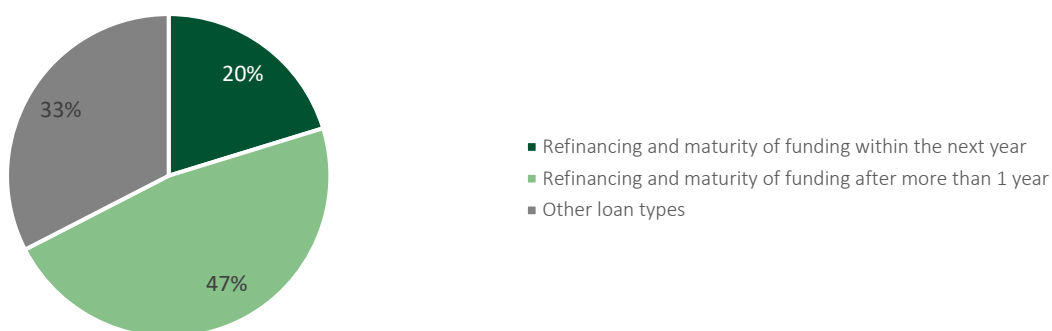
Prices of certain 30-year callable bonds from Jyske Realkredit



Source: Bloomberg

Over the remaining period of 2023, Jyske Realkredit will continue its efforts to reduce the refinancing risk. This takes place in consideration of the requirement that the individual series must be so large that, in respect of the liquidity buffer of the investors, they meet the LCR requirements (Liquidity Coverage Ratio).

Jyske Realkredit's loan portfolio, on 30 September 2023, by time of refinancing

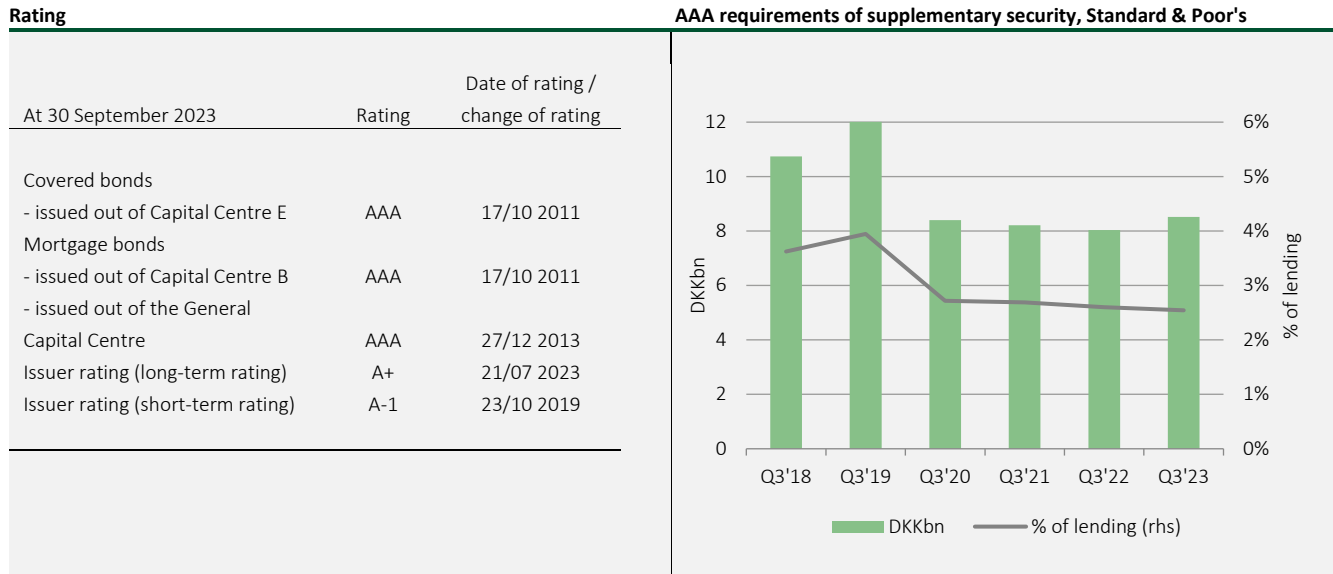


Due to the rising yields, particularly on 30-year callable bonds over the past two years, more borrowers have chosen to re-mortgage to reduce the debt outstanding on their mortgages by redeeming their existing fixed-rate mortgages, as they can be priced below 100 and taking out a new mortgage. Clients 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.dk.

Rating

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



Standard & Poor's average percentage requirement for supplementary security to maintain the AAA rating for mortgage bonds issued by Jyske Realkredit was lower in Q3 2023 compared with last year. The fall is due to a general improvement of the credit quality of existing loans and takeover of loans and advances from Svenska Handelsbanken, which also has a good credit quality. The level has not been lower since Standard & Poor's began to rate Jyske Realkredit's bonds in 2011. The small increase in the nominal requirements is due to an increase in total loans and advances, due, among other things, to the takeover of loans from Svenska Handelsbanken.

The supervisory diamond for mortgage credit institutions

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

Supervisory diamond - benchmarks, %

	30 September 2023	31 December 2022
Concentration risk <100%	45.3	47.8
Increase in loans <15% annually in the segment:		
- Owner-occupied homes and vacation homes	12.1	9.3
- Residential rental properties	4.8	6.5
- Other sectors	5.6	6.6
Borrower's interest-rate risk <25%		
- Residential properties	20.0	17.4
Instalment-free schemes <10%		
- Owner-occupied homes and vacation homes	4.0	4.8
Loans with frequent interest-rate fixing:		
- Refinancing (annually) <25%	15.3	14.1
- Refinancing (quarterly) <12.5%	6.1	1.6

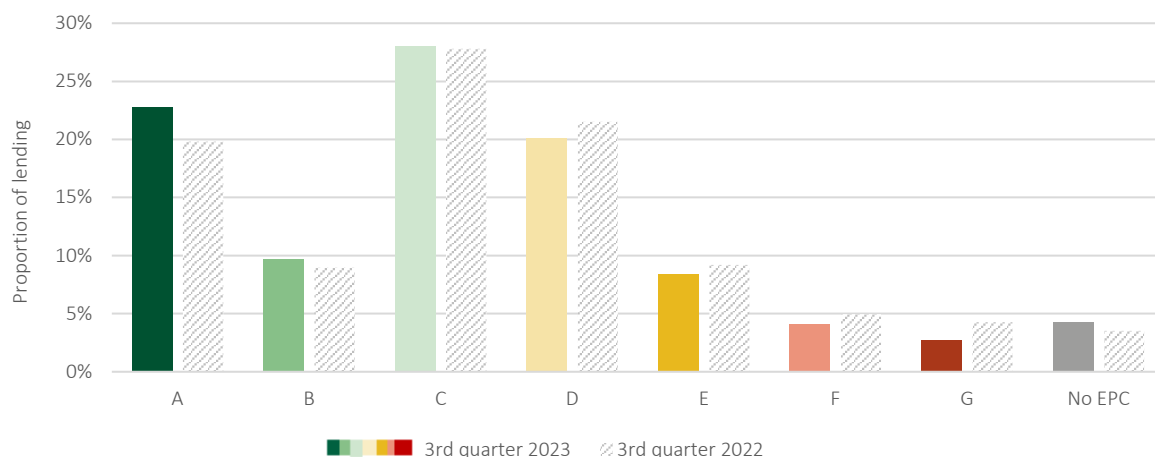
At the end of September 2023, Jyske Realkredit met all benchmarks of the supervisory diamond. On an on-going basis, Jyske Realkredit reviews its positions relative to the benchmarks.

Sustainability

Jyske Realkredit is the first financial institution to launch a Sustainable Transparency Template. The template was prepared by Jyske Realkredit to offer investors insight into for instance the energy standard and CO₂ emission of the homes for which Jyske Realkredit has granted loans. With its 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 Q3 2022, the proportion of properties with low energy consumption has increased.

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 CO₂ emission from properties financed through Jyske Realkredit's Capital Centre E.

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

Type of property	30 September 2023		31 December 2022	
	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	104,419	13.1	107,068	13.8
Subsidised housing	26,475	5.7	28,955	6.4
Cooperative housing	4,379	6.6	4,667	7.1
Residential rental properties	21,487	6.0	22,718	6.4
Office and commercial properties	39,483	11.7	41,659	12.4
Other	17,167	9.6	13,894	8.6
Total	213,409	9.2	218,961	9.8

The total financed emission declined relative to the end of 2022. The decline was attributed to the decline in loans to personal homeowners, and the ongoing update of the Energy Performance Certificates of properties which implies that ongoing renovations and other improvements are included in the energy rating.

The estimated CO₂e emission is based on the Energy Performance Certificate, heating source, and total floor area of the individual property. Where 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 September 2023		31 December 2022	
		Loans, nominal (DKKm)	Proportion of total loans (%)	Loans, nominal (DKKm)	Proportion of total loans (%)
Renewable energy	7.2	2,555	0.7	1,391	0.4
Green buildings	7.3	114,081	30.8	100,461	27.5
Subsidised housing	11.3	25,003	6.7	27,563	7.5
Recycling	12.5	6	0.0	-	-
Total		141,645	38.2	129,415	35.4

Altogether, 38.2% (35.4% at end-2022) of Jyske Realkredit's loans support one or more of the UN's Sustainable Development Goals. The increase relative to last year's statement is due to a general improvement in energy consumption in the properties financed by Jyske Realkredit. The decline in subsidised housing is not due to a decline in loans but the fact that a larger proportion of the subsidised housing is now also classified as green properties. To avoid double counting, it has been decided that green subsidised housing falls under green properties.

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 technical screening criteria as well as criteria ensuring that the activity does no significant harm to any of the other objectives and lives up to the minimum social safeguard.

At present, the Jyske Realkredit Sustainable Transparency Template states the activities that Jyske Realkredit finances and that meet the technical screening criteria 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 September 2023		31 December 2022	
		Loans and advances (DKKm)	Proportion of total loans (%)	Loans and advances (DKKm)	Proportion of total loans (%)
Electricity from the sun	4.1	132	0.0	35	0.0
Electricity from the wind	4.3	711	0.2	854	0.2
Distribution of electricity	4.9	1,712	0.5	502	0.1
Ownership of existing buildings	7.7	93,499	25.2	85,386	23.4
Total		96,054	25.9	86,777	23.7

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

In 2022, Jyske Realkredit expanded its Sustainable Transparency Template, so it now also includes sustainability data, for instance on CO₂ emissions at a level corresponding to each bond.

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 nine months of 2023 can be downloaded from jyskerealkredit.dk/regnskaber.

Contact

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

Income Statement and Statement of Comprehensive Income

		DKKm	
Note		Q1-Q3 2023	Q1-Q3 2022
Income statement			
5	Interest income	8,275	4,215
6	Interest expenses	5,775	2,402
	Net interest income	2,500	1,814
7	Fees and commission income	352	498
	Fees and commission expenses	775	960
	Net interest and fee income	2,077	1,351
8	Value adjustments (- is an expense)	142	-92
9	Employee and administrative expenses	303	273
	Other operating expenses	28	22
10	Loan impairment charges (- is income)	-23	-105
	Pre-tax profit	1,910	1,069
11	Tax	481	235
	Net profit for the period	1,429	834
	Distributed to:		
	Jyske Realkredit A/S shareholders	1,429	834
	Total	1,429	834
Statement of Comprehensive Income			
	Net profit for the period	1,429	834
	Other comprehensive income	-	-
	Comprehensive income for the period	1,429	834
	Distributed to:		
	Jyske Realkredit A/S shareholders	1,429	834
	Total	1,429	834

Balance Sheet

DKKm

Note	30 Sept. 2023	31 Dec. 2022	30 Sept. 2022
Assets			
Cash balance and demand deposits with central banks	8,613	11,335	63
Due from credit institutions and central banks	1,931	854	13,196
12 Loans at fair value	337,614	333,728	304,537
Bonds at fair value	19,667	12,668	13,662
Shares, etc.	59	60	58
Deferred tax assets	3	3	2
13 Assets in temporary possession	43	41	43
14 Other assets	1,246	923	1,144
Prepayments	19	10	16
Assets, total	369,195	359,621	332,720
Equity and liabilities			
Liabilities			
Due to credit institutions and central banks	187	416	516
15 Issued bonds at fair value	338,315	329,529	304,458
Issued bonds at amortised cost	750	750	750
Current tax liabilities	846	365	518
16 Other liabilities	5,487	6,370	4,838
Deferred income	20	28	5
Liabilities, total	345,606	337,458	311,085
Provisions			
Other provisions	3	5	5
Total provisions	3	5	5
Equity			
Share capital	500	500	500
Share premium	102	102	102
Retained earnings	22,985	21,557	21,030
Total equity	23,587	22,159	21,631
Total equity and liabilities	369,195	359,621	332,720
Off-balance sheet items			
Guarantees, etc.	0	0	0
Other contingent liabilities, etc. (loan offers)	14,548	13,714	13,580
Total guarantees and other contingent liabilities	14,548	13,714	13,580

Statement of Changes in Equity

DKKm

	Share capital	Share premium	Retained earnings	Total
Equity at 1 January 2023	500	102	21,557	22,159
Net profit for the period	-	-	1,429	1,429
Comprehensive income for the period	-	-	1,429	1,429
Equity at 30 September 2023	500	102	22,985	23,587

Equity on 1 January 2022	4,306	102	16,389	20,798
Nominal reduction of share capital	-3,806	-	3,806	-
Net profit for the period	-	-	834	834
Comprehensive income for the period	-	-	834	834
Equity at 30 September 2022	500	102	21,030	21,631

Capital statement

	30 Sept. 2023	31 Dec. 2022	30 Sept. 2022
Equity	23,587	22,159	21,631
Prudent valuation	-30	-36	-33
Other deductions	-79	-26	-11
Common Equity Tier 1 capital / Core capital	23,478	22,096	21,588
Capital base	23,478	22,096	21,588
Weighted risk exposure involving credit risk etc.	78,010	74,563	69,595
Weighted risk exposure involving operational risk	3,709	3,631	3,263
Total weighted risk exposure	81,719	78,193	72,859
Capital requirement, Pillar I	6,537	6,255	5,829
Capital requirement, total	6,537	6,255	5,829
Capital ratio (%)	28.7	28.3	29.6
Core capital ratio (%)	28.7	28.3	29.6
Common Equity Tier 1 capital ratio (%)	28.7	28.3	29.6

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 September 2023 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 2022.

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 2022. 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 31 October 2023.

	30 Sept. 2023	31 Dec. 2022	30 Sept. 2022
3 Financial ratios and key figures			
Capital ratio (%)	28.7	28.3	29.6
Core capital ratio (%)	28.7	28.3	29.6
Return on equity (average) before tax for the period (%)	8.4	8.1	5.0
Return on equity (average) after tax for the period (%)	6.2	6.3	3.9
Income/cost ratio (%)	7.2	15.4	6.6
Currency position (%)	0.2	0.4	0.3
Accumulated impairment ratio (%)	0.4	0.4	0.5
Impairment ratio for the period (%)	-0.01	-0.08	-0.03
Increase in loans for the period (%)	1.3	7.9	1.1
Loans relative to equity	14.3	15.1	14.1
Return on capital employed	0.39	0.38	0.24

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

4 Alternative performance targets

	Q1-Q3 2023			Q1-Q3 2022		
	Core profit	Reclassifi- cation	Total	Core profit	Reclassifi- cation	Total
Administration margin income, etc.	1,869	-	1,869	1,756	-	1,756
Other net interest income, etc.	546	85	631	51	7	58
Net interest income	2,415	85	2,500	1,807	7	1,814
Net fee and commission income	-423	-	-423	-463	-	-463
Net interest and fee income	1,992	85	2,077	1,344	7	1,351
Value adjustments	227	-85	142	-86	-7	-92
Income	2,219	-	2,219	1,259	-	1,259
Expenses	332	-	332	295	-	295
Profit before loan impairment charges	1,887	-	1,887	963	-	963
Loan impairment charges (- is an income)	-23	-	-23	-105	-	-105
Pre-tax profit	1,910	-	1,910	1,069	-	1,069

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.

	Q1-Q3 2023	Q1-Q3 2022
5 Interest income		
Due from credit institutions and central banks ¹	149	-14
Loans	6,082	2,550
Administration margin	1,505	1,525
Bonds	509	138
Derivatives, interest-rate and currency contracts	125	73
Other interest income	69	0
Interest income before offsetting of interest on own bonds	8,439	4,271
Interest on own bonds, set off against interest on issued bonds	164	114
Total after offsetting of negative interest income	8,275	4,158
Negative interest income set off against interest income	-	19
Negative interest expenses set off against interest expenses	-	39
Total before offsetting of negative interest income	8,275	4,215
¹ Of which interest income on reverse repos carried under 'Due from credit institutions and central banks'	18	-14

Notes

DKKm

	Q1-Q3 2023	Q1-Q3 2022
6 Interest expenses		
Due to credit institutions and central banks ¹	20	12
Issued bonds	5,457	2,462
Other interest expenses	462	-16
Interest expenses before offsetting of interest on own bonds	5,939	2,458
Interest on own bonds, set off against interest on issued bonds	164	114
Total after offsetting of negative interest expenses	5,775	2,344
Negative interest expenses set off against interest expenses	-	39
Negative interest income set off against interest income	-	19
Total before offsetting of negative interest income	5,775	2,402
¹ Of which interest expenses on repos carried under 'Due to credit institutions and central banks'	0	-0

Interest for swaps, etc. that were entered into in connection with the funding of mortgage loans, where the interest on some of the issued bonds is swapped to interest corresponding to interest on the mortgage loan, is recognised under other interest expenses. Hence the total interest expense for the funding of mortgage loans will be recognised as a whole under interest expenses. In the first nine months of 2023, in this connection, there is not included interest income from swaps under other interest expenses, as this quarter only concerns interest expenses (2022: DKK 85m).

7 Fees and commission income		
Securities trading and custody services	223	301
Loan application fees	129	197
Other fees and commissions	0	0
Total	352	498

8 Value adjustment (- is an expense)		
Mortgage loans	-1,194	-39,975
Other loans and receivables at fair value	-3	-26
Bonds	268	-1,309
Shares, etc.	-1	4
Currency	-0	0
Currency, interest-rate and other contracts as well as other derivatives	9	-702
Issued bonds	1,063	41,915
Total	142	-92

Value adjustment of the balance principle amounted to an expense of DKK 1m (2022: DKK -2m), resulting from a net value adjustment of the following items: mortgage loans by DKK - 1,117m (DKK -40,141m) recognised in Mortgage loans, issued mortgage bonds by DKK + 1,063m (DKK +41,915m) as well as derivatives by DKK + 52m (DKK -1.776m), recognised in Currency, interest-rate and other contracts as well as other derivatives.

9 Employee and administrative expenses

Employee expenses

Wages and salaries, etc.	18	16
Pensions	2	2
Payroll tax	3	3
Social security	0	0

Total	24	21
--------------	-----------	-----------

Salaries and remuneration to the Executive Board and the Supervisory Board

Executive Board	5	5
Supervisory Board	0	0

Total	5	5
--------------	----------	----------

Other administrative expenses

IT	12	12
Other administrative expenses	262	235

Total	274	247
--------------	------------	------------

Total	303	273
--------------	------------	------------

Notes

DKKm

	Q1-Q3 2023	Q1-Q3 2022
10 Loan impairment charges (- is income)		
Loan impairment charges for the period	-31	-115
Recognised as a loss, not covered by impairment charges	16	21
Recoveries	-8	-11
Total	-23	-105
Balance of impairment charges		
Balance of impairment charges, beginning of period	1,384	1,741
Loan impairment charges for the period	-31	-115
Other adjustments	95	-
Recognised as a loss, covered by impairment charges	-9	-65
Balance of impairment charges, end of period	1,439	1,560
Mortgage loan impairment charges	1,318	1,445
Impairment charges on other loans and receivables, etc.	121	115
Balance of impairment charges, end of period	1,439	1,560

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.

Breakdown of balance of impairment charges by stage Q1-Q3 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	58	-55	-4	-
Transfer of impairment charges at the beginning of the period to stage 2	-14	31	-17	-
Transfer of impairment charges at the beginning of the period to stage 3	-2	-4	6	-
Impairment charges relating to new loans	82	28	21	131
Decline in the balance of impairment charges due to repayment of loans	-49	-22	-81	-153
Effect from recalculation	19	37	30	87
Previously recognised as impairment charges, now losses	0	-2	-7	-9
Balance of impairment charges, end of period	762	229	448	1,439

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

Breakdown of balance of impairment charges by stage Q1-Q3 2022

	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of period	323	382	1,036	1,741
Transfer of impairment charges at the beginning of the period to stage 1	77	-75	-2	-
Transfer of impairment charges at the beginning of the period to stage 2	-8	30	-22	-
Transfer of impairment charges at the beginning of the period to stage 3	-2	-37	39	-
Impairment charges relating to new loans	131	61	29	221
Decline in the balance of impairment charges due to repayment of loans	-53	-127	-181	-361
Effect from recalculation	208	46	-229	25
Previously recognised as impairment charges, now losses	-0	-1	-64	-65
Balance of impairment charges, end of period	676	279	605	1,560

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

11 Tax

Effective tax rate

Corporation tax rate in Denmark	22.0	22.0
Special tax for financial companies	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	25.2	22.0

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

Notes

DKKm

	30 Sept. 2023	31 Dec. 2022	30 Sept. 2022
12 Loans at fair value			
Mortgage loans, nominal value	370,315	365,595	342,625
Adjustment for interest-rate risk, etc.	-31,713	-30,839	-36,970
Adjustment for credit risk	-1,318	-1,371	-1,445
Mortgage loans at fair value	337,284	333,386	304,210
Arrears and outlays	57	54	42
Other loans and receivables	273	289	285
Total	337,614	333,728	304,537
Mortgage loans at fair value broken down by property category			
Owner-occupied homes	159,334	160,095	137,222
Vacation homes	9,639	9,713	7,528
Subsidised Housing (rental housing)	45,661	44,819	44,767
Cooperative housing	10,864	11,181	10,782
Private rental properties (rental housing)	65,189	63,110	60,801
Industrial properties	4,749	3,314	2,826
Office and business properties	34,536	33,611	33,038
Agricultural properties, etc.	170	158	157
Properties for social, cultural and educational purposes	7,106	7,344	7,043
Other properties	36	42	46
Total	337,284	333,386	304,210
13 Assets in temporary possession			
Properties acquired through foreclosure	43	41	43
Total	43	41	43
14 Other assets			
Positive fair value of derivatives	817	854	1,020
Interest and commission receivable	280	48	97
Loan applications in process	124	6	10
Other assets	25	15	17
Total	1,246	923	1,144
15 Issued bonds at fair value			
Issued mortgage bonds, nominal value	401,160	380,506	376,780
Adjustment to fair value	-34,065	-33,052	-39,437
Own mortgage bonds, fair value	-28,781	-17,926	-32,886
Total	338,315	329,529	304,458
16 Other liabilities			
Negative fair value of derivatives	2,327	2,403	2,180
Interest and commission payable	2,510	1,732	1,575
Other liabilities	651	2,235	1,084
Total	5,487	6,370	4,838

Notes

DKKm

	30 Sept. 2023	31 Dec. 2022	30 Sept. 2022
17 Off-balance sheet items			
Guarantees, etc.			
Other guarantees	0	0	0
Total	0	0	0
Other contingent liabilities, etc.			
Irrevocable loan commitments	14,541	13,696	13,562
Other contingent liabilities	7	17	18
Total	14,548	13,714	13,580

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 September 2023, no unusual related party transactions took place. Please see Jyske Realkredit's Annual Report 2022 for a detailed description of transactions with related parties.

Notes

DKKm

	30 Sept. 2023	31 Dec. 2022	30 Sept. 2022
19 Contractual time to maturity			
Assets			
Due from credit institutions and central banks			
Demand deposits	657	766	501
Up to 3 months	1,273	88	12,695
Over 3 months and up to 1 year	-	-	-
Over 1 year and up to 5 years	-	-	-
Over 5 years	-	-	-
Total	1,931	854	13,196
Loans at fair value ¹			
Up to 3 months	1,866	1,691	1,939
Over 3 months and up to 1 year	6,058	6,437	5,886
Over 1 year and up to 5 years	38,585	39,531	37,488
Over 5 years	291,105	286,069	259,224
Total	337,614	333,728	304,537
Bonds at fair value			
Up to 3 months	3,914	1,576	1,244
Over 3 months and up to 1 year	8,372	5,639	6,530
Over 1 year and up to 5 years	7,344	5,145	5,408
Over 5 years	37	307	480
Total	19,667	12,668	13,662
Liabilities			
Due to credit institutions and central banks			
Demand deposits	87	258	132
Up to 3 months	100	158	384
Over 3 months and up to 1 year	-	-	-
Over 1 year and up to 5 years	-	-	-
Over 5 years	-	-	-
Total	187	416	516
Issued bonds at fair value ¹⁾			
Up to 3 months	5,510	1,733	19,195
Over 3 months and up to 1 year	67,137	75,906	46,875
Over 1 year and up to 5 years	150,860	138,483	122,178
Over 5 years	114,808	113,406	116,209
Total	338,315	329,529	304,458
Issued bonds at amortised cost			
Up to 3 months	-	-	-
Over 3 months and up to 1 year	750	-	-
Over 1 year and up to 5 years	-	750	750
Over 5 years	-	-	-
Total	750	750	750

The above amounts are exclusive of interest.

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

Notes

DKKm

	30 Sept. 2023	31 Dec. 2022
20 Loan portfolio by EPC (%)		
EPC A	22.8	20.3
EPC B	9.6	8.9
EPC C	28.0	27.5
EPC D	20.1	22.2
EPC E	8.4	9.5
EPC F	4.1	4.4
EPC G	2.8	3.0
No emission/no data	4.3	4.0
Total	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 Sept. 2023		31 Dec. 2022	
	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	104,419	13.1	107,068	13.8
Subsidised housing	26,475	5.7	28,955	6.4
Cooperative housing	4,379	6.6	4,667	7.1
Residential rental properties	21,487	6.0	22,718	6.4
Office and commercial properties	39,483	11.7	41,659	12.4
Other	17,167	9.6	13,894	8.6
Total	213,409	9.2	218,961	9.8

The year's CO₂ emission are calculated as estimated emissions for the past 12 month.

22 Loans supporting the UN Sustainable Development Goals

Loan type	30 Sept. 2023			31 Dec. 2022		
	FN SDG	Loans nominal (DKKm)	Proportion of total loans (%)	FN SDG	Loans nominal (DKKm)	Proportion of total loans (%)
Renewable energy	7.2	2,555	0.7	7.2	1,391	0.4
Green buildings	7.3	114,081	30.8	7.3	100,461	27.5
Subsidised housing	11.3	25,003	6.7	11.3	27,563	7.5
Recycling	12.5	6	0.0	12.5	-	-
Total		141,645	38.2		129,415	35.4

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	30 Sept. 2023			31 Dec. 2022		
	Criterion	Loans (DKKm)	Proportion of total loans (%)	Criterion	Loans (DKKm)	Proportion of total loans (%)
Electricity from the sun	4.1	132	0.0	4.1	35	0.0
Electricity from the wind	4.3	711	0.2	4.3	854	0.2
Distribution of electricity	4.9	1,712	0.5	4.9	502	0.1
Ownership of existing buildings	7.7	93,499	25.2	7.7	85,386	23.4
Total		96,054	25.9		86,777	23.7

Jyske Realkredit reports the technical screening criteria voluntarily. The statement does not consider whether the loans meet the Do No Significant Harm (DNSH) 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 September 2023.

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

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

In our opinion, the Interim Financial Report gives a true and fair view of the company's financial position on 30 September 2023 and of the company's financial performance for the period 1 January to 30 September 2023.

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, 31 October 2023.

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

Per Skovhus

Peter Schleidt

Kim Henriksen
Elected by employees

Steen Brastrup Clasen
Elected by employees