

Making finance work in a higher capital world



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CFO & Member of the Executive Board

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Agenda

Strategy

Implementation of New Standards is proceeding according to our plans

Capital

Our 2013 capital targets have been reached

Outlook

Guidance for 2013 and ambitions

Danske Bank is a Nordic Universal Bank catering to a diversified range of customer needs

Personal Banking



Business Banking



Corporates & Institutions



Danica Pension



Danske Capital



We are working to become the most trusted financial partner

Customer satisfaction 2015

We will rank no. 1 or 2 in customer satisfaction in our focus segments



Financial results 2015

Our ROE will be among the top three in our Nordic peer group



We are setting new standards in financial services

Advisory services



▶ Stronger customer focus

▶ Tailor made products and solutions

▶ From individual products to 360° advisory services

Digitalisation



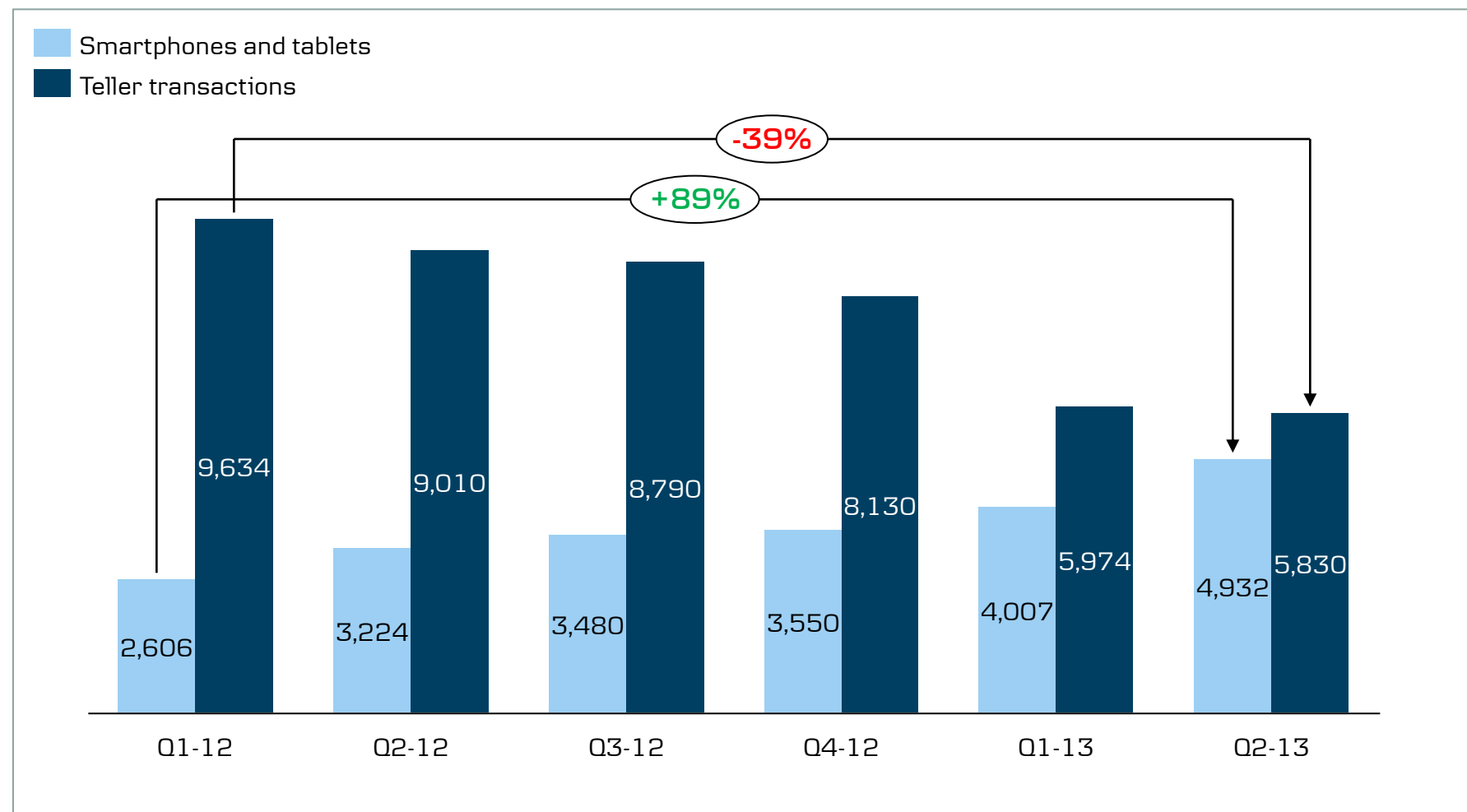
▶ Simpler processes and customer solutions

▶ Accessible banking any time and anywhere

▶ Better overview and faster case processing

Mobile banking is rapidly changing customer behaviour

Number of payments and transactions, (000s)

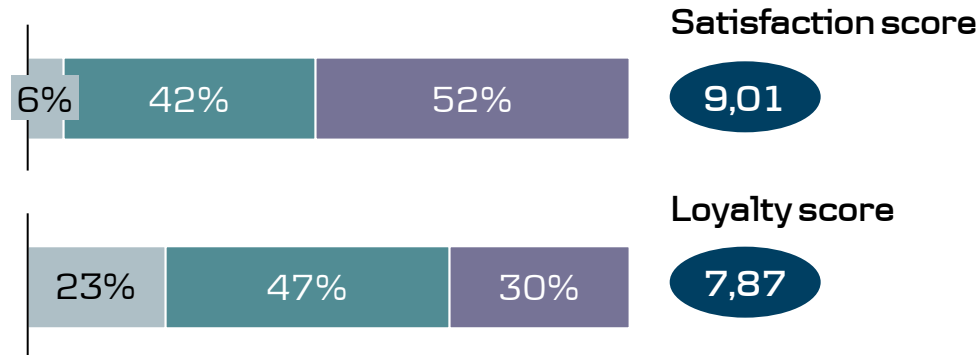




In Denmark 1:1 customer interaction shows that our customers are quite satisfied

Branch meetings DK Scale 1-10; (Opinion — based on one question)

1-6 7-9 10



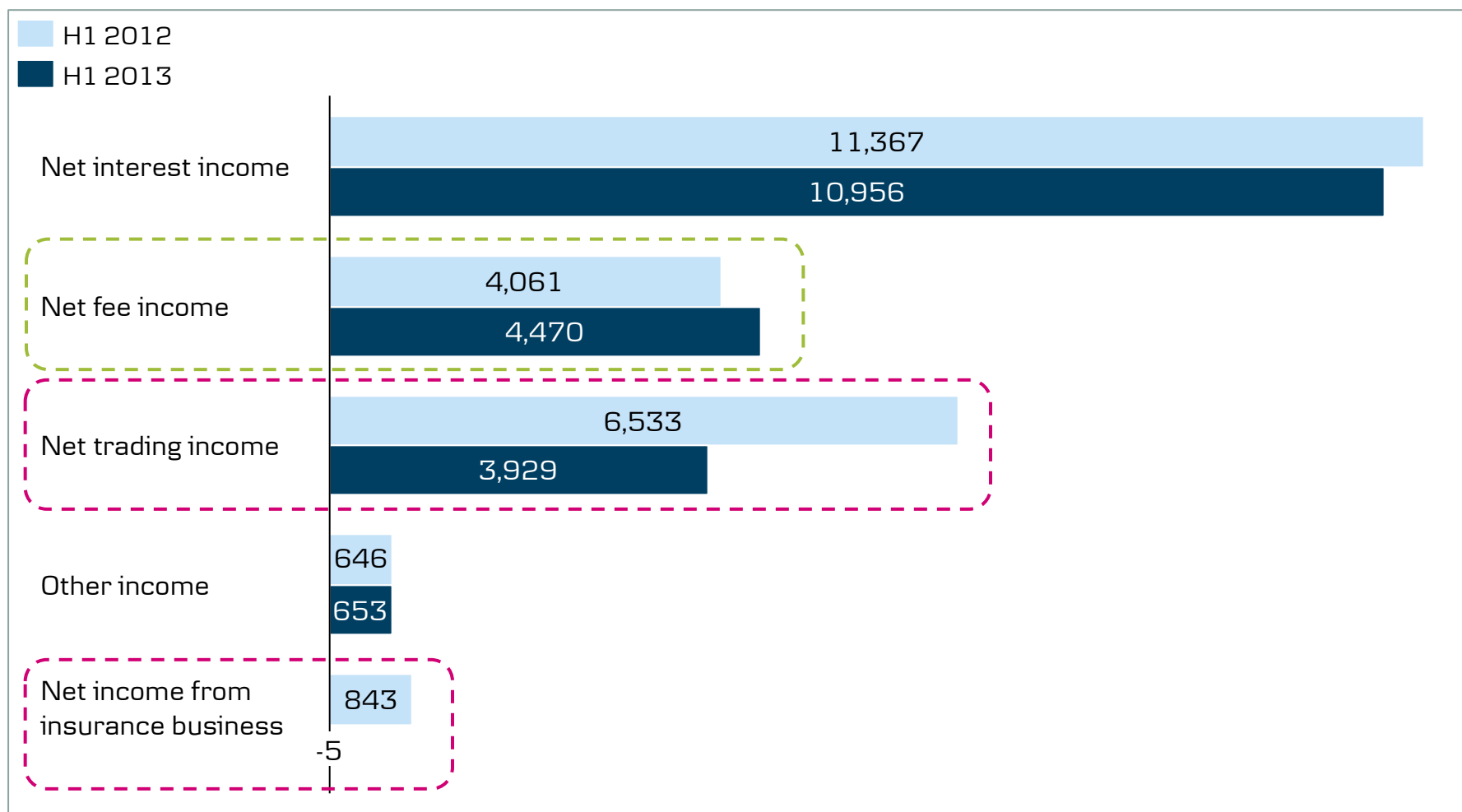

Net profit: Increase of 61 % under difficult market conditions

Income statement (DKK m)

	H1 2013	H1 2012	Index
Net interest income	10,956	11,367	96
Net fee income	4,470	4,061	110
Net trading income	3,929	6,533	60
Other income	653	646	101
Net income from insurance business	-5	843	-
Total income	20,003	23,450	85
Expenses	11,918	12,371	96
Profit before loan imp. charges	8,085	11,079	73
Loan impairment charges	2,383	4,598	52
Profit before tax, core	5,702	6,481	88
Profit before tax, Non-core	-809	-2,406	-
Profit before tax	4,893	4,075	120
Tax	1,237	1,802	69
Profit	3,656	2,273	161

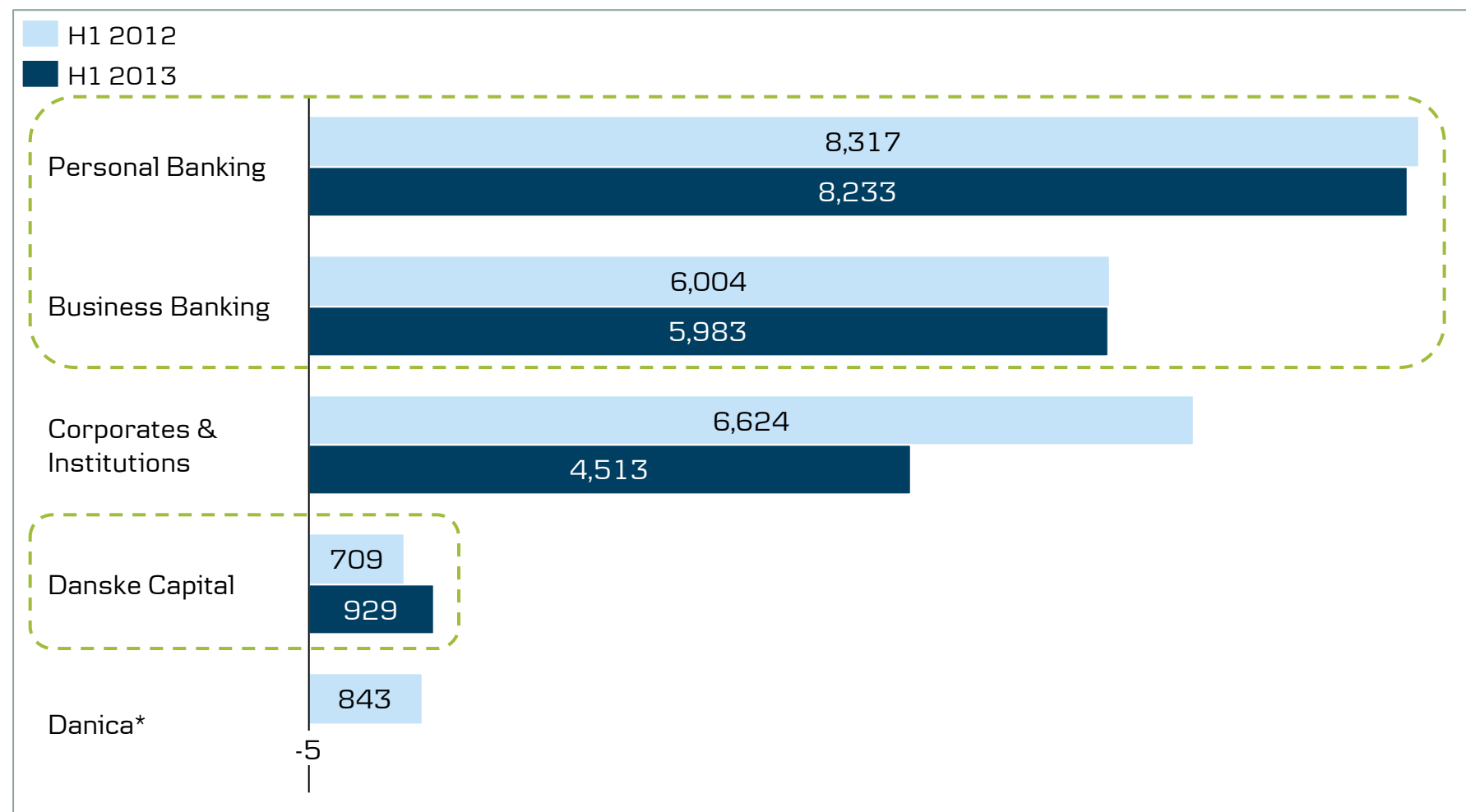
Income: Core income stable, lower trading and insurance

Income breakdown (DKK m)



Income: Personal & Business Banking stable; Danske Capital up

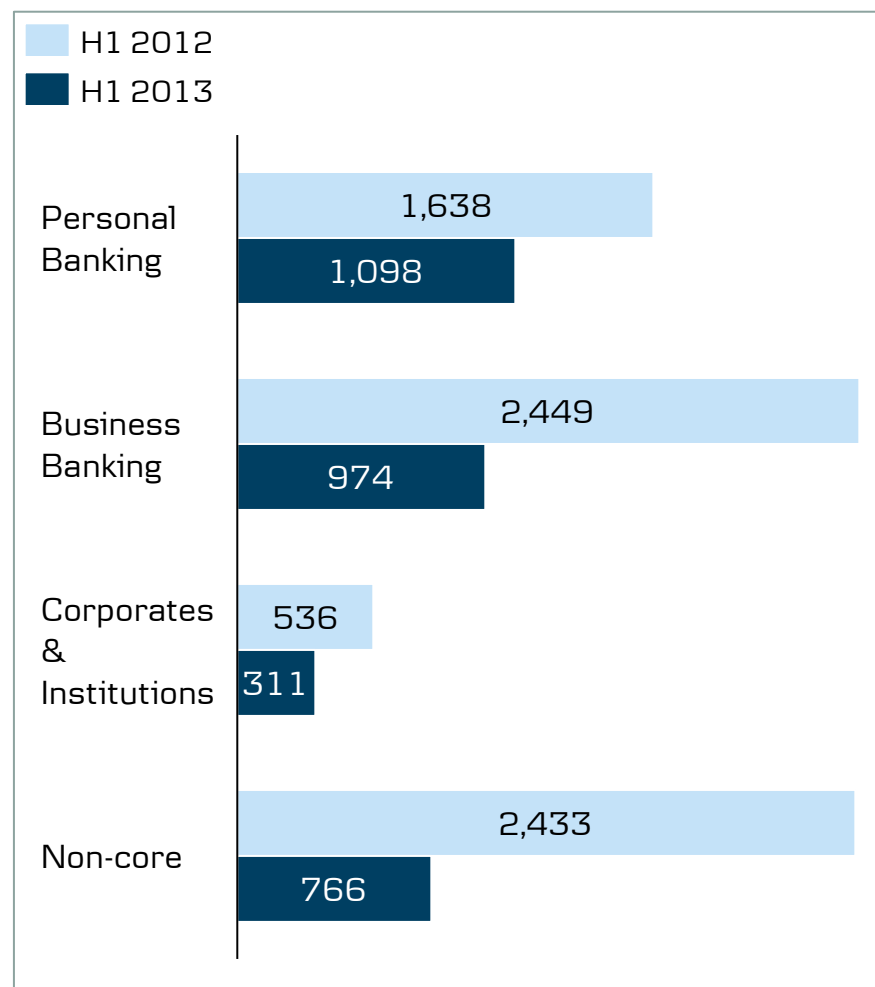
Income breakdown (DKK m)



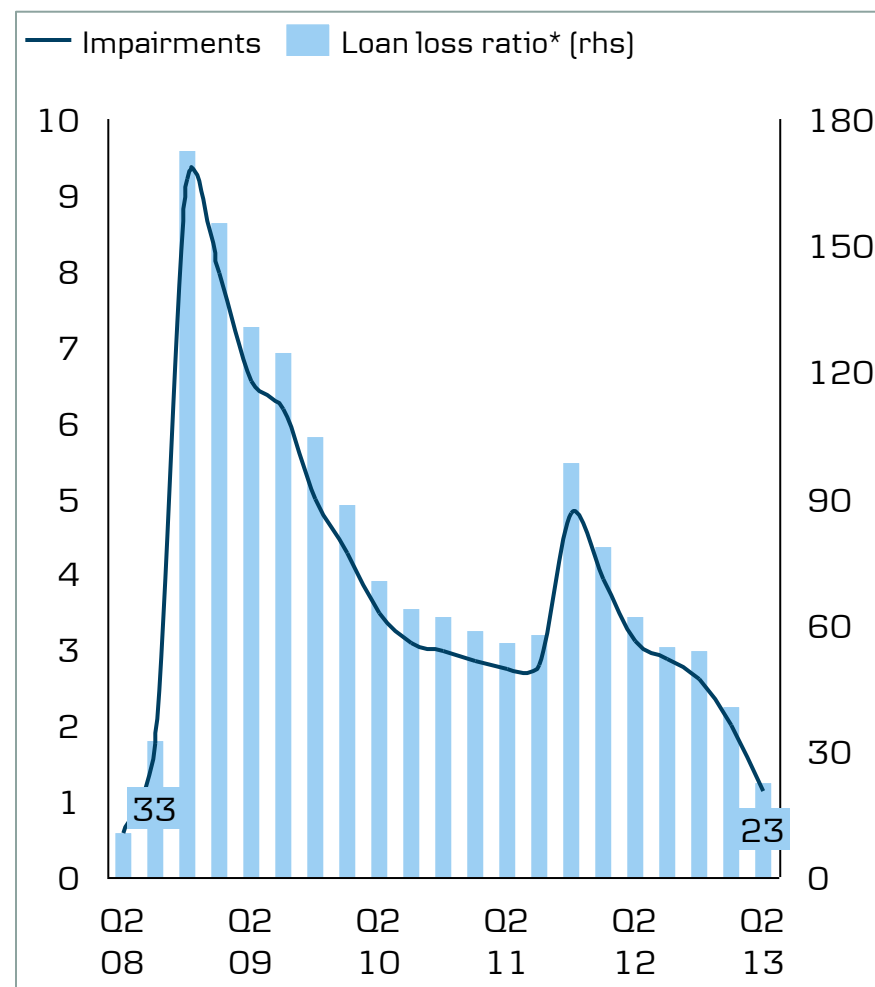
* Net income.

Impairments: Sharp decline across the board

Loan impairment charges (DKK bn)



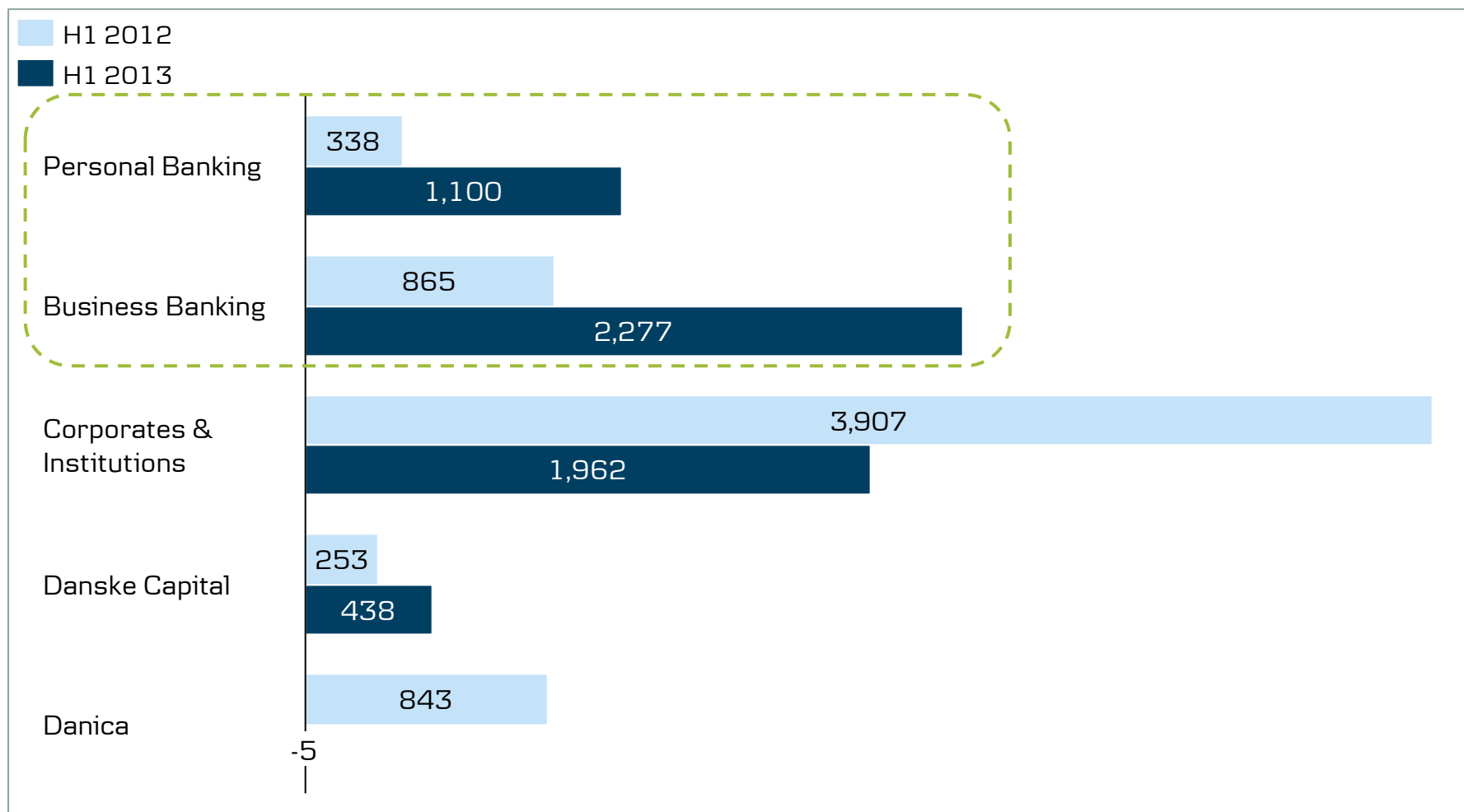
Loan impairment charges, 2008-2013 (DKK bn)



* The loan loss ratio is defined as the Group's annualised quarterly impairments as a percentage of loans and guarantees.

Earnings: Personal Banking and Business Banking triple

Profit before tax (DKK m)



Outlook for 2013

Strategy

Implementation of New Standards proceeding according to plan

Financial results

Net profit of DKK 6.5-9.0 bn

Income

Total income expected below 2012 level

Expenses

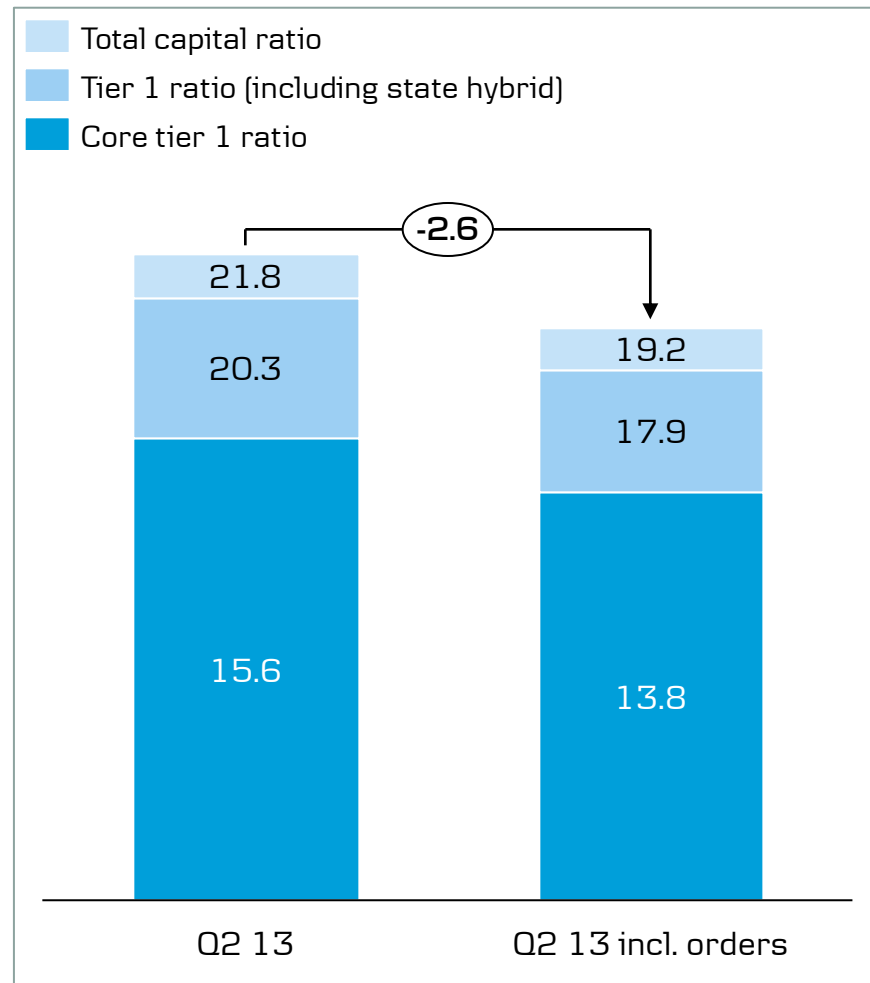
Expenses likely below the 2012 level

Impairments

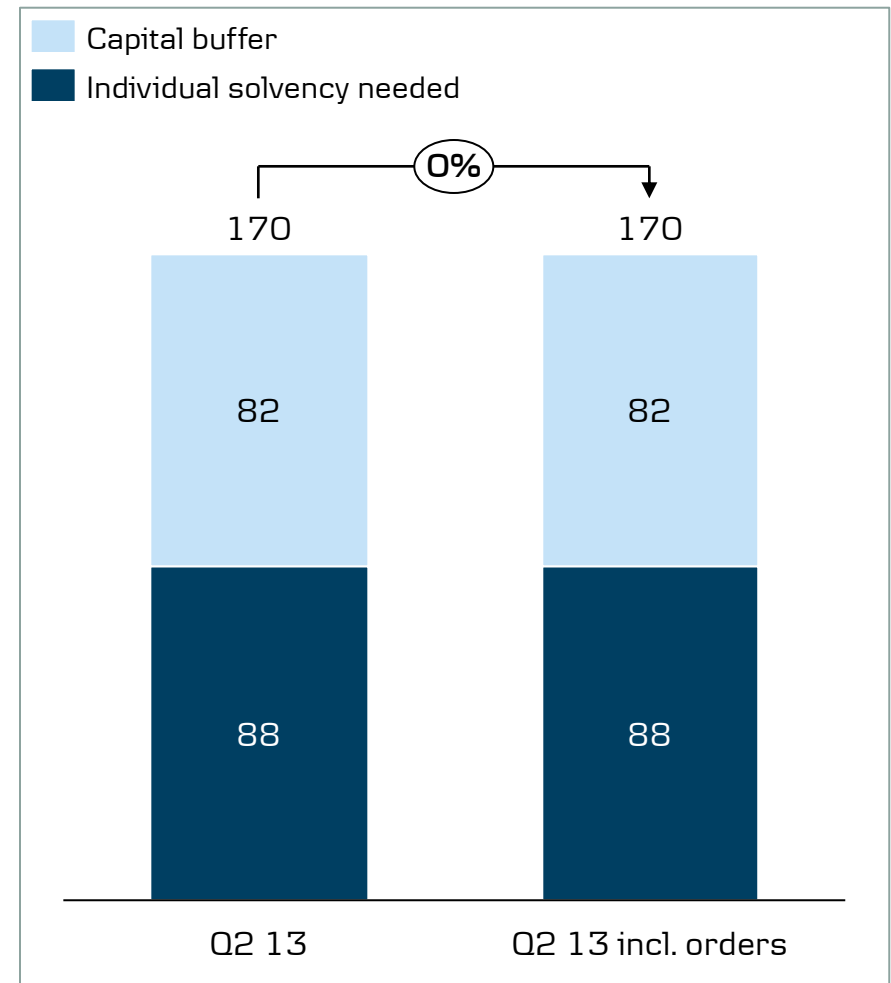
Impairment level well below 2012 level

Capital: Ratios remain high after FSA orders; solid buffer

Effect of FSA orders* on capital base** [%]



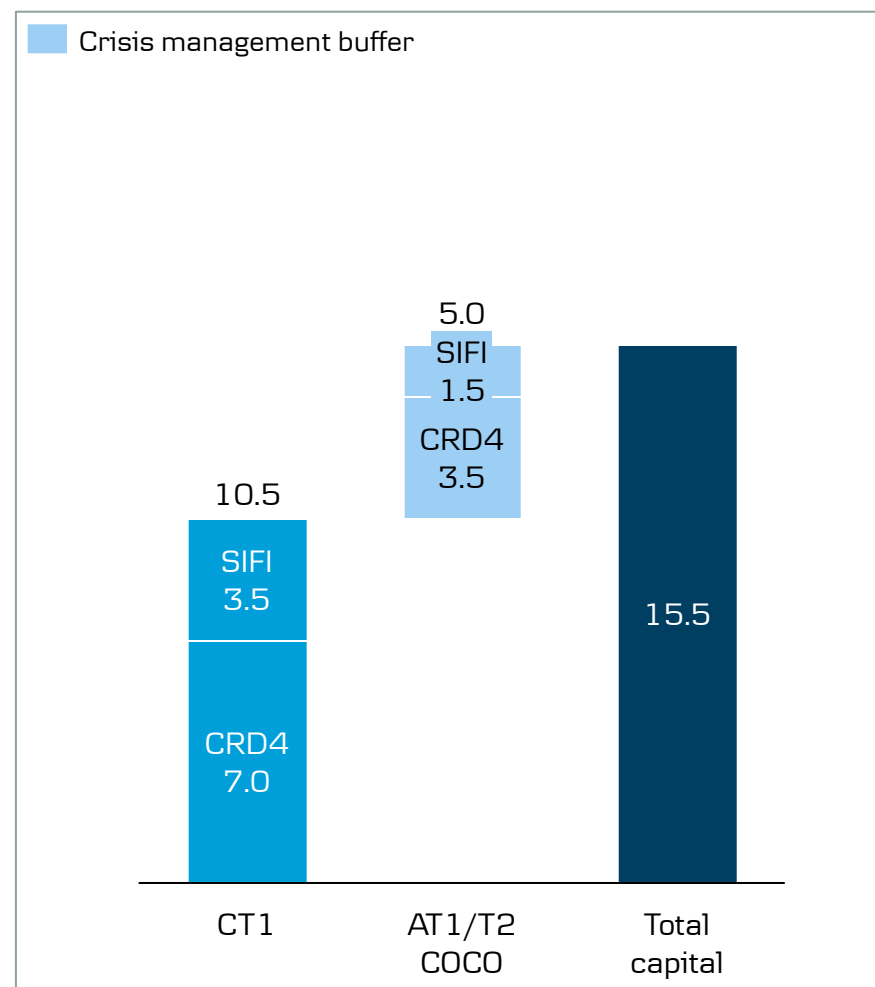
Effect of FSA orders on individual solvency need (DKK bn)



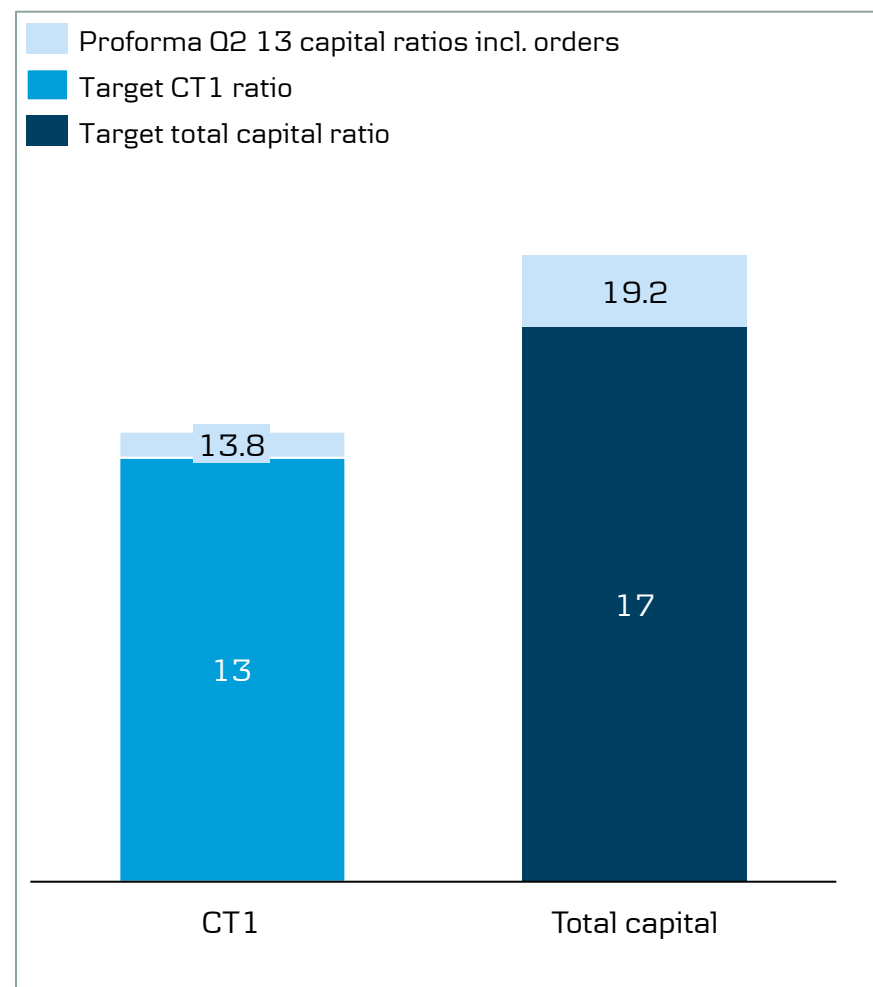
* Assuming increase in RWA of approx. DKK 100bn. **CRD/Basel II.

SIFI proposal: 2022 requirements broadly in line with our capital targets

Capital composition, 2022 (% of RWA)

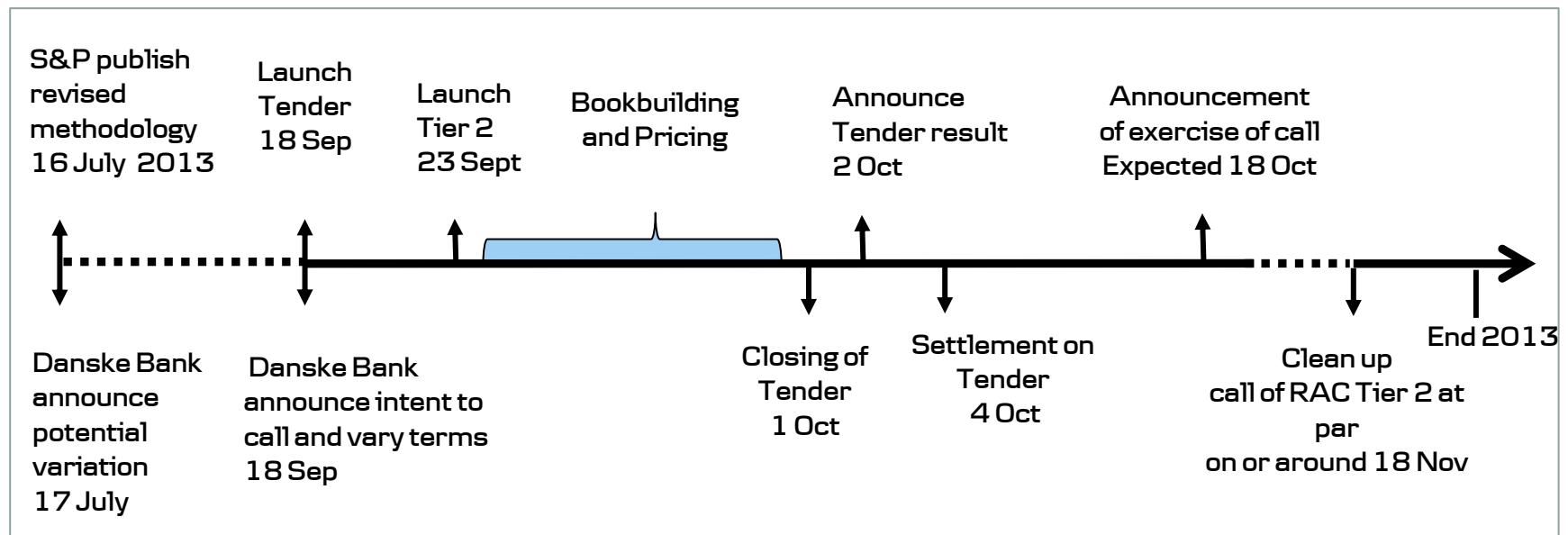


Capital base vs. capital targets, (% of RWA)



Danske Bank Tender Offer and Issue of T2

- 18 September: Tender Offer for USD 1bn Subordinated Fixed Resettable Notes due 2037, with purchase price of 101.50 to existing holders.
- 23 September: To issue Tier 2 capital in the form of a bond loan denominated in EUR. Minimum size EUR 500 million, maturity 10 years, option to prepay at par after five years.



Financial targets for 2015: Four targets already achieved

	Ambition	Year	Status 30 June 2013	Comments
Return on Equity	Above 12% <i>[Short-term interest rates of 2%]</i>	2015	5.2%	On track
Ratings	Improve ratings by at least one notch	2015	S&P/Moody's/Fitch A-/Baa1/A Stable/Stable/Stable	In progress Stable outlook from Fitch in June and S&P in July
Core tier 1 ratio	Minimum 13%	End-2013	15.6%	Met at end-2012 ✓
Total capital ratio	Minimum 17%	End-2013	21.8%	Met at end-2012 ✓
LCR	Minimum 110%	End-2012	132%	Met at end-2012 ✓
Nominal costs	Below DKK 24 bn	2015	DKK 23.8 bn	On track
C/I ratio	Below 46%	2015	59.6%	On track
FTE target	Reduced by 1,000 Reduced by 2,000	2012 2013-2015	1,012 327	Met at end-2012 ✓ On track
Dividend payments	About 40% of net profit, but lower until rating and capital targets are reached	2015		On track

Thomas F. Borgen

CEO of Danske Bank
Chairman of the Executive Board

Date of birth: 27 March 1964

2012 Head of Corporates & institutions

2010-2012 Head of International Banking
Activities, Danske Markets, Group
Treasury and Corporate and
Institutional Banking

2009 Member of the Executive Board

2001 Managing Director at Fokus Bank ASA

1997 Joining Danske Bank





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