Investor presentation

Q4 2022

JYSKE BANK

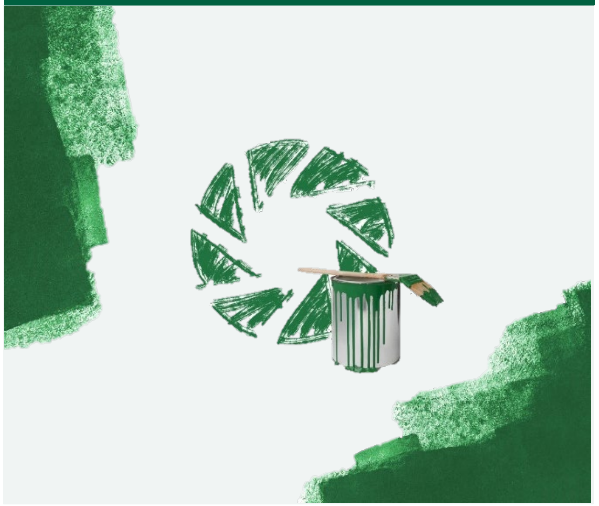
28 February 2023

Summary

Q4 2022

Major milestones achieved in 2022

Acquisition of Handelsbanken DK



Strong end to record-setting 2022

+218% y/y

Earnings per share

Q4 2022

Accelerating net interest income

+39% y/y

Net interest income

Q4 2022

Manageable cost inflation

+2% y/y

Underlying core expenses

Q4 2022 excl. one-offs, Handelsbanken DK

Solid provisioning

35bp

Management's estimate

Approx. three years of normalized loan losses

Outlook for continued progress

DKK 60-70

Earnings per share in 2023E

Increase of up to 26% vs. 2022

Note: Management's estimate (excl. repo) includes balance of discounts for acquired assets.

Historically strong end to record-setting year

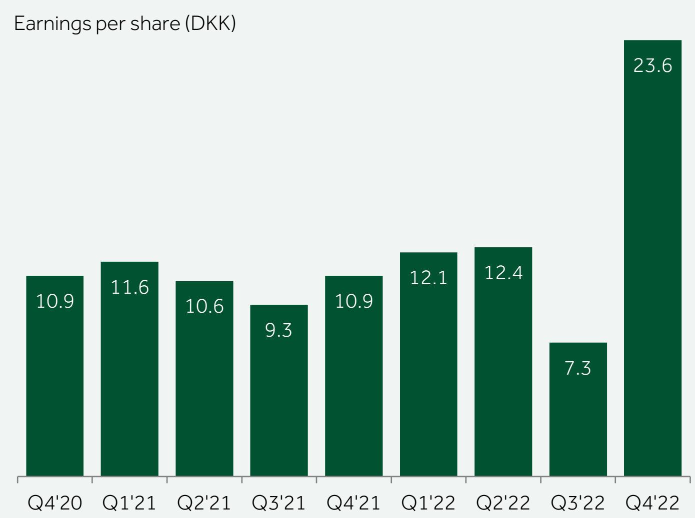
+218% y/y
Earnings per share

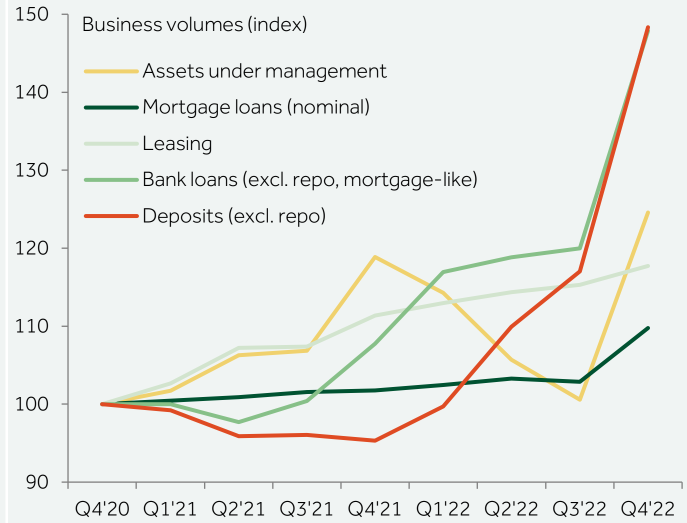
+38% y/y
Core income

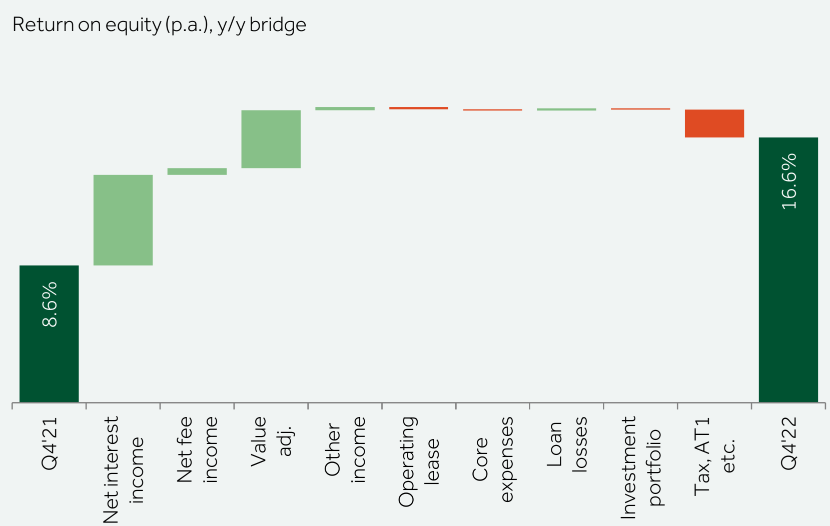
+1% y/y
Core expenses

-3bp
Loan impairment charges

Q4 2022 in brief





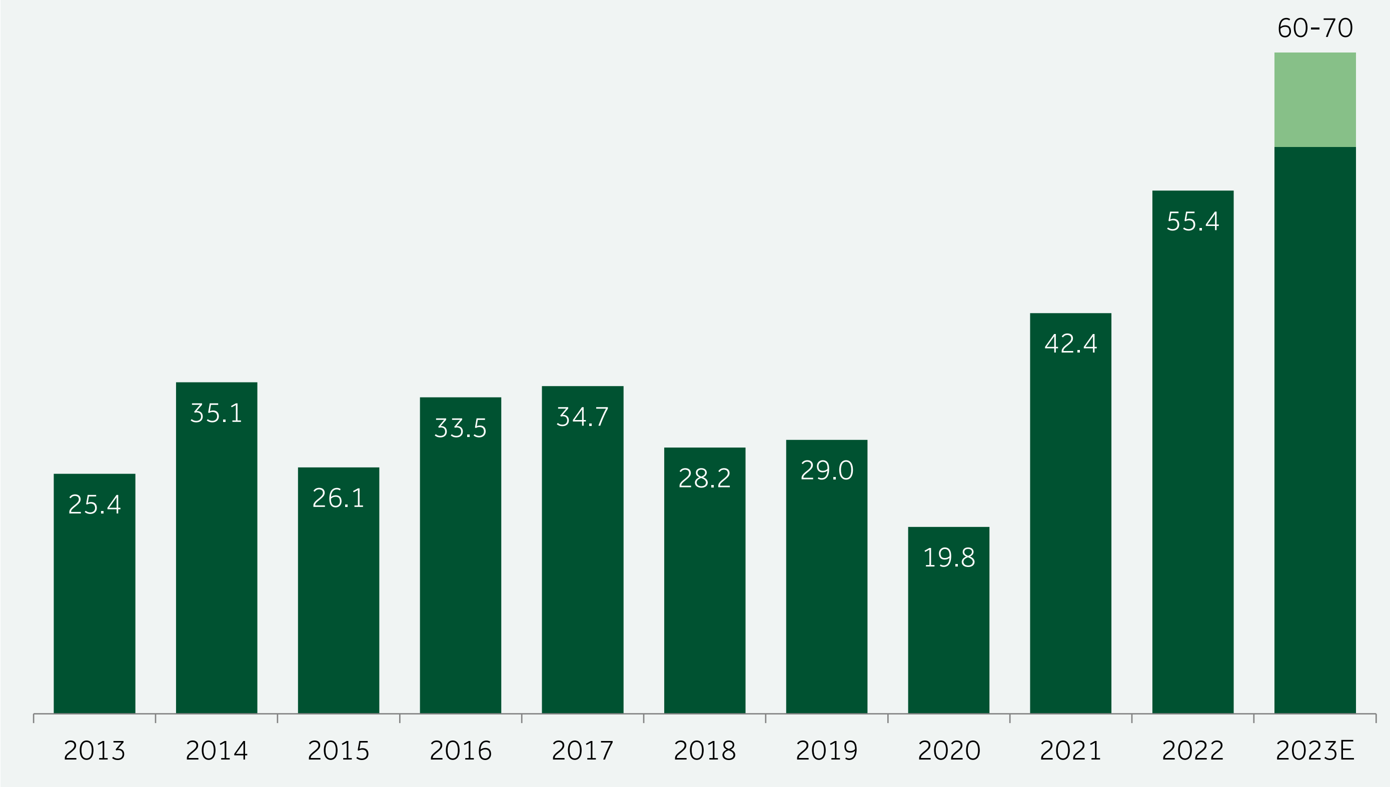


DKKm	Q4'22	Q4'21	Index
Net interest income	1,773	1,277	139
Net fees and commissions	681	645	106
Value adjustments	523	207	253
Other income	44	26	169
Income from operating lease	60	72	83
Core income	**3,081**	**2,227**	**138**
Core expenses	1,395	1,388	101
Core profit before loan losses	**1,686**	**839**	**201**
Loan impairment charges	-158	-145	-
Core profit	**1,844**	**984**	**187**
Investment portfolio	-29	-21	-
Pre-tax profit	**1,815**	**963**	**188**
Tax	257	178	144
Net profit	**1,558**	**785**	**198**

Note: Core expenses include one-off expenses related to the acquisition of Handelsbanken Danmark.

Strong earnings momentum heading into 2023

Earnings per share (DKK)

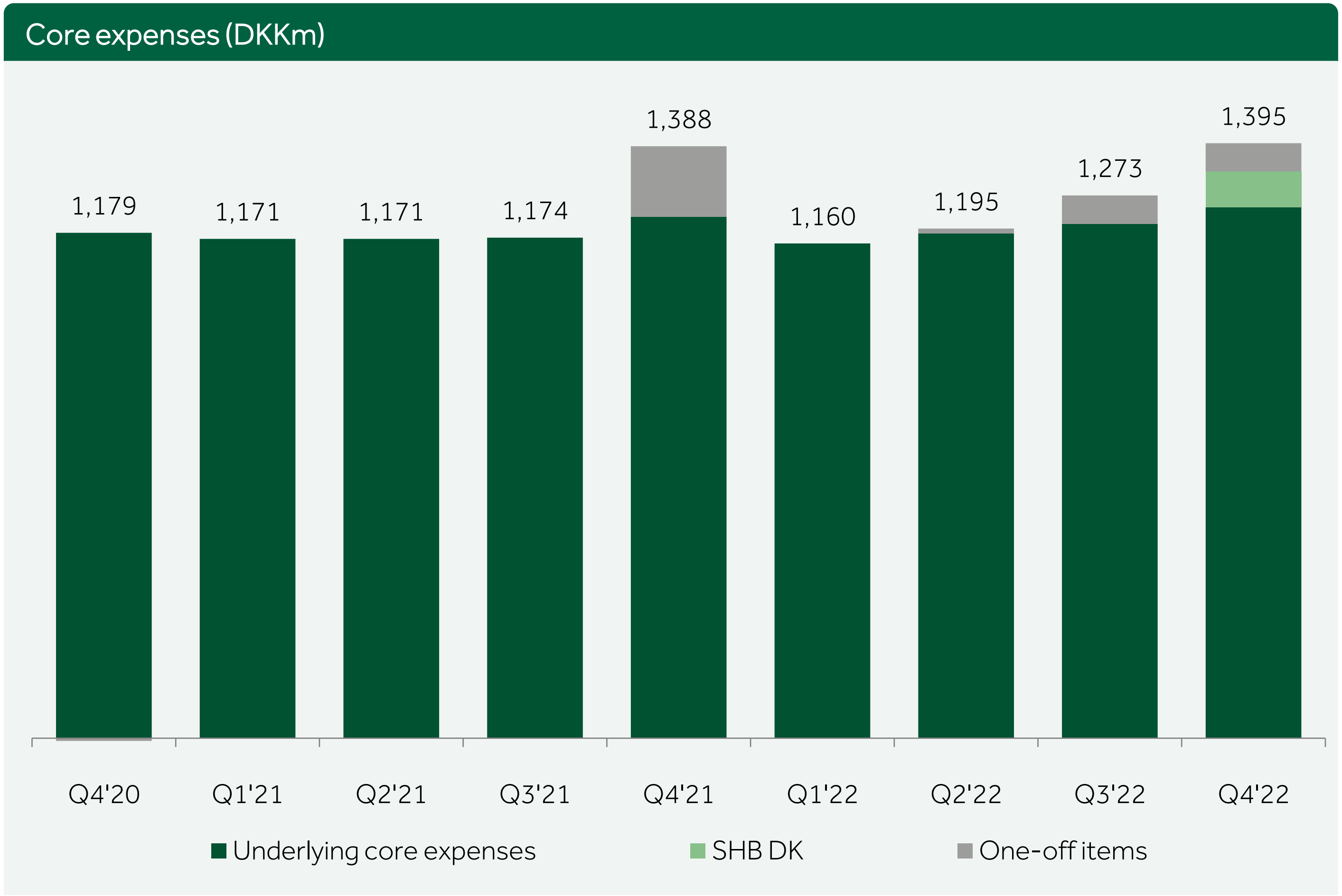


Net interest income to increase up to 50% in 2023

Net interest income (DKKm)

Note: Handelsbanken Denmark (SHB DK) contributed from 1 Dec.2022. Expected NII increase based on run-rate as of the beginning of 2023.

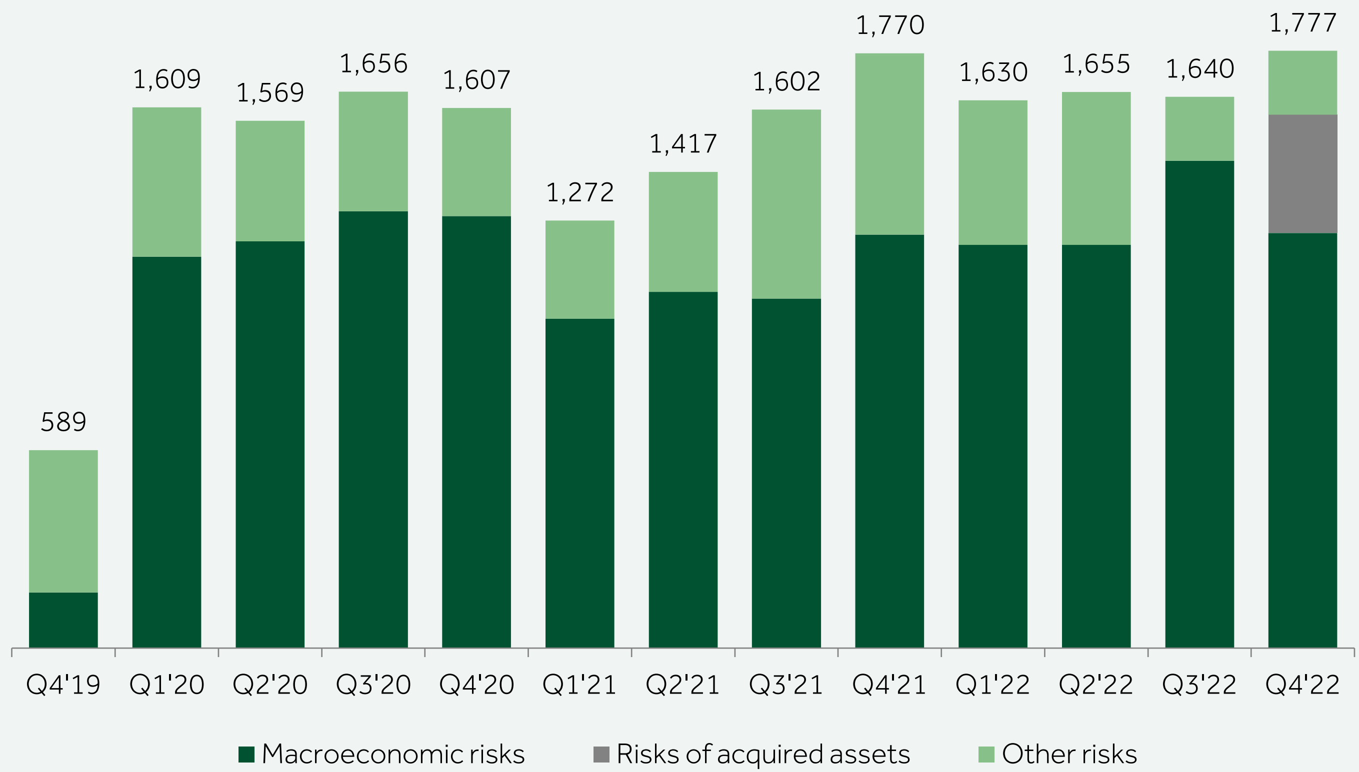
Manageable underlying cost inflation amid inflationary trends



Note: Core expenses include one-off expenses related to the acquisition of Handelsbanken Danmark.

Solid provisioning following seven quarters of reversals

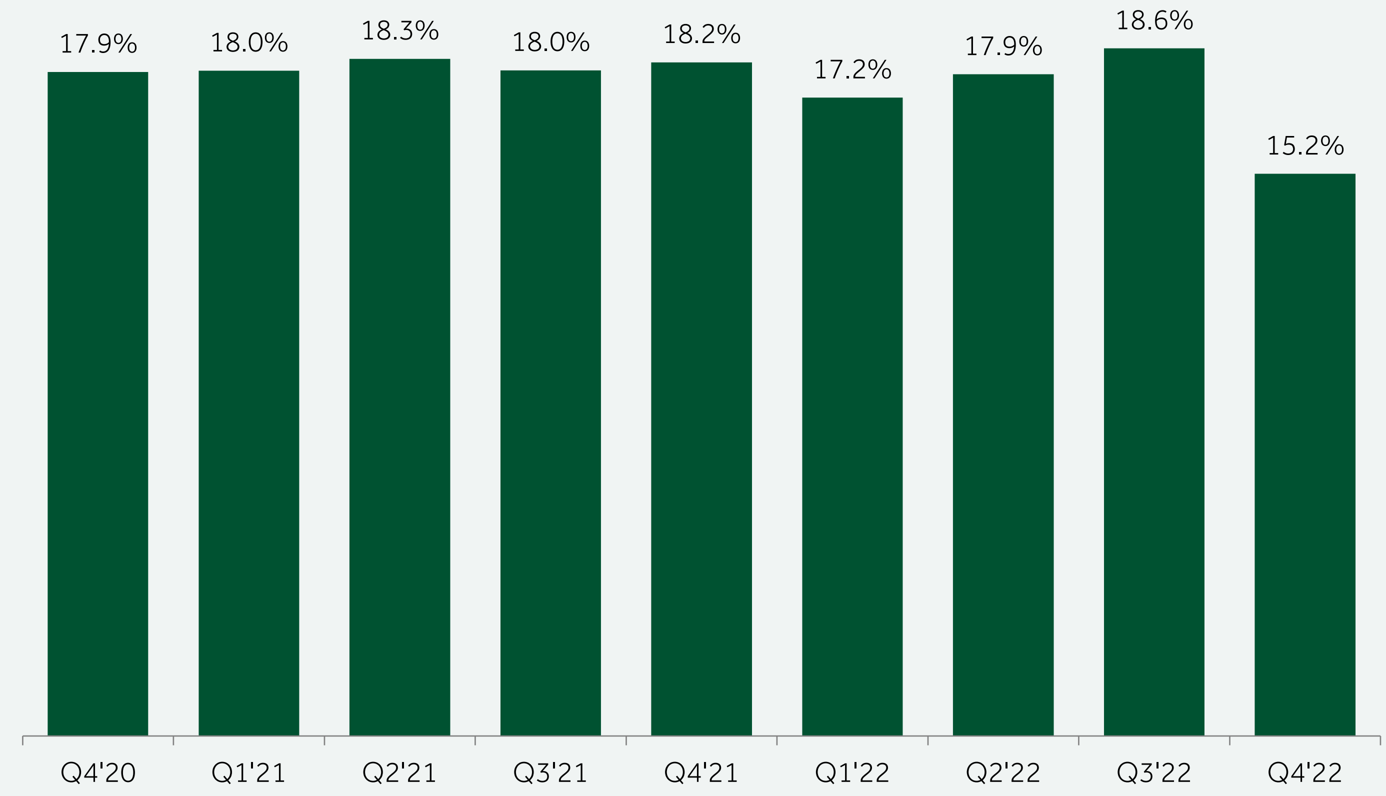
Mgmt. est. in balance of loan impairment charges, balance of discounts on acquired assets (DKKm)



Note: Mangement's esitmate related to risks of acquired assets is included in the balance of discounts for acquired assets and will gradually decrease.

CET1 ratio still within 15%-17% target range after acquisition

Common equity tier 1 ratio



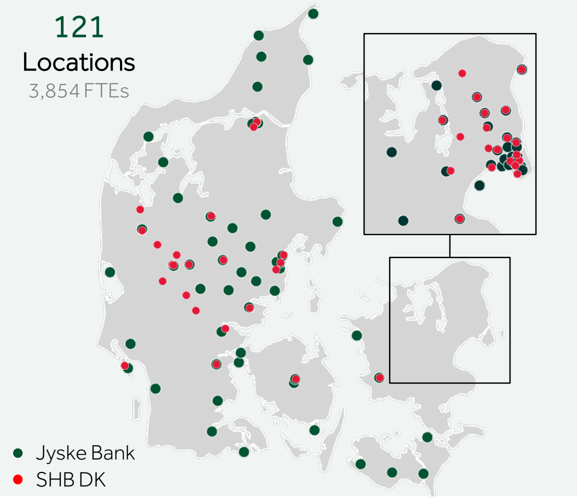
Note: The acquisition of Handelsbanken Denmark caused a CET1 ratio decrease of approx. 4pp.

Integration progressing according to plan

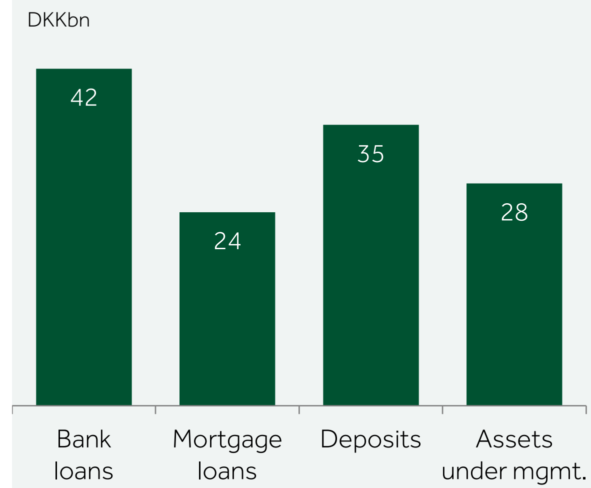
Transition to be finalised in 2023

June 2022	Public announcement
H2 2022	Tier 2/NPS issuances
1 Dec. 2022	Deal closing
Feb. 2023	Merging of organizations
Oct. 2023	Branch merging finalised
Nov. 2023	IT migration completed

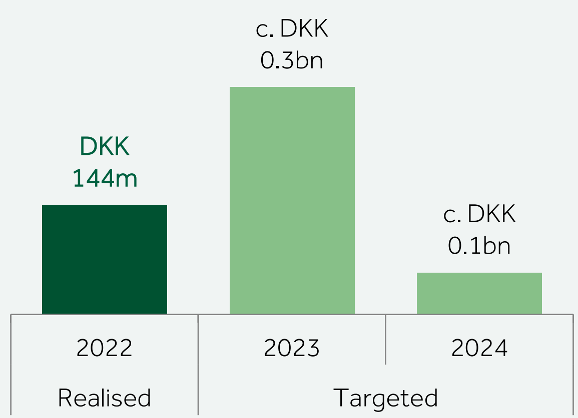
Branch number to be reduced by c. 25%



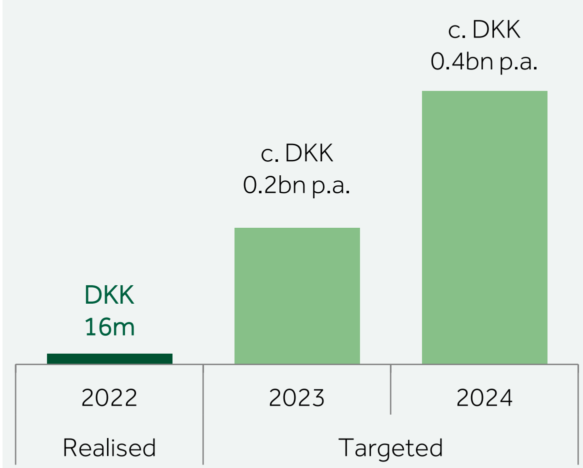
Adding significant business volumes



Total integration costs of c. DKK 0.5bn



Targeting cost synergies of DKK 0.4bn



Note: Business volumes as of closing including fair value adjustments. Mortgage loans at nominal value.

Targeting another EPS record for 2023

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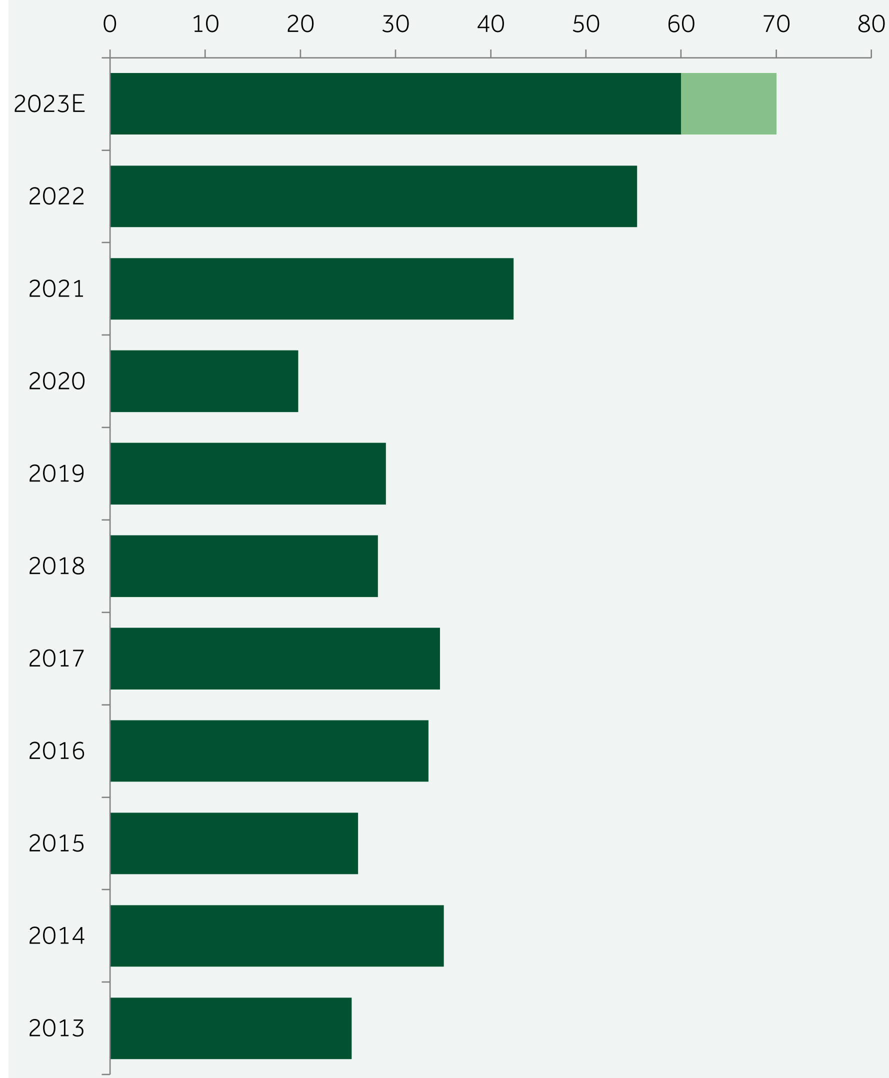
Core income	**Significantly higher in 2023 than in 2022** Mainly due to Handelsbanken Denmark acquisition and a higher level of interest rates
Core expenses	**Significantly higher in 2023 than in 2022** Mainly due to Handelsbanken Denmark acquisition and one-off costs of c. DKK 0.3bn
Loan impairment charges	**An expense in 2023** Management's estimate of DKK 1,777m booked
Net profit	**DKK 4.0bn-4.6bn in 2023** Equivalent to earnings per share of DKK 60-70
CET1 ratio	**15%-17% in the short to medium term** Target includes financing of Basel IV impact

Earnings per share (DKK)



Financials

Q4 2022

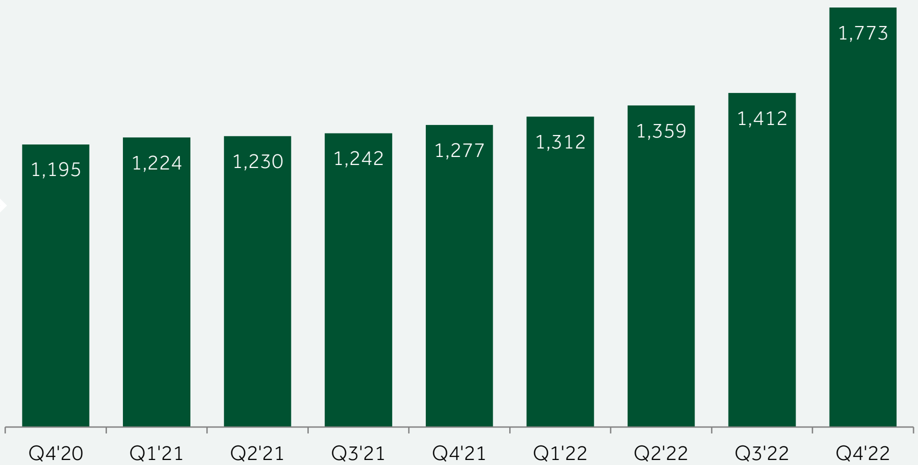
Further acceleration of net interest income momentum

Net interest income (DKKm)

+39% y/y

Net interest income

SHB DK and higher interest rates/bank volumes



+26% q/q

Net interest income

SHB DK and higher interest rates

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- **Q4 net interest income (NII) benefitted from the acquisition of Handelsbanken Denmark and increasing deposit margins.**
- **Handelsbanken Denmark** (SHB DK) added more than DKK 0.1bn q/q to NII from 1 December 2022.
- **NII from lending supported** by higher interest rates and repricing.
- **NII from deposits declined** from partly passing on the effect from higher interest rates to customers.
- **Other NII increased significantly** despite headwind from tier 2 and NPS issuances, as income from excess liquidity benefitted from higher interest rates.

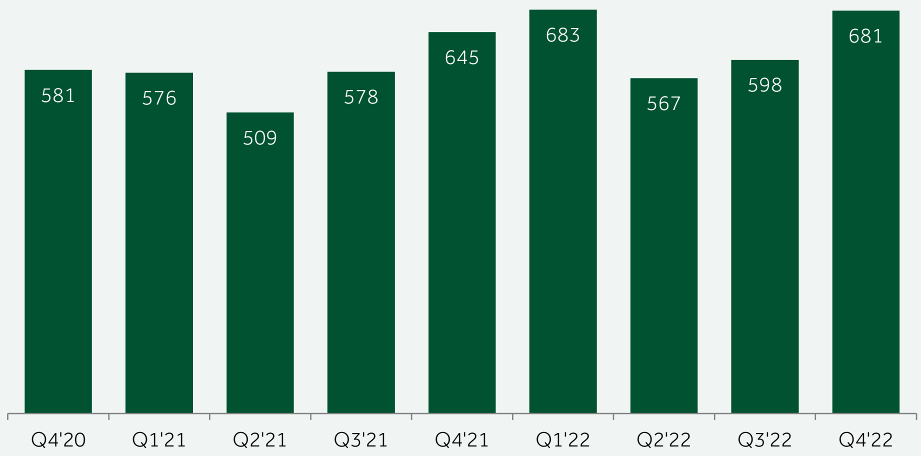
Handelsbanken Denmark acquisition supports fees

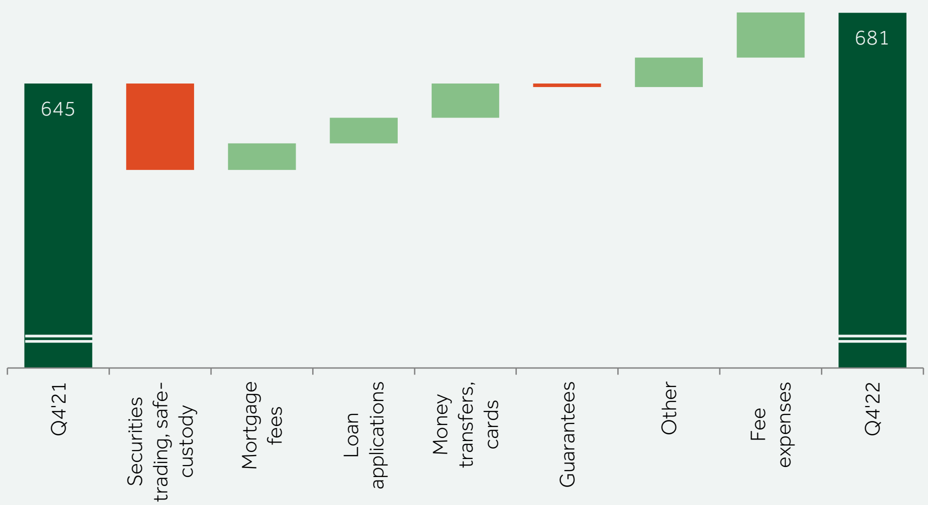
Net fee and commission income (DKKm)

+6% y/y

Net fee income

SHB DK acquisition and repricing initiatives





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- **Net fee and commission income growth supported by the acquisition of SHB DK and repricing initiatives.**
- Securities trading and safe-custody decreased amid **lower wealth management fees** and decreased trading activity.
- **Mortgage fees and loan application fees** supported by slightly higher activity and Handelsbanken Denmark.
- Other fee income as well as card income supported by **customer programme** implemented on 1 April.
- **Fee expenses** decreased from elevated level.

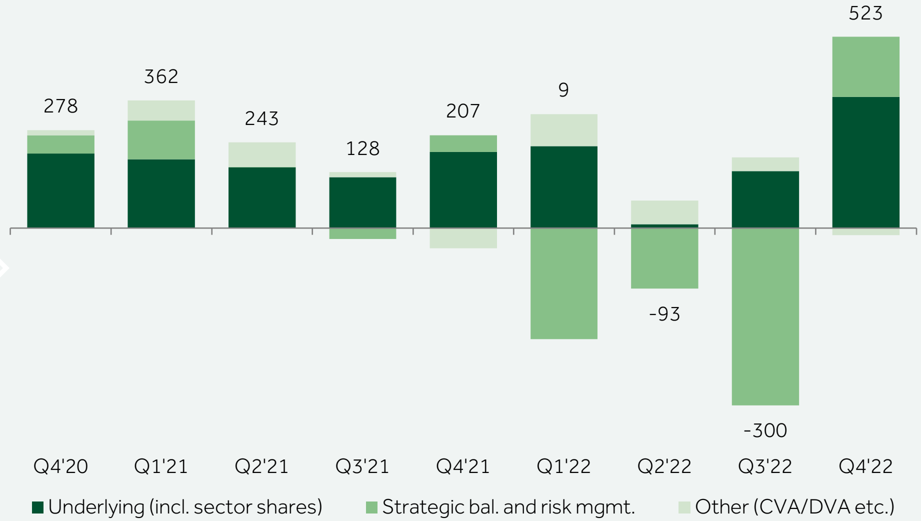
Very strong trading performance in Q4 2022

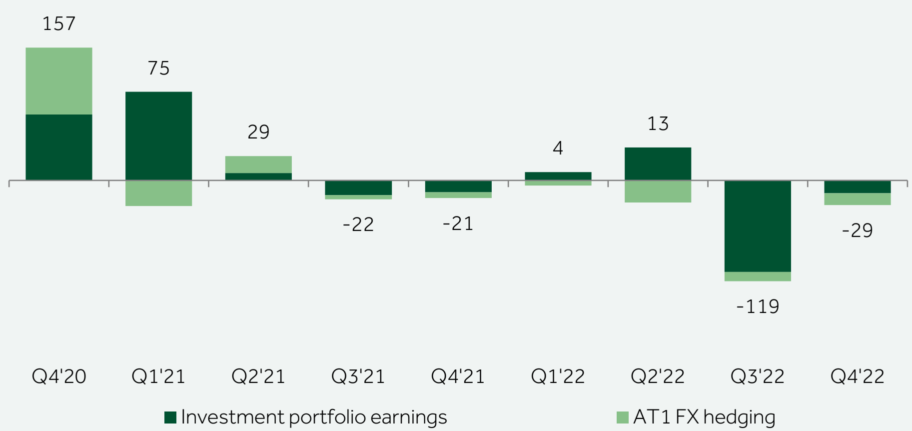
Value adjustments and investment portfolio earnings (DKKm)

DKK +523m

Value adjustments

Positive effect from OAS tightening





DKK -29m

Investment portfolio

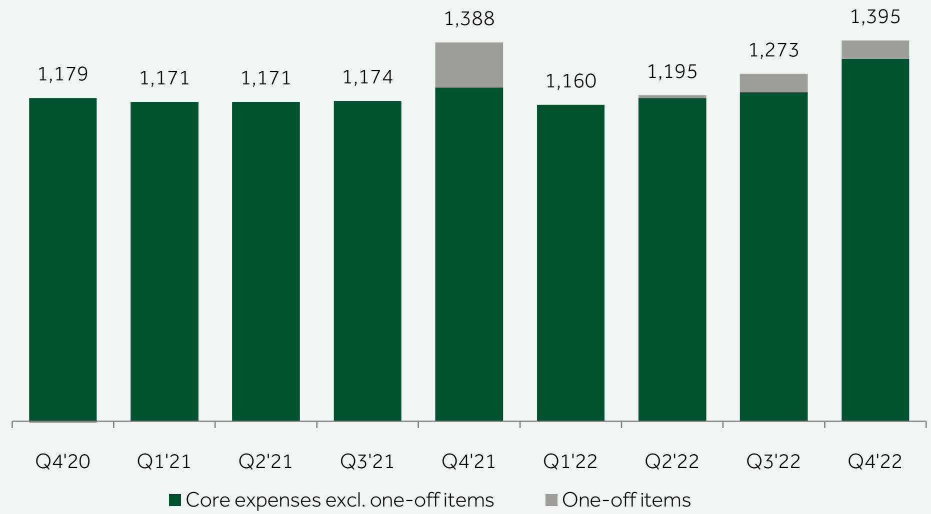
Negative impact from FX positions

- **Spread tightening of Danish mortgage bonds provided a significant Q4 tailwind**, following several quarters negatively impacted by hedging of interest rate risk.
- **Strong trading performance in client-driven banking and mortgage activities** in addition to positive impact from strategic equity positioning.

Note: Impact from AT1 FX hedging is offset by an equivalent adjustment of shareholder's equity.

Underlying cost inflation remains at manageable level

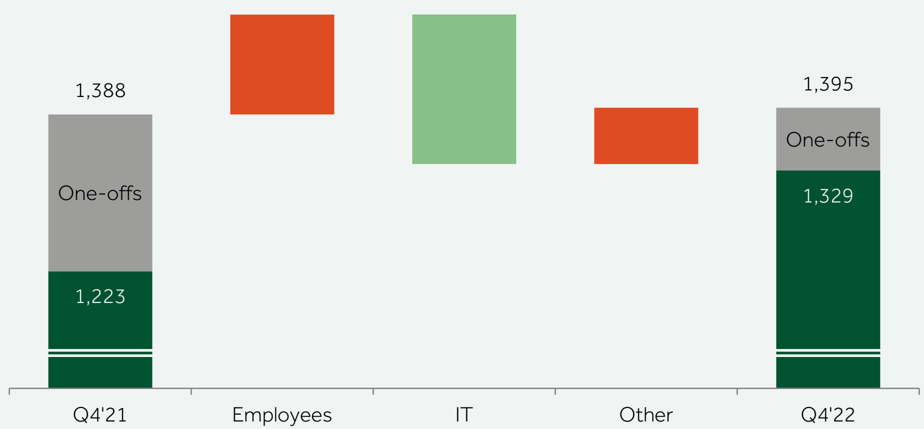
Core expenses (DKKm)



+1% y/y

Core expenses

+2% y/y excl. one-offs and SHB DK



- **Adjusted for one-off items, core expenses rose 9% y/y of which 7pp was caused by SHB DK. The underlying increase was mainly caused by higher employee costs.**
- **SHB DK added slightly below DKK 0.1bn** of costs (incl. synergies) in Q4.
- **One-off items of DKK 66m in Q4** and DKK 144m in total for 2022 related to acquisition of SHB DK.
- **IT costs declined significantly** due to a one-off of DKK 165m booked in Q4 2021.
- Number of **FTEs up 19% y/y** to 3,854 due to SHB DK. Higher employee costs also caused by collectively prescribed salary increase of 2.0%.
- **Amortization of customer relationships** related to the acquisition of Handelsbanken Denmark was DKK 4m in Q4 2022 and will be DKK 49m p.a. for the coming 10 years.

Note: Core expenses include one-off expenses related to the acquisition of Handelsbanken Danmark.

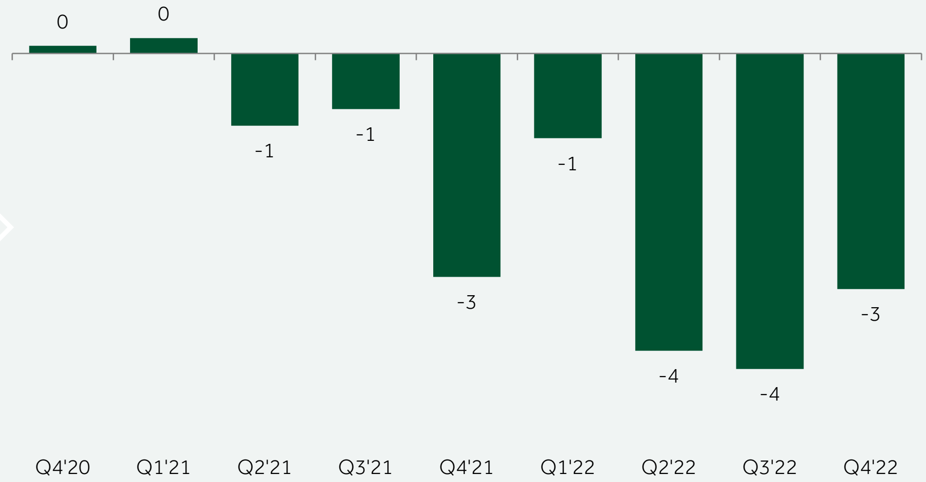
Solid credit quality ensures continued reversals

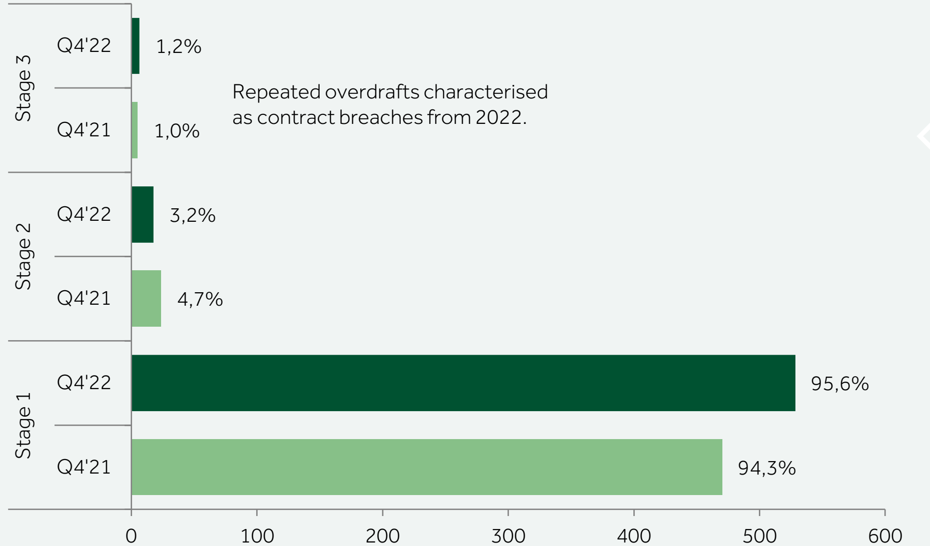
Cost of risk and IFRS 9 stages (bp/DKKbn)

DKK -158m (-3bp)

Cost of risk

Strong credit quality and significant mgmt. estimate





1.2%

Stage 3 exposure

-0.2pp q/q

DKK 1,777m

Mgmt. estimate

DKK +137m q/q

- **Credit quality remains strong** with seven consecutive quarters of reservals and no material impact from changed macroeconomic backdrop.
- **Acquisition of SHB DK** resulted in a stage 1 loss allowance of DKK 74m, impacting the P/L in Q4. A further DKK 641m was reserved in the balance of discounts for acquired assets.
- **Management's estimate is at a solid level** of DKK 1,777m (32bp), o.w. DKK 352m is related to SHB DK.
- **Level of stage 3 exposures declined 0.2pp in Q4**. Loans subject to forbearance measures as well as 90-day mortgage arrears also remain at low levels.

Note: Stage exposures exclude purchased/originated credit impaired exposures (0.02%). Mgmt. est. includes discounts for acquired assets.

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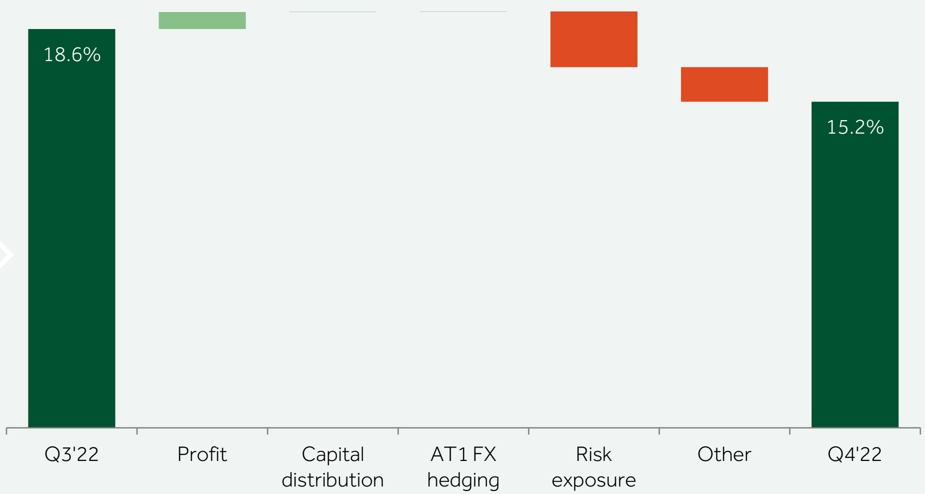
CET1 ratio within target range despite acquisition

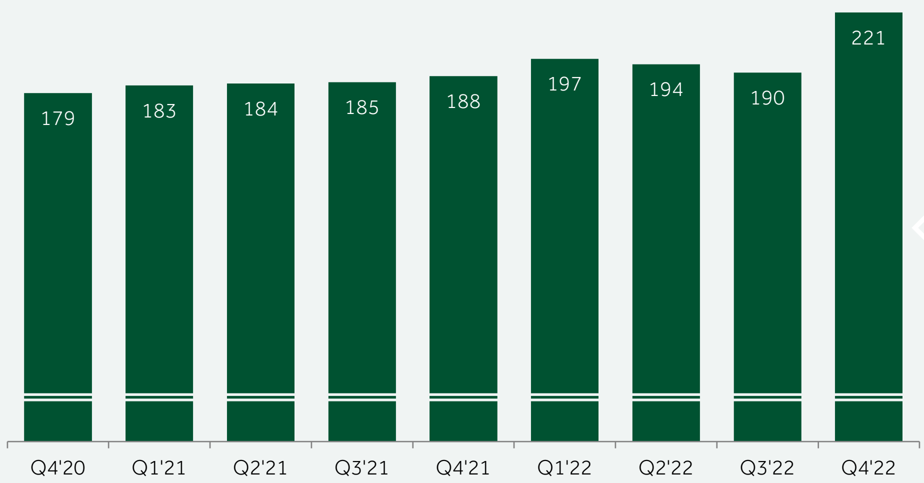
Common equity tier 1 ratio and risk exposure amount (%/DKKbn)

15.2%

CET1 ratio

15%-17% target range
12.0% requirement





+16% q/q

Risk exposure amount

Acquisition of Handelsbanken Denmark

- **15.2% CET1 ratio is within 15%-17% target range** despite decrease of 3.4pp q/q due to intangible assets and credit risk related to acquisition of SHB DK.
- Targeting **recommencement of capital distribution** in H2 2023.
- The CET1 ratio **impact from upcoming regulation** (incl. Basel IV) is included in the current capital targets. After implementation, capital targets will be reconsidered and expectedly lowered.
- **Funding plan:** EUR 500m-750m NPS debt to be issued in H1 2023.

Volumes

Q4 2022

Handelsbanken Denmark adds further business volume

Business volumes (Q4'20=100 / DKKbn)

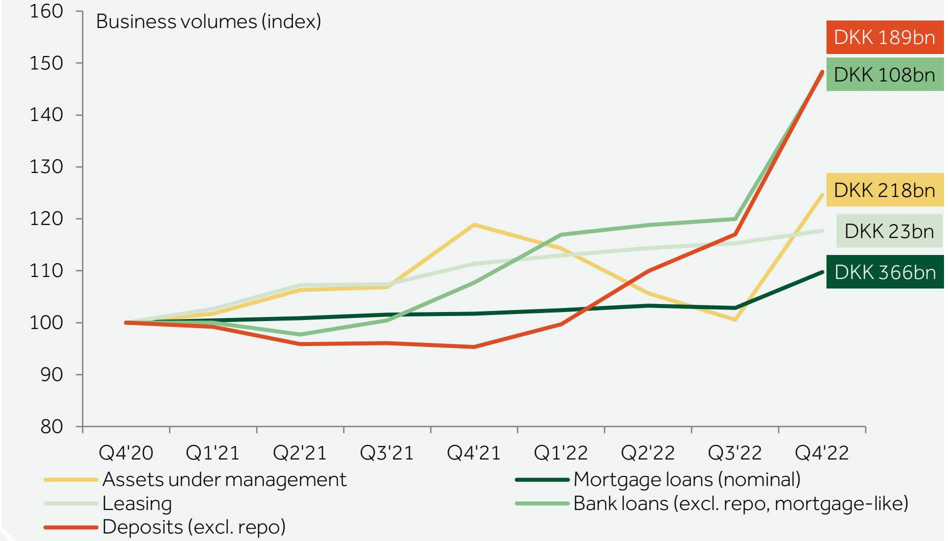
7% q/q
Mortgage loans (nom.)
+8% y/y

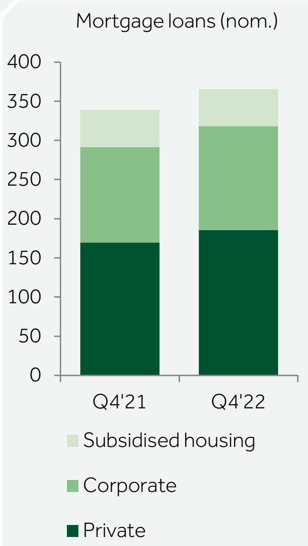
+23% q/q
Bank loans ex. mtg.-like
+37% y/y

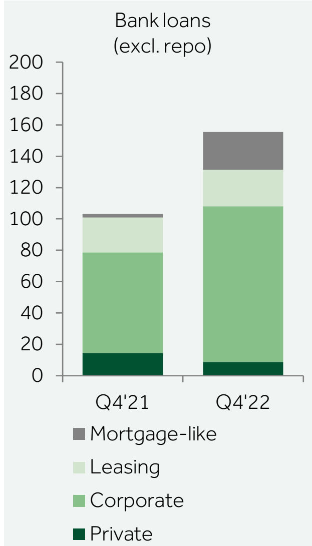
+2% q/q
Leasing
+6% y/y

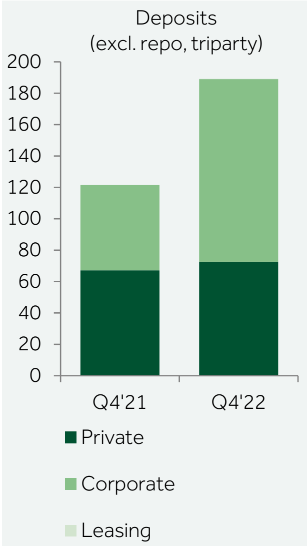
+27% q/q
Deposits
56% y/y

+24% q/q
Assets under mgmt.
+5% y/y









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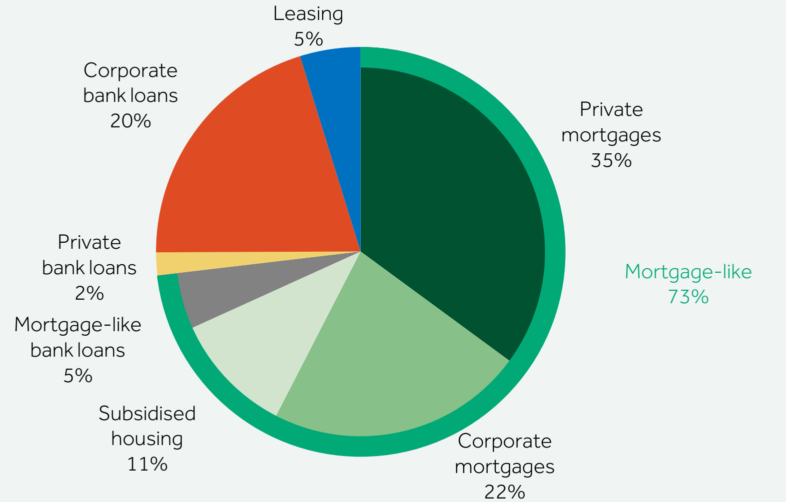
- **Mortgage loans (nominal):** Approx. unchanged q/q excl. SHB DK, as higher corporate lending was offset by lower private lending.
- **Bank loans (excl. mortgage-like):** Declined approx. -3% q/q excl. SHB DK, mainly due to lower lending to large corporate clients.
- **Leasing:** Growth in Q4 mainly driven by large corporate clients, as supply chain issues in the car industry continued to limit growth somewhat.
- **Deposits:** Increased approx. +1% q/q excl. SHB DK due to both corporate and private clients.
- **Assets under management:** Increased +8% q/q excl. SHB DK amid a positive development in financial markets.

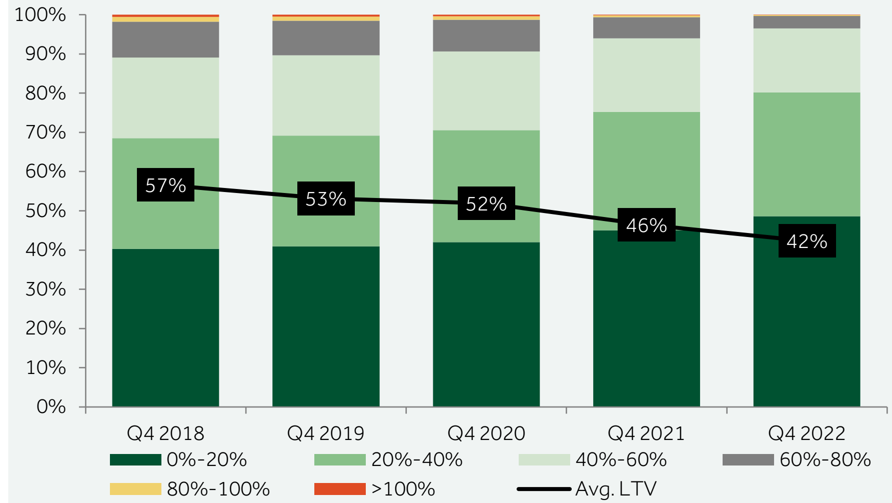
Note: Lending and deposits figures are exclusive of repo.

Lending characterised by high mortgage share with low LTV

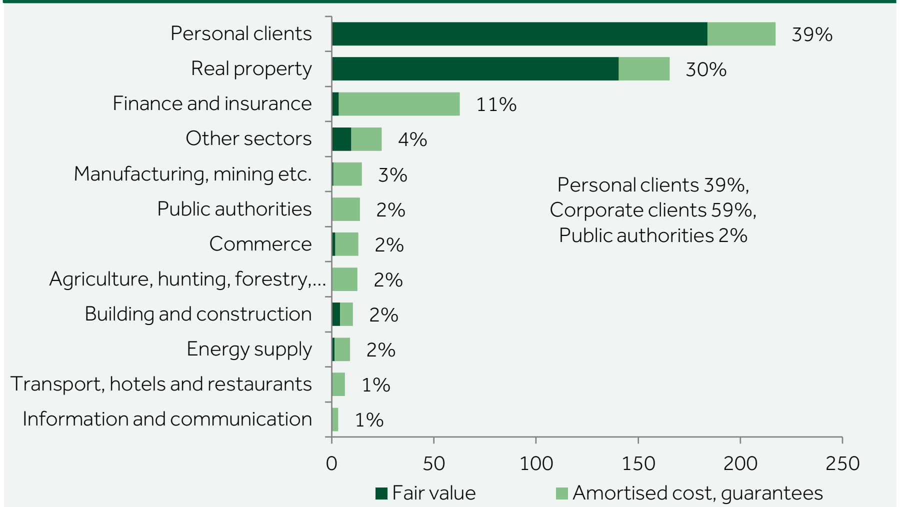
Split of lending volumes (excl. repo)



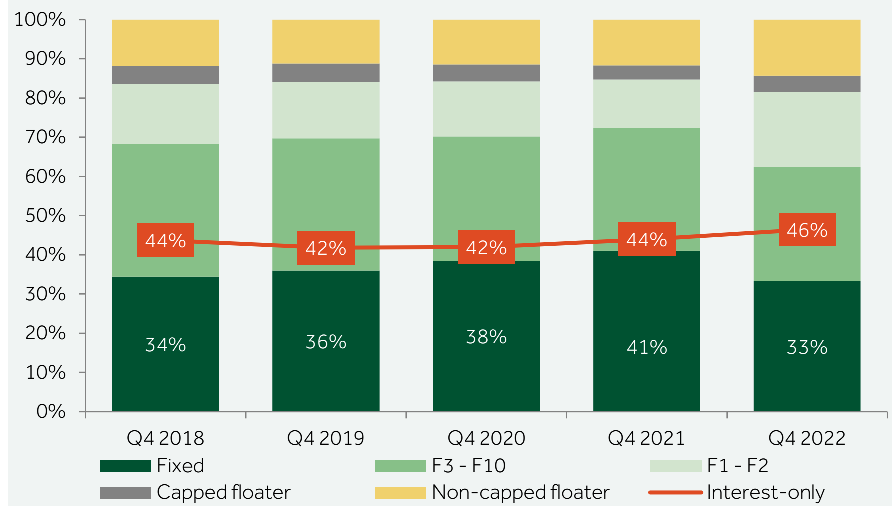
Significant de-risking of mortgage portfolio LTV



Loans, advances and guarantees by sector (DKKbn)

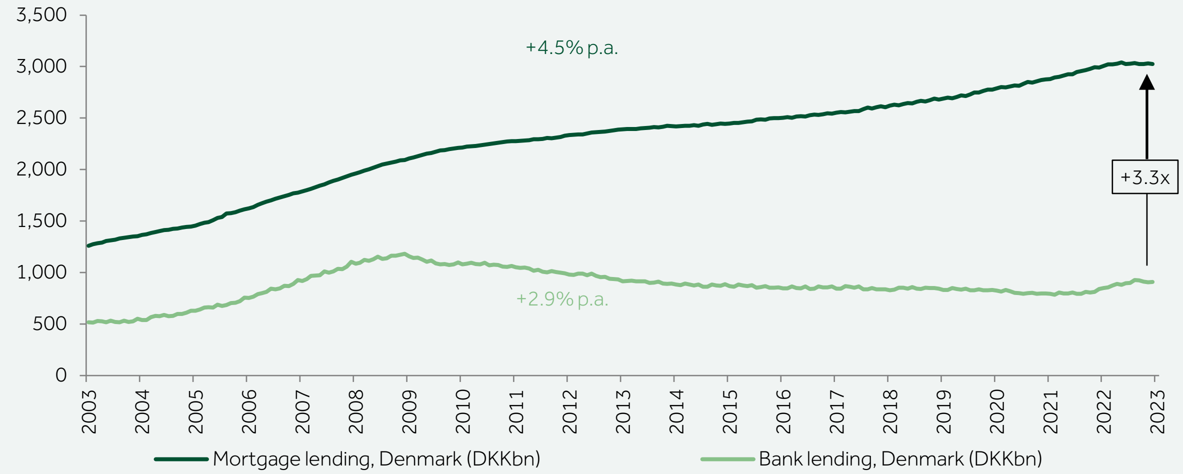


Product split of mortgage lending



High mortgage lending share underpins stability and growth

Mortgage lending growth is relatively high and remarkably resilient



The Danish mortgage model

Attractive, transparent lending terms at low cost of risk

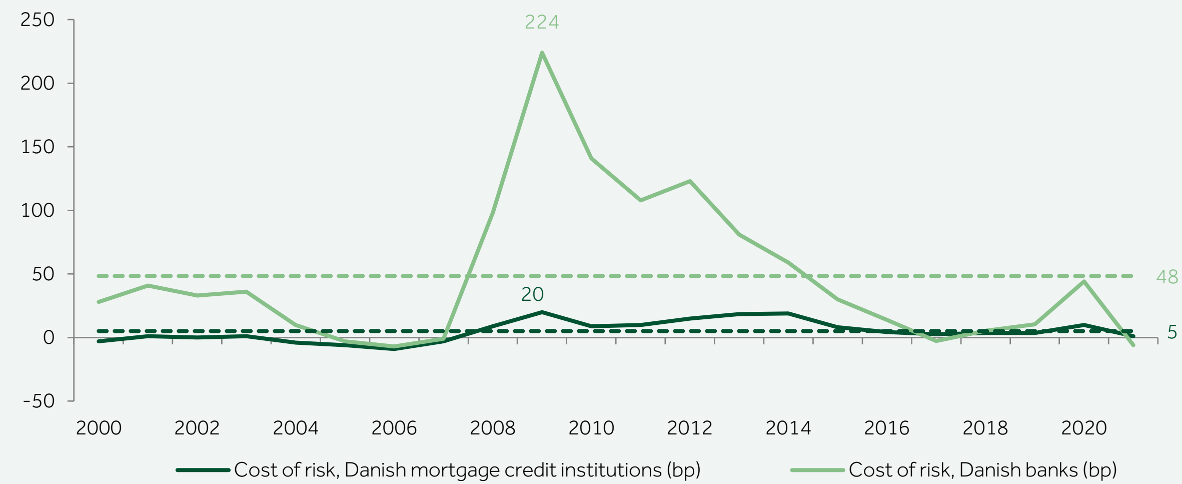
Issuing covered bonds with 1:1 matching terms (full pass-through)

More stable margin development

Full pass-through of interest rates in a consolidated market

Mortgage margins up 53% since 2003, Banks' net interest margins are down 36%

Mortgage lending has ~10x lower cost of risk than bank lending (bp)



Note: Larger Danish banks' cost of risk has historically been lower than the average for all banks. Jyske Bank's above-normal subsidised housing exposure is largely state-guaranteed.

Sustainability

Sustainable business and responsible banking operations

Approach and ambitions

Ingrained in identity

"We run a sustainable and responsible business"

First statement in Jyske Bank's Identity

Supporting a wide range of sustainability-related principles, alliances, targets and initiatives

Focus on financed emissions

Share of CO_2 emissions

0.03%
Scope 1
Company cars, local heating

0.08%
Scope 2
Electricity, district heating

99.89%
Scope 3
Financing, investing, etc.

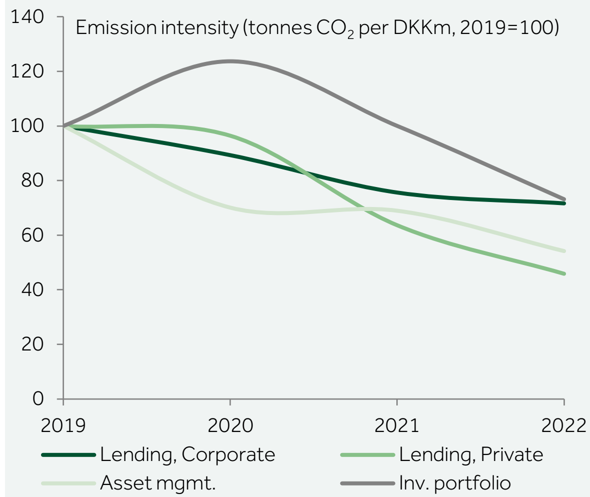
ESG ambitions

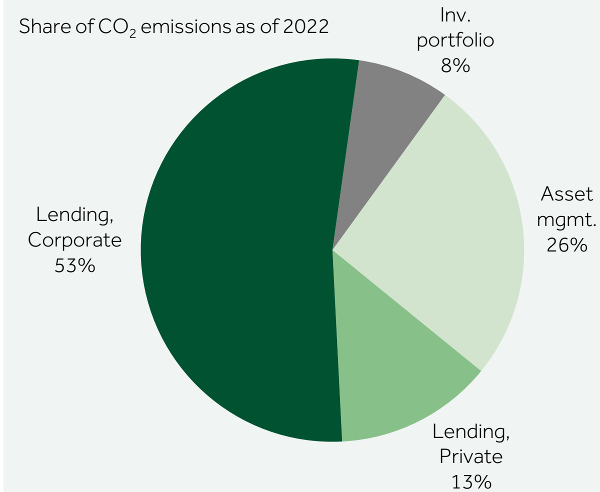
Net zero emissions and green financing
Environmental

Engaged and competent employees
Social

Responsible operations
Governance

Intensity of financed/invested emissions reduced by 39% since 2019





Targeting net zero emissions by 2050

Lending

1.3 million tonnes CO_2
Emissions in 2022
-22% vs. 2019

Targets for emission intensity reduction

From 2020 to 2030

Owner-occupied property	65%
Office, commercial property	50%
Agriculture	≥40%
Electricity and heating	30%
Road transport (vs. 2019)	≥15%

Targets for growth in green finance

From 2019 to 2025

Renewable energy Equivalent to 5 TWh (2022: 3.6 TWh)	+150%
Low-energy commercial property Equivalent to DKK 50bn (2022: DKK 47bn)	+43%
Low-emission share of vehicles, etc. 2022: 18% of financed vehicles, op. equipment	30%

Investments

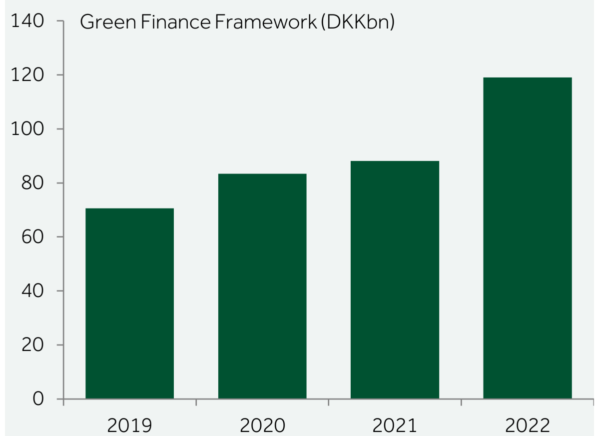
0.6 million tonnes CO_2
Emissions in 2022
-42% vs. 2019

Targets for emission reduction

From 2019 to 2030

Managed equity investments 2022: -46% vs. 2019	75%
Danish mortgage bond investments 2022: -49% vs. 2019	40%

Targeting growth in green finance



Own operations

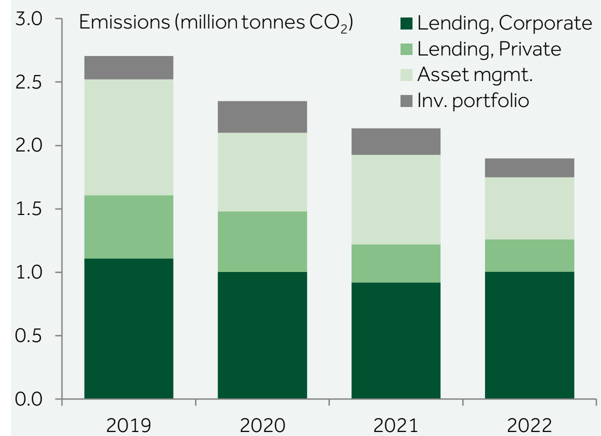
0.02 million tonnes CO_2
Emissions in 2022
-19% vs. 2020

Target for emission reduction

From 2020 to 2030

Scope 1 and scope 2 Offset by renewable energy production since 2021	65%

Emissions reduced 30% vs. 2019



Note: Targets for investments cover approx. half of assets under mgmt. Targeting net zero emissions by 2045 for lending and by 2050 for investments.

Jyske Bank

In brief

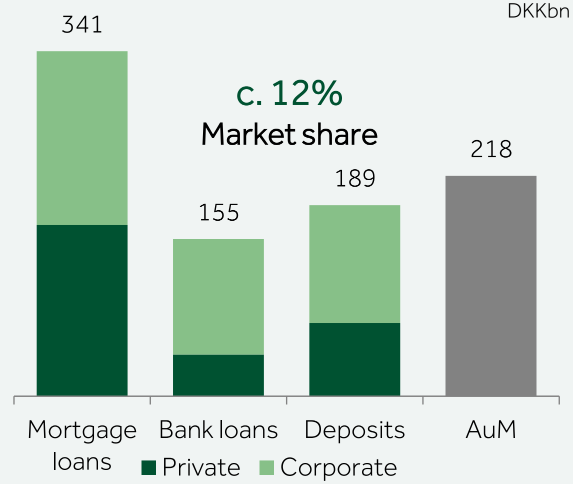
JYSKE BANK

One of the largest financial institutions in Denmark

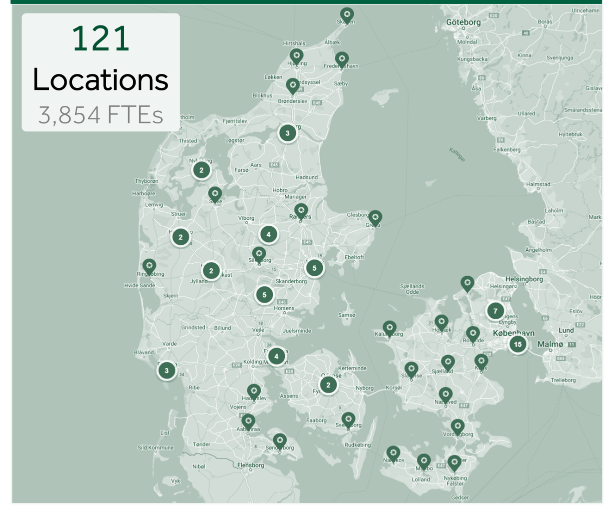
Founded in 1967, now a Danish SIFI

- 1967 **Founded** by merger of four banks in Silkeborg
- 1989 **Seven acquisitions** in 1970s and 1980s
- 2011 **SN Leasing, Easyfleet, Fjordbank Mors** acquired
- 2013 Acquisition of **Sparekassen Lolland**
- 2014 Acquisition of **Jyske Realkredit** from BRFfonden
- 2022 Acquisition of **Handelsbanken Denmark**

Focused on structural, low-risk growth



Leading presence in AAA economy



Strong operating performance

Last four quarters

DKK 3.8bn
Net profit

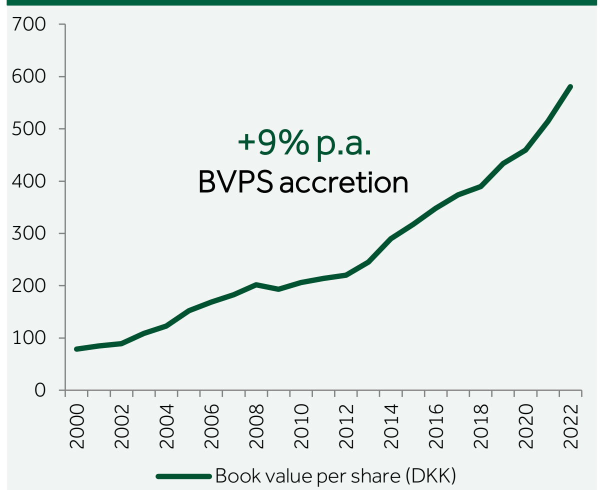
10.0%
Return on equity

55%
Cost/income

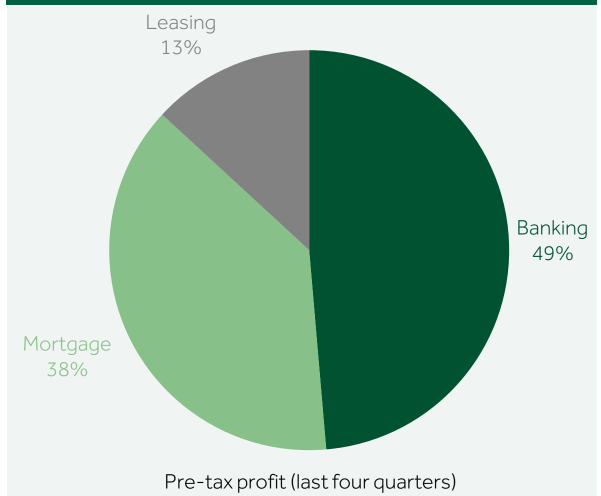
A/Stable/A-1
S&P issuer credit rating

AAA
MSCI ESG rating

Solid book value per share accretion

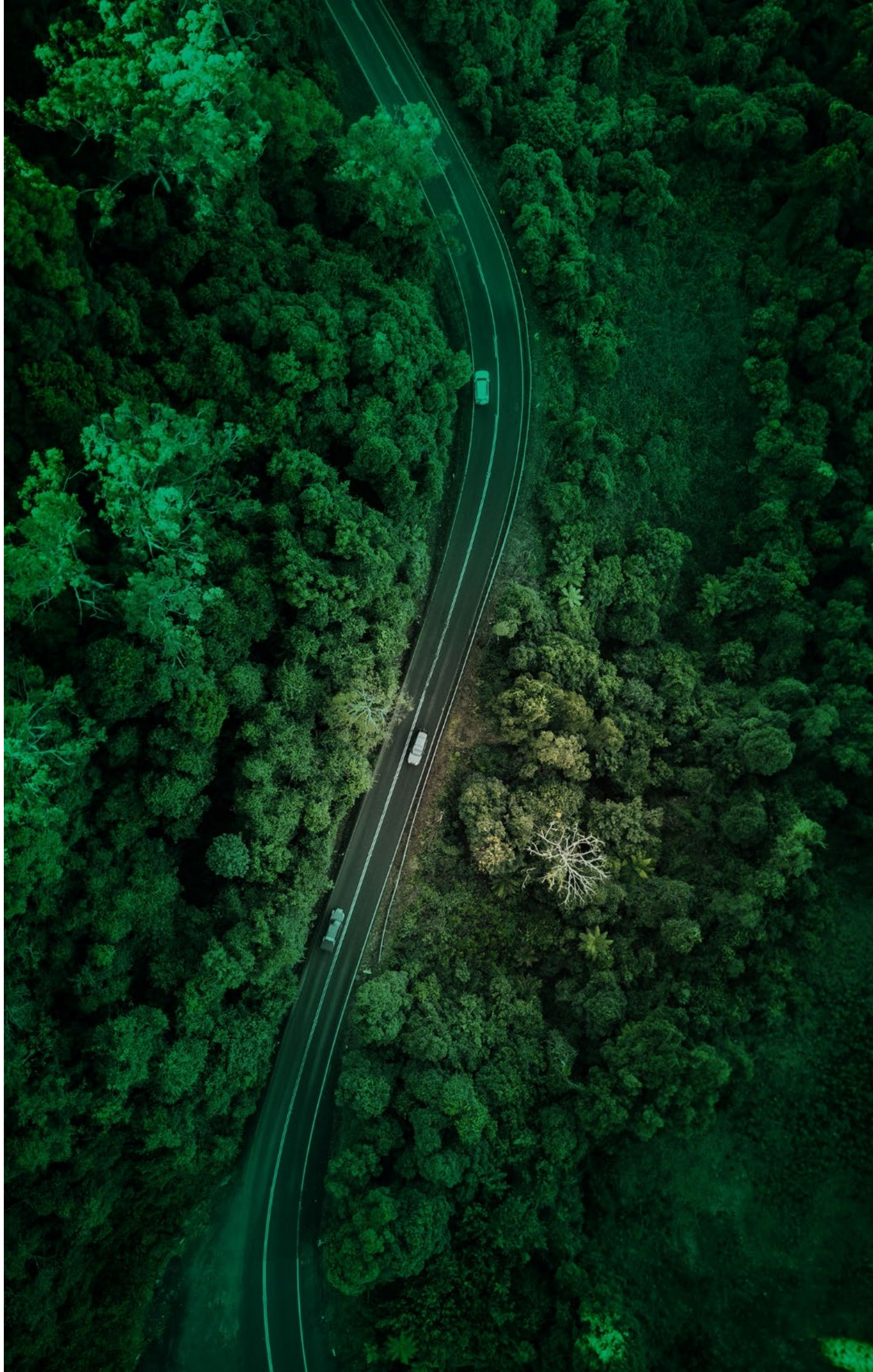


Complementary, full-service offering



Note: Nominal mortgage loans, bank loans/deposits excl. repo. Market share based on lending. Key metrics based on last four quarters or as of the end of last quarter.

Macroeconomics



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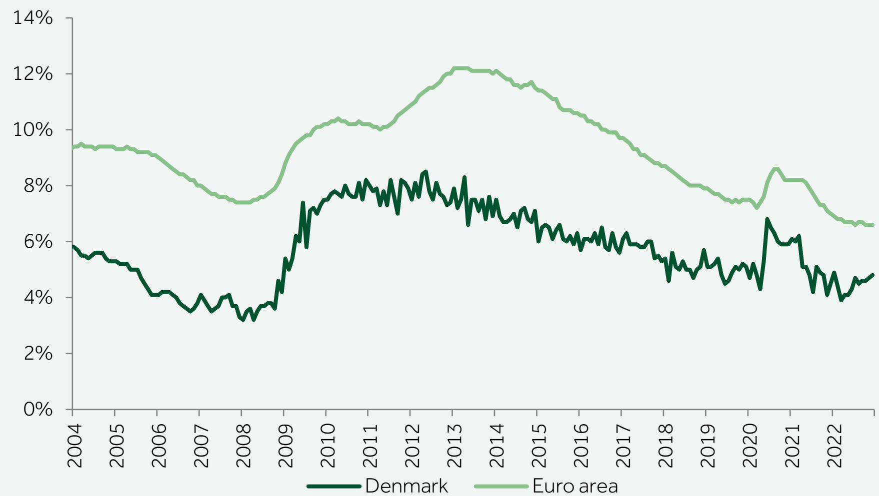
Macroeconomics

Real gross domestic product (2010=100)

Inflation rate (HICP, y/y)

Unemployment rate



Interest rates, Denmark (monthly averages)

Source: Eurostat.

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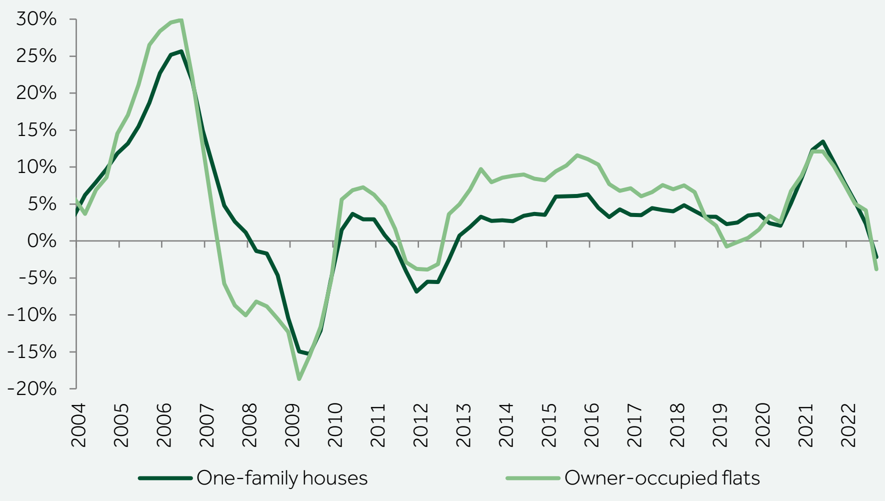
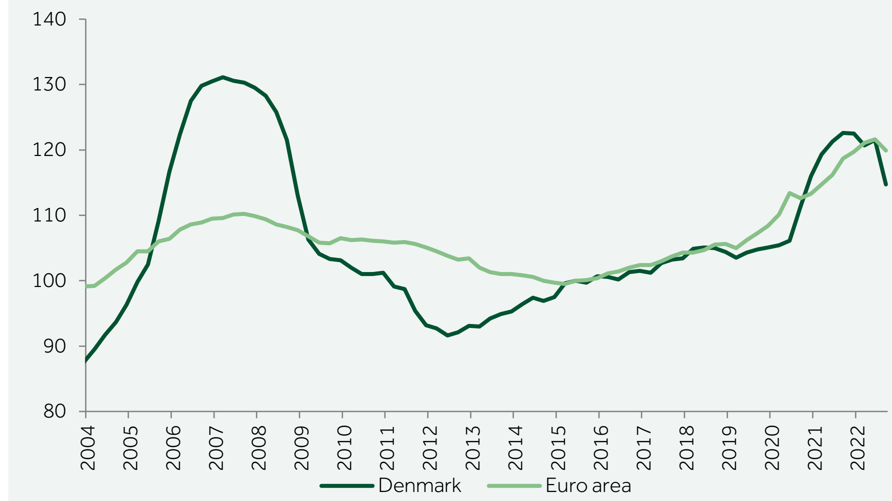
Macroeconomics

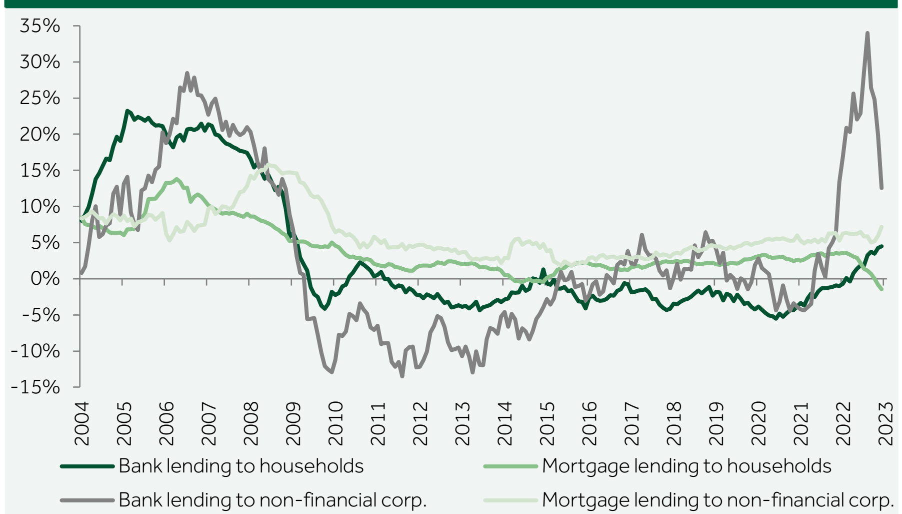
Real estate prices, Denmark (y/y)



House prices to disposable income (2015=100)



Lending growth, Denmark (y/y)



Economic Sentiment Indicator

Sources: Statistics Denmark, OECD, Eurostat.

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Forecast

Danish economy	DKKbn 2021	2020	2021	Real growth (%) 2022E	2023E	2024E
Consumer spending	1,142	-1.3	4.1	-2.5	-1.8	0.9
Public spending	608	-1.4	4.2	-0.9	0.0	0.6
Fixed gross investment	566	5.1	6.2	3.9	-4.1	0.5
Inventory investment*	9	-0.2	0.0	0.5	-0.2	0.0
Exports	1,494	-6.3	8.0	7.4	0.4	1.1
Imports	1,315	-3.6	8.0	2.9	-1.6	1.0
Gross domestic product (GDP)	2,504	-2.0	4.9	3.0	-0.8	0.8
Balance of payments						
- DKKbn		188	225	350	250	220
- percentage of GDP		8.1	9.0	12.4	8.3	7.1
Public budget balance						
- DKKbn		5	65	60	30	25
- percentage of GDP		0.2	2.6	2.1	1.0	0.8
Unemployment						
- Gross unemployment, average (thousands)		133	106	76	100	116
- Percentage of workforce		4.3	3.4	2.3	3.1	3.6
Employment, avg. (thousands)		2,973	3,046	3,161	3,127	3,098
Inflation (%)		0.4	1.9	7.7	4.1	2.2
Wage index (Private, %)		2.3	3.0	3.6	4.0	3.3
House prices (nominal prices, %)		4.5	11.0	0.5	-11.8	-2.3
Danmarks Nationalbank's lending rate, year-end (%)		0.05	-0.45	1.80	2.05	2.05
Danmarks Nationalbank's CD rate, year-end (%)		-0.60	-0.60	1.75	1.90	1.90

* Contribution to growth as a percentage of the preceding year's GDP. Sources: Statistics Denmark, Jyske Bank as of 15 December 2022.

Financial calendar 2023

28 Feb.	Announcement of the 2022 results
28 Feb.	Annual report 2022
28 Feb.	Risk Management Report 2022
30 Mar.	Annual General Meeting
2 May	Interim report for the first quarter of 2023
15 Aug.	Interim report for the first half of 2023
31 Oct.	Interim report for the first nine months of 2023

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