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**Danske Bank A/S revises 2023 net profit outlook upwards.
Now expects a net profit of DKK 16.5-18.5 billion**

The outlook for 2023 is revised upwards to a net profit in the range of DKK 16.5-18.5 billion. At the release of our 2022 financial results on 2 February this year, we initially guided for a full-year 2023 net profit in the range of DKK 15-17 billion.

“Following a turbulent period for banks in general, we are pleased with the performance that we have seen in the first quarter of 2023. The strong financial result benefited from the improved interest rate environment and high trading income driven by good customer activity at Large Corporates & Institutions. Benign financial market conditions further supported income from insurance activities, and impairment charges remained at a very low level in the first quarter. We continue to execute on our strategic priorities, and with our strong balance sheet and credit quality, we continue to assist our customers through the current uncertain macro environment,” says CEO Carsten Egeriis.

With respect to the first quarter of 2023, based on preliminary and unaudited figures, net profit will be around DKK 5.1 billion. Net interest income will be around DKK 8 billion, while fee income will be around DKK 2.9 billion. Net trading income and net income from insurance business will be around DKK 1.6 billion and DKK 0.5 billion, respectively. Expenses will be around DKK 6.3 billion, including sustained elevated remediation costs. Credit quality remains strong, and impairment charges for the first quarter of 2023 will be around DKK 0.2 billion.

In respect to our financial outlook for 2023, we continue to expect core income lines to grow, driven mainly by higher net interest income following further normalisation of interest rates and our continued efforts to drive commercial momentum. Fee income is expected to be slightly below the level in 2022.

We expect income from trading and insurance activities to recover towards normalised levels subject to financial market conditions.

Based on the sustained elevated costs for remediation of our legacy cases, our full year cost guidance remains in the range of DKK 25-25.5 billion.

We now expect loan impairment charges of up to DKK 2.5 billion due to continually strong credit quality and the recoveries we have seen in the first quarter. Loan impairment charges will be driven primarily by a weaker macroeconomic outlook affecting model-driven impairments.

The final figures will be provided in Danske Bank's interim report for the first three months of 2023, due for release on Friday, 28 April 2023, where we will be able to comment further in detail.

Danske Bank

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