

Investor Presentation

First nine months 2022

Agenda

01.	<i>Danske Bank - brief overview</i>	2 - 6
02.	<i>Financial highlights - first nine months 2022</i>	7 - 13
03.	<i>Business & Product Units</i>	14 - 17
04.	<i>ESG, Sustainability, Financial Crime Prevention</i>	18 - 26
05.	<i>Credit Quality & Impairments</i>	27 - 32
06.	<i>Capital</i>	33 - 36
07.	<i>Funding & Liquidity</i>	37 - 41
08.	<i>Credit & ESG Ratings</i>	42 - 45
09.	<i>Tax & Material extraordinary items</i>	46 - 48
10.	<i>Contact info</i>	49

We are a Nordic universal bank with strong regional roots

3.3 m
personal and business customers

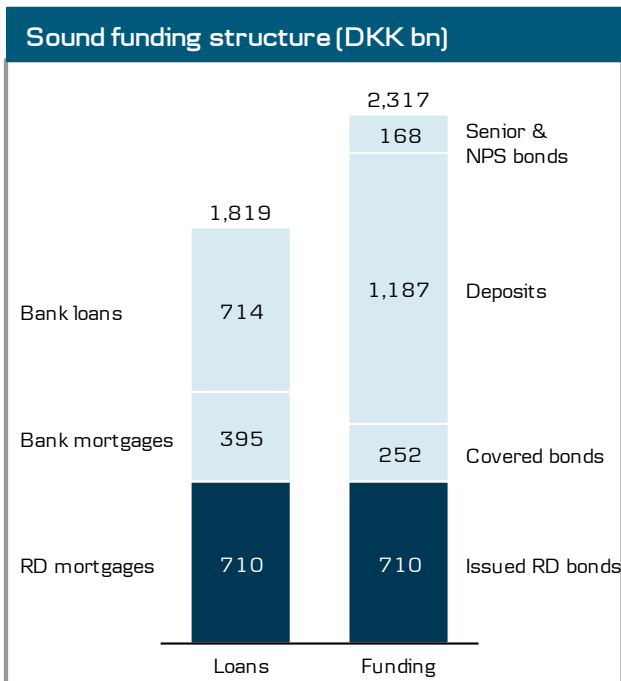
2,100+
large corporate and institutional customers

21,000+
employees in 10 countries

Assets under Management
DKK 660bn*

Deposits
>DKK 1,100 bn

Loans
>DKK 1,800 bn



Denmark (AAA)
Market leader
Market share: 25%
Share of Group lending: 44%

GDP growth 2022E: 3.0%
Unemployment 2022E: 2.7%
Leading central bank rate: 0.65%

Finland (AA+)
3rd largest
Market share: 10%
Share of Group lending: 8%

GDP growth 2022E: 2.0%
Unemployment 2022E: 6.8%
Leading central bank rate: 0.75%

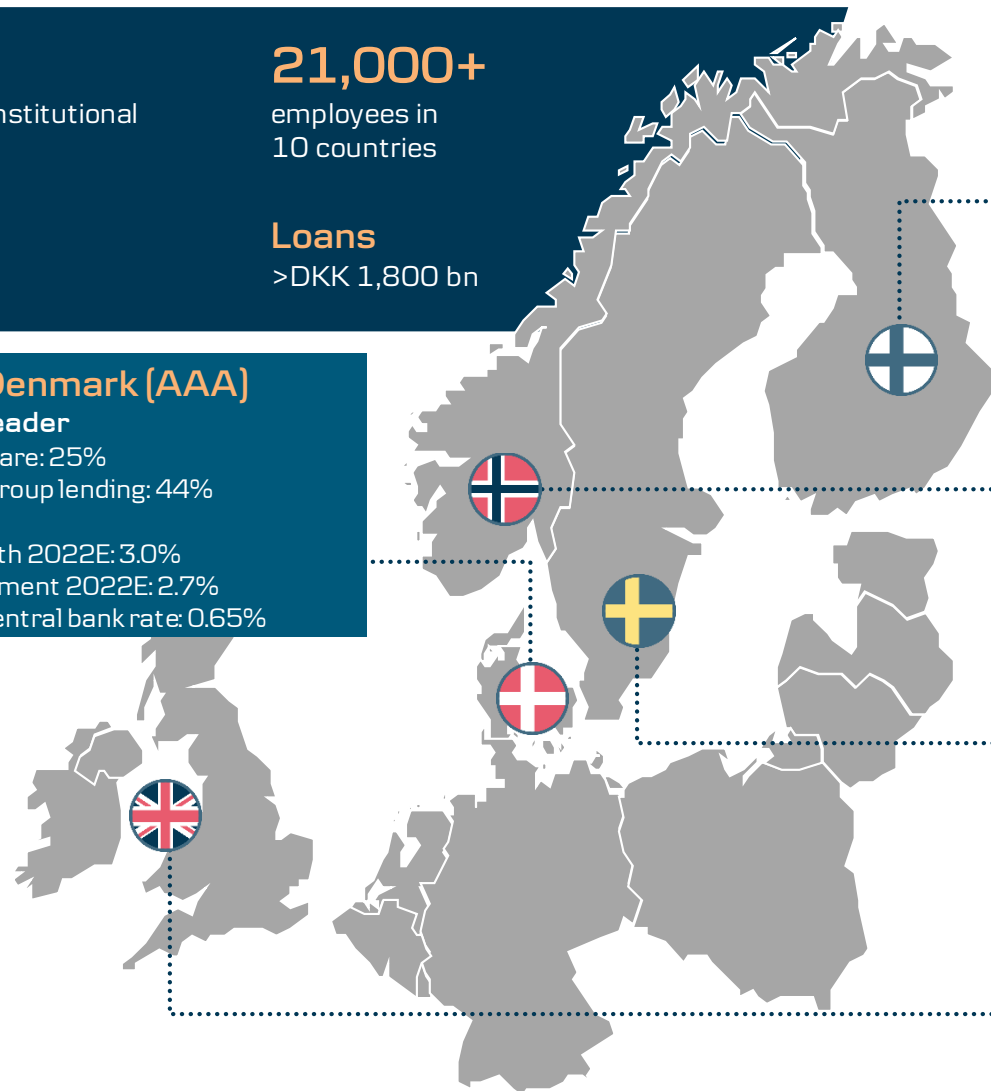
Norway (AAA)
Challenger position
Market share: 6%
Share of Group lending: 11%

GDP growth 2022E: 2.8%
Unemployment 2022E: 1.8%
Leading central bank rate: 2.25%

Sweden (AAA)
Challenger position
Market share: 6%
Share of Group lending: 12%

GDP growth 2022E: 2.4%
Unemployment 2022E: 7.4%
Leading central bank rate: 1.75%

Northern Ireland (AA)
Market leader
Market share Personal: 19%,
Business: 26%
Share of Group lending: 3%



Note: Share of Group lending is before loan impairment charges and excludes Large Corporates & Institutions (19%) and Asset Finance (3%)

* Asset Management in LC&I

Update on the Estonia matter: Additional provision of DKK 14bn in Q3; Net Profit revised to a net loss better than DKK 5.5 bn, incl. goodwill impairment of DKK 1.6 bn



Following discussions with the US and Danish authorities, Danske Bank is now able to make a reliable estimate of a potential resolution, which amounts to DKK 15.5bn and includes the provision of DKK 1.5bn recognized in 2018. While there is still uncertainty around timing and whether a resolution will be reached, Danske Bank is working towards a resolution before the end of this year.



The Board has decided to cancel the remaining dividend from 2021 and will not propose to the AGM in 2023 to pay out dividend for 2022.



Out of the capital charge in the form of a Pillar 2 add-on of DKK 10bn related to the Estonia matter, DKK 7.5bn related to reputational risks has been released on the basis of dialogue with the Danish FSA.

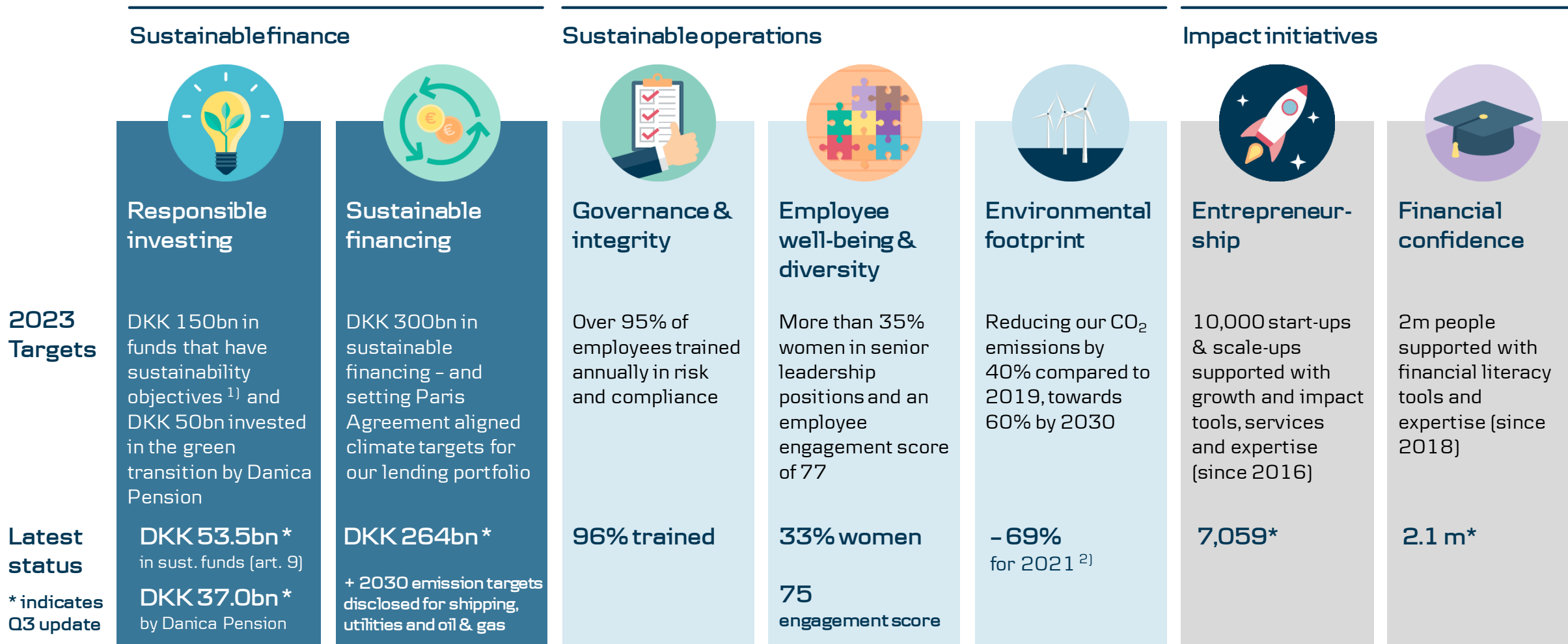


CET1 ratio stand at 16.9% and our capital target for CET1 of above 16% in the short-term and total capital target of above 20% is maintained



Net profit outlook for 2022 is revised down from DKK 10 - 12bn to a net loss better than DKK 5.5 bn. The outlook includes a goodwill impairment charge in our insurance business of DKK 1.6bn.

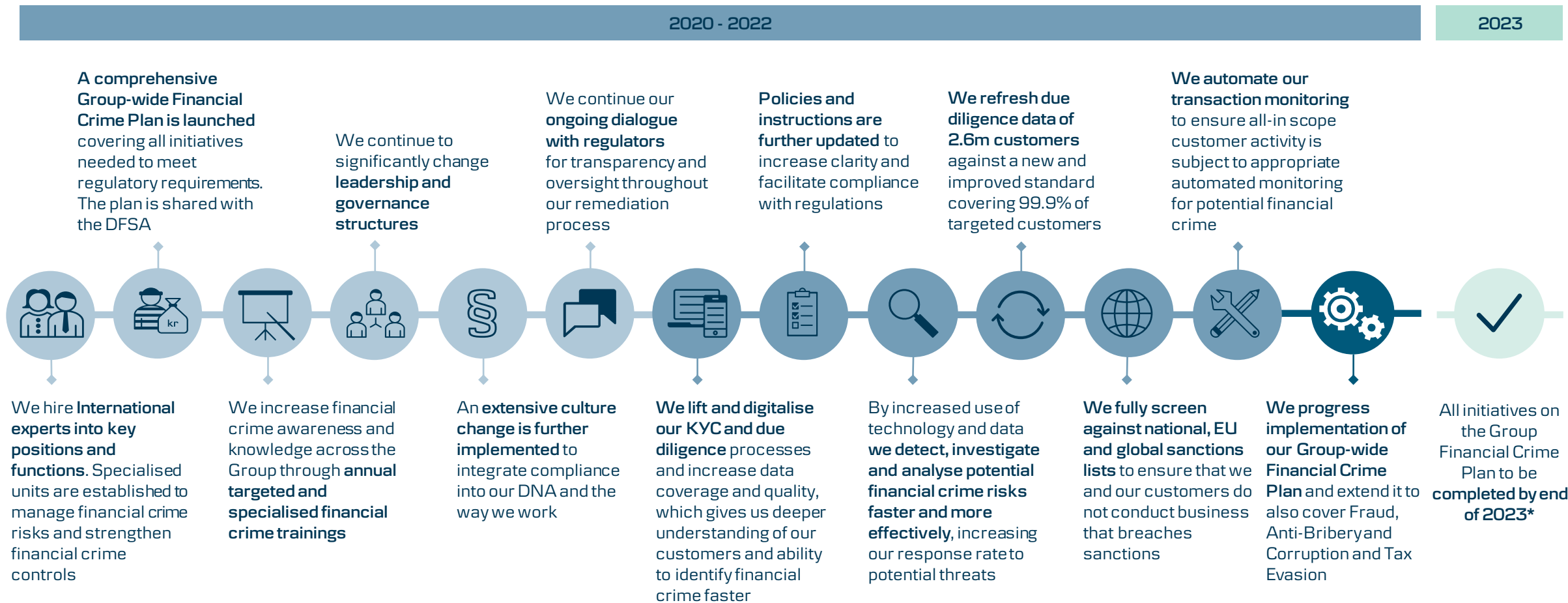
Traction towards targets remains positive across our sustainability indicators



1) This is a 2030 target to have at least DKK 150bn in investment funds that have sustainability objectives (article 9 funds).





2) Over-performance in 2021 was related to COVID-19 and reductions in travel.

Our Path to Financial Crime Transformation



*Completion means - Fundamental controls in place/Ability to foresee and handle financial crime issues/Meet applicable regulatory requirements

Revised net profit outlook for 2022*: Adjusted for additional provision for the Estonia matter and goodwill write down, we now expect net loss better than DKK 5.5 bn

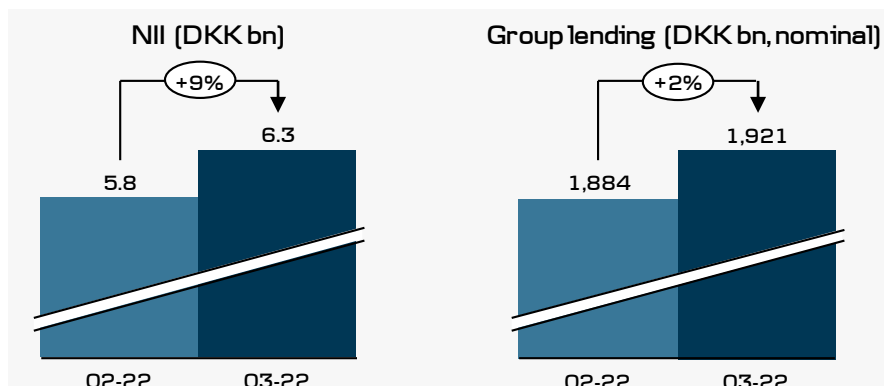
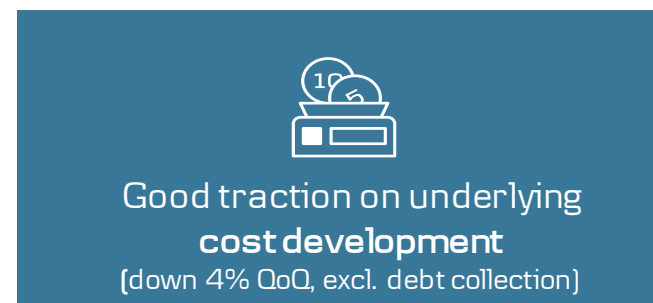
 <p>Income</p>	<p><i>Revised 27 Oct 2022</i></p>	<p>We continue to expect income from core banking activities to be higher in 2022, as higher net interest income driven by good economic activity and higher interest rates will more than offset lower capital market and investment-related fee income.</p> <p>Net income from insurance business and trading activities are expected below normalised levels based on significantly lower income in the first nine months of the year and a stabilisation in income in the fourth quarter subject to market conditions. The degree of uncertainty is higher than usual.</p>
 <p>Expenses</p>	<p><i>Revised 27 Oct 2022</i></p>	<p>Including the booking of the provision for the Estonia matter, the impact from the solution to the debt collection case and goodwill write down, total expenses are expected to be around DKK 41.7 billion.</p> <p>Excluding the provision for the Estonia matter, the impact from the solution to the debt collection case and goodwill write down, we expect costs in 2022 to reflect our continued focus on cost management and to be around DKK 25.5 billion, including sustained elevated remediation costs.</p>
 <p>Impairments</p>	<p><i>Maintained</i></p>	<p>Given our overall strong credit quality, loan impairments are expected to be below normalised level, including the solution to the debt collection case.</p>
 <p>Net profit *</p>	<p><i>Revised 27 Oct 2022</i></p>	<p>We have revised the outlook for net profit of DKK 10-12 billion to a net loss better than DKK 5.5 billion due to booking of additional provision for the Estonia matter and goodwill write down. The outlook includes the gains from MobilePay, Danske Bank International and Danica Norway.</p> <p>For our 2023 financial ambitions, we maintain our ambition of a RoE of 8.5 to 9 percent in 2023.</p>

* Note - The outlook is subject to uncertainty and depends on economic conditions.

Financial highlights – first nine months 2022

Highlights - Good activity, stringent execution and positive impact from rates and strategic pricing initiatives underpin commercial progress

- ✓ Good commercial progress driving uplift in core banking income, as volume growth remains robust
- ✓ Solid capitalisation on the back of prudent capital management with CET1 ratio at 16.9%
- ✓ Strong credit quality despite macroeconomic uncertainty
- ✓ Underlying cost progress supporting foundation for '23 targets - FTEs outside AML down 8% since peak
- ✓ Trading income recovered in Q3 despite another period of financial market turmoil. Danica impacted by goodwill write down in Q3
- ✓ ESG reporting received "A" rating from Position Green and launch of new ESG investment funds.



Net interest income up by 8% YoY driven by repricing, volumes and higher rates; trading/insurance impacted by market turmoil; credit quality remains resilient

Keypoints, 9M 22 vs 9M 21

- NII uplift from repricing initiatives and continually improving trend in lending volumes as well as recent rate hikes from CBs across our jurisdictions
- Fee income from generally high activity offset lower ECM and investment-related fees
- Trading income impacted by volatile financial markets and valuation effects, while Danica was particularly impacted by valuation effects
- Writedown of goodwill in Danica due to higher applied discount rate
- Improved underlying cost development, absent debt collection impact and despite higher remediation and litigation costs
- Strong credit quality continues to lead to single-name reversals, while macro models and additional PMAs mitigate tail risk

Keypoints, Q3 22 vs Q2 22

- NII up QoQ, benefitting from recent rate hikes as well as continued lending growth for business customers, particularly large corporates
- Fee income lower, as high activity-related fees were countered by a general slowdown in the housing market and reduced capital markets-related fees
- Trading income in LC&I recovered while Danica remained impacted by adverse financial markets, as well as valuation effects and a product related one-off.
- Operating expenses improved, when disregarding the DKK 600m debt collection one-off underpinning the progress on underlying efficiency
- Additional provision of DKK 1.4bn for the Estonia matter, and write-down of goodwill in Danica due to higher applied discount rate
- Strong credit quality led to continually low impairments despite DKK 650m one-off charge and further macro model impairments. PMAs maintained

Income statement and key figures (DKK m)

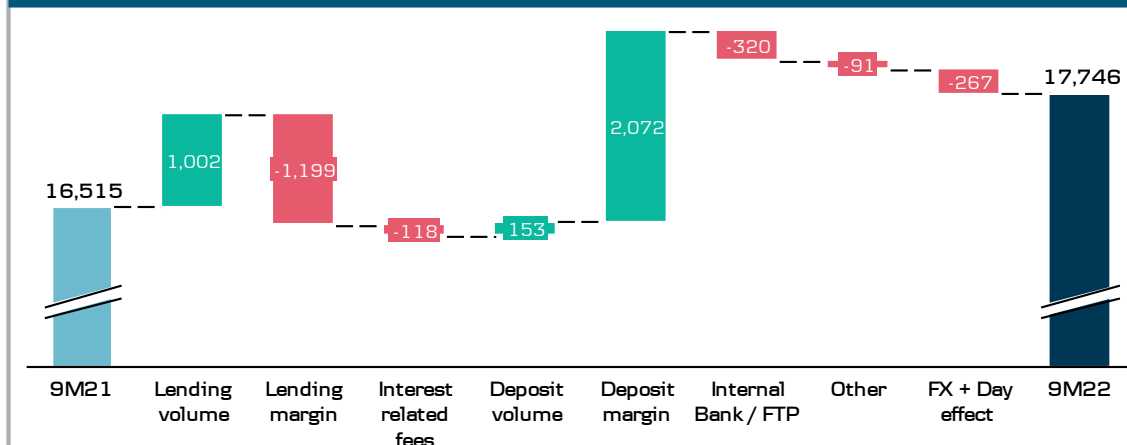
	9M 22	9M 21	Index	Q3 22	Q2 22	Index
Net interest income	17,746	16,498	108	6,307	5,810	109
Net fee income	9,536	9,700	98	2,999	3,157	95
Net trading income	679	3,111	22	503	-390	-
Net income from insurance business	-323	1,576	-	-286	-122	-
Other income	1,203	623	193	244	291	84
Total income	28,840	31,509	92	9,767	8,746	112
Operating expenses	19,570	18,874	104	6,777	6,421	106
Profit before loan impairments, GW & provision	9,270	12,635	73	2,990	2,325	129
Provision for Estonia matter	14,000	-	-	14,000	-	-
Impairment charges on goodwill	1,627	-	-	1,627	-	-
Loan impairment charges	794	587	135	368	192	192
Profit before tax, core	-7,151	12,048	-	-13,005	2,133	-
Profit before tax, Non-core	-10	23	-	-28	31	-
Profit before tax	-7,161	12,071	-	-13,033	2,164	-
Tax	2,080	2,805	74	760	458	166
Net profit	-9,241	9,266	-	-13,792	1,705	-

NII: Solid credit demand, positive effects from CB rate hikes, and repricing initiatives continue to support the improving NII trend

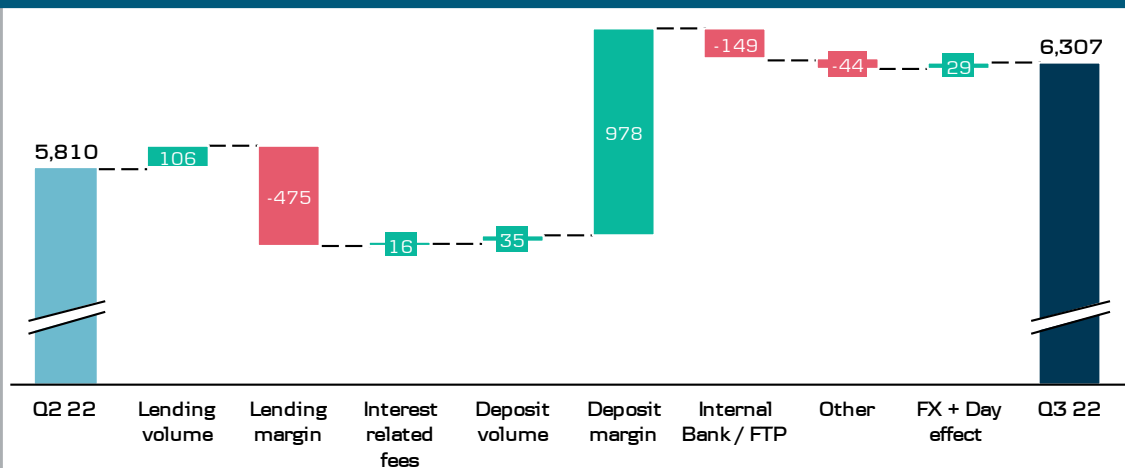
Highlights

- Net interest income continued the positive trend, as repricing initiatives were further supported by higher central bank rates, and lending volumes contributed positively YoY across all Nordic segments
- Higher funding costs along with timing effects due to notice period in PC impacted lending margin. Avg. lending margin in LC&I affected by volume growth from higher rated customers coupled with timing effects from floored credit facilities as rates have turned positive
- Significant improvement in deposit margins in Q3

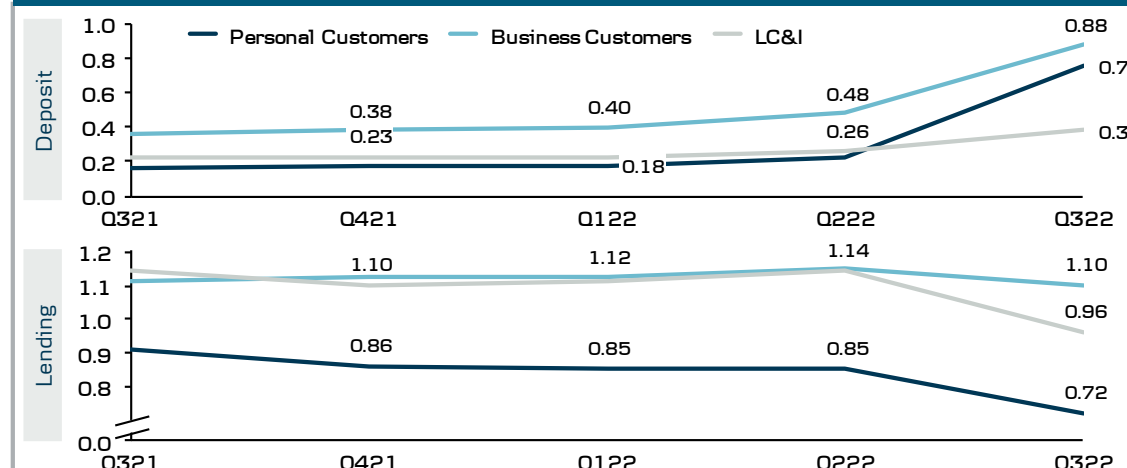
Net interest income, YTD-22 vs YTD-21 (DKK m)



Net interest income, Q3 22 vs Q2 22 (DKK m)

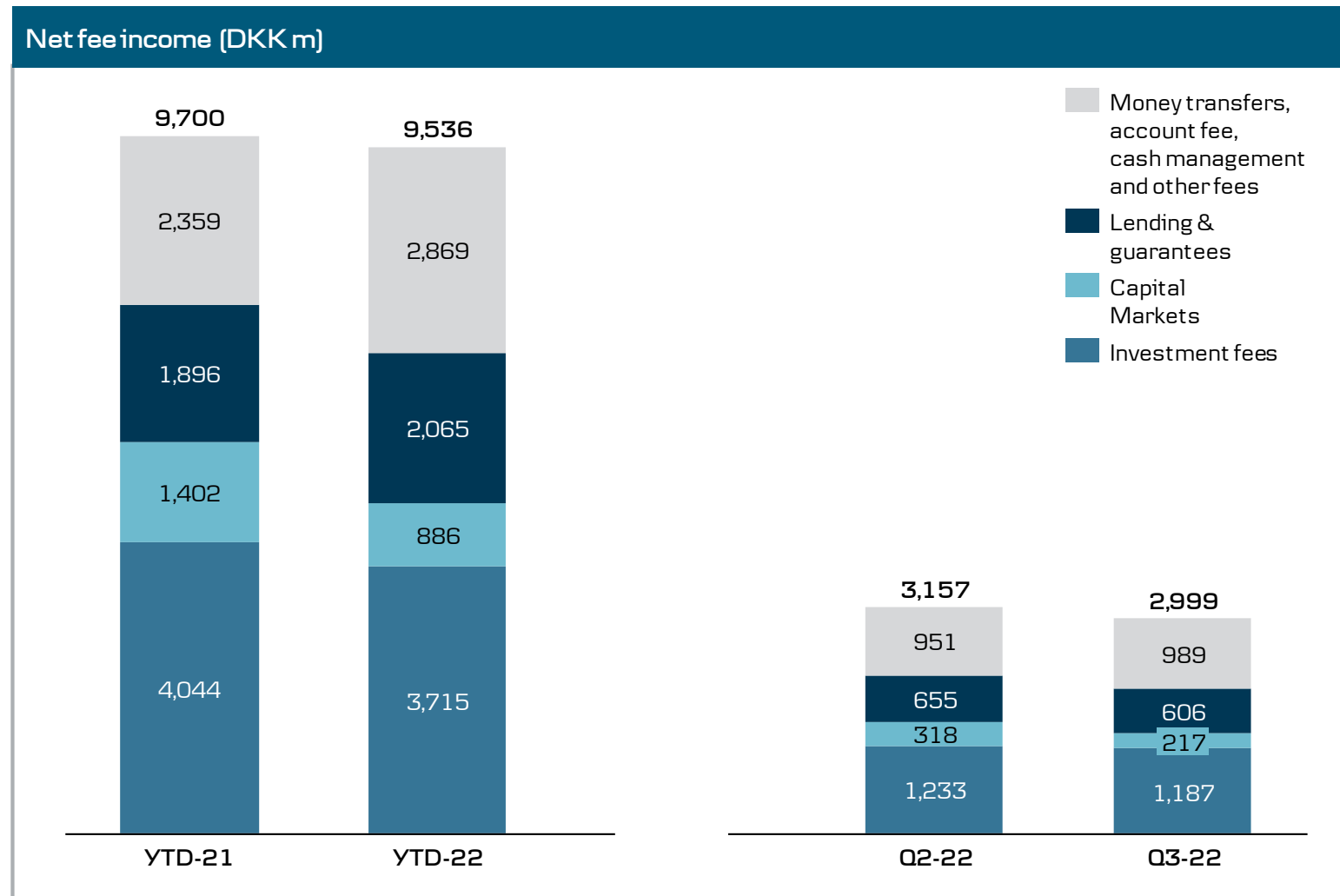


Margin development (bp)



Fee: Strong fee performance in core banking activities driven by activity fees, mitigating impact from lower AuM and lower activity in capital markets

Highlights
<p>Activity-driven fees / money transfers, accounts etc.</p> <ul style="list-style-type: none"> YoY: Up 22% from continually strong trend for everyday banking services at LC&I & BC (FX and cash mgmt.) combined with continued strong general customer activity
<p>Lending and guarantees</p> <ul style="list-style-type: none"> YoY: Up 9%, high level of remortgaging activity on the back of higher interest rates QoQ: Down 7% due to lower housing market activity, while remortgaging activity remains high
<p>Capital markets</p> <ul style="list-style-type: none"> Slowdown in primary ECM/DCM markets has accelerated during the course of the year as customer preferences had shifted towards bank lending in LC&I
<p>Investment fees</p> <ul style="list-style-type: none"> YoY: Negative effect on lower asset under management and reduced investment appetite among our customers was mitigated by general uplift in AM fees



Trading: Improvement in Q3 driven by recovery in performance at Rates & Credit; negative valuation effects in Northern Ireland

Highlights

LC&I

- Historically high volatility in Nordic fixed income markets affecting YTD trading income
- Improvement in Q3 in conditions for our fixed income marketmaking franchise despite a reduction in risk appetite and lower capital consumption amid continued effects of high volatility and lower liquidity
- Demand for risk management solutions resulted in good customer activity in Currencies

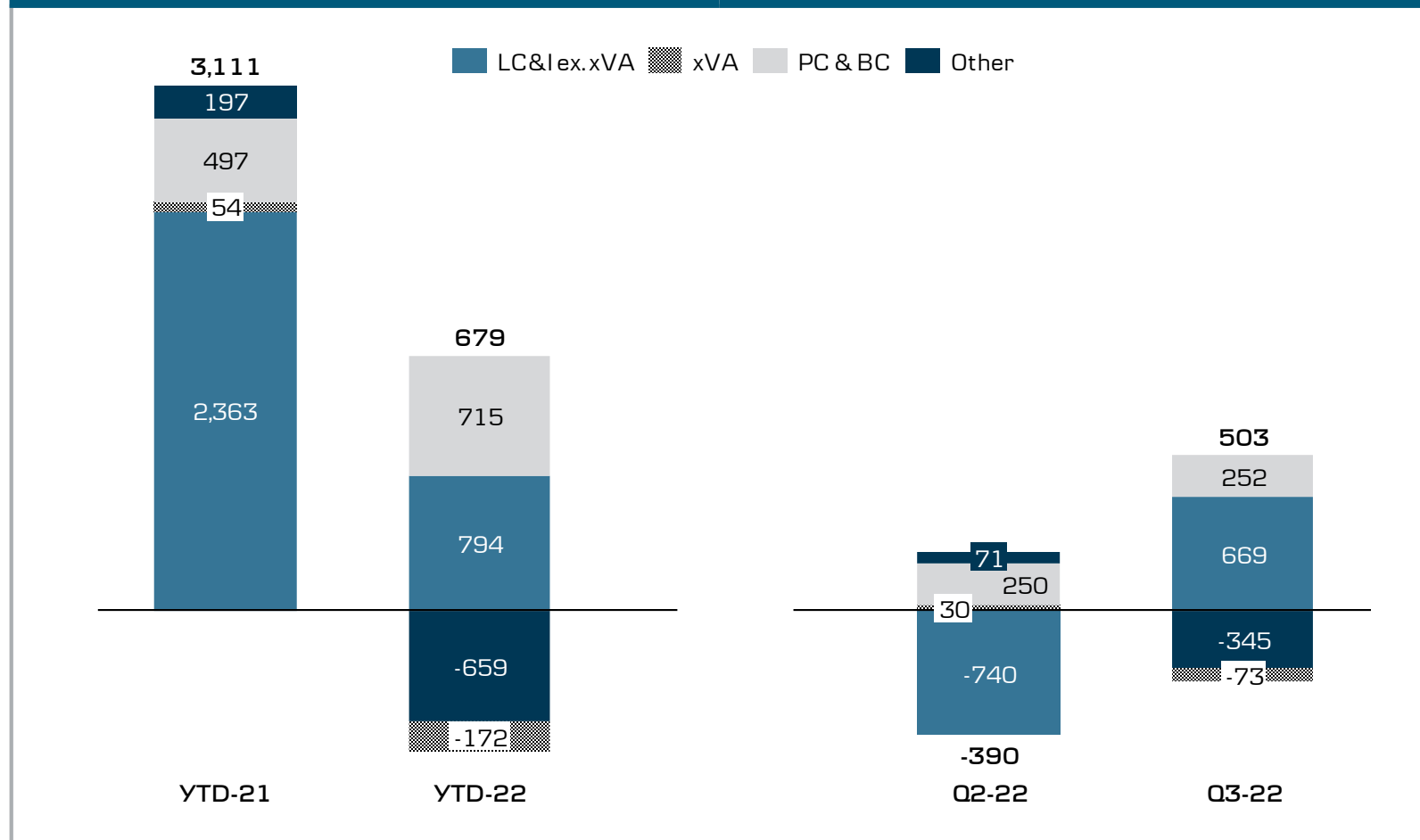
PC & BC

- Higher customer activity driven by increased foreign exchange activity post the pandemic

Other

- Transitory effects as rate increases drove mark-to-market movements on the deposit hedging portfolio in Northern Ireland which was partly countered by strong uplift in NII

Net trading income (DKK m)



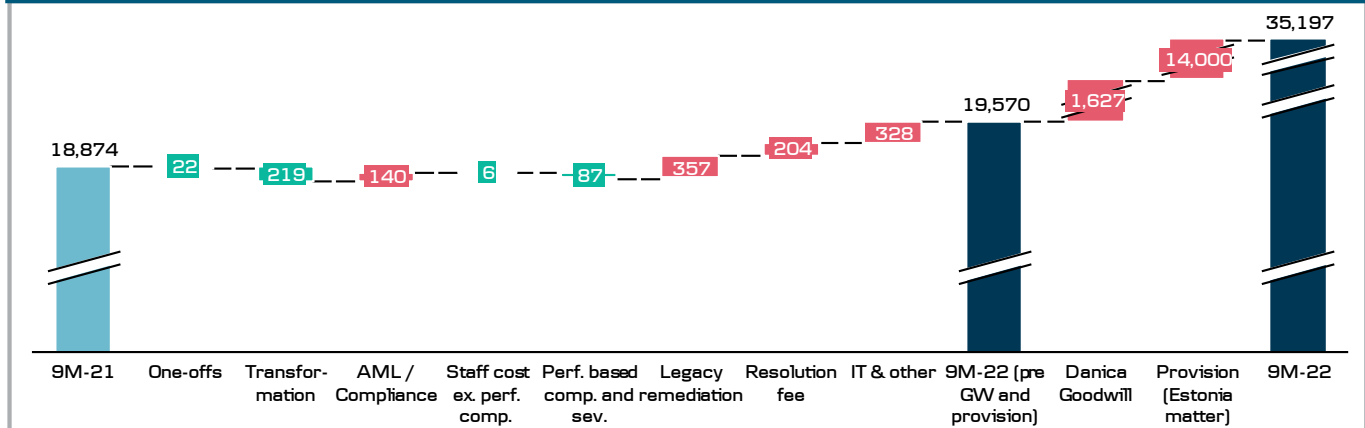
* The first nine months of 2021 benefited from a gain of DKK 227m on the sale of VISA shares in the Group's private equity portfolio

Expenses: Underlying progress on efficiency despite continually high remediation costs; significant impact from additional provision and goodwill write-down

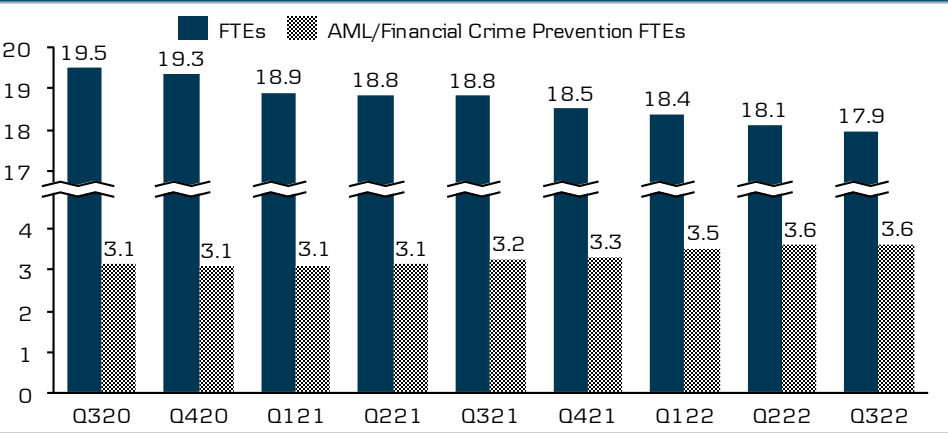
Highlights

- Progress on structural cost take-out with underlying costs down 4% QoQ when adjusting for the one-off costs related to debt collection legacy case
- Number of FTEs continued to decline. Adjusting for AML/FCP, FTEs are down 8% from peak in Q3 20, reflecting efficiency gains and underlying improvement
- Other costs up due to a partly normalisation of travelling, higher amortisation costs and IT expenses, including a one-off related to re-contracting and higher energy costs for servers

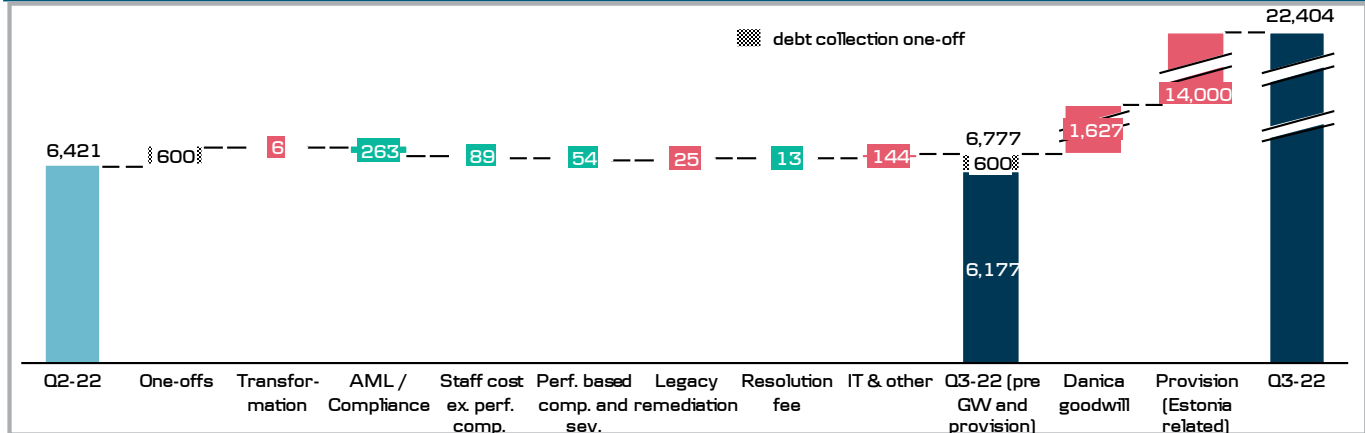
Expenses, 9M-22 vs 9M-21 (DKK m)



FTEs (#,thousand)



Expenses, Q3-22 vs Q2-22 (DKK m)



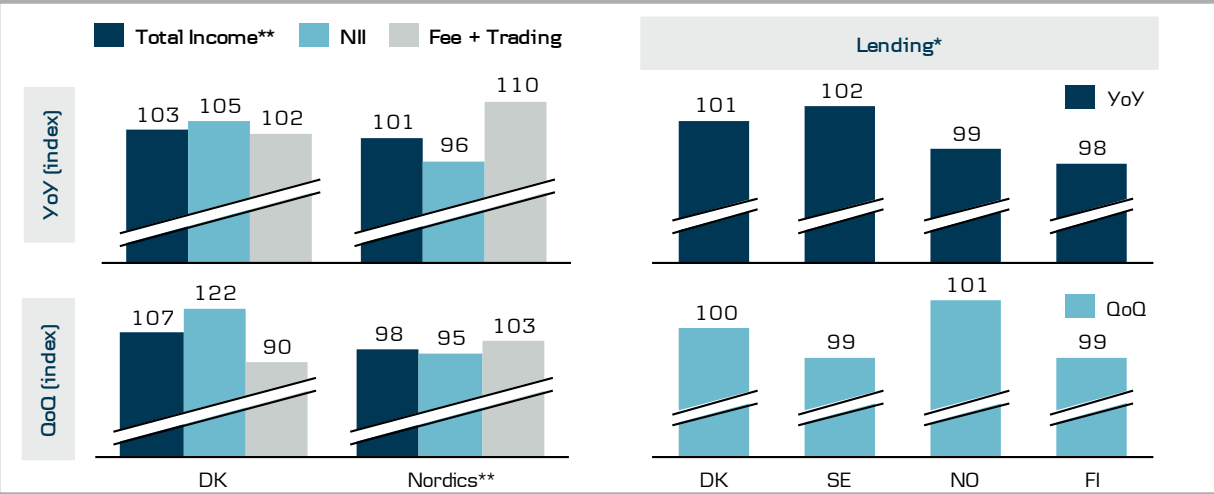
Business & Product Units

Business units: Continued progress in PC DK and Business Customers

Key financial metrics

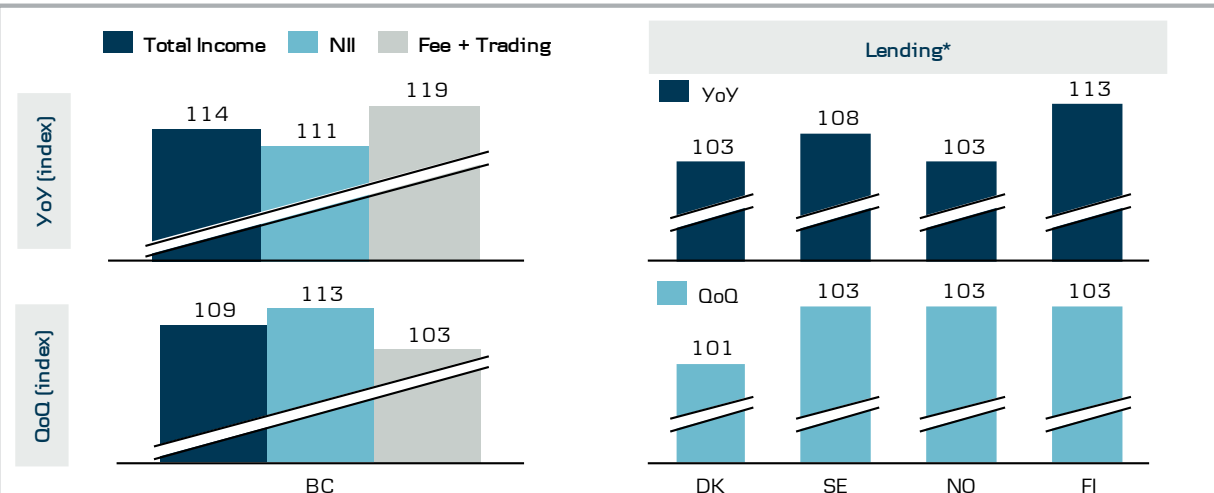
Highlights

Personal Customers DK & Nordic



- ✓ PC DK: Solid NII uplift of 22% Q/Q as higher rates are supported by remortgaging activity and improved market shares in lending (excl. RD). Customer flows continue to improve and the consideration rate among young customers has also developed favorably (10% vs. 6% in Dec'21)
- ✓ PC Nordic: Continued strategy of further enhancing profitability through cross-selling and expanding product offerings underpin fee development
- ✓ Overall, good progress on increasing the share of customers onboarded digitally to free up advisory time, further enabled by digitalising day-to-day banking meetings

Business Customers



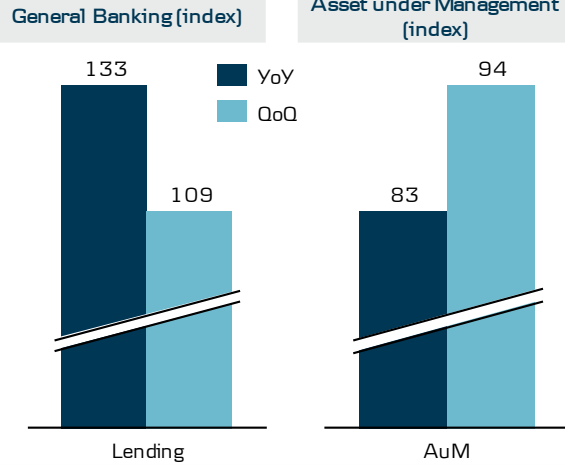
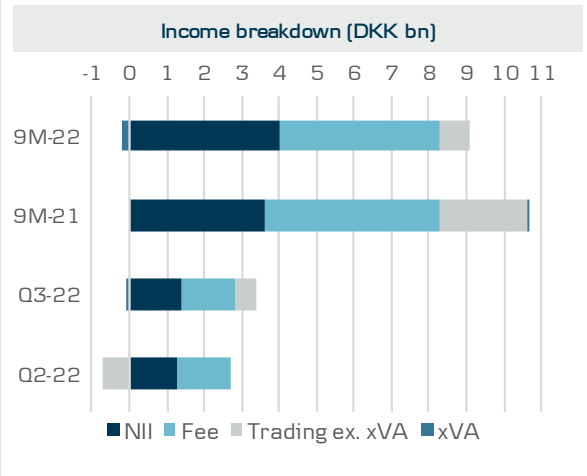
- ✓ Continued momentum in lending volumes with uplift in Denmark and Sweden supporting efforts to capture market shares
- ✓ Ancillary income supported by cash management and foreign exchange activities. Green product launches further enable dialogue around customers transition financing
- ✓ Activity through digital channels and self-service continues, e.g. through increasing usage of our Marketplace module, where 15% of all SE District customers have visited the platform

*In local currency and excluding fair-value effects in DK
 ** Total income adjusted for effects from the sale of DB Luxembourg

Business units: Good progress in LC&I driven by high activity; Danica impacted by volatile financial markets

Key financial metrics

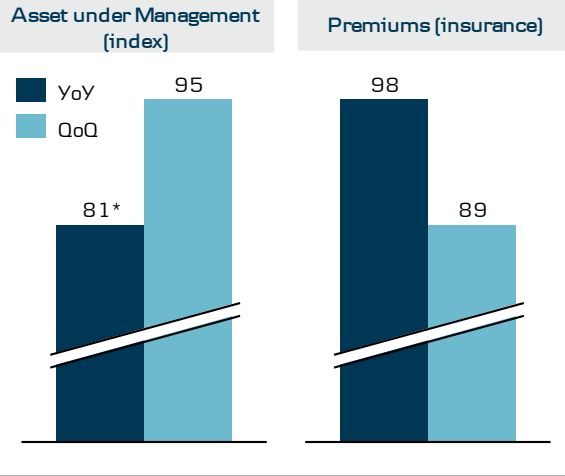
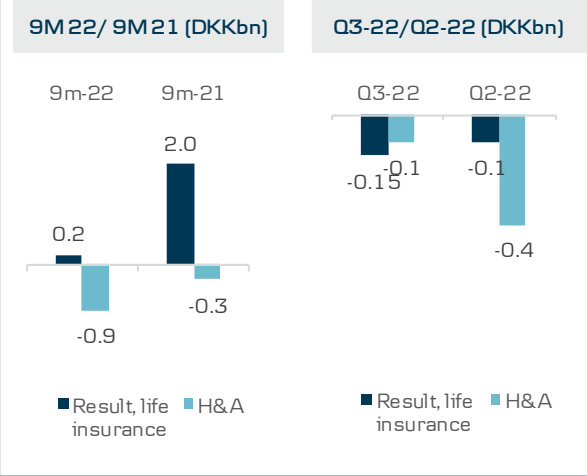
LC&I



Highlights

- ✓ Significant customer activity driven by close dialogue around risk management solutions and significant lending growth of 33% YoY
- ✓ Continued support to fixed income customers, which means utilising less capital, despite challenging conditions for market making services in Nordic fixed income markets
- ✓ Solid investment fee despite lower AuM from financial market turmoil
- ✓ A leading Nordic market position according to the Bloomberg League tables for arrangers of sustainable bonds and sustainability-linked loans

Danica



- ✓ Sound underlying business as premiums remain at a relatively high level, and claims in H&A remained at a low level
- ✓ Negative investment results for life insurance products where Danica Pension has the investment risk primarily driven by impact from volatile financial markets and valuation effects
- ✓ Restatement of DKK 600m between H&A and Life insurance
- ✓ Life insurance further affected by product-related one-off charge of DKK 150m, while goodwill writedown is booked under group expenses

* Q3 includes restatement of ~600m between Life and H&A.

* Includes the removal of DKK 22bn AuM from DA Norway sale

Realkredit Danmark portfolio overview: Continued strong credit quality with decreasing LTVs

Highlights

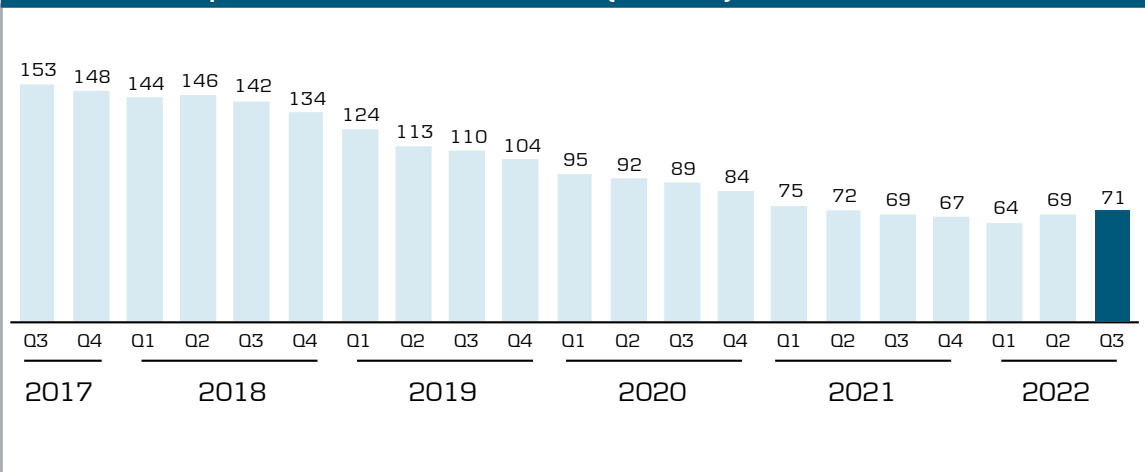
Portfolio facts, Realkredit Danmark, Q3 22

- Approx. 318,918 loans (residential and commercial)
- Average LTV ratio of 46% (44% for retail, 48% for commercial)
- We comply with all five requirements of the supervisory diamond for Danish mortgage credit institutions
- 675 loans in 3- and 6-month arrears (-12% since Q2-22)
- 6 repossessed properties (Q2-22: 7)
- DKK 4 bn in loans with an LTV ratio > 100%, including DKK 3 bn covered by a public guarantee

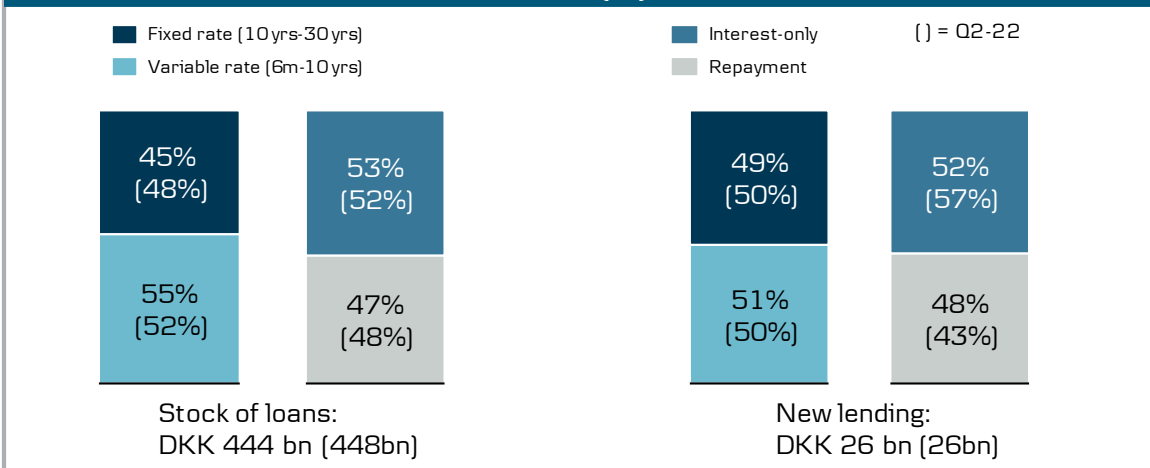
LTV ratio limit at origination (legal requirement)

- Residential: 80%
- Commercial: 60%

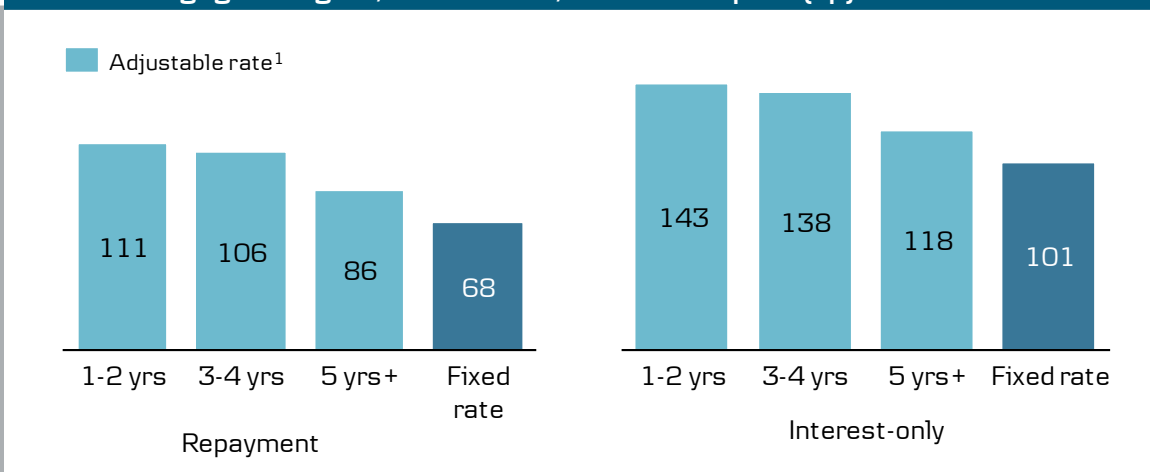
Total RD loan portfolio of FlexLån® F1-F4 (DKK bn)



Retail loans, Realkredit Danmark, Q3 22 (%)



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).

Sustainability

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

Sustainability critical in Better Bank plan to improve bank for all stakeholders by 2023

Customers *On average among top two banks for customer satisfaction in everything we do*



Society *Operate sustainably, ethically and transparently*



Employees *Women in leadership pos. An employee engagement score of 77*



Investors *RoE of 8.5-9% and a cost/income ratio in the mid-50s*



Danske Bank's 2023 sustainability strategy aim to drive change by utilising the power of finance



Selected highlights

- Focus areas reflect **material** sustainability issues
- Calibrated against **stakeholder** expectations
- Supports our **Better Bank** agenda and transformation KPIs
- **Embedding** sustainability in core business processes
- **Leadership ambition** on sustainable finance

Continued progress on sustainability agenda in Q3 contributing to strong performance



New sustainable investment funds with diversification

- Five new Danske Invest funds for investors who want good diversification and a strong focus on sustainability
- Each fund has its own particular risk profile – but all must have at least 75% in sustainable investments



Successful campaign towards personal customers

- Increased focus on our favourable products for energy renovation through the targeted campaign 'Flot & Godt'
- Results have included increased level of customer meetings and increasing lending volumes



Increased focus on sustainability for investments

- In line with the MiFID II regulations, we now evaluate our customers' sustainability preferences when it comes to investments, making sure everyone takes a stand



1 among Nordic Arrangers in Bloomberg's Global League table

- Danske Bank continues to rank number one among Nordic arrangers in the Bloomberg's Global League Table



Recognition of "outstanding" sustainability reporting

- Danske Bank recognised by *Position Green* for having "outstanding" sustainability reporting (score of "A"), together with just seven other listed companies in Denmark



Financing for the world's biggest offshore wind farm

- Danske Bank provided project financing for the consortium behind the Hornsea 2 wind farm, which currently is the world's largest offshore wind farm comprising 165 turbines of 8MW each – able to provide power to more than 1.4 million homes.

On sustainable finance, Danske Bank aspires to Nordic leadership – our sustainable finance framework has been developed to drive and integrate that ambition

Group ambition for Sustainable finance	Be a leading bank in the Nordics on sustainable finance and the leading bank in Denmark				
KPIs and targets	Group KPIs <ul style="list-style-type: none"> Sustainable financing: <ul style="list-style-type: none"> DKK 300bn in sustainable financing by 2023 Paris-aligned corporate lending book; setting climate targets by 2023 Net-Zero Bank by 2050 ¹⁾ 		Sustainable investing: <ul style="list-style-type: none"> Danica Pension: DKK 50bn invested in the green transition by 2023 and 100bn by 2030 Asset mgmt.: DKK 150bn in art. 9 by 2030 Net-Zero Asset Owner & Manager by 2050 ¹⁾ 		<ul style="list-style-type: none"> <i>Business and commercial KPIs</i>
Guiding principles	<i>Align societal and business goals</i>	<i>Enable our customers' sustainability journey</i>	<i>Measure and improve impact</i>	<i>Engage and partner with stakeholders</i>	
Key execution levers	Advisory	Products & solutions	Distribution	Brand & marketing	Risk Management
Critical enablers	Governance	Training & competencies	IT enablement & BWOW	Data & insights	Communication & disclosures
Regulatory implementation	Commercial integration			Portfolio management and financial steering	

1) As defined by commitments to Net-Zero Banking Alliance, Net-Zero Asset Owner Alliance and Net-Zero Asset Managers Initiative

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:



Financially material ESG factors



ESG risk exposure and management



ESG controversies



Climate-related financial risks and opportunities

3. Portfolio-level ESG analysis

- First decarbonisation targets covering high-emitting sectors published - based on first carbon emission analysis of the loan book
- Carbon disclosures for key sectors published in "Climate and TCFD progress update" report in June 2021



Danske Bank supports a range of international agreements, goals, partnerships and standards relating to sustainability – some of these are listed below



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.



Net-Zero Banking Alliance

A worldwide initiative for banks that are committed to aligning their lending and investment (treasury) portfolios with net-zero emissions by 2050 or sooner – and setting intermediate targets using science-based guidelines



Net-Zero Asset Managers Initiative

An international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius



Net-Zero Asset Owner Alliance

Danica Pension joined the global UN-convened investor alliance in 2020, thus committing to transitioning its investment portfolio to net-zero greenhouse gas emissions by 2050



Principles for Responsible Investment

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



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



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



Partnership for Carbon Accounting Financials

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



UN Environment Programme - Finance Initiative

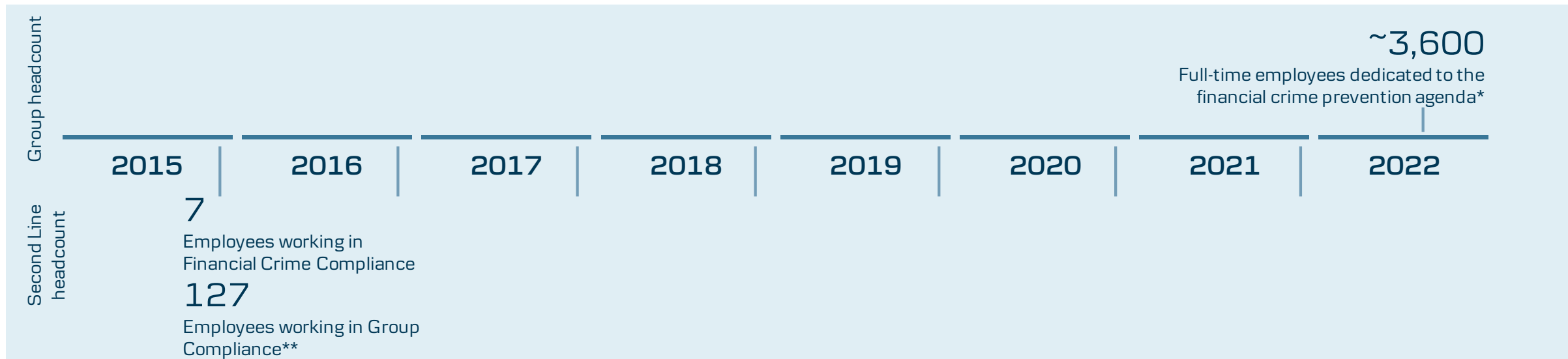
A partnership between UN and the global financial sector with the aim of understanding societal challenges, why they matter to finance, and how to address them



The Paris Pledge

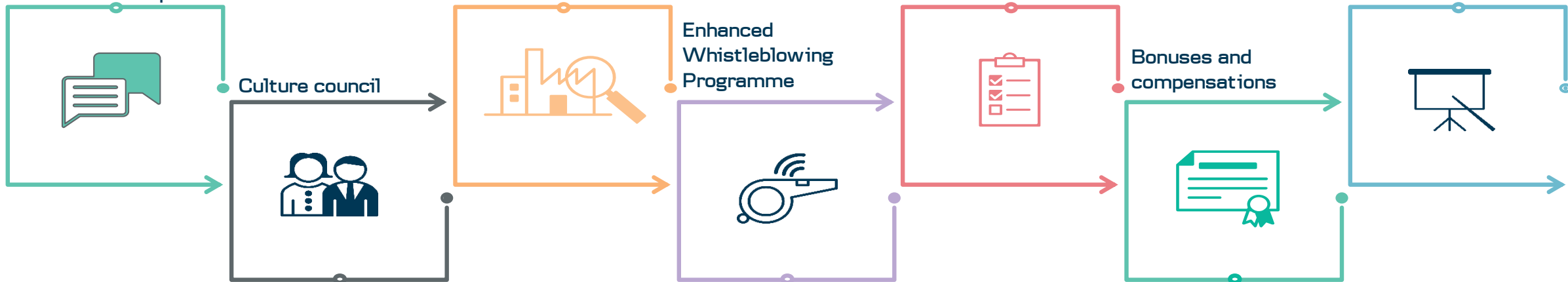
A pledge to support and act accordingly in regards to the objectives of the Paris Agreement to limit global temperature rise to less than 2 degrees Celsius

Financial Crime prevention - increase in number of full-time employees



Change in Culture

Tone from the top



* The 3,600 employees is the total of full-time employees working with financial crime prevention across Danske Bank Group

** Includes all Group Compliance staff across Financial Crime, Regulatory Compliance etc., excluding Northern Bank

Committee governance for Compliance Risks



Financial Crime Remediation Steering Committee

- Provides governance structure and delivery oversight of the Group's Financial Crime Plan
- Supported by a Group FC Project Management Office to track and challenge progress across Business Units
- Chaired by the Chief Compliance Officer of Danske Bank

Compliance Risk Committee

- Second Line Committee responsible for providing oversight and challenge of the management of compliance and conduct risk on behalf of the ELT
- The committee reports to the Group All Risk Committee
- Chaired by the Chief Compliance Officer of Danske Bank

Conduct and Compliance Committee

- Board level committee that oversees the Bank's management of conduct and reputational risk, compliance and financial crime as well as other matters delegated by the Board
- Responsible for reviewing all relevant Board owned policies concerning compliance, prior to Board approval

Regulatory Engagements

Ongoing Dialogue



- We engage in ongoing dialogue with our regulators through regular meetings with the Financial Supervisory Authority (FSA) and Supervisory College to ensure aligned expectations and transparency between our regulators and the Bank
- We provide regular updates and engage in frequent interactions with the Danish FSA on our financial crime transformational progress and remediation work and proactively share our remediation status with other Nordic regulators

Regulatory Inspections



- We track closely all regulatory inspections and continue to work through regulatory orders we receive in an open and transparent way with our regulators. Regulatory deliverables are formally documented and progress is frequently communicated to relevant regulators
- The Bank has completed and closed a number of orders received from inspections following the Estonia case and is progressing in addressing orders received in relation to subsequent AML inspections
- All remaining orders and recommendations from regulators are incorporated and prioritised in our Financial Crime Plan. We carry out targeted actions to rectify these issues and track them closely to completion. The Bank also addresses topics that are not highlighted in the inspection findings but noted by the Danish FSA

Supervisory Oversight



- The Danish FSA, as well as other relevant FSAs, carry out supervisory oversight of the Bank's remediation work
- Our recalibrated Financial Crime Plan was submitted to the Danish FSA in November 2021 (its completion date of December 2023 remained unchanged) - the Danish FSA follows its implementation closely. Our other supervisors receive updates on an ad-hoc basis
- The Danish FSA carries out extensive supervisory oversight of the Bank's financial crime transformation programme. Implementation of the Bank's substantial remediation work is overseen by an Independent Expert assigned by the Danish FSA

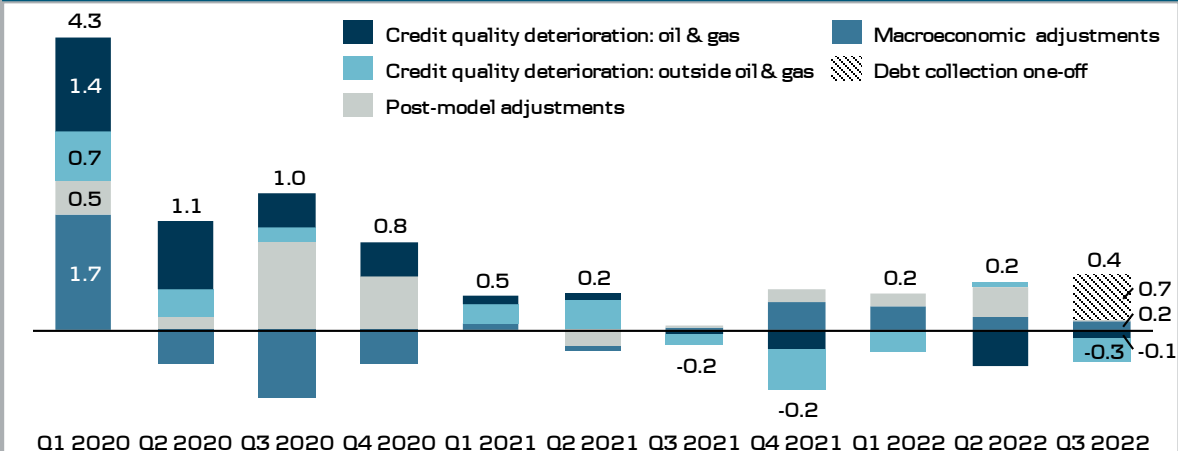
Credit quality & Impairments

Impairments: Continually strong credit quality and individual reversals, while prudent buffers remain in place; modest macro-charges to reflect deteriorating outlook

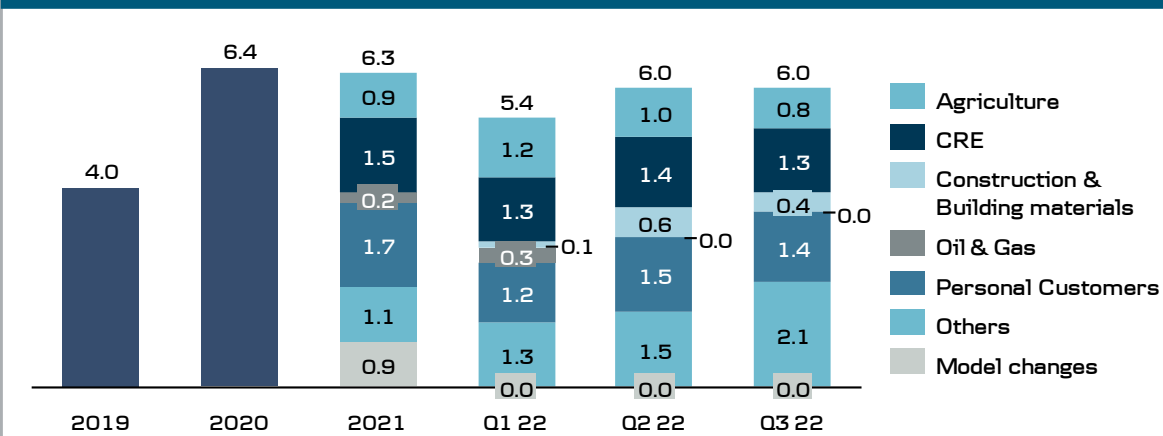
Highlights

- Credit quality remains strong with limited impact from the worsening macro backdrop, leading to overall net reversals when disregarding the DKK 0.65bn charge related to the closure of the legacy debt collection
- Macro outlook has been updated to reflect current uncertainties with increased downside risk from inflation and interest rates, resulting in additional DKK 150m booked in Q3
- Total allowance of DKK 19bn includes PMAs of DKK 6bn, as additional overlays of DKK +2bn established since Covid-19 have been repurposed for macro uncertainties. The PMA of DKK 250m established to account for potential lower recovery in debt collection legacy cases has been reallocated in Q3

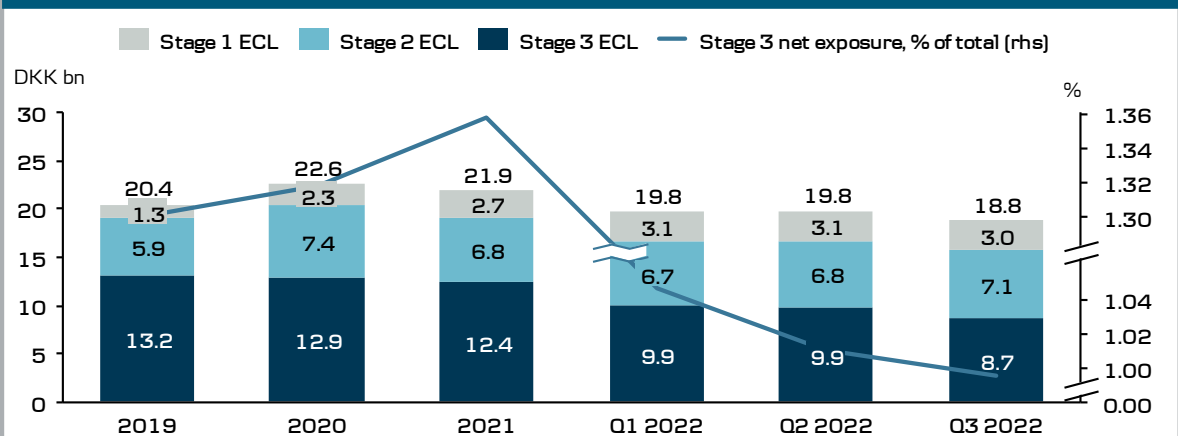
Impairment charges by category (DKK bn)



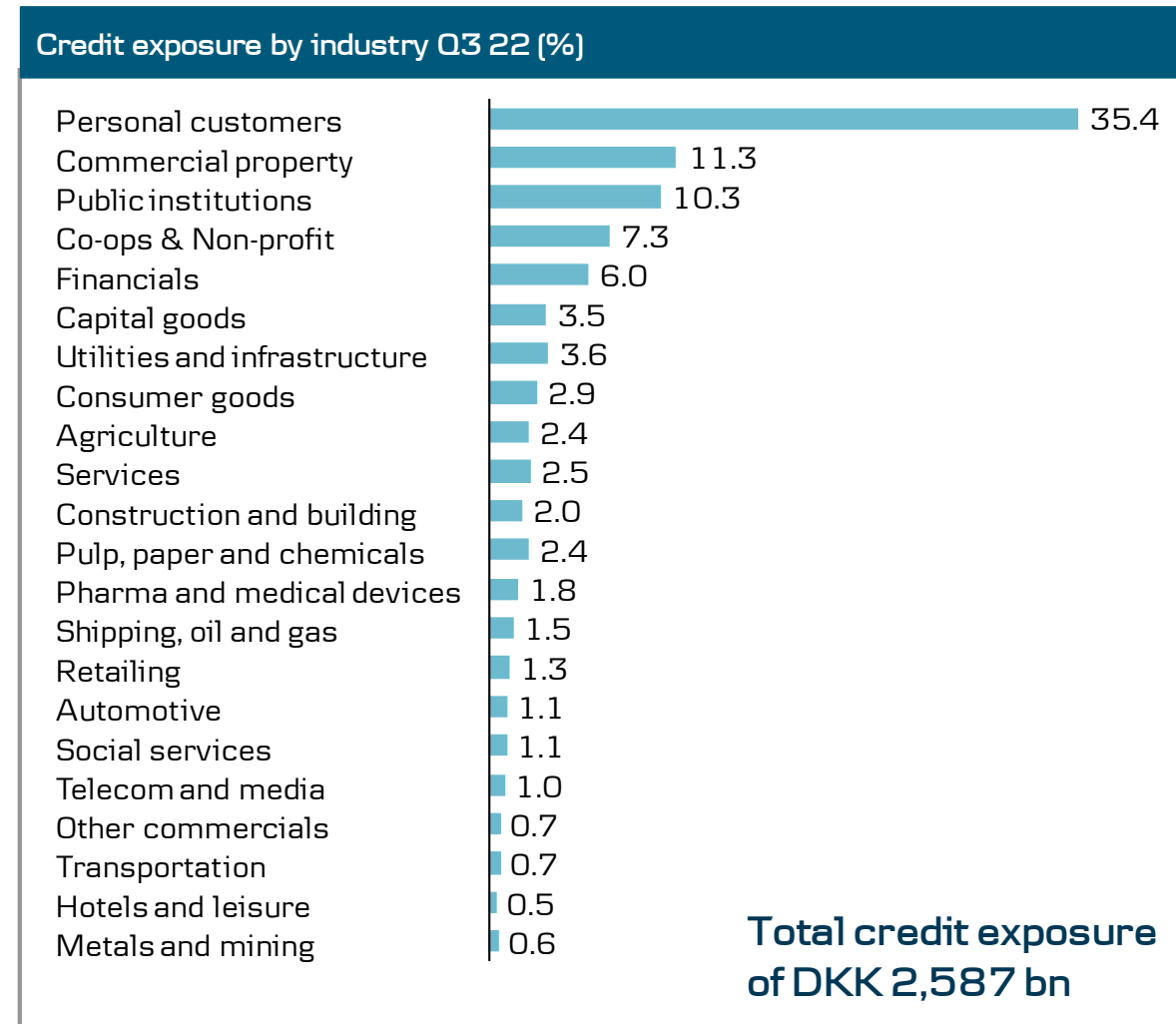
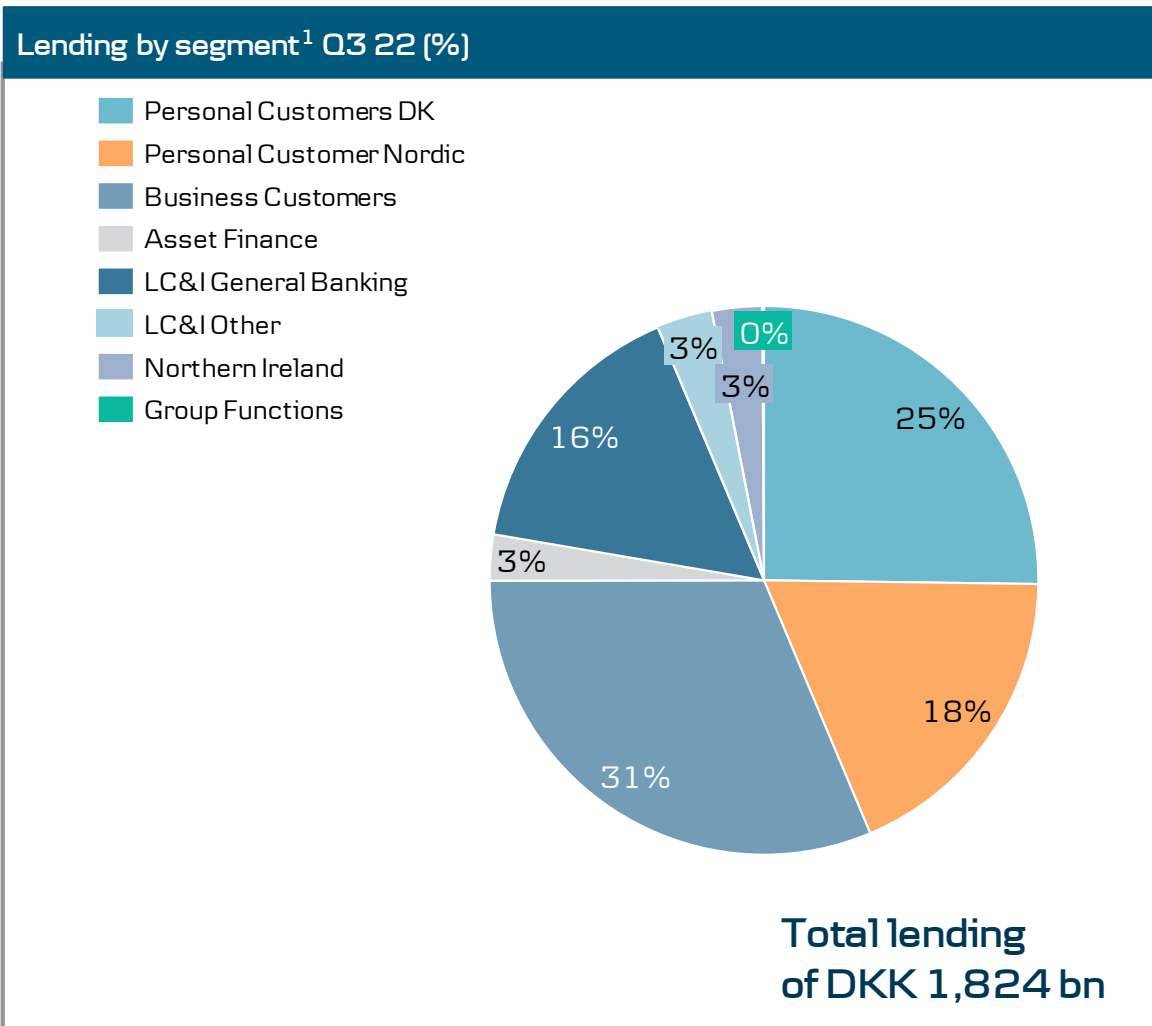
PMAs



Allowance account by stages (DKK bn)



Strong footprint within retail lending



¹ Total lending before loan impairment charges.

Overall strong credit quality in portfolios exposed to current macro developments

CRE: Generally low exposure to property development activities

DKK 296 bn in gross exposure and ECL ~1%

Segment gross exposure



Country gross exposure

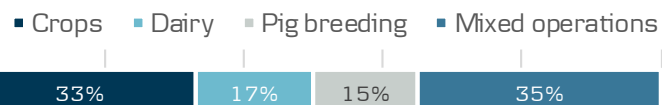


- Historical lending growth modest (-4% 3Y-CAGR in non-resi. since Q1-19, +3% in resi.) given caps and concentration limits within sub-segments and markets, as well as for single-names, limiting downside risks
- Due to our conservative approach, our SE exposure has remained stable, despite market growth, and book is well-diversified with lower concentration risk over the past years
- The group's credit underwriting standards maintain strong focus on cash flows, interest rate sensitivity, LTV and the ability to withstand significant stress.
- PMAs of DKK 1.3 bn made to cover uncertainties regarding the affect of rapid interest rate increases and macroeconomic situation

Agriculture: Well-provisioned agriculture book

DKK 65 bn in gross exposure of which 50% RD and average stage 3 coverage ratio of 81% in Nordics

Segment gross exposure



Country gross exposure

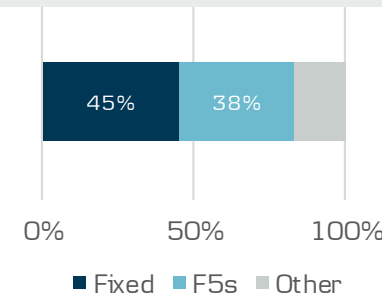


- The credit quality of the portfolio has improved over the past few years, recovering from legacy exposures from the financial crisis
- The current credit risk appetite takes into account the volatility of the sector and remains in place. Furthermore, the group maintains strong underwriting standards on LTV, interest-only loans and interest rate sensitivity
- Post-model adjustments of DKK 0.8 bn have been made for potential future portfolio deterioration due to uncertainties such as African Swine Fever (ASF), Chinese imports and the RU/UA war

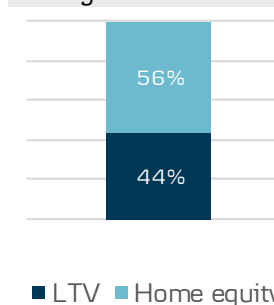
Retail customers: Strong household finances and mortgage back-book mainly fixed rates for +5 years

45% of RD back-book are 30yr fixed-rate mortgages, and of the variable rates ~70% are fixed for 5 years

RD back-book



Avg. LTV RD-retail



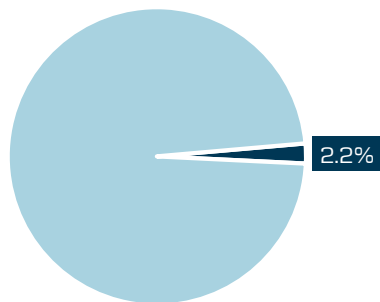
- Average LTVs have been decreasing over the past year supported by increasing house prices and call feature of DK mortgages
- Affordability measures in our approval process has been tightened, and debt-to-income (DTI) levels remain stable overall
- Portfolio uncertainty risks are being mitigated by continuous monitoring and review of underwriting standards covering interest rate-related stress of affordability and other measures
- Low near-term refinancing risk on RD flex loans.
- Post-model adjustments related to personal customers total DKK 1.4 bn

Fossil fuels (coal and oil) exposure

Keypoints, Q3 22

- This exposure to fossil fuels and includes customers involved in production, refining, and distribution (including shipping) of oil as well as utilities producing heat or power with coal.
- The exposure to oil majors will decrease by 50% by 2030 against 2020 levels. Customers' transition plans are being assessed, and our customers in the distribution and refining segments are generally progressing well on the transition, for instance by refineries switching to biofuels in refining or by gas stations investing in infrastructure for charging of electric vehicles. Within 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 54% and are down by 7% from Q3 last year.
- Power & heating utilities should reduce emissions per unit of electricity or heating by 30% by 2030 against 2020 levels. This entails an accelerated phase-out of coal.
- The exposure shown to utility customers is with any coal-based power production (DKK 35.3 bn.) and hereof more than 5% of revenues from coal fired power production (1.6 bn.). Exposures have increased somewhat from the beginning of the year due to short-term financing needs driven by volatile energy markets and is likely to persist.
- For most customers, the use of coal is limited to a few remaining production facilities which are expected to phase-out over time.

Group gross credit exposure (DKK 2,609 bn)

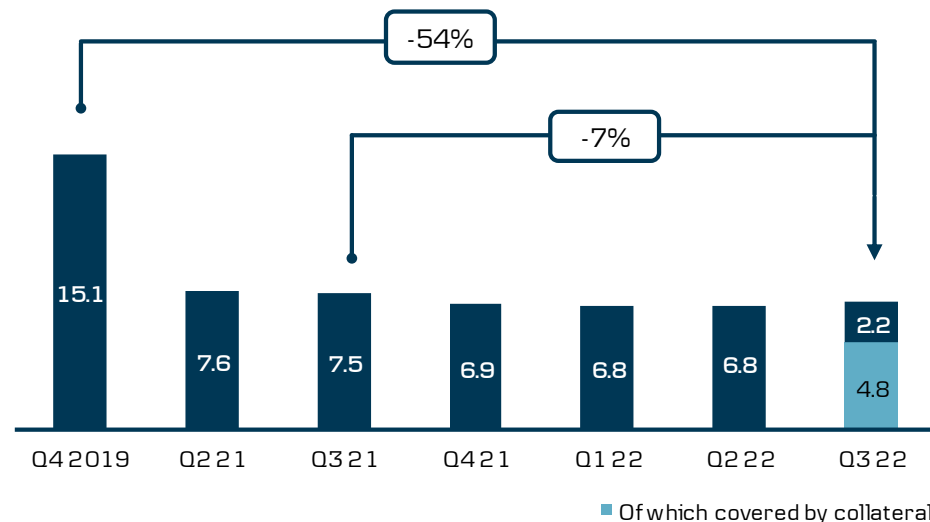


■ Fossil fuels exposure ■ Other

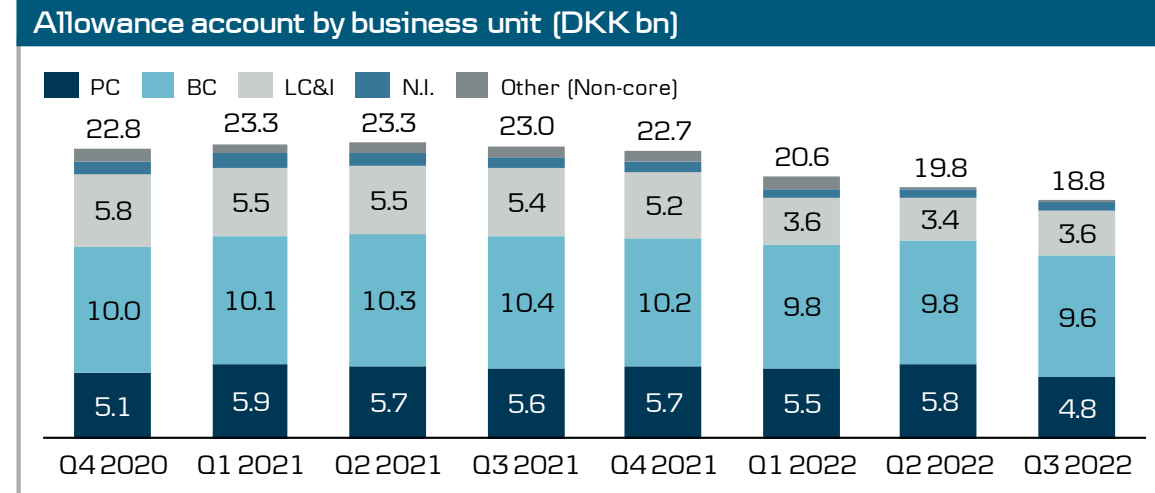
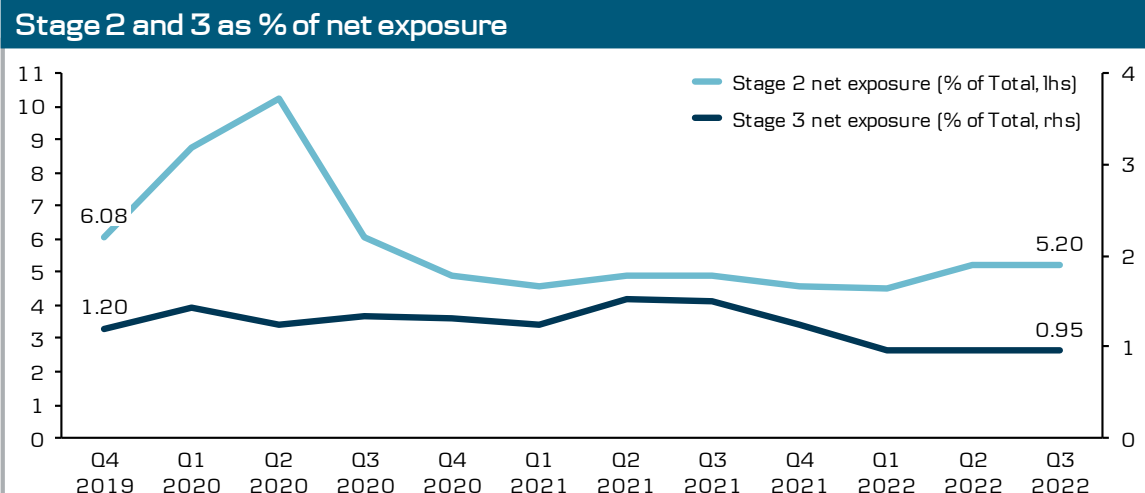
Fossil Fuels Exposure (Coal and Oil)

Segment	Net exposure (DKK m)
Crude and Product Tankers	3,115
Distribution and refining	8,043
Oil-related exposure	9,916
Oil majors	2,945
Offshore and services	6,971
Power and heating utilities with any coal-based production	35,302
Hereof customers with more than 5% revenue from coal	1,620
Total fossil fuel exposure	56,376

Oil-related net credit exposure, DKK bn: Development (excl. majors)

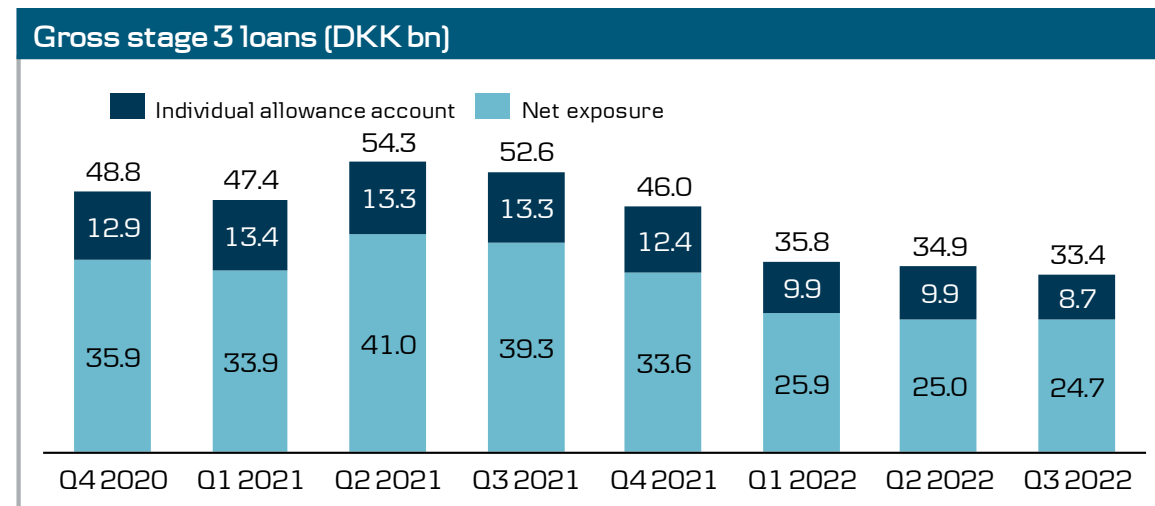


Credit quality: Low level of actual credit deterioration



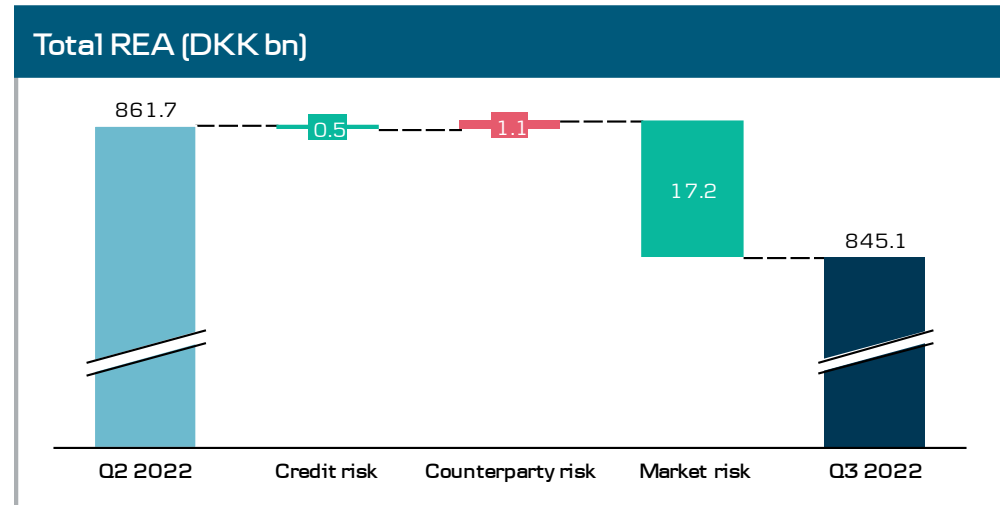
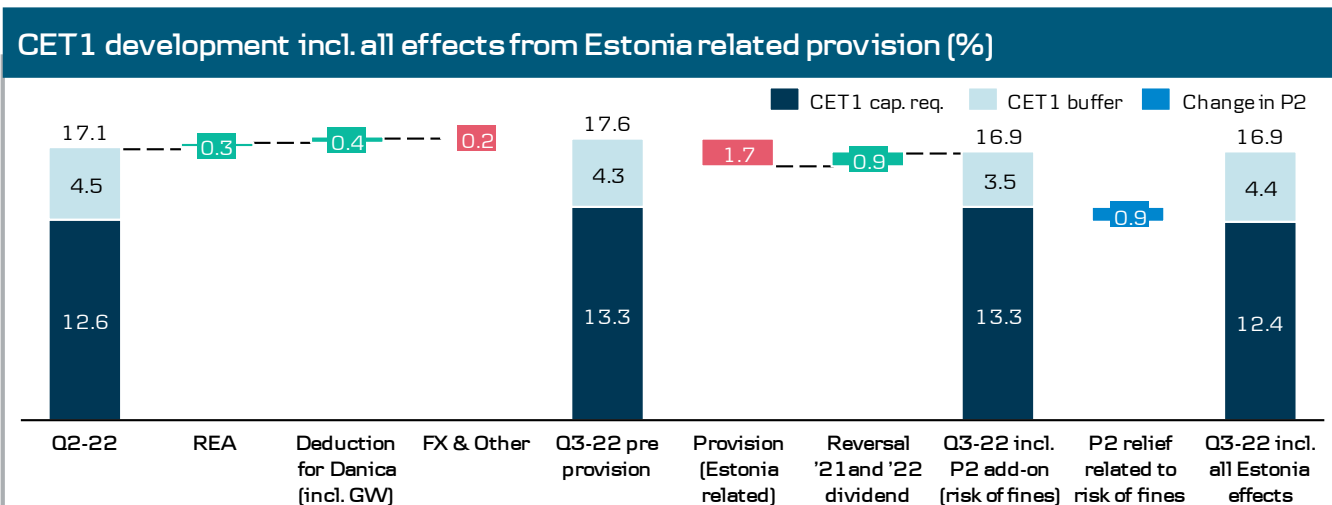
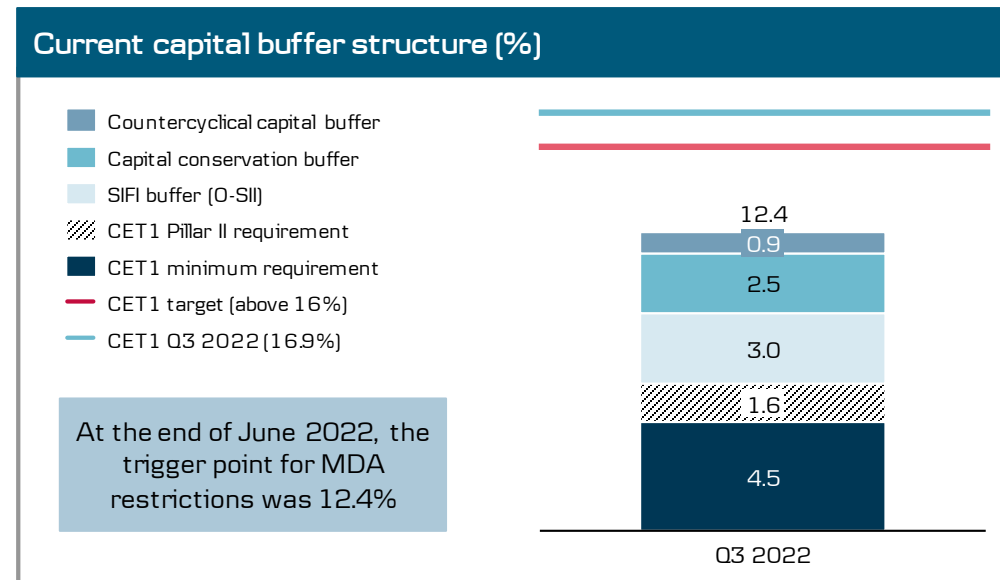
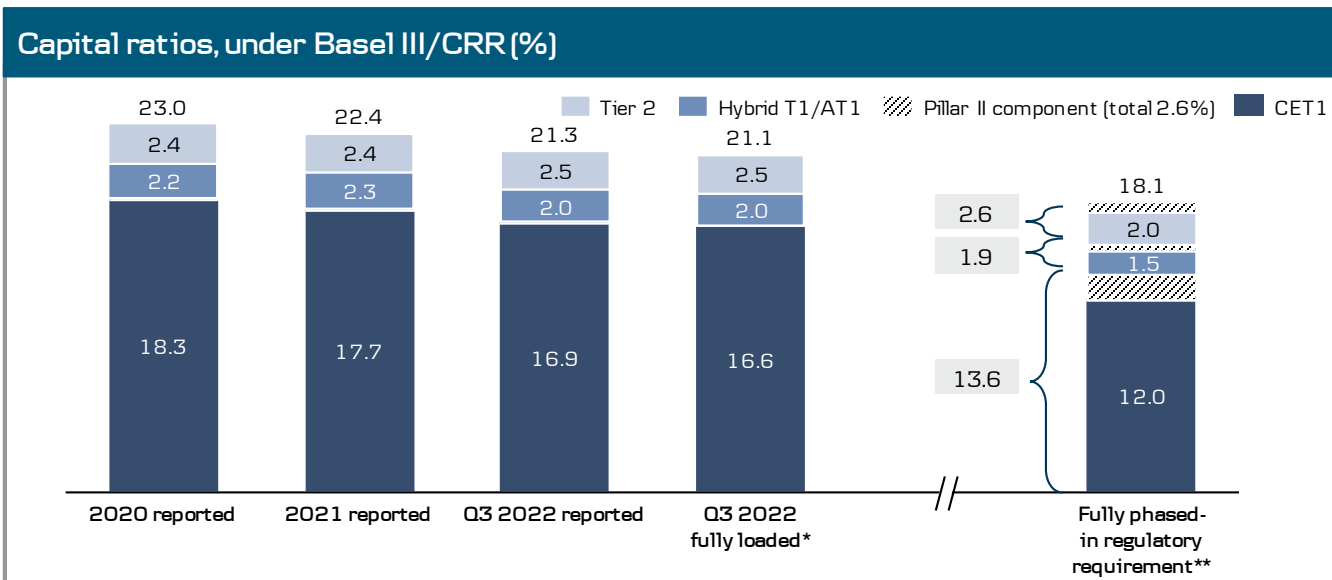
Breakdown of stage 2 allowance account and exposure (DKK bn)

	Allowance account	Gross credit exposure	Allowance as % of gross exposure
Personal customers	1.8	920	0.19%
Agriculture	0.8	65	1.28%
Commercial property	1.6	296	0.53%
Shipping, oil and gas	0.0	41	0.05%
Services	0.2	65	0.35%
Other	2.7	1,219	0.22%
Total	7.1	2,606	0.27%



Capital

Capital: Strong capital base; CET1 capital ratio of 16.9% (buffer of 4.4%)

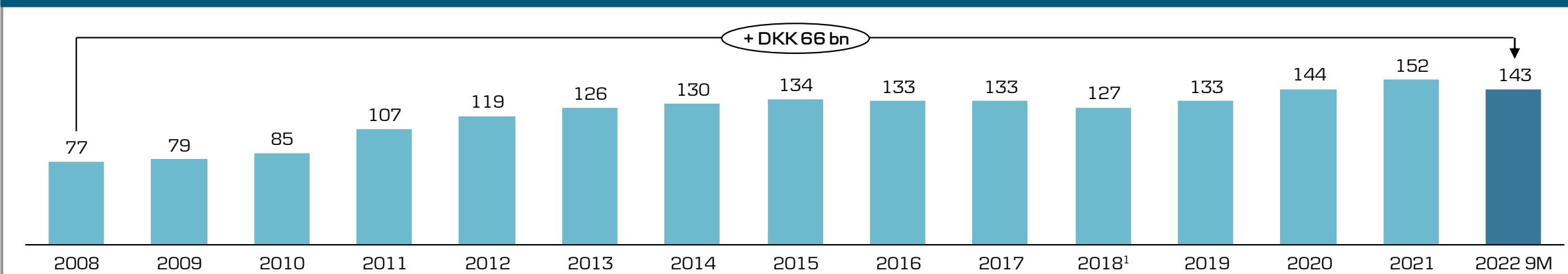


* Based on fully phased-in rules including fully phased-in impact of IFRS 9.

** Pro forma fully phased-in min. CET1 req. in June 2023 of 4.5%, capital conservation buffer of 2.5%, SIFI buffer requirement of 3%, countercyclical buffer of 2.0% and CET1 component of Pillar II requirement.

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

Common Equity Tier 1, 2008 - 2022 9M (DKK bn)

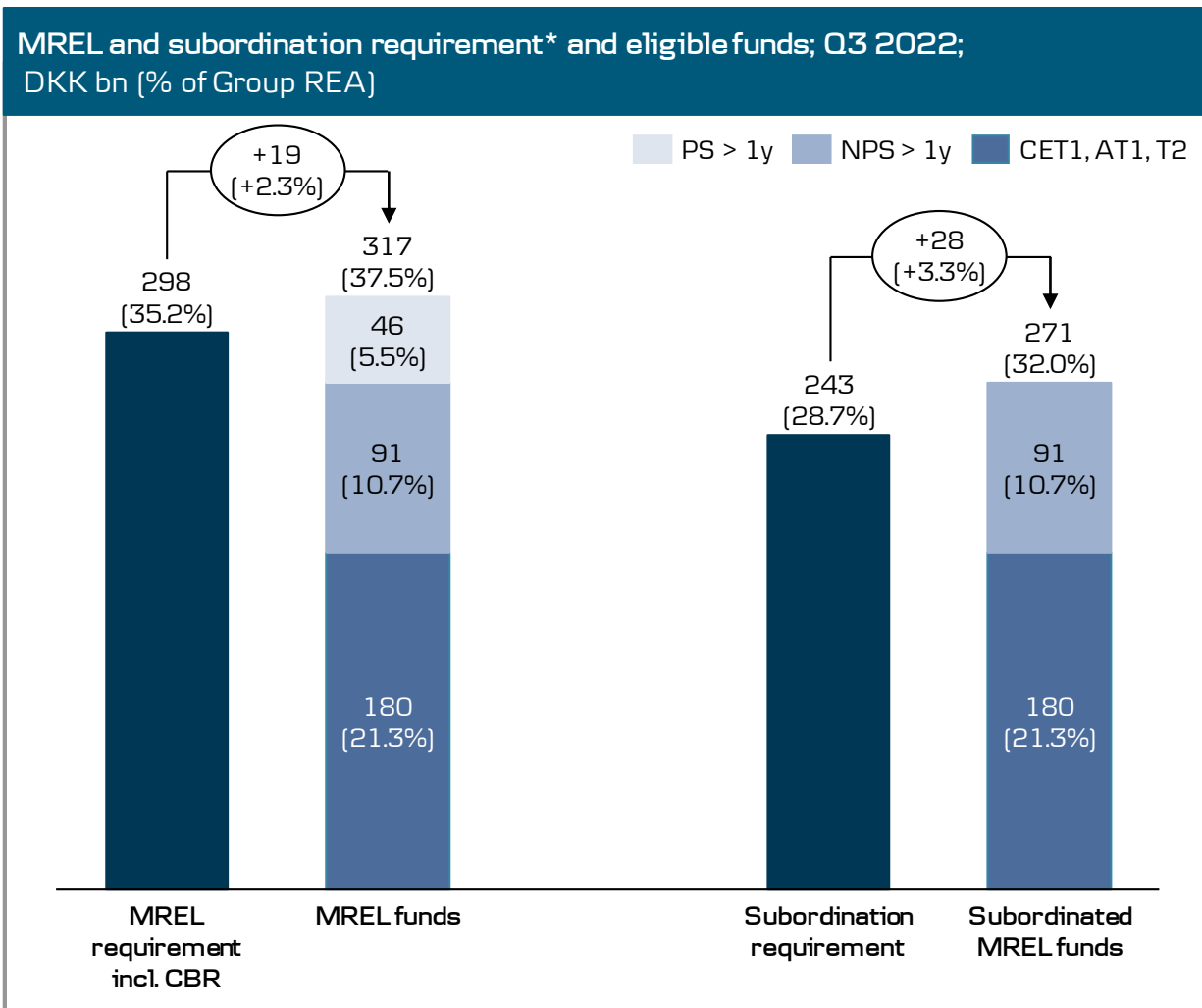


REA, CET1, profit and distribution (DKK bn; %)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 9M
REA	960	834	844	906	819	852	865	834	815	753	748	767	784	860	845
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%	17.7%	16.9%
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	12.9	-9.2
Distribution to shareholders ³	0	0	0	0	0	2.0	10.5	17.1	18.9	16.3	7.6	0	1.7	1.7	0
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	3,936	4,312

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.

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



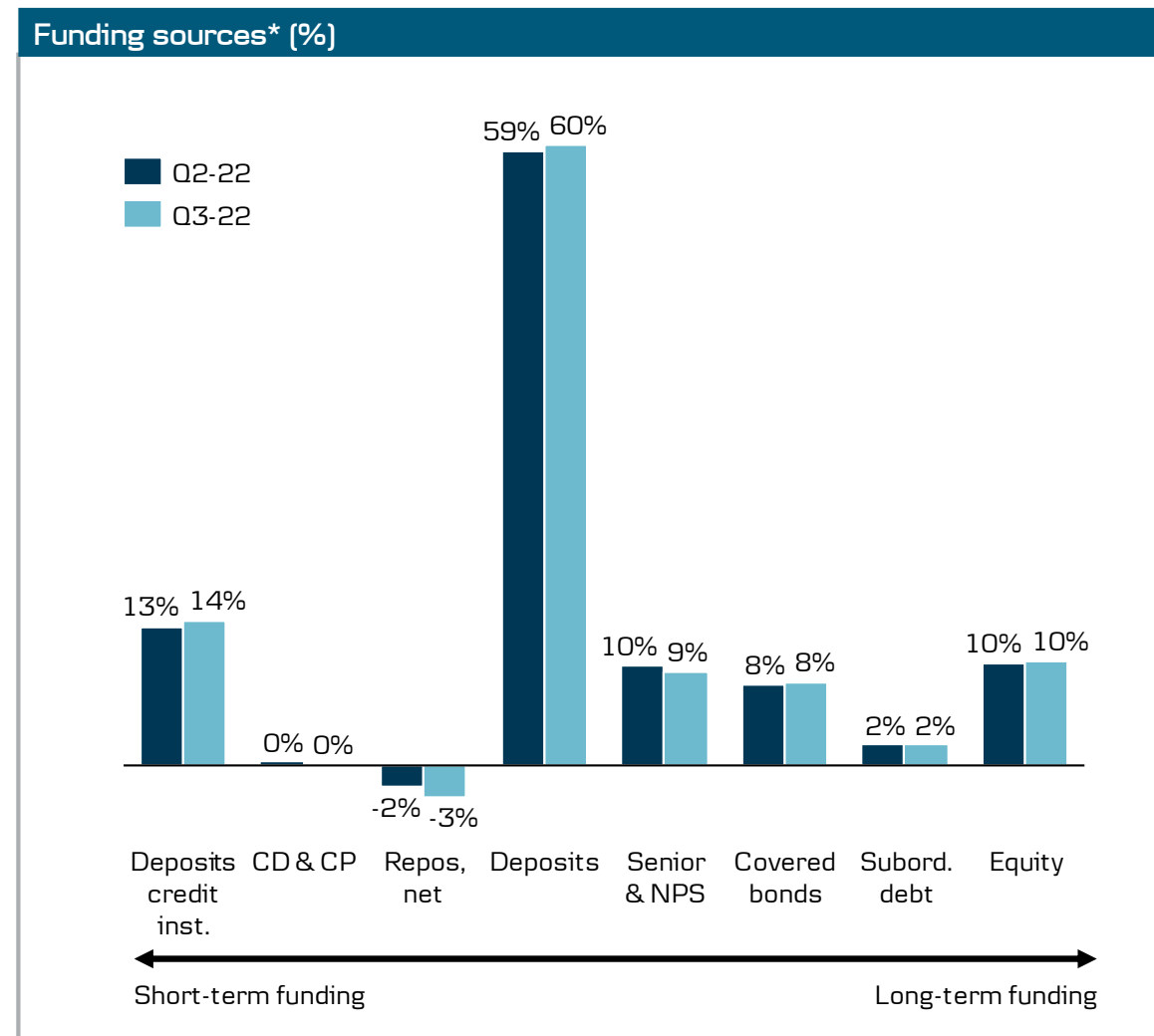
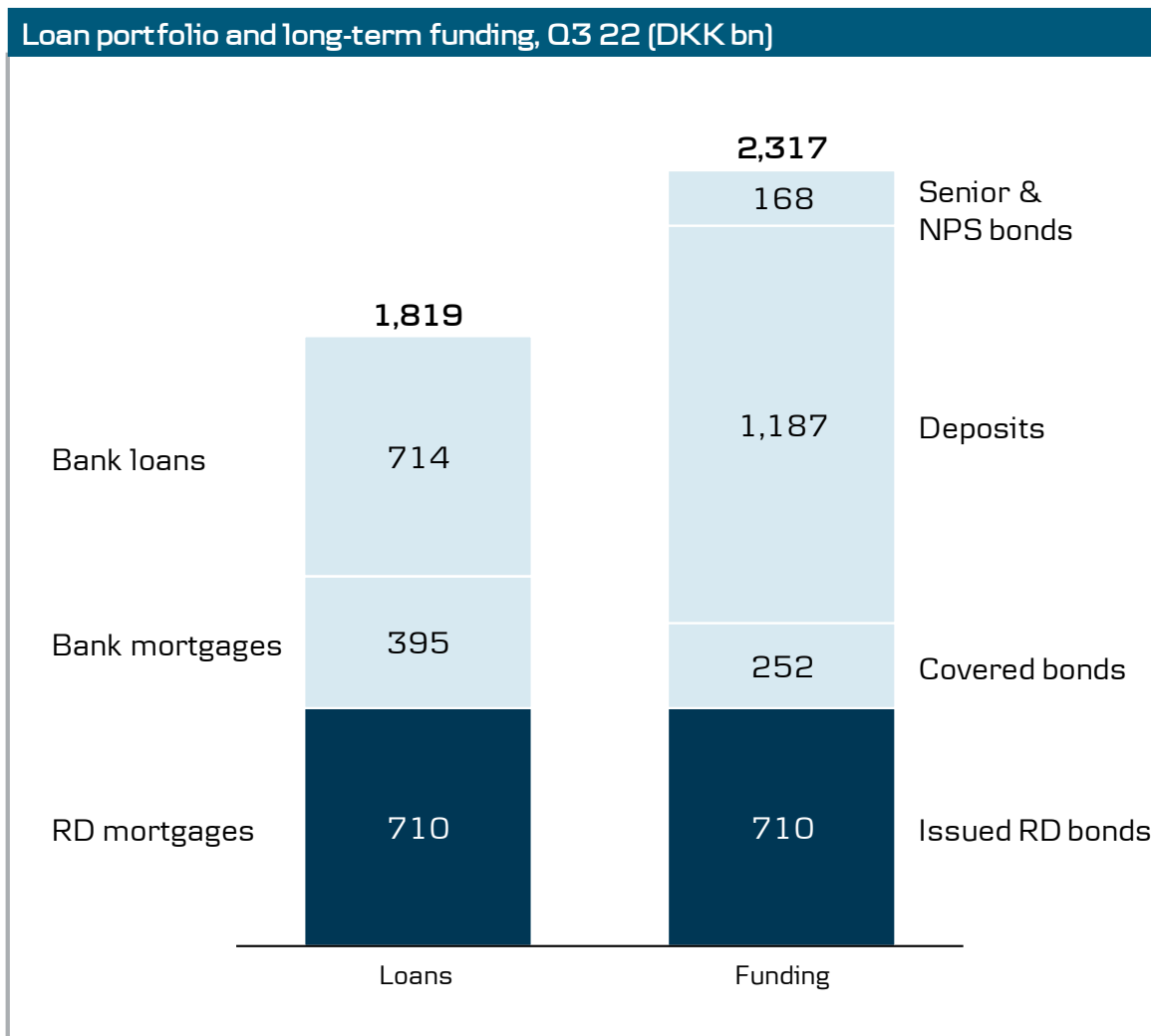
Comments

- The Group has to meet a MREL requirement and a subordination requirement, both adjusted for Realkredit Danmark (RD)
- The subordination requirement is the higher of $2x(P1 + P2) + CBR$ or 8% TLOF
- The Group's MREL requirement (total resolution requirement) is DKK 298bn incl. RD's capital and debt buffer requirement (DKK 39bn) and the combined buffer requirement (DKK 47bn). Excess MREL funds are DKK 19bn.
- The Group's subordination requirement is DKK 243bn incl. RD's capital requirement (DKK 25bn). Excess subordinated MREL funds are DKK 28bn
- This figure shows the Group's MREL and subordination requirement, which constitutes the fully-phased in requirements, i.e. no interim target.
- Requirements will, however, be impacted by any changes to the CCyB.
- Danske Bank will initiate a dialogue with the Danish FSA to recalibrate the backward-looking MREL and subordination requirement to reflect the removal of the DKK 7.5 billion Pillar II add-on in order to decrease the difference between the point-in-time and backward-looking requirements.

*Including Realkredit Danmark's (RD) capital and debt buffer requirements

Funding & Liquidity

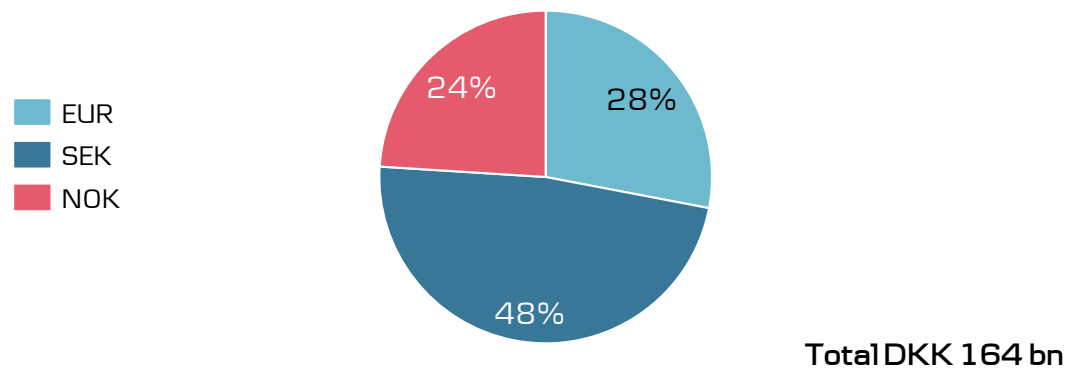
Funding structure and sources: Danish mortgage system is fully pass-through



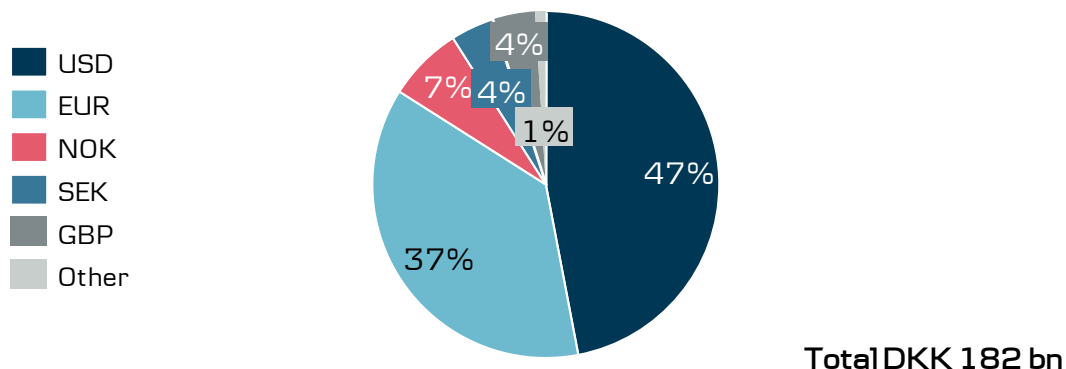
* Figures are rounded

Funding programmes and currencies

Covered bonds by currency, end-Q3 2022



Senior debt¹ by currency, end-Q3 2022

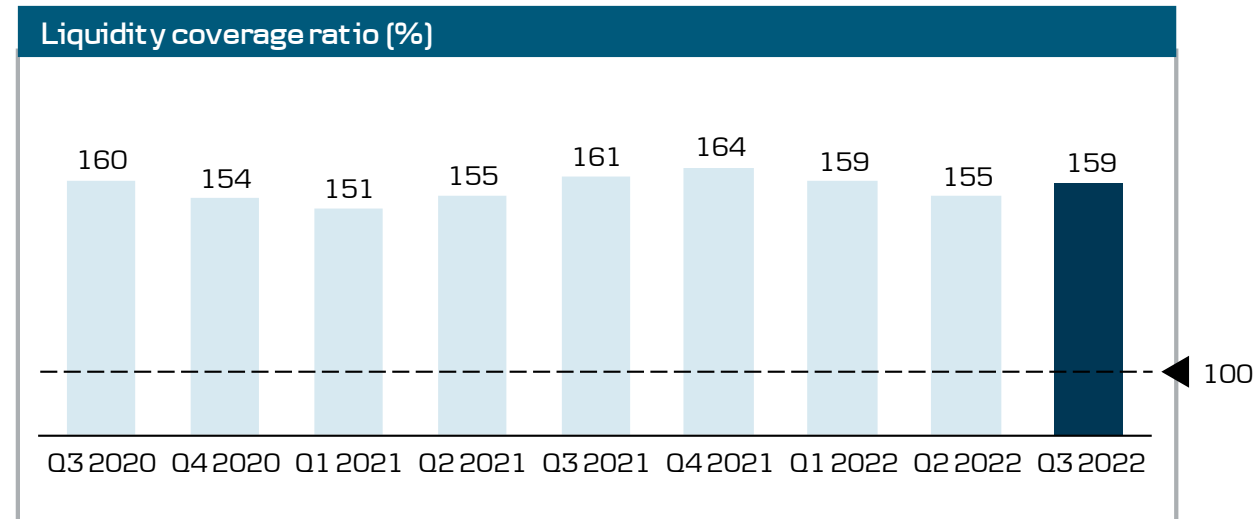
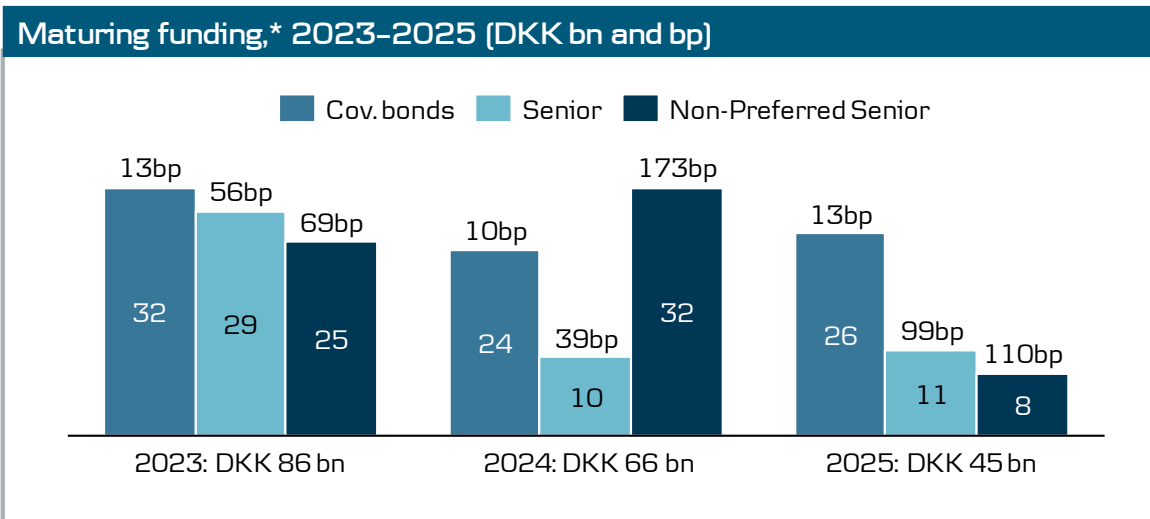
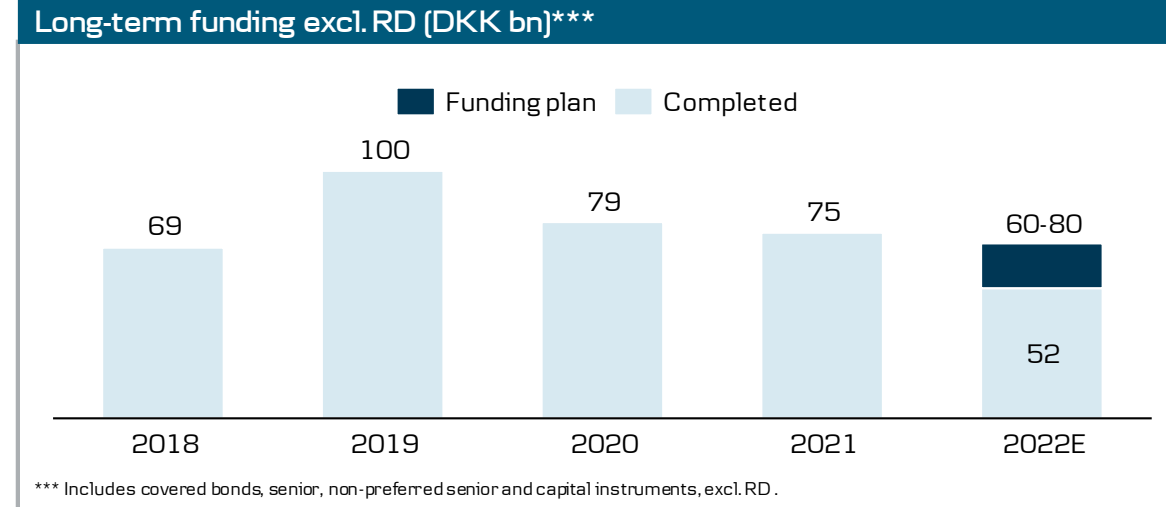
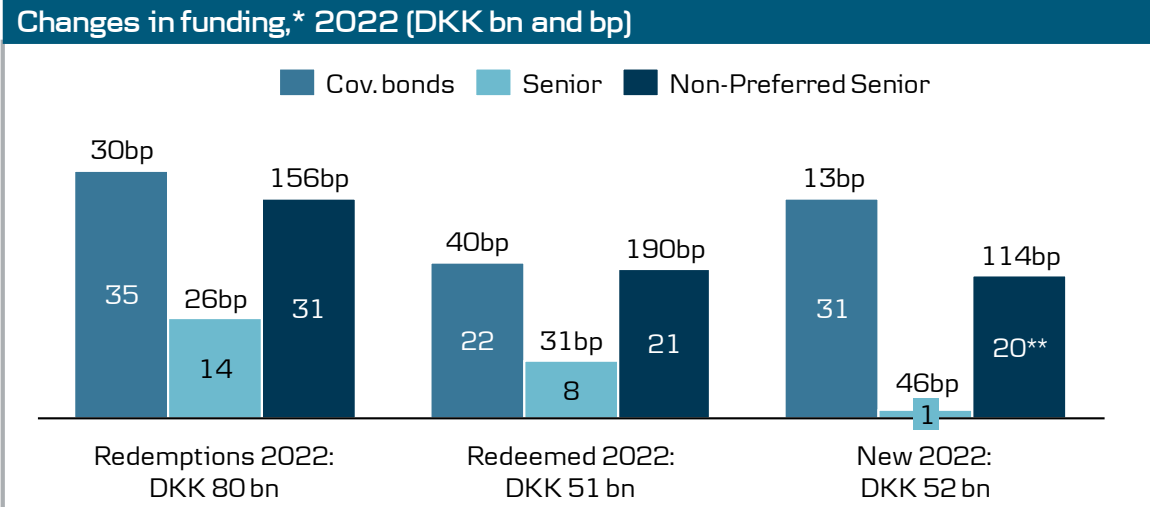


Largest funding programmes, end-Q3 2022

Programme	Limit	Utilisation
EMTN Programme	EUR 35bn	42%
Global Covered Bond	EUR 30bn	68%
ECP Programme	EUR 13bn	0%
US MTN (144A)	USD 20 bn	56%
US Commercial Paper	USD 6bn	0%
UK Certificate of Deposit	USD 15bn	0%
NEU Commercial Paper	EUR 10bn	0%


¹Including senior preferred and non-preferred debt


Funding and liquidity: LCR compliant at 159%



* Spread over 3M EURIBOR.


Danske Bank covered bond universe, a transparent pool structure¹






Residential mortgages


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



Commercial mortgages


- Sweden and Norway, C-pool

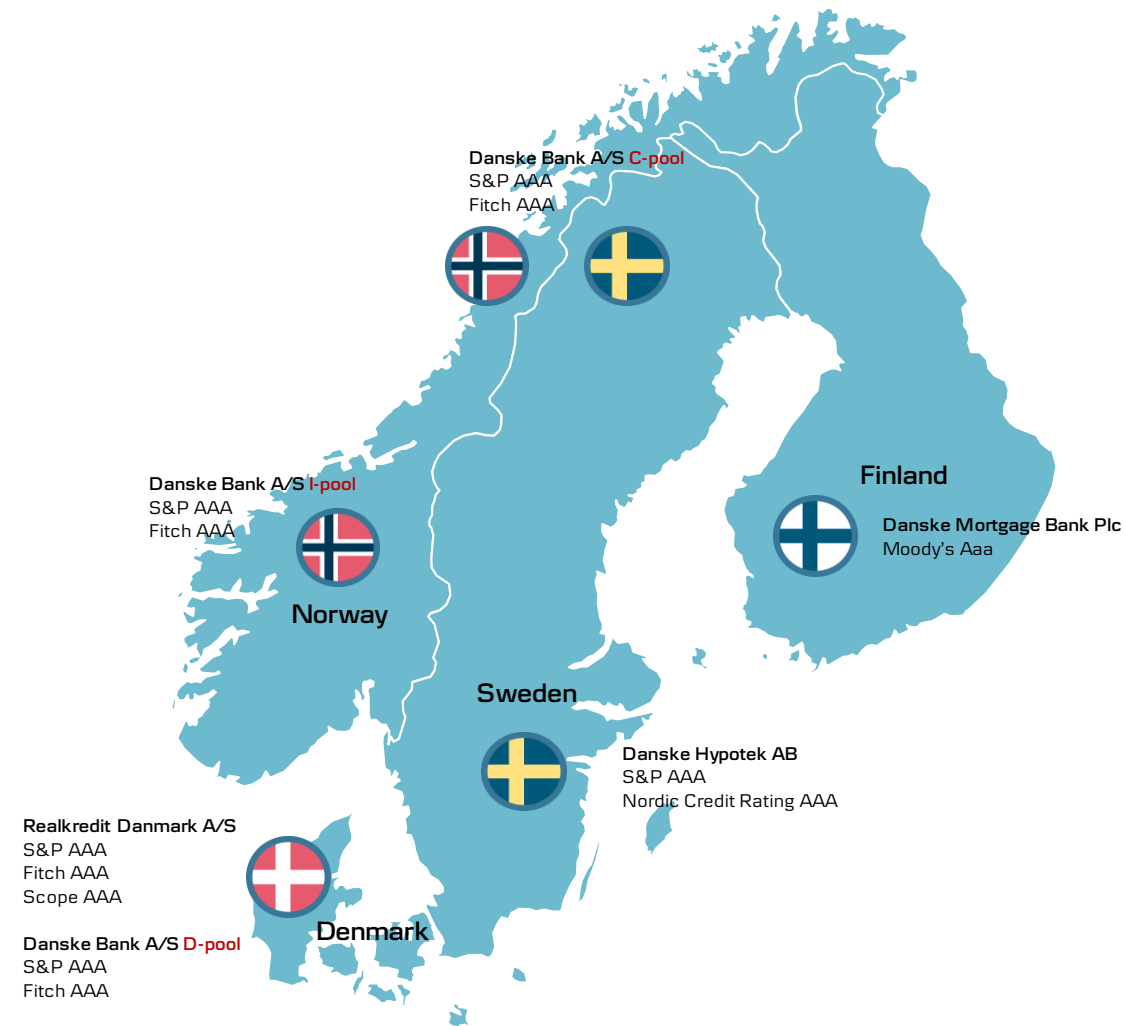




Residential and commercial mortgages

- Capital Centre T (adjustable-rate mortgages)
- Capital Centre S (fixed-rate callable mortgages)





¹ The migration of Swedish residential loans from Danske Bank's I-pool and Swedish residential-like loans from Danske Bank's C-pool to Danske Hypotek AB, is ongoing. Details of the composition of individual cover pools can be found on the respective issuers' website.

Credit & ESG Ratings

Danske Bank's credit ratings

Long-term instrument ratings

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

Credit ratings remain unchanged in Q3 2022

Credit ratings remain unchanged in Q3 2022, but the fast evolving direct and indirect repercussions from the Russia/Ukraine war creates uncertainty on the direction of rating trajectory.

S&P's Negative outlook on Danske Bank, and Fitch and Moody's Stable outlooks on Danske Bank, incorporate the financial uncertainty relating to the fallout from Estonia case.

Danske Bank's ESG ratings

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

	Q3 2022		Q2 2022	Q1 2022	End 2021	End 2020	Range
CDP ¹	B	200 companies, out of the 13,126 analysed, made the climate change A List in 2021	B	B	B	B	A to F (A highest rating)
ISS ESG	C+ Prime	Decile rank: 1 (299 banks rated) C+ is the highest rating assigned	C+ Prime	C Prime	C Prime	C+ Prime	A+ to D- (A+ highest rating) Decile rank of 1 indicates a higher ESG performance, while decile rank of 10 indicates a lower ESG performance
Moody's ESG Solutions	61	Rank in Sector 10/31 Rank in Region 175/1600 Rank in Universe 191/4876	61	61	61	64	100 to 0 (100 highest rating)
MSCI	BBB	MSCI rates 190 banks: AAA 5% AA 33% A 25% BBB 22% BB 11% B 5% CCC 0%	BBB	BBB	BBB	BB	AAA to CCC (AAA highest rating)
Sustainalytics	Medium Risk (22.5)	Rank in Diversified Banks 122/416 Rank in Banks 341/1003	Medium Risk	Medium Risk	Medium Risk	High Risk	Negligible to Severe risk (1 = lowest risk)

¹ CDP: Carbon Disclosure Project - primary focus is on climate change / management, also linked to TCF

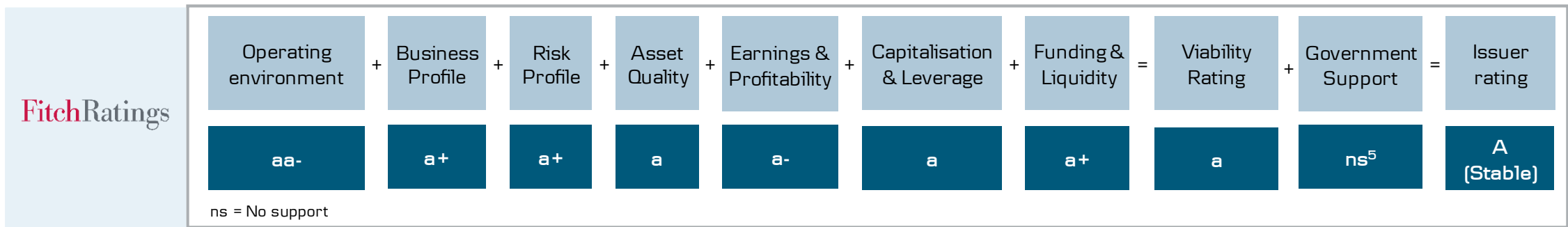
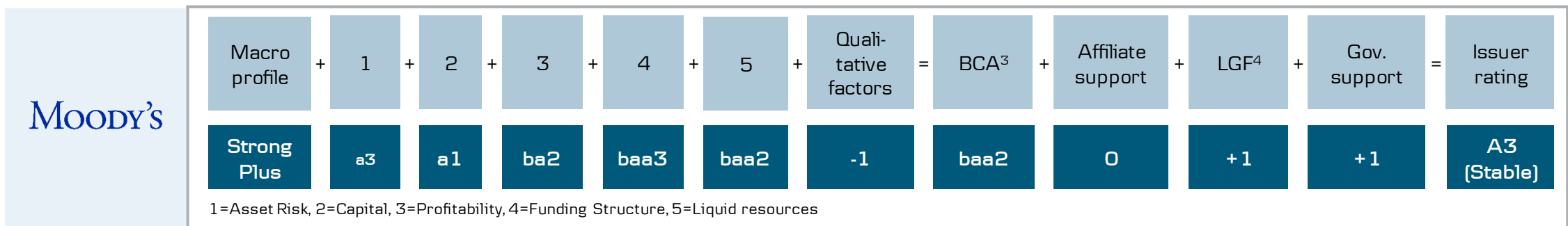
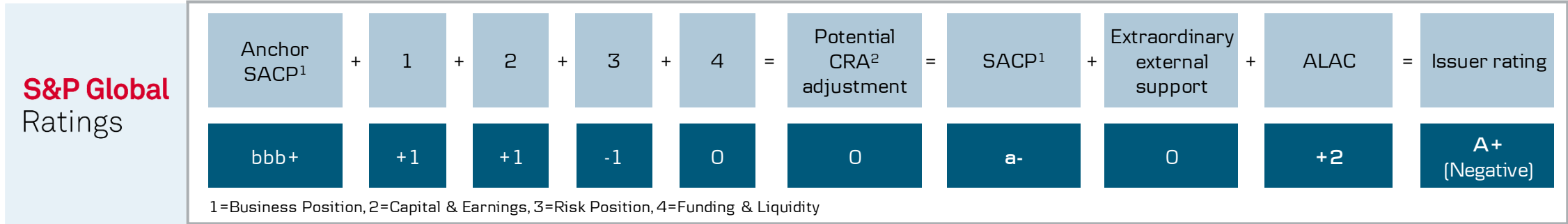
Q3 2022: Sustainalytics reduces Danske Bank's ESG Risk Rating Score to 22.5 from 24.3 (the lower the score the lower ESG risk)

On 19 August 2022, Sustainalytics reduced Danske Bank's ESG Risk Rating Score primarily due to improved ESG Risk Management of "Data Privacy and Security" and "Product Governance". Sustainalytics comment, "Danske Bank has best-in-class policies and programmes vis-à-vis Business Ethics."

Three distinct methods for rating banks

Danske Bank's rating

Rating methodology



¹ Stand-Alone Credit Profile. ² Comparable ratings analysis. ³ Baseline Credit Assessment. ⁴ Loss Given Failure. ⁵ No support.

Tax & Material one-offs

Tax

Actual and adjusted tax rates (DKK m)					
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Profit before tax	968	2,164	3,707	4,500	4,270
Permanent non-taxable difference	2,559	408	435	994	22
Adjusted pre-tax profit, Group	3,527	2,572	4,142	5,494	4,293
Tax according to P&L	760	458	862	846	936
Taxes from previous years	25	106	57	367	10
Adjusted tax	785	565	919	1,213	924
Adjusted tax rate	22.3%	22.0%	22.1%	21.5%	22.2%
Actual-/Effective tax rate	78.5%	21.2%	18.8%	21.9%	25.5%
Actual/-Effective tax rate exclusive one- offs & prior year reg.	81.1%	26.1%	27.0%	21.6%	22.9%

Tax drivers, Q3 2022

- The actual tax rate of 81.1% (excluding prior-year's adjustments) is higher than the Danish rate of 22% - due primarily to the tax effect from tax exempt income/expenses
- Adjusted tax rate of 22.3% is higher than to the Danish rate of 22% due to the differences in statutory tax rates in the various countries in which we operate
- The permanent non-taxable difference derives from tax-exempt income/expenses, such as value adjustments on shares - mainly due to non-deductible goodwill write-down in Danica

Material extraordinary items in 2022




	One-off items	Effect (DKK m)	P&L line affected
Q1	Gain from sale of international private banking activities in Luxembourg	421	Other income (pre-tax)
Q2	Gain from sale of Danica Norway	415	Net income from insurance (tax exempt)
	PMA for potential lower recovery rate from debt collection	-250	Impairments
	Danica: Correction of discrepancy in product	-150	Net income from insurance
	Compensation: Debt collection case	-650	Impairments
Q3	Compensation: Debt collection case	-600	Expense
	Impairment charges on goodwill in Danica Pension	-1,627	Impairments
	Provision for Estonia matter	-14,000	Expense

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This presentation contains forward-looking statements that reflect management’s current views with respect to certain future events and potential financial performance. Although Danske Bank believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors many of which are beyond Danske Bank’s control.

This presentation does not imply that Danske Bank has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

