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**Due to challenging financial market conditions, Danske Bank A/S revises 2022 net profit outlook downwards despite a positive development for core banking activities.  
Now expects a net profit of DKK 10-12 billion**

The outlook for 2022 is revised downwards to a net profit in the range of DKK 10-12 billion. At the release of our 2021 financial results on 3 February this year, we initially guided for a full-year 2022 net profit in the range of DKK 13-15 billion subject to normalised financial market conditions.

*“We have seen good commercial progress in our core banking activities in the first half of the year driven by volume growth, solid customer activity and a continued solid credit quality. Our core income lines clearly benefitted from this development at the same time as we continued to see good traction for our underlying cost development. However, due to unfavourable financial market conditions, and in particular from an adverse impact from the rapidly rising interest rates, we revise our net profit guidance for the year based on significantly lower expectations for trading income and income from our insurance business. The Nordic fixed income markets have been characterised by extraordinary high volatility and lower liquidity, creating a challenging operating environment for providing market making services. Despite this revision, I remain confident that on the basis of our strong franchise and diversified business model, we will continue to service customers effectively, while we continue to execute on our better bank agenda,”* says CEO Carsten Egeriis.

With respect to the second quarter of 2022, net profit will be around DKK 1.7 billion. Core banking income will be around DKK 9 billion, while total income will be around DKK 8.7 billion. Net trading income and net income from insurance business will result in a combined loss of DKK 0.5 billion, which includes the proceeds related to the sale of Danica Norway. Expenses will be around DKK 6.4 billion, reflecting continued elevated remediation costs and costs related to the Estonia case. Credit quality remains strong, and impairment charges for the second quarter of 2022 will be around DKK 0.2 billion.

We expect full year income from core banking activities to be above the level in 2021 as higher net interest income driven by good economic activity will more than offset lower capital market and investment related fee income. Net income from insurance business and trading activities in the second half of 2022 will be below normalised levels and remain subject to the financial market conditions.

Based on the sustained elevated costs for remediation of our legacy cases, our full year cost guidance is revised slightly to around DKK 25.5 billion, while impairments are still expected to be below normalised level.

The final figures will be provided in Danske Bank's interim report for the first half of 2022, due for release on Friday, 22 July 2022, where we will be able to comment further in detail.

Danske Bank

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