
CEO Seminar

Lars Stensgaard Mørch

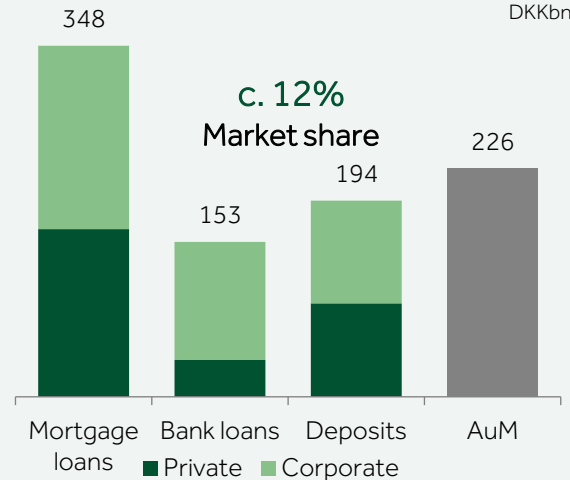


One of the largest financial institutions in Denmark

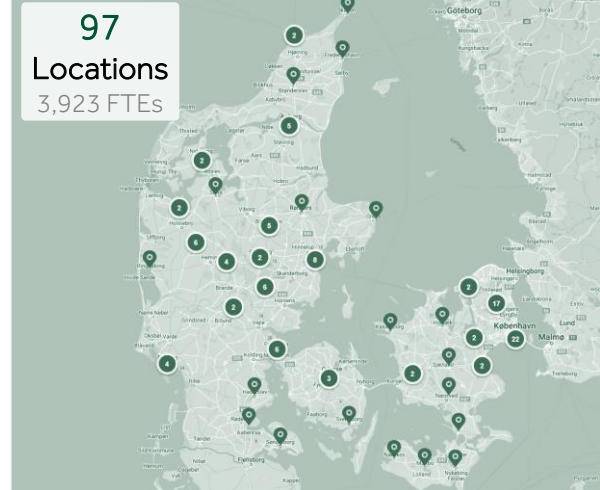
Founded in 1967, now a Danish SIFI

- 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
- 2023** Acquisition of PFA Bank

Focused on structural, low-risk growth



Leading presence in AAA economy

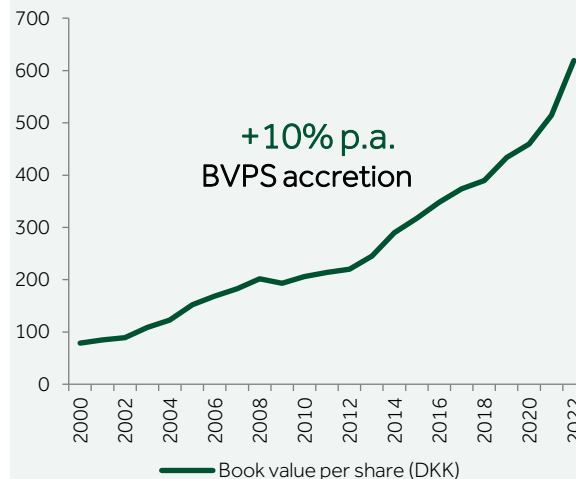


Strong operating performance

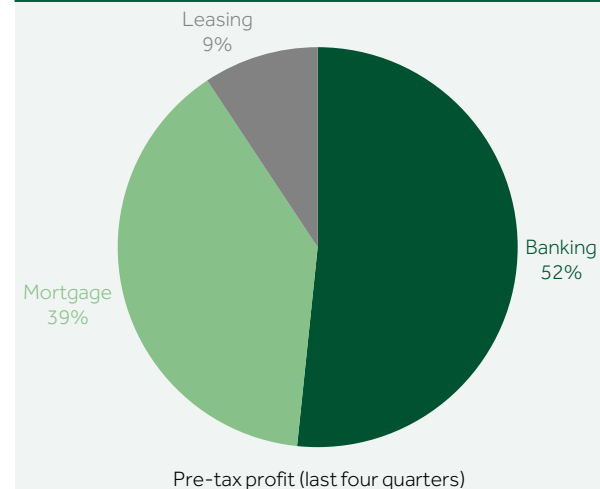
Last four quarters

- DKK 4.5bn**
Net profit
- 11.7%**
Return on equity
- 50%**
Cost/income
- A+ / Stable / A-1**
S&P issuer credit rating
- AA**
MSCI ESG rating

Solid book value per share accretion



Complementary, full-service offering

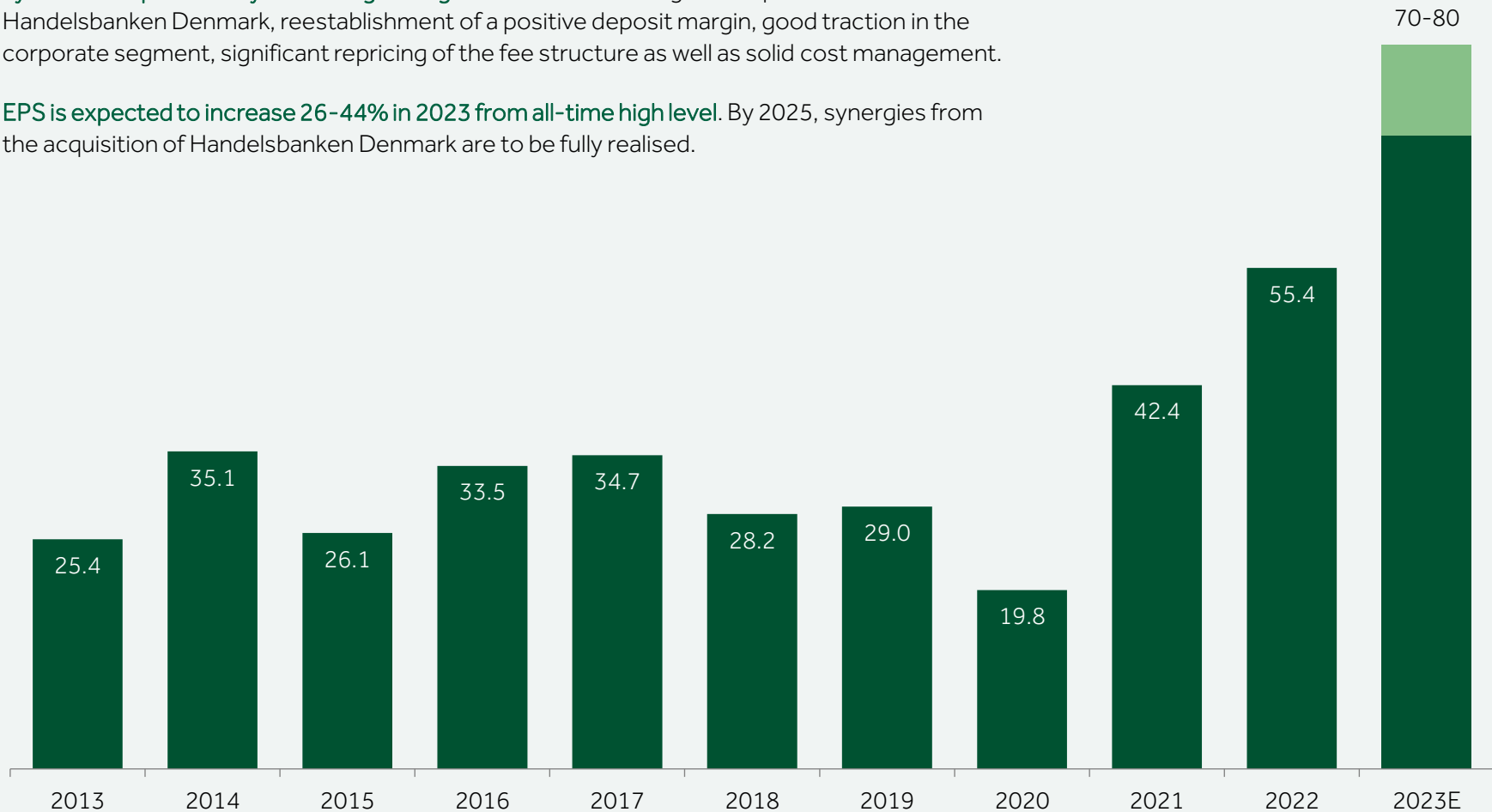


Strong earnings momentum

Earnings per share (DKK)

Jyske Bank's profitability is showing strong momentum following the acquisition of Handelsbanken Denmark, reestablishment of a positive deposit margin, good traction in the corporate segment, significant repricing of the fee structure as well as solid cost management.

EPS is expected to increase 26-44% in 2023 from all-time high level. By 2025, synergies from the acquisition of Handelsbanken Denmark are to be fully realised.



Upgrading the outlook for a record-setting 2023

<p>Third upgrade of outlook for 2023</p>  <p>DKK 70-80 Earnings per share in 2023E Increase of 26-44% vs. all-time high 2022 level</p>	<p>Acquisition of PFA Bank</p>  <p>Supporting wealth mgmt. strategy PFA Bank acquisition Announced on 13 June 2023</p>	<p>Strong income momentum</p>  <p>+78% y/y Net interest income SHB DK acquisition and higher interest rates</p>
<p>Improving cost/income ratio</p>  <p>-12ppp/y Cost/income ratio Entering sub-50% territory</p>	<p>Solid credit quality</p>  <p>0bp Actual write-offs Cost of risk also at 0bp in Q2 2023</p>	<p>Capital position rebuilt</p>  <p>16.1% CET1 ratio S&P issuer rating upgraded to A+</p>

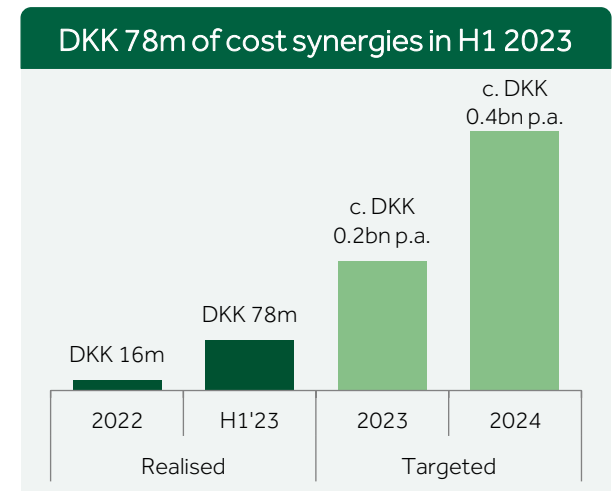
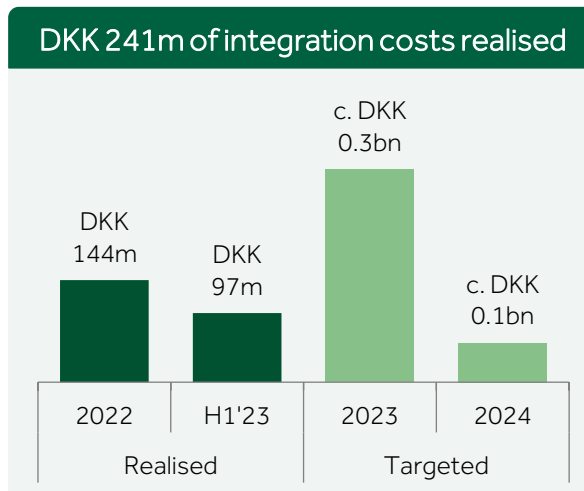
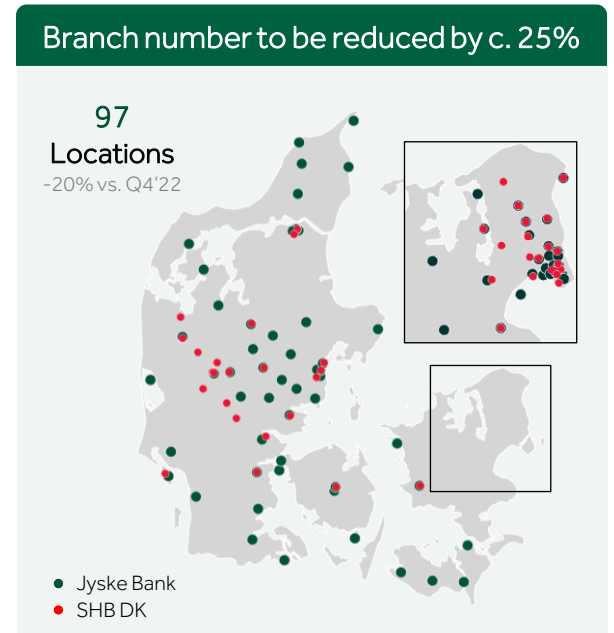
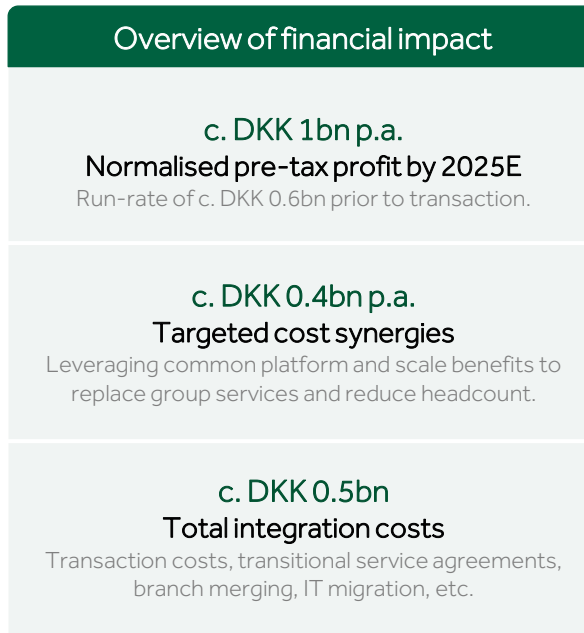
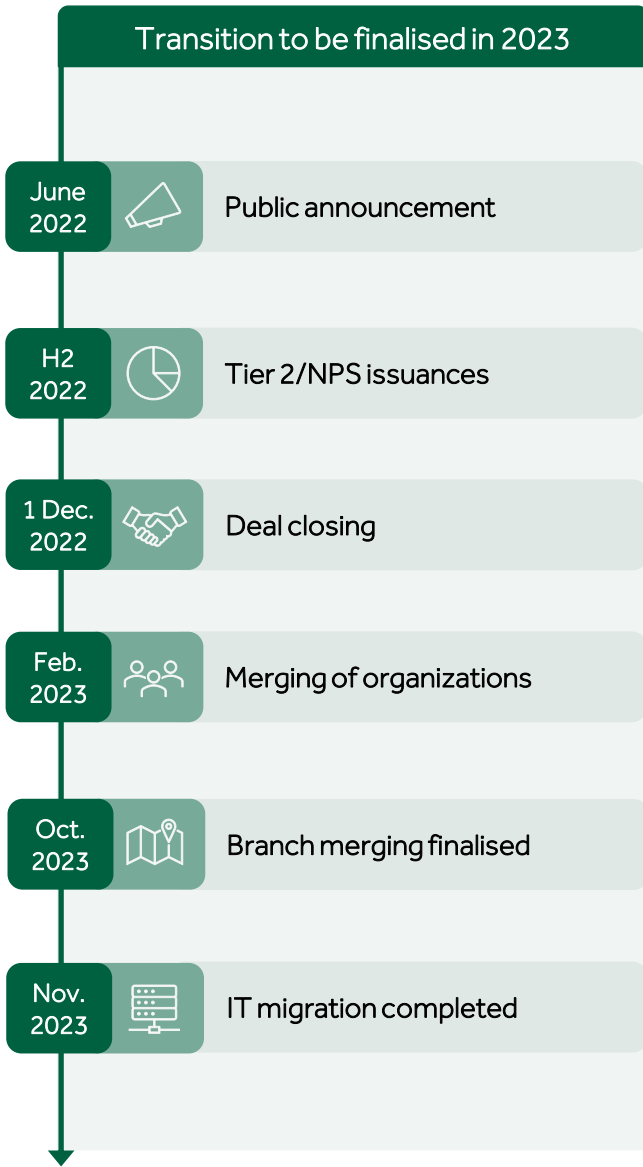
Note: Post-model adjustments (excl. repo) exclude post-model adjustments in the balance of discounts for acquired assets.

M&A

Handelsbanken Denmark
and PFA Bank



Integration progressing according to plan



PFA Bank acquisition supports wealth management strategy

PFA Bank at a glance



No-lending bank
established in 2014



c. 10,000 personal/private
banking customers, 43 FTEs



c. DKK 15.5bn AuM,
c. DKK 1bn deposits

Strategic rationale



Attractive customer base

Adding volumes within asset management
and wealth management advice



Cross-selling potential

Jyske Bank has a strong full-service offering
that underpins cross-selling potential



Supports wealth management strategy

Jyske Bank has had the most satisfied
private banking clients for 8 years

Financials



Negligible capital consumption

Total consideration of DKK 245m,
<0.1pp net CET1 ratio impact



Expected closing in Q3 2023

Conditional on approval
by authorities



High return on allocated capital

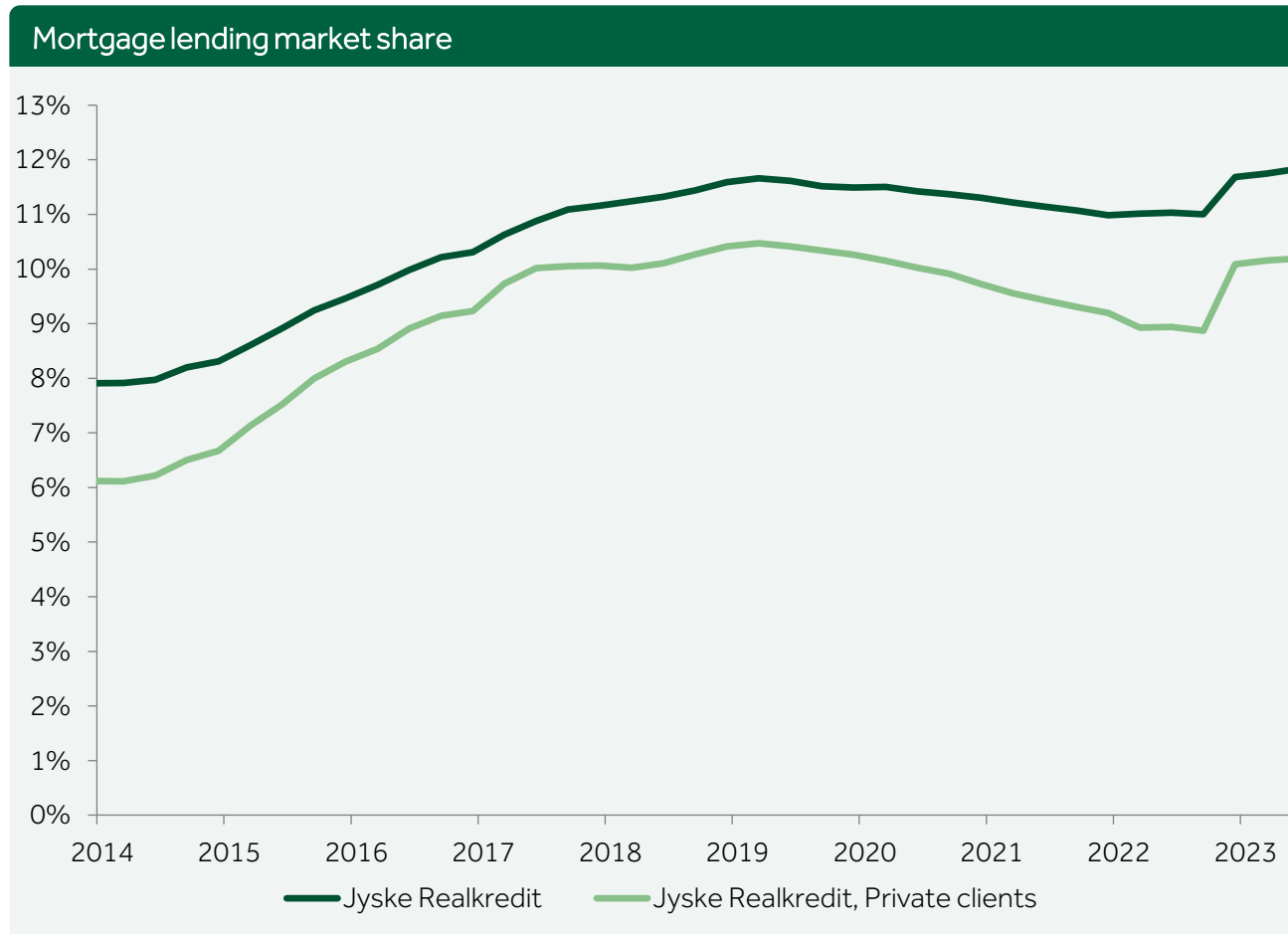
Full financial impact from 2025,
integration costs of c. DKK 50m in 2024

Strategy

Private clients



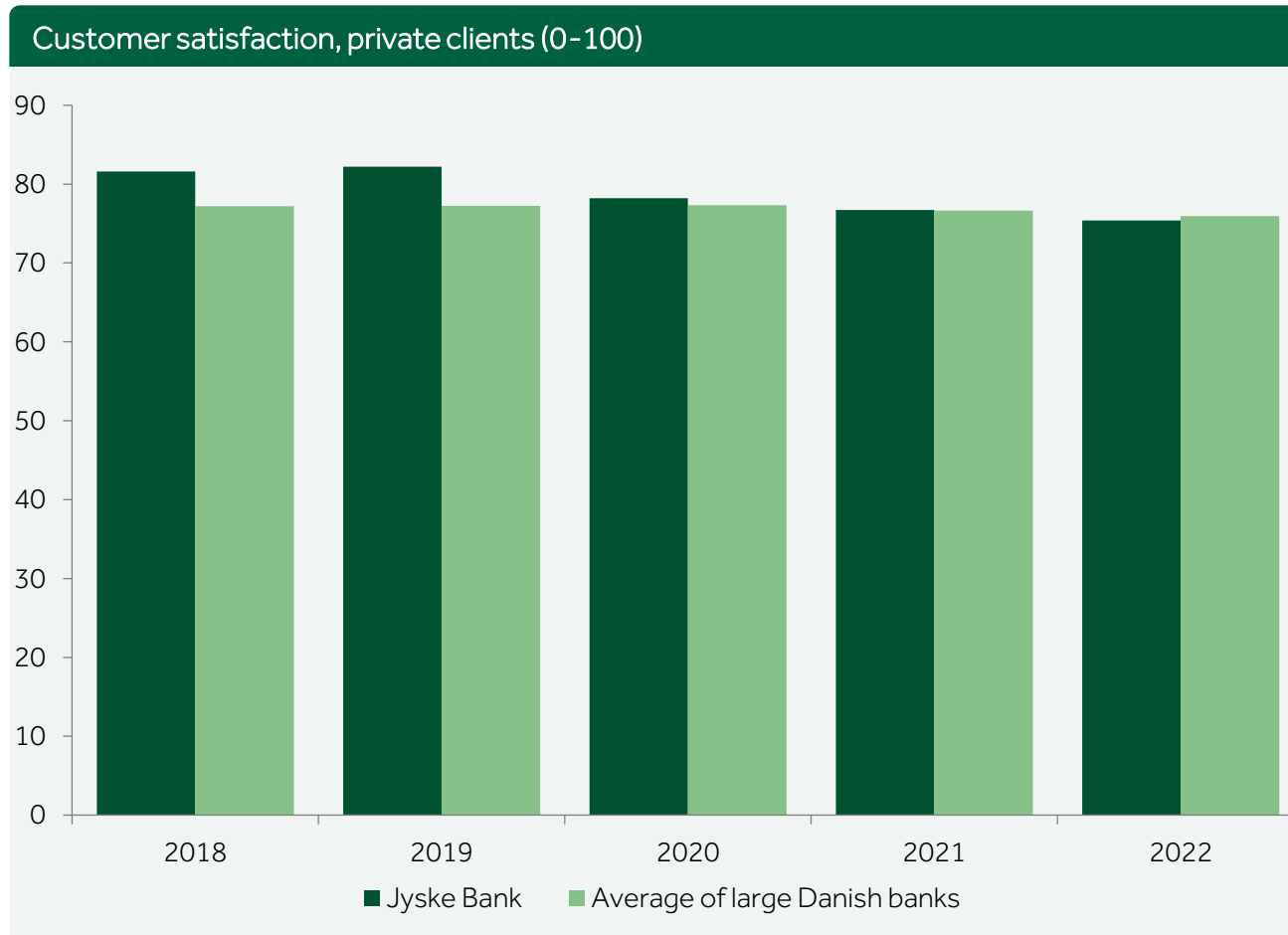
Priority changed from repatriation to repricing in 2019



While Jyske Bank has continued to gain market share in the corporate segment, the market share for mortgage lending to private clients has declined since 2018.

- **Repatriation of Totalkredit loans** following BRFkredit acquisition in 2014 led to dramatic market share increase.
- **Acquisition of Handelsbanken Denmark** in December 2022 as well as lower activity in the housing market helped turn negative trend.

Customer satisfaction impacted by profitability initiatives



Jyske Bank has introduced a **wide range of initiatives targeting private clients** since 2018, including

- First mover on **negative deposit rates** and **splitting of VISA/Dankort**
- Change of management and significant **organisational changes**
- Number of **branches reduced** by a fifth
- Introduction of **new mobile banking platform**
- Material **revision of fee structure** and new customer programme
- **Conservative property valuations** amid elevated remortgaging activity.

Profitability initiatives included new customer programme

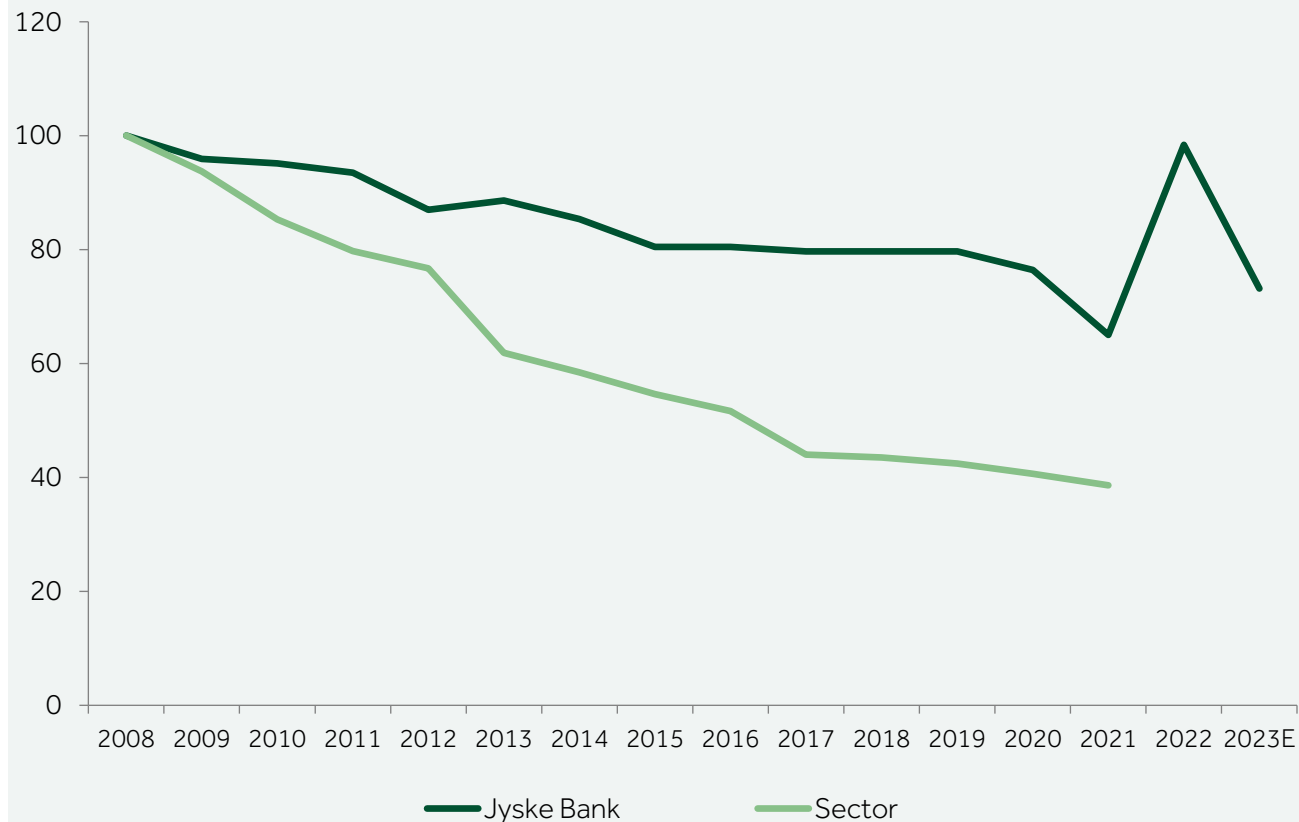
Segment	Jyske Hverdag	Jyske Plus	Jyske Premium
Scope of business	DKK <250,000	DKK 250,000-1,500,000	DKK >1,500,000
Overall pricing	Higher than before	Unchanged/slightly lower	Unchanged/slightly lower
Platform access	DKK 480 p.a.	DKK 0 p.a.	DKK 0 p.a.
VISA/Dankort	DKK 350 p.a.	DKK 350 p.a.	DKK 0 p.a.
Payment form	DKK 4	DKK 2	DKK 0
Money transfer	DKK 2-4	DKK 0-2	DKK 0
Cash withdrawal	DKK 15	DKK 15	DKK 10

As part of the profitability initiatives introduced in recent years, a new **customer programme** was launched on 1 April 2022, entailing a double digit million annual uplift in fee income targeting low profitability clients.

- The customer programme followed fee **changes previously implemented**, including increasing the level of card fee income as well as recurring asset management income.

Number of locations under pressure from digital banking

Bank locations in Denmark (2008=100)

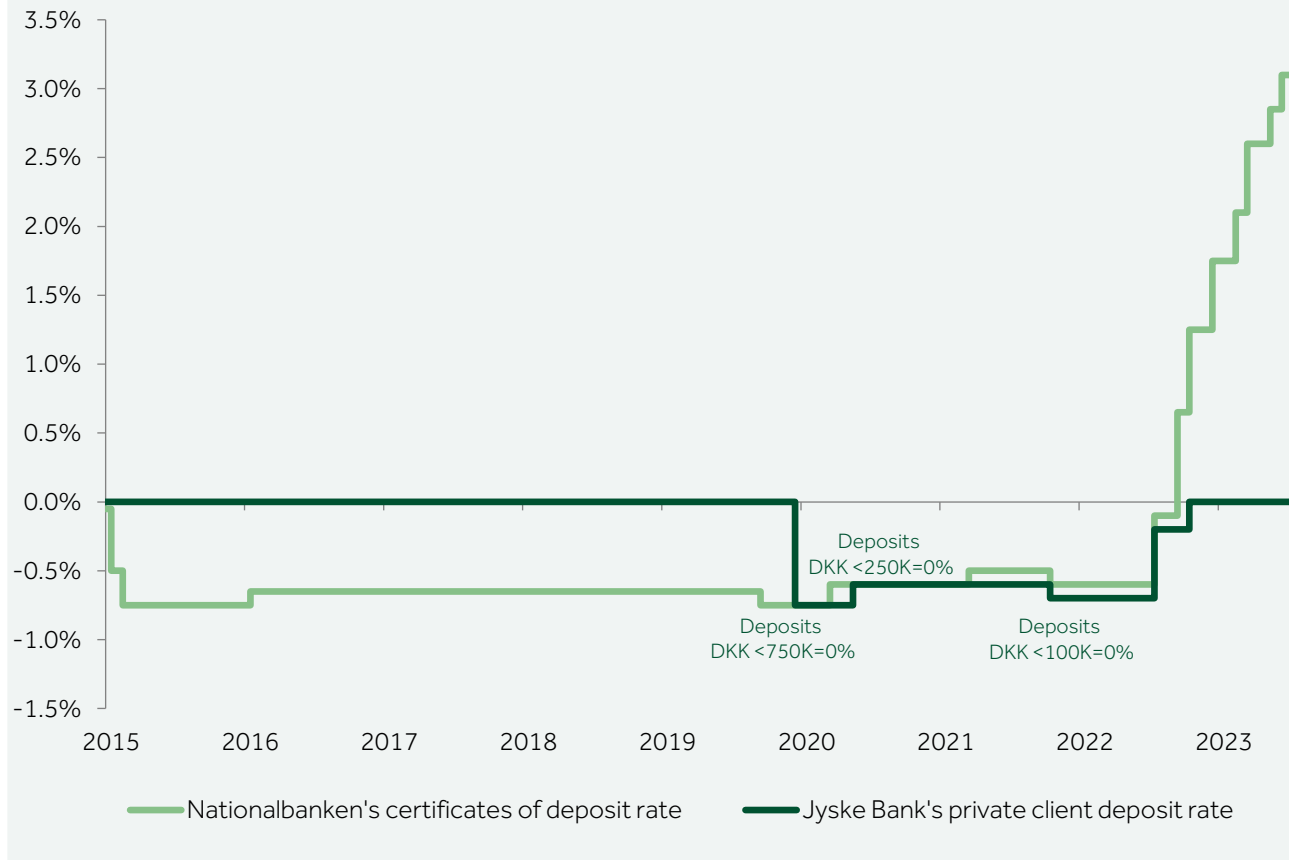


Given higher demand for digital banking services and normalization of market share of branches following period of above-market growth, **Jyske Bank** reduced the number of branches by a fifth from 2019 to 2021.

- Jyske Bank also **reduced the number of FTEs by 17%** from 2017 to Q3'22.
- The number of branches increased following the **acquisition of Handelsbanken Denmark** and expect to reduce the number of locations by 25%.
- Following the changes to the number of branches, **Jyske Bank will maintain a leading presence in Denmark** and an above-normal market share of locations.

Positive deposit margin reestablished

Private client deposit rate vs. certificates of deposit rate (p.a.)



Following several years of negative policy rates in Denmark, **Jyske Bank was the first Danish bank to introduce negative deposit rates** to corporate clients (2016) as well as private clients (2019).

- At the time, transactional private client **deposit margins were negative**. The move largely improved the margin to neutral territory.
- Rising interest rates has helped **reestablish a positive margin** on Jyske Bank's DKK 194bn of deposits.
- **Deposit migration has been gradual so far**. Jyske Bank also offers savings demand deposits yielding up to 1.65% in addition to time deposits yielding up to 2.65%.

Repositioning the private client area for growth

Scale advantages with a strong local presence



Local empowerment



Tailored to the customers' needs



Lifetime value of customers



Partnerships and digital sales



Financials

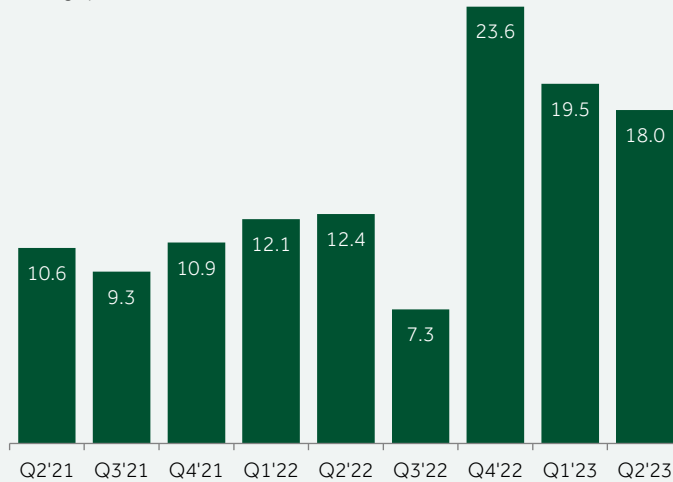
Q2 2023



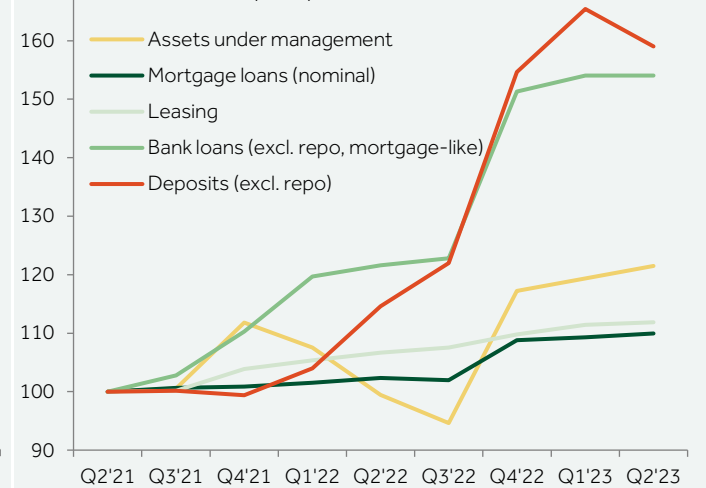
Continued strong financial performance in Q2 2023

Q2 2023 in brief

Earnings per share (DKK)

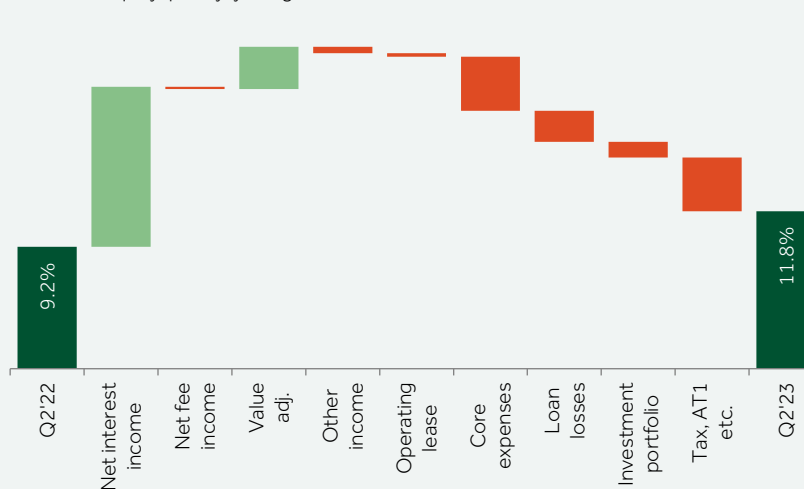


Business volumes (index)



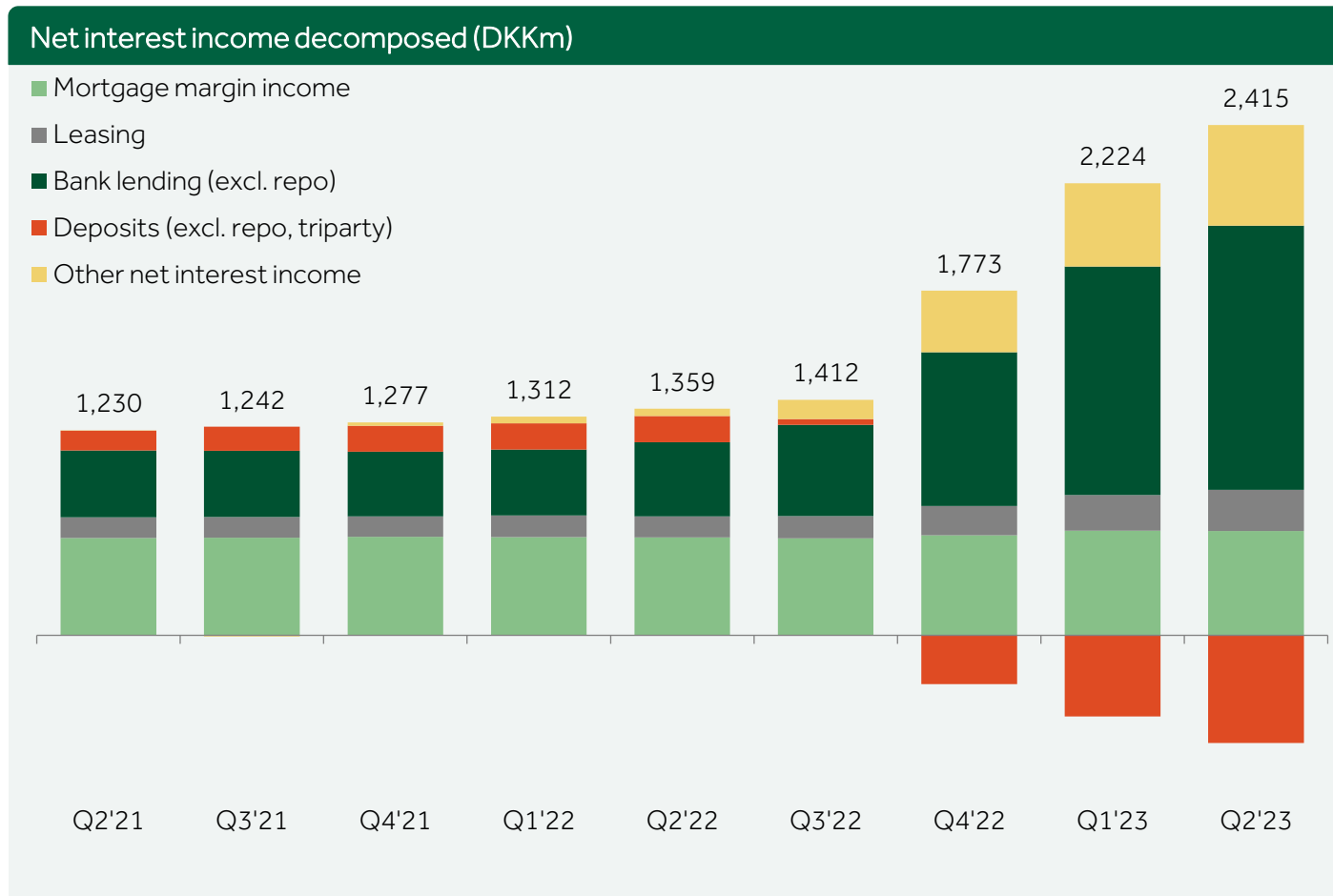
+45% y/y
Earnings per share

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



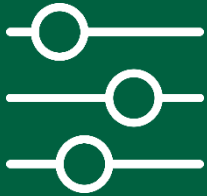
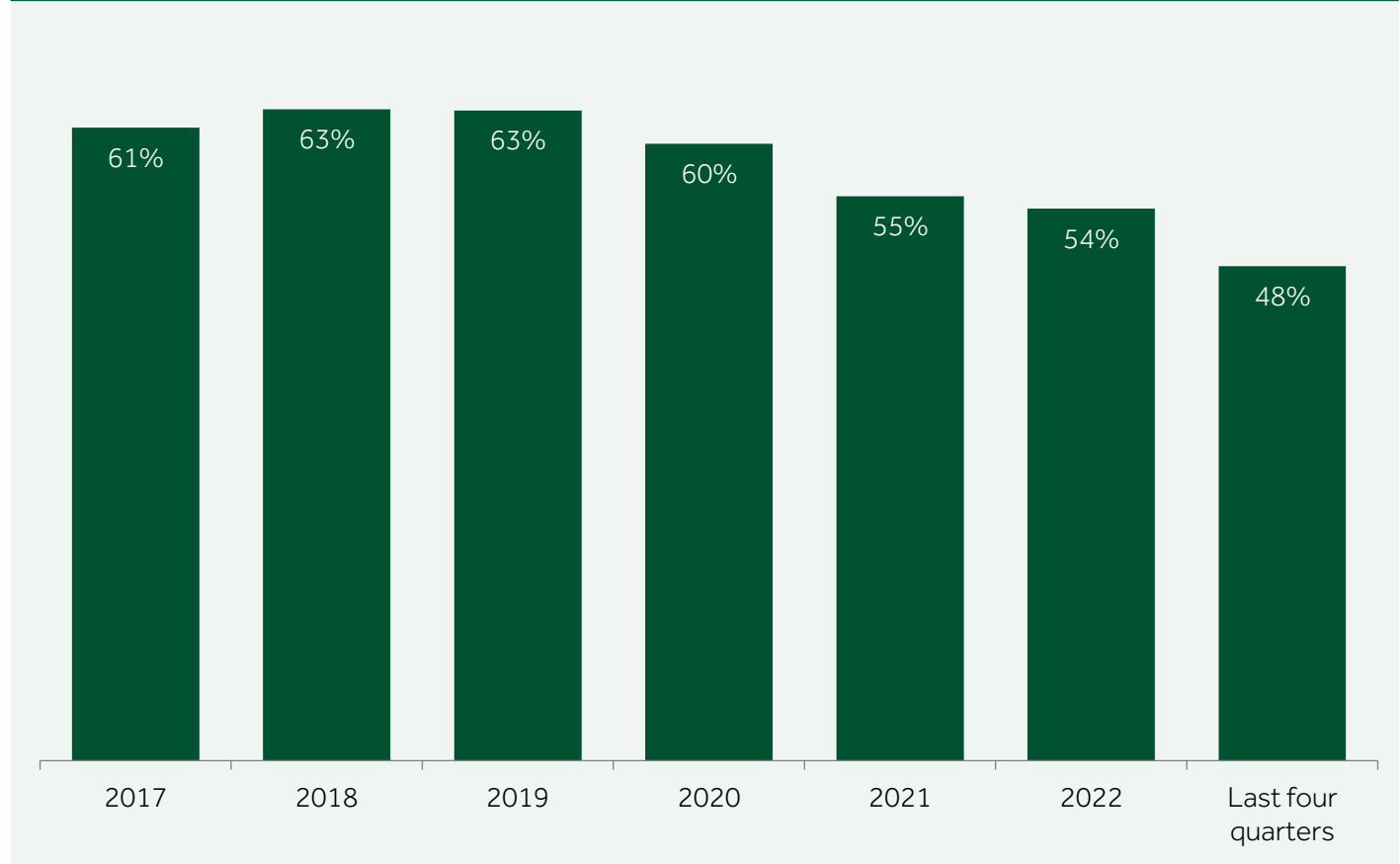
	DKKm	Q2'23	Q2'22	Index
Net interest income		2,415	1,359	178
Net fees and commissions		553	567	98
Value adjustments		186	-93	-
Other income		26	70	37
Income from operating lease		83	105	79
Core income		3,263	2,008	163
Core expenses		1,553	1,195	130
Core profit before loan losses		1,710	813	210
Loan impairment charges		13	-192	-
Core profit		1,697	1,005	169
Investment portfolio		-89	13	-
Pre-tax profit		1,608	1,018	158
Tax		409	178	230
Net profit		1,199	840	143

Net interest income up 78% y/y from higher rates and SHB DK



Improving cost/income ratio has reached sub-50% territory

Cost/income ratio (excl. one-off items)



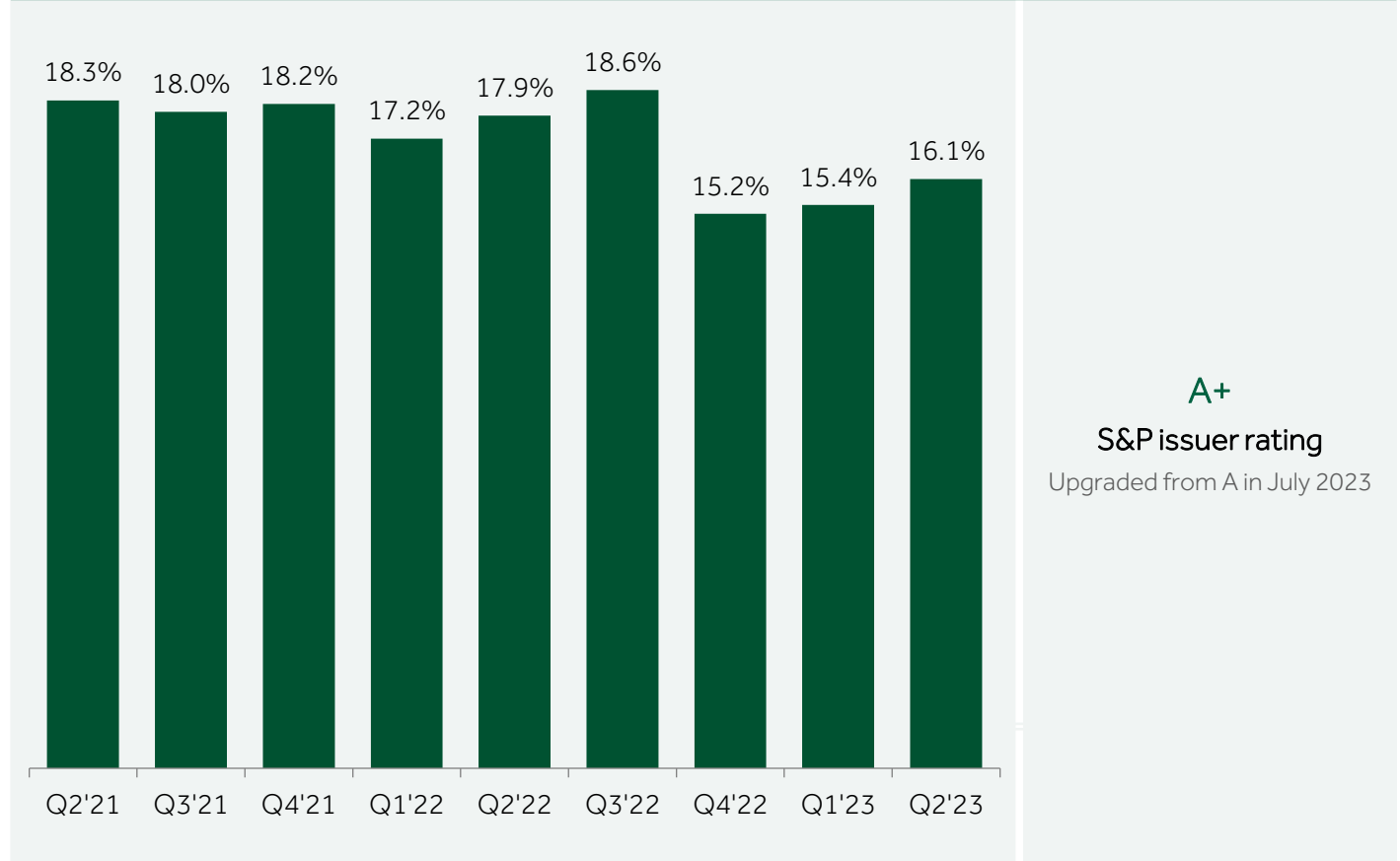
Solid credit quality with lowest level of write-offs in a decade



Note: Write-offs of DKK 20m in Q2 2023 equivalent to 0bp, the lowest level in more than a decade. Lending has nearly quintupled in the same period.

CET1 ratio rebuilt to upper half of target range

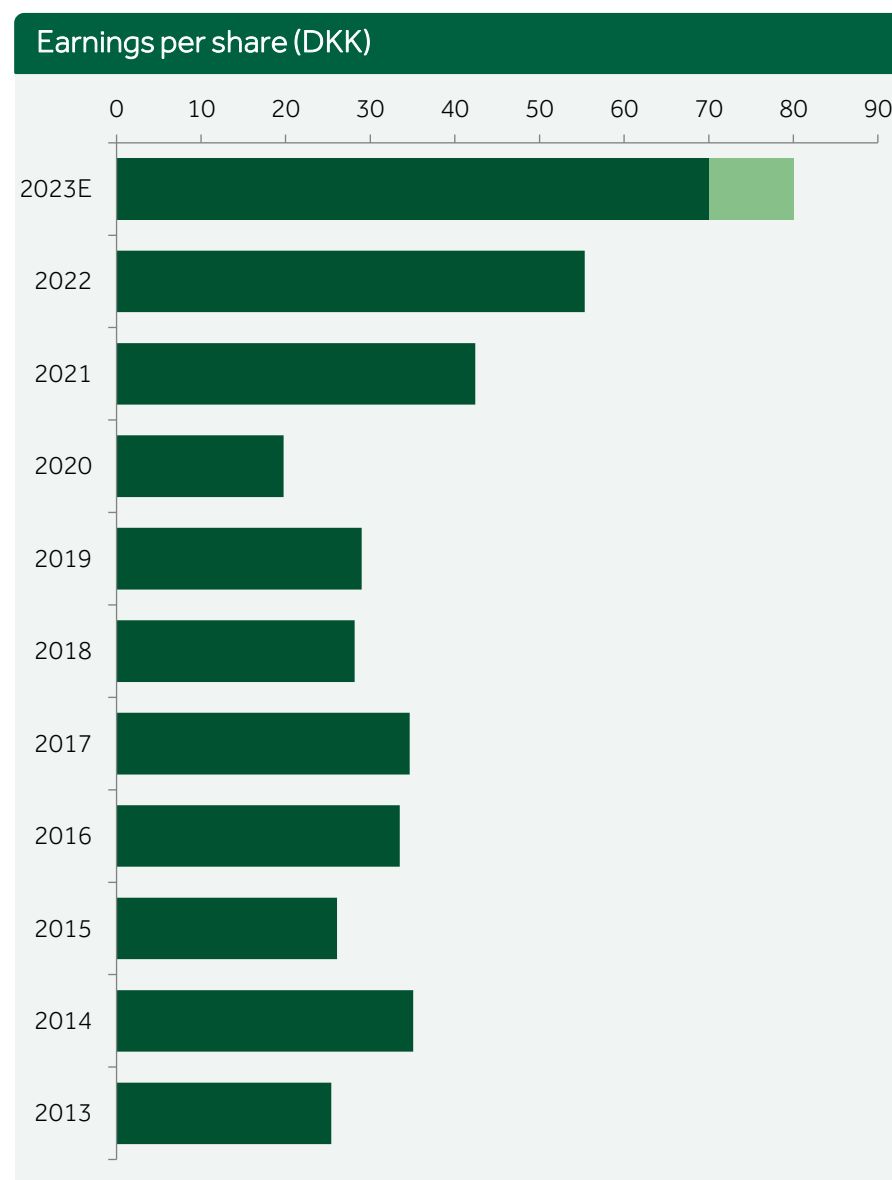
Common equity tier 1 ratio (target range: 15%-17%) and upgraded S&P rating



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

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 4.7bn-5.3bn in 2023 Equivalent to earnings per share of DKK 70-80</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.

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