Financial results 2021

Presentation for Q4 conference call

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Content

2021 saw high customer activity; we also continued to execute our plan to become a better bank and delivered structural progress towards our 2023 ambitions

DKK 12.9 bn

Outlook for **net profit** to be in the range of DKK 13 – 15bn for 2022

DKK 42.6 bn

Higher **total income** in '21 driven by strong customer activity

DKK 25.6 bn

More **efficient** as C/I is improved from 65% to 60% y/y

DKK 348 m

Loan impairments

Strong credit quality reflecting better-than-expected macro development

Organisational changes to **accelerate execution** of 2023 plan

CET1 17.7%

Strong **capitalisation**; intended dividend of DKK 7.5 for 2021

Significant progress with financial crime defences and remediation

Financial **ambitions for 2023**; ROE of 8.5-9%. Line of sight to ROE of 9-10% through-the-cycle

Considerable progress with delivering on our **sustainability** strategy and targets. First Nordic bank to set CO_2 reduction targets

We continue to strengthen and leverage our value proposition to support our commercial momentum; solid progress in 2021 underpinning our financial ambitions

Digital convenience

- Continue to expand our digital solutions and ensure high share of digital self-service across customer segments to bring down structural costs and allocate time to customers' more complex needs

Expert advisory services

- Leverage enhanced digital solutions to regain mortgage position in retail DK and fertilise cross-sales across the Nordics through improved product offerings and tools
- Enhance value proposition for targeted segments
- Maintain top-tier capital markets position

Sustainable choices

- Leverage our capabilities within sustainability more broadly by making green financing more accessible to support the green transition
- Remain a leading Nordic arranger of sustainable financing
- Expand sustainable investment offerings

Progress in 2021

Digital convenience

- ✓ Consistently high share of digital onboarding in PC Nordic and growing trend for PC DK
- ✓ Personal customers in DK increasingly use self-service remortgaging tool; 900 daily calculations and +23% activity increase on new RD website
- ✓ More than 80% of home loans initiated digitally in PC Nordic: Significant progress from last year
- ✓ 2.5 x higher y/y inflow to our June retail self-service investment solution
- ✓ Digital tools for corporate RMs: Solid progress as more than 50% credit cases for small businesses handled digitally
- ✓ DISTRICT adding 10 selected products; to be further scaled in 2022
- ✓ Industry leading FX electronic platform enabling close to 100% automated pricing and risk mngt. of flow

Expert advisory services

- ✓ More efficient time spent on customers' complex needs in PC DK, as share of daily-banking meetings down ~50% since 2019; supporting an improved front-book market share for RD towards year-end
- ✓ Positive net sales each quarter of 2021; positive trend for investments in both PC Denmark and Sweden
- ✓ Enhanced value proposition for selected segments; Global Portfolio Solution for Private Banking segment outperformed in '21 and saw rapid increase in AuM
- ✓ Consistently strong franchise; no. 1 position within Nordic ECM and DCM
- ✓ Top tier M&A advisory services across the Nordics
- ✓ No. 1 positions in the Nordic aggregated Prospera reports across cash management, FX, trade finance, external asset management and interest rate swaps

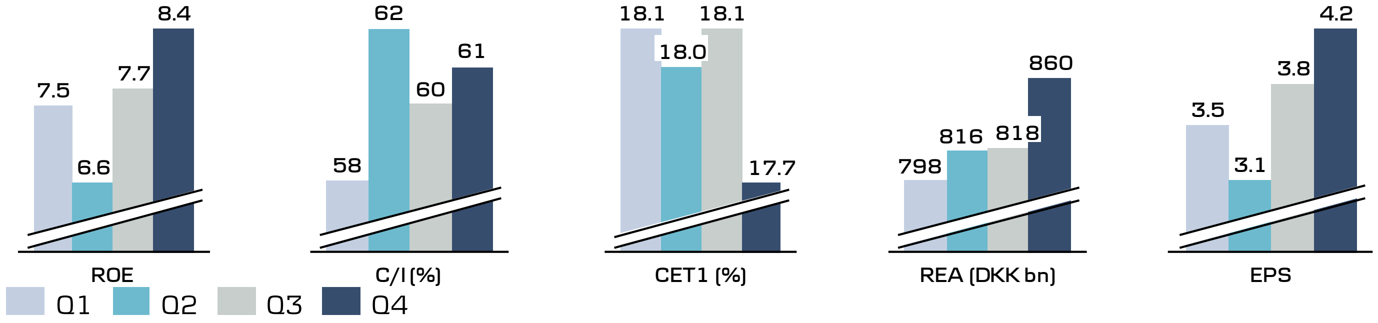
Sustainable choices

- ✓ Trained 1,000 BC advisers in strategic ESG dialogue; focusing on training advisers as well
- ✓ Threshold for obtaining green loans at Realkredit Danmark down from DKK 100 million to DKK 30 million
- ✓ DKK 192 bn in sustainable financing, underpinning no. 1 position among Nordic banks and prominent position globally in green bond issuance
- ✓ DKK 65 bn invested in funds with sustainability objectives (article 9 funds)
- ✓ DKK 33.5 bn of Danica Pension's savings invested within the green transition
- ✓ Increased transparency on lending activities to further support customer needs; mapped high-emission segments in loan portfolio

Total income up 4% y/y driven by highest level of fee income in 3 years and higher income from insurance business; robust credit quality drives significantly lower loan impairments

Income statement and key figures (DKK m)

	2021	2020	Index	Q4 21	Q3 21	Index
Net interest income	22,049	22,151	100	5,551	5,533	100
Net fee income	13,525	12,217	111	3,824	3,106	123
Net trading income	4,126	4,297	96	1,015	820	124
Net income from insurance business	2,088	1,669	125	512	594	86
Other income	797	594	134	174	166	105
Total income	**42,584**	**40,928**	**104**	**11,076**	**10,218**	**108**
Expenses	25,627	26,648	96	6,753	6,104	111
Impairment charges, other intangible assets	36	379	9	36	-	-
Profit before loan impairment charges	**16,921**	**13,901**	**122**	**4,286**	**4,114**	**104**
Loan impairment charges	348	7,001	5	-239	-151	158
Profit before tax, core	**16,573**	**6,900**	**240**	**4,525**	**4,265**	**106**
Profit before tax, Non-core	-2	-596	-	-25	6	-
Profit before tax	16,571	6,304	263	4,500	4,270	105
Tax	3,651	1,715	213	846	936	90
Net profit	**12,920**	**4,589**	**282**	**3,654**	**3,334**	**110**



Key points, 2021 vs 2020

- Net interest income stabilised as deposit repricing initiatives mitigated margin pressure primarily from lending mix effects.
- Strong development in fee income driven by all BUs; especially the continually strong performance throughout 2021 for capital markets-related activities and investment fees.
- Income from insurance business benefitted from growth in underlying business and strong tailwinds from markets.
- Expenses down approx. 6% adjusted for one-off. Cost/income ratio from down 65% to 60% y/y.
- Impairments significantly below last year's elevated level, while Covid-related PMAs remain in place to mitigate tail risk.

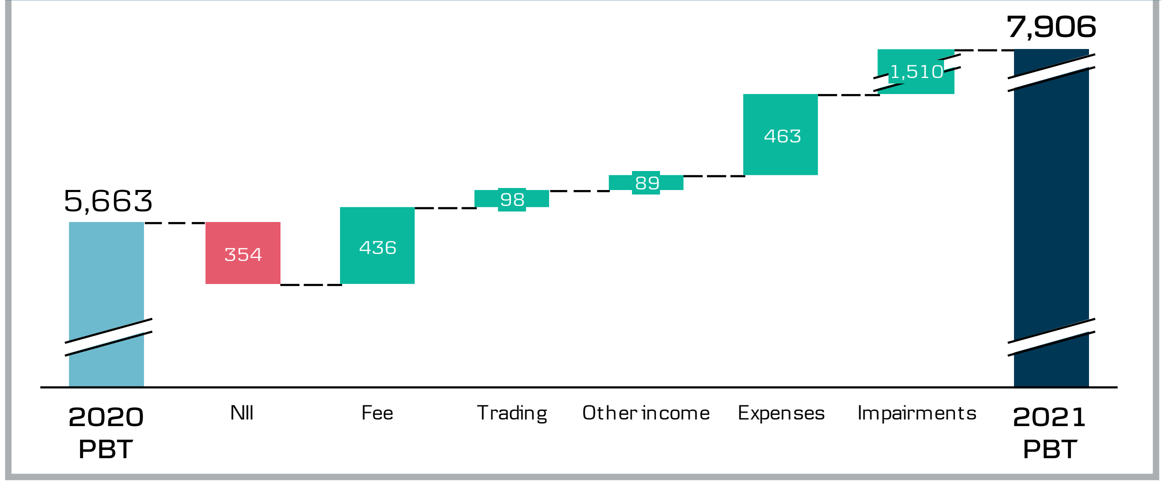
Key points, Q4 21 vs Q3 21

- Stable NII positively affected by deposit repricing and positive trend in volumes, although margin pressure continued.
- Strong fee income driven by all fee lines and higher AuM.
- In Q4, trading income was positively impacted by sale of Aiia to Mastercard and positive value adjustments on derivatives portfolio.
- Expenses higher in Q4 driven primarily by one-off, elevated remediation costs, and performance-based compensation partly due to the higher activity.
- Strong credit quality led to net single-name reversals.

* Excl. impairment charges on intangible assets

P&BC: Improved commercial momentum evident in substantial fee income uplift more than off-setting NII drag. PBT significantly improved by strong credit quality

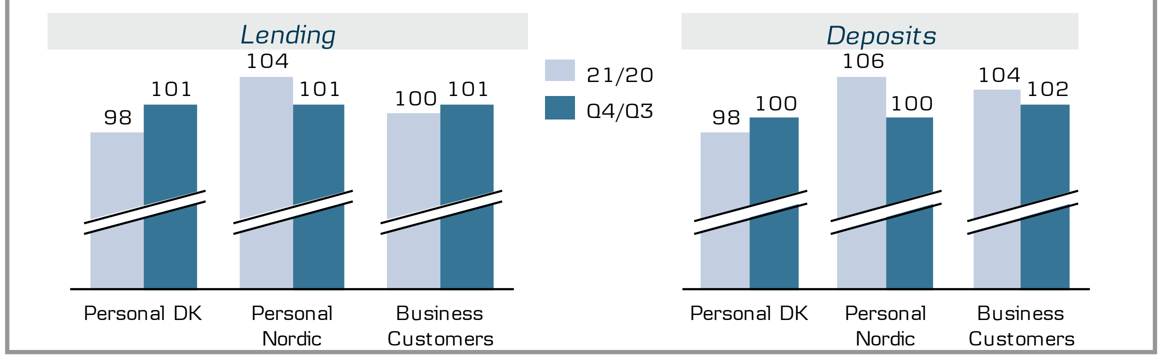
Profit development 2021 vs 2020 (DKK m)



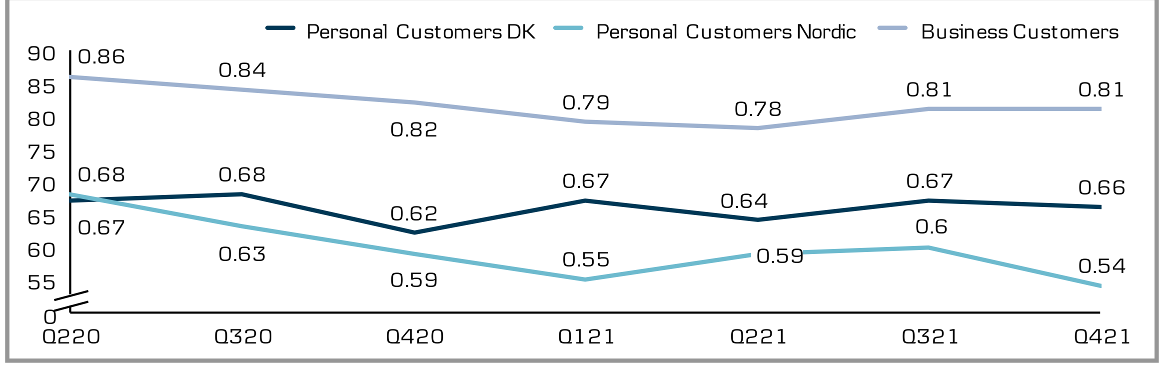
Highlights

- Progress on commercial priorities, incl. better investment offering, which supported fee income and more than off-set NII headwinds.
- Various initiatives on deposit repricing in Denmark were implemented during the year. Full effect expected to materialise in 2022.
- Positive lending growth in PC Norway however, negative short-term effects from higher NIBOR. Pricing adjustments will take effect in Q1 2022.
- Operating expenses improved as a result of improved efficiency, fewer FTEs, and lower costs in relation to the Better Bank transformation.

Lending and deposit development across segments (index)

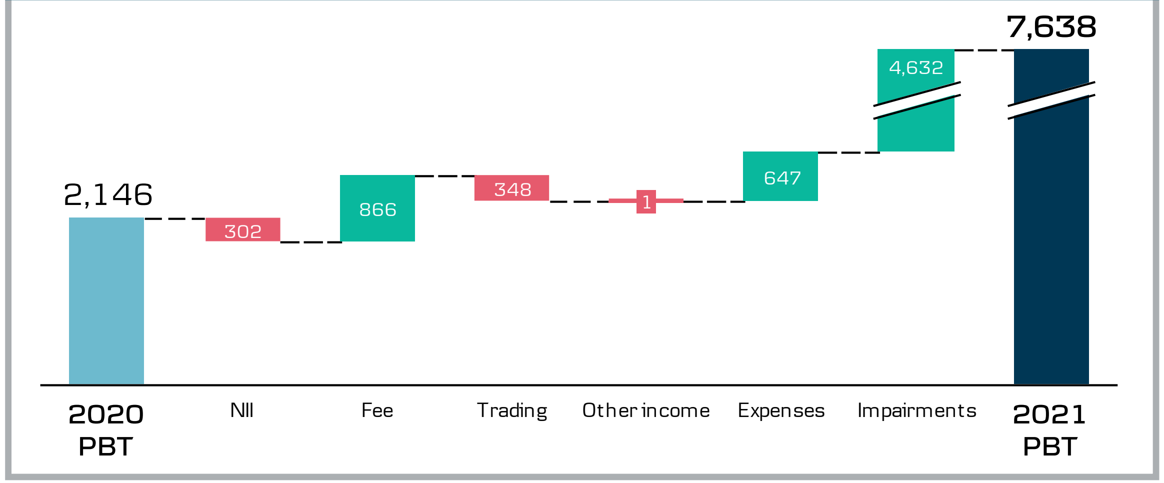


NII as % of loans and deposits



LC&I: Record-high fee income from capital markets activities driven by strong offering to customers and fuelled by strong rebound in economic activity

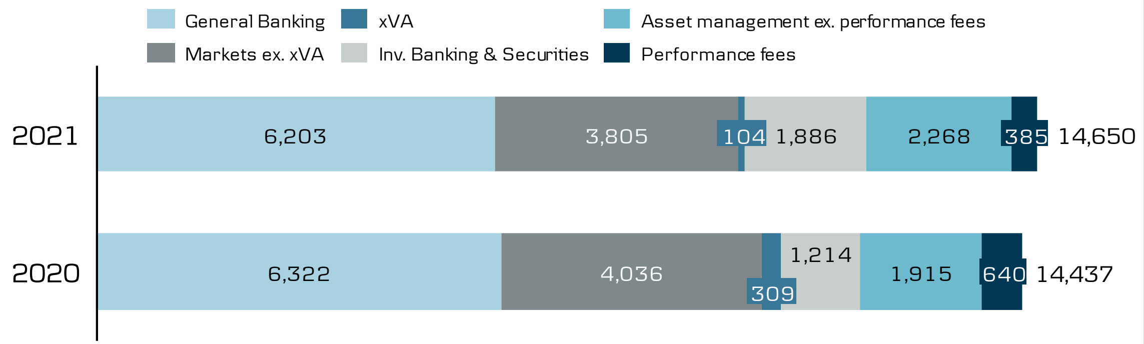
Profit development 2021 vs 2020 (DKK m)



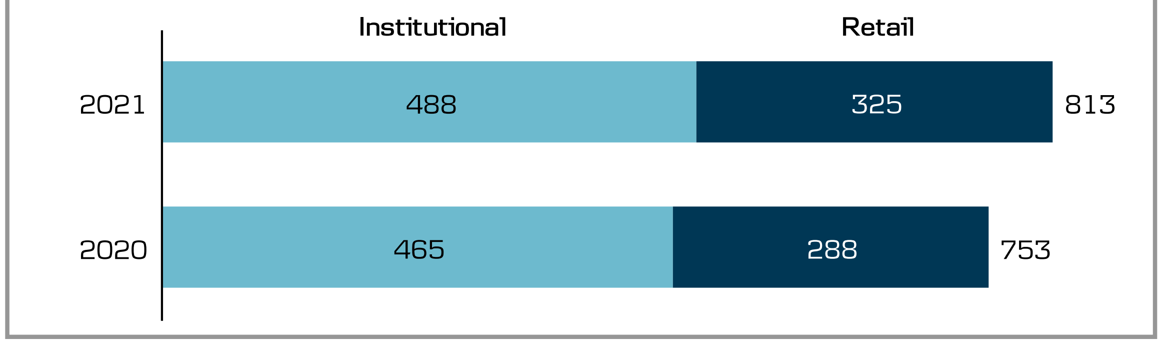
Highlights

- Our strong franchise in Investment Banking & Securities helped to ensure record-high fee income from capital markets activities, as corporate lending shifted from conventional balance-sheet lending to capital markets issuance, further increasing our market share across the Nordic ECM and DCM, including our lead within sustainability.
- Good momentum in Asset Management with increasing AuM, positive net sales in the retail segment and solid fund performance.
- Stable performance by Markets area excl. value adjustments on the derivatives portfolio (xVA), down from solid 2020.
- Changes in the allocation of costs between business units after the reorganisation. Lower transformation costs also contributed to the decrease, while higher performance-based compensation had the opposite effect.

LC&I income breakdown



Asset Management AuM stock development



Danica: Strong business momentum; Supported by favourable market conditions. Northern Ireland: Profit before tax significantly up as a result of loan loss reversals

Danica Pension, key figures (DKK m)

	2021	2020	%	Q4 21	Q3 21	%
Result, life insurance	2,642	2,517	+5%	780	550	+42%
Result, H&A	-438	-643	--	-236	160	--
Net income*	2,088	1,669	+25%	512	594	-14%
AuM**	480,379	464,605	+3%	480,379	482,792	0%
Premiums, insurance contracts	37,617	28,958	+30%	10,416	9,369	+11%

2021 vs 2020

Danica saw strong momentum during 2021, driven by a good performance in the underlying business and development in premiums. In addition, favourable financial conditions added to a result above a normalised level.

Life insurance products where Danica Pension has the investment risk benefited from an increase in the interest yield curve (including the volatility adjustment) and high returns on financial assets.

Within H&A, the underlying business is progressing, and the investment result increased from last year, countering provisions related to pension yield tax.

Northern Ireland, key figures (DKK m)

	2021	2020	%	Q4 21	Q3 21	%
Total income	1,576	1,736	-9%	382	395	-3%
Operating expenses	1,317	1,212	+9%	380	367	+4%
Loan impairments	-127	378	--	-31	-31	0%
Profit before tax	386	146	+164%	33	60	-45%

2021 vs 2020

Total income was negatively impacted by NII, which was slightly lower due to subdued customer activity, while fee income grew 9% reflecting the combined benefit of a partial recovery in customer activity levels and pricing actions implemented during the year.

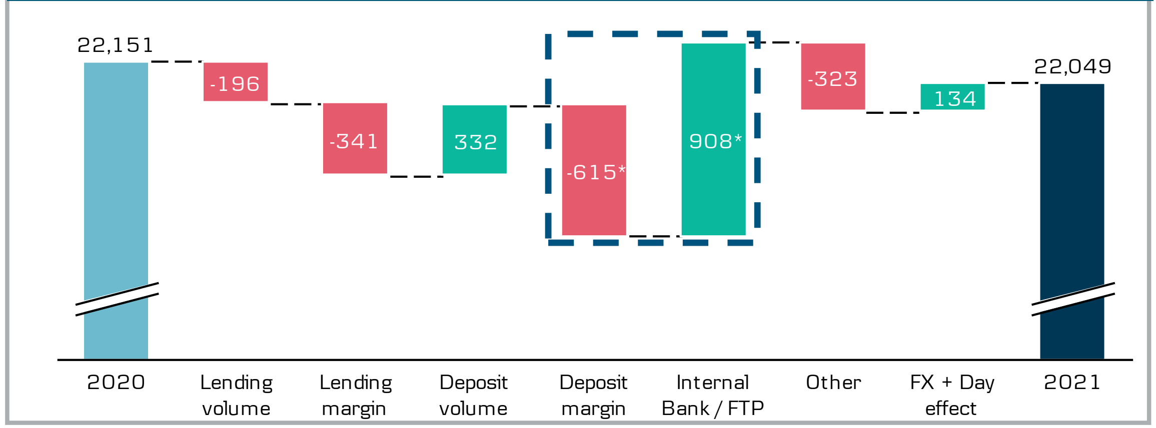
Profit before tax was DKK 240 m higher than in 2020 due to net loan impairment reversals.

The strong quality of our loan book was maintained. The economic outlook for Northern Ireland improved, supporting a reduction in loan impairment charges.

* Incl. return on investments
** Danica Norway AuM not part of Q4 and FY 2021 number

NII: Continued support from repricing initiatives offset lower volumes and margins; Positive effect from improving lending volumes in Q4

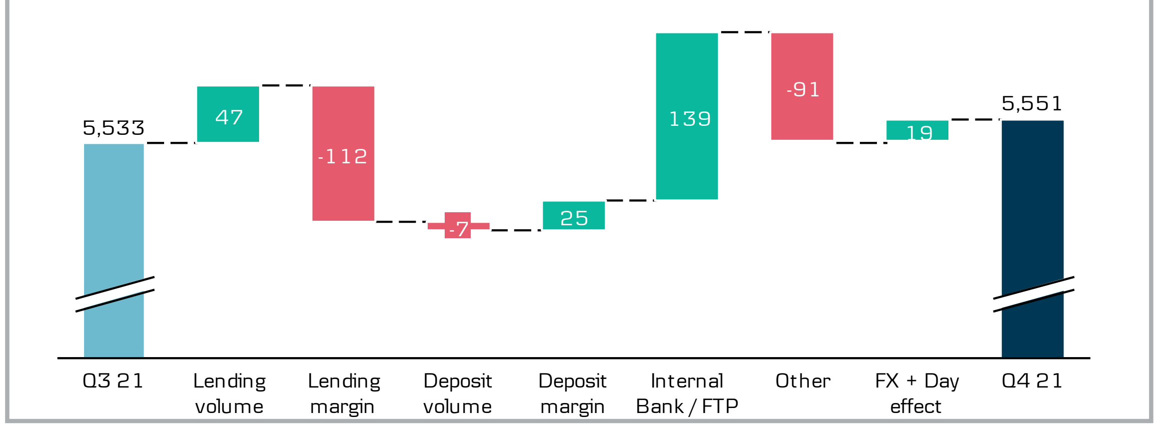
Net interest income, 2021/2020 (DKK m)



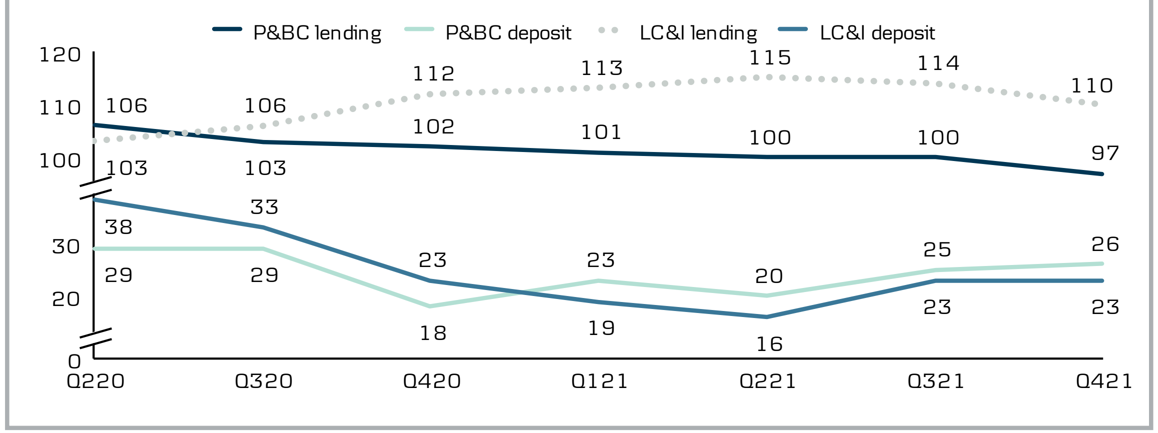
Highlights

- NII ended in line with 2020 level despite headwinds from mix effects for home loans in Denmark.
- q/q: Lending volume positively impacted by improving trends in RD and improving credit appetite from large corporates and within CRE.
- Deposit margin positively affected by repricing initiatives in Business Customers Denmark that took effect on 1 December.
- Lending margin in Q4 predominantly affected by higher NIBOR rates, while price adjustments in Norway will take effect from Q1-22.
- Internal Bank was positively affected by TLTRO benefit in Q4, while this was partly countered by a one-off drag in Other (NII of taxation of business travellers).

Net interest income, Q4 21/Q3 21 (DKK m)



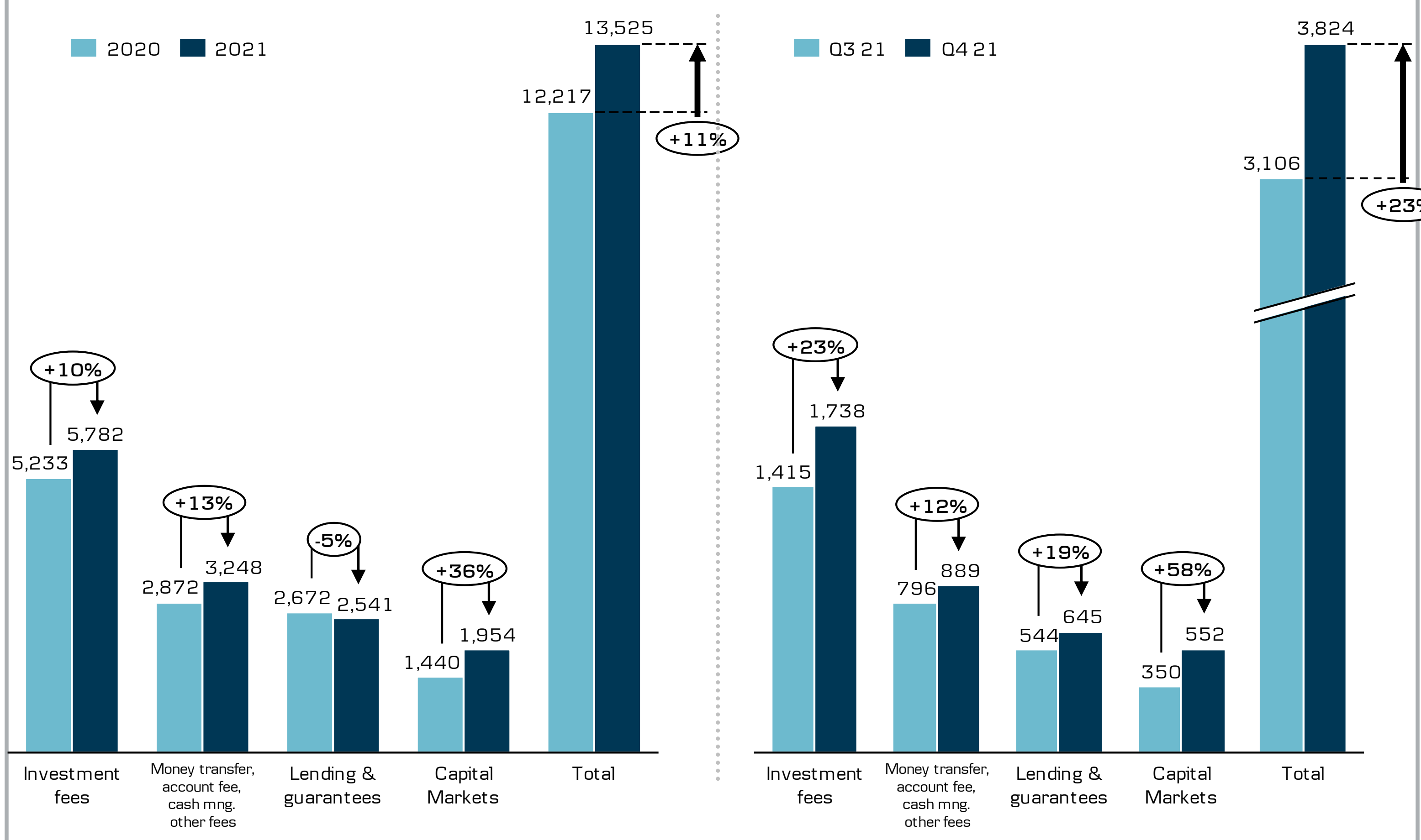
Margin development (bp)



* Lower xIBOR levels reduced deposit compensation to the business units, but had no impact on Group NII

Fee: Strong activity across business units drives fee income in 2021; increased momentum in Q4 with all fee types up and particularly strong capital markets activity

Net fee income, 2021/2020 and Net fee income, Q4 21/Q3 21 (DKK m)

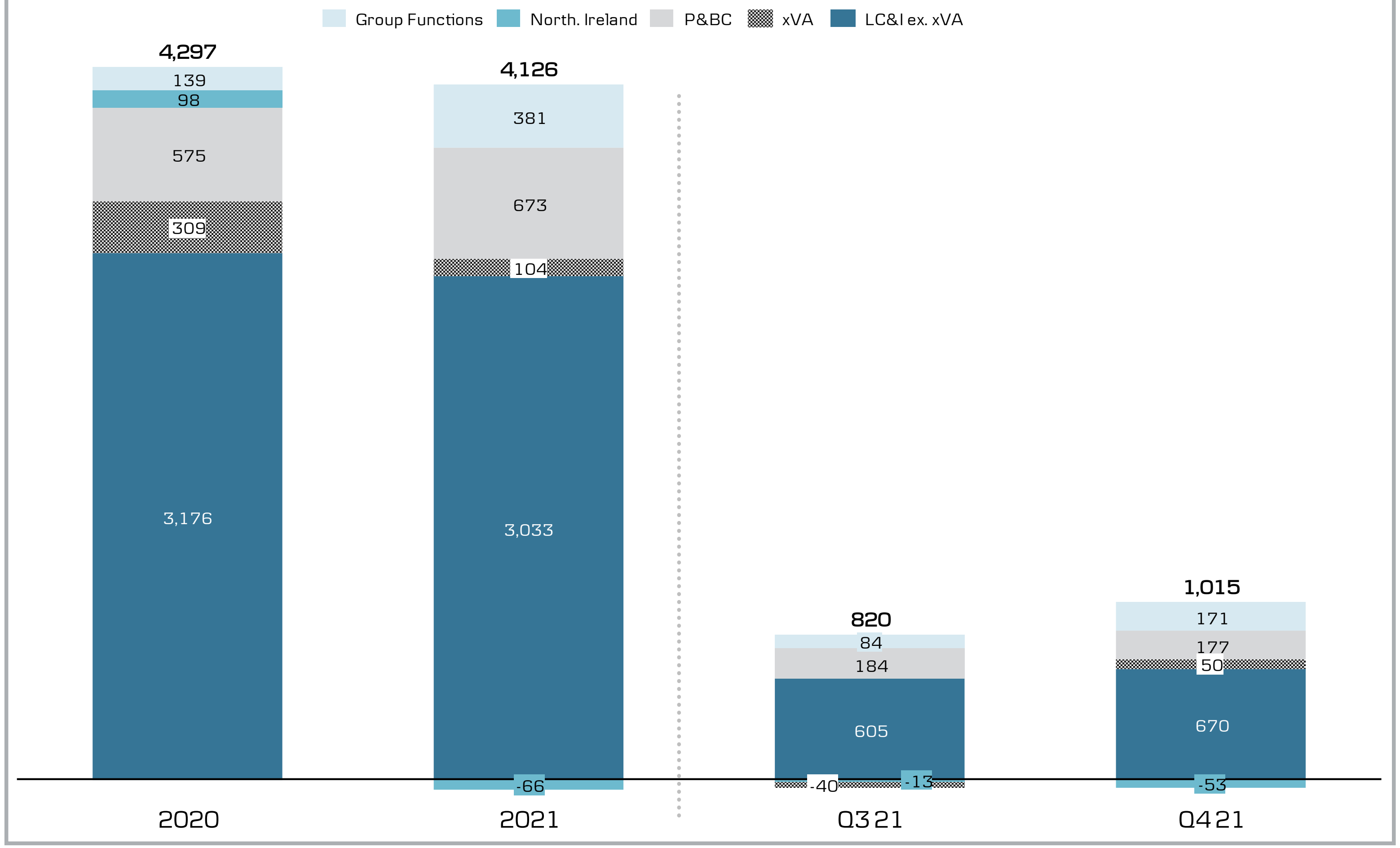


Highlights

- y/y: Fee income was up 11% from last year, driven by almost all fee lines and especially the continually strong performance throughout 2021 for capital markets-related activities and investment fees.
- Investment fees in '21 benefited from higher customer activity and a positive development in AuM, especially in retail, where AuM were up 13% y/y and Asset under Custody at P&BC were up 20%.
- Performance fees remained strong, although lower than in the particularly strong preceding year.
- Activity-related fees were up 13% y/y, positively impacted by higher customer activity, incl. corporate daily banking products, such as cash management
- Lending and guarantee-related fees slightly lower in 2021 due to higher remortgaging and refinancing activity in 2020.

Trading income from core activities in line with 2020

Net trading income, 2021/2020 and Net trading income, Q4 21/Q3 21 (DKK m)

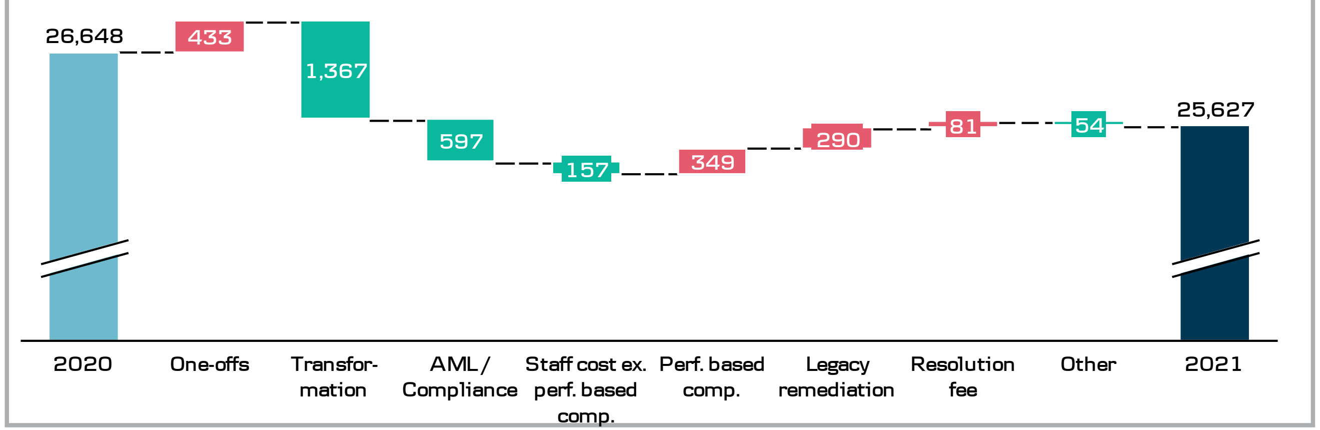


Highlights

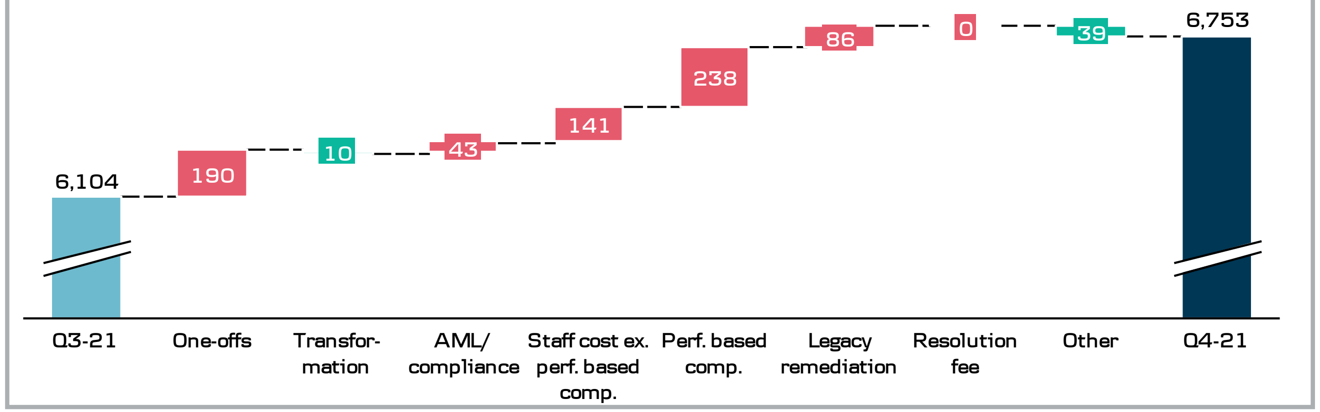
- y/y: Total trading income declined slightly as higher income from P&BC mitigated somewhat lower LC&I income in 2021.
- Positive value adjustments on the derivatives portfolio had a significantly smaller impact in 2021 than in 2020.
- Uplift to Group trading income related to the sale of Visa shares in Q1 of DKK 227 m.
- q/q: One-off sale of Aiia to Mastercard in Q4 of DKK 180 m.
- At PB&C, trading income related to FX increased due to higher activity as societies reopened.
- Underlying trading income in Q4 21 was higher than in Q3 21, due primarily to positive value adjustments on the derivatives portfolio.

Expenses: 6% lower excl. one-off due to lower costs for transformation and lower AML/compliance costs

Expenses, 2021/2020 (DKK m)



Expenses, Q4 21/Q3 21 (DKK m)



Highlights

- y/y: Total underlying expenses decreased 6% adjusted for one-offs, underpinning the improvement in C/I ratio, as we continue to reduce transformation and AML/compliance costs.
- q/q: Higher costs driven by one-off, elevated remediation costs and performance-related compensation, partly due to higher activity. Furthermore, staff cost increased in Q4 by DKK 0.2 bn, related to unused vacation days, which is considered more of a one-off in nature.
- Number of FTEs continued lower and was down 273 FTEs q/q and 622 y/y. Adjusting for compliance-related upstaffing, the enhanced efficiency has enabled a +1,100 improvement y/y in FTEs.
- Recap of 2021 expense one-offs:
  - Total DKK 0.5 bn in Q1 and Q2 related to the VAT case in Sweden.
  - DKK 0.1 bn in Q1 related to working-from-home investment.
  - DKK 0.2 bn in Q4 related to provisions for taxation of business travellers.
- In Q4 2020, one-off of DKK 0.4 bn related to write-down of intangible assets.

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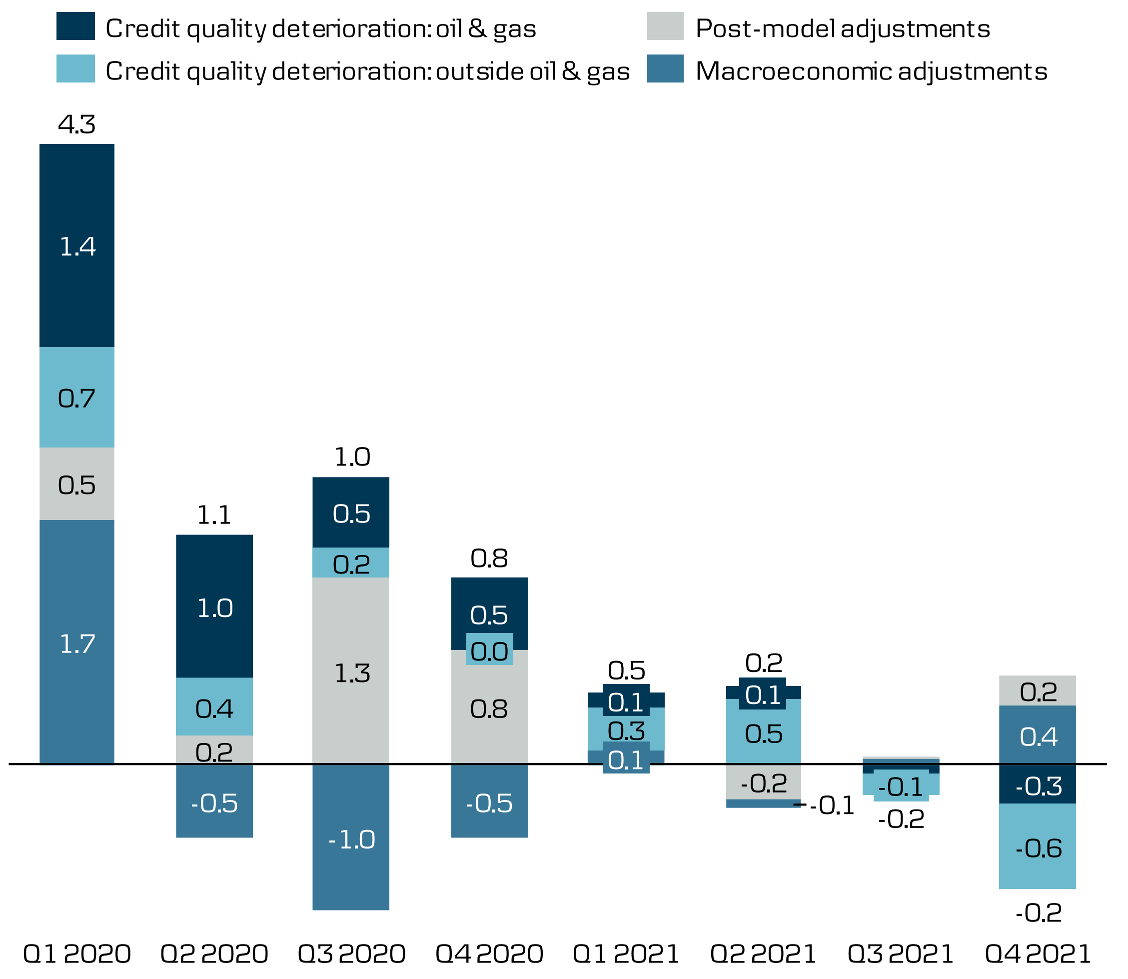
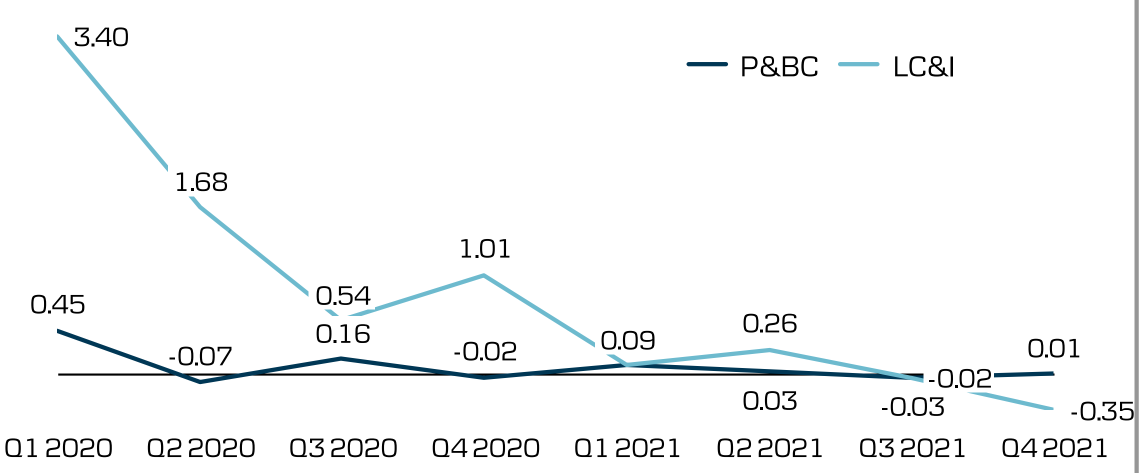
Impairments: Strong credit quality further supported by economic recovery, resulting in net reversals for the quarter

Impairment charges by category (DKK bn)



Loan loss ratio by business unit (annualised, %)



Highlights

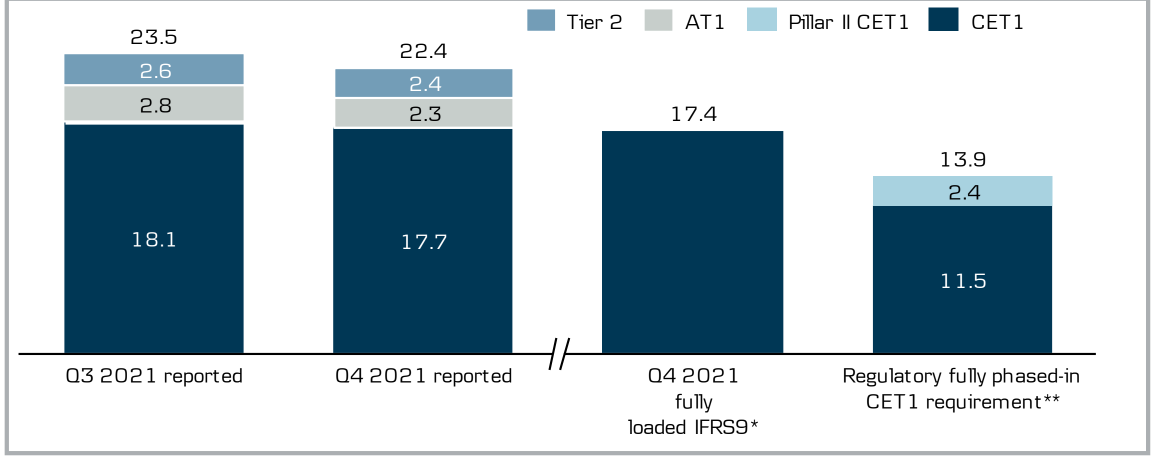
- Very few single-name exposures affected by the pandemic, mitigated by the overall macroeconomic improvement.
- Macroeconomic scenarios were adjusted in Q4 to reflect the risk of an adverse scenario in 2022 that could emerge from potential new Covid variants, prolonged new vaccine development/roll-out and reintroduction of restrictions.
- The corona-related 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 and reintroduction of restrictions.

Capital: Strong capital base; CET1 ratio 17.7%, highlighting the significant buffer to requirements

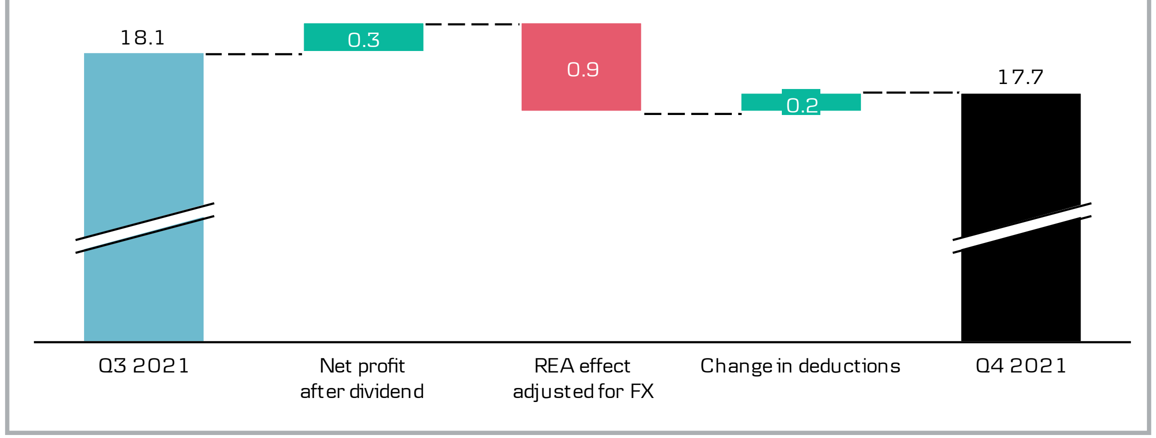
Key points

- The CET1 capital ratio decreased 0.4% points to 17.7% by the end of Q4 21, due to higher REA from the implementation of EBA guidelines (which amounted to DKK 98 bn for the full year, in line with previous guidance).
- Correspondingly, and following a joint decision with the DFSA, the related Pillar II add-on was removed post the agreed REA increases associated with EBA guidelines.
- In December, it was announced that the Danish CCyB will be increased to 2% by the end of 2022.
- The leverage ratio was 4.9% according to transitional rules and 4.8% under fully phased-in rules.

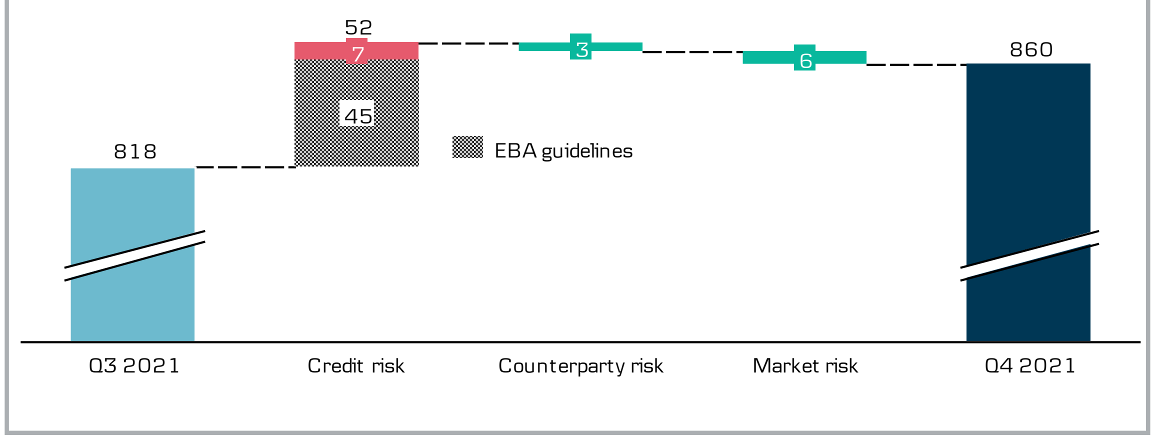
Capital ratios (%)



CET1 (%)



Total REA (DKK bn)



* Based on fully loaded impact on capital ratio from IFRS 9. ** Pro forma fully phased-in min. CET1 requirement of 4.5%, plus CET1 component of pillar II add-on and including combined buffer requirements consisting of capital conservation buffer of 2.5%, SIFI requirement of 3%, countercyclical buffer of 1.5%.

Net profit outlook for 2022: As we are progressing towards our financial ambitions, we expect net profit to be in the range of DKK 13 – 15 bn

Income	We expect income from core banking activities to be higher in 2022 due to good economic activity and progress towards our 2023 financial ambitions. Net income from insurance business and trading activities are expected to be at normalised level, subject to financial market conditions
Expenses	We expect costs in 2022 to reflect continued focus on cost management and to be around DKK 25 billion due to elevated remediation costs and the inclusion of Swedish Bank tax and regulatory expenses of around DKK 0.4 bn
Impairments	Loan impairments are expected to be below normalised level, given stable macroeconomic conditions and our overall strong credit quality
Net profit*	We expect net profit to be in the range of DKK 13 – 15 bn, including the gains from MobilePay, Danske Bank International and Danica Norway

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

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We have the foundation

We have invested in our operational setup

We are ready to deliver sustainable value creation

Q&A session

Press 01 to ask a question
Press 02 to cancel

Press "Ask a question"
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Appendix

Appendix

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Development in 2021 has been positive across our sustainability targets

	Sustainable finance		Sustainable operations			Impact initiatives	
	Responsible investing	**Sustainable financing**	**Governance & integrity**	**Employee well-being & diversity**	**Environmental footprint**	**Entrepreneurship**	**Financial confidence**
2023 Targets	DKK 150 bn in funds that have sustainability objectives [1] and DKK 50 bn invested in the green transition by Danica Pension	DKK 300 bn in sustainable financing – and setting Paris Agreement aligned climate targets for our loan portfolio	Over 95% of employees trained annually in risk and compliance	More than 35% women in senior leadership positions and an employee engagement score of 77	Reducing our CO_2 emissions by 40% from 2019 levels, towards 60% by 2030	10,000 start-ups & scale-ups supported with growth and impact tools, services and expertise (since 2016)	2 m people supported with financial literacy tools and expertise (since 2018)
Status Q4 2021	**DKK 65 bn** in sust. funds (art. 9) **DKK 33.5 bn** by Danica Pension	**DKK 192 bn** + 2030 emission targets disclosed for shipping, utilities, and oil & gas	**96% trained**	**32% women** **74** engagement score	**–69%** for 2021 [2]	**6,329**	**1.6 m**

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

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

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Significant achievements within sustainable finance during 2021 – some highlights

Leading sustainable financing

- #1 Nordic arranger of green, social and sustainable bonds as well as sustainable bonds overall [1)]
- #1 arranger of Nordic sustainability-linked loans [1)]

Walking the talk on investments

- Net-zero interim targets announced for investment products - a commitment to **support net-zero by 2050**
- **95%** of Danske Invest funds now either **ESG funds** (art. 8) or **sustainability funds** (art. 9)
- **Exclusion of ExxonMobil** from investment funds due to lack of progress on sustainable transition

Developing key policies and disclosures

- Updated Group-wide **position statement on fossil fuels**, incl. phasing out of coal-fired power
- First disclosure of financed emissions in **Climate and TCFD progress report**

Joining the Net-Zero Banking Alliance and setting 2030 emission reduction targets for three key sectors:

- **Shipping:** 20-30% per unit transported
- **Utilities:** 30% per kWh of power generation
- **Oil & gas – upstream:** 50% in lending exposure

1) Bloomberg League Tables for 2021

Danske Bank's ambition to reach net-zero by 2050 is supported by strong commitments, interim emissions targets and a carefully considered approach

	Lending	Asset Management	Asset Ownership
Sustainable finance volume targets	**DKK 300 billion** by 2023 in sustainable financing, including granted green loans and arranged sustainable bonds	**DKK 150 billion** investments in funds with sustainable investment objectives by 2030	**DKK 50 billion** invested in the green transition by Danica Pension by 2023 – and DKK 100 billion by 2030
Net-zero commitments	**Net-Zero Banking Alliance** (NZBA) – joined in October 2021	**Net-Zero Asset Managers Initiative** - joined in March 2021	**Net-Zero Asset Owner Alliance** – joined in June 2020 (Danica Pension)
Carbon emission reduction targets	Reduce carbon emissions in our corporate loan portfolio in three key sectors by 2030 against a 2020 baseline: • **Shipping**: 20-30% relative to volumes • **Power & heat generation**: 30% per kWh of power generation • **Oil & gas** upstream: 50% in lending exposure	Reduce the carbon intensity of our investment products by **at least 50%** by 2030 against a 2020 baseline	Reduce carbon emissions in Danica Pension's portfolio in five key sectors by 2025 against a 2019 baseline: • **Energy:** 15% • **Transport:** 20% • **Cement:** 20% • **Utilities:** 35% • **Steel:** 20%

Approach to net-zero path

- Provide financing for innovative and low-carbon solutions
- Decarbonise our overall balance sheet by actively engaging with customers through provision of advice and financing to enable their decarbonisation journeys
- Engage with investee companies to guide and influence from a decarbonisation perspective
- Restrict financial flows to carbon intensive companies, e.g. by limiting credit-risk exposures and investments

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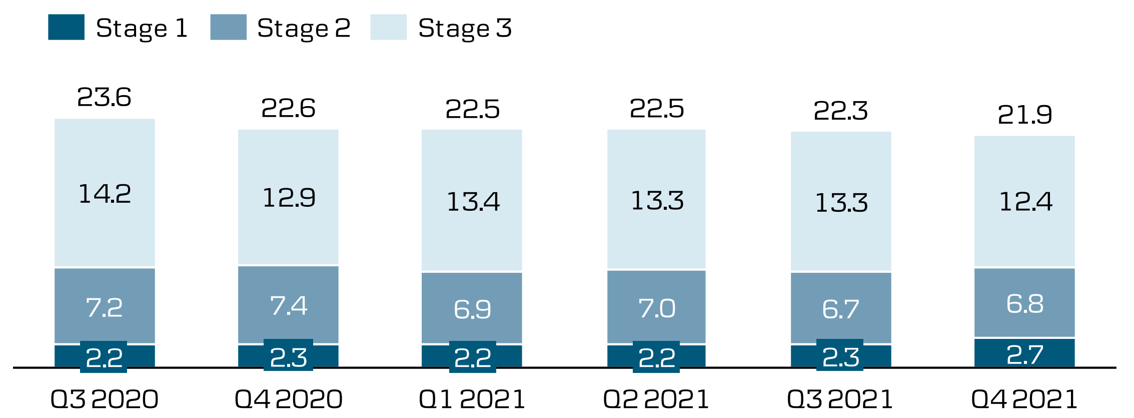
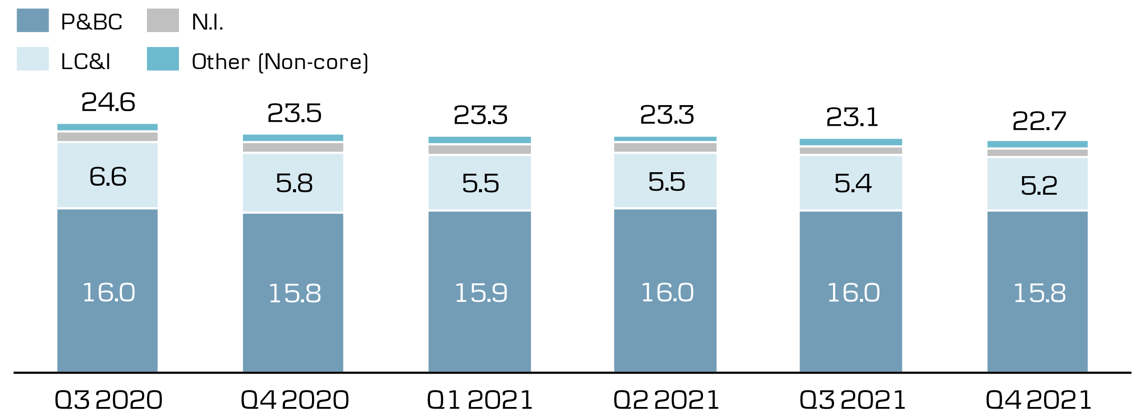
Credit quality: Low level of actual credit deterioration

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



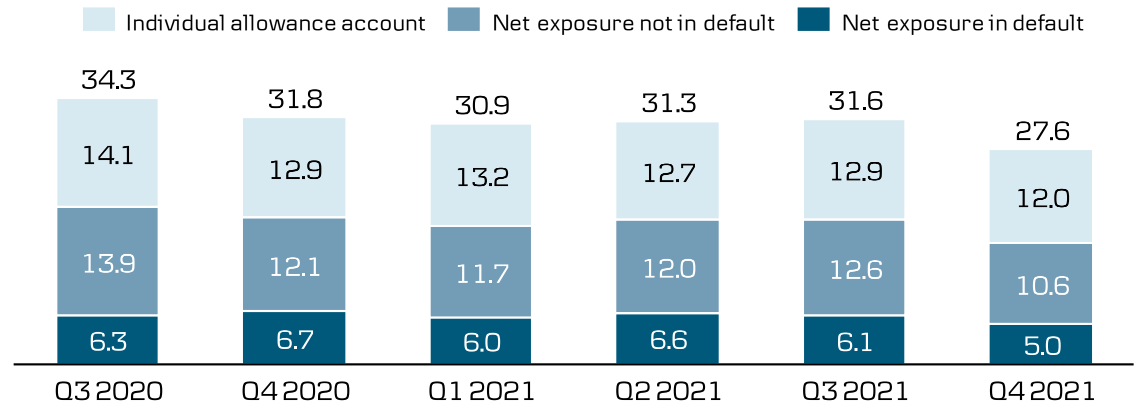
Allowance account by business unit (DKK bn)



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

	Allowance account	Gross credit exposure	Allowance as % of gross exposure
Personal customers	1.6	1019.4	0.16%
Agriculture	0.9	68.0	1.26%
Commercial property	1.5	316.3	0.49%
Shipping, oil and gas	0.3	41.1	0.76%
Services	0.2	62.1	0.29%
Other	2.3	1230.7	0.19%
Total	6.8	2737.5	0.25%

Gross non-performing loans* (DKK bn)



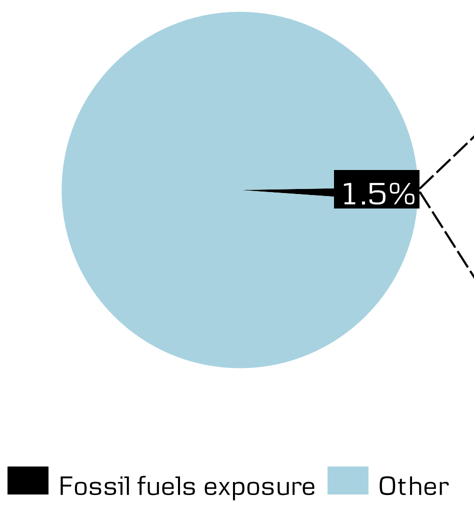
* Non-performing loans are loans in stage 3 against which significant impairments have been made.

Fossil fuels (coal and oil) exposure: climate targets have been set for the lending book to support the transition away from fossil fuels

Key points, Q4 21

- This page shows the current 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. 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%.
- 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 on this page is to utility customers with any coal-based production (DKK 19.9 bn.) and hereof more than 5% of revenues from coal (2.7 bn.). This shows that for most customers, the use of coal is limited to a few remaining production facilities which will be phased out in the coming years.

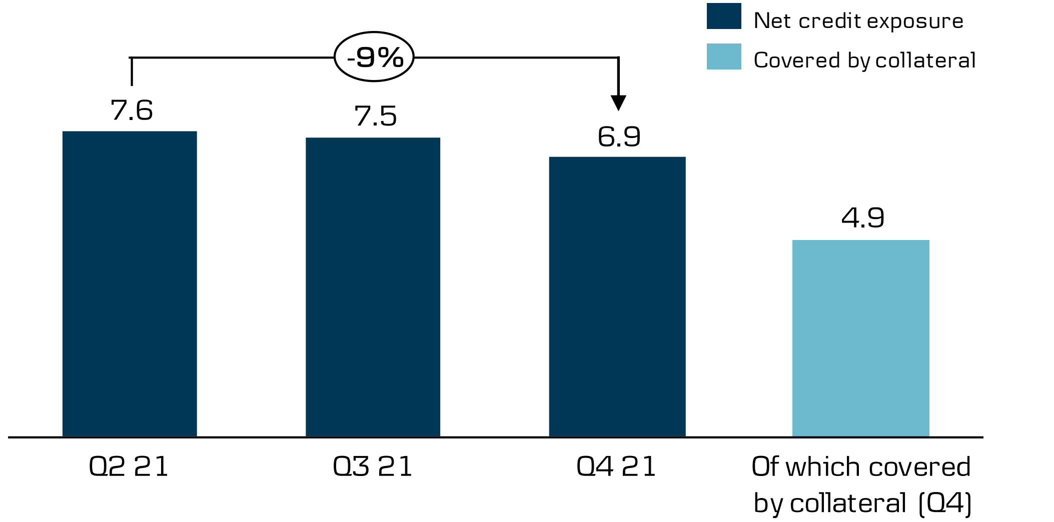
Group gross credit exposure (DKK 2,740 bn)



Fossil Fuels Exposure (Coal and Oil)

Segment	Net exposure (DKKm)
Crude and Product Tankers	3,463
Distribution and refining	5,665
Oil-related exposure	10,743
Oil majors	3,802
Offshore and services	6,941
Power and heating utilities with any coal-based	19,895
Hereof customers with more than 5% revenue from coal	2,747
Total fossil fuel exposure	**39,766**

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



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 further from the levels in the preceding quarter, while milk prices increased.
- Total accumulated impairments amounted to DKK 2.4bn by the end of Q4 21 against DKK 2.3bn in Q3 21.
- Total accumulated impairments have decreased by DKK 0.1bn since Q4 2020.

Oil-related exposure

- Total oil-related exposure* decreased by DKK 1.9bn from the preceding quarter mainly driven by the offshore segment. Danske Bank has actively reduced its net oil-related exposure (excluding oil majors) by 54% since 2019 Q4.
- Accumulated impairments at LC&I decreased DKK 0.2bn from the preceding quarter and have decreased by DKK 0.6bn since Q4 2020.
- Most of the oil-related exposure is managed by specialist teams for customer relationship and credit management at LC&I.

Agriculture by segment, Q4 2021 (DKK m)

	Gross credit exposure	Portion from RD	Expected credit loss	Net credit exposure	NPL coverage ratio
P&BC	56 092	35 569	2 130	53 962	98%
Growing of crops, cereals, etc.	23 121	18 302	565	22 556	107%
Dairy	9 376	6 185	815	8 561	101%
Pig breeding	10 183	8 120	506	9 677	92%
Mixed operations etc.	13 412	2 961	244	13 168	81%
LC&I	7 290	1 569	155	7 135	93%
Northern Ireland	4 654	-	79	4 576	156%
Others	1	-	0	1	-
Total	68 038	37 138	2 364	65 674	99%

Share of Group net exposure 2021Q4	Share of Group net NPL 2021Q4	Expected credit loss 2021Q3
2%	7%	2 348

Oil-related exposure, Q4 2021 (DKK m)

	Gross credit exposure	Expected credit loss	Net credit exposure
LC&I	12 297	1 732	10 565
Oil majors	3 803	11	3 792
Oil service	3 281	168	3 114
Offshore	5 213	1 554	3 659
P&BC	185	9	175
Oil majors	9	0	9
Oil service	174	9	164
Offshore	2	0	2
Others	2	0	2
Total	12 484	1 742	10 743

Share of Group net exposure 2021Q4	Share of Group net NPL 2021Q4	Expected credit loss 2021Q3
0%	11%	1 983

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

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

Transportation exposure

- Total gross exposure* remained stable compared to the Q3 2021 level and increased by 1.1bn from the Q4 2020 level
- Demand for cross-border passenger transport remained dramatically reduced. At DKK 0.4bn, our exposure to passenger air transport remained limited
- Accumulated impairments amounted to DKK 280m in Q4 2021, which is a slight decrease from Q3 21. Post-model adjustments for corona crisis high-risk industries remained in place. Accumulated impairments have decreased DKK 45m since Q4 2020.

Hotels, restaurants and leisure exposure

- Total gross exposure decrease slightly DKK 0.2bn from the preceeding quarter and decreased slightly, down DKK 0.4bn from Q4 2020.
- Impairments down slightly from DKK 693m in Q3 2021 to DKK 647m in Q4 2021, and impairments slightly up (DKK 0.1bn) from Q4 2020 to Q4 2021.

Transportation by segment, Q4 21 (DKK m)

	Gross credit exposure	Expected credit loss	Net credit exposure
Freight transport	8 049	97	7 951
Passenger transport	7 699	179	7 520
- of which air transport	411	10	401
Postal services	1 002	4	998
Total	16 749	280	16 469

Share of Group net exposure 2021Q4	Share of Group net NPL 2021Q4	Expected credit loss 2021Q3
1%	2%	347

Hotels, restaurants and leisure by segment, Q4 21 (DKK m)

	Gross credit exposure	Expected credit loss	Net credit exposure
Hotels	6 980	319	6 660
Restaurants	4 676	139	4 537
Leisure	4 128	189	3 939
Total	15 784	647	15 136

Share of Group net exposure 2021Q4	Share of Group net NPL 2021Q4	Expected credit loss 2021Q3
1%	4%	693

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

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

Retailing

- Total gross exposure increased DKK 3.4bn to DKK 32.6 bn, while the share of Group net exposure slightly increased to 1.2%. Compared with Q4 2020, it increased by DKK 5.5 bn.
- Accumulated impairments increased by DKK 0.2 bn from the preceding quarter and increased DKK 0.1bn from Q4 2020.

Commercial real estate

- Gross exposure decreased DKK 2.1bn from the preceding quarter and decreased DKK 15 bn from Q4 2020, driven mainly by a decrease in non-residential segment.
- Overall, credit quality remains stable.
- Accumulated impairments slightly increased from the last quarter, and corresponded to 1% of gross exposure to the industry. Since Q4 2020, accumulated impairments slightly increased DKK 0.6 bn, and corresponded to 1% of gross exposure to the industry.
- Commercial property portfolio is managed by a specialist team.
- Exposure is managed through the Group's credit risk appetite and includes a selective approach to sub-segments and markets.

Retailing by segment, Q4 2021 (DKK m)

	Gross credit exposure	Expected credit loss	Net credit exposure
Consumer discretionary	15 544	1 051	14 492
Consumer staples	17 032	79	16 953
Total	32 576	1 130	31 445

Share of Group net exposure 2021Q4	Share of Group net NPL 2021Q4	Expected credit loss 2021Q3
1%	7%	974

Commercial real estate by segment, Q4 2021 (DKK m)

	Gross credit exposure	Expected credit loss	Net credit exposure
Non-residential	168 841	2 192	166 649
Residential	137 388	910	136 478
Property developers	9 506	101	9 405
Buying/selling own property, etc	572	-	572
Total	316 307	3 203	313 104

Share of Group net exposure 2021Q4	Share of Group net NPL 2021Q4	Expected credit loss 2021Q3
12%	13%	3 129

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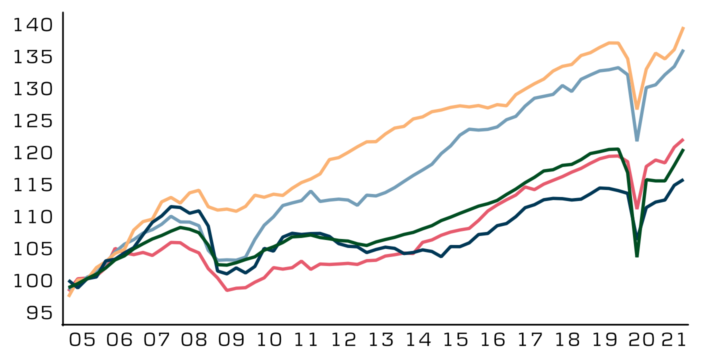
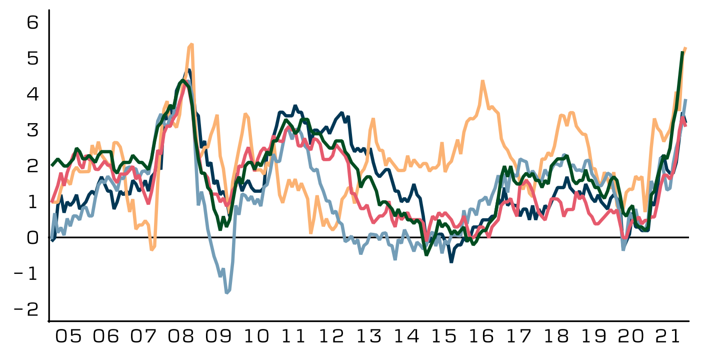
Nordic macroeconomic data

Denmark Sweden Norway Finland

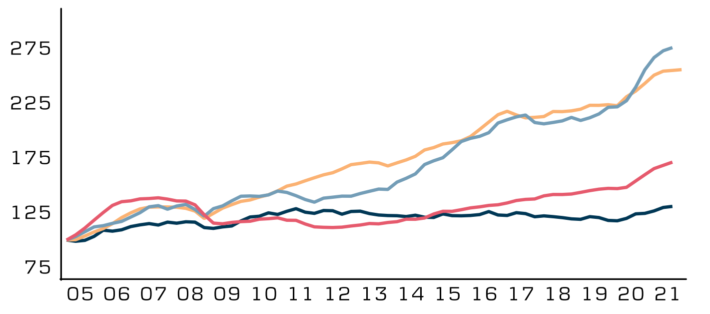
Real GDP, constant prices (index 2005 = 100)



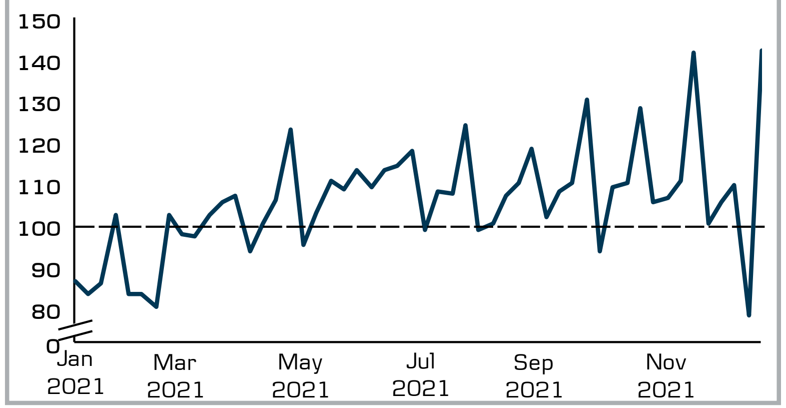
Inflation (%)



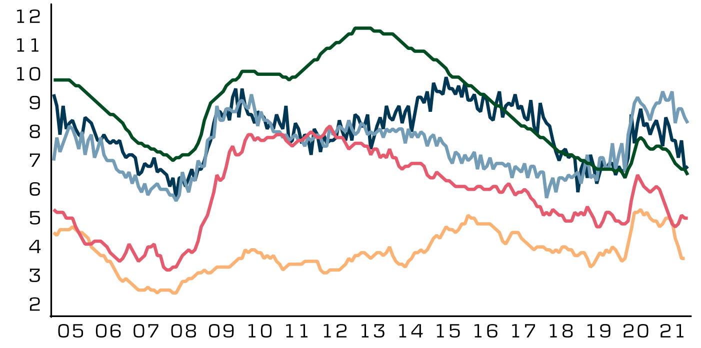
Property prices (index 2005 = 100)



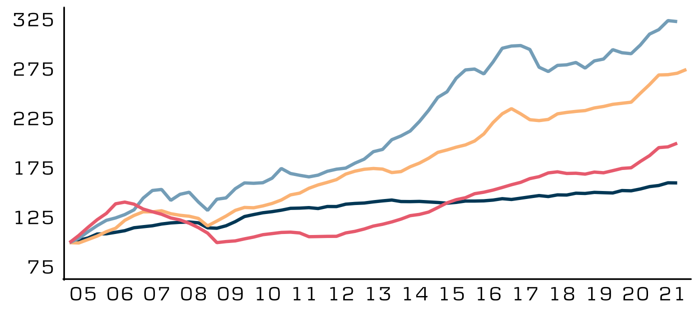
Consumer spending, Denmark (same weekday 2019 = 100)



Unemployment (%)



Apartment prices (index 2005 = 100)



Source: Danske Bank Macro Research

Realkredit Danmark portfolio overview: 48% of new retail lending in Q4 was variable rate vs 50% of stock

Highlights

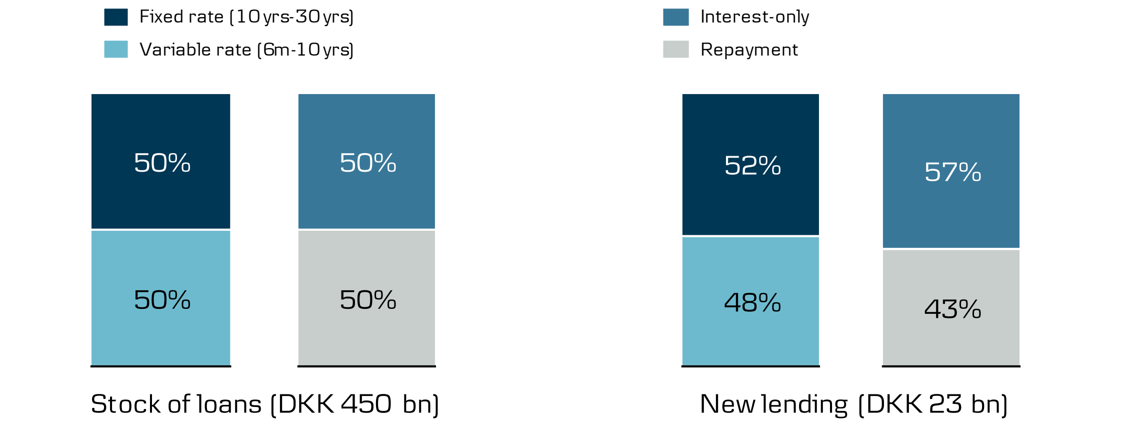
Portfolio facts, Realkredit Danmark, Q4 21

- Approx. 327,700 loans (residential and commercial)
- Average LTV ratio of 54%
- We comply with all five requirements of the supervisory diamond for Danish mortgage credit institutions
- 725 loans in 3- and 6-month arrears (-1% since Q3 21)
- 7 repossessed properties (+1 since Q3 21)
- DKK 8 bn in loans with an LTV ratio >100%, including DKK 6 bn covered by a public guarantee

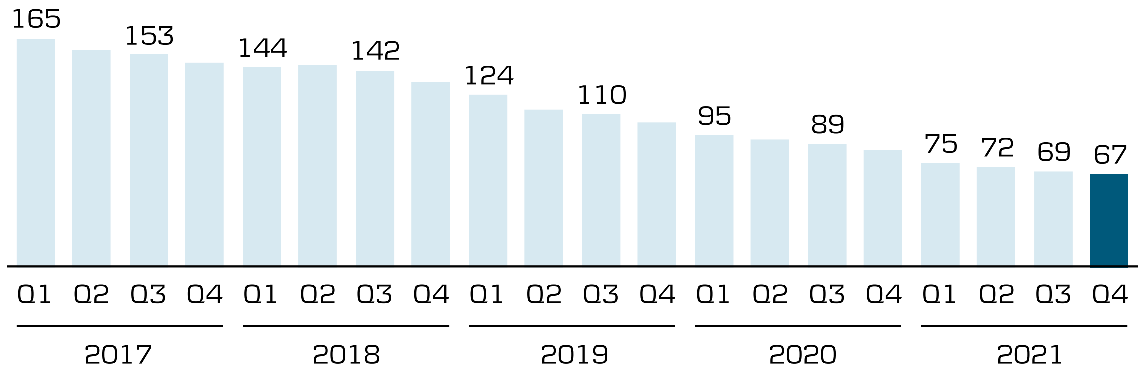
LTV ratio limit at origination (legal requirement)

- Residential: 80%
- Commercial: 60%

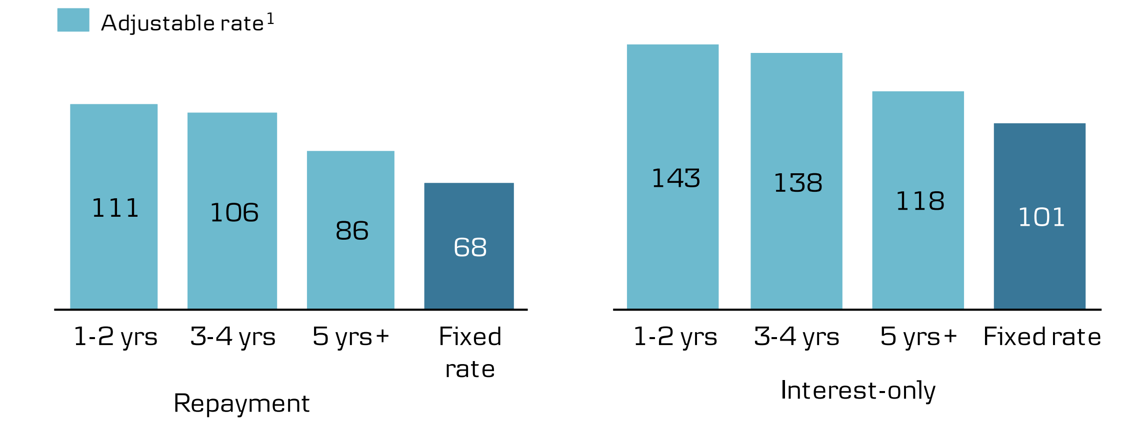
Retail loans, Realkredit Danmark, Q4 21 (%)



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



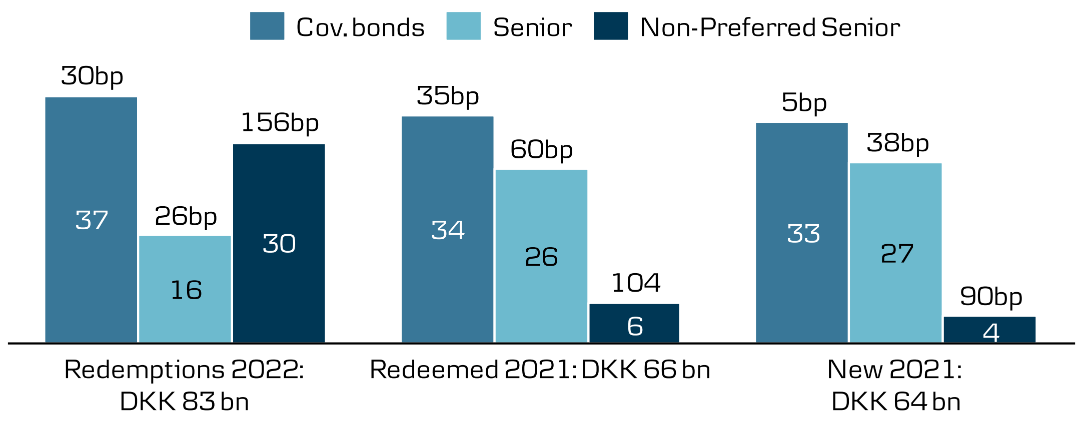
Retail mortgage margins, LTV of 80%, owner-occupied (bp)



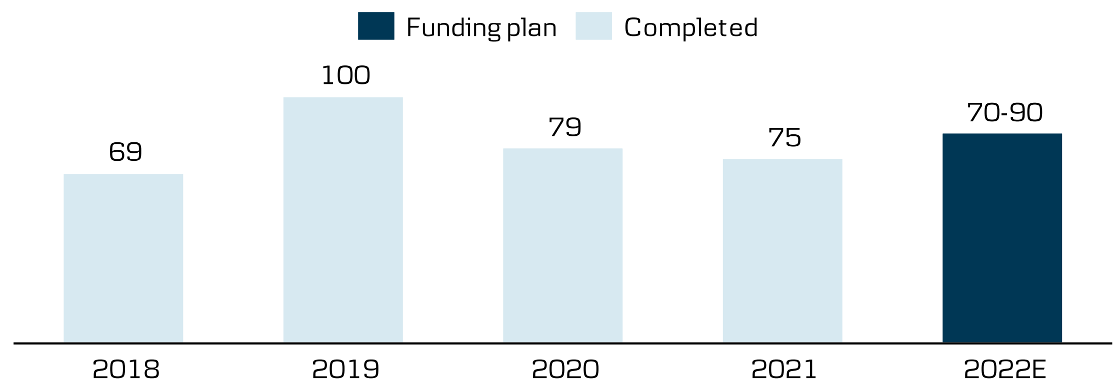
[1] In addition, we charge 30 bp of the bond price for refinancing of 1- and 2-year floaters and 20 bp for floaters of 3 or more years (booked as net fee income).

Funding and liquidity: LCR compliant at 164%

Changes in funding,* 2021-2022 (DKK bn and bp)

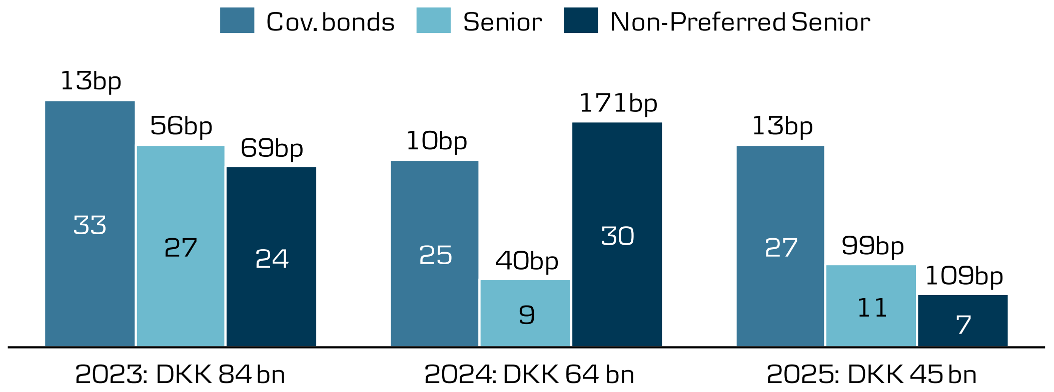


Long-term funding excl. RD (DKK bn)**

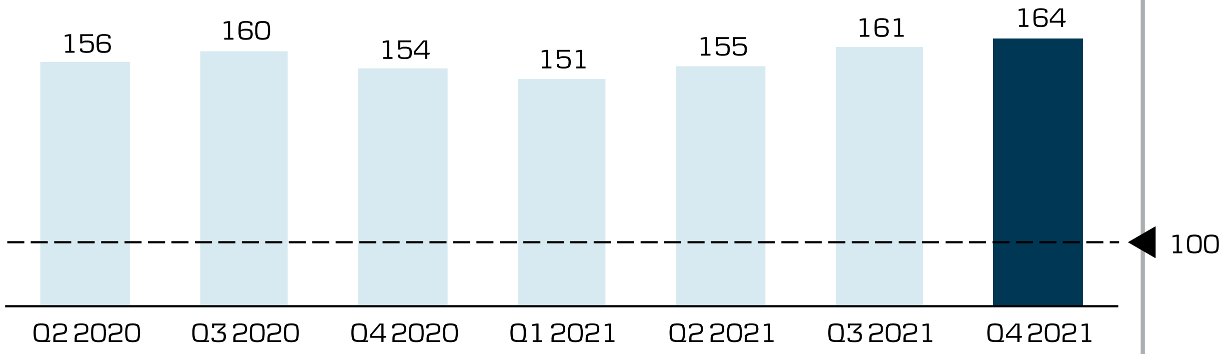


** Includes covered bonds, senior, non-preferred senior and capital instruments, excl. RD .

Maturing funding,* 2023-2025 (DKK bn and bp)



Liquidity coverage ratio (%)



* Spread over 3M EURIBOR.

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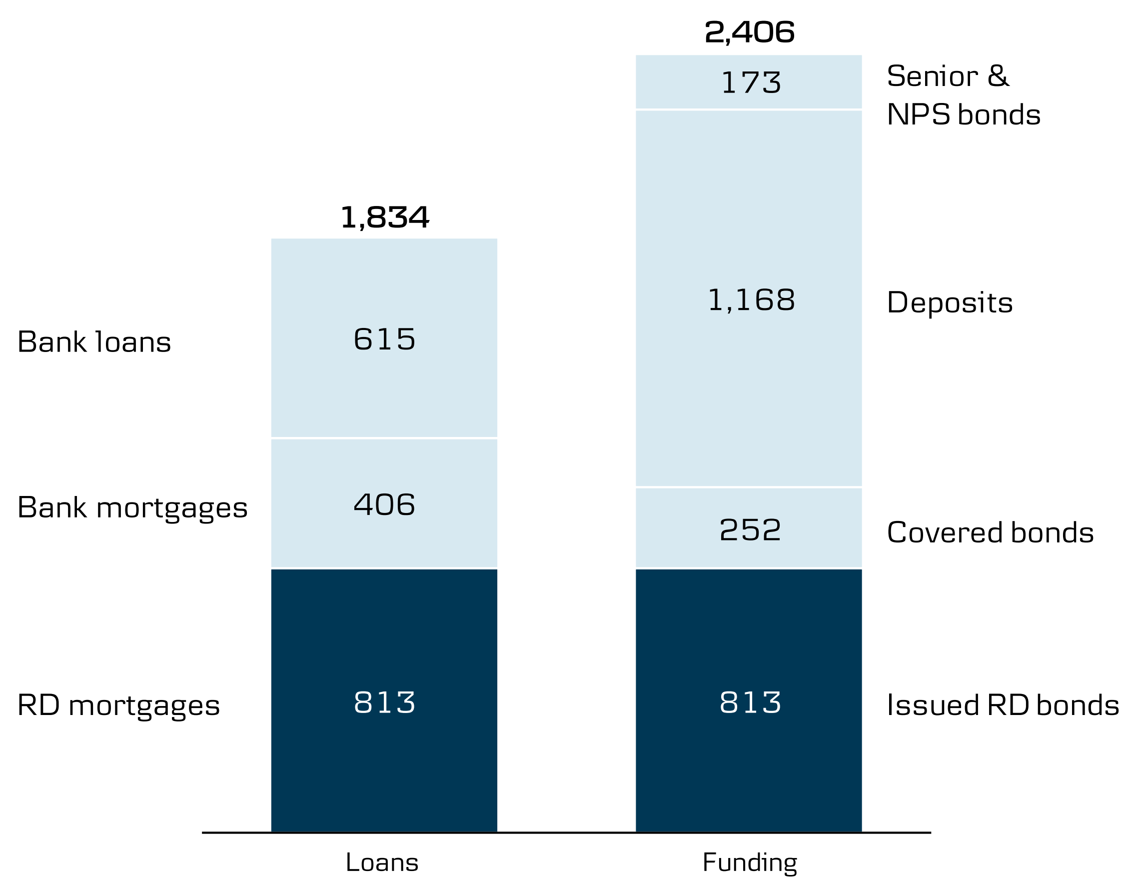
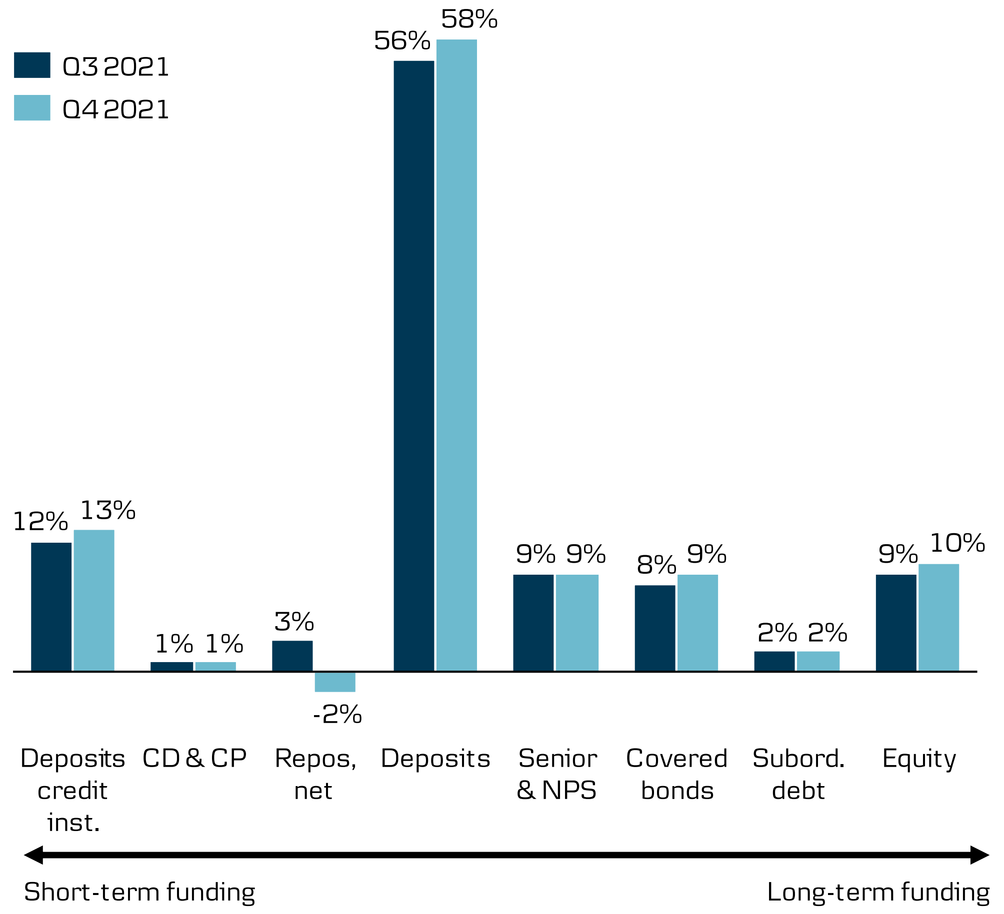
Funding structure and sources: Danish mortgage system is fully pass-through

Loan portfolio and long-term funding, Q4 21 (DKK bn)



Funding sources* (%)



* Figures are rounded

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

S&P upgrades Danske Bank in Q4 2021

On 16 December 2021, S&P upgraded Danske Bank's counterparty rating to 'AA-/A-1+' from 'A+/A-1', as well as Danske Bank's issuer and senior debt ratings to 'A+' from 'A'. At the same time, S&P revised the outlook on Danske Bank to Negative from Stable.

The rating action concludes S&P's rating criteria revision, while the Negative outlook reflects S&P's concern about the fallout from the Estonia case.

Fitch and Moody's have Stable outlooks on Danske Bank, which incorporate the economic uncertainties relating to the fallout from the corona crisis and the financial uncertainties relating to the Estonia case.

Danske Bank's ESG ratings

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

	End 2021		End 2020	End 2019	End 2018	Range
CDP [1]	B	200 companies, out of the 13,126 analysed, made the climate change A List in 2021	B	C	C	A to F (A highest rating)
ISS ESG	C+ Prime*	Decile rank: 1 Of the 300 banks rated, C+ is the highest rating assigned	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
MSCI	BBB	MSCI rates 189 banks: AAA 3% AA 31% A 25% BBB 21% BB 13% B 6% CCC 1%	BB	B	B	AAA to CCC (AAA highest rating)
SUSTAINALYTICS	Medium Risk (23.4)	Rank in Diversified Banks 86/413 Rank in Banks 273/1068	High Risk (30.2)	Medium Risk (29.4)	N/A	Negligible to Severe risk (1 = lowest risk)
vigeo eiris	61	Rank in Sector 10/31 Rank n Region 155/1613 Rank in Universe 175/4889	64	59	55	100 to 0 (100 highest rating)

[1] CDP: Carbon Disclosure Project – primary focus is on climate change / management, also linked to TCFD
* Raised on the 13 January 2022

- 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 is not always public
- ESG ratings are updated annually with interim updates limited

Tax

Actual and adjusted tax rates (DKK m)

	2021	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Profit before tax	16,571	4,500	4,270	3,747	4,054
Permanent non-taxable difference	1,289	994	22	108	164
Adjusted pre-tax profit, Group	17,860	5,494	4,293	3,855	4,217
Tax according to P&L	3,651	846	936	955	914
Taxes from previous years	265	367	10	120	-32
Adjusted tax	**3,916**	**1,213**	**924**	**729**	**661**
Adjusted tax rate	21.9%	22.1%	21.5%	22.2%	21.9%
Actual-/Effective tax rate	22.0%	18.8%	21.9%	25.5%	22.6%
Actual/-Effective tax rate exclusive one- offs & prior year reg.	23.6%	27.0%	21.6%	22.9%	22.8%

Tax drivers, Q4 21

- The actual tax rate of 27% (excluding prior-year adjustments) is higher than the Danish rate of 22%, due primarily to the tax effect from tax exempt income/expenses.
- Adjusted tax rate of 22.1% is slightly higher than the Danish rate of 22%, due primarily to 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.

Material extraordinary items in 2021

	One-off items	Effect (DKK m)	P&L line affected
Q1	Gain on sale of Visa C shares	227	Trading
	Provision for home office allowance	-122	Expenses
	Provision for upcoming changes in the VAT setup following ruling from ECJ	-150	Expenses
	Provision for changed method for PAL tax in Danica H&A	-200	Net income from insurance business
Q2	Provision for upcoming changes in the VAT setup following ruling from ECJ	-350	Expenses
Q3	*None*		
Q4	Gain: Sale of shares in Aiia to Mastercard	180	Trading
	Taxation of business travellers	-190	Expenses
	Taxation of business travellers - NII effect	-50	NII

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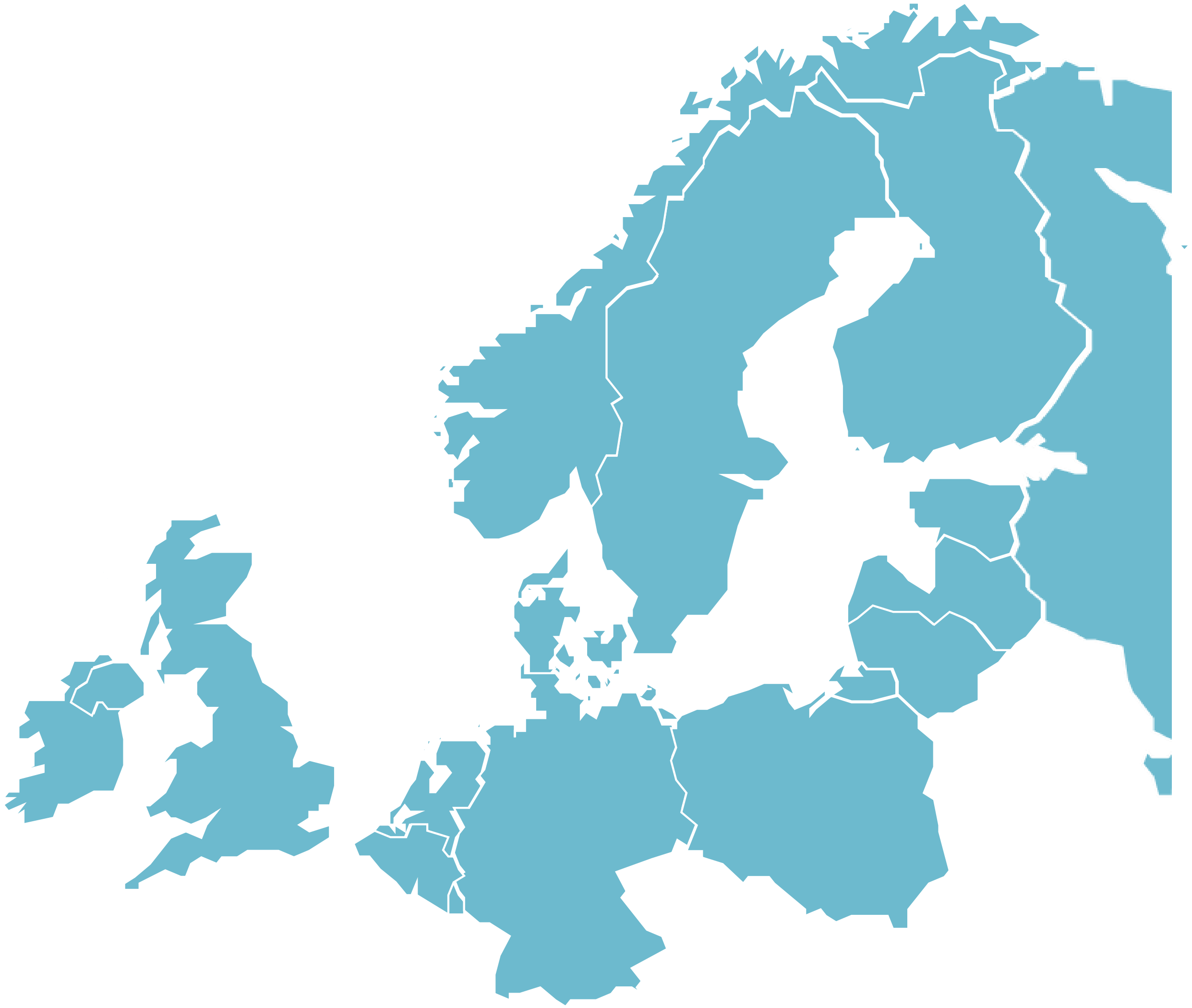

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This presentation does not imply that Danske Bank has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes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