

Press release

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**Improving macroeconomic environment and good customer activity drive progress, supported  
by cost focus and strong credit quality  
Net profit of DKK 17.6 billion for the first nine months of 2024  
2024 net profit outlook revised upwards. Now expects a net profit of DKK 22.5-23.5 billion,  
against previously 21-23 billion**

Carsten Egeriis, Chief Executive Officer, comments on the financial results:

*“During the first nine months of 2024, we consistently delivered satisfactory financial results, while progressing with our strategic priorities. Stable core income, consistent cost management, improved customer activity and continually strong credit quality led to an increase in net profit of 14% for the first nine months of the year relative to the same period last year.*

*On the back of lower inflation, central banks have started to lower policy rates. In response to this, we lowered selected customer rates on lending and deposits during the first nine months of the year, while ensuring our offerings remain attractive across customer segments. This has resulted in an increase of 4% in deposit volumes for personal customers in Denmark during the period coupled with a substantial shift towards placing excess liquidity in our wide range of investment solutions, which contributed to a 10% increase in net fee income year-on-year. With continued growth in customer business volumes at our Business Customers unit and good traction during the year so far in our capital markets business at our Large Corporates & Institutions unit, there was progress across our business.*

*We continue to execute on our Forward '28 strategy, and with a return on equity of 13.4% and a cost/income ratio of 45.5%, we remain on track to meet our financial targets.”*

**First nine months of 2024 vs first nine months of 2023**

Total income of DKK 41.8 billion (up 8.4% against the first nine months of 2023)

Operating expenses of DKK 19.0 billion (up 1.0% against the first nine months of 2023)

Loan impairments of DKK -436 million (against DKK 294 million in the first nine months of 2023)

Net profit of DKK 17.6 billion (up 13.8% against the first nine months of 2023)  
Return on shareholders' equity of 13.4% (against 12.5% in the first nine months of 2023)  
Strong capital position, with a total capital ratio of 23% and a CET1 capital ratio of 19.1%

### **Macroeconomic environment more positive**

In the third quarter, the macroeconomic outlook improved, as inflation got under control and interest rates were lowered, which all in all is paving the way for an outlook for stable growth. Among the Nordic countries, the macroeconomic outlook is especially positive in Denmark where the labour market remains strong, inflation is low and economic growth is expected to be solid, even without the significant contribution from the pharmaceutical sector. Despite the more positive macroeconomic outlook, we remain prudently aware of the downside risks stemming from the geopolitical situation and concerns about a potential slowdown in economic activity.

Although geopolitical tension has unfortunately become permanent and continues to be the global backdrop, the macroeconomic picture in the Nordic countries has improved, and we maintain our strong focus on our customers and are delivering according to the plan set out in our Forward '28 strategy. Our focus on execution and our efforts to improve Danske Bank to the benefit of all stakeholders are moving us forward as expected.

### **Improved commercial momentum in core banking**

We continue to see improved commercial momentum and good interest in our leading advisory solutions for customers with complex needs, and we continue to enhance our products to make everyday banking both simpler and safer.

At our Personal Customers unit, we saw an increase in net fee income, particularly from everyday banking and investment fees, higher net interest income from deposits and a net loan impairment reversal. Good growth in customer business volumes across our Business Customers unit supported an increase in bank lending volumes in local currency across our Nordic markets, except for Denmark. And at our Large Corporates & Institutions unit, the positive momentum continued, among other things with good activity in Loan Capital Markets, where we in the third quarter supported the financing of some of the largest transactions in Europe.

The improved momentum shows that Danske Bank's underlying business is strong, our treasury asset and liability management is prudent, and our capital and liquidity positions continue to be strong, with significant buffers well above regulatory requirements.

*“Supported by the improving macroeconomic environment, our diversified business model and core activities continued to ensure commercial progress. Net interest income increased 6% in the first nine months of the year and net fee income was up 10% for the period as a result of both solid customer activity and our ongoing development of customer offerings across the business. We continued our consistent focus on costs and on creating further efficiency improvements in our processes, allowing us to keep operating expenses on par while still developing according to plan. Our sustained commercial momentum and focus on operational efficiency thus resulted in a*

*cost/income ratio of 45.5% and a return on equity of 13.4%, with credit quality remaining strong, as reflected in a net loan impairment reversal across all countries. The continued cost focus and strong credit quality is furthermore the basis for our second upward revision this year, which is a testament to the robustness of the bank and our customers,” says Stephan Engels, CFO.*

### **Personal Customers**

During the first nine months of 2024, we continued to support our customers in managing their finances in a market environment characterised by falling interest rate levels. Our Danske Bolig Fri home finance products were in high demand and were named ‘Best in Test’ by the Danish Consumer Council. The same was the case for our loans targeting first-time home buyers. We also saw an increased flow of customers into our Private Banking unit. Profit before tax amounted to DKK 7.48 billion in the first nine months of 2024, representing an increase of 21% from the year-earlier period. The result was fuelled primarily by an increase in net fee income, particularly from everyday banking and investment fees, and a net loan impairment reversal.

### **Business Customers**

In the first nine months of 2024, the economic landscape in which we operate continued to improve, due primarily to a stabilisation of interest rates in the first part of the period, followed by interest rate cuts by the central banks towards the latter part of the period. We continued to expand the customer base in our focus segments. In addition, we took strategic repricing actions and continued to enhance support for our customers by providing the best possible advice tailored to their needs. Profit before tax for the first nine months of 2024 amounted to DKK 6.69 billion, a decrease of 6% from the same period last year. Net fee income rose as a result of our subscription-based fee service model as well as repricing actions. However, we saw an increase in operating expenses attributable to investments made under our Forward '28 strategy.

### **Large Corporates & Institutions**

In the first nine months of 2024, we continued to see a positive underlying momentum, particularly in our fee business as higher fees from assets under management, everyday banking products and capital markets activities mitigated the decline in net trading income, thus demonstrating the value of our diversified business model. Furthermore, we continued to leverage our strategic commercial strengths as reflected in growth in our corporate customer portfolio outside Denmark, an increased market share of cash management services and the maintaining of our leading position in sustainable finance. Profit before tax increased to DKK 7.03 billion, an increase of 6% from the same period last year. The increase was driven by higher net fee income and loan impairment reversals, although the increase was partly offset by lower net trading income.

### **Danica Pension**

Through high levels of volatility, the global markets continued their positive trend in the third quarter of 2024. The investment return on our pension customers’ savings in the first nine months of the year profited from the favourable trend in the global financial markets. We have thus had a prolonged period throughout 2023 and 2024 during which we have been able to deliver significant returns for our customers. However, we continued to see challenges in the health and accident

business due to a rise in new health and accident claims. This reflects the general trend in society. Net income at Danica Pension increased to DKK 1.41 billion in the first nine months of 2024, up 53% from the level in the first nine months of 2023, due to an increase in the net financial result.

### **Northern Ireland**

The strong underlying financial performance reflects business growth in a higher interest rate environment. Profit before loan impairments was 7% higher than in the first nine months of 2023, while profit before tax of DKK 1.51 billion represented an increase of 3% year-on-year.

### **Outlook for 2024**

The outlook for 2023 is revised upwards to a net profit in the range of DKK 22.5-23.5 billion. At the release of our upward adjustment on 26 June 2024, we guided for a full-year 2024 net profit in the range of DKK 21-23 billion. The change in outlook is based on better cost trajectory as well as lower than expected loan impairments.

The outlook is subject to uncertainty and depends on economic conditions.

Danske Bank

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More information about Danske Bank's financial results is available at [danskebank.com/reports](https://danskebank.com/reports).