
Investor presentation

Q1 2023



Summary

Q1 2023

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Upgrading the outlook for a record-setting 2023

Upgraded outlook for 2023

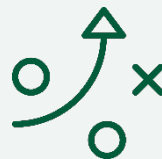


DKK 65-75

Earnings per share in 2023E

Increase of 17-35% vs. all-time high 2022 level

Handelsbanken DK acquisition



**Progressing according to plan
Handelsbanken Denmark integration**

Acquired on 1 December 2022

Strong income momentum

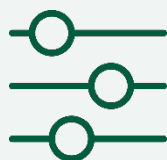


+70% y/y

Net interest income

Q1 2023

Manageable cost inflation



+3% y/y

Underlying core expenses

Q1 2023 excl. one-offs, Handelsbanken DK

Well-provisioned



DKK 1,425m

Post-model adjustments

More than two years of normalized loan losses

Solid liquidity position



174%

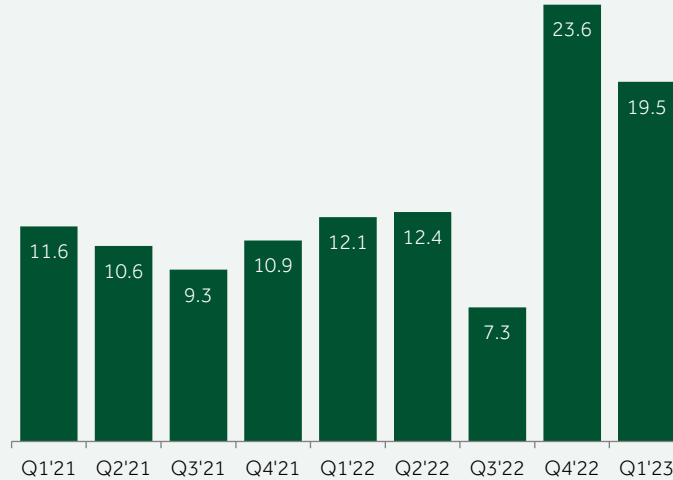
Liquidity coverage ratio

Deposit growth of 7% q/q

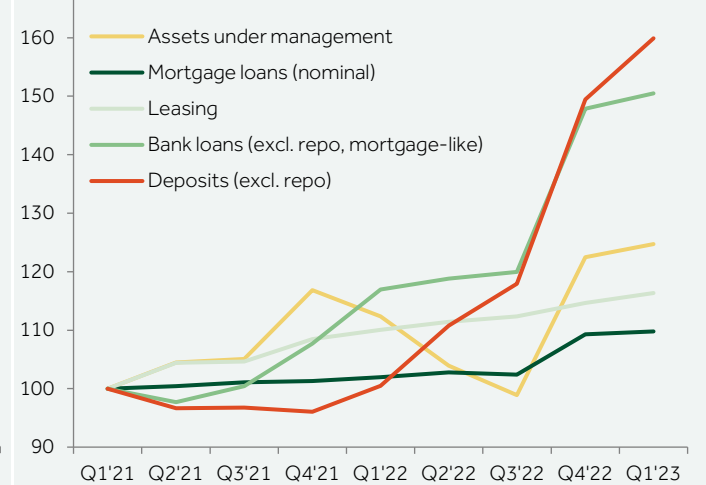
Continued strong financial performance in Q1 2023

Q1 2023 in brief

Earnings per share (DKK)

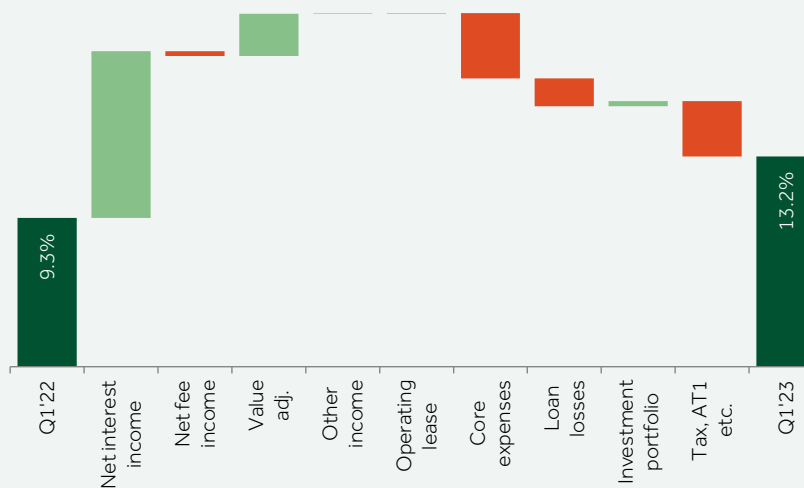


Business volumes (index)



+61% y/y
Earnings per share

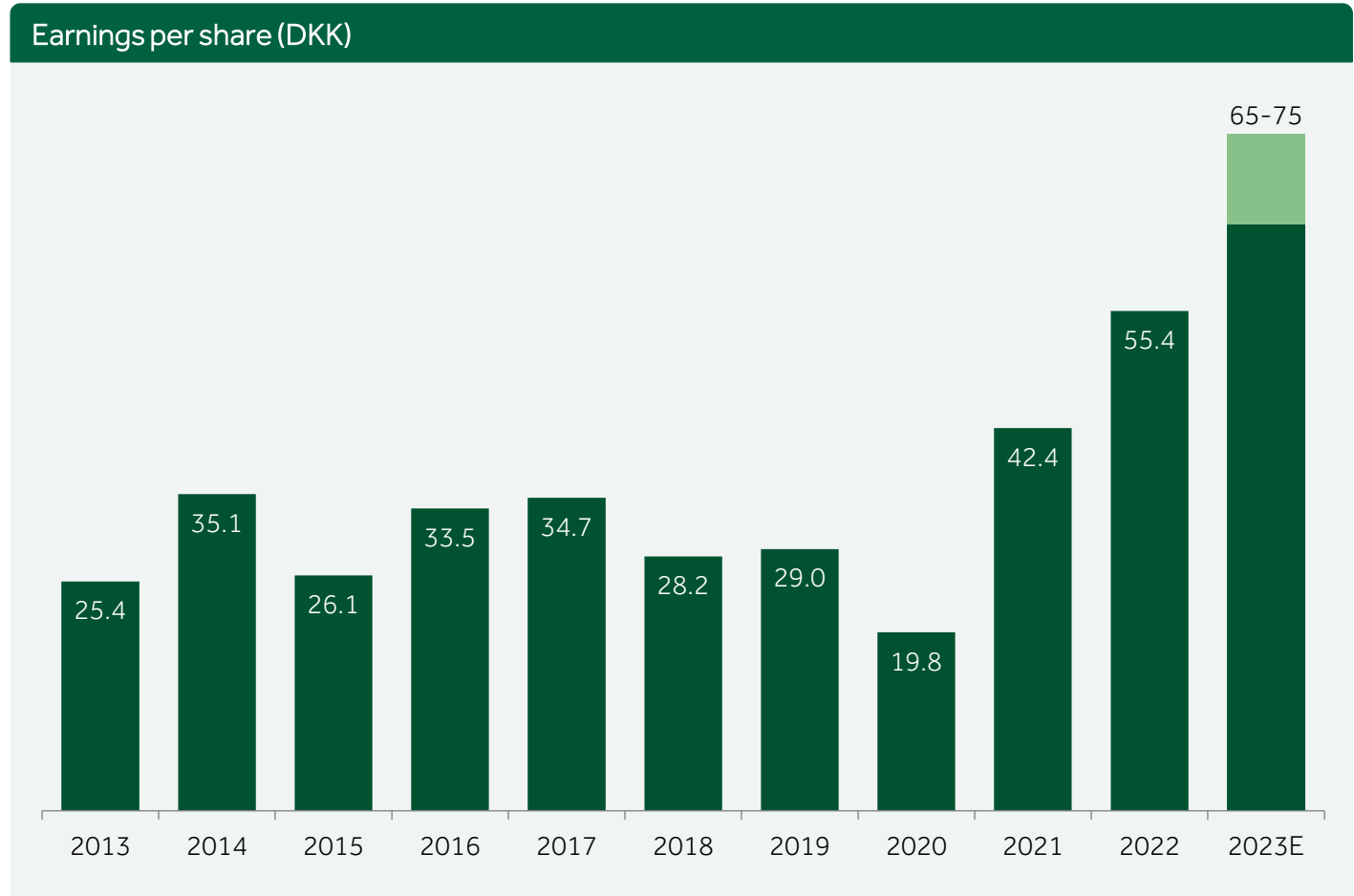
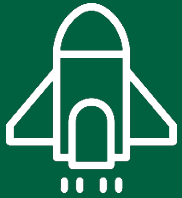
Return on equity (p.a.), y/y bridge



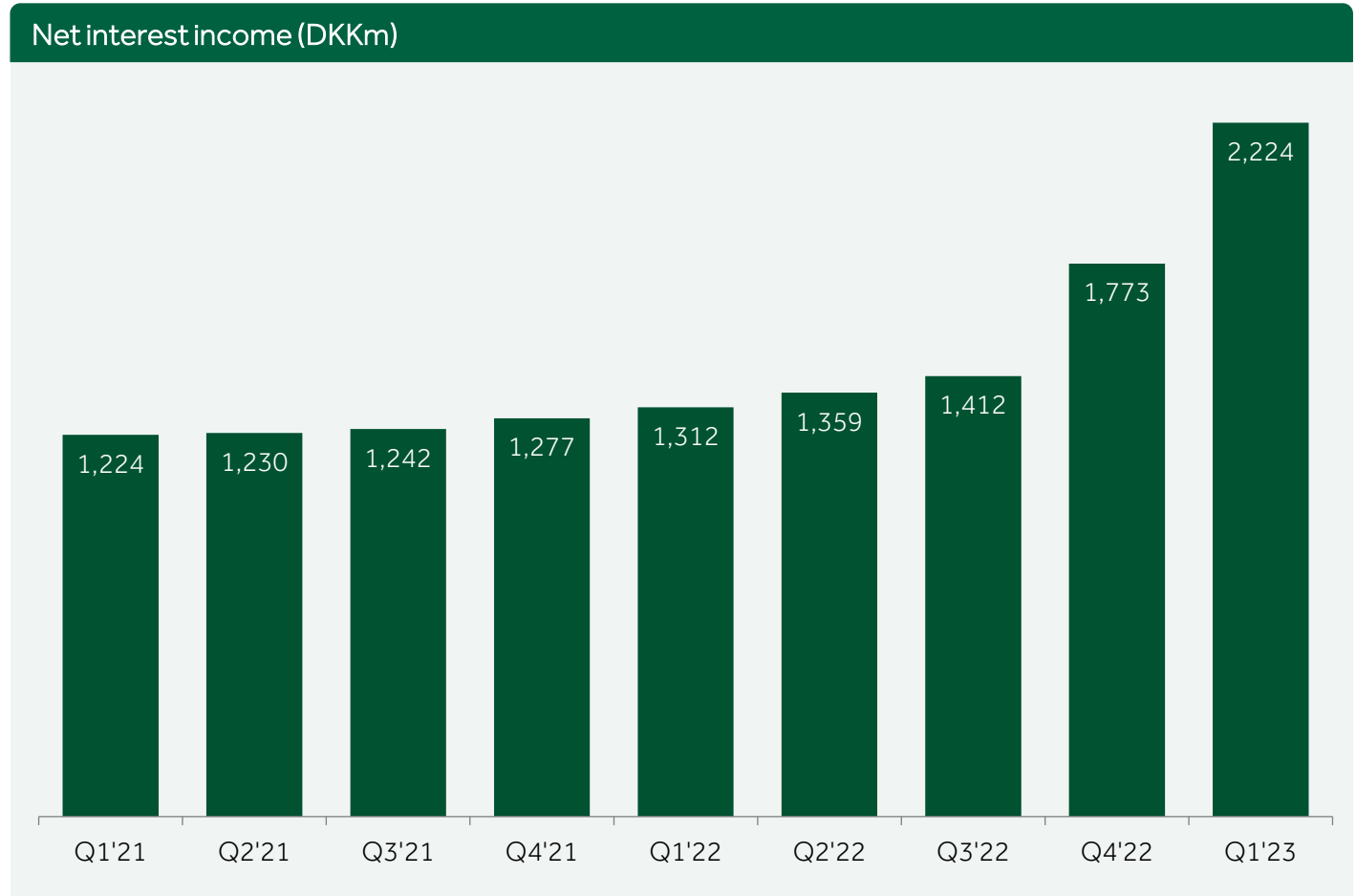
	DKKm	Q1'23	Q1'22	Index
Net interest income		2,224	1,312	170
Net fees and commissions		658	683	96
Value adjustments		240	9	-
Other income		104	105	99
Income from operating lease		84	80	105
Core income		3,310	2,189	151
Core expenses		1,518	1,160	131
Core profit before loan losses		1,792	1,029	174
Loan impairment charges		96	-55	-
Core profit		1,696	1,084	156
Investment portfolio		31	4	775
Pre-tax profit		1,727	1,088	159
Tax		438	237	185
Net profit		1,289	851	151

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

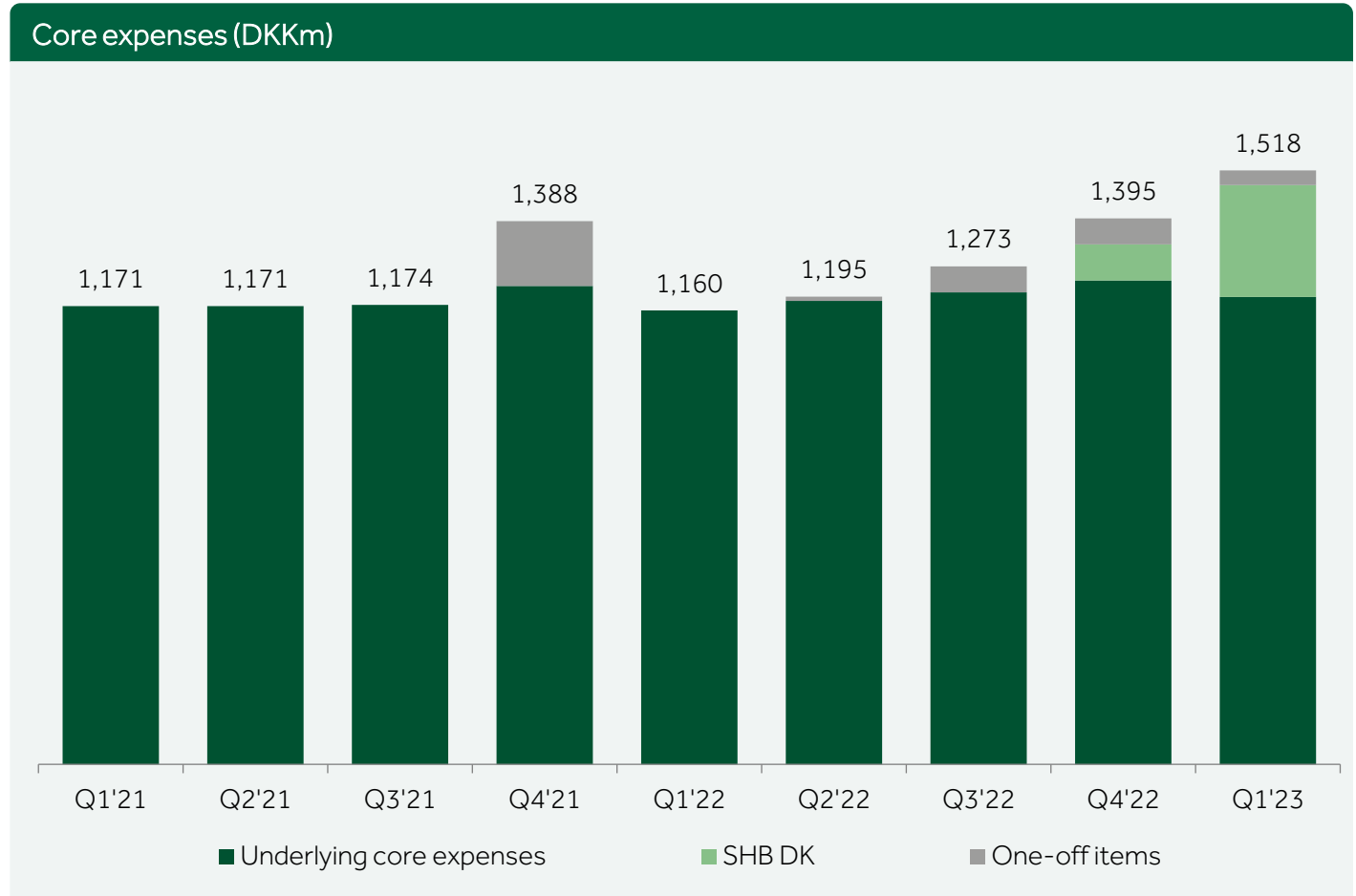
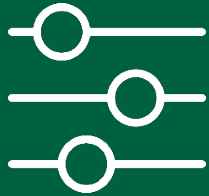
A second upgrade of earnings expectations for 2023



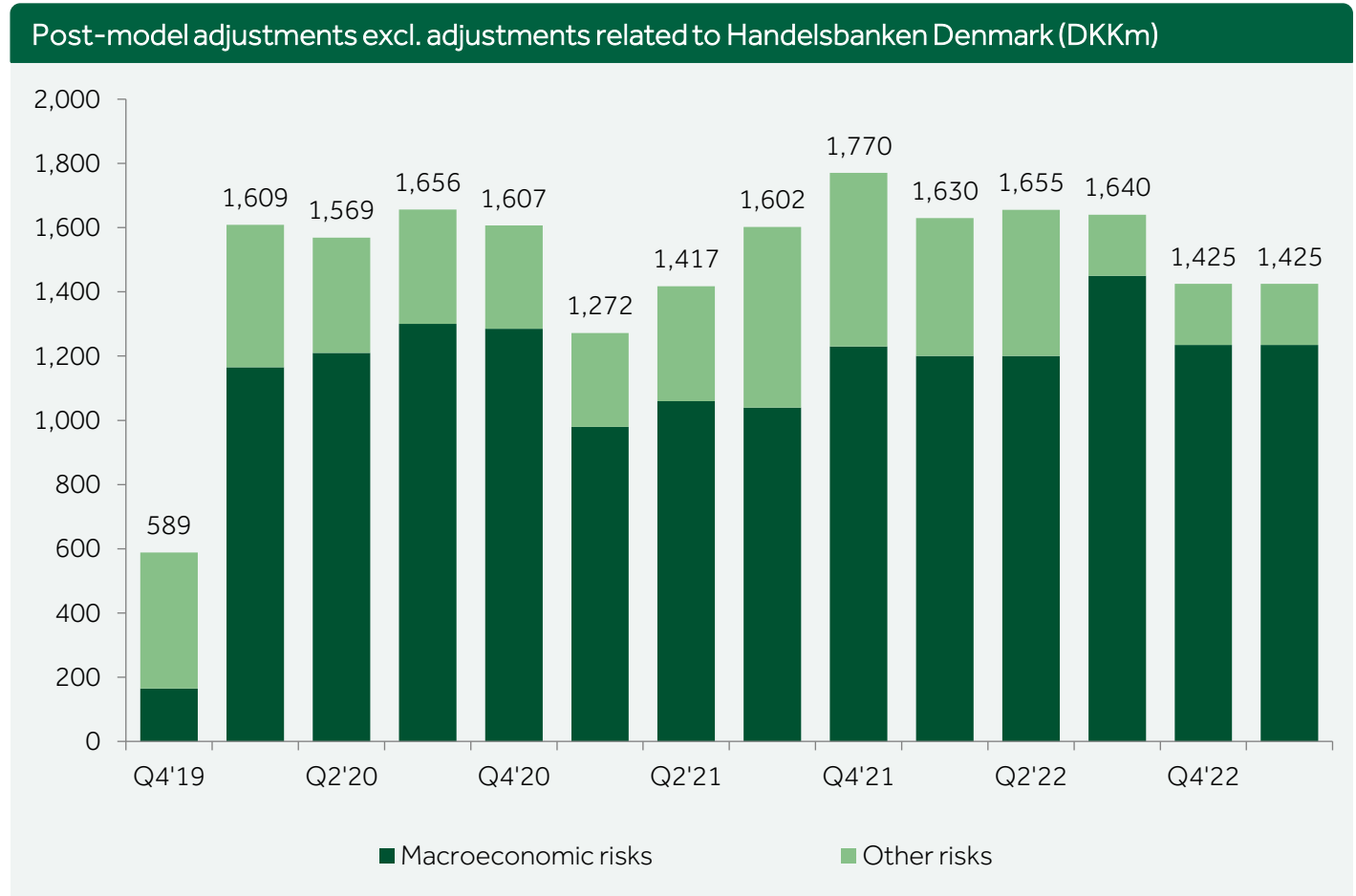
Net interest income up 70% y/y from higher rates and SHB DK



Manageable underlying cost inflation amid inflationary trends

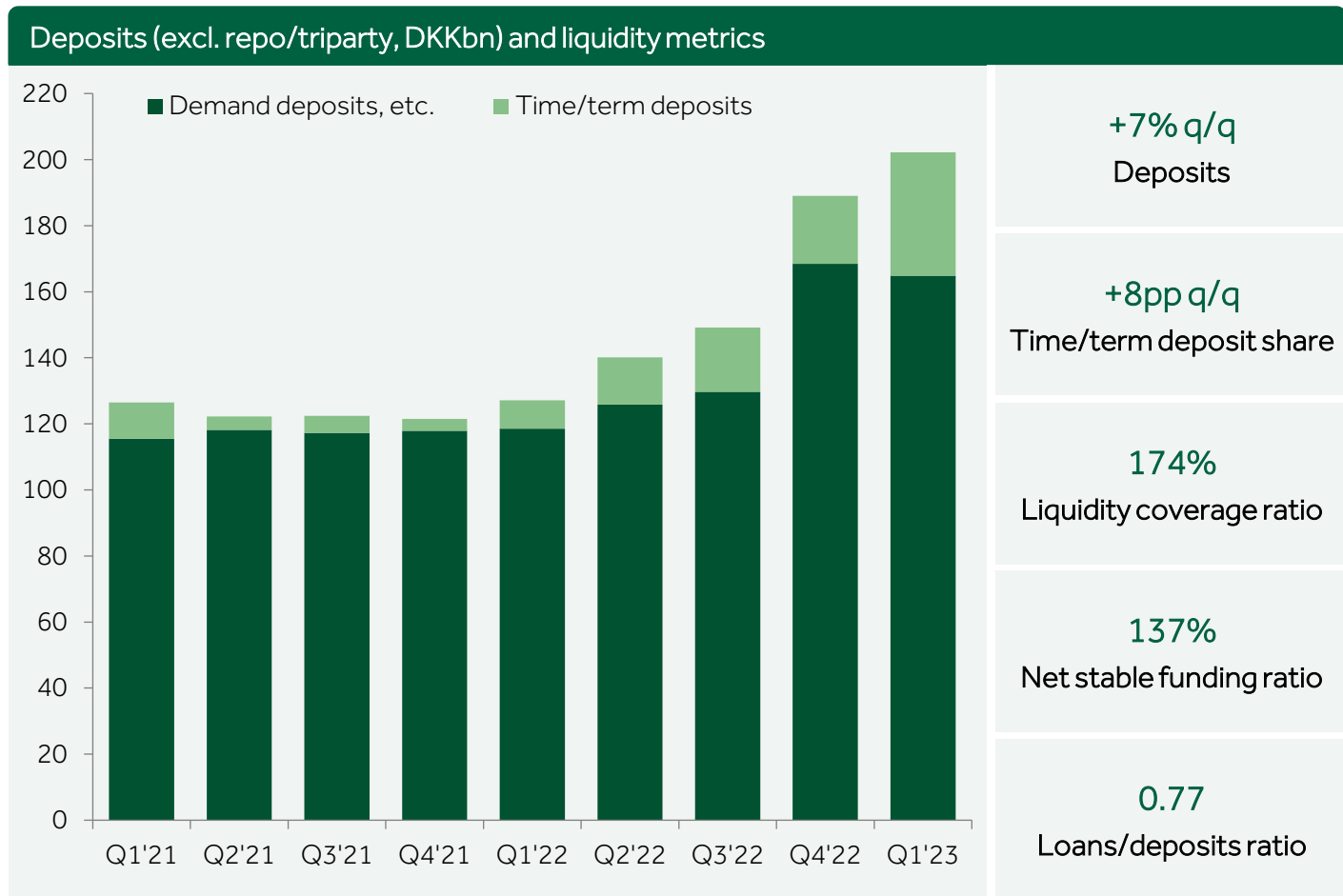


Macroeconomic risks reflected in post-model adjustments



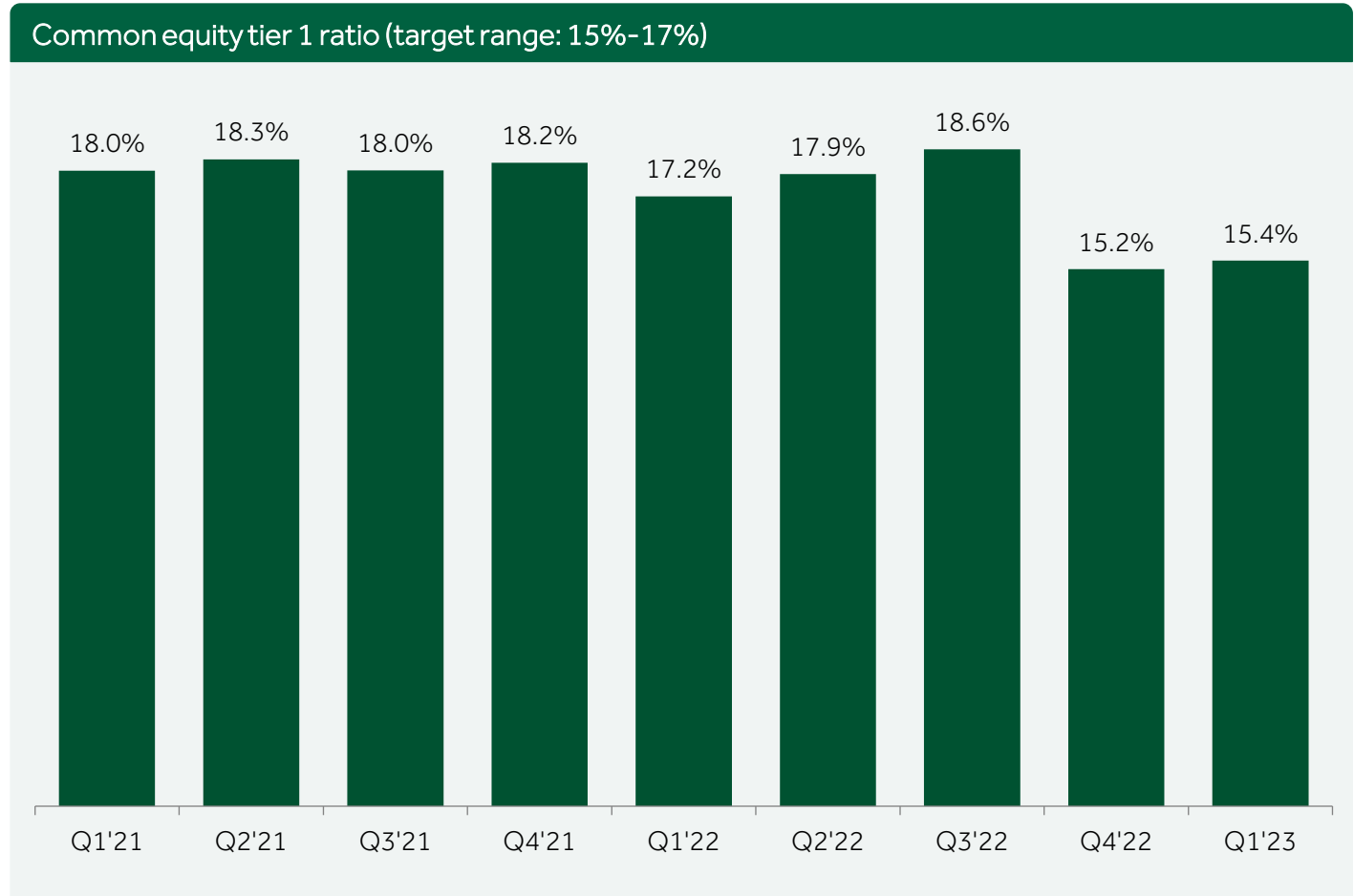
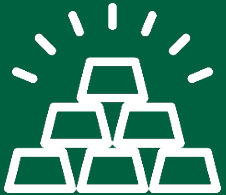
Note: A further post-model adjustment related to risks of Handelsbanken Denmark is included in the balance of discounts for acquired assets.

Liquidity position remains very solid



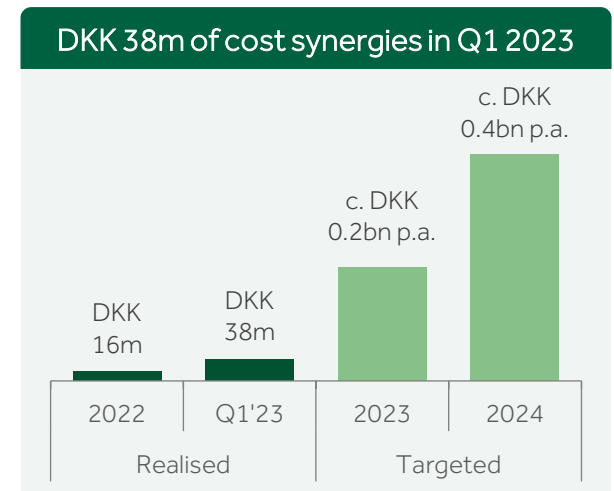
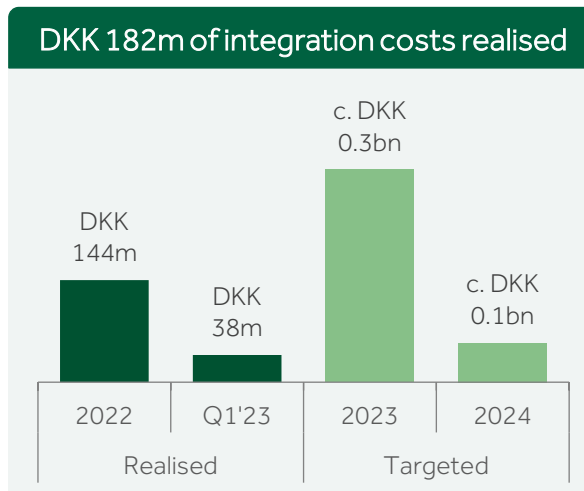
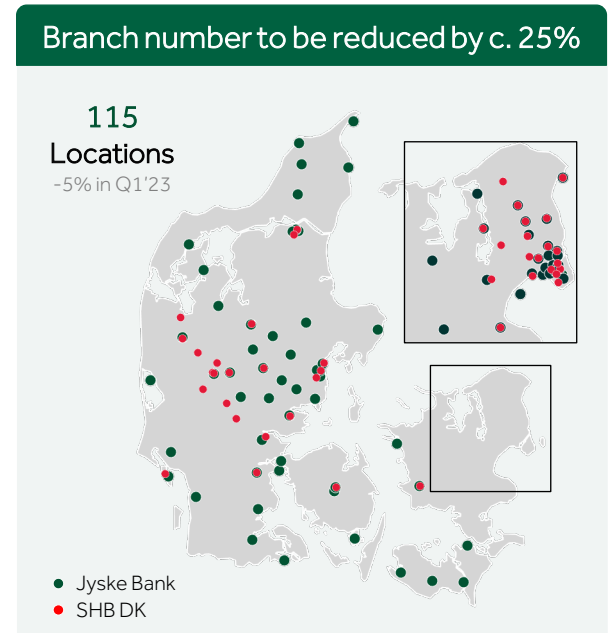
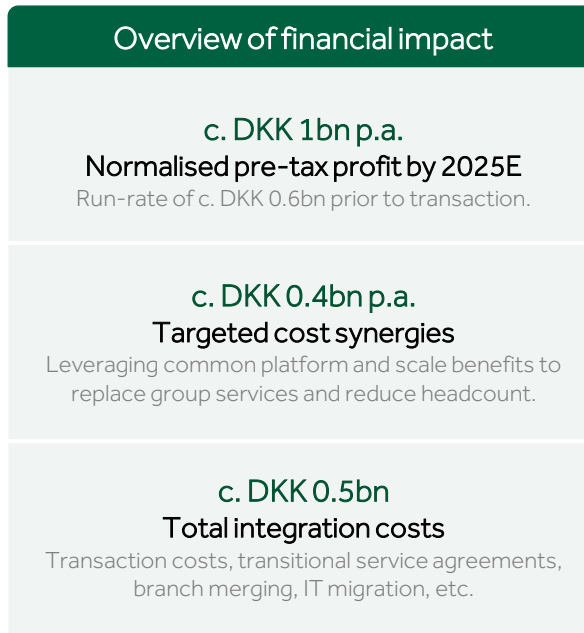
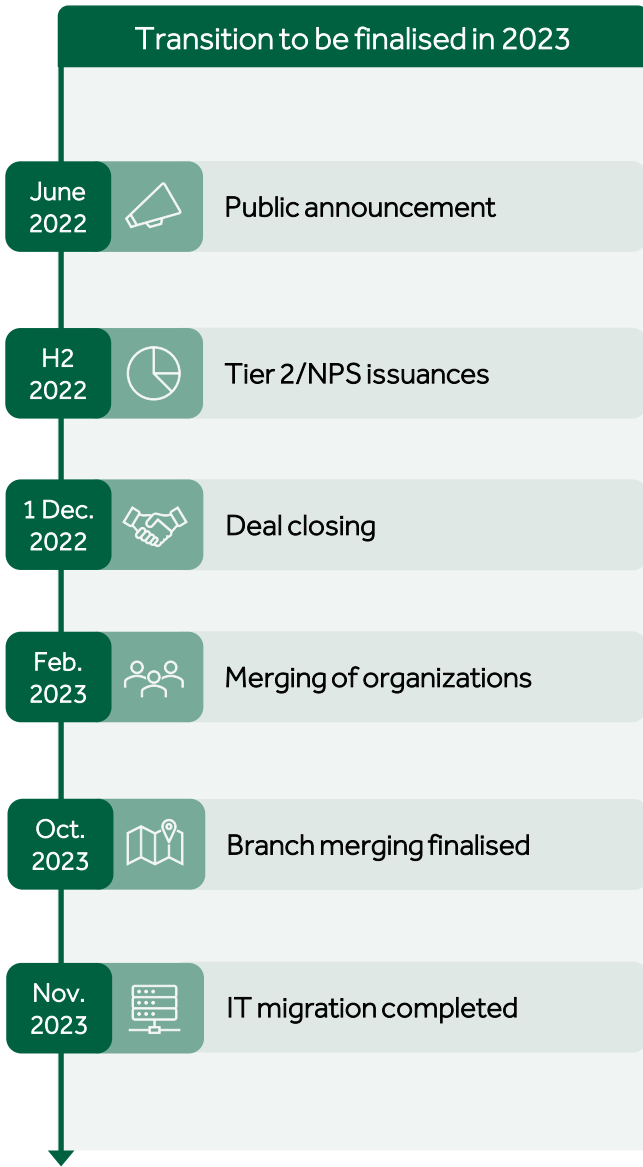
Note: Loan/deposit ratio excl. mortgage loans funded with covered bonds at 1:1 matching terms, cf. the Danish mortgage model (see p. 23).

Rebuilding capital position following acquisition



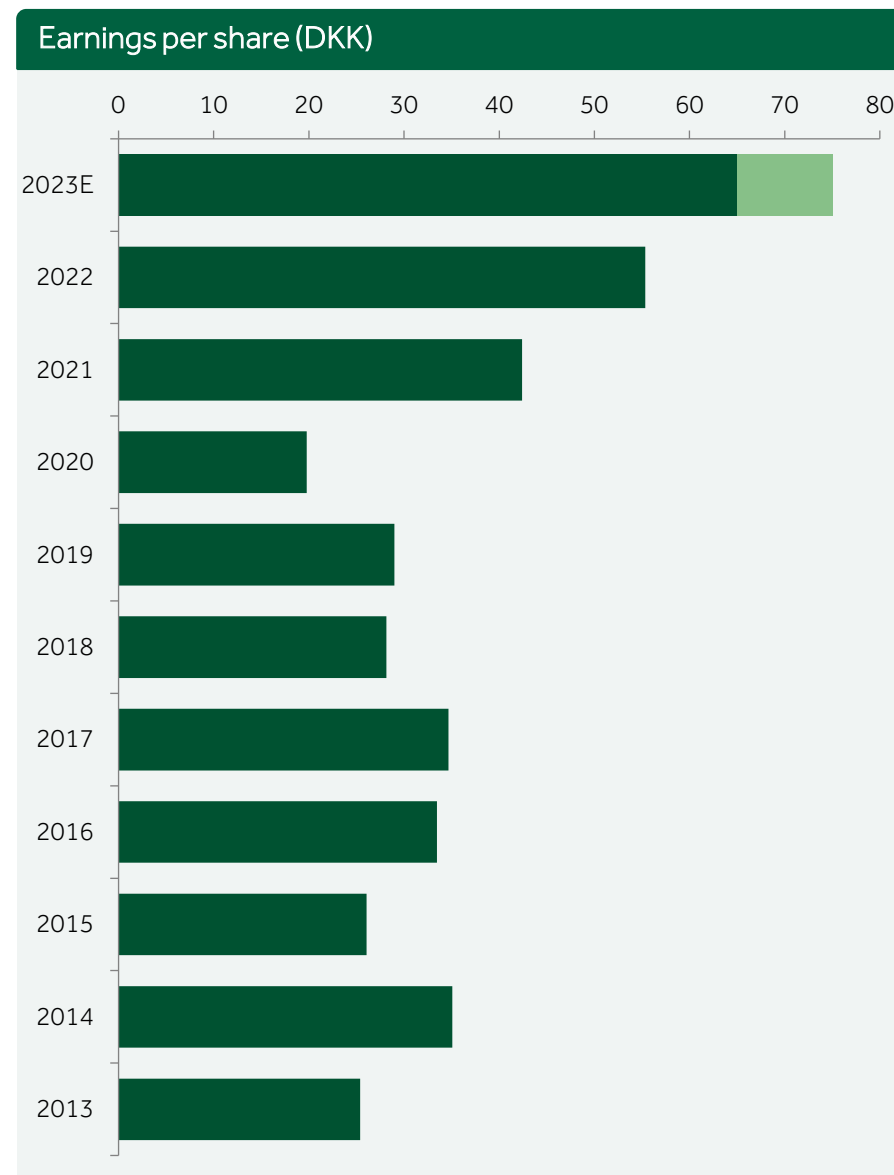
Note: The acquisition of Handelsbanken Denmark caused a CET1 ratio decrease of approx. 4pp.

Integration progressing according to plan



Targeting another EPS record for 2023

Core income	<p>Significantly higher in 2023 than in 2022 Mainly due to Handelsbanken Denmark acquisition and a higher level of interest rates</p>
Core expenses	<p>Significantly higher in 2023 than in 2022 Mainly due to Handelsbanken Denmark acquisition and one-off costs of c. DKK 0.3bn</p>
Loan impairment charges	<p>An expense in 2023 Post-model adjustment buffer of DKK 1,425m</p>
Net profit	<p>DKK 4.3bn-4.9bn in 2023 Equivalent to earnings per share of DKK 65-75</p>
CET1 ratio	<p>15%-17% in the short to medium term Target includes financing of Basel IV impact</p>



Note: Statutory tax rate to increase from 22.0% in 2022 to 25.2% in 2023 and 26.0% in 2024 due to the phasing-in of a special tax on financial companies in Denmark.

Financials

Q1 2023

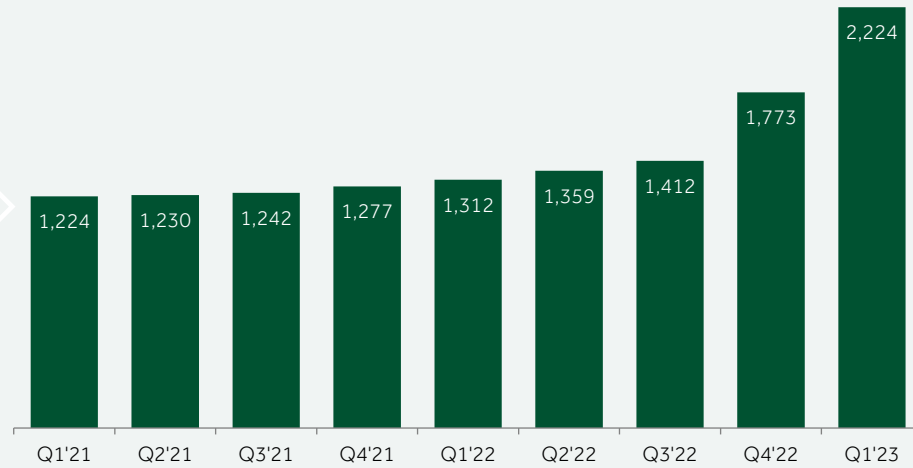
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Net interest income up 70% y/y

Net interest income (DKK m)

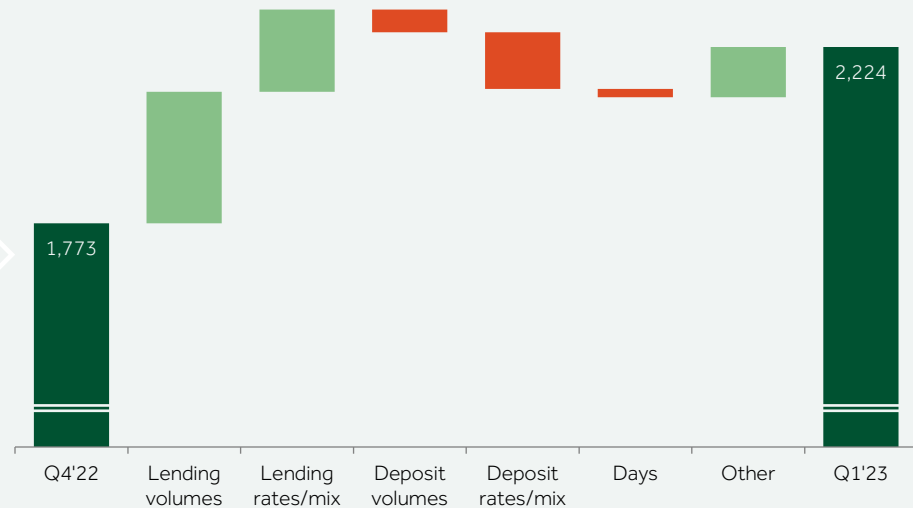
+70% y/y
Net interest income
 SHB DK and higher interest rates/bank volumes



Q1 2023 net interest income (NII) benefitted from the acquisition of Handelsbanken Denmark and a higher level of interest rates.

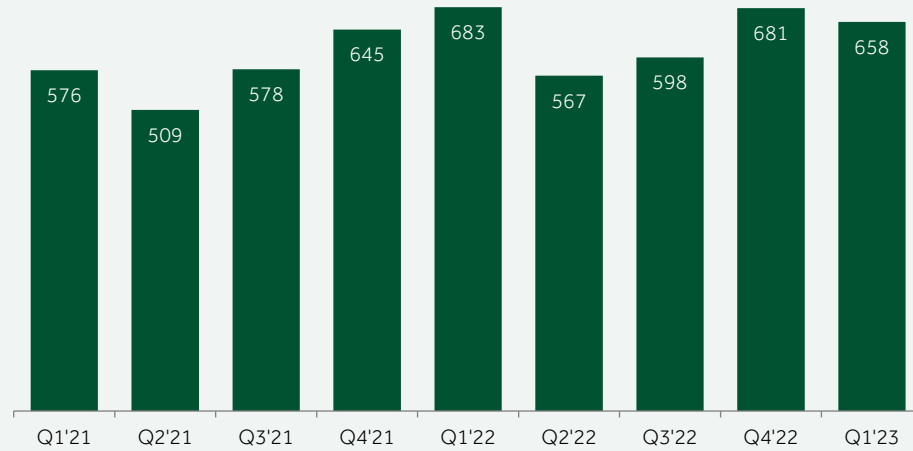
- Handelsbanken Denmark (SHB DK) contributed two additional months in Q1, adding more than DKK 0.2bn q/q.
- **NII from lending supported** by higher interest rates and repricing. In February, variable bank lending rates were raised 110bp to reflect rate hikes from the Danish central bank.
- **NII from deposits declined** due to higher deposit rates as well as mix changes. Particularly corporate clients migrated from sight to time deposits, while the savings product offering for private clients improved.
- **Other NII increased significantly**, mainly due to a higher level of income from bond coupon rates and liquidity placed with central banks.

+25% q/q
Net interest income
 SHB DK and higher interest rates

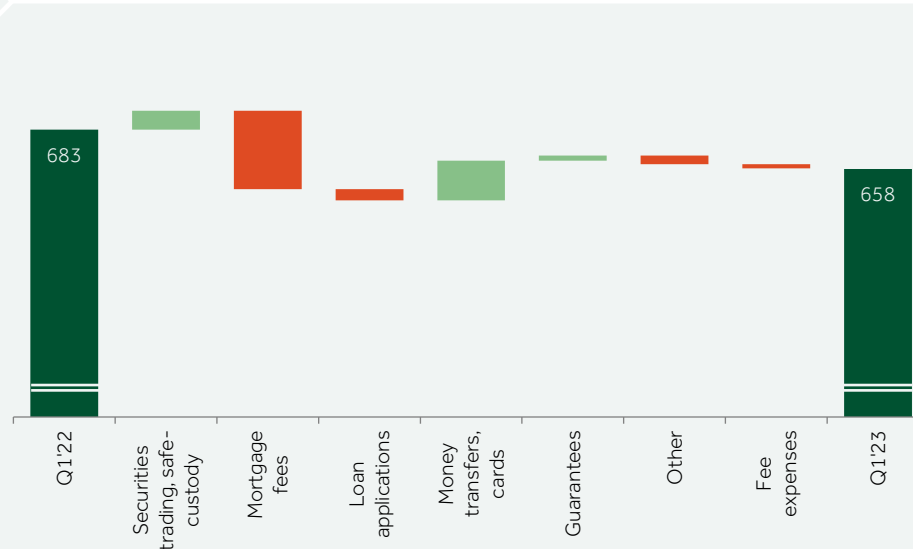


Activity-driven fee income decreased from high level

Net fee and commission income (DKKm)



-4% y/y
Net fee income
 +1% y/y excl. one-off
 in Q1 2022



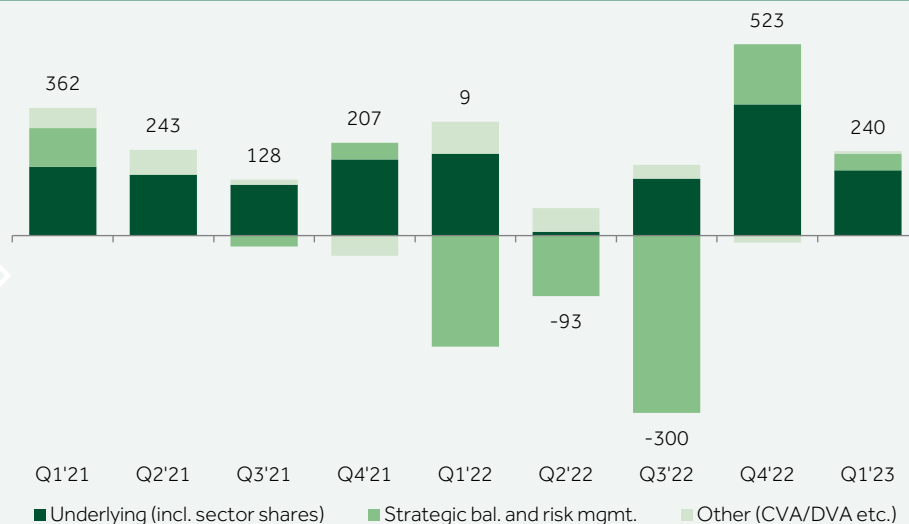
Net fee and commission income decreased from an all-time high level that was supported by high activity levels as well as a one-off.

- **Securities trading and safe-custody increased 5% y/y**, as lower wealth management fees and decreased trading activity was more than offset by the impact from SHB DK.
- **Money transfers and card payments increased 40% y/y** due to the acquisition of SHB DK as well as higher card fees.
- **Mortgage fees and loan application fees down**, as activity levels decreased from high levels amid lower lending growth and remortgaging activity.
- **Other fee income up 13% y/y** adjusted for a one-off of DKK 30m in Q1 2022. The increase was due to the inclusion of SHB DK as well as a customer programme implemented in 2022.

Continued strong trading performance in Q1 2023

Value adjustments and investment portfolio earnings (DKKm)

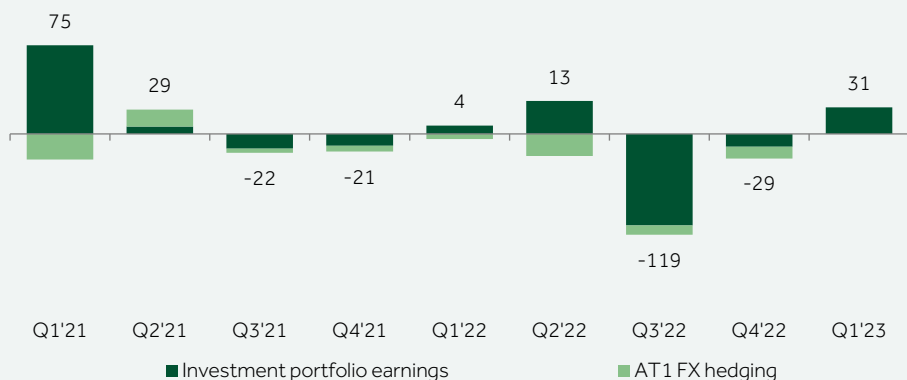
DKK +240m
Value adjustments
Positive effect from OAS tightening



- Value adjustments of DKK 240m: Continued strong client-driven trading performance, also benefitting from the spread tightening of Danish mortgage bonds.

- Investment portfolio income of DKK 31m in Q1 2023: Higher funding costs more than offset by interest rate curve positioning.

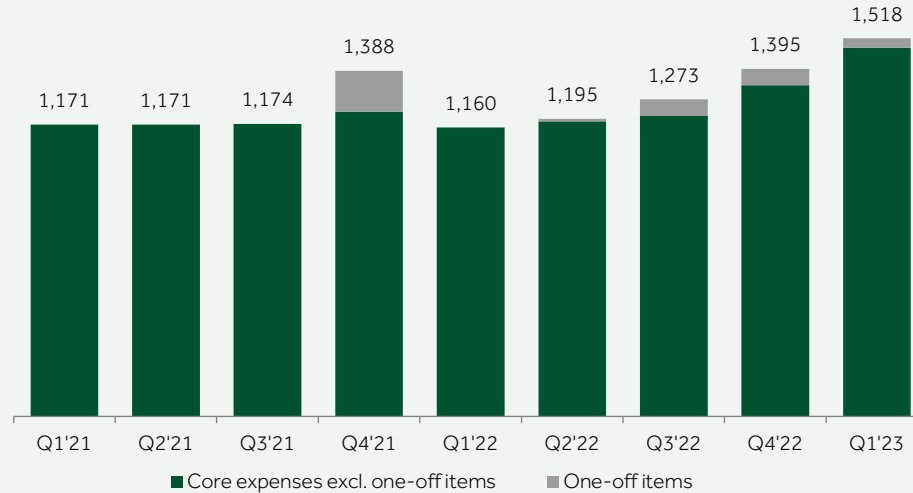
DKK 31m
Investment portfolio
Interest rate curve positioning



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

Manageable underlying cost inflation following acquisition

Core expenses (DKK m)



Core expenses rose 3% y/y adjusted for one-off items and the inclusion of SHB DK. The underlying increase was mainly caused by higher employee costs.

- SHB DK added less than DKK 0.3bn of costs, including synergies of DKK 38m in Q1. Additionally, the quarter also included DKK 38m of integration costs.
- IT costs increased significantly, primarily caused by the acquisition of SHB DK.
- FTEs up 20% y/y to 3,878, mainly due to SHB DK. Higher employee costs also caused by collectively prescribed salary increase of 2.0%.
- Amortization of SHB DK customer relations amounted to DKK 12m in Q1.

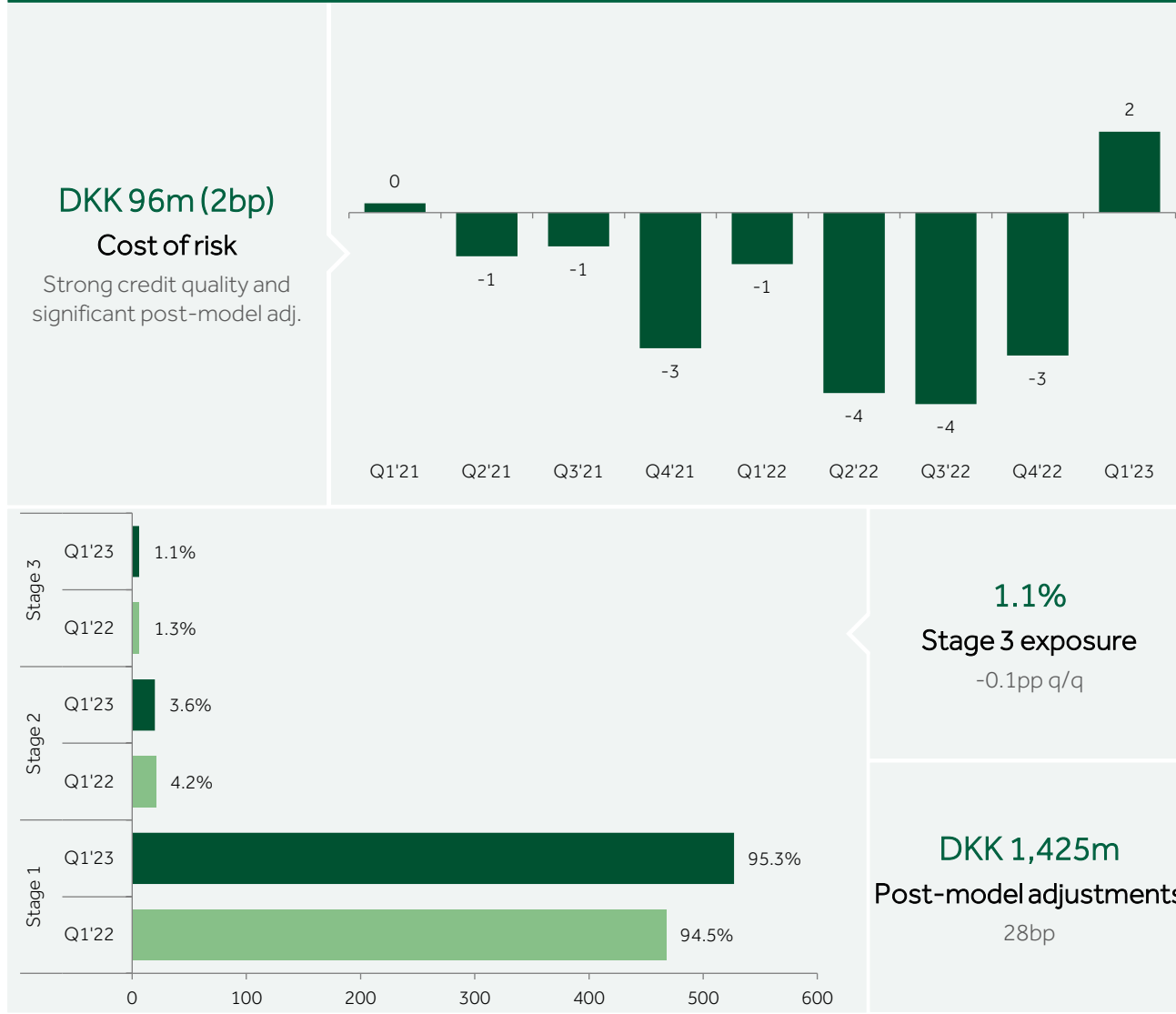
+31% y/y
Core expenses
+3% y/y excl. one-offs
and SHB DK



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

Credit quality remains solid

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



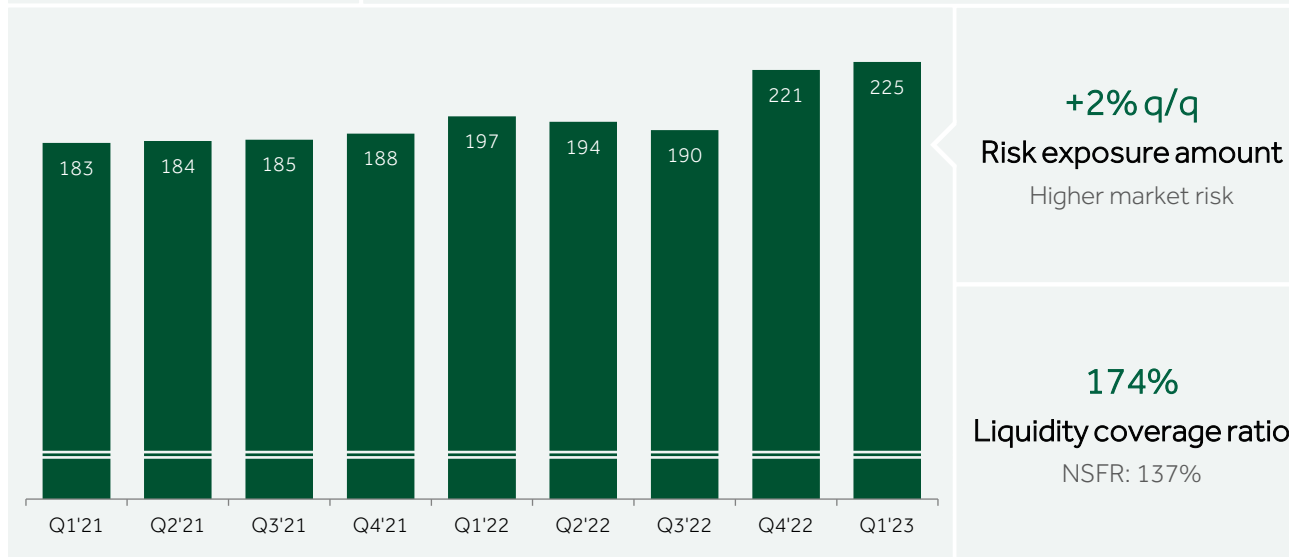
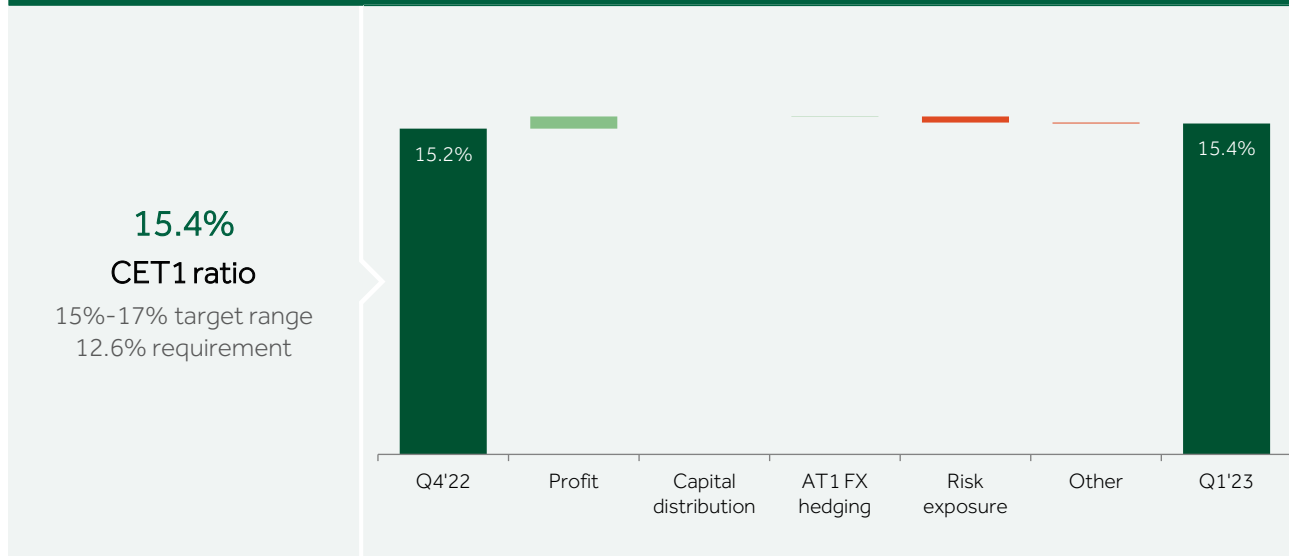
Increased overall provisioning for macroeconomic risks in Q1. The stage 3 share continued to decline and the level of write-offs remained at a very low level.

- Higher bankruptcies in Denmark has increased the model-based loan impairment charges.
- Meanwhile, the level of post-model adjustments was kept unchanged at DKK 1,425m (28bp).
- Further significant post-model adjustments included in the balance of discounts for acquired assets relating to Handelsbanken Denmark.
- Continued low level of write-offs of DKK 63m (1bp) booked in Q1.
- Level of stage 3 exposures declined a further 0.1pp in Q1. 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 (<0.1%).

Rebuilding capital position following acquisition

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



- 15.4% CET1 ratio is within 15%-17% target range following the acquisition of Handelsbanken Denmark in Q4 2022.
- 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.
- The liquidity position remains strong with a liquidity coverage ratio of 174% and net stable funding ratio of 137%.
- Loan/deposit ratio of 0.77 excl. mortgage loans, which are funded by covered bonds with 1:1 matching terms.
- Funding plan: Potential issuance of AT1 capital to be based on capital position and market development.

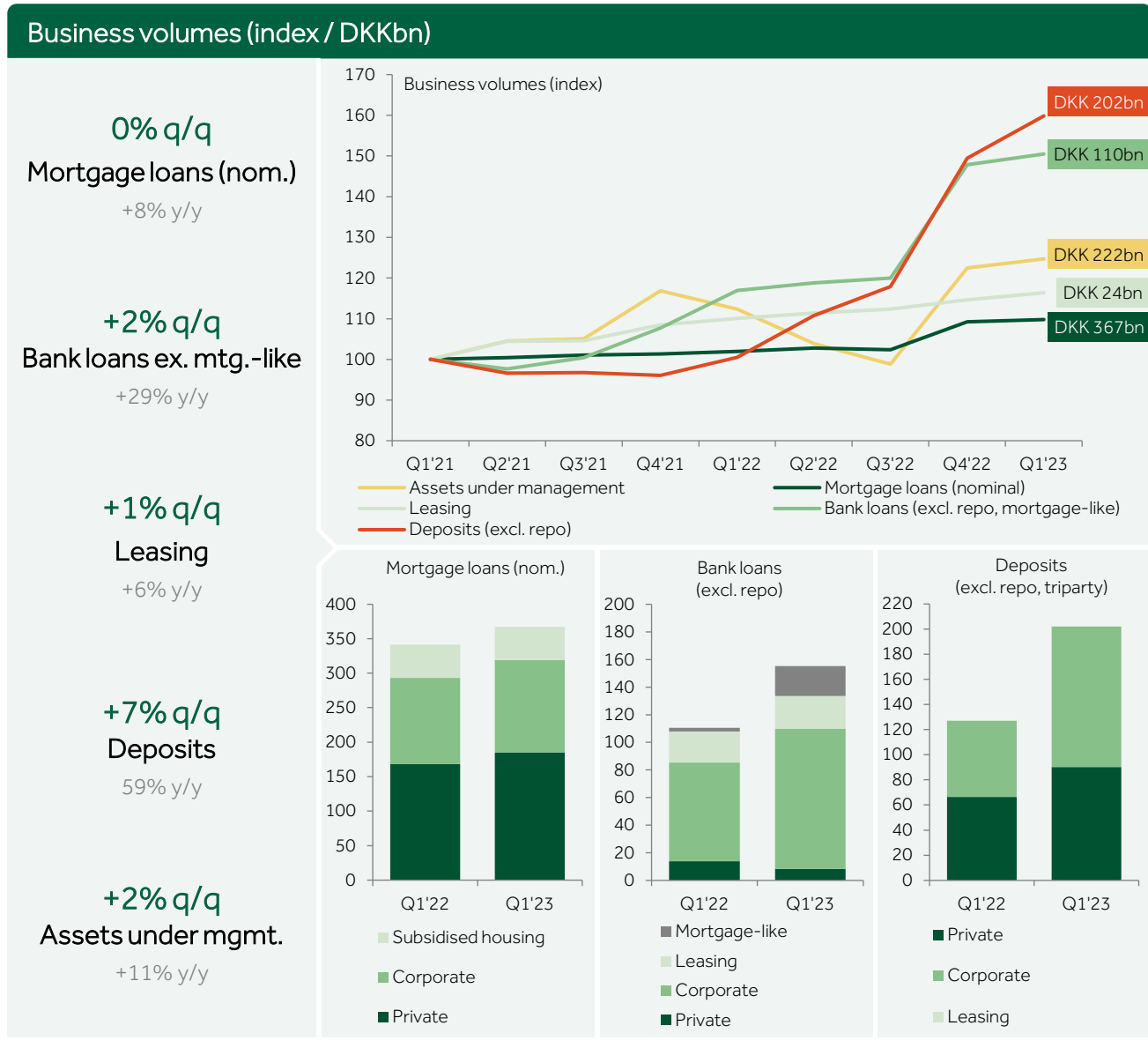
Volumes

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Continued deposit market share gain in Q1 2023



0% q/q
Mortgage loans (nom.)
+8% y/y

+2% q/q
Bank loans ex. mtg.-like
+29% y/y

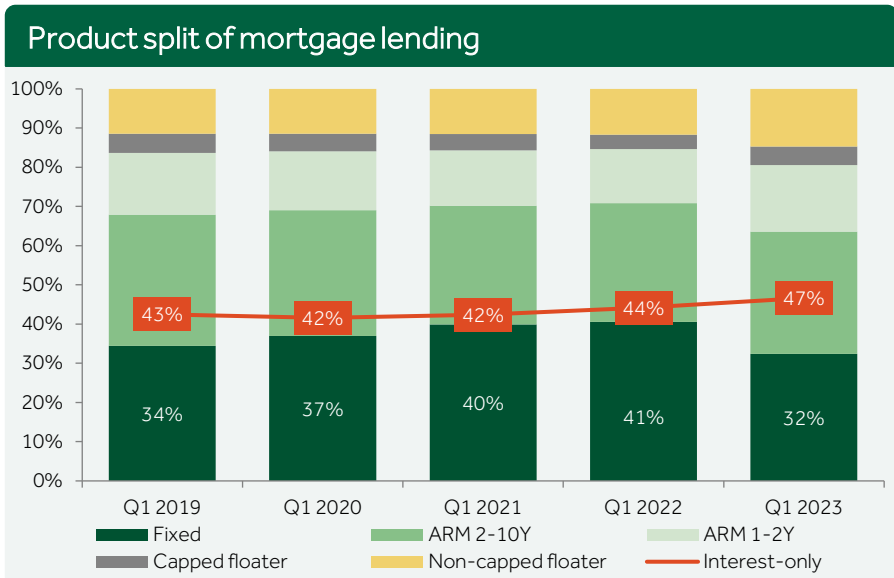
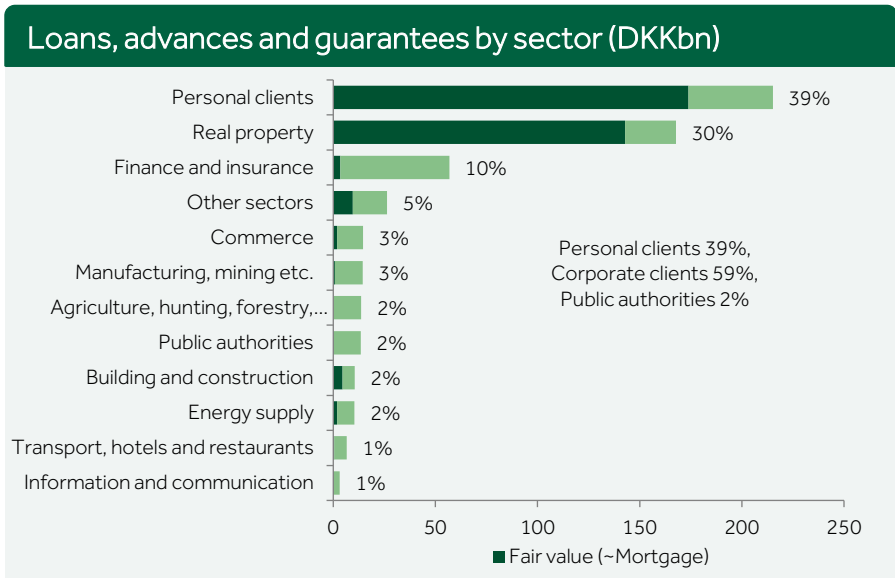
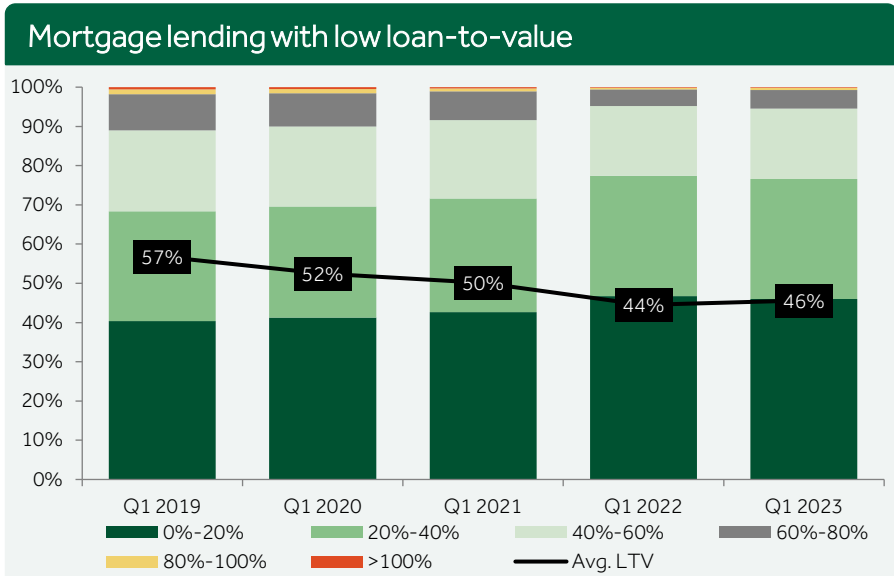
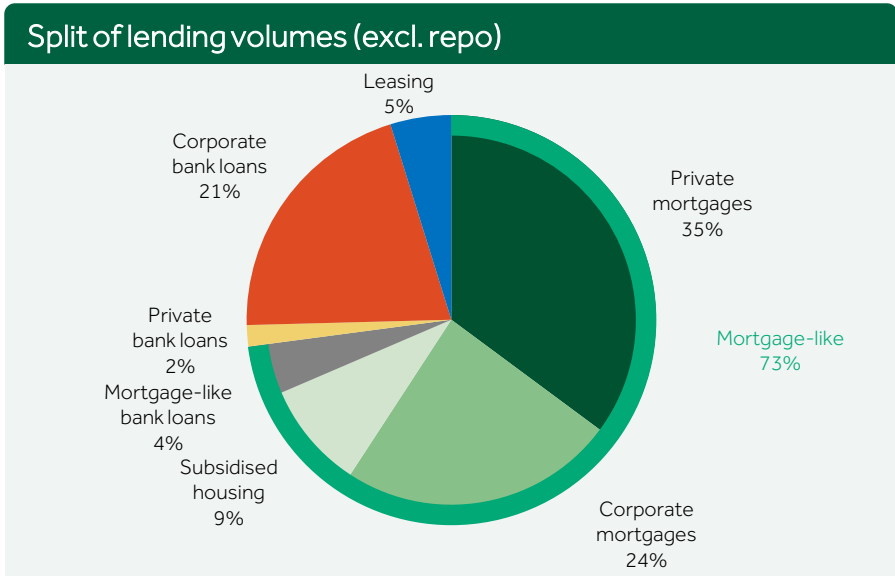
+1% q/q
Leasing
+6% y/y

+7% q/q
Deposits
59% y/y

+2% q/q
Assets under mgmt.
+11% y/y

- **Mortgage loans (nominal):** Close to unchanged q/q, as higher corporate lending was offset by lower private lending.
- **Bank loans (excl. mortgage-like):** Increased 2% q/q due to higher lending to corporate clients.
- **Leasing:** Growth in Q1 mainly driven by corporate clients, as supply chain issues in the car industry continued to limit growth somewhat.
- **Deposits:** Increased +7% q/q caused by particularly corporate clients. The share of time deposits increased significantly in the quarter.
- **Assets under management:** Increased +2% q/q amid a positive development in financial markets.

Lending characterised by high mortgage share with low LTV

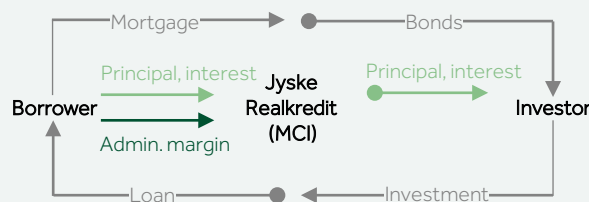


High mortgage lending share underpins stability and growth

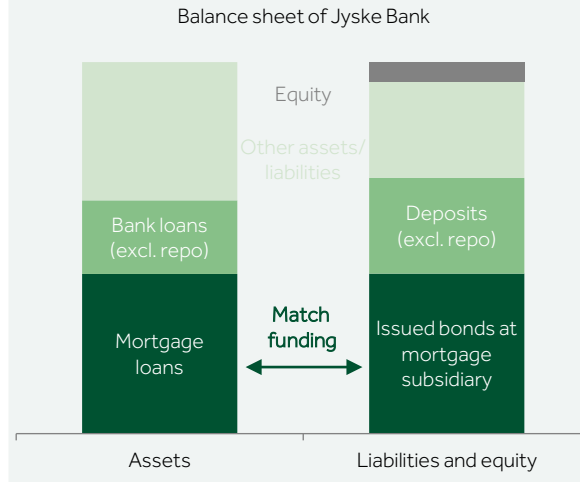
The Danish mortgage model

Based on a balance principle with no defaulting mortgage credit institutes (MCI's) since its inception in 1797.

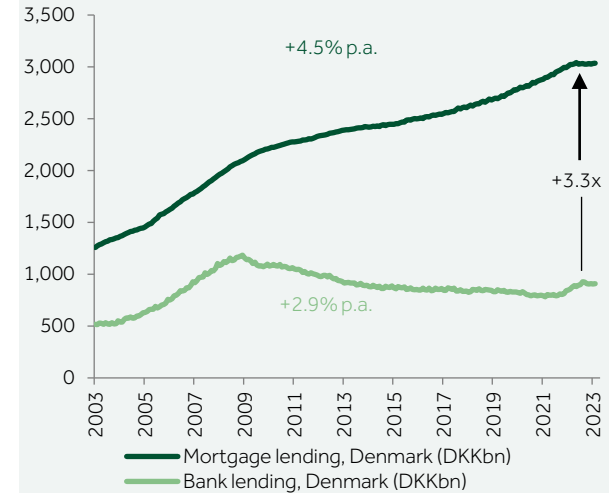
- MCI's fund loans by issuing covered bonds with 1:1 matching terms, thus transferring interest rate, currency, liquidity, prepayment risk to investors.
- Borrowers can prepay loans/remortgage by buying the bonds, which are traded in a transparent and highly liquid market of AAA-rated covered bonds.
- In addition to the principal and interest paid to the investor, the borrower pays an administration margin as well as transaction-based fees to the MCI.
- The MCI, in return, guarantees payments from the borrower, who is subject to a thorough credit assessment with a strict 60%-80% loan-to-value limit.



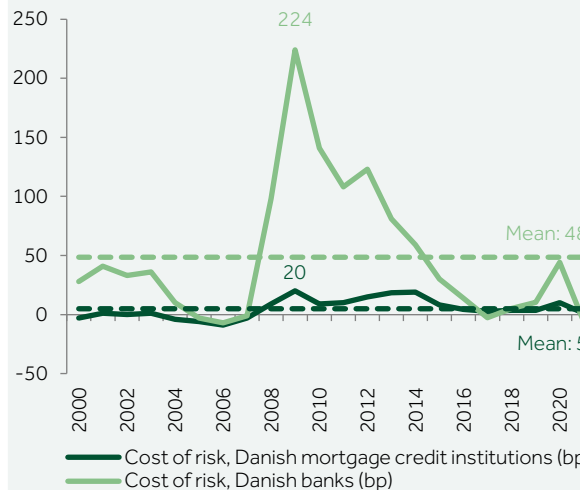
Balance principle limits funding risks



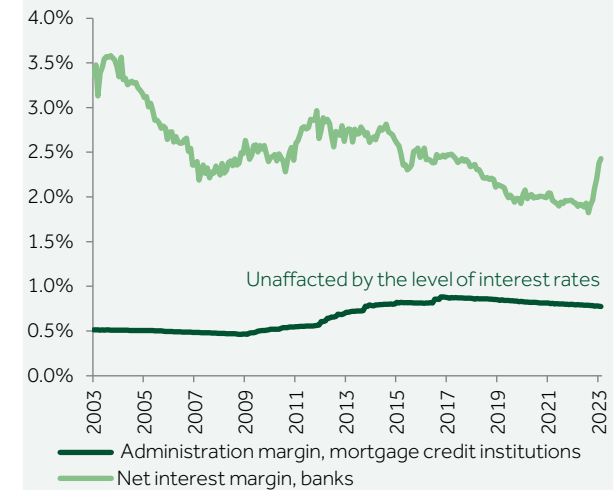
High and resilient growth of mortgages



Very low cost of risk for mortgages



Mortgage margin stabilises income



Sustainability

Sustainable business and responsible banking operations



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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 CO₂ 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

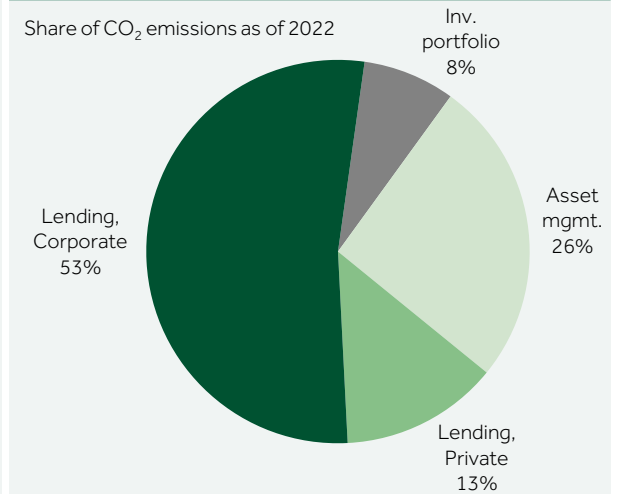
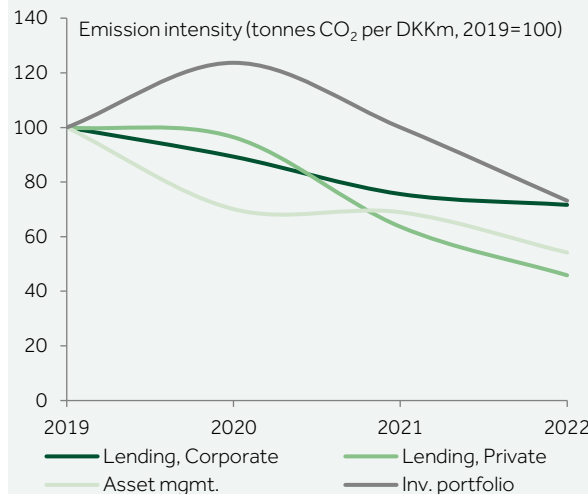
Engaged and competent employees

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 CO₂
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	+150%
Equivalent to 5 TWh (2022: 3.6 TWh)	
Low-energy commercial property	+43%
Equivalent to DKK 50bn (2022: DKK 47bn)	
Low-emission share of vehicles, etc.	30%
2022: 18% of financed vehicles, op. equipment	

Investments

0.6 million tonnes CO₂
Emissions in 2022

-42% vs. 2019

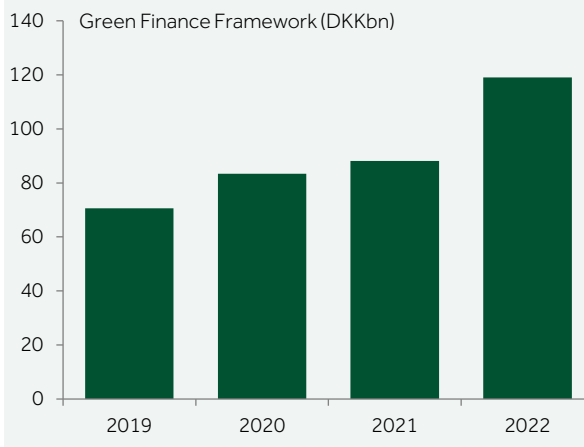


Targets for emission reduction

From 2019 to 2030

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

Targeting growth in green finance



Own operations

0.02 million tonnes CO₂
Emissions in 2022

-19% vs. 2020

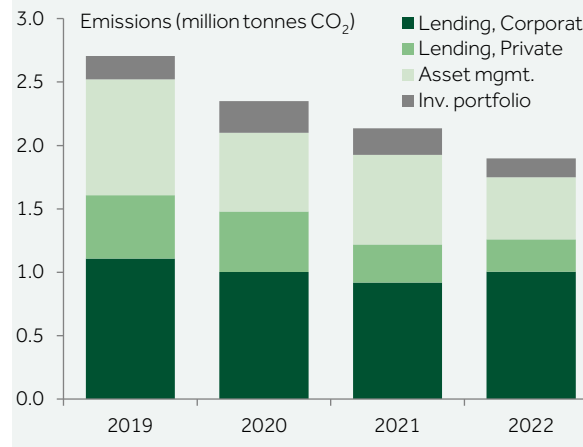


Target for emission reduction

From 2020 to 2030

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

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

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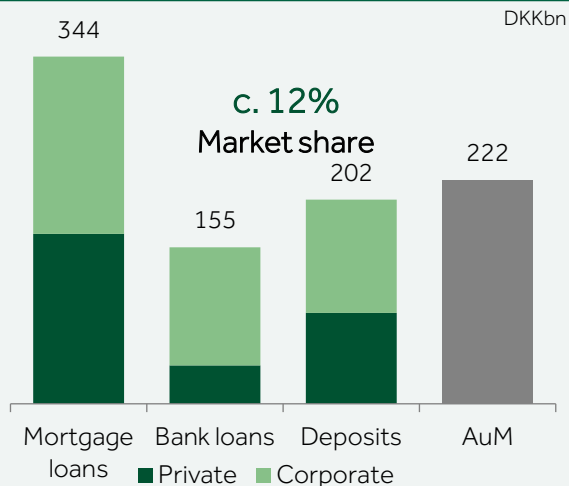


One of the largest financial institutions in Denmark

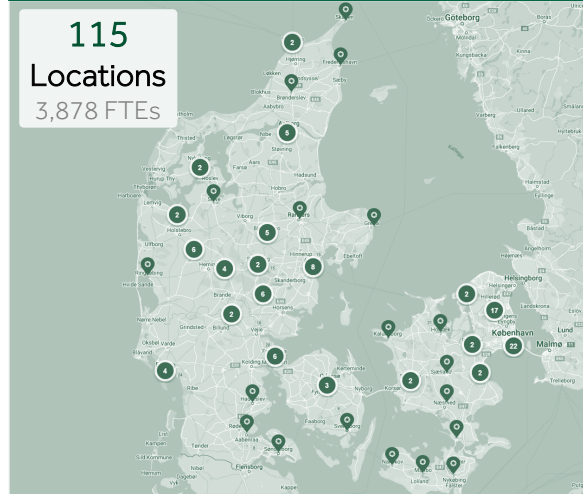
Founded in 1967, now a Danish SIFI

- 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

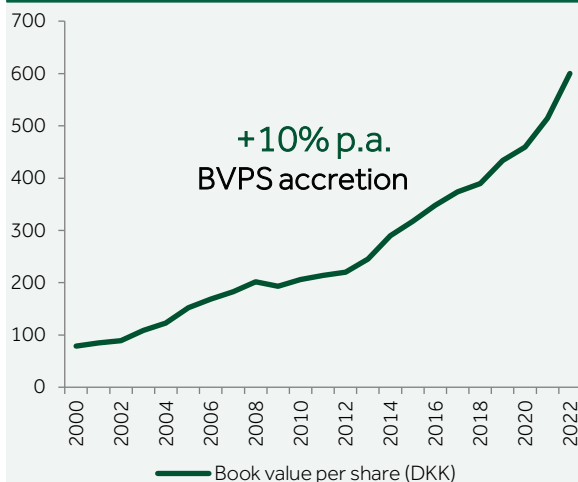


Strong operating performance

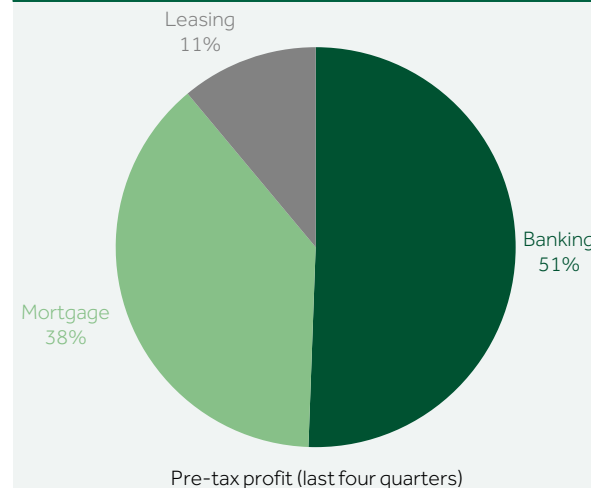
Last four quarters

- DKK 4.2bn**
Net profit
- 11.0%**
Return on equity
- 53%**
Cost/income
- A/Stable/A-1**
S&P issuer credit rating
- AAA**
MSCI ESG rating

Solid book value per share accretion

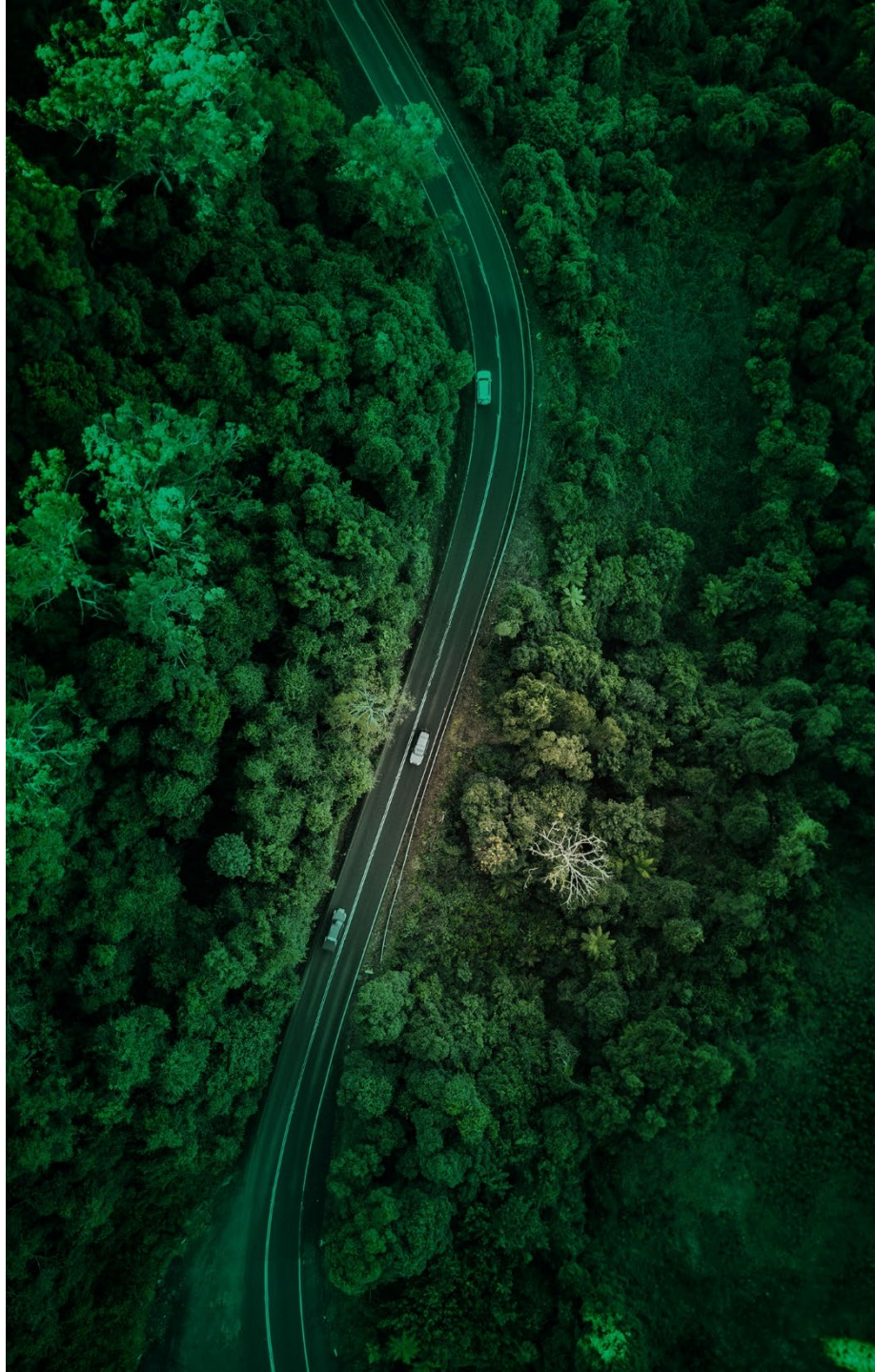


Complementary, full-service offering



Macroeconomics

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Macroeconomics

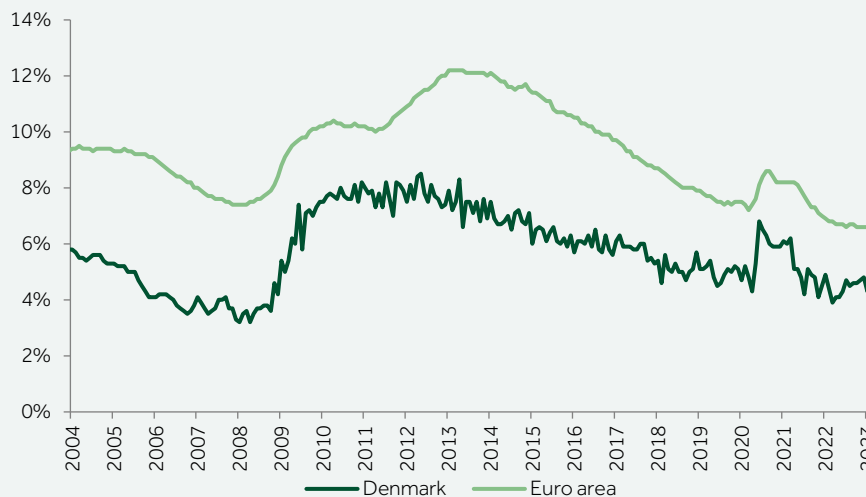
Real gross domestic product (2010=100)



Inflation rate (HICP, y/y)



Unemployment rate

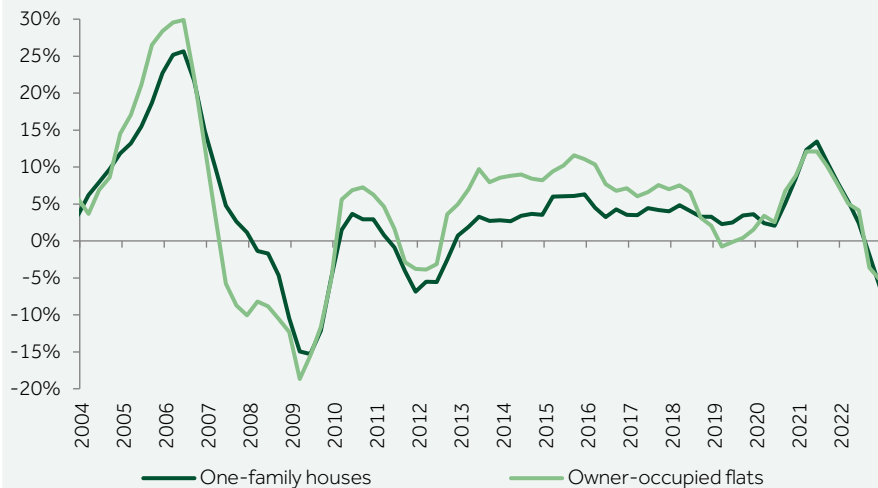


Interest rates, Denmark (monthly averages)

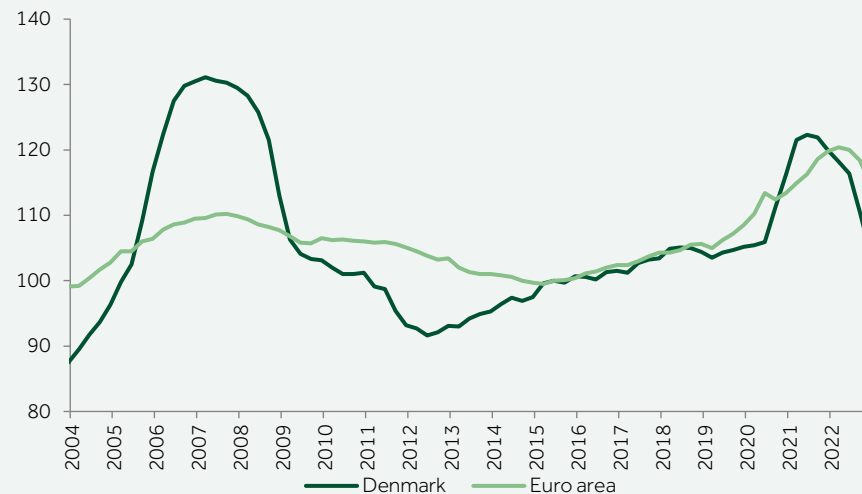


Macroeconomics

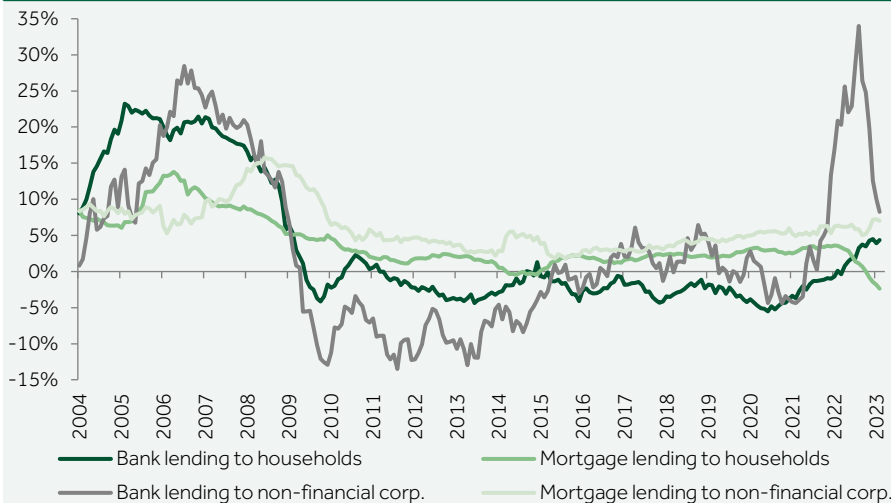
Real estate prices, Denmark (y/y)



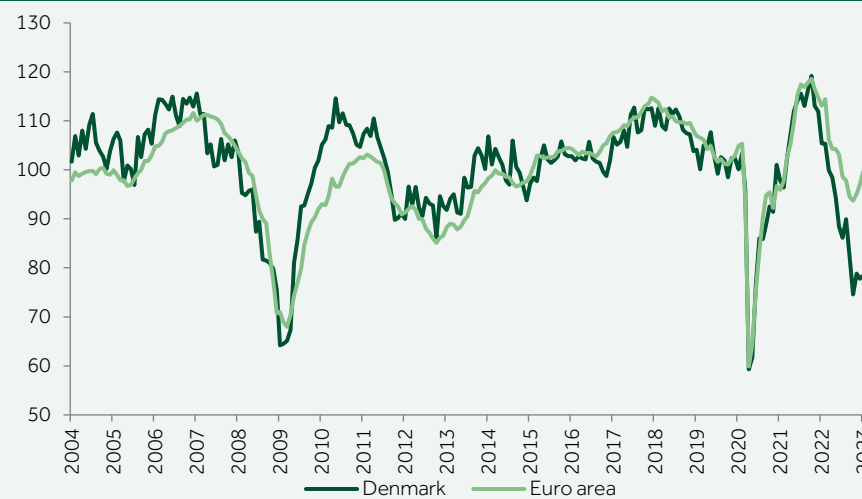
House prices to disposable income (2015=100)



Lending growth, Denmark (y/y)



Economic Sentiment Indicator



Forecast

Danish economy	DKKbn			Real growth (%)		
	2022	2020	2021	2022	2023E	2024E
Consumer spending	1,195	-1.4	4.1	-2.5	-1.2	0.3
Public spending	620	-1.4	4.2	-2.8	1.0	1.0
Fixed gross investment	651	5.1	6.2	8.4	-4.6	-1.3
Inventory investment*	37	-0.2	0.0	0.9	-0.4	0.0
Exports	1,923	-6.3	8.0	7.9	0.9	0.2
Imports	1,634	-3.6	8.0	3.8	-2.2	0.5
Gross domestic product (GDP)	2,792	-2.0	4.9	3.6	0.1	-0.1
Balance of payments						
- DKKbn		189	226	362	275	275
- percentage of GDP		8.1	9.0	12.8	9.0	8.8
Public budget balance						
- DKKbn		5	91	93	55	35
- percentage of GDP		0.2	3.6	3.3	1.8	1.1
Unemployment						
- Gross unemployment, average (thousands)		133	106	76	86	101
- Percentage of workforce		4.3	3.4	2.3	2.6	3.1
Employment, avg. (thousands)		2,973	3,046	3,164	3,168	3,139
Inflation (%)		0.4	1.9	7.7	4.5	2.5
Wage index (Private, %)		2.3	3.0	3.6	4.2	4.2
House prices (nominal prices, %)		4.5	11.0	-0.3	-11.3	-4.5
Danmarks Nationalbank's lending rate, year-end (%)		0.05	-0.45	1.80	3.75	3.00
Danmarks Nationalbank's CD rate, year-end (%)		-0.60	-0.60	1.75	3.60	2.85

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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