CREDIT OPINION
3 March 2026

Update

Send Your Feedback

Danske Bank A/S

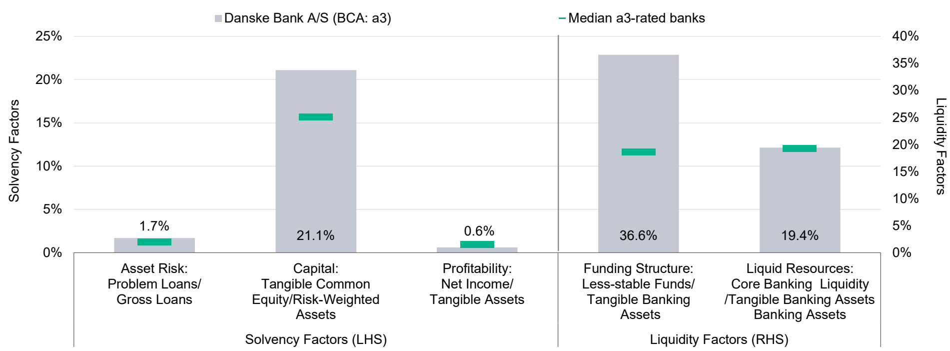
Update following upgrade to Aa3, stable outlook

Summary

Danske Bank A/S (Danske) Aa3 long-term (LT) deposit and A1 senior unsecured debt ratings, reflect the bank's a3 Baseline Credit Assessment (BCA); our Advanced Loss Given Failure (LGF) analysis, which leads to two notches of rating uplift for deposits and one notch for senior unsecured debt. Our assumption of a moderate likelihood of support from the Government of Denmark (Aaa stable) results in an additional notch of uplift.

Danske's a3 BCA reflects its strong asset quality, solid capitalisation, and sound profitability. The bank's funding structure benefits from limited refinancing risks in its domestic covered bond issuances.

Exhibit 1
Rating Scorecard - Key financial ratios



These represent our Banks methodology scorecard ratios, whereby asset risk and profitability reflect the weaker of either the three-year average or the latest annual figure. Capital ratio is the latest reported figure. Funding structure and liquid resource ratios reflect the latest fiscal year-end figures.
Source: Moody's Ratings

RATINGS

Danske Bank A/S

Domicile	Copenhagen, Denmark
Long Term CRR	Aa2
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	A1
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	Aa3
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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CLIENT SERVICES

Americas	1-212-553-1653

Credit strengths

» Strong asset quality

» Solid capitalisation with high capital buffers

» Sustained profitability with hedging against lower interest rates

» Limited refinancing risks in its covered bonds

Credit challenges

» High dependence on market funding

Outlook

The stable outlook on Danske's long-term deposit, issuer and senior unsecured ratings reflects our expectation that the bank will maintain its strong solvency, asset quality and liquidity metrics over the next 12 to 18 months. We expect the bank to continue demonstrating stable credit performance, disciplined capital management, and prudent funding and liquidity practices.

Factors that could lead to an upgrade

» Upward rating pressure could emerge if Danske achieves further sustained improvement in solvency, including maintaining a problem-loan ratio below two percent, preserving strong capital buffers, or delivering recurring profitability above 0.75% percent of tangible assets.

Factors that could lead to a downgrade

» Downward pressure could arise if governance weaknesses re-emerge, if solvency or liquidity metrics materially deteriorate, or if the stock of loss-absorbing liabilities diminishes in a way that reduces senior-debt uplift.

Key indicators

Exhibit 2
Danske Bank A/S (Consolidated Financials) [1]

	12-25[2]	12-24[2]	12-23[2]	12-22[2]	12-21[2]	CAGR/Avg.[3]
Total Assets (DKK Million)	3,533,189.0	3,418,125.0	3,366,706.0	3,307,537.0	3,646,218.0	(0.8)[4]
Total Assets (USD Million)	555,567.8	474,634.1	498,893.2	474,685.4	555,588.8	(0.0)[4]
Tangible Common Equity (DKK Million)	173,333.0	167,587.0	169,981.0	155,759.0	162,354.0	1.6[4]
Tangible Common Equity (USD Million)	27,255.3	23,270.8	25,188.5	22,354.0	24,738.5	2.5[4]
Problem Loans / Gross Loans (%)	1.5	1.7	1.7	1.6	2.3	1.8[5]
Tangible Common Equity / Risk Weighted Assets (%)	21.1	20.6	20.5	18.6	18.9	19.9[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	14.4	15.5	15.6	16.9	23.6	17.2[5]
Net Interest Margin (%)	1.0	1.1	1.0	0.7	0.7	0.9[5]
PPI / Average RWA (%)	3.8	3.7	3.3	1.6	1.9	2.9[6]
Net Income / Tangible Assets (%)	0.6	0.7	0.6	0.2	0.3	0.5[5]
Cost / Income Ratio (%)	45.6	45.6	48.1	68.0	66.3	54.7[5]
Gross Loans / Due to Customers (%)	159.9	154.5	156.0	155.5	158.7	156.9[5]
Core Banking Liquidity (HQLA) / Tangible Banking Assets (%)	19.4	20.2	--	--	--	19.8[5]
Less-stable Funds (LCR) / Tangible Banking Assets (%)	36.6	36.0	--	--	--	36.3[5]

[-] Further to the publication of our revised methodology in July 2021, only ratios from annual 2020 onwards included in this report reflect the change in analytical treatment of the "high-trigger" Additional Tier 1 instruments. [1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
Further to the publication of our revised methodology in November 2025, only ratios from annual 2024 onwards included in this report apply reported risk weights for all exposures, discontinuing our previously applied standard adjustment for certain government securities. Sources: Moody's Ratings and company filings

Profile

Danske Bank A/S (Danske) is part of the Danske Bank Group, which also comprises Realkredit Denmark A/S (a mortgage credit institution), Danica Pension (a life insurance company), Danske Hypotek AB (a mortgage credit institution in Sweden), Danske Mortgage Bank Plc (a mortgage credit institution in Finland) and Northern Bank Limited (a commercial bank in Northern Ireland). As of the end of June 2025, the bank held 28% of the domestic market in terms of loans and 32% in terms of deposits. Total reported consolidated assets were DKK3.75 trillion (€590 billion) as of the end of December 2025.

Danske is a universal bank with a broad range of products and services, including deposits, loans and other credit, insurance, pensions, leasing, asset management, and trading in fixed-income products, foreign exchange and equities. Its main distribution channel is through electronic services. As of the end of December 2025, it also distributed its products through 51 domestic and 77 international branches in Sweden, Norway, Finland and Northern Ireland.

Danske was established in 1871 as Den Danske Landmandsbank. In 1976, it was renamed Den Danske Bank. In 2000, the name was changed to Danske Bank. Its shares are listed on the NASDAQ OMX Copenhagen Stock Exchange (Ticker: DANSKE). As of year-end 2020, its largest shareholder is the A.P. Møller Holding Group, which holds 21% of the bank's total share capital.

Recent developments

On 12 December 2025, Danske confirmed the conclusion of the three-year corporate probation with the US Department of Justice (DoJ). The conclusion marked the end of the process to resolve the case with the US authorities related to the non-resident portfolio at Danske Bank's former Estonia branch.

On 18 November 2024, Danske announced that it had transferred its portfolio of Norwegian personal customers to Nordea Bank Abp. Danske Bank announced 7 June 2023 that the bank would withdraw from the Norwegian retail market and announced 19 July 2023 that Nordea would be the buyer of the retail banking business in Norway. At the time of the transfer, the business consisted of approximately 235,000 customers. It had lending volumes of EUR 9 billion and deposit volumes of EUR 3 billion.

Detailed credit considerations

Asset quality underpinned by strong economic activity

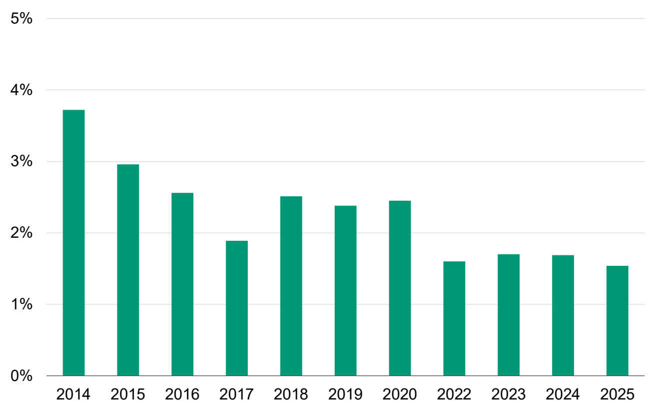
The assigned a3 Asset Risk score reflects our expectation that asset quality will remain strong over the next 12–18 months. This assessment is underpinned by Danske's significant exposure to Denmark, a highly competitive and diversified economy characterised by high wealth and income levels. Relatively low inequality in living standards, together with a very strong social safety net, supports banks' through-the-cycle performance. Asset quality metrics remain solid, with the bank's problem loan ratio, defined as IFRS9 Stage 3 loans, declining to 1.5% of gross loans as of December 2025 from 2.3% in December 2021 (see Exhibit 3). In addition, Danske's provisioning profile supports resilience, with DKK5.4 billion of post-model provisions at end of 2025, representing a sizeable share of total loan loss reserves of DKK19.7 billion, providing capacity to absorb temporary volatility in asset quality without the need for large additional provisions.

These strengths are balanced against the bank's business mix and exposure profile. Danske has a strong focus on corporate banking, which accounted for 70% of total exposures as of end of December 2025 (see Exhibit 4). We assess that this concentration increases sensitivity to economic cycles and can give rise to greater volatility in credit costs, which we reflect through a two notch negative adjustment from the initial a1 score. In addition, exposures to commercial and residential real estate, representing 12.7% and of total exposures respectively, as well as construction and building materials, 2.2% of exposures, may face pressure, particularly in the CRE office and retail segments.

Exhibit 3

Danske's long-term asset quality track record is strong

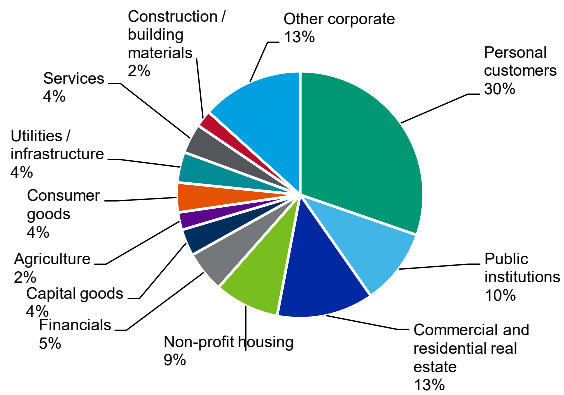
Problem loans as a percentage of gross loans



Stage 3 gross loans (according to IFRS9) as of 2018. Hence, the uptick in 2018 is because of the change in definition and is not an underlying deterioration in problem loans.
Source: Company reports and Moody's Ratings

Exhibit 4

Danske has 60% of its exposures toward corporatesCredit exposure by industry per December 2025



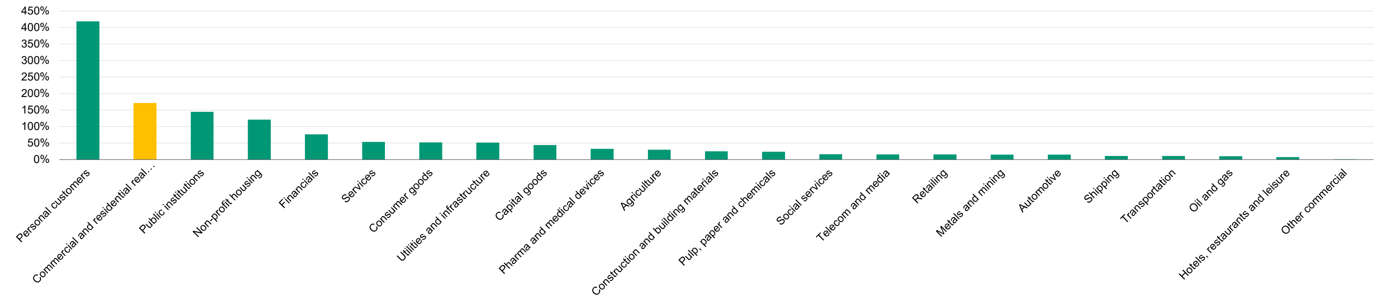
Source: Company reports

Although overall real estate exposure is high, at more than 300% of tangible common equity (TCE), we consider that the risk is partly mitigated by the composition of the portfolio. Low risk non profit housing with guarantees and low-risk housing associations, equivalent to 124% of TCE, materially reduce loss severity. Commercial real estate, including residential property exposures, is equivalent to 187% of TCE.

Exhibit 5

Concentration risks are manageable

Exposures to tangible common equity



Source: Moody's Ratings

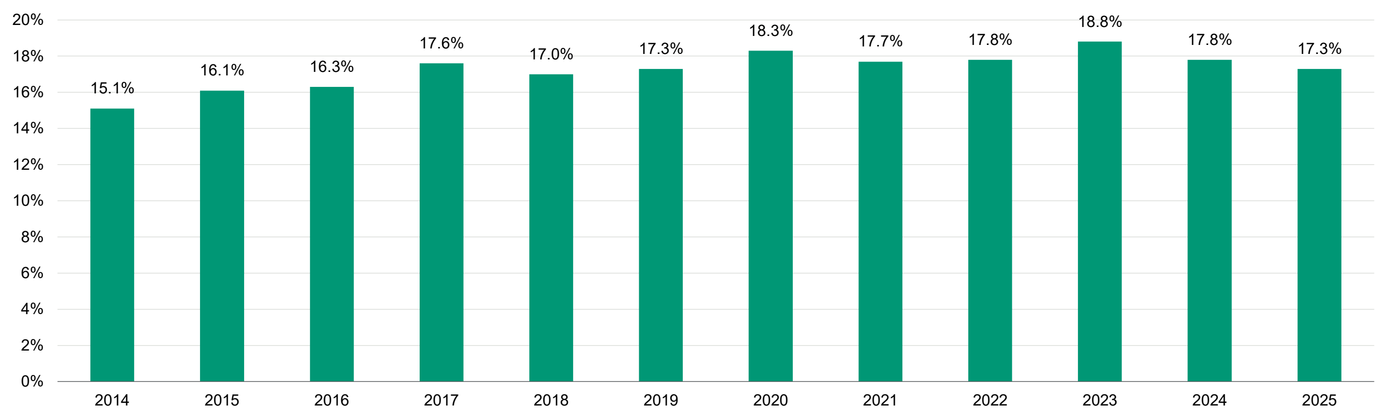
Solid capitalisation with high buffers

The assigned a1 Capital score reflects Danske's solid capital buffers, expected 1 percentage point lower capitalisation over time trending toward the bank's 16% target of CET1 ratio, and a risk weighted adjustment for the use of IRB modeling, which leads to lower risk weights compared to standardised approach. We assess the tangible common equity ratio at 21.1% to be strong, supportive of its a3 BCA. As of end of 2025, the bank's Common Equity Tier 1 (CET1) capital ratio was strong 17.3%, well above the requirement of 14.6%. The bank's dividend policy for 2026 remains unchanged, targeting a payout of 40-60% of net profit. The bank has had a CET1 target equivalent of above 16% since 2019, and we expect renewed efforts to deploy excess capital through growth and/or capital distribution due to the end of the US Department of Justice probation period in December 2025.

Exhibit 6

Danske Bank's capitalisation is solid

CET1 ratio



Source: Company reports

Sustained profitability with better hedging against lower interest rates than Nordic peers

Our assigned baa2 Profitability score reflects our expectation that the bank's profitability will remain stable over the next 12-18 months - broadly in line with the bank's own guidance of a net profit of between DKK 22-24 billion in 2026, compared with the net income of DKK 23 billion in 2025, with the bank being better hedged against lower policy rates than its Nordic peers. We expect Danske to increase its business volumes during 2026 by 3%-4%, due to a favourable Danish operating environment, renewed focus on its retail banking business and strong momentum in its Nordic oriented large corporate banking segment. Continued volatility in equity markets should favor commission income while developments in asset management fees may be more muted. We expected limited new loan loss provisions.

The bank's cost-to-income ratio (as per Moody's definition) excluding one-offs was 46% for YE 2025, improving from 48% in 2023. We continue to see the bank's ability to maintain tight cost control as very important.

Funding profile is supported by limited refinancing risks for Danish mortgages

The Funding Structure score of a3 captures Danske's Less Stable Funds initial score of baa1, and a positive adjustment for the limited refinancing risks for its outstanding covered bonds, which are pass through. The share of deposit funding was around 35% of total liabilities as of end December 2025. Covered bonds represents 67% of market funding, driven by regulatory requirements to fund mortgages at Realkredit Danmark by covered bonds. With limited need for unsecured long-term funding, the issuances of senior non-preferred and senior preferred bonds are largely driven by the group's Minimum Requirements for own funds and Eligble Liabilities (MREL).

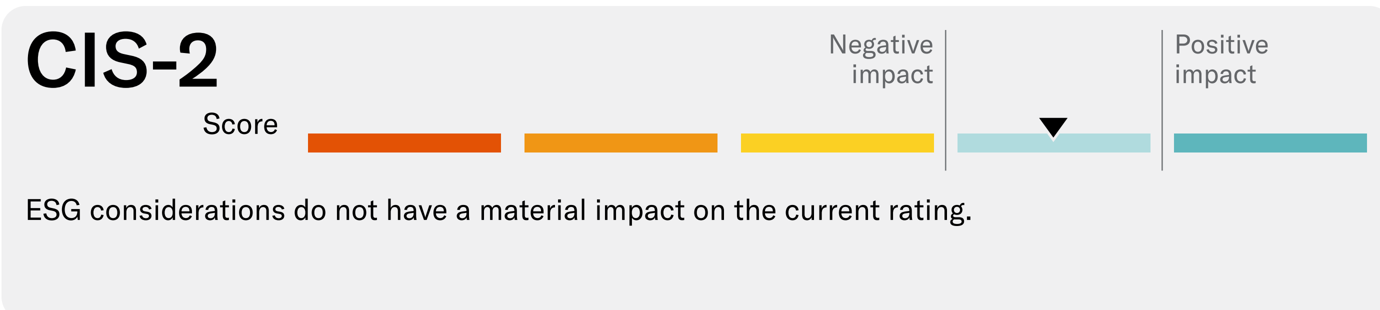
Danske's liquidity buffers are sizeable, with high quality liquid assets — which can be used as collateral for central bank liquidity — amounting to DKK556 billion, or 18% of tangible banking assets as of December 2025. As of December 2024, Danske's liquidity coverage ratio was 167%.

ESG considerations

Danske Bank A/S' ESG credit impact score is CIS-2

Exhibit 7

ESG credit impact score

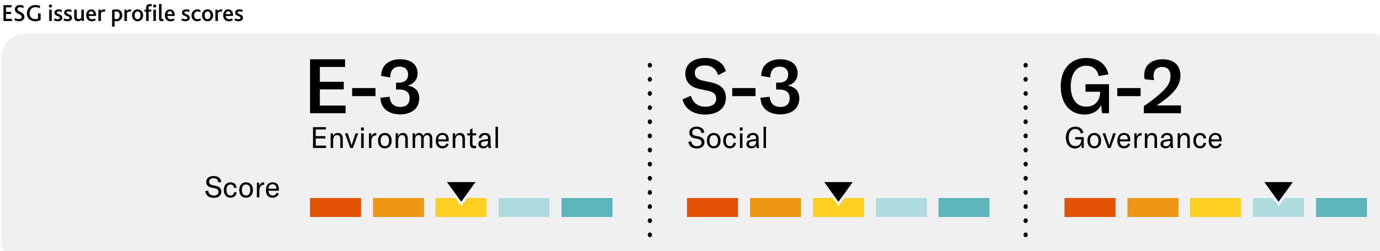


Source: Moody's Ratings

Danske Bank's **CIS-2** indicates that ESG considerations do not have a material impact on the current rating.

Exhibit 8

ESG issuer profile scores



Source: Moody's Ratings

Environmental

Danske faces moderate environmental risks, primarily because of its portfolio exposure to carbon transition risk as a diversified bank. In line with its peers, the bank is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. In response, Danske Bank is developing its climate risk and portfolio management capabilities.

Social

Danske faces moderate social risks related to customer relations as well as to demographic and societal trends. With the US Department of Justice probation period closing in December of 2025 and the US civil claims considered closed as of January 2026, regulatory and litigation risks have receded, resulting in Danske having a moderate exposure to customer relations risks, in line with most other European banks. The bank's updated policies and procedures mitigate conduct risk associated with the distribution of financial products, including regulatory and reputational risks, as well as exposure to litigation. Continued investments in technology and the bank's long track record of handling sensitive customer data, as well as renewed focus on culture and governance, help ensure adherence to regulatory standards and manage high cyber and personal data risks.

Governance

Danske's G-IPS of **G-2** reflects the bank's ambitious remediation actions following earlier failures, strengthening Danske's governance, risk and regulatory compliance frameworks. Danske has completed its financial crime transformation plan in 2023, and the bank has a three year period, ending December 2025, of regulatory probation during which a sustained compliance track record should be established.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Loss Given Failure (LGF) analysis

Danske is subject to the EU's BRRD, which we consider an operational resolution regime. We apply our Advanced LGF analysis to Danske's liabilities, considering the risks faced by the different deposit and debt classes across its liability structure at failure. We assume residual TCE of 3% and losses post failure of 8% of tangible banking assets, a 25% run-off in “junior” wholesale deposits and a 5% run-off in preferred deposits. These are in line with our standard assumptions.

The results of our Advanced LGF analysis are as follows:

» Deposit ratings have a very low loss given failure for Danske's deposits, resulting in two notches of rating uplift from the bank's a3 Adjusted BCA.

» The senior unsecured ratings have a low loss given failure, leading to one notch of rating uplift from the bank's Adjusted BCA.

» The Junior senior unsecured ratings have a moderate loss given failure for the bank's junior senior debt, which results in no uplift from the bank's Adjusted BCA.

Government support considerations

We assess a moderate probability of government support for Danske, resulting in one notch of government support uplift in the bank's Aa3 long-term deposit and A1 senior unsecured debt ratings. This reflects the fact that Danske is Denmark's largest financial institution and the market leader in most financial products.

We do not incorporate government support in the A3 junior senior debt ratings, as this debt class has been introduced by the authorities to absorb losses.

Methodology and scorecard

About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 9
Rating Factors

Macro Factors		
Weighted Macro Profile	**Strong +**	**100%**

Factor	Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2
Solvency						
Asset Risk						
Problem Loans / Gross Loans	1.7%	a1	↔	a3	Expected trend	
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	21.1%	aa2	↓	a1	Expected trend	Recognition of risk-weighted assets
Profitability						
Net Income / Tangible Assets	0.6%	baa2	↔	baa2	Expected Trend	
Combined Solvency Score		a1		a3		
Liquidity						
Funding Structure						
Less-stable Funds / Tangible Banking Assets	36.6%	baa1	↔	a3	Market funding quality	
Liquid Resources						
Core Banking Liquidity / Tangible Banking Assets	19.4%	a3	↔	a3	Expected trend	
Combined Liquidity Score		baa1		a3		
Financial Profile		a2		a3		
Qualitative Adjustments				Adjustment		
Business and Geographic Diversification				0		
Complexity and Opacity				0		
Strategy, Risk Appetite and Governance				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				Aaa		
BCA Scorecard-indicated Outcome - Range				a2 - baa1		
Assigned BCA				a3		
Affiliate Support notching				0		
Adjusted BCA				a3		

Balance Sheet	in-scope (DKK Million)	% in-scope	at-failure (DKK Million)	% at-failure
Other liabilities	1,500,134	51.9%	1,613,329	55.8%
Deposits	1,109,754	38.4%	996,559	34.4%
Preferred deposits	821,218	28.4%	780,157	27.0%
Junior deposits	288,536	10.0%	216,402	7.5%
Senior unsecured bank debt	64,739	2.2%	64,739	2.2%
Junior senior unsecured bank debt	101,024	3.5%	101,024	3.5%
Dated subordinated bank debt	22,613	0.8%	22,613	0.8%
Preference shares (bank)	7,950	0.3%	7,950	0.3%
Equity	86,790	3.0%	86,790	3.0%
Total Tangible Banking Assets	2,893,004	100.0%	2,893,004	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	17.3%	17.3%	17.3%	17.3%	3	3	3	3	0	aa3
Counterparty Risk Assessment	17.3%	17.3%	17.3%	17.3%	3	3	3	3	0	aa3 (cr)
Deposits	17.3%	7.5%	17.3%	9.8%	2	3	2	2	0	a1
Senior unsecured bank debt	17.3%	7.5%	9.8%	7.5%	2	0	1	1	0	a2
Junior senior unsecured bank debt	7.5%	4.1%	7.5%	4.1%	0	0	0	0	0	a3

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	aa3	1	Aa2	Aa2
Counterparty Risk Assessment	3	0	aa3 (cr)	1	Aa2(cr)	
Deposits	2	0	a1	1	Aa3	Aa3
Senior unsecured bank debt	1	0	a2	1		A1
Junior senior unsecured bank debt	0	0	a3	0		A3

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Ratings

Ratings

Exhibit 10

Category	Moody's Rating
DANSKE BANK A/S	
Outlook	Stable
Counterparty Risk Rating	Aa2/P-1
Bank Deposits	Aa3/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
Issuer Rating	A1
Senior Unsecured	A1
Junior Senior Unsecured	A3
Junior Senior Unsecured MTN	(P)A3
Commercial Paper	P-1
Other Short Term	(P)P-1
DANSKE BANK A/S (LONDON BRANCH)	
Outlook	Stable
Deposit Note/CD Program	(P)Aa3/(P)P-1
DANSKE HYPOTEK AB	
Counterparty Risk Rating	Aa2/P-1
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)

Source: Moody's Ratings

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