



Interim Financial Report, H1 2021

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The Jyske Bank Group

Core profit and net profit for the period (DKKm)

	H1 2021	H1 2020	Index 21/20	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	FY 2020
Net interest income	2,454	2,515	98	1,230	1,224	1,195	1,256	1,287	4,966
Net fee and commission income	1,085	1,057	103	509	576	581	453	407	2,091
Value adjustments	605	218	278	243	362	278	189	331	685
Other income	117	56	211	84	33	38	36	26	130
Income from operating lease (net)	103	7	1,471	63	40	34	69	-1	110
Core income	4,364	3,853	113	2,129	2,235	2,126	2,003	2,050	7,982
Core expenses	2,342	2,510	93	1,171	1,171	1,179	1,159	1,164	4,848
Core profit before loan impairment charges	2,022	1,343	151	958	1,064	947	844	886	3,134
Loan impairment charges	-37	1,011	-	-47	10	5	-48	8	968
Core profit	2,059	332	620	1,005	1,054	942	892	878	2,166
Investment portfolio earnings	104	-227	-	29	75	157	14	223	-56
Pre-tax profit	2,163	105	2,060	1,034	1,129	1,099	906	1,101	2,110
Tax	478	23	2,078	232	246	268	210	239	501
Net profit for the period	1,685	82	2,055	802	883	831	696	862	1,609
Interest on AT1 capital, charged against equity	88	83	106	46	42	42	43	42	168

Summary of balance sheet, end of period (DKKbn)

Loans and advances	482.3	481.5	100	482.3	488.7	491.4	484.1	481.5	491.4
- of which mortgage loans	339.5	339.8	100	339.5	339.6	343.9	342.3	339.8	343.9
- of which traditional bank loans	92.7	95.3	97	92.7	93.5	92.9	91.3	95.3	92.9
- of which new home loans	2.6	3.4	76	2.6	2.5	2.6	2.8	3.4	2.6
- of which repo loans	47.5	43.0	110	47.5	53.1	52.0	47.7	43.0	52.0
Bonds and shares, etc.	85.5	94.7	90	85.5	95.4	92.9	98.6	94.7	92.9
Total assets	656.5	642.1	102	656.5	682.8	672.6	647.6	642.1	672.6
Deposits	135.1	145.9	93	135.1	139.7	137.0	136.8	145.9	137.0
- of which bank deposits	122.3	132.0	93	122.3	126.5	127.5	125.6	132.0	127.5
- of which repo and triparty deposits	12.8	13.9	92	12.8	13.2	9.5	11.2	13.9	9.5
Issued bonds at fair value	337.8	339.6	99	337.8	349.3	348.8	345.7	339.6	348.8
Issued bonds at amortised cost	71.0	46.7	152	71.0	75.6	63.7	50.2	46.7	63.7
Subordinated debt	6.5	5.8	112	6.5	7.3	5.8	5.8	5.8	5.8
Holders of additional tier 1 capital	4.8	3.2	150	4.8	3.3	3.3	3.2	3.2	3.3
Shareholders' equity	34.5	32.0	108	34.5	34.0	33.3	32.6	32.0	33.3

Financial ratios and key figures

Earnings per share for the period (DKK)*	22.2	0.0	10.6	11.6	10.9	9.0	11.3	19.8
Earnings per share for the period (diluted) (DKK)*	22.2	0.0	10.6	11.6	10.9	9.0	11.3	19.8
Pre-tax profit p.a. as % of avg. equity*	12.2	0.1	11.5	12.9	12.8	10.7	13.4	5.9
Profit for the period p.a. as % of avg. equity*	9.4	0.0	8.8	10.0	9.6	8.1	10.4	4.4
Expenses as a percentage of income	53.7	65.1	55.0	52.4	55.5	57.9	56.8	60.7
Capital ratio (%)	23.0	22.2	23.0	23.2	22.9	22.3	22.2	22.9
Common equity tier 1 capital ratio (CET1 %)	18.3	17.3	18.3	18.0	17.9	17.5	17.3	17.9
Individual solvency requirement (%)	11.3	11.1	11.3	11.5	11.6	11.3	11.1	11.6
Capital base (DKKbn)	42.3	40.3	42.3	42.5	41.1	40.8	40.3	41.1
Weighted risk exposure (DKKbn)	184.4	181.7	184.4	183.3	179.4	183.2	181.7	179.4
Share price at end of period (DKK)	303	195	303	303	233	179	195	233
Distributed dividend per share (DKK)	-	-	-	-	-	-	-	-
Book value per share (DKK)*	486	440	486	474	459	450	440	459
Price/book value per share (DKK)*	0.6	0.4	0.6	0.6	0.5	0.4	0.4	0.5
Outstanding shares in circulation ('000)	70,972	72,557	70,972	71,801	72,553	72,555	72,557	72,553
No. of full-time employees at end-period**	3,264	3,420	3,264	3,279	3,318	3,363	3,420	3,318

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

*Financial ratios are calculated as if additional tier 1 capital (AT1) is recognised as a liability.

** The number of employees at the end of the first half of 2021 less 16 employees who are financed externally against 30-50 employees in the other quarters.

Summary

"In the first half of 2021, Jyske Bank delivered higher earnings per share than in full-year 2020. Despite comprehensive COVID-19 restrictions in the Danish society the organisation managed to handle a high level of activity in the housing, car and capital markets. Whereas a high level of activity and favourable financial markets contributed to higher income, productivity improvements and tight cost management also resulted in a reduction of costs. Moreover, credit quality remains solid with a very low level of write-offs, and the common equity tier 1 ratio is at its highest-ever level. This supports the basis of initiating a new share repurchase programme. So far, the positive trend has paved the way for three upgrades of earnings expectations for 2021, which have in aggregate increased by nearly one third from the starting point. Adding to the positive trend, MSCI has raised Jyske Bank's ESG rating from A to the highest possible rating AAA. Only 3% of banks rated by MSCI have a AAA rating," says Anders Dam, Managing Director and CEO.

Following a period of comprehensive COVID-19 restrictions, the Danish society this spring realised a considerable improvement in employment, and the activity in the housing market is still at a high level. Economic activity is approaching the same level as before the pandemic set in, supported by the continued vaccine rollout and a global industrial upswing. This paves the way for positive growth prospects for the Danish economy.

In the first half of 2021, Jyske Bank launched green mortgage loans to corporate clients, Jyske Frihed, a 30-year fixed-rate interest-only loan, as well as simple and digital investment through Jyske NemInvestering for private clients. Add to this, improved functions in Jyske Mobilbank in the form of, among other things, refinancing and interest rate adjustment of housing loans as well as a pension overview. Also, in the first half of the year, Jyske Bank was named the best bank for private banking for the sixth year running by Voxmeter.

Over the past year, Jyske Bank reduced the number of full-time employees by 156, the number of branches by 15 and reduced opening hours in additionally seven branches. The mergers of personal client branches contribute positively to Jyske Bank's business, for instance by supporting higher specialisation, better cohesion and profitability in the branches. Jyske Bank has also received an award from Jobindex for the highest employee satisfaction in the financial sector.

In addition, organisational changes form a good point of departure for the strategic cooperation with Købstædernes Forsikring called Jyske Forsikring. From the third quarter of 2021, the cooperation will contribute to covering the clients' insurance needs through a complete insurance solution.

In addition, Jyske Bank's work on sustainability objectives continues. The Group's estimated indirect CO₂ emission with respect to loans and investments was reduced by 13% in 2020, and the

replacement of Jyske Bank's car park with low-emission cars has been initiated. Jyske Capital joined the Net Zero Asset Managers initiative and hence committed itself to net zero emission in 2050. Jyske Realkredit has become a member of Energy Efficient Mortgage Label which increases transparency on the institution's loans to properties and their energy consumption. Furthermore, MSCI has raised Jyske Bank's ESG rating from A to the highest possible rating AAA.

Earnings per share of DKK 22.2 in H1 2021

The net profit for the period at DKK 1,685m corresponded to a return on equity of 9.4% p.a. against DKK 82m and 0.0% p.a., respectively, for the corresponding period of 2020. Earnings per share rose to DKK 22.2 from DKK 0.0. The considerably higher results were due to a management's estimate of impairment charges following the outbreak of COVID-19 in the first half of 2020 and a favourable development in the financial markets as well as a high level of activity in the first half of 2021.

Jyske Bank's nominal mortgage loans rose by 1% in the first half of the year driven by higher loans to corporate clients. Leasing loans showed the highest semi-annual growth so far with an advance of 7%, which offset lower bank loans for personal clients and public authorities. Bank deposits shed 4%, due primarily to reduced deposits from corporate clients.

Core income rose by 13% relative to the first half of 2020 despite the sale of Jyske Bank (Gibraltar). The trading and housing areas were characterised by a high level of activity, while value adjustments were supported by a favourable development in the financial markets.

Core expenses shed 7% compared with the first half of 2020 and 3% adjusted for expenses in connection with operations and sale of Jyske Bank (Gibraltar). The decrease can be attributed to a 5%

reduction in the number of full-time employees and an intensified cost focus.

the end of 2021 is expected to be approx. 68 million compared with 72.6 million at the end of 2020.

Loan impairment charges amounted to an income of DKK 37m against an expense of DKK 1,011m in the first half of 2020 when a management's estimate was made to offset potential economic consequences of the COVID-19 pandemic. Credit quality remains solid with a low level of non-performing loans and a very low level of write-offs in the first half of 2021.

Jyske Bank's common equity tier 1 ratio was at the end of the first half of the year at the highest-ever level at 18.3, corresponding to excess capital of DKK 14.6bn compared to regulatory requirements.

In the first half of the year, Jyske Bank issued supplementary tier 2 capital in the amount of NOK 1bn and SEK 1bn and AT1 capital of EUR 200m. In addition, a share repurchase programme of up to DKK 750m was launched. The programme will run up to 30 September 2021 at the latest.

Subsequently, Jyske Bank will launch a new share repurchase programme of up to DKK 1bn, running from 1 October 2021 until 31 March 2022 at the latest.

Outlook

As a result of the development in the first half of the year and expectations of the rest of the year, Jyske Bank upgraded its expectations of 2021 in March, April and July. Jyske Bank now anticipates earnings per share at DKK 34-38 in 2021 against the original amount of DKK 25-31. This corresponds to a pre-tax profit of DKK 3.3bn-3.7bn against the original amount of DKK 2.5bn-3.0bn and a net profit of DKK 2.6bn-2.9bn against DKK 1.9bn-2.3bn.

In 2021, the bank's business volumes are expected to be affected by higher bank loans and falling deposits. To some extent, this is expected due to the corporate clients' payment of deferred VAT and taxes as well as pent-up investment demand. Mortgage loans are also expected to increase.

Core income is expected to be at a higher level in 2021 relative to 2020.

For 2021, endeavours will be made to reduce core expenses compared to 2020.

Loan impairment charges are expected to be around zero in 2021.

As a result of the new share buy-back programme, the number of outstanding shares in circulation at

Financial Review

Core profit and net profit for the period (DKKm)

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Net interest income	2,454	2,515	98	1,230	1,224	1,195	1,256	1,287	4,966
Net fee and commission income	1,085	1,057	103	509	576	581	453	407	2,091
Value adjustments	605	218	278	243	362	278	189	331	685
Other income	117	56	211	84	33	38	36	26	130
Income from operating lease (net)	103	7	1,471	63	40	34	69	-1	110
Core income	4,364	3,853	113	2,129	2,235	2,126	2,003	2,050	7,982
Core expenses	2,342	2,510	93	1,171	1,171	1,179	1,159	1,164	4,848
Core profit before loan impairment charges	2,022	1,343	151	958	1,064	947	844	886	3,134
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Core profit	2,059	332	620	1,005	1,054	942	892	878	2,166
Investment portfolio earnings	104	-227	-	29	75	157	14	223	-56
Pre-tax profit	2,163	105	2,060	1,034	1,129	1,099	906	1,101	2,110
Tax	478	23	2,078	232	246	268	210	239	501
Net profit for the period	1,685	82	2,055	802	883	831	696	862	1,609
Interest on AT1 capital, charged against equity	88	83	106	46	42	42	43	42	168

Net profit for the period

Earnings per share amounted to DKK 22.2 in the first half of 2021 against DKK 0.0 in the first half of 2020, corresponding to a net profit of DKK 1,685m and DKK 82m, respectively. The considerably higher results were due to a management's estimate of impairment charges following the outbreak of COVID-19 in the first half of 2020 and a favourable development in the financial markets as well as a high level of activity in the first half of 2021.

Core income

Core income rose by 13% to DKK 4,364m relative to the first half of 2020 caused by higher value adjustments. Adjusted for the effect from the sale of Jyske Bank (Gibraltar), core income rose 14%.

Net interest income amounted to DKK 2,454m against DKK 2,515m in the same period in 2020. Net interest income from lending and deposits was at an unchanged level since lower deposit rates offset the effect from the lower level of bank loans and the sale of Jyske Bank (Gibraltar). Net interest income concerning excess liquidity declined.

Net fee and commission income increased by 3% relative to the first half of 2020. The advance can, among other things, be attributed to higher client activity, an increase in business volume within asset management and a changed fee structure. These circumstances more than offset the effect from lower performance fees and the sale of Jyske Bank (Gibraltar).

Value adjustments increased to DKK 605m from DKK 218m in the preceding year, which was affected by high volatility following the outbreak of COVID-19. The first half of 2021 benefited from a

continued high level of activity within the trading area and exposure to steepening interest rate curves.

Other income rose to DKK 117m from DKK 56m due to gains from the sale of properties in the second quarter and higher share dividends etc.

Income from operating lease (net) rose to DKK 103m from DKK 7m. The outbreak of COVID-19 resulted in a higher management's estimate of impairment charges in the first half of 2020, whereas favourable sales conditions in the used car market and reversed impairment charges contributed positively in the first half of 2021.

Core expenses

Core expenses declined by 7% compared with the corresponding period in 2020. Adjusted for expenses in connection with operations and sale of Jyske Bank (Gibraltar) in the first half of 2020, core expenses declined 3%.

The decrease can be attributed to a 5% reduction in the number of full-time employees and an intensified cost focus.

Core expenses (DKKm)

	H1 2021	H1 2020
Staff costs	1,455	1,507
IT costs	663	681
Rent, etc.	26	28
Amortisation, depreciation etc.	50	57
Other operating expenses	148	162
Sale of Jyske Bank (Gibraltar)	0	75
Total	2,342	2,510

Loan impairment charges

Loan impairment charges amounted to an income of DKK 37m against an expense of DKK 1,011m in the first half of 2020, corresponding to -1bp and 20bp, respectively, of loans, advances and guarantees. The considerably lower level of impairment charges can be attributed to a management's estimate to meet potential economic consequences of the COVID-19 pandemic in the first half of 2020. The level of write-offs in the first half of 2021 was at a very low level in line with the proportion of non-performing loans.

Investment portfolio earnings

For the first half of 2021, investment portfolio earnings amounted to DKK 104m against DKK -227m for the same period of 2020. The positive result can primarily be attributed to exposure against a steeper yield curve and a favourable trend for certain currency positions. By comparison, the first half of 2020 was affected by market turmoil following the outbreak of COVID-19. The hedging of additional tier 1 capital instruments in SEK had a negative effect of DKK 10m in the first half of 2021 and was offset by a positive adjustment of shareholders' equity.

Investment portfolio earnings (DKKm)

	H1 2021	H1 2020
Net interest income	34	47
Value adjustments	85	-258
Income	119	-211
Expenses	15	16
Investment portfolio earnings	104	-227

Q2 2021 compared to Q1 2021

Earnings per share amounted to DKK 10.6 in Q2 against DKK 11.6 in Q1, corresponding to a net profit of DKK 802m and DKK 883m, respectively.

Core income shed 5% from the highest level in four years due to lower value adjustments.

Net interest income rose to DKK 1,230m from DKK 1,224m. The advance was due to the fact that the limit for zero interest on personal clients' deposits was lowered to DKK 100,000 as of 31 March whereas the rate on demand deposits from corporate clients was lowered by 20bp p.a. as of 11 June. These initiatives and an extra day of interest more than offset the effect from a higher proportion of loans with lower margins.

Net fee and commission income amounted to DKK 509m against DKK 576m. Higher income relating to money transfers and card payments as well as asset management was more than offset by seasonally lower refinancing activity and commissions relating to Letpension and Letsikring.

Other income rose to DKK 84m from DKK 33m due to gains from the sale of properties and higher share dividends, etc.

Income from operating lease (net) rose to DKK 63m from DKK 40m due to favourable sales conditions in the used car market and reversal of loan impairment charges.

Value adjustments came to DKK 243m against DKK 326m. Q2 saw continued high level of activity and a favourable development in the financial markets but value adjustments also benefited from exposure against a steeper yield curve in Q1.

Core expenses amounted to an unchanged level of DKK 1,171m. Higher IT expenses were offset by lower administrative expenses. The number of full-time employees fell to 3,264 from 3,279.

Loan impairment charges amounted to an income of DKK 47m against an expense of DKK 10m in the preceding quarter. Despite a higher management's estimate, the low level of impairment charges can be attributed to a continued positive development of the clients' financial situation.

Investment portfolio earnings declined to DKK 29m from DKK 75m as Q1 was favourably affected by a steepening yield curve.

Business volume

Summary of balance sheet, end of period (DKKbn)

	H1 2021	H1 2020	Index 21/20	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	FY 2020
Loans and advances	482.3	481.5	100	482.3	488.7	491.4	484.1	481.5	491.4
- of which mortgage loans	339.5	339.8	100	339.5	339.6	343.9	342.3	339.8	343.9
- of which traditional bank loans	92.7	95.3	97	92.7	93.5	92.9	91.3	95.3	92.9
- of which new home loans	2.6	3.4	76	2.6	2.5	2.6	2.8	3.4	2.6
- of which repo loans	47.5	43.0	110	47.5	53.1	52.0	47.7	43.0	52.0
Bonds and shares, etc.	85.5	94.7	90	85.5	95.4	92.9	98.6	94.7	92.9
Total assets	656.5	642.1	102	656.5	682.8	672.6	647.6	642.1	672.6
Deposits	135.1	145.9	93	135.1	139.7	137.0	136.8	145.9	137.0
- of which bank deposits	122.3	132.0	93	122.3	126.5	127.5	125.6	132.0	127.5
- of which repo and triparty deposits	12.8	13.9	92	12.8	13.2	9.5	11.2	13.9	9.5
Issued bonds at fair value	337.8	339.6	99	337.8	349.3	348.8	345.7	339.6	348.8
Issued bonds at amortised cost	71.0	46.7	152	71.0	75.6	63.7	50.2	46.7	63.7
Subordinated debt	6.5	5.8	112	6.5	7.3	5.8	5.8	5.8	5.8
Holders of additional tier 1 capital	4.8	3.2	150	4.8	3.3	3.3	3.2	3.2	3.3
Shareholders' equity	34.5	32.0	108	34.5	34.0	33.3	32.6	32.0	33.3

Jyske Bank's total lending (excl. repo) came to DKK 434.8bn at the end of the first half of 2021 against DKK 439.4bn at the end of 2020 since mortgage loans at fair value were affected by falling bond prices.

Mortgage loans at fair value dropped to DKK 339.5bn from DKK 343.9bn at the end of 2020 and amounted, in combination with new home loans, to 79% of total lending (excl. repo). Nominal mortgage loans rose by 1% to DKK 336.0bn as higher lending to corporate clients more than offset the impact of slightly lower lending to personal clients.

Traditional bank loans amounted to DKK 92.7bn against DKK 92.9bn at the end of 2020. Leasing loans showed the highest semi-annual growth so far with an advance of 7%, which approximately offset the effect from lower bank loans for personal clients and public authorities.

At the end of the first half of 2021, bank deposits amounted to DKK 122.3bn against DKK 127.5bn at the end of 2020. The decline can be attributed to lower deposits particularly from large corporate clients. Bank deposits were DKK 27bn higher than bank loans at the end of the first half of 2021.

The business volume within asset management rose to DKK 186bn from DKK 175bn in the first half of 2021. Assets under management were positively affected by the price development in the financial

markets and increasingly positive net sales of investment products.

Q2 2021 compared to Q1 2021

Jyske Bank's total lending (excl. repo) amounted to DKK 434.8bn at the end of Q2 against DKK 435.6bn in the previous quarter.

Nominal mortgage loans rose by 1.5bn due to higher loans to corporate clients.

Traditional bank loans dropped by 1% as higher lending for leasing activities were more than offset by lower lending for banking activities.

Bank deposits fell by 3%, particularly due to lower deposits from large corporate clients.

The business volume within asset management was up by 4% due to the price development in the financial markets and positive net sales to retail clients as well as institutional clients.

Credit quality

Non-performing loans, advances and guarantees (DKKbn)

	H1 2021	H1 2020	Index 21/20	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	FY 2020
Loans, advances and guarantees	496.1	493.2	101	496.1	501.1	502.9	495.9	493.2	502.9
Non-performing loans, gross	8.8	9.3	95	8.8	8.4	8.6	9.0	9.3	8.6
Impairment charges and provisions	3.5	3.6	98	3.5	3.3	3.3	3.3	3.6	3.3
Non-performing loans, net	5.3	5.7	93	5.3	5.1	5.3	5.7	5.7	5.3
NPL coverage ratio	39.7%	38.7%	103	39.7%	39.2%	38.7%	36.9%	38.7%	38.7%
NPL ratio	1.1%	1.1%	94	1.1%	1.0%	1.0%	1.1%	1.1%	1.0%
Non-accrual loans and past due exposures	0.5	1.1	47	0.5	0.6	0.7	0.9	1.1	0.7
Loan impairment charges	0.0	1.0	-	0.0	0.0	0.0	0.0	0.0	1.0
Operating losses	0.2	0.3	54	0.1	0.1	0.1	0.3	0.1	0.7

Loan impairment charges amounted to an income of DKK 37m in the first half of 2021, corresponding to -1bp of gross loans, advances and guarantees. The effect on the income statement is distributed with DKK -141m relating to banking activities, DKK 102m relating to mortgage activities and DKK 2m relating to leasing activities. The development in the credit quality of especially agricultural clients contributed positively whereas uncertainty relating to the effects from the COVID-19 pandemic had a negative impact.

At the end of the first half, non-performing loans amounted to 1.1% of loans, advances and guarantees against 1.0% at the end of 2020. The increase was single name-driven. The proportion of loans subject to forbearance measures fell to 1.5% from 1.6%.

The proportion of loans, advances and guarantees in stage 1 was 93.9% at the end of the first half against 95.4% at the end of 2020. The change was due to the fact that part of the management's estimate relating to COVID-19 has been incorporated in the credit models by increasing the probability of default for clients without objective evidence of impairment. Therefore, the development is not an expression of a deterioration of the clients' credit quality.

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

	Loans, advances and guarantees		Balance of impairment charges		Impairment ratio	
	Q2 2021	Q4 2020	Q2 2021	Q4 2020	Q2 2021	Q4 2020
Stage 1	465.7	479.6	0.9	0.9	0.2	0.2
Stage 2	25.4	18.4	1.0	1.3	4.1	6.5
Stage 3	5.0	4.9	3.5	3.3	41.2	40.3
Total	496.1	502.9	5.4	5.5	1.1	1.1

At the end of the first half of 2021, Jyske Bank's balance of loan impairment charges amounted to

DKK 5.4bn, corresponding to 1.1% of loans, advances and guarantees against DKK 5.5bn and 1.1%, respectively, at the end of 2020.

At the end of the first half of 2021, impairment charges based on management's estimates amounted to DKK 1,417m against DKK 1,607m at the end of 2020. The development can be attributed to an individualisation of part of the management's estimate relating to the COVID-19 pandemic for clients without objective evidence of impairment. The remaining management's estimate still primarily relates to potential economic consequences of the COVID-19 pandemic.

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

	Loans, advances and guarantees		Impairment ratio	
	Q2 2021	Q4 2020	Q2 2021	Q4 2020
Public authorities	10.9	13.1	0.0	0.0
Agriculture, hunting, forestry and fishing	7.5	7.0	5.9	6.0
Manufacturing industry and mining	8.9	7.8	4.1	4.0
Energy supply	5.4	6.5	0.8	0.7
Construction	8.7	8.5	1.1	1.4
Commerce	11.6	11.4	2.5	2.3
Transport, hotels and restaurants	7.0	6.3	2.2	2.5
Information and communication	0.8	0.7	20.9	22.3
Finance and insurance	49.2	51.4	1.2	1.2
Real property	157.8	157.6	0.8	0.7
Other sectors	17.5	18.5	1.2	1.2
Corporate clients	274.4	275.7	1.3	1.3
Personal clients	210.8	214.1	0.9	0.9
Total	496.1	502.9	1.1	1.1

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% in the coming years. At these levels, Jyske Bank can comfortably absorb the effects from future legislative changes while at the same time having the required strategic scope.

At the end of the first half of 2021, Jyske Bank had a capital ratio of 23.0% and a common equity tier 1 capital ratio of 18.3% compared to 22.9% and 17.9%, respectively, at the end of 2020. The capital ratio has been calculated exclusive of capital instruments that will be redeemed in the third quarter of the year; additional tier 1 capital instruments of SEK 1,250m and DKK 500m as well as legacy hybrid core capital of EUR 133m.

Capital ratios (%)

	Q2 2021	Q4 2020
Capital ratio	23.0	22.9
Tier 1 capital ratio	20.1	19.9
Common equity tier 1 capital ratio	18.3	17.9

The total risk weighted exposure amounted to DKK 184.4bn at the end of the first half of 2021 against DKK 179.4bn at the end of 2020. The increase can primarily be attributed to higher credit risk due to the implementation of a new statutory determination of counterparty risk in the second quarter of the year.

Weighted risk exposure (DKKm)

	Q2 2021	Q4 2020
Credit risk, etc.	159,669	154,452
Market risk	10,400	10,294
Operational risk	14,304	14,680
Total	184,373	179,426

On 28 January 2021, Jyske Bank initiated a share repurchase programme of up to DKK 750m, running until 30 September 2021 at the latest. At the end of the first half of 2021, DKK 290m was outstanding under the programme. The number of outstanding shares in circulation has hence been reduced by 1.6 million or 2%.

Jyske Bank will launch a new share repurchase programme of up to DKK 1bn, running from 1 October 2021 until 31 March 2022 at the latest.

Capital requirement

The requirements of the total capital base consist of a Pillar I requirement of 8% of the weighted risk exposure with a capital addition for above-normal risk under Pillar II and buffers.

At the end of the first half of 2021, Jyske Bank's individual solvency requirement was 11.3% of the weighted risk exposure against 11.6% at the end of 2020. To this must be added a SIFI requirement of 1.5% and a capital conservation buffer of 2.5%. Hence, the total capital requirement is 15.3%, which is a decline compared with the end of 2020 when the capital requirement was 15.6%.

Both the SIFI requirements and the capital conservation buffer have been fully phased in. In the spring of 2020, the countercyclical buffer was released by the Danish authorities following the COVID-19 outbreak. At the end of the first half of 2021, the Systemic Risk Council recommended a reactivation of the countercyclical capital buffer by a rate of 1% valid as from the end of the third quarter of 2022. Before the end of 2021, the Risk Council expects to recommend an increase of the buffer to 2% unless a significant slowdown of the risk build-up occurs.

Capital requirement (%)

	Capital ratio		CET1 ratio	
	Q2 2021	Q4 2020	Q2 2021	Q4 2020
Pillar I	8.0	8.0	4.5	4.5
Pillar II	3.3	3.6	1.9	2.1
SIFI	1.5	1.5	1.5	1.5
Capital conservation buffer	2.5	2.5	2.5	2.5
Countercyclical buffer	0.0	0.0	0.0	0.0
Capital requirement	15.3	15.6	10.4	10.6

Comparing the capital ratio with regulatory requirements, the excess capital came to 7.7% of the weighted risk exposure, corresponding to DKK 14.2bn against 7.3% and DKK 13.1bn, respectively, at the end of 2020.

Excess capital (%)

	Q2 2021	Q4 2020
Capital ratio	23.0	22.9
Capital requirement	15.3	15.6
Excess capital	7.7	7.3

Liquidity management

Jyske Bank's biggest source of funding was covered bonds and mortgage bonds, which amounted to DKK 338bn, corresponding to 51% of the balance sheet at the end of the first half of 2021. The second-largest funding source is client deposits of DKK 122bn, of which a high proportion consists of deposits from small and medium-sized enterprises as well as personal clients.

At the end of the first half of 2021, Jyske Bank's liquidity coverage ratio (LCR) was 197% down from an unusually high level of 339% at the end of 2020. The change can be attributed to a normalisation of the maturity profile for short-term financing. The Group's internal exposure limit is a LCR of at least 120%. Nevertheless, the aim is that LCR is, under normal market conditions, above 150%. The LCR buffer after haircuts at the end of the first half of 2021 is shown below:

Liquidity buffer (LCR)

	DKK bn	%
Level 1a assets	75.9	63
Level 1b assets	41.2	35
Level 2a + 2b assets	2.6	2
Total	119.7	100

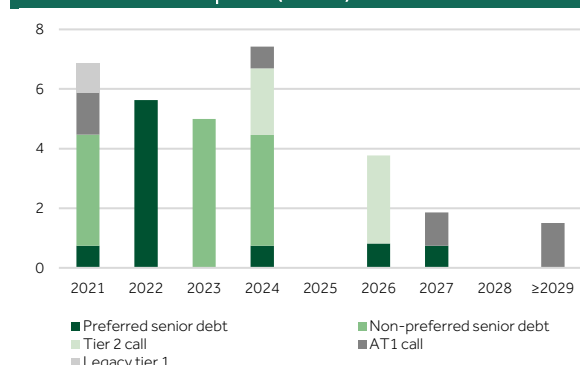
Refinancing profile

The Group is on an on-going basis active in the French CP market. At the end of the first half of 2021, the outstanding volume under the CP programme amounted to DKK 52.9bn against DKK 42.0bn at the end of 2020.

At the end of the first half of 2021, outstanding preferred senior debt amounted to DKK 21bn against DKK 25bn at the end of 2020. Outstanding CRD-IV compliant tier 2 and AT1 capital instruments amounted to DKK 5.2bn and DKK 4.8bn, respectively, against DKK 4.7bn and DKK 3.3bn at the end of 2020.

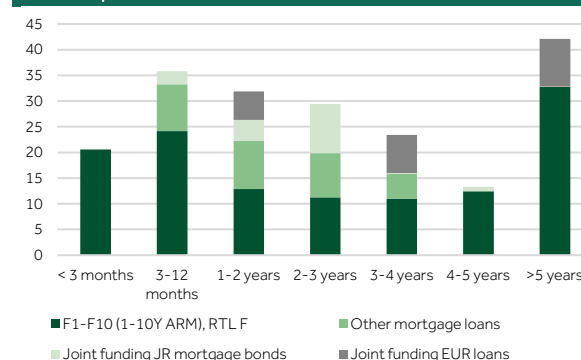
The run-off profile for the Group's preferred senior debt, etc. calculated at the end of the first half of 2021 is illustrated by the below chart.

Run-off and call date profile (DKKbn)



At the end of the first half of 2021, covered bonds involving refinancing risk amounted to DKK 197bn, and the run-off profile of the underlying mortgage loans is shown in the chart below.

Run-off profile of covered bonds (DKKbn)



Issuance activity and funding plans

In the course of the first half of 2021, the Jyske Bank Group issued the following bonds on the international capital markets.

Issuance activity

	Maturity	Credit spread
EUR 500m covered bond (value date 20.01.2021)	01.10.2027	3M CIBOR -10bp
NOK 1bn tier 2 (value date 24.03.2021)	26.03.2031 (call 2026)	3M CIBOR +100 bp
SEK 1bn tier 2 (value date 24.03.2021)	26.03.2031 (call 2026)	3M CIBOR +100bp
EUR 200m AT1 (value date 04.06.2021)	Perpetual (call 2028)	3M CIBOR +350bp

To meet the minimum requirement for own funds and eligible liabilities, senior debt of EUR 500m is expected to be issued in 2021. Also, Jyske Bank expects to issue non-preferred senior debt in an amount of EUR 300m-500m in 2021 depending on the balance sheet development.

Once the transitional arrangements for MREL have been phased out at the beginning of 2022, Jyske Bank anticipates a requirement (inclusive of an internal buffer) for MREL-eligible debt instruments in an amount of DKK 18bn-20bn, of which DKK 4bn-5bn in preferred senior debt and DKK 14bn-15bn in the form of non-preferred senior debt.

Credit rating

Jyske Bank is 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 preferred senior debt (preferred senior)	A-1	Stable
Long-term preferred senior debt (preferred senior)	A	Stable
Long-term non-preferred senior debt (non-preferred senior)	BBB+	Stable
Tier 2	BBB	Stable
Additional tier 1	BB+	Stable

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

Jyske Realkredit bond issues

Capital Centre E covered bonds	AAA
Capital Centre B mortgage bonds	AAA

Supervisory diamond

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

The supervisory diamond for Jyske Bank A/S

	Q2 2021	Q4 2020
Sum of large exposures <175% of common equity tier 1 capital	82%	82%
Increase in loans and advances <20% annually	-4%	-7%
Exposures to property administration and property transactions <25% of total loans and advances	9%	10%
Funding ratio <1	0.52	0.50
Liquidity benchmark >100%	164%	169%

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

The supervisory diamond for Jyske Realkredit A/S

	Q2 2021	Q4 2020
Concentration risk <100%	48.1%	51.0%
Increase in loans <15% annually in the segment:		
Owner-occupied homes and vacation homes	-2.2%	-2.1%
Residential rental property	7.3%	5.9%
Other sectors	1.3%	6.6%
Borrower's interest-rate risk <25%		
Residential property	15.8%	16.5%
Interest-only schemes <10%		
Owner-occupied homes and vacation homes	5.7%	6.0%
Loans with frequent interest-rate fixing:		
Refinancing (annually) <25%	15.6%	16.2%
Refinancing (quarterly) <12.5%	2.8%	1.4%

Other Information

Events after the end of the accounting period

No events have taken place during the period prior to the publication of the Interim Financial Report for the first half of 2021 that have any material effect on the financial position of Jyske Bank.

Financial calendar 2021

Jyske Bank anticipates releasing the interim report for the first nine months of 2021 on 2 November 2021.

New head of internal audit

With effect as from 1 November 2021, Jyske Bank has appointed Karsten Dahl as new head of internal audit. Karsten Dahl is 46 years old, has been employed with Jyske Bank for 20 years. He will replace Henning Sørensen, who after 20 years as head of internal audit and 38 years' employment with Jyske Bank has decided to retire on 31 October 2021.

The Supervisory Board and the Executive Board thank Henning Sørensen for his long-standing, committed and responsible performance for the Jyske Bank Group.

New member of management group

Effective 1 August 2021, Jyske Bank has employed (MA) Lars Stensgaard Mørch (49) as director and member of the management group. His area of responsibility will be long-term competitiveness and market positioning. Lars Stensgaard Mørch was employed by Danske Bank from 1999 to 2018, serving as member of the Executive Board from 2012 to 2018. Since 2018, Lars Stensgaard Mørch has been engaged in various consulting assignments.

Further information

For further information, please see investor.jyskebank.com/investorrelations. Here you will find an interview with Anders Dam, Managing Director and CEO, detailed financial information as well as Jyske Bank's Annual Report 2020 and Risk and Capital Management 2020, which gives further information about Jyske Bank's internal risk and capital management as well as regulatory issues, including a description of the most important risks and elements of uncertainty that may affect Jyske Bank.

Also, please see www.jyskerealkredit.com. Jyske Realkredit's interim financial report for the first half of 2021, the Annual Report for 2020 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)

	H1 2021	H1 2020	Index 21/20	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	FY 2020
Net interest income	1,049	1,098	96	526	523	499	558	579	2,155
Net fee and commission income	1,445	1,325	109	674	771	725	643	547	2,693
Value adjustments	525	129	407	211	314	143	146	198	418
Other income	108	47	232	79	29	27	21	21	95
Core income	3,127	2,599	120	1,490	1,637	1,394	1,368	1,345	5,361
Core expenses	2,067	2,251	92	1,030	1,037	1,050	1,032	1,034	4,333
Core profit before loan impairment charges	1,060	348	305	460	600	344	336	311	1,028
Loan impairment charges	-141	330	-	-47	-94	62	-19	-125	373
Core profit	1,201	18	6,672	507	694	282	355	436	655
Investment portfolio earnings	104	-227	-	29	75	157	14	223	-56
Pre-tax profit	1,305	-209	-	536	769	439	369	659	599

Summary of balance sheet, end of period (DKKbn)

Loans and advances	121.4	122.6	99	121.4	128.7	127.6	122.3	122.6	127.6
- of which traditional bank loans	71.3	76.2	94	71.3	73.1	73.0	71.8	76.2	73.0
- of which new home loans	2.6	3.4	76	2.6	2.5	2.6	2.8	3.4	2.6
- of which repo loans	47.5	43.0	110	47.5	53.1	52.0	47.7	43.0	52.0
Total assets	266.0	253.5	105	266.0	281.4	273.1	250.7	253.5	273.1
Deposits	134.8	145.7	93	134.8	139.5	136.7	136.5	145.7	136.7
- of which bank deposits	122.0	131.8	93	122.0	126.3	127.2	125.3	131.8	127.2
- of which repo and triparty deposits	12.8	13.9	92	12.8	13.2	9.5	11.2	13.9	9.5
Issued bonds	66.4	42.2	157	66.4	70.1	58.4	44.2	42.2	58.4

Profit

Pre-tax profit amounted to DKK 1,305m in the first half of 2021 against DKK -209m in the same period in 2020. The considerably higher results were due to a management's estimate of impairment charges following the outbreak of COVID-19 in the first half of 2020 and a favourable development in the financial markets as well as a high level of activity in the first half of 2021.

Core income

Core income rose by 20% to DKK 3,127m relative to the first half of 2020 caused primarily by higher value adjustments. Adjusted for the effect from the sale of Jyske Bank (Gibraltar), core income rose 22%.

Net interest income amounted to DKK 1,049m against DKK 1,098m in the same period in 2020. The decline was due to lower net interest income relating to excess liquidity. Hence, net interest income from loans and deposits rose by 1% since lower deposit rates more than offset the effect from a lower level of bank loans and the sale of Jyske Bank (Gibraltar).

Net fee and commission income increased by 9%. The advance can be attributed to higher client

activity, an increase in business volume within asset management and a changed fee structure. Add to this, a higher level of distribution fees received from Jyske Realkredit. These circumstances more than offset the effect from lower performance fees and the sale of Jyske Bank (Gibraltar).

Value adjustments increased to DKK 525m from DKK 129m in the preceding year which was affected by high volatility following the outbreak of COVID-19. The first half of 2021 benefited from a continued high level of activity in the trading area and exposure against steepening interest rate curves.

Other income rose to DKK 108m from DKK 47m due to gains from the sale of properties in the second quarter of 2021 and higher share dividends etc.

Core expenses

Core expenses declined by 8% compared with the corresponding period in 2020. Adjusted for expenses in connection with operations and sale of Jyske Bank (Gibraltar) in the first half of 2020, core expenses declined 4%.

The decrease can be attributed to the reduction in the number of full-time employees and an intensified cost focus.

Loan impairment charges

Loan impairment charges amounted to an income of DKK 141m against an expense of DKK 330m in the first half of 2020 when the COVID-19 outbreak gave rise to a higher management's estimate relating to loan impairment charges. The first half of 2021 was dominated by a continued positive development, among other things in the financial situation of agricultural clients.

Investment portfolio earnings

For the first half of 2021, investment portfolio earnings amounted to DKK 104m against DKK - 227m for the same period of 2020. The positive result can primarily be attributed to exposure against a steepening yield curve and a favourable trend for certain currency positions. By comparison, the first half of 2020 was affected by market turmoil following the outbreak of COVID-19. The hedging of additional tier 1 capital instruments in SEK had a negative effect of DKK 10m in the first half of 2021 and was offset by a positive adjustment of shareholders' equity.

Business volume

Traditional bank loans amounted to DKK 71.3bn against DKK 73.0bn at the end of 2020. The change was due to lower bank loans for personal clients and public authorities.

At the end of the first half of 2021, bank deposits amounted to DKK 122.0bn against DKK 127.2bn at the end of 2020. The trend can be attributed to lower deposits particularly from large corporate clients.

Q2 2021 compared to Q1 2021

In Q2, pre-tax profit amounted to DKK 536m against DKK 769m in Q1.

Core income fell by 9% to DKK 1,637m, primarily due to lower value adjustments and lower distribution fees from Jyske Realkredit.

Net interest income rose by 1% to DKK 526m. The advance was due to the fact that the limit for zero interest on personal clients' deposits was lowered to DKK 100,000 as of 31 March whereas the rate on demand deposits of corporate clients was lowered by 20bp p.a. as of 11 June. These initiatives and an extra day of interest more than offset the effect from a higher proportion of loans with lower margins.

Net fee and commission income amounted to DKK 674m against DKK 771m in the previous quarter. Higher income relating to money transfers and card payments as well as asset management was more than offset by seasonally lower commission income relating to Jyske Realkredit, Letpension and Letsikring.

Other income rose to DKK 79m from DKK 29m due to a gain from the sale of properties and higher share dividends, etc.

Value adjustments came to DKK 211m against DKK 314m. Q2 was dominated by a continued high level of activity and a favourable development in the financial markets but value adjustments also benefited from exposure against a steepening yield curve in Q1.

Core expenses fell by 1% to DKK 1,030m. Higher IT expenses were more than offset by lower administrative expenses and the effect from fewer employees.

Loan impairment charges amounted to an income of DKK 47m against an income of DKK 94m in the preceding quarter. The reversals are due to a continued positive trend in the credit quality of especially agricultural clients.

Investment portfolio earnings declined to DKK 29m from DKK 75m since the first quarter was favourably affected by a steepening yield curve.

Mortgage Activities

Summary of income statement (DKKm)

	H1 2021	H1 2020	Index 21/20	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	FY 2020
Administration margin income, etc. ¹	1,168	1,167	100	584	584	584	581	580	2,332
Other net interest income	9	21	43	5	4	13	2	15	36
Net fee and commission income	-353	-247	143	-160	-193	-180	-176	-128	-603
Value adjustments	66	77	86	21	45	94	48	74	219
Other income	0	0	-	0	0	3	10	0	13
Core income	890	1,018	87	450	440	514	465	541	1,997
Core expenses	189	172	110	97	92	87	86	85	345
Core profit before loan impairment charges	701	846	83	353	348	427	379	456	1,652
Loan impairment charges	102	606	17	12	90	-64	-57	121	485
Pre-tax profit	599	240	250	341	258	491	436	335	1,167

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	339.5	339.8	100	339.5	339.6	343.9	342.3	339.8	343.9
Total assets	366.6	367.0	100	366.6	378.3	377.1	374.9	367.0	377.1
Issued bonds	342.4	344.1	99	342.4	354.8	354.1	351.7	344.1	354.1

Profit

In the first half of 2021, pre-tax profit amounted to DKK 599m against DKK 240m in the first half of 2020 when a management's estimate concerning loan impairment charges was made to meet the potential consequences of the COVID-19 outbreak.

Core income

Core income amounted to DKK 890m in the first half of 2021 against DKK 1,018m in the preceding year. The change can be attributed to a higher level of distribution fees paid.

Administration margin income amounted to DKK 1,168m in the first half of 2021 against DKK 1,167m for the same period of 2020. Hence, margin pressure offset a 1% increase over the same period in mortgage loans stated at nominal value.

Other net interest income amounted to DKK 9m in the first half of 2021 against DKK 21m in the first half of 2020. The decline is due to a lower interest yield on the portfolio of securities.

In the first half of the year, net fee and commission income amounted to DKK -353m against DKK -247m in the first half of 2020. The development can be attributed to an increase in distribution fees paid to DKK 567m from DKK 469m due to lower setting off of realised losses and a revised contractual basis.

Value adjustments amounted to DKK 66m in the first half of 2021 against DKK 77m in the preceding year. The decline is due to a lower contribution from the portfolio of securities.

Core expenses

For the first half of the year, core expenses amounted to DKK 189m against DKK 172m for the same period of 2020. The increase was due to the fact that Jyske Realkredit repatriated the development of IT systems relating to mortgage operations from Jyske Bank A/S in the second quarter of 2021.

Loan impairment charges

In the first half of the year, loan impairment charges dropped to DKK 102m from DKK 606m. The lower indication of impairment was due primarily to a management's estimate relating to the impairment charges following the outbreak of COVID-19 in the first half of 2020.

Business volume

Mortgage loans at fair value dropped to DKK 339.5bn from DKK 343.9bn at the end of 2020. Nominal mortgage loans rose by 1% to DKK 336.0bn as higher lending to corporate clients more than offset the impact of slightly lower lending to personal clients.

For further details about Jyske Realkredit, please see Jyske Realkredit's Interim Financial Report for the first half of 2021.

Q2 2021 compared to Q1 2021

In Q2, pre-tax profit amounted to DKK 341m against DKK 258m in Q1. The change was due to lower loan impairment charges.

At DKK 584m for the second quarter, administration margin income was unchanged. Increasing loans to corporate clients were offset by a lower average administration margin.

Net fee and commission income amounted to DKK -160m against DKK -193m. Group external net fee and commission income fell to DKK 80m from DKK 134m, due to lower remortgaging activity and seasonally lower refinancing activity. The decrease was more than offset by a lower level of distribution fees paid.

Value adjustments amounted to DKK 21m against DKK 45m in the preceding quarter. The decline was due to a positive effect from an equity holding in the first quarter.

Core expenses increased to DKK 97m from DKK 92m in the preceding quarter. The increase can be attributed to the repatriation of the development of IT systems relating to mortgage operations.

Loan impairment charges fell to DKK 12m from DKK 90m. Rising property values have a positive impact on the clients' credit quality despite the continued uncertainty concerning the effects from the COVID-19 pandemic on particularly the financial situation of corporate clients.

Leasing Activities

Summary of income statement (DKKm)

	H1 2021	H1 2020	Index 21/20	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	FY 2020
Net interest income	228	229	100	115	113	99	115	113	443
Net fee and commission income	-7	-21	33	-5	-2	36	-14	-12	1
Value adjustments	14	12	117	11	3	41	-5	59	48
Other income	9	9	100	5	4	8	5	5	22
Income from operating lease (net)	103	7	1,471	63	40	34	69	-1	110
Core income	347	236	147	189	158	218	170	164	624
Core expenses	86	87	99	44	42	42	41	45	170
Core profit before loan impairment charges	261	149	175	145	116	176	129	119	454
Loan impairment charges	2	75	3	-12	14	7	28	12	110
Pre-tax profit	259	74	350	157	102	169	101	107	344

Summary of balance sheet, end of period (DKKbn)

Loans and advances	21.3	19.1	111	21.3	20.4	19.9	19.6	19.1	19.9
Total assets	23.9	21.7	109	23.9	23.0	22.4	22.1	21.7	22.4
Deposits	0.2	0.2	100	0.2	0.2	0.2	0.2	0.2	0.2

Profit

Pre-tax profit amounted to DKK 259m in the first half of 2021 against DKK 74m in the same period of 2020. The material advance was primarily due to a management's estimate relating to impairment charges due to the outbreak of COVID-19 in the first half of 2020 and favourable sales conditions in the used car market in the first half of 2021.

At DKK 228m for the first half of 2021, net interest income was close to unchanged. A higher lending volume was offset by the accrual of fees paid.

Net fee and commission income amounted to DKK -7m in the first half against DKK -21m in the same period of 2020. The advance can also be attributed to the accrual of fees paid.

Value adjustments increased to DKK 14m from DKK 12m in the preceding year. The change was due to foreign currency exposures.

Income from operating lease (net) rose to DKK 103m from DKK 7m. The first half of 2020 was dominated by a higher management's estimate of impairment charges after the outbreak of COVID-19 whereas favourable sales conditions in the used car market and reversed impairment charges contributed positively in the first half of 2021.

Core expenses fell by 1% relative to the first half of 2020.

Loan impairment charges dropped to DKK 2m from DKK 75m. The decrease can primarily be attributed to a management's estimate relating to impairment charges following the outbreak of COVID-19 in the first half of 2020.

Business volume

In the first half of 2021, loans under leasing activities rose 7% to 21.3bn, compared with the end of 2020 amid a high level of activity.

Q2 2021 compared to Q1 2021

In Q2, pre-tax profit amounted to DKK 157m against DKK 102m in the preceding quarter.

Net interest income rose 2% in the second quarter due to a considerably higher business volume.

Net fee and commission income declined to DKK -5m from DKK -2m. The level of fees paid increased due to a high level of activity.

Value adjustments rose to DKK 11m from DKK 3m due to value adjustment of shares, etc.

Income from operating lease (net) rose to DKK 63m from DKK 40m due to the favourable sales conditions in the used car market and reversal of loan impairment charges.

Core expenses increased to DKK 44m in Q2 from DKK 42m in Q1.

Loan impairment charges amounted to an income of DKK 12m against an expense of DKK 14m in the preceding quarter due to a positive trend in the credit quality of clients.

	DKKm	H1 2021	H1 2020	Q2 2021	Q2 2020
Income statement					
5	Interest income calculated according to the effective interest method	1,659	1,630	817	759
5	Other interest income	2,763	2,997	1,360	1,514
6	Interest expenses	1,932	2,067	921	961
	Net interest income	2,490	2,560	1,256	1,312
7	Fees and commission income	1,302	1,263	617	509
7	Fees and commission expenses	217	206	108	102
	Net interest and fee income	3,575	3,617	1,765	1,719
8	Value adjustments	688	-38	253	537
9	Other income	470	354	265	167
10	Employee and administrative expenses, etc.	2,310	2,474	1,153	1,146
	Amortisation, depreciation and impairment charges	297	343	143	168
12	Loan impairment charges	-37	1,011	-47	8
	Pre-tax profit	2,163	105	1,034	1,101
11	Tax	478	23	232	239
	Net profit for the period	1,685	82	802	862
Distributed to:					
	Jyske Bank A/S shareholders	1,597	-1	756	820
	Holders of additional tier 1 capital (AT1)	88	83	46	42
	Total	1,685	82	802	862
Earnings per share for the period					
	Earnings per share for the period, DKK	22.23	-0.02	10.59	11.29
	Earnings per share for the period, DKK, diluted	22.23	-0.02	10.59	11.29
Statement of Comprehensive Income					
	Net profit for the period	1,685	82	802	862
	Other comprehensive income:				
	<i>Items that can be recycled to the income statement:</i>				
	Foreign currency translation adjustment of international units	0	-20	0	7
	Hedge accounting of international units	0	20	0	-7
	Tax on hedge accounting	0	-6	0	0
	Other comprehensive income after tax	0	-6	0	0
	Comprehensive income for the period	1,685	76	802	862
Distributed to:					
	Jyske Bank A/S shareholders	1,597	-7	756	820
	Holders of additional tier 1 capital (AT1)	88	83	46	42
	Total	1,685	76	802	862

		30 June 2021	31 Dec. 2020	30 June 2020
	DKKm			
BALANCE SHEET				
ASSETS				
	Cash balance and demand deposits with central banks	43,197	34,951	10,862
	Due from credit institutions and central banks	9,104	10,538	15,867
13,14	Loans at fair value	341,437	345,699	342,231
15	Loans and advances at amortised cost	140,859	145,680	139,297
	Bonds at fair value	59,033	66,663	71,646
	Bonds at amortised cost	23,811	23,797	20,511
	Shares, etc.	2,625	2,405	2,568
	Property, plant and equipment	4,439	4,495	4,404
	Tax assets	601	391	302
	Assets held temporarily with a view to sale	123	165	263
16	Other assets	31,271	37,864	34,166
	Total assets	656,500	672,648	642,117
EQUITY AND LIABILITIES				
Liabilities				
	Due to credit institutions and central banks	24,162	30,067	23,650
17	Deposits	135,077	136,953	145,923
18	Issued bonds at fair value	337,763	348,828	339,618
	Issued bonds at amortised cost	71,026	63,697	46,658
	Liabilities in disposal group with a view to sale	6	5	5
19	Other liabilities	41,347	49,374	43,766
20	Provisions	1,346	1,271	1,497
21	Subordinated debt	6,519	5,821	5,805
	Liabilities, total	617,246	636,016	606,922
Shareholders' funds				
	Share capital	726	726	776
	Revaluation reserve	200	200	205
	Retained profit	33,541	32,399	30,972
	Jyske Bank A/S shareholders	34,467	33,325	31,953
	Holders of additional tier 1 capital	4,787	3,307	3,242
	Total equity	39,254	36,632	35,195
	Total equity and liabilities	656,500	672,648	642,117

DKK m

Statement of Changes in Equity

	Share capital	Revaluation reserve	Currency translation reserve	Retained profit	Shareholders of Jyske Bank A/S	AT1 capital*	Total equity
Equity at 1 January 2021	726	200	0	32,399	33,325	3,307	36,632
Net profit for the period	0	0	0	1,597	1,597	88	1,685
<i>Other comprehensive income:</i>							
Foreign currency translation for international units	0	0	0	0	0	0	0
Hedge of international units	0	0	0	0	0	0	0
Tax on other comprehensive income	0	0	0	0	0	0	0
Other comprehensive income after tax	0	0	0	0	0	0	0
Comprehensive income for the period	0	0	0	1,597	1,597	88	1,685
Additional tier 1 capital issue	0	0	0	0	0	1,486	1,486
Transaction costs	0	0	0	-15	-15	0	-15
Interest paid on additional tier 1 capital	0	0	0	0	0	-84	-84
Currency translation adjustment	0	0	0	10	10	-10	0
Acquisition of own shares	0	0	0	-1,187	-1,187	0	-1,187
Sale of own shares	0	0	0	737	737	0	737
Transactions with owners	0	0	0	-455	-455	1,392	937
Equity at 30 June 2021	726	200	0	33,541	34,467	4,787	39,254
Equity at 1 January 2020	776	205	0	31,472	32,453	3,257	35,710
Net profit for the period	0	0	0	-1	-1	83	82
<i>Other comprehensive income:</i>							
Foreign currency translation for international units	0	0	-20	0	-20	0	-20
Hedge of international units	0	0	20	0	20	0	20
Tax on other comprehensive income	0	0	0	-6	-6	0	-6
Other comprehensive income after tax	0	0	0	-6	-6	0	-6
Comprehensive income for the period	0	0	0	-7	-7	83	76
Interest paid on additional tier 1 capital	0	0	0	0	0	-83	-83
Currency translation adjustment	0	0	0	15	15	-15	0
Acquisition of own shares	0	0	0	-1,261	-1,261	0	-1,261
Sale of own shares	0	0	0	753	753	0	753
Transactions with owners	0	0	0	-493	-493	-98	-591
Equity at 30 June 2020	776	205	0	30,972	31,953	3,242	35,195

*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 AT1 amounting to DKK 500m with the possibility of early redemption in September 2021 at the earliest. The interest rates applicable to the issues until September 2021 are STIBOR+5.80% and CIBOR+5.30%, respectively. In September 2017, Jyske Bank issued AT1 amounting to EUR 150m 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 1bn, 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%. In May 2021, Jyske Bank issued AT1 in May 2021 amounting to EUR 200m with the possibility of early redemption from 4 December 2028 at the earliest. The interest rate applicable to the issue until June 2029 is 3.625%. It applies to all AT1 issues that if the common equity tier 1 capital ratio of Jyske Bank A/S or the Jyske Bank Group falls below 7%, the loans will be written down.

DKKm	30 June 2021	31 Dec. 2020	30 June 2020
Capital Statement			
Shareholders' equity	34,467	33,325	31,953
Share buy-back programme, non-utilised limit	-290	-750	0
Expected dividend, calculated as required by law	-112	0	0
Prudent valuation	-251	-360	-396
Other deductions	-134	-21	-82
Common equity tier 1 capital	33,680	32,194	31,475
Additional tier 1 capital after reduction	3,338	3,539	3,475
Core capital	37,018	35,733	34,950
Subordinated loan capital after reduction	5,297	5,334	5,341
Capital base	42,315	41,067	40,291
Weighted risk exposure involving credit risk, etc.	159,669	154,452	156,307
Weighted risk exposure involving market risk	10,400	10,294	10,707
Weighted risk exposure involving operational risk	14,304	14,680	14,680
Total weighted risk exposure	184,373	179,426	181,694
Capital requirement, Pillar I	14,750	14,354	14,536
Capital ratio (%)	23.0	22.9	22.2
Tier 1 capital ratio (%)	20.1	19.9	19.2
Common equity tier 1 capital ratio (%)	18.3	17.9	17.3

For a statement of the individual solvency requirement, please see Risk and Capital Management 2020 or investor.jyskebank.com/investorrelations/capitalstructure.

Note	Jyske Bank Group	
DKKmn	H1 2021	H1 2020
Summary of cash flow statement		
Net profit for the period	1,685	82
Adjustment for non-cash operating items and change in working capital	3,802	-6,803
Cash flows from operating activities	5,487	-6,721
Acquisition and sale of property, plant and equipment	-274	-251
Dividend received	48	33
Cash flows from investment activities	-226	-218
AT1 capital issue	1,471	0
Interest paid on Additional Tier 1 Capital	-84	-83
Acquisition of own shares	-1,187	-1,261
Sale of own shares	737	753
Additional subordinated debt	1,466	1,478
Redemption of subordinated debt	-756	-11
Repayment on lease commitment	-33	-34
Cash flows from financing activities	1,614	842
Cash flow for the period	6,875	-6,097
Cash and cash equivalents, beginning of period	45,489	33,276
Foreign currency translation adjustment of cash at bank and in hand	-63	-450
Cash flow for the period, total	6,875	-6,097
Cash and cash equivalents, end of period	52,301	26,729
Cash and cash equivalents, end of period, comprise:		
Cash balance and demand deposits with central banks	43,197	10,862
Due from credit institutions and central banks	9,104	15,867
Cash and cash equivalents, end of period	52,301	26,729

1 Accounting policies

The Interim Financial Report for the period 1 January to 30 June 2021 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.

Changes to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Reform of reference rates, phase 2" were implemented as at 1 January 2021 and the purpose is to reduce the impacts and risks on the accounts when old reference rates are replaced by alternative reference rates. The changes result in a stricter duty of disclosure in the consolidated accounts for 2021, but have no effect on the net profit for the period, comprehensive income, balance sheet or equity in 2021, and the future effect is expected to be insignificant.

Except from the above, accounting policies remain unchanged compared with the annual report for 2020, including the full description of accounting policies.

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 note 67 in the Annual Report 2020. 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 pandemic has increased uncertainty involved in the determination of loan impairment charges and provisions for guarantees. Jyske Bank's Annual Report 2020, note 67 contains detailed descriptions of expected losses and uncertainty associated with the COVID-19 pandemic. Note 67 describes the effects from rising likelihood of default (PD) for clients without OEI. The increase in the PD levels was at the end of the first quarter of 2021 implemented in the model-based impairment calculations and is therefore no longer included as a management's estimate of an increase in impairment charges. No changes were made to the quantification of non-linear effects in scenario-specific impairment calculations. In addition, the risk of lack of identification of unhealthy exposures is described in note 67 in Jyske Bank's Annual Report 2020. This risk is still considered actual and covered by a management's estimate of an increase in impairment charges of DKK 695m against DKK 510 m at the end of 2020. The increase in the first half of 2021 is the consequence of a long-lasting lockdown at the beginning of the year and an extension of governmental support schemes.

DKKm

Q2 2021

Q1 2021

Q4 2020

Q3 2020

Q2 2020

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

Net interest income	1,256	1,234	1,219	1,271	1,312
Net fee and commission income	509	576	581	453	407
Value adjustments	253	435	418	196	537
Other income	265	205	218	213	167
Income	2,283	2,450	2,436	2,133	2,423
Expenses	1,296	1,311	1,332	1,275	1,314
Profit or loss before loan impairment charges	987	1,139	1,104	858	1,109
Loan impairment charges	-47	10	5	-48	8
Pre-tax profit	1,034	1,129	1,099	906	1,101
Tax	232	246	268	210	239
Net profit for the period	802	883	831	696	862

Financial ratios and key figures

Pre-tax profit, per share (DKK)*	13.8	15.0	14.6	11.9	14.6
Earnings per share for the period (DKK)*	10.6	11.6	10.9	9.0	11.3
Earnings per share for the period (diluted) (DKK)*	10.6	11.6	10.9	9.0	11.3
Core profit per share (DKK)*	13.4	14.0	12.4	11.7	11.5
Share price at end of period (DKK)	303	303	233	179	195
Book value per share (DKK)*	486	474	459	450	440
Price/book value per share (DKK)*	0.6	0.6	0.5	0.4	0.4
Outstanding shares in circulation ('000)	70,972	71,801	72,553	72,555	72,557
Average number of shares in circulation ('000)	71,415	72,305	72,538	72,552	72,564
Capital ratio (%)	23.0	23.2	22.9	22.3	22.2
Tier 1 capital ratio (%)	20.1	19.8	19.9	19.4	19.2
Common equity tier 1 capital ratio (%)	18.3	18.0	17.9	17.5	17.3
Pre-tax profit as a pct. of average equity	2.9	3.2	3.2	2.7	3.3
Profit for the period as a pct. of avg. equity*	2.2	2.5	2.5	2.0	2.6
Income/cost ratio (%), inclusive of impairment charges	1.8	1.9	1.8	1.7	1.0
Interest-rate risk (%)	0.6	1.3	0.8	0.7	0.8
Currency risk (%)	0.0	0.0	0.1	0.1	0.1
Accumulated impairment ratio (%)	1.1	1.1	1.1	1.1	1.2
Impairment ratio for the period (%)	0.0	0.0	0.0	0.0	0.0
No. of full-time employees at end-period	3,280	3,310	3,349	3,412	3,469
Average number of full-time employees in the period	3,295	3,330	3,381	3,441	3,517

The financial ratios are based on the definitions and guidelines laid down by the Danish Financial Supervisory Authority, cf. note 68 to the consolidated financial statements for 2020.

*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	Jyske Bank Group*
H1 2021				
Net interest income	1,049	1,177	228	2,454
Net fee and commission income	1,445	-353	-7	1,085
Value adjustments	525	66	14	605
Other income	108	0	9	117
Income from operating lease (net)	0	0	103	103
Core income	3,127	890	347	4,364
Core expenses	2,067	189	86	2,342
Core profit before loan impairment charges	1,060	701	261	2,022
Loan impairment charges	-141	102	2	-37
Core profit	1,201	599	259	2,059
Investment portfolio earnings	104	0	0	104
Pre-tax profit	1,305	599	259	2,163
Loans and advances	121,440	339,542	21,314	482,296
- of which mortgage loans	0	339,542	0	339,542
- of which bank loans	73,968	0	21,314	95,282
- of which repo loans	47,472	0	0	47,472
Total assets	265,979	366,581	23,940	656,500
Deposits	134,840	0	237	135,077
- of which bank deposits	122,012	0	237	122,249
- of which repo and triparty deposits	12,828	0	0	12,828
Issued bonds	66,417	342,372	0	408,789
H1 2020				
Net interest income	1,098	1,188	229	2,515
Net fee and commission income	1,325	-247	-21	1,057
Value adjustments	129	77	12	218
Other income	47	0	9	56
Income from operating lease (net)	0	0	7	7
Core income	2,599	1,018	236	3,853
Core expenses	2,251	172	87	2,510
Core profit before loan impairment charges	348	846	149	1,343
Loan impairment charges	330	606	75	1,011
Core profit	18	240	74	332
Investment portfolio earnings	-227	0	0	-227
Pre-tax profit	-209	240	74	105
Loans and advances	122,607	339,801	19,120	481,528
- of which mortgage loans	0	339,801	0	339,801
- of which bank loans	79,625	0	19,120	98,745
- of which repo loans	42,982	0	0	42,982
Total assets	253,468	366,986	21,663	642,117
Deposits	145,709	0	214	145,923
- of which bank deposits	131,807	0	214	132,021
- of which repo deposits and tri-party deposits	13,902	0	0	13,902
Issued bonds	42,206	344,070	0	386,276

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

DKKm

4 Segmental financial statements, cont.
Core profit and investment portfolio earnings

The pre-tax profit for the first half of 2021 broken down by core earnings and investment portfolio earnings is stated below:

Breakdown of profit or loss for the period DKKm	H1 2021				H1 2020			
	Core profit	Investment portfolio earnings	Reclas-sification	Total	Core profit	Investment portfolio earnings	Reclas-sification	Total
Net interest income	2,454	34	2	2,490	2,515	47	-2	2,560
Net fee and commission income	1,085	0	0	1,085	1,057	0	0	1,057
Value adjustments	605	85	-2	688	218	-258	2	-38
Other income	117	0	3	120	56	0	6	62
Income from operating lease (net)	103	0	247	350	7	0	285	292
Income	4,364	119	250	4,733	3,853	-211	291	3,933
Expenses	2,342	15	250	2,607	2,510	16	291	2,817
Profit before loan impairment charges	2,022	104	0	2,126	1,343	-227	0	1,116
Loan impairment charges	-37	0	0	-37	1,011	0	0	1,011
Pre-tax profit	2,059	104	0	2,163	332	-227	0	105

Alternative performance targets

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

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

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

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

Reclassification relates to the following:

- Expenses of DKK 2m (first half of 2020: income of DKK 2m) due to value adjustments relating to the balance principle at Jyske Realkredit was reclassified from value adjustments to interest income.
- Income of DKK 3m (first half of 2020: Income of DKK 6m) from external revenue was reclassified from income to offsetting against expenses.
- Depreciation and amortisation of DKK 247m (first half of 2020: DKK 285m) were reclassified from expenses to income from operating lease (net).

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

"Earnings per share for the period", "Earnings per share (diluted) for the period", "Pre-tax profit as a percentage of average equity" and "Net profit for the period as a percentage of average equity" are calculated as if additional tier 1 capital (AT1) is recognised as a liability. In the numerator, the profit is less interest expenses for AT1 capital of DKK 88m (first half of 2020: DKK 83m) and the denominator is calculated as equity exclusive of AT1 capital of DKK 4,787m (first half of 2020: DKK 3,242m).

"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 a liability. Book value was calculated exclusive of AT1 capital of DKK 4,787m (first half of 2020: DKK 3,242m).

DKKm

4 Segmental financial statements, cont.
H1 2021
H1 2020

Revenue by country	Revenue	Full-time employees, end of period	Revenue	Full-time employees, end of period
Denmark	6,141	3,256	6,194	3,412
Gibraltar	0	0	28	0
Germany	8	8	8	8
Total	6,149	3,264	6,230	3,420

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

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

Activities in individual countries:

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

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

Germany: The Jyske Bank Group has activities within banking.

DKKm	H1 2021	H1 2020
5 Interest income		
Due from credit institutions and central banks	-2	10
Loans and advances	2,524	2,782
Administration margin	963	922
Bonds	229	251
Derivatives, total	128	193
Of which currency contracts	154	198
Of which interest-rate contracts	-26	-5
Other	0	0
Total	3,842	4,158
Interest on own mortgage bonds, set off against interest on issued bonds	64	62
Total after offsetting of negative interest	3,778	4,096
Negative interest income set off against interest income	198	207
Negative interest expenses set off against interest expenses	446	324
Total before offsetting of negative interest income	4,422	4,627

Negative interest income amounted to DKK 198m (first half of 2020: DKK 207m) and relates to primary 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.

6 Interest expenses		
Due to credit institutions and central banks	81	68
Deposits	-248	-159
Issued bonds	1,481	1,684
Subordinated debt	59	54
Other	-21	-49
Total	1,352	1,598
Interest on own mortgage bonds, set off against interest on issued bonds	64	62
Total after offsetting of negative interest	1,288	1,536
Negative interest expenses set off against interest expenses	446	324
Negative interest income set off against interest income	198	207
Total before offsetting of negative interest income	1,932	2,067

Negative interest expenses amounted to DKK 446m (first half of 2020: DKK 324m) related primarily to repo transactions as well as deposits and issued bonds. In the above table, negative interest expenses are set off against interest expenses. In the income statement, negative interest expenses are listed as interest income, and negative interest income is listed as interest expenses.

7 Fees and commission income		
Securities trading and custody services	618	674
Money transfers and card payments	120	87
Loan application fees	238	213
Guarantee commission	56	53
Other fees and commissions	270	236
Fees and commissions received, total	1,302	1,263
Fees and commissions paid, total	217	206
Fee and commission income, net	1,085	1,057

Fee income for the period, amounting to DKK 1,302m less fees and commission paid for the period amounting to DKK 217m, constitutes the net fee and commission income for the period in the amount of DKK 1,085m (first half of 2020: DKK 1,057m). These are recognised in the segmental financial statements for the bank's three business areas, cf. note 4.

Note		Jyske Bank Group	
	DKKm	H1 2021	H1 2020
8	Value adjustments		
	Loans and advances at fair value	-7,160	56
	Bonds	-326	-14
	Shares, etc.	141	116
	Currency	113	-39
	Currency, interest-rate, share, commodity and other contracts as well as other derivatives	422	99
	Issued bonds	7,451	-244
	Other assets and liabilities	47	-12
	Total	688	-38
9	Other income		
	Income on real property	22	24
	Profit on the sale of property, plant and equipment	33	1
	Income from operating lease ¹	350	292
	Dividends, etc.	48	33
	Profit/loss on investments in associates	-3	-19
	Other income	20	23
	Total	470	354
¹) Expenses relating to operating lease affected the item Amortisation, depreciation and impairment charges in the amount of DKK 247m in the first half of 2021 against DKK 285m in the same period of 2020.			
10	Employee and administrative expenses		
	Employee expenses		
	Wages and salaries, etc.	1,118	1,170
	Pensions	145	159
	Social security	175	166
	Total	1,438	1,495
	Salaries and remuneration to management bodies		
	Executive Board	18	17
	Supervisory Board	4	4
	Shareholders' Representatives	1	0
	Total	23	21
	Other administrative expenses		
	IT	663	681
	Other operating expenses	66	77
	Expenses relating to the sale of Jyske Bank (Gibraltar)	0	75
	Other administrative expenses	120	125
	Total	849	958
	Employee and administrative expenses, total	2,310	2,474
11	Effective tax rate		
	Corporation tax rate in Denmark	22.0	22.0
	Non-taxable income and non-deductible expenses, etc.	0.1	-0.1
	Effective tax rate	22.1	21.9

	DKKm	H1 2021	H1 2020
12	Loan impairment charges and provisions for guarantees		
	Loan impairment charges and provisions for guarantees recognised in the income statement		
	Loan impairment charges and provisions for guarantees for the period	46	947
	Impairment charges on balances due from credit institutions in the period	-5	4
	Provisions for loan commitments and unutilised credit lines in the period	-27	96
	Recognised as a loss, not covered by loan impairment charges and provisions	56	126
	Recoveries	-84	-123
	Recognised discount for acquired loans	-23	-39
	Loan impairment charges and provisions for guarantees recognised in the income statement	-37	1,011
	Balance of loan impairment charges and provisions for guarantees		
	Balance of loan impairment charges and provisions, beginning of period	5,761	5,227
	Loan impairment charges and provisions for the period	20	1,043
	Recognised as a loss, covered by loan impairment charges and provisions	-94	-153
	Other movements	30	33
	Balance of loan impairment charges and provisions, end of period	5,717	6,150
	Loan impairment charges and provisions for guarantees at amortised cost	3,359	3,891
	Loan impairment charges at fair value	1,725	1,764
	Provisions for guarantees	356	259
	Provisions for credit commitments and unutilised credit lines	277	236
	Balance of loan impairment charges and provisions, end of period	5,717	6,150

DKKm

12 Loan impairment charges and provisions for guarantees, cont.
Balance of loan impairment charges and provisions for guarantees by stage – total

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2021	973	1,401	3,387	5,761
Transfer of impairment charges at beginning of period to stage 1	195	-178	-17	0
Transfer of impairment charges at beginning of period to stage 2	-112	213	-101	0
Transfer of impairment charges at beginning of period to stage 3	-2	-245	247	0
Impairment charges on new loans, etc.	247	97	117	461
Impairment charges on discontinued loans and provisions for guarantees	-143	-149	-266	-558
Effect from recalculation	-200	34	313	147
Previously recognized as impairment charges, now final loss	0	-1	-93	-94
Balance on 30 June 2021	958	1,172	3,587	5,717

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

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2020	705	1,193	3,329	5,227
Transfer of impairment charges at beginning of period to stage 1	195	-181	-14	0
Transfer of impairment charges at beginning of period to stage 2	-20	91	-71	0
Transfer of impairment charges at beginning of period to stage 3	-2	-85	87	0
Impairment charges on new loans, etc.	181	239	100	520
Impairment charges on discontinued loans and provisions for guarantees	-116	-201	-230	-547
Effect from recalculation	-53	681	475	1,103
Previously recognized as impairment charges, now final loss	0	-3	-150	-153
Balance on 30 June 2020	890	1,734	3,526	6,150

Balance of impairment charges by stage – loans at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2021	527	646	2,390	3,563
Transfer of impairment charges at beginning of period to stage 1	58	-52	-6	0
Transfer of impairment charges at beginning of period to stage 2	-77	146	-69	0
Transfer of impairment charges at beginning of period to stage 3	-1	-174	175	0
Impairment charges on new loans, etc.	106	43	67	216
Impairment charges on discontinued loans and provisions for guarantees	-60	-79	-163	-302
Effect from recalculation	-127	9	82	-36
Previously recognized as impairment charges, now final loss	0	0	-82	-82
Balance on 30 June 2021	426	539	2,394	3,359

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	90	-81	-9	0
Transfer of impairment charges at beginning of period to stage 2	-13	68	-55	0
Transfer of impairment charges at beginning of period to stage 3	-1	-76	77	0
Impairment charges on new loans, etc.	76	36	48	160
Impairment charges on discontinued loans and provisions for guarantees	-49	-49	-172	-270
Effect from recalculation	47	232	192	471
Previously recognized as impairment charges, now final loss	0	0	-130	-130
Balance on 30 June 2020	475	635	2,781	3,891

DKK m

12 Loan impairment charges and provisions for guarantees, cont.
Balance of impairment charges by stage – loans at fair value

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2021	303	618	709	1,630
Transfer of impairment charges at beginning of period to stage 1	129	-119	-10	0
Transfer of impairment charges at beginning of period to stage 2	-17	45	-28	0
Transfer of impairment charges at beginning of period to stage 3	-1	-41	42	0
Impairment charges on new loans, etc.	66	36	28	130
Impairment charges on discontinued loans and provisions for guarantees	-26	-56	-65	-147
Effect from recalculation	-61	25	159	123
Previously recognized as impairment charges, now final loss	0	-1	-10	-11
Balance on 30 June 2021	393	507	825	1,725

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	96	-92	-4	0
Transfer of impairment charges at beginning of period to stage 2	-6	12	-6	0
Transfer of impairment charges at beginning of period to stage 3	0	-8	8	0
Impairment charges on new loans, etc.	75	188	12	275
Impairment charges on discontinued loans and provisions for guarantees	-48	-140	-34	-222
Effect from recalculation	-120	411	246	537
Previously recognized as impairment charges, now final loss	0	-3	-17	-20
Balance on 30 June 2020	320	991	453	1,764

Balance of provisions by stage – guarantees and loan commitments, etc.

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2021	143	139	286	568
Transfer of impairment charges at beginning of period to stage 1	7	-6	-1	0
Transfer of impairment charges at beginning of period to stage 2	-18	22	-4	0
Transfer of impairment charges at beginning of period to stage 3	0	-30	30	0
Impairment charges on new loans, etc.	76	17	22	115
Impairment charges on discontinued loans and provisions for guarantees	-56	-13	-39	-108
Effect from recalculation	-13	0	72	59
Previously recognized as impairment charges, now final loss	0	0	-1	-1
Balance on 30 June 2021	139	129	365	633

Balance of provisions by stage – guarantees and loan commitments, etc.

	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	9	-8	-1	0
Transfer of impairment charges at beginning of period to stage 2	-1	11	-10	0
Transfer of impairment charges at beginning of period to stage 3	0	-1	1	0
Impairment charges on new loans, etc.	28	16	40	84
Impairment charges on discontinued loans and provisions for guarantees	-18	-12	-25	-55
Effect from recalculation	20	38	37	95
Previously recognized as impairment charges, now final loss	0	0	-2	-2
Balance on 30 June 2020	95	109	291	495

DKKm

12 Loan impairment charges and provisions for guarantees, cont.
Gross loans, advances and guarantees by stage

	Stage 1	Stage 2	Stage 3	Total
Gross loans, advances and guarantees, 1 January 2021	480,368	19,726	8,215	508,309
Transfer of loans, advances and guarantees to stage 1	4,359	-4,251	-108	0
Transfer of loans, advances and guarantees to stage 2	-12,877	13,278	-401	0
Transfer of loans, advances and guarantees to stage 3	-302	-1,372	1,674	0
Other movements	-4,924	-891	-943	-6,758
Gross loans, advances and guarantees, 30 June 2021	466,624	26,490	8,437	501,551
Loan impairment charges and provisions for guarantees, total	866	1,096	3,478	5,440
Net loans, advances and guarantees, 30 June 2021	465,758	25,394	4,959	496,111

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	8,992	-8,679	-313	0
Transfer of loans, advances and guarantees to stage 2	-9,429	10,012	-583	0
Transfer of loans, advances and guarantees to stage 3	-757	-1,535	2,292	0
Other movements	12,469	-4,680	-2,398	5,391
Gross loans, advances and guarantees, 31 December 2020	480,368	19,726	8,215	508,309
Loan impairment charges and provisions for guarantees, total	855	1,292	3,309	5,456
Gross loans, advances and guarantees, 31 December 2020	479,513	18,434	4,906	502,853

Note

Jyske Bank Group

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12 Loan impairment charges and provisions for guarantees, cont.

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

		30 June 2021				31 Dec. 2020
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	43,499	232	0	43,731	42,948
2	0.10 - 0.15	14,267	44	0	14,311	12,598
3	0.15 - 0.22	32,901	110	0	33,011	29,391
4	0.22 - 0.33	29,776	122	0	29,898	35,681
5	0.33 - 0.48	108,848	393	0	109,241	95,135
STY Ratings 1 – 5		229,291	901	0	230,192	215,753
6	0.48 - 0.70	84,085	760	0	84,845	92,862
7	0.70 - 1.02	59,287	926	0	60,213	66,384
8	1.02 - 1.48	36,335	1,139	0	37,474	41,790
9	1.48 - 2.15	29,624	3,059	0	32,683	34,252
10	2.15 - 3.13	16,270	2,920	0	19,190	16,591
11	3.13 - 4.59	5,433	3,450	0	8,883	8,937
STY Ratings 6 – 11		231,034	12,254	0	243,288	260,816
12	4.59 - 6.79	1,998	3,318	0	5,316	5,648
13	6.79 - 10.21	1,383	3,001	0	4,384	4,623
14	10.21 - 25.0	680	6,247	0	6,927	8,532
STY Ratings 12-14		4,061	12,566	0	16,627	18,803
Other		2,138	592	0	2,730	4,452
Non-performing loans		98	178	8,438	8,714	8,485
Total		466,622	26,491	8,438	501,551	508,309

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

		30 June 2021				31 Dec. 2020
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	27	1	0	28	4
2	0.10 - 0.15	21	0	0	21	5
3	0.15 - 0.22	32	0	0	32	14
4	0.22 - 0.33	45	2	0	47	30
5	0.33 - 0.48	124	7	0	131	106
STY Ratings 1- 5		249	10	0	259	159
6	0.48 - 0.70	121	15	0	136	144
7	0.70 - 1.02	109	18	0	127	103
8	1.02 - 1.48	103	24	0	127	166
9	1.48 - 2.15	119	41	0	160	127
10	2.15 - 3.13	74	73	0	147	106
11	3.13 - 4.59	34	86	0	120	166
STY Ratings 6 – 11		560	257	0	817	812
12	4.59 - 6.79	19	116	0	135	131
13	6.79 - 10.21	14	119	0	133	196
14	10.21 - 25.0	10	531	0	541	806
STY Ratings 12-14		43	766	0	809	1,133
Other		12	50	0	62	32
Non-performing loans		1	13	3,479	3,493	3,320
Total		865	1,096	3,479	5,440	5,456

Note

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12 Loan impairment charges and provisions for guarantees, cont.
Loan commitments and unutilised credit facilities by stage and internal rating

Performing	PD band (%)	30 June 2021				31 Dec. 2020
		Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	13,036	0	0	13,036	9,209
2	0.10 - 0.15	6,140	0	0	6,140	5,634
3	0.15 - 0.22	5,410	5	0	5,415	5,293
4	0.22 - 0.33	9,685	6	0	9,691	6,253
5	0.33 - 0.48	4,784	136	0	4,920	5,532
STY Ratings 1 – 5		39,055	147	0	39,202	31,921
6	0.48 - 0.70	12,262	400	0	12,662	12,790
7	0.70 - 1.02	4,907	326	0	5,233	4,306
8	1.02 - 1.48	7,401	387	0	7,788	7,728
9	1.48 - 2.15	2,315	644	0	2,959	3,012
10	2.15 - 3.13	2,487	761	0	3,248	2,497
11	3.13 - 4.59	215	383	0	598	1,365
STY Ratings 6 – 11		29,587	2,901	0	32,488	31,698
12	4.59 - 6.79	419	358	0	777	756
13	6.79 - 10.21	33	147	0	180	199
14	10.21 - 25.0	445	581	0	1,026	1,317
STY Ratings 12-14		897	1,086	0	1,983	2,272
Other		846	140	0	986	764
Non-performing loans		8	2	518	528	540
Total		70,393	4,276	518	75,187	67,195

Provisions for loan commitments and unutilised credit facilities by stage and internal rating

Performing	PD band (%)	30 June 2021				31 Dec. 2020
		Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	1	0	0	1	1
2	0.10 - 0.15	3	0	0	3	1
3	0.15 - 0.22	4	0	0	4	2
4	0.22 - 0.33	11	0	0	11	6
5	0.33 - 0.48	9	0	0	9	10
STY Ratings 1 – 5		28	0	0	28	20
6	0.48 - 0.70	14	2	0	16	23
7	0.70 - 1.02	12	2	0	14	13
8	1.02 - 1.48	12	3	0	15	22
9	1.48 - 2.15	11	8	0	19	20
10	2.15 - 3.13	7	17	0	24	9
11	3.13 - 4.59	1	6	0	7	14
STY Ratings 6 – 11		57	38	0	95	101
12	4.59 - 6.79	1	7	0	8	6
13	6.79 - 10.21	1	5	0	6	4
14	10.21 - 25.0	0	23	0	23	89
STY Ratings 12-14		2	35	0	37	99
Other		4	4	0	8	8
Non-performing loans		0	0	109	109	77
Total		91	77	109	277	305

	DKKmn	30 June 2021	31 Dec. 2020	30 June 2020
13 Loans and advances at fair value				
Mortgage loans, nominal value		336,045	333,056	330,698
Adjustment for interest-rate risk, etc.		4,818	12,001	10,457
Adjustment for credit risk		-1,679	-1,607	-1,784
Mortgage loans at fair value, total		339,184	343,450	339,371
Arrears and outlays, total		47	65	88
Other loans and advances		2,206	2,184	2,772
Loans and advances at fair value, total		341,437	345,699	342,231
14 Loans and advances at fair value broken down by property category				
Owner-occupied homes		162,668	167,098	168,997
Vacation homes		8,282	8,337	8,232
Subsidised housing (rental housing)		52,984	55,069	54,304
Cooperative housing		14,076	14,416	14,451
Private rental properties (rental housing)		58,559	55,478	52,358
Industrial properties		2,475	3,056	3,003
Office and retail properties		35,203	35,275	34,910
Agricultural properties		146	133	120
Properties for social, cultural and educational purposes		6,957	6,754	5,722
Other properties		87	83	134
Total		341,437	345,699	342,231
15 Loans and advances at amortised cost and guarantees broken down by sector				
Public authorities		10,433	12,637	10,312
Agriculture, hunting, forestry, fishing		7,287	6,784	6,938
Manufacturing, mining, etc.		8,384	7,312	9,628
Energy supply		4,862	5,409	5,015
Building and construction		3,526	3,714	3,882
Commerce		9,202	8,978	9,802
Transport, hotels and restaurants		6,160	5,432	5,807
Information and communication		726	662	433
Finance and insurance		44,991	48,501	37,646
Real property		14,736	15,711	16,199
Other sectors		7,938	6,889	8,465
Corporates, total		107,812	109,392	103,815
Personal clients, total		36,429	35,125	36,883
Total		154,674	157,154	151,010

Note	Jyske Bank Group
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DKKm	30 June 2021	31 Dec. 2020	30 June 2020
16 Other assets			
Positive fair value of derivatives	24,694	31,971	28,241
Assets in pooled deposits	4,106	3,754	3,758
Interest and commission receivable	157	252	247
Investments in associates and joint ventures	222	234	238
Prepayments	350	335	391
Investment properties	28	28	28
Other assets	1,714	1,290	1,263
Total	31,271	37,864	34,166
Netting			
Positive fair value of derivatives, gross	36,458	47,005	43,727
Netting of positive and negative fair value	11,764	15,034	15,486
Total	24,694	31,971	28,241
Netting of fair value can be attributed to clearing of derivatives through a central clearing house (CCP clearing).			
17 Deposits			
Demand deposits	109,058	110,009	111,591
Term deposits	1,237	1,204	1,439
Time deposits	15,697	16,283	22,879
Special deposits	4,823	5,386	5,918
Pooled deposits	4,262	4,071	4,096
Total	135,077	136,953	145,923
18 Issued bonds at fair value			
Issued bonds at fair value, nominal value	354,133	353,824	357,345
Adjustment to fair value	5,465	12,916	11,169
Own mortgage bonds offset, fair value	-21,835	-17,912	-28,896
Total	337,763	348,828	339,618
19 Other liabilities			
Set-off entry of negative bond holdings in connection with repos/reverse repos	8,264	7,639	5,327
Negative fair value of derivatives	25,284	34,203	31,158
Interest and commission payable	1,153	1,415	1,236
Deferred income	154	147	137
Lease commitment	341	374	335
Other liabilities	6,151	5,596	5,573
Total	41,347	49,374	43,766
Netting			
Negative fair value of derivatives, gross	37,048	49,237	46,644
Netting of positive and negative fair value	11,764	15,034	15,486
Total	25,284	34,203	31,158

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

Note		Jyske Bank Group		
	DKKm	30 June 2021	31 Dec. 2020	30 June 2020
20	Provisions			
	Provisions for pensions and similar liabilities	624	616	647
	Provisions for guarantees	356	263	259
	Provisions for losses on loan commitments and unutilised credit lines	277	306	228
	Provisions for deferred tax	12	9	241
	Other provisions	77	77	122
	Total	1,346	1,271	1,497
21	Subordinated debt			
	Supplementary capital:			
	Var. % bond loan NOK 1,000m 24.03.2031	735	0	0
	Var. % bond loan SEK 1,000m 24.03.2031	731	0	0
	1.25% bond loan EUR 200m 28.01.2031	1,487	1,488	1,491
	2.25% bond loan EUR 300m 05.04.2029	2,231	2,232	2,236
	Var. % bond loan SEK 600m redeemed 19.05.2021	0	444	426
	3.25% bond loan SEK 400m redeemed 19.05.2021	0	296	284
	6.73% bond loan EUR 7.5m 2022-2026	56	67	67
	Var. % bond loan EUR 10m 13.02.2023	74	74	75
	5.65% bond loan EUR 10m 27.03.2023	74	74	75
	5.67% bond loan EUR 10m 31.07.2023	74	74	75
		5,462	4,749	4,729
	Hybrid core capital:			
	Var. % bond loan EUR 72.8m Perpetual	541	541	542
	Var. % bond loan EUR 60.7m Perpetual	452	452	452
		993	993	994
	Subordinated debt, nominal	6,455	5,742	5,723
	Hedging of interest-rate risk, fair value	64	79	82
	Total	6,519	5,821	5,805
	Subordinated debt included in the capital base	5,297	5,594	5,600

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

	DKKm	30 June 2021	31 Dec. 2020	30 June 2020
22	Contingent liabilities			
	Guarantees, etc.	13,815	11,474	11,713
	Other contingent liabilities, etc.	75,259	67,269	63,314
	Total	89,074	78,743	75,027

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

Other contingent liabilities are primarily loan commitments and unutilised credit facilities.

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 Pengeinstitutfdelingen (the financial institution fund) exceed 1% of the total net deposits covered, which level has been reached. According to Bank Package 3 and Bank Package 4, Pengeinstitutfdelingen 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 8.11% 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 the Foreningen Bankdata, the bank is – in the event of its withdrawal – under the obligation to pay an exit charge to Bankdata in the amount of about DKK 3.3bn.

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.

23 Shareholders

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

As at 30 June 2021, Jyske Bank owns 2.19% of the share capital.

24 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 2020 for a detailed description of transactions with related parties.

25 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 triparty repo transactions totalling a market value of DKK 9,646m (end of 2020: DKK 13,912m).

In addition, in connection with CSA agreements, the Jyske Bank Group has provided cash collateral of DKK 5,917m (end of 2020: DKK 6,390m) and bonds worth DKK 887m (end of 2020: DKK 4,277m).

Repo transactions involve an arrangement where bonds are provided as collateral for the amount borrowed. Repo transactions amounted to DKK 15,376m (end of 2020: DKK 14,523m).

26 Notes on fair value
Methods for measuring fair value

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

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

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

26 Notes on fair value, cont.
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) and funding valuation adjustment (FVA). 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.

26 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 expected positive exposure (EPE), loss given default (LGD) as well as the probability of default (PD).

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. The PDs that Jyske Bank has applied in the model so far were estimated on the basis of IRB (internal rating based) PDs. This method of estimating PDs has in the second quarter of 2021 been replaced with a new method which to a higher extent mirrors the likelihood of default which can be seen in the market as the likelihoods of default are inferred via market-observable CDS spreads. LGD is set at compliant with quotations of CDS spreads in connection with the calculation of likelihoods of default whereas the exposure profiles have been adjusted for the effect from any security and CSA agreements.

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 calculation takes place according to the same principles that apply to the CVA calculation, 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 second quarter of 2021, CVA and DVA amounted, on an accumulated basis, to net DKK 92m, which accumulated amount was recognised as an expense under value adjustments, against an accumulated amount of DKK 209m at the end of 2020.

27 Fair value of financial assets and liabilities

The table shows the fair value of financial assets and liabilities and the carrying amounts. The re-statement at fair value of financial assets and liabilities shows a total non-recognised unrealised loss of DKK 159m at the end of the first half of 2021 against a total non-recognised unrealised loss of DKK 42m at the end of 2020.

DKKm	30 June 2021		31 Dec. 2020	
	Recognised value	Fair value	Recognised value	Fair value
FINANCIAL ASSETS				
Cash balance and demand deposits with central banks	43,197	43,197	34,951	34,951
Due from credit institutions and central banks	9,104	9,109	10,538	10,545
Loans at fair value	341,437	341,437	345,699	345,699
Loans and advances at amortised cost	140,859	140,856	145,680	145,712
Bonds at fair value	59,033	59,033	66,663	66,663
Bonds at amortised cost	23,811	23,975	23,797	24,068
Shares, etc.	2,625	2,625	2,405	2,405
Assets in pooled deposits	4,106	4,106	3,754	3,754
Derivatives	24,694	24,694	31,971	31,971
Total	648,866	649,032	665,458	665,768
FINANCIAL LIABILITIES				
Due to credit institutions and central banks	24,162	24,172	30,067	30,109
Deposits	130,815	130,815	132,882	132,883
Pooled deposits	4,262	4,262	4,071	4,071
Issued bonds at fair value	337,763	337,763	348,828	348,828
Issued bonds at amortised cost	71,026	71,204	63,697	64,000
Subordinated debt	6,519	6,656	5,821	5,827
Set-off entry of negative bond holdings	8,264	8,264	7,639	7,639
Derivatives	25,284	25,284	34,203	34,203
Total	608,095	608,420	627,208	627,560

DKKm

28 The fair value hierarchy
30 June 2021

	Quoted prices	Observable prices	Non- observable prices	Fair value, total	Recognised value
Financial assets					
Loans and advances at fair value	0	341,437	0	341,437	341,437
Bonds at fair value	51,595	7,438	0	59,033	59,033
Shares, etc.	688	696	1,241	2,625	2,625
Assets in pooled deposits	1,879	2,227	0	4,106	4,106
Derivatives	437	24,257	0	24,694	24,694
Total	54,599	376,055	1,241	431,895	431,895
Financial liabilities					
Pooled deposits	0	4,262	0	4,262	4,262
Issued bonds at fair value	286,145	51,618	0	337,763	337,763
Set-off entry of negative bond holdings	8,135	130	0	8,265	8,265
Derivatives	360	24,924	0	25,284	25,284
Total	294,640	80,934	0	375,574	375,574

31 December 2020

Financial assets					
Loans and advances at fair value	0	345,699	0	345,699	345,699
Bonds at fair value	55,211	11,452	0	66,663	66,663
Shares, etc.	365	584	1,456	2,405	2,405
Assets in pooled deposits	6	3,748	0	3,754	3,754
Derivatives	569	31,402	0	31,971	31,971
Total	56,151	392,885	1,456	450,492	450,492
Financial liabilities					
Pooled deposits	0	4,071	0	4,071	4,071
Issued bonds at fair value	290,140	58,688	0	348,828	348,828
Set-off entry of negative bond holdings	7,483	156	0	7,639	7,639
Derivatives	470	33,733	0	34,203	34,203
Total	298,093	96,648	0	394,741	394,741

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 2021 and 2020.

NON-OBSERVABLE PRICES

	H1 2021	2020
Fair value, beginning of period	1,456	1,530
Transfers for the period	0	0
Capital gain and loss for the period reflected in the income statement under value adjustments	62	118
Sales or redemptions	312	230
Purchases	35	38
Fair value, end of period	1,241	1,456

Non-observable prices at the end of the first half of 2021 referred to unlisted shares recognised at DKK 1,241m against unlisted shares recognised at DKK 1,456m at the end of 2020. 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 124m on 30 June 2021 (0.36% of the shareholders' equity at the end of the first half of 2021). For 2020, the effect on the income statement is estimated at DKK 146m (0.44% of shareholders' funds at the end of 2020). Capital gain and loss for the period on unlisted shares recognised in the income statement is attributable to assets held at the end of the first half of 2021. 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.

28 Fair value hierarchy, cont.**Non-financial assets recognised at fair value**

Investment properties were recognised at a fair value of DKK 28m (end of 2020: 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 2020: 7%).

Assets held temporarily comprise 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 123m (end of 2020: DKK 165m). Fair value belongs to the category of non-observable prices.

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 6.43% at the end of 2020. Owner-occupied properties, exclusive of leased properties, were recognised at DKK 1,657m (2020: DKK 1,759m). The revalued amount belongs to the category of 'non-observable prices'. Leased properties were recognised at DKK 331m (end of 2020: DKK 363m).

29 Group overview

30 June 2021	Curren- cy	Share capital 1.000 units	Ownership share (%)	Voting share (%)	Assets DKKm, end of 2020	Liabilities DKKm, end of 2020	Equity DKKm, end of 2020	Earnings (DKKm) 2020	Profit or loss, DKKm 2020
Jyske Bank A/S ¹	DKK	725,608			335,402	298,770	36,632	5,682	1,609
Subsidiaries									
Jyske Realkredit, Kgs. Lyngby ²	DKK	4,306,480	100	100	377,132	357,362	19,769	6,009	908
Trendsetter, S.L., Spain ⁵	EUR	2,341	100	100	17	0	17	0	-1
Jyske Bank Nominees Ltd., London ⁴	GBP	0	100	100	0	0	0	0	0
Inmobiliaria Saroesma S.L., Spain ⁵	EUR	885	100	100	32	29	3	0	-15
Jyske Finans A/S, Silkeborg ³	DKK	100,000	100	100	22,265	20,916	1,349	1,374	275
Ejendomsselskabet af 01.11.2017 A/S, Silkeborg ⁵	DKK	500	100	100	50	47	3	4	2
Gl. Skovridergaard A/S, Silkeborg ⁵	DKK	500	100	100	32	28	3	19	0
Ejendomsselskabet af 01.10.2015 ApS, Silkeborg ⁵	DKK	500	100	100	110	109	1	1	1
Jyske Invest Fund Management A/S, Silkeborg ⁴	DKK	76,000	100	100	426	74	352	135	29
Jyske Banks Vindmølle A/S, Hobro ⁵	DKK	400	100	100	50	29	20	2	0

Activity:

¹ Banking

² Mortgage-credit activities

³ Leasing, financing and factoring

⁴ Investment and financing

⁵ Properties, wind turbine and course activities

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

	DKKm	H1 2021	H1 2020
Income statement			
3	Interest income	1,627	1,653
4	Interest expenses	546	515
	Net interest income	1,081	1,138
	Dividends, etc.	48	32
5	Fees and commission income	1,463	1,315
	Fees and commission expenses	71	55
	Net interest and fee income	2,521	2,430
6	Value adjustments	609	-132
	Other operating income	234	191
	Employee and administrative expenses	2,149	2,211
	Amortisation, depreciation and impairment charges	49	55
	Other operating expenses	21	103
7	Loan impairment charges	-142	330
	Profit on investments in associates and group enterprises	687	236
	Pre-tax profit	1,974	26
	Tax	289	-56
	Net profit for the period	1,685	82
Distributed to:			
	Jyske Bank A/S shareholders	1,597	-1
	Holders of Additional tier 1 capital	88	83
	Total	1,685	82
Statement of Comprehensive Income			
	Net profit for the period	1,685	82
	Other comprehensive income:		
	<i>Items that can be recycled to the income statement:</i>		
	Foreign currency translation adjustment of international units	0	-20
	Hedge accounting of international units	0	20
	Tax on hedge accounting	0	-6
	Other comprehensive income after tax	0	-6
	Comprehensive income for the period	1,685	76

	30 June 2021	31 Dec. 2020	30 June 2020
DKKmn			
BALANCE SHEET			
ASSETS			
Cash balance and demand deposits with central banks	42,336	34,901	10,857
Due from credit institutions and central banks	10,165	10,510	12,612
Loans at fair value	1,894	1,847	2,430
8 Loans and advances at amortised cost	141,385	146,140	140,758
Bonds at fair value	49,191	53,529	55,164
Bonds at amortised cost	24,561	24,547	21,261
Shares, etc.	2,461	2,130	2,262
Investments in associates	217	224	233
Equity investments in group enterprises	21,919	21,493	20,526
Assets in pooled deposits	4,106	3,754	3,758
Owner-occupied properties	1,631	1,735	1,753
Owner-occupied properties, leasing	331	363	325
Other property, plant and equipment	63	66	61
Current tax assets	1,260	862	1,042
Deferred tax assets	44	43	77
Assets held temporarily	35	51	118
Other assets	25,593	32,902	29,055
Prepayments	309	305	342
Total assets	327,501	335,402	302,634
EQUITY AND LIABILITIES			
Debt and payables			
Due to credit institutions and central banks	34,489	43,342	25,687
9 Deposits	130,610	132,700	141,886
Pooled deposits	4,262	4,071	4,096
Issued bonds at amortised cost	71,026	63,697	46,658
Other liabilities	40,003	47,879	42,050
Deferred income	23	20	20
Total debt	280,413	291,709	260,397
Provisions			
Provisions for pensions and similar liabilities	591	583	612
Provisions for guarantees	379	283	284
Provisions for credit commitments and unutilised credit lines	268	297	228
Other provisions	77	77	113
Provisions, total	1,315	1,240	1,237
Subordinated debt	6,519	5,821	5,805
Shareholders' funds			
Share capital	726	726	776
Revaluation reserve	200	200	205
Reserve according to the equity method	7,322	6,905	5,958
Retained profit	26,219	25,494	25,014
Jyske Bank A/S shareholders	34,467	33,325	31,953
Holders of additional tier 1 capital	4,787	3,307	3,242
Total equity	39,254	36,632	35,195
Total equity and liabilities	327,501	335,402	302,634
OFF-BALANCE SHEET ITEMS			
Guarantees, etc.	21,934	18,724	20,506
Other contingent liabilities	60,846	53,352	50,420
Total guarantees and other contingent liabilities	82,780	72,076	70,926

DKK m

Statement of Changes in Equity

	Share capital	Revaluation reserve	Currency translation reserve	Reserve according to the equity method	Retained profit	Shareholders of Jyske Bank A/S	AT1 capital*	Total equity
Equity at 1 January 2021	726	200	0	6,905	25,494	33,325	3,307	36,632
Net profit for the period	0	0	0	417	1,180	1,597	88	1,685
Other comprehensive income	0	0	0	0	0	0	0	0
Comprehensive income for the period	0	0	0	417	1,180	1,597	88	1,685
AT1 capital issue	0	0	0	0	0	0	1,486	1,486
Transaction costs	0	0	0	0	-15	-15	0	-15
Interest paid on additional tier 1 capital	0	0	0	0	0	0	-84	-84
Currency translation adjustment	0	0	0	0	10	10	-10	0
Acquisition of own shares	0	0	0	0	-1,187	-1,187	0	-1,187
Sale of own shares	0	0	0	0	737	737	0	737
Transactions with owners	0	0	0	0	-455	-455	1,392	937
Equity at 30 June 2021	726	200	0	7,322	26,219	34,467	4,787	39,254
Equity at 1 January 2020	776	205	0	6,703	24,769	32,453	3,257	35,710
Net profit for the period	0	0	0	-745	744	-1	83	82
Other comprehensive income	0	0	0	0	-6	-6	0	-6
Comprehensive income for the period	0	0	0	-745	738	-7	83	76
Interest paid on additional tier 1 capital	0	0	0	0	0	0	-83	-83
Currency translation adjustment	0	0	0	0	15	15	-15	0
Acquisition of own shares	0	0	0	0	-1,261	-1,261	0	-1,261
Sale of own shares	0	0	0	0	753	753	0	753
Transactions with owners	0	0	0	0	-493	-493	-98	-591
Equity at 30 June 2020	776	205	0	5,958	25,014	31,953	3,242	35,195

*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 with the possibility of early redemption in September 2021 at the earliest. The interest rates applicable to the issue until September 2021 are STIBOR+5.80% and CIBOR+5.30%, respectively. In September 2017, Jyske Bank issued AT1 amounting to EUR 150m 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 1bn, 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%. In May 2020, Jyske Bank issued AT1 in May 2021 amounting to EUR 200m with the possibility of early redemption from 4 December 2028 at the earliest. The interest rate applicable to the issue until June 2029 is 3.625%. It applies to all AT1 issues that if the common equity tier 1 capital ratio of Jyske Bank A/S or the Jyske Bank Group falls below 7%, the loans will be written down.

DKKm	30 June 2021	31 Dec. 2020	30 June 2020
Capital Statement			
Shareholders' equity	34,467	33,325	31,953
Share buy-back programme, non-utilised limit	-290	-750	0
Expected dividend, calculated as required by law	-112	0	0
Deferred tax assets	-44	-43	-77
Prudent valuation	-235	-340	-373
Other deductions	-120	-21	-82
Common equity tier 1 capital	33,666	32,171	31,421
Additional tier 1 capital after reduction	3,338	3,539	3,475
Core capital	37,004	35,710	34,896
Subordinated loan capital after reduction	5,297	5,334	5,341
Capital base	42,301	41,044	40,237
Weighted risk exposure involving credit risk, etc.	110,388	103,417	103,394
Weighted risk exposure involving market risk	10,785	10,689	11,026
Weighted risk exposure involving operational risk	10,249	10,936	10,936
Total weighted risk exposure	131,422	125,042	125,356
Capital requirement, Pillar I	10,514	10,003	10,108
Capital ratio (%)	32.2	32.8	32.1
Tier 1 capital ratio (%)	28.2	28.6	27.8
Common equity tier 1 capital ratio (%)	25.6	25.7	25.1

For a statement of the individual solvency requirement, please see Risk and Capital Management 2020 or investor.jyskebank.com/investorrelations/capitalstructure.

1 Accounting policies

The interim financial statements of the parent company Jyske Bank A/S for the period 1 January to 30 June 2021 were prepared in accordance with the Danish Financial Business Act, including the Danish Executive Order on Financial Reports for Credit Institutions, Stockbrokers, etc.

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

With respect to classification and extent, the preparation for Jyske Bank A/S differs from the preparation for the Group. Please see the full description of accounting policies in note 67 of the annual report 2020. The accounting policies are identical to those applied to and described in the annual report 2020.

Figures in the interim 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.

	H1 2021	H1 2020
2 Financial ratios and key figures		
Pre-tax profit p.a. as a percentage of average equity*	11.1	-0.2
Profit for the period as a pct. of avg. equity*	4.7	0.0
Income/cost ratio (%)	2.0	1.0
Capital ratio (%)	32.2	32.1
Common equity tier 1 capital ratio (CET1) (%)	25.6	25.1
Individual solvency requirement (%)	12.6	12.6
Capital base (DKKm)	42,301	40,237
Total risk exposure (DKKm)	131,422	125,356
Interest-rate risk (%)	0.5	0.6
Currency risk (%)	0.0	0.1
Accumulated impairment ratio (%)	2.0	2.3
Impairment ratio for the period (%)	-0.1	0.2
No. of full-time employees at end-period	3,049	3,231
Average number of full-time employees in the period	3,079	3,256

The financial ratios are based on the definitions and guidelines laid down by the Danish Financial Supervisory Authority, cf. note 68 to the consolidated financial statements for 2020.

* Ratios are calculated as if additional tier 1 capital (AT1) is recognised as a liability.

	DKKm	H1 2021	H1 2020
3 Interest income			
Due from credit institutions and central banks		1	32
Loans and advances		747	828
Bonds		189	213
Derivatives, total		83	127
Of which currency contracts		154	198
Of which interest-rate contracts		-71	-71
Other		0	0
Total after offsetting of negative interest		1,020	1,200
Negative interest income set off against interest income		186	169
Negative interest expenses set off against interest expenses		421	284
Total before offsetting of negative interest income		1,627	1,653
Of which interest income on reverse repos carried under:			
Due from credit institutions and central banks		-9	-9
Loans and advances		-82	-94
4 Interest expenses			
Due to credit institutions and central banks		60	64
Deposits		-249	-165
Issued bonds		64	105
Subordinated debt		59	54
Other interest expenses		5	4
Total after offsetting of negative interest		-61	62
Negative interest expenses set off against interest expenses		421	284
Negative interest income set off against interest income		186	169
Total before offsetting of negative interest income		546	515
Of which interest expenses on reverse repos carried under:			
Due to credit institutions and central banks		-44	-28
Deposits		-10	-10
5 Fees and commission income			
Securities trading and custody services		482	509
Money transfers and card payments		120	85
Loan application fees		56	51
Guarantee commission		56	52
Other fees and commissions		749	618
Total		1,463	1,315
6 Value adjustments			
Loans and advances at fair value		-3	8
Bonds		-292	19
Shares, etc.		102	80
Currency		112	-38
Currency, interest-rate, share, commodity and other contracts as well as other derivatives		592	-168
Assets in pooled deposits		304	-257
Pooled deposits		-304	257
Other assets		27	0
Issued bonds		52	-21
Other liabilities		19	-12
Total		609	-132

DKKm

H1 2021

H1 2020

7 Loan impairment charges and provisions for guarantees

Loan impairment charges and provisions for guarantees recognised in the income statement

Loan impairment charges and provisions for guarantees for the period	-55	296
Impairment charges on balances due from credit institutions in the period	-5	4
Provisions for loan commitments and unutilised credit lines in the period	-30	91
Recognised as a loss, not covered by loan impairment charges and provisions	22	53
Recoveries	-69	-104
Recognised discount for acquired loans	-5	-10
Loan impairment charges and provisions for guarantees recognised in the income statement	-142	330

Balance of loan impairment charges and provisions for guarantees

Balance of loan impairment charges and provisions, beginning of period	3,813	3,801
Loan impairment charges and provisions for the period	-85	388
Recognised as a loss, covered by loan impairment charges and provisions	-76	-127
Other movements	31	33
Balance of loan impairment charges and provisions, end of period	3,683	4,095

Loan impairment charges and provisions for guarantees at amortised cost	3,035	3,582
Loan impairment charges at fair value	1	2
Provisions for guarantees	379	283
Provisions for credit commitments and unutilised credit lines	268	228
Balance of loan impairment charges and provisions, end of period	3,683	4,095

DKKm

7 Loan impairment charges and provisions for guarantees, cont.
Balance of loan impairment charges and provisions for guarantees by stage – total

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2021	581	698	2,534	3,813
Transfer of impairment charges at beginning of period to stage 1	47	-42	-5	0
Transfer of impairment charges at beginning of period to stage 2	-74	137	-63	0
Transfer of impairment charges at beginning of period to stage 3	-1	-197	198	0
Impairment charges on new loans, etc.	154	37	83	274
Impairment charges on discontinued loans and provisions for guarantees	-109	-80	-176	-365
Effect from recalculation	-95	-7	139	37
Previously recognized as impairment charges, now final loss	0	0	-76	-76
Balance on 30 June 2021	503	546	2,634	3,683

Balance of loan impairment charges and provisions for guarantees 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	83	-74	-9	0
Transfer of impairment charges at beginning of period to stage 2	-12	65	-53	0
Transfer of impairment charges at beginning of period to stage 3	-1	-70	71	0
Impairment charges on new loans, etc.	81	34	72	187
Impairment charges on discontinued loans and provisions for guarantees	-62	-52	-173	-287
Effect from recalculation	63	256	202	521
Previously recognized as impairment charges, now final loss	0	0	-127	-127
Balance on 30 June 2020	487	672	2,936	4,095

Balance of impairment charges by stage - loans at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2021	427	559	2,243	3,229
Transfer of impairment charges at beginning of period to stage 1	39	-35	-4	0
Transfer of impairment charges at beginning of period to stage 2	-56	114	-58	0
Transfer of impairment charges at beginning of period to stage 3	-1	-167	168	0
Impairment charges on new loans, etc.	80	19	62	161
Impairment charges on discontinued loans and provisions for guarantees	-51	-67	-138	-256
Effect from recalculation	-82	-7	64	-25
Previously recognized as impairment charges, now final loss	0	0	-74	-74
Balance on 30 June 2021	356	416	2,263	3,035

Balance of impairment charges by stage - loans at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2020	269	445	2,703	3,417
Transfer of impairment charges at beginning of period to stage 1	74	-65	-9	0
Transfer of impairment charges at beginning of period to stage 2	-11	54	-43	0
Transfer of impairment charges at beginning of period to stage 3	-1	-69	70	0
Impairment charges on new loans, etc.	53	17	35	105
Impairment charges on discontinued loans and provisions for guarantees	-44	-40	-147	-231
Effect from recalculation	43	216	157	416
Previously recognized as impairment charges, now final loss	0	0	-125	-125
Balance on 30 June 2020	383	558	2,641	3,582

DKKm

7 Loan impairment charges and provisions for guarantees, cont.
Balance of impairment charges by stage— loans at fair value

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2021	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 on 30 June 2021	0	1	0	1

Balance of impairment charges by stage— loans at fair value

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

Balance of provisions by stage - guarantees and loan commitments

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2021	153	138	292	583
Transfer of impairment charges at beginning of period to stage 1	8	-6	-2	0
Transfer of impairment charges at beginning of period to stage 2	-18	22	-4	0
Transfer of impairment charges at beginning of period to stage 3	0	-30	30	0
Impairment charges on new loans, etc.	73	18	22	113
Impairment charges on discontinued loans and provisions for guarantees	-57	-12	-39	-108
Effect from recalculation	-13	0	73	60
Previously recognized as impairment charges, now final loss	0	0	-1	-1
Balance on 30 June 2021	146	130	371	647

Balance of provisions by stage - guarantees and loan commitments

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2020	65	68	250	383
Transfer of impairment charges at beginning of period to stage 1	9	-8	-1	0
Transfer of impairment charges at beginning of period to stage 2	-1	11	-10	0
Transfer of impairment charges at beginning of period to stage 3	0	-1	1	0
Impairment charges on new loans, etc.	28	16	39	83
Impairment charges on discontinued loans and provisions for guarantees	-19	-12	-24	-55
Effect from recalculation	21	39	44	104
Previously recognized as impairment charges, now final loss	0	0	-2	-2
Balance on 30 June 2020	103	113	297	513

DKKm

7 Loan impairment charges and provisions for guarantees, cont.
Gross loans, advances and guarantees by stage

	Stage 1	Stage 2	Stage 3	Total
Gross loans, advances and guarantees, 1 January 2021	159,624	5,992	4,610	170,226
Transfer of loans, advances and guarantees to stage 1	669	-654	-15	0
Transfer of loans, advances and guarantees to stage 2	-4,974	5,069	-95	0
Transfer of loans, advances and guarantees to stage 3	-125	-945	1,070	0
Other movements	-660	-458	-480	-1,598
Gross loans, advances and guarantees, 30 June 2021	154,534	9,004	5,090	168,628
Loan impairment charges and provisions for guarantees, total	415	474	2,526	3,415
Net loans, advances and guarantees, 30 June 2021	154,119	8,530	2,564	165,213

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	2,703	-2,507	-196	0
Transfer of loans, advances and guarantees to stage 2	-5,209	5,404	-195	0
Transfer of loans, advances and guarantees to stage 3	-209	-607	816	0
Other movements	3,110	-4,510	-1,695	-3,095
Gross loans, advances and guarantees, 31 December 2020	159,624	5,992	4,610	170,226
Loan impairment charges and provisions for guarantees, total	465	590	2,460	3,515
Gross loans, advances and guarantees, 31 December 2020	159,159	5,402	2,150	166,711

DKKm

7 Loan impairment charges and provisions for guarantees, cont.
Loans, advances and guarantees by stage and internal rating - gross before impairment charges and provisions

		30 June 2021				31 Dec. 2020
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	47,782	146	0	47,928	48,533
2	0.10 - 0.15	12,724	29	0	12,753	11,149
3	0.15 - 0.22	11,401	92	0	11,493	9,574
4	0.22 - 0.33	10,052	91	0	10,143	18,724
5	0.33 - 0.48	20,957	318	0	21,275	10,075
STY Ratings 1 – 5		102,916	676	0	103,592	98,055
6	0.48 - 0.70	17,706	547	0	18,253	20,073
7	0.70 - 1.02	6,786	679	0	7,465	8,831
8	1.02 - 1.48	5,378	765	0	6,143	8,811
9	1.48 - 2.15	10,786	1,574	0	12,360	12,979
10	2.15 - 3.13	8,806	1,077	0	9,883	8,474
11	3.13 - 4.59	452	730	0	1,182	1,890
STY Ratings 6 – 11		49,914	5,372	0	55,286	61,058
12	4.59 - 6.79	288	779	0	1,067	1,005
13	6.79 - 10.21	20	337	0	357	483
14	10.21 - 25.0	36	1,718	0	1,754	3,012
STY Ratings 12-14		344	2,834	0	3,178	4,500
Other		1,322	74	0	1,396	1,919
Non-performing loans		37	49	5,090	5,176	4,694
Total		154,533	9,005	5,090	168,628	170,226

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

		30 June 2021				31 Dec. 2020
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	10	1	0	11	4
2	0.10 - 0.15	19	0	0	19	4
3	0.15 - 0.22	24	0	0	24	14
4	0.22 - 0.33	31	1	0	32	24
5	0.33 - 0.48	41	5	0	46	51
STY Ratings 1- 5		125	7	0	132	97
6	0.48 - 0.70	58	11	0	69	77
7	0.70 - 1.02	46	11	0	57	55
8	1.02 - 1.48	45	20	0	65	92
9	1.48 - 2.15	69	29	0	98	60
10	2.15 - 3.13	50	48	0	98	68
11	3.13 - 4.59	7	33	0	40	86
STY Ratings 6 – 11		275	152	0	427	438
12	4.59 - 6.79	9	59	0	68	63
13	6.79 - 10.21	1	26	0	27	37
14	10.21 - 25.0	2	196	0	198	407
STY Ratings 12-14		12	281	0	293	507
Other		3	30	0	33	14
Non-performing loans		0	4	2,526	2,530	2,459
Total		415	474	2,526	3,415	3,515

DKKm

7 Loan impairment charges and provisions for guarantees, cont.
Loan commitments and unutilised credit facilities by stage and internal rating

		30 June 2021				31 Dec. 2020
		Stage 1	Stage 2	Stage 3	Total	Total
Performing	PD band (%)					
	1	0.00 - 0.10	13,455	0	0	13,455
	2	0.10 - 0.15	5,190	0	0	5,190
	3	0.15 - 0.22	5,363	4	0	5,367
	4	0.22 - 0.33	8,251	6	0	8,257
	5	0.33 - 0.48	4,700	136	0	4,836
STY Ratings 1 – 5		36,959	146	0	37,105	29,757
	6	0.48 - 0.70	6,077	400	0	6,477
	7	0.70 - 1.02	4,847	326	0	5,173
	8	1.02 - 1.48	4,099	386	0	4,485
	9	1.48 - 2.15	2,286	644	0	2,930
	10	2.15 - 3.13	1,531	748	0	2,279
	11	3.13 - 4.59	207	381	0	588
STY Ratings 6 – 11		19,047	2,885	0	21,932	21,401
	12	4.59 - 6.79	98	358	0	456
	13	6.79 - 10.21	28	147	0	175
	14	10.21 - 25.0	14	579	0	593
STY Ratings 12-14		140	1,084	0	1,224	1,543
Other		7	1	0	8	62
Non-performing loans		6	1	516	523	535
Total		56,160	4,117	516	60,793	53,298

Provisions for loan commitments and unutilised credit facilities by stage and internal rating

		30 June 2021				31 Dec. 2020
		Stage 1	Stage 2	Stage 3	Total	Total
Performing	PD band (%)					
	1	0.00 - 0.10	1	0	0	1
	2	0.10 - 0.15	3	0	0	3
	3	0.15 - 0.22	4	0	0	4
	4	0.22 - 0.33	11	0	0	11
	5	0.33 - 0.48	9	0	0	9
STY Ratings 1 – 5		28	0	0	28	19
	6	0.48 - 0.70	14	2	0	16
	7	0.70 - 1.02	12	2	0	14
	8	1.02 - 1.48	12	3	0	15
	9	1.48 - 2.15	10	8	0	18
	10	2.15 - 3.13	7	16	0	23
	11	3.13 - 4.59	1	7	0	8
STY Ratings 6 – 11		56	38	0	94	100
	12	4.59 - 6.79	1	7	0	8
	13	6.79 - 10.21	0	5	0	5
	14	10.21 - 25.0	0	23	0	23
STY Ratings 12-14		1	35	0	36	102
Other		0	0	0	0	1
Non-performing loans		0	0	110	110	76
Total		85	73	110	268	298

DKKm

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

Sector	Loans, advances and guarantees				Balance of loan impairment charges and provisions for guarantees		Loan impairment charges and provisions for guarantees for the period		Loss for the period	
	%	%								
	30 June 2021	End of 2020	30 June 2021	End of 2020	30 June 2021	End of 2020	H1 2021	H1 2020	H1 2021	H1 2020
Public authorities	6	8	10,425	12,629	0	0	0	0	0	0
Agriculture, hunting, forestry, fishing	4	3	6,478	6,003	350	439	-104	-109	5	69
<i>Fishing</i>	1	1	1,797	1,464	3	1	2	1	0	0
<i>Dairy farmers</i>	0	0	459	486	196	203	-19	-35	0	5
<i>Plant production</i>	1	1	2,077	1,965	55	76	-24	-8	0	11
<i>Pig farming</i>	1	1	1,304	1,279	56	89	-36	-31	0	0
<i>Other agriculture</i>	1	0	841	809	40	70	-27	-36	5	53
Manufacturing, mining, etc.	4	3	6,886	5,734	343	295	41	54	0	20
Energy supply	3	3	4,381	4,942	38	40	-4	19	0	9
Building and construction	1	1	2,063	2,398	63	89	-24	13	3	9
Commerce	4	4	7,115	7,138	272	236	35	93	2	4
Transport, hotels and restaurants	3	2	4,142	3,408	128	127	0	27	0	1
Information and communication	0	0	693	614	212	213	-5	-80	0	5
Finance and insurance	45	46	74,488	75,657	589	596	-27	69	11	17
Real property	9	10	14,521	15,543	308	377	-37	86	36	1
<i>Lease of real property</i>	5	6	8,099	9,015	270	280	-13	59	0	1
<i>Buying and selling of real property</i>	1	1	1,967	2,030	11	56	-9	8	36	0
<i>Other real property</i>	3	3	4,455	4,498	27	41	-15	19	0	0
Other sectors	3	3	4,622	4,454	124	133	-3	19	10	19
Corporate clients	76	75	125,389	125,891	2,427	2,545	-128	191	67	154
Personal clients	18	17	29,399	28,191	988	970	16	42	31	27
Unutilised credit lines and loan commitments	0	0	0	0	268	298	-30	97	0	0
Total	100	100	165,213	166,711	3,683	3,813	-142	330	98	181

	DKKm	30 June 2021	31 Dec. 2020	30 June 2020
9	Deposits			
	Demand deposits	108,853	109,827	111,650
	Term deposits	1,237	1,204	1,439
	Time deposits	15,697	16,283	22,879
	Special deposits	4,823	5,386	5,918
	Total	130,610	132,700	141,886

Statement by the Executive and Supervisory Boards

We have today discussed and approved the Interim Financial Report of Jyske Bank A/S for the period 1 January to 30 June 2021.

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

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

In our opinion, the Interim Financial Statements give a true and fair view of the Group's and the Parent's assets, liabilities and financial position at 30 June 2021 and also of their financial performance as well as the cash flows of the Group for the period 1 January to 30 June 2021.

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, 17 August 2021

EXECUTIVE BOARD

ANDERS DAM
Managing Director and CEO

NIELS ERIK JAKOBSEN

PETER SCHLEIDT

PER SKOVHUS

/JENS BORUM
Director, Finance

SUPERVISORY BOARD

KURT BLIGAARD PEDERSEN
Chairman

KELD NORUP
Deputy Chairman

RINA ASMUSSEN

ANKER LADEN-ANDERSEN

BENTE OVERGAARD

PER SCHNACK

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Employee Representative

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Employee Representative

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Employee Representative