

Company announcement no. 20 2019

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**Danske Bank A/S revises 2019 net profit outlook upwards
Now expects a net profit of around DKK 15 billion**

As a result of a number of extraordinary items concerning tax, the annual goodwill impairment testing and other elements affecting net profit in the fourth quarter of 2019, the outlook for 2019 is revised upwards. Previously, we expected a net profit for 2019 in the middle of the DKK 13-15 billion range, cf. company announcement no. 19 dated 2 December 2019. We now expect a net profit of around DKK 15 billion.

On a net basis, we expect the extraordinary items to have an impact of around DKK 1.1 billion.

Two items will affect the tax line:

- International Joint Taxation (IJT): Since 2009, Danske Bank has been part of IJT. This automatically runs for ten years and thus expires in 2019. As the Board of Directors has decided not to enter into a new 10-year period, a provision for recapture of tax losses under IJT will be released, causing a positive effect of around DKK 5.2 billion.
- Deferred tax provision: At the same time, we expect to make a provision for deferred tax adjustments on assets and liabilities measured at amortised cost. This will have a negative impact of around DKK 1.1 billion.

In connection with the yearly balance sheet review and impairment tests, we anticipate the following items:

- Goodwill: As a result of our annual goodwill impairment testing, we have recognised an impairment charge on goodwill and other intangible assets of around DKK 2.0 billion.

- Loan impairment charges: Following a review of our loan portfolio, we expect extraordinary impairments of around DKK 0.4 billion before tax.
- Operating expenses: We expect to see an increase in expenses of DKK 1.0 billion before tax from operational risk-related losses, transformation costs and portfolio adjustments.
- Non-core: We expect to make negative value adjustments in Non-core of around DKK 0.1 billion before tax.

We reaffirm our expectation of a return on shareholders' equity in the range of 5-6% for 2020.

The outlook and the effects of the individual extraordinary items remain subject to uncertainty.

Danske Bank presents its annual report for 2019 on 5 February 2020.

Danske Bank

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