



Interim Financial Report, Q1 2020

Interim Financial Report, Q1 2020

Management's Review

| | |
|----------------------------------|----|
| The Jyske Bank Group | 2 |
| Summary | 3 |
| Financial Review | 5 |
| Capital and Liquidity Management | 11 |
| Other Information | 14 |

Business Segments

| | |
|---------------------|----|
| Banking Activities | 15 |
| Mortgage Activities | 17 |
| Leasing Activities | 19 |

Interim Financial Statements

| | |
|--|----|
| The Jyske Bank Group | |
| Income Statement and Statement of Comprehensive Income | 20 |
| Balance Sheet | 21 |
| Statement of Changes in Equity | 22 |
| Capital Statement | 23 |
| Summary of Cash Flow Statement | 24 |
| Notes | 25 |
| Jyske Bank A/S | 47 |

| | |
|---|----|
| Statement by the Executive and Supervisory Boards | 59 |
|---|----|

Jyske Bank A/S
Vestergade 8-16
DK-8600 Silkeborg
Tel.: +45 89 89 89 89
www.jyskebank.dk
E-mail: jyskebank@jyskebank.dk
Business Reg. No. 17616617

The Jyske Bank Group

Core profit and net profit for the period (DKK m)

| | Q1 2020 | Q1 2019 | Index 20/19 | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | FY 2019 |
|---|--------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net interest income | 1,228 | 1,294 | 95 | 1,228 | 1,270 | 1,279 | 1,309 | 1,294 | 5,152 |
| Net fee and commission income | 650 | 493 | 132 | 650 | 653 | 611 | 554 | 493 | 2,311 |
| Value adjustments | -113 | 193 | - | -113 | 252 | -95 | -8 | 193 | 342 |
| Other income | 30 | 47 | 64 | 30 | 41 | 7 | 59 | 47 | 154 |
| Income from operating lease (net) | 8 | 24 | 33 | 8 | 15 | 28 | 34 | 24 | 101 |
| Core income | 1,803 | 2,051 | 88 | 1,803 | 2,231 | 1,830 | 1,948 | 2,051 | 8,060 |
| Core expenses * | 1,346 | 1,285 | 105 | 1,346 | 1,213 | 1,275 | 1,256 | 1,285 | 5,029 |
| Core profit before loan impairment charges | 457 | 766 | 60 | 457 | 1,018 | 555 | 692 | 766 | 3,031 |
| Loan impairment charges | 1,003 | -16 | - | 1,003 | -64 | -30 | 9 | -16 | -101 |
| Core profit | -546 | 782 | - | -546 | 1,082 | 585 | 683 | 782 | 3,132 |
| Investment portfolio earnings | -450 | -11 | - | -450 | 144 | -136 | -50 | -11 | -53 |
| Pre-tax profit | -996 | 771 | - | -996 | 1,226 | 449 | 633 | 771 | 3,079 |
| Tax | -216 | 161 | - | -216 | 260 | 84 | 134 | 161 | 639 |
| Net profit for the period | -780 | 610 | - | -780 | 966 | 365 | 499 | 610 | 2,440 |

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

| | | | | | | | | | |
|---|-------|-------|-----|-------|-------|-------|-------|-------|-------|
| Loans and advances | 485.2 | 470.5 | 103 | 485.2 | 485.9 | 483.8 | 479.9 | 470.5 | 485.9 |
| - of which mortgage loans | 336.6 | 333.3 | 101 | 336.6 | 337.5 | 338.7 | 336.9 | 333.3 | 337.5 |
| - of which traditional loans and advances | 99.2 | 104.2 | 95 | 99.2 | 98.7 | 101.7 | 103.3 | 104.2 | 98.7 |
| - of which new home loans | 3.4 | 4.9 | 69 | 3.4 | 3.4 | 4.0 | 4.7 | 4.9 | 3.4 |
| - of which repo loans | 46.0 | 28.1 | 164 | 46.0 | 46.3 | 39.4 | 35.0 | 28.1 | 46.3 |
| Bonds and shares, etc. | 90.9 | 94.8 | 96 | 90.9 | 91.9 | 94.8 | 98.6 | 94.8 | 91.9 |
| Total assets | 674.1 | 627.5 | 107 | 674.1 | 649.7 | 662.5 | 646.4 | 627.5 | 649.7 |
| Deposits | 146.8 | 154.2 | 95 | 146.8 | 140.2 | 157.9 | 152.7 | 154.2 | 140.2 |
| - of which bank deposits | 131.2 | 141.0 | 93 | 131.2 | 126.9 | 138.2 | 139.4 | 141.0 | 126.9 |
| - of which repo deposits and tri-party deposits | 15.6 | 13.2 | 118 | 15.6 | 13.3 | 19.7 | 13.3 | 13.2 | 13.3 |
| Issued bonds at fair value | 347.3 | 334.4 | 104 | 347.3 | 357.0 | 359.5 | 350.7 | 334.4 | 357.0 |
| Issued bonds at amortised cost | 42.7 | 38.2 | 112 | 42.7 | 38.6 | 39.4 | 38.4 | 38.2 | 38.6 |
| Subordinated debt | 5.8 | 4.3 | 135 | 5.8 | 4.3 | 4.3 | 4.3 | 4.3 | 4.3 |
| Holders of AT1 capital | 3.2 | 2.5 | 128 | 3.2 | 3.3 | 3.2 | 3.2 | 2.5 | 3.3 |
| Shareholders' equity | 31.2 | 32.4 | 96 | 31.2 | 32.5 | 32.0 | 32.2 | 32.4 | 32.5 |

Financial ratios and key figures

| | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
| Earnings per share for the period (DKK)** | -11.1 | 7.1 | -11.1 | 12.2 | 4.2 | 5.7 | 7.1 | 29.0 |
| Profit for the period, per share (diluted) (DKK)** | -11.1 | 7.1 | -11.1 | 12.2 | 4.2 | 5.7 | 7.1 | 29.0 |
| Pre-tax profit p.a. as a percentage of average equity** | -13.0 | 9.2 | -13.0 | 14.7 | 5.1 | 7.3 | 9.2 | 9.1 |
| Profit for the period p.a. as a percentage of average equity** | -10.3 | 7.3 | -10.3 | 11.5 | 4.0 | 5.7 | 7.3 | 7.1 |
| Expenses as a percentage of income | 74.7 | 62.7 | 74.7 | 54.4 | 69.7 | 64.5 | 62.7 | 62.4 |
| Capital ratio (%) | 21.5 | 20.1 | 21.5 | 21.5 | 20.2 | 19.8 | 20.1 | 21.5 |
| Common Equity Tier 1 capital ratio (CET1 %) | 16.7 | 16.6 | 16.7 | 17.4 | 16.3 | 16.0 | 16.6 | 17.4 |
| Individual solvency requirement (%) | 11.0 | 10.8 | 11.0 | 11.2 | 11.0 | 10.7 | 10.8 | 11.2 |
| Capital base (DKK bn) | 39.3 | 38.0 | 39.3 | 39.0 | 38.3 | 38.6 | 38.0 | 39.0 |
| Weighted risk exposure (DKK bn) | 182.9 | 189.2 | 182.9 | 181.4 | 189.7 | 195.1 | 189.2 | 181.4 |
| Share price at end of period (DKK) | 169 | 257 | 169 | 243 | 221 | 228 | 257 | 243 |
| Distributed dividend per share (DKK) | - | - | - | - | - | - | - | - |
| Book value per share (DKK)* | 430 | 397 | 430 | 434 | 418 | 408 | 397 | 434 |
| Price/book value per share (DKK)* | 0.39 | 0.6 | 0.39 | 0.6 | 0.5 | 0.6 | 0.6 | 0.6 |
| No. of full-time employees at end-period*** | 3,508 | 3,657 | 3,508 | 3,559 | 3,639 | 3,660 | 3,657 | 3,559 |

Relationships between income statement items under 'The Jyske Bank Group' (key financial data) and the income statement page 20 appear from note 4.

* For the first quarter of 2020, core expenses amounted to DKK 1,346m, of which costs relating to the sale of Jyske Bank (Gibraltar) amounted to DKK 78m.

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

*** The number of employees at the end of the first quarter of 2020 less 57 employees who are financed externally against 50 employees in the other quarters.

Summary

"The first quarter of 2020 was to a great extent affected by the outbreak of COVID-19, which has considerably worsened the macroeconomic outlook and added to uncertainty in the financial markets," states Anders Dam, CEO and Managing Director.

Pre-tax profit excl. of management's estimate for impairment charges DKK 24m

The net profit for the period came to DKK -780m, among other things due to an increased management's estimate for impairment charges in the amount of DKK 1 bn due to the COVID-19 outbreak. The estimate is based on the experience Jyske Bank gained from the financial crisis in 2008. In the first quarter of 2020, individual impairment charges came to about DKK 0, and the proportion of non-performing loans and advances continued to fall in the first quarter. Jyske Bank's direct exposure to industries especially affected by COVID-19, such as the airline industry, shipping, retail, the hotel and restaurant business as well as the leisure industry is estimated to be smaller than would be implied by the bank's normal market share.

In the first quarter, value adjustments and investment portfolio earnings amounted to DKK -563m. Since the beginning of the second quarter, these items have improved by DKK 150m-200m due to a positive market development. Volatility is expected to remain elevated in the coming quarters.

In the first quarter, net interest income fell, primarily due to lower income from the strategic balance sheet and risk management as well as changes in the lending mix. However, in March 2020, net interest income was at the highest level since October 2019 and supports our expectations that net interest income will increase in the coming quarters.

In the first quarter, the deposit surplus increased by DKK 4 bn to DKK 29 bn despite the introduction of negative deposit rates for personal clients as of December 2019. As of 1 May 2020, Jyske Bank has raised the deposit rate on clients' deposits, for instance in NemKonto, to -0.60% from -0.75%.

As in the preceding quarter, net fee and commission income was at a satisfactory level and grew considerably, namely by 32%, compared to the first quarter of 2019. The increase was, among other things, caused by performance fees and high remortgaging and refinancing activities.

In the first quarter, core expenses rose compared to the same period in 2019 due to extraordinary

expenses relating to the sale of Jyske Bank (Gibraltar), increased payroll tax as well as higher payments to the Resolution Fund under Finansielt Stabilitet (the Danish resolution authority). The number of full-time employees still fell. Adjusted for items of a one-off nature, core expenses fell by 1% relative to the first quarter of 2019 and by 4% relative to the fourth quarter of 2019.

The solvency remains at a solid level with a capital ratio of 21.5% and a Common Equity Tier 1 capital ratio of 16.7% at the end of the first quarter of 2020.

Capital structure and liquidity position

Jyske Bank's Supervisory Board has as of 1 April 2020 cancelled the remaining part of the earlier share buy-back programme in the amount of DKK 1.5 bn. 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.

At the end of the first quarter of 2020, Jyske Bank had a capital buffer of DKK 12 bn and a liquidity coverage (LCR) of DKK 58 bn. It is still expected that the current capital and liquidity buffer can withstand even severe scenarios.

On 21 January 2020, Jyske Bank issued new tier 2 capital in the amount of EUR 200m at an interest rate corresponding to 3-month CIBOR + 1.3% and an annual interest expense of close to DKK 20m.

Jyske Bank sold DLR kredit shares in the equivalent value of DKK 155m as part of the ordinary reallocation of shares in DLR kredit. 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.

The release of the countercyclical buffer and Jyske Bank's tier 2 issue has reduced the Group's need to issue new non-preferred senior debt. On an ongoing basis, Jyske Bank assesses the need for issues subject to regulatory and market-related circumstances.

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 at the end of 2019. Also, the company had 81 full-time employees.

In the first quarter of 2020, the completion of the sale resulted in total expenses of DKK 78m. In the first quarter, the earnings of Jyske Bank (Gibraltar) amounted to about DKK 4m, which are included in the ordinary income statement items.

Outlook

Jyske Bank anticipates that the economic activity level in Denmark will fall significantly in 2020 in annual terms, but Jyske Bank also anticipates that the level will bottom out in the second quarter in a year-to-year comparison.

It is expected that a lower level of core income will be generated than in 2019 due to moderating fee income in the next quarters, while it is expected that net interest income will increase over the next quarters.

It is the ambition of the Jyske Bank Group to keep the underlying costs under control, also entailing that the number of full-time employees will continue to fall over the next quarters.

It is expected that the individual loan impairment charges and provisions for guarantees will be at a significantly higher level in 2020 with a gradual increase over the year against a decline in the balance of the management's estimate as per the end of the first quarter.

For 2020, a net profit of DKK 0.0 bn - 1.5 bn is expected. The earnings expectations are subject to great uncertainty.

Financial Review

Core profit and net profit for the period (DKKm)

| | Q1 2020 | Q1 2019 | Index 20/19 | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | FY 2019 |
|---|--------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net interest income | 1,228 | 1,294 | 95 | 1,228 | 1,270 | 1,279 | 1,309 | 1,294 | 5,152 |
| Net fee and commission income | 650 | 493 | 132 | 650 | 653 | 611 | 554 | 493 | 2,311 |
| Value adjustments | -113 | 193 | - | -113 | 252 | -95 | -8 | 193 | 342 |
| Other income | 30 | 47 | 64 | 30 | 41 | 7 | 59 | 47 | 154 |
| Income from operating lease (net) | 8 | 24 | 33 | 8 | 15 | 28 | 34 | 24 | 101 |
| Core income | 1,803 | 2,051 | 88 | 1,803 | 2,231 | 1,830 | 1,948 | 2,051 | 8,060 |
| Core expenses | 1,346 | 1,285 | 105 | 1,346 | 1,213 | 1,275 | 1,256 | 1,285 | 5,029 |
| Core profit before loan impairment charges | 457 | 766 | 60 | 457 | 1,018 | 555 | 692 | 766 | 3,031 |
| Loan impairment charges | 1,003 | -16 | - | 1,003 | -64 | -30 | 9 | -16 | -101 |
| Core profit | -546 | 782 | - | -546 | 1,082 | 585 | 683 | 782 | 3,132 |
| Investment portfolio earnings | -450 | -11 | - | -450 | 144 | -136 | -50 | -11 | -53 |
| Pre-tax profit | -996 | 771 | - | -996 | 1,226 | 449 | 633 | 771 | 3,079 |
| Tax | -216 | 161 | - | -216 | 260 | 84 | 134 | 161 | 639 |
| Net profit for the period | -780 | 610 | - | -780 | 966 | 365 | 499 | 610 | 2,440 |

Net profit for the period

Net profit amounted to DKK -780m in the first quarter of 2020 against DKK 610m in the corresponding period in 2019. The lower profit can primarily be attributed to an increased management's estimate for impairment charges and a negative development in the financial markets in the first quarter of 2020.

Core income

Core income amounted to DKK 1,803m against DKK 2,051m in the first quarter of 2019. The decline can primarily be attributed to lower value adjustments and net interest income.

Net interest income amounted to DKK 1,228m against DKK 1,294m in the same period of 2019, corresponding to a decrease by 5%. Net interest income was supported by growth within mortgage and leasing activities; however, this was more than offset by lower bank loans and advances and also margin pressure as well as rising funding costs and lower net interest income from trading activities.

Strategic balance sheet and risk management (DKKm)

| | Q1 2020 | Q1 2019 |
|-----------------------------------|-------------|------------|
| Net interest income | 33 | 27 |
| Value adjustments | -130 | 66 |
| Banking activities, total | -97 | 93 |
| Net interest income | 17 | 24 |
| Value adjustments | -25 | -7 |
| Mortgage activities, total | -8 | 17 |
| Jyske Bank Group, total | -105 | 110 |

Excl. effect of strategic balance sheet and risk mgmt. (DKKm)

| | Q1 2020 | Q1 2019 |
|---------------------|------------|------------|
| Net interest income | 1,178 | 1,243 |
| Value adjustments | 42 | 134 |

Net fee and commission income amounted to DKK 650m against DKK 493m in the first quarter of 2019, i.e. an increase by 32%. The first quarter of 2020 was affected by higher remortgaging activity and also included performance fees in the amount of DKK 67m. In the same period of 2019, performance fees amounted to DKK 0m and this period also included fee expenses relating to the issue of a covered bond in the amount of EUR 500m by Jyske Realkredit. Adjusted for these two circumstances, the increase came to 17%.

Value adjustments fell to DKK -113m from DKK 193m in the first quarter of 2019. Contrary to the first quarter of 2019, value adjustments were adversely affected by widening credit spreads for Danish mortgage bonds. A significant part of the decrease related to value adjustments of the strategic balance sheet and risk management, amounting to DKK -155m compared to DKK 59m in the first quarter of 2019.

Core expenses

Expenses rose by 5% to DKK 1,346m from DKK 1,285m in the corresponding period in 2019. The increase can be attributed to the completion of the sale of Jyske Bank (Gibraltar), which resulted in a one-off expense of DKK 78m in the first quarter of 2020. Adjusted for this, expenses fell by 1% y/y.

The number of full-time employees in the Group was 3,508 at the end of the first quarter of 2020 compared to 3,657 at the end of the first quarter 2019, corresponding to a decline of 4%. The decline countered the effect, among other things, from rising salaries prescribed by collective agreement and payroll tax as well as an increased contribution to the Resolution Fund under Finansielt Stabilitet (the Danish resolution authority).

capital instruments in SEK and are cancelled out by a positive adjustment of shareholders' equity.

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

Core expenses (DKKm)

| | Q1 2020 | Q1 2019 |
|---|--------------|--------------|
| Staff costs | 764 | 757 |
| IT costs | 348 | 348 |
| Rent, etc. | 16 | 17 |
| Amortisation, depreciation and impairment | 29 | 43 |
| Other operating expenses | 111 | 120 |
| Sale of Jyske Bank (Gibraltar) | 78 | 0 |
| Total | 1,346 | 1,285 |

Impairment charges

Loan impairment charges and provisions for guarantees amounted to an expense of DKK 1,003m against an income of DKK 16m in the first quarter of 2019. Individual impairment charges amounted to approximately DKK 0. The increase can be attributed to a higher management's estimate due to expected economic effects from the outbreak of COVID-19. At the end of the first quarter of 2020, impairment charges based on the management's estimates amounted to DKK 1,609m against DKK 606m at the end of the first quarter of 2019.

Investment portfolio earnings

Investment portfolio earnings amounted to DKK -450m in the first quarter of 2020 against DKK -11m for the same period of 2019.

Investment portfolio earnings (DKKm)

| | Q1 2020 | Q1 2019 |
|--------------------------------------|-------------|------------|
| Net interest income | 23 | 25 |
| Value adjustments | -465 | -28 |
| Income | -442 | -3 |
| Expenses | 8 | 8 |
| Investment portfolio earnings | -450 | -11 |

Investment portfolio earnings for the first quarter of 2020 were adversely affected by widening credit spreads, a flatter yield curve as well as exposure to certain currencies, including especially NOK. Additionally DKK -92m relate to hedging of AT1

Q1 2020 compared to Q4 2019

Net profit fell to DKK -780m in the first quarter of 2020 from DKK 966m in the fourth quarter of 2019.

Core income amounted to DKK 1,803m against DKK 2,231m in the fourth quarter of 2019. The development could primarily be attributed to lower value adjustments and net interest income.

Net interest income amounted to DKK 1,228m against DKK 1,270m in the fourth quarter of 2019. The decline can be attributed to a lower contribution from the strategic balance sheet and risk management, pressure on lending margins, lower interest on financial assets as well as the fact that the period included one less interest-bearing day, and also it can be attributed to rising finance costs due to a tier 2 capital issue in January 2020. These circumstances more than offset the positive effect from lower deposit rates.

At DKK 650m, net fee and commission income was close to being unchanged compared to DKK 653m for the preceding quarter. Lower remortgaging activity and seasonally lower investment-related fees such as annual product and custody fees were offset by higher performance fees and refinancing activity as well as seasonally higher fee income from Letpension and Letsikring.

Value adjustments fell to DKK -113m from DKK 252m. Contrary to the fourth quarter, value adjustments were adversely affected by the development in the financial markets, including widened credit spreads on Danish mortgage bonds.

Core expenses rose to DKK 1,346m from DKK 1,213m. In the fourth quarter of 2019, core expenses were reduced by DKK 114m due to several effects of a one-off nature. On the other hand, the first quarter saw a negative effect amounting to DKK 78m due to the completion of the sale of Jyske Bank (Gibraltar) Ltd. Adjusted for these effects, core expenses fell by 4% relative to the fourth quarter of 2019.

Impairment charges amounted to an expense of DKK 1,003m against an income of DKK 64m in the preceding quarter. The increase can be attributed to a higher management's estimate for impairment charges due to expected economic effects from the outbreak of COVID-19.

Investment portfolio earnings fell to DKK -450m from DKK 144m in the fourth quarter of 2019. The decline can be attributed to widening credit spreads, currency positions and a flatter yield curve.

Business volumes

Summary of balance sheet, end of period (DKKbn)

| | Q1 2020 | Q1 2019 | Index 20/19 | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | FY 2019 |
|---|------------|------------|----------------|------------|------------|------------|------------|------------|------------|
| Loans and advances | 485.2 | 470.5 | 103 | 485.2 | 485.9 | 483.8 | 479.9 | 470.5 | 485.9 |
| - of which mortgage loans | 336.6 | 333.3 | 101 | 336.6 | 337.5 | 338.7 | 336.9 | 333.3 | 337.5 |
| - of which traditional loans and advances | 99.2 | 104.2 | 95 | 99.2 | 98.7 | 101.7 | 103.3 | 104.2 | 98.7 |
| - of which new home loans | 3.4 | 4.9 | 69 | 3.4 | 3.4 | 4.0 | 4.7 | 4.9 | 3.4 |
| - of which repo loans | 46.0 | 28.1 | 164 | 46.0 | 46.3 | 39.4 | 35.0 | 28.1 | 46.3 |
| Bonds and shares, etc. | 90.9 | 94.8 | 96 | 90.9 | 91.9 | 94.8 | 98.6 | 94.8 | 91.9 |
| Total assets | 674.1 | 627.5 | 107 | 674.1 | 649.7 | 662.5 | 646.4 | 627.5 | 649.7 |
| Deposits | 146.8 | 154.2 | 95 | 146.8 | 140.2 | 157.9 | 152.7 | 154.2 | 140.2 |
| - of which bank deposits | 131.2 | 141.0 | 93 | 131.2 | 126.9 | 138.2 | 139.4 | 141.0 | 126.9 |
| - of which repo deposits and tri-party deposits | 15.6 | 13.2 | 118 | 15.6 | 13.3 | 19.7 | 13.3 | 13.2 | 13.3 |
| Issued bonds at fair value | 347.3 | 334.4 | 104 | 347.3 | 357.0 | 359.5 | 350.7 | 334.4 | 357.0 |
| Issued bonds at amortised cost | 42.7 | 38.2 | 112 | 42.7 | 38.6 | 39.4 | 38.4 | 38.2 | 38.6 |
| Subordinated debt | 5.8 | 4.3 | 135 | 5.8 | 4.3 | 4.3 | 4.3 | 4.3 | 4.3 |
| Holders of AT1 capital | 3.2 | 2.5 | 128 | 3.2 | 3.3 | 3.2 | 3.2 | 2.5 | 3.3 |
| Shareholders' equity | 31.2 | 32.4 | 96 | 31.2 | 32.5 | 32.0 | 32.2 | 32.4 | 32.5 |

Jyske Bank's total loans and advances (exclusive of repo loans) were close to being unchanged at DKK 439.2 bn at the end of the first quarter of 2020 against DKK 439.6 bn at the end of 2019, as rising loans and advances within banking and leasing activities were offset by lower mortgage loans.

Mortgage loans at fair value fell to DKK 336.6 bn from DKK 337.5 bn at the end of 2019. The decline should be seen in the light of falling bond prices in the first quarter having an adverse effect on fair values. Nominal mortgage loans rose by 1% to DKK 331.1 bn from DKK 327.9 bn. New home loans were unchanged at DKK 3.4 bn. At the end of the first quarter of 2020, mortgage loans at fair value and new home loans accounted for 77% of total loans and advances, exclusive of repo loans, compared to 78% at the end of 2019.

Traditional bank loans and advances rose by 1% to DKK 99.2 bn compared to the level at the end of 2019. The continuing decline in loans and advances to personal clients was over the quarter more than

offset by an increase in loans and advances to corporate clients and public authorities.

Bank deposits amounted to DKK 131.2 bn at the end of the first quarter of 2020, reflecting an increase by 3% relative to the level at the end of 2019 caused by higher deposits from corporate clients. Bank deposits were DKK 29 bn higher than bank loans and advances at the end of the first quarter of 2020.

At the end of the first quarter of 2020, the business volume within asset management amounted to DKK 155 bn compared to DKK 171 bn at the end of 2019. The first quarter of the year was characterised by a broad-based setback in the financial markets resulting in a negative impact on the business volume. To this must be added an outflow of funds from retail clients, yet this was more than offset by a continued inflow of new funds from professional clients.

Credit quality

Non-performing loans and guarantees (DKKbn)

| | Q1 2020 | Q1 2019 | Index 20/19 | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | FY 2019 |
|---|------------|------------|----------------|------------|------------|------------|------------|------------|------------|
| Loans, advances and guarantees | 497.4 | 487.6 | 102 | 497.4 | 497.8 | 495.4 | 495.0 | 487.6 | 497.8 |
| Non-performing loans and guarantees | 9.8 | 10.9 | 90 | 9.8 | 10.3 | 10.2 | 10.4 | 10.9 | 10.3 |
| Impairment charges and provisions | 3.6 | 3.5 | 103 | 3.6 | 3.4 | 3.3 | 3.5 | 3.5 | 3.4 |
| Non-performing loans and guarantees after impairment charges | 6.2 | 7.4 | 84 | 6.2 | 6.9 | 6.9 | 6.9 | 7.4 | 6.9 |
| NPL ratio | 1.2% | 1.5% | 80 | 1.2% | 1.4% | 1.4% | 1.4% | 1.5% | 1.4% |
| NPL coverage ratio | 37.3% | 34.4% | 109 | 37.3% | 34.6% | 34.4% | 35.1% | 34.4% | 33.4% |
| Non-performing loans and past due exposures | 1.1 | 1.5 | 73 | 1.1 | 1.2 | 1.3 | 1.4 | 1.5 | 1.2 |
| Operational loan impairment charges and provisions for guarantees | 1.0 | 0.0 | - | 1.0 | -0.1 | 0.0 | 0.0 | 0.0 | -0.1 |
| Operating loss | 0.2 | 0.3 | 67 | 0.2 | 0.1 | 0.1 | 0.2 | 0.3 | 0.7 |

Non-performing loans and advances comprise clients with impairment charges, high/full risk or exposures more than 90 days past due. At the end of the first quarter of 2020, non-performing loans and advances amounted to 1.2% of loans, advances 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 first quarter of 2020, Jyske Bank's total balance of loan impairment charges and provisions amounted to DKK 6.2 bn, corresponding to 1.2% of the total balance of loans, advances and guarantees against DKK 5.2 bn and 1.0%, respectively, at the end of 2019.

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

| | Loans, advances and guarantees | | Impairment ratio | |
|--|--------------------------------|--------------|------------------|------------|
| | Q1 2020 | Q4 2019 | Q1 2020 | Q4 2019 |
| Public authorities | 10.1 | 8.7 | 0.0 | 0.0 |
| Agriculture, hunting, forestry and fishing | 7.0 | 7.3 | 9.7 | 9.5 |
| Manufacturing industry and mining | 10.9 | 8.6 | 2.5 | 2.4 |
| Energy supply | 5.4 | 4.9 | 0.9 | 0.8 |
| Construction | 8.1 | 7.7 | 2.0 | 1.6 |
| Commerce | 14.4 | 13.4 | 1.9 | 1.4 |
| Transport, hotels and restaurants | 6.9 | 6.9 | 1.9 | 1.4 |
| Information and communication | 0.7 | 0.8 | 25.1 | 25.4 |
| Finance and insurance | 41.8 | 46.8 | 1.9 | 1.4 |
| Real property | 153.5 | 152.4 | 0.6 | 0.5 |
| Other sectors | 19.1 | 17.7 | 1.3 | 1.1 |
| Corporate clients | 267.8 | 266.5 | 1.5 | 1.3 |
| Personal clients | 219.5 | 222.6 | 0.9 | 0.8 |
| Total | 497.4 | 497.8 | 1.2 | 1.0 |

At the end of first quarter of 2020, impairment charges based on management's estimates amounted to DKK 1,609m, of which DKK 160m 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, and it is distributed across sectors depending on previous balances of impairment charges.

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

| | Loans, advances and guarantees | | Balance of impairment charges | | Impairment ratio | |
|--------------|--------------------------------|--------------|-------------------------------|------------|------------------|------------|
| | Q1 2020 | Q4 2019 | Q1 2020 | Q4 2019 | Q1 2020 | Q4 2019 |
| Stage 1 | 467.9 | 468.4 | 1.0 | 0.7 | 0.2 | 0.2 |
| Stage 2 | 24.2 | 23.5 | 1.6 | 1.1 | 6.2 | 4.5 |
| Stage 3 | 5.3 | 5.9 | 3.4 | 3.3 | 39.1 | 35.9 |
| Total | 497.4 | 497.8 | 6.0 | 5.1 | 1.2 | 1.0 |

Agriculture

At the end of the first quarter of 2020, the impairment ratios for dairy farmers and pig farming were 37% and 10%, respectively, of loans, advances and guarantees against 34% and 11%, respectively, at the end of 2019. Settlement prices for milk and slaughter pigs were stable in the first quarter of 2020.

Agriculture exclusive of fishing (DKKm/%)

| | Loans, advances and guarantees | | Balance of impairment charges | | Impairment ratio | |
|-------------------|--------------------------------|--------------|-------------------------------|------------|------------------|-------------|
| | Q1 2020 | Q4 2019 | Q1 2020 | Q4 2019 | Q1 2020 | Q4 2019 |
| Milk | 562 | 613 | 322 | 312 | 36.5 | 33.7 |
| Pigs | 1,471 | 1,380 | 164 | 178 | 10.1 | 11.5 |
| Plant production | 2,166 | 2,039 | 102 | 98 | 4.5 | 4.6 |
| Fur farming | 101 | 115 | 34 | 42 | 25.3 | 26.8 |
| Other agriculture | 1,239 | 1,243 | 124 | 124 | 9.1 | 9.1 |
| Total | 5,539 | 5,390 | 746 | 754 | 11.9 | 12.3 |

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 to three years. At these levels, Jyske Bank can comfortably meet capital requirements and has at the same time the required strategic scope.

At the end of the first quarter of 2020, Jyske Bank had a capital ratio of 21.5% and a common equity tier 1 capital ratio of 16.7%. At the end of 2019, the capital ratios were 21.5% and 17.4%, respectively.

| Capital ratios (%) | | |
|--|------------|------------|
| | Q1 2020 | Q4 2019 |
| Capital ratio (%) | 21.5 | 21.5 |
| Tier 1 capital ratio (%) | 18.6 | 19.4 |
| Common Equity Tier 1 capital ratio (%) | 16.7 | 17.4 |

The total risk weighted exposure amounted to DKK 182.9 bn at the end of the first quarter of 2020 against DKK 181.4 bn at the end of 2019.

| Weighted risk exposure (DKKbn) | | |
|--------------------------------|----------------|----------------|
| | Q1 2020 | Q4 2019 |
| Credit risk, etc. | 156,146 | 153,912 |
| Market risk | 12,031 | 11,606 |
| Operational risk | 14,680 | 15,930 |
| Total | 182,857 | 181,448 |

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.

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.

Individual solvency requirement and capital buffer

At the end of the first quarter of 2020, Jyske Bank's individual solvency requirement was 11.0% 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. The countercyclical buffer has been released, which lowers the capital requirement by 1% of the weighted risk exposure.

| | Capital ratio | | CET1 ratio | |
|------------------------------------|---------------|-------------|-------------|-------------|
| | Q1 2020 | Q4 2019 | Q1 2020 | Q4 2019 |
| Pillar I | 8.0 | 8.0 | 4.5 | 4.5 |
| Pillar II | 3.0 | 3.2 | 1.7 | 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 |
| Overall capital requirement | 15.0 | 16.2 | 10.2 | 11.3 |

This forms the basis of the total capital requirement of 15.0% against 16.2% at the end of 2019 and results in a capital buffer of 6.5% of the weighted risk exposure, corresponding to DKK 11.9 bn against 5.3% and DKK 9.7 bn, respectively, at the end of 2019.

| Capital buffer (%) | | |
|-----------------------------|------------|------------|
| | Q1 2020 | Q4 2019 |
| Capital ratio | 21.5 | 21.5 |
| Overall capital requirement | 15.0 | 16.2 |
| Capital buffer | 6.5 | 5.3 |

Liquidity management

The Group's biggest source of funding was covered bonds and mortgage bonds, which amounted to DKK 352 bn and 52% of the balance sheet in the first quarter of 2020. The second-largest source of funding in the amount of DKK 131 bn was client deposits, of which a high proportion consists of deposits from small and medium-sized enterprises as well as personal clients.

The deposit base ensures long-term stability in the Group's funding of bank loans and advances, thus supporting compliance of statutory financial ratios as well as internally delegated limits and guidelines.

It is an integrated part of the Group's strategic liquidity management to maintain ongoing

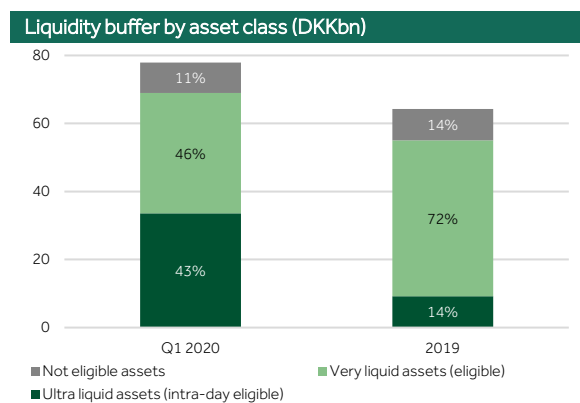
activities in the international capital markets in order to ensure access to a diversified investor base.

The lower countercyclical buffer and Jyske Bank's recent tier 2 issue reduced the Group's need to issue new non-preferred senior debt in 2020. On an ongoing basis, Jyske Bank assesses the need for issues subject to regulatory and market-related circumstances.

In the future, it is also to be expected that Jyske Realkredit will on a recurring basis be active in the market for covered bonds (SDO) in EUR.

Liquidity buffer

At the end of the first quarter of 2020, the Group's liquidity buffer amounted to DKK 78 bn against DKK 64 bn at the end of 2019.



The buffer consists, cf. the chart above, mainly of ultra and very liquid assets in the form of deposits with central banks as well as government bonds and covered bonds ('SDO').

The increase of the buffer in the first quarter of 2020 was primarily caused by increased deposits, higher volumes under the Jyske Bank Group's CP programme as well as a new tier 2 issue.

Under a stress scenario assuming that the Group is precluded from re-financing in the international financial money markets for unsecured senior debt, the liquidity buffer will presumably after a 12-month period amount to DKK 40 bn and after a 24-month period to 34 bn.

| Liquidity buffer and run-off (DKKbn) | | | |
|--------------------------------------|---------|---------|-------|
| | Q1 2020 | Q4 2019 | Index |
| End of period | 77.9 | 64.3 | 121 |
| 12 mths. | 39.6 | 42.2 | 94 |
| 24 mths. | 34.0 | 33.8 | 101 |

Liquidity Coverage Ratio (LCR)

At the end of the first quarter of 2020, the Group's LCR ratio was 229% against 253% at the end of 2019. The Group's internal guideline points to a LCR of at least 150%. The Group's LCR buffer after haircuts at the end of the first quarter of 2020 is shown below:

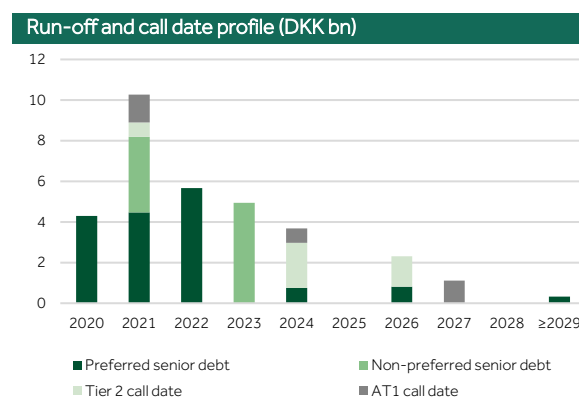
| LCR buffer | | |
|----------------------|--------------|------------|
| | DKKbn | % |
| Level 1a assets | 60.9 | 59 |
| Level 1b assets | 40.3 | 39 |
| Level 2a + 2b assets | 2.3 | 2 |
| Total | 103.5 | 100 |

Being a Danish a systemically important financial institution, Jyske Bank must meet a modified LCR requirement in EUR. At the end of the first quarter of 2020, Jyske Bank met the requirement in full with a significant buffer.

Refinancing profile

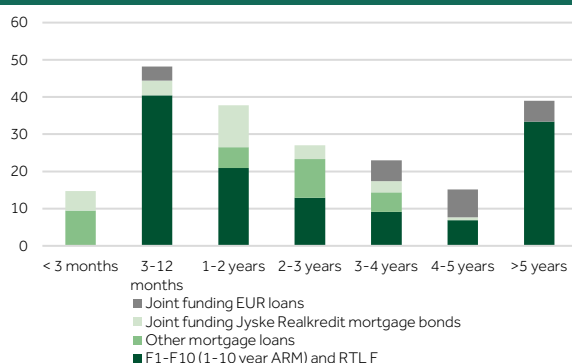
At the end of the first quarter of 2020, outstanding unsecured senior debt and tier 2 capital under the Group's EMTN programme amounted to DKK 21.2 bn and DKK 4.7 bn, respectively, against DKK 23.3 bn and DKK 3.3 bn at the end of 2019.

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



At the end of 2020, covered bonds involving refinancing risk amounted to DKK 204.7 bn, and the run-off profile of the underlying mortgage loans is illustrated in the chart below.

Run-off profile of covered bonds (DKK bn)



Capital markets and issuance activity

On 21 January 2020, Jyske Bank issued new tier 2 capital in the amount of EUR 200m at an interest rate corresponding to 3-month CIBOR + 1.3%.

Issue activity

| | Maturity | Credit spread |
|--|---------------------------|-----------------------|
| EUR 200m tier 2 (value date 28.01.2020) | 28.01.2031 (call 2026) | 3M CIBOR + 130 bp. |

The Group is on an on-going basis active in the French CP market. At the end of the first quarter of 2020, the outstanding volume under the CP programme amounted to DKK 20.4 bn against DKK 15.6 bn at the end of 2019.

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 |
| Jyske Realkredit | | |
| Bond issues | | |
| Capital Centre E covered bonds | AAA | |
| Capital Centre B mortgage bonds | AAA | |

Other information

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

| The supervisory diamond for Jyske Bank A/S | | |
|---|------------|------------|
| | Q1 2020 | Q4 2019 |
| Sum of large exposures <175% of Common Equity Tier 1 capital | 89% | 84% |
| Increase in loans and advances <20% annually | -5% | -7% |
| Exposures to property administration and property transactions <25% of total loans and advances | 10% | 10% |
| Funding ratio <1 | 0.52 | 0.52 |
| Liquidity benchmark >100% | 133% | 188% |

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

The supervisory diamond for Jyske Realkredit A/S

| The supervisory diamond for Jyske Realkredit A/S | | |
|---|------------|------------|
| | Q1 2020 | Q4 2019 |
| Concentration risk <100% | 49.8% | 47.9% |
| Increase in loans <15% annually in the segment: | | |
| Owner-occupied homes and vacation homes | 0.8% | 2.4% |
| Residential rental property | 1.8% | 0.2% |
| Other sectors | 6.7% | 6.1% |
| Borrower's interest-rate risk <25% | | |
| Residential property | 17.8% | 17.8% |
| Interest-only schemes <10% | | |
| Owner-occupied homes and vacation homes | 6.1% | 6.4% |
| Loans with frequent interest-rate fixing: | | |
| Refinancing (annually) <25% | 14.0% | 15.0% |
| Refinancing (quarterly) <12.5% | 5.2% | 1.7% |

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

Additional information

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

and elements of uncertainty that may affect Jyske Bank.

Also, please see www.jyskerealkredit.com. Jyske Realkredit's interim financial report for the first quarter 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 2020 | Q1 2019 | Index 20/19 | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | FY 2019 |
|---|--------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net interest income | 519 | 593 | 88 | 519 | 550 | 568 | 590 | 593 | 2,301 |
| Net fee and commission income | 778 | 629 | 124 | 778 | 802 | 816 | 721 | 629 | 2,968 |
| Value adjustments | -69 | 173 | - | -69 | 256 | -63 | -37 | 173 | 329 |
| Other income | 26 | 37 | 70 | 26 | 34 | -12 | 61 | 37 | 120 |
| Core income | 1,254 | 1,432 | 88 | 1,254 | 1,642 | 1,309 | 1,335 | 1,432 | 5,718 |
| Core expenses | 1,217 | 1,160 | 105 | 1,217 | 1,089 | 1,150 | 1,131 | 1,160 | 4,530 |
| Core profit before loan impairment charges | 37 | 272 | 14 | 37 | 553 | 159 | 204 | 272 | 1,188 |
| Loan impairment charges | 455 | 13 | 3,500 | 455 | -99 | -33 | -19 | 13 | -138 |
| Core profit | -418 | 259 | - | -418 | 652 | 192 | 223 | 259 | 1,326 |
| Investment portfolio earnings | -450 | -11 | - | -450 | 144 | -136 | -50 | -11 | -53 |
| Pre-tax profit | -868 | 248 | - | -868 | 796 | 56 | 173 | 248 | 1,273 |

Summary of balance sheet, end of period (DKKbn)

| | | | | | | | | | |
|---|-------|-------|-----|-------|-------|-------|-------|-------|-------|
| Loans and advances | 129.0 | 118.8 | 109 | 129.0 | 128.7 | 125.7 | 123.8 | 118.8 | 128.7 |
| - of which traditional loans and advances | 79.6 | 85.8 | 93 | 79.6 | 79.0 | 82.3 | 84.1 | 85.8 | 79.0 |
| - of which new home loans | 3.4 | 4.9 | 69 | 3.4 | 3.4 | 4.0 | 4.7 | 4.9 | 3.4 |
| - of which repo loans | 46.0 | 28.1 | 164 | 46.0 | 46.3 | 39.4 | 35.0 | 28.1 | 46.3 |
| Total assets | 274.9 | 242.4 | 113 | 274.9 | 242.6 | 248.8 | 244.4 | 242.4 | 242.6 |
| Deposits | 146.6 | 153.9 | 95 | 146.6 | 140.0 | 157.6 | 152.5 | 153.9 | 140.0 |
| - of which bank deposits | 131.0 | 140.7 | 93 | 131.0 | 126.7 | 137.9 | 139.2 | 140.7 | 126.7 |
| - of which repo deposits and tri-party deposits | 15.6 | 13.2 | 118 | 15.6 | 13.3 | 19.7 | 13.3 | 13.2 | 13.3 |
| Issued bonds | 36.8 | 38.2 | 96 | 36.8 | 38.6 | 39.4 | 38.4 | 38.2 | 38.6 |

Banking activities cover advisory services relating to traditional financial solutions targeting personal and 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 in Jyske Bank as well as investment portfolio earnings are allocated also to banking activities.

Pre-tax profit

In the first quarter of 2020, banking activities realised a pre-tax profit of DKK -868m against DKK 248m in the first quarter of 2019. The lower profit can primarily be attributed to an increased management's estimate for impairment charges and a negative development in the financial markets in the first quarter of 2020.

Core income

Core income amounted to DKK 1,254m against DKK 1,432m in the first quarter of 2019. The decline can primarily be attributed to lower value adjustments and net interest income.

Net interest income amounted to DKK 519m against DKK 593m in the same period in 2019, corresponding to a decrease by 12%. The development can be attributed to lower bank loans and advances as well as margin pressure and also rising funding costs and lower net interest income from trading activities.

Net fee and commission income amounted to DKK 778m against DKK 629m in the first quarter of 2019, i.e. an increase by 24%. The first quarter of 2020 was affected by higher remortgaging activity and included performance fees in the amount of DKK 67m against DKK 0m in the first quarter of 2019. Adjusted for performance fees, the increase was 13%.

Value adjustments fell to DKK -69m from DKK 173m in the first quarter of 2019. Contrary to the first quarter of 2019, value adjustments were adversely affected by widening credit spreads for Danish mortgage bonds. A significant part of the decrease related to value adjustments of the strategic balance sheet and risk management amounting to DKK -130m compared to DKK 66m in the first quarter of 2019.

Core expenses

Core expenses rose by 5% to DKK 1,217m from DKK 1,160m in the corresponding period in 2019. The increase can be attributed to the completion of the sale of Jyske Bank (Gibraltar), which resulted in a one-off expense of DKK 78m in the first quarter of 2020. Adjusted for this, core expenses fell by 2%, due to the lower number of employees, which counters the effects from increasing salaries, payroll tax and contribution to the Resolution Fund under Finansiel Stabilitet (the Danish resolution authority).

Impairment charges

Loan impairment charges and provisions for guarantees amounted to DKK 455m against DKK 13m in the first quarter of 2019. The increase can be attributed to a higher management's estimate by DKK 550m due to expected economic effects from the outbreak of COVID-19.

Investment portfolio earnings

Investment portfolio earnings amounted to DKK -450m in the first quarter of 2020 against DKK -11m for the same period of 2019.

Investment portfolio earnings for the first quarter of 2020 were adversely affected by wider credit spreads, a flatter yield curve as well as exposure to certain currencies, including especially NOK. Additionally DKK -92m relate to hedging of AT1 capital instruments in SEK and are cancelled out by a positive adjustment of shareholders' equity.

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

Business volume

At the end of the first quarter of 2020, traditional bank loans and advances amounted to DKK 79.6 bn, i.e. an increase by 1% relative to the level at the end of 2019. The continued decline in loans and advances for personal clients was over the quarter more than countered by an increase in loans and advances for corporate clients.

Bank deposits amounted to DKK 131.0 bn at the end of the first quarter of 2020, reflecting an increase by 3% relative to the level at the end of 2019 caused by higher deposits from corporate clients.

Q1 2020 compared to Q4 2019

In the first quarter of 2020, pre-tax profit fell to DKK -868m from DKK 796m in the fourth quarter of 2019.

Core income amounted to DKK 1,254m against DKK 1,642m in the fourth quarter of 2019. The development could primarily be attributed to lower value adjustments and net interest income.

Net interest income amounted to DKK 519m against DKK 550m in the fourth quarter of 2019. The decline can be attributed to a lower contribution from the strategic balance sheet and risk management, pressure on lending margins as well as the fact that the period include on less interest-bearing day and also to rising funding costs due to a tier 2 capital issue in January 2020. These circumstances more than offset the positive effect from lower deposit rates.

Net fee and commission income fell to DKK 778m from DKK 802m in the preceding quarter. The decline can be attributed to annual investment-related fees, such as annual product and custody fees in the fourth quarter. Performance fees rose to DKK 67m from DKK 33m.

Value adjustments fell to DKK -69m from DKK 256m. Contrary to the fourth quarter, value adjustments were adversely affected by the development in the financial markets, including widening credit spreads on Danish mortgage bonds.

Core expenses rose to DKK 1,217m from DKK 1,089m. In the fourth quarter of 2019, core expenses were reduced by DKK 114m due to several effects of a one-off nature. On the other hand, the first quarter saw a negative effect amounting to DKK 78m due to the completion of the sale of Jyske Bank (Gibraltar) Ltd. Adjusted for these effects, core expenses fell by 4% relative to the fourth quarter of 2019.

Impairment charges amounted to an expenses of DKK 455m against an income of DKK 99m in the preceding quarter. The increase can be attributed to a higher management's estimate for impairment charges due to potential economic effects from the outbreak of COVID-19.

Investment portfolio earnings fell to DKK -450m from DKK 144m in the fourth quarter of 2019. The decline can be attributed to widening credit spreads, currency positions and a flatter yield curve.

Mortgage Activities

Summary of income statement (DKKm)

| | Q1 2020 | Q1 2019 | Index 20/19 | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | FY 2019 |
|---|------------|------------|----------------|------------|------------|------------|------------|------------|--------------|
| Administration margin income, etc. ¹ | 587 | 576 | 102 | 587 | 590 | 586 | 582 | 576 | 2,334 |
| Other net interest income | 6 | 12 | 50 | 6 | 15 | 10 | 21 | 12 | 58 |
| Net fee and commission income | -119 | -132 | 90 | -119 | -144 | -200 | -165 | -132 | -641 |
| Value adjustments | 3 | 26 | 12 | 3 | -21 | -23 | 23 | 26 | 5 |
| Other income | 0 | 0 | - | 0 | 4 | 17 | 1 | 0 | 22 |
| Core income | 477 | 482 | 99 | 477 | 444 | 390 | 462 | 482 | 1,778 |
| Core expenses | 87 | 79 | 110 | 87 | 77 | 76 | 78 | 79 | 310 |
| Core profit before loan impairment charges | 390 | 403 | 97 | 390 | 367 | 314 | 384 | 403 | 1,468 |
| Loan impairment charges | 485 | -26 | - | 485 | 41 | -23 | 43 | -26 | 35 |
| Pre-tax profit | -95 | 429 | - | -95 | 326 | 337 | 341 | 429 | 1,433 |

1) 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 | 336.6 | 333.3 | 101 | 336.6 | 337.5 | 338.7 | 336.9 | 333.3 | 337.5 |
| Total assets | 376.7 | 363.9 | 104 | 376.7 | 384.9 | 391.6 | 380.2 | 363.9 | 384.9 |
| Issued bonds | 353.2 | 334.4 | 106 | 353.2 | 357.0 | 359.5 | 350.7 | 334.4 | 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 -95m in the first quarter of 2020 against DKK 429m in the corresponding period in 2019. The profit for the first quarter of 2020 was affected by an increased management's estimate relating to impairment charges of DKK 440m in consequence of the outbreak of COVID-19.

Core income

Core income amounted to DKK 477m in the first quarter of 2020 against DKK 482m in the first quarter of 2019. The decline can primarily be attributed to lower value adjustments.

Administration margin income, etc. rose by 2% to DKK 587m in the first quarter of 2020 compared with DKK 576m for the same period of 2019. Mortgage loans stated at nominal value grew by 3% over the same period. In connection with the high remortgaging activity over the preceding quarters, particularly personal clients switched loans to products for which the administration margin rate and risk are lower.

Other net interest income fell to DKK 6m against DKK 12m in the first quarter of 2019. The decline can be attributed to a lower interest yield on financial assets held temporarily.

Net fee and commission income amounted to DKK -119m in the first quarter of 2020 against DKK -132m in the first quarter of 2019. The improvement can primarily be attributed to the higher remortgaging activity.

Value adjustments amounted to DKK 3m in the first quarter of 2020 against DKK 26m in the first quarter of 2019. The decline was caused by negative value adjustments relating to the permanent portfolio of securities, which consists mainly of bonds.

Core expenses

Core expenses amounted to DKK 87m in the first quarter of 2020 against DKK 79m for the same period of 2019. The increase can be attributed to the higher number of employees split between the companies allocated to Jyske Realkredit.

Impairment charges

Loan impairment charges and provisions for guarantees amounted to an expense of DKK 485m in the first quarter of 2020 against an income of DKK 26m in the first quarter of 2019. Of the impairment charges in the first quarter of 2020, DKK 440m can be attributed to a higher management's estimate, including DKK 400m relating to the impact of COVID-19.

Business volume

Mortgage loans at fair value fell to DKK 336.6 bn from DKK 337.5 bn at the end of 2019. The decline should be seen in the light of falling bond prices in the first quarter having an adverse effect on fair

values. Nominal mortgage loans rose by 1% to DKK 331.1 bn from DKK 327.9 bn, primarily due to higher loans for corporate clients.

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

Q1 2020 compared to Q4 2019

In the first quarter of 2020, pre-tax profit amounted to DKK -95m against DKK 326m in the fourth quarter of 2019. The decline can be attributed to higher impairment charges in consequence of a higher management's estimate.

Administration margin income, etc. amounted to DKK 587m in the first quarter of 2020 against DKK 590m in the fourth quarter of 2019. The decline can mainly be attributed to personal clients opting for products with lower administration margin rate and risk.

Other net interest income amounted to DKK 6m in the first quarter of 2020 against DKK 15m in the fourth quarter of 2019. The decline can primarily be attributed to the lower interest yield on financial assets held temporarily due to the lower remortgaging activity.

Net fee and commission income amounted to DKK -119m in the first quarter of 2020 against DKK -144m in the fourth quarter of 2019. The increase can be attributed to lower distribution fees paid and higher remortgaging activity.

Value adjustments amounted to an income of DKK 3m in the first quarter of 2020 against an expense of DKK 21m in the fourth quarter of 2019. The increase was mainly caused by positive value adjustments on bonds towards the end of the first quarter of 2020.

Other Income amounted to DKK 0m in the first quarter of 2020 against DKK 4m in the fourth quarter of 2019.

Core expenses increased to DKK 87m in the first quarter of 2020 from DKK 77m in the fourth quarter of 2019. The increase can be attributed to the higher number of employees split between the companies allocated to Jyske Realkredit.

Impairment charges amounted to an expense of DKK 485m in the first quarter of 2020 against an expense of DKK 41m in the fourth quarter of 2019. The increase can primarily be attributed to higher management's estimates, including DKK 400m relating to the outbreak of COVID-19.

Leasing Activities

Summary of income statement (DKKm)

| | Q1 2020 | Q1 2019 | Index 20/19 | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 | FY 2019 |
|---|------------|------------|----------------|------------|------------|------------|------------|------------|------------|
| Net interest income | 116 | 113 | 103 | 116 | 115 | 115 | 116 | 113 | 459 |
| Net fee and commission income | -9 | -4 | 225 | -9 | -5 | -5 | -2 | -4 | -16 |
| Value adjustments | -47 | -6 | 783 | -47 | 17 | -9 | 6 | -6 | 8 |
| Other income | 4 | 10 | 40 | 4 | 3 | 2 | -3 | 10 | 12 |
| Income from operating lease (net) | 8 | 24 | 33 | 8 | 15 | 28 | 34 | 24 | 101 |
| Core income | 72 | 137 | 53 | 72 | 145 | 131 | 151 | 137 | 564 |
| Core expenses | 42 | 46 | 91 | 42 | 47 | 49 | 47 | 46 | 189 |
| Core profit before loan impairment charges | 30 | 91 | 33 | 30 | 98 | 82 | 104 | 91 | 375 |
| Loan impairment charges | 63 | -3 | - | 63 | -6 | 26 | -15 | -3 | 2 |
| Pre-tax profit | -33 | 94 | - | -33 | 104 | 56 | 119 | 94 | 373 |

Summary of balance sheet, end of period (DKKbn)

| | | | | | | | | | |
|--------------------|------|------|-----|------|------|------|------|------|------|
| Loans and advances | 19.6 | 18.5 | 106 | 19.6 | 19.7 | 19.4 | 19.2 | 18.5 | 19.7 |
| Total assets | 22.5 | 21.2 | 106 | 22.5 | 22.1 | 22.1 | 21.9 | 21.2 | 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

The profit before tax for the first quarter of 2020 amounted to DKK -33m against DKK 94m for the first quarter of 2019. The decrease can primarily be attributed to higher impairment charges and lower value adjustments.

Net interest income rose by 3% to DKK 116m due to higher loans and advances.

Net fee and commission income amounted to DKK -9m in the first quarter of 2020 against DKK -4m in the same period in 2019.

Value adjustments fell to DKK -47m against DKK -6m in the first quarter of 2019. The decline can mainly be attributed to the FX hedging of the Swedish portfolio in EUR.

Income from operating lease (net) fell to DKK 8m from DKK 24m in the first quarter of 2019, as the expected residual values of cars under operating leases is expected to fall due to the outbreak of COVID-19.

Core expenses fell by 9% relative to the first quarter of 2019.

Loan impairment charges and provisions for guarantees rose to DKK 63m against an income of

DKK 3m in the first quarter of 2019. The increase can be attributed to the DKK 50m higher management's estimate for impairment charges due to the outbreak of COVID-19.

Business volume

In the first quarter of 2020, loans under leasing activities rose by 6% to DKK 19.6 bn relative to the same period in 2019.

Q1 2020 compared to Q4 2019

In the first quarter of 2020, pre-tax profit amounted to DKK -33m against DKK 104m in the fourth quarter of 2019. The decrease can primarily be attributed to higher impairment charges and lower value adjustments.

Core income fell to DKK 72m in the first quarter of 2020 from DKK 145m in the preceding quarter. The development can be attributed to lower value adjustments due to FX hedging of the Swedish portfolio in EUR.

Core expenses amounted to DKK 42m against DKK 47m in the fourth quarter of 2019.

Impairment charges amounted to an expenses of DKK 63m against an income of DKK 6m in the preceding quarter. The increase can be attributed to an increased management's estimate for impairment charges due to the outbreak of COVID-19.

| Note | | The Jyske Bank Group | |
|------|---|----------------------|--------------|
| | | Q1 2020 | Q1 2019 |
| | DKKm | | |
| | Income statement | | |
| 5 | Interest income calculated according to the effective interest method | 871 | 873 |
| 5 | Other interest income | 1,483 | 1,728 |
| 6 | Interest expenses | 1,106 | 1,283 |
| | Net interest income | 1,248 | 1,318 |
| 7 | Fees and commission income | 754 | 610 |
| | Fees and commission expenses | 104 | 117 |
| | Net interest and fee income | 1,898 | 1,811 |
| 8 | Value adjustments | -575 | 166 |
| 9 | Other income | 187 | 181 |
| 10 | Employee and administrative expenses, etc. | 1,328 | 1,256 |
| | Amortisation, depreciation and impairment charges | 175 | 147 |
| 12 | Loan impairment charges | 1,003 | -16 |
| | Pre-tax profit | -996 | 771 |
| 11 | Tax | -216 | 161 |
| | Net profit for the period | -780 | 610 |
| | Distributed to: | | |
| | Jyske Bank A/S shareholders | -821 | 578 |
| | Holders of Additional Tier 1 Capital (AT1) | 41 | 32 |
| | Total | -780 | 610 |
| | Earnings per share for the period | | |
| | Earnings per share for the period, DKK | -11.09 | 7.09 |
| | Earnings per share for the period, DKK, diluted | -11.09 | 7.09 |
| | Statement of Comprehensive Income | | |
| | Net profit for the period | -780 | 610 |
| | Other comprehensive income: | | |
| | <i>Items that can be recycled to the income statement:</i> | | |
| | Foreign currency translation adjustment of international units | -27 | 32 |
| | Hedge accounting of international units | 27 | -32 |
| | Tax on hedge accounting | -6 | 7 |
| | Other comprehensive income after tax | -6 | 7 |
| | Comprehensive income for the period | -786 | 617 |
| | Distributed to: | | |
| | Jyske Bank A/S shareholders | -827 | 585 |
| | Holders of Additional Tier 1 Capital (AT1) | 41 | 32 |
| | Total | -786 | 617 |

| Note | | The Jyske Bank Group | | |
|--------|---|----------------------|-----------------|------------------|
| | | 31 March 2020 | 31 Dec. 2019 | 31 March 2019 |
| | DKKm | | | |
| | BALANCE | | | |
| | ASSETS | | | |
| | Cash balance and demand deposits with central banks | 33,828 | 9,889 | 4,871 |
| | Due from credit institutions and central banks | 17,699 | 23,392 | 18,384 |
| 15, 16 | Loans and advances at fair value | 338,939 | 339,906 | 336,590 |
| 17 | Loans and advances at amortised cost | 146,258 | 145,994 | 133,905 |
| | Bonds at fair value | 72,115 | 78,333 | 83,706 |
| | Bonds at amortised cost | 16,666 | 11,136 | 7,798 |
| | Shares, etc. | 2,103 | 2,422 | 3,291 |
| | Intangible assets | 0 | 1 | 3 |
| | Property, plant and equipment | 4,420 | 4,530 | 4,561 |
| | Tax assets | 330 | 168 | 904 |
| | Assets held temporarily with a view to sale | 3,350 | 2,476 | 578 |
| 18 | Other assets | 38,389 | 31,491 | 32,898 |
| | Total assets | 674,097 | 649,738 | 627,489 |
| | EQUITY AND LIABILITIES | | | |
| | Liabilities | | | |
| | Due to credit institutions and central banks | 42,602 | 29,278 | 20,071 |
| 19 | Deposits | 146,853 | 140,235 | 154,163 |
| 20 | Issued bonds at fair value | 347,284 | 357,037 | 334,435 |
| | Issued bonds at amortised cost | 42,693 | 38,556 | 38,232 |
| | Liabilities in disposal group with a view to sale | 4,494 | 4,037 | 0 |
| 21 | Other liabilities | 48,799 | 39,189 | 39,670 |
| 22 | Provisions | 1,209 | 1,369 | 1,673 |
| 23 | Subordinated debt | 5,785 | 4,327 | 4,332 |
| | Liabilities, total | 639,719 | 614,028 | 592,576 |
| | Equity | | | |
| | Share capital | 776 | 776 | 849 |
| | Revaluation reserve | 205 | 205 | 317 |
| | Retained profit | 30,246 | 31,472 | 31,225 |
| | Jyske Bank A/S shareholders | 31,227 | 32,453 | 32,391 |
| | Holders of Additional Tier 1 Capital (AT1) | 3,151 | 3,257 | 2,522 |
| | Total equity | 34,378 | 35,710 | 34,913 |
| | Total equity and liabilities | 674,097 | 649,738 | 627,489 |

DKK m

Statement of changes in equity

| | Share capital | Revaluation reserve | Currency translation reserve | Retained profit | Proposed dividend | Jyske Bank A/S share-holders | 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 | -821 | 0 | -821 | 41 | -780 |
| Other comprehensive income: | | | | | | | | |
| Revaluation of real property | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign currency translation for international units | 0 | 0 | -27 | 0 | 0 | -27 | 0 | -27 |
| Hedge of international units | 0 | 0 | 27 | 0 | 0 | 27 | 0 | 27 |
| 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 | -827 | 0 | -827 | 41 | -786 |
| Interest paid on AT1 Capital | 0 | 0 | 0 | 0 | 0 | 0 | -55 | -55 |
| Currency translation adjustment | 0 | 0 | 0 | 92 | 0 | 92 | -92 | 0 |
| Acquisition of own shares | 0 | 0 | 0 | -930 | 0 | -930 | 0 | -930 |
| Sale of own shares | 0 | 0 | 0 | 439 | 0 | 439 | 0 | 439 |
| Transactions with owners | 0 | 0 | 0 | -399 | 0 | -399 | -147 | -546 |
| Equity at 31 March 2020 | 776 | 205 | 0 | 30,246 | 0 | 31,227 | 3,151 | 34,378 |

| | | | | | | | | |
|--|------------|------------|----------|---------------|----------|---------------|--------------|---------------|
| Equity at 1 January 2019 | 849 | 316 | 0 | 30,101 | 520 | 31,786 | 2,546 | 34,332 |
| Net profit for the period | 0 | 1 | 0 | 577 | 0 | 578 | 32 | 610 |
| Other comprehensive income: | | | | | | | | |
| Revaluation of real property | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign currency translation for international units | 0 | 0 | 32 | 0 | 0 | 32 | 0 | 32 |
| Hedge of international units | 0 | 0 | -32 | 0 | 0 | -32 | 0 | -32 |
| Tax on other comprehensive income | 0 | 0 | 0 | 7 | 0 | 7 | 0 | 7 |
| Other comprehensive income after tax | 0 | 0 | 0 | 7 | 0 | 7 | 0 | 7 |
| Comprehensive income for the period | 0 | 1 | 0 | 584 | 0 | 585 | 32 | 617 |
| Interest paid on AT1 Capital | 0 | 0 | 0 | 0 | 0 | 0 | -45 | -45 |
| Currency translation adjustment | 0 | 0 | 0 | 11 | 0 | 11 | -11 | 0 |
| Proposed dividend reversed | 0 | 0 | 0 | 520 | -520 | 0 | 0 | 0 |
| Acquisition of own shares | 0 | 0 | 0 | -255 | 0 | -255 | 0 | -255 |
| Sale of own shares | 0 | 0 | 0 | 264 | 0 | 264 | 0 | 264 |
| Transactions with owners | 0 | 0 | 0 | 540 | -520 | 20 | -56 | -36 |
| Equity at 31 March 2019 | 849 | 317 | 0 | 31,225 | 0 | 32,391 | 2,522 | 34,913 |

*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 made an issue amounting to EUR 150m, AT1, 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 of Jyske Bank A/S or the Jyske Bank Group falls below 7%, the loans will be written down.

| The Jyske Bank Group | | | |
|--|------------------|-----------------|------------------|
| | 31 March 2020 | 31 Dec. 2019 | 31 March 2019 |
| DKKmn | | | |
| Capital Statement | | | |
| Shareholders' equity | 31,227 | 32,453 | 32,391 |
| Share buy-back programme, non-utilised limit | 0 | -404 | -500 |
| Expected dividend, calculated as required by law | 0 | 0 | -140 |
| Intangible assets | 0 | -1 | -3 |
| Deferred tax liabilities relating to intangible assets | 0 | 0 | 1 |
| Prudent valuation | -520 | -366 | -307 |
| Other deductions | -109 | -27 | -124 |
| Common Equity Tier 1 capital | 30,598 | 31,655 | 31,318 |
| Additional Tier 1 Capital (AT1) after reduction | 3,397 | 3,619 | 2,906 |
| Core capital | 33,995 | 35,274 | 34,224 |
| Subordinated loan capital after reduction | 5,328 | 3,763 | 3,805 |
| Capital base | 39,323 | 39,037 | 38,029 |
| Weighted risk exposure involving credit risk etc. | 156,146 | 153,912 | 159,747 |
| Weighted risk exposure involving market risk | 12,031 | 11,606 | 13,530 |
| Weighted risk exposure involving operational risk | 14,680 | 15,930 | 15,930 |
| Total weighted risk exposure | 182,857 | 181,448 | 189,207 |
| Capital requirement, Pillar I | 14,629 | 14,516 | 15,138 |
| Capital ratio (%) | 21.5 | 21.5 | 20.1 |
| Tier 1 Capital ratio (%) | 18.6 | 19.4 | 18.1 |
| Common Equity Tier 1 capital ratio (%) | 16.7 | 17.4 | 16.6 |

For a statement of the individual solvency requirement, please see Risk and Capital Management 2019 or investor.jyskebank.com/investorrelations/ratings and investor.jyskebank.com/investorrelations/debt.

| Jyske Bank Group | | |
|---|---------------|---------------|
| DKKm | Q1 2020 | Q1 2019 |
| Summary of Cash Flow Statement | | |
| Net profit for the period | -780 | 610 |
| Adjustment for non-cash operating items and change in working capital | 18,213 | 3,470 |
| Cash flows from operating activities | 17,433 | 4,080 |
| Dividend received | 11 | 15 |
| Acquisition and sale of property, plant and equipment | -82 | -11 |
| Cash flows from investment activities | -71 | 4 |
| Interest paid on Additional Tier 1 Capital | -55 | -45 |
| Acquisition of own shares | -930 | -255 |
| Sale of own shares | 439 | 264 |
| Additional subordinated debt | 1,452 | 0 |
| Repayment on lease commitment | -17 | -17 |
| Cash flows from financing activities | 889 | -53 |
| Cash flow for the period | 18,251 | 4,031 |
| Cash and cash equivalents, beginning of period | 33,276 | 19,224 |
| Cash and cash equivalents, end of period | 51,527 | 23,255 |
| Cash and cash equivalents, end of period, comprise: | | |
| Cash balance and demand deposits with central banks | 33,828 | 4,871 |
| Due from credit institutions and central banks | 17,699 | 18,384 |
| Cash and cash equivalents, end of period | 51,527 | 23,255 |

1 Accounting Policies

The Interim Financial Report for the period 1 January to 31 March 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.

| Note | The Jyske Bank Group | | | | |
|------|----------------------|--|--|--|--|
|------|----------------------|--|--|--|--|

| DKKm | Q1 2020 | Q4 2019 | Q3 2019 | Q2 2019 | Q1 2019 |
|------|------------|------------|------------|------------|------------|
|------|------------|------------|------------|------------|------------|

3 Key figures and ratios, five quarters

Summary of Income Statement

| | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|
| Net interest income | 1,248 | 1,303 | 1,342 | 1,348 | 1,318 |
| Net fee and commission income | 650 | 653 | 611 | 554 | 493 |
| Value adjustments | -575 | 371 | -286 | -91 | 166 |
| Other income | 187 | 180 | 138 | 192 | 181 |
| Income | 1,510 | 2,507 | 1,805 | 2,003 | 2,158 |
| Expenses | 1,503 | 1,345 | 1,386 | 1,361 | 1,403 |
| Profit or loss before loan impairment charges | 7 | 1,162 | 419 | 642 | 755 |
| Loan impairment charges | 1,003 | -64 | -30 | 9 | -16 |
| Pre-tax profit | -996 | 1,226 | 449 | 633 | 771 |
| Tax | -216 | 260 | 84 | 134 | 161 |
| Net profit for the period | -780 | 966 | 365 | 499 | 610 |

Financial ratios and key figures

| | | | | | |
|--|--------|--------|--------|--------|--------|
| Pre-tax profit, per share (DKK)* | -14.0 | 15.7 | 5.3 | 7.4 | 9.1 |
| Earnings per share for the period (DKK)* | -11.1 | 12.2 | 4.2 | 5.7 | 7.1 |
| Earnings per share for the period (diluted) (DKK)* | -11.1 | 12.2 | 4.2 | 5.7 | 7.1 |
| Core profit per share (DKK)* | -7.9 | 13.8 | 7.0 | 8.0 | 9.2 |
| Share price at end of period (DKK) | 169 | 243 | 221 | 228 | 257 |
| Book value per share (DKK)* | 430 | 434 | 418 | 408 | 397 |
| Price/book value per share (DKK)* | 0.4 | 0.6 | 0.5 | 0.6 | 0.6 |
| Outstanding shares in circulation ('000) | 72,655 | 74,841 | 76,582 | 78,814 | 81,570 |
| Average number of shares in circulation ('000) | 73,991 | 75,637 | 77,515 | 80,364 | 81,569 |
| Capital ratio (%) | 21.5 | 21.5 | 20.2 | 19.8 | 20.1 |
| Tier 1 Capital ratio (%) | 18.6 | 19.4 | 18.2 | 17.9 | 18.1 |
| Common Equity Tier 1 capital ratio (%) | 16.7 | 17.4 | 16.3 | 16.0 | 16.6 |
| Pre-tax profit as a pct. of average equity | -3.3 | 3.7 | 1.3 | 1.8 | 2.3 |
| Profit for the period as a pct. of av. equity* | -2.6 | 3.0 | 1.0 | 1.4 | 1.8 |
| Income/cost ratio (%), inclusive of impairment charges | 0.6 | 2.0 | 1.3 | 1.5 | 1.6 |
| Interest-rate risk (%) | 1.4 | 0.5 | 0.2 | -0.1 | 0.1 |
| Currency risk (%) | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Accumulated impairment ratio (%) | 1.2 | 1.0 | 1.0 | 1.0 | 1.1 |
| Impairment ratio for the period (%) | 0.2 | 0.0 | 0.0 | 0.0 | 0.0 |
| No. of full-time employees at end-period | 3,565 | 3,614 | 3,693 | 3,713 | 3,709 |
| Average number of full-time employees in the period | 3,590 | 3,654 | 3,703 | 3,711 | 3,716 |

*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 * |
|---|---|--------------------|---------------------|--------------------|------------------------|
| | Q1 2020 | | | | |
| | Net interest income | 519 | 593 | 116 | 1,228 |
| | Net fee and commission income | 778 | -119 | -9 | 650 |
| | Value adjustments | -69 | 3 | -47 | -113 |
| | Other income | 26 | 0 | 4 | 30 |
| | Income from operating lease (net) | 0 | 0 | 8 | 8 |
| | Core income | 1,254 | 477 | 72 | 1,803 |
| | Core expenses | 1,217 | 87 | 42 | 1,346 |
| | Core profit before loan impairment charges and provisions for guarantees | 37 | 390 | 30 | 457 |
| | Loan impairment charges | 455 | 485 | 63 | 1,003 |
| | Core profit | -418 | -95 | -33 | -546 |
| | Investment portfolio earnings | -450 | 0 | 0 | -450 |
| | Pre-tax profit | -868 | -95 | -33 | -996 |
| | | | | | |
| | Loans and advances | 129,035 | 336,573 | 19,589 | 485,197 |
| | - of which mortgage loans | 0 | 336,573 | 0 | 336,573 |
| | - of which bank loans | 82,996 | 0 | 19,589 | 102,585 |
| | - of which repo loans | 46,039 | 0 | 0 | 46,039 |
| | Total assets | 274,921 | 376,685 | 22,491 | 674,097 |
| | | | | | |
| | Deposits | 146,637 | 0 | 216 | 146,853 |
| | - of which bank deposits | 130,999 | 0 | 216 | 131,215 |
| | - of which repo deposits and tri-party deposits | 15,638 | 0 | 0 | 15,638 |
| | Issued bonds | 36,825 | 353,152 | 0 | 389,977 |
| | | | | | |
| | Q1 2019 | | | | |
| | Net interest income | 593 | 588 | 113 | 1,294 |
| | Net fee and commission income | 629 | -132 | -4 | 493 |
| | Value adjustments | 173 | 26 | -6 | 193 |
| | Other income | 37 | 0 | 10 | 47 |
| | Income from operating lease (net) | 0 | 0 | 24 | 24 |
| | Core income | 1,432 | 482 | 137 | 2,051 |
| | Core expenses | 1,160 | 79 | 46 | 1,285 |
| | Core profit before loan impairment charges and provisions for guarantees | 272 | 403 | 91 | 766 |
| | Loan impairment charges | 13 | -26 | -3 | -16 |
| | Core profit | 259 | 429 | 94 | 782 |
| | Investment portfolio earnings | -11 | 0 | 0 | -11 |
| | Pre-tax profit | 248 | 429 | 94 | 771 |
| | | | | | |
| | Loans and advances | 118,751 | 333,277 | 18,467 | 470,495 |
| | - of which mortgage loans | 0 | 333,277 | 0 | 333,277 |
| | - of which bank loans | 90,672 | 0 | 18,467 | 109,139 |
| | - of which repo loans | 28,079 | 0 | 0 | 28,079 |
| | Total assets | 242,448 | 363,852 | 21,189 | 627,489 |
| | | | | | |
| | Deposits | 153,932 | 0 | 231 | 154,163 |
| | - of which bank deposits | 140,750 | 0 | 231 | 140,981 |
| | - of which repo deposits and tri-party deposits | 13,182 | 0 | 0 | 13,182 |
| | Issued bonds | 38,232 | 334,435 | 0 | 372,667 |

* The relationship between income statement items under 'The Jyske Bank Group' (key financial data) and the income statement page 20 appears from the next page.

DKKm

4 Segmental financial statements, cont.

Core profit and investment portfolio earnings

The pre-tax profit for the first quarter 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 2020 | | | | Q1 2019 | | | |
|--|--------------|-------------------------------|------------------|--------------|--------------|-------------------------------|------------------|--------------|
| | Core profit | Investment portfolio earnings | Reclassification | Total | Core profit | Investment portfolio earnings | Reclassification | Total |
| Net interest income | 1,228 | 23 | -3 | 1,248 | 1,294 | 25 | -1 | 1,318 |
| Net fee and commission income | 650 | 0 | 0 | 650 | 493 | 0 | 0 | 493 |
| Value adjustments | -113 | -465 | 3 | -575 | 193 | -28 | 1 | 166 |
| Other income | 30 | 0 | 3 | 33 | 47 | 0 | 6 | 53 |
| Income from operating lease (net) | 8 | 0 | 146 | 154 | 24 | 0 | 104 | 128 |
| Income | 1,803 | -442 | 149 | 1,510 | 2,051 | -3 | 110 | 2,158 |
| Expenses | 1,346 | 8 | 149 | 1,503 | 1,285 | 8 | 110 | 1,403 |
| Profit before loan impairment charges and provisions for guarantees | 457 | -450 | 0 | 7 | 766 | -11 | 0 | 755 |
| Loan impairment charges | 1,003 | 0 | 0 | 1,003 | -16 | 0 | 0 | -16 |
| Pre-tax profit | -546 | -450 | 0 | -996 | 782 | -11 | 0 | 771 |

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 20.

Reclassification relates to the following:

- Income of DKK 3m (first quarter of 2019: DKK 1m) from value adjustments relating to the balance principle at Jyske Realkredit was reclassified from value adjustments to interest income.
- Income of DKK 3m (first quarter of 2019: DKK 6m) from external sales was reclassified from income to offsetting against expenses.
- Depreciation and amortisation of DKK 146m (first quarter of 2019: DKK 104m) 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", "Earnings per share (diluted)", "Pre-tax profit p.a. as a percentage of average equity" and "Net profit p.a. as a percentage of average equity" are calculated as if hybrid core capital was recognised as a liability. In the numerator, the profit is less interest expenses of DKK 41m (first quarter of 2019: DKK 32m) for Additional Tier 1 Capital (AT1), and the denominator is calculated as equity exclusive of Additional Tier 1 Capital (AT1) of DKK 3,151m (first quarter of 2019: DKK 2,522m).

"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 3,151m (first quarter of 2019: DKK 2,522m).

Note

The Jyske Bank Group

DKK m

4 Segmental financial statements, cont.

| | Q1 2020 | | Q1 2019 | |
|--------------------|---------|------------------------------------|---------|------------------------------------|
| | | Full-time employees, end of period | | Full-time employees, end of period |
| Revenue by country | Revenue | | Revenue | |
| Denmark | 3,253 | 3,408 | 3,328 | 3,555 |
| Gibraltar | 28 | 91 | 33 | 94 |
| Germany | 3 | 9 | 3 | 8 |
| Total | 3,284 | 3,508 | 3,364 | 3,657 |

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

Germany: The Jyske Bank Group has activities within banking.

| Note | The Jyske Bank Group | | |
|---|--|--------------|--------------|
| | DKKm | Q1 2020 | Q1 2019 |
| 5 | Interest income | | |
| | Due from credit institutions and central banks | 3 | 4 |
| | Loans and advances | 1,395 | 1,771 |
| | Administration margin | 459 | 435 |
| | Bonds | 139 | 203 |
| | Derivatives, total | 75 | 68 |
| | Of which: | | |
| | Currency contracts | 78 | 65 |
| | Interest-rate contracts | -3 | 3 |
| | Total | 2,071 | 2,481 |
| | Interest on own mortgage bonds, set off against interest on issued bonds | 40 | 66 |
| | Total after offsetting of negative interest | 2,031 | 2,415 |
| | Negative interest income set off against interest income | 135 | 63 |
| | Negative interest expenses set off against interest expenses | 188 | 123 |
| | Total before offsetting of negative interest income | 2,354 | 2,601 |
| <p>Negative interest income amounted to DKK 135m (2019: DKK 63m) 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.</p> | | | |
| 6 | Interest expenses | | |
| | Due to credit institutions and central banks | 20 | 16 |
| | Deposits | -63 | 2 |
| | Issued bonds | 858 | 1,085 |
| | Subordinated debt | 26 | 25 |
| | Other | -18 | 35 |
| | Total | 823 | 1,163 |
| | Interest on own mortgage bonds, set off against interest on issued bonds | 40 | 66 |
| | Total after offsetting of negative interest | 783 | 1,097 |
| | Negative interest expenses set off against interest expenses | 188 | 123 |
| | Negative interest income set off against interest income | 135 | 63 |
| | Total before offsetting of negative interest income | 1,106 | 1,283 |

| Note | | The Jyske Bank Group | |
|---|--|----------------------|------------|
| | DKKm | Q1 2020 | Q1 2019 |
| 7 | Fees and commission income | | |
| | Securities trading and custody services | 423 | 299 |
| | Money transfers and card payments | 49 | 53 |
| | Loan application fees | 118 | 96 |
| | Guarantee commission | 27 | 28 |
| | Other fees and commissions | 137 | 134 |
| | Total | 754 | 610 |
| <p>The fee income for the period amounting to DKK 754m less fees and commissions paid for the period of DKK 104m constitute the net fee and commission income for the period in the amount of DKK 650m (2019: DKK 493m).</p> <p>These are recognised in the segmental financial statements for the bank's three business areas, cf. note 4.</p> | | | |
| 8 | Value adjustments | | |
| | Loans and advances at fair value | -3,675 | 3,392 |
| | Bonds | -310 | 270 |
| | Other investment securities | -20 | 99 |
| | Currency | -270 | 35 |
| | Currency, interest-rate, share, commodity and other contracts as well as other derivatives | 67 | 36 |
| | Issued bonds | 3,640 | -3,645 |
| | Other assets and liabilities | -7 | -21 |
| | Total | -575 | 166 |
| 9 | Other income | | |
| | Income on real property | 12 | 14 |
| | Income from operating lease ¹ | 154 | 128 |
| | Dividends, etc. | 11 | 15 |
| | Profit on investments in associates and group enterprises | 0 | 13 |
| | Other income | 10 | 11 |
| | Total | 187 | 181 |

¹) Expenses relating to operating lease affected the item Amortisation, depreciation and impairment charges in the amount of DKK 146m in the first quarter of 2020 against DKK 104m in the same period of 2019.

| Note | | The Jyske Bank Group | |
|------|--|----------------------|--------------|
| | DKK m | Q1 2020 | Q1 2019 |
| 10 | Employee and administrative expenses | | |
| | Employee expenses | | |
| | Wages and salaries, etc. | 593 | 595 |
| | Pensions | 79 | 79 |
| | Social security | 87 | 81 |
| | Total | 759 | 755 |
| | Salaries and remuneration to management bodies | | |
| | Executive Board | 8 | 8 |
| | Supervisory Board | 2 | 2 |
| | Shareholders' Representatives | 0 | 0 |
| | Total | 10 | 10 |
| | Other administrative expense, etc. | | |
| | IT | 348 | 348 |
| | Other operating expenses | 22 | 24 |
| | Expenses relating to the sale of Jyske Bank (Gibraltar) | 78 | 0 |
| | Other administrative expenses | 111 | 119 |
| | Total | 559 | 491 |
| | Employee and administrative expenses, etc., total | 1,328 | 1,256 |
| 11 | Effective tax rate | | |
| | Corporation tax rate in Denmark | 22.0 | 22.0 |
| | Non-taxable income and non-deductible expenses, etc. | -0.3 | -1.1 |
| | Total | 21.7 | 20.9 |

| Note | | The Jyske Bank Group | |
|------|---|----------------------|--------------|
| | DKKm | Q1 2020 | Q1 2019 |
| 12 | Loan impairment charges and provisions for guarantees recognised in the income statement | | |
| | Loan impairment charges and provisions for guarantees for the period | 974 | -7 |
| | Impairment charges on balances due from credit institutions in the period | 5 | 1 |
| | Provisions for loan commitments and unutilised credit lines in the period | 25 | -25 |
| | Recognised as a loss, not covered by loan impairment charges and provisions | 83 | 101 |
| | Recoveries | -56 | -46 |
| | Recognised discount for acquired loans | -28 | -40 |
| | Loan impairment charges and provisions for guarantees recognised in the income statement | 1,003 | -16 |
| | Earnings impact exclusive of loans and advances at fair value and discount balance | 546 | 50 |
| 13 | Balance of loan impairment charges and provisions for guarantees | | |
| | Balance of loan impairment charges and provisions, beginning of period | 5,227 | 5,607 |
| | Loan impairment charges and provisions for the period | 1,000 | -32 |
| | Recognised as a loss, covered by loan impairment charges and provisions | -73 | -154 |
| | Other movements | 16 | 20 |
| | Balance of loan impairment charges and provisions, end of period | 6,170 | 5,441 |
| | Loan impairment charges and provisions for guarantees at amortised cost | 4,096 | 3,955 |
| | Loan impairment charges at fair value | 1,655 | 1,136 |
| | Provisions for guarantees | 253 | 228 |
| | Provisions for credit commitments and unutilised credit lines | 166 | 122 |
| | Balance of loan impairment charges and provisions, end of period | 6,170 | 5,441 |

Note

The Jyske Bank Group

DKKm

| | | | | | |
|----|--|----------------|----------------|----------------|--------------|
| 14 | Balance of loan impairment charges and provisions for guarantees broken down 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 | 84 | -80 | -4 | 0 |
| | Transfer of impairment charges at beginning of period to stage 2 | -17 | 36 | -19 | 0 |
| | Transfer of impairment charges at beginning of period to stage 3 | -1 | -50 | 51 | 0 |
| | Impairment charges on new loans, etc. | 134 | 109 | 81 | 324 |
| | Impairment charges on discontinued loans and provisions for guarantees | -81 | -155 | -147 | -383 |
| | Effect from recalculation | 203 | 609 | 288 | 1,100 |
| | Previously recognized as impairment charges, now final loss | 0 | -1 | -97 | -98 |
| | Balance of loan impairment charges and provisions for guarantees on 31 March 2020 | 1,027 | 1,661 | 3,482 | 6,170 |

| | | | | | |
|--|--|----------------|----------------|----------------|--------------|
| | Balance of loan impairment charges and provisions for guarantees broken down by stage – total | Stage 1 | Stage 2 | Stage 3 | Total |
| | Total, beginning of 2019 | 640 | 1,306 | 3,661 | 5,607 |
| | Transfer of impairment charges at beginning of period to stage 1 | 158 | -121 | -37 | 0 |
| | Transfer of impairment charges at beginning of period to stage 2 | -23 | 142 | -119 | 0 |
| | Transfer of impairment charges at beginning of period to stage 3 | -1 | -44 | 45 | 0 |
| | Impairment charges on new loans, etc. | 124 | 61 | 36 | 221 |
| | Impairment charges on discontinued loans and provisions for guarantees | -69 | -63 | -136 | -268 |
| | Effect from recalculation | -187 | 39 | 183 | 35 |
| | Previously recognized as impairment charges, now final loss | 0 | -1 | -153 | -154 |
| | Balance of loan impairment charges and provisions for guarantees on 31 March 2019 | 642 | 1,319 | 3,480 | 5,441 |

| | | | | | |
|--|--|----------------|----------------|----------------|--------------|
| | Breakdown of 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 | 53 | -49 | -4 | 0 |
| | Transfer of impairment charges at beginning of period to stage 2 | -9 | 21 | -12 | 0 |
| | Transfer of impairment charges at beginning of period to stage 3 | 0 | -45 | 45 | 0 |
| | Impairment charges on new loans, etc. | 45 | 25 | 64 | 134 |
| | Impairment charges on discontinued loans and provisions for guarantees | -37 | -23 | -133 | -193 |
| | Effect from recalculation | 143 | 242 | 175 | 560 |
| | Previously recognized as impairment charges, now final loss | 0 | 0 | -65 | -65 |
| | Balance of loan impairment charges and provisions for guarantees on 31 March 2020 | 520 | 676 | 2,900 | 4,096 |

| | | | | | |
|--|--|----------------|----------------|----------------|--------------|
| | Breakdown of balance of impairment charges by stage - loans at amortised cost | Stage 1 | Stage 2 | Stage 3 | Total |
| | Total, beginning of 2019 | 322 | 590 | 3,166 | 4,078 |
| | Transfer of impairment charges at beginning of period to stage 1 | 73 | -55 | -18 | 0 |
| | Transfer of impairment charges at beginning of period to stage 2 | -15 | 52 | -37 | 0 |
| | Transfer of impairment charges at beginning of period to stage 3 | -1 | -28 | 29 | 0 |
| | Impairment charges on new loans, etc. | 36 | 17 | 29 | 82 |
| | Impairment charges on discontinued loans and provisions for guarantees | -17 | -28 | -83 | -128 |
| | Effect from recalculation | -70 | 7 | 134 | 71 |
| | Previously recognized as impairment charges, now final loss | 0 | 0 | -148 | -148 |
| | Balance of loan impairment charges and provisions for guarantees on 31 March 2019 | 328 | 555 | 3,072 | 3,955 |

DKKm

| 14 | Breakdown of balance of impairment charges by stage— loans at fair value | Stage 1 | Stage 2 | Stage 3 | Total |
|----|---|----------------|----------------|----------------|--------------|
| | Balance, beginning of 2020 | 323 | 623 | 248 | 1,194 |
| | Transfer of impairment charges at beginning of period to stage 1 | 27 | -26 | -1 | 0 |
| | Transfer of impairment charges at beginning of period to stage 2 | -7 | 14 | -7 | 0 |
| | Transfer of impairment charges at beginning of period to stage 3 | 0 | -5 | 5 | 0 |
| | Impairment charges on new loans, etc. | 60 | 76 | 9 | 145 |
| | Impairment charges on discontinued loans and provisions for guarantees | -30 | -124 | -4 | -158 |
| | Effect from recalculation | 36 | 351 | 119 | 506 |
| | Previously recognized as impairment charges, now final loss | 0 | -1 | -31 | -32 |
| | Balance of loan impairment charges and provisions for guarantees on 31 March 2020 | 409 | 908 | 338 | 1,655 |

| | Breakdown of balance of impairment charges by stage— loans at fair value | Stage 1 | Stage 2 | Stage 3 | Total |
|--|---|----------------|----------------|----------------|--------------|
| | Total, beginning of 2019 | 249 | 634 | 283 | 1,166 |
| | Transfer of impairment charges at beginning of period to stage 1 | 58 | -41 | -17 | 0 |
| | Transfer of impairment charges at beginning of period to stage 2 | -7 | 84 | -77 | 0 |
| | Transfer of impairment charges at beginning of period to stage 3 | 0 | -15 | 15 | 0 |
| | Impairment charges on new loans, etc. | 66 | 35 | 5 | 106 |
| | Impairment charges on discontinued loans and provisions for guarantees | -34 | -26 | -35 | -95 |
| | Effect from recalculation | -89 | 35 | 19 | -35 |
| | Previously recognized as impairment charges, now final loss | 0 | -1 | -5 | -6 |
| | Balance of loan impairment charges and provisions for guarantees on 31 March 2019 | 243 | 705 | 188 | 1,136 |

| | Breakdown of balance of provisions by stage - guarantees and loan commitments | Stage 1 | Stage 2 | Stage 3 | Total |
|--|--|----------------|----------------|----------------|--------------|
| | Balance, beginning of 2020 | 57 | 65 | 251 | 373 |
| | Transfer of impairment charges at beginning of period to stage 1 | 5 | -5 | 0 | 0 |
| | Transfer of impairment charges at beginning of period to stage 2 | -1 | 1 | 0 | 0 |
| | Transfer of impairment charges at beginning of period to stage 3 | 0 | 0 | 0 | 0 |
| | Impairment charges on new loans, etc. | 27 | 7 | 11 | 45 |
| | Impairment charges on discontinued loans and provisions for guarantees | -14 | -8 | -10 | -32 |
| | Effect from recalculation | 24 | 17 | -7 | 34 |
| | Previously recognized as impairment charges, now final loss | 0 | 0 | -1 | -1 |
| | Balance of loan impairment charges and provisions for guarantees on 31 March 2020 | 98 | 77 | 244 | 419 |

| | Breakdown of balance of provisions by stage - guarantees and loan commitments | Stage 1 | Stage 2 | Stage 3 | Total |
|--|--|----------------|----------------|----------------|--------------|
| | Total, beginning of 2019 | 69 | 82 | 212 | 363 |
| | Transfer of impairment charges at beginning of period to stage 1 | 27 | -25 | -2 | 0 |
| | Transfer of impairment charges at beginning of period to stage 2 | -2 | 5 | -3 | 0 |
| | Transfer of impairment charges at beginning of period to stage 3 | 0 | -1 | 1 | 0 |
| | Impairment charges on new loans, etc. | 21 | 9 | 3 | 33 |
| | Impairment charges on discontinued loans and provisions for guarantees | -18 | -10 | -18 | -46 |
| | Effect from recalculation | -26 | -1 | 27 | 0 |
| | Previously recognized as impairment charges, now final loss | 0 | 0 | 0 | 0 |
| | Balance of loan impairment charges and provisions for guarantees on 31 March 2019 | 71 | 59 | 220 | 350 |

DKKm

| | | | | | |
|----|--|----------------|----------------|----------------|----------------|
| 14 | Gross loans, advances and guarantees by stage | Stage 1 | Stage 2 | Stage 3 | Total |
| | Gross loans, advances and guarantees, 1 January 2020 | 469,093 | 24,608 | 9,217 | 502,918 |
| | Transfer of loans, advances and guarantees to stage 1 | 4,871 | -4,803 | -68 | 0 |
| | Transfer of loans, advances and guarantees to stage 2 | -6,624 | 6,947 | -323 | 0 |
| | Transfer of loans, advances and guarantees to stage 3 | -264 | -389 | 653 | 0 |
| | Other movements | 1,727 | -518 | -695 | 514 |
| | Gross loans, advances and guarantees, 31 March 2020 | 468,803 | 25,845 | 8,784 | 503,432 |
| | Loan impairment charges and provisions for guarantees, total | 954 | 1,615 | 3,435 | 6,004 |
| | Net loans, advances and guarantees, 31 March 2020 | 467,849 | 24,230 | 5,349 | 497,428 |
| | Gross loans, advances and guarantees by stage | Stage 1 | Stage 2 | Stage 3 | Total |
| | Gross loans, advances and guarantees, 1 January 2019 | 449,690 | 27,305 | 10,049 | 487,044 |
| | Transfer of loans, advances and guarantees to stage 1 | 12,813 | -12,411 | -402 | 0 |
| | Transfer of loans, advances and guarantees to stage 2 | -7,982 | 8,517 | -535 | 0 |
| | Transfer of loans, advances and guarantees to stage 3 | -673 | -1,412 | 2,085 | 0 |
| | Other movements | 15,245 | 2,609 | -1,980 | 15,874 |
| | Gross loans, advances and guarantees, 31 December 2019 | 469,093 | 24,608 | 9,217 | 502,918 |
| | Loan impairment charges and provisions for guarantees, total | 663 | 1,151 | 3,272 | 5,086 |
| | Net loans, advances and guarantees, 31 December 2019 | 468,430 | 23,457 | 5,945 | 497,832 |

| Note | | The Jyske Bank Group | | | | |
|---|--|----------------------|---------------|--------------|----------------|----------------|
| DKK m | | 31 March 2020 | | | | 31 Dec. 2019 |
| 14 | Loans, advances and guarantees by stage and internal rating – gross before impairment charges and provisions | Stage 1 | Stage 2 | Stage 3 | Total | Total |
| | Performing PD band (%) | | | | | |
| | 1 0.00 - 0.10 | 40,681 | 177 | 0 | 40,858 | 41,057 |
| | 2 0.10 - 0.15 | 9,934 | 23 | 0 | 9,957 | 10,691 |
| | 3 0.15 - 0.22 | 34,479 | 59 | 0 | 34,538 | 33,419 |
| | 4 0.22 - 0.33 | 37,675 | 151 | 0 | 37,826 | 37,827 |
| | 5 0.33 - 0.48 | 91,804 | 418 | 0 | 92,222 | 92,561 |
| | Ratings 1 – 5 | 214,573 | 828 | 0 | 215,401 | 215,555 |
| | 6 0.48 - 0.70 | 83,865 | 651 | 0 | 84,516 | 82,304 |
| | 7 0.70 - 1.02 | 69,176 | 730 | 0 | 69,906 | 71,193 |
| | 8 1.02 - 1.48 | 42,566 | 1,917 | 0 | 44,483 | 45,712 |
| | 9 1.48 - 2.15 | 30,431 | 1,234 | 0 | 31,665 | 31,443 |
| | 10 2.15 - 3.13 | 10,803 | 1,953 | 0 | 12,756 | 12,018 |
| | 11 3.13 - 4.59 | 6,832 | 3,378 | 0 | 10,210 | 10,041 |
| | Ratings 6 – 11 | 243,673 | 9,863 | 0 | 253,536 | 252,711 |
| | 12 4.59 - 6.79 | 3,259 | 3,062 | 0 | 6,321 | 6,216 |
| | 13 6.79 - 10.21 | 1,574 | 3,405 | 0 | 4,979 | 5,322 |
| | 14 10.21 - 25.0 | 677 | 7,103 | 0 | 7,780 | 9,145 |
| | Ratings 12-14 | 5,510 | 13,570 | 0 | 19,080 | 20,683 |
| | Others | 4,844 | 862 | 0 | 5,706 | 3,853 |
| | Non performing loans | 203 | 722 | 8,784 | 9,709 | 10,116 |
| | Total | 468,803 | 25,845 | 8,784 | 503,432 | 502,918 |
| Irrevocable credit commitments of DKK 17,512m (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 2,162m, STY Rating 2: DKK 519m, STY Rating 3: DKK 809m, STY Rating 4: DKK 692m, STY Rating 6: DKK 23m, STY Rating 7: DKK 4,833m, STY Rating 8: DKK 393m, STY Rating 9: DKK 2,302m and STY Rating 11: DKK 5,779m (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). | | 31 March 2020 | | | | 31 Dec. 2019 |
| | Loan impairment charges and provisions for guarantees by stage and internal rating | Stage 1 | Stage 2 | Stage 3 | Total | Total |
| | Performing PD band (%) | | | | | |
| | 1 0.00 - 0.10 | 17 | 1 | 0 | 18 | 17 |
| | 2 0.10 - 0.15 | 13 | 0 | 0 | 13 | 10 |
| | 3 0.15 - 0.22 | 25 | 0 | 0 | 25 | 31 |
| | 4 0.22 - 0.33 | 38 | 1 | 0 | 39 | 29 |
| | 5 0.33 - 0.48 | 89 | 6 | 0 | 95 | 92 |
| | Ratings 1- 5 | 182 | 8 | 0 | 190 | 179 |
| | 6 0.48 - 0.70 | 120 | 13 | 0 | 133 | 86 |
| | 7 0.70 - 1.02 | 142 | 12 | 0 | 154 | 102 |
| | 8 1.02 - 1.48 | 145 | 63 | 0 | 208 | 109 |
| | 9 1.48 - 2.15 | 134 | 32 | 0 | 166 | 109 |
| | 10 2.15 - 3.13 | 42 | 70 | 0 | 112 | 65 |
| | 11 3.13 - 4.59 | 100 | 101 | 0 | 201 | 111 |
| | Ratings 6 – 11 | 683 | 291 | 0 | 974 | 582 |
| | 12 4.59 - 6.79 | 28 | 137 | 0 | 165 | 90 |
| | 13 6.79 - 10.21 | 22 | 218 | 0 | 240 | 136 |
| | 14 10.21 - 25.0 | 15 | 785 | 0 | 800 | 575 |
| | Ratings 12-14 | 66 | 1,139 | 0 | 1,205 | 801 |
| | Others | 23 | 62 | 0 | 85 | 142 |
| | Non performing loans | 0 | 115 | 3,435 | 3,550 | 3,381 |
| | Total | 954 | 1,615 | 3,435 | 6,004 | 5,086 |

| Note | | The Jyske Bank Group | | |
|------|--|----------------------|-----------------|------------------|
| | DKKm | 31 March 2020 | 31 Dec. 2019 | 31 March 2019 |
| 15 | Loans and advances at fair value | | | |
| | Mortgage loans, nominal value | 331,114 | 327,926 | 321,869 |
| | Adjustment for interest-rate risk, etc. | 6,738 | 10,410 | 12,137 |
| | Adjustment for credit risk | -1,730 | -1,286 | -1,256 |
| | Mortgage loans at fair value, total | 336,122 | 337,050 | 332,750 |
| | Arrears and outlays, total | 105 | 148 | 125 |
| | Other loans and advances | 2,712 | 2,708 | 3,715 |
| | Loans and advances at fair value, total | 338,939 | 339,906 | 336,590 |
| 16 | Loans and advances at fair value broken down by property category | | | |
| | Owner-occupied homes | 168,418 | 170,836 | 170,482 |
| | Vacation homes | 8,195 | 8,285 | 8,265 |
| | Subsidised housing (rental housing) | 53,707 | 53,989 | 54,684 |
| | Cooperative Housing | 14,153 | 14,820 | 16,191 |
| | Private rental properties (rental housing) | 51,320 | 49,366 | 45,624 |
| | Industrial properties | 3,000 | 2,630 | 1,800 |
| | Office and business properties | 34,268 | 34,365 | 34,632 |
| | Agricultural properties | 63 | 63 | 77 |
| | Properties for social, cultural and educational purposes | 5,681 | 5,415 | 4,683 |
| | Other properties | 134 | 137 | 152 |
| | Total | 338,939 | 339,906 | 336,590 |
| 17 | Loans and advances at amortised cost and guarantees broken down by sector | | | |
| | Public authorities | 9,727 | 8,255 | 8,267 |
| | Agriculture, hunting, forestry, fishing | 6,801 | 7,083 | 8,642 |
| | Manufacturing, mining, etc. | 10,339 | 8,114 | 7,643 |
| | Energy supply | 4,325 | 4,029 | 4,119 |
| | Building and construction | 4,148 | 4,265 | 4,245 |
| | Commerce | 12,030 | 11,187 | 13,962 |
| | Transport, hotels and restaurants | 6,064 | 6,044 | 6,676 |
| | Information and communication | 572 | 706 | 1,072 |
| | Finance and insurance | 39,348 | 44,079 | 28,094 |
| | Real property | 16,882 | 17,083 | 16,484 |
| | Other sectors | 9,355 | 7,348 | 7,475 |
| | Corporates, total | 109,864 | 109,938 | 98,412 |
| | Personal clients, total | 38,898 | 39,733 | 44,324 |
| | Total | 158,489 | 157,926 | 151,003 |

| Note | | The Jyske Bank Group | | |
|------|---|----------------------|-----------------|------------------|
| | | 31 March 2020 | 31 Dec. 2019 | 31 March 2019 |
| | DKKm | | | |
| 18 | Other assets | | | |
| | Positive fair value of derivatives | 32,282 | 24,911 | 25,738 |
| | Assets in pooled deposits | 3,396 | 4,128 | 3,977 |
| | Interest and commission receivable | 276 | 280 | 461 |
| | Investments in associates and joint ventures | 257 | 257 | 306 |
| | Prepayments | 375 | 370 | 604 |
| | Investment properties | 28 | 28 | 28 |
| | Other assets | 1,775 | 1,517 | 1,784 |
| | Total | 38,389 | 31,491 | 32,898 |
| | Netting | | | |
| | Positive fair value of derivatives, etc., gross | 46,553 | 37,138 | 35,171 |
| | Netting of positive and negative fair value | 14,271 | 12,227 | 9,433 |
| | Total | 32,282 | 24,911 | 25,738 |
| | Netting of fair value can be attributed to clearing of derivatives through a central clearing house (CCP clearing). | | | |
| 19 | Deposits | | | |
| | Demand deposits | 111,710 | 106,481 | 110,188 |
| | Term deposits | 1,426 | 1,777 | 2,807 |
| | Time deposits | 23,130 | 21,405 | 30,410 |
| | Special deposits | 6,445 | 6,370 | 6,990 |
| | Pooled deposits | 4,142 | 4,202 | 3,768 |
| | Total | 146,853 | 140,235 | 154,163 |
| 20 | Issued bonds at fair value | | | |
| | Issued bonds at fair value, nominal value | 372,766 | 365,561 | 358,509 |
| | Adjustment to fair value | 7,616 | 11,003 | 13,171 |
| | Own mortgage bonds offset, fair value | -33,098 | -19,527 | -37,245 |
| | Total | 347,284 | 357,037 | 334,435 |
| 21 | Other liabilities | | | |
| | Set-off entry of negative bond holdings in connection with repos/reverse repos | 6,060 | 3,988 | 4,118 |
| | Negative fair value of derivatives, etc. | 35,007 | 26,882 | 27,115 |
| | Interest and commission payable | 1,719 | 1,562 | 2,374 |
| | Prepayments | 148 | 139 | 137 |
| | Lease commitment | 352 | 369 | 346 |
| | Other liabilities | 5,513 | 6,249 | 5,580 |
| | Total | 48,799 | 39,189 | 39,670 |
| | Netting | | | |
| | Negative fair value of derivatives, etc., gross | 49,278 | 39,109 | 36,548 |
| | Netting of positive and negative fair value | 14,271 | 12,227 | 9,433 |
| | Total | 35,007 | 26,882 | 27,115 |
| | Netting of fair value can be attributed to clearing of derivatives through a central clearing house (CCP clearing). | | | |
| 22 | Provisions | | | |
| | Provisions for pensions and similar liabilities | 643 | 639 | 592 |
| | Provisions for guarantees | 253 | 233 | 228 |
| | Provisions for losses on loan commitments and unutilised credit lines | 166 | 140 | 122 |
| | Provisions for deferred tax | 31 | 241 | 583 |
| | Other provisions | 116 | 116 | 148 |
| | Total | 1,209 | 1,369 | 1,673 |

| Note | | The Jyske Bank Group | | |
|------|---|----------------------|-----------------|------------------|
| | | 31 March 2020 | 31 Dec. 2019 | 31 March 2019 |
| | DKKm | | | |
| 23 | Subordinated debt | | | |
| | Supplementary capital: | | | |
| | 1.25% bond loan EUR 200m 28.01.2031 | 1,494 | 0 | 0 |
| | 2.25% bond loan EUR 300m 05.04.2029 | 2,240 | 2,241 | 2,240 |
| | Var. % bond loan SEK 600m 19.05.2026 | 405 | 429 | 431 |
| | 3.25% bond loan SEK 400m 19.05.2026 | 270 | 286 | 287 |
| | 6.73% bond loan EUR 10.5m 2020-2026 | 78 | 78 | 90 |
| | Var. % bond loan EUR 10m 13.02.2023 | 75 | 75 | 75 |
| | 5.65% bond loan EUR 10 m 27.03.2023 | 75 | 75 | 75 |
| | 5.67% bond loan EUR 10 m 31.07.2023 | 75 | 75 | 75 |
| | | 4,712 | 3,259 | 3,273 |
| | Hybrid core capital: | | | |
| | Var. % bond loan EUR 72.8m Perpetual | 543 | 544 | 543 |
| | Var. % bond loan EUR 60.7m Perpetual | 453 | 453 | 453 |
| | | 996 | 997 | 996 |
| | Subordinated debt, nominal | 5,708 | 4,256 | 4,269 |
| | Hedging of interest-rate risk, fair value | 77 | 71 | 63 |
| | Total | 5,785 | 4,327 | 4,332 |
| | Subordinated debt included in the capital base | 5,587 | 4,151 | 4,194 |
| | The above-mentioned issues of hybrid core capital 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. | | | |
| 24 | Contingent liabilities | | | |
| | Guarantees, etc. | 12,231 | 11,932 | 17,098 |
| | Other contingent liabilities, etc. | 17,588 | 18,846 | 17,342 |
| | Total guarantees and other contingent liabilities | 29,819 | 30,778 | 34,440 |

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.

24 Contingent liabilities, cont.

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 an exit charge to Bankdata.

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

25 Shareholders

BRFholding a/s, Kgs. Lyngby, Denmark informed Jyske Bank that it owns 23.28% of the share capital. BRFholding a/s is a 100% owned subsidiary of BRFfonden. According to Jyske Bank's Articles of Association, BRFholding a/s has 4,000 votes. As at 31 March 2020, Jyske Bank owns 6.31% 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 38,056m (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 9,892m (end of 2019: DKK 6,544m) as well as bonds in the amount of DKK 1,339m (end of 2019: 1,677m).

Repo transactions involve an arrangement where bonds are provided as collateral for the amount borrowed. Repo transactions amounted to DKK 8,757m (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, whose 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.

DKKm

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

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

For any given counterparty's total portfolio of derivatives, CVA is a function of the probability of the counterparty's probability of default (PD), the expected positive exposure (EPE) as well as the loss given default (LGD). Jyske Bank applies risk-neutral PDs calculated on the basis of IRB PDs. The IRB PDs are adjusted through the correlation to the observable price of risk in the market, calculated on the basis of the OMX C25 index. By using this method, PDs are generated that correspond to PDs that can be observed in the market. Another way of seeing market-observable PDs is to infer them from Credit Default Swap (CDS) spreads. However, Jyske Bank primarily avoids entering into derivatives transactions with unlisted Danish counterparties, for which there only to a most limited extent exist CDS or CDS proxy spreads, and therefore the former method is used instead. The calculation of CVA also allows for the expected development of the rating over time. This takes place on the basis of historical rating migrations. When determining the EPE, a model is used to establish the expected positive exposure to the counterparty's portfolio over the maturity of the derivatives. For LGD, internal estimates are used for the individual counterparty, adjusted for any collateral received as well as CSA agreements concluded.

In addition to CVA, also an adjustment is made of the fair value of derivatives that have an expected future negative fair value. This takes place to allow for changes in the counterparties' credit risk against the Jyske Bank Group (debt valuation adjustment - DVA). The DVA takes place according to the same principles that apply to the CVA, yet PD for Jyske Bank is determined on the basis of Jyske Bank's external rating by Standard & Poor's. At the end of the first quarter of 2020, CVA and DVA amounted, on an accumulated basis, to net DKK 88m, which accumulated amount was recognised as an expense under value adjustments, against an accumulated amount of DKK 73m at the end of 2019.

29 Fair value of financial assets and liabilities

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

The re-statement at fair value of financial assets and liabilities shows a total unrecognised unrealised gain of DKK 243m at the end of the first quarter of 2020 against an unrealised loss of DKK 136m at the end of 2019.

| | 31 March 2020 | | 31 December 2019 | |
|---|------------------|----------------|------------------|----------------|
| | Recognised value | Fair value | Recognised value | Fair value |
| FINANCIAL ASSETS | | | | |
| Cash balance and demand deposits with central banks | 33,828 | 33,828 | 9,889 | 9,889 |
| Due from credit institutions and central banks | 17,699 | 17,705 | 23,392 | 23,397 |
| Loans and advances at fair value | 338,939 | 338,939 | 339,906 | 339,906 |
| Loans and advances at amortised cost | 146,258 | 146,245 | 145,994 | 146,033 |
| Bonds at fair value | 72,115 | 72,115 | 78,333 | 78,333 |
| Bonds at amortised cost | 16,666 | 16,435 | 11,136 | 11,245 |
| Shares, etc. | 2,103 | 2,103 | 2,422 | 2,422 |
| Assets in pooled deposits | 3,396 | 3,396 | 4,128 | 4,128 |
| Derivatives | 32,282 | 32,282 | 24,911 | 24,911 |
| Total | 663,286 | 663,048 | 640,111 | 640,264 |
| FINANCIAL LIABILITIES | | | | |
| Due to credit institutions and central banks | 42,602 | 42,606 | 29,278 | 29,315 |
| Deposits | 142,711 | 142,710 | 136,033 | 136,042 |
| Pooled deposits | 4,142 | 4,142 | 4,202 | 4,202 |
| Issued bonds at fair value | 347,284 | 347,284 | 357,037 | 357,037 |
| Issued bonds at amortised cost | 42,693 | 42,490 | 38,556 | 38,887 |
| Subordinated debt | 4,494 | 4,213 | 4,327 | 4,239 |
| Set-off entry of negative bond holdings | 6,060 | 6,060 | 3,988 | 3,988 |
| Derivatives | 35,007 | 35,007 | 26,882 | 26,882 |
| Total | 624,993 | 624,512 | 600,303 | 600,592 |

Note

The Jyske Bank Group

DKKm

30 The fair value hierarchy
31 March 2020

| | Quoted prices | Observable prices | Non-observable prices | Fair value, total | Recognised value |
|----------------------------------|---------------|-------------------|-----------------------|-------------------|------------------|
| Financial assets | | | | | |
| Loans and advances at fair value | 0 | 338,939 | 0 | 338,939 | 338,939 |
| Bonds at fair value | 65,492 | 6,623 | 0 | 72,115 | 72,115 |
| Shares, etc. | 321 | 405 | 1,377 | 2,103 | 2,103 |
| Assets in pooled deposits | 3 | 3,393 | 0 | 3,396 | 3,396 |
| Derivatives | 785 | 31,497 | 0 | 32,282 | 32,282 |
| Total | 66,601 | 380,857 | 1,377 | 448,835 | 448,835 |

| | | | | | |
|---|----------------|---------------|----------|----------------|----------------|
| Financial liabilities | | | | | |
| Pooled deposits | 0 | 4,142 | 0 | 4,142 | 4,142 |
| Issued bonds at fair value | 298,268 | 49,016 | 0 | 347,284 | 347,284 |
| Set-off entry of negative bond holdings | 6,029 | 31 | 0 | 6,060 | 6,060 |
| Derivatives | 708 | 34,299 | 0 | 35,007 | 35,007 |
| Total | 305,005 | 87,488 | 0 | 392,493 | 392,493 |

31 December 2019

| | | | | | |
|----------------------------------|---------------|----------------|--------------|----------------|----------------|
| Financial assets | | | | | |
| 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 |
| Total | 60,972 | 387,198 | 1,530 | 449,700 | 449,700 |

| | | | | | |
|---|----------------|----------------|----------|----------------|----------------|
| Financial liabilities | | | | | |
| 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 |
| Total | 276,808 | 115,301 | 0 | 392,109 | 392,109 |

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 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 | 4 | 111 |
| Sales or redemptions | 157 | 633 |
| Purchases | 0 | 0 |
| Fair value, end of period | 1,377 | 1,530 |

Non-observable prices

Non-observable prices at the end of the first quarter of 2020 referred to unlisted shares recognised at DKK 1,377m 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 138m on 31 March 2020 (0.44% of the shareholders' equity on 31 March 2020). For 2019, the effect on the income statement is estimated at DKK 153m (0.48% of the shareholders' equity at the end of 2019). Capital gain and loss for the period on illiquid bonds and unlisted shares referred to assets held at the end of the first 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 assets in disposal group with a view to sale, repossessed properties, equity investments and cars, etc. and similar assets held for sale. Assets held temporarily are recognised at the lower of cost and fair value less costs of sale. Assets held temporarily were recognised at DKK 3,350m (end of 2019: DKK 2,476m). Fair value belongs to the category of non-observable prices, except for bonds in the amount of DKK 1,504m (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 1,772m (2019: DKK 1,776m). The revalued amount belongs to the category of non-observable prices. Leased properties were recognised at DKK 342m (end of 2019: DKK 360m).

Note

The Jyske Bank Group

31 The Jyske Bank Group - overview

| 31 March 2020 | * | Cur- ren- cy | Share capital 1,000 units | Owner- ship share (%) | Voting share (%) | Assets (DKKm), 2019 | Liabili- ties (DKKm), 2019 | Equity (DKKm), 2019 | Ear- nings (DKKm), 2019 | Profit (DKKm), 2019 |
|--|---|--------------------|---------------------------------|--------------------------------|------------------------|---------------------------|-------------------------------------|---------------------------|----------------------------------|---------------------------|
| Jyske Bank A/S | a | DKK | 775,538 | | | 304,100 | 268,390 | 35,710 | 6,228 | 2,440 |
| Subsidiaries | | | | | | | | | | |
| Jyske Realkredit, Kgs. Lyngby | b | DKK | 4,306,480 | 100 | 100 | 384,899 | 366,038 | 18,861 | 6,666 | 1,117 |
| Jyske Bank (Gibraltar) Ltd. | a | GBP | 26,500 | 100 | 100 | 4,789 | 4,103 | 686 | 147 | 32 |
| Jyske Bank (Gibraltar) Nominees Ltd. | d | GBP | 0 | 100 | 100 | 0 | 0 | 0 | 0 | 0 |
| Jyske Bank (Gibraltar) Management Ltd. | d | GBP | 0 | 100 | 100 | 0 | 0 | 0 | 0 | 0 |
| Jyske Bank (Gibraltar) Secretaries Ltd. | d | GBP | 0 | 100 | 100 | 0 | 0 | 0 | 0 | 0 |
| Trendsetter, S.L., Spain | e | EUR | 706 | 100 | 100 | 18 | 0 | 18 | 1 | 0 |
| Jyske Bank Nominees Ltd., London | d | GBP | 0 | 100 | 100 | 0 | 0 | 0 | 0 | 0 |
| Inmobiliaria Saroesma S.L., Spain | e | EUR | 853 | 100 | 100 | 47 | 41 | 6 | 1 | -10 |
| Jyske Finans A/S, Silkeborg | c | DKK | 100,000 | 100 | 100 | 22,150 | 20,790 | 1,360 | 1,227 | 294 |
| Ejendomsselskabet af 01.11.2017 A/S, Silkeborg | e | DKK | 500 | 100 | 100 | 45 | 44 | 1 | 2 | 1 |
| Gl. Skovridergaard A/S, Silkeborg | e | DKK | 500 | 100 | 100 | 30 | 27 | 3 | 19 | 0 |
| Ejendomsselskabet af 1.10.2015 ApS, Silkeborg | c | DKK | 500 | 100 | 100 | 114 | 113 | 1 | 1 | 1 |
| Jyske Invest Fund Management A/S, Silkeborg | d | DKK | 76,000 | 100 | 100 | 397 | 73 | 324 | 134 | 24 |

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.

* Activity:

a: Bank

b: Mortgage credit

c: Leasing, financing and factoring

d: Investment and financing

e: Properties and course activities

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

| Note | | Jyske Bank | |
|--|--|--------------|--------------|
| | DKKm | Q1 2020 | Q1 2019 |
| Income statement | | | |
| 3 | Interest income | 831 | 855 |
| 4 | Interest expenses | 298 | 248 |
| | Net interest income | 533 | 607 |
| | Dividends, etc. | 11 | 15 |
| 5 | Fees and commission income | 769 | 631 |
| | Fees and commission expenses | 31 | 39 |
| | Net interest and fee income | 1,282 | 1,214 |
| 6 | Value adjustments | -537 | 139 |
| | Other operating income | 93 | 84 |
| | Employee and administrative expenses | 1,138 | 1,154 |
| | Amortisation, depreciation and impairment charges | 28 | 31 |
| | Other operating expenses | 99 | 7 |
| 7 | Loan impairment charges | 455 | 20 |
| | Profit on investments in associates and group enterprises | -89 | 430 |
| | Pre-tax profit | -971 | 655 |
| | Tax | 191 | 45 |
| | Net profit for the period | -780 | 610 |
| | Distributed to: | | |
| | Jyske Bank A/S shareholders | -821 | 578 |
| | Holders of Additional Tier 1 Capital (AT1) | 41 | 32 |
| | Total | -780 | 610 |
| Statement of Comprehensive Income | | | |
| | Net profit for the period | -780 | 610 |
| | Other comprehensive income: | | |
| | <i>Items that can be recycled to the income statement:</i> | | |
| | Foreign currency translation adjustment of international units | -27 | 32 |
| | Hedge accounting of international units | 27 | -32 |
| | Tax on hedge accounting | -6 | 7 |
| | Other comprehensive income after tax | -6 | 7 |
| | Comprehensive income for the period | -786 | 617 |

| Note | | Jyske Bank | | |
|--------------------------------|---|------------------|-----------------|------------------|
| | DKKm | 31 March 2020 | 31 Dec. 2019 | 31 March 2019 |
| BALANCE | | | | |
| ASSETS | | | | |
| | Cash balance and demand deposits with central banks | 33,802 | 9,848 | 4,770 |
| | Due from credit institutions and central banks | 16,464 | 11,846 | 17,563 |
| 10 | Loans and advances at fair value | 2,366 | 2,357 | 3,314 |
| 8,9,10 | Loans and advances at amortised cost | 147,700 | 147,040 | 134,378 |
| | Bonds at fair value | 59,725 | 64,021 | 70,998 |
| | Bonds at amortised cost | 17,416 | 11,887 | 7,798 |
| | Shares, etc. | 1,833 | 2,137 | 2,973 |
| | Investments in associates | 252 | 252 | 306 |
| | Equity investments in group enterprises | 20,445 | 20,534 | 20,246 |
| | Assets in pooled deposits | 3,396 | 4,128 | 3,977 |
| | Owner-occupied properties | 1,755 | 1,759 | 1,769 |
| | Owner-occupied properties, leasing | 342 | 360 | 345 |
| | Other property, plant and equipment | 67 | 70 | 88 |
| | Current tax assets | 1,042 | 880 | 1,275 |
| | Deferred tax assets | 211 | 24 | 9 |
| | Assets held temporarily | 602 | 696 | 24 |
| | Other assets | 33,039 | 25,929 | 26,783 |
| | Prepayments | 335 | 332 | 326 |
| | Total assets | 340,792 | 304,100 | 296,942 |
| EQUITY AND LIABILITIES | | | | |
| Debt and payables | | | | |
| | Due to credit institutions and central banks | 63,235 | 47,188 | 31,948 |
| 11 | Deposits | 142,895 | 135,838 | 145,598 |
| | Pooled deposits | 4,143 | 4,202 | 3,768 |
| | Issued bonds at amortised cost | 42,693 | 38,556 | 38,232 |
| | Other liabilities | 46,490 | 37,158 | 37,084 |
| | Prepayments | 21 | 20 | 19 |
| | Total debt | 299,477 | 262,962 | 256,649 |
| Provisions | | | | |
| | Provisions for pensions and similar liabilities | 607 | 603 | 558 |
| | Provisions for guarantees | 270 | 247 | 226 |
| | Provisions for credit commitments and unutilised credit lines | 162 | 138 | 117 |
| | Other provisions | 113 | 113 | 147 |
| | Provisions, total | 1,152 | 1,101 | 1,048 |
| | Subordinated debt | 5,785 | 4,327 | 4,332 |
| Equity | | | | |
| | Share capital | 776 | 776 | 849 |
| | Revaluation reserve | 205 | 205 | 214 |
| | Reserve according to the equity method | 6,613 | 6,703 | 5,808 |
| | Retained profit | 23,633 | 24,769 | 25,520 |
| | Jyske Bank A/S shareholders | 31,227 | 32,453 | 32,391 |
| | Holders of Additional Tier 1 Capital (AT1) | 3,151 | 3,257 | 2,522 |
| | Total equity | 34,378 | 35,710 | 34,913 |
| | Total equity and liabilities | 340,792 | 304,100 | 296,942 |
| OFF-BALANCE SHEET ITEMS | | | | |
| | Guarantees, etc. | 21,609 | 20,260 | 20,091 |
| | Other contingent liabilities | 4,652 | 4,397 | 2,709 |
| | Total guarantees and other contingent liabilities | 26,261 | 24,657 | 22,800 |

DKK m

Statement of changes in equity

| | Share capital | Revaluation reserve | Currency translation reserve | Reserve according to the equity method | Retained profit | Proposed dividend | Jyske Bank A/S share-holders | 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 | -90 | -731 | 0 | -821 | 41 | -780 |
| Other comprehensive income | 0 | 0 | 0 | 0 | -6 | 0 | -6 | 0 | -6 |
| Comprehensive income for the period | 0 | 0 | 0 | -90 | -737 | 0 | -827 | 41 | -786 |
| Interest paid on AT1 Capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -55 | -55 |
| Currency translation adjustment | 0 | 0 | 0 | 0 | 92 | 0 | 92 | -92 | 0 |
| Acquisition of own shares | 0 | 0 | 0 | 0 | -930 | 0 | -930 | 0 | -930 |
| Sale of own shares | 0 | 0 | 0 | 0 | 439 | 0 | 439 | 0 | 439 |
| Transactions with owners | 0 | 0 | 0 | 0 | -399 | 0 | -399 | -147 | -546 |
| Equity 31 March 2020 | 776 | 205 | 0 | 6,613 | 23,633 | 0 | 31,227 | 3,151 | 34,378 |

| | | | | | | | | | |
|-------------------------------------|------------|------------|----------|--------------|---------------|----------|---------------|--------------|---------------|
| 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 | 9 | 0 | 196 | 382 | 0 | 578 | 32 | 610 |
| Other comprehensive income | 0 | 0 | 0 | 0 | 7 | 0 | 7 | 0 | 7 |
| Comprehensive income for the period | 0 | 0 | 0 | 196 | 389 | 0 | 585 | 32 | 617 |
| Interest paid on AT1 Capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 | -45 | -45 |
| Currency translation adjustment | 0 | 0 | 0 | 0 | 11 | 0 | 11 | -11 | 0 |
| Proposed dividend reversed | 0 | 0 | 0 | 0 | 520 | -520 | 0 | 0 | 0 |
| Acquisition of own shares | 0 | 0 | 0 | 0 | -255 | 0 | -255 | 0 | -255 |
| Sale of own shares | 0 | 0 | 0 | 0 | 264 | 0 | 264 | 0 | 264 |
| Transactions with owners | 0 | 0 | 0 | 0 | 540 | -520 | 20 | -56 | -36 |
| Equity 31 March 2019 | 849 | 214 | 0 | 5,808 | 25,520 | 0 | 32,391 | 2,522 | 34,913 |

*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 made an issue amounting to EUR 150m, AT1, 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 of Jyske Bank A/S or the Jyske Bank Group falls below 7%, the loans will be written down.

| DKKm | 31 March 2020 | 31 Dec. 2019 | 31 March 2019 |
|---|----------------|--------------|---------------|
| Capital Statement | | | |
| Shareholders' equity | 31,227 | 32,453 | 32,391 |
| Share buy-back programme, non-utilised limit | 0 | -404 | -500 |
| Expected dividend, calculated as required by law | 0 | 0 | -140 |
| Deferred tax assets | -211 | -24 | -9 |
| Prudent valuation | -487 | -349 | -287 |
| Other deductions | -109 | -27 | -124 |
| Common Equity Tier 1 capital | 30,420 | 31,649 | 31,331 |
| Additional Tier 1 Capital (AT1) after reduction | 3,397 | 3,619 | 2,906 |
| Core capital | 33,817 | 35,268 | 34,237 |
| Subordinated loan capital after reduction | 5,328 | 3,763 | 3,805 |
| Capital base | 39,145 | 39,031 | 38,042 |
| Weighted risk exposure involving credit risk etc. | 104,491 | 100,706 | 104,553 |
| Weighted risk exposure involving market risk | 12,372 | 11,850 | 13,991 |
| Weighted risk exposure involving operational risk | 10,979 | 11,478 | 11,478 |
| Total weighted risk exposure | 127,842 | 124,034 | 130,022 |
| Capital requirement, Pillar I | 10,227 | 9,923 | 10,402 |
| Capital ratio (%) | 30.6 | 31.5 | 29.3 |
| Tier 1 Capital ratio (%) | 26.4 | 28.4 | 26.3 |
| Common Equity Tier 1 capital ratio (%) | 23.8 | 25.5 | 24.1 |

For a statement of the individual solvency requirement, please see Risk and Capital Management 2019 or investor.jyskebank.com/investorrelations/ratings and investor.jyskebank.com/investorrelations/debt.

| Note | | Jyske Bank | |
|--------------|---|------------|------------|
| | | Q1 2020 | Q1 2019 |
| DKKm | | | |
| Notes | | | |
| 1 | Accounting Policies The Interim Financial Report of the parent company Jyske Bank A/S for the period 1 January to 31 March 2020 was prepared in accordance with the Danish Financial Business Act, including the Executive Order on Financial Reports for Credit Institutions and 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. | | |
| 2 | Financial ratios and key figures Pre-tax profit p.a. as a percentage of average equity* -12.7 7.8 Profit for the period as a pct. of av. equity* -2.6 1.8 Income/cost ratio (%) 0.4 1.5 Capital ratio (%) 30.6 29.3 Common Equity Tier 1 capital ratio (CET 1) (%) 23.8 24.1 Individual solvency requirement (%) 12.3 12.1 Capital base (DKKm) 39,145 38,042 Total risk exposure (DKKm) 127,842 130,022 Interest-rate risk (%) 1.2 0.0 Currency risk (%) 0.0 0.1 Accumulated impairment ratio (%) 2.3 2.4 Impairment ratio for the period (%) 0.3 0.0 No. of full-time employees at end-period 3,237 3,361 Average number of full-time employees in the period 3,269 3,367 | | |
| | *Financial ratios are calculated as if Additional Tier 1 capital (AT1) is recognised as a liability. | | |
| 3 | Interest income Due from credit institutions and central banks 22 3 Loans and advances 408 515 Bonds 108 140 Derivatives, total 32 33 Of which currency contracts 78 64 Of which interest-rate contracts -46 -31 Others 0 0 Total after offsetting of negative interest 570 691 Negative interest income set off against interest income 107 57 Negative interest expenses set off against interest expenses 154 107 Total before offsetting of negative interest income 831 855 Of which interest income on reverse repos carried under: Due from credit institutions and central banks -5 -8 Loans and advances -56 -25 | | |

| Note | | Jyske Bank | |
|--------------|--|-------------|------------|
| | DKKm | Q1 2020 | Q1 2019 |
| Notes | | | |
| 4 | Interest expenses | | |
| | Due to credit institutions and central banks | 20 | 19 |
| | Deposits | -67 | -4 |
| | Issued bonds | 56 | 41 |
| | Subordinated debt | 26 | 25 |
| | Other interest expenses | 2 | 3 |
| | Total after offsetting of negative interest | 37 | 84 |
| | Negative interest expenses set off against interest expenses | 154 | 107 |
| | Negative interest income set off against interest income | 107 | 57 |
| | Total before offsetting of negative interest income | 298 | 248 |
| | Of which interest expenses on reverse repos carried under: | | |
| | Due to credit institutions and central banks | -17 | -14 |
| | Deposits | -5 | -5 |
| 5 | Fees and commission income | | |
| | Securities trading and custody services | 308 | 224 |
| | Money transfers and card payments | 46 | 50 |
| | Loan application fees | 26 | 22 |
| | Guarantee commission | 26 | 27 |
| | Other fees and commissions | 363 | 308 |
| | Total | 769 | 631 |
| 6 | Value adjustments | | |
| | Loans and advances at fair value | -3 | 18 |
| | Bonds | -185 | 149 |
| | Shares, etc. | -21 | 94 |
| | Currency | -225 | 40 |
| | Currency, interest-rate, share, commodity and other contracts as well as other derivatives | -83 | -140 |
| | Assets in pooled deposits | -565 | 361 |
| | Pooled deposits | 565 | -361 |
| | Other assets | 0 | 1 |
| | Issued bonds | -13 | -1 |
| | Other liabilities | -7 | -22 |
| | Total | -537 | 139 |

| Note | | Jyske Bank | |
|----------|---|--------------|--------------|
| | DKKm | Q1 2020 | Q1 2019 |
| 7 | Loan impairment charges and provisions for guarantees recognised in the income statement | | |
| | Loan impairment charges and provisions for guarantees for the period | 449 | 31 |
| | Impairment charges on balances due from credit institutions in the period | 5 | 1 |
| | Provisions for loan commitments and unutilised credit lines in the period | 23 | -26 |
| | Recognised as a loss, not covered by loan impairment charges and provisions | 35 | 47 |
| | Recoveries | -47 | -30 |
| | Recognised discount for acquired loans | -10 | -3 |
| | Loan impairment charges and provisions for guarantees recognised in the income statement | 455 | 20 |
| 8 | Balance of loan impairment charges and provisions for guarantees | | |
| | Balance of loan impairment charges and provisions, beginning of period | 3,801 | 4,118 |
| | Loan impairment charges and provisions for the period | 472 | 5 |
| | Recognised as a loss, covered by loan impairment charges and provisions | -62 | -146 |
| | Other movements | 17 | 20 |
| | Balance of loan impairment charges and provisions for guarantees | 4,228 | 3,997 |
| | Loan impairment charges at amortised cost | 3,797 | 3,653 |
| | Loan impairment charges at fair value | 1 | 1 |
| | Provisions for guarantees | 270 | 226 |
| | Provisions for credit commitments and unutilised credit lines | 160 | 117 |
| | Balance of loan impairment charges and provisions, end of period | 4,228 | 3,997 |

Note

Jyske Bank

DKKm

8 Balance of loan impairment charges and provisions for guarantees broken down by stage – total

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---------|---------|---------|-------|
| Balance, beginning of 2020 | 335 | 513 | 2,953 | 3,801 |
| Transfer of impairment charges at beginning of period to stage 1 | 49 | -46 | -3 | 0 |
| Transfer of impairment charges at beginning of period to stage 2 | -9 | 19 | -10 | 0 |
| Transfer of impairment charges at beginning of period to stage 3 | 0 | -40 | 40 | 0 |
| Impairment charges on new loans, etc. | 54 | 20 | 67 | 141 |
| Impairment charges on discontinued loans and provisions for guarantees | -46 | -24 | -130 | -200 |
| Effect from recalculation | 154 | 247 | 147 | 548 |
| Previously recognized as impairment charges, now final loss | 0 | 0 | -62 | -62 |
| Balance of loan impairment charges and provisions for guarantees on 31 March 2020 | 537 | 689 | 3,002 | 4,228 |

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

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---------|---------|---------|-------|
| Balance, beginning of 2019 | 320 | 603 | 3,195 | 4,118 |
| Transfer of impairment charges at beginning of period to stage 1 | 89 | -70 | -19 | 0 |
| Transfer of impairment charges at beginning of period to stage 2 | -14 | 54 | -40 | 0 |
| Transfer of impairment charges at beginning of period to stage 3 | 0 | -27 | 27 | 0 |
| Impairment charges on new loans, etc. | 42 | 17 | 27 | 86 |
| Impairment charges on discontinued loans and provisions for guarantees | -30 | -31 | -86 | -147 |
| Effect from recalculation | -76 | 1 | 161 | 86 |
| Previously recognized as impairment charges, now final loss | 0 | 0 | -146 | -146 |
| Balance of loan impairment charges and provisions for guarantees on 31 March 2019 | 331 | 547 | 3,119 | 3,997 |

Breakdown of balance of impairment charges by stage - loans at amortised cost

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---------|---------|---------|-------|
| Balance, beginning of 2020 | 269 | 445 | 2,702 | 3,416 |
| Transfer of impairment charges at beginning of period to stage 1 | 44 | -41 | -3 | 0 |
| Transfer of impairment charges at beginning of period to stage 2 | -8 | 17 | -9 | 0 |
| Transfer of impairment charges at beginning of period to stage 3 | 0 | -40 | 40 | 0 |
| Impairment charges on new loans, etc. | 31 | 15 | 55 | 101 |
| Impairment charges on discontinued loans and provisions for guarantees | -33 | -17 | -119 | -169 |
| Effect from recalculation | 130 | 227 | 153 | 510 |
| Previously recognized as impairment charges, now final loss | 0 | 0 | -61 | -61 |
| Balance of loan impairment charges and provisions for guarantees on 31 March 2020 | 433 | 606 | 2,758 | 3,797 |

Breakdown of balance of impairment charges by stage - loans at amortised cost

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---------|---------|---------|-------|
| Balance, beginning of 2019 | 253 | 522 | 2,986 | 3,761 |
| Transfer of impairment charges at beginning of period to stage 1 | 62 | -46 | -16 | 0 |
| Transfer of impairment charges at beginning of period to stage 2 | -12 | 49 | -37 | 0 |
| Transfer of impairment charges at beginning of period to stage 3 | 0 | -26 | 26 | 0 |
| Impairment charges on new loans, etc. | 23 | 9 | 23 | 55 |
| Impairment charges on discontinued loans and provisions for guarantees | -14 | -22 | -68 | -104 |
| Effect from recalculation | -50 | 2 | 135 | 87 |
| Previously recognized as impairment charges, now final loss | 0 | 0 | -146 | -146 |
| Balance of loan impairment charges and provisions for guarantees on 31 March 2019 | 262 | 488 | 2,903 | 3,653 |

Note

Jyske Bank

DKKm

| 8 | Breakdown of balance of impairment charges by stage– loans at fair value | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---------|---------|---------|-------|
| | Balance, beginning of 2020 | 0 | 1 | 0 | 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 | 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 31 March 2020 | 0 | 1 | 0 | 1 |

| | Breakdown of balance of impairment charges by stage– loans at fair value | Stage 1 | Stage 2 | Stage 3 | Total |
|--|---|---------|---------|---------|-------|
| | Balance, beginning of 2019 | 1 | 1 | 0 | 2 |
| | Transfer of impairment charges at beginning of period to stage 1 | 0 | 0 | 0 | 0 |
| | Transfer of impairment charges at beginning of period to stage 2 | 0 | 0 | 0 | 0 |
| | Transfer of impairment charges at beginning of period to stage 3 | 0 | 0 | 0 | 0 |
| | Impairment charges on new loans, etc. | 0 | 0 | 0 | 0 |
| | Impairment charges on discontinued loans and provisions for guarantees | -1 | 0 | 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 31 March 2019 | 0 | 1 | 0 | 1 |

| | Breakdown of balance of provisions by stage - guarantees and loan commitments | Stage 1 | Stage 2 | Stage 3 | Total |
|--|---|---------|---------|---------|-------|
| | Balance, beginning of 2020 | 65 | 68 | 251 | 384 |
| | Transfer of impairment charges at beginning of period to stage 1 | 5 | -5 | 0 | 0 |
| | Transfer of impairment charges at beginning of period to stage 2 | -1 | 1 | 0 | 0 |
| | Transfer of impairment charges at beginning of period to stage 3 | 0 | 0 | 0 | 0 |
| | Impairment charges on new loans, etc. | 22 | 7 | 11 | 40 |
| | Impairment charges on discontinued loans and provisions for guarantees | -12 | -8 | -11 | -31 |
| | Effect from recalculation | 25 | 19 | -6 | 38 |
| | Previously recognized as impairment charges, now final loss | 0 | 0 | -1 | -1 |
| | Balance of loan impairment charges and provisions for guarantees on 31 March 2020 | 104 | 82 | 244 | 430 |

| | Breakdown of balance of provisions by stage - guarantees and loan commitments | Stage 1 | Stage 2 | Stage 3 | Total |
|--|---|---------|---------|---------|-------|
| | Balance, beginning of 2019 | 66 | 80 | 209 | 355 |
| | Transfer of impairment charges at beginning of period to stage 1 | 27 | -24 | -3 | 0 |
| | Transfer of impairment charges at beginning of period to stage 2 | -2 | 5 | -3 | 0 |
| | Transfer of impairment charges at beginning of period to stage 3 | 0 | -1 | 1 | 0 |
| | Impairment charges on new loans, etc. | 19 | 8 | 3 | 30 |
| | Impairment charges on discontinued loans and provisions for guarantees | -15 | -9 | -18 | -42 |
| | Effect from recalculation | -27 | -1 | 28 | 0 |
| | Previously recognized as impairment charges, now final loss | 0 | 0 | 0 | 0 |
| | Balance of loan impairment charges and provisions for guarantees on 31 March 2019 | 68 | 58 | 217 | 343 |

DKKm

| 9 | Gross loans, advances and guarantees by stage | Stage 1 | Stage 2 | Stage 3 | Total |
|---|--|----------------|----------------|----------------|----------------|
| | Gross loans, advances and guarantees, 1 January 2020 | 159,229 | 8,212 | 5,880 | 173,321 |
| | Transfer of loans, advances and guarantees to stage 1 | 1,678 | -1,636 | -42 | 0 |
| | Transfer of loans, advances and guarantees to stage 2 | -2,694 | 2,730 | -36 | 0 |
| | Transfer of loans, advances and guarantees to stage 3 | -45 | -198 | 245 | 0 |
| | Other movements | 3,232 | -373 | -438 | 2,421 |
| | Gross loans, advances and guarantees, 31 March 2020 | 161,400 | 8,735 | 5,607 | 175,742 |
| | Loan impairment charges and provisions for guarantees, total | 468 | 644 | 2,955 | 4,067 |
| | Net loans, advances and guarantees, 31 March 2020 | 160,932 | 8,091 | 2,652 | 171,675 |
| | Gross loans, advances and guarantees by stage | Stage 1 | Stage 2 | Stage 3 | Total |
| | Gross loans, advances and guarantees, 1 January 2019 | 143,725 | 9,840 | 6,491 | 160,056 |
| | Transfer of loans, advances and guarantees to stage 1 | 5,810 | -5,507 | -303 | 0 |
| | Transfer of loans, advances and guarantees to stage 2 | -4,039 | 4,231 | -192 | 0 |
| | Transfer of loans, advances and guarantees to stage 3 | -244 | -946 | 1,190 | 0 |
| | Other movements | 13,977 | 594 | -1,306 | 13,265 |
| | Gross loans, advances and guarantees, 31 December 2019 | 159,229 | 8,212 | 5,880 | 173,321 |
| | Loan impairment charges and provisions for guarantees, total | 294 | 472 | 2,898 | 3,664 |
| | Net loans, advances and guarantees, 31 December 2019 | 158,935 | 7,740 | 2,982 | 169,657 |

Note

Jyske Bank

DKKm

| | | | 31 March 2020 | | | | 31 Dec. 2019 |
|---|--|--------------|----------------|--------------|--------------|----------------|----------------|
| 9 | Loans, advances and guarantees by stage and internal rating - gross before impairment charges and provisions | | Stage 1 | Stage 2 | Stage 3 | Total | Total |
| | Performing | PD band (%) | | | | | |
| | 1 | 0.00 - 0.10 | 51,020 | 96 | 0 | 51,116 | 51,345 |
| | 2 | 0.10 - 0.15 | 8,675 | 4 | 0 | 8,679 | 9,787 |
| | 3 | 0.15 - 0.22 | 16,289 | 8 | 0 | 16,297 | 14,545 |
| | 4 | 0.22 - 0.33 | 18,016 | 33 | 0 | 18,049 | 16,697 |
| | 5 | 0.33 - 0.48 | 13,377 | 138 | 0 | 13,515 | 14,430 |
| | Ratings 1- 5 | | 107,377 | 279 | 0 | 107,656 | 106,804 |
| | 6 | 0.48 - 0.70 | 18,803 | 333 | 0 | 19,136 | 18,060 |
| | 7 | 0.70 - 1.02 | 8,441 | 325 | 0 | 8,766 | 9,732 |
| | 8 | 1.02 - 1.48 | 8,685 | 1,215 | 0 | 9,900 | 9,157 |
| | 9 | 1.48 - 2.15 | 10,431 | 771 | 0 | 11,202 | 11,386 |
| | 10 | 2.15 - 3.13 | 2,776 | 882 | 0 | 3,658 | 4,423 |
| | 11 | 3.13 - 4.59 | 1,501 | 651 | 0 | 2,152 | 2,300 |
| | Ratings 6 – 11 | | 50,637 | 4,177 | 0 | 54,814 | 55,058 |
| | 12 | 4.59 - 6.79 | 538 | 791 | 0 | 1,329 | 1,256 |
| | 13 | 6.79 - 10.21 | 133 | 553 | 0 | 686 | 859 |
| | 14 | 10.21 - 25.0 | 25 | 2,052 | 0 | 2,077 | 2,191 |
| | Ratings 12-14 | | 696 | 3,396 | 0 | 4,092 | 4,306 |
| | Others | | 2,683 | 764 | 0 | 3,447 | 1,189 |
| | Non-performing loans | | 7 | 119 | 5,607 | 5,733 | 5,964 |
| | Total | | 161,400 | 8,735 | 5,607 | 175,742 | 173,321 |

Irrevocable credit commitments of DKK 4,597m (end of 2019: DKK 4,343m) are all in stage 1 and are distributed according to internal ratings (STY Ratings) in this way: STY Rating 1: DKK 2,162m, STY Rating 2: DKK 519m, STY Rating 3: DKK 809m, STY Rating 4: DKK 692m, STY Rating 6: DKK 23m and STY Rating 8: DKK 392m (End of 2019: STY Rating 1: DKK 2,565m, STY Rating 2: DKK 520m, STY Rating 3: DKK 473m, STY Rating 4: DKK 785m).

| | | | 31 March 2020 | | | | 31 Dec. 2019 |
|--|--|--------------|---------------|------------|--------------|--------------|--------------|
| | Loan impairment charges and provisions for guarantees by stage and internal rating | | Stage 1 | Stage 2 | Stage 3 | Total | Total |
| | Performing | PD band (%) | | | | | |
| | 1 | 0.00 - 0.10 | 6 | 1 | 0 | 7 | 7 |
| | 2 | 0.10 - 0.15 | 10 | 1 | 0 | 11 | 10 |
| | 3 | 0.15 - 0.22 | 23 | 0 | 0 | 23 | 20 |
| | 4 | 0.22 - 0.33 | 24 | 0 | 0 | 24 | 21 |
| | 5 | 0.33 - 0.48 | 38 | 2 | 0 | 40 | 29 |
| | Ratings 1- 5 | | 101 | 4 | 0 | 105 | 87 |
| | 6 | 0.48 - 0.70 | 51 | 6 | 0 | 57 | 32 |
| | 7 | 0.70 - 1.02 | 67 | 6 | 0 | 74 | 52 |
| | 8 | 1.02 - 1.48 | 68 | 59 | 0 | 127 | 48 |
| | 9 | 1.48 - 2.15 | 76 | 26 | 0 | 102 | 67 |
| | 10 | 2.15 - 3.13 | 24 | 52 | 0 | 75 | 43 |
| | 11 | 3.13 - 4.59 | 58 | 33 | 0 | 91 | 51 |
| | Ratings 6 – 11 | | 344 | 182 | 0 | 526 | 293 |
| | 12 | 4.59 - 6.79 | 11 | 79 | 0 | 90 | 46 |
| | 13 | 6.79 - 10.21 | 3 | 42 | 0 | 45 | 35 |
| | 14 | 10.21 - 25.0 | 3 | 292 | 0 | 295 | 288 |
| | Ratings 12-14 | | 17 | 413 | 0 | 430 | 369 |
| | Others | | 6 | 41 | 0 | 47 | 14 |
| | Non-performing loans | | 0 | 4 | 2,955 | 2,959 | 2,901 |
| | Total | | 468 | 644 | 2,955 | 4,067 | 3,664 |

DKKkm

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 | |
|--|--------------------------------|-----------------|----------------|----------------|--|--------------|--|-----------|---------------------|------------|
| | 31 March 2020 (%) | End of 2019 (%) | 31 March 2020 | End of 2019 | 31 March 2020 | End of 2019 | Q1 2020 | Q1 2019 | Q1 2020 | Q1 2019 |
| | | | | | | | | | | |
| Public authorities | 6 | 5 | 9,719 | 8,244 | 0 | 0 | 0 | 0 | 0 | 0 |
| Agriculture, hunting, forestry, fishing | 3 | 4 | 5,999 | 6,250 | 731 | 740 | -20 | 140 | 15 | 71 |
| <i>Fishing</i> | 1 | 1 | 1,349 | 1,780 | 2 | 1 | 1 | 0 | 0 | 0 |
| <i>Dairy farmers</i> | 0 | 0 | 492 | 538 | 320 | 310 | 2 | -1 | 4 | 29 |
| <i>Plant production</i> | 1 | 1 | 1,912 | 1,759 | 99 | 97 | 6 | 50 | 7 | 39 |
| <i>Pig farming</i> | 1 | 1 | 1,372 | 1,278 | 162 | 176 | -19 | 43 | 0 | 0 |
| <i>Other agriculture</i> | 0 | 1 | 874 | 895 | 148 | 156 | -10 | 48 | 4 | 3 |
| Manufacturing, mining, etc. | 5 | 4 | 8,746 | 6,502 | 234 | 180 | 67 | -44 | 17 | 30 |
| Energy supply | 2 | 2 | 3,997 | 3,717 | 48 | 38 | 9 | -15 | 0 | 0 |
| Building and construction | 2 | 2 | 3,044 | 3,190 | 136 | 105 | 37 | 16 | 7 | 3 |
| Commerce | 6 | 5 | 9,843 | 8,958 | 249 | 173 | 74 | -25 | 1 | 18 |
| Transport, hotels and restaurants | 2 | 2 | 4,039 | 4,044 | 105 | 81 | 22 | -10 | 0 | 7 |
| Information and communication | 0 | 0 | 521 | 652 | 218 | 267 | -46 | -16 | 5 | 3 |
| Finance and insurance | 41 | 43 | 69,487 | 72,806 | 707 | 649 | 68 | 4 | 17 | 9 |
| Real property | 10 | 10 | 16,748 | 16,960 | 416 | 339 | 68 | 20 | 1 | 14 |
| <i>Lease of real property</i> | 5 | 6 | 8,894 | 9,362 | 300 | 269 | 22 | 18 | 1 | 9 |
| <i>Buying and selling of real property</i> | 2 | 1 | 3,134 | 2,638 | 46 | 40 | 7 | 3 | 0 | 5 |
| <i>Other real property</i> | 3 | 3 | 4,720 | 4,960 | 70 | 30 | 39 | 0 | 0 | 0 |
| Other sectors | 4 | 3 | 6,637 | 4,789 | 164 | 146 | 37 | 1 | 15 | 4 |
| Corporate clients | 75 | 75 | 129,061 | 127,868 | 3,008 | 2,718 | 316 | 71 | 78 | 159 |
| Personal clients | 19 | 20 | 32,895 | 33,545 | 1,060 | 946 | 116 | -26 | 19 | 34 |
| Unutilised credit lines and loan commitments | - | - | - | - | 160 | 137 | 23 | -25 | 0 | 0 |
| Total | 100 | 100 | 171,675 | 169,657 | 4,228 | 3,801 | 455 | 20 | 97 | 193 |

11 Deposits

| | 31 March 2020 | 31 Dec. 2019 | 31 March 2019 |
|------------------|----------------|----------------|----------------|
| Demand deposits | 111,894 | 106,286 | 106,109 |
| Term deposits | 1,426 | 1,777 | 2,807 |
| Time deposits | 23,130 | 21,405 | 29,691 |
| Special deposits | 6,445 | 6,370 | 6,991 |
| Total | 142,895 | 135,838 | 145,598 |

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 31 March 2020.

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

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

In our opinion, the Interim Financial Statements give a true and fair view of the Group's and the Parent's financial position at 31 March 2020 and also of their financial performance as well as the cash flows of the Group for the period 1 January to 31 March 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, 5 May 2020

EXECUTIVE BOARD

ANDERS DAM
Managing Director and CEO

NIELS ERIK JAKOBSEN

PETER SCHLEIDT

PER SKOVHUS

/JENS BORUM
Director, Finance

SUPERVISORY BOARD

SVEN BUHRKALL
Chairman

KURT BLIGAARD PEDERSEN
Deputy Chairman

RINA ASMUSSEN

PHILIP BARUCH

JENS A. BORUP

ANKER LADEN-ANDERSEN

KELD NORUP

PER SCHNACK

JOHNNY CHRISTENSEN
Employee Representative

MARIANNE LILLEVANG
Employee Representative

CHRISTINA LYKKE MUNK
Employee Representative