

# RatingsDirect®

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## Danske Bank A/S

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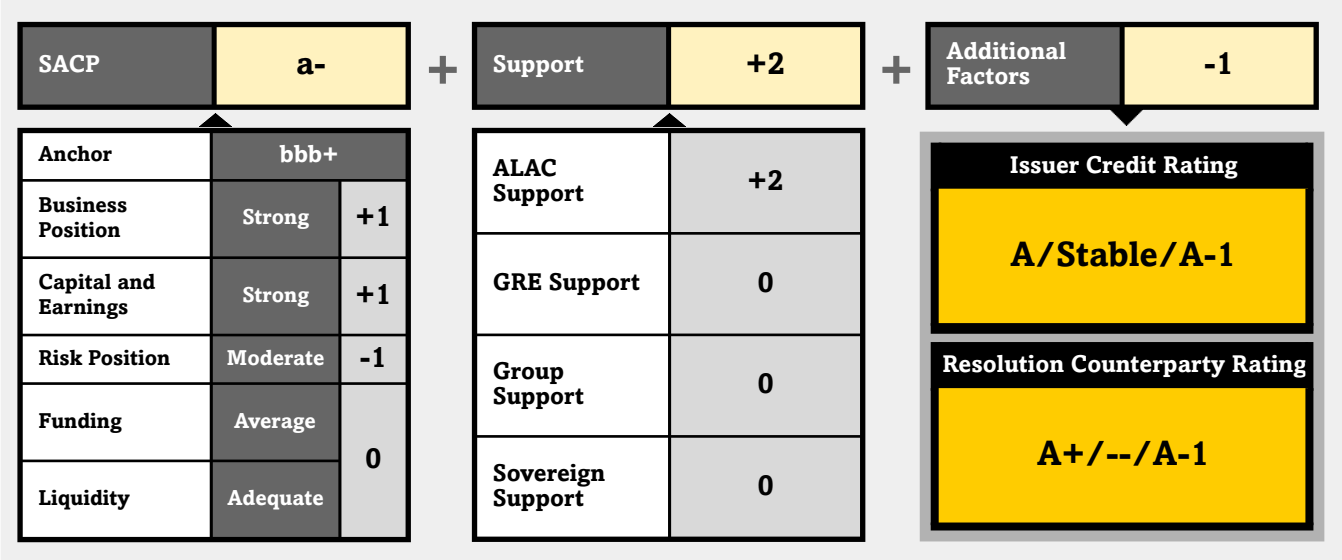
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# Danske Bank A/S



## Major Rating Factors

Strengths:	Weaknesses:
<ul style="list-style-type: none"> <li>Denmark's leading commercial bank, life insurer, and commercial pension provider.</li> <li>Diversified revenues by Pan-Nordic lines of business.</li> <li>Strong capitalization and earnings.</li> </ul>	<ul style="list-style-type: none"> <li>Uncertainties related to Estonian anti-money laundering case, in particular with regard to potential legal fine and additional reputational damages.</li> <li>Dependence on wholesale funding and external debt, which causes higher confidence sensitivity.</li> </ul>

## Outlook: Stable

The stable outlook on Danske Bank already incorporates a possible risk of weakening in the bank's stand-alone credit quality due to the ongoing regulatory investigations. This could occur if the case incurs material damage to the bank's capitalization or franchise up to our base case expectation. The stable outlook also reflects our expectation that Danske Bank will maintain a very high ALAC and a robust capitalization in the next 24 months.

If we revise down the stand-alone credit profile, we would lower our issue ratings on the bank's senior nonpreferred debt and other hybrids.

We could downgrade Danske Bank if the Estonia case caused serious and lasting consequences for both the bank's capitalization and its business franchise. While quite unlikely, we could also lower the rating if the Estonia investigation remained unresolved and we saw a material weakening related to other factors -- for example risk appetite, asset quality, or the impact of management changes on the bank's strategy formulation and execution.

We could upgrade Danske Bank if:

- we believed the bank's ongoing efforts to address historical control deficiencies were proving effective,
- we had greater clarity over the likely outcome of the regulatory investigations, with manageable regulatory penalties, and,
- if the bank's franchise continues to show resilience.

Together, these factors would align the bank's credit quality closer to that of 'A+' rated peers. However, the investigations will likely prolong, so we see little probability of an upgrade in the coming 12-24 months.

Our stable outlook on Danica reflects that on Danske Bank. This is because we regard it as a core subsidiary of the bank, and that it would receive support under all foreseeable circumstances if needed

## Rationale

The 'A' long-term rating on Danske Bank reflects our assessment that it will preserve its leading franchise as the second-largest bank in the Nordic banking markets. The rating also reflects our view that the bank will maintain its dominant domestic role with particular strength in capital and earnings, as well as maintaining a very high loss-absorbing capacity as a share of risk-weighted assets, reducing risks for senior bondholders.

However, our assessment also factors historical deficiencies in corporate governance and anti-money-laundering procedures at the bank's Estonian branch between 2007 and 2015, as well as uncertainty regarding the ultimate impact of ongoing investigations on the bank's capitalization and business franchise.

We expect that Danske Bank's funding and liquidity will remain neutral to its ratings, given our view that the bank will continue to have untarnished access to broad capital markets and liquidity despite reputational issues.

### Anchor: 'bbb+' because the main operations are in Denmark

We use our Banking Industry Country Risk Assessment's economic risk and industry risk scores to determine a bank's anchor, the starting point in assigning an issuer credit rating. Our anchor for a commercial bank operating only in Denmark is 'bbb+', based on an economic risk score of '2' and an industry risk score of '4'. For Danske Bank, we also

consider its diversified exposure across a number of different countries, including Sweden, Norway, Finland, the U.K., and other European countries. However, the bank's blended economic risk score is still '2' because the majority of exposures are in Denmark.

Our reassessment of economic risks in Denmark takes into account declining household sector indebtedness and the relative success of macroprudential measures in raising the share of mortgages that are amortizing or have fixed interest rates. As a share of national GDP, gross household debt fell to 115% in 2018 from 143% in 2009. We expect both trends to continue. That said, Danish household indebtedness to disposable income remains among the highest globally, at 236% in 2018. We think households' high net financial assets and savings, effective social security and pension systems offer some mitigants. Given ultra-low interest rates, we expect credit losses and nonperforming loans to remain low at 4-9 basis points (bps) on an aggregate level, with losses remaining higher for banks than for mortgage institutions. We anticipate national house prices will increase only moderately in the next two years.

However, we see higher industry risk for Danish banks, stemming from returning pressure on the sector's earnings. Systemwide return on equity fell to 8% in 2018 from 11% in 2017 and banks' core earnings have been declining since 2016 (after excluding fair value adjustments). After several years of improvement, mortgage administrative margins are again declining as a result of borrowers moving to less-risky products. In addition, deposit-taking institutions are seeing their interest margins pressured by the country's negative interest rate environment (the central bank deposit rate has been negative 0.75% since September 2019). In addition, the banking sector's earning outlook is under pressure from mounting price competition in the context of limited credit growth, in particular for corporate clients, and intensifying efforts in compliance and anti-money-laundering. The Danish banking sector shows a higher-than-peers' reliance on functioning wholesale markets. However, the continued stability and strong track record of the Danish covered bond market counterbalance this risk. We view the regulatory environment in Denmark as in line with that of other EU countries.

The November 2018 and 2019 Financial Action Task Force (FATF) reports on Denmark has highlighted the progress made by the country in improving its anti-money laundering (AML) framework. We view positively the various measures the country has taken in 2017-2019 to address shortcomings. Denmark adopted the Anti-Money Laundering Act in June 2017, and the exchange of information between authorities has strengthened. Danish parliament agreed to significantly increase the range of penalties for money laundering. In addition, the authorities have significantly increased resources allocated to the enforcement of the rules. We continue to incorporate these concerns into our analysis of our issuer credit rating on Danske Bank.

**Table 1**

Danske Bank A/S Key Figures					
	--Year-ended Dec. 31--				
(Mil. DKK)	2019*	2018	2017	2016	2015
Adjusted assets	3,326,748	3,036,985	3,123,419	3,091,634	2,928,908
Customer loans (gross)	1,845,988	1,803,311	1,748,500	1,734,172	1,664,640
Adjusted common equity	133,572	109,693	122,764	120,337	134,997
Operating revenues	35,279	46,956	49,483	49,336	47,086
Noninterest expenses	21,332	27,204	25,321	24,190	23,982

**Table 1**

**Danske Bank A/S Key Figures (cont.)**

(Mil. DKK)	--Year-ended Dec. 31--				
	2019*	2018	2017	2016	2015
Core earnings	10,285	15,505	20,581	19,922	18,527

\*Data as of Sept. 30. DKK--Danish krone.

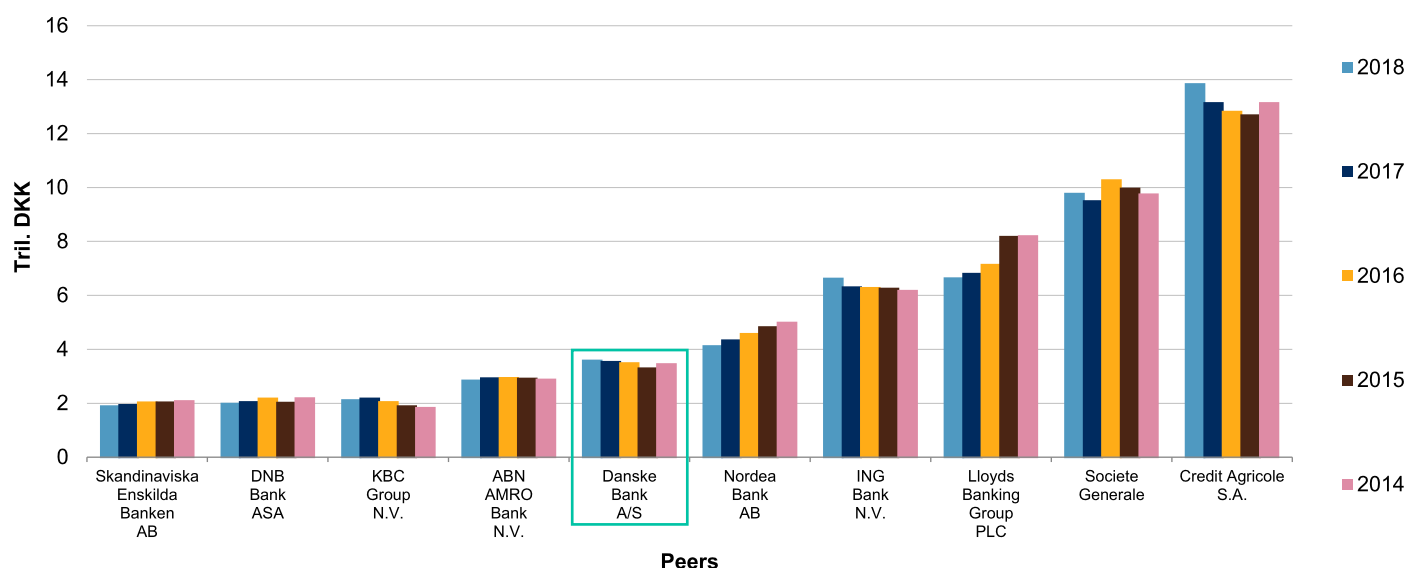
**Business position: A leading Danish commercial bank with a good market position in other Nordic countries, so far not significantly affected by AML case**

We expect that Danske Bank will maintain its diverse earnings capacity based on its leading franchise as the second-largest bank in the Nordic banking markets. Danske Bank has received significant negative attention in connection with both its Estonian AML case and the misselling of its Flexinvest Fri product. Overall, we believe that reputational damages to the bank will remain manageable and not materially affect its market positions. Danske's proactive approach in retail and commercial customer outreach also supports the rating. We expect the group will remain highly diversified from solid operations primarily in Denmark, Finland, Sweden, and Norway, with aggregate adjusted assets of Danish Krone (DKK) 3,326 billion (about €445 billion) as of Sept. 30, 2019.

**Chart 1**

**Danske Bank Is The Second-Largest Bank In The Nordics**

Danske's asset size vs other global peers



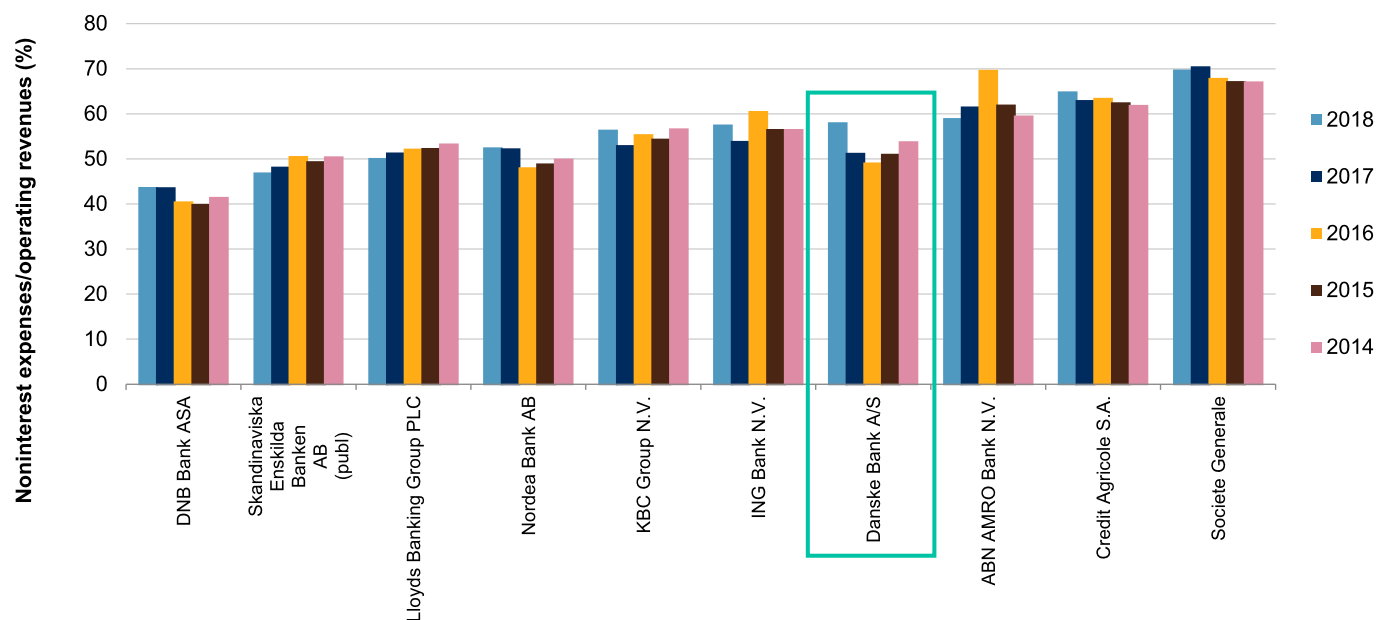
DKK--Danish Krone. Source: S&P Global Ratings.

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Danske Bank remains committed to its Nordic Integrator strategy. We expect the bank to continue leveraging on its challenger position in Sweden and Norway in particular. We also expect Danske Bank to continue focusing on improving operational efficiencies until 2023, counterbalancing important investments in compliance and digitization.

Chart 3

## Danske Bank Will Focus on Gradually Improving Efficiency From Current Levels



Source: S&P Global Ratings.

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Table 2

## Danske Bank A/S Business Position

(%)	--Year-ended Dec. 31--				
	2019*	2018	2017	2016	2015
Loan market share in country of domicile	26.2	26.6	26.6	26.6	26.1
Deposit market share in country of domicile	28.1	27.8	27.9	28.7	27.8
Total revenues from business line (currency in millions)	35,279	46,956	50,583	49,836	47,086
Return on average common equity	8.4	9.2	13.1	13.2	8.8

\*Data as of Sept. 30.

### Capital and earnings: Strong capital levels, supported by discontinuance of buy-backs, but legal fines remain uncertain

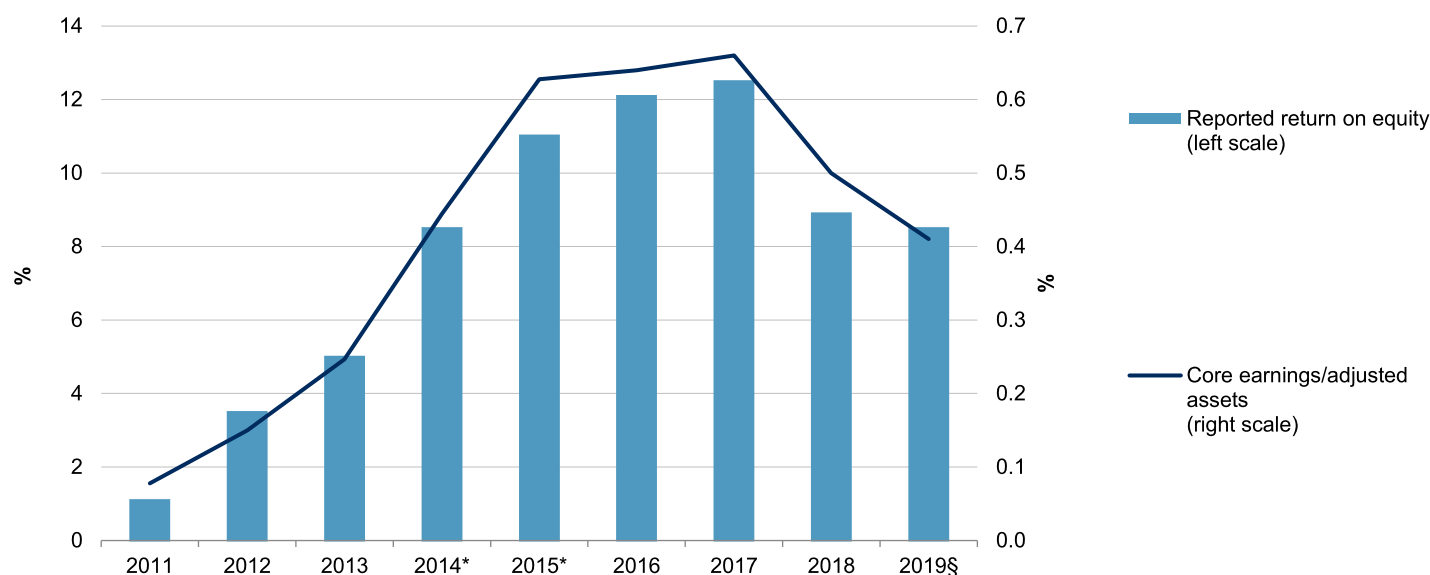
We expect Danske Bank's capital and earnings to remain a key rating strength. This reflects our forecast that Danske Bank's risk-adjusted capital (RAC) will stay close to 11% through 2021, as the bank grows its high-quality loan book, and delivers an annual dividend payout ratio of about 50%, from a level of 10.4% at June 30, 2019. Taking into consideration our assessment of lower economic risks in Denmark (see "Various Rating Actions Taken On Five Danish Banks As Denmark's Banking Market Offers Mixed Blessings," published on Oct. 23, 2019), we measure that Danske Bank's RAC would have been 70 bps higher at 11.0% as of June 30, 2019. We view as prudent Danske Bank's decision to discontinue its share back-buy program in 2018 to preserve superior capital standards, and to fulfil the Danish

FSA's additional DKK10 billion pillar II add-on requirement. In addition, we acknowledge Danske Bank's potential additional capital flexibility, given its ability to reduce its currently high dividend accruals in the event of unexpected stress. However, Danske Bank is currently discussing its Estonia case with authorities in the U.S., Denmark, Estonia, and France. Despite the bank's capital flexibility, we consider that fines and litigation costs could constrain the bank's capitalization, which, along with potential negative franchise impacts, drive the application of a negative notch of adjustment to Danske Bank's overall rating.

Danske Bank's reported return on equity (ROE) in the first nine months of 2019 was 8.5%, against 10% a year earlier. The bank's performance was affected by margin pressure, increasing loan impairment charges and an upscale in expenses. These expenses were a result of Danske Bank's significant staffing increase and investment in compliance with AML regulations. In December 2018, Danske Bank announced the sale of Danica Pension Sweden. The half-year's profit is a result of the gain Danske Bank generated by this sale. Core earnings to adjusted assets contracted slightly to 0.4%, against 0.5% at year-end 2018. Overall, we forecast ROE to fluctuate around 8% in coming years.

**Chart 4**

**Danske Bank A/S Return On Equity After Tax**



\*Excluding goodwill impairment. §As of September 2019.

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**Table 3**

**Danske Bank A/S Capital And Earnings**

	--Year-ended Dec. 31--				
(%)	2019*	2018	2017	2016	2015
Tier 1 capital ratio	19.5	20.1	20.1	19.1	18.5
S&P Global Ratings' RAC ratio before diversification	N/A	10.4	11.4	10.5	N/A

Table 3

Danske Bank A/S Capital And Earnings (cont.)					
	--Year-ended Dec. 31--				
(%)	2019*	2018	2017	2016	2015
S&P Global Ratings' RAC ratio after diversification	N/A	16.6	12.2	11.0	N/A
Adjusted common equity/total adjusted capital	84.7	82.2	86.9	89.4	92.3
Double leverage	N.M.	60.3	57.1	66.3	69.6
Net interest income/operating revenues	58.8	61.8	60.4	65.5	70.8
Fee income/operating revenues	20.6	22.1	21.9	20.6	22.7
Market-sensitive income/operating revenues	81.5	(21.8)	39.1	26.1	14.7
Noninterest expenses/operating revenues	60.5	57.9	51.2	49.0	50.9
Preprovision operating income/average assets	0.5	0.6	0.7	0.7	0.7
Core earnings/average managed assets	0.4	0.4	0.6	0.6	0.5

\*Data as of Sept. 30. N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

Table 4

Danske Bank A/S Risk-Adjusted Capital Framework Data					
	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
<b>Credit risk</b>					
Government & central banks	523,063,107,117	479,028,133	0	7,374,808,767	1
Of which regional governments and local authorities	69,316,362,296	243,415,612	0	2,317,120,787	3
Institutions and CCPs	301,406,477,468	33,514,760,939	11	47,326,897,230	16
Corporate	998,625,887,573	327,304,120,945	33	660,989,931,585	66
Retail	1,084,499,784,238	195,026,557,142	18	339,500,649,151	31
Of which mortgage	972,590,675,476	163,596,658,532	17	263,379,602,334	27
Securitization§	2,758,597,277	398,801,865	14	1,362,674,257	49
Other assets†	37,063,222,355	51,225,876,113	138	57,516,070,859	155
Total credit risk	2,947,417,076,028	607,949,145,137	21	1,114,071,031,850	38
<b>Credit valuation adjustment</b>					
Total credit valuation adjustment	--	4,642,000,000	--	18,130,620,444	--
<b>Market Risk</b>					
Equity in the banking book	1,454,881,144	1,560,109,406	107	13,389,692,016	920
Trading book market risk	--	33,515,686,301	--	59,927,081,207	--
Total market risk	--	35,075,795,707	--	73,316,773,222	--
<b>Operational risk</b>					
Total operational risk	--	78,358,403,426	--	93,224,607,193	--



Table 4

Danske Bank A/S Risk-Adjusted Capital Framework Data (cont.)					
	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA
<b>Diversification adjustments</b>					
RWA before diversification	--	726,025,344,269	--	1,298,743,032,709	100
Total diversification/ concentration adjustments	--	--	--	(78,418,093,403)	(6)
RWA after diversification	--	726,025,344,269	--	1,220,324,939,306	94
		Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
<b>Capital ratio</b>					
Capital ratio before adjustments		150,486,095,203	20.7	134,674,000,000	10.4
Capital ratio after adjustments†		150,486,095,203	19.8	134,674,000,000	11.0

\*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions.

‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. DKK--Danish krone. Sources: Company data as of June 30 2019, S&P Global Ratings.

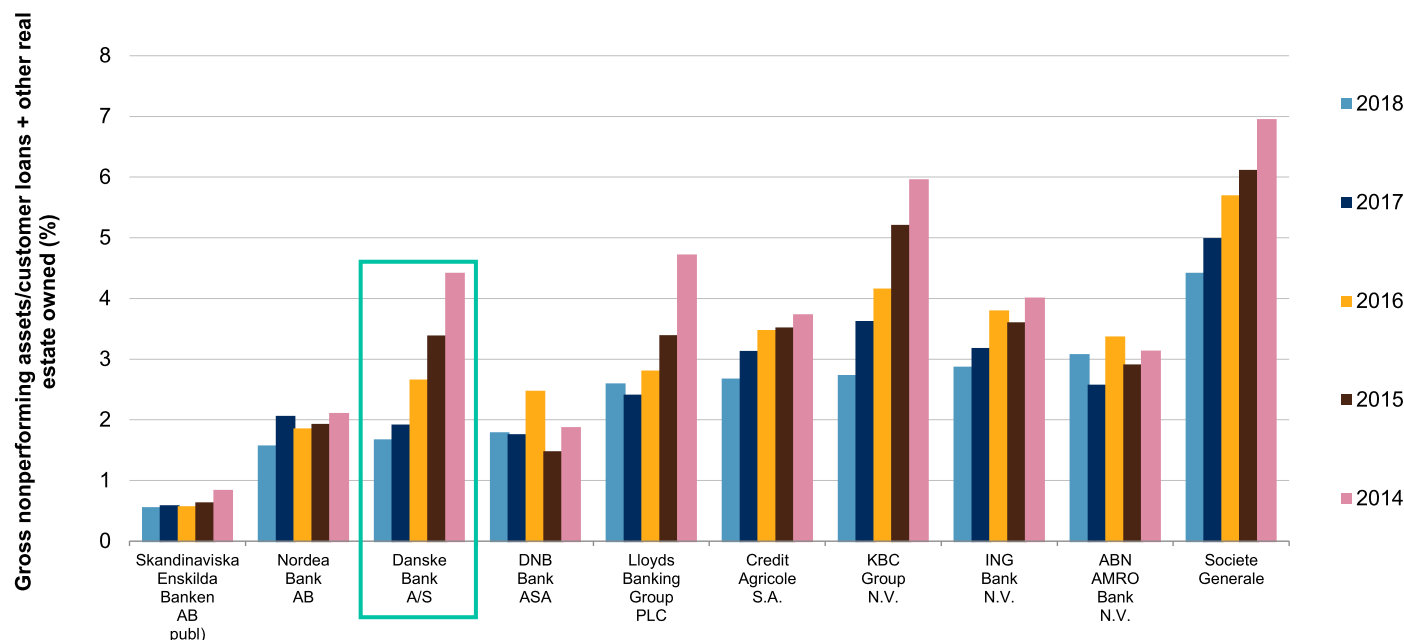
### Risk position: A relative weakness due to historical failures in risk management and uncertainty of future regulatory fines

We expect Danske Bank's risk position to remain a relative rating weakness. In particular, this rating weakness takes into account the bank's historical failures in risk management, and is compounded by our view that it is too early to gauge the effectiveness of the Danske Bank's ongoing actions to address the identified shortcomings.

However, we do not have particular concerns on the asset quality. Danske Bank has reported credit losses for the first nine months of 2019 after reporting reserve releases for the past few years. Our calculation of gross nonperforming loans remains largely stable, at 1.7% of loans. Overall, we expect credit conditions to remain benign in Nordic economies through 2021. This will allow Danske Bank's nonperforming assets to remain on a historically low level.

Chart 5

## Danske Bank's Gross Nonperforming Assets Are On Declining Trend



Source: S&P Global Ratings.

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Table 5

## Danske Bank A/S Risk Position

(%)	--Year-ended Dec. 31--				
	2019*	2018	2017	2016	2015
Growth in customer loans	3.2	3.1	0.8	4.2	1.9
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	(37.5)	(6.1)	(4.7)	N/A
Total managed assets/adjusted common equity (x)	29.7	32.6	28.8	28.9	24.4
New loan loss provisions/average customer loans	0.1	(0.0)	(0.1)	(0.0)	(0.0)
Net charge-offs/average customer loans	0.0	(0.0)	(0.0)	(0.0)	(0.0)
Gross nonperforming assets/customer loans + other real estate owned	1.7	1.7	1.9	2.6	3.4
Loan loss reserves/gross nonperforming assets	64.8	70.7	62.3	56.9	55.9

\*Data as of Sept. 30. N/A--Not applicable.

### Funding and liquidity: Leading deposit-taker in Denmark, with markets remaining open and spreads tightening significantly in 2019

We expect that Danske Bank's funding and liquidity will remain neutral to the ratings, since we believe that the bank will continue to have untarnished access to broad capital markets and liquidity despite reputational issues.

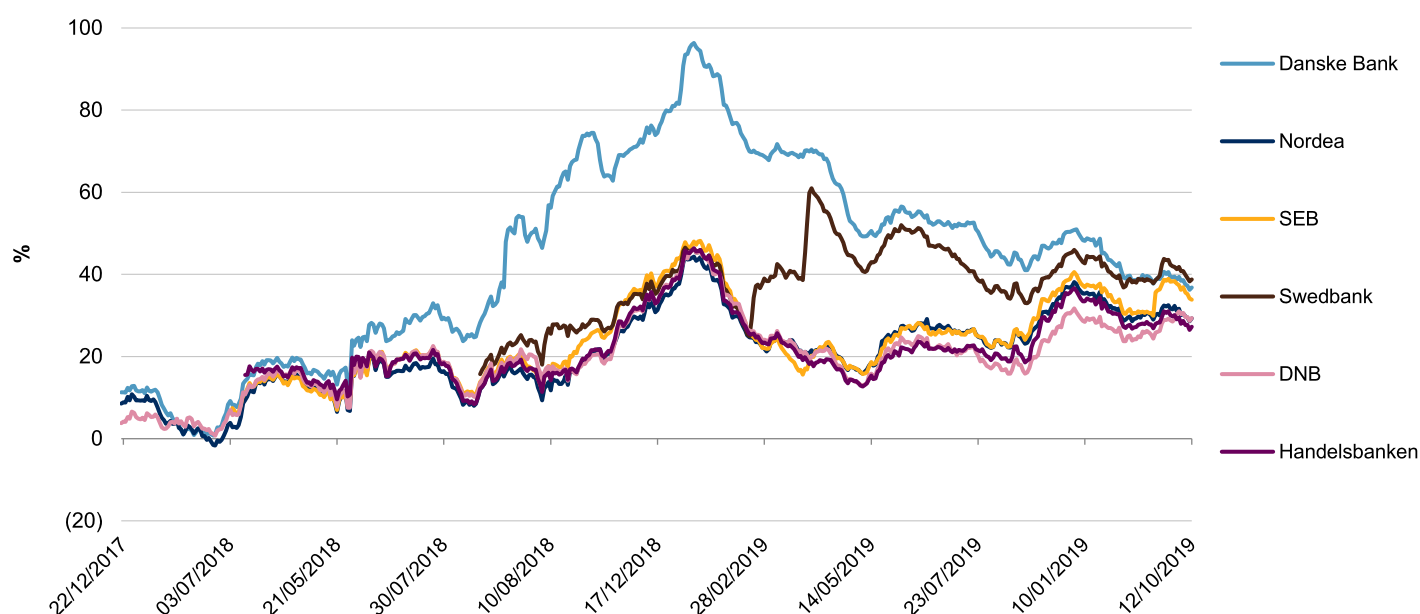
Danske Bank has a leading position as a deposit-taker in Denmark and a significant role in the well-functioning Danish mortgage market. While Danske Bank has a higher share of covered bond financing than many of its international

peers (27% of total liabilities), we see the stability of the Danish covered bond market and its unique features as supportive of a neutral funding assessment.

While rates for Danske Bank have widened after July 2018, mostly reflecting investors' uncertainty with regards to the development of the Estonian case, markets remain open for Danske as supported by significant oversubscription to its senior nonpreferred issuances in 2019. Furthermore, the bank's spreads have tightened significantly through 2019. As of December 2019, Euro Senior Generic Asset Swap Spreads (5 Year) were generally only 10 bps wider than most large Nordic banks, against 50 bps in January 2019.

**Chart 6**

**EUR Senior Generic Asset Swap Spread (5Y)**



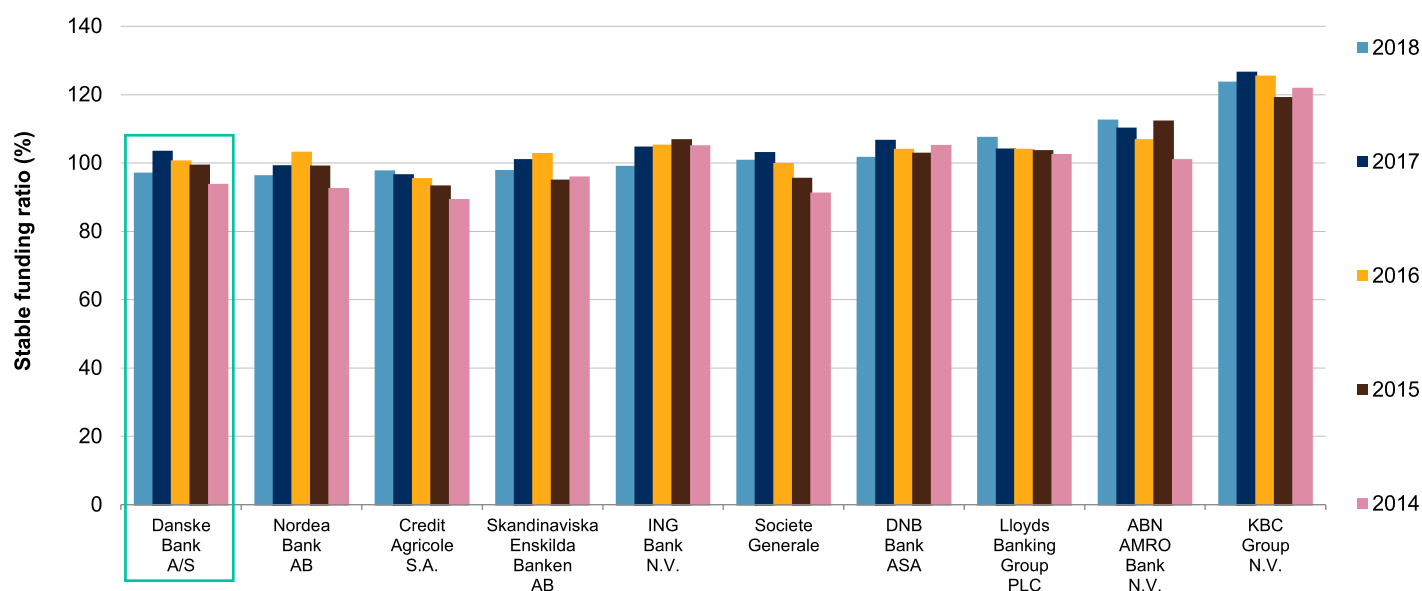
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We expect Danske Bank to maintain a stable market share in domestic deposit, currently at 28%, and granular core deposit franchises in each of its primary markets, with core deposits comprising close to 40% of liabilities.

The group's stable funding ratio is comparable to peers, at 97% at year-end 2018, and we expect it will gradually improve as the bank continues to refinance debt with long-term notes and covered bonds.

Chart 7

Danske Stable Funding Ratio Has Potential To Gradually Improve



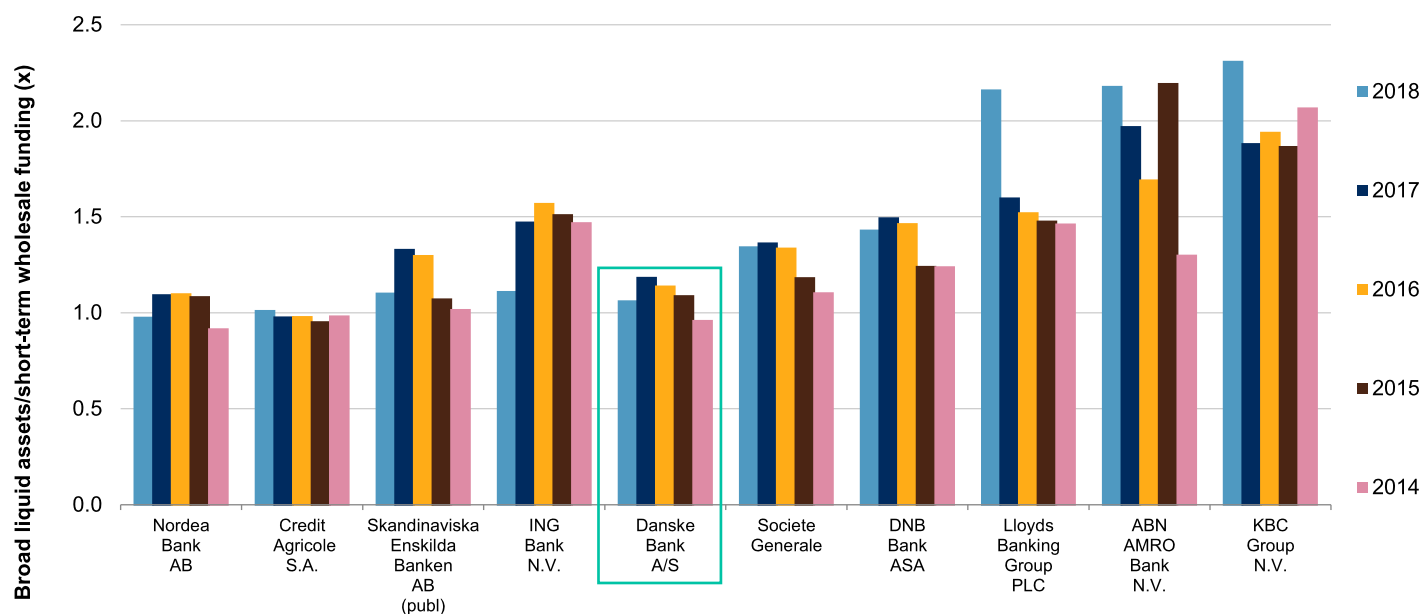
SFR--Stable funding ratio. Source: S&P Global Ratings.

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Danske Bank's liquidity is neutral to its ratings on the basis that it is in line with that of its Nordic peers. We expect Danske Bank's liquidity to improve as a result of reduced short-term covered bond issuance in Denmark. The bank's broad liquid assets represented 1.06x its short-term wholesale funding in December 2018, which indicates a balanced profile.

Chart 8

### Danske Bank's Liquidity Has Improved As A Result Of Reducing Short-Term Covered Bond Issuance In Denmark



Source: S&P Global Ratings.

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Table 6

#### Danske Bank A/S Funding And Liquidity

	--Year-ended Dec. 31--				
(%)	2019*	2018	2017	2016	2015
Core deposits/funding base	34.5	35.3	34.7	34.1	34.4
Customer loans (net)/customer deposits	196.7	198.7	189.1	198.2	199.1
Long-term funding ratio	71.8	71.2	69.9	70.5	70.9
Stable funding ratio	N/A	96.9	103.3	100.5	99.3
Short-term wholesale funding/funding base	30.0	30.7	32.0	31.3	31.0
Broad liquid assets/short-term wholesale funding (x)	N/A	1.1	1.2	1.1	1.1
Net broad liquid assets/short-term customer deposits	N/A	4.7	14.9	11.7	7.7
Short-term wholesale funding/total wholesale funding	45.2	46.7	48.5	47.2	47.0

\*Data as of Sept. 30. N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

#### Support: Two notches of ALAC support

In our view, Danske Bank has high systemic importance in Denmark. However, we regard the prospect of extraordinary government support for Danish banks as uncertain in view of the country's well-advanced and effective resolution regime.

Danske Bank has a significant amount of additional loss-absorbing capacity (ALAC), resulting in two notches of

support in the rating. The bank's ALAC represents over 8% of its S&P risk-weighted assets, and we believe it will continue to maintain these levels in the coming years.

To fulfil its minimum requirement for own funds and eligible liabilities, Danske Bank is replacing large portions of maturing senior unsecured debt with senior nonpreferred instruments. In 2019 alone, the bank issued more Danish krone than any other Danish bank (DKK59 billion, about €7.9 billion), leading to a total issuance volume of about DKK85 billion by December 2019. We expect that Danske's future issuances will maintain its ALAC durably over 8% of risk-weighted assets.

### **Core subsidiaries: Danica Pension Livsforsikringsaktieselskab at the level of the bank's unsupported credit profile**

We rate Danica at the level of the bank's unsupported credit profile, since we view Danica as a core group entity that would receive support under all foreseeable circumstances if needed, but don't believe it will benefit from the bank's ALAC in resolution.

### **Resolution Counterparty Ratings (RCR)**

Following the completion of our RCR jurisdiction assessments on Denmark, we assigned 'A+/A-1' RCRs to Danske Bank (see "24 European Banking Groups Assigned Resolution Counterparty Ratings," published June 29, 2018).

### **Additional rating factors: One notch negative adjustment for uncertain outcome of regulatory investigations**

We apply a one-notch negative adjustment to the issuer credit rating on the Danske Bank. This adjustment reflects the remaining uncertainty on the potential outcome of the bank's ongoing regulatory investigations. Danske Bank is currently discussing its Estonia case with authorities in the U.S., Denmark, Estonia, and France. The outcome of these regulatory investigations could further jeopardize the bank's business franchise, while fines and litigation costs could constrain the bank's capitalization.

### **Issue Ratings**

We rate Danske Bank's senior nonpreferred notes, which rank below its senior unsecured debt, at 'BBB+', one notch below the bank's SACP, reflecting the subordination risk (see the "senior subordinated" notes listed in the Ratings Detail box below). This follows our approach when an instrument is contractually or statutorily subordinated to preferred senior unsecured debt. In addition, we believe that the senior nonpreferred notes would be subject to a possible conversion or write-down only in resolution, and would be excluded from any burden-sharing under EU state-aid rules. We have not applied further notching from the SACP because we believe that senior nonpreferred notes do not carry any additional default risk relative to that represented by the SACP assessment.

We rate the nondeferrable subordinated debt instruments of Danske Bank at 'BBB', two notches below the bank's SACP. The rating reflects our view of the debt's contractual subordination as a Tier 2 instrument and that BRRD is equivalent to a contractual write-down clause.

We rate Danske Bank's AT1 instruments with a going-concern trigger at 'BB+', four notches lower than the SACP, reflecting our deduction of:

- One notch for contractual subordination;

- Two notches for the instruments' status as Tier 1 regulatory capital; and
- One notch because the instruments allow for the full or partial temporary write-down of the principal amount.

## Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Criteria | Financial Institutions | Banks: Assessing Bank Branch Creditworthiness, Oct. 14, 2013
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Criteria | Financial Institutions | Banks: Commercial Paper I: Banks, March 23, 2004

## Related Research

- Nordic Banks' Capital And Earnings Can Weather The Weakening Credit Cycle, Nov. 14, 2019
- Danske Bank Outlook Revised To Stable On Increasing Loss Absorption Capacity; 'A/A-1' Ratings Affirmed, Oct. 23, 2019
- Various Rating Actions Taken On Five Danish Banks As Denmark's Banking Market Offers Mixed Blessings, Oct. 23, 2019
- The Resolution Story For Europe's Banks: Life In The Halfway House, July 18, 2019
- Banking Industry Country Risk Assessment: Denmark, March 7, 2018

Anchor Matrix										
Industry Risk	Economic Risk									
	1	2	3	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

### Ratings Detail (As Of December 23, 2019)\*

#### Danske Bank A/S

Issuer Credit Rating	A/Stable/A-1
<i>Nordic Regional Scale</i>	--/--/K-1
Resolution Counterparty Rating	A+/--/A-1
Certificate Of Deposit	
<i>Foreign Currency</i>	A/A-1
Commercial Paper	
<i>Foreign Currency</i>	A/A-1
<i>Local Currency</i>	A-1
Junior Subordinated	BB+
Senior Secured	AAA/Stable
Senior Subordinated	BBB+
Senior Unsecured	A
Senior Unsecured	A/A-1
Short-Term Debt	A-1
Subordinated	BBB

#### Issuer Credit Ratings History

23-Oct-2019	A/Stable/A-1
25-Sep-2018	A/Negative/A-1
05-Apr-2018	A/Positive/A-1
13-Jul-2015	A/Stable/A-1
05-Feb-2004	--/--/K-1

*Nordic Regional Scale*

#### Sovereign Rating

Denmark	AAA/Stable/A-1+
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#### Related Entities

##### Danica Pension Livsforsikringsaktieselskab

Issuer Credit Rating	A-/Stable/--
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## Ratings Detail (As Of December 23, 2019)\*(cont.)

Subordinated	BBB
<b>Danske Bank A/S, Swedish Branch</b>	
Issuer Credit Rating	A/Stable/A-1
<b>Danske Hypotek AB</b>	
Senior Secured	AAA/Stable
<b>Realkredit Danmark A/S</b>	
Senior Secured	AA-/Stable
Senior Secured	AAA/Stable
Short-Term Secured Debt	A-1+

\*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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