Presentation for Q4 conference call

Financial results - 2024

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Chief Executive Officer

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Chief Financial Officer

Highlights: Strong financial performance supported by solid uplift in core banking income; robust credit quality and capital distribution according to plan

Record FY net profit DKK 23.6bn (+11% Y/Y)

Supported by continued NII uplift and strong fee income growth
Return on Equity improved to 13.4% for 2024

Total income +8% Y/Y underpinned by commercial activity

Supported by new corporate mandates, credit demand across corporate segments and strong trend in activity-driven fee income

Enhanced efficiency improved cost/income to 46% (from 49%)

Prudent cost management and tangible legacy take-outs enhance efficiency and enable strategic investment ramp-up

Strong credit quality and net reversals of impairments (-3bps)

Driven by sustained low level of single-name credit quality deteriorations and work-out credit cases and by a review of PMA buffer

Capital distribution

Strong CET1 ratio* of 17.8%, incl. effect of new SBB and dividends

Launch of new SBB programme of DKK 5 bn along with extraordinary dividend payment taking 2024 distribution to 100%**

2025FY Outlook DKK 21 – 23bn

Driven by sustainable fee income partly mitigating impact of lower market rates, along with prudent cost management and sound CoR

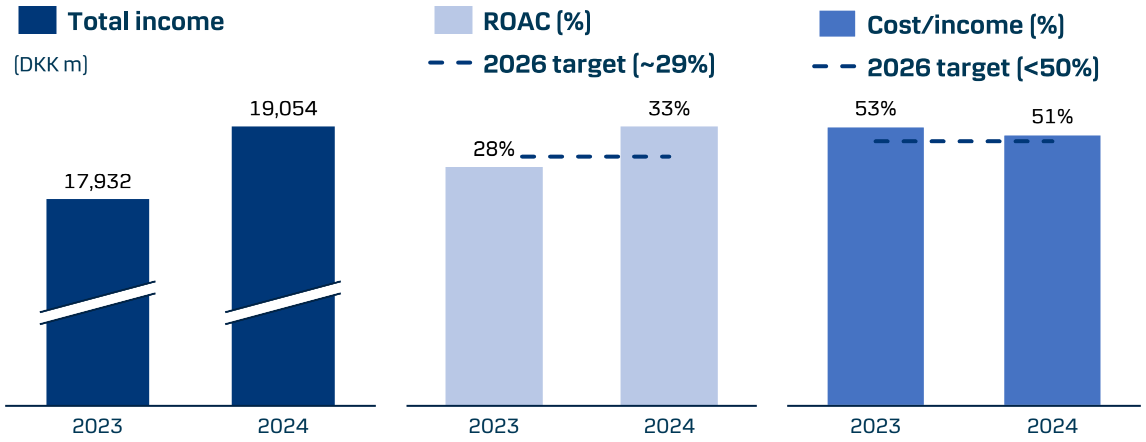
*Reported CET1 ratio at year-end of 19.0% before adjusting for the approved SBB and extraordinary dividend.
**Excluding the special dividend of DKK 6.5/share paid in December'24, post the PC NO divestment.

Personal Customers: Strong customer activity drives solid fee income and deposit inflow, offsetting muted lending demand

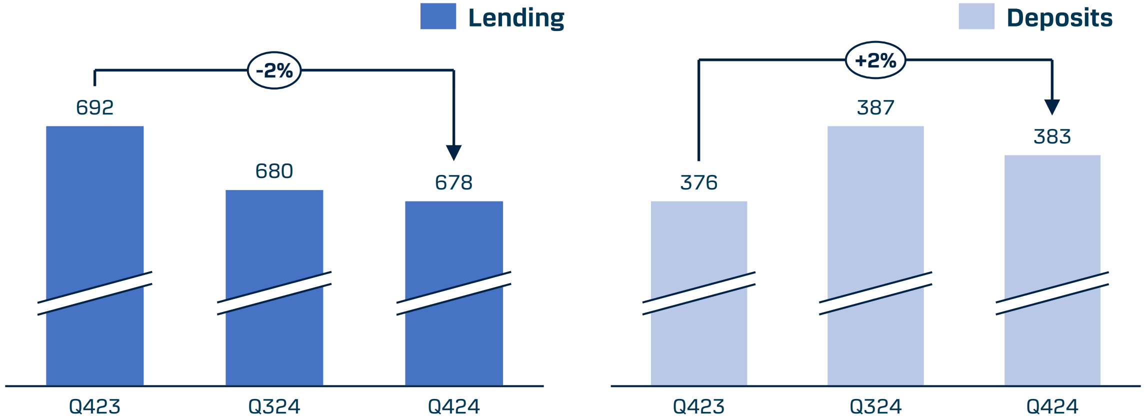
Highlights

- Y/Y total income up 2%*, driven by increased net fee income. Profitability further benefited from strong asset quality and net impairment reversals
- Increase in net fee income +14% Y/Y driven by strong investment and everyday banking activity
- Home lending in DK stabilised in Q4, as positive trend in bank lending mitigates muted RD volumes, with customers opting for more flexible bank loans due to rate environment
- Deposit inflow Y/Y of 2%, driven by positive trends, particularly in Denmark (3%)
- Private Banking traction continues, underpinning positive fee development
- Good traction in customer flow into growth segments, supported by strong satisfaction with digital solutions

Financial performance KPIs



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



Strategic KPIs

	FY 24 progress	2026 target
Number of meetings per adviser (index)	**115**	**163**
Net new customer in growth segments	**~21k**	**~40k**
Customer satisfaction with Mobile Banking	**8.5**	**8.5**

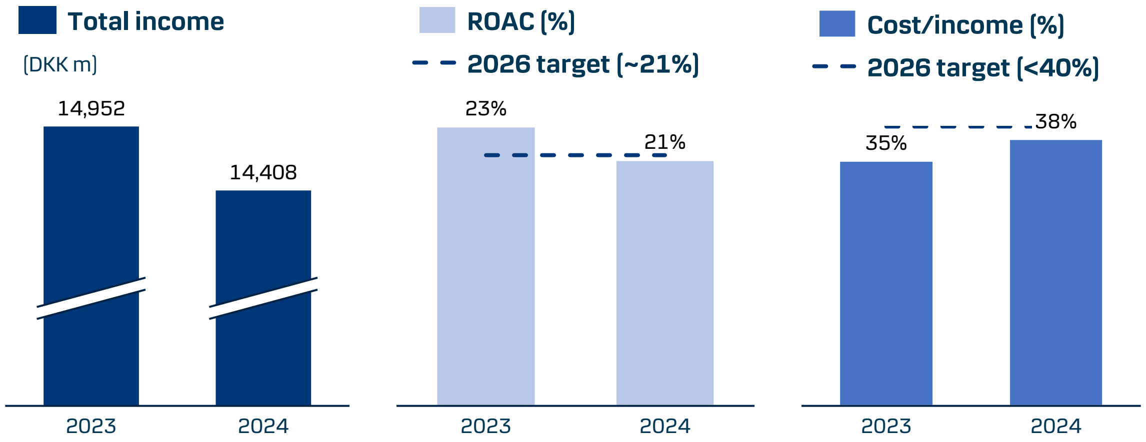
*After adjustment for the provision in 2023 related to the divestment of PC Norway.
**PC lending includes RD. PC lending and deposits excludes NO.

Business Customers: Fee income growth driven by strong customer activity. Strong performance on strategic KPIs

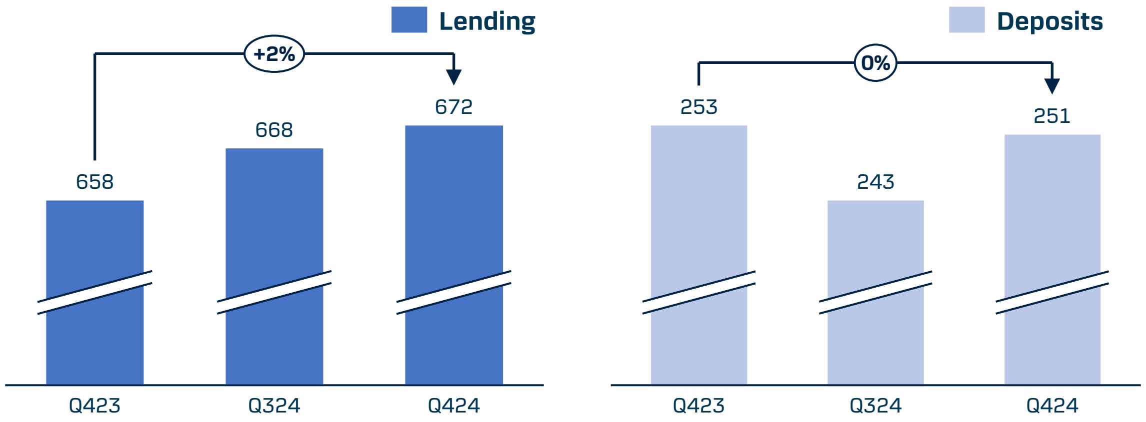
Highlights

- Total income declined 4% Y/Y, with increase in net fee income offset by other income being impacted by lower resale values in our leasing operations
- Strong increase in net fee income, driven by strong customer activity and subscription-based model
- Total lending up 2% Y/Y supported by positive development of customer base, especially with mid-size corporates, and improved market shares across the Nordics
- Deposits stable Y/Y, while Q/Q uptick was supported by inflow in Sweden and Denmark
- Higher C/I ratio from strategic investments as part of F'28 agenda
- Continued development of digital solutions – incl. new welcoming flow for small businesses in Denmark, helping to lift customer satisfaction levels

Financial performance KPIs



Nominal lending and deposits
(DKK bn, constant FX)



Strategic KPIs

	FY 24 progress	2026 target
Annual growth in Daily Banking fees in BC	**5%**	**5%***
Credit cases with automatic decisioning	**50%**	**50%**
Customers highly satisfied with advisory	**+15%**	**+15%**

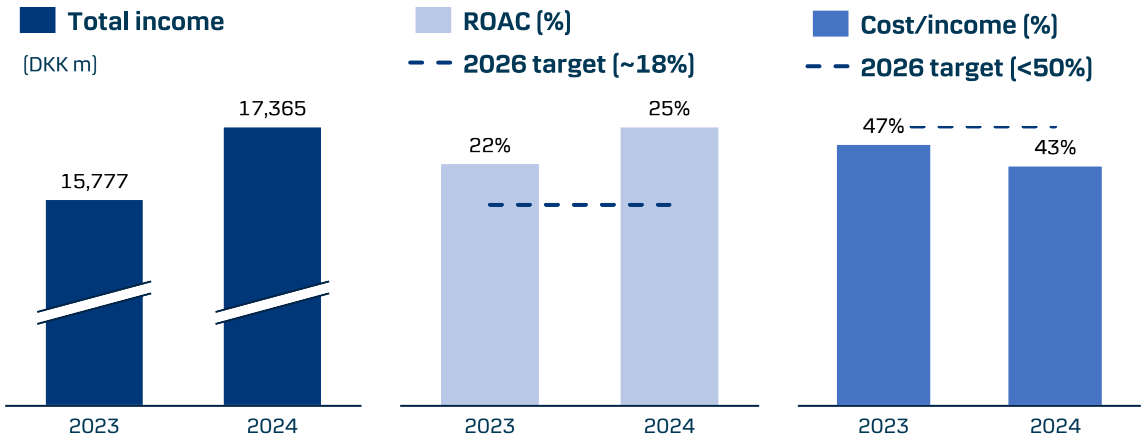
* Shared growth target with LC&I as part of the One Corporate Bank platform.

Large Corporates & Institutions: Significant growth in capital efficient income driven by strong performance across franchise

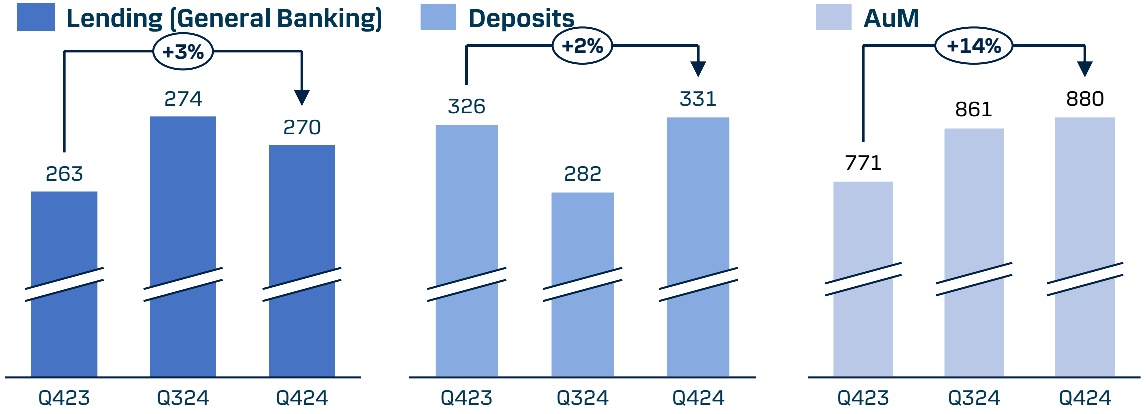
Highlights

- Strong performance driving total income up +10%, supported by lead roles across product offerings and several landmark transactions
- NII supported by solid volumes, as we continue to execute the strategy to grow outside Denmark
- Financial performance driven by strong fee income, primarily from performance fees in Asset Management (up 143% Y/Y) but also from cash management and capital markets, mitigating lower trading income
- Solid traction in net sales supports Assets under Management, up by 14% Y/Y*
- Through the year, Capital Markets performed strongly, maintaining our position as the leading Nordic bank within European bond issuance with record-high volumes

Financial performance KPIs



Nominal lending and deposits
(DKK bn)



Strategic KPIs

	FY 24 progress	2026 target
New customers outside Denmark	**50**	**40**
Annual growth in Daily Banking fees in LC&I	**12%**	**5%****
Market share in capital markets advisory fees***	**9.5%**	**10.5%**

* Despite DKK ~8bn transfer of funds related to the PC Norway transaction.
** Shared growth target with BC as part of the One Corporate Bank platform. *** Changed from ranking metric.

Increased profitability ensured by strong uplift in core banking income; cost trajectory as planned; strong credit quality enables 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 were mitigated by balance sheet effects
- Fee income driven by solid customer activity. Q4 saw particularly strong uplift related to performance fees and positive traction across all fee categories
- Stable net trading income Y/Y. Q4 slightly impacted by risk-off sentiment at year end
- Danica income benefited from stable financial markets and higher premiums Y/Y. Q4 provision related to long-term H&A liabilities
- Costs in line with expectations as inflation and targeted investments are mitigated by efficiency gains and lower FCRP and legacy spend. Q/Q reflects seasonality
- Strong credit quality and well-provisioned portfolio drove further net reversal of impairments alongside review of PMA buffer
- Net profit up 11% Y/Y, lifting RoE to 13.4%

Income statement (DKK m)

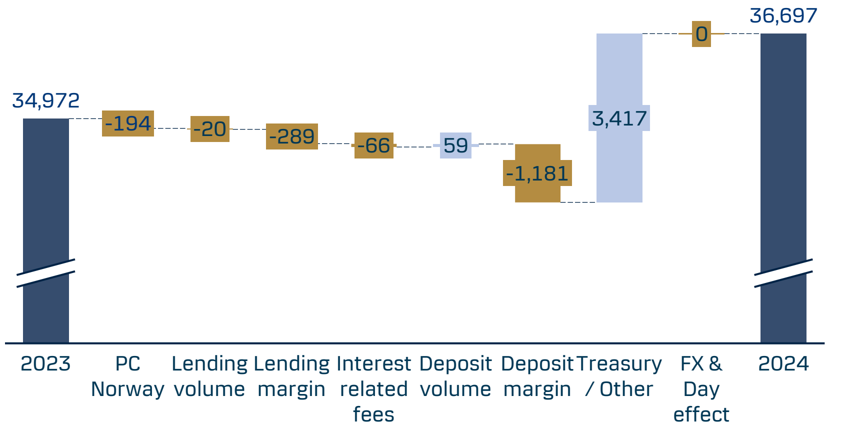
	2024	2023	Index	Q4 24	Q3 24	Index
Net interest income	36,697	34,972	105	9,244	9,165	101
Net fee income	14,912	12,904	116	4,509	3,329	135
Net trading income	2,668	2,613	102	559	733	76
Net income from insurance business	1,387	1,472	94	-20	459	-
Other income	741	460	161	277	140	198
Total income	56,405	52,422	108	14,568	13,826	105
Operating expenses	25,736	25,478	101	6,690	6,228	107
Profit before loan impairments	**30,669**	**26,944**	**114**	**7,879**	**7,598**	**104**
Loan impairment charges	-543	262	-	-107	-337	32
Profit before tax	**31,212**	**26,682**	**117**	**7,986**	**7,935**	**101**
Tax	7,583	5,420	140	1,990	1,770	112
Net profit	**23,629**	**21,262**	**111**	**5,995**	**6,165**	**97**

NII: Resilient NII supported by volumes and treasury effects which mitigate central bank rate cuts and despite timing of pricing adjustments

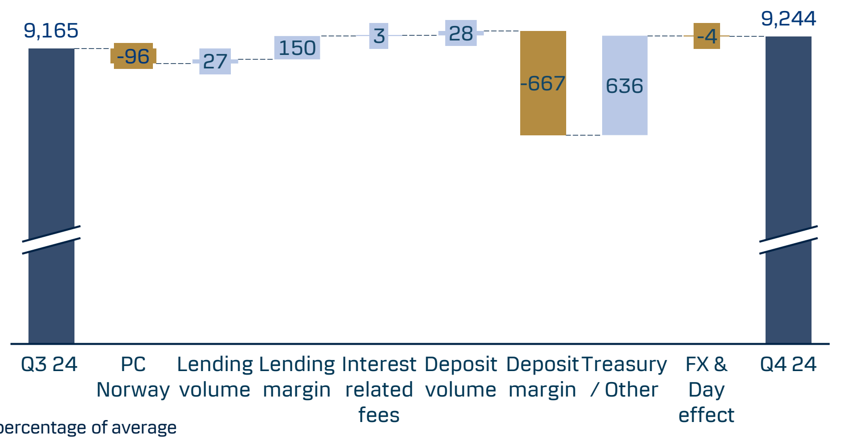
Highlights

- Net interest income trended in line with expectations as positive contribution from treasury effects mitigates central banks' initial cuts and muted volumes
- 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 uplift highlights resilience of NII from structural hedge, treasury effects and improved lending margins due to lower funding costs. Deposit 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

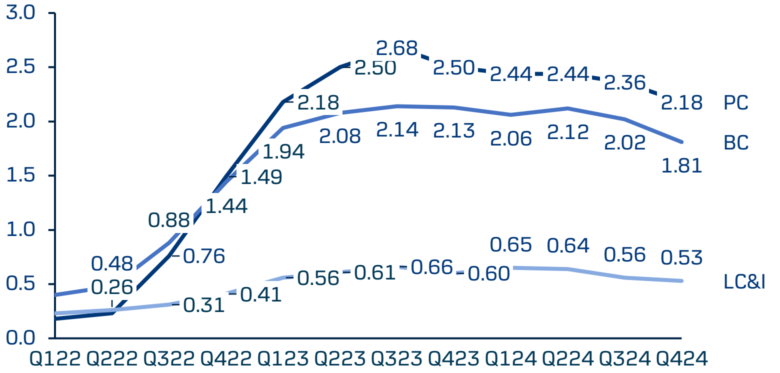
NII 2024 vs 2023 (DKKm)



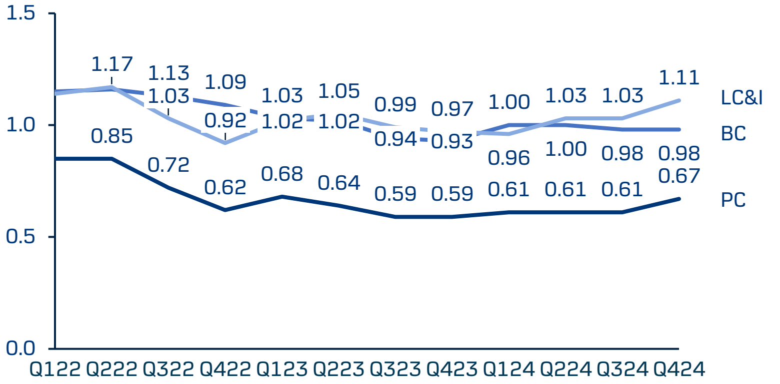
NII Q424 vs Q324 (DKKm)



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: Broad-based and strong uplift in fee income; up 35% Q/Q driven by record-high performance fees in Asset Management

Highlights

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

- Solid income uplift driven by demand for everyday banking solutions, incl. cash management services, along with diligent repricing of products

Lending and guarantee fees

- Overall credit demand remained muted despite initial signs of housing market recovery. Financing fees benefited from higher refinancing auction activity in Q4 and higher corporate loan demand

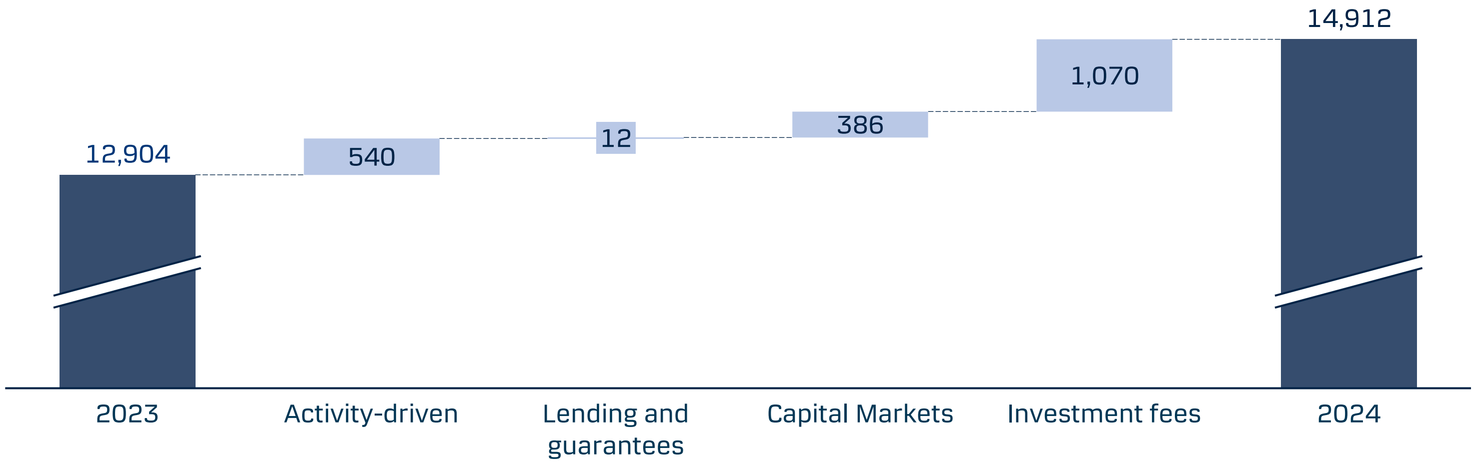
Capital markets fees

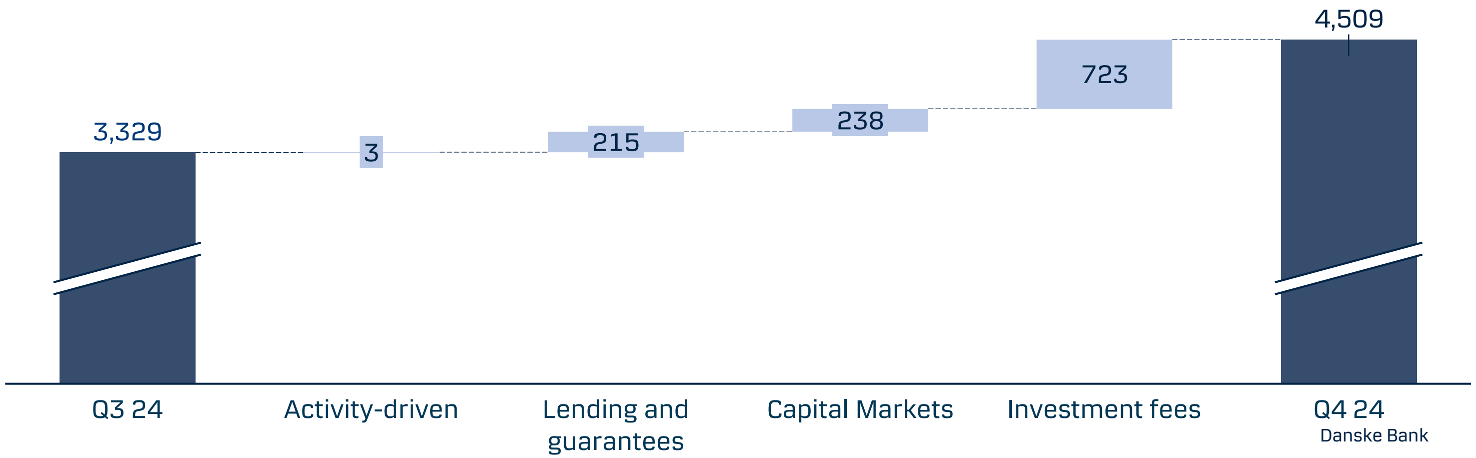
- Strong customer activity across businesses, driven especially by DCM as well as ECM in H2

Investment fees

- Strong quarterly uplift driven by record-high performance fees (DKK 0.7bn) in Asset Management on the back of our funds' above-benchmark performance, adding to fee income from sustained growth in AuM (+DKK 19bn Q/Q to DKK 880bn)

Net fee income (DKK m)





Trading income: Customer activity impacted by seasonality in the fourth quarter

Highlights

LC&I

- Y/Y: H1-23 was exceptionally strong at LC&I
- Q/Q: Subdued customer activity given usual seasonality in Q4

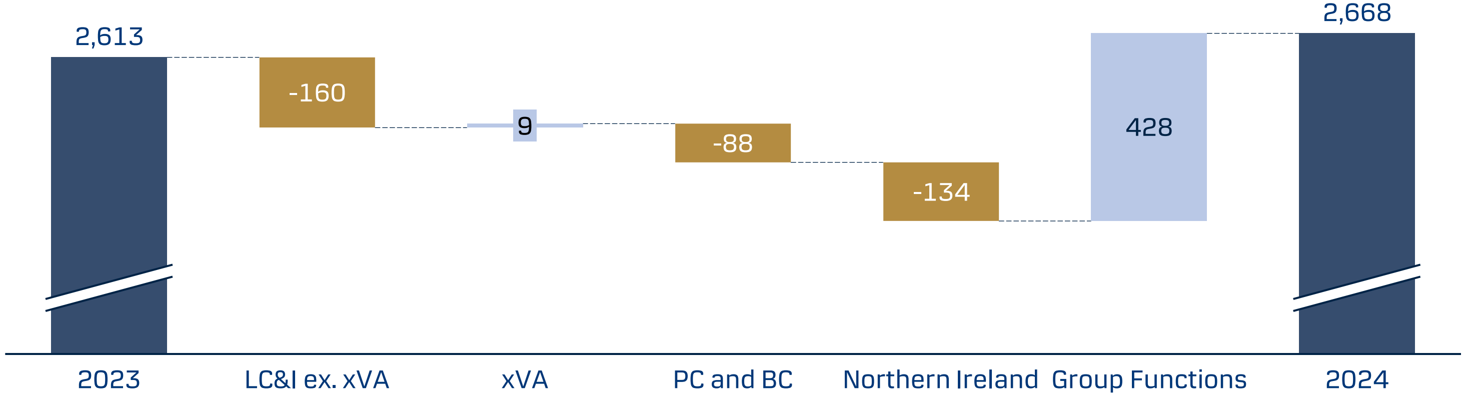
Northern Ireland

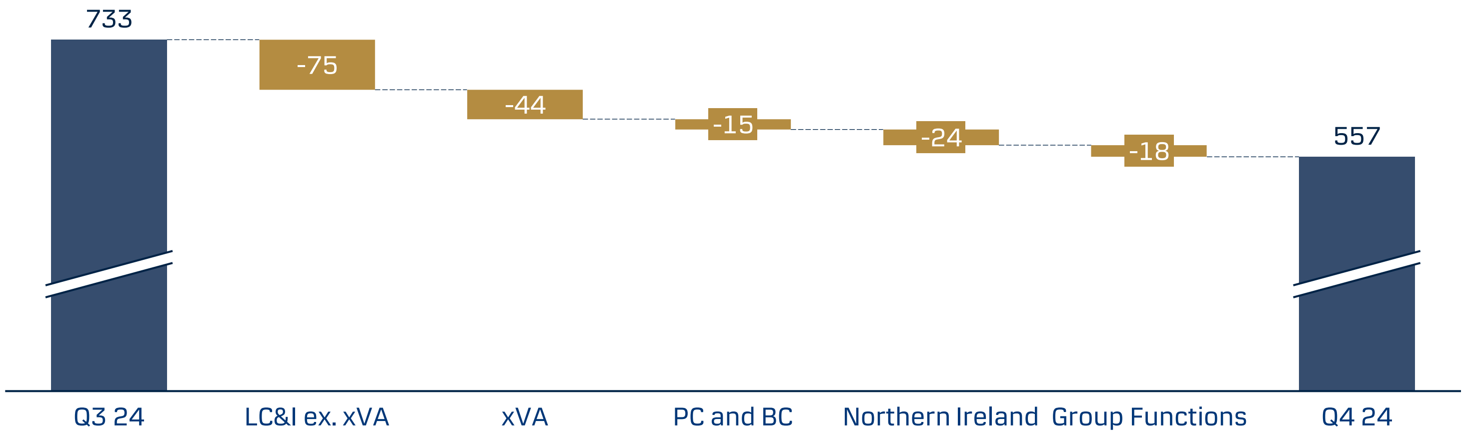
- Development in trading income primarily reflects mark-to-market movements on the hedging portfolio

Group

- Y/Y: Q2-23 and Q3-23 were impacted by one-off effects. Reiterating that in Q3-23, there was a negative effect of DKK 0.8bn from the CET1 FX hedge related to PC Norway and in Q2-23 a positive one-off effect of DKK 0.3 bn, leading to a net effect of DKK 0.5 billion

Net trading income (DKK m)



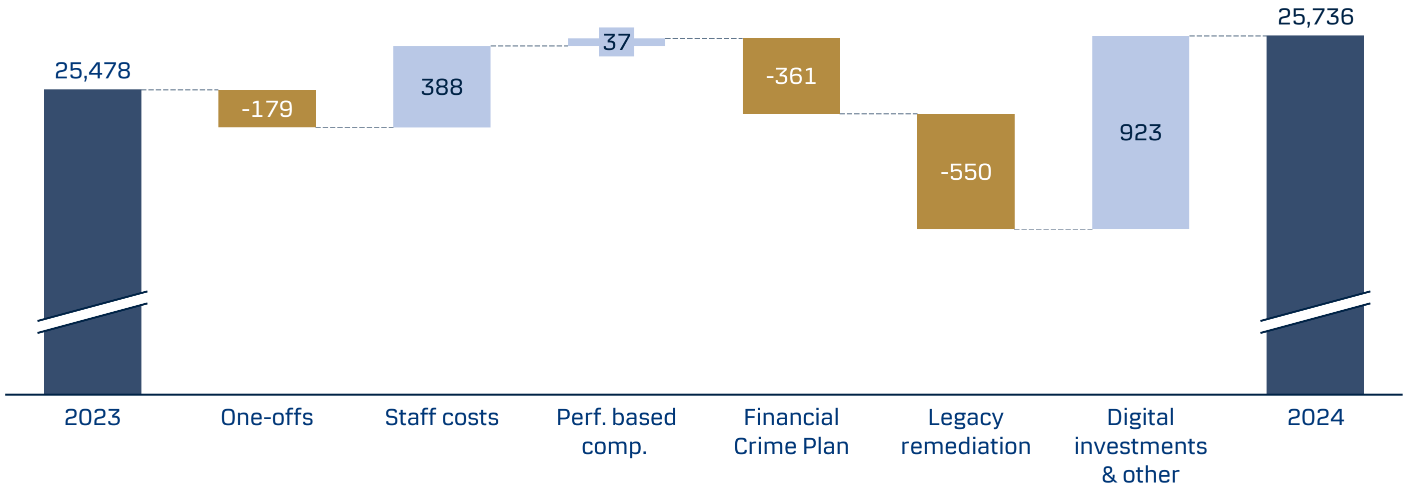


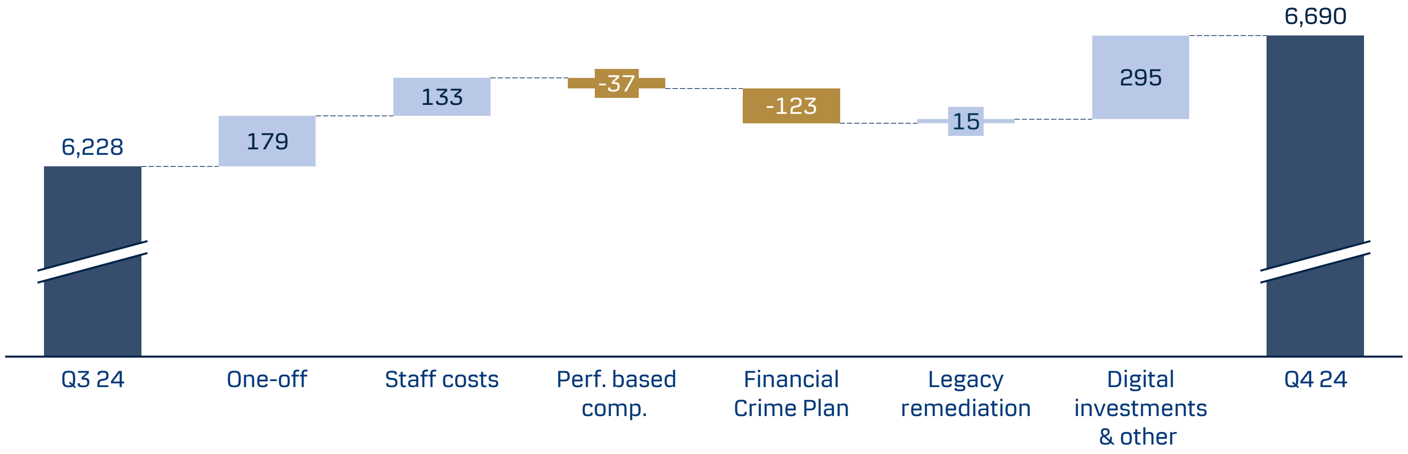
Expenses: Cost trajectory in line with plan - inflation and investments mitigated by lower costs related to legacy cases

Highlights

- Total operating expenses up slightly Y/Y as consistent cost management mitigated wage inflation and enabled strategic investments
- Cost/income ratio at 46%, down from 49% for 2023
- Decrease in financial crime prevention costs in line with plan for normalisation. Legacy remediation costs trending down but tail expected into 2025
- Number of FTEs managed as planned with a 1% reduction Y/Y
- Cost trajectory according to plan while non-recurring costs related to new HQ and PC Norway divestment amounted to DKK 0.2bn for 2024
- Tangible cost takeouts and improved efficiency mitigated inflation and enabled strategic investment ramp-up
- FY2025 cost outlook up to DKK 26bn

Expenses (DKK m)



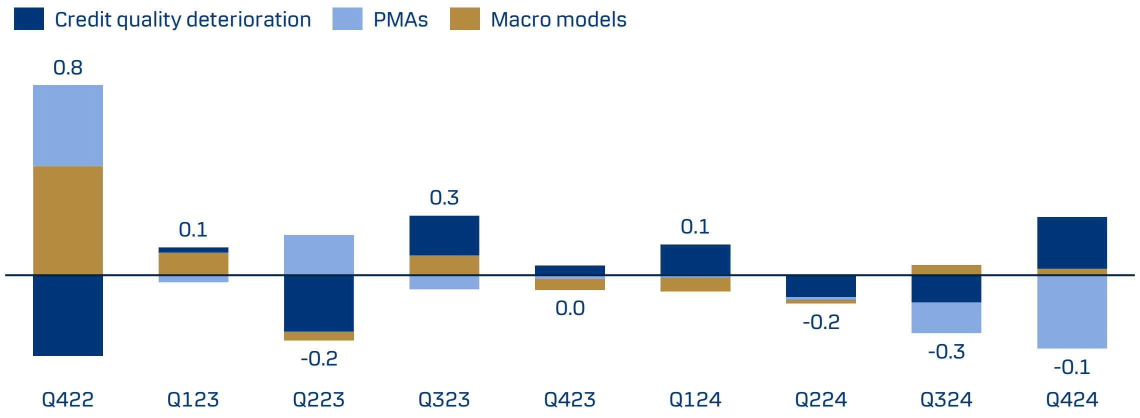


Impairments: Strong credit quality with net reversal of impairments; prudent PMA buffer remains in place

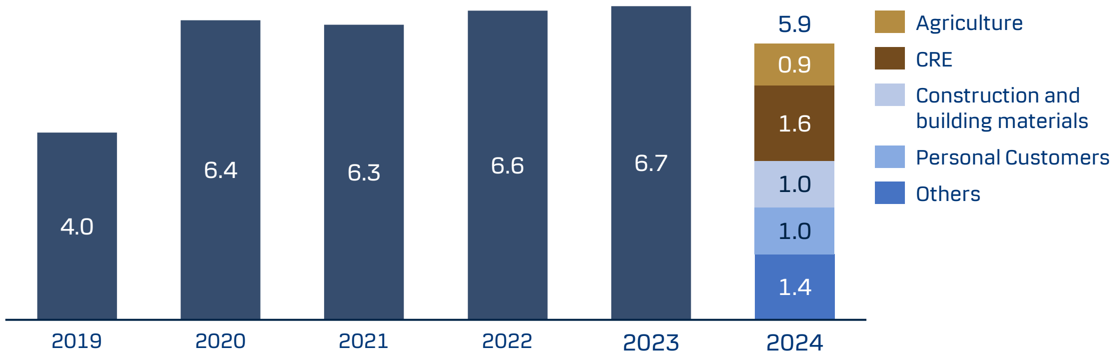
Highlights

- Strong credit quality and modest single-name cases coupled with review of PMAs led to net reversal of DKK 0.1 bn in Q4, bringing the total net reversals to DKK 0.5bn for 2024
- Modest revisions in the provisions based on macroeconomic models as base case macro-outlook continued to improve. Model continues to include a severe downturn scenario
- PMA release of DKK 0.5bn in Q4 related to review of risks in CRE and personal customer portfolio. Significant PMA buffers remain in place to mitigate any tail risk not visible in the portfolio or captured by macro models

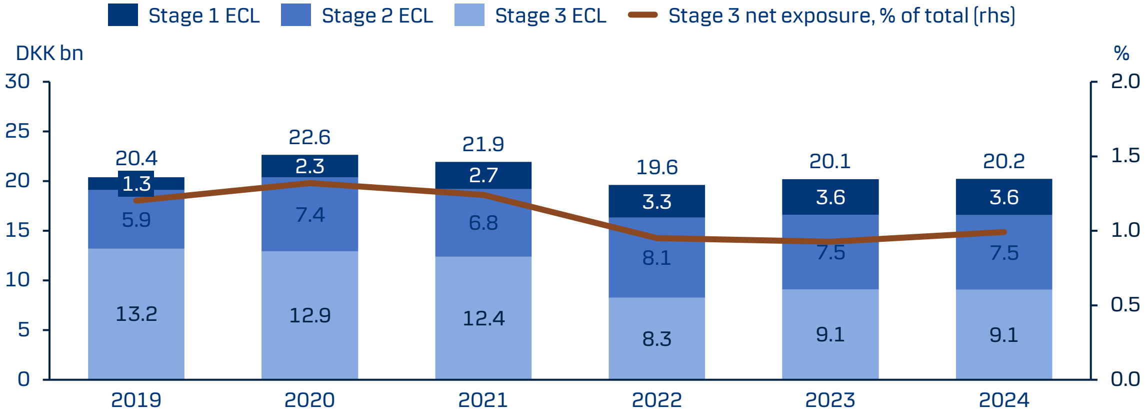
Impairment charges by category (DKK bn)



Post-model adjustments (DKK bn)



Allowance account by stages (DKK bn)

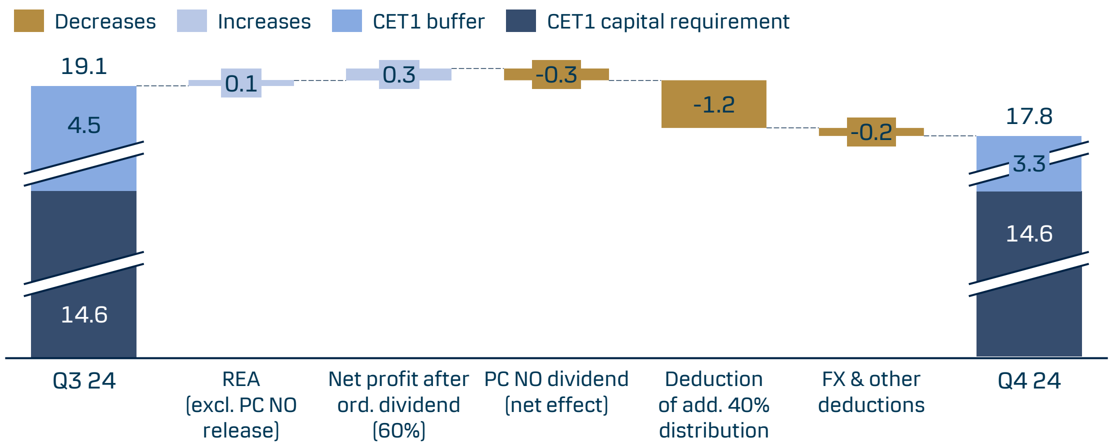


Capital: Strong capital generation with CET1 capital ratio at 17.8% when fully deducting the announced 40% additional distribution

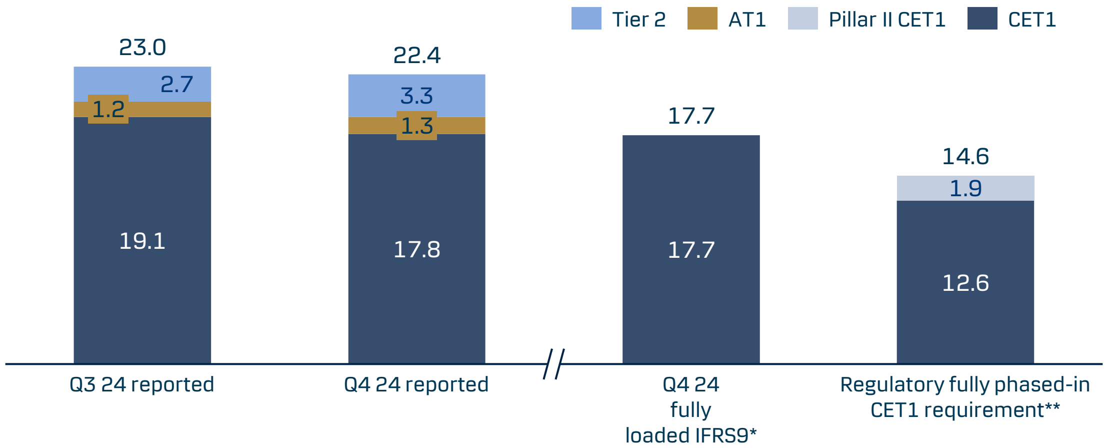
Highlights

- CET1 capital ratio remained strong at 17.8% in Q4 relative to 19.1% in Q3. Without adjusting for the announced additional 40% distribution, the CET1 ratio would have been 19.0% after the paid PC NO dividend (~30bps impact)
- The Group's total REA decreased by around DKK 21 bn. due primarily to lower REA from the PC Norway release, whereas lower Credit Risk REA mitigated the higher Operational Risk REA, that increased due to standard calibration when net profit increases
- The dividend policy for 2025 remains unchanged, targeting a dividend payout of 40-60% of net profit in the form of annual dividend payments

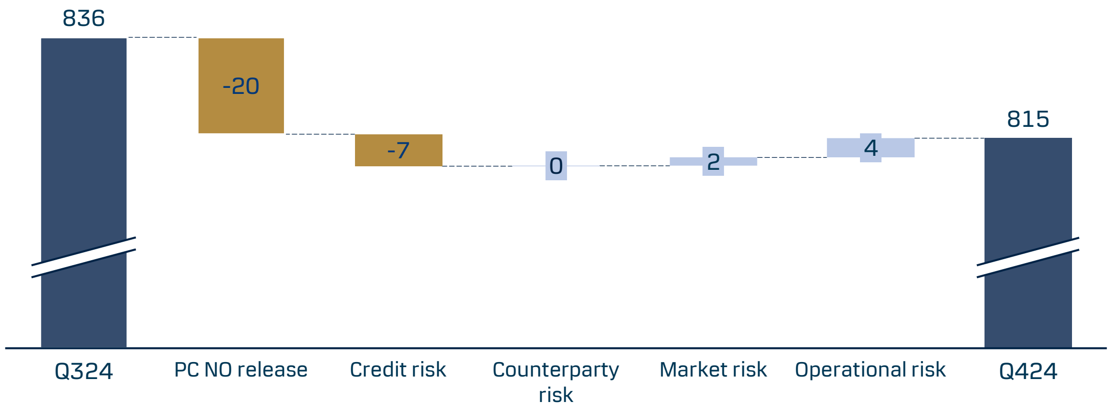
CET1 development (%)



Total capital ratios (%)



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 0.6%, and CET1 component of Pillar II requirement

Financial outlook for 2025

Income	**Total income** is expected to be slightly lower in 2025 than in 2024, driven by lower NII from expected lower market rates. Core banking income will continue to benefit from strong fee income and our continued efforts to drive commercial momentum and growth 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 2025 to be up to DKK 26 billion, reflecting our continued focus on cost management, and in line with our financial targets for 2026
Impairments	**Loan impairment charges** are expected to be around DKK 1 billion as a result of continued strong credit quality
Net profit *	We expect **net profit** to be in the range of DKK 21-23 billion

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

Q&A Session

Press ***11** to ask a question