

Financial results for 2016



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2 February 2017

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Executive summary: A satisfactory financial result for 2016

Low economic growth – full year of negative interest rates

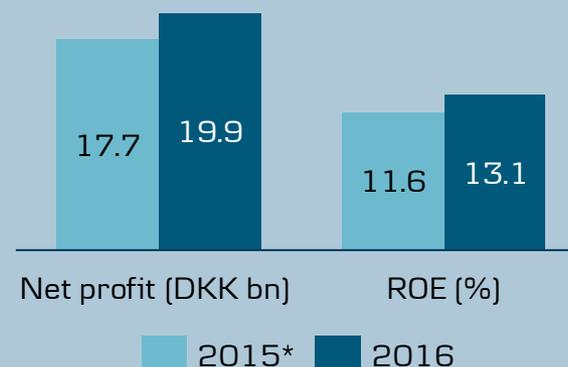
Volume growth and stronger client activity benefited NII and trading income

Costs below 2015 level; loan loss ratio of zero driven by improved credit quality

Customer satisfaction improved further, bringing us to a satisfactory position in most markets

Financial results, 2016

- Net profit of DKK 19.9 bn, up 12% from 2015*
- ROE of 13.1%
- Strong capital position, with a CET1 capital ratio of 16.3%
- Dividend of DKK 9.0 proposed and further DKK 10 bn share buy-back programme
- Net profit for 2017 is expected to be in the range of DKK 17-19 bn



* Before goodwill impairment charges in 2015.

Net profit: DKK 19.9 bn, up 12% from 2015*

Income statement and key figures (DKK m)

	2016	2015	Index	Q4 2016	Q3 2016	Index
Net interest income	22,028	21,402	103	5,790	5,492	105
Net fee income	14,183	15,018	94	4,032	3,414	118
Net trading income	8,607	6,848	126	2,323	2,549	91
Other income	3,140	2,343	134	757	589	128
Total income	47,959	45,611	105	12,902	12,044	107
Expenses	22,642	23,237	97	6,056	5,471	111
Goodwill impairment charges	-	4,601	-	-	-	-
Profit before loan impairment charges	25,317	17,773	142	6,847	6,573	104
Loan impairment charges	-3	57	-	-160	264	-
Profit before tax, core	25,320	17,716	143	7,007	6,309	111
Profit before tax, Non-core	37	46	80	32	-42	-
Profit before tax	25,357	17,762	143	7,039	6,267	112
Tax	5,500	4,639	119	1,449	1,362	106
Net profit	19,858	13,123	151	5,590	4,905	114
Net profit before goodwill impairments	19,858	17,724	112	5,590	4,905	114
Return on avg. shareholders' equity (%)	13.1	11.6		14.5	12.9	
Cost/income ratio (%)*	47.2	50.9		46.9	45.4	
Common equity tier 1 capital ratio (%)	16.3	16.1		16.3	15.8	
EPS (DKK)	20.2	12.8	158	5.8	5.0	116
Lending (DKK bn)	1,689	1,609	105	1,689	1,675	101
Deposits and RD funding (DKK bn)	1,631	1,568	104	1,631	1,644	99
- of which deposits (DKK bn)	859	817	105	859	872	99
Risk exposure amount (DKK bn)	815	834	98	815	814	100

* Before goodwill impairment charges in 2015.

Key points, 2016 vs 2015

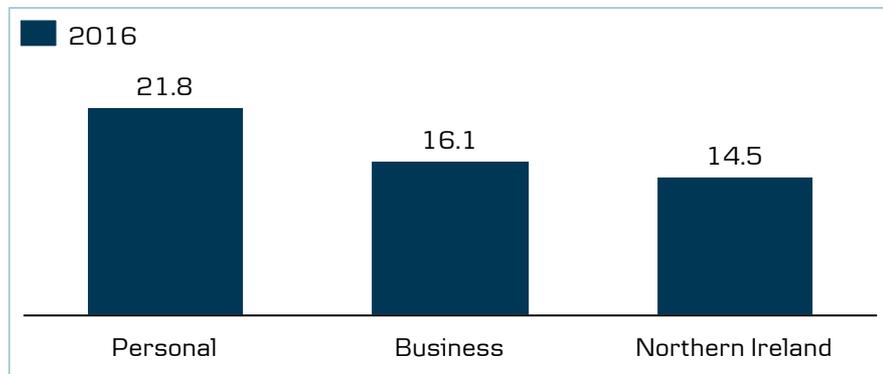
- Return on equity of 13.1%
- Total income up 5%, reflecting higher NII, trading income and other income
- Income benefited from divesting properties, VISA Europe and Danmarks Skibskredit
- Expenses down 3%; cost/income ratio of 47.2%
- Lending volume up 5%

Key points, Q4 2016 vs Q3 2016

- NII up 5% driven by repricing in Denmark & higher lending volumes
- Fee income up 18% owing to performance fees of DKK 483 m and shadow account of DKK 279 m
- Expenses up 11% due to seasonality and severance pay
- Net reversal despite further oil-related collective charges
- CET1 capital ratio at 16.3% and REA of DKK 815 bn

Banking units: Profit before tax up in the Nordic banking units reflecting net reversal of impairments

Pre-tax return on allocated capital (%)



Financial highlights, 2016 vs 2015

Personal Banking

- Total income down, reflecting lower NII and net fee income
- Expenses down 9% and significant net reversal of impairments
- Lending up 3%, driven by Norway and Sweden

Business Banking

- Total income down 1%, reflecting strong activity in 2015
- Net reversals driven primarily by higher collateral values
- Lending up 5%, with growth in all markets

Northern Ireland

- Results adversely affected by the change in the exchange rate
- Net reversals of impairments continued at a lower level

Income statement (DKK m)

	Personal			Business			Northern Ireland		
	2016	2015	Index	2016	2015	Index	2016	2015	Index
Net interest income	7,660	7,909	97	8,427	8,309	101	1,458	1,620	90
Net fee income	3,306	3,494	95	1,629	1,864	87	471	487	97
Net trading income	562	517	109	568	606	94	126	118	107
Other income	613	609	101	588	581	101	18	14	128
Total income	12,141	12,529	97	11,212	11,360	99	2,072	2,239	93
Expenses	7,654	8,444	91	4,791	4,704	102	1,243	1,369	91
Goodwill impairment charges	-	3,155	-	-	1,296	-	-	150	-
Profit before loan impairment charges	4,486	930	-	6,421	5,360	120	829	720	115
Loan impairment charges	-477	390	-	-235	191	-	-234	-561	-
Profit before tax	4,963	540	-	6,657	5,169	129	1,063	1,281	83
Profit before tax excl. goodwill	4,963	3,695	134	6,657	6,465	103	1,063	1,431	74
Lending (DKK bn)	742	721	103	662	630	105	46	52	87
Deposits and RD funding (DKK bn)	666	649	103	554	528	105	-	-	-
- of which deposits (DKK bn)	267	256	104	230	226	102	59	64	93

C&I and Wealth Management: Strong client activity at C&I; NII supported by increased lending at both business units

C&I: Financial highlights, 2016 vs 2015

- NII up 15% as a result of volume growth and less margin pressure
- Trading income reflected strong client activity at FICC, however, includes negative CVA of DKK -0.6 bn in Q2 owing to model improvement
- Daily income volatility in FICC was the lowest since 2011
- Expenses up 5% owing mainly to contributions to the new Resolution Fund and regulatory measures
- Higher impairments owing mainly to collective charges of DKK 1 bn against facilities in the oil sector

Wealth Management: Financial highlights, 2016 vs 2015

- Assets under management up 4% owing to positive inflow from net sales, net premiums and performance
- Net sales at Danske Capital of DKK 9 bn, with inflow from both institutional and retail clients. Net premiums of DKK 34 bn at Danica Pension
- Management fees affected by the weak markets in the beginning of the year
- Performance fees in Q4 of DKK 483 m and shadow account booking of DKK 279 m
- Expenses up by 5%, reflecting the establishment of the new business unit in 2016

C&I: Income statement (DKK m)

	2016	2015	Index
Net interest income	3,061	2,660	115
Net fee income	2,221	2,408	92
Net trading income	5,263	4,799	110
Other income	16	7	227
Total income	10,561	9,873	107
Expenses	4,648	4,412	105
Profit before loan impairment charges	5,913	5,461	108
Loan impairment charges	1,071	65	-
Profit before tax	4,842	5,396	90
Pre-tax return on allocated capital (%)*	12.7	14.8	
Lending (DKK bn)	197	172	115
Deposits (DKK bn)	233	214	109

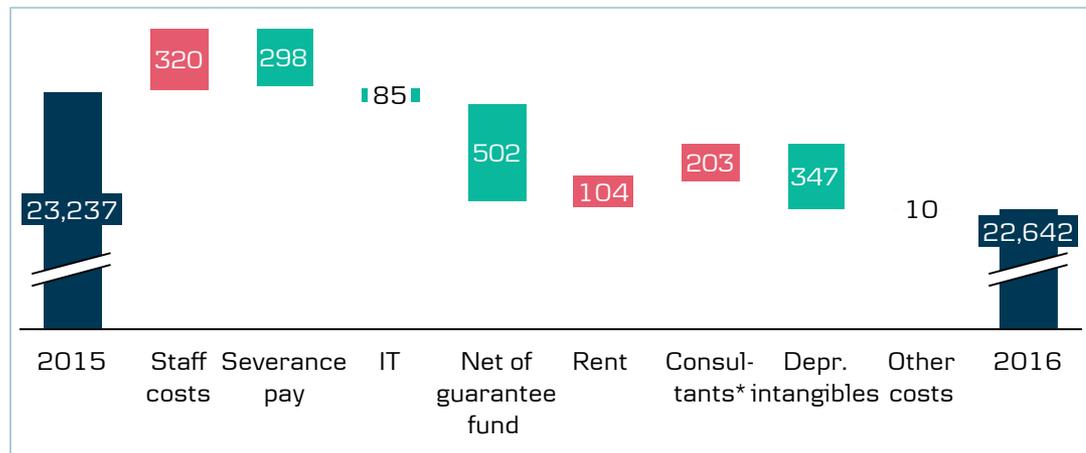
Wealth Management: Income statement (DKK m)

	2016	2015	Index
Net interest income	675	620	109
Net fee income	6,732	6,977	96
Net trading income	591	316	187
Other income	574	564	102
Total income	8,572	8,477	101
Expenses	3,887	3,702	105
Profit before loan impairment charges	4,685	4,775	98
Loan impairment charges	-137	-29	-
Profit before tax	4,823	4,804	100
Pre-tax return on allocated capital (%)*	34.3	30.9	
Lending (DKK bn)	72	68	106
Deposits (DKK bn)	63	53	119
Assets under management (DKK bn)	1,420	1,369	104

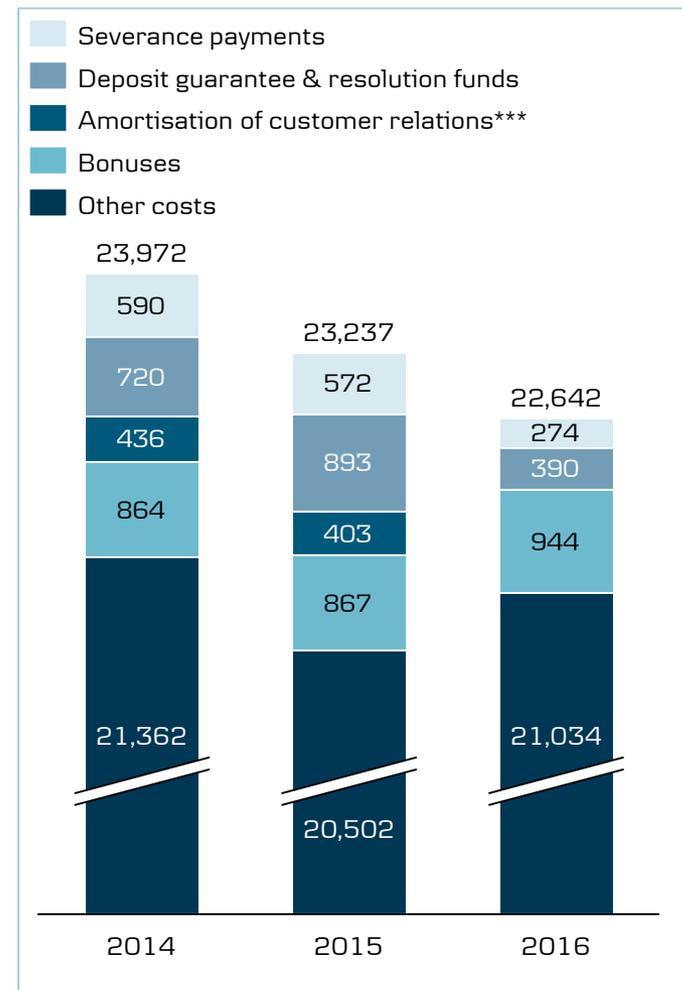
* 2016 reflects new capital allocation framework.

Expenses: Down 3% vs. 2015 level despite upward pressure from regulatory costs

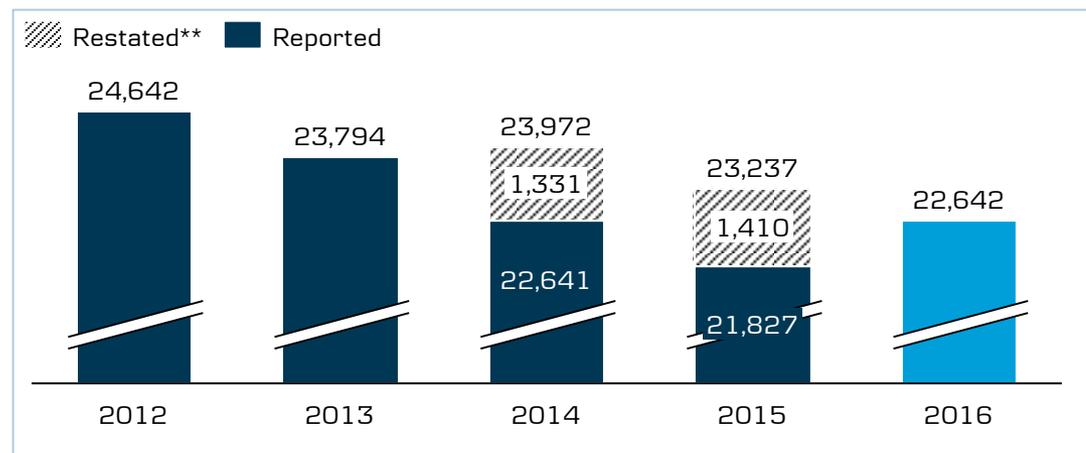
Change in expenses (DKK m)



Total expenses ex goodwill charge (DKK m)



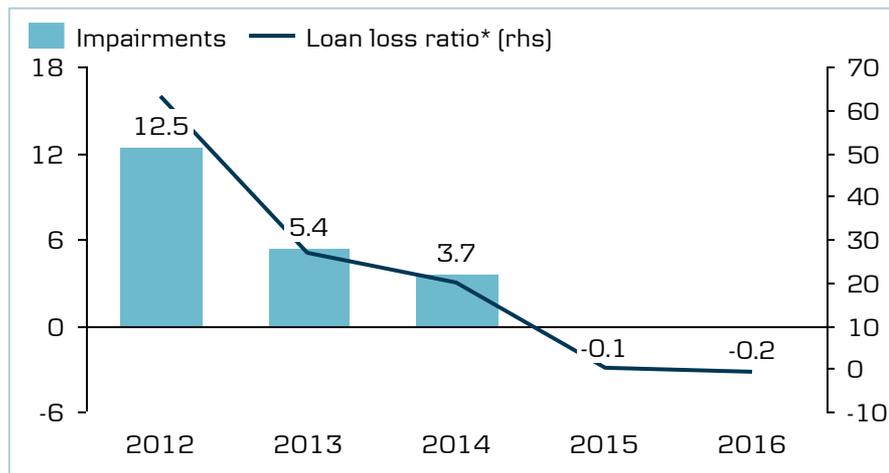
Total expenses ex goodwill charge, 2012-2016 (DKK m)



* Consulting costs were owing mainly to increased regulatory requirements. ** Expenses for 2014 and 2015 are restated to reflect the new Wealth Management unit. *** 2015 charge represents 11 months of amortisation because of a write-down in December 2015.

Impairments: Loan loss ratio of zero bp in core activities in 2016

Group impairments,* 2012 to 2016 (DKK bn/bp)



Impairment drivers, Q4 2016 vs Q3 2016

- Improved credit quality and reversals at all business units except for C&I resulted in a net reversal of DKK 0.2 bn
- At Personal Banking, credit quality improved as property prices increased & customers refinanced to amortising loans
- Net reversals at Business Banking largely driven by commercial property customers. Lower new impairments to the agriculture sector due to improved output prices
- Increased collateral values drove net reversals in Wealth Management and Northern Ireland
- Higher impairments at C&I due to a collective charge of DKK 450 m towards oil-related exposure

Impairments (DKK m)

	2016	2015	Q4 2016	Q3 2016
Personal Banking	-477	390	-188	-110
Business Banking	-235	191	-181	-31
C&I	1,071	65	282	468
Wealth Management	-137	-29	-55	-8
Northern Ireland	-234	-561	-22	-60
Other activities	9	1	3	5
Total core	-3	57	-160	264
Non-core	-165	-118	-67	-17
Group	-168	-61	-227	247

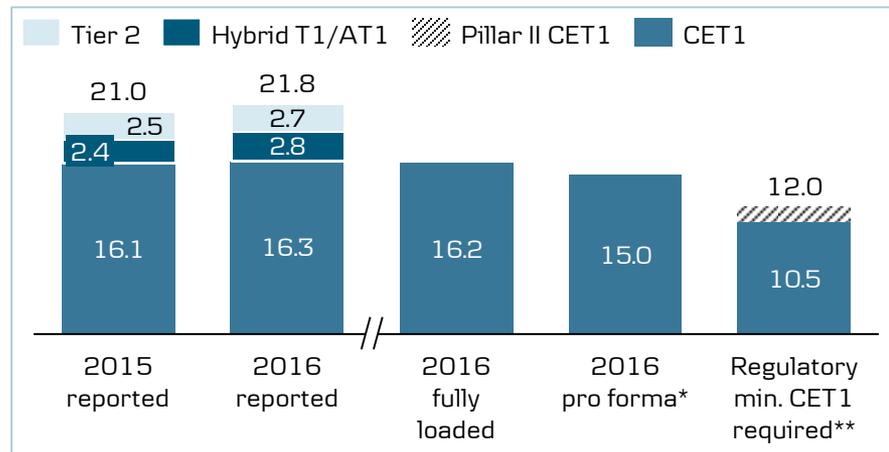
Loan loss ratio,** annualised (bp)

	2016	2015	Q4 2016	Q3 2016
Personal Banking	-7	6	-10	-6
Business Banking	-4	3	-11	-2
C&I	27	1	27	42
Wealth Management	-20	-4	-30	-4
Northern Ireland	-47	-121	-20	-54
Other activities	24	1	137	78
Total core	0	0	-3	5
Non-core	-69	-38	-136	-33
Group	-1	0	-5	5

* Incl. Non-core **The loan loss ratio is defined as annualised quarterly impairment charges as a percentage of loans and guarantees.

Capital: Strong capital base; CET1 capital ratio of 16.3%; launch of DKK 10 bn share buyback programme

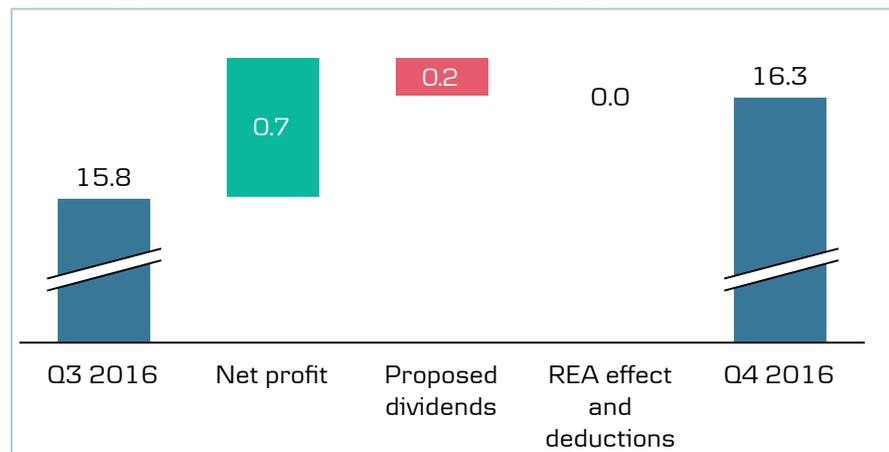
Capital ratios, under Basel III/CRR (%)



Capital highlights, Q4 2016

- Reported CET1 of 16.3% after share-buy back in 2016. Fully loaded CET1 of 16.2%
- Implementation of IFRS 9 is expected to increase the allowance account by DKK 3-5 billion, reducing shareholder's equity at 1 January 2018. The effect on CET1 is expected to be phased-in according to transitional rules (expected clarified in 2017)
- Leverage ratio of 4.6% under transitional rules and 4.3% fully phased-in
- Capital targets unchanged: CET1 in the range of 14-15% in the short to medium term in light of regulatory uncertainty, and total capital ratio target of around 19%

CET1 capital ratio, Q3 2016 to Q4 2016 (%)



Total REA, Q3 2016 to Q4 2016 (DKK bn)



* Pro forma fully loaded, adjusted for share buy-back of DKK 10 bn to take effect in Q1 2017. **Pro forma fully phased-in min. CET1 requirement in 2019 of 4.5%, capital conservation buffer of 2.5%, SIFI requirement of 3%, countercyclical buffers of 0.5% and CET1 component of Pillar II requirement. NB: Pillar II requirement is not relevant for the purpose of MDA.

Outlook for full-year 2017:

We expect net profit in the range of DKK 17-19 bn

Net interest income

We expect net interest income to be higher than in 2016, as we will benefit from volume growth and lower funding costs

Net fee income

Net fee income is expected to be somewhat higher than in 2016, subject to customer activity

Net trading & Other income

Net trading income and Other income are expected to be less impacted by positive special items compared to 2016

Expenses

Expenses are expected to decline somewhat from the level in 2016

Impairments

Loan impairments are expected to remain low, although higher than in 2016

Net profit

We expect net profit to be in the range of DKK 17-19 bn

Note: This guidance is subject to uncertainty and depends on economic conditions, including developments in monetary policy at central banks.

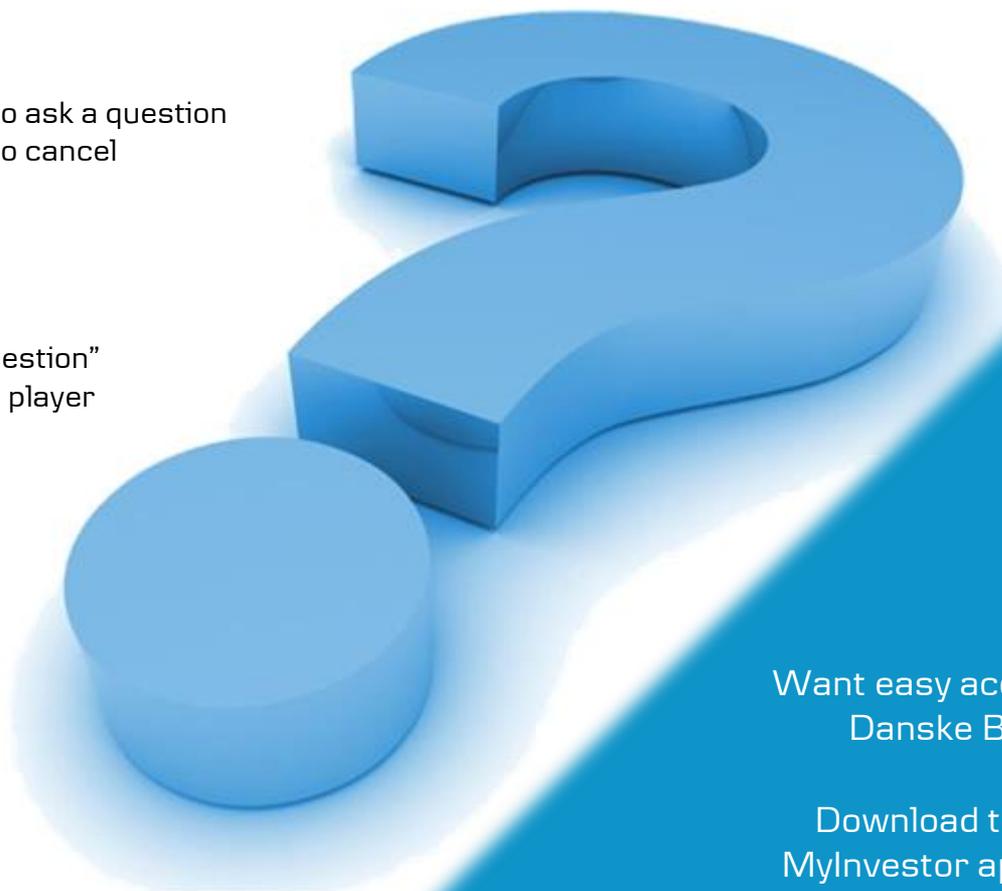
Q&A session



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Appendix

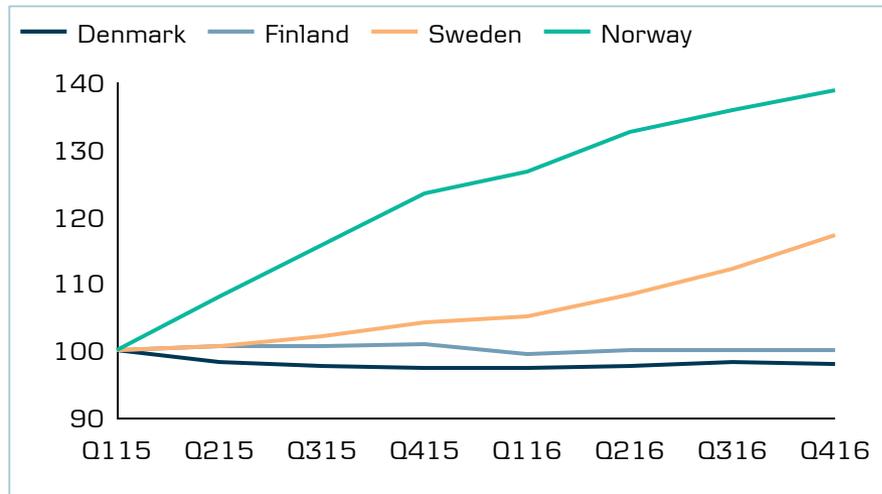
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Personal Banking: Pre-tax profit up 4% on net reversals; strong customer activity in Sweden and Norway continues

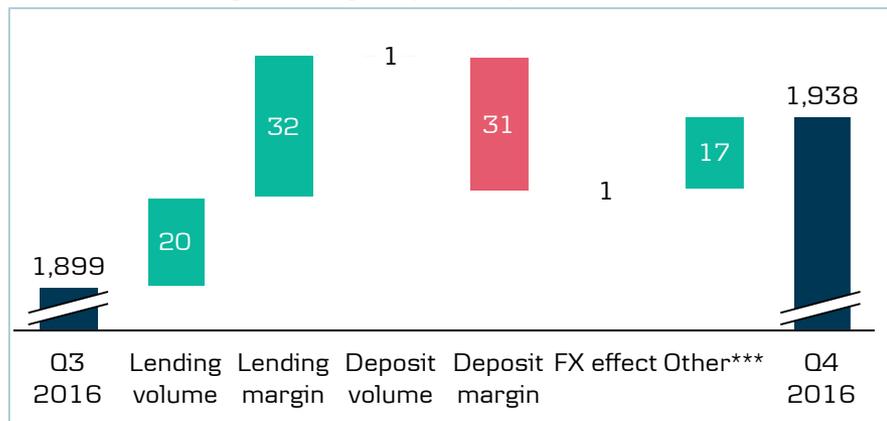
Income statement and key figures (DKK m)

	Q4 2016	Q3 2016	Index
Net interest income	1,938	1,899	102
Net fee income	819	890	92
Net trading income	176	121	146
Other income	157	144	110
Total income	3,091	3,054	101
Expenses	1,995	1,926	104
Profit before loan impairment charges	1,096	1,128	97
Loan impairment charges	-188	-110	-
Profit before tax	1,284	1,238	104
Lending (DKK bn)	742	741	100
Deposits (DKK bn)	267	267	100

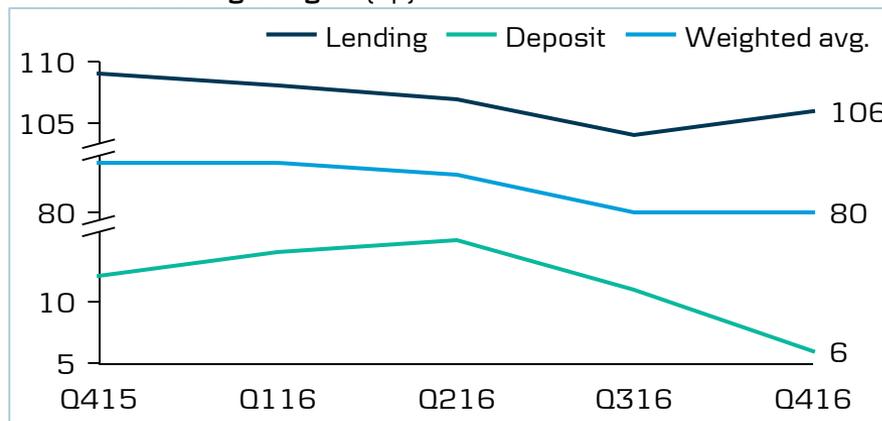
Lending volume by country* (Q1 2015 = Index 100)



Personal Banking NII bridge** (DKK m)



Personal Banking margins (bp)



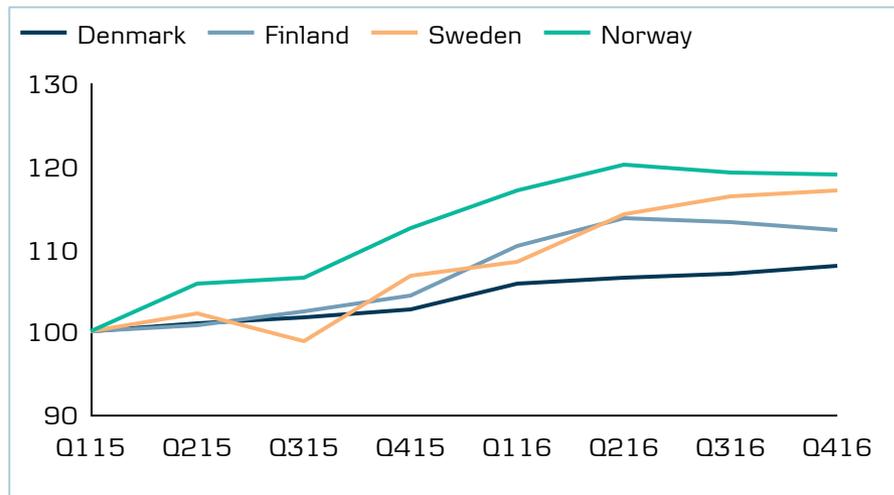
* Based on local currency lending volumes. ** Based on average volumes. *** Includes capital costs and off-balance-sheet items.

Business Banking: Pre-tax profit up 17% on NII, trading income and further net reversals

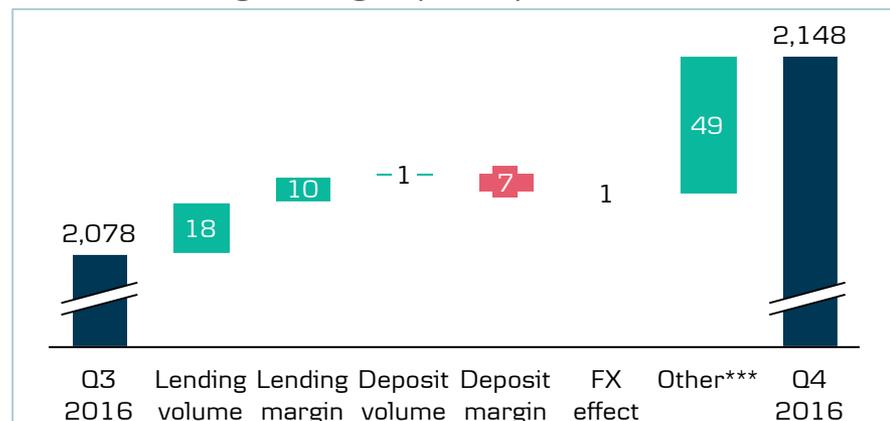
Income statement and key figures (DKK m)

	Q4 2016	Q3 2016	Index
Net interest income	2,148	2,078	103
Net fee income	405	435	93
Net trading income	176	100	175
Other income	183	117	156
Total income	2,912	2,729	107
Expenses	1,264	1,198	106
Profit before loan impairment charges	1,648	1,532	108
Loan impairment charges	-181	-31	-
Profit before tax	1,829	1,563	117
Lending (DKK bn)	662	661	100
Deposits (DKK bn)	230	224	103

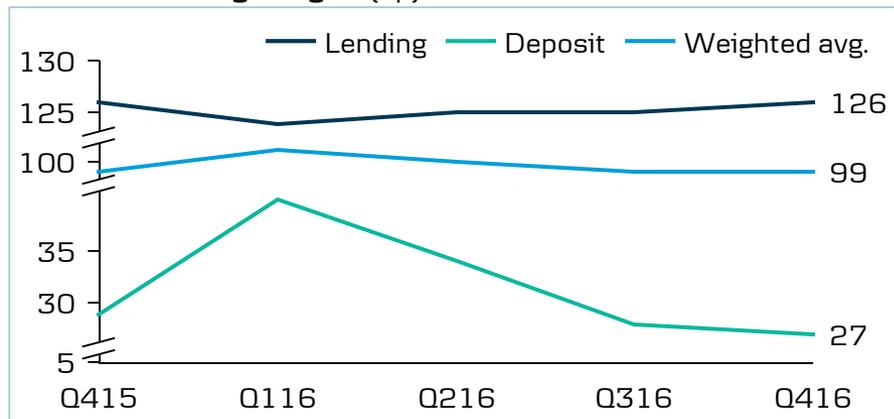
Lending volume by country* (Q1 2015 = Index 100)



Business Banking NII bridge** (DKK m)



Business Banking margins (bp)



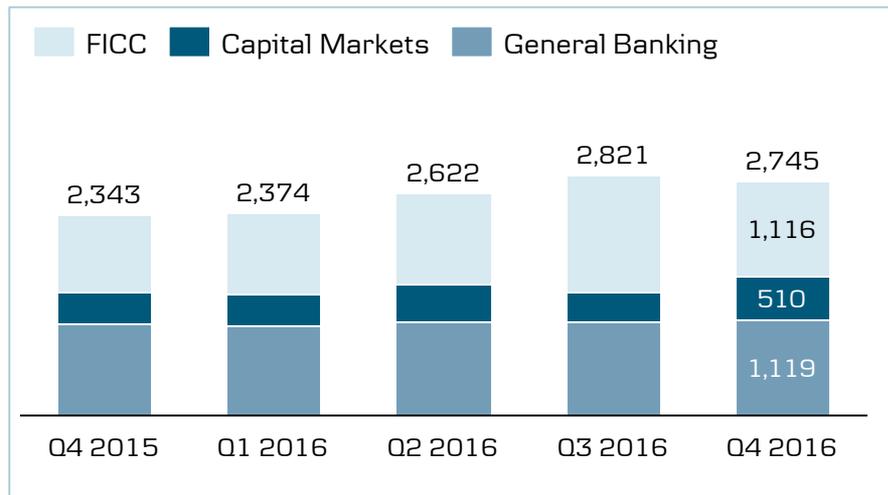
* Based on local currency lending volumes. ** Based on average volumes. *** Includes capital costs and off-balance-sheet items.

Corporates & Institutions: Higher Capital Markets income; impairments to oil related exposure continued

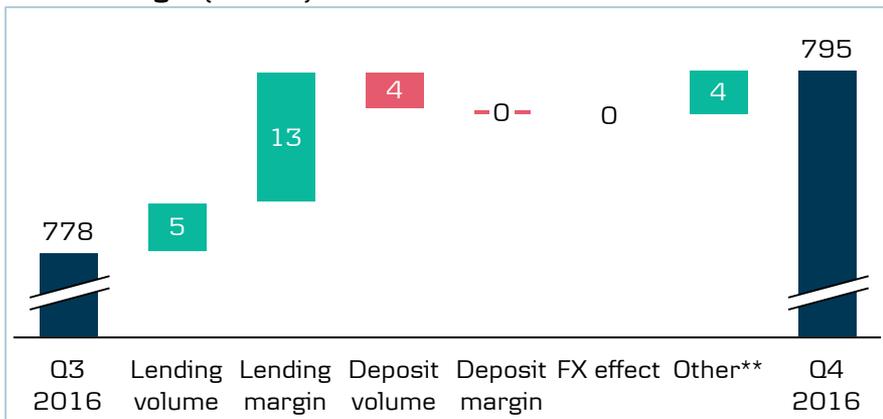
Income statement and key figures (DKK m)

	Q4 2016	Q3 2016	Index
Net interest income	795	778	102
Net fee income	626	478	131
Net trading income	1,329	1,560	85
Other income	-5	5	-
Total income	2,745	2,821	97
Expenses	1,151	1,176	98
Profit before loan impairment charges	1,594	1,644	97
Loan impairment charges	282	468	60
Profit before tax	1,312	1,176	112
Lending (DKK bn)	197	189	104
Deposits (DKK bn)	233	250	93

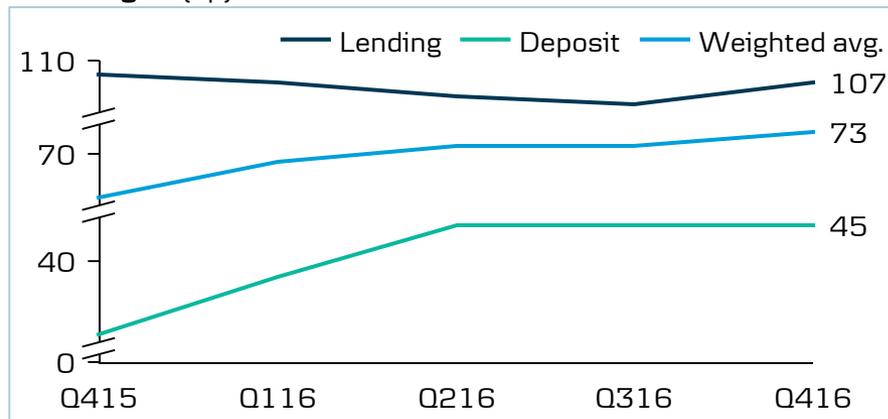
Income breakdown (DKK m)



C&I NII bridge* (DKK m)



C&I margins (bp)



* Based on average volumes. ** Includes capital costs and off-balance-sheet items.

Wealth Management: AUM up 3%; pre-tax profit up 38% owing to booking of performance fees and shadow account

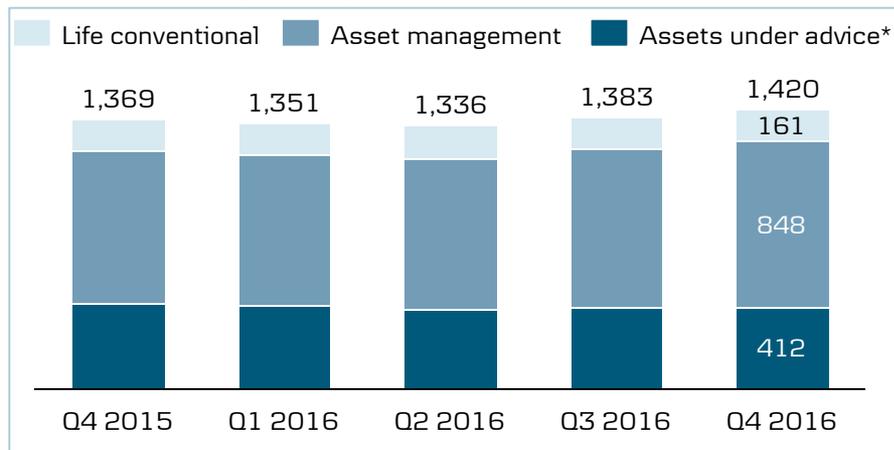
Income statement and key figures (DKK m)

	Q4 2016	Q3 2016	Index
Net interest income	176	167	105
Net fee income	2,147	1,533	140
Net trading income	148	299	49
Other income	224	90	248
Total income	2,695	2,089	129
Expenses	1,103	902	122
Profit before loan impairment charges	1,592	1,188	134
Loan impairment charges	-55	-8	-
Profit before tax	1,647	1,195	138
Lending (DKK bn)	72	72	101
Deposits (DKK bn)	63	64	98
Allocated capital (average, DKK bn)	13.2	12.5	106
Pre-tax return on allocated capital (%)	49.8	38.3	
AuM (DKK bn)	1,420	1,383	103
- Life conventional (Traditional)	161	168	96
- Asset management (unit-linked)	848	801	106
- Assets under advice*	412	414	99

Key points, Q4 2016 vs Q3 2016

- Assets under management up 3% on performance, net sales (DKK 5.6 bn) and net premiums (DKK 9.2 bn) at Danica
- Fee income includes DKK 483 m of performance fees and DKK 279 m from shadow account booking
- Trading income down as Q3 included one-off income of DKK 175 m from the transfer of a portfolio of insurance contracts
- Other income up owing to an increase in the risk result from non-life insurance
- Operating expenses up primarily because of seasonality
- ROAC improved to 49.8%

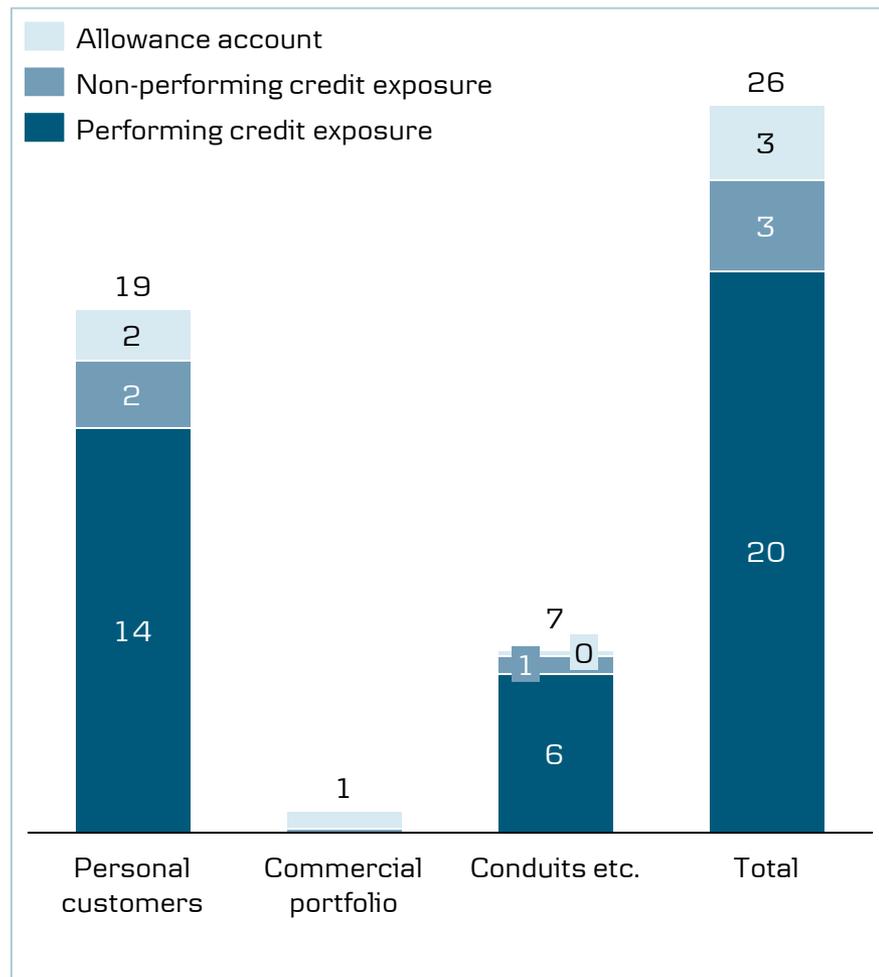
AuM breakdown (DKK bn)



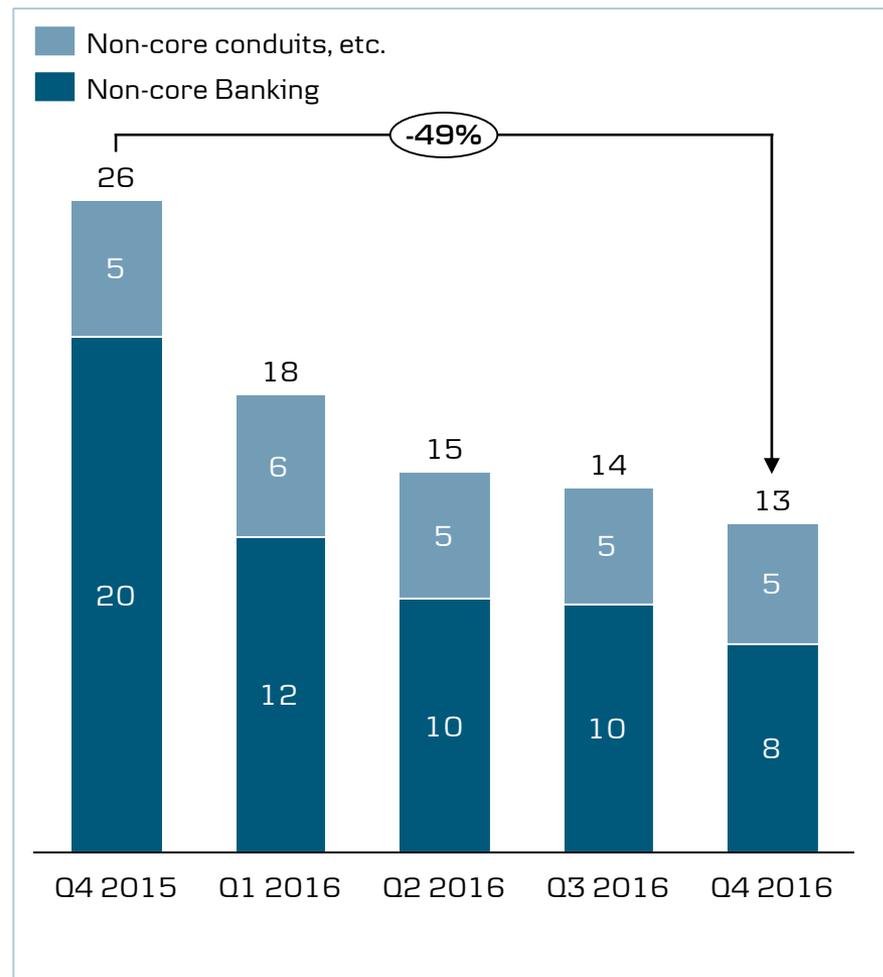
* Assets under advice from personal, business and private banking customers, where the investment decisions is taken by the client.

Non-core: Deleveraging progressed according to plan; REA of DKK 13 bn at the end of 2016

Non-core loan portfolio, Q4 2016 (DKK bn)

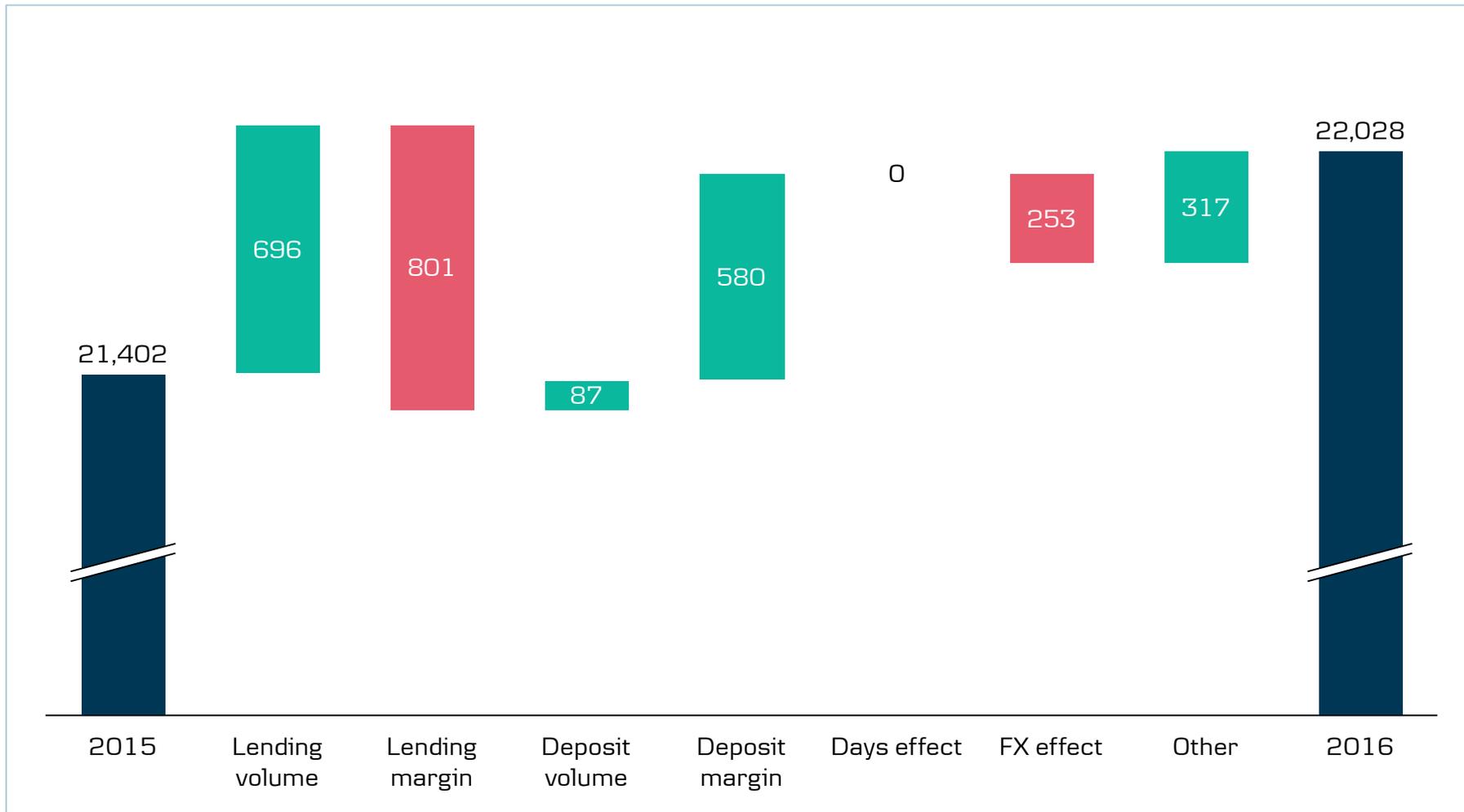


Non-core REA (DKK bn)



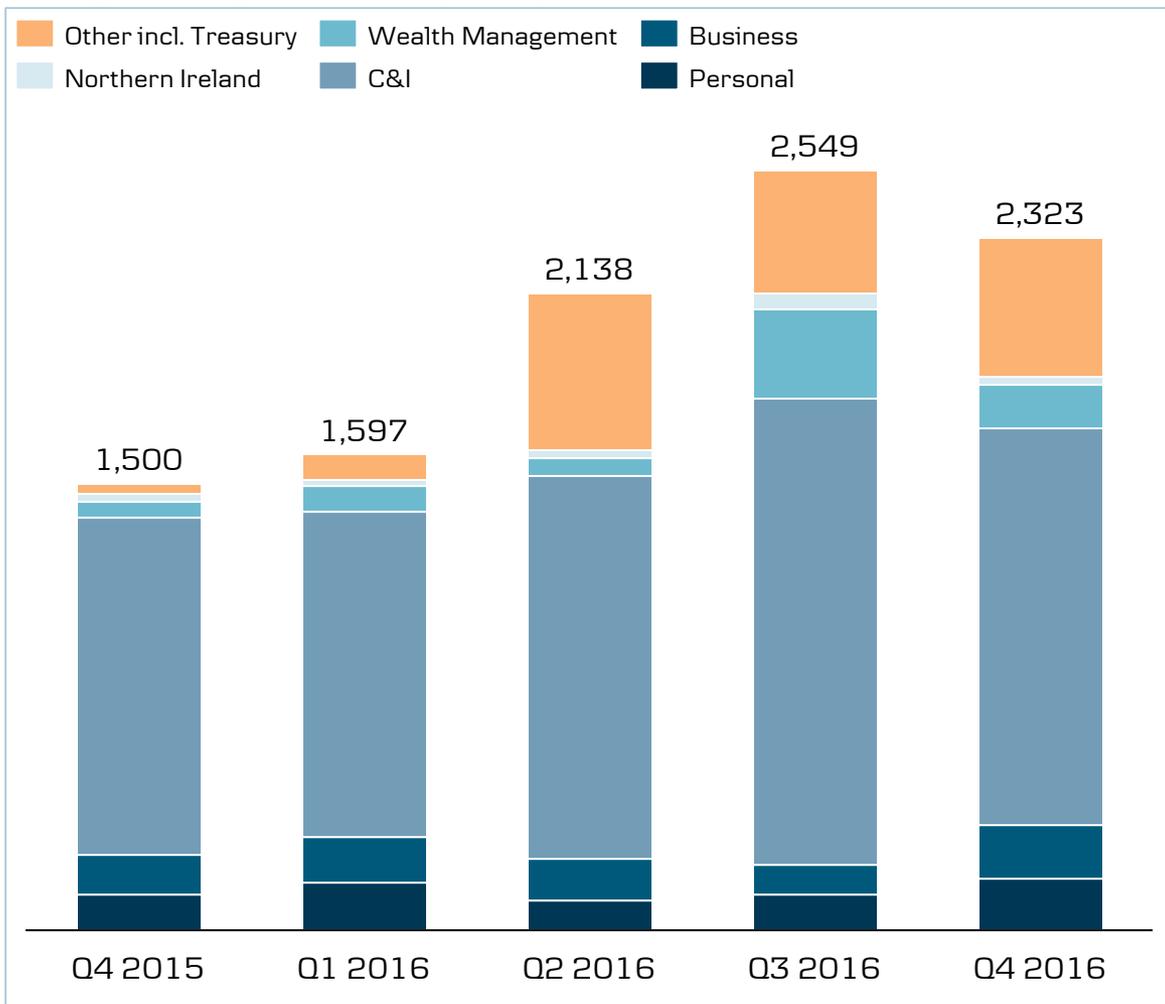
Net interest income: Up 4% adjusted for FX effects despite significant lending margin pressure

Change in net interest income (DKK m)



Trading income: Strong full-year result; activity in Q4 slightly lower than in strong Q3

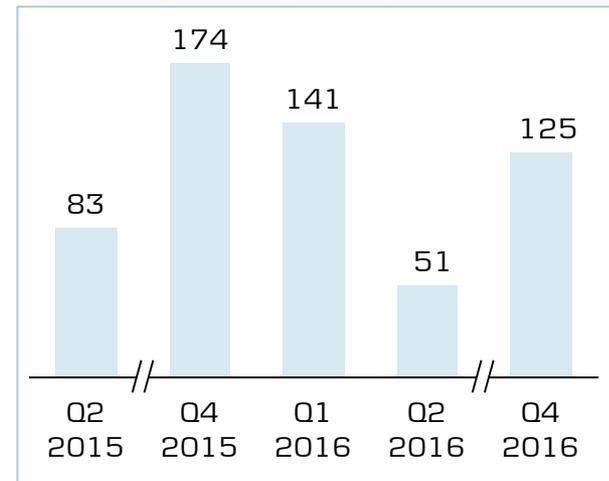
Trading income by business unit (DKK m)



Key points, Q4 2016 vs Q3 2016

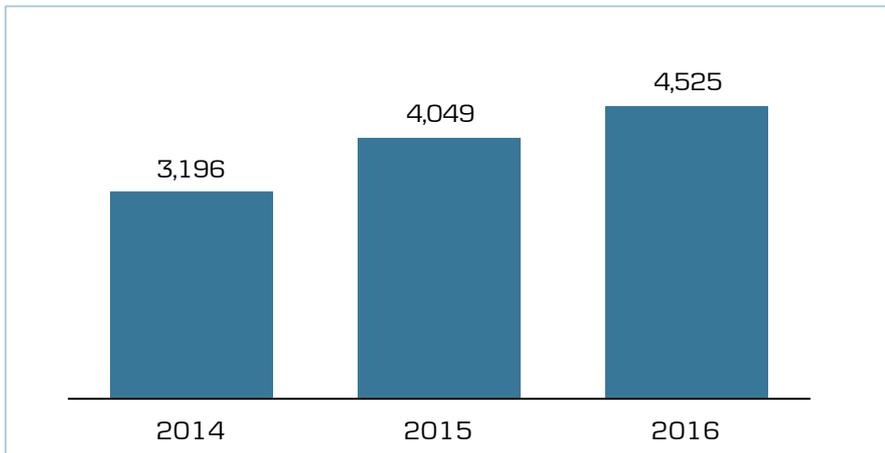
- Trading income down 9% owing to strong client activity in Q3
- Other Activities benefited from the sale of shares in Danmarks Skibskredit of DKK 0.4 bn
- Q3 included a gain related to the sale of VISA Europe of DKK 0.1 bn and an adjustment of pension plans in Wealth Management of DKK 0.2 bn

Refinancing income (DKK m)



FICC: Changed risk profile has reduced risk, volatility and capital consumption

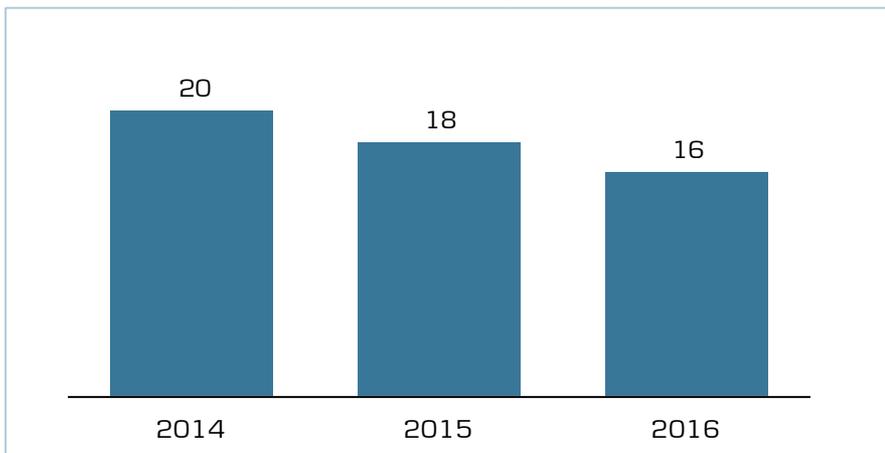
FICC income, 2014 to 2016 (DKK m)



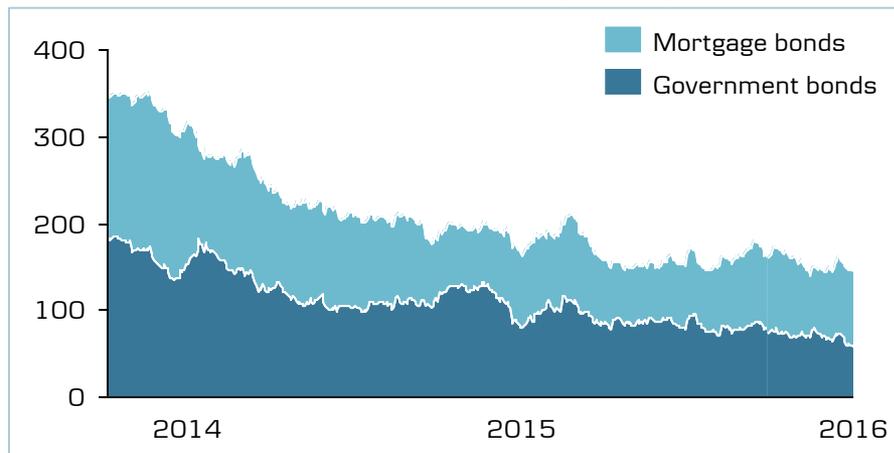
Comments

- The adjusted risk profile of FICC has resulted in lower income volatility and lower capital use due to less warehousing
- Daily income volatility in FICC in 2016 was at the lowest level since 2011
- In 2015 and 2016, FICC income included negative CVA adjustments

FICC allocated capital, 2014 to 2016 (DKK bn)

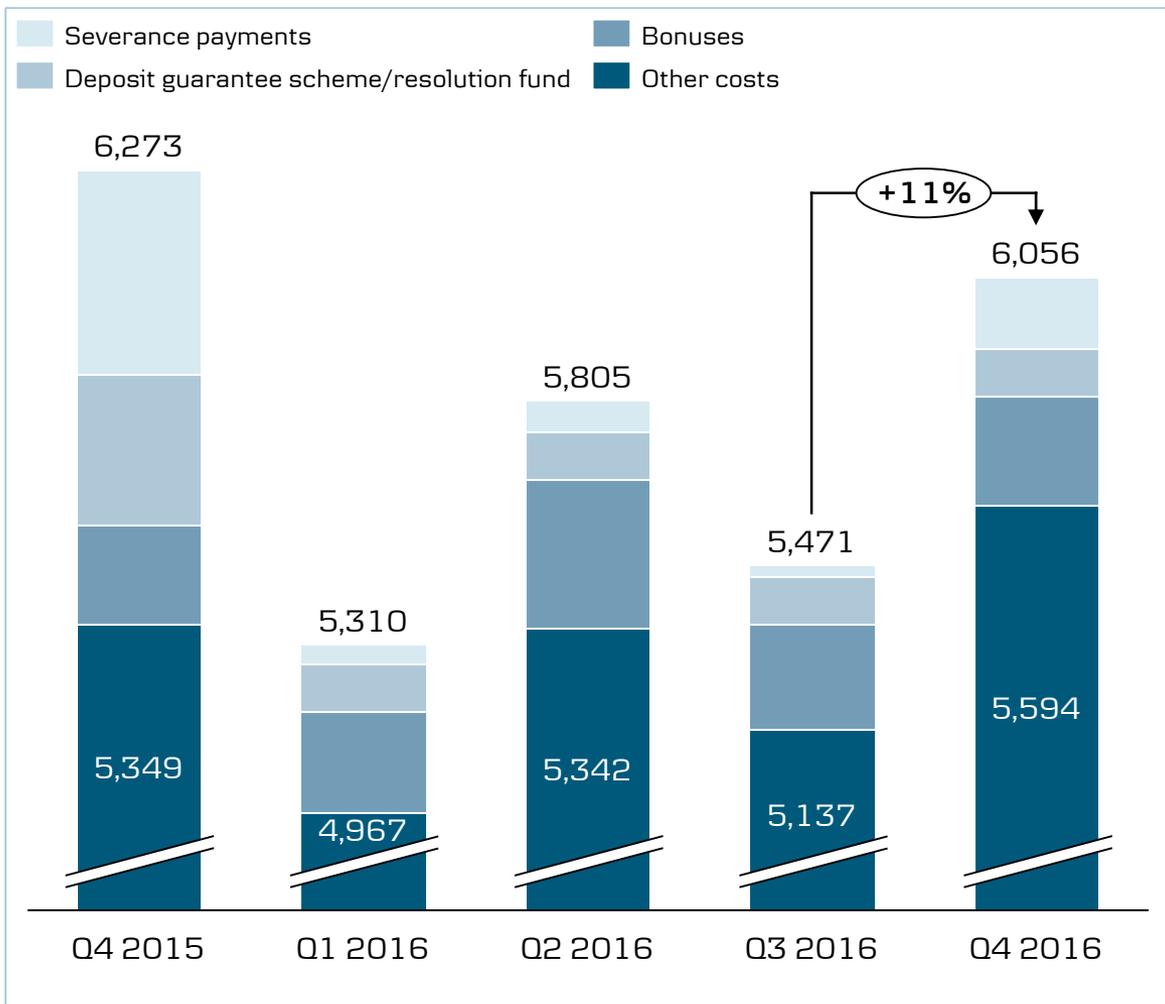


FICC bond balance, Q3 2014 to Q4 2016 (DKK bn)

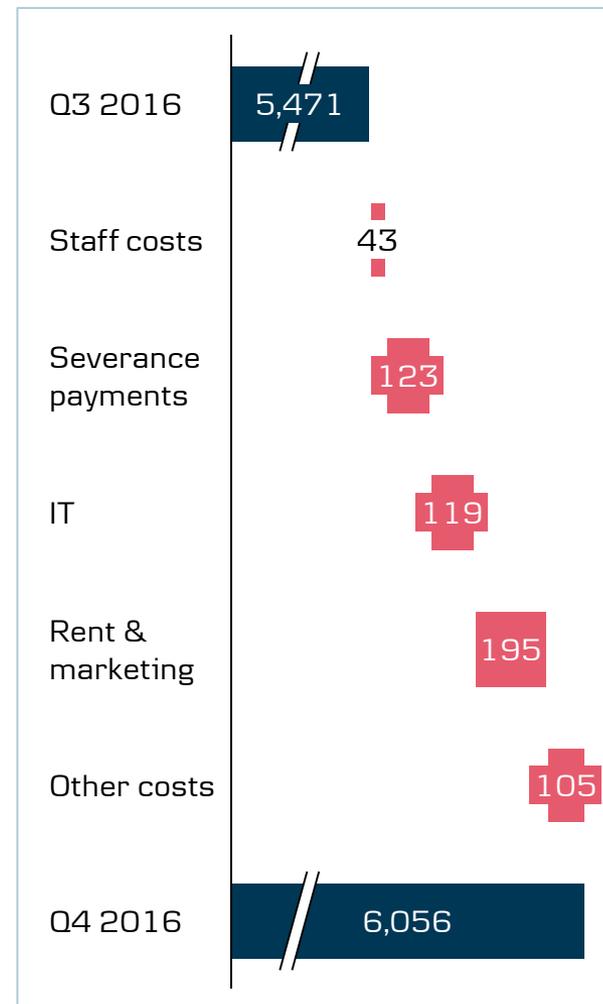


Expenses: Up 11% owing to seasonally higher expenses in Q4

Total expenses ex goodwill charge (DKK m)

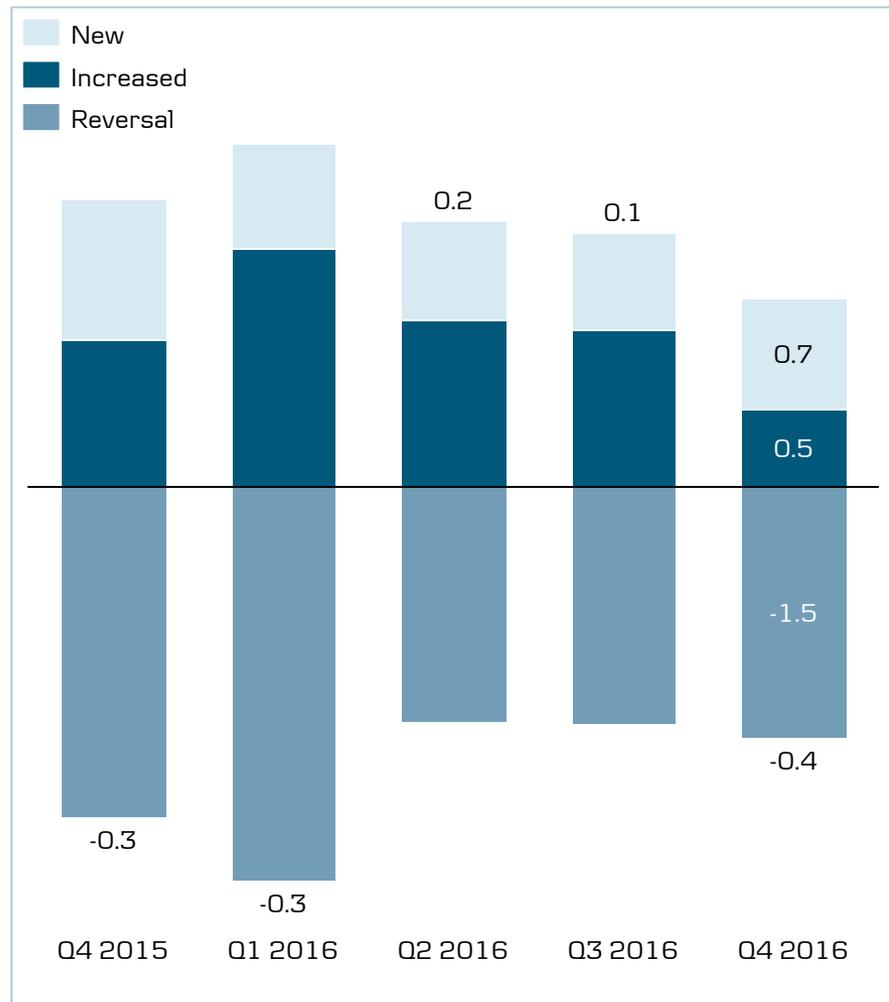


Change in expenses ex goodwill (DKK m)

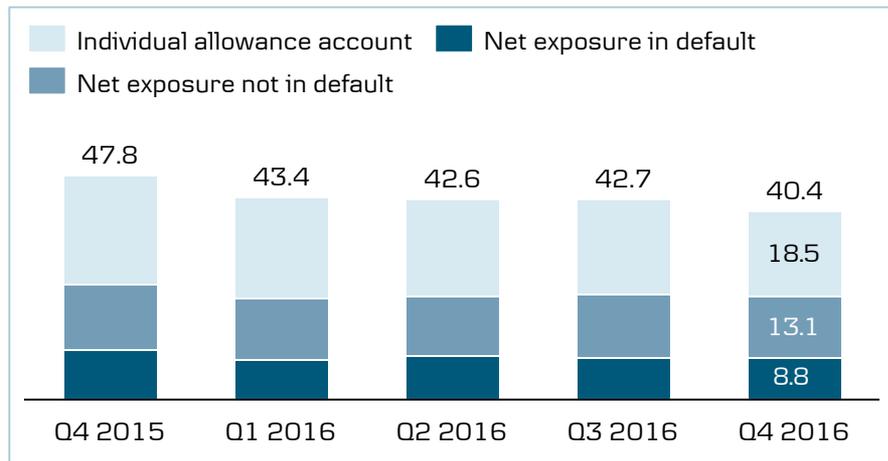


Credit quality: Further improvement in credit quality; NPLs decreased 16% in 2016

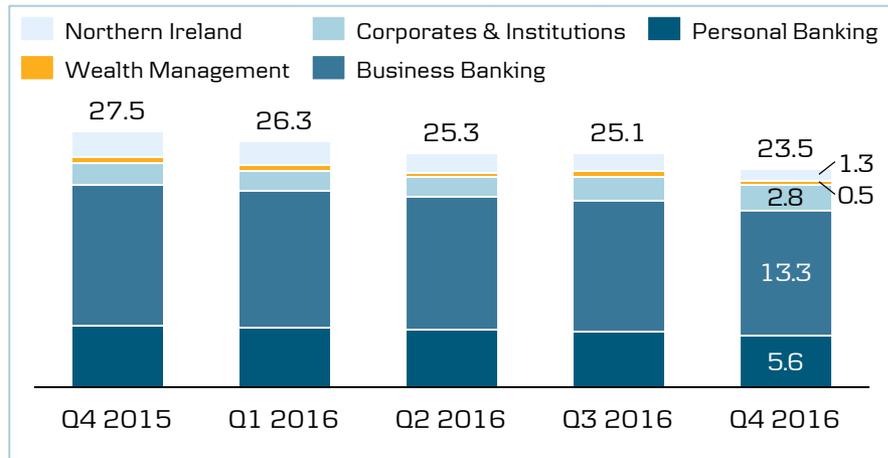
Individual loan impairment charges* (DKK bn)



Gross non-performing loans (DKK bn)



Allowance account by business unit (DKK bn)

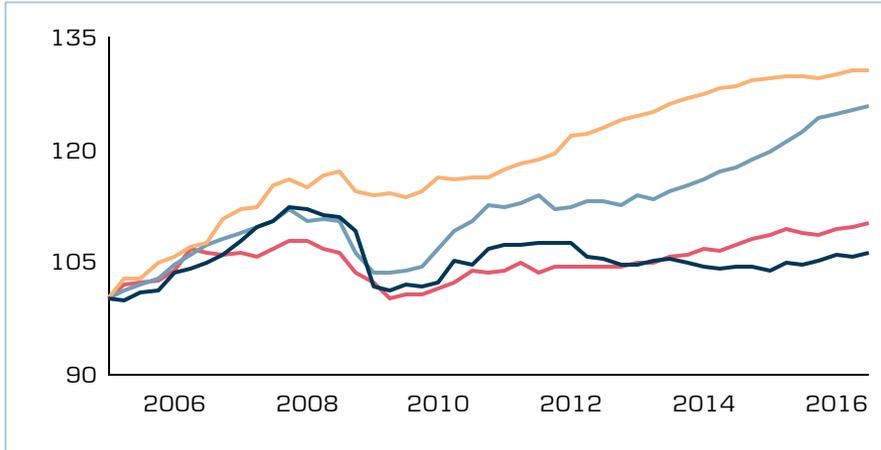


* Ex Baltics. Note: Non-performing loans are loans in rating categories 10 and 11 against which individual impairments have been made.

Nordic macro economy

— Denmark — Sweden — Norway — Finland

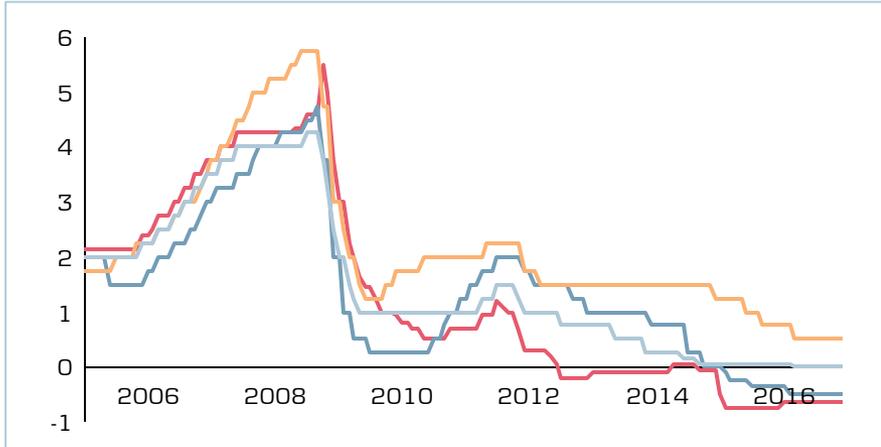
Real GDP, constant prices (index 2005 = 100)



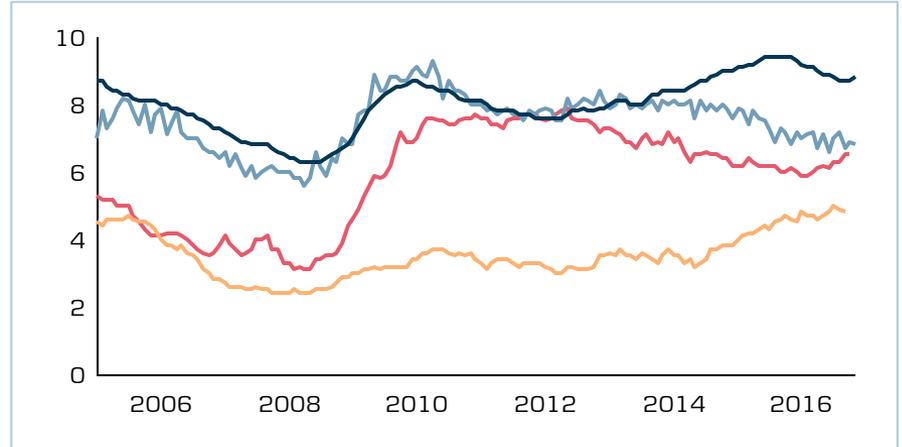
Inflation (%)



Interest rates, leading (%)



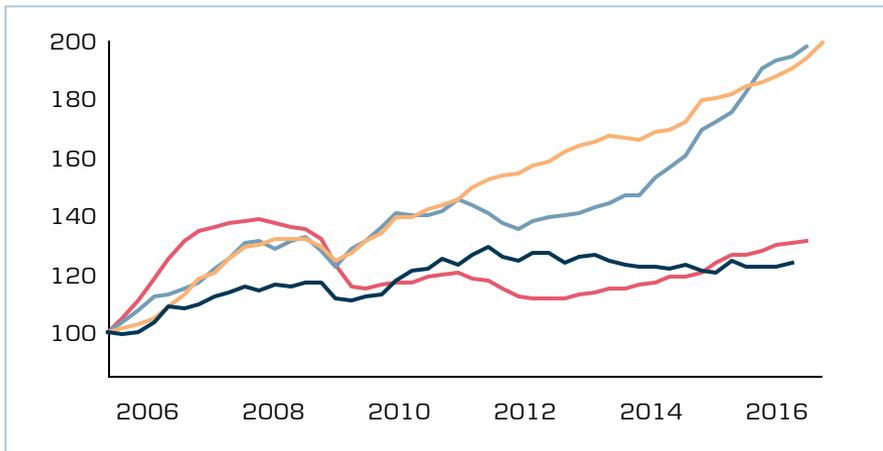
Unemployment (%)



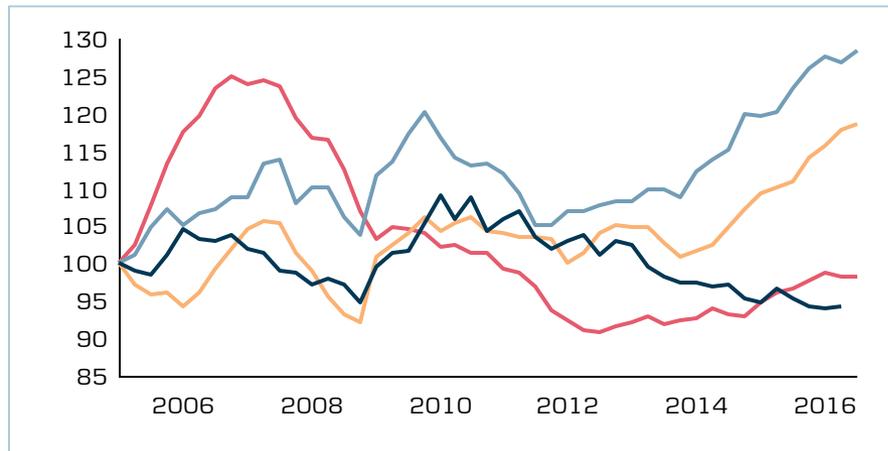
Nordic housing markets

Denmark Sweden Norway Finland

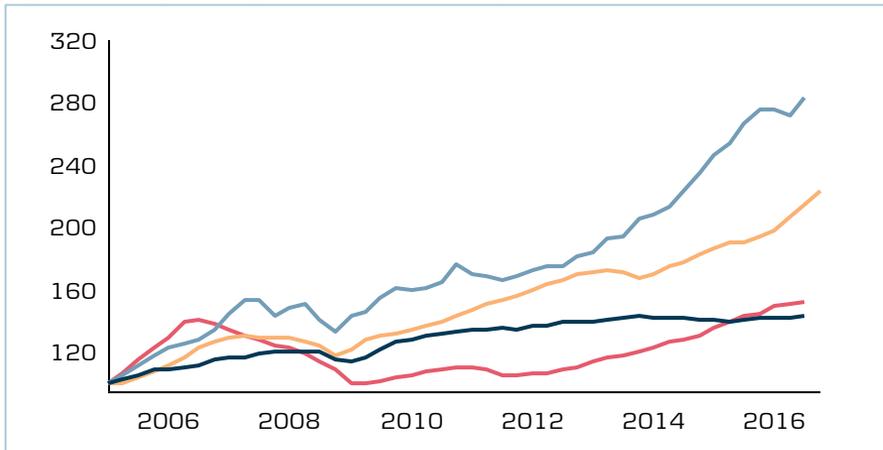
Property prices (index 2005 = 100)



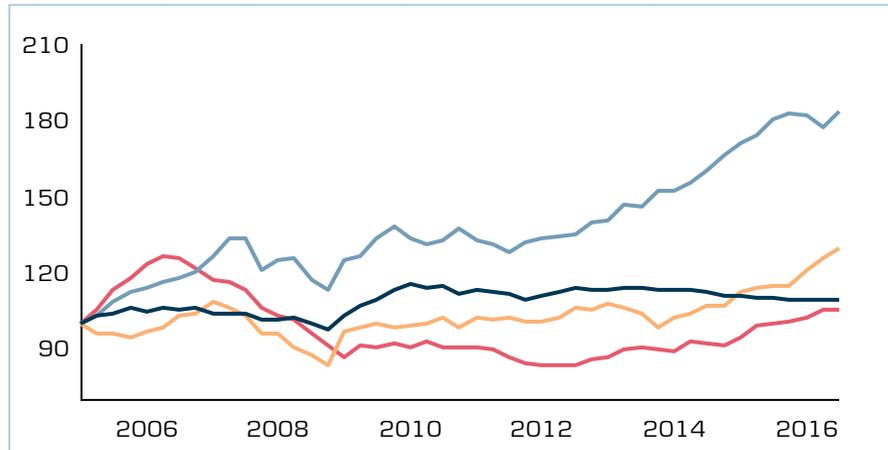
House prices/nom. GDP (index 2005 = 100)



Apartment prices (index 2005 = 100)



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



Realkredit Danmark and the Danish housing market: Portfolio overview

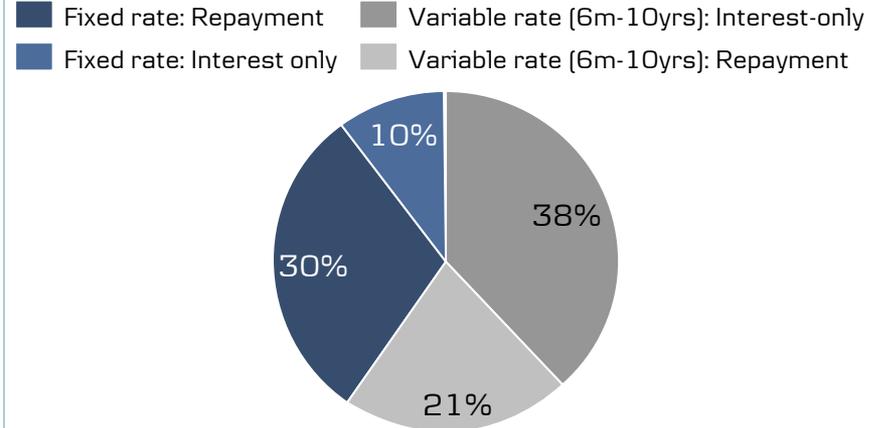
Portfolio facts, Realkredit Danmark, end-Q4 2016

- Approx. 370,000 loans (residential and commercial)
- 1,623 loans in 3- and 6-month arrears
- 51 repossessed properties
- DKK 10 bn of loans with LTV ratio > 100%, including DKK 3 bn with public guarantee
- Average LTV ratio of 64%

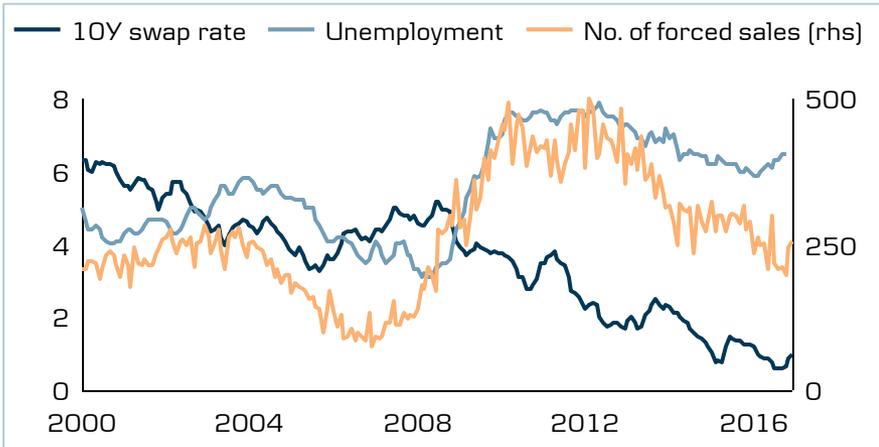
LTV ratio at origination (legal requirement)

- Residential: max. 80%
- Commercial: max. 60%

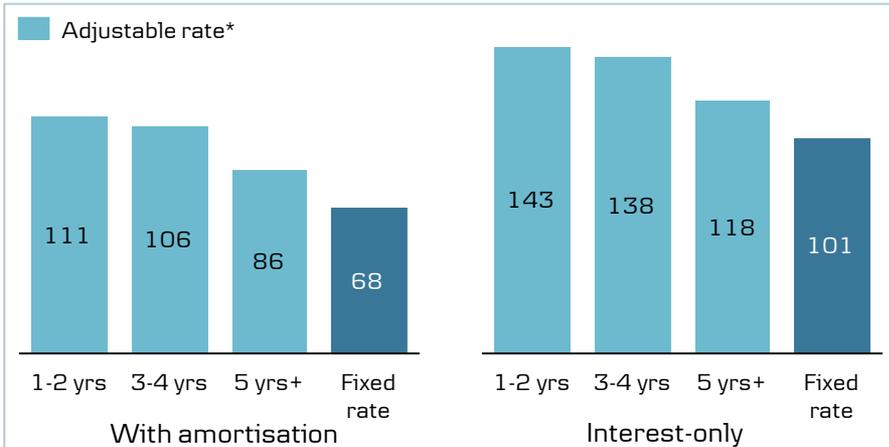
Stock of retail loans, Realkredit Danmark, end-Q4 2016 (%)



Unemployment and foreclosures (%/No.)



Mortgage margins, 80% LTV, owner-occupied (bp)



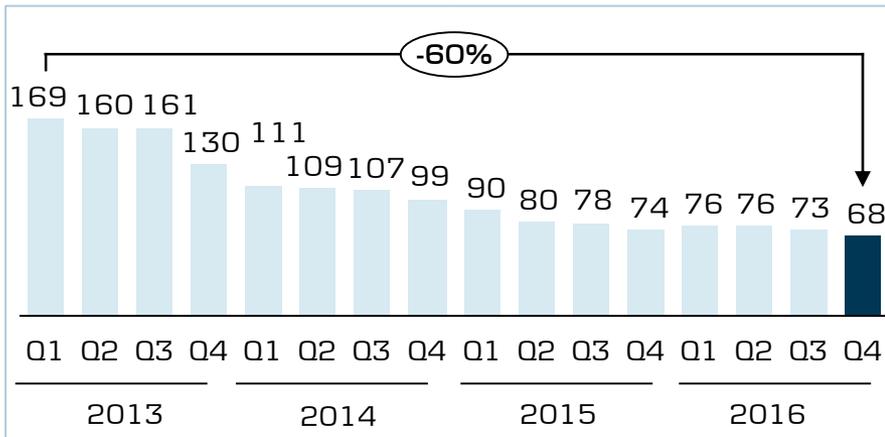
* In addition, we charge a fee of 30 bp of the bond price for refinancing of 1- and 2-year floaters and a fee of 20 bp for floaters of 3 or more years.

Realkredit Danmark: Almost 60% of new retail loans are fixed rate loans; compliant with all regulatory requirements

Key points

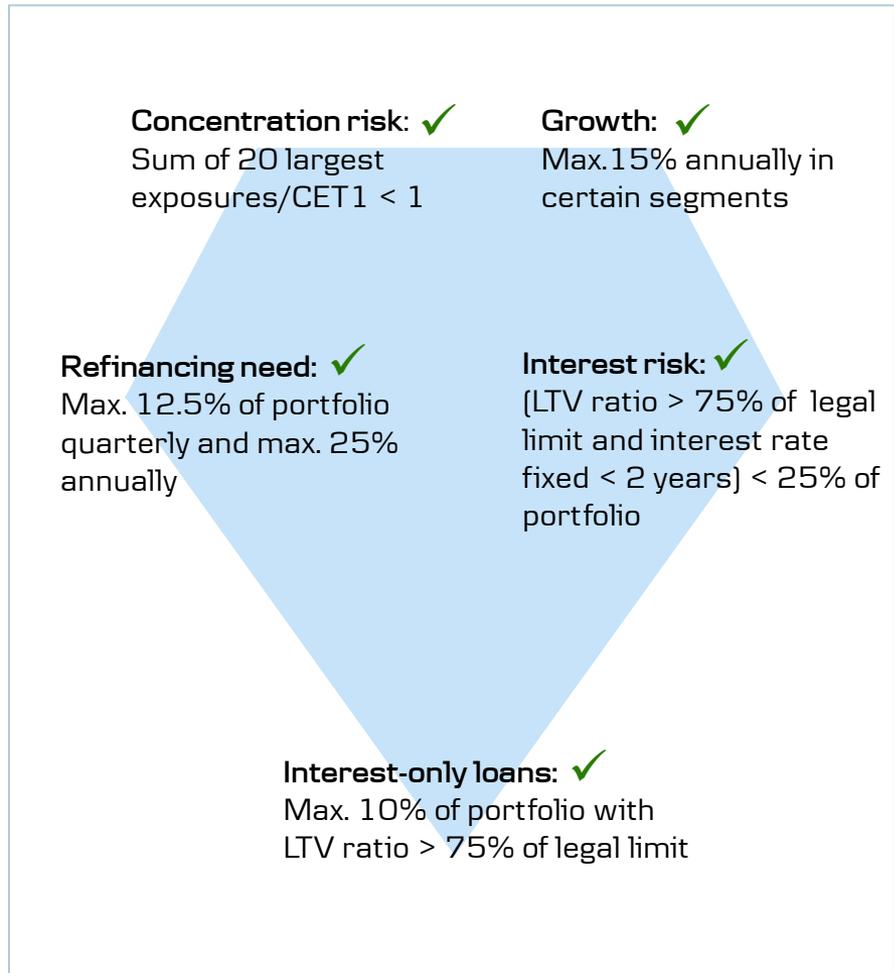
- Almost 60% of new retail loans in Q4 were fixed-rate loans and 28% were 5- to 10-year variable rate loans
- Total stock of fixed rate loans to retail customers increased to 40% from 36% in Q3
- Total stock of loans amounted to DKK 754 bn:*
 - 57% to retail
 - 20% to residential rental
 - 17% to commercial property
 - 6% to agriculture

Loan portfolio, FlexLån F1 and F2 (DKK bn)



* Nominal value.

Supervisory diamond for Danish mortgage institutions



Credit exposure: Preliminary signs of improvement in agriculture; further collective charges against oil-related exposure

Agriculture exposure (2.5 % of Group net exposure)

- Market conditions showed positive signs in the second half of 2016, as pig prices remained stable while milk prices increased from a very low level
- No impairments charges were booked in Q4
- Total collective impairment charges amount to DKK 0.9 bn covering 1.4% of gross credit exposure
- RD represents 69% of total gross exposure and 14% of total accumulated impairment charges.

Oil-related exposure (0.9 % of Group net exposure)

- Net exposure of DKK 24 bn* related to offshore, oil majors and oil service providers
- The vast majority of the oil-related exposure is managed by specialist teams for customer relationship and credit management in C&I
- In Q4, we booked further collective impairment charges of DKK 450 m against direct oil exposure; total collective charges now stand at DKK 1.1 bn
- In addition, collective charges against second-round effects stand at DKK 0.2 bn

Agriculture by segment, Q4 2016 (DKK m)

	Gross credit exposure	Portion from RD	Acc. Individual impairment charges	Net credit exposure	NPL coverage ratio
Business Banking	55,448	43,090	2,928	52,520	95%
Growing of crops, cereals, etc.	18,240	15,001	356	17,884	98%
Dairy	9,027	6,969	1,014	8,013	91%
Pig breeding	12,991	10,421	1,345	11,646	98%
Mixed operations etc.	15,190	10,698	213	14,977	89%
Northern Ireland	4,845	-	65	4,780	89%
C&I	5,177	2,411	-	5,177	100%
Others	216	14	1	216	-
Total before collective impairments	65,686	45,514	2,994	62,692	94%
Collective impairment charges	920	250			
Total gross exposure	66,606				

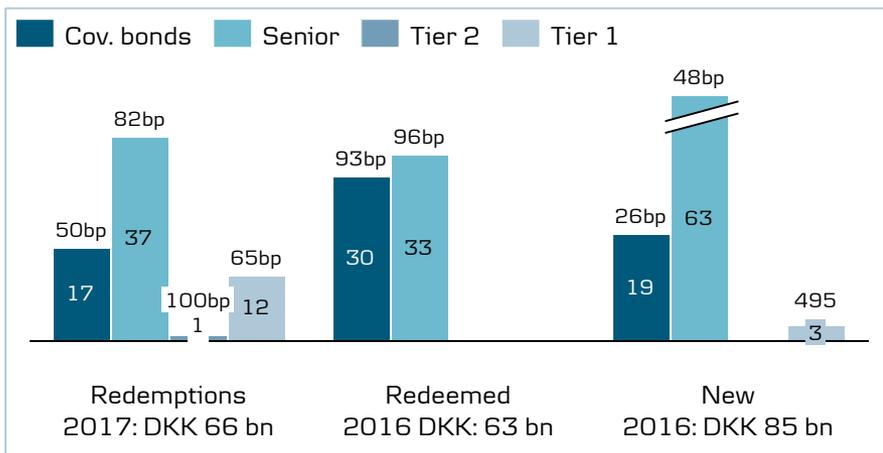
Oil-related exposure, Q4 2016 (DKK m)

	Gross credit exposure	Acc. Individual impairment charges	Net credit exposure
C&I	23,136	268	22,868
Oil majors	5,479	-	5,479
Oil service	8,721	27	8,694
Offshore	8,936	241	8,695
Business Banking	913	14	899
Oil majors	2	-	2
Oil service	803	14	789
Offshore	108	-	108
Others	4	0	4
Total before collective impairments	24,054	282	23,772
Collective impairment charges	1,128		
Total gross exposure	25,182		

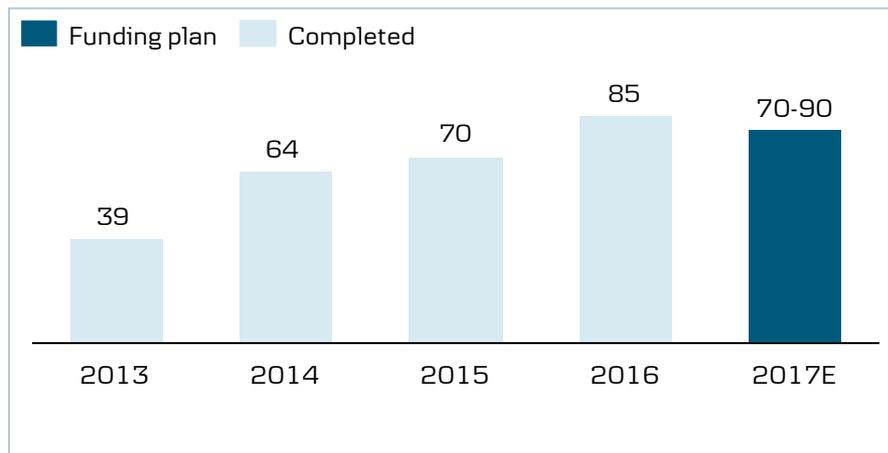
* The oil-related net credit exposure of DKK 24 bn is part of the energy & utilities industry (DKK 15 bn) and shipping (DKK 9 bn) industry.

Funding and liquidity: DKK 85 bn of long-term funding issued in 2016; LCR-compliant at 158% at attractive spreads

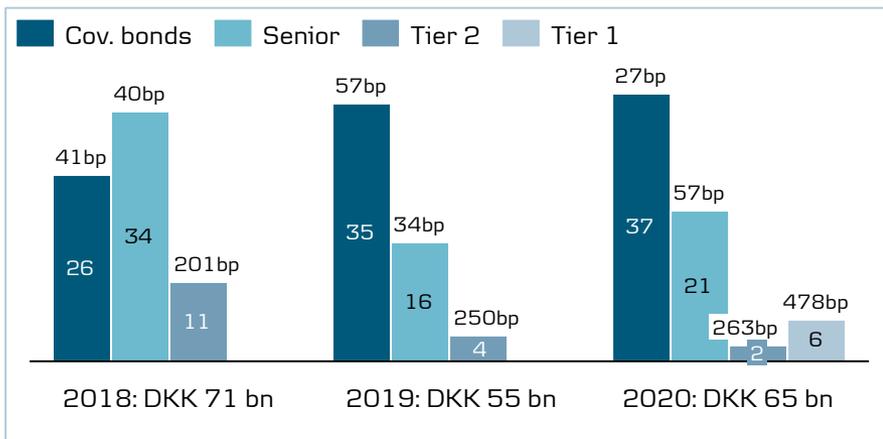
Changes in funding,* 2016 (DKK bn and bp)



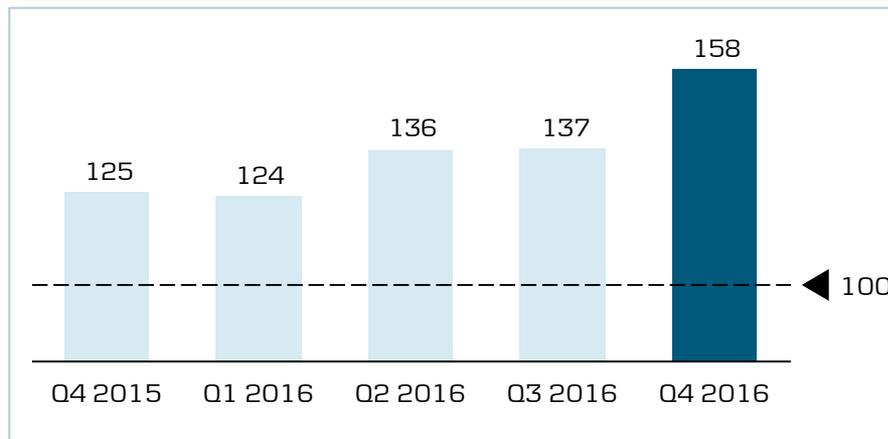
Long-term funding ex RD (DKK bn)



Maturing funding,* 2018-2020 (DKK bn and bp)



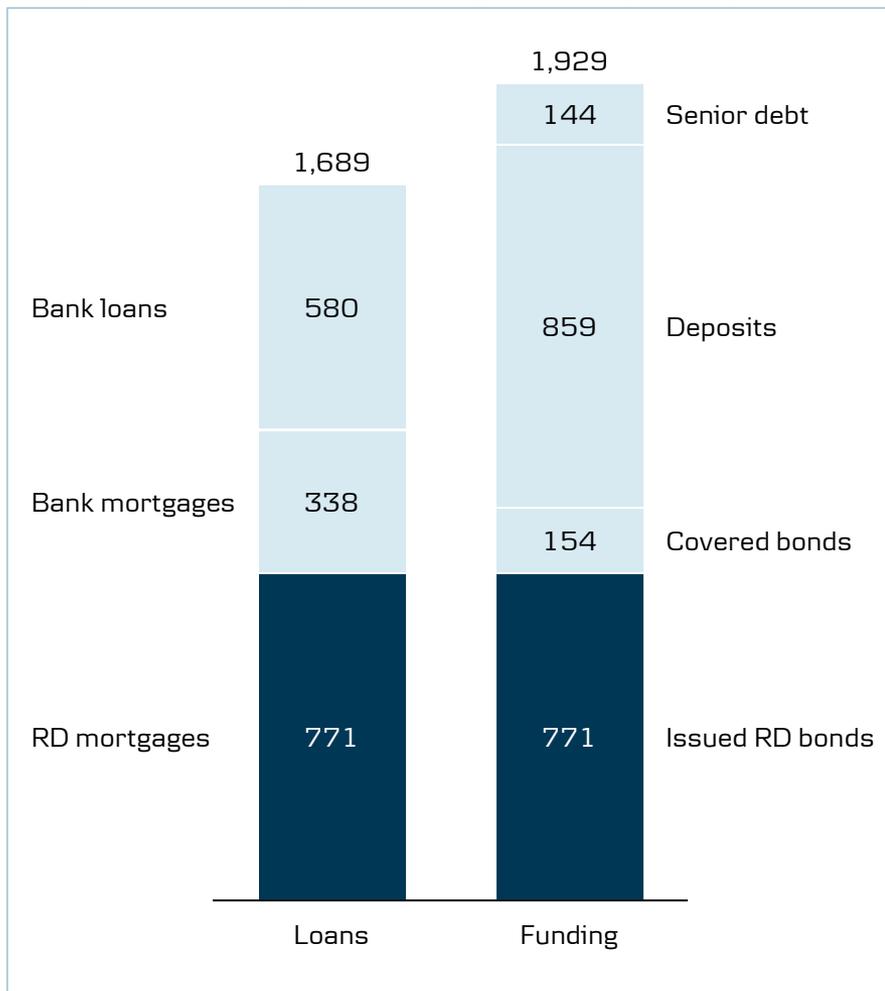
Liquidity coverage ratio (%)



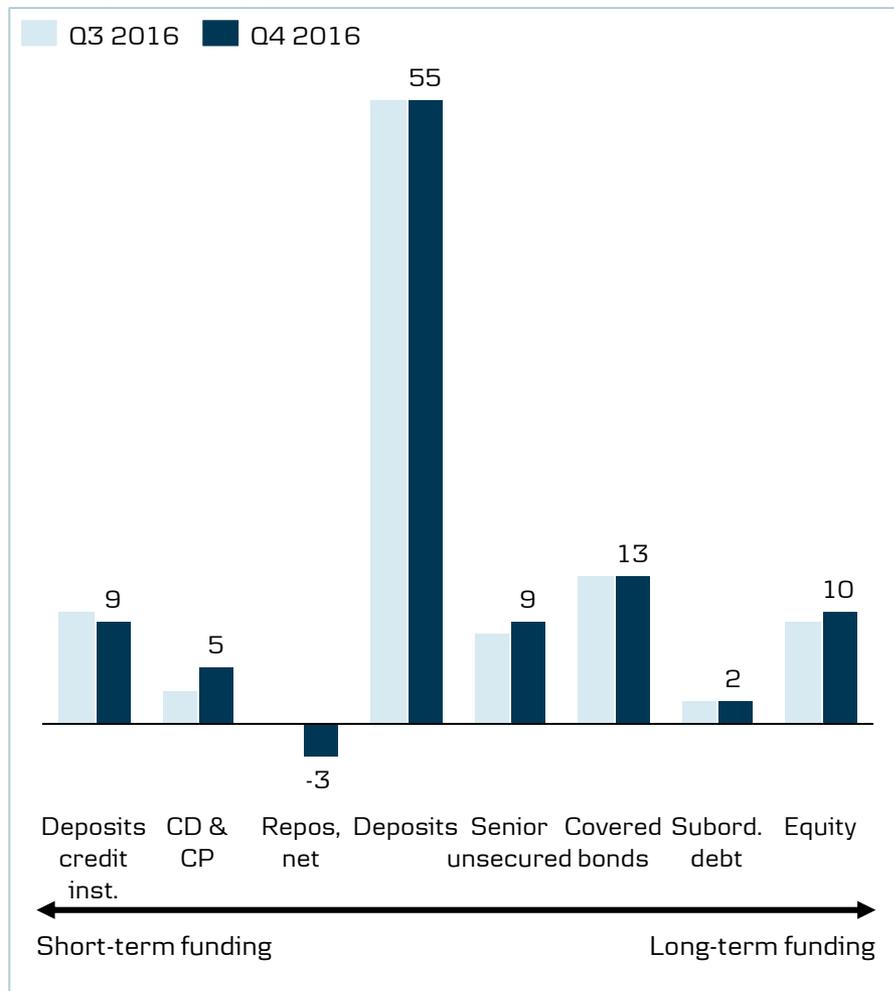
* Spread over 3M EURIBOR.

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

Loan portfolio and long-term funding, Q4 2016 (DKK bn)

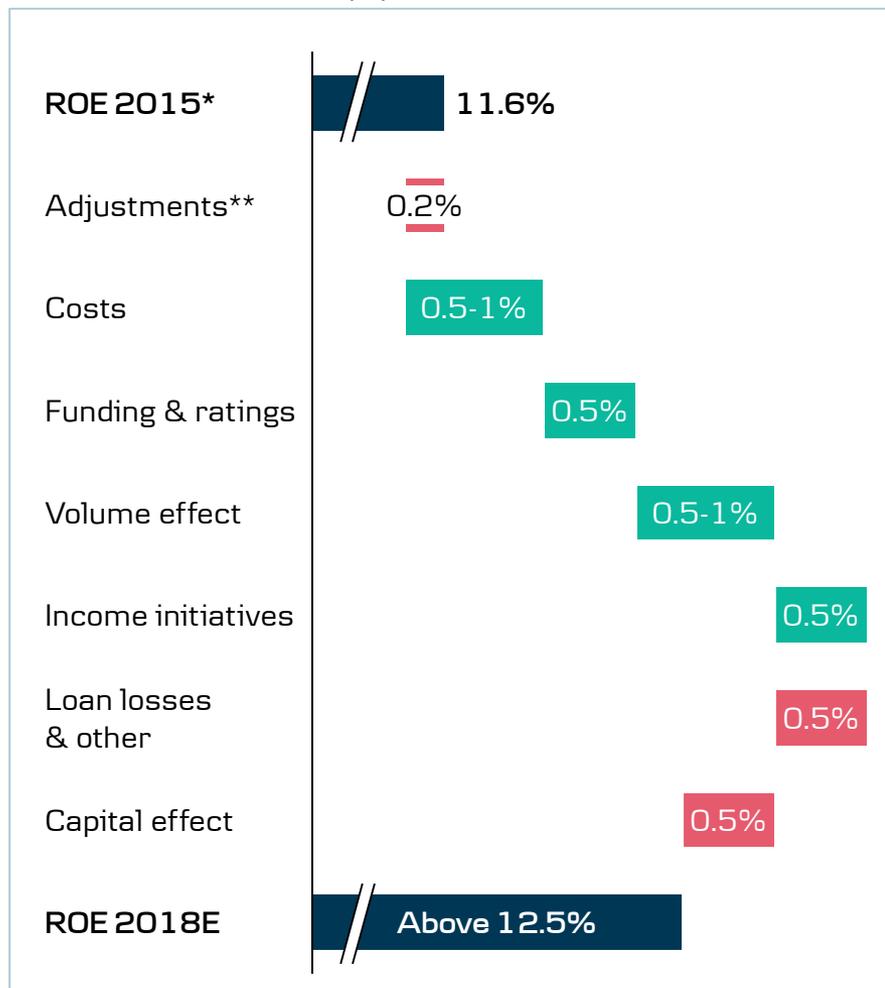


Funding sources (%)



ROE of 13.1% in 2016; longer-term ambition maintained with unchanged assumptions

ROE 2015-18E, after tax [%]



Status at year-end 2016

Overall status of ROE bridge to 2018

- On track
- Underlying assumptions are unchanged

Costs

- In line

Funding & ratings

- In line

Volume effect

- Ahead of plan with 5% volume growth in 2016, however partly offset by margin pressure

Income initiatives

- Behind plan, owing mainly to lower fees at Wealth Management, partly mitigated by higher income in C&I

Loan losses

- Ahead of plan with zero bps loan loss ratio for 2016

Capital effect

- In line, however higher CET1 target range reflects regulatory uncertainty

* Excluding goodwill impairment charges.

** Adjustments for equity effect of goodwill impairment charges, remortgaging fees, payroll tax refund, one-off gain on property sales, resolution fund payment and tax.

Three distinct methods of rating banks

Rating methodology

S&P Global Ratings

Anchor SACP ¹	+	1	+	2	+	3	+	4	=	SACP	=	Extraord. Support	+	ALAC	+	Add. factors	=	Issuer Rating
bbb+		+1		+1		0		0		a		0		0		0		A (Stable)

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

MOODY'S

Macro Profile	+	1	+	2	+	3	+	4	+	5	+	Qualitative Factors	=	BCA ²	+	Affiliate Support	+	LGF ³	+	Gov. Support	=	Issuer Rating
Strong Plus		a2		a2		baa2		baa2		a3		0		Baa1		0		+1		+1		A2 (Positive)

1=Asset Risk, 2=Capital, 3=Profitability, 4=Funding Structure, 5=Liquidity Resources

Fitch Ratings
KNOW YOUR RISK

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		NF ⁴		A (Stable)

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

¹ Stand-Alone Credit Profile. ² Baseline Credit Assessment. ³ Loss Given Failure. ⁴ No Floor. ⁵ Issuer rating is the higher of the Viability Rating and Support Rating Floor.

Tax

Actual and adjusted tax rates (DKK m)

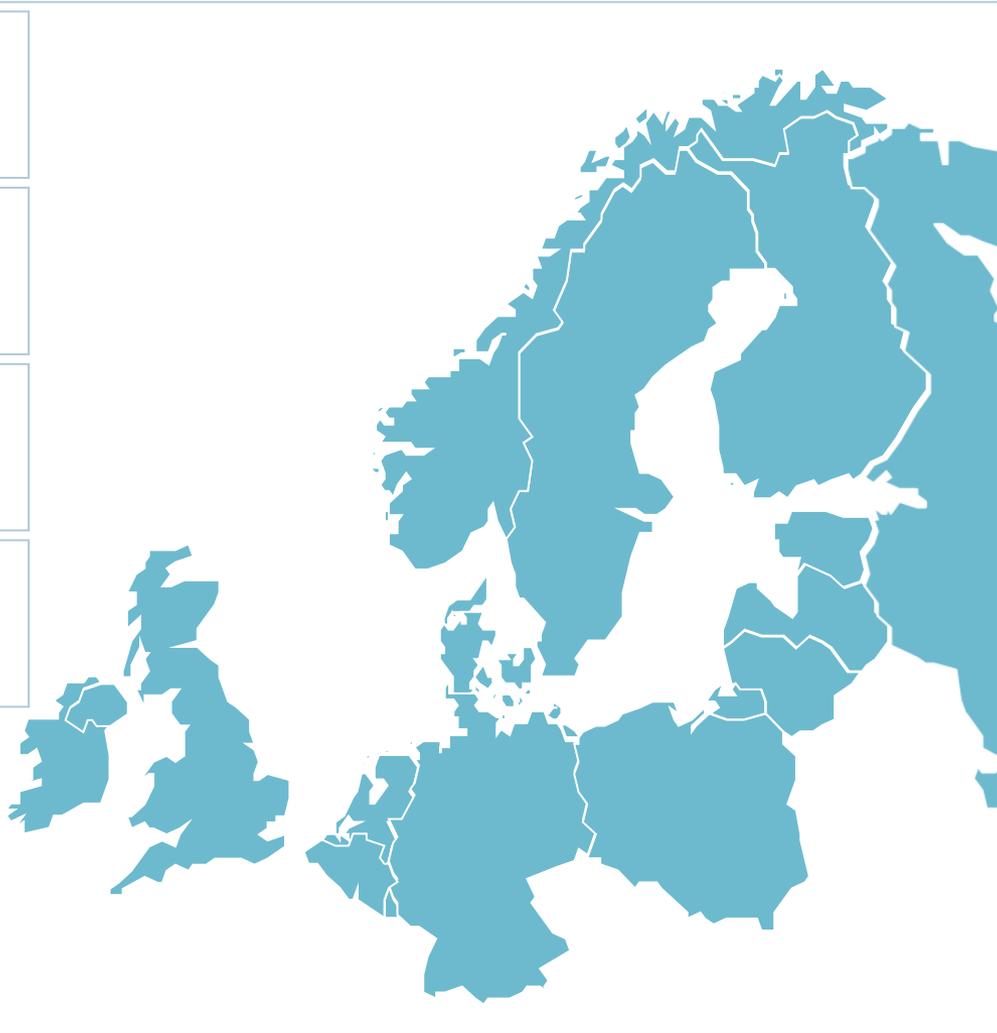
	2016	Q42016	Q32016	Q22016	Q12016
Profit before tax	25,357	7,039	6,267	5,780	6,271
Ireland core and Non-core	-254	-96	-68	-23	-67
Permanent non-taxable difference	-158	96	-203	224	-274
Adjusted pre-tax profit, Group	24,945	7,038	5,997	5,981	5,930
Tax according to P&L	5,500	1,449	1,362	1,362	1,326
Taxes from previous years	105	96	-6	-7	22
Adjusted tax	5,605	1,546	1,356	1,354	1,348
Adjusted tax rate	22.5%	22.0%	22.6%	22.6%	22.7%
Actual tax rate	21.7%	20.6%	21.7%	23.6%	21.1%

Tax drivers, Q4 2016

- The difference between profit before tax and adjusted pre-tax profit mainly relates to:
 - Previous years' losses in Ireland
 - Permanent non-taxable difference deriving mainly from tax-exempt value adjustments on shares, and losses in the Baltics
- The difference between the adjusted and actual tax rate relates partly to the tax-free gain from the sale of Danmarks Skibskredit
- The Danish tax rate was reduced to 22% in 2016 from 23.5% in 2015

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