Annual Report

2021

JYSKE BANK

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Annual Report 2021

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Jyske Bank Group

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The Jyske Bank Group

Core profit and net profit for the year (DKKm)

	2021	2020	Index 21/20	2019	2018	2017
Net interest income	4,973	4,966	100	5,152	5,505	5,585
Net fee and commission income	2,308	2,091	110	2,311	1,973	2,046
Value adjustments	940	685	137	342	-23	577
Other income	175	130	135	154	463	207
Income from operating lease (net)	256	110	233	101	81	-54
Core income	**8,652**	**7,982**	**108**	**8,060**	**7,999**	**8,361**
Core expenses	4,904	4,848	101	5,029	4,896	5,374
Core profit before loan impairment charges	**3,748**	**3,134**	**120**	**3,031**	**3,103**	**2,987**
Loan impairment charges	-218	968	-	-101	468	-453
Core profit	**3,966**	**2,166**	**183**	**3,132**	**2,635**	**3,440**
Investment portfolio earnings	61	-56	-	-53	505	562
Pre-tax profit	**4,027**	**2,110**	**191**	**3,079**	**3,140**	**4,002**
Tax	851	501	170	639	640	859
Profit for the year	**3,176**	**1,609**	**197**	**2,440**	**2,500**	**3,143**
Interest on AT1 capital, charged against equity	176	168	105	156	127	92

Summary of balance sheet, end of period (DKKbn)

	2021	2020	Index 21/20	2019	2018	2017
Loans and advances	485.2	491.4	*99*	485.9	462.8	447.7
- of which mortgage loans	340.9	343.9	*99*	337.5	326.3	306.8
- of which bank loans	103.3	95.5	*108*	102.1	110.4	113.5
- of which repo loans	41.0	52.0	*79*	46.3	26.1	27.4
Bonds and shares, etc.	85.7	92.9	*92*	91.9	83.2	79.1
Total assets	647.1	672.6	*96*	649.7	599.9	597.4
Deposits	134.2	137.0	*98*	140.2	148.7	160.0
- of which bank deposits	121.5	127.5	*95*	126.9	135.7	139.9
- of which repo and triparty deposits	12.7	9.5	*134*	13.3	13.0	20.1
Issued bonds at fair value	340.3	348.8	*98*	357.0	324.7	302.6
Issued bonds at amortised cost	73.1	63.7	*115*	38.6	35.0	38.9
Subordinated debt	5.5	5.8	*95*	4.3	4.3	4.3
Holders of additional tier 1 capital	3.4	3.3	*103*	3.3	2.5	2.6
Shareholders' equity	34.9	33.3	*105*	32.5	31.8	32.0

Financial ratios

	2021	2020		2019	2018	2017
Earnings per share for the year (DKK)*	42.4	19.8		29.0	28.2	34.7
Earnings per share for the year (diluted) (DKK)*	42.4	19.8		29.0	28.2	34.7
Pre-tax profit as % of average equity*	11.3	5.9		9.1	9.5	12.4
Profit for the year as % of average equity*	8.8	4.4		7.1	7.6	9.7
Expenses as a percentage of income	56.7	60.7		62.4	61.2	64.2
Capital ratio (%)	22.8	22.9		21.5	20.0	19.8
Common equity tier 1 capital ratio (CET1 %)	18.2	17.9		17.4	16.4	16.4
Individual solvency requirement (%)	11.2	11.6		11.2	10.8	10.2
Capital base (DKKbn)	42.9	41.1		39.0	37.7	37.3
Weighted risk exposure (DKKbn)	188.2	179.4		181.4	188.4	188.0
Share price at end of period (DKK)	337	233		243	235	353
Distributed dividend per share (DKK)	0	0		0	11.7	10.9
Book value per share (DKK)*	515	459		434	390	374
Price/book value per share (DKK)*	0.7	0.5		0.6	0.6	0.9
Outstanding shares in circulation ('000)	67,840	72,553		74,841	81,536	85,705
Number of full-time employees, year-end**	3,242	3,318		3,559	3,698	3,932

Relationships between income statement items under 'The Jyske Bank Group' (key financial data) and the IFRS income statement page 29 appear from note 2.

* Financial ratios are calculated as if additional tier 1 capital (AT1) is recognised as a liability, cf. note 68.

** The number of employees at the end of 2021, at the end of 2020, at the end of 2019, at the end of 2018 and at the end of 2017 less 15, 31, 54, 25 and 40 employees, respectively, who are financed externally.

Highlights from 2021

A record-breaking year

Jyske Bank's earnings per share was DKK 42 in 2021.

Jyske Forsikring was born

Personal and corporate clients at Jyske Bank can in future choose from a broad range of insurance solutions.

More and increasingly sustainable investments

- Personal clients' purchase of investment products reached new highs in 2021.
- Net CO_2 neutral investment portfolios not later than 2050.
- Jyske Bank will affect the world's 100 largest CO_2 emitters in a more sustainable direction.

#1

Best at Private Banking – again

Jyske Bank was by Voxmeter named the best bank for private banking for the sixth year running.

More digitalisation, more specialisation

- Fewer physical branches to visit.
- Focus on value-creating and specialised advisory services.
- Tailor-made funding solutions to large corporate clients.
- More functions and overview in Jyske Mobilbank.

More sustainability in own activities

- First bank in Denmark to obtain the highest possible ESG rating at MSCI.
- Jyske Bank's wind turbine virtually offset CO_2 emission concerning power, heat and the bank's cars.

New products for property financing

- Volumes in the Jyske Frihed loan with up to 30-year interest-only option rose above DKK 10 bn in the first year.
- Launch of green mortgage loans and construction loans for corporate clients.

Summary

"Jyske Bank's earnings per share of DKK 42.4 for 2021 is the highest level in the Jyske Bank's history. The earnings reflect a significantly higher level of activity in the Danish economy and favourable financial markets. The effect of targeted initiatives such as deposit rate and fee changes, increasing growth of bank loans, historically good credit quality as well as organisational adjustments also contributed to the results. Moreover, Jyske Bank's employees have demonstrated a high degree of flexibility. Jyske Bank is in a good position also to generate value for clients, employees and shareholders in the coming years, and the bank anticipates that for 2022 it will be able still to report a positive financial development with earnings per share of DKK 40-46. Jyske Bank's capital position is still very solid and form the basis of both consolidation and growth initiatives that are expected to affect Jyske Bank also in the years following 2022," states Anders Dam, Managing Director and CEO.

The year 2021 saw a favourable development of the Danish economy, resulting in a new employment record. The development could be attributed, among other things, to the reopening of the Danish economy, the COVID-19 vaccine rollout and a global economic recovery. The growth prospects for the Danish economy are also positive, even though the COVID-19 pandemic, difficulties recruiting employees in several industries, supply chains under pressure, rising energy prices and commodity shortages contribute to an increased level of uncertainty relating to the future economic trends.

The period with the COVID-19 pandemic and social restrictions have further strengthened the clients' wish to solve their financial needs and requirements digitally. In 2021, Jyske Bank introduced a series of improved functions on the Jyske Mobilbank platform in the form of, among other things, extended self-service solutions relating to e.g. mortgage loans, a comprehensive asset and pension overview as well as Jyske NemInvestering.

In addition to simple and digital access to the Group's services, Jyske Bank also meets its clients' wishes for easily accessible personal and specialised advice. In 2021 Jyske Bank merged several private client branches, which paves the way for a higher degree of specialisation to the advantage of both clients and employees. Also, Jyske Bank was by Voxmeter awarded best at Private Banking for the sixth year on end and received a prize from Jobindex for the highest job satisfaction in the financial sector.

Generally, Jyske Bank has in recent years, focused on optimization of the business through significant income and cost-cutting measures, including reduced deposit rates, changes in the fee structure and major organisational adjustments, for instance in Retail Clients and Business Concepts.

A further initiative that will be introduced as of 1 April 2022 is a new client programme with a view to securing that, in a profitable manner, Jyske Bank can fulfil its promise to all personal clients as regards accessibility, personal and competent advice as well as good and fast service. The client programme will to an increasing degree strengthen the incentive for clients to concentrate their banking activities with Jyske Bank, underpin the loyalty of the most profitable clients and enhance the profitability on clients with a small business volume.

Moreover, Jyske Bank has for certain products and customer segments launched growth initiatives in the business areas. This fuels expectations of higher earnings on private and corporate client business, leasing activities as well as on wealth management. The most recent examples of growth initiatives are the newly established cooperation agreements with the insurance company Købstædernes Forsikring (Jyske Forsikring) and Volvo Car Denmark, both of which got off to a good start in 2021. To this must be added the newly established Debt Solutions department, where competencies from Capital Markets, Corporate Clients and the Legal Division are gathered with a view to meeting the growing demand from large corporate clients for tailored financing arrangements.

In 2021, Jyske Bank was the first Danish bank to achieve the highest possible ESG rating from MSCI. Furthermore, the Jyske Bank Group joined the Net Zero Asset Managers Initiative and is hence obliged to net carbon neutral investments no later than 2050. In order to contribute to this, Jyske Bank will through Climate Action 100+ affect the world's largest corporate carbon emitters. The Group has launched green mortgage loans and construction loans to corporate clients and Jyske Realkredit increased the transparency about the institution's loans to properties and their energy consumption by being a member of Energy Efficient Mortgage Label. Jyske Bank's target for offsetting carbon emission from electricity, heating and own cars was virtually met in 2021.

On the whole, the initiatives ensure that Jyske Bank will have a strong position to grow and still generate value for clients, employees and shareholders, as well as to support consolidation in the Danish banking sector in the years to come.

Earnings per share of DKK 42.4 in 2021

The net profit for the year of DKK 3,176m corresponds to a return on equity of 8.8% p.a. compared to DKK 1,609 m and 4.4% p.a., respectively, in 2020. Earnings per share rose to DKK 42.4 from DKK 19.8. In terms of the number of shares outstanding at the end of the year, earnings per share rose to DKK 44.2 from DKK 19.9. The significantly higher results must be seen in the context of the fact that the results for 2020 were adversely affected by a management's estimate of impairment charges after the outbreak of COVID-19. Add to this, among other things, a favourable development in the financial markets and a broadly based high level of activity in 2021.

Jyske Bank's business volume increased in 2021. Put together, bank loans and advances increased at the highest rate since 2014. Thus, leasing and car financing rose by 11%, particularly fuelled by financing of corporate equipment, while loans and advances under banking activities rose by 7% with increasing growth in lending to corporate clients. Nominal mortgage loans rose by 2% due to higher loans to corporate clients. Bank deposits fell by 5%, which was also primarily caused by corporate clients.

Core income rose by 8% relative to 2020. The increase could primarily be attributed to a growing business volume supplemented by the above-mentioned initiatives relating to deposit rates and fee structure. To this must be added the effects from a high level of activity, favourable financial markets and goods sales conditions in the second-hand car market.

Core expenses rose by 1% compared to 2020. The increase can be attributed to the completion of a new capital market platform in 2021. Adjusted for one-off effects of DKK 165m in 2021 and of DKK 75m in 2020, core expenses fell by 1%. The decrease can primarily be attributed to a 2% reduction in the number of full-time employees. Through tight cost control, Jyske Bank has, for many years, more than compensated for the cost inflation.

Loan impairment charges amounted to an income of DKK 218m despite an increase by DKK 163m to DKK 1,770m of the management's estimate for impairment charges. By comparison, loan impairment charges amounted to an expense of DKK 968m in 2020, when a management's estimate for impairment charges was made due to the COVID-19 pandemic. The credit quality is still very solid with a low level of realised losses and non-performing loans and advances.

Jyske Bank's common equity tier 1 capital ratio was at the end of 2021 calculated at 18.2%, corresponding to an excess capital adequacy of DKK 14.9 bn relative to regulatory requirements. By comparison, Jyske Bank's target range for the common equity tier 1 capital ratio is 15%-17%.

In 2021, Jyske Bank issued senior preferred, senior non-preferred debt as well as subordinated debt and additional tier 1 capital. The issues primarily re-financed redeemed capital and debt instruments over the same period and will result in considerable interest savings for the shareholders in the coming years. Moreover, in 2021, a share repurchases of DKK 1.5 bn was completed. In early February 2022, the current share repurchase programme of DKK 1 bn was raised by DKK 1 bn and extended until 29 July 2022.

Outlook 2022

Jyske Bank anticipates earnings per share at DKK 40-46 for 2022. This corresponds to net profit of DKK 2.7 bn - 3.1 bn as described in the Corporate Announcement No. 4/2022.

For 2022, the business volume is expected to be affected by increasing bank loans as well as increasing nominal mortgage loans, in particular to corporate clients.

Core income may fall in 2022 due to lower value adjustments than in 2021.

Core expenses exclusive of one-off expenses are expected to decline in 2022 compared to 2021.

It is expected that loan impairment charges will amount to an income in 2022.

Why Jyske Bank?

Jyske Bank was founded on the ambition of being an alternative to the traditional and somewhat heavy competitors. We still are.

We have always challenged the financial sector by being one step ahead and having a different approach to customers and the market. We believe that is the best way to create value for clients, employees and shareholders.

Common sense · Honest · Efficiency · Equality · Unpretentious

To be the catfish:

- We run a sustainable and responsible business that challenges and develops the Danish banking market and the surrounding society in a positive direction.
- We are an independent bank with views that makes a difference and creates freedom.
- We ensure balance between clients, employees and shareholders.

We will be at the cutting edge, create value for our clients and offer them an experience beyond the expected

JYSKE BANK

Read furher information about Jyske Bank's foundation, strategy, values, etc. at investor.jyskebank.com/investorrelations/governance/code-of-conduct.

Financial Review

Core profit and net profit for the year (DKKm)

	2021	2020	Index 21/20	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Net interest income	4,973	4,966	100	1,277	1,242	1,230	1,224	1,195
Net fee and commission income	2,308	2,091	110	645	578	509	576	581
Value adjustments	940	685	137	207	128	243	362	278
Other income	175	130	135	26	32	84	33	38
Income from operating lease (net)	256	110	233	72	81	63	40	34
Core income	**8,652**	**7,982**	**108**	**2,227**	**2,061**	**2,129**	**2,235**	**2,126**
Core expenses	4,904	4,848	101	1,388	1,174	1,171	1,171	1,179
Core profit before loan impairment charges	**3,748**	**3,134**	**120**	**839**	**887**	**958**	**1,064**	**947**
Loan impairment charges	-218	968	-	-145	-36	-47	10	5
Core profit	**3,966**	**2,166**	**183**	**984**	**923**	**1,005**	**1,054**	**942**
Investment portfolio earnings	61	-56	-	-21	-22	29	75	157
Pre-tax profit	**4,027**	**2,110**	**191**	**963**	**901**	**1,034**	**1,129**	**1,099**
Tax	851	501	170	178	195	232	246	268
Profit for the year	**3,176**	**1,609**	**197**	**785**	**706**	**802**	**883**	**831**
Interest on AT1 capital, charged against equity	176	168	105	36	52	46	42	42

Profit for the year

For 2021, earnings per share amounted to DKK 42.4 against DKK 19.8 for the previous year, corresponding to a net profit of DKK 3,176m and DKK 1,609m, respectively. In terms of the number of shares outstanding at the end of the year, earnings per share rose to DKK 44.2 from 19.9. The significantly higher results must be seen in the context of the fact that the results for 2020 were adversely affected by a management's estimate of impairment charges after the outbreak of COVID-19. Add to this, among other things, a favourable development in the financial markets and a broadly based high level of activity in 2021.

The profit for 2021 is in line with the most recent expectations announced.

Core income

Relative to 2020, core income rose by 8% to DKK 8,652m, caused by higher value adjustments, among other things.

Net interest income was roughly unchanged in 2021. Hence the effect from the changed deposit rates for personal and corporate clients compensated for the lower net interest income relating to bank loans and excess liquidity.

Net fee and commission income increased by 10% relative to 2020. The increase can be attributed, among other things, to an increase in business volume within asset management and a changed fee structure, including changed full-service client requirements.

Value adjustments increased to DKK 940m from DKK 685m in the preceding year. The year 2021 benefited from a continued high level of activity in the trading area and an exposure to steepening interest rate curves.

Other income rose to DKK 175m from DKK 130m due to gains from the sale of properties in the second quarter of 2021.

Income from operating lease (net) rose to DKK 256m from DKK 110m due to the favourable sales conditions in the used car market and reversal of loan impairment charges.

Core expenses

Core expenses rose by 1% compared to 2020. The reason for the increase was the joint development of a new capital market platform ended in 2021. The remaining capitalised costs were recognized as an additional expense of DKK 165m.

Core expenses (DKKm)

	2021	2020
Staff costs	2,871	2,960
IT costs*	1,492	1,317
Rent, etc.	56	60
Amortisation, depreciation and impairment	107	113
Other operating expenses	378	398
Total	**4,904**	**4,848**

* Of which additional expenses for a new capital market platform amounted to of DKK 165m in 2021. The joint development at Bankdata was completed in 2021.

Adjusted for these as well as expenses in connection with the sale of Jyske Bank (Gibraltar) in 2020, core expenses dropped 1%. The decrease can primarily be attributed to a 2% reduction in the number of full-time employees.

Loan impairment charges

Loan impairment charges amounted to an income of DKK 218m against an expense of DKK 968m in 2020, corresponding to -4 bp and 19 bp, respectively, of loans, advances and guarantees. The considerably lower level of impairment charges must be seen in connection with the management's estimate to meet potential economic consequences of the COVID-19 pandemic in 2020. The level of write-offs in 2021 was at a very low level and so was the proportion of non-performing loans.

Investment portfolio earnings

In 2021, investment portfolio earnings amounted to DKK 61m against DKK -56m in 2020. The positive result can, among other things, be attributed to exposure against steepening interest rate curves and a favourable trend for certain currency positions. By comparison, 2020 was affected by market turmoil following the outbreak of COVID-19. Hedging of additional tier 1 capital instruments in SEK had a negative effect of DKK 22m in 2021 and was offset by a positive adjustment of shareholders' equity.

Investment portfolio earnings (DKKm)

	2021	2020
Net interest income	72	83
Value adjustments	17	-108
Income	**89**	**-25**
Expenses	28	31
Investment portfolio earnings	**61**	**-56**

Q4 2021 compared to Q3 2021

Earnings per share amounted to DKK 10.9 in Q4 against DKK 9.3 in Q3, corresponding to a net profit of DKK 785m and DKK 706m, respectively.

In Q4, core income rose by 8% due to broadly based progress.

Net interest income rose by 3% to DKK 1,277m. This development can partially be attributed to the fact that the rate of interest on corporate clients' demand deposits was lowered by 15 bp p.a. as of 27 November and the variable rate on personal clients' deposits was lowered by 10 bp p.a. as of 25 October. To this must be added the effect from higher net interest income relating to excess liquidity.

Net fee and commission income rose by 12% to DKK 645m. The increased business volume within asset management as well as the seasonally higher income relating to securities trading and custody services supported by positive market returns contributed to the progress.

Value adjustments amounted to DKK 207m against DKK 128m in the preceding quarter. The increase can primarily be attributed to narrowing spreads for Danish mortgage bonds.

Other income fell to DKK 26m from DKK 32m due to lower gains from property sales and share dividends etc.

Income from operating lease (net) fell to DKK 72m from the historically high level of DKK 81m. Sales conditions in the used car market remained favourable in Q4.

Core expenses amounted to DKK 1,388m against DKK 1,174m in the preceding quarter. The increase can be attributed to higher IT expenses, including recognition as an expense of additional costs of DKK 165m relating to the end of the joint development of a new capital market platform in 2021.

Loan impairment charges amounted to an income of DKK 145m against an income of DKK 36m in the preceding quarter even though management's estimates rose by DKK 168m. The low level of impairment charges can be attributed to a continued positive development of the clients' financial situation.

Investment portfolio earnings were roughly unchanged at DKK -21m against DKK -22m in the preceding quarter.

Business volumes

Summary of balance sheet, end of period (DKKbn)	2021	2020	Index 21/20	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Loans and advances	485.2	491.4	99	485.2	482.3	482.3	488.7	491.4
- of which mortgage loans	340.9	343.9	99	340.9	338.5	339.5	339.6	343.9
- of which bank loans	103.3	95.5	108	103.3	97.1	95.3	96.0	95.5
- of which repo loans	41.0	52.0	79	41.0	46.7	47.5	53.1	52.0
Bonds and shares, etc.	85.7	92.9	92	85.7	88.6	85.5	95.4	92.9
Total assets	647.1	672.6	96	647.1	670.5	656.5	682.8	672.6
Deposits	134.2	137.0	98	134.2	136.2	135.1	139.7	137.0
- of which bank deposits	121.5	127.5	95	121.5	122.5	122.3	126.5	127.5
- of which repo and triparty deposits	12.7	9.5	134	12.7	13.7	12.8	13.2	9.5
Issued bonds at fair value	340.3	348.8	98	340.3	338.5	337.8	349.3	348.8
Issued bonds at amortised cost	73.1	63.7	115	73.1	76.0	71.0	75.6	63.7
Subordinated debt	5.5	5.8	95	5.5	5.5	6.5	7.3	5.8
Holders of additional tier 1 capital	3.4	3.3	103	3.4	3.4	4.8	3.3	3.3
Shareholders' equity	34.9	33.3	105	34.9	34.8	34.5	34.0	33.3

In 2021, Jyske Bank's lending (excl. repo) rose by 1% to DKK 444.2 bn. Higher loans, especially to corporate clients, more than compensated for the negative effect on mortgage loans at fair value from lower bond prices.

In 2021, mortgage loans at fair value dropped by 1% to DKK 340.9 bn. Nominal mortgage loans rose by 2% to DKK 338.9 bn as higher lending to corporate clients more than offset the impact of slightly lower lending to personal clients.

With an increase by 8% to DKK 103.3 bn in 2021, bank loans on the whole increased at the highest rate since 2014. Thus, lease financing and car financing rose by 11%, particularly fuelled by financing of commercial equipment, while loans under banking activities rose by 7% with accelerating growth in loans to corporate clients.

In 2021, bank deposits fell by 5% to DKK 121.5 bn. The decline was primarily caused by corporate clients. Bank deposits were DKK 18.2 bn higher than bank loans at the end of 2021.

Assets under management rose to DKK 208 bn at the end of 2021 from DKK 175 bn the previous year. A technically determined change contributed DKK 16 bn to the increase. The underlying development was favourably affected by returns and positive net sales of investment products.

Q4 2021 compared to Q3 2021

In Q4, Jyske Bank's lending (excl. repo) rose by 2%, primarily due to higher bank loans and advances.

Nominal mortgage loans rose by DKK 0.7 bn due to higher loans to corporate clients.

Bank loans rose by 6% due to increasing growth in loans and advances to corporate clients. The increase constitutes the highest quarterly growth in more than a decade.

Bank deposits fell by 1% due to lower deposits from corporate clients.

The assets under management rose by 3% adjusted for a technically determined change in Q4. The increase can be attributed to a positive return as well as positive net sales to both personal clients and institutional clients.

Credit quality

Non-performing loans (DKKbn)

	2021	2020	Index 21/20	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Loans, advances and guarantees	498.9	502.9	99	498.9	495.5	496.1	501.1	502.9
Non-performing loans and guarantees (gross)	8.8	8.6	103	8.8	8.5	8.8	8.4	8.6
Loan impairment charges	3.4	3.3	102	3.4	3.3	3.5	3.3	3.3
Non-performing loans and guarantees (net)	5.4	5.3	102	5.4	5.2	5.3	5.1	5.3
Share of non-performing loans (gross)	1.7%	1.7%	103	1.7%	1.7%	1.8%	1.7%	1.7%
Coverage ratio, non-performing loans	38.6%	38.7%	100	38.6%	38.5%	39.7%	39.2%	38.7%
Share of non-performing loans (net)	1.1%	1.0%	104	1.1%	1.1%	1.1%	1.0%	1.0%
Non-accrual loans and past due exposures	0.5	0.7	71	0.5	0.5	0.5	0.6	0.7
Loan impairment charges	-0.2	1.0	-	-0.2	0.0	0.0	0.0	0.0
Write-offs	0.3	0.7	42	0.1	0.0	0.1	0.1	0.1

Loan impairment charges amounted to an income of DKK 218m in 2021, corresponding to -4 bp of loans, advances and guarantees. The effect on the income statement is distributed with DKK -274m relating to banking activities, DKK 64m relating to mortgage activities and DKK -8m relating to leasing activities. The development can be attributed to the good development of the credit quality in most industries, supported by improved collateral values.

At the end of 2021, non-performing loans amounted to 1.1% of loans, advances and guarantees against 1.0% at the end of 2020. The proportion of loans subject to forbearance fell to 1.5% from 1.6% at end-2020.

The share of loans, advances and guarantees in stage 1 was 94.3% at the end of 2021 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 any objective evidence of credit impairments. 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	
	2021	2020	2021	2020	2021	2020
Stage 1	470.4	479.6	1.0	0.9	0.2	0.2
Stage 2	23.6	18.4	0.8	1.3	3.4	6.5
Stage 3	4.9	4.9	3.4	3.3	40.6	40.3
Total	**498.9**	**502.9**	**5.2**	**5.5**	**1.0**	**1.1**

At the end of 2021, Jyske Bank's balance of loan impairment charges amounted to DKK 5.2 bn, corresponding to 1.0% of loans, advances and guarantees against DKK 5.5 bn and 1.1%, respectively, at the end of 2020.

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

	Loans, advances and guarantees		Impairment ratio	
	2021	2020	2021	2020
Public authorities	**12.8**	**13.1**	**0.0**	**0.0**
Agriculture, hunting, forestry and fishing	7.8	7.0	4.0	6.0
Manufacturing industry and mining	9.5	7.8	4.3	4.0
Energy supply	10.7	6.5	0.4	0.7
Construction	7.8	8.5	1.2	1.4
Commerce	11.7	11.4	2.5	2.3
Transport, hotels and restaurants	6.2	6.3	1.8	2.5
Information and communication	1.1	0.7	11.4	22.3
Financing and insurance	43.6	51.4	1.1	1.2
Real property	163.1	157.6	0.8	0.7
Other sectors	17.9	18.5	1.1	1.2
Corporate clients	**279.4**	**275.7**	**1.2**	**1.3**
Personal clients	**206.7**	**214.1**	**0.9**	**0.9**
Total	498.9	502.9	1.0	1.1

At the end of 2021, impairment charges based on management's estimates amounted to DKK 1,770m against DKK 1,607m at the end of 2020. The effect from the individualisation of a part of the management's estimate in relation to the COVID-19 pandemic for clients without objective evidence of impairment was therefore more than offset by a series of new or increased estimates. Among other things, these involve a more conservative approach to personal clients with overdrawn accounts and clients for whom Jyske Bank has limited insight into their financial situation. To this must be added an estimate of DKK 250m for risks associated with shortage of and rising prices of commodities, lack of qualified labour as well as rising energy prices. Potential derived economic consequences of the COVID-19 pandemic still constitute the largest, individual element of the management's estimates.

Recognition and measurement uncertainty

Measurement of certain assets and liabilities is based on accounting estimates made by the Group management.

The areas that involve assumptions and estimates that are material for the financial statements include loan impairment charges, fair value of unlisted financial instruments and provisions and are described in detail under Accounting Policies (note 67), to which reference is made.

The effect from the COVID-19 pandemic on the credit quality of the Group is difficult to predict, and therefore the uncertainty about the Group's future indication of impairment has increased.

Capital and Liquidity Management

Capital management

Jyske Bank's objective is a capital ratio of 20%-22% and a common equity tier 1 capital ratio of 15%-17%. At these levels, Jyske Bank can absorb the effects from future legislative changes while at the same time having the required strategic scope to participate in the consolidation of the Danish banking sector. As future regulation results in higher capital requirements through increased risk exposure, it is expected that the capital management objective will be fixed at a lower level.

At the end of 2021, Jyske Bank had a capital ratio of 22.8% and a common equity tier 1 capital ratio of 18.2% against 22.9% and 17.9%, respectively, at the end of 2020.

Capital ratios (%)	2021	2020
Capital ratio	22.8	22.9
Tier 1 capital ratio	20.0	19.9
Common equity tier 1 capital ratio	18.2	17.9

The total risk weighted exposure amounted to DKK 188.2 bn at the end of 2021 against DKK 179.4 bn 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 as well as EBA guidelines.

Weighted risk exposure (DKKm)	2021	2020
Credit risk, etc.	163,154	154,452
Market risk	10,723	10,294
Operational risk	14,304	14,680
Total	**188,181**	**179,426**

On 27 August 2021, Jyske Bank completed a share repurchase programme of DKK 750m that had run from 28 January 2021. 2,592,073 shares were bought back under the programme, corresponding to 3.57% of the company's share capital.

On 1 October 2021, Jyske Bank initiated a new share repurchase programme of up to DKK 1 bn, running until 31 March 2022 at the latest. At the end of 2021, DKK 272m was outstanding under the programme.

In early February 2022, the existing share repurchase programme was raised by DKK 1 bn and extended until 29 July 2022. The effect from the new share repurchase programme will be recognised by -0.5 percentage point in the capital ratios in the first quarter of 2022.

A reduction of the share capital by 3,560,778 shares was adopted at the extraordinary general meeting on 6 January 2022. In February 2022, the share capital was reduced to 69.0 million shares.

Capital requirement

The requirements of the total capital base consist of one 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 2021, Jyske Bank's individual solvency requirement was 11.2% 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 15.2%, 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. The countercyclical buffer will be reactivated at the end of the third quarter of 2022 at a rate of 1% and be raised to 2% at the end of 2020. In addition, the Systemic Risk Council expects that in March 2022 it will recommend an increase of the buffer to 2.5%. Hence the implementation will, at the earliest, be effective as of the first quarter of 2023.

Capital requirement (%)	Capital ratio		CET1 ratio	
	2021	2020	2021	2020
Pillar I	8.0	8.0	4.5	4.5
Pillar II	3.2	3.6	1.8	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	**15.2**	**15.6**	**10.3**	**10.6**

Comparing the capital ratio with regulatory requirements, the excess capital adequacy came to 7.6% of the weighted risk exposure, corresponding to DKK 14.3 bn against 7.3% and DKK 13.1 bn, respectively, at the end of 2020.

Excess capital (%)		
	2021	2020
Capital ratio	22.8	22.9
Capital requirement	15.2	15.6
Excess capital	7.6	7.3

Internal stress testing forms an important element of Jyske Bank's assessment of its capital base and objectives. To this must be added external stress tests initiated by both the Danish Financial Supervisory Authority and the EBA. The completed stress tests show that Jyske Bank is sufficiently capitalised and meet the requirements of both the internal and the external stress tests.

Liquidity management

Jyske Bank's biggest source of funding is covered bonds and mortgage bonds, which amounted to DKK 340 bn, corresponding to 53% of the balance sheet at the end of 2021. The second-largest funding source is client deposits of DKK 122 bn, of which a high proportion consists of deposits from small and medium-sized enterprises as well as personal clients.

At the end of 2021, Jyske Bank's liquidity coverage ratio (LCR) was 448%, against 339% at the end of 2020. At the end of the year a seasonal increase of the level was recognised. The Jyske Bank Group's hard 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 2021 is shown below.

Liquidity coverage ratio (LCR)		
	DKKbn	%
Level 1a assets	64.2	60
Level 1b assets	38.2	36
Level 2a + 2b assets	3.9	4
Total	106.3	100

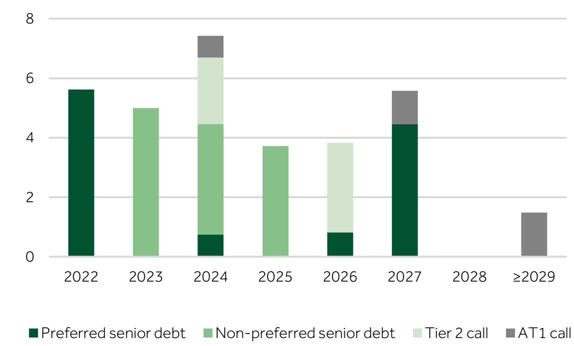
Refinancing profile

The Group is on an on-going basis active in the French CP market. At the end of 2021, the outstanding volume under the CP programme amounted to DKK 51 bn against DKK 42 bn at the end of 2020.

At the of 2021, outstanding preferred senior debt amounted to DKK 24.1 bn against DKK 25.0 bn at the end of 2020. At the end of 2021, outstanding CRD-IV compliant tier 2 and AT1 capital instruments amounted to DKK 5.2 bn and DKK 3.3 bn, respectively, against DKK 4.7 bn and DKK 3.3 bn at the end of 2020.

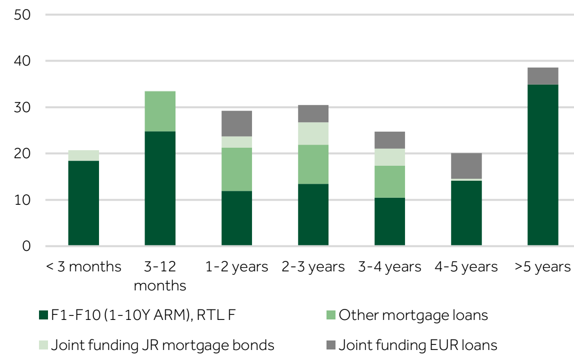
The run-off profile for the Group's preferred senior debt, etc. calculated at the end 2021 is illustrated by the below chart.

Run-off and call date profile (DKKbn)



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

Run-off profile of covered bonds (DKKbn)



MREL

For Jyske Bank, the FSA has stipulated the minimum requirement for own funds and eligible liabilities (MREL) at twice the level of the current capital requirement for the banking activities of the Group and with special treatment of the mortgage activities of the Group. The MREL requirement was determined at 26.3% of the adjusted risk exposure amount. As of the beginning of 2022, the requirement is at 27.3%. To this must be added the combined capital buffer of 4%.

The MREL requirement must primarily be met through non-preferred senior debt (NPS) However, as a consequence of the BRRD2 implementation, 4% senior debt can be included. At the end of 2021, Jyske Bank met the MREL requirement.

Mortgage credit institutions are exempt from MREL but must meet a debt buffer requirement, of 2% of their total unweighted loans. At the end of 2021, Jyske Realkredit met the debt buffer requirement.

Issuance activity and funding plans

In the course 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 -10 bp.
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 +100 bp.
EUR 200m AT1 (value date 04.06.2021)	Perpetual (call 2028)	3M CIBOR +350 bp.
EUR 500m non-preferred green senior debt (02.09.2021)	02.09.2026 (call 2025)	3M CIBOR +30 bp.
EUR 500m preferred senior debt (value date 17.11.2021)	17.02.2028 (call 2027)	3M CIBOR +25 bp.

The Jyske Bank Group's minimum requirement for own funds and eligible liabilities (MREL) was fully phased in at the beginning of 2022. To ensure ongoing compliance with the statutory requirements, inclusive of an internal buffer for statutory requirements, Jyske Bank anticipates to hold MREL eligible debt instruments amounting to about DKK 18 bn - 20 bn, of which DKK 4 bn - 5 bn in the form of preferred senior debt and DKK 14 bn - 15 bn in the form of non-preferred senior debt outstanding in the market.

It is anticipated that, in 2022, an issue of non-preferred senior debt in the amount of EUR 500m will take place. The need for further capital market issues in 2022 will depend on the balance sheet development.

ESG ratings

At the end of 2021, selected providers had rated Jyske Bank in the following way.

ESG ratings	
Provider	Rating
MSCI ESG	AAA
Sustainalytics	Medium Risk
ISS ESG	C-
Moody's ESG Solutions	46
CDP	C

Credit rating

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

S&P credit rating		
Jyske Bank issuer rating	**Rating**	**Outlook**
Stand Alone Credit Profile (SACP)	A-	Stable
Issuer rating (Issuer Credit Rating)	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 (AT1)	BB+	Stable
Jyske Realkredit Bond issues		
Capital Centre E covered bonds	AAA	
Capital Centre B mortgage bonds	AAA	

Upcoming legislation

Jyske Bank is prepared to comply with all known future statutory requirements.

Below is a brief description of the most important legislative changes that are expected to impact Jyske Bank the most in the years to come.

Due to new legislation, capital requirements relating to both market risk and credit risk will increase. The strongest effects are expected in connection with credit risk, where higher capital requirements are expected due to input and output floors relating to Basel III. In addition, higher capital requirements are expected due to the implementation of new EBA guidelines, which took effect on 1 January 2022.

In the autumn of 2021, the EU Commission issued a proposal for CRR3. The proposal did not cause any changes to Jyske Bank's expectations of the effect of new legislation. However, because of the temporary easing in relation to Basel III regarding calculation of the output floor, the output floor is not expected to result in additional capital requirements before the expiry of these in 2032.

The total additional capital requirement in connection with the implementation of Basel III and EBA guidelines is expected to result in a decline of up to 2.5-3.0 percentage points for the common equity tier 1 capital ratio. Jyske Bank's current capital levels are still assessed to be at a comfortable distance to the capital requirements, inclusive of regulatory capital buffers, etc. for both expected and stressed scenarios for capital adequacy assessment.

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	2021	2020
Sum of large exposures <175% of common equity tier 1 capital	110%	82%
Increase in loans and advances <20% annually	8%	-7%
Exposures to property administration and property transactions <25% of total loans and advances	9%	10%
Liquidity benchmark >100%	188%	169%

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

The supervisory diamond for Jyske Realkredit A/S	2021	2020
Concentration risk <100%	46.8%	51.0%
Increase in loans and advances <15% annually in the segment:		
Owner-occupied homes and vacation homes	-1.2%	-2.1%
Residential rental property	8.3%	5.9%
Other sectors	-0.5%	6.6%
Borrower's interest-rate risk <25%		
Residential property	14.9%	16.5%
Interest-only schemes <10%		
Owner-occupied homes and vacation homes	5.6%	6.0%
Loans with frequent interest-rate fixing:		
Refinancing (annually) <25%	15.1%	16.2%
Refinancing (quarterly) <12.5%	1.0%	1.4%

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

Risk and Capital Management 2021

Additional information about Jyske Bank's internal risk and capital management as well as the regulatory capital requirements is available in the report 'Risk and Capital Management 2021', available on investor.jyskebank.com/investorrelations/capitalstructure.

The Jyske Bank Share

Financial ratios and key figures

	2021	2020	2019	2018	2017	2016	2015	2014
Issued shares, end of period ('000)	72,561	72,561	77,554	84,945	89,159	95,040	95,040	95,040
Outstanding shares in circulation, end of period ('000)	67,840	72,553	74,841	81,536	85,705	89,200	94,669	94,988
Dividends paid (DKK bn)	0.0	0.0	0.0	1.0	1.0	0.5	0.0	0.0
Share repurchases (DKK bn)	1.5	0.5	1.6	1.3	1.2	1.6	0.1	0.0
Share price at end of period (DKK)	337	233	243	235	353	337	312	313
Market value, end of period (DKKbn)	24.5	16.9	18.9	20.0	31.5	32.0	29.7	29.7
Earnings per share (DKK)	42.4	19.8	29.0	28.2	34.7	33.5	26.1	35.1
Book value per share (DKK)	515	459	434	390	374	348	317	290
Price/book value per share (DKK)	0.65	0.51	0.56	0.60	0.95	0.97	0.98	1.08

At the end of 2021, the share capital amounted to the nominal amount of DKK 726m. It consisted of 72.6 million shares at a nominal value of DKK 10 in one class of shares. This level is unchanged compared to the level at end of 2020. In February 2022, the share capital was reduced to 69.0 million shares.

All the shares are listed on Nasdaq Copenhagen A/S. The shares are freely transferable, always provided that the transfer of shares to an acquirer who holds or by the acquisition obtains 10% or more of the Group's share capital shall require the consent of the Group, cf. Art.3 of Jyske Bank's Articles of Association. Each share represents one vote. No shareholder can cast more than 4,000 votes on his own behalf.

Subject to a resolution passed at the Annual General Meeting, Jyske Bank's Supervisory Board is authorised to acquire Jyske Bank shares for a sum not exceeding 1/10 of the share capital. According to Art. 4(2) and (3) and Art. 5(1) and (2), the Supervisory Board may increase the Group's share capital by no more than a nominal amount of DKK 200m (20 million shares of a face value of DKK 10).

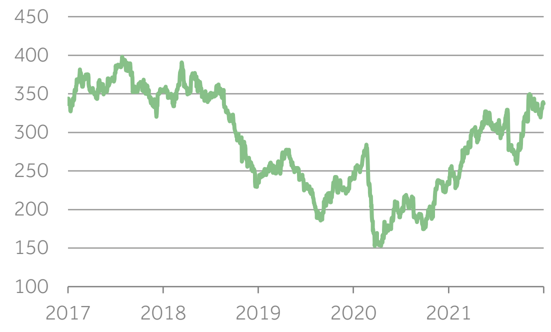
Price development and capital distribution

In 2021, the price of the Jyske Bank share rose from DKK 233.1 to DKK 337.0, corresponding to an increase by 45%.

In 2021, share repurchases in the amount of DKK 1.5 bn were completed, against DKK 0.5 bn in 2020. The increase can be attributed to the fact that the share repurchase was stopped due to the outbreak of COVID-19 in the spring of 2020.

At the end of 2021, the share was covered by 10 analysts.

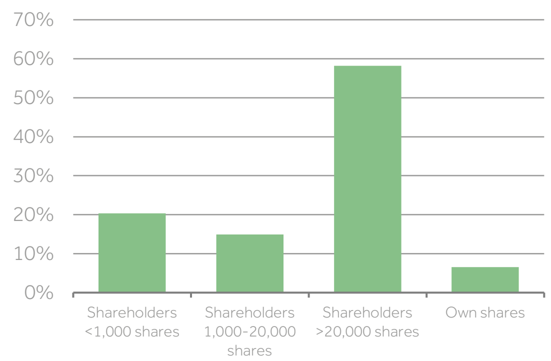
Price development of the Jyske Bank share



Breakdown of share capital

At the end of 2021, the number of shareholders was about 160,000. It is characteristic of Jyske Bank shares that they are distributed among many shareholders, including many Jyske Bank clients. About 72% of the share capital is held by Danish investors.

Shareholders by number of shares



One shareholder reported that it owned more than 5% of the share capital.

At the end of 2021, BRFholding a/s, Kgs. Lyngby, Danmark owned 24.89% of the share capital. BRFholding a/s is a 100% owned subsidiary of

BRFfonden, which has the purpose of doing mortgage business through partial ownership of Jyske Bank.

In addition, at the end of 2021, Jyske Bank A/S owned own shares corresponding to 6.51% of the share capital.

General Meeting

The Annual General Meeting of Jyske Bank will be held in Silkeborg on Tuesday 22 March 2022.

Sustainability

Jyske Bank's approach to sustainability is that "All progress counts". Based on the 17 UN Sustainable Development Goals and the Principles for Responsible Banking, we endeavour to integrate sustainability in our business activities as well as the bank's operations.

This ensures a holistic approach and targets our efforts to the areas where they will have the greatest impact.

Jyske Bank's opportunity to promote sustainability is greatest through business activities, but the foundation is built on responsible banking operations. Hence, promoting sustainability is a Group-wide task to which all employees of Jyske Bank contribute in their daily work.

Sustainable business

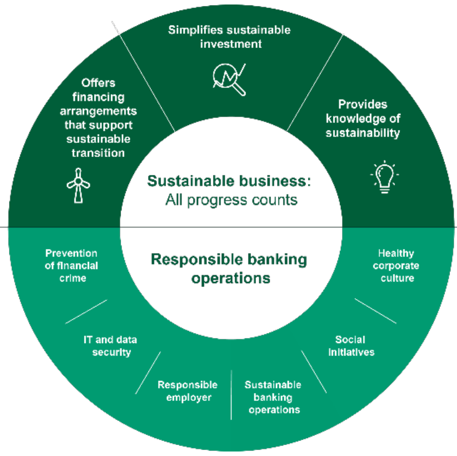
In our business activities, the "All Progress Counts" approach means focusing on supporting client progress and facilitating clients' sustainable choices and decisions through our products, services and advice.

In 2021, the product range within both financing and investment was extended, and in 2022 we will strengthen our focus on sustainability in our dialogue with the clients - because it is through our dialogue with clients that action and results are created.

Our business advisers challenge our corporate clients on a daily basis on how they work with sustainability. In 2021, more than 90,000 personal clients were contacted about energy renovation of their homes.

We offer financing arrangements that support sustainable transition, and in 2021 we increased our business volume within renewable energy, low-energy properties and low-emission vehicles. In Jyske Bank's Green Finance Framework, they are three of five areas that can make significant contributions to reducing CO_2 emissions.

Our clients should find it simple to make sustainable investments, regardless of whether they choose one of Jyske Bank's investment solutions, receive our investment advice, or make their own investments. We increasingly integrate sustainability elements into our broad investment universe. In this connection, our strongest focus is reduction of CO_2 emissions.



By joining the Net Zero Asset Managers Initiative, we have committed ourselves and defined ambitious targets for reductions in connection with the equity and mortgage bond investments we manage.

Through the Climate Action 100+ initiative, we work together with a large number of other significant investors around the world to influence the biggest emitters of greenhouse gases among the global companies in the direction of a sustainable transition.

Jyske Bank strives to make knowledge about sustainability available to our clients and other stakeholders. We focus on establishing communication that "makes us wiser". From knowledge on the more general plan to the very specific plan that is all about the individual's options and priorities. In 2021, using various platforms - webinars, Jyske Bank TV and articles - we added 704 minutes of knowledge about sustainability. All our material can be found online on our websites – available to everyone, whether you are a client of Jyske Bank or not.

Legislation on sustainability

With the EU's taxonomy for environmentally sustainable activities, what can be classified as sustainable will be more consistent and comparable in the future. For 2021 and 2022, the proportion of environmentally sustainable activities in the loan portfolio is reported as well as own investments that are covered by the taxonomy for the first time. As of 2023, the activities that meet the taxonomy criteria must be reported. More and better data about clients' sustainability will be required.

Jyske Bank's Targets for Sustainability

The targets reflect our focus on climate and aim to promote a sustainable transition in both our own and business activities.

In 2022, we will set new targets for our own sustainability in the operation of the bank.

Similarly, we will work to set reduction targets for selected parts of our loan portfolio.

We will finance 5 TWh of renewable energy by 2025.

5 TWh

3.2 TWh

We will finance low-energy commercial property for DKK 50 bn by 2025.

DKK 50 bn

DKK 39 bn

40% of loans for vehicles (goods transport 20%) will be for low-emission vehicles by 2025.

40%

17%

We will reduce the CO2 footprint of our managed equity investments by 75% by 2030 compared to 2019.

75%

50%

We will reduce the CO2 footprint of our funds with investments in Danish mortgage bonds by 40% by 2030 compared to 2019.

40%

Progress for 2021 is not reported as the target is new.

By the end of 2022, we will offset our CO2 emissions from electricity, heating, and the use of bank vehicles with our own production of renewable energy.

6,764 tonnes CO2

6,705 tonnes

Find out more in our Sustainability Report 2021 at investor.jyskebank.com/investorrelations/sustainability

Increased measurability and comparability

We want transparency in and credibility for our approach to sustainability. The aim is for our reporting to give our stakeholders a balanced description of our work and outline progress on our efforts. That is why we undertake impact analyses in order to ensure that we work on the areas with the greatest impact and continuously incorporate more key figures to help increase measurability and comparability.

ESG KPIs

		Unit	2021	2020	2019	2018	2017
Environment	Scope 1	tonne CO_2	655	679	703	-	-
	Scope 2	tonne CO_2	2,249	2,141	2,339	-	-
	Scope 3	tonne CO_2	2,044,198*	2,533	3,094	-	-
	Water consumption	m^3	17,357	-	-	-	
	Energy consumption	GJ	78,957	72,532	78,431	-	-
	Energy intensity per FTE	GJ/FTE	24	22	22	-	-
	Renewable energy share	%	74	75	74		
Social	Full-time workforce	FTE	3,257	3,349	3,614	3,723	3,971
	Gender diversity	%	47.3	48.0	49.3	49.7	51.0
	Gender diversity in management team	%	25.8	26.4	29.4	29.3	30.9
	Pay difference between genders	Times	1.18	1.18	1.18	1.16	1.17
	Employee turnover	%	11.8	14.7	10.7	11.4	9.4
	Sickness-related absence	Days/FTE	5.9	5.3	5.5	5.7	5.6
	Taxes paid	DKKm	1,312	1,153	1,378	1,075	1,289
Governance	Supervisory Board gender diversity	%	44.4	36.4	27.3	33.3	33.3
	Attendance at Board meetings	%	97.7	97.3	93.4	93.1	91.8
	Pay difference between CEO and employees	Times	14.9	14.9	13.8	15.0	16.1

* Emissions from investments, lending and leased assets are incorporated from 2021.

Corporate Governance

Organisation and management
The Supervisory Board and the Executive Board are independent of each other and no person is a member of both the Supervisory Board and the Executive Board.

Annual General Meeting
Shareholders' right to pass resolutions shall be exercised at the Annual General Meeting. Jyske Bank's Articles of Association contain information about notice of the general meeting, the right to propose resolutions to the general meeting and right to participate and vote. The Articles of Association are available at investor.jyskebank.com/investorrelations/general meetings.

Motions to amend the Articles of Association can only be adopted when at least 90% of the voting share capital is represented at the Annual General Meeting and the motion is adopted by ¾ of the votes cast at the Annual General Meeting as well as by ¾ of the voting share capital represented at the Annual General Meeting. Where less than 90% of the voting share capital is represented at the Annual General Meeting, but the motion obtained both ¾ of the votes cast and ¾ of the voting capital represented, and provided the motion was proposed by the Shareholders' Representatives and/or the Supervisory Board Bank, the motion can be adopted at an extraordinary general meeting by the said qualified majority irrespective of the proportion of the share capital represented. Such an extraordinary general meeting shall be convened at the usual notice within 14 days after the first Annual General Meeting. Only the rules applying to amendments of the Articles of Association shall apply to motions to wind up Jyske Bank voluntarily or merge it with other financial institutions where Jyske Bank will not be the surviving company.

Shareholders' Representatives
The Shareholders' Representatives elect from its number six members of the Group Supervisory Board based on the recommendation from Nomination Committee.

The purpose and tasks of the Shareholders' Representatives and the individual Representative are, among other things:

- To be informed about the bank's operations and development plans.
- To contribute knowledge and viewpoints to the positive development of the bank.
- To act as ambassadors based on the bank's set of values.
- To generate added value and cohesion between clients, employees and shareholders.
- To support the bank's role and importance in society.

Shareholders' representatives shall be elected at the Annual General Meeting. Shareholders' Representatives shall be elected for terms of three years. Members can be re-elected.

Supervisory Board
The Supervisory Board shall be in charge of the overall management of the Group and supervise the decisions and arrangements made by the Executive Board.

The Supervisory Board shall on behalf of the shareholders determine the overall strategy and contribute actively to maintaining and developing Jyske Bank's position in the financial sector.

The Supervisory Board consists of
- six members elected by and among the members of the Shareholders' Representatives
- up to two members for election by members in general meeting and who meet the requirements of the Danish FSA in respect of relevant knowledge and experience of supervisory board members of banks, and
- any additional members as required by law (members elected by employees)

Each one of the six members who are elected by and among the Shareholders' Representatives is elected for a three-year period. Additional members elected by members in general meeting to meet the requirements of the FSA in respect of relevant knowledge and experience of supervisory board members are elected for a one-year period. Members can be re-elected. Employee-elected members of the Supervisory Board are elected for a term of four years.

Executive Board
Currently the Executive Board has four members. The number of members is determined by the Supervisory Board. The Executive Board undertakes the day-to-day management of the Group.

Without having the right to vote, the Executive Board attends the meetings of the Shareholders' Representatives and the Supervisory Board.

Further information about the Group's organisation and management is available at investor.jyskebank.com/investorrelations/governance.

Corporate governance

The Group's Supervisory Board has reviewed and monitors the development in the Recommendations issued by the Committee on Corporate Governance.

By and large, the Group's Supervisory Board adheres to the Recommendations for good corporate governance. In the event of deviations, these will often be based on the wish to uphold the balance between shareholders, clients and employees. It is assessed that this wish supports a long-term, balanced development of the Jyske Bank Group.

According to "Nordic Main Market Rulebook for Issuers of Shares" paragraph 2.15, Jyske Bank is under the obligation to give an account of how Jyske Bank and hence the Jyske Bank Group addresses the Recommendations on Corporate Governance issued by the Committee on Corporate Governance. Further information about the Group's work on corporate governance is available at investor.jyskebank.com/investorrelations/governance.

Reports

See investor.jyskebank.com/investorrelations/governance for Jyske Bank's sustainability report and reports on issues such as management's remuneration, and see investor.jyskebank.com/investorrelations/governance/code-of-conduct for policies such as remuneration policy and policy on data ethics.

Other Information

Events after the end of the accounting period

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

Financial calendar 2022

Jyske Bank anticipates releasing financial statements on the following dates in 2022:

Financial calendar 2022	
22 February	Annual Report 2021
3 May	Interim Financial Report, Q1 2022
16 August	Interim Financial Report, H1 2022
1 November	Interim Financial Report, Q1-Q3 2022

COVID-19

The pandemic resulted in an increase in the management's estimate for loan impairment charges, cf. Note 14, due to (1) an increased risk that unhealthy exposures will not be identified, and (2) a sensitivity analysis relating to the expected macroeconomic development. The growing likelihood of clients defaulting on credits due to COVID-19 was incorporated in model-based impairment charges in 2021, and therefore a management's estimate for this part was no longer maintained (2020: DKK 550m). So far, the effect from the pandemic on the level of write-offs is assessed to be limited.

The COVID-19 pandemic also reduced demand for bank loans, and also it triggered wide fluctuations in the financial markets. Extensive restrictions reduced expenses for travels and events, while an increased degree of teleworking may have strengthened trading activities in the housing market for a period. Supply chains under pressure and shortage of semiconductor chips - partially due to the pandemic - may also have contributed to the more favourable sales conditions in the market for used cars.

In addition to the economic consequences, the COVID-19 pandemic may also have had lasting consequences for the increasing digital behaviour on the part of the clients and have affected social conditions and work habits for Jyske Bank's employees.

Due to the high degree of teleworking, Jyske Bank will make sure that all its employees have access to a portable computer. Moreover, a working group "Fællesskab gennem fælles oplevelser" (communal spirit through shared experiences) contributed by launching activities that will add to the coherence at Jyske Bank.

Further information

For further information, please see jyskebank.info. Here you will find an interview with Anders Dam, Managing Director and CEO, detailed financial information as well as Jyske Bank's Annual Report 2021 and Risk and Capital Management 2021, 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.

For further details about Jyske Realkredit, please see Jyske Realkredit's Annual Report 2021.

Business Segments

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

Banking Activities

Summary of income statement (DKKm)	2021	2020	Index 21/20	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Net interest income	2,154	2,155	100	567	538	526	523	499
Net fee and commission income	3,038	2,693	113	834	759	674	771	725
Value adjustments	817	418	195	173	119	211	314	143
Other income	149	95	157	17	24	79	29	27
Core income	**6,158**	**5,361**	**115**	**1,591**	**1,440**	**1,490**	**1,637**	**1,394**
Core expenses	4,343	4,333	100	1,246	1,030	1,030	1,037	1,050
Core profit before loan impairment charges	**1,815**	**1,028**	**177**	**345**	**410**	**460**	**600**	**344**
Loan impairment charges	-274	373	-	-97	-36	-47	-94	62
Core profit	**2,089**	**655**	**319**	**442**	**446**	**507**	**694**	**282**
Investment portfolio earnings	61	-56	-	-21	-22	29	75	157
Pre-tax profit	**2,150**	**599**	**359**	**421**	**424**	**536**	**769**	**439**

Summary of balance sheet, end of period (DKKbn)	2021	2020	Index 21/20	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Loans and advances	122.1	127.6	96	122.1	122.5	121.4	128.8	127.6
- of which bank loans	81.1	75.6	107	81.1	75.8	73.9	75.7	75.6
- of which repo loans	41.0	52.0	79	41.0	46.7	47.5	53.1	52.0
Total assets	253.4	273.1	93	253.4	278.8	266.0	281.4	273.1
Deposits	134.0	136.7	98	134.0	135.9	134.8	139.5	136.7
- of which bank deposits	121.3	127.2	95	121.3	122.2	122.0	126.3	127.2
- of which repo and triparty deposits	12.7	9.5	134	12.7	13.7	12.8	13.2	9.5
Issued bonds	67.9	58.4	116	67.9	71.2	66.4	70.1	58.4

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

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

Pre-tax profit
Pre-tax profit rose to DKK 2,150m in 2021 from DKK 599m in 2020. The considerably higher profit could be attributed to a management's estimate of impairment charges following the outbreak of COVID-19 in 2020 and a favourable development in the financial markets in 2021.

Core income
Core income rose by 15% to DKK 6,158m compared to 2020. The increase can be attributed to favourable financial markets and higher net fee and commission income.

At DKK 2,154m, net interest income was unchanged in 2021. Hence the effect from the changed deposit rates for both personal and corporate clients' deposits compensated for the lower net interest income relating to bank loans and excess liquidity.

Net fee and commission income increased by 13%. The increase can be attributed, among other things, to an increase in business volume within asset management and a changed fee structure, including changed full-service client requirements. Add to this, higher distribution fees received from Jyske Realkredit.

Value adjustments increased to DKK 817m from DKK 418m in the preceding year. The year 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 149m from DKK 95m due to gains from the sale of properties in the second quarter of 2021 and higher share dividends etc.

Core expenses
Core expenses were unchanged compared to 2020. A reduction in the number of full-time employees and lower employee-related expenses contributed to the offsetting of an additional

expense of DKK 165m due to the end of the jointly development of a new capital market platform in 2021.

Loan impairment charges

Loan impairment charges amounted to an income of DKK 274m against an expense of DKK 373m in 2020 when the COVID-19 outbreak gave rise to a higher management's estimate relating to loan impairment charges. 2021 was dominated by a continued positive development in the financial situation of the clients.

Investment portfolio earnings

In 2021, investment portfolio earnings amounted to DKK 61m against DKK -56m in 2020. The positive result can, among other things, be attributed to exposure against steepening interest rate curves and a favourable trend for certain currency positions. By comparison, 2020 was affected by market turmoil following the outbreak of COVID-19. Hedging of additional tier 1 capital instruments in SEK had a negative effect of DKK 22m in 2021 and was offset by a positive adjustment of shareholders' equity.

Business volume

Bank loans grew by 7% in 2021 due to the accelerating growth in loans to corporate clients, which more than offset the continued decline in bank loans to personal clients.

In 2021, bank deposits fell by 5% to DKK 121.3 bn. The decline was primarily caused by corporate clients.

Q4 2021 compared to Q3 2021

In Q4, pre-tax profit amounted to DKK 421m against DKK 424m in Q3.

Core income rose by 10% to DKK 1,591m due to broadly based progress.

Net interest income rose by 5% to DKK 567m. This development can partially be attributed to the fact that the rate of interest on corporate clients' demand deposits was lowered by 15 bp p.a. as of 27 November and the variable rate on personal clients' deposits was lowered by 10 bp p.a. as of 25 October. To this must be added the effect from higher net interest income relating to surplus liquidity.

Net fee and commission income rose by 10% to DKK 834m. The increased business volume within asset management as well as the seasonally higher income relating to securities trading and custody services supported by a positive market return contributed to the progress.

Value adjustments amounted to DKK 173m against DKK 119m in the preceding quarter. The increase can primarily be attributed to narrowing spreads for Danish mortgage bonds.

Other income fell to DKK 17m from DKK 24m due to lower gains from property sales and share dividends etc.

Core expenses rose to DKK 1,246m from DKK 1,030m. The increase can be attributed to higher IT expenses, including recognition as an expense of additional costs of DKK 165m relating to the end of the joint development of a new capital market platform in 2021.

Loan impairment charges amounted to an income of DKK 97m against an income of DKK 36m in the preceding quarter. The reversals were due to a broadly based positive development in the credit quality of the clients.

Investment portfolio earnings were roughly unchanged at DKK -21m against DKK -22m in the preceding quarter.

Mortgage Activities

Summary of Income Statement (DKKm)	2021	2020	Index 21/20	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Administration margin income, etc.[1]	2,343	2,332	100	590	585	584	584	584
Other net interest income	15	36	42	4	2	5	4	13
Net fee and commission income	-706	-603	117	-172	-181	-160	-193	-180
Value adjustments	107	219	49	34	7	21	45	94
Other income	5	13	38	0	5	0	0	3
Core income	1,764	1,997	88	456	418	450	440	514
Core expenses	389	345	113	99	101	97	92	87
Core profit before loan impairment charges	1,375	1,652	83	357	317	353	348	427
Loan impairment charges	64	485	13	-49	11	12	90	-64
Pre-tax profit	1,311	1,167	112	406	306	341	258	491

[1] Administration margin income, etc. covers administration margin income as well as interest rate margin on jointly funded loans.

Summary of balance sheet (DKKbn)	2021	2020	Index 21/20	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Mortgage loans	340.9	343.9	99	340.9	338.5	339.5	339.6	343.9
Total assets	369.0	377.1	98	369.0	367.8	366.6	378.3	377.1
Issued bonds	345.6	354.1	98	345.6	343.3	342.4	354.8	354.1

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

Pre-tax profit
In 2021, pre-tax profit amounted to DKK 1,311m against DKK 1,167m in 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 1,764m in 2021 against DKK 1,997m in the preceding year. The change was due to higher sales commission paid as well as lower value adjustments.

In 2021, administration margin income, etc. was roughly unchanged at DKK 2,343m against DKK 2,332m in 2020. In 2021, mortgage loans stated at nominal value rose by 2% due to higher loans to corporate clients. The downward trend of the average administration margin weakened after having been strengthened during the wave of remortgating, where personal clients remortgaged to fixed-rate loans with a lower administration margin rate and risk.

Other net interest income amounted to DKK 15m in 2021 against DKK 36m in 2020. The decline is due to a lower interest yield on the portfolio of securities.

In 2021, net fee and commission income amounted to DKK -706m against DKK -603m in 2020. The development can be attributed to an increase to DKK 1,136m from DKK 1,047m in distribution fees paid due to a revised contractual basis.

Value adjustments amounted to DKK 107m in 2021 against DKK 219m in the preceding year. Value adjustments relating to the portfolio of securities fell, while also value adjustments relating to core operations fell due to the lower refinancing activity.

Core expenses
In 2021, core expenses amounted to DKK 389m against DKK 345m in 2020. The increase was due to the fact that Jyske Realkredit repatriated the development of IT systems relating to mortgage operations from Jyske Bank in the second quarter of 2021.

Loan impairment charges
In 2021, loan impairment charges dropped to DKK 64m from DKK 485m. The lower level was due primarily to a management's estimate relating to the impairment charges following the outbreak of COVID-19 in the first quarter of 2020.

Business volume
Mortgage loans at fair value fell to DKK 340.9 bn from DKK 343.9 bn at the end of 2020. Nominal mortgage loans rose by 1% to DKK 338.9 bn as higher loans to corporate clients more than offset the impact of a minor decline in loans to personal clients.

For further details about Jyske Realkredit, please see Jyske Realkredit's annual report for 2021.

Q4 2021 compared to Q3 2021

In Q4, pre-tax profit amounted to DKK 406m against DKK 306m in Q3. The change can be attributed to reversal of loan impairment charges in Q4.

Administration margin income, etc. rose by 1% to DKK 590m due to higher loans to corporate clients.

Other net interest income amounted to DKK 4m in Q4 against DKK 2m in Q3. The level was affected by a negative interest yield on the fixed portfolio of securities.

Group external net fee and commission income fell to DKK 81m from DKK 135m, due to seasonally lower refinancing activity. The decline was, however, more than compensated for by lower distribution fees paid, and therefore the total net fee and commission income rose to DKK -172m from DKK -181m

Value adjustments amounted to DKK 34m against DKK 7m in the preceding quarter. The increase could be attributed to higher value adjustments of the portfolio of securities.

Core expenses fell to DKK 99m from DKK 101m in the preceding quarter.

Loan impairment charges amounted to an income of DKK 49m against an expense of DKK 11m in Q3. The reversals in Q4 related mainly to personal clients.

Leasing Activities

Summary of Income Statement (DKKm)	2021	2020	Index 21/20	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Net interest income	461	443	104	116	117	115	113	99
Net fee and commission income	-24	1	-	-17	0	-5	-2	36
Value adjustments	16	48	33	0	2	11	3	41
Other income	21	22	95	9	3	5	4	8
Income from operating lease (net)	256	110	233	72	81	63	40	34
Core income	**730**	**624**	**117**	**180**	**203**	**189**	**158**	**218**
Core expenses	172	170	101	43	43	44	42	42
Core profit before loan impairment charges	**558**	**454**	**123**	**137**	**160**	**145**	**116**	**176**
Loan impairment charges	-8	110	-	1	-11	-12	14	7
Pre-tax profit	**566**	**344**	**165**	**136**	**171**	**157**	**102**	**169**

Summary of balance sheet, end of period (DKKbn)	2021	2020	Index 21/20	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Loans and advances	22.1	19.9	111	22.1	21.3	21.3	20.4	19.9
Total assets	24.7	22.4	110	24.7	23.9	23.9	23.0	22.4
Deposits	0.2	0.2	100	0.2	0.2	0.2	0.2	0.2

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

Pre-tax profit

In 2021, pre-tax profit amounted to DKK 566m against DKK 344m in 2020. The positive development could primarily be attributed to favourable sales conditions in the market for used cars in 2021. On the other hand, 2020 was affected by higher impairment charges following the outbreak of COVID-19.

Net interest income rose by 4% due to a higher lending volume.

Net fee and commission income amounted to an expense of DKK 24m in 2021 against an income of DKK 1m in 2020. This could primarily be attributed to changes relating to fee expenses.

Value adjustments fell to DKK 16m from DKK 48m in the preceding year. The change was due to foreign currency positions.

Income from operating lease (net) rose to DKK 256m from DKK 110m. The significant increase was caused by favourable sales conditions on the market for used cars and reversed loan impairment charges in 2021.

Core expenses rose by 1% relative to 2020.

Loan impairment charges amounted to an income of DKK 8m against an expense of DKK 110m in 2020. The decrease was due primarily to a management's estimate relating to the impairment charges following the outbreak of COVID-19 in the first quarter of 2020.

Business volume

In 2021, loans under leasing activities rose by 11% to DKK 22.1 bn.

Q4 2021 compared to Q3 2021

In Q4, pre-tax profit amounted to DKK 136m against DKK 171m in the preceding quarter.

Net interest income fell by 1% in Q4.

Net fee and commission income fell to DKK -17m from DKK 0m due to changes relating to fee expenses.

Value adjustments fell to DKK 0m from DKK 2m.

Income from operating lease (net) fell to DKK 72m from DKK 81m due to continued favourable sales conditions in the used car market.

In Q4, core expenses were unchanged at DKK 43m.

Loan impairment charges amounted to an expense of DKK 1m against an income of DKK 11m in the preceding quarter due to a continued positive trend in the credit quality of the clients.

Jyske Bank Group

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Note	DKKm	2021	2020
	Income statement		
6, 7	Interest income calculated according to the effective interest method	3,257	3,153
6, 7	Other interest income	5,519	5,839
6, 8	Interest expenses	3,734	3,942
	Net interest income	5,042	5,050
9	Fees and commission income	2,763	2,468
9	Fees and commission expenses	455	377
	Net interest and fee income	7,350	7,141
10	Value adjustments	960	576
11	Other income	931	785
12	Employee and administrative expenses, etc.	4,828	4,777
29,30	Amortisation, depreciation and impairment charges	604	647
14	Loan impairment charges	-218	968
	Pre-tax profit	4,027	2,110
15	Tax	851	501
	Profit for the year	3,176	1,609
	Distributed to:		
	Jyske Bank A/S shareholders	3,000	1,441
	Holders of additional tier 1 capital (AT1)	176	168
	Total	3,176	1,609
	Earnings per share for the year		
16	Earnings per share, DKK	42.41	19.76
16	Earnings per share for the year, DKK, diluted	42.41	19.76
	Proposed dividend per share, DKK	0.00	0.00
	Statement of Comprehensive Income		
	Profit for the year	3,176	1,609
	Other comprehensive income:		
	Items that cannot be recycled to the income statement:		
	Revaluation of real property	6	-5
	Tax on property revaluations over the year	-1	1
	Actuarial losses and gains	12	-2
	Tax on actuarial losses and gains	-3	0
	Items that can be recycled to the income statement:		
	Foreign currency translation adjustment of international units	0	-20
	Hedge accounting of international units	0	20
	Tax on hedge accounting	0	-5
	Other comprehensive income after tax	14	-11
	Comprehensive income for the year	3,190	1,598
	Distributed to:		
	Jyske Bank A/S shareholders	3,014	1,430
	Holders of additional tier 1 capital (AT1)	176	168
	Total	3,190	1,598

Note	DKKm	2021	2020
	BALANCE SHEET		
	ASSETS		
	Cash balance and demand deposits with central banks	30,685	34,951
18	Due from credit institutions and central banks	9,535	10,538
14,19,20	Loans at fair value	342,714	345,699
14,21	Loans and advances at amortised cost	142,500	145,680
23	Bonds at fair value	56,002	66,663
23,24	Bonds at amortised cost	26,953	23,797
26	Shares, etc.	2,708	2,405
30	Property, plant and equipment	4,303	4,495
	Current tax assets	432	391
31	Assets held temporarily with a view to sale	80	165
32	Other assets	31,210	37,864
	Total assets	647,122	672,648
	EQUITY AND LIABILITIES		
	Liabilities		
33	Due to credit institutions and central banks	14,971	30,067
34	Deposits	134,212	136,953
35	Issued bonds at fair value	340,340	348,828
	Issued bonds at amortised cost	73,124	63,697
31	Liabilities in disposal group with a view to sale	4	5
36	Other liabilities	39,341	49,374
37	Provisions	1,351	1,271
38	Subordinated debt	5,513	5,821
	Liabilities, total	608,856	636,016
	Equity		
39	Share capital	726	726
	Revaluation reserve	171	200
	Retained profit	34,014	32,399
	Jyske Bank A/S shareholders	34,911	33,325
	Holders of additional tier 1 capital (AT1)	3,355	3,307
	Total equity	38,266	36,632
	Total equity and liabilities	647,122	672,648

DKKm

Statement of Changes in Equity

	Share capital	Revaluation reserve	Currency translation reserve	Retained profit	Jyske Bank A/S shareholders	AT1 capital*	Total equity
Equity on 1 January 2021	726	200	0	32,399	33,325	3,307	36,632
Profit for the year	0	0	0	3,000	3,000	176	3,176
Other comprehensive income:							
Property revaluations for the year	0	6	0	0	6	0	6
Realised property revaluations	0	-34	0	34	0	0	0
Foreign currency translation for international units	0	0	0	0	0	0	0
Hedge of international units	0	0	0	0	0	0	0
Actuarial losses and gains	0	0	0	12	12	0	12
Tax on other comprehensive income	0	-1	0	-3	-4	0	-4
Other comprehensive income after tax	0	-29	0	43	14	0	14
Comprehensive income for the year	0	-29	0	3,043	3,014	176	3,190
Redemption of additional tier 1 capital	0	0	0	0	0	-1,417	-1,417
Additional tier 1 capital issue	0	0	0	0	0	1,487	1,487
Transaction costs	0	0	0	-15	-15	0	-15
Interest paid on additional tier 1 capital	0	0	0	0	0	-176	-176
Currency translation adjustment	0	0	0	22	22	-22	0
Acquisition of own shares	0	0	0	-2,991	-2,991	0	-2,991
Sale of own shares	0	0	0	1,556	1,556	0	1,556
Transactions with owners	0	0	0	-1,428	-1,428	-128	-1,556
Equity on 31 December 2021	**726**	**171**	**0**	**34,014**	**34,911**	**3,355**	**38,266**
Equity on 1 January 2020	776	205	0	31,472	32,453	3,257	35,710
Profit for the year	0	0	0	1,441	1,441	168	1,609
Other comprehensive income:							
Property revaluations for the year	0	-5	0	0	-5	0	-5
Realised property revaluations	0	-1	0	1	0	0	0
Foreign currency translation for international units	0	0	-20	0	-20	0	-20
Hedge of international units	0	0	20	0	20	0	20
Actuarial losses and gains	0	0	0	-2	-2	0	-2
Tax on other comprehensive income	0	1	0	-5	-4	0	-4
Other comprehensive income after tax	0	-5	0	-6	-11	0	-11
Comprehensive income for the year	0	-5	0	1,435	1,430	168	1,598
Interest paid on additional tier 1 capital	0	0	0	0	0	-168	-168
Currency translation adjustment	0	0	0	-50	-50	50	0
Reduction of share capital	-50	0	0	50	0	0	0
Acquisition of own shares	0	0	0	-1,889	-1,889	0	-1,889
Sale of own shares	0	0	0	1,381	1,381	0	1,381
Transactions with owners	-50	0	0	-508	-558	-118	-676
Equity at 31 December 2020	**726**	**200**	**0**	**32,399**	**33,325**	**3,307**	**36,632**

*Additional tier 1 capital (AT1) has no maturity. Payment of interest and repayment of principal are voluntary. Therefore additional tier 1 capital (AT1) is recognised as equity. In September 2016, Jyske Bank issued AT1 amounting to SEK 1.25bn and AT1 amounting to DKK 500m. The AT1 issue with the possibility of early redemption in September 2021 at the earliest. The interest rates applicable to the issues are STIBOR+5.80% and CIBOR+5.30%, respectively, up to September2021 when the issues are redeemed. 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 1 bn, with the possibility of early redemption in April 2024 at the earliest. The interest rate applicable to the issue until April 2024 is STIBOR+5%. In May 2021, Jyske Bank issued AT1 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.

Note		Jyske Bank Group
DKKm	2021	2020
Capital Statement		
Shareholders' equity	34,911	33,325
Share repurchase programme, non-utilised limit	-272	-750
Prudent valuation	-285	-360
Other deductions	-102	-21
Common equity tier 1 capital	34,252	32,194
Additional tier 1 capital (AT1) after reduction	3,329	3,539
Core capital	37,581	35,733
Subordinated loan capital after reduction	5,275	5,334
Capital base	42,856	41,067
Weighted risk exposure involving credit risk, etc.	163,154	154,452
Weighted risk exposure involving market risk	10,723	10,294
Weighted risk exposure involving operational risk	14,304	14,680
Total weighted risk exposure	188,181	179,426
Capital requirement, Pillar I	15,054	14,354
Capital ratio (%)	22.8	22.9
Tier 1 capital ratio (%)	20.0	19.9
Common equity tier 1 capital ratio (%)	18.2	17.9

For a statement of the individual solvency requirement, please see Risk and Capital Management 2021 or investor.jyskebank.com/investorrelations/capitalstructure.

Risk and Capital Management 2021 was not covered by the audit.

Note		Jyske Bank Group
DKKm	2021	2020
Cash Flow Statement		
Profit for the year	3,176	1,609
Adjustment for non-cash operating items, etc.		
Loan impairment charges	-218	968
Amortisation, depreciation and impairment charges	604	647
Unrealised value adjustment of securities	27	59
Unrealised value adjustment of investments	-2	11
Interest not paid and received	-69	-119
Other outstanding operating items	192	429
Tax charged to the income statement	851	501
Taxes paid	-873	-952
Total	3,688	3,153
Change in working capital		
Loans	6,383	-6,447
Deposits	-2,741	-3,282
Issued bonds	940	16,932
Receivables from credit institutions	-243	5
Due to credit institutions	-15,096	789
Other assets and liabilities	3,983	1,186
Total	-6,774	9,183
Cash flows from operating activities	-3,086	12,336
Dividend	56	55
Acquisition of property, plant and equipment	-1,029	-1,153
Sale of property, plant and equipment	623	537
Cash flows from investment activities	-350	-561
Additional tier 1 capital issue	1,472	0
Redemption of additional tier 1 capital	-1,417	0
Interest paid on additional tier 1 capital	-176	-168
Acquisition of own shares	-2,991	-1,889
Sale of own shares	1,556	1,381
Addition and repayment of subordinated debt	-274	1,479
Repayment on lease commitment	-72	-73
Cash flows from financing activities	-1,902	730
Cash flow for the year	-5,338	12,505
Cash and cash equivalents, beginning of period	45,489	33,276
Foreign currency translation adjustment of cash at bank and in hand	-174	-292
Cash flow for the year, total	-5,338	12,505
Cash and cash equivalents, end of period	39,977	45,489
Cash and cash equivalents, end of period, comprise:		
Cash balance and demand deposits with central banks*	30,685	34,951
Due in less than three months from credit institutions and central banks, cf. Note 17	9,292	10,538
Cash and cash equivalents, end of period	39,977	45,489
Liabilities due to financing activities**	Subordinated debt	
Carrying amount, beginning of period	5,821	4,327
Change in exchange rates	0	7
Change in fair value of the hedged interest-rate risk	-35	8
Cash flow from repayments	-1,738	-11
Cash flow from issues	1,465	1,490
Recognised value, end of period	5,513	5,821

* Distributed on cash balance DKK 190m and demand deposits at central banks DKK 30,495m (2020: cash balance DKK 354m and demand deposits at central banks DKK 34,597m).
**Lease commitments from financing activities, beginning of 2021: DKK 374m, interest for the year: DKK 9m, repayments for the year: DKK 72m, remeasurement for the year: DKK 45m, additions during the year: DKK 29m, lease commitment, end of 2021: DKK 385m
Lease commitments from financing activities, beginning of 2020: DKK 369m, interest for the year: DKK 10m, repayments for the year: DKK 73m, remeasurement for the year: DKK 71m, outflow for the year: DKK 3m, lease commitment, end of 2020: DKK 374 million

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Note		2021	2020	2019	2018	2017
1	Financial ratios and key figures					
	Pre-tax profit, per share (DKK)*	54.42	26.63	37.11	35.74	44.42
	Earnings per share (DKK)*	42.41	19.76	29.00	28.15	34.66
	Earnings per share (diluted) (DKK)*	42.41	19.76	29.00	28.15	34.66
	Core profit per share (DKK)*	53.57	27.40	37.79	29.76	38.03
	Share price at end of period (DKK)	337	233	243	235	353
	Book value per share (DKK)*	515	459	434	390	374
	Price/book value per share (DKK)*	0.65	0.51	0.56	0.60	0.95
	Price/earnings per share*	7.9	11.8	8.4	8.4	10.2
	Proposed dividend per share (DKK)	0	0	0	6.12	5.85
	Distributed dividend per share (DKK)	0	0	0	11.74	10.85
	Outstanding shares in circulation ('000)	67,840	72,553	74,841	81,536	85,705
	Average number of shares in circulation ('000)	70,748	72,911	78,771	84,282	88,010
	Capital ratio (%)	22.8	22.9	21.5	20.0	19.8
	Tier 1 capital ratio (%)	20.0	19.9	19.4	18.0	18.0
	Common equity tier 1 capital ratio (%)	18.2	17.9	17.4	16.4	16.4
	Pre-tax profit as a pct. of average equity*	11.3	5.9	9.1	9.5	12.4
	Net profit as a percentage of average equity*	8.8	4.4	7.1	7.6	9.7
	Income/cost ratio (%)	1.8	1.3	1.6	1.5	1.7
	Interest-rate risk (%)	1.3	0.8	0.5	1.0	0.8
	Currency position	2.5	4.7	12.8	8.2	4.6
	Currency risk (%)	0.0	0.1	0.0	0.1	0.1
	Liquidity Coverage Ratio (LCR) (%)	448	339	243	219	189
	Total large exposures (%) **	122.9	96.6	95.1	86.2	-
	Accumulated impairment ratio (%)	1.0	1.1	1.0	1.1	1.1
	Impairment ratio for the year (%)	0.0	0.2	0.0	0.1	0.0
	Increase in loans and advances for the year, excl. repo loans (%)	1.1	0.0	0.7	3.9	8.1
	Loans and advances in relation to deposits	3.7	3.6	3.5	3.1	2.8
	Loans relative to equity	12.7	13.4	13.6	13.5	12.9
	Return on capital employed	0.5	0.2	0.4	0.4	0.5
	Number of full-time employees, year-end	3,257	3,349	3,614	3,723	3,971
	Average number of full-time employees in year	3,296	3,482	3,690	3,838	3,993

Reference is made to definitions of financial ratios, cf. note 68.
* Ratios are calculated as if additional tier 1 capital (AT1) is recognised as a liability.
** Statement of sum of total large exposures was changed in 2018. Comparative figures for 2017 have not been calculated.

DKKm

2 Segmental financial statements

	Banking activities	Mortgage activities	Leasing activities	The Jyske Bank Group*
2021				
Net interest income	2,154	2,358	461	4,973
Net fee and commission income	3,038	-706	-24	2,308
Value adjustments	817	107	16	940
Other income	149	5	21	175
Income from operating lease (net)	0	0	256	256
Core income	6,158	1,764	730	8,652
Core expenses	4,343	389	172	4,904
Core profit before loan impairment charges	1,815	1,375	558	3,748
Loan impairment charges	-274	64	-8	-218
Core profit	2,089	1,311	566	3,966
Investment portfolio earnings	61	0	0	61
Pre-tax profit	2,150	1,311	566	4,027
Loans and advances	122,131	340,943	22,140	485,214
- of which mortgage loans	0	340,943	0	340,943
- of which bank loans	81,087	0	22,140	103,227
- of which repo loans	41,044	0	0	41,044
Total assets	253,420	369,035	24,667	647,122
Deposits	133,994	0	218	134,212
- of which bank deposits	121,300	0	218	121,518
- of which repo and triparty deposits	12,694	0	0	12,694
Issued bonds	67,898	345,567	0	413,465
2020				
Net interest income	2,155	2,368	443	4,966
Net fee and commission income	2,693	-603	1	2,091
Value adjustments	418	219	48	685
Other income	95	13	22	130
Income from operating lease (net)	0	0	110	110
Core income	5,361	1,997	624	7,982
Core expenses	4,333	345	170	4,848
Core profit before loan impairment charges	1,028	1,652	454	3,134
Loan impairment charges	373	485	110	968
Core profit	655	1,167	344	2,166
Investment portfolio earnings	-56	0	0	-56
Pre-tax profit	599	1,167	344	2,110
Loans and advances	127,648	343,852	19,879	491,379
- of which mortgage loans	0	343,852	0	343,852
- of which bank loans	75,689	0	19,879	95,568
- of which repo loans	51,959	0	0	51,959
Total assets	273,148	377,132	22,368	672,648
Deposits	136,723	0	230	136,953
- of which bank deposits	127,231	0	230	127,461
- of which repo and triparty deposits	9,492	0	0	9,492
Issued bonds	58,418	354,107	0	412,525

* The relationship between income statement items under 'The Jyske Bank Group' (key financial data) and the income statement page 29 appears from the next page.

DKKm

2 Segmental financial statements, cont.

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

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

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

Internal allocation
Internal transactions are based on market conditions, and services are allocated according to agreed volume of consumption and under reference to calculated unit prices in accordance with the rules about transfer pricing. Cash transactions are settled via intercompany accounts, follow the money-market rate and are adjusted accordingly.

Assets and liabilities are presented in the segments that obtain or lose the relevant financial advantages.

Core profit and investment portfolio earnings
The pre-tax profit for 2021 broken down by core earnings and investment portfolio earnings is stated below:

Breakdown of the profit for the year
DKKm

	2021				2020			
	Core profit	Investment portfolio earnings	Reclas-sification	Total	Core profit	Investment portfolio earnings	Reclas-sification	Total
Net interest income	4,973	72	-3	5,042	4,966	83	1	5,050
Net fee and commission income	2,308	0	0	2,308	2,091	0	0	2,091
Value adjustments	940	17	3	960	685	-108	-1	576
Other income	175	0	3	178	130	0	11	141
Income from operating lease (net)	256	0	497	753	110	0	534	644
Income	**8,652**	**89**	**500**	**9,241**	**7,982**	**-25**	**545**	**8,502**
Expenses	4,904	28	500	5,432	4,848	31	545	5,424
Profit before loan impairment charges	**3,748**	**61**	**0**	**3,809**	**3,134**	**-56**	**0**	**3,078**
Loan impairment charges	-218	0	0	-218	968	0	0	968
Pre-tax profit	**3,966**	**61**	**0**	**4,027**	**2,166**	**-56**	**0**	**2,110**

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 year 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 29.

2 **Segmental financial statements, cont.**

Reclassification relates to the following:

- Income of DKK 3m (2020: expenses of DKK 1m) due to value adjustments relating to the balance principle at Jyske Realkredit was reclassified from value adjustments to interest income.
- Income of DKK 3m (2020: Income of DKK 11m) from external revenue was reclassified from income to offsetting against expenses.
- Depreciation and amortisation of DKK 497m (2020: DKK 534m) were reclassified from expenses to income from operating lease (net).

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

"Earnings per share", "Earnings per share (diluted)", "Pre-tax profit as a percentage of average equity" and "Net profit as a percentage of average equity" are calculated as if additional tier 1 capital is recognised as a liability. In the numerator, the profit is less interest expenses for additional tier 1 capital of DKK 176m (2020: DKK 168m) and the denominator is calculated as equity exclusive of additional tier 1 capital of DKK 3,355m (2020: DKK 3,307m).

"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 is accounted for as a liability. Book value was calculated exclusive of additional tier 1 capital of DKK 3,355m (2020: DKK 3,307m).

Note			Jyske Bank Group
	DKKm	**2021**	2020
3	**Segment information, income by product**		
	Corporate clients	**3,104**	2,978
	Personal clients	**2,172**	2,148
	Trading income	**2,322**	1,864
	Other	**1,642**	1,524
	Total	**9,240**	8,514

The item Corporate clients consists of interest and fee income from activities with corporate clients. The item Personal clients consists of interest and fee income from activities with personal clients. Trading income consists of earnings from interest-rate and currency products as well as brokerage.

The Group has no single client who contributes 10% or more of the total income.

4 **Segment information, income by geography**

The Group's sum of net interest and fee income and value adjustments amounted to DKK 8,310m (2020: DKK 7,717m), which is distributed with DKK 8,288m (2020; DKK 7,675m) for Denmark and DKK 22m (2020: DKK 42m) internationally.

Geographical segments are listed according to where transactions are booked.

5 **Segment information, sales by country**

2021	Revenue	Pre-tax profit	Tax	Profit for the year	Public subsidies	Full-time employees, end of period
Denmark	12,391	4,017	849	3,168	0	3,233
Gibraltar	0	0	0	0	0	0
Germany	20	10	2	8	0	9
Total	12,411	4,027	851	3,176	0	3,242
2020						
Denmark	12,159	2,102	499	1,603	0	3,310
Gibraltar	28	4	1	3	0	0
Germany	14	4	1	3	0	8
Total	12,201	2,110	501	1,609	0	3,318

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

6 Net interest income and value adjustments

	Interest income	Interest expenses	Net interest income	Dividends	Value adjustments*	Total
2021						
Financial portfolios at amortised cost						
Due from and to credit institutions and central banks	-94	84	-178	0	18	-160
Loans, advances and deposits	1,927	-581	2,508	0	0	2,508
Bonds	120	0	120	0	0	120
Issued bonds	0	102	-102	0	107	5
Subordinated debt	0	114	-114	0	35	-79
Other financial instruments	0	9	-9	0	0	-9
Total	1,953	-272	2,225	0	160	2,385
Financial portfolios at fair value through profit or loss						
Bonds	181	0	181	0	-410	-229
Shares, etc.	0	0	0	56	266	322
Derivatives, etc.	259	-49	308	0	348	656
Total	440	-49	489	56	204	749
Financial portfolios designated at fair value margins through profit						
Loans and issued bonds	5,020	2,692	2,328	0	398	2,726
Total	5,020	2,692	2,328	0	398	2,726
Foreign currency translation adjustments	0	0	0	0	198	198
Total net interest income and value adjustments after offsetting of negative interest	**7,413**	**2,371**	**5,042**	**56**	**960**	**6,058**
Negative interest income set off against interest income	417	417	0	0	0	0
Negative interest expenses set off against interest expenses	946	946	0	0	0	0
Total net interest income and value adjustments before offsetting of negative interest	**8,776**	**3,734**	**5,042**	**56**	**960**	**6,058**
2020						
Financial portfolios at amortised cost						
Due from and to credit institutions and central banks	16	129	-113	0	-15	-128
Loans, advances and deposits	2,091	-379	2,470	0	0	2,470
Bonds	130	0	130	0	0	130
Issued bonds	0	144	-144	0	-41	-185
Subordinated debt	0	110	-110	0	-9	-119
Other financial instruments	0	24	-24	0	0	-24
Total	2,237	28	2,209	0	-65	2,144
Financial portfolios at fair value through profit or loss						
Bonds	230	0	230	0	164	394
Shares, etc.	0	0	0	55	246	301
Derivatives, etc.	295	-90	385	0	147	532
Total	525	-90	615	55	557	1,227
Financial portfolios designated at fair value margins through profit						
Loans and issued bonds	5,189	2,963	2,226	0	-115	2,111
Total	5,189	2,963	2,226	0	-115	2,111
Foreign currency translation adjustments	0	0	0	0	199	199
Total net interest income and value adjustments after offsetting of negative interest	**7,951**	**2,901**	**5,050**	**55**	**576**	**5,681**
Negative interest income set off against interest income	379	379	0	0	0	0
Negative interest expenses set off against interest expenses	662	662	0	0	0	0
Total net interest income and value adjustments before offsetting of negative interest	**8,992**	**3,942**	**5,050**	**55**	**576**	**5,681**

*Comparative figures have been restated according to new method.

Note	DKKm	2021	2020
7	**Interest income**		
	Due from credit institutions and central banks	-94	16
	Loans and advances	4,991	5,418
	Administration margin	1,957	1,862
	Bonds	430	478
	Derivatives, total	258	295
	Of which currency contracts	294	298
	Of which interest-rate contracts	-36	-3
	Total	7,542	8,069
	Interest on own mortgage bonds, set off against interest on issued bonds	129	118
	Total after offsetting of negative interest	7,413	7,951
	Negative interest income set off against interest income	417	379
	Negative interest expenses set off against interest expenses	946	662
	Total before offsetting of negative interest income	8,776	8,992
	Of which interest income calculated according to the effective interest method	3,257	3,153

Negative interest income amounted to DKK 417m (2020: DKK 379m) and relates primarily to repo transactions. In the above table, negative interest income is set off against interest income. In the income statement, negative interest income is listed as interest expenses, and negative interest expenses are listed as interest income.

Note	DKKm	2021	2020
8	**Interest expenses**		
	Due to credit institutions and central banks	84	129
	Deposits	-581	-379
	Issued bonds	2,924	3,225
	Subordinated debt	114	110
	Other	-41	-66
	Total	2,500	3,019
	Interest on own mortgage bonds, set off against interest on issued bonds	129	118
	Total after offsetting of negative interest	2,371	2,901
	Negative interest expenses set off against interest expenses	946	662
	Negative interest income set off against interest income	417	379
	Total before offsetting of negative interest income	3,734	3,942

Negative interest expenses amounted to DKK 946m (2020: DKK 662m) 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.

Note	DKKm	2021	2020
9	**Fees and commission income**		
	Securities trading and custody services	1,422	1,314
	Money transfers and card payments	251	173
	Loan application fees	458	424
	Guarantee commission	108	109
	Other fees and commissions	524	448
	Fees and commissions received, total	2,763	2,468
	Fees and commissions paid, total	455	377
	Fee and commission income, net	2,308	2,091

Jyske Bank's fee and commission income was finally calculated at the end of the year, when the bank's obligation to deliver had been fulfilled and also the client's payment had been effected. Hence there remains no material balances of contractual assets and liabilities. The fee income for the year amounting to DKK 2,763m less the fees and commissions paid for the year and commission expenses of DKK 455m constitute the net fee and commission income for the year in the amount of DKK 2,308m (2020: DKK 2,091m). These are recognised in the segmental financial statements for the bank's three business areas, cf. note 2. Loan application fees received relating to financial instruments measured at amortised cost amounted to DKK 214m (2020: DKK 198m). Fee and commission income from asset management activities and other activities entrusted to the bank that entail management or investment of assets on behalf of individuals, funds, pension funds and other institutions amounted to DKK 792m. (2020: DKK 716m).

Note	DKKm	2021	2020
10	**Value adjustments**		
	Loans at fair value	-8,741	1,600
	Bonds	-410	164
	Shares, etc.	266	246
	Currency	198	199
	Currency, interest-rate, share, commodity and other contracts as well as other derivatives	327	133
	Issued bonds	9,246	-1,756
	Other assets and liabilities	74	-10
	Total	960	576

Note	DKKm	2021	2020
11	**Other income**		
	Income on real property	42	44
	Profit on the sale of property, plant and equipment	39	2
	Income from operating lease[1]	753	644
	Dividends, etc.	56	55
	Profit/loss on investments in associates	2	-11
	Other income	39	51
	Total	931	785

[1]) Expenses relating to operating leases affected the item Amortisation, depreciation and impairment charges in the amount of DKK 497m in 2021 against DKK 534m in 2020.

Note			Jyske Bank Group
	DKKm	**2021**	2020
12	**Employee and administrative expenses**		
	Employee expenses		
	Wages and salaries, etc.	**2,229**	2,319
	Pensions	**266**	290
	Social security	**342**	326
	Total	**2,837**	2,935
	Salaries and remuneration to management bodies		
	Executive Board*	**36**	36
	Supervisory Board	**7**	8
	Shareholders' Representatives	**3**	2
	Total	**46**	46

*Salaries and remuneration to the Executive Board include value of company car, etc. as well as the retirement remuneration earned over the year in the amount of DKK 1.7m (2020: DKK 1.7m). Variable remuneration to the Executive Board totalled DKK 0.0m (2020: DKK 0.0m).

Details of the individual remuneration of the members of the Executive Board and the Supervisory are stated in the organisation and management report, available on investor.jyskebank.com/investorrelations/governance.

The members of the Supervisory Board and the Executive Board are not offered any incentive programmes. No member of the Supervisory Board or the Executive Board is specifically remunerated as a member of the board in any group enterprise. Members of the Executive Board are not separately remunerated as members of supervisory boards or board of directors outside the Group (for instance, sector companies). Alternatively, such remuneration will be set off against the salary of the individual member of the Executive Board.

Members of the Executive Board as well as Jyske Bank can mutually terminate the employment subject to a term of notice of six months. Where Jyske Bank terminates the employment, a severance pay equalling the past 24 months' pay, inclusive of any retirement remuneration from Jyske Bank's Pensionstilskudsfond will also be given.

The Group does not pay any separate pension contribution for the members of the Supervisory Board and the Executive Board in addition to the remuneration stated in the financial statements.

Jyske Bank's Pensionstilskudsfond is a fund which offers supplementary pensions to current and former members of the Executive Board and their surviving relatives, if any. Payment will commence upon the resignation of the individual member of the Executive Board. Since 1 January 2011, members of the Executive Board do not qualify for any further rights to pension supplements from Jyske Bank's Pensionstilskudfond apart from a one-off payment in the form of a seniority-dependent retirement remuneration not exceeding 83.33% of the annual salary at the time of resignation, cf. the above table showing the total remuneration of the Executive Board. The retirement remuneration will be maximised when a member reaches 25 years of seniority, however, as regards Peter Schleidt and Per Skovhus when they reach 10 years of seniority. In the event of lower seniority at the time of resignation, the retirement remuneration will be reduced proportionally according to the shorter seniority. The pension liabilities of Jyske Bank's Pensionstilskudsfond are calculated actuarially and based on a number of assumptions. To the extent the value of Jyske Bank's Pensionstilskudsfond's assets does not match the net present value of the liabilities, the remaining amount has been recognised as a liability in the financial statements. See notes 37 and 62 for further details.

	DKKm	2021	2020
12	**Employee and administrative expenses, cont.**		
	Other administrative expenses		
	IT	1,492	1,317
	Other operating expenses	164	187
	Other administrative expenses	289	292
	Total	1,945	1,796
	Employee and administrative expenses, total	4,828	4,777
	Average number of employees for the financial year (full-time employees)	3,296	3,482
	Average number of members of the Executive Board	4.0	4.0
	Average number of members of the Supervisory Board	9.5	11.0
	Specification of wages and salaries, etc.		
	Wages and salaries and other short-term employee benefits	2,219	2,313
	Other long-term employee benefits	10	6
	Total	2,229	2,319
	Remuneration of material risk takers		
	Number of members over the year	105	109
	Number of members at year-end	100	96
	Contractual remuneration	131	123
	Variable remuneration	4	4
	Pension	14	13

The group comprises employees (exclusive of the Executive Board) with a special impact on the Group's risk profile.
The group does not participate in any incentive schemes. Remuneration is included in the period during which the employee was a material risk taker.

		2021	2020
13	**Audit fees**		
	Total fees to Jyske Bank A/S's auditors elected at the Annual General Meeting and to auditors in the subsidiaries in and outside Denmark	10	11
	Breakdown of audit fees:		
	Fee for statutory audit of the financial statements	4	4
	Fee for other assurance services	1	1
	Fee for tax advice	0	0
	Fee for other services	5	6

In addition to fees to the auditors elected at the Annual General Meeting, expenses were recognised for Internal Audit.

Fees for non-audit services rendered 2021 to the Jyske Bank Group cover review in connection with continual recognition of profit, submission of various statutory declarations as well as assistance for validation of the bank's credit models.

DKKm	2021	2020
14 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 year	-121	847
Impairment charges on balances due from credit institutions for the year	-6	8
Provisions for loan commitments and unutilised credit lines in the year	-23	164
Recognised as a loss, not covered by loan impairment charges and provisions	92	201
Recoveries	-126	-199
Recognised discount for acquired loans*	-34	-53
Loan impairment charges and provisions for guarantees recognised in the income statement	-218	968
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 year	-145	1,011
Recognised as a loss, covered by loan impairment charges and provisions	-221	-539
Other movements	48	62
Balance of loan impairment charges and provisions, end of period	5,443	5,761
Loan impairment charges and provisions for guarantees at amortised cost	3,120	3,563
Loan impairment charges at fair value	1,685	1,630
Provisions for guarantees	358	263
Provisions for credit commitments and unutilised credit lines	280	305
Balance of loan impairment charges and provisions, end of period	5,443	5,761

* The discount balance for loans and advances taken over amounts to the expected credit losses at the initial recognition at fair value. Subsequent positive changes to the expected credit losses during the term are recognise as income and stated under loan impairment charges and provisions for guarantees.

The discount balance for loans and advances taken over is not included in the balance of loan impairment charges and provisions for guarantees.

The contractual balances outstanding for financial assets that were written off as losses in 2021 and that are still attempted to be recovered amounted to DKK 313m (2020: DKK 740m).

DKKm

14 **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	319	-290	-29	**0**
Transfer of impairment charges at beginning of period to stage 2	-82	217	-135	**0**
Transfer of impairment charges at beginning of period to stage 3	-3	-299	302	**0**
Impairment charges on new loans, etc.	409	177	327	**913**
Impairment charges on discontinued loans and provisions for guarantees	-215	-263	-695	**-1,173**
Effect from recalculation	-319	-17	499	**163**
Previously recognized as impairment charges, now final loss	-1	-3	-217	**-221**
Balance of loan impairment charges and provisions for guarantees, end of 2021	1,081	923	3,439	**5,443**

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	267	-230	-37	**0**
Transfer of impairment charges at beginning of period to stage 2	-28	138	-110	**0**
Transfer of impairment charges at beginning of period to stage 3	-3	-224	227	**0**
Impairment charges on new loans, etc.	351	286	383	**1,020**
Impairment charges on discontinued loans and provisions for guarantees	-174	-281	-492	**-947**
Effect from recalculation	-144	526	618	**1,000**
Previously recognized as impairment charges, now final loss	-1	-7	-531	**-539**
Balance of loan impairment charges and provisions for guarantees, end of 2020	973	1,401	3,387	**5,761**

In general, impairment charges at the Jyske Bank Group still developed favourably in 2021. This resulted in a decline in the balance of impairment charges, and it was also reflected in the stage migrations, which were small and showed a trend towards improving credit quality. The transfer of impairment charges from stage 2 to stage 3 related primarily to a few client segments and not a general and broad movement in the portfolio. The items of *new loans and advances, etc.* and *discontinued loans and advances, etc.* were affected by natural refinancing and remortgaging. The period only saw minor model adjustments, and the write-offs of losses are at a low level.

On the whole, in 2021, gross loans fell slightly, and stage migrations were fairly limited. Loans in stage 1 fell slightly, while they rose in stage 2. This development was fuelled, among other things, by a partial model implementation of the expectations of the effects from the covid-19 pandemic, where a part of the portfolio is segmented from stage 1 to stage 2, due to the increased probability of default.

DKKm

14 Loan impairment charges and provisions for guarantees, cont.

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	112	-91	-21	**0**
Transfer of impairment charges at beginning of period to stage 2	-52	146	-94	**0**
Transfer of impairment charges at beginning of period to stage 3	-2	-188	190	**0**
Impairment charges on new loans, etc.	205	69	90	**364**
Impairment charges on discontinued loans and provisions for guarantees	-99	-138	-380	**-617**
Effect from recalculation	-116	-36	162	**10**
Previously recognized as impairment charges, now final loss	0	-1	-199	**-200**
Balance of loan impairment charges and provisions for guarantees, end of 2021	575	407	2,138	**3,120**

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	127	-98	-29	**0**
Transfer of impairment charges at beginning of period to stage 2	-18	97	-79	**0**
Transfer of impairment charges at beginning of period to stage 3	-2	-118	120	**0**
Impairment charges on new loans, etc.	180	66	230	**476**
Impairment charges on discontinued loans and provisions for guarantees	-76	-81	-416	**-573**
Effect from recalculation	-8	276	244	**512**
Previously recognized as impairment charges, now final loss	-1	-1	-510	**-512**
Balance of loan impairment charges and provisions for guarantees, end of 2020	527	646	2,390	**3,563**

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	181	-175	-6	**0**
Transfer of impairment charges at beginning of period to stage 2	-14	48	-34	**0**
Transfer of impairment charges at beginning of period to stage 3	-1	-81	82	**0**
Impairment charges on new loans, etc.	97	79	52	**228**
Impairment charges on discontinued loans and provisions for guarantees	-50	-101	-99	**-250**
Effect from recalculation	-181	-13	290	**96**
Previously recognized as impairment charges, now final loss	0	-2	-17	**-19**
Balance of loan impairment charges and provisions for guarantees, end of 2021	335	373	977	**1,685**

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	127	-120	-7	**0**
Transfer of impairment charges at beginning of period to stage 2	-8	20	-12	**0**
Transfer of impairment charges at beginning of period to stage 3	-1	-101	102	**0**
Impairment charges on new loans, etc.	98	210	117	**425**
Impairment charges on discontinued loans and provisions for guarantees	-74	-183	-45	**-302**
Effect from recalculation	-162	176	325	**339**
Previously recognized as impairment charges, now final loss	0	-7	-19	**-26**
Balance of loan impairment charges and provisions for guarantees, end of 2020	303	618	709	**1,630**

DKKm

14 Loan impairment charges and provisions for guarantees, cont.

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	27	-24	-3	**0**
Transfer of impairment charges at beginning of period to stage 2	-16	23	-7	**0**
Transfer of impairment charges at beginning of period to stage 3	0	-31	31	**0**
Impairment charges on new loans, etc.	108	28	183	**319**
Impairment charges on discontinued loans and provisions for guarantees	-66	-24	-215	**-305**
Effect from recalculation	-21	32	46	**57**
Previously recognized as impairment charges, now final loss	0	0	-1	**-1**
Balance of loan impairment charges and provisions for guarantees, end of 2021	175	143	320	**638**

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	12	-11	-1	**0**
Transfer of impairment charges at beginning of period to stage 2	-1	21	-20	**0**
Transfer of impairment charges at beginning of period to stage 3	0	-5	5	**0**
Impairment charges on new loans, etc.	73	11	35	**119**
Impairment charges on discontinued loans and provisions for guarantees	-24	-16	-31	**-71**
Effect from recalculation	26	74	49	**149**
Previously recognized as impairment charges, now final loss	0	0	-2	**-2**
Balance of loan impairment charges and provisions for guarantees, end of 2020	143	139	286	**568**

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	5,581	-5,463	-118	**0**
Transfer of loans, advances and guarantees to stage 2	-12,766	13,336	-570	**0**
Transfer of loans, advances and guarantees to stage 3	-701	-1,866	2,567	**0**
Other movements	-1,144	-1,286	-1,779	**-4,209**
Gross loans, advances and guarantees, 31 December 2021	471,338	24,447	8,315	**504,100**
Loan impairment charges and provisions for guarantees, total	961	826	3,376	**5,163**
Net loans, advances and guarantees, 31 December 2021	470,377	23,621	4,939	**498,937**

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**

DKKm

14 Loan impairment charges and provisions for guarantees, cont.

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

		31 December 2021				31 Dec. 2020
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	54,146	233	0	**54,379**	42,948
2	0.10 - 0.15	16,818	42	0	**16,860**	12,598
3	0.15 - 0.22	34,134	49	0	**34,183**	29,391
4	0.22 - 0.33	29,753	649	0	**30,402**	35,681
5	0.33 - 0.48	108,798	331	0	**109,129**	95,135
STY Ratings 1 – 5		243,649	1,304	0	**244,953**	215,753
6	0.48 - 0.70	80,752	383	0	**81,135**	92,862
7	0.70 - 1.02	60,087	1,090	0	**61,177**	66,384
8	1.02 - 1.48	39,925	1,250	0	**41,175**	41,790
9	1.48 - 2.15	25,599	3,000	0	**28,599**	34,252
10	2.15 - 3.13	10,657	2,182	0	**12,839**	16,591
11	3.13 - 4.59	4,513	2,948	0	**7,461**	8,937
STY Ratings 6 – 11		221,533	10,853	0	**232,386**	260,816
12	4.59 - 6.79	2,628	3,130	0	**5,758**	5,648
13	6.79 - 10.21	1,588	3,033	0	**4,621**	4,623
14	10.21 - 25.0	482	5,456	0	**5,938**	8,532
STY Ratings 12-14		4,698	11,619	0	**16,317**	18,803
Other		1,400	345	0	**1,745**	4,452
Non-performing loans		58	326	8,315	**8,699**	8,485
Total		471,338	24,447	8,315	**504,100**	508,309

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

		31 December 2021				31 Dec. 2020
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	30	3	0	**33**	4
2	0.10 - 0.15	23	0	0	**23**	5
3	0.15 - 0.22	64	0	0	**64**	14
4	0.22 - 0.33	73	2	0	**75**	30
5	0.33 - 0.48	149	7	0	**156**	106
STY Ratings 1 - 5		339	12	0	**351**	159
6	0.48 - 0.70	119	10	0	**129**	144
7	0.70 - 1.02	119	16	0	**135**	103
8	1.02 - 1.48	121	24	0	**145**	166
9	1.48 - 2.15	113	49	0	**162**	127
10	2.15 - 3.13	62	45	0	**107**	106
11	3.13 - 4.59	29	73	0	**102**	166
STY Ratings 6 – 11		563	217	0	**780**	812
12	4.59 - 6.79	24	87	0	**111**	131
13	6.79 - 10.21	21	118	0	**139**	196
14	10.21 - 25.0	11	359	0	**370**	806
STY Ratings 12-14		56	564	0	**620**	1,133
Other		3	13	0	**16**	32
Non-performing loans		0	20	3,376	**3,396**	3,320
Total		961	826	3,376	**5,163**	5,456

DKKm

14 Loan impairment charges and provisions for guarantees, cont.

Loan commitments and unutilised credit facilities by stage and internal rating

Performing	PD band (%)	31 December 2021 Stage 1	Stage 2	Stage 3	Total	31 Dec. 2020 Total
1	0.00 - 0.10	11,019	0	0	**11,019**	9,209
2	0.10 - 0.15	7,317	0	0	**7,317**	5,634
3	0.15 - 0.22	11,042	1	0	**11,043**	5,293
4	0.22 - 0.33	10,385	10	0	**10,395**	6,253
5	0.33 - 0.48	6,926	52	0	**6,978**	5,532
STY Ratings 1 – 5		46,689	63	0	**46,752**	31,921
6	0.48 - 0.70	11,683	124	0	**11,807**	12,790
7	0.70 - 1.02	5,382	295	0	**5,677**	4,306
8	1.02 - 1.48	7,701	323	0	**8,024**	7,728
9	1.48 - 2.15	2,284	423	0	**2,707**	3,012
10	2.15 - 3.13	1,794	214	0	**2,008**	2,497
11	3.13 - 4.59	150	328	0	**478**	1,365
STY Ratings 6 – 11		28,994	1,707	0	**30,701**	31,698
12	4.59 - 6.79	497	223	0	**720**	756
13	6.79 - 10.21	40	66	0	**106**	199
14	10.21 - 25.0	474	491	0	**965**	1,317
STY Ratings 12-14		1,011	780	0	**1,791**	2,272
Other		953	54	0	**1,007**	764
Non-performing loans		37	13	352	**402**	540
Total		77,684	2,617	352	**80,653**	67,195

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

Performing	PD band (%)	31 December 2021 Stage 1	Stage 2	Stage 3	Total	31 Dec. 2020 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	13	0	0	**13**	2
4	0.22 - 0.33	17	0	0	**17**	6
5	0.33 - 0.48	14	1	0	**15**	10
STY Ratings 1 – 5		48	1	0	**49**	20
6	0.48 - 0.70	18	2	0	**20**	23
7	0.70 - 1.02	15	4	0	**19**	13
8	1.02 - 1.48	12	5	0	**17**	22
9	1.48 - 2.15	13	7	0	**20**	20
10	2.15 - 3.13	3	6	0	**9**	9
11	3.13 - 4.59	2	8	0	**10**	14
STY Ratings 6 – 11		63	32	0	**95**	101
12	4.59 - 6.79	1	3	0	**4**	6
13	6.79 - 10.21	1	2	0	**3**	4
14	10.21 - 25.0	0	56	0	**56**	89
STY Ratings 12-14		2	61	0	**63**	99
Other		5	2	0	**7**	8
Non-performing loans		0	0	66	**66**	77
Total		118	96	66	**280**	305

14 Loan impairment charges and provisions for guarantees, cont.

Management's estimates

In addition to the calculations of impairment charges, a management's assessment is performed of the impairment models and the ability of the expert-assessed impairment calculations to take into consideration the future economic development. To the extent that it is assessed that circumstances and risks are not included in the models, an addition to the impairment calculations is made which is based a management's estimate. This estimate is based on specific observations and is calculated on the basis of the expected risks of the specific sub-portfolios.

At the end of 2021, the Jyske Bank Group's management's estimates totalled DKK 1,770m (2020: DKK 1,607m).

DKKm	2021	2020
Corporate Clients		
Limited financial insight	40	40
Deteriorated supply chains, rising energy prices, etc.	250	0
Value of agricultural assets and pork prices	90	110
Brexit risk to fishing	0	40
The sensitivity of the commercial property to low hurdle rates	100	0
Corporate clients, total	480	190
Personal clients		
Limited financial insight	240	95
Expiry of instalment-free period	25	42
Default/overdraft	100	0
Value of foreign properties (Key-Plan)	90	80
Personal clients, total	455	217
COVID-19		
Risk designation in the portfolio	725	1,060
Scenario effect (non-linearity)	110	140
COVID-19, total	835	1,200
Management's estimates, total	1,770	1,607

It is essential that the basis of the management's estimates is well-founded on realistic circumstances and expectations that are not fully recognized in the impairment charges calculated. Documentation and determination will always consist of a coherent chain of reasoning between the well-founded circumstances and the expectation of loss. The determination can usually be supported by data and is based on the specific sub-portfolio, yet it may also be based on an estimate of the effect. At least once a year, the management's estimates are reassessed on the basis of updated controls and analyses of the specific areas.

14 **Loan impairment charges and provisions for guarantees, cont.**

The table below elaborates on the rationale as, well as the method of the individual estimates, also including a statement of which sub-portfolios the management's estimates relate to.

Area	*Rationale*	*Method of measurement, material assumptions and method*	*Sub-portfolio*
Corporate Clients			
Limited financial insight	Ongoing internal controls through spot checking indicate incurred circumstances/risks that have not yet been registered in the Group's systems and/or the clients' financial statements. For instance, loss on major orders, bad debts, inventories, etc. Management's estimates are reassessed at least once a year on the basis of the controls carried out.	It is established that the identified circumstances are in the nature of risks that have not yet been registered and risks that are no longer relevant, yet still registered. The impairment effect is estimated by scaling the results of the spot checks up to the portfolio.	Relating to the of corporate portfolio of the entire Group in stages 1 and 2.
Deteriorated supply chains, rising energy prices, etc.	In the wake of the past year's economic circumstances with high demand and a high level of activity in Denmark, a shortage of commodities and qualified labour has incurred at the same time as energy prices have increased. These are challenges making strong demands on the companies' ability to be flexible, to change procurement strategies, to adjust prices and to navigate in a changing market place.	Therefore it is right now necessary to handle the risk based on a portfolio perspective. It must be assumed that lack of identification of any risk at client level will have the result that the stage segmentation is incorrect. The impairment effect derived from the higher risk is calculated for the relevant sub-portfolio, which is defined as the corporate portfolio in Jyske Bank. It is also assumed that the risk will not be materially increased for the clients with the best credit quality (PD level). Therefore the management's estimate is calculated by simulating a corresponding deterioration of the portfolio similar to the one applied to the calculation of the management's estimate for "COVID-19: Risk designation in the portfolio", yet on the other hand by making the calculation for all corporate clients with PD>1%.	Relating to the of corporate portfolio of Jyske Bank in stages 1, 2 and 3.
The value of agricultural assets and low pork prices	(A) The recent forced sales of agricultural assets (primarily properties), to which the bank has contributed, indicate that the valuation of the bank's collateral values for properties of clients in financial difficulties were lower than expected due to lack of maintenance. (B) Moreover, the risk associated with pig farmers is right now heightened due to the very low pork prices. The management's estimate for agriculture shows a small decline in the financial year 2021 due to a lower level of loans to weak and non-performing agricultural clients.	(A) The additional indication of impairment relating to agricultural assets was estimated on the basis of the experience from recent years trading of agricultural assets for clients with objective evidence of impairment. (B) The additional indication of impairment relating to pig farmers was estimated by simulating a deterioration of the credit quality for a subset of the pig farmers.	(A) Relating to Jyske Bank's portfolio of agricultural clients in stages 2 and 3. (B) Relating to Jyske Bank's portfolio of pig farmers in stages 1, 2 and 3.

14 Loan impairment charges and provisions for guarantees, cont.

Area	*Rationale*	*Method of measurement, material assumptions and method*	*Sub-portfolio*
Corporate clients, cont.			
Brexit risk to fishing	It was in 2020 assessed that the risk of a hard Brexit would be able to affect Jyske Bank's loans and advances to the fishing industry and related industries.	An overall analysis of the largest loans and advances to fishing and related industries indicated an additional indication of impairment of DKK 40m at the end of 2020. The portfolio has subsequently been reviewed and classified correctly as regards risk, and therefore the management's estimate was reduced to DKK 0 in the course of 2021.	Relating to specific clients within fishing in stages 1 and 2.
The sensitivity of the commercial property to low hurdle rates	Recently, Danmarks Nationalbank (the central bank of Denmark), the Danish Financial Supervisory Authority, and the Danish Economic Councils warned about the risk of the economy overheating. Even though, generally, there are no indications of the market overheating, it is assessed that the probability of negative price corrections for commercial properties is on the increase, and therefore the impairment models are not to a sufficient degree able to detect this risk in connection with mortgage loans. Rising inflation will affect the interest-rate level and the return expected by investors in the 10 to 20-year term. This may put upward pressure on the required rate of return, which - all other things being equal - will cause prices to fall. The return on residential and commercial property is at a historically low level, which renders prices more sensitive to changes in return.	The additional indication of impairment is estimated through a medium-stress scenario for falling property prices. The extent of properties that will then have a negative equity (LTV >100) and negative liquidity will be included in the calculation of the expected loss. The estimate is associated with considerable uncertainty, including the probability whether or not the scenario materialises. Therefore a probability of 30% has been associated with the result.	Relating to Jyske Realkredit's portfolio with rental properties in stages 1 and 2 (without objective evidence of impairment).
Personal clients			
Limited financial insight	Ongoing internal controls through spot checking indicate incurred circumstances/risks that have not yet been registered in the Group's systems. Management's estimates are reassessed at least once a year on the basis of the controls carried out.	It is established that the identified circumstances are in the nature of risks that have not yet been registered and risks that are no longer relevant, yet still registered. The impairment effect is estimated by scaling the results of the spot checks up for the portfolio.	Relating to the entire Jyske Bank Group's portfolio of personal clients in stages 1 and 2.

14 Loan impairment charges and provisions for guarantees, cont.

Area	*Rationale*	*Method of measurement, material assumptions and method*	*Sub-portfolio*
Personal clients, cont.			
Expiry of instalment-free period	Once the instalment-free period expires, personal clients have several options available subject to the economic situation and the current LTV level. Risks will arise when the client's financial circumstances no longer justify continuation of the instalment-free option. The number of clients for whom the instalment-free period expires will increase over the coming years. At least once a year, the management's estimate is reassessed on the basis of current data about the extent of loans with expiry of the instalment-free period.	The additional indication of impairment was estimated on the basis of the past experience of losses and calculated for loans for which the instalment-free period will expire over the coming four years.	Relating to Jyske Realkredit's portfolio of personal clients in stages 1 and 2.
Default/overdraft	In February 2021, the Danish Financial Supervisory Authority (FSA) conducted an inspection of the Jyske Bank Group's credit portfolio and loan impairment charges. The FSA's report concluded that the Bank's handling of overdrafts was not satisfactory. In consequence of this, a number of personal clients with overdraft should be ranked in higher stages (due to material default).	The additional indication of impairment was estimated on the basis of a spot check in a qualified population. At the review of the spot check, the indication of impairment was calculated on the basis of a changed risk classification. The impairment effect is estimated by scaling the results of the spot checks up for the portfolio.	Relating to Jyske Bank's portfolio of personal clients in stages 1 and 2.
Value of foreign properties (Key-Plan)	The recent forces property sales relating to risk-classified clients in the Bank's Keyplan Mortgage portfolio (portfolio of loans secured against private property in Spain, Portugal and France) indicate a risk that future property sales will take place a prices significantly below the property valuation. The reason for this is the frequent long legal processing of the cases in combination with poor maintenance. At least once a year, the management's estimate is reassessed on the basis of current data about the extent of loans to weak and non-performing clients in the Keyplan Mortgage portfolio.	A management's estimate has been made of the effect from using lower sales values (higher haircuts). The method is sensitive to the extent of the haircuts chosen.	Relating to the sub-portfolio of Keyplan mortgage loans in stage 3.

14 Loan impairment charges and provisions for guarantees, cont.

Area	*Rationale*	*Method of measurement, material assumptions and method*	*Sub-portfolio*
COVID-19			
Risk designation in the portfolio	The progress of the pandemic leads to uncertainty about the economic setback. Naturally, government rescue packages will support healthy and unhealthy exposures, which makes it more difficult to identify unhealthy exposures. In the current situation, it is more difficult to identify weak clients at an early stage due to the large liquidity packages from the government. See also 1) below.	The additional indication of impairment relating to the lack of risk designation was estimated by simulating deterioration of the credit quality for clients that will find it most difficult to handle repayments. These are defined as client with a PD>3%.	Relating to the entire portfolio of the Group in stages 2 and 3.
Scenario effect (non-linearity)	With a view to ensuring that the impairment model allows for non-linear effects from improving and deteriorating economic trends, analyses have been performed where several scenarios are explicitly included in the calculation. The analyses quantify the effect from weighting scenario-specific impairment calculations, where each scenario allows for various economic trends. See also 2) on page 56.	The additional indication of impairment has been calculated through a full performance of the impairment calculation (model) in various scenarios relating to PD and valuation of collateral. The results are weighted according to assessed probability, cf. 2) on page 56.	Relating to the entire portfolio of the Group in stages 1 and 2.

As the management's estimates are based on a number of estimates, expert assessments and internal analyses, there will naturally be an acceptable outcome space for the statements.

Management's estimate for COVID-19
The COVID-19 outbreak and economic consequences derived from this affect the calculation of the expected future loss. The Jyske Bank Group assesses that a rather lengthy process is to be expected for a return to economic conditions comparable with the pre-covid-19 conditions. It is therefore still relevant as well as true and fair to incorporate long-term expectations of the economic development in the determination of impairment charges.

To cover the risk derived from COVID-19, the PDs applied were calibrated on the basis of the default levels observed in 2019 in combination with internal analyses and macroeconomic forecasts for the development of the economy. The calibration of the PD parameters derived from COVID-19 was incorporated in the model-based impairment charges in 2021 and means that the effect will be used directly in the stage segmentation, and therefore a management's estimate for this part will no longer be maintained (2020: DKK 550m). After the incorporation it is no longer possible to determine the COVID-19 effect seen in isolation, as the PD projections also include effects from other credit events in the portfolio. The level of calibration is continuously reassessed, among other things, in connection with updates of macro-economic forecasts from Danmarks Nationalbank, the central bank of Denmark.

In addition, the expected risk of loss from COVID-19 has been incorporated through the following:

1. Increased risk of lack of identification of unhealthy exposures in the portfolio due to liquidity from government rescue packages.
2. Quantification of non-linear effects in scenario-specific impairment calculations (sensitivities relating to the base line scenario)

On the whole, these two factors result in a management-determined addition to the impairment charges in the amount of DKK 835m (2020: DKK 650m). The higher increase in impairment charges can be attributed to shifts in the portfolios.

(1) The progress of the pandemic leads to uncertainty about the economic setback. Naturally, government rescue packages will support healthy and unhealthy exposures, which makes it more difficult to identify unhealthy exposures. In the current situation, it is more difficult to identify weak clients at an early stage due to the large liquidity packages from the government. Also in 2021, the Group conducted a number analyses at client level with a view to assessing the change in credit risk. Only to a limited extent did the surveys give rise to a downgrade of risk classification. It is assessed, however, that an effect of the rescue packages is that of concealing the actual position of a number of clients. Therefore it is also likely that currently the portfolio includes unhealthy exposures that have not yet been identified. In order to address this risk, a sensitivity analysis has been performed of the expected loss under a scenario where a part of the portfolio migrates to higher stages. In addition, allowance is made for risk that the collateral values for these may be overestimated. Naturally, the analysis is associated with great uncertainty due to the extraordinary situation. Consequently, an amount of DKK 725m (2020: DKK 510m) was recognised as a management's estimate of an increase in impairment charges. See also the section below on management's estimates.

14 **Loan impairment charges and provisions for guarantees, cont.**

(2) The macroeconomic forecasts are very much affected by the recent positive economic development and, in combination with the low, observed default rates in 2020-2021, the uncertainty is considered high in relation to a projection disregarding derived economic effects from COVID-19, repayment of government rescue packages, interest rate development, fluctuations in property prices, etc. Therefore analyses are performed of the indication of impairment in several scenarios. This is done with a view to assessment of the sensitivity relating to the most probable scenario (base line scenario) and with a view to quantification of non-linear effects from scenario-specific impairment calculations.

Four scenarios are used, based on the Group's expectations of the macro-economic development (Good, Base-line, Weak and Hard). The scenarios are based on forecasts prepared by Jyske Markets, a unit that is independent of the impairment process. The 'Hard' scenario is in line with the scenario used in the Group's internal stress tests. For each scenario, the probability of default (PD) and the value of securities are re-calculated. Hence it is ensured that the results of the models are balanced. The impairment effect of the scenarios is calculated by weighting the results against the assessed event probability, which is defined by management.

Macro-economic scenarios and event probability are reviewed at least once a year. The economic development and the calculation of impairment charges in the base-line scenario absorbed a minor part of the scenario effect from 2020 to 2021. On the whole, derived from the scenario calculation, this results in impairment charges of DKK 110m (2020: DKK 140m). The decline in the impairment charges can directly be attributed to the effect from the incorporation of the PD calibration derived from COVID-19 in the impairment model.

The results for the various scenarios are calculated on the basis of stage segmentation of the base line scenario and are summarised in the following table and recognised as a management's estimate of an increase in impairment charges.

	2021		2020	
Scenario	Probability	Weighted additional impairment charges	Probability	Weighted additional impairment charges
Good	30%	-11	30%	-8
Base-line	30%	0	30%	0
Weak	30%	66	30%	78
Hard	10%	55	10%	70
Total	100%	110	100%	140

The probability of the scenarios is maintained at an unchanged level relative to 2020. This is assessed to be true and fair due to the continued uncertainty relating to the outcome space. The severity of the scenarios Good, Base-line, Weak were practically unchanged compared with the calculations at the end of 2020. The results shown in the above table can be applied to a sensitivity assessment of the calculations for the portfolio. For instance, the additional indication of impairment will increase to DKK 220m, if the scenario Weak is weighted 100% in the analysis.

For most loans, the expected time to maturity is limited to the contractual time to maturity. However, for mortgage loans, allowances are made for expected early repayment. For revolving credit facilities, the expected remaining term is based on analyses of the term for non-performing clients. If a loan is secured in full in all scenarios, the impairment charge will generally be zero. This will typically be the case with exposures with a high overcollateralisation and/or fixed-value collaterals such as cash fixed properties.

The assessment of the indication of impairment for the weakest exposures in stages 2 and 3 is based on individual expert assessments of the probability-weighted expected loss. Expert assessments are made in sub-portfolios divided on Group units and relevant industry groups. In connection with the most important loans, an individual assessment of the scenarios is made, including definition of cash flows, security values and scenario probability. At the individual assessment, up to 13 scenarios are applied.

In addition to the incorporation of COVID-19 effect in the PD calibration, no material changes have taken place in the impairment set-up during the financial year.

Note			Jyske Bank Group
	DKKm	2021	2020
14	**Loan impairment charges and provisions for guarantees, cont.**		
	Security provided for assets non-performing on the balance sheet date		
	Cash deposits	176	47
	Highly liquid securities	32	83
	Bank guarantees	35	24
	Real property, residential	2,515	2,575
	Real property, commercial	2,574	2,435
	Movable property, cars, rolling stock	143	132
	Other movable property	358	262
	Guarantees (financial institutions)	191	181
	Total	6,024	5,739

		2021	2020
15	**Tax**		
	Current tax	845	633
	Change in deferred tax	8	-230
	Adjustment of tax for previous years	-2	98
	Total	851	501
	Effective tax rate		
	Corporation tax rate in Denmark	22.0	22.0
	Adjustments as regards previous years	-0.1	1.0
	Non-taxable income and non-deductible expenses, etc.	-0.8	0.6
	Other	0.0	0.1
	Effective tax rate	21.1	23.7

		2021	2020
16	**Earnings per share**		
	Profit for the year	3,176	1,609
	Holders of additional tier 1 capital	176	168
	Proportion attributable to shareholders of Jyske Bank A/S	3,000	1,441
	Average number of shares, 1,000 shares	72,561	76,097
	Average number of own shares, 1,000 shares	-1,813	-3,186
	Average number of shares in circulation, 1,000 shares	70,748	72,911
	Number of shares outstanding, 1,000 shares	67,840	72,553
	Earnings per share (EPS) DKK	42.41	19.76
	Earnings per share diluted (EPS-D) DKK	42.41	19.76
	Core earnings per share		
	Core profit	3,966	2,166
	Holders of additional tier 1 capital	176	168
	Core profit ex holders of additional tier 1 capital	3,790	1,998
	Average number of shares in circulation, 1,000 shares	70,748	72,911
	Core earnings (DKK) per share	53.57	27.40

DKKm

17 Contractual time to maturity, 2021	On demand	Up to 3 months	3 months - 1 year	1-5 years	Over 5 years	Total
Assets						
Claims on credit institutions and central banks	38	9,254	243	0	0	9,535
Loans at fair value	0	2,193	7,413	43,260	289,848	342,714
Loans and advances at amortised cost	27	71,698	27,400	30,241	13,134	142,500
Bonds at fair value	0	1,202	17,085	29,236	8,479	56,002
Bonds at amortised cost	0	153	3,625	17,131	6,044	26,953
Liabilities						
Due to credit institutions and central banks	3,351	9,405	69	1,487	659	14,971
Deposits, exclusive of pooled deposits	108,885	7,857	8,665	967	3,502	129,876
Issued bonds at fair value	0	2,740	64,859	123,923	148,818	340,340
Issued bonds at amortised cost	0	26,317	30,568	12,521	3,718	73,124
Subordinated debt	0	0	11	268	5,234	5,513
Off-balance sheet items						
Guarantees, etc.	4,895	2,596	2,869	3,093	270	13,723
Loan commitments and unutilised credit facilities	15	40,581	15,508	17,116	7,433	80,653

Contractual time to maturity, 2020	On demand	Up to 3 months	3 months - 1 year	1-5 years	Over 5 years	Total
Assets						
Claims on credit institutions and central banks	1,404	9,134	0	0	0	10,538
Loans at fair value	0	2,169	7,422	43,158	292,950	345,699
Loans and advances at amortised cost	36	79,093	28,369	26,308	11,874	145,680
Bonds at fair value	0	1,175	16,928	39,109	9,451	66,663
Bonds at amortised cost	0	949	2,148	15,314	5,386	23,797
Liabilities						
Due to credit institutions and central banks	4,262	22,790	804	1,502	709	30,067
Deposits, exclusive of pooled deposits	110,009	17,058	861	970	3,984	132,882
Issued bonds at fair value	0	8,876	62,022	126,167	151,763	348,828
Issued bonds at amortised cost	0	30,039	19,193	14,391	74	63,697
Subordinated debt	0	0	307	2,500	3,014	5,821
Off-balance sheet items						
Guarantees, etc.	3,666	2,869	1,971	2,227	741	11,474
Loan commitments and unutilised credit facilities	0	34,210	17,352	11,208	4,425	67,195

The above amounts are exclusive of interest.

17 Contractual time to maturity – cont.

Standard terms

Personal clients
Jyske Bank can call in floating-rate loans and credit facilities with a reasonable or usual notice of termination according to the rules on good business practice. Fixed-rate loans are non-callable. Clients can terminate their commitment with Jyske Bank without notice or, in the case of fixed-rate credit facilities, at two business days' notice. In case of default, Jyske Bank can terminate an agreement without notice.
As a main rule, the debtor undertakes to disclose financial information. Jyske Bank may dispense with such undertaking where other information on the commitment, the repayment record and the collateral provided is deemed adequate to assess the credit risk.

Small and medium-sized corporate clients
Jyske Bank can call in floating-rate loans and credit facilities without notice. In respect of old agreements, a term of notice of four weeks may apply on the part of Jyske Bank. Fixed-rate loans are non-callable. In case of default, a client relationship can be terminated without notice.
Unless collateral has been provided in full, the borrower is obliged to submit financial information to the Bank.

Large corporate clients
Terms of notice are agreed upon on an individual basis and may correspond to the standard notice applicable to other corporate clients. For facilities that cannot be terminated at short notice, covenants regarding financial ratios and material changes in the position of the client are standard.
Generally, financial information is submitted quarterly.

Note	DKKm	2021	2020
18	Claims on credit institutions and central banks		
	At notice with central banks	0	0
	Due from credit institutions	9,535	10,538
	Total	9,535	10,538

Note		2021	2020
19	Loans at fair value		
	Mortgage loans, nominal value	338,938	333,056
	Adjustment for interest-rate risk, etc.	3,223	12,001
	Adjustment for credit risk	-1,613	-1,607
	Mortgage loans at fair value, total	340,548	343,450
	Arrears and outlays, total	72	65
	Other loans and advances	2,094	2,184
	Loans and advances at fair value, total	342,714	345,699

Note		2021	2020
20	Loans and advances at fair value broken down by property category		
	Owner-occupied homes	161,070	167,098
	Vacation homes	8,386	8,337
	Subsidised housing (rental housing)	52,141	55,069
	Cooperative housing	14,163	14,416
	Private rental properties (rental housing)	61,890	55,478
	Industrial properties	2,729	3,056
	Office and retail properties	33,949	35,275
	Agricultural properties	148	133
	Properties for social, cultural and educational purposes	8,181	6,754
	Other properties	57	83
	Total	342,714	345,699

Note	DKKm	2021	2020
21	**Loans and advances at amortised cost and guarantees broken down by sector**		
	Public authorities	12,383	12,637
	Agriculture, hunting, forestry, fishing	7,670	6,784
	Manufacturing, mining, etc.	8,860	7,312
	Energy supply	9,411	5,409
	Building and construction	3,858	3,714
	Commerce	10,112	8,978
	Transport, hotels and restaurants	5,733	5,432
	Information and communication	1,019	662
	Financing and insurance	40,456	48,501
	Real property	14,358	15,711
	Other sectors	9,036	6,889
	Corporates, total	110,513	109,392
	Personal clients, total	33,327	35,125
	Total	156,223	157,154

Note	DKKm	2021	2020
22	**Fair value of collateral for loans, advances and guarantees**		
	Cash deposits	2,063	1,867
	Securities	7,029	7,165
	Guarantees made out directly to the Group	39,475	40,299
	Real property, residential	177,925	184,824
	Real property, commercial	148,389	143,517
	Movable property, cars and rolling stock	10,535	9,828
	Other movable property	8,850	7,732
	Other collateral	580	423
	Guarantees whereby the guarantors assume primary liability	2,831	2,770
	Total	397,677	398,425
	Collateral for loans and advances by other guarantee types, including default and secondary guarantees as well as co-suretyship	2,822	3,991

The Jyske Bank Group has not seen significant changes to the quality of the collateral or other credit protection due to deterioration or changes to the company's policy on provision of collateral during the accounting period. In 2021, collateral values were affected by two opposing effects, including falling loans and advances in the Jyske Bank Group to personal clients and increasing loans to corporate clients, primarily relating to mortgage products. This primarily affected collateral values relating to mortgages on real property. On the whole, collateral values are practically unchanged relative to 2020.

The types of collateral are ranked with the most liquid types at the top. The collateral values have been reduced in order of priority according to liquidity if the collateral values exceed loans, advances and guarantees at client level. Consequently, surplus collateral values from exposures that have been fully guaranteed are not included in the above note. For clients with fully guaranteed exposures in all impairment scenarios, the calculated indication of impairment will generally be DKK 0. This may be the case with exposures with a high surplus of fixed-value collateral such as cash, securities and properties. Therefore, exposure categories with a calculated indication of impairment of DKK 0 are typically mortgage loans, home loans, cooperative unit loans and investment credit facilities.

22 **Fair value of collateral for loans, advances and guarantees, etc., cont.**

In the financial year 2021, no changes were made to the valuation principles. Collateral values are recognised according to the following principles:

Highly liquid securities
Basically, Jyske Bank applies the official listed price, adjusted where necessary for marketability, currency of denomination, maturity, etc.

Real property, residential
The collateral value of a charge on real property is calculated on the basis of the expected fair value of the property less sales costs and any senior mortgages. The value of real property is regularly assessed on the basis of the price trend of comparable real property, among other things. Loan values are assessed individually depending on the characteristics of the real property in question, inter alia, type of property, location and size less expenses for realisation. The collateral value is applied for various purposes and is therefore adjusted to specific requirements depending on its application.

Real property, commercial
The collateral value of a charge on real property is calculated on the basis of the expected fair value of the property less sales costs and any senior mortgages. The value of real property is regularly assessed on the basis of the price trend of comparable real property, among other things. Collateral values are assessed individually depending on the characteristics of the real property in question, inter alia, the type of property in question, or by an independent assessment or the public land assessment. The collateral value is applied for various purposes and is therefore adjusted to specific requirements depending on its application.

Movable property
Jyske Bank's model is based on our historical loss experience of various asset types. Collateral value is reduced in accordance with the diminishing-balance method, which involves write-off of typically 10%-50% on acquisition and annual depreciation, typically of 10%-50% of the asset value, during the useful life of the asset.

Guarantees
The value of guarantees is calculated by means of a 'double-default' model which takes into account that Jyske Bank only risks a loss if both the debtor and the guarantor default. The effect of this is recognised by calculating an equivalent collateral value.

Note	DKKm	2021	2020
23	**Bonds at fair value and amortised cost, total, measured at fair value**		
	Own mortgage bonds	16,263	18,662
	Other mortgage bonds	67,672	74,819
	Government bonds	4,971	5,665
	Other bonds	10,447	10,246
	Total before offsetting of own mortgage bonds	99,353	109,392
	Own mortgage bonds offset against issued bonds	16,263	18,662
	Bonds, total, at fair value	83,090	90,730

Note		2021	2020
24	**Bonds at amortised cost**		
	Carrying amount of bonds at amortised cost	26,953	23,797
	Fair value of bonds at amortised cost	27,088	24,068
	Fair value of bonds at amortised cost relative to carrying amount	135	271

Fair value of the "held-to-maturity portfolio" was higher than the carrying amount by DKK 135m against a fair value of DKK 271m above the carrying amount at the end of 2020.

25 **Collateral**

The Jyske Bank Group receives and provides collateral in connection with money and securities clearing, outstanding accounts with central banks, repo and reverse repo transactions, tri-party agreements as well as fair value of derivatives covered by CSA agreements.

Provision of collateral is a regular part of business transactions and are carried out at market-consistent terms and conditions. Collateral is increased and reduced on an on-going basis as liabilities change.

Depending on agreements entered, collateral is provided and received with an owner's rights so that the recipient of collateral can sell this or use it to provide security for loans and other outstanding accounts.

The Jyske Bank Group has deposited bonds with central banks and clearing houses, etc. in connection with clearing and settlement of securities and currency transactions as well as tri-party repo transactions totalling a market value of DKK 10,862m at the end of 2021 (2020: DKK 13,912m).

In addition, the Jyske Bank Group has provided cash collateral in connection with CSA agreement in the amount of DKK 7,326m (2020: DKK 6,390m) as well as bonds in the amount of DKK 440m (2020: 4,277m).

Due to repo transactions, i.e. sale of securities involving agreements to repurchase them at a later point in time, bonds in the amount of DKK 11,103m (2020: DKK 14,523m) were at the end of 2021 provided as collateral for the amount that was borrowed. See note 40 for further details.

Mortgage loans in the amount of DKK 340,548m (2020: DKK 343,450m) and other assets of DKK 19.691m (2020: 24,477m) were at the end of 2021 registered as collateral for issued mortgage bonds, including covered bonds. According to the Danish mortgage legislation, the issued mortgage bonds, including covered bonds, are secured against the underlying mortgage loans.

Due to reverse repos, i.e. purchase of securities involving agreements to resell them at a later point in time, the Jyske Bank Group received the sold bonds as security for the amount that was lent. At the end of 2021, reverse repos amounted to DKK 42,917m (2020: DKK 55,254m).

In addition, the Jyske Bank Group has received cash collateral in connection with CSA agreements in the amount of DKK 2,971m (2020: DKK 4,061m) as well as bonds in the amount of DKK 3,057m (2020: 696m).

Please see note 22 on collateral received for loans, advances and guarantees.

Note			Jyske Bank Group
	DKKm	2021	2020
26	**Shares, etc.**		
	Shares/investment fund units listed on Nasdaq Copenhagen A/S	812	594
	Shares/mutual fund certificates listed on other exchanges	139	32
	Unlisted shares are stated at fair value.	1,757	1,779
	Total	2,708	2,405
27	**Portfolio of own shares**		
	Own shares ('000)	4,721	7
	Nominal value of own shares	47,208	75
	Portfolio of own shares as a percentage of the share capital	6.51	0.01
	Acquisition of own shares		
	Own shares ('000)	10,029	9,027
	Nominal value of own shares	100,291	90,272
	Portfolio of own shares as a percentage of the share capital	13.82	12.44
	Sale of own shares		
	Own shares ('000)	5,316	6,740
	Nominal value of own shares	53,158	67,399
	Portfolio of own shares as a percentage of the share capital	7.33	9.29
	Cancellation of own shares		
	Own shares ('000)	0	4,993
	Nominal value of own shares	0	49,930
	Total purchase price	2,991	1,889
	Total selling price	1,556	1,381

The acquisition of own shares is primarily explained by the repurchase programme and transactions involving clients and other investors wishing to trade Jyske Bank shares.

Note		2021	2020
28	**Subordinated receivables**		
	Loans	5	5
	Bonds	319	442
	Total	324	447

Subordinated receivables consist materially of listed subordinated and hybrid bonds issued by European SIFI institutions and Danish institutions. These are recognised in the balance sheet under bonds at fair value.

Note		2021	2020
29	**Intangible assets**		
	Total cost, beginning of period	25	74
	Disposals	0	49
	Total cost, end of period	25	25
	Amortisation, depreciation and impairment charges, beginning of period	25	73
	Depreciation and amortisation for the year	0	1
	Reversed amortisation and impairment charges at disposals	0	49
	Amortisation, depreciation and impairment charges, end of period	25	25
	Recognised value, end of period	0	0

	DKKm	2021	2020
30	**Property, plant and equipment**		
	Owner-occupied properties	1,601	1,759
	Owner-occupied properties, leasing	370	363
	Other property, plant and equipment	2,332	2,373
	Total	4,303	4,495
	Specification of property, plant and equipment, owner-occupied properties, exclusive of leasing		
	Restated value, beginning of period	1,759	1,776
	Additions during the year, including improvements	0	9
	Disposals for the year	153	11
	Depreciation	9	9
	Positive changes in values recognised in other comprehensive income in the course of the year	9	3
	Negative changes in values recognised in other comprehensive income in the course of the year	2	8
	Positive changes in value recognised directly in the income statement during the year	1	1
	Negative changes in value recognised directly in the income statement during the year	4	2
	Restated value, end of period	1,601	1,759
	Cost less accumulated amortisation, depreciation and impairment charges	1,423	1,544
	For mortgage credit institutions, collateral has been provided in land and buildings, the carrying amount of which is	0	0
	Required rate of return	4.3%-10%	4.5%-9%
	Weighted average return applied	6.41%	6.43%
	Specification of property, plant and equipment, other property, plant and equipment		
	Total cost, beginning of period	4,532	4,455
	Currency translation adjustment	0	40
	Additions	1,029	1,144
	Disposals	1,285	1,107
	Total cost, end of period	4,276	4,532
	Amortisation, depreciation and impairment charges, beginning of period	2,159	2,061
	Currency translation adjustment	0	9
	Depreciation and amortisation for the year	536	513
	Impairment charges for the year	12	59
	Reversed impairment charges recognised in the income statement	20	0
	Reversed amortisation and impairment charges at disposals	743	483
	Amortisation, depreciation and impairment charges, end of period	1,944	2,159
	Recognised value, end of period	2,332	2,373

Leases for which the Group acts as the lessor have been entered for machinery and equipment, including cars, vans and lorries. These are recognised in the amount of DKK 2,206m under other property, plant and equipment (2020: DKK 2,260m). Reference is made to note 64.

Jyske Bank is the lessee under a number of lease agreements, which as of 2019 are recognised in Jyske Bank's balance sheet as leased assets under Property, plant and equipment in the amount of DKK 370m (2020: DKK 363m) under owner-occupied properties in the amount of DKK 5m (2020: DKK 4m) under other property, plant and equipment. The lease commitment is recognised under Other liabilities in the amount of DKK 385m (2020: DKK 374m). Reference is made to note 63.

		2021	2020
31	**Assets held temporarily**		
	Properties acquired through foreclosure	75	150
	Leased assets acquired through foreclosure	5	15
	Total	80	165

Attempts are made to sell, in the best possible way and within 12 months, assets held temporarily
The assets are recognised under the business segments in the following way: DKK 20m (2020: DKK 77m) under Banking activities; DKK 55m (2020: DKK 73m) under Mortgage activities; and DKK 5m (2020: DKK 15m) under Leasing activities.

Note			Jyske Bank Group
	DKKm	2021	2020
32	**Other assets**		
	Positive fair value of derivatives	25,046	31,971
	Assets in pooled deposits	4,303	3,754
	Interest and commission receivable	235	252
	Investments in associates and joint ventures	227	234
	Prepayments	147	335
	Investment properties	28	28
	Other assets	1,224	1,290
	Total	31,210	37,864
	Netting		
	Positive fair value of derivatives, gross	36,893	47,005
	Netting of positive and negative fair value	11,847	15,034
	Total	25,046	31,971

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

Specification of other assets, assets in pooled deposits		
Cash	38	307
Investment fund certificates	4,303	3,748
Other assets	0	6
Assets	4,341	4,061
Elimination of cash	-38	-307
Total assets	4,303	3,754

Specification of other assets, investments in associates, ventures and joint ventures		
Total cost, beginning of period	266	278
Disposals	4	12
Total cost, end of period	262	266
Revaluations and impairment charges, beginning of period	-32	-21
Dividend	5	0
Revaluations and impairment charges for the year	2	-11
Revaluations and impairment charges, end of period	-35	-32
Recognised value, end of period	227	234
Of which joint ventures, at end of period	10	10

See The Jyske Bank Group – overview, note 65.

Note	DKKm	2021	2020
33	**Due to credit institutions and central banks**		
	Due to central banks	10	3,041
	Due to credit institutions	14,961	27,026
	Total	14,971	30,067

Note	DKKm	2021	2020
34	**Deposits**		
	Demand deposits	108,885	110,009
	Term deposits	1,136	1,204
	Time deposits	15,210	16,283
	Special deposits	4,644	5,386
	Pooled deposits	4,337	4,071
	Total	134,212	136,953

Note	DKKm	2021	2020
35	**Issued bonds at fair value**		
	Issued bonds at fair value, nominal value	352,080	353,824
	Adjustment to fair value	3,773	12,916
	Own mortgage bonds offset, fair value	-15,513	-17,912
	Total	340,340	348,828
	Pre-issued	5,512	6,766
	Drawn for redemption at next repayment date	6,113	13,000

On a daily basis, the Jyske Bank Group issues and redeems a large number of mortgage bonds. Consequently, to some extent the change in the fair value of the issued mortgage bonds attributable to the change in credit risk can only be stated subject to some estimation. The model applied performs the calculation on the basis of the change in the option-adjusted spread (OAS) relative to the swap curve. The calculation allows for, among other things, the maturity of the issued bonds as well as the nominal holding at the beginning and at the end of the year, and also adjustments are made for the Jyske Bank Group's own holding of Jyske Realkredit bonds, which are offset.

The change in the fair value of issued mortgage bonds that can be attributed to credit risk is then calculated so it implies an increase in the fair value by DKK 0.6 bn in 2021 (2020: a decline by DKK 0.5 bn). Since the issue, the accumulated change in fair value of the issued mortgage bonds at the end of 2021 attributable to credit risk is estimated to be an increase of DKK 1.2 bn (2020: an increase of DKK 1.0 bn).

The change in fair value of the issued mortgage bonds that can be attributed to credit risk can also be stated relative to corresponding mortgage bonds with the same rating (AAA) from other Danish issuers. In recent years these bonds have been traded at prices showing no measurable price differences between the various issuers' bonds with similar characteristics. Stated according to this method, no changes have taken place to the fair value that can be attributed to credit risk, neither in the course of the year, nor since issue.

Net profit for the year or equity was not affected by the change, since the value of mortgage loans changed correspondingly

The difference between the fair value of the issued bonds in the amount of DKK 340 bn (2020: DKK 349 bn) and the nominal value of the issued bonds of DKK 336 bn (2020: DKK 336 bn), which corresponds to the value that is to be paid back at drawing and/or maturity of the bonds, amounts to DKK 4 bn (2020: DKK 13 bn).

Note			Jyske Bank Group
	DKKm	2021	2020
36	**Other liabilities**		
	Set-off entry of negative bond holdings in connection with repos/reverse repos	5,507	7,639
	Negative fair value of derivatives	25,815	34,203
	Interest and commission payable	1,328	1,415
	Prepayments	151	147
	Lease commitment	385	374
	Other liabilities	6,155	5,596
	Total	39,341	49,374
	Netting		
	Negative fair value of derivatives, gross	37,662	49,237
	Netting of positive and negative fair value	11,847	15,034
	Total	25,815	34,203

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

37	**Provisions**		
	Provisions for pensions and similar liabilities	594	616
	Provisions for guarantees	358	263
	Provisions for losses on loan commitments and unutilised credit lines	280	306
	Provisions for deferred tax	22	9
	Other provisions	97	77
	Total	1,351	1,271

Please see note 14 for provisions for losses on guarantees as well as loan commitments and unused loan commitments.

DKKm	2021	2020
37 Provisions, cont.		
Specification of provisions for pensions and similar liabilities		
Provisions for pensions and similar liabilities		
Provisions for defined benefit plans	537	559
Provisions for long-term employee benefits	57	57
Recognised in the balance sheet, end of period	594	616
Provisions for defined benefit plans		
Present value of pension plan obligations	614	640
Fair value of pension plan assets	77	81
Net liability recognised in the balance sheet	537	559
Change in provisions for defined benefit plans		
Provisions, beginning of period	640	672
Costs for the current financial year	25	17
Calculated interest expenses	3	2
Actuarial losses/gains	-9	-6
Pension payments	-45	-45
Provisions, end of period	614	640
Change in the fair value of pension plan assets		
Assets, beginning of period	81	87
Calculated interest on assets	1	2
Return ex calculated interest on assets	2	-1
Pension payments	-7	-7
Assets, end of period	77	81
Pension costs recognised in the income statement		
Costs for the current financial year	25	17
Calculated interest related to liabilities	3	2
Calculated interest on assets	-1	-2
Total recognised defined benefit plans	27	17
Total recognised defined contribution plans	239	273
Recognised in the income statement	266	290
Pension plan assets:		
Shares	14	9
Bonds	17	27
Liquidity, etc.	46	45
Pension plan assets, total	77	81

Pension plan assets include 40,000 Jyske Bank A/S shares (2020: 40,000 shares).
Measurement of all pension assets is based on quoted prices in an active market.

37	DKKm	2021	2020	2019	2018	2017
37	**Provisions, cont.**					
	Specification of provisions for pensions and similar liabilities, cont.					
	The Group's pension plan liabilities					
	Present value of pension plan obligations	**614**	640	672	629	657
	Fair value of pension plan assets	**77**	81	87	92	105
	Surplus/deficit	**537**	559	585	537	552
	Actuarial assumptions					
	Defined benefit plans					
	Retirement remuneration					
	Discount rate	**0.50%**	0.25%	0.50%	2.00%	2.00%
	Future rate of wage increase	**2.00%**	2.00%	1.85%	2.00%	2.00%
	Jyske Banks Pensionstilskudsfond					
	Discount rate	**0.50%**	0.25%	0.50%	2.00%	2.00%
	Future rate of wage increase	**2.00%**	2.00%	1.85%	2.00%	2.00%
	Calculated interest on pension plan assets	**2.00%**	2.00%	2.00%	2.00%	2.00%
	Long-term employee benefits					
	Discount rate	**0.50%**	0.25%	0.50%	2.00%	2.00%
	Future rate of wage increase	**2.00%**	2.00%	1.85%	2.00%	2.00%

The most important actuarial assumptions in the calculation of pension liabilities relate to interest rate level and the rate of wage increases. If the discount rate fall by 0.25% to 0.25%, the pension provisions increase by DKK 10m. If the rate of wage increases rise by 0.25% to 2.25%, the pension provisions increase by DKK 10m.

For 2022, payments to defined contribution and defined benefit pension plans are expected to be DKK 271m.

Defined contribution pension plans
A large part of the Group's pension plans are defined contribution plans under which payments are made into pension funds, primarily PFA Pension. These payments are charged to the income statement as they occur.

Defined benefit plans
Retirement remuneration equalling a maximum of one year's salary is paid to employees on retirement. In 2021, a total of DKK 474m (2020: DKK 493m) was recognised in the balance sheet, this being the present value of the overall liability relating to the employees' term of employment with the Group. Employees recruited not later than on 31 August 2005 are offered participation in the retirement remuneration plan. Please see note 12 for details on the terms and conditions for retirement remuneration for the Executive Board.

Jyske Bank A/S's Pensionstilskudsfond is a fund which offers supplementary pensions to current and former members of Jyske Bank's Executive Board and their surviving relatives. At the end of 2021, provisions amounting to DKK 63m (2020: DKK 66m) were recognised, this being the present value of liabilities, DKK 140m (2020: DKK 147m), less the fair value of the assets, DKK 77m (2020: DKK 81m).

Long-term employee benefits
An anniversary bonus equalling one month's salary is paid when an employee has worked for the Group for 25 years and 40 years. At the end of 2021, provisions amounted to DKK 57m (2020: DKK 57m), this being the present value of the expected future anniversary bonus payments.

DKKm	2021	2020
37 **Provisions, cont.**		
Specification of other provisions		
Provisions, beginning of period	77	116
Additions	26	4
Disposals inclusive of consumption	3	12
Disposals exclusive of consumption	3	31
Provisions, end of period	97	77

Other provisions relate to lawsuits.

The provisions are expected, in essence, to be reduced to zero within a year.

Specification of deferred tax

Deferred tax	2021	2020
Deferred tax assets, recognised under tax assets	0	0
Deferred tax liabilities	22	9
Net deferred tax	22	9

Changes in deferred tax 2021	Beginning of period	Recognised in the net profit for the year	Recognised in other comprehensive income	Other adjustments	End of year
Bonds at amortised cost	-58	28	0	0	-30
Intangible assets	-1	1	0	0	0
Property, plant and equipment	225	20	1	0	246
Loans and advances, etc.	-5	-35	0	0	-40
Provisions for pensions	-135	2	3	0	-130
Other	-17	-7	0	0	-24
Total	9	9	4	0	22
Changes in deferred tax 2020					
Bonds at amortised cost	-24	-34	0	0	-58
Intangible assets	-2	1	0	0	-1
Property, plant and equipment	259	-33	-1	0	225
Loans and advances, etc.	173	-178	0	0	-5
Provisions for pensions	-140	6	-1	0	-135
Other	-25	8	0	0	-17
Total	241	-230	-2	0	9

Note	DKKm	2021	2020
38	**Subordinated debt**		
	Supplementary capital:		
	Var. % bond loan NOK 1,000m 24.03.2031	746	0
	Var. % bond loan SEK 1,000m 24.03.2031	726	0
	1.25% bond loan EUR 200m 28.01.2031	1,487	1,488
	2.25% bond loan EUR 300m 05.04.2029	2,231	2,232
	Var. % bond loan SEK 600m called on 19.05.2021	0	444
	3.25% bond loan SEK 400m called on 19.05.2021	0	296
	6.73% bond loan EUR 9m 2022-2026	56	67
	Var. % bond loan EUR 10m 13.02.2023	74	74
	5.65% bond loan EUR 10m 27.03.2023	74	74
	5.67% bond loan EUR 10m 31.07.2023	74	74
		5,468	4,749
	Hybrid core capital:		
	Var.% bond loan EUR 72.8m, perpetual, called 05.07.2021	0	541
	Var.% bond loan EUR 60.7m, perpetual, called 05.07.2021	0	452
		0	993
	Subordinated debt, nominal	5,468	5,742
	Hedging of interest-rate risk, fair value	45	79
	Total	5,513	5,821
	Subordinated debt included in the capital base	5,275	5,594

The above-mentioned issues of additional tier 1 capital issued in 2004 and 2005 and called on 05.07.2021 did not meet the conditions for additional tier 1 capital in the Capital Requirements Regulation, CRR. The issues were recognised under liability other than provision according to IAS 32.

Supplementary bond loans in the amount of EUR 200m fall due on 28 January 2031 at the latest but can, subject to permission by the FSA, be redeemed at par as of 28 January 2026. The loan bears a fixed rate of interest until 28 January 2026, after which date the interest rate will be set for the next five years.

Supplementary bond loans in the amount of EUR 300m fall due on 05 April 2029 at the latest but can, subject to permission by the FSA, be redeemed at par as of 5 April 2024. The loan bears a fixed rate of interest until 5 January, after which date the interest rate will be set for the next five years.

Supplementary bond loans in the amount of NOK 1,000m fall due on 24 March 2031 at the latest but can, subject to permission by the FSA, be redeemed at par as of 24 March 2026. The loan is a floating-rate loan, and the rate of interest is 3M NIBOR + 128 bp throughout the term of the loan.

Supplementary bond loans in the amount of SEK 1,000m fall due on 24 March 2031 at the latest but can, subject to permission by the FSA, be redeemed at par as of 24 March 2026. The loan is a floating-rate loan, and the rate of interest is 3M STIBOR + 125 bp throughout the term of the loan.

Cost relating to the addition and repayment of subordinated debt amount to DKK 5m (2020: DKK 6m).

Note		2021	2020
39	**Share capital**		
	Opening share capital, 1,000 shares.	72,561	77,554
	Capital reduction through cancellation of own shares	0	-4,993
	Closing share capital, 1,000 shares	72,561	72,561

Note	DKKm	2021	2020
40	**Transferred financial assets recognised in the balance sheet**		
	Carrying amount of transferred financial assets		
	Bonds in repo transactions	11,103	14,523
	Transferred financial assets, total	11,103	14,523
	Repo transactions are included in the following liability items as follows:		
	Due to credit institutions	8,703	12,680
	Deposits and other debts in repo transactions	2,494	1,948
	Total	11,197	14,628
	Net positions	-94	-105

Jyske Bank has not lent bonds that are still recognised in the balance sheet. Moreover, Jyske Bank has not borrowed bonds that are not recognised in the balance sheet.

Jyske Bank enters into transactions transferring the ownership to financial assets to the counterparty, yet Jyske Bank maintains the material part of the risks on the assets in question. When the most material risks are maintained, the asset is still recognised in Jyske Bank's balance sheet. Such transactions include repo transactions. Repo transactions are sales of bonds where at the time of a sale an agreement is made on the repurchase at some later point in time at a certain price.

Jyske Bank has not entered into agreements on the transfer of financial assets, where the assets sold no longer are recognised in the balance sheet, but where after the sale material risk and continued involvement exist.

41 Contingent liabilities

General
Jyske Bank's credit review of guarantee applicant takes into consideration the risk on guarantees. For 75% of Jyske Bank Group's guarantees, the contractual term to maturity is below one year; for 23%, the contractual terms to maturity is between 1 and 5 years; for 2%, the contractual term to maturity is above 5 years, compared to 74%, 19% and 7%, respectively, in 2020.

Financial guarantees are primarily payment guarantees, and the risk equals that involved in credit facilities.

Guarantees for losses on mortgage loans are typically provided as security for the riskiest part of mortgage loans granted to personal clients and to a limited extent for loans secured on commercial real property. Guarantees for residential real property are within 80% and for commercial real property within 60%-80%, of the property value as assessed by a professional expert.

Registration and refinancing guarantees are provided in connection with the registration of new and refinanced mortgages. Such guarantees involve insignificant risk.

Other contingent liabilities include other forms of guarantees at varying degrees of risk, including performance guarantees. The risk involved is deemed to be less than the risk involved in, e.g., credit facilities subject to flexible drawdown.

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

Because of its mandatory participation in the deposit guarantee scheme, the sector has paid an annual contribution of 2.5‰ of the covered net deposits until the assets of Pengeinstitutafdelingen (the financial institution fund) exceed 0.8% of the total net deposits covered, which level has been reached. According to Bank Package 3 and Bank Package 4, Pengeinstitutafdelingen bears the immediate losses attributable to covered net deposits and relating to the winding up of financial institutions in distress. Any losses in connection with the final winding up are covered by the Guarantee Fund's Afviklings- og Restruktureringsafdeling (settlement and restructuring fund), where Jyske Bank currently guarantees 8.11% 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 600m over the 10-year period 2015 -2025.

Due to Jyske Bank's membership of Foreningen Bankdata, the bank is - in the event of its withdrawal - under the obligation to pay a substantial exit charge to Bankdata in the amount of about DKK 3.2 bn.

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.

DKKm	2021	2020
Guarantees		
Financial guarantees	10,904	8,640
Guarantee for losses on mortgage credits	375	887
Registration and refinancing guarantees	145	454
Other contingent liabilities	2,299	1,493
Total	13,723	11,474

42 Other contingent liabilities

Loan commitments and unutilised credit facilities	80,653	67,195
Other	75	74
Total	80,728	67,269

DKKm

43 Offsetting

2021	Carrying amount before offsetting	Financial instruments set off	Carrying amount after offsetting	Further offsetting, master netting agreement	Collateral	Net value
Financial assets						
Derivatives with positive fair value	36,893	11,847	25,046	16,400	4,703	3,943
Reverse repo transactions	42,917	0	42,917	0	42,917	0
Total	**79,810**	**11,847**	**67,963**	**16,400**	**47,620**	**3,943**
Financial liabilities						
Derivatives with negative fair value	37,662	11,847	25,815	16,400	6,975	2,440
Repo transactions	11,197	0	11,197	0	11,197	0
Total	**48,859**	**11,847**	**37,012**	**16,400**	**18,172**	**2,440**
2020						
Financial assets						
Derivatives with positive fair value	47,005	15,034	31,971	22,649	3,823	5,499
Reverse repo transactions	55,254	0	55,254	0	55,254	0
Total	102,259	15,034	87,225	22,649	59,077	5,499
Financial liabilities						
Derivatives with negative fair value	49,237	15,034	34,203	22,649	8,923	2,631
Repo transactions	14,629	0	14,629	0	14,629	0
Total	63,866	15,034	48,832	22,649	23,552	2,631

On the balance sheet, reverse repo transactions are classified as claims on credit institutions or loans at amortised cost. On the balance sheet, repo transactions are classified as debt to credit institutions or deposits.

Financial assets and liabilities are offset on the balance sheet when the Group and the counterparty has a legal right to offset and have also agreed to settle net or realise the asset and the liability at the same time. Positive and negative fair values of derivative financial instruments with the same counterparty are offset if net settlement of the contractual payments has been agreed and daily cash payments or provision of collateral for changes in the fair value take place. The Group's netting of positive and negative fair values of derivative financial instruments can be referred to clearing through a central clearing house (CCP clearing).

Master netting agreements and similar agreements entitles a party to further offsetting if a counterparty is in default, which lowers the exposure further when a counterparty is in default but does not meet the conditions for accounting offsetting on the balance sheet.

DKKm

44 Classification of financial instruments

2021	Amortised cost	Fair value through profit	Designated at fair value margins through profit	Total
Financial assets				
Cash balance and demand deposits with central banks	30,685	0	0	30,685
Due from credit institutions and central banks	9,535	0	0	9,535
Loans at fair value	0	0	342,714	342,714
Loans and advances at amortised cost	142,500	0	0	142,500
Bonds at fair value	0	56,002	0	56,002
Bonds at amortised cost	26,953	0	0	26,953
Shares, etc.	0	2,708	0	2,708
Assets in pooled deposits	0	4,303	0	4,303
Derivatives (Other assets)	0	25,046	0	25,046
Total	209,673	88,059	342,714	640,446
Financial liabilities				
Due to credit institutions and central banks	14,971	0	0	14,971
Deposits	134,212	0	0	134,212
Issued bonds at fair value	0	0	340,340	340,340
Issued bonds at amortised cost	73,124	0	0	73,124
Subordinated debt	5,513	0	0	5,513
Set-off entry of negative bond holdings	0	5,507	0	5,507
Derivatives (Other liabilities)	0	25,815	0	25,815
Total	227,820	31,322	340,340	599,482
2020				
Financial assets				
Cash balance and demand deposits with central banks	34,951	0	0	34,951
Due from credit institutions and central banks	10,538	0	0	10,538
Loans at fair value	0	0	345,699	345,699
Loans and advances at amortised cost	145,680	0	0	145,680
Bonds at fair value	0	66,663	0	66,663
Bonds at amortised cost	23,797	0	0	23,797
Shares, etc.	0	2,405	0	2,405
Assets in pooled deposits	0	3,754	0	3,754
Derivatives (Other assets)	0	31,971	0	31,971
Total	214,966	104,793	345,699	665,458
Financial liabilities				
Due to credit institutions and central banks	30,067	0	0	30,067
Deposits	136,953	0	0	136,953
Issued bonds at fair value	0	0	348,828	348,828
Issued bonds at amortised cost	63,697	0	0	63,697
Subordinated debt	5,821	0	0	5,821
Set-off entry of negative bond holdings	0	7,639	0	7,639
Derivatives (Other liabilities)	0	34,203	0	34,203
Total	236,538	41,842	348,828	627,208

45 Notes on fair value

Methods for measuring fair value

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

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

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

Specific details on methods for measuring fair value

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

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

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

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

Derivatives are valued on the basis of a market-consistent yield curve set-up, credit models and option models such as Black-Scholes. The models applied are monitored on an ongoing basis to ensure robustness and a high quality of the output of the models. To ensure that the methods of valuation are always consistent with current market practice, the models are validated by units independent of the unit that develop the models.

To the greatest extent possible, the methods of valuation are based on observable market quotes, such as market rates, exchange rates, volatilities, market prices, etc. Often methods of interpolation will also be incorporated to value the specific contracts.

The fair value of derivatives is also adjusted for credit risk (CVA and DVA) and funding costs (FVA and ColVA). To estimate these, among other things, the probability of default, expected exposure and loss given default of the counterparties 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.

45 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 takes place according to the same principles that apply to the CVA, yet PD for Jyske Bank is determined on the basis of Jyske Bank's external rating by Standard & Poor's. At the end of 2021, CVA and DVA amounted accumulated net to DKK 139m, which accumulated amount was recognised as an expense under value adjustment against an accumulated amount of DKK 209m at the end of 2020.

46 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 showed a total non-recognised unrealised gain of DKK 14m at the end of 2021 against a total non-recognised unrealised loss of DKK 42m at the end of 2020. Unrealised gains and losses caused by changes in the fair values of shares in sector-owned undertakings are recognised in the income statement. The recognised value of those shares in the balance sheet at the end of 2021 amounted to DKK 1,173m (2020: DKK 1,115m), and the recognised value adjustment in the income statement amounted to DKK 122m (2020: DKK 92m).

DKKm	2021		2020	
	Recognised value	Fair value	Recognised value	Fair value
FINANCIAL ASSETS				
Cash balance and demand deposits with central banks	30,685	30,685	34,951	34,951
Due from credit institutions and central banks	9,535	9,532	10,538	10,545
Loans at fair value	342,714	342,714	345,699	345,699
Loans and advances at amortised cost	142,500	142,456	145,680	145,712
Bonds at fair value	56,002	56,002	66,663	66,663
Bonds at amortised cost	26,953	27,088	23,797	24,068
Shares, etc.	2,708	2,708	2,405	2,405
Assets in pooled deposits	4,303	4,303	3,754	3,754
Derivatives	25,046	25,046	31,971	31,971
Total	640,446	640,534	665,458	665,768
FINANCIAL LIABILITIES				
Due to credit institutions and central banks	14,971	14,967	30,067	30,109
Deposits	129,875	129,875	132,882	132,883
Pooled deposits	4,337	4,337	4,071	4,071
Issued bonds at fair value	340,340	340,340	348,828	348,828
Issued bonds at amortised cost	73,124	73,114	63,697	64,000
Subordinated debt	5,513	5,601	5,821	5,827
Set-off entry of negative bond holdings	5,507	5,507	7,639	7,639
Derivatives	25,815	25,815	34,203	34,203
Total	599,482	599,556	627,208	627,560

The Group has non-financial assets at fair value through Other comprehensive income.

DKKm

47 The fair value hierarchy

2021 Financial assets	Quoted prices	Observable prices	Non-observable prices	Fair value, total	Recognised value
Loans at fair value	0	342,714	0	342,714	342,714
Bonds at fair value	46,848	9,154	0	56,002	56,002
Shares, etc.	828	599	1,281	2,708	2,708
Assets in pooled deposits	314	3,989	0	4,303	4,303
Derivatives	677	24,369	0	25,046	25,046
Total	**48,667**	**380,825**	**1,281**	**430,773**	**430,773**
Financial liabilities					
Pooled deposits	0	4,337	0	4,337	4,337
Issued bonds at fair value	256,799	83,541	0	340,340	340,340
Set-off entry of negative bond holdings	5,065	442	0	5,507	5,507
Derivatives	470	25,345	0	25,815	25,815
Total	**262,334**	**113,665**	**0**	**375,999**	**375,999**
2020					
Financial assets					
Loans 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 and shares 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	2021	2020
Fair value, beginning of period	1,456	1,530
Transfers for the year	0	0
Capital gain and loss for the year reflected in the income statement under value adjustments	109	118
Sales or redemptions for the year	319	230
Purchases made over the year	35	38
Fair value, end of period	1,281	1,456

Non-observable prices
Non-observable prices at the end of 2021 referred to unlisted shares recognised at DKK 1,281m 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 128m on 31 December 2021 (0.37% of the shareholders' equity at the end 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 year on unlisted shares recognised in the income statement is attributable to assets held at the end 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.

47 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%).

At the end of 2021, assets held temporarily included properties repossessed temporarily and cars, etc. Assets held temporarily are recognised at the lower of cost and fair value less costs of sale. Assets held temporarily were recognised at DKK 80m (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 6.41% (2020: 6.43%). Owner-occupied properties, exclusive of leased properties, were recognised at DKK 1,601m (2020: DKK 1,759m). See note 30 for further details. The revalued amount belongs to the category of ' non-observable prices'. Leased properties were recognised at DKK 370m (end of 2020: DKK 363m).

48 Risk exposure

Jyske Bank assumes financial risks within established limits and to the extent the risk-adjusted return in this way contributes to the Group's financial goal.

The Jyske Bank's Group financial risks consist mainly of credit risks. The Group assumes credit risks if, through individual credit processing, it can be substantiated that

- the debtor has the necessary ability to service debts and that it can be rendered probable that the debtor has the will and the ability to repay the credit granted, failing that
- the subject matter of the charge has sufficient value as well as stability of value, and it can be substantiated that the subject matter of the charge can be realised and pay off the remaining credit, and finally that
- the Group's earnings match the associated credit risk and capital charge.

Moreover, Jyske Bank assumes market risks when a return matching the involved risk can be rendered probable. The Group's market risk consists chiefly of interest-rate risk. The Jyske Bank Group manages its market risks on the basis of a portfolio approach across instruments and types of risk and hence in consideration of the correlation based on both economic theory and empirical methods. Total risk is expressed through risk measurement value-at-risk (VaR), and in times with high market volatility it is ensured that positions associated with market risk are kept at a moderate level, so the determined VaR will still be at an acceptable level.

As a consequence of the Group's activities, liquidity risks arise when there is a funding mismatch in the balance sheet because the loan portfolio has a longer duration than its average funding sources. Active liquidity management will ensure that there is sufficient liquidity in the short and long term to meet the Group's payment obligations.

It is to the greatest possible extent attempted to minimise operational risks considering the related costs.

At any time, the total risks of the Group are adjusted to the Group's capital structure, and the Group's risk tolerance is expressed by a capital management objective. This will ensure that Jyske Bank is a trustworthy, long-term business partner for its clients.

49 **Risk management and risk organisation**
Risk management is a key element in the Group's daily operations and is anchored in the Group Supervisory Board and the Group Executive Board.

The Group Supervisory Board lays down the general principles for risk and capital management as well as for the Group's risk profile, and implement these in the Group by adopting a number of risk policies and instructions. Together with the Group Executive Board, the Group Supervisory Board is responsible for ensuring that the Group has an organisational structure that will secure a distinct allocation of responsibility and include an appropriate separation of functions between development units, operating units and control units in the daily monitoring and management of the Group's risks.

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- presentation of risk policies and risk-management principles to the Group Executive Board and the Group Supervisory Board;
- presentation of a comprehensive picture of risk for the decision-makers;
- implementation of risk management principles and policies in order to improve risk management on an on-going basis;
- quantification of the Group's risk exposure as well as monitoring and reporting to ascertain that the Group's risk exposure does not exceed the limits defined by the Group Supervisory Board;

To achieve efficient risk management close to the mortgage-credit business, the Group has also appointed a risk officer at Jyske Realkredit. The risk officer and his employees form an integral part of the unit Risk to ensure that the group chief risk officer has a complete overview of the entire Group's risks.

Day-to-day management of credit risk is undertaken by account managers as well as the Credit Division with due regard to credit policies and credit instructions.

Jyske Bank has three business areas that manage market risk. Strategic market risks are managed by Group Treasury, and investments are in general based on a long-term perspective on the financial markets. Jyske Markets and Jyske Realkredit manage short-term market risks as part of the servicing of clients' trades with financial instruments and in the mortgage credit business.

Similarly, the strategic liquidity risks are managed by Group Treasury, and the short-term operational liquidity is managed at Jyske Markets.

The day-to-day management of operational risk is undertaken by the individual units of the Group.

50 **Credit risk**
Credit risk is managed, among other things, on the basis of the Group's approved advanced credit risk models, The models are used for various purposes, from advisory services offered to the Jyske Bank Group's clients to determination of risk and for management reporting.

Credit policy and responsibility
The Group Supervisory Board determines the general framework for the granting of credit in the Group. The authority structure relating to the granting of credit in the Group is determined by the Group Supervisory Board, which is also the granting authority in connection with the largest exposures. Granting authority in connection with other exposures has been delegated to the Group Executive Board.

Credit risk is managed through the credit policy, which defines objectives and framework for the credit risk of the Group with the objective of keeping the Group's risk at a satisfactory level in respect of the business model, capital base and business volume of the Group as well as the general trend in the Danish economy. In this respect, the development of society has recently implied stronger focus on sustainability, also referred to as ESG. We wish to operate a sustainable and responsible business, and we apply the UN Principles for Responsible Banking (PRB) as an overarching approach to our work on integrating sustainability. Our "All Progress Counts" approach means focusing on supporting client progress and facilitating clients' sustainable choices and decisions. Right now, focus is on climate. To support this, Jyske Bank committed to TCFD disclosures in 2021 and will, in future, report climate-related risks according to TCFD's recommendations.

Specific credit policies have been formulated for all areas in which the Group assumes credit risk, and credit risk levels and desired and undesirable types of business have been identified. In connection with this is also the Jyske Bank Group's ongoing integration of ESG in its credit policy, where the company's ability to identify with and relate to risks relating to ESG in connection with credit rating should be pointed out. The policies are regularly adjusted to meet current requirements and adapted to the management tools available to account managers and the monitoring functions. In actual practice, the credit policy materialises through detailed business procedures for all material areas.

Clients' transactions with the Group must for the long term generate a satisfactory risk-adjusted return

50 Credit risk, cont.

Limits and authorisation
The Group attaches great importance to its decentralised credit-authorisation process. The limit structure states which amounts can be granted and which instances and segments are covered. The main principle is that regularly occurring credit cases can be decided locally, and credit-related decisions for major or more complicated cases must be made centrally - in respect of leasing, bank loans as well as mortgage loans.

Limits are delegated to account managers individually on the basis of perceived competence and need. Decisions about applications over and above the limits delegated to account managers are made by the Credit unit. Credit-related decisions relating to Credit's limits are made by the Group Executive Board for credit cases at Jyske Bank, whereas the Supervisory Boards of the individual subsidiaries are the granting authority in connection with cases involving clients of the subsidiaries, including and primarily Jyske Realkredit and Jyske Finans. The Group Executive Board is represented on the Supervisory Boards of the individual subsidiaries. Finally, credit-related decisions relating to the supervisory boards of the subsidiaries are made by the Group Supervisory Board.

The credit process and monitoring
Together with policies and business procedures, the credit processes form the basis ensuring that the granting of credit is based on sound risk taking and the highest degree of loss minimisation.

The basis of each authorisation of credit is the client's ability to repay the loan. A central element in the assessment of the creditworthiness of corporate clients is their ability to service debt out of cash flows from operations in combination with their financial strength. In respect of personal clients, their debt servicing ability, as reflected in budgets and disposable income (before and after the raising of the loan), is decisive.

The extent of data and analyses depends on the client's financial situation and the complexity of the case and may therefore vary from case to case.

The provision of collateral is a material element in credit granting in order to minimise the Group's future losses. In respect of mortgage loans, real property is always mortgaged, and in respect of leasing, the financed asset has always been provided as security.

Monitoring of the Group's credit risk is performed by the department Risk Management, which is fully independent of business processes and has no business responsibility. Risk Management is responsible for the ongoing monitoring and analysis of the exposures of the Group, by size, sector, type and geographical area with the main focus on reducing the risk and ensuring satisfactory diversification of the portfolio in accordance with the Group's risk targets. Monitoring takes place through quantitative models at portfolio level.

Risk Management also monitors the credit quality and compliance with the credit quality through spot checks of the portfolio. Spot checks are carried out continuously on the basis of several approaches (client types, industries, product types, etc.). Moreover, risk monitoring includes qualitative as well as quantitative control, for instance, of data and risk classification.

Credit assessment and PD
Credit procedures are adjusted to match the level of risk on individual exposures. One of the key elements is the ranking (classification) of the client's credit quality through credit scores. The credit rating expresses the probability of the client defaulting over the coming year (Probability of Default (PD)). A client in default is defined as a client who is not expected to meet his obligations in full. Hence defaulted clients are exposures for which it is assessed more probable that the exposure will result in losses and/or forced sale of assets provided as security to the Jyske Bank Group or other creditors.

By far, most clients are awarded a PD on the basis of statistical credit scoring models developed internally in the Group. Very large companies and companies within special sectors are awarded a PD on the basis of an assessment by an independent expert. Examples are financing companies, financial institutions and central governments. In those cases, external ratings, if available, will primarily form the basis of the internal credit rating of the client.

Many factors are relevant for the calculation of a client's PD. Specific factors relating to the client and a large number of factors relating to the situation of the client are taken into account when making the calculation. The calculation of PD therefore takes into account financial data, changes in transaction data, management and market circumstances, etc. Also included in the calculation are specific danger signals in relation to the client's credit quality, payment and loss history.

In order to reach the best possible overview of client credit quality, PD is mapped into internal credit ratings ("STY") at Jyske Bank and Jyske Finans. Jyske Bank's credit ratings are on a scale from 1 to 14, 1 being the best credit quality (the lowest PD) and 14 the poorest credit quality (the highest PD). The scale is constant over time so that clients migrate up or down depending on their PD.

The PD level is monitored quarterly relative to the actual development of the default rate. Adjustments are made with half of the fluctuations relative to the long-term average.

At Jyske Realkredit, the PD is translated into 9 rating classes, where rating class 9 designates clients in default. Work is undergoing to harmonise the concepts relating to credit rating in the Group.

Below is shown the mapping between credit ratings, the Jyske Realkredit rating, PD as well as external ratings at the end of 2021 for clients that are not in default.

50 **Credit risk, cont.**

The Group's internal credit ratings and the mapped Jyske Realkredit ratings aim to assess the credit risk in a one-year perspective, while external ratings (Aaa - C) aim to assess the credit risk in a longer perspective. The mapping between the internal credit ratings, the Jyske Realkredit rating and the external credit ratings is based on the currently observed default frequency for companies rated by Jyske Realkredit and Moody's. The JB credit rating between the internal rating, the Jyske Realkredit rating and external ratings is therefore dynamic. Observations are made on at least a quarterly basis to determine whether changes are to be made in the mapping.

If the credit rating calculated by the model is considered to be inadequate, independent credit experts may review the credit rating of corporate clients at the request of the relevant account manager.

INTERNAL RATINGS AND PD BAND			
JB Credit rating	Jyske Realkredit rating	PD band (%)	External rating equivalence
1		0.00 - 0.10	Aaa-A3
2	1	0.10 - 0.15	Baa1
3		0.15 - 0.22	Baa2
4		0.22 - 0.33	Baa3
5	2	0.33 - 0.48	Ba1
6		0.48 - 0.70	Ba2
7	3	0.70 - 1.02	Ba3
8		1.02 - 1.48	B1
9	4	1.48 - 2.15	B1-B2
10	5	2.15 - 3.13	B2
11		3.13 - 4.59	B3
12	6	4.59 - 6.79	Caa1
13		6.79 - 10.21	Caa2
14	7 and 8[1]	10.21 - 25.0	Caa3/Ca/C

[1] Jyske Realkredit rating 8 includes PDs above 25%.

Risk classification

At the Jyske Bank Group exposures with objective evidence of impairment are divided into three categories: exposures with low, high and full risk. The latter two risk categories consist of defaulted clients.

Exposures with low risk are exposures for which it is assessed more probable that the exposure will again become sound, while exposures with high and full risk (defaulted clients) are exposures for which it is assessed more probable that the exposure will result in losses and/or forced sale of assets provided as security to the Jyske Bank Group or other creditors.

The Jyske Bank Group's definition of default is defined as clients with a high or full risk (unlikely to pay) and clients past due more than 90 days on payment of contractual interest and instalments. The definition of default is based on the requirements set forth in Article 178 of the EU Regulation No. 575/2013. For instance, clients are considered associated with high or full risk (defaulted clients) in the event of bankruptcy, restructuring, debt rescheduling, indication of current or expected future challenges establishing balance between income and expenditure, etc. The principles and the definitions of the risk classification have been applied for many years and are assessed to be a well-defined and robust element in the Group's risk management practice.

The classification of risk is monitored continuously by account managers and/or credit specialists and is reviewed at least once a year for sound accounts and at least twice a year for weak accounts. In addition, automated monitoring of objective signs of danger is carried out and on an ongoing basis reported to account managers and/or credit specialists with a view to a review of the risk classification. For clients with limited financial insight, the objective signs of danger are applied directly in the risk classification.

The same requirement as to being updated applies to changes of the risk classification in the event of deterioration and improvement. This ensures a high level of assurance that the Group's statement of indication of impairment is true and fair, and that the solvency requirement has not been determined on an imprudent basis.

There is close correlation between the Group's risk classification principles and credit management in the business, reflected, among other things, in the credit policy and credit-related business procedures. Depending on the client's risk classification, for instance requirements of frequency of credit follow-up, requirements of degree of collateral and requirements of pricing are made. The principles are generally applicable to the entire Group and apply to all categories of loans and client segments.
There are only minor differences between the Jyske Bank Group's application of the default definition, the accounting definition of non-performing loans (stage 3), and the definition of non-performing. As the Jyske Bank Group has aligned the entry criteria for default, stage 3 and non-performing, only the different exit criteria and quarantine periods associated with the individual risk classification concepts constitute the difference.

The accounting treatment of loans and advances reflects very much the current financial assessments of clients' circumstances with a view to a true and fair estimation of the risk of loss in the financial report, while as a precautionary measure quarantine periods are used for default and non-performing in the capital statement.

50 Credit risk, cont.

Credit exposure
Credit exposures are quantified by means of EAD (Exposure At Default). EAD reflects the exposure at default in the event of the client defaulting in the course of the next twelve months. A client's overall EAD depends on client-specific factors and the specific products held by the client. For most product types, EAD is calculated on the basis of statistical models, while a few product types are based on expert models.

For loans with a fixed principal, the only element of uncertainty in the determination of EAD is the time until possible default. Uncertainty is higher, however, for credit facilities under which the client may draw up to a maximum. In those cases the amount drawn by the client at the time of loss is decisive. This can be modelled by means of client-specific factors and the circumstances surrounding the exposure.

Guarantees and credit commitments are special products inasmuch as a certain event must take place before they are utilised. It is therefore material to assess the probability and the extent of utilisation of the product in the event of the customer defaulting within the next twelve months. In this regard, the EAD parameters are based mainly on expert assessments: the Group has recorded very few default events over time, so the available data are too meagre for statistical modelling as such. In respect of guarantees, there is a sufficient body of data for statistical modelling.

In respect of financial instruments, EAD is measured according to the market-value method for regulatory calculation, while for internal management purposes, the more advanced EPE method is used.

Collateral
As a main rule, clients are required to provide full or partial collateral for their commitments with a view to limiting the credit risk and ensuring an adequate balance between risk and earnings. The Group's mortgage loans are always secured by mortgages on immovable property, and also in a large number of cases, guarantees are provided by third parties in connection with cooperation with other financial institutions. In connection with loans for social housing, guarantees are provided by municipalities and the state.

Collateral received is a main element of the Group's assessment of Loss Given Default (Loss Given Default (LGD)). LGD is the part of the Jyske Bank Group's total exposure to a client which the Jyske Bank Group expects to lose in the event the client defaults within the next twelve months. A client's LGD depends on specific factors, including the client's commitment and the collateral provided. Overall, LGD also depends on Jyske Bank's ability to collect receivables and liquidate collateral.

The models relating to real property and vehicles include on-going updating of the collateral value, taking into account, among other things, market-related changes in value, ranking as well as wear and tear. The on-going updating of the values of real property will also ensure compliance with the requirements relating to the monitoring of LTV limits of the covered bond loans according to the rules on possible, further supplementary capital.

The calculation of impairment charges and solvency requirement uses LGD estimates which reflect the Group's expected loss rates. The loss levels for impairment purposes have been calibrated for the current expectations of loss given default, while LGD for solvency purposes have been calibrated for the period at the end of the 1980s and the beginning of the 1990s.

50 **Credit risk, cont.**

Loan impairment charges
The Jyske Bank Group recognises loan impairment charges and provisions for guarantees already as of the initial recognition. All loans are segmented into three stages, depending on the credit-impairment of the individual loans relative to the initial recognition:

1. Loans with no significant increase in credit risk
2. Loans with significant increase in credit risk
3. Non-performing loans

On an on-going basis, it is secured that the credit rating and the risk classification are true and fair, including whether objective evidence of impairment has been established for the Group's clients. Where easier conditions have been granted to clients with financial problems, this will be regarded as individual objective evidence of impairment.

In the Jyske Bank Group, all loans are assessed for objective evidence of impairment. Objective evidence of impairment exists if one or more of the following events have occurred:

- The borrower is facing considerable financial difficulties;
- The borrower is in serious breach of contract, for instance by failing to observe its liability to pay instalments and interest.
- The borrower is granted easier terms that would not be considered if the borrower was not facing financial difficulties;
- The borrower is likely to go bankrupt or undergo some other financial restructuring.

	DKKm	2021	2020
51	**Maximum credit exposure**		
	Loans at fair value	342,714	345,699
	Loans and advances at amortised cost	142,500	145,680
	Guarantees	13,723	11,474
	Loan commitments and unutilised credit facilities	80,653	67,195
	Loans, advances and guarantees, etc.	579,590	570,048
	Demand deposits at central banks	30,495	34,597
	Due from credit institutions and central banks	9,535	10,538
	Bonds at fair value	56,002	66,663
	Bonds at amortised cost	26,953	23,797
	Positive fair value of derivatives	25,046	31,971
	Total	727,621	737,614

%

52 Loans at amortised cost and guarantees by country and client segment

	Clients	Banks	Central govts, etc.	Total
2021				
Denmark	92	16	0	87
EU	6	37	0	8
Rest of Europe	2	30	0	4
USA + Canada	0	14	0	1
Other zone-A countries	0	0	0	0
South America	0	0	0	0
Rest of the world	0	3	0	0
Total	**100**	**100**	**0**	**100**
2020				
Denmark	82	18	0	78
EU	14	69	0	17
Rest of Europe	4	1	0	4
USA + Canada	0	8	0	1
Other zone-A countries	0	0	0	0
South America	0	0	0	0
Rest of the world	0	4	0	0
Total	100	100	0	100

DKKm

53 Market risk

Jyske Bank assumes market risk as a result of position-taking in the financial markets and general banking and mortgage banking operations. The measurement of market risk includes all products which involve interest-rate, currency, equity or commodity risk. Certain financial instruments include elements of credit risk. This type of credit risk is managed and monitored in parallel with market risk. Every risk type has its own characteristics and is managed and monitored by means of individual risk measurements as well as through the Group's Value-at-Risk (VaR) model. Value at Risk expresses the maximum risk of loss over a period based on historical price and correlation developments of individual business types.

Sensitivity analyses

Jyske Bank extensively holds offsetting positions across markets. The worst-case scenario is one where the prices of all long (positive) positions decline, while the prices of short (negative) positions increase. A sensitivity analysis of the balance sheet at the end of the period is shown in the table below, from which the earnings impact from the stated negative development in prices and rates for the Group appears. The sensitivity analyses are based on 'other things being equal' observations and do not take into account changes in the balance sheet due to changes in the market development.
The additional lowering of the limit for payment of negative interest rates on deposits without contractual expiry contributed to a reduction of risk in 2021 compared to 2020, Also, the Group still increased the hedging of the interest rate risk of deposits without negative interest.

Sensitivity analyses – effect on Income Statement	2021	2020
A 0.5 percentage-point increase in interest rates*	**308**	580
A 0.5 percentage-point decrease in interest rates*	**-305**	-355
A general fall of 10% in equity prices	**-68**	-55
A negative 2% change in equity prices	**-27**	-25
A negative 5% change in commodity prices	**0**	0
A negative 5% change in exchange rates**	**-35**	-27

* Determined in the event of the Group's present value of both the trading portfolio and the banking book being under stress.
** EUR is not included in the calculation

Equity risk was calculated for the trading portfolio.
"Negative" means that the prices of long positions fall, while those of short positions rise.
The impact on equity is as outlined above, yet less tax.

DKKm

54 Interest-rate risk by currency and duration

	<= 1 year	2 years	5 years	>= 10 years	Total	Of which interest-rate risk outside the trading portfolio
2021						
DKK	288	202	-682	73	-119	-236
EUR	-70	-226	-57	-30	-383	-261
GBP	-6	-8	3	-6	-17	-4
JPY	0	1	-5	12	8	1
SEK	4	0	15	-1	18	1
CHF	5	-3	1	0	3	1
Other	0	-7	-25	31	-1	11
Total	221	-41	-750	79	-491	-487
2020						
DKK	52	308	-871	-117	-628	-629
EUR	10	-105	96	-246	-245	-153
GBP	0	-1	4	-8	-5	-4
JPY	2	0	-2	9	9	1
SEK	5	-2	20	-2	21	4
USD	-15	33	-18	11	11	3
Others	6	7	-4	2	11	3
Total	60	240	-775	-351	-826	-775

DKKm

55 Interest-rate risk by product and duration

	<= 1 year	2 years	5 years	>= 10 years	Total	Of which interest-rate risk outside the trading portfolio
2021						
Assets						
Due from credit institutions and central banks	-27	-59	102	17	33	33
Loans and advances	322	189	281	151	943	942
Bonds	192	94	651	628	1,565	1,283
Liabilities						
Due to credit institutions and central banks	-1	0	0	0	-1	-1
Deposits	0	-27	-1,231	-7	-1,265	-1,265
Issued bonds	-143	-66	-300	-322	-831	-831
Subordinated debt	0	0	-157	0	-157	-157
Joint funding	-89	-31	-77	-30	-227	-227
Derivatives						
Interest-rate and currency swaps	-49	-97	1	-303	-448	-255
Other derivatives	6	-11	28	-40	-17	37
Futures	10	-33	-48	-15	-86	-46
Total	**221**	**-41**	**-750**	**79**	**-491**	**-487**
2020						
Assets						
Due from credit institutions and central banks	-35	-39	85	-1	10	10
Loans and advances	251	250	519	61	1,081	1,081
Bonds	210	149	628	473	1,460	1,121
Liabilities						
Due to credit institutions and central banks	-9	-14	0	0	-23	-23
Deposits	-56	46	-1,394	-21	-1,425	-1,425
Issued bonds	-124	-32	-422	-86	-664	-664
Subordinated debt	-4	0	-70	0	-74	-74
Joint funding	-105	-36	-120	-44	-305	-305
Derivatives						
Interest-rate and currency swaps	-68	-134	24	-654	-832	-528
Other derivatives	-6	25	0	-42	-23	27
Futures	6	25	-25	-37	-31	5
Total	60	240	-775	-351	-826	-775

DKKm		2021	2020
56	Currency risk		
	Total foreign-currency assets	80,354	81,777
	Total foreign-currency liabilities	129,335	130,748
	Currency-exposure indicator 1	941	1,682
	Currency-exposure indicator 1 as a percentage of core capital	2.5	4.7
	Exchange rate indicators are calculated according to FSA guidelines		
	Exposure by currency		
	EUR	-791	-1,201
	CAD	70	53
	MXN	90	56
	CHF	-130	-137
	NOK	45	327
	USD	85	-101
	AUD	60	56
	JPY	108	-103
	Other, long	82	150
	Other, short	-21	-11
	Total	-402	-911

57 Equity risks

		2021	2020
Equity risk A			
	Listed shares and derivatives	36	5
	Unlisted shares	129	128
	Total	165	133
Equity risk B			
	Listed shares and derivatives	100	64
	Unlisted shares	129	128
	Total	229	192

Equity risk A is put at 10% of net equity exposure, net exposure being calculated as positive exposure less negative exposure. Equity risk A is therefore an indication of the loss/gain in the event of a 10% change in global equity prices.

Equity risk B is put at 10% of the numerical equity exposure. This risk measurement thus expresses the gross exposure, as it shows the loss at a 10% negative price change on total positive exposure and a simultaneous 10% positive price change on total negative exposure.

Besides equity risks A and B, the Jyske Bank group applies limits to individual exposures to shares with the objective of limiting concentration risk. There is also a limit to the proportion of Jyske Bank shares held.

DKKm

58 Hedge accounting

2021	Amortised cost/ Nominal value	Carrying amount	Accumulated carrying amount fair value adjustment	Profit/loss for the year
Interest-rate risk on fixed-rate liabilities				
Issued bonds	6,175	6,222	-47	107
Subordinated debt	2,380	2,423	-44	35
Due to credit institutions	744	753	-10	18
Total	9,299	9,398	-101	160
Derivatives, swaps				
Swaps, hedging issued bonds	6,175	46	46	-98
Swaps, hedging subordinated debt	2,380	41	41	-40
Swaps, hedging debt to credit institutions	744	9	9	-18
Total	9,299	96	96	-156
2020				
Interest-rate risk on fixed-rate liabilities				
Issued bonds	13,595	13,749	-154	-41
Subordinated debt	2,676	2,755	-79	-9
Due to credit institutions	744	772	-28	-15
Total	17,015	17,276	-261	-65
Derivatives, swaps				
Swaps, hedging issued bonds	13,595	144	144	30
Swaps, hedging subordinated debt	2,676	81	81	2
Swaps, hedging debt to credit institutions	744	27	27	14
Total	17,015	252	252	46

DKKm	2021	2020
58 Hedge accounting, cont.		
Hedging instruments, nominal value by yield curve		
EURIBOR	8,755	16,460
STIBOR	544	555
Total	9,299	17,015
Hedging instruments, nominal value by maturity		
Up to 12 months	1,913	4,015
1-5 years	7,386	12,256
Over 5 years	0	744
Total	9,299	17,015

Interest-rate risk

Jyske Bank applies the rules for hedge accounting of fair value for certain fixed-rate issued bonds at amortised cost, subordinated debt and debt to credit institutions. The purpose is to avoid asymmetric fluctuations in the financial statements as both the hedging instruments as well as the hedged items will then be adjusted to market value in the income statement in the event of changes to the interest-rate level. The hedging instruments used are interest-rate swaps, which are used for hedging against changes in the interest-rate level. The interest rate is the only material element of risk that is hedged in the hedged items, and not credit margins or similar.

For each bond issued, subordinated debt or debt to credit institutions, an interest-rate swap is entered into with the same reference rate, same time to maturity and same nominal amount, and therefore the hedging relationship is 1:1.
The fixed interest rate on the hedged items is hedged directly on the fixed rate of the hedging instruments, which are swapped into a floating 3- to 6-month EURIBOR rate, which is included in the bank's normal risk management.
The carrying amount of the hedging instruments is recognised in the balance sheet under the item "Other assets" in the event of a positive fair value and under the item "Other liabilities" in the event of a negative fair value.

The hedge effectiveness is determined by comparing the interest element of the total fair value of the hedging instruments with the interest element of the total fair value of the hedged items. Moreover, the hedge effectiveness is calculated each month and each quarter for hedging instruments against the hedged items for the period's gain/loss on the element of interest of the fair value.

The current portfolio of hedged items will mature over the decade with the last transaction in 2026. A large number of instruments will mature in 2022-2024 (about DKK 8.6 bn), which is, by far, the largest part of the hedging.

A minor degree of inefficiency between the hedged items and the hedging instruments can be caused by a difference in the discount curves applied. In addition, inefficiency may occur when the recognised carrying amounts are very low. The hedge ineffectiveness recognised in the profit amounted to DKK 4m (2020: DKK -19m) as the loss for the year on hedging instruments amounted to DKK 156m (2020: DKK 46m) and the profit for the year on hedged items at amortised cost was DKK 160m (2020: DKK -65m).

IBOR reform

IBOR rates are quoted in the interbank market for unsecured loans, which since the financial crisis has become an illiquid market. Therefore, to a great extent, IBOR rates are based on estimates. This is one of the reasons for a global reform of the use of interest rate benchmarks, including the IBOR transition or the IBOR reform. In the EU, the IBOR reform is based on an EU regulation (the Benchmark regulation - BMR).

IBOR rates are used generally to determine cash flows in both derivatives agreements, floating-rate consumer and corporate loans as well as mortgage loans. Therefore the interest rates are of crucial importance to the market value of the financial products. In its entirety, the IBOR Reform has the aim that derivatives and loan agreements to a higher degree are to be based on new alternative risk-free reference rates (RFR) instead of the current IBOR rates.

The new RFR rates are based on overnight transactions in the interbank market and are therefore, contrary to IBOR rates, not based on estimates. For derivatives transactions, the ISDA has published new definitions of fallback rates to replace the current IBOR rates if they are discontinued. The fallback rates are based on RFR rates plus a fixed credit spread. Among other things, the rates will be retrospective rather than forward-looking. In the loan markets it is increasingly uncertain how the transition to RFR rates will be secured.

In March2021, the FCA (UK Financial Conduct Authority) made the anticipated announcement of the discontinuation of 35 LIBOR fixings, taking effect on 1 January 2022 and 1 July 2023. On the same day, ISDA announced the determination of fallback spreads for the relevant LIBOR tenors. In addition, as announced back in 2019, EONIA will be discontinued as of 3 January 2022.

58 Hedge accounting, cont.

EURIBOR and scandi IBORs (CIBOR, STIBOR and NIBOR) are not expected to be discontinued for some time to come, but instead they have been reformed into a new and BMR-compliant version. Also, robust fallbacks for EURIBOR, STIBOR and NIBOR have been prepared based on the RFR rate in the relevant currency. In DKK, the transaction-based RFR rate, DESTR, will be published for the first time on 4 April 2022 based on transactions as of 1 April 2022.

Jyske Bank has established a task force to lead the bank and its clients through the IBOR transition. The task force is to disclose which trades are affected by the IBOR transition, look into the economic effect of the transition, inform clients, negotiate changes in the contractual basis and secure the handling of the transition in the bank's IT systems.

In 2021, Jyske Bank has on an ongoing basis re-negotiated the return on collateral in the Bank's ISDA, CSA and GMRA agreements, so that EONIA is no longer used. Moreover, the Bank has signed the ISDA 2021 EONIA Collateral Agreement Fallbacks Protocol, so that through this, an agreement has been entered into through the Protocol about a change of interest rate from EONIA to Modified €STR. For the CSA and GMRA Agreements that the Bank for one reason or another did not conclude, EONIA was replaced with Modified €STR on 3 January 2022, according to the EU Commission Implementing Regulation 2021/1848 of 21 October 2021.

In respect of derivatives, the Bank has adjusted its trading systems to follow the market's transition from LIBOR-based products to RFR-based products. The curve systems have also been adjusted. At the end of 2021, the clearing houses implemented the transition of cleared transactions with EONIA or the affected LIBOR rates in GBP, CHF, EUR and JPY as reference rate. Jyske Bank has endorsed the ISDA 2020 IBOR Fallbacks Protocol and the ISDA 2018 Benchmarks Supplement Protocol, which will ensure robust fallback mechanisms when the LIBOR rates are discontinued. With reference to these, bilateral LIBOR transactions in the above currencies were also transitioned at the turn of the year. Of significant exposures in assets, liabilities and derivatives to interest rates for which an alternative interest-rate benchmark has not yet been applied, Jyske Bank had at the end of 2021 a derivatives exposure against USD LIBOR totalling DKK 32,749m.

The IBOR reform and the ensuing changes to the interest rate benchmarks and cash flows are not considered to be of importance for the hedging relationship for the hedged items and the hedging instrument. The transactions are hedged in the hedging relationship 1:1, and also the transactions are anticipated in mid-2021 to discounted on the basis of the same identical yield curve setup; the effectiveness test in the hedging relationship of 80% to 125% will be met.

The table on page 90 shows the distribution of the hedging instruments according to current reference rates, where Jyske Bank is primarily in EURIBOR. The majority of the hedging instruments' nominal value is also EURIBOR, where the timing of these are mainly maturities of 1 - 5 years

Hedge accounting of currency risk on investments in subsidiaries

Until the sale of Jyske Bank (Gibraltar) on 3 April 2020, Jyske Bank hedged the currency risk on the net investment in the subsidiary through forward exchange contracts. After the sale of the subsidiary, the forward exchange contracts have also been disposed of.

DKKm

59 Derivatives

Both its clients and the Group use derivatives to hedge against and manage market risk. Market risk on derivatives is included in the Group's measurement of market risk. Credit risk in connection with derivatives is calculated for each counterparty and is included in Jyske Bank's overall credit risk management. Subject to specific bilateral agreement, netting of the credit risk associated with derivatives is undertaken for each counterparty.

2021	Net fair value				Fair value			Principal amounts, total
	Up to 3 months	Over 3 months and up to 1 year	Over 1 year and up to 5 years	Over 5 years	Assets	Liabilities	Net	Nominal value
Currency contracts								
Forwards/futures, bought	4,447	1,299	388	0	6,135	1	6,134	395,489
Forwards/futures, sold	-4,061	-1,332	-393	-12	1	5,799	-5,798	366,307
Swaps	40	-177	-230	4	547	910	-363	123,061
Options, acquired	6	14	0	0	20	0	20	1,759
Options, issued	-6	-13	0	0	0	19	-19	1,858
Total	426	-209	-235	-8	6,703	6,729	-26	888,474
Interest-rate contracts								
Forwards/futures, bought	-21	0	0	0	25	46	-21	13,886
Forwards/futures, sold	33	0	0	0	41	8	33	25,426
Forward Rate Agreements, bought	0	0	0	0	0	0	0	0
Forward Rate Agreements, sold	0	0	0	0	0	0	0	0
Swaps	-289	22	322	-1,068	27,460	28,473	-1,013	1,290,921
Options, acquired	6	0	-6	28	40	12	28	-794
Options, issued	0	1	9	-8	25	23	2	10,978
Total	-271	23	325	-1,048	27,591	28,562	-971	1,340,417
Share contracts								
Forwards/futures, bought	10	0	0	0	10	0	10	52
Forwards/futures, sold	-17	0	0	0	0	17	-17	57
Options, acquired	1	0	0	0	1	0	1	0
Options, issued	-1	0	0	0	0	1	-1	0
Total	-7	0	0	0	11	18	-7	109
Commodity contracts								
Forwards/futures, bought	310	188	8	0	527	21	506	37
Forwards/futures, sold	-149	-160	-7	0	45	361	-316	37
Options, acquired	438	799	729	0	1,979	13	1,966	2
Options, issued	-368	-915	-650	0	8	1,941	-1,933	1
Total	231	-88	80	0	2,559	2,336	223	77
Total	379	-274	170	-1,056	36,864	37,645	-781	2,229,077
Outstanding spot transactions					29	17	12	40,366
CCP netting					-11,847	-11,847	0	0
Total after CCP netting					25,046	25,815	-769	2,269,443

DKKm

59 Derivatives – cont.

2020	Net fair value				Fair value			Principal amounts, total
	Up to 3 months	Over 3 months and up to 1 year	Over 1 year and up to 5 years	Over 5 years	Assets	Liabilities	Net	Nominal value
Currency contracts								
Forwards/futures, bought	5,672	1,760	251	0	7,686	3	7,683	357,140
Forwards/futures, sold	-6,273	-1,763	-563	0	7	8,606	-8,599	381,686
Swaps	-52	51	-79	-48	1,199	1,327	-128	125,159
Options, acquired	72	10	0	0	82	0	82	2,565
Options, issued	-51	-4	0	0	0	55	-55	2,314
Total	-632	54	-391	-48	8,974	9,991	-1,017	868,864
Interest-rate contracts								
Forwards/futures, bought	1	0	0	0	77	76	1	18,174
Forwards/futures, sold	-2	0	0	0	10	12	-2	28,439
Forward Rate Agreements, bought	0	0	0	0	0	0	0	0
Forward Rate Agreements, sold	0	0	0	0	0	0	0	0
Swaps	-383	-17	107	-1,019	36,625	37,937	-1,312	1,319,941
Options, acquired	62	-2	-30	-12	24	6	18	981
Options, issued	0	1	4	-8	7	10	-3	10,160
Total	-322	-18	81	-1,039	36,743	38,041	-1,298	1,377,695
Share contracts								
Forwards/futures, bought	7	0	0	0	7	0	7	11
Forwards/futures, sold	-15	0	0	0	0	15	-15	30
Options, acquired	4	0	0	0	4	0	4	0
Options, issued	-4	0	0	0	0	4	-4	0
Total	-8	0	0	0	11	19	-8	41
Commodity contracts								
Forwards/futures, bought	172	177	8	0	368	11	357	43
Forwards/futures, sold	-125	-181	-7	0	12	325	-313	42
Options, acquired	112	111	503	0	798	72	726	1
Options, issued	-110	-106	-468	0	72	756	-684	1
Total	49	1	36	0	1,250	1,164	86	87
Total	-913	37	-274	-1,087	46,978	49,215	-2,237	2,246,687
Outstanding spot transactions					27	21	6	37,971
CCP netting					-15,034	-15,034	0	0
Total after CCP netting					31,971	34,202	-2,231	2,284,658

60 **Liquidity risk**

Liquidity risk occurs due to funding mismatch in the balance sheet. The Group's liquidity risk can primarily be attributed to its bank lending activities as loans and advances have a longer contractual duration than its average funding sources. Liquidity risks at Jyske Realkredit are limited due to compliance with the balance principle for covered bond issues as set out in the mortgage legislation. Note 17 states the remaining time to maturity for a number of assets and liabilities.

Objective and overall setup

The Group Supervisory Board determines the liquidity profile expressed as the balance between the risk level and the Group's costs of managing liquidity risk. The risk levels are re-assessed on an on-going basis in consideration of the current market-related and economic conditions in Denmark and the financial sector.

The overall development in lending and deposits in the Danish banking sector, the rating agencies' assessment of the Group's liquidity and funding risks as well as changes in statutory requirements will of course cause Jyske Bank to re-assess which risk levels can be deemed satisfactory.

Jyske Bank's liquidity management must ensure adequate short- and long-term liquidity so the Group can in due time honour its payment obligations by having reasonable funding costs. This is ensured through the following objectives and policies:

1. a strong and stable deposit basis which ensures stable long-term funding of the Group's lending activities;
2. continued high credit ratings by international rating agencies;
3. permanent access to international capital markets, hence achieving access to a diversified and professional funding base;
4. maintenance of a considerable buffer of highly liquid securities reflecting the run-off risk of more volatile price and credit sensitive funding sources. The liquidity buffer ensures that Jyske Bank can withstand the effect of several adverse liquidity scenarios.

Organisation, management and monitoring

The Group Supervisory Board has adopted a liquidity policy, which among other things defines specific critical time horizons for the Group during various adverse stress scenarios. Other key ratios include an internal target for LCR, NSFR, requirements for the Group's liquidity buffer and the ratio between bank loans and bank deposits. On the basis of the general limits, the Group Executive Board has delegated specific operational limits to the operationally responsible officers at Jyske Bank, who on a daily basis follow and manage the Group's liquidity in line with limits and liquidity policies.

Jyske Realkredit is subject to liquidity-related restrictions in respect of investment profile in the securities portfolio and money-market placements outside the Group to ensure that transactions at Jyske Realkredit are in line with statutory requirements as well as internal guidelines at Jyske Realkredit and at Group level.

Liquidity positions are monitored daily by Market Risk & Models for observance of the delegated limits. Liquidity positions that exceed the authorised limits are reported immediately according to the business procedure relating to market risks.

Short-term liquidity management

Short-term operational liquidity is managed by Jyske Markets, which is active in the international money markets as a trader in all major currencies and related derivatives and as a market-maker in the Nordic inter-bank money markets. Short-term funding in these markets form part of Group's overall financial structure and is hence integrated in the strategic liquidity management.

60 Liquidity risk, cont.

Strategic liquidity management
Strategic liquidity management is embedded in Group Treasury. This management is based on various balance sheet and financing-related targets and statements of the Group's liquidity position under various stress scenarios.

Under the stress scenarios applied, payments from the asset side of the liquidity balance sheet are grouped in order of liquidity, whereas payments from the financial liabilities side are grouped according to expected run-off risk in various scenarios. The analyses are based on the contractual maturity of each individual payment, but they make allowance for the fact that the actual maturities of a large part of the balance sheet deviate from the contractual maturities. The analyses therefore apply scenario-specific expectations of client behaviour in those cases where contractual maturities are not considered to give a true and fair view of the actual maturities of deposits or loans. In relevant stress scenarios, the liquidity buffer is used to cover negative cash flows.

Under the various stress scenarios, both a survival horizon and a horizon regarding compliance with the mandatory LCR requirement are determined. The survival horizon is defined as the horizon with which the liquidity buffer will suffice to honour due dates relating to financing. Group Treasury is responsible for ensuring that the Group can at all times meet the critical survival horizons in the three scenarios used in strategic management:

- Institution-specific liquidity scenario (scenario 1): The scenario is based on an isolated incident in the Group, which will shake the surrounding world's confidence. Also, the incident may result in the loss of clients. The scenario also entails that Jyske Bank's rating is downgraded by one notch. It is, among other things, assumed that the Group is entirely cut off from access to the capital markets defined as CP, Interbank as well as to issues of senior debt and capital instrument. In addition, the Group is fast losing a significant part of the credit-sensitive client deposits, and it is also facing the risk that the bank must provide additional collateral as a derivative counterparty. *The target is a horizon of at least 24 months.*

- Capital market scenario (scenario 2): This scenario is, in actual fact, also a recession scenario. Following a long-lasting economic slowdown, banks are generally suffering from increasing credit losses and weak earnings. The property market is characterised by steep price declines. The surrounding world's confidence in the banking sector is seriously shaken, with the result that the capital market is frozen. The Group performs in line with the sector and avoids a downgrade on the part of the rating agencies. The Group is cut off from the capital markets defined as CP, Interbank as well as issues of senior debt and capital instrument. On the other hand, deposits with Jyske Bank are only affected to a modest degree. A decline in property prices totalling 20% over two years will entail that Jyske Realkredit must provide higher collateral at the capital centres to meet the covered bond requirement, and that, due to turmoil in the capital markets, the need for CAS collateral increases. Moreover, rising risk aversion in the market will have the result that the value of the liquidity reserve is lowered due to widening credit spreads. *The target is a horizon of at least 18 months*

- Combination scenario (scenario 3): This scenario is a combination of the two above ones; in the middle of a deep financial crisis, the Group is affected by a specific incident that undermines the confidence in the bank, see scenario 1. As the Group is affected by two incidents at the same time, the rating will be downgraded by two notches, which again adds to a negative liquidity flow. The outflow of the scenario is the union of scenario 1 and scenario 2. In addition, it must be assumed that a downgrade by two notches in a general market crisis will make it more difficult to find new derivative counterparties. It is therefore anticipated that it may be necessary for the Group to provide significant (and of a more permanent nature) collateral to new derivative counterparties. *The target is a horizon of at least 9 months.*

In addition to the targets for survival horizons, the ongoing Group Reporting also includes the calculated horizon for compliance with the statutory LCR requirement in the scenarios.

Liquidity contingency plan
The liquidity contingency plan comes into force if the Group can only meet the internally delegated limits at very high costs or is ultimately unable to do so within the critical horizons. The contingency plan establishes a wide range of possible actions to strengthen the Group's liquidity situation.

In 2021, Jyske Bank had a very high degree of excess coverage in respect of internally delegated limits and guidelines.

60 Liquidity risk, cont.

The Group's liquidity buffer
The Jyske Bank Group's liquidity buffer is determined as assets that can be sold quickly or put up as collateral for loans, and such assets are therefore an efficient source of liquidity. The procurement of secured funding does not depend on Jyske Bank's creditworthiness, but solely on the quality of the assets that can be offered as collateral. Only assets that are not applied for the Group's daily operations are included. The measurement of the Group's liquidity buffer takes into account haircuts of the relevant assets.

Jyske Bank's securities portfolio is, in the internal liquidity management, divided into three groups according to liquidity ratio:

1. Ultra-liquid assets. Cash deposits placed with the Danish Central Bank or the

   ECB with intra-day liquidity effect according to the rules of the central banks.
2. Very liquid assets. Bonds eligible for borrowing transactions in the Danish central bank or the ECB. The liquidity value of Danish government and mortgage bonds as well as covered bonds is determined at market value less the Danish central bank's specific haircuts on bonds in connection with borrowing. To this must be added European mortgage bonds and government bonds. The liquidity value of these is determined at market value less the ECB's specific haircuts in connection with borrowing. The internal statement of liquidity reserves includes own mortgage bonds and small bond series in line with other mortgage bonds (contrary to the LCR buffer).
3. Non-eligible assets Consist of other negotiable securities. The realisation period of such assets may vary considerably depending on the market - either in the form of sales or charging in the private repo market. Haircuts are determined at 25%. Securities in this group consist primarily of assets denominated in currencies other than DKK and EUR as well as securitization positions in the fom of CLOs.

Additional information about liquidity risk is provided in the section 'Liquidity management' in the Management's review.

Asset encumbrance
Asset encumbrance is a natural and inevitable part of the Group's daily activities. A large asset encumbrance of the Group's assets will, however, entail structural subordination of the Group's unsecured creditors. To ensure that the Group at all times has access to unsecured funding, a policy has been established in the area to ensure that asset encumbrance is not extended to any inexpedient extent.

At Jyske Bank, the following types of asset encumbrance of material extent have been identified:
- Issuance of covered bonds
- Periodical short-term financing from Danmarks Nationalbank and the ECB.
- Repo financing
- Derivatives and clearing activities

Issuance of covered bonds is the most important asset encumbrance of Jyske Realkredit A/S. Issuance of covered bonds is a long-term and strategically important instrument to ensure stable and attractive funding.

The Group does not wish to be structurally dependent on funding of its activities from central banks, and the liquidity management is planned in such a way that private funding can be obtained in most cases. On the other hand, short-term loans cannot be ruled out in the event of major unexpected shifts in liquidity and the use of central banks is considered a natural last resort.

Participation in the repo market for institutional clients and other financial institutions forms an integral part of the business model of Jyske Markets. It is the policy that such repo transactions are covered by collateral agreements (CSA) so the Group does not assume credit risk through such transactions. Repo transactions are only carried out for very liquid assets. Also, repo transactions are included as a natural element of the management of the Group's liquidity buffer. Even though repo transactions form an important element in Jyske Markets, these can fairly quickly be scaled up or down.

Derivatives and clearing activities involve asset encumbrance via agreements on provision of financial collateral. The Group strives to ensure that collateral is primarily received and given through cash but includes also provision of collateral in the form of bonds.

61 Operational risk

The Group is exposed to potential losses as a result of operational risks, including inexpedient processes, human errors, IT errors as well as fraud. Operational risk relates to all internal processes and can therefore not be eliminated.

The Group monitors and actively manages operational risk to reduce the risk of operational events resulting in material loss and damage to the Group's reputation.

Objective and overall setup

Jyske Bank's Group Supervisory Board sets out a policy for operational risk, which states the framework for identification, assessment, monitoring and management of the operational risk as well as the Group Supervisory Board's risk profile for the area.

The purpose of the policy is to keep operational risks at an acceptable level in respect of the Group's overall objectives and the cost associated with reducing the risks. Therefore the Group Supervisory Board has laid down a number of principles for the set-up and management of the Group where, among other things, attention must be paid to sufficient resources, IT support of material work processes, due separation of functions as well as stable development and operational processes.

Management and monitoring

Developments in operational risk are monitored to ensure the best possible basis for risk management. Monitoring is based on continuous dialogue with management to ensure that all the material operational risks of the Group are identified, analysed and anchored in the Group's risk register. Risk scenarios, risk exposure and control environment are evaluated annually in cooperation with the business units.

In addition to the monitoring of potential risks, registration takes place in the Group of all operational errors or incidents that caused losses or gains in excess of DKK 5,000. Each registration includes information about the incident, for instance about product, work process and cause of error. Data are used for analysis and reporting with a view to optimising processes and reducing future losses.

The Group Executive Board and the relevant business unit directors are in charge of operational risk management. This management is an integral part of daily operations through business procedures and controls established with the object of securing the best possible processing environment. On the basis of risk analyses and regular reporting of the Group's operational risks, management considers the Group's risk exposure on an ongoing basis and decides whether to introduce initiatives to reduce operational risks.

Every quarter, the Group Executive Board and the Group Supervisory Board receive a comprehensive report that describes the development of the Group's operational risks accompanied by error statistics from the error registry. Non-compliance with established risk targets will also be reported.

DKKm	2021	2020

62 **Transactions involving related parties**

Transactions with associates		
Loans	47	42
Deposits	12	8
Other liabilities	66	62
Interest income	0	1
Employee and administrative expenses	697	622
Transactions with joint ventures		
Loans	26	27
Interest income	3	3

	Members of the Supervisory Board and related parties		Members of the Executive Board and related parties	
	2021	2020	2021	2020
Short-term consideration	7	8	35	34
Guarantees received	25	31	10	9
Debt of the Jyske Bank Group	11	25	12	19
Account receivable, the Jyske Bank Group, amount drawn down	27	34	10	9
Account receivable, the Jyske Bank Group, credit facility	33	36	10	9
Changes in the present value of the pension liability	-	-	2	3
Interest rates for loans and advances (%)	0.4-6.9	0.3-7.0	0.9-1.0	0.1-1.0

Group enterprises and associates as well as joint ventures are considered related parties. Please see the Group chart.

Jyske Bank's Executive Board and Supervisory Board as well as their related parties are also considered related parties.
No loans to related parties were credit impaired.

Jyske Bank does not consider the Shareholders' Representatives a restricted management body.

Transactions between related parties are characterised as ordinary financial transactions and services of an operational nature. Jyske Bank A/S and Jyske Realkredit A/S have entered into an agreement on joint funding and an agreement on outsourcing. Transactions related to these agreements are eliminated in the Group.

Transactions between Jyske Bank and group enterprises and associates as well as joint ventures are entered into on an arm's length or at cost. The transactions are eliminated upon consolidation. Transactions between Jyske Bank and other related parties were executed on an arm's length basis. This also holds for the rates of interest and commission charges.

Jyske Bank A/S's Pensionstilskudsfond is a fund which offers supplementary pensions to current and former members of Jyske Bank's Executive Board and their surviving relatives. Pension liabilities are actuarial items based on a number of assumptions, cf. also note 37 on pension provisions. At an unchanged discount rate, Jyske Bank's Executive Board earned additional retirement remuneration of DKK 2m in 2021 (2020: DKK 2m), cf. note 12.

For Jyske Bank A/S' related party transactions, please see note 33 in Jyske Bank' A/S' financial statements.

DKKm

63 Leasing as lessee

2021

Leased assets	Real property	Cars	Total
Beginning of period	363	4	367
Additions	54	8	62
Remeasurement of lease liability	45	0	45
Disposals	-29	-4	-33
Depreciation and amortisation for the year	-63	-3	-66
Recognised value, end of period	370	5	375

Lease liabilities	
Termination of lease liabilities	
0-1 years	72
1-5 years	266
Over 5 years	73
Non-discounted lease liability, end of period	411
Recognised value, end of period	385

Amounts recognised in income statement as lessee	
Interest expenses relating to lease liabilities	9
Variable lease payments not recognised as part of the lease liability	0
Costs relating to short-term leased assets (less than 12 months) and for leasing activity with a low value	0

2020

Leased assets	Real property	Cars	Total
Beginning of period	360	5	365
Additions	2	1	3
Remeasurement of lease liability	71	0	71
Disposals	-6	0	-6
Depreciation and amortisation for the year	-64	-2	-66
Recognised value, end of period	363	4	367

Lease commitments	
Termination of lease liabilities	
0-1 years	72
1-5 years	283
Over 5 years	45
Non-discounted lease liability, end of period	400
Recognised value, end of period	374

Amounts recognised in income statement as lessee	
Interest expenses relating to lease liabilities	10
Variable lease payments not recognised as part of the lease liability	0
Costs relating to short-term leased assets (less than 12 months) and for leasing activity with a low value	0

Jyske Bank holds a number of leases. The contracts cover primarily rent of properties and as of 2019 they are recognised in Jyske Bank's balance sheet as leased assets and lease liability.

DKKm	2021	2020
64 **Leasing as lessor**		
Income from finance and operating lease		
Finance income from finance leasing	238	247
Gain from sale of leased assets	12	8
Lease income from finance lease	250	255
Lease income and gains from sale from operating lease	753	644
Total	1,003	899

Income consists of finance income from finance leasing as well as lease income from operating lease. This includes any fees received and paid relating to finance leasing that is closely related to the financing.

No income from variable lease payments for finance leasing is included in the measurement of the net investment.

No variable lease payments from operating lease depend on an index or an interest rate.

As was the case in previous years, the main activity was object financing, which primarily includes capital investment in plant and equipment/movable property as well as certain loan purposes and secondarily administration and financing tasks for third parties relating to such investments, including finance arrangements under a third party's own brand.

Financing and leasing are primarily offered to Danish and Swedish personal clients, companies registered in Denmark and foreign private individuals or companies against commitment provided by a Danish company.

	2021	2020
Amortisation, depreciation and impairment charges on operating leased assets		
Depreciation and impairment charges on property, plant and equipment	503	475
Reversed impairment charges on property, plant and equipment	8	-54
Recognised losses attributed to non-current assets	2	5
Total	497	534
Operating leased assets		
Cost, beginning of period	3,393	3,395
Currency translation adjustment	0	40
Additions	980	1,061
Disposals	1,279	1,103
Cost, end of period	3,094	3,393
Depreciation and amortisation, beginning of period	1,064	990
Currency translation adjustment	0	8
Depreciation and amortisation for the year	502	474
Reversal of amortisation and depreciation on assets disposed of	706	408
Depreciation and amortisation, end of period	860	1,064
Depreciation and amortisation, beginning of period	69	82
Impairment charges for the year	12	59
Reversal of impairment charges in previous years	54	72
Depreciation and amortisation, end of period	27	69
Carrying amount, end of period	2,207	2,260
Maturity analyses leased assets		
Present value of future minimum lease payments that fall due as follows:		
Fall due within 1 year	461	421
Fall due within 1-2 years	277	280
Fall due within 2-3 years	94	103
Fall due within 3-4 years	6	5
Fall due within 4-5 years	1	1
Fall due after 5 years	0	1
Total	839	811

64 **Leasing as lessor, cont.**

In addition, there are non-guaranteed residual values related to operating leased assets that are not included in the lessee's minimum lease payments.

Operating leased assets consist mainly of vehicles.

Leased assets include repossessed assets totalling DKK 64m. (2020: DKK 43m). It is expected that the assets will be leased again to new clients or, alternatively, sold within the next 12 months.

Description of risks and uncertainty relating to estimation of residual values
The Group has assumed risks relating to the residual value of its holding of operating lease agreements.

The measurement of the Group's property, plant and equipment relating to operating lease agreements is subject to some uncertainty, which can be attributed to a number of external market effects as well as the Group's own estimates of future circumstances. This is in particular related to the expected cash flows from the lease agreements in connection with the assets, and in particular cash flows from the subsequent sale of the assets and the circumstances related to this.

The accounting residual values are set at the market value at which the object is expected to have at the expiry of the agreement. The actual market value is, however, only finally known at the time of sale, and therefore, to a great extent, the establishment of residual values relies on professional estimates based on experience, market trends, etc. Sales prices of the objects are strongly affected by the supply / demand situation in the Danish and European car market, including industry trends as regards fuel preferences, bodywork, level of equipment, etc.

In addition, the expected net sales price is affected by prepayment patterns for the Group's private lease agreements in Denmark, as expectations of these contribute to deciding the expected time of sale. Moreover, the net sales price is also affected by the rate of turnover measured from the time of the return of the object to the sale and possibly other future income as well as expenses relating to the realisation/contract expiry, etc.

Risk management strategy
The Group monitors continuously whether the established residual values of the contracts in progress match the estimated realisation price, and whether other circumstances also indicate indication of impairment. This takes place in close connection with the ongoing pricing of new campaigns.

The above task has been assigned dedicated employee and management resources and also IT applications that assists in the ongoing monitoring of the picture of risk.

In addition to the above, the Group also works continuously to build new sales channels and also to enhance the logistics, preparation and repair set-up with a view to obtaining the best possible net sales prices.

DKKm	2021	2020
Financial Lease Agreements		
Cost, beginning of period	9,272	9,088
Additions	5,952	4,794
Disposals	5,432	4,610
Cost, end of period	9,792	9,272
Depreciation and amortisation, beginning of period	180	139
Impairment charges for the year	100	115
Reversal of impairment charges in previous years	108	74
Depreciation and amortisation, end of period	172	180
Carrying amount, end of period	9,620	9,092

DKKm	2021	2020
64 Leasing as lessor, cont.		
Maturity analysis		
Nominal value of future lease payments.		
Fall due within 1 year	2,362	2,256
Fall due within 1-2 years	1,785	1,702
Fall due within 2-3 years	1,316	1,278
Fall due within 3-4 years	840	832
Fall due within 4-5 years	444	418
Fall due after 5 years	288	266
Total	7,035	6,752
Correlation between maturity analysis and net investment		
Nominal value of future minimum lease payments, cf. above	7,035	6,752
Of which unrecognised interest income (at the current interest-rate level) included in the minimum lease payments	397	396
Net present value of guaranteed residual values at expiry of the agreements	359	335
Net present value of non-guaranteed residual values at expiry of the agreements	2,795	2,581
Total	9,792	9,272

Carrying amount of finance leasing is affected by inflow of new agreements, extensions, repayments as well as regulation of impairment charges for expected credit loss.

65 Group overview

31 December 2021	Currency	Share capital 1.000 units	Ownership share (%)	Voting share (%)	Assets DKKm, end of 2021	Liabilities DKKm, end of 2021	Equity DKKm, end of 2021	Earnings (DKKm) 2021	Profit or loss, DKKm 2021
Jyske Bank A/S[1]	DKK	725,608			314,879	276,613	38,266	6,308	3,176
Subsidiaries									
Jyske Realkredit, Kgs. Lyngby [2]	DKK	4,306,480	100	100	369,035	348,237	20,798	5,685	1,028
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	3	3	0	0	0
Jyske Finans A/S, Silkeborg [3]	DKK	100,000	100	100	24,519	22,977	1,542	1,459	462
Ejendomsselskabet af 01.11.2017 A/S, Silkeborg [5]	DKK	500	100	100	48	45	3	4	2
Gl. Skovridergaard A/S, Silkeborg [5]	DKK	500	100	100	31	28	3	18	0
Ejendomsselskabet af 01.10.2015 ApS, Silkeborg [5]	DKK	500	100	100	106	104	2	1	1
Jyske Invest Fund Management A/S, Silkeborg [4]	DKK	76,000	100	100	491	90	401	179	48
Jyske Banks Vindmølle A/S, Hobro [5]	DKK	400	100	100	47	26	21	4	1

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.

Associates*				
Foreningen Bankdata, Fredericia	DKK	472,048	37	37
Sanistål A/S, Aalborg	DKK	11,924	12	12
CAPNOVA A/S, Aarhus	DKK	7,386	30	30
Jointly controlled enterprises				
Netto Biler A/S	DKK	5,000	50	50

From associated and jointly controlled companies, the Jyske Bank Group recognised a total of DKK 47m (2020: DKK 42m) under assets, DKK 66m (2020: DKK 61m) under liabilities, DKK 0m (2020: DKK 1m) under income, and DKK 697m (2020: DKK 622m) under expenses.
* Accounting figures according to the latest published Annual Report.

DKKm

66 Investments in associates and jointly controlled companies

	Associates			
	Foreningen Bankdata		Sanistål A/S	
	2021	2020	2021	2020
Equity interest, %	37	38	12	12
Dividend received	0	0	0	0
Income statement and comprehensive income				
Revenue	1,758	1,750	3,258	3,642
Expenses	1,609	1,675	3,144	3,577
Amortisation, depreciation and impairment	161	142	127	229
Financial income	3	0	2	2
Financial expenses	1	1	15	20
Tax on profit for the year	-3	-13	-5	-16
Profit or loss from discontinuing activities	0	0	0	-37
Profit for the year	-7	-55	-21	-203
Other comprehensive income	0	0	-2	2
Comprehensive income	-7	-55	-23	-201
Balance Sheet				
Property, plant and equipment	182	180	167	184
Intangible assets	508	534	251	252
Other long-term assets	109	102	309	360
Cash and cash equivalents	168	271	28	16
Other short-term assets	253	187	1,030	1,080
Total assets	1,220	1,274	1,785	1,892
Equity	478	484	582	602
Long-term liabilities	340	378	212	238
Short-term liabilities	402	412	991	1,052
Total equity and liabilities	1,220	1,274	1,785	1,892

The amounts stated are the latest published total figures from the financial statements of the individual associates.

The Group's strategy includes strategic partnerships in key areas, including IT development through the Association Bankdata.

Information on other associates and jointly controlled companies

	Carrying amount according to the equity method	Profit, continuing operation	Profit, discontinuing operation	Other comprehensive income	Comprehensive income
According to the Group's equity interest in the individual companies in 2021	44	16	0	0	16
According to 100% in the individual companies in 2021	122	40	0	0	40
According to the Group's equity interest in the individual companies in 2020	14	1	0	0	1
According to 100% in the individual companies in 2020	41	5	0	0	5

Accounting figures according to the latest published Annual Report.

67 Accounting policies

Basis of accounting
The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. The financial statements of the parent company have been presented in accordance with the Danish Financial Business Act, including the Danish Executive Order on Financial Reports for Credit Institutions, Stockbrokers, etc. Furthermore, the Annual Report has been prepared in accordance with the Danish disclosure requirements for annual reports of listed financial institutions.

Additional Danish reporting requirements for the consolidated financial statements are laid down in the executive order on IFRS relating to financial institutions in accordance with the Danish Financial Business Act and in the rules laid down by Nasdaq Copenhagen A/S, and for the Parent's financial statements in accordance with the Danish Financial Business Act and in the rules laid down by Nasdaq Copenhagen A/S.

The rules applying to recognition and measurement at the Parent are consistent with IFRS.

Figures in the Annual Report are in Danish kroner, rounded to the nearest million in Danish kroner.

Changes to accounting policies, new and changed standards as well as interpretation
"Reform of reference rates" i phase 2 (IFRS 9, IAS 39, IFRS 7, IFRS 16) was implemented on 1 January 2021. This is the second part of the two-phased project with the purpose of reducing the accounting consequences when reference rates are changed in connection with provision of security or with loans solely due to the reform of the system relating to reference rates (the IBOR reform). The change, which is described in note 58 to the consolidated accounts, resulted in a stricter duty of disclosure but has no effect on the net profit for the year, comprehensive income, balance sheet or equity in 2021, and the future effect is expected to be insignificant.

"Changes to IFRS 16 as a consequence of COVID-19" took effect on 1 January 2021. The purpose of the change is to reduce the accounting consequences to the lessee when the COVID-19 pandemic has resulted in a reduction or delay of lease payments. Jyske Bank has not had any reduction or delay of lease payments as a consequence of the COVID-19 pandemic, and therefore the change did not have any effect on the financial reporting.

Accounting standards and interpretation that have not taken effect
At the time of publication of this Financial Report, a number of new or amended standards and interpretations had been adopted yet not come into force or been approved for use in the EU. It is not expected that these will have any material impact on Jyske Bank's financial reporting.

IFRS 17 "Insurance contracts", active as from 1 January 2021.

In addition a number of minor changes have taken effect, including changes to IFRS 3 References to framework, changes to IAS 16 Income from non-current assets under construction, changes to IAS 37 Expenses relating to the fulfilment of an onerous contract, Improvements of IFRSs (2018-2020), changes to IAS 1 Presentation of liabilities as short-term and long-term, changes to IAS 1 Disclosure of accounting policies, changes to IAS 8 Definition of accounting estimates, and changes to IAS 12 Deferred tax on assets and liabilities from an individual transaction.

It is not expected, that the above will affect Jyske Bank's financial reporting to any material degree.

Recognition and measurement
Assets under the control of the Jyske Bank Group as a result of past events are recognised in the balance sheet when it is deemed probable that future economic benefits will flow to the Group and the asset value can be measured reliably. Liabilities as a result of past events are recognised in the balance sheet when it is deemed that redemption will result in the relinquishment of future economic benefits and the amount of the liability can be measured reliably.

At the initial recognition, assets and liabilities are measured at fair value, and for assets and liabilities that are subsequently measured at amortised cost, directly attributable transaction costs paid will be added, and directly attributable transaction costs received will be deducted. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account gains, losses and risks that occurred prior to the presentation date of the Annual Report and that confirm or disprove conditions which existed on the balance sheet date.

Income is recognised in the income statement as earned. Incurred expenses that relate directly to the generation of the year's earnings are recognised in the income statement. Value adjustment of financial assets, financial liabilities and derivatives is recognised in the income statement with the exception of value adjustment of instruments entered into with a view to hedging net investment in associates and group enterprises abroad. The latter value adjustment is recognised in other comprehensive income.

Financial instruments are recognised at the date of settlement, and the recognition ceases when the right to receive or deliver cash flows from the financial instrument has expired, or if the financial instrument has been transferred, and the Group has essentially transferred all risks and returns associated with the ownership.

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 on the balance sheet date. Estimates of material importance to the presentation of the accounts are, among other things, based on

- loans, including loan impairment charges
- fair value of financial instruments
- provisions, including provisions for defined benefit liabilities, losses on guarantees, lawsuits, etc.

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. Key assumptions and any specific risks to which the Group is exposed are stated in the Management's Review and the notes.

Loan impairment charges and provisions for guarantees are subject to significant estimates as regards the quantification of the risk that future payments may not all be received. Where it is established that not all future payments will be received, the determination of the extent of anticipated payments, including specification of scenarios, risk classification, realisable values of security provided and anticipated dividend payments by estates, will also be subject to significant estimates. The division of loans and advances, etc. into stages 1, 2 or 3 is subject to significant estimates, which is decisive when determining whether a loss expected in the 12-month term or an expected loss in the entire term of the loan is to be recognised. In a number of instances, it is necessary to supplement the model-calculated impairment charges in stages 1, 2 and 3 with a management's estimate.

67 Accounting Policies, cont.

This will typically be the case when social events are assessed to affect the level of impairment, yet these events have not yet been picked up by the Group's credit models. Due to the COVID-19 pandemic, the uncertainty relating to the estimates applied has increased.

The measurement of the fair value of financial instruments is subject to significant estimates of the fair value in a non-active market. Fair value is recognised on the basis of observable market data and recognised value assessment techniques, which include discounted cash flow models and models for the pricing of options. Input variables include observable market data, including non-listed yield curves, exchange rates and volatility curves. Unlisted shares are recognised at an estimated fair value on the basis of the available budget and accounting figures of the issuer in question or at management's best estimate.

Provisions for defined benefit pension plans, etc. are subject to significant estimates with regard to the determination of future employee turnover, discount rate, the rate of wage and salary increase, and the return on associated assets. Provisions for pension liabilities, etc. are based on actuary calculations and estimates. Moreover, provisions for losses on guarantees are subject the uncertainty of assessing the extent to which guarantees may be called upon as a consequence of the financial collapse of the guarantee applicant. The calculation of other provisions is subject to significant estimates with regard to the determination of the probability and to which extent a possible obligating event may and will result in a future drain on Jyske Bank's economic resources.

Hedge accounting
The Group applies the rules on accounting hedging in IAS 39. The Group hedges the interest-rate risk on a portfolio of liabilities as well as the foreign currency translation risk of its subsidiaries.

Subsequent value adjustments of derivatives that are classified as and meet the requirements for hedging the fair value of a recognised fixed-rate liability are recognised in the income statement together with the value adjustment of the hedged liability, dependent of interest rate levels. If the criteria for hedging are no longer met, the accumulated valuation of the hedged item is amortised over the remaining maturity period.

Subsequent value adjustment of derivatives applied towards the hedging of net investments in international subsidiaries, and which effectively offer protection against exchange rate fluctuations in respect of those companies, are recognised in other comprehensive income under a separate currency translation reserve. The inefficient part is recognised in the income statement at once. If the foreign enterprise is disposed of, the accumulated changes in value are transferred to the income statement.

The consolidated financial statements
The consolidated financial statements cover the financial statements for Jyske Bank A/S and the companies controlled by Jyske Bank A/S. Control is achieved when Jyske Bank A/S

- has control of another company
- has the possibility of or the has the right to a variable return on its investment, and
- is able to use its control to obtain such return.

The Group reassesses whether it controls a company if the situation and circumstances indicate changes to one or more of the three above elements.

The consolidated financial statements have been prepared by adding up the financial statements of Jyske Bank A/S and those of its subsidiaries, which were prepared in accordance with the Group's accounting policies. Intra-group credit and debit items, intra-group share holdings, commitments and guarantees have been eliminated.

Intra-group transactions
Intra-group transactions are entered into on an arm's length basis or at cost.

Business combinations
Assets, including identifiable intangible assets, liabilities and contingent liabilities are measured at fair value on the date of acquisition. A positive difference between the cost and the fair value of the identifiable net assets is recognised as goodwill. A negative difference between the cost and the fair value of the identifiable net assets is recognised as negative goodwill under Other operating income in the income statement.

The results of subsidiaries acquired or disposed of are recognised in the consolidated income statement at the time when the controlling interest is transferred to the Group and cease to be consolidated from the time when the controlling interest ceases to exist. Transaction costs are recognised in the income statement.

Translation of foreign currency amounts at consolidation
Balance-sheet items relating to the Bank's foreign subsidiaries are translated at year-end exchange rates for balance sheet items and at average exchange rates for income statement items. Changes in the value of opening equity due to exchange-rate movements during the year are recognised in other comprehensive income under currency translation reserve. Differences between translation at year-end and at average exchange rates are included in other comprehensive income under currency translation reserve.

Foreign currency transactions
Transactions in currencies other than Danish kroner are translated at the official exchange rates on the day of the transactions. Unsettled monetary transactions in foreign currencies on the balance-sheet date are translated at the official exchange rates on the balance sheet date. For listed currencies, the published bid and offer prices from external suppliers will be applied.

Non-monetary assets and liabilities acquired in a foreign currency, which are not restated at fair value, are not subject to translation adjustments. In connection with a non-monetary asset, the fair value of which exceeds that stated in the income statement, unrealised translation adjustments are recognised in the income statement.

Foreign exchange gains and losses are included in the profit of the year, with the exception of exchange-rate adjustments related to non-monetary assets and liabilities, where changes in the fair value are recognised in other comprehensive income, and exchange rate hedging of net investments in international subsidiaries where the exchange rate adjustment is recognised in other comprehensive income as well.

Offsetting
Assets and liabilities are offset when the Jyske Bank Group has a legal right to offset the recognised amounts and also intends to net or realise the asset and settle the liability at the same time.

67 Accounting Policies, cont.

Leasing contracts

A leased asset and a lease liability are recognised in the balance sheet when, according to a lease agreement entered into, a leased asset is made available to the Group for a lease period, and when the Group has the right of practically all the economic benefits from the use of the identified asset and the right to decide on the use of this.

Lease liabilities are measured at the initial recognition at the net present value of the future leasing payments discounted at an alternative interest rate, which will amount to the cost relating externally financing of a corresponding asset. Subsequently, the lease liability is measured at amortised cost in accordance with the effective interest method. The lease liability is recalculated when changes take place in the underlying contractual cash flows, if changes take place in the estimate of the residual value guarantee, or if the Group changes its assessment of whether it is reasonably certain that an option to purchase, extend or cancel is expected to be utilised.

At initial recognition, the leased asset is measured at cost, which corresponds to the value of the lease liability adjusted for prepaid leasing payments plus directly related costs. Subsequently, the leased asset is measured at cost less accumulated impairment and depreciation. Leased assets are depreciated over the shorter of the leasing period or the useful life of the leased asset. The depreciation is recognised in the income statement by the straight-line method. Leased assets are adjusted for changes in the lease liability due to changes in the terms and conditions of the lease agreement or changes in the cash flows of the contract.

Leased assets are depreciated by the straight-line method over the expected lease period, which amounts to:

Properties	5-10 years
Cars	3-5 years

The leased asset and the lease liability are stated in the notes.

The Group does not recognise short-term lease agreements in the balance sheet. Instead lease payments relating to such lease agreements are recognised in the income statement by the straight-line method.

Assets that are leased at financial lease terms and conditions are recognised, measured and presented as loans and advances.

Hence assets that are leased at operating lease terms and conditions are recognised and presented like the Group's other assets of a similar type. Income from operating lease agreements is recognised by the straight-line method over the relevant leasing period under Other operating income.

Tax

Jyske Bank A/S is assessed for Danish tax purposes jointly with its Danish subsidiaries. Tax on the year's income is divided among the Danish enterprises according to the full costing method. Domestic corporation tax is paid in accordance with the Danish tax prepayment scheme.

Tax comprises calculated tax and any change in deferred tax as well as the readjustment of tax for previous years. Calculated tax is based on the year's taxable income. Deferred tax is recognised and measured in accordance with the balance-sheet liability method on the basis of the differences between the carrying amounts and tax values of assets and liabilities. Overall, deferred tax liabilities are recognised on the basis of temporary differences, and deferred tax assets are recognised to the extent that it is deemed probable that taxable income exists against which deductible temporary differences may be offset. Such assets and liabilities are not recognised where the temporary difference is due to goodwill.

Provisions are not made in the balance sheet for tax payable on the sale of an investment in subsidiaries or associates, if the investment is not expected to be disposed of within a short period of time, or if a sale is planned so that there is no tax liability.

Deferred tax is calculated at the tax rates applicable during the financial year in which the liability is settled, or the asset is realised. Deferred tax is recognised in the income statement, unless it is associated with items which are carried as expenses or income directly in other comprehensive income, in which case deferred tax is recognised in other comprehensive income as well. Deferred tax assets and liabilities are offset where attributable to tax levied by the same tax authority, and where it is the intention of the Group to net its current tax assets and liabilities.

Financial guarantees

Financial guarantees are contracts according to which the Group must pay certain amounts to the holder of the guarantee as compensation for a loss incurred, because a certain debtor did not make a payment on time according to the terms and conditions of the debt instrument.

Financial guarantee obligations are the first time recognised at fair value, and the initial fair value is accrued over the lifetime of the guarantee. Subsequently, the guarantee obligation will be recognised as the higher one of the value on an accrual basis or the present value of expected payments when a payments under the guarantee has become likely.

For the method for provisions for losses on guarantees, please see loans at amortised cost. Provisions for losses on loan commitments and unutilised loan commitments are made according to the same method.

67 Accounting Policies, cont.

Balance Sheet

According to IFRS 9, classification and measurement of financial assets are based on the business model for the financial assets and related contractual cash flows. In consequence of this, financial assets must be classified as one of the following categories:

- Financial assets that are held to generate the contractual cash flows and where the contractual cash flows solely consist of interest and instalments on the outstanding amounts are measured after the time of the initial recognition at amortised cost. As a typical example, this measurement category comprises loans, advances and bonds included in an investment portfolio that is in general held to maturity.

- Financial assets held in a mixed business model where financial assets are held both with a view to generating the contractual cash flows and returns on sales and where the contractual cash flows on the financial assets in the mixed business model solely consist of interest and instalments on the outstanding amount are measured after the time of the initial recognition at fair value through other comprehensive income. In connection with a subsequent sale, recirculation of the change in fair value will take place to the income statement. As a typical example, this measurement category comprises bonds included in the day-to-day liquidity management, unless they are used by a risk management system or an investment strategy based on fair values, cf. below.

- Financial assets that do not belong under one of the above-mentioned business models or where the contractual cash flows do not solely consist of interest and instalments on the outstanding amounts are measured after the time of the initial recognition at fair value through the income statement. As a typical example, this measurement category comprises shares, derivatives and financial assets, which are otherwise included in the trading portfolio or in a risk management system or an investment strategy based on fair values and, on this basis, are included in the bank's internal management reporting. Moreover, financial assets can be measured at fair value through the income statement, if the measurement according to the two above-mentioned business models results in a recognition or accounting mismatch.

Jyske Bank has no financial assets that fall under the measurement category with recognition of financial assets at fair value through Other comprehensive income. Instead, Jyske Bank's bond portfolio is measured at fair value through the income statement either because they are included in a trading portfolio, or because they are used by a risk management system or an investment strategy based on fair values and are, on this basis, included in the bank's internal management reporting, except for a holding of bonds that is held under a business model where the bonds will be measured at amortised cost.

Due from credit institutions and central banks

Initially, balances due from credit institutions and central banks are recognised at fair value plus directly attributable transaction costs less fees and commissions received which are directly associated with the amount due. Subsequently, balances due from banks and central banks are measured at amortised cost in accordance with the effective interest method, less impairment charges, cf. below.

Loans at fair value

Mortgage loans are recognised according to the trade date approach and classified as 'Loans at fair value'. Mortgage loans are measured at fair value on initial and subsequent recognition through the income statement. This takes place to eliminate financial inconsistency resulting from the purchase and sale of own issued bonds. Index-linked loans are measured on the basis of the index value at the end of the year.

The fair value is generally measured at prices of the underlying issued 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. In connection with all loans and advances at initial recognition and all loans and advances without any significant increase in credit risk, a calculation of expected losses over the coming 12 months is made, while in connection with all loans and advances with a significant increase in credit risk, impairment charges corresponding to the expected losses over the remaining term are recognised. Please see the description of accounting policies for impairment charges under loans and advances at amortised cost.

Loans and advances at amortised cost

Initially, loans and advances are recognised at fair value plus directly attributable transaction costs, less fees and commission received which are directly associated with the granting of loans. Subsequently, loans and advances are measured at amortised cost in accordance with the effective interest method.

Stages for development of credit risk

In connection with all loans and advances, impairment charges are recognised according to IFRS 9. The impairment model is based on calculations of expected losses where the loans are divided into three stages depending on the individual loan's credit impairment relative to the initial recognition:

1. Loans with no significant increase in credit risk
2. Loans with significant increase in credit risk
3. Non-performing loans

For loans in stage 1, impairment charges corresponding to the expected loss over the following 12 months are recognised, while for loans in stages 2 and 3, impairment charges corresponding to expected losses over the remaining life of the exposures are recognised. At the initial recognition, the individual loans are generally placed in stage 1, which means that impairment charges corresponding to the expected losses over the following 12 months are recognised.

Loans with a very low probability of default (PD below 0.2%) and without any other indications of significant increases in the credit risk are considered having a low credit risk and are placed in stage 1 regardless of the probability of default since the initial recognition.

Assessment of whether the credit risk has increased for individual loans and advances, the ranking of loans and advances into stages and the determination of expected losses take place on an on-going basis.

The ranking in the various stages will affect the calculation method, and it is determined, among other things, on the basis of the change in the probability of default (PD) over the expected remaining life of the loans. Loans and advances in stage 3 are considered non-performing and are classified with risk code 2 or 3, as, under the most likely scenario, a loss is expected.

The risk classification concepts are applied generally in the Jyske Bank Group's risk reports, and there are only minor differences between the Jyske Bank Group's accounting definition of non-performing loans (stage 3), the use of the default definition and the definition of non-performing. As the Jyske Bank Group has aligned the entry criteria for stage 3 default and non-performing, only the different exit criteria and quarantine periods associated with the individual risk classification concepts constitute the difference. The concepts of default and non-performing are used in the Jyske Bank Group's capital statement and in its reporting to the authorities.

67 **Accounting Policies, cont.**

For detailed definitions of default, credit deterioration and risk classifications applied, please see note 50, the section on risk classifications on page 82.

Assessment of significant increase in credit risk
In the event of a significant increase in credit risk, loans and advances will be transferred to stage 2. Assessment of whether any significant increase in credit risk has taken place since the initial recognition is based on the following circumstances:

1. An increase in the PD for the expected remaining life of the financial asset by 100% and an increase in the 12-month PD of 0.5 percentage point when, at the initial recognition, the 12-month PD was below 1.0%.

2. An increase in the PD for the expected remaining life of the financial asset by 100% or an increase in the 12-month PD of 2.0 percentage points when, at the initial recognition, the 12-month PD was 1.0% or above.

3. Loans in arrears by 30 days or more.

4. The risk classification of the client, which among other things is based on an assessment of the client's ability and will to honour his payment obligations, possible arrears and/or changes to the initial assumptions on which the client relationship rests. For instance, the development of a client's financial circumstances will be followed and assessed (income, assets/financial position, liquidity, leverage, any arrears, etc.) supplemented with monitoring of objective signs of danger.

Clients for which the credit risk has increased significantly and with a probability of default (PD above 5%) will be placed in the weak part of stage 2 together with loans and advances that have been classified with risk code 1 and with objective evidence of impairment. For loans and advances subject to objective evidence of impairment in stage 2, impairment charges will be calculated according to the principles applicable to loans and advances in stage 3.

If the Group's most likely scenario points to losses, the client is considered non-performing and will be ranked in stage 3. Clients in stage 3 are typically characterised by being in considerable financial difficulties, by breach of contract or by probable bankruptcy. A client is in considerable financial difficulties when, due to changes in its earnings, cash flow or capital/net assets, the most likely scenario assumes that the client cannot meet its obligations to the Jyske Bank Group. In addition, a client may be in considerable financial difficulties if other negative information implies that the Jyske Bank Group or other creditors must expect losses.

Hence, the Group's most important credit management tools are used directly in the segmentation and the determination of the expected future credit loss. Please see note 50 on risk classification, credit rating process and monitoring.

Statement of expected losses
The expected future loss is calculated on the basis of the probability of default (PD), the exposure at default (EAD) and the loss given default (LGD). These parameters rest on the Jyske Bank Group's advanced IRB set-up, which is based on the Group's experience of loss history and early repayment, among other things. These parameters are adjusted to IFRS 9 in a number of specific areas. The purpose of the adjustments is to ensure that the parameters reflect a current as well as true and fair picture that comprises available information and expectations of the future, including the Group's expectations of the real economy trends in GDP, unemployment, house prices, etc. Hence the parameters are adjusted to cover a longer time horizon. The projection allows for client-specific circumstances such as client segment, credit rating, industry, etc. Advanced quantitative credit models are applied to all clients in stages 1 and 2 for which there is no evidence of credit impairment.

Write-offs
Loans are written off as a loss when there are no reasonable prospects of collecting the debt. Indications of this are, for instance bankruptcy and debt rescheduling. The Group still seeks to collect debts even though they are written off as losses.

Bonds at fair value
Bonds are recognised at fair value, which is the amount at which the bonds can be bought or sold in a transaction between independent parties. In an active market, the fair value is expressed in the form of a listed price. In a less active or inactive market, the fair value is determined on the basis of a value calculated by a model based on observable market data and recognised models, alternatively on the basis of the management's estimate corresponding to this.

Bonds at amortised cost
Bonds at amortised cost include investments that were acquired with the object of earning a return until maturity. They are measured initially at fair value corresponding to the sum paid plus directly attributable transaction costs and are subsequently measured at amortised cost.

Impairment charges are made in the same way as for loans and advances at amortised cost. If impairment charges cannot be measured reliably, fair value in the form of an observed market price is chosen.

Repos and reverse repos
Securities sold under repurchase agreements (repos) remain in the balance sheet under securities, carry interest and are subject to value adjustment. Amounts received are recognised as balances due to or from credit institutions.

Securities bought under reverse repurchase agreements (reverse repos) are recognised as loans and advances or balances due from credit institutions at amortised cost, and the return is recognised under interest income.

Financial instruments, trading portfolio
Financial instruments included in the trading portfolio are instruments which have been acquired with a view to generating a profit from short-term price or margin fluctuations, or instruments included in a portfolio characterised by short-term profit-taking. Assets in the trading portfolio comprise money-market instruments, other instruments of debt including acquired loans and equity instruments held by the Group. Liabilities in the trading portfolio comprise liabilities to deliver money market instruments, other debt instruments and equity instruments sold short by the Group to a third party. Upon initial recognition, financial instruments are measured at fair value with subsequent value adjustment in the income statement.

For initial and subsequent recognition, shares in sector-owned companies are measured at fair value. Unrealised gains and losses caused by changes in the fair values are recognised in the income statement.

Gains and losses upon disposal or repayment and unrealised gains and losses are recognised in the income statement.

Shares, etc.
Upon initial as well as subsequent recognition, shares are recognised at fair value, which is the amount at which the shares can be bought or sold in a transaction between independent parties.

In an active market, the fair value is expressed in the form of a listed price.

67 Accounting Policies, cont.

In a less active or inactive market, the fair value is determined on the basis of a value calculated by a model based on observable market data and recognised models, alternatively on the basis of the management's estimate corresponding to this.

The fair value of unlisted shares and other equity investments is calculated on the basis of available information about transactions, expected cash flows, etc. If a reliable fair value cannot be determined, shares will be recognised at cost less any impairment.

Investments in associates
An associate is an enterprise in which the Group holds a significant but not controlling interest, by participating in the company's financial and operational decision-making process, and which does not qualify as a subsidiary. Typically, significant interest is achieved when holding between 20% and 50% of the voting rights.

Equity investments in associates are recognised and measured in the consolidated accounts and the accounts of the parent company according to the equity method. Accordingly, the equity investments are measured at the pro rata share of the associates' equity value calculated in accordance with the Group's accounting policies with deduction or addition of unrealised intra-group profits and losses, respectively, and with the addition of the carrying amount of goodwill.

The pro rata share of the associates' results after tax and elimination of unrealised intra-group profit and loss less write-down for impairment of goodwill is recognised in the income statement. The pro rata share of all transactions and events recognised in the equity of the relevant associate is recognised in Group's and parent company's other comprehensive income.

Equity investments in group enterprises
A group enterprise is an enterprise in which the Group holds a controlling interest, cf. the paragraph on the consolidated financial statements.

Investments in group enterprises are recognised in the parent company's financial statements according to the equity method. A positive difference between cost and the fair value of net assets at the time of acquisition of a group enterprise is recognised as goodwill under intangible assets.

Investments in joint ventures
A joint venture is a contractual relationship whereby the Group and other interested parties undertake a commercial activity of which they have joint control.

Investments in associates are recognised and measured in the consolidated accounts and the financial statements of the parent company according to the equity method, cf. the section on investments in associates.

Intangible assets
IT development costs are recognised at cost less accumulated amortisation and impairment. Amortisation is provided on a straight-line basis over an estimated useful life of maximum three years.

Identifiable intangible assets acquired in connection with acquisitions are recognised at fair value at the time of acquisition and subsequently amortised over the expected useful life, typically 3 to 10 years.

Other internally generated intangible assets are charged in the year of acquisition, as the conditions for capitalisation are not deemed to be fulfilled.

Land and buildings
Investment properties
Investment properties held for rental income and/or capital gain are recognised at fair value on the balance sheet date. Gains and losses attributable to changes in the fair value of investment properties are included in the result for the period during which they arise. Fair value is measured on the basis of the return method, where the measurement of fair value is carried out with the assistance of external experts.

Owner-occupied properties
Land and buildings for own use are recognised in the balance sheet at the restated value corresponding to the fair value on the date of the revaluation less subsequent depreciation and impairment. Revaluation is made at a frequency deemed adequate to ensure that the carrying amount is not materially different from the presumed fair value on the balance sheet date. A reduction in the carrying amount as a result of the revaluation of land and buildings is charged to the income statement to the extent that the amount exceeds revaluation reserves under equity attributable to past revaluation of the asset. Any increase in value at revaluation of land and buildings is included in other comprehensive income, unless the increase offsets an impairment charge made earlier for the same asset which was previously recognised as an expense.

The valuation of selected land and buildings is carried out with the assistance of external experts. At the regular valuation of land and buildings, the value of a building is recognised on the basis of the return method in accordance with generally accepted standards. The value of the building is recognised at cash value before interest and depreciation. The operating income from the property includes rental income less maintenance costs, administrative costs and other operating costs. The required rate of return on a property is determined to best reflect the transactions undertaken until the date of valuation, and allowances are made for the individual property's location and level of maintenance as well as sales efforts within a reasonable time horizon. The required rate of return on property is discussed with local and national estate agents.

Initially, leased owner-occupied properties are recognised at the net present value of the lease liability inclusive of costs. Subsequently, leased owner-occupied properties are measured at cost less accumulated depreciation, amortisation and impairment.

Once a year, spot checks are made of a number of properties with the assistance of an external appraiser.

The depreciation of revalued buildings is recognised in the income statement. Upon the subsequent sale of a revalued building, any relevant revaluation reserves are transferred to Retained earnings.

Owner-occupied properties are depreciated on a straight-line basis over the estimated useful lives of the assets to the estimated residual value. Land is not depreciated. The following depreciation periods apply:

Buildings	max. 50 years
Residual value of buildings	max. 75%

Methods of depreciation, useful lives, residual values and indication of impairment are reviewed annually.

Other property, plant and equipment
Operating equipment, cars, tools and equipment and leasehold improvements are recognised at cost less accumulated impairment and depreciation. Depreciation is provided on a straight-line basis over an estimated useful life of typically three years. Leasehold improvements are depreciated over the lease term, yet not more than five years.

67 Accounting Policies, cont.

Methods of depreciation, useful lives, residual values and indication of impairment are reviewed annually. In the event of indications of impairment, depreciation is provided at the recoverable amount, which is the higher of that asset's value in use and its selling price.

Assets held temporarily with a view to sale
Assets held temporarily with a view to sale comprise properties acquired through foreclosure, equity investment and cars, etc. intended for sale shortly, as a sale is considered very likely. The item also covers owner-occupied properties, subsidiaries and disposal groups of assets, intended for sale shortly, and where a sale is very likely.

Assets held temporarily with a view to sale are recognised at the lower amount of the carrying amount at the time of the classification as assets held temporarily or the fair value less sales costs. No depreciation is recognised on the assets from the time when they are classified as assets held temporarily.

Other assets
Other assets comprise assets not recognised under other asset items, including positive fair value of derivatives, assets in pooled deposits as well as interest and commission receivable, etc.
Assets in pooled deposits are recognised at fair value.

Due to credit institutions and central banks
Balances due to credit institutions and central banks are recognised at fair value equal to payments received less directly attributable transaction costs incurred. Subsequently, the item is measured at amortised cost according to the effective interest method.

Deposits
Deposits comprise amounts received, including liabilities relating to genuine repos from counterparties who are not credit institutions or central banks. Deposits are recognised at fair value equal to payments received less directly attributable transaction costs incurred. Subsequently, deposits are measured at amortised cost according to the effective interest method.

Issued bonds at fair value
Issued mortgage bonds are recognised according to the settlement approach and measured at fair value through the income statement on initial and subsequent recognition. This takes place to eliminate financial inconsistency resulting from the purchase and sale of own issued bonds. The fair value is generally measured at prices of the underlying issued 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.

Mortgage bonds drawn for redemption and repayable immediately after the financial year end are measured at par.

The portfolio of own mortgage bonds is deducted.

Issued bonds and subordinated debt at amortised cost
Issued bonds and subordinated debt are recognised at fair value equal to payments received less directly attributable transaction costs incurred. Subsequently, issued bonds and subordinated debt are measured at amortised cost according to the effective interest method. When the interest-rate risk on fixed-rate issued bonds and subordinated debt has been hedged efficiently through derivatives, the amortised cost is supplemented with the fair value of the hedged interest-rate risk.

Liabilities in disposal group with a view to sale
Liabilities in disposal groups are recognised at fair value and comprise the liabilities that are closely linked to disposal groups of assets awaiting sale within a short period of time and where a sale is very likely.

Other liabilities
Other liabilities comprise liabilities not recognised under other items under equity and liabilities, including liabilities from finance leases with lessees, acceptance of long-term letters of credit, negative fair value of derivatives as well as interest and commission payable, etc.

Provisions
Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, where resources embodying financial benefits are required to settle an obligation, and where a reliable estimate of the obligation can be made.

Provisions are measured as the best estimates of the cost of meeting liabilities on the balance sheet date. Provisions for debt expected to be payable later than 12 months after the balance sheet date are measured at present value, if of material importance, otherwise at cost.

Provisions for pension liabilities and the like are based on the actuarial present value of the expected benefit payments. The present value is calculated, among other things, on the basis of expected employee turnover, discount rate and rate of wage increase as well as the return on associated assets. The difference between the expected and the actual development in pension benefits will generate actuarial loss and gain which will be recognised under other comprehensive income.

For provisions for guarantees, loan commitments and unutilised loan commitments, reference is made to the section on financial guarantees and the section on loans and advances at amortised cost.

For provisions for deferred tax, reference is made to the section on tax.

Equity
Share capital is classified as equity where there is no obligation to transfer cash or other assets.

A proposed dividend is recognised as a liability when the motion has been approved at the Annual General Meeting. Dividend for the year is stated separately under equity.

The currency translation reserve includes translation differences which are the result of translating results and net investments in foreign units into Danish kroner. It also includes the foreign currency translation adjustment of financial liabilities for the hedging of net investments in international units.

The revaluation reserve relates to the revaluation of property, plant and equipment less deferred tax on the revaluation. A reserve is dissolved once the assets are sold or lapse.

Reserves according to the equity method include value adjustment of investments in associates and group enterprises.

The reserve is reduced by the distribution of dividend to the parent company and adjusted by other changes in equity in associates and group enterprises.

Retained earnings include non-distributed dividends from previous years.

67 Accounting Policies, cont.

Additional tier 1 capital with no maturity and with voluntary repayment of interest and principal is recognised under equity. Likewise, interest expenses relating to the issue are considered dividend. Interest is deducted from equity at the time of payment.

Own shares
Acquisition costs, consideration and dividend on own shares are recognised in retained earnings under equity. Capital reduction by cancellation of own shares reduces the share capital by an amount equal to the nominal value of the cancelled shares at the time of the registration of the capital reduction.

Contingent assets and contingent liabilities
Contingent assets and contingent liabilities comprise possible assets and liabilities originating from past events and the existence of which depends on the occurrence of future uncertain events not entirely within the control of the Jyske Bank Group.

Contingency assets are disclosed when the occurrence of an economic benefit is likely.

Contingency liabilities that can but most likely will not require a drain on the resources of the Jyske Bank Group are disclosed. Moreover, current liabilities that are not recognised as they are unlikely to cause a drain on the resources of the Jyske Bank Group or the extent of the liability cannot be measured reliably are disclosed.

Income statement

Interest income and interest expenses
Interest income and expenses on all interest-bearing instruments are recognised in the income statement according to the accruals concept at the effective interest rate based on the expected useful life of the relevant financial instrument. For floating-rate assets and liabilities the rate of interest applied is the rate that applies until the next interest-fixing date.

Interest includes amortised fees which are an integral part of the effective return on a financial instrument at amortised cost, including front-end fees.

Interest income includes administrative contributions from mortgage loans.

Interest on mortgage loans and issued mortgage bonds that are governed by the specific balance principle is recognised at the nominal rate of interest on the outstanding bond debt.

Interest on mortgage loans, issued mortgage bonds and relating derivatives that are governed by the general balance principle is recognised at the yield to maturity. Interest relating to the related derivatives is presented together with the interest on the issued mortgage bonds so that the net interest expenses on these are recognised as a whole under Interest expenses.

Negative interest income is recognised under interest expenses, while negative interest expenses are recognised under interest income. In the notes to interest income and interest expenses, negative interest is initially recognised under the original note item and is then transferred net between interest income and interest expenses at the bottom of the notes.

Fees received and paid
Income related to services rendered over a given period of time accrues over the service period. This includes guarantee commission and portfolio management fees. Other fees are recognised in the income statement once the transaction has been completed. This includes securities transaction and safe-custody fees as well as money transfer fees.

Value adjustments
All realised and unrealised value adjustments of assets, liabilities and derivatives measured at fair value as well are recognised under value adjustments. Exempt from these are value adjustment of credit risk on loans and advances recognised under loan impairment charges and provisions for guarantees. Furthermore the earnings impact of exchange rate adjustments and hedge accounting of fair value is recognised.

Other operating income
Other income not attributable to other income statement items, inclusive of income relating to operational leases and the proceeds from the sale of leased assets, is recognised under Other operating income.

Employee and administrative expenses
Salaries and remuneration, etc. to employees and management as well as administrative expenses, including rent for leased premises, are recognised under Employee and administrative expenses. The expenses comprise among other things salaries, holiday payments and retirement remuneration, anniversary bonuses, pension plans and other long-term employee benefits.

Pension plans and other long-term employee benefits
The Group has entered into defined contribution pension plans with the majority of its employees.

Under defined contribution pension plans, the Group makes fixed contributions to an independent pension fund, etc. The Group is under no obligation to make further contributions. Contributions are included in the income statement over the vesting period.

Under defined benefit pension plans, the Group is obliged to pay a certain benefit when an employee retires. Liabilities in connection with defined benefit plans are automatically calculated by actuarially discounting pension liabilities to present value. The present value is calculated on the basis of assumptions relating to the future trend in interest rates, inflation, mortality and disablement.

Anniversary bonuses are recognised as the present value of the part of the overall liability which relates to the term during which the employees have been employed with the Group. Due consideration is paid to staff turnover, etc. The liability is recognised under Provisions for pensions and similar liabilities.

Other operating expenses
Other expenses not attributable to other income statement items, inclusive of Jyske Bank's proportionate share of statutory expenses for the Guarantee Fund for Depositors and Investors as well as the Resolution Fund, are recognised under Other operating expenses.

Earnings per share
Earnings per share is calculated by dividing the profit for the year exclusive of interest for additional tier 1 capital (AT1) by the weighted average number of shares in circulation during the financial year.

Diluted earnings per share are calculated in the same manner as earnings per share, but the decisive factors are adjusted to reflect the effect of all diluted share capital.

Comprehensive income
Comprehensive income comprises the profit for the period plus other comprehensive income relating to currency translation and hedge accounting of international units, property revaluations, actuarial loss and gain and tax adjustments.

67 Accounting Policies, cont.

Segment information
Information is stated for business sectors identified on the basis of internal management reports and accounting policies in accordance with IFRS 8. The segment information is based on the information used by the Group's highest-ranking decision-making officer for assessing results and allocating resources. Internal management reporting comprises the segments Banking activities, Mortgage activities, Leasing activities. Jyske Bank operates in the following geographical areas: Denmark and Germany

Core profit
Core profit is defined as the pre-tax profit exclusive of earnings from investment portfolios.

Investment portfolio earnings
The investment portfolio earnings consist of the return on the Group's own securities portfolio of tactical market risk positions (primarily interest-rate and currency risk risk exposures) and a smaller amount of bond investments. Investment portfolio earnings are calculated after expenses for funding and directly attributable costs.

Cash Flow Statement
The cash flow statement shows Group cash flows relating to operating, investing and financing activities for the year, changes in cash and cash equivalents for the financial year, and cash and cash equivalents at the beginning and end of the year. The Cash Flow Statement is presented in accordance with the indirect method based on the profit for the year.

Cash flows derived from operating activities are calculated as the profit for the year adjusted for non-cash operating items, changes in operating capital and paid corporate tax. Cash flows relating to investing activities include dividend received, purchase and sale of enterprises and non-current assets. Cash flows relating to financing activities include distribution and movements in equity and subordinated debt as well as repayment on lease commitment.

Cash and cash equivalents include cash and free balances due from credit institutions and central banks with an original time to maturity of less than three months.

European Single Electronic Format
According to EU regulation – EU 2019/815 on European Single Electronic Format (ESEF Regulation) – companies that report results according to IFRS and that issue listed securities must publish the annual reports approved by their supervisory boards in the ESEF format. This is solely a technical format, which allows financial statement users to read the financial statements in a browser (XHTML format) and to retrieve digitally certain details from the financial statements in the XBRL format. In the 2020 and 2021 financial statements, the following items in the consolidated financial statements have been marked up (iXBRL tags) for the ESEF taxonomy for 2019 issued by the European Securities and Markets Authority (ESMA):

- Items in the income statement and other comprehensive income
- Items on the balance sheet
- statement of changes in equity
- cash flow statement

Tagging does not include the notes, etc. of the financial statements. This will be the case in 2022 (annual report for 2022) in accordance with the regulation. The mark-up has taken place in such a way that initially for each item, an assessment has been made of the relationship to the ESMA taxonomy, which is based on the IASB's IFRS taxonomy, and then a mark-up is made to the element in the taxonomy that is most relevant for the determination and assessment of the individual item. Mark-up requirements solely relate to items at a consolidated level, and therefore all items in the parent company are not marked up. The financial statements have been ¨ published with the following file name: 3M5E1GQGKL17HI6CPN30-2021-12-31-da.zip.

ESEF data

Domicile of the company	Denmark
Name of the group's top parent company	Jyske Bank A/S
Description of the company's operations and primary activities	Financial business, banking
Country of registration	Denmark
Main place of business	Denmark
Statement on change of name of accounting company	N/A
Legal form of the company	A/S
Name of accounting firm	Jyske Bank A/S
Name of parent	Jyske Bank A/S
Company headquarters	Vestergade 8-16 8600 Silkeborg

68 Definition of financial ratios

Financial ratios and key figures	Definition
Pre-tax profit, per share (DKK)	Pre-tax profit divided by the average number of outstanding shares during the year
Earnings per share (DKK)	Profit for the year divided by the average number of shares outstanding during the year
Earnings per share for the year (diluted) (DKK)	Profit for the year divided by the average number of shares outstanding during the year adjusted for the dilution effect of share options and conditional shares under share-based payment
Core profit per share (DKK)	Pre-tax profit, exclusive of the investment portfolio earnings, divided by the average number of outstanding shares during the year
Share price at year-end (DKK)	The closing price of the Jyske Bank share at year-end
Book value per share (DKK)	Equity at year-end exclusive of non-controlling interests divided by the number of shares outstanding at year-end
Price/book value per share (DKK)	The closing price of the Jyske Bank share at year-end divided by the book value per share at year-end.
Price/earnings per share	The closing price of the Jyske Bank share at year-end divided by the earnings per share at year-end
Proposed dividend per share (DKK)	Proposed dividend divided by number of shares, year-end
Distributed dividend per share (DKK)	Distributed dividend divided by number of shares, year-end
Capital ratio (%)	Capital base divided by weighted risk exposure
Tier 1 capital ratio (%)	Core capital including additional tier 1 capital after deductions divided by weighted risk exposure.
Common equity tier 1 capital ratio (%)	Core capital excluding additional tier 1 capital after deductions divided by weighted risk exposure.
Pre-tax profit as a pct. of average equity	Pre-tax profit divided by average equity during the year
Net profit as a percentage of average equity	Net profit divided by average equity during the year
Income/cost ratio (%)	Income divided by expenses inclusive of loan impairment charges and provisions for loss on guarantees
Interest-rate risk (%)	Interest-rate risk at year-end divided by core capital at year-end
Foreign-currency position (%)	Currency exposure indicator 1 at year-end divided by core capital after deductions at year-end
Currency risk (%)	Currency exposure indicator 2 at year-end divided by core capital after deductions at year-end
Liquidity Coverage Ratio (LCR) (%)	Liquid assets as a percentage of the net value of incoming and outgoing cash flows over a 30-day period in a stress situation.
Total large exposures (%)	The sum of the 20 largest exposures at year-end divided by the common equity tier 1 capital at year-end.
Accumulated impairment ratio (%)	Total of loan impairment charges and provisions for loss on guarantees at year-end divided by total loans, advances, guarantees, provisions and impairment charges at year-end Discount for acquired loans and advances is not included
Impairment ratio for the year (%)	The year's loan impairments charges and provisions for loss on guarantees divided by total loans, advances, guarantees, provisions and impairment charges at year-end
Increase in loans and advances for the year, excl. repo loans (%)	The increase in loans divided by opening loans. Recognised exclusive of repo loans
Loans and advances in relation to deposits	Total loans and advances at year-end divided by total deposits at year-end
Loans relative to equity	Loans and advances at year-end divided by equity at year-end
Return on capital employed	Net profit for the year divided by average total average assets
Number of full-time employees, year-end	Number of full-time employees (part-time employees translated into full-time employees) at year-end.
Number of full-time employees, average for the year	The average number of full-time employees (part-time employees translated into full-time employees) determined on the basis of the end-of-quarter statements

The financial ratios are based on the definitions and guidelines laid down by the Danish Financial Supervisory Authority.
Ratios are calculated as if additional tier 1 capital (AT1) is recognised as a liability.

Jyske Bank A/S

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Note			Jyske Bank
	DKKm	2021	2020
	Income statement		
2	Interest income	3,177	3,192
3	Interest expenses	953	960
	Net interest income	2,224	2,232
	Dividends, etc.	50	41
4	Fees and commission income	3,075	2,697
	Fees and commission expenses	155	119
	Net interest and fee income	5,194	4,851
5	Value adjustments	821	307
6	Other operating income	458	380
7	Employee and administrative expenses	4,482	4,397
21,22	Amortisation, depreciation and impairment charges	105	110
	Other operating expenses	66	83
9	Loan impairment charges	-275	361
11	Profit on investments in associates and group enterprises	1,531	1,184
	Pre-tax profit	3,626	1,771
12	Tax	450	162
	Profit for the year	3,176	1,609
	Distributed to:		
	Proposed dividend	0	0
	Total appropriation to shareholders' equity	3,000	1,441
	Holders of additional tier 1 capital (AT1)	176	168
	Total	3,176	1,609

	DKKm	2021	2020
	Statement of Comprehensive Income		
	Profit for the year	3,176	1,609
	Other comprehensive income:		
	Items that cannot be recycled to the income statement:		
	Revaluation of real property	6	-5
	Tax on property revaluations over the year	-1	1
	Actuarial losses and gains	12	-2
	Tax on actuarial losses and gains	-3	0
	Items that can be recycled to the income statement:		
	Foreign currency translation adjustment of international units	0	-20
	Hedge accounting of international units	0	20
	Tax on hedge accounting	0	-5
	Other comprehensive income after tax	14	-11
	Comprehensive income for the year	3,190	1,598

Note			Jyske Bank
	DKKm	2021	2020
	BALANCE SHEET		
	ASSETS		
	Cash balance and demand deposits with central banks	30,318	34,901
15	Due from credit institutions and central banks	9,268	10,510
9	Loans at fair value	1,771	1,847
9, 10	Loans and advances at amortised cost	142,804	146,140
16	Bonds at fair value	44,235	53,529
16	Bonds at amortised cost	27,703	24,547
18	Shares, etc.	2,554	2,130
19	Investments in associates	217	224
20	Equity investments in group enterprises	22,766	21,493
	Assets in pooled deposits	4,303	3,754
21	Owner-occupied properties	1,578	1,735
21	Owner-occupied properties, leasing	370	363
22	Other property, plant and equipment	78	66
	Current tax assets	844	862
	Deferred tax assets	21	43
	Assets held temporarily	4	51
23	Other assets	25,960	32,902
	Prepayments	85	305
	Total assets	314,879	335,402
	EQUITY AND LIABILITIES		
	Debt and payables		
24	Due to credit institutions and central banks	25,057	43,342
25	Deposits	129,720	132,700
	Pooled deposits	4,337	4,071
	Issued bonds at amortised cost	73,124	63,697
26	Other liabilities	37,532	47,879
	Prepayments	19	20
	Total debt	269,789	291,709
	Provisions		
27	Provisions for pensions and similar liabilities	561	583
9	Provisions for guarantees	384	283
9	Provisions for credit commitments and unutilised credit lines	271	297
28	Other provisions	95	77
	Provisions, total	1,311	1,240
30	Subordinated debt	5,513	5,821
	Equity		
	Share capital	726	726
	Revaluation reserve	171	200
	Reserve according to the equity method	8,170	6,905
	Retained profit	25,844	25,494
	Jyske Bank A/S shareholders	34,911	33,325
	Holders of additional tier 1 capital (AT1)	3,355	3,307
	Total equity	38,266	36,632
	Total equity and liabilities	314,879	335,402
	OFF-BALANCE SHEET ITEMS		
9,31	Guarantees, etc.	20,667	18,724
32	Other contingent liabilities	64,725	53,352
	Total guarantees and other contingent liabilities	85,392	72,076

DKKm

Statement of Changes in Equity

	Share capital	Revaluation reserve	Reserve according to the equity method	Retained profit	Shareholders of Jyske Bank A/S	AT1 capital*	Total equity
Equity on 1 January 2021	726	200	6,905	25,494	33,325	3,307	36,632
Profit for the year	0	0	1,265	1,735	3,000	176	3,176
Other comprehensive income	0	-29	0	43	14	0	14
Comprehensive income for the year	0	-29	1,265	1,778	3,014	176	3,190
Redemption of additional tier 1 capital	0	0	0	0	0	-1,417	-1,417
Additional tier 1 capital issue	0	0	0	0	0	1,487	1,487
Transaction costs	0	0	0	-15	-15	0	-15
Interest paid on additional tier 1 capital	0	0	0	0	0	-176	-176
Currency translation adjustment	0	0	0	22	22	-22	0
Acquisition of own shares	0	0	0	-2,991	-2,991	0	-2,991
Sale of own shares	0	0	0	1,556	1,556	0	1,556
Transactions with owners	0	0	0	-1,428	-1,428	-128	-1,556
Equity on 31 December 2021	**726**	**171**	**8,170**	**25,844**	**34,911**	**3,355**	**38,266**
Equity on 1 January 2020	776	205	6,703	24,769	32,453	3,257	35,710
Profit for the year	0	0	202	1,239	1,441	168	1,609
Other comprehensive income	0	-5	0	-6	-11	0	-11
Comprehensive income for the year	0	-5	202	1,233	1,430	168	1,598
Interest paid on additional tier 1 capital	0	0	0	0	0	-168	-168
Currency translation adjustment	0	0	0	-50	-50	50	0
Reduction of share capital	-50	0	0	50	0	0	0
Acquisition of own shares	0	0	0	-1,889	-1,889	0	-1,889
Sale of own shares	0	0	0	1,381	1,381	0	1,381
Transactions with owners	-50	0	0	-508	-558	-118	-676
Equity at 31 December 2020	**726**	**200**	**6,905**	**25,494**	**33,325**	**3,307**	**36,632**

*Additional tier 1 capital (AT1) has no maturity. Payment of interest and repayment of principal are voluntary. Therefore additional tier 1 capital (AT1) is recognised as equity. In September 2016, Jyske Bank issued AT1 amounting to SEK 1.25bn and AT1 amounting to DKK 500m. The AT1 issue with the possibility of early redemption in September 2021 at the earliest. The interest rates applicable to the issues are STIBOR+5.80% and CIBOR+5.30%, respectively, up to September2021 when the issues are redeemed. 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 1 bn, with the possibility of early redemption in April 2024 at the earliest. The interest rate applicable to the issue until April 2024 is STIBOR+5%. In May 2021, Jyske Bank issued AT1 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.

Note	Jyske Bank

DKKm	2021	2020
Capital Statement		
Shareholders' equity	34,911	33,325
Share repurchase programme, non-utilised limit	-272	-750
Deferred tax assets	-21	-43
Prudent valuation	-272	-340
Other deductions	-92	-21
Common equity tier 1 capital	34,254	32,171
Additional tier 1 capital (AT1) after reduction	3,329	3,539
Core capital	37,583	35,710
Subordinated loan capital after reduction	5,275	5,334
Capital base	42,858	41,044
Weighted risk exposure involving credit risk, etc.	114,795	103,417
Weighted risk exposure involving market risk	11,086	10,689
Weighted risk exposure involving operational risk	10,249	10,936
Total weighted risk exposure	136,130	125,042
Capital requirement, Pillar I	10,890	10,003
Capital ratio (%)	31.5	32.8
Tier 1 capital ratio (%)	27.6	28.6
Common equity tier 1 capital ratio (%)	25.2	25.7

For a statement of the individual solvency requirement, please see Risk and Capital Management 2021 or investor.jyskebank.com/investorrelations/capitalstructure. Risk and Capital Management 2021 was not covered by the audit.

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Note	Jyske Bank

1 Accounting policies

Basis of accounting

The financial statements of Jyske Bank A/S have been 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 thee the full description of accounting policies in note 67.

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

For a 5-year summary of financial ratios and key figures, please see pages 143-144.

The accounting policies are identical to those applied to and described in the financial statements 2020.

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.

Note	DKKm	2021	2020
2	**Interest income**		
	Due from credit institutions and central banks	-87	46
	Loans and advances	1,460	1,628
	Bonds	348	402
	Derivatives, total	182	181
	Of which currency contracts	294	298
	Of which interest-rate contracts	-112	-117
	Total after offsetting of negative interest	1,903	2,257
	Negative interest income set off against interest income	385	325
	Negative interest expenses set off against interest expenses	889	610
	Total before offsetting of negative interest income	3,177	3,192
	Of which interest income on reverse repos carried under:		
	Due from credit institutions and central banks	-15	-20
	Loans and advances	-166	-177

Negative interest income amounted to DKK 385m (2020: DKK 325m) and relates primarily to repo transactions. In the above table, negative interest income is set off against interest income. In the income statement, negative interest income is listed as interest expenses, and negative interest expenses are listed as interest income.

Note	DKKm	2021	2020
3	**Interest expenses**		
	Due to credit institutions and central banks	37	109
	Deposits	-583	-385
	Issued bonds	102	179
	Subordinated debt	114	110
	Other interest expenses	9	12
	Total after offsetting of negative interest	-321	25
	Negative interest expenses set off against interest expenses	889	610
	Negative interest income set off against interest income	385	325
	Total before offsetting of negative interest income	953	960
	Of which interest expenses on reverse repos carried under:		
	Due to credit institutions and central banks	-83	-64
	Deposits	-19	-19

Negative interest expenses amounted to DKK 889m (2020: DKK 610m) and relates primarily to deposits as well as repo and tri-party transactions. In the above table, negative interest expenses are set off against interest expenses. In the income statement, negative interest expenses are listed as interest income, and negative interest income is listed as interest expenses.

Note	DKKm	2021	2020
4	**Fees and commission income**		
	Securities trading and custody services	1,133	996
	Money transfers and card payments	251	171
	Loan application fees	113	98
	Guarantee commission	108	109
	Other fees and commissions	1,470	1,323
	Total	3,075	2,697

Note	DKKm	2021	2020
5	**Value adjustments**		
	Loans at fair value	-6	11
	Bonds	-379	121
	Shares, etc.	219	208
	Currency	195	164
	Currency, interest-rate, share, commodity and other contracts as well as other derivatives	612	-133
	Assets in pooled deposits	528	23
	Pooled deposits	-528	-23
	Other assets	27	0
	Issued bonds	106	-56
	Other liabilities	47	-8
	Total	821	307

Note	DKKm	2021	2020
6	**Other operating income**		
	Income on real property	49	51
	Profit on the sale of property, plant and equipment	39	2
	Other ordinary income	370	327
	Total	458	380

Note			Jyske Bank
	DKKm	**2021**	2020
7	**Employee and administrative expenses**		
	Employee expenses		
	Wages and salaries, etc.	**2,078**	2,154
	Pensions	**250**	275
	Social security	**321**	304
	Total	**2,649**	2,733
	Salaries and remuneration to management bodies		
	Executive Board	**36**	36
	Supervisory Board	**7**	8
	Shareholders' Representatives	**3**	2
	Total	**46**	46

For further details on and remuneration to the Supervisory Board and the Executive Board, please see note 12 in the consolidated financial statements, including the comments no the retirement remuneration for the Executive Board earned over the year.

Other administrative expenses		
IT	**1,442**	1,267
Other operating expenses	**70**	78
Other administrative expenses	**275**	273
Total	**1,787**	1,618
Total	**4,482**	4,397
Wages and salaries, etc.		
Wages and salaries and other short-term employee benefits	**2,068**	2,148
Other long-term employee benefits	**10**	6
Total	**2,078**	2,154
Number of employees		
Average number of employees for the financial year (full-time employees)	**3,060**	3,210
Remuneration of material risk takers		
Number of members	**77**	76
Number of members at year-end	**72**	69
Contractual remuneration	**96**	92
Variable remuneration	**4**	3
Pension	**11**	10

The group of material risk takers comprises employees (exclusive of the Executive Board) with a special impact on the bank's risk profile. The group does not participate in any incentive schemes. Remuneration is included in the period during which the employee was a material risk taker.

8	**Audit fees**		
	Total fee to Jyske Bank A/S's auditors elected at the Annual General Meeting	**9**	9
	Breakdown of audit fees:		
	Fee for statutory audit of the financial statements	**3**	2
	Fee for other assurance services	**1**	1
	Fee for tax advice	**0**	0
	Fee for other services	**5**	6

In addition to fees to the auditors elected at the Annual General Meeting, expenses were recognised for Internal Audit.

Fees for non-audit services rendered 2021 cover review in connection with continual recognition of profit, submission of various statutory declarations as well as assistance for validation of the bank's credit models.

DKKm	2021	2020
9 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 year	-171	290
Impairment charges on balances due from credit institutions for the year	-6	8
Provisions for loan commitments and unutilised credit lines in the year	-26	160
Recognised as a loss, not covered by loan impairment charges and provisions	40	83
Recoveries	-104	-165
Recognised discount for acquired loans*	-8	-15
Loan impairment charges and provisions for guarantees recognised in the income statement	-275	361
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 year	-198	451
Recognised as a loss, covered by loan impairment charges and provisions	-190	-501
Other movements	46	62
Balance of loan impairment charges and provisions, end of period	3,471	3,813
Loan impairment charges and provisions for guarantees at amortised cost	2,814	3,229
Loan impairment charges at fair value	2	1
Provisions for guarantees	384	285
Provisions for credit commitments and unutilised credit lines	271	298
Balance of loan impairment charges and provisions, end of period	3,471	3,813

* The discount balance for loans and advances taken over amounts to the expected credit losses at the initial recognition at fair value. Subsequent positive changes to the expected credit losses during the term are recognise as income and stated under loan impairment charges and provisions for guarantees.

The discount balance for loans and advances taken over is not included in the balance of loan impairment charges and provisions for guarantees.

DKKm

9 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	109	-90	-19	**0**
Transfer of impairment charges at beginning of period to stage 2	-53	137	-84	**0**
Transfer of impairment charges at beginning of period to stage 3	-2	-212	214	**0**
Impairment charges on new loans, etc.	265	69	249	**583**
Impairment charges on discontinued loans and provisions for guarantees	-158	-144	-553	**-855**
Effect from recalculation	-79	4	195	**120**
Previously recognized as impairment charges, now final loss	0	0	-190	**-190**
Balance of loan impairment charges and provisions for guarantees, end of 2021	663	462	2,346	**3,471**

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	120	-94	-26	**0**
Transfer of impairment charges at beginning of period to stage 2	-17	106	-89	**0**
Transfer of impairment charges at beginning of period to stage 3	-1	-117	118	**0**
Impairment charges on new loans, etc.	207	35	234	**476**
Impairment charges on discontinued loans and provisions for guarantees	-92	-82	-413	**-587**
Effect from recalculation	30	337	257	**624**
Previously recognized as impairment charges, now final loss	-1	0	-500	**-501**
Balance of loan impairment charges and provisions for guarantees, end of 2020)	581	698	2,534	**3,813**

In general, impairment charges at Jyske Bank A/S still developed favourably in 2021. This resulted in a decline in the balance of impairment charges, and it was also reflected in the stage migrations, which were small and showed a slight trend towards improving credit quality. The transfer of impairment charges from stage 2 to stage 3 relate primarily to a few client segments and not a general and broad movement in the portfolio. The items of *new loans and advances, etc.* and *discontinued loans and advances, etc.* were affected by natural refinancing and remortgaging. The period only saw minor model adjustments, and the write-offs of losses are at a low level.

On the whole, in 2021, gross loans fell slightly, and stage migrations are fairly limited. Loans in stage 1 fell slightly, while they rose in stage 2. This development was fuelled, among other things, by a partial model implementation of the expectations of the effects from the covid-19 pandemic, where a part of the portfolio is segmented from stage 1 to stage 2, due to the increased probability of default.

DKKm

9 Loan impairment charges and provisions for guarantees, cont.

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	82	-66	-16	**0**
Transfer of impairment charges at beginning of period to stage 2	-38	114	-76	**0**
Transfer of impairment charges at beginning of period to stage 3	-2	-181	183	**0**
Impairment charges on new loans, etc.	157	37	62	**256**
Impairment charges on discontinued loans and provisions for guarantees	-83	-120	-337	**-540**
Effect from recalculation	-59	-27	144	**58**
Previously recognized as impairment charges, now final loss	0	0	-189	**-189**
Balance of loan impairment charges and provisions for guarantees, end of 2021	484	316	2,014	**2,814**

Balance of impairment charges by stage - loans at amortised cost

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2020	269	445	2,702	**3,416**
Transfer of impairment charges at beginning of period to stage 1	105	-80	-25	**0**
Transfer of impairment charges at beginning of period to stage 2	-15	85	-70	**0**
Transfer of impairment charges at beginning of period to stage 3	-1	-112	113	**0**
Impairment charges on new loans, etc.	132	26	198	**356**
Impairment charges on discontinued loans and provisions for guarantees	-67	-66	-381	**-514**
Effect from recalculation	5	261	203	**469**
Previously recognized as impairment charges, now final loss	-1	0	-497	**-498**
Balance of loan impairment charges and provisions for guarantees, end of 2020	427	559	2,243	**3,229**

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.	1	0	0	**1**
Impairment charges on discontinued loans and provisions for guarantees	0	0	0	**0**
Effect from recalculation	0	0	0	**0**
Previously recognized as impairment charges, now final loss	0	0	0	**0**
Balance of loan impairment charges and provisions for guarantees, end of 2021	1	1	0	2

Balance of impairment charges by stage – loans at fair value

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

DKKm

9 Loan impairment charges and provisions for guarantees, cont.

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	27	-24	-3	**0**
Transfer of impairment charges at beginning of period to stage 2	-16	23	-7	**0**
Transfer of impairment charges at beginning of period to stage 3	0	-31	31	**0**
Impairment charges on new loans, etc.	107	32	187	**326**
Impairment charges on discontinued loans and provisions for guarantees	-74	-24	-215	**-313**
Effect from recalculation	-21	31	50	**60**
Previously recognized as impairment charges, now final loss	0	0	-1	**-1**
Balance of loan impairment charges and provisions for guarantees, end of 2021	176	145	334	**655**

Balance of provisions by stage - guarantees and loan commitments

	Stage 1	Stage 2	Stage 3	Total
Balance, beginning of 2020	65	68	251	**384**
Transfer of impairment charges at beginning of period to stage 1	15	-14	-1	**0**
Transfer of impairment charges at beginning of period to stage 2	-1	21	-20	**0**
Transfer of impairment charges at beginning of period to stage 3	0	-5	5	**0**
Impairment charges on new loans, etc.	74	10	37	**121**
Impairment charges on discontinued loans and provisions for guarantees	-25	-17	-32	**-74**
Effect from recalculation	25	75	54	**154**
Previously recognized as impairment charges, now final loss	0	0	-2	**-2**
Balance of loan impairment charges and provisions for guarantees, end of 2020	153	138	292	**583**

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	1,044	-989	-55	**0**
Transfer of loans, advances and guarantees to stage 2	-4,241	4,428	-187	**0**
Transfer of loans, advances and guarantees to stage 3	-218	-1,119	1,337	**0**
Other movements	-23	-617	-1,144	**-1,784**
Gross loans, advances and guarantees, 31 December 2021	156,186	7,695	4,561	**168,442**
Loan impairment charges and provisions for guarantees, total	546	367	2,287	**3,200**
Net loans, advances and guarantees, 31 December 2021	155,640	7,328	2,274	**165,242**

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

9 Loan impairment charges and provisions for guarantees, cont.

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

		31 December 2021				31 Dec. 2020
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	48,609	74	0	**48,683**	48,533
2	0.10 - 0.15	14,839	23	0	**14,862**	11,149
3	0.15 - 0.22	14,396	33	0	**14,429**	9,574
4	0.22 - 0.33	12,566	629	0	**13,195**	18,724
5	0.33 - 0.48	21,274	187	0	**21,461**	10,075
STY Ratings 1 – 5		111,684	946	0	**112,630**	98,055
6	0.48 - 0.70	17,022	249	0	**17,271**	20,073
7	0.70 - 1.02	6,858	554	0	**7,412**	8,831
8	1.02 - 1.48	7,445	658	0	**8,103**	8,811
9	1.48 - 2.15	7,659	1,226	0	**8,885**	12,979
10	2.15 - 3.13	3,810	724	0	**4,534**	8,474
11	3.13 - 4.59	478	925	0	**1,403**	1,890
STY Ratings 6 – 11		43,272	4,336	0	**47,608**	61,058
12	4.59 - 6.79	391	719	0	**1,110**	1,005
13	6.79 - 10.21	78	241	0	**319**	483
14	10.21 - 25.0	48	1,282	0	**1,330**	3,012
STY Ratings 12-14		517	2,242	0	**2,759**	4,500
Other		702	74	0	**776**	1,919
Non-performing loans		11	99	4,559	**4,669**	4,694
Total		156,186	7,697	4,559	**168,442**	170,226

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

		31 December 2021				31 Dec. 2020
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	4	0	0	**4**	4
2	0.10 - 0.15	22	0	0	**22**	4
3	0.15 - 0.22	57	1	0	**58**	14
4	0.22 - 0.33	61	1	0	**62**	24
5	0.33 - 0.48	76	5	0	**81**	51
STY Ratings 1 - 5		220	7	0	**227**	97
6	0.48 - 0.70	70	7	0	**77**	77
7	0.70 - 1.02	58	12	0	**70**	55
8	1.02 - 1.48	68	17	0	**85**	92
9	1.48 - 2.15	67	34	0	**101**	60
10	2.15 - 3.13	39	28	0	**67**	68
11	3.13 - 4.59	9	40	0	**49**	86
STY Ratings 6 – 11		311	138	0	**449**	438
12	4.59 - 6.79	10	47	0	**57**	63
13	6.79 - 10.21	2	26	0	**28**	37
14	10.21 - 25.0	1	133	0	**134**	407
STY Ratings 12-14		13	206	0	**219**	507
Other		2	11	0	**13**	14
Non-performing loans		0	5	2,287	**2,292**	2,459
Total		546	367	2,287	**3,200**	3,515

DKKm

9 Loan impairment charges and provisions for guarantees, cont.

Loan commitments and unutilised credit facilities by stage and internal rating

		31 December 2021				31 Dec. 2020
Performing	PD band (%)	Stage 1	Stage 2	Stage 3	Total	Total
1	0.00 - 0.10	11,051	0	0	**11,051**	9,535
2	0.10 - 0.15	6,334	0	0	**6,334**	4,613
3	0.15 - 0.22	10,987	1	0	**10,988**	5,281
4	0.22 - 0.33	8,759	10	0	**8,769**	4,826
5	0.33 - 0.48	6,857	52	0	**6,909**	5,502
STY Ratings 1 – 5		43,988	63	0	**44,051**	29,757
6	0.48 - 0.70	5,017	124	0	**5,141**	6,701
7	0.70 - 1.02	5,324	295	0	**5,619**	4,278
8	1.02 - 1.48	4,060	322	0	**4,382**	4,476
9	1.48 - 2.15	2,296	419	0	**2,715**	2,990
10	2.15 - 3.13	707	213	0	**920**	1,593
11	3.13 - 4.59	143	326	0	**469**	1,363
STY Ratings 6 – 11		17,547	1,699	0	**19,246**	21,401
12	4.59 - 6.79	146	223	0	**369**	455
13	6.79 - 10.21	40	64	0	**104**	196
14	10.21 - 25.0	6	489	0	**495**	892
STY Ratings 12-14		192	776	0	**968**	1,543
Other		11	0	0	**11**	62
Non-performing loans		35	13	347	**395**	535
Total		61,773	2,551	347	**64,671**	53,298

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

		31 December 2021				31 Dec. 2020
Performing	PD band (%)	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**	0
3	0.15 - 0.22	13	0	0	**13**	2
4	0.22 - 0.33	17	0	0	**17**	6
5	0.33 - 0.48	15	1	0	**16**	10
STY Ratings 1 – 5		49	1	0	**50**	19
6	0.48 - 0.70	17	2	0	**19**	23
7	0.70 - 1.02	15	4	0	**19**	13
8	1.02 - 1.48	12	5	0	**17**	22
9	1.48 - 2.15	13	7	0	**20**	19
10	2.15 - 3.13	3	6	0	**9**	9
11	3.13 - 4.59	1	8	0	**9**	14
STY Ratings 6 – 11		61	32	0	**93**	100
12	4.59 - 6.79	1	3	0	**4**	6
13	6.79 - 10.21	1	2	0	**3**	3
14	10.21 - 25.0	0	58	0	**58**	93
STY Ratings 12-14		2	63	0	**65**	102
Other		0	0	0	**0**	1
Non-performing loans		0	0	63	**63**	76
Total		112	96	63	**271**	298

DKKm

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

Sector	Loans, advances and guarantees				Balance of loan impairment charges and provisions for guarantees		Loan impairment charges and provisions for guarantees for the year		Losses for the year	
	% 2021	% 2020	End of 2021	End of 2020	End of 2021	End of 2020	2021	2020	2021	2020
Public authorities	7	8	12,379	12,629	0	0	0	0	0	0
Agriculture, hunting, forestry, fishing	4	3	6,885	6,003	314	439	-148	-251	7	130
Fishing	1	1	1,673	1,464	3	1	2	0	0	0
Dairy farmers	0	0	431	486	166	203	-54	-102	0	45
Plant production	1	1	2,412	1,965	56	76	-26	-21	0	11
Pig farming	1	1	1,491	1,279	66	89	-27	-84	0	19
Other agriculture	1	0	878	809	23	70	-43	-44	7	55
Manufacturing, mining, etc.	4	3	7,344	5,734	395	295	86	122	1	21
Energy supply	6	3	8,913	4,942	43	40	-1	10	0	9
Building and construction	1	1	2,364	2,398	58	89	-26	-11	7	9
Commerce	5	4	8,044	7,138	257	236	17	54	3	6
Transport, hotels and restaurants	2	2	3,551	3,408	84	127	-44	45	1	7
Information and communication	1	0	986	614	140	213	-78	-58	0	5
Finance and insurance	43	46	69,277	75,657	473	596	-80	148	90	225
Real property	8	10	14,157	15,543	267	377	-75	44	40	20
Lease of real property	4	6	7,242	9,015	230	280	-50	4	4	7
Buying and selling of real property	1	1	2,122	2,030	11	56	-9	17	36	0
Other real property	3	3	4,793	4,498	26	41	-16	23	0	13
Other sectors	3	3	5,330	4,454	131	133	1	18	12	40
Corporate clients	77	75	126,851	125,891	2,162	2,545	-348	121	161	472
Personal clients	16	17	26,012	28,191	1,038	970	99	80	69	112
Unutilised credit lines and loan commitments	0	0	0	0	271	298	-26	160	0	0
Total	100	100	165,242	166,711	3,471	3,813	-275	361	230	584

Under loans and advances, reverse repo transactions amount to DKK 41,044m (2020: DKK 51,959m).

Note			Jyske Bank
	DKKm	2021	2020
11	**Profit on investments in associates and group enterprises**		
	Profit/loss on investments in associates	-3	-16
	Profit/loss on investments in group enterprises	1,534	1,200
	Total	1,531	1,184
12	**Tax**		
	Current tax	431	160
	Change in deferred tax	20	-12
	Adjustment of tax for previous years	-1	14
	Total	450	162
	Effective tax rate		
	Danish tax rate	22.0	22.0
	Adjustments as regards previous years	-0.1	0.8
	Non-taxable income and non-deductible expenses, etc.	-0.2	1.3
	Other	0.0	-0.1
	Effective tax rate	21.7	24.0
	Proportion included in income from subsidiaries	-9.3	-14.9
	Total	12.4	9.1
13	**Earnings per share**		
	Profit for the year	3,176	1,609
	Holders of additional tier 1 capital	176	168
	Proportion attributable to shareholders of Jyske Bank A/S	3,000	1,441
	Average number of shares, 1,000 shares	72,561	76,097
	Average number of own shares, 1,000 shares	-1,813	-3,186
	Average number of shares in circulation, 1,000 shares	70,748	72,911
	Average number of shares in circulation at end of period, 1,000 shares	67,840	72,553
	Earnings per share (EPS) DKK	42.41	19.76
	Earnings per share diluted (EPS-D) DKK	42.41	19.76
	Core earnings per share		
	Core profit	3,966	2,166
	Holders of additional tier 1 capital	176	168
	Core profit ex holders of additional tier 1 capital	3,790	1,998
	Average number of shares in circulation, 1,000 shares	70,748	72,911
	Core earnings (DKK) per share	53.57	27.40

DKKm

14 Contractual time to maturity, 2021

	On demand	Up to 3 months	3 months - 1 year	1-5 years	Over 5 years	Total
Assets						
Due from credit institutions and central banks	421	8,594	253	0	0	9,268
Loans at fair value	0	18	25	159	1,569	1,771
Loans and advances at amortised cost	27	69,301	44,873	17,651	10,952	142,804
Bonds at fair value	0	542	8,824	23,218	11,651	44,235
Bonds at amortised cost	0	153	3,625	17,881	6,044	27,703
Liabilities						
Due to credit institutions and central banks	3,351	19,406	69	1,487	744	25,057
Deposits	108,730	8,075	8,665	967	3,283	129,720
Issued bonds at amortised cost	0	26,317	30,568	12,521	3,718	73,124
Subordinated debt	0	0	11	268	5,234	5,513

Contractual time to maturity, 2020

	On demand	Up to 3 months	3 months - 1 year	1-5 years	Over 5 years	Total
Assets						
Due from credit institutions and central banks	784	9,681	45	0	0	10,510
Loans at fair value	0	15	25	154	1,653	1,847
Loans and advances at amortised cost	36	76,747	44,918	14,504	9,935	146,140
Bonds at fair value	0	689	7,451	33,306	12,083	53,529
Bonds at amortised cost	0	949	2,148	16,063	5,387	24,547
Liabilities						
Due to credit institutions and central banks	5,355	34,937	804	1,502	744	43,342
Deposits	109,827	17,241	861	970	3,801	132,700
Issued bonds at amortised cost	0	30,039	19,193	14,391	74	63,697
Subordinated debt	0	0	307	2,500	3,014	5,821

The above amounts are exclusive of interest.

Note			Jyske Bank
	DKKm	**2021**	2020
15	**Due from credit institutions and central banks**		
	At notice with central banks	**0**	0
	Due from credit institutions	**9,268**	10,510
	Total	**9,268**	10,510
	Of which reverse repo transactions	**1,360**	3,295

16	**Bonds at fair value and amortised cost, total, measured at fair value**		
	Mortgage credit bonds	**56,655**	63,237
	Government bonds	**4,971**	4,864
	Other bonds	**10,447**	10,246
	Total	**72,073**	78,347
	Of which recognised at amortised cost.	**27,703**	24,547
	Fair value of bonds recognised at amortised cost,	**27,839**	24,818

17 **Collateral**

Jyske Bank receives and provides collateral in connection with money and securities clearing, outstanding accounts with central banks, repo and reverse repo transactions, tri-party agreements as well as fair value of derivatives covered by CSA agreements.

Provision of collateral is a regular part of business transactions and are carried out at market-consistent terms and conditions. Collateral is increased and reduced on an on-going basis as liabilities change.

Depending on agreements entered, collateral is provided and received with an owner's rights so that the recipient of collateral can sell this or use it to provide security for loans and other outstanding accounts.

Jyske Bank has deposited bonds with central banks and clearing houses, etc. in connection with clearing and settlement of securities and currency transactions as well as tri-party repo transactions totalling a market value of DKK 10,862m at the end of 2021 (2020: DKK 13,912m).

In addition, in connection with CSA agreements, Jyske Bank has provided cash collateral of DKK 7,535m (2020: DKK 6,944m) and bonds worth DKK 440m (2020: DKK 4,277m).

At the end of 2021, due to repo transactions, i.e. sale of securities involving agreements to repurchase them at a later point in time, bonds with a market value of DKK 21,061m (2020: DKK 26,633m) were provided as security for the amount that was borrowed.

Jyske Bank's land and buildings, the carrying amount of which is DKK 0m (2020: 1,472m), have been mortgaged with Jyske Realkredit.

Due to reverse repos, i.e. purchase of securities involving agreements to resell them at a later point in time, Jyske Bank received the sold bonds as security for the amount that was lent. At the end of 2021, reverse repos amounted to DKK 42,917m (2020: DKK 55,254m).

In addition, Jyske Bank received cash collateral in connection with CSA agreements in the amount of DKK 2,945m (2020: DKK 3,996m) as well as bonds in the amount of DKK 3,057m (2020: 696m).

Note			Jyske Bank
	DKKm	**2021**	2020
18	**Shares, etc.**		
	Shares/investment fund units listed on Nasdaq Copenhagen A/S	813	594
	Shares/mutual fund certificates listed on other exchanges	139	32
	Unlisted shares are stated at fair value.	1,602	1,504
	Total	2,554	2,130

19	**Investments in associates and jointly controlled companies**		
	Total cost, beginning of period	261	273
	Disposals	4	12
	Total cost, end of period	257	261
	Revaluations and impairment charges, beginning of period	-37	-21
	Revaluations and impairment charges for the year	-3	-16
	Reversed revaluations and impairment charges	0	0
	Revaluations and impairment charges, end of period	-40	-37
	Recognised value, end of period	217	224

20	**Equity investments in group enterprises**		
	Total cost, beginning of period	14,448	14,416
	Additions	0	32
	Total cost, end of period	14,448	14,448
	Revaluations and impairment charges, beginning of period	7,045	6,118
	Profit	1,537	1,197
	Dividend	270	287
	Other capital movements	6	17
	Revaluations and impairment charges, end of period	8,318	7,045
	Recognised value, end of period	22,766	21,493
	of which credit institutions	20,798	19,764

Note			Jyske Bank
	DKKm	2021	2020
21	**Owner-occupied properties, exclusive of leasing**		
	Restated value, beginning of period	1,736	1,759
	Additions during the year, including improvements	0	3
	Disposals for the year	154	11
	Depreciation	8	9
	Positive changes in values recognised in other comprehensive income in the course of the year	9	3
	Negative changes in values recognised in other comprehensive income in the course of the year	2	8
	Positive changes in value recognised directly in the income statement during the year	1	1
	Negative changes in value recognised directly in the income statement during the year	4	2
	Restated value, end of period	1,578	1,736
	Cost less accumulated amortisation, depreciation and impairment charges	1,374	1,494
	For mortgage credit institutions, collateral has been provided in land and buildings, the carrying amount of which is	0	1,472
	Required rate of return	4.3%-10%	4.5%-9%
	Weighted average return applied	6.41%	6.43%
22	**Other property, plant and equipment**		
	Total cost, beginning of period	1,051	1,023
	Additions	47	32
	Disposals	6	4
	Total cost, end of period	1,092	1,051
	Amortisation, depreciation and impairment charges, beginning of period	985	953
	Depreciation and amortisation for the year	31	36
	Reversed amortisation, depreciation and impairment	2	4
	Amortisation, depreciation and impairment charges, end of period	1,014	985
	Recognised value, end of period	78	66
23	**Other assets**		
	Positive fair value of derivatives	25,111	32,038
	Interest and commission receivable	235	309
	Other assets	614	555
	Total	25,960	32,902
	Netting		
	Positive fair value of derivatives, etc., gross	36,958	47,072
	Netting of positive and negative fair value	11,847	15,034
	Total	25,111	32,038

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

Note		2021	2020
24	**Due to credit institutions and central banks**		
	Due to central banks	10	3,041
	Due to credit institutions	25,047	40,301
	Total	25,057	43,342
	Of which repo transactions	18,705	24,826

Note	DKKm	2021	2020
25	Deposits		
	Demand deposits	108,730	109,827
	Term deposits	1,136	1,204
	Time deposits	15,211	16,283
	Special deposits	4,643	5,386
	Total	129,720	132,700
	Of which repo transactions	2,494	1,949

Note			
26	Other liabilities		
	Set-off entry of negative bond holdings in connection with repos/reverse repos	5,507	7,639
	Negative fair value of derivatives	25,966	34,630
	Lease commitment	385	374
	Other liabilities	5,674	5,236
	Total	37,532	47,879
	Netting		
	Negative fair value of derivatives, etc., gross	37,813	49,664
	Netting of positive and negative fair value	11,847	15,034
	Total	25,966	34,630

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

Note			
27	Provisions for pensions and similar liabilities		
	Provisions for pensions and similar liabilities		
	Provisions for defined benefit plans	507	529
	Provisions for long-term employee benefits	54	54
	Recognised in the balance sheet, end of period	561	583
	Provisions for defined benefit plans		
	Present value of pension plan obligations	584	610
	Fair value of pension plan assets	77	81
	Net liability recognised in the balance sheet	507	529
	Change in provisions for defined benefit plans		
	Provisions, beginning of period	610	639
	Costs for the current financial year	22	18
	Calculated interest expenses	3	2
	Actuarial losses/gains	-8	-5
	Pension payments	-43	-44
	Provisions, end of period	584	610
	Change in the fair value of pension plan assets		
	Assets, beginning of period	81	87
	Calculated interest on assets	1	2
	Return ex calculated interest on assets	2	-1
	Pension payments	-7	-7
	Assets, end of period	77	81

Note	DKKm	2021	2020
27	**Provisions for pensions and similar liabilities, cont.**		
	Pension costs recognised in the income statement		
	Costs for the current financial year	22	18
	Calculated interest related to liabilities	3	2
	Calculated interest on assets	-1	-2
	Total recognised defined benefit plans	24	18
	Total recognised defined contribution plans	226	257
	Recognised in the income statement	250	275

The expense is recognised under Employee and administrative expenses.

	2021	2020
Pension plan assets:		
Shares	14	9
Bonds	17	27
Cash and cash equivalents	46	45
Pension plan assets, total	77	81

Pension plan assets include 40,000 Jyske Bank shares (2020: 40,000 shares).
Measurement of all pension assets is based on quoted prices in an active market.

For further details, please see note 37 in the consolidated financial statements.

Note		2021	2020
28	**Other provisions**		
	Provisions for litigation, beginning of period	77	113
	Additions	25	4
	Disposals inclusive of consumption	3	12
	Disposals exclusive of consumption	4	28
	Provisions for litigation, end of period	95	77

Other provisions relate to lawsuits.
The provisions are expected, in essence, to be reduced to zero within a year.

Note		2021	2020
29	**Provisions for deferred tax**		
	Deferred tax		
	Deferred tax assets	21	43
	Deferred tax liabilities	0	0
	Net deferred tax	-21	-43

Change in deferred tax 2021	Beginning of period	Recognised in the net profit for the year	Recognised in other comprehensive income	Other adjustments	End of year
Bonds at amortised cost	-58	28	0	0	-30
Intangible assets	-1	1	0	0	0
Property, plant and equipment	180	-8	1	0	173
Loans and advances, etc.	-17	2	0	0	-15
Provisions for pensions	-129	2	3	0	-124
Other	-18	-5	0	-2	-25
Total	**-43**	**20**	**4**	**-2**	**-21**
Change in deferred tax 2020					
Bonds at amortised cost	-24	-34	0	0	-58
Intangible assets	-2	1	0	0	-1
Property, plant and equipment	180	1	-1	0	180
Loans and advances, etc.	-20	3	0	0	-17
Provisions for pensions	-133	5	-1	0	-129
Other	-25	12	0	-5	-18
Total	-24	-12	-2	-5	-43

Note	DKKm	2021	2020
30	**Subordinated debt**		
	Supplementary capital:		
	Var. % bond loan NOK 1,000m 24.03.2031	746	0
	Var. % bond loan SEK 1,000m 24.03.2031	726	0
	1.25% bond loan EUR 200m 28.01.2031	1,487	1,488
	2.25% bond loan EUR 300m 05.04.2029	2,231	2,232
	Var. % bond loan SEK 600m called on 19.05.2021	0	444
	3.25% bond loan SEK 400m called on 19.05.2021	0	296
	6.73% bond loan EUR 9m 2022-2026	56	67
	Var. % bond loan EUR 10m 13.02.2023	74	74
	5.65% bond loan EUR 10m 27.03.2023	74	74
	5.67% bond loan EUR 10m 31.07.2023	74	74
		5,468	4,749
	Hybrid core capital:		
	Var. % bond loan EUR 72.8m, perpetual, called on 05.07.2021	0	541
	Var. % bond loan EUR 60.7m, perpetual, called on 05.07.2021.	0	452
		0	993
	Subordinated debt, nominal	5,468	5,742
	Hedging of interest-rate risk, fair value	45	79
	Total	5,513	5,821
	Subordinated debt included in the capital base	5,275	5,594

The above-mentioned issues of additional tier 1 capital issued in 2004 and 2005 and called on 05.07.2021 did not meet the conditions for additional tier 1 capital in the Capital Requirements Regulation, CRR. The issues were recognised under liability other than provision according to IAS 32.

Supplementary bond loans in the amount of EUR 200m fall due on 28 January 2031 at the latest but can, subject to permission by the FSA, be redeemed at par as of 28 January 2026. The loan bears a fixed rate of interest until 28 January 2026, after which date the interest rate will be set for the next five years.

Supplementary bond loans in the amount of EUR 300m fall due on 05 April 2029 at the latest but can, subject to permission by the FSA, be redeemed at par as of 5 April 2024. The loan bears a fixed rate of interest until 5 January, after which date the interest rate will be set for the next five years.

Supplementary bond loans in the amount of NOK 1,000m fall due on 24 March 2031 at the latest but can, subject to permission by the FSA, be redeemed at par as of 24 March 2026. The loan is a floating-rate loan, and the rate of interest is 3M NIBOR + 128 bp throughout the term of the loan.

Supplementary bond loans in the amount of SEK 1,000m fall due on 24 March 2031 at the latest but can, subject to permission by the FSA, be redeemed at par as of 24 March 2026. The loan is a floating-rate loan, and the rate of interest is 3M STIBOR + 125 bp throughout the term of the loan.

Cost relating to the addition and repayment of subordinated debt amount to DKK 5m (2020: DKK 6m).

31 Contingent liabilities

General
Jyske Bank's credit review of guarantee applicant takes into consideration the risk on guarantees. For 75% of Jyske Bank's guarantees, the contractual term to maturity is below one year; for 21%, the contractual terms to maturity are between 1 and 5 years; for 4%, the contractual term to maturity is above 5 years, compared to 77%, 17% and 6%, respectively, in 2020.

Financial guarantees are primarily payment guarantees, and the risk equals that involved in credit facilities.

Guarantees for losses on mortgage loans are typically provided as security for the riskiest part of mortgage loans granted to personal clients and to a limited extent for loans secured on commercial real property. Guarantees for residential real property are within 80% and for commercial real property within 60%-80%, of the property value as assessed by a professional expert.

Registration and refinancing guarantees are provided in connection with the registration of new and refinanced mortgages. Such guarantees involve insignificant risk.

Other contingent liabilities include other forms of guarantees at varying degrees of risk, including performance guarantees. The risk involved is deemed to be less than the risk involved in, e.g., credit facilities subject to flexible drawdown.

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

Because of its mandatory participation in the deposit guarantee scheme, the sector has paid an annual contribution of 2.5‰ of the covered net deposits until the assets of Pengeinstitutafdelingen (the financial institution fund) exceed 0.8% of the total net deposits covered, which level has been reached. According to Bank Package 3 and Bank Package 4, Pengeinstitutafdelingen bears the immediate losses attributable to covered net deposits and relating to the winding up of financial institutions in distress. Any losses in connection with the final winding up are covered by the Guarantee Fund's Afviklings- og Restruktureringsafdeling (settlement and restructuring fund), where Jyske Bank currently guarantees 8.11% 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. Jyske Bank expects having to pay a total of about DKK 350m 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 3.2m.

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.

DKKm	2021	2020
Guarantees		
Financial guarantees	17,401	14,152
Guarantee for losses on mortgage credits	793	1,299
Registration and refinancing guarantees	174	1,781
Other contingent liabilities	2,299	1,492
Total	20,667	18,724

32 Other contingent liabilities

Loan commitments and unutilised credit facilities	64,671	53,298
Other	54	54
Total	64,725	53,352

DKKm	2021	2020
33 Transactions involving related parties		
Transactions with group enterprises		
Guarantees provided	419	412
Due from credit institutions	323	841
Loans and advances	22,419	20,357
Bonds	5,226	5,280
Due to credit institutions	10,112	13,340
Deposits	111	93
Derivatives, fair value	390	720
Interest income	34	76
Interest expenses	5	12
Fee income	1,945	1,723
Fee expenses	0	1
Other operating income	372	319
Transactions with associates		
Loans	47	42
Deposits	12	8
Other liabilities	66	62
Interest income	0	1
Employee and administrative expenses	697	622

Group enterprises and associates as well as joint ventures are considered related parties. Please see the Group chart.

Jyske Bank's Executive Board and Supervisory Board as well as their related parties are also considered related parties. Reference is made to note 62 to the consolidated financial statements.

Jyske Bank does not consider the Shareholders' Representatives a restricted management body.

Jyske Bank is the banker of a number of related parties, and Jyske Bank is part of a joint funding cooperation scheme with Jyske Realkredit. Other transactions between related parties are characterised as ordinary financial transactions and services of an operational nature.

Transactions between Jyske Bank and group enterprises and associates as well as joint ventures are entered into on an arm's length or at cost.

Transactions between Jyske Bank and other related parties were executed on an arm's length basis. This also holds for the rates of interest and commission charges.

DKKm

34 Hedge accounting

2021	Amortised cost/ Nominal value	Carrying amount	Accumulated carrying amount fair value adjustment	Profit/loss for the year
Interest-rate risk on fixed-rate liabilities				
Issued bonds	6,175	6,222	-47	107
Subordinated debt	2,380	2,423	-44	35
Due to credit institutions	744	753	-10	18
Total	**9,299**	**9,398**	**-101**	**160**
Derivatives, swaps				
Swaps, hedging issued bonds	6,175	46	46	-98
Swaps, hedging subordinated debt	2,380	41	41	-40
Swaps, hedging debt to credit institutions	744	9	9	-18
Total	**9,299**	**96**	**96**	**-156**
2020				
Interest-rate risk on fixed-rate liabilities				
Issued bonds	13,595	13,749	-154	-41
Subordinated debt	2,676	2,755	-79	-9
Due to credit institutions	744	772	-28	-15
Total	**17,015**	**17,276**	**-261**	**-65**
Derivatives, swaps				
Swaps, hedging issued bonds	13,595	144	144	30
Swaps, hedging subordinated debt	2,676	81	81	2
Swaps, hedging debt to credit institutions	744	27	27	14
Total	**17,015**	**252**	**252**	**46**

Reference is made to note 58 to the consolidated financial statements.

DKKm

35 Derivatives

Both its clients and Jyske Bank itself use derivatives to hedge against and manage market risk. Market risk on derivatives is included in the Group's measurement of market risk. Credit risk in connection with derivatives is calculated for each counterparty and is included in Jyske Bank's overall credit risk management. Subject to specific bilateral agreement, netting of the credit risk associated with derivatives is undertaken for each counterparty.

2021	Net fair value				Fair value			Principal amounts, total
	Up to 3 months	Over 3 months and up to 1 year	Over 1 year and up to 5 years	Over 5 years	Assets	Liabilities	Net	Nominal value
Currency contracts	426	-209	-205	-9	6,722	6,719	3	899,559
Interest-rate contracts	-277	26	173	-1,007	27,639	28,724	-1,085	1,340,527
Share contracts	-7	0	0	0	11	18	-7	109
Commodity contracts	231	-88	80	0	2,559	2,336	223	77
Total	373	-271	48	-1,016	36,931	37,797	-866	2,240,272
Outstanding spot transactions					27	16	11	39,244
CCP netting					-11,847	-11,847	0	0
Total after CCP netting					25,111	25,966	-855	2,279,516

2020	Net fair value				Fair value			Principal amounts, total
	Up to 3 months	Over 3 months and up to 1 year	Over 1 year and up to 5 years	Over 5 years	Assets	Liabilities	Net	Nominal value
Currency contracts	-632	59	-346	-26	9,025	9,970	-945	879,943
Interest-rate contracts	-331	-35	-110	-1,253	36,762	38,491	-1,729	1,416,633
Share contracts	-8	0	0	0	11	19	-8	41
Commodity contracts	49	1	36	0	1,250	1,164	86	87
Total	-922	25	-420	-1,279	47,048	49,644	-2,596	2,296,704
Outstanding spot transactions					24	20	4	37,840
CCP netting					-15,034	-15,034	0	0
Total after CCP netting					32,038	34,630	-2,592	2,334,544

DKKm

36 Key figures and ratios, 5 years

SUMMARY OF INCOME STATEMENT	2021	2020	Index 21/20	2019	2018	2017
Net interest income	2,224	2,232	100	2,357	2,785	3,343
Dividends, etc.	50	41	122	36	107	72
Net fee and commission income	2,920	2,578	113	2,809	1,894	1,912
Net interest and fee income	5,194	4,851	107	5,202	4,786	5,327
Value adjustments	821	307	267	176	426	822
Other operating income	458	380	121	395	882	455
Operating expenses, depreciation and amortisation	4,653	4,590	101	4,683	4,639	4,391
Of which staff and administrative expenses	4,482	4,397	102	4,542	4,532	4,227
Loan impairment charges	-275	361	-	-123	32	-536
Profit on investments in associates and group enterprises	1,531	1,184	129	1,453	1,374	976
Pre-tax profit	3,626	1,771	205	2,666	2,797	3,725
Tax	450	162	278	226	297	582
Profit for the year	3,176	1,609	197	2,440	2,500	3,143

BALANCE SHEET, END OF PERIOD	2021	2020	Index 21/20	2019	2018	2017
Loans	144,575	147,987	98	149,397	136,832	142,739
- bank loans	103,531	96,028	108	103,134	110,719	115,320
- repo loans	41,044	51,959	79	46,263	26,113	27,419
Deposits	134,057	136,771	98	140,040	143,579	154,303
- bank deposits	117,026	123,208	95	122,542	126,808	129,884
- repo deposits and tri-party deposits	12,694	9,492	134	13,296	12,965	20,051
- pooled deposits	4,337	4,071	107	4,202	3,806	4,368
Issued bonds	73,124	63,697	115	38,556	35,039	35,776
Subordinated debt	5,513	5,821	95	4,327	4,319	4,323
Holders of additional tier 1 capital	3,355	3,307	101	3,257	2,546	2,581
Shareholders' equity	34,911	33,325	105	32,453	31,786	32,023
Total assets	314,879	335,402	94	304,100	278,570	295,738

36	Key figures and ratios, 5 years, cont.	2021	2020	2019	2018	2017
	Pre-tax profit, per share (DKK)*	**48.77**	21.98	31.87	31.67	41.64
	Earnings per share (DKK)*	**42.41**	19.76	29.00	28.15	34.66
	Earnings per share (diluted) (DKK)*	**42.41**	19.76	29.00	28.15	34.66
	Core profit per share (DKK)*	**53.57**	27.40	37.79	29.76	38.03
	Share price at end of period (DKK)	**337**	233	243	235	353
	Book value per share (DKK)*	**515**	459	434	390	374
	Price/book value per share (DKK)*	**0.65**	0.51	0.56	0.60	0.95
	Price/earnings per share*	**7.9**	11.8	8.4	8.4	10.2
	Proposed dividend per share (DKK)	**0**	0	0	6.12	5.85
	Distributed dividend per share (DKK)	**0**	0	0	11.74	10.85
	Capital ratio (%)	**31.5**	32.8	31.5	29.2	28.6
	Tier 1 capital ratio (%)	**27.6**	28.6	28.4	26.3	26.0
	Common equity tier 1 capital ratio (%)	**25.2**	25.7	25.5	24.0	23.5
	Pre-tax profit as a pct. of average equity*	**10.1**	4.9	7.8	8.4	11.5
	Net profit as a percentage of average equity*	**8.8**	4.4	7.1	7.6	9.7
	Income/cost ratio (%)	**1.8**	1.4	1.6	1.6	2.0
	Interest-rate risk (%)	**1.0**	0.6	0.4	0.8	0.8
	Currency position	**2.7**	5.0	13.1	8.6	5.3
	Currency risk (%)	**0.0**	0.1	0.0	0.1	0.1
	Liquidity Coverage Ratio (LCR) (%)**	**416**	385	228	171	-
	Total large exposures (%)***	**110**	82	84	76	72
	Accumulated impairment ratio (%)	**1.9**	2.1	2.1	2.5	2.5
	Impairment ratio for the year (%)	**-0.2**	0.2	-0.1	0.0	-0.3
	Increase in loans and advances for the year, excl. repo loans (%)	**7.8**	-6.9	-6.8	-4.0	1.7
	Loans and advances in relation to deposits	**1.1**	1.1	1.1	1.0	0.9
	Loans relative to equity	**3.8**	4.0	4.2	4.0	4.1
	Return on capital employed	**1.0**	0.5	0.8	0.9	0.1
	Number of full-time employees, year-end	**3,020**	3,109	3,300	3,372	3,388
	Average number of full-time employees in year	**3,060**	3,210	3,353	3,444	3,167

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.
* Ratios are calculated as if additional tier 1 capital (AT1) is recognised as a liability.
** Statement of liquidity ratios was changed in 2018. Comparative figures for 2017 have not been calculated.
*** Statement of sum of total large exposures was changed in 2018.

Statement by the Management and Supervisory Boards on the Annual Report

We have today discussed and approved the Annual Report of Jyske Bank A/S for the accounting year 1 January to 31 December 2021.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU, and the Parent's financial statements have been prepared in accordance with the Danish Financial Business Act. Further, the Annual Report has been prepared in accordance with the additional Danish disclosure requirements for listed financial companies.

In our opinion, the consolidated financial statements and the Parent's financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2021 and of their financial performance and the Group's cash flows for the financial year 1 January to 31 December 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 net profit or loss for the year 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.

In our opinion, the Annual Report for the financial year 1 January to 31 December 2021, with the following file name: 3M5E1GQGKL17HI6CPN30-2021-12-31-da.zip, has in al material respects been prepared in accordance with the ESEF regulation.

The Annual Report is recommended for adoption at the Annual General Meeting.

Silkeborg, 22 February 2022

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

JOHNNY CHRISTENSEN
Employee Representative

MARIANNE LILLEVANG
Employee Representative

CHRISTINA LYKKE MUNK
Employee Representative

Internal Auditors' Report

Audit opinion

In our opinion, the consolidated financial statements and the Parent's financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2021 and of the Group's and the Parent's financial performance and the Group's cash flows for the financial year 1 January to 31 December 2021 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed financial companies in regard to the consolidated financial statements and in accordance with the Danish Financial Business Act in regard to the Parent's financial statements.

Basis of opinion

We have audited the consolidated financial statements and the financial statements of Jyske Bank A/S for the financial year 1 January - 31 December 2021. The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed financial companies. The financial statements have been prepared in accordance with the Danish Financial Business Act.

We conducted our audit in accordance with the Executive Order of the Danish Financial Supervisory Authority on Auditing Financial Enterprises, etc. as well as Financial Groups and in accordance with international auditing standards on planning and performance of the audit.

We planned and performed our audit with a view to obtaining a high degree of certainty that the consolidated financial statements and the Parent's financial statements do not contain any material misstatements. We participated in the audit of significant and risky areas.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Statement on the Management's Review

We have read the Management's Review pursuant to the Danish Financial Business Act. We did not perform any procedures other than those performed during the audit of the consolidated financial statements and the Parent's financial statements.

Based on this, we believe that the Management's Review was prepared in accordance with the Danish Financial Business Act and the disclosures in the Management's Review are consistent with the consolidated financial statements and the Parent's financial statements.

Silkeborg, 22 February 2022

Karsten Dahl
Chief Internal Auditor

Independent Auditors' Report

To the shareholders of Jyske Bank A/S

Audit opinion
We have audited the consolidated financial statements and the financial statements of Jyske Bank A/S for the financial year 1 January – 31 December 2021 comprising the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, and notes, including accounting policies, for the Group as well as the company, and the consolidated cash flow statement for the Group. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards as adopted by the EU and also in accordance with additional Danish disclosure requirements for listed financial companies, and the Parent's financial statements were prepared in accordance with the Danish Financial Business Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position on 31 December 2021and of its financial performance and cash flows for the financial year 1 January - 31 December 2021 – in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for listed financial companies.

In addition, in our opinion, the financial statements give a true and fair view of the company's financial position on 31 December 2021 and of the company's financial performance for the financial year 1 January - 31 December 2021 – in accordance with the Danish Financial Business Act.

Our audit opinion is in line with our long-form audit report to the Audit Committee and the Supervisory Board.

Basis of the audit opinion
We conducted our audit in accordance with the International Standards on Auditing and the additional requirements applicable in Denmark. Our responsibility according to these standards and requirements are described in detail in the auditors' report under the heading "The auditor's responsibility for the audit of the consolidated financial statements and the Parent's financial statements"(hereinafter referred to as "the financial statements"). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence
We are independent of the Group in accordance with the international code of ethics for accountants issued by the International Ethics Standard Board for Accountants (IESBA Code) and also further ethical requirements applicable in Denmark; also, we have met our other ethical obligations according to this code of ethics and the IESBA Code.

To the best of our knowledge, no prohibited non-audit services as stated in Art. 5(1) of Regulation (EU) No. 537/2014 have been performed.

Appointment of auditors
On 16 June 2020, we were for the first time elected auditors for Jyske Bank A/S for the financial year 2020. We have been re-elected annually by the annual general meeting for a total continuous task period of 2 years until and including the financial year 2021.

Key audit matters
Key audit matters are the matters that in our professional opinion were the most important ones in connection with our audit of the financial statement for the financial year 2021. These matters were discussed in the course of our audit of the financial statements as a whole and the preparation of our audit opinion. We do not issue a separate audit opinion about these matters. For each of the below matters, the description of how the matter was treated during our audit is given in connection with this.

We have lived up to our responsibility as described in the section "The auditor's responsibility for the audit of the financial statements", also in relation to the below key audit matters. Our audit covered the preparation and performance of audit procedures in reaction to our assessment of the risk of material misinformation in the financial statements. The result of our audit procedure, including the audit procedures we have performed to treat the below matters, forms the basis of our audit opinion on the financial statements as a whole.

Measurement of loans, advances and guarantees
Key audit matters
A material part of the Group's assets consists of loans and advances, which are associated with risks of loss in the event of the client's inability to pay. In addition, guarantees and other financial products are offered that are also associated with risks of loss.

The Jyske Bank Group's total loans amounted to DKK 485,214m on 31 December 2021 (DKK

491,379m on 31 December 2020), and the total impairment charges and provisions for expected credit losses amounted to DKK 5,443m on 31 December 2021 (DKK 5,761m on 31 December 2020).

In our assessment, the Group's statement of loan impairment charges and provisions for losses on guarantees, etc. constitute a key audit matter, as the statement involves material amounts and management's estimates. This relates in particular to the determination of the probability of default, the division of exposures into stages, the assessment whether any indication of credit impairment has been established, realisable value of collateral received as well as the client's ability to pay in the event of default.

Large exposures and exposures with high risk are assessed individually, while small exposures and exposures with low risk are determined on the basis of models for expected credit losses that involve management's estimates in connection with the establishment of methods and parameters for the determination of the expected loss.
The Group recognises additional impairment charges based on management's estimates in such situations where the impairment charges calculated by models and determined individually have not yet been estimated to reflect specific risks of loss, including the impact from COVID-19.

Reference is made to the notes [14, 50 and 67] of the financial statements, where the Group's and the Bank's credit risk, accounting policies as well as uncertainties and estimates that may affect the statement of expected credit losses are described.

The audit treatment of the issue
Based on our risk assessment and knowledge of the industry, we have performed the following audit procedures relating to measurement of loans, advances and guarantees:

- Assessment of the Group's methods to determine expected credit losses, including an assessment of whether the methods applied for model-based and individual determination of expected credit losses meet the accounting rules.
- Tests of the Group's procedures and internal controls, including tests relating to monitoring of exposures, division into stages, registration of indication of credit impairment as well as registration and valuation of collateral values.
- Tests of spot checks of the largest and most risky exposures, including non-performing exposures, for, among other things, correct risk classification and identification of exposures with objective evidence of impairment as well as tests of the applied methods, collateral values and future cash flows in the impairment calculations.
- As regards model-calculated impairment charges, we tested the completeness and accuracy of input data, determination of model parameters, adjustment for expectations of future economic circumstances, the models' calculations of expected credit losses as well as the Group's validation of models and methods for the determination of expected credit losses.
- As regards management's additions to individual and model-based impairment charges, we assessed whether the methods applied are relevant and suitable and assessed and tested the Group's basis for the applied preconditions, including whether these are reasonable and well-founded relative to relevant bases of comparison.

Furthermore, we assessed whether the disclosures in the notes relating to exposures, impairment charges and credit risks comply with the relevant accounting rules and tested the numerical information in these (notes [14, 19, 20 and 21]).

Statement on the Management's Review
The management is responsible for the Management's Review.

Our audit opinion on the financial statements does not cover the Management's Review, and we do not express any kind of unmodified audit opinion on the Management's Review.

In connection with our audit of financial statements, it is our responsibility to read the Management's Review and in that connection consider whether the Management's Review is materially inconsistent with the financial statements or our knowledge attained through the audit or in other ways seems to contain any material misstatement.

In addition, it is our responsibility to consider whether the Management's Review contains the required information according to the Danish Financial Business Act.

Based on the work performed, we believe that the Management's Review is consistent with the financial statements and that it has been prepared in accordance with the requirements of the Danish Financial Business Act. We did not find any material misstatement in the Management's Review.

Management responsibility for the financial statements

Management is responsible for the preparation of consolidated financial statements and financial statements that offer a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and in accordance with the additional disclosure requirements for listed financial companies as well as for the preparation of the Parent's financial statements that offer a true and fair view according to the Danish Financial Business Act.

Moreover, management is responsible for the internal control that management finds necessary to prepare the financial statements free from material misstatement, whether due to fraud or error.

When preparing the financial statements, management is responsible for assessing the Group's and the Parent's ability to continue operations and for disclosing circumstances relating to the continued operations, where relevant; and to prepare the financial statements on the basis of the accounting principle on continued operations, unless management intends to wind up the Group or the company, discontinue operations or does not have any other realistic alternative than doing so.

The auditor's responsibility for the audit of the financial statements

The objective of our audit is that of obtaining a high level of assurance and audit evidence that the financial statements are free of material misstatements, whether or not due to fraud or error. A high level of assurance is a high level of assurance, but no guarantee that an audit performed in accordance with the International Standards on Auditing and the additional requirements applicable in Denmark will reveal any material misstatement if such misstatement has been made. Misstatements can also be given due to fraud or error and can be considered material if it is reasonable to assume that such misstatements will individually or collectively affect the financial decisions that financial statement users make on the basis of the financial statements.

In the course of the audit that is performed in accordance with the International Standards on Auditing and the additional requirements applicable in Denmark, we make professional assessments with an attitude of professional scepticism during the audit. In addition:

- We identify and assess the risk of material misstatements in the financial statements, whether or not such misstatements are due to fraud or error; we design and perform audit procedures in reaction to these risks and also obtain audit evidence sufficient and suitable for the basis of our audit opinion. The risk of not detecting any material misstatement due to fraud is higher than that in connection with material misstatements caused by error, as fraud may comprise conspiracy, forgery, conscious omissions, misrepresentation or disregard of internal control.
- We gain an understanding of the internal control relevant for the audit in order to prepare audit procedures that are appropriate under the circumstances, but not to express an audit opinion on the efficiency of the Group's and the Parent's internal control.
- We make a decision wither the accounting policies applied by management are suitable, and whether the accounting estimates and relevant information that management has prepared are reasonable.
- We determine whether management's preparation of the financial statements on the basis the of accounting principle on going concern is suitable, as well as whether, on the basis of the audit evidence obtained, there is any material uncertainty linked to events or circumstances that may result in considerable doubt as to the Group's or the company's ability to continue operations. If we determine that there is material uncertainty, we must in our auditors' report draw attention to information of this in the financial statements or, if such information is not sufficient, modify our audit opinion. Our audit opinion is based on the audit evidence that is obtained until the date of our auditors' report. However, future events or circumstances may result in the Group and the company not being able to continue operations any longer.
- We decide on the overall presentation, structure and contents of the financial statements, including disclosures in the notes, and whether the financial statements reflect the underlying transactions and events in such a way that they render a true and fair view of these.
- We obtain a sufficient and suitable audit evidence of the financial information in the companies or the business activities in the Group to express an audit opinion on the consolidated financial statements. We are responsible for directing, supervising and performing the consolidated financial statements audit. We are solely responsible for the audit opinion.

We communicate with senior management, among other things, on the planned extent and the timing of the audit as well as considerable audit observations, including any considerable shortcomings in the internal control that we identify during our audit.

We also make a statement to senior management to the effect that we comply with relevant ethical requirements as to independence, and disclose to senior management all relations and other circumstances that may reasonably affect our independence and, where relevant, security measures applied or actions made to eliminate threats.

Based on the circumstances communicated to senior management, we establish the circumstances that were of greatest importance during our audit of the financial statements covering the relevant period and therefore constituted key audit matters. We describe these circumstances in our auditors' report, unless acts of law or other regulation preclude publication of the circumstance, or in the most rare cases where we establish that the circumstance is not to be communicated in our auditors' report because the negative consequences from this could reasonably be expected to carry a heavier weight than the benefit from such communication that would be in the public interest.

Declaration of compliance with the ESEF regulation

In the course of our audit of the consolidated financial statements and the financial statements of Jyske Bank A/S, we have performed actions with a view to expressing an audit opinion on whether the annual report covering the financial year 1 January – 31 December 2021, with the file name "3M5E1GQGKL17HI6CPN30-2021-12-31-da.zip", was prepared in accordance with the Commission Delegated Regulation (EU) 2019/815 with regard to the single electronic reporting format (ESEF regulation), stipulating requirements for the preparation of an annual report in the XHTML format and iXBRL mark-up of the main statements of the consolidated financial statements .

It is the responsibility of the management to prepare an annual report that complies with the ESEF regulation, including:

- Preparation of the annual report in the XHTML format
- Selection and use of appropriate IXBRL tags, including extensions to the ESEF taxonomy and embedding this to elements in the taxonomy, for financial information, that must be marked up, subject to estimates where necessary
- To ensure consistency between iXBRL-marked-up data and the human-readable consolidated financial statements

- For the internal control, which management considers necessary for the preparation of an annual report that complies with the ESEF regulation.

It is our responsibility, based on the obtained audit evidence, to achieve a high level of assurance that in all material respects the annual report was prepared in accordance with the ESEF regulation and to express an audit opinion. The type, extent and the timing of the selected audit procedures depend on the auditor's professional assessment, including an assessment of the risk of material differences from the requirements of the ESEF regulation, whether or not these are due to fraud or error. The audit procedures include:

- Control of whether the annual report was prepared in the XHTML format
- Obtaining an understanding of the company's process for iXBRL mark-up and of the internal control relating to the mark-up process
- Assessment of the completeness of the iXBRL mark-up of the consolidated financial statements
- Assessment of whether the use of iXBRL elements from the ESEF taxonomy and the company's establishment of extensions to the taxonomy are appropriate when relevant elements of the ESEF taxonomy have not been identified
- Assessment of the anchoring of extension to elements in the ESEF taxonomy
- Harmonisation of iXBRL marked-up data with the audited consolidated financial statements.

In our opinion, the Annual Report for the financial year 1 January - 31 December 2021, with the file name "3M5E1GQGKL17HI6CPN30-2021-12-31-da.zip" was in al material respects prepared in accordance with the ESEF regulation.

Aarhus, 22 February 2022

EY Godkendt Revisionspartnerselskab
Business registration number (CVR) 30 70 02 28

Lars Rhod Søndergaard
State-Authorized Public Accountant
Identification No. (mne) 28632

Michael Laursen
State-Authorized Public Accountant
Identification No. (mne) 26804

Directorships held by members of the Supervisory Board in other commercial enterprises at 31 December 2021

Kurt Bligaard Pedersen, Managing Director, London, Chairman

- CEO of Bligaard Consult

Keld Norup, Vejle, Deputy Chairman

- Chairman of the supervisory board/board member, Holmskov-gruppen, Vejle including
    - Chairman of the supervisory board, Holmskov & Co. A/S
    - Chairman of the supervisory board, Holmskov Finans A/S
    - Chairman of the supervisory board, Holmskov Invest A/S
    - Board member, H & P Frugtimport A/S
- Board member, Solegruppen, Vejle, including
    - Board member, Sole Holding ApS, Vejle, and also on the board of five fully owned subsidiaries
    - Board member, TP Family ApS
    - Board member, Hølgaard Ejendomme ApS and on the board of a fully owned subsidiary
    - Board member, JGP Family ApS
    - Board member, Solbjerg Ejendomme A/S
    - Board member, Vesterby Minkfarm A/S
    - Board member, Sole Invest ApS, Hedensted and also on the board of a fully owned subsidiary
- Managing director, Keld Norup Holding ApS

Rina Asmussen, Consultant, Klampenborg

- Board member, PFA Invest
- Board member and Deputy Chairman, BRFfonden, and on the board of a fully owned subsidiary
- Deputy chairman of Fonden for Håndværkskollegier
- Director of RA-Consulting

Anker Laden-Andersen, Attorney-at-Law, Frederikshavn

- Chairman of the supervisory board of Gisselfeld Kloster
- Chairman of the supervisory board of Hirtshals Havn and on the board of a fully owned subsidiary
- Chairman of the supervisory board of DEN GREVELIGE OBERBECH-CLAUSEN-PEANSKE FAMILIEFOND (Voergaard Slot)
- Chairman of the supervisory board of Hjerl Fonden
- Chairman of of the supervisory board of Grøngas Partner A/S as well as 2 fully owned subsidiaries
- Board member, Thoraso ApS
- Board member, Vanggaard Fonden (Sæby Fiskeindustri)
- Director of ALA Advokatpartner anpartsselskab

Bente Overgaard, Managing director, Hellerup

- Board member, Tømmerhandler Johannes Fogs Fond
- Board member, SP Group A/S
- Committee member of the Danish Nature Fund
- Managing director, Overgaard Advisory ApS

Directorships held by members of the Executive Board in other commercial enterprises* at 31 December 2021

Anders Dam
- Chairman of the Supervisory Board of Jyske Banks Almennyttige Fond as well as the fully owned subsidiary Jyske Banks Almennyttige Fonds Holdingselskab
- Board member (deputy chairman), Foreningen Bankdata F.m.b.a.
- Board member, FR I af 16. september 2015 A/S

Niels Erik Jakobsen
- Board member (deputy chairmen), Letpension A/S
- Board member, BI Holding A/S as well as the fully owned BI Asset Management Fondsmæglerselskab A/S

Peter Schleidt
- Board member (chairman), JN Data

* To this must be added the directorships held by members of the Executive Board in wholly-owned subsidiaries.

The holdings of the Members of the Executive Board of Jyske Bank shares (number of shares)

	2021	2020
Anders Dam	31,844	29,601
Niels Erik Jakobsen	26,051	22,672
Peter Schleidt	22,060	17,605
Per Skovhus	23,358	18,619

Members of the Supervisory Board at 31 December 2021

Name	Age	Elected to the Supervisory Board	Expiry of term of office	Audit Committee	Nomination Committee	Remuneration Committee	Risk Committee	Digitization & Technology Committee
Chairman, former managing director Kurt Bligaard Pedersen	62 years	2014	2023	Member	Chairman	Chairman	Member	Member
Deputy Chairman, Attorney-at-Law Keld Norup	68 years	2007	2022		Member	Member		
Consultant Rina Asmussen	62 years	2014	2023				Chairman	Chairman
Attorney-at-law Anker Laden-Andersen	65 years	2019	2022	Member	Member			
Programme Director Bente Overgaard	57 years	2020	2024		Member		Member	Member
Professor, member Per Schnack	60 years	2019	2024	Chairman			Member	
Employee representatives:								
District Chairman Marianne Lillevang	56 years	2006	2022			Member	Member	
Portfolio Management Adviser Christina Lykke Munk	43 years	2016	2022					Member
Deputy District Chairman Johnny Christensen	59 years	2018	2022	Member				

	Number of Jyske Bank shares		Participation and number of meetings 2021					
Name	End-2021	End-2020	Supervisory Board Meeting	Audit Committee	Nomination Committee	Remuneration Committee	Risk Committee	Digitization & Technology Committee
Chairman, former managing director Kurt Bligaard Pedersen	1,150	1,150	48/48	8/8	6/6	2/2	8/8	4/4
Deputy Chairman, Attorney-at-Law Keld Norup	1,100	1,100	47/48		6/6	2/2		
Consultant Rina Asmussen	1,715	1,715	48/48				8/8	4/4
Attorney-at-law Anker Laden-Andersen	2,715	2,715	48/48	8/8	5/5			
Programme Director Bente Overgaard	3,115	1,590	48/48		5/5		8/8	4/4
Professor, member Per Schnack	3,668	3,668	46/48	8/8			8/8	
Employee representatives:								
District Chairman Marianne Lillevang	2,541	2,611	45/48			2/2	7/8	
Portfolio Management Adviser Christina Lykke Munk	279	279	44/48	3/3				4/4
Deputy District Chairman Johnny Christensen	825	620	46/48	5/5				1/1

The board members' participation in meetings appear above.