Investor Presentation

Financial results Q1 2024

Danske Bank

Content

Danske Bank
- a brief overview

Danske Bank

We are a focused Nordic bank with strong regional roots

3.2m
personal and business customers

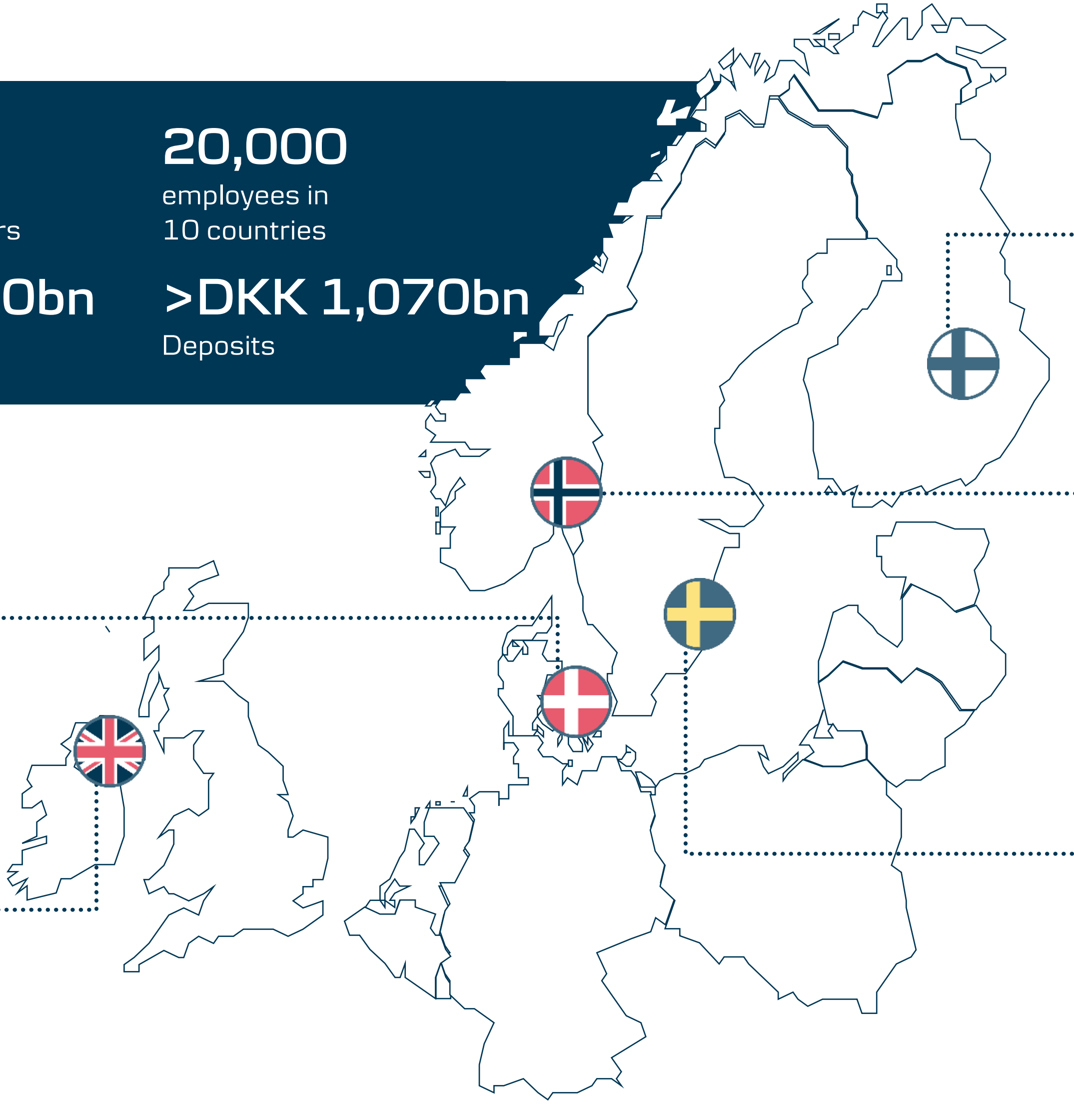
2,200+
large corporate and institutional customers

20,000
employees in 10 countries

DKK >815bn*
Assets under Management

>DKK 1,700bn
Loans & Mortgages

>DKK 1,070bn
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: 4.5%

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.

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Nordic Outlook March 2024: Return to Nordic growth

Denmark

	2023	Forecast 2024	Forecast 2025
GDP Growth	1.8%	2.1% (1.0%)	2.0% (1.6%)
Inflation	3.3%	2.0% (2.0%)	1.9% (1.9%)
Unemployment	2.8%	3.0% (3.1%)	3.1% (3.3%)
Policy rate*	3.60%	2.85% (2.85%)	1.85% (1.85%)
House prices	-0.7%	3.0% (1.5%)	2.0% (2.0%)

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

Sweden

	2023	Forecast 2024	Forecast 2025
GDP Growth	0.2%	1.5% (1.3%)	2.0% (1.8%)
Inflation	8.5%	2.5% (2.3%)	1.0% (1.0%)
Unemployment	7.7%	8.3% (8.2%)	8.1%(8.0%)
Policy rate*	4.0%	3.25% (3.25%)	2.75% (2.5%)
House prices	-7.0%	1.0%(-1.0%)	5.0 (4.0%)%

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

Norway

	2023	Forecast 2024	Forecast 2025
GDP Growth	1.1%	1.1% (1.1%)	2.1% (2.1%)
Inflation	5.5%	3.8% (3.0%)	2.0% (2.0%)
Unemployment	1.8%	2.3% (2.3%)	2.5% (2.5%)
Policy rate*	4.5%	3.50% (3.25%)	2.50% (2.25%)
House prices	0.9%	0.8% (-1.0%)	4.5% (5.0%)

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

Finland

	2023	Forecast 2024	Forecast 2025
GDP Growth	-1.0%	-0.4% (0.3%)	1.9% (1.9%)
Inflation	6.3%	2.0% (1.9%)	1.6% (1.5%)
Unemployment	7.2%	7.9% (7.8%)	7.4% (7.2%)
Policy rate*	4.00%	3.25% (3.25%)	2.25% (2.25%)
House prices	-6.3%	0.5%(2.0%)	3.0% (3.0%)

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

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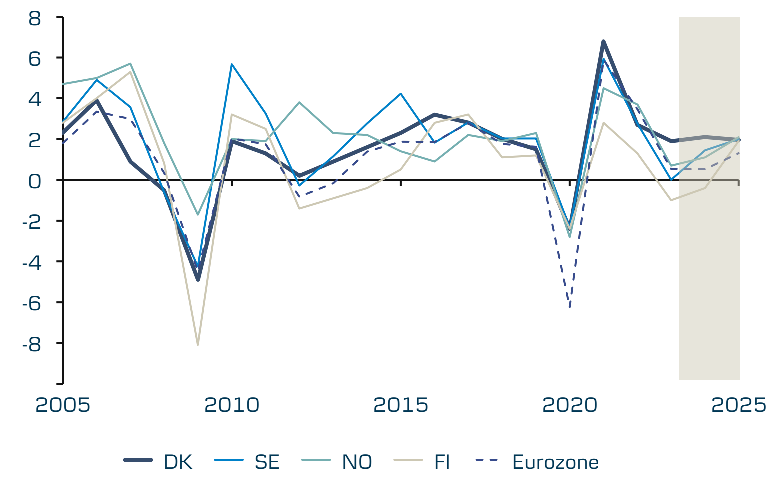
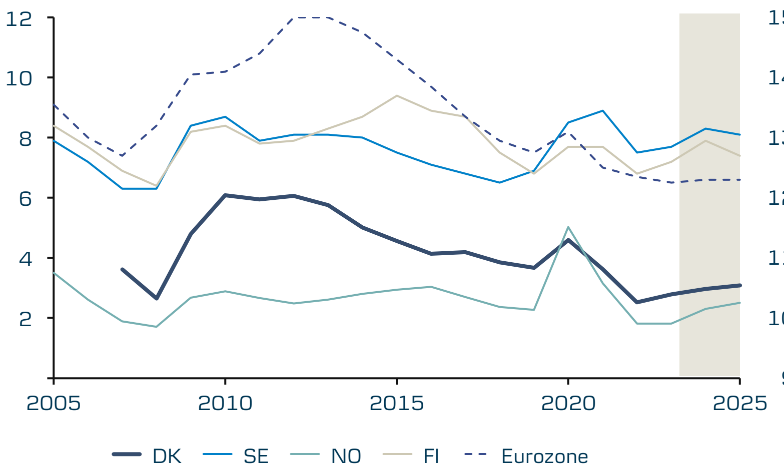
Historical macroeconomic development in the Nordics

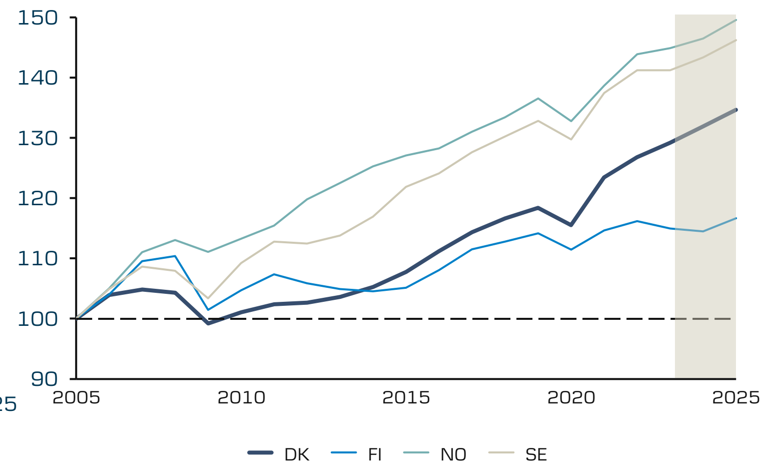
GDP development (%)



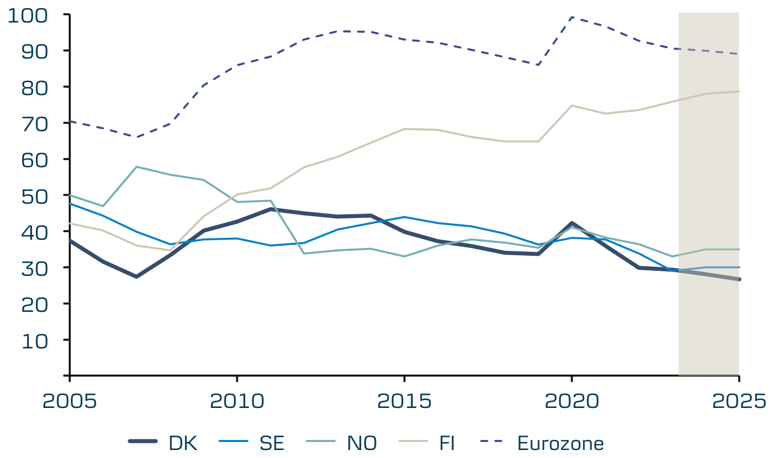
Unemployment (%)



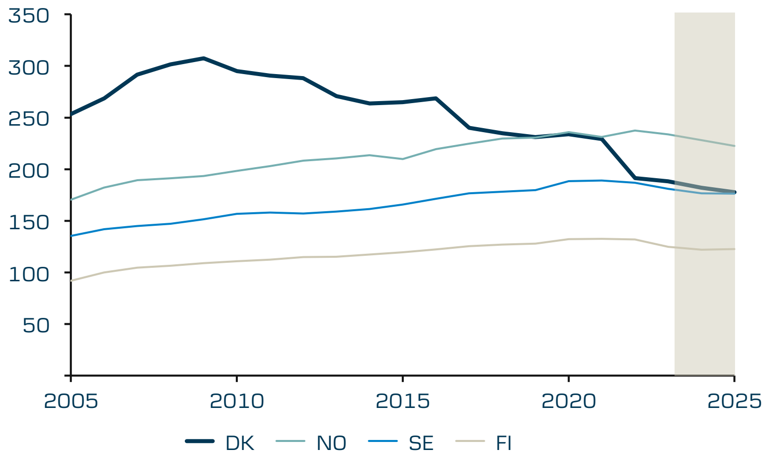
House prices (index 100=2005)



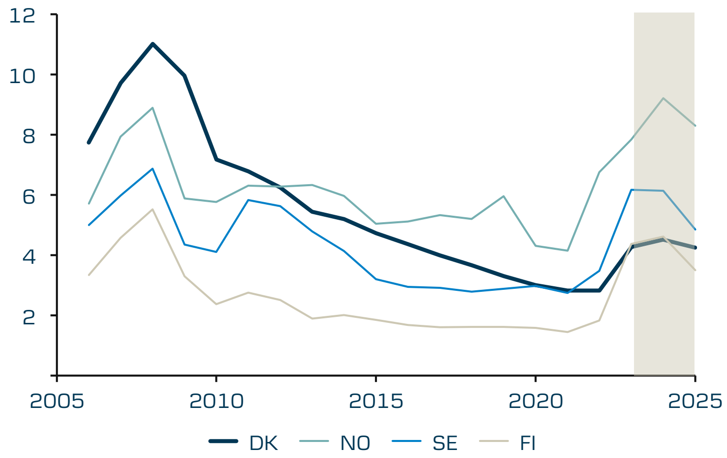
Debt to GDP (%)



Household debt (% of disp. income)



Household interest (% of disp. income)



Source: Statistics Denmark, Statistics Norway, Statistics Sweden, Statistics Finland and Eurostat

Danske Bank

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

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

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

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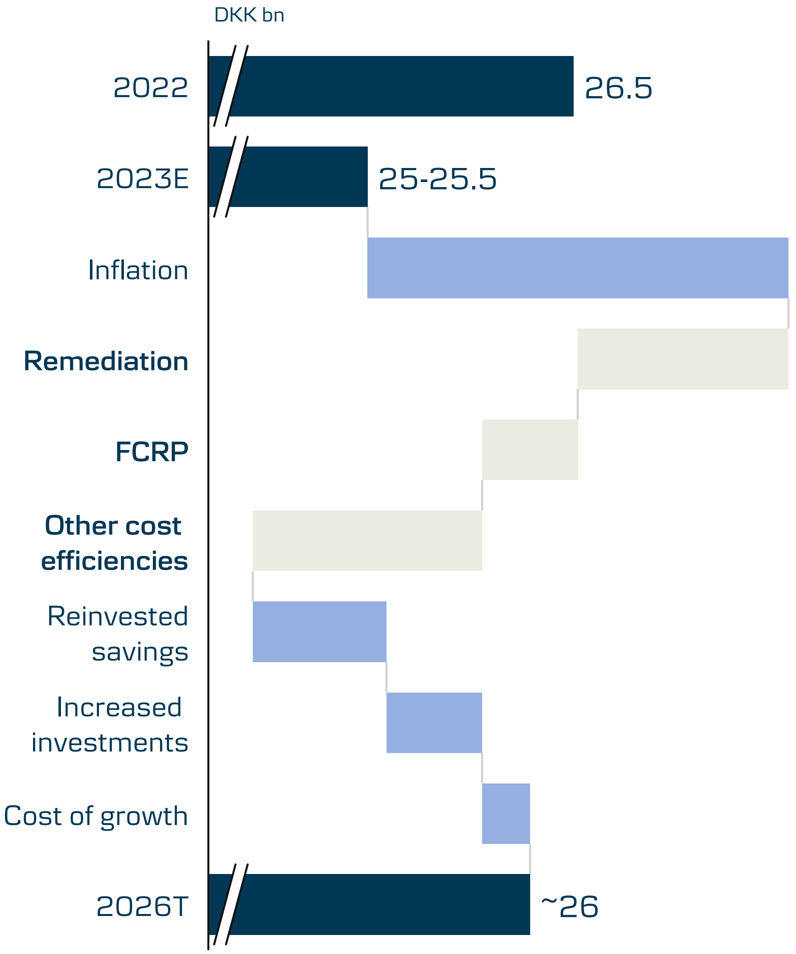
Ongoing cost discipline to reach out targets for 2026

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

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A good start to the year a with strong financial performance and RoE of 12.9%; execution of Forward'28 strategy and commercial agenda well underway

Highlights

- Solid macro environment, particularly in Denmark, supports Q1 performance and constructive outlook for 2024
- Robust customer activity despite sentiment in parts of the economy being affected by uncertainties
- Income continues the positive trend as intact NII trajectory together with stronger fee income trend countered FX impact and muted credit demand
- Commercial agenda continued in Q1 with traction on savings and investment products and increased engagement in relation to the green transition
- Execution of share buy-back programme well underway with DKK 1.2bn of 5.5bn completed*
- Strong capital position with CET1 capital ratio of 18.5% reflecting the full deduction of the SBB programme

Net profit of DKK 5.6bn

Supported by continued growth in NII and solid non-NII income

Core banking income +11%

NII up 14% and fees up 4% y/y

Improved efficiency Cost/income 45%

Reflecting prudent cost management in light of higher inflation

Healthy customer activity despite muted volumes

Credit demand impacted by FX and subdued housing market activity

Strong credit quality

Impairments of 2 bps remain well below through-the-cycle assumption

Strong capital and liquidity position

>410bps CET1 buffer and LCR of 168%

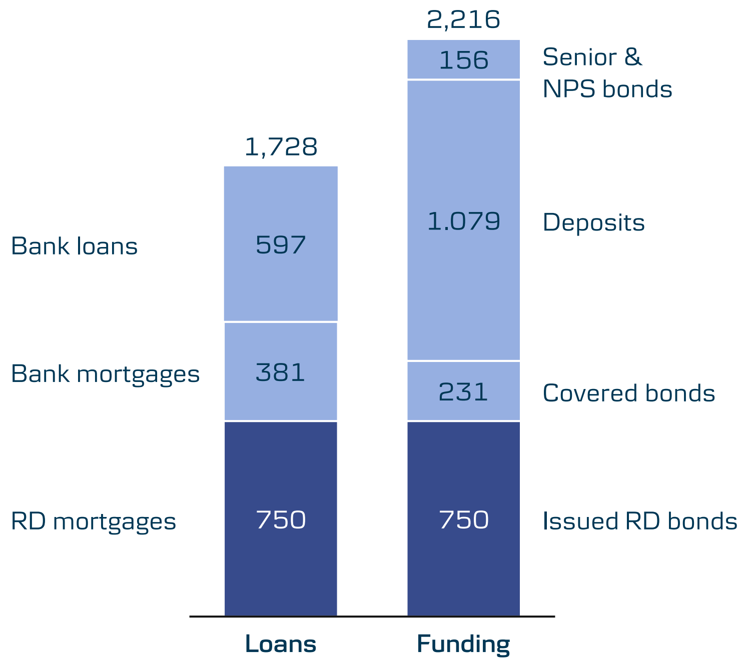
* See Company Announcement no. 18, 29 April 2024

Danske Bank

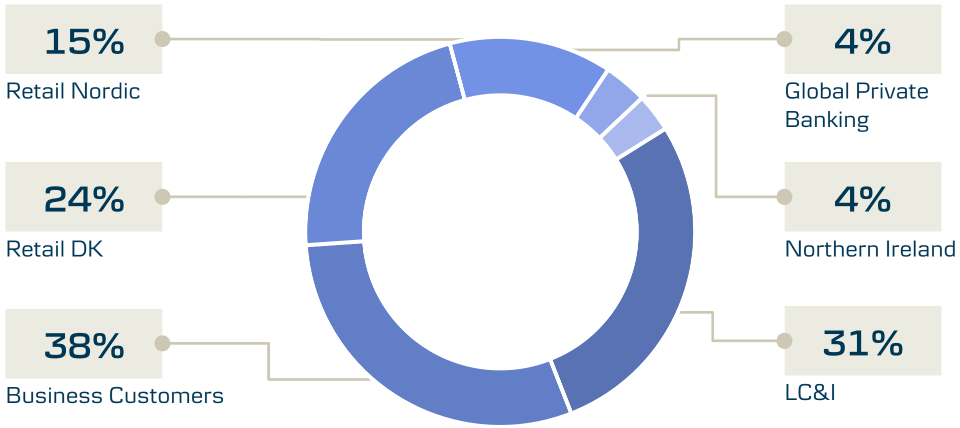
Danske Bank's strong balance sheet underpins our resilient business model which includes a well-balanced ALM strategy and a very strong liquidity position

- 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 200bn in cash and a liquidity coverage ratio (LCR) of 168%, 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 30 bn of our total wholesale funding plan of DKK 80 -100bn for 2024 by the end of March 2024

Sound funding structure (DKK bn)

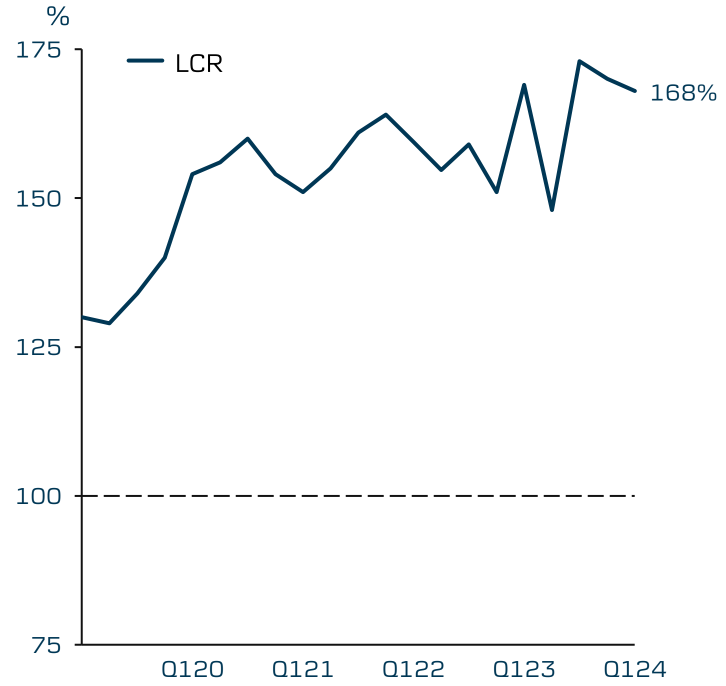


Diversified and stable deposit base



	2021	2022	2023	Q1 24
Total bank deposits (DKK bn)	1,168	1,172	1,140	1,079
of which Stable deposits*	376	388	373	370
of which Operational deposits*	297	319	307	301
Stable & Operational, % of bank deposits	58%	60%	60%	62%

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

Our sustainability strategy defines our approach and priorities towards 2028

Our strategic ambition

To be a leading Nordic bank in supporting the sustainability transition of customers, companies we invest in and Nordic societies

Create lasting value for our customers, business and society

Our strategic focus areas

- Support our customers in their transition
- Ensure a robust and resilient bank
- Manage our societal impact

Our prioritised sustainability agendas

- **Climate change** – *Supporting the transition towards Net Zero*
- **Nature & biodiversity** – *Supporting the protection of nature and ecosystems*
- **Human rights & social impact** – *Supporting the protection of human rights*

Driving sustainability in our core business areas

- Lending & financing
- Asset management
- Life insurance & pension
- Operations & supply chain

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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 Personal Customers Norway
Impairments	**Loan impairment charges** are subject to an elevated level of geopolitical and macroeconomic uncertainty and are expected to reflect the 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.

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Financial highlights – first quarter 2024

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Strong income uplift supported by NII and positive trend in fee income; solid trading and insurance income; robust credit quality results in below-cycle impairments

Highlights

- Total income up 4% Y/Y and 1% Q/Q supported by positive NII and fee trends
- NII trajectory as expected despite impact from days, FX and muted volumes
- Fee income up both Y/Y and sequentially when adjusting for booking of performance fees in Q423
- Trading income normalised in Q1, supported by customer activity and risk sentiment
- Danica income benefiting from stable financial markets, despite higher H&A claims
- Other income impacted by lower resale values of leasing assets (incl. EV fleet)
- Cost trajectory in line with expectations as inflation and investments are mitigated by efficiency gains
- Robust credit quality and well-provisioned portfolio keep impairments low
- Net profit up 9% Y/Y, resulting in RoE of 12.9%

Income statement (DKK m)

	Q124	Q123	Index	Q423	Index
Net interest income	9,142	8,021	114	9,121	100
Net fee income	3,376	3,252	104	3,482	97
Net trading income	769	1,331	58	486	158
Net income from insurance business	492	497	99	550	89
Other income	176	292	60	189	93
Total income	**13,955**	**13,394**	**104**	**13,827**	**101**
Operating expenses	6,337	6,292	101	6,624	96
Profit before loan impairments	**7,618**	**7,101**	**107**	**7,203**	**106**
Loan impairment charges	101	147	69	-32	-
Profit before tax	**7,517**	**6,954**	**108**	**7,235**	**104**
Tax	1,888	1,787	106	1,470	128
Net profit	**5,629**	**5,167**	**109**	**5,765**	**98**

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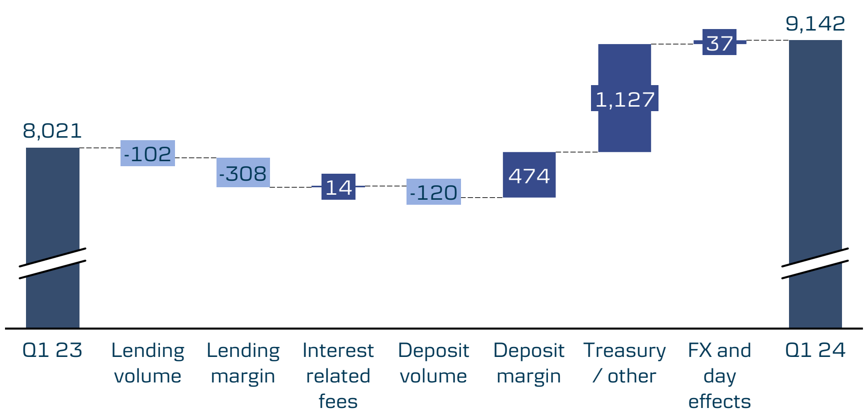
NII: Strong uplift in NII; Q/Q impact from FX and day effects

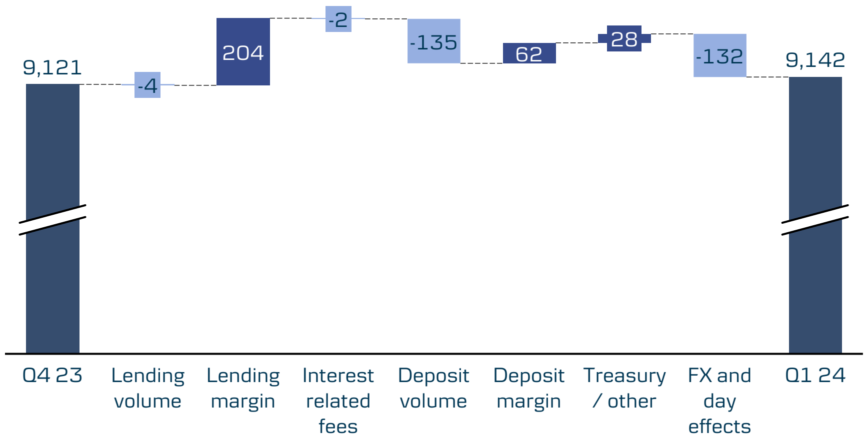
Highlights

- Net interest income trajectory remain resilient despite normalisation of deposit volumes and muted lending demand as well as deposit migration to higher yielding savings products
- Y/Y benefited from higher return on treasury portfolio and shareholders' equity along with deposit margin expansion. Lending margins affected by higher funding costs and lagging effects of repricing actions
- Q/Q was impacted by a drag from FX and day effects. NIM benefited from hedges and lower funding costs mitigating the lower deposit volumes and migration. Correction related to some EURIBOR loans and Asset Finance NO also contributed to the lending margin uplift in Q1 (no Group effect).
- 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

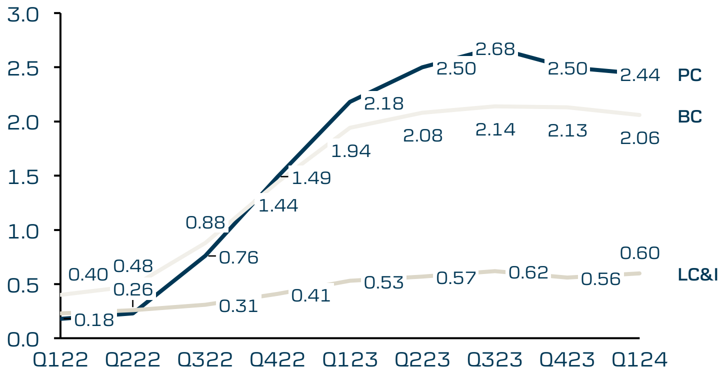
Net interest income Q124 vs Q123 (DKKm)



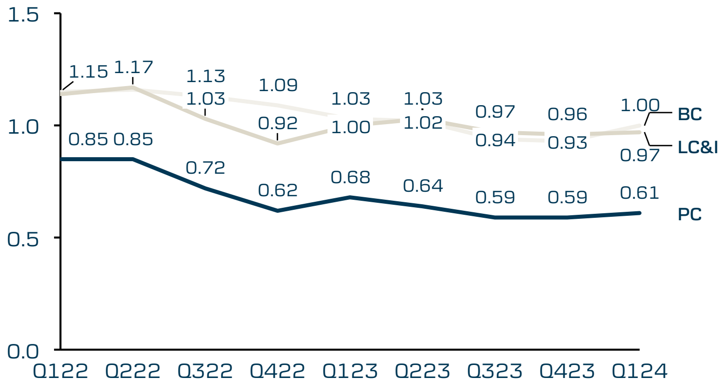
Net interest income Q124 vs Q423 (DKKm)



Deposit margin development (%)



Lending margin development (%)



Fees: Robust fee income driven by strong customer activity and higher AuM

Highlights

Activity-driven fees (transfers, accounts, etc.)

- High economic activity was supportive as consumer spending held up well and demand for our corporate cash management services continued to be high

Lending and guarantee fees

- Y/Y: Lower income due to subdued housing market activity
- Q/Q: Affected by mortgage refinancing auctions in Q1

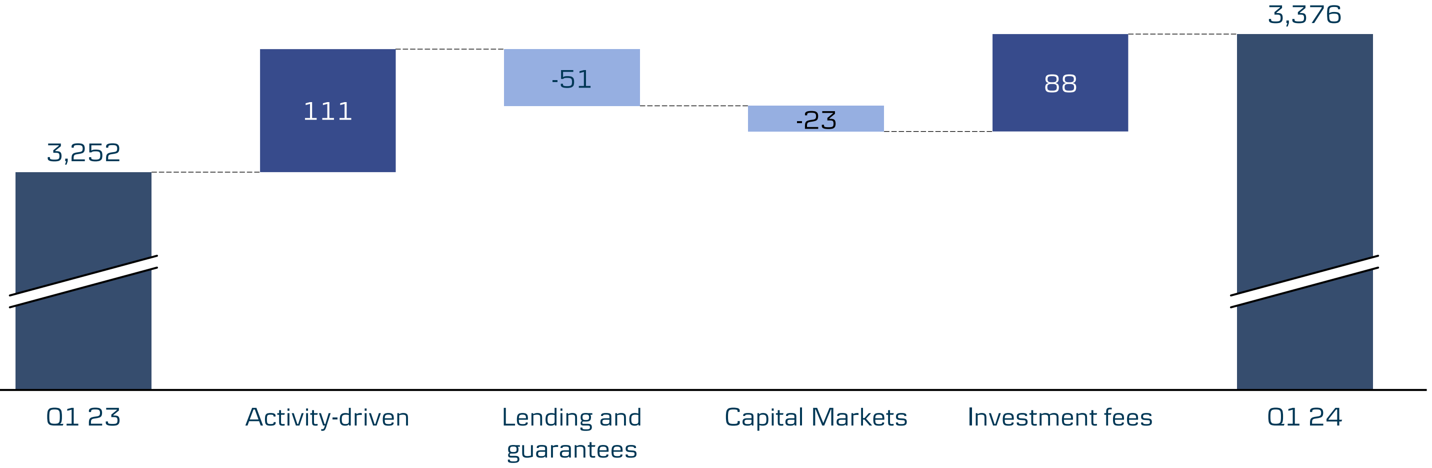
Capital markets fees

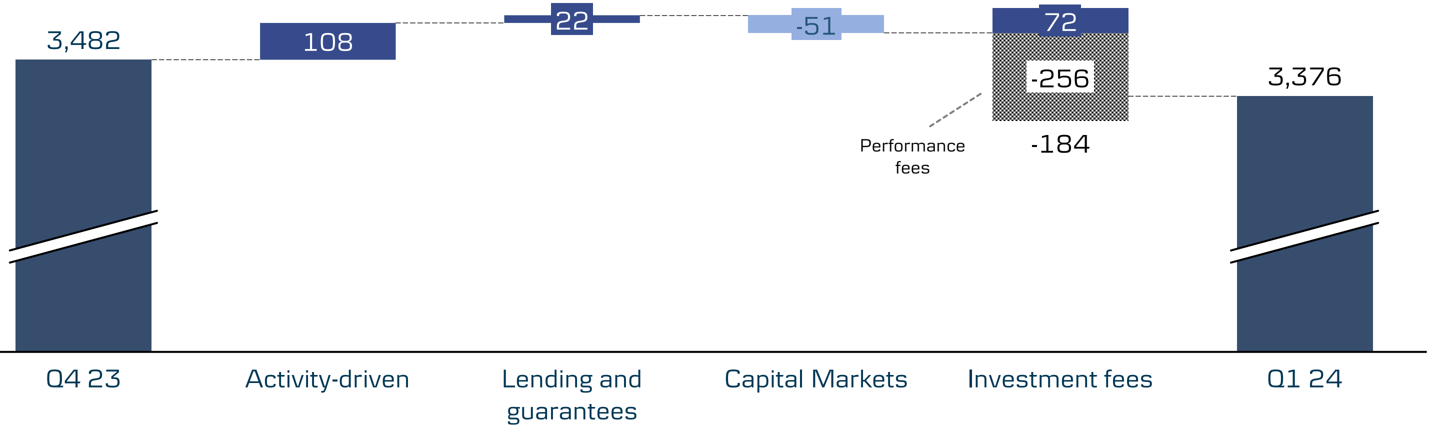
- Strong Debt Capital Markets position lifted fee contribution to multi-period high, mitigating low activity within ECM and M&A

Investment fees

- Y/Y: Investment fees increased, due primarily to higher AuM on the back of rising asset prices and positive net sales
- Q/Q: Positive trend continued (adjusted for performance fees booked in Q4)

Net fee income (DKK m)





Trading income: Higher customer activity in fixed income & currencies

Highlights

LC&I

- Y/Y: Q123 saw exceptionally strong customer activity at LC&I
- Q/Q: Improvement in customer activity after seasonal low in Q423

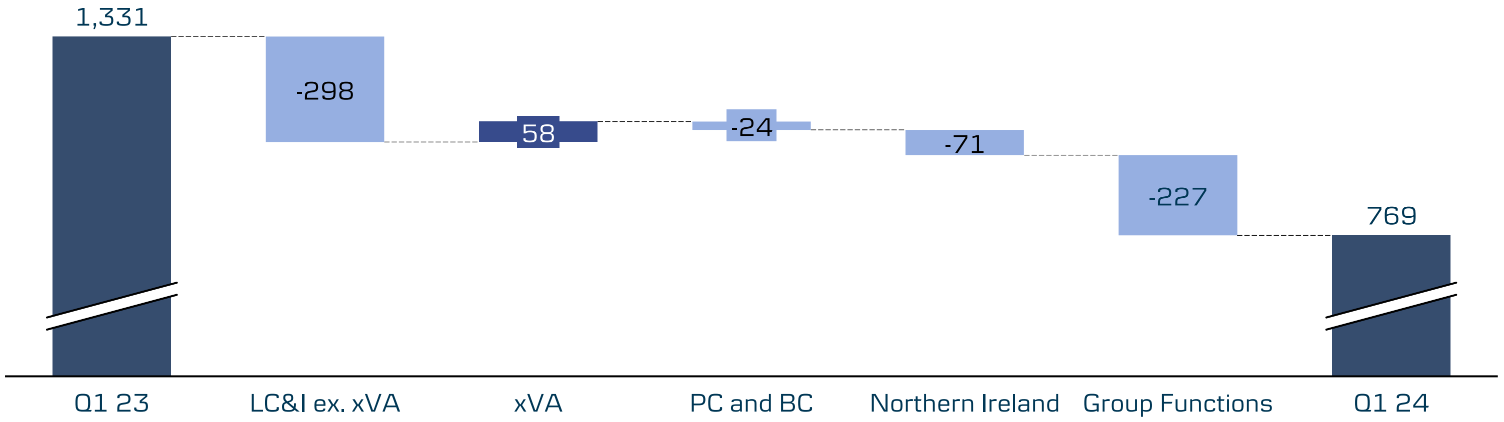
Northern Ireland

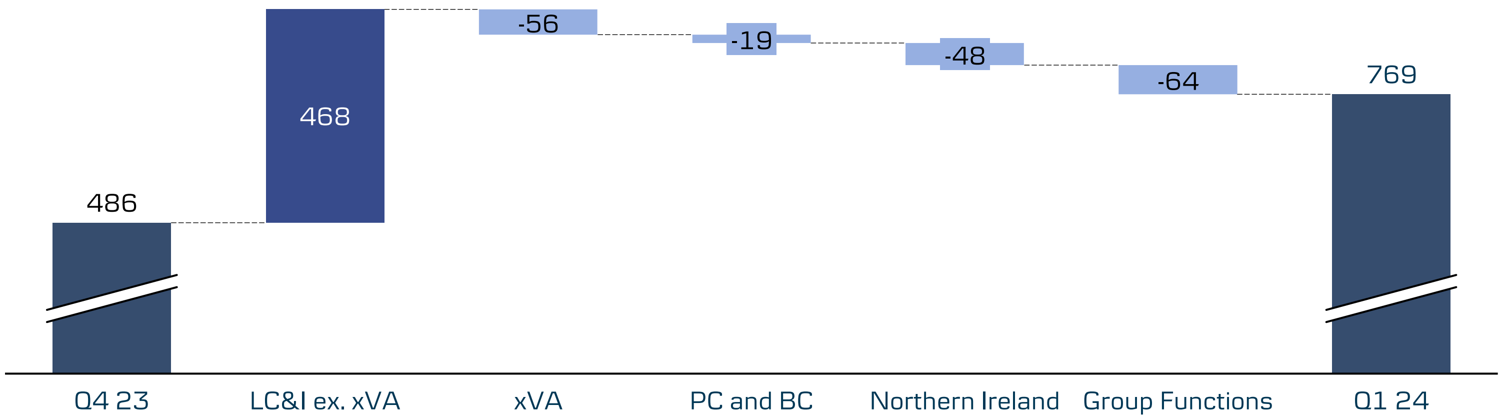
- Affected by valuation effects on the bank's interest rate hedge

Group Functions

- Impacted by negative value adjustments in Treasury

Net trading income (DKK m)





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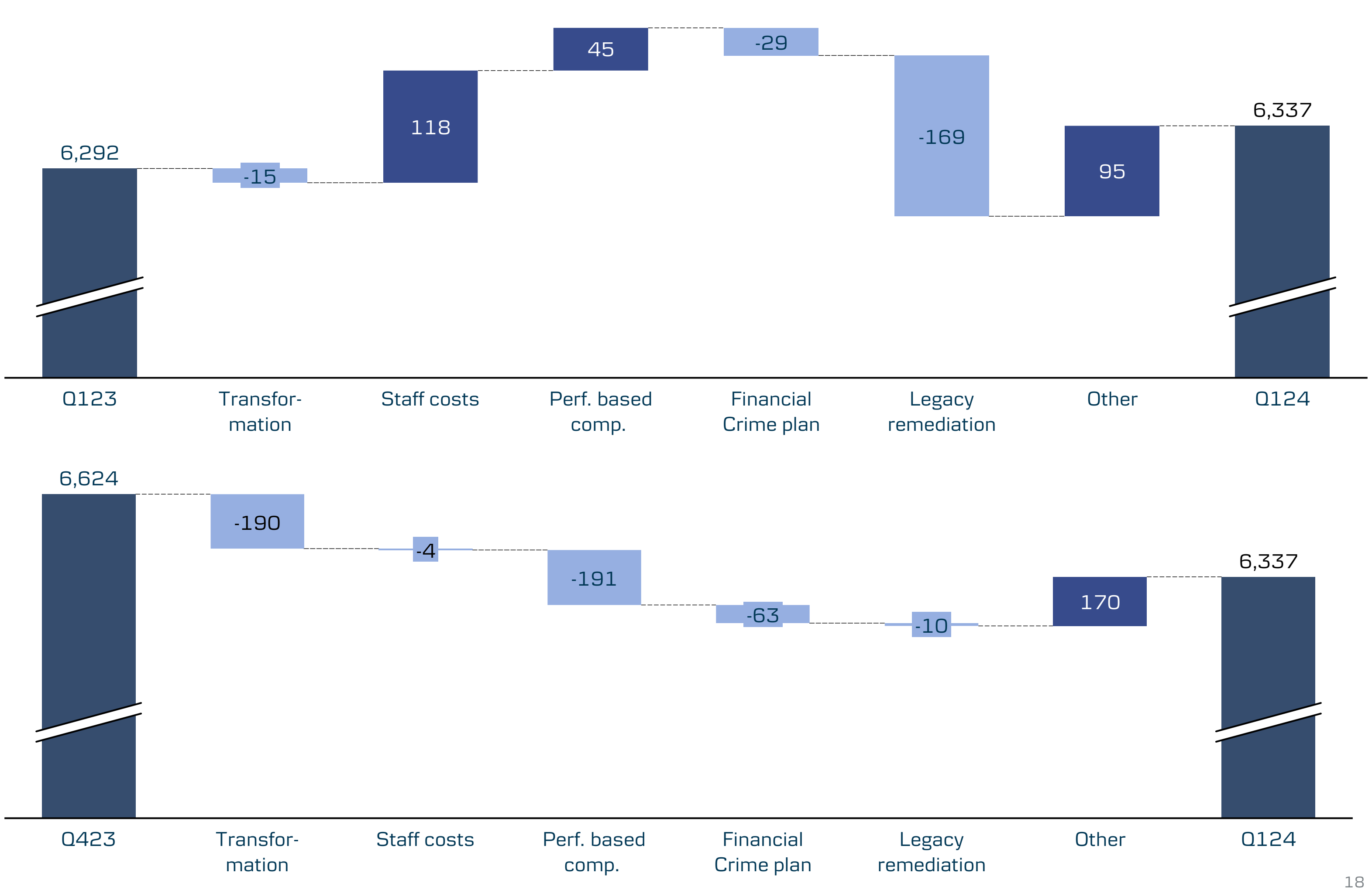
Expenses: Prudent cost management results in improved C/I ratio of 45%, in line with 2026 financial target

Highlights

- Total operating expenses down 4% Q/Q, as costs measures support further progress on cost/income ratio
- Staff costs impacted by wage inflation Y/Y. Kept flat Q/Q while performance-based compensation came down from the seasonally higher level in Q4
- Finalisation of Better Bank strategy resulting in lower transformation costs Q/Q
- Other costs increased from low level in Q4 and from ramp-up in investment envelope, incl. IT partnerships
- Number of FTEs flat since Q4 2023, down 5% Y/Y
- Cost trajectory in line with plan and 2024 cost outlook maintained

Expenses (DKK m)



Business & Product Units

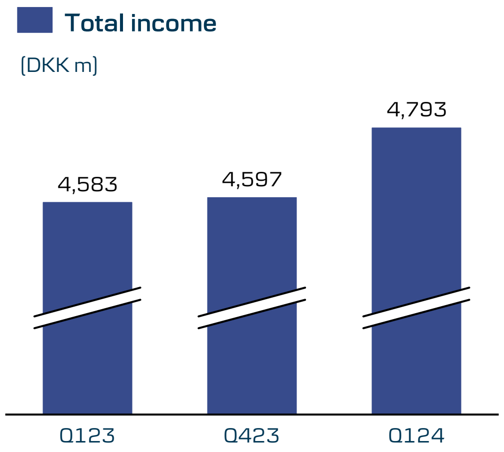
Danske Bank

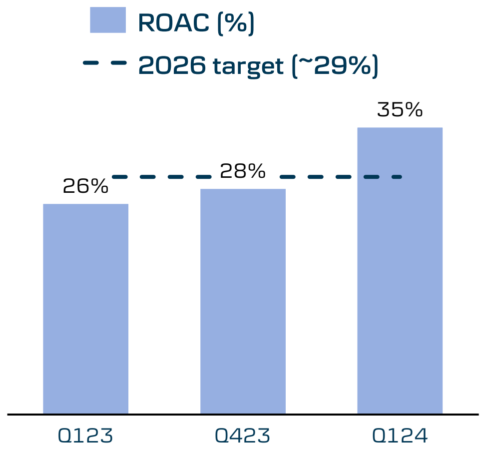
Personal Customers: Strong financial performance despite muted housing market as customer activity and credit quality remain robust

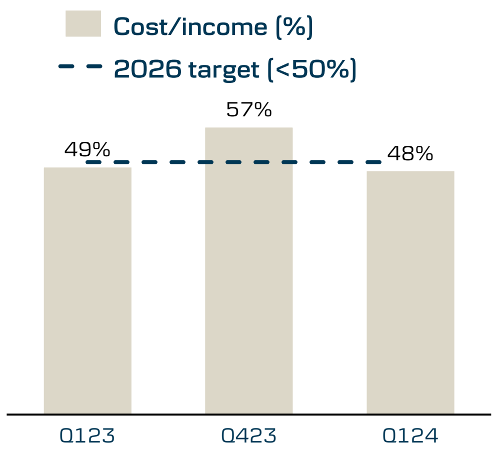
Highlights

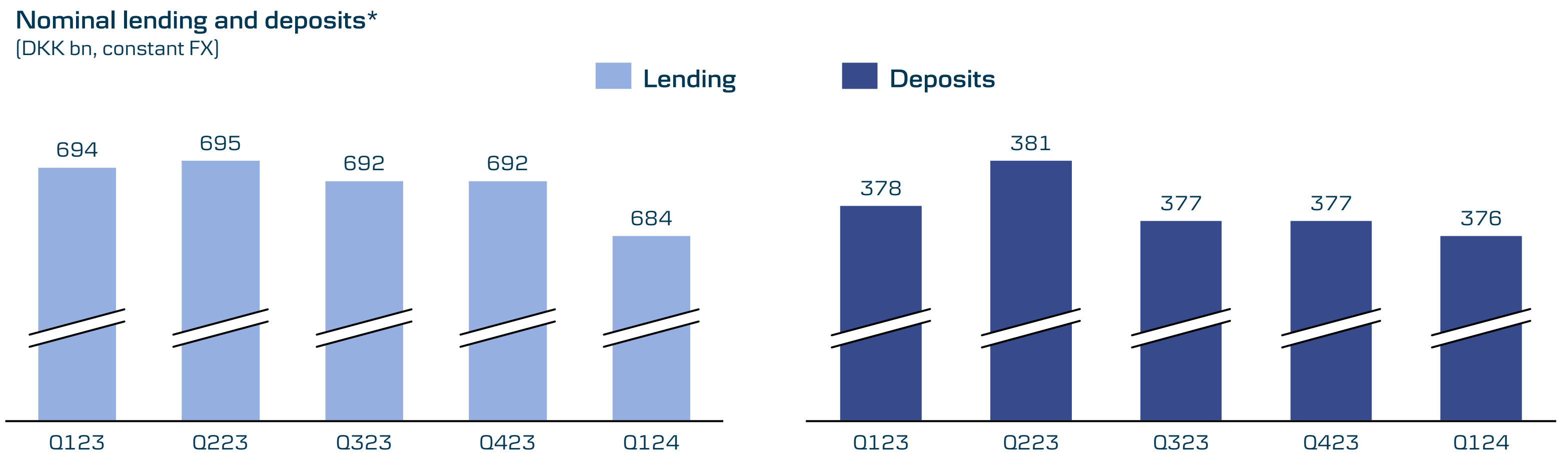
- Solid quarter with commercial momentum supported by core banking income in stable rate environment
- Core banking income benefited further from uplift in fee income: up 13% Q/Q and 9% Y/Y
- Strong profitability with ROAC increasing to 35% ahead of 2026 target (29%) as top line growth was further supported by strong credit quality
- Efforts of our Global Private Banking ramp-up are materialising: positive net sales contribute to AuM uplift
- Stable deposit development outside Norway. Continued demand for our easily accessible high-yield savings products moderates deposit margin
- Lending volumes affected by muted housing markets. Continued traction for mortgage products with recognition of newly launched coop housing loan product by the Danish Consumer Council ("Best in Test")

Financial performance KPIs









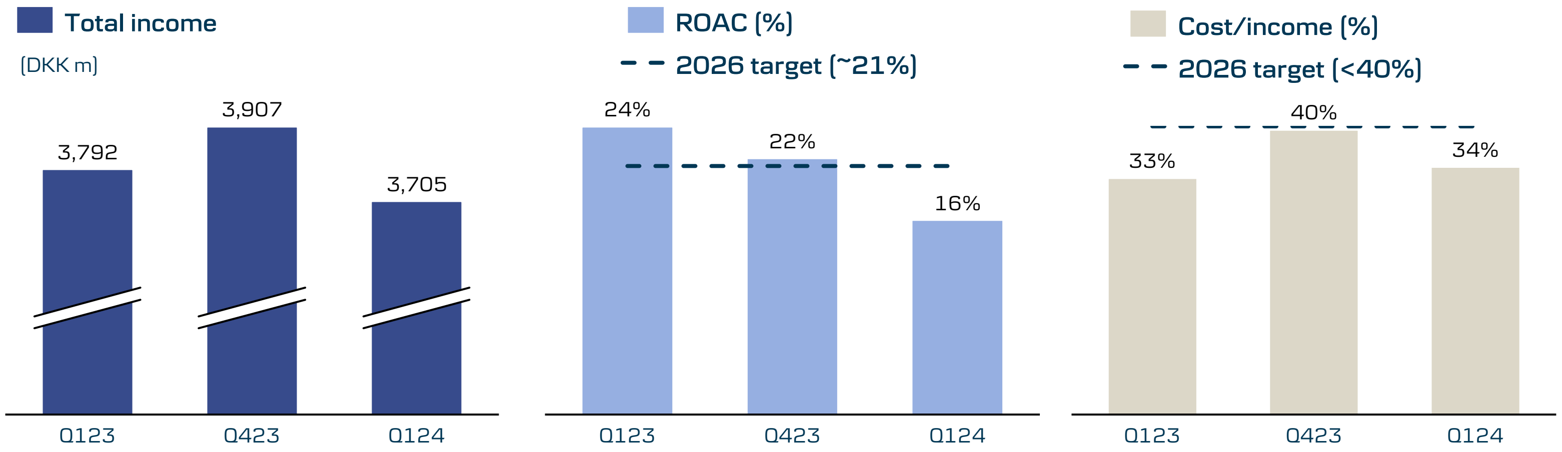
*PC lending includes RD. PC lending and deposits excludes NO.

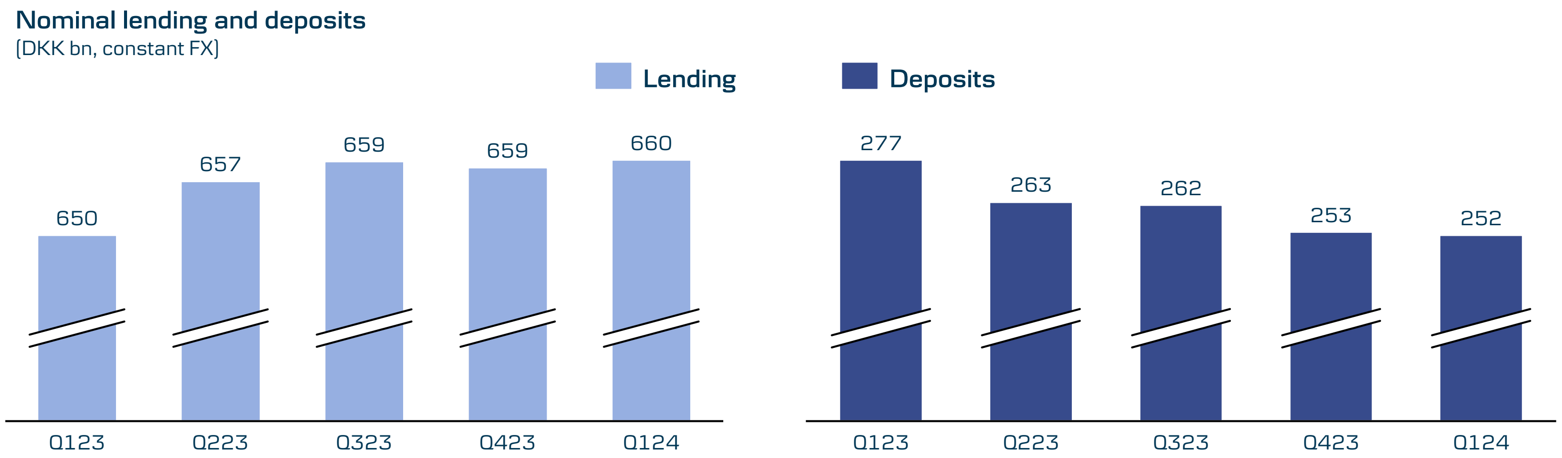
Business Customers: Resilient performance despite impact from asset finance income; Customer activity underpinned by healthy credit demand

Highlights

- Increased customer activity underpinned core banking income, supported by sustainable fee uplift, of 4% Y/Y.
- Total income impacted by lower asset finance resale values in Q1
- ROAC impacted by few single-name impairments, not reflecting the overall strong credit quality. Additionally, some PMAs were allocated to BC
- Healthy activity across the Nordics supported credit demand, with lending volumes up both Q/Q and Y/Y, driven particularly by BC Norway
- Deposit volumes stabilised. Y/Y impacted by changed deposit strategy for deposits in Norway
- Continued efforts in relation to our green agenda, including new software partnership to help customers track their carbon footprint

Financial performance KPIs





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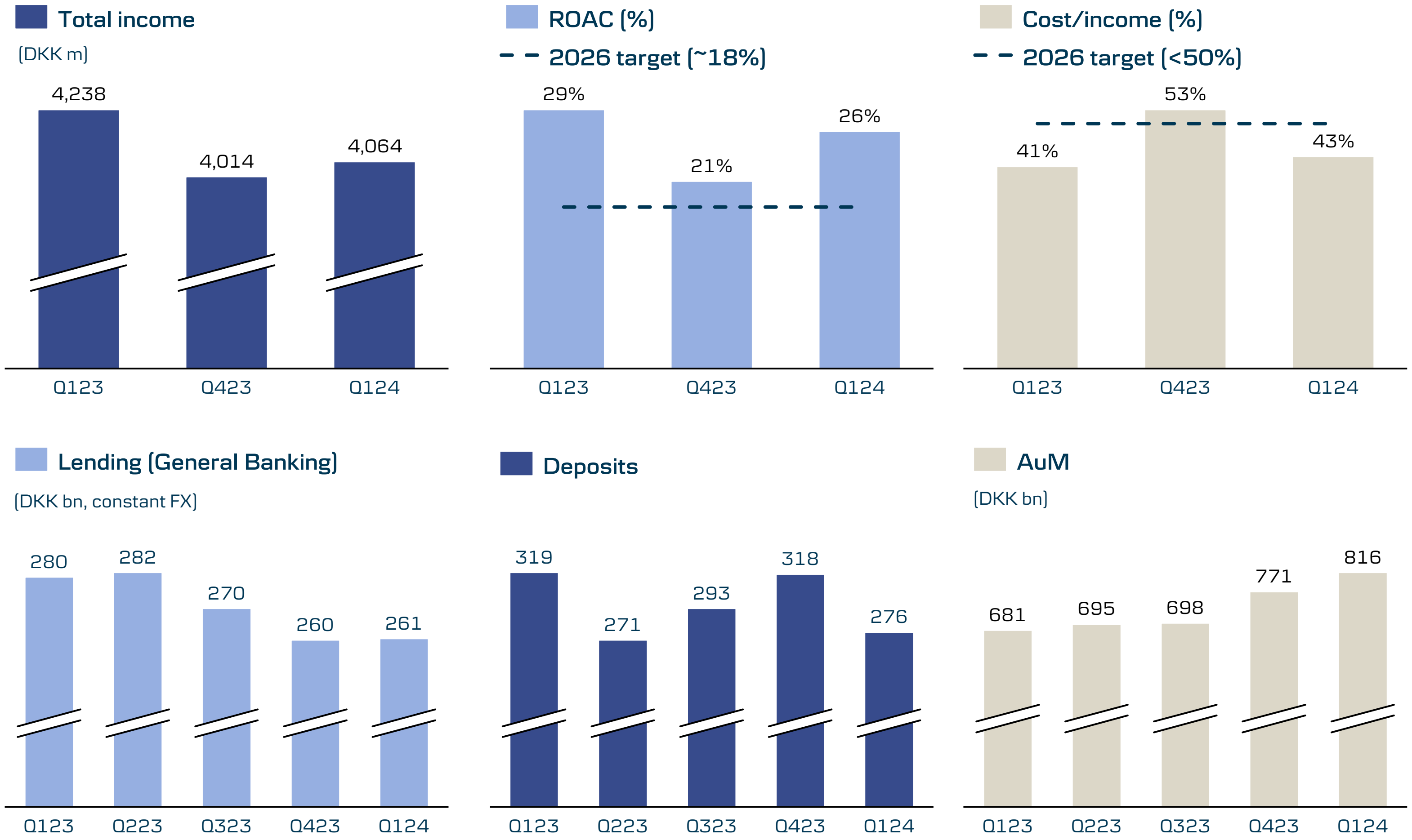
LC&I: Strong profitability and commercial momentum as customer engagement supports credit demand along with DCM activity; AuM lifted to record high

Highlights

- Income supported by strong development in NII and robust fee income, however trading income lower given the exceptionally strong Q1 last year
- Healthy balance sheet lending coupled with multi-period high DCM income reflecting strong customer activity across product offerings
- Strong demand for our leading cash management solutions as we continue to grow the number of 'house bank' mandates
- Deposits affected by seasonality related to tax and dividend payments as well as non-operational public sector deposits
- Leading Nordic bank in European DCM in highly active debt markets (per Bloomberg league tables)
- AuM trending up with 6% Q/Q, on the back of rising asset prices and solid institutional inflow

Financial performance KPIs



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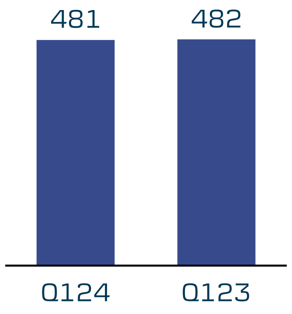
Business units: Solid development in Danica; loan growth in Northern Ireland

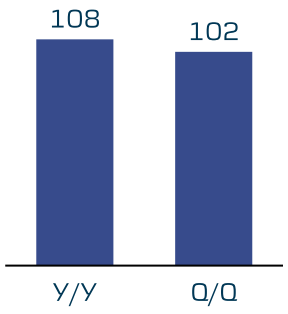
Northern Ireland

- Lending continued to grow in line with our strategy, primarily driven by residential mortgages supporting our market leading position in Northern Ireland
- Net interest income increased (+8% Y/Y, +2% Q/Q) driven by growth in both personal and business lending and actions taken in response to higher UK interest rates
- Mark to market on the bank's hedging portfolio impacted trading income negatively
- As a result of the lower trading income profit before loan impairments was in line with the first quarter of 2023

Profit before imp. (DKK m)



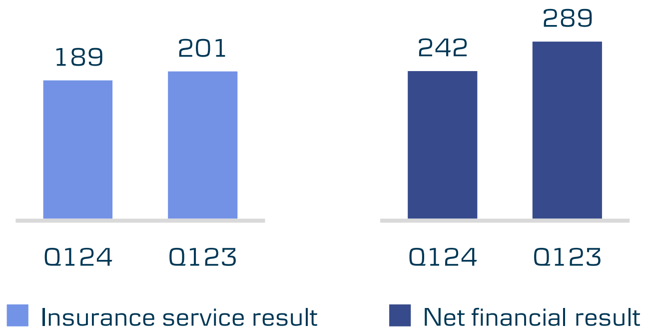
Lending (index)



Danica

- Net financial result decreased to DKK 242 million; due to positive investment results on insurance products where Danica Pension has the investment risk
- The insurance service result decreased to DKK 189 million as Danica Pension continued to see a rise in new health and accident claims, which reflects the general trend in society
- Net income at Danica Pension amounted to DKK 492 million and was at the same level as in the first quarter of 2023

Result Q124 vs Q123 (DKK m)



Danske Bank

Realkredit Danmark portfolio overview: Continued strong credit quality

Highlights

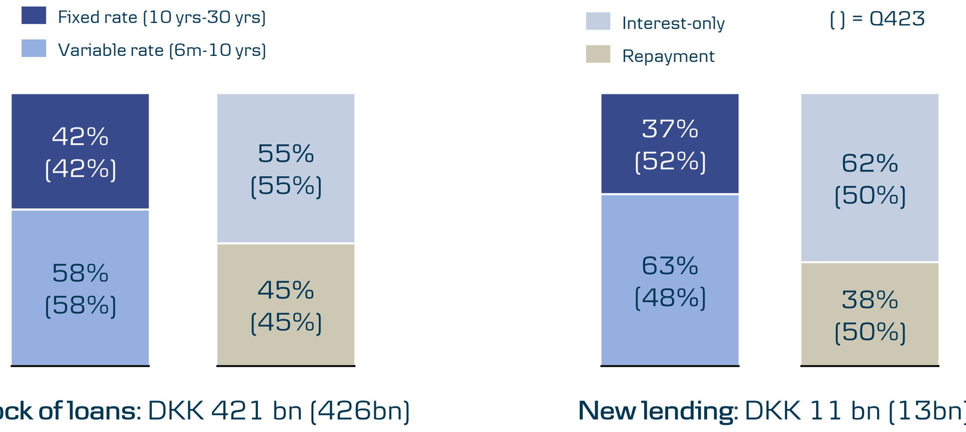
Portfolio facts, Realkredit Danmark, Q124

- Approx. 300,000 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
- 770 loans in 3- and 6-month arrears (Q423: 716)
- 10 repossessed properties (Q423: 14)
- Around 1% of the loan portfolio has an LTV above 80%
- DKK 6bn of the loan portfolio is covered by government guarantee

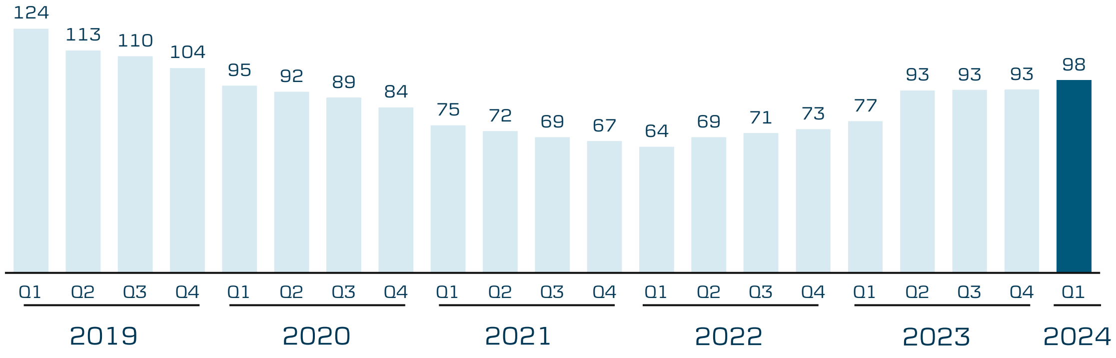
LTV ratio limit at origination (legal requirement)

- Residential: 80%
- Commercial: 60%

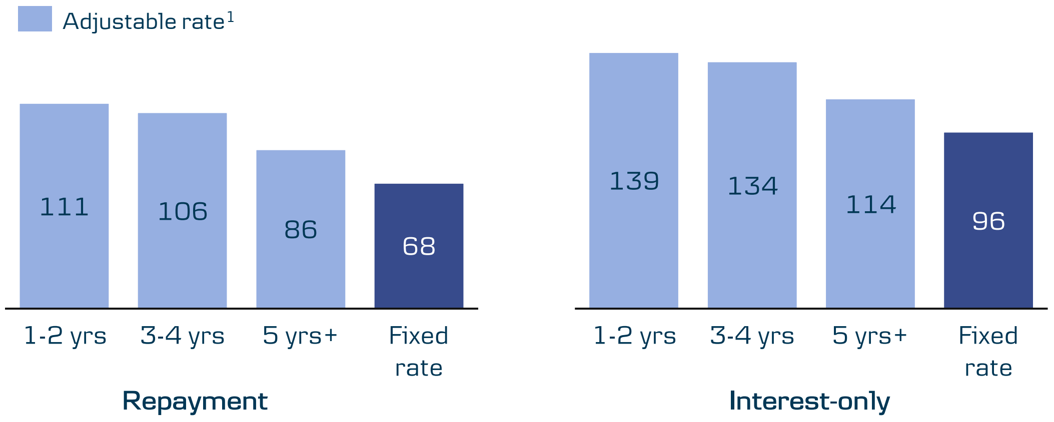
Retail loans, Realkredit Danmark, Q124 (%)



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).

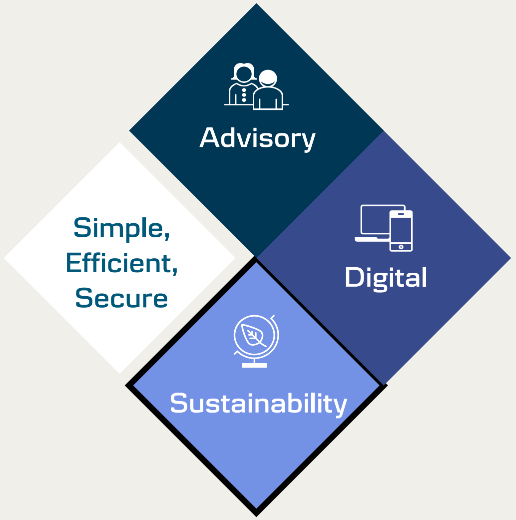
Danske Bank

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
- Sustainable finance advisory services, transition finance and project finance

Personal Customers
- Housing, investments, pensions, mobility and daily banking

Business Customers
- Sustainable finance 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?"

Danske Bank

We have set targets and ambitions covering each of our three sustainability agendas

Climate change

We reduce emissions across our value chain

Lending	Asset Mgmt.	Danica Pension	Operations
25-55%	**50%**	**15-69%**	**80%**
Across 8 sectors by 2030 (vs. 2020)	CO2e intensity by 2030 (vs. 2020)	Across 6 sectors by 2025* (vs. 2019)	Scope 1+2 by 2030 (vs. 2019)

For details, see our Climate Action Plan Progress Report

Nature & biodiversity

We engage with high-impact sector companies

*Engage with **380+ companies** by end of 2025*

- **300+ business customers** in the agricultural sector
- **50+ large corporate customers** within food products, fisheries, forestry, pulp and paper, and shipping
- **30 large global companies** we invest in that have a significant impact on nature and biodiversity

For details, see our Press Release

Human rights & social impact

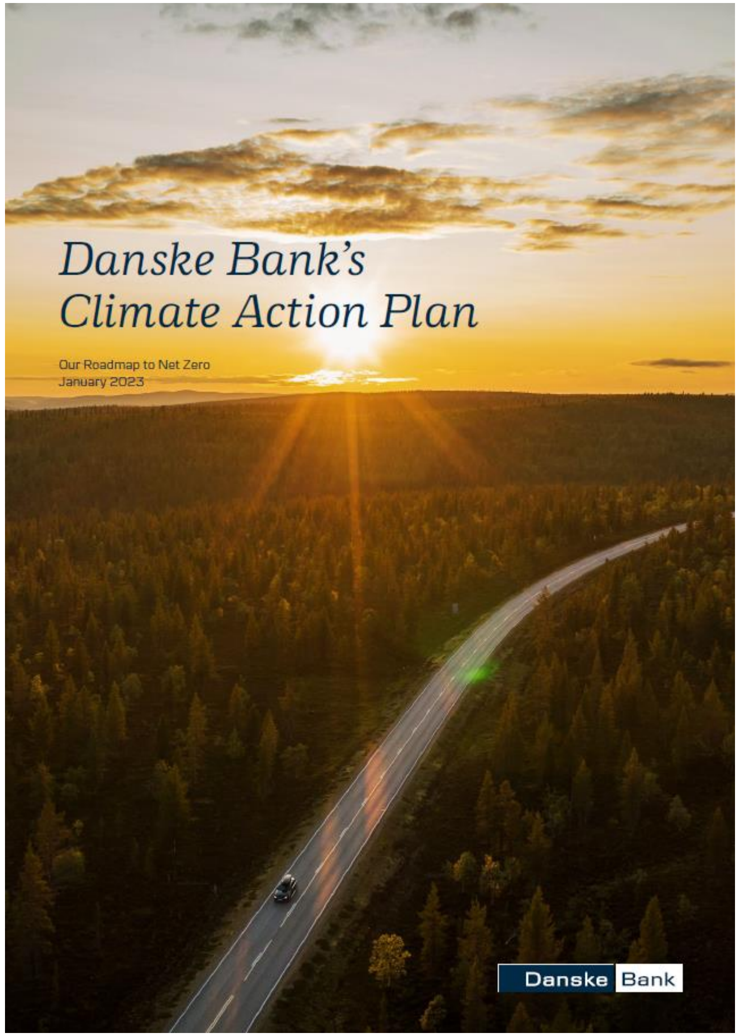
We continuously develop our human rights due diligence processes covering…

Companies we purchase from	Companies we lend to	Companies we invest in
Enhanced risk management	Enhanced assessment for high-risk sectors	Enhanced sustainability screening

For details, see our Human Rights Report

** Real estate target of 69% applies from 2019 to 2030.*

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

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]

Oil and gas – exploration & production [2]	50%
Oil and gas – downstream refining [3]	25%
Power generation	50%
Steel	30%
Cement	25%
Commercial real estate [4]	55%
Personal mortgages [4]	55%

2030 sector alignment delta targets [1]

Shipping [5]	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]

Real estate [8]	69%
Energy	15%
Transportation [9]	20%
Utilities	35%
Cement	20%
Steel	20%

Own operations

2030 emission reduction targets [7]

Carbon emissions in scope 1 and 2	80%
Carbon emissions in scope 1, 2 and currently measured scope 3 categories	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]

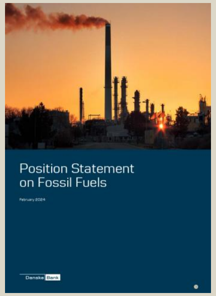
1. Baseline year 2020, 2. Absolute emission reduction targets set, 3. Absolute emission reduction and carbon intensity targets, 4. Based on a weighted portfolio exposure across Denmark, Sweden, Norway and Finland. For activities in Denmark, the target corresponds to a 75% reduction by 2030, 5. Based 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 the sustainability agenda contributing to strong performance

Updated strategic approach to sustainability

In February, we announced our sustainability approach and priorities towards 2028, with an ambition to be a leading Nordic bank in supporting the sustainability transition of customers, companies and Nordic societies. To deliver on this ambition, we have defined three strategic focus areas to manage our sustainability opportunities, risks and impacts.



Stricter requirements for fossil fuel companies

Our new fossil fuel policy sets stricter requirements for investment in fossil fuel companies to ensure that they have Paris Agreement-aligned transition plans. This is expected to result in a significant reduction in the number of companies involved with fossil fuels in our investment universe, from almost 1,900 to around 170.

New partnership to make climate reporting easier

Danske Bank has entered into a partnership with EIVEE, a software company that specialises in carbon footprint calculation. With this partnership, Danske Bank aims to help its business customers with their green transition and support carbon emission reducing initiatives with financing solutions.

Top rating for responsible investments

In the 2024 Responsible Investment Brand Index (RIBI), Danske Bank Asset Management once again achieved the best rating possible. The RIBI examines which asset managers act as responsible investors and commit to sustainable development to the extent that they put it at the very heart of who they are, i.e. their brand – and express it accordingly.

#1 Nordic arranger of sustainable bonds

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

Danica Pension on track with green investments

At the end of Q1, Danica Pension's investments in the green transition amounted to DKK 53.5 billion, thereby up 24% year on year and well on track to reach the 2030 target of DKK 100 billion.

1) Sustainable bonds comprise green bonds, social bonds and sustainability bonds.

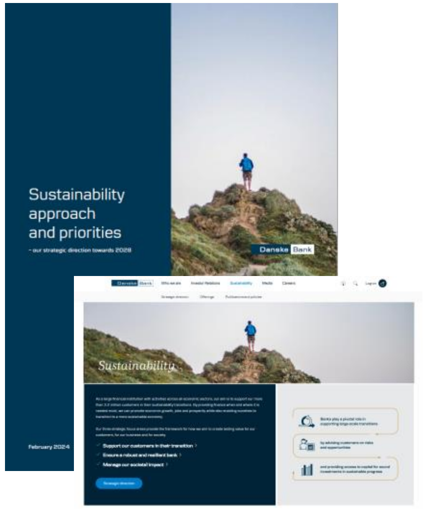
Overview of February '24 sustainability-related publications

2 FEB

Climate Action Plan Progress Report 2023

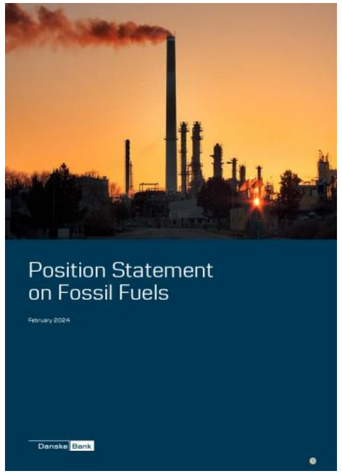
2023 Annual Report incl. Sustainability statement + Sustainability Fact Book

7 FEB



Sustainability approach and priorities – our strategic direction towards 2028
(website + PDF)

23 FEB



Position Statement on Fossil Fuels

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

Financial Crime plan has been completed in 2023

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 became 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.

Testing and further strengthening the Financial Crime framework

Testing of the FC Plan deliveries

Four years ago, the Bank launched the Financial Crime Plan (FC Plan), a comprehensive transformation programme, with the ambitious target of completion by the end of December 2023. The Bank completed the FC Plan on target and sees it as a significant achievement.

By concluding the FC Plan the Bank has now in place a Financial Crime framework which meets the regulatory requirements applicable to the Bank and is reasonably designed to manage the Bank's inherent risk in line with its risk appetite and does both these things by harnessing global practice.

Having a sustainable Financial Crime control framework remains one of the Bank's strategic priorities. We will continue testing our controls to ensure that what we have implemented is fully embedded and operating effectively. To the extent possible, this testing will be performed during 2024 as part of the regular oversight by 2LoD Compliance and 3LoD Internal Audit. Should the outcome of the testing require further improvements, those will be addressed as part of normal procedures.

Roadmap ahead

The Financial Crime landscape continues to evolve and the Bank, along with others in the industry, must hold up with developments. The Bank will continue to invest in its Financial Crime control framework with the aim of further maturing and embedding its processes. Embedding and testing the effectiveness of the framework will form the foundation for future strategic developments as the Bank moves beyond remediation.
Ensuring that our control framework is sustainable and demonstrates the ability to improve and evolve is a key priority for the Bank. As part of the FC Plan, the Bank has implemented governance structures and business-as-usual processes to ensure that our controls remain adequate and respond to changes in the external threat landscape and evolutions in our business. The Bank also intends to enhance our controls to make them more customer-centric whilst maintaining risk management effectiveness. In the coming years, the Bank will continue to invest and enhance existing controls by introducing greater automation which will reduce operational risk and increase cost effectiveness resulting in a fall in the Bank's financial crime risk management costs in line with previous forecasts.

Regulatory Engagements

Ongoing Dialogue

- We engage in ongoing dialogue with our regulators through regular meetings with the Financial Supervisory Authorities ("FSAs") and the 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 proactively share information on the progress 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 all orders received before completion of the Financial Crime Plan from inspections following the Estonia matter and 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 the Financial Crime Plan*

Supervisory Oversight

- The Danish FSA, as well as other relevant FSAs, carry out supervisory oversight of the Bank's work and regulatory compliance
- The Financial Crime Plan was completed in December 2023 and the Bank will continue testing its' controls, to ensure that the plan is fully embedded and operating effectively. The Bank's regulators have been following the implementation closely and will continue to do so until testing has been completed. In addition to its ongoing supervision, in early 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 Financial Crime Plan.

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

Committee Governance for Compliance Risks

2LoD Financial Crime Risk Council

- Provides structured Management Information which fulfils the oversight responsibility for Financial Crime Compliance
- Ensures regulated tasks of the AML Responsible Compliance Officer are included in the reporting for the Council
- Chaired by the Head of Financial Crime Compliance of Danske Bank
- The Committee reports to the Compliance Risk Committee

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

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]

Credit quality & Impairments

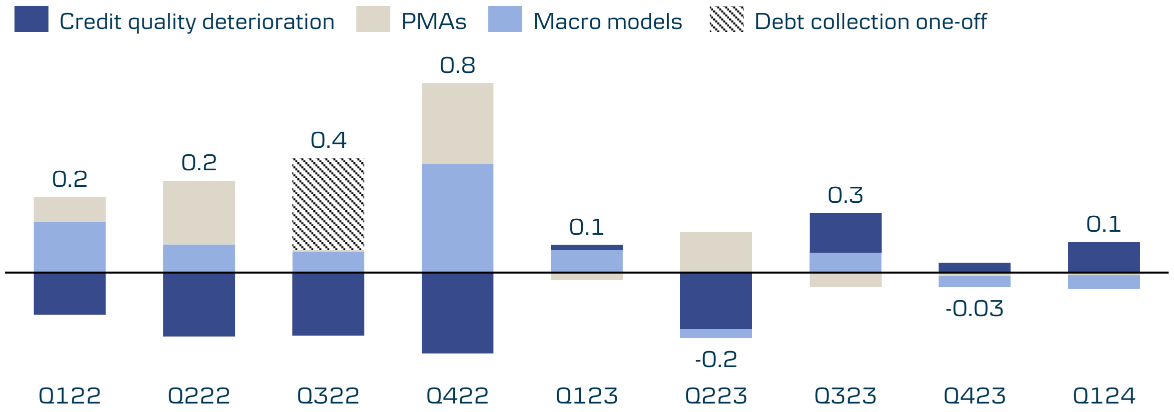
Danske Bank

Impairments: Overall strong credit quality with few single-name impairments resulting in below-normalised-level cost of risk

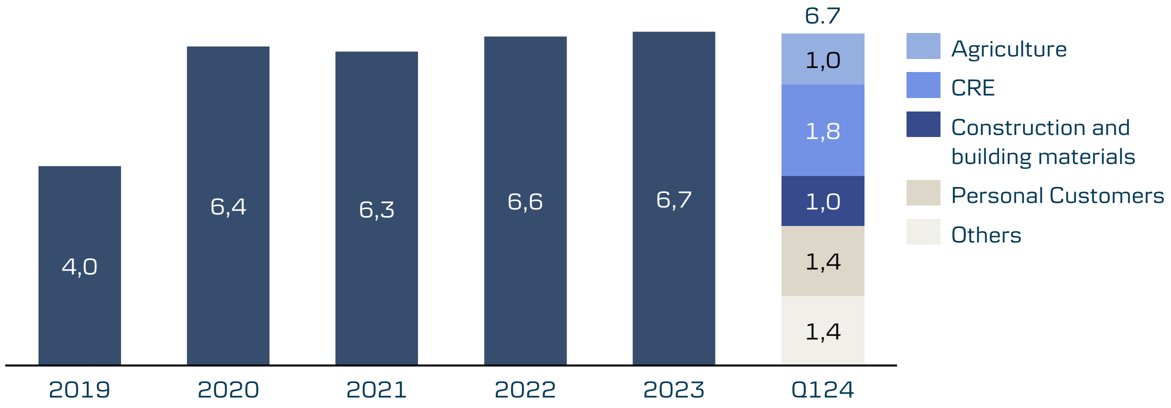
Highlights

- Q1 impairments of 0.1bn, equivalent to a loan loss ratio of 2 basis points, as credit quality remained strong. Limited stage migration and few single-name charges in Business Customers not a reflection of overall portfolio trends which also benefits from reversals
- Modest reversals related to provisions from macroeconomic models as base case macro outlook has improved. Models continue to reflect a severe downturn scenario
- Significant PMA buffers remain in place in order to mitigate any tail risk not visible in the portfolio or captured by macro models. Part of PMAs repurposed from Personal Customers to Business Customers

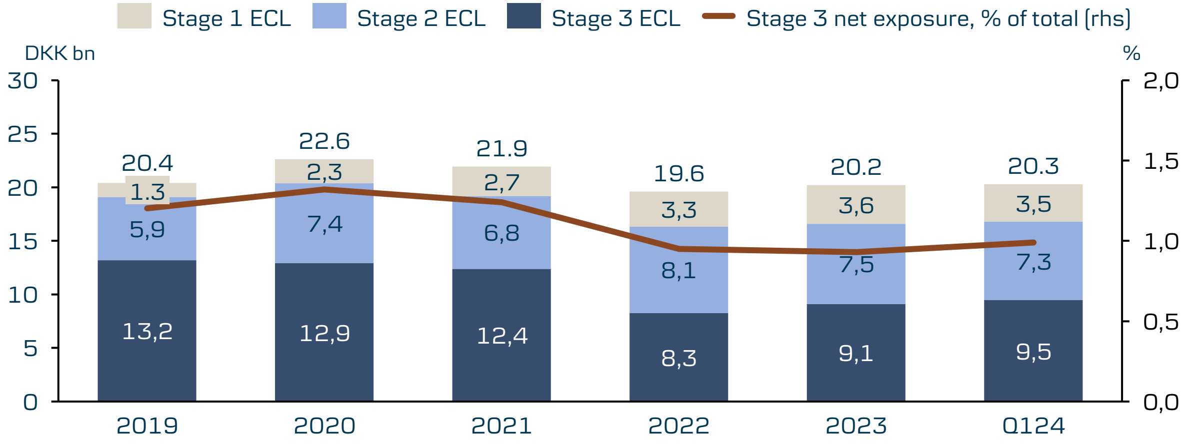
Impairment charges by category (DKK bn)



Post-model adjustments (DKK bn)



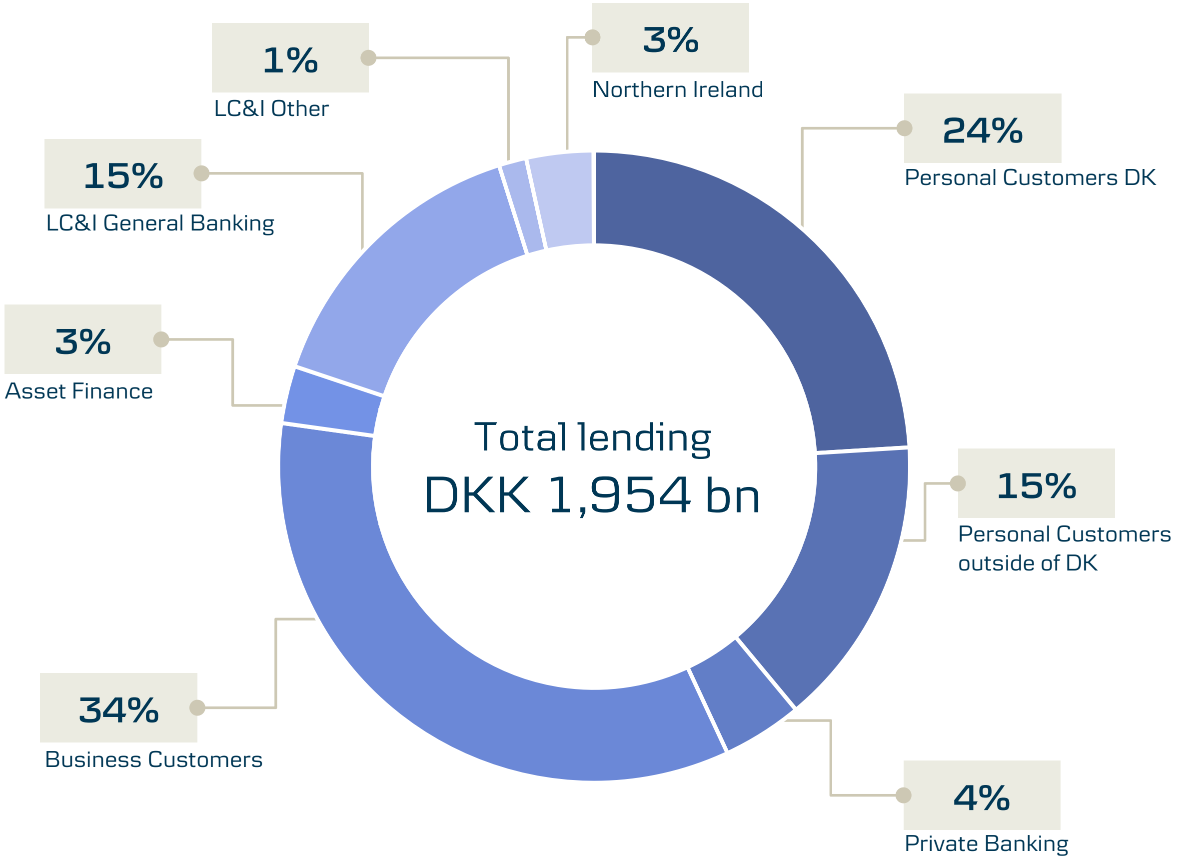
Allowance account by stages (DKK bn)



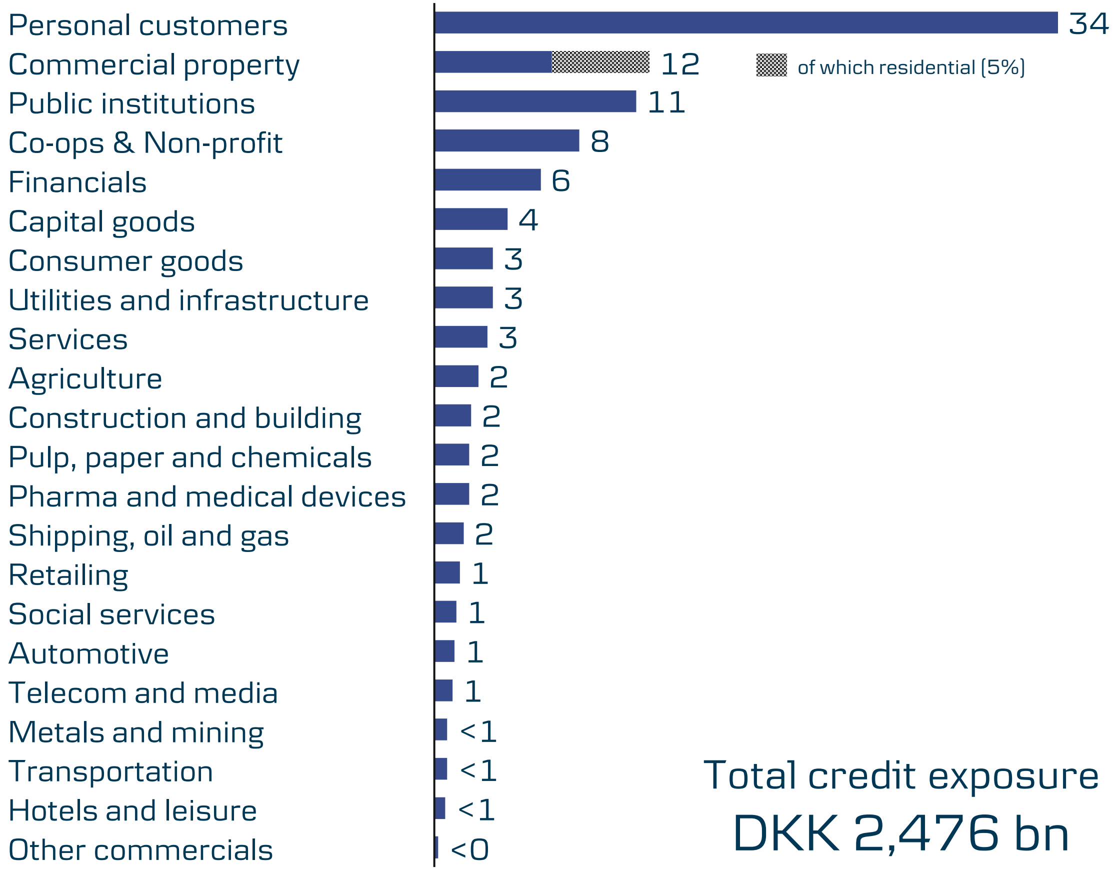
Danske Bank

Strong footprint within retail lending

Lending by segment[1] Q1 24 (%)



Credit exposure by industry Q1 24 (%, rounded)



Total credit exposure
DKK 2,476 bn

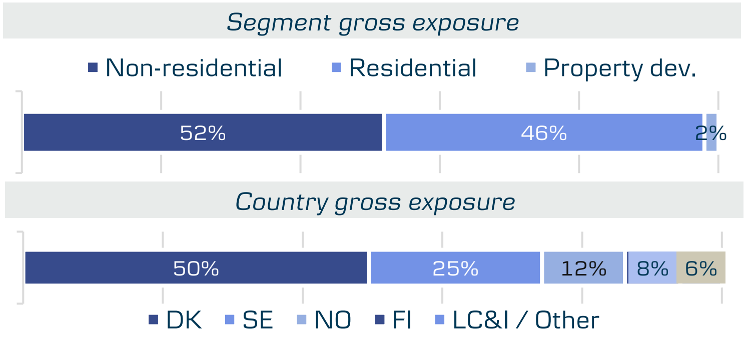
[1]Total lending before loan impairment charges.

Danske Bank

Overall strong credit quality in portfolios exposed to macro cyclicality

CRE: Well diversified and prudently managed growth

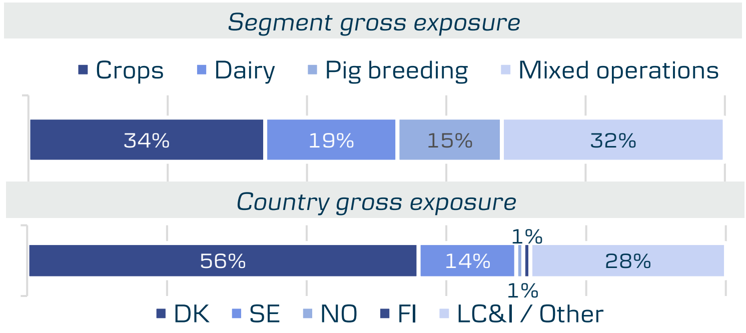
DKK 291 bn in gross exposure and ECL ~1%



- Conservative lending growth (-4% 5Y-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 1.8bn to cover uncertainties regarding the effect of rapid interest rate increases and macroeconomic situation

Agriculture: Well-provisioned agriculture book

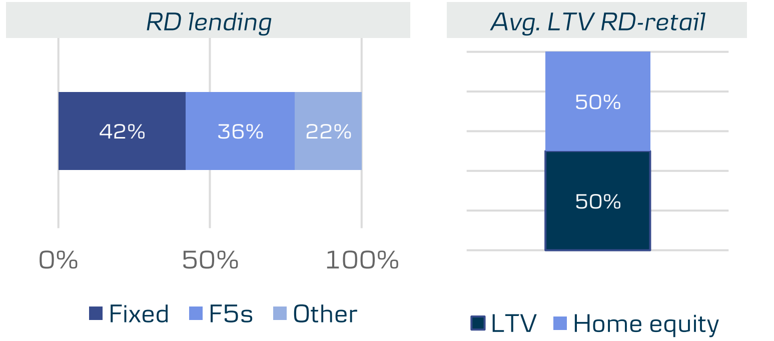
DKK 61bn in gross exposure of which 52% RD



- 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 1 bn have been made for potential future portfolio deterioration including uncertainties not visible in the portfolio such as diseases and implications from green transition

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 generally been supported over the past years by the trend in 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 1.4 bn

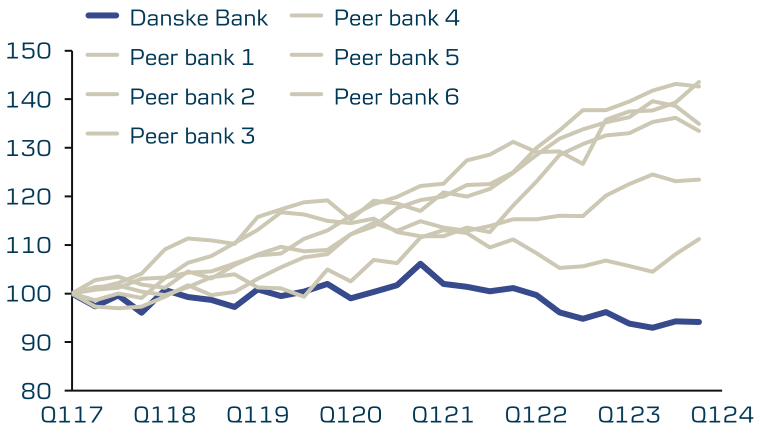
Danske Bank

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

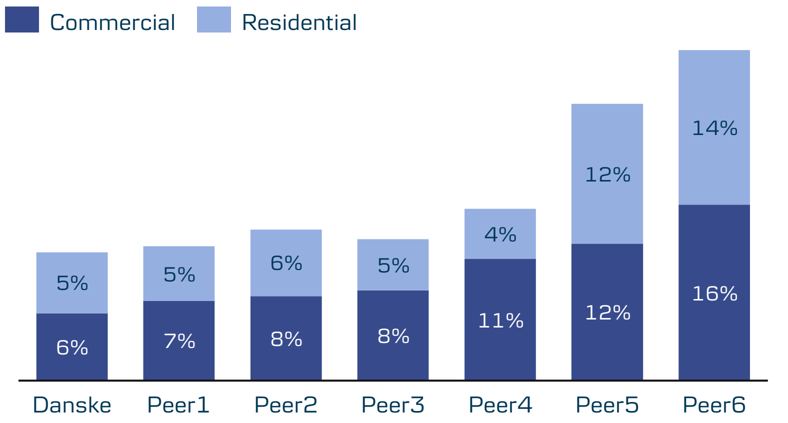
Highlights

- 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

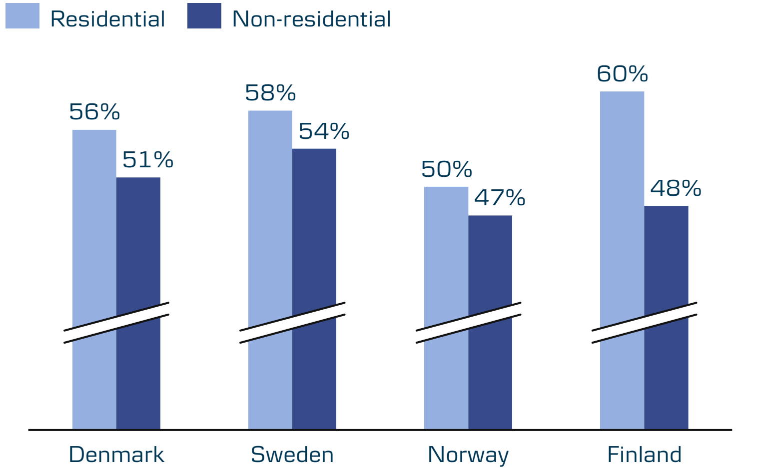
Lending to CRE segment by major peer banks (index)*



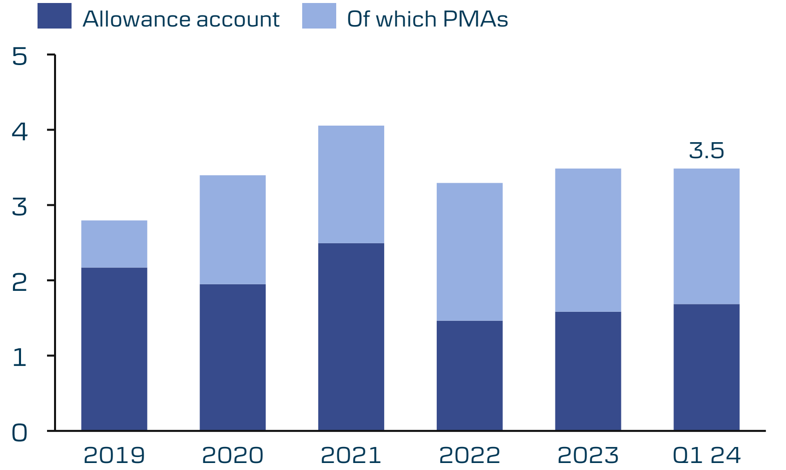
CRE share of total portfolio by major peer banks*



Danske Bank's CRE portfolio avg. LTVs



Danske Bank's CRE allowance account (DKK bn)



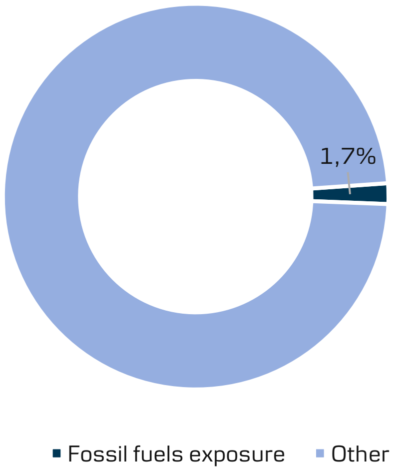
*Source: Companies' interim report. Exposure definitions differ among banks between total lending, credit exposure and EaD.

Fossil fuels (coal, oil and gas) exposure

Key points Q124

- Exposure towards oil majors (upstream oil and gas) has been stable the past year and exposure is down by 62% 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 52% from end 2020
- Exposures shown on this page is to utility customers with any coal-based power production. and hereof more than 5% of revenues from coal fired power production. The list of customers with more than 5% of revenues from coal fired power production is regularly being reviewed, and in Q1 2024 exposures increased from 2.5 DKK bn. to 3 DKK bn. due to an updated assessment. In 2022, exposure to power utilities increased due to short-term financing needs driven by volatile energy markets but has been steadily decreasing during the last year. In the first quarter of 2024, exposures dropped by 23% compared to previous quarter, and is now at levels similar to before 2022
- 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. For most customers, the use of coal is limited to a few remaining production facilities which are expected to phase-out towards 2030. From Q1 2024, offshore pureplay renewables have been excluded from the exposure overview

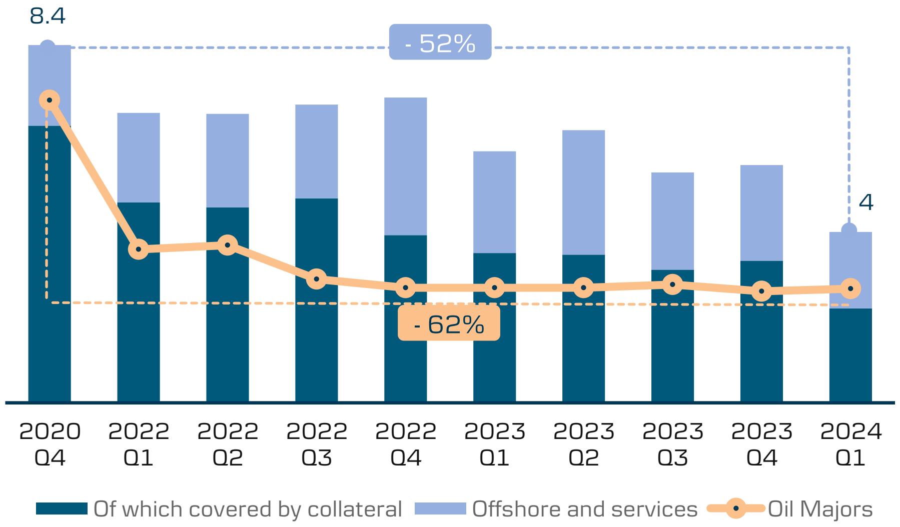
Group gross credit exposure (DKK 2,548 bn)



Fossil fuels exposure

Segment	Net exposure (DKK m)
Crude, gas and product tankers	5,061
Distribution and refining	9,576
Oil-related exposure	6,760
Oil majors	2,672
Offshore and services	4,088
Power and heating utilities with any coal-based production	20,998
Hereof customers with more than 5% revenue from coal	3,014
Total fossil fuel exposure	**42,396**

Oil-related net credit exposure development (DKK bn.)



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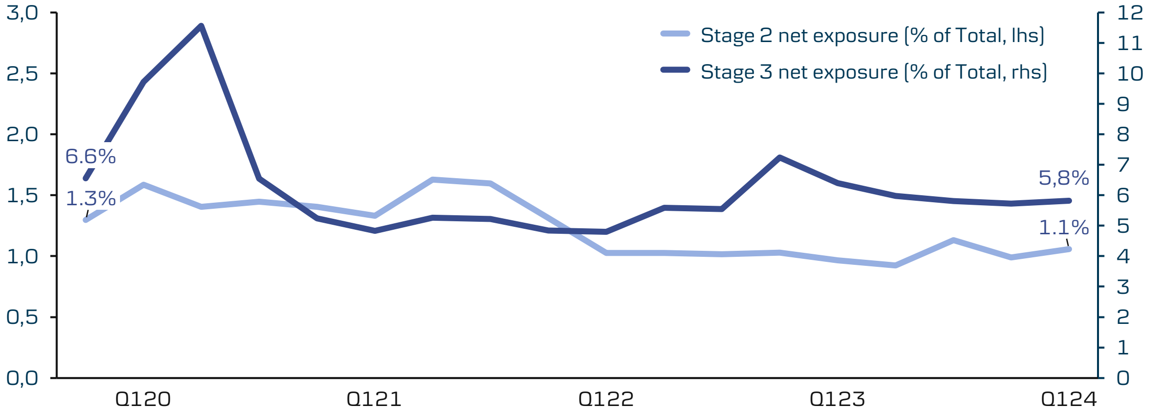
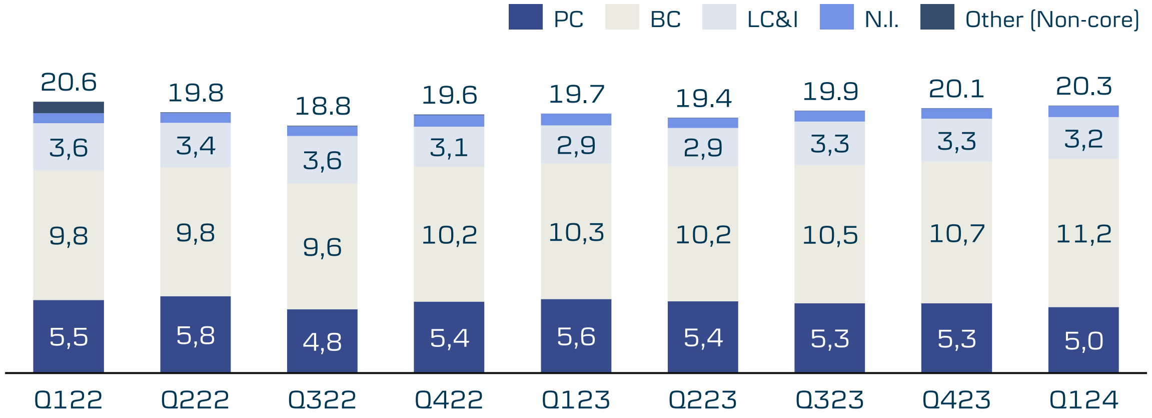
Credit quality: Low level of actual credit deterioration

Stage 2 and 3 as % of net exposure



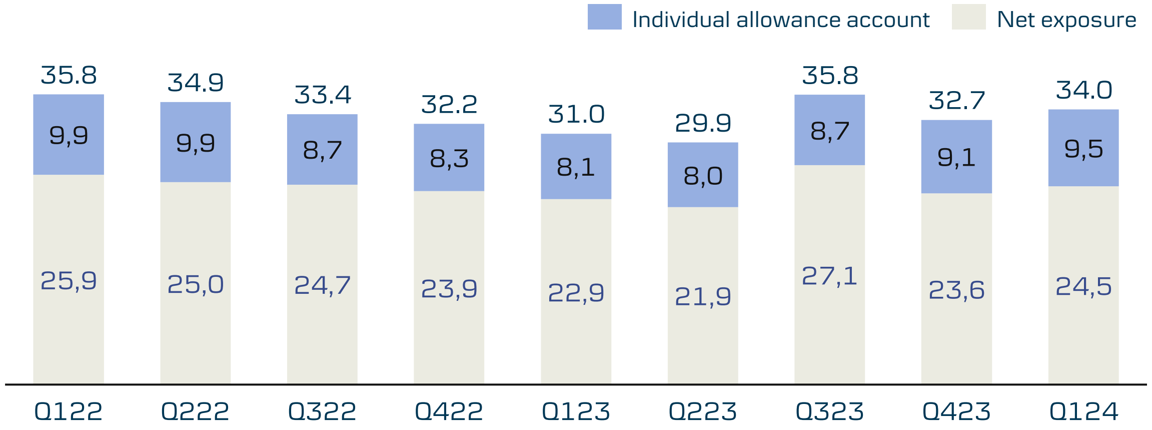
Allowance account by business unit (DKK bn)



Stage 2 allowance account and exposure (DKK bn)

	Allowance account	Gross credit exposure	Allowance account as % of gross exposure
Personal customers	1.5	847	0.17%
Agriculture	0.8	61	1.38%
Commercial property	1.6	292	0.55%
Shipping, oil and gas	0.0	40	0.11%
Services	0.3	73	0.40%
Other	3.0	1,183	0.26%
Total	**7.3**	**2,496**	**0.29%**

Gross stage 3 loans (DKK bn)



Capital

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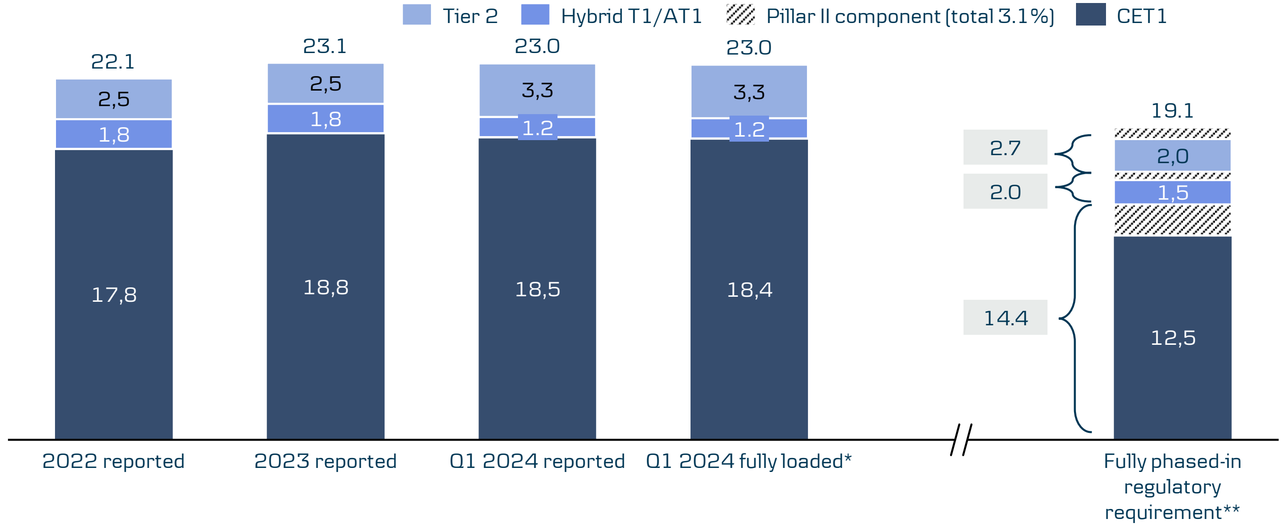
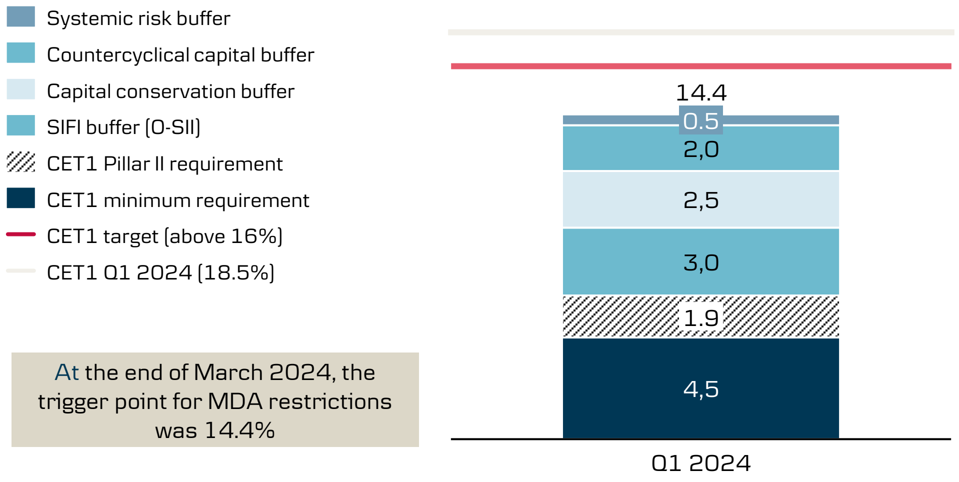
Capital: Strong capital base with CET1 ratio of 18.5%

Capital ratios under Basel III/CRR (%)

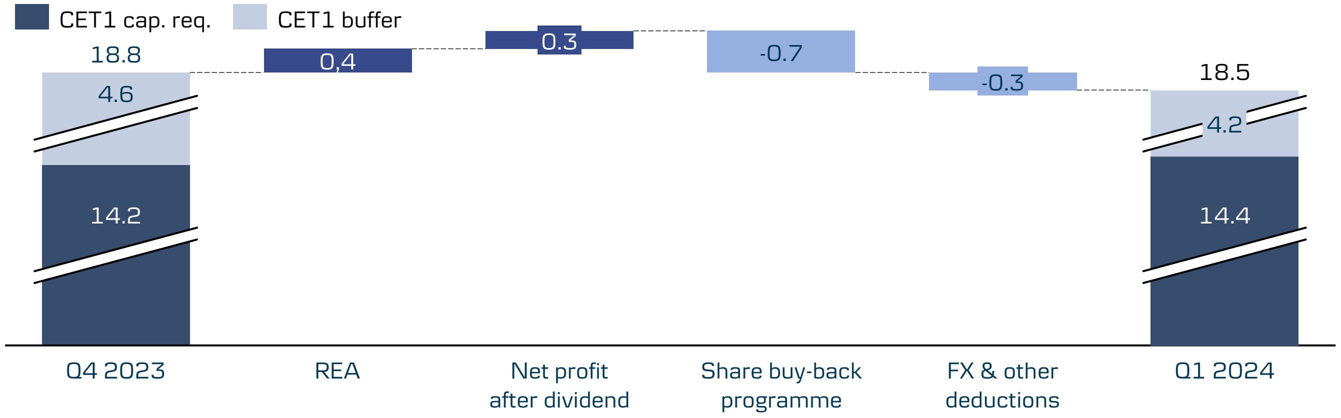


Current capital buffer structure (%)

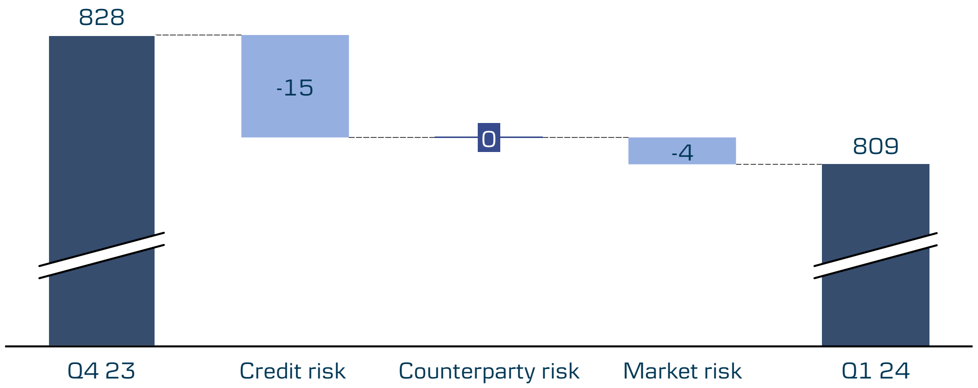


At the end of March 2024, the trigger point for MDA restrictions was 14.4%

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 March 2025 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

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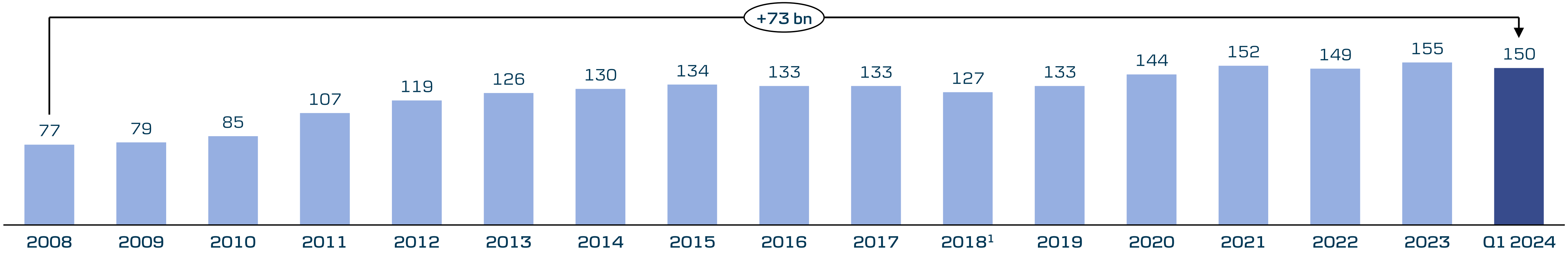
Strong CET1 capital build-up since 2008; Available Distributable Items (ADI) well in excess of DKK 100 bn

Common Equity Tier 1, 2008 – 2024 (DKK bn)



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

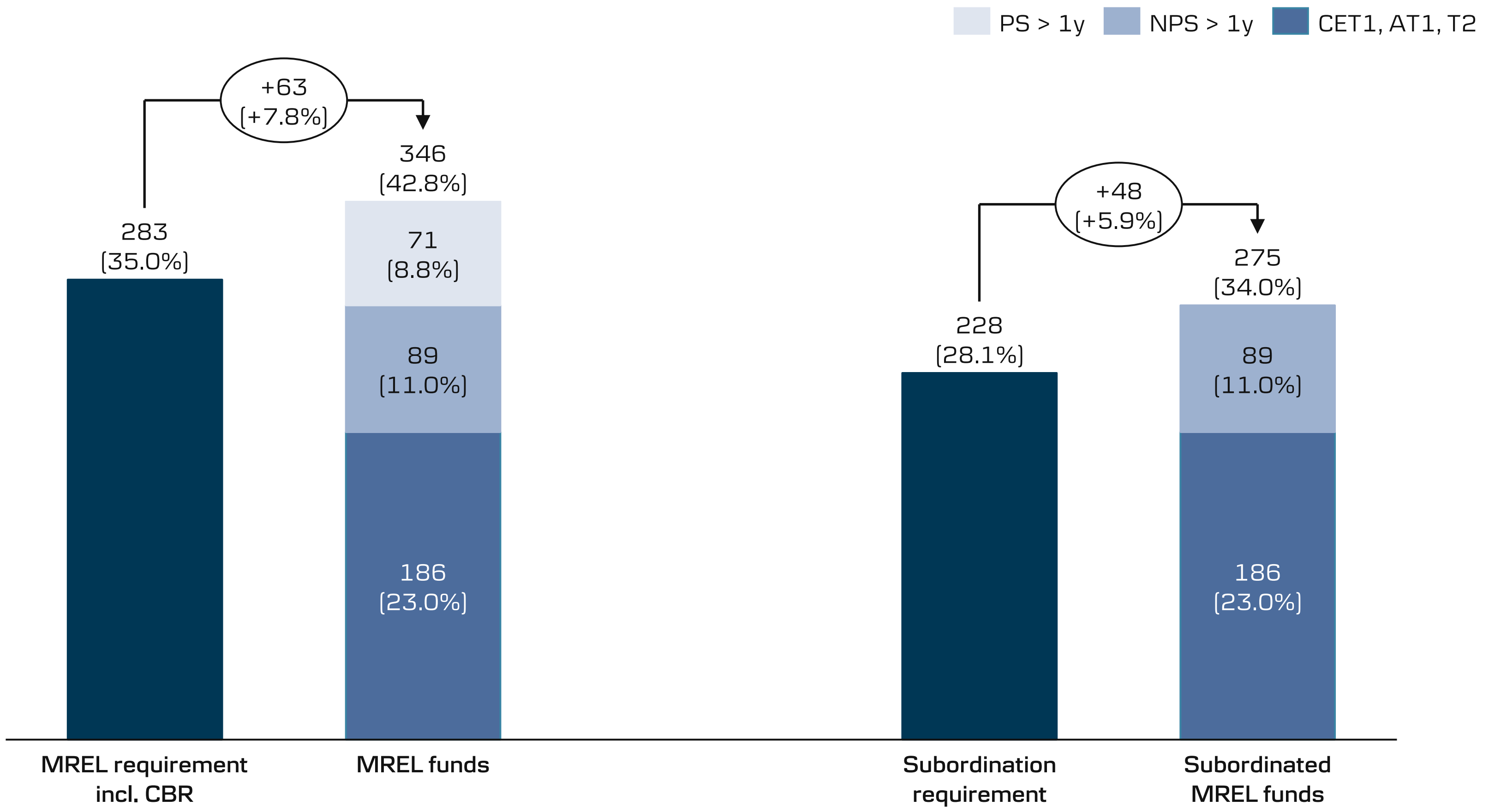
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	*Q1 2024*
REA	960	834	844	906	819	852	865	834	815	753	748	767	784	860	838	828	*809*
CET1 ratio	8.1%	9.5%	10.1%	11.8%	14.5%	14.7%	15.1%	16.1%	16.3%	17.6%	17.0%	17.3%	18.3%	17.7%	17.8%	18.8%	*18.5%*
Net profit	1.0	1.7	3.7	1.7	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	*5.6*
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	*3,710*

1. The decline in CET1 capital in 2018 is due mainly to Danica Pension's acquisition of SEB Pension Danmark 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 Q124 DKK bn (% of Group REA)



Comments

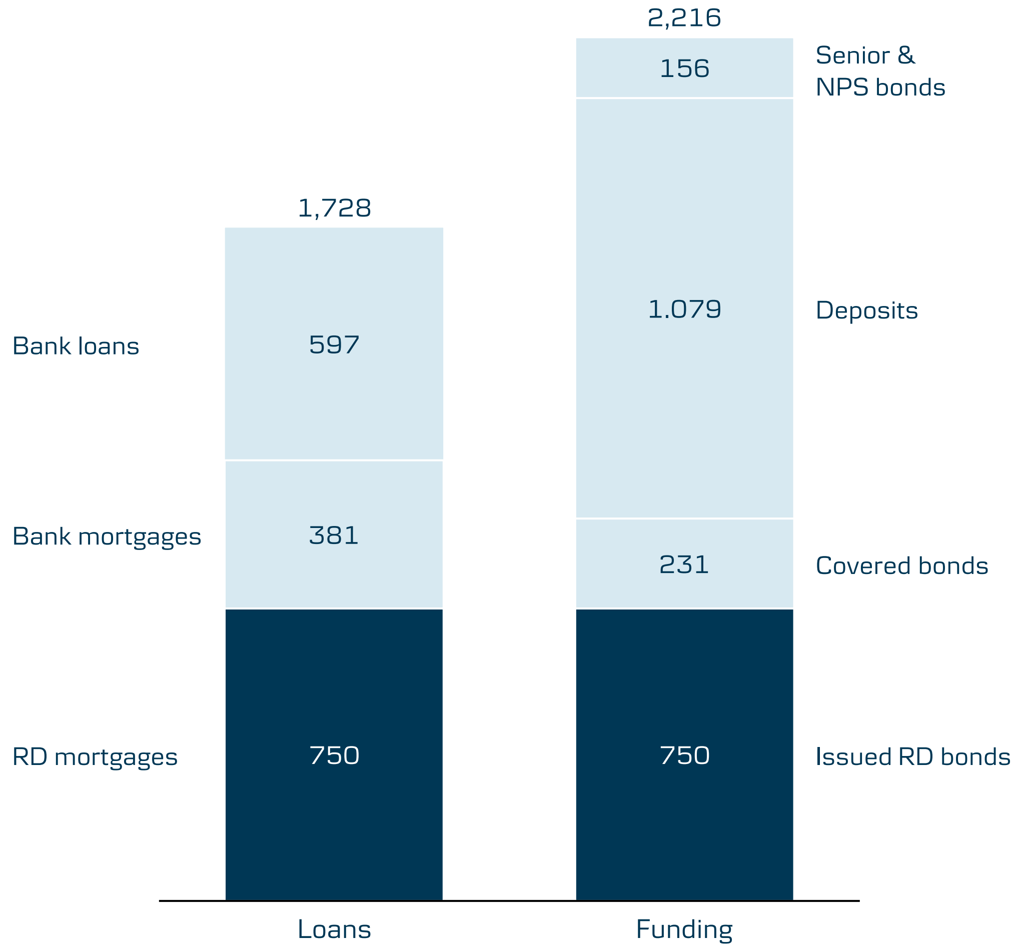
- The Group has to meet a MREL requirement and a subordination requirement, both adjusted for Realkredit Danmark (RD)
- The subordination requirement is the higher of 2x(P1 + P2) + CBR or 8% TLOF
- The Group's MREL requirement (total resolution requirement) is DKK 283bn incl. RD's capital and debt buffer requirement (DKK 45bn) and the combined buffer requirement (DKK 54bn). Excess MREL funds are DKK 63bn
- The Group's subordination requirement is DKK 228bn incl. RD's capital requirement (DKK 30bn). Excess subordinated MREL funds are DKK 48bn
- This figure shows the Group's MREL and subordination requirement as of end Q1 2024, 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

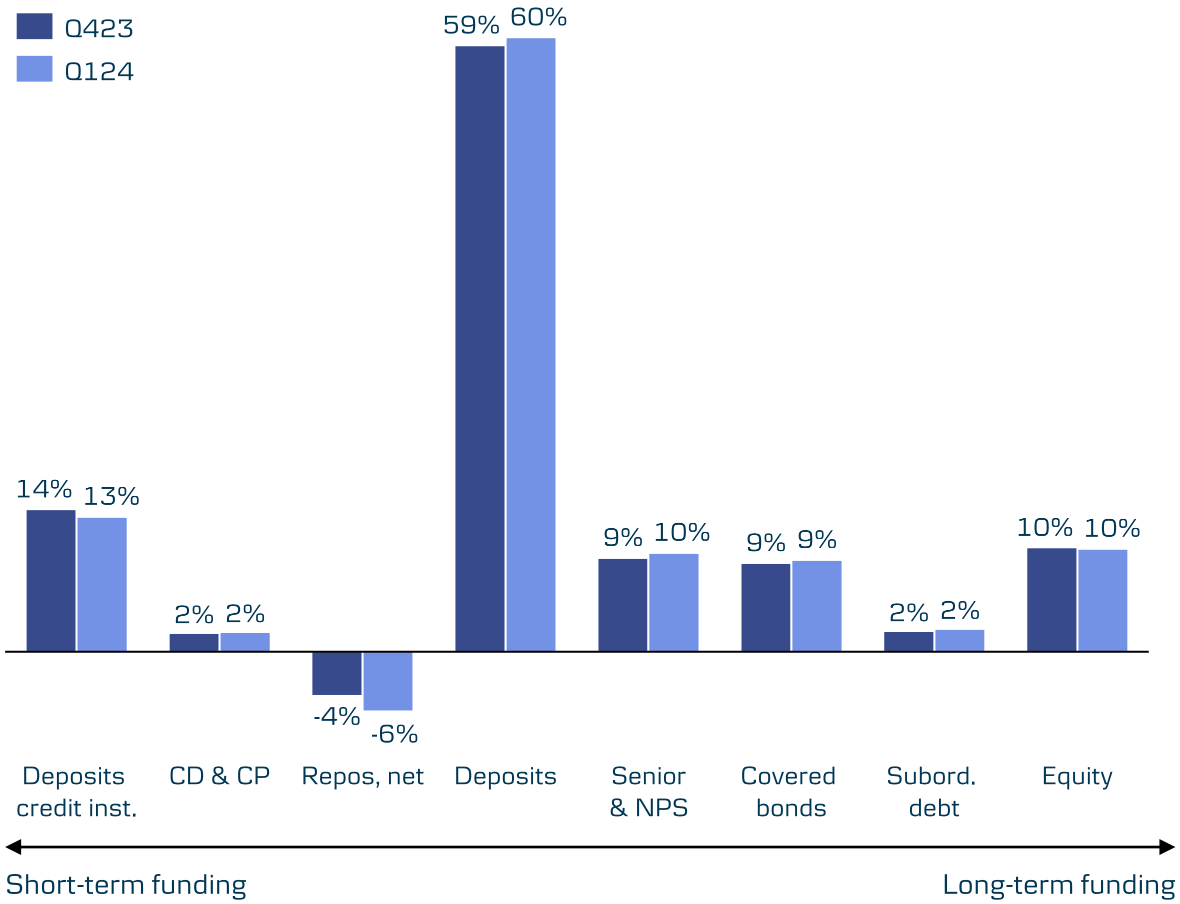
Funding & Liquidity

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

Loan portfolio and long-term funding Q124 (DKK bn)



Funding sources* (%)



* Figures are rounded

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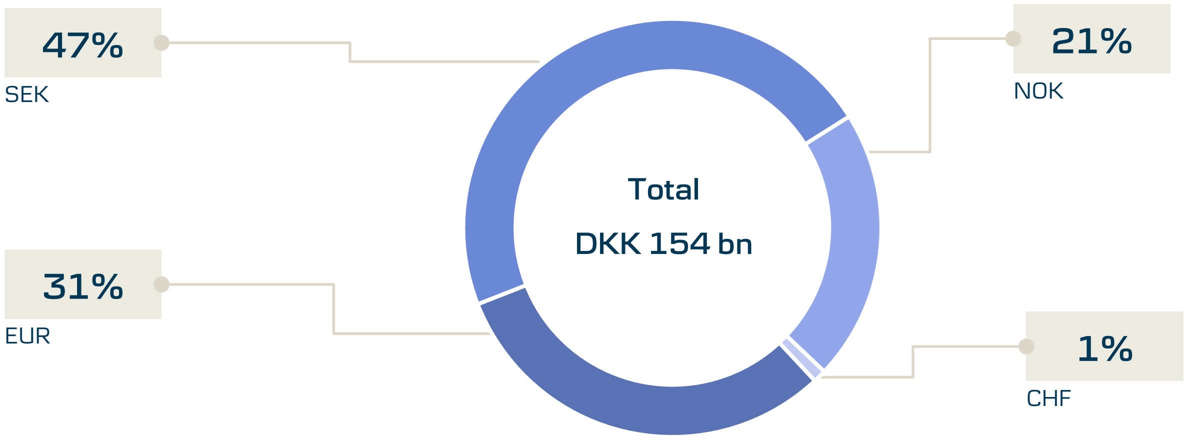
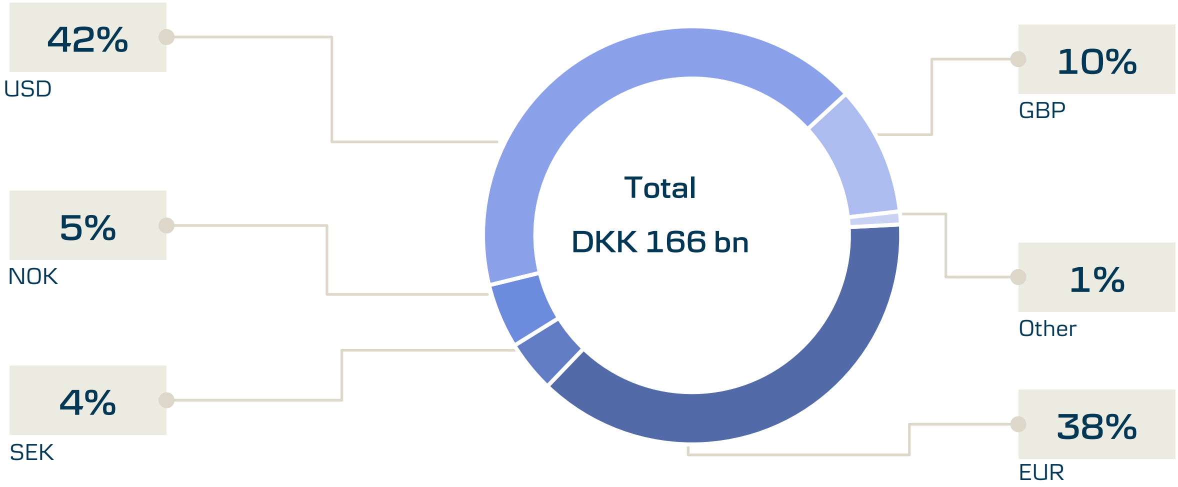
Funding programmes and currencies

Covered bonds by currency Q124



Senior debt[1] by currency Q124



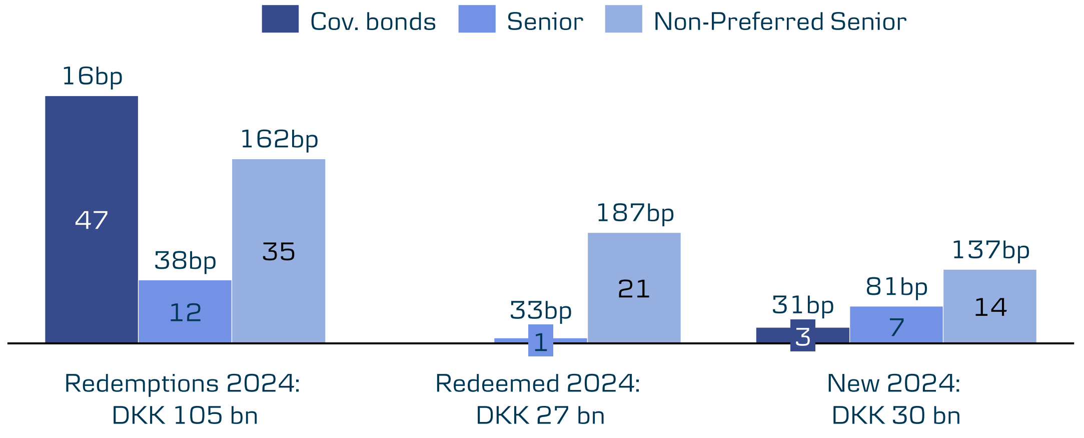
Largest funding programmes Q124

	Utilisation
EMTN Programme Limit – EUR 35bn	46%
Global Covered Bond Limit – EUR 30bn	57%
ECP Programme Limit – EUR 13bn	18%
US MTN (144A) Limit – USD 20 bn	50%
US Commercial Paper Limit – USD 6bn	0%
UK Certificate of Deposit Limit – USD 15bn	5%
NEU Commercial Paper Limit – EUR 10bn	8%

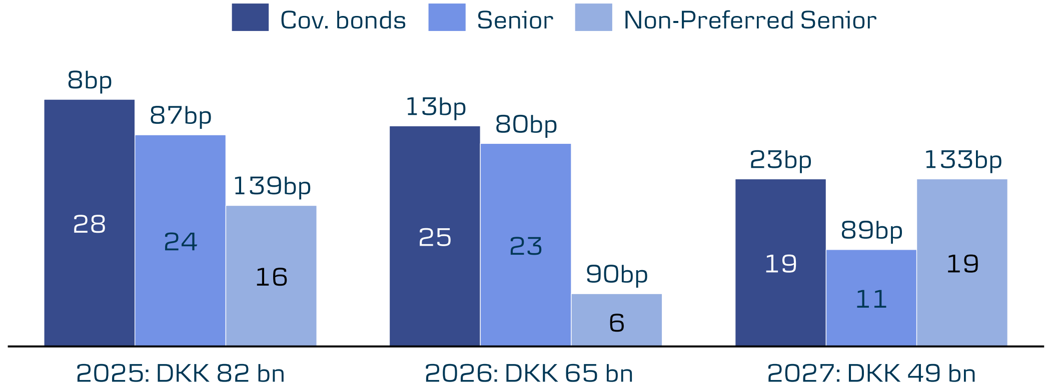
[1] Including senior preferred and non-preferred debt

Funding plan

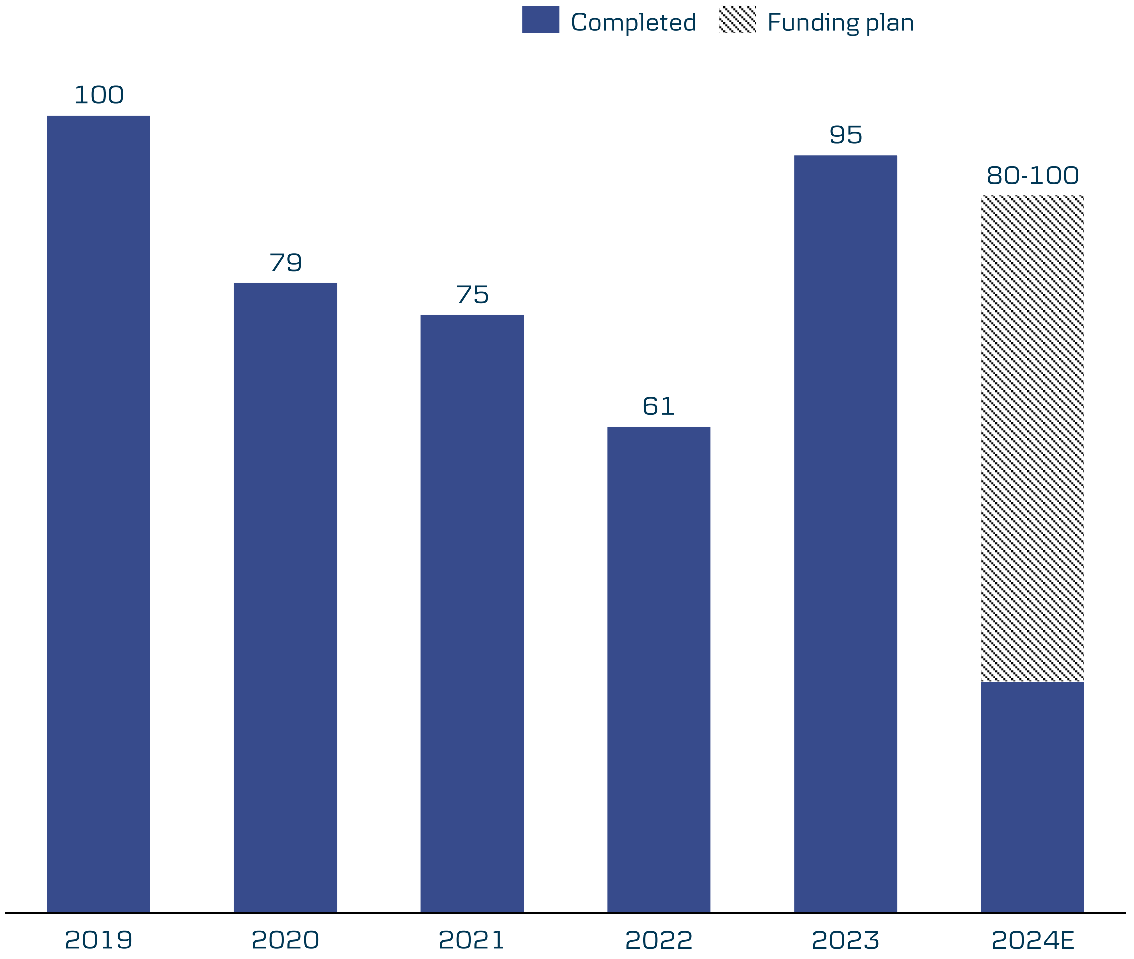
Changes in funding* 2024 (DKK bn and bp)



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 (*existing Norwegian cover pool assets and NOK-denominated liabilities to be sold to Nordea*)
- Sweden, Danske Hypotek AB
- Finland, Danske Mortgage Bank Plc

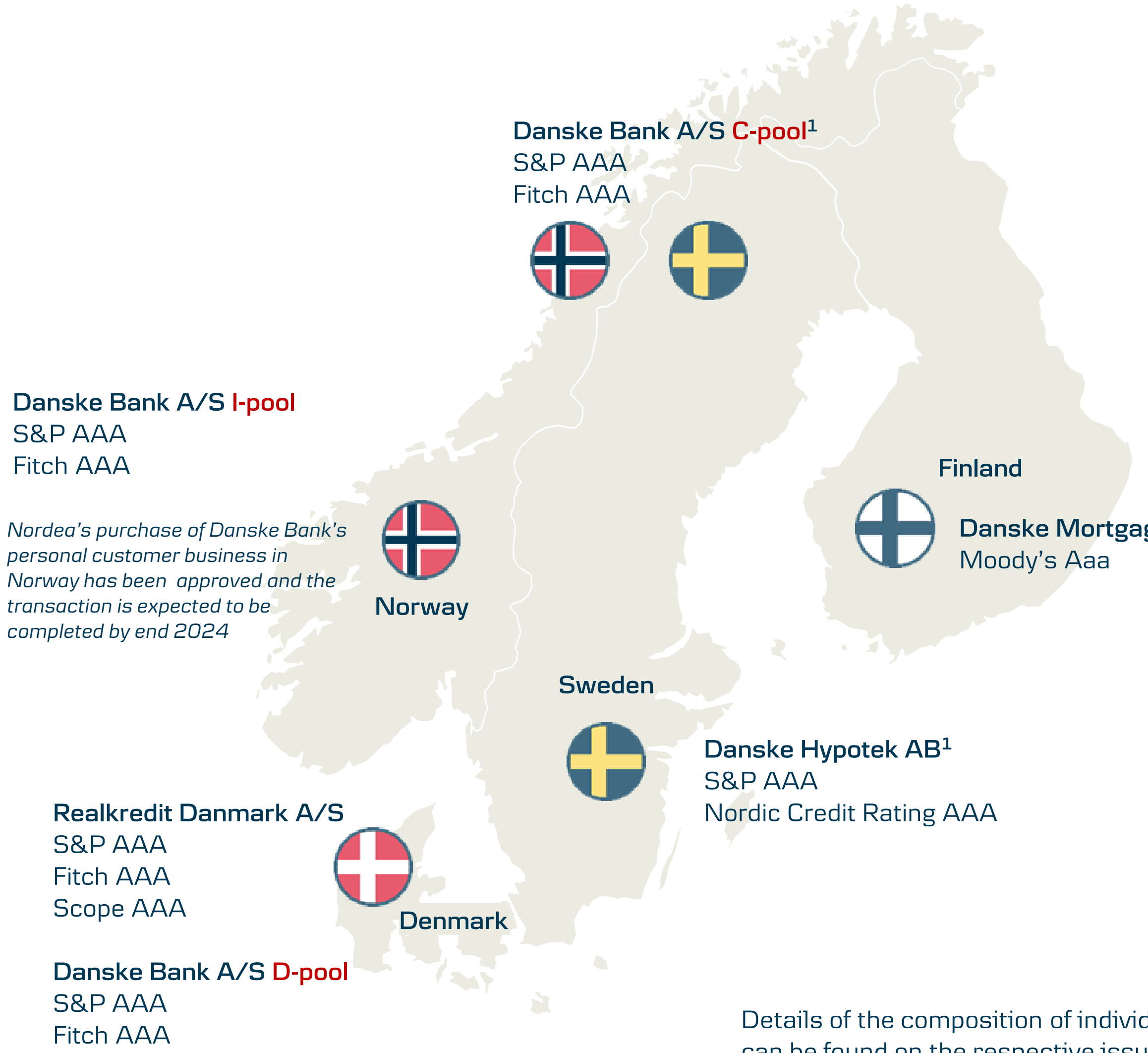
Commercial mortgages

- 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 – No change in Q1 2024

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 Q1 2024.

S&P and Fitch each have a Stable outlook on Danske Bank, while Moody's have a Positive outlook.

Danske Bank

Danske Bank's ESG ratings – No change in Q1 2024

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

	Q1 2024		End 2023	End 2022	End 2021	End 2020	Range
CDP[1]	B	362 companies, out of the 21,000 scored, made the 2023 Climate Change A List	B	B	B	B	A to F (A highest rating)
ISS ESG	C+ Prime	Decile rank: 1 (300 banks rated) C+ is the highest rating assigned to any bank by ISS ESG	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	61	61	64	100 to 0 (100 highest rating)
MSCI	BBB	MSCI rates 201 banks: AAA 5% AA 36% A 27% BBB 20% BB 8% B 1% CCC 1%	BBB	BBB	BBB	BB	AAA to CCC (AAA highest rating)
Sustainalytics	Medium Risk	Rank in Diversified Banks 96/313 Rank in Banks 358/1057	Medium Risk	Medium Risk	Medium Risk	High Risk	Negligible to Severe risk

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

Danske Bank

Danske Bank's credit ratings – No change in Q1 2024

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

FitchRatings

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)

	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Profit before tax according to P&L	7,517	7,235	6,475	6,018	6,954
Permanent non-taxable difference	218	-473	223	798	547
Adjusted pre-tax profit, Group	**7,736**	**6,762**	**6,698**	**6,815**	**7,501**
Tax according to P&L	1,888	1,470	1,156	1,007	1,787
Taxes from previous years etc.	24	251	503	652	71
Adjusted tax	1,912	1,721	1,660	1,658	1,858
Adjusted tax rate	24.7%	25.5%	24.8%	24.3%	24.8%
Actual-/Effective tax rate	25.1%	20.3%	17.9%	16.7%	25.7%
Actual-/Effective tax rate exclusive prior year regulation	25.4%	23.8%	25.6%	27.6%	26.7%

Tax drivers, Q1 2024

- The actual tax rate of 25.4% (excluding prior-year's adjustments) is lower than the Danish rate of 26% - 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 24.7% is lower than the Danish rate of 26% 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

Material extraordinary items in 2024

In Q1 2024, Danske Bank did not report extraordinary items

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Danske Bank

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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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