Investor Presentation

Financial results Q3 2024

Content

Danske Bank
- a brief overview

We are a focused Nordic bank with strong regional roots

3.2m
personal and business customers

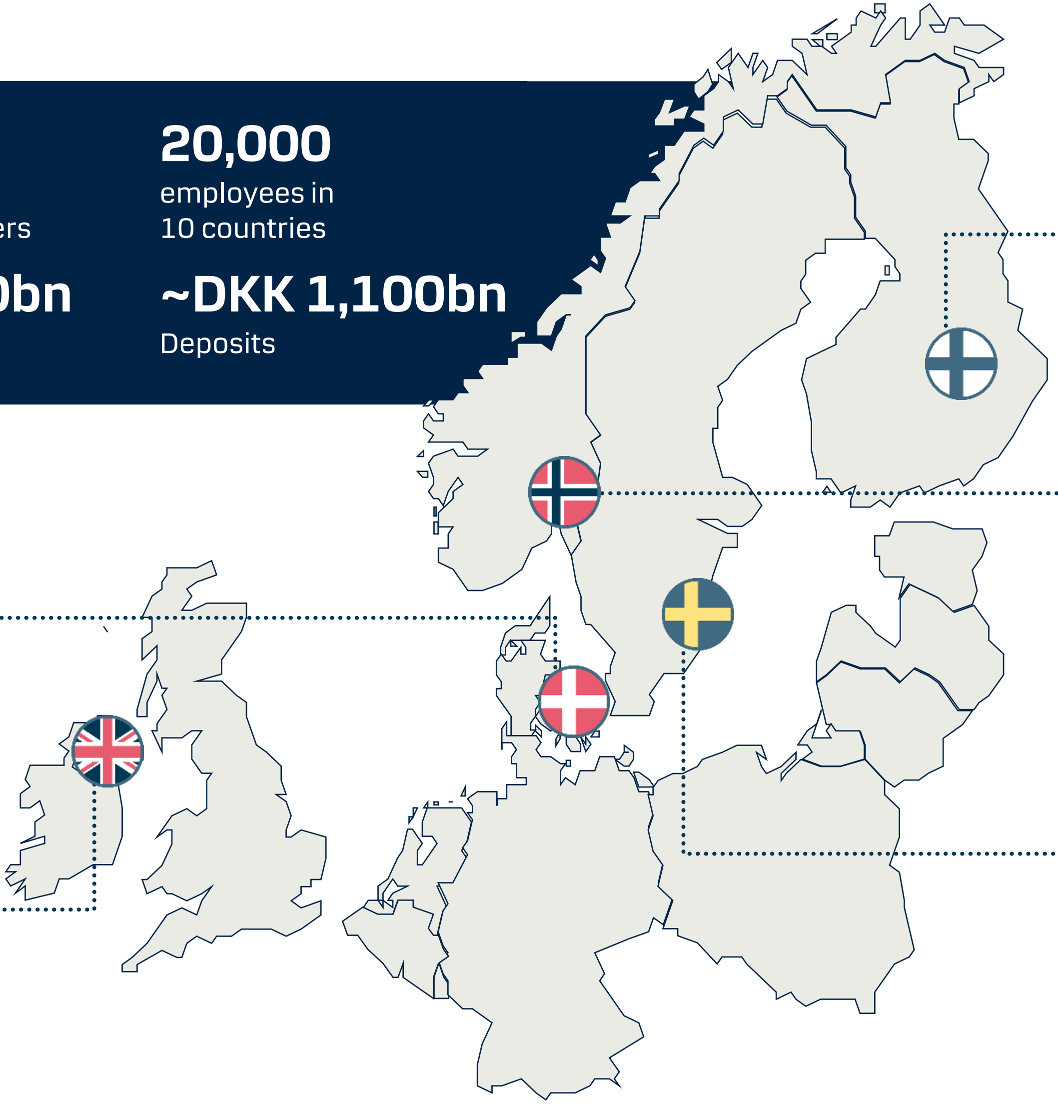
2,000+
large corporate and institutional customers

20,000
employees in 10 countries

DKK >861bn*
Assets under Management

>DKK 1,700bn
Loans & Mortgages

~DKK 1,100bn
Deposits



Denmark (AAA)
Market leader
Share of Group lending: 46%

GDP growth 2024E: 1.8%
Unemployment 2024E: 2.9%
Leading central bank rate: 2.85%

Northern Ireland (AA)
Market leader
Share of Group lending: 4%

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

GDP growth 2024E: -0.4%
Unemployment 2024E: 8.3%
Leading central bank rate: 3.25%

Norway (AAA)
Challenger position
Share of Group lending: 8%

GDP growth 2024E: 0.7%
Unemployment 2024E: 2.1%
Leading central bank rate: 4.50%

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

GDP growth 2024E: 1.2%
Unemployment 2024E: 8.4%
Leading central bank rate: 2.75%

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.

Nordic Outlook September 2024: Normalising economies, with risks

Denmark

	2023	Forecast 2024	Forecast 2025
GDP Growth	2.5%	1.8% (2.1%)	2.0% (2.0%)
Inflation	3.3%	1.5% (2.0%)	1.9% (1.9%)
Unemployment	2.8%	2.9% (2.9%)	3.1% (3.1%)
Policy rate*	3.60%	2.85% (3.10%)	2.10% (2.35%)
House prices	-2.7%	4.0% (4.0%)	2.5% (2.5%)

Source: Danske Bank, Statistics Denmark, Nationalbanken

Sweden

	2023	Forecast 2024	Forecast 2025
GDP Growth	0.1%	1.2% (1.5%)	2.4% (2.0%)
Inflation	8.6%	2.8% (2.5%)	0.6% (1.0%)
Unemployment	7.7%	8.4% (8.4%)	8.2% (8.1%)
Policy rate*	4.00%	2.75% (3.25%)	2.00% (2.25%)
House prices	-9.9%	3.5% (1.0%)	5.0% (5.0%)

Source: Danske Bank, Statistics Sweden, Riksbanken

Norway

	2023	Forecast 2024	Forecast 2025
GDP Growth	1.1%	0.7% (0.9%)	2.0% (2.0%)
Inflation	5.5%	3.2% (3.4%)	2.0% (2.0%)
Unemployment	1.8%	2.1% (2.1%)	2.4% (2.4%)
Policy rate*	4.50%	4.50% (4.00%)	3.50% (3.00%)
House prices	0.2%	3.0% (3.0%)	5.0% (5.0%)

Source: Danske Bank, Statistics Norway, Norwegian Labour and Welfare Organization (NAV), Norges Bank

Finland

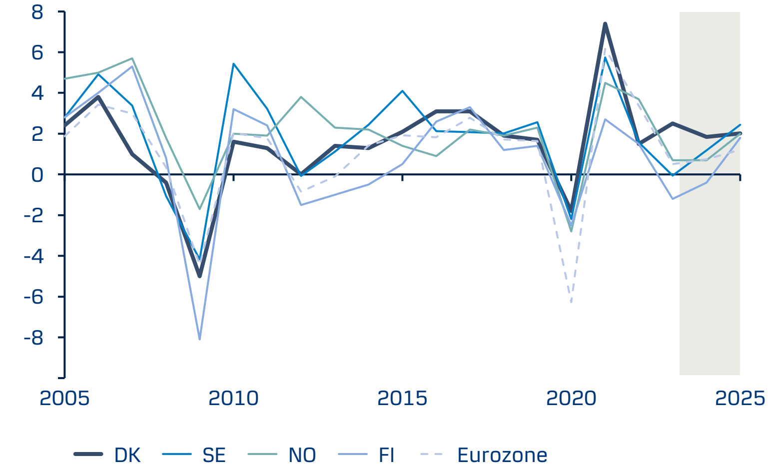
	2023	Forecast 2024	Forecast 2025
GDP Growth	-1.2%	-0.4% (-0.4%)	1.8% (1.8%)
Inflation	6.3%	1.9% (1.8%)	1.5% (1.8%)
Unemployment	7.2%	8.3% (8.2%)	8.0% (7.9%)
Policy rate*	4.00%	3.25% (3.50%)	2.50% (2.75%)
House prices	-6.3%	-1.0%(0.0%)	4.0% (3.5%)

Source: Danske Bank, Statistics Finland, EKP

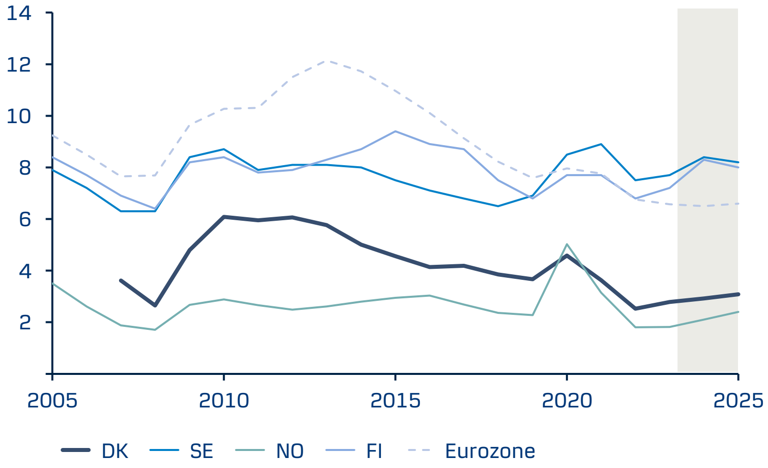
Parentheses are the old projections (From June 2024)
*End of period

Historical macroeconomic development in the Nordics

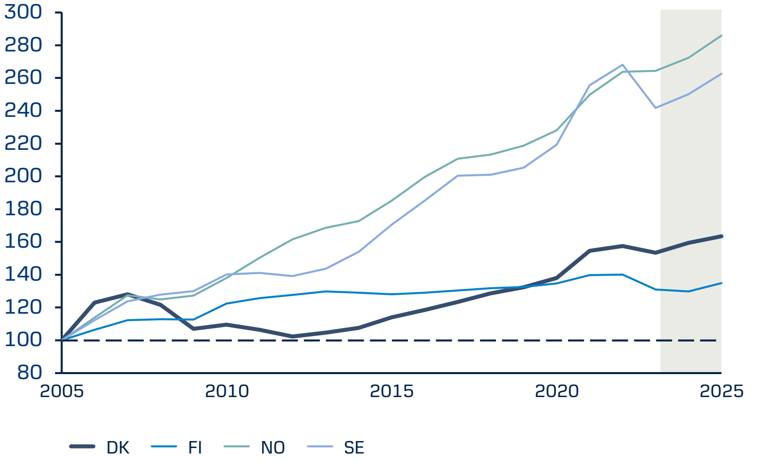
GDP development (%)



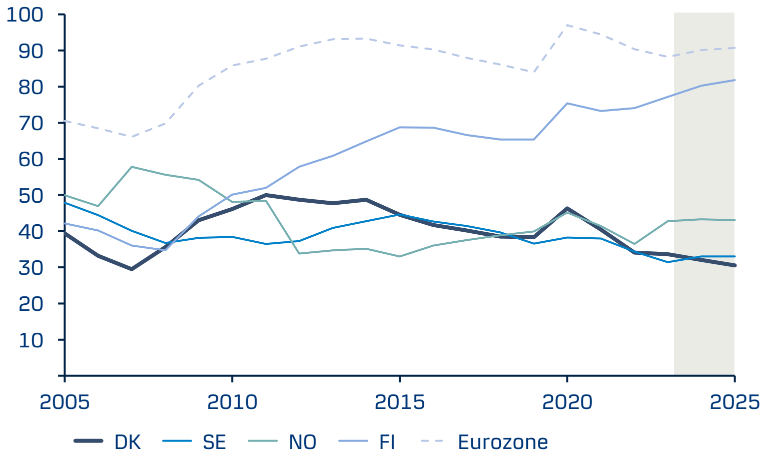
Unemployment (%)



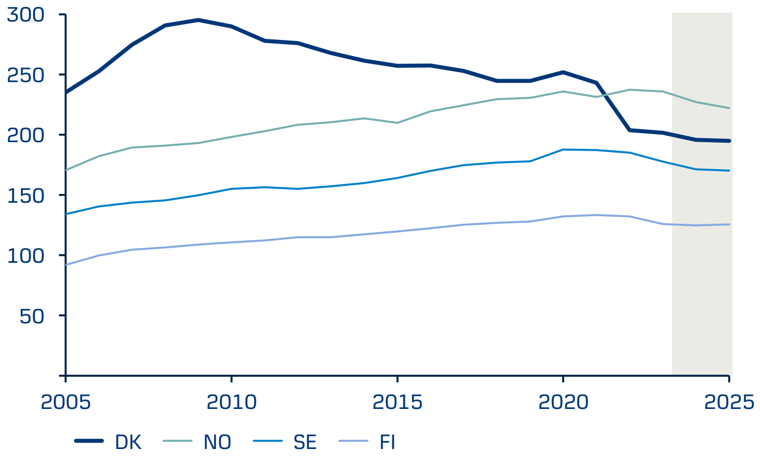
House prices (index 100=2005)



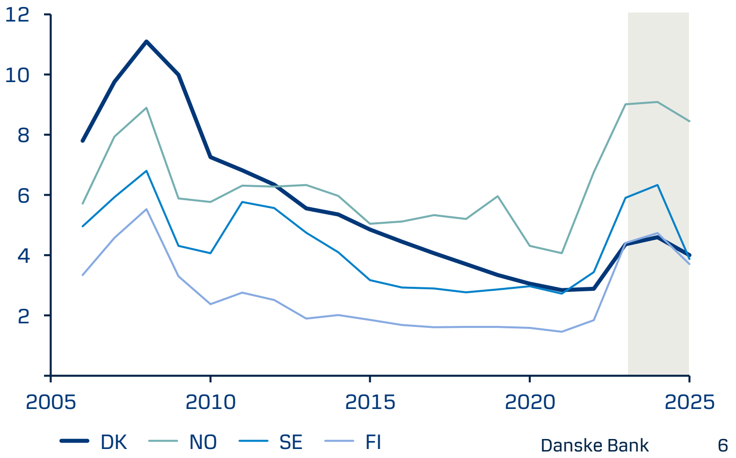
Debt to GDP (%)



Household debt (% of disp. income)



Household interest (% of disp. income)



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

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 in growth segments*	40k
	Customer satisfaction with Mobile Bank	8.5
Business Customers	Annual growth in Daily Banking fees in BC	5%
	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 H1-23 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.

Highlights: Sustained NII momentum supported by balance sheet effects; improved efficiency and strong credit quality drive higher profitability

Net profit of DKK 6.2bn

Boosting Return on Equity to 13.9% in Q3, and 13.4% YTD

Resilient NII

NII peaked in Q3 as expected, supported by balance sheet effects and despite accelerated central bank rate cuts

More efficient – cost/income at 45%

Prudent cost management enables cost development below average wage growth

Continued progress in corporate activity

Underpinned by improving credit demand in all corporate segments, and strong trend for activity-driven fee income

Strong credit quality and capital position

Net impairment reversal partly driven by review of PMA buffer
CET 1 ratio of 19.1%, +450 bps above requirement

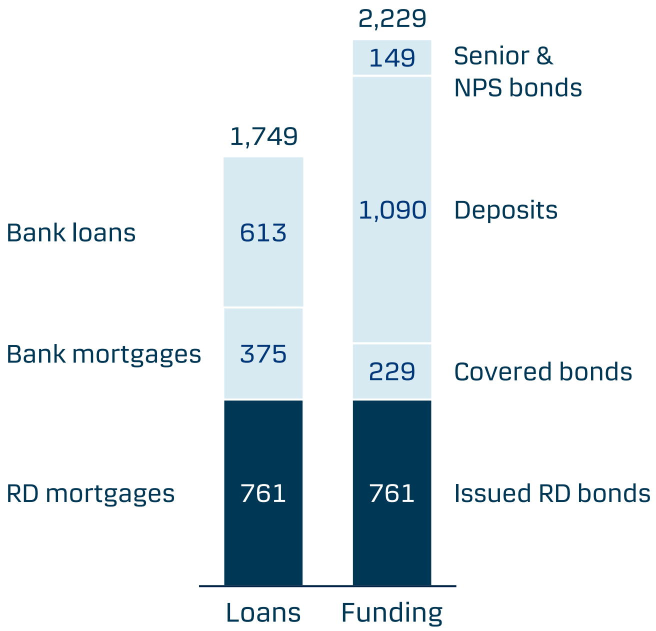
2024FY Outlook raised DKK 22.5 – 23.5bn

Driven by better-than-expected development for operating expenses and loan impairment charges

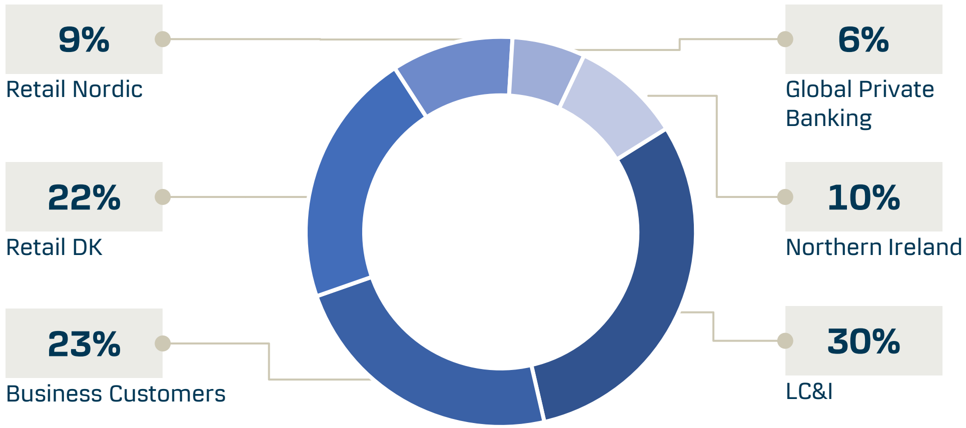
Danske Bank's strong balance sheet underpins our resilient business model which includes a well-balanced ALM strategy and a very strong liquidity position

- 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 a significant cash position and a liquidity coverage ratio (LCR) of 175%, 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
- In terms of long-term wholesale funding, as per early October, we had issued more than DKK 70 billion so far in 2024 (funding plan DKK 70 – 85bn)

Sound funding structure (DKK bn)

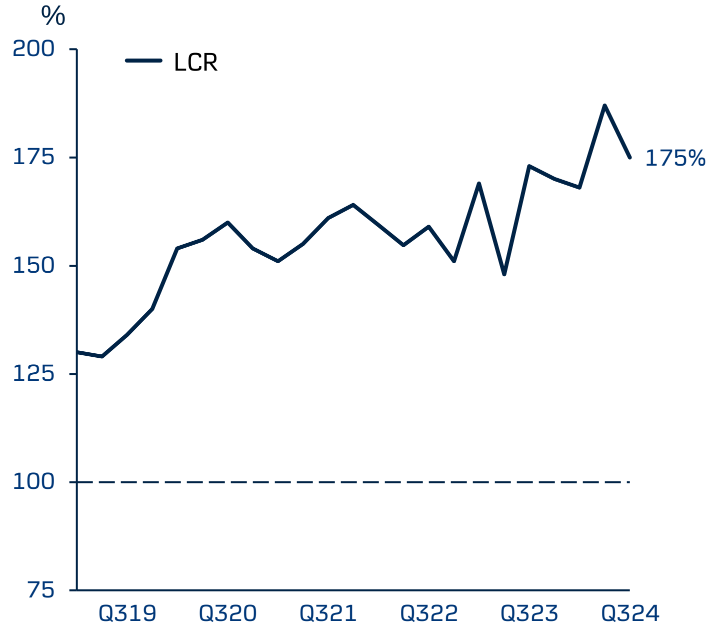


Diversified and stable deposit base



	2021	2022	2023	Q3 24
Total bank deposits (DKK bn)	1,168	1,172	1,140	1,090
of which Stable deposits*	376	388	373	366
of which Operational deposits*	297	319	307	299
Stable & Operational, % of bank deposits	58%	60%	60%	61%

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

We have defined our **strategic approach and priorities** for sustainability

Our strategic ambition

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

Our strategic focus areas

Create lasting value for our customers, business and society

- **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**

Financial outlook for 2024 revised upward due to expected lower expenses and loan impairment charges

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 now expect **operating expenses** in 2024 to be around DKK 25.8 billion, reflecting lower than expected non-recurring items, effect from insurance reimbursement and continued focus on cost management. The outlook now includes non-recurring items of approximately DKK 0.3 billion related to the relocation to the new domicile and minor costs for the divestment of Personal Customers Norway
Impairments	**Loan impairment charges** are now expected to be around zero due to continued strong credit quality and despite an elevated level of geopolitical and macroeconomic uncertainty
Net profit *	We expect **net profit** to be in the range of DKK 22.5-23.5 billion

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

Financial highlights – third quarter 2024

Strong profitability driven by steady NII uplift and solid fee income; cost trajectory in line with plan; strong credit quality & net reversal of impairments

Highlights

- Total income up 8% y/y driven by sustained uplift in core banking income.
- NII trajectory resilient as accelerated policy rate cuts are partly mitigated by deposit hedges
- Fee income driven by solid customer activity. Q/Q lower after positive one-off in Q2 and Q3 partnership payment, while DCM performance affected by seasonality
- Trading income reflecting increase in customer activity in Q3
- Danica income benefited from stable financial markets and higher premiums y/y
- Costs in line with expectations as inflation and targeted investments are mitigated by efficiency gains and lower FCRP and legacy spend. Cost trajectory q/q benefited from DKK 0.2bn one-off
- Robust credit quality and well-provisioned portfolio led to net reversal of impairments in Q3 alongside review of PMA buffer
- Net profit up 14% y/y, resulting in a RoE of 13.4%

Income statement (DKK m)

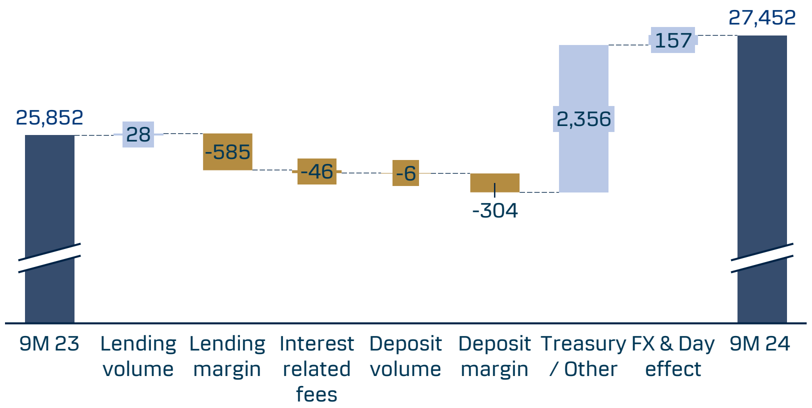
	9M 24	9M 23	Index	Q3 24	Q2 24	Index
Net interest income	27,452	25,852	106	9,165	9,145	100
Net fee income	10,403	9,422	110	3,329	3,698	90
Net trading income	2,110	2,127	99	733	608	121
Net income from insurance business	1,407	922	153	459	457	100
Other income	464	272	171	140	147	95
Total income	**41,836**	**38,595**	**108**	**13,826**	**14,055**	**98**
Operating expenses	19,046	18,853	101	6,228	6,481	96
Profit before loan impairments	**22,790**	**19,741**	**115**	**7,598**	**7,574**	**100**
Loan impairment charges	-436	294	-	-337	-200	169
Profit before tax	**23,227**	**19,447**	**119**	**7,935**	**7,774**	**102**
Tax	5,593	3,950	142	1,770	1,936	91
Net profit	**17,634**	**15,497**	**114**	**6,165**	**5,839**	**106**

NII: Sustained uplift in NII as support from volumes and balance sheet effects mitigate central bank rate cuts and despite timing of pricing adjustments

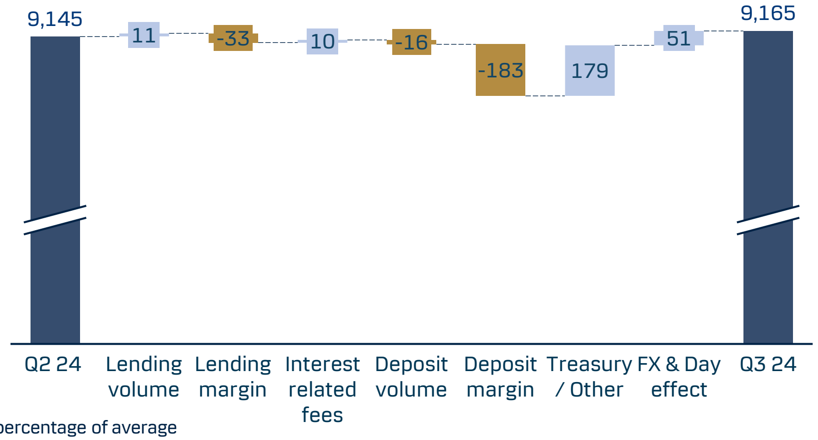
Highlights

- Net interest income trended in line with expectations as deposit hedge dynamics mitigated central banks' initial cuts
- Y/Y benefited from higher return on shareholders' equity and structural hedge. Both lending and deposit margins affected by competitive pricing and pass-through effects
- Q/Q resilience supported by positive contribution from corporate lending volumes. Margins impacted by the CB policy rate cuts and timing of pricing adjustments
- 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

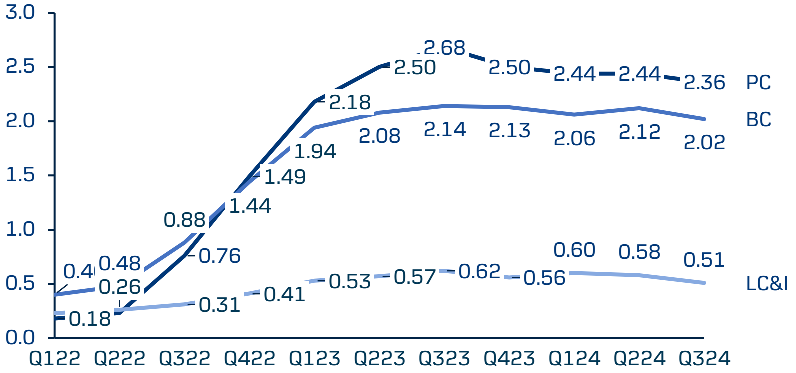
NII 9M24 vs 9M23 (DKKm)



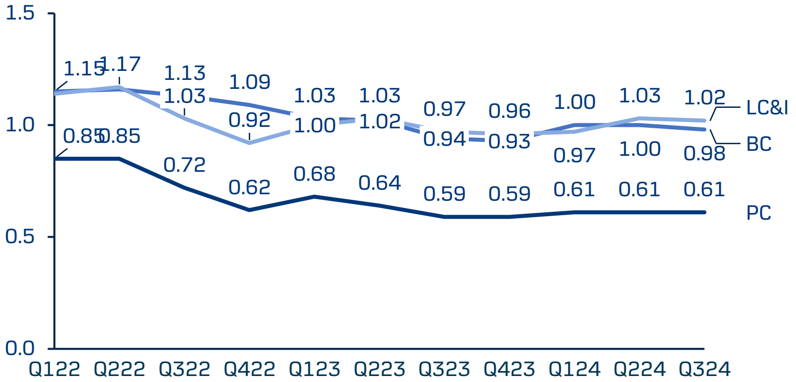
NII Q324 vs Q224 (DKKm)



Deposit margin development* (%)



Lending margin development* (%)



*Margin development trends are the annualised net interest income on lending/deposits as a percentage of average lending/deposits for the period. They include effects from FX, volumes and other interest related items etc.

Fee income: Up 10% Y/Y, driven by high customer activity across products; Q/Q activity remained solid but lower due to one-offs and lower investment fees

Highlights

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

- Driven by solid demand for everyday banking solutions such as cards and corporate cash management services and repricing of services
- Q2 benefited from a non-recurring decline in fee expenses of DKK ~100 million. Additionally, Q3 includes a catch-up partnership payment

Lending and guarantee fees

- Gradual recovery in housing market activity continued, although overall activity remained subdued and financing fees impacted by low auction activity in Q3

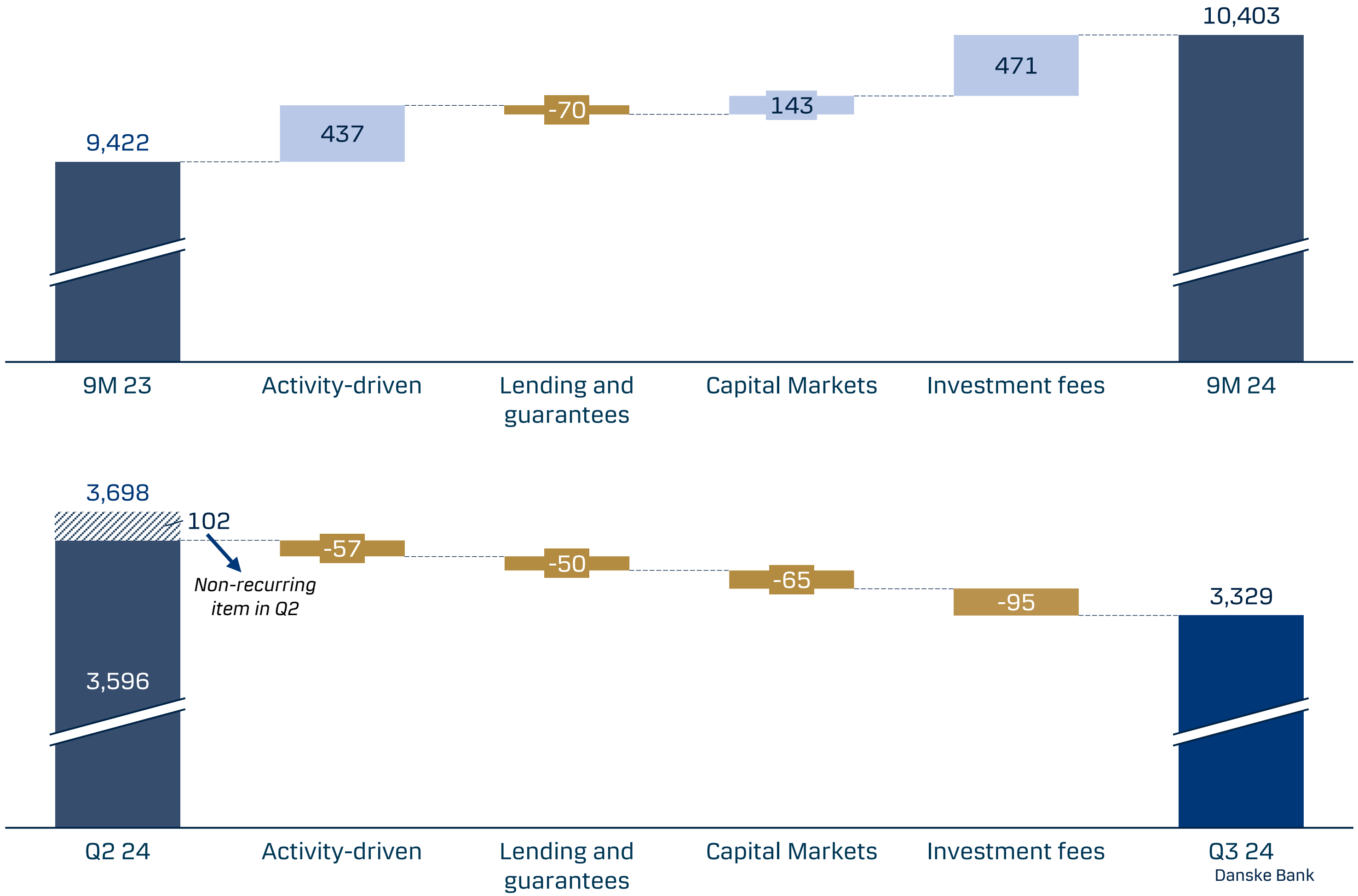
Capital markets fees

- Q/Q: Primary market activity impacted by slow-down in summer period

Investment fees

- AuM increased DKK 21bn Q/Q to DKK 861bn, driven by strong institutional net sales of DKK 12bn
- Q/Q: Investment fees lower after strong Q2 in Private Banking

Net fee income (DKK m)



Trading income: Healthy customer activity supported by favourable market conditions

Highlights

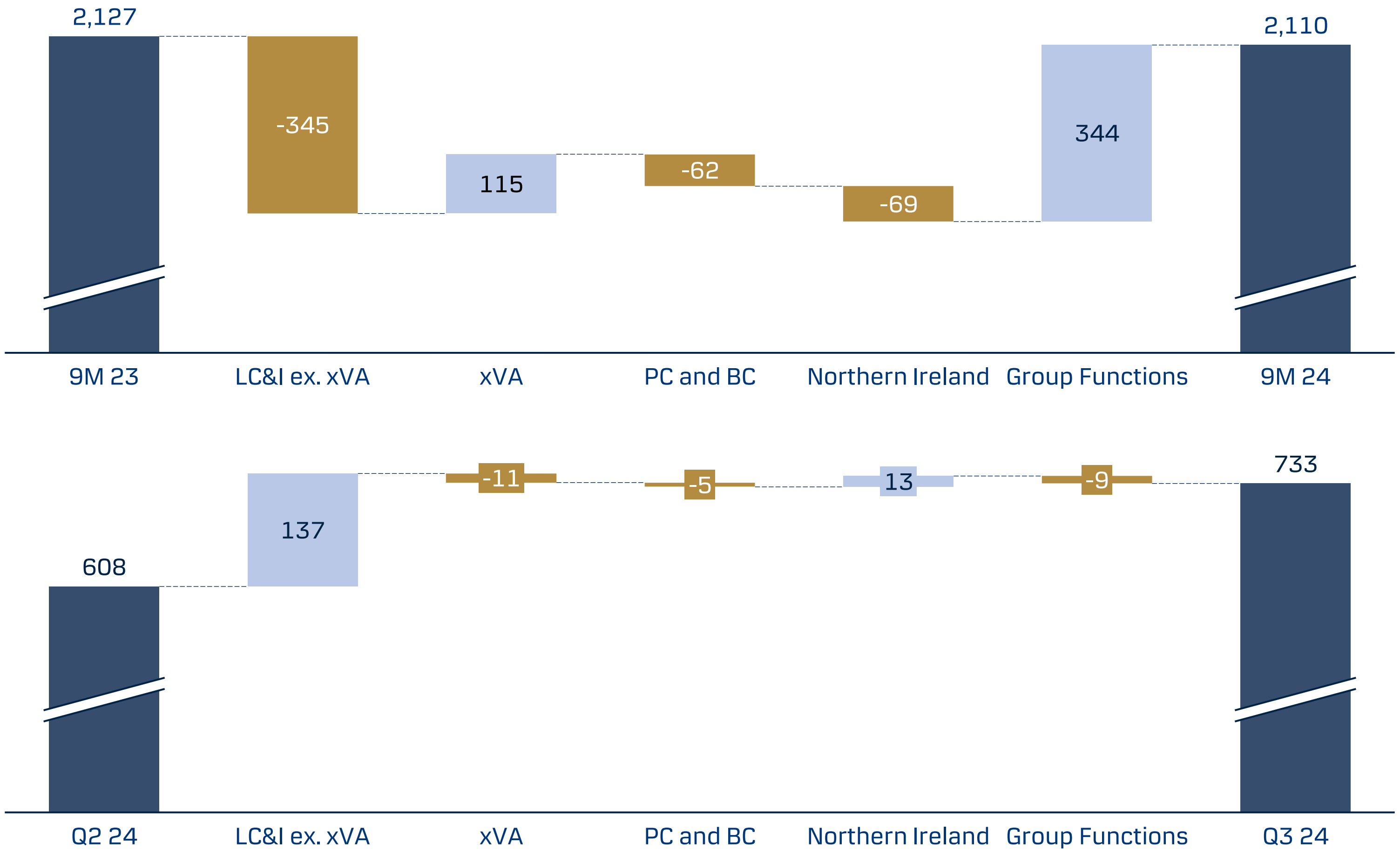
LC&I

- Y/Y: Healthy customer activity, reiterating that H1-23 was exceptionally strong at LC&I
- Q/Q: Favourable market conditions on the back of central bank rate cuts

Other Business Units

- Y/Y: Q2-23 and Q3-23 were impacted by one-off effects that had a net effect of DKK 0.5 billion in Group Functions

Net trading income (DKK m)

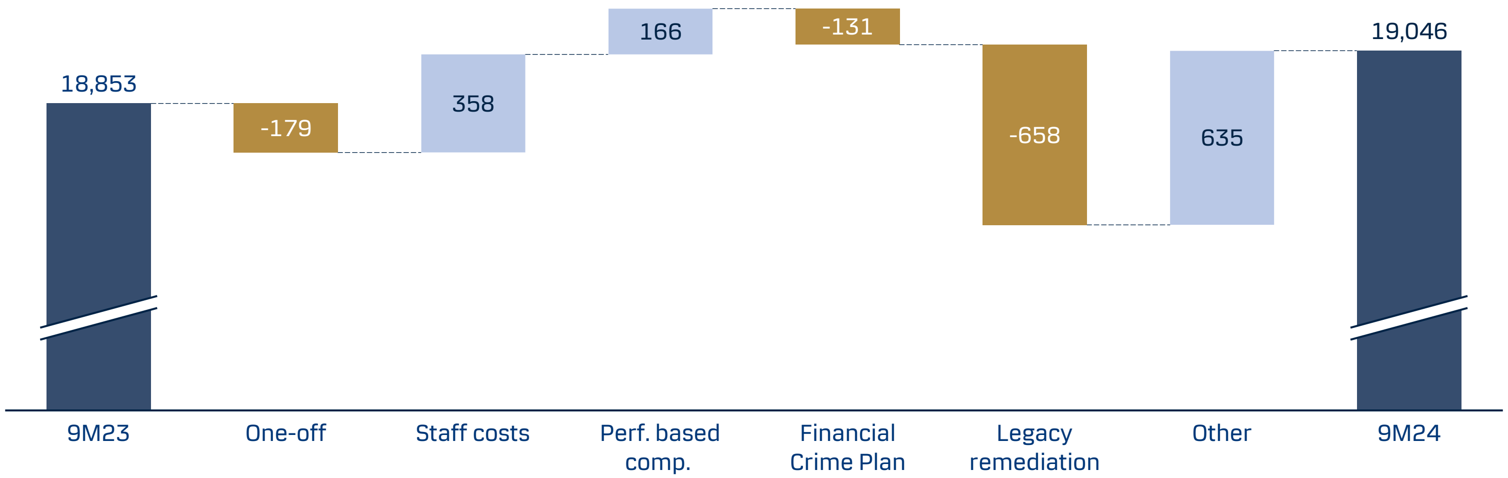


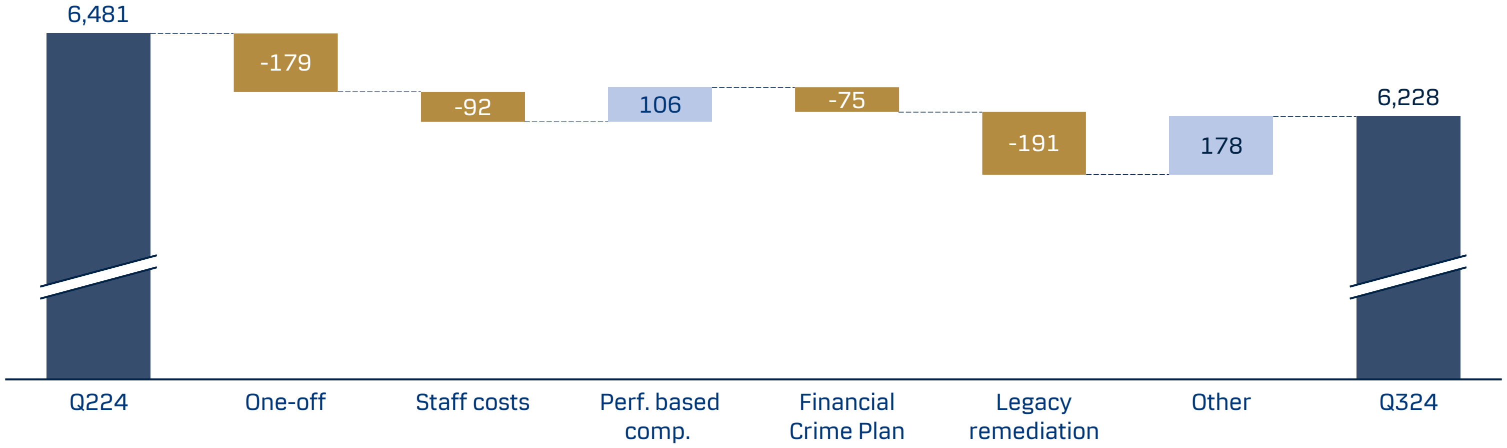
Expenses: Cost trajectory in line with plan - inflation and investments mitigated by lower costs related to legacy cases

Highlights

- Total operating expenses down 4% q/q due to consistent cost management and one-off benefit
- Cost/income ratio at 45%, down from 49% for the same period last year
- Decrease in financial crime and legacy remediation costs in line with plan for normalisation
- Number of FTEs stable y/y
- Other costs includes costs of move to new headquarters, as well as costs for divestment of PC Norway
- One-off benefit related to insurance reimbursement
- Operating cost trajectory according to plan while non-recuring costs related to new HQ and PC Norway divestment amount to DKK 0.2bn YTD
- FY2024 cost outlook lowered to DKK ~25.8bn

Expenses (DKK m)





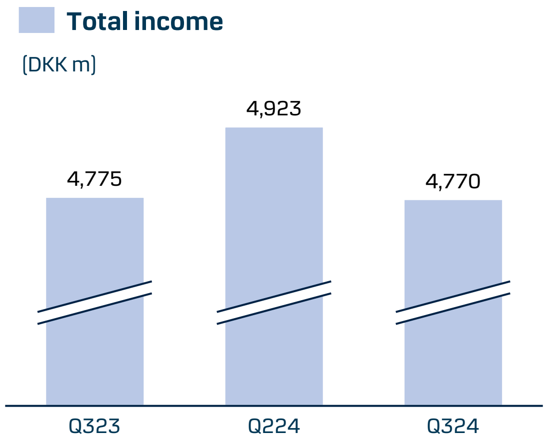
Business & Product Units

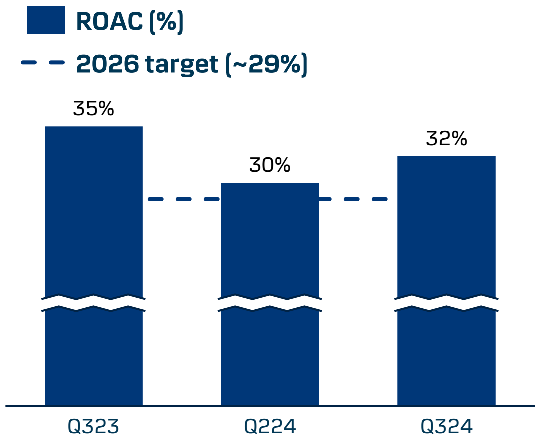
Personal Customers: Strong financial performance driven by resilient core banking income and healthy customer activity despite subdued housing lending

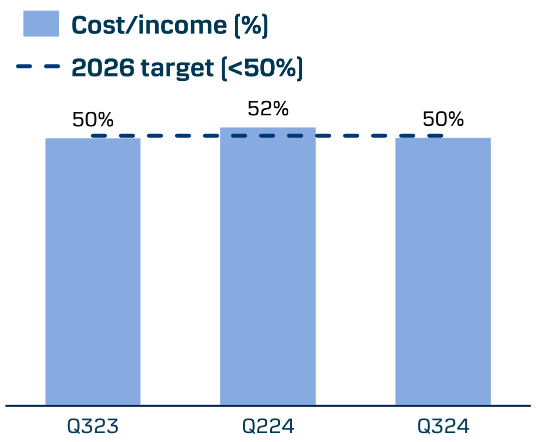
Highlights

- Strong financial performance underpinned by healthy customer activity driving 9% y/y increase in profit before tax*
- Resilient total income supported by core banking income, +4% y/y. NII driven by deposit inflow
- Q/Q fee development impacted by Q2 one-off (~100m), Q3 partnership payment, lower seasonal refinancing and investment fees after strong Q2
- Consistent C/I ratio reflecting cost discipline and strategic investments
- Sustained demand for Danske Bolig Fri home loan product, named "Best in Test" by Danish Consumer Council
- Increase in deposits y/y across Private Banking (7%) and Denmark (4%)
- Continued traction in Private Banking, increasing activity in Sweden, incl. uptick in advisory meetings & mortgage applications

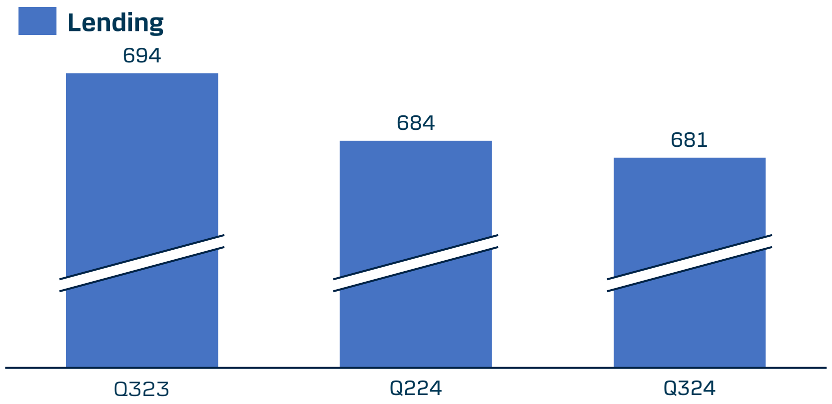
Financial performance KPIs

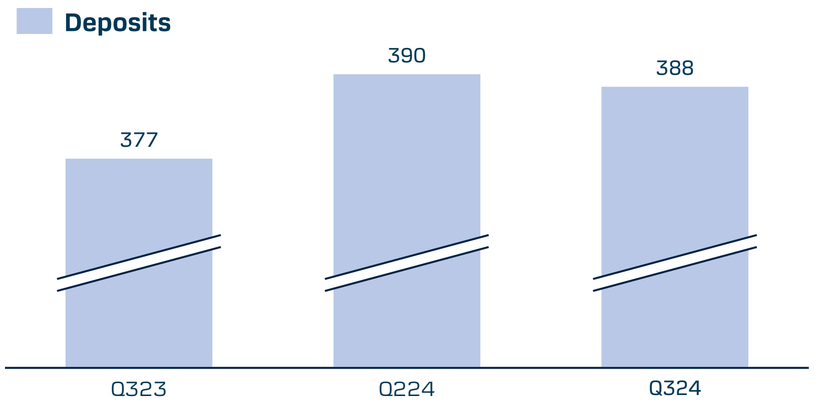






Nominal lending and deposits**
(DKK bn, constant FX)





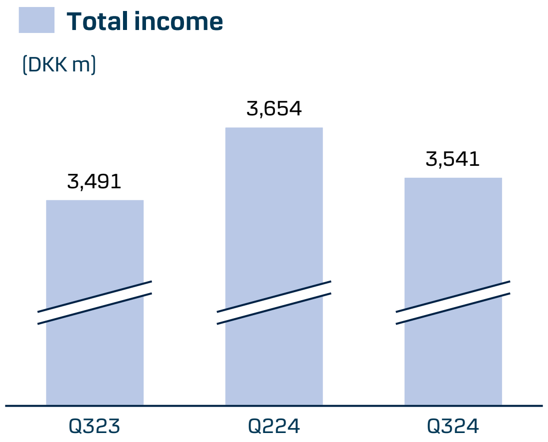
* After adjustment for PC NO divestment costs booked in 2023.
**PC lending includes RD. PC lending and deposits excludes NO.

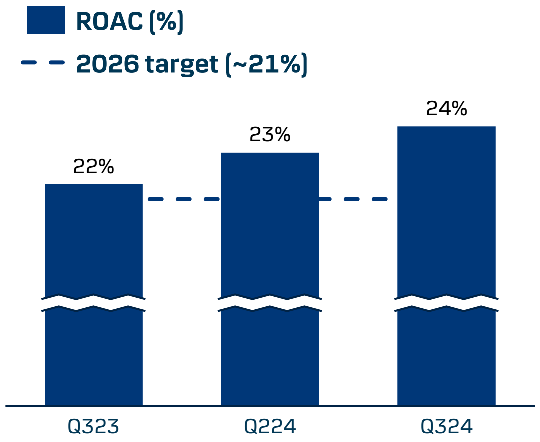
Business Customers: Strong core banking income and commercial momentum supported by lending growth

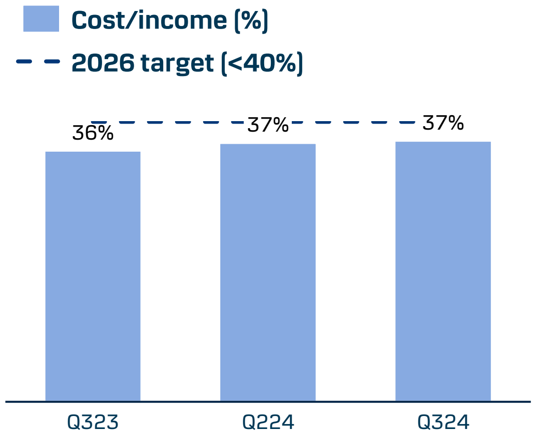
Highlights

- Strong financial performance driven by core banking activities
- Total income supported by uplift in NII and fee income y/y, while Other income impacted by lower resale value of leasing assets
- ROAC and C/I ahead of hurdle rates despite strategic investments as part of F'28 agenda
- Positive corporate activity supports trend in lending volumes. New mandates among customers with international needs
- Deposits stabilised q/q while y/y affected by drawdowns as liquidity buffers have been reduced and investment appetite is returning
- Expansion of our sustainability offerings incl. new partnerships
- Continued expansion of solutions available digitally, with tangible customer adoption

Financial performance KPIs







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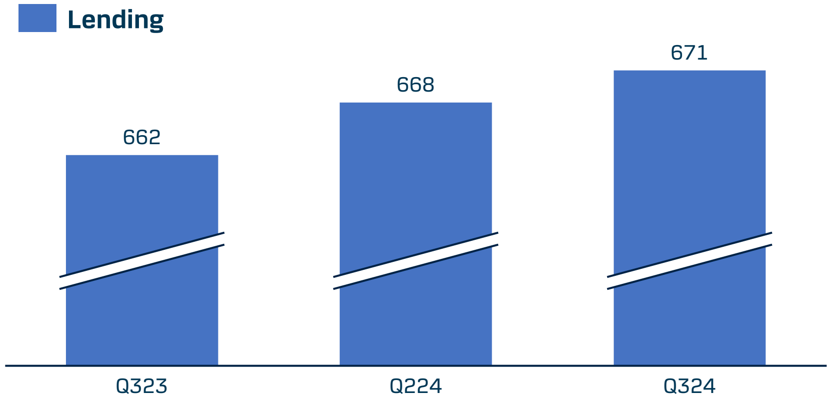
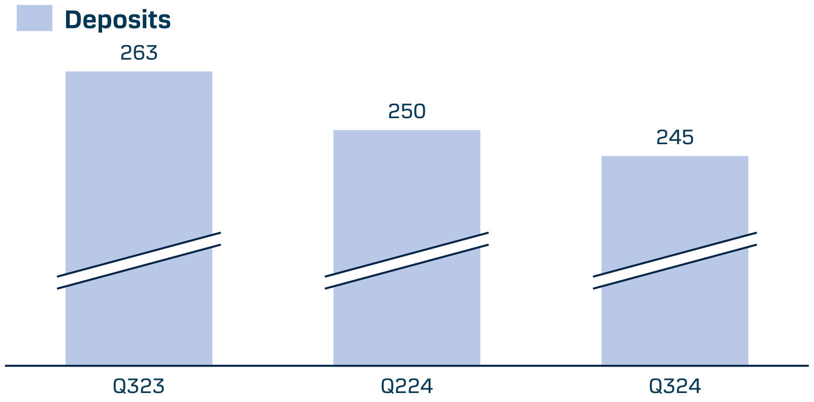


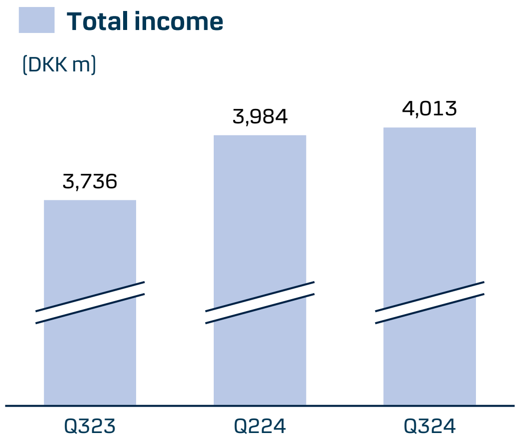


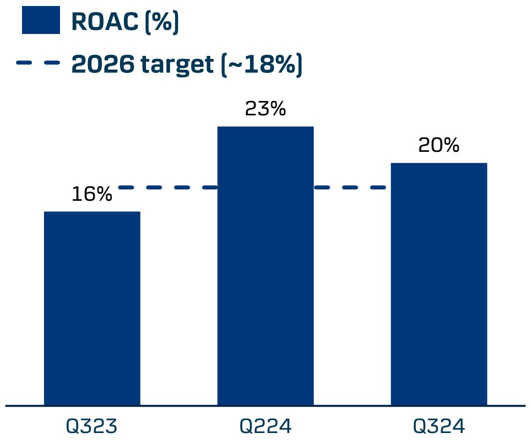
Large Corporates & Institutions: Good sentiment from corporate deal activity; strong development in Asset Management from continually positive net sales

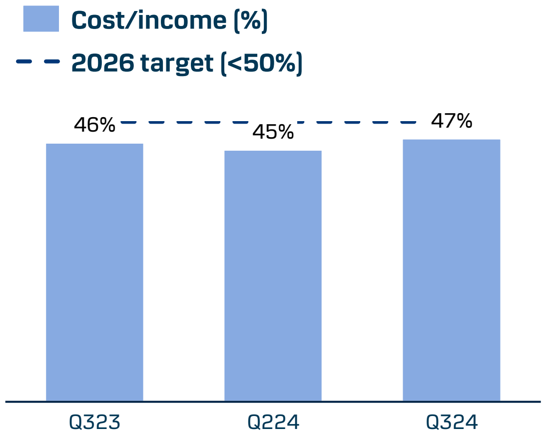
Highlights

- Momentum in total income continue. Q/Q: Higher trading income offsets slightly lower NII and seasonally lower fee income (from Capital Markets)
- Increased market share in cash management services underpin daily banking fee performance. Lead roles in landmark transactions such as DSV's acquisition of DB Schenker highlight commercial momentum and fee potential
- Alongside our leading position helping customers access public funding markets, corporate lending continued to grow
- Strong net sales and positive trend in AuM reflect progress in Asset Management after new strategy implementation
- Positive inflow of corporate customer outside Denmark – on track towards 2026 targets

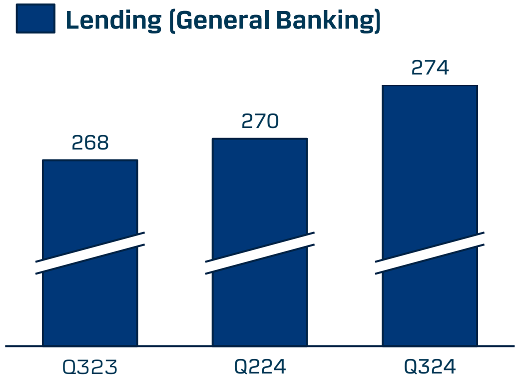
Financial performance KPIs

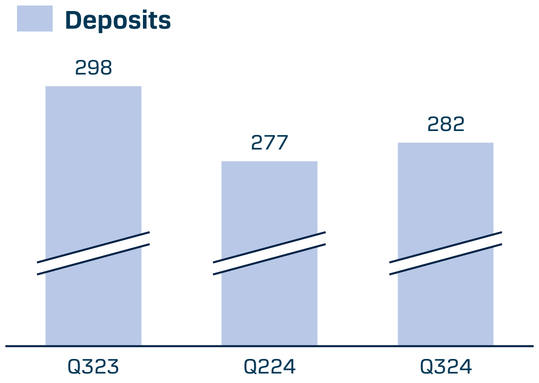


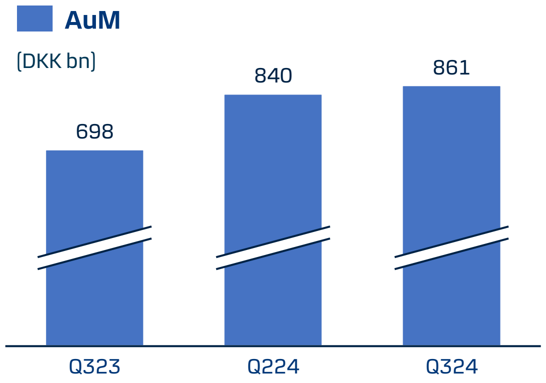




Nominal lending and deposits
(DKK bn)



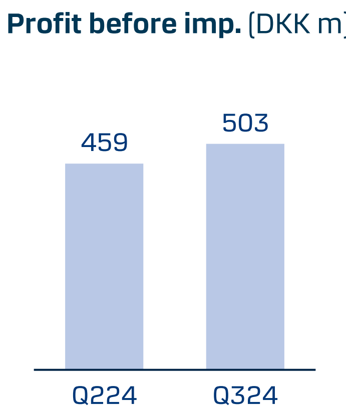


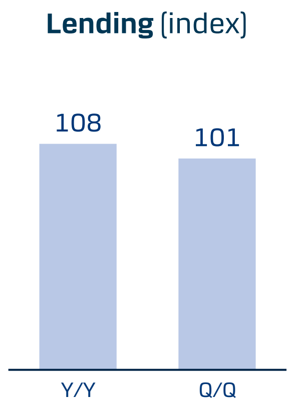


Business units: Solid net income development in Danica; loan growth in Northern Ireland

Northern Ireland

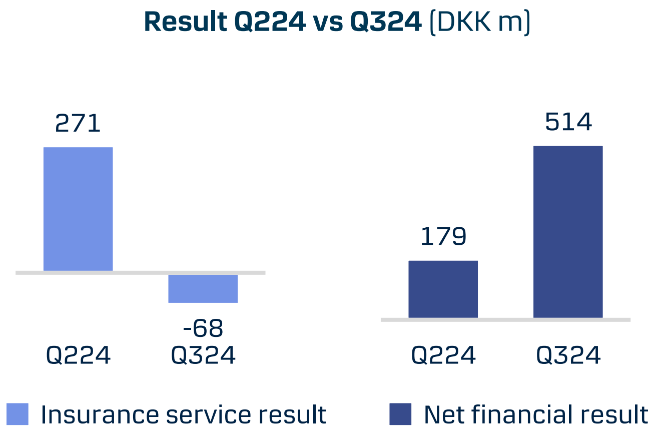
- Lending continued to grow in line with our strategy, driven by residential mortgages supporting our market leading position in Northern Ireland
- The third quarter of 2024 saw profit before tax of DKK 568 million compared to DKK 481 million in Q2, with loan impairment reversals of DKK 65m in Q3
- Net interest income increased to DKK 768 million in Q3 from DKK 734 million in Q2, reflecting continued growth in both lending and deposits.
- The Bank of England introduced a levy on all UK banks, effective from 1 March 2024. This resulted in additional operating expenses of DKK 10 million in the first nine months of 2024





Danica

- Net income at Danica Pension increased to DKK 459 million in Q3 from DKK 457 million in Q2
- The net financial result increased in Q3 to DKK 514 million from DKK 179 million in Q2, due to a more positive development in the investment results on insurance products where Danica Pension has the investment risk
- The insurance service result decreased DKK 339 million in Q3, due mainly to a rise in new health and accident claims, which has also resulted in an increase in provisions for insurance contracts



Realkredit Danmark portfolio overview: Continued strong credit quality

Highlights

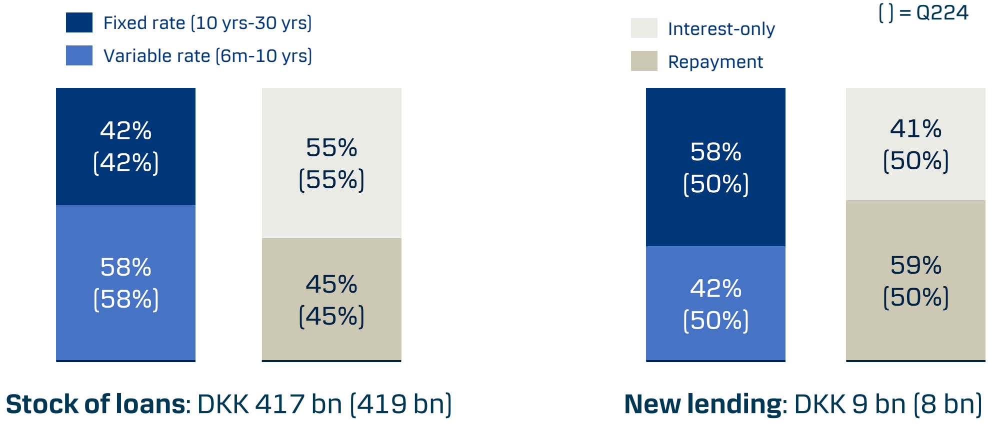
Portfolio facts, Realkredit Danmark, Q324

- Approx. 295,000 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
- 783 loans in 3- and 6-month arrears (Q224: 739)
- 12 repossessed properties (Q224: 11)
- Around 1% of the loan portfolio has an LTV above 80%
- DKK 6bn of the loan portfolio is covered by government guarantee

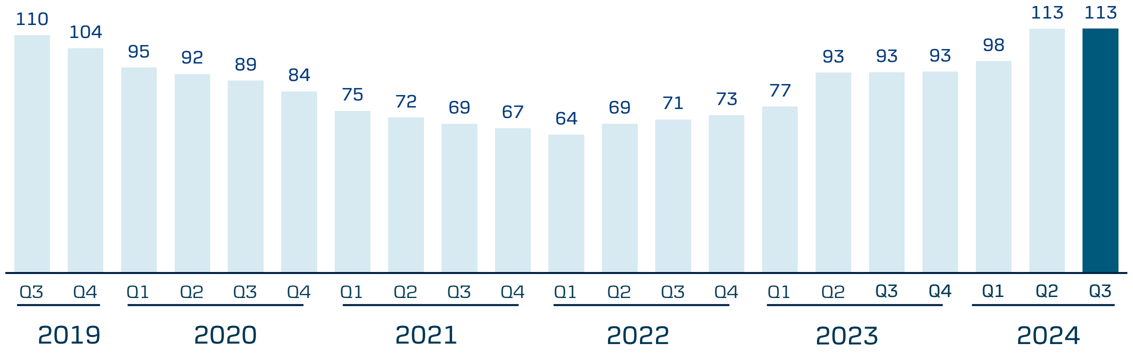
LTV ratio limit at origination (legal requirement)

- Residential: 80%
- Commercial: 60%

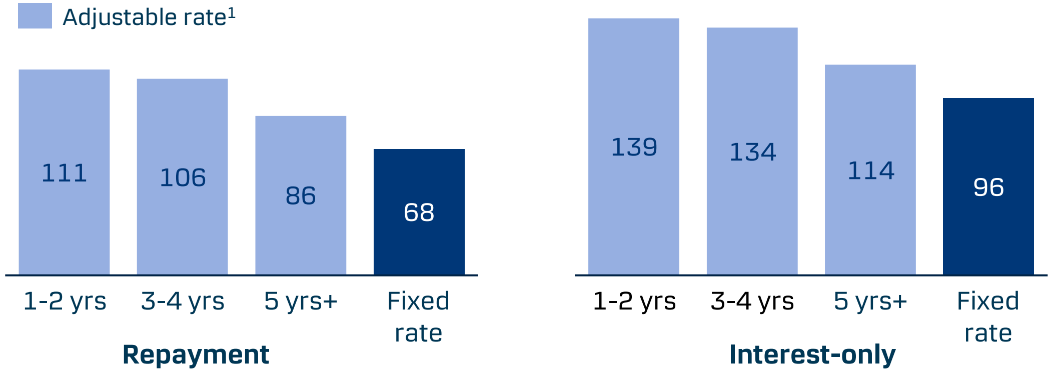
Retail loans, Realkredit Danmark, Q324 (%)



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



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

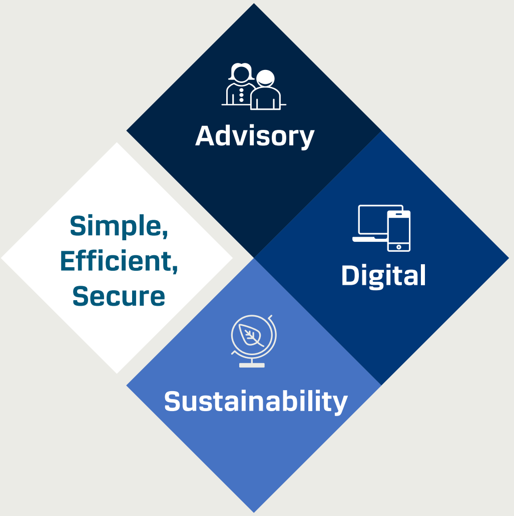


1. In addition, we charge 30 bp of the bond price for refinancing of 1- and 2-year floaters and 20 bp for floaters of 3 or more years (booked as net fee income).

ESG, Sustainability, Financial Crime Prevention

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?”

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

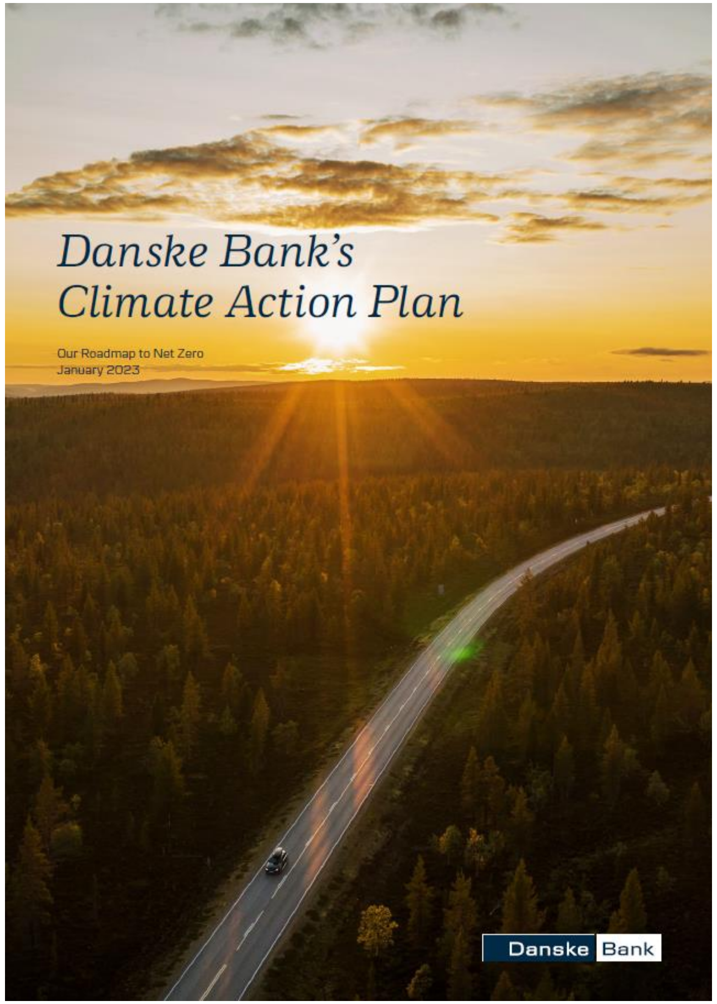
We continuously develop our human rights due diligence processes covering…

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

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	Target
● 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]

Sector	Target
● 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 2.5°C in 2020 to 2.0°C (scope 1 and 2)
- Implied temperature rating of our listed equities and credits from 2.8°C in 2020 to 2.2°C (scope 1, 2 and 3)

2025 sector emission intensity reduction targets [8]

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

Own operations

2030 emission reduction targets [7]

Target	
● 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 investee scope 3 emissions, methodology and data changes.

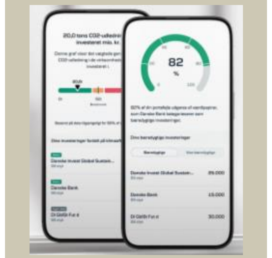
Recent highlights on the sustainability agenda contributing to strong performance

Partnerships to strengthen the green transition in the real estate sector

Danske Bank has entered into partnerships with leading engineering consultancy *Sweco* and climate tech company *comundo* across all our four Nordic markets, enabling us to support customers in reducing energy consumption and emissions from their properties.

Expansion of energy improvement loans

Favourable loans for energy improvements expanded to cover climate adaptation investments, such as the establishment of perimeter drains or anti-flood valves. Through our partnership with engineering consultants, we also offer our customers advice on how to best protect homes against risk of flooding, heavy rainfall, storm surge etc.



Sustainable investments directly in Mobile Bank

Feature in Mobile Bank allows customers to see the percentage of sustainable investments in their portfolio. The feature also includes information on sustainability indicators such as climate footprint, human rights, diversity, biodiversity, controversial weapons etc.

Sustain Tomorrow fosters dialogue on challenges

Danske Bank's Sustain Tomorrow event was held in September, uniting 500 participants and over 25 speakers to discuss solutions for climate change, geopolitical uncertainty, and AI. The conference aims to foster dialogue on global challenges with customers and stakeholders.

#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 arranger of Sustainable Bonds from Nordic issuers.

Danica Pension on track with green investments

At the end of Q3, Danica Pension's investments in the green transition amounted to DKK 56.3 billion, thereby up 6% compared to last quarter and well on track to reach the 2030 target of DKK 100 billion.

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

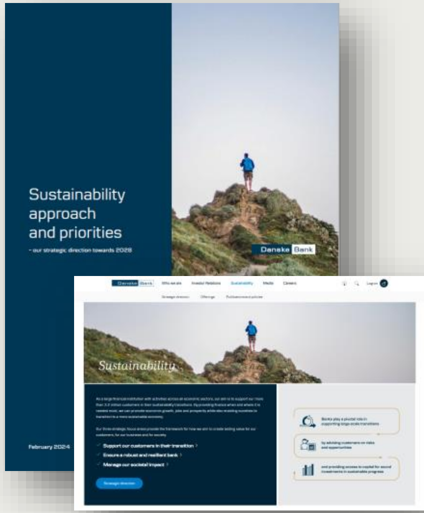
Overview of recent sustainability-related publications

2 FEB

Annual Report incl.
Sustainability statement
+ Fact Book

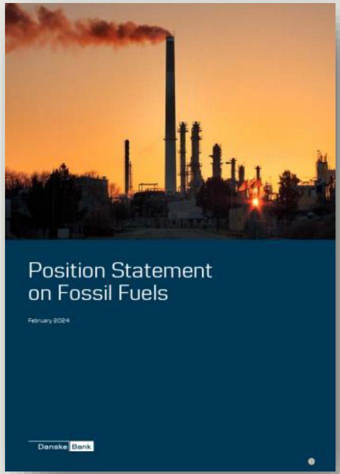
Climate Action Plan
Progress Report

7 FEB



Sustainability approach
and priorities
(PDF + danskebank.com)

23 FEB



Position Statement
on Fossil Fuels
(updated)

31 MAY

Human Rights Report

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

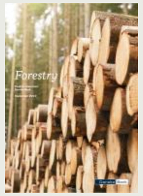
1. Position statements

- 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 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 strategic, portfolio & 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, committing to transition 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 efforts to limit warming to 1.5 degrees C

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 climate-related disclosures to promote informed investment, credit, and insurance underwriting decisions (now part of ISSB)

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

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. The Bank will continue testing its controls to ensure that what has been 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 keep 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 the 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 the controls remain adequate and respond to changes in the external threat landscape and evolutions in the business. The Bank also intends to enhance the 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.

The Financial Crime Framework beyond completion of the FC Plan

By concluding the FC Plan Danske Bank has now in place a Financial Crime Framework which meets regulatory requirements applicable to the Bank and is reasonably designed to manage the Bank's inherent risk in line with its risk appetite, while harnessing to global best practices. This framework includes, but is not limited to:

- **Oversight and governance** of financial crime controls across the group to identify, mitigate and manage financial crime risks and **a framework of financial crime related policies and instructions** designed to meet regulatory requirements in all jurisdictions in which the Bank operates
- An **assessment to risk score customers** at initial onboarding and throughout the customer life cycle and **risk-based Know-Your-Customer processes and controls** prior to the establishment of a business relationship and during the ongoing customer lifecycle
- Systems and processes in place to **monitor transactions** of relevant products for potentially suspicious activity in all markets and procedures to appropriately **investigate unusual activity and report activity which is deemed to be suspicious** or could point to cases of financial crime
- **A sanctions framework** that is compliant with applicable and relevant laws and regulations to ensure the Bank does not transact with, nor hold as customers, parties or entities subject to financial sanctions and embargoes
- Effective oversight over its **correspondent banking relationships** and processes to carry out appropriate, risk-based ongoing and enhanced due diligence on them and facilitate decision-making in line with the Bank's risk tolerance
- A **financial crime training framework** ensuring that training needs are analysed, tailored trainings developed, enhanced, and delivered across the Bank
- An enhanced **framework for responding to regulatory requests made by the Bank's supervisors** in all jurisdictions in which the Bank operates
- Minimum regulatory standards to manage critical risks in relation to **tax evasion, fraud and bribery & corruption**, as well as plans to ensure appropriate coverage and mitigation of key risks to be transitioned to the Business-As-Usual organisation for delivery

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 progress in business strategy and other business developments, and how we are meeting any regulatory orders and regulatory compliance. We proactively share information to other out other 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. Currently, there are no open regulatory orders relating to financial crime matters.
- In August 2024, the Danish FSA published the outcome of its inspection at Danske Bank focusing on the Customer Risk Rating Model. The review did not give rise to any supervisory reactions.

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 assignment with the focus on Financial Crime has however been finalized. Separately, the Danish FSA has extended the appointment of the Independent Expert for an additional period, it is to focus on monitoring of the Bank's commitments and reporting obligations under the US DOJ Plea Agreement.

Committee Governance for Financial Crime Compliance Risks

Joint Financial Crime Risk & Compliance Committee

- Functions as a discussion and decision forum on Financial Crime risk and related matters that are of material impact for the Group.
- Co-chaired by Head of 1st Line of Defence Financial Crime Risk and 2nd Line of Defence Head of Financial Crime Compliance of Danske Bank, with clear segregation of responsibilities between the Lines of Defence
- Escalation paths occur through AML ELT Responsible or Chief Compliance Officer or the Executive Leadership Team's Committee

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 Financial Crime Compliance 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 plans outlining how current gaps against obligations will be addressed [ongoing]
3. Executing on the commitments made to the U.S. Authorities under the Plea Agreement [ongoing]

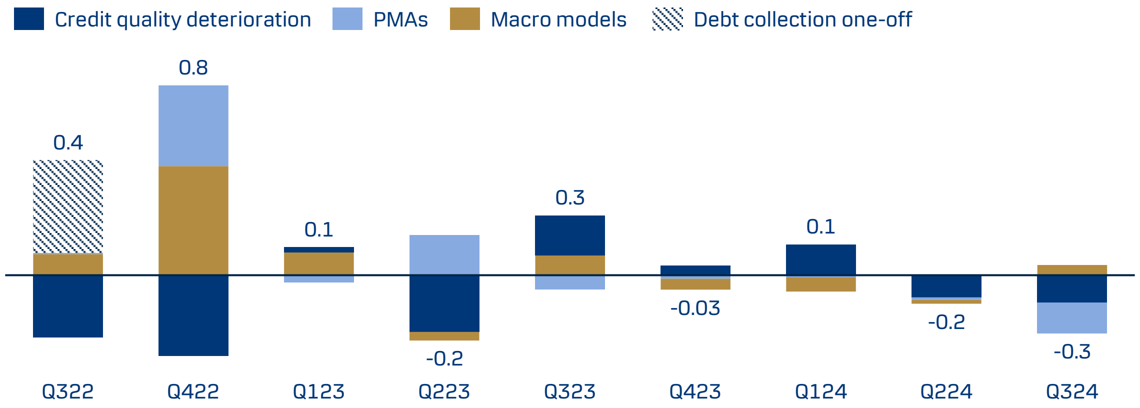
Credit quality & Impairments

Impairments: Strong credit quality with net reversal of impairments; prudent PMA buffer remains in place

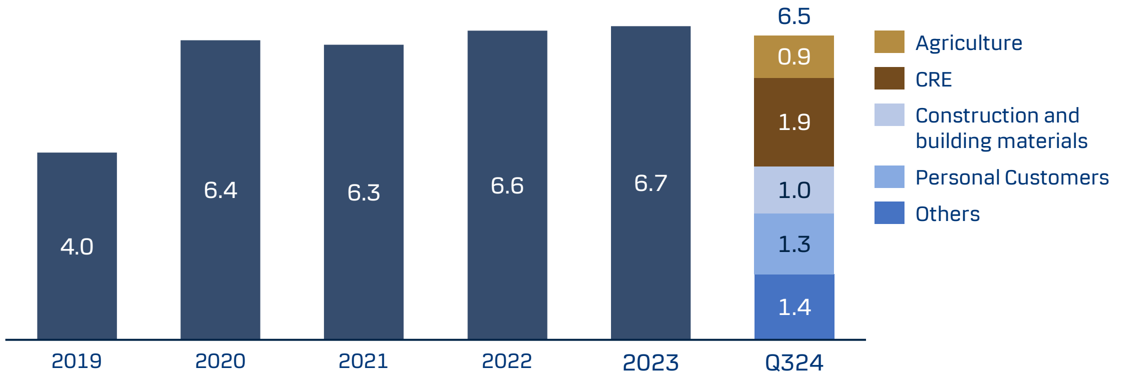
Highlights

- Strong credit quality and single-name workout cases led to net reversal of DKK 0.3 bn in Q3
- Modest revisions in the provisions from macroeconomic models as base case macro-outlook continued to improve. Model continues to include a severe downturn scenario
- PMA release of DKK 0.2bn in Q3 related to lower anticipated regulatory impact for agriculture and personal customer risks. Significant PMA buffers remain in place to mitigate any tail risk not visible in the portfolio or captured by macro models

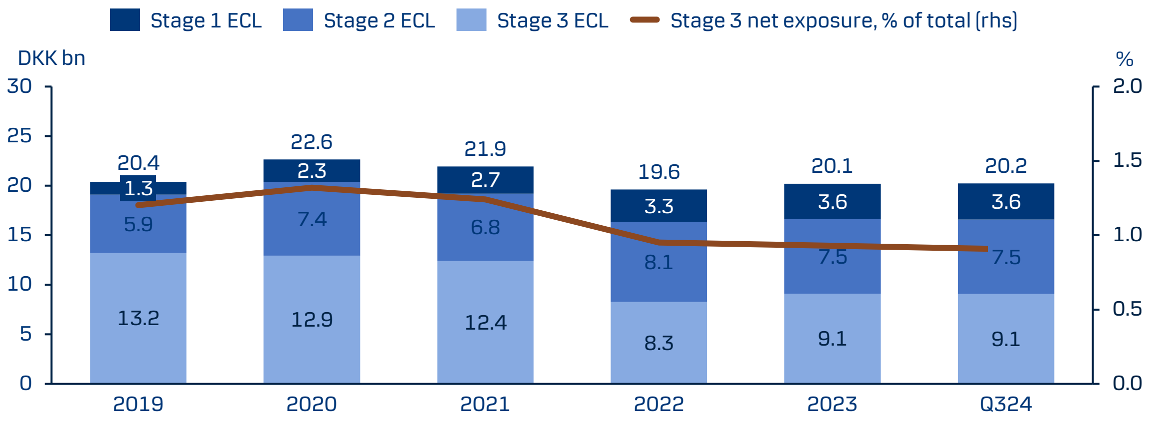
Impairment charges by category (DKK bn)



Post-model adjustments (DKK bn)

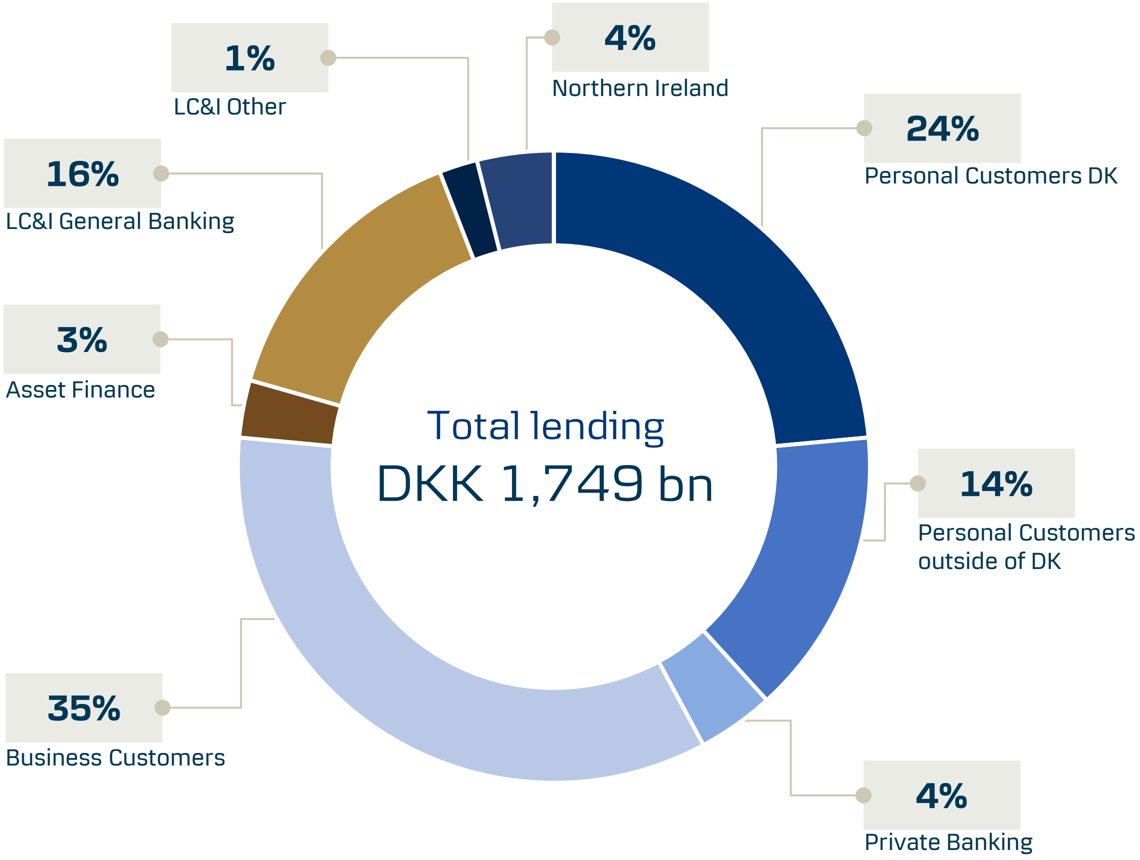


Allowance account by stages (DKK bn)

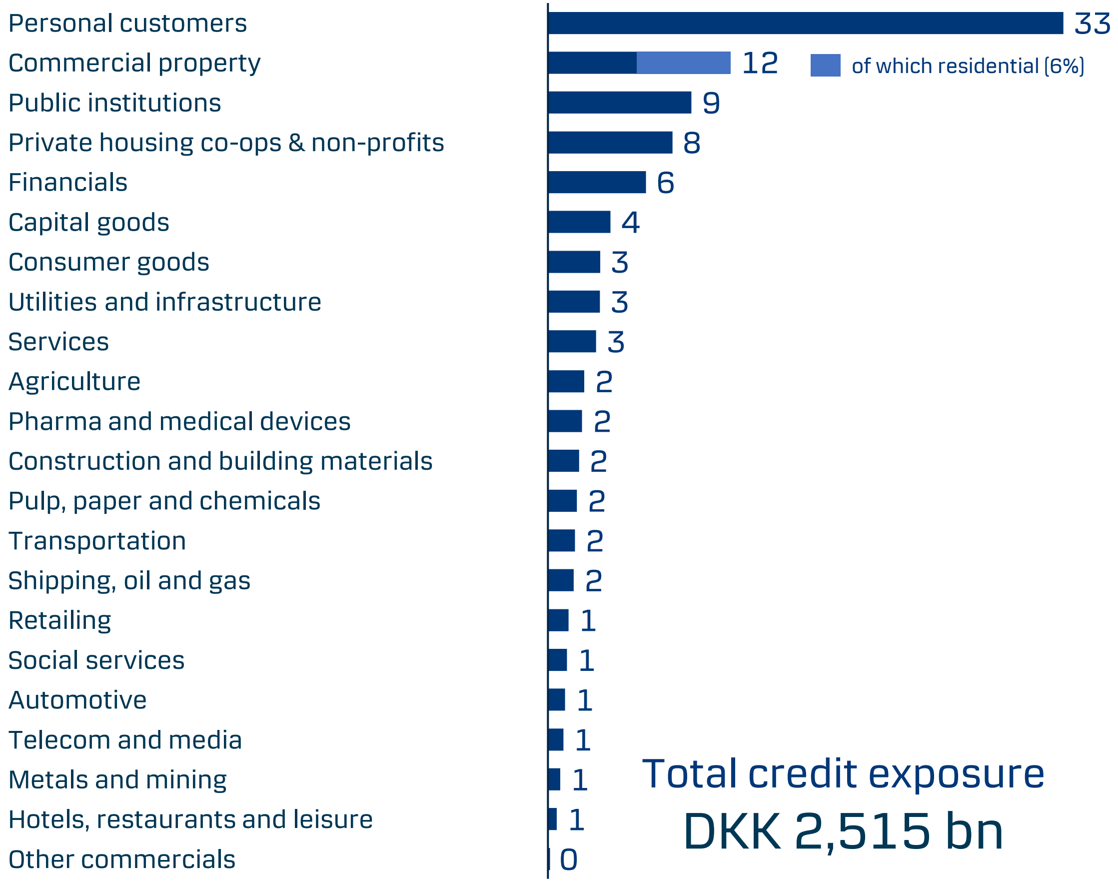


Strong footprint within retail lending

Lending by segment[1] Q3 24 (%)



Credit exposure by industry Q3 24 (%, rounded)

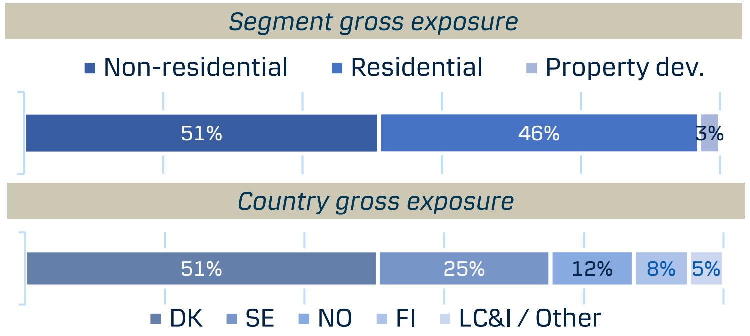


[1]Total lending before loan impairment charges, excl. repos.

Overall strong credit quality in portfolios exposed to macro cyclicality

CRE: Well diversified & prudently managed growth

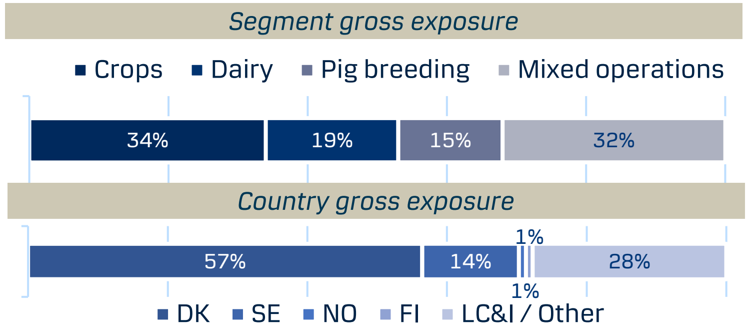
DKK 298 bn in credit exposure and ECL ~1%



- Conservative lending growth (-5% 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 1.9bn to cover uncertainties regarding the effect of rapid interest rate increases and macroeconomic situation

Agriculture: Well-provisioned agriculture book

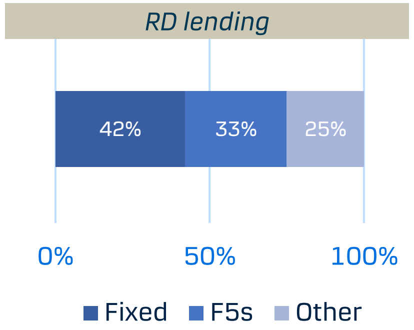
DKK 60bn in gross exposure of which 53% RD

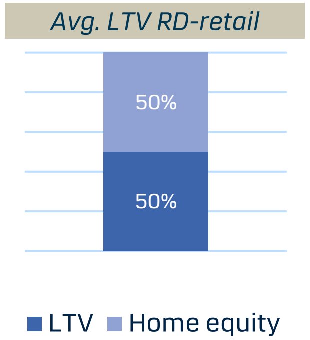


- The credit quality of the portfolio has improved over the past few years, recovering from legacy exposures from the financial crisis
- The current credit risk appetite takes into account the volatility of the sector and remains in place Furthermore, the Group maintains strong underwriting standards on LTV, interest-only loans and interest rate sensitivity
- PMAs of DKK 0.9 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, strong household finances

+75% of RD lending are 5-30yr fixed-rate





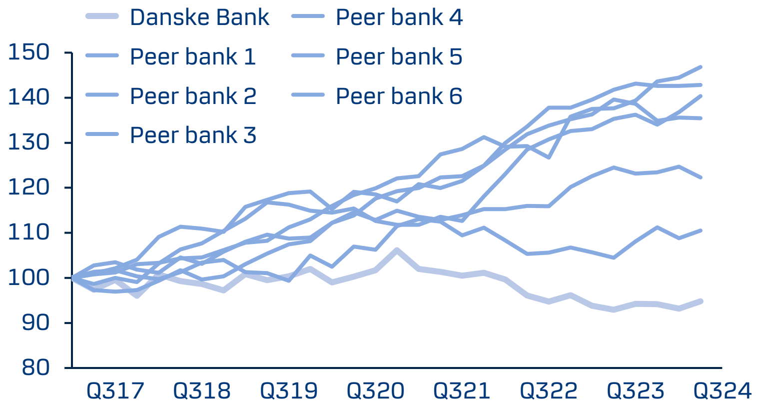
- Avg. LTV remains at moderate level and have been generally been supported over the past years by the trend in house prices along with the call feature of DK mortgages
- Affordability measures in our approval process has been tightened, and debt-to-income (DTI) levels remain stable overall
- Portfolio 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 1.3 bn

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

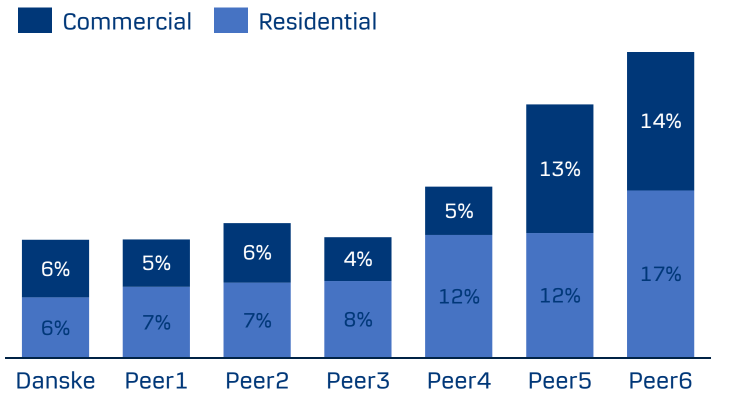
Highlights

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

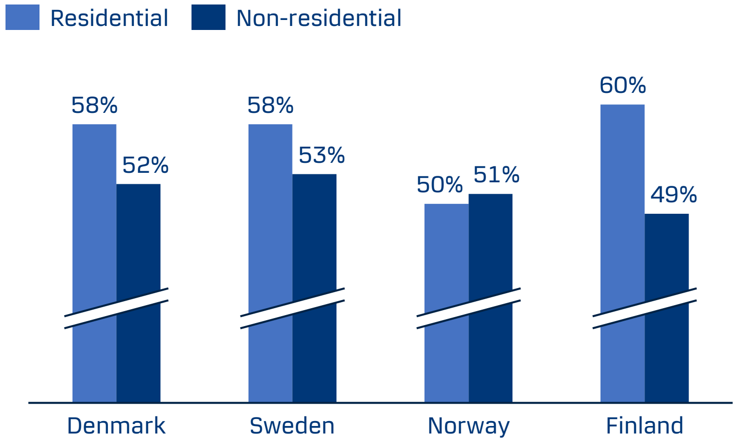
Lending to CRE segment by major peer banks (index)*



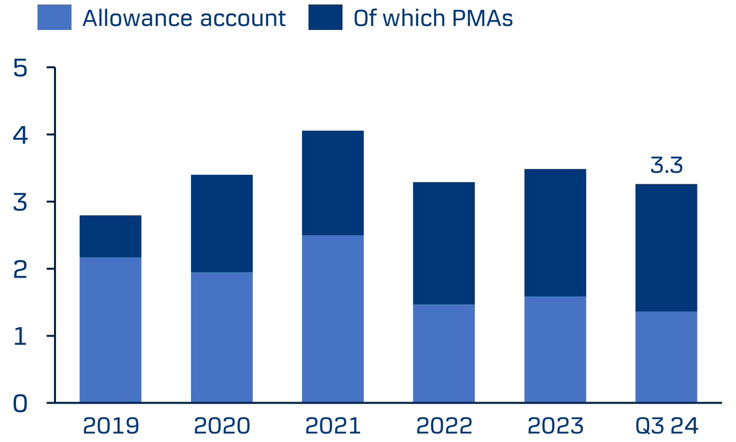
CRE share of total portfolio by major peer banks*



Danske Bank's CRE portfolio avg. LTVs



Danske Bank's CRE allowance account (DKK bn)



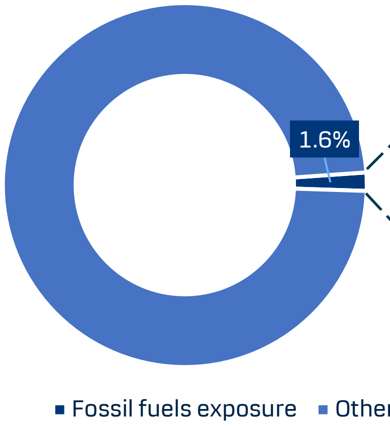
*Source: Companies' interim report. Exposure definitions differ among banks between total lending, credit exposure and EaD.

Fossil fuels (coal, oil and gas) exposure

Key points Q3 24

- Exposure towards exploration and production (E&P) of oil and gas is down by 76% compared to end 2020. The exposure development is aligned with the Group's 2030 climate target of reducing financed emissions by 50% for the Group's E&P lending portfolio. Other oil related net exposures are down by 40% 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 any coal-fired power production is regularly being reviewed and adjusted accordingly e.g. when coal-fired power plants close. In Q3 2024, exposure is down by 40% compared to same quarter last year
- 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

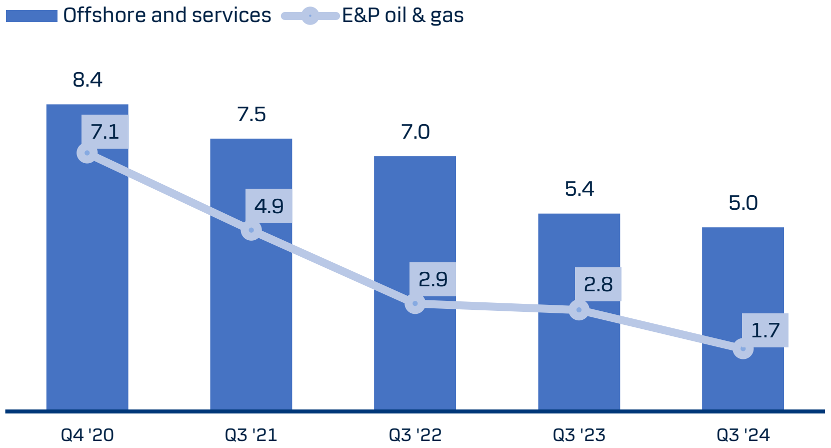
Group gross credit exposure



Fossil fuels exposure

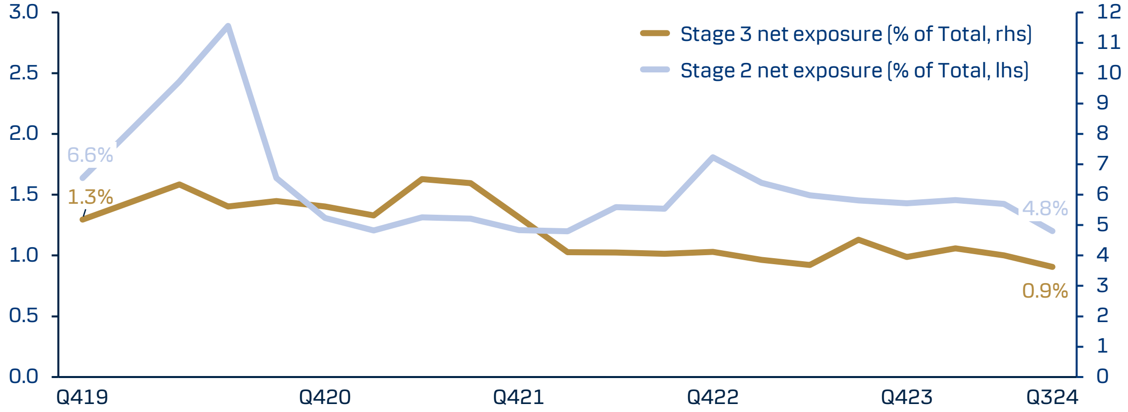
Segment	Net exposure (DKK m)
Crude, gas and product tankers	5,430
Distribution and refining (incl. biofuels)	12,246
Oil-related exposure	6,745
Exploration and production (E&P)	1,710
Offshore and services	5,034
Power and heating utilities with any coal-based production	16,689
Hereof customers with more than 5% revenue from coal	2,259
Total	**41,110**

Oil-related net credit exposure development (DKK bn)

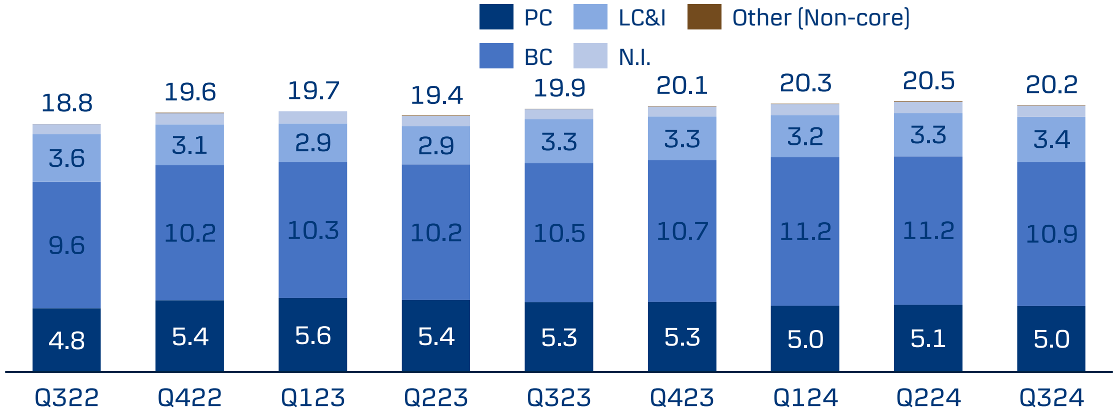


Credit quality: Low level of actual credit deterioration

Stage 2 and 3 as % of net exposure



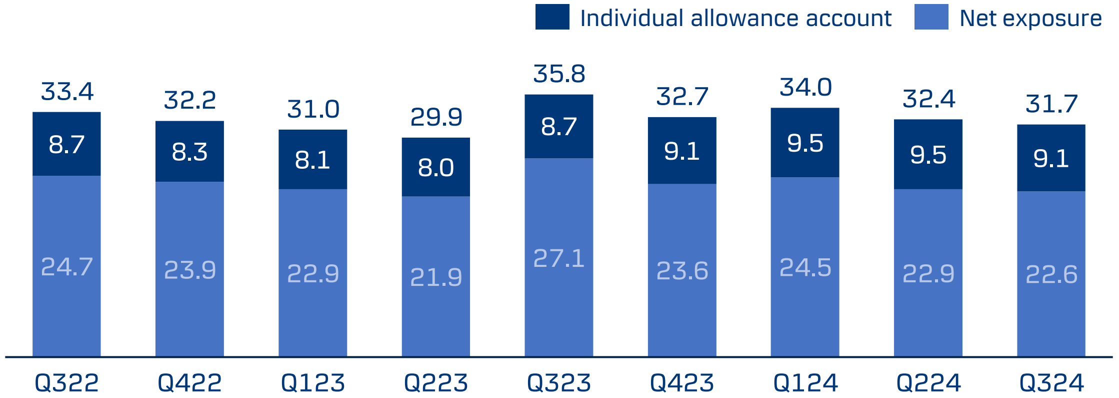
Allowance account by business unit (DKK bn)



Stage 2 allowance account and exposure (DKK bn)

	Allowance account	Gross credit exposure	Allowance account as % of gross exposure
Personal customers	1.5	837	0.18%
Agriculture	0.7	60	1.22%
Commercial property	1.5	298	0.51%
Shipping, oil and gas	0.1	42	0.14%
Services	0.5	79	0.65%
Other	3.2	1,219	0.26%
Total	**7.5**	**2,535**	**0.30%**

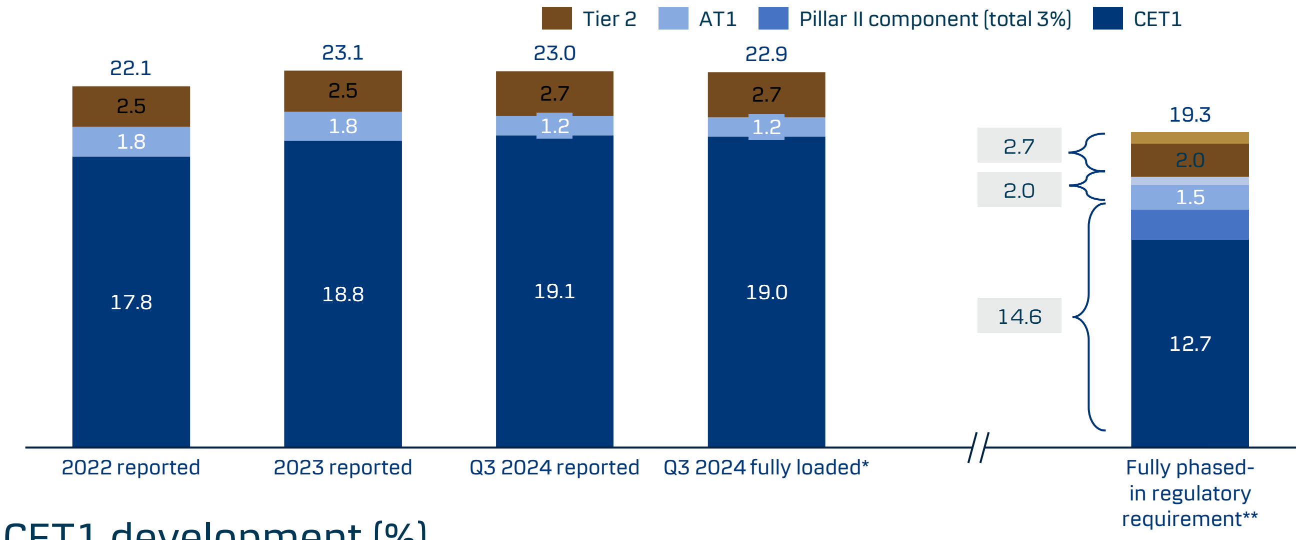
Gross stage 3 loans (DKK bn)



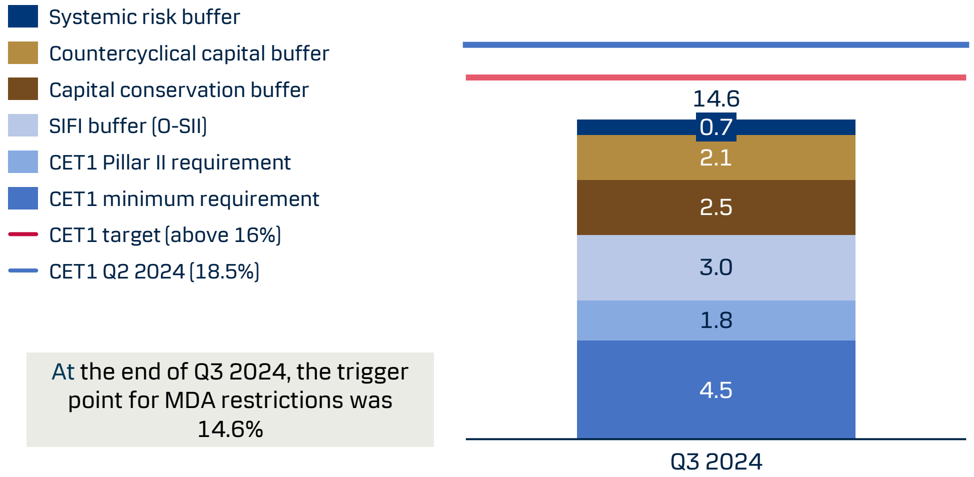
Capital

Capital: Strong capital base with CET1 ratio of 19.1%

Capital ratios (%)

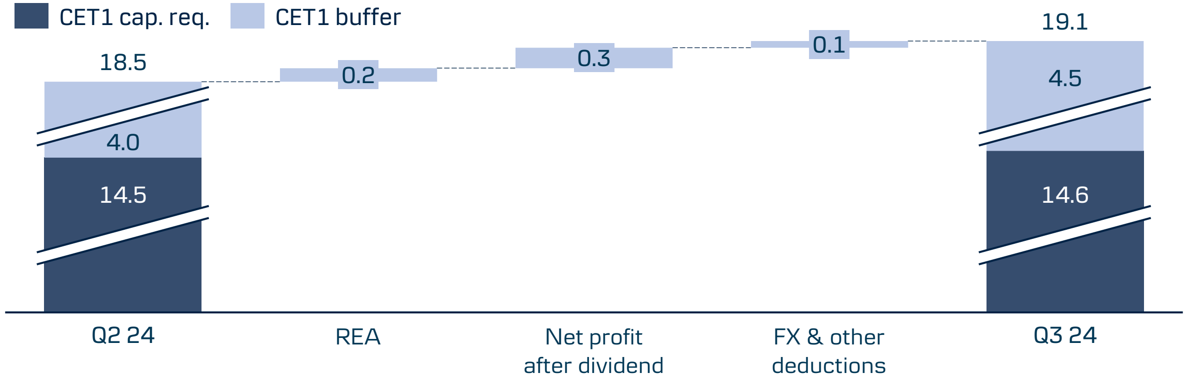


Current capital buffer structure (%)

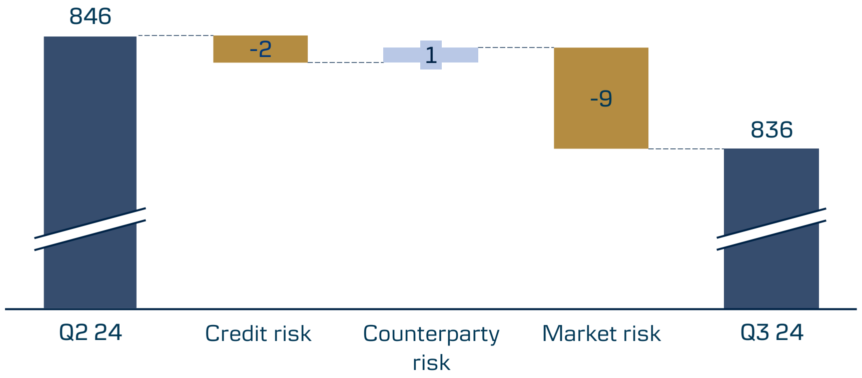


At the end of Q3 2024, the trigger point for MDA restrictions was 14.6%

CET1 development (%)



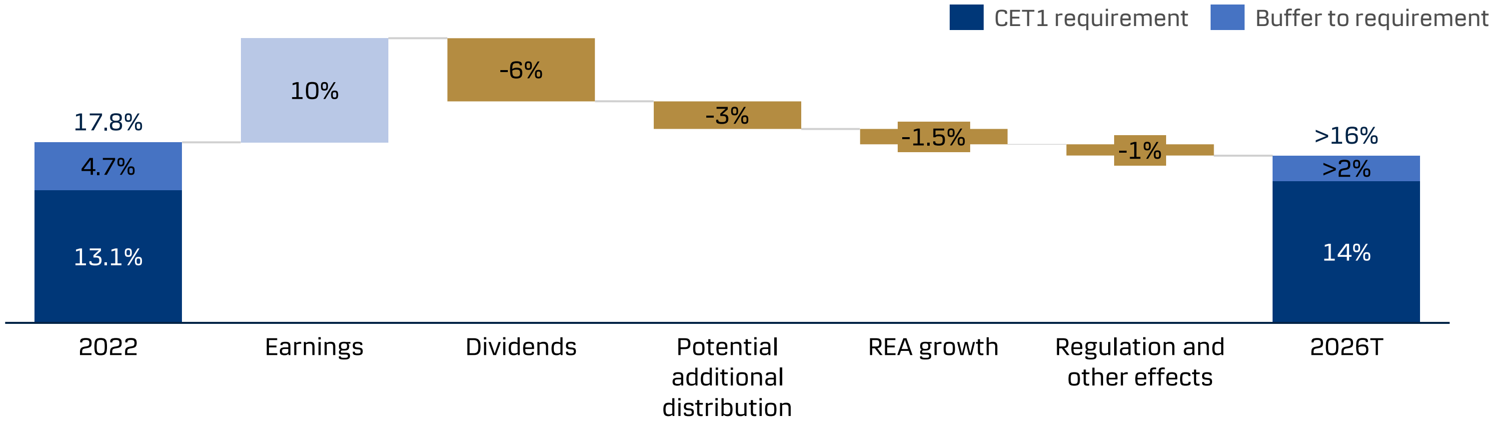
Total REA (DKK bn)



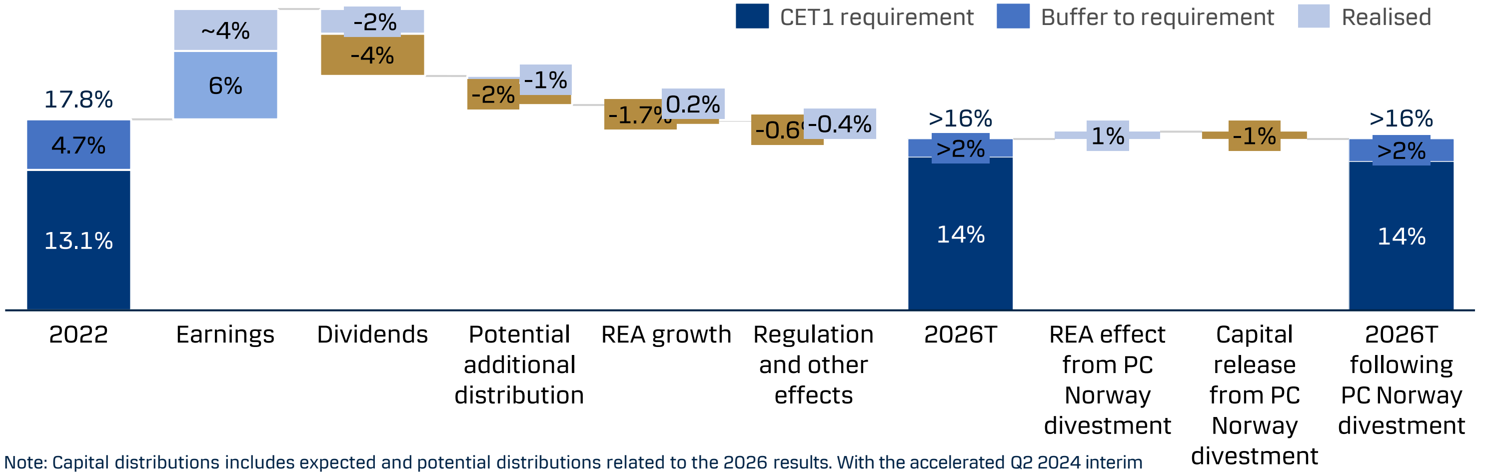
* Based on fully phased-in rules including fully phased-in impact of IFRS 9. ** Fully phased-in minimum CET1 requirement in March 2025 of 4.5%, capital conservation buffer of 2.5%, SIFI buffer of 3%, countercyclical buffer of 2.0%, systemic risk buffers of 0.7%, and CET1 component of Pillar II requirement

Capital update: CET1 development toward 2026

CET1 capital generation & usage (% of REA) – Capital markets day June 2023



CET1 capital generation & usage (% of REA) – Updated as of June 2024

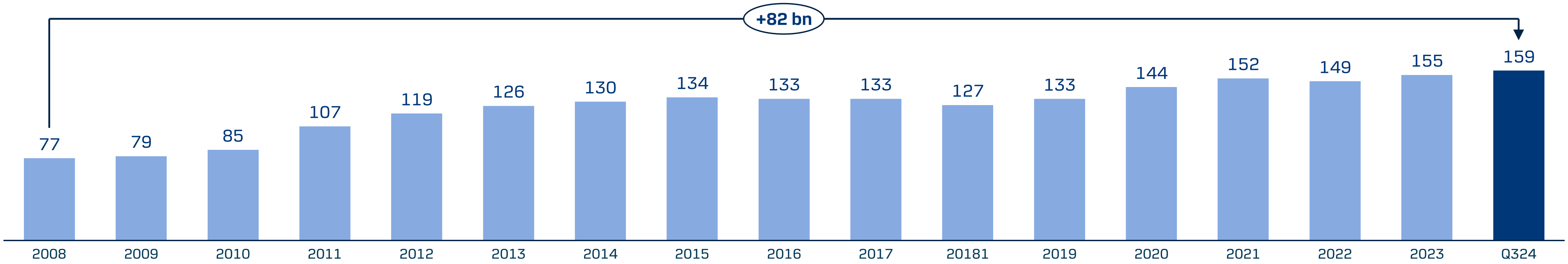


Note: Capital distributions includes expected and potential distributions related to the 2026 results. With the accelerated Q2 2024 interim dividend the Group has distributed DKK 19bn of the dividend ambition of above DKK 50bn as communicated at CMD in June 2023.

- **CET1 capital ratio expected to approach target** through capital distribution and REA inflation from growth
- **Prudent buffer to requirements** including the Danish SyRB/CRE from 30 June 2024 and lower NO requirements post divestment
- **Lending and top-line growth** drive credit and operational REA inflation
- **Regulatory effects include the CRR III impact.** In Q2, we front-loaded DKK 20bn of REA for CRR III. We expect this will cover the majority of the CRR III implementation
- **Divestment of PC Norway** now reflected in REA and capital release

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)



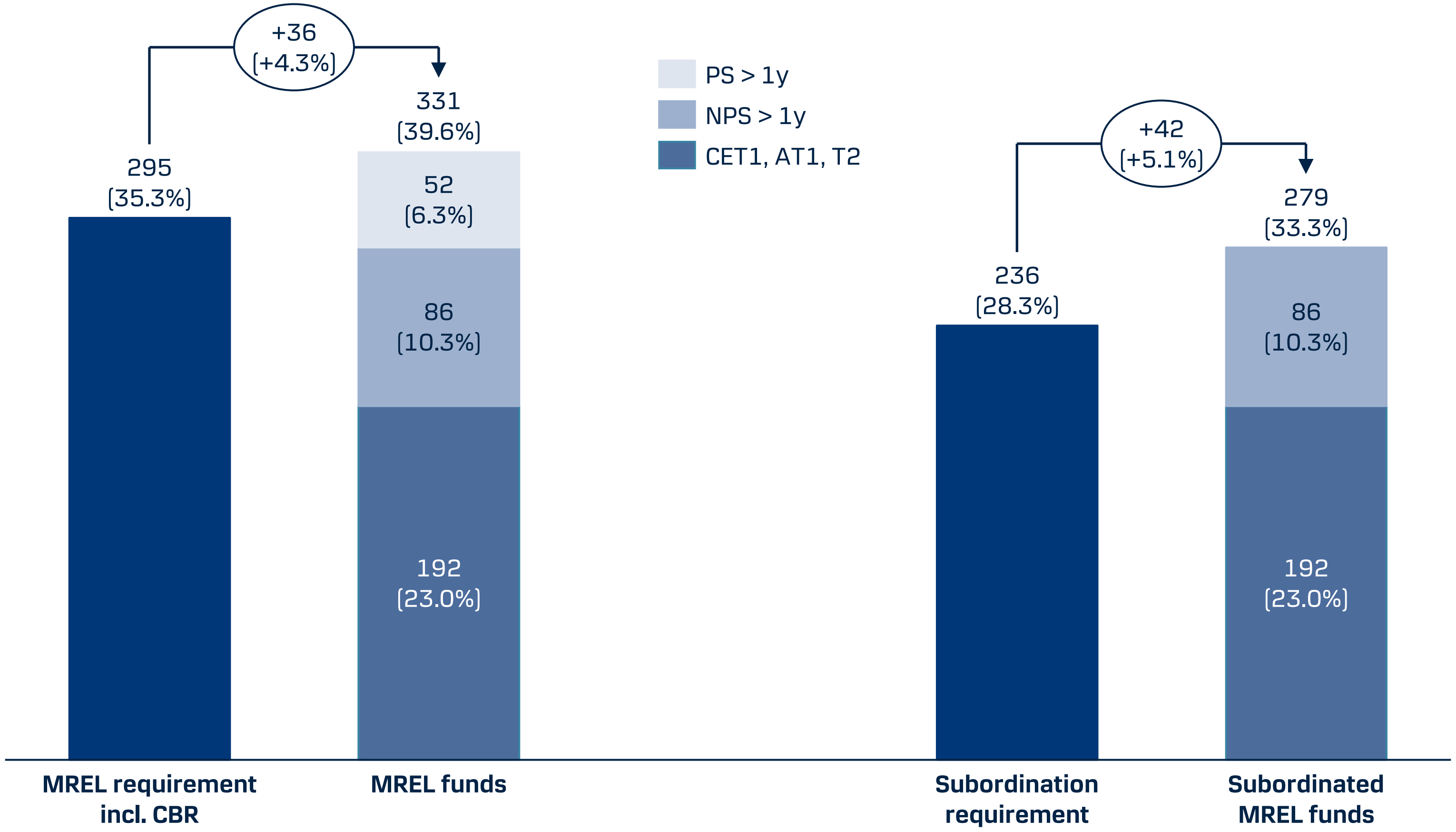
REA, CET1, profit and distribution (DKK bn; %)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	9M 2024
REA	960	834	844	906	819	852	865	834	815	753	748	767	784	860	838	828	836
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%	19.1%
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	17.6
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	6.4
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	3,743

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.

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

MREL & subordination requirement* and eligible funds Q324 DKK bn (% of Group REA)



Comments

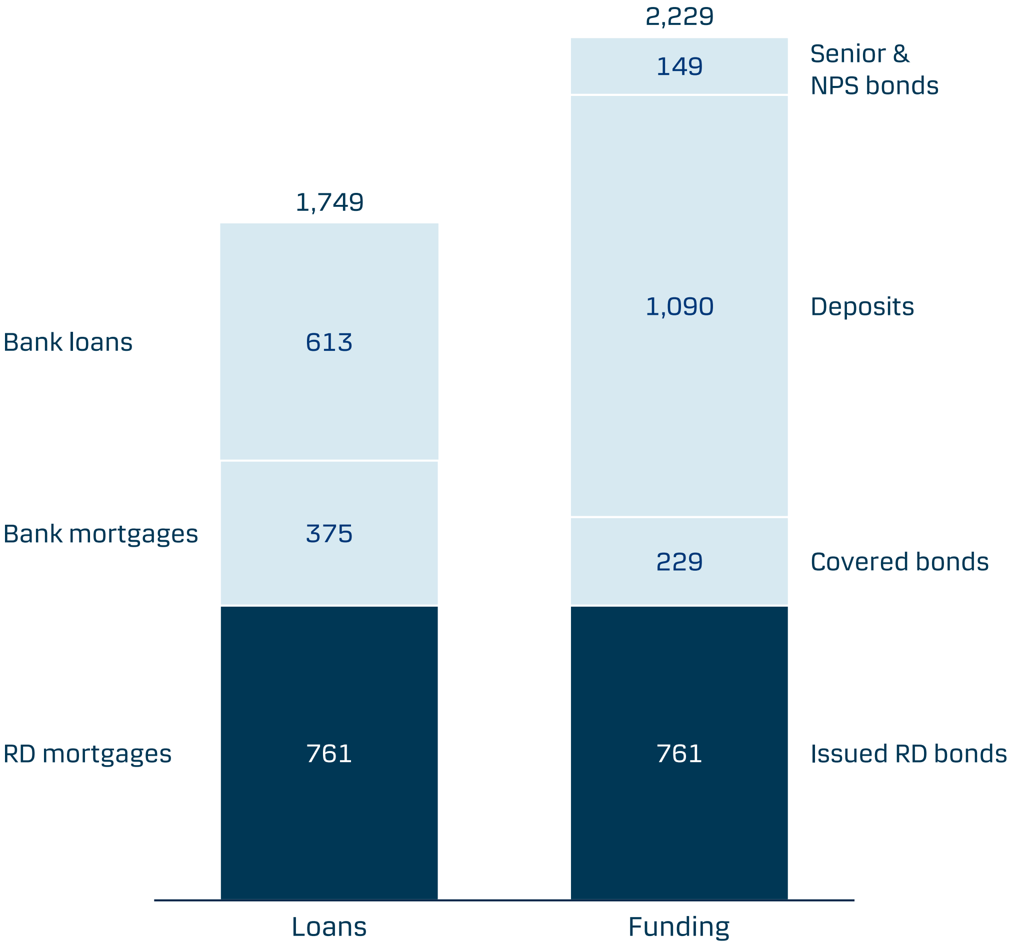
- The Group has to meet a MREL requirement and a subordination requirement, both adjusted for Realkredit Danmark (RD)
- The subordination requirement is the higher of 2x(P1 + P2) + CBR or 8% TLOF
- The Group's MREL requirement (total resolution requirement) is DKK 296bn incl. RD's capital and debt buffer requirement (DKK 47bn) and the combined buffer requirement (DKK 57bn). Excess MREL funds are DKK 35bn
- The Group's subordination requirement is DKK 235bn incl. RD's capital requirement (DKK 32bn). Excess subordinated MREL funds are DKK 44bn
- This figure shows the Group's MREL and subordination requirement as of end Q3 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

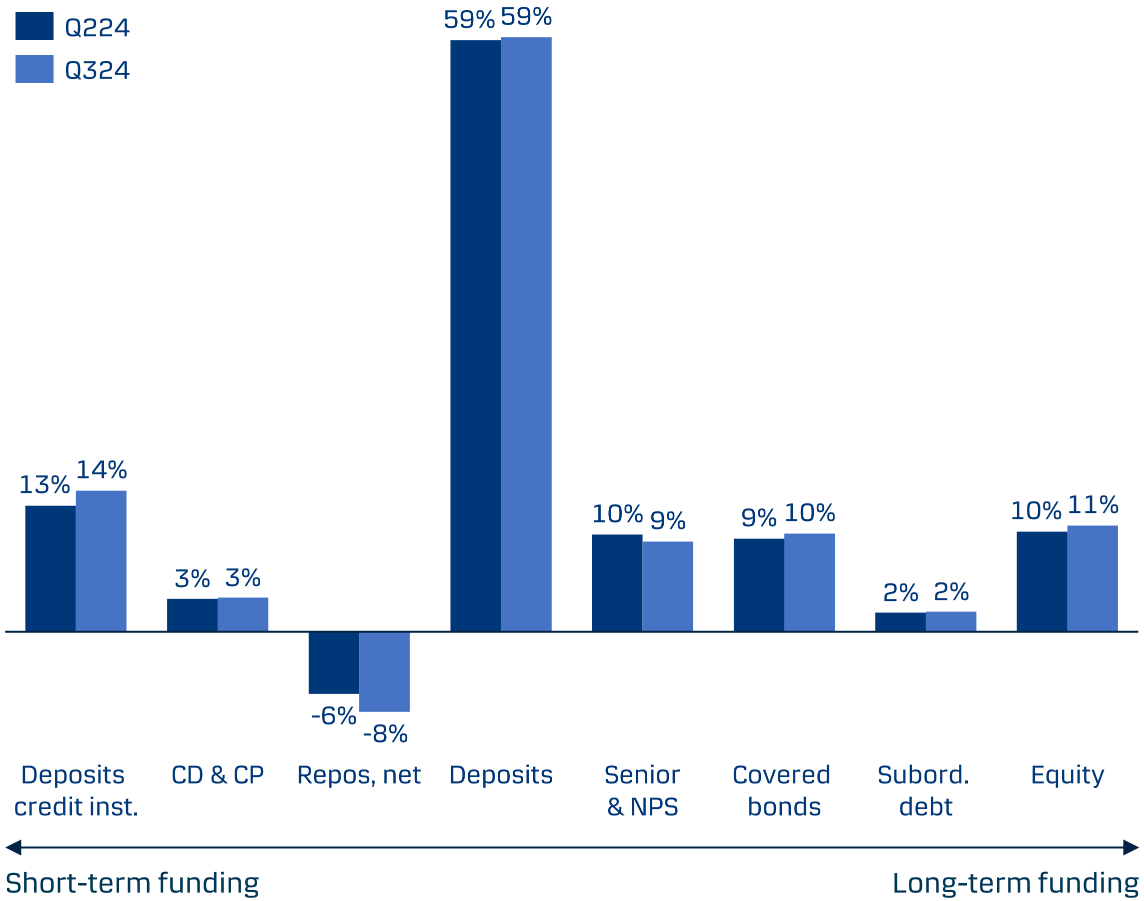
Funding & Liquidity

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

Loan portfolio and long-term funding Q324 (DKK bn)



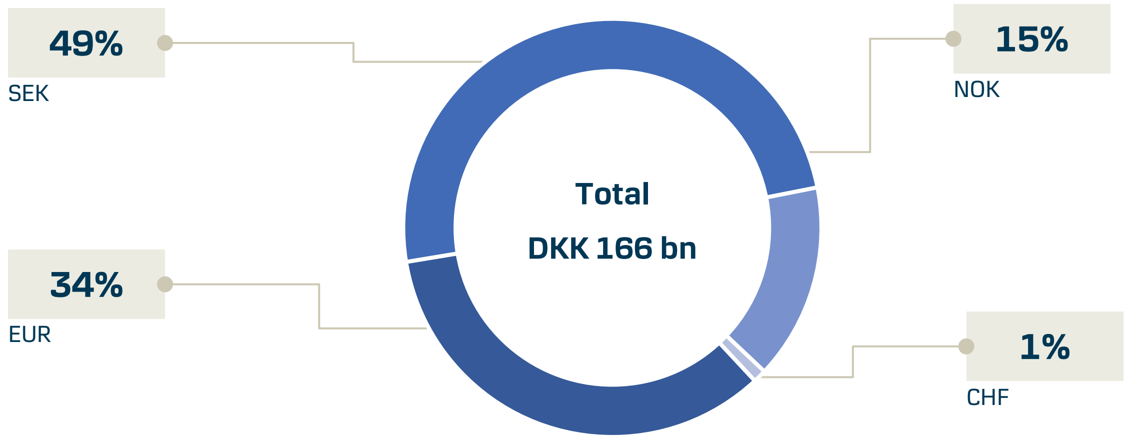
Funding sources* (%)



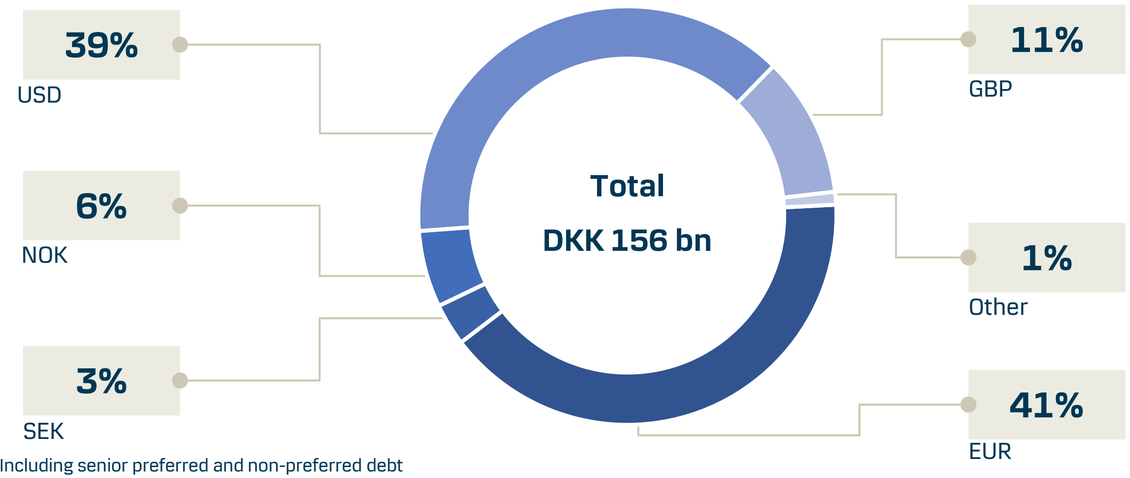
* Figures are rounded

Funding programmes and currencies

Covered bonds by currency Q324



Senior debt[1] by currency Q324



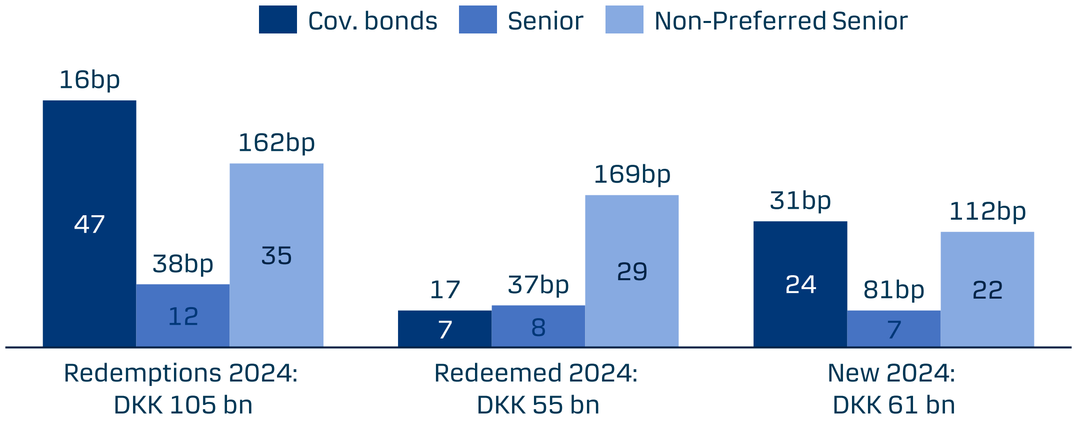
[1] Including senior preferred and non-preferred debt

Largest funding programmes Q324

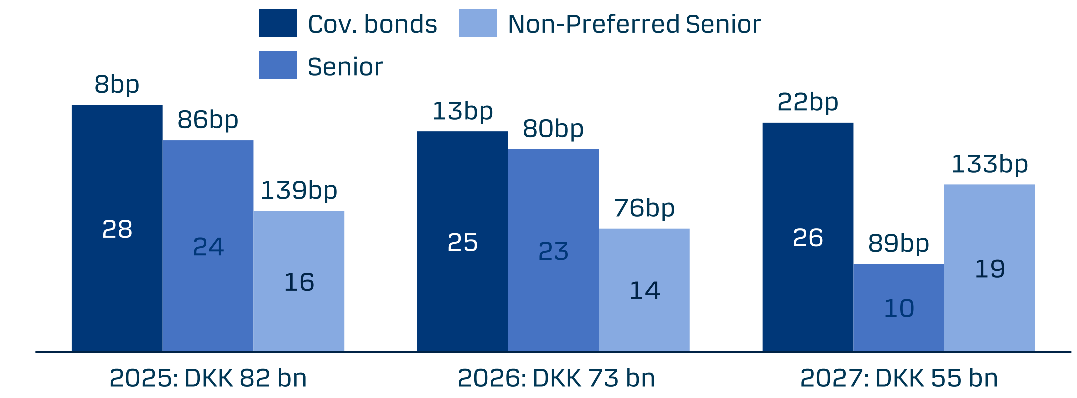
	Utilisation
EMTN Programme Limit – EUR 35bn	44%
Global Covered Bond Limit – EUR 30bn	52%
ECP Programme Limit – EUR 13bn	32%
US MTN (144A) Limit – USD 20 bn	45%
US Commercial Paper Limit – USD 6bn	37%
UK Certificate of Deposit Limit – USD 15bn	5%
NEU Commercial Paper Limit – EUR 10bn	3%

Funding plan

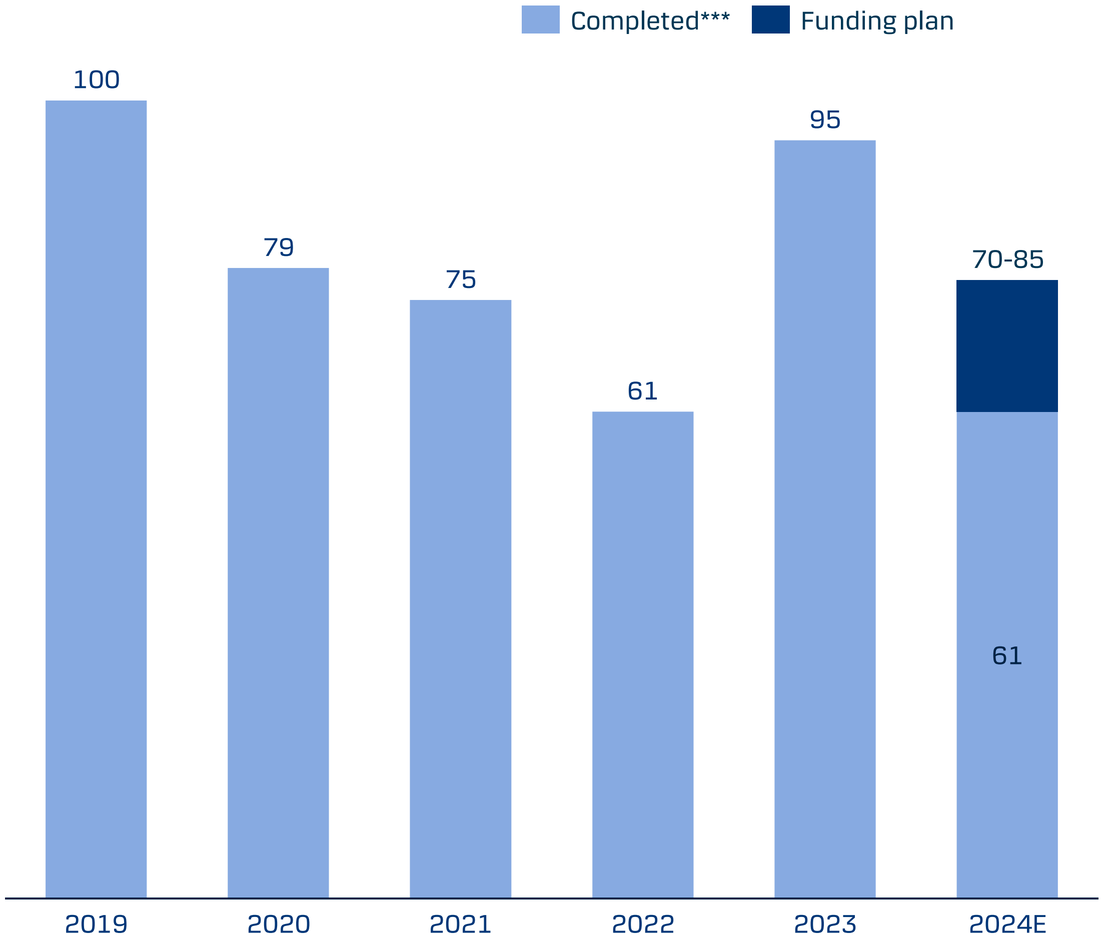
Changes in funding* 2024 (DKK bn and bp)



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 .
***As per early October, we had issued more than DKK 70 billion so far in 2024 (funding plan DKK 70 – 85bn)

Danske Bank covered bond universe – A transparent pool structure, with EUR issuance by 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

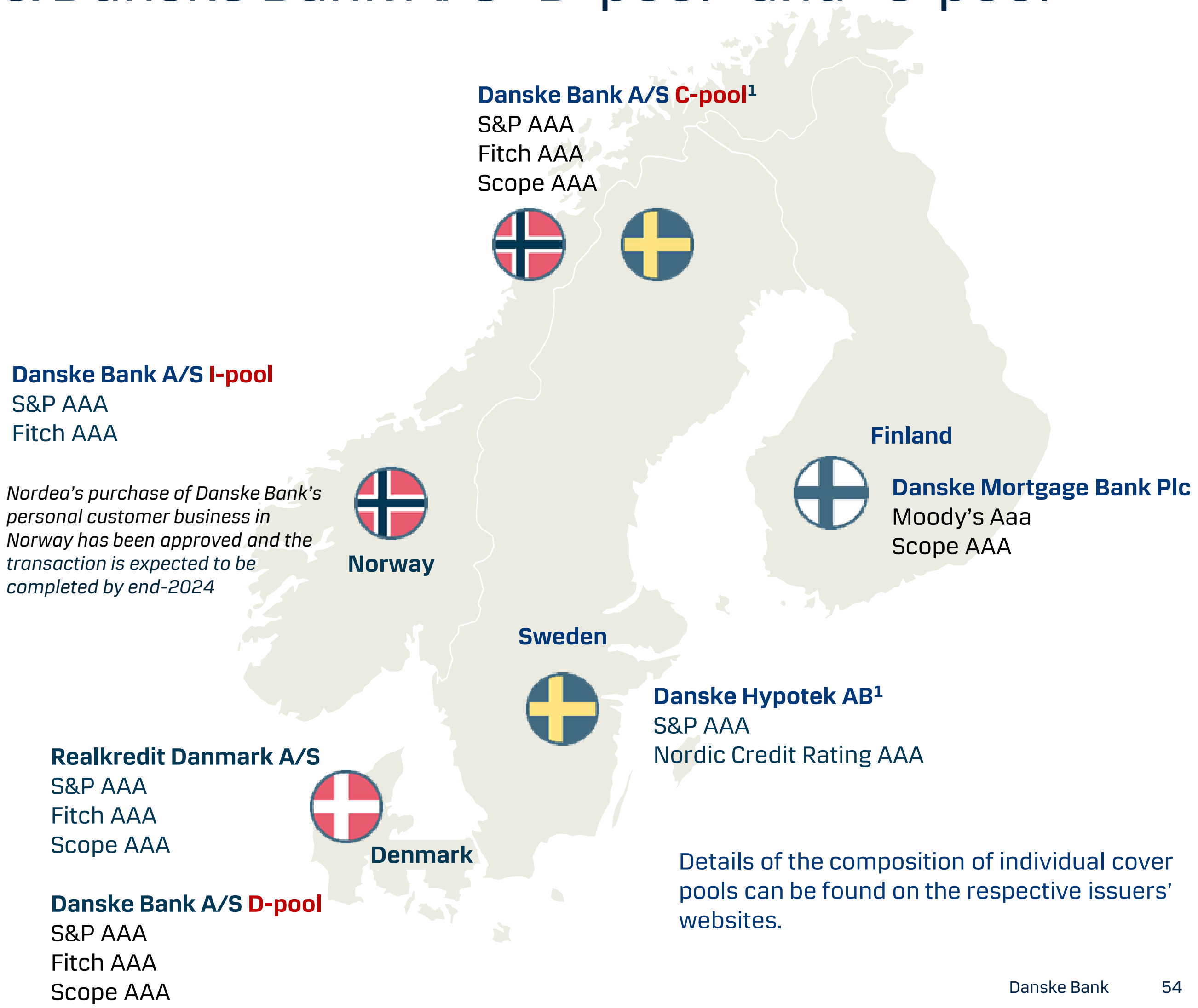
Commercial mortgages

- Sweden and Norway, C-pool

REALKREDIT Danmark

Residential and commercial mortgages

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



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

Credit & ESG Ratings

Danske Bank's credit ratings – S&P upgrades non-preferred senior debt, subordinated Tier 2 debt and additional Tier 1 capital instruments

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 (S + T), Danske Bank (C + D + I)
- Moody's rated covered bonds – Danske Mortgage Bank
- Scope rated covered bonds – RD (S + T), Danske Bank (C + D), Danske Mortgage Bank
- S&P rated covered bonds – RD (S + T + General), Danske Bank (C + D + I), Danske Hypotek
- Counterparty rating
- Senior unsecured debt
- Non-preferred senior debt
- Tier 2 subordinated debt
- Additional Tier 1 capital instruments

Rating summary Q3 2024

On 20 September 2024, S&P upgraded Danske Bank's Stand-Alone Credit Profile to 'a' from 'a-'. Consequently, the rating of Danske's non-preferred senior debt, subordinated Tier 2 debt and additional Tier 1 capital instruments have been raised by one notch. Danske Bank's issuer rating was affirmed at 'A+', and the outlook remains stable.

At the same time S&P upgraded Danica Pension's issuer rating to 'A' and raised Danica's subordinated T2 debt rating one notch to ´BBB+'.

All credit rating agencies have stable outlooks on Danske Bank.

Danske Bank's credit ratings – No changes by Fitch or Moody's in Q3 2024

Rating methodology

Danske Bank's rating

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)

Moody's

Macro profile	+	1	+	2	+	3	+	4	+	5	+	Quali-tative factors	=	BCA*	+	Affiliate support	+	LGF**	+	Gov. support	=	Issuer rating
Strong Plus		baa1		aa3		baa2		baa2		baa1		0		baa1		0		+2		+1		A1 (Stable)

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

* Baseline Credit Assessment ** Loss Given Failure

Danske Bank's credit ratings – S&P upgrades Stand-Alone Credit Profil to 'a'

Rating methodology

Danske Bank's rating

S&P Global Ratings

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

1=Business Position, 2=Capital & Earnings, 3=Risk Position, 4=Funding & Liquidity
* Stand-Alone Credit Profile, ** Comparable Ratings Analysis, *** Additional Loss Absorbing Capacity

SCOPE

Operating environment	+	Business model	=	Initial mapp-ing	+	Long-term sustainability	=	Adjusted anchor	+	Earnings capacity & risk exposures	+	Financial viability management	+	Additional factors	=	Standalone rating	+	External support	=	Issuer rating
Very supportive / Low		**Resilient / High**		**a**		**Developing**		**a**		**Neutral**		**Comfortable**		**Neutral**		**a+**		**n/a**		**A+ (Stable)**

Danske Bank's ESG ratings – No changes in Q3 2024

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

ESG rating agency	Q3 2024		Q2 2024	Q1 2024	End-2023	End-2022	End-2021	Range
CDP[1]	B	362 companies, out of the 21,000 scored, made the 2023 Climate Change A List	B	B	B	B	B	A to F (A highest rating)
ISS ESG	C+ Prime	Decile rank: 1 (301 banks rated) C+ is the highest rating assigned to any bank by ISS ESG	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
MSCI	BBB	MSCI rates 203 banks: AAA 5% AA 37% A 29% BBB 20% BB 6% B 0% CCC 1%	BBB	BBB	BBB	BBB	BBB	AAA to CCC (AAA highest rating)
Sustainalytics	Low Risk	Rank in Regional Banks 89/551 Rank in Banks 246/1042	Low Risk	Medium Risk	Medium Risk	Medium Risk	Medium Risk	Negligible Risk to Severe Risk

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

Tax & Material one-offs

Tax

Actual and adjusted tax rates (DKK m)

	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Profit before tax according to P&L	7,935	7,774	7,517	7,235	6,475
Permanent non-taxable difference	41	421	218	-473	223
Adjusted pre-tax profit, Group	**7,976**	**8,195**	**7,736**	**6,762**	**6,698**
Tax according to P&L	1,770	1,936	1,888	1,470	1,156
Taxes from previous years etc.	208	45	24	251	503
Adjusted tax	1,978	1,981	1,912	1,721	1,660
Adjusted tax rate	24.8%	24.2%	24.7%	25.5%	24.8%
Actual-/Effective tax rate	22.3%	24.9%	25.1%	20.3%	17.9%
Actual-/Effective tax rate exclusive prior year regulation	24.9%	25.5%	25.4%	23.8%	25.6%

Tax drivers, Q3 2024

- The actual tax rate of 24.9% (excluding prior-year's adjustments) is lower than the Danish rate of 26% - due to the differences in statuary tax rates in the various countries in which we operate and 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
- The permanent non-taxable difference derives from tax-exempt income/expenses, such as value adjustments on shares

Material extraordinary items, 2023 – 2024

Quarter	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
Q124	None		
Q224	None		
Q324	Reimbursement of insurance costs	179	Expense

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