

Financial results 2017



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Executive summary I: A strong financial result for 2017

All the Nordic economies continued to see positive trends in 2017

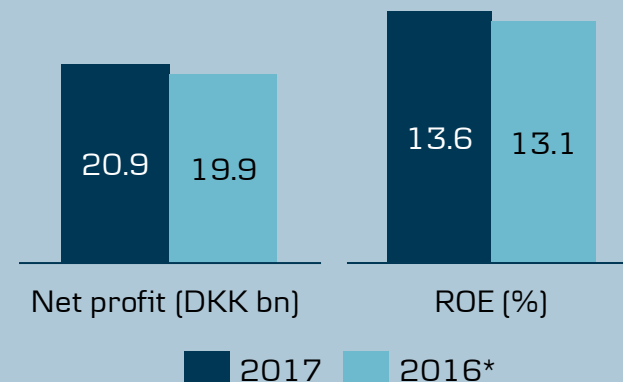
Stable inflow from personal and business customers across the Nordics – especially in Sweden & Norway

Solid customer activity within capital markets and wealth management

Expenses broadly flat despite IT-related costs for regulatory compliance. Very strong credit quality continued

Financial highlights

- Net profit of 20.9 bn – up 5% y/y from 2016*
- ROE of 13.6%, exceeding our target of 12.5%
- Loan growth of 2% y/y despite FX headwinds
- Introducing a new relative ROE target: To rank in the top three among major Nordic peers
- Net profit outlook for 2018: DKK 18–20 bn



Executive summary II: Very strong capital position

Strong capital build up since 2013

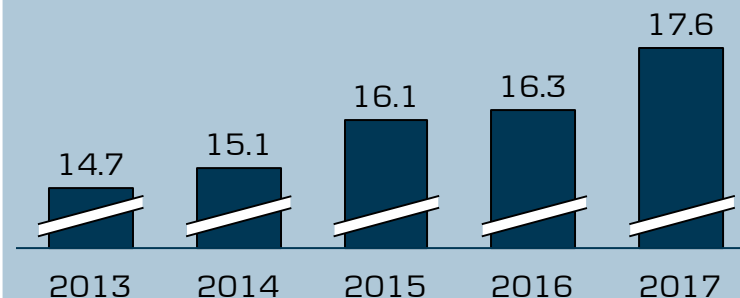
Capital generation based on satisfying development in earnings and constant focus on de-risking

Comfortable margin above fully phased-in regulatory requirement of 12%

New dividend policy provides flexibility in capital distributions

Financial highlights

- Strong capital position: CET1 capital ratio 17.6%
- Proposed dividend of DKK 10 per share represents pay-out ratio of 45%
- New dividend policy of 40-60% of net profit
- New share buy-back programme of DKK 10 bn starting on 5 February 2018



Net profit: DKK 20.9 bn, up 5% from 2016*

Income statement and key figures (DKK millions)

	2017	2016	Index	Q4 2017	Q3 2017	Index
Net interest income	23,430	22,028	106	6,039	5,961	101
Net fee income	15,304	14,183	108	4,217	3,494	121
Net trading income	7,823	8,607	91	1,543	1,762	88
Other income	1,591	3,140	51	420	328	128
Total income	48,149	47,959	100	12,219	11,544	106
Expenses	22,722	22,642	100	5,757	5,480	105
Profit before loan impairment charges	25,427	25,317	100	6,462	6,064	107
Loan impairment charges	-873	-3	-	-241	-166	-
Profit before tax, core	26,300	25,320	104	6,703	6,230	108
Profit before tax, Non-core	-12	37	-	27	6	-
Profit before tax	26,288	25,357	104	6,729	6,236	108
Tax	5,388	5,500	98	1,081	1,305	83
Net profit	20,900	19,858	105	5,649	4,931	115
Return on avg. shareholders' equity (%)	13.6	13.1		14.4	12.8	
Cost/income ratio (%)	47.2	47.2		47.1	47.5	
Common equity tier 1 capital ratio (%)	17.6	16.3		17.6	16.7	
EPS (DKK)	22.2	20.2	110	6.1	5.3	115
Lending (DKK bn)	1,723	1,689	102	1,723	1,726	100
Deposits and RD funding (DKK bn)	1,704	1,631	104	1,704	1,713	99
- of which deposits (DKK bn)	912	859	106	912	923	99
Risk exposure amount (DKK bn)	753	815	92	753	769	98

Key points, 2017 vs 2016

- Return on equity of 13.6%
- NII up 6% and fee income up 8%
- In 2016, other income included the sale of domicile properties, and trading income included the sale of VISA Europe and Danmarks Skibskredit
- Expenses flat, cost/income ratio of 47.2%
- Lending volume up 2%, net of negative FX effects (up 3% FX-adjusted)

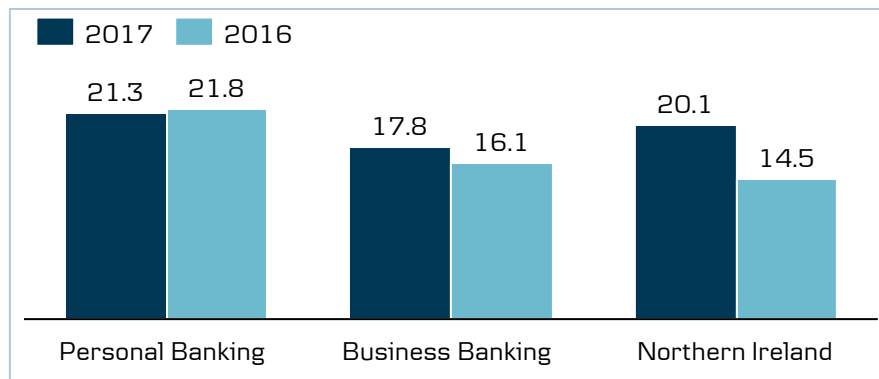
Key points, Q4 2017 vs Q3 2017

- NII up 1% and fee income up 21%
- Fee income reflected performance fees of DKK 368 million
- Expenses up 5% from a low level in Q3
- Reversal of impairments continued
- CET1 capital ratio of 17.6% and REA of DKK 753 bn
- Lending stable Q/Q but impacted by negative FX effects

* 2016 included the sale of domicile properties, the sale of VISA Europe and the sale of Danmarks Skibskredit

Banking units: Growth and net reversals in 2017

Pre-tax return on allocated capital (%)



Financial highlights, 2017 vs 2016

Personal Banking

- Total income up, driven by all income lines
- Expenses down 2% despite increasing costs for regulatory compliance
- Lending up 2%, primarily driven by growth in Sweden

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

- Operating expenses influenced by a one-off pension adjustment
- Lending up 2%, driven by growth in both personal and corporate lending

Income statement (DKK millions)

	Personal Banking			Business Banking			Northern Ireland		
	2017	2016	Index	2017	2016	Index	2017	2016	Index
Net interest income	7,911	7,660	103	8,828	8,427	105	1,374	1,458	94
Net fee income	3,419	3,306	103	1,806	1,629	111	429	471	91
Net trading income	614	562	109	548	568	96	111	126	88
Other income	736	613	120	551	588	94	48	18	267
Total income	12,681	12,141	104	11,733	11,212	105	1,961	2,072	95
Expenses	7,533	7,654	98	4,601	4,791	96	957	1,243	77
Profit before loan impairment charges	5,148	4,486	115	7,133	6,421	111	1,004	829	121
Loan impairment charges	-62	-477	-	-824	-235	-	-247	-234	-
Profit before tax	5,211	4,963	105	7,957	6,657	120	1,251	1,063	118
Lending (DKK bn)	758	742	102	688	662	104	46	46	102
Deposits and RD funding (DKK bn)	683	666	103	578	554	104	59	59	100
- of which deposits (DKK bn)	273	267	102	242	230	105	59	59	100

C&I and Wealth Management: Higher customer activity and positive market developments benefited major income lines

Corporates & Institutions: Financial highlights, 2017 vs 2016

- Total income up 9%. Customer-driven business model proved resilient in low-volatility environment
- Fee income up 19% owing to increased customer activity in Capital Markets and General Banking
- Trading income reflects strong customer activity at FICC in the first half of the year, driven by geopolitical events. Lower activity in the second half of the year
- Expenses slightly higher, driven by higher activity and performance-related pay
- Impairment charges down 67%, primarily due to fewer impairments against oil related exposures

Wealth Management: Financial highlights, 2017 vs 2016

- Assets under management up 8% to DKK 1,530 bn owing to positive inflow and performance
- Net sales at Asset Management of DKK 20.9 bn in 2017 up 134% from 2016
- Net premiums of DKK 39.7 bn at Danica in 2017 up 17%
- Fee income up 8%, driven by customer activity, an increase in AuM, and despite higher shadow account booking in 2016
- Trading income in 2016 included a one-off of DKK 175 m related to the transfer of a portfolio of insurance contracts
- Expenses up 5% due to regulatory implementation, especially MiFID II, increased activity and restructuring costs

Corporates & Institutions: Income statement (DKK millions)

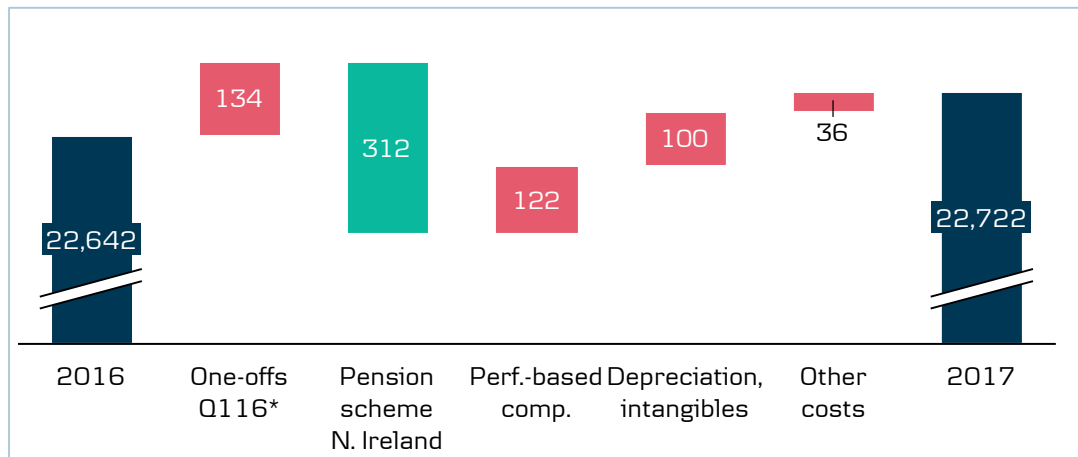
	2017	2016	Index
Net interest income	3,207	3,061	105
Net fee income	2,651	2,221	119
Net trading income	5,668	5,263	108
Other income	2	16	13
Total income	11,528	10,561	109
Expenses	4,799	4,648	103
Profit before loan impairment charges	6,729	5,913	114
Loan impairment charges	354	1,071	33
Profit before tax	6,375	4,842	132
Pre-tax return on allocated capital (%)	17.8	12.7	
Lending (DKK bn)	185	197	94
Deposits (DKK bn)	274	233	117

Wealth Management: Income statement (DKK millions)

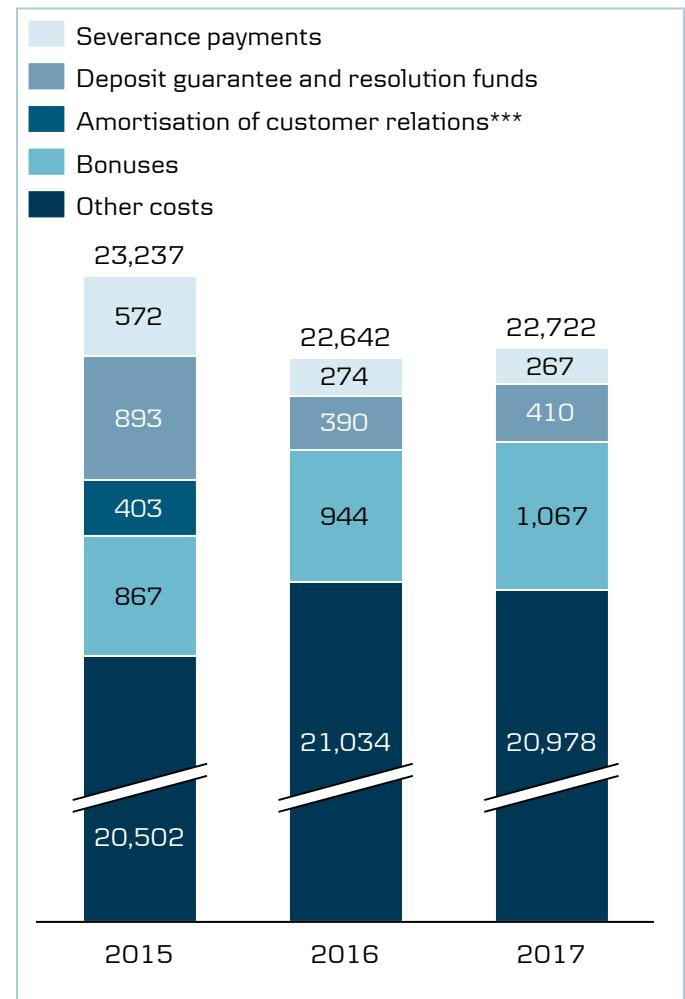
	2017	2016	Index
Net interest income	709	675	105
Net fee income	7,281	6,732	108
Net trading income	403	591	68
Other income	174	574	30
Total income	8,567	8,572	100
Expenses	4,082	3,887	105
Profit before loan impairment charges	4,485	4,685	96
Loan impairment charges	-93	-137	-
Profit before tax	4,579	4,823	95
Pre-tax return on allocated capital (%)	33.0	34.3	
Lending (DKK bn)	75	72	104
Deposits (DKK bn)	66	63	105
Assets under management (DKK bn)	1,530	1,420	108

Expenses: Broadly at the same level as in 2016

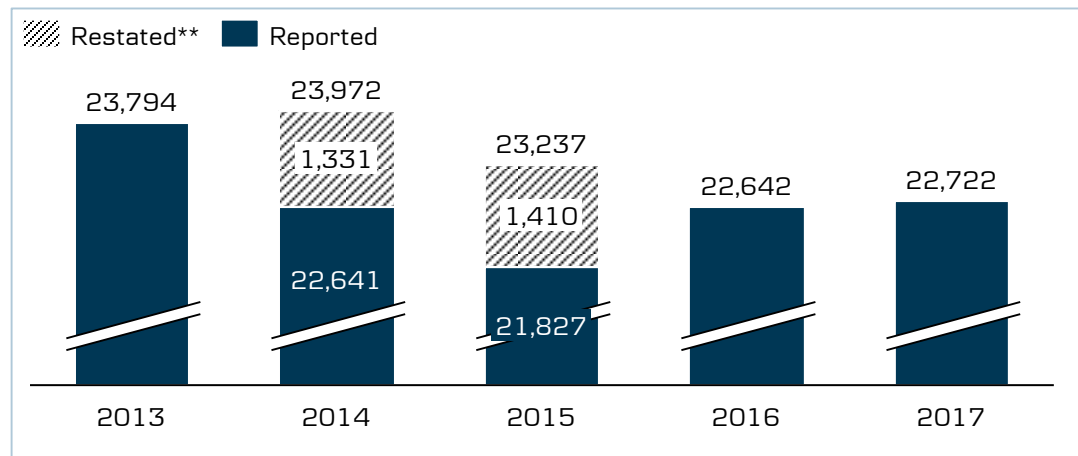
Change in expenses (DKK millions)



Total expenses excl. goodwill charge (DKK millions)



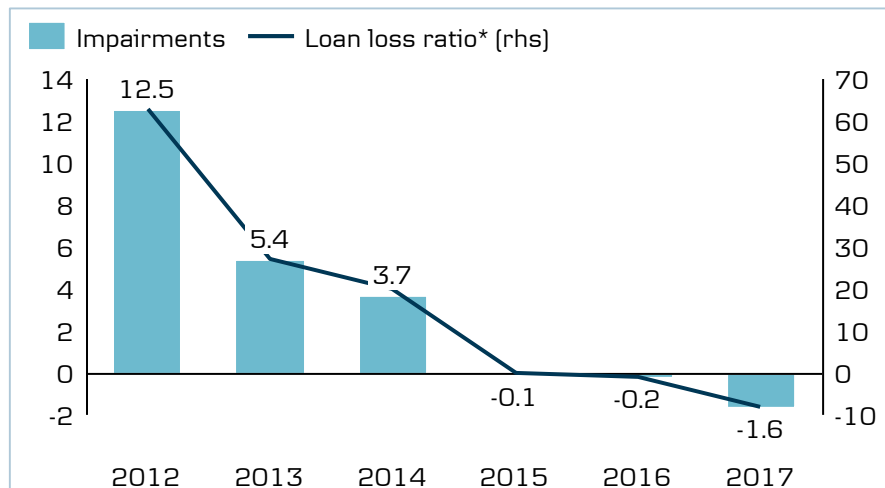
Total expenses excl. goodwill charge, 2013-2017 (DKK millions)



* 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: Net reversals in all business units in Q4 2017

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



Impairment drivers, Q4 2017 vs Q3 2017

- Net reversals at all business units in Q4, supported by benign macroeconomic conditions in all Nordic countries
- Reversals at Business Banking primarily due to continued reversals in agriculture. Strong underlying credit quality continues despite lower net reversals in Q4
- Small reversal at C&I due to more stable credit quality for oil-related exposure. Collective charges of DKK 1.1 bn, slightly down from Q3
- Non-core: Significant reversals of charges against banking facilities, including the Irish portfolio

Impairments (DKK millions)

	2017	2016	Q4 2017	Q3 2017
Personal Banking	-62	-477	-41	-25
Business Banking	-824	-235	-52	-226
C&I	354	1,071	-32	138
Wealth Management	-93	-137	-23	-25
Northern Ireland	-247	-234	-93	-24
Other activities	-	9	1	-3
Total core	-873	-3	-241	-166
Non-core	-710	-165	-470	-233
Group	-1,583	-168	-710	-399

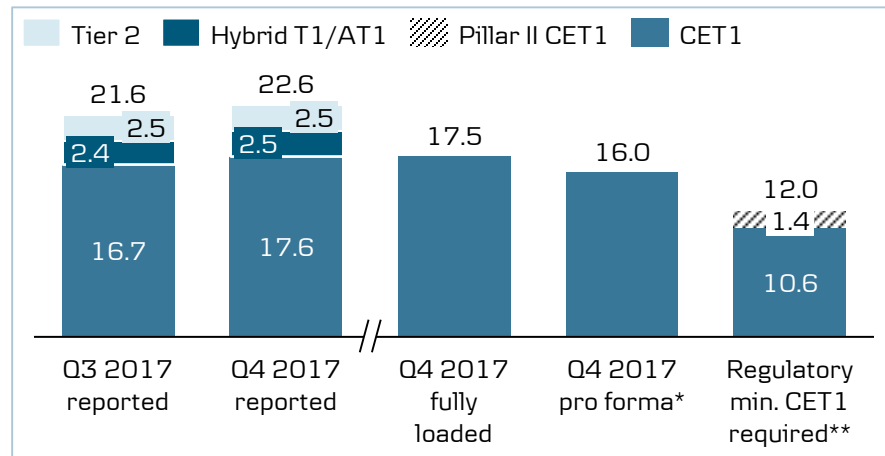
Loan loss ratio,** annualised (bp)

	2017	2016	Q4 2017	Q3 2017
Personal Banking	-1	-7	-2	-1
Business Banking	-12	-4	-3	-13
C&I	8	27	-3	14
Wealth Management	-12	-20	-12	-13
Northern Ireland	-55	-47	-80	-21
Other activities	2	24	17	-23
Total core	-4	0	-5	-3
Non-core	-376	-69	-1,100	-537
Group	-8	-1	-14	-8

* 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 17.6% allows further DKK 10 bn share buy-back programme

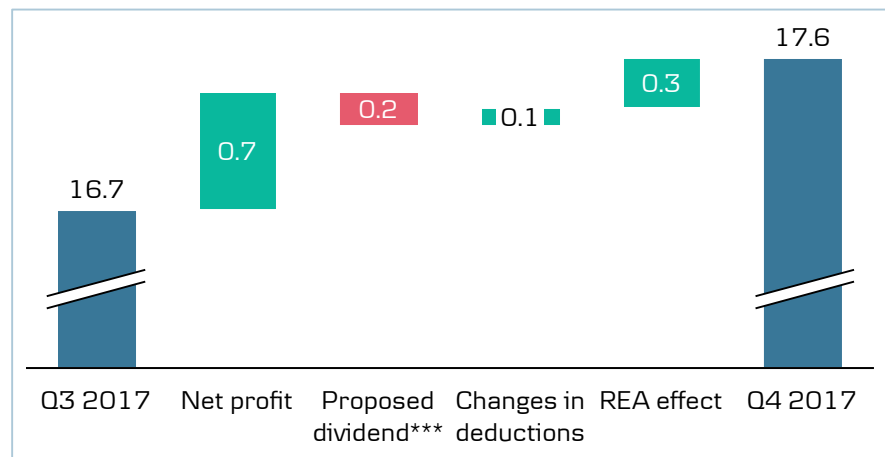
Capital ratios, under Basel III/CRR (%)



Capital highlights, Q4 2017

- REA reduction driven mainly by lower credit risk, including FX effects and the sale of the Non-core Irish portfolio (REA release of DKK 6 bn)
- Implementation of IFRS 9 is expected to increase the allowance account by DKK 2.5 bn. The CET1 impact (2 bn net of tax and other effects) will be phased-in over five years
- Leverage ratio of 4.4% on the basis of both transitional and fully phased-in rules
- 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, Q3 2017 to Q4 2017 (%)



Total REA, Q3 2017 to Q4 2017 (DKK billions)



*Pro forma fully loaded, adjusted for share buy-back of DKK 10 bn to take effect in Q1 2018 and IFRS 9 impact. ** Pro forma fully phased-in min. CET1 requirement in 2019 of 4.5%, capital conservation buffer of 2.5%, SIFI requirement of 3%, countercyclical buffer of 0.6% and CET1 component of Pillar II requirement. Note: Pillar II requirement is not relevant for the purpose of MDA.

*** Dividend accrual in Q1-Q3 of 50%, balanced to actual payout ratio in Q4.

Outlook for full-year 2018:

We expect net profit in the range of DKK 18-20 bn

Net interest income

We expect net interest income to be higher than in 2017, as we will benefit mainly from volume growth

Net fee income

Net fee income is expected to remain strong, subject to customer activity

Expenses

Expenses are expected to be slightly higher than in 2017

Impairments

Loan impairments are expected to be higher, but still at a low level. Loan impairments will be based on the new expected credit loss impairment model in IFRS 9

Net profit

We expect net profit for 2018 to be in the range of DKK 18-20 bn

New financial target

We have met our longer-term ambition for a return on shareholders' equity of at least 12.5%. We therefore introduce a new target based on relative performance. 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.

* DnB, Handelsbanken, Nordea, SEB, Swedbank

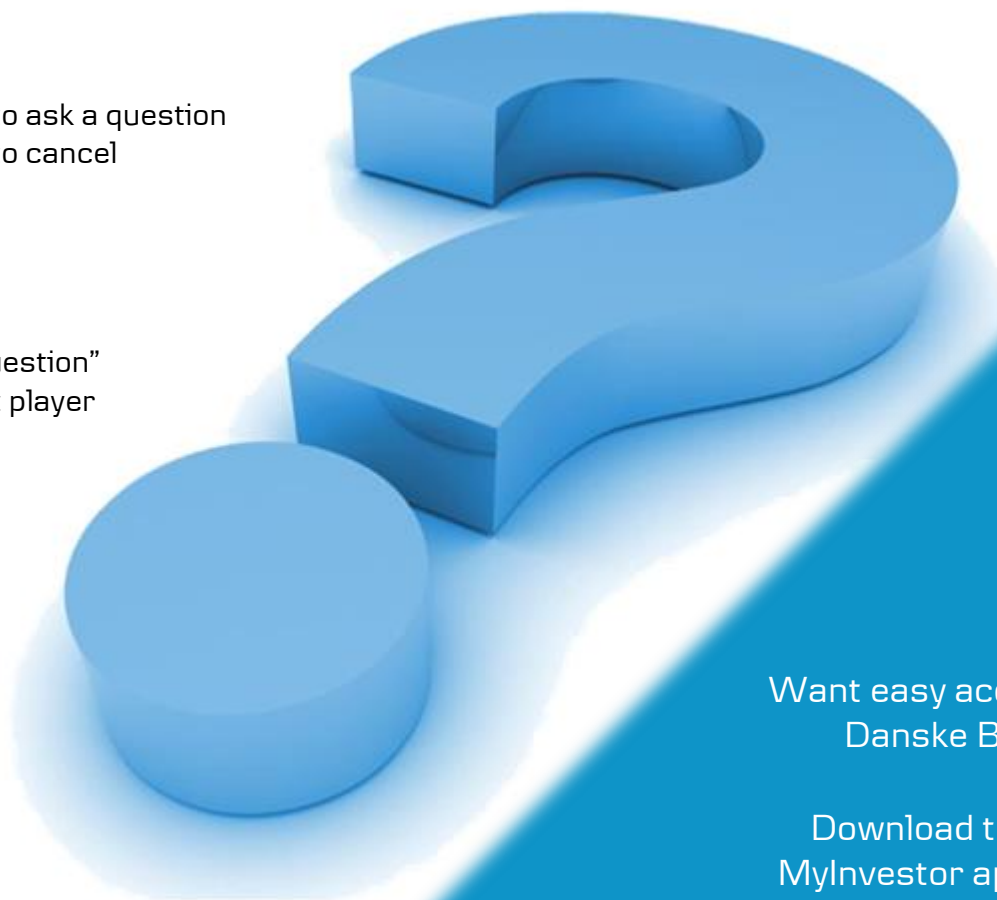
Q&A session



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Press * then 2 to cancel



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Appendix

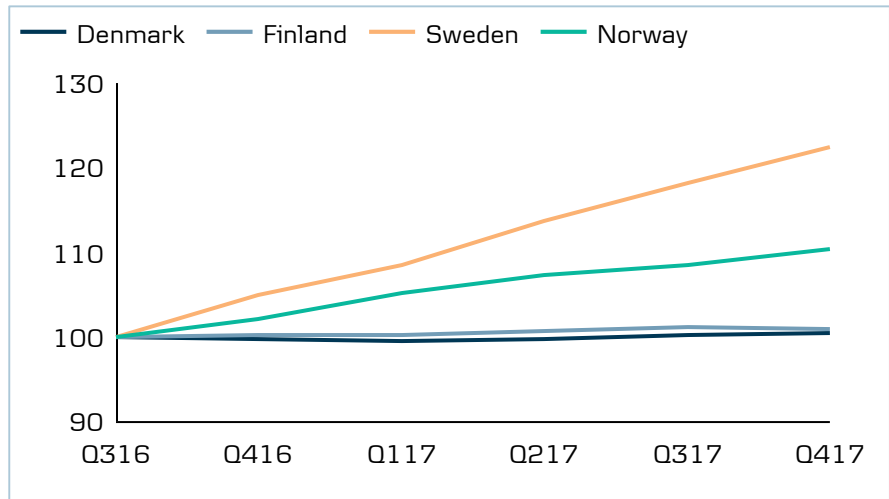
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Personal Banking: Profit before tax down 3% in Q4 due to seasonally higher expenses; growth in Sweden and Norway continues

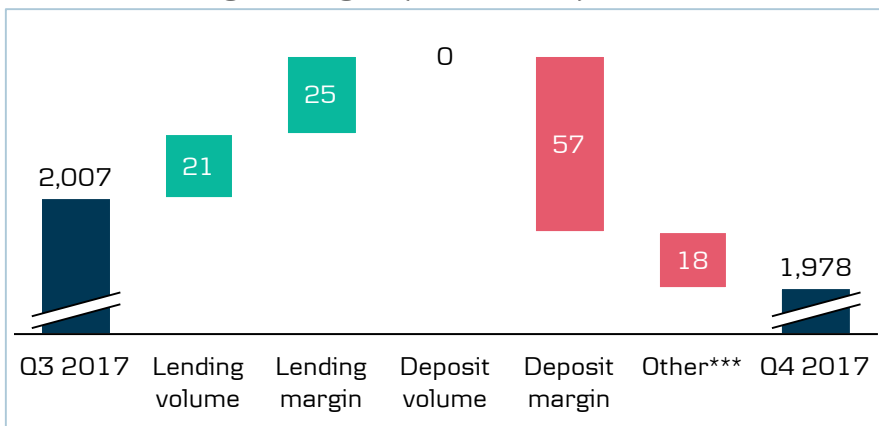
Income statement and key figures (DKK millions)

	Q4 2017	Q3 2017	Index
Net interest income	1,978	2,007	99
Net fee income	855	833	103
Net trading income	179	126	142
Other income	177	176	101
Total income	3,189	3,141	102
Expenses	1,917	1,819	105
Profit before loan impairment charges	1,271	1,322	96
Loan impairment charges	-41	-25	-
Profit before tax	1,312	1,347	97
Lending (DKK bn)	758	759	100
Deposits and RD funding (DKK bn)	683	684	100
Deposits (DKK bn)	273	274	100

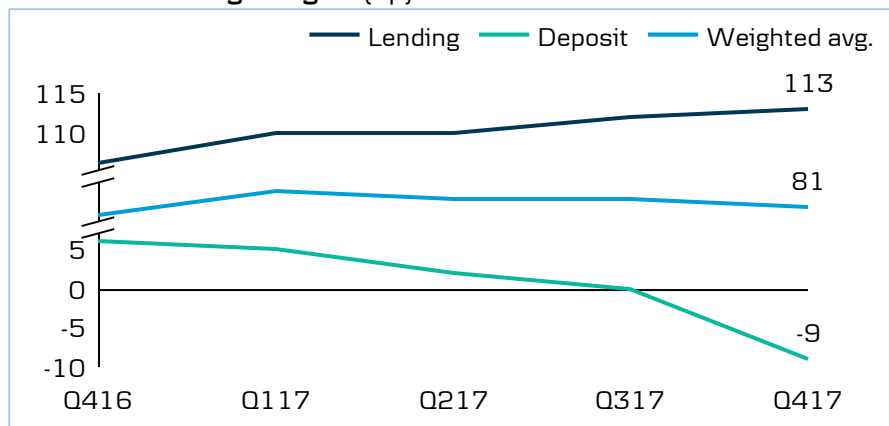
Lending volume by country* (Q3 2016 = Index 100)



Personal Banking NII bridge** (DKK millions)



Personal Banking margins (bp)



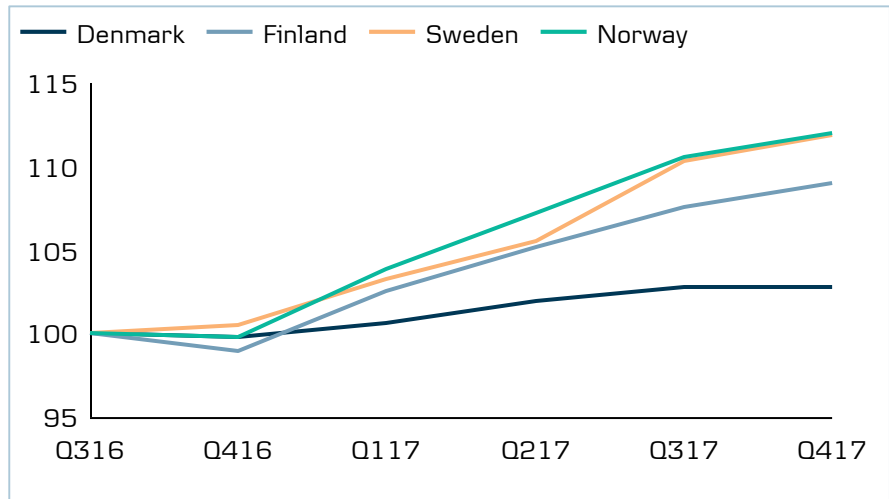
* Based on local currency lending volumes. ** Based on average volumes. *** Includes capital costs and off-balance-sheet items.

Business Banking: Profit before tax down 8% in Q4; expenses up due to seasonality; growth continues outside Denmark

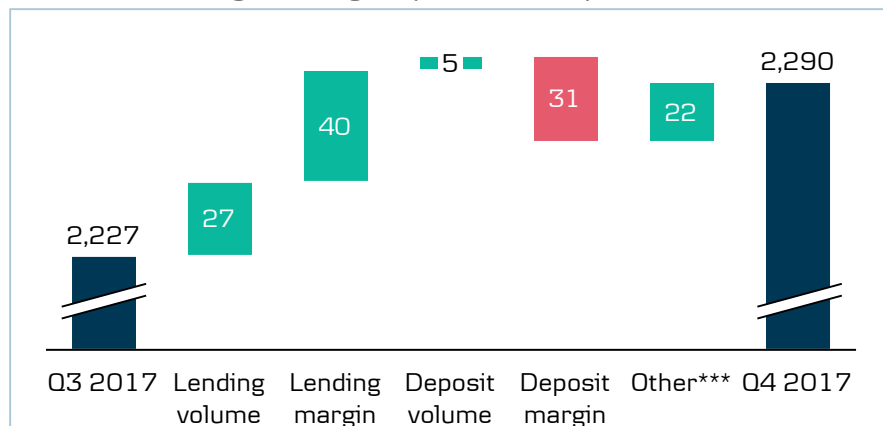
Income statement and key figures (DKK millions)

	Q4 2017	Q3 2017	Index
Net interest income	2,290	2,227	103
Net fee income	457	443	103
Net trading income	163	123	133
Other income	146	131	111
Total income	3,056	2,924	105
Expenses	1,224	1,100	111
Profit before loan impairment charges	1,832	1,824	100
Loan impairment charges	-52	-226	-
Profit before tax	1,885	2,050	92
Lending (DKK bn)	688	691	100
Deposits and RD funding (DKK bn)	578	568	102
Deposits (DKK bn)	242	240	101

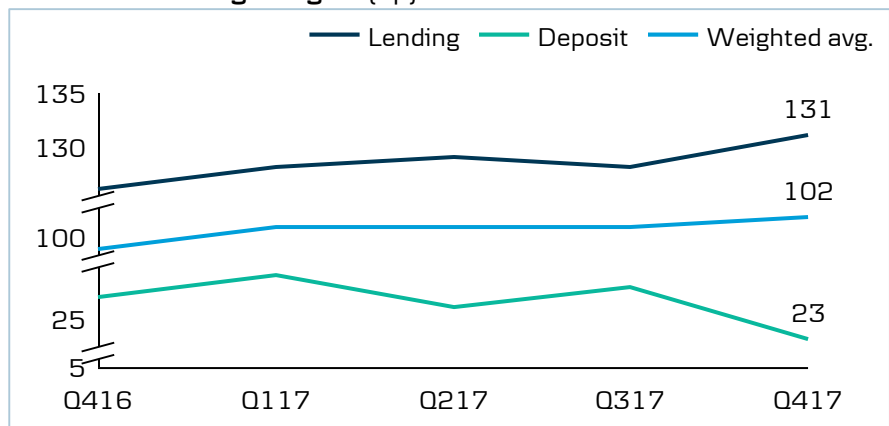
Lending volume by country* (Q3 2016 = Index 100)



Business Banking NII bridge** (DKK millions)



Business Banking margins (bp)



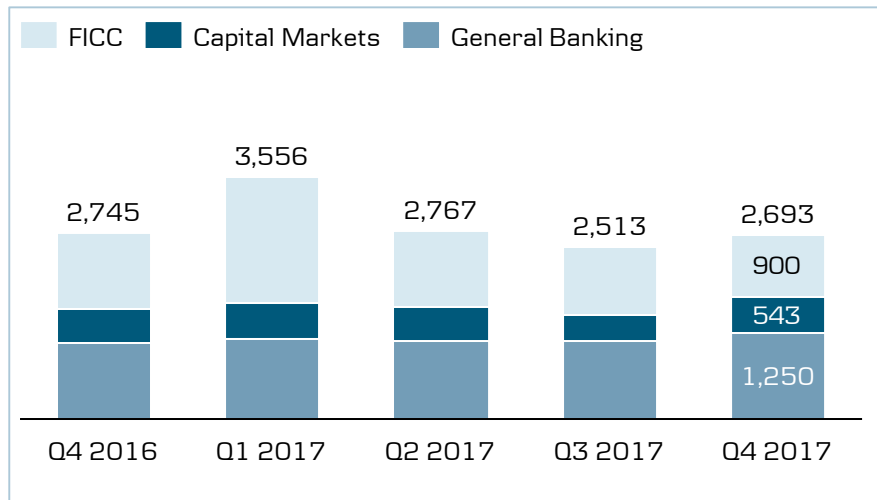
* Based on local currency lending volumes. ** Based on average volumes. *** Includes capital costs and off-balance-sheet items.

Corporates & Institutions: Profit before tax up 17% due to NII, fees and net reversals; trading income reflects low activity in Q4

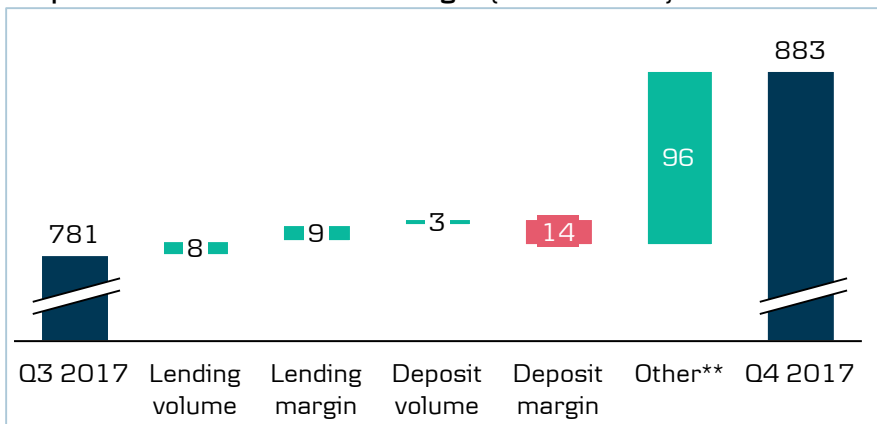
Income statement and key figures (DKK millions)

	Q4 2017	Q3 2017	Index
Net interest income	883	781	113
Net fee income	744	552	135
Net trading income	1,065	1,179	90
Other income	1	-	-
Total income	2,693	2,513	107
Expenses	1,267	1,128	112
Profit before loan impairment charges	1,426	1,385	103
Loan impairment charges	-32	138	-
Profit before tax	1,457	1,248	117
Lending (DKK bn)	185	187	99
Deposits (DKK bn)	274	283	97

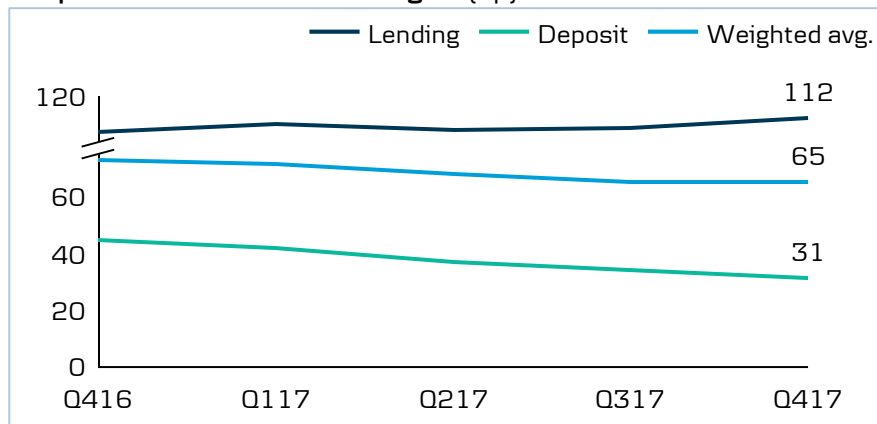
Income breakdown (DKK millions)



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 28%, driven by performance fees in Q4

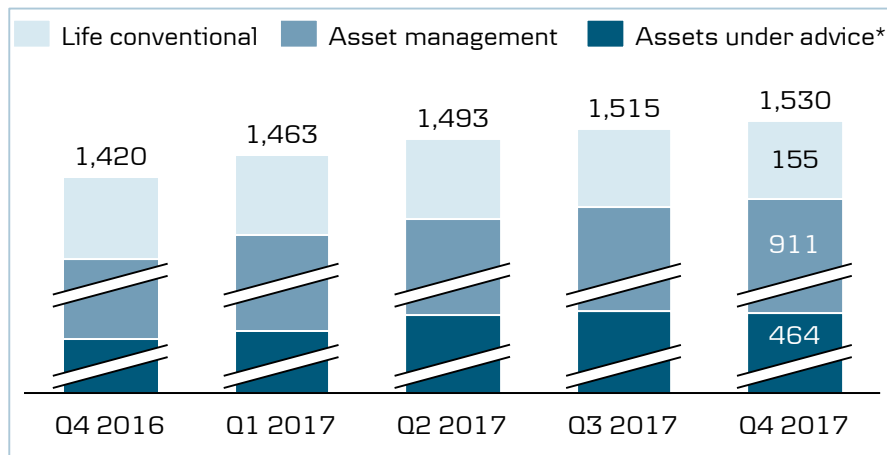
Income statement and key figures (DKK millions)

	Q4 2017	Q3 2017	Index
Net interest income	176	176	100
Net fee income	2,149	1,621	133
Net trading income	55	144	38
Other income	53	24	221
Total income	2,433	1,966	124
Expenses	1,107	940	118
Profit before loan impairment charges	1,326	1,027	129
Loan impairment charges	-23	-25	-
Profit before tax	1,350	1,052	128
Lending (DKK bn)	75	75	100
Deposits (DKK bn)	66	66	99
Allocated capital (average, DKK bn)	13.6	14.0	97
Pre-tax return on allocated capital (%)	39.7	30.0	
AuM (DKK bn)	1,530	1,515	101
- Life conventional (Traditionel)	155	155	100
- Asset management (Unit-linked)	911	894	102
- Assets under advice*	464	467	99

Key points, Q4 2017 vs Q3 2017

- Assets under management up 1%
- Net sales for Asset Management of DKK 9.9 bn (Q3: Net outflow of DKK 1.8 bn)
- Net premiums of DKK 10.4 bn at Danica (Q3: DKK 8.9 bn)
- Fee income in Q4 includes performance fees of DKK 368 m, new fund sales and higher risk allowance fees, driven primarily by booking of the final shadow account balance
- Operating expenses up 18% due to higher activity, regulatory costs (e.g. for MiFID II) and transaction costs relating to the acquisition of SEB Pension in Denmark

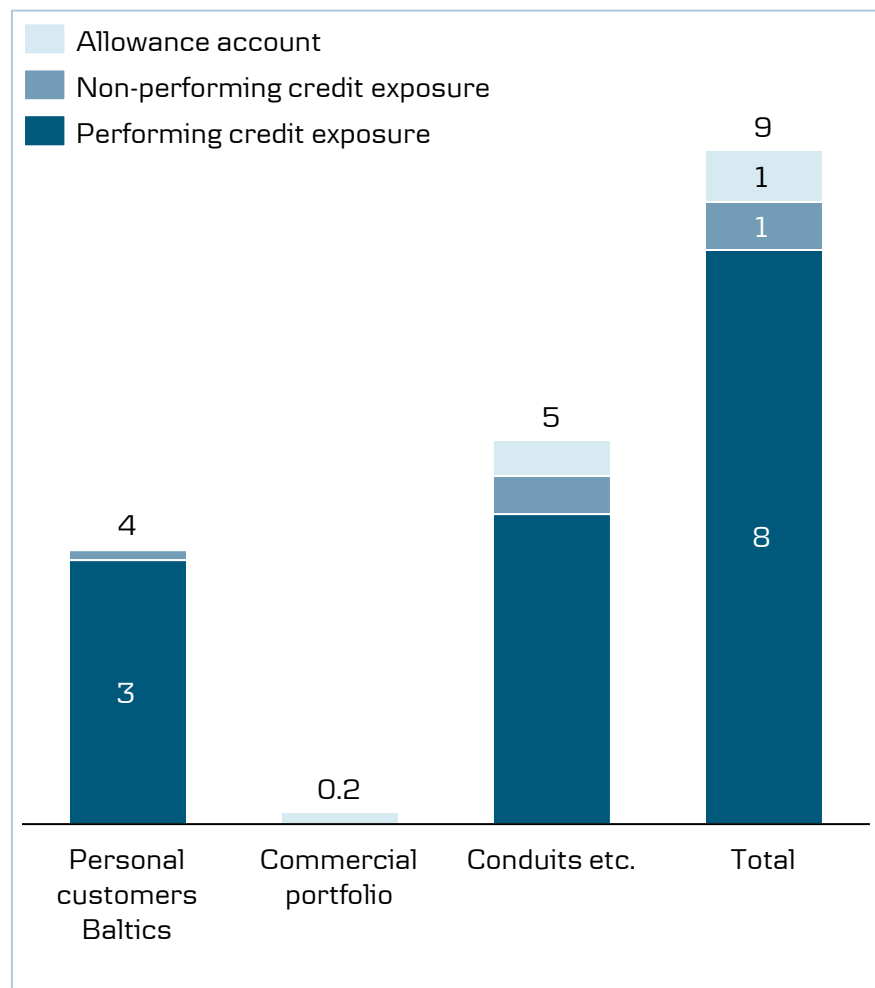
AuM breakdown (DKK billions)



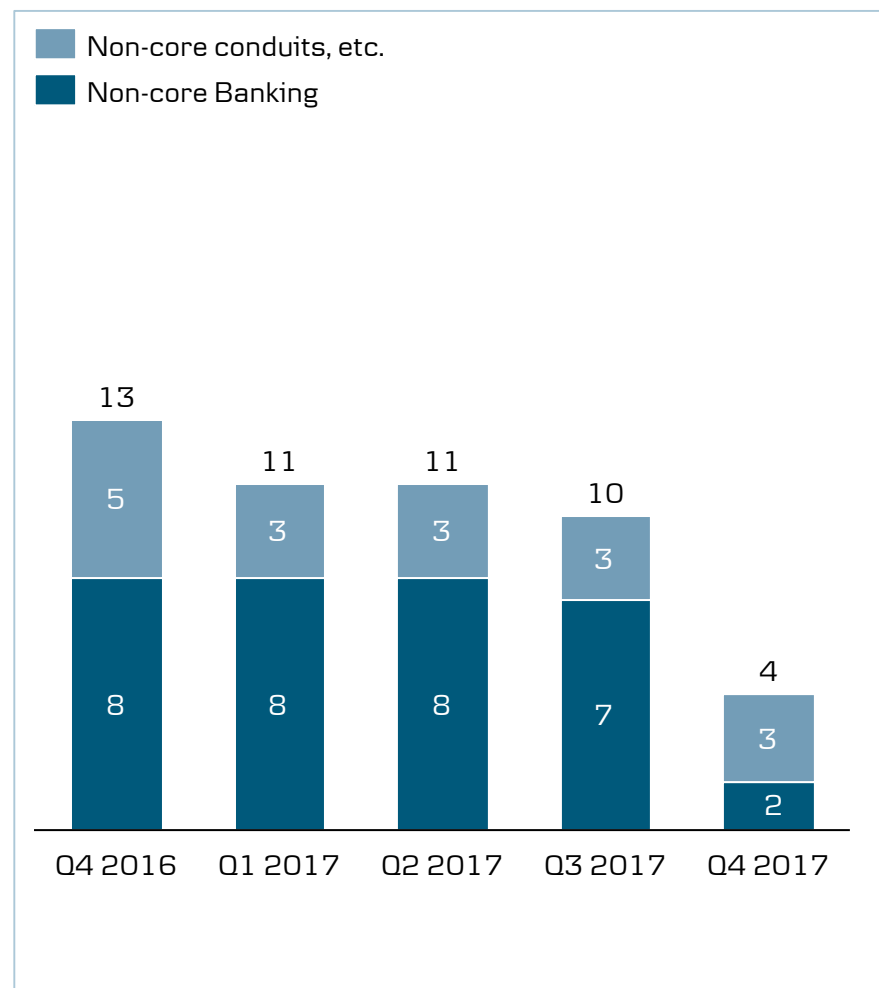
* Assets under advice from personal, business and private banking customers, where the investment decision is taken by the customer.

Non-core: Deleveraging ongoing; Remaining Irish mortgage portfolio sold in Q4, releasing 6 bn of REA

Non-core loan portfolio, Q4 2017 (DKK billions)

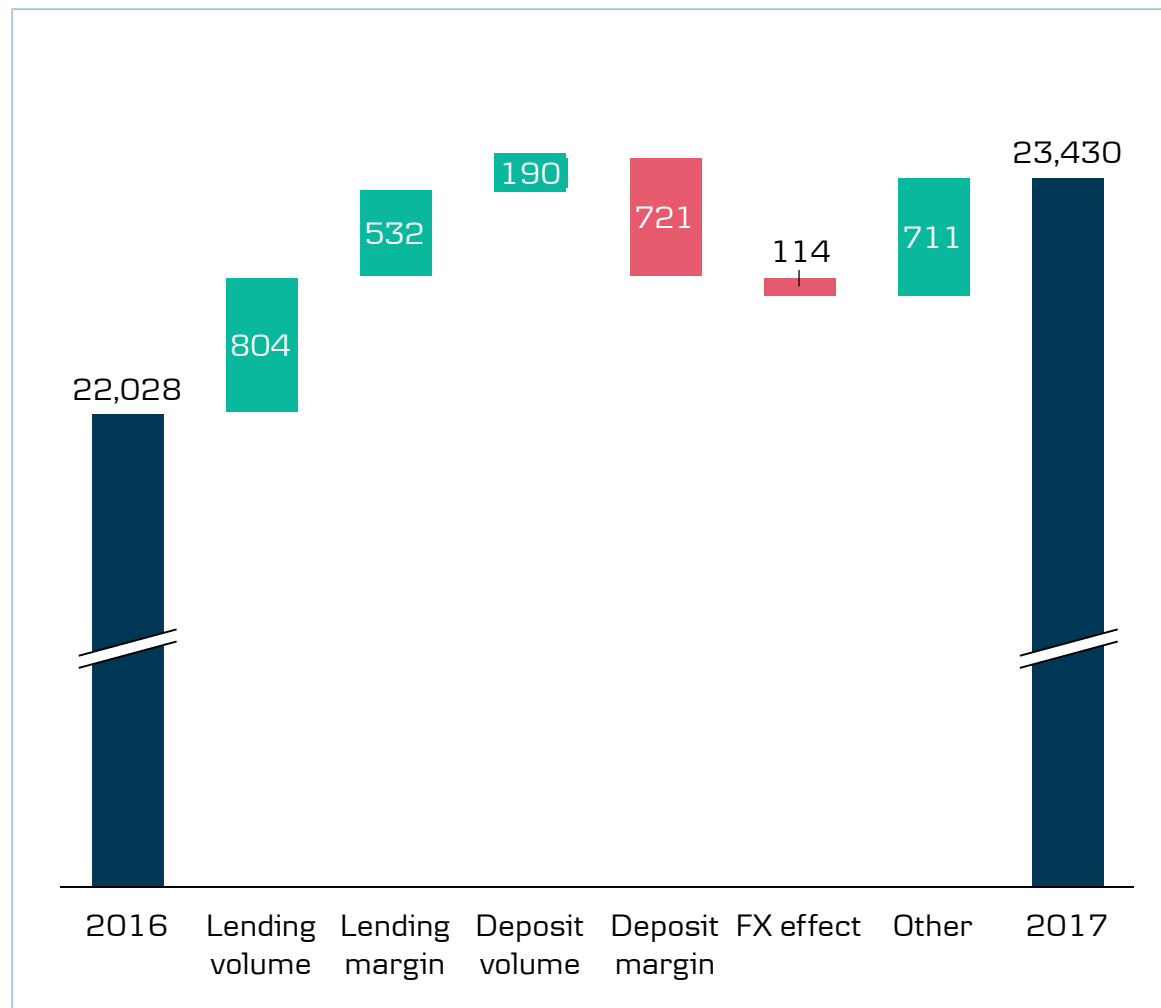


Non-core REA (DKK billions)



Net interest income: Up 7% in 2017 adjusted for FX

Change in net interest income (DKK millions)

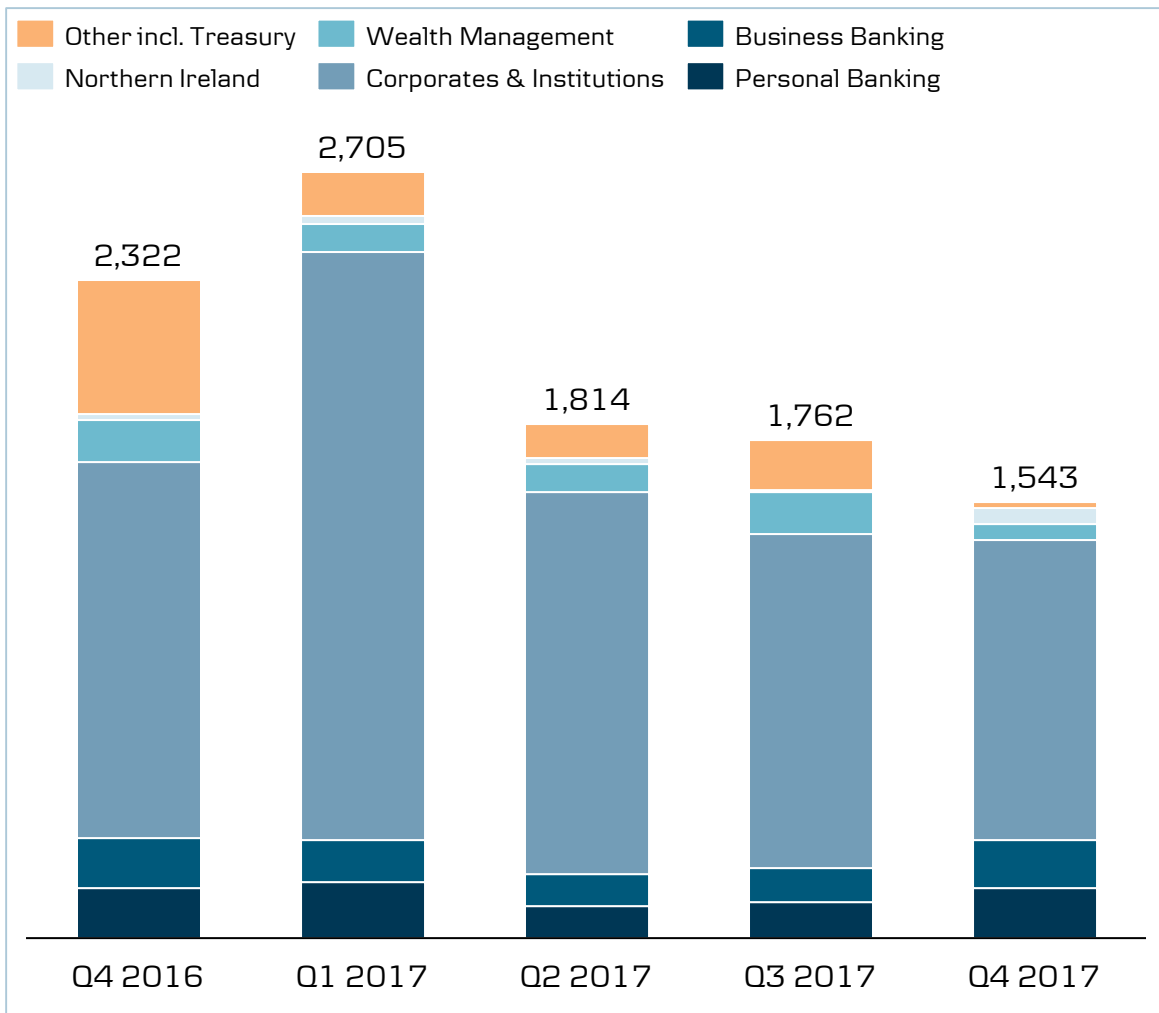


Comments

- NII Other includes
 - differences at the Internal Bank between actual and allocated funding costs (FTP)
 - income related to the Group's liquidity portfolio
- In 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
- 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. Full-year impact for 2018 is expected to be around DKK 280 m

Trading income: Down 12% in Q4 owing to seasonality and low volatility

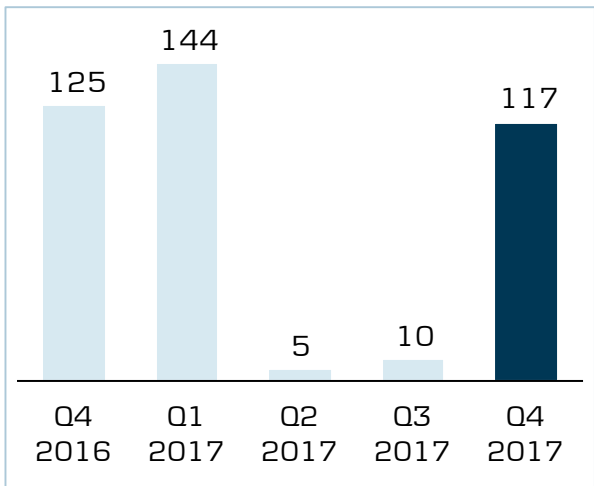
Trading income by business unit (DKK millions)



Key points, Q4 2017 vs Q3 2017

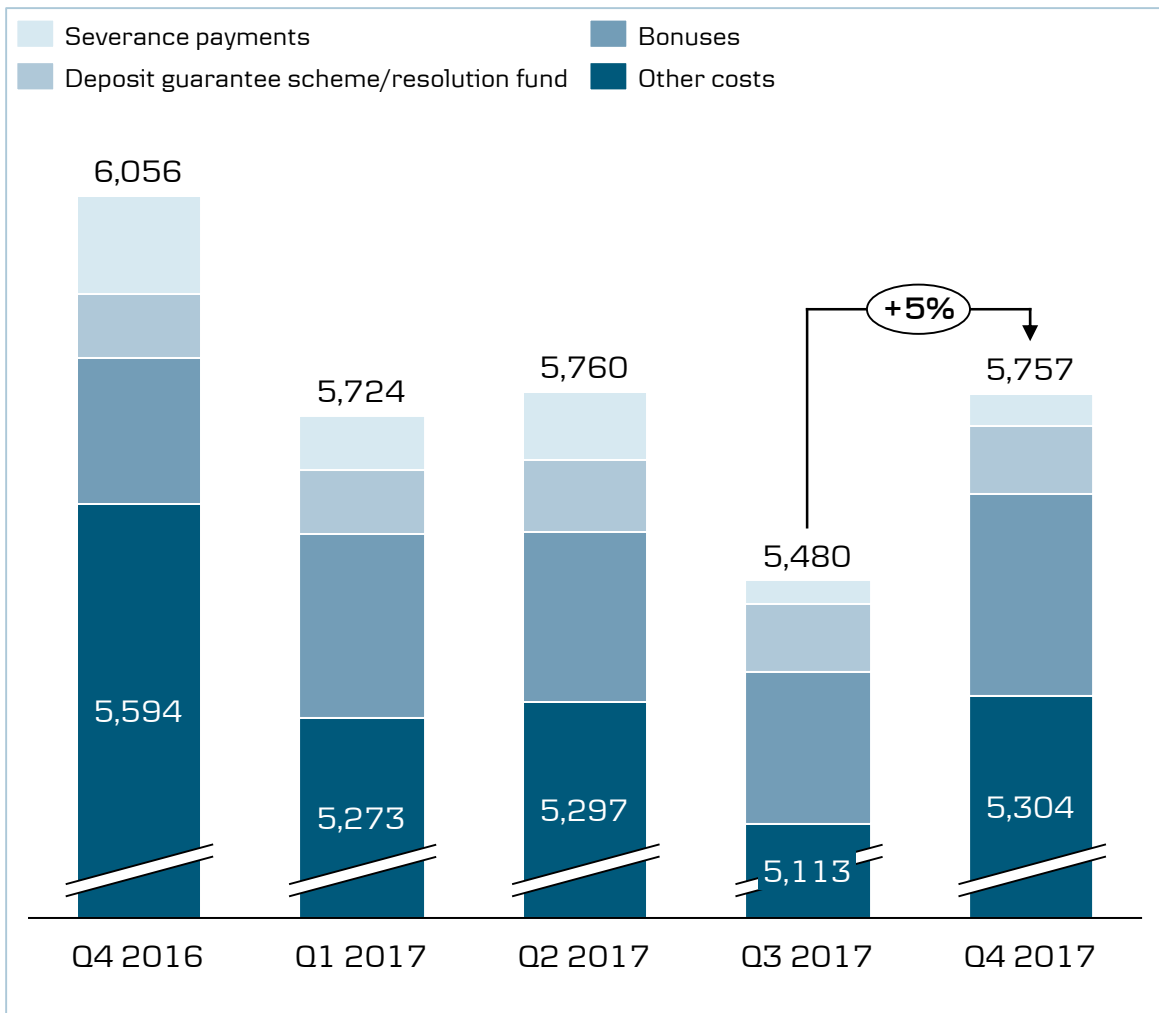
- Trading income was down 12% due to lower activity in FICC owing to seasonality and low volatility
- Other Activities included positive fair value adjustments in Q3
- FlexLån® auctions resulted in refinancing income of DKK 117 m in Q4

Refinancing income (DKK millions)

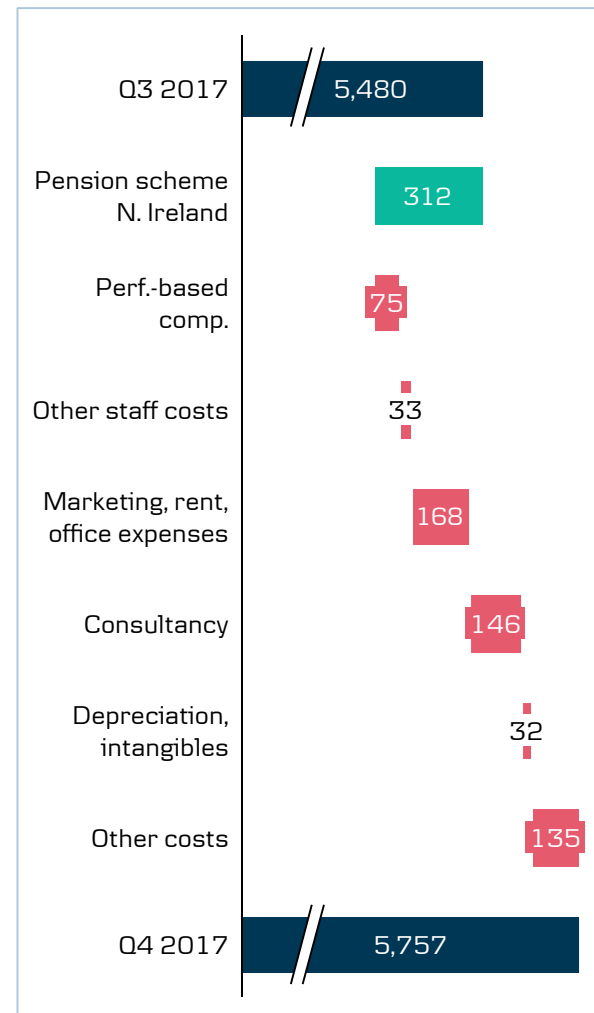


Expenses: Up 5% from a low level in Q3

Total expenses (DKK millions)

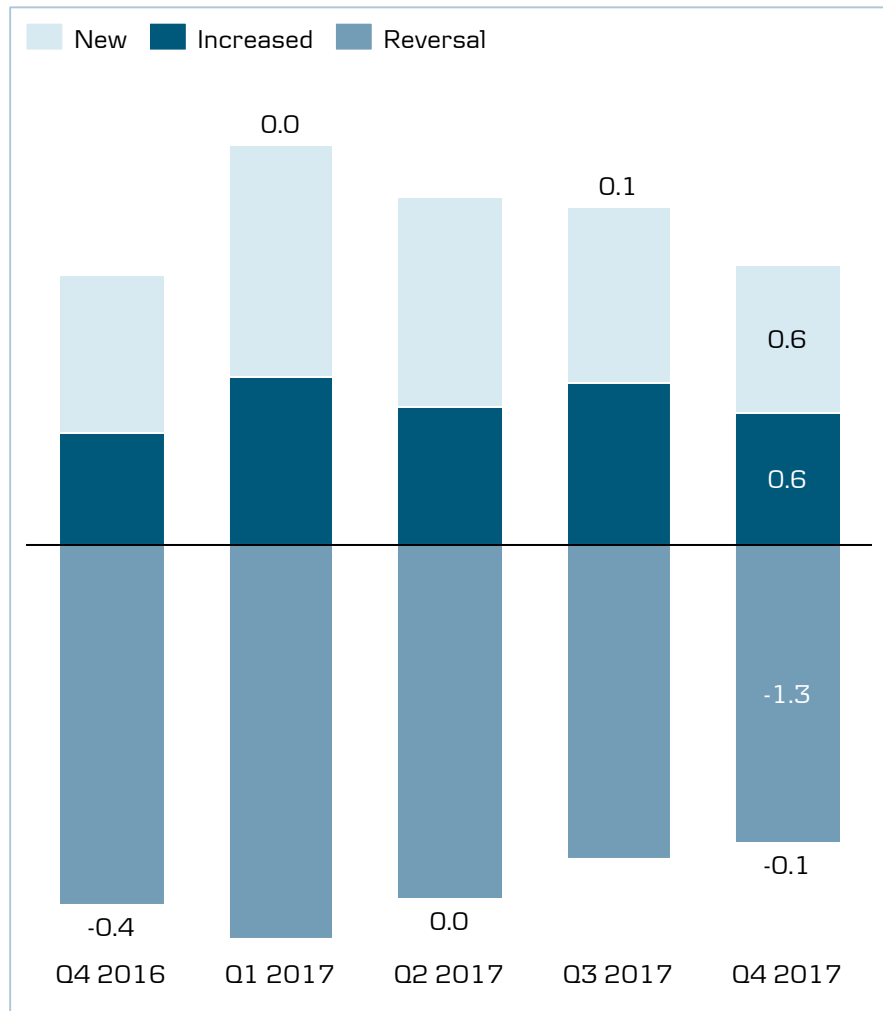


Change in expenses (DKK millions)

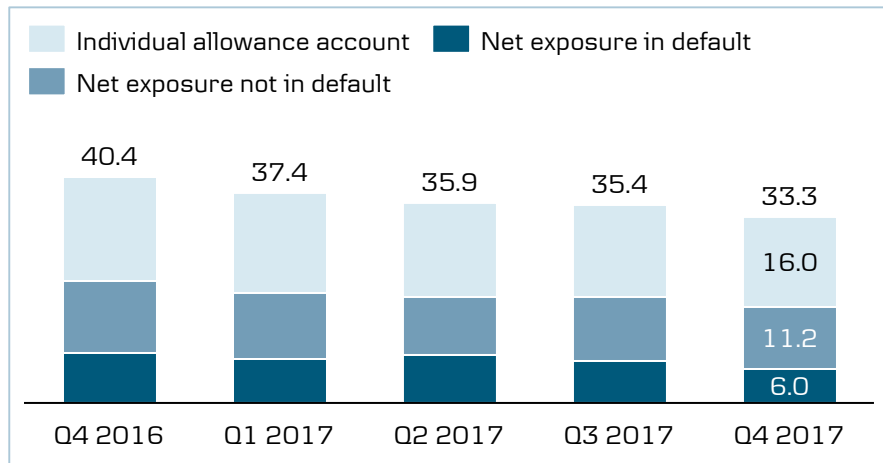


Credit quality: Positive trend in credit quality continues; NPLs decreased 18% y/y

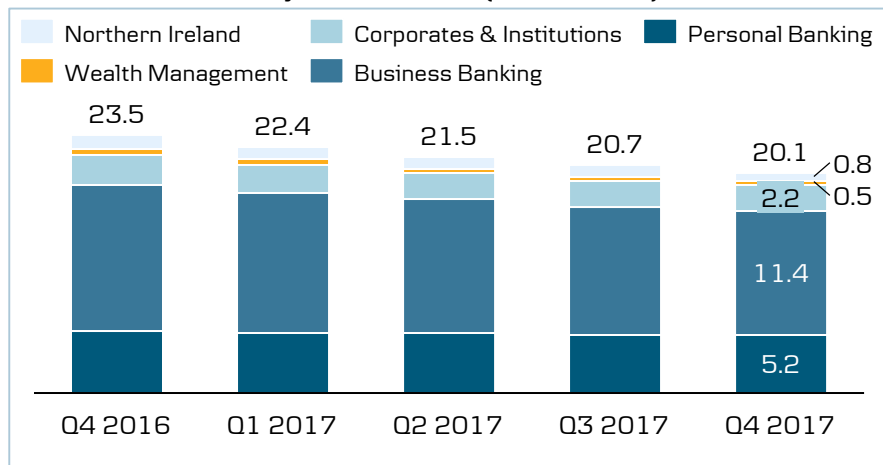
Individual loan impairment charges* (DKK billions)



Gross non-performing loans (DKK billions)



Allowance account by business unit (DKK billions)



* Excl. 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 agriculture and directly oil-related exposure

Agriculture exposure [2.3% of Group exposure]

- Slightly higher milk prices during the quarter, while pork prices declined further to a low level
- Net reversals of DKK 0.1 bn in Q4, following reversals in Q2 and Q3
- Total accumulated impairments amounted to DKK 3.3 bn, of which DKK 0.7 bn were collective impairments
- Realkredit Danmark represented 69% of total gross exposure and 15% of total accumulated impairment charges
 - LTV limit at origination of 60% at Realkredit Danmark

Oil-related exposure [0.7% of Group exposure]

- Net exposure unchanged from last quarter at DKK 19.8 bn*
- Collective impairment charges slightly down at DKK 1.1 bn and charges against second-round effects stand at DKK 0.2 bn
- Individual impairments of DKK 0.1 bn booked in Q4 at Corporates & Institutions and Business Banking
- The vast majority of the oil-related exposure is managed by specialist teams for customer relationship and credit management at Corporates & Institutions

Agriculture by segment, Q4 2017, DKK millions

	Gross credit exposure	Portion from RD	Acc. Individual impairment charges	Net credit exposure	NPL coverage ratio
Business Banking	55,437	43,365	2,512	52,925	90%
Growing of crops, cereals, etc.	20,223	17,109	287	19,937	99%
Dairy	9,521	7,480	956	8,565	87%
Pig breeding	12,370	10,093	1,075	11,295	90%
Mixed operations etc.	13,323	8,684	195	13,128	92%
Northern Ireland	4,510	-	24	4,486	98%
C&I	4,779	2,039	-	4,779	-
Others	349	-	3	346	-
Total before collective impairments	65,075	45,404	2,540	62,535	90%
Collective impairment charges	731	241			
Total gross exposure	65,805				

Oil-related exposure, Q4 2017, DKK millions

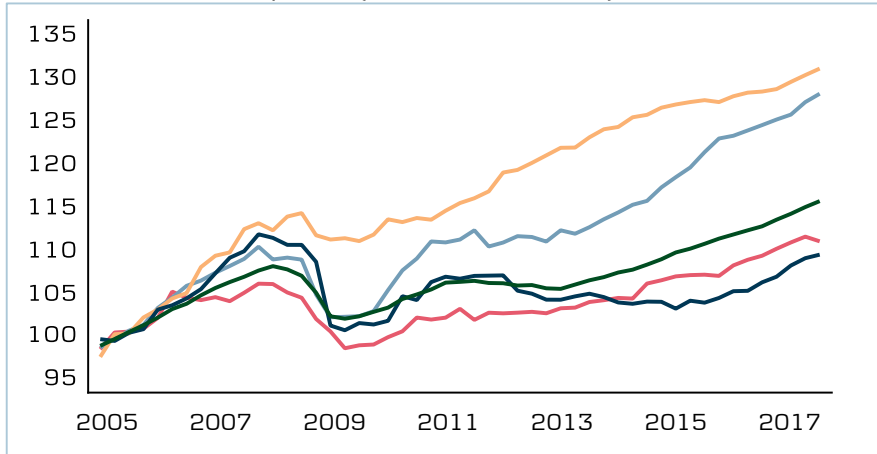
	Gross credit exposure	Acc. Individual impairment charges	Net credit exposure
C&I	19,294	388	18,906
Oil majors	5,413	13	5,400
Oil service	7,108	48	7,060
Offshore	6,773	326	6,446
Business Banking	1,222	301	921
Oil majors	1	-	1
Oil service	1,132	301	831
Offshore	90	-	90
Others	7	0	6
Total before collective impairments	20,523	689	19,834
Collective impairment charges	1,066		
Total gross exposure	21,589		

* The oil-related net credit exposure of DKK 19.8 bn is part of the energy and utilities industry (DKK 13.3 bn) and shipping (DKK 6.5 bn) industry.

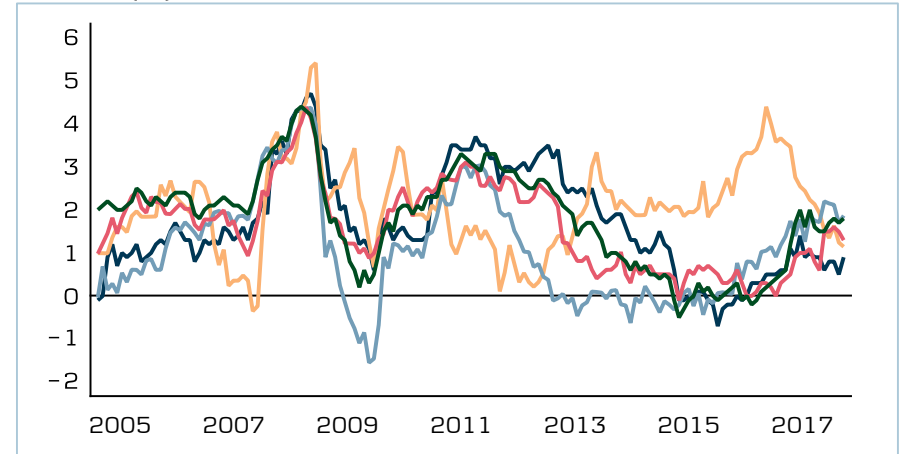
Nordic macroeconomics

— Denmark — Sweden — Norway — Finland — EU

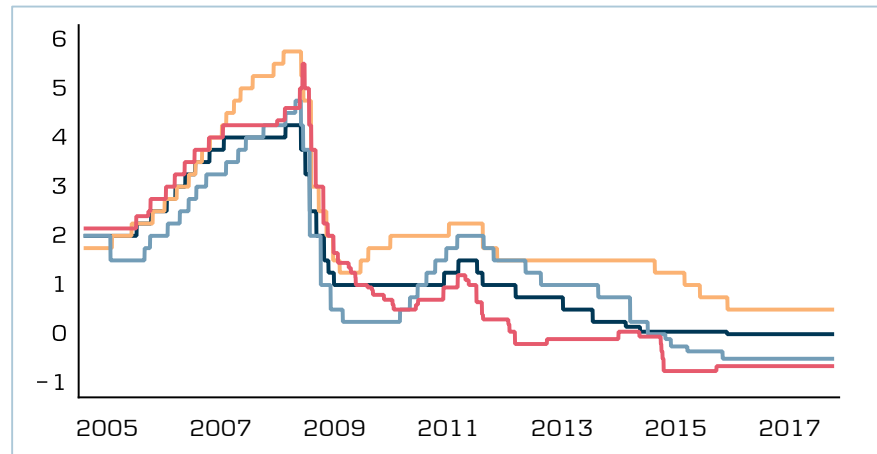
Real GDP, constant prices (index 2005 = 100)



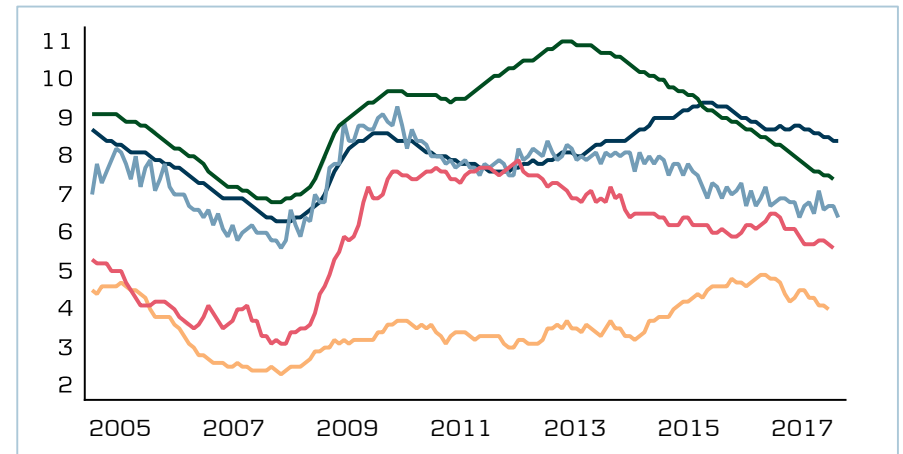
Inflation (%)



Interest rates, leading (%)



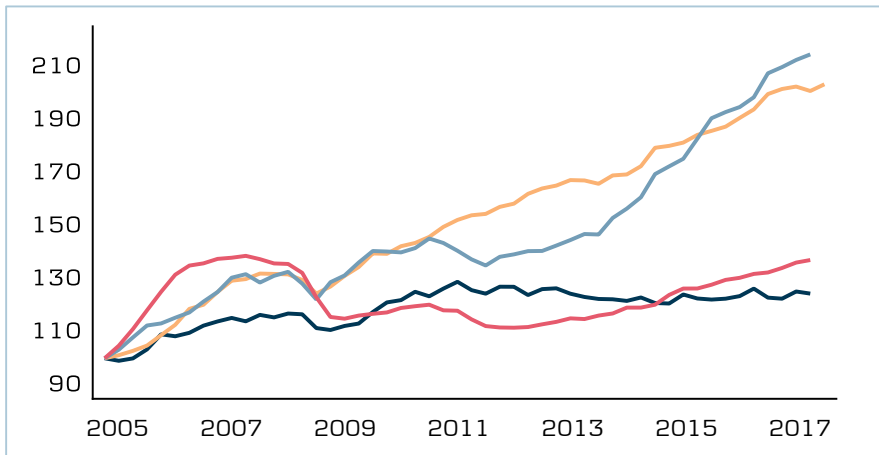
Unemployment (%)



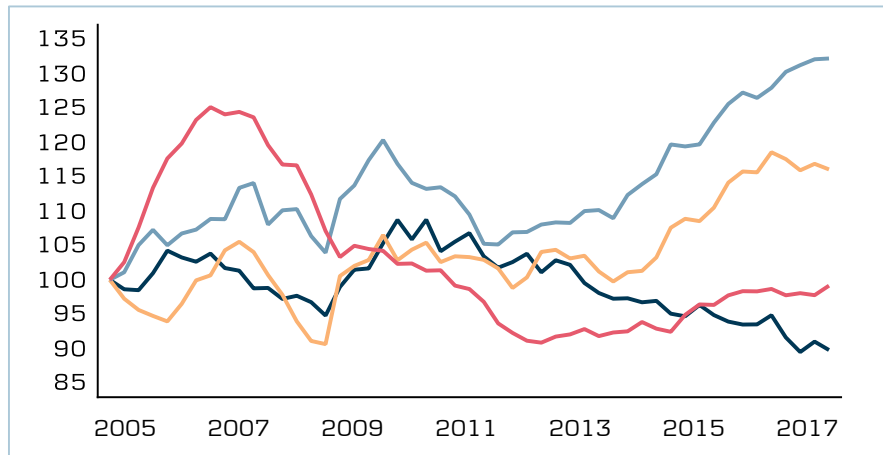
Nordic housing markets

Denmark Sweden Norway Finland

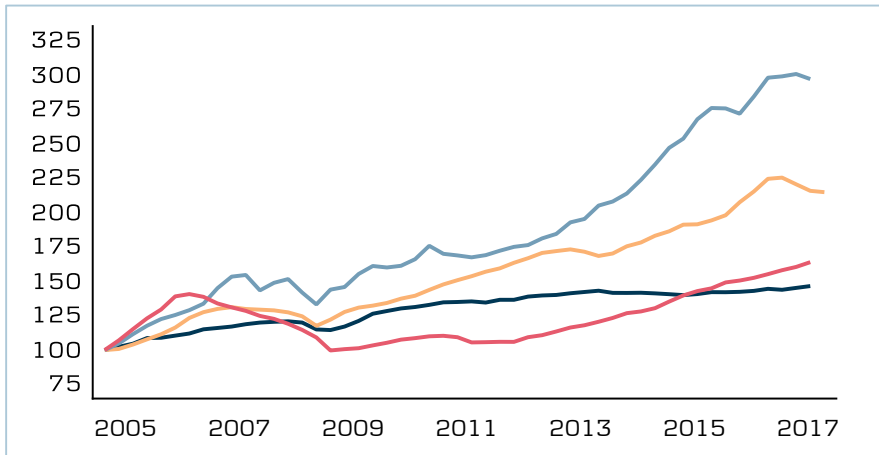
Property prices (index 2005 = 100)



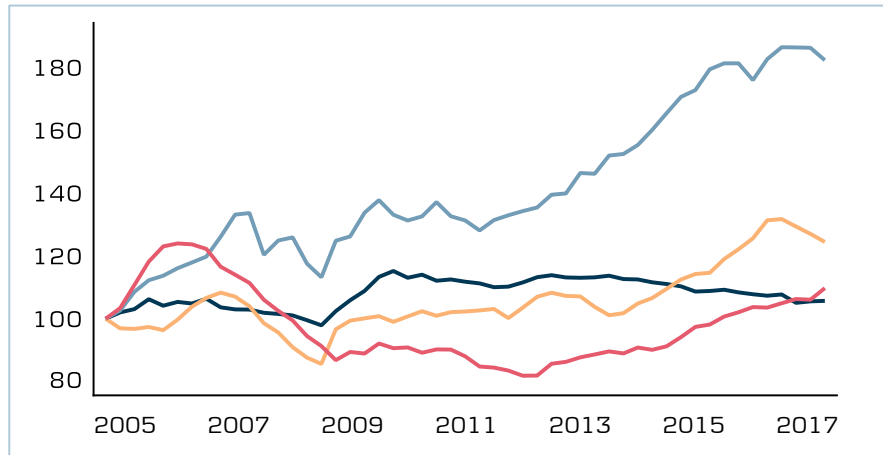
House prices/nom. GDP (index 2005 = 100)



Apartment prices (index 2005 = 100)



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



Realkredit Danmark and the Danish housing market: Portfolio overview

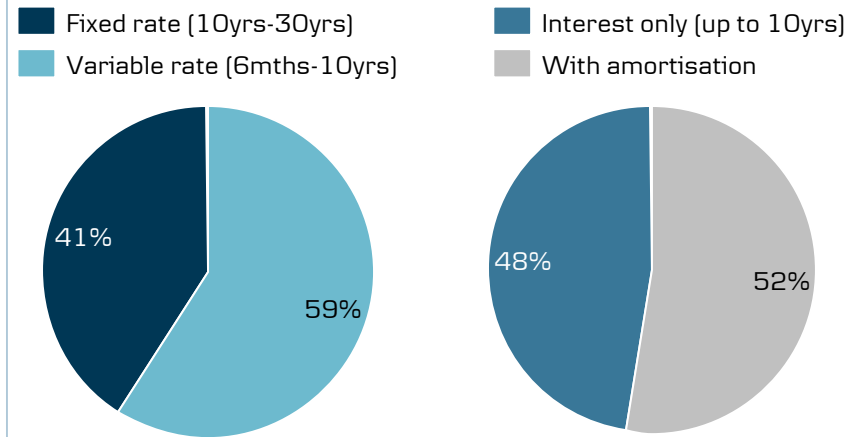
Portfolio facts, Realkredit Danmark, Q4 2017

- Approx. 367,000 loans (residential and commercial)
- 1,383 loans in 3- and 6-month arrears (-4% since Q3)
- 31 repossessed properties
- DKK 10 bn of loans with LTV ratio > 100%, including DKK 4 bn with public guarantee
- Average LTV ratio of 63%

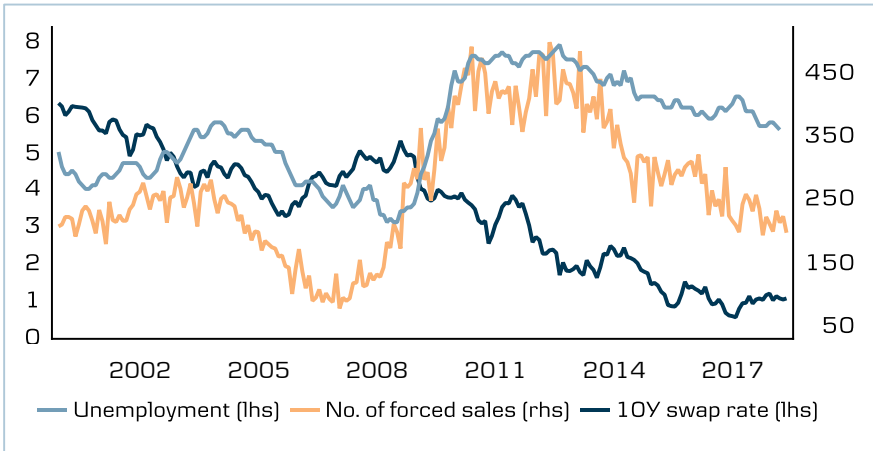
LTV ratio at origination (legal requirement)

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

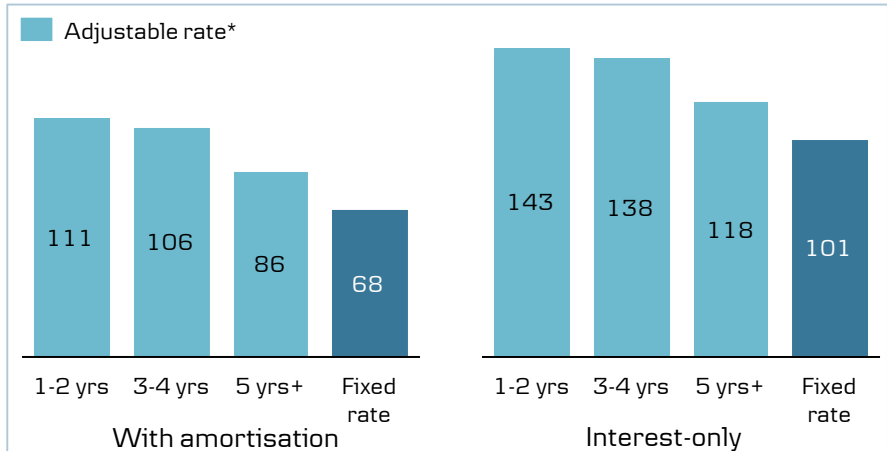
Stock of retail loans (DKK 443 bn), Realkredit Danmark, Q4 17 (%)



Unemployment and foreclosures (%/No.)



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



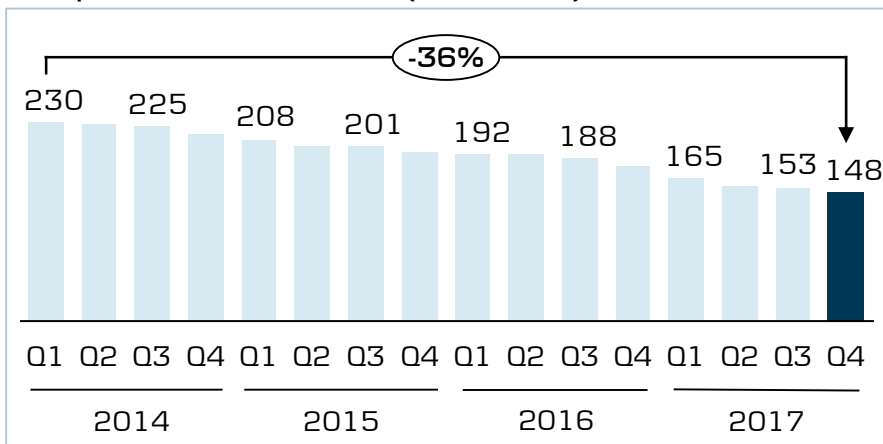
* In addition, we charge a fee of 30 bp of the bond price for refinancing of 1- and 2-year floaters and a fee of 20 bp for floaters of 3 or more years.

Realkredit Danmark: 46% of new retail loans are long-term variables; compliant with all regulatory requirements

Key points

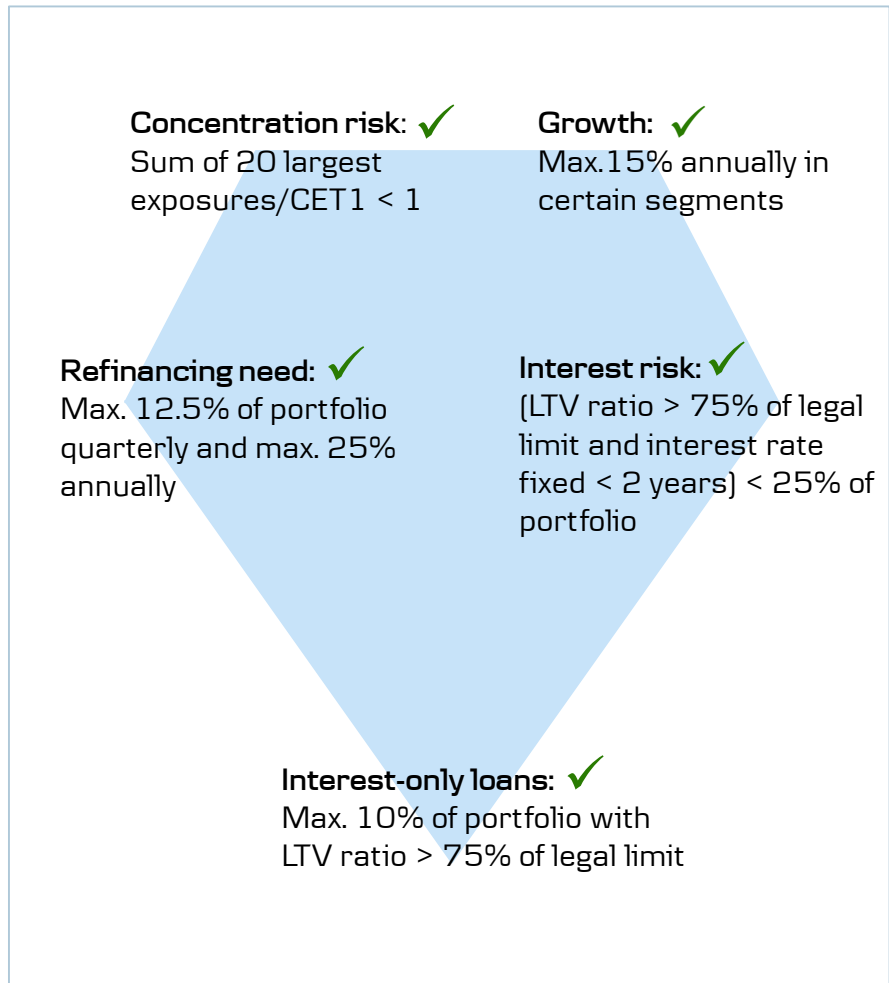
- 46% of new retail loans in Q4 were 5- to 10-year variable rate loans, and 36% were fixed-rate loans
- Total stock of loans amounted to DKK 769 bn:*
 - 58% to retail
 - 20% to residential rental
 - 16% to commercial property
 - 6% to agriculture
- 54% of total stock are loans with amortisation

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



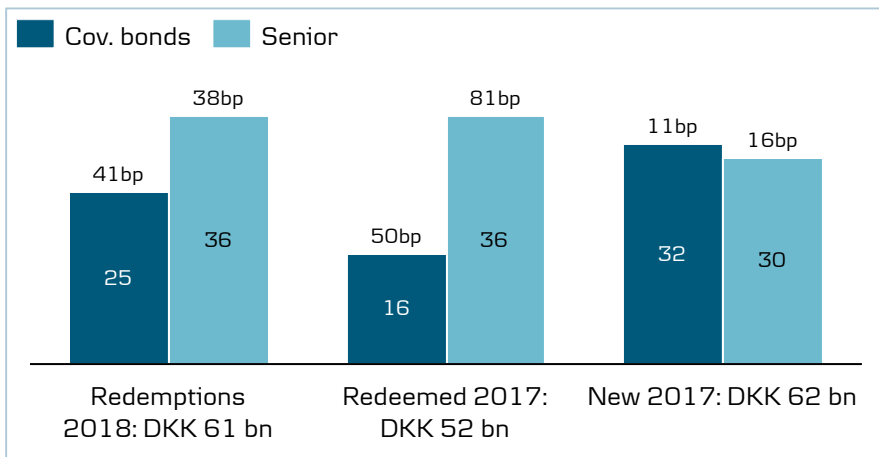
* Nominal value.

Supervisory diamond for Danish mortgage credit institutions

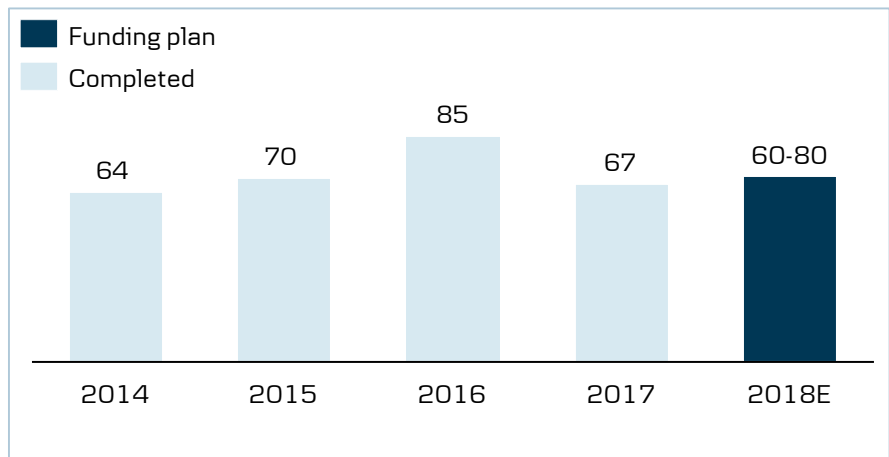


Funding and liquidity: DKK 62 bn of long-term funding issued in 2017; LCR compliant at 171%

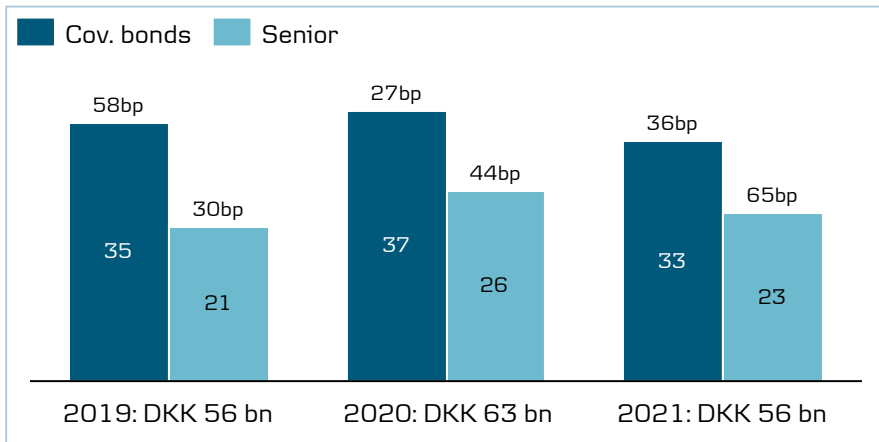
Changes in funding,* 2017 (DKK billions and bp)



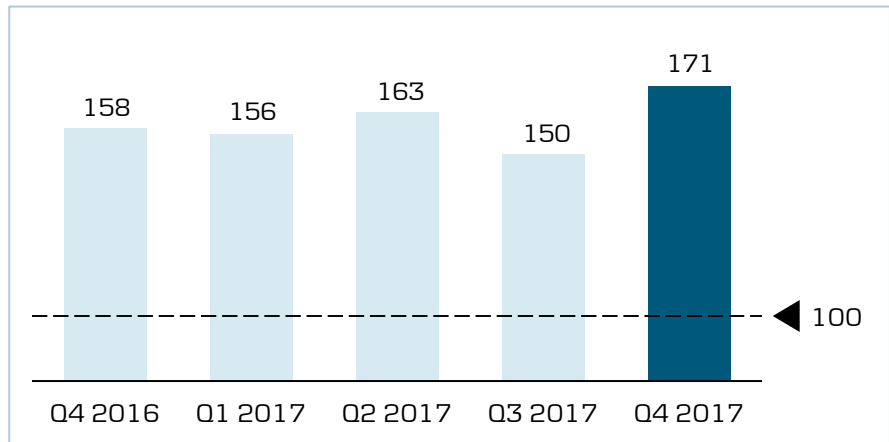
Long-term funding excl. RD (DKK billions)**



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



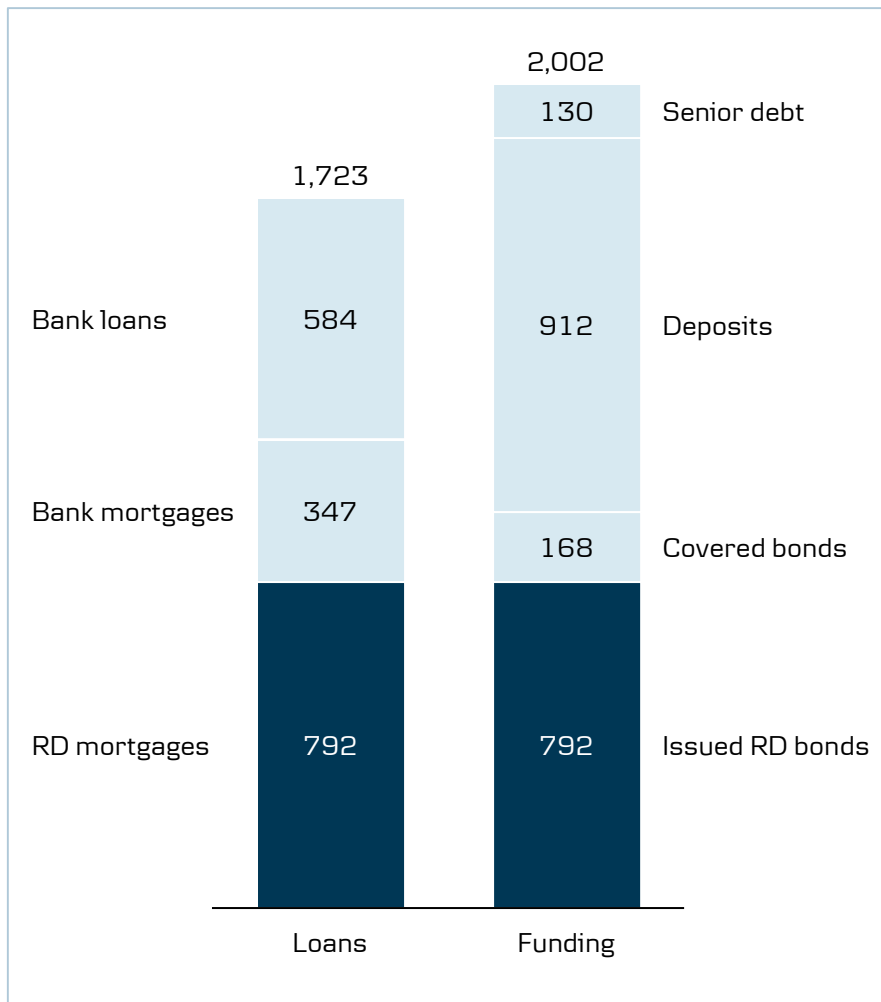
Liquidity coverage ratio (%)



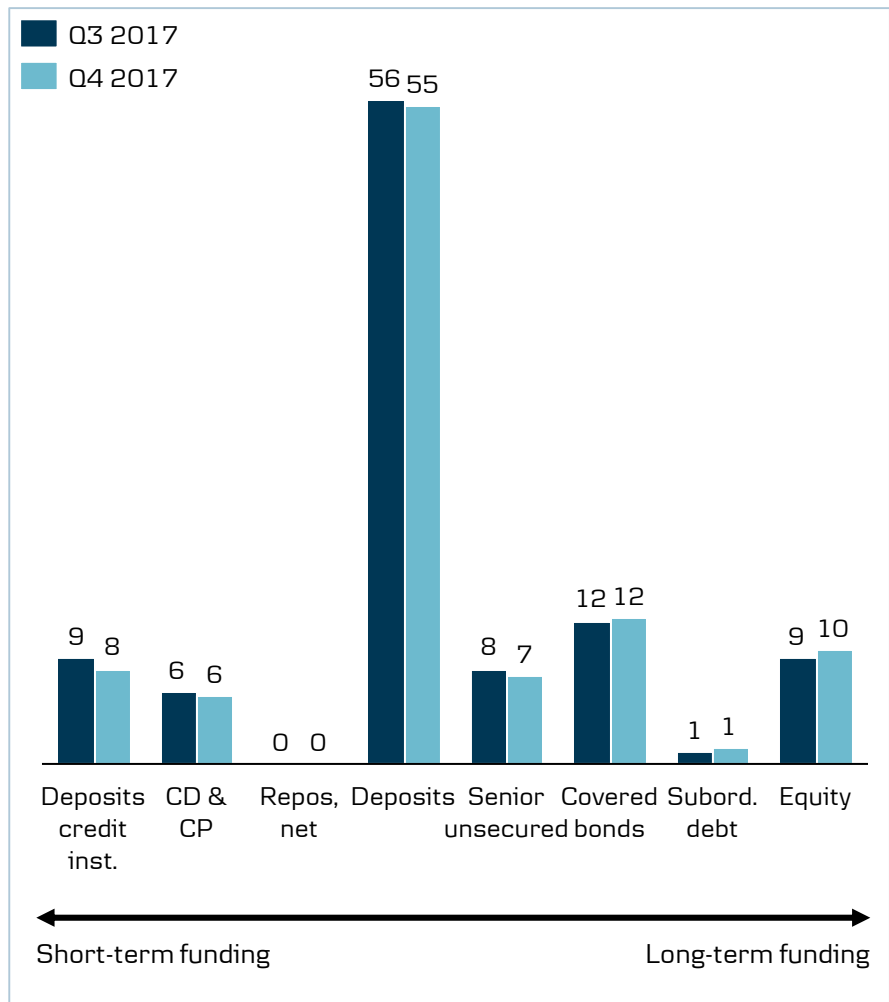
* Spread over 3M EURIBOR. **Includes covered bonds excl. RD, senior and capital instruments.

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

Loan portfolio and long-term funding, Q4 2017 (DKK billions)



Funding sources (%)



Three distinct methods for rating banks

Danske Bank's rating 31/12 2017

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 the Support Rating Floor.

Tax





Actual and adjusted tax rates (DKK millions)

	2017	Q42017	Q32017	Q22017	Q12017
Profit before tax	26,288	6,729	6,236	6,183	7,140
Permanent non-taxable difference	565	912	-178	-136	-33
Adjusted pre-tax profit, Group	26,853	7,642	6,058	6,047	7,107
Tax according to P&L	5,388	1,081	1,305	1,392	1,610
Taxes from previous years	537	529	56	-39	-8
Adjusted tax	5,925	1,610	1,361	1,353	1,602
Adjusted tax rate	22.1%	21.1%	22.5%	22.4%	22.5%
Actual tax rate	20.5%	16.1%	20.9%	22.5%	22.5%

Tax drivers, Q4 2017

- Adjusted tax rate in Q4 of 21.1% is lower than the Danish rate of 22% due to higher income in countries with a lower tax rate, primarily Ireland
- The actual tax rate of 16.1% is lower than the Danish rate of 22%, primarily due to positive taxes from previous years, including final tax for 2016
- The permanent non-taxable difference derives mainly from tax-exempt value adjustments on shares

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