Debt investor update – first nine months 2021

Danske Bank

Agenda

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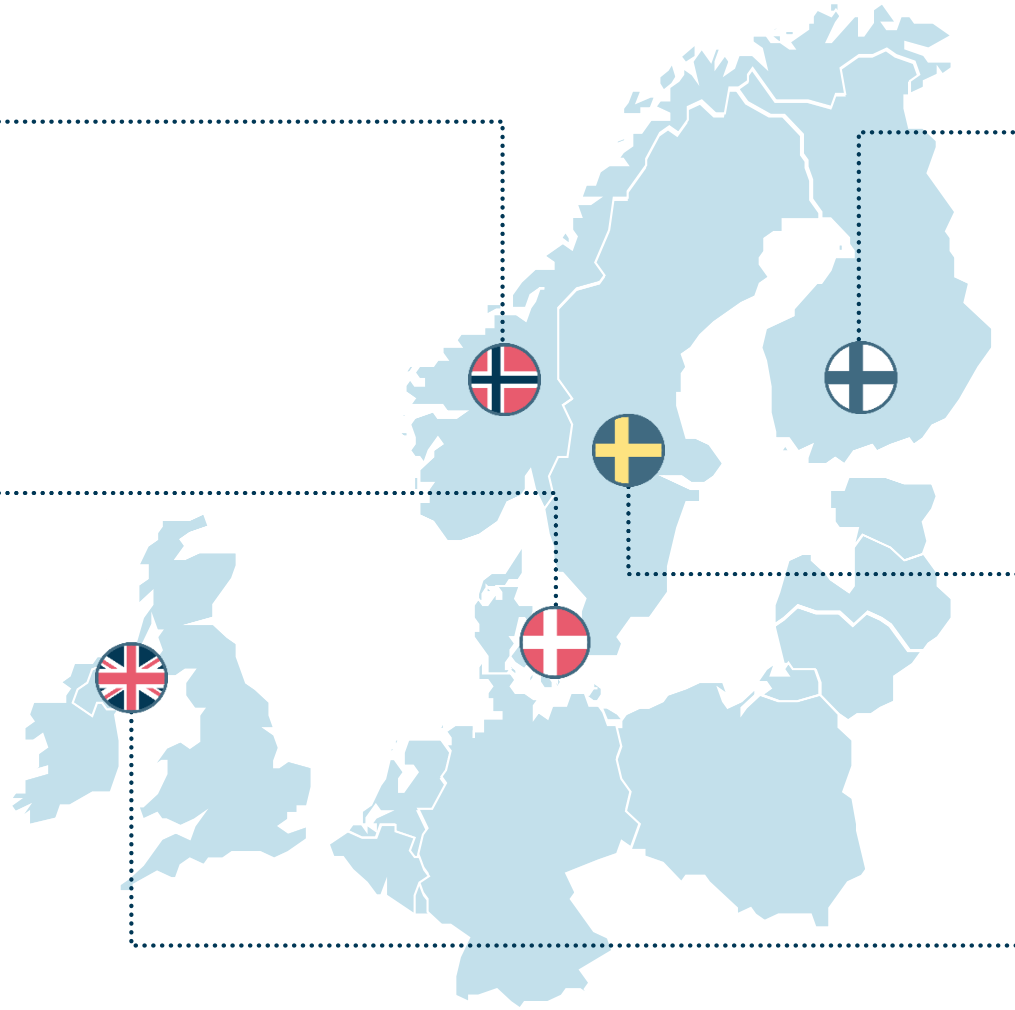
We are a Nordic universal bank with strong regional roots

Norway (AAA)
Challenger position
Market share: 6%
Share of Group lending: 10%

GDP growth 2021E: 3.8%
Unemployment 2021E: 3.1%
Leading central bank rate: 0.25%

Denmark (AAA)
Market leader
Market share: 25%
Share of Group lending: 38%

GDP growth 2021E: 4.0%
Unemployment 2021E: 3.9%
Leading central bank rate: -0.60%



Finland (AA+)
3rd largest
Market share: 9%
Share of Group lending: 7%

GDP growth 2021E: 3.3%
Unemployment 2021E: 7.7%
Leading central bank rate: -0.50%

Sweden (AAA)
Challenger position
Market share: 5%
Share of Group lending: 11%

GDP growth 2021E: 3.9%
Unemployment 2021E: 8.8%
Leading central bank rate: 0.00%

Northern Ireland (AA)
Market leader
Market share Personal: 20%, Business: 28%
Share of Group lending: 3%

Note: Data as per end-Q3 2021 unless otherwise stated. Share of Group lending is before loan impairment charges and excludes Corporates & Institutions (14%), Global Commercial Real Estate (15%) and Nordic Asset Finance (3%)

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Sustainability is an integrated element of our corporate strategy and our corporate targets

	What we want to accomplish by 2023	How we measure success
 Customers	*"On average among the top 2 in customer satisfaction in everything we do"*	≤2.0 average CSAT rank
 Employees	*"At least 90% of our employees are engaged"*	≥90% engagement index
 Society	*"We operate sustainably, ethically, and transparently – and have positive impact on the societies we are part of"*	Quantified progress across seven specific focus areas
 Investors	*"We continuously improve the profitability level, leveraging our full potential"*	8.5 -9% return on equity CIR in the mid 50s Dividend policy of 40-60%

The seven focus areas

Sustainable finance	1	Sustainable investing
	2	Sustainable financing
Sustainable operations	3	Governance
	4	Diversity & inclusion
	5	Environmental footprint
Impact initiatives	6	Entrepreneurship
	7	Financial literacy

Note: 2023 ambitions as communicated on 1 November 2019 together with Q3 report.

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Progress is positive across sustainability focus areas – results Q3 2021

	Sustainable finance		Sustainable operations			Impact initiatives	
	Sustainable investing	**Sustainable financing**	**Governance & integrity**	**Employee well-being & diversity**	**Environmental footprint**	**Entrepreneur-ship**	**Financial confidence**
Target 2023	DKK 400bn invested in funds that promote ESG – and DKK 30bn invested by Danica Pension in the green transition	Well above DKK 300bn in sustainable financing – and setting Paris Agreement aligned climate targets for our corporate lending portfolio	Over 95% of employees trained annually in risk and compliance with passed tests	More than 35% women in senior leadership positions	Reducing our CO_2 emissions by 10% vs 2019 and 75% vs 2010	10,000 start-ups & scale-ups supported with growth and impact tools, services and expertise (since 2016)	2m people supported with financial literacy tools and expertise (since 2018)
Status Q3-2021	**DKK 261bn** in ESG funds (art. 8) **DKK 33bn** [1] by Danica	**DKK 179bn** 72% of portfolio mapped for climate impact	**Ongoing** (updated annually)	**31.4%**	**Ongoing** (updated annually)	**6,078**	**1.3 m** (H1 2021)

1) Will be calibrated during Q4 2021

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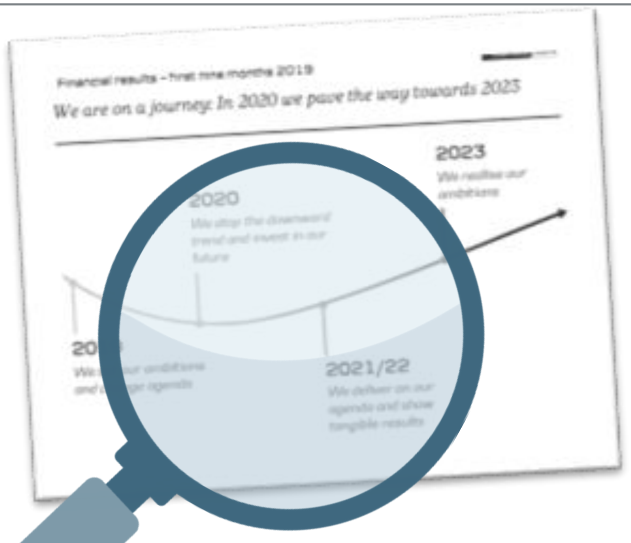
Our strong foundation and significant investments in the structural setup have further strengthened our position to enable long-term sustainable value creation

Structural achievements

- ✓ Invested additional DKK 2 bn to accelerate our transformation and build our platform for the years to come.
- ✓ Established a Commercial Leadership Team and fundamentally transformed our development organisation through BWOW*
- ✓ Cost base on the right trajectory
- ✓ Comprehensive Financial Crime Plan launched; already showing results



Recent achievements

Top performance for capital-markets activities

Improved housing journey in DK: Significantly smoothened credit processes

Strong growth in ancillary business sales in the business customer segment

Momentum on investment sales; positive net sales at P&BC

Progressed according to plan on KYC

✓ Completed KYC remediation of in-scope customers and are now moving into business as usual operating model

Accelerating digitalisation transformation

✓ Award-winning digital solutions
✓ Extended self-service solutions for remortgaging in DK
✓ Small Business advisers increasingly effective through enhanced digital tools

*Better Ways of Working

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Financial Crime Plan: Solid progress & prudently redeployed resources to mitigate extended scope. Completion on track towards '23 followed by steady-state cost, by '25

Significant progress made despite changing circumstances

Completed >99% KYC in-scope customers, leading to 40% resources released from this part of the plan

Remediation scope expanded, to which we have redeployed freed-up resources

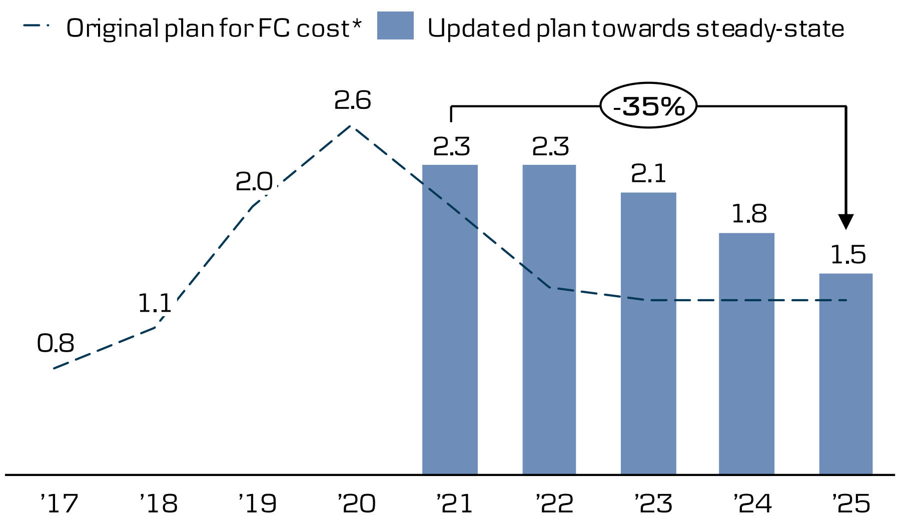
We are now past our peak cost level

Forward outlook

Overall, now that we are past our peak, we expect costs to remain stable towards '23 despite the increase in scope

Continued focus on streamlining processes and further planned utilisation of Machine Learning and AI to enhance efficiency

Within 18-24 months following the conclusion of the remediation program, we expect to be able to reach a normalised cost level in our total cost base, broadly in line with our previous ambitions



* Includes Financial Crime (FC)- Compliance, 1st Line FC Risk, FC Operations, FC Technology teams and other FC teams

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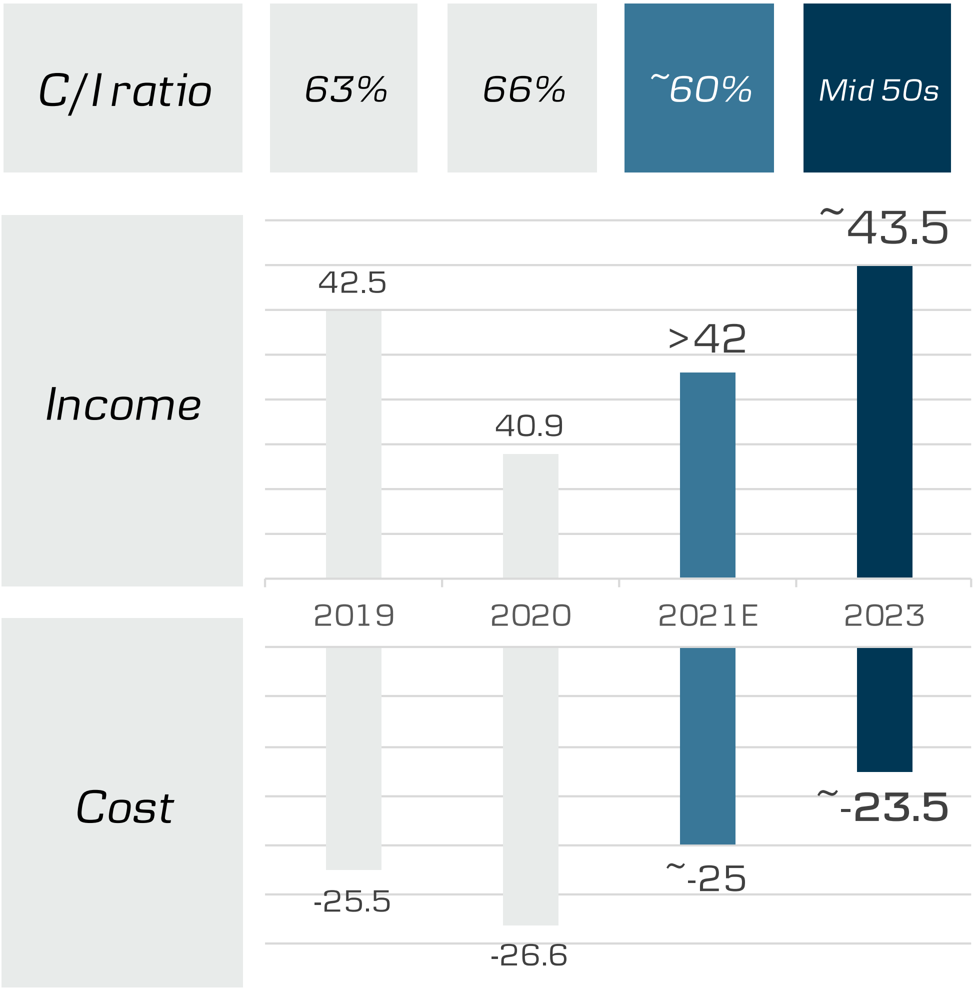
Our enhanced business model and current trajectory through '22 will deliver on our cost/income ratio ambition towards 2023 – in a sustainable way



Tangible levers to reach top-line growth ambitions; a significant number of initiatives have already been launched, we expect a somewhat linear trajectory towards 2023

Two-thirds of the income uplift will come from building on the strong platform within LC&I and Business Customers

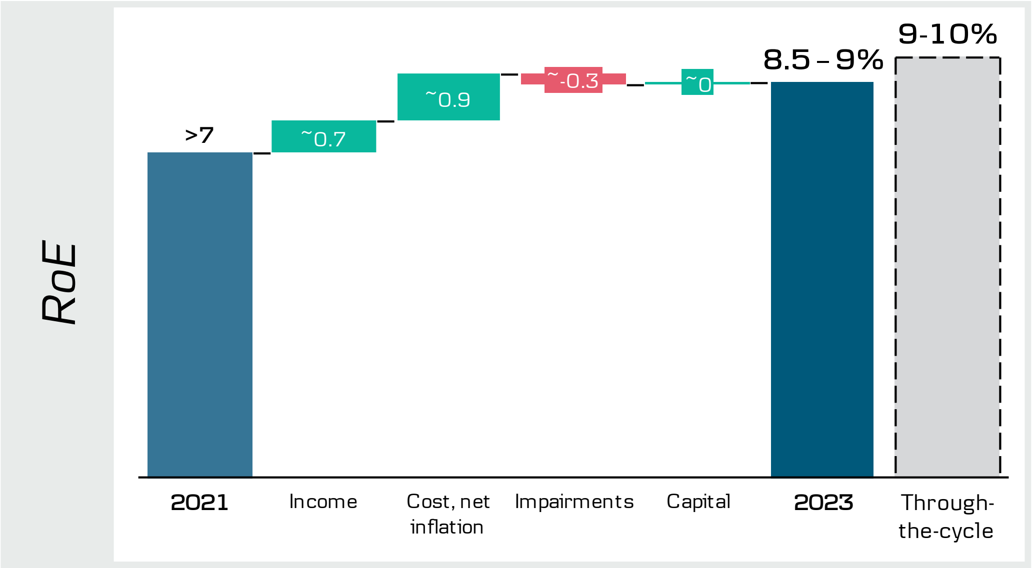
We will bring down structural cost, in a sustainable way by building on the progress we've had on enhancing and digitising processes, optimising our workforce's footprint and managing our non-personnel costs

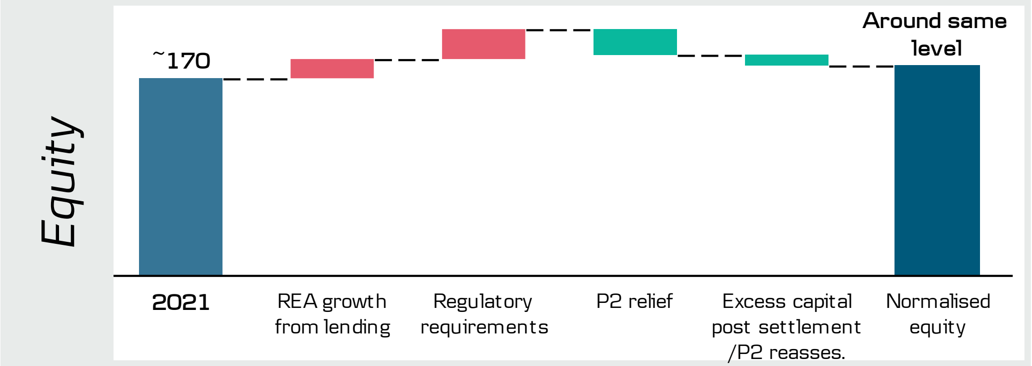
Financial crime compliance-related costs will remain elevated towards 2023, as the remediation scope has increased. Following the conclusion of our remediation work, we expect to a lower steady-state level towards '25

We will deliver sustainable enhancement of operational performance – both via commercial momentum and structural cost takeout!

Please see appendix slide 18 for a more detailed view on assumptions

With current trajectory, we have line of sight to an RoE of 9-10% through-the-cycle. In 2023 we will deliver 8.5-9% on the back of a normalised equity level





With our consistent operational performance and on the back of a more normalised capital position following the closing of regulatory orders, we will continue our trajectory and prudently reach 8.5-9% by 2023

In a post-settlement scenario, we will maintain a suitable capital buffer to requirements, resulting in a CET1 target of ~16% with a correspondingly normalised equity level of around the same level as at end-2021

- ✓ Implementation of EBA guidelines will largely be completed by end-'21; beyond '21 REA increases will be driven by business growth
- ✓ Capital target will factor in additional regulatory requirements, incl. N-SRB and CCyB, and Basel IV implementation
- ✓ Excess capital after Pillar II reassessment post Estonia settlement

We expect impairments to normalise towards ~8bps in 2023. Post-2023, cost for financial crime compliance will be getting to a steady-state level and our commercial initiatives will show full effect

We're confident that our business model allows for 9-10% through-the-cycle

Please see appendix slide X for more detail view on assumptions

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Steady progress in most areas supported by strong macro and credit quality

Solid Nordic macroeconomic recovery supported customer activity across most segments, underpinning our financial progress

Deposit repricing initiatives in DK have more than mitigated pressure from negative lending effects in Q3

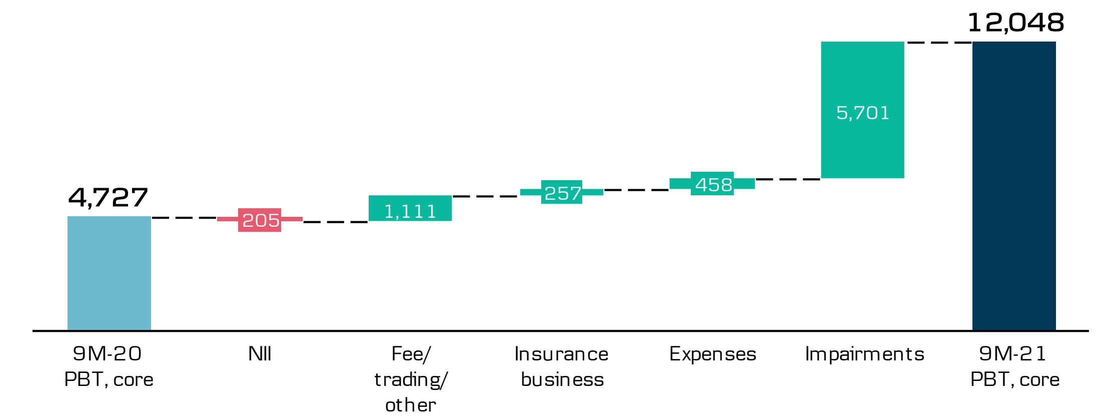
Robust capital markets activity, including strong growth for sustainable finance and investment solutions. Positive trend in investment sales further supported fee income

Good progress on becoming a more efficient bank with improvement resulting from cost initiatives under our Better Bank agenda

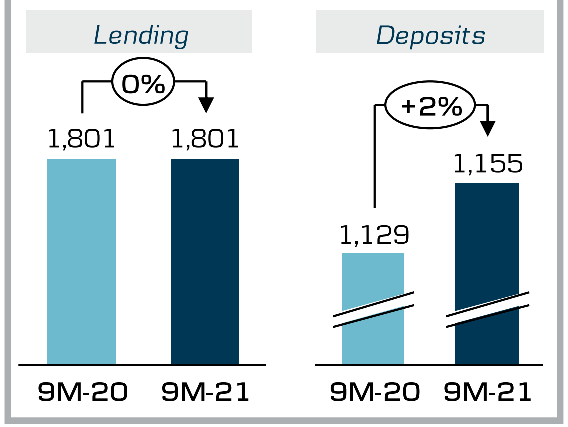
Strong credit quality further supported by benign macro conditions and low level of single-name credit deterioration

In 2023, we will deliver 8.5-9% on the back of a normalised equity level. With current trajectory, we have line of sight to 9-10% RoE through-the-cycle

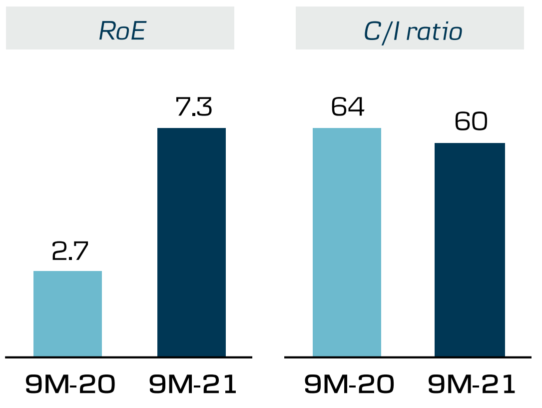
Profit development 9M-21 vs 9M-20 (DKK m)



Lending, deposit growth (DKK m)



RoE & cost/income ratio* (%)



* Excl. impairment charges on intangible assets

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Total income up 4% y/y driven by strong fee income and higher income from insurance business; macro recovery post-corona supports low impairments

Income statement and key figures (DKK m)

	9M-21	9M-20	Index	Q3-21	Q2-21	Index
Net interest income	16,498	16,703	99	5,533	5,515	100
Net fee income	9,700	8,573	113	3,106	3,193	97
Net trading income	3,111	3,253	96	820	1,025	80
Net income from insurance business	1,576	1,319	119	594	491	121
Other income	623	497	125	166	262	63
Total income	**31,509**	**30,347**	**104**	**10,218**	**10,486**	97
Expenses	18,874	19,332	98	6,104	6,497	94
Profit before loan impairment charges	**12,635**	**11,014**	**115**	**4,114**	**3,989**	103
Loan impairment charges	587	6,287	9	-151	240	-
Profit before tax, core	**12,048**	**4,727**	**255**	**4,265**	**3,750**	114
Profit before tax, Non-core	23	-483	-	6	-3	-
Profit before tax	12,071	4,244	284	4,270	3,747	114
Tax	2,805	1,105	254	936	955	98
Net profit	**9,266**	**3,139**	295	**3,334**	**2,792**	119

RoE (%)	
Q3-21	7.7
Q2-21	6.6
Q1-21	7.5

C/I *(%)	
Q3-21	60
Q2-21	62
Q1-21	58

CET1 (%)	
Q3-21	18.1
Q2-21	18.0
Q1-21	18.1

REA (DKK bn)	
Q3-21	818
Q2-21	816
Q1-21	798

EPS	
Q3-21	3.8
Q2-21	3.1
Q1-21	3.5

Key points, 9M 2021 vs 9M 2020

- Net interest income stabilised due to repricing initiatives during 2021, however, the positive effect was offset by margin pressure and lending mix effects
- Strong fee performance as we continue to leverage our Capital Markets platform, positive inflow of AuM, and customer activity as a whole
- Income from insurance up 19% on the basis of good business momentum and a higher return on investments
- Underlying costs down approx. 6% adjusted for one-offs
- Impairments significantly below last year's elevated level as the strong economic recovery has underpinned credit quality

Key points, Q3-21 vs Q2-21

- NII positively affected by deposit repricing, which more than mitigate continuing margin pressure
- Robust fee income as investment fees mitigated seasonality in capital markets and roll-off of pandemic related liquidity facilities.
- Seasonality also affected trading income, which picked up towards the latter part of the quarter
- Strong income from good momentum in insurance business
- Expenses down in Q3 from progress on cost management initiatives
- Improving macroeconomic conditions further supported the strong credit quality and lead to net single-name reversals

* Excl. impairment charges on intangible assets

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Net profit outlook reaffirmed: We maintain our expectation of a net profit of more than DKK 12 billion in 2021

Total income	We expect total income in 2021 to be higher (than the level in 2020*), including the gain from the sale of Aiia
Expenses	We expect underlying expenses to be lower than DKK 24.5 billion. Total expenses are expected to be slightly more than DKK 25 billion, including tax related one-off items of DKK 0.7 billion, of which DKK 0.2 billion will be recognised in the second half of the year
Impairments	Loan impairments are expected to be no more than DKK 0.75 billion, given a better-than-expected macroeconomic recovery and overall improved credit quality
Net profit	We expect net profit to be more than DKK 12 billion

Note – The outlook is subject to uncertainty and depends on economic conditions, including government support packages. * Restated 2020 total income is DKK 40.9 billion

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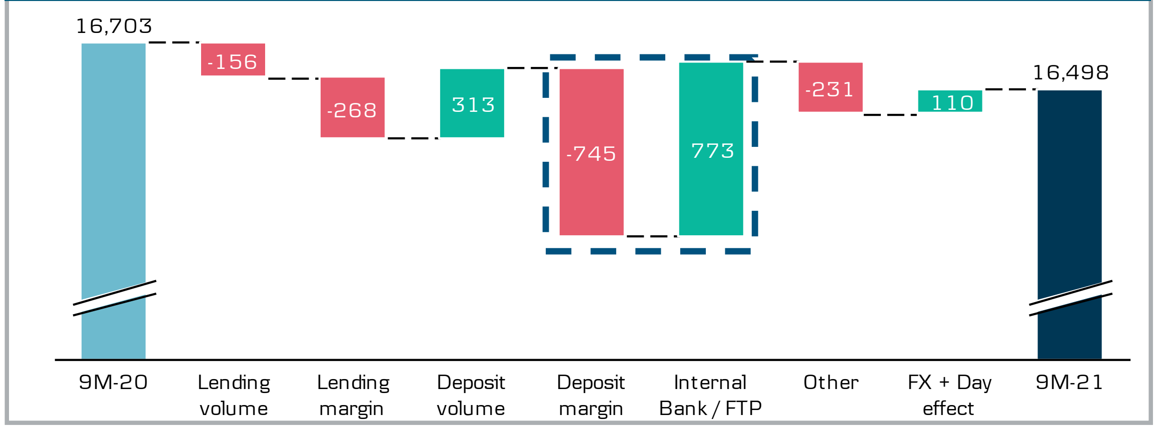
NII: Stabilisation despite margin pressure and impact from lending volumes and mix; Q3 supported by repricing initiatives

Net interest income, 9M-21/9M-20 (DKK m)



Highlights

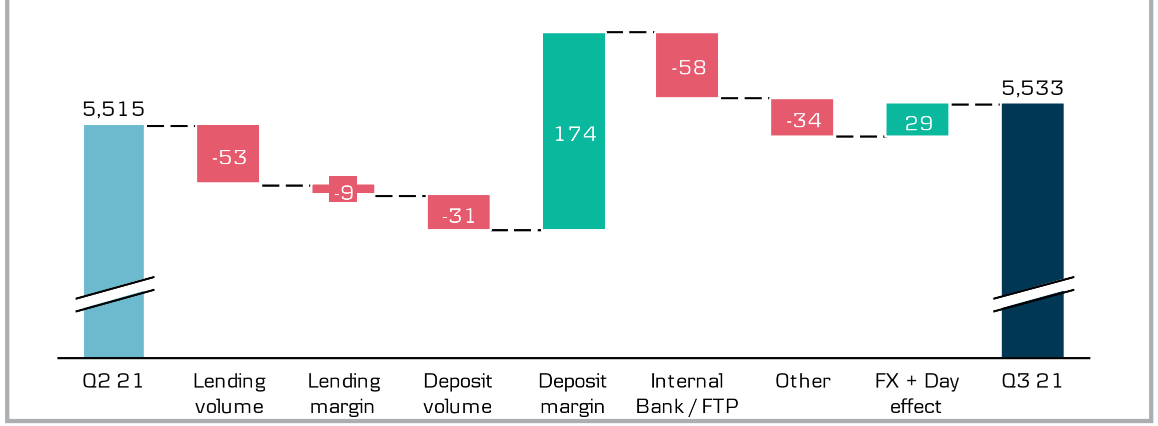
NII came in slightly lower than in the same period last year, as deposit margins in 2020 benefited from elevated xIBOR levels

Lower xIBOR levels in 9M-2021 reduced deposit compensation to the business units, but had no impact on Group NII

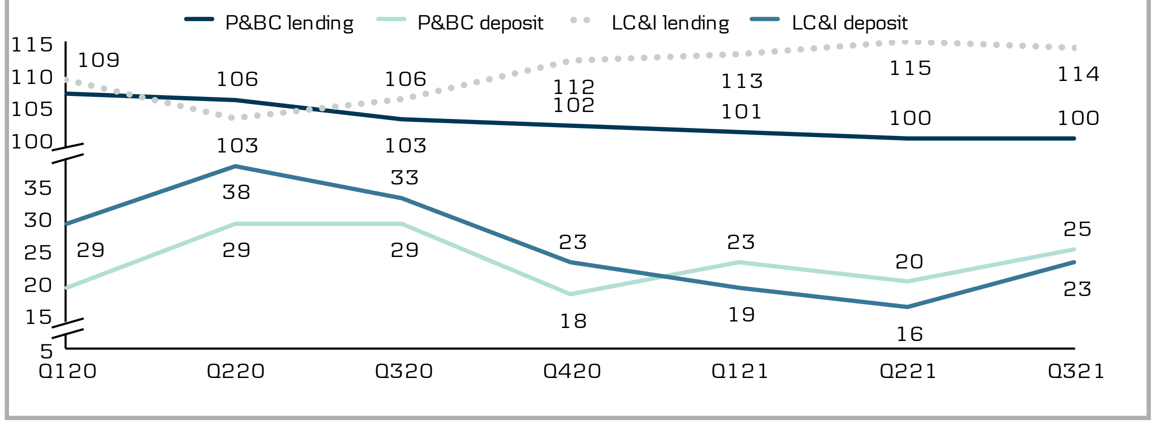
Further repricing initiatives took effect on 1 July with a clear uplift in Q3 as deposits remain at elevated level

Prudent adjustment in TLTRO funding level affecting Q/Q development

Net interest income, Q3-21/Q2-21 (DKK m)



Margin development (bp)



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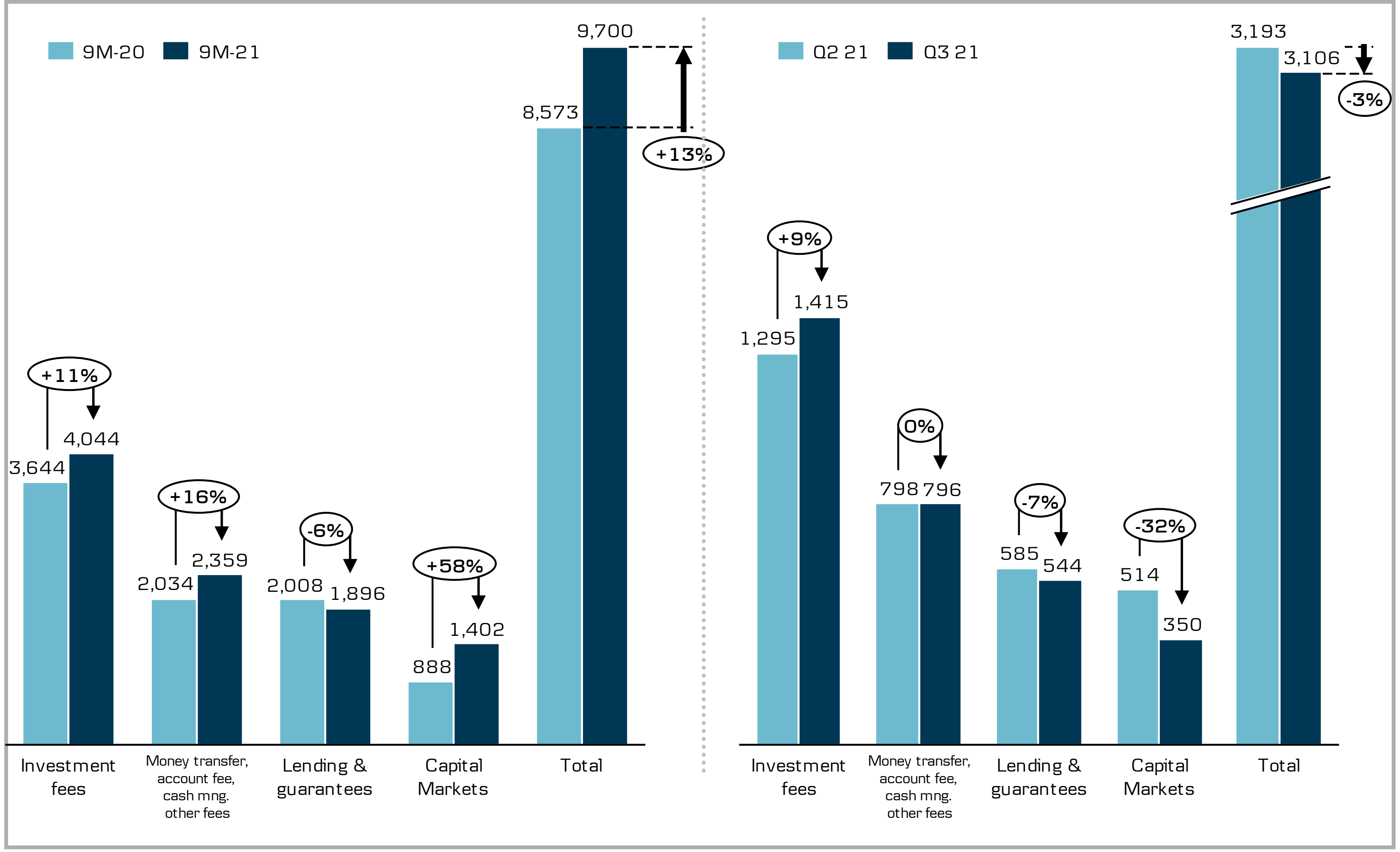
Fee: Increase in fee income driven by capital markets performance and higher activity; Q3 showed good traction on investments fees, especially from retail customers

Net fee income, 9M-21/9M-20 and Net fee income, Q3-21/Q2-21 (DKK m)



Highlights

Fee income was up 13% from the same period last year, driven mainly by capital markets-related activities; up 58% from 9M-20.
Q3 ; Fee income declined slightly due to seasonality

Investment activities in 9M-21 benefited from higher customer activity and a positive development in assets under management

Activity-related fees were up 16% YoY, positively impacted by higher customer activity but negatively affected by a value adjustment for a distribution agreement

Lending and guarantee-related income declined due to housing market activity

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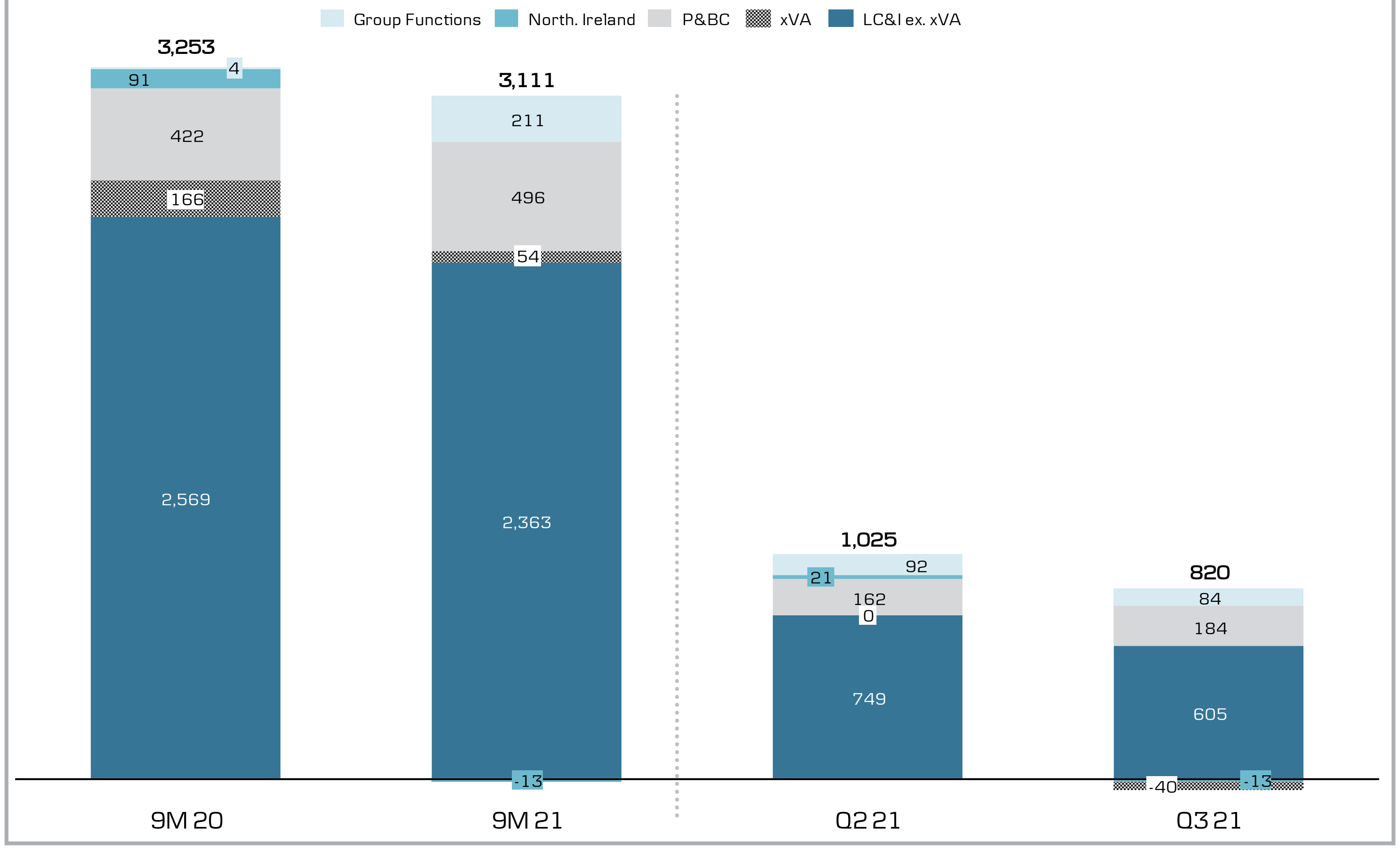
Trading: Slightly lower trading income than in exceptional 2020, partly off-set by higher investment activity at P&BC

Net trading income, 9M-21/9M-21 and Net trading income, Q3-21/Q2-20 (DKK m)



Highlights

Net trading income declined in 9M-21 from 9M-20 noting an exceptional year for trading income in 2020 with unusual strong Q2-20 and Q3-20

Uplift from Group functions related to the sale of Visa shares

Trading income in Q3-21 was lower than in Q2-21, due primarily to seasonality at LC&I

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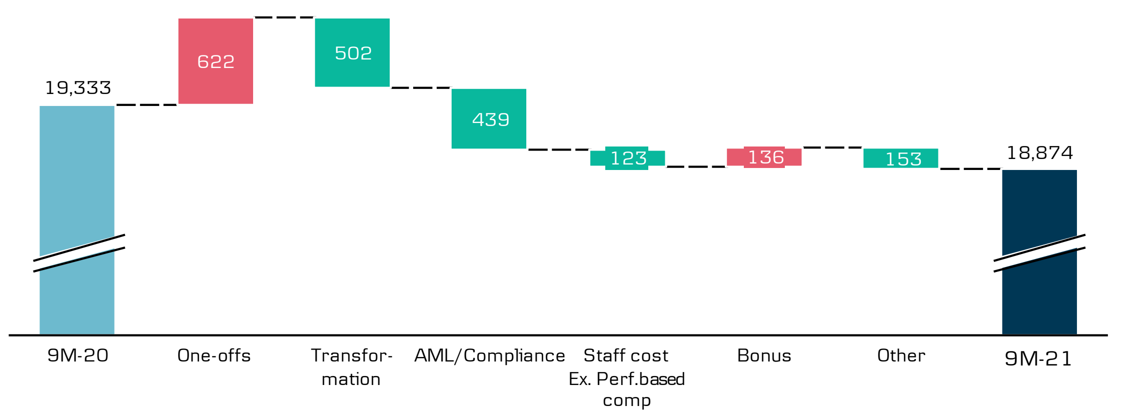
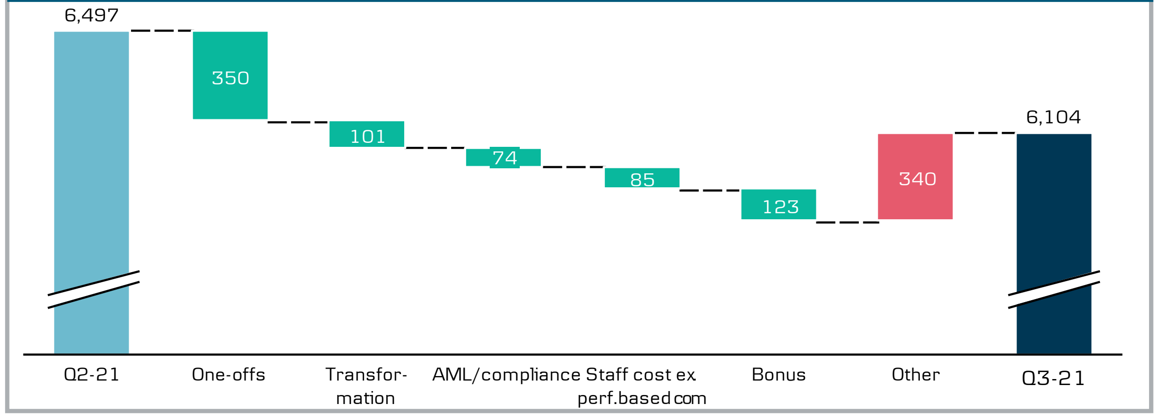
Expenses: Downwards trajectory according to plan, including lower costs for AML/Estonia and transformation

Expenses, 9M-21/9M-20 (DKK m)



Expenses, Q3-21/Q2-21 (DKK m)



Highlights

Total underlying expenses decreased 6% from the same period last year due primarily to progress on AML/compliance and transformation costs

One-offs of DKK 350 m in Q2 and DKK 150 m in Q1-21 related to provisions for upcoming changes to the VAT setup in Sweden (in addition, DKK 122 m in Q1 for home office allowance to staff)

Y/Y: Transformation and compliance/AML costs significantly down from 9M-20, when we accelerated our Better Bank transformation and were still conducting our internal Estonia case investigation

Q/Q: Steady progress as transformation and compliance costs continue to trend down according to plan.
Higher Other costs partly impacted by legacyissues and IT expenses

Underlying staff costs down as the layoffs at the end of 2020 continue to gather effect. FTEs were slightly up Q/Q mostly related to prolonged compliance remediation. Excluding AML/compliance, FTEs were down another ~150 during the quarter

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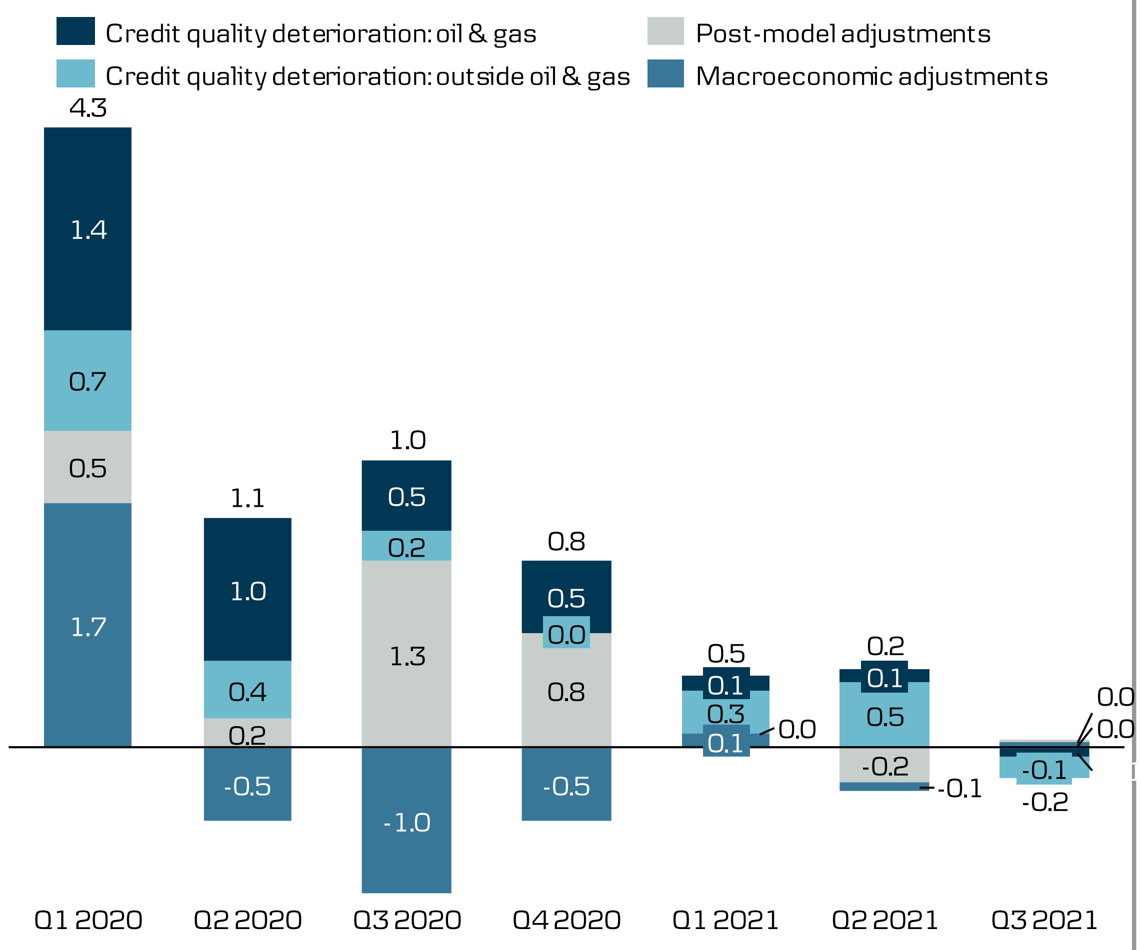
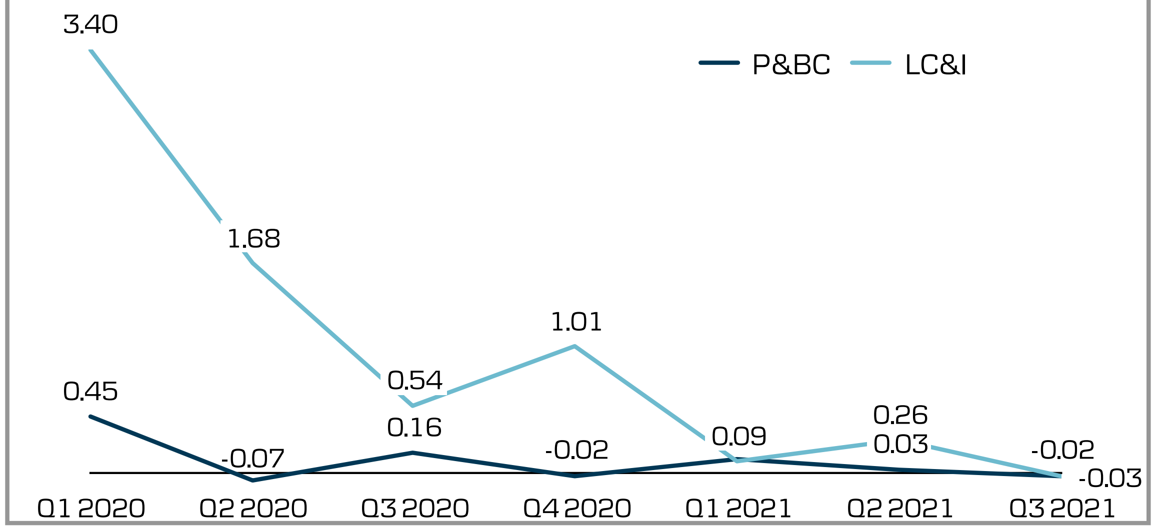
Impairments: Strong credit quality further supported by economic recovery, resulting in net reversals for the quarter

Impairment charges by category (DKK bn)



Loan loss ratio by business unit (annualised, %)



Highlights

Very few single-name exposures affected by the pandemic, and they were mitigated by the overall macroeconomic improvement

The post-model adjustments made during 2020 have largely been kept to mitigate any pandemic-related tail risk, e.g. associated with the roll-off of government support packages

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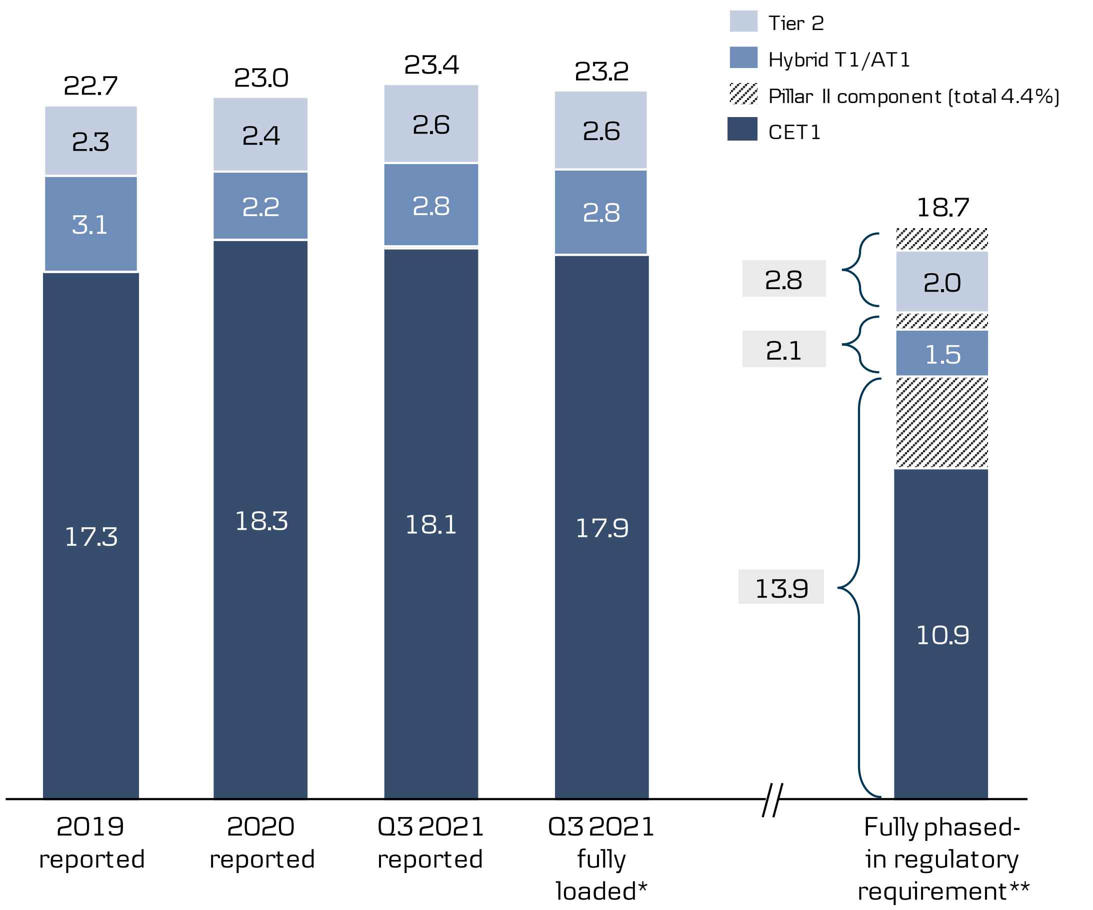
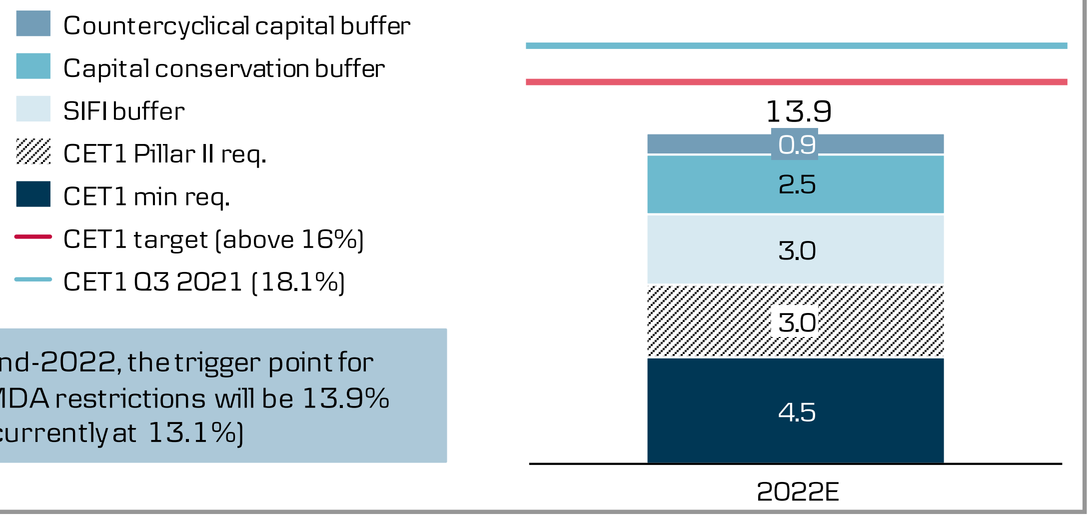
Capital: Strong capital base; CET1 capital ratio of 18.1% (buffer of 5.0%)

Capital ratios, under Basel III/CRR (%)



Estimated capital buffer structure (%)



End-2022, the trigger point for MDA restrictions will be 13.9% (currently at 13.1%)

Highlights

CET1 capital ratio increased 0.1% points to 18.1% by the end of Q3-21, due primarily to net profit after dividend accrual.
Total REA increased slightly to DKK 818bn (Q2: DKK 816bn) due to higher credit risk related primarily to EBA guidelines, which was partly mitigated by a change of definition of default in Finland and FSA order on risk events. In a joint decision with the DFSA, Pillar II add-on will be reduced in Q4 from agreed REA increases associated with EBA guidelines.
We now expect REA to increase by around DKK 90bn in 2021.
The **leverage ratio** increased 0.1 percentage points to 4.8% according to transitional rules and 4.8% under fully phased-in rules.

* Based on fully phased-in rules including fully phased-in impact of IFRS 9. ** Pro forma fully phased-in min. CET1 req. in 2022 of 4.5%, capital conservation buffer of 2.5%, SIFI buffer requirement of 3%, countercyclical buffer of 0.9% and CET1 component of Pillar II requirement.

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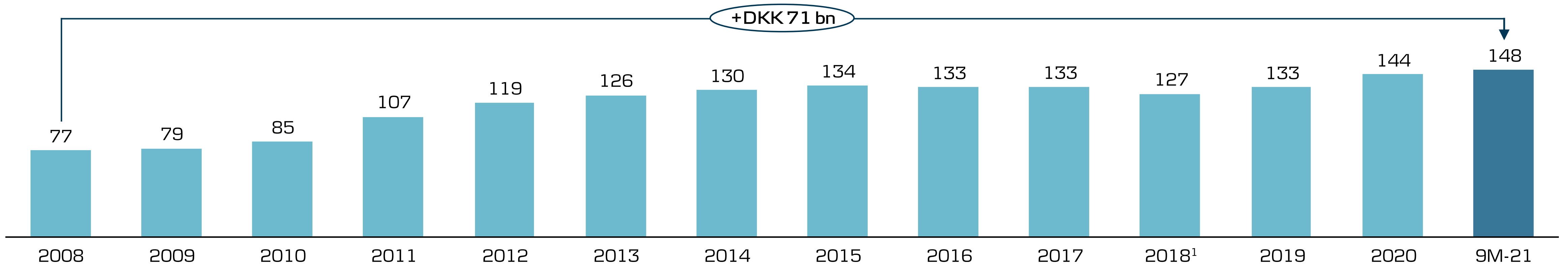
Strong CET1 capital build-up since 2008; Available Distributable Items (ADI) well in excess of DKK 100 bn

Common Equity Tier 1, 2008 – 9M-21 (DKK bn)



REA, CET1, profit and distribution (DKK bn; %)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	*9M-21*
REA	960	834	844	906	819	852	865	834	815	753	748	767	784	*818*
CET1 ratio	8.1%	9.5%	10.1%	11.8%	14.5%	14.7%	15.1%	16.1%	16.3%	17.6%	17.0%	17.3%	18.3%	*18.1%*
Net profit	1.0	1.7	3.7	1.7	4.7	7.1	13.0[2]	17.7[2]	19.9	20.9	15.0	15.1	4.6	*9.3*
Distribution to shareholders[3]	0	0	0	0	0	2.0	10.5	17.1	18.9	16.3	7.6	0	1.7	*N/A*
Total assets	3,544	3,098	3,214	3,424	3,485	3,227	3,453	3,293	3,484	3,540	3,578	3,761	4,109	*3,925*

[1] The decline in CET1 capital in 2018 is due mainly to Danica Pension's acquisition of SEB Pension Danmark which led to a higher deduction in Group regulatory capital. [2] Before goodwill impairment charges [3] Based on year-end communicated distributions. 2017 is adjusted for cancelled buy-back. 2019 is adjusted for cancelled dividend.

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Fully compliant with MREL requirement; expect to cover MREL need with both preferred and non-preferred senior

Overview of MREL

The Group has to meet both an MREL requirement and a separate debt buffer requirement for Realkredit Danmark (RD)

MREL requirement;

- REA based (adjusted for RD): 2x(P1 + P2) + CBR-CCyB => DKK 211 bn
- CBR stacked on top of MREL requirement => DKK 39 bn
- De facto MREL requirement => DKK 250 bn
- M-MDA: CBR must be met in addition to MREL => Substantial headroom to M-MDA.

Adding

- RD capital and debt buffer => DKK 42 bn

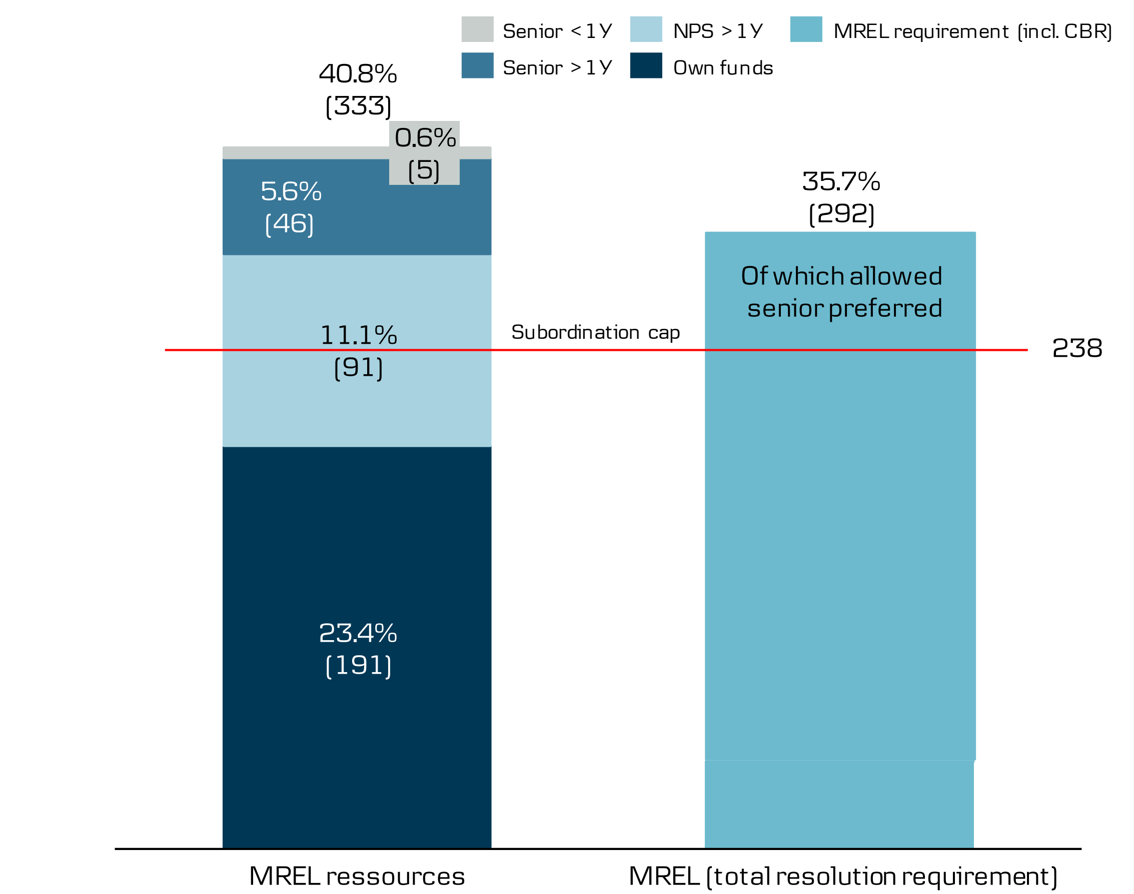
=> Total resolution requirement*:

- Q3 2021 REA based (incl. CBR) + RD => 35.7% of Group REA / DKK 292 bn

Subordination requirement:

- As the higher of 2x(P1 + P2) + CBR or 8% TLOF => MREL subordination requirement 30.6% of adjusted REA (DKK 212 bn)
- Total subordination requirement including RD = > DKK 238 bn
- **=> We expect to cover MREL need with new issues of both preferred senior and non-preferred senior**

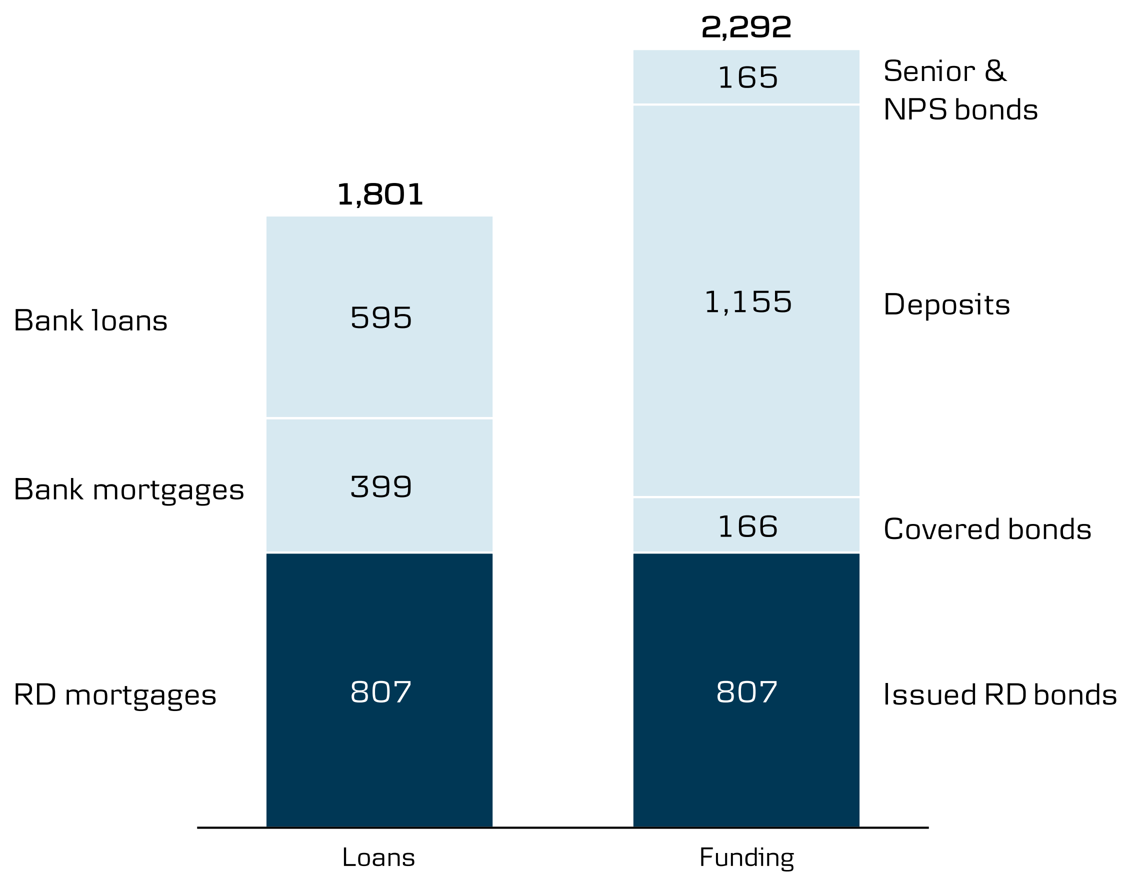
MREL resources and requirements; Q3 2021; % of Group REA, DKK bn



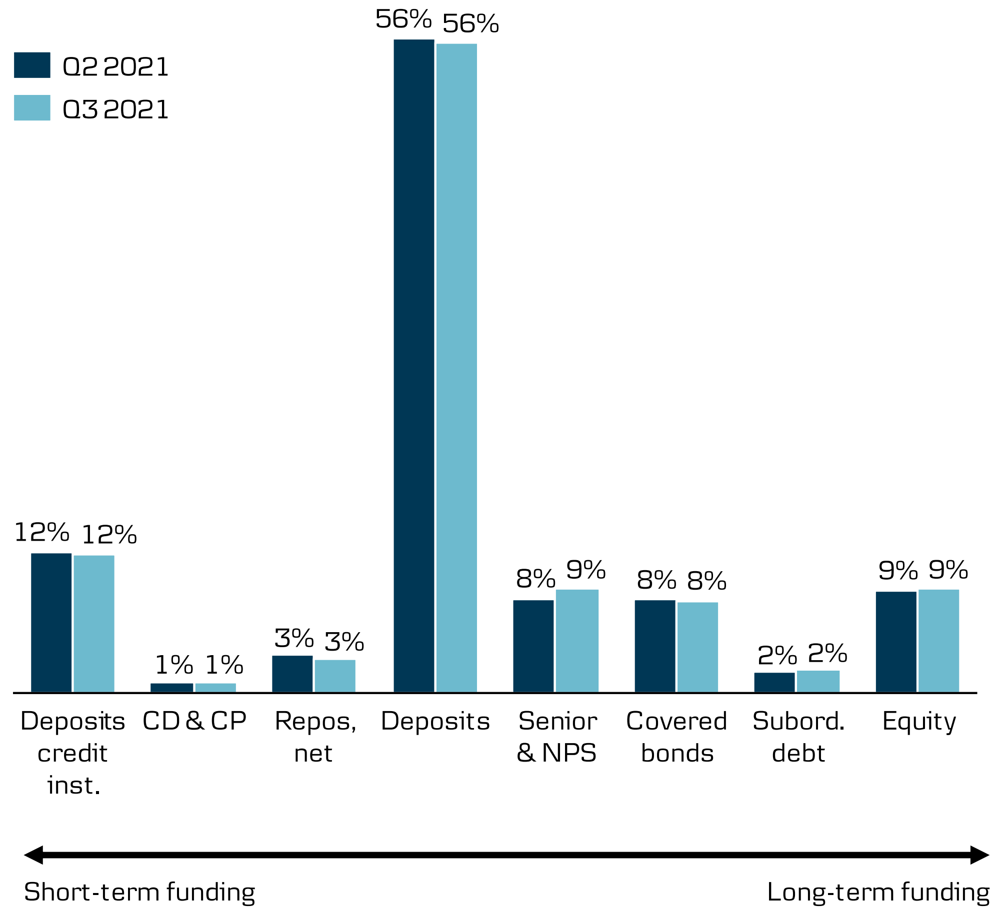
* RD is not included in the consolidation for the purpose of determining the MREL for the Group. The capital and debt buffer requirements that apply to RD are thus deducted from the liabilities used to fulfil the MREL. Consequently, the total resolution requirement is the sum of Group's MREL requirement and RD's capital and debt buffer requirement.

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

Loan portfolio and long-term funding, Q3-21 (DKK bn)



Funding sources* (%)



* Figures are rounded

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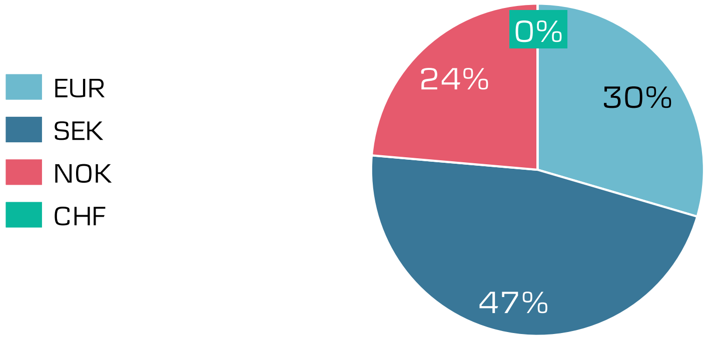
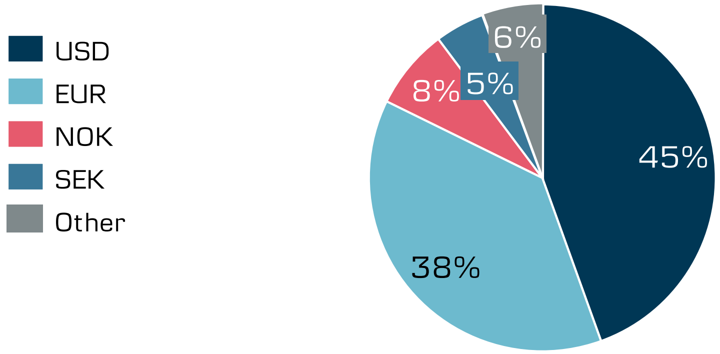
Funding programmes and currencies

Covered bonds by currency, end-Q3 2021



Total DKK 163 bn

Senior debt[1] by currency, end-Q3 2021



Total DKK 168 bn

Largest funding programmes, end-Q3 2021

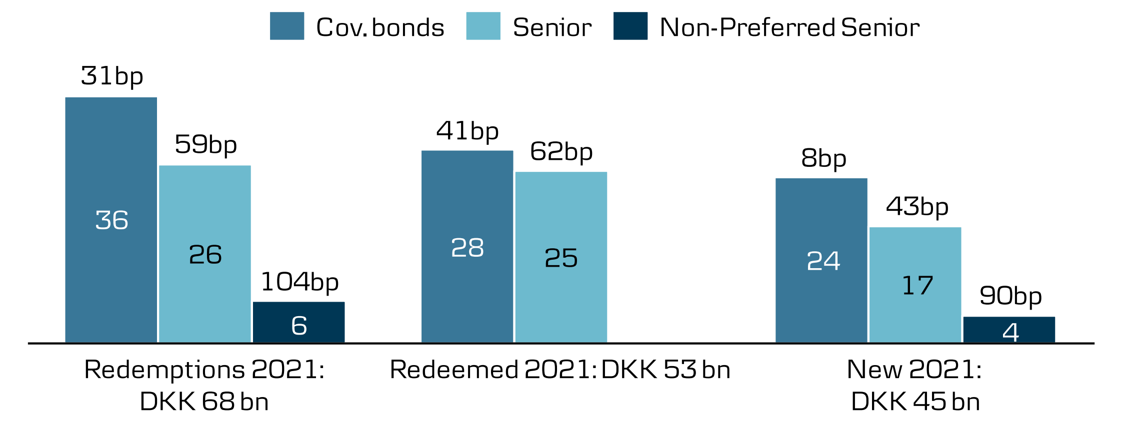
	Utilisation
EMTN Programme Limit – EUR 35bn	44%
Global Covered Bond Limit – EUR 30bn	75%
ECP Programme Limit – EUR 13bn	4%
US MTN (144A) Limit – USD 20 bn	58%
US Commercial Paper Limit – USD 6bn	12%
UK Certificate of Deposit Limit – USD 15bn	7%
NEU Commercial Paper Limit – EUR 10bn	5%

[1] Including senior preferred and non-preferred debt

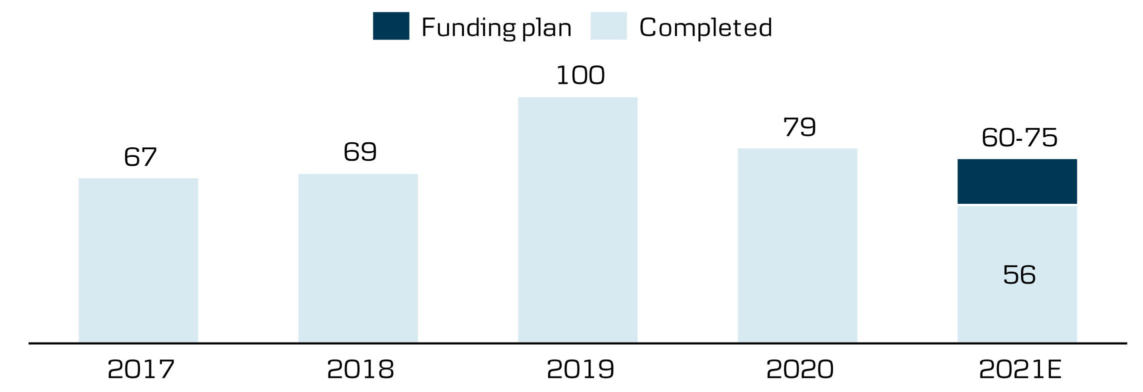
Danske Bank

Funding and liquidity: LCR compliant at 161%

Changes in funding,* 2021 (DKK bn and bp)

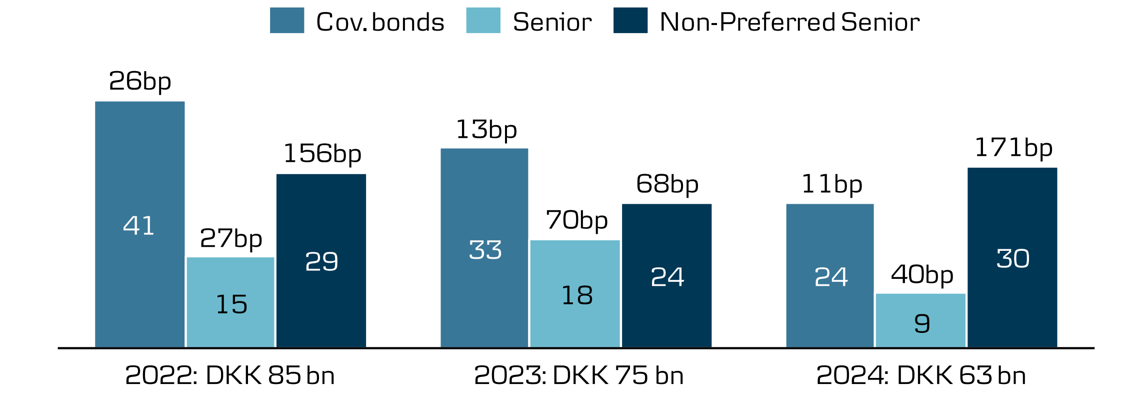


Long-term funding excl. RD (DKK bn)**

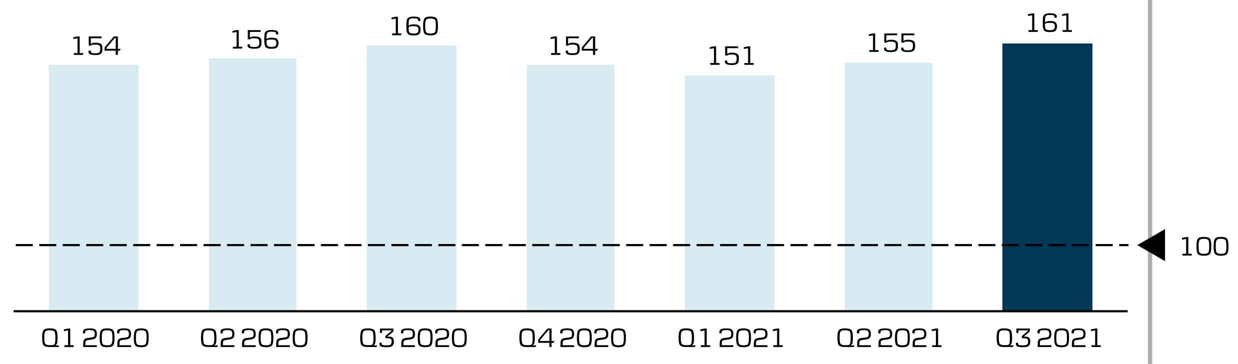


** Includes covered bonds, senior, non-preferred senior and capital instruments, excl. RD .

Maturing funding,* 2022–2024 (DKK bn and bp)



Liquidity coverage ratio (%)



* Spread over 3M EURIBOR.

Danske Bank covered bond universe, a transparent pool structure[1]

Danske Bank

Residential mortgages from

- Denmark, D-pool
- Norway, I-pool
- Sweden, Danske Hypotek AB
- Finland, Danske Mortgage Bank Plc

Commercial mortgages from

- Sweden and Norway, C-pool

Realkredit Danmark

Pass-through principle based on mortgages from primarily Denmark

- Capital Centre T, Adjustable-rate mortgages
- Capital Centre S, Fixed-rate callable mortgages

[1] The migration to Danske Hypotek of Swedish residential loans from Danske Bank's I-pool and Swedish residential-like loans from Danske Bank's C-pool is ongoing
[2] Nordic Credit Rating (NCR)
Details of the composition of individual cover pools can be found on the respective issuers' website

Danske Bank's credit ratings

Long-term instrument ratings

		Fitch	Moody's	Scope	S&P
Investment grade		AAA	Aaa	AAA	AAA
		AA+	Aa1	AA+	AA+
		AA	Aa2	AA	AA
		AA-	Aa3	AA-	AA-
		A+	A1	A+	A+
		A	A2	A	A
		A-	A3	A-	A-
		BBB+	Baa1	BBB+	BBB+
		BBB	Baa2	BBB	BBB
		BBB-	Baa3	BBB-	BBB-
Speculative grade		BB+	Ba1	BB+	BB+

- Fitch rated covered bonds – RD, Danske Bank
- Moody's rated covered bonds – Danske Mortgage Bank
- Scope rated covered bonds – RD
- S&P rated covered bonds – RD, Danske Bank, Danske Hypotek
- Counterparty rating
- Senior unsecured debt
- Non-preferred senior debt
- Tier 2 subordinated debt
- Additional Tier 1 capital instruments

No rating changes on Danske Bank Group

The credit ratings of Danske Bank Group are unchanged compared to the ratings published in the Investor presentation for Q2 2021.

Fitch, Moody's and S&P all have Stable outlooks on Danske Bank.

The Stable outlooks incorporate the economic uncertainties relating to the fallout from the corona crisis and the financial uncertainties relating to the Estonia case.

Danske Bank

Danske Bank's ESG ratings

We have chosen to focus on five providers based on their importance to our investors

	Q3 2021		Q2 2021	Q1 2021	End 2020	End 2019	End 2018	Range
CDP [1]	B	277 companies, out of the 9,600+ analysed, made the climate change A List in 2020	B	B	B	C	C	D- to A+ (A+ highest rating)
ISS ESG	C Prime	Decile rank: 1 Of the 299 banks rated, C+ is the highest rating assigned	C Prime	C+ Prime	C+ Prime	C Prime	C Prime	D- to A+ (A+ highest rating) A decile rank of 1 indicates a higher ESG performance, while a decile rank of 10 indicates a lower ESG performance
MSCI	BBB	MSCI rates 190 banks: AAA 3% AA 27% A 25% BBB 25% BB 15% B 6% CCC 1%	BB	BB	BB	B	B	CCC to AAA (AAA highest rating)
SUSTAINALYTICS	Medium Risk (27.1)	Rank in Diversified Banks 131/403 Rank in Banks 353/1020	Medium Risk (27.1)	High Risk (30.2)	High Risk (30.2)	Medium Risk (29.4)	N/A	Negligible to Severe risk (1 = lowest risk)
vigeo eiris	64	Rank in Sector 6/31 Rank n Region 89/1624 Rank in Universe 94/4952	64	64	64	59	55	0 to 100 (100 highest rating)

[1] CDP: Carbon Disclosure Project – primary focus is on climate change / management, also linked to TCFD

- ESG rating agencies are not regulated
- ESG ratings are unsolicited and in principle based on public information
- Disclosure of ESG ratings is discretionary
- ESG rating agency criteria are not always public
- ESG ratings are updated annually with interim updates limited

Danske Bank

Three distinct methods for rating banks

Danske Bank's rating

Rating methodology

S&P Global Ratings

Anchor SACP[1]	+	1	+	2	+	3	+	4	=	SACP	=	Extra-ordinary support	+	ALAC	+	Additional factors	=	Issuer rating
bbb+		+1		+1		-1		0		a-		0		+2		-1		A (Stable)

1=Business Position, 2=Capital & Earnings, 3=Risk Position, 4=Funding & Liquidity

Moody's

Macro profile	+	1	+	2	+	3	+	4	+	5	+	Quali-tative factors	=	BCA[2]	+	Affiliate support	+	LGF[3]	+	Gov. support	=	Issuer rating
Strong Plus		a3		a1		ba2		baa3		baa2		-1		baa2		0		+1		+1		A3 (Stable)

1=Asset Risk, 2=Capital, 3=Profitability, 4=Funding Structure, 5=Liquid resources

FitchRatings

Operating environment	+	1	+	2	+	3	+	4	+	5	+	6	+	7	=	Viability Rating	Support Rating Floor	=	Issuer rating[4]
aa-		a+		a		a+		a		a-		a		a+		a	No Floor		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] Issuer rating is the higher of the Viability Rating and Support Rating Floor.

Danske Bank

Appendix

Danske Bank

Danske Bank has been working with sustainability for many years

2006
First CSR report published

2007
Joined the UN Global Compact

2008
First Responsible Investment Policy

Moneyville launched to support financial literacy

2009
Began offsetting our carbon emissions

2010
Signed the UN-backed Principles for Responsible Investment

2011-13
Reduced our carbon emissions by 25%

2014
Developed *LetBank* for customers less familiar with online banking

2015
Green Bond Team

100% green electricity

2016
Published sector-specific Position Statements

2017
Developed the Pocket Money solution for children and parents

2018
Endorsed TCFD and launched +impact for startups addressing SDGs

2019
Founding signatory to the UN Principles for Responsible Banking

2020
Joined PCAF and the Net-Zero Asset Owner Alliance

Danske Bank

Our 2023 Sustainability Strategy defines the key dimensions for our efforts to create lasting value for our customers, employees, society and investors

Danske Bank's 2023 Sustainability Strategy

SUSTAINABLE FINANCE
We help our customers achieve their sustainability ambitions through financing and investing

ENTREPRENEURSHIP
We support new businesses in creating sustainable growth

FINANCIAL CONFIDENCE
We help people become financially confident

GOVERNANCE AND INTEGRITY
We operate in a responsible and transparent manner

EMPLOYEE WELL-BEING & DIVERSITY
We foster well-being, diversity and inclusion in our workplace

ENVIRONMENTAL FOOTPRINT
We minimise our own environmental footprint

Danske Bank works actively to integrate ESG considerations across key activities

Danske Bank

Danske Bank aspires to Nordic leadership in sustainable finance – our sustainable finance framework guides our approach

Group ambition for Sustainable finance	Be a leading bank in the Nordics on sustainable finance				
KPIs and targets	Group KPIs	**Sustainable financing:** • Well above DKK 300bn in sustainable financing by 2023 • Member of Net Zero Banking Alliance	**Sustainable investing:** • Danica Pension: DKK 30bn in green assets by 2023[1], member of Net Zero Asset Owners' Alliance • Asset mgmt.: DKK 400bn in art. 8 by 2023 and 150bn in art. 9 by 2030[2], member of Net Zero Asset Managers' Initiative		
Guiding principles	*Align societal and business goals*	*Enable our customers' sustainability journey*	*Measure and improve impact*	*Engage and partner with stakeholders*	
Key execution levers	Advice	Products & solutions	Risk Management		
Critical enablers	Governance	Training & competencies	IT enablement	Data & insights	Communication & transparency

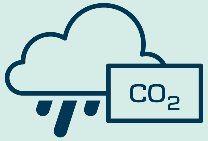
1) Towards DKK 50bn in 2025 and 100bn by 2030. Danica Pension is also a signatory to the UN-convened Net-Zero Asset Owner Alliance, i.e. commitment to net-zero emissions by 2050 incl. intermediate targets.
2) Article 8 covers investment funds that promote ESG, whereas article 9 covers funds with "sustainability objectives" according to the EU Sustainable Finance Disclosure Regulation. See Appendix for further info.

Danske Bank is firmly committed to reducing the absolute emissions of our portfolios

- Portfolio target to be published during 2022

- First sector-by-sector interim targets to be published by YE 2021

- First sector-by-sector interim targets published



Danske Bank's has been compensating for the emissions from its own operations since 2009 and is focusing on continued reduction of absolute emissions

Danske Bank

Further highlights from Q3 include…

Leading bookrunner

- # 1 Nordic bookrunner for green, social and sustainable bonds[1)]
- # 1 Nordic mandated lead arranger of sustainability-linked loans[1)]

Further expanded product suite

- No-threshold green loan for SME customers with energy-efficient buildings that have a green certification
- 7 funds categorised as article 9 funds by Danske Invest

Confirmed commitment to Net Zero

- Joined Net Zero Banking Alliance

Firm focus on sustainability competencies

- Group-level compulsory sustainability training
- Specialized training for e.g. advisors and portfolio managers

1) Bloomberg Global Green Capital Markets League Table

Deep dive: Overview of ESG integration in Danske Bank's lending operations

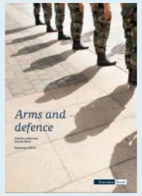
Multiple types of approaches are implemented to consider ESG factors both at company and portfolio levels

1. Position statements

- Our position statements are a key tool for aligning with societal goals and communicating our approach to selected themes and sectors with elevated ESG risks

Climate change

Human rights

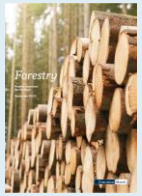


Arms & defence

Agriculture

Fossil fuels

Mining & metals



Forestry

2. Single-name ESG analysis

- ESG analysis is conducted for all large corporate clients using an internally prepared ESG risk tool
- Tool is developed around the concept of *financial materiality* i.e. how the financial performance of the company might be affected by environmental and social trends, legislation and factors
- External sources for the tool include:

SASB INSIDE *Financially material ESG factors*	SUSTAINALYTICS *ESG risk exposure and management*
RepRisk – ESG data science and quantitative solutions *ESG controversies*	CDP – DISCLOSURE INSIGHT ACTION *Climate-related financial risks and opportunities*

3. Portfolio-level ESG analysis

- Portfolio decarbonisation targets to be set at the latest by 2023 (61% of portfolio currently mapped for climate impact)
- Carbon disclosures for key sectors published in "Climate and TCFD progress update" report in June 2021

Source: Danske Bank analysis

Danske Bank

Danske Bank actively supports a range of international agreements, goals and standards relating to sustainability[1)]

PARIS 2015

The Paris Pledge

A pledge to support and act accordingly in regards to the objectives of the Paris Agreement to limit global temperature rise to less than 2 degrees Celsius

Sector Net Zero commitments

Net-Zero Asset Owners Alliance

Net-Zero Asset Managers Initiative

Net Zero Banking Alliance

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Task force on Climate-related Financial Disclosures

Has developed recommendations for more effective climate-related disclosures to promote more informed investment, credit, and insurance underwriting decisions

PCAF Partnership for Carbon Accounting Financials

Partnership for Carbon Accounting Financials

Provides carbon accounting instructions for financial institutions. Danske Bank joined in 2020 as the first major Nordic bank.

IMPACT INSTITUTE

Banking for Impact

Danske Bank co-founded global impact consortium that will propose new guidelines on impact measurement for financial companies to accelerate the transition to a more sustainable economy

UNEP FINANCE INITIATIVE PRINCIPLES FOR RESPONSIBLE BANKING

Principles for Responsible Banking

Provide the framework for a sustainable banking system. They embed sustainability at the strategic, portfolio and transactional levels, and across all business areas.

PRI Principles for Responsible Investment

Principles for Responsible Investment

An international investor network that supports the implementation of ESG factors into investment and ownership decisions

UN GLOBAL COMPACT

UN Global Compact

A multi-stakeholder initiative focusing on aligning business operations with ten principles in the areas of human rights, labor, environment and anti-corruption

UNITED NATIONS GUIDING PRINCIPLES ON BUSINESS & HUMAN RIGHTS

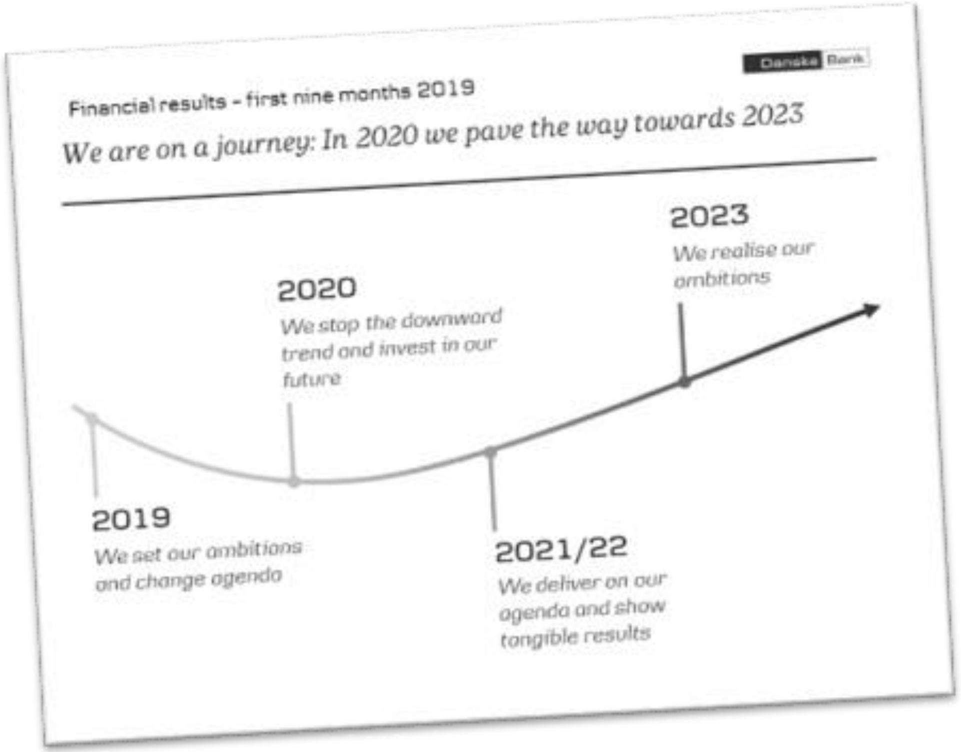
UN Guiding Principles on Business and Human Rights

Guidelines for states and companies to prevent, address and remedy human rights abuses committed in business operations

1) More information available at https://danskebank.com/sustainability/our-approach

Danske Bank

Two years ago, we set up an ambitious plan; today, we confirm that our business model will allow for a sustainable RoE of 9-10% through the cycle and for 8.5-9% in '23



With more clarity, an extensive review of assumptions and adjusted plans, we have line of sight to delivering an RoE of 9-10%

We're progressing towards our full profitability potential, and despite significant headwinds over the past two years, we will deliver tangible uplift towards 2023

Since 2019 we have had to adjust our plan to a number of factors

More extensive compliance scope and remediation work, still requiring a significant allocation of resources

Restoring our brand in the Danish retail business takes time and requires completion of remediation of legacy issues

Our retail business is continuously challenged by tough operating environment, resulting in lower-than-expected lending growth and continuous margin pressure

An overhang to reach a more normalised capital level, due main to unresolved settlement of regulatory issues

We're confident in our ability to deliver a profitability uplift towards 2023 building on our efforts to strengthen our foundation and the current momentum resulting from our diversified business model

Danske Bank

Our strong position in the corporate segments makes us well-positioned to execute on our commercial priorities. Key focus on regaining momentum within our retail business

			Foundation	Top commercial priorities	
~60% of current total income	*Corporate*	LC&I	Increasing momentum built up over past years; a leading position across Nordic debt and equity capital markets and as arranger of Green Bonds – even globally	Sustaining our strong momentum	by leveraging our market leading position and capitalising on the growing Nordic capital markets
	Corporate	Business Customers	Good momentum; ancillary business trending upwards; strong digital offerings have enhanced our value proposition	Enhancing our momentum	by expanding digital offerings and servicing customers more efficiently, and improving sustainable offerings supporting their green transition
	Retail	PC DK	Proven digitalisation efforts and strong advisory offerings, but challenged brand and commercial momentum	Regaining momentum in the short term	by regaining fair housing market position and market share and building on momentum in the investment area
	Retail	PC Nordic	High-quality growth driven by new active target customers; potential for profitability uplift and improving cost to serve	Maintaining growth and improving profitability	through cross-sales building on optimised service models with enhanced digital offerings

Danske Bank

Capitalising on our strong position in the business customers segment, regaining momentum at PC DK and building the future retail bank across the Nordics

Business Customers

Be the no. 1 bank for businesses in Nordics

- Grow market share across Nordics by improving service model balancing resources towards “high touch” customer segment and digital self-service offerings via District platform
- Further improve our value proposition within sustainability, supporting the green transition
- Capital efficiency initiatives

Personal Customers DK

Be the market leading retail bank

- Regain fair housing market position and market share
- Further improvements of investment offerings, incl. sustainable products
- Improve market share of young customers and further enhancement of value proposition for top segments

Personal Customers Nordic

A strong retail challenger

- Growth through leverage of partnership agreements
- Improve cross-sales and CSAT via optimised and harmonised service models and enhanced digital offerings
- Further harmonise processes, achieving sustainable cost levels

Ambitions

P&BC will deliver around DKK 1 bn of the Group’s income uplift towards ’23, majority stemming from Business Customers

Being a leader in Denmark and among leaders in Nordics within sustainability

Progress towards our ambition of enabling all customers to

- be welcomed fully digitally
- handle everyday banking & financing needs on their own through simple self-service solutions
- increase self-service on mortgage products
- experience proactive advice and tailored solutions across digital channels

Danske Bank

We will leverage our market-leading position for large corporates and institutions and capitalise on the growing Nordic capital markets

Sustainable Finance & Investments as growth enablers

Be a leading Nordic sustainability bond, loan and investment provider

Grow advisory and investment business

Maintain strong position across active Nordic capital markets
Grow Asset Management - supporting the retail investment ambition

Strengthen our position outside DK

Grow market share and increase ancillary business in the Swedish corporate segment

Efficient use of capital

Manage balance sheet utilisation towards higher return assets

Our ambitions

- Contribute positively to the Group's RoE ambition
- Develop and strengthen our position as a leading Nordic wholesale bank
- Sustainable finance > DKK 300 bn*
  Sustainable investments > DKK 400 bn*
- Delivering around DKK 0.5 bn of Group's income uplift towards '23 subject to sufficient ROAC and market conditions

* Group targets, see page 31

Danske Bank

***Technology & Services** drives efficiency across the value chain – strong traction in 2021 towards Group ambitions*

Digital transformation

Launched agile organisation to continuously increase digitalisation of customer services

16.5% — **Efficiency gains** in the agile organisation

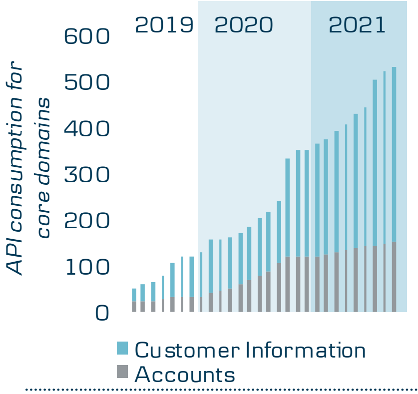
4.5 app store rating (DK) — **Award-winning Mobile Banking APP** with 31.4 million logons per month

95% — **Customer adoption of District,** **our market-leading digital channel** for business customers since its launch in 2019

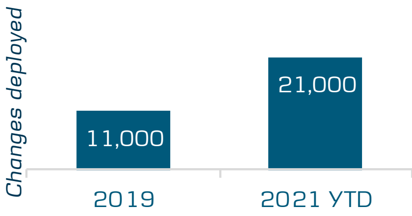
Turn to new tech

Transforming our tech stack to decrease time-to-market and increase developer productivity

Partnership with Amazon Web Services to accelerate migration to the Public Cloud



Increased API adoption to decouple conventional point-to-point integrations

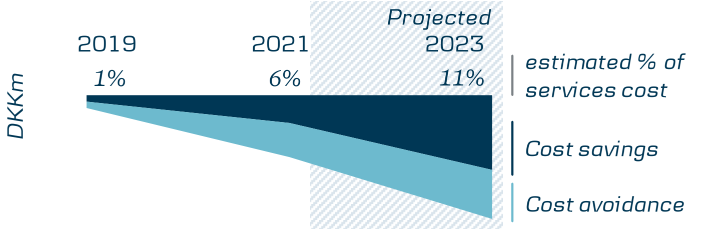


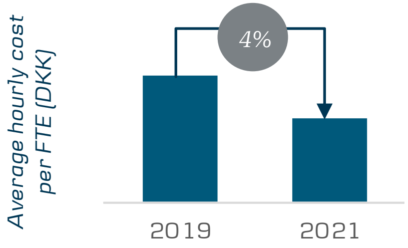
Increased technology change productivity through adoption of CI:CD processes

Efficiency

Sustained focus on driving efficiency and cost reduction through the value chain

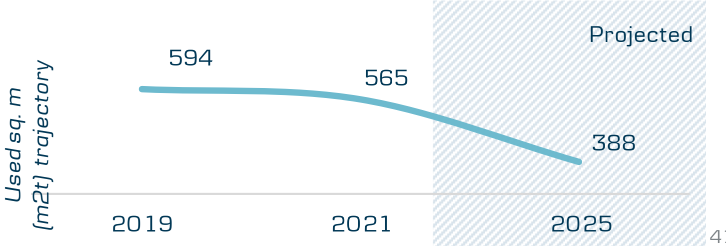
Robotics Process Automation (RPA) to drive cost takeout in services





Leveraging nearshoring and offshoring

Working@Danske driving hybrid ways-of-working and reduction in utilisation of premises



Danske Bank

Assumptions behind 2023 ambition

Financial uplift from 2021 to 2023 – Commentary and underlying assumptions

Costs / Operational efficiency

- Cost initiatives to be main driver of significant gross cost efficiency improvements, including reductions in FTEs mainly in the T&S area
- Free-up from current elevated level of costs related to remediation of legacy issues and transformational investments including severance
- Limited cost reductions from financial crime compliance-related costs
- Divestment of MobilePay and Private Banking Luxembourg
- Wage inflation around 2.5% in Nordic area but higher for workforce located in Eastern Europe and India

Income

- Top-line to increase from initiatives on both NII and Non-NII, assuming unchanged rates and FX rates ("as is")
  - Lending growth across Nordics to offset continued margin pressure
  - Effect from repricing initiatives carried out, mainly on deposits
  - Positive effects from lower capital and liquidity cost due to funding mix and lower spreads on new issues
  - Increasing AuM and various initiatives including repricing of products, service model revisions and enhancement of cross-sales
  - Normalisation of net income from the Danica business given particularly strong 2021

Capital & Regulatory impacts

- Capital impact driven mainly by regulatory effects
  - Reactivation of CCyB to 2.2%
  - Norwegian SRB of ~0.5%
  - Dividend policy unchanged at 40-60%
  - Basel IV: Capital plan has accounted for implementation
  - The REA is projected to increase, driven by growth and regulatory requirements, though majority of EBA guidelines have been implemented
  - CET1 target above 16% in the short term

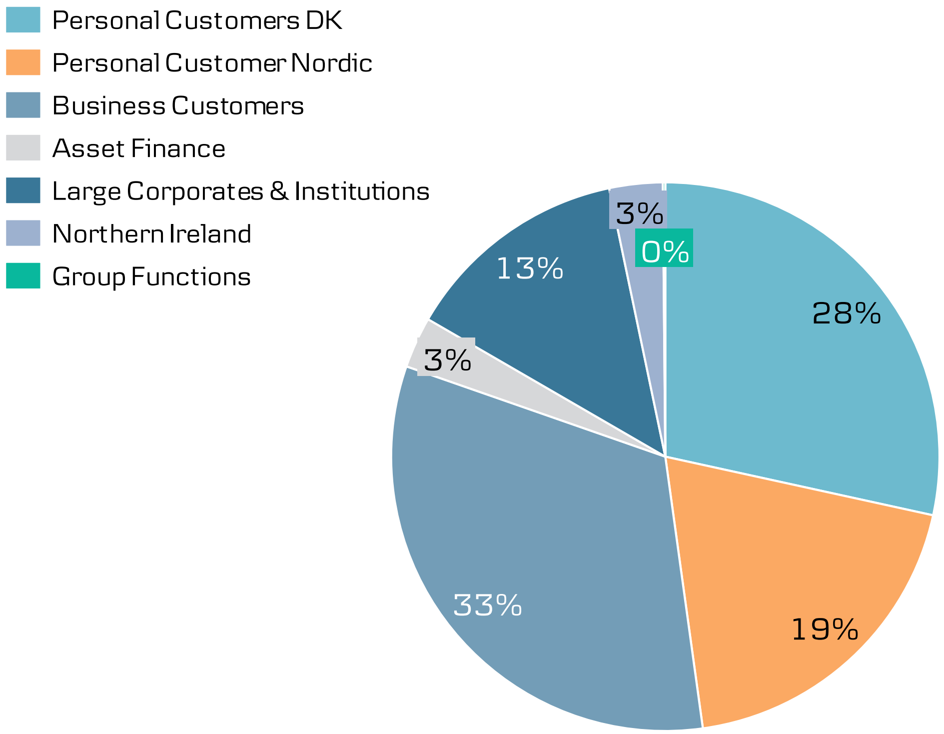
Macro / Market conditions

- Normalised impairment level of approx. 8 basis points
- Normal conditions in financial markets

Danske Bank

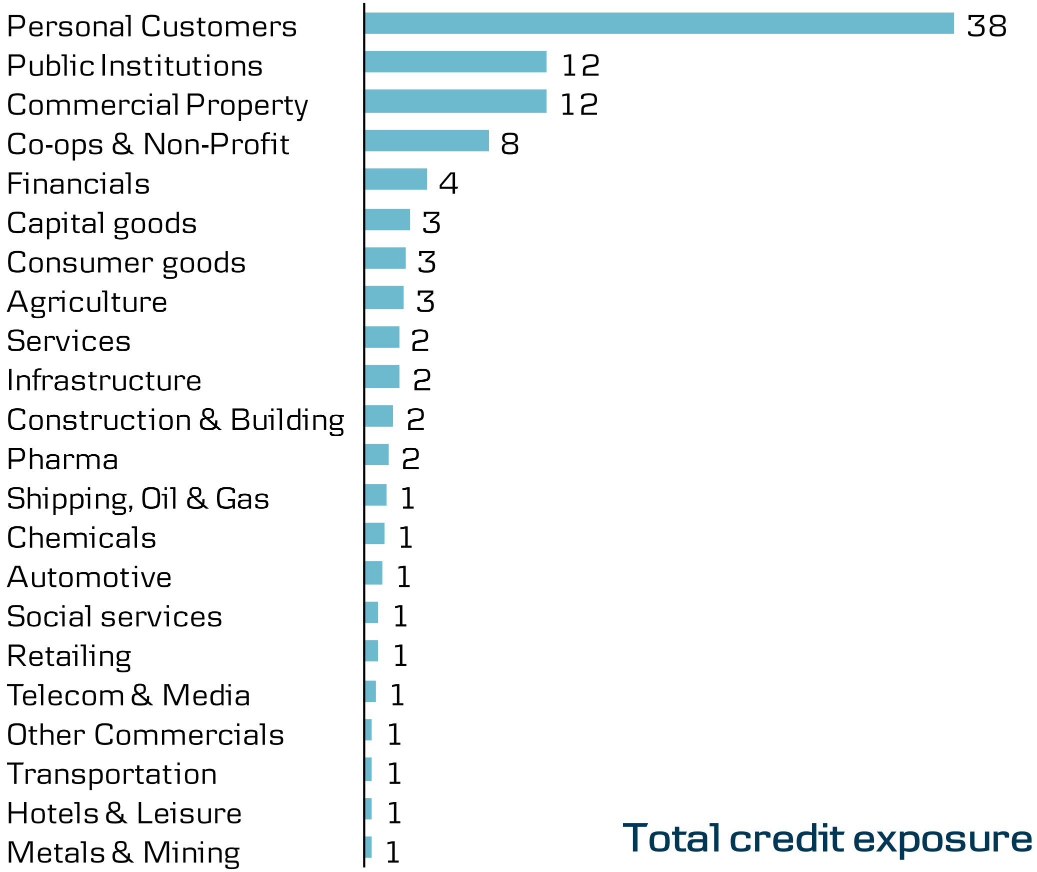
Strong footprint within retail lending

Lending by segment[1] Q3-21 (%)



Total lending of DKK 1,801 bn

Credit exposure by industry Q3-21 (%)



Total credit exposure of DKK 2,629 bn

1. Total lending before loan impairment charges.

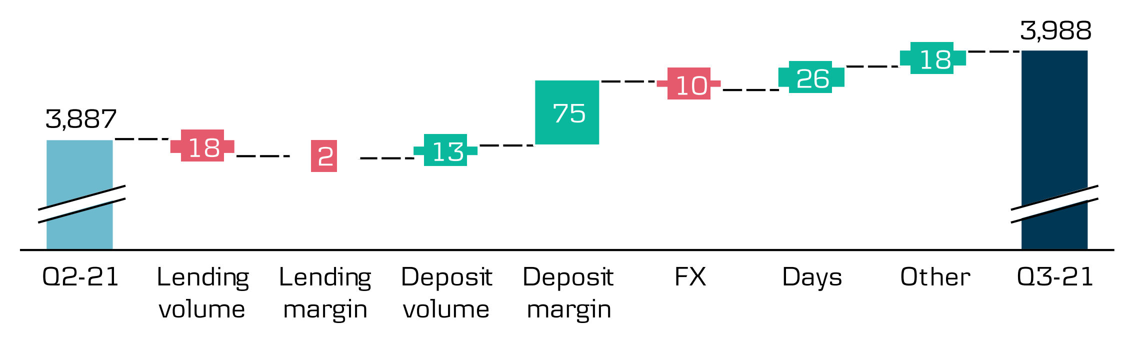
Danske Bank

Personal & Business Customers

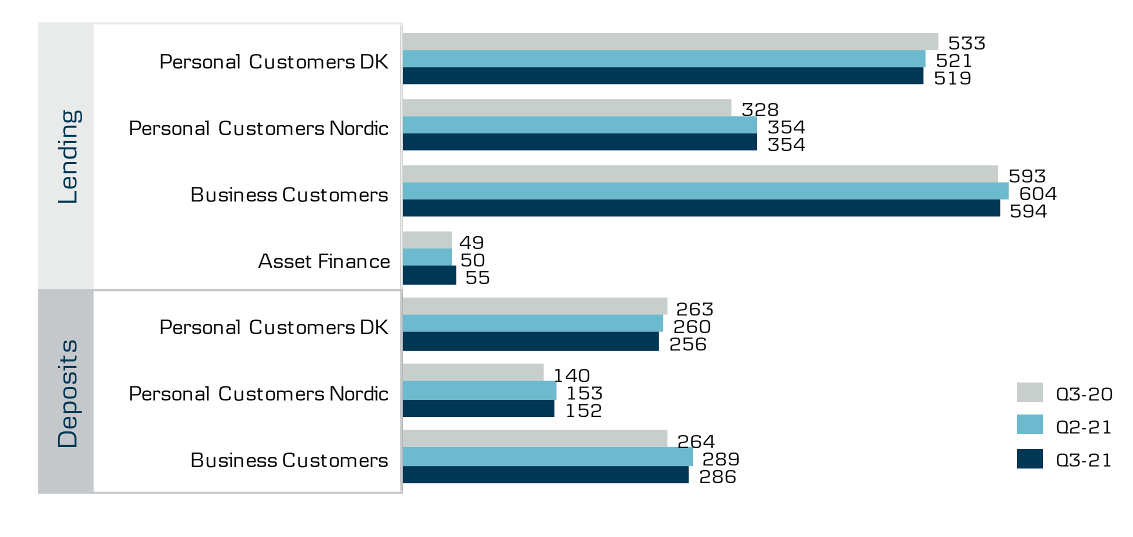
Income statement (DKK m)

	9M-21	9M-20	Index	Q3-21	Q2-21	Index
Net interest income	11,755	12,108	97	3,988	3,887	103
Net fee income	4,805	4,666	103	1,538	1,516	101
Net trading income	496	422	118	184	162	114
Other income	614	538	114	202	216	94
Total income	17,670	17,734	100	5,913	5,782	102
Expenses	10,832	11,397	95	3,544	3,650	97
Profit before loan impairment charges	6,838	6,337	108	2,368	2,132	111
Loan impairment charges	454	2,069	22	-96	116	-
Profit before tax	6,383	4,267	150	2,464	2,016	122

NII bridge (DKK m)



Lending and deposit volumes by segment (DKK bn)



Danske Bank

Realkredit Danmark portfolio overview: 60% of new retail lending in Q3 was fixed-rate vs 49% of stock

Highlights

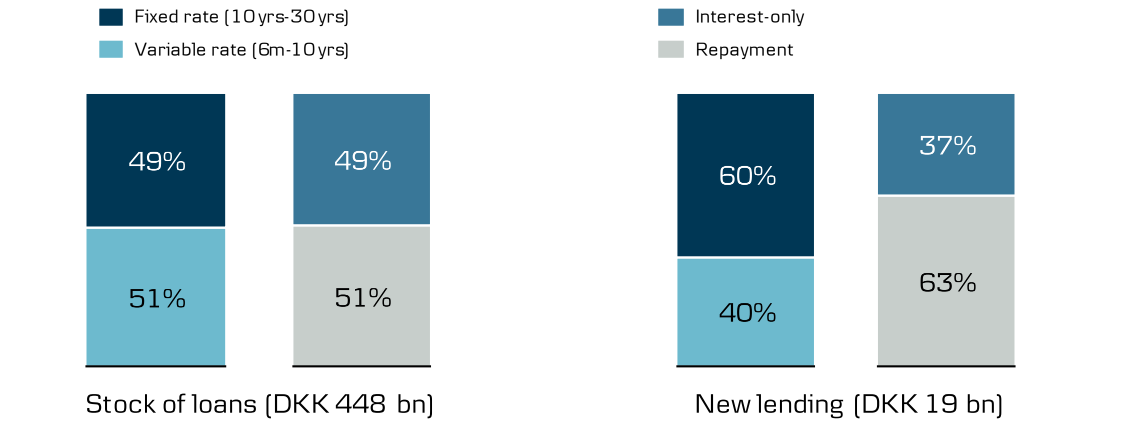
Portfolio facts, Realkredit Danmark, Q3-21

- Approx. 330,430 loans (residential and commercial)
- 735 loans in 3- and 6-month arrears (-4% since Q2-21)
- 6 repossessed properties (-1 since Q2-21)
- DKK 9 bn in loans with an LTV ratio >100%, including DKK 7 bn covered by a public guarantee
- Average LTV ratio of 54%
- We comply with all five requirements of the supervisory diamond for Danish mortgage credit institutions

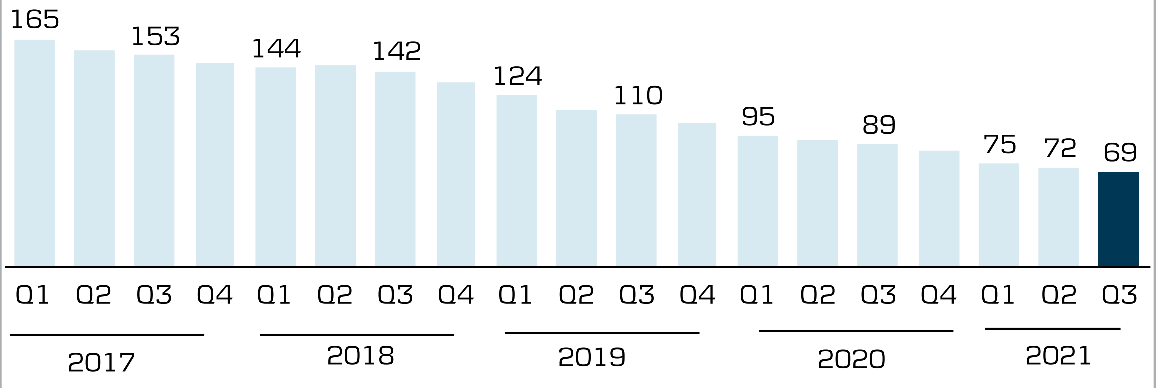
LTV ratio limit at origination (legal requirement)

- Residential: 80%
- Commercial: 60%

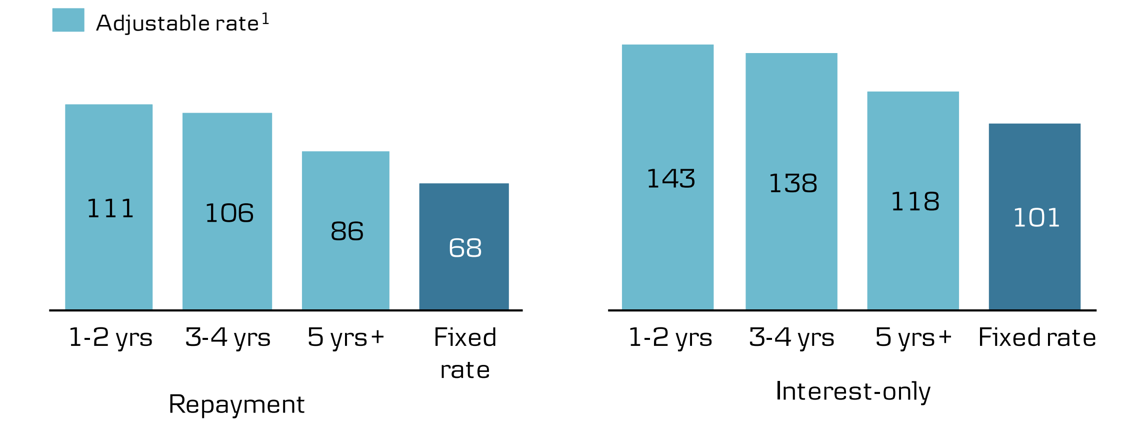
Retail loans, Realkredit Danmark, Q3-21 (%)



Total RD loan portfolio of FlexLån® F1-F4 (DKK bn)



Retail mortgage margins, LTV of 80%, owner-occupied (bp)



[1] In addition, we charge 30 bp of the bond price for refinancing of 1- and 2-year floaters and 20 bp for floaters of 3 or more years (booked as net fee income).

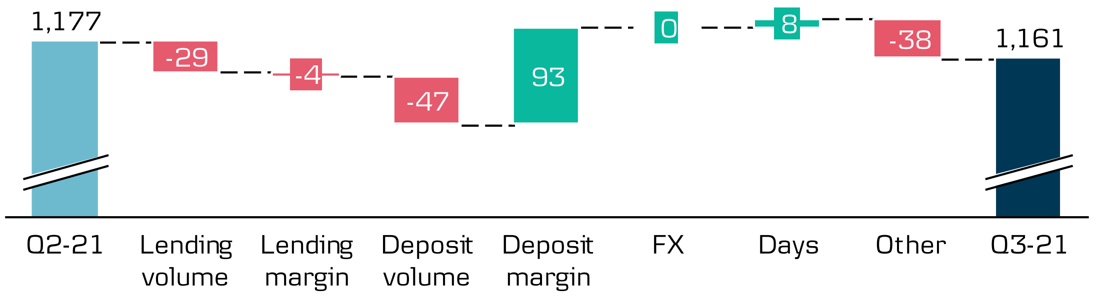
Danske Bank

Large Corporates & Institutions

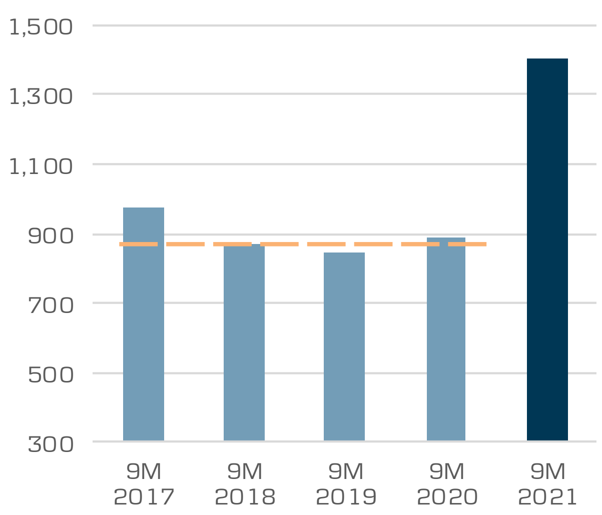
Income statement (DKK m)

	9M-21	9M-20	Index	Q3-21	Q2-21	Index
Net interest income	3,553	3,767	94	1,161	1,177	99
Net fee income	4,720	3,735	126	1,499	1,621	92
Net trading income	2,417	2,735	88	565	749	75
Other income	2	8	25	-	1	-
Total income	10,692	10,246	104	3,225	3,548	91
Expenses	5,562	5,553	100	1,811	1,900	95
Impairment charges on goodwill	-	-	-	-	-	-
Profit before loan impairment charges	5,129	4,693	109	1,414	1,648	86
Loan impairment charges	230	3916	6	-22	183	-
Profit before tax	4,900	777	-	1,436	1,465	98

NII bridge (DKK m)



Fee income from capital markets activities and Nordic ECM League Table [1]



Rank	Investment Bank	EURm	No.
1	Danske Bank	4.750	36
2	Morgan Stanley	4.675	13
3	Carnegie	4.563	80
4	ABG Sundal Collier	2.915	70
5	SEB	2.793	35
6	Nordea	2.114	40
7	JPMorgan	1.910	12
8	Pareto Securities	1.518	64
9	DNB Markets	1.317	38
10	Citi	1.273	11

1) Source: League table Q3 2021, Dealogic 14 October 2021. Priced deals as Global Coordinator or Bookrunner, deal value is apportioned value among syndicate banks

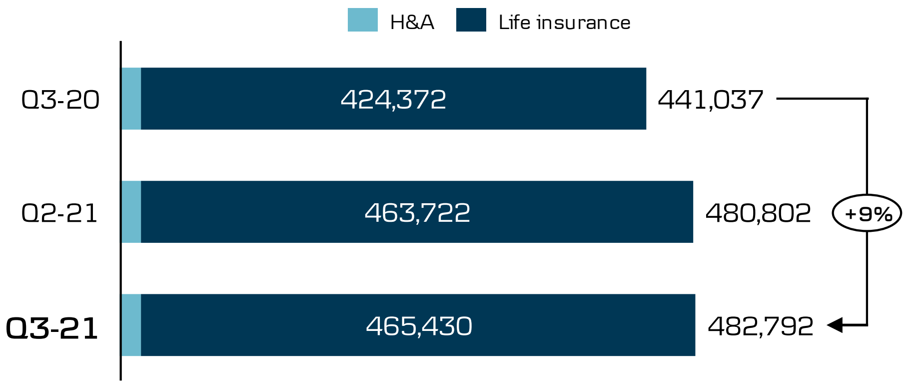
Danske Bank

Danica Pension

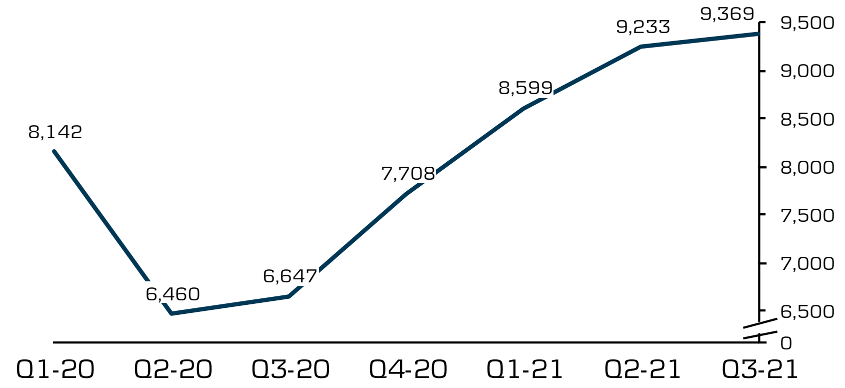
Income statement and key figures (DKK m)

	9M-21	9M-20	Index	Q3-21	Q2-21	Index
Result, life insurance	1,863	1,948	96	550	528	104
Result, health and accident insurance	-202	-559	36	160	-72	-
Return on investments, shareholders' equity, etc.	-26	-2	-	-94	68	-
Net income before tax at Danica Pension[1]	1,635	1,388	118	616	524	118
Included within Group Treasury	-59	-68	87	-22	-33	67-
Net income from insurance business	1,576	1,319	119	594	491	121
Premiums, insurance contracts	27,201	21,249	128	9,369	9,233	101
Premiums, investment contracts	3,627	917	396	1,582	1,396	113
Provisions, insurance contracts	441,804	412,767	107	441,804	437,847	101
Provisions, investment contracts	35,775	26,322	136	35,775	34,731	103

Assets under management (DKK m)



Development in premiums, insurance contracts



1) Figures for Danica Group

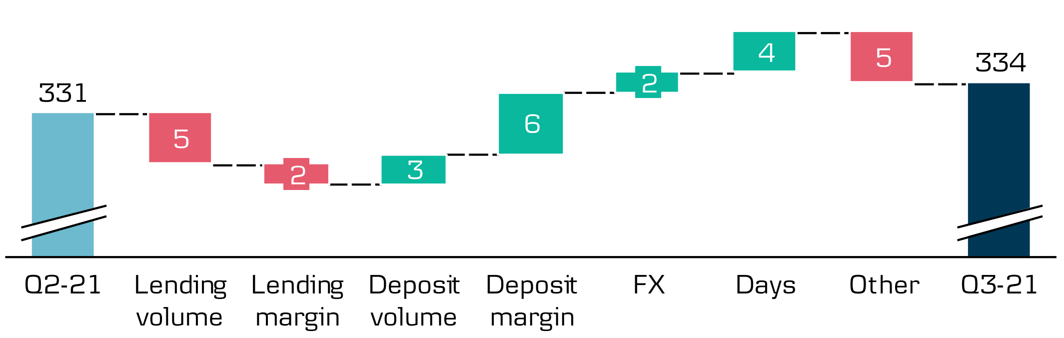
Danske Bank

Northern Bank

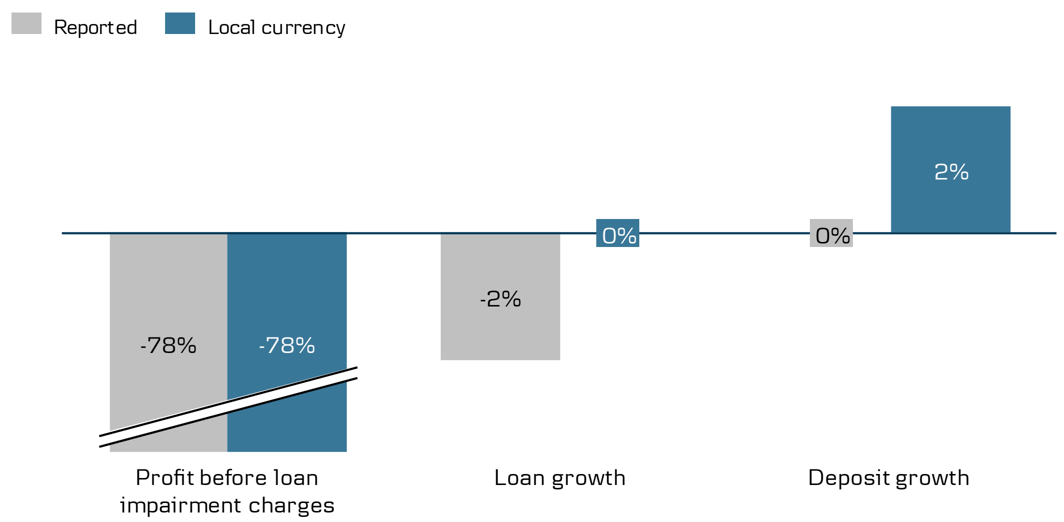
Income statement (DKK m)

	9M-21	9M-20	Index	Q3-21	Q2-21	Index
Net interest income	996	1,035	96	334	331	101
Net fee income	201	198	102	72	69	104
Net trading income	-13	91		-13	21	
Other income	9	13	69	3	3	100
Total income	1,193	1,336	89	395	424	93
Expenses	937	905	104	367	294	125
Profit before loan impairment charges	257	431	60	29	129	22
Loan impairment charges	-96	295		-31	-57	54
Profit before tax	353	136	260	60	187	32

NII bridge (DKK m)



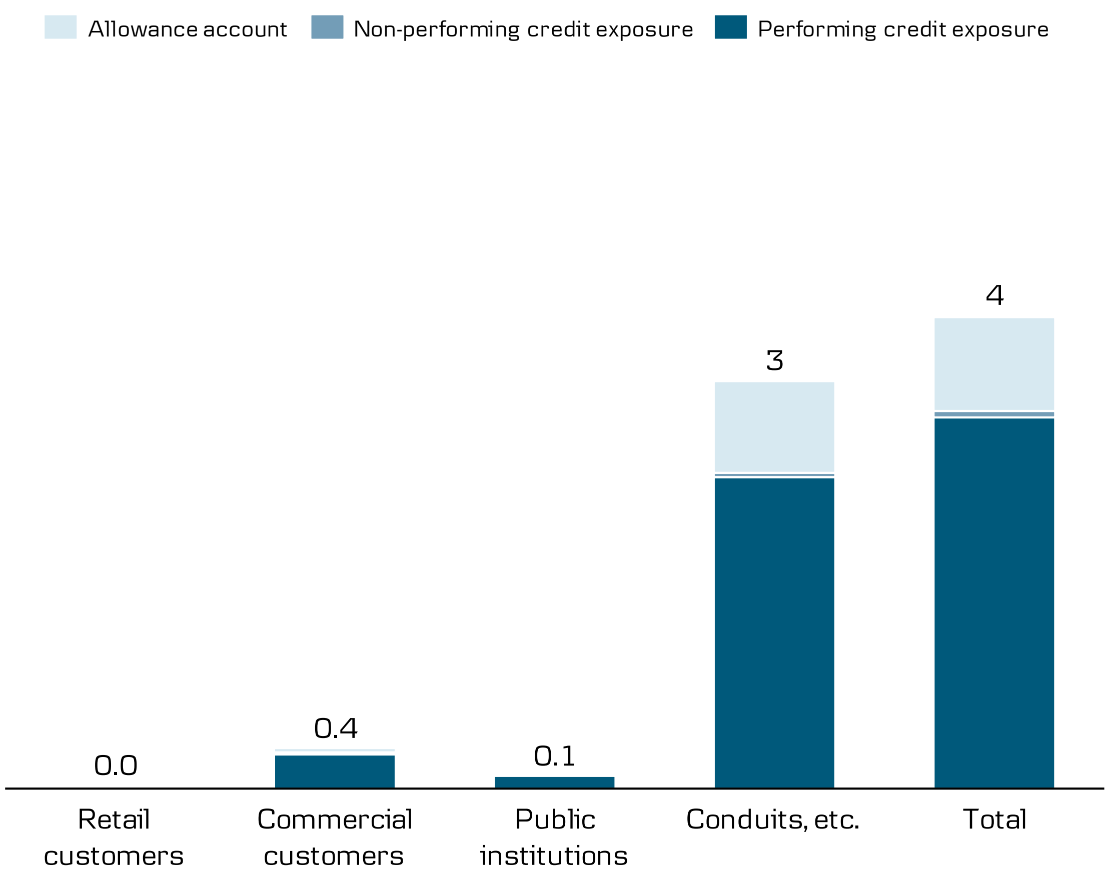
Currency-adjusted development Q3-21 vs Q2-21



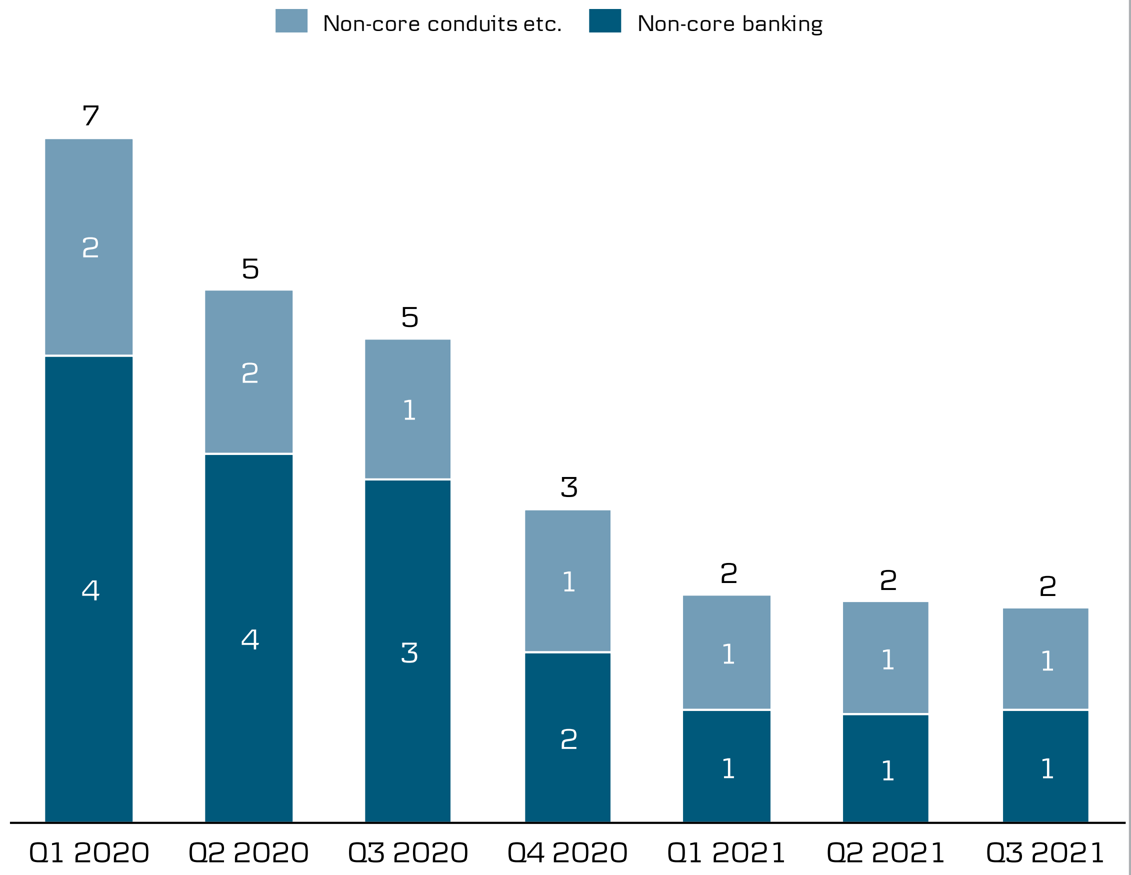
Danske Bank

Non-core

Non-core loan portfolio, Q3-21 (DKK bn)



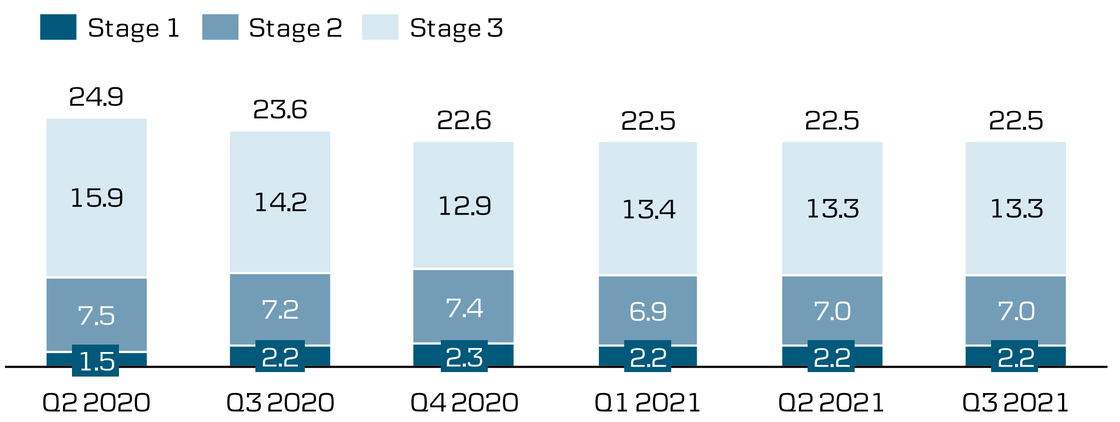
Non-core, Q3-21 REA (DKK bn)



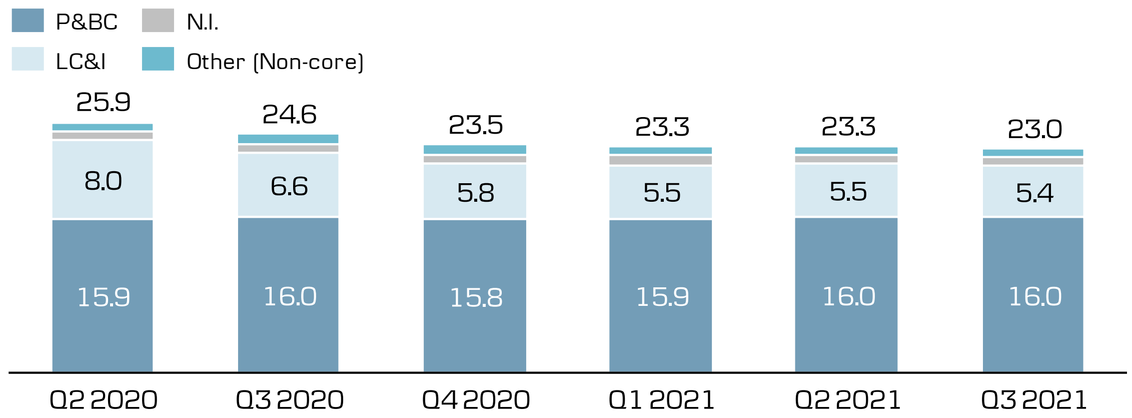
Danske Bank

Credit quality: Low level of actual credit deterioration

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



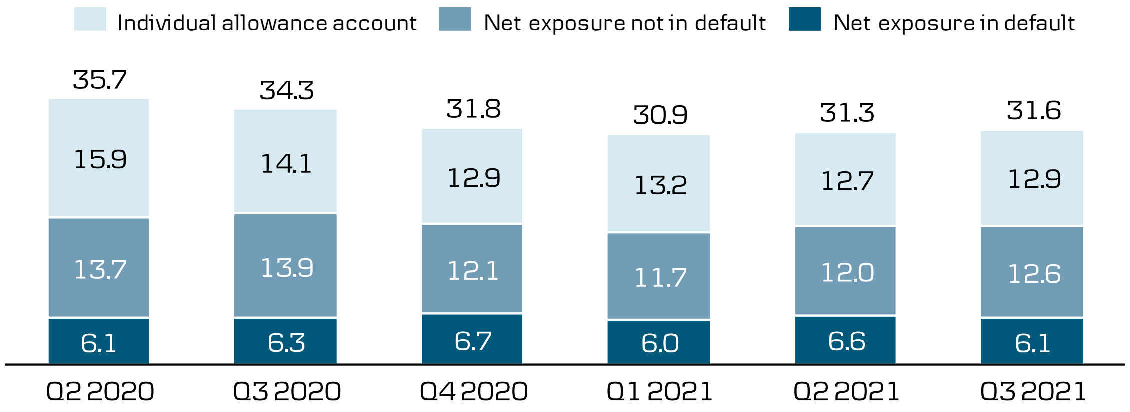
Allowance account by business unit (DKK bn)



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

	Allowance account	Gross credit exposure	Allowance as % of gross exposure
Personal customers	1.8	1010.6	0.18%
Agriculture	0.8	71.3	1.08%
Commercial property	1.5	310.6	0.47%
Shipping, oil and gas	0.3	41.6	0.65%
Services	0.2	60.6	0.30%
Other	2.2	1157.0	0.19%
Total	6.7	2651.7	0.25%

Gross non-performing loans* (DKK bn)



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

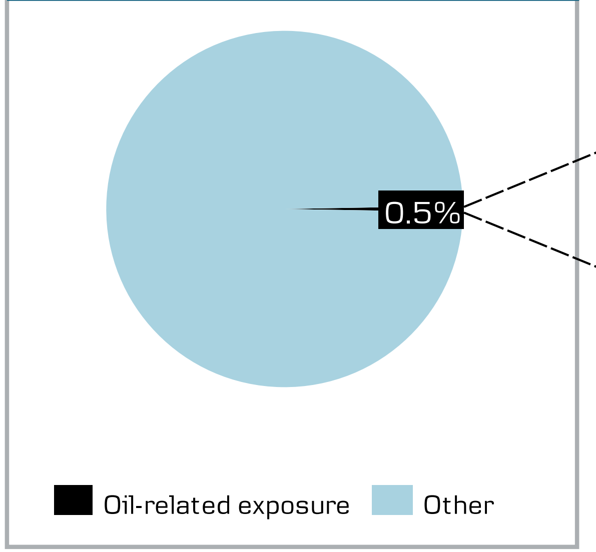
Danske Bank

Oil-related exposure: Limited downside risks underpinned by reduced exposure to off-shore segment coupled with solid collateral values

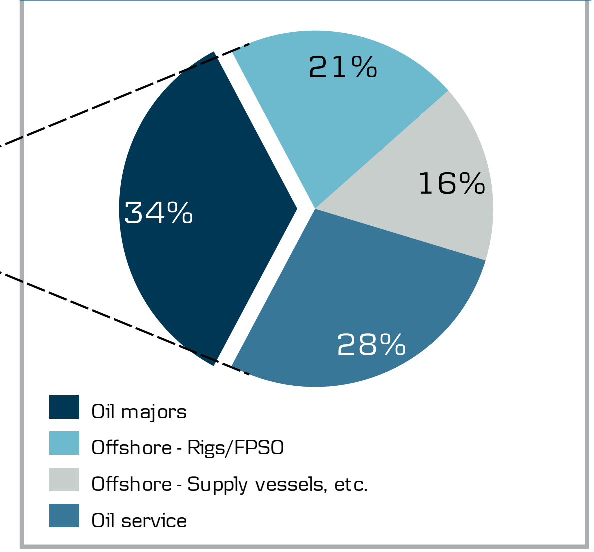
Key points, Q3-21

- The offshore segment, in which we have seen credit deterioration, makes up 37% of the exposure and accounts for 74% of expected credit losses. Uncertainty continues in the oil & gas industry
- Looking at oil-related exposures, the main risk lies with exposures other than oil majors. Since the end of 2019, these net exposures have been actively brought down 51%
- Furthermore, of the remaining net credit exposure of DKK 7.5 billion, 68% is covered by collateral

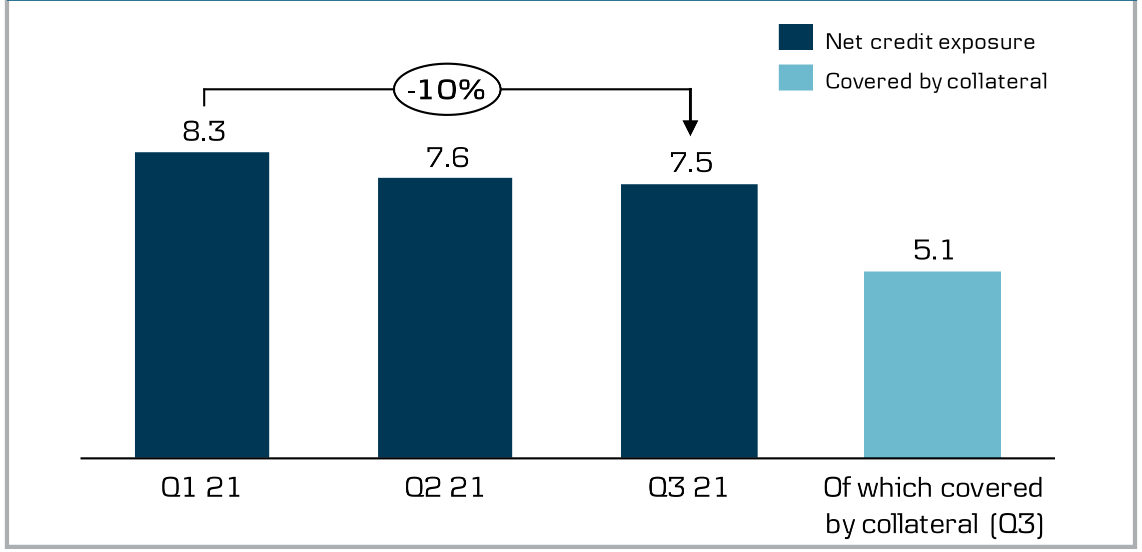
Group gross credit exposure (DKK 2,630 bn)



Oil-related gross credit exposure (DKK 14.4 bn)



Development in oil-related net credit exposure (excl. oil majors)



Danske Bank

Credit exposure: Limited agriculture and directly oil-related exposure

Agriculture exposure

- African Swine Fewer (ASF), which spread to Germany in Q3 2020, continues to cause uncertainty for the industry. Therefore, the post-model adjustments applied remain in place. Pork prices decreased slightly from levels of the preceding quarter, and milk prices remains stable
- Total accumulated impairments amounted to DKK 2.3 bn by the end of Q3-21, against DKK 2.4 bn in Q2-21

Oil-related exposure

- Total oil-related exposure* decreased by DKK 0.2 bn from the preceding quarter driven mainly by the offshore segment. Danske Bank has actively reduced its net oil-related exposure (excluding oil majors) by 51% since Q4 2019
- Accumulated impairments at LC&I decreased by 0.2 bn since previous quarter
- Most of the oil-related exposure is managed by specialist teams for customer relationship and credit management at LC&I

Agriculture by segment, Q3-21 (DKK m)

	Gross credit exposure	Portion from RD	Expected credit loss	Net credit exposure	NPL coverage ratio
P&BC	56,522	35,728	2,183	54,338	97%
Growing of crops, cereals, etc.	23,227	18,281	576	22,650	103%
Dairy	9,519	6,186	856	8,663	99%
Pig breeding	10,494	8,340	490	10,004	93%
Mixed operations etc.	13,282	2,921	261	13,021	78%
LC&I	9,946	1,597	68	9,878	48%
Northern Ireland	4,756	-	96	4,660	100%
Others	97	-	0	97	-
Total	71,320	37,325	2,348	68,973	94%

Share of Group net exposure 2021Q3	Share of Group net NPL 2021Q3	Expected credit loss 2021Q2
3%	7%	2,392

Oil-related exposure, Q3-21 (DKK m)

	Gross credit exposure	Expected credit loss	Net credit exposure
LC&I	14,195	1,974	12,221
Oil majors	4,945	10	4,935
Oil service	3,867	492	3,374
Offshore	5,384	1,472	3,912
P&BC	188	9	180
Oil majors	13	0	13
Oil service	173	9	164
Offshore	2	0	2
Others	2	0	2
Total	14,386	1,983	12,403

Share of Group net exposure 2021Q3	Share of Group net NPL 2021Q3	Expected credit loss 2021Q2
0%	12%	2,173

* The credit exposure is reported as part of the shipping, oil and gas industry in our financial statements.

Danske Bank

Credit exposure: Limited exposure to transportation, hotels, restaurants and leisure

Transportation exposure

- Total gross exposure* decreased DKK 0.4 bn to DKK 16.8 bn from the Q2-21 level, driven mainly by a single name exposure.
- Demand for cross-border passenger transport remains dramatically reduced. At DKK 0.8 bn, our exposure to passenger air transport remains limited
- Accumulated impairments amounted to DKK 347 million in Q3, which is slight increase from Q2-21. Post-model adjustments for corona crisis high-risk industries remain in place

Hotels, restaurant and leisure exposure

- Total gross exposure increased slightly preceding quarter. While exposure to hotels increased by DKK 0.3 bn, exposure to restaurants decreased slightly by DKK 0.2 bn
- Impairments increased slightly from DKK 686 million in Q2 2021 to DKK 693 million in Q3 2021

Transportation by segment, Q3-21 (DKK m)

	Gross credit exposure	Expected credit loss	Net credit exposure
Freight transport	7,976	121	7,855
Passenger transport	7,799	221	7,577
- of which air transport	777	35	742
Postal services	998	4	994
Total	16,773	347	16,426

Share of Group net exposure 2021Q3	Share of Group net NPL 2021Q3	Expected credit loss 2021Q2
1%	2%	338

Hotels, restaurants and leisure by segment, Q3-21 (DKK m)

	Gross credit exposure	Expected credit loss	Net credit exposure
Hotels	7,021	332	6,689
Restaurants	4,736	151	4,585
Leisure	4,208	210	3,998
Total	15,965	693	15,271

Share of Group net exposure 2021Q3	Share of Group net NPL 2021Q3	Expected credit loss 2021Q2
1%	5%	686

* The numbers do not include exposure to businesses that are hit by a second wave impact, e.g. airports and service companies.

Danske Bank

Credit exposure: Limited exposure to retailing and stable credit quality in commercial real estate

Retailing

- Total gross exposure increased by DKK 0.9bn to DKK 29.2 bn, while the share of Group net exposure increased slightly to 1.1%.
- Accumulated impairments increased slightly from preceding quarter, but are still 30% lower than at the end of 2020

Commercial real estate

- Gross exposure decreased by DKK 7 bn from preceding quarter.
- Overall, credit quality remain stable
- Accumulated impairments decreased by DKK 0.2bn since preceding quarter, and correspond to 1% of gross exposure to the industry
- Exposure is managed through the Group's credit risk appetite and includes a selective approach to sub-segments and markets
- Commercial property exposure is managed by a specialist team

Retailing by segment, Q3-21 (DKK m)

	Gross credit exposure	Expected credit loss	Net credit exposure
Consumer discretionary	13,742	900	12,841
Consumer staples	15,451	74	15,377
Total	29,194	974	28,218

Share of Group net exposure 2021Q3	Share of Group net NPL 2021Q3	Expected credit loss 2021Q2
1%	7%	943

Commercial real estate by segment, Q3-21 (DKK m)

	Gross credit exposure	Expected credit loss	Net credit exposure
Non-residential	166,164	2,116	164,047
Residential	134,685	905	133,780
Property developers	9,475	108	9,368
Buying/selling own property, etc	300	-	300
Total	310,624	3,129	307,494

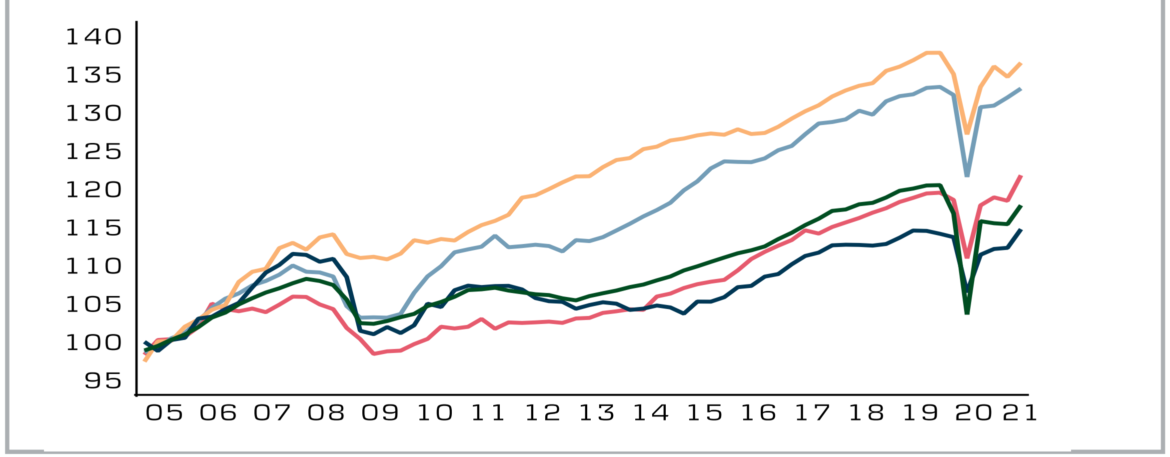
Share of Group net exposure 2021Q3	Share of Group net NPL 2021Q3	Expected credit loss 2021Q2
12%	12%	3,284

Danske Bank

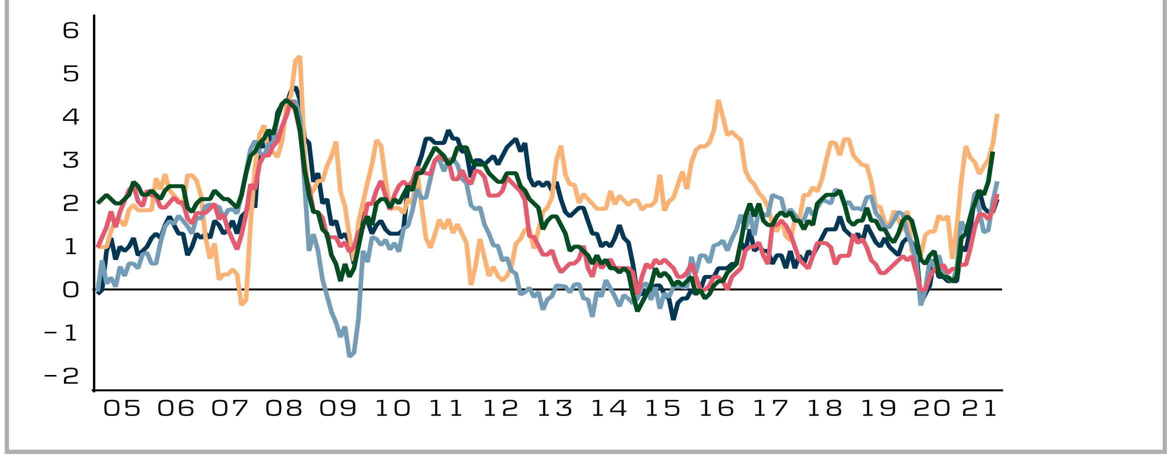
Nordic macroeconomics

Denmark Sweden Norway Finland EU

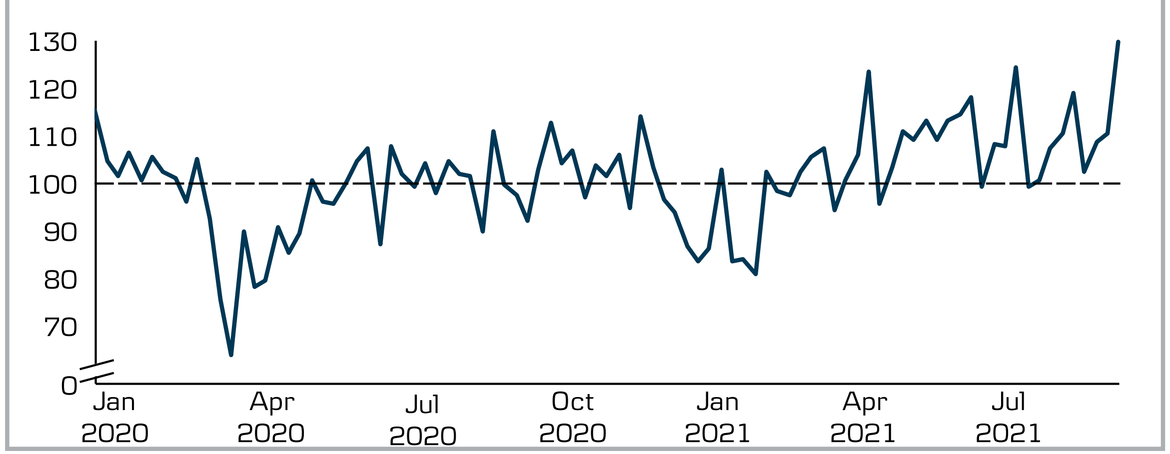
Real GDP, constant prices (index 2005 = 100)



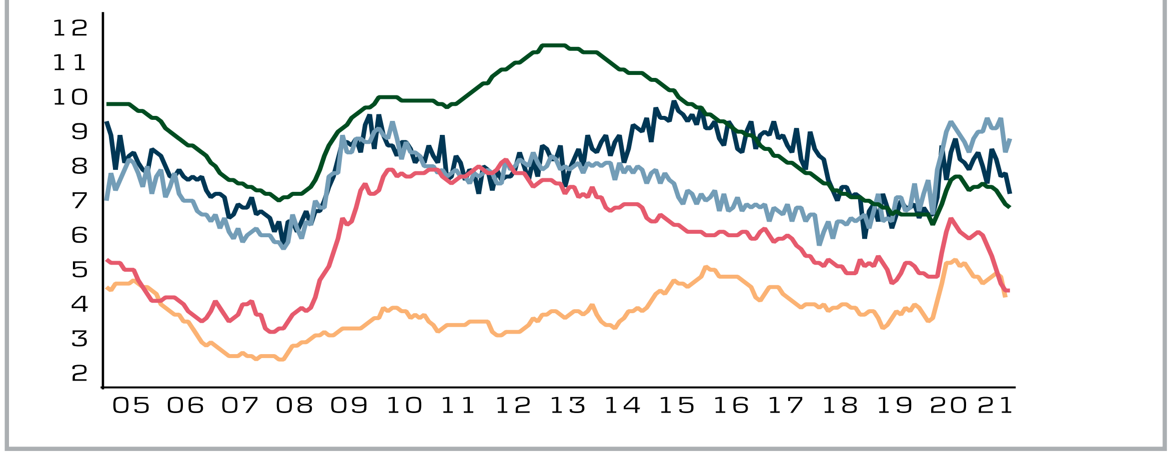
Inflation (%)



Consumer spending, Denmark (same weekday 2019 = 100)



Unemployment (%)



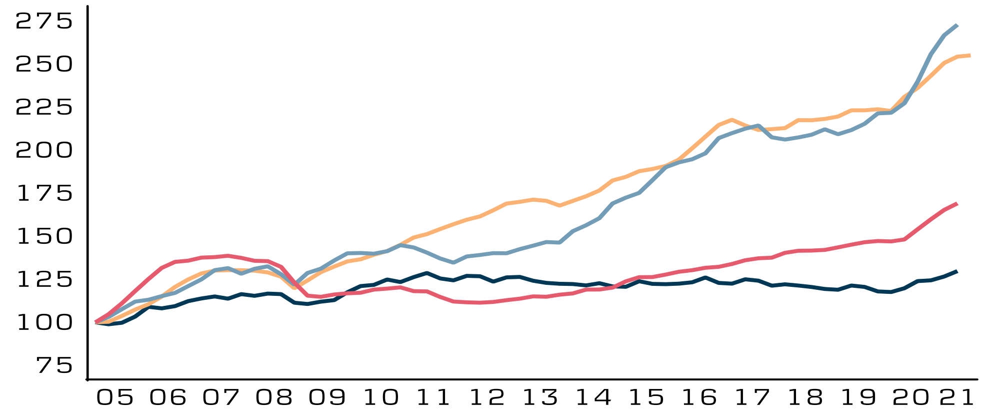
Source: Danske Bank Macro Research

Danske Bank

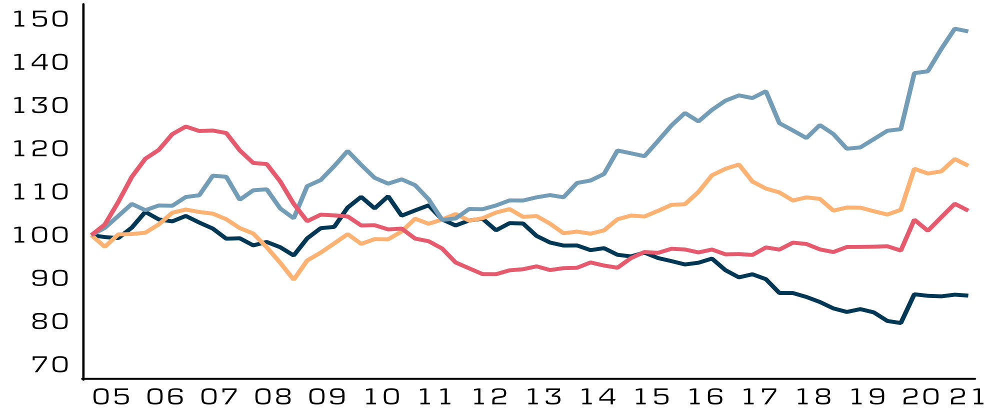
Nordic housing markets

Denmark Sweden Norway Finland

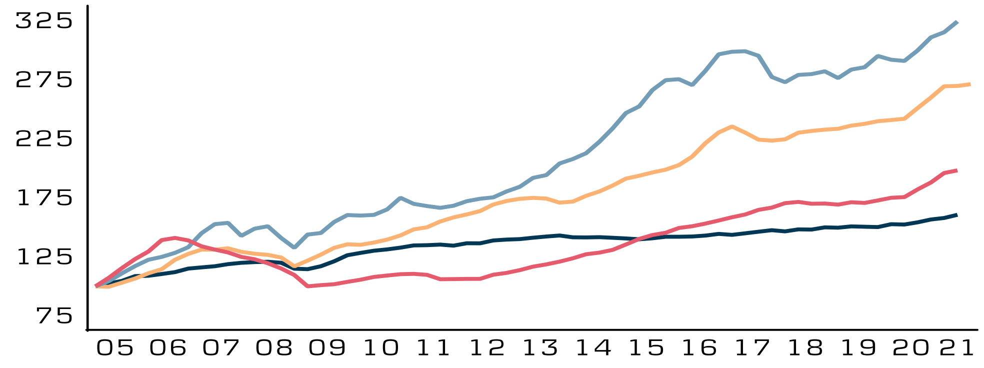
Property prices (index 2005 = 100)



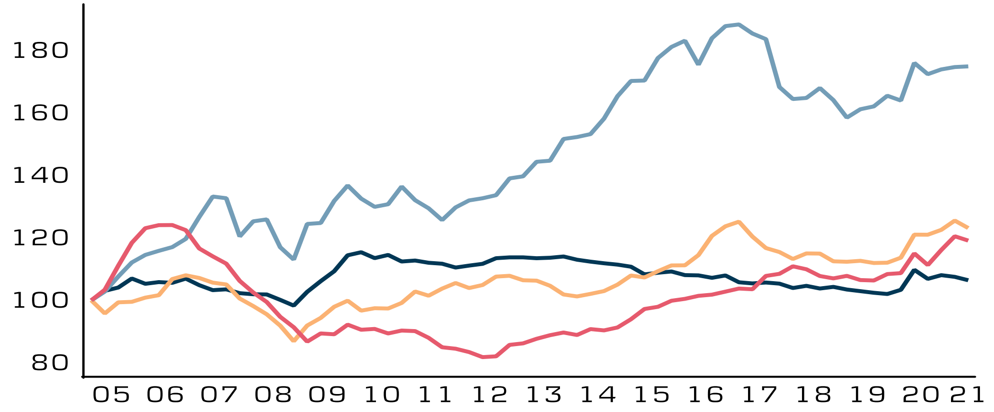
House prices/nom. GDP (index 2005 = 100)



Apartment prices (index 2005 = 100)



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



Source: Danske Bank Macro Research

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