

Equity story

2 November 2017

Key messages

Nordic universal bank – Solid foothold across all our four Nordic markets

Longer-term ambition of at least 12.5% in 2018

Strong focus on cost management

Significant improvement in credit quality

Strong capital position, share buy-back programmes since 2015

The essence of Danske Bank

Vision

To be recognised as the most trusted financial partner

Strategic core

We are a modern bank for people and businesses across the Nordics with deep financial competence and leading, innovative solutions

Customer promise

We help customers be financially confident and achieve their ambitions by making daily banking and important financial decisions easy

Core values

Expertise, Integrity, Value creation, Agility, Collaboration



Overview: Danske Bank has a strong Nordic franchise

Facts

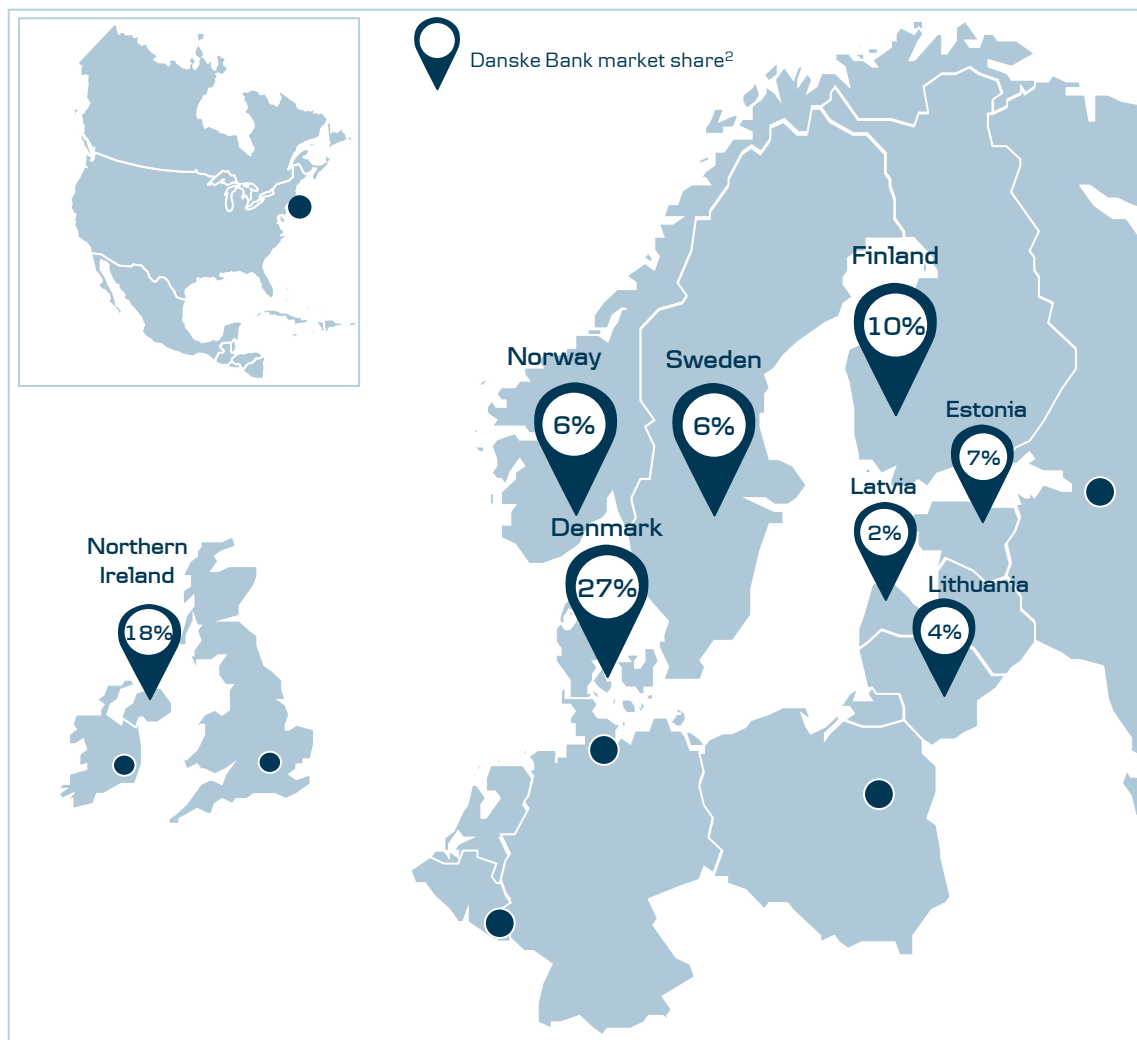
3.4 million customers
 252 branches¹
 15 countries
 19,653 full-time employees

Business units

Personal Banking
 Business Banking
 Corporates & Institutions
 Wealth Management
 Northern Ireland

For divestment

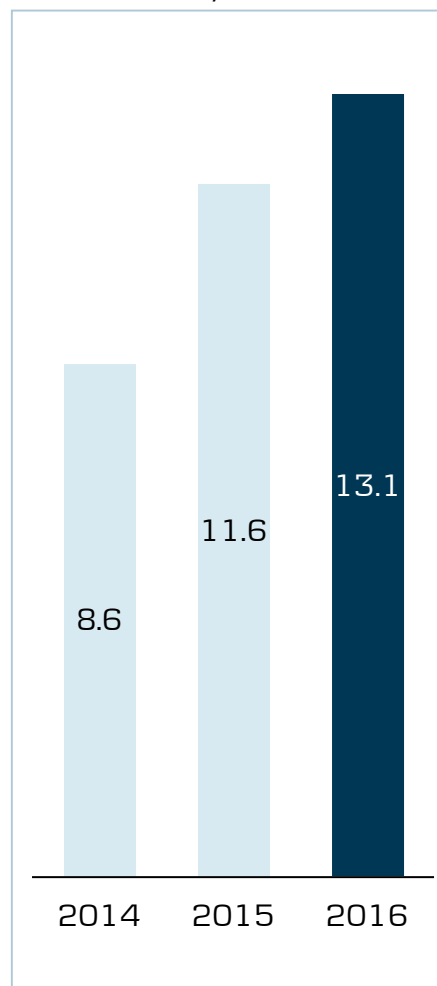
Non-core (Ireland & Conduits)
 Personal banking activities in Estonia



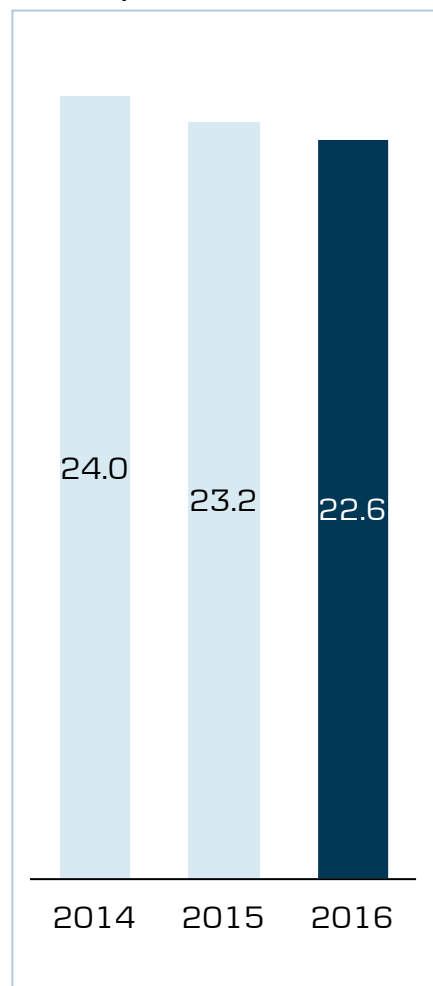
¹ Excluding agricultural centres in Denmark ² Market share by lending

Steady improved financial results and strong capital position

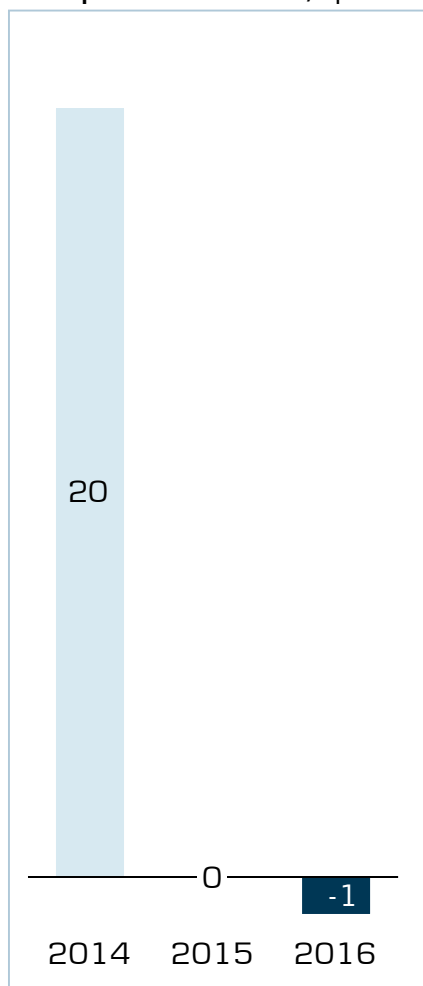
RoE after tax*; %



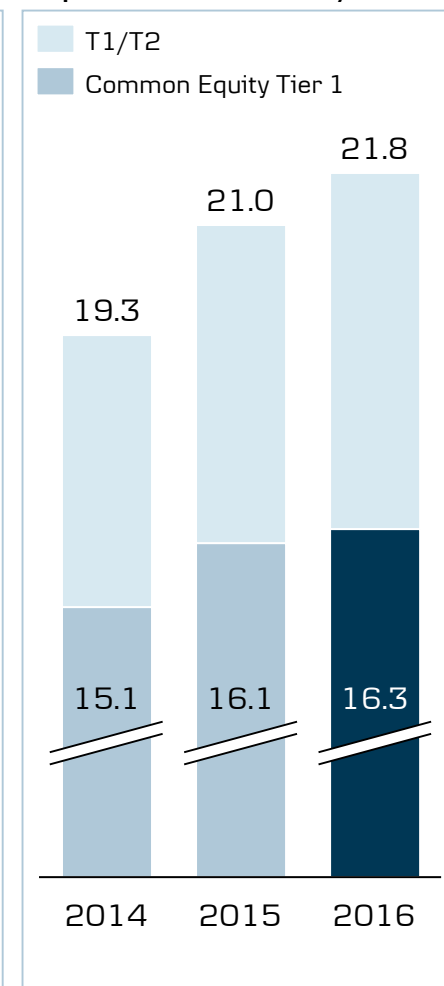
Total expenses**; DKK bn



Group loan loss ratio; bps



Capital ratios, Basel III/CRR; %



*Before goodwill impairments in 2014 and 2015 **Expenses in 2014 and 2015 have been restated to reflect the organizational changes

Result highlights

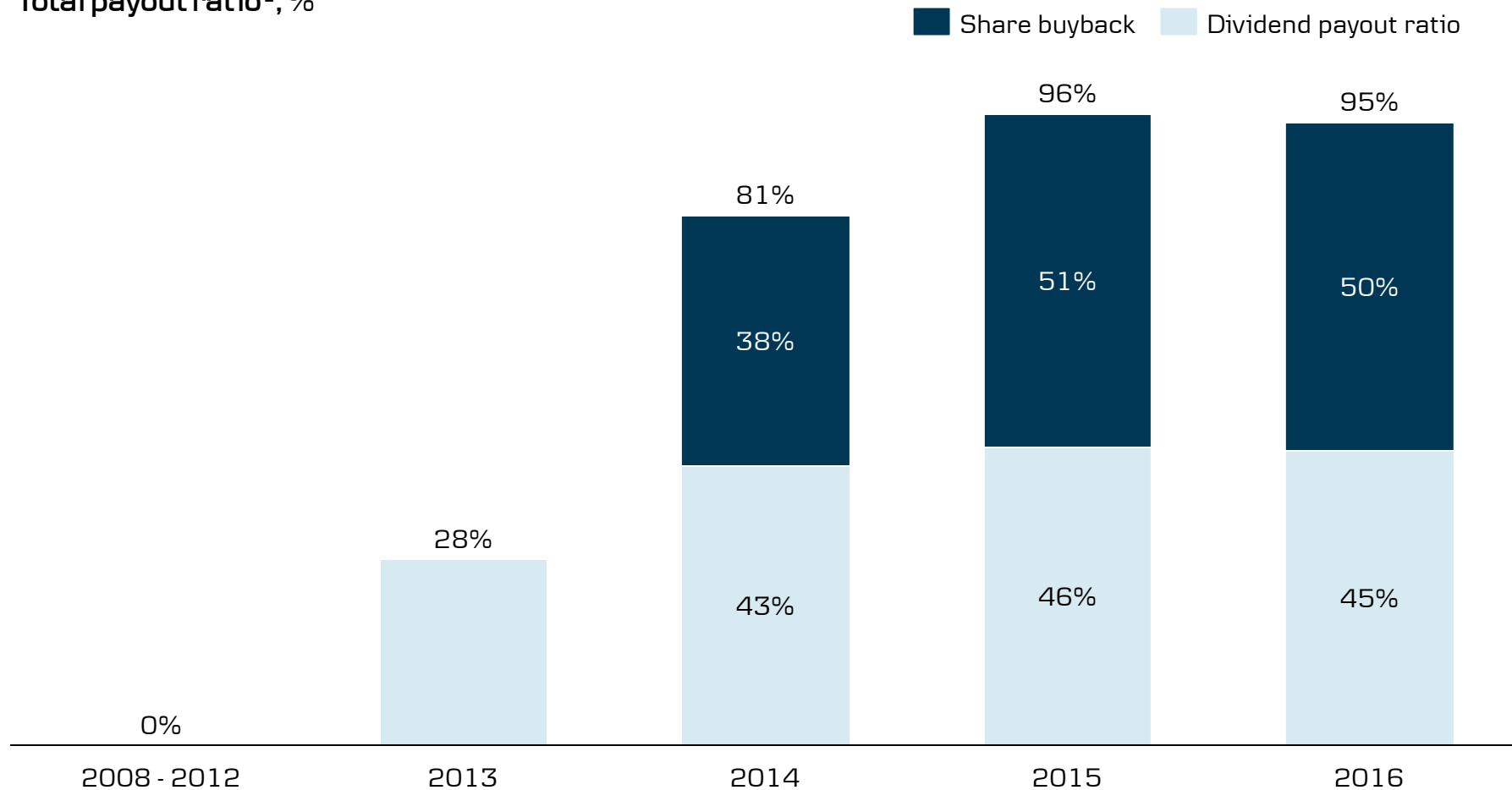
Income statement*; DKKm

	2016	2015	2014	2013	2012
Net interest income	22,028	21,402	22,198	22,077	22,778
Net fee income	14,183	15,018	14,482	9,468	8,866
Net trading income	8,607	6,848	6,895	5,799	10,562
Other income	3,140	2,343	1,755	1,308	1,285
Net income from insurance business	-	-	-	1,088	2,171
Total income	47,959	45,611	45,330	39,740	45,662
Expenses	22,642	23,237	23,972	23,794	24,642
Goodwill impairment charges	-	4,601	9,098	-	-
Profit before loan impairment charges	25,317	17,773	12,260	15,947	21,020
Loan impairment charges	-3	57	2,788	4,111	7,680
Profit before tax, core	25,320	17,716	9,472	11,836	13,340
Profit before tax, Non-core	37	46	-1,503	-1,777	-4,801
Profit before tax	25,357	17,762	7,969	10,059	8,539
Tax	5,500	4,639	4,020	2,944	3,814
Net profit for the year	19,858	13,123	3,948	7,115	4,725
Net profit for the year before goodwill impairments	19,858	17,724	13,047	7,115	4,725

* The financial highlights for 2015 and 2014 reflect the organizational changes announced in connection with Interim report of first half 2015 and company announcement No. 48/2015 dated 19 November 2015.

Capital distribution*: Steady dividends and share buy-backs for the last three years

Total payout ratio¹; %



¹ Based on year-end communicated distributions *Danske Bank intend to return excess capital to shareholders after we have met our capital targets and paid out ordinary dividends of 40-50%

Upgraded outlook for full-year 2017: We now expect net profit in the range of DKK 19-21 bn*

NII

We expect net interest income to be higher than in 2016, as we will benefit from volume growth and lower funding costs

Fee income

Net fee income is expected to be higher than in 2016, subject to customer activity

Trading & Other income

Net trading income and Other income are expected to be less impacted by positive special items compared to 2016

Expenses

Expenses are expected to be around the level in 2016

Impairments

Loan impairments are expected to remain low

Net profit*

Revised: We now expect net profit for 2017 to be in the range of DKK 19-21 bn. This is due to higher than expected income in all major income lines and lower loan impairment charges in the first nine months of 2017



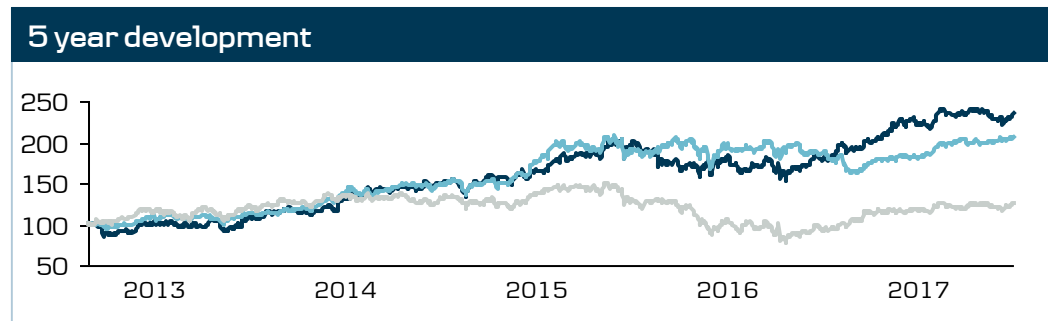
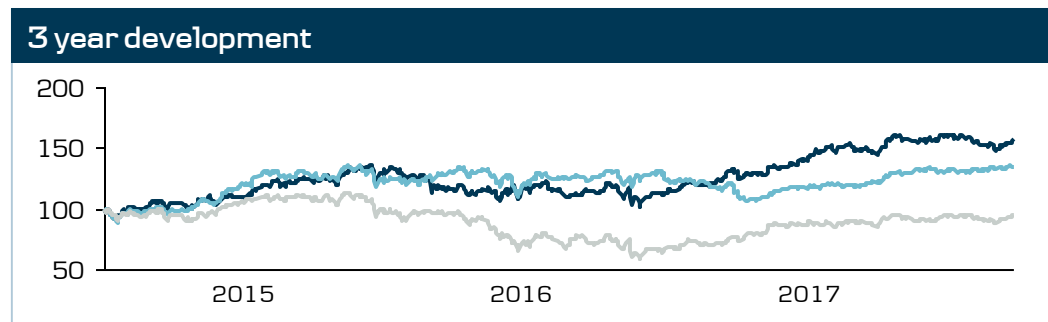
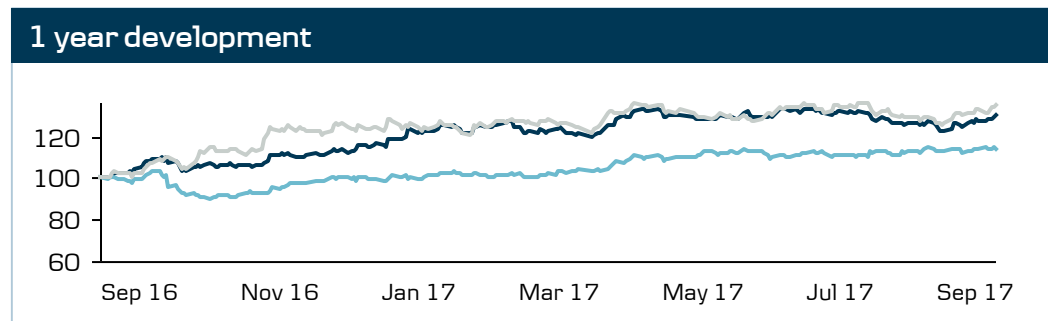
* Previously: We expect net profit to be in the range of DKK 18-20 bn

Note: This guidance is subject to uncertainty and depends on economic conditions, including developments in monetary policy at central banks.

Share performance vs. European bank sector

— Danske Bank — OMX Copenhagen 20 — STOXX Europe 600 Banks

Share price development; index



Key figures; 9M 2017



Earnings per share: DKK 16.1



Book Value per share: DKK 167.0



Market cap: DKK 227,642 m

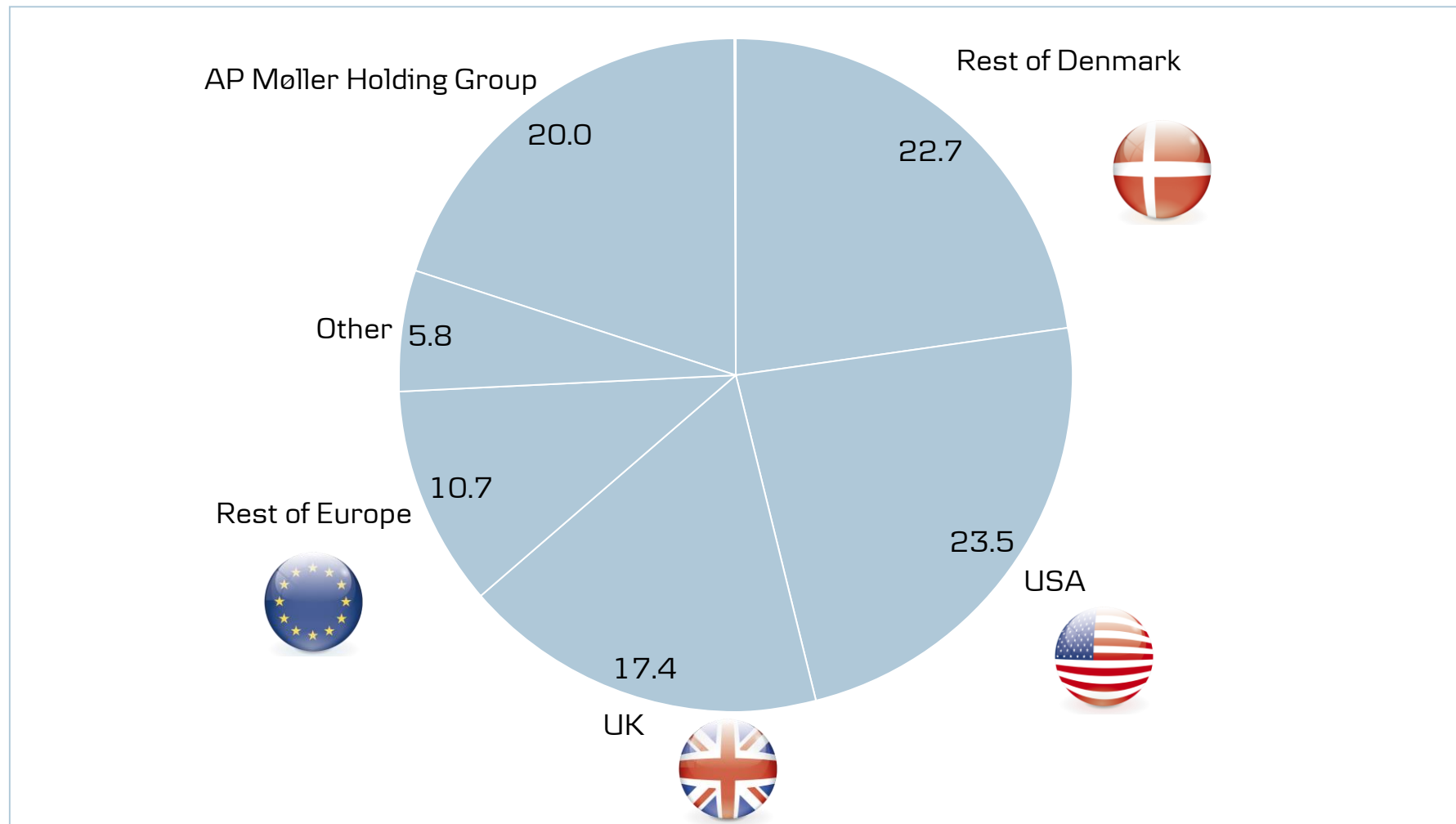


Issued shares: 936.8m



Shareholder base at Q3 2017

Shareholder distribution*; %



*Due to changes at Vp securities, Q317 figures are only based on quoted listings

Danske Bank's credit ratings

Danske Bank's long-term issuer rating and outlook

Moody's Positive	S&P Stable	Fitch Stable
Aaa	AAA	AAA
Aa1	AA+	AA+
Aa2	AA	AA
Aa3	AA-	AA-
A1	A+	A+
A2	A	A
A3	A-	A-
Baa1	BBB+	BBB+
Baa2	BBB	BBB
Baa3	BBB-	BBB-
...
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Rating agency updates

S&P Global affirmed ratings

- On June 30 2017, S&P affirmed its 'A/A-1' long- and short-term ratings with stable outlook.

Moody's upgrades Danske Bank's ratings

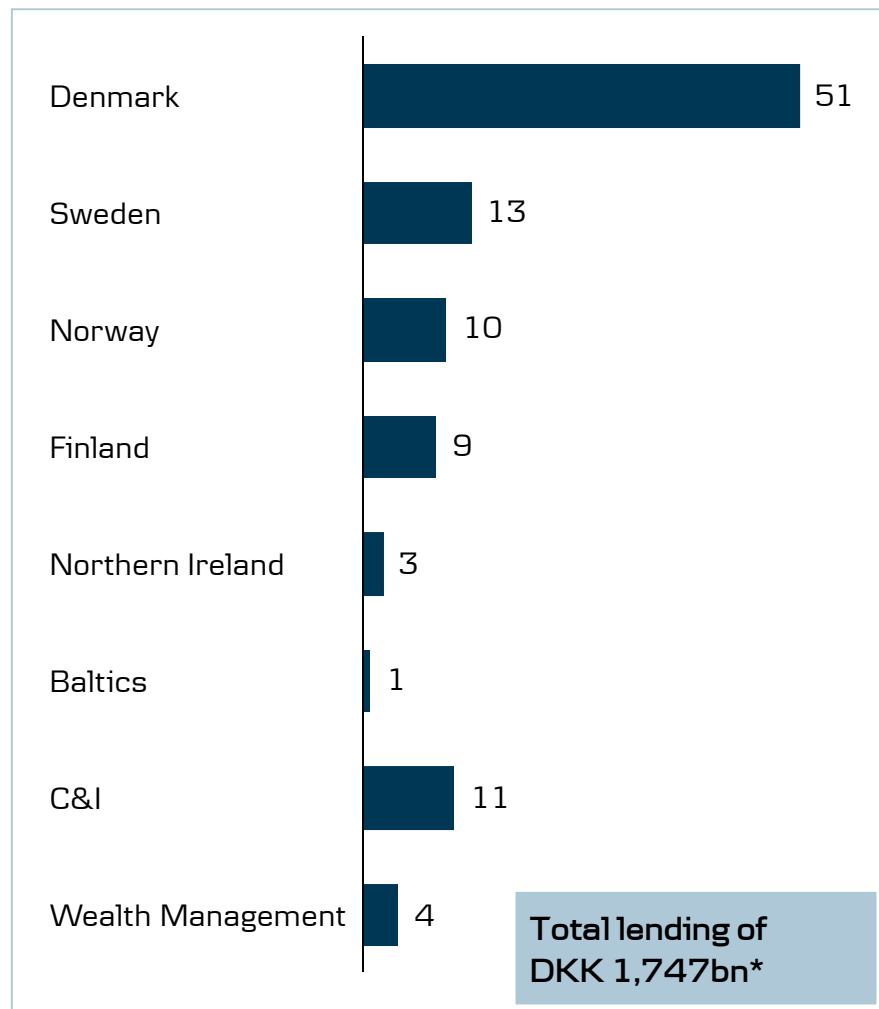
- On August 16 2017, Moody's upgraded Danske Bank's long-term deposit rating to Aa3 from A1 and long-term senior unsecured to A1 from A2. Moody's also maintained the positive outlook on Danske Bank's long term issuer and senior debt ratings.
- The upgrade reflects the upgrade of the BCA as well as Moody's view of a low loss-given-failure based on the protection provided to creditors by the group's deposits, senior and subordinated debt, and a moderate likelihood of government support.

Fitch affirmed ratings

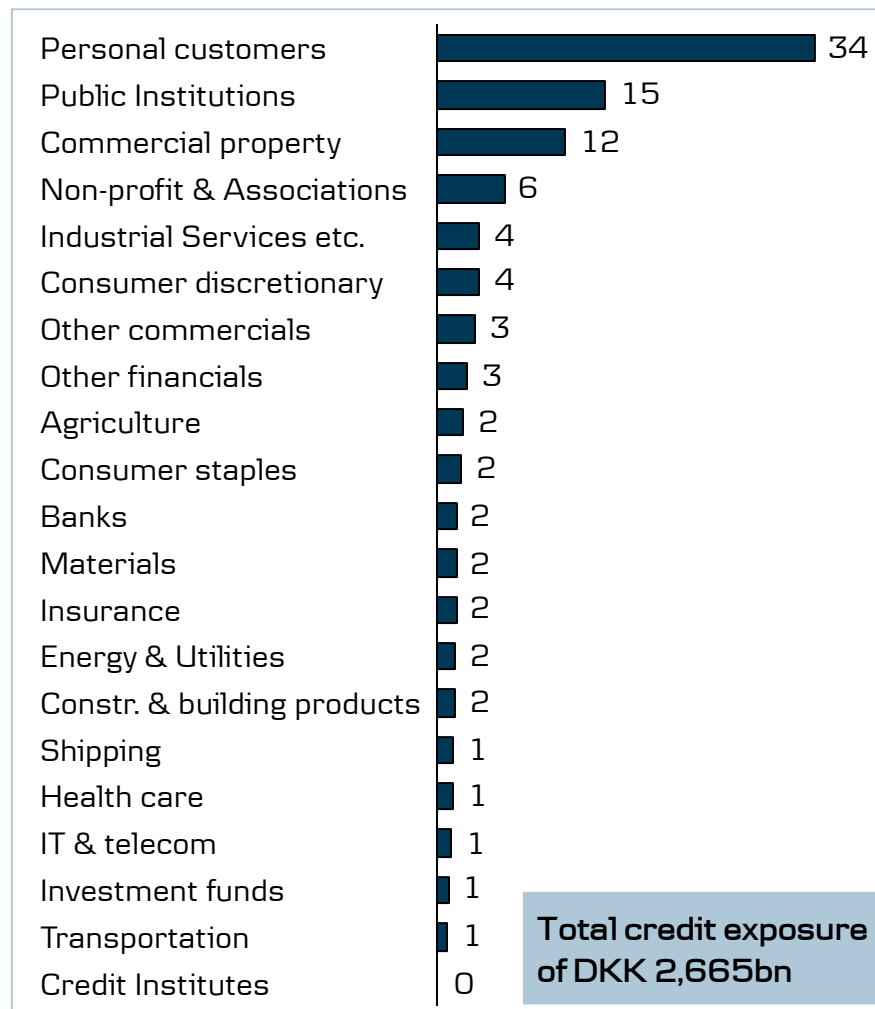
- On August 9 2017, Fitch affirmed Danske Bank's rating with a stable outlook.

Nordic footprint across sectors

Total lending*; %; Q3 2017



Credit exposure by industry; %; Q3 2017



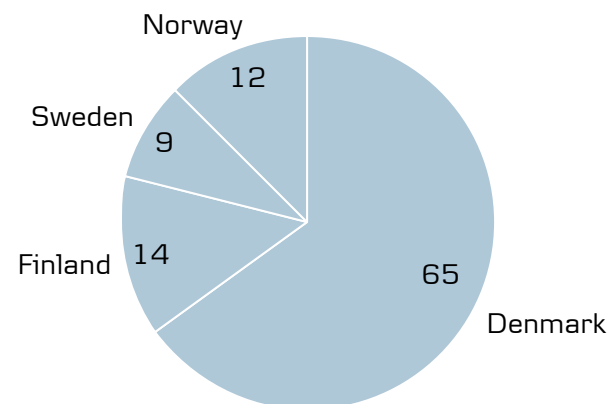
*Total lending before loan impairment charges. Lending by country includes Personal Banking and Business Banking

Personal Banking

Personal Banking

- Personal Banking serves personal customers through a large network of branches, call centres and online channels
- The unit offers a wide range of financial products and services within banking, property financing, leasing, insurance and pensions
- Full-time employees amounts to 4,571

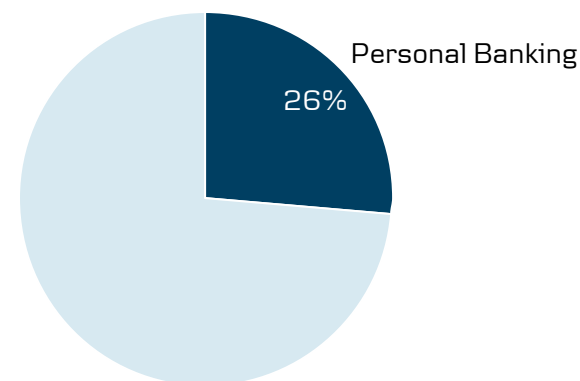
Income distribution; %; 9M 2017



Income statement & key figures; DKK m

	9M 2017	9M 2016	Index
Net interest income	5,933	5,722	104
Net fee income	2,565	2,487	103
Net trading income	435	385	113
Other income	560	456	123
Total income	9,493	9,050	105
Expenses	5,616	5,661	99
Profit before loan impairment charges	3,877	3,388	114
Loan impairment charges	-22	-289	-
Profit before tax	3,899	3,678	106
Lending (DKK bn)	759	741	102
Deposits and RD funding (DKK bn)	684	667	103
Deposits (DKK bn)	274	267	103

Income distribution of group total; %; 9M 2017

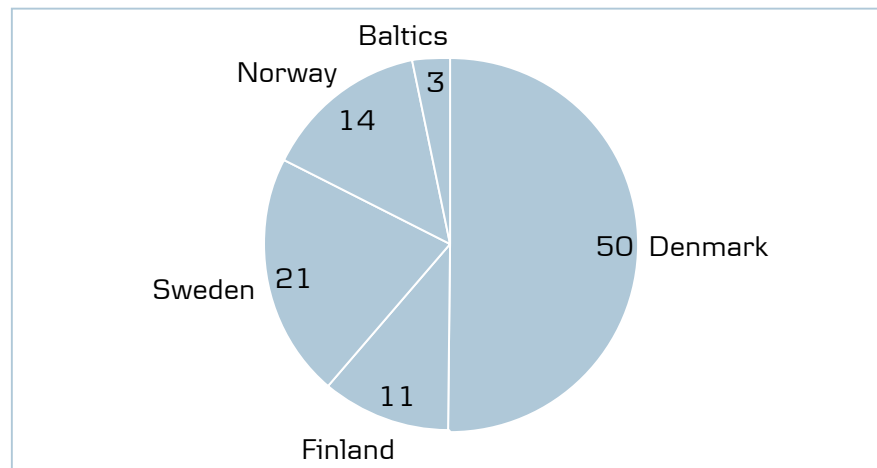


Business Banking

Business Banking

- Business Banking serves small, medium-sized and large businesses through a large network of finance centres, branches, contact centres and online channels
- The unit offers leading solutions within financing, investing, cash management and risk management
- Full-time employees amounts to 2,611

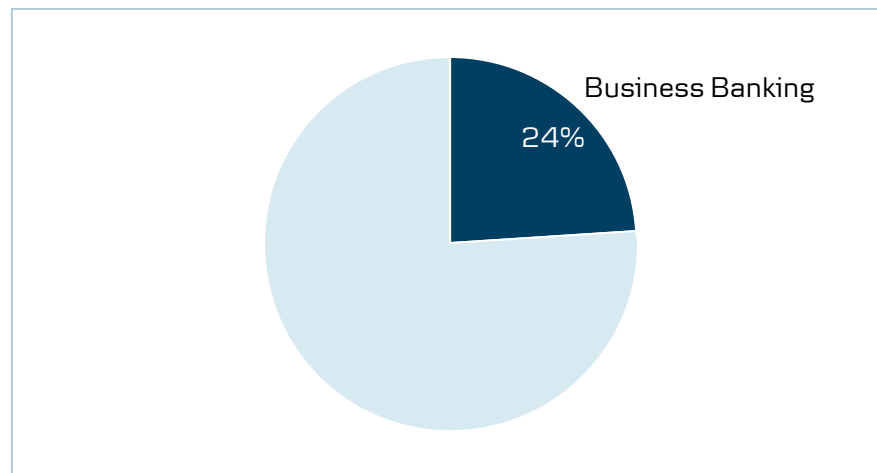
Income distribution; %; 9M 2017



Income statement & key figures; DKK m

	9M 2017	9M 2016	Index
Net interest income	6,538	6,279	104
Net fee income	1,349	1,224	110
Net trading income	385	392	98
Other income	405	405	100
Total income	8,677	8,300	105
Expenses	3,377	3,527	96
Profit before loan impairment charges	5,300	4,774	111
Loan impairment charges	-772	-54	-
Profit before tax	6,072	4,828	126
Lending (DKK bn)	691	661	104
Deposits and RD funding (DKK bn)	568	547	104
Deposits (DKK bn)	240	224	107

Income distribution of group total; %; 9M 2017

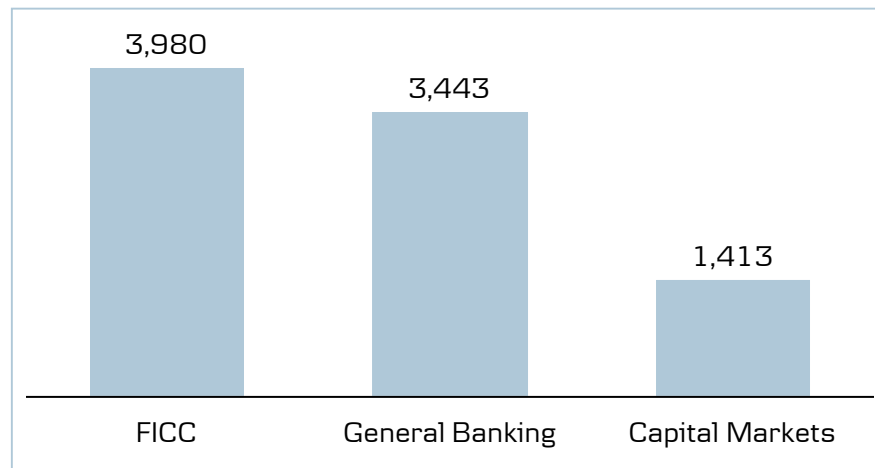


Corporates & Institutions

Corporates & Institutions

- Corporates & Institutions is a leading provider of wholesale banking services for the largest institutional and corporate customers in the Nordic region
- Products and services include cash management, trade finances and custody services; equity, bond, foreign exchange and derivatives products; corporate finance; and acquisition finance
- Full-time employees amounts to 1,786

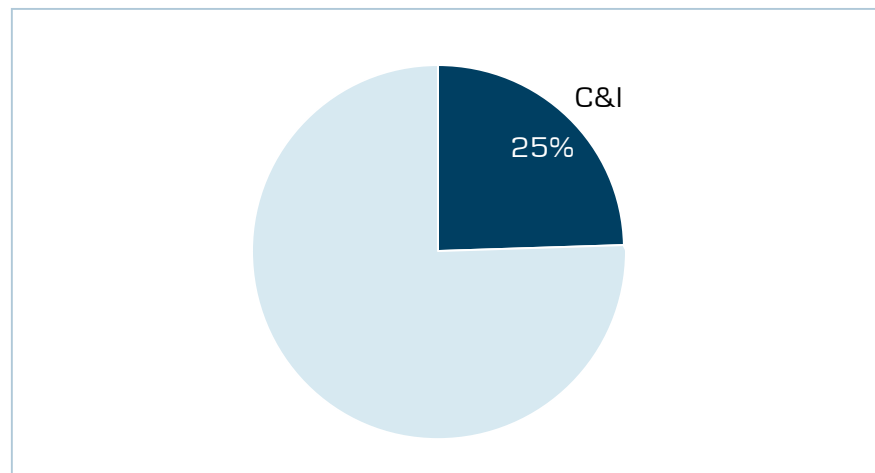
Income distribution; 9M 2017, DKK m



Income statement & key figures; DKK m

	9M 2017	9M 2016	Index
Net interest income	2,324	2,266	103
Net fee income	1,907	1,596	119
Net trading income	4,603	3,934	117
Other income	1	21	5
Total income	8,835	7,816	113
Expenses	3,532	3,496	101
Profit before loan impairment charges	5,303	4,321	123
Loan impairment charges	385	789	49
Profit before tax	4,918	3,532	139
Lending (DKK bn)	187	189	99
Deposits (DKK bn)	283	250	113

Income distribution of group total; %; 9M 2017

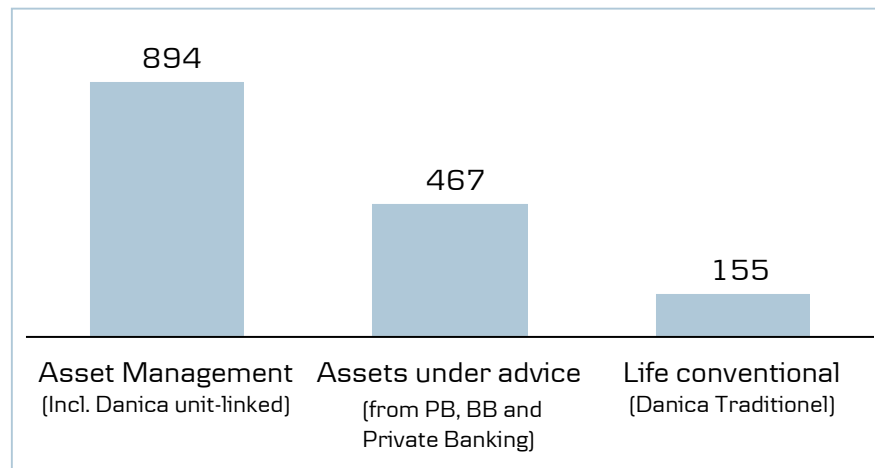


Wealth Management

Wealth management

- Wealth Management serves the Group's entire customer base and encompasses expertise within pension savings, private banking, and wealth and asset management
- The unit includes Danica Pension, Danske Capital and Private Banking customers with complex finances
- Total assets under management of DKK 1,515 bn
- Full-time employees amounts to 1,870

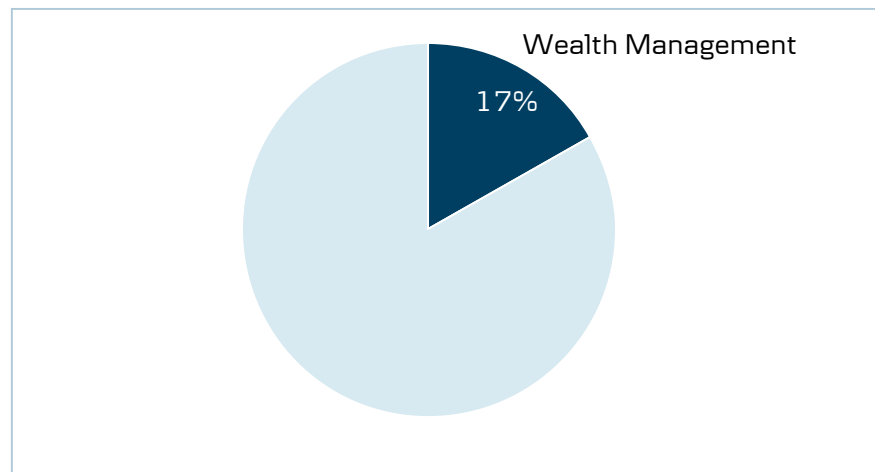
Assets under management, 9M 2017, DKK bn



Income statement & key figures; DKKm

	9M 2017	9M 2016	Index
Net interest income	532	499	107
Net fee income	5,132	4,584	112
Net trading income	348	443	79
Other income	121	352	34
Total income	6,134	5,878	104
Expenses	2,975	2,784	107
Profit before loan impairment charges	3,159	3,094	102
Loan impairment charges	-70	-82	-
Profit before tax	3,229	3,176	102
Lending (DKK bn)	75	72	104
Deposits (DKK bn)	66	64	104

Income distribution of group total; %; 9M 2017

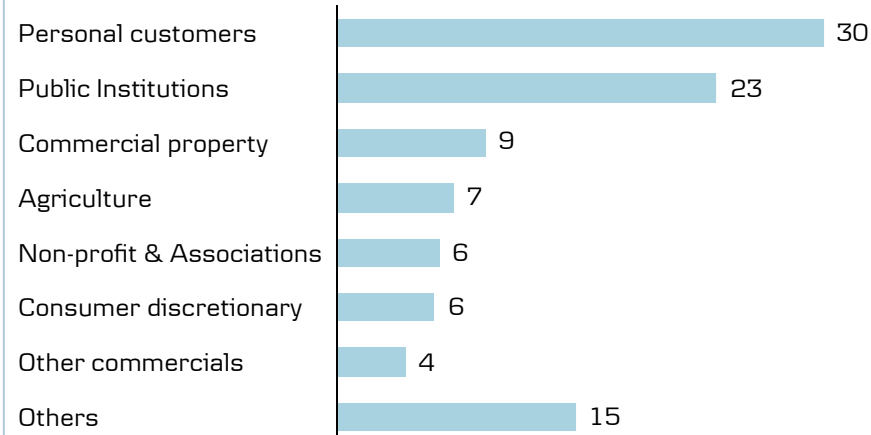


Northern Ireland

Northern Ireland

- Serves personal and business customers through a network of branches in Northern Ireland and leading digital channels
- Since 1 January 2016, Northern Ireland has operated as a separate business unit
- Full-time employees amounts to 1,318

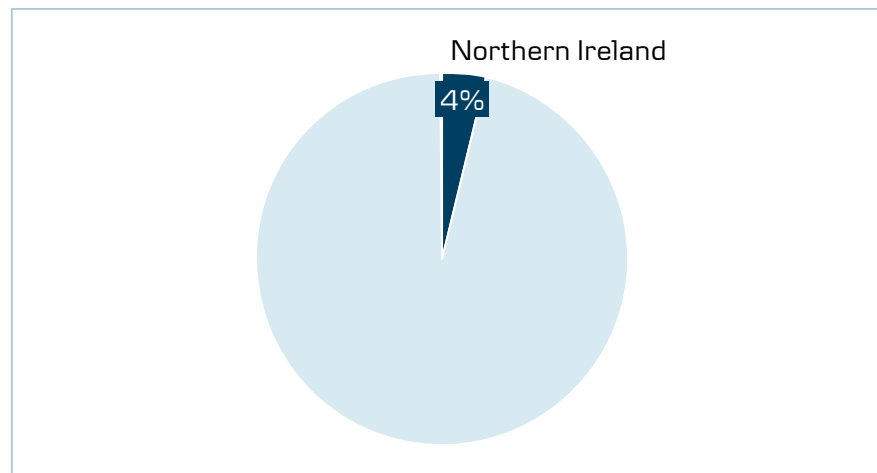
Exposure by industry, Q3 2017 (%)



Income statement & key figures; DKKm

	9M 2017	9M 2016	Index
Net interest income	1,026	1,117	92
Net fee income	328	363	90
Net trading income	54	102	53
Other income	8	16	50
Total income	1,417	1,598	89
Expenses	911	909	100
Profit before loan impairment charges	505	689	73
Loan impairment charges	-154	-211	-
Profit before tax	660	901	73
Lending (DKK bn)	46	46	101
Deposits (DKK bn)	59	58	103

Income distribution of group total, 9M 2017 (%)



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