



Interim Financial Report Q1-Q3 2020

# Interim Financial Report, Q1-Q3 2020

## Management's Review

The Jyske Bank Group	2
Summary	3
Financial Review	5
Capital and Liquidity Management	9
Other Information	12

## Business Segments

Banking Activities	13
Mortgage Activities	15
Leasing Activities	17

## Interim Financial Statements

Jyske Bank Group	
Income Statement and Statement of Comprehensive Income	18
Balance Sheet	19
Statement of Changes in Equity	20
Capital Statement	21
Summary of Cash Flow Statement	22
Notes	23

Jyske Bank A/S	44
----------------	----

Statement by the Executive and Supervisory Boards	57
---	----

Jyske Bank A/S  
Vestergade 8-16  
DK-8600 Silkeborg  
Tel.: +45 89 89 89 89  
[www.jyskebank.dk](http://www.jyskebank.dk)  
Email: [jyskebank@jyskebank.dk](mailto:jyskebank@jyskebank.dk)  
Business Reg. No. (CVR): 17616617

# The Jyske Bank Group

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

	Q1-Q3 2020	Q1-Q3 2019	Index 20/19	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Full year 2019
Net interest income	3,771	3,882	97	1,256	1,287	1,228	1,270	1,279	5,152
Net fee and commission income	1,510	1,658	91	453	407	650	653	611	2,311
Value adjustments	407	90	452	189	331	-113	252	-95	342
Other income	92	113	81	36	26	30	41	7	154
Income from operating lease (net)	76	86	88	69	-1	8	15	28	101
<b>Core income</b>	<b>5,856</b>	<b>5,829</b>	<b>100</b>	<b>2,003</b>	<b>2,050</b>	<b>1,803</b>	<b>2,231</b>	<b>1,830</b>	<b>8,060</b>
Core expenses*	3,669	3,816	96	1,159	1,164	1,346	1,213	1,275	5,029
<b>Core profit before loan impairment charges</b>	<b>2,187</b>	<b>2,013</b>	<b>109</b>	<b>844</b>	<b>886</b>	<b>457</b>	<b>1,018</b>	<b>555</b>	<b>3,031</b>
Loan impairment charges	963	-37	-	-48	8	1,003	-64	-30	-101
<b>Core profit</b>	<b>1,224</b>	<b>2,050</b>	<b>60</b>	<b>892</b>	<b>878</b>	<b>-546</b>	<b>1,082</b>	<b>585</b>	<b>3,132</b>
Investment portfolio earnings	-213	-197	-	14	223	-450	144	-136	-53
<b>Pre-tax profit</b>	<b>1,011</b>	<b>1,853</b>	<b>55</b>	<b>906</b>	<b>1,101</b>	<b>-996</b>	<b>1,226</b>	<b>449</b>	<b>3,079</b>
Tax	233	379	61	210	239	-216	260	84	639
<b>Net profit for the period</b>	<b>778</b>	<b>1,474</b>	<b>53</b>	<b>696</b>	<b>862</b>	<b>-780</b>	<b>966</b>	<b>365</b>	<b>2,440</b>

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

Loans and advances	484.1	483.8	100	484.1	481.5	485.2	485.9	483.8	485.9
- of which mortgage loans	342.3	338.7	101	342.3	339.8	336.6	337.5	338.7	337.5
- of which traditional loans and advances	91.3	101.7	90	91.3	95.3	99.2	98.7	101.7	98.7
- of which new home loans	2.8	4.0	70	2.8	3.4	3.4	3.4	4.0	3.4
- of which repo loans	47.7	39.4	121	47.7	43.0	46.0	46.3	39.4	46.3
Bonds and shares, etc.	98.6	94.8	104	98.6	94.7	90.9	91.9	94.8	91.9
Total assets	647.6	662.5	98	647.6	642.1	674.1	649.7	662.5	649.7
Deposits	136.8	157.9	87	136.8	145.9	146.8	140.2	157.9	140.2
- of which bank deposits	125.6	138.2	91	125.6	132.0	131.2	126.9	138.2	126.9
- of which repo deposits and triparty deposits	11.2	19.7	57	11.2	13.9	15.6	13.3	19.7	13.3
Issued bonds at fair value	345.7	359.5	96	345.7	339.6	347.3	357.0	359.5	357.0
Issued bonds at amortised cost	50.2	39.4	127	50.2	46.7	42.7	38.6	39.4	38.6
Subordinated debt	5.8	4.3	135	5.8	5.8	5.8	4.3	4.3	4.3
Holders of Additional Tier 1 Capital	3.2	3.2	100	3.2	3.2	3.2	3.3	3.2	3.3
Shareholders' equity	32.6	32.0	102	32.6	32.0	31.2	32.5	32.0	32.5

## Financial ratios and key figures

Earnings per share for the period (DKK)**	8.9	17.0		9.0	11.3	-11.1	12.2	4.2	29.0
Profit for the period, per share (diluted) (DKK)**	8.9	17.0		9.0	11.3	-11.1	12.2	4.2	29.0
Pre-tax profit p.a. as a percentage of average equity**	3.6	7.3		10.7	13.4	-13.0	14.7	5.1	9.1
Profit for the period p.a. as a percentage of average equity**	2.7	5.7		8.1	10.4	-10.3	11.5	4.0	7.1
Expenses as a percentage of income	62.7	65.5		57.9	56.8	74.7	54.4	69.7	62.4
Capital ratio (%)	22.3	20.2		22.3	22.2	21.5	21.5	20.2	21.5
Common Equity Tier 1 capital ratio (CET1 %)	17.5	16.3		17.5	17.3	16.7	17.4	16.3	17.4
Individual solvency requirement (%)	11.3	11.0		11.3	11.1	11.0	11.2	11.0	11.2
Capital base (DKKbn)	40.8	38.3		40.8	40.3	39.3	39.0	38.3	39.0
Weighted risk exposure (DKKbn)	183.2	189.7		183.2	181.7	182.9	181.4	189.7	181.4
Share price at end of period (DKK)	179	221		179	195	169	243	221	243
Dividend per share (DKK)	-	-		-	-	-	-	-	-
Book value per share (DKK)**	450	418		450	440	430	434	418	434
Price/book value per share (DKK)**	0.4	0.5		0.4	0.4	0.4	0.6	0.5	0.6
No. of full-time employees at end-period***	3,363	3,672		3,363	3,420	3,508	3,559	3,639	3,559

Relationships between income statement items under 'The Jyske Bank Group' (key financial data) and the income statement page 18 appear from note 4.

\* For the first nine months of 2020, core expenses amounted to DKK 3,669m, of which costs relating to the sale of Jyske Bank (Gibraltar) amounted to DKK 75m.

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

\*\*\* The number of employees at the end of the third quarter of 2020 less 49 employees who are financed externally.

## Summary

*"After the challenging first quarter of 2020, Jyske Bank has over the past two quarters generated the highest profit after tax for more than three years. The progress was fuelled by the development in the financial markets, the lowest underlying core expenses since 2013 – before the merger with BRFKredit and a continued good credit quality. Given a satisfactory balance of impairment charges as well as a solid capital and liquidity position, Jyske Bank is in a good position to handle more widespread consequences of the COVID-19 outbreak," states Anders Dam, Managing Director and CEO.*

Activity has returned in the greater part of the Danish economy after the lockdown following the outbreak of COVID-19 in the spring. The number of bankruptcies is still low, the housing market is strong and consumer spending has stabilised. At the same time, our clients' capital and liquidity position is generally good and supported by e.g. deferred tax and VAT payments.

However, the activity and investment levels are still not back at the levels before the outbreak. Going forward, the economic development will be affected by the spread of the virus in as well as outside Denmark and the phasing-out of support packages, and it seems that it will take time before Danish exports have recovered.

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

At the same time, society remains focused on promoting a sustainable development. Based on the view that *"all progress counts"*, Jyske Bank will offer solutions that support a sustainable development, provide knowledge of sustainability and make it simple to invest sustainably.

### Net profit of DKK 778m in Q1-Q3 2020

The net profit for the period corresponded to a return on equity of 2.7% p.a. against DKK 1,474m and 5.7% p.a., respectively, for the corresponding period of 2019. The lower profit can chiefly be attributed to the increased management's estimate for impairment charges in the amount of DKK 1 bn after the outbreak of COVID-19 and to costs relating to the sale of Jyske Bank (Gibraltar).

For the third quarter of 2020, net profit came to DKK 696m, corresponding to a return on equity of 8.1% p.a. against DKK 365m and 4.0% for the third quarter of 2019. The progress was fuelled by the development in the financial markets and a 9% decrease in core expenses.

Jyske Bank's loans and advances (exclusive of repo loans) fell by 1% in the first nine months of 2020. Increasing mortgage loans to corporate clients were more than offset by lower bank lending due to a limited credit demand amid the COVID-19 outbreak as well as the launch of economic support packages from the Danish government. Correspondingly, bank deposits fell by 1% relative to the level at the end of 2019. It is expected that, in the first half of 2021, Jyske Bank's business volumes will be affected in the range of DKK 5 bn - 10 bn in the form of higher bank lending and lower deposits due to the corporate sector's payment of deferred VAT and taxes.

Core income was roughly unchanged relative to the first nine months of 2019. Lower remortgaging activity and bank lending were offset by higher value adjustments and lower deposit rates. The latter improvement could partly be attributed to the introduction of negative deposit rates for parts of personal clients' deposits as of 1 December 2019.

Adjusted for extraordinary expenses of DKK 75m relating to the sale of Jyske Bank (Gibraltar), core expenses fell by 6% in the first nine months of 2020. The decrease can be attributed to an 8% reduction in the number of full-time employees, an intensified focus on costs as well as the effect from the outbreak of COVID-19 on travel expenses, etc.

In the first nine months the year, credit quality was still good, and the share of non-performing loans continued to fall. In the first quarter, an amount of DKK 1 bn was recognised as an expense for potential impairment charges in consequence of the outbreak of COVID-19, and this management's estimate remains intact. In the third quarter, the total balance of management's estimates relating to impairment charges was increased by DKK 87m to DKK 1,656m.

At the end of the third quarter of 2020, Jyske Bank had a capital ratio of 22.3% and a capital buffer of DKK 12.8 bn as well as liquidity buffer (LCR) of DKK 109 bn. It is assessed that the capital and liquidity buffer can withstand severe stress scenarios. The Supervisory Board of Jyske Bank anticipates that it

will begin capital distribution to the bank's shareholders in 2021, unless the economic outlook deteriorates drastically.

### **Outlook**

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

Jyske Bank aims for a decline in core expenses.

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

For 2020, a net profit of DKK 1.0 bn - 1.5 bn is expected.

## Financial Review

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

	Q1-Q3 2020	Q1-Q3 2019	Index 20/19	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	FY 2019
Net interest income	3,771	3,882	97	1,256	1,287	1,228	1,270	1,279	5,152
Net fee and commission income	1,510	1,658	91	453	407	650	653	611	2,311
Value adjustments	407	90	452	189	331	-113	252	-95	342
Other income	92	113	81	36	26	30	41	7	154
Income from operating lease (net)	76	86	88	69	-1	8	15	28	101
<b>Core income</b>	<b>5,856</b>	<b>5,829</b>	<b>100</b>	<b>2,003</b>	<b>2,050</b>	<b>1,803</b>	<b>2,231</b>	<b>1,830</b>	<b>8,060</b>
Core expenses	3,669	3,816	96	1,159	1,164	1,346	1,213	1,275	5,029
<b>Core profit before loan impairment charges</b>	<b>2,187</b>	<b>2,013</b>	<b>109</b>	<b>844</b>	<b>886</b>	<b>457</b>	<b>1,018</b>	<b>555</b>	<b>3,031</b>
Loan impairment charges	963	-37	-	-48	8	1,003	-64	-30	-101
<b>Core profit</b>	<b>1,224</b>	<b>2,050</b>	<b>60</b>	<b>892</b>	<b>878</b>	<b>-546</b>	<b>1,082</b>	<b>585</b>	<b>3,132</b>
Investment portfolio earnings	-213	-197	-	14	223	-450	144	-136	-53
<b>Pre-tax profit</b>	<b>1,011</b>	<b>1,853</b>	<b>55</b>	<b>906</b>	<b>1,101</b>	<b>-996</b>	<b>1,226</b>	<b>449</b>	<b>3,079</b>
Tax	233	379	61	210	239	-216	260	84	639
<b>Net profit for the period</b>	<b>778</b>	<b>1,474</b>	<b>53</b>	<b>696</b>	<b>862</b>	<b>-780</b>	<b>966</b>	<b>365</b>	<b>2,440</b>

### Net profit for the period

For the first nine months of 2020, net profit amounted to DKK 778m against DKK 1,474m in the corresponding period of 2019. The lower profit can chiefly be attributed to the increased management's estimate for impairment charges after the outbreak of COVID-19 and to costs relating to the sale of Jyske Bank (Gibraltar).

### Core income

Core income amounted to DKK 5,856m against DKK 5,829m in the first nine months of 2019. Higher value adjustments more than compensated for the lower remortgaging activity and lower bank lending.

Net interest income amounted to DKK 3,771m, corresponding to a 3% decline relative to the same period of 2019. Net interest income on loans and deposits rose, however, by 1%, as the effect from the lower deposit rates more than compensated for lower bank lending and the sale of Jyske Bank (Gibraltar). Hence the decline was caused by lower other net interest income, including a lower contribution from trading activities and higher finance costs.

Net fee and commission income fell by 9% to DKK 1,510m in the first nine months of 2020. The decline was caused by lower remortgaging activity as well as the outbreak of COVID-19, which resulted in lower income from money transfers and card payments as well as asset management.

Value adjustments increased to DKK 407m from DKK 90m in the first nine months of 2019. The turbulent financial markets after the outbreak of COVID-19 were in the second and third quarters of 2020 more than compensated for by a favourable

development with lower credit spreads and rising equity prices as well as high activity levels.

Other income fell to DKK 92m from DKK 113m, primarily due to gains from the sale of property in the first nine months of 2019. Income from operating lease (net) fell to DKK 76m from DKK 86m due to a higher management's estimate for impairment charges after the outbreak of COVID-19 as well as lower expected residual values of certain car models.

### Core expenses

In the first nine months of 2020, core expenses fell by 4% to DKK 3,669m compared with the same period in 2019 despite extraordinary expenses of DKK 75m relating to the sale of Jyske Bank (Gibraltar), as well as the increased payroll tax and a higher contribution to the Resolution Fund under Finansiel Stabilitet (the Danish resolution authority). The decline can be attributed to an 8% reduction of the number of full-time employees to 3,363 as well as an intensified cost focus resulting in broad-based savings in addition to lower travel expenses, etc. after the outbreak of COVID-19.

### Core expenses (DKKm)

	Q1-Q3 2020	Q1-Q3 2019
Staff costs	2,224	2,277
IT costs	996	1,012
Rent, etc.	43	51
Amortisation, depreciation and impairment	86	117
Other operating expenses	245	359
Sale of Jyske Bank (Gibraltar)	75	0
<b>Total</b>	<b>3,669</b>	<b>3,816</b>

## Impairment charges

Loan impairment charges amounted to an expense of DKK 963m against an income of DKK 37m in the first nine months of 2019. The increase can be attributed to a higher management's estimate due to expected adverse effects from the COVID-19 outbreak. At the end of the third quarter of 2020, impairment charges based on the management's estimates amounted to DKK 1,656m against DKK 456m at the same time a year ago.

## Investment portfolio earnings

For the first nine months of 2020, investment portfolio earnings amounted to DKK -213m against DKK -197m for the same period of 2019. The negative earnings can, in particular, be attributed to the market turmoil after the outbreak of COVID-19, resulting in a flatter yield curve as well as a negative effect on certain currency positions. The hedging of AT-1 capital instruments in SEK had a negative effect of DKK 29m in the first nine months of 2020 and was offset by an equivalent positive adjustment of shareholders' equity.

### Investment portfolio earnings (DKKm)

	Q1-Q3 2020	Q1-Q3 2019
Net interest income	65	79
Value adjustments	-254	-254
Other income	0	2
<b>Income</b>	<b>-189</b>	<b>-173</b>
Expenses	24	24
<b>Investment portfolio earnings</b>	<b>-213</b>	<b>-197</b>

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

## Q3 2020 compared to Q2 2020

Net profit fell to DKK 696m from DKK 862m in Q2.

Core income fell by 2% to DKK 2,003m, primarily due to lower value adjustments.

Net interest income fell to DKK 1,256m against DKK 1,287m in Q2, i.e. a decrease by 2%. The decrease can be attributed to a lower contribution to net interest income from trading activities. On the other hand, net interest income relating to loans and deposits rose by 2% after the limit for zero interest on personal clients' deposits was lowered to DKK 250,000 as of 1 May. This compensated for the effect from lower bank lending.

Net fee and commission income rose to DKK 453m from DKK 407m in Q2. The increase was caused by higher remortgaging activity and seasonally higher refinancing activity. These circumstances more than compensated for seasonally lower safe custody fees as well as lower brokerage. The income from money transfers and card payments as well as asset management remained adversely affected by the outbreak of COVID-19.

Income from operating lease (net) amounted to DKK 69m against DKK -1m in Q2. The profit for Q2 was adversely affected by lower expected residual values of certain car models as well as the depreciation of SEK/DKK, whereas Q3 was positively affected by reversal of impairment charges in the amount of DKK 42m.

Value adjustments fell to DKK 189m from DKK 331m. The decline was caused by a very favourable development in the financial markets in Q2 as well as lower value adjustments from sector shares.

Core expenses fell to DKK 1,159m from DKK 1,164m. Due to the lower number of full-time employees, employee expenses fell despite the annual salary adjustment of 2.0%.

Loan impairment charges amounted to an income of DKK 48m against an expense of DKK 8m in the preceding quarter. The development can be attributed to the continuing positive development of clients' credit quality. The management's estimate relating to impairment charges rose by DKK 87m to DKK 1,656m.

Investment portfolio earnings fell to DKK 14m from DKK 223m in Q2.

## Business volumes

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

	Q1-Q3 2020	Q1-Q3 2019	Index 20/19	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	FY 2019
Loans and advances	484.1	483.8	100	484.1	481.5	485.2	485.9	483.8	485.9
- of which mortgage loans	342.3	338.7	101	342.3	339.8	336.6	337.5	338.7	337.5
- of which traditional loans and advances	91.3	101.7	90	91.3	95.3	99.2	98.7	101.7	98.7
- of which new home loans	2.8	4.0	70	2.8	3.4	3.4	3.4	4.0	3.4
- of which repo loans	47.7	39.4	121	47.7	43.0	46.0	46.3	39.4	46.3
Bonds and shares, etc.	98.6	94.8	104	98.6	94.7	90.9	91.9	94.8	91.9
Total assets	647.6	662.5	98	647.6	642.1	674.1	649.7	662.5	649.7
Deposits	136.8	157.9	87	136.8	145.9	146.8	140.2	157.9	140.2
- of which bank deposits	125.6	138.2	91	125.6	132.0	131.2	126.9	138.2	126.9
- of which repo and triparty deposits	11.2	19.7	57	11.2	13.9	15.6	13.3	19.7	13.3
Issued bonds at fair value	345.7	359.5	96	345.7	339.6	347.3	357.0	359.5	357.0
Issued bonds at amortised cost	50.2	39.4	127	50.2	46.7	42.7	38.6	39.4	38.6
Subordinated debt	5.8	4.3	135	5.8	5.8	5.8	4.3	4.3	4.3
Holders of Additional Tier 1 Capital	3.2	3.2	100	3.2	3.2	3.2	3.3	3.2	3.3
Shareholders' equity	32.6	32.0	102	32.6	32.0	31.2	32.5	32.0	32.5

Jyske Bank's total loans and advances exclusive of repo loans amounted to DKK 436.4 bn at the end of the third quarter of 2020 against DKK 439.6 bn at the end of 2019. The reason for the decline was that the increase in mortgage loans was more than offset by the decline in bank loans and advances.

Mortgage loans at fair value rose to DKK 342.3 bn from DKK 337.5 bn at the end of 2019 and amounted, in combination with the new home loans, to 79% of total loans exclusive of repo loans at the end of the third quarter of 2020. Nominal mortgage loans rose by 1% due to higher loans for corporate clients.

Traditional bank loans and advances fell by 7% to DKK 91.3 bn compared with the level at the end of 2019. The decline took place in the second and third quarters, where loans for both personal and corporate clients fell due to the limited demand for credit following the outbreak of COVID-19 as well as the introduction of economic support packages from the Danish government.

At the end of the third quarter of 2020, bank deposits amounted to DKK 125.6 bn, reflecting a decline by 1% relative to the level at the end of 2019, as lower deposits on the part of personal clients were partially offset by higher deposits from corporate clients. At the end of the third quarter of 2020, bank deposits amounted to DKK 31 bn more than bank loans and advances, i.e. an increase by DKK 7 bn as compared to the level at the end of 2019.

At the end of the third quarter of 2020, the business volume within asset management

amounted to DKK 168 bn compared with DKK 171 bn at the end of 2019. On the whole, net sales to retail clients in the Danish business was positive for the first nine months of 2020, which period also saw continuing inflow of new funds from professional clients.

### Q3 2020 compared to Q2 2020

Jyske Bank's total loans exclusive of repo loans fell to DKK 436.4 bn from 438.5 bn due to lower bank loans and advances.

Nominal mortgage loans rose to DKK 332.3 bn from DKK 330.7 bn due to higher loans for corporate clients.

Traditional bank loans and advances fell by 4% due to lower loans, particularly to public authorities. In addition, the outbreak of COVID-19 and deferred tax and VAT payments reduced the clients' demand for credit.

Bank deposits fell by 5%, particularly due to lower deposits from corporate clients.

At the end of the third quarter of 2020, the business volume within portfolio management amounted to DKK 168 bn compared with DKK 165 bn in the preceding quarter. The increase can chiefly be attributed to development in the financial markets.

## Credit quality

### Non-performing loans and guarantees (DKKbn)

	Q1-Q3 2020	Q1-Q3 2019	Index 20/19	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	FY 2019
Loans, advances and guarantees	495.9	495.4	100	495.9	493.2	497.4	497.8	495.4	497.8
Non-performing loans and guarantees	8.9	10.2	87	8.9	9.2	9.8	10.3	10.2	10.3
Impairment charges and provisions	3.3	3.3	100	3.3	3.6	3.6	3.4	3.3	3.4
Non-performing loans and guarantees after impairment charges	5.6	6.9	81	5.6	5.6	6.2	6.9	6.9	6.9
NPL ratio	1.1%	1.4%	79	1.1%	1.1%	1.2%	1.4%	1.4%	1.4%
NPL coverage ratio	38.0%	34.4%	110	38.0%	39.8%	37.3%	34.6%	34.4%	33.4%
Non-accrual loans and past due exposures	0.9	1.3	69	0.9	1.1	1.1	1.2	1.3	1.2
Operational loan impairment charges and provisions for guarantees	1.0	0.0	-	0.0	0.0	1.0	-0.1	0.0	-0.1
Operating losses	0.6	0.6	100	0.3	0.1	0.2	0.1	0.1	0.7

At the end of the third quarter of 2020, non-performing loans amounted to 1.1% of loans, advances and guarantees against 1.4% at the end of 2019. Loans and advances subject to forbearance amounted to 1.7% against 2.0% at the end of 2019.

At the end of the third quarter of 2020, Jyske Bank's balance of loan impairment charges amounted to DKK 5.6 bn, corresponding to 1.1% of loans, advances and guarantees against DKK 5.1 bn and 1.0%, respectively, at the end of 2019.

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

	Loans, advances and guarantees		Impairment ratio	
	Q3 2020	Q4 2019	Q3 2020	Q4 2019
<b>Public authorities</b>	<b>7.5</b>	<b>8.7</b>	<b>0.0</b>	<b>0.0</b>
Agriculture, hunting, forestry and fishing	7.1	7.3	8.8	9.5
Manufacturing industry and mining	9.4	8.6	3.7	2.4
Energy supply	6.1	4.9	0.7	0.8
Construction	8.3	7.7	1.7	1.6
Commerce	12.2	13.4	1.8	1.4
Transport, hotels and restaurants	6.2	6.9	2.2	1.4
Information and communication	0.9	0.8	18.9	25.4
Finance and insurance	46.5	46.8	1.3	1.4
Real property	156.2	152.4	0.8	0.5
Other sectors	18.6	17.7	1.2	1.1
<b>Corporate clients</b>	<b>271.5</b>	<b>266.5</b>	<b>1.3</b>	<b>1.3</b>
<b>Personal clients</b>	<b>216.9</b>	<b>222.6</b>	<b>0.9</b>	<b>0.8</b>
<b>Total</b>	<b>495.9</b>	<b>497.8</b>	<b>1.1</b>	<b>1.0</b>

At the end of third quarter of 2020, impairment charges based on management's estimates amounted to DKK 1,656m, of which DKK 135m related to agricultural clients against DKK 589m and DKK 180m, respectively, at the end of 2019. The increase can be attributed to a higher

management's estimate due to expected economic effects from the outbreak of COVID-19, resulting in an expected impairments of DKK 1,045m.

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

	Loans, advances and guarantees		Balance of impairment charges		Impairment ratio	
	Q3 2020	Q4 2019	Q3 2020	Q4 2019	Q3 2020	Q4 2019
Stage 1	467.7	468.4	0.8	0.7	0.2	0.1
Stage 2	22.9	23.5	1.5	1.1	6.1	4.7
Stage 3	5.3	5.9	3.3	3.3	38.5	35.5
<b>Total</b>	<b>495.9</b>	<b>497.8</b>	<b>5.6</b>	<b>5.1</b>	<b>1.1</b>	<b>1.0</b>

## Agriculture

At the end of the third quarter of 2020, the impairment ratios for dairy farmers and pig farming were 29% and 8%, respectively, of loans, advances and guarantees against 34% and 11%, respectively, at the end of 2019. Settlement prices for milk were stable during the first nine months of 2020, while settlement prices for slaughter pigs fell in the second quarter of 2020 and were stable in the third quarter of 2020.

### Agriculture exclusive of fishing (DKKbn/%)

	Loans, advances and guarantees		Balance of impairment charges		Impairment ratio	
	Q3 2020	Q4 2019	Q3 2020	Q4 2019	Q3 2020	Q4 2019
Milk	571	613	236	312	29.2	33.7
Pigs	1,544	1,380	140	178	8.3	11.5
Plants	2,293	2,039	99	98	4.1	4.6
Fur farming	78	115	17	42	17.9	26.8
Other	1,221	1,243	57	124	4.5	9.1
<b>Total</b>	<b>5,707</b>	<b>5,390</b>	<b>549</b>	<b>754</b>	<b>8.8</b>	<b>12.3</b>

## Capital and Liquidity Management

### Capital management

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

At the end of the third quarter of 2020, Jyske Bank had a capital ratio of 22.3% and a common equity tier 1 capital ratio of 17.5%. At the end of 2019, the capital ratios were 21.5% and 17.4%, respectively.

Capital ratios (%)		
	Q3 2020	Q4 2019
Capital ratio	22.3	21.5
Core capital ratio incl. hybrid capital	19.4	19.4
Common equity tier 1 capital ratio	17.5	17.4

The total risk weighted exposure amounted to DKK 183.2 bn at the end of the third quarter of 2020 against DKK 181.4 bn at the end of 2019. The increase was caused by higher credit risk and higher market risk.

Weighted risk exposure (DKKm)		
	Q3 2020	Q4 2019
Credit risk, etc.	155,967	153,912
Market risk	12,590	11,606
Operational risk	14,680	15,930
<b>Total</b>	<b>183,237</b>	<b>181,448</b>

In connection with the presentation of its 2019 Annual Report, Jyske Bank announced that it raised and extended the current share buy-back programme by DKK 500m to DKK 1,500m. In consequence of "the Joint statement of the Danish government and Finance Denmark in the light of the coronavirus outbreak" of 23 March 2020 and in the light of the increased macroeconomic uncertainty, Jyske Bank's Supervisory Board decided to cancel the remaining part of the current share buy-back programme. Buybacks in the amount of DKK 412m were outstanding under the share buy-back programme, under which a total of 4,992,980 shares had been bought back before the cancellation. The extraordinary general meeting on 28 July 2020 adopted a similar reduction of the share capital, and this was completed on 15 September 2020. The share capital then amounted to 72,560,778 shares, each of a nominal value of DKK 10.

The Supervisory Board of Jyske Bank anticipates that it will begin capital distribution to the bank's shareholders in 2021, unless the economic outlook deteriorates drastically.

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

### Capital requirement

At the end of the third quarter of 2020, Jyske Bank's individual solvency requirement was 11.3% of the weighted risk exposure against 11.2% at the end of 2019. To this must be added a SIFI requirement of 1.5% and a capital conservation buffer of 2.5%. Both the SIFI requirements and the capital conservation buffer have been fully phased in. In the spring, the countercyclical buffer was released, which lowered the capital requirement by 1% of the weighted risk exposure. The countercyclical capital buffer is expected to be phased in, at the earliest, as of the beginning of 2022.

Capital requirement (%)				
	Capital ratio		CET1 ratio	
	Q3 2020	Q4 2019	Q3 2020	Q4 2019
Pillar I	8.0	8.0	4.5	4.5
Pillar II	3.3	3.2	1.9	1.8
SIFI	1.5	1.5	1.5	1.5
Capital conservation buffer	2.5	2.5	2.5	2.5
Countercyclical buffer	0.0	1.0	0.0	1.0
<b>Capital requirement</b>	<b>15.3</b>	<b>16.2</b>	<b>10.4</b>	<b>11.3</b>

This forms the basis of the total capital requirement of 15.3% against 16.2% at the end of 2019. Hence, compared with the capital ratio, the capital buffer comes to 7.0% of the weighted risk exposure, corresponding to DKK 12.8 bn against 5.3% and DKK 9.7 bn, respectively, at the end of 2019.

Capital buffer (%)		
	Q3 2020	Q4 2019
Capital ratio	22.3	21.5
Capital requirement	15.3	16.2
<b>Capital buffer</b>	<b>7.0</b>	<b>5.3</b>

### Liquidity management

Jyske Bank's biggest source of funding was covered bonds and mortgage bonds, which

amounted to DKK 346 bn, corresponding to 53% of the balance sheet at the end of the third quarter of 2020. The second-largest source of funding in the amount of DKK 126 bn was client deposits, of which a high proportion consists of deposits from small and medium-sized enterprises as well as personal clients.

At the end of the third quarter of 2020, Jyske Bank's liquidity coverage ratio (LCR) was 273%, against 253% at the end of 2019. The Group's internal guideline points to a LCR of at least 150%. The LCR buffer after haircuts at the end of the third quarter of 2020 is shown below.

#### Liquidity coverage buffer (LCR)

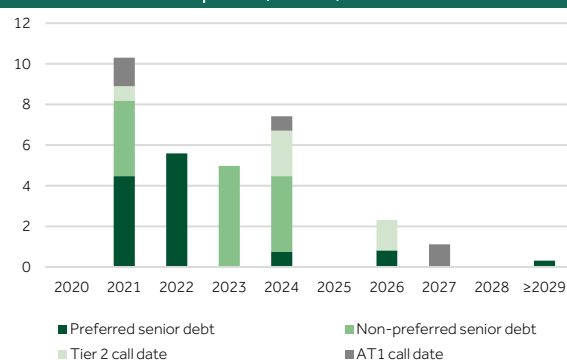
	DKK bn	%
Level 1a assets	45.3	41
Level 1b assets	60.8	56
Level 2a + 2b assets	2.8	3
<b>Total</b>	<b>108.9</b>	<b>100</b>

#### Refinancing profile

At the end of the third quarter of 2020, outstanding preferred senior debt and supplementary tier 2 capital amounted to DKK 20 bn and DKK 4.7 bn, respectively, against DKK 25.5 bn and DKK 3.3 bn at the end of 2019.

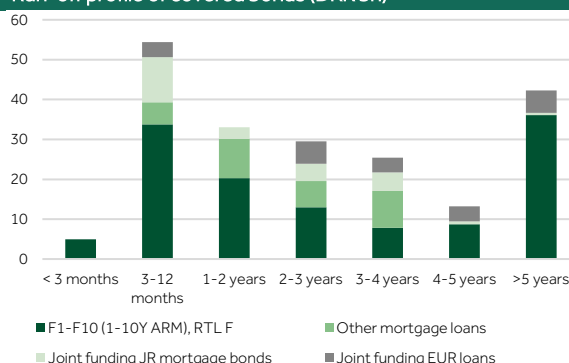
The run-off profile for the Group's preferred senior debt, etc. determined at the end of the third quarter of 2020 is illustrated by the below chart.

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



At the end of the third quarter of 2020, covered bonds involving refinancing risk amounted to DKK 202.8 bn, and the run-off profile of the underlying mortgage loans is shown the chart below.

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



#### Issuer activity and funding plans

In the first nine months of 2020, Jyske Bank issued supplementary tier 2 capital in the amount of EUR 200m and non-preferred senior debt in the amount of EUR 500m.

#### Issuance activity

	Maturity	Credit spread
EUR 200m tier 2 (value date 28.01.2020)	28.01.2031 (call 2026)	3M CIBOR + 130bp
EUR 500m non-preferred senior debt (value date 15.10.2020)	15.10.2025 (call 2024)	3M CIBOR + 68bp

In addition, Jyske Bank is on an ongoing basis active in the French CP market. At the end of the third quarter of 2020, the outstanding volume under the CP programme amounted to DKK 32.4 bn against DKK 15.6 bn at the end of 2019.

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

It is expected that both non-preferred senior debt and preferred senior debt will be issued in the course of 2021. Once the transitional arrangements for MREL have been phased out at the beginning of 2022, Jyske Bank anticipates a requirement for MREL-eligible debt instruments in an amount of about DKK 16 bn, of which DKK 4 bn - 5 bn in preferred senior debt and DKK 11 bn - 12 bn in the form of non-preferred senior debt.

## Credit rating

Jyske Bank is being rated by Standard & Poor's (S&P). Jyske Realkredit has the same credit rating as Jyske Bank.

S&P credit rating		
Jyske Bank issuer rating	Rating	Outlook
Stand Alone Credit Profile (SACP)	A-	Stable
Short-term unsecured senior debt (preferred senior)	A-1	Stable
Long-term unsecured senior debt (preferred senior)	A	Stable
Long-term non-preferred senior debt (non-preferred senior)	BBB+	Stable
Tier 2	BBB	Stable
Additional Tier 1 (AT1)	BB+	Stable
<b>Jyske Realkredit Bond issues</b>		
Capital Centre E covered bonds	AAA	
Capital Centre B mortgage bonds	AAA	

## Supervisory diamond

The supervisory diamond defines a number of special risk areas including specified limits that financial institutions should generally not exceed.

The supervisory diamond for Jyske Bank A/S		
	Q3 2020	Q4 2019
Sum of large exposures <175% of common equity tier 1 capital	82%	84%
Increase in loans and advances <20% annually	-10%	-7%
Exposures to property administration and property transactions <25% of total loans and advances	10%	10%
Funding ratio <1	0.48	0.52
Liquidity benchmark >100%	193%	188%

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

## The supervisory diamond for Jyske Realkredit A/S

	Q3 2020	Q4 2019
<b>Concentration risk &lt;100%</b>	48.1%	47.9%
<b>Increase in loans &lt;15% annually in the segment:</b>		
Owner-occupied homes and vacation homes	-0.8%	2.4%
Residential rental property	6.5%	0.2%
Other sectors	6.7%	6.1%
<b>Borrower's interest-rate risk &lt;25%</b>		
Residential property	17.0%	17.8%
<b>Interest-only schemes &lt;10%</b>		
Owner-occupied homes and vacation homes	6.0%	6.4%
<b>Loans with frequent interest-rate fixing:</b>		
Refinancing (annually) <25%	16.5%	15.0%
Refinancing (quarterly) <12.5%	5.4%	1.7%

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

## Other Information

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

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

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

Moreover, in the second quarter of 2020, Jyske Bank sold the owner-occupied property in Gibraltar at the carrying amount to Rooke Investments Ltd.

### **Further information**

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

Also, please see [www.jyskerealkredit.com](https://www.jyskerealkredit.com). Jyske Realkredit's interim financial report for the first nine months of 2020, the Annual Report for 2019 and detailed financial information about Jyske Realkredit are available on that website.

## Business Segments

The business segments reflect all activities in banking, mortgage financing and leasing.

### Banking Activities

#### Summary of income statement (DKKm)

	Q1-Q3 2020	Q1-Q3 2019	Index 20/19	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	FY 2019
Net interest income	1,656	1,751	95	558	579	519	550	568	2,301
Net fee and commission income	1,968	2,166	91	643	547	778	802	816	2,968
Value adjustments	275	73	377	146	198	-69	256	-63	329
Other income	68	86	79	21	21	26	34	-12	120
<b>Core income</b>	<b>3,967</b>	<b>4,076</b>	<b>97</b>	<b>1,368</b>	<b>1,345</b>	<b>1,254</b>	<b>1,642</b>	<b>1,309</b>	<b>5,718</b>
Core expenses	3,283	3,441	95	1,032	1,034	1,217	1,089	1,150	4,530
<b>Core profit before loan impairment charges</b>	<b>684</b>	<b>635</b>	<b>108</b>	<b>336</b>	<b>311</b>	<b>37</b>	<b>553</b>	<b>159</b>	<b>1,188</b>
Loan impairment charges	311	-39	-	-19	-125	455	-99	-33	-138
<b>Core profit</b>	<b>373</b>	<b>674</b>	<b>55</b>	<b>355</b>	<b>436</b>	<b>-418</b>	<b>652</b>	<b>192</b>	<b>1,326</b>
Investment portfolio earnings	-213	-197	-	14	223	-450	144	-136	-53
<b>Pre-tax profit</b>	<b>160</b>	<b>477</b>	<b>34</b>	<b>369</b>	<b>659</b>	<b>-868</b>	<b>796</b>	<b>56</b>	<b>1,273</b>

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

Loans and advances	122.3	125.7	97	122.3	122.6	129.0	128.7	125.7	128.7
- of which traditional loans and advances	71.8	82.3	87	71.8	76.2	79.6	79.0	82.3	79.0
- of which new home loans	2.8	4.0	70	2.8	3.4	3.4	3.4	4.0	3.4
- of which repo loans	47.7	39.4	121	47.7	43.0	46.0	46.3	39.4	46.3
Total assets	250.7	248.8	101	250.7	253.5	274.9	242.6	248.8	242.6
Deposits	136.5	157.6	87	136.5	145.7	146.6	140.0	157.6	140.0
- of which bank deposits	125.3	137.9	91	125.3	131.8	131.0	126.7	137.9	126.7
- of which repo and triparty deposits	11.2	19.7	57	11.2	13.9	15.6	13.3	19.7	13.3
Issued bonds	44.2	39.4	112	44.2	42.2	36.8	38.6	39.4	38.6

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

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

#### Pre-tax profit

For the first nine months of 2020, pre-tax profit amounted to DKK 160m against DKK 477m in the corresponding period of 2019. The lower profit can primarily be attributed to a higher management's estimate for impairment charges following the outbreak of COVID-19 as well as lower remortgaging activity and lower bank lending.

#### Core income

Core income fell by 3% relative to the first nine months of 2019. The decline can primarily be attributed to lower remortgaging activity and lower bank lending.

Net interest income fell by 5% to DKK 1,656m in the first nine months of 2020. Net interest income on bank lending and deposits rose, however, by 2%, as the effect from the lower deposit rates more than compensated for the lower level of bank lending and the effect from the sale of Jyske Bank (Gibraltar). Hence the decline was caused by lower other net interest income, including a lower contribution from trading activities and higher finance costs.

Net fee and commission income fell by 9% to DKK 1,968m in the first nine months of 2020. The decline was caused by lower distribution fees due to reduced remortgaging activity as well as the outbreak of COVID-19, which reduced clients' travelling and increased risk aversion. Hence the outbreak reduced the income from money transfers and card payments as well as assets management.

Value adjustments increased to DKK 275m from DKK 73m in the first nine months of 2019. The

turbulent financial markets after the outbreak of COVID-19 were in the second and third quarters of 2020 more than compensated for by a favourable development with lower credit spreads and rising equity prices as well as high activity levels.

### Core expenses

Compared with the same period of 2019, core expenses fell by 5% in the first nine months of 2020 despite extraordinary expenses of DKK 75m relating to the sale of Jyske Bank (Gibraltar) as well as the increased payroll tax and contribution to the Resolution Fund under Finansiel Stabilitet (the Danish resolution authority). The decline can be attributed to a reduction of the number of full-time employees as well as an intensified cost focus resulting in broad-based savings as well as lower travel expenses, etc. after the outbreak of COVID-19.

### Impairment charges

Loan impairment charges amounted to an expense of DKK 311m against an income of DKK 39m in the first nine months of 2019. Of the impairment charges in the first nine months of 2020, DKK 575m can be attributed to a higher management's estimate relating to the outbreak of COVID-19. The estimate was partially offset by the continuing positive development, among other things in the situation of agricultural clients.

### Investment portfolio earnings

For the first nine months of 2020, investment portfolio earnings amounted to DKK -213m against DKK -197m for the same period of 2019. The negative earnings can, in particular, be attributed to the market turmoil after the outbreak of COVID-19, resulting in a flatter yield curve as well as a negative effect from certain currency positions.

### Business volumes

Traditional bank loans and advances fell by 9% to DKK 71.8 bn compared with the level at the end of 2019. The decline took place in the second and third quarters, where loans for both personal and corporate clients fell due to a limited demand for credit following the outbreak of COVID-19 as well as the introduction of economic support packages from the Danish government.

At the end of the third quarter of 2020, bank deposits amounted to DKK 125.3 bn, corresponding to a decline by 1% relative to the level at the end of 2019, as lower deposits on the part of personal clients were partially offset by higher deposits from corporate clients.

### Q3 2020 compared to Q2 2020

Pre-tax profit fell to DKK 369m in Q3 from DKK 659m in Q2.

Core income rose by 2% to DKK 1,368m, primarily caused by higher net fee and commission income.

Net interest income fell to DKK 558m against DKK 579m in Q2, i.e. a decrease by 4%. The decrease can be attributed to a lower contribution to net interest income from trading activities. On the other hand, net interest income relating to loans and deposits rose by 3% after the limit for zero interest on personal clients' deposits was lowered to DKK 250,000 as of 1 May.

Net fee and commission income rose to DKK 643m from DKK 547m in Q2. The increase can be attributed to higher distribution fees in consequence of the increased remortgaging activity and seasonally higher refinancing activity. These circumstances more than compensated for seasonally lower safe custody fees as well as lower brokerage. The income from money transfers and card payments as well as asset management remained adversely affected by the outbreak of COVID-19.

Value adjustments fell to DKK 146m from DKK 198m. The decline was caused by a most favourable development in the financial markets in Q2.

Core expenses fell to DKK 1,032m from DKK 1,034m. Due to a lower number of full-time employees, employee expenses fell despite the annual salary adjustment of 2.0%.

Loan impairment charges amounted to an income of DKK 19m against an income of DKK 125m in the preceding quarter. The development can be attributed to a continuing positive development of the clients' credit quality.

Investment portfolio earnings fell to DKK 14m from DKK 223m in Q2.

## Mortgage Activities

### Summary of income statement (DKKm)

	Q1-Q3 2020	Q1-Q3 2019	Index 20/19	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	FY 2019
Administration margin income, etc. <sup>1</sup>	1,748	1,744	100	581	580	587	590	586	2,334
Other net interest income	23	43	53	2	15	6	15	10	58
Net fee and commission income	-423	-497	-	-176	-128	-119	-144	-200	-641
Value adjustments	125	26	481	48	74	3	-21	-23	5
Other income	10	18	56	10	0	0	4	17	22
<b>Core income</b>	<b>1,483</b>	<b>1,334</b>	<b>111</b>	<b>465</b>	<b>541</b>	<b>477</b>	<b>444</b>	<b>390</b>	<b>1,778</b>
Core expenses	258	233	111	86	85	87	77	76	310
<b>Core profit before loan impairment charges</b>	<b>1,225</b>	<b>1,101</b>	<b>111</b>	<b>379</b>	<b>456</b>	<b>390</b>	<b>367</b>	<b>314</b>	<b>1,468</b>
Loan impairment charges	549	-6	-	-57	121	485	41	-23	35
<b>Pre-tax profit</b>	<b>676</b>	<b>1,107</b>	<b>61</b>	<b>436</b>	<b>335</b>	<b>-95</b>	<b>326</b>	<b>337</b>	<b>1,433</b>

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

### Summary of balance sheet (DKKbn)

Mortgage loans	342.3	338.7	101	342.3	339.8	336.6	337.5	338.7	337.5
Total assets	374.9	391.6	96	374.9	367.0	376.7	384.9	391.6	384.9
Issued bonds	351.7	359.5	98	351.7	344.1	353.2	357.0	359.5	357.0

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

### Pre-tax profit

Pre-tax profit amounted to DKK 676m in the first nine months of 2020 against DKK 1,107m in the corresponding period in 2019. The profit for the first nine months of 2020 was affected by an increased management's estimate relating to impairment charges in the amount of DKK 415m in consequence of the outbreak of COVID-19.

### Core income

Core income amounted to DKK 1,483m in the first nine months of 2020 against DKK 1,334m in the first nine months of 2019. The increase can primarily be attributed to higher net fee and commission income as well as value adjustments.

At DKK 1,748m for the first nine months of 2020, administration margin income was roughly unchanged. Hence, margin pressure counteracted a 1% increase over the same period in mortgage loans stated at nominal value. Remortgaging activity was high as from the second quarter of 2019 to the first quarter of 2020, where especially personal clients remortgaged to products for which the administration margin rate and the risk is lower.

Other net interest income fell to DKK 23m from DKK 43m in the first nine months of 2019. The decline can be attributed to a lower interest yield on

the portfolio of securities and lower interest income from claims previously written off.

For the first nine months of 2020, net fee and commission income amounted to DKK -423m against DKK -497m in the first nine months of 2019. The improvement can be attributed to lower distribution fee payments made due to lower remortgaging activity.

Following the positive development in the financial markets in the second and third quarters of 2020, value adjustments amounted to DKK 125m for the first nine months of 2020 compared to DKK 26m for the first nine months of 2019.

### Core expenses

Core expenses amounted to DKK 258m in the first nine months of 2020 against DKK 233m for the same period of 2019. The increase can be attributed to the higher allocation to Jyske Realkredit of the number of employees split between the companies.

### Impairment charges

Loan impairment charges amounted to an expense of DKK 549m in the first nine months of 2020 against an income of DKK 6m in the first nine months of 2019. Of the impairment charges in the first nine months of 2020, DKK 415m can be attributed to a higher management's estimate relating to the outbreak of COVID-19. The remaining part of the increase relates primarily to single name-driven individual impairment charges due to a reassessment of the underlying collateral provided.

## Business volume

Mortgage loans at fair value rose to DKK 342.3 bn from DKK 337.5 bn at the end of 2019 due to higher loans for corporate clients.

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

### Q3 2020 compared to Q2 2020

In Q3, pre-tax profit amounted to DKK 436m against DKK 335m in Q2. The increase can be attributed to reversal of impairment charges in the third quarter.

Administration margin income, etc. amounted to DKK 581m against DKK 580m in Q2.

The increasing lending for corporate clients were partially offset by remortgaging to products on which the administration margin rate and the risk are lower.

Other net interest income amounted to DKK 2m against DKK 15m in the preceding quarter. The decline can chiefly be attributed to a lower interest yield on the portfolio of securities.

Net fee and commission income amounted to DKK -176m against DKK -128m in the second quarter of 2020. The decrease can be attributed to higher distribution fees paid in consequence of the increased remortgaging and refinancing activity.

Value adjustments amounted to DKK 48m against DKK 74m in the second quarter of 2020. The reason for the decrease was that the spreads on Danish mortgage bonds narrowed less than in the preceding quarter.

Core expenses amounted to DKK 86m in the third quarter of 2020 against DKK 85m in the preceding quarter.

Impairment charges amounted to an income of DKK 57m in Q3 against an expense of DKK 121m in Q2. The lower level can primarily be attributed to a positive development of the clients' credit quality.

## Leasing Activities

### Summary of income statement (DKKm)

	Q1-Q3 2020	Q1-Q3 2019	Index 20/19	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	FY 2019
Net interest income	344	344	100	115	113	116	115	115	459
Net fee and commission income	-35	-11	-	-14	-12	-9	-5	-5	-16
Value adjustments	7	-9	-	-5	59	-47	17	-9	8
Other income	14	9	156	5	5	4	3	2	12
Income from operating lease (net)	76	86	88	69	-1	8	15	28	101
<b>Core income</b>	<b>406</b>	<b>419</b>	<b>97</b>	<b>170</b>	<b>164</b>	<b>72</b>	<b>145</b>	<b>131</b>	<b>564</b>
Core expenses	128	142	90	41	45	42	47	49	189
<b>Core profit before loan impairment charges</b>	<b>278</b>	<b>277</b>	<b>101</b>	<b>129</b>	<b>119</b>	<b>30</b>	<b>98</b>	<b>82</b>	<b>375</b>
Loan impairment charges	103	8	1,288	28	12	63	-6	26	2
<b>Pre-tax profit</b>	<b>175</b>	<b>269</b>	<b>65</b>	<b>101</b>	<b>107</b>	<b>-33</b>	<b>104</b>	<b>56</b>	<b>373</b>

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

Loans and advances	19.6	19.4	101	19.6	19.1	19.6	19.7	19.4	19.7
Total assets	22.1	22.1	100	22.1	21.7	22.5	22.1	22.1	22.1
Deposits	0.2	0.2	100	0.2	0.2	0.2	0.2	0.2	0.2

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

### Pre-tax profit

In the first nine months of 2020, pre-tax profit amounted to DKK 175m against DKK 269m in the first nine months of 2019. The decrease was primarily caused by higher impairment charges relating to the outbreak of COVID-19.

Net interest income was unchanged at DKK 344m in the first nine months of 2020, as the larger average business volumes countered the margin pressure.

Net fee and commission income amounted to DKK -35m in the first nine months of 2020 against DKK -11m in the same period in 2019.

Value adjustments increased to DKK 7m compared to DKK -9m in the first nine months of 2019. The increase was caused by a less negative impact from currencies.

Income from operating lease (net) fell to DKK 76m from DKK 86m in the first nine months of 2019, as expected residual values of cars under operating lease were written down due to the outbreak of COVID-19.

Core expenses fell by 10% relative to the first nine months of 2019.

Loan impairment charges rose to DKK 103m against DKK 8m in the first nine months of 2019. The increase can primarily be attributed to a management's estimate of DKK 55m for impairment charges after the outbreak of COVID-19.

### Business volume

In the first nine months of 2020, loans under leasing activities rose by 1% to DKK 19.6 bn relative to the same period in 2019.

### Q3 2020 compared to Q2 2020

In Q3, pre-tax profit amounted to DKK 101m against DKK 107m in the preceding quarter. The decline can primarily be attributed to lower value adjustments and higher impairment charges.

Core income rose to DKK 170m from DKK 164m. The reason for the development is that income from operating lease (net) amounted to DKK 69m against DKK -1m in Q2. The profit for Q2 was adversely affected by lower expected residual values of certain car models as well as the depreciation of SEK/DKK, whereas the third quarter was positively affected by reversed impairment charges in the amount of DKK 42m.

Core expenses fell by DKK 4m to DKK 41m.

Impairment charges amounted to an expense of DKK 28m against DKK 12m in the preceding quarter.

	DKKm	Q1-Q3 2020	Q1-Q3 2019	Q3 2020	Q3 2019
<b>Income statement</b>					
5	Interest income calculated according to the effective interest method	2,421	2,475	791	817
5	Other interest income	4,412	5,370	1,415	1,799
6	Interest expenses	3,002	3,837	935	1,274
	<b>Net interest income</b>	<b>3,831</b>	<b>4,008</b>	<b>1,271</b>	<b>1,342</b>
7	Fees and commission income	1,825	1,979	562	714
	Fees and commission expenses	315	321	109	103
	<b>Net interest and fee income</b>	<b>5,341</b>	<b>5,666</b>	<b>1,724</b>	<b>1,953</b>
8	Value adjustments	158	-211	196	-286
9	Other income	567	511	213	138
10	Employee and administrative expenses, etc.	3,615	3,739	1,141	1,247
	Amortisation, depreciation and impairment charges	477	411	134	139
12	Loan impairment charges	963	-37	-48	-30
	<b>Pre-tax profit</b>	<b>1,011</b>	<b>1,853</b>	<b>906</b>	<b>449</b>
11	Tax	233	379	210	84
	<b>Net profit for the period</b>	<b>778</b>	<b>1,474</b>	<b>696</b>	<b>365</b>
	Distributed to:				
	Jyske Bank A/S shareholders	652	1,360	653	323
	Holders of Additional Tier 1 Capital (AT1)	126	114	43	42
	<b>Total</b>	<b>778</b>	<b>1,474</b>	<b>696</b>	<b>365</b>
<b>Earnings per share for the period</b>					
	Earnings per share for the period, DKK	8.93	17.04	9.01	4.17
	Earnings per share for the period, DKK, diluted	8.93	17.04	9.01	4.17
<b>Statement of Comprehensive Income</b>					
	Net profit for the period	778	1,474	696	365
	Other comprehensive income:				
	<i>Items that can be recycled to the income statement:</i>				
	Foreign currency translation adjustment of international units	-20	12	0	9
	Hedge accounting of international units	20	-12	0	-9
	Tax on hedge accounting	-6	2	0	1
	<b>Other comprehensive income after tax</b>	<b>-6</b>	<b>2</b>	<b>0</b>	<b>1</b>
	<b>Comprehensive income for the period</b>	<b>772</b>	<b>1,476</b>	<b>696</b>	<b>366</b>
	Distributed to:				
	Jyske Bank A/S shareholders	646	1,362	653	324
	Holders of Additional Tier 1 Capital (AT1)	126	114	43	42
	<b>Total</b>	<b>772</b>	<b>1,476</b>	<b>696</b>	<b>366</b>

		30 Sept. 2020	31 Dec. 2019	30 Sept. 2019
	DKKm			
	<b>BALANCE</b>			
	<b>ASSETS</b>			
	Cash balance and demand deposits with central banks	12,409	9,889	9,177
	Due from credit institutions and central banks	12,148	23,392	29,988
15,16	Loans and advances at fair value	344,246	339,906	341,513
17	Loans and advances at amortised cost	139,903	145,994	142,284
	Bonds at fair value	72,422	78,333	81,225
	Bonds at amortised cost	23,776	11,136	10,611
	Shares, etc.	2,405	2,422	3,007
	Intangible assets	0	1	2
	Property, plant and equipment	4,447	4,530	4,381
	Tax assets	102	168	688
	Assets held temporarily with a view to sale	185	2,476	296
18	Other assets	35,593	31,491	39,325
	<b>Total assets</b>	<b>647,636</b>	<b>649,738</b>	<b>662,497</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Liabilities</b>			
	Due to credit institutions and central banks	24,913	29,278	16,383
19	Deposits	136,762	140,235	157,887
20	Issued bonds at fair value	345,727	357,037	359,492
	Issued bonds at amortised cost	50,220	38,556	39,421
	Liabilities in disposal group with a view to sale	5	4,037	0
21	Other liabilities	46,877	39,189	48,054
22	Provisions	1,503	1,369	1,703
23	Subordinated debt	5,795	4,327	4,340
	<b>Liabilities, total</b>	<b>611,802</b>	<b>614,028</b>	<b>627,280</b>
	<b>Equity</b>			
	Share capital	726	776	816
	Revaluation reserve	205	205	244
	Retained profit	31,688	31,472	30,954
	Jyske Bank A/S shareholders	32,619	32,453	32,014
	Holders of Additional Tier 1 Capital (AT1)	3,215	3,257	3,203
	<b>Total equity</b>	<b>35,834</b>	<b>35,710</b>	<b>35,217</b>
	<b>Total equity and liabilities</b>	<b>647,636</b>	<b>649,738</b>	<b>662,497</b>

DKK m

**Statement of Changes in Equity**

	Share capital	Revaluation reserve	Currency translation reserve	Retained profit	Proposed dividend	Shareholders of Jyske Bank A/S	AT1 capital*	Total equity
Equity at 1 January 2020	776	205	0	31,472	0	32,453	3,257	35,710
Net profit for the period	0	0	0	652	0	652	126	778
<i>Other comprehensive income:</i>								
Properties other movements	0	0	0	0	0	0	0	0
Foreign currency translation for international units	0	0	-20	0	0	-20	0	-20
Hedge of international units	0	0	20	0	0	20	0	20
Tax on other comprehensive income	0	0	0	-6	0	-6	0	-6
Other comprehensive income after tax	0	0	0	-6	0	-6	0	-6
Comprehensive income for the period	0	0	0	646	0	646	126	772
Interest paid on Additional Tier 1 Capital	0	0	0	0	0	0	-139	-139
Currency translation adjustment	0	0	0	29	0	29	-29	0
Reduction of share capital	-50	0	0	50	0	0	0	0
Acquisition of own shares	0	0	0	-1,590	0	-1,590	0	-1,590
Sale of own shares	0	0	0	1,081	0	1,081	0	1,081
Transactions with owners	-50	0	0	-430	0	-480	-168	-648
<b>Equity at 30 September 2020</b>	<b>726</b>	<b>205</b>	<b>0</b>	<b>31,688</b>	<b>0</b>	<b>32,619</b>	<b>3,215</b>	<b>35,834</b>
Equity at 1 January 2019	849	316	0	30,101	520	31,786	2,546	34,332
Net profit for the period	0	0	0	1,360	0	1,360	114	1,474
<i>Other comprehensive income:</i>								
Properties other movements	0	-72	0	72	0	0	0	0
Foreign currency translation for international units	0	0	12	0	0	12	0	12
Hedge of international units	0	0	-12	0	0	-12	0	-12
Tax on other comprehensive income	0	0	0	2	0	2	0	2
Other comprehensive income after tax	0	-72	0	74	0	2	0	2
Comprehensive income for the period	0	-72	0	1,434	0	1,362	114	1,476
Hybrid core capital issue	0	0	0	0	0	0	716	716
Transaction costs	0	0	0	-7	0	-7	0	-7
Interest paid on Additional Tier 1 Capital	0	0	0	0	0	0	-119	-119
Currency translation adjustment	0	0	0	54	0	54	-54	0
Proposed dividend reversed	0	0	0	520	-520	0	0	0
Reduction of share capital	-33	0	0	33	0	0	0	0
Acquisition of own shares	0	0	0	-1,981	0	-1,981	0	-1,981
Sale of own shares	0	0	0	800	0	800	0	800
Transactions with owners	-33	0	0	-581	-520	-1,134	543	-591
<b>Equity at 30 September 2019</b>	<b>816</b>	<b>244</b>	<b>0</b>	<b>30,954</b>	<b>0</b>	<b>32,014</b>	<b>3,203</b>	<b>35,217</b>

\*Additional Tier 1 Capital (AT1) has no maturity. Payment of interest and repayment of principal are voluntary. Therefore AT1 capital is recognised as equity. In September 2016, Jyske Bank issued AT1 amounting to SEK 1.25bn and DKK 500m. The AT1 issue with the possibility of early redemption in September 2021 at the earliest. The interest rates applicable to the issue until September 2021 are STIBOR+5.80% and CIBOR+5.30%, respectively. In September 2017, Jyske Bank issued AT1 amounting to EUR 150bn with the possibility of early redemption in September 2027 at the earliest. The issue has a coupon of 4.75% until September 2027. In April 2019, Jyske Bank issued AT1 in the amount of SEK 1 bn, with the possibility of early redemption in April 2024 at the earliest. The interest rate applicable to the issue until April 2024 is STIBOR+5%. It applies to all AT1 issues, that if the common equity tier 1 capital ratio of Jyske Bank A/S or the Jyske Bank Group falls below 7%, the loans will be written down.

Note	Jyske Bank Group		
	30 Sept. 2020	31 Dec. 2019	30 Sept. 2019
DKKmn			
<b>Capital Statement</b>			
Shareholders' equity	<b>32,619</b>	32,453	32,014
Share buy-back programme, non-utilised limit	<b>0</b>	-404	-286
Expected dividend, calculated as required by law	<b>-137</b>	0	-339
Intangible assets	<b>0</b>	-1	-2
Prudent valuation	<b>-352</b>	-366	-369
Other deductions	<b>-58</b>	-27	-59
<b>Common Equity Tier 1 capital</b>	<b>32,072</b>	31,655	30,959
Additional Tier 1 Capital (AT1) after reduction	<b>3,461</b>	3,619	3,579
<b>Core capital</b>	<b>35,533</b>	35,274	34,538
Subordinated loan capital after reduction	<b>5,315</b>	3,763	3,757
<b>Capital base</b>	<b>40,848</b>	39,037	38,295
Weighted risk exposure involving credit risk etc.	<b>155,967</b>	153,912	161,598
Weighted risk exposure involving market risk	<b>12,590</b>	11,606	12,141
Weighted risk exposure involving operational risk	<b>14,680</b>	15,930	15,930
<b>Total weighted risk exposure</b>	<b>183,237</b>	181,448	189,669
Capital requirement, Pillar I	<b>14,659</b>	14,516	15,174
Capital ratio (%)	<b>22.3</b>	21.5	20.2
Tier 1 Capital ratio (%)	<b>19.4</b>	19.4	18.2
Common Equity Tier 1 capital ratio (%)	<b>17.5</b>	17.4	16.3

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

Note	Jyske Bank Group	
	Q1-Q3 2020	Q1-Q3 2019
DKKmn		
<b>Summary of cash flow statement</b>		
<b>Net profit for the period</b>	<b>778</b>	<b>1,474</b>
Adjustment for non-cash operating items and change in working capital	-9,862	19,368
<b>Cash flows from operating activities</b>	<b>-9,084</b>	<b>20,842</b>
Acquisition and sale of property, plant and equipment	-446	-247
Dividend received	44	0
<b>Cash flows from investment activities</b>	<b>-402</b>	<b>-247</b>
Hybrid core capital issue	0	709
Interest paid on Additional Tier 1 Capital	-139	-119
Acquisition of own shares	-1,590	-1,981
Sale of own shares	1,081	800
Additional subordinated debt	1,478	0
Redemption of subordinated debt	-11	-11
Repayment on lease commitment	-52	-52
<b>Cash flows from financing activities</b>	<b>767</b>	<b>-654</b>
<b>Cash flow for the period</b>	<b>-8,719</b>	<b>19,941</b>
Cash and cash equivalents, beginning of period	33,276	19,224
<b>Cash and cash equivalents, end of period</b>	<b>24,557</b>	<b>39,165</b>
Cash and cash equivalents, end of period, comprise:		
Cash balance and demand deposits with central banks	12,409	9,177
Due from credit institutions and central banks	12,148	29,988
<b>Cash and cash equivalents, end of period</b>	<b>24,557</b>	<b>39,165</b>

**1 Accounting policies**

The Interim Financial Report for the period 1 January to 30 September 2020 was prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU. Furthermore, the Interim Financial Report was prepared in accordance with the additional Danish disclosure requirements for the interim reports of listed financial undertakings.

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

**2 Material accounting estimates**

Measurement of the carrying value of certain assets and liabilities requires the management's estimate of the influence of future events on the value of such assets and liabilities. Estimates of material importance to the financial reporting are, among other things, based on the determination of loan impairment charges and provisions for guarantees, the fair value of unlisted financial instruments and provisions already made, cf. the detailed statement in the Annual Report 2019. The estimates are based on assumptions which management finds reasonable, but which are inherently uncertain. Besides, the Group is subject to risks and uncertainties which may cause results to differ from those estimates.

The COVID-19 outbreak in the first quarter of 2020 has a significant negative impact on economic growth. However, there is considerable uncertainty about the extent of the negative impact, which adds to the uncertainty when determining loan impairment charges and provisions for guarantees.

DKKm

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

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

Net interest income	1,271	1,312	1,248	1,303	1,342
Net fee and commission income	453	407	650	653	611
Value adjustments	196	537	-575	371	-286
Other income	213	167	187	180	138
<b>Income</b>	<b>2,133</b>	<b>2,423</b>	<b>1,510</b>	<b>2,507</b>	<b>1,805</b>
Expenses	1,275	1,314	1,503	1,345	1,386
<b>Profit or loss before loan impairment charges</b>	<b>858</b>	<b>1,109</b>	<b>7</b>	<b>1,162</b>	<b>419</b>
Loan impairment charges	-48	8	1,003	-64	-30
<b>Pre-tax profit</b>	<b>906</b>	<b>1,101</b>	<b>-996</b>	<b>1,226</b>	<b>449</b>
Tax	210	239	-216	260	84
<b>Net profit for the period</b>	<b>696</b>	<b>862</b>	<b>-780</b>	<b>966</b>	<b>365</b>

**Financial ratios and key figures**

Pre-tax profit, per share (DKK)*	11.9	14.6	-14.0	15.7	5.3
Earnings per share for the period (DKK)*	9.0	11.3	-11.1	12.2	4.2
Earnings per share for the period (diluted) (DKK)*	9.0	11.3	-11.1	12.2	4.2
Core profit per share (DKK)*	11.7	11.5	-7.9	13.8	7.0
Share price at end of period (DKK)	179	195	169	243	221
Book value per share (DKK)*	450	440	430	434	418
Price/book value per share (DKK)*	0.4	0.4	0.4	0.6	0.5
Outstanding shares in circulation ('000)	72,555	72,557	72,655	74,841	76,582
Average number of shares in circulation ('000)	72,552	72,564	73,991	75,637	77,515
Capital ratio (%)	22.3	22.2	21.5	21.5	20.2
Tier 1 Capital ratio (%)	19.4	19.2	18.6	19.4	18.2
Common Equity Tier 1 capital ratio (%)	17.5	17.3	16.7	17.4	16.3
Pre-tax profit as a pct. of average equity	2.7	3.3	-3.3	3.7	1.3
Profit for the period as a pct. of av. equity*	2.0	2.6	-2.6	3.0	1.0
Income/cost ratio (%), inclusive of impairment charges	1.7	1.0	0.6	2.0	1.3
Interest-rate risk (%)	0.7	0.8	1.4	0.5	0.2
Currency risk (%)	0.1	0.1	0.0	0.0	0.0
Accumulated impairment ratio (%)	1.1	1.2	1.2	1.0	1.0
Impairment ratio for the period (%)	0.0	0.0	0.2	0.0	0.0
No. of full-time employees at end-period	3,412	3,469	3,565	3,614	3,693
Average number of full-time employees in the period	3,441	3,517	3,590	3,654	3,703

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

DKKm

## 4 Segmental financial statements

	Banking activities	Mortgage activities	Leasing activities	The Jyske Bank Group*
<b>Q1-Q3 2020</b>				
Net interest income	1,656	1,771	344	3,771
Net fee and commission income	1,968	-423	-35	1,510
Value adjustments	275	125	7	407
Other income	68	10	14	92
Income from operating lease (net)	0	0	76	76
<b>Core income</b>	<b>3,967</b>	<b>1,483</b>	<b>406</b>	<b>5,856</b>
Core expenses	3,283	258	128	3,669
<b>Core profit before loan impairment charges</b>	<b>684</b>	<b>1,225</b>	<b>278</b>	<b>2,187</b>
Loan impairment charges	311	549	103	963
<b>Core profit</b>	<b>373</b>	<b>676</b>	<b>175</b>	<b>1,224</b>
Investment portfolio earnings	-213	0	0	-213
<b>Pre-tax profit</b>	<b>160</b>	<b>676</b>	<b>175</b>	<b>1,011</b>
Loans and advances	122,308	342,276	19,565	484,149
- of which mortgage loans	0	342,276	0	342,276
- of which bank loans	74,616	0	19,565	94,181
- of which repo loans	47,692	0	0	47,692
Total assets	250,663	374,912	22,061	647,636
Deposits	136,543	0	219	136,762
- of which bank deposits	125,363	0	219	125,582
- of which repo deposits and triparty deposits	11,180	0	0	11,180
Issued bonds	44,233	351,714	0	395,947
<b>Q1-Q3 2019</b>				
Net interest income	1,751	1,787	344	3,882
Net fee and commission income	2,166	-497	-11	1,658
Value adjustments	73	26	-9	90
Other income	86	18	9	113
Income from operating lease (net)	0	0	86	86
<b>Core income</b>	<b>4,076</b>	<b>1,334</b>	<b>419</b>	<b>5,829</b>
Core expenses	3,441	233	142	3,816
<b>Core profit before loan impairment charges</b>	<b>635</b>	<b>1,101</b>	<b>277</b>	<b>2,013</b>
Loan impairment charges	-39	-6	8	-37
<b>Core profit</b>	<b>674</b>	<b>1,107</b>	<b>269</b>	<b>2,050</b>
Investment portfolio earnings	-197	0	0	-197
<b>Pre-tax profit</b>	<b>477</b>	<b>1,107</b>	<b>269</b>	<b>1,853</b>
Loans and advances	125,736	338,675	19,386	483,797
- of which mortgage loans	0	338,675	0	338,675
- of which bank loans	86,333	0	19,386	105,719
- of which repo loans	39,403	0	0	39,403
Total assets	248,780	391,582	22,135	662,497
Deposits	157,653	0	234	157,887
- of which bank deposits	137,940	0	234	138,174
- of which repo deposits and triparty deposits	19,713	0	0	19,713
Issued bonds	39,421	359,492	0	398,913

\* The relationship between income statement items under 'The Jyske Bank Group' (key financial data) and the income statement page 18 appears from the next page.

DKKm

#### 4 Segmental financial statements, cont.

##### Core profit and investment portfolio earnings

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

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

DKKm

	Q1-Q3 2020				Q1-Q3 2019			
	Core profit	Investment portfolio earnings	Reclassification	Total	Core profit	Investment portfolio earnings	Reclassification	Total
Net interest income	3,771	65	-5	3,831	3,882	79	47	4,008
Net fee and commission income	1,510	0	0	1,510	1,658	0	0	1,658
Value adjustments	407	-254	5	158	90	-254	-47	-211
Other income	92	0	9	101	113	2	16	131
Income from operating lease (net)	76	0	390	466	86	0	294	380
<b>Income</b>	<b>5,856</b>	<b>-189</b>	<b>399</b>	<b>6,066</b>	<b>5,829</b>	<b>-173</b>	<b>310</b>	<b>5,966</b>
Expenses	3,669	24	399	4,092	3,816	24	310	4,150
<b>Profit before loan impairment charges</b>	<b>2,187</b>	<b>-213</b>	<b>0</b>	<b>1,974</b>	<b>2,013</b>	<b>-197</b>	<b>0</b>	<b>1,816</b>
Loan impairment charges	963	0	0	963	-37	0	0	-37
<b>Pre-tax profit</b>	<b>1,224</b>	<b>-213</b>	<b>0</b>	<b>1,011</b>	<b>2,050</b>	<b>-197</b>	<b>0</b>	<b>1,853</b>

##### Alternative performance targets

The alternative performance targets applied in the management's review constitute valuable information for readers of financial statements as they provide a more uniform basis for comparison of accounting periods. No adjusting entries are made, and therefore the net profit or loss for the period will be the same in the alternative performance targets of the management's review and in the IFRS financial statements.

Core profit is defined as the pre-tax profit exclusive of investment portfolio earnings. Hence earnings from clients are expressed better than in the IFRS financial statements.

Investment portfolio earnings are defined as the return on the Group's portfolio of shares, bonds, derivatives and equity investments, yet exclusive of the liquidity buffer and certain strategic equity investments. Investment portfolio earnings are calculated after expenses for funding and attributable costs.

The above table illustrates relationships between income statement items under 'The Jyske Bank Group' (key financial data), page 2, and income statement items in the IFRS financial statements, page 18.

Reclassification relates to the following:

- Income of DKK 5m (first nine months of 2019: Expenses of DKK 47m) from value adjustments relating to the balance principle at Jyske Realkredit was reclassified from value adjustments to interest income.
- Income of DKK 9m (first nine months of 2019: DKK 16m) from external sales was reclassified from income to offsetting against expenses.
- Depreciation and amortisation of DKK 390m (first nine months of 2019: DKK 294m) were reclassified from expenses to income from operating lease (net).

Please see below for definitions of the additional financial ratios stated under the Jyske Bank Group, page 2.

"Earnings per share for the period", "Earnings per share for the period (diluted)", "Pre-tax profit p.a. as a percentage of average equity" and "Net profit for the period p.a. as a percentage of average equity" are calculated as if Additional Tier 1 capital was recognised as a liability. In the numerator, the profit is less interest expenses of DKK 126m (first nine months of 2019: DKK 114m) for Additional Tier 1 Capital (AT1), and the denominator is calculated as equity exclusive of Additional Tier 1 Capital (AT1) of DKK 3,215m. (first nine months of 2019: DKK 3,203m).

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

"Book value per share" and "Price/book value per share" are calculated as if Additional Tier 1 Capital (AT1) is accounted for as liabilities. Book value was calculated exclusive of Additional Tier 1 Capital (AT1) of DKK 3,215m (first nine months of 2019: DKK 3,203m).

DKKm

## 4 Segmental financial statements, cont.

Q1-Q3 2020

Q1-Q3 2019

Revenue by country	Revenue	Full-time employees, end of period	Revenue	Full-time employees, end of period
Denmark	9,158	3,355	10,213	3,582
Gibraltar	28	0	79	81
Germany	11	8	7	9
Total	9,197	3,363	10,299	3,672

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

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

Activities in individual countries:

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

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

Germany: The Jyske Bank Group has activities within banking.

	DKKm	Q1-Q3 2020	Q1-Q3 2019
<b>5 Interest income</b>			
Due from credit institutions and central banks		14	9
Loans and advances		4,123	5,178
Administration margin		1,389	1,320
Bonds		387	542
Derivatives, total		243	355
Of which:			
Currency contracts		237	233
Interest-rate contracts		6	122
Others		0	1
<b>Total</b>		<b>6,156</b>	<b>7,405</b>
Interest on own mortgage bonds, set off against interest on issued bonds		109	142
<b>Total after offsetting of negative interest</b>		<b>6,047</b>	<b>7,263</b>
Negative interest income set off against interest income		299	227
Negative interest expenses set off against interest expenses		487	355
<b>Total before offsetting of negative interest income</b>		<b>6,833</b>	<b>7,845</b>
Negative interest income amounted to DKK 299m (2019: DKK 227m) and related primarily to repo transactions. In the above table, negative interest income is set off against interest income. In the income statement, negative interest income is listed as interest expenses, and negative interest expenses are listed as interest income.			
<b>6 Interest expenses</b>			
Due to credit institutions and central banks		93	69
Deposits		-268	8
Issued bonds		2,473	3,178
Subordinated debt		82	72
Other		-55	70
<b>Total</b>		<b>2,325</b>	<b>3,397</b>
Interest on own mortgage bonds, set off against interest on issued bonds		109	142
<b>Total after offsetting of negative interest</b>		<b>2,216</b>	<b>3,255</b>
Negative interest expenses set off against interest expenses		487	355
Negative interest income set off against interest income		299	227
<b>Total before offsetting of negative interest income</b>		<b>3,002</b>	<b>3,837</b>
Negative interest expenses amounted to DKK 487m (2019: DKK 355m) and related primarily to repo transactions. In the above table, negative interest expenses are set off against interest expenses. In the income statement, negative interest expenses are listed as interest income, and negative interest income is listed as interest expenses.			
<b>7 Fees and commission income</b>			
Securities trading and custody services		959	1,035
Money transfers and card payments		128	162
Loan application fees		320	360
Guarantee commission		81	88
Other fees and commissions		337	334
<b>Total</b>		<b>1,825</b>	<b>1,979</b>

Fee income for the period, amounting to DKK 1,825m less fees and commissions paid for the period amounting to DKK 315m, constitutes the net fee and commission income for the period in the amount of DKK 1,510m (2019: DKK 1,658m). These are recognised in the segmental financial statements for the bank's three business areas, cf. note 4.

	DKKm	Q1-Q3 2020	Q1-Q3 2019
<b>8 Value adjustments</b>			
Loans and advances at fair value		899	5,663
Bonds		109	198
Shares, etc.		166	218
Currency		2	13
Currency, interest-rate, share, commodity and other contracts as well as other derivatives		52	268
Issued bonds		-1,059	-6,531
Other assets and liabilities		-11	-40
<b>Total</b>		<b>158</b>	<b>-211</b>
<b>9 Other income</b>			
Income on real property		34	36
Profit on the sale of property, plant and equipment		0	35
Income from operating lease <sup>1</sup>		466	380
Dividends, etc.		44	53
Profit on investments in associates and group enterprises		-16	-17
Other income		39	24
<b>Total</b>		<b>567</b>	<b>511</b>
 <sup>1</sup> ) Expenses relating to operating lease affected the item Amortisation, depreciation and impairment charges in the amount of DKK 390m in the first nine months of 2020 against DKK 294m in the corresponding period of 2019.			
<b>10 Employee and administrative expenses</b>			
<b>Employee expenses</b>			
Wages and salaries, etc.		1,729	1,797
Pensions		236	218
Social security		241	252
<b>Total</b>		<b>2,206</b>	<b>2,267</b>
<b>Salaries and remuneration to management bodies</b>			
Executive Board		25	25
Supervisory Board		6	6
Shareholders' Representatives		1	1
<b>Total</b>		<b>32</b>	<b>32</b>
<b>Other administrative expense, etc.</b>			
IT		996	1,012
Other operating expenses		109	114
Expenses relating to the sale of Jyske Bank (Gibraltar)		75	0
Other administrative expenses		197	314
<b>Total</b>		<b>1,377</b>	<b>1,440</b>
<b>Employee and administrative expenses, total</b>		<b>3,615</b>	<b>3,739</b>

	DKKm	Q1-Q3 2020	Q1-Q3 2019
<b>11 Effective tax rate</b>			
Corporation tax rate in Denmark		22.0	22.0
Non-taxable income and non-deductible expenses, etc.		1.0	-1.5
<b>Total</b>		<b>23.0</b>	<b>20.5</b>
<b>12 Loan impairment charges and provisions for guarantees recognised in the income statement</b>			
Loan impairment charges and provisions for guarantees for the period		917	-45
Impairment charges on balances due from credit institutions in the period		6	7
Provisions for loan commitments and unutilised credit lines in the period		89	-27
Recognised as a loss, not covered by loan impairment charges and provisions		153	229
Recoveries		-158	-136
Recognised discount for acquired loans		-44	-65
<b>Loan impairment charges and provisions for guarantees recognised in the income statement</b>		<b>963</b>	<b>-37</b>
<b>13 Balance of loan impairment charges and provisions for guarantees</b>			
Balance of loan impairment charges and provisions, beginning of period		5,227	5,607
Loan impairment charges and provisions for the period		1,006	-72
Recognised as a loss, covered by loan impairment charges and provisions		-466	-335
Other movements		45	49
<b>Balance of loan impairment charges and provisions, end of period</b>		<b>5,812</b>	<b>5,249</b>
Loan impairment charges and provisions for guarantees at amortised cost		3,611	3,698
Loan impairment charges at fair value		1,716	1,163
Provisions for guarantees		257	268
Provisions for credit commitments and unutilised credit lines		228	120
<b>Balance of loan impairment charges and provisions, end of period</b>		<b>5,812</b>	<b>5,249</b>

DKKm

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

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2020	705	1,193	3,329	5,227
Transfer of impairment charges at beginning of period to stage 1	225	-188	-37	0
Transfer of impairment charges at beginning of period to stage 2	-29	123	-94	0
Transfer of impairment charges at beginning of period to stage 3	-3	-186	189	0
Impairment charges on new loans, etc.	241	251	223	715
Impairment charges on discontinued loans and provisions for guarantees	-143	-246	-393	-782
Effect from recalculation	-135	634	619	1,118
Previously recognized as impairment charges, now final loss	0	-4	-462	-466
Balance of loan impairment charges and provisions for guarantees on 30 September 2020	861	1,577	3,374	5,812

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

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2019	640	1,306	3,661	5,607
Transfer of impairment charges at beginning of period to stage 1	274	-190	-84	0
Transfer of impairment charges at beginning of period to stage 2	-40	170	-130	0
Transfer of impairment charges at beginning of period to stage 3	-2	-90	92	0
Impairment charges on new loans, etc.	180	144	130	454
Impairment charges on discontinued loans and provisions for guarantees	-128	-194	-350	-672
Effect from recalculation	-340	265	270	195
Previously recognized as impairment charges, now final loss	-1	-5	-329	-335
Balance of loan impairment charges and provisions for guarantees on 30 September 2019	583	1,406	3,260	5,249

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

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2020	325	505	2,830	3,660
Transfer of impairment charges at beginning of period to stage 1	117	-87	-30	0
Transfer of impairment charges at beginning of period to stage 2	-21	87	-66	0
Transfer of impairment charges at beginning of period to stage 3	-2	-84	86	0
Impairment charges on new loans, etc.	121	54	113	288
Impairment charges on discontinued loans and provisions for guarantees	-61	-65	-322	-448
Effect from recalculation	-18	325	247	554
Previously recognized as impairment charges, now final loss	0	0	-443	-443
Balance of loan impairment charges and provisions for guarantees on 30 September 2020	461	735	2,415	3,611

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

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2019	322	590	3,166	4,078
Transfer of impairment charges at beginning of period to stage 1	113	-73	-40	0
Transfer of impairment charges at beginning of period to stage 2	-29	95	-66	0
Transfer of impairment charges at beginning of period to stage 3	-1	-59	60	0
Impairment charges on new loans, etc.	64	44	108	216
Impairment charges on discontinued loans and provisions for guarantees	-40	-94	-261	-395
Effect from recalculation	-146	160	96	110
Previously recognized as impairment charges, now final loss	-1	0	-310	-311
Balance of loan impairment charges and provisions for guarantees on 30 September 2019	282	663	2,753	3,698

DKKm

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2020	323	623	248	1,194
Transfer of impairment charges at beginning of period to stage 1	98	-91	-7	0
Transfer of impairment charges at beginning of period to stage 2	-7	16	-9	0
Transfer of impairment charges at beginning of period to stage 3	-1	-99	100	0
Impairment charges on new loans, etc.	87	183	79	349
Impairment charges on discontinued loans and provisions for guarantees	-61	-166	-41	-268
Effect from recalculation	-132	264	330	462
Previously recognized as impairment charges, now final loss	0	-4	-17	-21
Balance of loan impairment charges and provisions for guarantees on 30 September 2020	307	726	683	1,716

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2019	249	634	283	1,166
Transfer of impairment charges at beginning of period to stage 1	144	-105	-39	0
Transfer of impairment charges at beginning of period to stage 2	-8	69	-61	0
Transfer of impairment charges at beginning of period to stage 3	-1	-28	29	0
Impairment charges on new loans, etc.	88	89	12	189
Impairment charges on discontinued loans and provisions for guarantees	-56	-67	-45	-168
Effect from recalculation	-176	88	84	-4
Previously recognized as impairment charges, now final loss	0	-4	-16	-20
Balance of loan impairment charges and provisions for guarantees on 30 September 2019	240	676	247	1,163

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2020	57	65	251	373
Transfer of impairment charges at beginning of period to stage 1	10	-10	0	0
Transfer of impairment charges at beginning of period to stage 2	-1	19	-18	0
Transfer of impairment charges at beginning of period to stage 3	0	-3	3	0
Impairment charges on new loans, etc.	32	14	31	77
Impairment charges on discontinued loans and provisions for guarantees	-21	-15	-29	-65
Effect from recalculation	15	45	42	102
Previously recognized as impairment charges, now final loss	0	0	-2	-2
Balance of loan impairment charges and provisions for guarantees on 30 September 2020	92	115	278	485

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2019	69	82	212	363
Transfer of impairment charges at beginning of period to stage 1	16	-12	-4	0
Transfer of impairment charges at beginning of period to stage 2	-3	6	-3	0
Transfer of impairment charges at beginning of period to stage 3	0	-3	3	0
Impairment charges on new loans, etc.	30	12	6	48
Impairment charges on discontinued loans and provisions for guarantees	-32	-33	-43	-108
Effect from recalculation	-18	16	91	89
Previously recognized as impairment charges, now final loss	0	-1	-3	-4
Balance of loan impairment charges and provisions for guarantees on 30 September 2019	62	67	259	388

DKKm

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Gross loans, advances and guarantees, 1 January 2020	469,093	24,608	9,217	<b>502,918</b>
Transfer of loans, advances and guarantees to stage 1	8,078	-7,820	-258	<b>0</b>
Transfer of loans, advances and guarantees to stage 2	-12,127	12,663	-536	<b>0</b>
Transfer of loans, advances and guarantees to stage 3	-782	-1,371	2,153	<b>0</b>
Other movements	4,296	-3,731	-1,997	<b>-1,432</b>
Gross loans, advances and guarantees, 30 September 2020	468,558	24,349	8,579	<b>501,486</b>
Loan impairment charges and provisions for guarantees, total	788	1,493	3,303	<b>5,584</b>
Net loans, advances and guarantees, 30 September 2020	467,770	22,856	5,276	<b>495,902</b>

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

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

DKKm

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

		30 September 2020				31 Dec. 2019
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	31,646	206	0	31,852	41,057
2	0.10 - 0.15	12,162	24	0	12,186	10,691
3	0.15 - 0.22	32,762	93	0	32,855	33,419
4	0.22 - 0.33	35,101	63	0	35,164	37,827
5	0.33 - 0.48	95,041	323	0	95,364	92,561
STY Ratings 1 – 5		206,712	709	0	207,421	215,555
6	0.48 - 0.70	88,517	448	0	88,965	82,304
7	0.70 - 1.02	64,982	996	0	65,978	71,193
8	1.02 - 1.48	41,437	1,427	0	42,864	45,712
9	1.48 - 2.15	35,204	2,315	0	37,519	31,443
10	2.15 - 3.13	13,976	1,736	0	15,712	12,018
11	3.13 - 4.59	6,816	2,519	0	9,335	10,041
STY Ratings 6 – 11		250,932	9,441	0	260,373	252,711
12	4.59 - 6.79	3,429	3,338	0	6,767	6,216
13	6.79 - 10.21	1,835	2,900	0	4,735	5,322
14	10.21 - 25.0	1,146	6,890	0	8,036	9,145
STY Ratings 12-14		6,410	13,128	0	19,538	20,683
Others		4,431	835	0	5,266	3,853
Non performing loans		71	236	8,581	8,888	10,116
<b>Total</b>		468,556	24,349	8,581	501,486	502,918

Irrevocable credit commitments of DKK 15,492m (end of 2019: DKK 18,770m) are all in stage 1 and are distributed according to internal ratings (STY Rating) in this way: STY Rating 1: DKK 2,135m, STY Rating 2: DKK 631m, STY Rating 3: DKK 1,278m, STY Rating 4: DKK 548, STY Rating 7: DKK 4,881m, STY Rating 8: DKK 56m, STY Rating 9: DKK 1,459m and STY Rating 11: DKK 4,504m

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

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

		30 September 2020				31 Dec. 2019
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	8	3	0	11	17
2	0.10 - 0.15	4	0	0	4	10
3	0.15 - 0.22	19	0	0	19	31
4	0.22 - 0.33	29	2	0	31	29
5	0.33 - 0.48	86	3	0	89	92
STY Ratings 1- 5		146	8	0	154	179
6	0.48 - 0.70	122	14	0	136	86
7	0.70 - 1.02	89	29	0	118	102
8	1.02 - 1.48	132	14	0	146	109
9	1.48 - 2.15	90	31	0	121	109
10	2.15 - 3.13	46	57	0	103	65
11	3.13 - 4.59	82	82	0	164	111
STY Ratings 6 – 11		561	227	0	788	582
12	4.59 - 6.79	31	235	0	266	90
13	6.79 - 10.21	28	173	0	201	136
14	10.21 - 25.0	7	757	0	764	575
STY Ratings 12-14		66	1,165	0	1,231	801
Others		16	78	0	94	142
Non performing loans		0	14	3,303	3,317	3,381
<b>Total</b>		789	1,492	3,303	5,584	5,085

	DKKm	30 Sept. 2020	31 Dec. 2019	30 Sept. 2019
<b>15</b>	<b>Loans and advances at fair value</b>			
	Mortgage loans, nominal value	332,311	327,926	325,029
	Adjustment for interest-rate risk, etc.	11,300	10,410	14,425
	Adjustment for credit risk	-1,696	-1,286	-1,256
	<b>Mortgage loans at fair value, total</b>	<b>341,915</b>	<b>337,050</b>	<b>338,198</b>
	<b>Arrears and outlays, total</b>	<b>56</b>	<b>148</b>	<b>112</b>
	<b>Other loans and advances</b>	<b>2,275</b>	<b>2,708</b>	<b>3,203</b>
	<b>Loans and advances at fair value, total</b>	<b>344,246</b>	<b>339,906</b>	<b>341,513</b>
<b>16</b>	<b>Loans and advances at fair value broken down by property category</b>			
	Owner-occupied homes	168,687	170,836	171,598
	Vacation homes	8,279	8,285	8,335
	Subsidised housing (rental housing)	54,507	53,989	56,034
	Cooperative housing	14,468	14,820	15,633
	Private rental properties (rental housing)	54,216	49,366	47,942
	Industrial properties	3,055	2,630	2,465
	Office and retail properties	35,052	34,365	34,402
	Agricultural properties	120	63	62
	Properties for social, cultural and educational purposes	5,776	5,415	4,908
	Other properties	86	137	134
	<b>Total</b>	<b>344,246</b>	<b>339,906</b>	<b>341,513</b>
<b>17</b>	<b>Loans and advances at amortised cost and guarantees broken down by sector</b>			
	Public authorities	6,978	8,255	6,156
	Agriculture, hunting, forestry, fishing	6,889	7,083	8,495
	Manufacturing, mining, etc.	8,883	8,114	8,701
	Energy supply	4,976	4,029	3,515
	Building and construction	3,849	4,265	4,442
	Commerce	9,679	11,187	12,493
	Transport, hotels and restaurants	5,251	6,044	6,255
	Information and communication	783	706	1,041
	Finance and insurance	44,096	44,079	35,125
	Real property	15,985	17,083	17,687
	Other sectors	7,886	7,348	7,546
	<b>Corporates, total</b>	<b>108,277</b>	<b>109,938</b>	<b>105,300</b>
	<b>Personal clients, total</b>	<b>36,401</b>	<b>39,733</b>	<b>42,388</b>
	<b>Total</b>	<b>151,656</b>	<b>157,926</b>	<b>153,844</b>

	DKKm	30 Sept. 2020	31 Dec. 2019	30 Sept. 2019
<b>18 Other assets</b>				
Positive fair value of derivatives		29,747	24,911	31,464
Assets in pooled deposits		3,837	4,128	4,153
Interest and commission receivable		317	280	475
Investments in associates and joint ventures		229	257	281
Prepayments		363	370	636
Investment properties		28	28	28
Other assets		1,072	1,517	2,288
<b>Total</b>		<b>35,593</b>	<b>31,491</b>	<b>39,325</b>
<b>Netting</b>				
Positive fair value of derivatives, etc., gross		45,314	37,138	48,059
Netting of positive and negative fair value		15,567	12,227	16,595
<b>Total</b>		<b>29,747</b>	<b>24,911</b>	<b>31,464</b>
Netting of fair value can be attributed to clearing of derivatives through a central clearing house (CCP clearing).				
<b>19 Deposits</b>				
Demand deposits		109,762	106,481	114,804
Term deposits		1,235	1,777	2,381
Time deposits		16,004	21,405	29,938
Special deposits		5,696	6,370	7,086
Pooled deposits		4,065	4,202	3,678
<b>Total</b>		<b>136,762</b>	<b>140,235</b>	<b>157,887</b>
<b>20 Issued bonds at fair value</b>				
Issued bonds at fair value, nominal value		367,448	365,561	377,570
Adjustment to fair value		12,427	11,003	15,599
Own mortgage bonds offset, fair value		-34,148	-19,527	-33,677
<b>Total</b>		<b>345,727</b>	<b>357,037</b>	<b>359,492</b>

**Note**
**Jyske Bank Group**

	DKKm	30 Sept. 2020	31 Dec. 2019	30 Sept. 2019
<b>21 Other liabilities</b>				
Set-off entry of negative bond holdings in connection with repos/reverse repos		7,683	3,988	4,082
Negative fair value of derivatives, etc.		31,541	26,882	33,567
Interest and commission payable		1,474	1,562	2,233
Deferred income		146	139	179
Lease commitment		317	369	0
Other liabilities		5,716	6,249	7,993
<b>Total</b>		<b>46,877</b>	<b>39,189</b>	<b>48,054</b>
<b>Netting</b>				
Negative fair value of derivatives, etc., gross		47,108	39,109	50,162
Netting of positive and negative fair value		15,567	12,227	16,595
<b>Total</b>		<b>31,541</b>	<b>26,882</b>	<b>33,567</b>

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

<b>22 Provisions</b>				
Provisions for pensions and similar liabilities		652	639	599
Provisions for guarantees		257	233	268
Provisions for losses on loan commitments and unutilised credit lines		223	140	120
Provisions for deferred tax		251	241	566
Other provisions		120	116	150
<b>Total</b>		<b>1,503</b>	<b>1,369</b>	<b>1,703</b>

<b>23 Subordinated debt</b>				
Supplementary capital:				
1.25% bond loan EUR 200m 28.01.2031		1,489	0	0
2.25% bond loan EUR 300m 05.04.2029		2,234	2,241	2,239
Var. % bond loan SEK 600m 19.05.2026		423	429	419
3.25% bond loan SEK 400m 19.05.2026		282	286	279
6.73% bond loan EUR 9m 2021-2026		67	78	78
Var. % bond loan EUR 10m 13.02.2023		74	75	75
5.65% bond loan EUR 10m 27.03.2023		74	75	75
5.67% bond loan EUR 10m 31.07.2023		74	75	75
		<b>4,717</b>	<b>3,259</b>	<b>3,240</b>
Hybrid core capital:				
Var. % bond loan EUR 72.8m Perpetual		542	544	543
Var. % bond loan EUR 60.7m Perpetual		452	453	453
		<b>994</b>	<b>997</b>	<b>996</b>
Subordinated debt, nominal		5,711	4,256	4,236
Hedging of interest-rate risk, fair value		84	71	104
<b>Total</b>		<b>5,795</b>	<b>4,327</b>	<b>4,340</b>
Subordinated debt included in the capital base		5,574	4,151	4,146

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

	DKKm	30 Sept. 2020	31 Dec. 2019	30 Sept. 2019
24	<b>Contingent liabilities</b>			
	Guarantees, etc.	11,753	11,932	11,560
	Other contingent liabilities, etc.	15,568	18,846	20,746
	<b>Total guarantees and other contingent liabilities</b>	<b>27,321</b>	<b>30,778</b>	<b>32,306</b>

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

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

Jyske Bank is also a party to a number of legal disputes arising from its business activities. Jyske Bank estimates the risk involved in each individual case and makes any necessary provisions which are recognised under contingent liabilities. Jyske Bank does not expect such liabilities to have material influence on Jyske Bank's financial position.

Because of its mandatory participation in the deposit guarantee scheme, the sector has paid an annual contribution of 2.5% of the covered net deposits until the assets of Pengeinstitutafdelingen (the financial institution fund) exceed 0.8% of the total net deposits covered, which level has been reached. According to Bank Package 3 and Bank Package 4, Pengeinstitutafdelingen bears the immediate losses attributable to covered net deposits and relating to the winding up of financial institutions in distress. Any losses in connection with the final winding up are covered by the Guarantee Fund's Afviklings- og Restruktureringsafdeling (settlement and restructuring fund), where Jyske Bank currently guarantees 8.70% of any losses.

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

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

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

## 25 Shareholders

BRFHolding a/s, Kgs. Lyngby, Denmark owns 24.89% of the share capital. BRFHolding a/s is a 100% owned subsidiary of BRFfonden. According to Jyske Bank's Articles of Association, BRFHolding a/s has 4,000 votes.

As at 30 September 2020, Jyske Bank owns 0.01% of the share capital.

## 26 Related parties

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

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

## 27 Bonds provided as security

The Jyske Bank Group has deposited bonds with central banks and clearing houses, etc. in connection with clearing and settlement of securities and currency transactions as well as tri-party repo transactions totalling a market value of DKK 11,792m (end of 2019: DKK 23,743m).

In addition, in connection with CSA agreements, the Jyske Bank Group has provided cash collateral in the amount of DKK 7,539m (end of 2019: DKK 6,544m) as well as bonds in the amount of DKK 1,881m (end of 2019: 1,677m).

Repo transactions involve an arrangement where bonds are provided as collateral for the amount borrowed. Repo transactions amounted to DKK 11,242m (end of 2019: DKK 10,058m).

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

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

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

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

**Specific details on methods for measuring fair value**

Loans at fair value are predominantly mortgage loans and generally measured at prices of the underlying bonds quoted on a recognised stock exchange. If such a market price is not available for the preceding 7 days, a calculated price based on the official market rate will be applied for determining the value. If derivatives are part of the funding of the mortgage loans, the value of these will be integrated in the valuation of the loans. The fair value is reduced by the calculated impairment charge, which for loans at fair value is measured according to the same principles that apply to impairments of loans and advances at amortised cost.

Bonds at fair value, shares, assets linked to pooled deposits, and derivatives are measured at fair value in the accounts to the effect that the carrying amounts equal fair values.

Generally bonds are measured at prices quoted on a recognised stock exchange. Alternatively, prices are applied that are calculated on the basis of Jyske Bank's own measurement models based on a yield curve with a credit spread. Essentially, the calculated prices are based on observable input.

Generally equities, etc. are measured at prices quoted on a recognised stock exchange. Alternatively, prices are applied that are calculated on the basis of Jyske Bank's own measurement models based on observable input, shareholders' agreements, executed transactions, etc. Unlisted equities are measured on the basis of discounted cash flow models (DCF).

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

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

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

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

Loans and advances exclusive of mortgage loans and certain other home loans are recognised at amortised cost. The difference to fair value is assumed to be fee and commission received, costs defrayed in connection with lending, plus interest-rate-dependent value adjustment calculated by comparing current market rates with market rates at the time when the loans and advances were established. Changes in credit quality are assumed to be included under impairment charges both for carrying amounts and fair values.

Subordinated debt and issued bonds exclusive of issues of mortgage bonds are recognised at amortised cost supplemented with the fair value of the hedged interest-rate risk. The difference to fair value was calculated on the basis of own-issue prices obtained externally.

Deposits are recognised at amortised cost. The difference to fair value is assumed to be the interest-rate dependent value adjustment calculated by comparing current market rates with market rates at the time when the deposits were made.

Balances with credit institutions are recognised at amortised cost. The difference to fair value is assumed to be the interest-rate dependent value adjustment calculated by comparing current market rates with market rates at the time when the transactions were established. Changes in the credit quality of balances with credit institutions are assumed to be included under impairment charges for loans, advances, and receivables. Changes in the fair values of balances due to credit institutions because of changes in Jyske Bank's own credit rating are not taken into account.

The calculated fair values of financial assets and liabilities recognised at amortised cost are materially non-observable prices (level 3) in the fair value hierarchy.

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

In order to allow for the credit risk on derivatives for clients without credit impairment, the fair value is adjusted (CVA). Adjustments will also be made for clients with credit impairment, but on an individual basis.

For any given counterparty's total portfolio of derivatives, CVA is a function of the probability of the counterparty's probability of default (PD), the expected positive exposure (EPE) as well as the loss given default (LGD). Jyske Bank applies risk-neutral PDs calculated on the basis of IRB PDs. The IRB PDs are adjusted through the correlation to the observable price of risk in the market, calculated on the basis of the STOXX Europe 600 index. By using this method, PDs are generated that correspond to PDs that can be observed in the market. Another way of seeing market-observable PDs is to infer them from Credit Default Swap (CDS) spreads. However, Jyske Bank enters primarily into derivatives transactions with unlisted Danish counterparties, for which there only to a most limited extent exist CDS or CDS proxy spreads, and therefore the former method is used instead. The calculation of CVA also allows for the expected development of the rating over time. This takes place on the basis of historical rating migrations. When determining the EPE, a model is used to establish the expected positive exposure to the counterparty's portfolio over the maturity of the derivatives. For LGD, internal estimates are used for the individual counterparty, adjusted for any collateral received as well as CSA agreements concluded.

In addition to CVA, also an adjustment is made of the fair value of derivatives that have an expected future negative fair value. This takes place to allow for changes in the counterparties' credit risk against the Jyske Bank Group (debt valuation adjustment - DVA). The DVA takes place according to the same principles that apply to the CVA, yet PD for Jyske Bank is determined on the basis of Jyske Bank's external rating by Standard & Poor's. At the end of the third quarter of 2020, CVA and DVA amounted, on an accumulated basis, to net DKK 131m, which accumulated amount was recognised as an expense under value adjustment against an accumulated amount of DKK 73m at the end of 2019.

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

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

The restatement at fair value of financial assets and liabilities shows a total unrecognised unrealised gain of DKK 32m at the end of the third quarter of 2020 against an unrealised loss of DKK 136m at the end of 2019.

	30 Sept. 2020		31 Dec. 2019	
	Recognised value	Fair value	Recognised value	Fair value
<b>FINANCIAL ASSETS</b>				
Cash balance and demand deposits with central banks	12,409	12,409	9,889	9,889
Due from credit institutions and central banks	12,148	12,155	23,392	23,397
Loans and advances at fair value	344,246	344,246	339,906	339,906
Loans and advances at amortised cost	139,903	139,920	145,994	146,033
Bonds at fair value	72,422	72,422	78,333	78,333
Bonds at amortised cost	23,776	24,008	11,136	11,245
Shares, etc.	2,405	2,405	2,422	2,422
Assets in pooled deposits	3,837	3,837	4,128	4,128
Derivatives	29,747	29,747	24,911	24,911
<b>Total</b>	<b>640,893</b>	<b>641,149</b>	<b>640,111</b>	<b>640,264</b>
<b>FINANCIAL LIABILITIES</b>				
Due to credit institutions and central banks	24,913	24,958	29,278	29,315
Deposits	132,697	132,698	136,033	136,042
Pooled deposits	4,065	4,065	4,202	4,202
Issued bonds at fair value	345,727	345,727	357,037	357,037
Issued bonds at amortised cost	50,220	50,584	38,556	38,887
Subordinated debt	5,795	5,609	4,327	4,239
Set-off entry of negative bond holdings	7,683	7,683	3,988	3,988
Derivatives	31,541	31,541	26,882	26,882
<b>Total</b>	<b>602,641</b>	<b>602,865</b>	<b>600,303</b>	<b>600,592</b>

DKKm

## 30 The fair value hierarchy

30 September 2020

	Quoted prices	Observable prices	Non- observable prices	Fair value, total	Recognised value
<b>Financial assets</b>					
Loans and advances at fair value	0	344,246	0	344,246	344,246
Bonds at fair value	63,206	9,216	0	72,422	72,422
Shares, etc.	640	337	1,428	2,405	2,405
Assets in pooled deposits	2,702	1,135	0	3,837	3,837
Derivatives	417	29,330	0	29,747	29,747
<b>Total</b>	<b>66,965</b>	<b>384,264</b>	<b>1,428</b>	<b>452,657</b>	<b>452,657</b>
<b>Financial liabilities</b>					
Pooled deposits	0	4,065	0	4,065	4,065
Issued bonds at fair value	307,520	38,207	0	345,727	345,727
Set-off entry of negative bond holdings	7,615	68	0	7,683	7,683
Derivatives	376	31,165	0	31,541	31,541
<b>Total</b>	<b>315,511</b>	<b>73,505</b>	<b>0</b>	<b>389,016</b>	<b>389,016</b>
<b>31 December 2019</b>					
<b>Financial assets</b>					
Loans and advances at fair value	0	339,906	0	339,906	339,906
Bonds at fair value	60,178	18,155	0	78,333	78,333
Shares, etc.	418	474	1,530	2,422	2,422
Assets in pooled deposits	1	4,127	0	4,128	4,128
Derivatives	375	24,536	0	24,911	24,911
<b>Total</b>	<b>60,972</b>	<b>387,198</b>	<b>1,530</b>	<b>449,700</b>	<b>449,700</b>
<b>Financial liabilities</b>					
Pooled deposits	0	4,202	0	4,202	4,202
Issued bonds at fair value	272,829	84,208	0	357,037	357,037
Set-off entry of negative bond holdings	3,677	311	0	3,988	3,988
Derivatives	302	26,580	0	26,882	26,882
<b>Total</b>	<b>276,808</b>	<b>115,301</b>	<b>0</b>	<b>392,109</b>	<b>392,109</b>

The above table shows the fair value hierarchy for financial assets and liabilities recognised at fair value.

It is the practice of the Group that if prices of Danish bonds are not updated for two days, transfers will take place between the categories quoted prices and observable prices. This did not result in material transfers in 2020 and 2019.

**NON-OBSERVABLE PRICES**

	Q1-Q3 2020	2019
Fair value, beginning of period	1,530	2,052
Transfers for the period	0	0
Capital gain and loss for the period reflected in the income statement under value adjustments	90	111
Sales or redemptions	230	633
Purchases	38	0
<b>Fair value, end of period</b>	<b>1,428</b>	<b>1,530</b>

Non-observable prices at the end of the third quarter of 2020 referred to unlisted shares recognised at DKK 1,428m against unlisted shares recognised at DKK 1,530m at the end of 2019. These are primarily sector shares. The measurements, which are associated with some uncertainty, are made on the basis of the shares' book value, market trades, shareholders' agreements as well as own assumptions and extrapolations, etc. In the cases where Jyske Bank calculates the fair value on the basis of the company's expected future earnings, a required rate of return of 15% p.a. before tax is applied. If it is assumed that the actual market price will deviate by +/-10% relative to the calculated fair value, the effect on the income statement would amount to DKK 143m on 30 September 2020 (0.44% of the shareholders' equity on 30 September 2020). For 2019, the effect on the income statement is estimated at DKK 153m (0.48% of the shareholders' equity at the end of 2019). Capital gain and loss for the period on illiquid bonds and unlisted shares referred to assets held at the end of the third quarter of 2020. Jyske Bank finds it of little probability that the application of alternative prices in the measurement of fair value would result in a material deviation from the recognised fair value.

## 30 Fair value hierarchy, cont.

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

Investment properties were recognised at a fair value of DKK 28m (end of 2019: DKK 28m). Fair value belongs to the category of non-observable prices calculated on the basis of a required rate of return of 7% (end of 2019: 7%).

Assets held temporarily comprise repossessed properties, equity investments and cars, etc. and similar assets held for sale. At the end of 2019, assets held temporarily also covered assets in disposal groups, which are recognised at the lower of cost and fair value less costs of sale. Assets held temporarily were recognised at DKK 185m (end of 2019: DKK 2,476m). Fair value belongs to the category of non-observable prices, except for bonds in the amount of DKK 0m (end of 2019: DKK 570m).

Owner-occupied properties, exclusive of leased properties, were recognised at the restated value corresponding to the fair value on the date of the revaluation less subsequent amortization, depreciation and impairment. The valuation of selected land and buildings is carried out with the assistance of external experts. Based on the returns method, the measurement takes place in accordance with generally accepted standards and with a weighted average required rate of return of 6.44% at the end of 2019. Owner-occupied properties, exclusive of leased properties, were recognised at DKK 1,774m (2019: DKK 1,776m). The revalued amount belongs to the category of non-observable prices. Leased properties were recognised at DKK 308m (end of 2019: DKK 360m).

## 31 Group overview

30 September 2020	Currency	Share capital 1.000 units	Owner- ship share (%)	Vo- ting share (%)	Assets (DKKm), end 2019	Liabilities (DKKm), end of 2019	Equity (DKKm), end of 2019	Earnings (DKKm), 2019	Profit or loss (DKKm), 2019
Jyske Bank A/S <sup>1</sup>	DKK	726			304,100	268,390	35,710	6,228	2,440
<b>Subsidiaries</b>									
Jyske Realkredit, Kgs. Lyngby <sup>2</sup>	DKK	4,306	100	100	384,899	366,038	18,861	6,666	1,117
Trendsetter, S.L., Spain <sup>5</sup>	EUR	1	100	100	18	0	18	1	0
Jyske Bank Nominees Ltd., London <sup>4</sup>	GBP	0	100	100	0	0	0	0	0
Inmobiliaria Saroesma S.L., Spain <sup>5</sup>	EUR	1	100	100	47	41	6	1	-10
Jyske Finans A/S, Silkeborg <sup>3</sup>	DKK	100	100	100	22,150	20,790	1,360	1,227	294
Ejendomsselskabet af 01.11.2017 A/S, Silkeborg <sup>5</sup>	DKK	1	100	100	45	44	1	2	1
Gl. Skovridergaard A/S, Silkeborg <sup>5</sup>	DKK	1	100	100	30	27	3	19	0
Ejendomsselskabet af 01.10.2015 ApS, Silkeborg <sup>5</sup>	DKK	1	100	100	114	113	1	1	1
Jyske Invest Fund Management A/S, Silkeborg <sup>4</sup>	DKK	76	100	100	397	73	324	134	24
Jyske Banks Vindmølle A/S, Hobro <sup>5</sup>	DKK	1	100	100	-	-	-	-	-

Activity:

<sup>1</sup>Banking

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

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

<sup>4</sup>Investment and financing

<sup>5</sup>Properties, wind turbine and course activities

All banks and mortgage credit institutions supervised by national financial supervisory authorities are subject to statutory capital requirements. Such capital requirements may limit intra-group facilities and dividend payments.

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

	DKK m	Q1-Q3 2020	Q1-Q3 2019
<b>Income statement</b>			
3	Interest income	2,445	2,566
4	Interest expenses	729	770
	<b>Net interest income</b>	<b>1,716</b>	<b>1,796</b>
	Dividends, etc.	33	35
5	Fees and commission income	1,962	2,153
	Fees and commission expenses	86	106
	<b>Net interest and fee income</b>	<b>3,625</b>	<b>3,878</b>
6	Value adjustments	19	-206
	Other operating income	284	265
	Employee and administrative expenses	3,277	3,433
	Amortisation, depreciation and impairment charges	84	103
	Other operating expenses	110	27
7	Loan impairment charges	300	-29
	Profit on investments in associates and group enterprises	656	1,132
	<b>Pre-tax profit</b>	<b>813</b>	<b>1,535</b>
	Tax	35	61
	<b>Net profit for the period</b>	<b>778</b>	<b>1,474</b>
	Distributed to:		
	Jyske Bank A/S shareholders	652	1,360
	Holders of Additional Tier 1 Capital (AT1)	126	114
	<b>Total</b>	<b>778</b>	<b>1,474</b>
<b>Statement of Comprehensive Income</b>			
	Net profit for the period	778	1,474
	Other comprehensive income:		
	<i>Items that can be recycled to the income statement:</i>		
	Foreign currency translation adjustment of international units	-20	12
	Hedge accounting of international units	20	-12
	Tax on hedge accounting	-6	2
	<b>Other comprehensive income after tax</b>	<b>-6</b>	<b>2</b>
	<b>Comprehensive income for the period</b>	<b>772</b>	<b>1,476</b>

	DKK m	30 Sept. 2020	31 Dec. 2019	30 Sept. 2019
<b>BALANCE</b>				
<b>ASSETS</b>				
	Cash balance and demand deposits with central banks	12,387	9,848	9,083
	Due from credit institutions and central banks	11,984	11,846	14,506
10	Loans and advances at fair value	1,969	2,357	2,838
8,9,10	Loans and advances at amortised cost	141,036	147,040	142,513
	Bonds at fair value	59,992	64,021	69,730
	Bonds at amortised cost	24,526	11,887	11,361
	Shares, etc.	2,137	2,137	2,700
	Investments in associates	224	252	276
	Equity investments in group enterprises	20,948	20,534	20,173
	Assets in pooled deposits	3,837	4,128	4,153
	Owner-occupied properties	1,751	1,759	2,078
	Owner-occupied properties, leasing	308	360	0
	Other property, plant and equipment	55	70	77
	Current tax assets	1,011	880	1,251
	Deferred tax assets	19	24	9
	Assets held temporarily	55	696	692
	Other assets	30,702	25,929	32,534
	Prepayments	324	332	340
	<b>Total assets</b>	<b>313,265</b>	<b>304,100</b>	<b>314,314</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Debt and payables</b>				
	Due to credit institutions and central banks	38,264	47,188	34,923
11	Deposits	132,571	135,838	149,966
	Pooled deposits	4,065	4,202	3,678
	Issued bonds at amortised cost	50,220	38,556	39,421
	Other liabilities	45,263	37,158	45,639
	Deferred income	21	20	21
	<b>Total debt</b>	<b>270,404</b>	<b>262,962</b>	<b>273,648</b>
<b>Provisions</b>				
	Provisions for pensions and similar liabilities	616	603	566
	Provisions for guarantees	280	247	278
	Provisions for credit commitments and unutilised credit lines	223	138	117
	Other provisions	113	113	148
	<b>Provisions, total</b>	<b>1,232</b>	<b>1,101</b>	<b>1,109</b>
	<b>Subordinated debt</b>	<b>5,795</b>	<b>4,327</b>	<b>4,340</b>
<b>Equity</b>				
	Share capital	726	776	816
	Revaluation reserve	205	205	214
	Reserve according to the equity method	6,377	6,703	6,398
	Retained profit	25,311	24,769	24,586
	Jyske Bank A/S shareholders	32,619	32,453	32,014
	Holders of Additional Tier 1 Capital (AT1)	3,215	3,257	3,203
	<b>Total equity</b>	<b>35,834</b>	<b>35,710</b>	<b>35,217</b>
	<b>Total equity and liabilities</b>	<b>313,265</b>	<b>304,100</b>	<b>314,314</b>
<b>OFF-BALANCE SHEET ITEMS</b>				
	Guarantees, etc.	19,792	20,260	20,055
	Other contingent liabilities	4,702	4,397	4,585
	<b>Total guarantees and other contingent liabilities</b>	<b>24,494</b>	<b>24,657</b>	<b>24,640</b>

DKKmn

**Statement of Changes in Equity**

	Share capital	Revaluation reserve	Currency translation reserve	Reserve according to the equity method	Retained profit	Proposed dividend	Shareholders of Jyske Bank A/S	AT1 capital*	Total equity
Equity at 1 January 2020	776	205	0	6,703	24,769	0	32,453	3,257	35,710
Net profit for the period	0	0	0	-326	978	0	652	126	778
Other comprehensive income	0	0	0	0	-6	0	-6	0	-6
Comprehensive income for the period	0	0	0	-326	972	0	646	126	772
Interest paid on Additional Tier 1 Capital	0	0	0	0	0	0	0	-139	-139
Currency translation adjustment	0	0	0	0	29	0	29	-29	0
Reduction of share capital	-50	0	0	0	50	0	0	0	0
Acquisition of own shares	0	0	0	0	-1,590	0	-1,590	0	-1,590
Sale of own shares	0	0	0	0	1,081	0	1,081	0	1,081
Transactions with owners	-50	0	0	0	-430	0	-480	-168	-648
<b>Equity at 30 September 2020</b>	<b>726</b>	<b>205</b>	<b>0</b>	<b>6,377</b>	<b>25,311</b>	<b>0</b>	<b>32,619</b>	<b>3,215</b>	<b>35,834</b>

Equity at 1 January 2019	849	214	0	5,612	24,591	520	31,786	2,546	34,332
Net profit for the period	0	0	0	786	574	0	1,360	114	1,474
Other comprehensive income	0	0	0	0	2	0	2	0	2
Comprehensive income for the period	0	0	0	786	576	0	1,362	114	1,476
Hybrid core capital issue	0	0	0	0	0	0	0	716	716
Transaction costs	0	0	0	0	-7	0	-7	0	-7
Interest paid on Additional Tier 1 Capital	0	0	0	0	0	0	0	-119	-119
Currency translation adjustment	0	0	0	0	54	0	54	-54	0
Proposed dividend reversed	0	0	0	0	520	-520	0	0	0
Reduction of share capital	-33	0	0	0	33	0	0	0	0
Acquisition of own shares	0	0	0	0	-1,981	0	-1,981	0	-1,981
Sale of own shares	0	0	0	0	800	0	800	0	800
Transactions with owners	-33	0	0	0	-581	-520	-1,134	543	-591
<b>Equity at 30 September 2019</b>	<b>816</b>	<b>214</b>	<b>0</b>	<b>6,398</b>	<b>24,586</b>	<b>0</b>	<b>32,014</b>	<b>3,203</b>	<b>35,217</b>

\*Additional Tier 1 Capital (AT1) has no maturity. Payment of interest and repayment of principal are voluntary. Therefore Additional Tier 1 Capital is recognised as equity. In September 2016, Jyske Bank issued AT1 amounting to SEK 1.25bn and DKK 500m. The AT1 issue with the possibility of early redemption in September 2021 at the earliest. The interest rates applicable to the issue until September 2021 are STIBOR+5.80% and CIBOR+5.30%, respectively. In September 2017, Jyske Bank issued AT1 amounting to EUR 150bn with the possibility of early redemption in September 2027 at the earliest. The issue has a coupon of 4.75% until September 2027. In April 2019, Jyske Bank issued AT1 in the amount of SEK 1 bn, with the possibility of early redemption in April 2024 at the earliest. The interest rate applicable to the issue until April 2024 is STIBOR+5%. It applies to all AT1 issues, that if the Common Equity Tier 1 capital ratio of Jyske Bank A/S or the Jyske Bank Group falls below 7%, the loans will be written down.

Note	Jyske Bank		
DKKmn	30 Sept. 2020	31 Dec. 2019	30 Sept. 2019
<b>Capital Statement</b>			
Shareholders' equity	<b>32,619</b>	32,453	32,014
Share buy-back programme, non-utilised limit	<b>0</b>	-404	-286
Expected dividend, calculated as required by law	<b>-137</b>	0	-339
Deferred tax assets	<b>-19</b>	-24	-9
Prudent valuation	<b>-330</b>	-349	-356
Other deductions	<b>-58</b>	-27	-59
<b>Common Equity Tier 1 capital</b>	<b>32,075</b>	31,649	30,965
Additional Tier 1 Capital (AT1) after reduction	<b>3,461</b>	3,619	3,579
<b>Core capital</b>	<b>35,536</b>	35,268	34,544
Subordinated loan capital after reduction	<b>5,315</b>	3,763	3,757
<b>Capital base</b>	<b>40,851</b>	39,031	38,301
Weighted risk exposure involving credit risk etc.	<b>103,345</b>	100,706	107,068
Weighted risk exposure involving market risk	<b>12,957</b>	11,850	12,574
Weighted risk exposure involving operational risk	<b>10,936</b>	11,478	11,478
<b>Total weighted risk exposure</b>	<b>127,238</b>	124,034	131,120
Capital requirement, Pillar I	<b>10,179</b>	9,923	10,490
Capital ratio (%)	<b>32.1</b>	31.5	29.2
Tier 1 Capital ratio (%)	<b>27.9</b>	28.4	26.3
Common Equity Tier 1 capital ratio (%)	<b>25.2</b>	25.5	23.6

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

**1 Accounting policies**

The interim financial statements of the parent company Jyske Bank A/S for the period 1 January to 30 September 2020 were prepared in accordance with the Danish Financial Business Act, including the Danish Executive Order on Financial Reports for Credit Institutions, Stockbrokers, etc.

The rules applying to recognition and measurement at Jyske Bank A/S are consistent with IFRS.

With respect to classification and extent, the preparation for Jyske Bank A/S differs from the preparation for the Group. Please see the full description of accounting policies in note 68 of the annual report 2019. The accounting policies are identical to those applied to and described in the annual report 2019.

Figures in the financial statements are in Danish kroner, rounded to the nearest million in Danish kroner.

**Financial situation and risk information**

Jyske Bank A/S is affected by the financial situation and the risk factors that are described in the management's review for the Group and reference is made to this.

	Q1-Q3 2020	Q1-Q3 2019
<b>2 Financial ratios and key figures</b>		
Pre-tax profit p.a. as a percentage of average equity*	2.8	5.9
Profit for the period as a pct. of av. equity*	2.0	4.3
Income/cost ratio (%)	1.2	1.4
Capital ratio (%)	32.1	29.2
Common Equity Tier 1 capital ratio (CET 1) (%)	25.2	23.6
Individual solvency requirement (%)	12.8	12.4
Capital base (DKKm)	40,851	38,301
Total risk exposure (DKKm)	127,238	131,120
Interest-rate risk (%)	0.6	-0.1
Currency risk (%)	0.1	0.0
Accumulated impairment ratio (%)	2.1	2.2
Impairment ratio for the period (%)	0.2	0.0
No. of full-time employees at end-period	3,172	3,364
Average number of full-time employees in the period	3,235	3,366

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

	DKKm	Q1-Q3 2020	Q1-Q3 2019
<b>3 Interest income</b>			
Due from credit institutions and central banks		40	21
Loans and advances		1,247	1,495
Bonds		313	416
Derivatives, total		151	146
Of which currency contracts		-86	233
Of which interest-rate contracts		237	-87
Others		0	1
<b>Total after offsetting of negative interest</b>		<b>1,751</b>	<b>2,079</b>
Negative interest income set off against interest income		252	200
Negative interest expenses set off against interest expenses		442	287
<b>Total before offsetting of negative interest income</b>		<b>2,445</b>	<b>2,566</b>
Of which interest income on reverse repos carried under:			
Due from credit institutions and central banks		-15	-13
Loans and advances		-134	-103
<b>4 Interest expenses</b>			
Due to credit institutions and central banks		80	72
Deposits		-273	-7
Issued bonds		140	137
Subordinated debt		82	72
Other interest expenses		6	9
<b>Total after offsetting of negative interest</b>		<b>35</b>	<b>283</b>
Negative interest expenses set off against interest expenses		442	287
Negative interest income set off against interest income		252	200
<b>Total before offsetting of negative interest income</b>		<b>729</b>	<b>770</b>
Of which interest expenses on reverse repos carried under:			
Due to credit institutions and central banks		-43	-51
Deposits		-14	-15
<b>5 Fees and commission income</b>			
Securities trading and custody services		695	710
Money transfers and card payments		126	153
Loan application fees		74	89
Guarantee commission		80	87
Other fees and commissions		987	1,114
<b>Total</b>		<b>1,962</b>	<b>2,153</b>

	DKKm	Q1-Q3 2020	Q1-Q3 2019
<b>6 Value adjustments</b>			
Loans and advances at fair value		10	12
Bonds		103	120
Shares, etc.		135	215
Currency		9	32
Currency, interest-rate, share, commodity and other contracts as well as other derivatives		-259	-451
Assets in pooled deposits		-173	520
Pooled deposits		173	-520
Other assets		0	9
Issued bonds		34	-82
Other liabilities		-13	-61
<b>Total</b>		<b>19</b>	<b>-206</b>
<b>7 Loan impairment charges and provisions for guarantees recognised in the income statement</b>			
Loan impairment charges and provisions for guarantees for the period		287	-14
Impairment charges on balances due from credit institutions in the period		6	7
Provisions for loan commitments and unutilised credit lines in the period		87	-25
Recognised as a loss, not covered by loan impairment charges and provisions		63	96
Recoveries		-131	-83
Recognised discount for acquired loans		-12	-10
<b>Loan impairment charges and provisions for guarantees recognised in the income statement</b>		<b>300</b>	<b>-29</b>
<b>8 Balance of loan impairment charges and provisions for guarantees</b>			
Balance of loan impairment charges and provisions, beginning of period		3,801	4,118
Loan impairment charges and provisions for the period		374	-39
Recognised as a loss, covered by loan impairment charges and provisions		-437	-292
Other movements		44	49
<b>Balance of loan impairment charges and provisions for guarantees</b>		<b>3,782</b>	<b>3,836</b>
Loan impairment charges and provisions for guarantees at amortised cost		3,277	3,440
Loan impairment charges at fair value		2	1
Provisions for guarantees		280	278
Provisions for credit commitments and unutilised credit lines		223	117
<b>Balance of loan impairment charges and provisions, end of period</b>		<b>3,782</b>	<b>3,836</b>

DKKm

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2020	335	513	2,953	<b>3,801</b>
Transfer of impairment charges at beginning of period to stage 1	107	-80	-27	<b>0</b>
Transfer of impairment charges at beginning of period to stage 2	-19	93	-74	<b>0</b>
Transfer of impairment charges at beginning of period to stage 3	-2	-80	82	<b>0</b>
Impairment charges on new loans, etc.	120	36	120	<b>276</b>
Impairment charges on discontinued loans and provisions for guarantees	-76	-68	-323	<b>-467</b>
Effect from recalculation	2	356	250	<b>608</b>
Previously recognized as impairment charges, now final loss	0	0	-436	<b>-436</b>
Balance of loan impairment charges and provisions for guarantees on 30 September 2020	467	770	2,545	<b>3,782</b>

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2019	320	603	3,195	<b>4,118</b>
Transfer of impairment charges at beginning of period to stage 1	106	-64	-42	<b>0</b>
Transfer of impairment charges at beginning of period to stage 2	-29	94	-65	<b>0</b>
Transfer of impairment charges at beginning of period to stage 3	-1	-56	57	<b>0</b>
Impairment charges on new loans, etc.	74	36	90	<b>200</b>
Impairment charges on discontinued loans and provisions for guarantees	-62	-115	-259	<b>-436</b>
Effect from recalculation	-116	174	188	<b>246</b>
Previously recognized as impairment charges, now final loss	-1	-1	-290	<b>-292</b>
Balance of loan impairment charges and provisions for guarantees on 30 September 2019	291	671	2,874	<b>3,836</b>

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2020	269	445	2,703	<b>3,417</b>
Transfer of impairment charges at beginning of period to stage 1	97	-71	-26	<b>0</b>
Transfer of impairment charges at beginning of period to stage 2	-17	73	-56	<b>0</b>
Transfer of impairment charges at beginning of period to stage 3	-1	-77	78	<b>0</b>
Impairment charges on new loans, etc.	86	22	89	<b>197</b>
Impairment charges on discontinued loans and provisions for guarantees	-54	-54	-294	<b>-402</b>
Effect from recalculation	-13	311	201	<b>499</b>
Previously recognized as impairment charges, now final loss	0	0	-434	<b>-434</b>
Balance of loan impairment charges and provisions for guarantees on 30 September 2020	367	649	2,261	<b>3,277</b>

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2019	253	522	2,986	<b>3,761</b>
Transfer of impairment charges at beginning of period to stage 1	89	-51	-38	<b>0</b>
Transfer of impairment charges at beginning of period to stage 2	-26	88	-62	<b>0</b>
Transfer of impairment charges at beginning of period to stage 3	-1	-54	55	<b>0</b>
Impairment charges on new loans, etc.	41	22	83	<b>146</b>
Impairment charges on discontinued loans and provisions for guarantees	-33	-84	-216	<b>-333</b>
Effect from recalculation	-97	158	93	<b>154</b>
Previously recognized as impairment charges, now final loss	-1	0	-287	<b>-288</b>
Balance of loan impairment charges and provisions for guarantees on 30 September 2019	225	601	2,614	<b>3,440</b>

DKKm

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2020	0	0	1	1
Transfer of impairment charges at beginning of period to stage 1	0	0	0	0
Transfer of impairment charges at beginning of period to stage 2	0	0	0	0
Transfer of impairment charges at beginning of period to stage 3	0	0	0	0
Impairment charges on new loans, etc.	0	0	0	0
Impairment charges on discontinued loans and provisions for guarantees	0	0	0	0
Effect from recalculation	1	0	0	1
Previously recognized as impairment charges, now final loss	0	0	0	0
Balance of loan impairment charges and provisions for guarantees on 30 September 2020	1	0	1	2

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2019	1	1	0	2
Transfer of impairment charges at beginning of period to stage 1	0	0	0	0
Transfer of impairment charges at beginning of period to stage 2	0	0	0	0
Transfer of impairment charges at beginning of period to stage 3	0	0	0	0
Impairment charges on new loans, etc.	0	0	0	0
Impairment charges on discontinued loans and provisions for guarantees	0	-1	0	-1
Effect from recalculation	0	0	0	0
Previously recognized as impairment charges, now final loss	0	0	0	0
Balance of loan impairment charges and provisions for guarantees on 30 September 2019	1	0	0	1

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2020	65	68	250	383
Transfer of impairment charges at beginning of period to stage 1	10	-10	0	0
Transfer of impairment charges at beginning of period to stage 2	-1	19	-18	0
Transfer of impairment charges at beginning of period to stage 3	0	-3	3	0
Impairment charges on new loans, etc.	34	13	30	77
Impairment charges on discontinued loans and provisions for guarantees	-21	-15	-29	-65
Effect from recalculation	15	46	49	110
Previously recognized as impairment charges, now final loss	0	0	-2	-2
Balance of loan impairment charges and provisions for guarantees on 30 September 2020	102	118	283	503

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Balance, beginning of 2019	66	80	209	355
Transfer of impairment charges at beginning of period to stage 1	17	-13	-4	0
Transfer of impairment charges at beginning of period to stage 2	-3	6	-3	0
Transfer of impairment charges at beginning of period to stage 3	0	-3	3	0
Impairment charges on new loans, etc.	32	15	7	54
Impairment charges on discontinued loans and provisions for guarantees	-28	-31	-43	-102
Effect from recalculation	-18	17	93	92
Previously recognized as impairment charges, now final loss	0	-1	-3	-4
Balance of loan impairment charges and provisions for guarantees on 30 September 2019	66	70	259	395

DKKm

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

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Gross loans, advances and guarantees, 1 January 2020	159,229	8,212	5,880	<b>173,321</b>
Transfer of loans, advances and guarantees to stage 1	2,260	-2,126	-134	<b>0</b>
Transfer of loans, advances and guarantees to stage 2	-7,642	7,821	-179	<b>0</b>
Transfer of loans, advances and guarantees to stage 3	-218	-433	651	<b>0</b>
Other movements	-1,840	-3,698	-1,427	<b>-6,965</b>
Gross loans, advances and guarantees, 30 September 2020	151,789	9,776	4,791	<b>166,356</b>
Loan impairment charges and provisions for guarantees, total	398	689	2,472	<b>3,559</b>
Net loans, advances and guarantees, 30 September 2020	151,391	9,087	2,319	<b>162,797</b>

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

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

DKKm

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

		30 September 2020				31 Dec. 2019
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	39,313	162	0	<b>39,475</b>	51,345
2	0.10 - 0.15	10,290	21	0	<b>10,311</b>	9,787
3	0.15 - 0.22	13,362	55	0	<b>13,417</b>	14,545
4	0.22 - 0.33	17,444	42	0	<b>17,486</b>	16,697
5	0.33 - 0.48	11,509	32	0	<b>11,541</b>	14,430
STY Ratings 1 – 5		91,918	312	0	<b>92,230</b>	106,804
6	0.48 - 0.70	19,592	180	0	<b>19,772</b>	18,060
7	0.70 - 1.02	7,632	803	0	<b>8,435</b>	9,732
8	1.02 - 1.48	8,661	481	0	<b>9,142</b>	9,157
9	1.48 - 2.15	13,962	2,060	0	<b>16,022</b>	11,386
10	2.15 - 3.13	5,963	637	0	<b>6,600</b>	4,423
11	3.13 - 4.59	1,547	492	0	<b>2,039</b>	2,300
STY Ratings 6 – 11		57,357	4,653	0	<b>62,010</b>	55,058
12	4.59 - 6.79	434	1,475	0	<b>1,909</b>	1,256
13	6.79 - 10.21	178	491	0	<b>669</b>	859
14	10.21 - 25.0	28	1,970	0	<b>1,998</b>	2,191
STY Ratings 12-14		640	3,936	0	<b>4,576</b>	4,306
Others		1,861	775	0	<b>2,636</b>	1,189
Non performing loans		13	100	4,791	<b>4,904</b>	5,964
<b>Total</b>		<b>151,789</b>	<b>9,776</b>	<b>4,791</b>	<b>166,356</b>	<b>173,321</b>

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

		30 September 2020				31 Dec. 2019
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	3	4	0	<b>7</b>	7
2	0.10 - 0.15	4	1	0	<b>5</b>	10
3	0.15 - 0.22	17	0	0	<b>17</b>	20
4	0.22 - 0.33	22	1	0	<b>23</b>	21
5	0.33 - 0.48	37	1	0	<b>38</b>	29
STY Ratings 1-5		83	7	0	<b>90</b>	87
6	0.48 - 0.70	59	4	0	<b>63</b>	32
7	0.70 - 1.02	39	27	0	<b>66</b>	52
8	1.02 - 1.48	71	10	0	<b>81</b>	48
9	1.48 - 2.15	39	23	0	<b>62</b>	67
10	2.15 - 3.13	32	35	0	<b>67</b>	43
11	3.13 - 4.59	49	31	0	<b>80</b>	51
STY Ratings 6 – 11		289	130	0	<b>419</b>	293
12	4.59 - 6.79	12	183	0	<b>195</b>	46
13	6.79 - 10.21	6	35	0	<b>41</b>	35
14	10.21 - 25.0	1	276	0	<b>277</b>	288
STY Ratings 12-14		19	494	0	<b>513</b>	369
Others		7	53	0	<b>60</b>	14
Non performing loans		0	5	2,472	<b>2,477</b>	2,901
<b>Total</b>		<b>398</b>	<b>689</b>	<b>2,472</b>	<b>3,559</b>	<b>3,664</b>

Irrevocable credit commitments of DKK 4,648m (end of 2019: DKK 4,343m) are all in stage 1 and are distributed according to internal ratings (STY Rating) in this way: STY Rating 1: DKK 2,135m, STY Rating 2: DKK 631m, STY Rating 3: DKK 1,278m, STY Rating 4: DKK 548m and STY Rating 8: DKK 56m  
(End of 2019: STY Rating 1: DKK 2,565m, STY Rating 2: DKK 520m, STY Rating 3: DKK 473m and STY Rating 4: DKK 785m).

DKK m

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

Sector	Loans, advances and guarantees				Balance of loan impairment charges and provisions for guarantees		Loan impairment charges and provisions for guarantees for the period		Loss for the period	
	% 30 Sept. 2020	% End of 2019	30 Sept. 2020	End of 2019	30 Sept. 2020	End of 2019	Q1-Q3 2020	Q1-Q3 2019	Q1-Q3 2020	Q1-Q3 2019
Public authorities	4	5	6,970	8,244	1	0	1	0	0	0
Agriculture, hunting, forestry, fishing	4	4	6,079	6,250	538	740	-156	-35	111	193
<i>Fishing</i>	1	1	1,317	1,780	2	1	1	0	0	0
<i>Dairy farmers</i>	0	0	503	538	233	310	-66	-59	40	59
<i>Plant production</i>	1	1	1,985	1,759	98	97	2	36	11	49
<i>Pig farming</i>	1	1	1,444	1,278	138	176	-51	-7	4	47
<i>Other agriculture</i>	1	1	830	895	67	156	-42	-5	56	38
Manufacturing, mining, etc.	4	4	7,281	6,502	320	180	157	-45	20	33
Energy supply	3	2	4,565	3,717	37	38	6	-25	9	3
Building and construction	2	2	2,602	3,190	113	105	12	34	9	4
Commerce	5	5	7,771	8,958	202	173	26	-28	5	24
Transport, hotels and restaurants	2	2	3,231	4,044	100	81	20	-8	7	8
Information and communication	0	0	736	652	201	267	-67	106	5	4
Finance and insurance	45	42	72,436	72,806	542	649	92	37	218	45
Real property	10	11	15,821	16,960	421	339	73	-21	4	2
<i>Lease of real property</i>	5	6	8,337	9,362	287	269	9	-24	4	12
<i>Buying and selling of real property</i>	2	2	2,526	2,638	44	40	5	2	0	-10
<i>Other real property</i>	3	3	4,958	4,960	90	30	59	1	0	0
Other sectors	3	3	5,456	4,789	132	146	19	6	39	14
Corporate clients	78	75	125,978	127,868	2,606	2,718	182	21	427	330
Personal clients	18	20	29,849	33,545	952	946	31	-25	73	58
Unutilised credit lines and loan commitments	-	-	0	0	223	137	86	-25	0	0
<b>Total</b>	<b>100</b>	<b>100</b>	<b>162,797</b>	<b>169,657</b>	<b>3,782</b>	<b>3,801</b>	<b>300</b>	<b>-29</b>	<b>500</b>	<b>388</b>

	DKKm	30 Sept. 2020	31 Dec. 2019	30 Sept. 2019
11	<b>Deposits</b>			
	Demand deposits	109,635	106,286	111,332
	Term deposits	1,235	1,777	2,381
	Time deposits	16,004	21,405	29,167
	Special deposits	5,697	6,370	7,086
	<b>Total</b>	<b>132,571</b>	<b>135,838</b>	<b>149,966</b>

# Statement by the Executive and Supervisory Boards

We have today discussed and approved the Interim Financial Report of Jyske Bank A/S for the period 1 January to 30 September 2020.

The consolidated Interim Financial Statements were prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, and the Parent's Interim Financial Statements in accordance with the Danish Financial Business Act. Further, the Interim Financial Report was prepared in accordance with the additional Danish disclosure requirements for interim financial reports of listed financial companies.

The Interim Financial Report is unaudited and has not been reviewed, but the external auditor verified the profit, and this verification included audit procedures in line with the requirements relating to a review, and hence it was ascertained that the conditions for on-going recognition of the profit for the period in the capital base were met.

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

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

Silkeborg, 3 November 2020

## EXECUTIVE BOARD

ANDERS DAM  
Managing Director and CEO

NIELS ERIK JAKOBSEN

PETER SCHLEIDT

PER SKOVHUS

/JENS BORUM  
Director, Finance

## SUPERVISORY BOARD

KURT BLIGAARD PEDERSEN  
Chairman

PHILIP BARUCH  
Deputy Chairman

RINA ASMUSSEN

JENS A. BORUP

ANKER LADEN-ANDERSEN

KELD NORUP

BENTE OVERGAARD

PER SCHNACK

JOHNNY CHRISTENSEN  
Employee Representative

MARIANNE LILLEVANG  
Employee Representative

CHRISTINA LYKKE MUNK  
Employee Representative