

Corporate Announcement

Jyske Bank to acquire Svenska Handelsbanken's activities in Denmark

Jyske Bank A/S ("**Jyske Bank**") has today entered into a binding agreement with Svenska Handelsbanken AB ("**Handelsbanken**") to acquire Handelsbanken's business activities in Denmark ("**Handelsbanken Denmark**"). The transaction is expected to close in the fourth quarter of 2022, subject to receipt of approvals from the relevant regulatory and anti-trust authorities.

Statement from Anders Dam, Managing Director and CEO:

"The acquisition of Handelsbanken Denmark is an attractive opportunity to strengthen our market position and long-term competitiveness. Handelsbanken Denmark is a well-run bank, delivering a strong suite of solutions to both private and corporate clients across the country. Through the acquisition, we can further develop the combined business, benefitting our clients, create new career opportunities for our skilled employees, and generate value for our shareholders."

Statement from Lars Stensgaard Mørch, Group Strategy Director:

"Jyske Bank has greatly appreciated a good, professional and constructive negotiation process, which has led to an agreement that is attractive for all parties. We look forward to welcoming Handelsbanken Denmark's clients and employees."

Highlights

- Under the terms of the agreement, Jyske Bank will pay a cash consideration to be determined at closing for Handelsbanken Denmark's assets and liabilities as well as DKK 3.0bn of goodwill.
- The transaction is expected to be accretive to Jyske Bank's normalised earnings per share by c. 10% in 2024 vs. stand-alone business plan.
- Total synergies are expected to reach c. DKK 0.3bn p.a. and be fully realised during 2024. One-off restructuring and integration costs related to the transaction of c. DKK 0.5bn before tax are expected to be incurred.
- Handelsbanken Denmark's clients and data are expected to be migrated from BEC to Bankdata in 2023. Handelsbanken will incur the full exit fee in relation to the termination.
- The transaction will not require an increase in the equity share capital, or disposal of existing treasury shares. Plan to issue AT1 and Tier 2 capital of c. DKK 2.5bn. Funding will to a large extent be in the form of covered bonds. Supplemented by issuance of senior non-preferred debt as well as traditional senior debt.

A great match

The acquisition of Handelsbanken Denmark will further strengthen Jyske Bank's market position, expanding the size of our business by around one fifth. The larger scale underpins opportunities to further develop and offer attractive products and services to Jyske Bank's present and future clients. Furthermore, the acquisition provides ample opportunities to capitalise on economies of scale, enabled by the combined platform.

There is a strong cultural match between Jyske Bank and Handelsbanken Denmark. Jyske Bank commits to offering Handelsbanken Denmark's clients competent and personalised advice, localised decision making, competitive products, and a modern, digitalised bank with access to specialised competencies.

Handelsbanken Denmark's clients will remain in close proximity to a physical branch in their local area and gain access to a larger branch network, benefiting from Jyske Bank's nationwide presence. Similarly, clients will be able to keep their usual advisors. Adjustment of the number of employees in Jyske Bank after closing is expected to take place largely through natural attrition.

About Handelsbanken Denmark

Handelsbanken Denmark has c. 600 employees, a branch network of 43 branches and is headquartered in Copenhagen. The Danish activities were established in 1992 and have since grown organically, supported by acquisitions of Midtbank and Lokalkbanken. The transaction includes more than 130,000 clients, c. DKK 66bn of loans and c. DKK 36bn of deposits.

About Jyske Bank

Jyske Bank has about 3,200 employees spread across a nationwide branch network consisting of 80 branches as well as central staff and specialist functions in Silkeborg and Greater Copenhagen. Founded in 1967, Jyske Bank consists today of the second largest Danish bank, the fourth largest mortgage-credit institution, and one of the three largest providers of leasing finance.

Conference call

Jyske Bank will host a conference call in English targeted at investors and analysts today at 11:00 CEST. The conference call and presentation will be available from Jyske Bank's investor relations website, www.jyskebank.com/investorrelations.

Registration link for conference call for investors and analysts:

<https://ige.netroadshow.com/registration/client/11180/ma-transaction>

Financial and legal advisors

BofA Securities is acting as sole financial advisor and Bech-Bruun as legal advisor for Jyske Bank in connection with this transaction.

Yours faithfully,
Jyske Bank

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This announcement contains forward-looking statements. Forward-looking statements are statements that are not based on historical facts and are characterised by word and expressions that contain indications or predictions on circumstances that are not based on historical facts. The forward-looking statements in this announcement are based upon various assumptions. Although these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond the control of Jyske Bank. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this announcement by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement express Jyske Banks opinions and expectations as of the date of this announcement and are subject to change without notice.