Investor Presentation

Financial results 2023

Danske Bank

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Danske Bank
- a brief overview

Danske Bank

We are a focused Nordic bank with strong regional roots

3.2m
personal and business customers

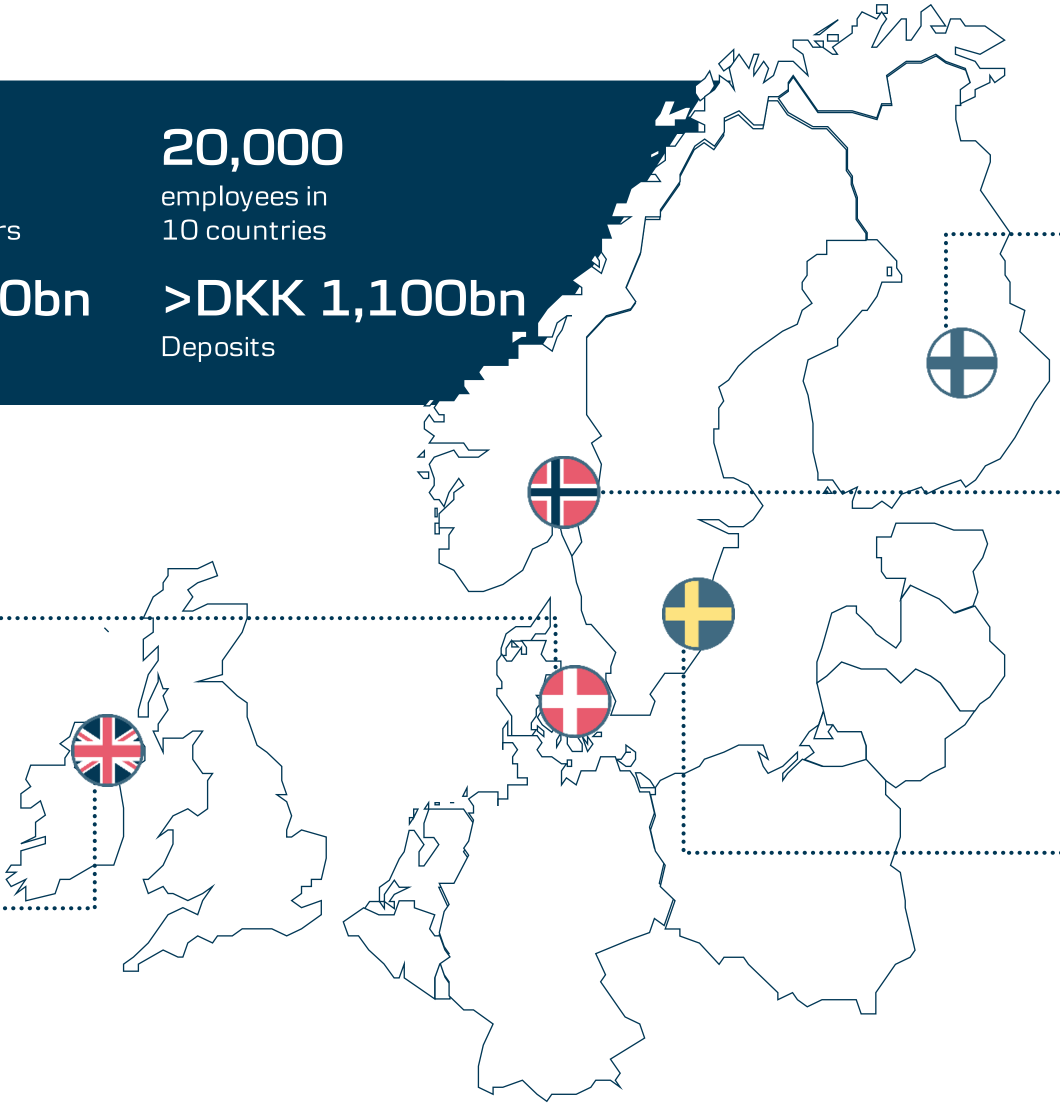
2,000+
large corporate and institutional customers

20,000
employees in 10 countries

DKK >770bn*
Assets under Management

>DKK 1,700bn
Loans & Mortgages

>DKK 1,100bn
Deposits



Denmark (AAA)
Market leader
Share of Group lending: 44%

GDP growth 2023E: 1.1%
Unemployment 2023E: 2.8%
Leading central bank rate: 3.6%

Northern Ireland (AA)
Market leader
Share of Group lending: 3%

Finland (AA+)
3rd largest
Share of Group lending: 8%

GDP growth 2023E: -0.5%
Unemployment 2023E: 7.3%
Leading central bank rate: 4.0%

Norway (AAA)**
Challenger position
Share of Group lending: 9%

GDP growth 2023E: 1.1%
Unemployment 2023E: 1.9%
Leading central bank rate: 4.25%

Sweden (AAA)
Challenger position
Share of Group lending: 11%

GDP growth 2023E: -0.2%
Unemployment 2023E: 7.6%
Leading central bank rate: 4.0%

Note: Share of Group lending is before loan impairment charges and excludes Large Corporates & Institutions (17%), Asset Finance (3%) and Global Private Banking (4%)
* Asset Management in LC&I.

Danske Bank

Nordic Outlook December 2023 - Modest economic cooling in the Nordics

Denmark

	Forecast 2023	2024	2025
GDP Growth	1.1% (1.7%)	1.0% (1.2%)	1.6%
Inflation	3.3% (4.0%)	2.0% (3.2%)	1.9%
Unemployment	2.8% (2.9%)	3.1% (3.2%)	3.3%
Policy rate*	3.60% (3.60%)	2.85% (2.85%)	1.85%
House prices	-1.5%	1.5%	2.0%

Parentheses are the old projections (From September 2023)
*End of period
Source: Danske Bank, Statistics Denmark, Nationalbanken

Sweden

	Forecast 2023	2024	2025
GDP Growth	-0.2% (0.0%)	1.3% (1.7%)	1.8%
Inflation	8.6% (8.4%)	2.3% (1.8%)	1.0%
Unemployment	7.6% (7.5%)	8.2% (7.8%)	8.0%
Policy rate*	4.00% (4.00%)	3.25 (3.00%)	2.5%
House prices	-7.2%	-1.0%	4.0%

Parentheses are the old projections (From September 2023)
*End of period
Source: Danske Bank, Statistics Sweden, Riksbanken

Norway

	Forecast 2023	2024	2025
GDP Growth	1.1% (1.2%)	1.1% (1.4%)	2.1%
Inflation	5.6% (5.8%)	3.0% (2.5%)	2.0%
Unemployment	1.9% (1.9%)	2.3% (2.3%)	2.5%
Policy rate*	4.25% (4.25%)	3.25% (3.25%)	2.25%
House prices	-2.5%	-1.0%	5.0%

Parentheses are the old projections (From September 2023)
*End of period
Source: Danske Bank, Statistics Norway, Norwegian Labour and Welfare Organization (NAV), Norges Bank

Finland

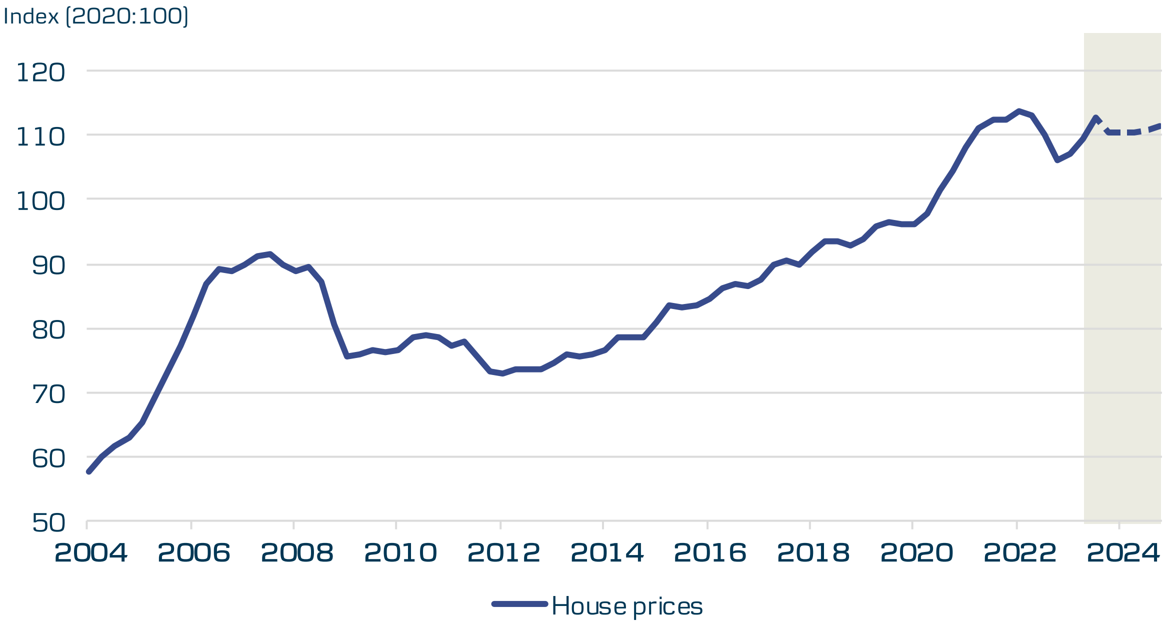
	Forecast 2023	2024	2025
GDP Growth	-0.5% (-0.2%)	0.3% (0.8%)	1.9%
Inflation	6.2% (6.5%)	1.9% (2.3%)	1.5%
Unemployment	7.3% (7.2%)	7.8% (7.0%)	7.2%
Policy rate*	4.00% (4.00%)	3.25 (3.25%)	2.25%
House prices	-6.0%	2.0%	3.0%

Parentheses are the old projections (From September 2023)
*End of period
Source: Danske Bank, Statistics Finland, EKP

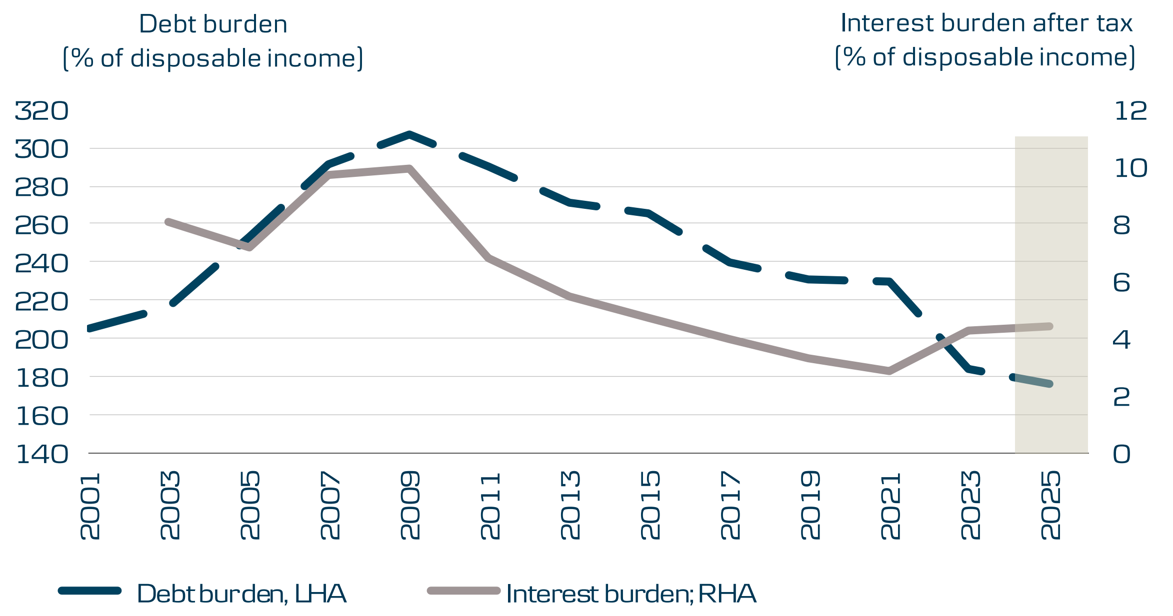
Source: Danske Bank Research http://www.danskebank.com/danskeresearch

Outlook for Danish housing market

Forecast for house prices, Denmark



Household debt and interest payments, Denmark



Source: Danske Bank Research http://www.danskebank.com/danskeresearch December 2023. Real Estate Prices, Statistics Denmark

Danske Bank

A year of significant improvement in financial performance and commercial momentum underpinning sustainable profitability

2023 highlights

Net profit of DKK 21.3bn
Supported by strong NII trend (+39% Y/Y)

Core banking income up +20%
Underpinned by margin expansion and resilient fee income

Improved efficiency Cost/Income 49%
despite inflation and elevated remediation costs

Volumes stable
Lending stabilised despite economic slowdown and DCM shift
Deposits remain elevated supported by recognised savings products

Strong capital and liquidity position
+450bps CET1 buffer and LCR of 170%

Strong credit quality
Impairments down 83% Y/Y amounting to 1 bps in 2023

Capital distribution
H2: DKK 7.5/share; FY 14.5/share
59% dividend payout

Share buy-back DKK 5.5bn
Total payout 85%

Significant milestones for legacy cases
GFCP completed and submitted to the FSA, and solution in place for legacy debt collection

Forward '28 strategy
launched with ambitious 2026 financial targets

2024 outlook

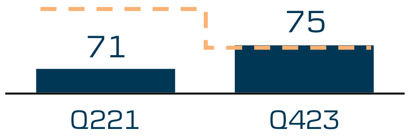
Net profit guidance of
DKK 20-22bn

Better Bank strategy exceeding targets while enhancing the resilience of Danske Bank and laying a strong foundation for Forward '28 execution

Our 2023 targets	FY2023
8.5-9% RoE	13% ✓
C/I mid 50s	48% ✓
16% CET1	19% ✓

Top 2 customer satisfaction rank in each market*	PC	BC	LC&I
	~4	~3	~2

Employee engagement rank



Nordic average – – –

Achievements in focus areas

Society

- DKK 365bn in sustainable financing and Paris Agreement aligned targets for our lending portfolio
- Compliance under control
- Finalised GFCP plan

Other

- Agile transformation: Delivering on efficiency gains and higher engagement
- Group-wide cost programme: 10% FTE reduction since Q419

Our 2026 targets to measure the success of Forward '28

Personal Customers	Number of meetings per adviser (Index: 2023 = 100)	163
	Net new customer households in growth segments**	31k
	Customer satisfaction with Mobile Banking	8.5
Business Customers	Income growth mid corporate customers**	800m
	Credit cases with automatic decisioning	50%
	Increase in customers highly satisfied with advisory***	+15%
LC&I	Number of new customers outside Denmark**	40
	Annual growth in Daily Banking fees in BC and LC&I	5%
	Ranking in Capital Markets advisory fees	Top 2

13%
Return on Equity
>16% CET1
~45% Cost/Income

Capital distribution

- Dividend potential from 2023-2026 of above DKK 50 bn
- Accelerated dividend by H123 results targeting the higher end of the 40-60% policy range
- Ambition for further distribution – subject to capital position and market conditions

Increased investments

- Increase yearly digital and tech investments by DKK 1 bn

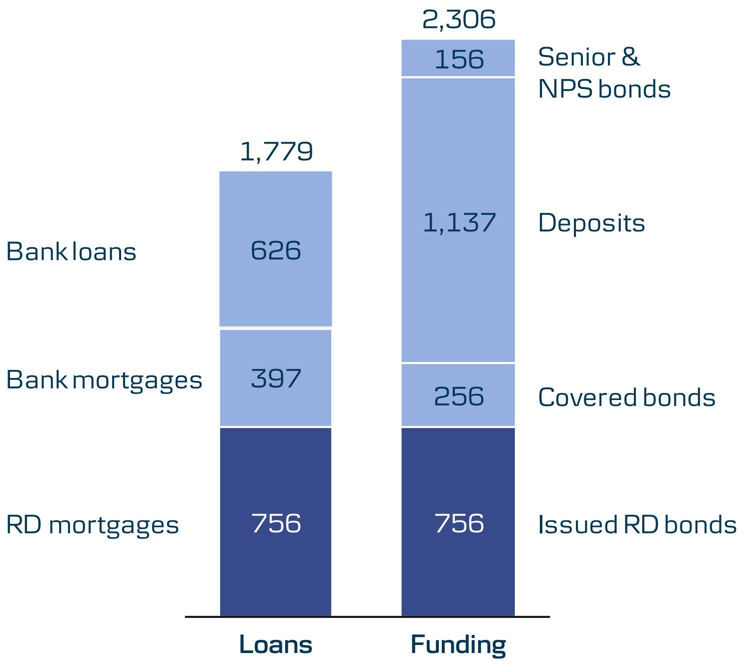
*PC and BC: Weighted average based on income per country, LC&I: Weighted average of Prospera metrics. ** Increase vs 2023 baseline. *** Increase vs 2022 baseline.

Danske Bank

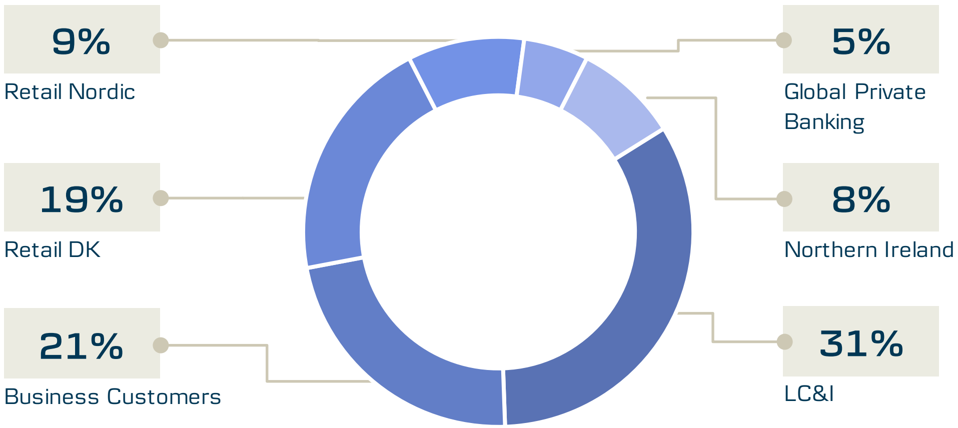
Danske Bank's strong balance sheet underpins our resilient business model which includes a well-balanced ALM strategy and a very strong liquidity position

- Danske Bank has a sound funding structure and remains very well capitalised with a prudent CET1 capital buffer to the current regulatory requirements. Further, our liquidity is underpinned by more than DKK 250bn in cash and a liquidity coverage ratio (LCR) of 170%, well above the minimum requirements
- Diversified and solid deposit mix that includes a retail base where the majority is covered by the Nordic guarantee schemes. Further, the fully-funded pass-through mortgage structure in Denmark provides a structural deposit surplus
- We executed DKK 95bn of our total wholesale funding plan of DKK 80-100bn for 2023. Funding plan for 2024: DKK 80 – 100bn

Sound funding structure (DKK bn)

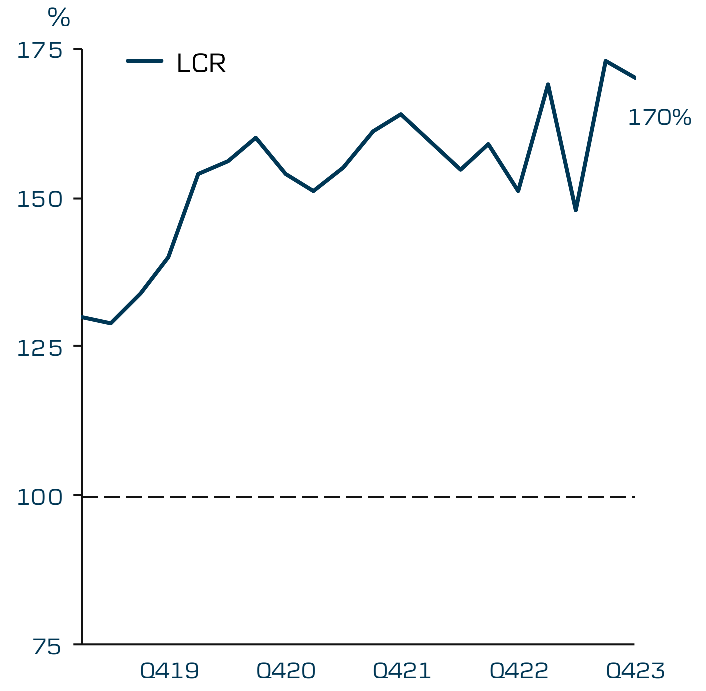


Diversified and stable deposit base



	Q421	Q422	Q423
Total bank deposits (DKK bn)	1,168	1,170	1,137
of which Stable deposits*	376	388	373
of which Operational deposits*	297	319	307
Stable & Operational, % of bank deposits	58%	60%	60%

Strong liquidity position



* Based on regulatory definition. E.g., Stable deposits include fully insured retail deposits to customers with full relationship at Danske Bank. Operational deposits is from Corporate depositors maintained to obtain clearing, custody and cash management

Danske Bank

Important progress achieved across sustainability focus areas as our 2023 strategy comes to a close

	Sustainable finance		Sustainable operations			Impact initiatives	
	Responsible investing	Sustainable financing	Governance & integrity	Employee well-being & diversity	Environmental footprint	Entrepreneurship	Financial confidence
2023 targets	DKK 150 bn in funds that have sustainability objectives[1] and DKK 50 bn invested in the green transition by Danica Pension	DKK 300 bn in sustainable financing – and setting Paris Agreement aligned climate targets for our lending portfolio	Over 95% of employees trained annually in risk and compliance	More than 35% women in senior leadership positions and an employee engagement score of 77	Reducing CO_2e emissions from own operations by 40% compared to 2019, towards 60% by 2030	10,000 start-ups & scale-ups supported with growth and impact tools, services and expertise (since 2016)	2 million people supported with financial literacy tools and expertise (since 2018)
2023 results	**DKK 53 bn** in sustainable funds (art. 9) **DKK 55 bn** invested by Danica Pension	**DKK 365 bn** in sustainable financing **+ Climate Action Plan** with targets aligned with the Paris Agreement	**97% trained**	**34%** women in senior leadership Engagement score of **75**	**– 46%**	**7,909**	**2.4 million**

[1] This is a 2030 target to have at least DKK 150bn in investment funds that have sustainability objectives (article 9 funds)

Danske Bank

Financial outlook:
Net profit for 2024 will reflect progress on financial ambitions for 2026

Income	**Total income** is expected to grow in 2024, driven by higher core income, our continued efforts to drive commercial momentum and in line with our financial targets for 2026. Income from trading and insurance activities will be subject to financial market conditions
Expenses	We expect **operating expenses** in 2024 to be in the range of 26-26.5bn reflecting increased investments in line with our financial targets for 2026 and continued focus on cost management. The outlook includes non-recurring items of approximately DKK 0.6 billion related to the relocation to the new domicile and minor costs for the divestment of PC Norway
Impairments	**Loan impairment charges** are subject to an elevated level of geopolitical and macroeconomic uncertainty and are expected to reflect our assumptions in our financial targets for 2026 of approximately 8 basis points p.a.
Net profit *	We expect **net profit** to be in the range of DKK 20-22bn

* Note – The outlook is subject to uncertainty and depends on volume growth and financial markets/macroeconomic conditions. **Subject to regulatory approval.

Financial highlights – full year 2023

Danske Bank

Strong income uplift supported by NII; recovery in trading and insurance despite impact from one-offs; strong credit quality underpins low impairments

Key points 2023 vs 2022

Strong uplift in profitability (+96%) driven by higher income and lower costs and impairments

- NII up 39% benefiting from higher rate environment
- Fee income resilient despite normalisation of corporate credit demand and low housing market activity
- Trading and Insurance income benefited from better financial markets
- Costs under control as efficiencies mitigate inflationary pressure
- Strong credit portfolio underpinning low loan impairments
- Tax rate lower than anticipated due to one-offs during the year

Key points Q423 vs Q323

Net profit uplift (+8%) supported by fee income recovery, higher trading and insurance income, and reversals of impairments

- NII trending up when adjusted for one-offs. Q/Q trend impacted by deposit pass-through and migration effects
- Fee income recovered further due to DCM activity and investment fees, also benefiting from booking of performance fees in AM
- Costs increased due to expected seasonality (holiday allowance and bonus)
- Loan impairments led to reversals based on workout cases while credit quality remained strong

Income statement and key figures (DKK m)

	2023	2022	Index	Q423	Q323	Index
Net interest income	35,000	25,108	139	9,134	9,326	98
Net fee income	11,707	12,590	93	3,148	2,867	110
Net trading income	3,704	1,875	198	757	174	435
Net income from insurance business	1,472	280	526	550	233	236
Other income	562	1,936	29	238	431	55
Total income	**52,445**	**41,789**	**125**	**13,827**	**13,031**	**106**
Operating expenses	25,414	26,478	96	6,592	6,204	106
Profit before loan impairments	**27,031**	**15,311**	**177**	**7,235**	**6,827**	**106**
Loan impairment charges	262	1,568	17	-32	322	-
Profit before tax, core	26,769	13,743	195	7,267	6,505	112
Profit before tax, Non-core	-87	-13	669	-32	-30	-
Profit before tax	**26,682**	**13,730**	**194**	**7,235**	**6,475**	**112**
Tax	5,420	2,883	188	1,470	1,156	127
Estonia matter & goodwill impairment	-	15,427		-	-	-
Net profit (excl. Estonia matter & GW)	**21,262**	**10,848**	**196**	**5,765**	**5,319**	**108**

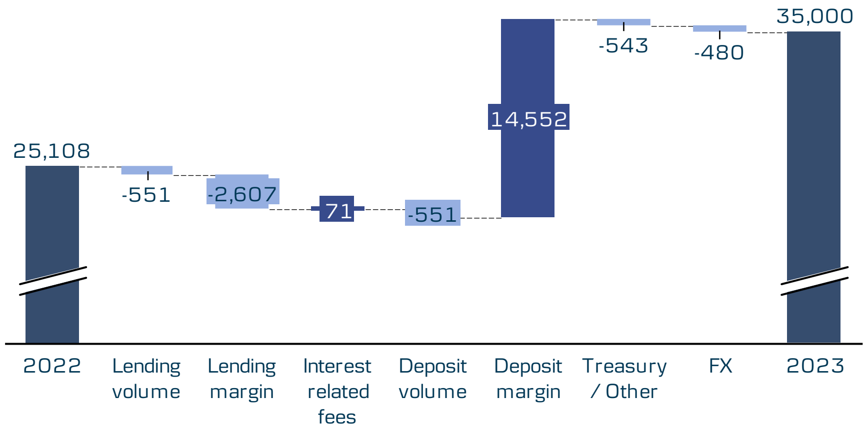
Danske Bank

NII: Healthy deposit margin expansion Y/Y while recent pass-through impacts Q/Q development; deposit and lending volumes have stabilised

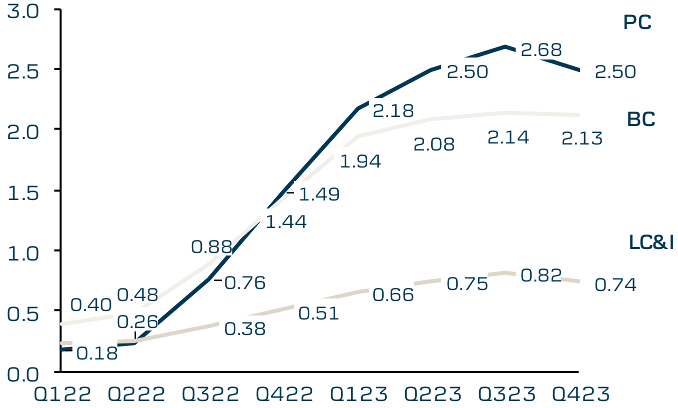
Highlights

- Net interest income continued the positive trend despite Q4 impacted by migration to savings products and significant deposit pass-through in light of previous hikes
- Y/Y benefited from deposit margin expansion. Lending margins affected by higher funding costs and lagging effects of repricing. BU margins further impacted Q/Q by allocation of Treasury costs (no Group impact)
- Q/Q impacted by the significant deposit rate pass-through post the September rate hike. NII affected by tax one-offs in both Q3 (positive) and Q4 (negative)
- NII sensitivity in year 1: DKK (+/-) 500m (per 25bps move) with assumed migration to savings products. Additional impact in year 2 and 3 of DKK (+/-)300m and DKK (+/-)200m, respectively, all else equal

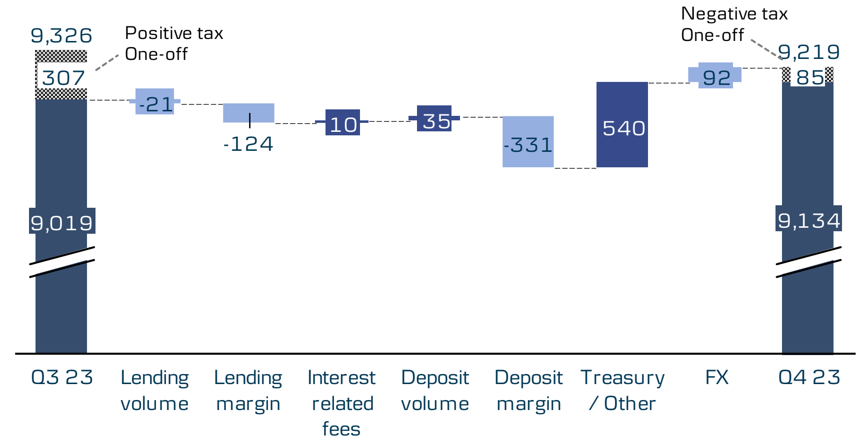
Net interest income 2023 vs 2022 (DKKm)



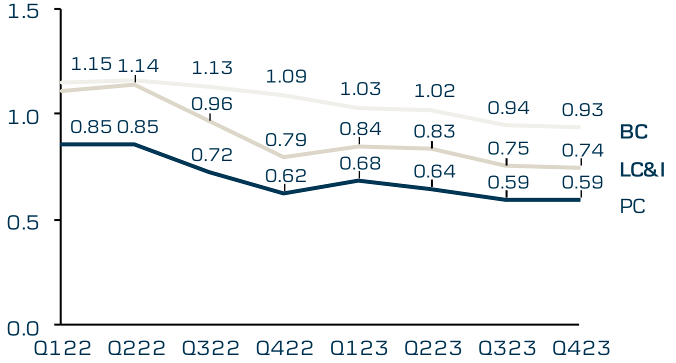
Deposit margin development (%)



Net interest income Q423 vs Q323 (DKKm)



Lending margin development (%)



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Fees: Improving trend Q/Q as activity remained solid with recovery in lending and investment fees; Y/Y affected by lower lending activity and reduced AuM

Highlights

Activity-driven fees (transfers, accounts etc.)

- Resilient income due to good customer activity, incl. retail spending, transaction banking and cash mgmt.

Lending and guarantee fees

- Y/Y: Lower income from subdued housing market activity and run-off of energy-related liquidity facilities
- Q/Q: Improvement in housing market activity and healthy underlying corporate credit demand despite normalisation of liquidity facilities and shift towards capital markets

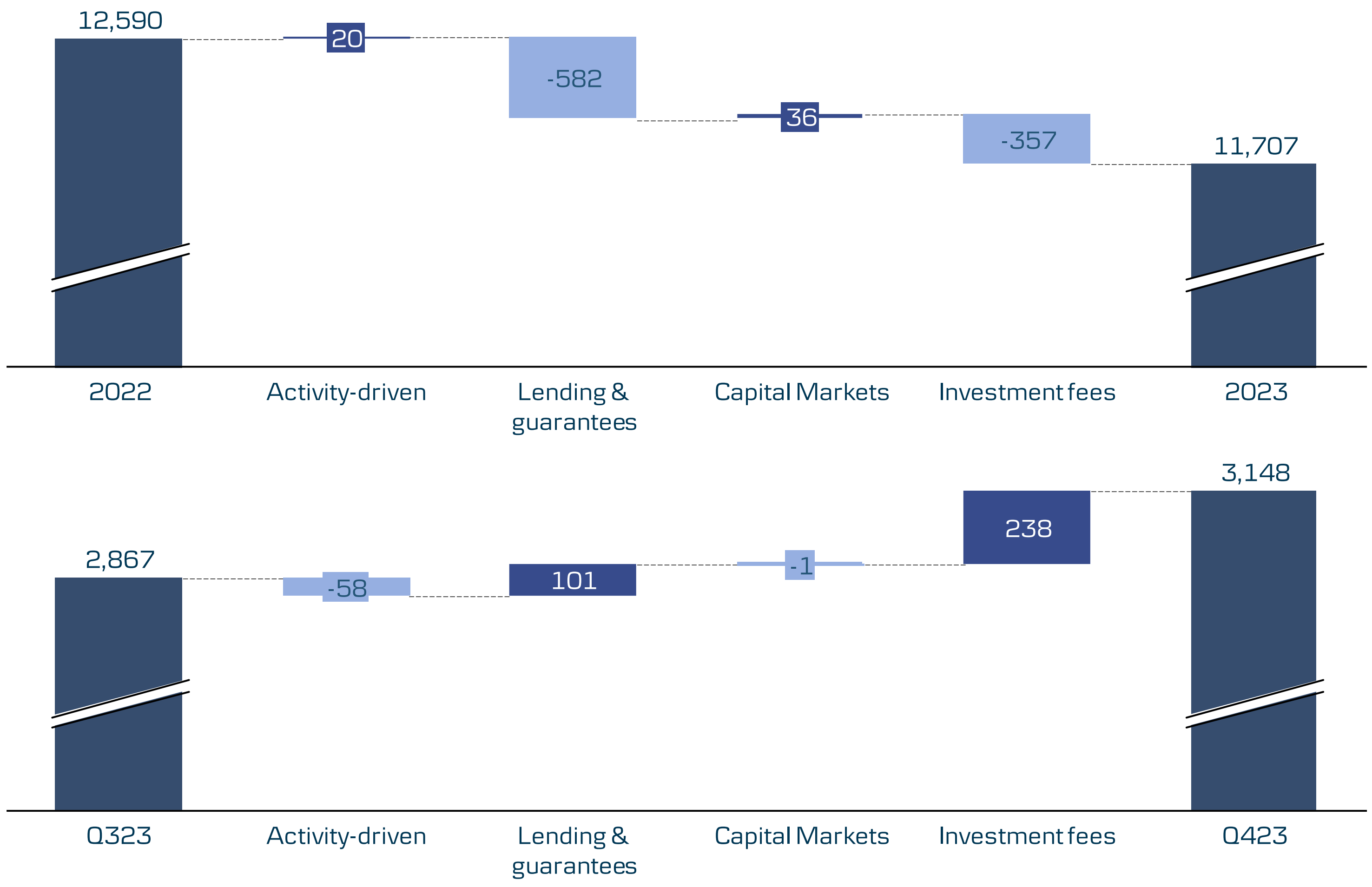
Capital markets fees

- Capital markets fees solid as DCM traction was supported by slight recovery in M&A and ECM activity in H2

Investment fees

- Y/Y: Investment fees impacted by reduced customer activity and lower AuM
- Q/Q: Solid rebound supported by uplift in income due to an increase in assets under management and year-end performance fees

Net fee income (DKK m)



Trading income: Continued recovery and less volatility; calibrated risk in fixed income market-making strategy and seasonality in Q4 limit effect from lower rates

Highlights

LC&I

- Y/Y: New fixed income strategy implemented in 2022 at LC&I has led to recovery and more stable income based on customer flows
- Q/Q: Seasonal effects caused lower customer activity

PC and BC

- Y/Y: Decrease driven by more normalised level of FX trading activity

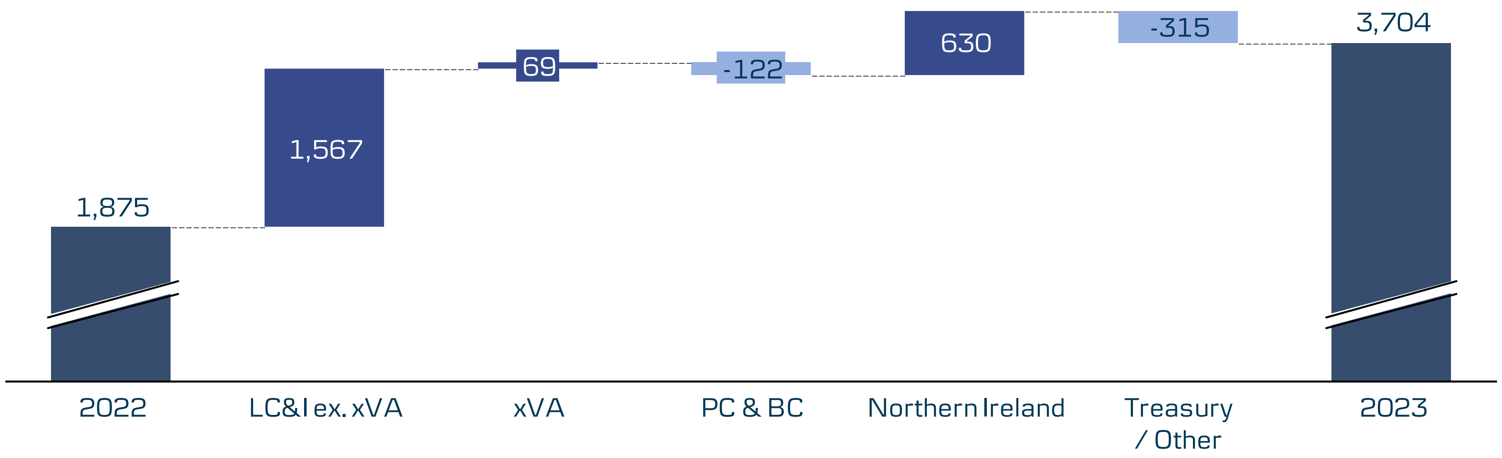
Northern Ireland

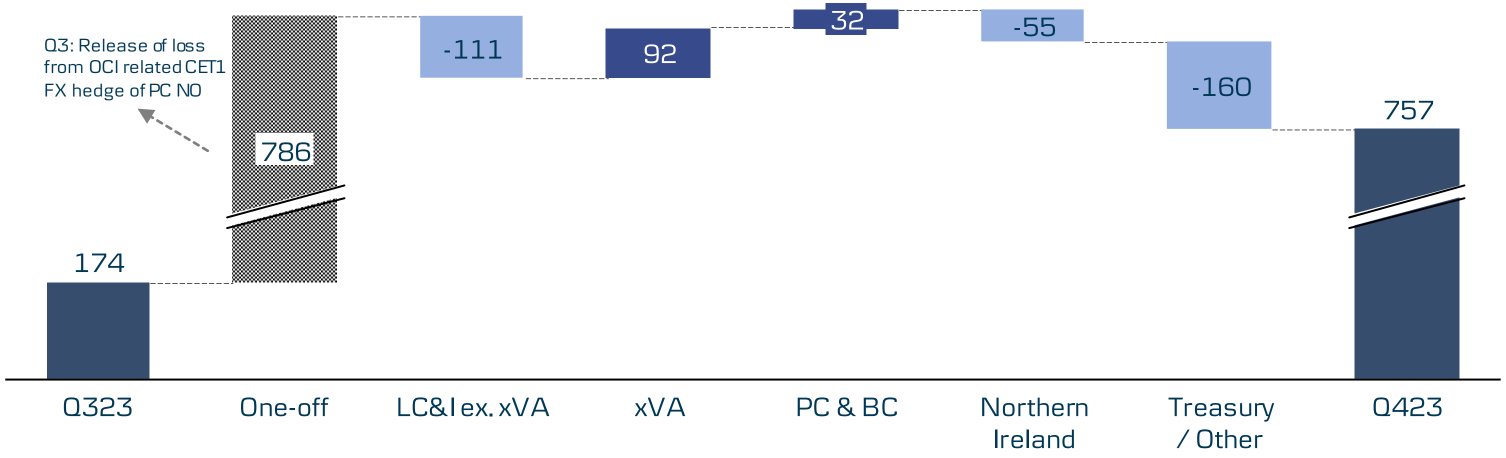
- Affected by valuation effects on the bank's interest rate hedge

Group Functions

- Y/Y: A one-off loss in Q3 trading income from the recycling of DKK 0.8bn from OCI, related to a CET1 FX hedge in Norway, more than offset a one-off gain of DKK 0.3 bn in Q2 from a debt-to-equity transaction
- Q/Q: Trading income affected by valuation effects of own holdings

Net trading income (DKK m)





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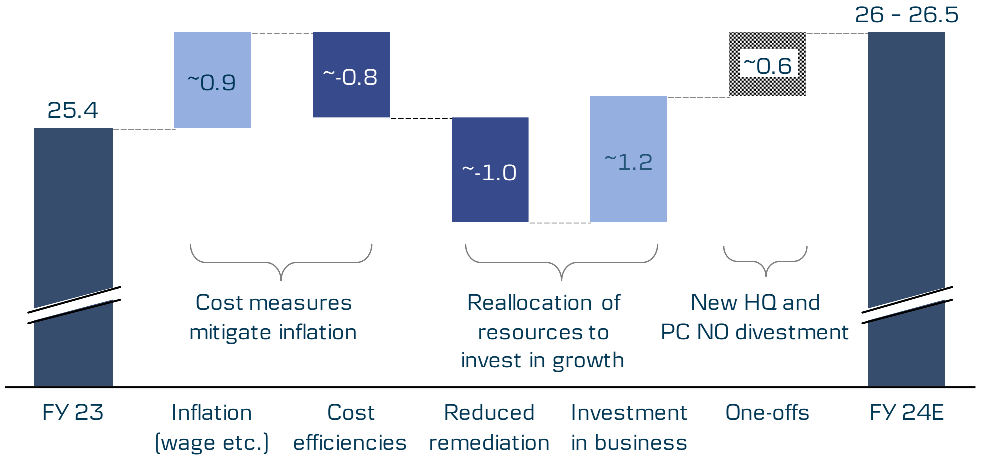
Expenses: Dedicated cost management resulting in 4% decline in cost base Y/Y; well on track to deliver on 2026 C/I target

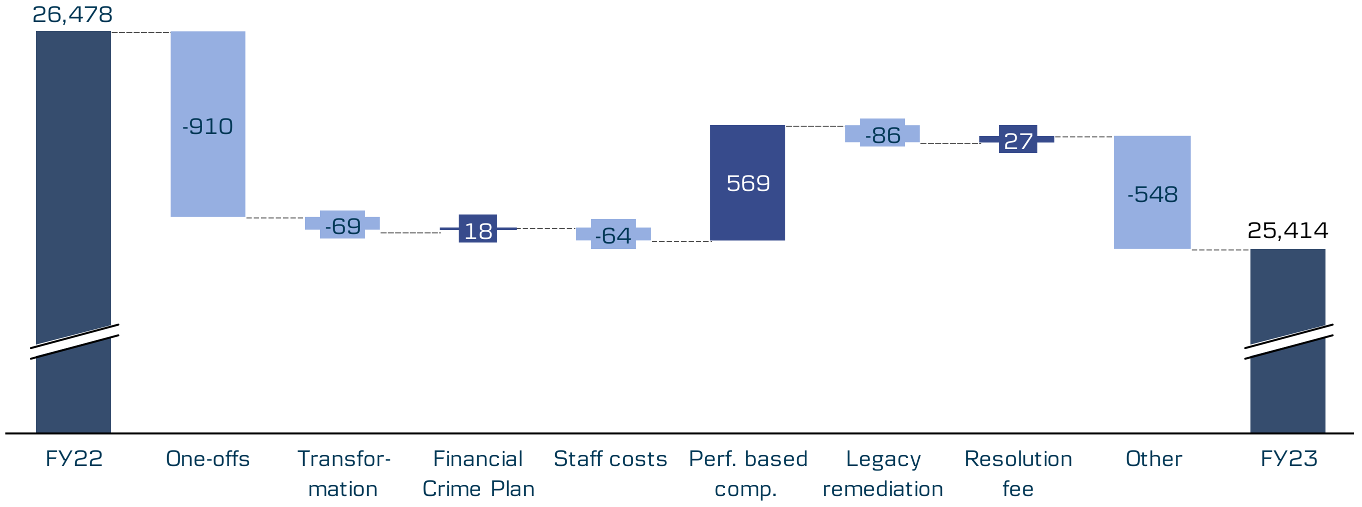
Highlights

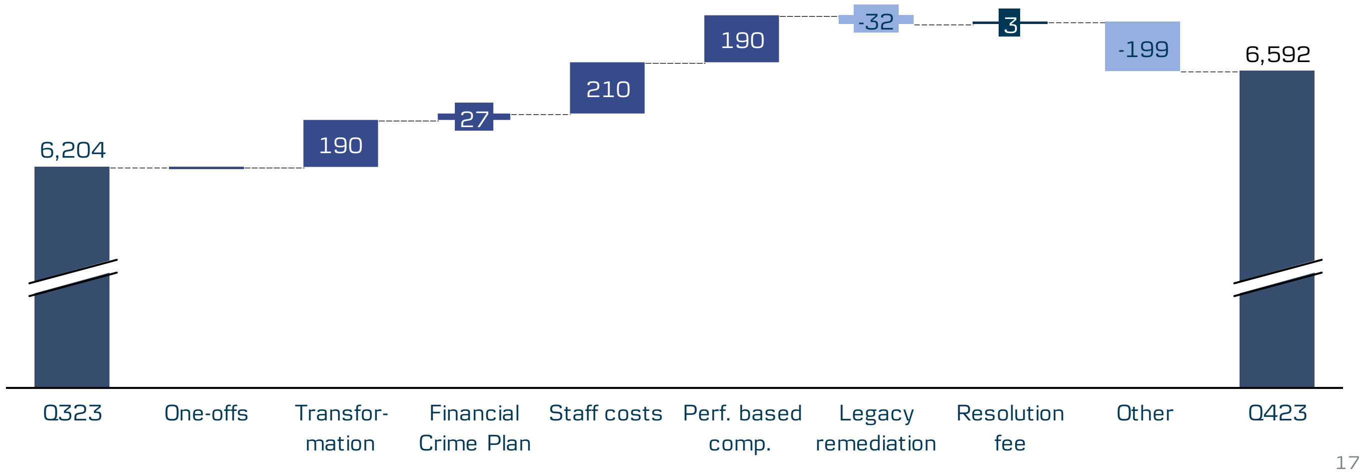
- Total costs down 4% Y/Y. Continued progress on efficiency as underlying costs (adj. for one-offs in 22) were kept flat despite inflationary pressure
- Legacy remediation and financial crime costs remained elevated, as planned, through the year
- Cost base Q/Q impacted by seasonality effect in staff costs, performance-based compensation and transformation costs
- Other costs lower due to reduced premises, amortisation and consultancy spend
- 2024 cost outlook characterised by ramp up in investments

2024 cost outlook (DKK bn)



Expenses (DKK m)





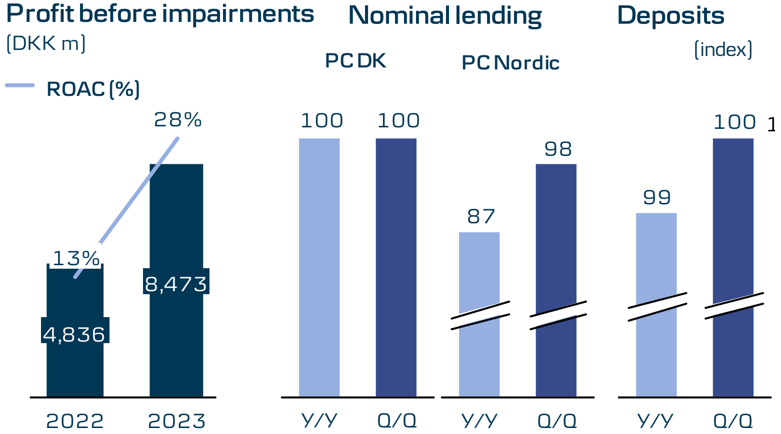
Business & Product Units

Danske Bank

Business units: Growing momentum and enhanced profitability; continued lending uplift for business customers

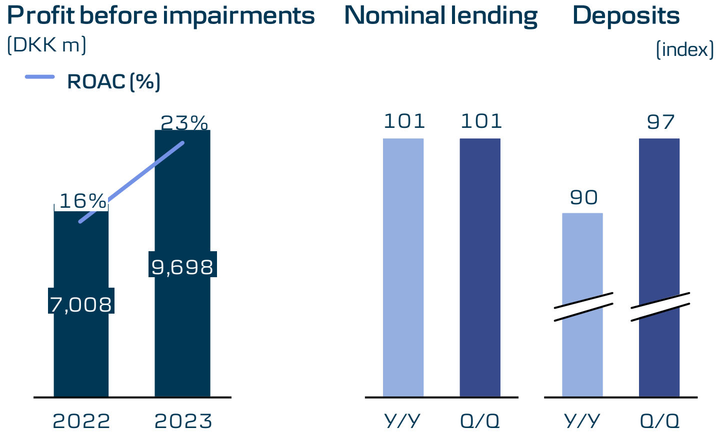
Personal Customers

- Strong year with significant profit uplift, driven by increased margins, strategic pricing initiatives and low impairment charges
- Lending in PC DK supported by increase in bank lending market share
- Significant upgrade of self-service solutions on our digital platforms and enhancement of our advisory capabilities
- Optimised home finance processes and simplification of product offerings to ensure efficient operations
- Improving customer satisfaction through the year (scoring 9/10); testament to our committed ambition to stabilise our position as the leading Danish retail bank
- Global Private Banking momentum underpins market share gains in Danske Invest and uplift in AuM



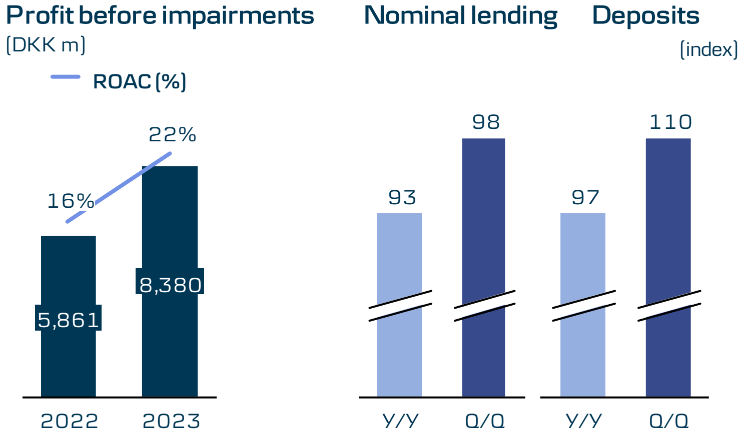
Business Customers

- Good momentum throughout the year: pre-tax profit up 44% Y/Y and strong uplift across main income lines Q/Q
- Positive trend in lending continues both Q/Q and Y/Y, with uplifts across the Nordic markets
- Deposits declined Y/Y due to change in strategy in Norway
- Launch of several new IT solutions throughout the year to enhance digitalisation and security efforts, and District Marketplace now available in DK and FI
- Continued commitment to ESG initiatives with 750 advisers completing ESG upskilling training through 2023
- CSAT remains high among our business customers with harmonised customer support setup across all countries



LC&I

- Strong profit uplift Y/Y driven by solid NII and recovery in trading income
- Solid market activity throughout the year: we remain the leading Nordic bank in European DCM and the leading ECM adviser in Denmark in 2023
- Leader of largest primary bookbuild offering for a Nordic company in 15 years
- Delivery on green commitment with more than 150 sustainable bonds issued in 2023
- Significant AuM uplift; 16% Y/Y and 10% Q/Q; positive inflow trend continues, reflected in performance fee uplift
- Launch of new, growth-focused Asset Management strategy to create a strong foundation for Forward '28 execution



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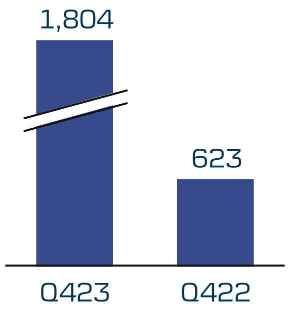
Business units: Improved results in Danica; strong profitability in Northern Ireland driven by higher income

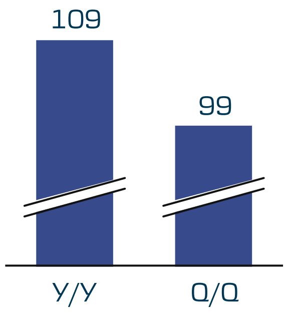
Northern Ireland

- Solid uplift in NII and trading income throughout the year. The strong 2023 financial performance reflects business growth in a higher interest rate environment
- 2023 profit before tax of DKK 1,917m, compared to DKK 456m in 2022, benefitted lending growth and actions taken in response to higher UK interest rates, supplemented by trading income
- Net reversal of loan impairments in 2023, reflecting continually strong credit quality despite challenging economic conditions
- Continued progress on digitalization journey with 25% increase in customer logons to our digital platforms, with record 7+ million logons for in one month during 2023

Profit before imp. (DKK m)



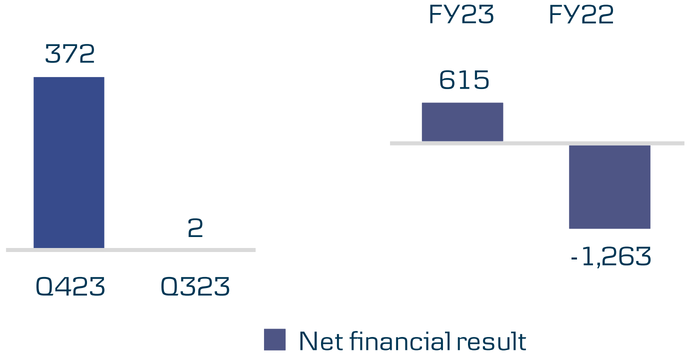
Lending (index)



Danica

- Net income in Danica Pension amounted to DKK 1,472, recovering from the lower level in 2022, driven by positive development in the financial markets
- The insurance service result decreased to DKK 779 million as Danica Pension continued to see a rise in new health and accident claims
- Assets under management increased DKK 37 billion from the level at the end of 2022 following the positive development in the financial markets in 2023
- Strong returns on our pension customers' savings, in most cases double-digit returns for the year

Result FY23 vs FY22 (DKK m)



Danske Bank

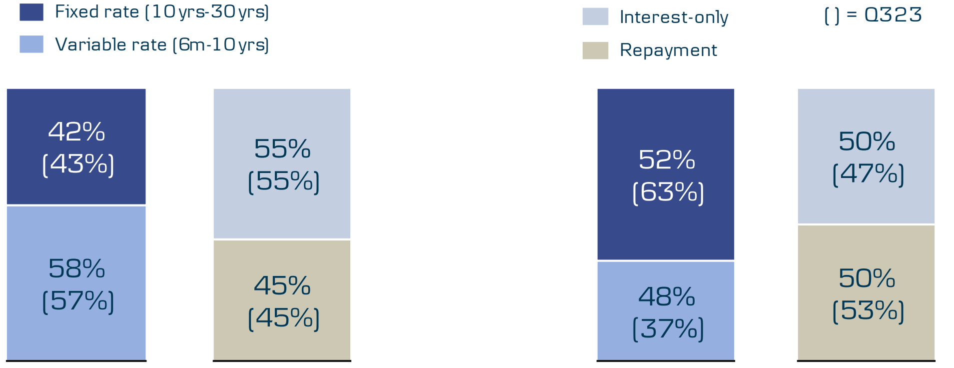
Realkredit Danmark portfolio overview: Continued strong credit quality

Highlights

Portfolio facts, Realkredit Danmark, Q423
- Approx. 304,000 loans (residential and commercial)
- Average LTV ratio of 53% (50% for retail, 57% for commercial)
- We comply with all five requirements of the supervisory diamond for Danish mortgage credit institutions
- 716 loans in 3- and 6-month arrears (Q323: 772)
- 14 repossessed properties (Q323: 14)
- Around 2% of the loan portfolio has an LTV above 80%
- DKK 7bn of the loan portfolio is covered by government guarantee

LTV ratio limit at origination (legal requirement)
- Residential: 80%
- Commercial: 60%

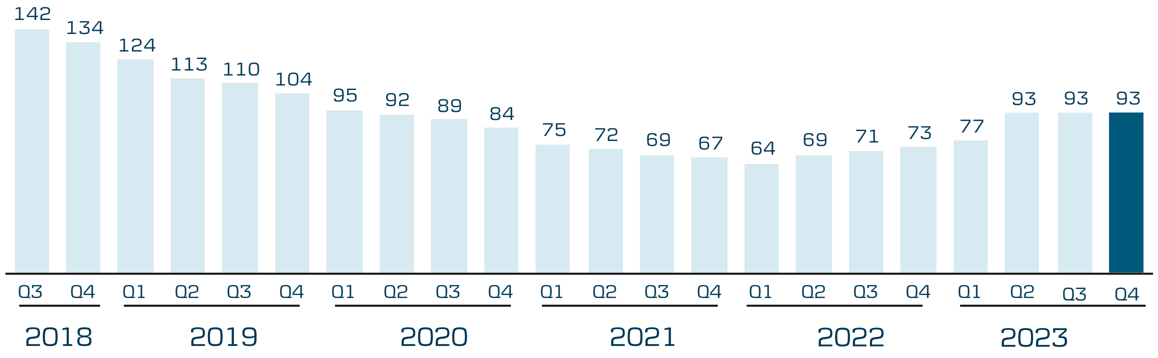
Retail loans, Realkredit Danmark, Q423 (%)



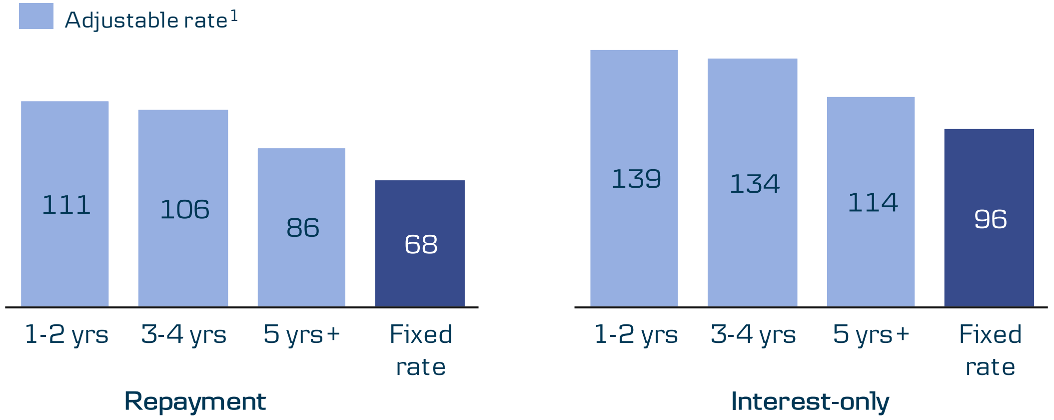
Stock of loans: DKK 426 bn (430bn)

New lending: DKK 13 bn (11bn)

Total RD loan portfolio of FlexLån® F1-F4 (DKK bn)



Retail mortgage margins, LTV of 80%, owner-occupied (bps)



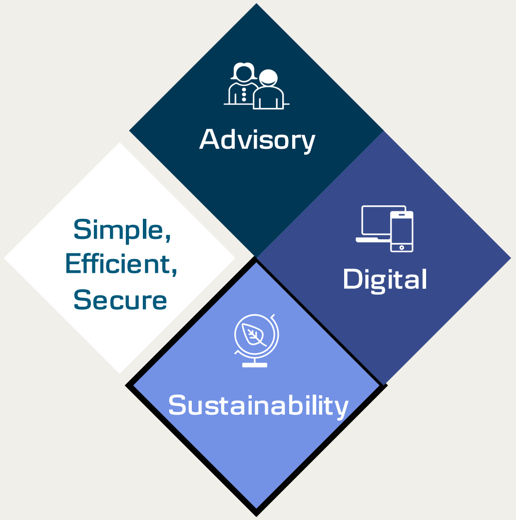
1 In addition, we charge 30 bp of the bond price for refinancing of 1- and 2-year floaters and 20 bp for floaters of 3 or more years (booked as net fee income).

ESG, Sustainability, Financial Crime Prevention

Danske Bank

Sustainability is an integrated element of our Forward '28 strategy

Our starting point



- Industry leading Climate Action Plan with biodiversity as next priority theme
- ESG integrated in key processes – Portfolio and capital steering, lending processes, asset management
- Strong ESG advisory offerings and #1 Nordic Arranger of Green Bonds

What we will do

Large Corporates & Institutions

- Advisory services, transition finance and project finance

Personal Customers

- Housing, investments, pensions, mobility and daily banking

Business Customers

- Advisory services, transition finance and partnerships

Asset Mgmt. & Danica Pension

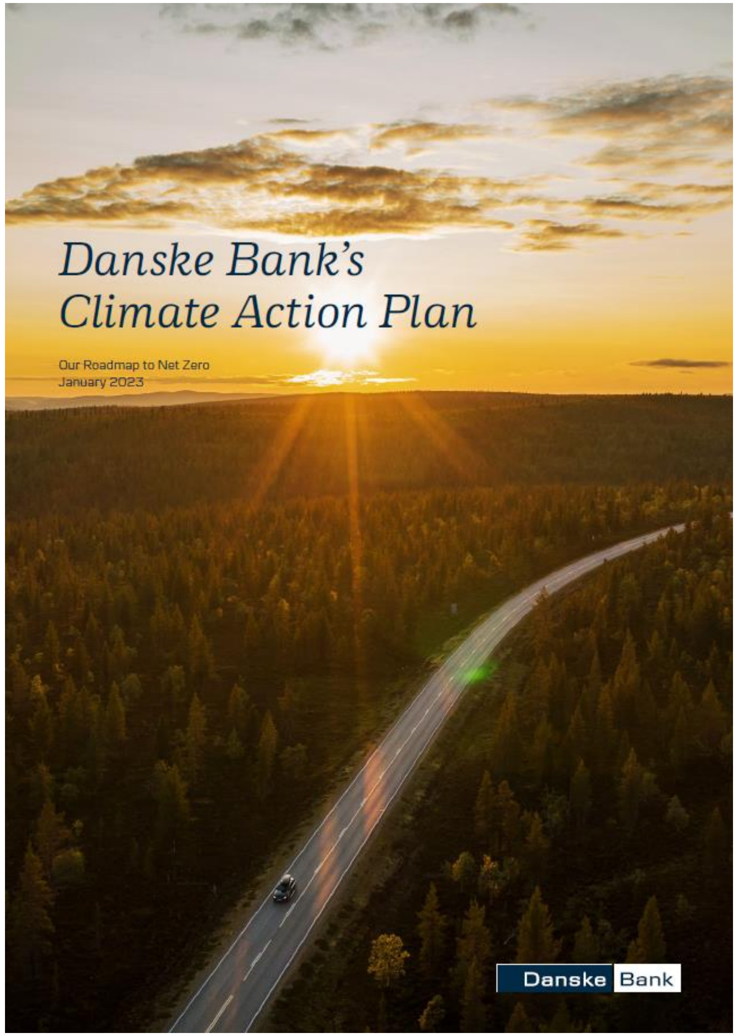
- Alternative investment products, Danica Balance Responsible Choice

Reinforce stronghold in sustainable finance and advisory

	2022	2026
Sustainable finance [1]	#1	A leader in supporting our customers' green transition
ESG advisory [2]	#3	
Sustainable investing [3]	#3	

[1] Ranking among Nordic banks in the Bloomberg Global Green Bonds (Corporate & Government League Table) [2] Ranking for the Nordics in Sustainability Advisor survey from Prospera (Corporate & institutional clients)
[3] Prospera Nordic External Asset Management question: "Has high competence within sustainable investments?"

Climate Action Plan aligned with Paris Agreement launched in January 2023



Carbon footprint of **13.3 million tCO_2e** across the Group, with **>99%** related to financed emissions [1]

2030 targets based on SBTi guidance to align with the **goals of the Paris Agreement** – status provided in Climate Action Plan Progress Report published on 2 February 2024

Activities in Asset Management and Danica Pension subject to **temperature rating targets**, in addition to emission reduction targets

Focus on supporting **customer and investee company transitions** as well as increased financing of **renewable energy**

No financing or refinancing of companies intending to **expand supply of oil and gas** production beyond already approved by end of 2021

[1] Latest status as described in the Climate Action Plan Progress Report [Link]

Danske Bank

Our Climate Action Plan Progress Report shows positive traction across our climate targets, though some sector targets do not follow the linear trajectory

● Below or within 5% above linear trajectory ● 5-10% above linear trajectory ● More than 10% above linear trajectory

Lending

2030 sector emission intensity reduction targets [1]

Sector	Trajectory	Target
Oil and gas – exploration & production [2]	Below or within 5%	50%
Oil and gas – downstream refining [3]	Below or within 5%	25%
Power generation	Below or within 5%	50%
Steel	Below or within 5%	30%
Cement	Below or within 5%	25%
Commercial real estate [4]	5-10% above	55%
Personal mortgages [4]	Below or within 5%	55%

2030 sector alignment delta targets [1]

Sector	Trajectory	Target
Shipping [5]	More than 10% above	0%

Asset management

2030 temperature rating reduction targets [6]

- Implied temperature rating of our investment products from 2.7°C in 2020 to 2.1°C (scope 1 and 2)
- Implied temperature rating of our investment products from 2.9°C in 2020 to 2.2°C (scope 1, 2 and 3)

2030 carbon intensity reduction target [1]

- Weighted average carbon intensity of investment products — 50%

2025 engagement target [1]

- Engagement with the 100 largest emitters

Life insurance & pension

2030 temperature rating reduction targets [6]

- Implied temperature rating of our listed equities and credits from 2.7°C in 2020 to 2.1°C (scope 1 and 2)
- Implied temperature rating of our listed equities and credits from 2.9°C in 2020 to 2.2°C (scope 1, 2 and 3)

2025 sector emission intensity reduction targets [8]

Sector	Trajectory	Target
Real estate [8]	Below or within 5%	69%
Energy	5-10% above	15%
Transportation [9]	More than 10% above	20%
Utilities	More than 10% above	35%
Cement	Below or within 5%	20%
Steel	Below or within 5%	20%

Own operations

2030 emission reduction targets [7]

Target	Trajectory	Reduction
Carbon emissions in scope 1 and 2	Below or within 5%	80%
Carbon emissions in scope 1, 2 and currently measured scope 3 categories	Below or within 5%	60%

Highlights from Progress Report 2023

- **Decreasing absolute financed emissions** – Measured emissions from our lending activities and investee companies (scope 1 and 2) have decreased from 16.2 million to 13.3 million tCO_2e, corresponding to a ~18% reduction since 2020
- **Solid progress on lending emission reduction targets** – Among our nine sector targets, five are transitioning faster than a linear trajectory towards our 2030 targets, whereas four are transitioning slower
- **Some challenges in meeting Danica Pension's 2025 sector targets** – Energy, transportation and utilities transitioning slower than expected; mitigating actions initiated in line with fiduciary duties
- **Solid reduction of weighted average carbon intensity for investment products** – We have seen a 46% reduction since 2020 and a decrease in our temperature rating scores across our Asset Management and Danica Pension portfolios
- **Updated baseline** – Due to updated methodologies, improved data and scope 3 emissions of investee companies not being included in this reporting due to large fluctuations that challenge the comparability of historical data, our 2020 baseline is 16.2 million tCO_2e compared to the 41.1 million tCO_2e reported in the Climate Action Plan from January 2023 [10]

1. Baseline year 2020, 2. Absolute emission reduction targets set, 3. Absolute emission reduction and carbon intensity targets, 4. Based on a weighted portfolio exposure across Denmark, Sweden, Norway and Finland. For activities in Denmark, the target corresponds to a 75% reduction by 2030, 5. Based on Poseidon Principles methodology, 6. Differences in targets between asset management and life insurance & pension reflect different starting points of the portfolios, 7. Baseline year 2019, 8. 2030 target, 9. Automotive, aviation and shipping 10. See the Climate Action Plan Progress Report 2023 for details on not including the investee scope 3 emissions, methodology and data changes.

Danske Bank

Recent highlights on sustainability agenda contributing to strong performance

Sustainable finance volume targets reached

Since 2020, Danske Bank has increased its sustainable financing to DKK 365 bn, invested DKK 53 bn in funds with sustainability objectives, while Danica Pension has invested DKK 55 bn in the green transition. Hence, we have reached our sustainable finance volume targets for 2023.

Climate Action Plan & Progress Report

In January 2023, Danske Bank launched its Climate Action Plan, which sets targets for high-impact sectors and details our approach to engaging with customers on their transition plans. And in February 2024, we published the first Progress Report on our Climate Action Plan.

Increased focus on human rights due diligence

In May 2023, Danske Bank published its updated Position Statement on Human Rights to clarify its commitment to respect human rights and to implement human rights due diligence. To increase the transparency of our approach and efforts, we also published our first Human Rights Report.

Launch of biodiversity engagement targets

In September, based on an analysis of portfolio data, Danske Bank set targets to engage with more than 300 lending customers within three key sectors before the end of 2024 and with 30 large, global investee companies before the end of 2025.

#1 Nordic Green Bond Arranger

- Danske Bank continues to rank #1 among Nordic arrangers in the Bloomberg Global League Table
- Danske Bank is the leading Nordic arranger of Sustainable Bonds across issuers and the leading arranger of Sustainable Bonds from Nordic issuers

Updated strategic approach to sustainability

In Danske Bank's Forward '28 strategy, sustainability is one of four strategic focus areas, and we have an overall ambition to be a leading Nordic bank in supporting the sustainability transition. We will soon publish more information about our sustainability approach and priorities towards 2028.

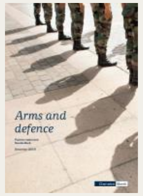
Danske Bank

Deep dive – Overview of ESG integration in Danske Bank's lending operations

1. Position statements

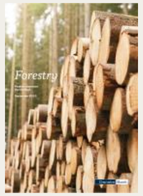
- Our position statements are a key tool for aligning with societal goals and communicating our approach to selected themes and sectors with elevated ESG risks
- Our position statements currently cover the following themes and sectors:

Agriculture

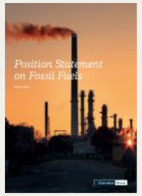


Arms & defence

Climate change



Forestry



Fossil fuels

Human rights

Mining & metals

2. Single-name ESG analysis

- ESG analysis is conducted for all large corporate clients using an internally prepared ESG risk tool
- Tool is developed around the concept of financial materiality i.e. how the financial performance of the company might be affected by environmental and social trends, legislation and factors
- External sources for the tool include:

SASB INSIDE Financially material ESG factors	SUSTAINALYTICS ESG risk exposure and management
RepRisk ESG data science and quantitative solutions ESG controversies	CDP DISCLOSURE INSIGHT ACTION Climate-related financial risks and opportunities

3. Portfolio-level ESG analysis

- Carbon disclosures for business areas and key sectors published in Danske Bank's Climate Action Plan Progress Report from February 2024
- Decarbonisation targets set towards 2030, incl. for high-emitting sectors, with SBTi approval pending
- Joined PBAF and Finance for Biodiversity Pledge to support efforts to measure and report on how we impact nature through our financing and investing activities by the end of 2024

Danske Bank

Danske Bank is committed to a range of sustainability initiatives – including these key examples

Principles for Responsible Banking

Provide the framework for a sustainable banking system. They embed sustainability at the strategic, portfolio and transactional levels, across all business areas

Principles for Responsible Investment

An international investor network that supports the implementation of ESG factors into investment and ownership decisions

Net-Zero Banking Alliance

A worldwide initiative for banks that are committed to aligning their lending and investment (treasury) portfolios with net-zero emissions by 2050 or sooner and setting intermediate targets using science-based guidelines

Net-Zero Asset Owner Alliance

Danica Pension joined the global UN-convened investor alliance in 2020, thus committing to transitioning its investment portfolio to net-zero greenhouse gas emissions by 2050

Net Zero Asset Managers Initiative

An international group of asset managers committed to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5 degrees Celsius

Finance for Biodiversity Pledge

A collaboration of 150+ financial institutions from 24 countries, committing to protect and restore biodiversity through their finance activities and investments

Science-Based Targets initiative (SBTi)

An organisation that aims to drive ambitious climate action in the private sector. Danske Bank has set climate targets in line with SBTi criteria and recommendations

UN Global Compact

A multi-stakeholder initiative focusing on aligning business operations with ten principles in the areas of human rights, labour, environment and anti-corruption

Partnership for Carbon Accounting Financials

Provides carbon accounting instructions for financial institutions; Danske Bank joined in 2020 as the first major Nordic bank

Task Force on Climate-related Financial Disclosures

Has developed recommendations for more effective climate-related disclosures to promote more informed investment, credit, and insurance underwriting decisions (now part of ISSB)

More information available at https://danskebank.com/sustainability/our-approach

Our Path to Financial Crime Transformation

2022

We progress implementation of our Group-wide Financial Crime Plan and extend it to also cover Fraud, Anti-Bribery and Corruption and Tax Evasion

We take a number of specific and extraordinary decisions and actions to **aid compliance with the newly imposed sanctions against Russia and Belarus**

We **integrate a dedicated data governance workstream into our Financial Crime Plan and centralise financial crime data and analytics teams** to provide an enhanced and holistic view of what we know about our customers, their counterparties and the risk they pose to us

We **incorporate all core scenarios into our enhanced transaction monitoring platform.** All scenarios have been specifically tailored to Danske Bank's risk appetite

We deploy the first version of our **new supervised machine learning hibernation model, which enables us to reduce the number of false positive alerts** and thereby scrutinise transactions for unusual or suspicious activity more effectively

We **analyse training needs to ensure that employees receive targeted training** relevant to their specific roles

We offer **cultural training to customer-facing units across the Nordic countries** to support their dialogue with our customers on the topic of financial crime to supplement our annual Group-wide mandatory eLearning courses on financial crime

We continue to recruit new employees with financial crime expertise, and **by the end of the year, 3,600 full-time members of staff were working on our financial crime prevention agenda** across the Group

We take part in **the creation of the public-private partnership in Denmark**, which is expected to become operational in 2023*

We develop a set of clearly defined and articulated outcomes that will be achieved at the point of Financial Crime Plan completion, our **"Definition of Done"**

2023

The Group has now **completed** its **Financial Crime Plan****

* Danske Bank is also an active member and contributor in similar public-private partnerships outside Denmark. These include the Swedish Anti-Money Laundering Intelligence Taskforce; the Finnish Anti-Money Laundering Intelligence Taskforce; and the Norwegian private and public sector collaboration to combat money laundering and financing of terrorism, OPS AT.

**Completion means – Meeting the regulatory requirements applicable to the Bank and managing the Bank's inherent risk in line with its risk appetite by harnessing global practice. We will continue testing our controls, to ensure that what we have implemented is fully embedded and operating effectively. Should the outcome of the testing require further improvements, those will be addressed as part of normal procedure.

Danske Bank

Completion of our Financial Crime Transformation Programme

Establishing a robust compliance function

In the recent years, the Bank has made significant investments to ensure that a robust, well-resourced and expert compliance function is in place across our operations to effectively combat financial crime.

The Bank has made significant changes to ensure that it has the right people, structures and controls in place to continue to achieve and maintain a culture of integrity in everything it does, deliver on the financial crime transformation and manage compliance issues that arise in the future.

In designing the Group Financial Crime Plan, Danske Bank has, to the extent possible, sought to execute the programme in a risk-prioritised way. Wherever possible, the Bank has been adopting an approach of trying to mitigate the most material residual risks first.

The completion of the Group Financial Crime Plan was one of the bank-wide objectives set by the ELT for 2023.

Completion of the Group Financial Crime Plan

The purpose of the Financial Crime Plan has been to design and implement a financial crime control framework that (i) meets the regulatory requirements applicable to the Group; and (ii) is reasonably designed to manage the Group's inherent financial crime risk in line with the Group's risk tolerance - by harnessing global best practice as appropriate.

The Bank has now completed its Financial Crime Plan and sees this as a significant achievement. We will continue testing our controls, to ensure that what we have implemented is fully embedded and operating effectively. Should the outcome of the testing require further improvements, those will be addressed as part of normal procedure.

The Bank also intends to enhance its controls to make them more customer-centric whilst maintaining risk management effectiveness as well as introducing greater automation which will reduce operational risk and increase cost effectiveness.

Danske Bank

Regulatory Engagements

Ongoing Dialogue

- We engage in ongoing dialogue with our regulators through regular meetings with the Financial Supervisory Authorities ("FSAs") and Supervisory College to ensure aligned expectations and transparency between our regulators and the Bank
- We provide regular updates and engage in frequent interactions with the Danish FSA on our financial crime transformational progress and remediation work and proactively share information on the progress of our remediation program with other Nordic regulators

Regulatory Inspections

- We track all regulatory inspections closely and continue to address regulatory orders we receive from our regulators in an open and transparent way. Regulatory deliverables are formally documented, and progress is frequently communicated to relevant regulators
- The Bank has completed and closed a number of orders received from inspections following the Estonia matter and is progressing in addressing orders received in relation to subsequent AML inspections
- In the past year, the Danish FSA published the outcomes of two inspections at Danske Bank focusing on money laundering and terrorist financing, and our management of EU sanctions against Russia and Belarus. The reviews did not give rise to any supervisory reactions, which we believe reflects the progress we have made in the implementation of our Financial Crime Plan*
- All remaining orders and recommendations from regulators have been incorporated and prioritised in our Group Financial Crime Plan. We have carried out targeted actions to rectify these issues and track them closely to completion. The Bank also addresses topics that are not highlighted in the inspection findings but noted by the Danish FSA

Supervisory Oversight

- The Danish FSA, as well as other relevant FSAs, carry out supervisory oversight of the Bank's remediation work
- The Group Financial Crime Plan was submitted to the Danish FSA in May 2020. In November 2021, we submitted our recalibrated Financial Crime Plan, and the Danish FSA, and other regulators, have been following its implementation closely
- The Danish FSA carries out extensive supervisory oversight of the Bank's financial crime transformation program. In addition to its ongoing supervision, in February 2021, the Danish FSA appointed an Independent Expert to monitor the implementation of the Bank's Financial Crime Plan. The Danish FSA has extended the appointment of the Independent Expert for an additional period to monitor the further embedding and testing of operational effectiveness of the Group Financial Crime Plan.

* https://danskebank.com/investor-relations/regulation/the-danish-fsaThe Danish FSA (danskebank.com)

Committee Governance for Compliance Risks

Financial Crime Remediation Steering Committee

- Provides governance structure and delivery oversight of the Group's Financial Crime Plan
- Supported by a Group Financial Crime Project Management Office to track and challenge progress across Business Units
- Chaired by the Head of Personal Customers and Financial Crime Risk & Prevention of Danske Bank

Compliance Risk Committee

- Second Line Committee responsible for providing oversight and challenge of the management of compliance and conduct risk on behalf of the ELT
- The Committee reports to the Group All Risk Committee
- Chaired by the Chief Compliance Officer of Danske Bank

Conduct and Compliance Committee

- Board level committee that oversees the Bank's management of conduct and reputational risk, compliance and financial crime as well as other matters delegated by the Board
- Responsible for reviewing all relevant Board owned policies concerning compliance, prior to Board approval

Post-Resolution Committee

- Danske Bank's agreement with the Department of Justice ("DOJ") contains post-resolution obligations, which include the obligation for Danske Bank to continue to enhance its compliance programs, including its AML Program, which will be subject to ongoing review by and engagement with the DOJ
- To oversee the implementation of and compliance with post-resolution obligations, the Bank has established a Post-Resolution Committee

Danske Bank

The Resolutions with the Danish and U.S. Authorities

In December 2022, Danske Bank reached the final resolutions with the U.S. Department of Justice (DOJ), the U.S. Securities and Exchange Commission (SEC) and the Danish Special Crime Unit (SCU) following the investigations in relation to the non-resident portfolio at Danske Bank's former branch in Estonia. The resolutions marked an end to the investigations, while also emphasising the importance of the journey ahead.

Pre-Resolution

Already during the investigations, Danske Bank:

- Made significant investments in building systems and upgrading our compliance, risk and control capabilities
- Started implementing a comprehensive transformation program, the Financial Crime Plan (FC Plan), which has now been completed
- Provided full cooperation with the investigation, which has been acknowledged by the U.S. authorities in the form of a cooperation credit

The Plea Agreement

Danske Bank's Plea Agreement with the DOJ sets out a number of obligations, including:

- Broad disclosure obligations (§11, 13 and 30 of the Plea Agreement and §13 of Appendix D)
- Compliance Commitments and Compliance Reporting Requirements (Appendices C and D)
- Obligations to meet with U.S. authorities quarterly to discuss progress of the remediation (Appendix D)
- Certification requirements (Appendices E and F)

As part of the Plea Agreement, Danske Bank is placed on corporate probation for three years, which is a period of supervision by the U.S. court. Danske Bank will comply with all terms of corporate probation

Post-Resolution

Danske Bank has set up a comprehensive program to manage the post-resolution obligations in three phases:

1. Addressing immediate disclosure obligations and escalation procedures [completed]
2. Submitting work plan outlining how current gaps against obligations will be addressed [completed]
3. Executing on the commitments made to the U.S. Authorities under the Plea Agreement [ongoing]

Strategy execution

Danske Bank

Better Bank strategy is now finalised – we have mostly achieved what we set out to do

Financial targets

Financial targets	FY2023
8.5-9% RoE	13%
C/I mid 50s	48%
16% CET1	19%
8bps impairments charges	1bp
Dividends of 40-60%	59%

Achievements in focus areas

Society

Compliance under control
- Robust control environment at all levels of the bank
- Solution for debt collection case in progress

Finalised financial crime plan
- Resolution of Estonia matter with US and Danish authorities

Other

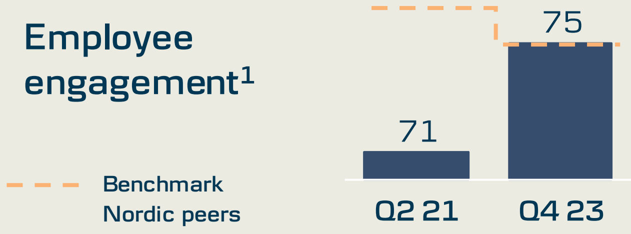
Group-wide cost programme
- 10% FTE reduction since Q419
- Ongoing product simplification with 500+ products removed

Agile Transformation
- Agile front-runner on par with leading financial institutions
- Increased employee satisfaction despite cost base reductions

Select performance indicators

Customer satisfaction	PC	BC	LC&I
	~4	~3	~2

Employee engagement[1]



Society
- DKK 365bn in sustainable financing and Paris Agreement aligned targets for our lending portfolio
- DKK 55bn invested in the green transition by Danica Pension

1. Ennova; 2. 2023 ranking among Nordic banks in the Bloomberg Global Green Bonds (Corporate & Government League Table); 3. 2022 ranking in the Nordics in Sustainability Advisor survey from Prospera (Corporate & institutional clients); 4. 2023 ranking on Prospera Nordic External Asset Management question: "Has high competence within sustainable investments?"

Our commitments for 2026

Growth in focus segments

- Leading wholesale and business bank in the Nordics
- Leading retail bank in Denmark and Finland
- Grow share of wallet and market share with most attractive segments

Disciplined capital return & cost

- Capital allocation towards most profitable areas that meet our hurdle rates
- Drive productivity and cost takeouts
- Normalise FCRP and remediation cost

Strong capital generation & low risk

- Strong capital generation with ability to distribute consistently over time
- Maintain low and stable risk levels through the cycle

* Increase vs. 2023 baseline. ** Increase vs. 2022 baseline.

How we measure progress[1]

Personal Customers	Number of meetings per advisor (Index: 2023 = 100)	163
	Net new customer house-holds in growth segments*	31k
	Customer satisfaction with Mobile Bank	8.5
Business Customers	Income growth mid corporate customers	800m
	Credit cases with automatic decisioning	50%
	Increase in customers highly satisfied with advisory**	+15%
LC&I	Number of new customers outside Denmark**	40
	Annual growth in Daily Banking fees in BC & LC&I	5%
	Ranking in Capital Markets advisory fees	Top 2

Financial targets for '26

13%
Return on Equity

>16% CET1

~45% Cost to Income

Capital distribution

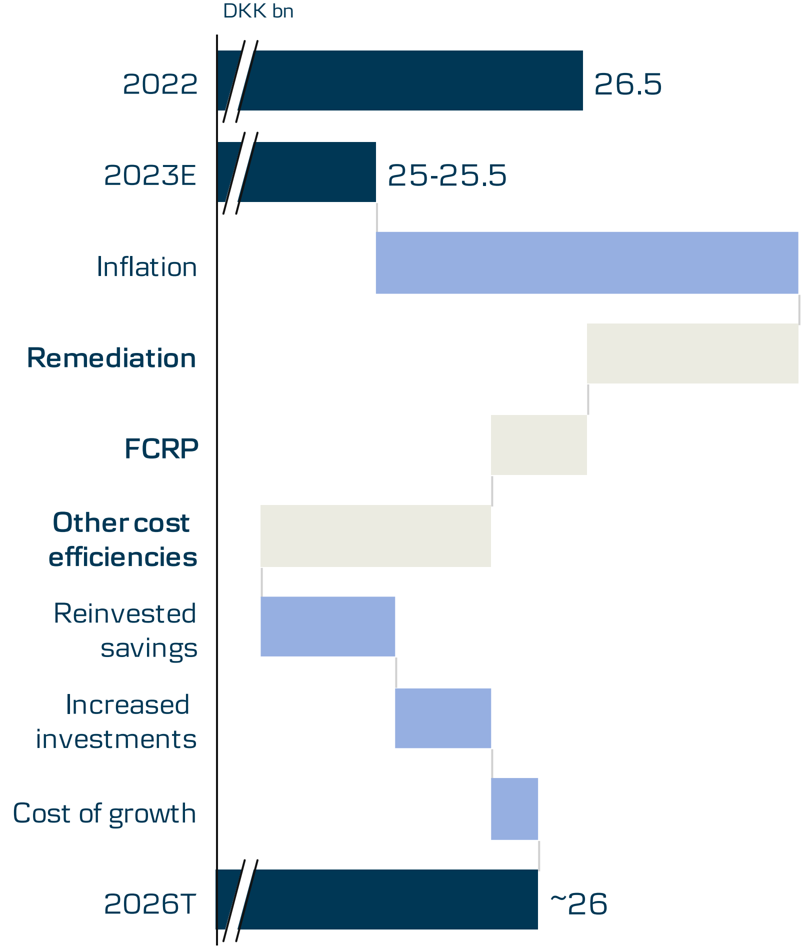
- Dividend potential from 2023-26 of above DKK 50 bn
- Accelerated dividend by H1 result targeting the higher end of the 40-60% policy range
- Ambition for further distribution – subject to capital position and market conditions

Increased investments

- Increase yearly digital and tech investments by DKK 1 bn

Ongoing cost discipline to reach out targets for 2026

Reminder from our investor day



Our execution plan 2023-2026

Focus FCRP cost and completion of remediation programmes

Improving advisory and engagement model across business units

Digitising customer and advisor journeys building on foundational investments into data and tech

Simplifying operating model across group functions and business units

Credit quality & Impairments

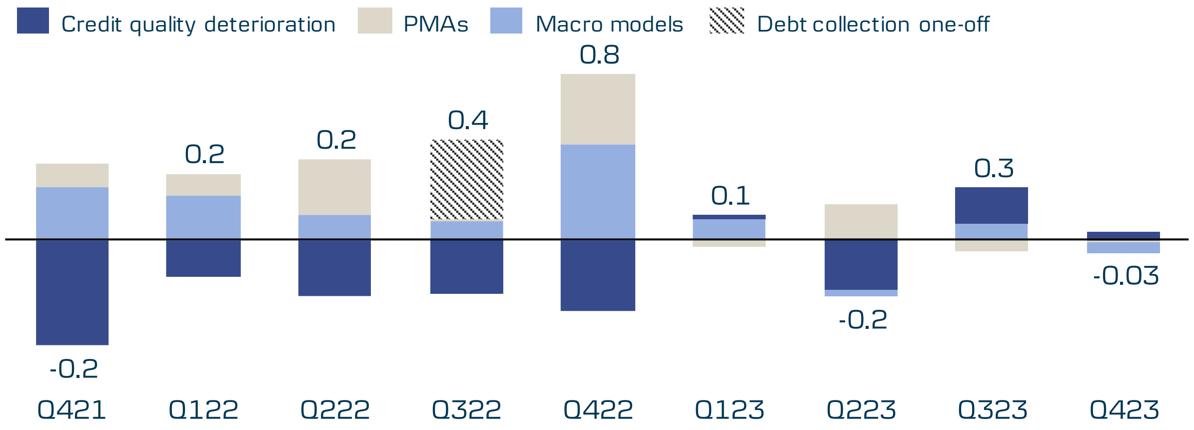
Danske Bank

Impairments: Continually strong credit quality resulted in reversals in Q4 and full-year impairments well below normalised level

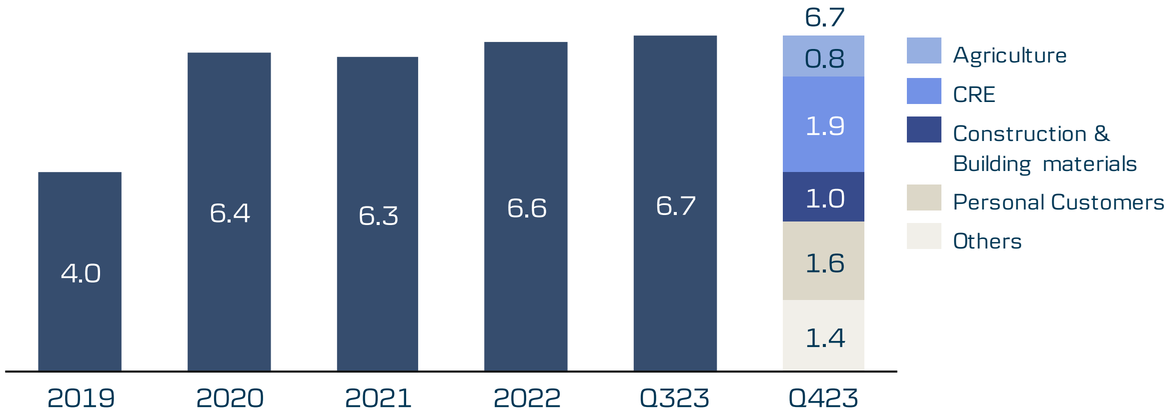
Highlights

- Credit quality remained strong with full-year impairment charges of DKK 0.3 bn, closing the year well below normalised through-the-cycle level
- The macro environment has developed more favourably recently, and reversals in Q4 were driven by improved macro models. However, uncertainty persists, and we remain watchful of any possible credit deterioration
- Significant PMA buffers remain in place to mitigate any tail risks not evident in the portfolio or captured by our macro models

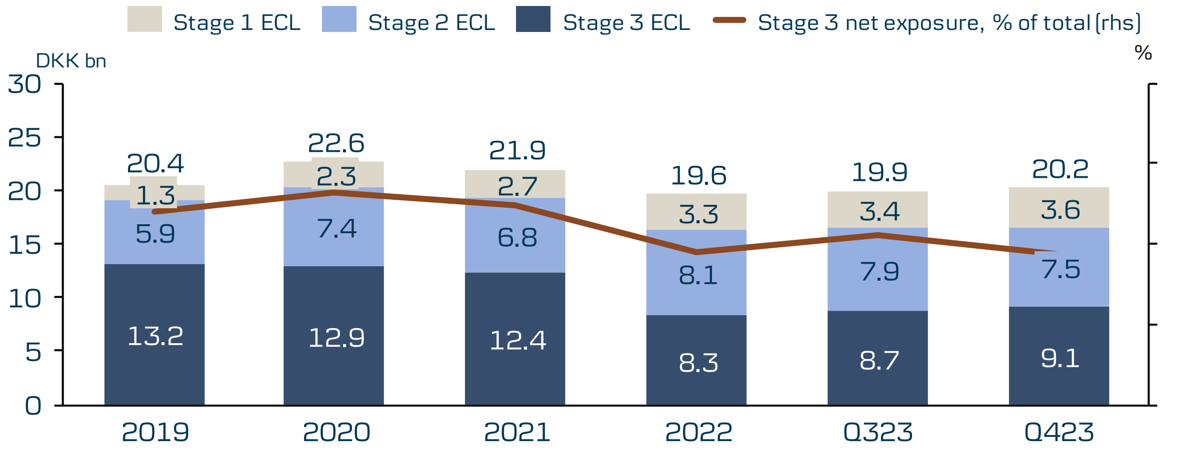
Impairment charges by category (DKK bn)



Post Model Adjustments (DKK bn)



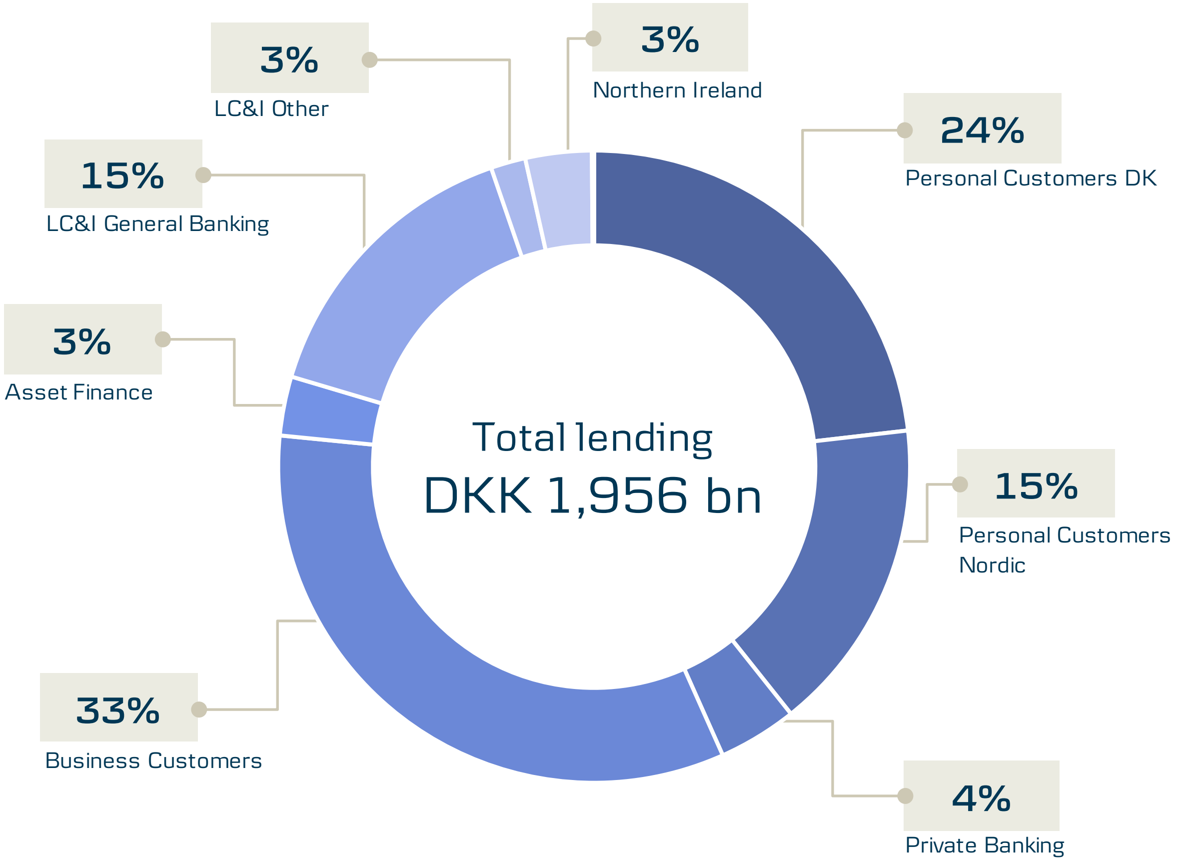
Allowance account by stages (DKK bn)



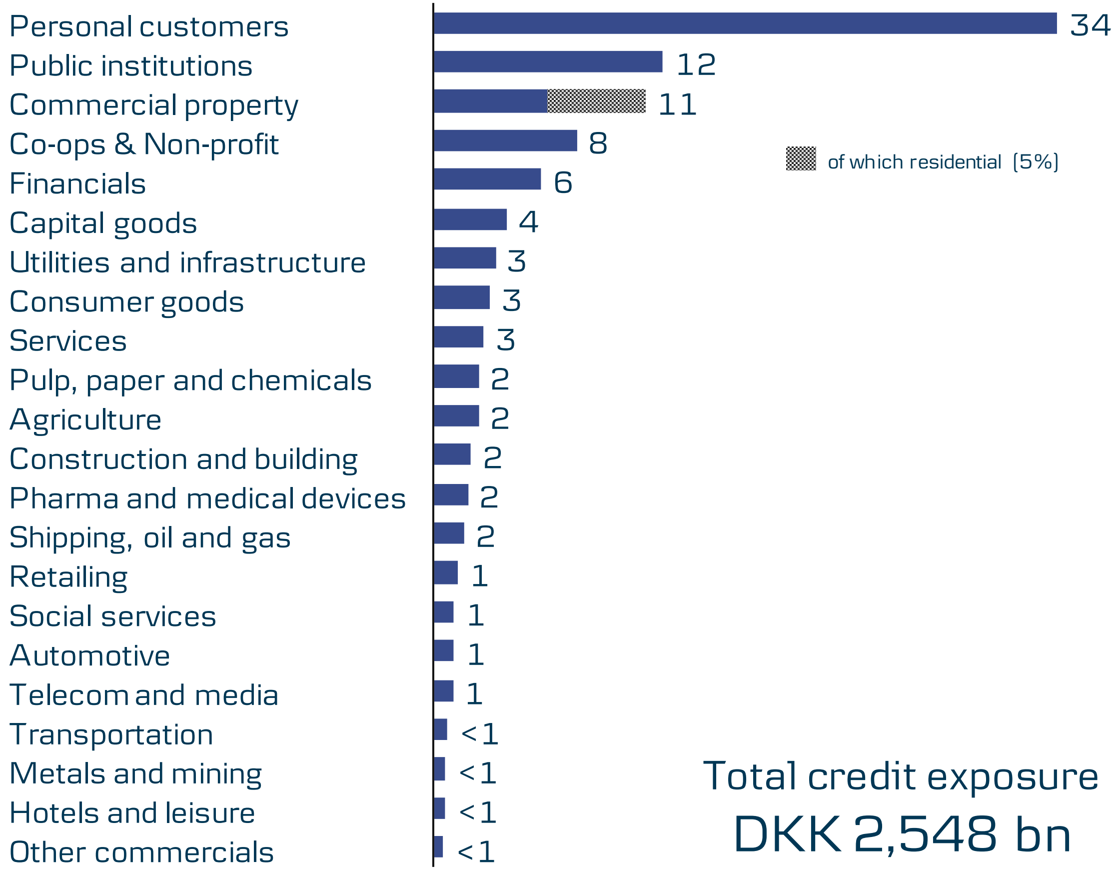
Danske Bank

Strong footprint within retail lending

Lending by segment[1] Q4 23 (%)



Credit exposure by industry Q4 23 (%, rounded)



Total credit exposure
DKK 2,548 bn

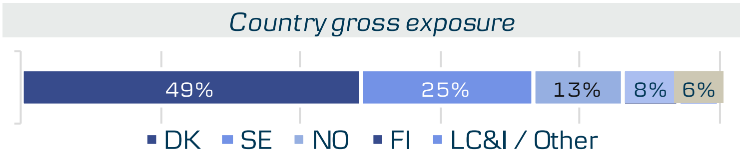
[1]Total lending before loan impairment charges.

Danske Bank

Overall strong credit quality in portfolios exposed to macro cyclicality

CRE: Well diversified and prudently managed growth

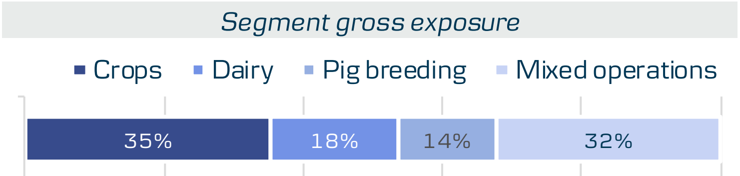
DKK 295 bn in gross exposure and ECL ~1%



- Conservative lending growth (-4% 4Y-CAGR in non-resi.) given caps and concentration limits within sub-segments and markets, as well as for single-names, limiting downside risks
- Due to our conservative approach, our SE exposure has remained stable, despite market growth, and book is well-diversified with lower concentration risk over the past years
- The Group's credit underwriting standards maintain strong focus on cash flows, interest rate sensitivity, LTV and the ability to withstand significant stress
- PMAs of DKK 1.9 bn made to cover uncertainties regarding the effect of rapid interest rate increases and macroeconomic situation

Agriculture: Well-provisioned agriculture book

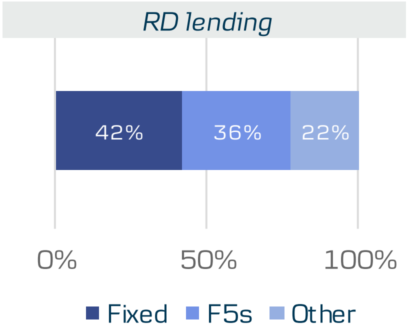
DKK 62bn in gross exposure of which 51% RD

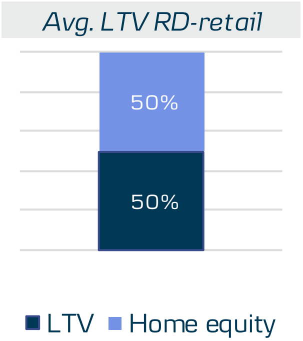


- The credit quality of the portfolio has improved over the past few years, recovering from legacy exposures from the financial crisis
- The current credit risk appetite takes into account the volatility of the sector and remains in place Furthermore, the Group maintains strong underwriting standards on LTV, interest-only loans and interest rate sensitivity
- PMAs of DKK 0.8 bn have been made for potential future portfolio deterioration due to uncertainties such as African Swine Fewer (ASF) and the RU/UA war

Housing: Low leverage and strong household finances

~80% of RD lending are 5-30yr fixed-rate





- Avg. LTV remains at moderate level and have been supported over the past years by increasing house prices along with the call feature of DK mortgages
- Affordability measures in our approval process has been tightened, and debt-to-income (DTI) levels remain stable overall
- Portfolio uncertainty risks are being mitigated by continuous monitoring and review of underwriting standards covering interest rate-related stress of affordability and other measures
- Low near-term refinancing risk on RD flex loans
- PMAs related to personal customers total DKK 1.6 bn

Danske Bank

Commercial property; prudently managed and cash-flow based underwriting standards; sound credit quality and adequate buffers in place to mitigate tail risks

Highlights

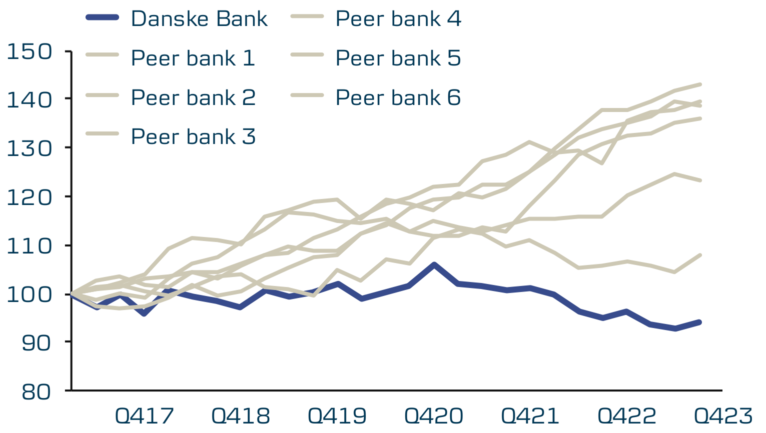
- Danske Bank has a relatively low concentration to CRE compared with Nordic peers. The portfolio has been slightly declining due to concentration limits and stringent underwriting standards, particularly towards non-residential segment

- Of the CRE portfolio, 25% is to Sweden, lowest ratio among all Nordic banks active in Sweden. As such, customers with dependence on refinancing of bonds are thus manageable

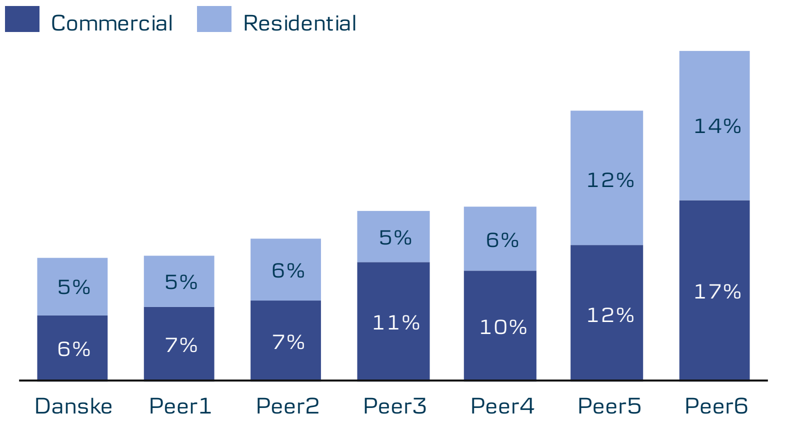
- In addition to conservative underwriting, we perform rigorous monitoring of exposures, incl. stress tests:
  - ✓ An interest rate stress of 3%-pts on top of the borrower's current avg. interest rate for debt not hedged
  - ✓ Significant stress assessment of rent and vacancy rates
  - ✓ Liquidity stress measuring ability to repay maturing bond debt etc. in the coming 18 months

- The portfolio is well diversified and well provisioned to mitigate a potential material correction in the sector

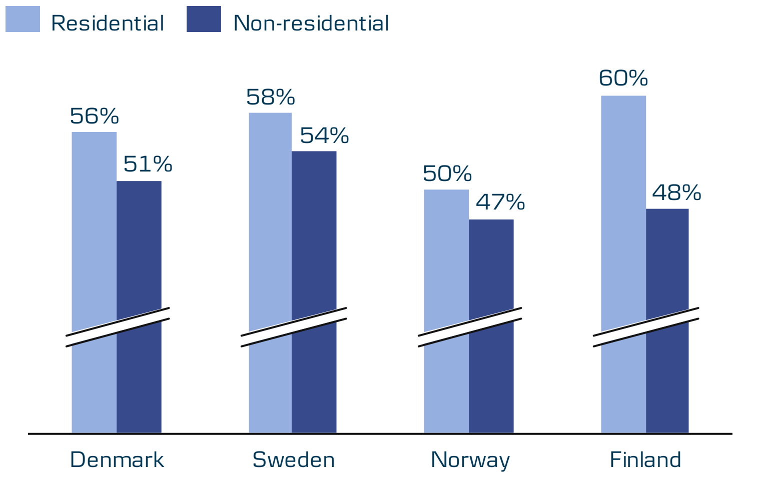
Lending to CRE segment by major peer banks (index)*



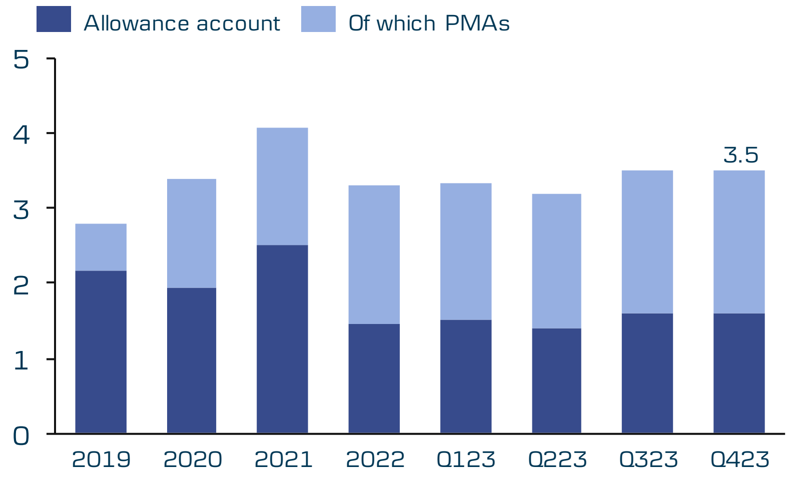
CRE share of total portfolio by major peer banks*



Danske Bank's CRE portfolio avg. LTVs



Danske Bank's CRE allowance account, core (DKKbn)



*Source: Companies' interim report. Exposure definitions differ among banks between total lending, credit exposure and EaD.

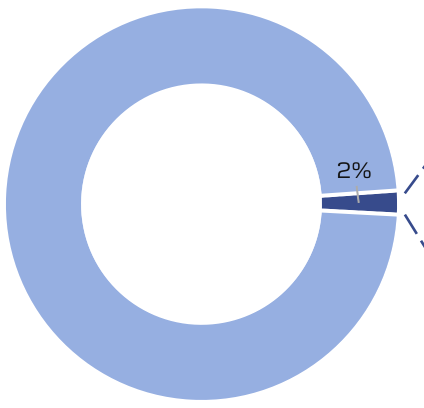
Danske Bank

Fossil fuels (coal, oil and gas) exposure

Key points Q423

- Exposure towards oil majors (upstream oil and gas) has been stable during 2023 and exposure is down by 63% compared to end 2020. The exposure development is aligned with the Group's 2030 climate target of reducing financed emissions by 50% from oil majors. The main risk on oil related exposures lies with exposures other than oil majors, and net exposures are down by 34% from end 2020
- Exposures shown on this page is to utility customers with any coal-based power production (DKK 27 bn.) and hereof more than 5% of revenues from coal fired power production (2.5 bn.). Exposure decreased and stabilized throughout the year, and net exposures is now 42% lower than a year ago
- Customers' transition plans are continually being assessed as part of the credit process, and customers in the distribution and refining segments and utility customers are generally progressing well on the transition. For instance, by refineries switching to biofuels or by gas stations investing in infrastructure for charging of electric vehicles. Also, for most customers, the use of coal is limited to a few remaining production facilities which are expected to phase-out towards 2030

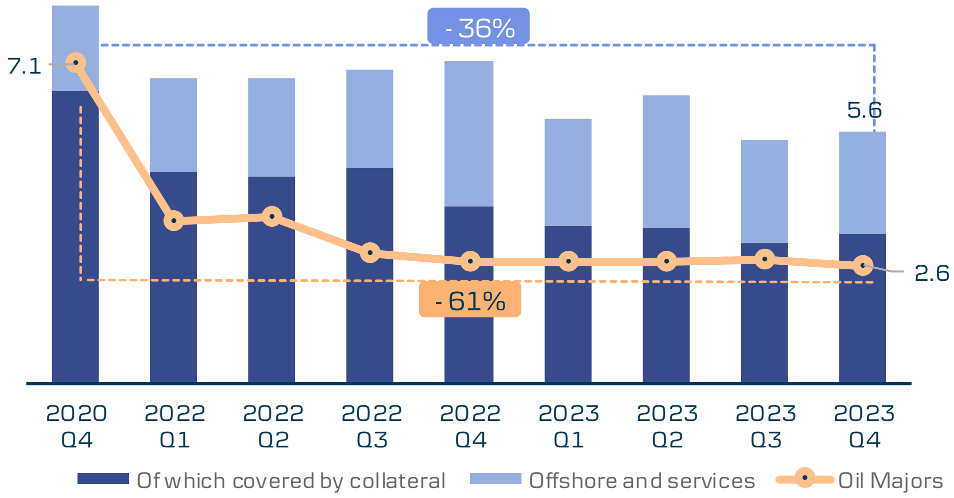
Group gross credit exposure (DKK 2,548 bn)



Fossil fuels exposure

Segment	Net exposure (DKK m)
Crude, gas and product tankers	5,485
Distribution and refining	9,648
Oil-related exposure	8,197
Oil majors	2,615
Offshore and services	5,582
Power and heating utilities with any coal-based production	27,134
Hereof customers with more than 5% revenue from coal	2,487
Total fossil fuel exposure	**50,463**

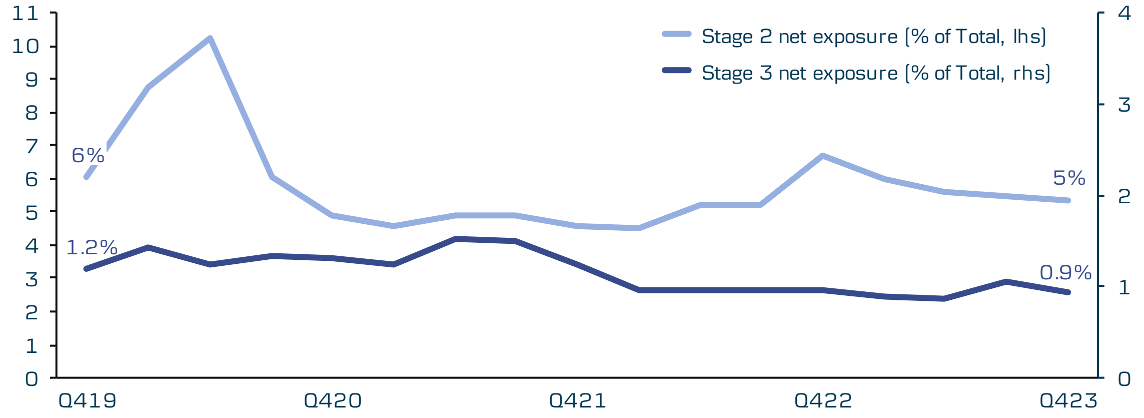
Oil-related net credit exposure development (DKK bn)



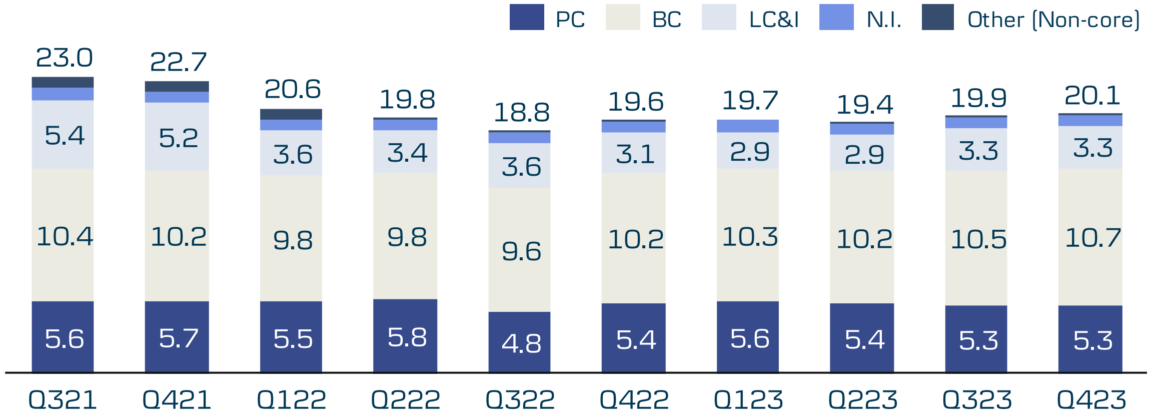
Danske Bank

Credit quality: Low level of actual credit deterioration

Stage 2 and 3 as % of net exposure



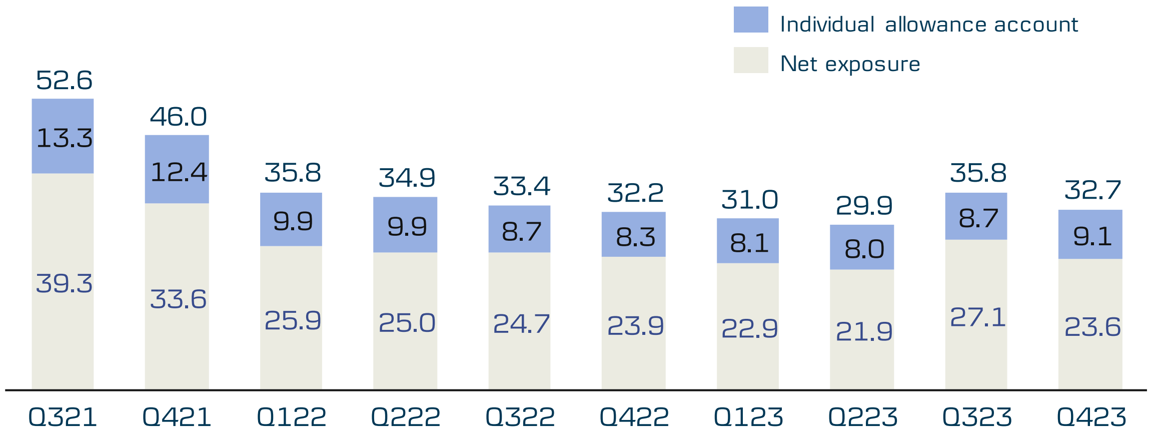
Allowance account by business unit (DKK bn)



Stage 2 allowance account and exposure (DKK bn)

	Allowance account	Gross credit exposure	Allowance account as % of gross exposure
Personal customers	1.6	867	0.18%
Agriculture	0.7	62	1.07%
Commercial property	1.8	295	0.61%
Shipping, oil and gas	0.1	41	0.18%
Services	0.3	72	0.42%
Other	3.0	1,232	0.25%
Total	**7.5**	**2,568**	**0.29%**

Gross stage 3 loans (DKK bn)

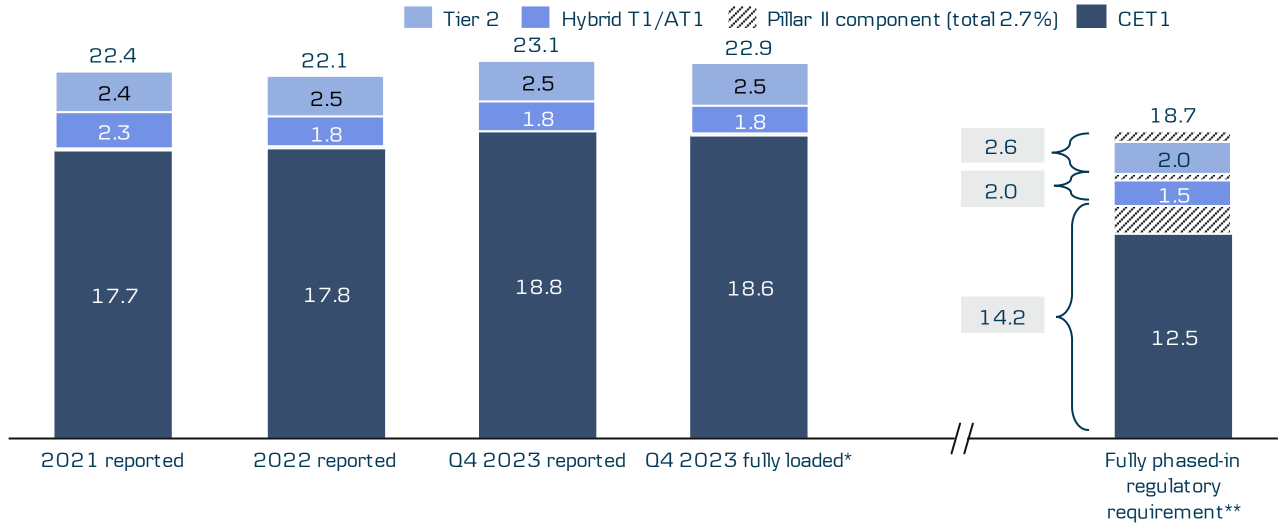


Capital

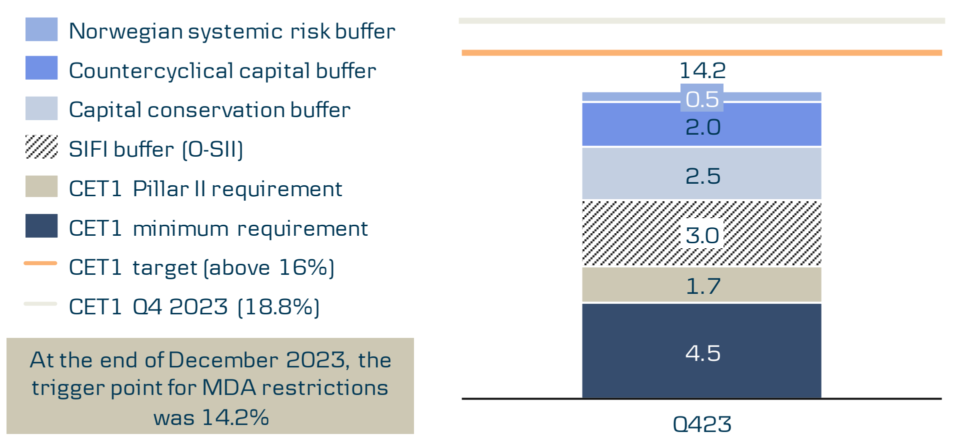
Danske Bank

Capital: Strong capital base with CET1 ratio of 18.8%

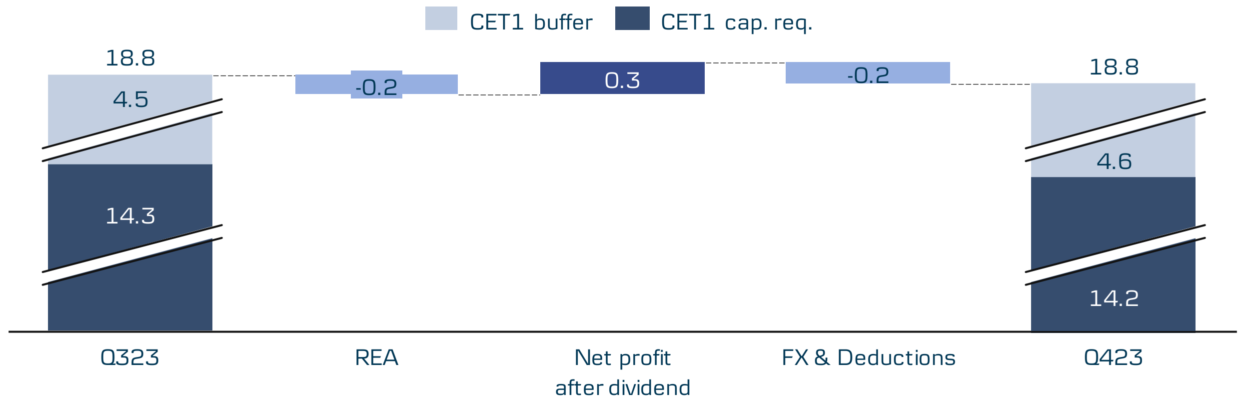
Capital ratios under Basel III/CRR (%)



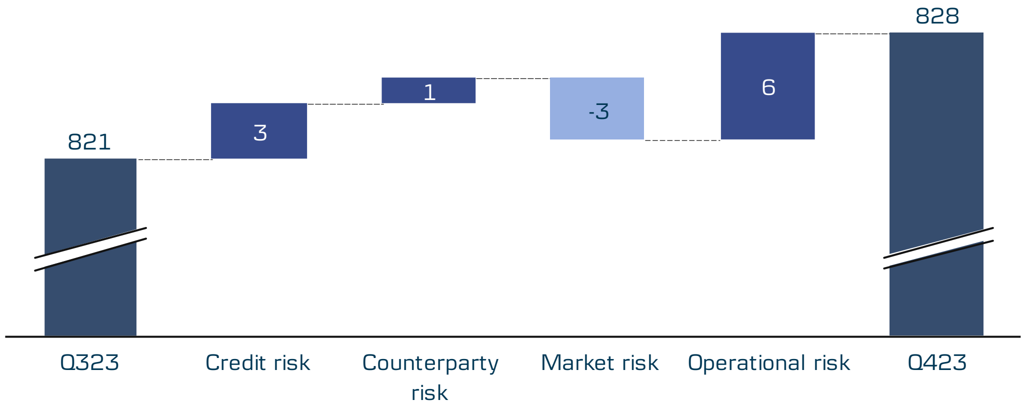
Current capital buffer structure (%)



CET1 development (%)



Total REA (DKK bn)

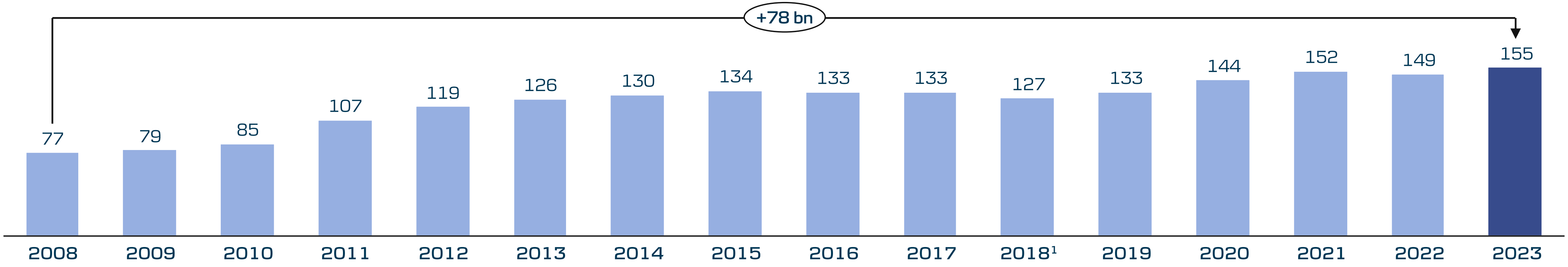


*Based on fully phased-in rules including fully phased-in impact of IFRS 9. ** Fully phased-in minimum CET1 requirement in December 2024 of 4.5%, capital conservation buffer of 2.5%, SIFI buffer of 3%, countercyclical buffer of 2.0%, systemic risk buffer of 0.5% (on Norwegian exposures), and CET1 component of Pillar II requirement.

Danske Bank

Strong CET1 capital build-up since 2008; Available Distributable Items (ADI) well in excess of DKK 100 bn

Common Equity Tier 1, 2008 – 2023 (DKK bn)



REA, CET1, profit and distribution (DKK bn; %)

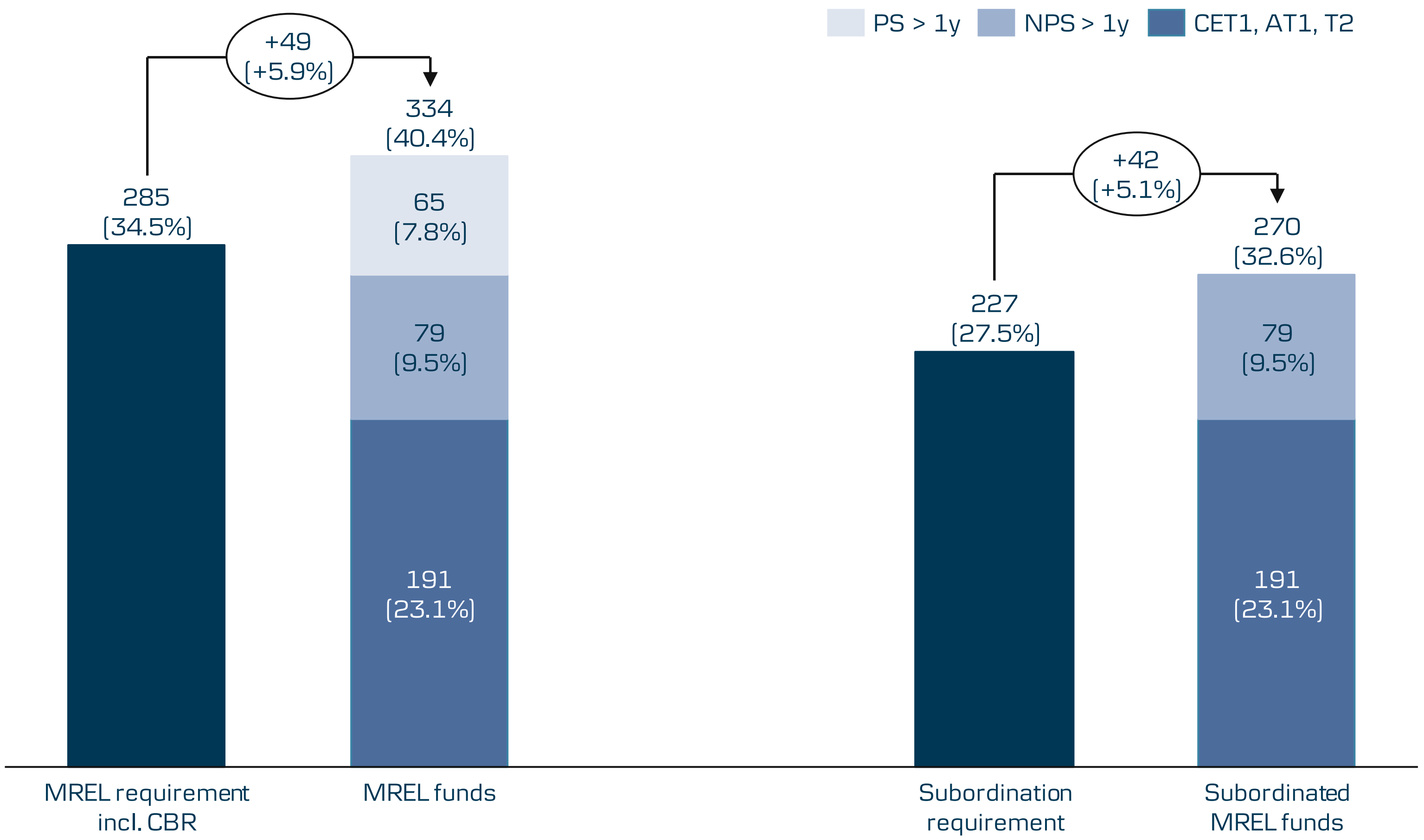
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REA	960	834	844	906	819	852	865	834	815	753	748	767	784	860	838	828
CET1 ratio	8.1%	9.5%	10.1%	11.8%	14.5%	14.7%	15.1%	16.1%	16.3%	17.6%	17.0%	17.3%	18.3%	17.7%	17.8%	18.8%
Net profit	1.0	1.7	3.7	1.7	4.7	7.1	13.0[2]	17.7[2]	19.9	20.9	15.0	15.1	4.6	12.9	-5.1	21.2
Distribution to shareholders[3]	0	0	0	0	0	2.0	10.5	17.1	18.9	16.3	7.6	0	1.7	1.7	0	18.0
Total assets	3,544	3,098	3,214	3,424	3,485	3,227	3,453	3,293	3,484	3,540	3,578	3,761	4,109	3,936	3,763	3,771

1. The decline in CET1 capital in 2018 is due mainly to Danica Pension's acquisition of SEB PensionDanmark which led to a higher deduction in Group regulatory capital.
2. Before goodwill impairment charges 3. Based on year-end communicated distributions. 2017 is adjusted for cancelled buy-back. 2019 is adjusted for cancelled dividend.

Danske Bank

Fully compliant with MREL and subordination requirement; expect to cover MREL need with both preferred and non-preferred senior

MREL and subordination requirement* and eligible funds Q423 DKK bn (% of Group REA)



Comments

- The Group has to meet a MREL requirement and a subordination requirement, both adjusted for Realkredit Danmark (RD)
- The subordination requirement is the higher of 2x(P1 + P2) + CBR or 8% TLOF
- The Group's MREL requirement (total resolution requirement) is DKK 285bn incl. RD's capital and debt buffer requirement (DKK 46bn) and the combined buffer requirement (DKK 55bn). Excess MREL funds are DKK 49bn
- The Group's subordination requirement is DKK 227bn incl. RD's capital requirement (DKK 31bn). Excess subordinated MREL funds are DKK 42bn
- This figure shows the Group's MREL and subordination requirement as of end Q4 2023, which constitutes the fully-phased in requirements, i.e. no interim target
- Requirements will, however, be impacted by any changes to the CCyB

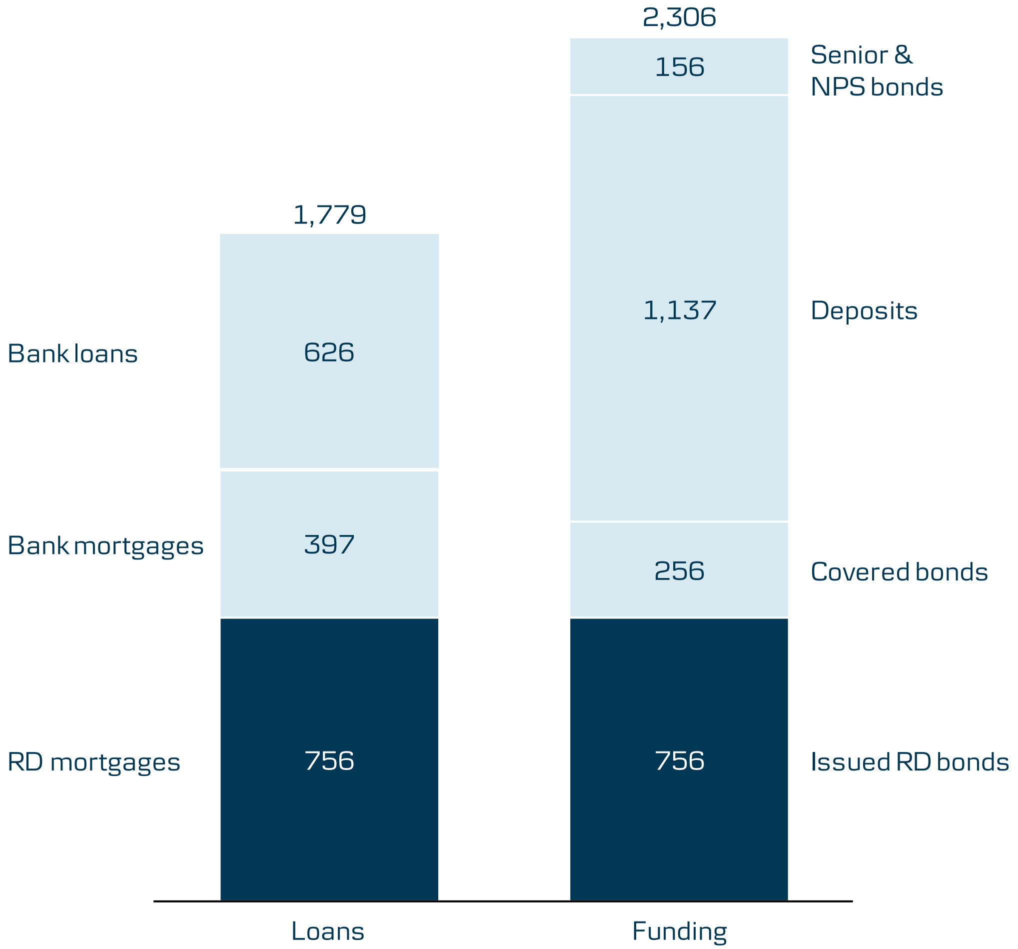
*Including Realkredit Danmark's (RD) capital and debt buffer requirements

Funding & Liquidity

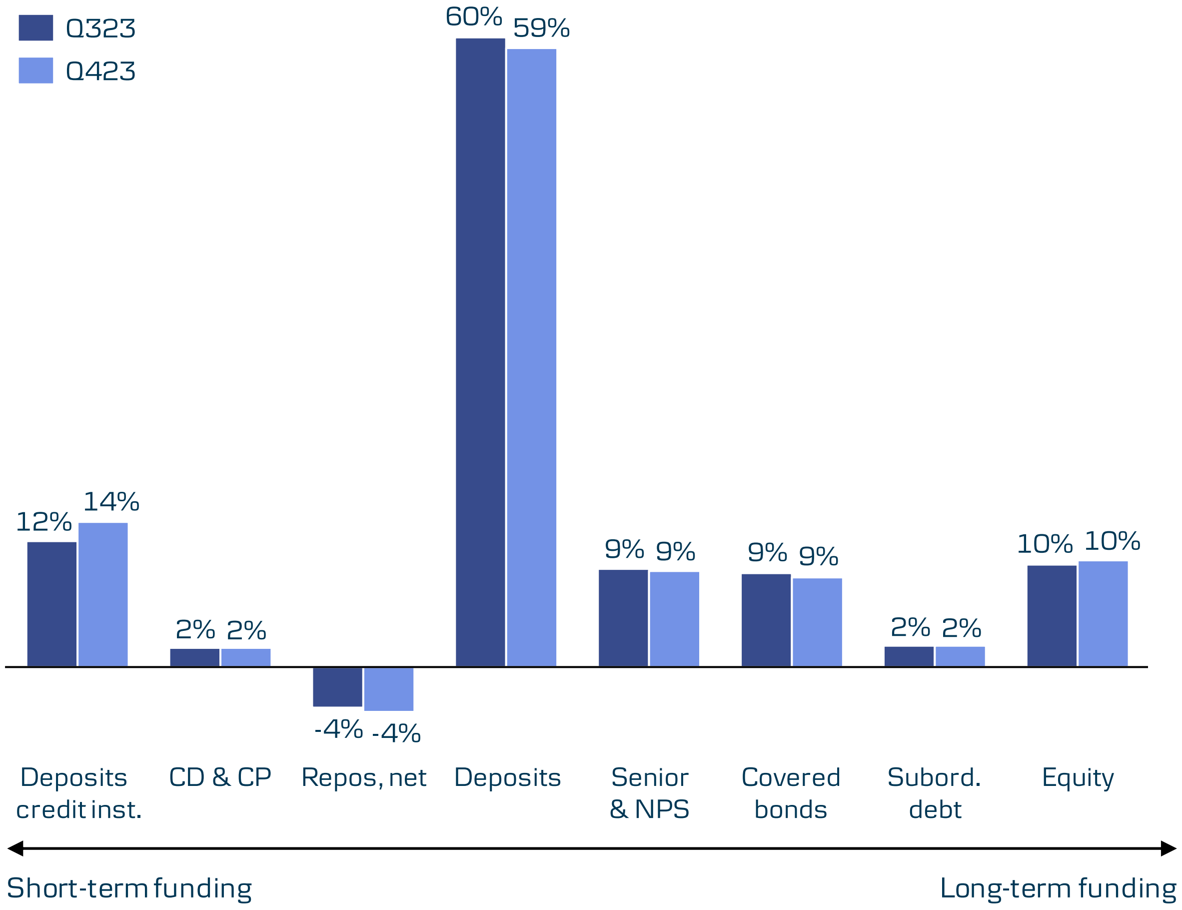
Danske Bank

Funding structure and sources: Danish mortgage system is fully pass-through

Loan portfolio and long-term funding Q423 (DKK bn)



Funding sources* (%)

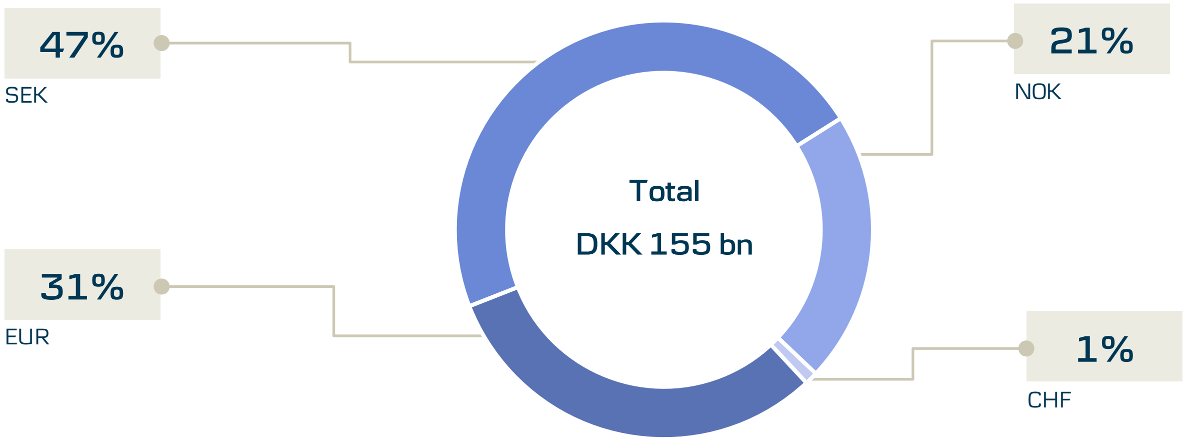


* Figures are rounded

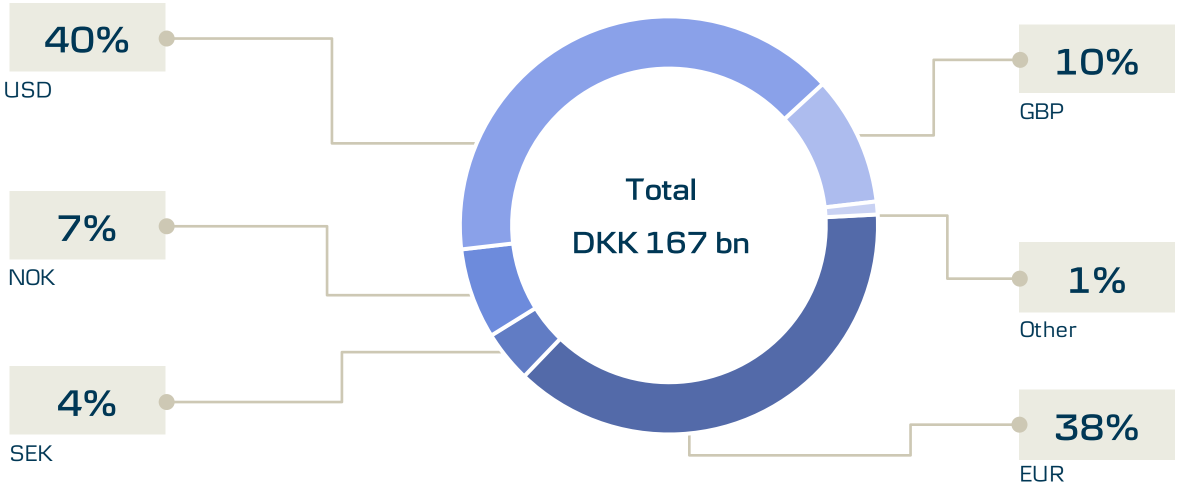
Danske Bank

Funding programmes and currencies

Covered bonds by currency Q423



Senior debt[1] by currency Q423



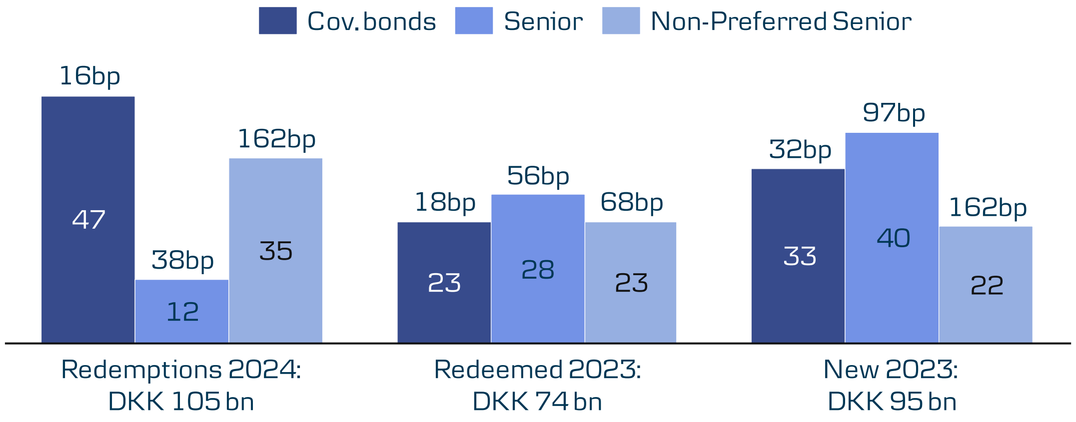
Largest funding programmes Q423

	Utilisation
EMTN Programme Limit – EUR 35bn	44%
Global Covered Bond Limit – EUR 30bn	69%
ECP Programme Limit – EUR 13bn	18%
US MTN (144A) Limit – USD 20 bn	50%
US Commercial Paper Limit – USD 6bn	3%
UK Certificate of Deposit Limit – USD 15bn	3%
NEU Commercial Paper Limit – EUR 10bn	10%

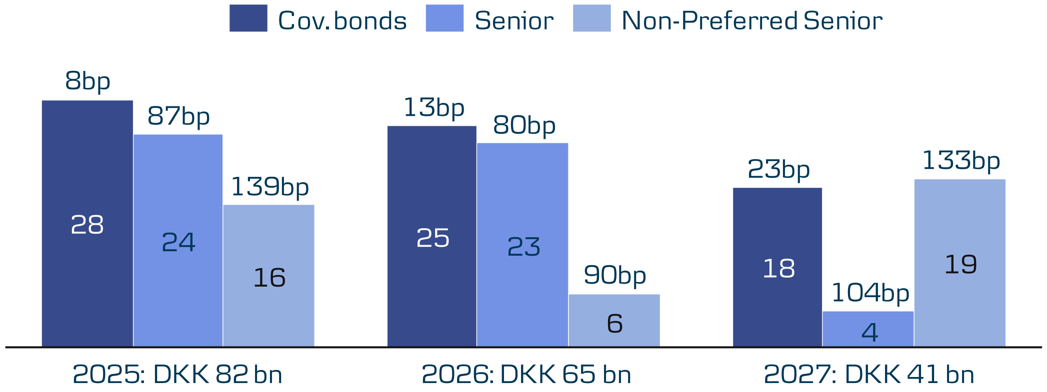
[1] Including senior preferred and non-preferred debt

Funding plan

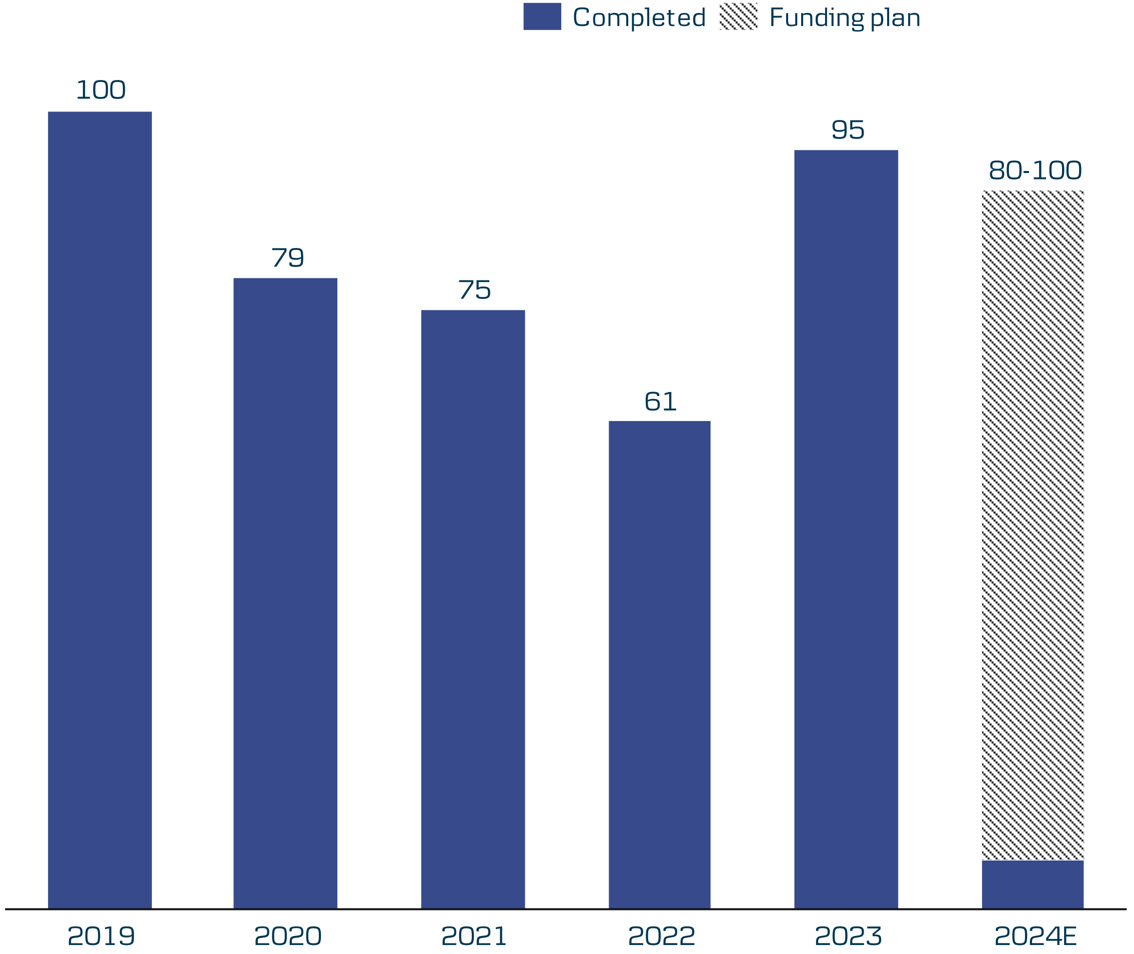
Changes in funding* 2023-2024 (DKK bn and bp)



Maturing funding* 2025–2027 (DKK bn and bp)



Long-term funding excl. RD (DKK bn)***



*Spread over 3M EURIBOR.
*** Includes covered bonds, senior, non-preferred senior and capital instruments, excl. RD .

EUR[1] issuance: Danske Mortgage Bank & Danske Bank A/S "D-pool" and "C-pool"

Danske Bank

Residential mortgages

- Denmark, D-pool
- Norway, I-pool (to be sold to Nordea)
- Sweden, Danske Hypotek AB
- Finland, Danske Mortgage Bank Plc

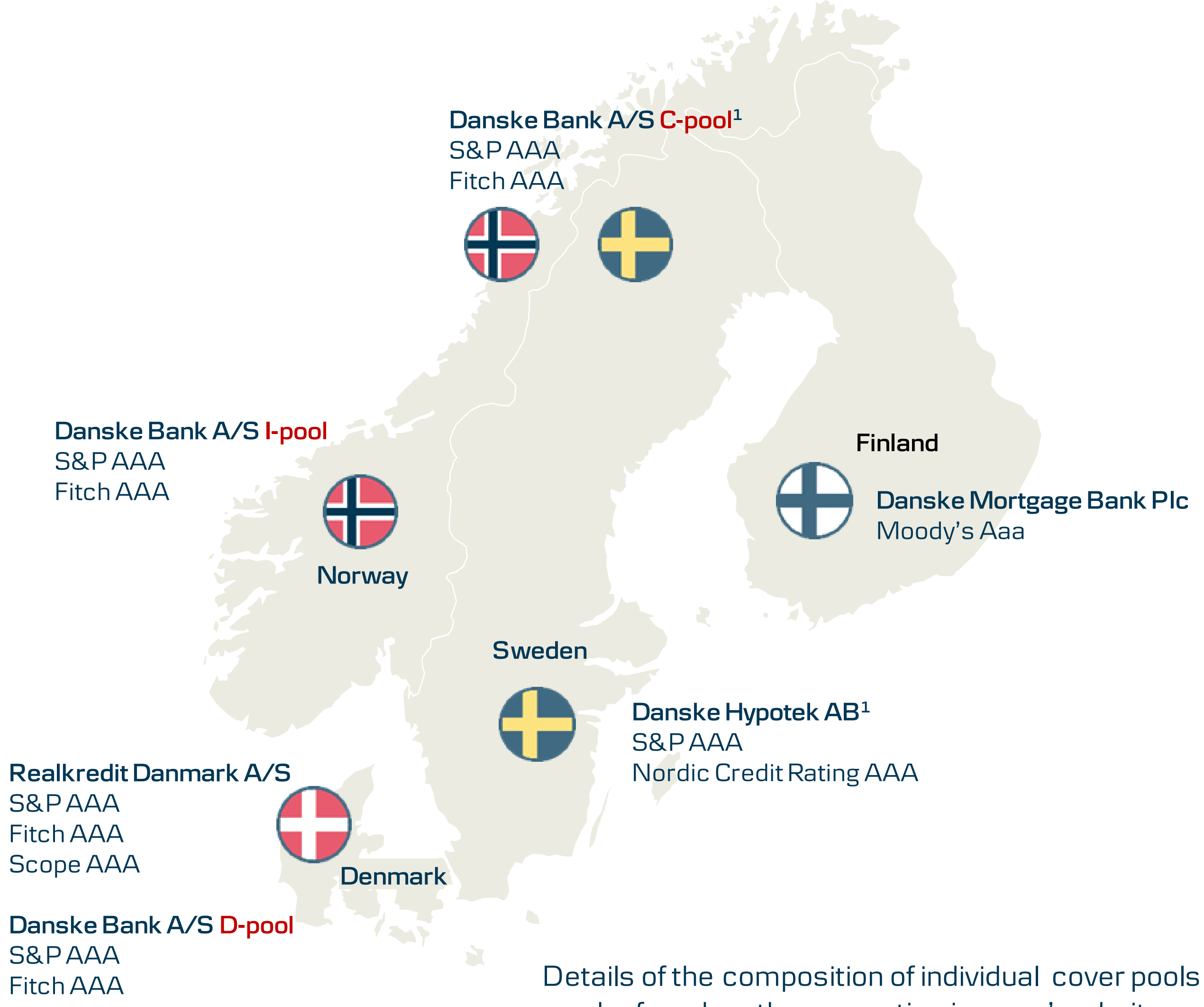
Commercial mortgages

- Sweden and Norway, C-pool

Realkredit Danmark

Residential and commercial mortgages

- Capital Centre T (adjustable-rate mortgages)
- Capital Centre S (fixed-rate callable mortgages)



Details of the composition of individual cover pools can be found on the respective issuers' websites.

1 The migration of Swedish mortgage loans from Danske Bank's C-pool to Danske Hypotek AB is ongoing.

Credit & ESG Ratings

Danske Bank

Danske Bank's credit ratings

Long-term instrument ratings

	Fitch	Moody's	Scope	S&P
Investment grade	AAA	Aaa	AAA	AAA
	AA+	Aa1	AA+	AA+
	AA	Aa2	AA	AA
	AA-	Aa3	AA-	AA-
	A+	A1	A+	A+
	A	A2	A	A
	A-	A3	A-	A-
	BBB+	Baa1	BBB+	BBB+
	BBB	Baa2	BBB	BBB
	BBB-	Baa3	BBB-	BBB-
Speculative grade	BB+	Ba1	BB+	BB+

- Fitch rated covered bonds – RD, Danske Bank
- Moody's rated covered bonds – Danske Mortgage Bank
- Scope rated covered bonds – RD
- S&P rated covered bonds – RD, Danske Bank, Danske Hypotek
- Counterparty rating
- Senior unsecured debt
- Non-preferred senior debt
- Tier 2 subordinated debt
- Additional Tier 1 capital instruments

No credit rating changes in Q4 2023

There were no credit rating changes on Danske Bank in Q4 2023.

In Q3 2023, Fitch Ratings (Fitch) upgraded Danske Bank's issuer rating to A+ from A. The outlook is Stable. Consequently, all debt ratings were raised one notch. Key drivers were the Group's capitalisation, improved earnings metrics and Fitch's view on the closure of the Estonia case.

In Q2 2023, Moody's Investors Service (Moody's) revised the outlook for Danske Bank Group to Positive from Stable, while affirming all ratings.

S&P have a Stable outlook on Danske Bank.

Danske Bank

Danske Bank's ESG ratings – No change in Q4 2023

We have chosen to focus on five providers based on their importance to our investors

	Q4 2023		Q3 2023	Q2 2023	Q1 2023	End 2022	End 2021	End 2020	Range
CDP[1]	B	283 companies, out of the 18,700 analysed, made the Climate Change A List in 2022	B	B	B	B	B	B	A to F (A highest rating)
ISS ESG	C+ Prime	Decile rank: 1 (299 banks rated) C+ is the highest rating assigned to any bank by ISS ESG	C+ Prime	C+ Prime	C+ Prime	C+ Prime	C Prime	C+ Prime	A+ to D- (A+ highest rating) Decile rank of 1 indicates a higher ESG performance, while decile rank of 10 indicates a lower ESG performance
Moody's ESG Solutions	60	N/A	60	60	61	61	61	64	100 to 0 (100 highest rating)
MSCI	BBB	MSCI rates 196 banks: AAA 6% AA 32% A 30% BBB 22% BB 9% B 1% CCC 2%	BBB	BBB	BBB	BBB	BBB	BB	AAA to CCC (AAA highest rating)
Sustainalytics	Medium Risk	Rank in Diversified Banks 141/360 Rank in Banks 390/1006	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	High Risk	Negligible to Severe risk (1 = lowest risk)

1 Carbon Disclosure Project – primary focus is on climate change/management, also linked to TCFD

Danske Bank

Danske Bank's credit ratings

Rating methodology

Danske Bank's rating

S&P Global Ratings

Anchor SACP[1]	+	1	+	2	+	3	+	4	=	Potential CRA* adjustment	=	SACP**	+	Extraordinary external support	+	ALAC	=	Issuer rating
bbb+		+1		+1		-1		0		0		a-		0		+2		A+ (Stable)

1=Business Position, 2=Capital & Earnings, 3=Risk Position, 4=Funding & Liquidity

Moody's

Macro profile	+	1	+	2	+	3	+	4	+	5	+	Quali-tative factors	=	BCA***	+	Affiliate support	+	LGF****	+	Gov. support	=	Issuer rating
Strong Plus		baa1		a1		baa2		baa2		baa1		-1		baa2		0		+1		+1		A3 (Positive)

1=Asset Risk, 2=Capital, 3=Profitability, 4=Funding Structure, 5=Liquid resources

Fitch Ratings

Operating environment	+	Business Profile	+	Risk Profile	+	Asset Quality	+	Earnings & Profitability	+	Capitalisation & Leverage	+	Funding & Liquidity	=	Viability Rating	+	Government Support	=	Issuer rating
aa-		a+		a+		a		a		a+		a+		a+		No Support		A+ (Stable)

* Comparable Ratings Analysis ** Stand-Alone Credit Profile *** Baseline Credit Assessment **** Loss Given Failure

Tax & Material one-offs

Danske Bank

Tax

Actual and adjusted tax rates (DKK m)

	2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Profit before tax according to P&L	26,682	7,235	6,475	6,018	6,954
Permanent non-taxable difference	1,094	-473	223	798	547
Adjusted pre-tax profit, Group	27,776	6,762	6,698	6,815	7,501
Tax according to P&L	5,420	1,470	1,156	1,007	1,787
Taxes from previous years etc.	1,477	251	503	652	71
Adjusted tax	6,898	1,721	1,660	1,658	1,858
Adjusted tax rate	24.8%	25.5%	24.8%	24.3%	24.8%
Actual-/Effective tax rate	20.3%	20.3%	17.9%	16.7%	25.7%
Actual-/Effective tax rate exclusive prior year regulation	25.9%	23.8%	25.6%	27.6%	26.7%

Tax drivers, Q4 2023

- The actual tax rate of 23.8% (excluding prior-year's adjustments) is lower than the Danish rate of 25.2% - due to the tax effect from tax exempt income/expenses
- The Danish financial sector is subject to a statuary corporate tax rate of 25.2% in 2023 and 26% from 2024 onwards
- Adjusted tax rate of 25.5% is higher than the Danish rate of 25.2% due to the differences in statuary tax rates in the various countries in which we operate
- The permanent non-taxable difference derives from tax-exempt income/expenses, such as value adjustments on shares

Danske Bank

Material extraordinary items in 2023

	One-off items	Effect (DKK m)	P&L line affected
Q123	None		
Q223	Transaction costs and prudent valution related to Personal Customers Norway	-693	Other income
	Gain from sale of shares taken over in connection with a loan	327	Trading
	Reversal of provision following a decision from tax auth. rgd. exit of an international joint taxation scheme	576	Tax
Q323	interest compensation: Final tax decision regarding tax paid in previous years	307	NII
	Release of loss from OCI related to the CET1 FX hedge attributable to PC in Norway	-786	Trading
	Provision for potential customer compensation case in Danica	-250	Net income from insurance
	Sale of Danske IT to Infosys	104	Other Income
	Correction of tax paid in previous years	670	Tax
Q423	One-off related to interest on tax related for previous years	-85	NII

Danske Bank

Contacts

Investor Relations

Claus Ingar Jensen
Head of IR
Mobile +45 25 42 43 70
clauj@danskebank.dk

Nicolai Brun Tvernø
Head of Debt IR
Mobile +45 31 33 35 47
nitv@danskebank.dk

Olav Jørgensen
Chief IR Officer
Mobile +45 52 15 02 94
ojr@danskebank.dk

Katrine Lykke Strøbech
IR Officer
Mobile +45 22 43 19 11
kalyk@danskebank.dk

Group Treasury and Funding

Kasper Refslund Kirkegaard
Head of Group Treasury
Mobile: +45 23 82 94 88
kaki@danskebank.dk

Bent Callisen
Head of Group Funding
Mobile: +45 30 10 23 05
call@danskebank.dk

Thomas Halkjær Jørgensen
Chief Funding Manager
Mobile +45 25 42 53 03
thjr@danskebank.dk

Rasmus Sejer Broch
Chief Funding Manager
Mobile +45 40 28 09 97
rasb@danskebank.dk

Danske Bank

Disclaimer for Danske Bank's Climate Action Plan Progress Report 2023

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The publication includes information that is subject to uncertainties arising from limitations in underlying methodologies and data. In our analysis and target-setting, we have used estimates based on various recognised frameworks and methodologies, as described in the appendices. Because methods and data availability are constantly evolving, updates to methodologies and assumptions may result in different conclusions.

In alignment with net-zero recommendations, our climate-related targets, actions and initiatives require forward-looking parameters and long time horizons in order to account for the nature of climate change. The forward-looking statements made in this update reflect our current view of future events and are based on expectations, projections and estimations. These encompass a large degree of uncertainty and risk due to, but not limited to, future market conditions, technological developments, changes in regulation and realisation of government plans and strategic objectives. The forward-looking assessments may therefore be subject to change and should not be viewed as reliable indicators of future performance or as complete or accurate accounts of actual performance. Caution must therefore be exercised when interpreting this progress report.

The achievement of our targets is dependent on the collaboration with and the initiatives of our customers, investee companies, international governing bodies and national governments.

The trajectories towards our sector-specific targets may not be linear because development in technologies and other circumstances may affect individual sectors year-on-year.

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You can read more in Danske Bank's Climate Action Plan Progress Report 2023.

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