

Financial results – first nine months 2018



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Executive summary: Mixed results for 9M 2018

Lending growth of 2% y/y, driven by growth of 1% y/y at Banking Denmark and 4% y/y at Banking Nordic

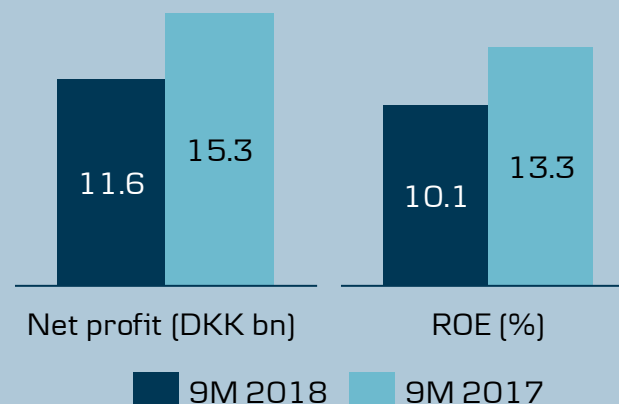
Trading income negatively affected by challenging conditions in rates markets

Expenses up 11% y/y; driven mainly by the DKK 1.5 bn donation of income related to the Estonia case. Excl. the donation, expenses were up 2% y/y

Remaining part of 2018 share buy-back programme cancelled and capital targets revised upwards following a reassessment of the solvency need

Financial results, 9M 2018

- Net profit of DKK 11.6 bn, down 24% from 9M 2017 due to donation and lower trading income. Excl. the donation, net profit was DKK 13.1 bn, down 14% from 9M 2017
- ROE of 10.1%
- Strong capital position, with a reported CET1 ratio of 16.4%
- 2018 outlook: We expect net profit to be in the range of DKK 16-17 bn



Recap of the Estonia case (1/2)



Portfolio investigation

Non-resident portfolio in Estonia closed down in 2015

15,000 customers and 9.5 million payments
being investigated

Total payment flow around EUR 200 billion

Of the 15,000 customers, 6,200 have been identified as the
most risky (as per 19 September). The vast majority of
these customers have been reported to the authorities

8 former employees reported to the police and a further 42
employees and agents reported to the Estonian FIU

Authorities regularly receives updates – we continue
to share all relevant findings

Recap of the Estonia case (2/2)

External reactions

- Investigations by Danish, Estonian and US authorities
- Order from the Danish FSA to reassess solvency need – DKK 10 bn pillar II add-on
- Significant share price depreciation
- Widening funding spreads
- Moody's rating downgrade from A1 to A2 (Neg.). S&P and Fitch outlook revised to negative
- Negative attention, especially from Danish customers – so far limited customer outflow

Internal reactions



- Full cooperation with all authorities
- Estimated gross income of DKK 1.5 bn will be donated to an independent foundation supporting initiatives to combat international financial crime



- Solvency need and capital targets reassessed
- Remaining 2018 share buy-back programme discontinued



- Continuous dialogue with investors and rating agencies
- Communicating our ongoing efforts within financial crime compliance



- Proactive customer outreach
- Dialogue meetings being held with retail and commercial customers

The building blocks of Financial Crime Compliance (FCC)

Since 2014, Danske Bank has made substantial investments to improve our set-up, capabilities and competencies to combat financial crime. However, as financial crime continues to evolve, we will continue to invest substantial resources in fighting financial crime

1. Governance and control

- Group Compliance is a standalone unit at Danske Bank
- The Head of Group Compliance sits on the Executive Board and reports directly to the CEO
- Since YE 2015, the resources allocated to FCC have more than tripled

Full time employees	2015	2016	2017	Sep 2018
Total	350	530	820	1,275

2. Policy and process

- Financial crime detection has changed from a legal discipline to a data-driven risk-based approach
- KYC data is used to develop more granular financial crime models by applying new methods and technology to detect unusual customer behaviour

3. Detection and reporting

- The Global Compliance Monitoring team was established in 2016 to improve and strengthen monitoring by aligning and, where possible, centralising global monitoring tasks
- Monitoring programmes include
 - on-boarding monitoring
 - ongoing due diligence monitoring
 - transaction monitoring
 - sanctions monitoring
 - Politically Exposed Persons (PEP) monitoring process

4. Organisation and culture

- AML academy established in 2017 provides specialised financial crime training
- Besides the AML academy, basic AML training has been mandatory for all employees since 2013
- IT spend relating to FCC has more than tripled from 2016 to 2018
- New Chief Compliance Officer will join the Bank no later than on 1 December 2018

Net profit: DKK 11.6 bn, down 24% from 9M 2017 due to donation and lower trading income

Income statement and key figures (DKK millions)

	9M 2018	9M 2017	Index	Q3 2018	Q2 2018	Index
Net interest income	17,676	17,699	100	5,852	5,878	100
Net fee income	11,324	11,319	100	3,777	3,786	100
Net trading income	3,738	5,741	65	1,236	1,066	116
Other income	696	1,171	59	235	152	155
Total income	33,434	35,930	93	11,100	10,881	102
Expenses	18,767	16,965	111	7,367	5,788	127
Profit before loan impairment charges	14,667	18,965	77	3,733	5,094	73
Loan impairment charges	-607	-632	-	100	-377	-
Profit before tax, core	15,274	19,597	78	3,632	5,471	66
Profit before tax, Non-core	4	-39	-	-44	16	-
Profit before tax	15,278	19,558	78	3,588	5,487	65
Tax	3,692	4,307	86	1,107	1,256	88
Net profit	11,586	15,251	76	2,482	4,231	59
Return on avg. shareholders' equity (%)	10.1	13.3		6.4	11.9	
Cost/income ratio (%)	56.1	47.2		66.4	53.2	
Common equity tier 1 capital ratio (%)	16.4	16.7		16.4	15.9	
EPS (DKK)	12.7	16.1	79	2.7	4.7	57
Lending (DKK bn)	1,758	1,726	102	1,758	1,748	101
Deposits and RD funding (DKK bn)	1,647	1,673	98	1,647	1,659	99
- of which deposits (DKK bn)	909	923	98	909	927	98
Risk exposure amount (DKK bn)	738	769	96	738	754	98

Key points, 9M 2018 vs 9M 2017

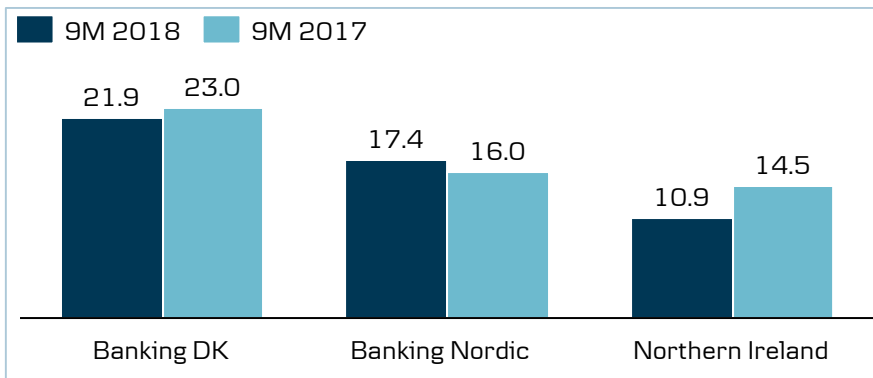
- Return on equity of 10.1%
- NII up 1% adjusted for FX effects
- Fee income unchanged vs 9M 2017
- Trading income down 35% from the high level last year due to challenging market conditions
- Expenses up 11%, due mainly to DKK 1.5 bn donation in Q3
- Net impairment reversals at most business units
- Lending up 2%

Key points, Q3 2018 vs Q2 2018

- NII flat as growth and extra day is offset by cost of additional funding and continued margin pressure
- Fee income unchanged
- Trading income subdued as rates markets remained challenging
- Expenses reflect DKK 1.5 bn donation
- Small impairment charge, driven by agriculture and oil-related segments
- CET1 capital ratio of 16.4% and REA of DKK 738 bn
- Lending up 1% q/q

Banking units: Continued growth, driven primarily by good momentum at Banking Nordic and stable growth at Banking DK

Pre-tax return on allocated capital (%)



Financial highlights, 9M 2018 vs 9M 2017

Banking Denmark

- Total income unchanged
- Expenses up 2% owing mainly to increasing regulatory compliance costs
- Lending up 1%, deposits up 3%

Banking Nordic

- Total income unchanged despite the sale of Kongsveien in Q1 2018
- Expenses down 4% due to the sale of Kongsveien
- Lending up 4% with growth in Sweden, Norway and Finland

Northern Ireland

- Lending and NII up despite continued Brexit uncertainty
- Small impairment charge driven by a few cases in Q1

Income statement (DKK millions)

	Banking DK			Banking Nordic			Northern Ireland		
	9M 2018	9M 2017	Index	9M 2018	9M 2017	Index	9M 2018	9M 2017	Index
Net interest income	6,703	6,680	100	5,946	5,594	106	1,109	1,026	108
Net fee income	2,597	2,551	102	1,199	1,286	93	298	328	91
Net trading income	606	600	101	228	229	100	60	54	111
Other income	172	199	86	522	772	68	9	8	113
Total income	10,078	10,031	100	7,896	7,880	100	1,476	1,417	104
Expenses	5,071	4,993	102	3,696	3,842	96	889	911	98
Profit before loan impairment charges	5,007	5,038	99	4,200	4,038	104	587	505	116
Loan impairment charges	-610	-950	-	-77	191	-	28	-154	-
Profit before tax	5,617	5,988	94	4,277	3,847	111	560	660	85
Lending (DKK bn)	875	869	101	590	565	104	51	46	110
Deposits and RD funding (DKK bn)	1,013	1,002	101	239	236	101	63	59	107
- of which deposits (DKK bn)	282	274	103	228	227	100	63	59	107
Share of Group lending (%)*	49	50		33	32		3	3	

* Excluding reverse transactions and before impairments

C&I and Wealth Management: Difficult market conditions affected trading income; WM fees benefit from SEB Pension DK

Corporates & Institutions: Financial highlights, 9M18 vs 9M17

- Fee income down 1% owing to a decline in capital markets activities
- Trading income reflects challenging conditions in rates markets
- Expenses down 5% primarily due to lower performance-based compensation
- Lower impairment charges reflect a stabilising situation for offshore companies due to positive trends in activity and oil price despite single name impairments in Q3 2018

Wealth Management: Financial highlights, 9M18 vs 9M17

- Assets under management up 10%, owing mainly to the acquisition of SEB Pension Danmark**
- Net sales at Asset Management of a negative DKK 9.6 bn in 9M 2018, against a positive 11.0 bn in 9M 2017
- Net premiums of DKK 33.7 bn at Danica (DKK 29.3 bn in 9M 2017), of which DKK 3.3 bn at SEB Pension Danmark**
- Fee income up 2%, due mainly to SEB Pension Danmark**
- The Health & Accident business results lowered both trading income (investment result) and other income (risk result)
- Expenses up 13%, due mainly to increased regulatory costs and costs related to SEB Pension Danmark

Corporates & Institutions: Income statement (DKK millions)

	9M2018	9M2017	Index
Net interest income	2,974	2,822	105
Net fee income	2,159	2,190	99
Net trading income	2,057	4,075	50
Other income	5	2	-
Total income	7,196	9,089	79
Expenses	3,511	3,701	95
Profit before loan impairment charges	3,685	5,387	68
Loan impairment charges	103	353	29
Profit before tax	3,581	5,035	71
Pre-tax return on allocated capital (%)	14.0	17.3	
Lending (DKK bn)	187	202	92
Deposits (DKK bn)	272	294	93
Share of Group lending (%)*	11	12	

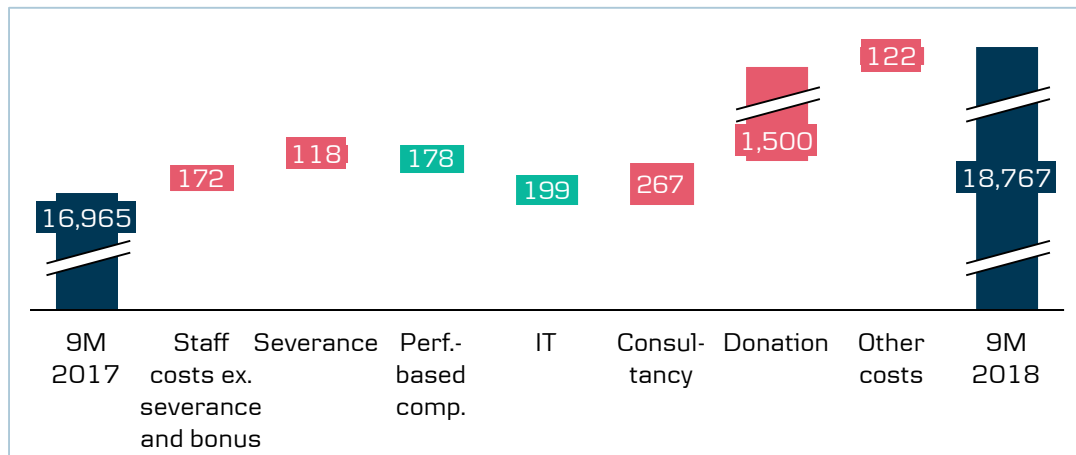
Wealth Management: Income statement (DKK millions)

	9M2018	9M2017	Index
Net interest income	545	532	102
Net fee income	5,251	5,132	102
Net trading income	110	348	32
Other income	-29	121	-
Total income	5,877	6,134	96
Expenses	3,362	2,975	113
Profit before loan impairment charges	2,515	3,159	80
Loan impairment charges	-53	-70	-
Profit before tax	2,568	3,229	80
Pre-tax return on allocated capital (%)	23.2	30.8	
Lending (DKK bn)	77	75	104
Deposits (DKK bn)	68	66	103
Assets under management (DKK bn)*	1,668	1,515	110

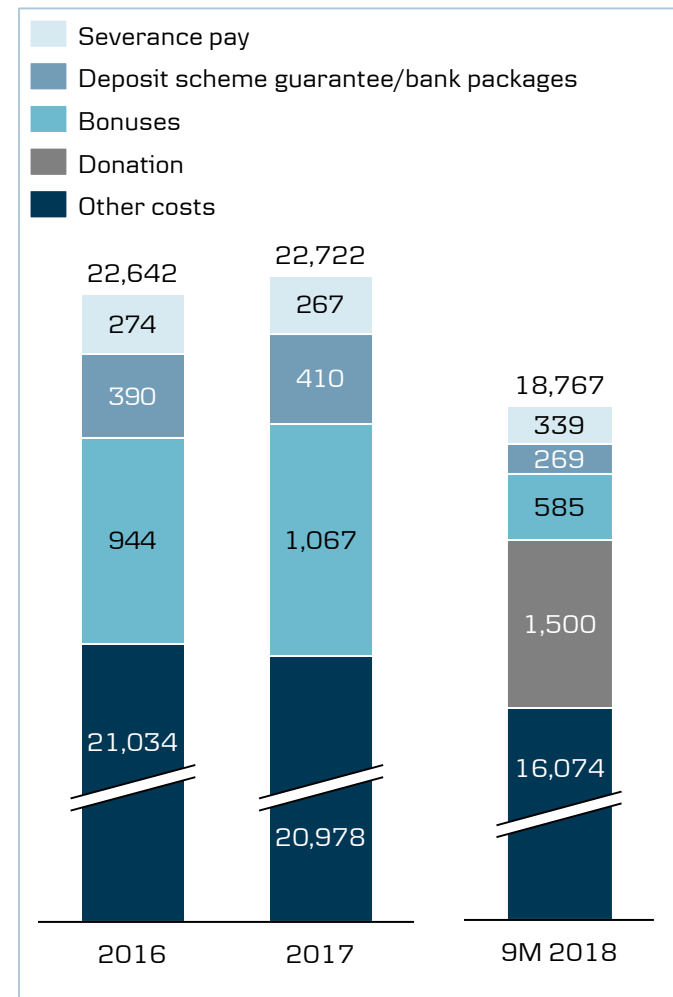
* Excluding reverse transactions and before impairments. ** The SEB Pension Danmark acquisition was finalised on 7 June 2018. Q2 2018 effect: DKK 102 bn of AuM.

Expenses: Up 2% y/y excluding donation due to regulatory compliance costs and the SEB Pension Danmark acquisition

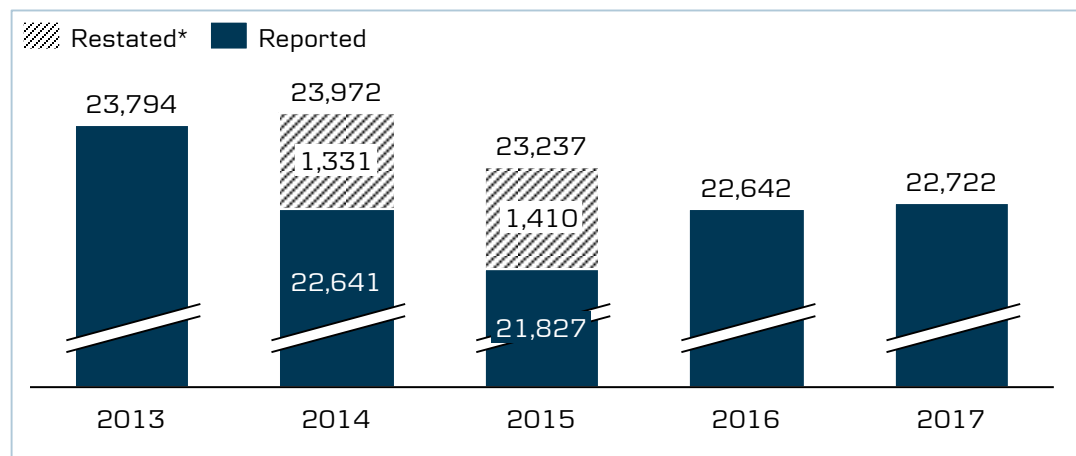
Change in expenses (DKK millions)



Total expenses (DKK millions)



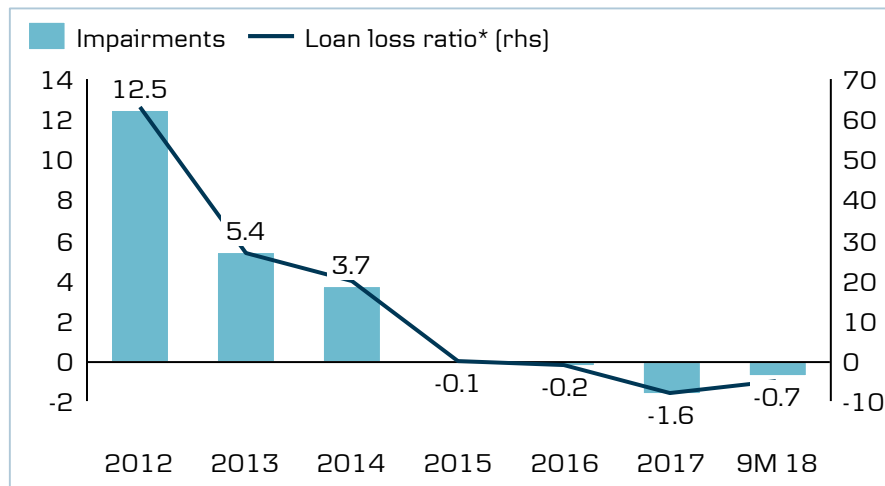
Total expenses excl. goodwill charge, 2013-2017 (DKK millions)



* Expenses for 2014 and 2015 are restated to reflect the new Wealth Management unit.

Impairments: Q3 driven by increased impairments against agriculture segment in Denmark and oil segment in Norway

Group impairments,* 2012 to 9M 2018 (DKK billions/bp)



Impairment drivers, Q3 2018 vs Q2 2018

- Net reversals at all business units except at C&I
- At Banking Denmark, impairments against the agriculture segment increased
- At Banking Nordic, net reversals were driven by improvements in Norway and Finland
- At C&I, oil-related impairments increased in Norway
- Stable macroeconomic conditions in all Nordic countries continue to benefit credit quality

Impairments (DKK millions)

	9M2018	9M2017	Q3 2018	Q2 2018
Banking Denmark	-610	-950	-16	-294
Banking Nordic	-77	191	-79	48
C&I	103	353	235	-99
Wealth Management	-53	-70	-21	-17
Northern Ireland	28	-154	-22	-12
Other activities	3	-1	4	-2
Total core	-607	-632	100	-377
Non-core	-131	-240	-5	-48
Group	-738	-872	95	-425

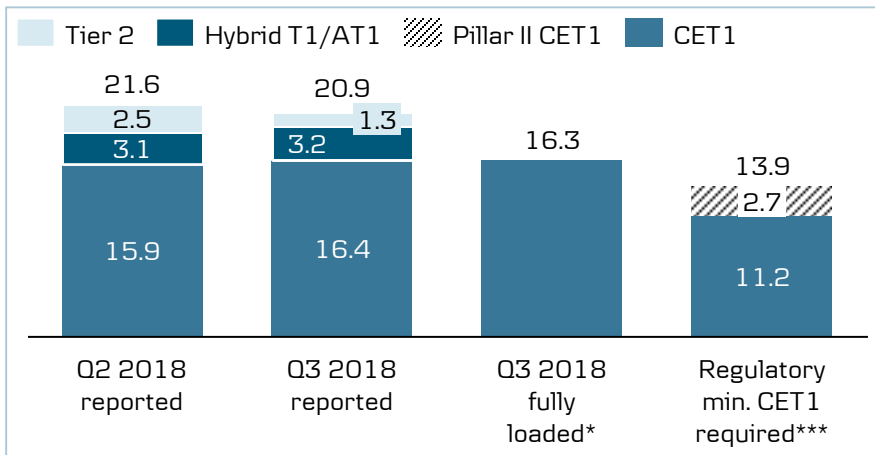
Loan loss ratio,** annualised (bp)

	9M2018	9M2017	Q3 2018	Q2 2018
Banking Denmark	-9	-15	-1	-13
Banking Nordic	-2	5	-5	3
C&I	3	11	42	-17
Wealth Management	-9	-12	-10	-9
Northern Ireland	8	-46	-18	-10
Other activities	20	-4	19	-8
Total core	-4	-4	2	-8
Non-core	-368	-170	-12	-402
Group	-5	-6	2	-9

* 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 ratio of 16.4% vs minimum requirement of 13.9%; 2018 share buy-back programme cancelled

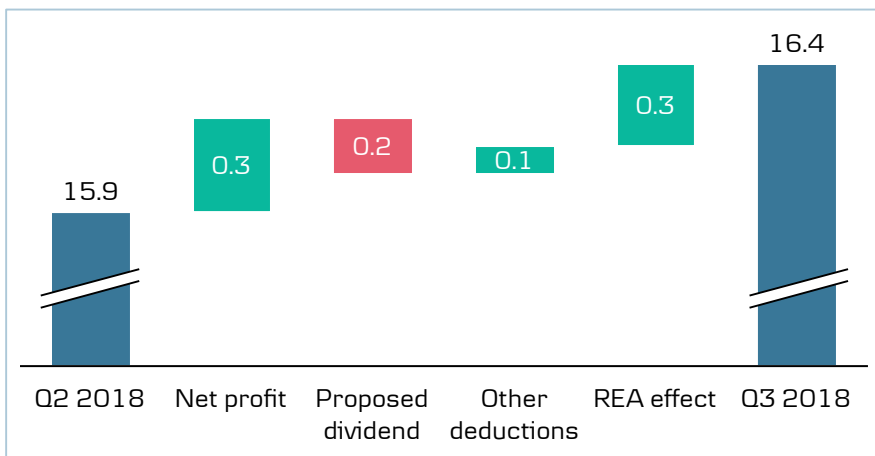
Capital ratios, under Basel III/CRR (%)



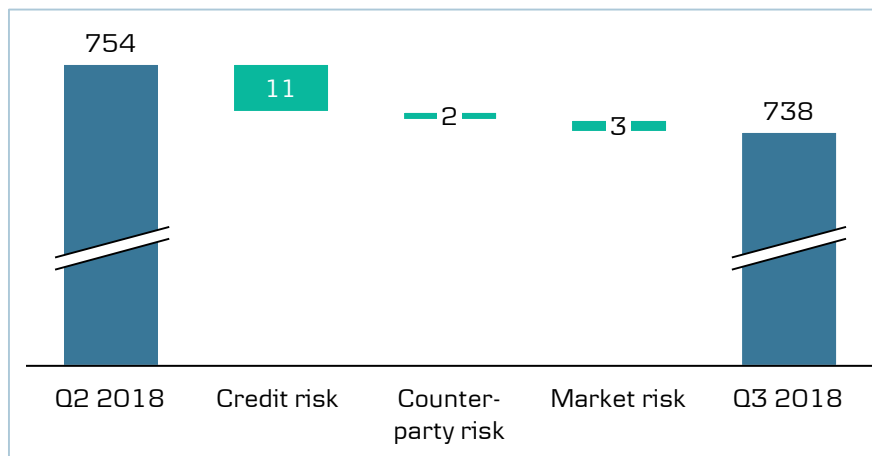
Capital highlights, Q3 2018

- Pillar II add-on further increased by DKK 5 bn for compliance and reputational risks following the Danish FSA's order of 4 October
- CET1 target increased to around 16% (from 14-15%). Total capital ratio target revised to be above 20% (from above 19%) following a reassessment of the solvency need
- Credit risk REA reduced following technical adjustment to risk-weight model for SMEs and corporate customers
- Effect of cancelling share buy-back programme for 2018 will increase CET1 by around 0.4% points in Q4
- Leverage ratio unchanged at 4.3% under transitional rules and 4.2% under fully phased-in rules

CET1 capital ratio, Q2 2018 to Q3 2018 (%)



Total REA, Q2 2018 to Q3 2018 (DKK billions)



* Adjusted for remaining impact of CRD IV, IFRS 9 and move of SE mortgages from P2 to P1, offset by effect of cancelled share buyback programme for 2018. *** Pro forma fully phased-in min. CET1 req. in 2019 of 4.5%, capital conservation buffer of 2.5%, SIFI req. of 3%, countercyclical buffer of 1.2% and CET1 component of P2 requirement. Note: P2 req. is not relevant for the purpose of MDA.

2018 outlook updated since Q2: We expect net profit to be in the range of DKK 16-17 bn

Net interest income

Updated since Q2: We expect net interest income to be slightly lower than in 2017, as volume growth is offset by margin pressure

Net fee income

Net fee income is expected to remain strong, including the effect of the acquisition of SEB Pension Danmark and subject to customer activity

Expenses

Updated since Q2: Expenses are expected to be significantly higher than in 2017, due primarily to the DKK 1.5 bn donation, as well as the effect of the acquisition of SEB Pension Danmark

Impairments

Loan impairments are expected to remain at a low level

Net profit

Updated since Q2: We expect net profit for 2018 to be in the range of DKK 16-17 bn*

Financial target

Our longer-term ambition is to rank in the top three among major Nordic peers** in terms of ROE

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

* Outlook was changed on 19 September 2018, cf. Company Announcement no. 54/2018

** DnB, Handelsbanken, Nordea, SEB, Swedbank

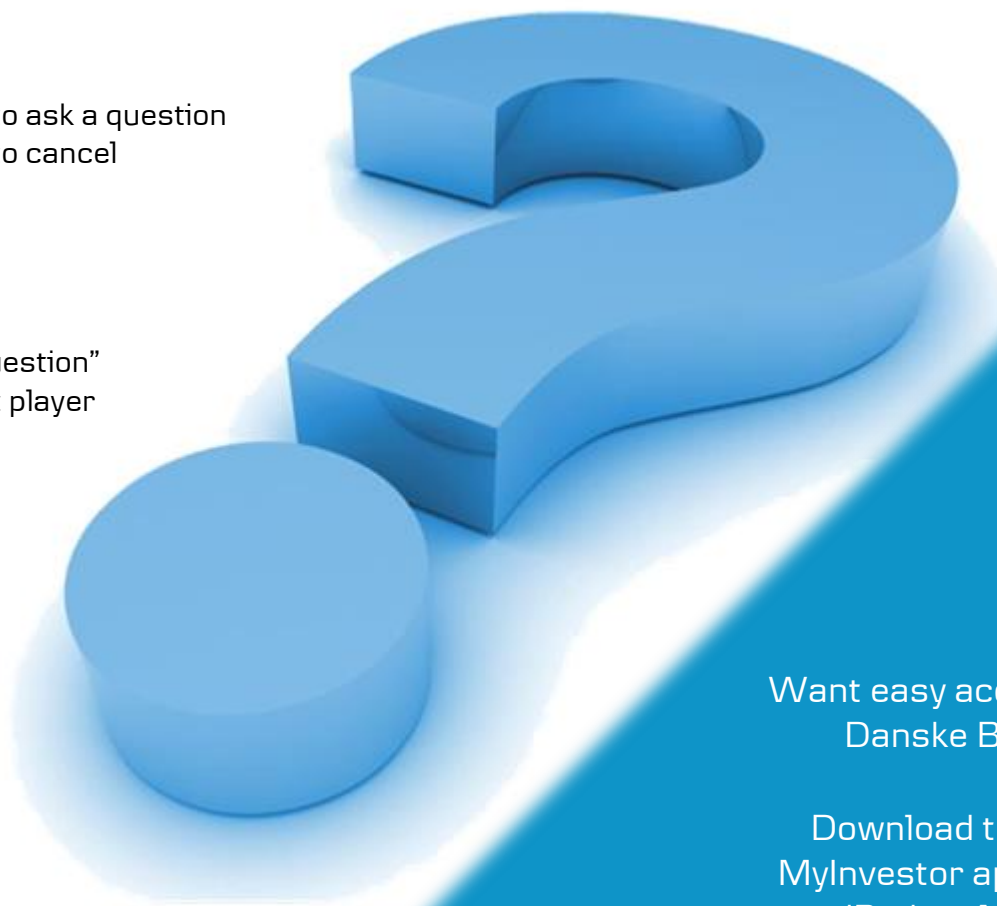
Q&A session



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Appendix

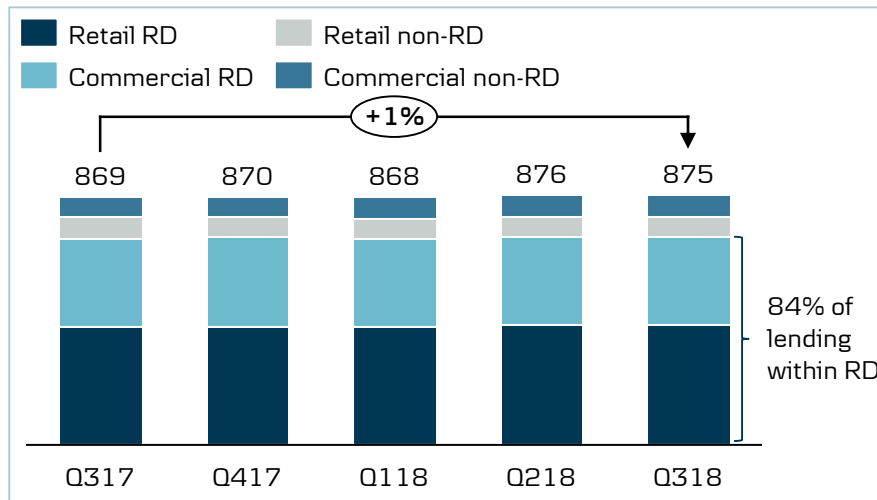
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Banking DK: PBT down 16% in Q3 due to lower reversals driven by impairments related to the agriculture segment

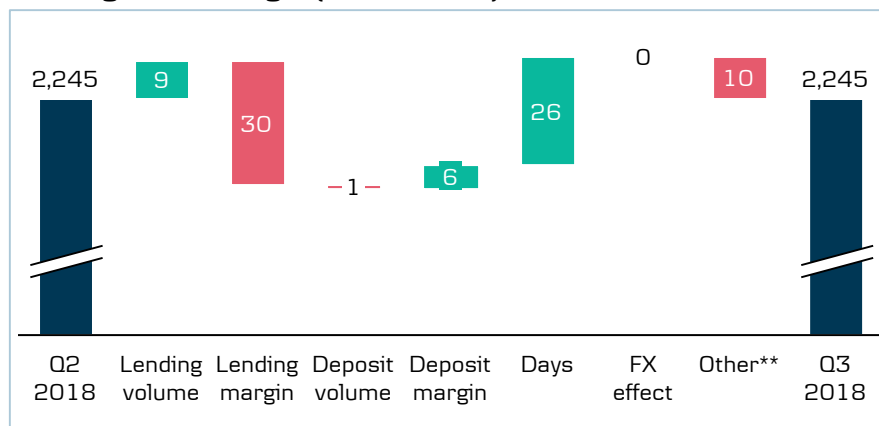
Income statement and key figures (DKK millions)

	Q3 2018	Q2 2018	Index
Net interest income	2,245	2,245	100
Net fee income	848	864	98
Net trading income	156	156	100
Other income	57	61	93
Total income	3,306	3,326	99
Expenses	1,698	1,691	100
Profit before loan impairment charges	1,608	1,635	98
Loan impairment charges	-16	-294	-
Profit before tax	1,624	1,929	84
Lending (DKK bn)	875	876	100
Deposits and RD funding (DKK bn)	1,013	1,018	100
Deposits (DKK bn)	282	287	98
Combined avg. weighted margin (%)	0.85	0.86	

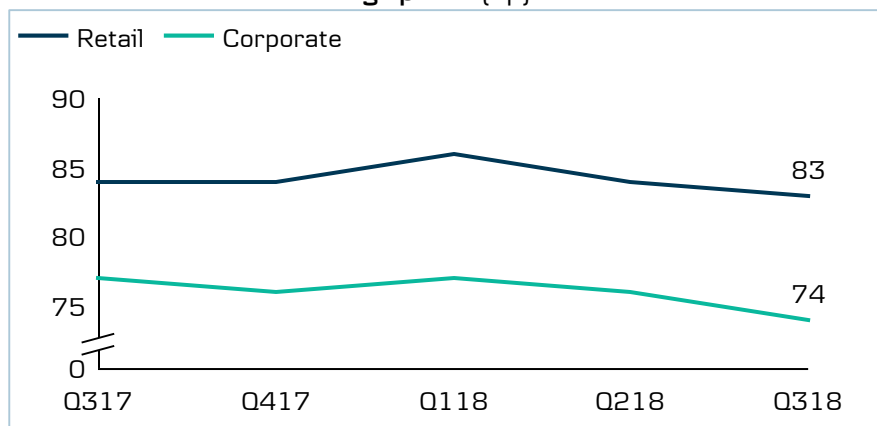
Lending volume by segment (DKK billions)



Banking DK NII bridge* (DKK millions)



Realkredit Danmark lending spread (bp)



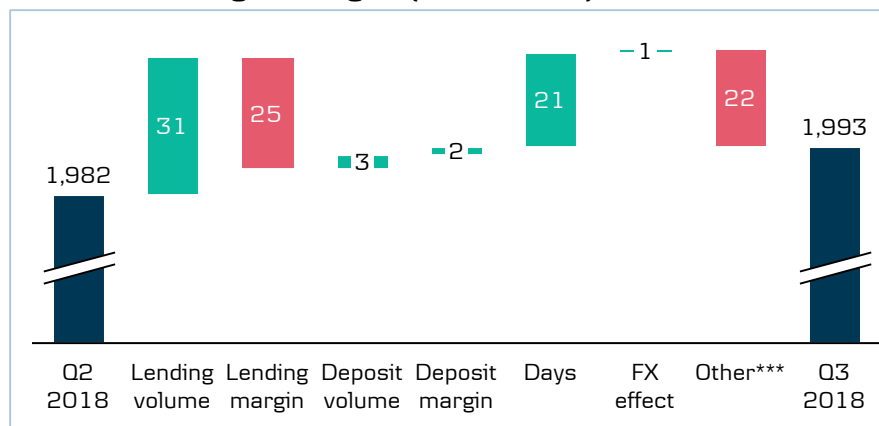
* Based on average volumes. ** Includes capital costs and off-balance-sheet items.

Banking Nordic: Profit before tax up 16% in Q3; growth in Sweden, Norway and Finland

Income statement and key figures (DKK millions)

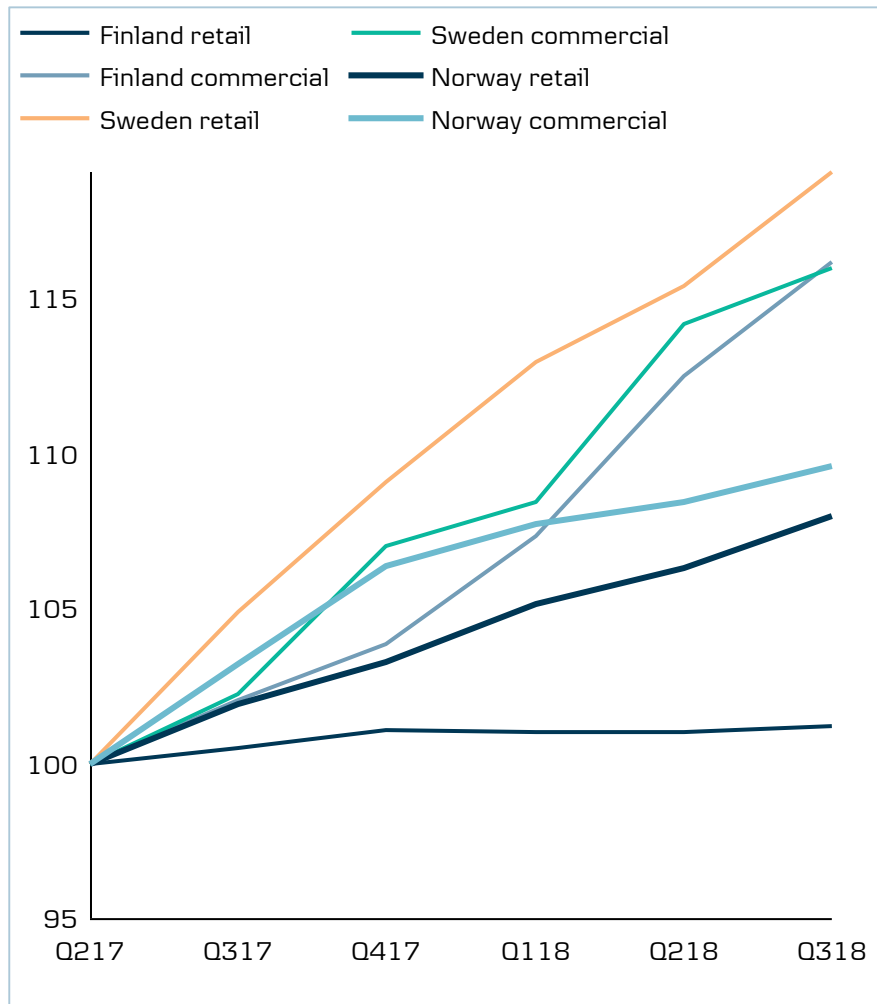
	Q3 2018	Q2 2018	Index
Net interest income	1,993	1,982	101
Net fee income	384	402	96
Net trading income	84	77	109
Other income	145	154	94
Total income	2,606	2,614	100
Expenses	1,217	1,304	93
Profit before loan impairment charges	1,389	1,310	106
Loan impairment charges	-79	48	-
Profit before tax	1,468	1,263	116
Lending (DKK bn)****	590	576	102
Deposits and RD funding (DKK bn)	239	249	96
Deposits (DKK bn)	228	238	96
Combined avg. weighted margin (%)	0.97	0.98	

Business Banking NII bridge** (DKK millions)



* Based on local currency lending volumes. ** Based on average volumes. *** Includes capital costs and off-balance-sheet items as well as the transfer of the Baltic portfolio to Non-core (DKK -56m). **** Adjusting for the move of the Baltic portfolio to Non-core, lending grew 1% q/q.

Lending volume by segment and country* (Q2 2017 = Index 100)

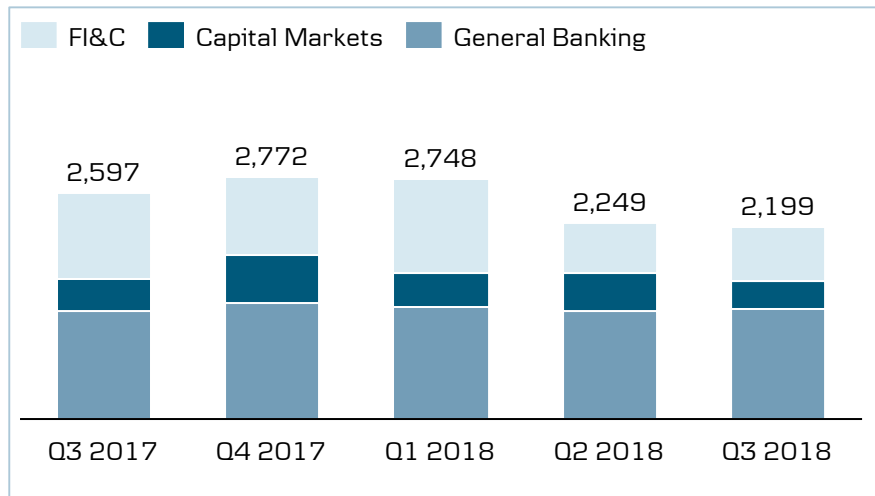


Corporates & Institutions: Profit before tax down 28% q/q due to oil-related impairment charges

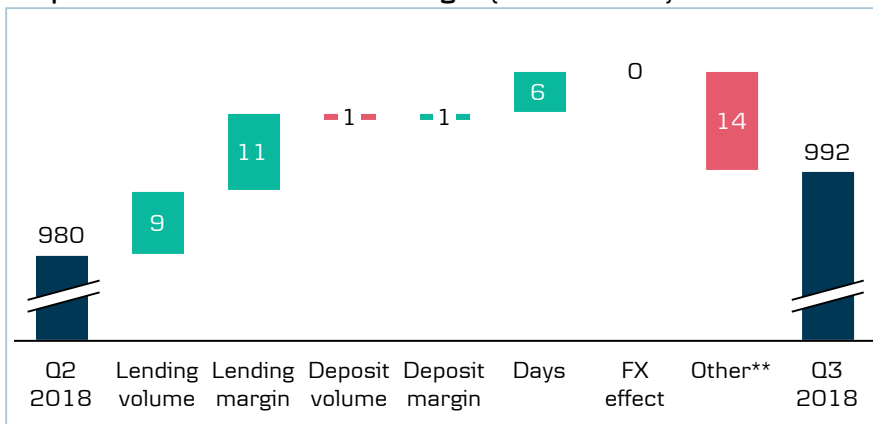
Income statement and key figures (DKK millions)

	Q3 2018	Q2 2018	Index
Net interest income	992	980	101
Net fee income	681	752	91
Net trading income	529	511	104
Other income	-4	6	
Total income	2,199	2,249	98
Expenses	1,107	1,153	96
Profit before loan impairment charges	1,092	1,096	100
Loan impairment charges	235	-99	-
Profit before tax	857	1,195	72
Lending (DKK bn)	187	191	98
Deposits (DKK bn)	272	269	101
Combined avg. weighted margin (%)	0.69	0.69	

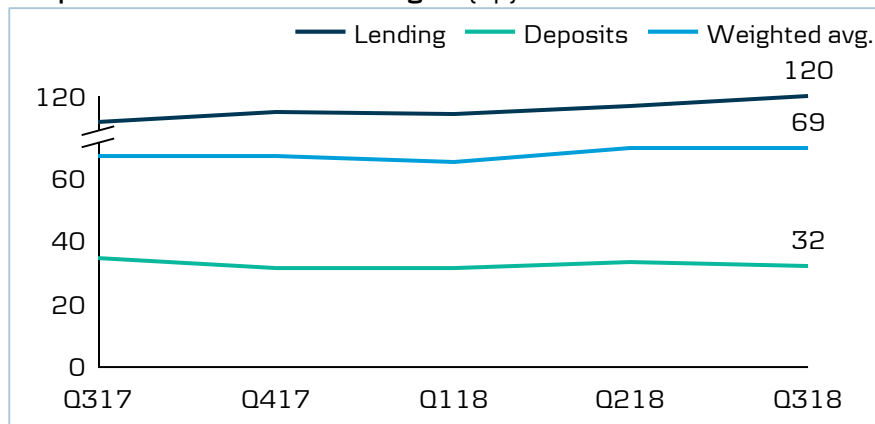
Income breakdown (DKK millions)



Corporates & Institutions NII bridge* (DKK millions)



Corporates & Institutions margins (bp)



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

Wealth Management: Profit before tax up 20% q/q as acquisition of SEB Pension Danmark increases fee income

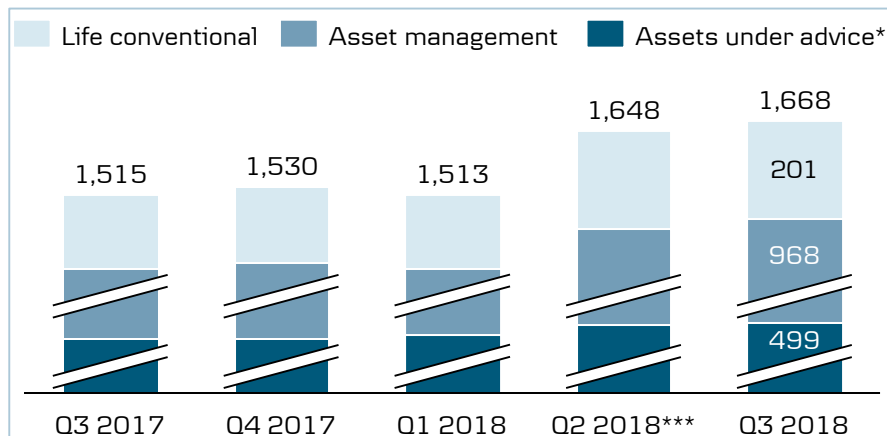
Income statement and key figures (DKK millions)

	Q3 2018	Q2 2018	Index
Net interest income	179	187	96
Net fee income	1,828	1,722	106
Net trading income	94	34	276
Other income	18	-63	-
Total income	2,119	1,880	113
Expenses	1,216	1,131	108
Profit before loan impairment charges	903	750	120
Loan impairment charges	-21	-17	-
Profit before tax	924	767	120
Lending (DKK bn)	77	77	101
Deposits (DKK bn)	68	71	96
Combined avg. weighted margin (%)	0.66	0.66	
Allocated capital (average, DKK bn)	17.2	13.5	127
Pre-tax return on allocated capital (%)	21.5	22.7	
AuM (DKK bn)	1,668	1,648	101
- Life conventional (Traditionel)	201	203	99
- Asset management (Unit-linked)	968	951	102
- Assets under advice*	499	493	101

Key points, Q3 2018 vs Q2 2018

- Assets under management up 1%.
- Fee income up 6% due to full quarter contribution from SEB Pension Danmark**
- Net sales for Asset Management of a negative DKK 6.1 bn (Q2: DKK 4.3 bn outflow) due to an outflow of institutional clients
- Net premiums of DKK 10.8 bn at Danica (Q2: DKK 10.0 bn),
- Operating expenses up 8%, primarily due to the acquisition of SEB Pension Danmark**

AuM breakdown (DKK billions)

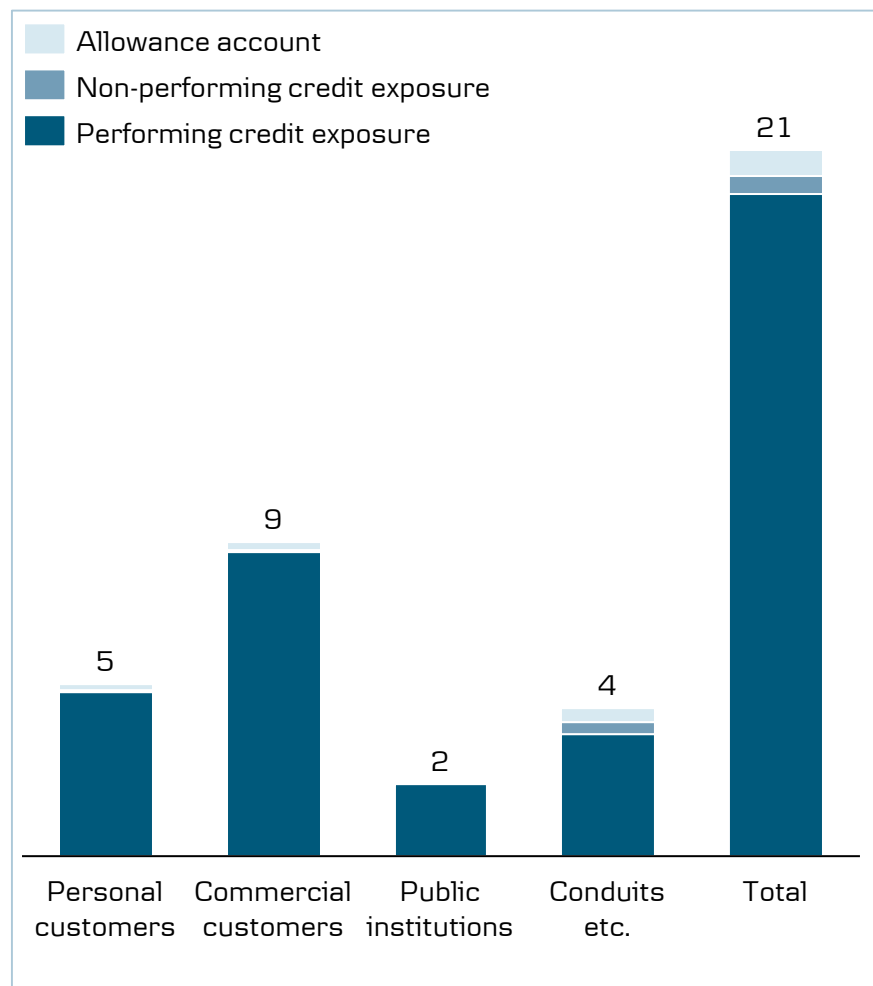


* Assets under advice from personal, business and private banking customers, where the investment decision is taken by the customer.

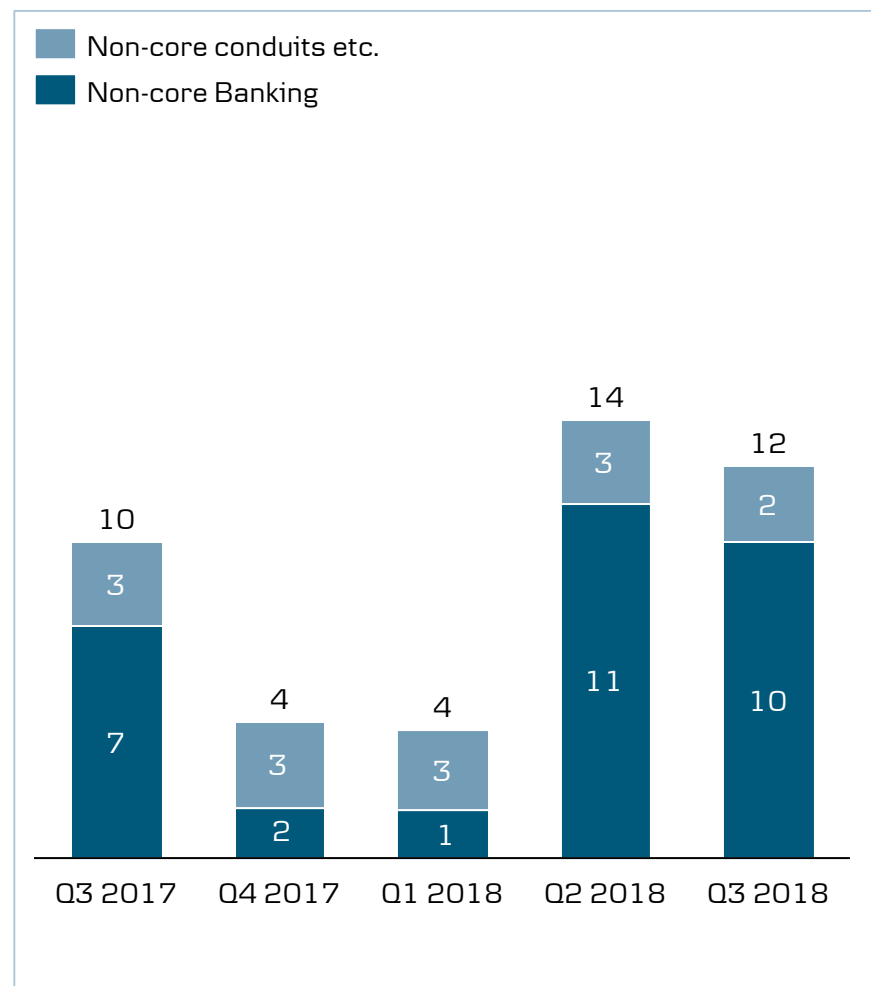
** The SEB Pension Danmark acquisition was finalised on 7 June 2018. *** Includes AuM from SEB Pension Danmark from Q2 2018 (Q2 2018 effect: DKK 102 bn).

Non-core: Deleveraging progressed according to plan; REA of DKK 12 bn at Q3 2018

Non-core loan portfolio, Q3 2018 (DKK billions)

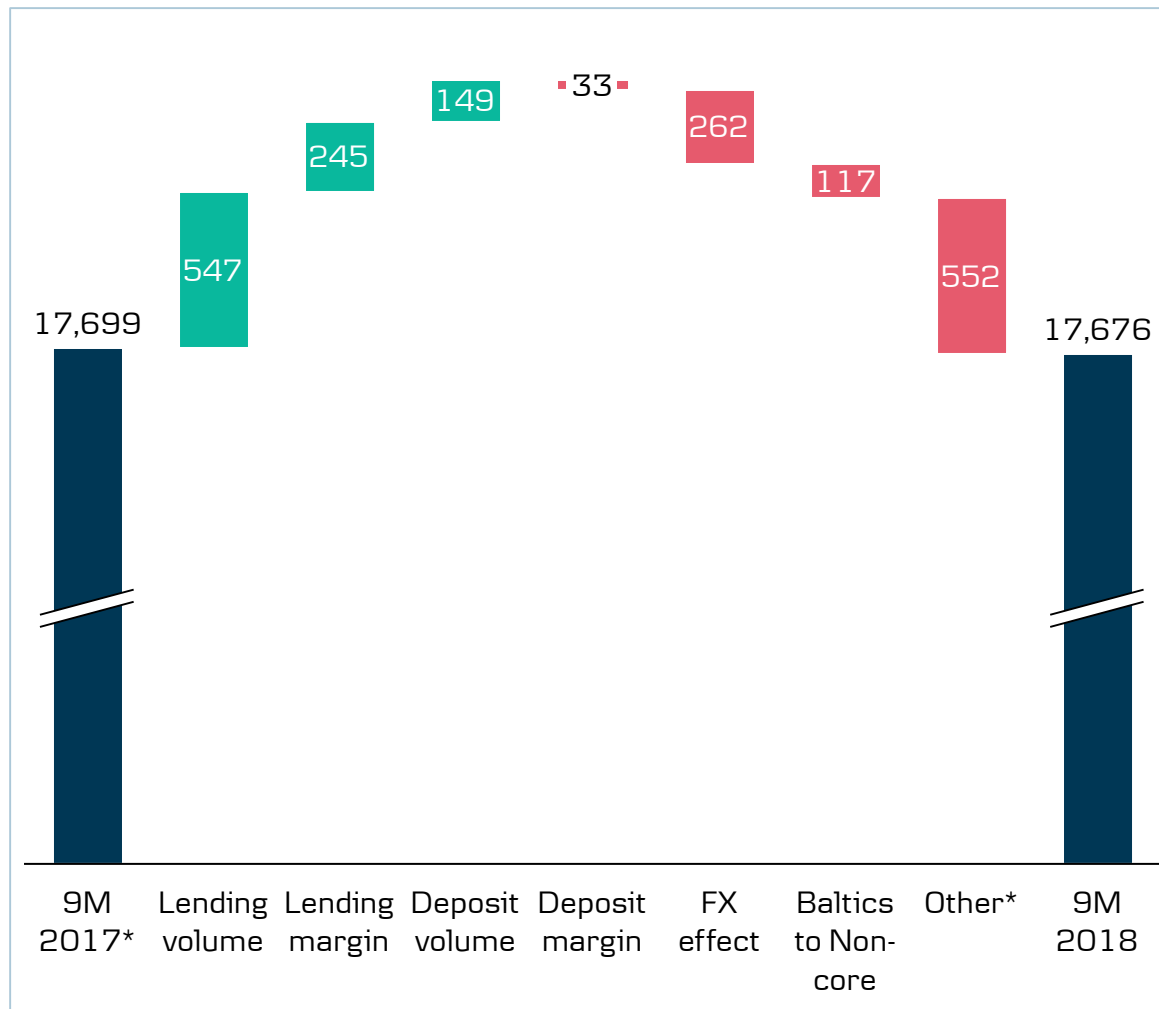


Non-core REA (DKK billions)



Net interest income: Volume growth offset by margin pressure and FX effect; up 1% y/y adjusted for FX effect

Change in net interest income (DKK millions)



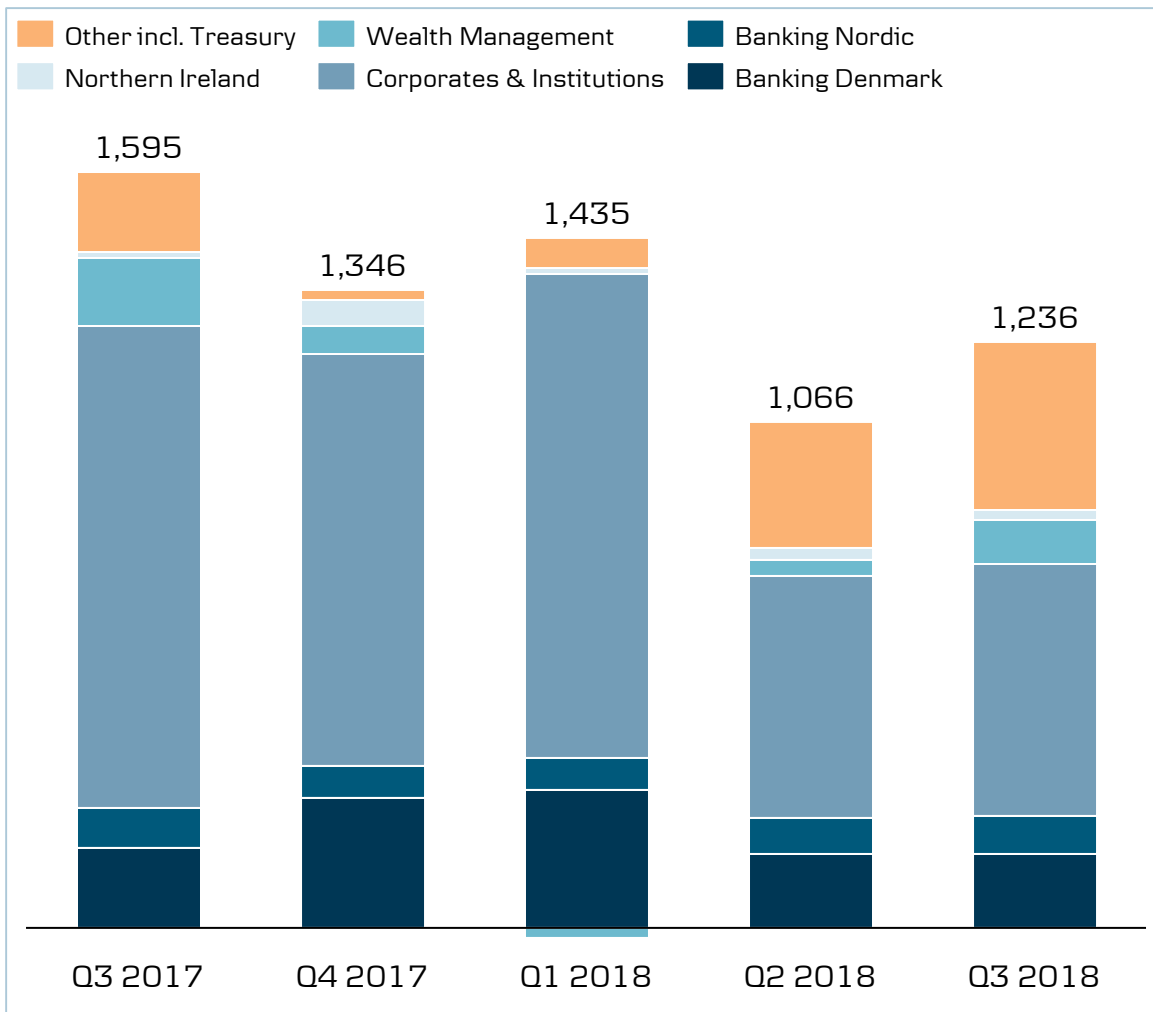
Comments

- NII Other includes and is impacted by:
 - differences at the Internal Bank between actual and allocated funding costs (FTP)
 - income related to the Group's liquidity portfolio
 - actual liquidity cost at the Internal Bank
 - deposit floor effect from changed FTP
- In Q4 2017, around DKK 70 m was moved from trading income to NII to align the FTP setup for floored loans across the Group. The full-year impact for 2018 is expected to be around DKK 280 m

* Note that net interest income has been restated after aligning the presentation of customer income on derivatives in FI&C, moving income from trading to NII and fees.

Trading income: At a low level owing to challenging conditions in rates markets

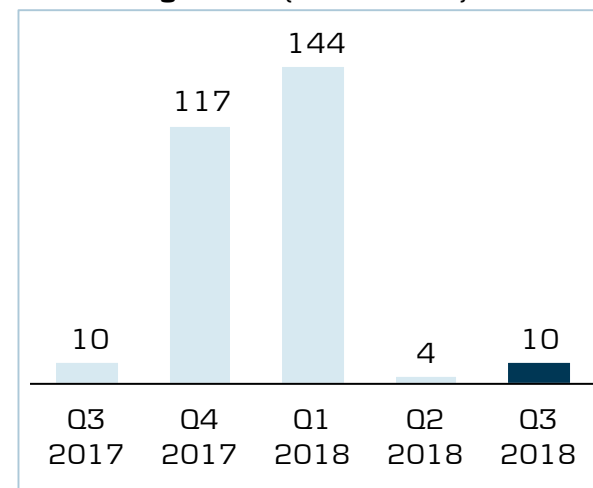
Trading income by business unit* (DKK millions)



Key points, Q3 2018 vs Q2 2018

- Trading income was up 16% from a low level in Q2
- Trading income remained subdued due to challenging conditions in rates markets
- FlexLån® loan auctions resulted in refinancing income of DKK 10 m in Q3 2018

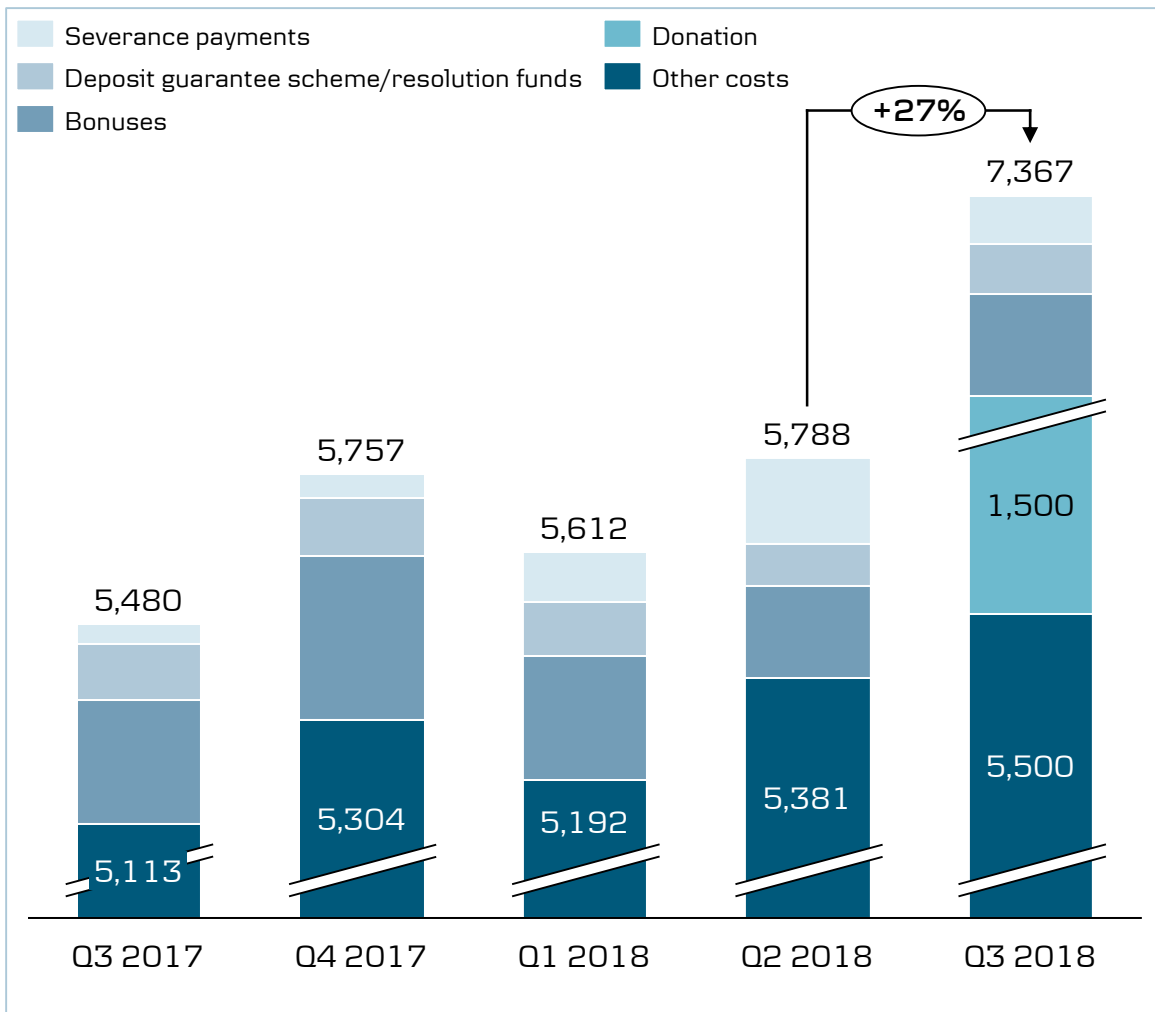
Refinancing income (DKK millions)



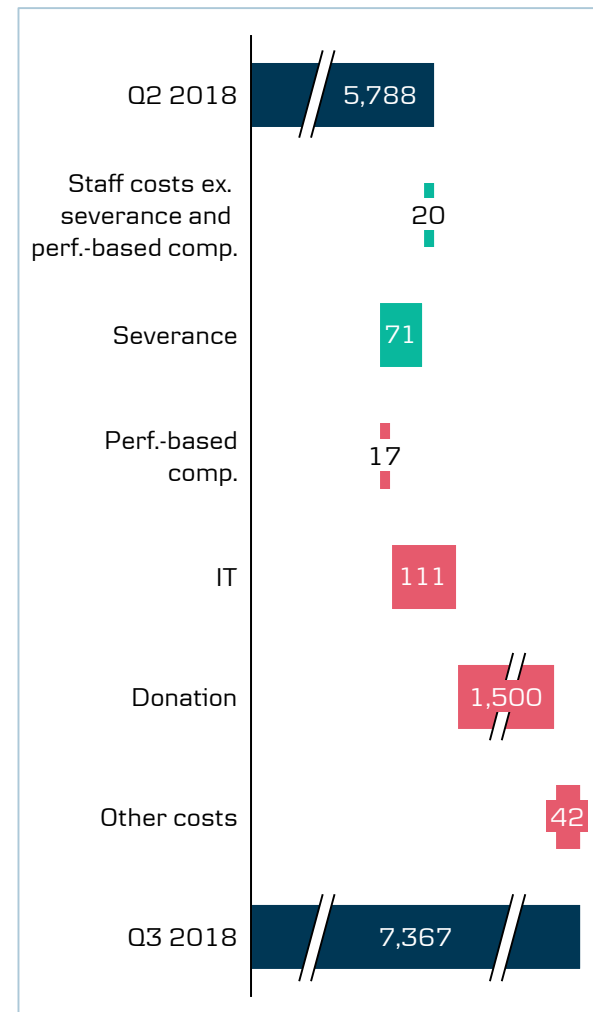
* Note that net trading income has been restated after aligning the presentation of customer income on derivatives in FICC, moving income from trading to NII and fees.

Expenses: Up 1% q/q excluding DKK 1.5 bn donation of income related to the Estonia case

Total expenses (DKK millions)

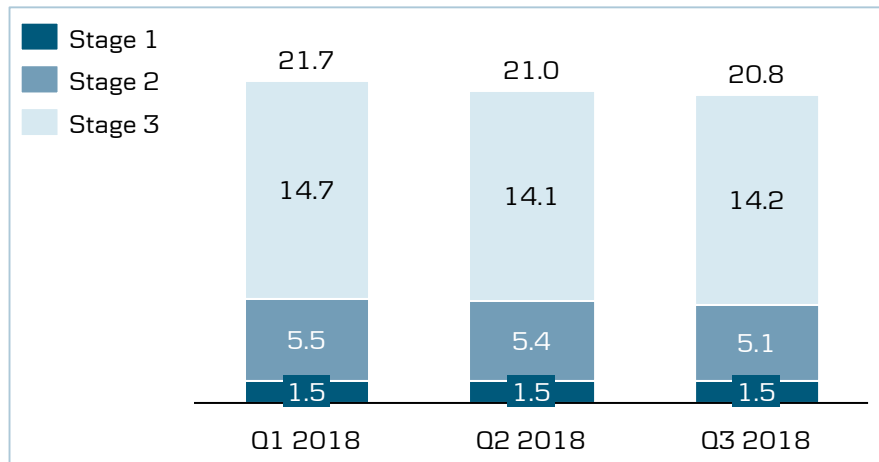


Change in expenses (DKK millions)

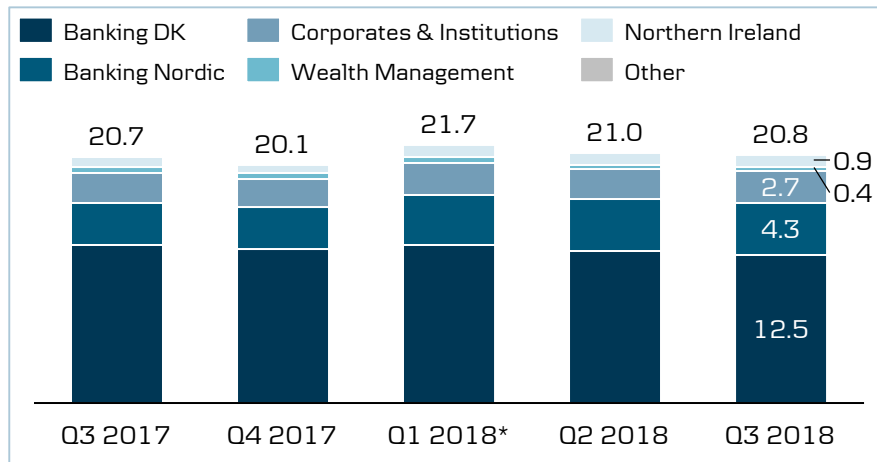


Credit quality: Positive trend in credit quality continues; NPLs decreased 11% y/y

Breakdown of core allowance account under IFRS 9 (DKK billions)



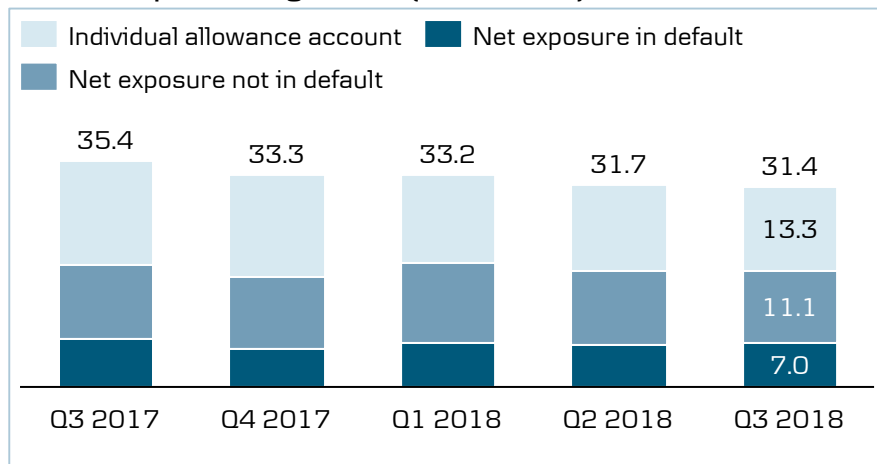
Core allowance account by business unit (DKK billions)



Breakdown of stage 2 allowance account and exposure (DKK bn)

End-Q3 2018	Allowance account	Gross credit exposure	Allowance as % of exposure
Retail customers	1.8	943.9	0.19%
Agriculture	1.2	75.0	1.64%
Shipping	0.3	43.0	0.76%
Commercial property	0.7	307.9	0.22%
Consumer discretionary	0.2	109.1	0.20%
Other	0.9	995.9	0.09%
Total	5.1	2,474.8	0.20%

Gross non-performing loans** (DKK billions)



* Allowance account increased by DKK 2.6 bn in Q1 2018 due to the implementation of IFRS 9.

** Non-performing loans are loans in stage 3 against which significant impairments have been made.

Credit exposure: Limited agriculture and directly oil-related exposure

Agriculture exposure [2.9% of Group exposure]

- Pork prices reached a very low level while milk prices increased during the quarter. Dry weather conditions in Denmark will adversely affect agricultural earnings in all major segments in 2018. Pig farmers are under pressure from the low output prices and higher costs. Exposure to growing of crops etc. is highly secured and has high NPL coverage ratio
- Due to these negative developments, impairments increased in stages 1 and 2. Total accumulated impairments amounted to DKK 3.6 bn, of which DKK 1.6 bn. in stages 1 and 2
- Realkredit Danmark represented 56% of total gross exposure and 18% of expected credit loss
 - LTV limit at origination of 60% at Realkredit Danmark

Oil-related exposure [0.7% of Group exposure]

- Net exposure decreased to DKK 17.8 bn* from DKK 19.5 bn last quarter due to lower exposure to two large customer groups
- Oil-related customers accounted for most of the impairment expense of DKK 0.2 bn at Corporates & Institutions in Q3
- By far most of the oil-related exposure is managed by specialist teams for customer relationship and credit management at Corporates & Institutions
- Total accumulated impairments amounted to DKK 2.1 bn, of which DKK 0.4 bn in stages 1 and 2

Agriculture by segment, Q3 2018 (DKK millions)

	Gross credit exposure	Portion from RD	Expected credit loss	Net credit exposure	NPL coverage ratio
			Sweden		
Banking DK	50,869	42,297	3,244	47,626	88%
Growing of crops, cereals, etc.	19,120	16,784	519	18,601	97%
Dairy	9,519	7,336	1,128	8,391	84%
Pig breeding	12,655	9,955	1,285	11,370	90%
Mixed operations etc.	9,575	8,222	312	9,263	87%
Banking Nordic	12,643	-	8,411	12,381	99%
Northern Ireland	4,733	-	38	4,695	98%
C&I	6,110	2,048	5	6,105	-
Others	641	-	13	628	-
Total	74,996	44,345	3,562	71,434	89%

Oil-related exposure, Q3 2018 (DKK millions)

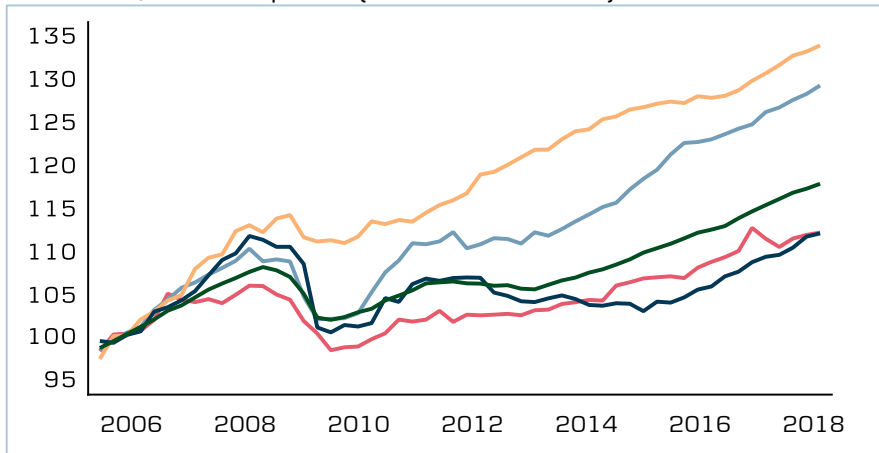
	Gross credit exposure	Expected credit loss	Net credit exposure
C&I	18,592	1,730	16,862
Oil majors	5,560	310	5,250
Oil service	5,442	22	5,420
Offshore	7,590	1,399	6,191
Banking DK and Banking Nordic	1,315	368	946
Oil majors	1,187	367	819
Oil service	1	0	1
Offshore	127	1	126
Others	4	0	4
Total	19,911	2,099	17,812

* The oil-related net credit exposure of DKK 17.8 bn is part of the energy and utilities industry (DKK 11.5 bn) and shipping industry (DKK 6.3 bn).

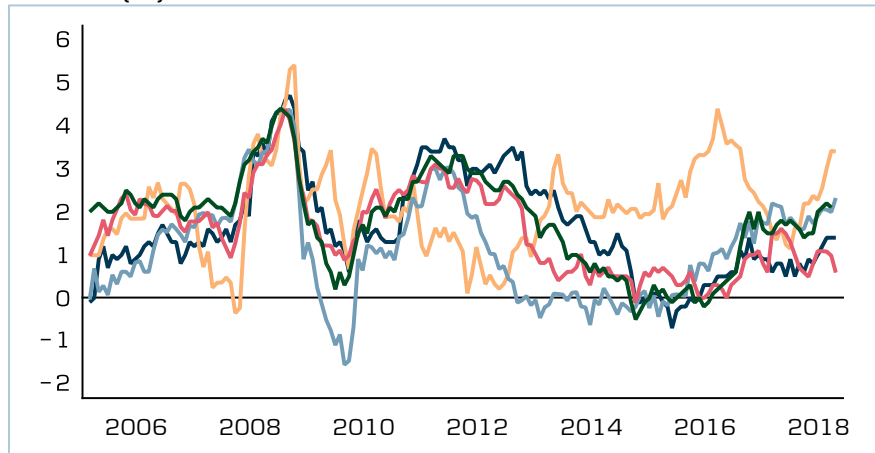
Nordic macroeconomics

Denmark Sweden Norway Finland EU

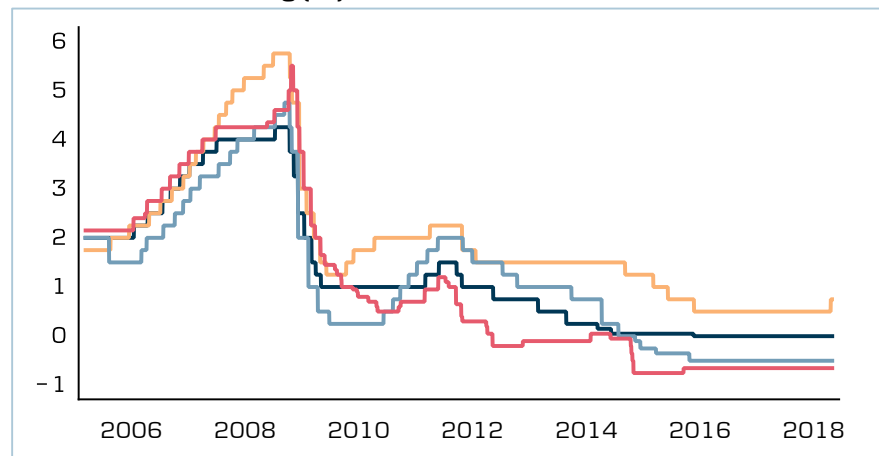
Real GDP, constant prices (index 2005 = 100)



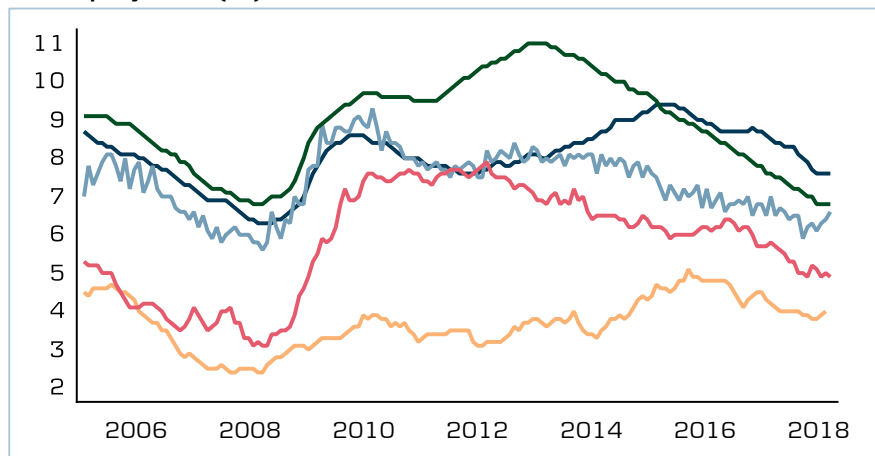
Inflation (%)



Interest rates, leading (%)



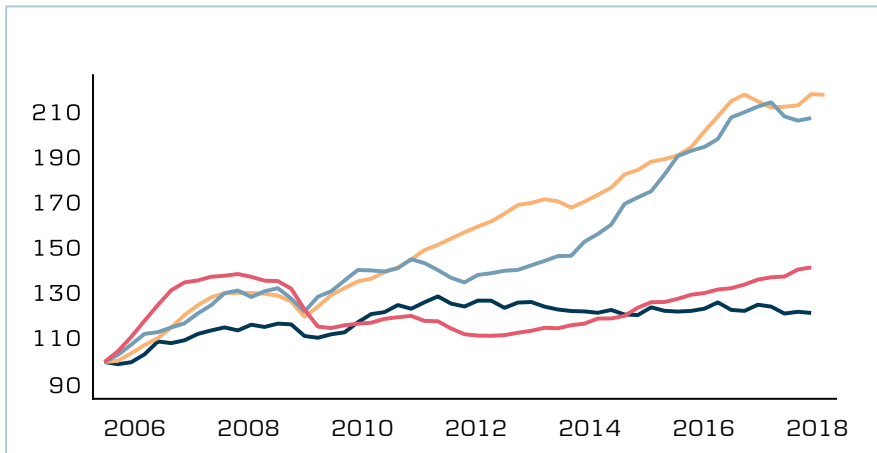
Unemployment (%)



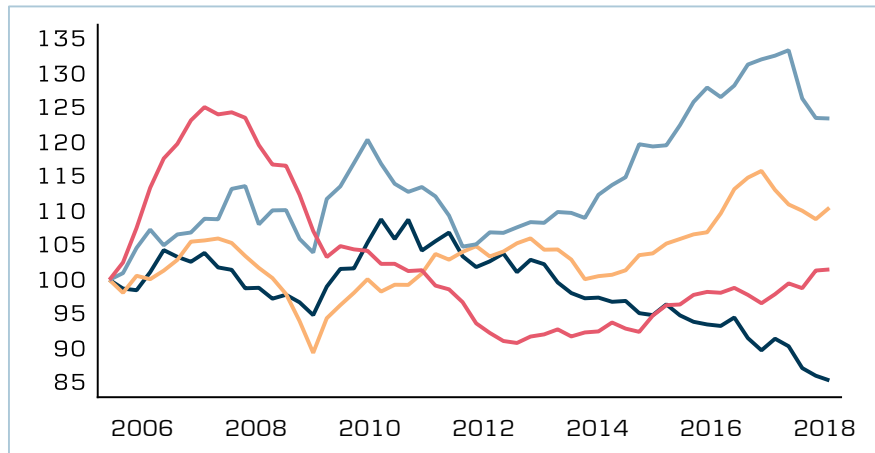
Nordic housing markets

— Denmark — Sweden — Norway — Finland

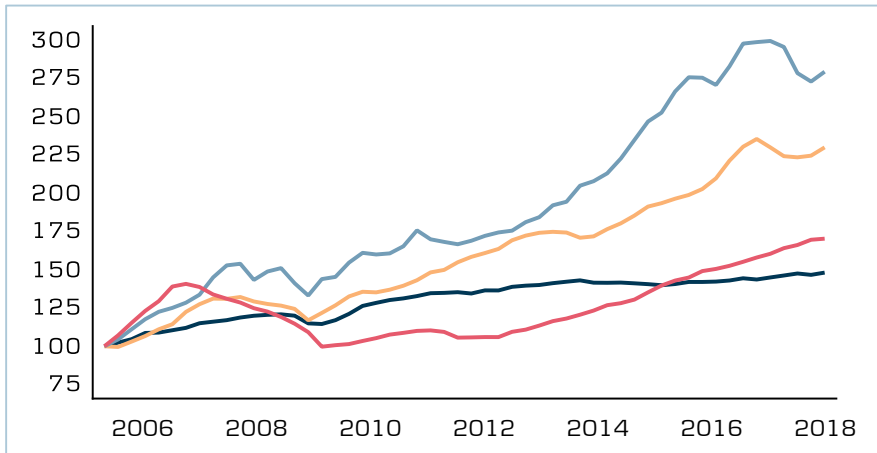
Property prices (index 2005 = 100)



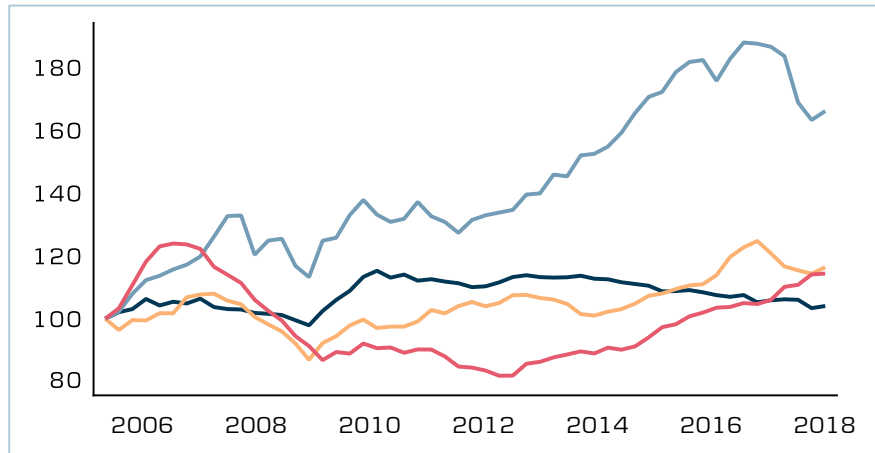
House prices/nom. GDP (index 2005 = 100)



Apartment prices (index 2005 = 100)



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



Realkredit Danmark and the Danish housing market: Portfolio overview

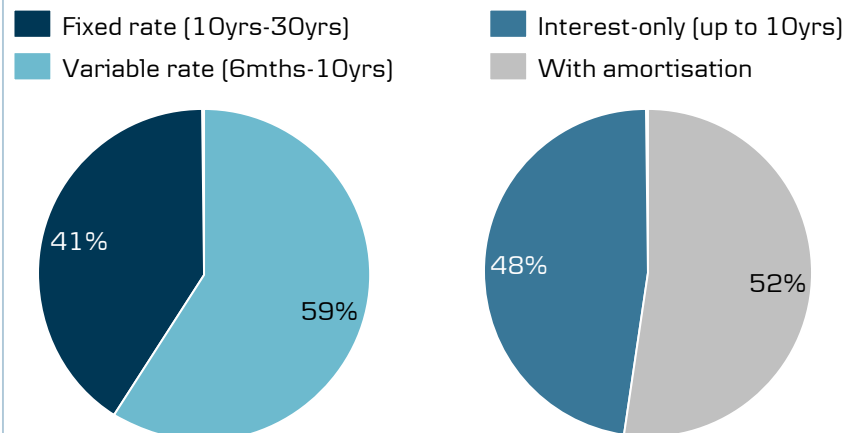
Portfolio facts, Realkredit Danmark, Q3 2018

- Approx. 364,000 loans (residential and commercial)
- 1,151 loans in 3- and 6-month arrears (-4% since Q2)
- 23 repossessed properties
- DKK 9 bn of loans with LTV ratio > 100%, including DKK 4 bn with public guarantee
- Average LTV ratio of 61%

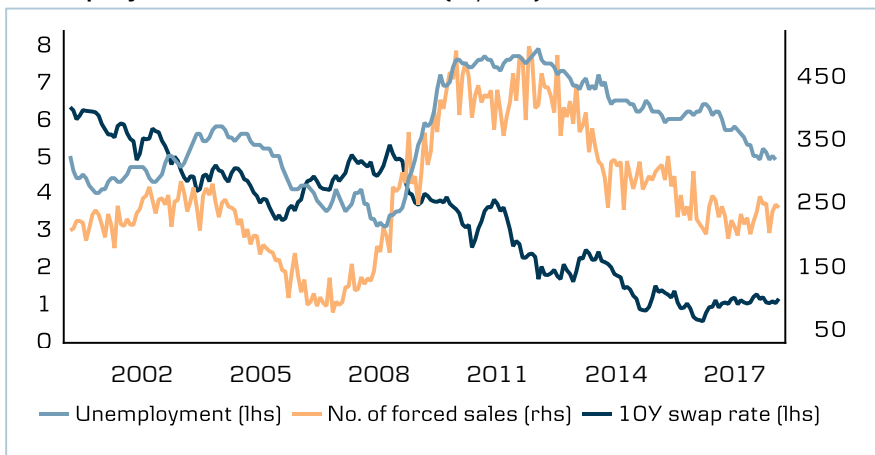
LTV ratio at origination (legal requirement)

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

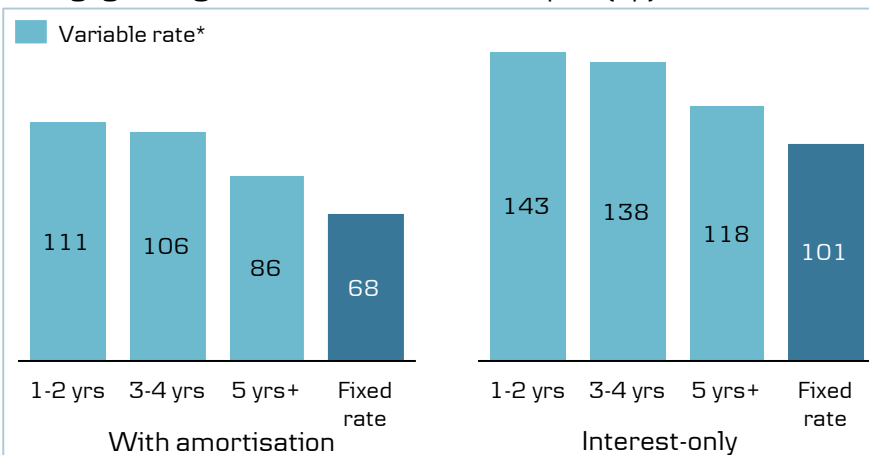
Stock of retail loans (DKK 449 bn), Realkredit Danmark, Q3 18 (%)



Unemployment and foreclosures (%/No.)



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



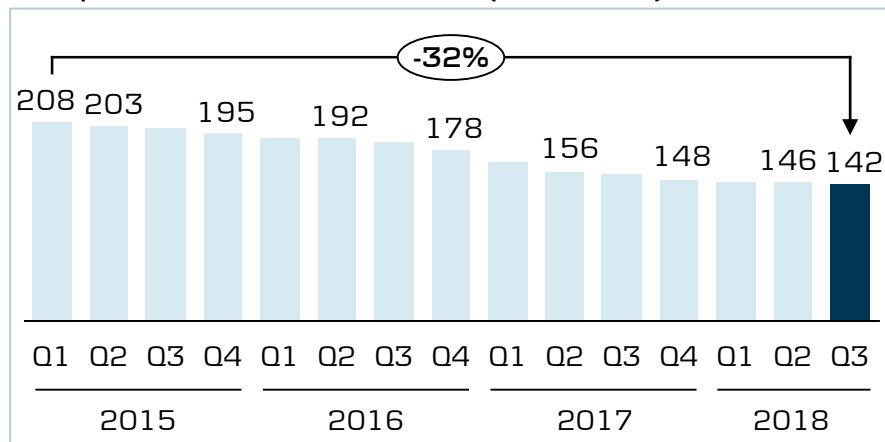
* In addition, we charge a fee of 30 bp of the bond price for refinancing of 1- and 2-year floaters and a fee of 20 bp for floaters of 3 or more years.

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

Key points

- 58% of new retail loans in Q3 were fixed-rate loans, and 33% were 5- to 10-year variable-rate loans
- Total stock of loans amounted to DKK 776 bn:*
 - 58% to retail
 - 20% to residential rental
 - 16% to commercial property
 - 6% to agriculture
- 55% of total stock are loans with amortisation

Loan portfolio, FlexLån® F1-F4 loans (DKK billions)



* Nominal value.

Supervisory diamond for Danish mortgage credit institutions

Concentration risk: ✓
Sum of 20 largest exposures/CET1 < 1

Growth: ✓
Max. 15% annually in certain segments

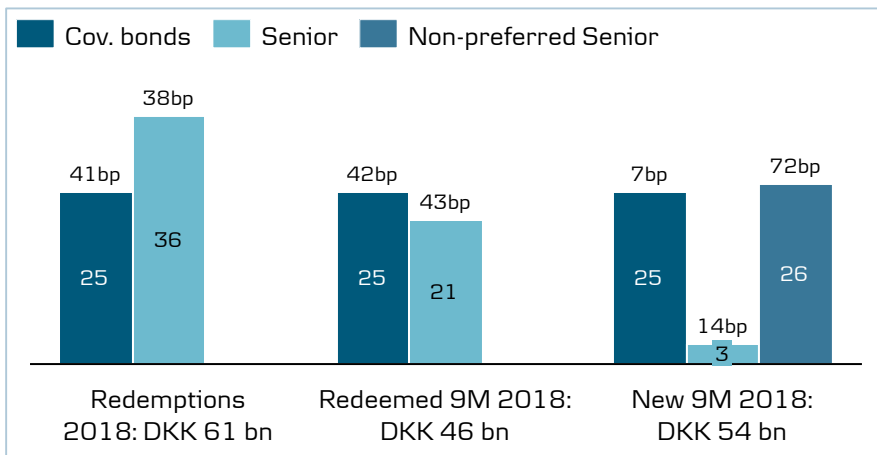
Refinancing need: ✓
Max. 12.5% of portfolio quarterly and max. 25% annually

Interest risk: ✓
[LTV ratio > 75% of legal limit and interest rate fixed < 2 years] < 25% of portfolio

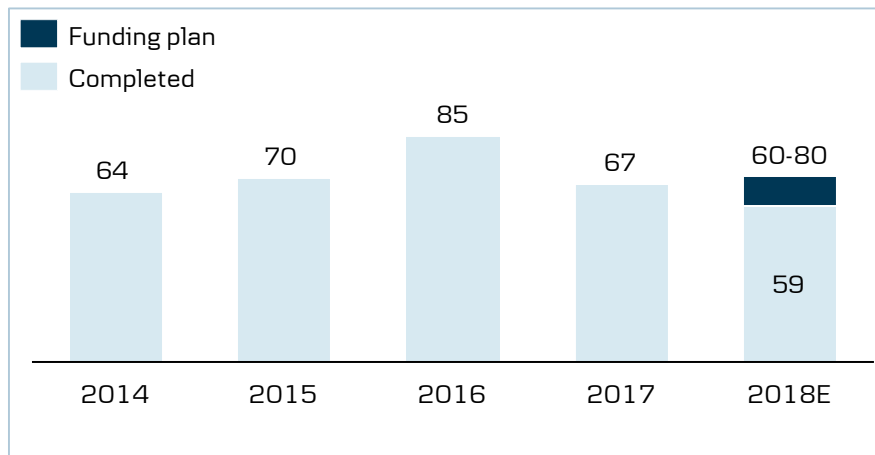
Interest-only loans: ✓
Max. 10% of portfolio with LTV ratio > 75% of legal limit

Funding and liquidity: DKK 59 bn of long-term funding issued in 9M 2018; LCR compliant at 135%

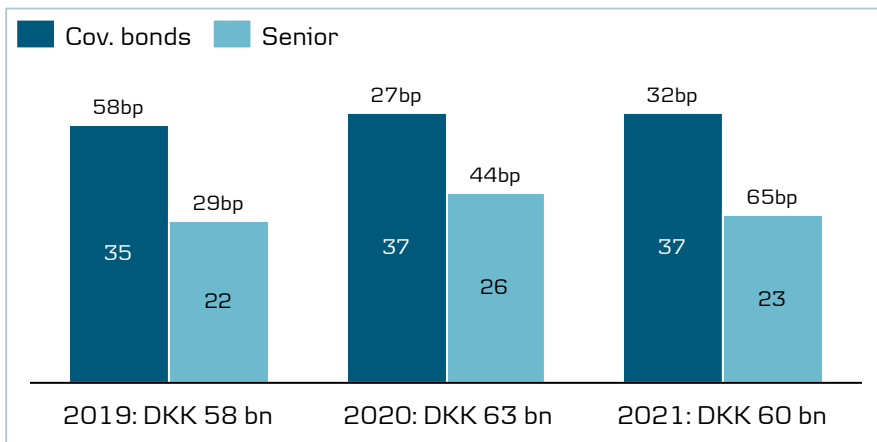
Changes in funding,* 2018 (DKK billions and bp)



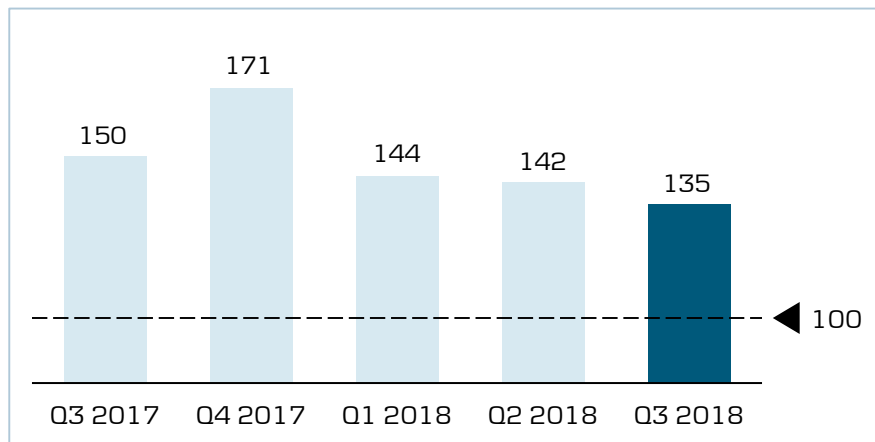
Long-term funding excl. RD (DKK billions)**



Maturing funding,* 2019-2021 (DKK billions and bp)



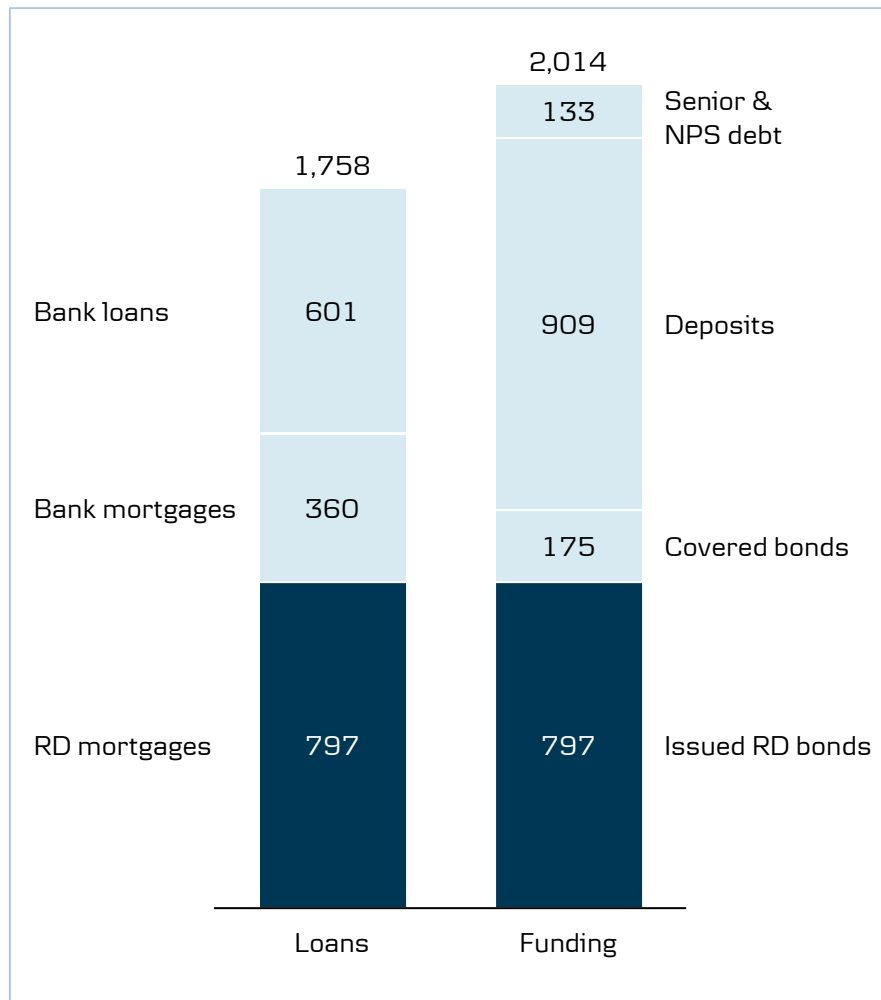
Liquidity coverage ratio (%)



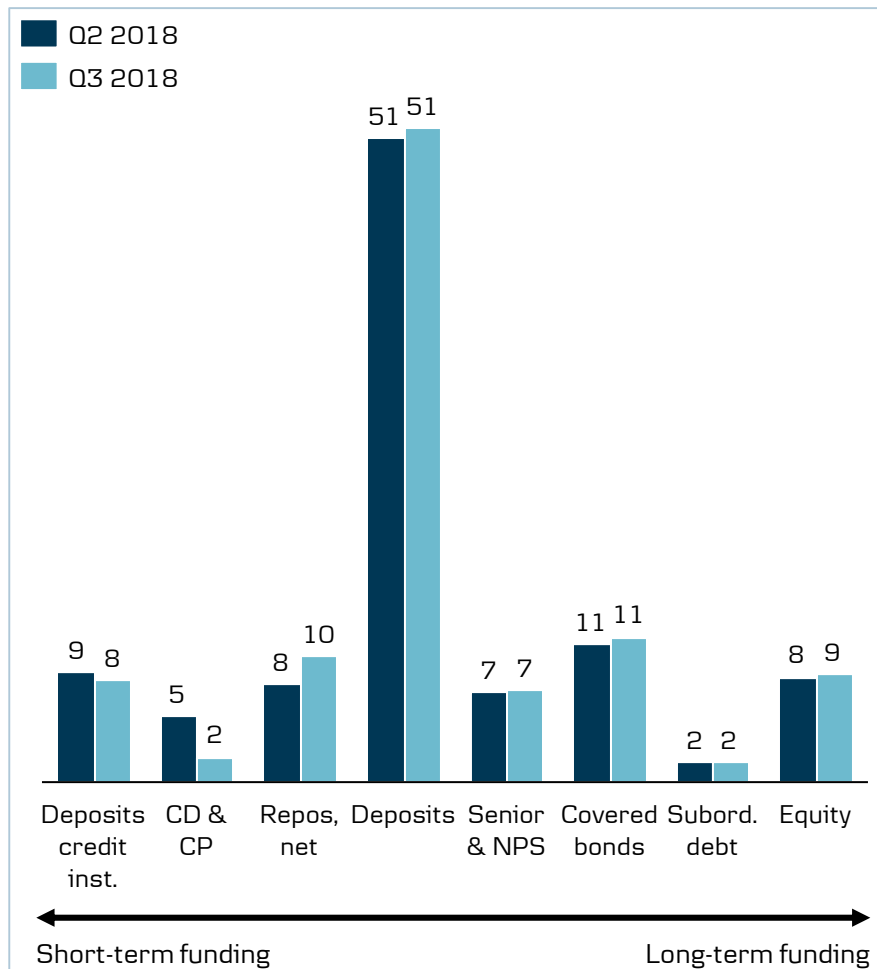
* Spread over 3M EURIBOR. **Includes covered bonds excl. RD, senior, non-preferred senior and capital instruments.

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

Loan portfolio and long-term funding, Q3 2018 (DKK billions)

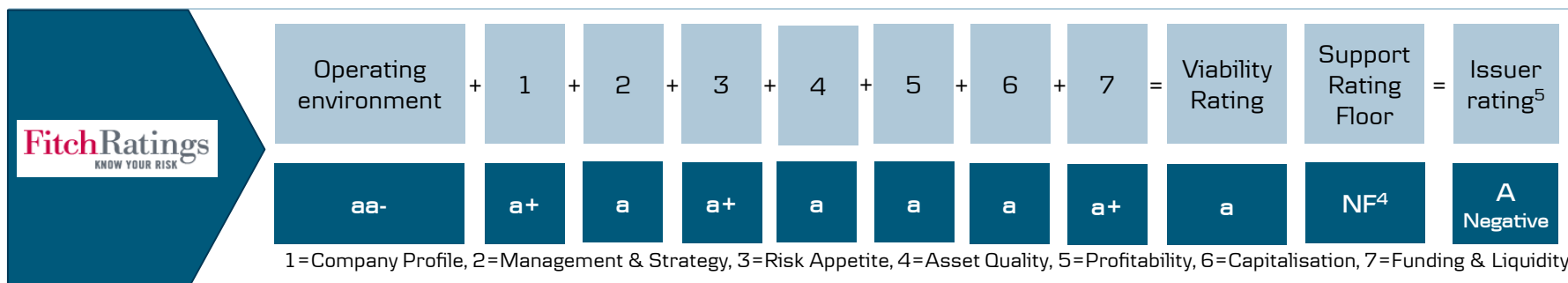
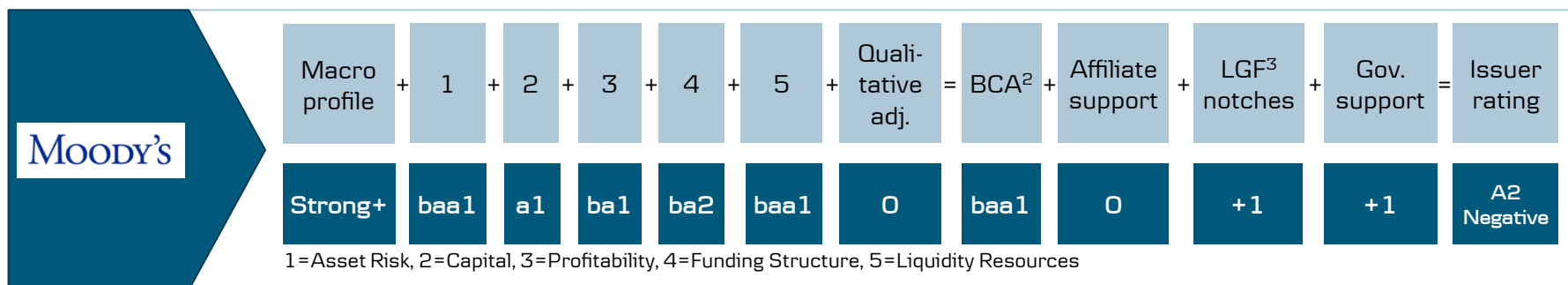
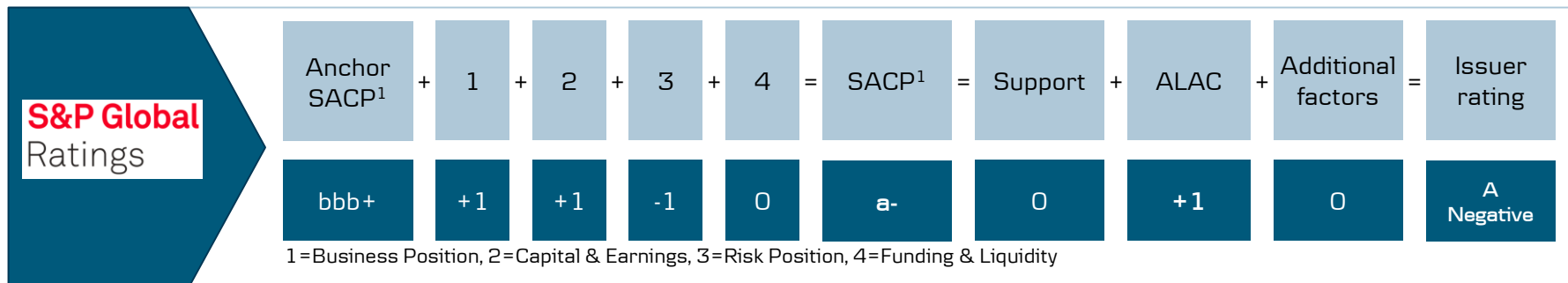


Funding sources (%)



Three distinct rating methodologies

Rating methodology



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 the Support Rating Floor.

Tax

Actual and adjusted tax rates (DKK millions)

	Q32018	Q22018	Q12018	Q42017	Q32017
Profit before tax	3,589	5,487	5,802	6,729	6,236
Permanent non-taxable difference	1,170	-95	-133	912	-178
Adjusted pre-tax profit, Group	4,759	5,392	5,669	7,642	6,058
Tax according to P&L	1,107	1,256	1,241	1,081	1,305
Taxes from previous years	-39	-36	30	529	56
Adjusted tax	1,068	1,220	1,271	1,610	1,361
Adjusted tax rate	22.4%	22.6%	22.4%	21.1%	22.5%
Actual tax rate	30.8%	22.9%	21.4%	16.1%	20.9%

Tax drivers, Q3 2018

- The adjusted tax rate of 22.4% is higher than the Danish rate of 22% due to income in countries with a higher tax rate, primarily Norway
- The actual tax rate of 30.8% is higher than the Danish rate of 22% primarily due to the permanent non-taxable difference
- The permanent non-taxable difference derives mainly from the DKK 1.5 bn donation regarding Estonia and tax-exempt value adjustments on shares

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