

Danske Hypotek AB – investor presentation

March 2017

Agenda

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2 Danske Bank - Personal Banking SE

3 Danske Hypotek - Structure and roadmap

4 Danske Hypotek - Availability of assets for future Cover pool

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Danske Bank Group

Overview: Danske Bank has a strong Nordic franchise

Facts

3.4 million customers
 272 branches¹
 15 countries
 19,303 full-time employees

Business Units (% of total lending)

Personal Banking (43%)
 Business Banking (39%)
 Corporates & Institutions (12%)
 Wealth Management (4%)
 Northern Ireland (3%)

For divestment

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

Danske Bank lending breakdown*



¹ Excluding agricultural centres in Denmark * Total lending before loan impairment charges. Lending by country excludes Corporates & Institutions and Wealth Management, however most of these are Nordic clients.

Executive summary: A satisfactory financial result for 2016

Low economic growth – full year of negative interest rates

Volume growth and stronger client activity benefited NII and trading income

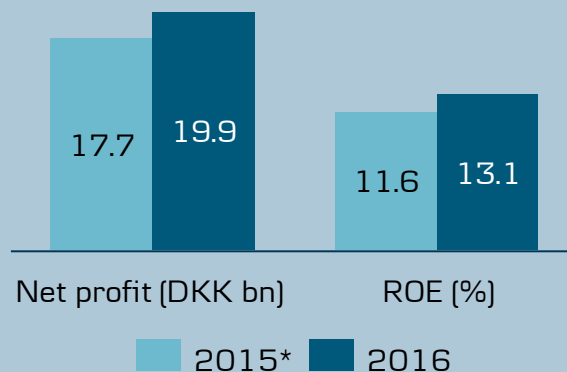
Costs below 2015 level; loan loss ratio of zero driven by improved credit quality

Customer satisfaction improved further, bringing us to a satisfactory position in most markets



Financial results, 2016

- Net profit of DKK 19.9 bn, up 12% from 2015*
- ROE of 13.1%
- Strong capital position, with a CET1 capital ratio of 16.3%
- Dividend of DKK 9.0 proposed and further DKK 10 bn share buy-back programme
- Net profit for 2017 is expected to be in the range of DKK 17-19 bn



* Before goodwill impairment charges in 2015.

Overview: Danske Bank Group Covered Bond Universe



- **Realkredit Danmark**, which has been a Covered Bond issuer since 1851
- Based on Danish legislation
- Specialized Mortgage Bank
- Fully-owned subsidiary in Danske Bank Group
- Primarily loans from Denmark
- Follows the “Specific Balance Principle” = matched funding
- Funding via daily tap issues in DKK through the Danish Market
- AAA/AA+ rating



- **Danske Bank A/S**, which has been a Covered Bond issuer since 2007
- Cover-Pools D, I and C
- Based on Danish legislation
- Loans from the Group’s banking activities in Denmark, Norway and Sweden
- Issued directly on the balance sheet
- Multiple Cover Pool set-up
- Follows the “General Balance Principle”
- Multi currency benchmarks and PP, € 30 bn Global Covered Bond programmeme
- AAA/AAA programme rating



- **Danske Bank PLC**, which has been a Covered Bond issuer since 2005
- Sampo Pankki changed name to Danske Bank Plc on 15 November 2012
- Based on Finnish Legislation
- Fully-owned subsidiary in the Danske Bank Group - we are looking into the possibilities of merging the subsidiary and our Finnish branch into a single branch
- Issued directly on the balance sheet
- Only residential loans from Finland
- Funding through benchmarks in EUR, € 10 bn Medium Term Note and Covered Bond programme
- Aaa programme rating



- **Danske Hypotek AB**, which is to be a Covered Bond issuer from 2017
- Based on Swedish legislation
- Fully-owned subsidiary in Danske Bank Group
- Only loans from Sweden
- Funding via frequent tap issues in SEK through the Swedish Market, potentially supplemented by EUR benchmarks
- Expected AAA rating from S&P

Danske Bank – Personal Banking SE
- strategy in Sweden

Personal Banking SE

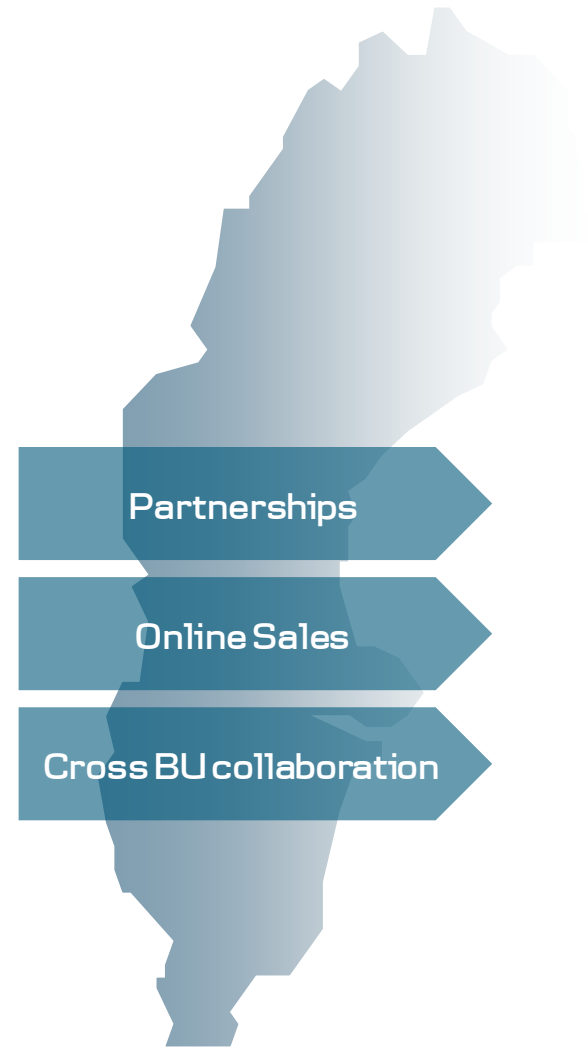
March 2017



Strategy - balanced organic growth



Strengthening
our position
in the Swedish market
as the
Modern Challenger



Market response 2016

BANK OF THE YEAR 2016



SWEDISH QUALITY INDEX 2016 (SKI)

SWEDEN	PERSONAL	SATISFACTION 2016	vs. 2015
BANKING			
Länsförsäkringar bank		74,4	-3,2
Sparbankerna		72,4	-1,1
Other bank		72,3	-1,1
ICA banken		70,9	-1,8
Skandia		70,3	-1,4
Danske Bank		69,3	3,4
Handelsbanken		67,6	-4,9
SEB		66,0	-0,2
Industry		62,9	-5,2
Swedbank		60,0	-6,2
Nordea		56,4	-8,9

Strategic partnerships



- ✓ 7 447 new customers of 11 854 total Saco customers
- ✓ > 90 % onboarding online
- ✓ Main new customer groups:

- Civil engineers	33 %
- Medical practioners	19 %
- Legal & Economists	13 %
- Civil economists	7 %



- ✓ Launch 5 April
- ✓ 14 of 14 member unions signed
- ✓ Market planning together with largest member unions
- ✓ Preparing for 4 scenarios

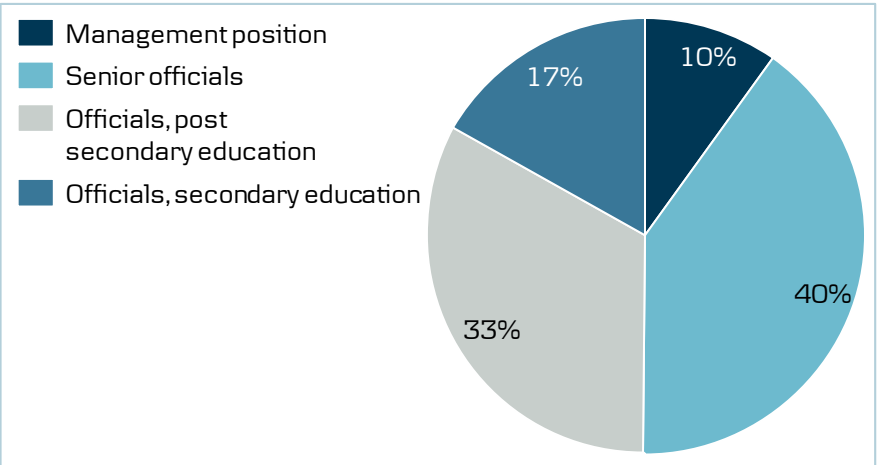
TCO members

- well educated, urban customers with good incomes

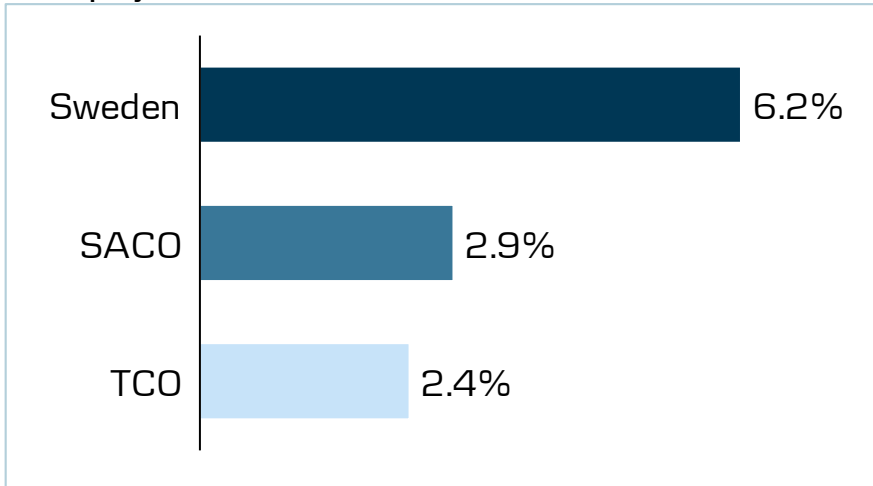
Repayment type

- Stronger credit quality
- Lower LTV ratio
- Lower risk of unemployment
- Higher income
- Lower exposure in rural low growth areas

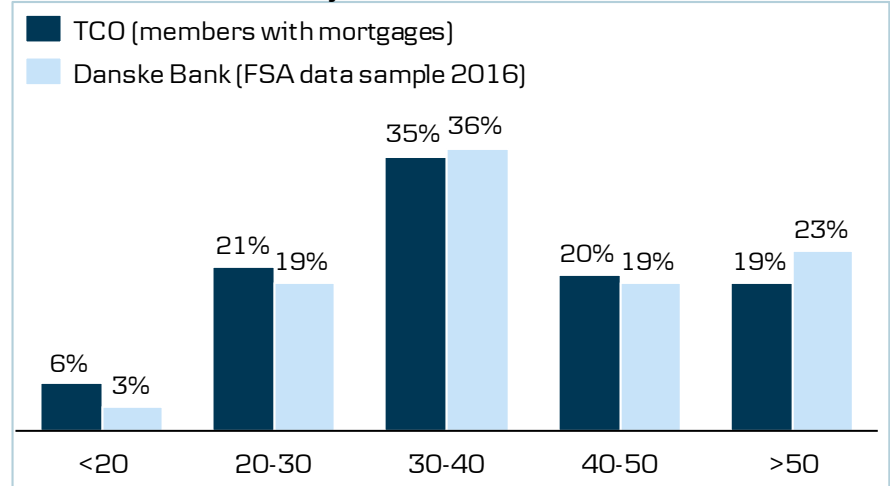
Professional classes



Unemployment, %

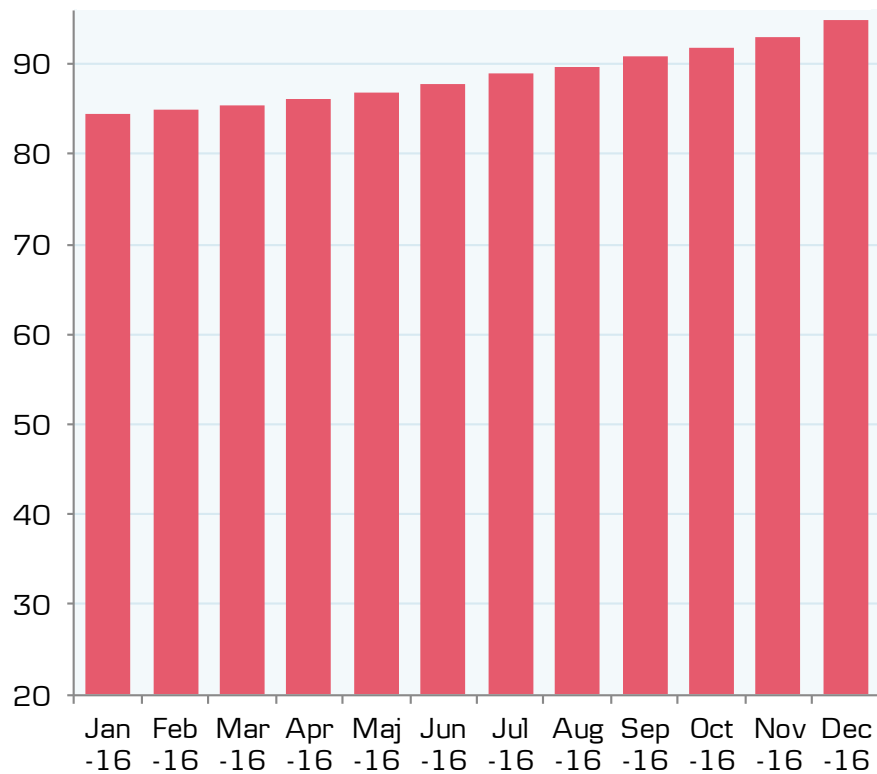


Distribution of monthly income, SEK '000

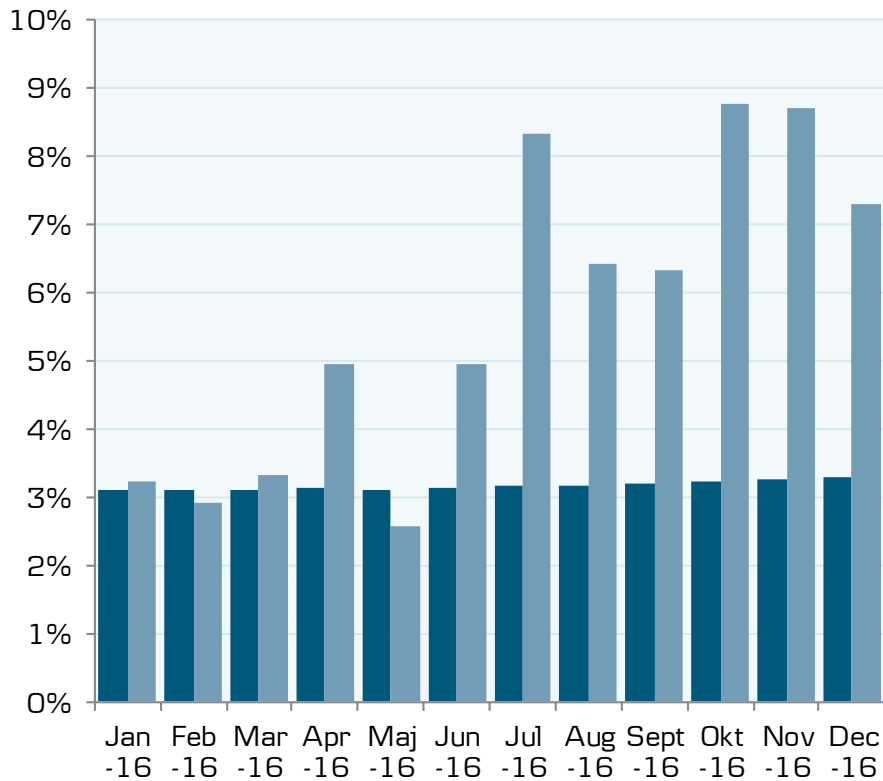


Business volumes 2016

LENDING VOLUME (Bn SEK)



SHARE OF MARKET & MARKET GROWTH



■ Market Share ■ Share of Market Growth

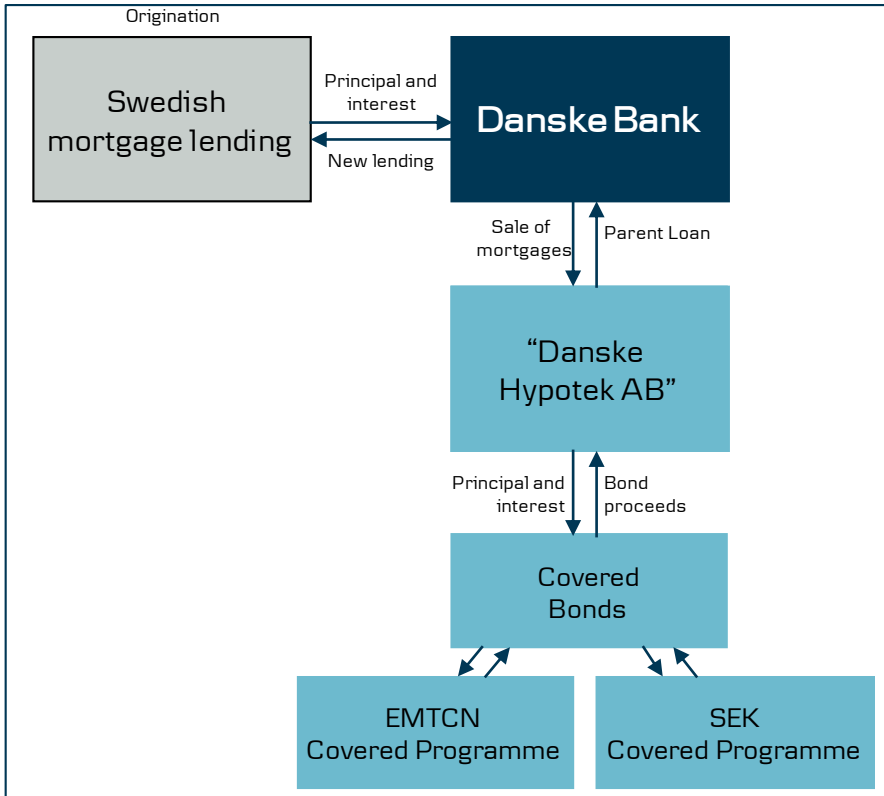
Danske Hypotek AB - Structure and roadmap

Purpose and Structure

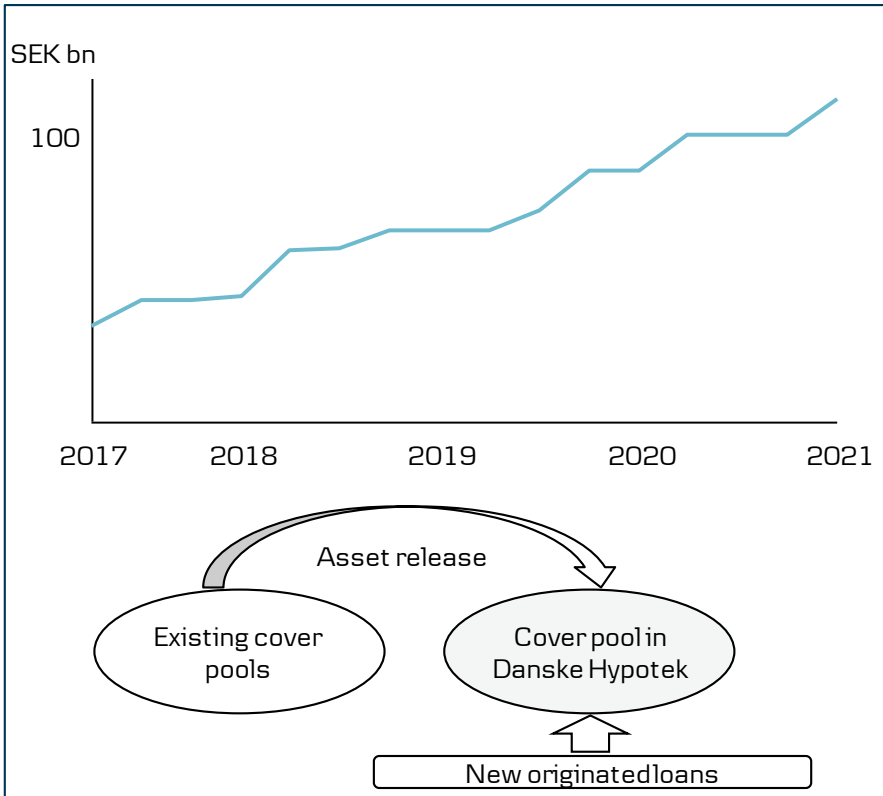
Danske Bank Group has a strong commitment to the Swedish mortgage market

- Ensure stable funding for our customers through the cycle
- Long term funding solution for continued growth of Swedish retail mortgage business
- Market communication; strong commitment to the Swedish Market

Danske Hypotek - Structure

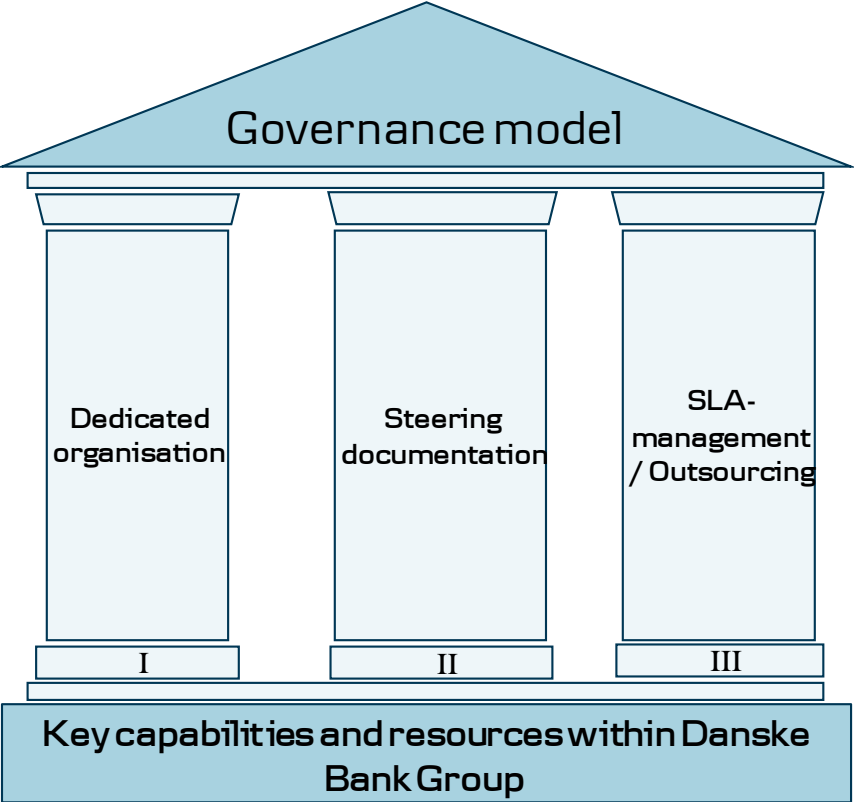


Transfer capacity of eligible assets into Danske Hypotek



Governance model

Funding, Hedging, Liquidity and Capitalisation

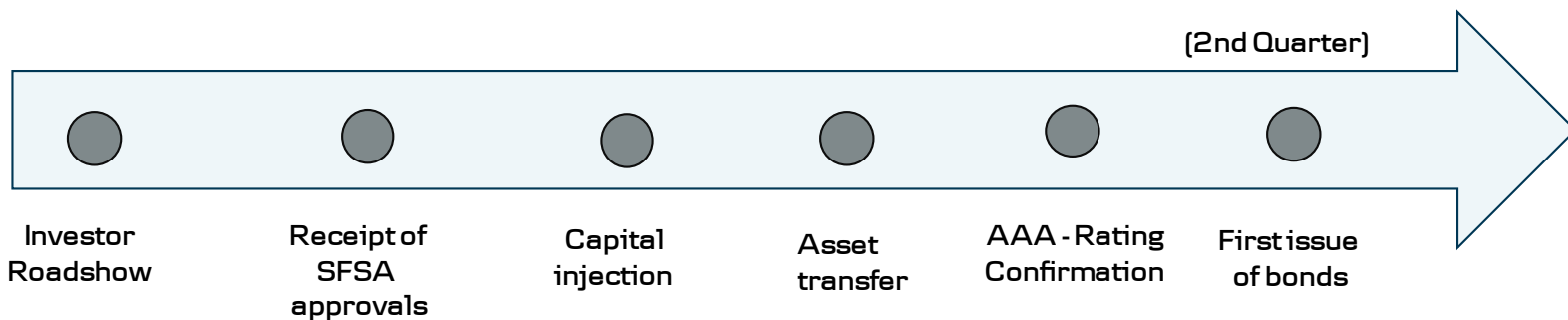
Governance model	Funding
 <p>The diagram illustrates the Governance model as a classical building. The roof is labeled "Governance model". It is supported by three columns: Column I is "Dedicated organisation", Column II is "Steering documentation", and Column III is "SLA-management / Outsourcing". The base of the building is labeled "Key capabilities and resources within Danske Bank Group".</p>	<p>Funding</p> <ul style="list-style-type: none"> • Danske Hypotek will primarily fund itself in the Swedish Covered Benchmark market • EMTCN programme to be viewed as a complement mainly for private placement purposes • Danske Hypotek’s primary interim source of liquidity will be through a parent loan <p>Hedging</p> <ul style="list-style-type: none"> • Danske Bank A/S will be Danske Hypotek’s primary swap counterpart • ISDA with unilateral CSA to be established • On the liability side, all cash flows from issued bonds will be swapped to 3m Stibor based flows • On the asset side, all cash flows from the mortgages will be swapped to 3m Stibor based flows <p>Liquidity and capitalisation</p> <ul style="list-style-type: none"> • Danske Hypotek will meet SFSA liquidity requirements • Danske Hypotek will ensure compliance with current and future capital requirements as stated in e.g. CRR/CRD IV as well as specific Swedish regulation and guidelines on capital requirements

Roadmap towards first issuance

Remaining steps

- Final stages of SFSA processes
- Finalizing internal processes and systems
- Finalizing documentation
- Rating process well under way

We are optimistic to issue during 2nd Quarter



Danske Hypotek
- Availability of assets for future Cover pool

Availability of assets for future Cover pool

- Overview

The relevant assets currently available on the Danske Bank balance sheet is shown below. The actual portfolio and the timing of the transfer to Danske Hypotek will be determined close to the actual relevant transfer dates. Key input factors, in transfer decisions, will be the demand from the Swedish investors and the development in the Swedish loan book

 Personal Banking loans

 Business Banking loans

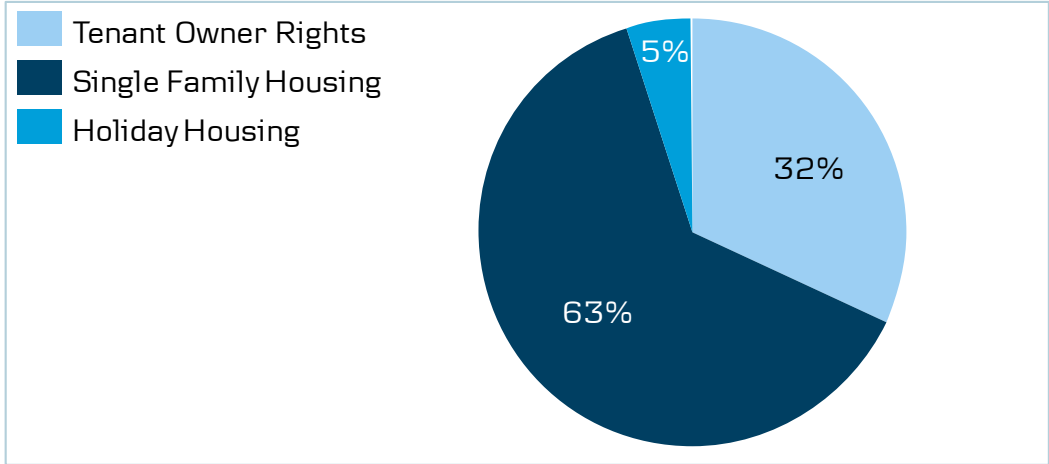
 Total loan book

Characteristics	Eligible assets in phase one	Eligible assets in phase two	Final Cover Pool
Collateral type - 100 pct Swedish residential mortgages*	100pct residential mortgages to private individuals (retail)	100pct residential mortgages to owners of Multi-Family Properties	76pct retail, 24pct Multi-Family.
Pool notional	SEK 87.6bn (EUR 9.2bn equivalent)	SEK 27.4bn (EUR 2.9bn equivalent)	SEK 114.9bn (EUR 12.0bn equivalent)
Number of Loans	89,156	2,137	91,293
Number of Borrowers	43,238	1,294	44,532
Number of Properties	45,377	2,327	47,704
Average Loan Size	SEK 0.98m (EUR 102,000 equivalent)	SEK 12.82m (EUR 1.3m equivalent)	SEK 1.3m (EUR 131,000 equivalent)
Property Type	32% Tenant Owner Rights, 63% Single Family Housing, 5% Holiday Housing	25% Cooperative Housing, 75% Rental Housing	76% Retail, 6% Cooperative Housing, 18% Rental Housing
WA LTV (Indexed)	53.04%	58.37%	54.31%
WA Seasoning	3.85 years	1.24 years	3.23 years
WA Remaining Term	42.32 years	3.51 years	33.10 years
Pool type	Dynamic	Dynamic	Dynamic
Rate type	85% Floating rate, 15% Fixed rate	100pct Floating rate	89% Floating rate, 11% Fixed rate
Geographical location	100% Sweden	100% Sweden	100% Sweden
Pool Cut Date	28-02-2017	28-02-2017	28-02-2017

*Excluding any potential substitution collateral (AAA rated securities)

Availability of assets for future Cover pool (Phase one only - Personal Banking loans)

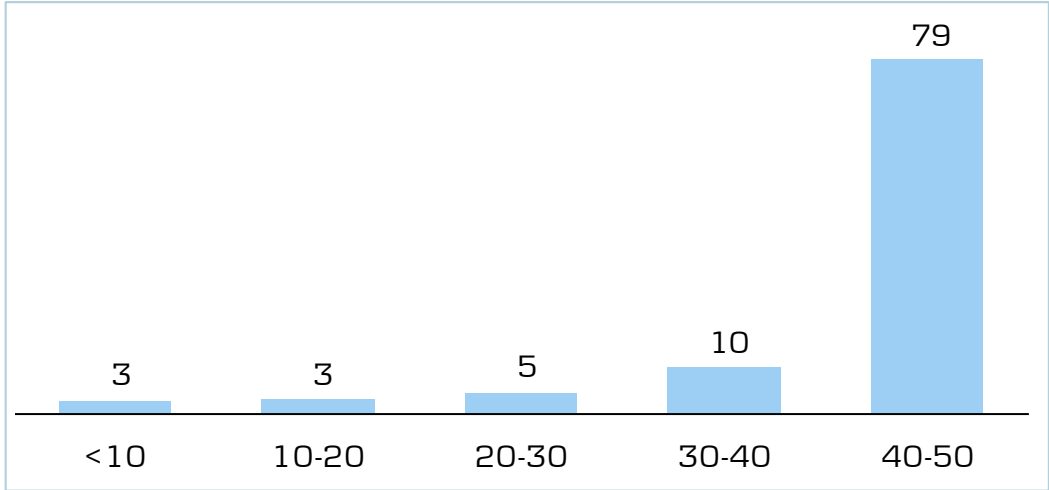
Distribution of property type*, %



Key Points

- Total amount of eligible assets on the existing loan book is SEK 115bn.
 - Total sum of loans in phase 1 is SEK 88 bn. In total 89.000 loans (Bolån) backed by residential property.
 - At a later stage, phase 2 is expected to add about SEK 27 bn.
- These figures do not include growth in Personal Banking or Business Banking.

Maturity in years*, %



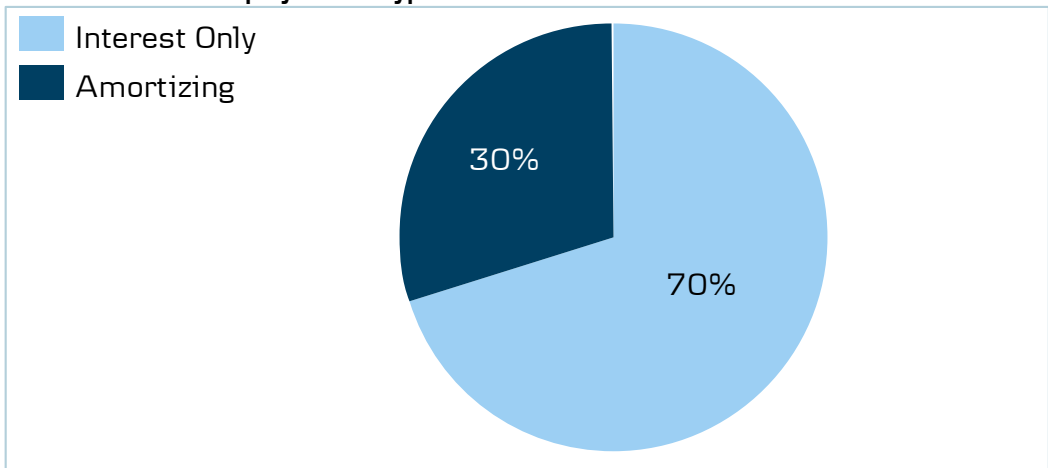
Key Points

- Up to 50 years legal maturity for Swedish Personal Banking loans.
- 79 % has more than 40 years to maturity.
- WA remaining terms is 42 years.
- WA seasoning is 3.8 years.

*Pool cut date is 28-02-2017

Availability of assets for future Cover pool (Phase one only - Personal Banking loans)

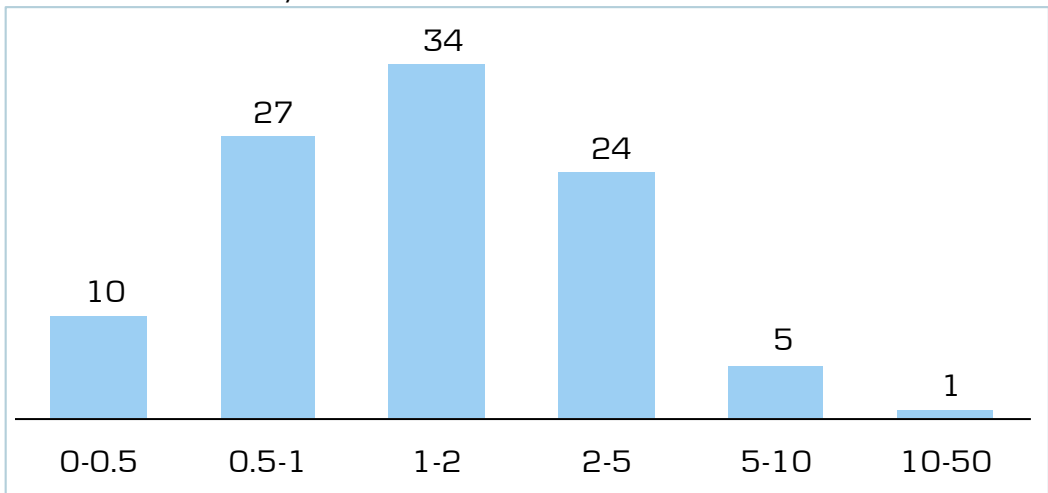
Distribution of repayment type*



Key Points

- Relatively high proportion of Interest Only loans for Swedish mortgages.
- Share of IO on new lending YTD (Feb) 50,8%.

Loan size in SEK m*, %



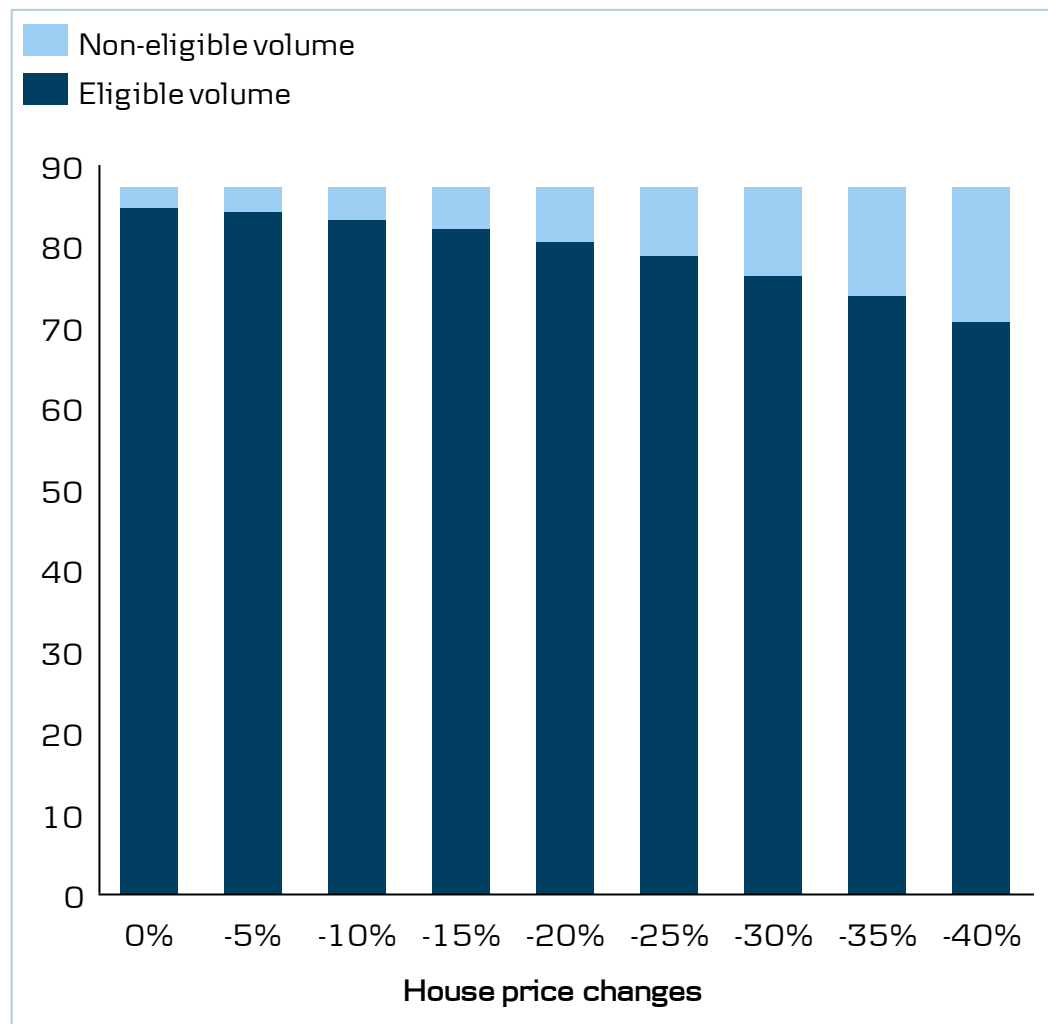
Key Points

- Average loans size is SEK 982.000 (EUR 102,000 equivalent)
- 71 % of the loans are below SEK 2 m.
- Average LTV is 53 % and 79 % of loan volume is below 70 % LTV

*Pool cut date is 28-02-2017

Availability of assets for future Cover pool (Phase one only - Personal Banking loans)

LTV stress test*, SEK bn



Key Points

- Stress test scenarios show how the LTV rises and eligible assets diminishes when house prices are stressed downwards.
- Moderate effects
 - At 20 pct. fall in house prices only 8 pct. of the original eligible assets becomes non-eligible.
 - At a 40 pct. fall in house prices 20 pct. of the original eligible assets becomes non-eligible.

Dedicated cover pool management team

- The cover pool management will be based on the existing routines, capabilities and infrastructure within Danske Bank Group
- Dedicated team of 4 FTE's responsible for managing the Group's existing cover pools
- Utilizing existing routines with Group IT ensuring consistent and reliable:
 - risk monitoring
 - reporting

* Effect of simulated market value declines. Pool cut date is 28-02-2017

Danske Hypotek - Funding

Danske Hypotek's approach to the Swedish benchmark market

Our ambition is to be a benchmark issuer and we intend to act like the well established Swedish issuers

Our tools:

- Marker maker agreements with all major participants
- Repo facility that allows market makers to cover short positions - as a lender of last resort
- Expected to be eligible for index inclusion , OMRX, (and eventually SHB index)
- The ability to tap the bonds when we see demand
- The ability to buy-back when the bonds are approaching maturity

Our targets:

- Build a liquid Swedish benchmark curve
- Establish two benchmark bonds during 2017, subject to receipt of license and to demand
- Continue to build curve during the coming years. This will take priority over private placements in other formats and currencies
- All benchmarks bonds to be LCR level 1 at issuance
- Approach the market in a consistent, transparent and predictable manner

Long term commitment to the Swedish market

Upcoming benchmark bond issue

Issuer	Danske Hypotek AB
Format	Swedish Covered Bond
Rating	Expected AAA (S&P)
Size	SEK Benchmark
Maturity	(3 year to 5 year)
Coupon	x%, FIXED, ANNUAL, 360/360
Issue price	xxx
Amortization	None (Hard bullet)
Clearing	Euroclear Sweden AB (former VPC)
Denominations	1,000,000 SEK or multiples thereof
Listing	NASDAQ Stockholm AB
Dealers/Market makers	Danske Bank, Handelsbanken, SEB, Nordea, Swedbank
ISIN	SEXXXXXXXXXX
Reuters/Bloomberg	xxx

Key takeaways on Danske Hypotek

1.

Danske Hypotek is a wholly-owned subsidiary of Danske Bank

2.

Swedish Credit Market Company, (Kreditmarknadsbolag), supervised by Finansinspektionen (SFSA) resembling the setup from other Swedish Benchmark issuers

3.

100% Swedish mortgages. Sufficient asset volume available to enable building of liquid benchmark curve.

4.

Transparent and predictable issuer behaviour in the Swedish Benchmark Market i.e. taps, buybacks, dedicated market makers

5.

First issue in 2017 will be a first step to long term commitment to Swedish benchmark market

Appendix

Appendix

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Danske Bank Group

Net profit: DKK 19.9 bn, up 12% from 2015*

Income statement and key figures (DKK m)

	2016	2015	Index	Q4 2016	Q3 2016	Index
Net interest income	22,028	21,402	103	5,790	5,492	105
Net fee income	14,183	15,018	94	4,032	3,414	118
Net trading income	8,607	6,848	126	2,323	2,549	91
Other income	3,140	2,343	134	757	589	128
Total income	47,959	45,611	105	12,902	12,044	107
Expenses	22,642	23,237	97	6,056	5,471	111
Goodwill impairment charges	-	4,601	-	-	-	-
Profit before loan impairment charges	25,317	17,773	142	6,847	6,573	104
Loan impairment charges	-3	57	-	-160	264	-
Profit before tax, core	25,320	17,716	143	7,007	6,309	111
Profit before tax, Non-core	37	46	80	32	-42	-
Profit before tax	25,357	17,762	143	7,039	6,267	112
Tax	5,500	4,639	119	1,449	1,362	106
Net profit	19,858	13,123	151	5,590	4,905	114
Net profit before goodwill impairments	19,858	17,724	112	5,590	4,905	114
Return on avg. shareholders' equity (%)	13.1	11.6		14.5	12.9	
Cost/income ratio (%)*	47.2	50.9		46.9	45.4	
Common equity tier 1 capital ratio (%)	16.3	16.1		16.3	15.8	
EPS (DKK)	20.2	12.8	158	5.8	5.0	116
Lending (DKK bn)	1,689	1,609	105	1,689	1,675	101
Deposits and RD funding (DKK bn)	1,631	1,568	104	1,631	1,644	99
- of which deposits (DKK bn)	859	817	105	859	872	99
Risk exposure amount (DKK bn)	815	834	98	815	814	100

* Before goodwill impairment charges in 2015.

Key points, 2016 vs 2015

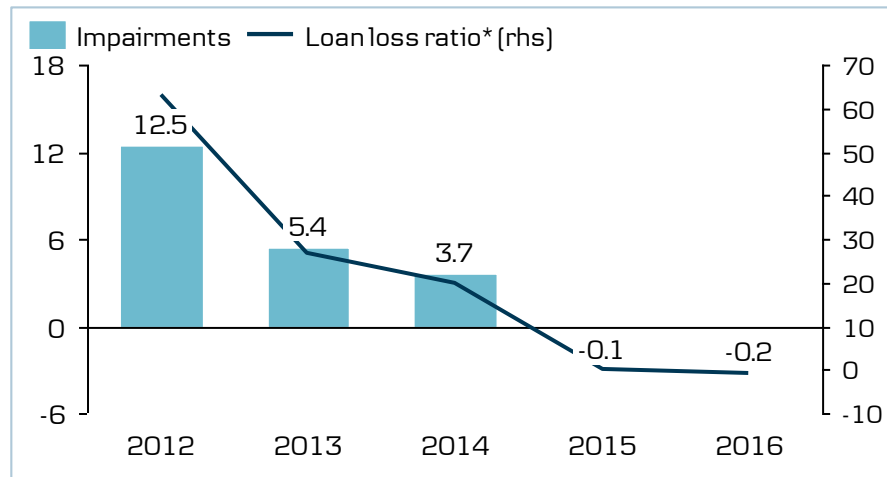
- Return on equity of 13.1%
- Total income up 5%, reflecting higher NII, trading income and other income
- Income benefited from divesting properties, VISA Europe and Danmarks Skibskredit
- Expenses down 3%; cost/income ratio of 47.2%
- Lending volume up 5%

Key points, Q4 2016 vs Q3 2016

- NII up 5% driven by repricing in Denmark & higher lending volumes
- Fee income up 18% owing to performance fees of DKK 483 m and shadow account of DKK 279 m
- Expenses up 11% due to seasonality and severance pay
- Net reversal despite further oil-related collective charges
- CET1 capital ratio at 16.3% and REA of DKK 815 bn

Impairments: Loan loss ratio of zero bp in core activities in 2016

Group impairments,* 2012 to 2016 (DKK bn/bp)



Impairment drivers, Q4 2016 vs Q3 2016

- Improved credit quality and reversals at all business units except for C&I resulted in a net reversal of DKK 0.2 bn
- At Personal Banking, credit quality improved as property prices increased & customers refinanced to amortising loans
- Net reversals at Business Banking largely driven by commercial property customers. Lower new impairments to the agriculture sector due to improved output prices
- Increased collateral values drove net reversals in Wealth Management and Northern Ireland
- Higher impairments at C&I due to a collective charge of DKK 450 m towards oil-related exposure

Impairments (DKK m)

	2016	2015	Q4 2016	Q3 2016
Personal Banking	-477	390	-188	-110
Business Banking	-235	191	-181	-31
C&I	1,071	65	282	468
Wealth Management	-137	-29	-55	-8
Northern Ireland	-234	-561	-22	-60
Other activities	9	1	3	5
Total core	-3	57	-160	264
Non-core	-165	-118	-67	-17
Group	-168	-61	-227	247

Loan loss ratio,** annualised (bp)

	2016	2015	Q4 2016	Q3 2016
Personal Banking	-7	6	-10	-6
Business Banking	-4	3	-11	-2
C&I	27	1	27	42
Wealth Management	-20	-4	-30	-4
Northern Ireland	-47	-121	-20	-54
Other activities	24	1	137	78
Total core	0	0	-3	5
Non-core	-69	-38	-136	-33
Group	-1	0	-5	5

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

Credit exposure: Preliminary signs of improvement in agriculture; further collective charges against oil-related exposure

Agriculture exposure (2.5 % of Group net exposure)

- Market conditions showed positive signs in the second half of 2016, as pig prices remained stable while milk prices increased from a very low level
- No impairments charges were booked in Q4
- Total collective impairment charges amount to DKK 0.9 bn covering 1.4% of gross credit exposure
- RD represents 69% of total gross exposure and 14% of total accumulated impairment charges.

Oil-related exposure (0.9 % of Group net exposure)

- Net exposure of DKK 24 bn* related to offshore, oil majors and oil service providers
- The vast majority of the oil-related exposure is managed by specialist teams for customer relationship and credit management in C&I
- In Q4, we booked further collective impairment charges of DKK 450 m against direct oil exposure; total collective charges now stand at DKK 1.1 bn
- In addition, collective charges against second-round effects stand at DKK 0.2 bn

Agriculture by segment, Q4 2016 (DKK m)

	Gross credit exposure	Portion from RD	Acc. Individual impairment charges	Net credit exposure	NPL coverage ratio
Business Banking	55,448	43,090	2,928	52,520	95%
Growing of crops, cereals, etc.	18,240	15,001	356	17,884	98%
Dairy	9,027	6,969	1,014	8,013	91%
Pig breeding	12,991	10,421	1,345	11,646	98%
Mixed operations etc.	15,190	10,698	213	14,977	89%
Northern Ireland	4,845	-	65	4,780	89%
C&I	5,177	2,411	-	5,177	100%
Others	216	14	1	216	-
Total before collective impairments	65,686	45,514	2,994	62,692	94%
Collective impairment charges	920	250			
Total gross exposure	66,606				

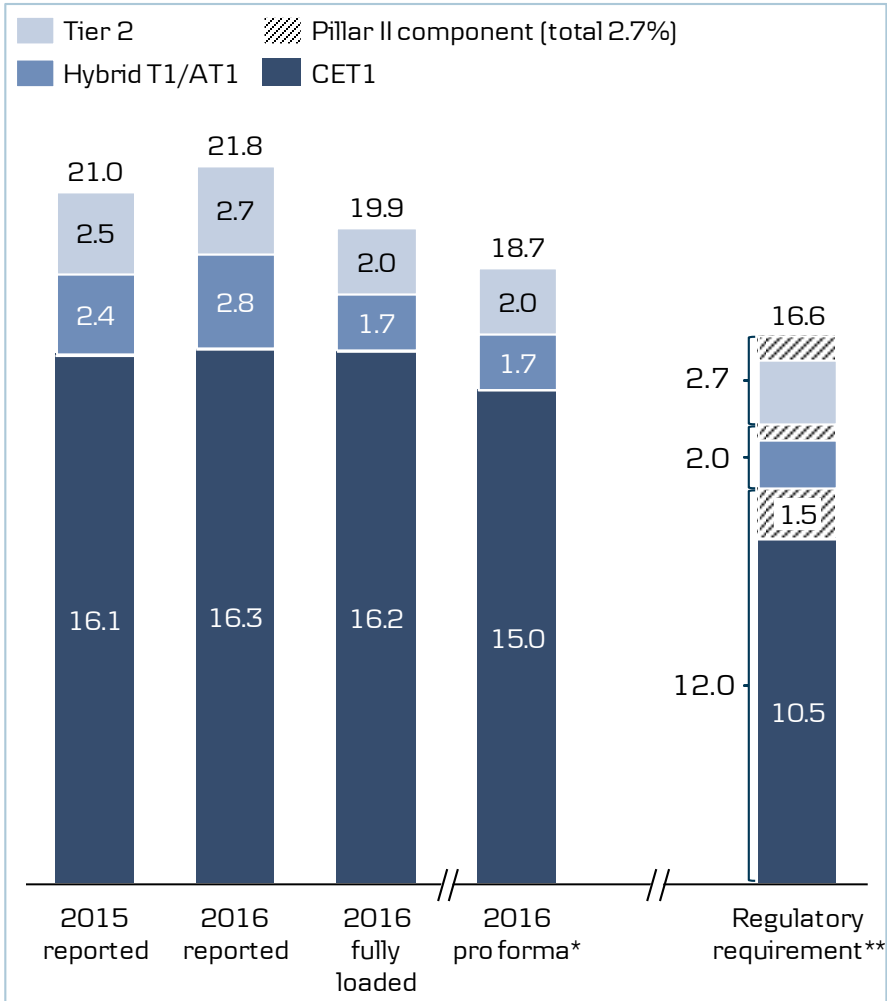
Oil-related exposure, Q4 2016 (DKK m)

	Gross credit exposure	Acc. Individual impairment charges	Net credit exposure
C&I	23,136	268	22,868
Oil majors	5,479	-	5,479
Oil service	8,721	27	8,694
Offshore	8,936	241	8,695
Business Banking	913	14	899
Oil majors	2	-	2
Oil service	803	14	789
Offshore	108	-	108
Others	4	0	4
Total before collective impairments	24,054	282	23,772
Collective impairment charges	1,128		
Total gross exposure	25,182		

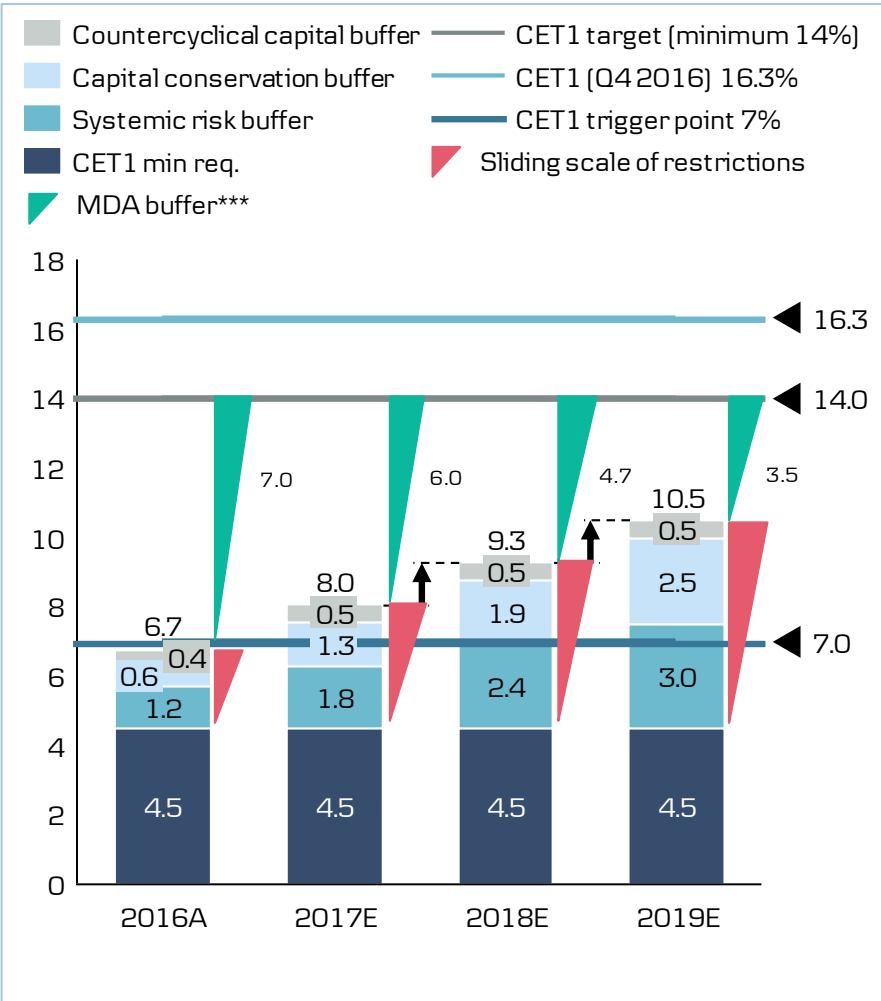
* The oil-related net credit exposure of DKK 24 bn is part of the energy & utilities industry (DKK 15 bn) and shipping (DKK 9 bn) industry.

Capital: Strong capital base; CET1 capital ratio of 16.3%; launch of DKK 10 bn share buyback programme

Capital ratios, under Basel III/CRR (%)



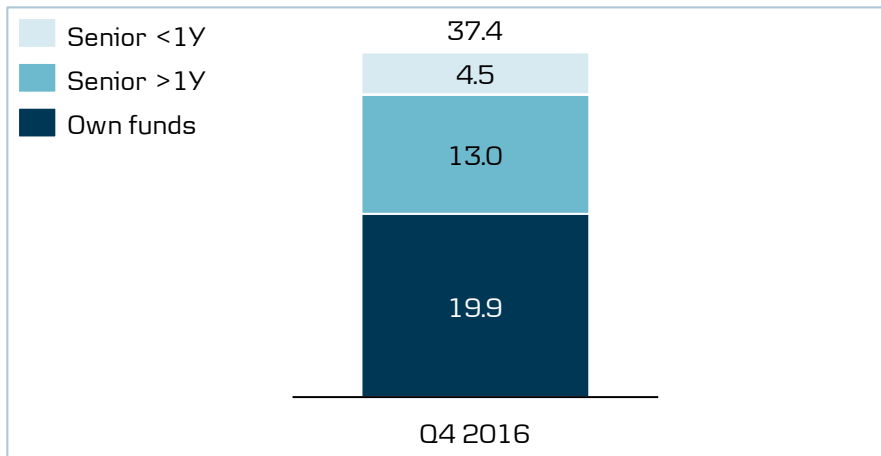
Estimated capital buffer structure, %



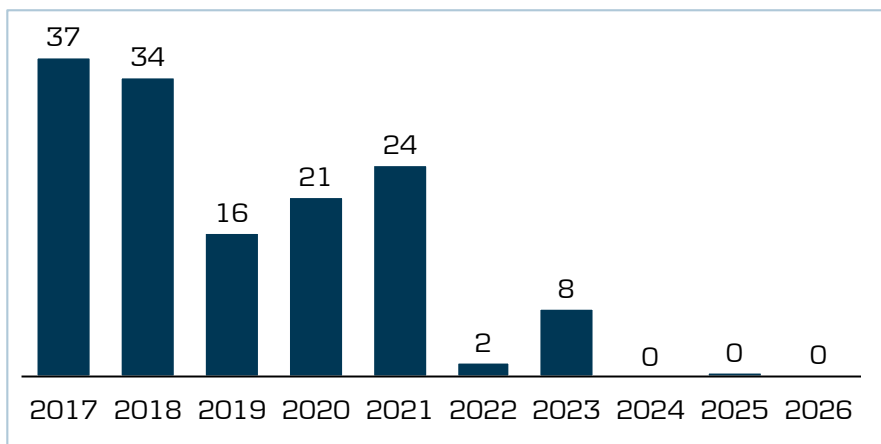
* Pro forma fully loaded, adjusted for share buy-back of DKK 10 bn to take effect in Q1 2017. ** Pro forma fully phased-in reg. requirement in 2019. *** Assuming REA equal to Q4 2016, CET1 target of min. 14% (target range 14%-15%) and that reg. requirements are met by relevant capital instruments. Under current Danish rules, Pillar II does not count towards automatic MDA.³²

Regulatory themes - MREL

Own funds and senior unsecured* (% of REA)



Senior maturity profile* (DKK bn)



* Includes structured notes.

MREL requirements in Denmark (preliminary)

- Danske Bank as a D-SIFI will be subject to MREL requirements.
- Danske Bank welcomes the review of the BRRD and the proposal to harmonise the TLAC standard and MREL.
- We expect an MREL requirement from the Danish FSA before the end of 2017.
- The final outcome is yet to be determined.

Volume:

- The Danish FSA has signaled willingness to discuss transitional arrangements with the industry. Details are yet to be disclosed.
- FSA's *preliminary* calibration of MREL in line with the current EBA guidelines (not accounting for the proposed changes to the BRRD), i.e.,
 - *Loss absorption amount = total capital req. + CBR*
 - *Recapitalisation amount = loss absorption amount*

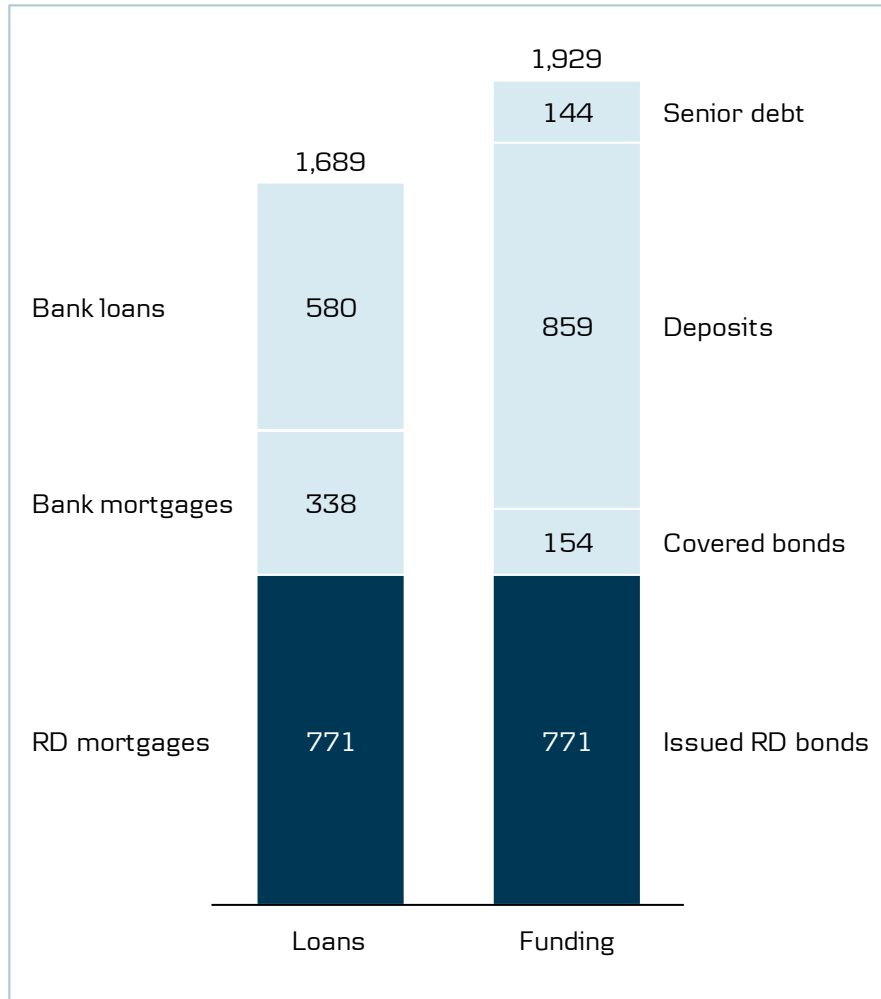
Type of instrument:

- Subordination is expected in some form as part of the eligibility requirements for MREL and the FSA has said that it wishes to conform with any emerging European standard.

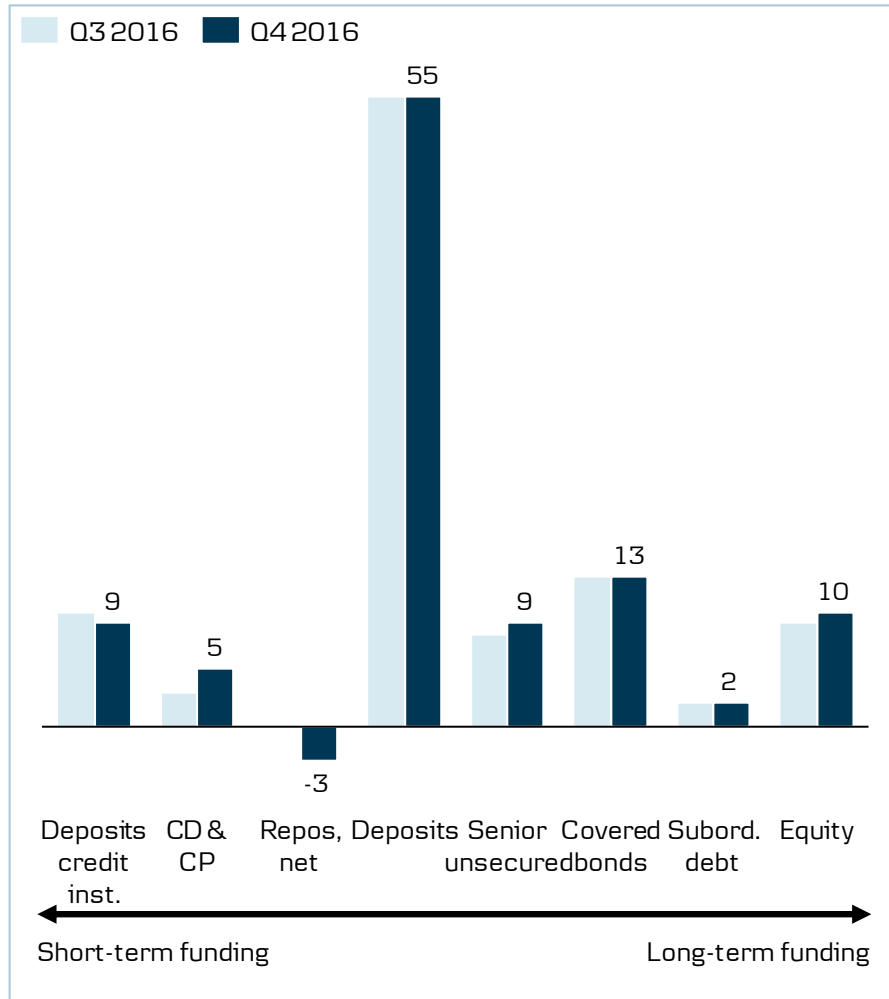
With appropriate transitional arrangements, our relatively short senior maturity profile leaves ample flexibility to refinance into a new eligible instrument.

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

Loan portfolio and long-term funding, Q4 2016 (DKK bn)

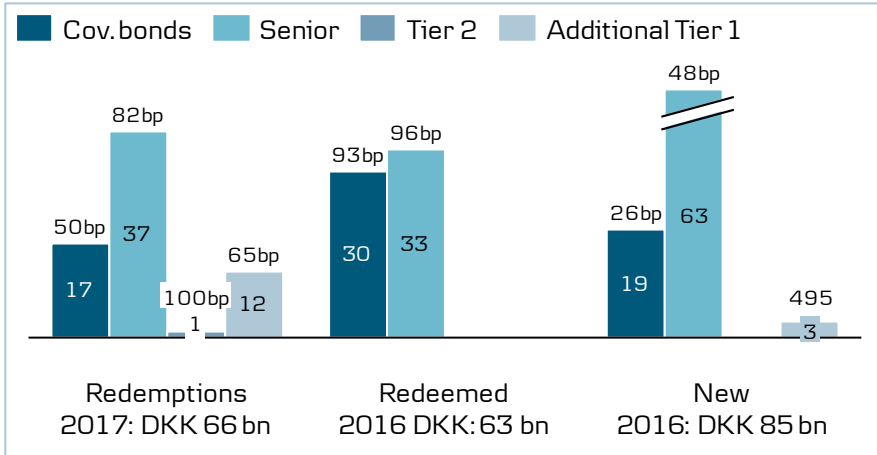


Funding sources (%)

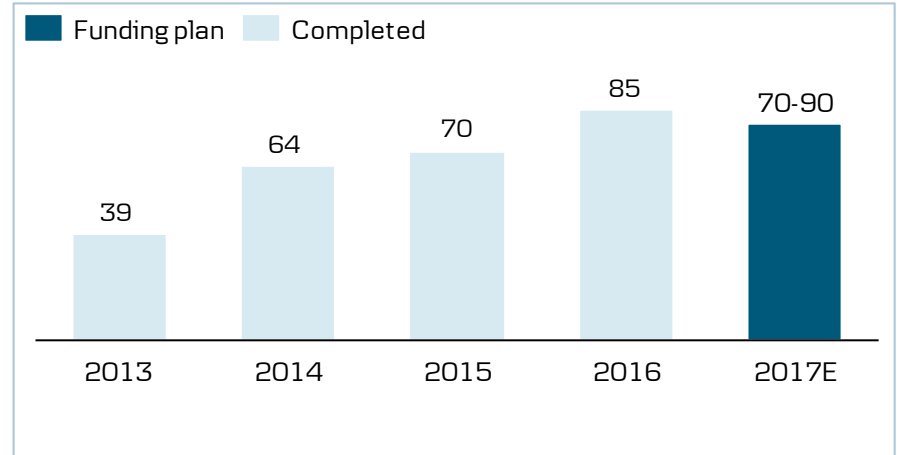


Funding and liquidity: DKK 85 bn of long-term funding issued in 2016; LCR-compliant at 158% at attractive spreads

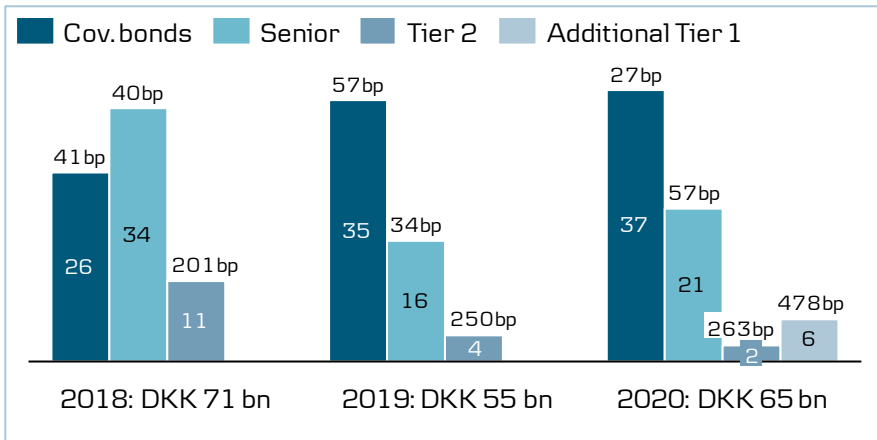
Changes in funding,* 2016 (DKK bn and bp)



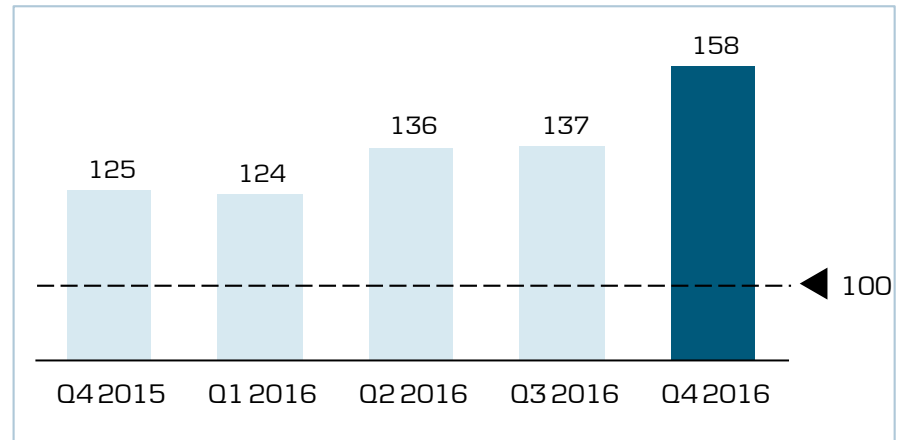
Long-term funding ex RD (DKK bn)



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



Liquidity coverage ratio (%)



* Spread over 3M EURIBOR.

Danske Bank: The four cover pools - Overview



Characteristics	Cover Pool D	Cover Pool I	Cover Pool C	Danske Bank plc
Pool notional	DKK 36.3bn (EUR 5.09bn equivalent)	DKK 118.0bn (EUR 15.8bn equivalent)	DKK 55.6bn (EUR 7.5bn equivalent)	DKK 42.8bn (EUR 5.76bn equivalent)
Number of Loans	64,489	114,882	6,198	84,352
Substitution collateral	0	0	0	0
Average Loan Size	DKK 0.6m (EUR 76,000 equivalent)	DKK 1.0m (EUR 138,000 equivalent)	DKK 9.0m (EUR 1.2m equivalent)	DKK 0.51m (EUR 68,000 equivalent)
Property Type	100% owner-occupied	84% owner-occupied, 16% housing cooperatives	9.0% Agriculture, Forestry, Horticulture, 15% Industrial, 4% Cooperative Housing, 24% Rental Housing, 43% Retail, 5% Other	100 % owner-occupied
WA LTV (Indexed)	55.3%	54.2%	54.8%	52,4%
Loan seasoning	15 % (<5y), 85 % (>5y)	69 % (<5y), 31 % (>5y)	94 % (<5y), 6 % (>5y)	47 % (<5y), 53 (>5y)
Repayment type	85 % (Bullet), 15 % (Amortising)	49 % (Bullet), 51 % (Amortising)	33 % (Bullet), 67 (Amortising)	100 % (Amortising)
Rate type	Floating rate	Fixed (18%), Floating (82%)	Floating rate	Fixed (10%), Floating (90%)
Geographical location	100% Denmark	36% Sweden, 64% Norway	75% Sweden, 25% Norway	100 % Finland
Issuance Notional	DKK 31.7bn (EUR 4.3bn equivalent)	DKK 104.9bn (EUR 14.1bn equivalent)	DKK 43.5bn (EUR 5.9bn equivalent)	DKK 37.3bn (EUR 5bn equivalent)
OC at cut-off date	13.9% (2% committed)	12.70% (2% committed)	28.0% (2% committed)	13% (2% committed)
Cut-off date	31 December 2016	31 December 2016	31 December 2016	31 December 2016
Rating (S&P/Fitch/Moody's)	AAA/AAA/-	AAA/AAA/-	AAA/AAA/-	- /-/Aaa

Danske Bank's credit ratings

Danske Bank's long-term instrument ratings and outlook*

	Moody's (Pos)	S&P (Stable)	Fitch (Stable)
Investment grade	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-
Speculative grade	Ba1	BB+	BB+
	Ba2	BB	BB

	Ca	D	D

S&P Global upgrades SACP rating

- On July 8 2016, S&P raised Danske Bank's SACP (Stand-Alone Credit Profile) rating from a- to a as a result of Danske Bank's improved capitalisation.

Moody's upgrades Danske Bank's deposit rating - outlook changes to positive

- On 12 October 2016, Moody's upgraded Danske Bank's long-term deposit rating to A1 from A2 and affirmed all other ratings. Moody's also changed the outlook to positive from stable on Danske Bank's ratings.
- The positive outlook reflects Danske Bank's improvements in financial metrics to date and the expectation of a continuation of the positive trend.

Rating affirmed by Fitch

- On August 22 2016, Fitch affirmed Danske Bank's rating with a stable outlook. The asset quality and profitability score were raised from 'a-' to 'a'.

Covered bonds DanskeBank A/S	Senior unsecured
Covered bonds DanskeBank Plc	Tier 2
Covered bonds RD	Additional Tier 1

* Outlook refers to the senior unsecured ratings of Danske Bank A/S. Capital centre T of RD is rated AA+ by Fitch, capital centre S is rated AAA.

Danske Bank SE

- Underwriting Criteria Mortgage lending

Danske Bank SE – Underwriting Criteria Mortgage lending

Personal Banking

- Track record, debt and income checked via Credit Information Agency (UC)
- Individual scoring of all customers before decision
- Household budget in every case
- Stress test on household budget with increased interest rate
- Key ratios and other requirements essential part of decision
- Assessment if purchase prices are fair values

Solid underwriting criteria

Business Banking

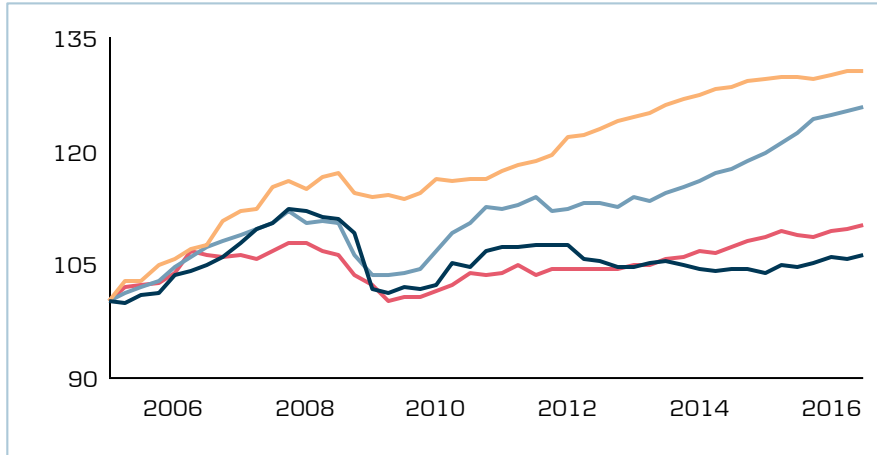
- Focus on existing good corporate property clients
- Individual valuation of all financed properties
- We apply moderate LTV levels combined with strong focus on cash flow and business risk characteristics
- Focus on properties in large cities and regional cities, where we have access to local market knowledge through our branches

Nordic macro

Nordic macro economy

Denmark Sweden Norway Finland

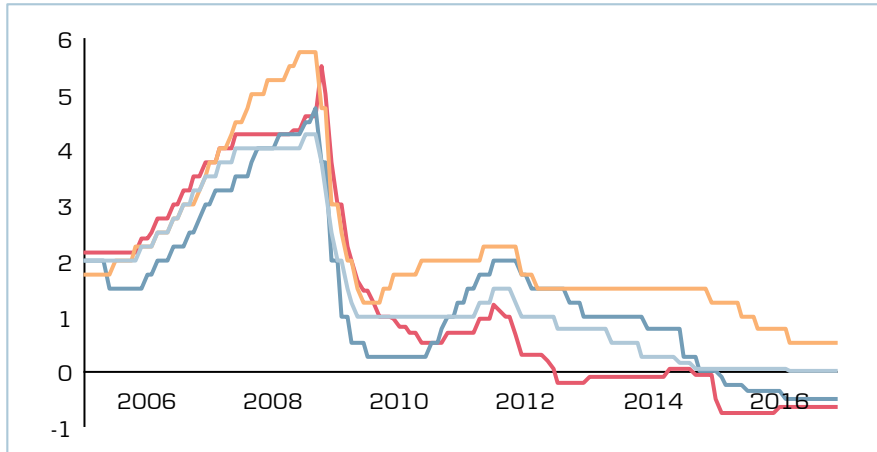
Real GDP, constant prices (index 2005 = 100)



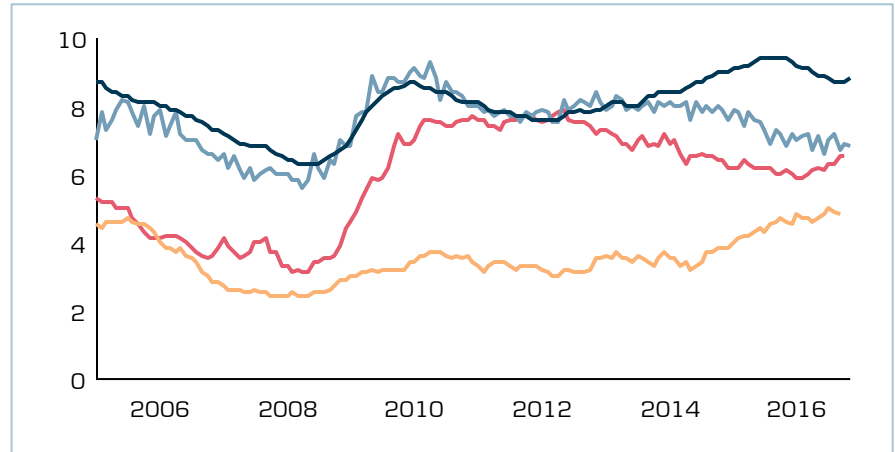
Inflation (%)



Interest rates, leading (%)



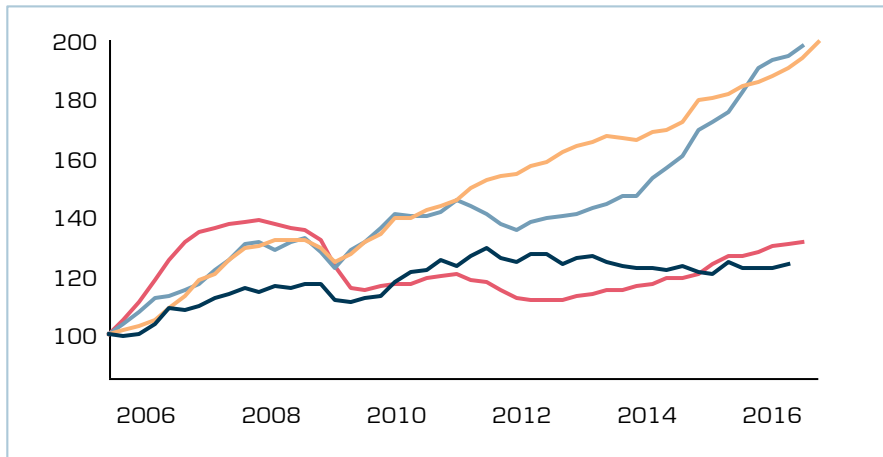
Unemployment (%)



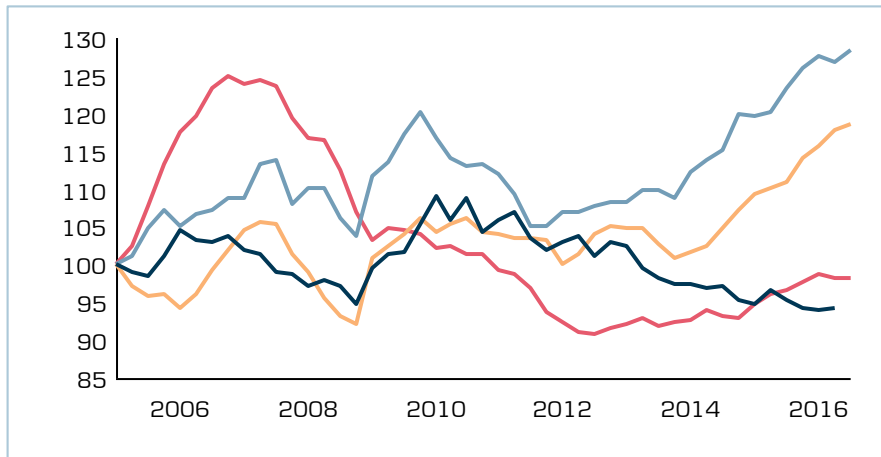
Nordic housing markets

— Denmark — Sweden — Norway — Finland

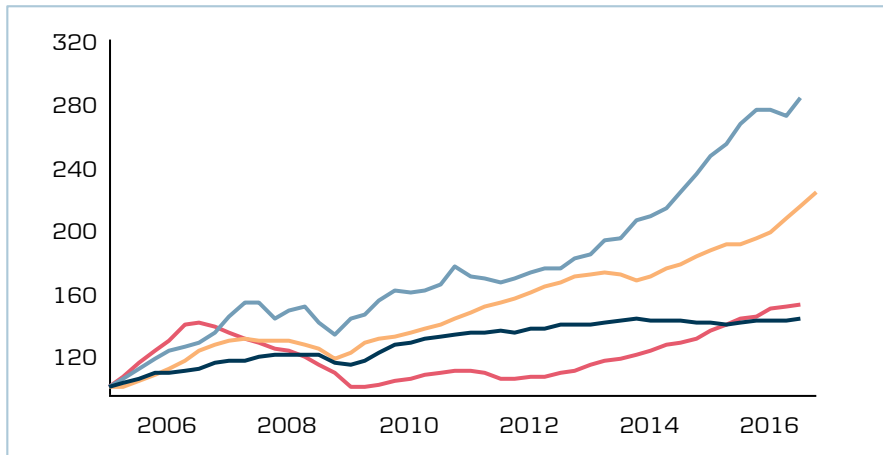
Property prices (index 2005 = 100)



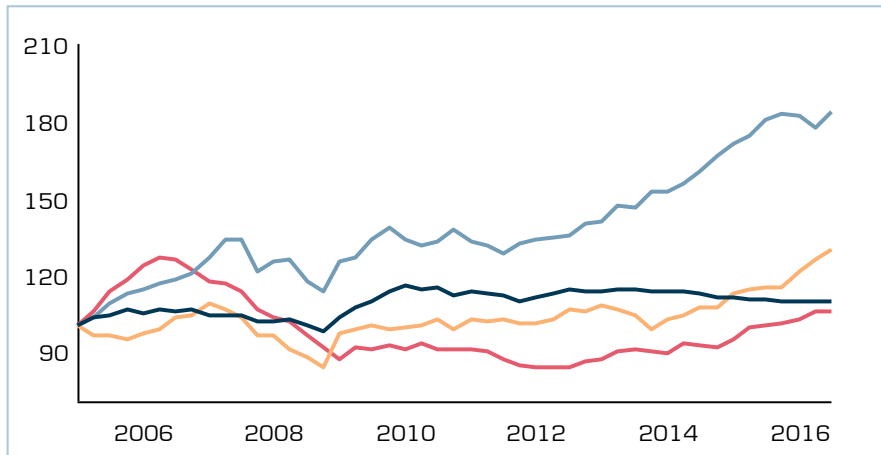
House prices/nom. GDP (index 2005 = 100)



Apartment prices (index 2005 = 100)



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



Danske Hypotek - Contacts

Contacts



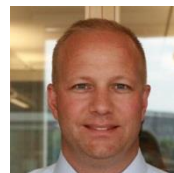
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