

Financial results – first quarter 2018



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Agenda

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Executive summary: Stable results for Q1 2018

Stable macroeconomic environment supported continued lending growth of 2% y/y

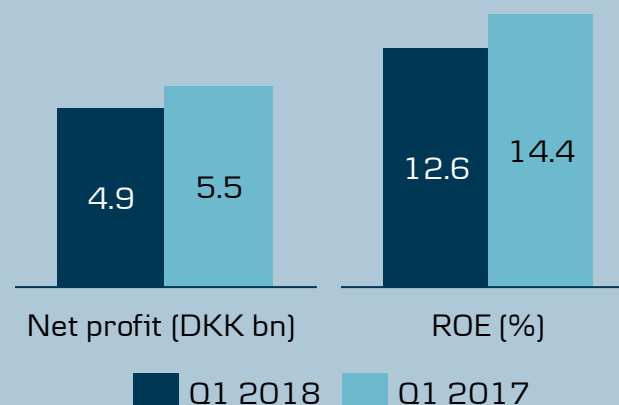
Lending growth driven primarily by good business momentum and local partnership agreements

Fee income remained strong despite volatile markets and subdued client activity, which had an adverse effect on trading income

Expenses down 2% y/y; continued net reversal of impairments in most markets

Financial results, Q1 2018

- Net profit of DKK 4.9 bn, down 12% from Q1 2017, which saw strong customer activity
- ROE of 12.6%
- Strong capital position, with a CET1 capital ratio of 16.4% net of full share buy-back
- Full-year outlook is unchanged

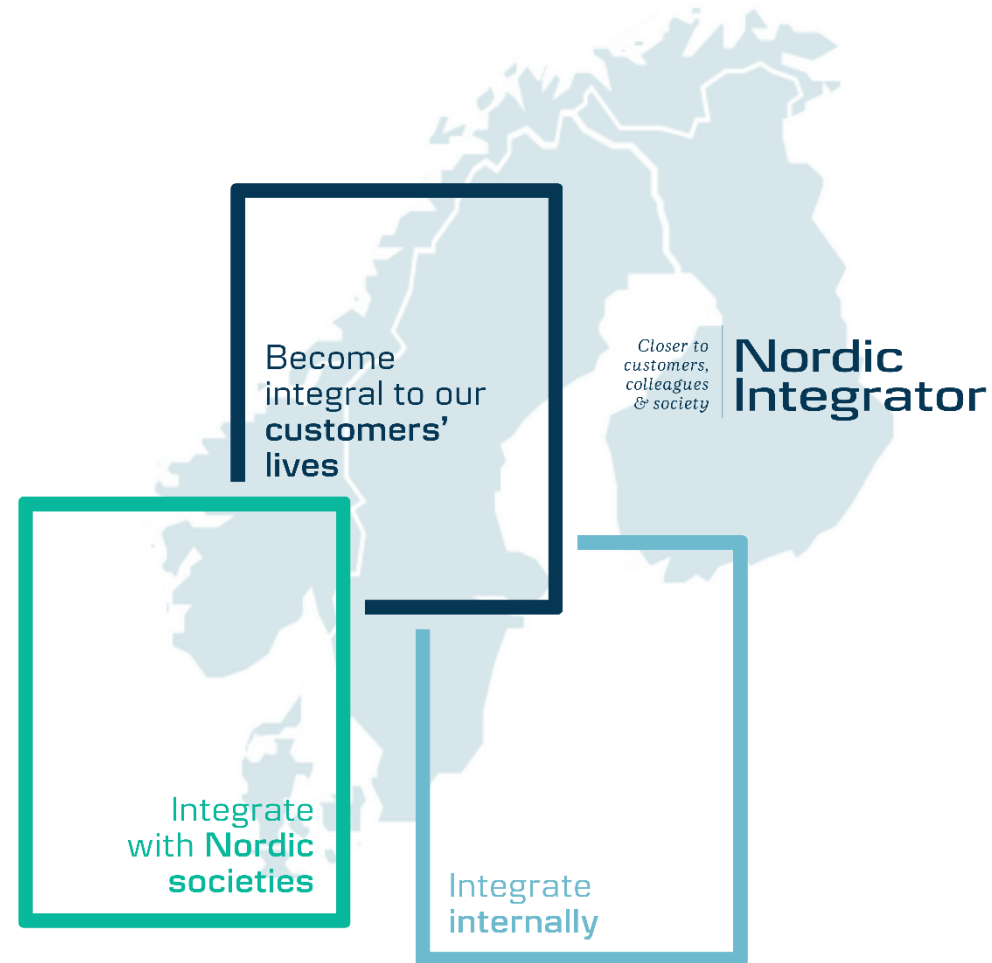


New strategy: Becoming the Nordic Integrator to increase value creation

Integrate further with our customers and become integral to their lives

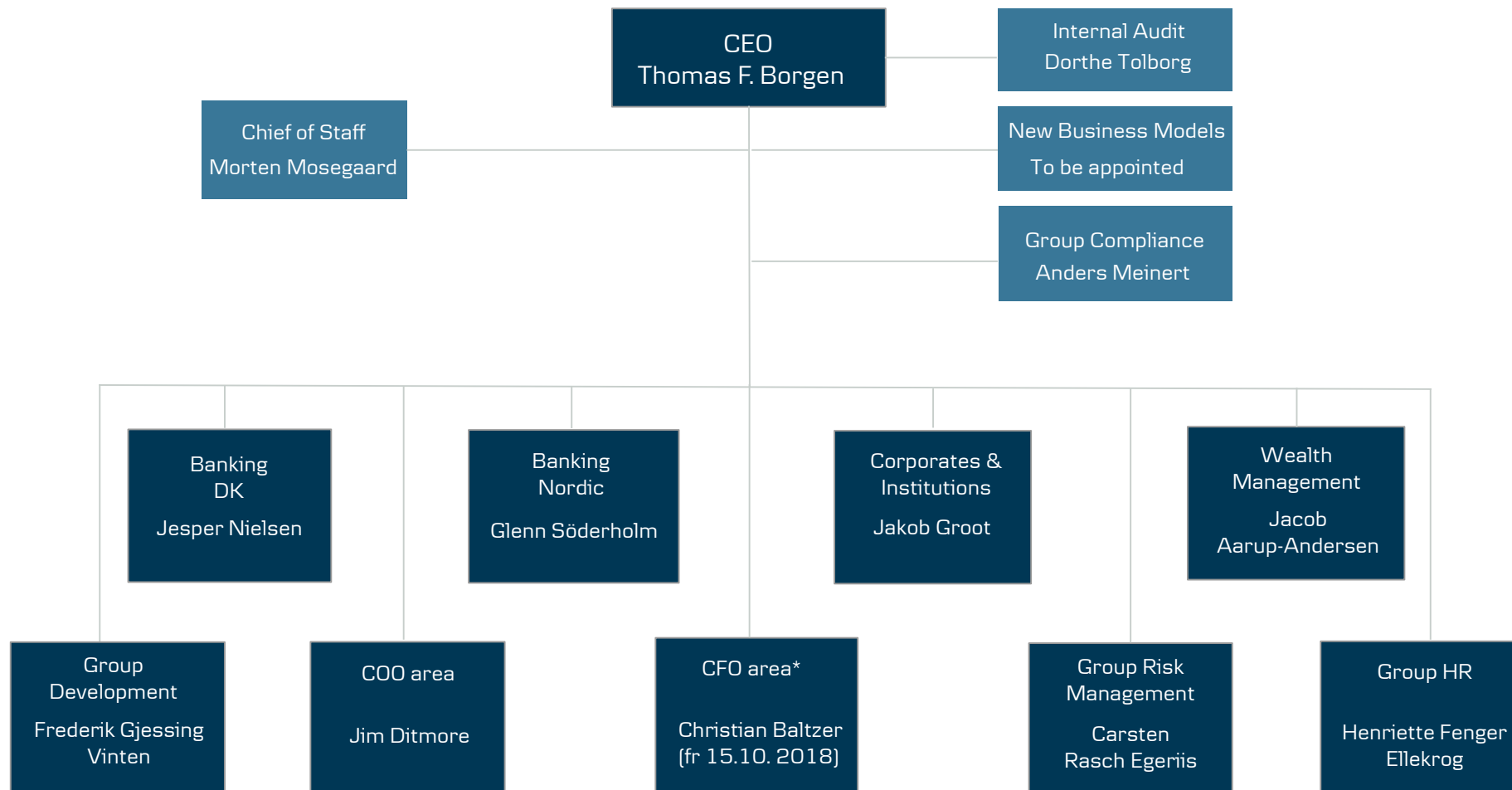
Increase internal collaboration so that customers experience one Danske Bank

Integrate more with society by stepping up our commitment to making a positive impact



Our new organisation

Executive Board



* Morten Mosegaard will be interim head of CFO area

Net profit: DKK 4.9 bn, down 12% from Q1 2017 when trading income was strong

Income statement and key figures (DKK millions)

	Q1 2018	Q1 2017	Index	Q4 2017	Index
Net interest income	5,946	5,866	101	6,108	97
Net fee income	3,762	3,928	96	4,345	87
Net trading income	1,435	2,500	57	1,346	107
Other income	309	356	87	420	74
Total income	11,452	12,649	91	12,219	94
Expenses	5,612	5,724	98	5,757	97
Profit before loan impairment charges	5,841	6,925	84	6,462	90
Loan impairment charges	-330	-235	-	-241	-
Profit before tax, core	6,171	7,160	86	6,703	92
Profit before tax, Non-core	32	-19	-	27	119
Profit before tax	6,202	7,140	87	6,729	92
Tax	1,329	1,610	83	1,081	123
Net profit	4,873	5,530	88	5,649	86
Return on avg. shareholders' equity (%)	12.6	14.4		14.4	
Cost/income ratio (%)	49.0	45.3		47.1	
Common equity tier 1 capital ratio (%)	16.4	15.5		17.6	
EPS (DKK)	5.3	5.8	91	6.1	87
Lending (DKK bn)	1,737	1,705	102	1,723	101
Deposits and RD funding (DKK bn)	1,694	1,618	105	1,670	101
- of which deposits (DKK bn)	940	884	106	912	103
Risk exposure amount (DKK bn)	755	799	94	753	100

Key points, Q1 2018 vs Q1 2017

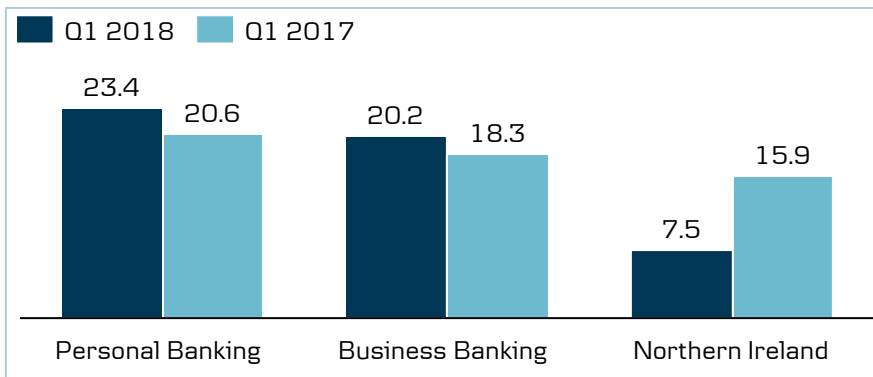
- Return on equity of 12.6%
- NII up 1% despite negative currency effects – lending up 2%
- Fee income down 4% from a strong level in Q1 2017
- Trading down 43% from a high level last year due to uncertainty and subdued customer activity in the financial markets
- Expenses down 2%
- Net reversal of impairment charges at most business units

Key points, Q1 2018 vs Q4 2017

- NII down 3% due to fewer interest days in Q1
- Fee income down due to seasonality
- Trading higher than Q4 but activity still subdued due to uncertainty in the markets
- Reversal of loan impairment charges continued
- CET1 capital ratio of 16.4% and REA of DKK 755 bn
- Lending up 1% Q/Q

Banking units: Continued growth and positive development in credit quality

Pre-tax return on allocated capital (%)



Financial highlights, Q1 2018 vs Q1 2017

Personal Banking

- Total income flat despite sale of Norwegian real estate broker Krogsveen
- Expenses down 7% due to Krogsveen sale and efficiency measures
- Lending up 2%, driven primarily by growth in Sweden

Business Banking

- Total income up 6%, reflecting higher NII and fee income
- Expenses up 6% due to regulatory costs and IT investments
- Lending up 3% with growth in all markets

Northern Ireland

- Lending and NII up despite continued Brexit-uncertainty
- Impairments driven by negative developments on a few cases

Income statement (DKK millions)

	Personal Banking			Business Banking			Northern Ireland		
	Q1 2018	Q1 2017	Index	Q1 2018	Q1 2017	Index	Q1 2018	Q1 2017	Index
Net interest income	1,960	1,963	100	2,336	2,171	108	364	342	106
Net fee income	859	841	102	494	475	104	95	115	83
Net trading income	195	200	98	176	173	102	15	24	63
Other income	129	178	72	146	141	104	3	3	100
Total income	3,142	3,182	99	3,152	2,961	106	477	484	99
Expenses	1,757	1,896	93	1,213	1,145	106	290	309	94
Profit before loan impairment charges	1,385	1,286	108	1,939	1,816	107	187	176	106
Loan impairment charges	-100	56	-	-272	-286	-	62	-61	-
Profit before tax	1,485	1,230	121	2,211	2,101	105	125	237	53
Lending (DKK bn)	759	746	102	702	682	103	49	47	105
Deposits and RD funding (DKK bn)	688	668	103	579	562	103	61	59	103
- of which deposits (DKK bn)	277	267	104	248	238	104	61	59	103

C&I and Wealth Management: Lower customer activity and negative market developments affected major income lines

Corporates & Institutions: Financial highlights, Q1 18 vs Q1 17

- Fee income down 12% owing to subdued customer activity in Capital Markets
- Trading income reflects lower customer activity at FICC due to uncertainty regarding interest rates and geopolitical events; in Q1 2017, activity in this area was strong
- Expenses slightly lower due to efficiency gains and lower performance-based compensation
- Impairments still at a very low level

Wealth Management: Financial highlights, Q1 18 vs Q1 17

- Assets under management up 3% to DKK 1,513 bn owing to positive inflow from net sales and premiums
- Net sales at Asset Management of DKK 0.8 bn in Q1 2018, against 8.9 bn in Q1 2017
- Net premiums of DKK 12.9 bn at Danica in Q1 2018, up 13% from Q1 2017
- Fee income down 3%, due to fewer product launches
- Trading income negative due to low investment result in Health & Accident business
- Expenses flat despite increased regulatory costs

Corporates & Institutions: Income statement (DKK millions)

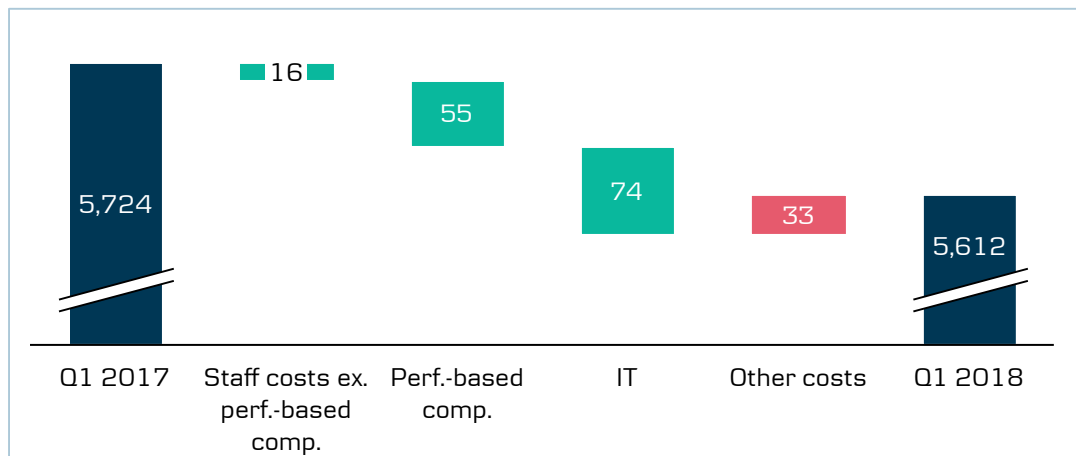
	Q1 2018	Q1 2017	Index
Net interest income	893	849	105
Net fee income	690	780	88
Net trading income	999	1,843	54
Other income	3	-	-
Total income	2,585	3,472	74
Expenses	1,154	1,184	97
Profit before loan impairment charges	1,431	2,287	63
Loan impairment charges	3	81	4
Profit before tax	1,429	2,207	65
Pre-tax return on allocated capital (%)	17.7	23.2	
Lending (DKK bn)	175	189	92
Deposits (DKK bn)	290	251	116

Wealth Management: Income statement (DKK millions)

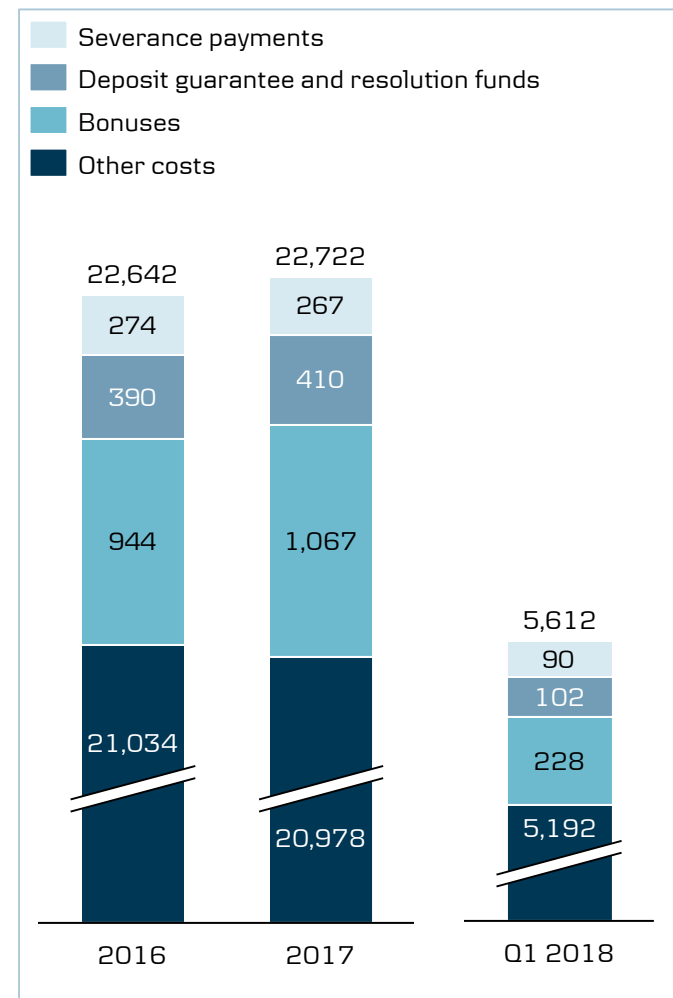
	Q1 2018	Q1 2017	Index
Net interest income	179	182	98
Net fee income	1,701	1,749	97
Net trading income	-19	103	-
Other income	16	28	57
Total income	1,877	2,062	91
Expenses	1,015	1,016	100
Profit before loan impairment charges	863	1,046	83
Loan impairment charges	-16	-25	-
Profit before tax	878	1,070	82
Pre-tax return on allocated capital (%)	26.0	31.6	
Lending (DKK bn)	76	73	103
Deposits (DKK bn)	68	62	109
Assets under management (DKK bn)	1,513	1,463	103

Expenses: Slightly down y/y due to lower activity-related costs and IT expenses

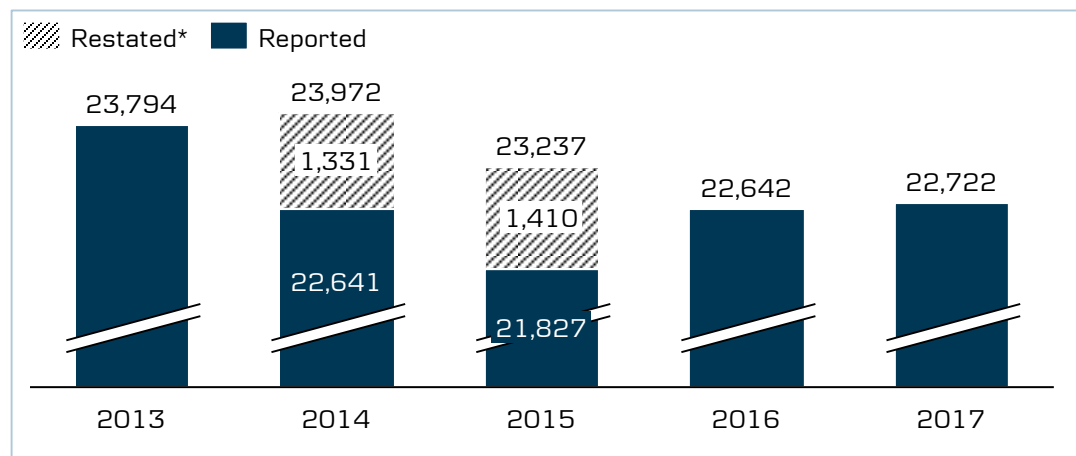
Change in expenses (DKK millions)



Total expenses (DKK millions)



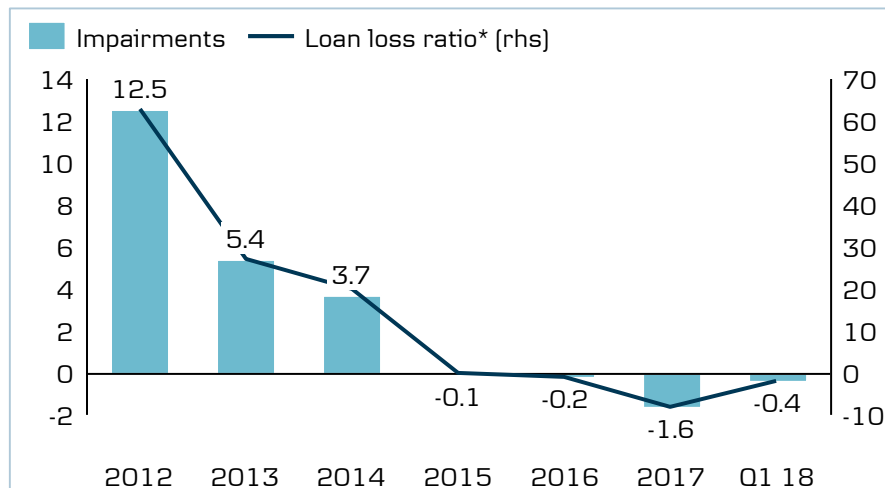
Total expenses excl. goodwill charge, 2013-2017 (DKK millions)



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

Impairments: Net reversals at most business units

Group impairments,* 2012 to Q1 2018 (DKK billions/bp)



Impairment drivers, Q1 2018 vs Q4 2017

- Net reversals at Personal Banking, Business Banking and Wealth Management continue, helped by stable macroeconomic conditions in all Nordic countries
- Impairments at C&I at a very low level
- Impairments in Northern Ireland driven by negative developments on a few cases
- Non-core: Continued reversals and work-outs in Non-core banking

Impairments (DKK millions)

	Q1 2018	Q1 2017	Q4 2017	Q3 2017
Personal Banking	-100	56	-41	-25
Business Banking	-272	-286	-51	-226
C&I	3	81	-33	138
Wealth Management	-16	-25	-23	-25
Northern Ireland	62	-61	-93	-24
Other activities	-7	-	-	-3
Total core	-330	-235	-241	-166
Non-core	-79	1	-470	-233
Group	-409	-234	-711	-399

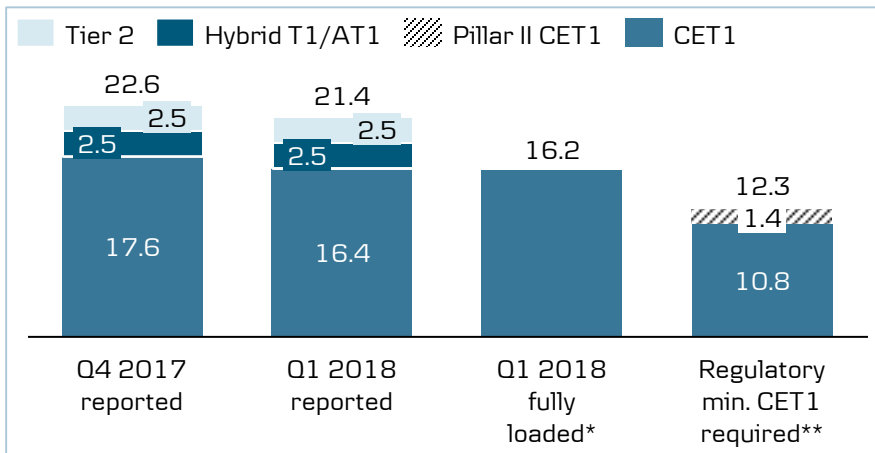
Loan loss ratio,** annualised (bp)

	Q1 2018	Q1 2017	Q4 2017	Q3 2017
Personal Banking	-5	3	-2	-1
Business Banking	-15	-17	-3	-13
C&I	0	8	-3	14
Wealth Management	-8	-13	-12	-13
Northern Ireland	53	-54	-80	-21
Other activities	-152	5	17	-23
Total core	-7	-5	-5	-3
Non-core	-661	3	-1,100	-537
Group	-8	-5	-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 16.4% adjusted for the DKK 10 bn share buy-back programme

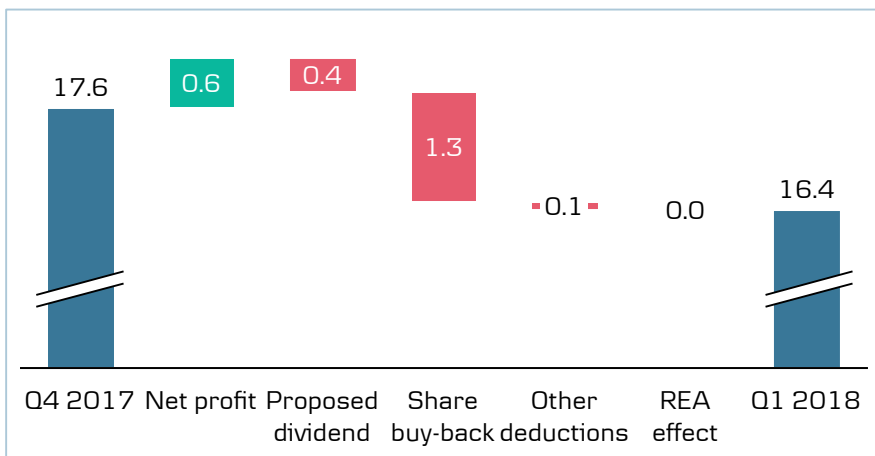
Capital ratios, under Basel III/CRR (%)



Capital highlights, Q1 2018

- Small REA increase driven mainly by market risk, as volatility led to increased value-at-risk
- Implementation of IFRS 9 has increased the allowance account by DKK 2.6 bn. The CET1 impact (DKK 2.0 bn net of tax and other effects) will be phased-in over five years (5% in 2018)
- Leverage ratio of 4.2% 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, Q4 2017 to Q1 2018 (%)



Total REA, Q4 2017 to Q1 2018 (DKK billions)



* Adjusted for remaining impact of CRD IV and IFRS 9. ** 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 0.8% and CET1 component of Pillar II requirement. Note: Pillar II requirement is not relevant for the purpose of MDA.

Outlook for full-year 2018 unchanged: 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

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

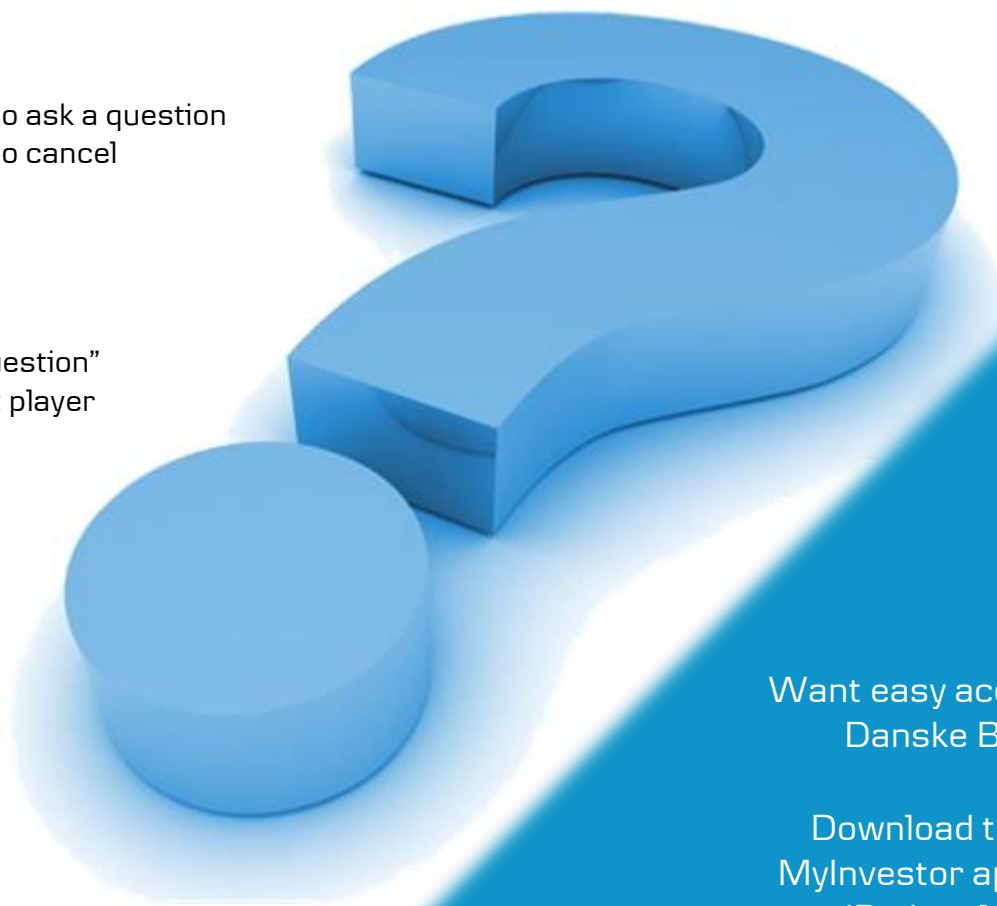
Q&A session



Press * then 1 to ask a question
Press * then 2 to cancel



Press “Ask a question”
in your webcast player



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Appendix

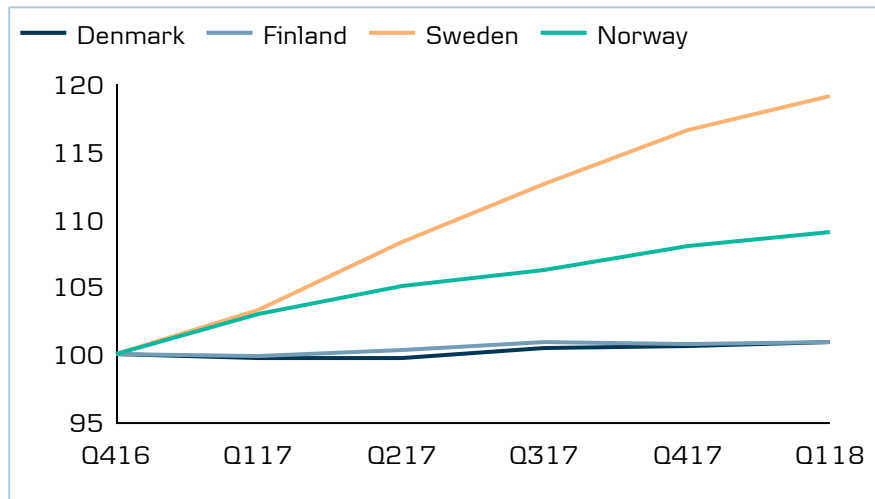
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Personal Banking: Profit before tax up 13% in Q1, Krogsveen sale lowers expenses; growth in Sweden and Norway continues

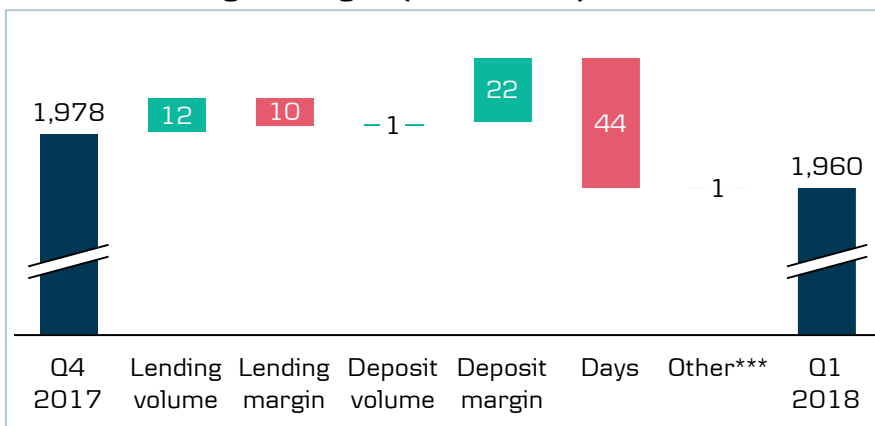
Income statement and key figures (DKK millions)

	Q1 2018	Q4 2017	Index
Net interest income	1,960	1,978	99
Net fee income	859	855	100
Net trading income	195	179	109
Other income	129	177	73
Total income	3,142	3,189	99
Expenses	1,757	1,917	92
Profit before loan impairment charges	1,385	1,271	109
Loan impairment charges	-100	-41	-
Profit before tax	1,485	1,312	113
Lending (DKK bn)	759	758	100
Deposits and RD funding (DKK bn)	688	683	101
Deposits (DKK bn)	277	273	101

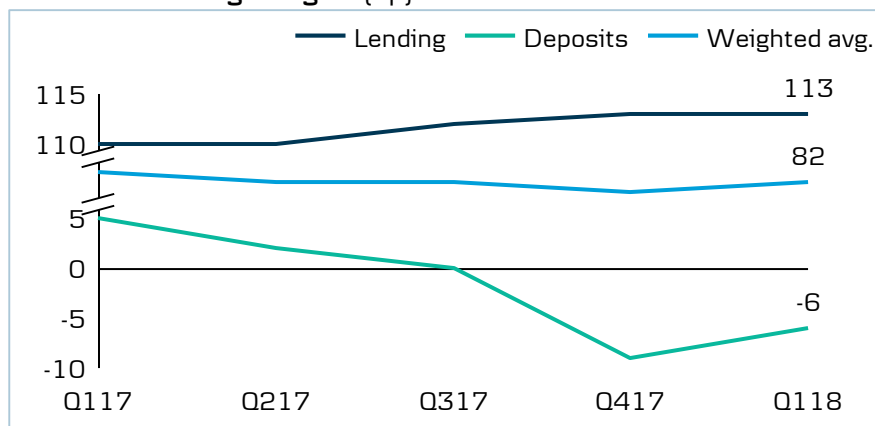
Lending volume by country* (Q4 2016 = Index 100)



Personal Banking NII bridge** (DKK millions)



Personal Banking margins (bp)



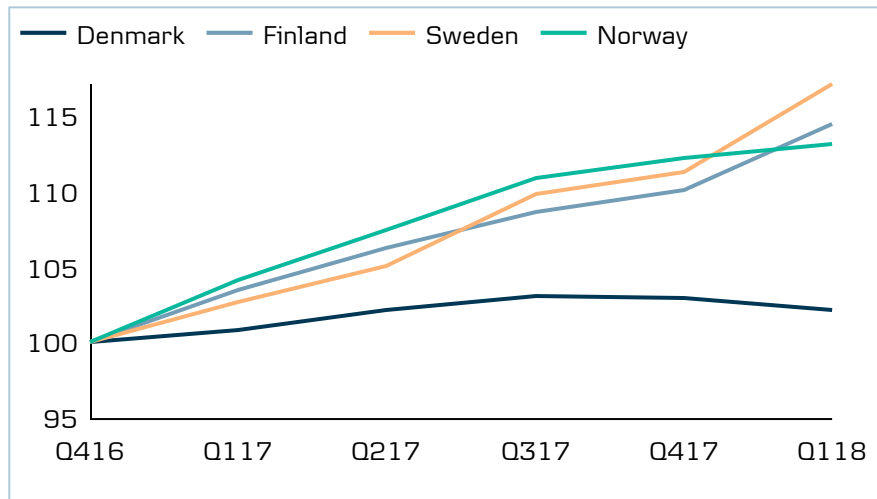
* Based on local currency lending volumes. ** Based on average volumes. *** Includes capital costs and off-balance-sheet items.

Business Banking: Profit before tax up 15% in Q1, driven by lower expenses and net reversals; growth continues outside Denmark

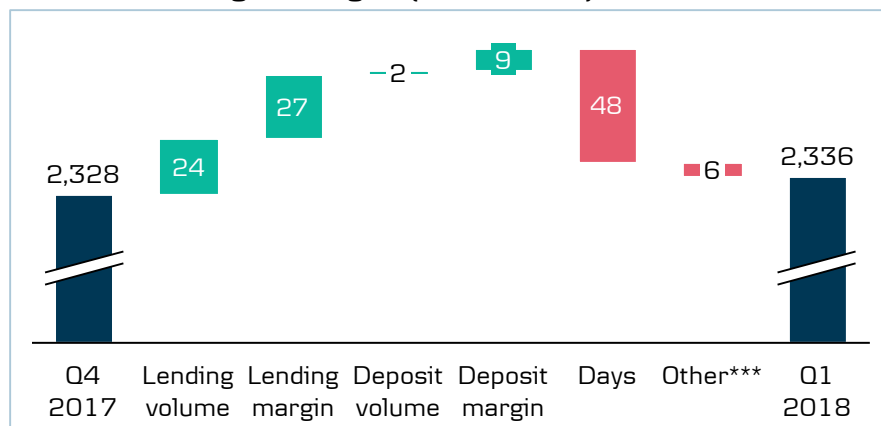
Income statement and key figures (DKK millions)

	Q1 2018	Q4 2017	Index
Net interest income	2,336	2,328	100
Net fee income	494	477	104
Net trading income	176	180	98
Other income	146	146	100
Total income	3,152	3,131	101
Expenses	1,213	1,263	96
Profit before loan impairment charges	1,939	1,868	104
Loan impairment charges	-272	-51	-
Profit before tax	2,211	1,920	115
Lending (DKK bn)	702	697	101
Deposits and RD funding (DKK bn)	579	584	99
Deposits (DKK bn)	248	248	100

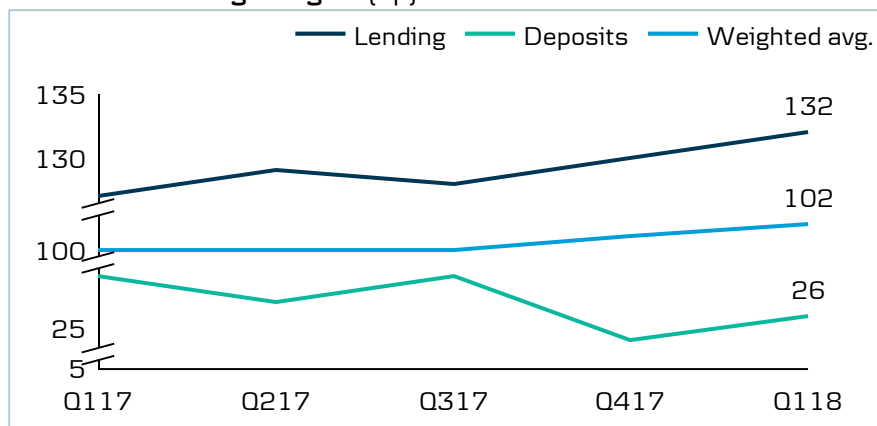
Lending volume by country* (Q4 2016 = Index 100)



Business Banking NII bridge** (DKK millions)



Business Banking margins (bp)



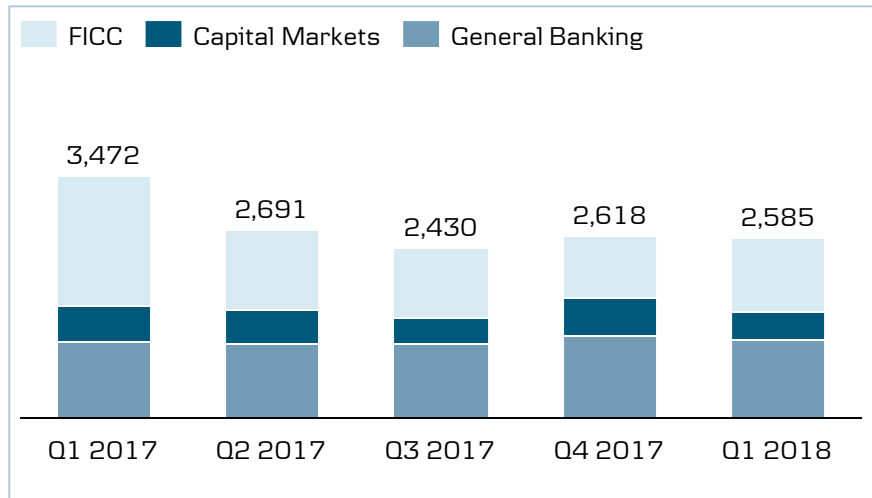
* Based on local currency lending volumes. ** Based on average volumes. *** Includes capital costs and off-balance-sheet items.

Corporates & Institutions: Profit before tax flat q/q, expenses lower owing mainly to seasonality

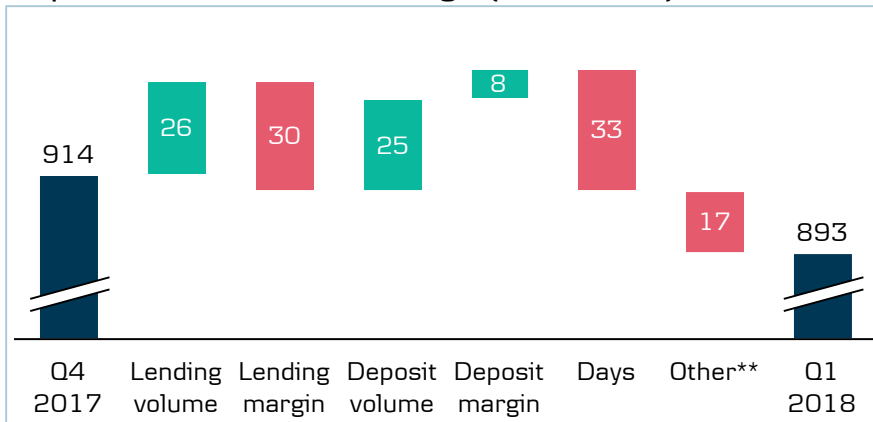
Income statement and key figures (DKK millions)

	Q1 2018	Q4 2017	Index
Net interest income	893	914	98
Net fee income	690	852	81
Net trading income	999	851	117
Other income	3	1	300
Total income	2,585	2,618	99
Expenses	1,154	1,228	94
Profit before loan impairment charges	1,431	1,390	103
Loan impairment charges	3	-33	-
Profit before tax	1,429	1,422	100
Lending (DKK bn)	175	175	100
Deposits (DKK bn)	290	268	108

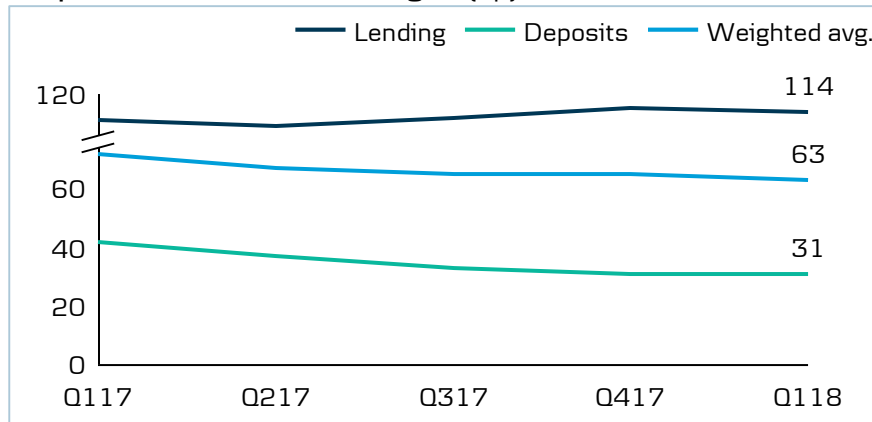
Income breakdown (DKK millions)



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 down 35% q/q, Q4 benefited from performance fees and shadow account booking

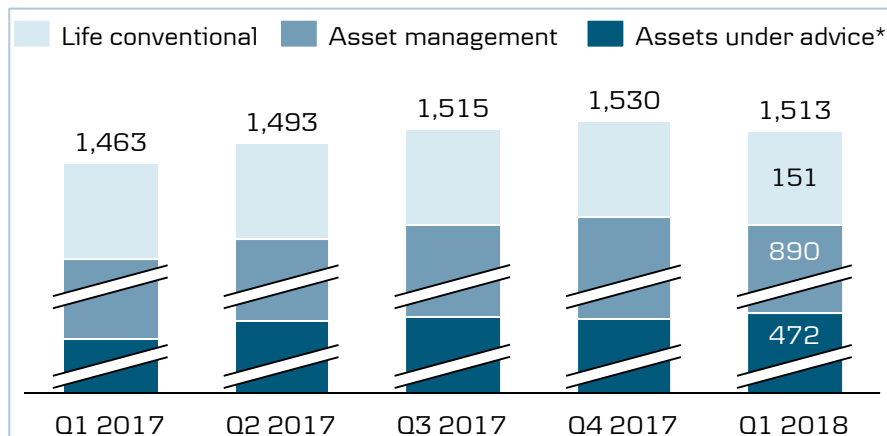
Income statement and key figures (DKK millions)

	Q1 2018	Q4 2017	Index
Net interest income	179	176	102
Net fee income	1,701	2,149	79
Net trading income	-19	55	-
Other income	16	53	30
Total income	1,877	2,433	77
Expenses	1,015	1,107	92
Profit before loan impairment charges	863	1,326	65
Loan impairment charges	-16	-23	-
Profit before tax	878	1,350	65
Lending (DKK bn)	76	75	101
Deposits (DKK bn)	68	66	103
Allocated capital (average, DKK bn)	13.5	13.6	99
Pre-tax return on allocated capital (%)	26.0	39.7	
AuM (DKK bn)	1,513	1,530	99
- Life conventional (Traditionel)	151	155	97
- Asset management (Unit-linked)	890	911	98
- Assets under advice*	472	464	102

Key points, Q1 2018 vs Q4 2017

- Assets under management down 1%
- Net sales for Asset Management of DKK 0.8 bn (Q4: DKK 9.9 bn) due to lower institutional sales
- Net premiums of DKK 12.9 bn at Danica (Q4: DKK 10.4 bn)
- Fee income in Q4 included performance fees of DKK 368 m and booking of the final shadow account balance
- Operating expenses down 8% due to lower consultancy costs

AuM breakdown (DKK billions)



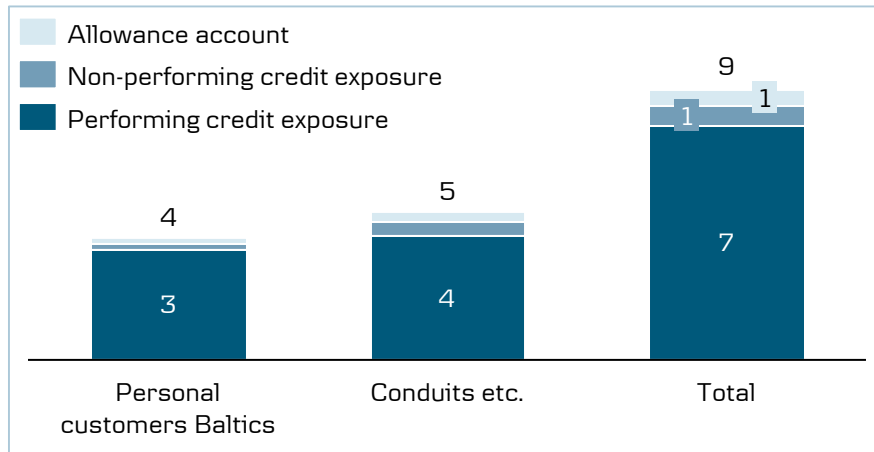
* Assets under advice from personal, business and private banking customers, where the investment decision is taken by the customer.

Non-core: Refocusing our Nordic strategy in the Baltics

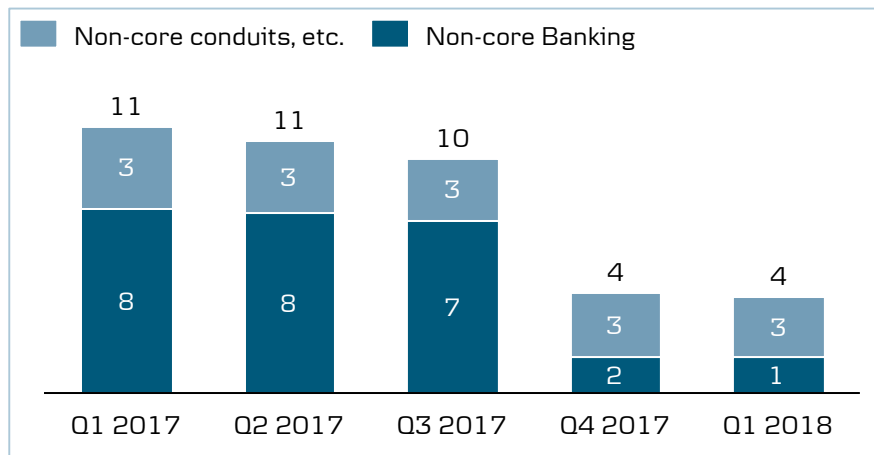
Business review Baltics

- Building on the Group's strategy of focusing on customers in the Nordic region, we have decided to align our business activities in the Baltic countries accordingly. Going forward, Danske Bank will focus exclusively on supporting subsidiaries of Nordic customers and global corporates with a significant Nordic footprint.
- As a result, all other local Baltic customers will be transferred to the Non-core unit.
- The activities transferred to Non-core relate to Business Banking customers.
- The change will take effect on 1 April.
- At the end of March 2018, the lending volume to be transferred from Business Banking to Non-core totalled DKK 13.0 billion.

Non-core loan portfolio, Q1 2018 (DKK billions)

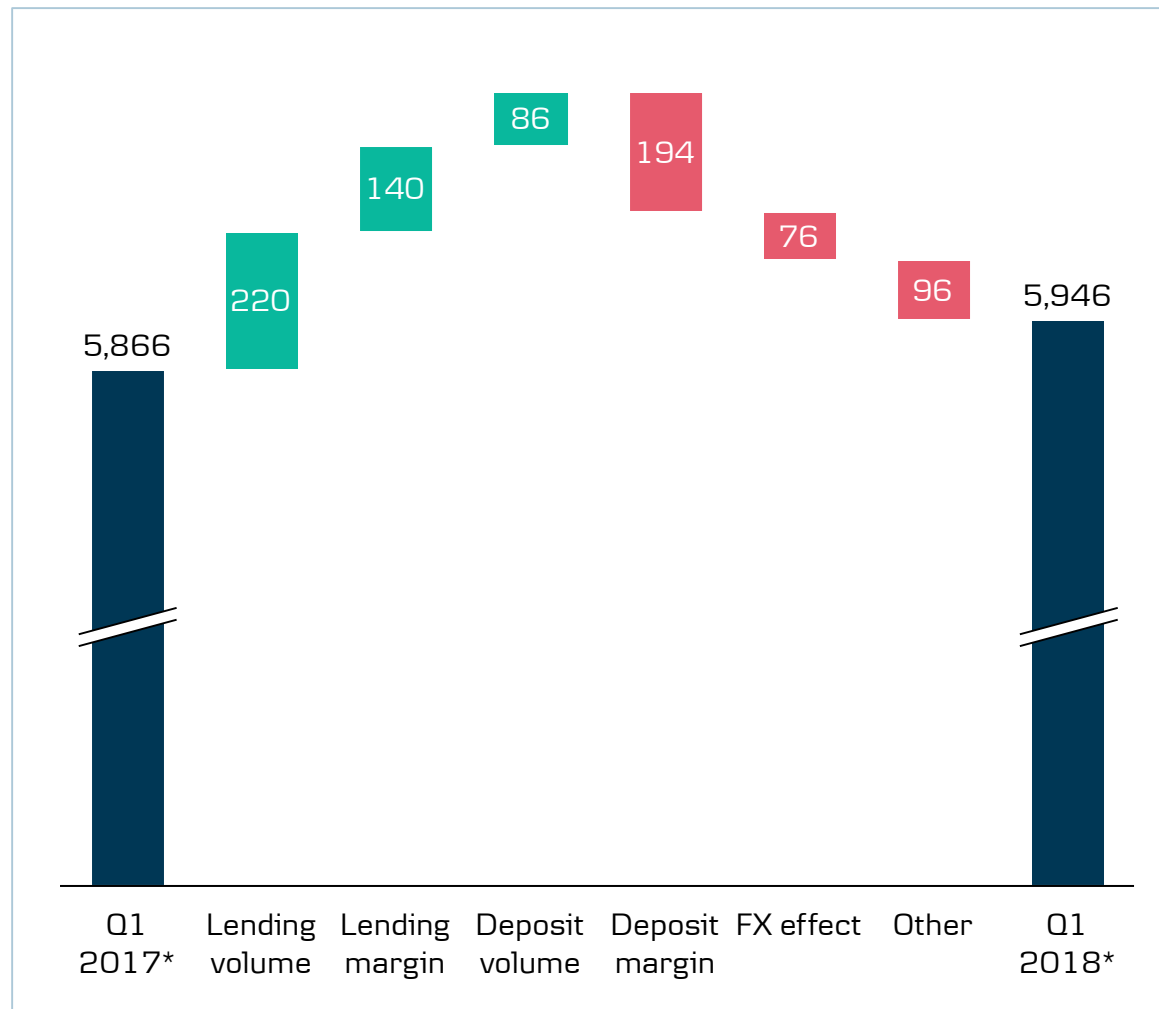


Non-core REA (DKK billions)



Net interest income: Up 3% y/y adjusted for FX effect

Change in net interest income (DKK millions)



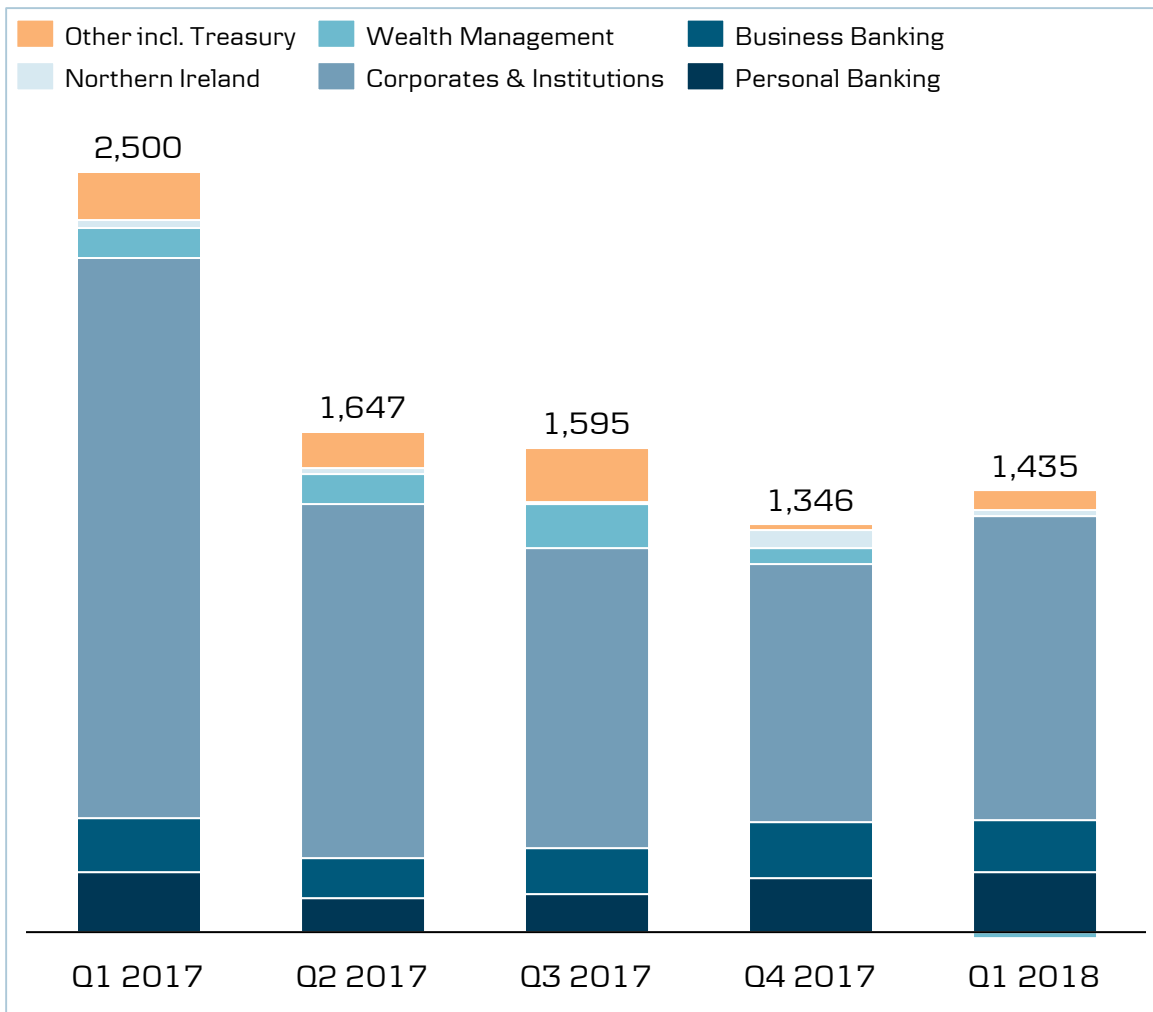
Comments

- NII Other includes
 - differences at the Internal Bank between actual and allocated funding costs (FTP)
 - income related to the Group's liquidity portfolio
- NII Other is impacted by
 - falling actual liquidity cost at the Internal Bank
 - deposit floor effect from changed FTP
 - reduced difference between actual and allocated funding costs
- 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

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

Trading income: At a low level owing to uncertainty and low liquidity in the financial markets

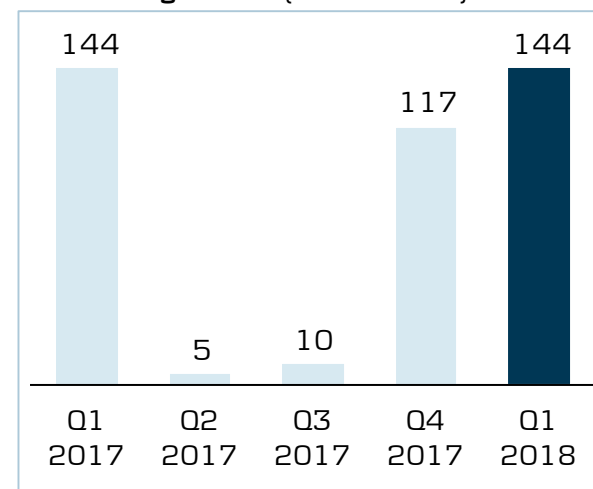
Trading income by business unit* (DKK millions)



Key points, Q1 2018 vs Q4 2018

- Trading income was up 7% from a low level in Q4, however, trading income remains at a low level
- Uncertainty and lower liquidity in the financial markets led to de-risking and lower activity among our customers
- FlexLån® auctions resulted in refinancing income of DKK 144 m in Q1 2018

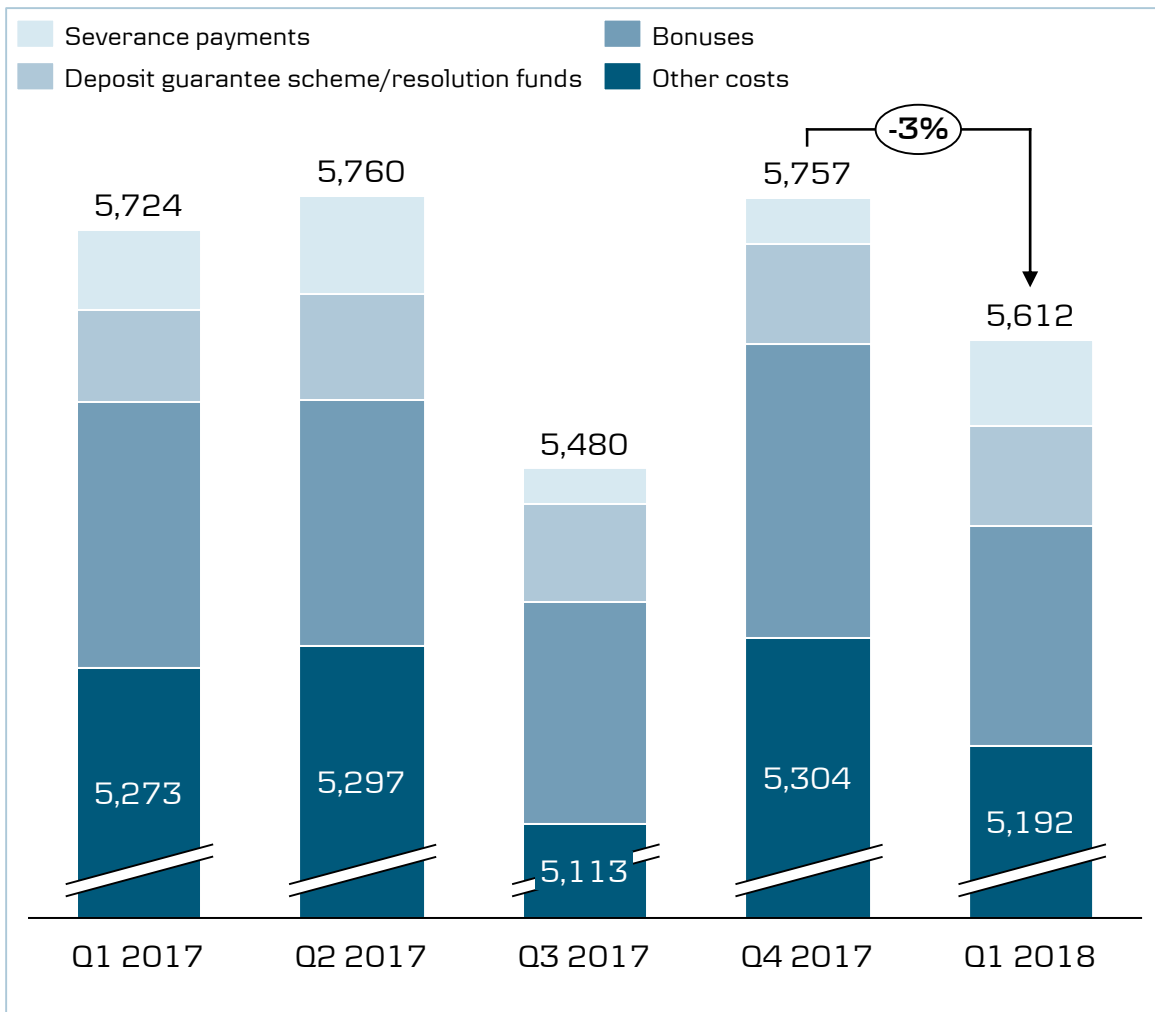
Refinancing income (DKK millions)



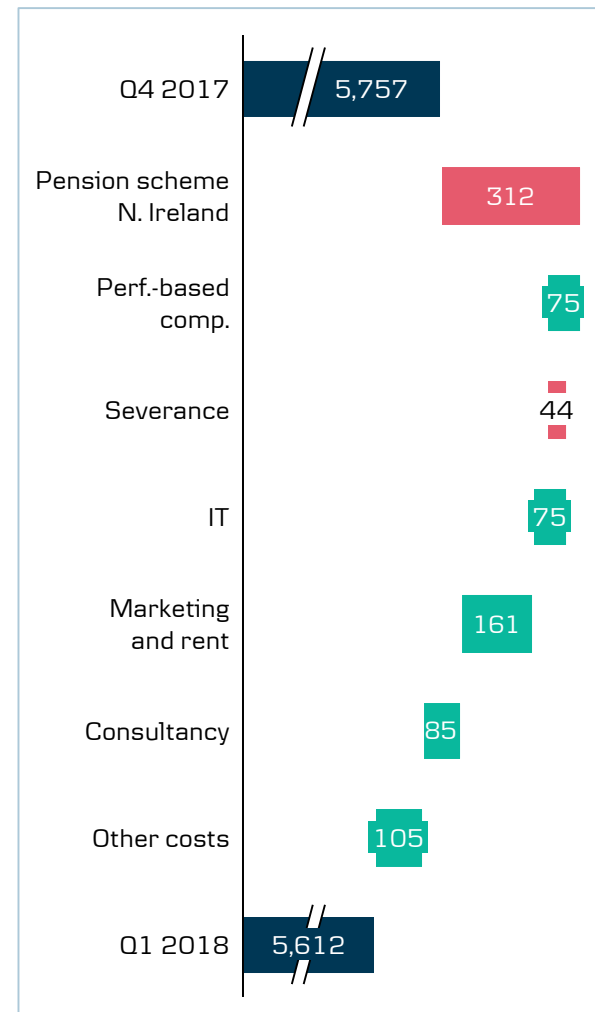
* Note that net trading income has been restated after aligning the presentation of customer income on derivatives in FICC, moving income from trading to NII and fees.

Expenses: Down 3% owing to seasonally higher expenses in Q4

Total expenses (DKK millions)

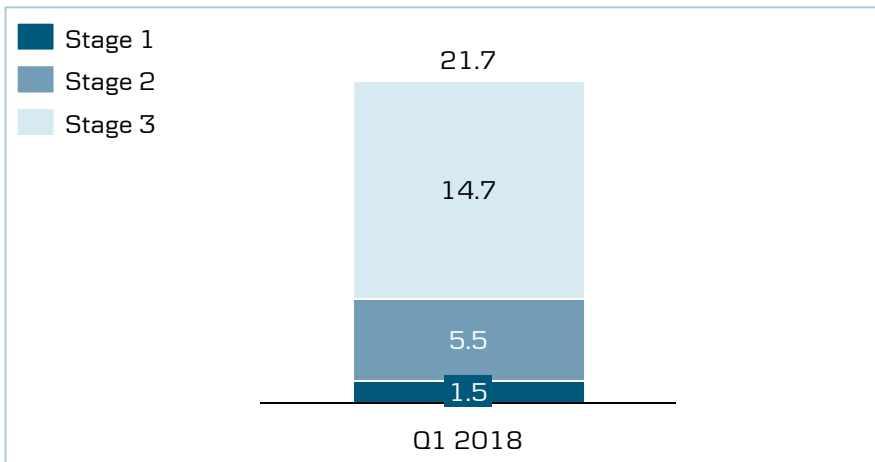


Change in expenses (DKK millions)

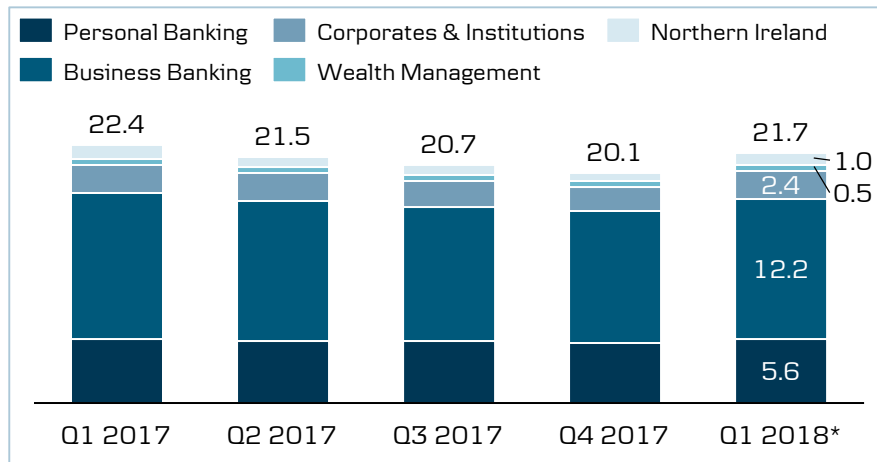


Credit quality: Positive trend in credit quality continues; NPLs decreased 11% y/y

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



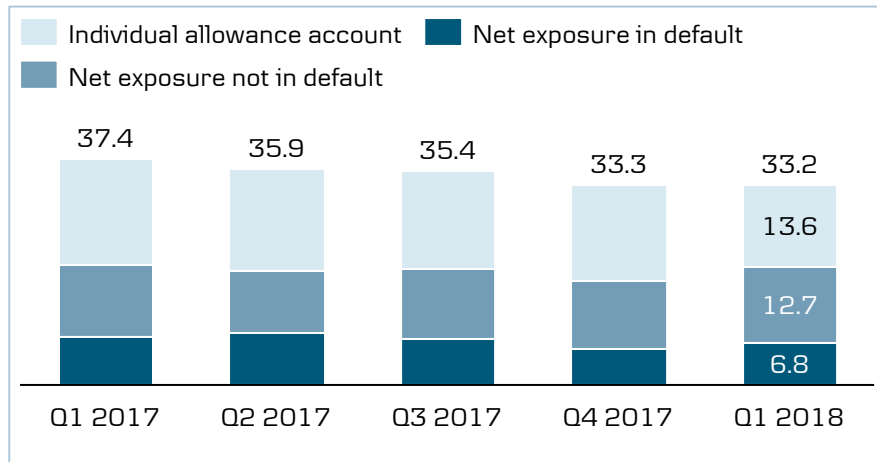
Allowance account by business unit (DKK billions)



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

	Allowance account	Gross credit exposure	Allowance as % of exposure
Personal customers	1.8	918.5	0.20%
Agriculture	1.2	70.1	1.71%
Shipping	0.9	34.1	2.64%
Commercial property	0.7	311.8	0.22%
Consumer discretionary	0.2	111.3	0.18%
Other	0.7	1,034.0	0.07%
Total	5.5	2,479.8	0.22%

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 [2.8% of Group exposure]

- Pig prices remained at a low level while milk prices declined during the quarter
- Credit exposure increased by DKK 7.9 bn from last quarter as personal customers were transferred to agriculture after identification in primarily Business Banking Sweden. Credit quality of the Swedish portfolio is strong, with a weighted PD of 0.85%, far below the average of 3.1% for Business Banking Denmark.
- No major impairment movements in Q1. Total accumulated impairments amounted to DKK 3.6 bn of which DKK 1.4 bn in stage 1 and 2
- Realkredit Danmark represented 58% of total gross exposure and 17% of expected credit loss
 - LTV limit at origination of 60% at Realkredit Danmark

Oil-related exposure [0.8% of Group exposure]

- Net exposure decreased slightly from last quarter to DKK 19.0 bn*
- Increased impairments of DKK 0.1 bn booked in Q1 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, Q1 2018, DKK millions

	Gross credit exposure	Portion from RD	Portion from BB-SE	Expected credit loss	Net credit exposure	NPL coverage ratio
Business Banking	62,333	43,046	8,052	3,513	58,821	86%
Growing of crops, cereals, etc.	20,735	16,712	1,099	592	20,143	90%
Dairy	10,996	7,753	1,040	1,408	9,588	85%
Pig breeding	12,955	10,234	187	1,206	11,750	86%
Mixed operations etc.	17,648	8,346	5,727	308	17,340	84%
Northern Ireland	4,532	-	-	46	4,486	96%
C&I	4,948	2,083	-	5	4,943	-
Others	1,824	-	-	22	1,801	-
Total	73,637	45,129	-	3,586	70,051	87%

Oil-related exposure, Q1 2018, DKK millions

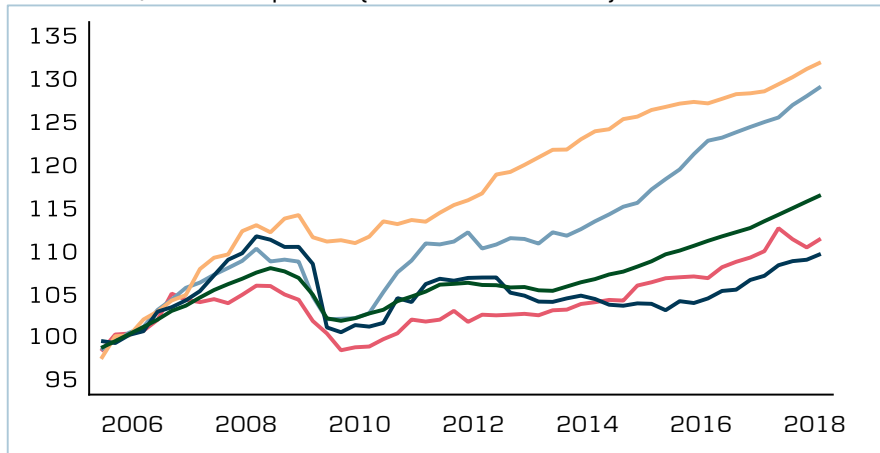
	Gross credit exposure	Expected credit loss	Net credit exposure
C&I	19,709	1,598	18,111
Oil majors	6,517	2	6,516
Oil service	6,622	242	6,380
Offshore	6,570	1,354	5,216
Business Banking	1,249	365	883
Oil majors	1	0	1
Oil service	1,138	363	776
Offshore	109	3	107
Others	7	0	7
Total	20,964	1,963	19,001

* The oil-related net credit exposure of DKK 19.0 bn is part of the energy and utilities industry (DKK 13.7 bn) and shipping industry (DKK 5.3 bn).

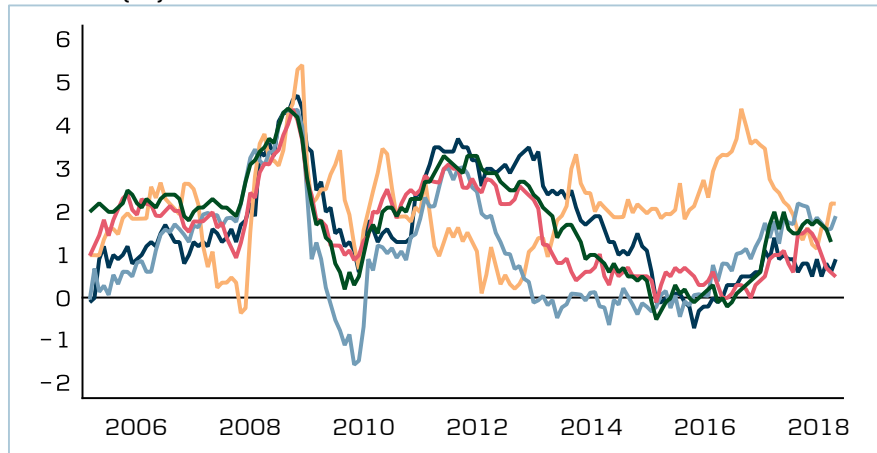
Nordic macroeconomics

Denmark Sweden Norway Finland EU

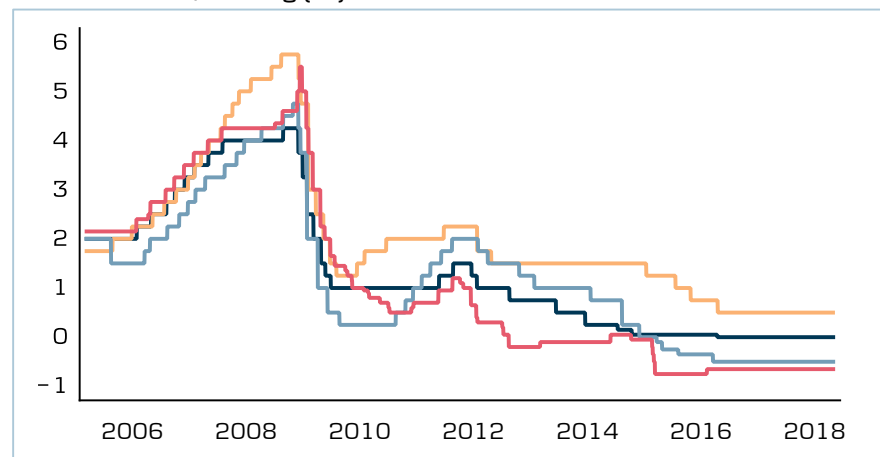
Real GDP, constant prices (index 2005 = 100)



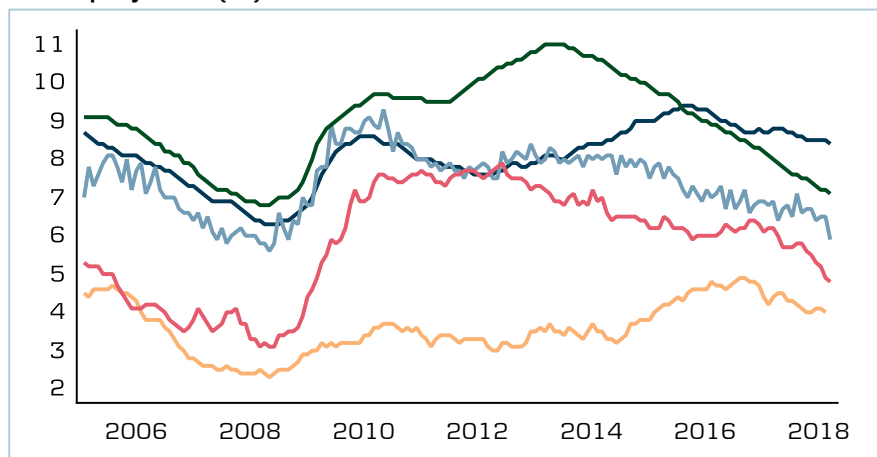
Inflation [%]



Interest rates, leading [%]



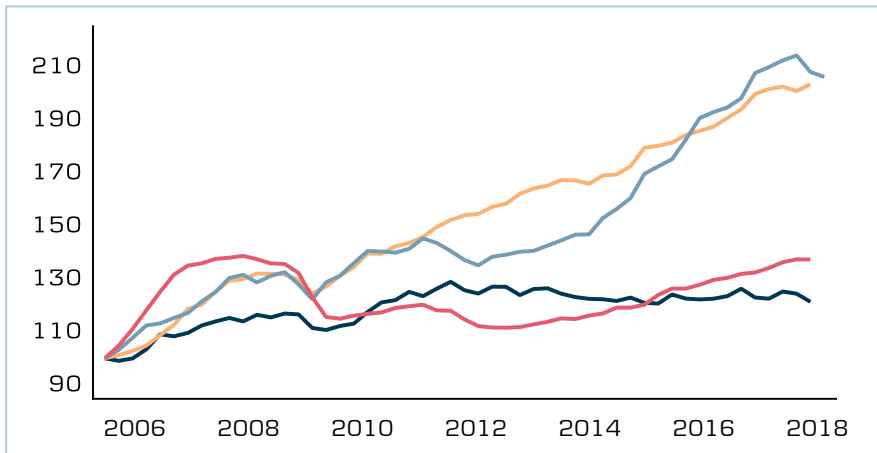
Unemployment [%]



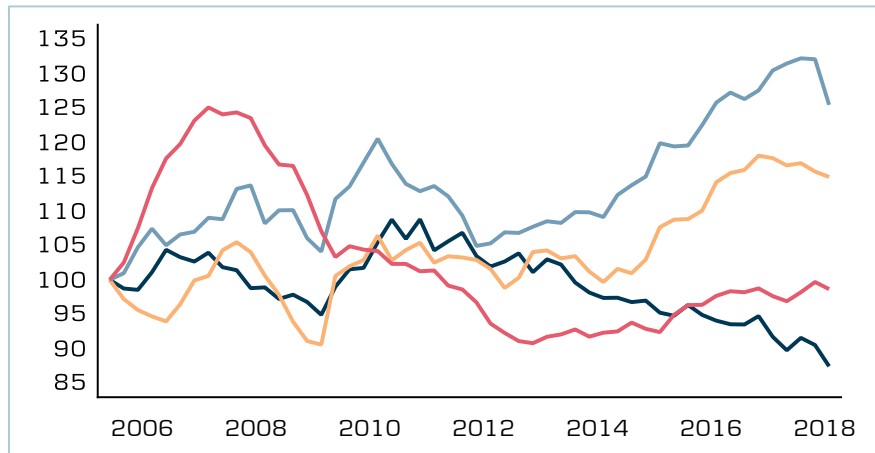
Nordic housing markets

Denmark Sweden Norway Finland

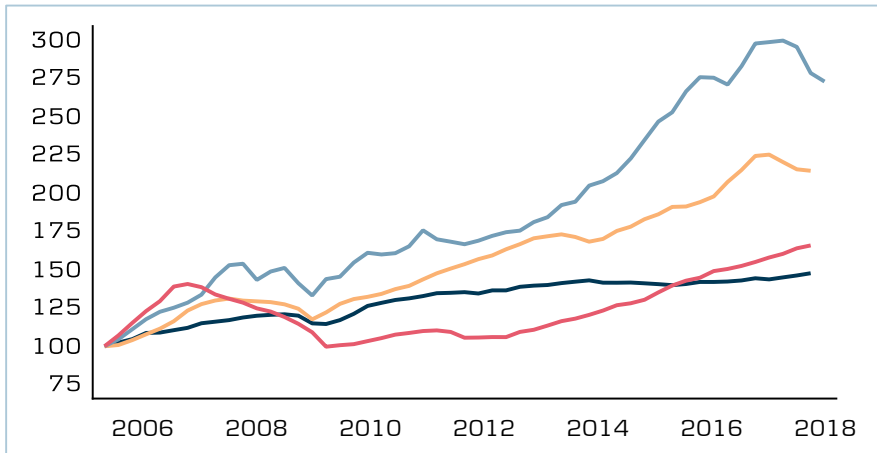
Property prices (index 2005 = 100)



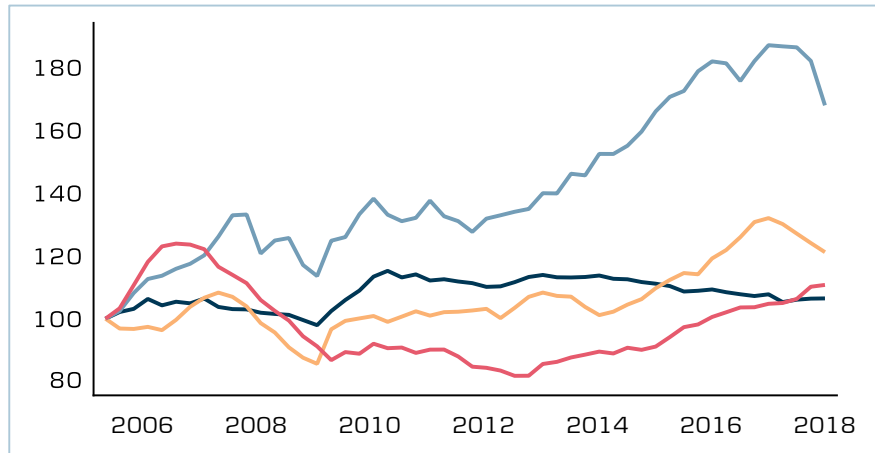
House prices/nom. GDP (index 2005 = 100)



Apartment prices (index 2005 = 100)



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



Realkredit Danmark and the Danish housing market: Portfolio overview

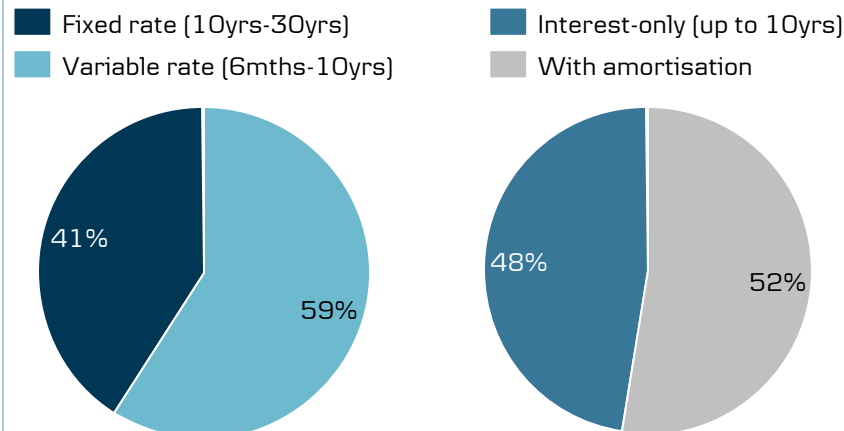
Portfolio facts, Realkredit Danmark, Q1 2018

- Approx. 366,000 loans (residential and commercial)
- 1,234 loans in 3- and 6-month arrears (-11% since Q4)
- 31 repossessed properties
- DKK 11 bn of loans with LTV ratio > 100%, including DKK 4 bn with public guarantee
- Average LTV ratio of 62%

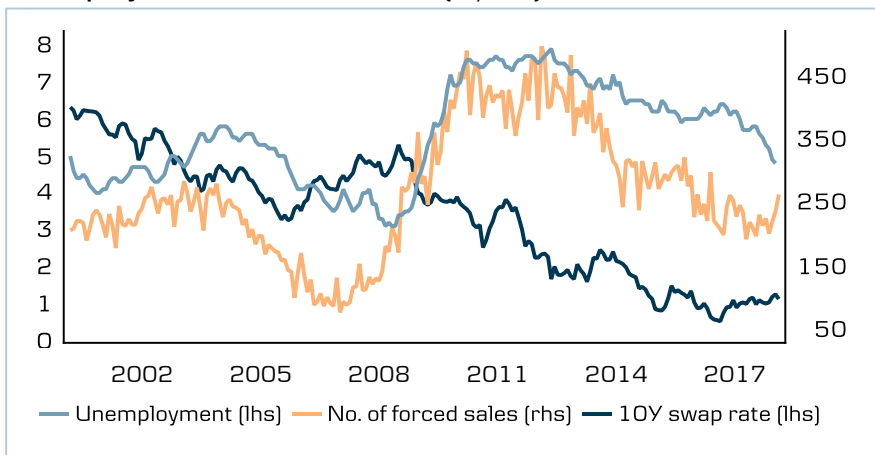
LTV ratio at origination (legal requirement)

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

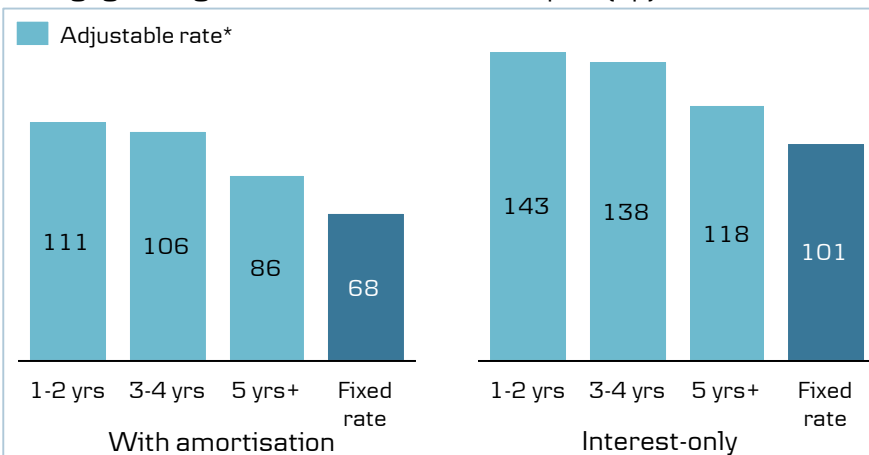
Stock of retail loans (DKK 446 bn), Realkredit Danmark, Q1 18 (%)



Unemployment and foreclosures (%/No.)



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



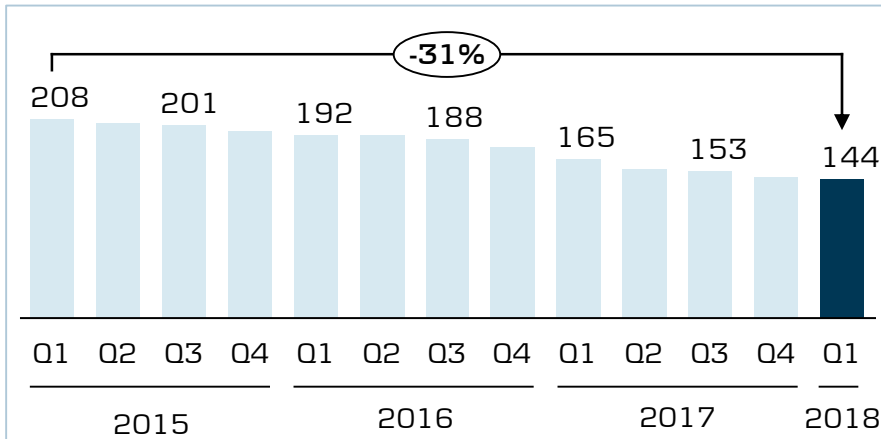
* In addition, we charge a fee of 30 bp of the bond price for refinancing of 1- and 2-year floaters and a fee of 20 bp for floaters of 3 or more years.

Realkredit Danmark: 45% of new retail loans are long-term variables; compliant with all regulatory requirements

Key points

- 45% of new retail loans in Q1 were 5- to 10-year variable rate loans, and 40% were fixed-rate loans
- Total stock of loans amounted to DKK 772 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 (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

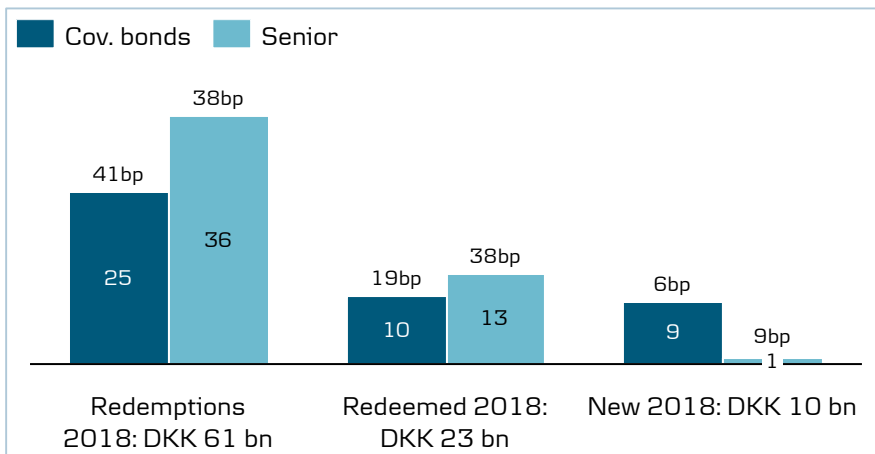
Refinancing need: ✓
Max. 12.5% of portfolio quarterly and max. 25% annually

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

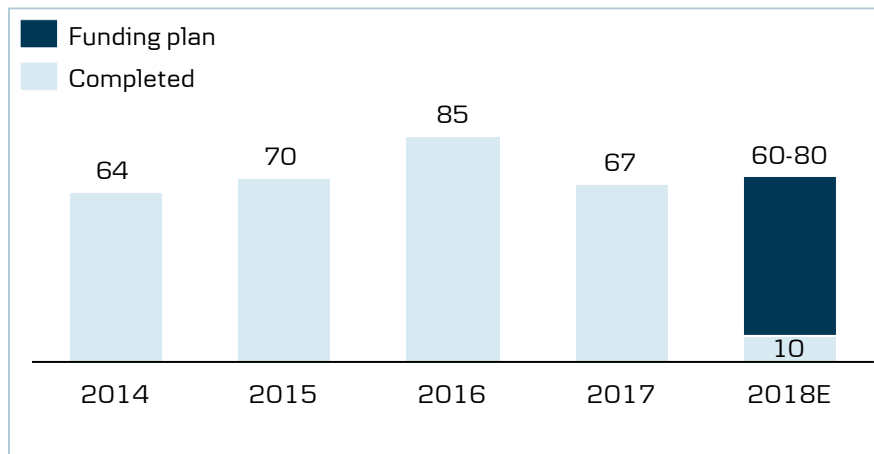
Interest-only loans: ✓
Max. 10% of portfolio with LTV ratio > 75% of legal limit

Funding and liquidity: DKK 10 bn of long-term funding issued in Q1 2018; LCR compliant at 144%

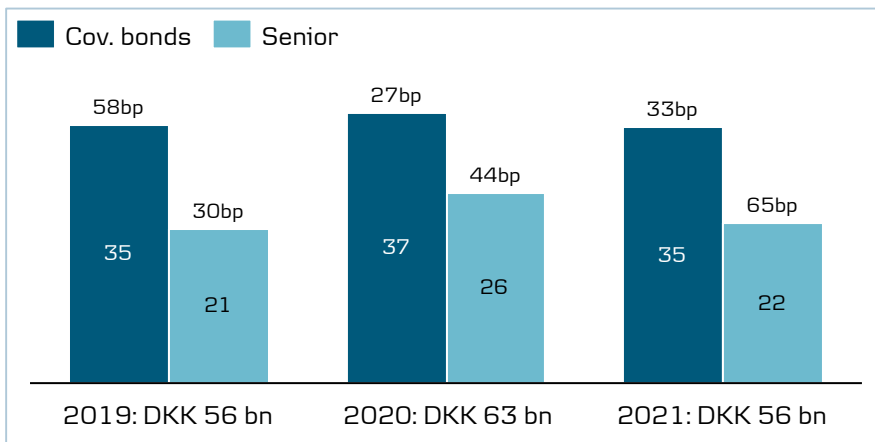
Changes in funding,* 2018 (DKK billions and bp)



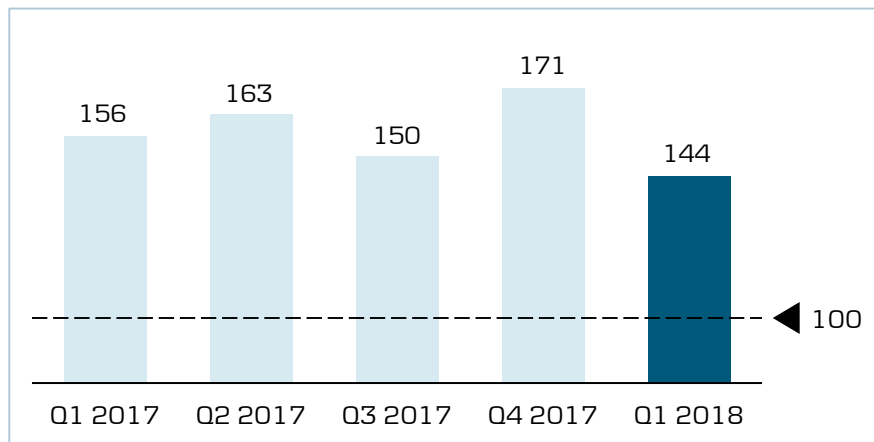
Long-term funding excl. RD (DKK billions)**



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



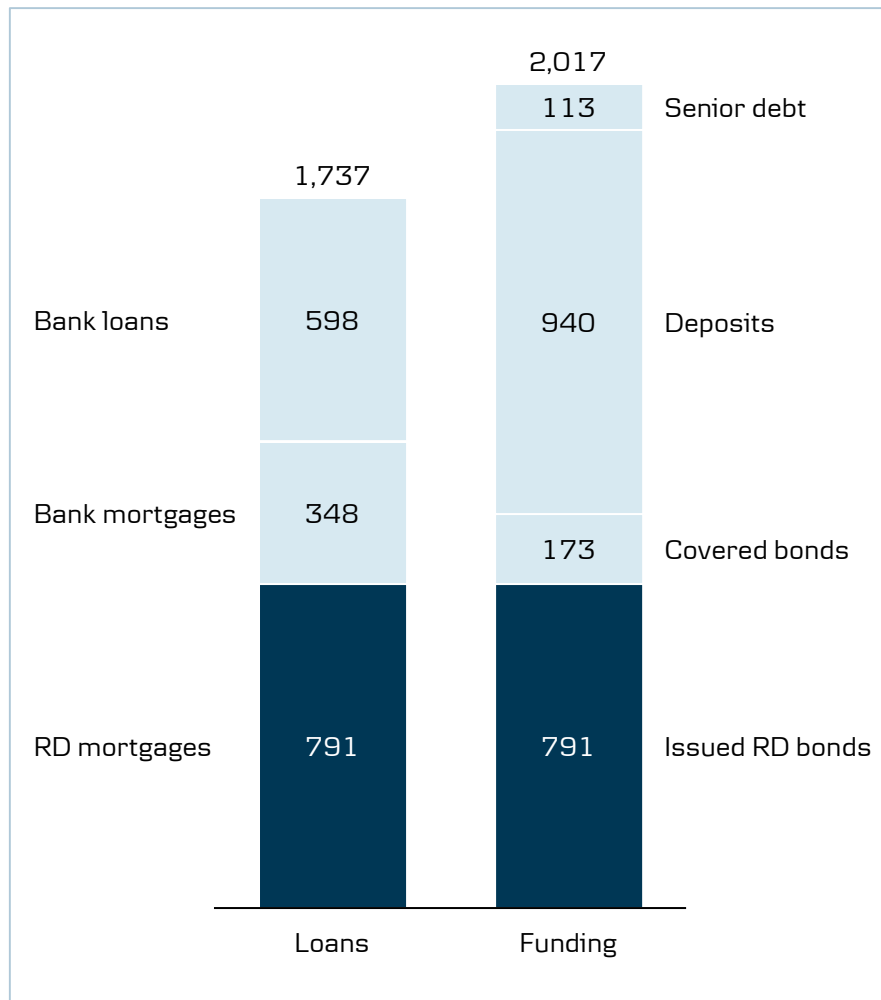
Liquidity coverage ratio (%)



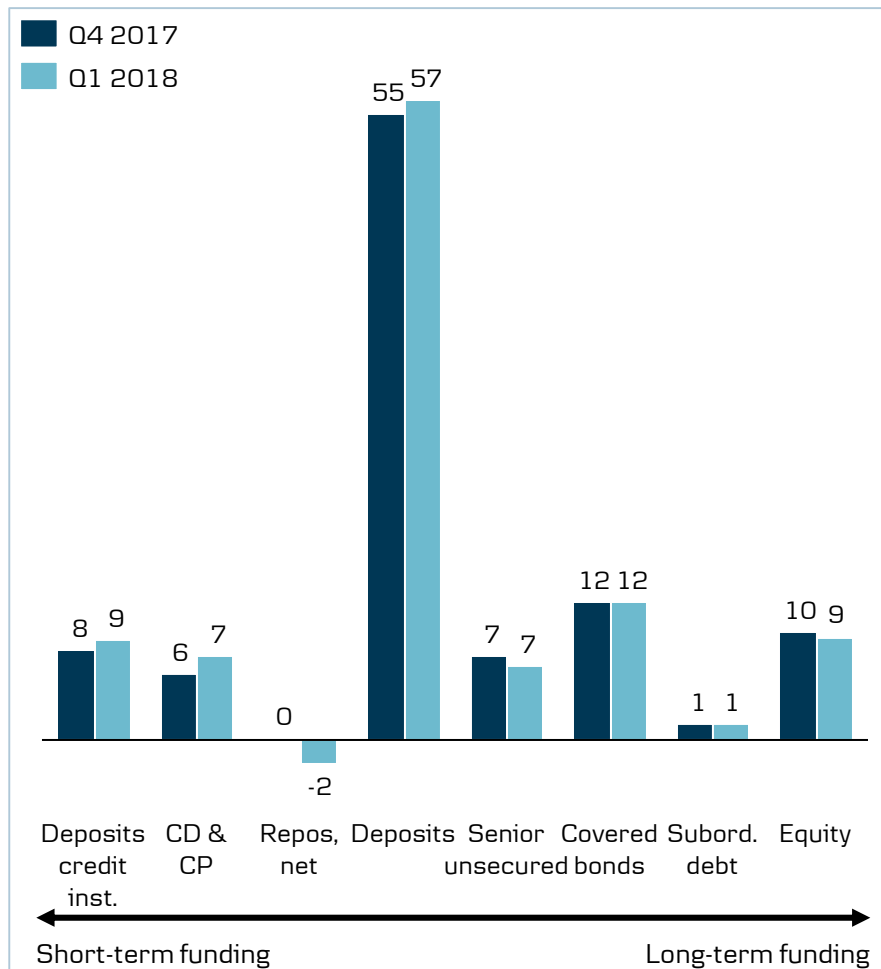
* Spread over 3M EURIBOR. **Includes covered bonds excl. RD, senior and capital instruments.

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

Loan portfolio and long-term funding, Q1 2018 (DKK billions)

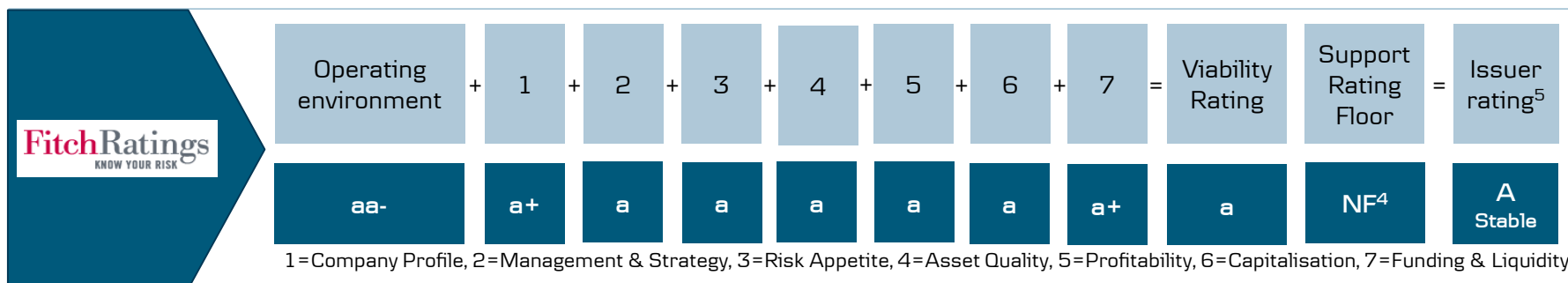
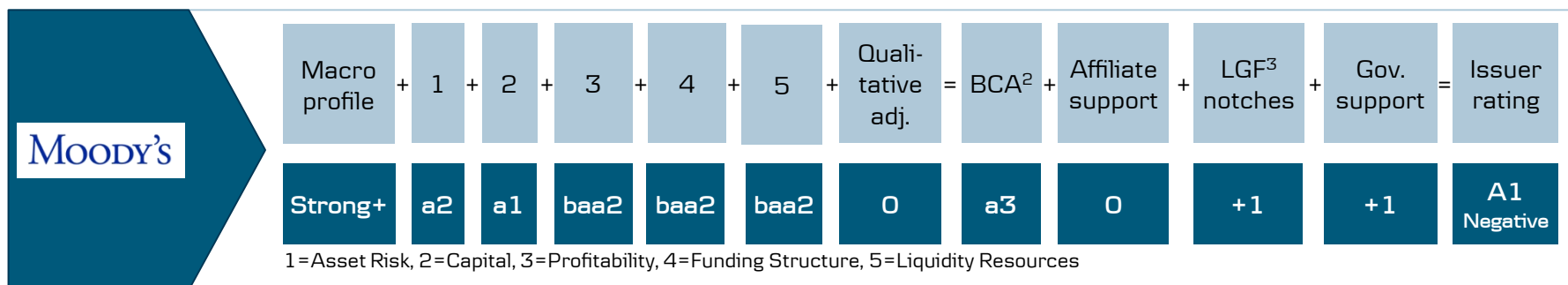
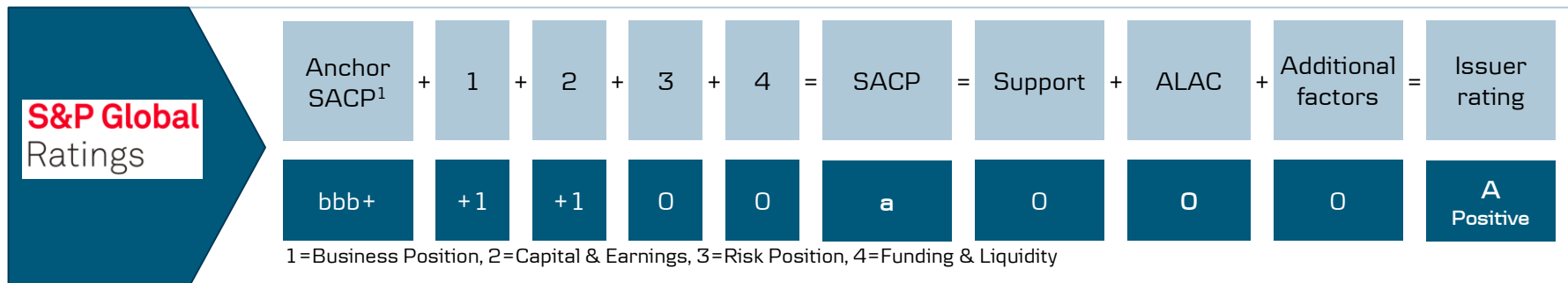


Funding sources (%)



Stable A ratings; change in outlook from Moody's and S&P

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)

	Q12018	Q42017	Q32017	Q22017	Q12017
Profit before tax	6,202	6,729	6,236	6,183	7,140
Permanent non-taxable difference	-133	912	-178	-136	-33
Adjusted pre-tax profit, Group	6,069	7,642	6,058	6,047	7,107
Tax according to P&L	1,329	1,081	1,305	1,392	1,610
Taxes from previous years	30	529	56	-39	-8
Adjusted tax	1,359	1,610	1,361	1,353	1,602
Adjusted tax rate	22.4%	21.1%	22.5%	22.4%	22.5%
Actual tax rate	21.4%	16.1%	20.9%	22.5%	22.5%

Tax drivers, Q1 2018

- Adjusted tax rate in Q1 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 21.4% is lower than the Danish rate of 22%, primarily due to taxes from previous years and a permanent non-taxable difference
- The permanent non-taxable difference derives mainly from tax-exempt value adjustments on shares

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