



Press release

Danske Bank
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**Progress in customer activity as well as core banking activities continued,
and credit quality remained strong
Record-high net profit of DKK 23.6 billion, improving return on equity to 13.4%
Dividend of DKK 9.35 per share for the second half of 2024 as well as an extraordinary dividend of DKK 5.35
per share, in total DKK 14.7 per share
The Board of Directors has decided to initiate a new share buy-back programme of DKK 5 billion**

Danske Bank has announced its financial results for 2024.

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

"For Danske Bank, 2024 was a year in which we consistently delivered positive results from quarter to quarter, driven by increased customer activity, continually strong credit quality and a sustained, dedicated effort from the entire organisation. Consequently, we maintained our positive commercial momentum, resulting in a solid financial performance.

One year into the execution of our Forward'28 strategy, we have made substantial progress within our technology transformation and customer engagement, and we can see that our investments in enhancing the customer experience have resulted in increasingly positive customer satisfaction scores.

Our continued focus on cost discipline and on maintaining strong credit quality resulted in two upward adjustments of our financial guidance in 2024. On the basis of our strong financial results and solid capital position, the total distribution in 2024 amounts to 100% of net profit, thus honouring the commitment we have made to our shareholders.

With our advanced customer offerings, deep expertise and solid financial position, Danske Bank is strongly positioned to create value for customers, shareholders and society. In a time of heightened geopolitical uncertainty, rapid technological shifts and increasing sustainability challenges, we will continue to focus on opportunities and solutions for households and businesses alike."

The annual report is available at www.danskebank.com. Highlights are shown below:

2024 vs 2023

Total income of DKK 56.4 billion (up 8%)

Operating expenses of DKK 25.7 billion (up 1%)

Loan impairments of DKK -543 million (2023: DKK 262 million)

Net profit of DKK 23.6 billion (up 11%)

Return on shareholders' equity of 13.4% (2023: 12.7%)

Strong capital position, with a CET1 capital ratio of 17.8% (2023: 18.8%). The ratio reflects strong capital generation and the full deduction of the announced 40% additional capital distribution.



Solid progress towards Forward '28 ambitions and 2026 targets

2024 was the first full year of our Forward '28 strategy, and we are well-positioned for future growth as we maintain our trajectory towards strengthening our position as a leading bank in the Nordic region and make significant investments in our customer offerings.

For personal and private banking customers, with Forward '28, a sharpened focus in each of our markets has allowed us to further strengthen our relations with existing customers and attract new ones. For business and institutional customers, we want to be a leading bank in the markets in which we operate. Our approach focuses on meeting evolving market demands while fostering high long-term customer and employee satisfaction.

Significant progress with our technology transformation paved the way for a better customer experience and improved efficiency. In 2024, we made substantial progress in terms of using digitalisation, data, AI and technology to improve customer engagement while reducing costs and operational risks. We developed a new version of our District online banking platform that is tailored to small businesses and is expected to launch in Denmark in the first half of 2025. We also launched a new welcoming app that makes it both easier and faster to become a personal customer with us.

Across the bank, we have made GenAI a strategic priority, and our GenAI-powered solutions offer key opportunities to unlock productivity gains. During 2024, we launched DanskeGPT, which has been adopted by almost 16,000 users across the organisation, corresponding to 74% of all employees. We have also deployed GenAI-powered tools for our software developers, and these tools are driving solid productivity improvements.

In 2024, Danica developed its new commercial strategy, Forward '28 - Danica, which aims to make Danica the preferred pension company in Denmark by 2028. The strategy, which took effect on 1 January 2025, focuses on the importance of making customer interactions with Danica easy and convenient through digital solutions and on offering comprehensive healthcare offerings, attractive returns and quality advice. These elements are expected to be key growth drivers over the next few years. The strategy aligns with the strategic direction set in Danske Bank's Forward '28 strategy, underscoring the significant potential in synchronising services between the bank and the pension business.

As the success of our strategy relies on solid execution, we have a significant focus on our employees, supported by investments in development activities, leadership and the workplace. Employee satisfaction and engagement scores continued to improve from already high levels and are now above the industry benchmark.

Sustainability is a key focus area in Forward '28, and our ambition is to be a leading Nordic bank in terms of supporting the sustainability transition of customers, businesses and the Nordic societies that we are a part of. Our efforts are reinforced by new ESG advisory services, comprehensive staff training, recruitment of specialists and strategic partnerships, all aimed at supporting our customers' sustainability transition. In line with European regulation, for the 2024 annual report, Danske Bank has prepared a sustainability statement in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

Better-than-expected macroeconomic conditions

Macroeconomic conditions developed more favourably than expected in the markets in which we operate. Especially in Denmark, the inflation and growth outlook improved during the year, and this development is forecast to continue as central banks continue their easing trajectories, leading to lower rates for both



households and businesses. Although the growth outlook has improved broadly speaking in the Nordic region, the uncertainty related to Europe's long-term growth prospects and ability to innovate persists.

In times of uncertainty for both Danske Bank and our customers, our well-capitalised balance sheet has enabled us to be a strong financial partner for our customers, and we have continued to support them with risk management expertise and expert advice.

Strong financial performance

An improved commercial momentum in our business, supported by better-than-expected macroeconomic conditions and strong credit quality have enabled us to strengthen profitability and generate record-high net profit. The return on equity thus increased from 12.7% to 13.4%, highlighting our positive trajectory and progress towards our 2026 targets.

In 2024, total income grew 8%, driven by a sustained uplift in core banking income. Despite central bank rate cuts and lower deposit margins as well as overall muted credit demand, net interest income showed the expected strong development, with increasing net interest income throughout the year. Net fee income continued the positive traction throughout the year, reflecting our overall strong development and ability to do more business with existing customers and to attract new customers. We saw a higher level of fee income from cash management products, and customer activity generally remained high. Furthermore, we saw an increase in investment fees generated by strategic investments in our private banking offerings as well as a strong development in fees from asset management.

Net trading income remained stable, and net income from insurance business benefited from stable financial markets, with the health and accident business continuing to be challenged, however.

Operating expenses developed according to plan and were at the same level as in 2023. The minor year-on-year increase was caused mainly by higher investments in our technology transformation made under our Forward '28 strategy and staff costs that were impacted by wage inflation. Costs related to financial crime prevention and legacy remediation decreased in line with our plan for a normalisation of costs, and together with prudent cost management, this led to an improvement in the cost/income ratio to 46% from 49%.

Loan impairment charges amounted to a net reversal of DKK 543 million, reflecting strong credit quality and modest impairments against single-name exposures coupled with a review of post-model adjustments. We continue to apply significant post-model adjustments as well as a scenario-based macroeconomic model to cater for potential tail risks that are not evident in our portfolio. Overall, the macroeconomic environment improved during 2024 and was characterised by lower inflation, lower interest rates and an enhanced growth momentum.

Overall, we ended the year with the same positive momentum that we saw in the first nine months of 2024. This resulted in record-high net profit of DKK 23.6 billion, up 11% from 2023.

"The first year of execution of our Forward '28 strategy, 2024 was an important year for Danske Bank's financial performance: With income growth driven by our growing core income as well as our continued efforts to support customers and drive the commercial momentum, net profit represents a record-high result," says Stephan Engels, Chief Financial Officer.



We continue to create value to the benefit of our customers, our shareholders and society: Our tax expense amounted to DKK 7.6 billion, and given our strong capital position, and in line with the Forward '28 strategy, the financial year 2024 enables us to make a significant payout to our shareholders.

Delivering on capital distribution

Given our strong balance sheet, and as planned in the Forward '28 strategy, the financial year 2024 yields a significant payout to our shareholders. We paid a dividend of DKK 7.50 per share in connection with the interim report for the first half of 2024, and we propose a dividend of DKK 9.35 per share for the second half of 2024 as well as an extraordinary dividend of DKK 5.35 per share. Furthermore, on 6 December 2024, we announced a special dividend of DKK 6.50 per share following the successful transfer of the personal customer business in Norway. In total, our distribution for 2024 amounts to DKK 28.70 per share.

It remains crucial for us to create value for all our stakeholders, including our shareholders, customers, employees and the societies we are part of, and as a bank we need to attract capital from shareholders to lend and do business. Besides large institutional investors, our capital distribution benefits most major pension funds in Denmark as well as private individuals in Denmark, who have invested part of their savings in Danske Bank shares. In total, we have more than a quarter of a million investors, of which more than half are private individuals in Denmark.

Danske Bank's dividend policy for 2025 remains unchanged, targeting a dividend payout of 40-60% of net profit in the form of annual dividend payments.

Share buy-back

The share buy-back programme launched in February 2024 of DKK 5.5 billion was completed in January 2025.

On the basis of the financial results for 2024, the Board of Directors has decided to initiate a new share buy-back programme of DKK 5 billion, taking the total payout ratio to 100% of net profits when including the dividend for 2024 but excluding the special dividend related to the transfer of the personal customer business in Norway. The programme, which has been approved by the Danish Financial Supervisory Authority, will start on 10 February 2025.

Outlook for 2025

We expect net profit for 2025 to be in the range of DKK 21-23 billion.
The outlook is subject to uncertainty and depends on economic conditions.

Danske Bank

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More information about Danske Bank's financial results is available at www.danskebank.com/reports.