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**Danske Bank A/S revises 2021 net profit outlook upwards.
Now expects a net profit of more than DKK 12 billion**

The outlook for 2021 is revised upwards to a net profit of more than DKK 12 billion. At the announcement of our 2020 financial results on 4 February this year, we initially guided for a full-year 2021 net profit in the range of DKK 9 to 11 billion.

“We adjust our net profit guidance for the year based on lower-than-expected loan impairment charges – due to a faster than anticipated macroeconomic recovery – as well as higher customer activity. In addition, we expect a gain from the sale of the business activities in Luxembourg that will, however, be off-set by a number of provisions for extraordinary tax-related items in the second half of the year. We remain confident in our underlying cost development and still expect business conditions to improve further later in the year,” says CEO Carsten Egeriis.

With respect to the second quarter of 2021, net profit will be around DKK 2.8 billion. Total income will be around DKK 10.5 billion, and expenses will be around DKK 6.5 billion, including the provision for the Swedish VAT case of DKK 350 million following a ruling by the European Court of Justice. Impairment charges for the second quarter of 2021 will be around DKK 0.2 billion.

We now expect total income in 2021 to be higher, including the gain from the sale of the business activities in Luxembourg and higher customer activity.

The gain associated with the sale of the business activities in Luxembourg of approximately DKK 250 million and the subsequent recognition hereof in the financial results are expected to occur during the second half of 2021, subject to approval from relevant authorities. The gain from the merger of MobilePay with other mobile payment providers is not included in the revision of the outlook.

As a result of ongoing cost management, underlying operating expenses are expected to be lower than DKK 24.5 billion. Total expenses are expected to be no more than DKK 25 billion, including

additional tax-related one-off items in the second half of the year of around DKK 0.2 billion. In addition, we expect higher charges for pension yield tax at Danica Pension, which will be recognised in net income from insurance business.

Impairment charges are now expected to be no more than DKK 1.5 billion, due primarily to lower model driven impairment charges as a result of a better-than-expected macroeconomic recovery and overall improved credit quality.

The final figures will be provided in Danske Bank's interim report for the first half of 2021, due for release on Friday, 23 July 2021, where we will be able to comment further in detail.

Danske Bank

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