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LOAN GUIDE

Jyske Realkredit
Corporate Customers/
Subsidised Housing
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Purpose of the Loan Guide

The Loan Guide offers information on mortgage financing from Jyske Realkredit and constitutes an important part of the overall document package relating to your loan.

Together with other documents, the Loan Guide forms part of the contractual basis.

The Loan Guide includes explanations of the documents that you receive and information that is important in connection with the raising of a new loan and possibly the redemption of existing loans.

In addition, the Loan Guide provides a description of the individual types of loans and information that you may need after the loan has been disbursed.

Jyske Realkredit is an independent company in the Jyske Bank Group, and mortgage loans from Jyske Realkredit are offered through Jyske Bank.

Jyske Bank handles all advisory services, guidance, contact and administration of mortgage loans from Jyske Realkredit. Therefore, it is a precondition that, throughout the entire term of the mortgage loan, you are also a customer with Jyske Bank, and that Jyske Bank is given the full overview of your accounts with and commitment to Jyske Realkredit. It is not required that you have bought other products from the bank.

Have you taken over an existing loan?

When you take over an existing mortgage loan, you must not consider very many questions when you have decided to take over the loan. Loan type, term etc. have been determined, and since the loan has already been disbursed, there is no need for the guidelines in the first part of the Loan Guide.

In the second part of the Loan Guide there is, however, a string of information which may be relevant during the term of the loan. We point out, however, that some information may not apply to certain old loan types.

The terms and conditions for a mortgage loan have been described in the contractual basis between Jyske Realkredit and the Borrower. The contractual basis consists of the original loan offer with appendices and a mortgage deed or a Mortgage and Loan Agreement with appendices and an electronic mortgage deed depending on when the loan was established. Add to this the changes made to the contractual basis such as the changes of margin rate, refinancing period etc.

Finally, the individual terms and conditions for the new borrower shall apply as will appear from Jyske Realkredit's conditional commitment to assumption of debt and the general terms and conditions of the Loan Guide, including Jyske Realkredit's general terms and conditions.

What to do?

1. Go through the material you have received
See *What's in the loan offer package* and read the material forwarded to you.
2. Consider hedging
If you have not already opted for hedging, you must consider whether or not to hedge. This may be relevant both for loans to be disbursed and loans to be redeemed.
3. Sign the documents
The Mortgage and Loan Agreement must be signed by all the borrowers stated in the loan agreement.
4. Submit the documents
Please submit the signed documents to us together with the other material stated in the Appendix to the Mortgage and Loan Agreement and Agreement on TinglysningsService/ Agreement on Financing.
5. Conditions must be fulfilled
The disbursement of the loan can take place when the conditions of the disbursement have been fulfilled. Once we have received the material, this must be examined and approved.
6. The loan can be disbursed
When all terms and conditions have been fulfilled, the loan can be disbursed.

What does the Loan Offer Package include?

Your loan offer consists of several documents.

Mortgage and Loan Agreement

This is the agreement with Jyske Realkredit on taking out a mortgage loan and the mortgaging of real property as security for the loan. An original agreement and a copy are submitted to the borrower.

Most of the terms and conditions applying to the loan are included herein. Beware that a number of terms and conditions must have been fulfilled for the loan to be disbursed.

Please examine the agreement in detail and check that the contents of the agreement are in line with your expectations.

X The original Mortgage and Loan Agreement must be signed and returned to us

Appendix

The Appendix to the Mortgage and Loan Agreement provides the terms and conditions which must be fulfilled for the loan to be disbursed.

In addition, the Appendix provides information about any agreements on interest-only options for the loan, and whether an agreement has been concluded on fixed payments on an adjustable-rate loan. Check that the agreements are in line with your expectations.

The calculation of proceeds shows how the amount to be disbursed has been calculated and if loans are to be redeemed, a consequence calculation will show the consequences of the conversion.

The payment schedule shows a list of payments during the term of the loan.

The appendix is not to be signed.

Agreement on TinglysningsService/Agreement on Financing

In this agreement you authorise Jyske Realkredit/Jyske Bank to take all the actions, including the registration of an electronic mortgage deed on the property - that are necessary to have the loan disbursed and to have the loan(s) to be redeemed, redeemed.

X The agreement must be signed and returned to us

Simple Loan Overview (for consumers only)

The document "Simple Loan Overview" shows key figures from the Mortgage and Loan Agreement/ mortgage deed

European Standardised Information Sheet (ESIS)

The European information sheet provides a string of supplementary information about the loan. For instance, information as to how much to pay during the entire term of the loan. It is mandatory for Jyske Realkredit to prepare this form. The form makes it easier to compare various loan offers.

The information sheet is not to be signed.

Other documents

There may also be other documents, e.g.:

Declaration of consent, Contract of Guarantee, Declaration of Intent, Commercial Bank Guarantee

X The declarations must be completed, signed and returned to us

Loan Guide and Price List

The Loan Guide with terms and conditions of loan types and the Price List are also part of the contractual basis. The Price List in force from time to time shall apply to the loan. The Price List is available upon request from Jyske Realkredit.

Comments on the Mortgage and Loan Agreement and Appendices

The Mortgage and Loan Agreement

The first page of the agreement provides information about the new loan, e.g. the loan type and the size of the loan.

All figures in the Mortgage and Loan Agreement have been calculated based on the price stated in the loan offer. It is "the average price" (see Price Determination Policy in the Loan Guide) on the business day before the offer date unless a fixed-price agreement has already been concluded.

If it appears from the loan agreement that the result will not be known until at the disbursement, the reason is that there is still a possibility/risk of price fluctuations either for the new loan or for loans that are to be redeemed. Consequently, some of the figures stated may change before the loan is disbursed.

Therefore, you must consider whether you have entered into the agreements about hedging that you wish.

In the agreement we also provide information about the annual percentage rate (ARP). ARP is a rate that takes account of the total expenses in connection with establishment and repayment of the loan. The rate makes it easier to make comparisons between several loan offers. You also find information about the bonds that Jyske Realkredit anticipates issuing in connection with the disbursement of the loan. All rates have been calculated based on the price stated in the agreement.

Charge

In the agreement you sign to confirm that the property is mortgaged and that an electronic mortgage deed will be registered. The title numbers of the mortgaged property/properties have been stated. If a property consists of several title numbers (for instance several building numbers), it is important that all title numbers (building numbers) have been stated. If a title number (building number) has been left out, it may imply that you must pay an additional registration fee.

The presupposed plan of ranking of loans shows how it is presupposed that your property is mortgaged. This shows which loans are to be redeemed. You may also see which loans the new loan must observe and which loans should observe the new loan.

Creditors of loans which should observe the new loan must give permission that the new loan may have the presupposed ranking in the plan of ranking of mortgages.

The calculations in the offer have been made on the basis of the stated plan of ranking of mortgages. If the plan of ranking of loans is not correct, additional expenses may be payable for registration and a reduction of the offered loan may be necessary.

If the presupposed plan of ranking of mortgages or title numbers (for instance building numbers) are not correct, please contact us.

Terms and conditions of the loan

The terms and conditions applying to the loan are stated here. You may, among other things, read about the way in which interest is calculated and how the loan can be redeemed.

You can read more about loan types later in the Loan Guide, under terms and conditions of loan types.

Appendix

Terms and conditions

Here you can see which terms and conditions must be fulfilled before the loan can be disbursed.

Calculation of proceeds

The proceeds are the amount which is disbursed when the loan is taken up. The calculation of proceeds shows which expenses that have been taken into account.

The proceeds may change. The final proceeds depend, among other things, on the price at which the loan is disbursed in case of a bond loan. If loans are to be redeemed, the final proceeds will also depend on the price and the time of redemption. You should consider hedging.

The calculation of proceeds takes account of expenses in connection with the re-mortgaging of loans. Due to the inclusion of these expenses the calculation of proceeds may show a loss.

Losses may, among other things, be due to:

- inclusion of proportionate annuity payments for loans to be redeemed. The proportionate annuity payment is calculated from the offer day to the expected day of redemption. In return, this amount is not payable at the next annuity payment date.
- an extraordinary instalment on a subordinated loan, which will have to postpone to rank after a new loan, has been included. Most often, a subrogated creditor will not accept to postpone to rank after a loan taken up to cover annuity payments, any expenses for early repayment adjustment and a potential gain for you. A subrogated creditor will therefore demand an extraordinary instalment corresponding to these amounts.
- losses may occur as a combination of the above-mentioned.

A potential loss in connection with a re-mortgaging may be payable before the new loan can be disbursed.

After the calculation of proceeds, it is demonstrated how the amount on the basis of which a registration fee is payable, is calculated.

Consequence calculation

If, in connection with taking out a loan, one or more loans must be redeemed, the offer may include a consequence calculation, showing the financial consequences of the anticipated change. If you want to be certain about the result of the re-mortgaging, you must hedge the price of the disbursement of the new loan and of the redemption.

From the section 'Changes' it is usually possible to see the difference between the present and the future annuity payment in the first 12 months of the term of the new loan. A calculation of 'present value' shows which loan is the cheapest during the entire term of the loan. For adjustable-rate loans, the calculation of present value is based on a continued unchanged interest-rate level during the entire term of the loan. For Jyske Kort Rente, a forecast premium is calculated from the time of the first refinancing of the loan.

The size of the new loan usually corresponds to the amount which is according to the calculations at the time of the offer required to

- redeem the existing loans, and
- have any additional loans disbursed, and
- cover expenses in this respect

For loans to be redeemed we have selected the redemption method which is the cheapest for you at the time of the offer. Loans can be redeemed in several ways. See 'Redemption of mortgage loans'.

Other comments on loan offer

There may be limitations of the possibility of having the expenses co-financed. This may for instance be the case if the loan which is to be re-mortgaged has been re-mortgaged within the past two years.

There are limitations to the redemption possibilities of loans with a principal higher than DKK 3 million based on callable bonds. See "Jyske Realkredit's General Terms and Conditions".

If the loan has been offered on the basis of an expected future value of the property, this will appear from the loan offer. It will only be possible to disburse the loan against a guarantee from a financial institution or against charging of a cash amount or a combination hereof (Advance loan). Before this security can be released, the property must be assessed and valued again, and such valuation is independent of the previous one.

The new valuation takes place on the basis of the current circumstances and may result in Jyske Realkredit requesting the loan to be reduced. You must also be aware that the general price development of real property may result in a lower value.

Special information on loans for publicly subsidised properties

Loan type

When loans are to be disbursed, it is usually announced once a year which loan type, term and interest rate are applicable. This applies to loans for the new construction of social housing, certain building damage loans and certain urban renewal loans.

Disbursement of loans for subsidised housing from separate capital centre

Danmarks Nationalbank, the central bank of Denmark, has an option to buy the bonds. The price is determined every Wednesday. Hence the disbursement date will be a Friday or the next business day.

Disbursement in stages

The loan may be disbursed in stages if the particular stage of the construction has been completed. The individual stage must be able to function as an independent unit if the rest of the construction or the project is not finalised.

Over and under financing of publicly subsidised properties

When the building project financial report has been approved by the municipality, the loan offer will be adjusted, and the remaining financing may be drawn down.

The finally approved purchase sum will most often differ from the basis on which Jyske Realkredit disbursed the loan. Hence, it will be necessary to adjust the loan disbursed. This may either be in the form of an increase, i.e. an additional loan offer or a reduction of the already disbursed loan.

Fixed-price agreement

The calculations of the loan offer have been prepared on the basis of the bond prices known by Jyske Realkredit at the time of the offer. Since the prices may change, you cannot be certain that the facts stated in the loan offer about proceeds for the new loan, redemption amount for old loans or repayments for the new loan will be the final outcome. To remove this uncertainty, you can after receipt of the loan offer lock the disbursement price and/or the redemption price of the loan offer by entering into an agreement on hedging with Jyske Realkredit. A loan offer may according to agreement be prepared on the basis of a hedging agreement concluded simultaneously.

The hedging of redemption of loans will typically only be attractive if the redemption price is below 100 (or another redemption price determined in advance). Often, we may also be of assistance hedging the redemption price of mortgage loans at other institutions.

How to hedge

If you wish to hedge, you must contact your adviser. Once the agreement has been entered into you will receive written confirmation. The oral agreement that you have entered into is binding.

How to determine the price?

The price of the loan is calculated on the basis of the current prices in the bond market, that apply to the bonds in question. A discount or a premium is applied. The size of the premium or the discount depends on the time from the conclusion of an agreement about hedging and until the loan is to be disbursed or redeemed. Moreover, Jyske Realkredit will charge a price margin on the price.

When fixed-price agreements are concluded outside the opening hours of the Nasdaq Copenhagen A/S (stock exchange) (banking days from 9:00 - 17:00), Jyske Realkredit will charge an additional, higher price margin to cover the increased risk assumed to allow for fluctuations in the bond market until the following business day.

Timing conditions

When you want to hedge the new loan, you must select the day on which you wish the loan to be disbursed. the disbursement day must be within the validity period of the loan offer and not earlier than four banking days after the conclusion of the agreement. Please note that the conditions stated in the appendices to the Mortgage and Loan Agreement – including acceptance from any mortgagees who have to postpone to rank after the new loan – must have been fulfilled at least five business days before the disbursement day. If we receive the material too late, the agreement on hedging has been defaulted on. Hence, it is your responsibility that these conditions have been timely fulfilled.

When you hedge redemption of loans, you must select the day on which you want that existing loans should be redeemed, yet no more than six months after the conclusion of the agreement on hedging.

When hedging the redemption of a loan with ongoing interest rate fixing, it is not possible to agree on a redemption day which is beyond the interest-rate fixing day. When hedging both disbursement and redemption, the redemption shall take place simultaneously with the disbursement at the latest. It is your responsibility that we have received the necessary amount of money at the agreed redemption date, otherwise the agreement has been defaulted on.

Other conditions

Certain loans and loan types cannot be subject to an agreement on hedging, for instance public subsidised loans.

Advantages of hedging

The advantages of hedging are as follows:

- For disbursement of bond loans hedging means that you are certain that the price value of the loan is fixed, i.e. the amount mentioned in the confirmation.
- For disbursement of cash loans, including adjustable-rate loans, hedging means that you will know the rate of interest. In the confirmation we state the first annuity payment and the subsequent annuity payment which will include a full annuity payment period.
- For loans where the interest rate may change, the interest rate is, however, only fixed until the interest rate changes according to the terms and conditions of the loan.
- For redemption of loans, hedging means that you know the costs of redeeming the loan in cash on the agreed redemption day.

On the other hand, price changes after the conclusion of an agreement on hedging will not be of importance to the agreement.

We recommend using price hedging in connection with the new loan and the loans that are to be redeemed.

Yet, generally we do not recommend hedging of adjustable-rate loans with a fixed-rate period of one or two years.

Hedging is binding

Agreements on hedging are binding on Jyske Realkredit and you. Therefore, loans shall be disbursed or redeemed in accordance with the provisions of the confirmation of the fixed-price agreement. Hence, it is important to observe the stated deadline for submission of documents and that other conditions for disbursement of the loan have been fulfilled.

If this is not observed, and if it is due to circumstances out of Jyske Realkredit's control, the agreement has been breached. This is for instance also the case if a loan cannot be disbursed because a subrogated mortgagee refuses to rank after the new loan with Jyske Realkredit.

In connection with the breach of an agreement on hedging, considerable costs may incur for the borrower involved. For more details, please see Jyske Realkredit's General Terms and Conditions.

Costs of hedging

A fee is payable for the conclusion of an agreement on hedging. Moreover, a price margin and settling commission are charged.

The rates are stated in Jyske Realkredit's price list.

In addition, a premium or discount on the bond price is applicable, of which the size depends on the period from the conclusion of the agreement to the disbursement or redemption of the loan.

Please note that when fixed-price agreements are concluded outside the opening hours of the stock exchange (banking days from 9:00 - 17:00), Jyske Realkredit will charge a higher price margin to cover the increased risk assumed to allow for fluctuations in the bond market until the following trading date.

Terms and conditions for disbursement

From the Addendum to the Mortgage and Loan Agreement you can see which terms and conditions must be fulfilled before the loan can be disbursed.

Some of the conditions which should always be fulfilled before the loan is disbursed are that

- we have received the Mortgage and Loan Agreement provided with proper signatures and
- a registered mortgage deed without any remarks is available – or a guarantee has been provided that the mortgage deed will be registered without any qualifications or restrictions

Also, a number of other terms and conditions must be fulfilled before the loan can be disbursed, i.e. a fire insurance policy must be laid out, building permit, issue of guarantees or the like.

Pursuant to the Danish Act on Measures to Prevent Money Laundering and Financing of Terrorism, Jyske Realkredit/Jyske Bank are obliged to demand identification from their customers. Therefore, you will be asked to submit a copy of your passport or driving license and a copy of your health insurance card before the loan can be disbursed. In certain situations, it will be necessary to provide additional identification - including for instance identification of the beneficial owners of companies.

If the loan has been granted in connection with new constructions or refurbishments, it is usually a condition that the construction has been finalised and approved by Jyske Realkredit.

Beware if existing loans have to be terminated. If the loan at Jyske Realkredit is to be redeemed, the term of notice appears from the loan offer. If a loan is not terminated punctually, extraordinary costs in connection with redemption will incur.

Via TinglysningsService or Agreement on Financing, we will take care of termination of loans at Jyske Realkredit and other mortgage credit institutions if this is deemed advantageous at the time when it must be decided whether or not to terminate the loan.

If the price of the loan that has to be redeemed by you is below 100, it will typically not be worthwhile terminating the loan. Instead, another redemption method is used.

Interest rate

If you selected a fixed-rate cash loan, please state if you want the loan disbursed at another interest rate than the one stated in the loan offer. This may be relevant in case of large price changes since you received the offer. When an adjustable-rate loan is to be disbursed, Jyske Realkredit will determine the applicable interest rate.

TinglysningsService / Agreement on Financing

TinglysningsService (registration service) or Agreement on Financing is an offer that we will take care of the paperwork in connection with registration and disbursement of the offered loan.

This means that we

- take care of payment of registration fee and registers your mortgage deed
- can via Jyske Bank provide a guarantee of registration of the mortgage deed
- disburses the loan if all conditions have been fulfilled
- take care of terminations and redemptions of any existing loans

- request any subrogated mortgagees to rank after the new loan (it is a condition that mortgagees accept the ranking)
- see to it that receipts are given for redeemed mortgage deeds and that they are cancelled where relevant

Through the agreement, you authorise Jyske Realkredit/Jyske Bank to handle the transactions or processing mentioned. The charge is listed in the price list.

How to complete Agreement on TinglysningsService/Agreement on Financing

Agreement on TinglysningsService/Agreement on Financing must be completed. It must be agreed how you want the new loan to be disbursed, and existing loans redeemed. In addition, we request some information which we need to process the matter.

When and how will the new loan be disbursed?

The following options are available:

1. At a fixed rate on an agreed day (hedging). You may agree on hedging for the new loan and for any loans to be redeemed. If you have already hedged, this will appear from the agreement.
2. You can opt to have the loan disbursed as soon as possible.
3. At market rate when you notify us.
4. In connection with bond loans, you have the option to have the bonds on which the loan is based transferred to your own VP custody account.

If the mortgage deed has not been registered, Jyske Bank may provide a guarantee for the mortgage deed.

A requirement for having the loan disbursed is that all conditions for the disbursement have been fulfilled and that any mortgagees who must change ranking have given their consent.

This applies especially to items 2 and 3:

When you request the loan to be disbursed, the loan will be disbursed at an average price less a price margin on the banking day after the initiation of the loan disbursement. The disbursement will not take place until two days after the price determination.

When and how will the existing loans be repaid?

The following options are available:

- If you want us to terminate loans, this can be stated in the agreement. Please note that there are deadlines for termination, and that these also apply if we are to terminate loans on your behalf. Adjustable-rate loans can only be terminated at a refinancing date. If you have already terminated the loan, this will appear from the agreement.
- If you want us to select the redemption method, the method that is deemed best will be selected.

Redemption of private mortgage deeds/other loans

Most private mortgage deeds can be redeemed without notice and at 100. Yet, there are private mortgage deeds with a termination notice, and some mortgage deeds can only be redeemed at an agreed price. The exact conditions for redemption appear from the mortgage deed. Therefore, we must have a copy of the mortgage deed.

If a mortgage deed has been provided as security for a loan at a financial institution, the underlying bank debt may in certain instances be higher than the principal of the owner's mortgage. In addition, there may be special redemption conditions for this loan. When we are to repay banking debt as part of loan refinancing, it is therefore important that you state the exact debt and conditions of redemption.

When redeeming other loans, the redemption form that is deemed to be the most appropriate one is chosen.

Settlement of proceeds

Please state registration No. and account No. so that we can transfer the money to an account with a financial institution.

General terms and conditions

There may be some instances where Jyske Bank cannot offer TinglysningsService/Agreement on Financing, and situations where Jyske Bank cannot provide a guarantee. If Jyske Bank cannot provide a guarantee, the loan can – if you use TinglysningsService /Agreement on Financing – only be disbursed on the basis of a registered mortgage deed.

You may terminate Agreement on TinglysningsService/Agreement on Financing in writing without notice if Jyske Realkredit has received the notice of termination no later than the day before the disbursement procedure is initiated. The fee for cancellation of the ongoing Agreement on TinglysningsService/Agreement on Financing is stated in the price list.

Jyske Realkredit may cancel the agreement in writing without notice in case of non-payment of an amount in connection with the refinancing of the loan or if you have not paid an agreed amount punctually. Also, Jyske Realkredit may terminate the agreement without notice if the new mortgage deed cannot be registered with the ranking presupposed in the Mortgage and Loan Agreement and in the Agreement on TinglysningsService/Agreement on Financing entered into.

In case of termination of Agreement on TinglysningsService/Agreement on Financing, you must cover the expenses paid by Jyske Realkredit, and you are also responsible for the fulfilment of any concluded agreements on hedging and other transactions made by Jyske Realkredit as part of the agreement no matter who terminates the loan.

If you take care of the registration of the mortgage deed yourself

If you want to handle the registration, you must request us to send the electronic mortgage deed to the necessary signature file at Tinglysnings.dk. Subsequently, you add the digital signature and forward the required documentation to the Danish Registration Court (for instance company mandate, Articles of Association etc.), and subsequently you file the electronic document for registration. Subsequently, you will receive an answer from Tinglysnings.dk to be used as documentation that the electronic mortgage deed has been registered. Such documentation is to be submitted to Jyske Realkredit in connection with disbursement of the loan.

Disbursement

If you have opted for TinglysningsService, it has already in connection with the completion of Agreement on TinglysningsService been decided when and how the loan is to be disbursed. Jyske Realkredit will disburse the loan as agreed.

If you do not use TinglysningsService, you must complete the disbursement form. If this form has not been attached to the offer package, please order a copy yourself.

On the disbursement form you select how the loan is to be disbursed, and how the loan is to be redeemed. If you have been offered a cash loan, you must state the bond price on the basis of which the loan is to be disbursed. In case of adjustable-rate loans Jyske Realkredit will determine the bond price.

Disbursement procedure and price determination

The disbursement procedure can only be initiated when the loan is ready for disbursement. We endeavour that this will take place the same day as the request is received. A loan is ready for disbursement when we have received and processed all documents and information that we requested and when we have received acceptance from any subrogated mortgagees that they will without reservation allow their mortgage deed to rank after the new loan. Yet, there may be periods where the amount of disbursement request is unusually large, and the initiation of the disbursement procedure can therefore not take place until at a later date.

If no agreement on hedging has been concluded, the disbursement price will typically be the average price less a price margin two trading dates before the disbursement date. Price margins will appear from the price list in force from time to time. The day after the determination of the disbursement price, Jyske Realkredit will send 'Loan settlement' and 'Payment conditions' for the loan. The disbursement date is the day when interest calculation is initiated. It will appear from the loan settlement how this final rate is determined.

The amount will be at your disposal on the disbursement date.

Schematically, this can be shown in the following way (business days):



Special rules apply to the disbursement of loans for subsidised housing from a separate capital centre.

Transfer of bonds

If you have opted for a fixed-rate bond loan or a Jyske Kort-Rente loan, you may have the bonds transferred to a custody account with VP Securities A/S. If you so wish, you must pay all handling charges, coupon interest and fees in connection with the transfer.

Coupon interest concerns the amount from the 1 of the quarter and until the disbursement day.

What is a Jyske Realkredit loan?

A Jyske Realkredit loan is a mortgage loan. Jyske Realkredit finances its mortgage loans by issuing and/or selling bonds on the bond market. A mortgage loan is granted against security (mortgage deed) on real property, and the amount to be borrowed is procured through the sale of bonds to investors.

On disbursement, Jyske Realkredit will determine the price of the loan. The price fixed by Jyske Realkredit will depend on the price of the bonds in the bond market.

The higher the interest in buying, the higher the price, i.e. the price of bonds. Generally, the quantity of bonds that we sell depends on how many and the size of the loans we are to disburse. To obtain the best possible price, we sell bonds when we have issued a sufficient quantity. Hence, we will typically not sell bonds to finance a specific loan.

On disbursement or refinancing of mortgage loans, the same principles generally apply, i.e. correlation between the price of the bonds and the price of the loan. The price which is applied on disbursement of the loan depends on the price of the bonds which were used to determine the price of the loan on disbursement or refinancing. It appears in more detail from our price determination policy how we determine the price in various situations.

The loan is typically repaid through four annual annuity payments consisting of interest, principal payments and administration margins. Jyske Realkredit passes on the interest payments to the bond owners. The principal payment is the part of the repayment which reduces the outstanding debt.

The administration margin is Jyske Realkredit's income, corresponding to the interest rate margin of a financial institution. The amount is used to cover Jyske Realkredit's costs and losses on mortgages. Any excess amounts will be transferred to Jyske Realkredit's reserves.

About the bonds

To be able to offer the various loan types, Jyske Realkredit issues bonds in series of various maturities and at various interest rates. The bonds may be callable and non-callable. A loan based on callable bonds can be redeemed in cash, whereas loans based on non-callable bonds can, as a main rule, only be redeemed through the transfer of bonds.

The bonds of a bond series are subject to the same terms and conditions as regards principal payments, redemption and interest rates. The name of the series may consist of three digits and one letter – for instance 111.E. Also, the name includes a specification of the year. The year tells us when the last redemption of the series will take place and states the maturity of the bonds.

If the name of the bond is 111.E.54, this means that the bond has been issued in series 111.E, and that the last redemption in the series will take place in 2054. In addition, it has been stated at which interest rate the bond has been issued.

When trading bonds, it is important to be quite sure that it is the correct bonds that are traded. Therefore, all bonds are given a so-called ISIN code (International Securities Identification Number), which unambiguously identifies the bond, for instance DK0009370371.

WHICH LOAN SHOULD YOU CHOOSE?

Which loan is financially the most advantageous one depends ultimately on the interest-rate development, and it can therefore only be calculated on the day when the loan is redeemed.

When you select a loan, you will basically have to choose between a wish for high security and a wish for a low annuity payment. Subsequently, you must bear in mind that the choice always has certain consequences, with respect to possible redemption methods and in case of changes to the interest-rate level.

High degree of security

Start by considering how risk tolerant you are. If you want a high degree of security, a fixed-interest bond loan will be the right choice. Here you know the size of the annuity payment during the entire term of the loan no matter how high the interest rate rises. Yet, the annuity payment will be impacted by changes to the administration margin rate. Simultaneously, the loan is callable, and the outstanding debt of the bond can always be terminated at 100. If interest rates fall significantly, it is possible to re-mortgage and hence obtain a lower annuity payment. Also, it will be possible to re-mortgage in case of a major interest-rate increase to cut some of the outstanding debt.

It will be cheaper to redeem a bond loan if the interest rate increases. Hence, fixed-rate loans offer a certain protection of the equity if interest-rate increases result in price falls in the property market. The disadvantage is that security costs. Therefore, the annuity payment is typically higher than for a floating-rate loan.

No security

If you have room to manoeuvre financially so that future annuity payments may increase, and you want to benefit from potential declines in interest rates, an adjustable-rate loan or a KortRente loan may be the right loan. The annuity payment is usually lower than the payment on a similar fixed-interest loan. In return, the annuity payment of the loan will be known for a limited period of time into the future depending on the fixed-rate period of the loan or how frequently the reference rate changes. There is no ceiling as to how much the interest rate and hence the annuity payment may increase. These loans are non-callable and must therefore basically be redeemed at market rate. In case of shorter fixed-rate periods, the redemption price will typically be close to 100. The advantage is the low annuity payment whereas the disadvantage is that the annuity payment is only known for a limited period into the future.

Partial security

You may choose an adjustable-rate loan with a fixed annuity payment (gross) and a floating term. You obtain partial security for the payment and benefit from the lower interest rates which are typical of adjustable-rate loans. On the other hand, the term of the loan floats in step with changes to the interest rate when the loan is re-mortgaged. The term of the loan is reduced when interest rates decline, and it is extended when interest rates go up.

The annuity payment is fixed as long as the estimated aggregate term of the loan does not exceed the maximum term of the loan. If interest rates increase so much that the aggregate term exceeds the maximum term of the loan, the annuity payment will be increased so that the term will be observed. In order for the loan to provide the desired security, it is important to set the annuity payment of the loan at a suitably high level which may carry coming interest-rate increases. Basically, your annuity payment can be determined in line with the annuity payment of a fixed-rate loan with principal payments.

Protection of equity

Another aspect which should be included in the considerations is the loan's ability to protect the equity of the property if an interest-rate increase results in falling prices of real property. In case of an interest-rate increase the price of the bonds which form the basis of the loan declines. Hence, the market value of the debt is reduced, and the loan can be redeemed at a lower price. Generally, fixed-rate loans provide the best protection of the equity whereas adjustable-rate loans (RTL) with short fixed-rate periods do practically not offer any protection.

Instalment-free period

When you choose interest-only option on a loan, it means that you do not in the agreed periods pay principal payments on the loan but delay the payment hereof. As soon as an interest-only period expires, instalments are payable again which results in increasing annuity payment.

Payment of the deferred annuity payment will begin immediately after the end of an interest-only period. The size of the payment will increase because you have to pay 'ordinary' instalments as well as the deferred instalments.

In case of fixed-rate bond loans, you must in advance consider whether you want to have the interest-only option. If you want this option, the loan must be taken up on the basis of the bonds opening this opportunity. The price of these bonds is often slightly lower than similar bonds without the interest-only option.

Whether or not it appears from the Mortgage and Loan Agreement that an interest-only option is available, such an interest-only option must be separately approved.

An approved interest-only period that is not at the beginning of the term of the loan may cease to exist if before the beginning of the period there were arrears on loans with Jyske Realkredit or elsewhere - and if the borrower is registered with the RKI debtor register.

Cash loan or bond loan

The main rule is that a mortgage loan is either a cash loan or a bond loan.

The interest rate on a bond loan is always in line with the interest rate of the underlying bond. When a loan is disbursed, a capital loss usually occurs because the price of the bonds is below 100. If a bond loan of DKK 1,000,000 is disbursed at 98, the result is a capital loss of DKK 20,000. You will receive DKK 20,000 less than you borrowed. In other words, you do not know the proceeds of the loan before it is disbursed or before the price is locked in connection with hedging. On the other hand, you know the interest rate and the annuity payment because the principal of the loan is fixed as from the time of the offer.

The principal of the bond loan is fixed on the basis of the price of the particular bonds.

In case of a cash loan the principal of the loan will be disbursed in cash since bonds are sold at a cash value corresponding to the principal of the loan. Therefore, in case of a cash loan you know in advance the size of the disbursement.

On the other hand, you do not know the interest rate and the annuity payment of the loan until the principal of the bond and the bond price are determined in connection with disbursement or hedging.

The special characteristic of cash loans compared with bond loans is that capital losses from the sale of the bonds will be included in the interest rate of the loan. Hence, the interest rate of a cash loan will typically be higher than the interest rate of the underlying bonds. Since the capital loss is converted into interest, the annuity payments will after tax be lower for a cash loan than for a similar bond loan due to tax deductions for interest expenses.

The annuity payments on mortgage loans will always be impacted by changes to the margin rate.

Beware of the different tax rules for capital gains from bond and cash loans. The main rule is that private individuals are not liable to pay tax on capital gains at disbursement or redemption of bond loans, whereas they are liable to pay tax on capital gains from redemption of cash loans.

Callable or non-callable

If a mortgage loan is financed through the issue of callable bonds, the mortgage loan is callable, whereas loans financed through non-callable bonds are non-callable. Callable bonds - as opposed to non-callable bonds - have a built-in ceiling over the redemption price. When the loan is taken out, the maximum price at which the loan can be redeemed is known.

For loans based on non-callable bonds you do not know the price until the maturity of the bond – for instance in case of interest resetting. For the other part of the period, you pay the market price, and in principle there is no upper limit.

Selection of term

Mortgage loans are usually offered with terms up to 30 years. Due to the costs involved in the taking-up of mortgage loans, it is seldom worthwhile taking up mortgage loans with very short terms.

For fixed-term loans it may in some instances be a good idea to choose a term corresponding to the terms of the underlying bonds - for instance 15, 20 or 30 years. If, for instance, you choose a term of 21 years, the loan will be based on 30-year bonds, and these typically have lower prices and/or higher interest rates than 20-year bonds.

Selection of interest rate

In case of a fixed-rate loan you must consider on which bond rate you want your loan to be based. For the selected term, it is usually possible to choose between several different interest rates.

Typically, you will obtain a lower annuity payment after tax if you choose a lower bond rate for the particular term. Often it may be advantageous to choose a higher bond rate since it results in a higher price

and hence a lower capital loss and a lower principal of the bond. For instance, it will be advantageous if, following a decline in interest rates, you want to utilise the possibility of redeeming the outstanding debt of the bond cash at 100.

Choice of fixed-rate period for adjustable-rate loans

For adjustable-rate loans it must be considered for how long time the loan rate must be locked before it is again adjusted to the market rate. Usually, you will obtain a lower loan rate by choosing a short fixed-rate period. In return, the loan rate is known for a shorter period of time. If interest rates increase, it may turn out to be a good idea to have your interest rate locked for a long period of time. If you need to redeem an adjustable-rate loan in the middle of a fixed-rate period, the redemption may be expensive.

Selection of fixed annuity payments on adjustable-rate loans

For adjustable-rate loans it is possible to choose to pay a fixed annuity payment. If so, you must consider how large an annuity payment to pay. Generally, the higher the annuity payment, the higher the number of interest-rate increases you may experience without it being necessary to raise the annuity payment. Therefore, the term of the loan will also be shorter if interest rates do not increase. You may for instance determine the annuity payment so that it corresponds to the annuity payment of a corresponding fixed-rate loan.

Loan types/Terms and conditions of loan types

Jyske Fast Rente

Brief description

Bond loan with a fixed interest rate.

Interest rate

The interest rate on the loan is equal to the interest rate on the bonds and is fixed for the entire term of the loan.

In addition to interest, you pay an administration margin which may change over the term of the loan. If the administration margin changes, the payment may also change.

Term

Maximum 30 years.

The term of the loan is reckoned from the disbursement date. However, Jyske Realkredit may fix the due date for the last annuity payment to be a due date that is max. 1.5 months before and max. 2 months after the disbursement date plus the term that is stated in the loan agreement.

Form of repayment

Annuity loan. Therefore, interest and repayment (in periods with repayments) will together amount to a fixed percentage of the principal.

Instalment-free period

Bond loans with a fixed interest rate can also be offered with an interest-only option. These loans are financed through the issue of special bonds. Therefore, you must in advance decide whether you wish to have the interest-only option.

Generally, loans with interest-only options must have a term between 20 and 30 years. An interest-only option for up to 10 years is offered. An interest-only option can be agreed for periods down to one settling period at a time.

During periods of exemption from repayment the annuity payment consists only of interest and the administration margin unless the interest rate of the loan is negative. Payment of the deferred instalments will begin immediately after the period where a loan was exempt from repayment.

Agreements on exemption from repayment must be concluded with Jyske Realkredit at the latest two months before the end of the payment period for which the exemption from repayment is to commence.

Interest-only options must be authorised in individual cases.

Offer

Offers cannot be made if the bond price is above 100. Consequently, offers cannot be made when the offer price is higher than 100 less the price margin which is calculated in connection with disbursement of loans.

Disbursement

Bond loans can be disbursed in cash or by transferring the bonds to VP.

In connection with bond loans, the principal and the interest rate are fixed, and therefore the annuity payment will be known at the time of the offer. The proceeds will not be known until the loan is disbursed or when the price is locked through hedging.

Redemption

The loan is granted on the basis of callable bonds.

Therefore, the loan can always be redeemed through:

- Bond redemption
- Termination at an interest payment date at the price of 100 with two months' notice.

Typically, we also offer:

- Immediate redemption with early repayment adjustment
- Cash redemption at current market value

Capital gains tax

Customers operating business enterprises such as a single proprietorship, partnership or similar are not liable to pay tax on a capital gain when a loan is disbursed, nor on any capital gain at redemption.

Capital gains at the disbursement of loans at a price above 100 will, however, be taxable if at the time of the offer, the price is above 100 or if the loan is disbursed more than six months after the date of the offer.

Customers operating business enterprises such as limited liability companies (A/S), small private limited companies (ApS), foundations, and similar, are liable to pay tax according to the Danish Companies Act or the Foundation Tax Act.

Jyske Fast Rente, Jyske Frihed

Brief description

Jyske Frihed is a mortgage loan which is granted as a bond loan and is based on a special bond with a 30-year interest-only option.

Interest rate

The interest rate on the loan is equal to the interest rate on the bonds and is fixed for the entire term of the loan.

In addition to interest, you pay an administration margin which may change over the term of the loan. If the administration margin changes, the payment may also change.

Term

Maximum 30 years.

The term of the loan is reckoned from the disbursement date. However, Jyske Realkredit may fix the due date for the last annuity payment to be a due date that is max. 1.5 months before and max. 2 months after the disbursement date plus the term that is stated in the loan agreement.

Form of repayment

In periods when you do not pay instalments on your loan, payments are made in accordance with the payment schedule agreed with or determined by Jyske Realkredit.

Instalment-free period

Interest-only options must be authorised in individual cases.

For loans with a loan-to-value ratio of up to 60 at the time of the offer, an interest-only option of up to 30 years may be granted.

For loans with a higher loan-to-value ratio (up to 75) there may be a possibility of a partial interest-only option for up to 30 years for a proportion of the loan, corresponding to a loan-to-value ratio of max. 60 at the time of the offer whereas the remaining part of the loan is settled.

Agreements on partial interest-only option and settlement of the remaining proportion are determined according to individual agreement. An interest-only option can be agreed for periods down to one settling period at a time.

During periods of exemption from repayment the payment consists only of interest and the administration margin unless the interest rate of the loan is negative.

Agreements on exemption from repayment must be concluded at the latest two months before the end of the payment period for which the exemption from repayment is to commence.

All deferred instalments (the outstanding debt of the loan) are payable together with the last annuity payment of the loan.

In case of a fall in the value of the mortgaged property Jyske Realkredit may terminate the agreement on interest-only option in full or in part to the effect that future payments of instalments must take place or that the instalments already agreed on will be increased. Termination may take place at 6 months' notice at an interest payment date. This option is open to Jyske Realkredit if the value of the mortgaged property declines, so that the cash value of the loan and any prior ranking encumbrances for at least 24 consecutive months exceed 75% or more of Jyske Realkredit's ongoing assessment of the property value. There is no limit to the number of times Jyske Realkredit can use this option. Jyske Realkredit may also choose not to exercise the option without forfeiting the right to exercise it at other future times.

In case of such declines in Jyske Realkredit's property valuation, Jyske Realkredit will calculate a new amount at which the loan must have been reduced before an interest-only option can be granted for the rest of the term of the loan. This new amount will be calculated to the effect that the cash value of the new amount and any prior ranking encumbrances accounts for the same percentage of Jyske Realkredit's property valuation as the previously calculated amount inclusive of any prior ranking encumbrances accounted for of the property valuation at the time of the fixing of the loan limits.

Offer

Offers cannot be made if the bond price is above 100. Consequently, offers cannot be made when the offer price is higher than 100 less the price margin which is calculated in connection with disbursement of loans.

Disbursement

Bond loans can be disbursed in cash or by transferring the bonds to VP.

In connection with bond loans, the principal and the interest rate are fixed, and therefore the annuity payment will be known at the time of the offer. The proceeds will not be known until the loan is disbursed or when the price is locked through hedging.

Redemption

The loan is granted on the basis of callable bonds.

Therefore, the loan can always be redeemed through:

- Bond redemption
- Termination at an interest payment date at the price of 100 with two months' notice.

Typically, we also offer:

- Immediate redemption with early repayment adjustment
- Cash redemption at current market value

Capital gains tax

Customers operating business enterprises such as a single proprietorship, partnership or similar are not liable to pay tax on a capital gain when a loan is disbursed, nor on any capital gain at redemption.

Capital gains at the disbursement of loans at a price above 100 will, however, be taxable if at the time of the offer, the price is above 100 or if the loan is disbursed more than six months after the date of the offer.

Customers operating business enterprises such as limited liability companies (A/S), small private limited companies (ApS), foundations, and similar, are liable to pay tax according to the Danish Companies Act or the Foundation Tax Act.

Jyske Kontantlån

Brief description

Cash loan with a fixed interest rate

Interest rate

The interest rate is fixed throughout the term of the loan. The interest rate on the loan and hence the annuity payment will not be determined until the disbursement of the loan or when the price is locked through an agreement on hedging. The interest rate on the loan depends on the interest rate on the bond and the bond price as well as the term of the loan.

The final interest rate and annuity payment (exclusive of the administration margin) are determined with a view to amortisation of the loan over the term stated and also with a view to amortisation over the same period of time of the bonds issued.

In addition to interest, you pay an administration margin which may change over the term of the loan. If the administration margin changes, the payment may also change.

Term

Maximum 30 years.

The term of the loan is reckoned from the disbursement date. However, Jyske Realkredit may fix the due date for the last annuity payment to be a due date that is max. 1.5 months before and max. 2 months after the disbursement date plus the term that is stated in the loan agreement.

Form of repayment

Annuity loan. In connection with annuity loans, the interest and instalment payment amount together to a fixed percentage of the principal.

Instalment-free period

Not possible.

Offer

Offers cannot be made if the bond price is above 100. Consequently, offers cannot be made when the offer price is higher than 100 less the price margin which is calculated in connection with disbursement of loans.

Disbursement

In connection with cash loans, the proceeds are fixed, and the proceeds will therefore be known before the disbursement. The loan will be disbursed in cash and cannot be disbursed through a transfer of bonds to VP.

Redemption

Loans are granted on the basis of callable bonds.

Therefore, the loan can always be redeemed through:

- Bond redemption
- Termination at an interest payment date at the price of 100 with two months' notice.

Typically, we also offer:

- Immediate redemption with early repayment adjustment
- Cash redemption at current market value

Capital gains tax

For customers operating business enterprises such as a single proprietorship, partnership or similar, a possible capital gain in connection with an extraordinary reduction (for instance in connection with refinancing) will be taxable.

There are, however, certain exemptions if the redemption takes place in connection with a property transaction.

See 'Capital gains tax'.

Customers operating business enterprises such as limited liability companies (A/S), small private limited companies (ApS), foundations, and similar, are liable to pay tax according to the Danish Companies Act or the Foundation Tax Act.

Jyske Rentetilpasning

Brief description

Cash loan with interest resetting and possibility of change in fixed-rate period (change in profile).

Interest rate

The interest rate on the loan is determined at the disbursement of the loan in the same way as for a fixed-interest cash loan. The interest rate is fixed for a period, until the loan is subject to interest rate adjustment (the fixed-rate period). Currently, Jyske Realkredit offers loans with fixed-rate periods of up to ten years. Interest rate adjustment takes place at the end of a fixed-rate period, taking effect as of the interest reset date.

Currently, the following will apply:

For loans with a fixed-rate period of 1 year, the interest reset date is 1 January. For loans with a longer fixed-rate period, the interest reset date is 1 April.

If you have received an offer for a loan with a fixed-rate period of 1 year with interest rate adjustment in January, and before the loan is disbursed, you change your mind and choose a longer fixed-rate period, the interest rate on the loan will be adjusted in April and, vice versa, if you have received an offer with a longer fixed-rate period, and you change your mind in favour of a 1-year fixed-rate period. Such changes will affect the exact length of the fixed-rate periods.

The interest rate and the quarterly annuity payments (ex. administration margin) for any fixed-rate period will be determined in such a way that the loan will be repaid as an annuity loan over the term of the loan. The annuity payments (ex. administration margin) for any fixed-rate period must be able to cover interest on the remaining bond debt and redemption of the part of the bonds corresponding to the loan repayments.

In addition to interest, you pay an administration margin which may change over the term of the loan. If the administration margin changes, the payment may also change.

Interest resetting, interest rate adjustment

In connection with interest rate adjustment, the loan is refinanced. Refinancing means that the bonds corresponding to the remaining debt at the time of refinancing will be redeemed at the price of 100. In order to finance this, Jyske Realkredit sells new bonds at Jyske Realkredit's discretion. The interest rate applicable during the subsequent fixed-rate period depends on the prices that Jyske Realkredit obtains at this sale.

Prior to each interest resetting, Jyske Realkredit determines which fixed-rate periods will be offered.

If - in connection with interest resetting - you choose either to switch from a fixed-rate period of 1 year to a longer fixed-rate period or vice versa, the interest rate reset date of the loan will be changed, cf. the above outline.

If, in connection with an interest resetting, Jyske Realkredit offers the same fixed-rate period as the current one for the loan, the interest rate on the loan will automatically be adjusted with this fixed-rate period unless an agreement has already been concluded about another period, or the borrower contacts Jyske Realkredit with a view to having it changed.

If the same fixed-rate period is not offered, Jyske Realkredit will at the latest four months prior to the interest reset date contact the borrower with a view to entering into an agreement about one of the fixed-rate periods that are offered. If no such agreement is concluded, the loan will automatically be given the fixed-rate period that is closest to the current period.

At every interest resetting, Jyske Realkredit will charge a price margin. Currently the highest rate applies to loans with a short fixed-rate period. Please see Jyske Realkredit's price list. In connection with loans with a short fixed-rate period, the price margin has a stronger effect on the total costs relating to the loan – both because the price margin is payable more often and because the rate is higher.

Subject to agreement with Jyske Realkredit, the fixed-rate period can be changed to one of the periods offered by Jyske Realkredit. If a change of fixed-rate period is desired, Jyske Realkredit must be contacted at the latest two months prior to the interest reset date. Please see the figure below.

The price and hence the interest rate for the upcoming fixed-rate period can be locked by entering into a hedging agreement. Such an agreement must be concluded at the latest two months prior to the interest reset date. Please see the figure below.

As the interest rate on the loan will always have to be adjusted with effect as of a certain interest reset date, the length of the first fixed-rate period will depend on the time when the loan is disbursed. The first interest rate adjustment for the loan is determined according to the rule stated below.

For loans with a 1-year fixed-rate period, from the time of disbursement a period of minimum 2 months and maximum 14 months must elapse before the first interest reset date.

For loans with a 2-year fixed-rate period, a period of minimum 14 months and maximum 26 months must elapse before the first interest reset date. For loans with a 3-year fixed-rate period, the period is minimum 26 months and maximum 38 months and for loans with a 4-year fixed-rate period minimum 37 months and maximum 49 months.

For each year the fixed-rate period is longer, the minimum and maximum number of months before the first interest reset date will be extended by 12 months.

This means, for instance, that for a loan with a fixed-rate period of 1 year with the interest reset date on 1 January, which is to be disbursed on 15 October, the first fixed-rate period will be 2.5 months, while for a similar loan to be disbursed on 15 November, the first fixed-rate period will be 13.5 months.

Subject to at least three months' notice prior to the interest reset date, Jyske Realkredit may decide to change the interest reset date to another date. A change of the time of the interest reset may result in the next fixed-rate period being shorter or longer. Subsequently the interest rate on the loan will be reset at the interval agreed. At a later time,

Jyske Realkredit may again, subject to the same notice, decide a change of the time of the interest reset. The length of the two last fixed-rate periods will be determined in such a way that the term stated will not be exceeded.

If all bonds cannot be redeemed at the time of refinancing and, therefore, are not replaced by new bonds, the remaining bonds will remain outstanding and be included in the calculation of the interest on the loan as if they had been sold at par. Hence it forms part of the terms and conditions for the bonds that under normal market conditions the bond will be drawn in connection with the reset of the interest rate on the loan, but that in principle it runs for a longer period. When this period expires, and if extraordinary market conditions still prevail, the provisions of section 6 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act shall apply.

Term

The term of the loan can be maximum 30 years.

Typically, the term of an adjustable-rate loan will not be a number of full years. As the loan will always mature on 31 December, 31 March or 30 September, the actual term of the loan will depend on the time of disbursement. For a 30-year loan that is disbursed on 1 November 2023 and for which the interest rate is reset as of 1 January, the last annuity payment will fall due on 31 December 2051, and the real term of the loan will be 29 years and 2 months.

Fixed payment / Variable term

An agreement on fixed payments can be concluded. This means that the annuity payments of the loan, including administration margin, will to the extent possible be independent of changes to the interest rate. This means that the final term of the loan is not known. If an interest rate adjustment means a higher interest rate, the term will be longer and vice versa will a lower interest rate result in a shorter term. The term will therefore be recalculated at the disbursement of the loan and at each interest rate adjustment.

The term of the loan can never exceed the maximum term stated in the loan offer. This means that, after an interest rate adjustment, it may be necessary to pay a higher payment than the one agreed.

Changes to the administration margin within a fixed-rate period will result in a new calculation of the annual annuity payment including the administration margin. This calculation may have the result that the agreed amount is exceeded. Therefore, at the next interest rate reset, allowance will be made for the changed administration margin.

The amount that is agreed to be the fixed annuity payment will express the maximum gross amount that is payable, unless it becomes necessary to raise the amount due to rising interest rates or administration margin increases. To observe the term, etc. the specific amount to be paid will typically be slightly lower.

Agreements on fixed payments may be concluded in connection with the disbursement of the loan or in connection with an interest rate adjustment. Please see the figure below.

Form of repayment

Annuity loan. Therefore, interest and repayment (in periods with repayments) will together amount to a fixed percentage of the principal within each fixed-rate period.

Instalment-free period

For adjustable-rate loans, exemption from repayment for up to 10 years is offered. During periods of exemption from repayment only interest and the administration margin are payable unless the interest rate of the loan is negative.

Payment of the deferred instalments will begin immediately after the period where a loan was exempt from repayment.

Agreements on exemption from repayment may be concluded in connection with the disbursement of the loan or in connection with an interest rate adjustment. Exemption from repayment can be agreed for periods down to one settling period at a time. Requests for exemption from repayment or for changes to the interest-only option already agreed must be directed to Jyske Realkredit at the latest 2.5 months prior to the interest reset date. See below.

Interest-only options must be authorised in individual cases. It is not possible to have exemption from repayment and a fixed payment during the same fixed-rate period.

Offer

Offers will be given even if the bond price is above 100.

Disbursement

The loan is a cash loan. Therefore, the proceeds are fixed and known before the disbursement. Adjustable-rate loans are based on a combination of bonds with various maturities within the fixed-rate period. The interest and the annuity payment for the first fixed-rate period will not be known until the loan is disbursed or when the price is locked through hedging. The loan will be disbursed in cash and cannot be disbursed through a transfer of bonds to VP.

In connection with the disbursement, Jyske Realkredit may decide to base the loan on other bonds than the one stated in the loan offer.

Redemption

The loan is non-callable. Therefore, loans can only be redeemed through:

- redemption of bonds – except for the two calendar months prior to an interest reset date.
- Termination through cash redemption at the price of 100 in the two calendar months immediately up to the interest reset date. No matter when the loan is redeemed during this period, interest and the administration margin will be payable until the interest reset date. The notice of termination must be in writing and be received by Jyske Realkredit at the latest on the last banking day before the two calendar months prior to the interest rate reset date.

Typically, we also offer:

- cash redemption at the current market price - except for the two calendar months prior to an interest reset date.

Deadlines

Interest reset date	Deadline for requests for establishment or changes of periods of exemption from repayment	The last day for conclusion of agreements on hedging, changes to fixed-rate periods and fixed payment	Deadline for receipt of termination through cash redemption at par
1 January	15 October	31 October	Last banking day in October
1 April	15 January	31 January	Last banking day in January
1 October	15 July	31 July	Last banking day in July

Capital gains tax

For customers operating business enterprises such as a single proprietorship, partnership or similar, a possible capital gain in connection with an extraordinary reduction (for instance in connection with refinancing) will be taxable.

There are, however, certain exemptions if the redemption takes place in connection with a property transaction. See Capital gains tax.

Customers operating business enterprises such as limited liability companies (A/S), small private limited companies (ApS), foundations, and similar, are liable to pay tax according to the Danish Companies Act or the Foundation Tax Act.

Jyske Kort Rente and Jyske Kort Rente - Grøn

Brief description

Bond loan with a floating rate and refinancing.

Interest rate

The interest rate of the loan is floating and determined on the basis of a reference rate on the fourth last banking day before the day when the interest rate shall apply. The interest rate is fixed as the reference rate * 365/360 plus a premium.

The reference rate is 'CIBOR 3 months'. The interest rate is fixed four times a year with effect from 1 January, 1 April, 1 July and 1 October.

In addition to interest, you pay an administration margin which may change over the term of the loan. If the administration margin changes, the payment may also change.

Refinancing

As the bonds issued in connection with the loan have a shorter time to maturity than the loan, the loan must be refinanced. It appears from the loan agreement when the loan is to be refinanced the first time.

In connection with refinancing, the premium to the interest rate may change. The reason is that the bonds that are to be sold in connection with the refinancing are offered at a pre-determined price inclusive of a price margin, and therefore the size of the interest rate premium is determined at the sale. Under certain circumstances, Jyske Realkredit may decide that the interest rate premium in the period from the refinancing to the first interest rate fixing is higher than what is to apply until the next refinancing. Jyske Realkredit may decide that the Borrower shall pay a fee and settling fee in connection with the refinancing.

Jyske Realkredit determines which bonds are to be issued in connection with the refinancing.

If Jyske Realkredit does not issue both green bonds and corresponding ordinary bonds, the refinancing will take place with the type of bonds issued.

For instance, Jyske Realkredit may decide that

- The bonds will have a shorter or longer time to maturity than the ones that are redeemed at the refinancing. Therefore, the interval until the next refinancing will be shorter or longer - yet maximum 10 years.
- The reference rate will be different from CIBOR, 3 months. Therefore, the rate may be fixed with a different interval. The reference rate selected must, however, meet the requirements of a reference rate according to the Danish Financial Business Act.
- The interest rate fixing must be based on observations of the interest rate over several days instead of being based on the rate on a certain day.

- The bonds must have an interest rate ceiling, meaning that for the period in question a limit will apply to how much the interest rate can increase or that the interest rate of the bonds, inclusive of premiums cannot be below 0.

If the body that calculates the reference rate applicable to the loan stops calculating the reference rate in question, the interest rate will be calculated as stated but on the basis of a corresponding reference rate chosen by Jyske Realkredit.

In case of extraordinary market conditions, the provisions of S.6 of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act shall apply. Consequently, the refinancing will be delayed and/or the interest rate will be locked at a maximum stipulated by law.

Green loans and Green bonds

If the property/activity meets the criteria of the applicable Jyske Bank Green Framework (jyskebank.dk/gff) at the disbursement date, the loan will be disbursed on the basis of green bonds.

The bonds are termed "green", when - on the basis of the bond series in question - financing is only granted for properties that meet the criteria of the applicable Jyske Bank Green Finance Framework. If the criteria have not been fulfilled or if the borrower so wishes, the loan will be disbursed on the basis of corresponding ordinary bonds. In this connection a new loan offer will be prepared since the bonds have different security codes.

All loans will be re-financed on the basis of green bonds if the mortgaged property at the time of refinancing meets the criteria determined for the Jyske Bank Group Green Finance Framework applicable at the time of the refinancing. It is a condition that it has been documented vis-a-vis Jyske Realkredit not later than three months before the time of refinancing. If the borrower wishes that refinancing should instead take place through corresponding ordinary bonds, Jyske Realkredit must be notified accordingly no later than three months before the time of refinancing.

However, as stated above, Jyske Realkredit reserves the right not to issue green bonds as well as ordinary bonds. If Jyske Realkredit does not issue both green bonds and corresponding ordinary bonds, the refinancing will take place with the type of bonds issued.

Term

Maximum 30 years.

The term of the loan is reckoned from the disbursement date. However, Jyske Realkredit may fix the due date for the last annuity payment to be a due date that is max. 1.5 months before and max. 2 months after the disbursement date plus the term that is stated in the loan agreement.

Form of repayment

Annuity loan.

Instalment-free period

Exemption from repayment for a period of up to 10 years is available. During periods of exemption from repayment only interest and the administration margin are payable unless the interest rate of the loan is negative.

Payment of the deferred instalments will begin immediately after the end of a period where a loan was exempt from repayment. Exemption from repayment can be agreed for periods down to one settling period at a time. Agreements on exemption from repayment must be concluded with Jyske Realkredit not later than 3 months before the end of the settling period for which the exemption from repayment is to apply.

Exemption from repayment must be authorised in individual cases.

Offer

Offers will be given even if the bond price is above 100.

Disbursement

The loan is a bond loan. It can be disbursed in cash or by transferring the bonds to VP.

It applies to bond loans that the principal and interest rate are fixed. However, as the interest rate is a floating rate, it is only known until the next interest rate fixing. The proceeds will not be known until the loan is disbursed or when the price is locked through hedging.

Redemption

Loans are granted on the basis of non-callable bonds. Therefore, loans can only be redeemed through:

- redemption of bonds - except for the two calendar months prior to a refinancing date.
- Termination through cash redemption at the price of 100 in the two calendar months immediately prior to the refinancing. No matter when the loan is redeemed in this period, interest and the administration margin are payable until the date of the refinancing. The notice of termination must be in writing and be received by Jyske Realkredit at the latest on the last banking day before the 2 calendar months prior to the refinancing date.

Typically, we also offer:

- Cash redemption at the current market price - except for the two calendar months prior to a refinancing date.

Capital gains tax

See Capital gains tax.

Repayment of mortgage loan

A mortgage loan with Jyske Realkredit can be repaid extraordinarily against payment of a fee.

When the loan is repaid, Jyske Realkredit must redeem bonds equalling the remaining bond debt in the bond series on the basis of which the loan was disbursed. This applies whether the loan is repaid in cash or through transfer of the necessary bonds.

The terms and conditions for extraordinary repayment are also described in the special provisions of the mortgage deed. In addition to the methods of repayment that are described in the mortgage deed, there will often be other possible methods, depending on the loan type. The choice of method depends on the price level of the underlying bonds and the time of repayment.

Repayment may take place through netting, when a new loan is to be disbursed at the same time of the repayment. If you use Jyske Realkredit's TinglysningsService (registration service)/Agreement on Financing, repayment of a mortgage loan will always take place through netting.

Repayment can also take place following notice of termination of the loan, or the request of a repayment offer. A repayment offer is binding for Jyske Realkredit for up to 8 banking days. If a repayment offer is not used, it will automatically lapse. A separate fee will be payable for repayment offers, whether or not it is used.

Depending on the type of loan, various methods of repayment will be available. These are described below. However, all methods of repayment cannot be used for all loans.

No matter which method is chosen, interest and the administration margin are payable until the day the loan is repaid. However, in connection with adjustable-rate loans for which notice has been given for repayment in the course of the last 2 calendar months before the interest reset date, interest and the administration margin are payable until the interest reset date. For other loans, for which notice has been given for repayment, interest and the administration margin are similarly payable to the end of the relevant settling period, unless the loan is repaid subject to an early repayment adjustment.

When the repayment takes place outside a month when an annuity payment falls due, the interest payable will normally be the bond yield on the outstanding bond debt. When repayment takes place in a month when an annuity payment falls due, the annuity payment due is payable, but any reimbursement of interest shall be calculated as the bond yield on the new outstanding bond debt.

Normally the annuity payment (and/or interest and the administration margin for the relevant part of the settling period) will be included in the repayment amount. The only instance when this will not take place is when repayment takes place through netting of a loan that is disbursed during the period from the third last banking day in a month where a payment falls due until the third banking day in the subsequent month. Nor will the annuity payment be included if the loan is repaid after notice of termination. When the annuity payment is not included, it is payable separately.

If you owe other amounts to Jyske Realkredit, these will also be payable together with the repayment amount.

In connection with loans of which the original principal is higher than DKK 3m, certain restrictions apply as to the repayment options. For more details, please see Jyske Realkredit's General Terms and Conditions.

The methods of repayment of mortgage loans with other mortgage credit institutions may differ from the below description.

If you have a new loan disbursed in connection with the repayment of loan, the mortgage deed for the new loan must be entered in the land register before the mortgage deed for the old loan is cancelled in the land register. If that does not take place, a new registration fee must be paid for the entire new loan.

The price of a bond depends - like other prices - on supply and demand. In connection with some bond series, the supply may for various reasons be small, for instance because individual large investors have bought large parts of the series and do not wish to sell. Due to this, it may be difficult to obtain the bond, and the price will be unnaturally high. If you wish to know whether the bonds behind the loan are difficult to obtain, you can contact Jyske Realkredit to find out whether Jyske Realkredit offers repayment in cash in connection with the relevant bond series and at which price.

When a mortgage loan is repaid on the basis of a repayment method involving a bond transaction and determination of a price, a margin on the price and a loan settling fee are charged. The rates appear from the Price list at jyskebank.dk.

Description of repayment methods

Bond redemption

A mortgage loan can at any time be repaid by handing in bonds. However, loans that are to be refinanced cannot be repaid for a period of 2 months prior to the refinancing.

You must buy bonds of the same type/security code that was used for the financing of the loan. The bonds are to be transferred to Jyske Realkredit's account with VP. The amount of the bonds must correspond to the currently outstanding bond debt on the loan.

You can request a repayment offer from Jyske Realkredit, specifying the amount is to be transferred in bonds and the cash amount to be paid to cover annuity payments, fees, etc.

Cash redemption at current market value

This method is particularly interesting if the prices of the bonds underlying the loan are below the price at which the loan can be repaid - typically 100.

This repayment method can be combined with hedging.

You can only request a repayment offer if the bond debt of the loan is less than DKK 1,500,000. The repayment offer will show the price at which the loan can be repaid and which cash amount you must pay to repay the loan. No restrictions apply as to amounts that can be set off against the proceeds from a new mortgage loan.

There may be periods of time where Jyske Realkredit will not be able to offer cash repayment at market value.

Termination

This method is particularly interesting if the prices of the bonds underlying the loan are above the price at which the loan can be repaid - typically 100. Using this method, it is possible to repay the loan at the price of 100 (typically) even through the current price is higher.

A condition for using this method is that the written notice to terminate the loan is given to Jyske Realkredit. It is important Jyske Realkredit receives the notice of termination before the deadline applicable to the loan in question.

If the loan is issued on the basis of bonds with four creditor payment dates, you can terminate the loan with 2 months' notice to be repaid on the last banking day in March, June, September and December. If, for instance, you wish to give notice to terminate a loan on the June payment date, Jyske Realkredit must have received the notice at the latest on the last banking day in April.

There are certain old loans with 2 or 4 payments data a year, while the bonds on which the loan is based only have 2 creditor payment dates. In such cases, notice to terminate the loan can only be given twice a year and the notice of termination is at least 5 months.

If you have terminated a loan in this way, you are under the obligation to redeem the outstanding bond debt on the last banking day in the month when a payment date falls due, and for which notice of termination has been given.

Immediate redemption with early repayment adjustment

This method of repayment is also termed immediate repayment at par. It applies - as to 'Termination' - that this method is interesting when prices are above 100 because it allows repayment of the loan at the price of 100 even if the bond prices are higher.

The basic assumption on which this repayment method rests is that notice is given to terminate and repay the loan on the last banking day in March, June, September or December. If there is a need for repayment at another time, repayment with early repayment adjustment can be used.

If the loan has been terminated, and you wish to repay it earlier, a so-called early repayment adjustment is to be paid from the time when the loan is repaid to the time for which notice of termination was given.

If the loan has not been terminated, the early repayment adjustment is payable from the time at which the loan is repaid to the time when the loan could have been terminated with the applicable notice of termination.

The early repayment adjustment is the difference between the bond yield of the loan and the interest rate that Jyske Realkredit charges in consideration of receiving the repayment amount (the early repayment adjustment (the reinvestment rate) prematurely. The early repayment adjustment is calculated on the basis of the current outstanding bond debt and is tax-deductible.

In order to repay the loan in this way without at the same time having a new loan disbursed by Jyske Realkredit, you must order a repayment offer.

Tax

In connection with customers liable to pay tax according to the Danish Corporation Tax Act, we have in our calculations in the loan offer applied a tax rate of 22%.

In connection with customers who are personally liable to pay tax, we have in our calculations in the loan offer package applied a tax rate corresponding to the current local tax rate, including church tax and health care contribution.

Capital gains tax

The rules relating to capital gains tax vary depending on whether the loan is a cash loan in Danish kroner, a loan in euro or a bond loan. The three sets of rules are described below.

Kontantlån (cash loan)

Private individuals who extraordinarily repay or reduce a cash loan may at the repayment be taxed on a calculated capital gain. If a capital loss is incurred, this is not tax deductible. The same applies to persons running a business enterprise as a single proprietorship. Yet, the rules shall not apply to persons or businesses carrying on trade through the sale of real property.

The rules mentioned here only apply to these persons. Other rules apply to legal persons, e.g. a limited liability company, and also special rules apply in special cases, for instance where the property is located outside Denmark, or the borrower is a foreigner.

Which loans are comprised?

The rules only apply to cash loans - including adjustable-rate loans - granted by mortgage credit institutions on the basis of mortgage credit bonds in Danish kroner. The rules do not, however, apply to index-linked loans.

The tax rules only apply to

- Cash loans disbursed in 1996 or later
- Cash loans disbursed over the period 27 June 1993 to 31 December 1995, but only if the property was traded in 1996 or later and the buyer took over the loan from the previous owner. The same applies to cash loans where the mortgage deed was signed in 1995 even though the loan was not disbursed until 1996.

Capital gain

If you repay a cash loan, and the loan is subject to the tax rules, any capital gain must be assessed at the repayment. The same applies if you partially repay (reduce) a loan. The rules only apply to extraordinary repayments or reductions.

Payment of ordinary instalments – including payment of the last ordinary instalment – are regular repayments and therefore not subject to the tax rules.

Calculation of capital gain

If you repay a loan that when taken out was disbursed to you, the capital gain will be assessed before cost as *minus* market value of redeemed bond debt outstanding.

Example:

If you take out a cash loan in the amount of DKK 1,000,000.00 at the price of 99.60 today, the principal owed will be DKK 1,000,000.00 and the outstanding bond debt will be DKK 1,004,016.06.

If you wish to repay the loan in 10 years, the principal owed will be DKK 813,549.91, while the outstanding bond debt will be 816,001.04. If, at that time, the bond price is 99, the market value of the outstanding bond debt you repaid will be DKK 807,841.03. Hence the capital gain will be DKK 813,549.91 - DKK 807.841,03 = DKK 5,708.88

You will be taxed on DKK 5,708.88 less cost.

If you repay a loan that you took over from the previous owner, the capital gain will be calculated according to the same principle, yet before the calculation, the principal owed that you repay must be multiplied by a factor. This factor depends on the bond price at the time when you took over the loan.

Exceptions

If you repay a cash loan in connection with trading a property, the capital gain will normally be tax free. It is, however, a requirement that the loan is repaid not earlier than 6 months before or not later than 6 months after the date the purchase agreement was signed.

If you repay several cash loans during this 12-month period, there may be instances where only the first repayment is tax exempt.

The exemption only applies to repayments in connection with ordinary trades. The sale of a property by one spouse to the other will not be considered a normal trade unless the property is transferred in connection with legal separation, divorce or death, and the repayment takes place in connection with such an event.

If a property is transferred to a company or a foundation, where the transferor or his or her spouse has control of the company or the foundation, this will not be considered a normal trade.

A capital gain will also be tax exempt if the repayment takes place on demand from the mortgage credit institution, for instance if an advance loan is to be repaid or reduced because the completed property is not of the expected value.

Bond loans

Personal customers (natural persons) are generally not liable to pay tax on capital gains when bond loans are disbursed or redeemed. The same applies to persons running a business enterprise as a single proprietorship.

Taxation at disbursement

In the event of loan disbursement at a price above 100, the capital gain will be taxable (the difference between the disbursement price and the price of 100), if

- disbursement takes place 6 months or more after the offer date, or
- the loan was offered at a price above 100.

In connection with loans that are disbursed according to an agreement on hedging, the time of the conclusion of the agreement will replace the time of disbursement.

Taxation in connection with redemption of bought bonds

Bond loans can be repaid by redeeming bonds. This means that you become a bondholder when repaying a bond loan. If the bonds were bought at a lower or higher price than the price at the time of redemption, a capital gain or a capital loss, respectively, will occur on the bonds. A capital gain will be taxable and or capital loss will be tax deductible.

When calculating a capital gain or a capital loss, the costs incurred in connection with the purchase or sale, respectively, of the bonds are tax deductible. However, the capital gain or the capital loss can only be included in the taxable income if the net profit or net loss for the year on claims, debt in foreign currencies and certificates in bond funds subject to minimum taxation exceeds DKK 2,000.

Corporate customers (companies, etc.) are liable to pay tax according to the Danish Companies Act or the Foundation Tax Act.

Capital loss allowance

It will always appear from the loan offer if a capital loss allowance is applicable to the loan that is redeemed.

A capital loss allowance is a tax allowance associated with a mortgage loan. When a capital loss allowance is associated with a loan, a right to deduct a capital loss similar to the right to deduct interest and the administration margin on the loan.

The capital loss allowance is based on a tax rule introduced in the summer 1993. Borrowers who redeemed a cash loan over the period 27 June 1993 to 31 December 1995 could have an additional tax allowance associated with loans raised to redeem old cash loans.

There is, therefore, a number of loans (both bond loans and cash loans) to which a capital loss allowance is attached. In future, a capital loss allowance cannot be attached to new loans. However, it is possible to transfer a capital loss allowance to a new loan that is raised to redeem a loan to which a capital loss allowance is already attached.

The capital loss allowance consists of a balance that is reduced on each interest payment date, so that for each date stating the outstanding debt the balance of the capital loss allowance for that same date is stated. The balance will be reduced on each interest payment date by an amount corresponding to the balance divided by the number of remaining interest payment dates for the loan. The balance will be reduced by an amount corresponding to the capital loss allowance that is applicable together with interest and the administration margin for the same period.

If you are interested in transferring the capital loss allowance to a new loan, this will be possible when

- the term of the new loan is at least as long as the remaining term of the old loan
- the capital loss allowance is at least DKK 100 a year
- the market value of the new loan's principal is at least as high as the market value of the old loan (if the market value is lower, the allowance will be reduced proportionally)

A maximum of 12 months may lapse between the disbursement of the new loan and the redemption of the old loan to which the capital loss allowance is attached irrespective of the order of the two events.

The capital loss allowance will not be calculated until the new loan has been disbursed, and previous loans have been redeemed. If you redeem a loan with another mortgage credit institution, and a capital loss allowance occurs in connection with this loan, you must submit the redemption statement to Jyske Realkredit. This is necessary with a view to the final calculation of the capital loss allowance.

For companies, associations, societies, and foundations, etc. the rules described on capital loss allowance do not apply to the extent that a right of deduction for tax purposes of capital losses exists according to the rules in the Danish Gains on Securities and Foreign Currency Act.

The capital loss allowance will be stated on the yearly statement and the amount has been reported to the tax authorities.

Once the loan has been disbursed

In connection with the disbursement of the loan, you will receive 'Loan Settlement' ('Låneafregning') and 'Payment conditions' ('Betalingsvilkår'). Here you can, among other things, see the size of the first annuity payment. Before the due date of the annuity payment, Jyske Realkredit will forward a payment charge stating the due date.

In connection with mortgage loans with public subsidies, Jyske Realkredit will charge Udbetaling Danmark (the authority responsible for the collection, disbursement and control of a number of public benefits) the subsidy and the borrower the rest of the annuity payment. The borrower's share of the annuity payment will be regulated according to the relevant regulation.

The mortgage payments are payable via BetalingsService or via FI inpayment forms which are submitted from Jyske Realkredit if the payment has not been registered for BetalingsService.

If you pay via Betalingservice (payment service), the payment will automatically be charged to your account with your financial institution on the due date. You can register for Betalingservice (payment service) at your financial institution or via Netbank. Please make sure that the payment charge is stated on your payments survey from Betalingservice. Until that is the case, you must pay in a different way, for instance, by using the payment charge you have received.

Loans to finance change of ownership

Has a loan been disbursed in connection with change of ownership, the payment charge may be sent to another person than the one who is to pay the annuity payment. Both the seller and the buyer should be aware of this. The payment charge may be given to the other party so that this party can use the payment charge to effect payment when due.

Control code

In connection with disbursement or taking over a Jyske Realkredit loan, you will receive a control code (kontrollkode). This control code must be stated if you wish to receive information of the loan by phone.

Hence, persons having the control code can obtain information about the loan and also carry out actions such as ordering repayment offers.

Therefore, it is necessary to keep the control code secret.

The control code can also be used for calculations on [Jyskebank.dk](https://www.jyskebank.dk)

If you get into financial difficulties

We have advisers whose sole tasks are to offer advice and assistance to customers who are in a difficult situation.

Both we and our customers have an interest in clarifying their financial circumstances as early as possible. Sometimes a piece of good advice will suffice. In other cases, it will be possible to 'ease' a tight financial situation, for instance, by refinancing a loan to a loan with a longer term. Finally, there may be rather complicated situations where it will be beneficial if it is looked on with fresh eyes. In such situations, individual circumstances will normally decide how we can help in the best way.

Information about the processing of customer information

Jyske Realkredit is part of the Jyske Bank Group

Being financial enterprises, we need to register information about our customers and their accounts and loan commitments. Such information is protected by the rules on duty of confidentiality in the Danish Financial Business Act.

Jyske Realkredit processes personal data about persons with a connection to an association that is a customer of ours, with one of our corporate customers or with an association that may become a customer or with a potential corporate customer, for instance beneficial owners (also persons who are part of the day-to-day management or a board member of an association), a manager or director, if you are authorised to sign, a guarantor, a third-party chargor, a holder of a power of attorney, a contact person or if an agreement has been concluded between a person and one of our corporate customers (for instance if you are a stockbroker or an attorney-at-law).

You can read about Jyske Realkredit's processing of personal data at jyskerealkredit.dk/kontakt-os/personoplysninger.

Breakdown of costs

In connection with home credit agreements, Jyske Bank/Jyske Realkredit is under the obligation to disclose the breakdown of costs relating to loans that are recovered by charging interest-rate premium, administration margin, etc. The breakdown is based on Jyske Bank's/Jyske Realkredit's total portfolio of loans to personal customers.

According to the best of Jyske Bank's/Jyske Realkredit's ability, it is assumed that Jyske Bank's/Jyske Realkredit's current costs can be broken down in this way:

- Losses and impairment charges: 10%
- Administration: 20%
- Distribution: 30%
- Capital: 40%

Losses and impairment charges are made up of the future average loss on the total portfolio of loans to personal customers expected over the term of the loans. Hence this is based on an empirical estimate across economic trends.

Administration and distribution pertain to the part of the total operating costs for salaries, IT systems, etc. that are presumed to relate to the administration and distribution (sales and advisory services) of loans to personal customers. As operating costs cannot be related directly to loan activities and hence cannot really be allocated to administration and distribution of loans to personal customers, the cost allocation will be estimated.

Capital is the portion of the expected income from personal customers' contributions, etc. that presumably remains after defraying costs for expected losses, administration and distribution. This means that capital reflects the expected surplus to cover costs relating to debt capital and equity and also to strengthen equity.

To allow for the uncertainty and the many presumptions, the cost allocation has been rounded to the nearest tens. As many cost elements can be characterised as overhead costs, and these cannot clearly be allocated to business areas, the cost allocation cannot be used to compare different lenders. Nor can it be derived from Jyske Bank's/Jyske Realkredit's published financial statements, and also it may change over time.

Jyske Realkredit's general terms and conditions applicable from 11 November 2023

The general terms and conditions shall apply to loans and other business relationships with Jyske Realkredit A/S (hereinafter referred to as Jyske Realkredit), unless otherwise expressly agreed in separate agreements or terms and conditions for the individual business relationship.

Loan offer

It will appear from the Mortgage and Loan Agreement with appendices for how long a loan offer is valid.

Until a loan has been disbursed, a loan offer can lapse according to Jyske Realkredit's stipulations if

- legal proceedings are initiated against the property:
- the value of the property decreases materially
- the property is sold or put up for sale
- the applicant for the loan is in arrears with payments on other loans/credit facilities with Jyske Realkredit and/or Jyske Bank
- the applicant for the loan is in arrears with payments on senior mortgages on the property. Jyske Realkredit may demand that the applicant for the loan document that there are no arrears.
- the applicant for the loan is registered with the RKI debtor register or other debtor registers
- the applicant for the loan goes into solvent liquidation, or involuntary insolvency proceedings are initiated against the applicant for the loan - including debt rescheduling
- the applicant for the loan dies
- the applicant for the loan takes up residence outside Denmark or moves his or her most important activities outside Denmark
- the applicant for the loan has submitted false information and/or failed to disclose circumstances of importance to the fixing of the loan limits, the valuation and/or credit rating
- the applicant for the loan is or becomes a politically exposed person, a closely related party to a politically exposed person or a close business partner of a politically exposed person, cf. the Danish Act on Measures to Prevent Money Laundering and Financing of Terrorism
- other prerequisites deemed material by Jyske Realkredit have not been met, including material deterioration of the financial circumstances of the applicant for the loan.

In respect of corporate customers, a loan offer or a loan agreement may also be cancelled if

- the applicant for the loan is subject to compulsory dissolution
- if material changes take place in respect of the enterprise's management or ownership or circumstances regulated by the articles of association that in Jyske Realkredit's assessment are of material importance to the loan.
- one or more of the enterprise's beneficial owners is or becomes a politically exposed person, a closely related party to a politically exposed person or a close business partner of a politically exposed person, cf. the Danish Act on Measures to Prevent Money Laundering and Financing of Terrorism.

A loan offer or a loan agreement may also be cancelled if a guarantor or a chargor is subject to one or more of all the above circumstances.

The applicant for the loan shall also be liable for any costs caused if the loan offer or the loan agreement is cancelled due to the circumstances mentioned.

If an agreement has been concluded on hedging of a loan offered, and the loan offer/loan agreement is cancelled in accordance with the terms and conditions stated, the agreement on hedging shall also be cancelled. Jyske Realkredit may demand that the applicant for the loan pay all costs relating to the cancellation of an agreement on hedging.

Disbursement of loan

Jyske Realkredit finances its loans by issuing and/or selling bonds on the bond market. Disbursement of loans takes place on the basis of the bond(s) (security code(s)) that are open for loans at the time of disbursement. Unless otherwise agreed separately, Jyske Realkredit will determine which bonds are to be issued and/or sold in connection with the disbursement of the loan. Subject to Jyske Realkredit's decision, disbursement can also take place in another / other security code(s) than the one(s) on which the loan offer is based.

At disbursement, Jyske Realkredit may against the loan proceeds net amounts outstanding on other loans with Jyske Realkredit in the property in question or other properties owned by the borrower. Netting can take place whether or not a third party has any rights in respect of the loan proceeds.

Bond loans can according to agreement be disbursed in connection with delivery and transfer of bonds. If the loan is disbursed through the transfer of bonds to an account with VP Securities Services, the borrower must prior to the disbursement pay all costs and accrued coupon interest to Jyske Realkredit unless otherwise agreed.

Payments on the loan

Unless otherwise agreed, an annuity payment consists of interest and/or repayment. Moreover, the annuity payment may include the administration margin. Interest is calculated on the outstanding debt. Unless otherwise agreed, the annuity payments shall be repaid on a quarterly basis. Jyske Realkredit determines the place and form of payment. Payment cannot take place in cash. When making a payment to Jyske Realkredit through a transfer from a bank account via netbank etc., the amount must be entered in Jyske Realkredit's account at the latest on the due payment date.

The due date of the payment is determined by Jyske Realkredit and is currently the last banking day in the period to which the payment pertains (payment period). "Banking day" shall mean any day on which both Danish payment transfer systems and Danish financial institutions located in Denmark are open for business. Notice of changes to the due payment date shall be given three months prior to changed date on which the annuity payment falls due.

The first annuity payment of the loan shall be calculated as a proportional payment as of the date of disbursement to the end of a payment period.

The last annuity payment corresponds to the amount necessary for redemption of the loan's debt outstanding as well as redemption of the bonds financing the loan. In addition, interest and any administration margin are payable up to the end of the relevant payment period.

In connection with floating rate loans, Jyske Realkredit can at each change to the interest rate recalculate the payment. For loans with principal reduction, this means that the composition of the annuity payment will be changed, including a potential change of the amount of principal payments.

Default interest

In the event of delays in annuity payments, delayed payments of amounts called in, delays in extraordinary repayments and other amounts due, including payments that must take place to Jyske Realkredit due to default of an agreement on hedging, default interest is payable on the amount due.

Default interest is calculated as of the due date and until payment takes place. Default interest will to the extent possible be charged together with the next annuity payment on the loan. Jyske Realkredit may charge default interest on unpaid default interest.

The current default interest rate on delayed annuity payments is stated in Jyske Realkredit's price list. In the event of delayed payment of other amounts due, default interest is payable according to the stipulations of the Danish Interest Act.

Term

The exact term of loans will not always be the term stated in the Loan Agreement. One reason is that they must expire on certain dates. Loans subject to interest rate adjustment must generally expire on an interest rate reset date, and other loans must usually expire on the last day of a payment period. Hence the disbursement date of the loan may affect the exact term.

The last annuity payment and hence the specific term of the loan will be stated in documents issued after the disbursement of the loan. The date may be changed in connection with any change of the interest rate reset date or as a result of changes to the floating rate etc. of the loan.

Instalment-free period

If an interest-only option is available for a loan type, Jyske Realkredit may grant exemption from repayment for one or more periods subject to the framework and terms and conditions of the legislation.

Borrower's termination and redemption of the loan

The Loan Agreement/the terms and conditions of the loan type determine how and on which terms and conditions the loan can be redeemed or reduced extraordinarily.

If a loan is redeemed on the basis of termination at a previously determined price, the notice of termination must be given in writing and with a term of notice as set out in the loan agreement/ the terms and conditions of loan types for the relevant loan type. A termination is binding on the part of the borrower. Once notice has been given to terminate the loan, it cannot be redeemed by transfer of bonds.

Jyske Realkredit may demand that security deemed sufficient by Jyske Realkredit is provided for payment of amounts for which notice of termination have been given.

By paying extraordinary repayment amounts, the principal, the debt outstanding and future annuity payments will be reduced proportionally. However, Jyske Realkredit may carry out a technical recalculation of the mortgage payment (as a percentage of the reduced principal) and in respect of cash loans also the interest rate.

Calculation of terms and conditions and amounts in connection with extraordinary repayment will be carried out by Jyske Realkredit. Calculation and implementation of redemption will be subject to payment of a fee.

Special terms and conditions for loans in excess of DKK 3 million granted on the basis of callable bonds

For loans with an original principal in excess of DKK 3 million, which is disbursed at a bond price above 100 (before a price margin), certain restrictions apply to the possibilities of redemption and reduction over the first 12 months after the disbursement of the loan. If the loan is disbursed on the basis of a fixed-price agreement, the 12-month deadline is calculated from the conclusion of the fixed-price agreement. The restrictions only apply to loans that are based on callable bonds.

Such a loan in excess of DKK 3 million cannot be terminated for redemption (through cash payment of the outstanding bond debt at the price of 100 or another redemption price determined in advance) until a payment date 12 months or later after the disbursement date. Redemption against payment of the early repayment adjustment can at the earliest take place when according to the ordinary rules for redemption the early repayment adjustment is paid at a date that falls more than 12 months later than the disbursement date.

If the property is sold after the disbursement date, the restriction will cease so that the loan can be redeemed according to the normal rules. It must be possible to document the sale through a signed purchase agreement, of which a copy must be submitted together with the notice to terminate the loan or to redeem the loan with an early repayment adjustment. If the property is sold before the disbursement date, the restriction as to the possibility of redemption shall also apply to a buyer who wishes to assume the mortgage.

In the event of the borrower is subject to foreclosure, if the borrower has proceedings for reconstruction initiated and if the borrower is declared bankrupt, goes into liquidation, is subject to compulsory arrangement or dies, these events shall be considered equal to a sale after the disbursement date, and the possibility of redemption shall cease accordingly.

If the loan is disbursed through the transfer of bonds to an account with VP Securities A/S, the restriction shall apply if two business days before the disbursement the average price of the bonds in question exceeds 100. If no official price is available on the day in question, a price estimated by Jyske Realkredit shall be applied.

The restriction shall not apply to reduction or redemption taking place on demand from Jyske Realkredit. If a reduction of the loan takes place on demand from Jyske Realkredit, the restriction shall still apply for voluntary redemptions or reductions of the remaining part of the loan.

A loan subject to the above restriction can, however, at any time and without these restrictions applying be redeemed by transfer of the relevant bonds to Jyske Realkredit's account with VP Securities A/S.

Sale and assumption of debt

If the mortgaged property or parts of it is sold or in other ways the ownership changes, the entire loan shall fall due for full redemption. The new owner can submit an application to Jyske Realkredit to assume the debt. The previous owner shall not be discharged from the liability towards Jyske Realkredit before Jyske Realkredit has granted final debt assumption to the new owner. The terms and conditions as well as fee for the assumption of debt shall be determined by Jyske Realkredit.

Prices

Administration margin, interest rate premium, interest rate, etc.

In addition to repayments and interest, Jyske Realkredit may charge an administration margin, an interest rate premium, a price margin, default interest as well as other types of remuneration.

The rates applicable at the time of the preparation of a loan offer will be stated in the Mortgage and Loan Agreement or Jyske Realkredit's price list.

The rates – including the minimum administration margin rate and the calculation of the administration margin and interest rate on the loan without information about underlying bonds – and the calculation principles applied can be changed for both groups of loans and individual loans:

In existing long-lasting customer relationships, Jyske Realkredit may change the rates to the prejudice of the borrower at a notice of at least three months (however, at least six months for consumers) prior to the first period for which the change applies. The change must be based on market-related, business-related, cost-related, competitive, regulatory or risk- or earnings-related conditions. This is a non-exhaustive list of examples of such conditions:

- a. Amendments of acts and regulations, statutory changes or regulatory requirements
- b. Changes to Jyske Realkredit's access to the money or bond markets or changes to the general interest-rate level
- c. Offset increasing costs due to losses or provisions, taxes and duties
- d. Need to maintain or strengthen the capital base or financial resources
- e. Changes to the general competitive situation in the market for financing
- f. Changed customer behaviour, e.g. that the demand for a given service declines
- g. Need to change the composition of the loan portfolio, e.g. by changing the proportion of instalment-free loans or floating-rate loans
- h. Need to secure more expedient utilisation of resources or capacity
- i. For loans without information about underlying bonds - if the pricing of the provision of capital is associated with extraordinary uncertainty, because the money or bond markets - not only for a few banking days - to a material extent work in an unusual way.

Changes may also be justified in the individual circumstances of the borrower, e.g. if:

- a. The borrower defaults on or has defaulted on his liabilities according to the terms and conditions of the agreement
- b. There are changes to the borrower's individual circumstances which formed the basis when determining the terms and conditions applicable to the borrower, e.g. the borrower's or the guarantor's finances, the borrower's ownership or managerial circumstances, composition, scope or profitability of the borrower's commitment with Jyske Realkredit
- c. There are changes to the stability of value, the negotiability or the nature in general of the mortgaged property.

The change may take place without notice if the change is justified by external circumstances beyond the control of Jyske Realkredit.

If Jyske Realkredit is subject to the balance principle as determined by law, Jyske Realkredit may irrespective of the above with a notice of at least three months (however, at least six months for consumers) raise the interest rate of the loan or any premium on this so that the interest rate, inclusive of any premium, is of an extent that covers both the creditor's fulfilment of the relevant balance principle and Jyske Realkredit's interest rate margin/administration margin.

Prearranged changes in interest rates, interest rate ceilings or interest rate floors, when in accordance with the agreement such changes can only be implemented at intervals of three years, can be changed without notice.

Changes to the default interest rate or the calculation method may take place without notice.

Reference rate (benchmarks)

Customers who have entered into agreement on loans where a reference rate (benchmark) is used, such as the reference rate CIBOR, can read more about Jyske Realkredit's fallback plans on jyskerealkredit.dk

Fees and loan settling fee

Jyske Realkredit charges fees for services, etc., such as processing of a loan application, changes to a fixed-rate period, changes to the contractual relationship. Jyske Realkredit will charge a price deduction/addition, a loan settling fee etc. when loans are raised, refinanced and redeemed.

A fee, etc. will be calculated as a fixed amount, a percentage or an hourly rate or a combination of these. Certain fees are stipulated by law.

The rates applicable at the time of the preparation of a loan agreement will be stated in the Mortgage and Loan Agreement or Jyske Realkredit's price list.

The rates applicable at later points in time during the term of the loan will be stated in the price list applicable at that time.

Fees for services that are not linked to regular, timely repayment of the loan over the term of the loan can be introduced or changed without notice.

Other fees or other charges that will in future apply to existing agreements can be introduced or later on be regulated with three months' notice (however, at least six months for consumers).

Such a change must be based on market-related, business-related, cost-related, competitive, regulatory or risk- or earnings-related conditions. This is a non-exhaustive list of examples of such conditions:

- a. Amendments of acts and regulations, statutory changes or regulatory requirements
- b. Changes to Jyske Realkredit's access to the money or bond markets or changes to the general interest-rate level
- c. Offset increasing costs due to losses or provisions, taxes and duties
- d. Need to maintain or strengthen the capital base or financial resources
- e. Changes to the general competitive situation in the market for financing
- f. Need to secure more expedient utilisation of resources or capacity
- g. Need to change the composition of the loan portfolio, e.g. by changing the proportion of instalment-free loans or floating-rate loans

Changes to fees and introduction of new fees may take place without notice if the change/introduction is justified by external circumstances beyond the control of Jyske Realkredit.

Announcement of changes

All changes that must be notified to the borrower in accordance with the above provisions on prices, fees and settlement commission may be made either by letter, on another durable medium, via notification to e-boks or another commonly used digital communication solution, see the section on Electronic mail.

Bonds

Loans are generally granted on the basis of Jyske Realkredit's issuance and/or sale of bonds. For certain loans, there is no direct relationship between the loan and the issued bonds.

For loans where a relationship between the loan and the issued bonds, the Loan Agreement will state which bonds are expected to be issued in connection with the loan or where information hereof is available. However, Jyske Realkredit reserves the right to use other bonds than the ones stated. In connection with the disbursement, it will be stated which bonds were issued or where to find information in this respect.

Even though no refinancing of a loan takes place, Jyske Realkredit shall be entitled to replace the issued bonds with bonds issued by another capital centre, provided that these bonds entail the exact same terms and conditions and are issued in the same amount.

When a bond loan is disbursed, bonds are issued/sold corresponding to the principal of the loan.

When a cash loan is disbursed, bonds are issued/sold in an amount necessary to disburse the principal of the loan in cash.

Agreements on hedging

An agreement on hedging is an agreement between Jyske Realkredit and the customer stipulating that a loan is disbursed, refinanced, or redeemed at a certain price or disbursed or interest-rate adjusted at a specific interest rate at a specific date. Subject to Jyske Realkredit's decision, hedging of a loan disbursement can also take place in another / other security code(s) than the one(s) on which the loan offer is based.

A loan settling fee is also payable when a loan is disbursed, refinanced, or redeemed on the basis of an agreement on hedging unless otherwise agreed. In connection with redemption in accordance with an agreement on hedging, also a redemption fee is payable.

Agreements on hedging may be concluded orally. The agreement will be confirmed in writing by Jyske Realkredit after the agreement has been concluded.

Once an agreement on hedging has been concluded, the loan can only be disbursed, refinanced, or redeemed in accordance with the agreement.

Jyske Realkredit may refuse to enter into an agreement on hedging or make the agreement conditional on the payment of a deposit or provision of other security.

If a customer defaults on an agreement on hedging, the customer must pay a fee for the termination of the agreement.

If the customers default on an agreement on the hedging of a disbursement, the customer shall also be under the obligation to pay to Jyske Realkredit an amount corresponding to Jyske Realkredit's loss. The loss is calculated on the basis of the changes in prices that have taken place between the time the agreement was concluded and until the default plus a fee and a loan settling fee in relation to both the sale and the purchase of the relevant bonds. If the calculated amount is not paid by the payment deadline, default interest will be charged as from the date of disbursement agreed according to the provisions of the Danish Interest Act. If Jyske Realkredit has made a gain, this will not be paid to the customer.

If an agreement on the hedging of redemption has been concluded, and this agreement is defaulted on, the customer will not be discharged from his obligations to redeem the loan. Moreover, default interest on the redemption amount calculated in connection with the conclusion of the agreement will be charged according to the provisions of the Danish Interest Act as from the date when the loan should have been redeemed and until payment takes place.

If Jyske Realkredit accepts that the loan cannot be redeemed, the loan may remain on the property against the customer's payment to Jyske Realkredit of an amount corresponding to Jyske Realkredit's loss. The loss is calculated on the basis of the changes in prices that have taken place between the time the agreement was concluded and until the default plus a fee and a loan settling fee in relation to both the purchase and sale of the relevant bonds. If the calculated amount is not paid by the payment deadline stated, default interest will be charged as from the date of redemption agreed according to the provisions of the Danish Interest Act. If Jyske Realkredit has made a gain, this will not be paid to the customer.

Similarly, the default rules shall apply if an agreement on hedging is to be changed to another amount than the one agreed.

General

As long as there is a business relationship with Jyske Realkredit, Jyske Realkredit may demand that financial statements are submitted for the borrower as well as guarantors, stakeholders or other who are financially involved, or in connection with personal customers, documentation for the borrower's financial circumstances.

If the interest rate that according to the contractual basis is to be applied to a loan is or becomes lower than zero (negative), the negative interest amount will be applied to repayments on the loan according to the terms and conditions of the agreement. Negative interest amounts in addition to this will be applied to additional repayments on the loan. However, in connection with loans raised after 12 September 2015, it may when raising the loan be agreed that the part of a negative interest amount exceeding the agreed repayments can be applied to the payment of other payments liable under the loan or be paid to the borrower. Likewise, in connection with the raising of the loan, it may be agreed that the interest rate on the loan cannot fall below zero.

Jyske Realkredit may obtain information about the mortgaged property from the Central Register of Buildings and Dwellings (Bygnings- og Boligregistret (BBR)), as long as Jyske Realkredit has a mortgage on the property. Jyske Realkredit shall at any time be entitled to demand documentation that payments on senior loans have been made. Jyske Realkredit can demand to have the right to obtain information about this through other credit institutions which also entails the use of such institutions' information systems.

Jyske Realkredit reserves the right to record telephone conversations with customers.

In all situations where according to the agreement Jyske Realkredit or the customer must give information with a certain notice, Jyske Realkredit may change the length of the period of notice by giving a three months' notice.

Jyske Realkredit shall be entitled to inspect the mortgaged property both externally and internally, also after the disbursement of the loan.

Where, after the disbursement of the loan, Jyske Realkredit establishes that the valuation was too high, Jyske Realkredit may demand that the loan be reduced so security is provided within the loan-to-value limit according to law. In that case, Jyske Realkredit will without cost for the borrower grant the borrower a loan on the same terms and conditions, yet this loan will not be based on the issue of bonds. The borrower shall be under the obligation to cooperate in this respect.

Separation of loans and mortgage deeds into several mortgages can only take place subject to approval by Jyske Realkredit.

Prior to the disbursement of a loan, Jyske Realkredit may demand that the borrower provides identification in a way deemed necessary by Jyske Realkredit to meet the requirements of the Danish Act on Measures to Prevent Money Laundering and Financing of Terrorism.

Electronic mail

The Borrower/the Customer generally receive mails from Jyske Realkredit, including agreements, terms and conditions and any changes hereto, electronically for instance in your NetBoks and/or in the Inbox in Jyske Mobilbank.

Jyske Realkredit may also send you agreements for your electronic signature and other mails via a provider of mail and signature solutions, e.g. e-Boks.

Mails are considered as having been delivered at the time when they are available in the Borrower's/Customer's Netboks/Inbox/e-Boks.

Mails received in the Netboks/Inbox may be deleted during your customer relationship if the mail is no longer relevant, for instance due to the expiry of an agreement or change to a customer relationship.

The Borrower may, subject to a fee, opt to receive certain types of mail that are submitted electronically, for instance annual statements, on paper or by means of another electronic mail solution.

If Jyske Realkredit has been informed about the Borrower's contact details, e.g. mobile number and/or email address, it is the Borrower's own responsibility always to keep such details updated at Jyske Realkredit. Separate messages sent from Jyske Realkredit to one of the media of which Jyske Realkredit has been notified are considered notified to the recipient no matter whether he or she has updated the details or not.

Although it is not under an obligation to do so, Jyske Realkredit may nevertheless decide to give separate notification when electronic mails are sent out.

Jyske Realkredit's liability in damages

Jyske Realkredit shall be held liable in damages in the event that due to errors or omissions Jyske Realkredit meets agreed obligations too late or in a defective manner. However, even in areas where stricter liability applies, Jyske Realkredit shall not be held liable in damages for any loss incurred as a result of:

- breakdown of/non-access to IT systems or corruption of data in these systems as a result of any of the events mentioned below, regardless of whether Jyske Realkredit or an external supplier operates the systems;
- interruption of power supply or telecommunication channels, statutory intervention or administrative acts, natural disasters, war, rebellion, civil commotion, sabotage, terrorism or vandalism including computer viruses and hacking;
- strikes, lockouts, boycotts or blockades, regardless of whether the conflict is aimed at or initiated by Jyske Realkredit itself or its organisation, and regardless of the cause of the conflict. This also applies when the conflict affects only part of the functions of Jyske Realkredit;
- other circumstances beyond the control of Jyske Realkredit's liability shall not apply if
- at the time of entering into the agreement, Jyske Realkredit ought to have foreseen the circumstances that caused the loss or ought to have prevented or remedied them;
- under Danish law, Jyske Realkredit is, in any case, liable for the cause of the loss.

Jurisdiction and governing law

Any dispute between the borrower/customer and Jyske Realkredit shall be settled according to Danish law and venue being the District Court in the judicial district in which Jyske Realkredit has its registered office, unless otherwise stated by statutory provisions.

About the Terms and Conditions

Jyske Realkredit's general terms and conditions shall apply to all agreements between the Borrower/Customer and Jyske Realkredit.

Jyske Realkredit may change the business terms and conditions without notice provided that the changes are to the advantage of the Borrower/Customer. Otherwise, changes may take place at three months' notice.

The changed general terms and conditions shall then apply also to already existing customer relationships. The general terms and conditions may be downloaded from jyskebank.dk/vilkaar-jyskerealkredit-2023 and from the Loan Guide at jyskebank.dk. The Borrower/Customer may also contact Jyske Realkredit/Jyske Bank.

In case of disagreement with Jyske Realkredit

If the Borrower is dissatisfied with Jyske Realkredit, the institution should be contacted.

If, after having discussed the problem, the Borrower does still not agree with us, a complaint may be filed with Jyske Bank A/S, Legal Department, Vestergade 8-16, DK-8600 Silkeborg.

Subsequently, a complaint may be filed with the Danish Financial Complaint Board (Det finansielle Ankenævn), Store Kongensgade 62, 2. sal, DK-1264 Copenhagen K, fanke.dk.

A complaint can also be filed with the EU Commission's online complaints portal at ec.europa.eu/odr.

Complaints concerning the Jyske Realkredit's compliance with financial legislation may be filed with the Danish FSA.

Supervisory Authority

Jyske Realkredit is subject to the ongoing supervision by the Danish FSA, Strandgade 29, DK-1401 Copenhagen K.

Danish Ministry of Justice's General Conditions (B)

The Danish Ministry of Justice's general conditions (B) are standard conditions that apply to all mortgage loans unless otherwise agreed. The conditions also form part of the mortgage deed that is registered on your property.

1. The Debtor is personally liable for the fulfilment of the obligations under this Mortgage Deed and subject to the Articles of Association and provisions established pursuant to the Articles of Association, including any provisions on joint and several liability, applicable from time to time to the mortgage credit institution.
2. The principal shall not be called in by the Creditor. The Debtor can reduce or redeem the debt by paying in cash or with bonds according to the rules in the Articles of Association. The Debtor shall accept that mortgage loans shall be reduced if the loan has been granted in violation of the Danish Mortgage-Credit Loans and Mortgage-Credit Bonds etc. Act, cf. S.53(1) of the Danish Financial Business Act.
3. Any payments under this Mortgage Deed shall be made free of postage at the Creditor's address, as stated in the Mortgage Deed or at any other address in Denmark as specified by the Creditor.
4. If payment of principal, ordinary or extraordinary repayments are not effected punctually, default interest, etc. shall be payable according to the rules laid down in the Articles of Association. If the due date or the final date for payment is a holiday, a Saturday or 5 June, the Danish Constitution Day, the due day of payment shall be the following weekday. Similarly, all deadlines under this Mortgage Deed shall be postponed to the following weekday. Any payment within the above time-limit to any bank or savings bank in Denmark, except for Greenland, for further conveyance to the place of payment shall be considered punctual.
5. The debtor is obliged to inform the creditor of any change of address. Such notice may not be given on a payment form if it is stipulated on such form that notices to the recipient may not be written thereon. Any claims from the Creditor may be sent to or made at the latest address stated by the Debtor notwithstanding any change of address, unless the Creditor has notice of the Debtor's new address.
6. The mortgaged property shall comprise the property with fixtures and fittings pursuant to SS.37 and 38 of the Danish Registration of Property Act, any income, including any rent or leasehold fees, as well as any amounts in damages and insurance amounts.
7. The Debtor shall keep the mortgaged property properly insured against fire to the effect that the terms and conditions in the Danish Supervisory Authority's order on minimum terms and conditions for the writing of property fire insurance by insurance companies have been complied with.
8. The Creditor shall have a lien in relation to any demand under the Mortgage Deed on the payment of principal, interest and other payments of an equal nature, including administrative fees, deposits, contributions to foundations, credit insurance premiums and default interest. Furthermore, the Creditor shall have a lien in relation to any costs which have with reasonable cause been paid at collection, confirmation of the transfer of a debt and for safeguarding the Creditor's interest where any legal actions are made against the mortgaged property from any third party. With respect to out-of-court collection costs, the Creditor shall have a lien in relation to the costs which may be charged in accordance with the provisions in the Danish act on interest on delayed payments etc. and the statutory order on out-of-court collection costs due to delayed payments.
9. Notwithstanding the non-terminability of the Mortgage Deed, the Creditor is entitled to call in the principal in the following situations:
 - a. any interest or instalments are not paid on the final date for payment at the latest. However, it is a condition for demanding that the capital be repaid that the debtor has not paid interest and instalments seven days, at the latest, after written demand was sent or made. The Creditor's demand shall be made after the final date for payment and such demand shall clearly state that the Creditor, where interest and instalment have not been paid by the deadline, may demand that the capital be repaid, see No. 4 above,
 - b. buildings of material importance to the value of the mortgaged property are demolished in the absence of appropriate security being provided;
 - c. the mortgaged property, no satisfactory security having been provided on demand, is neglected or in other ways materially deteriorates, also if the property is scheduled for demolition, or in respect of commercial property, operations are discontinued for an extended period of time;
 - d. the Debtor refuses the Creditor or his agent access to inspecting the mortgaged assets;
 - e. the Debtor does not upon demand provide documentation of the mortgaged property being appropriately fire insured; and
 - f. ownership changes for the mortgaged property or material parts that are essential for the safeguarding of the mortgage. The Articles of Association contains rules on the reporting of change of ownership and any possibility of debt assignment.

Price determination policy

Introduction

Jyske Realkredit finances its mortgage loans by issuing and/or selling bonds on the bond market. Various types of bonds are needed for the financing of various types of loans as, for instance, the loans have various terms and fixed or floating interest rates. The various types of bonds are called bond series. Generally, the quantity of bonds that we sell depends on how many and the size of the loans we are to disburse. To obtain the best possible price, we sell bonds when we have issued a sufficient quantity. Hence, we will typically not sell bonds to finance a specific loan. When a borrower wishes to have a loan disbursed, refinanced, or repaid, Jyske Realkredit fixes a price of the loan. The price fixed by Jyske Realkredit will depend on the price of the bonds in the bond market.

Price determination

When we set the price of a loan, it can either be done at an average price or at a spot price via a fixed-price agreement. By price fixing in connection with the settlement of a mortgage, we take all reasonable steps to obtain the best possible result for the borrower.

Average price

As an average price, Jyske Realkredit will use the "Nasdaq CPH consolidated reference price". This price is a revenue-weighted average of relevant transactions and loan settlements in the bond that can be found for the relevant day at www.nasdaqomxnordic.com. To the extent no average price is available on the day in question, or Jyske Realkredit assesses that the average price of the bond in question is not market-consistent, Jyske Realkredit will fix it according to the best possible price under the circumstances. To determine the price, the following factors, among others, are applied: the price of and the amount of the relevant bonds or similar bonds in the bond market. Regarding this, the following will be taken into account as well as other circumstances: price and interest-rate developments, Jyske Realkredit's knowledge about supply and demand in the market and the price of any similar bonds

Spot rate

Jyske Realkredit determines a spot price via fixed-price agreements. The basis for determining the spot price is the current prices observed by Jyske Realkredit in the bond market. If, at the time of determining the price, a price is not fixed for an appropriate bond in the bond market, or Jyske Realkredit assesses that there is not a market price, Jyske Realkredit fixes a best possible spot price according to the circumstances. To determine a spot price, the following factors, among others, are applied: the price of and the amount of the relevant bonds or similar bonds in the bond market. In connection with this, the interest-rate and price developments, Jyske Realkredit's knowledge about supply and demand in the market, the price of any equivalent or similar bonds as well as the circumstances in general will be taken into account.

For refinancing of adjustable-rate loans, see the section on Refinancing.

Settlement of loans

Cash disbursement of loans

If no fixed-price agreement has been concluded, a loan that is disbursed in cash will be settled at the average price two trading days before the disbursement in accordance with Jyske Realkredit's disbursement procedure. At disbursement, a discount is deducted from the average price (price margin). Price margins are stated in the price list in force from time to time. No price margin will be charged when disbursing Jyske Rentetilpasning F1 loans to personal customers.

Fixed-price agreement for disbursement

Fixed-price agreements shall be calculated on the basis of the current spot price at the time of agreement of the bonds relevant for the loan to be disbursed.

At disbursement, a discount is deducted from the spot price (price margin). Also, a discount is deducted from the price. The discount depends on the difference between the bond interest rate on the loan and the interest rate fixed regularly by Jyske Realkredit for deposits and on the length of the period from the conclusion of the fixed-price agreement to the settlement of the loan. If a fixed-price agreement has been concluded outside Nasdaq Copenhagen A/S' opening hours, which are currently from 9.00 - 17.00 on trading days, the price margin will be increased. The increased price margin covers the increased risk that Jyske Realkredit assumes in the event of fluctuations in the bond market until the following trading day. No price margin will be charged when a fixed-price agreement has been entered into in connection with the disbursement of Jyske Rentetilpasning F1 loans to personal customers. If the bond interest rate for the loan has not been fixed for the entire period from the time the agreement is concluded to the time the loan is to be disbursed, an interest rate based on the interest rates fixed regularly by Jyske Realkredit for lending will be used.

Price margins will appear from the price list in force from time to time.

Cash repayment of loans

Repayments that are set off against a loan disbursement at the current market price will be settled using the average price two trading days before the repayment date plus a price margin. No price margin will be charged in connection with redemption of Jyske Rentetilpasning F1 loans to personal customers.

A cash redemption offer at the current market price, which is binding for Jyske Realkredit for up to eight trading days, will be made at the average price on the preceding trading day plus a price margin.

In the event of the repayment of a loan with another mortgage credit institution, the repayment is settled using the spot price of the relevant bonds plus a price margin.

Price margins will appear from the price list in force from time to time.

Fixed-price agreement for disbursement

Agreements on repayment shall be calculated on the basis of the current spot price at the time of agreement of the bonds relevant for the loan to be disbursed.

At repayment, a premium is added to the spot price (price margin). In addition, a premium is added to the price. The premium depends on the difference between the bond interest rate on the loan and the interest rate fixed regularly by Jyske Realkredit for loans and on the length of the period from the conclusion of the repayment agreement to the settlement of the loan.

If an agreement on repayment has been concluded outside Nasdaq Copenhagen A/S' opening hours, which are currently from 9.00 - 17.00 on trading days, the price margin will be increased. The increased price margin covers the increased risk that Jyske Realkredit assumes in the event of fluctuations in the bond market until the following trading day.

If the bond interest rate for the loan has not been fixed for the entire period from the time the agreement on repayment is concluded to the time the loan is to be repaid, an interest rate based on the interest rates on loans fixed regularly by Jyske Realkredit will apply.

Price margins will appear from the price list in force from time to time.

Refinancing of loans

Adjustable rate loans

At interest resetting, Jyske Realkredit will fix the interest rate and annuity payment on the basis of the achieved sales prices for the relevant bonds with a price margin. Price margins will appear from the price list in force from time to time.

As Jyske Realkredit sells a large volume of bonds, Jyske Realkredit will arrange the bond sale according to the principles which Jyske Realkredit believes will result in the best possible prices. For example, the sale may take place via auction and / or over the course of several days. If the sale takes place over the course of several days, the price will be fixed as a weighted average of the prices obtained.

As the bonds are sold before the interest rate reset date of the loan, an additional price margin will usually apply to cover the difference between the bond coupons and the interest rate obtainable by Jyske Realkredit, until the refinancing interest rate is fixed for the loan. Jyske Realkredit may subsequently decide that a fee or loan settling fee is payable in connection with refinancing of adjustable-rate loans.

Special rules apply for adjustable-rate loans raised before December 1999.

Fixed-price agreements

The settlement price for fixed-price agreements in connection with refinancing is calculated based on the current spot price of the bond(s) to be used for the refinancing at the time the agreement is concluded.

Jyske Realkredit will deduct a price margin from the spot price. Also, a discount is deducted from the price. The discount will depend on the difference between the bond interest rate on the loan and the interest rate fixed regularly by Jyske Realkredit for deposits and on the length of the period from the conclusion of the price agreement to the resetting of the interest rate. If a fixed-price agreement has been concluded outside Nasdaq Copenhagen A/S' opening hours, which are currently from 9.00 - 17.00 on trading days, the price margin will be increased. The increased price margin covers the increased risk that Jyske Realkredit assumes in the event of fluctuations in the bond market until the following trading day.

The rates are stated in the price list in force at any given time.

Rentetilpasningslån – Kort Rente (adjustable rate mortgage - short-term interest rate) / Jysk Kort Rente

In connection with the refinancing, Jyske Realkredit will fix the interest rate based on the interest premium or discount obtained in the sale of the bonds to be sold to replace the maturing bonds.

The bonds will be sold according to the trading method believed by Jyske Realkredit to secure the best obtainable interest rate / interest rate premium / interest rate discount based on the market conditions and the quantity of bonds to be sold in connection with the refinancing.

The bonds are sold at a predetermined price. When the bonds are sold, the size of the premium or discount payable compared to the reference rate is determined. The fixed price includes a price margin. Price margins will appear from the price list in force from time to time.

Prior to the sale, Jyske Realkredit will decide whether the interest premium or discount is to apply to the entire time to maturity of the bonds or only until the next resetting of the interest rate.

Jyske Realkredit may decide that a fee or a loan settling fee is payable in connection with refinancing of Rentetilpasningslån – Kort Rente.

Loan settling fee

In connection with the disbursement or repayment of a loan, Jyske Realkredit will charge a cost called a loan settling fee.

The loan settling fee is calculated as a 1/1000th of the market price of the loan.

The loan settling fee rate depends on whether the loan is being disbursed or repaid, and whether a fixed-price agreement has been concluded. The rates are stated in the price list in force at any given time.

Conflicts of interest

Jyske Realkredit has prepared a policy for managing conflicts of interest. At present, no possible conflicts of interest have been identified in connection with Jyske Realkredit's trades in the bond market in connection with price determination of mortgage loans. If any conflicts of interest are identified, appropriate measures will be taken.

We will regularly review our pricing policy at least once per year. Based on this review, we make any necessary changes to the policy. Changes to our pricing policy will be published in a new version of the loan guide.

Glossary

Instalment

An instalment is a pre-determined part of a loan amount that is paid in order to reduce an outstanding debt.

Instalment-free period

Instalment-free means that instalments come to a halt for a period of time and only interest and administration margin are payable. The instalments which you do not pay over this period are payable at a later point in time. This implies that the payment will increase after the end of the instalment-free period.

Loan settling fee

The loan settling fee is a cost that is payable in connection with the price determination of your loan, both at disbursement and redemption.

The loan settling fee is calculated as a percentage of the market value of the loan.

Annuity loans

An annuity loan is a loan where the sum of interest and instalment payments before tax is the same for each interest payment date during the term of the loan or within for instance a fixed-rate period of an adjustable rate loan.

Administration margin

On a mortgage loan, interest payments are basically payable directly to the bond owners. Administration margin is the part of the mortgage payments which is used for operating the mortgage credit institution.

Administration margin is typically calculated as a percentage of your outstanding debt.

Effective interest rate

A recalculation of the loan rate where account has been taken of the fact that interest is not payable once a year but for instance four times a year.

Effective interest rate after tax

The effective interest rate is calculated according to the same principle as APR. The difference between the effective interest rate and APR is that the effective interest rate takes account of all costs. The effective interest rate includes Tinglysningsservice (registration service) - as opposed to APR.

Maturity Date

The maturity date is the date on which the principal amount of a bond becomes due and payable. For the December payment date the maturity date is for instance 1 December, and hence December is the month in which the payment falls due. Often the final date for timely payment is the last banking day of the month of the maturity date, for instance 30 December.

Advance loan

In connection with for instance a construction project, a loan can be taken out before the value presupposed is present against a financial institution providing a guarantee that the construction work is finalised, and that the property obtains the value presupposed.

Presupposed plan of ranking of loans

A list of the mortgage deeds (loans) and encumbrances (e.g. easement) registered on your property in the order presupposed by Jyske Realkredit, once the loan has been disbursed.

Principal amount

The principal amount is the original size of the loan. The amount which is registered as a charge over the property.

"Liable for"

When you are liable for something, it implies that you have undertaken to repay a specific claim, for instance a mortgage loan.

Non-callable implies that the underlying bonds cannot be called at par. If a non-callable loan is to be redeemed, it must therefore be redeemed at the market price of the bonds which may be above par.

An adjustable-rate loan is non-callable but may nevertheless still be redeemed at par for refinancing purposes.

Kontantlån (cash loan)

A cash loan is a loan whose principal and proceeds are well-known because any capital gain or loss is included in the loan rate.

Callable

Callable implies that the loan can be called at for instance par with a limit of for instance 2 months to a payment date.

Price margin

The price margin is a cost payable to Jyske Realkredit in connection with the determination of the price of your loan. Is a discount or premium which results in a slightly poorer price for you compared to the price at which the underlying bonds are traded in the market.

Market value

The size of the debt where account has been taken for price losses.

Loan interest rate

The annual interest rate payable on the basis of the outstanding due debt.

Loan type

Mortgage loans are offered as various loan types, for instance bond loans and adjustable rate loans. The loan types offer various characteristics.

Default interest

Default interest is an extra amount of interest payable as a penalty for delayed payment of an amount due. Default interest is compensation to Jyske Realkredit for delayed payment.

Bond loan

A bond loan is a loan whose payment is well-known because both the principal amount and the interest rate have been determined.

The proceeds are unknown until disbursement since a potential capital gain or loss affects the proceeds (unless a fixed-price agreement has been entered into).

Right of advancement

This means that Jyske Realkredit's mortgage deed advances in the order of priority as the prior ranking loans are being repaid.

Termination

You may terminate a callable loan for instance at par at two months' notice prior to an interest payment date. Adjustable-rate loans – short-term interest rate and Adjustable-rate loans can in connection with refinancing be terminated with two-months' notice.

Proceeds

The proceeds from a mortgage loan is the amount which will be disbursed, i.e. the price value of the loan less costs.

Reference Rate

A reference rate is a rate determined and published by an authority or by players in the financial market. The reference rate forms the basis of the rate payable for the loan.

CITA 6 months and CIBOR 3 months are examples of reference rates.

Refinancing

Refinancing implies that the underlying bonds are replaced. When refinancing, you will receive a new loan rate on your loan.

Interest resetting, interest rate adjustment

The interest rate on loans which vary based on a reference rate (see above) is adjusted for instance on a quarterly basis. The interest rate on adjustable-rate loans is adjusted in case of refinancing (see above).

Easements

An easement is a right registered on the property, for instance a neighbour's right to walk across the site.

Registration of property

Registration is a public registration of for instance rights over real property, mortgages etc. When you take out a mortgage loan, the mortgage credit institution must receive security in the form of a registered mortgage deed.

Payment

The annuity payment is the total amount payable by you at each interest payment date. The annuity payment consists of interest, instalments and administration margin.

Annual percentage rate (APR)

Describes the price of taking out a loan when account is taken of the bond price, costs (exclusive of registration service), interest rate and duration of the loan. Can be used when comparing the price of loans.