

Financial results – first nine months 2017



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Executive summary: A satisfactory result for the first nine months of 2017

The Nordic economies saw positive trends in the first nine months of 2017

Loan growth of 3% y/y based on a stable and well-balanced inflow from personal and business customers across the Nordics

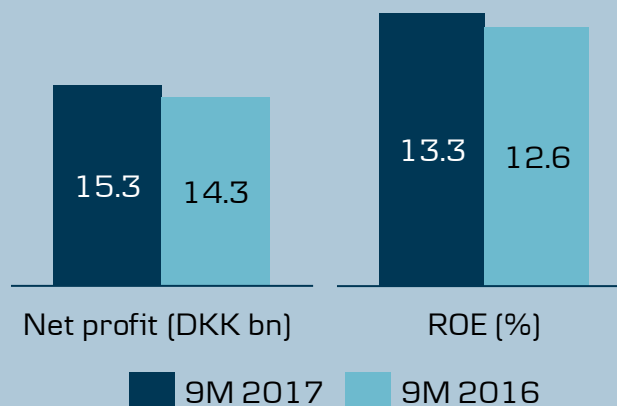
Solid customer activity within capital markets and wealth management

Expenses driven by IT-related costs for regulatory compliance and higher severance payments. Very strong credit quality continued



Financial results, 9M 2017

- Net profit of DKK 15.3 bn, up 7% from 9M 2016, which included domicile property sales
- ROE of 13.3%
- Strong capital position, with a CET1 capital ratio of 16.7%
- Net profit outlook for 2017 revised upwards to DKK 19-21 bn



Net profit: DKK 15.3 bn, up 7% from 9M 2016*

Income statement and key figures (DKK millions)

	9M2017	9M2016	Index	Q3 2017	Q2 2017	Index
Net interest income	17,392	16,239	107	5,961	5,692	105
Net fee income	11,087	10,151	109	3,494	3,743	93
Net trading income	6,280	6,284	100	1,762	1,814	97
Other income	1,171	2,383	49	328	487	67
Total income	35,930	35,057	102	11,544	11,736	98
Expenses	16,965	16,586	102	5,480	5,760	95
Profit before loan impairment charges	18,965	18,471	103	6,064	5,976	101
Loan impairment charges	-632	157	-	-166	-231	72
Profit before tax, core	19,597	18,314	107	6,230	6,208	100
Profit before tax, Non-core	-39	5	-	6	-25	-
Profit before tax	19,558	18,318	107	6,236	6,182	101
Tax	4,307	4,050	106	1,305	1,392	94
Net profit	15,251	14,268	107	4,931	4,790	103
Return on avg. shareholders' equity (%)	13.3	12.6		12.8	12.6	
Cost/income ratio (%)	47.2	47.3		47.5	49.1	
Common equity tier 1 capital ratio (%)	16.7	15.8		16.7	16.2	
EPS (DKK)	16.1	14.4	112	5.3	5.0	106
Lending (DKK bn)	1,726	1,675	103	1,726	1,707	101
Deposits and RD funding (DKK bn)	1,713	1,644	104	1,713	1,691	101
- of which deposits (DKK bn)	923	872	106	923	914	101
Risk exposure amount (DKK bn)	769	814	94	769	779	99

Key points, 9M 2017 vs 9M 2016

- Return on equity of 13.3%
- Total income up 2%, driven by NII and fees
- In 9M 2016, other income included the sale of domicile properties, and trading income included the VISA Europe sale
- Expenses up 2%, partly because 9M 2016 benefited from one-off items. Cost/income ratio of 47.2%.
- Lending volume up 3%

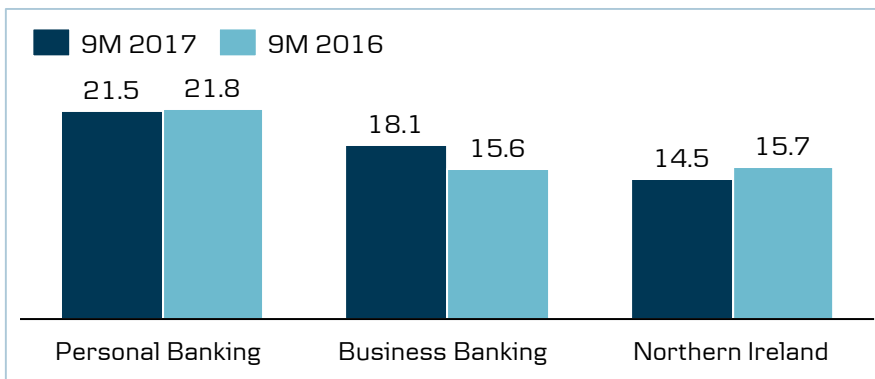
Key points, Q3 2017 vs Q2 2017

- NII up 5% mainly due to volume growth and tax related one-off in Q2
- Fee and trading income down, reflecting strong customer activity in Q2
- Expenses down 5%, mainly due to reduced IT expenses and severance payments
- Reversal of impairments continued
- CET1 capital ratio of 16.7% and REA of DKK 769 bn

* 9M 2016 included the sale of domicile properties in Q1, the sale of VISA Europe in Q2 and Q3 and negative CVA due to model improvement.

Banking units: Solid growth and strong credit quality continue in our Nordic markets

Pre-tax return on allocated capital (%)



Financial highlights, 9M 2017 vs 9M 2016

Personal Banking

- Total income up, driven by all income lines
- Expenses down 1% despite higher costs for regulatory compliance
- Lending up 2% driven by growth in Sweden and Norway

Business Banking

- Total income up 5%, reflecting higher NII and fee income
- Expenses down 4% due to efficiency improvements
- Lending up 4% with growth in all markets

Northern Ireland

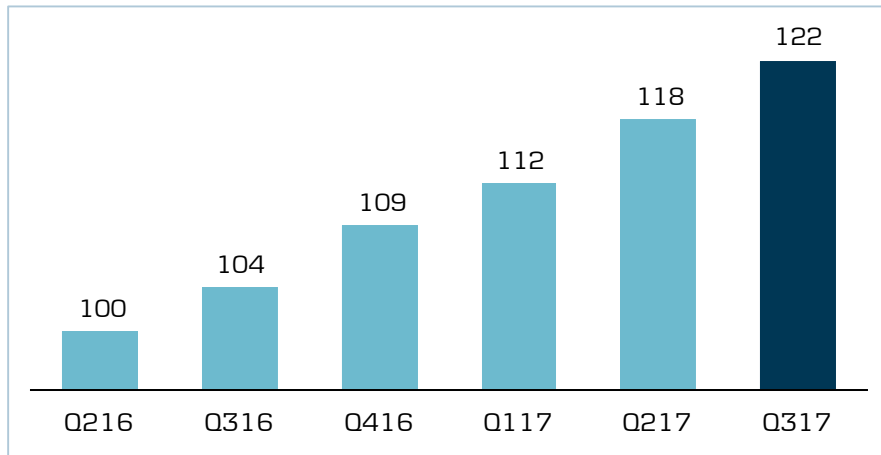
- Result affected by GBP/DKK depreciation of 9%, impact of lower UK interest rates and reduced reversals of impairment charges

Income statement (DKK millions)

	Personal Banking			Business Banking			Northern Ireland		
	9M 2017	9M 2016	Index	9M 2017	9M 2016	Index	9M 2017	9M 2016	Index
Net interest income	5,933	5,722	104	6,538	6,279	104	1,026	1,117	92
Net fee income	2,565	2,487	103	1,349	1,224	110	328	363	90
Net trading income	435	385	113	385	392	98	54	102	53
Other income	560	456	123	405	405	100	8	16	50
Total income	9,493	9,050	105	8,677	8,300	105	1,417	1,598	89
Expenses	5,616	5,661	99	3,377	3,527	96	911	909	100
Profit before loan impairment charges	3,877	3,388	114	5,300	4,774	111	505	689	73
Loan impairment charges	-22	-289	-	-772	-54	-	-154	-211	-
Profit before tax	3,899	3,678	106	6,072	4,828	126	660	901	73
Lending (DKK bn)	759	741	102	691	661	104	46	46	101
Deposits and RD funding (DKK bn)	684	667	103	568	547	104	59	58	103
- of which deposits (DKK bn)	274	267	103	240	224	107	59	58	103

PB Sweden: Partnership agreements drive profitable growth with sound credit quality

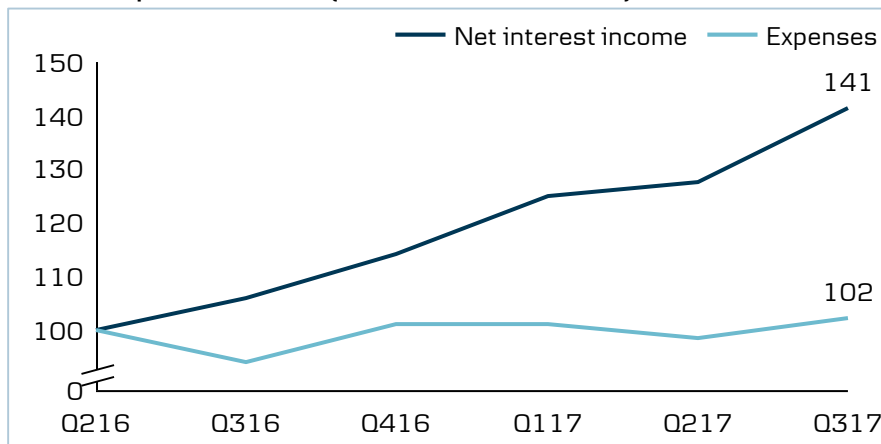
Lending volume in SEK (Q2 2016 = Index 100)



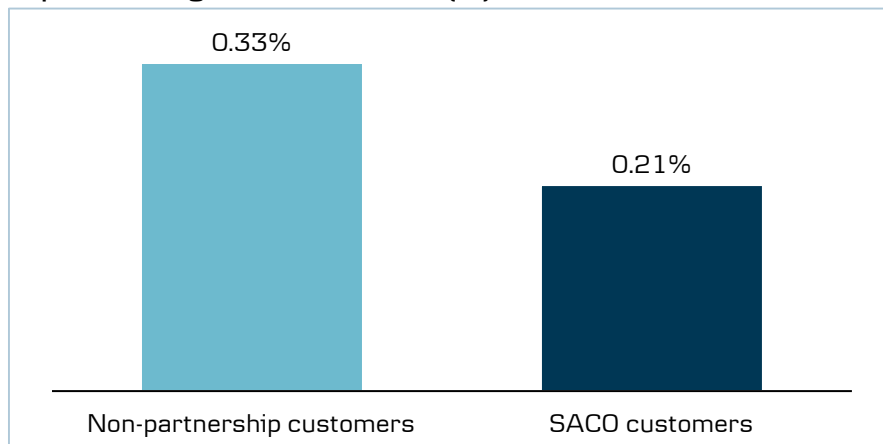
Comments

- Profitable organic growth in PB Sweden is an important part of realising our Nordic potential
- More than 90% of new customers are onboarded digitally, which enhances customer experience and increases scalability
- Selected growth strategy through partnership agreements ensures high credit quality
- Average LTV of 58.2% as of Q3 2017
- Danske Bank complies with the 25% mortgage risk-weight floor in Sweden

NII and Expenses in SEK (Q2 2016 = Index 100)



Exposure-weighted PD, Q3 2017 (%)



C&I and Wealth Management: Positive development in major income lines due to stronger customer activity

C&I: Financial highlights, 9M 2017 vs 9M 2016

- Total income up 13%. The beginning of 2016 saw more difficult market conditions
- Fee income up 19% owing to increased customer activity in Capital Markets and General Banking
- Trading income reflects strong customer activity at FICC driven by geopolitical events in the first half of the year
- Expenses broadly unchanged despite increased activity and positive one-offs in Q1 2016
- Impairment charges down 51%. Charges were made mainly against facilities to the oil sector

Wealth Management: Financial highlights, 9M 2017 vs 9M 2016

- Assets under management up 10% to DKK 1,515 bn owing to positive inflow and performance
- Net sales at Asset Management of DKK 11.0 bn in 9M 2017, with inflow from both institutional and retail customers, vs. DKK 3.7 bn in 9M 2016
- Net premiums of DKK 29.3 bn at Danica Pension in 9M 2017 vs. DKK 24.6 bn in 9M 2016
- Fee income up 12% driven by increased AuM and new product launches
- Expenses up 7% due to regulatory implementation, especially MiFID II, increased activity and restructuring costs

C&I: Income statement (DKK millions)

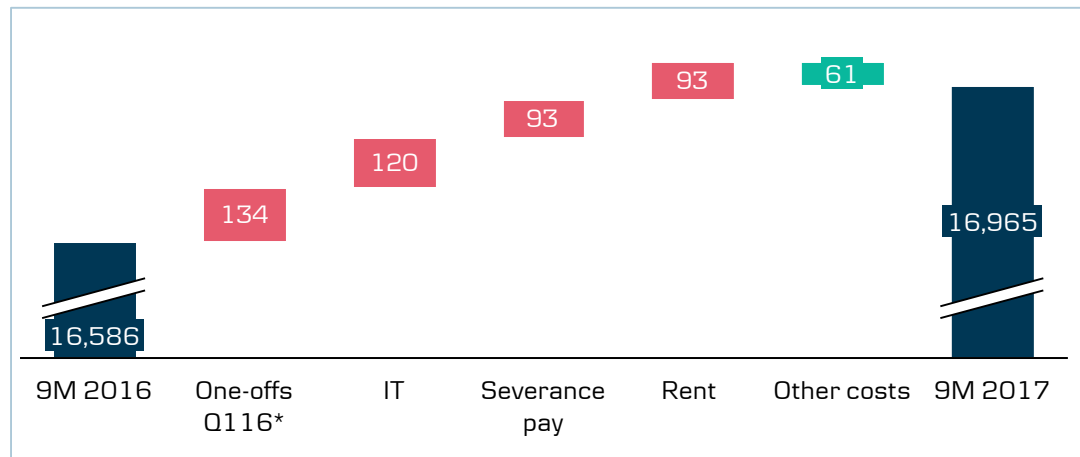
	9M 2017	9M 2016	Index
Net interest income	2,324	2,266	103
Net fee income	1,907	1,596	119
Net trading income	4,603	3,934	117
Other income	1	21	5
Total income	8,835	7,816	113
Expenses	3,532	3,496	101
Profit before loan impairment charges	5,303	4,321	123
Loan impairment charges	385	789	49
Profit before tax	4,918	3,532	139
Pre-tax return on allocated capital (%)	17.9	12.4	
Lending (DKK bn)	187	189	99
Deposits (DKK bn)	283	250	113

Wealth Management: Income statement (DKK millions)

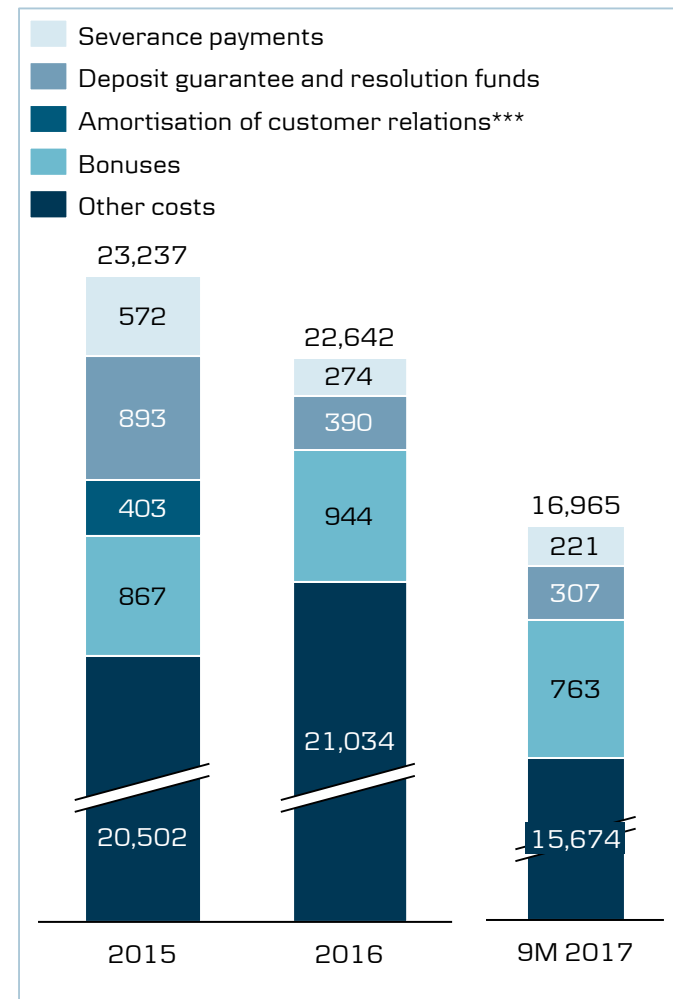
	9M 2017	9M 2016	Index
Net interest income	532	499	107
Net fee income	5,132	4,584	112
Net trading income	348	443	79
Other income	121	352	34
Total income	6,134	5,878	104
Expenses	2,975	2,784	107
Profit before loan impairment charges	3,159	3,094	102
Loan impairment charges	-70	-82	-
Profit before tax	3,229	3,176	102
Pre-tax return on allocated capital (%)	30.8	30.4	
Lending (DKK bn)	75	72	104
Deposits (DKK bn)	66	64	104
Assets under management (DKK bn)	1,515	1,383	110

Expenses: Up 2% from a low level, driven by IT-related costs for regulatory compliance and digitalisation

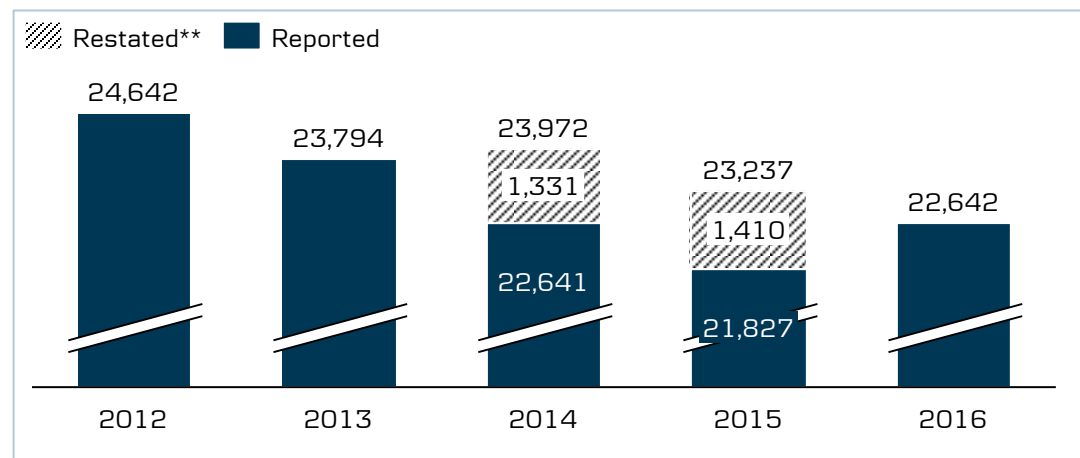
Change in expenses (DKK millions)



Total expenses ex goodwill charge (DKK millions)



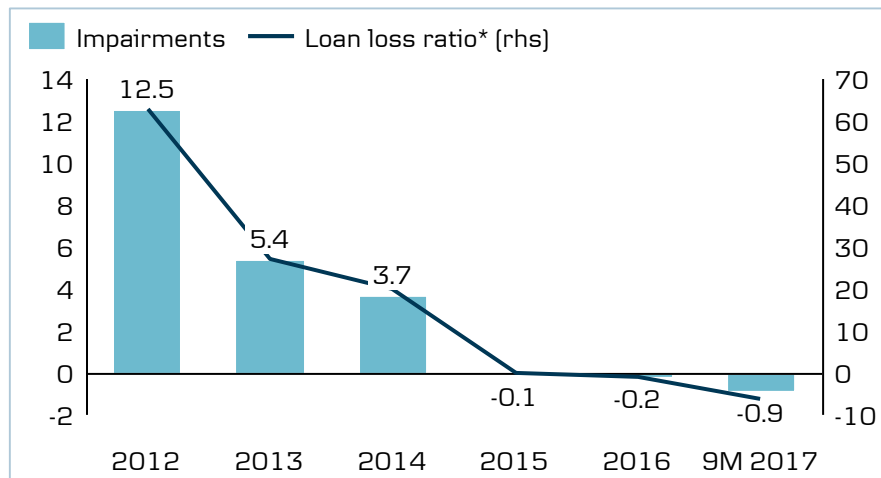
Total expenses ex goodwill charge, 2012-2016 (DKK millions)



* Includes a VAT reversal and the reversal of a provision for operational risk ** Expenses for 2014 and 2015 are restated to reflect the new Wealth Management unit. *** 2015 charge represents 11 months of amortisation because of a write-down in December 2015.

Impairments: Loan loss ratio of -4 bp in core activities in 9M 2017

Group impairments,* 2012 to 9M 2017 (DKK billions/bp)



Impairment drivers, Q3 2017 vs Q2 2017

- Net reversals continued at all business units except for C&I, supported by benign macroeconomic conditions in all countries
- Impairments at C&I driven by oil-related exposure where restructuring has led to increased individual charges
- Continued reversals in Agriculture based on improved credit quality
- Non-core reversals were against facilities in Non-core banking

Impairments (DKK millions)

	9M2017	9M2016	Q3 2017	Q2 2017
Personal Banking	-22	-289	-25	-53
Business Banking	-772	-54	-226	-261
C&I	385	789	138	168
Wealth Management	-70	-82	-25	-20
Northern Ireland	-154	-211	-24	-69
Other activities	-	5	-3	3
Total core	-632	157	-166	-231
Non-core	-240	-98	-233	-9
Group	-872	59	-399	-240

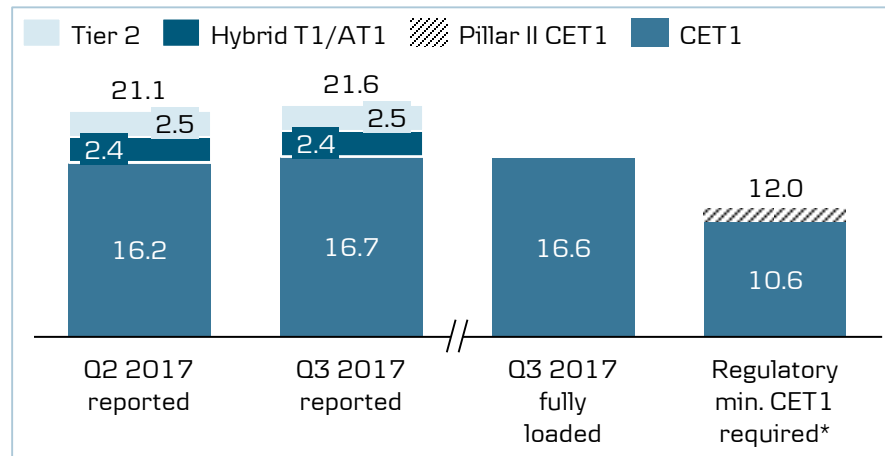
Loan loss ratio,** annualised (bp)

	9M2017	9M2016	Q3 2017	Q2 2017
Personal Banking	0	-5	-1	-3
Business Banking	-15	-1	-13	-15
C&I	12	26	14	16
Wealth Management	-12	-16	-13	-10
Northern Ireland	-46	-56	-21	-59
Other activities	0	20	-23	24
Total core	-4	1	-3	-5
Non-core	-169	-55	-537	-19
Group	-6	0	-8	-5

* Includes Non-core **The loan loss ratio is defined as annualised quarterly impairment charges as a percentage of loans and guarantees.

Capital: Strong capital base; CET1 capital ratio of 16.7%

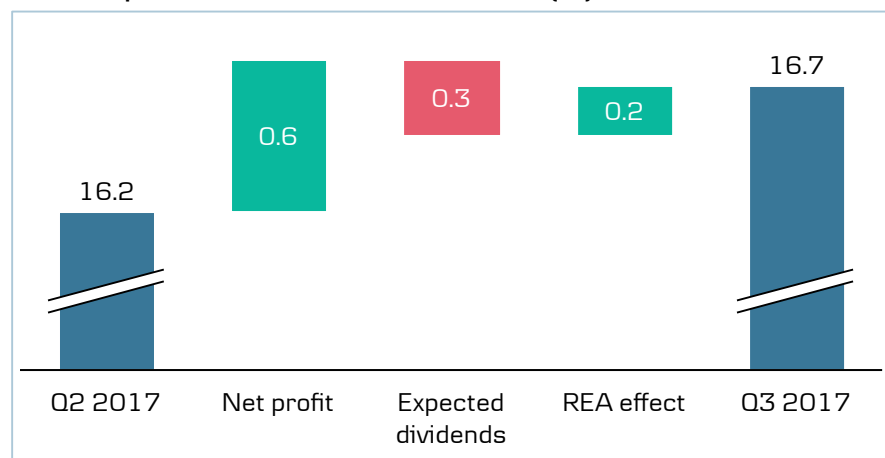
Capital ratios, under Basel III/CRR (%)



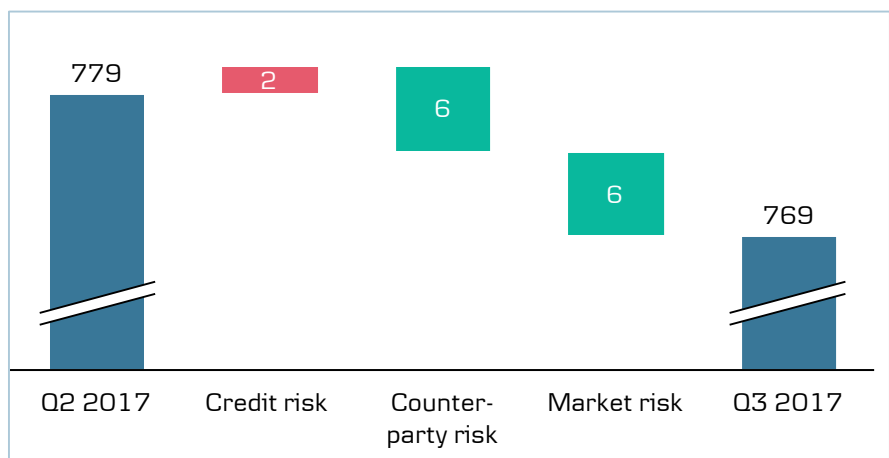
Capital highlights, Q3 2017

- REA down as counterparty risk decreased due to lower derivatives exposure and market risk was down due to a lower risk level at C&I
- Implementation of IFRS 9 is expected to increase the allowance account by DKK 2-3 bn (unchanged)**
- Leverage ratio of 4.2% on transitional rules, 4.1% fully phased-in
- Capital targets unchanged: CET1 in the range of 14-15% in the short to medium term in light of regulatory uncertainty, and total capital ratio target of around 19%

CET1 capital ratio, Q2 2017 to Q3 2017 (%)



Total REA, Q2 2017 to Q3 2017 (DKK billions)



*Pro forma fully phased-in min. CET1 requirement in 2019 of 4.5%, capital conservation buffer of 2.5%, SIFI requirement of 3%, countercyclical buffers of 0.6% and CET1 component of Pillar II requirement. NB: Pillar II requirement is not relevant for the purpose of MDA. **The effect on CET1 is expected to be phased-in according to transitional rules (expected to be clarified in 2017)

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

Net interest income	We expect net interest income to be higher than in 2016, as we will benefit from volume growth and lower funding costs
Net fee income	Net fee income is expected to be higher than in 2016, subject to customer activity
Net 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.

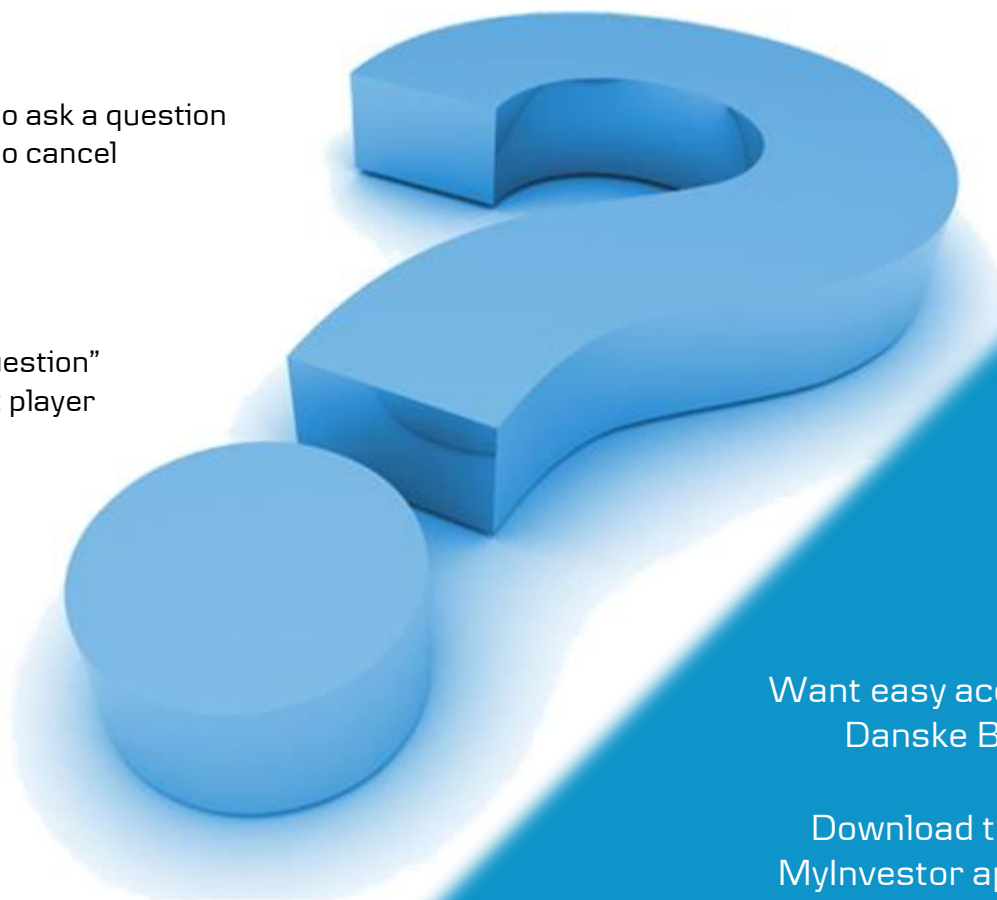
Q&A session



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Press * then 2 to cancel



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Appendix

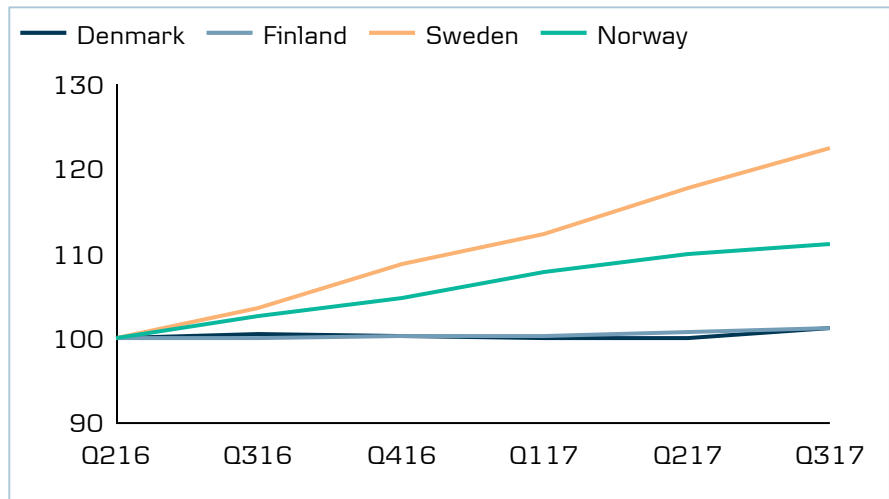
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Personal Banking: Profit before tax up 2%; growth in Sweden and Norway continues

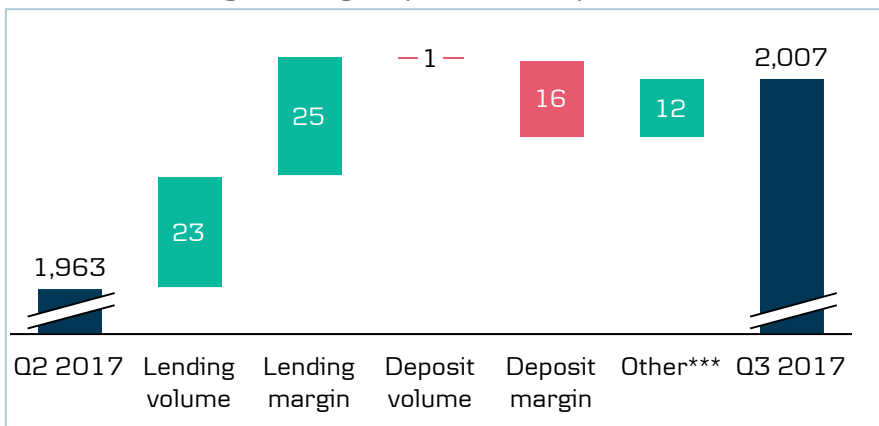
Income statement and key figures (DKK millions)

	Q3 2017	Q2 2017	Index
Net interest income	2,007	1,963	102
Net fee income	833	891	93
Net trading income	126	110	115
Other income	176	205	86
Total income	3,142	3,169	99
Expenses	1,819	1,900	96
Profit before loan impairment charges	1,322	1,269	104
Loan impairment charges	-25	-53	-
Profit before tax	1,347	1,322	102
Lending (DKK bn)	759	748	102
Deposits and RD funding (DKK bn)	684	680	101
Deposits (DKK bn)	274	275	100

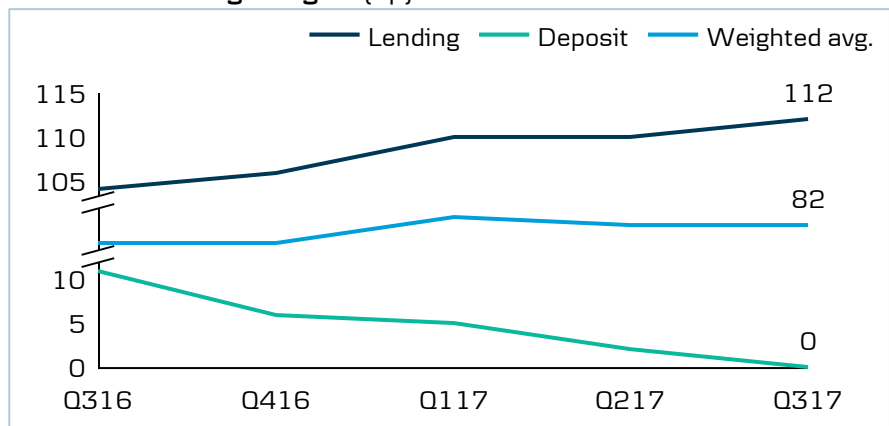
Lending volume by country* (Q2 2016 = Index 100)



Personal Banking NII bridge** (DKK millions)



Personal Banking margins (bp)



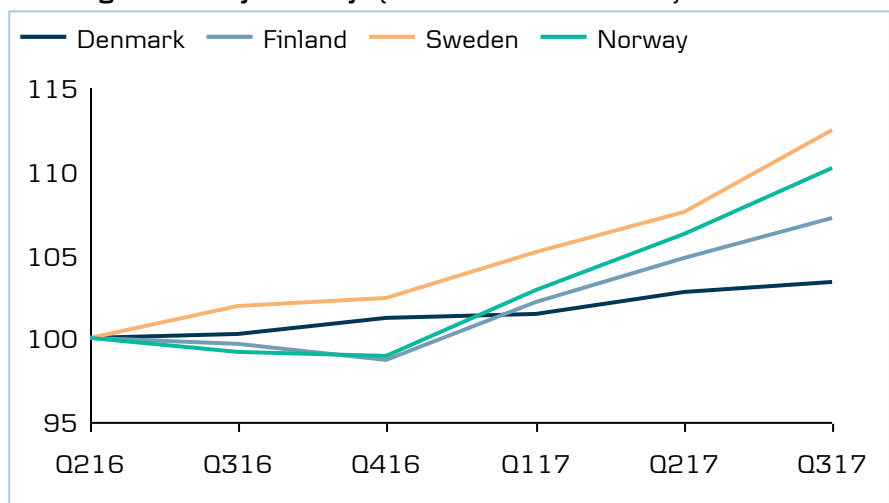
* Based on local currency lending volumes. ** Based on average volumes. *** Includes capital costs, day effect and off-balance-sheet items.

Business Banking: Profit before tax up 4%; growth across all markets continued

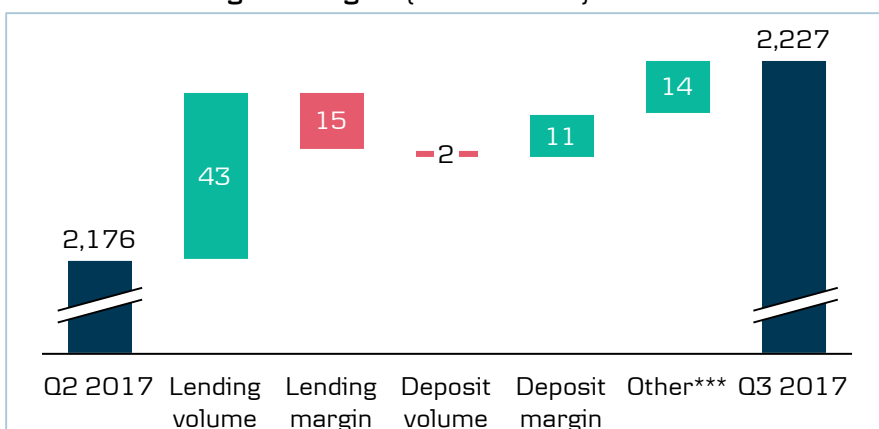
Income statement and key figures (DKK millions)

	Q3 2017	Q2 2017	Index
Net interest income	2,227	2,176	102
Net fee income	443	451	98
Net trading income	123	115	107
Other income	131	134	98
Total income	2,924	2,876	102
Expenses	1,100	1,164	95
Profit before loan impairment charges	1,824	1,711	107
Loan impairment charges	-226	-261	-
Profit before tax	2,050	1,972	104
Lending (DKK bn)	691	678	102
Deposits and RD funding (DKK bn)	568	564	101
Deposits (DKK bn)	240	246	98

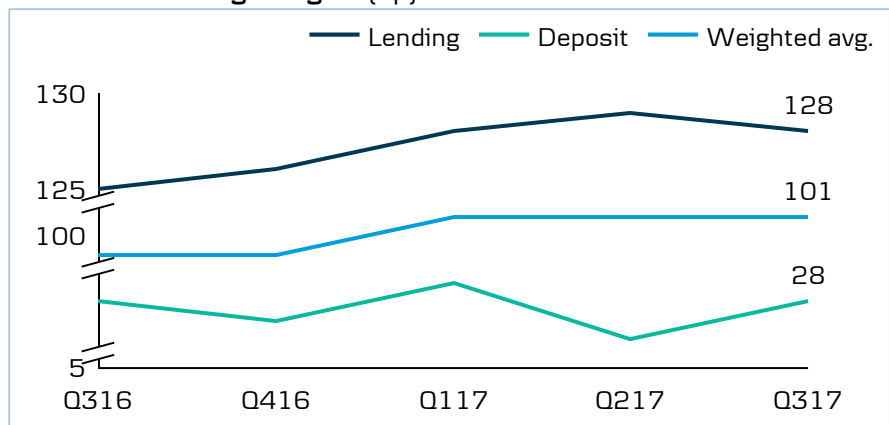
Lending volume by country* (Q2 2016 = Index 100)



Business Banking NII bridge** (DKK millions)



Business Banking margins (bp)



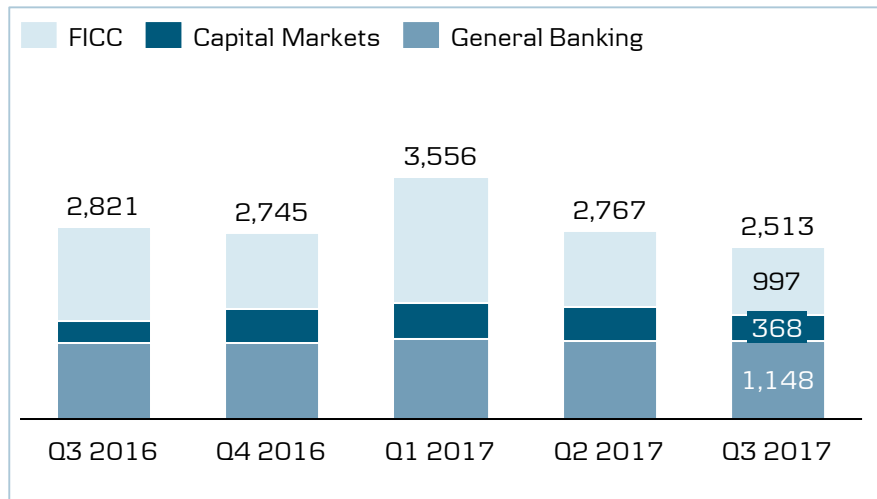
* Based on local currency lending volumes. ** Based on average volumes. *** Includes capital costs, day effect and off-balance-sheet items.

Corporates & Institutions: Income and expenses down due to seasonality in Q3

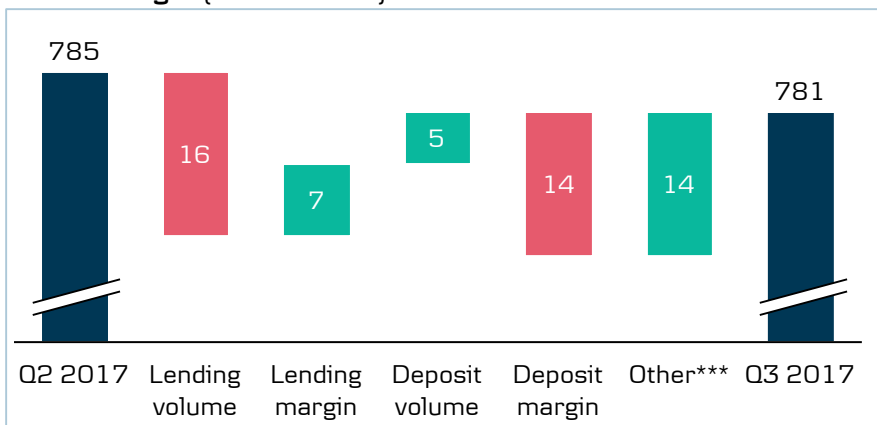
Income statement and key figures (DKK millions)

	Q3 2017	Q2 2017	Index
Net interest income	781	785	99
Net fee income	552	632	87
Net trading income	1,179	1,349	87
Other income	-	1	-
Total income	2,513	2,767	91
Expenses	1,128	1,187	95
Profit before loan impairment charges	1,385	1,580	88
Loan impairment charges	138	168	82
Profit before tax	1,248	1,411	88
Lending (DKK bn)	187	192	97
Deposits (DKK bn)	283	265	107

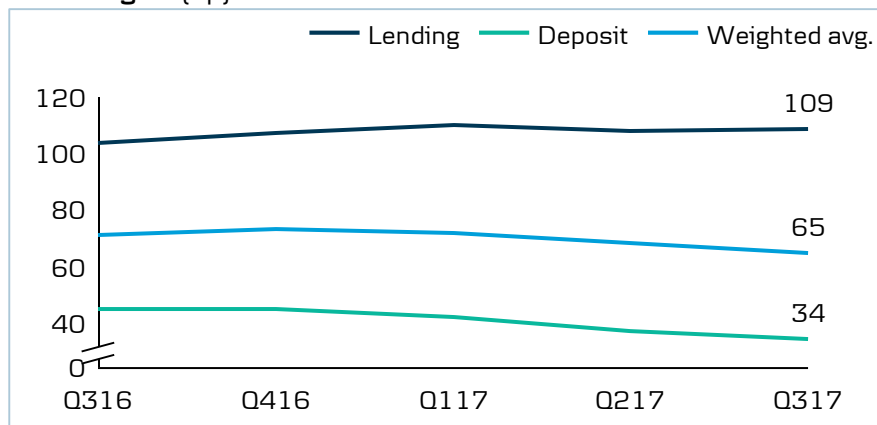
Income breakdown (DKK millions)



C&I NII bridge* (DKK millions)



C&I margins (bp)



* Based on average volumes. ** Includes capital costs, day effect and off-balance-sheet items.

Wealth Management: AuM up 1%; expenses down 8% in Q3

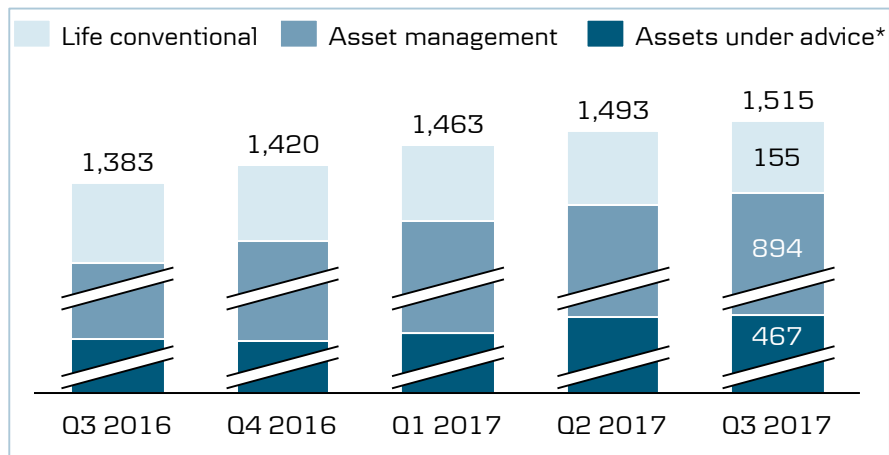
Income statement and key figures (DKK millions)

	Q3 2017	Q2 2017	Index
Net interest income	176	174	101
Net fee income	1,621	1,761	92
Net trading income	144	101	143
Other income	24	69	35
Total income	1,966	2,106	93
Expenses	940	1,019	92
Profit before loan impairment charges	1,027	1,087	94
Loan impairment charges	-25	-20	-
Profit before tax	1,052	1,107	95
Lending (DKK bn)	75	74	102
Deposits (DKK bn)	66	67	99
Allocated capital (average, DKK bn)	14.0	14.4	97
Pre-tax return on allocated capital (%)	30.0	30.7	
AuM (DKK bn)	1,515	1,493	101
- Life conventional (Traditionel)	155	155	100
- Asset management (Unit-linked)	894	878	102
- Assets under advice*	467	460	102

Key points, Q3 2017 vs Q2 2017

- Assets under management up 1% driven by performance
- Net outflow for Asset Management of DKK 1.8 bn (DKK 3 bn of net sales in Q2) as some investors have insourced asset management services
- Net premiums of DKK 8.9 bn at Danica Pension (DKK 9 bn in Q2)
- Operating expenses down 8% due to lower staff costs and severance pay
- Impairments remain at a low level supported by improved macroeconomic conditions

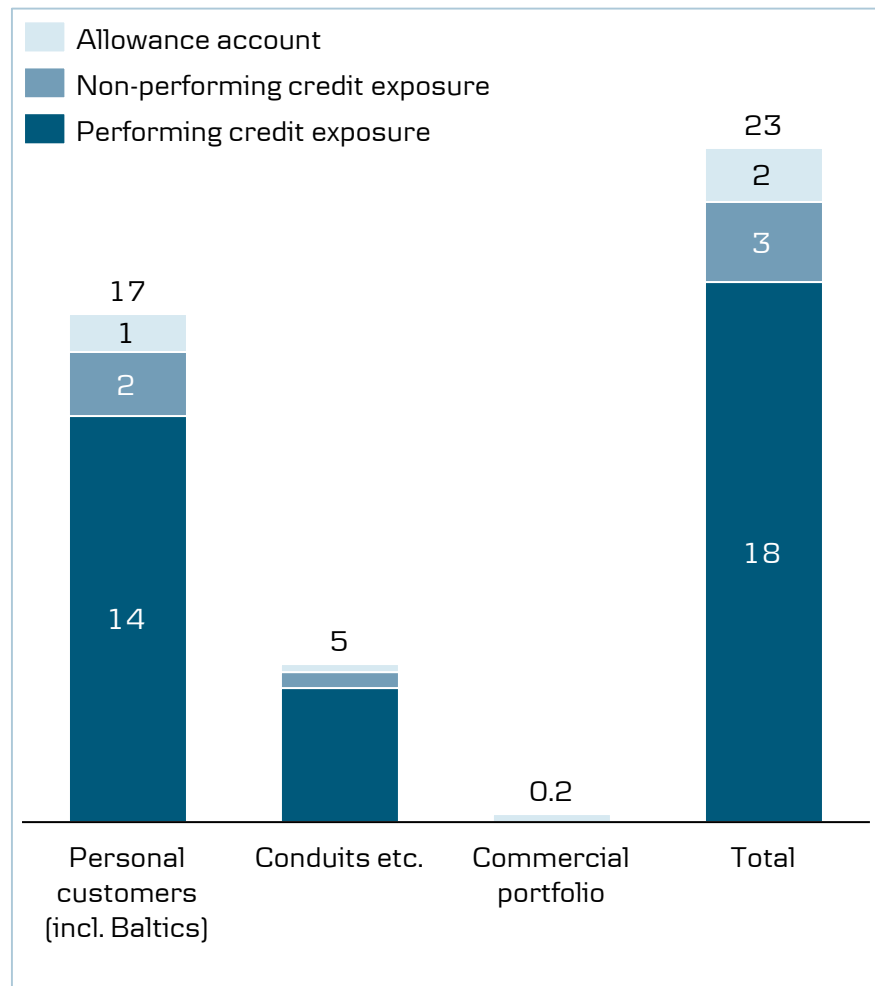
AuM breakdown (DKK billions)



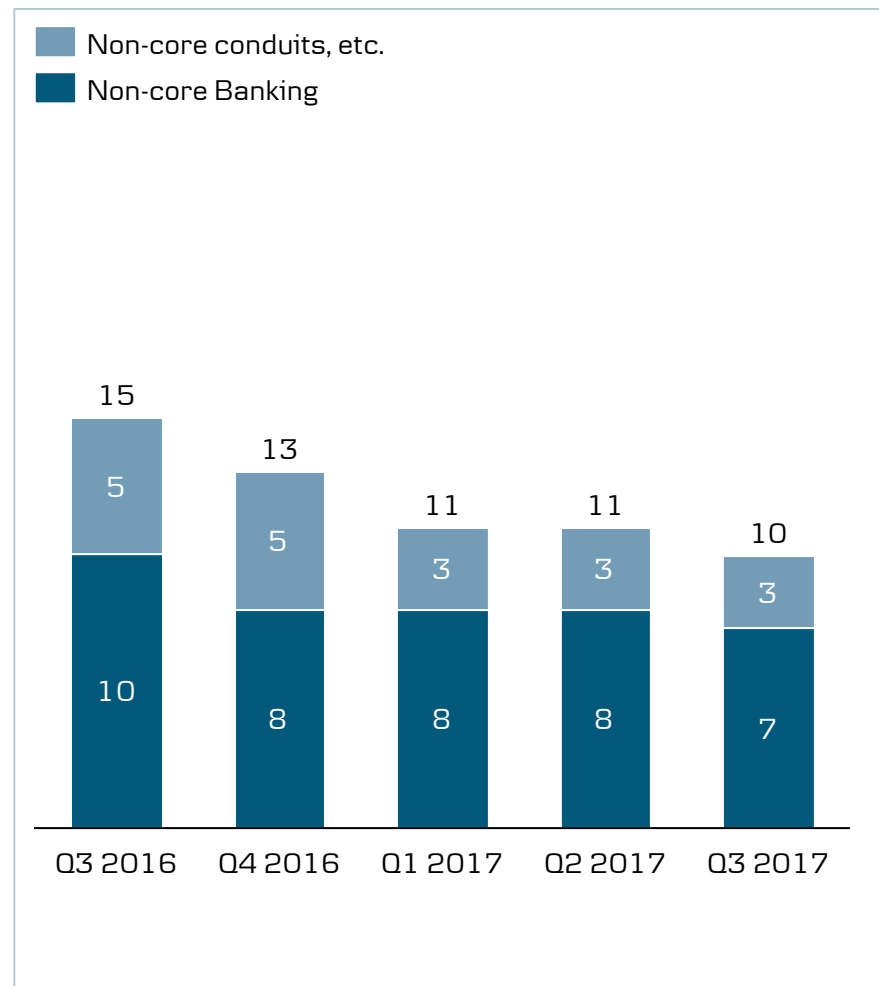
* Assets under advice from personal, business and private banking customers, where the investment decision is taken by the customer.

Non-core: Deleveraging progressed according to plan; REA of DKK 10 bn at Q3 2017

Non-core loan portfolio, Q3 2017 (DKK billions)

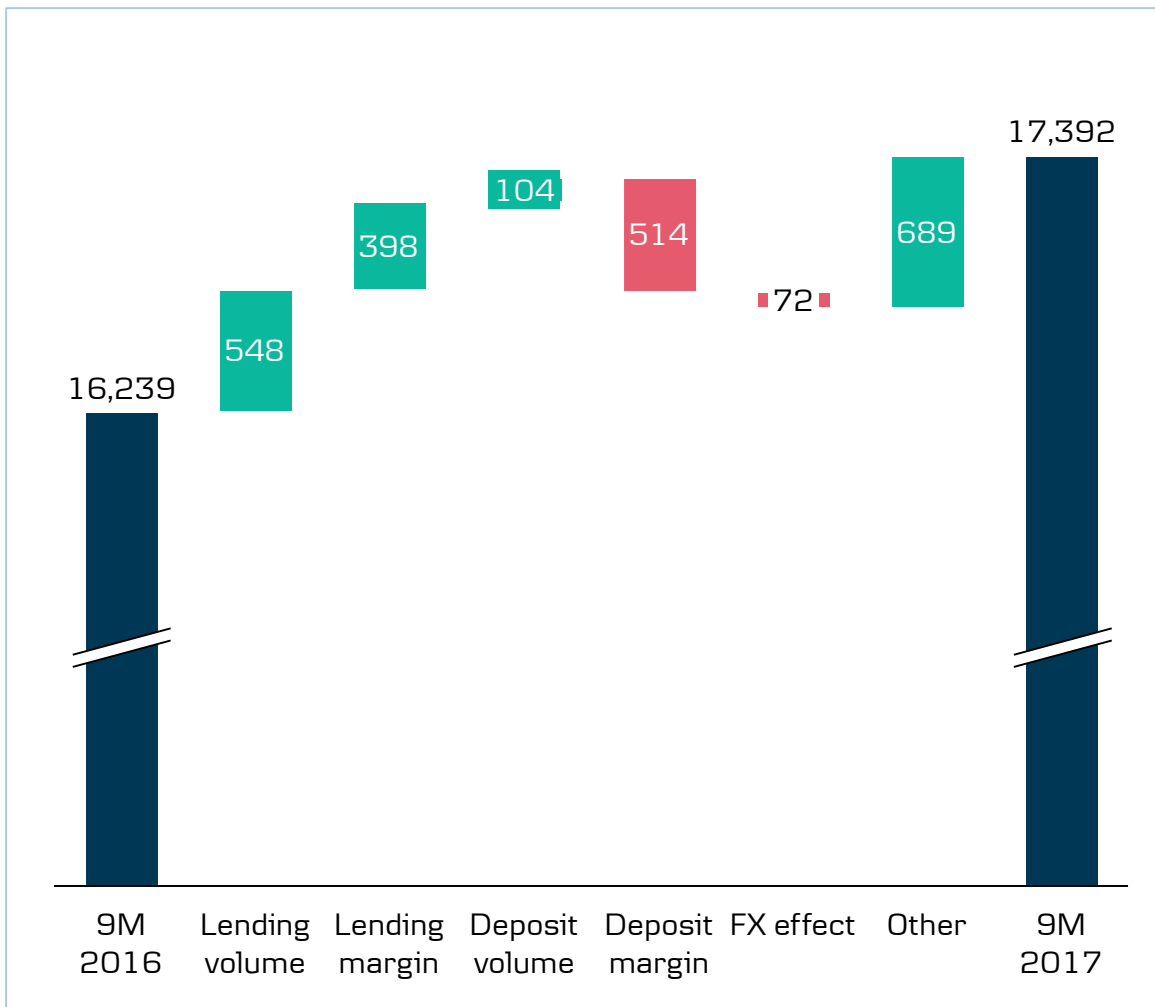


Non-core REA (DKK billions)



Net interest income: Up 8% adjusted for FX

Change in net interest income (DKK millions)

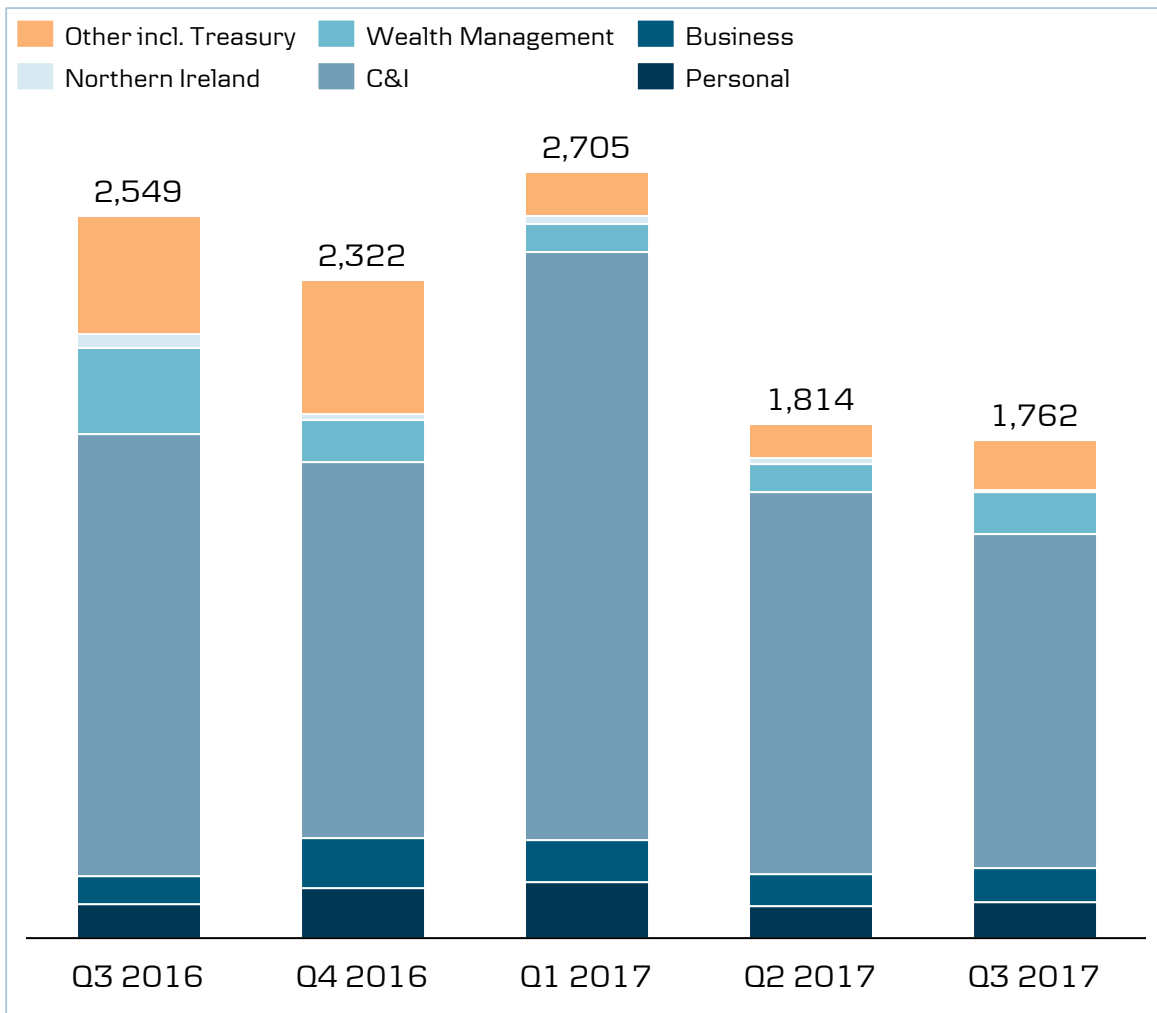


Comments

- NII Other includes:
 - Differences at the Internal Bank between actual and allocated funding costs (FTP)
 - Income related to the Group's liquidity portfolio
- In the first nine months of 2017, NII Other was impacted by:
 - Falling actual liquidity cost at the Internal Bank
 - Higher income from the liquidity portfolio
 - Deposit floor effect from changed FTP

Trading income: Down 3% owing to seasonality

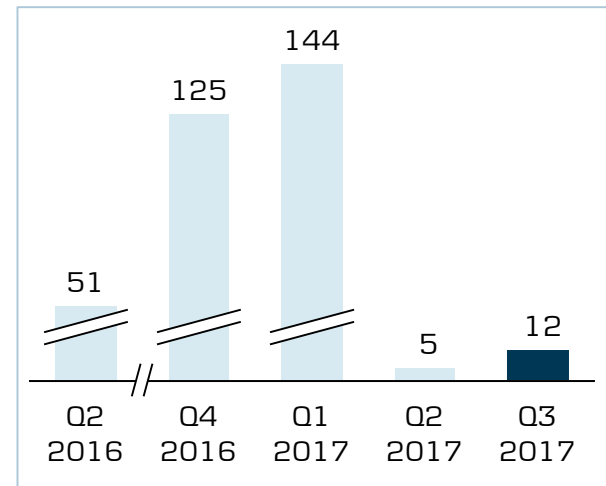
Trading income by business unit (DKK millions)



Key points, Q3 2017 vs Q2 2017

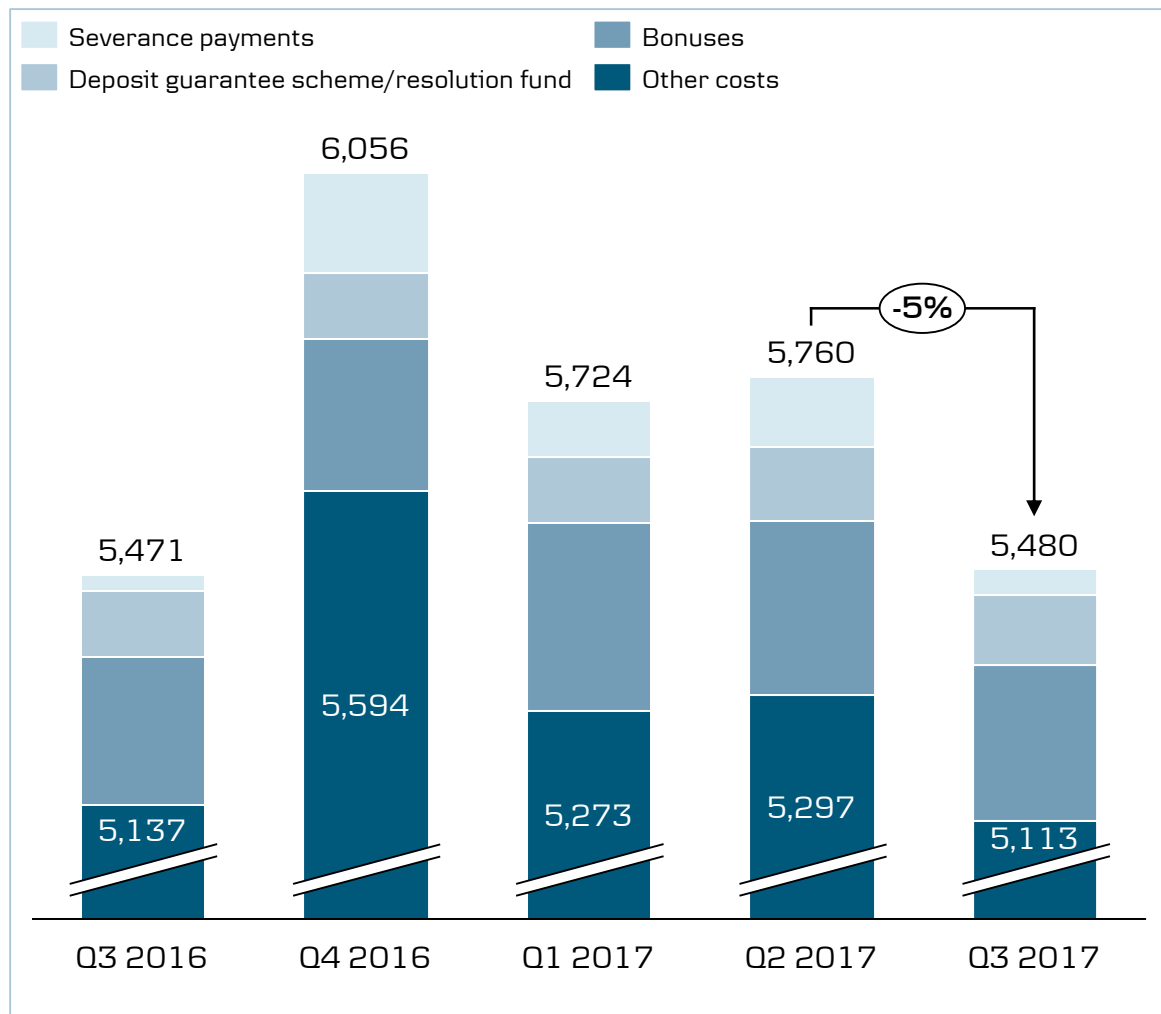
- Trading income was down 3% due to lower activity in FICC owing to seasonality
- The secondary market was somewhat affected by concerns over geopolitical developments
- At Wealth Management, Danica Pension saw higher investment result for the health and accident business
- Group Treasury benefited from positive fair value adjustments

Refinancing income (DKK millions)

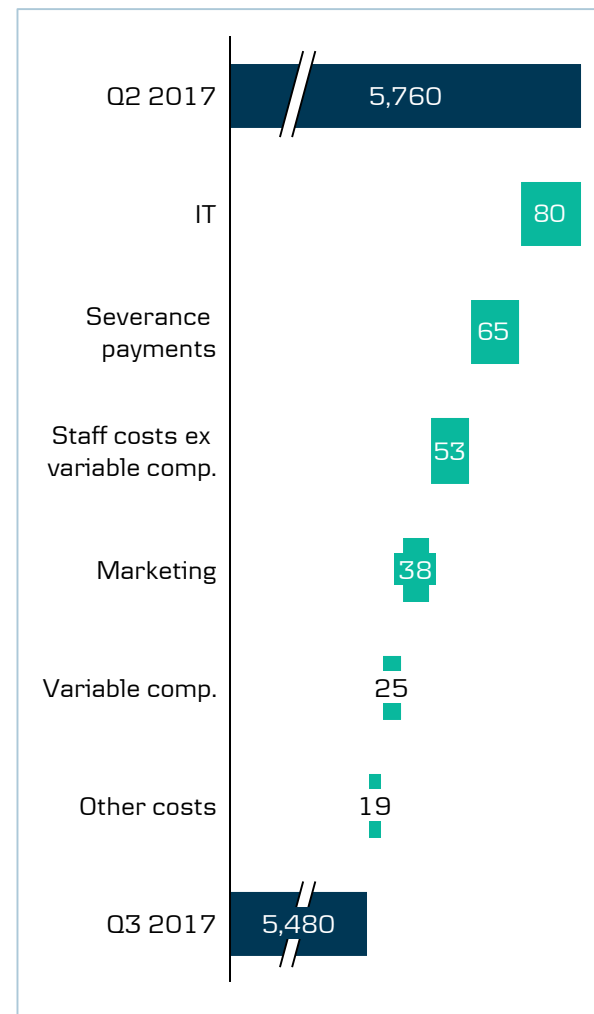


Expenses: Down 5% in Q3 due mainly to reduced IT expenses and severance payments

Total expenses (DKK millions)

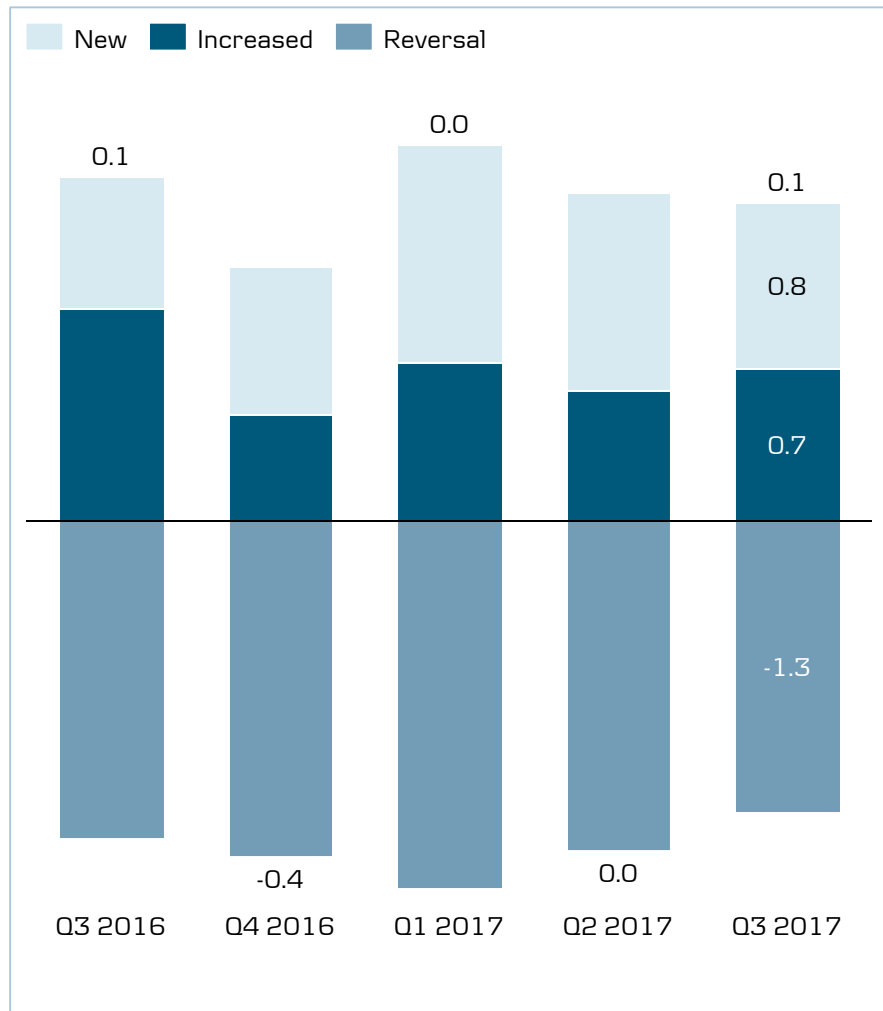


Change in expenses (DKK millions)

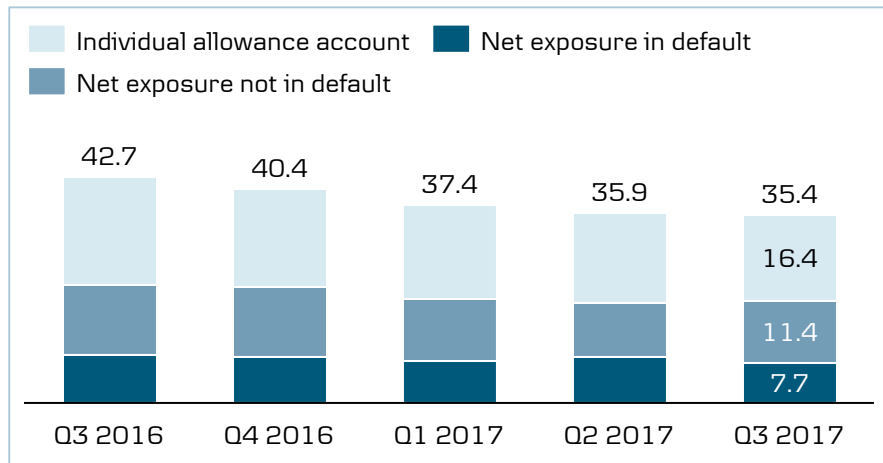


Credit quality: Positive trend in credit quality continues; NPLs decreased 17% y/y

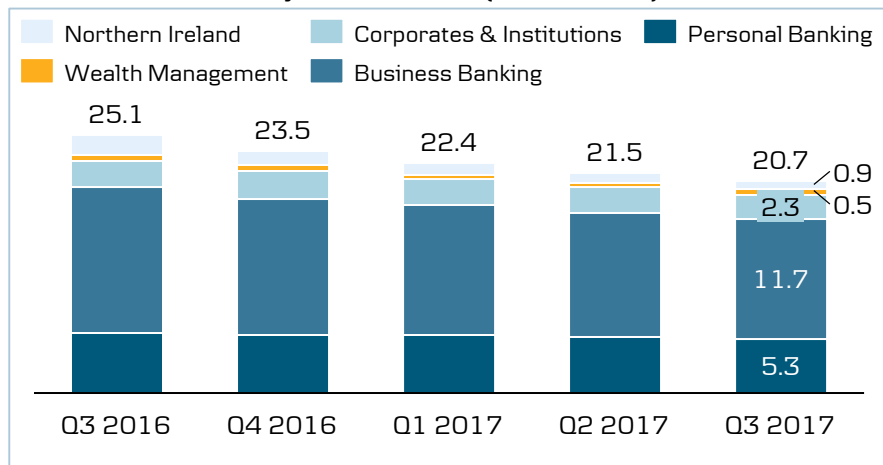
Individual loan impairment charges* (DKK billions)



Gross non-performing loans (DKK billions)



Allowance account by business unit (DKK billions)



* Ex Baltics and Non-core. Note: Non-performing loans are loans in rating categories 10 and 11 against which individual impairments have been made.

Credit exposure: Limited exposure to agricultural and oil-related segments

Agriculture exposure [2.4% of Group exposure]

- Higher milk prices during the quarter, while pig prices decreased somewhat
- Net reversals of DKK 0.2 bn in Q3
- Total accumulated impairments amounted to DKK 3.4 bn of which DKK 0.7 bn were collective impairments
- Realkredit Danmark represented 68% of total gross exposure and 14% of total accumulated impairment charges

Oil-related exposure [0.8% of Group exposure]

- Net exposure decreased to DKK 19.8 bn* from DKK 21 bn in Q2. This was single name driven
- The vast majority of the oil-related exposure is managed by specialist teams for customer relationship and credit management at C&I
- Collective impairment charges increased slightly to DKK 1.2 bn and charges against second-round effects stand at DKK 0.2 bn
- Individual impairments of DKK 0.3 bn booked in Q3 in C&I and Business Banking

Agriculture by segment, Q3 2017, DKK millions

	Gross credit exposure	Portion from RD	Acc. Individual impairment charges	Net credit exposure	NPL coverage ratio
Business Banking	55,618	42,928	2,581	53,037	91%
Growing of crops, cereals, etc.	18,974	15,630	300	18,674	94%
Dairy	9,308	7,098	986	8,322	86%
Pig breeding	12,530	10,104	1,101	11,428	96%
Mixed operations etc.	14,807	10,096	194	14,613	84%
Northern Ireland	4,554	-	35	4,518	67%
C&I	5,647	2,341	-	5,647	-
Others	412	-	5	407	-
Total before collective impairments	66,231	45,269	2,622	63,609	91%
Collective impairment charges	737	240			
Total gross exposure	66,968				

Oil-related exposure, Q3 2017, DKK millions

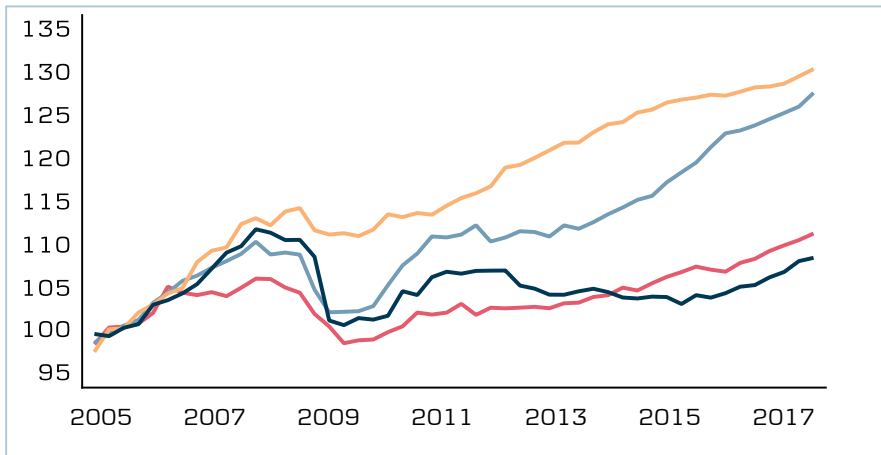
	Gross credit exposure	Acc. Individual impairment charges	Net credit exposure
C&I	18,754	248	18,507
Oil majors	3,922	-	3,922
Oil service	7,406	30	7,377
Offshore	7,426	218	7,208
Business Banking	1,528	263	1,265
Oil majors	1	-	1
Oil service	1,433	263	1,170
Offshore	94	-	94
Others	7	0	7
Total before collective impairments	20,289	511	19,779
Collective impairment charges	1,180		
Total gross exposure	21,470		

* The oil-related net credit exposure of DKK 19.8 bn is part of the energy and utilities industry (DKK 12.5 bn) and shipping industry (DKK 7.3 bn).

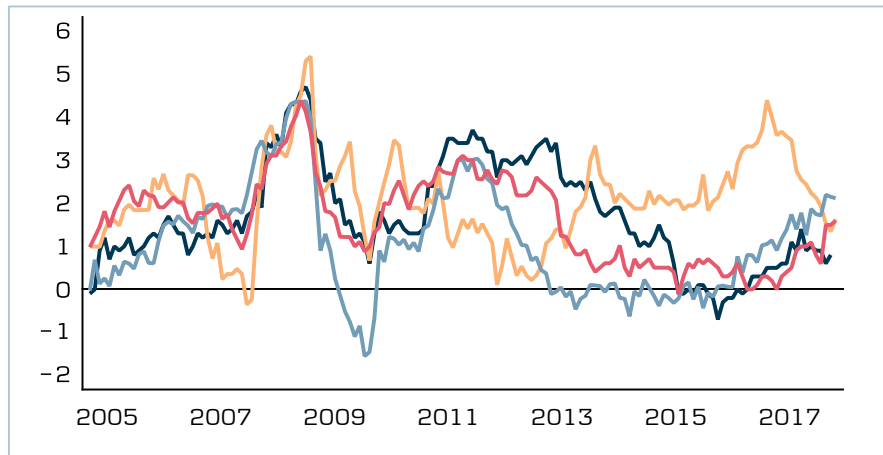
Nordic macroeconomics

— Denmark — Sweden — Norway — Finland

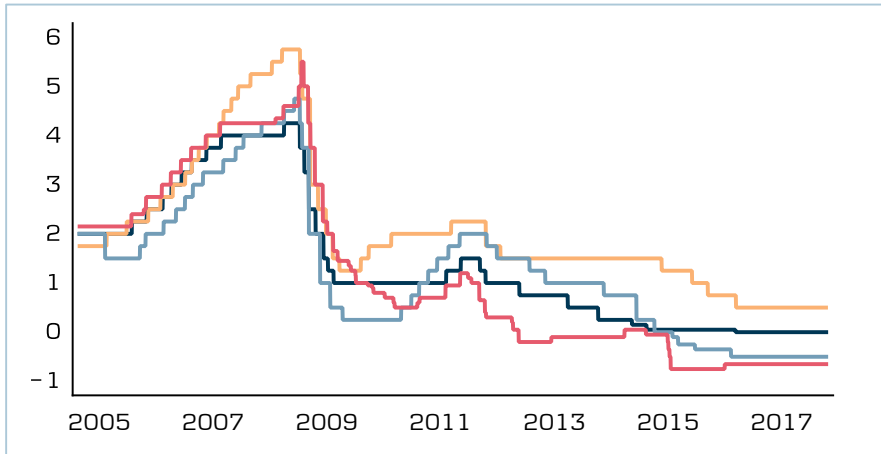
Real GDP, constant prices (index 2005 = 100)



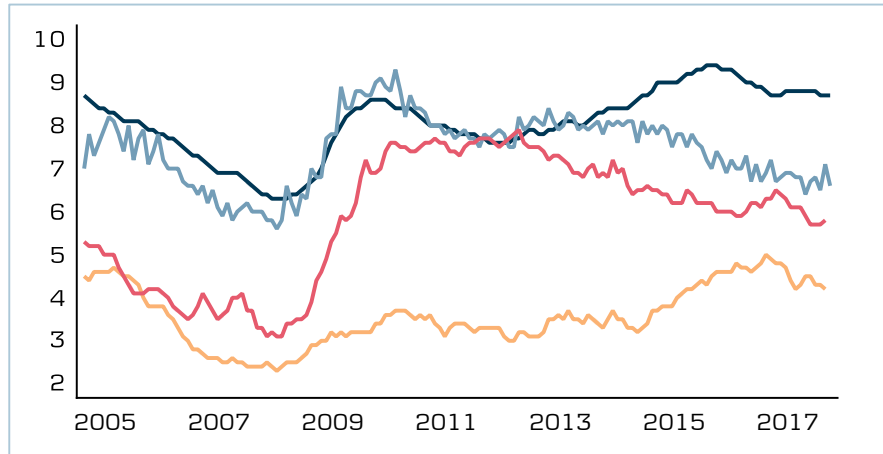
Inflation (%)



Interest rates, leading (%)



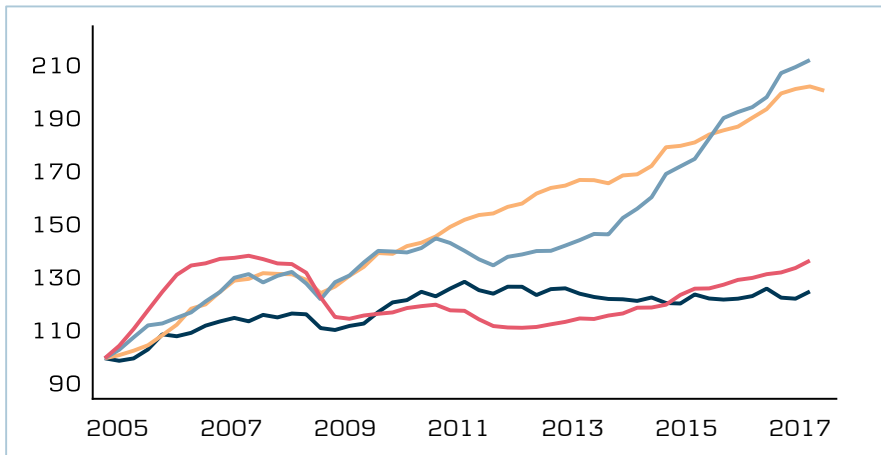
Unemployment (%)



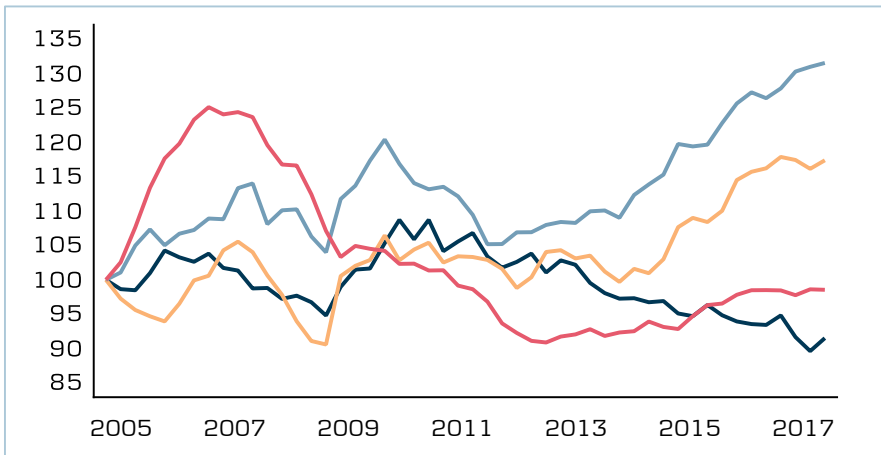
Nordic housing markets

Denmark Sweden Norway Finland

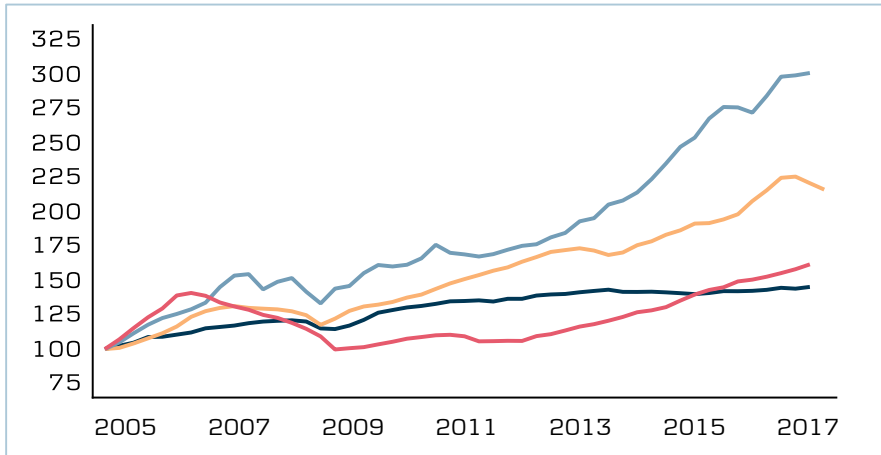
Property prices (index 2005 = 100)



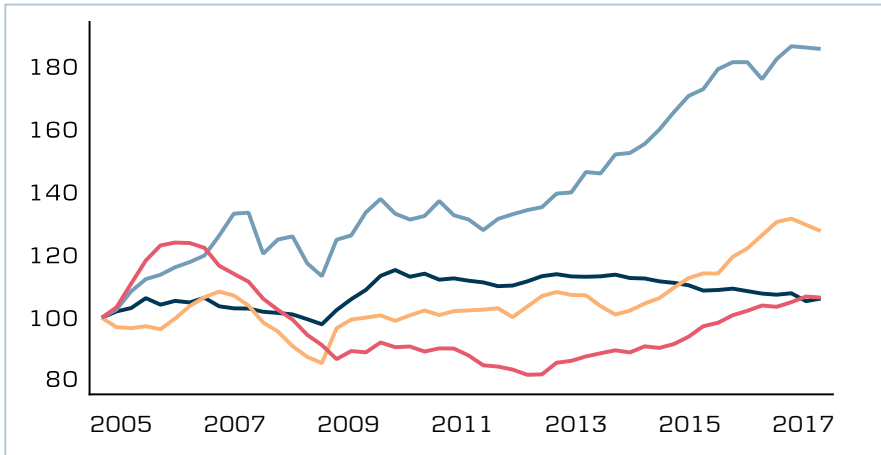
House prices/nom. GDP (index 2005 = 100)



Apartment prices (index 2005 = 100)



Apartment prices/nom. GDP (index 2005 = 100)



Realkredit Danmark and the Danish housing market: Portfolio overview

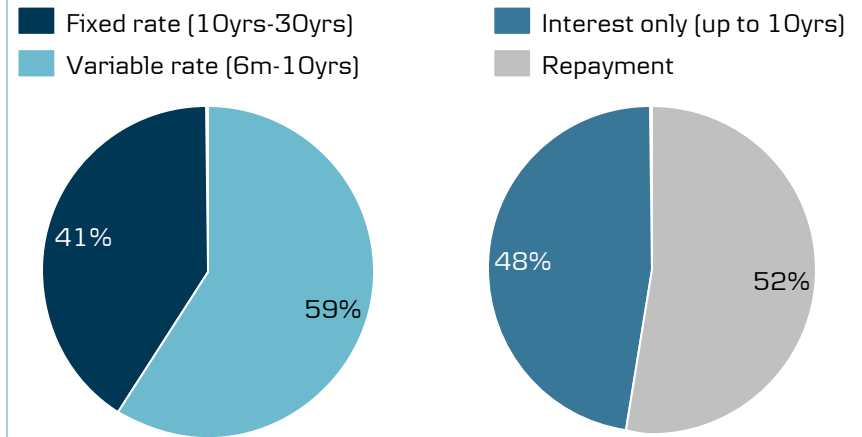
Portfolio facts, Realkredit Danmark, Q3 2017

- Approx. 370,000 loans (residential and commercial)
- 1,446 loans in 3- and 6-month arrears
- 37 repossessed properties
- DKK 10 bn of loans with LTV ratio > 100%, including DKK 4 bn with public guarantee
- Average LTV ratio of 63%

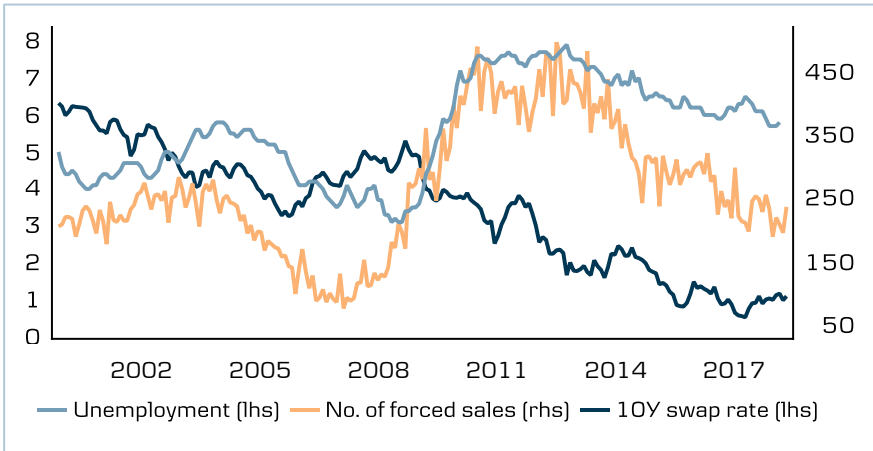
LTV ratio at origination (legal requirement)

- Residential: max. 80%
- Commercial: max. 60%

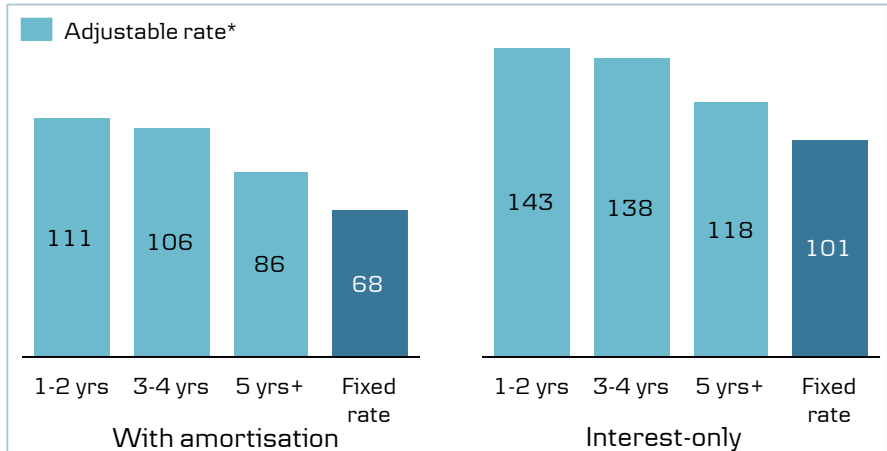
Stock of retail loans (DKK 441 bn), Realkredit Danmark, Q3 17 (%)



Unemployment and foreclosures (%/No.)



Mortgage margins, 80% LTV, owner-occupied (bp)



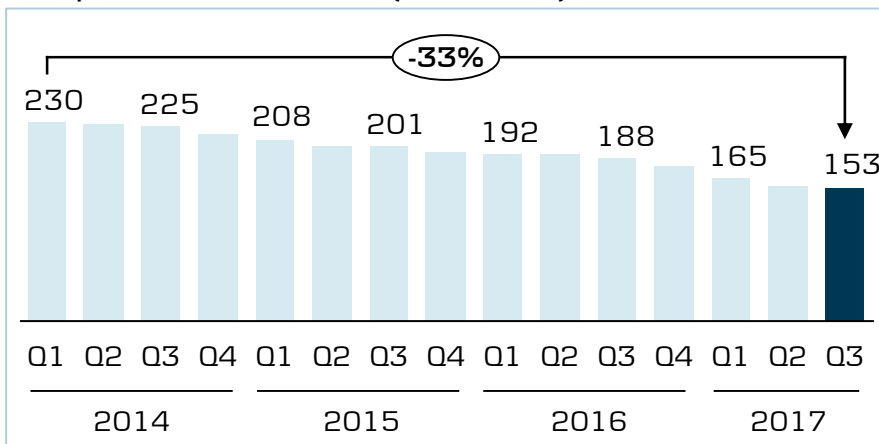
* In addition, we charge a fee of 30 bp of the bond price for refinancing of 1- and 2-year floaters and a fee of 20 bp for floaters of 3 or more years.

Realkredit Danmark: 58% of new retail loans are fixed rate loans; compliant with all regulatory requirements

Key points

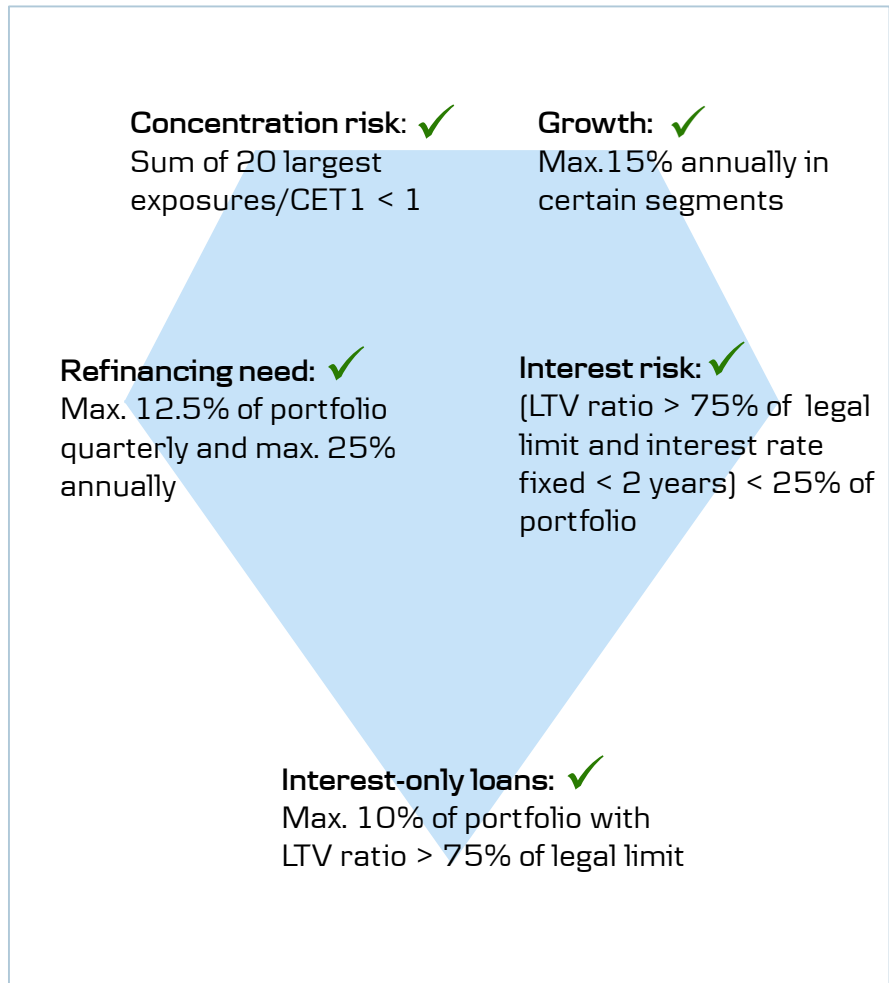
- 58% of new retail loans in Q3 were fixed-rate loans and 28% were 5- to 10-year variable rate loans
- Total stock of loans amounted to DKK 766 bn:*
 - 58% to retail
 - 20% to residential rental
 - 17% to commercial property
 - 6% to agriculture
- 54% of total stock are repayment loans

Loan portfolio, FlexLån F1-F4 (DKK billions)



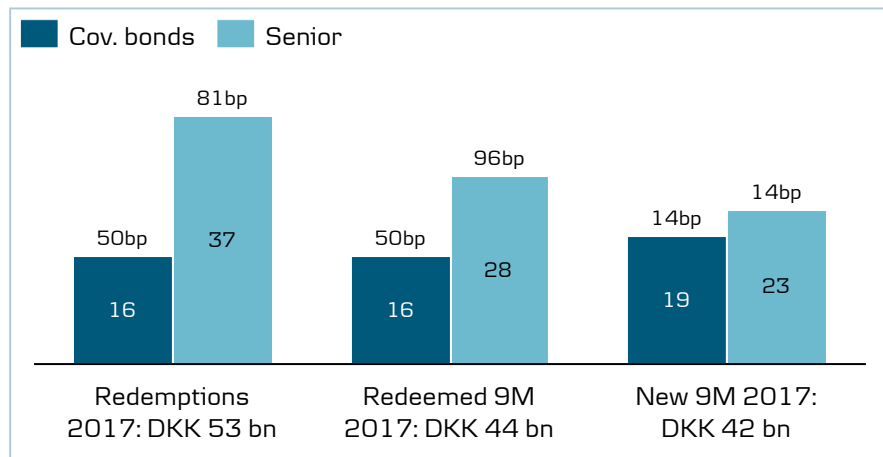
* Nominal value.

Supervisory diamond for Danish mortgage institutions

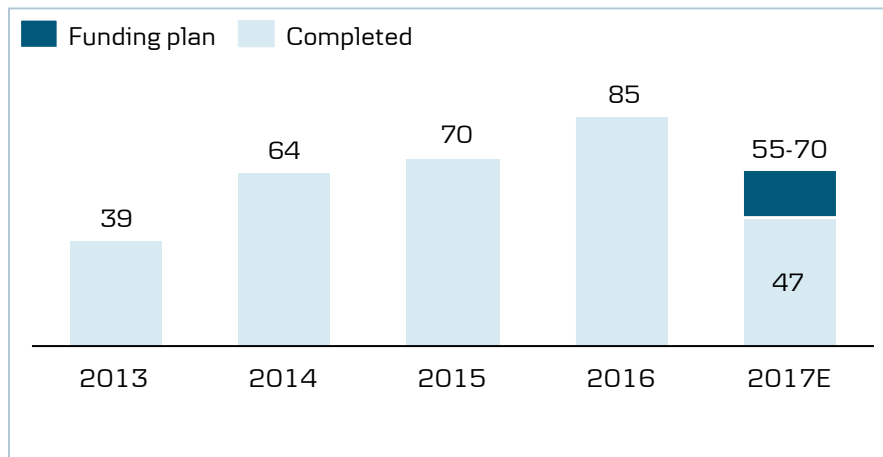


Funding and liquidity: DKK 42 bn of long-term funding issued in 9M 2017; LCR compliant at 150%

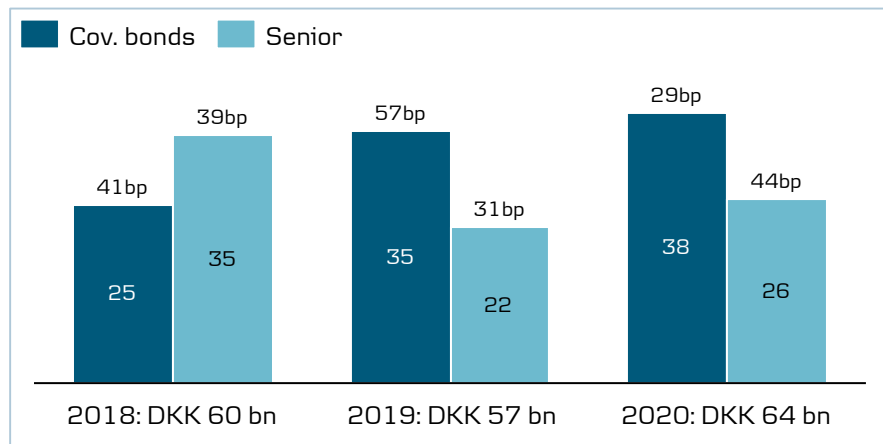
Changes in funding,* 9M 2017 (DKK billions and bp)



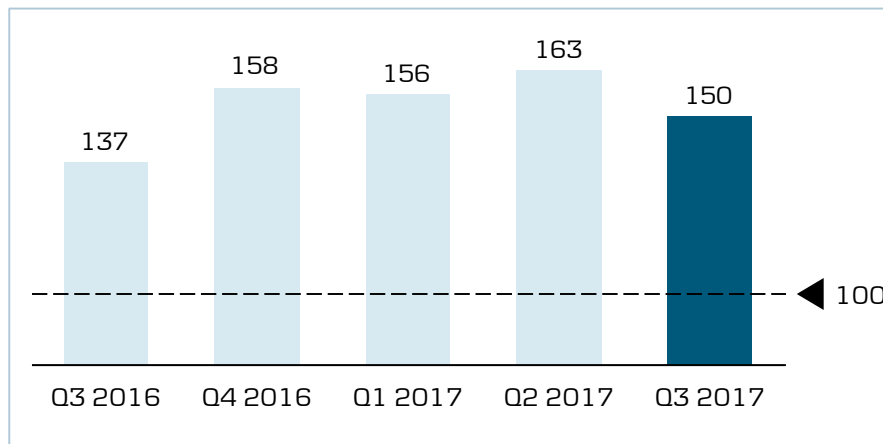
Long-term funding excl. RD (DKK billions)**



Maturing funding,* 2018-2020 (DKK billions and bp)



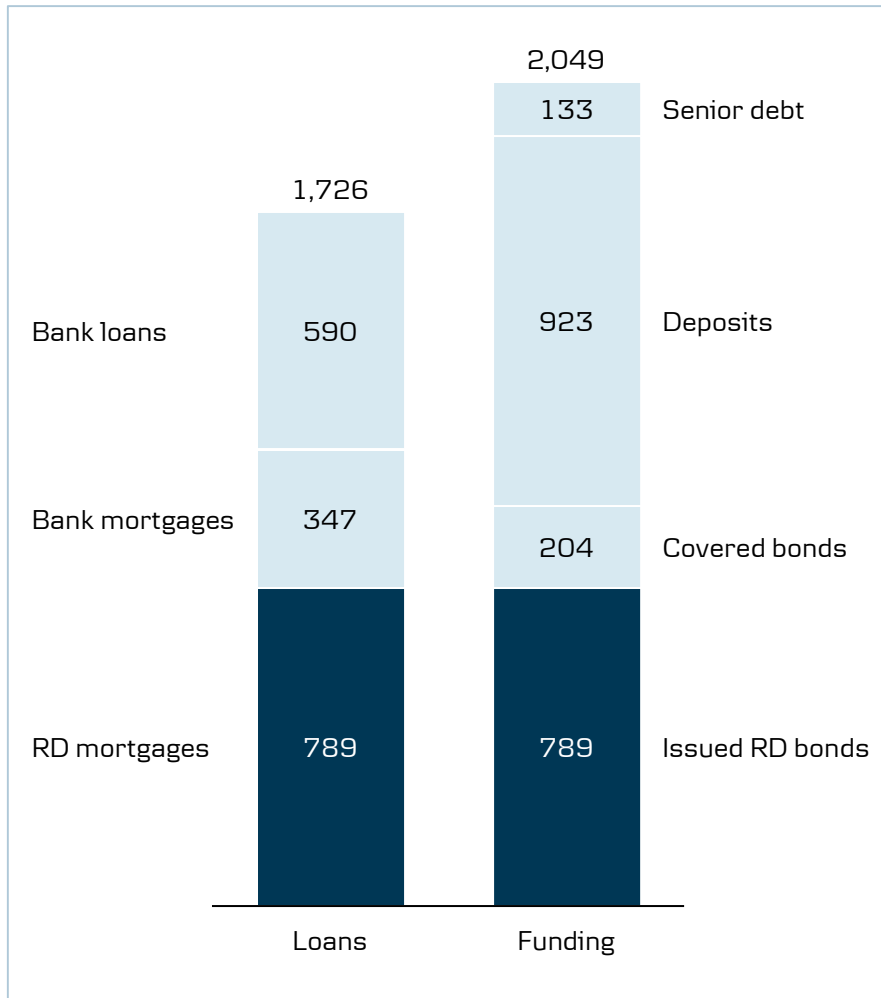
Liquidity coverage ratio (%)



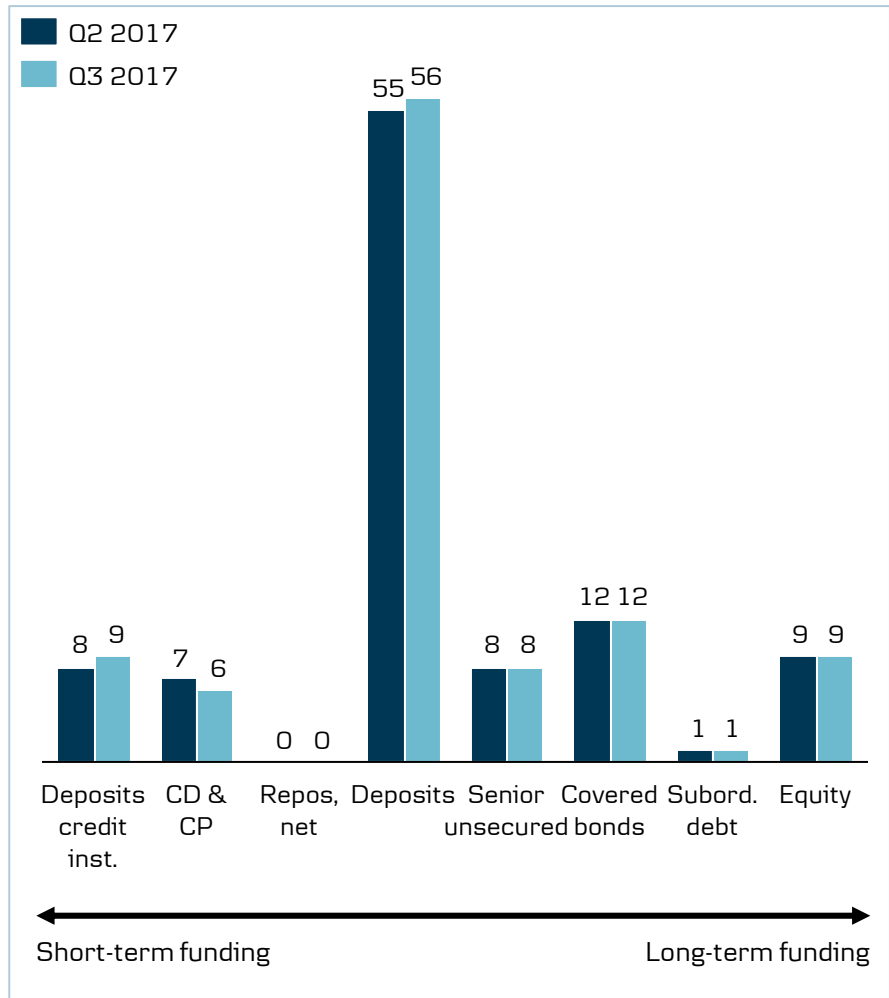
* Spread over 3M EURIBOR. **Includes covered bonds excl. RD, senior and capital instruments. We expect the funding need for 2018 to be at a level similar to this year's.

Funding structure and sources: Danish mortgage system is fully pass-through

Loan portfolio and long-term funding, Q3 2017 (DKK billions)

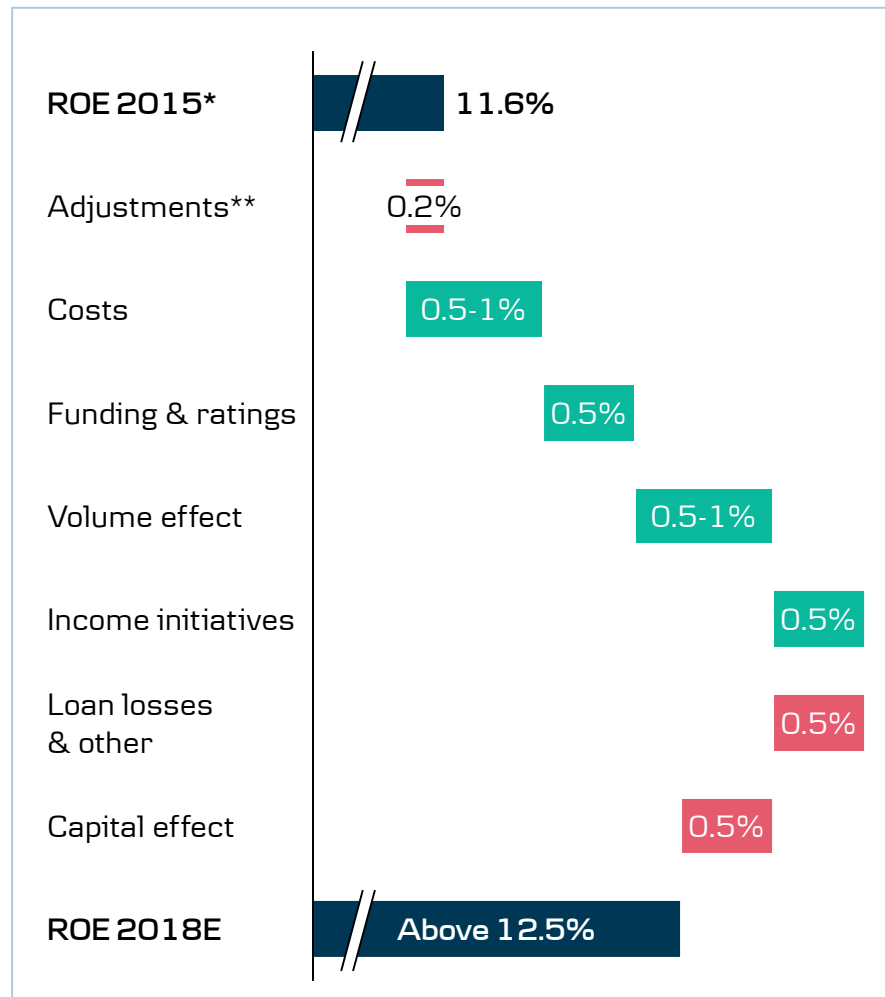


Funding sources (%)



ROE of 13.1% in 2016; longer-term ambition maintained with unchanged assumptions

ROE 2015-18E, after tax [%]



Status at year-end 2016

Overall status of ROE bridge to 2018

- On track
- Underlying assumptions are unchanged

Costs

- In line

Funding & ratings

- In line

Volume effect

- Ahead of plan with 5% volume growth in 2016, however partly offset by margin pressure

Income initiatives

- Behind plan, owing mainly to lower fees at Wealth Management, partly mitigated by higher income in C&I

Loan losses

- Ahead of plan with zero bps loan loss ratio for 2016

Capital effect

- In line, however higher CET1 target range reflects regulatory uncertainty

* Excluding goodwill impairment charges.

** Adjustments for equity effect of goodwill impairment charges, remortgaging fees, payroll tax refund, one-off gain on property sales, resolution fund payment and tax.

Three distinct methods for rating banks

Rating methodology

S&P Global Ratings

Anchor SACP ¹	+	1	+	2	+	3	+	4	=	SACP	=	Extraord. support	+	ALAC	+	Add. factors	=	Issuer rating
bbb+		+1		+1		0		0		a		0		0		0		A (Stable)

1=Business Position, 2=Capital & Earnings, 3=Risk Position, 4=Funding & Liquidity

MOODY'S

Macro profile	+	1	+	2	+	3	+	4	+	5	+	Qualitative factors	=	BCA ²	+	Affiliate support	+	LGF ³	+	Gov. support	=	Issuer rating
Strong Plus		a2		a1		baa2		baa2		baa2		0		a3		0		+1		+1		A1 (Positive)

1=Asset Risk, 2=Capital, 3=Profitability, 4=Funding Structure, 5=Liquidity resources

Fitch Ratings
KNOW YOUR RISK

Operating environment	+	1	+	2	+	3	+	4	+	5	+	6	+	7	=	Viability Rating	Support Rating Floor	=	Issuer rating ⁵	
aa-		a+		a		a		a		a		a		a+		a		NF ⁴		A (Stable)

1=Company Profile, 2=Management/ Strategy, 3=Risk Appetite, 4=Asset Quality, 5=Profitability, 6=Capitalisation, 7=Funding/Liquidity

¹ Stand-Alone Credit Profile. ² Baseline Credit Assessment. ³ Loss Given Failure. ⁴ No Floor. ⁵ Issuer rating is the higher of the Viability Rating and Support Rating Floor.

Tax

Actual and adjusted tax rates (DKK millions)

	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Profit before tax	6,236	6,183	7,140	7,039	6,267
Ireland core and non-core	0	0	0	-96	-68
Permanent non-taxable difference	-178	-136	-33	96	-203
Adjusted pre-tax profit, Group	6,058	6,047	7,107	7,038	5,997
Tax according to P&L	1,305	1,392	1,610	1,449	1,362
Taxes from previous years	56	-39	-8	96	-6
Adjusted tax	1,361	1,353	1,602	1,546	1,356
Adjusted tax rate	22.5%	22.4%	22.5%	22.0%	22.6%
Actual tax rate	20.9%	22.5%	22.5%	20.6%	21.7%

Tax drivers, Q3 2017

- The adjusted tax rate of 22.5% is higher than the Danish rate of 22% due to higher corporate tax rates primarily in Norway and the UK
- The actual tax rate of 20.9% is lower than the Danish rate of 22%, primarily due to positive taxes from previous years
- The permanent non-taxable difference derives mainly from tax-exempt value adjustments on shares

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