Debt investor update – Full Year 2021

Danske Bank

Agenda

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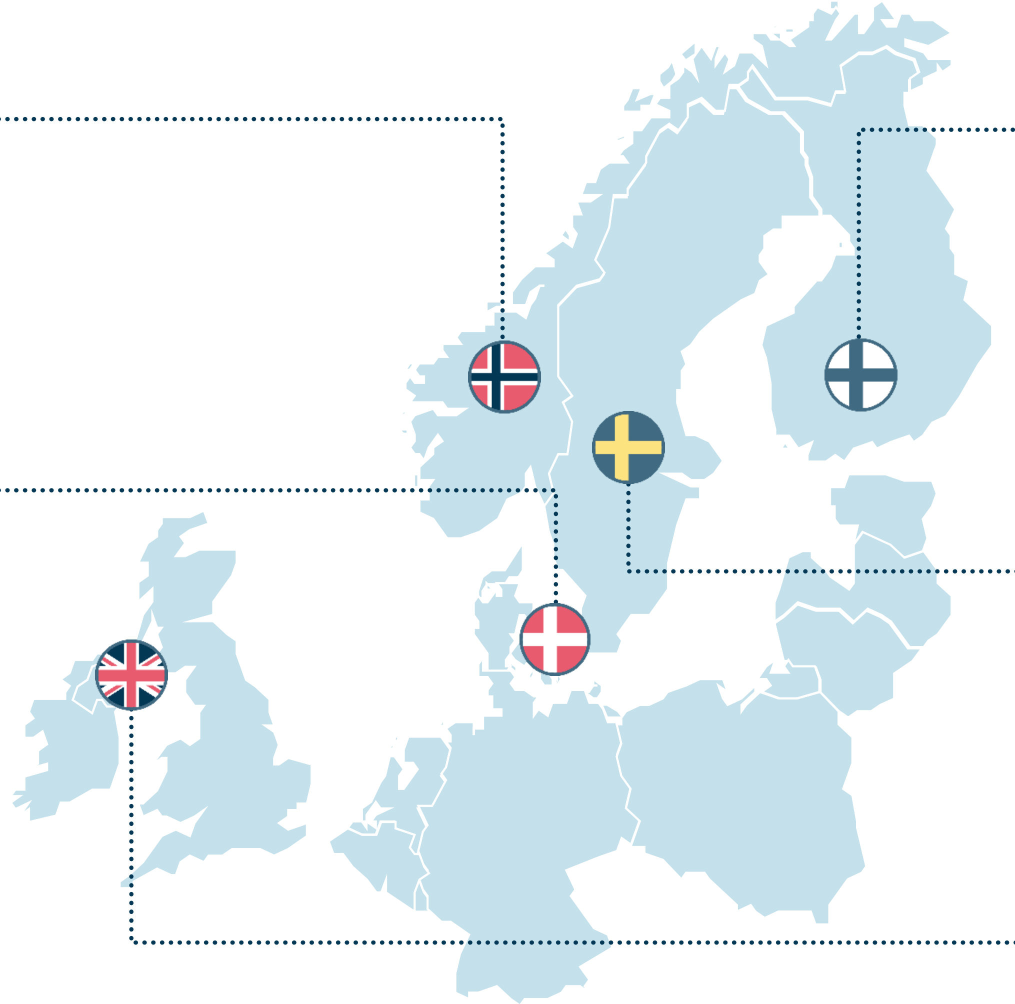
We are a Nordic universal bank with strong regional roots

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

GDP growth 2021E: 4.0%
Unemployment 2021E: 3.1%
Leading central bank rate: 0.50%

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

GDP growth 2021E: 3.8%
Unemployment 2021E: 3.7%
Leading central bank rate: -0.60%



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

GDP growth 2021E: 3.5%
Unemployment 2021E: 7.6%
Leading central bank rate: -0.50%

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

GDP growth 2021E: 4.5%
Unemployment 2021E: 8.8%
Leading central bank rate: 0.00%

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

Note: Data as per end-Q4 2021 unless otherwise stated. Share of Group lending is before loan impairment charges and excludes Corporates & Institutions (14%), Global Commercial Real Estate (15%) and Nordic Asset Finance (3%)

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

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 areas**
- Calibrated against **stakeholder expectations**
- **Supports** the better **"Better Bank"** agenda and transformation KPIs
- **Embedding** sustainability in core business processes

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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**	**Entrepreneur-ship**	**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 progress in our financial crime transformation

2020 | 2021 | 2022 | 2023

We hire **International experts into key positions and functions**. Specialised units are established to manage financial crime risks and strengthen financial crime controls

A comprehensive Group-wide Financial Crime Plan is launched covering all initiatives needed to meet regulatory requirements. The plan is shared with the DFSA

We increase financial crime awareness and knowledge across the Group through **annual targeted and specialized financial crime trainings**

We continue to significantly change **leadership and governance structures**

An **extensive culture change is further implemented** to integrate compliance into our DNA and the way we work

We continue our **ongoing dialogue with regulators** for transparency and oversight throughout our remediation process

We lift and digitalise our KYC and due diligence providing smoother processes and increased data coverage and quality. This enables us to gain a deeper understanding of our customers and identify financial crime faster

Policies and instructions are further updated to further increase clarity and facilitate compliance with regulations

By increased use of technology and data **we detect, investigate and analyse potential financial crime risks faster and more effectively**, increasing our response rate to potential threats

We refresh due diligence data for 2.6m customers against a new and improved standard covering 99.9% of targeted customers

We fully screen against national, EU and global sanctions lists to ensure ourselves and our customers do not conduct business that breaches sanctions

Automating our transaction monitoring to ensure all-in scope customer activity is subject to appropriate automated monitoring for potential financial crime

Transformation is scheduled to complete by end of 2023

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

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

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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

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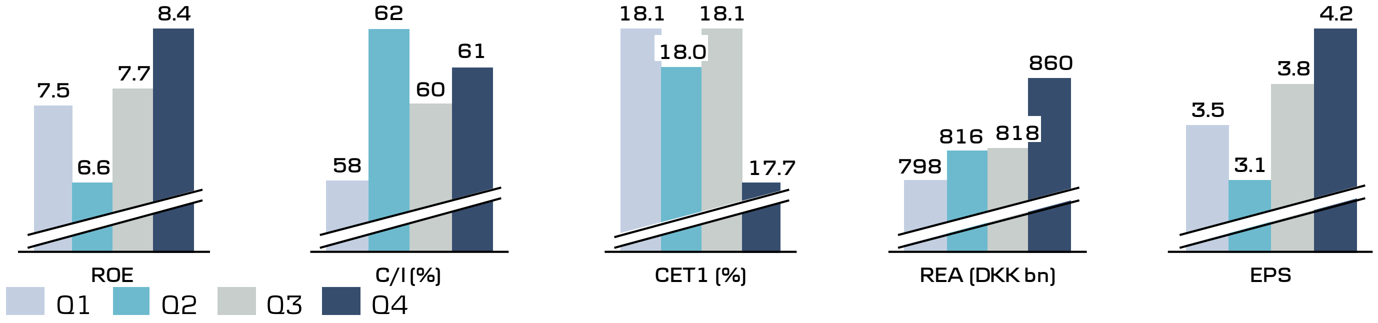
Total income up 4% y/y driven by highest level of fee income in 3 years and higher income from insurance business; robust credit quality drives significantly lower loan impairments

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

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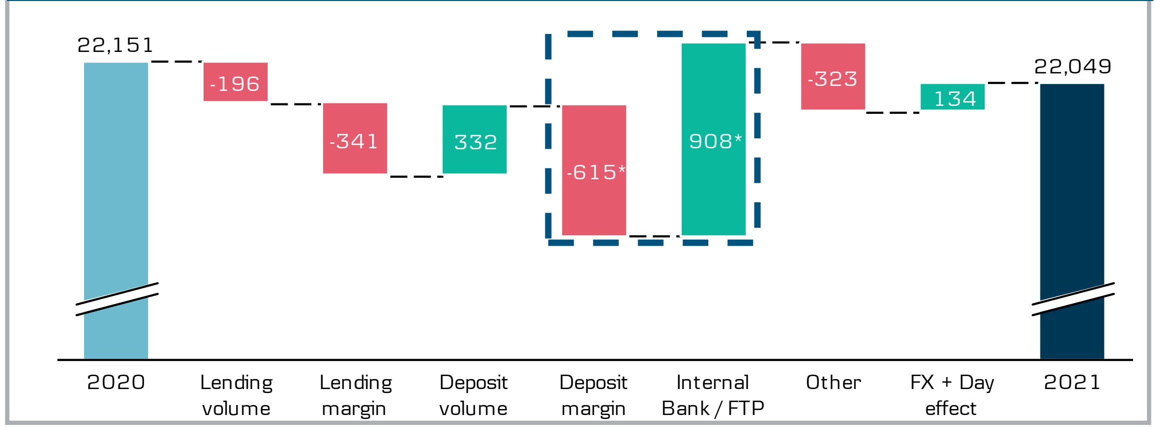
NII: Continued support from repricing initiatives offset lower volumes and margins; Positive effect from improving lending volumes in Q4

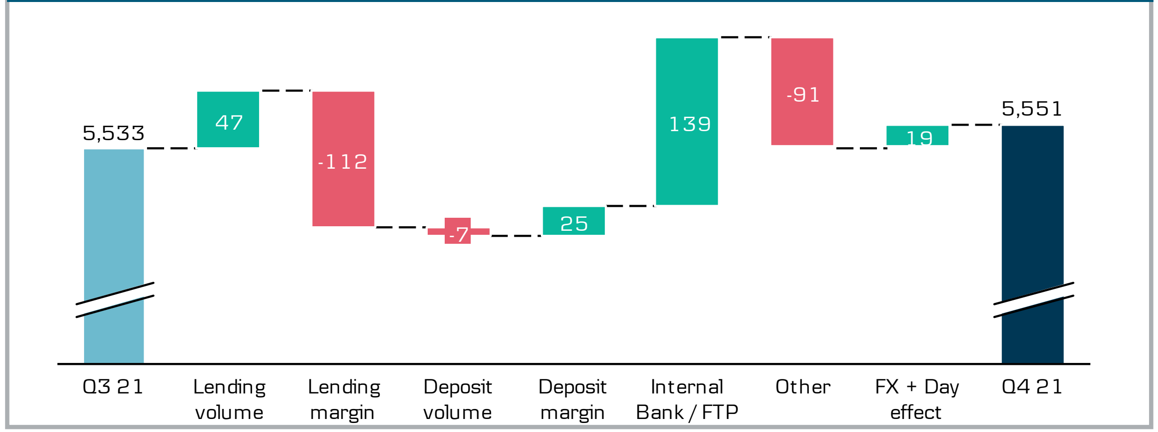
Net interest income, 2021/2020 (DKK m)



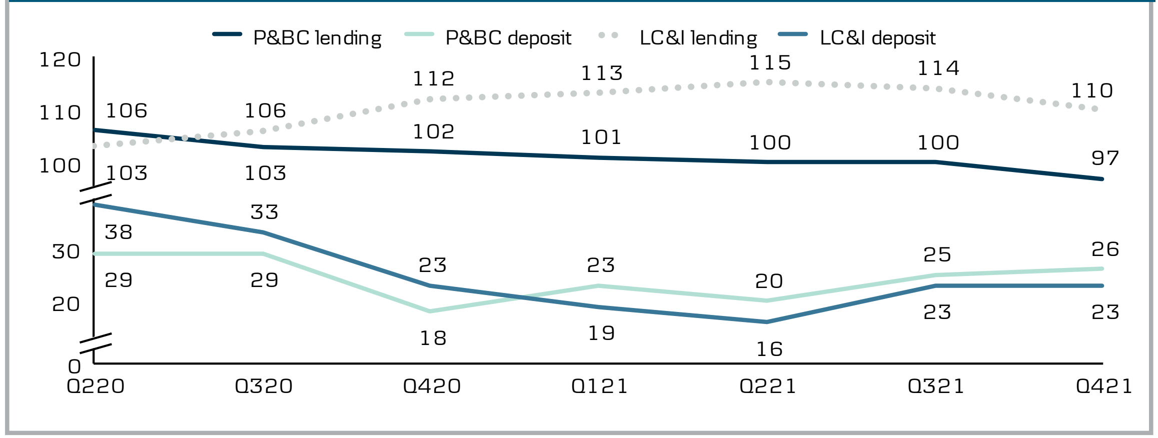
Highlights

- 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

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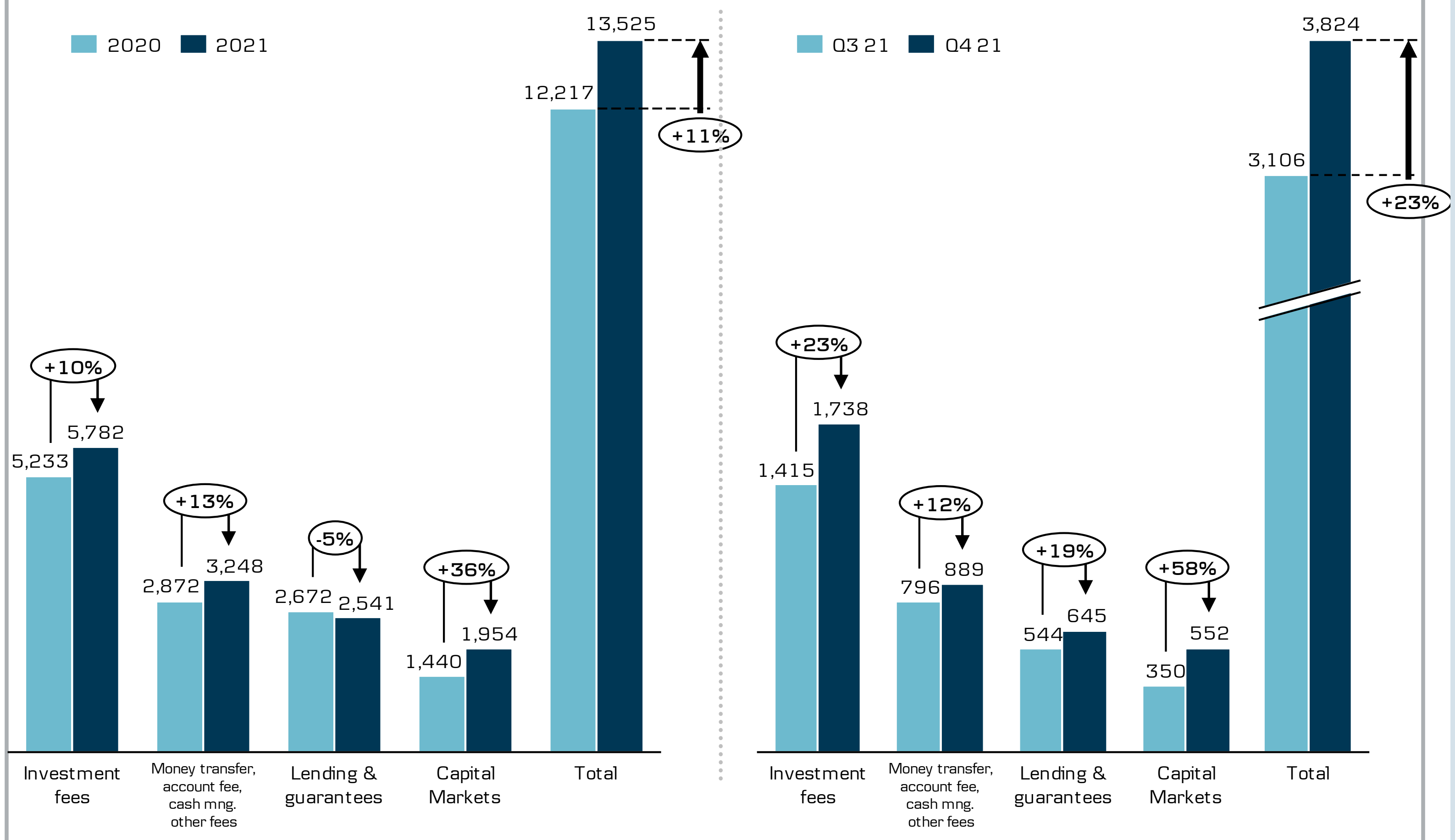
Fee: Strong activity across business units drives fee income in 2021; increased momentum in Q4 with all fee types up and particularly strong capital markets activity

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.

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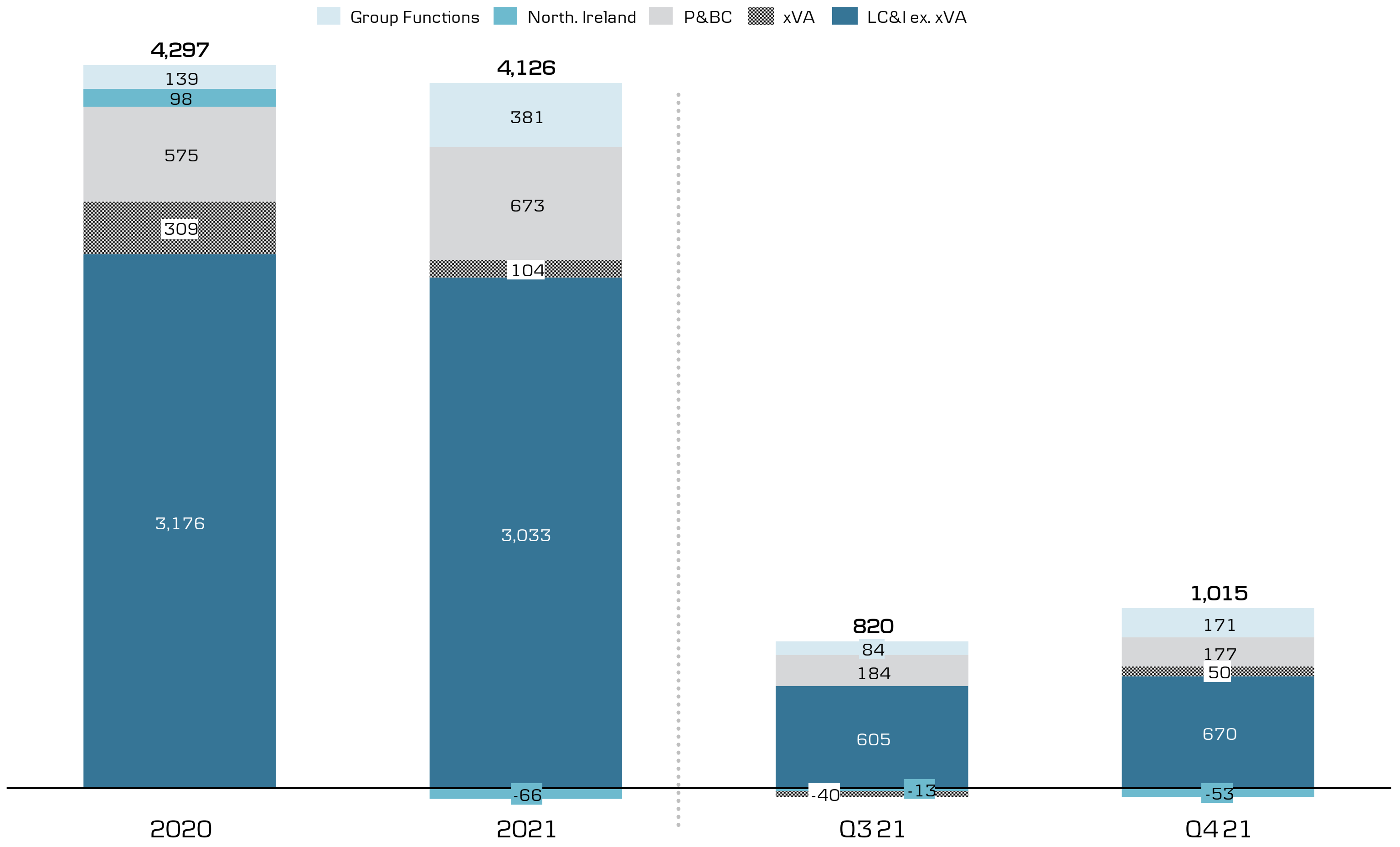
Trading income from core activities in line with 2020

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.

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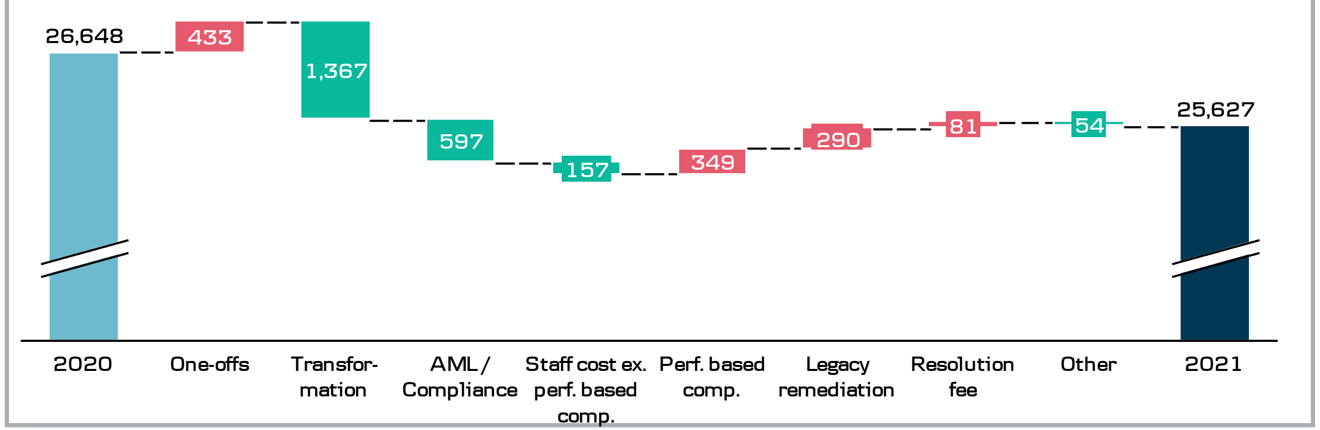
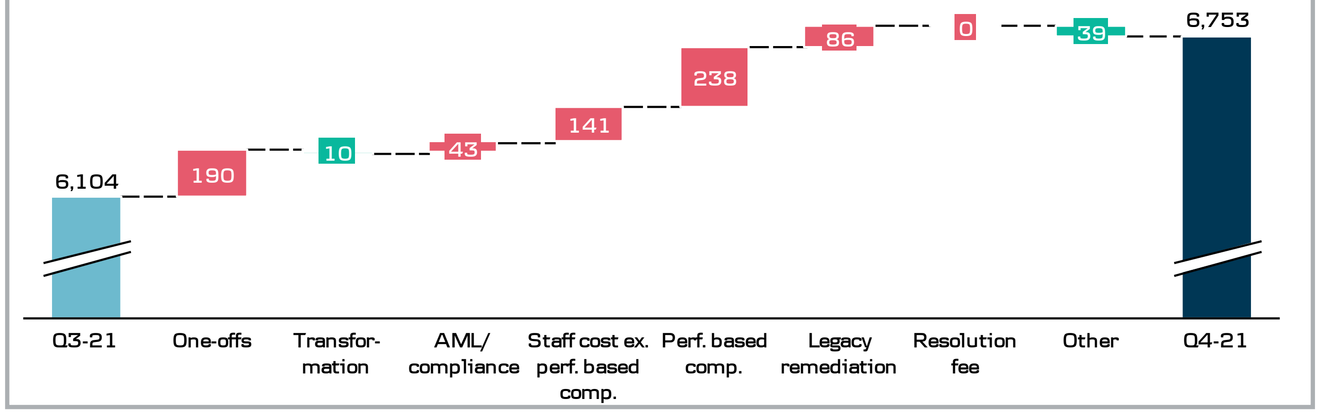
Expenses: 6% lower excl. one-off due to lower costs for transformation and lower AML/compliance costs

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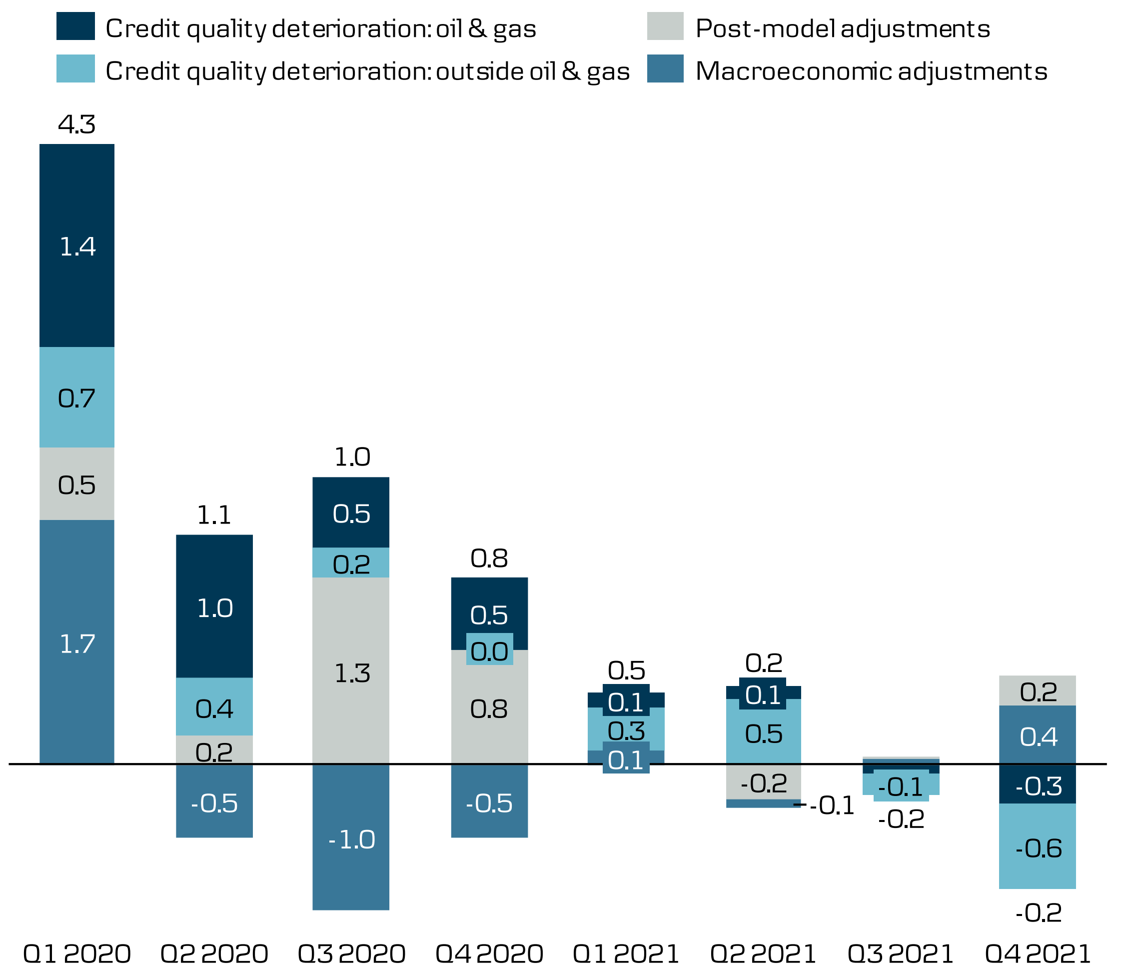
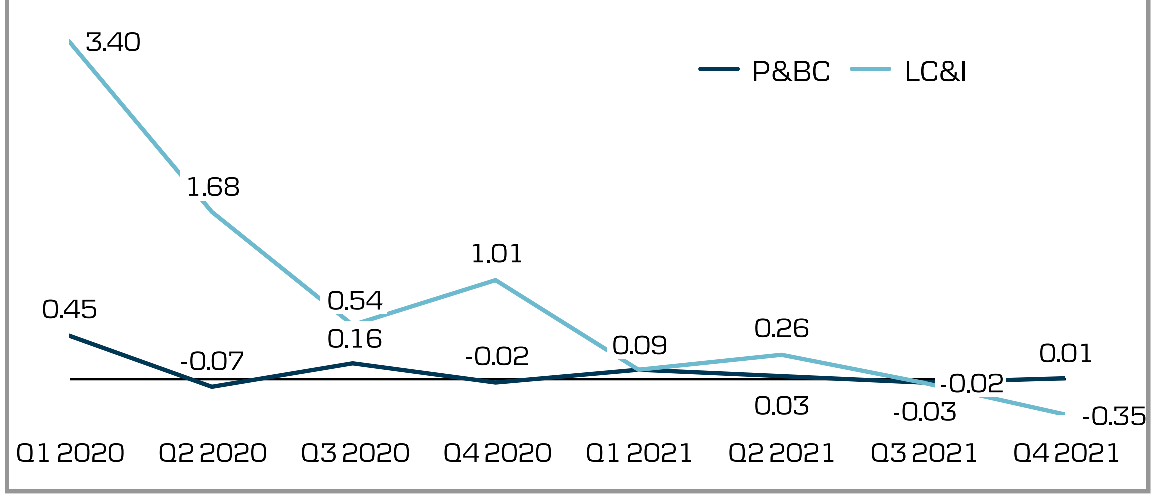
Impairments: Strong credit quality further supported by economic recovery, resulting in net reversals for the quarter

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.

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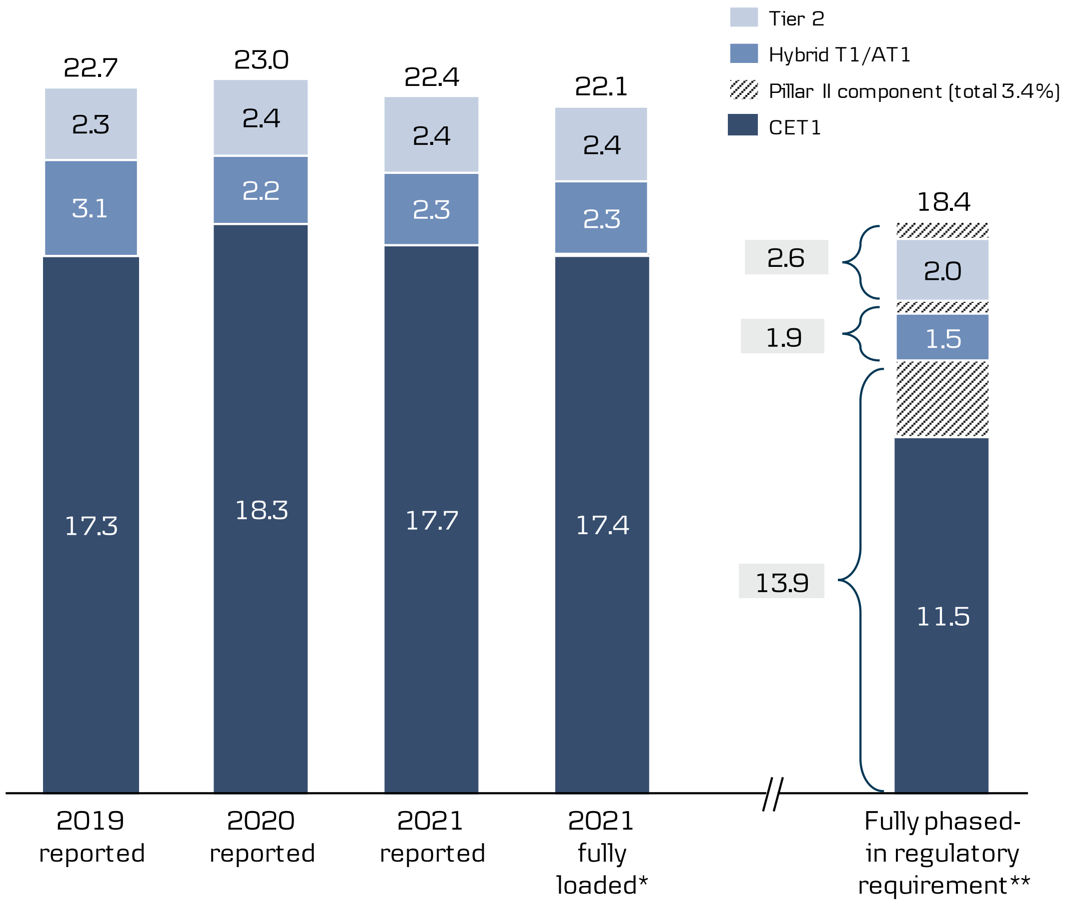
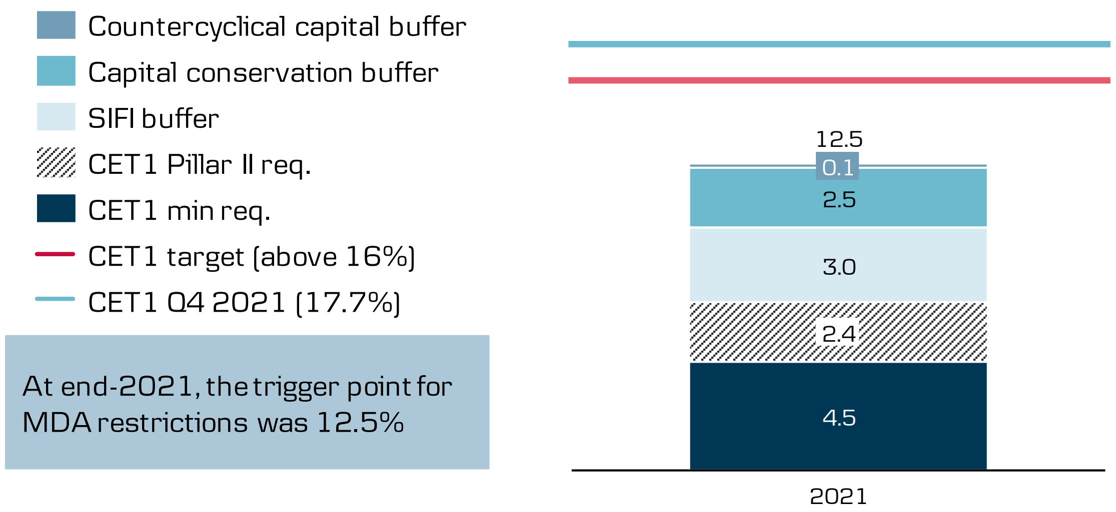
Capital: Strong capital base; CET1 capital ratio of 17.7% (buffer of 5.1%)

Capital ratios, under Basel III/CRR (%)



Current capital buffer structure (%)



At end-2021, the trigger point for MDA restrictions was 12.5%

Highlights

- 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). Total REA increased to DKK 860 bn (Q3:DKK 818 bn)
- 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.

* Based on fully phased-in rules including fully phased-in impact of IFRS 9. ** Pro forma fully phased-in min. CET1 req. in 2022 of 4.5%, capital conservation buffer of 2.5%, SIFI buffer requirement of 3%, countercyclical buffer of 1.5% and CET1 component of Pillar II requirement.

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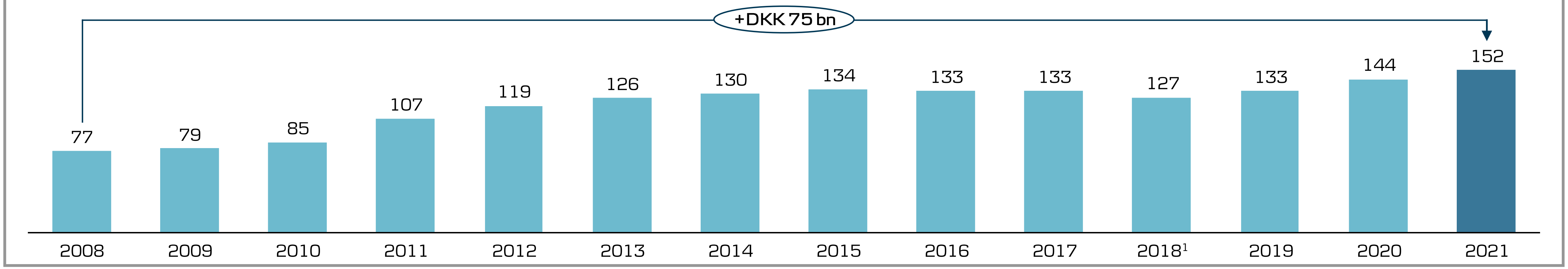
Strong CET1 capital build-up since 2008; Available Distributable Items (ADI) well in excess of DKK 100 bn

Common Equity Tier 1, 2008 – 2021 (DKK bn)



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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	*2021*
REA	960	834	844	906	819	852	865	834	815	753	748	767	784	*860*
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%*
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*
Distribution to shareholders[3]	0	0	0	0	0	2.0	10.5	17.1	18.9	16.3	7.6	0	1.7	*6.5**
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*

[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. *Subject to company announcement 02 2022

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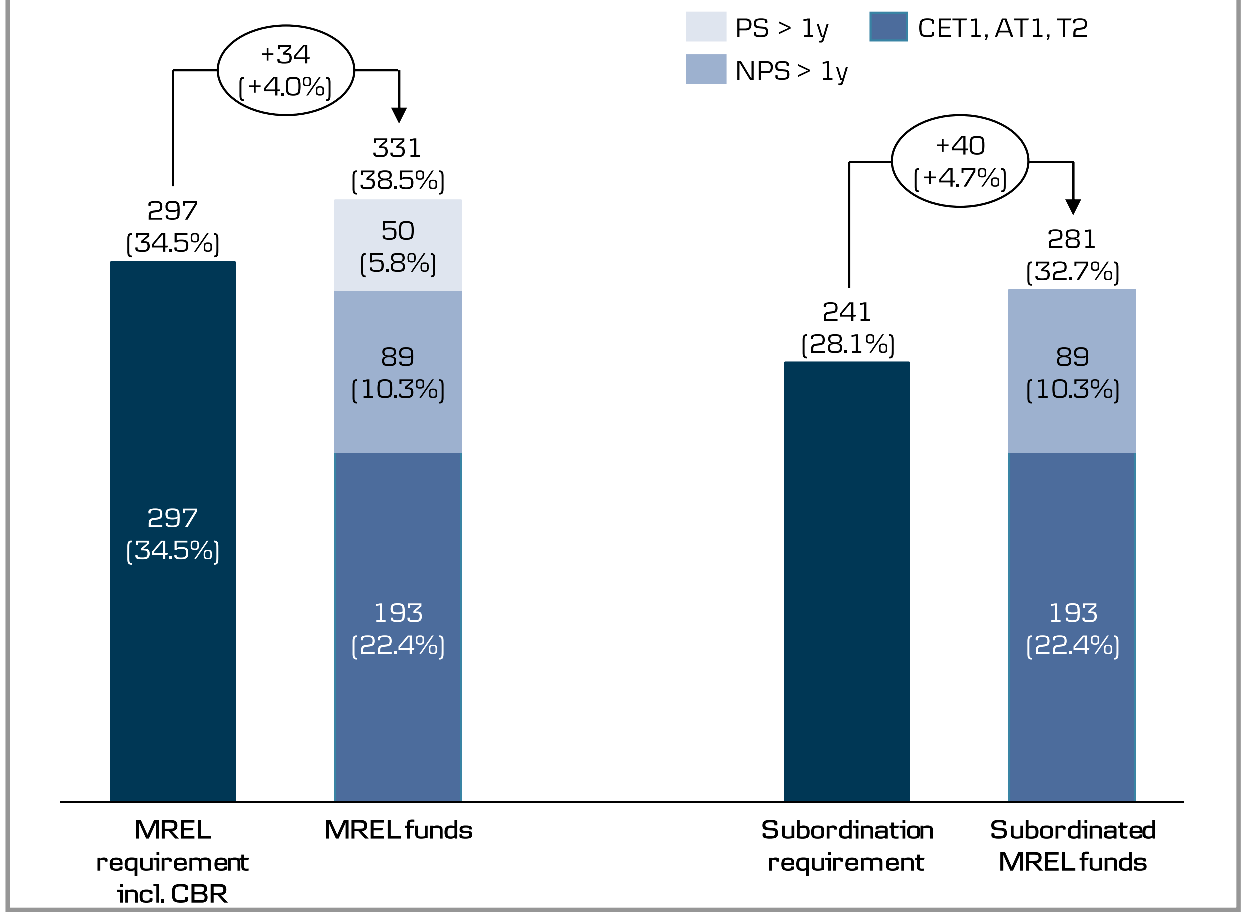
Fully compliant with MREL and subordination requirement; expect to cover MREL need with both preferred and non-preferred senior

MREL and subordination requirement* and eligible funds; Q4 2021; DKK bn (% of Group REA)



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

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 297bn incl. RD's capital and debt buffer requirement (DKK 45bn) and the combined buffer requirement (DKK 40bn). Excess MREL funds are DKK 34bn
- The Group's subordination requirement is DKK 241bn incl. RD's capital requirement (DKK 29bn). Excess subordinated MREL funds are DKK 40bn
- This figure shows the Group's MREL and subordination requirement pr. 1 January 2022, which constitutes the fully-phased in requirements, i.e. no interim target

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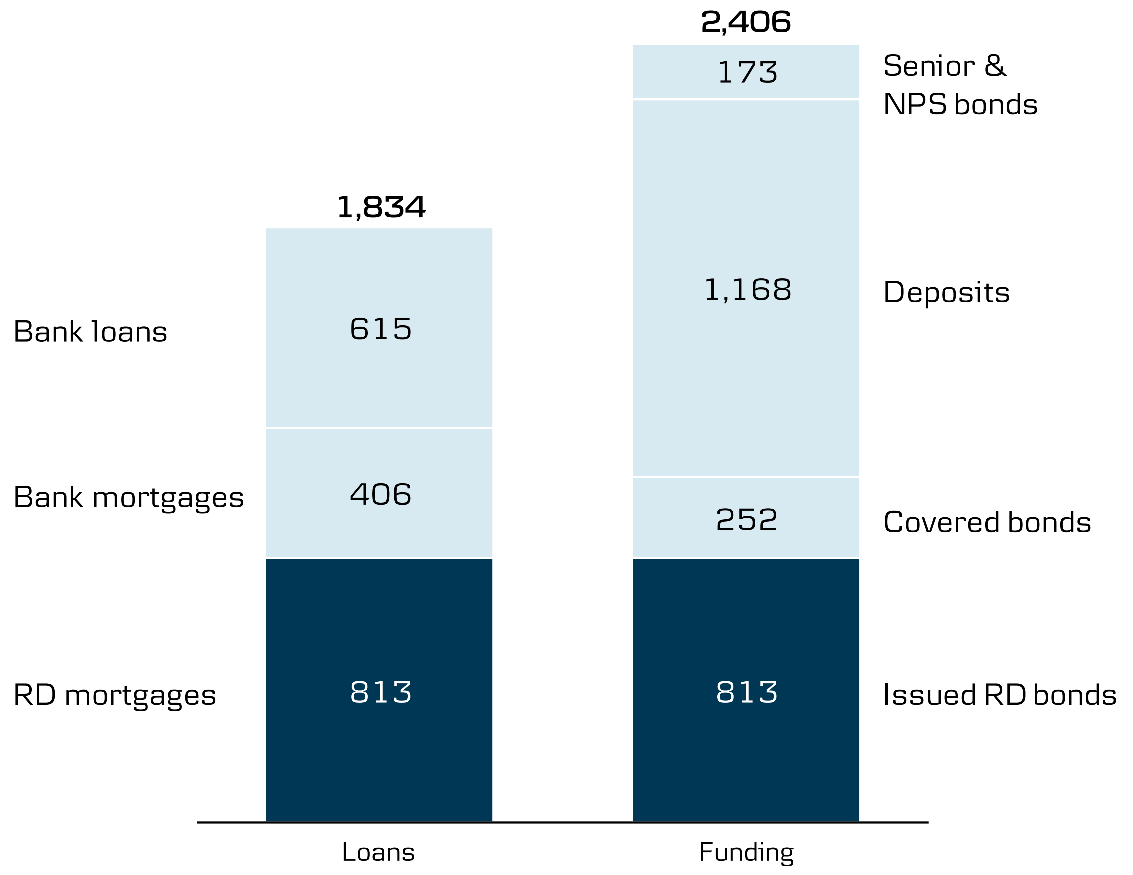
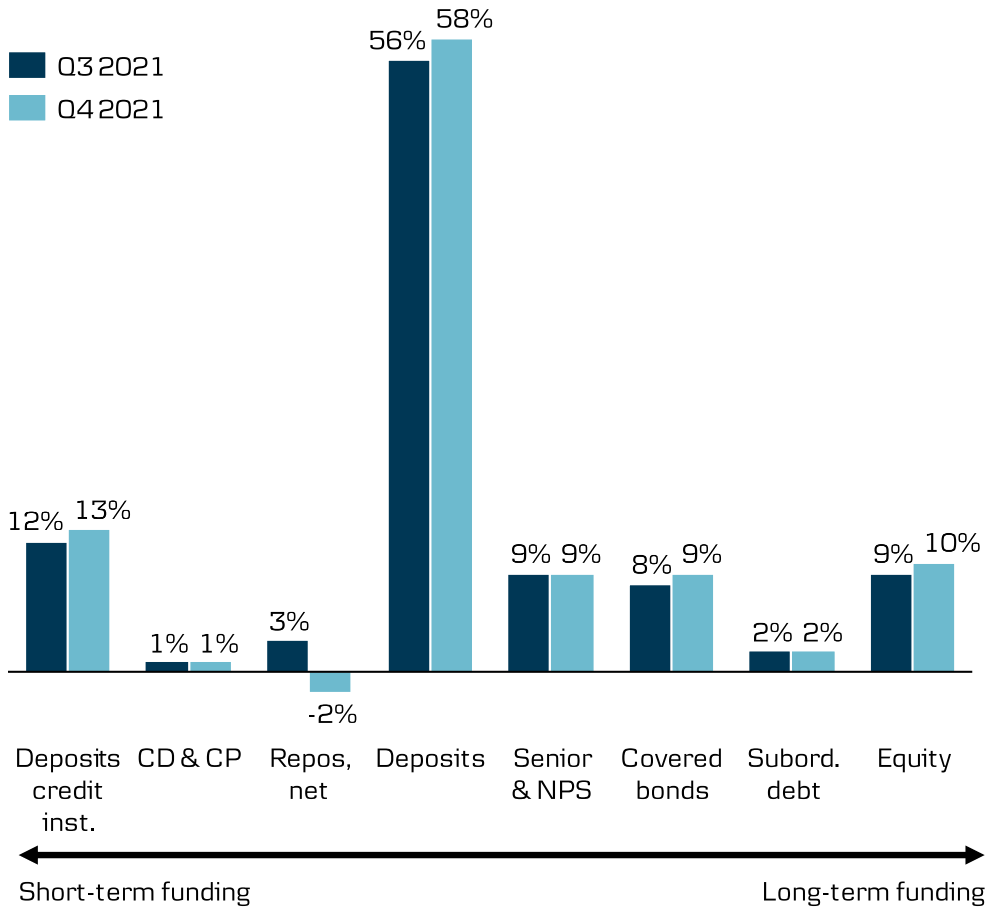
Funding structure and sources: Danish mortgage system is fully pass-through

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



Funding sources* (%)



* Figures are rounded

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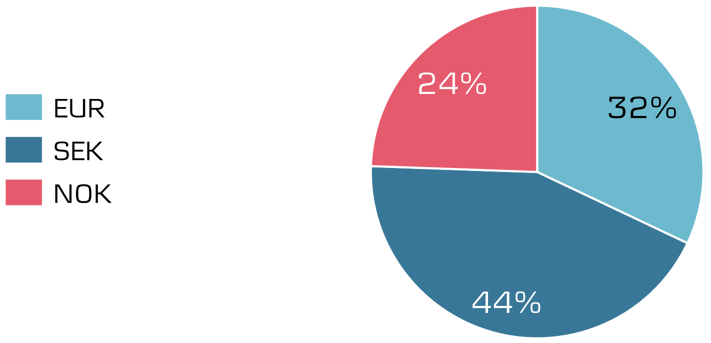
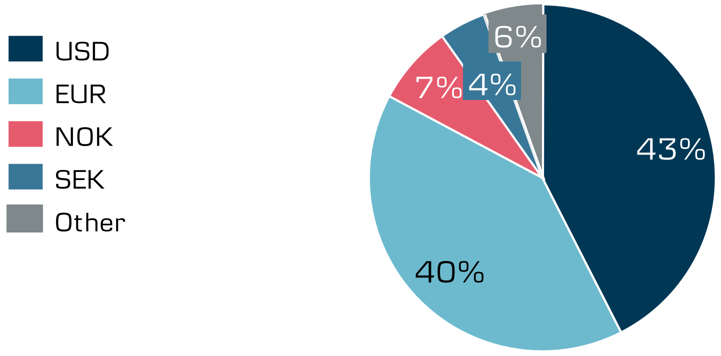
Funding programmes and currencies

Covered bonds by currency, end-Q4 2021



Total DKK 161 bn

Senior debt[1] by currency, end-Q4 2021



Total DKK 180 bn

Largest funding programmes, end-Q4 2021

	Utilisation
EMTN Programme Limit – EUR 35bn	46%
Global Covered Bond Limit – EUR 30bn	75%
ECP Programme Limit – EUR 13bn	6%
US MTN (144A) Limit – USD 20 bn	57%
US Commercial Paper Limit – USD 6bn	7%
UK Certificate of Deposit Limit – USD 15bn	13%
NEU Commercial Paper Limit – EUR 10bn	0%

1. Including senior preferred and non-preferred debt

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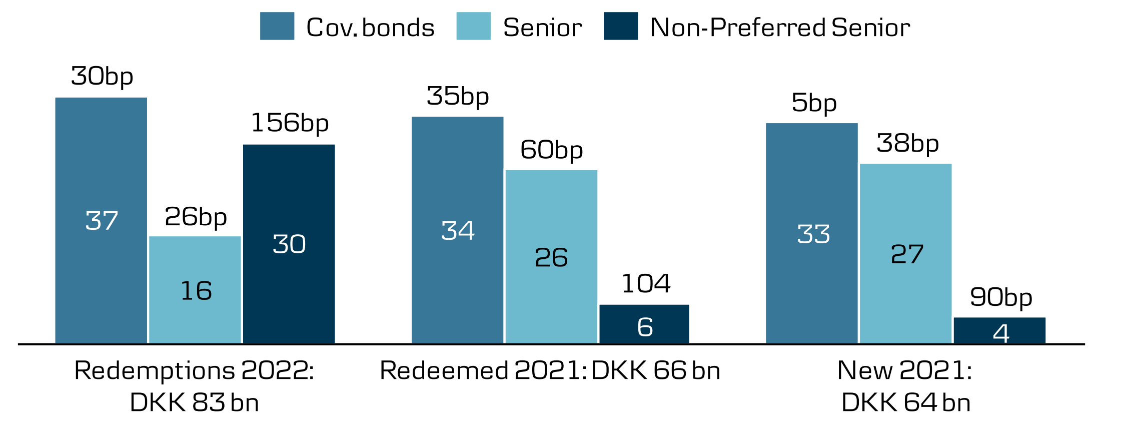
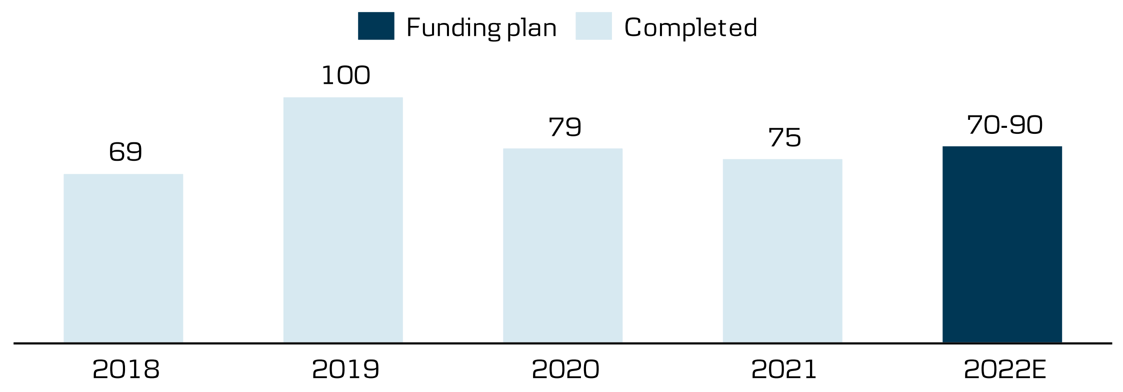
Funding and liquidity: LCR compliant at 164%

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

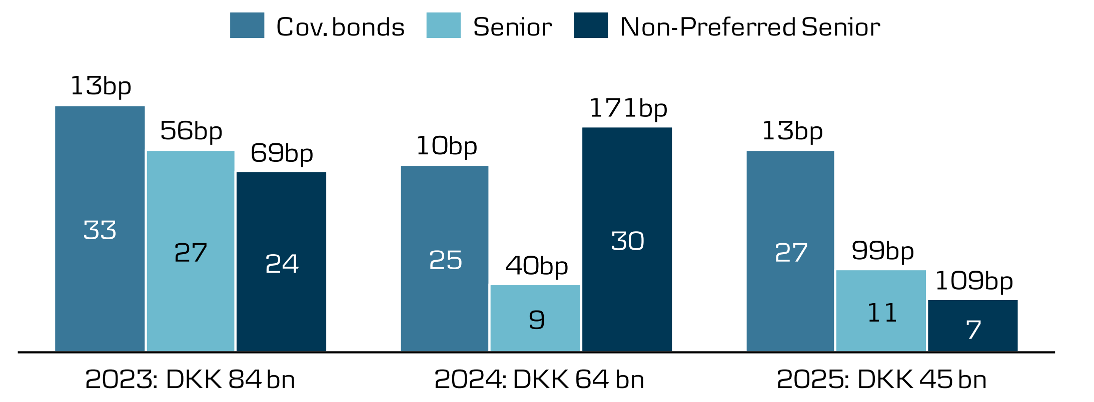


Long-term funding excl. RD (DKK bn)**

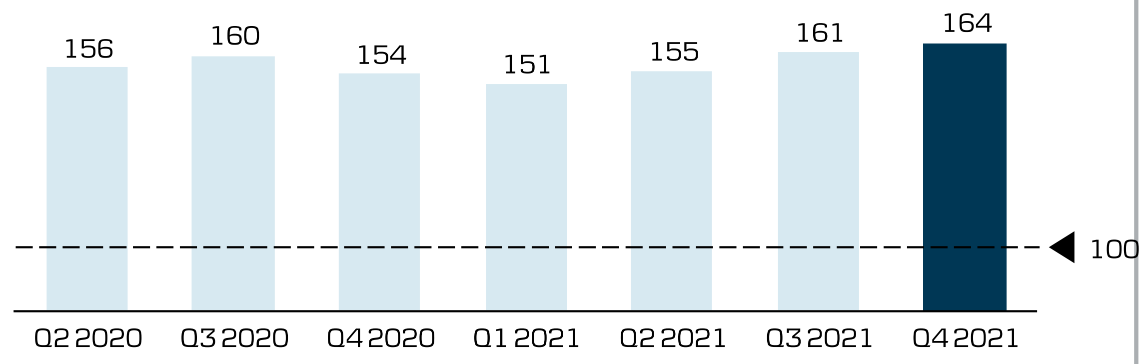


** Includes covered bonds, senior, non-preferred senior and capital instruments, excl. RD.

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



Liquidity coverage ratio (%)



* Spread over 3M EURIBOR.

Danske Bank

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

Danske Bank

Residential mortgages

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

Commercial mortgages

- Sweden and Norway, C-pool

Realkredit Danmark

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.

Danske Bank

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

Danske Bank

Three distinct methods for rating banks

Danske Bank's rating

Rating methodology

S&P Global Ratings

Anchor SACP[1]	+	1	+	2	+	3	+	4	=	Potential CRA adjustment[2]	=	SACP[1]	+	Extraordinary external support	+	ALAC	=	Issuer rating
bbb+		+1		+1		-1		0		0		a-		0		+2		A+ (Negative)

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

Moody's

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

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

FitchRatings

Operating environment	+	1	+	2	+	3	+	4	+	5	+	6	+	7	=	Viability Rating		Support Rating Floor	=	Issuer rating[5]
aa-		a+		a		a+		a		a-		a		a+		a		No Floor		A (Stable)

1=Company Profile, 2=Management/Strategy, 3=Risk Appetite, 4=Asset Quality, 5=Profitability, 6=Capitalisation, 7=Funding/Liquidity

[1] Stand-Alone Credit Profile. [2] Comparable ratings analysis. [3] Baseline Credit Assessment. [4] Loss Given Failure. [5] Issuer rating is the higher of the Viability Rating and Support Rating Floor.

Danske Bank

Appendix

Danske Bank

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

Danske Bank's 2023 Sustainability Strategy

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

ENTREPRENEURSHIP
We support new businesses in creating sustainable growth

FINANCIAL CONFIDENCE
We help people become financially confident

GOVERNANCE AND INTEGRITY
We operate in a responsible and transparent manner

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

ENVIRONMENTAL FOOTPRINT
We minimise our own environmental footprint

Danske Bank

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	**Sustainable financing:** • 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:** • 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)]	• *Business and commercial KPIs*	
Guiding principles	*Align societal and business goals*	*Enable our customers' sustainability journey*	*Measure and improve impact*	*Engage and partner with stakeholders*	
Key execution levers	Advice	Products & solutions	Risk Management		
Critical enablers	Governance	Training & competencies	IT enablement & BWOW	Data & insights	Communication & transparency
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

Danske Bank

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

Danske Bank

Significant achievements within sustainable finance during 2021 – some highlights

Leading sustainable financing

- # 1 Nordic arranger of green, social and sustainability 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 emissions reduction targets for three key sectors:

- **Shipping:** 20-30% relative to shipping volumes
- **Utilities:** 30% per kWh of power generation
- **Oil and Gas – upstream:** 50% in lending exposure

1) Bloomberg League Tables

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

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

Danske Bank

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

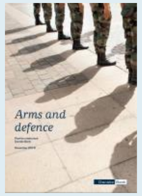
Multiple types of approaches are implemented to consider ESG factors both at company and portfolio levels

1. Position statements

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

Climate change

Human rights

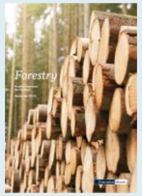


Arms & defence

Agriculture

Fossil fuels

Mining & metals



Forestry

2. Single-name ESG analysis

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

SASB INSIDE
Financially material ESG factors

SUSTAINALYTICS
ESG risk exposure and management

RepRisk – ESG data science and quantitative solutions
ESG controversies

CDP – DISCLOSURE INSIGHT ACTION
Climate-related financial risks and opportunities

3. Portfolio-level ESG analysis

- 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

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

Group headcount

3,200
Full-time employees dedicated to the financial crime prevention agenda*

2015	2016	2017	2018	2019	2020	2021	2022

Second Line headcount

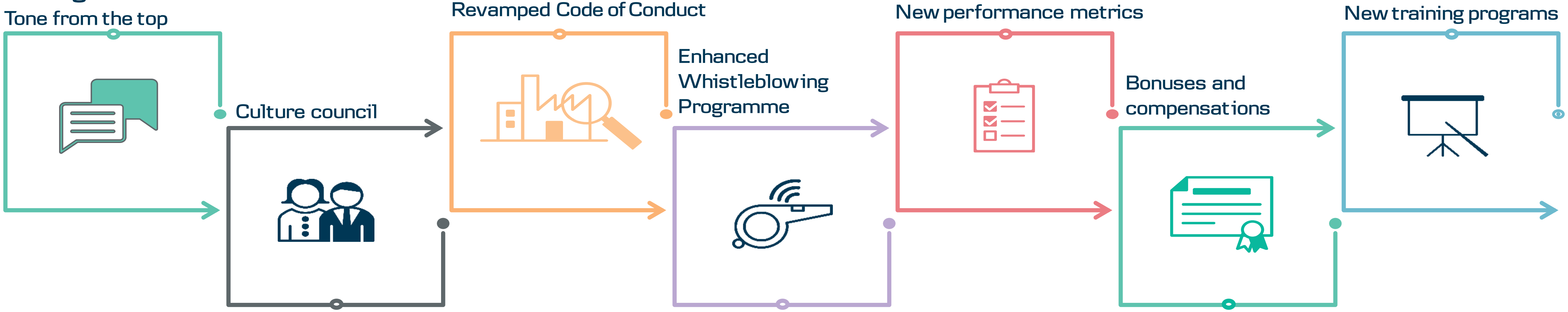
7
Employees working in Financial Crime Compliance

127
Employees working in Group Compliance**

240
Employees working in Financial Crime Compliance

513
Employees working in Group Compliance**

Change in Culture



* The 3,200 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

Danske Bank

Group Financial Crime Compliance Plan – the roadmap for our Financial Crime Transformation

Objective

- The objective of the Plan is to leverage best international practice and upgrade the bank's financial crime framework which upon completion:
  - Has the fundamental controls in place
  - Meets applicable regulatory requirements
  - Manages the bank's inherent risks in line with its risk appetite
  - Is able to foresee and handle financial crime issues

Scope

- The Plan outlines clear divisions of roles and responsibilities and covers improvements within all aspects of financial crime prevention
- The Plan contains 22 work streams, each featuring multiple initiatives that cover financial crime risk management and governance
- The improvements will affect all processes – from the way we ensure proper customer knowledge to the way we review all transactions to identify unusual activity and further analyse data.

Status

- The plan was presented to the Danish FSA and launched in May 2020. It is scheduled to complete by the end of 2023
- The Plan was recalibrated in 2021 to bring in new elements and address implementation changes and demands of our financial crime remediation
- The execution of the Plan is broadly progressing in accordance with the anticipated timetable

Danske Bank

New committees to improve governance structure

Financial Crime 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

Financial Crime Risk Committee

- Provides governance structure and delivery oversight of the Group's Financial Crime Risk across the Group
- Reports to the Conduct and Compliance Committee
- Chaired by the Head of Financial Crime Compliance of Danske Bank

Conduct and Reputation Committee

- Oversees the management of conduct and reputational risk matters on behalf of the ELT. The committee reports to the Group All Risk Committee
- Provides second line oversight of significant business decisions that may compromise the Group's Code of Conduct and impact the Groups reputation.
- Chaired by the Chief Compliance Officer of Danske Bank

Conduct and Compliance Committee

- Oversees the Bank's management of conduct and reputational risk, compliance and financial crime and other matters delegated by the Board
- Responsible for approving all relevant Board owned policies concerning compliance
- Chaired by the Chairman of Danske Bank

Danske Bank

Regulatory interactions

Ongoing dialogue

- To ensure aligned expectations between our regulators and the Bank we engage in ongoing dialogue with our regulators through regular Financial Supervisory Authority (FSA) and Supervisory College meetings
- We provide ongoing updates to the Danish FSA (DFSA) on our financial crime transformational progress and remediation work

Oversight of the Bank's remediation work

- The DFSA as well as other relevant FSAs carry out supervisory oversight of our remediation work.
- In May 2020, we presented our comprehensive Financial Crime Plan to the DFSA and they continue to monitor our progress against it.
- In February 2021, the DFSA decided to follow our progress even more closely by appointing an independent expert to monitor the execution of our Financial Crime Plan. Given the complexity and scale of our Financial Crime Plan we fully support and welcome the decision.

Supervisory inspections

- We continue to cooperate with all supervisory actions and incorporate orders and recommendations from regulators into our remediation programme
- All remaining orders and recommendations from our regulators are addressed in our Financial Crime Plan. We carry out targeted actions to rectify these issues and track them closely to completion, as part of our ongoing financial crime remediation work.
- Regulatory deliverables are formally documented and communicated to regulators, to ensure aligned expectations between regulators and Danske Bank

Danske Bank

Technological enhancements of systems and controls

Launch of new and refined digital customer on-boarding solutions

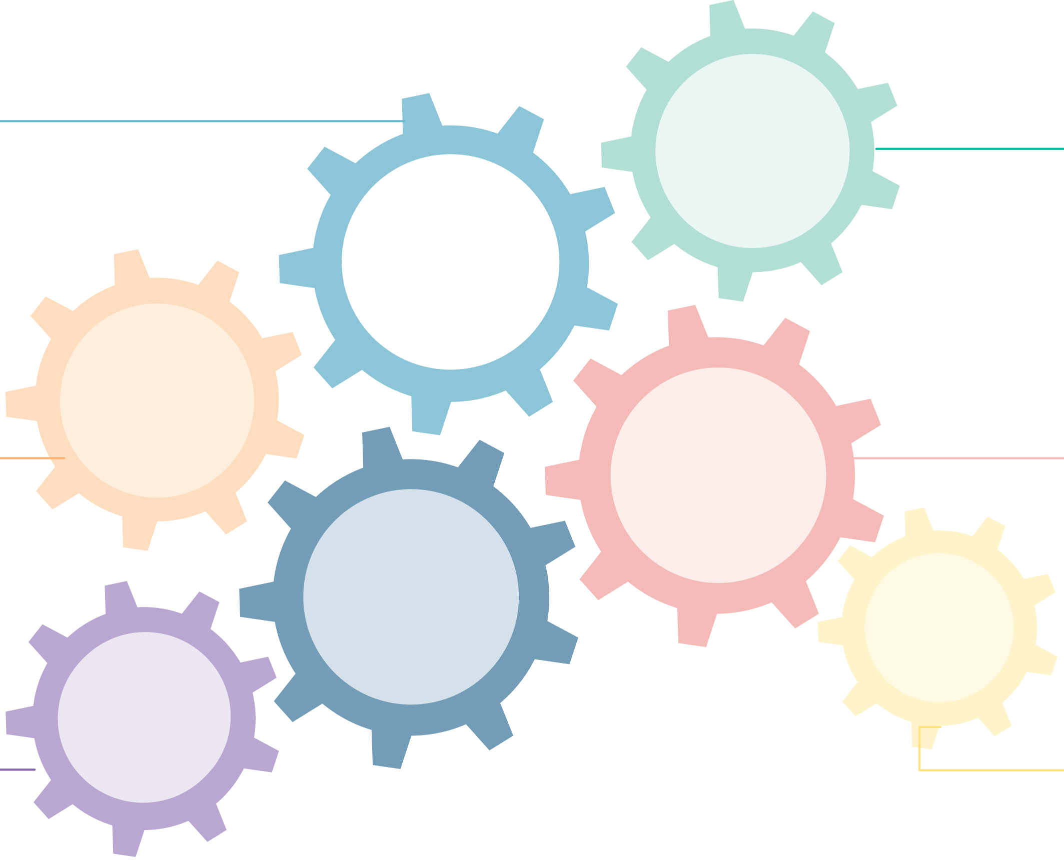
- We further integrated digital processes by which we get to know our customers for optimised Know-Your-Customer data collection and improved customer journeys. 99.9% of targeted customers now reviewed

Automating our customer due diligence review

- The majority of customer reviews are now automated. This reduces the risk of human errors and improves coverage and quality of our data, enabling us to know our customers better and speed up the use of data to identify financial crime.

Increased use of data analytics for ongoing monitoring and screening

- We integrated automated intelligence solutions. E.g. to enhance detection and screening of sanctions risks and customers against national and global lists



Automating our transaction monitoring

- We are improving the transaction monitoring platform to ensure all-in scope customer activity is subject to appropriate automated monitoring for potential financial crime

Implementing analytical detection and investigation tools to automate our surveillance

- A new centralised investigation platform enables us to detect potential risk faster and more effectively by allowing our investigators to find hidden links where they suspect there may be a risk of criminal activity

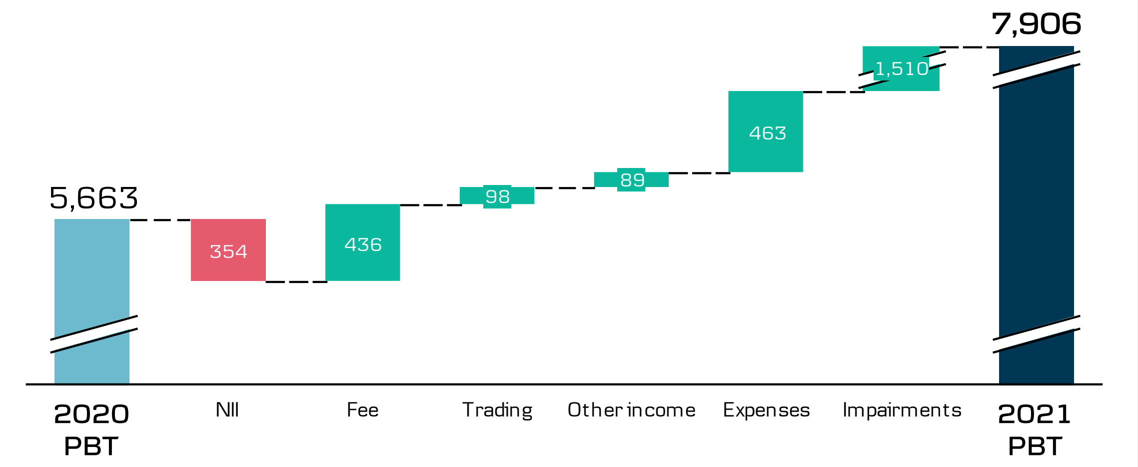
Making use of robotics to analyse and speed up processes

- We deploy robots to improve the triaging of financial crime alerts generated by our monitoring and screening solutions and speed up submission of Suspicious Activity Reports (SARs) to relevant authorities

Danske Bank

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

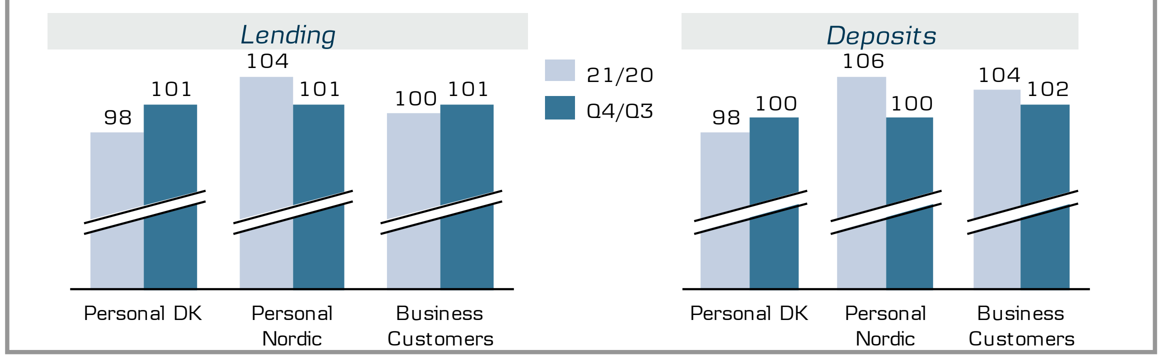
Profit development 2021 vs 2020 (DKK m)



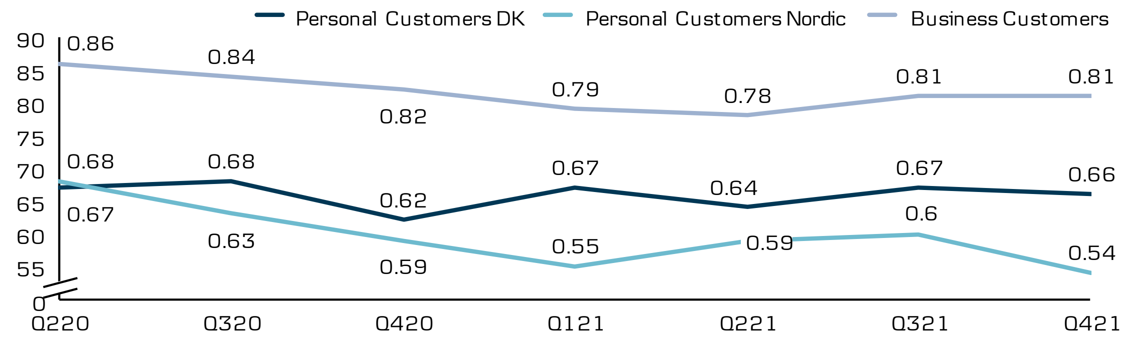
Highlights

- 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)

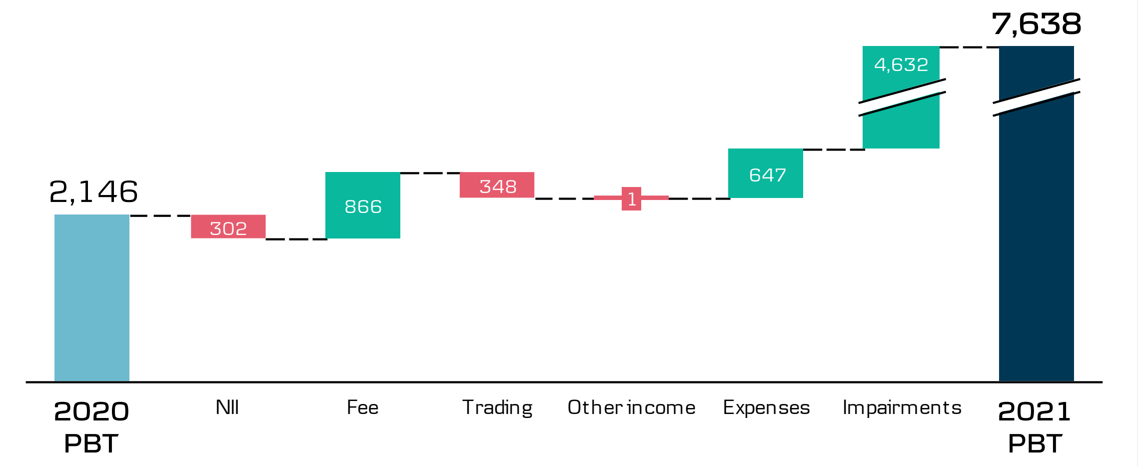


NII as % of loans and deposits



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

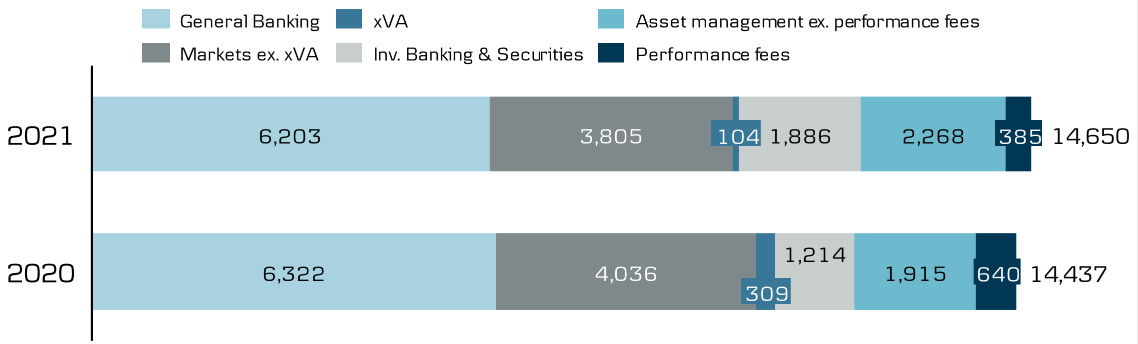
Profit development 2021 vs 2020 (DKK m)



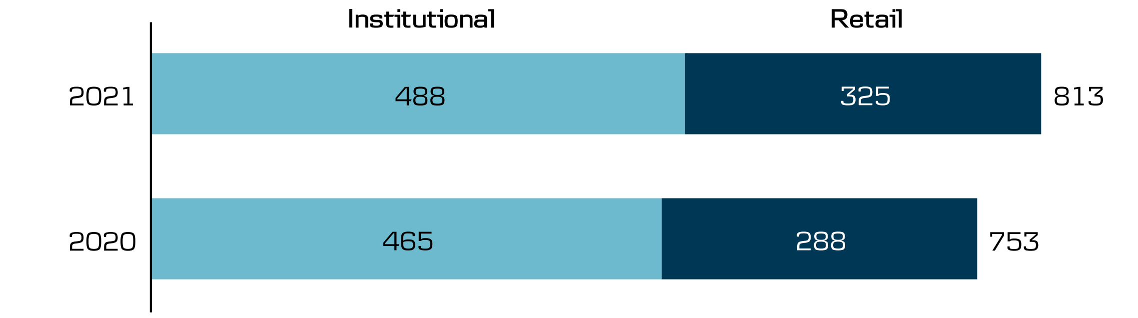
Highlights

- 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



Danske Bank

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.

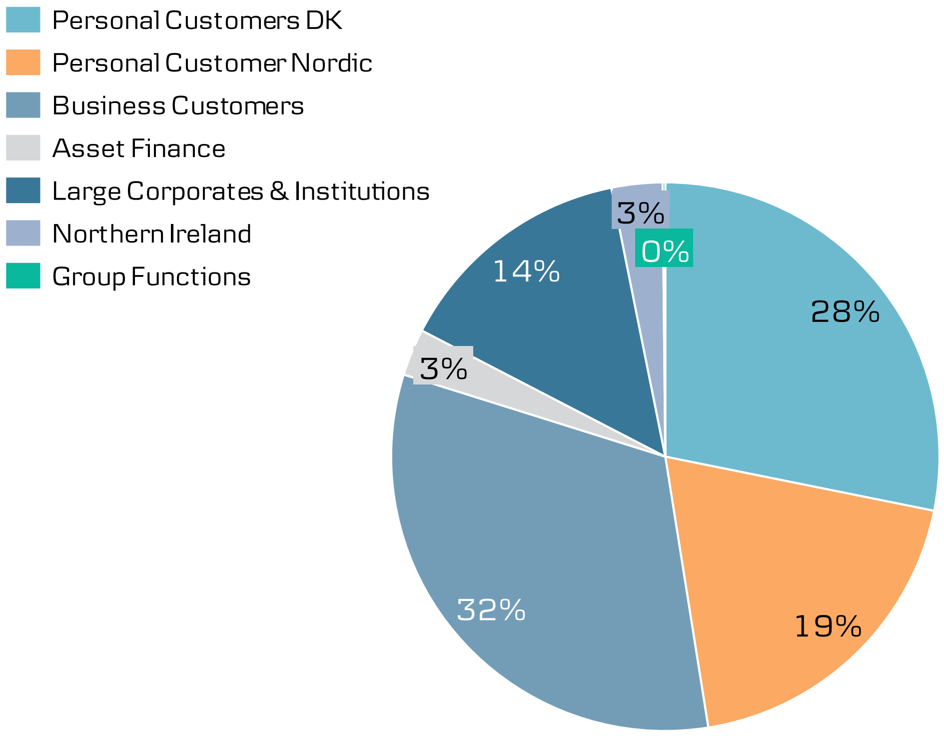
* Incl. return on investments

** Danica Norway AuM not part of Q4 and FY 2021 number

Danske Bank

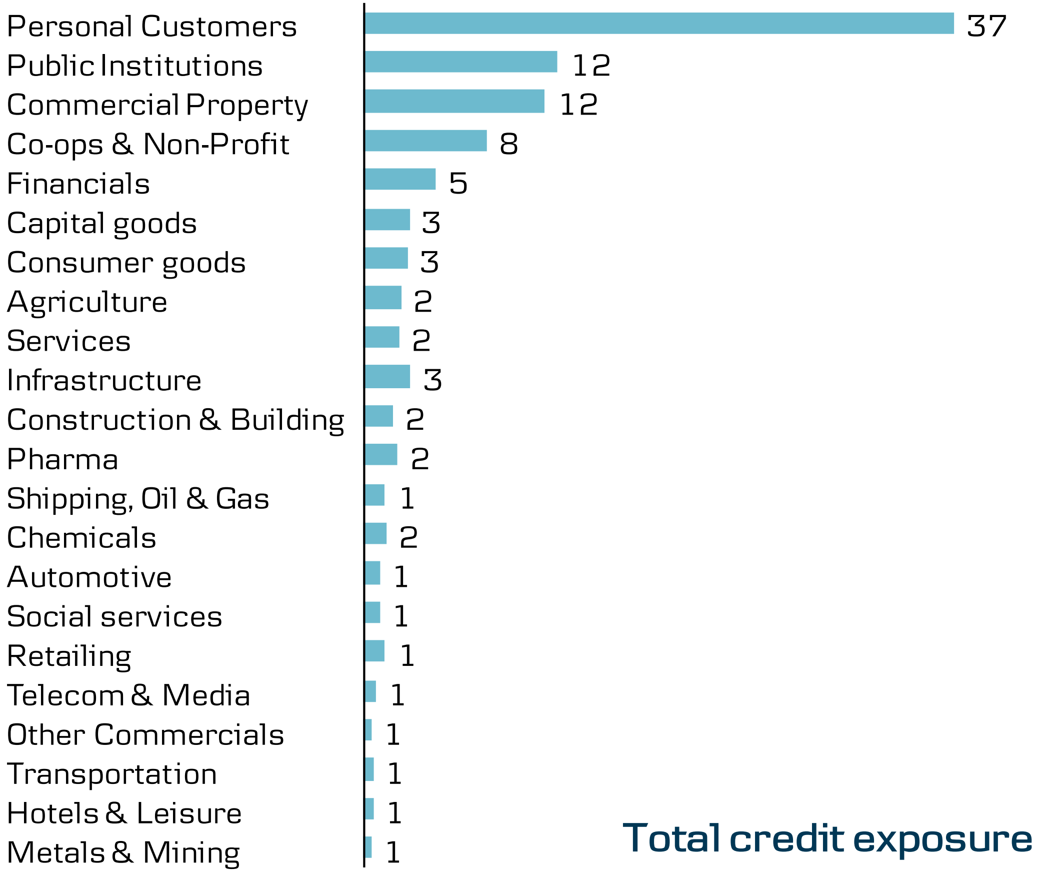
Strong footprint within retail lending

Lending by segment[1] Q4 21 (%)



Total lending of DKK 1,834 bn

Credit exposure by industry Q4 21 (%)



Total credit exposure of DKK 2,716 bn

[1] Total lending before loan impairment charges.

Danske Bank

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

Highlights

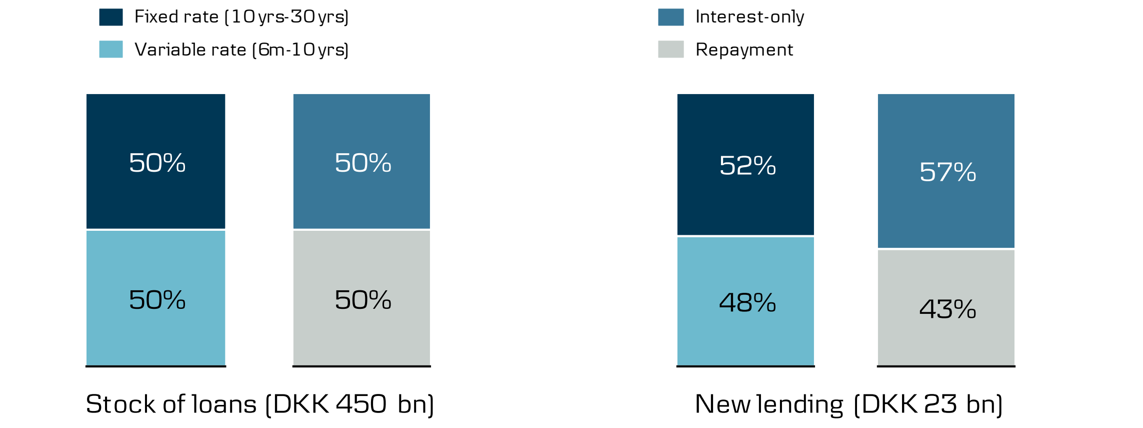
Portfolio facts, Realkredit Danmark, Q4 21

- 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

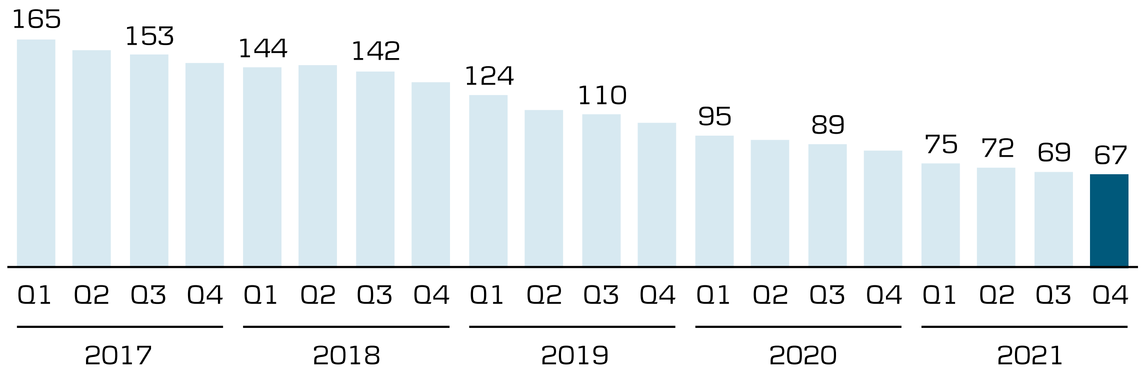
LTV ratio limit at origination (legal requirement)

- Residential: 80%
- Commercial: 60%

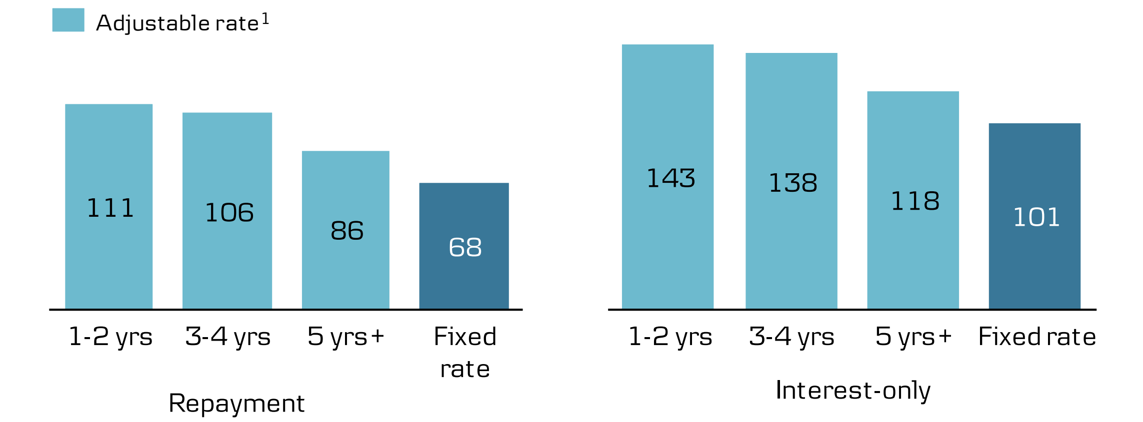
Retail loans, Realkredit Danmark, Q4 21 (%)



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



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

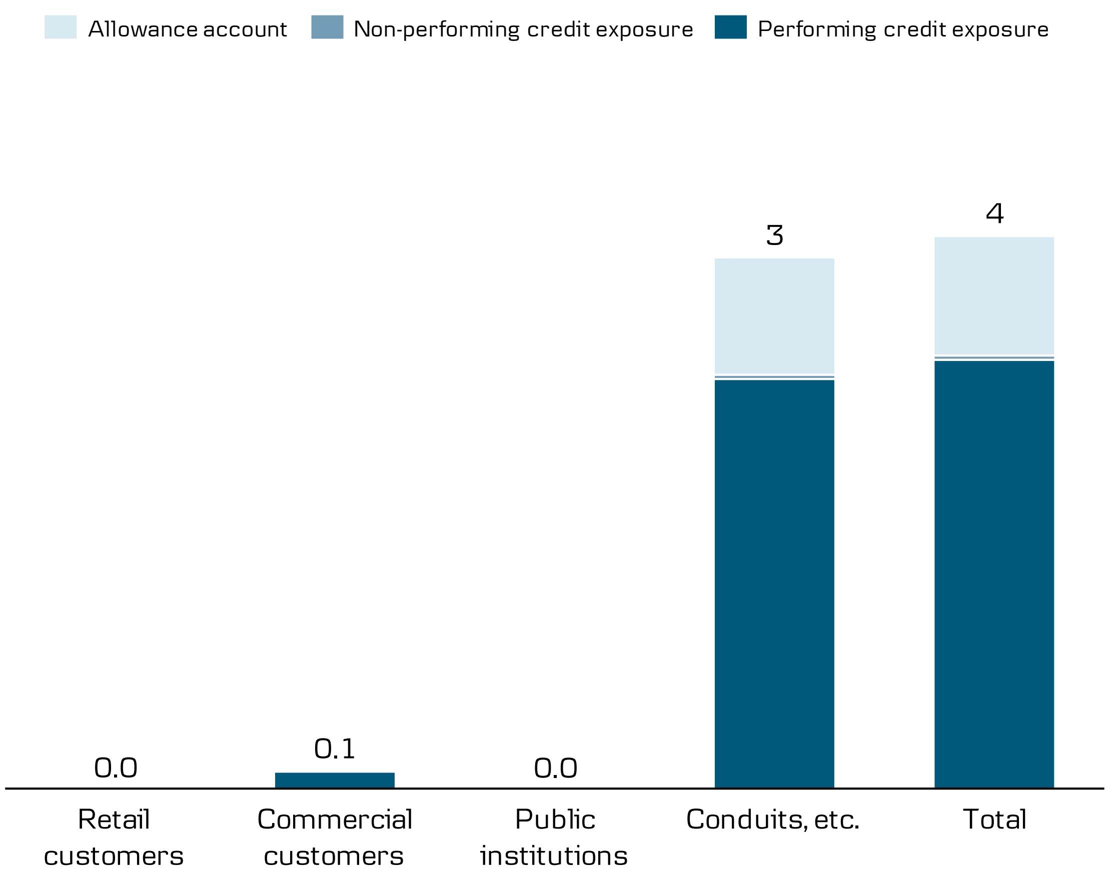


[1] In addition, we charge 30 bp of the bond price for refinancing of 1- and 2-year floaters and 20 bp for floaters of 3 or more years (booked as net fee income).

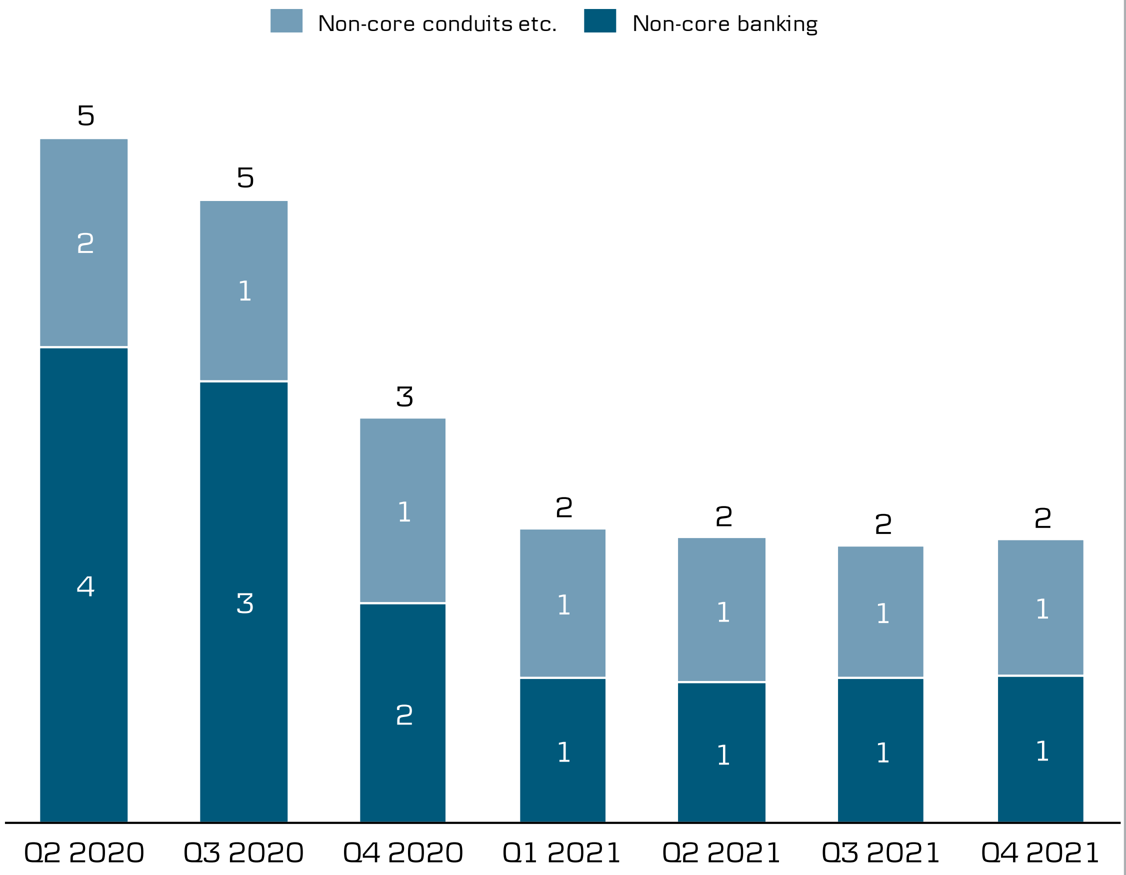
Danske Bank

Non-core

Non-core loan portfolio, Q4-21 (DKK bn)



Non-core, Q4-21 REA (DKK bn)



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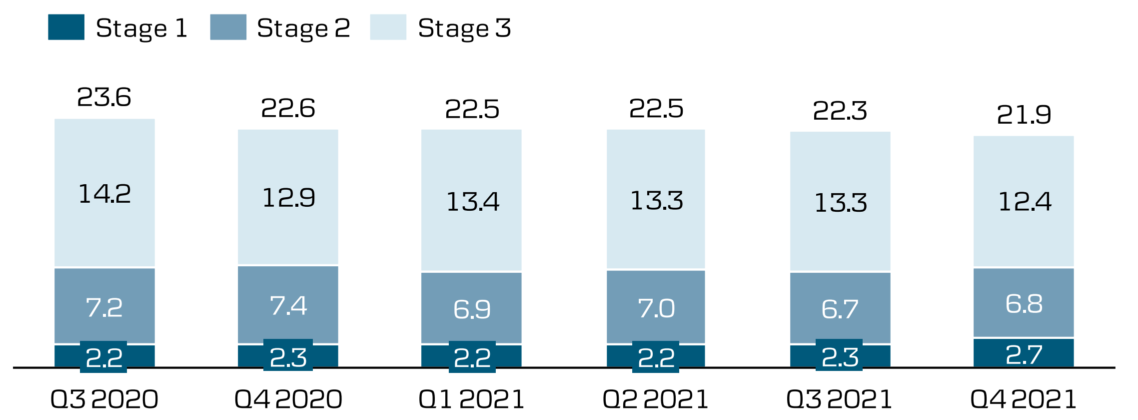
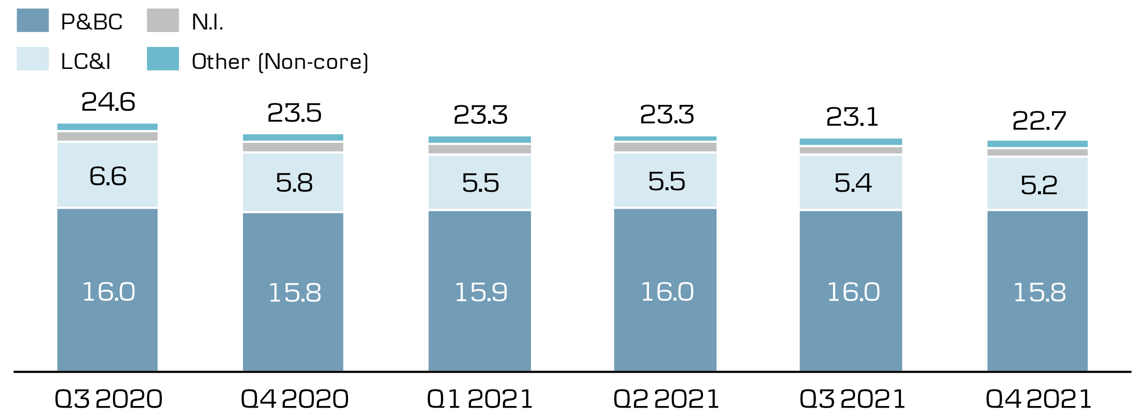
Credit quality: Low level of actual credit deterioration

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



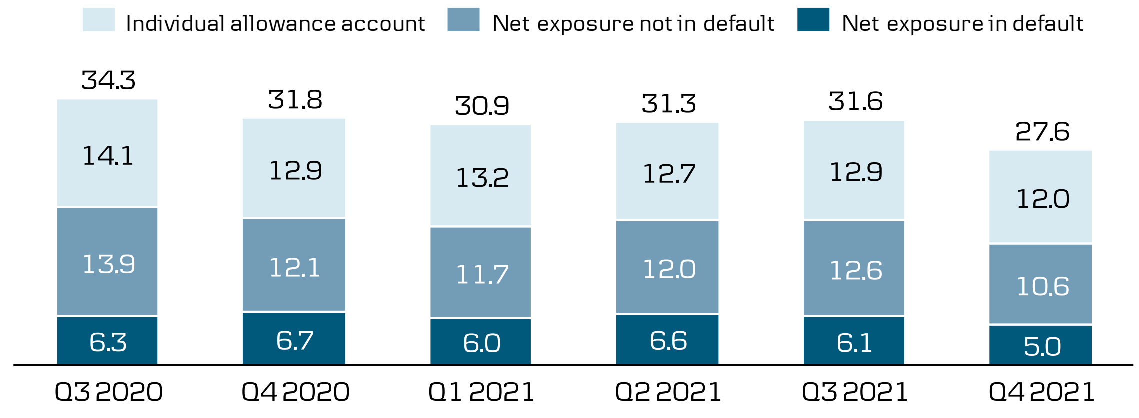
Allowance account by business unit (DKK bn)



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.

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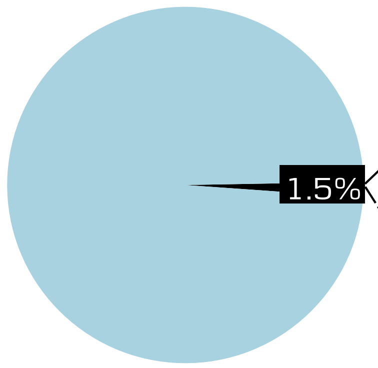
Fossil fuels (coal and oil) exposure: Climate targets have been set for the lending book to support the transition away from fossil fuels

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.

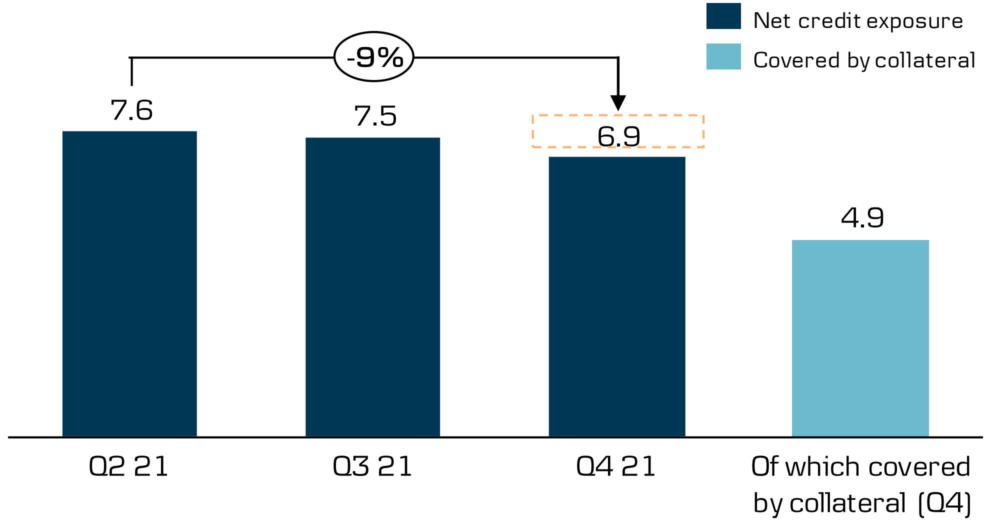
Group gross credit exposure (DKK 2,738 bn)



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)



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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.

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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.

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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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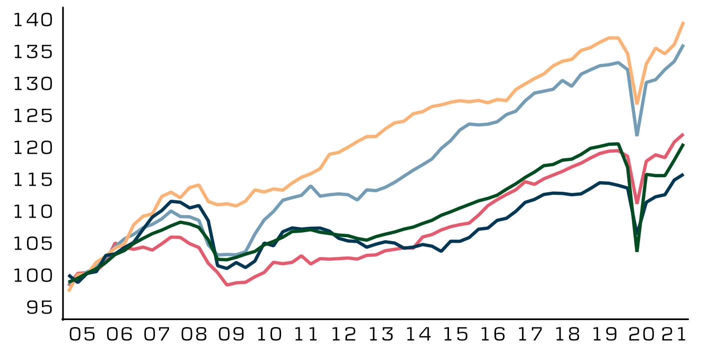
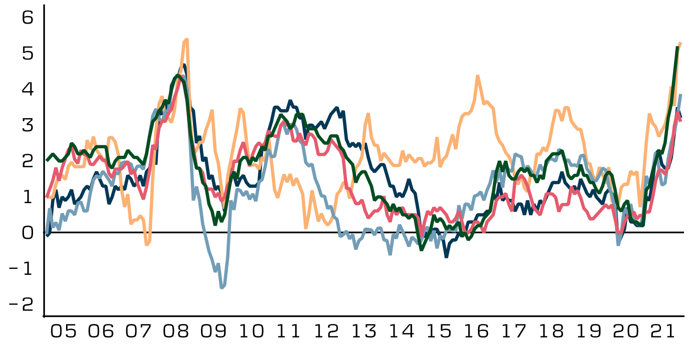
Nordic macroeconomic data

Denmark Sweden Norway Finland

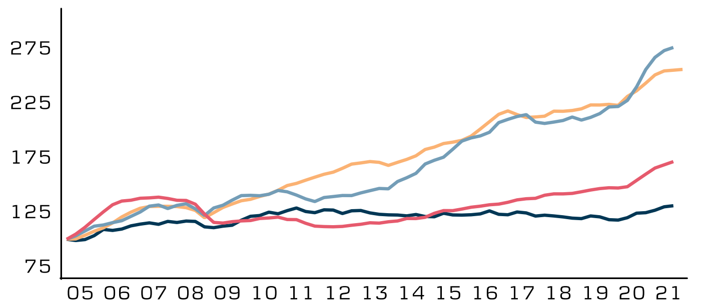
Real GDP, constant prices (index 2005 = 100)



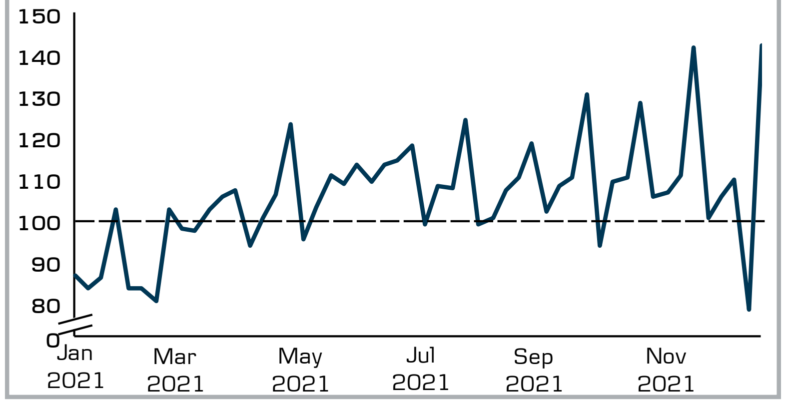
Inflation (%)



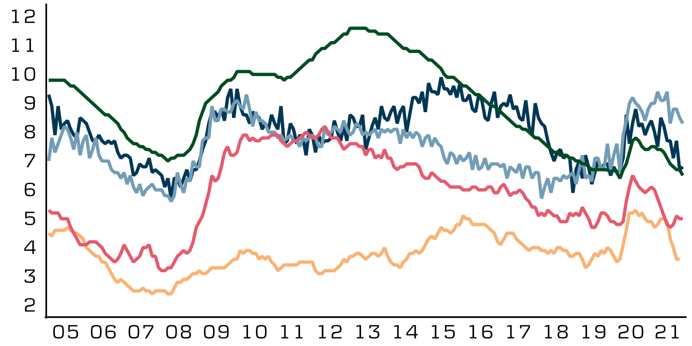
Property prices (index 2005 = 100)



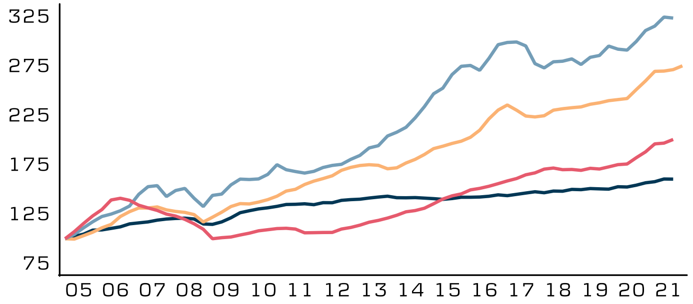
Consumer spending, Denmark (same weekday 2019 = 100)



Unemployment (%)



Apartment prices (index 2005 = 100)



Source: Danske Bank Macro Research

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