

Counterparty Focus

Danske Bank A/S

Danske Bank Group is a Nordic universal bank and one of the leading financial enterprises in northern Europe. They are headquartered in Copenhagen and operate in 15 countries, offering a full range of banking services in the international financial markets.

Besides the banking activities, which all operate under the Danske Bank brand name, they offer services in the fields of life insurance and pensions (Danica Pension), mortgage finance (Realkredit Danmark), asset management (Danske Capital), real estate (home), and leasing (Nordania Leasing).

The Group has 18,478 full-time employees and serves about 3.7 million customers, including a significant share of institutional customers.

The Group's banking activities are organised in three business units – Personal Banking, Business Banking and Corporates & Institutions – that span all of the Group's geographical markets. They have a market-leading position in Denmark; they are one of the largest banks in Northern Ireland and Finland; and they have challenger positions in Sweden, Norway, Estonia, Lithuania and Latvia. The Group also has branches in London, Hamburg, Dublin and Warsaw and an office in New York. A subsidiary in Luxembourg caters to private banking customers, and another in St. Petersburg serves corporate banking customers.

Measures of Financial Strength:

Long term credit rating and outlook for Danske Bank A/S

Agency	Rating	Date rating effective	Outlook	Date outlook effective
Fitch	A	14/12/2011	Stable	05/06/2013
Moody's	A2	17/06/2015	Stable	17/06/2015
Standard & Poor's	A	29/04/2014	Stable	13/07/2015

Source: Bloomberg, 9 May 2016

Danske Bank CDS & Tier 1 Capital Ratio

BNP Paribas					
	Year 1	Year 2	Year 3	Year 4	Year 5
CDS (bps)	19.80	31.055	38.475	50.855	64.42
Tier 1 Capital Ratio	18.50%				

Source: Bloomberg, 9 May 2016

Definitions:

Tier 1 Capital Ratio:

This is the ratio of a Bank's core equity capital to its total risk weighted assets. A firm's core equity capital is known as Tier 1 capital and is the measure of a bank's financial strength based on the sum of its equity capital and disclosed reserves. Firms must have a Tier 1 capital ratio of 6% or greater.

Credit Default Swap (CDS):

A CDS is effectively an insurance contract – the buyer makes periodic payments to the seller to effectively insure against a debt default and in return receives a payoff, if the underlying financial instrument/institution does default. CDS spreads allow investors to analyse how risky an institution's debt is perceived to be by the market, a relevant factor when considering the

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