

Preliminary announcement of financial statements 2020

- Core income: DKK 7,982m (2018: DKK 8,060m)
- Core expenses: DKK 4,848m (2019: DKK 5,029m)
- Loan impairment charges: DKK 968m incl. DKK 1 bn increase of management's estimate (2019: DKK -101m)
- Core profit: DKK 2,166m (2019: DKK 3,132m)
- Pre-tax profit: DKK 2,110m, corresponding to a return on equity of 5.9% (2019: DKK 3,079m and 9.1%)
- Net profit: DKK 1,609m, corresponding to a return on equity of 4.4% (2019: DKK 2,440m and 7.1%)
- Earnings per share: DKK 19.8 (2019: DKK 29.0)
- Capital ratio of 22.9% and Common Equity Tier 1 ratio of 17.9% (2019: 21.5% and 17.4%)
- For 2021, Jyske Bank estimates a pre-tax profit in the range of DKK 2.5 bn - 3.0 bn, corresponding to a net profit of DKK 1.9 bn - 2.3 bn. Inclusive of the current share repurchase programme, earnings per share are expected to be DKK 25-31 against DKK 19.8 for 2020.

Summary

"A challenging first quarter of 2020 was followed by three quarters resulting in a pre-tax profit of DKK 3.1 bn and a net profit of DKK 2.4 bn, corresponding to earnings per share of DKK 31.2. The client activity is at a solid level, and the underlying business has developed in a stable fashion supported by significant cost reductions and a continuing good credit quality. Also, the organisation has been most adaptive and flexible during a turbulent year characterised by restrictions. Jyske Bank has a satisfactory balance of impairment charges as well as a most solid capital and liquidity position, which has, so far, enabled the bank to launch a share repurchase programme in the amount of DKK 750m," states Anders Dam, CEO and Managing Director.

In 2020, the economic development was affected by the COVID-19 pandemic. After the extensive lockdown of the Danish economy in the spring, most economic activities were resumed, but towards the end of the year, the number of COVID-19 cases increased again and the visibility as to the effect on the economy in 2021 is somewhat limited.

So far, the Danish economy has performed relatively well through the pandemic; the number of bankruptcies is low, consumer spending and unemployment are developing in a stable manner, and activity levels in the housing market are high. At the same time, our clients' capital and liquidity situation is generally good and supported by various support packages.

The further development of the Danish economy will be affected by the development in COVID-19 cases and the rolling out of vaccines in and outside Denmark as

well as the phasing out of support packages. To this must be added any derived economic effects from Great Britain's exit from the EU.

In addition to the economic consequences, the COVID-19 pandemic has also resulted in adjustments of e.g. work habits and client behaviour. This has resulted in a stronger trend towards digital client interaction and an increased use of electronic payments.

From high growth to business optimisation

Following several years with high lending growth, focus on the continued enforcement of the credit policy has increased. Meanwhile, Jyske Bank intensified in 2020 business optimisation through various income-enhancing and cost-saving measures.

These measures included, among other things, changes to the terms and conditions of client' deposit rates,

which now to a higher degree reflect the negative interest rate environment.

Also, Jyske Bank's focus on costs has intensified. Core expenses fell by 4% in 2020, and further reductions are expected in 2021.

Over the period from mid-2020 to mid-2021, Jyske Bank will reduce the number of branches by about 20% in consequence of changed client behaviour and increasing digitization. The adjustment strengthens the professionalism and coherence in the remaining branches to the benefit of both clients, employees and shareholders.

In combination with major organisational changes in business areas such as Personal Clients and Business Concepts, the measures launched have contributed positively to the optimisation of Jyske Bank's business in 2020.

Net profit of DKK 1,609m in 2020

The net profit for the year of DKK 1,609m corresponds to a return on equity by 4.4% against DKK 2,440m and 7.1%, respectively, for 2019. Earnings per share fell to DKK 19.8 from DKK 29.0. The lower profit can be attributed to an increased management's estimate for impairment charges in the amount of DKK 1.1 bn relating to the COVID-19 pandemic. Earnings per share came to DKK 31.2 in the last nine months of 2020.

For the fourth quarter of 2020, net profit came to DKK 831m, corresponding to a return on equity of 9.6% p.a. against DKK 966m and 11.5% for the fourth quarter of 2019. Earnings per share fell to DKK 10.9 from DKK 12.2. An intensified cost focus offset in part the effects from lower remortgaging activity and lower interest income from investment of excess liquidity. Reduced deposit rates compensated for the decline in bank loans.

Jyske Bank's loans and advances (excl. repo loans) were at the same level at the end of 2020 as the previous year. Hence, increasing mortgage loans to corporate clients were offset by lower bank loans due to limited demand for credit following the outbreak of COVID-19 as well as the launch of support packages from the Danish government. Bank deposits were also unchanged compared to the end of 2019.

Core income fell by 1% relative to 2019. Remortgaging activity fell from a record-high level, and the COVID-19 pandemic adversely affected income from money trans-

fers and card payments as well as bank loans. These elements more than offset the positive effects from higher value adjustments and reduced deposit rates.

Adjusted for one-off items in 2019 and 2020, core expenses fell by 6%. The decrease can be attributed to a 7% reduction in the number of full-time employees, an intensified cost focus as well as the effect from the outbreak of COVID-19 on travel expenses, etc.

Credit quality is assessed to be at a historically good level, and at the end of 2020 the proportion of non-performing loans was at the lowest level ever. To this must be added the balance of management's estimates of DKK 1.6 bn after DKK 1.1 bn were reserved for potential impairment charges in consequence of the outbreak of COVID-19.

At the end of 2020, Jyske Bank's capital ratio and common equity tier 1 capital ratio were calculated at historically high levels of 22.9% and 17.9%, respectively, with excess capital of DKK 13.1 bn as well as a liquidity buffer (LCR) of DKK 111 bn. It is assessed that the capital and liquidity buffers can withstand even very severe stress scenarios.

On 28 January 2021, Jyske Bank initiated a new share repurchase programme of up to DKK 750m, running until 30 September 2021 at the latest.

Outlook

It is expected that in 2021 the bank's business volumes will be affected by rising bank loans and falling deposits. To some extent, this is expected due to the corporate clients' payment of deferred VAT and taxes as well as pent-up consumer and investment demand. Similarly, for mortgage loans an increase is expected in line with the market growth in 2021.

It is expected that core income will decline in 2021.

For 2021, endeavours will be made to reduce core expenses compared to 2020.

It is expected that loan impairment charges will be at a very low level. The estimate is associated with uncertainty relating to the effects of the COVID-19 pandemic.

For 2021, Jyske Bank estimates a pre-tax profit in the range of DKK 2.5 bn - 3.0 bn, corresponding to a net profit of DKK 1.9 bn - 2.3 bn. Inclusive of the current share repurchase programme, earnings per share are expected to be DKK 25-31 against DKK 19.8 for 2020.

General Meeting

The Annual General Meeting of Jyske Bank will be held on Tuesday 23 March 2021 at 15:00 CET. Due to COVID-19, the meeting will be held digitally.

Financial calendar 2021

Jyske Bank anticipates releasing financial statements on the following dates in 2021:

Financial calendar 2021

4 May	Interim Financial Report, Q1 2021
17 August	Interim Financial Report, H1 2021
2 November	Interim Financial Report, Q1-Q3 2021

Further information

For further information, please see investor.jyske-bank.com/investorrelations. Here you will find an interview with Anders Dam, CEO and Managing Director, detailed financial information as well as Jyske Bank's Annual Report 2020, Report on Sustainability 2020 and Risk and Capital Management 2020, which gives further information about Jyske Bank's internal risk and capital management as well as regulatory issues, including a description of the most important risks and elements of uncertainty that may affect Jyske Bank.

Also, please see jyskerealkredit.com. Jyske Realkredit's Annual Report 2020 as well as detailed financial information about Jyske Realkredit are available on that website.

Yours faithfully,

Jyske Bank

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Core profit and net profit for the year (DKKm)

	2020	2019	Index 20/19	2018	2017	2016
Net interest income	4,966	5,152	96	5,505	5,585	5,625
Net fee and commission income	2,091	2,311	90	1,973	2,046	1,654
Value adjustments	685	342	200	-23	577	781
Other income	130	154	84	463	207	257
Income from operating lease (net)	110	101	109	81	-54	44
Core income	7,982	8,060	99	7,999	8,361	8,361
Core expenses	4,848	5,029	96	4,896	5,374	5,108
Core profit before loan impairment charges	3,134	3,031	103	3,103	2,987	3,253
Loan impairment charges	968	-101	-	468	-453	-149
Core profit	2,166	3,132	69	2,635	3,440	3,402
Investment portfolio earnings	-56	-53	106	505	562	504
Pre-tax profit	2,110	3,079	69	3,140	4,002	3,906
Tax	501	639	78	640	859	790
Profit for the year	1,609	2,440	66	2,500	3,143	3,116
Interest on additional tier 1 capital, charged against equity	168	156	108	127	92	23

Summary of balance sheet, end of period (DKKbn)

Loans and advances	491.4	485.9	101	462.8	447.7	422.4
- of which mortgage loans	343.9	337.5	102	326.3	306.8	277.0
- of which traditional bank loans and advances	92.9	98.7	94	104.1	101.3	94.1
- of which bank loans, new home loans	2.6	3.4	76	6.3	12.2	17.4
- of which repo loans	52.0	46.3	112	26.1	27.4	33.9
Bonds and shares, etc.	90.5	91.9	98	83.2	79.1	89.9
Total assets	672.6	649.7	104	599.9	597.4	586.7
Deposits	137.0	140.2	98	148.7	160.0	154.6
- of which bank deposits	127.5	126.9	100	135.7	139.9	134.2
- of which repo and triparty deposits	9.5	13.3	71	13.0	20.1	20.4
Issued bonds at fair value	348.8	357.0	98	324.7	302.6	271.2
Issued bonds at amortised cost	63.7	38.6	165	35.0	38.9	51.0
Subordinated debt	5.8	4.3	135	4.3	4.3	2.1
Holders of AT1 capital	3.3	3.3	100	2.5	2.6	1.5
Shareholders' equity	33.3	32.5	102	31.8	32.0	31.0

Financial ratios and key figures

Earnings per share (DKK)*	19.8	29.0		28.2	34.7	33.5
Profit for the year, per share (diluted) (DKK)*	19.8	29.0		28.2	34.7	33.5
Pre-tax profit as a pct. of average equity	5.9	9.1		9.5	12.4	12.7
Net profit as a percentage of average equity*	4.4	7.1		7.6	9.7	10.1
Expenses as a percentage of income	60.7	62.4		61.2	64.2	61.1
Capital ratio (%)	22.9	21.5		20.0	19.8	18.3
Common equity tier 1 capital ratio (CET1 %)	17.9	17.4		16.4	16.4	16.5
Individual solvency requirement (%)	11.6	11.2		10.8	10.2	10.0
Capital base (DKKbn)	41.1	39.0		37.7	37.3	33.4
Weighted risk exposure (DKKbn)	179.4	181.4		188.4	188.0	182.2
Share price at end of period (DKK)	233	243		235	353	337
Distributed dividend per share (DKK)	0	0		11.7	10.9	5.3
Book value per share (DKK)*	459	434		390	374	348
Price/book value per share (DKK)*	0.5	0.6		0.6	0.9	1.0
Number of full-time employees, year-end**	3,318	3,559		3,698	3,932	3,981

* Financial ratios are calculated as if additional tier 1 capital (AT1) is recognised as a liability.

** The number of employees at the end of 2020, at the end of 2019, at the end of 2018 and at the end of 2017 less 31, 54, 25 and 40 employees, respectively, who are financed externally.

Core profit and net profit for the period (DKKm)

	2020	2019	Index 20/19	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Net interest income	4,966	5,152	96	1,195	1,256	1,287	1,228	1,270
Net fee and commission income	2,091	2,311	90	581	453	407	650	653
Value adjustments	685	342	200	278	189	331	-113	252
Other income	130	154	84	38	36	26	30	41
Income from operating lease (net)	110	101	109	34	69	-1	8	15
Core income	7,982	8,060	99	2,126	2,003	2,050	1,803	2,231
Core expenses	4,848	5,029	96	1,179	1,159	1,164	1,346	1,213
Core profit before loan impairment charges	3,134	3,031	103	947	844	886	457	1,018
Loan impairment charges	968	-101	-	5	-48	8	1,003	-64
Core profit	2,166	3,132	69	942	892	878	-546	1,082
Investment portfolio earnings	-56	-53	106	157	14	223	-450	144
Pre-tax profit	2,110	3,079	69	1,099	906	1,101	-996	1,226
Tax	501	639	78	268	210	239	-216	260
Profit for the period	1,609	2,440	66	831	696	862	-780	966
Interest on additional tier 1 capital, charged against equity	168	156	108	42	43	42	41	42

Summary of balance sheet, end of period (DKKbn)

	2020	2019	Index 20/19	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Loans and advances	491.4	485.9	101	491.4	484.1	481.5	485.2	485.9
- of which mortgage loans	343.9	337.5	102	343.9	342.3	339.8	336.6	337.5
- of which traditional bank loans and advances	92.9	98.7	94	92.9	91.3	95.3	99.2	98.7
- of which bank loans, new home loans	2.6	3.4	76	2.6	2.8	3.4	3.4	3.4
- of which repo loans	52.0	46.3	112	52.0	47.7	43.0	46.0	46.3
Bonds and shares, etc.	90.5	91.9	98	90.5	98.6	94.7	90.9	91.9
Total assets	672.6	649.7	104	672.6	647.6	642.1	674.1	649.7
Deposits	137.0	140.2	98	137.0	136.8	145.9	146.8	140.2
- of which bank deposits	127.5	126.9	100	127.5	125.6	132.0	131.2	126.9
- of which repo and triparty deposits	9.5	13.3	71	9.5	11.2	13.9	15.6	13.3
Issued bonds at fair value	348.8	357.0	98	348.8	345.7	339.6	347.3	357.0
Issued bonds at amortised cost	63.7	38.6	165	63.7	50.2	46.7	42.7	38.6
Subordinated debt	5.8	4.3	135	5.8	5.8	5.8	5.8	4.3
Holders of AT1 capital	3.3	3.3	100	3.3	3.2	3.2	3.2	3.3
Shareholders' equity	33.3	32.5	102	33.3	32.6	32.0	31.2	32.5

DKKm	2020	2019
Capital Statement		
Shareholders' equity	33,325	32,453
Share buy-back programme, non-utilised limit*	-750	-404
Intangible assets	0	-1
Prudent valuation	-360	-366
Other deductions	-21	-27
Common equity tier 1 capital	32,194	31,655
Additional tier 1 capital (AT1) after reduction	3,539	3,619
Core capital	35,733	35,274
Subordinated loan capital after reduction	5,334	3,763
Capital base	41,067	39,037
Weighted risk exposure involving credit risk etc.	154,452	153,912
Weighted risk exposure involving market risk	10,294	11,606
Weighted risk exposure involving operational risk	14,680	15,930
Total weighted risk exposure	179,426	181,448
Capital requirement, Pillar I	14,354	14,516
Capital ratio (%)	22.9	21.5
Tier 1 capital ratio (%)	19.9	19.4
Common equity tier 1 capital ratio (%)	17.9	17.4

* Inclusive of Jyske Bank's share buy-back programme, as Jyske Bank has initiated a new share buy-back programme of up to DKK 750m, running over the period 28 January until, at the latest, 30 September 2021 with a view to cancellation of the shares.

For a statement of the individual solvency requirement, please see Risk and Capital Management 2020 or investor.jyskebank.com/investorrelations/capitalstructure.

Risk and Capital Management 2020 was not covered by the audit.