

Danske Bank A/S

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Table Of Contents

Ratings Score Snapshot

Credit Highlights

Outlook

Key Metrics

Anchor: 'bbb+' As Danske Bank's Main Operations Are In Denmark

Business Position: Leading Danish Commercial Bank With A Good Market Position In Other Nordic Countries

Capital And Earnings: Strong Capitalization By Balancing High Shareholder Distributions With Improved Earnings

Risk Position: Resilient Asset Quality And Adequate Risk Management In Line With Industry Peers

Funding And Liquidity: Leading Deposit-Taker In Denmark, Benefiting From Resilient Covered Bonds Markets

Support: One Notch Of ALAC Support On Long-Term Issuer Credit Rating

Table Of Contents (cont.)

Environmental, Social, And Governance

Group Structure, Rated Subsidiaries, And Hybrids

Resolution Counterparty Ratings (RCRs)

Issue Ratings

Key Statistics

Related Criteria

Related Research

Danske Bank A/S

Ratings Score Snapshot

Global Scale Ratings

Issuer Credit Rating

A+ / Stable / A-1

Resolution Counterparty Rating

AA- / -- / A-1+

Nordic Regional Scale

Issuer Credit Rating

-- / -- / K-1

SACP: a



Support: +1



Additional factors: 0

Anchor	bbb+	
Business position	Strong	+1
Capital and earnings	Strong	+1
Risk position	Adequate	0
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment		0

ALAC support	+1
GRE support	0
Group support	0
Sovereign support	0

Issuer credit rating
A+ / Stable / A-1
Resolution counterparty rating
AA- / A-1+

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths

One of Denmark's leading commercial banks, life insurers, and commercial pension providers.

Diversified revenue through the pan-Nordic lines of business.

Robust capitalization and additional loss-absorbing capacity (ALAC).

Key risks

High competition and room to improve operating efficiency.

Higher dependence on wholesale funding.

We expect Danske Bank to maintain solid earnings based on its leading franchise as dominant domestic player and as the second-largest bank in the Nordic region. We anticipate Danske Bank is generally well positioned to deliver its "Forward '28" strategy targeting 13% return on average shareholder equity(RoE) and a 45% cost-to-income ratio (CIR). Danske strategically strives to further grow its leading bank position in its main Nordic markets, strongly investing and optimising its digital platform, product, sustainability, and advisory offerings. It maintains strict cost discipline while further streamlining processes, while raising capital efficiencies across all segments. In 2024, Danske posted

re-assuring results of 13.3% RoE at a high 18.5% regulatory common equity tier 1 capital (CET1) ratio for the first quarter of 2025.

Similarly, we anticipate Danske to leverage its solid Danish and Nordic core market positions, and we consider this in our base-case solid 12.6%-13.0% return on equity (ROE) between 2025-2027, following 13.5% in 2024, which would compare well with similarly rated peers. Although we expect robust Danish markets, we caution on reduced benefits from the interest rate environment and high geopolitical uncertainties, potentially pressuring economic conditions particularly from intensifying trade tensions and policy uncertainties (see "Global Financial Institutions: The Tariff Hits Won't Land Evenly," April 17, 2025).

We expect Danske Bank to maintain high capitalization by prudently balancing its solid earnings with its high capital return policies. We expect Danske Bank to maintain its risk-adjusted capital (RAC) ratio consistently above 10.0% over the medium term, a level we consider strong. We forecast Danske Bank to hold a solid RAC ratio of 11.2%-12.4% between 2025-2027, down from 12.7% as of Dec. 31, 2024, as planned high shareholder distributions offset solid earnings.

We anticipate Danske Bank's asset quality to remain resilient and forecast relatively low credit losses. We take into account Danske Bank's generally sound asset quality in its diversified loan book, prudent underwriting and risk management, and tailwinds from Denmark's robust economy. Furthermore, Danske Bank's governance, compliance, and risk management have improved to be on par with peers, in our view. We forecast low annual credit costs around 6 basis points (bps)-8 bps of customer loans in 2025-2027, compared with loan impairment reversals of 3 bps in 2024. That said, we note Danske Bank's asset quality is sensitive to unfolding global trade tensions and tariff increases, and geopolitical conflicts.

Danske Bank's sizable amount of bail-inable instruments continue to support its senior unsecured debt ratings. We expect Danske Bank will hold a significant amount of ALAC to meet its minimum requirement for own funds and eligible liabilities, which results in a one-notch rating uplift above its 'a' group stand-alone credit profile (group SACP). We forecast that Danske Bank's ALAC will improve to 9.1%-10.9% of its S&P Global Ratings risk-weighted assets (RWA) through to 2028. At an 'a' or 'a+' SACP, the maximum ALAC uplift is one notch under our criteria. Furthermore, we believe Danske Bank's diversified funding profile and sound liquidity position will underpin its sound financial position.

Outlook

The stable outlook on Danske Bank reflects our expectation that the bank will continue to generate solid earnings, supporting strong capitalization over the next two years. We expect the bank will maintain relatively resilient asset quality in the challenging Nordic market and will continuously improve its risk management, governance, and compliance structures.

Downside scenario

Downward rating pressure would most likely occur if Danske Bank failed to achieve consistently solid risk-adjusted profitability, or if its asset quality weakened unexpectedly and substantially in difficult markets. This could happen in the event of an unexpected and significant rise in risk costs.

We could also lower our ratings on Danske Bank if we were to see new and unexpected material shortcomings or reputational damage due to failures in risk, governance, and compliance management. In these scenarios, we could revise down Danske Bank's SACP, and in turn, lower the issue ratings on its hybrid instruments and the issuer credit rating on Danica.

However, we would not likely lower the long-term issuer credit rating on Danske Bank over the next two years, or the senior unsecured issue ratings that are linked to this rating. With the SACP at 'a-' or lower, we could include an additional notch of ALAC support if the buffer continued to exceed our threshold for a second notch of uplift.

Upside scenario

It is unlikely that we would raise the issuer credit ratings on Danske Bank over the next two years because they are high relative to those of peers.

Key Metrics

Danske Bank A/S--Key ratios and forecasts

	--Fiscal year ended Dec. 31--				
(%)	2023a	2024a	2025f	2026f	2027f
Growth in operating revenue	29.1	(1.2)	(0.8)-(1.0)	0.0-0.0	0.4-0.5
Growth in customer loans	(7.4)	0.3	2.3-2.9	3.9-4.7	3.8-4.6
Growth in total assets	0.2	(1.5)	2.6-3.1	3.3-4.0	3.4-4.1
Net interest income/average earning assets (NIM)	1.3	1.4	1.2-1.4	1.2-1.3	1.1-1.3
Cost-to-income ratio	50.8	45.7	45.4-47.8	45.9-48.2	46.3-48.7
Return on average common equity	12.7	13.4	12.2-13.4	12.3-13.6	12.0-13.2
Return on assets	0.7	0.8	0.6-0.8	0.6-0.7	0.6-0.7
New loan loss provisions/average customer loans	0.0	(0.0)	0.1-0.1	0.1-0.1	0.1-0.1
Gross nonperforming assets/customer loans	1.9	1.9	1.9-2.1	1.8-2.0	1.7-1.9
Net charge-offs/average customer loans	(0.0)	(0.0)	0.1-0.1	0.1-0.1	0.1-0.1

Danske Bank A/S--Key ratios and forecasts (cont.)

	--Fiscal year ended Dec. 31--				
(%)	2023a	2024a	2025f	2026f	2027f
Risk-adjusted capital ratio	13.3	12.7	11.8-12.4	11.5-12.1	11.2-11.8

All figures include S&P Global Ratings' adjustments. a--Actual. f--Forecast. NIM--Net interest margin.

Anchor: 'bbb+' As Danske Bank's Main Operations Are In Denmark

Danske Bank's 'bbb+' anchor is in line with those of pure Danish commercial banks, reflecting Danske Bank's weighted-average economic risk score of '2', based on the geographic breakdown of its loan portfolio by year-end 2024, and an industry risk score of '4' for Denmark. Our economic and industry risk trends for the Danish banking sector remain stable. Besides Denmark (57% of group exposure), Danske Bank has diversified exposures in Sweden (16% of group exposure), Norway (7%), Finland (10%), the U.K. (5%), and other European countries as of year-end 2024, and we believe the divestment of the Norwegian retail business has not materially affected the anchor.

Denmark's resilient economy supports our view of Danish banks' low economic risk environment. They benefit from operating in a high-income, open economy with mature political and institutional settings that promote fiscal discipline and growth-stimulating policies. Denmark's competitive and diverse economy is expected to grow by 2.0% in 2025 and 1.5% in 2026-2027 backed by private consumption, public investments and solid performance of many export-oriented, countercyclical market players in agriculture, shipping and pharmaceutical sectors.

We expect banks' sound profitability will continue to support robust capitalization in the sector. Danish banks' profitability has materially improved in recent years. Interest margin compression from expected policy rate cuts, margin pressures, muted growth prospects, and manageably increasing credit costs will likely moderate systemwide return on average earning assets to an adequate 0.68% by 2026, from 0.73% in 2024.

Banks' credit losses should remain relatively low in the European context supported by robust asset quality from a resilient Danish economy, muted average annual 1%-2% growth in real Danish house prices, and high employment.

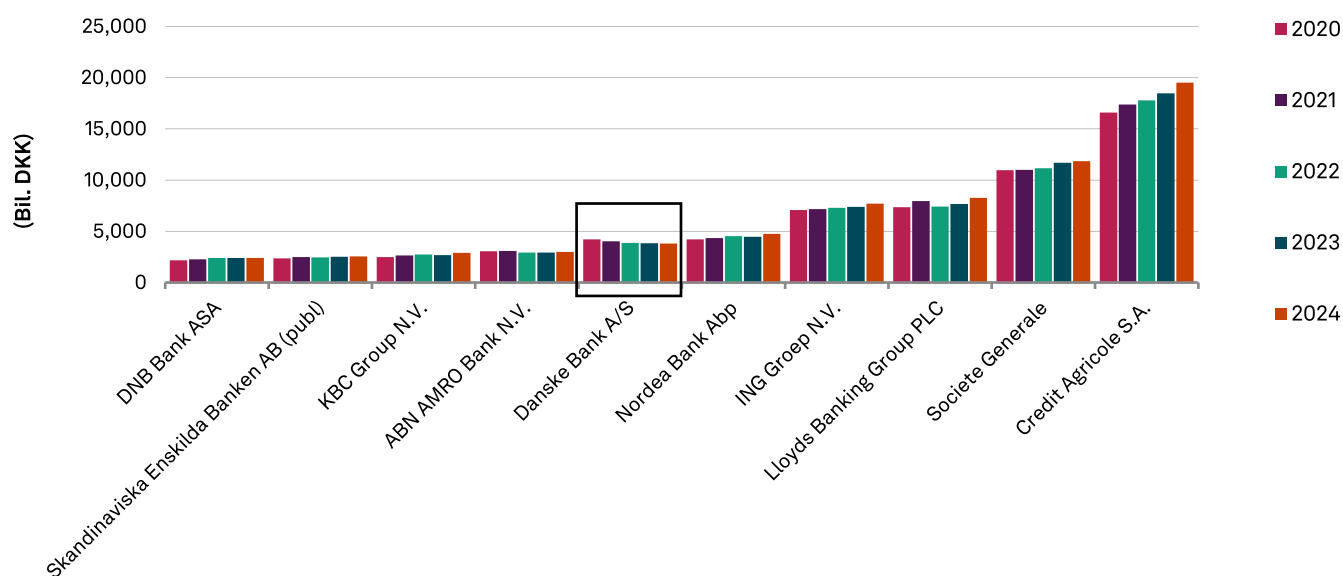
We view the regulatory environment in Denmark as being in line with that of EU standards. Danish authorities have had a good track record of addressing vulnerabilities in recent years, but need to be tested through a full economic cycle.

Although Danish banks rely heavily on wholesale funding, the lion's share relates to secured covered bond funding, which strongly benefits from the efficiency, market depth, and demonstrated stability of Denmark's covered bond market.

Chart 1

Danske Bank is the second-largest bank in the Nordics

Danske's asset size versus other global peers



DKK--Danish krone. Source: S&P Global Ratings.

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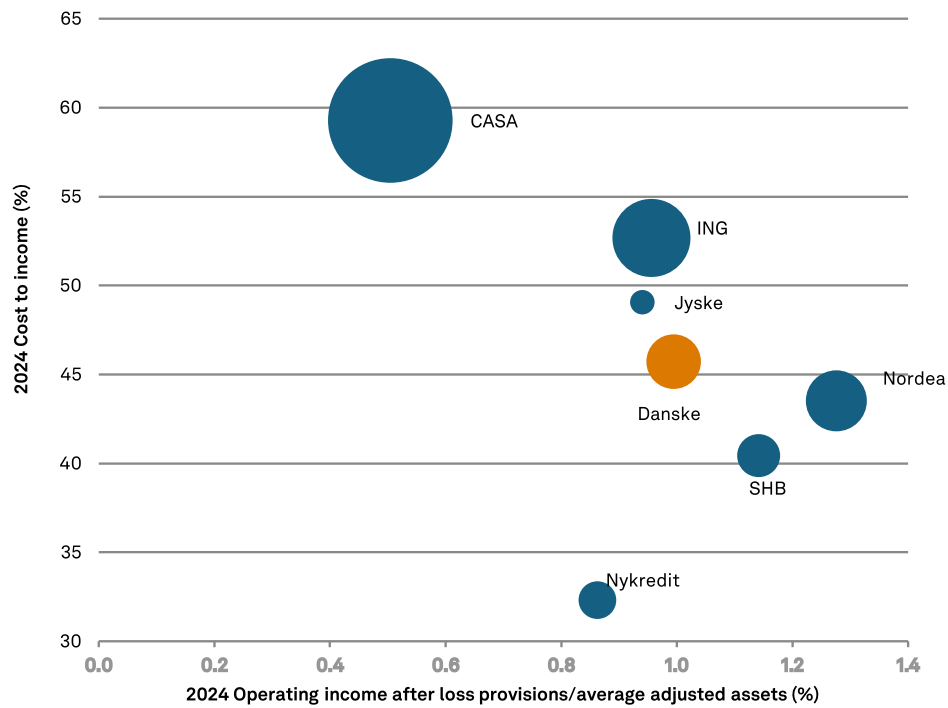
Business Position: Leading Danish Commercial Bank With A Good Market Position In Other Nordic Countries

We anticipate Danske Bank is generally well positioned to deliver under its mid-2023 announced "Forward '28" strategy. Accordingly, we expect that Danske Bank will maintain its diverse earnings capacity based on its strong franchise as a domestic leader and the second-largest bank in the Nordic market. We believe that the group is able to better leverage its solid pan-Nordic franchise, primarily in Denmark (about 25% market share), Finland (11%), Sweden (8%) as a challenger bank, and Norway (7%), where it strategically exited the retail business in 2024.

Danske recorded robust results in 2024 underpinned by strong net interest income, higher fees driven by increased customer activity, and strong credit quality. Under Danske Bank's "Forward '28" strategy priorities are set for strengthening its position as a leading bank in the Nordic region with 2026 financial targets aiming under their metrics a ROE of 13% and cost-to-income ratio of around 45%, while maintaining a common equity tier 1 (CET1) ratio above 16%. In line with revenue improvements and its strict cost control under its efficiency targets, Danske Bank improved its CIR to 46% year-end 2024, closing the gap to many peers, from 65% in 2021(see chart 2).

Chart 2

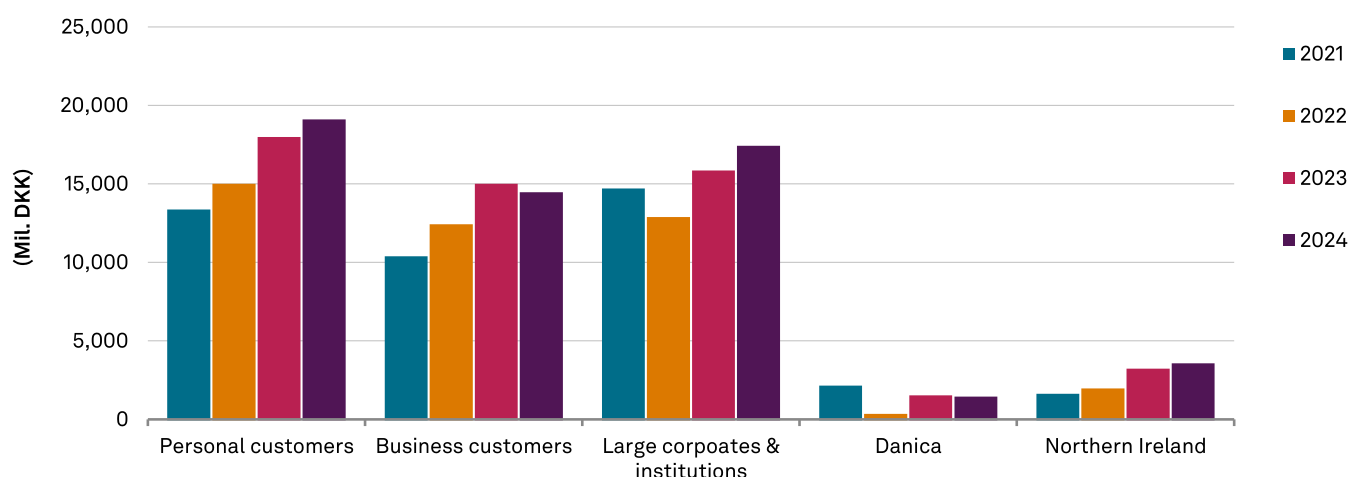
Danske bank efficiency gaps narrowed to peers in 2024



Bubble size represents total assets as of year-end 2024. Operating income after loss provisions/average adjusted assets and cost to income ratios are for year-end 2024. Source: S&P Global Ratings.
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Chart 3

The group is fairly diversified across business segments*



*Reported total income (Revenues); excludes group functions, eliminations and reclassifications. DKK--Danish

Krone. Source: S&P Global Ratings.

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To achieve its strategic targets, we anticipate Danske Bank will continue prioritizing investing its resources in more profitable businesses to further gain scale, particularly expanding its wholesale and bank business in the Nordics, retail lending in Denmark and Finland, and in expanding its private banking and wealth management earnings. Accordingly, on Nov. 18, 2024, Danske Bank successfully transferred its less profitable personal and business customer business in Norway to Nordea Bank Abp.

We view Danske Bank as a leader in Denmark in terms of digital solutions, but consider further investments as key to supporting an efficient and sustainable business model across the Nordics, to meeting evolving customer preferences, and to protecting the bank's competitive position in home markets.

In our view Danske Bank has adequate governance, compliance, and financial crime management in place, supported by Denmark's banking regulation and supervision in line with EU standards. Danske Bank completed its multi-year financial crime plan at end-2023, which adequately addressed the previous shortcomings and the relevant regulatory requirements. It has made significant investments in strengthening its compliance management framework and governance, increasing its compliance staff, and improving its processes and risk culture in recent years after significant negative attention since 2018 in connection with the Estonian anti-money laundering case, the mis-selling of its Flexinvest Fri product, and errors in its debt collection systems.

Capital And Earnings: Strong Capitalization By Balancing High Shareholder Distributions With Improved Earnings

We expect Danske Bank will continue demonstrating a strong capital position with a projected RAC ratio of

11.2%-12.4% in 2025-2027 (12.7% as of year-end 2024) owing to its solid earnings generation. We also positively note Danske Bank's much improved 99 bps operating income after loss provisions to average adjusted assets by year-end 2024, closing the gap with many similarly rated European peers.

Our main forecast assumptions for 2025-2027 are:

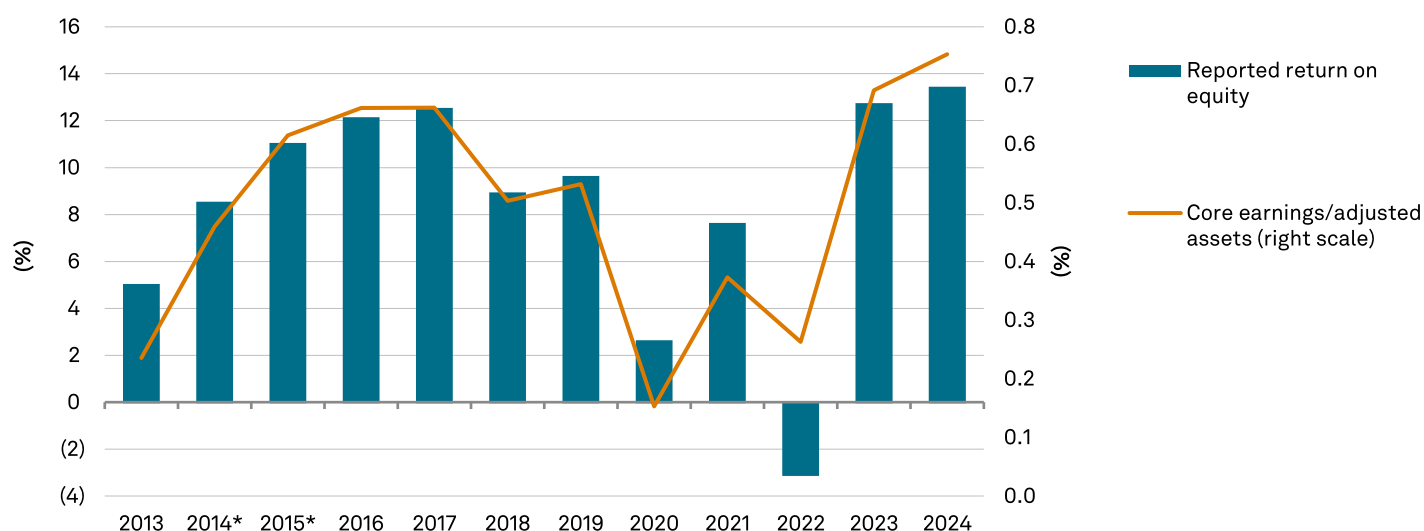
- Slightly declining revenues driven by waning interest income from expected lower policy rates, and 3.0%-4.0% annual loan growth helped by 2.0%-3.0% annual fee growth, and improving yet volatile market-sensitive income.
- Modest cost increases as efficiency measures partially compensate wage inflation, digital investments, and compliance costs resulting in a cost-to-income ratio of about 47% under S&P Global Ratings' financial metrics.
- Annual Net income of Danish krone DKK21 billion-22 billion in 2025-2027 reflecting a ROE of 12.6%-13.0%.
- Shareholder distributions of up to 100%, including a dividend payout at the upper end of the 40.0%-60.0% guidance, share buybacks of DKK5 billion in 2025.

At the end of December 2024, the total regulatory capital ratio was 22.4%, and the CET1 capital ratio was a comfortable 17.8%, against 19.3% and 14.6% regulatory requirements, respectively. The moderate decrease in capital ratios during 2024 stemmed from the decision to pay out 100% of 2024 net profit, the DKK5.5 billion share buy-back programme initiated on Feb. 5, 2024, and the extraordinary dividend payment from the exiting the personal customers business in Norway. These effects were partly countered by a decrease in the regulatory capital deduction for insurance subsidiary Danica and a decline in the total risk exposure amount.

We consider the quality of Danske Bank's capital to be adequate, reflecting high quality core capital of about 92.8% of total adjusted capital as of December 2024.

Chart 4

Danske Bank A/S Return On Equity After Tax



*Excluding goodwill impairment. Source: S&P Global Ratings.

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Risk Position: Resilient Asset Quality And Adequate Risk Management In Line With Industry Peers

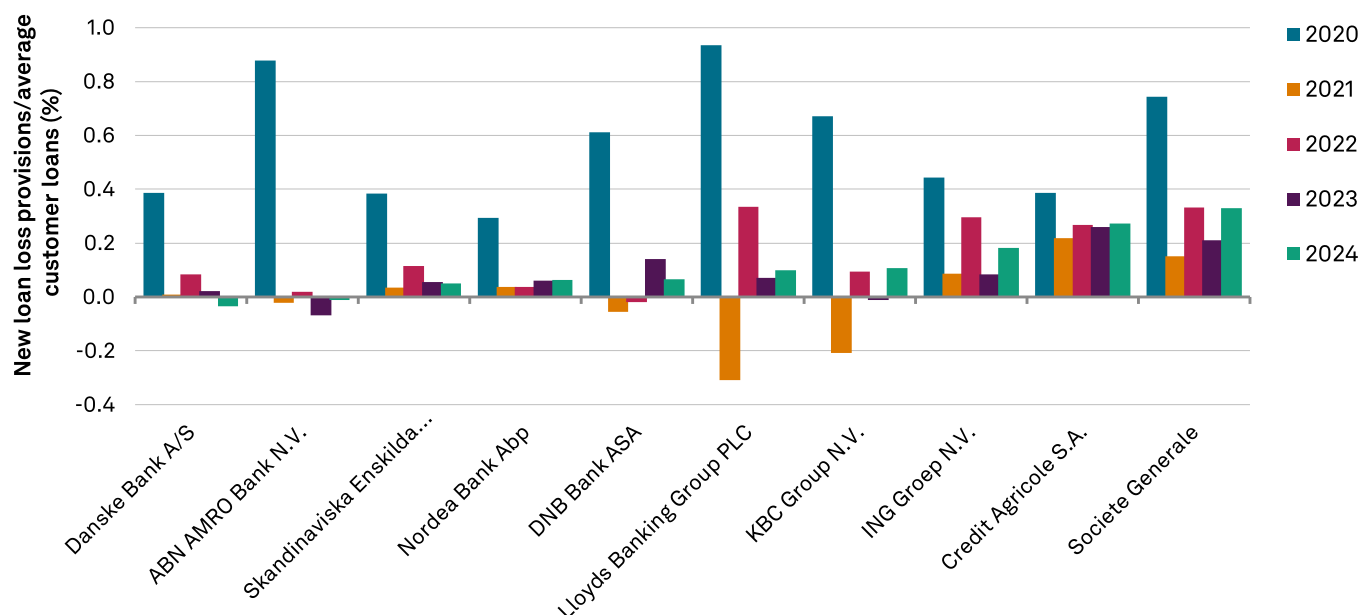
In our view, Danske Bank has an adequate risk profile reflecting its prudent credit and market risk management, sound underwriting, underpinned by a continuous enhancement process for compliance, governance, risk management and culture.

We anticipate that Danske Bank will continue to benefit from its diversified and generally sound asset quality; improved risk management; and tailwinds from Denmark's robust economy. We forecast credit costs of 6 bps-8 bps of customer loans in 2025-2027 (after a negative 3 bps in 2024), which is relatively low compared globally. We believe this is helped by Danske Bank's ongoing sound underwriting. Moreover, the bank maintains a stock of reserves of DKK5.9 billion (or 35 bps of customer loans) in the form of management overlay buffers--that is, higher buffers than the bank's model-based credit-loss expectations.

We forecast a sound 1.8%-2.0% nonperforming ratio in 2025-2027. That said, we anticipate Danske Bank's asset quality is sensitive to unfolding global trade tensions, tariff increases, and geopolitical conflicts. Particularly the bank's exposure to somewhat riskier sectors such as commercial real estate (CRE; 12.6% of credit exposure as of end 2024); shipping, oil and gas (1.9%); and volatile agriculture segments (2.4%) could lead to increased credit losses. In our view, the bank benefits from a non-material share of typically very high risk CRE development loans.

Chart 5

Danske Bank's new loan losses compare favourably to those of many peer banks'



Source: S&P Global Ratings.

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The bank completed its multi-year financial crime prevention plan in 2023. We note its significant investments in this plan, quadrupling of compliance staff in these areas over the past five years. In our opinion, Danske Bank has now established continuous enhancement processes for its risk management and culture (see "Danske Bank 'A+/A-1' Ratings Affirmed; SACP Revised Upward To 'a' On Improved Risk Management; Outlook Stable," Sept. 20, 2024).

Funding And Liquidity: Leading Deposit-Taker In Denmark, Benefiting From Resilient Covered Bonds Markets

We anticipate Danske Bank's funding and liquidity will be in line with domestic peers' and remain neutral to the ratings because we view the bank as benefiting from deposit franchise and solid access to broad capital markets and liquidity. Danske Bank has a leading position as a deposit-taker in Denmark and plays a significant role in the well-functioning Danish mortgage market. The group's stable funding ratio is comparable with peers', at 106.1% at end 2024, and we expect it will improve marginally as the bank continues to refinance debt with long-term notes and covered bonds.

While the bank has a higher share of covered bond financing than many of its international peers (37% of its total funding base as of end 2024), we see the stability of the Danish covered bond market and its unique features as supporting the average funding assessment.

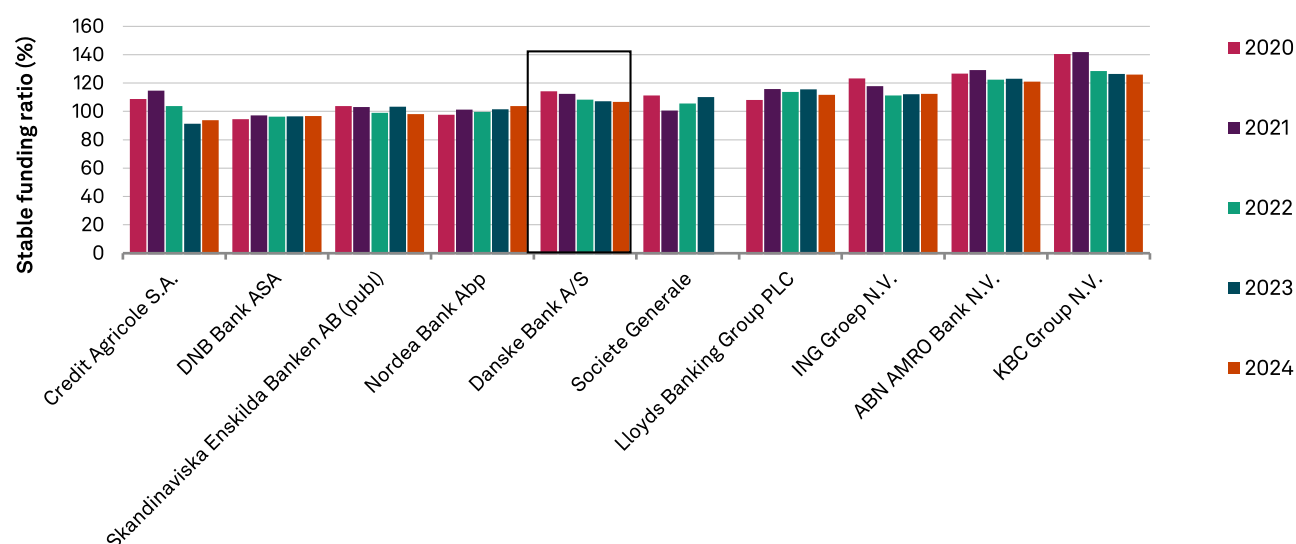
We anticipate that the Danish covered bond market, a key investment target for Danish pension funds, will continue to

perform well. Its stress resilience was demonstrated, for example, during the COVID-19 pandemic in 2020 and the financial turbulence at the start of 2022 and 2023, when the covered bond markets remained open. The 2014 Danish covered bond legislation that extends bond maturities by 12 months in the event of a failed auction is another supporting factor because it effectively passes refinancing risks on to investors and repricing risks on to borrowers.

We expect Danske Bank will continue benefitting from granular core deposit franchises in each of its primary markets. The bank's deposit volumes have increased materially (7% since 2019). Core deposits represented about 42% of the funding base as of end 2024, a significant increase from the 37% average recorded in 2017-2020. Roughly 50% of deposits are covered by the Danish deposit protection scheme, which provides additional stability.

Chart 6

Danske's Stable Funding Ratio Is In Line With Peers



Source: S&P Global Ratings.

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We consider that Danske Bank's liquidity portfolio of DKK560 billion (15% of assets)--cash, central bank reserves, and liquid securities--provides an adequate buffer to cover the maturing short-term wholesale funding, as indicated by our liquidity ratio, in line with many of its Nordic peers. The bank's broad liquid assets represented 1.27x its short-term wholesale funding at end 2024, indicating a sound profile. Danske Bank's liquidity is helped by high deposit volumes. Although we expect this to normalize, we continue to foresee a gradual improvement from historical levels as a result of reduced short-term covered bond issuance in Denmark.

Furthermore, Danske Bank's liquidity remains comfortably above all regulatory minimums, with a liquidity coverage ratio of 167.4% on Dec. 31, 2024. We understand that the bank established stringent liquidity and stress tests; Danske Bank expects to continue operating without additional external funding for more than six months in stressed conditions. In our view, sound monitoring provides management with adequate and timely information, in line with

Nordic peers.

Support: One Notch Of ALAC Support On Long-Term Issuer Credit Rating

We include one notch of support above Danske Bank's 'a' stand-alone credit profile because we expect the bank will maintain a high ALAC buffer through 2028, protecting senior bondholders. We forecast the bank's ALAC ratio will improve to 9.1% by 2027 due to continuous issuance of bail-inable debt, comfortably surpassing our 3% threshold for one notch uplift above its group SACP of 'a'.

Danske Bank has built up a significant buffer of bail-in-able instruments and met its MREL requirement of 36.5% of risk exposure amounts with 42.8% available MREL funds during first quarter 2025.

Similarly, we include about DKK88.5 billion of MREL-eligible senior nonpreferred liabilities and tier 2 instruments in our ALAC metrics, representing 7.6% of its S&P Global Ratings RWA at year-end 2024.

We view Denmark's resolution regime as effective under our ALAC criteria. This is because we think it contains a well-defined bail-in process under which authorities would permit nonviable systemically important banks to continue critical functions as going concerns, following a bail-in of eligible liabilities.

Environmental, Social, And Governance

Overall, environmental, social, and governance factors have a neutral influence on our credit rating analysis of Danske Bank.

We take into account that Danske Bank has materially improved its compliance, financial crime, and governance management framework to be on par with industry peers, after Danske Bank had significant shortcomings surfacing 2018. We positively note that sustainability is strongly embedded in Danske Bank's strategy and across its business activities. Being among the largest green finance issuers Danske Bank is well positioned to benefit from the environmental transition.

Group Structure, Rated Subsidiaries, And Hybrids

Core subsidiaries: Danica Pension Livsforsikringsaktieselskab

We rate Danske Bank's life insurance subsidiary Danica Pension at the level of the group SACP because we view Danica as a core group entity that would receive support under all foreseeable circumstances, if needed, but we do not believe it would benefit from the bank's ALAC in resolution.

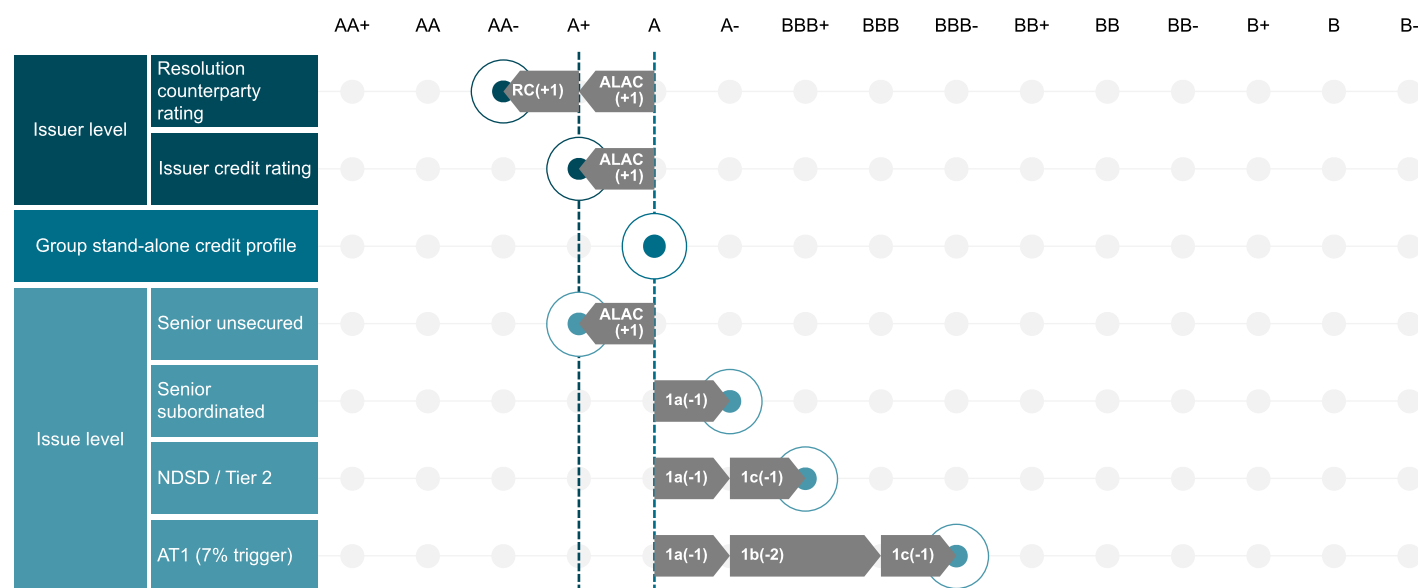
Resolution Counterparty Ratings (RCRs)

We assigned 'AA-/A-1+' RCRs, one notch above the long-term issuer credit ratings, to Danske Bank, relating to certain senior liabilities that are explicitly protected from default in an effective bail-in resolution process.

Issue Ratings

We notch down our ratings on regulatory capital instruments and senior nonpreferred debt from the bank's 'a' SACP.

Danske Bank A/S: Notching



Key to notching

----	Issuer credit rating
-----	Group stand-alone credit profile
RC	Resolution counterparty liabilities (senior secured debt)
ALAC	Additional loss-absorbing capacity buffer
1a	Contractual subordination
1b	Discretionary or mandatory nonpayment clause and whether the regulator classifies it as regulatory capital
1c	Mandatory contingent capital clause or equivalent

Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 2 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on Feb. 10, 2025.

AT1--Additional Tier 1. NDSD--Non-deferrable subordinated debt.

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Key Statistics

Table 1

Danske Bank A/S--Key figures					
	--Year-ended Dec. 31--				
(Mil. DKK)	2024	2023	2022	2021	2020
Adjusted assets	3,084,220.0	3,156,297.0	3,234,282.0	3,302,555.0	3,471,943.0
Customer loans (gross)	1,694,580.0	1,693,233.0	1,824,767.0	1,858,429.0	1,863,364.0
Adjusted common equity	134,405.9	142,446.1	133,775.1	134,601.0	124,863.0
Operating revenues	56,161.0	53,435.0	44,054.0	47,127.0	46,370.0
Noninterest expenses	25,675.0	25,451.0	31,184.0	30,786.0	32,443.0
Core earnings	23,505.3	22,096.0	8,583.0	12,638.7	5,080.8

DKK--Danish krone.

Table 2

Danske Bank A/S--Business position					
	--Year-ended Dec. 31--				
(%)	2024	2023	2022	2021	2020
Loan market share in country of domicile	N/A	24.0	24.6	24.8	25.5
Deposit market share in country of domicile	N/A	27.0	28.4	29.1	30.5
Total revenues from business line (currency in millions)	56,405.0	53,762.0	45,895.0	47,534.0	46,370.0
Commercial banking/total revenues from business line	26.6	24.7	45.6	40.1	38.5
Retail banking/total revenues from business line	6.0	5.4	33.1	29.1	29.1
Commercial & retail banking/total revenues from business line	N/A	N/A	78.7	69.2	67.6
Trading and sales income/total revenues from business line	4.7	4.9	9.2	13.5	15.9
Insurance activities/total revenues from business line	2.5	2.7	2.3	-	-
Asset management/total revenues from business line	N/A	N/A	9.8	10.5	10.4
Other revenues/total revenues from business line	1.2	1.7	N/A	6.9	6.2
Investment banking/total revenues from business line	4.7	4.9	9.2	13.5	15.9
Return on average common equity	13.4	12.7	(3.1)	7.5	2.6

N/A--Not applicable.

Table 3

Danske Bank A/S--Capital and earnings					
	--Year-ended Dec. 31--				
(%)	2024	2023	2022	2021	2020
Tier 1 capital ratio	19.1	20.5	19.6	20.0	20.5
S&P Global Ratings' RAC ratio before diversification	12.7	13.3	12.6	13.4	11.9
S&P Global Ratings' RAC ratio after diversification	13.7	14.4	13.4	14.2	12.6
Adjusted common equity/total adjusted capital	92.8	90.6	89.7	87.1	87.8
Double leverage	52.9	49.9	55.4	55.0	57.6
Net interest income/operating revenues	65.3	65.4	63.6	56.8	60.6
Fee income/operating revenues	26.6	24.1	25.7	25.7	23.0
Market-sensitive income/operating revenues	4.0	5.1	(84.9)	69.7	48.6
Cost to income ratio	45.7	47.6	70.8	65.3	70.0
Provision operating income/average assets	0.8	0.7	0.3	0.4	0.4

Table 3

Danske Bank A/S--Capital and earnings (cont.)					
	--Year-ended Dec. 31--				
(%)	2024	2023	2022	2021	2020
Core earnings/average managed assets	0.6	0.6	0.2	0.3	0.1
RAC--Risk-adjusted capital.					

Table 4

	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk					
Government and central banks	453,957,865,313.3	399,157,204.6	0.1	9,203,607,720.4	2.0
Of which regional governments and local authorities	47,515,665,947.8	6,687,671.0	0.0	1,710,563,974.1	3.6
Institutions and CCPs	277,194,079,864.7	33,786,527,341.9	12.2	46,012,828,979.9	16.6
Corporate	1,023,363,632,337.4	353,965,547,420.9	34.6	701,743,765,339.9	68.6
Retail	830,970,897,241.5	160,181,946,940.5	19.3	226,753,648,913.1	27.3
Of which mortgage	769,825,451,852.0	137,000,503,124.1	17.8	184,354,057,583.9	23.9
Securitization§	2,449,647,260.4	763,729,495.1	31.2	668,674,383.0	27.3
Other assets†	39,403,360,422.7	47,526,219,147.9	120.6	(1,783,094,802.5)	(4.5)
Total credit risk	2,627,339,482,440.0	596,623,127,550.9	22.7	982,599,430,533.9	37.4
Credit valuation adjustment					
Total credit valuation adjustment	--	3,453,007,814.6	--	13,486,681,188.8	--
Market risk					
Equity in the banking book	447,934,749.2	486,333,100.6	108.6	3,798,900,446.9	848.1
Trading book market risk	--	28,294,684,607.5	--	41,495,277,966.0	--
Total market risk	--	28,781,017,708.1	--	45,294,178,412.9	--
Operational risk					
Total operational risk	--	81,988,447,160.9	--	99,990,742,334.3	--
	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA
Diversification adjustments					
RWA before diversification	--	814,705,999,999.5	--	1,141,371,032,469.9	100.0
Total diversification/concentration adjustments	--	--	--	(83,666,331,090.8)	(7.3)
RWA after diversification	--	814,705,999,999.5	--	1,057,704,701,379.1	92.7

Table 4

Danske Bank A/S--Risk-adjusted capital framework (cont.)

	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio				
Capital ratio before adjustments	155,576,824,993.7	19.1	144,765,900,345.0	12.7
Capital ratio after adjustments†	155,576,824,993.7	19.1	144,765,900,345.0	13.7

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions.

‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets.

RW--Risk weight. CCP--Central counterparty. RAC--Risk-adjusted capital. DKK--Danish krone. Sources: Company data as of Dec. 31, 2024, S&P Global Ratings.

Table 5

Danske Bank A/S--Risk position

	--Year-ended Dec. 31--				
(%)	2024	2023	2022	2021	2020
Growth in customer loans	0.1	(7.2)	(1.8)	(0.3)	0.8
Total diversification adjustment/S&P Global Ratings' RWA before diversification	(7.3)	(7.6)	(5.8)	(5.5)	(5.8)
Total managed assets/adjusted common equity (x)	27.6	26.2	28.1	29.2	32.9
New loan loss provisions/average customer loans	(0.0)	0.0	0.1	0.0	0.4
Net charge-offs/average customer loans	(0.0)	(0.0)	0.1	0.1	0.2
Gross nonperforming assets/customer loans + other real estate owned	1.9	1.9	1.8	2.5	2.6
Loan loss reserves/gross nonperforming assets	61.2	61.6	61.2	49.5	47.8

RWA--Risk-weighted assets.

Table 6

Danske Bank A/S--Funding and liquidity

	--Year-ended Dec. 31--				
(%)	2024	2023	2022	2021	2020
Core deposits/funding base	42.1	42.5	46.3	42.5	42.1
Customer loans (net)/customer deposits	152.9	154.5	154.0	156.9	153.9
Long-term funding ratio	74.9	76.2	79.8	78.7	77.0
Stable funding ratio	106.1	106.4	107.5	111.6	113.5
Short-term wholesale funding/funding base	26.8	25.5	21.6	22.7	24.3
Regulatory net stable funding ratio	118.0	126.0	123.0	N/A	N/A
Broad liquid assets/short-term wholesale funding (x)	1.3	1.4	1.5	1.6	1.6
Broad liquid assets/total assets	23.8	24.6	22.0	25.5	26.2
Broad liquid assets/customer deposits	80.7	84.7	70.7	85.6	90.2
Net broad liquid assets/short-term customer deposits	16.0	22.0	22.7	29.6	29.4
Regulatory liquidity coverage ratio (LCR) (%)	167.4	170.0	151.0	N/A	N/A
Short-term wholesale funding/total wholesale funding	45.9	43.9	39.7	39.0	41.6

N/A--Not applicable.

Danske Bank A/S--Rating Component Scores

Issuer Credit Rating	A+ / Stable / A-1
SACP	a
Anchor	bbb+
Economic risk	2
Industry risk	4
Business position	Strong
Capital and earnings	Strong
Risk position	Adequate
Funding	Adequate
Liquidity	Adequate
Comparable ratings analysis	0
Support	+1
ALAC support	+1
GRE support	0
Group support	0
Sovereign support	0
Additional factors	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, Feb. 10, 2025
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April 30, 2024
- General Criteria: National And Regional Scale Credit Ratings Methodology, June 8, 2023
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- [Banking Industry Country Risk Assessment: Denmark](#), March 27, 2025
- [The Top Trends Shaping European Bank Ratings In 2025](#), Jan. 27, 2025
- [Global Banks Outlook 2025: Cautiously Confident](#), November 14, 2024

- **Update: Danske Bank A/S**, October 10, 2024
- **Danske Bank 'A+/A-1' Ratings Affirmed; SACP Revised Upward To 'a' On Improved Risk Management; Outlook Stable**, Sept. 20, 2024

Ratings Detail (As Of May 19, 2025)*

Danske Bank A/S

Issuer Credit Rating	A+ / Stable / A-1
<i>Nordic Regional Scale</i>	-- / -- / K-1
Resolution Counterparty Rating	AA- / -- / A-1+
Certificate Of Deposit	
<i>Foreign Currency</i>	A+ / A-1
Commercial Paper	
<i>Foreign Currency</i>	A+ / A-1
<i>Local Currency</i>	A-1
Junior Subordinated	BBB-
Senior Secured	AAA / Stable
Senior Subordinated	A-
Senior Unsecured	A+
Senior Unsecured	A+ / A-1
Short-Term Debt	A-1
Subordinated	BBB+

Issuer Credit Ratings History

16-Dec-2022	<i>Foreign Currency</i>	A+ / Stable / A-1
16-Dec-2021		A+ / Negative / A-1
23-Oct-2019		A / Stable / A-1
16-Dec-2022	<i>Local Currency</i>	A+ / Stable / A-1
16-Dec-2021		A+ / Negative / A-1
23-Oct-2019		A / Stable / A-1
05-Feb-2004	<i>Nordic Regional Scale</i>	-- / -- / K-1

Sovereign Rating

Denmark	AAA / Stable / A-1+
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Related Entities

Danica Pension Livsforsikringsaktieselskab

Issuer Credit Rating	A / Stable / --
Subordinated	BBB+

Danske Bank A/S, Swedish Branch

Issuer Credit Rating	A+ / Stable / A-1
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Danske Hypotek AB (publ)

Senior Secured	AAA / Stable
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Realkredit Danmark A/S

Senior Secured	AA / Stable
Senior Secured	AAA / Stable
Short-Term Secured Debt	A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable

Ratings Detail (As Of May 19, 2025)*(cont.)

across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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