
CEO Seminar



Strategy



DELIVER TODAY – PREPARE FOR TOMORROW



Guiding Principles

Group Action Plans

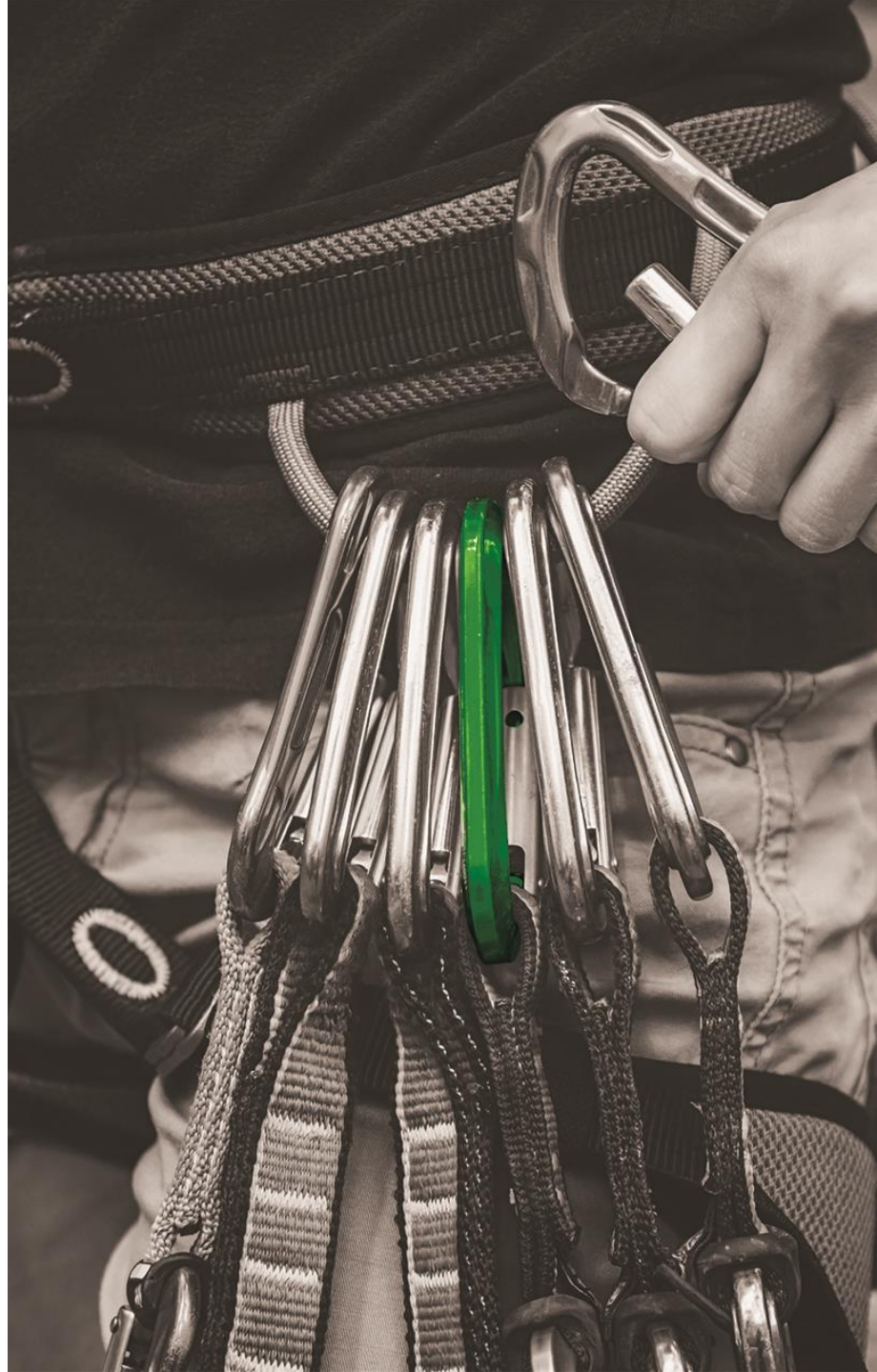
Business Plans

Common sense · Honest · Vigour · Equal worth · Unpretentious

We run a sustainable and responsible business that challenges and develops the Danish banking market and the surrounding society in a positive direction

Guiding principles

- We increase our market share and grow profitably
- We make it easy and simple
- We are proactive and deliver beyond what is expected
- We act and advise sustainably
- We have our own house in order

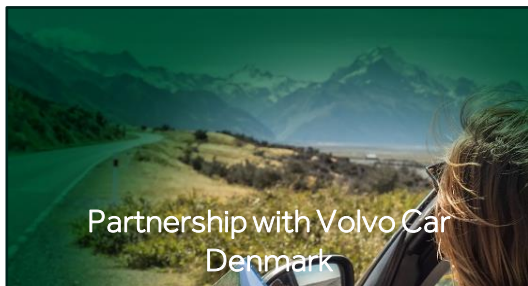
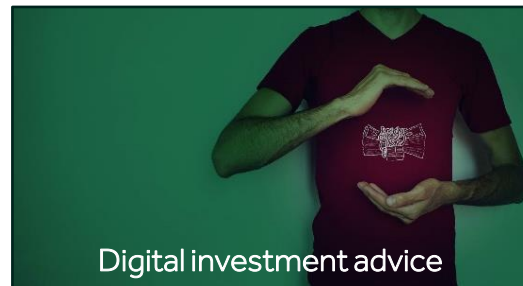
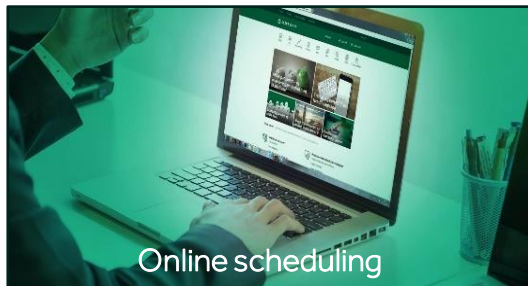
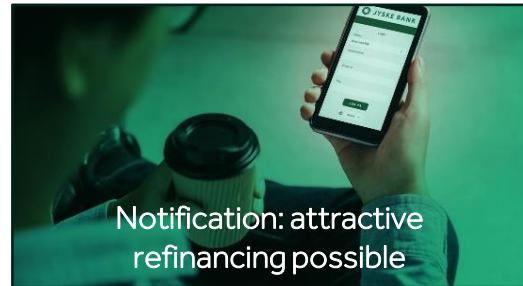




Group Action Plans

- Investment and Pension of the Future
- Housing of the Future
- Automated credit processes
- Digitally enabled advisory and sales
- Compliance in top 3 – including improved IT-setup

Initiatives



Acquisition of Handelsbanken Denmark

A unique opportunity to further strengthen market position



Scale, talent and critical mass within existing business and geography. Expanding career opportunities.



Highly compatible corporate cultures underpinned by decades of stable, professional and sustainable banking.



Customer value proposition strengthened by deepened local presence and improved product and service offerings.



Experienced consolidator with proven skill-set to integrate, migrate and deliver value to stakeholders.



Strong capital and funding position allows for all cash deal and no need for equity raise.



Transaction expected to increase EPS by c. 10% and RoE by c. 1.5pp in 2024 vs. stand-alone business plan.

Handelsbanken Denmark is a sizeable, top-quality bank

Handelsbanken Denmark at a glance

Headquartered in **Copenhagen** with **43 branches** and **c. 600 employees**

Offering **full-service** household and corporate banking to **>130k clients**.

Solid credit quality with low historical impairments and stronghold in **high-value regions**

1992

Established in Denmark

2001

Acquisition of Midtbank

2008

Acquisition of Lokalbanken

Strong operating performance

SHBDK standalone KPI's

DKK 0.7bn
Profit before tax

58%
Cost/income

0.5%
Non-performing loans

~2%
Market share

Closest to the customers in Denmark

123 branches

Entity	Branches
JB+SHBDK	123
Peer 1	~100
Peer 2	~80
Peer 3	~75
Peer 4	~65
Peer 5	~65
Peer 6	~65
Peer 7	~55
Peer 8	~55

Well-diversified portfolio

DKKbn

Category	Households (DKKbn)	Corporates (DKKbn)	Total (DKKbn)
Bank loans	10	3	13
Mortgage loans	45	8	53
Deposits	25	11	36
AuM	-	-	60

Complementary network of branches

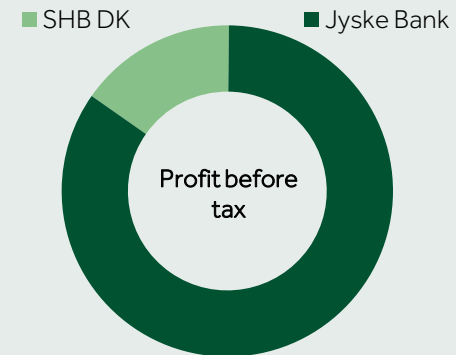
Legend: ● Jyske Bank ● SHBDK

Transaction adds critical scale to Jyske Bank

Increasing Jyske Bank's size by approximately one fifth

FY 2021	Jyske Bank	SHB DK	Pro forma	Index
Condensed income statement (DKKm)				
Net interest income	4,973	1,040	6,013	121
Net fee income	2,308	515	2,823	122
Total income	8,652	1,653	10,305	119
Operating expenses	4,904	968	5,872	120
Loan impairment charges	-218	-51	-269	-
Profit before tax	4,027	735	4,762	118
Business volumes (DKKbn)				
Loans (excl. repo)	444	66	510	115
- o.w. mortgage loans	341	53	394	116
- o.w. bank loans	103	13	116	112
Deposits	122	36	157	129
Assets under mgmt.	208	60	268	129

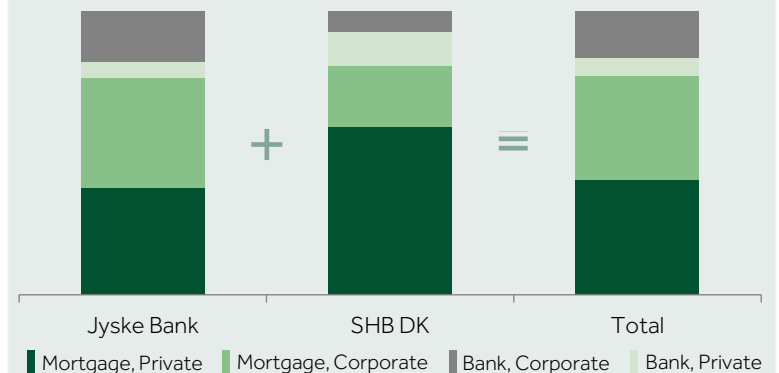
Highly complementary businesses



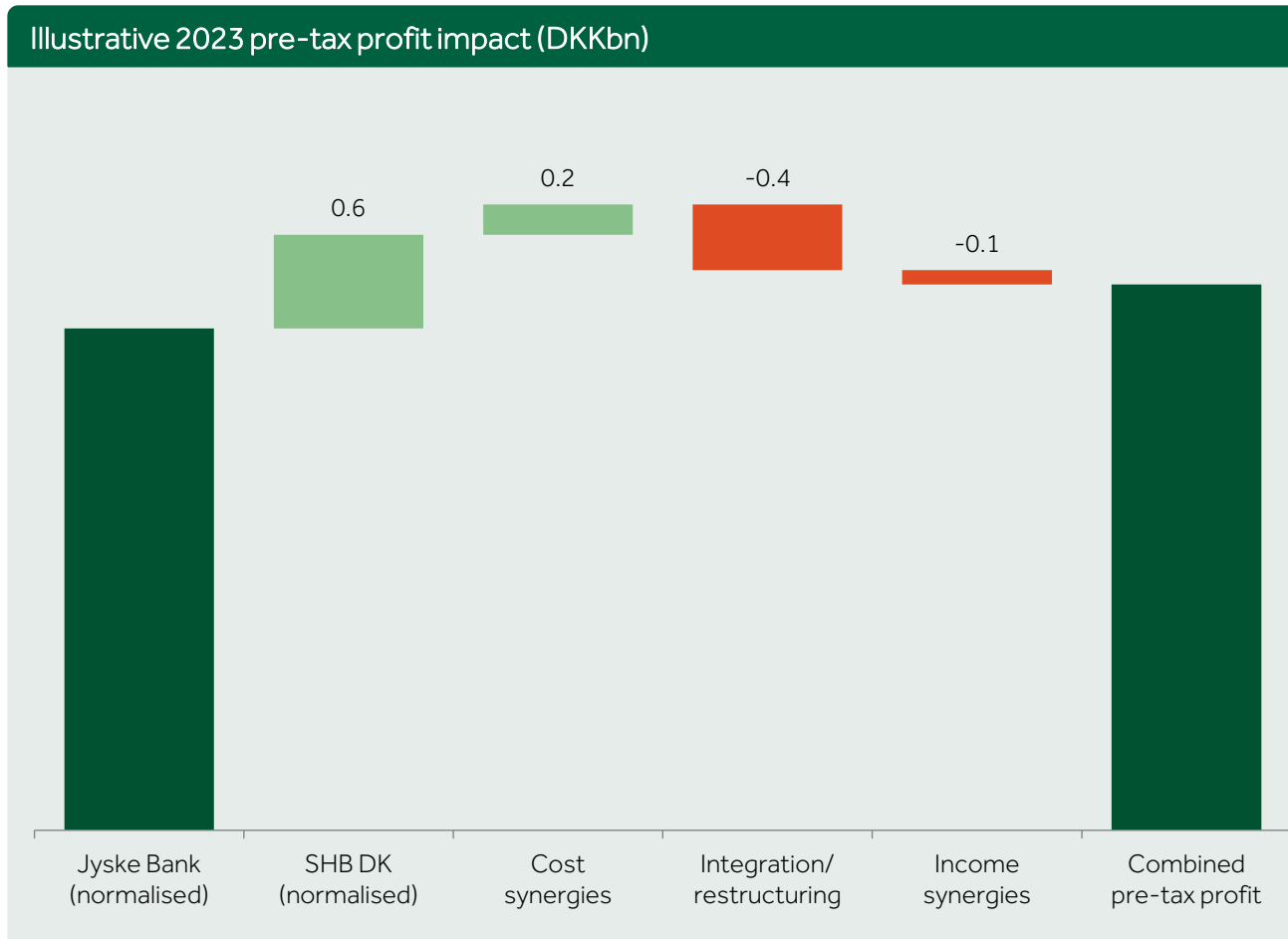
Increasing distribution power and adding key competencies



Further diversifying portfolio by boosting share of private loans

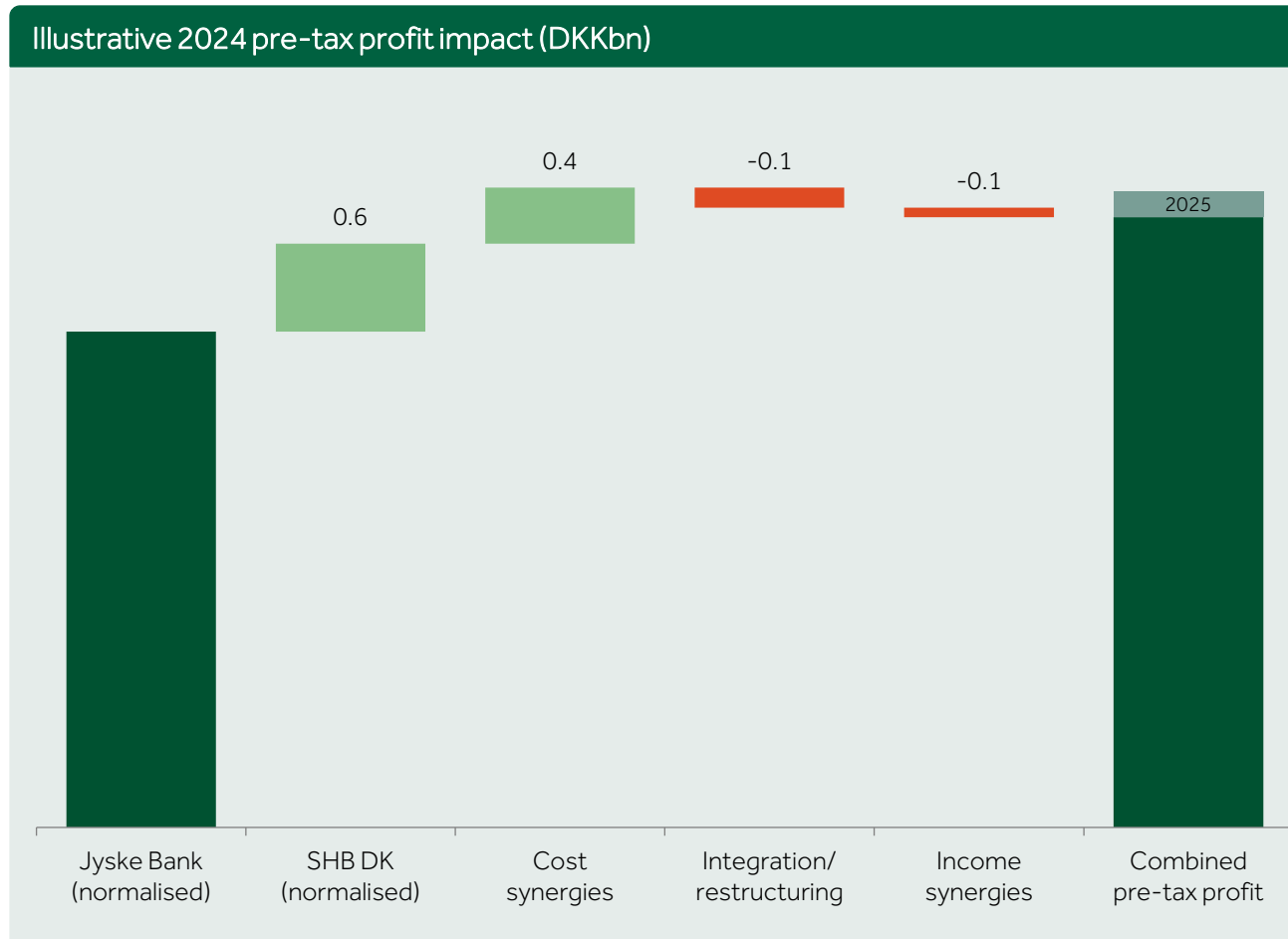


Positive impact in the first year despite integration costs



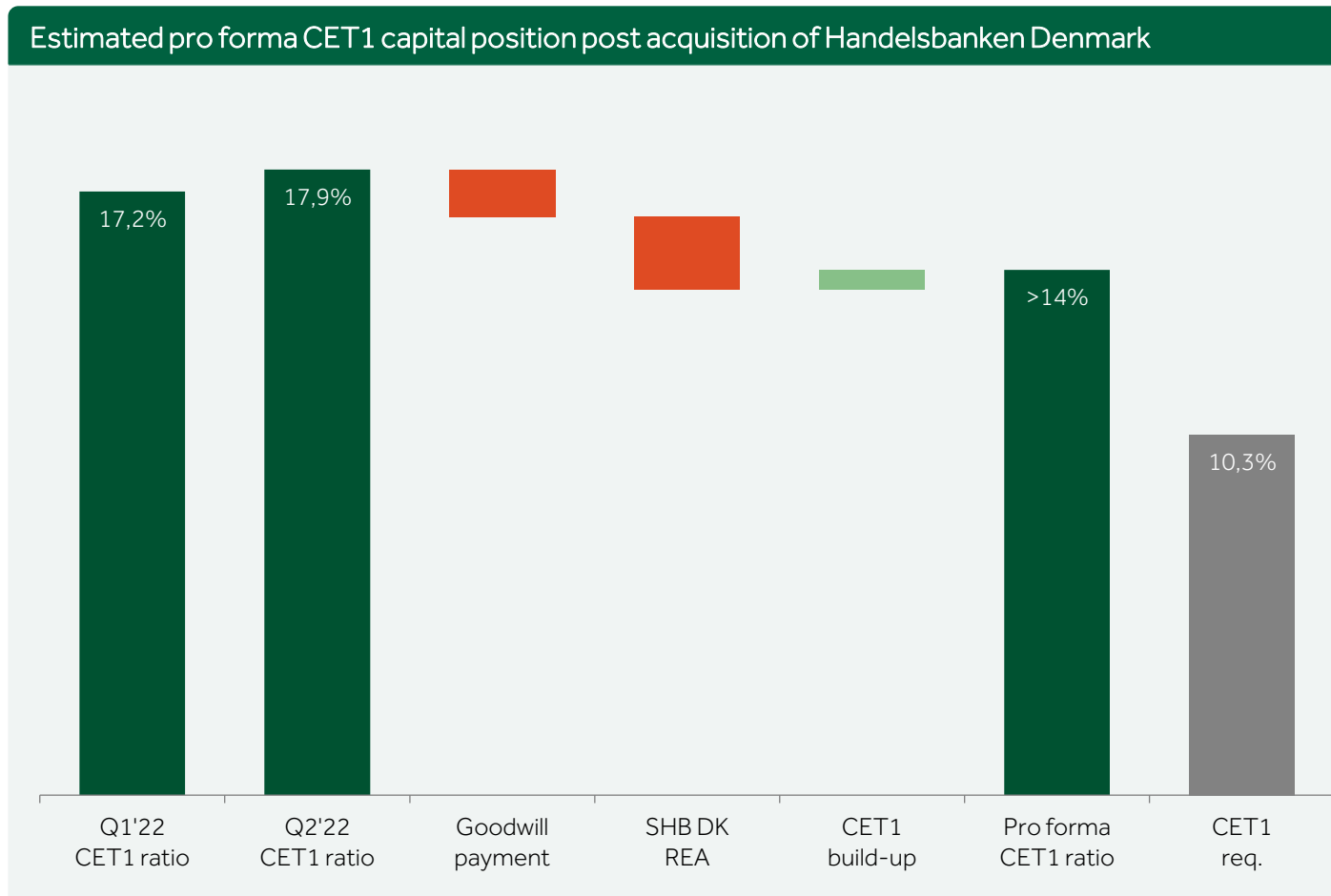
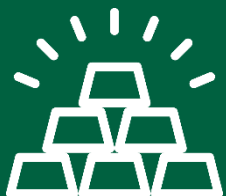
- Total pre-tax profit impact c. DKK 0.3bn in 2023 based on a limited contribution from synergies and normalized credit provisioning.
- Short-term cost synergies of c. DKK 0.2bn, primarily from leveraging common platform in replacing costs related to group services.
- Integration and restructuring costs of c. DKK 0.4bn related to IT migration, etc. in 2023. BEC (data central) exit fee to be incurred by seller.
- Negative income synergies due to potential customer churn, uncertainty as to Totalkredit fees as well as funding costs. Negligible effect from income initiatives included. Dialogue with seller on transferring selected Danish large corporates currently not in perimeter.

Pre-tax profit run-rate lifted by c. 25% in the long term



- Fully-phased impact in 2025 with normalised **pre-tax profit of c. DKK 1bn** p.a. Total **synergies** (incl. AT1 costs) of c. DKK 0.3bn p.a. to be realised during 2024.
- **Cost synergies of c. DKK 0.4bn p.a.** from leveraging common platform and scale benefits to replace group services and reduce headcount, mainly by natural attrition across the combined entity.
- **Negative income synergies** included. Significant additional upside potential from e.g. higher interest rates, deposit margins, cross-selling of products, lower customer churn and increased repatriation of Totalkredit loans as well as dialogue with seller on selected Danish large corporates.

CET1 ratio increased 0.7pp q/q ahead of SHB DK acquisition



Transaction is expected to close in Q4 2022

20 June 2022

Public announcement

Signing and public announcement of agreement to acquire Handelsbanken Denmark.



Q4 2022

Expected deal closing

Completion of acquisition following regulatory approvals.



2024

Realization of synergies

Full realization of cost synergies during 2024, full financial impact seen from 2025 onwards.



Between signing and closing Financing

Issuing AT1, T2 instruments of approx. DKK 2.5bn as well as senior debt.



H2 2023

Expected completion of transition

Full migration of Handelsbanken Denmark customers and data to Jyske Bank platforms.

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