
Investor presentation

Q3 2022



Summary

Q3 2022

Summary	2
Financials	11
Volumes	18
Sustainability	22
Jyske Bank in brief	24
Macroeconomics	26
Calendar and contacts	30



Positive underlying trends continue amid challenging markets

Q3 2022 in brief



DKK 7.3

Earnings per share

Core profit before loan losses, value adjustments and one-off items up 23% y/y

Good business momentum



+10% y/y

Net interest and fee income

Growth in bank loans and deposits, higher interest rates and fee changes

Positive deposit margin



>0%

Private client deposit margin

Transactional deposits at 0% p.a. from 1 October in positive interest rate environment

Solid provisioning



DKK 1,640m (34bp)

Management's estimate

Total balance of impairment charges of 1.0%.
Pro forma end-2007: 0.3%.

De-risking of mortgage lending

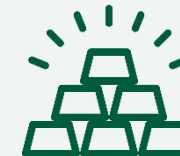


41%

Loan-to-value

-6pp so far in 2022 and
-26pp since 2013

Strong capital position



18.6%

CET1 ratio

All-time high CET1 ratio ahead of
Handelsbanken Denmark acquisition

Q3 2022 in brief

-11% y/y
Core income

+10% y/y excl. value adj. amid strong underlying income trends

+8% y/y
Core expenses

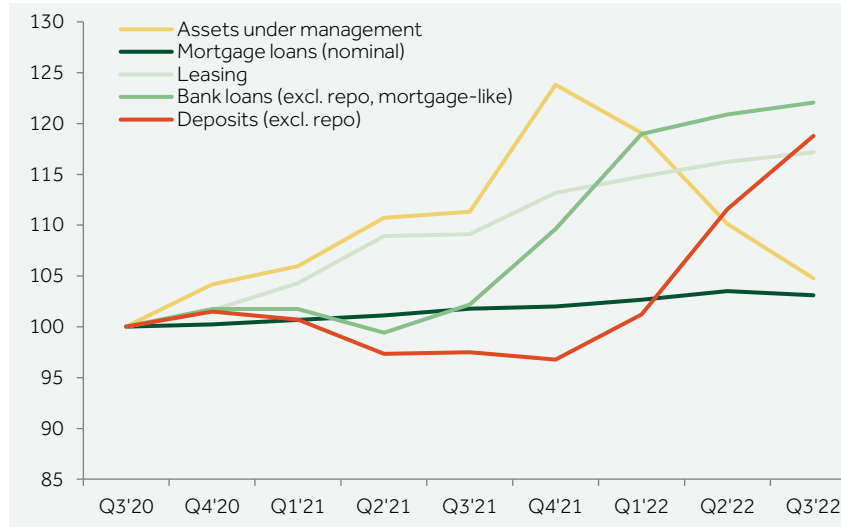
One-offs and collectively prescribed salary increases

-4bp

Loan impairment charges

Credit quality remains very solid

Return on equity bridge, business volumes and income statement

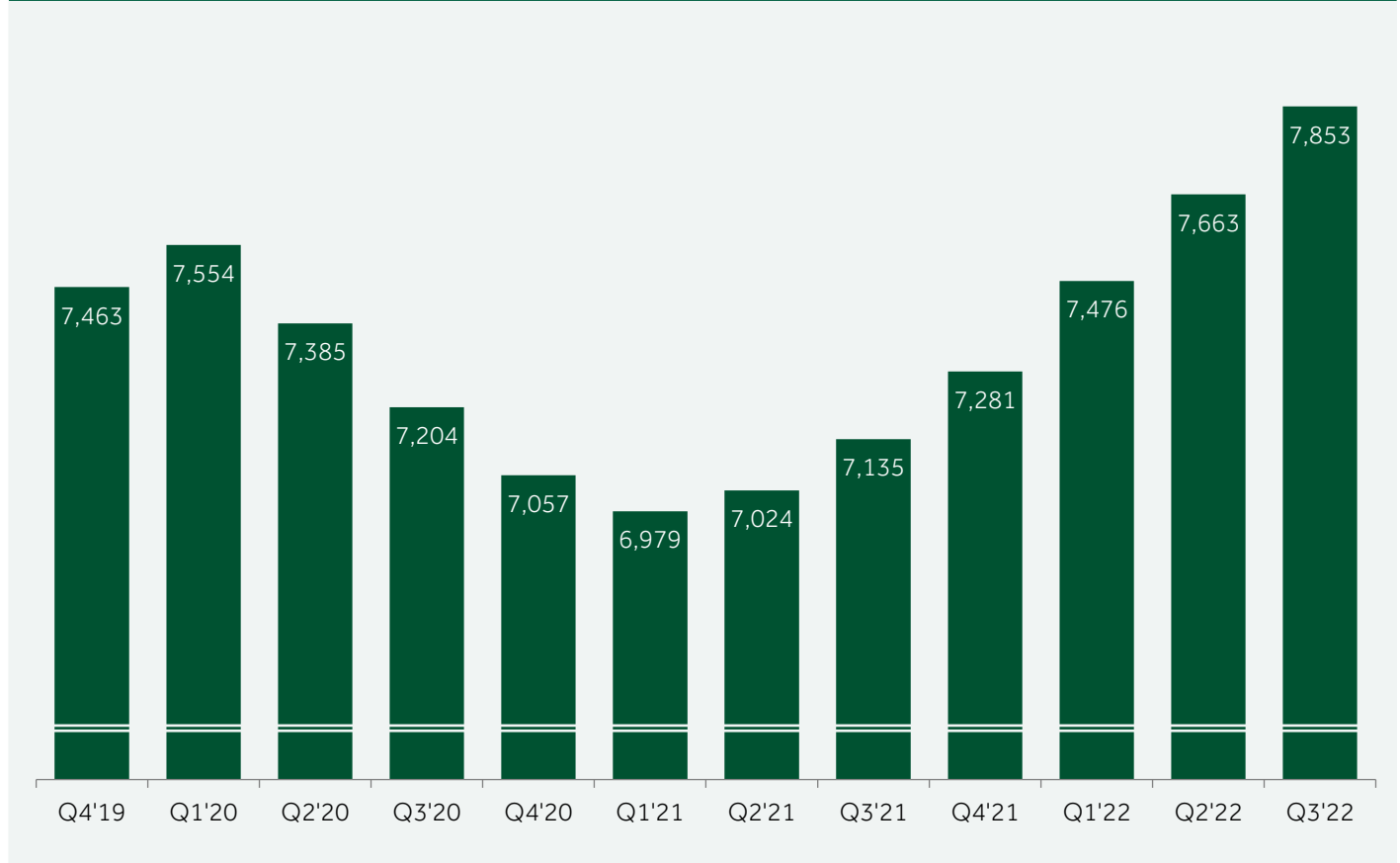


DKKm	Q3'22	Q3'21	Index
Net interest income	1,412	1,242	114
Net fees and commissions	598	578	103
Value adjustments	-300	128	-
Other income	20	32	63
Inc. from operating lease	98	81	121
Core income	1,828	2,061	89
Core expenses	1,273	1,174	108
Core profit pre loan losses	555	887	63
Loan impairment charges	-200	-36	-
Core profit	755	923	82
Investment portfolio	-119	-22	-
Pre-tax profit	636	901	71
Tax	133	195	68
Net profit	503	706	71
Earnings per share (DKK)	7,3	9,3	78
Return on equity (ann.)	5.3%	7.6%	70
Cost/income ratio	69.6%	57.0%	122
CET1 ratio	18.6%	18.0%	103
Mortgage lending (nom.)	342,608	338,218	101
Bank loans (excl. repo)	87,637	73,356	119
Mortgage-like bank loans	4,594	2,480	185
Leasing	22,923	21,349	107
Deposits (excl. repo)	149,160	122,421	122

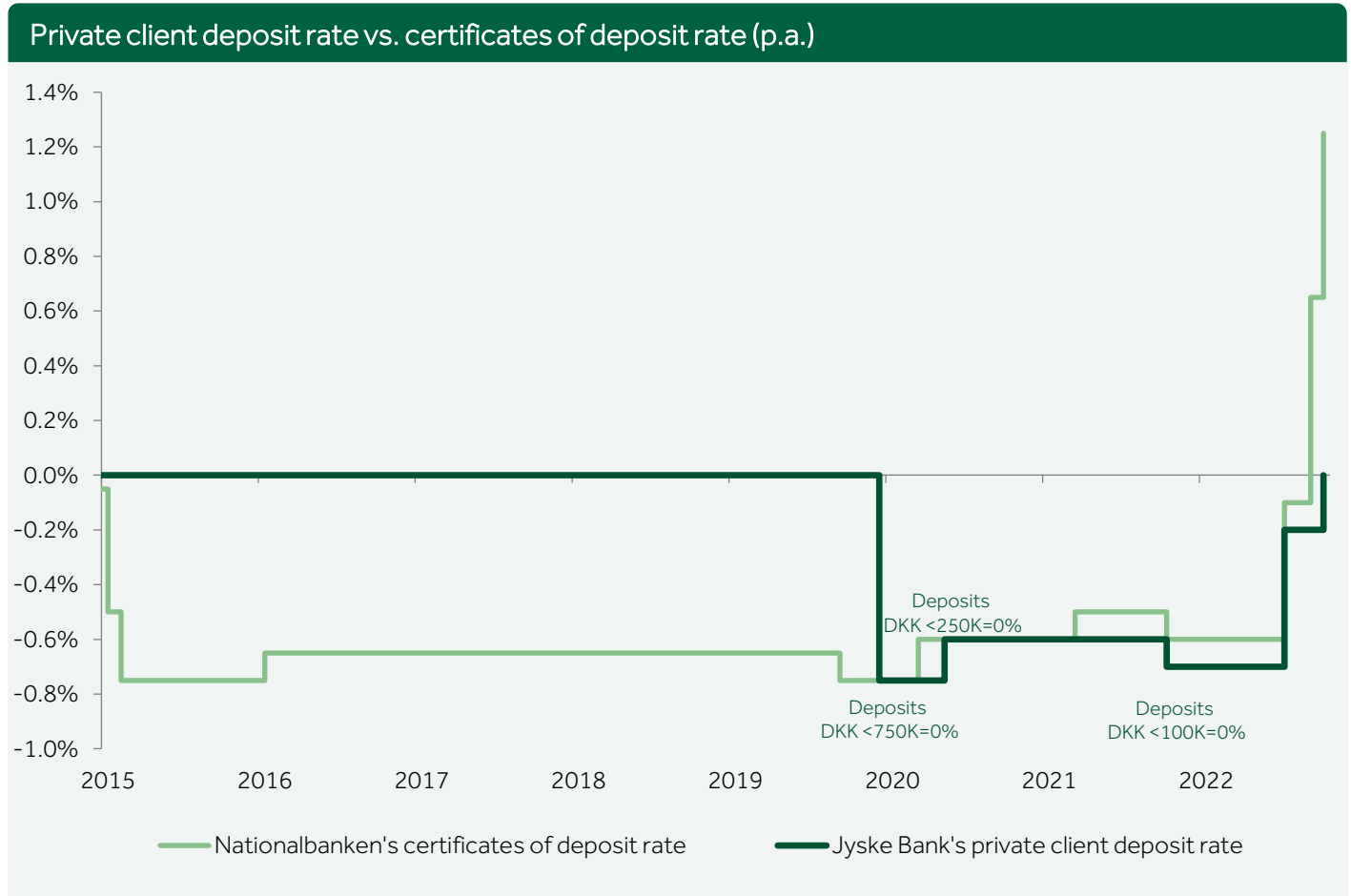
Higher volumes, interest rates and fee changes support income



Net interest and fee income (trailing four quarters, DKKm)



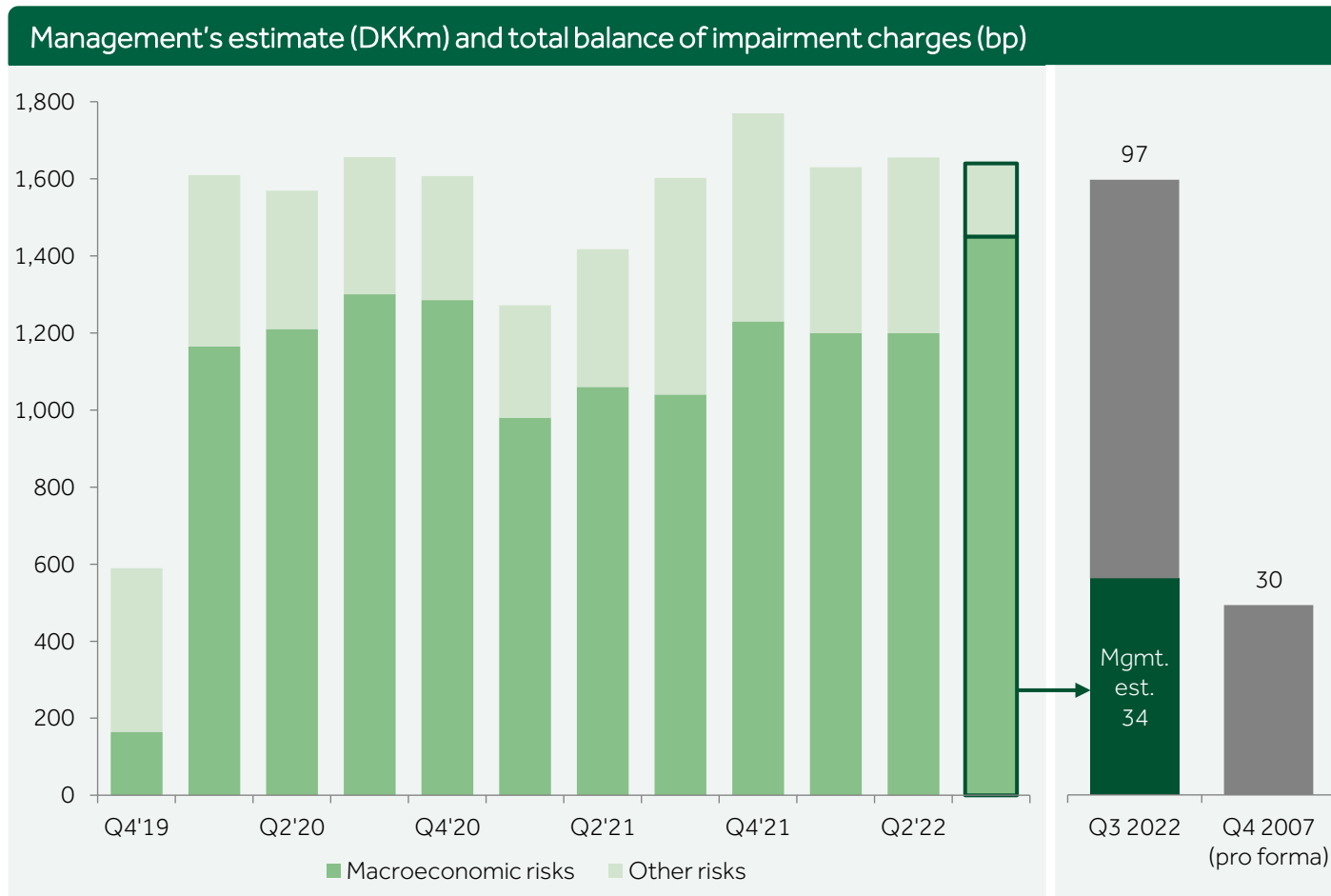
Rate hikes imply c. DKK 1bn p.a. net interest income tailwind



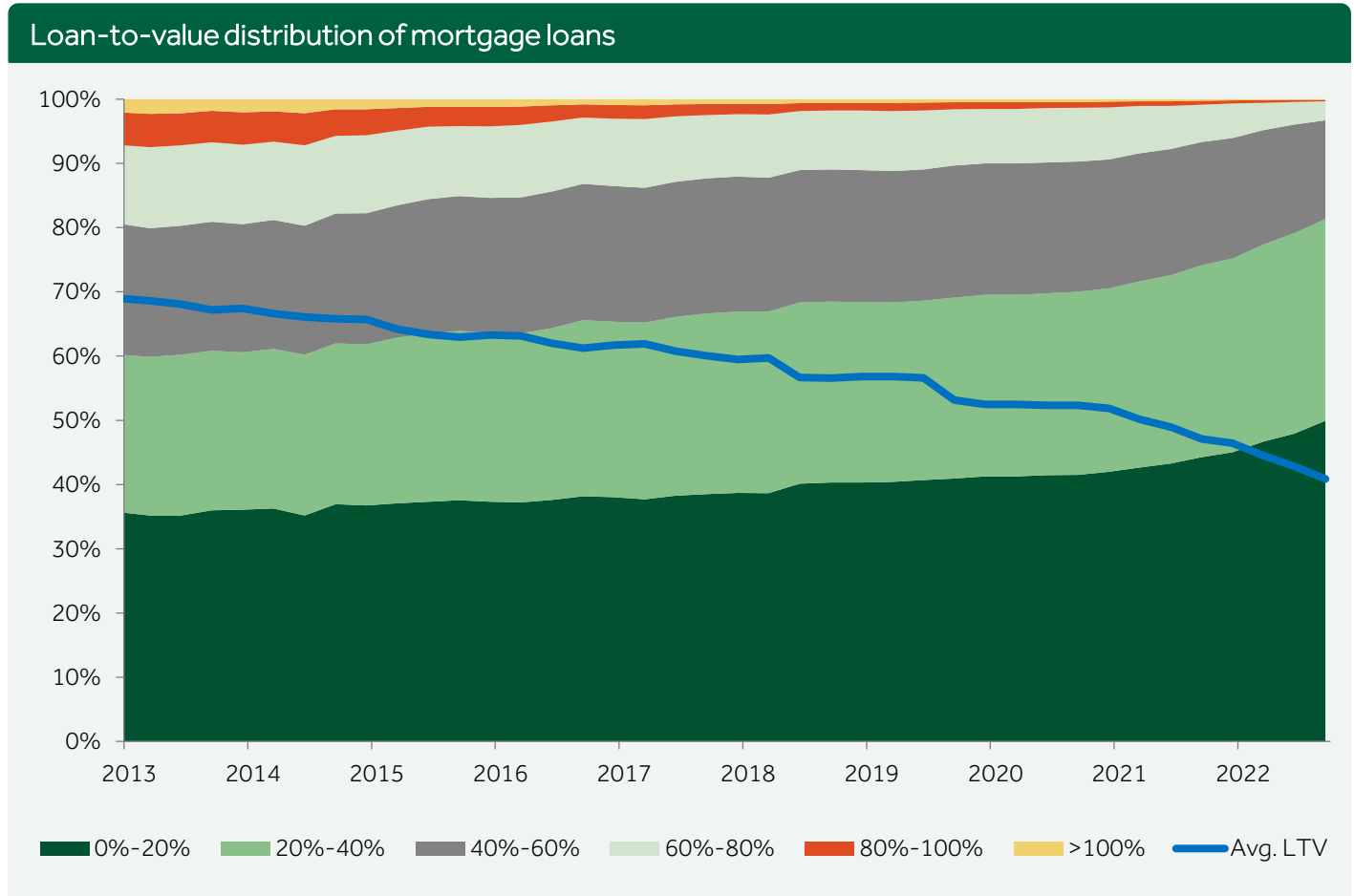
Client	Product	ΔRate	Timing
Private	Lending	+50bp	25 Oct.
	Deposits	+75bp	1 Jan.
Corporate	Deposits	+50bp	22 Jul.
	Lending	+20bp	1 Oct.
	Lending	+50bp	1 Sep.
	Deposits	+75bp	1 Nov.
	Deposits	+50bp	1 Sep.
	Deposits	+60bp	1 Nov.

Note: Data as of the end of October 2022. Private client deposit rate is based on transactional demand deposits above zero interest threshold.

Management's estimate related to macro risks at all-time high



Loan-to-value at 41% following reduction of 6pp so far in 2022



All-time high CET1 ratio ahead of SHB DK acquisition

Overview of Handelsbanken Denmark transaction and expected financial impact

DKK 3.0bn

Goodwill payment

DKK 25bn estimated REA inflation based on end-2021 volumes

DKK ≥0.3bn p.a.

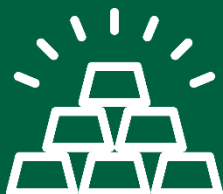
Synergies

DKK 0.4bn cost synergies, income dis-synergies of DKK 0.1bn by 2024

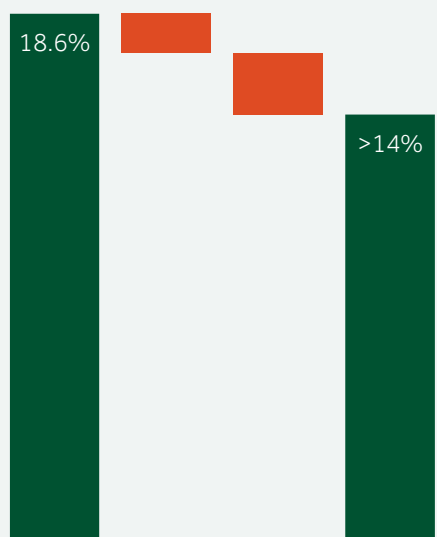
c. DKK 0.5bn

Integration/restructuring

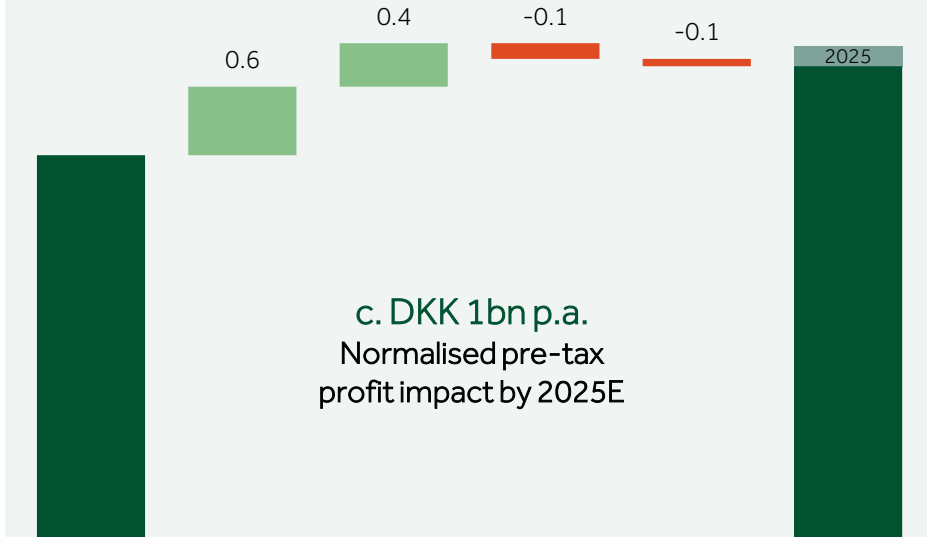
DKK 0.1bn realised so far in 2022, DKK 0.4bn expected for 2023-2024



CET1 ratio



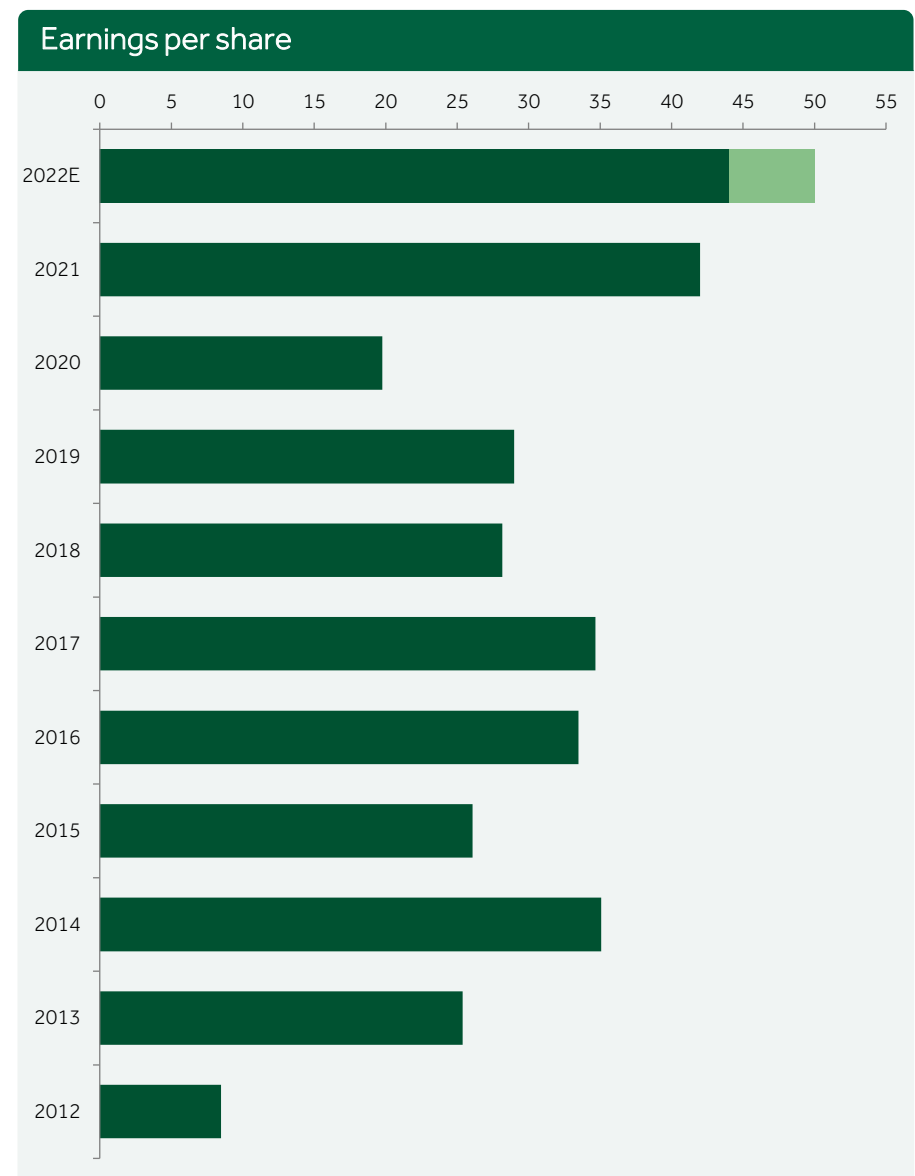
Illustrative 2024 pre-tax profit impact (DKKbn)



c. DKK 1bn p.a.
Normalised pre-tax profit impact by 2025E

Aiming for the upper end of the profit target range for 2022

Volumes	Bank lending and nominal mortgage lending to increase in 2022
Core income	Lower in 2022 than 2021 due to significantly lower value adjustments
Core expenses	Approx. unchanged in 2022 vs. 2021 excl. one-off costs
Loan impairment charges	Reversals of loan impairment charges in 2022
Net profit	Upper end of DKK 3.0bn-3.4bn in 2022 excl. one-off costs
Capital	CET1 ratio of 15%-17%, capital ratio of 20%-22%



Financials

Q3 2022

Summary	2
Financials	11
Volumes	18
Sustainability	22
Jyske Bank in brief	24
Macroeconomics	26
Calendar and contacts	30



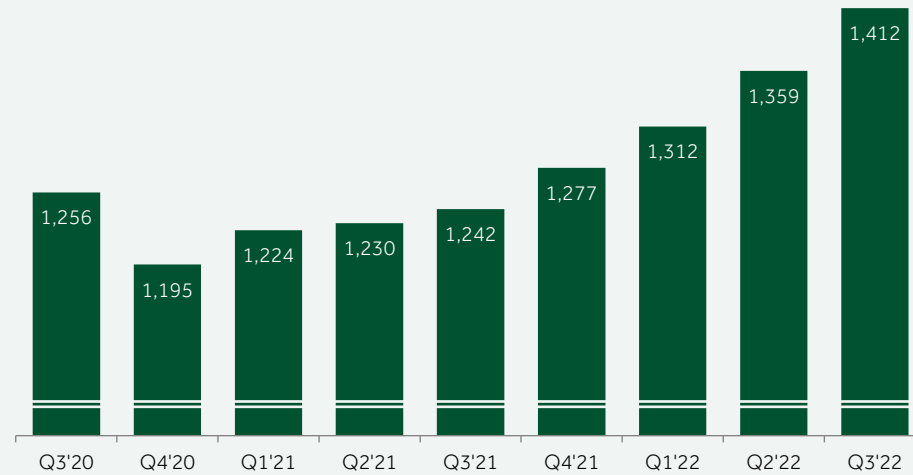
Increasing interest rates and volumes drive higher NII

Net interest income (DKKm)

+14% y/y

Net interest income

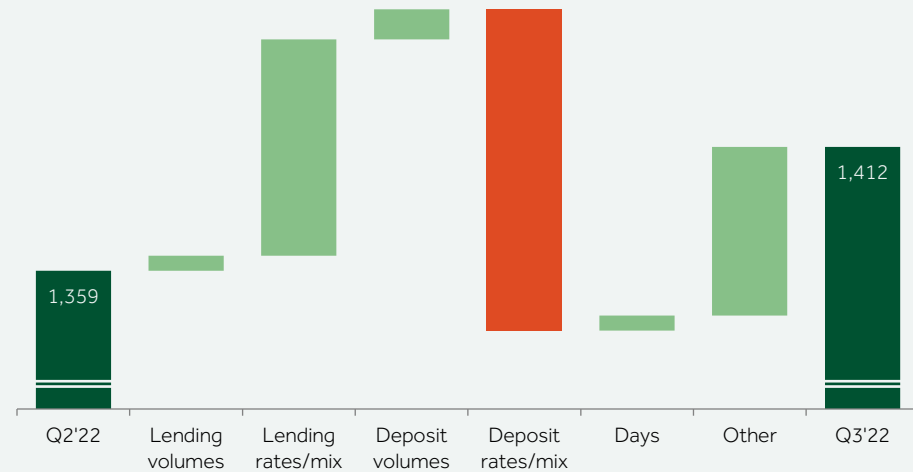
Higher bank volumes and higher interest rates



+4% q/q

Net interest income

Higher interest rates and higher bank volumes



- Higher lending volumes and higher lending rates slightly offset by mix effects, primarily due to lower household lending and increased lending to large corporate clients.
- Negative effect from higher private and corporate deposit rates as higher interest rates are partly passed through.
- Other NII from excess liquidity increased significantly amid increasing interest rates.
- NII from lending supported by higher interest rates amid continued corporate lending growth.
- NII from deposits under pressure from partly passing on the effect from higher interest rates. Corporate deposits grew significantly towards the end of Q3.
- Other NII increase significantly, as income from excess liquidity benefitted from higher interest rates.

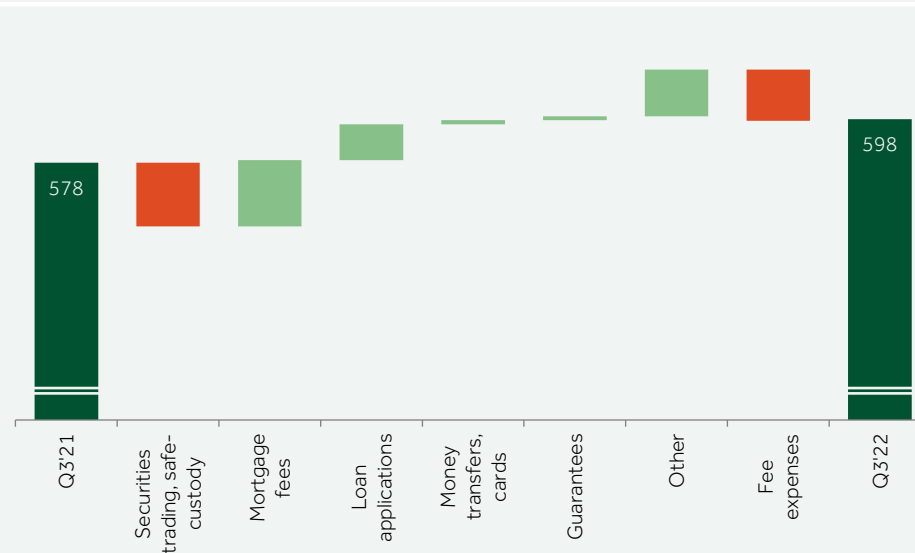
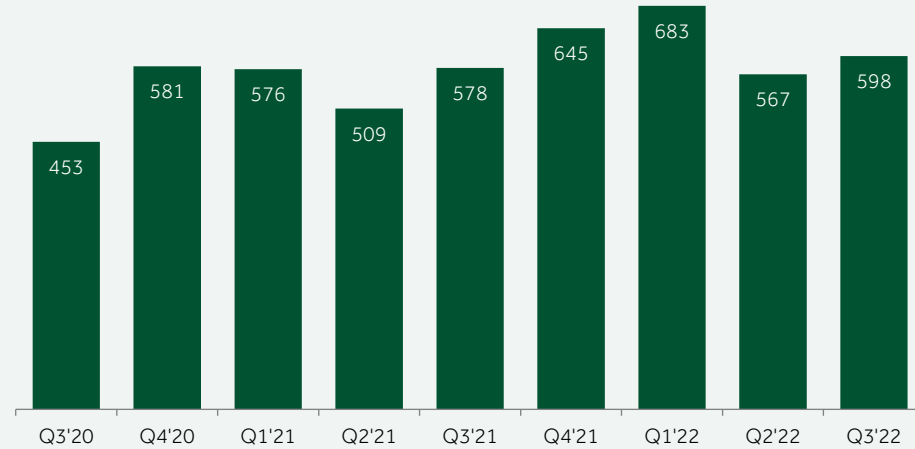
Mortgage activity and customer programme support fees

Net fee and commission income (DKKm)

+3% y/y

Net fee income

Increased refinancing activity, fee changes and high lending activity

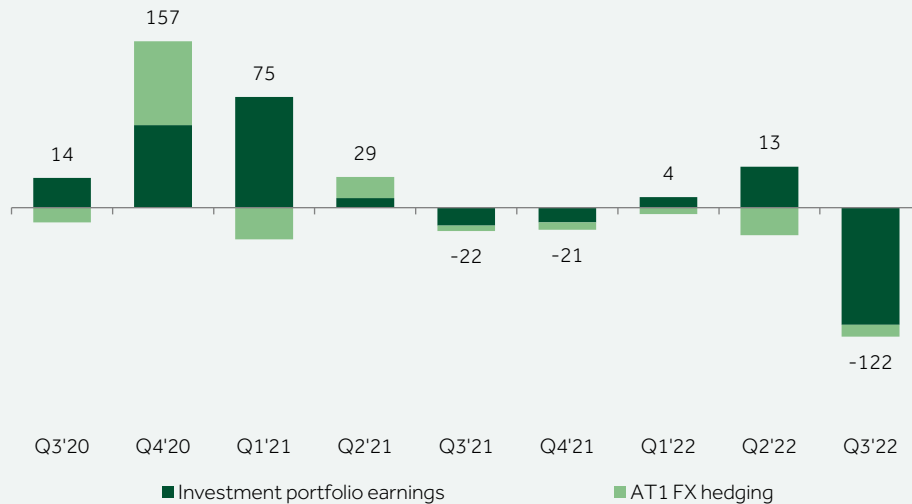


- Securities trading and safe-custody decreased amid **lower wealth management fees** and decreased trading activity.
- Mortgage fees and loan application fees supported by **refinancing activity and lending growth**.
- Other fee income supported by **customer programme** implemented on 1 April.
- Fee expenses at elevated level from **DKK 10m negative one-off** related to covered bond issuance.

Highly challenging financial markets in Q3 2022

Value adjustments and investment portfolio earnings (DKKm)

DKK -300m
Value adjustments
Hedging and widening OAS



DKK -122m
Investment portfolio
Curve positioning and widening OAS

- Higher interest rates had severely negative impact on **hedging of interest rate risk** under strategic balance and risk management, which in total contributed DKK -0.5bn in Q3.
- **Very significant widening of spreads.** Option-adjusted spreads of especially callable bonds but also 3-year fixed rate Danish mortgage bonds widened significantly in Q3.
- **Interest curve steepener exposure negatively impacted** by flattening of yield curves in Q3.

One-off costs related to acquisition of SHB Denmark



+8% y/y

Core expenses

One-off items, collectively prescribed salary increases

- Costs exhibit a **slight underlying increase** amid high activity levels and increased IT costs.
- **One-off items of DKK 67m** related to acquisition of Svenska Handelsbanken's activities in Denmark.
- Number of **FTEs unchanged** at 3,266. Higher employee costs caused by collectively prescribed salary increase of 2.0%.
- **Cost/income ratio** of 58% in the last four quarters excl. one-off items despite challenging financial markets.

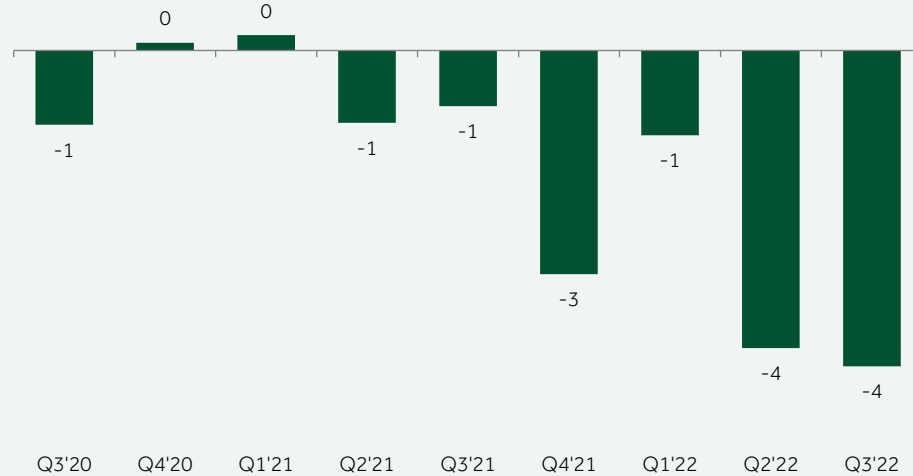
Strong credit quality ensures continued reversals

Cost of risk and non-performing exposure (bp/%)

DKK -200m (-4bp)

Cost of risk

Strong credit quality and significant mgmt. estimate



1.4%
Stage 3 exposure
 Stage 2+3: -1.1pp y/y

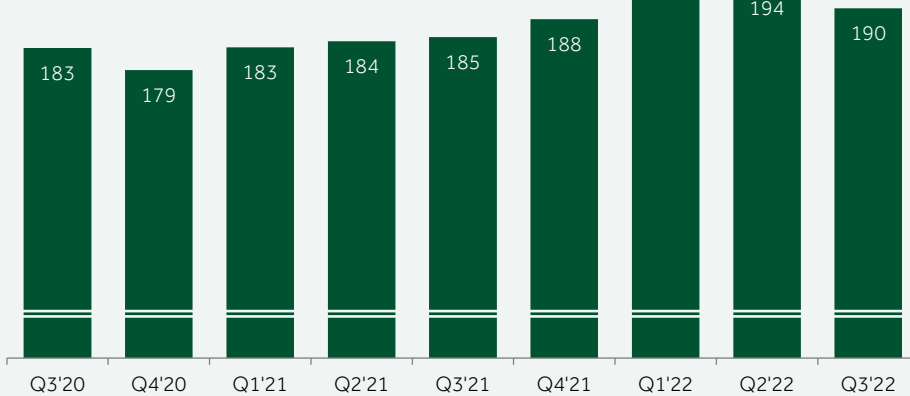
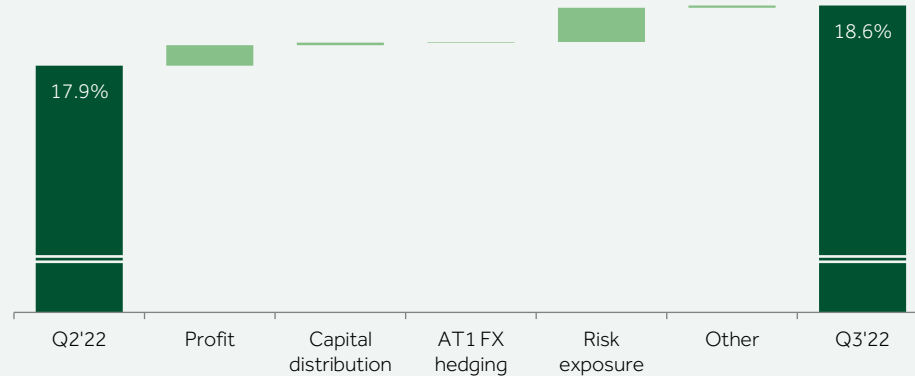
DKK 1,640m
Mgmt. estimate
 DKK -15m q/q

- **Credit quality remains strong** despite increased macroeconomic uncertainty amid a strong, albeit cooling, property market as well as a low level of unemployment claims.
- **Management's estimate is at a solid level** of DKK 1,640m (34bp), o.w. DKK 1,450m is related to macroeconomic risks (highest level on record).
- Continued **low level of non-performing exposures** despite technical adjustment relating to repeated overdrafts.
- Loans subject to forbearance measures as well as 90-day mortgage arrears also remain at low levels.

Strong CET1-build in Q3, well-prepared for acquisition

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

18.6%
CET1 ratio
15%-17% target range
11.3% requirement



-2% q/q
Risk exposure amount
Higher interest rates
reduced credit exposure

- CET1 ratio increased 0.7pp q/q due to continued strong profit generation and slightly lower risk exposure amount.
- Risk exposure amount decreased 2% q/q as higher interest rates reduced credit exposure.
- 18.6% CET1 ratio, well above 15%-17% target range, prior to acquisition of Handelsbanken's activities in Denmark. CET1 ratio to remain well above 14% post closing (expectedly Q4 2022).
- The CET1 ratio impact from upcoming regulation (incl. Basel IV) is estimated at approx. -1.5pp. After implementation, capital targets could be reduced accordingly.
- 4,727,905 repurchased shares cancelled in October.
- Funding plan: Jyske Bank aims to issue c. EUR 500m NPS debt in Q4 2022.

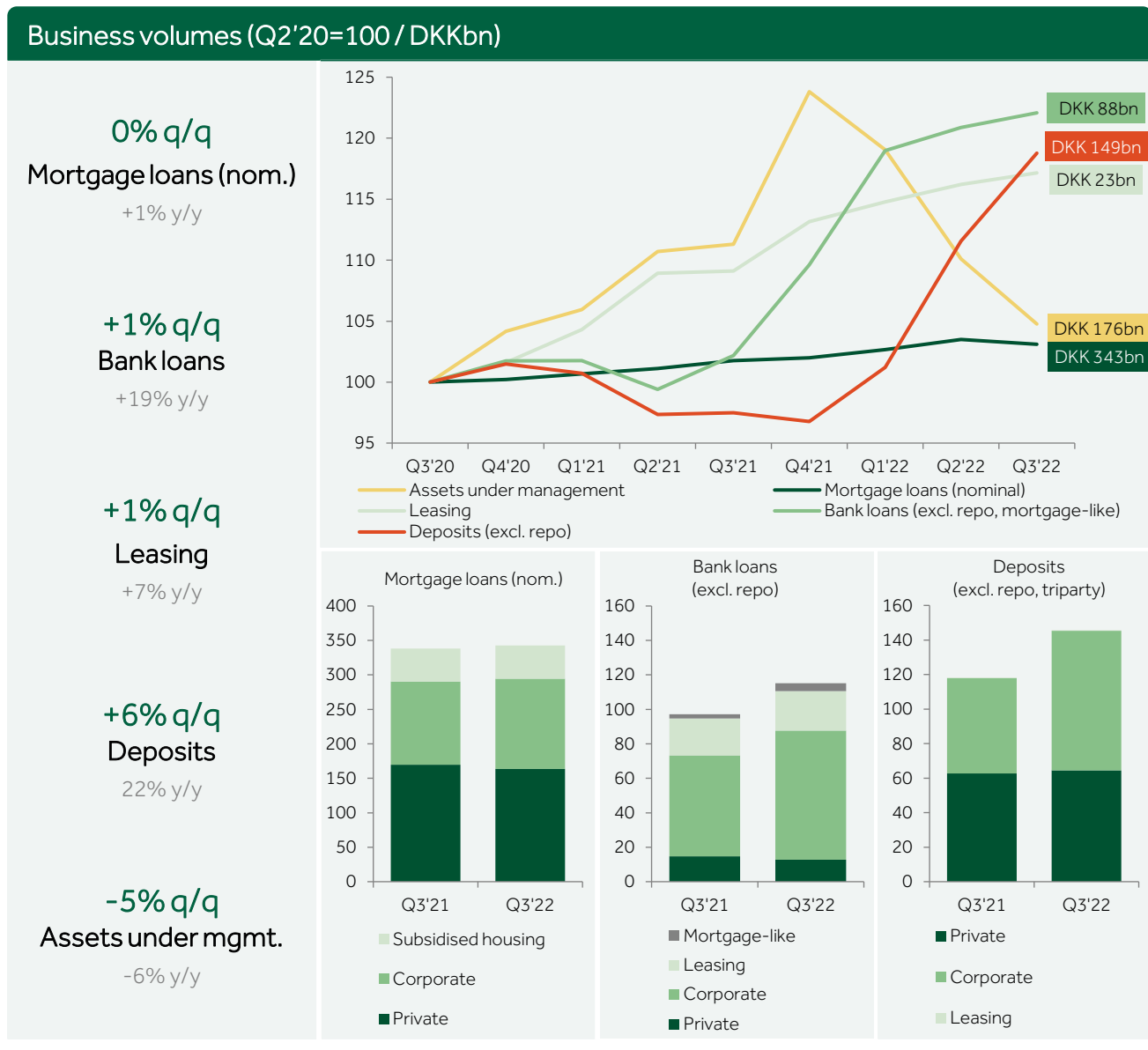
Volumes

Q3 2022

Summary	2
Financials	11
Volumes	18
Sustainability	22
Jyske Bank in brief	24
Macroeconomics	26
Calendar and contacts	30

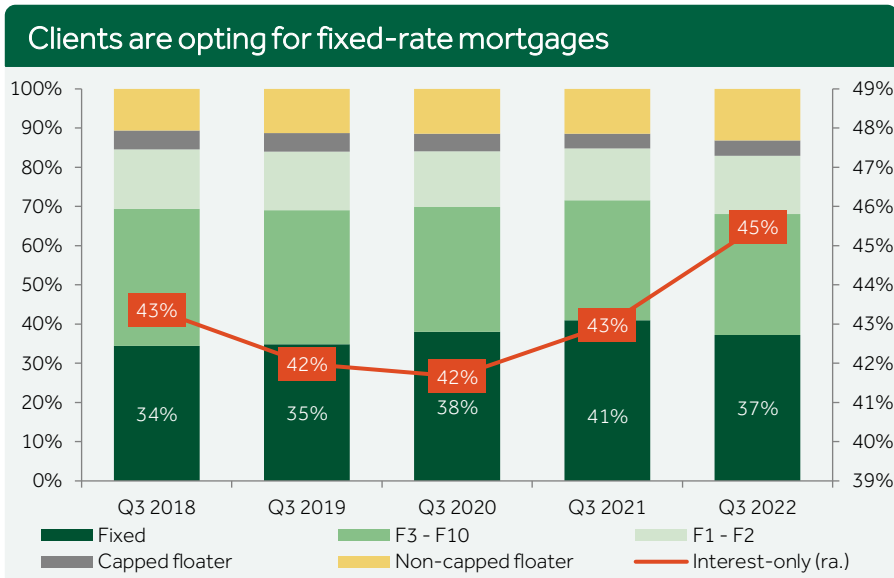
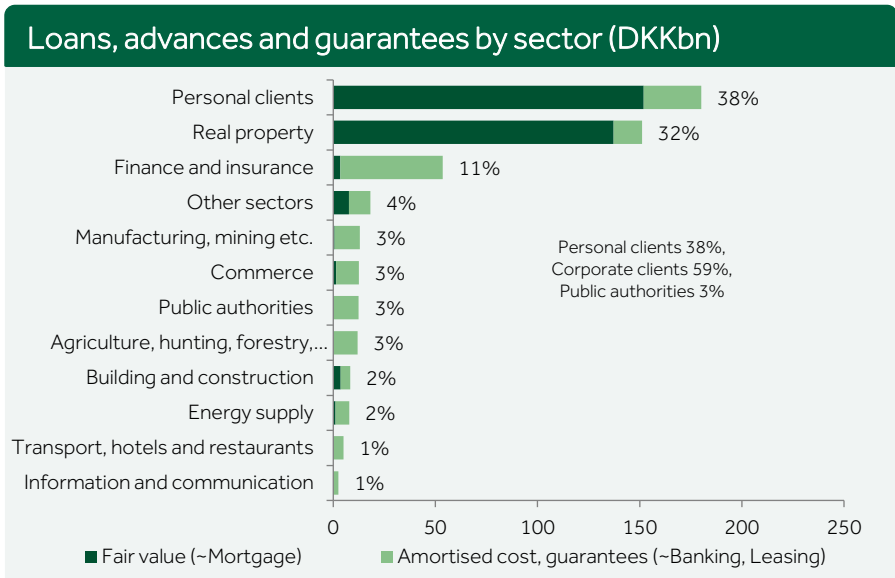
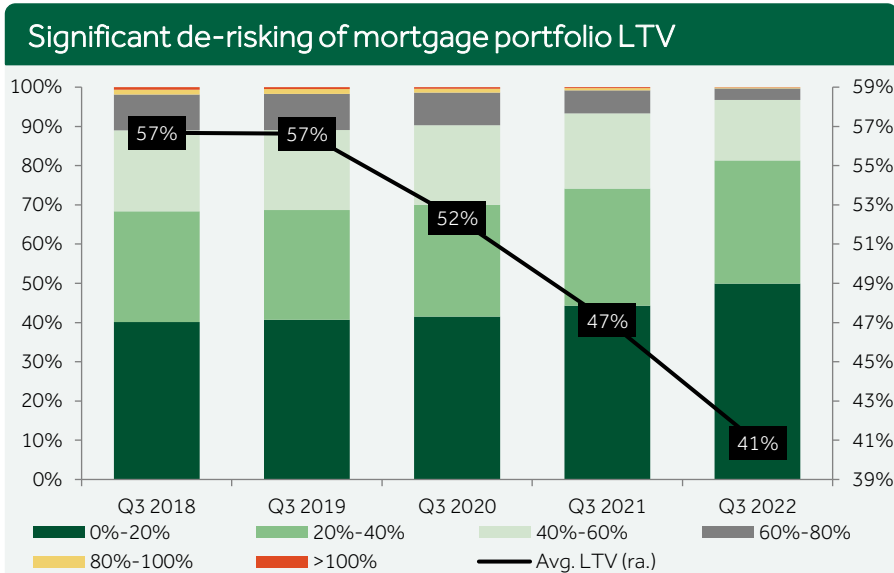
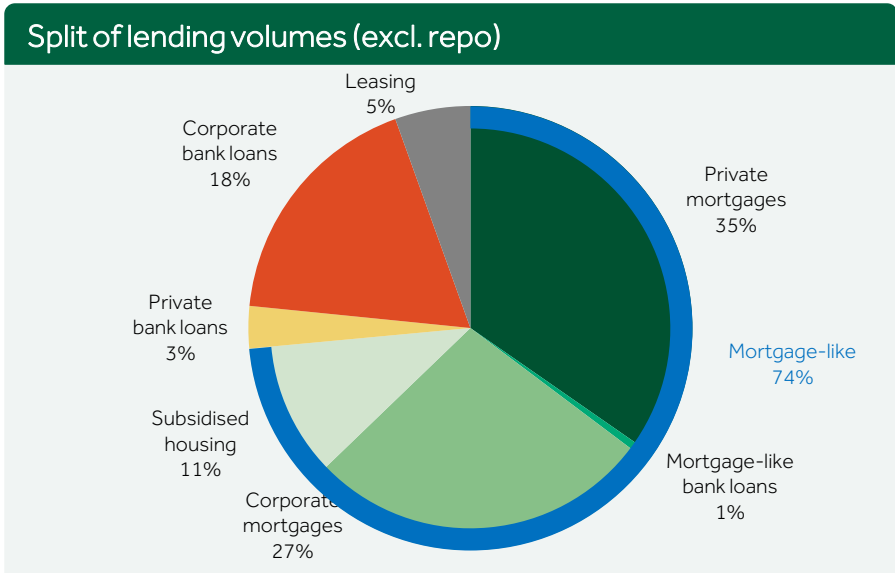


Bank loans up 19% y/y, deposits up 22% y/y



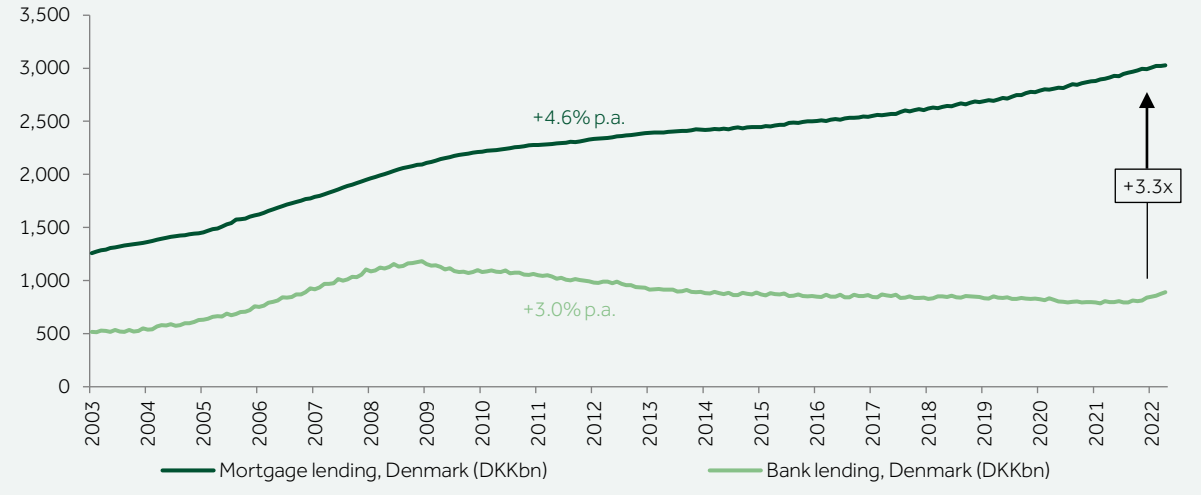
- **Mortgage loans (nominal):** Continued positive development in lending to corporate clients. Private client lending negatively impacted by debt reductions from remortgaging and increased demand for mortgage-like bank loans.
- **Bank loans (excl. mortgage-like):** Higher lending to large corporate clients more than compensated for lower lending to private clients.
- **Leasing:** Severe supply chain issues in the industry continued to limit growth in Q3 somewhat.
- **Deposits:** Corporate deposits grew significantly towards the end of Q3, partly driven by energy companies and public authorities.
- **Assets under management:** Impacted by negative market development in Q3 2022.

Lending characterised by high mortgage share with low LTV



74% 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

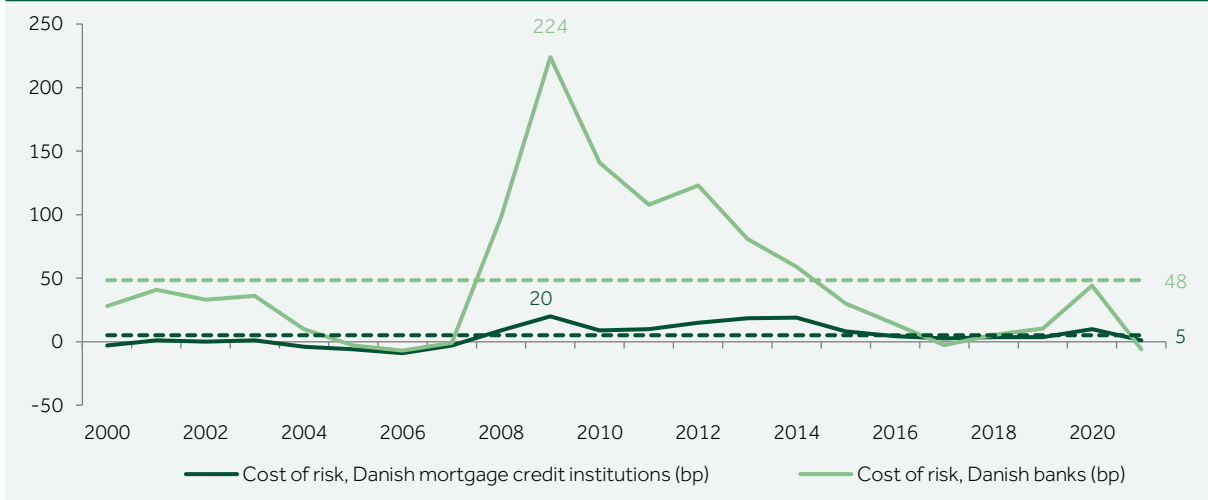
Issuing covered bonds with 1:1 matching terms (full pass-through)

More stable margin development

Full pass-through of interest rates in a consolidated market

Mortgage margins are up 54% since 2003, whereas banks' net interest margins are down 45%

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



Sustainability

Sustainable business and responsible banking operations



Summary	2
Financials	11
Volumes	18
Sustainability	22
Jyske Bank in brief	24
Macroeconomics	26
Calendar and contacts	30



Targeting growth in sustainable lending areas

Sustainability targets

5 TWh by 2025

Financed renewable
energy

2021: 3.2 TWh

DKK 50bn by 2025

Financed low-energy commercial
property financing

2021: DKK 39bn

40% by 2025

Low-emission share of
vehicle loans

2021: 17%

-75% by 2030

CO₂ footprint of managed
equity investments

2021: -50% vs. 2019

Ingrained in identity



Sustainable and responsible business

Excerpt from Jyske Bank's Identity

Founding signatory of UN Principles
for Responsible Banking

Supporting sustainable changes



'All progress counts'

Approach to sustainability

Facilitating and encouraging sustainable
progress in customer dialogues

Reducing financed emissions



Transport, agriculture, mortgages

Areas with high emission

Efforts and target setting
guided by impact analysis

Leading by example



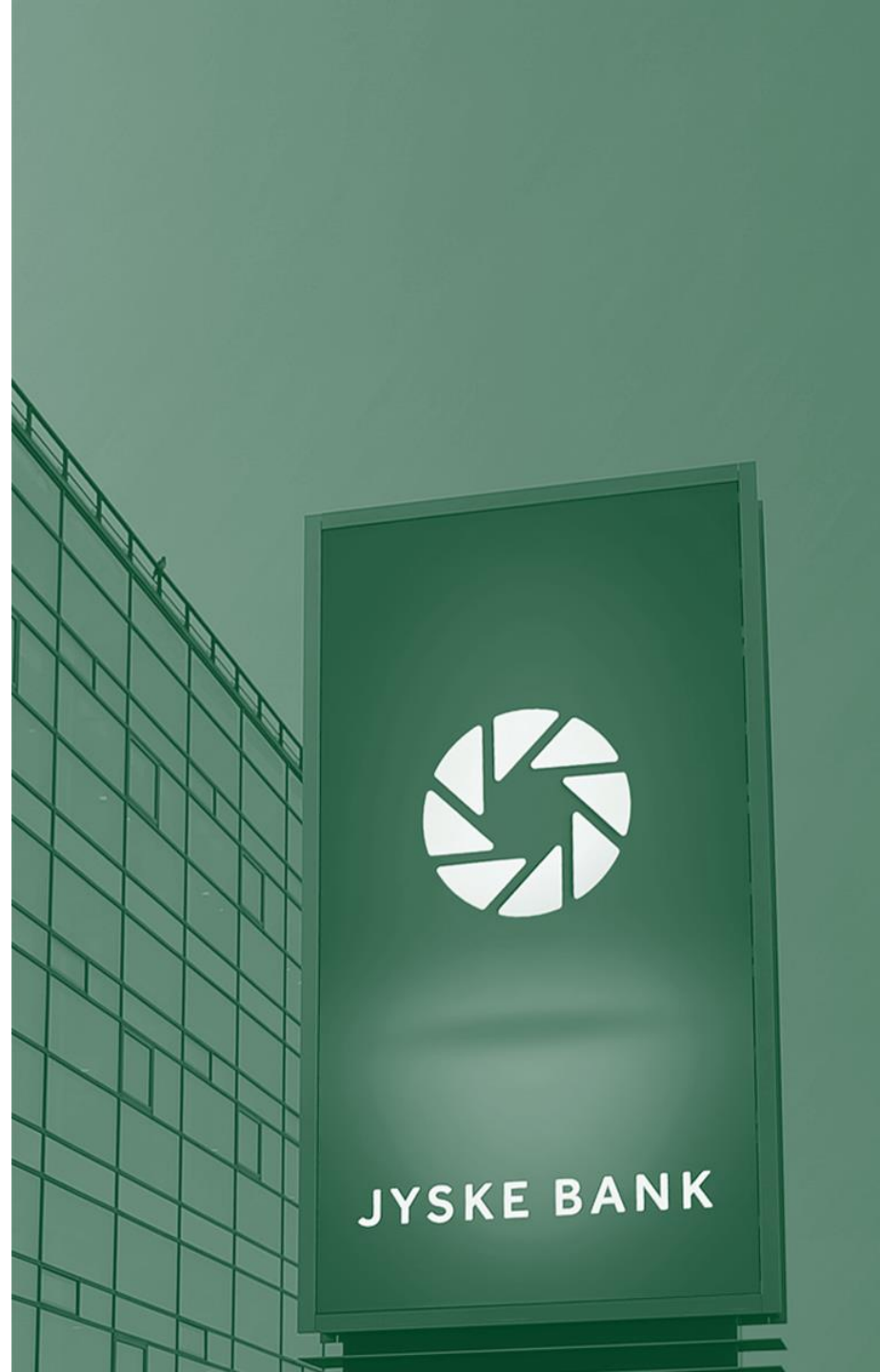
Own CO₂ footprint

Electricity, heating, vehicles offset by 2023

Own wind turbine at Port of Hirtshals and
solar panels at headquarter in Silkeborg

Jyske Bank in brief

Summary	2
Financials	11
Volumes	18
Sustainability	22
Jyske Bank in brief	24
Macroeconomics	26
Calendar and contacts	30

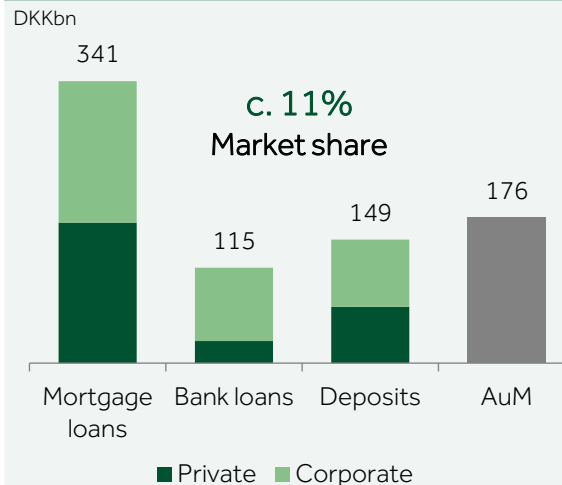


One of the largest financial institutions in Denmark

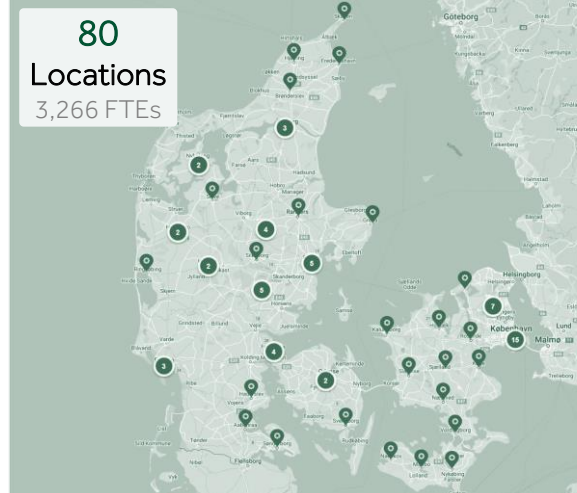
Founded in 1967, now a Danish SIFI

- 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

Exposed to structural, low-risk growth



Nationwide operations in AAA economy



Strong operating performance

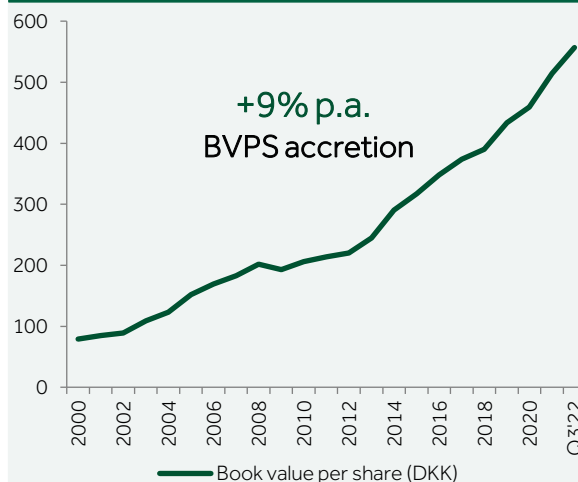
DKK 3.0bn
Net profit

8.0%
Return on equity

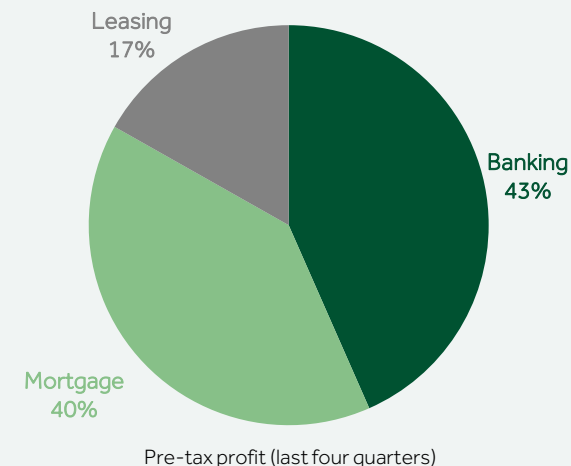
61%
Cost/income

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

Solid book value per share accretion

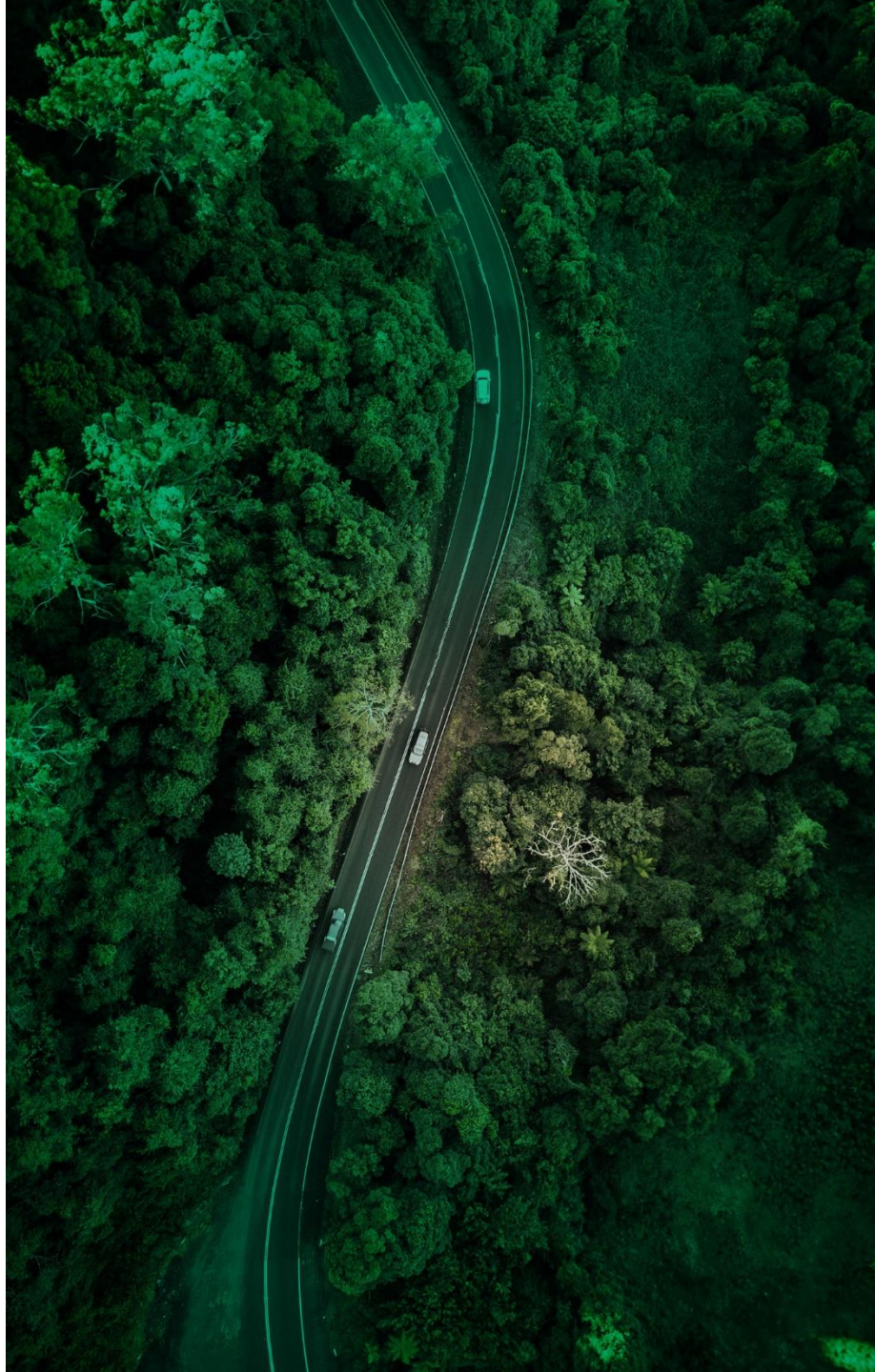


Complementary, full-service offering



Macroeconomics

Summary	2
Financials	11
Volumes	18
Sustainability	22
Jyske Bank in brief	24
Macroeconomics	26
Calendar and contacts	30



Macroeconomics

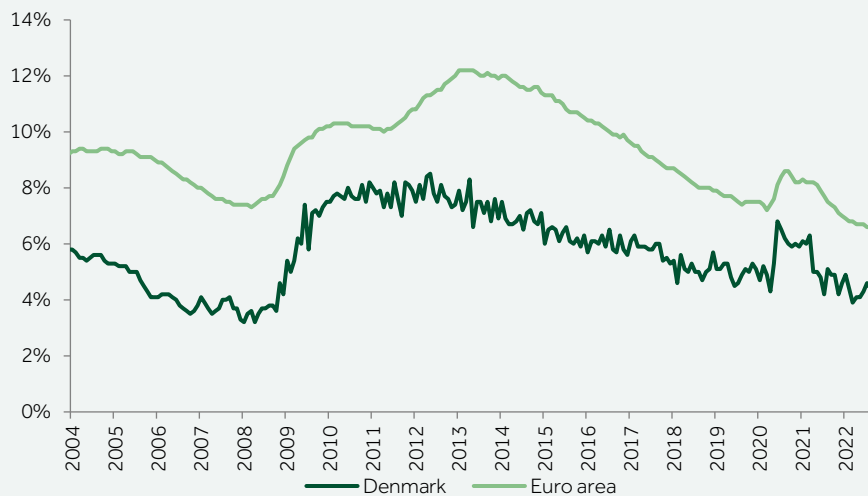
Real gross domestic product (2010=100)



Inflation rate (HICP, y/y)



Unemployment rate

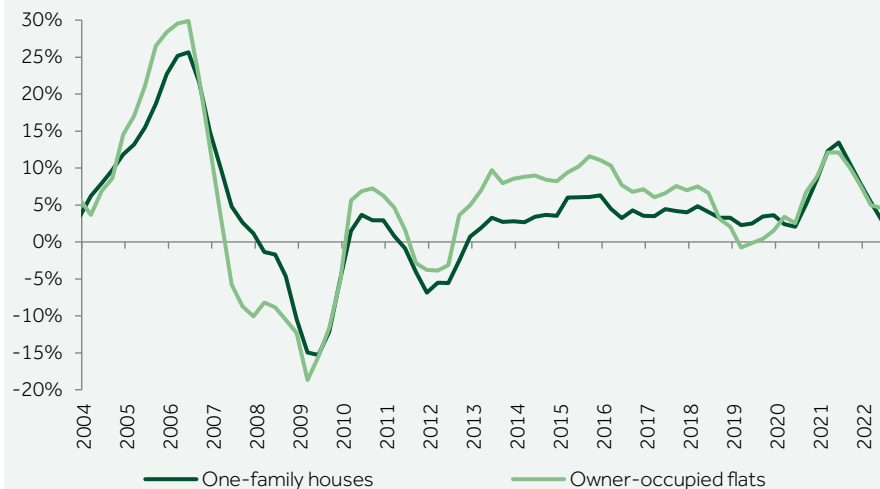


Interest rates, Denmark (monthly averages)

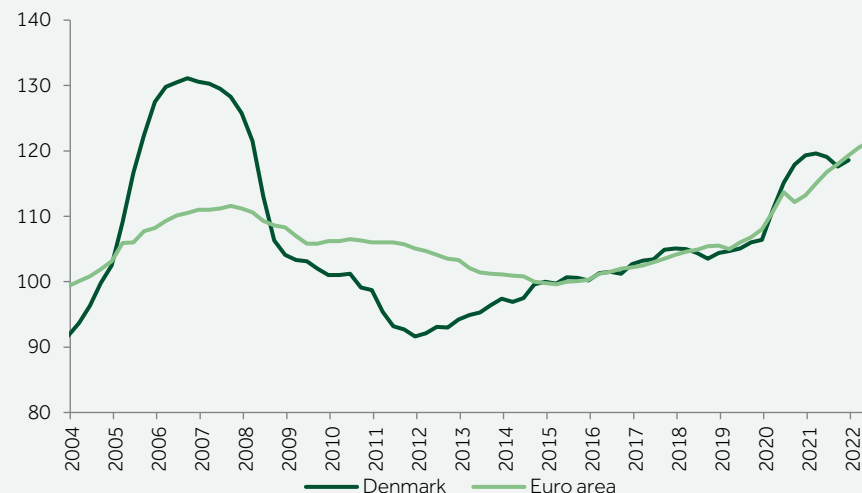


Macroeconomics

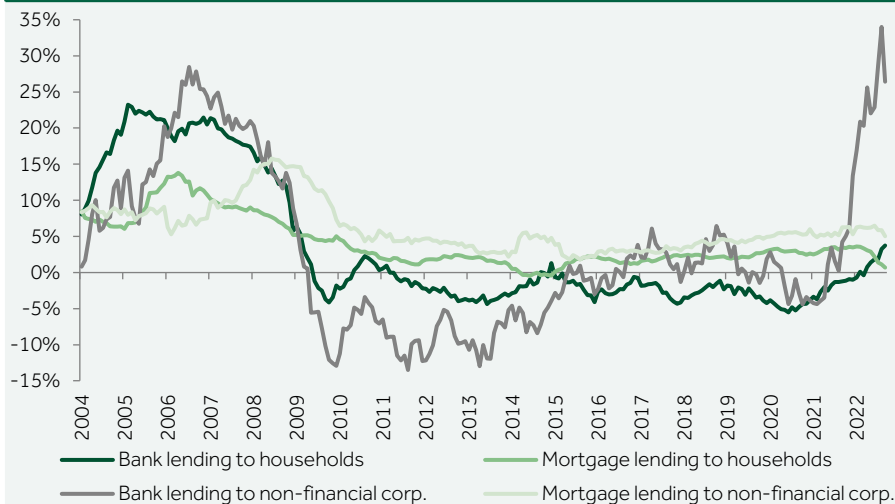
Real estate prices, Denmark (y/y)



House prices to disposable income (2015=100)



Lending growth, Denmark (y/y)



Economic Sentiment Indicator



Macroeconomic forecast

Danish economy	DKKbn		Real growth (%)			
	2021	2020	2021	2022E	2023E	2024E
Consumer spending	1,142	-1.4	4.1	-1.0	-0.6	1.0
Public spending	608	-1.4	4.2	0.9	0.5	0.5
Fixed gross investment	566	5.1	6.2	2.6	-3.8	0.5
Inventory investment*	9	-0.2	0.0	0.8	-0.2	0.0
Exports	1,494	-6.3	8.0	3.7	1.1	1.4
Imports	1,315	-3.6	8.0	2.3	0.0	0.9
Gross domestic product (GDP)	2,504	-2.0	4.9	2.2	-0.6	1.0
Balance of payments						
- DKKbn		190	206	290	235	210
- percentage of GDP		8.2	8.2	10.4	7.9	6.9
Public budget balance						
- DKKbn		5	91	30	15	25
- percentage of GDP		0.2	3.6	1.1	0.5	0.0
Unemployment						
- Gross unemployment, average (thousands)		133	106	76	104	128
- Percentage of workforce		4.3	3.4	2.4	3.2	4.0
Employment, avg. (thousands)		2,973	3,046	3,151	3,113	3,085
Inflation (%)		0.4	1.9	7.4	4.0	2.0
Wage index (Private, %)		2.3	3.0	3.8	4.1	3.3
House prices (nominal prices, %)		4.5	11.0	1.8	-6.9	-1.5
Danmarks Nationalbank's lending rate, year-end (%)		0.05	-0.45	2.05	2.05	2.05
Danmarks Nationalbank's CD rate, year-end (%)		-0.60	-0.60	1.90	1.90	1.90

Financial calendar 2023

- 21 Feb. Announcement of the 2022 results
- 21 Feb. Annual report 2022
- 21 Feb. Risk Management Report 2022
- 21 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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