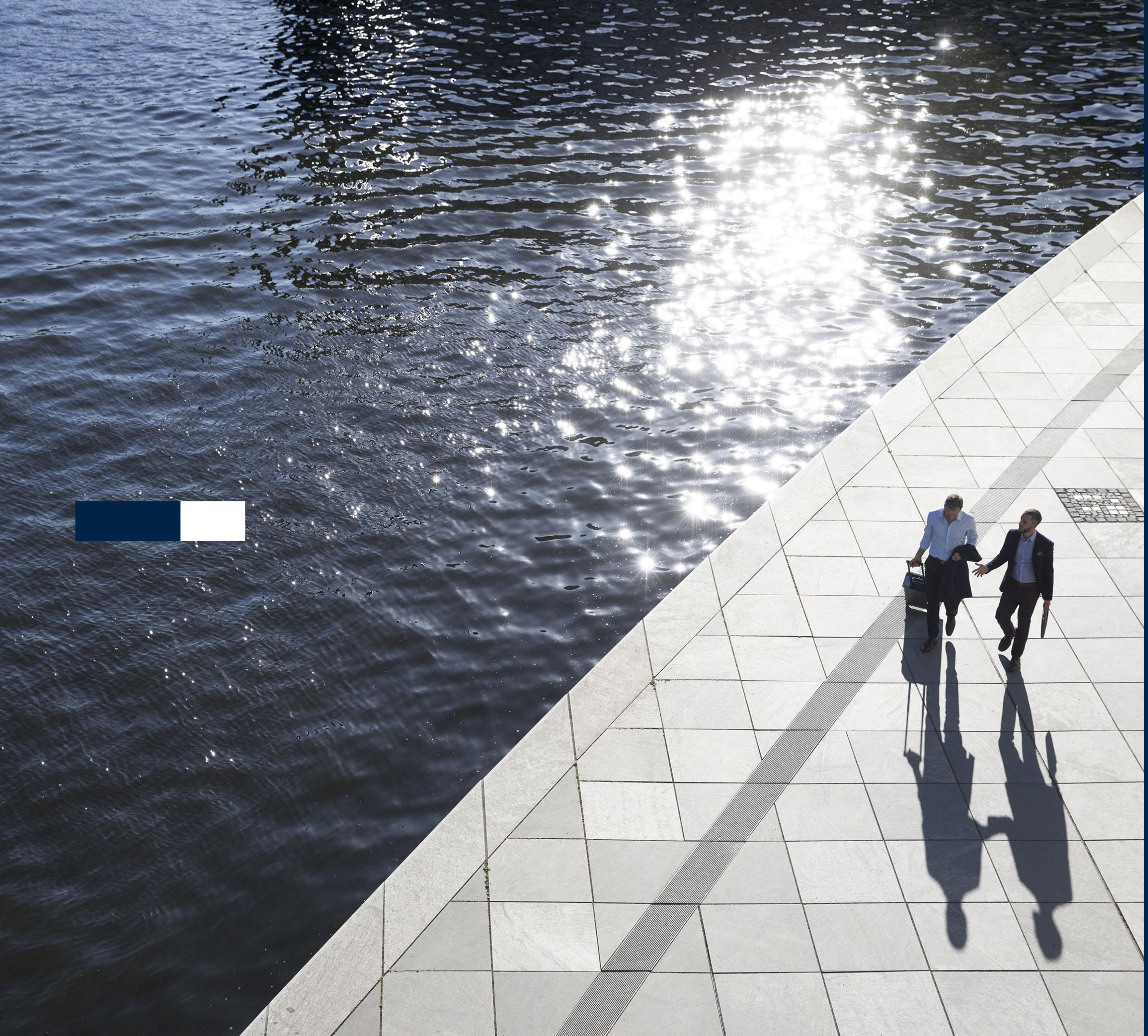
Danske Bank Group



Annual Report 2024

Danske Bank

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Annual report 2024 consists – in accordance with the requirements of the European Single Electronic Reporting (ESEF) Regulation – of a zip-file, DanskeBank-2024-12-31-0-en.zip, that includes an XHTML-file. The XHTML-file is the official version of Annual Report 2024. This PDF version of Annual Report 2024 is a copy of the XHTML-file. In case of discrepancies, the XHTML-file prevails.

Letter to our stakeholders

The year before last, we announced an ambitious new strategy, Forward '28, which sets out clear strategic priorities for strengthening our position as a leading bank in the Nordic region.

The year 2024 marked the first year of execution in our new strategy period, and our achievements over the past year are testimony to the hard work and dedication of our employees and demonstrate our ability to work together on the goals we set. Our achievements have also reinforced our confidence as well as that of our stakeholders in the strength of our strategy.

In recent years, we have made fundamental changes to Danske Bank, which have made us a more focused business with a stronger organisation and greater potential - and in 2024, we continued to build on the commercial momentum gained in recent years.

Our financial results have continued to improve, as reflected by higher income levels, tightly managed costs and a higher return on equity. We see strong investor confidence and rising customer satisfaction scores.

In November 2024, we were rated the most preferred bank by large businesses in Denmark and subsequently received the same top rating among large businesses across all of the Nordic countries. In addition, we saw significant improvements in our reputational scores among both business and personal customers, with customers rating our online meetings and advisory services best in class.

We also saw significant improvements in our attractiveness as an employer among university and business graduates, and we now rank higher than any other Danish bank in this respect. This is important as it enables us to continue recruiting the most talented and motivated graduates to help us provide the best possible services to our customers.

As part of our Forward '28 strategy, we made the strategic decision to focus our business in Norway on business customers and large corporate and institutional customers. With our personal customer business in Norway now fully divested, we have successfully executed on this key element of our strategy.

Another key component of Forward '28 is a strategic decision to focus our time on our customers' most complex financial needs. By investing in digital solutions that enable customers to handle more of their day-to-day finances on their own, we are empowering them financially while also freeing up time for our employees to spend on more demanding and complex advisory services.

This approach is proving a strong value proposition in a time of complexity and uncertainty. Our world is changing, and our customers are faced with transitioning to this changing world and its new realities.

The results and achievements of Danske Bank over the past year are the outcome of a collective effort throughout the organisation, and we want to thank our colleagues for their continued dedication, talent and drive to create value for customers, shareholders and society at large.

The motivation of our colleagues is a prerequisite for our success as a bank, and it was therefore a key milestone in 2024 to see the continued improvement in employee satisfaction and engagement scores from already high levels. In this respect, we are now above the industry benchmark.

The trust our shareholders place in us is equally important, and we are therefore pleased that, following years of limited capital distribution, we are able to reward our shareholders through our ordinary and extraordinary dividend payments and share buy-back programmes. Our shareholders include large professional investors and more than 175,000 private individuals in Denmark, who have chosen to invest part of their savings in Danske Bank shares.

Creating value for our shareholders is as crucial as creating value for our customers, employees and the societies we are part of. And at Danske Bank, we firmly believe that the interests of our different stakeholders go hand in hand.

This is particularly true when it comes to sustainability and the green transition. Whether it is advising businesses on commercially sustainable paths towards a carbon-neutral future economy or financing energy renovation for homeowners, our efforts to help our customers turn challenges into viable solutions and opportunities create value for customers, for us as a bank and for the societies we are part of.

In a broader sense, this is what we have been doing for more than 150 years. Since the foundation of Danske Bank in 1871, we have helped our customers adapt and transition to new times and to turn challenges into new opportunities. And it is an effort and a commitment that is reflected in our purpose as a bank:

"To release the potential in people and businesses by using the power of finance to create sustainable progress today and for generations to come."

Martin Blessing	Carsten Egeriis
Chairman of the Board of Directors	Chief Executive Officer

Financial highlights - Danske Bank Group

Income statement

(DKK millions)	2024	2023*	Index 24/23	2022	2021	2020
Net interest income	36,697	34,972	105	25,104	21,900	22,151
Net fee income	14,912	12,904	116	13,750	13,524	12,217
Net trading income	2,668	2,613	102	728	4,260	4,297
Net income from insurance business	1,387	1,472	94	280	2,184	1,669
Other income	741	460	161	1,950	797	594
Total income	**56,405**	**52,422**	**108**	**41,811**	**42,665**	**40,928**
Operating expenses	25,736	25,478	101	26,580	25,663	27,027
of which resolution fund, bank tax etc.	906	989	92	965	687	606
Provision for Estonia matter	-	-	-	13,800	-	-
Impairment charges on goodwill	-	-	-	1,627	-	-
Profit before loan impairment charges	**30,669**	**26,944**	**114**	**-195**	**17,002**	**13,901**
Loan impairment charges	-543	262	-	1,502	348	7,001
Profit before tax, core	**31,212**	**26,682**	**117**	**-1,697**	**16,654**	**6,900**
Profit before tax, Non-core	-	-	-	-	-2	-596
Profit before tax	**31,212**	**26,682**	**117**	**-1,697**	**16,652**	**6,304**
Tax	7,583	5,420	140	2,883	3,651	1,715
Net profit	**23,629**	**21,262**	**111**	**-4,580**	**13,001**	**4,589**
Net profit before goodwill imp. chg. and provision for Estonia matter	23,629	21,262	111	10,847	13,001	4,589
Attributable to additional tier 1 etc.	**-**	**-**	**-**	**86**	**451**	**551**

Ratios and key figures

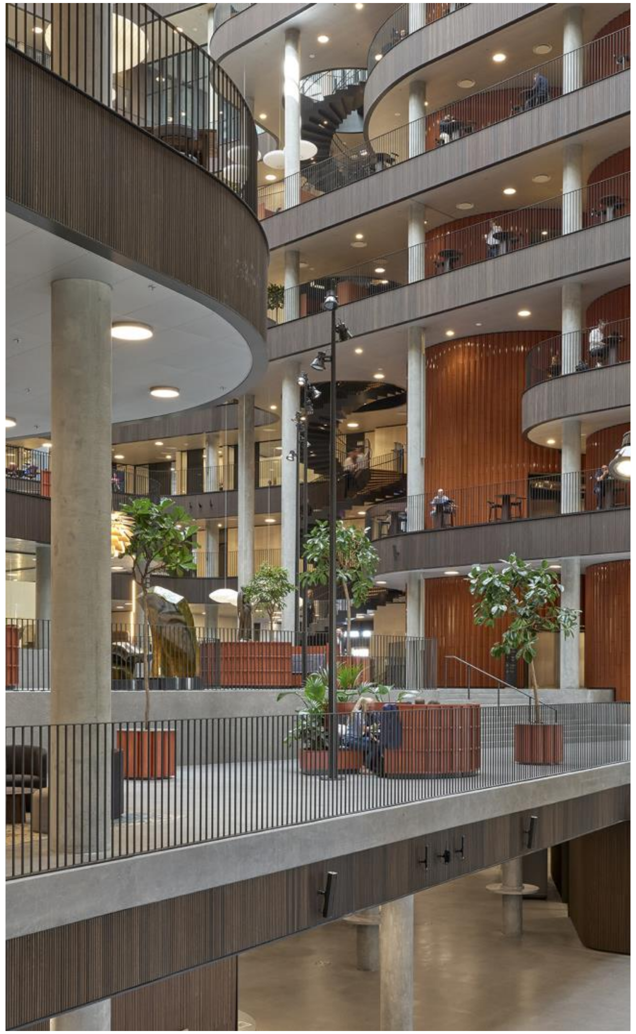
	2024	2023*	Index 24/23	2022	2021	2020
Dividend per share (DKK)**	28.7	14.5		-	2.0	2.0
Earnings per share (DKK)	27.9	24.8		-5.4	14.6	4.7
Return on avg. shareholders' equity (% p.a.)	13.4	12.7		-2.8	7.6	2.6
Net interest income as % p.a. of loans and deposits	1.31	1.22		0.84	0.73	0.76
Cost/income ratio (C/I), (%)	45.6	48.6		100.5	60.2	66.0
Total capital ratio (%)	22.4	23.1		22.1	22.4	23.0
Common equity tier 1 capital ratio (%)	17.8	18.8		17.8	17.7	18.3
Share price (end of period) (DKK)	203.7	180.4		137.3	113.0	100.7
Book value per share (DKK)	210.7	204.4		186.7	198.5	187.6
Full-time-equivalent staff (end of period)	19,916	20,021	99	21,022	21,754	22,376

Balance sheet (end of year)

(DKK millions)	2024	2023*	Index 24/23	2022	2021	2020
Due from credit institutions and central banks	182,113	271,434	67	191,828	320,035	345,938
Repo loans	384,049	272,841	141	247,752	253,954	257,883
Loans***	1,674,680	1,673,094	100	1,799,581	1,834,372	1,838,126
Trading portfolio assets***	531,831	503,548	106	599,845	509,425	682,945
Investment securities	269,118	283,914	95	287,423	280,590	296,769
Insurance assets	548,912	496,031	111	502,995	646,613	545,708
Other assets	125,339	228,429	55	116,636	136,094	141,862
Total assets	**3,716,042**	**3,729,292**	**100**	**3,746,059**	**3,981,082**	**4,109,231**
Due to credit institutions and central banks	84,454	70,774	119	91,159	101,786	125,267
Repo deposits	209,057	197,140	106	137,920	193,391	223,973
Deposits***	1,094,635	1,083,142	101	1,149,604	1,167,638	1,193,173
Bonds issued by Realkredit Danmark	744,495	741,062	100	711,773	815,087	775,844
Other issued bonds	334,751	315,145	106	298,068	355,757	360,127
Trading portfolio liabilities***	357,507	438,553	82	532,211	374,958	499,331
Insurance liabilities	529,793	482,630	110	488,891	614,107	591,930
Other liabilities	144,866	186,332	78	137,806	143,040	138,571
Subordinated debt	40,798	38,774	105	38,350	39,321	32,337
Additional tier 1 capital holders	-	-	-	-	5,497	8,508
Shareholders' equity	175,687	175,739	100	160,278	170,500	160,171
Total liabilities and equity	**3,716,042**	**3,729,292**	**100**	**3,746,059**	**3,981,082**	**4,109,231**

* Comparative information has been restated as described in note G2(a).
** Total dividend for 2024 of DKK 28.70 per share comprises a proposed dividend of DKK 9.35 per share for the second half of 2024 in addition to the dividend of DKK 7.50 per share that was paid in connection with the interim report for the first half of 2024. It further consists of a proposed extraordinary dividend distribution of DKK 5.35 per share, complementing the special dividend of DKK 6.50 paid in December 2024 following completion of the divestment of the personal customer business in Norway.
*** Comparative information has been restated as described in note G2(b).

Danske Bank at a glance



Return on equity of
13.4%

Cost/income ratio of
45.6%

Strong liquidity position – LCR of
167.4%

CET1 capital ratio of
17.8%

Total capital distribution* for 2024
DKK 29 billion

*dividends (incl. special dividend related to PC Norway) and share buy-back

Net loan impairment reversal of
DKK 543 million

"The year 2024 marked the first year of execution in our new strategy period, and our achievements over the past year demonstrate our ability to work together on the goals we set. Our achievements have also reinforced our confidence as well as that of our stakeholders in the strength of our strategy."

– Carsten Egeriis, CEO, and Martin Blessing, Chairman of the Board of Directors

Outlook for financial year 2025

Total income is expected to be **slightly lower** in 2025 than in 2024

We expect operating expenses in 2025 to be up to **DKK 26 billion**

Loan impairment charges are expected to be around **DKK 1 billion**

We expect net profit to be in the range of DKK **21–23 billion**

2026 financial targets

Return on shareholders' equity of **13%**

Common equity tier 1 capital ratio above **16%**

Cost/income ratio **~45%**

Capital distribution of **40-60%** of net profit

Executive summary

2024 saw significant changes and increased complexity for both our customers and for Danske Bank. Geopolitical tension continued to be high, and the effects of climate change have become even more pronounced, adding to uncertainty and complexity. On the more positive side, technological advancements and the rise of AI have a clear potential to increase productivity, create solutions and prosperity and will surely bring about changes. In the financial markets, monetary policy in Europe shifted from being restrictive to easing, which was positive news for many.

One of the positive developments in 2024 was the macroeconomic conditions in the markets we operate in, which developed better than expected. 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 businesses and households. Although the growth outlook has improved more broadly speaking, there is concern that innovation in Europe is too low, due, for instance, to a heavy regulatory burden relative to other parts of the world, which is impairing long-term growth.

Amid these complex operating conditions, Danske Bank had a very satisfactory year, delivering the best result in its recent history. We generated a return on equity for 2024 of 13.4% on the basis of a net profit of DKK 23.6 billion that was driven primarily by higher customer activity, an improved cost/income ratio and strong credit quality. In the fourth quarter of 2024, the strong performance that we saw during the first nine months of the year continued, driven by a solid uplift in core banking income, especially fee income, which increased 35% from the level in the third quarter of 2024.

Given our solid financial position, Danske Bank is in a strong position to continue to support customers and society. This became apparent throughout 2024, as we had many conversations with customers to help them navigate the complex environment. Following this, we were pleased to receive high ratings in several customer satisfaction surveys across personal and business customer segments. In addition, we are pleased to have taken over the management of the Dansk Vækstkapital venture funds, which invest in startup and growth businesses in Denmark. This further reinforces our position as a bank that supports innovation as well as our strong platform for alternative investments.

January 2024 marked the official start of the execution of Danske Bank's Forward '28 strategy. The strategy sets clear ambitions to continue the efforts to strengthen our position as a leading bank in the Nordic region and to make significant investments in customer offerings across segments within four strategic areas: *Advisory, Digital, Sustainability*, *and Simple, Efficient, Secure*. We are already seeing clear progress towards our ambitions and financial targets and have a solid foundation for continued delivery going into 2025. A milestone in our strategy execution was reached in November 2024, when Danske Bank and Nordea successfully transferred Danske Bank's personal customer business in Norway to Nordea. This means that Danske Bank Norway is now a bank dedicated to business, corporate and institutional customers.

Financial crime and fraud are growing threats to our customers and to society. In response, we commit to preventing and fighting financial crime, continuing to invest in this area to protect both Danske Bank and our customers. The cyber security threat landscape is constantly evolving and becoming more complex, and strong cyber security is crucial for Danske Bank's continued technology transformation efforts and for how we conduct our business. The Forward '28 strategy enables the implementation of new and upgraded security capabilities.

As part of meeting our reporting obligations under the EU's new Corporate Sustainability Reporting Directive (CSRD), for the first time ever, Danske Bank has prepared a Sustainability Statement in accordance with that directive as well as the European Sustainability Reporting Standards (ESRS). The Sustainability Statement section of the management's report provides more details.

Financials

Danske Bank delivered a net profit of DKK 23,629 million in 2024, up 11% from 2023. Solid customer activity combined with net loan impairment reversals supported the financial result for 2024.

Net interest income increased 5% to DKK 36,697 million, driven primarily by higher interest on shareholders' equity and higher income from interest rate risk management in Group Treasury, which more than offset the impact on deposit margins as central banks have initiated their cutting cycle.

Net fee income increased 16% from the level in 2023, due mainly to higher everyday banking fees on the back of higher customer activity as well as an increase in investment fees and in fees from capital markets advisory services caused by the improved performance of our funds and a pick-up in activity owing to the more favourable financial markets. Net sales from assets under management saw a positive development due to a high level of assets under management.

Net trading income was stable, which should be viewed in the context of the level in the first half of 2023 having been exceptionally high. The high income in 2023 was negatively affected by large one-offs.

Net income from insurance business decreased 6% from the level in 2023. There was an increase in the net financial result attributable to the positive developments in the financial markets, which partially offset the decrease in the insurance service result. The insurance service result was affected by a continued rise in new health and accident claims, which reflects the general trend in society and has resulted in an increase in provisions for insurance contracts.

Operating expenses matched our full-year guidance. 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. Expenses related to financial crime prevention and legacy remediation costs decreased in 2024 from the level in 2023, and we expect expenses related to financial crime prevention and legacy remediation costs to develop according to our financial target for 2026.

Loan impairments reflected overall strong credit quality, amounting to a net reversal of DKK 543 million. We continue to apply significant post-model adjustments related to the macroeconomic uncertainty and remain watchful of any credit deterioration.

Capital and funding

Danske Bank's underlying business is strong, our treasury asset and liability management is prudent, and our capital and liquidity positions continue to be solid, with significant buffers well above regulatory requirements. At the end of 2024, our liquidity coverage ratio stood (LCR) at 167% (December 2023: 170%), with an LCR reserve of DKK 560 billion (December 2023: DKK 615 billion), and our net stable funding ratio stood at 118%.

Capital distribution

Dividend

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 to Nordea. In total, our distribution of dividend amounts to DKK 28.70 per share.

Share buy-back

At the end of 2024, Danske Bank had bought back around 26 million shares for a total purchase amount of DKK 5.2 billion (figures at trade date) of the planned DKK 5.5 billion share buy-back programme.

We have also announced our clear ambition to make further capital distributions in the period until 2026 as part of our Forward '28 strategy. On the basis of the financial results for 2024, the Board of Directors has decided to initiate a share buy-back programme of DKK 5 billion, equivalent to a total payout ratio of 100%, including the dividend for 2024 but excluding the special dividend related to Norway. The programme, which has been approved by the Danish Financial Supervisory Authority, will start on 10 February 2025.

Outlook for 2025

Total income is expected to be slightly lower in 2025 than in 2024, driven by lower net interest income from expected lower market rates. Core banking income will continue to benefit from strong fee income and our continued efforts to drive the 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.

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.

Loan impairment charges are expected to be around DKK 1 billion as a result of continued strong credit quality.

We expect net profit to be in the range of DKK 21-23 billion.

Strategy execution

January 2024 marked the official start of the execution of Danske Bank's Forward '28 strategy, which sets the direction of the Group's activities towards 2028. The strategy outlines clear ambitions to continue the efforts to strengthen the position as a leading bank in the Nordic region and to make significant investments in customer offerings.

For business and institutional customers, the aim is to be a leading bank in Denmark, Sweden, Finland and Norway.

For personal and private banking customers, the strategy involves a sharpened focus in each market to continue strategic development, strengthen relations with existing customers and attract new ones.

In addition, in January 2025, Danica launched a new commercial strategy that aims to make Danica the preferred pension provider in Denmark by 2028.

In line with the Forward '28 strategy, we will make significant investments in our four strategic areas: *Advisory*, *Digital*, *Sustainability*, and *Simple, Efficient, Secure*.

Danske Bank's products are based on a shared IT and service platform, and to support the execution of the strategy, the annual investments in our core capabilities, including digital platforms, expert advisory services and sustainability will increase significantly.

The execution of our Forward '28 strategy is supported by a significant focus on people. Over the past year, we have invested further in leadership development, emphasising the purposeful strategy execution skills of our leaders. This initiative has been designed to ensure that our strategic objectives are aligned, integrated and effectively pursued at all levels of our organisation. This includes diversity, equity and inclusion to enrich our Forward '28 execution. Additionally, we have strengthened our commitment to people development through strategic workforce planning, enhanced learning opportunities and robust talent pipelines, ensuring that we are well-equipped to meet future challenges. Our efforts extend to enhancing the workplace environment with the aim of boosting employee satisfaction and motivation while continuously improving working conditions. Finally, efficient and digital HR systems and processes remain a priority.

Over the year 2024, we saw strong progress and early proof points across our digital, data and AI and technology transformation agendas.

Our technology transformation is progressing well across the business and enhances customer journeys, thus improving the customer experience while reducing costs and operational risks. We have developed a version of our renowned District online banking platform tailored to small businesses that is expected to launch in Denmark in the first half of 2025. Our partnership with Backbase has resulted in the launch of a new welcoming app that makes becoming a customer with us both easy and fast.

We also progressed on our data and AI transformation and have invested significantly in GenAI capabilities and solutions. We have launched our own GenAI solution, DanskeGPT, which by the end of 2024 had been adopted by over 14,000 employees. The tool is constantly updated with new features that offer further opportunities to unlock productivity gains. Additionally, the introduction of GenAI-powered tools in the Software Development Life Cycle is improving the productivity of our developers.

In executing on our technology transformation, our cloud migration programme runs ahead of schedule, moving applications to Amazon Web Services (AWS), which allows for higher efficiency and access to the full AWS ecosystem that offers scalability, innovation and advanced cloud services. On the cyber security front, our defences have been strengthened by the implementation of the latest end point security. We are also reducing our reliance on legacy systems, which has resulted in a decrease in both complexity and operational costs across our technology estate.

Personal Customers

As part of our Forward '28 strategy, we have set ambitious targets to redefine our role for personal customers. In 2024, we took decisive first steps towards a new engagement model and a more personalised product offering to meet the individual needs of each customer.

Early in the year, we initiated a strategic partnership with Backbase, utilising their advanced cross-channel banking platform to enhance our interaction with customers. The launch of GenAI Danske Assist as a pilot project in Denmark represented a significant move towards automation, and once the solution is fully implemented, it will free up valuable adviser time by handling routine inquiries. In Sweden, the optimisation of meeting schedules released 5,000 slots, which enabled us to engage with customers in a more focused and impactful way. We also rolled out the Monthly Investment feature in Danske Mobile Banking across all the Nordic markets, enhancing the mobile banking experience and making investment opportunities more accessible for our customers. This achievement is evident in our customer satisfaction score, which reached 8.5 of 10 among Danske Mobile Banking users in Denmark, demonstrating our success in meeting customer expectations. With the launch of the 'June' investment platform in Finland, we achieved our ambition of a broad investment offering across all markets.

We also successfully piloted new holistic meeting concepts in Denmark, aligned with our strategy of providing holistic advice to customers. These concepts are scheduled for rollout in 2025, starting in Denmark and Finland. Another highlight was the first annual Private Banking Summit in Denmark, which attracted over 2,700 participants, enhancing our engagement and deepening relations with customers. To foster new customer relations, we introduced a new welcoming app in Denmark that enables customers to quickly access a range of our products, such as an account and a card, with only a few taps on their mobile phone and without the need to contact an adviser or sign documents in Danske eBanking. Our marketing initiatives, including the 'En lite rakare bank' campaign in Sweden and the 'Fygge' campaign in Finland, helped us reach new customer segments and build brand affinity. We expanded our commercial partnerships in Denmark with OBH, in Finland with Akava and Fennia, and in Sweden with TCO. Additionally, we enhanced our advisory capacity in Private Banking, a key growth area, through the onboarding of new advisers.

By proactively reaching out to our customers — either in an automated way or in person — we provide recommended options tailored to their changing needs and preferences at different life stages, and we are committed to carrying this momentum into 2025.

Business Customers

At Business Customers, our aim is to be the market leader across the Nordic markets for businesses with advanced needs, international needs and sustainable transformation ambitions. We aim to achieve this by growing our business through acquiring new customers and driving profitable growth by expanding our engagement with existing customers.

Throughout 2024, our key focus was on implementing our Forward '28 strategy to grow our business by acquiring new customers. We increased our investments in marketing to strengthen our brand positioning and consideration across the Nordic countries, while recruiting 30 dedicated acquisition managers. We also tested new approaches to customer acquisition, such as proactive outreach to potential customers in our focus segments and a structured approach to targeted acquisition in attractive industries. As a result, we saw a positive inflow of new customers, mainly in the mid-corporate segment. In 2025, we will continue to test and expand new acquisition initiatives to continue our growth journey.

To meet our 2026 target of a 15% increase in customers highly satisfied with our advisory services, we successfully kicked off a competency upskilling programme for more than 1,000 advisers across the Nordic markets. This will equip our advisers with the skills and tools to better identify and proactively respond to customer needs in order to enhance customer satisfaction and drive cross-sales. In addition, we harmonised and strengthened our offering for customers with international needs. Our advisory and service offerings are acknowledged by our customers as we achieved an impressive score of 8.4 of 10 on customer satisfaction among mid-corporates across the Nordic countries.

Moreover, we continued to leverage data analytics to provide our advisers with relevant leads to deliver on our target of 5% annual growth in everyday banking fee income. This will remain a focus area in 2025 to maintain our commercial traction in this area.

In 2024, we reached a key milestone with the development of our online banking platform, District, in a version tailored to small businesses in Denmark. The new version is expected to be launched in Denmark in the first half of 2025. The version of District for small businesses is an important step in building a strong digital-first engagement model, providing an enhanced digital experience and easy access to several self-service features, such as digital product ordering, online loan application, and excellent cash management solutions. In 2025, we will extend our District solution for small businesses to the other Nordic countries to further improve our digital offering.

We also launched a digital welcoming flow for all small businesses in Denmark to enable fast and seamless onboarding of new customers and support our growth ambitions. In 2025, digital onboarding will be available to all small businesses across our markets.

To free up more time for strategic advice, we expanded the use of GenAI tools such as DanskeGPT through scaling of best practice and seamless integration into daily workflows. We will continue in 2025 to take advantage of GenAI tools with the aim of providing better digital solutions and experiences for our customers and advisers.

Lastly, to support our customers in their sustainable transition, we doubled our ESG specialist team, continued the upskilling of our advisers in this area and launched a new ESG advisory concept to bring ESG into the customer dialogue. Furthermore, we recruited more ESG specialists to support customers with more complex needs. As a result, we experienced a positive trend in our ESG customer satisfaction score across segments and Nordic markets. Furthermore, we also entered into new ESG partnerships to provide our customers with tools to help them reduce their CO_2 emissions. We experienced keen interest in our new partnerships, resulting in significant traction on referrals to our new partners.

With the current progress on execution and implementation of our Forward '28 strategy, we have built a solid foundation for continued execution on our ambitions going into 2025.

Large Corporates & Institutions

At Large Corporates & Institutions, we are continuing the growth journey of our large corporate customer franchise in the Nordic countries outside Denmark. We are well on track and had established 50 new relationships already by year-end 2024, of which 24 in our core growth market Sweden.

We continue to see strong customer satisfaction, underscoring the strength of our coverage model, as highlighted in the independent Nordic Prospera research by Kantar.

As a result, we are proud to have regained our position as the leading bank for large corporates in Denmark, as reported by the Prospera Large Corporate Banking Denmark 2024 report, and we have improved our standing in the Nordic countries, now ranking in the top two for large corporates according to the Prospera Large Corporate Banking Nordic 2024 report. We are also extremely pleased to be recognised as the best bank for Nordic institutional customers, as highlighted in the Prospera Institutional Banking 2024 Nordics report.

These achievements are a strong testament to customers recognising our increased proactivity, strong coverage model and product offering.

Another key pillar to further strengthen our position outside Denmark is the increased frontline investments into our Investment Banking capabilities. In the second half of 2024, we successfully implemented our new local management structures in Sweden and Norway, aiming to leverage local expertise, streamline decision-making, and strengthen our local leadership presence. We will continuously invest in our local franchises and strengthen our distribution capabilities, particularly within high-yield credit sales. Furthermore, we have established a pan-Nordic renewables advisory team of corporate finance professionals focusing on M&A and ECM. Overall, we see ourselves well-positioned with our investments to capture Nordic market shares within investment banking.

Our second key growth lever in our Forward '28 strategy is the shared ambition with our Business Customers unit to strengthen and leverage our One Corporate Bank platform. We experienced good traction on our investments into our digital ecosystem as well as our ability to commercialise our leading everyday banking product offering across the various corporate customer segments.

Our key digital investments at Large Corporates & Institutions have focused on increasing customer integration with premium APIs, improving our digital efficiency and enhancing cross-selling capabilities. Two milestones that we are particularly proud of are the successful carve-out of MobilePay from Danske Bank to Vipps as well as the go-live with instant payments in Sweden on our new cloud infrastructure.

The key commercial growth driver to achieve the 5% fee growth on everyday banking fees from a Large Corporates & Institutions' perspective has been our ability to attract new house bank mandates. We successfully added 18 new house bank mandates in 2024 from new and existing large corporate customers. In addition, we are enhancing our trade finance offering through a new strategic partnership with TradeWiz. Integrating their advanced digital platform not only improves operational efficiency but also serves as a strong proof point of our journey towards automating internal processes.

Furthermore, we are continuing to deepen our relations with institutions operating in the Nordic countries with significant investments into new capabilities within high-growth areas. We have expanded our structured and collateralised lending business, with strong volume growth especially within leveraged finance and portfolio finance.

We are particularly proud to have acted as Joint Underwriter, Joint Bookrunner and Joint Mandated Lead Arranger for Summa Equity on the financing of the acquisition of Fortum Recycling & Waste, a leading Norway-based provider of circular solutions and environmental services, through their portfolio company NG Group. This transaction aims to establish the Nordic leader in the circular economy by combining the strengths of both entities. Our strengthened leveraged finance presence has also enabled us to win 14 capital markets mandates from our financial sponsor customers.

In Asset Management, we matured our strategic partnerships with Goldman Sachs and BlackRock throughout the year. The strong performance of the Asset Management business in 2024 and positive responses from our customers are some of the first proof points for our new strategy with a more focused value proposition for our Asset Management franchise. We are among the best in our core areas across portfolio solutions, liquid and illiquid alternative investments and selected flagship strategies, and we continue to create tangible value for our customers. In addition, we have strengthened our product offering, especially towards personal customers as one of the key growth segments. Lastly, as part of our Sustainability Agenda, we successfully integrated biodiversity into our ESG risk assessment and engaged with over 50 LC&I customers on biodiversity in sectors such as food products, fisheries and forestry. We developed an ESG risk tool, ready to utilise CSRD-compliant reporting by our clients, and we refined our commercial sustainability strategy to complement our ESG-labelled products with a holistic, customer-centric sustainability advisory approach.

Overall, we feel confident with the pace of the execution on our Forward '28 roadmap and see ourselves well positioned to continue our growth journey towards becoming the leading wholesale bank in the Nordic countries.

Danica

Danica has developed a new commercial strategy called Forward '28 – Danica, which aims to make Danica the preferred pension company in Denmark by 2028, focusing on customer satisfaction as a primary growth driver.

The new strategy 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.

Additionally, the strategy aligns with the broader goals of Danske Bank's Forward '28 Strategy. The alignment underscores significant potential in synchronising services between the bank and the pension business, where several customers currently do not engage in both services.

The strategy was implemented starting on 1 January 2025.

Financial review

2024 vs 2023

Total income increased 8%, driven by a strong performance for primarily net interest income and net fee income. Net profit increased 11% and amounted to DKK 23,629 million in 2024 (2023: DKK 21,262 million).

Income

Net interest income increased to DKK 36,697 million (2023: DKK 34,972 million). The increase was driven by higher interest on shareholders' equity and higher income from interest rate risk management in Group Treasury, which more than offset the impact on deposit margins of central banks having initiated their cutting cycle.

Net fee income increased to DKK 14,912 million (2023: DKK 12,904 million). Everyday banking fees increased due to higher customer activity. Furthermore, investment fees and fees from capital markets advisory services increased on the back of an improved performance of our funds and a pick-up in activity resulting from the more favourable conditions on the financial markets. Net sales in Asset Management saw a positive development due to a high level of assets under management.

Net trading income was stable at DKK 2,668 million (2023: DKK 2,613 million), due primarily to a normalisation of market conditions following elevated income levels in the first half of 2023. The high income in 2023 was negatively affected by large one-offs.

Net income from insurance business decreased to DKK 1,387 million (2023: DKK 1,472 million). An increase in the net financial result partially offset the decrease in the insurance service result. The increase in the financial result was attributable to the positive developments in the financial markets, which lifted both the investment results on insurance products where Danica has the investment risk and the investment result attributable to shareholders' equity. Danica continued to see a rise in new health and accident claims, which reflects the general trend in society and also resulted in an increase in provisions for insurance contracts.

Income statement

(DKK millions)	2024	2023*	Index 24/23	Q4 2024	Q3 2024	Index Q4/Q3
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
of which resolution fund, bank tax etc.	906	989	92	224	228	98
Profit before loan impairment charges	**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**

* Comparative information has been restated as described in note G2(a).

Other income amounted to DKK 741 million (2023: DKK 460 million), due mainly to a gain of DKK 185 million on the sale of investment funds in connection with the divestment of the personal customer business in Norway. Income from the sale of used assets in our leasing company was lower in 2024 than in 2023, when sales were extraordinarily high. Furthermore, 2023 was affected by a provision related to prudent valuation and expected transaction costs of DKK 693 million that was made in connection with the agreement to sell our personal customer business in Norway.

Operating expenses

Operating expenses amounted to DKK 25,736 million (2023: DKK 25,478 million). Expenses related to financial crime prevention and legacy remediation costs decreased in 2024 from the level in 2023, and we expect both types of costs to develop according to the financial target set for 2026. As expected, the increase in expenses was attributable to higher investments in the technology transformation made under our Forward '28 strategy and staff costs impacted by wage inflation.

Finally, the Resolution fund, bank tax etc. item stood at DKK 906 million (2023: DKK 989 million). 2024 was the last year for which Danske Bank contributed to the Resolution fund as the fund is reaching its target size.

Loan impairment charges

Loan impairments amounted to a net reversal of DKK 543 million (2023: net charge of DKK 262 million).

The impairment level reflected overall strong credit quality and modest credit deterioration of single-name exposures supported by an improved macroeconomic environment characterised by lower inflation, lower interest rates and enhanced growth momentum. In addition, a review of our post-model adjustments resulted in a DKK 0.7 billion release as risks in selected portfolios have subsided. Nevertheless, the macroeconomic and geopolitical landscape remains uncertain. We continue to apply significant post-model adjustments related to the macroeconomic uncertainty and remain watchful of any credit deterioration.

Loan impairment charges

	2024		2023	
(DKK millions)	Charges	% of net credit exposure*	Charges	% of net credit exposure*
Personal Customers	-440	-0.06	312	0.04
Business Customers	218	0.03	431	0.07
Large Corporates & Institutions	-233	-0.06	-367	-0.10
Northern Ireland	-86	-0.15	-113	-0.21
Group Functions	-2	-0.10	-1	-0.04
Total	**-543**	**-0.03**	**262**	**0.01**

* Defined as net credit exposure from lending activities, excluding exposure related to credit institutions and central banks and loan commitments.

Personal Customers had a net impairment reversal, contrary to 2023, when there was a net charge. The net reversal was due to updated macroeconomic scenarios and a reduction in post-model adjustments, reflecting an improved macroeconomic outlook. Underlying credit quality remained stable.

Business Customers saw lower impairment charges in 2024 than in 2023 due to stable credit quality and a reduction in post-model adjustments.

Large Corporates & Institutions experienced a net reversal following successful restructurings that resulted in a decline in charges made against facilities to individual customers.

The macroeconomic scenarios have been updated to reflect a trend towards a more normalised situation. However, the downside scenario continues to be a severe stagflation scenario. The scenario weights were unchanged from the end of 2023 and were as follows: The base-case scenario has a probability of 60% (2023: 60%), the upside scenario has a probability of 20% (2023: 20%) and the downside scenario has a probability of 20% (2023: 20%).

Tax

The tax expense of DKK 7,583 million (2023: DKK 5,420 million) corresponded to an effective tax rate of 24.3% (2023: 20.3%).

Net profit

DKK 5,995 million

for the fourth quarter of 2024

Q4 2024 vs Q3 2024

Net profit decreased to DKK 5,995 million (Q3 2024: DKK 6,165 million). Higher net interest income and net fee income compensated for the decline in income from insurance business and a lower net impairment reversal.

- Net interest income amounted to DKK 9,244 million (Q3 2024: DKK 9,165 million). Lower deposit margins and lower net interest income due to the divestment of the personal customer business in Norway more than offset the increase in Group Treasury interest rate risk management income and income on hold-to-collect and hold-to-collect-and-sell bond portfolios.
- Net fee income increased to DKK 4,509 million (Q3 2024: DKK 3,329 million) due to the high level of refinancing activity and higher fees from capital markets combined with higher performance fees and service fees.
- Net trading income decreased to DKK 559 million (Q3 2024: DKK 733 million), driven by lower activity within fixed income.
- Net income from insurance business amounted to a loss of DKK 20 million (Q3 2024: DKK 459 million) as an increase in the net financial result was more than offset by a decrease in the insurance service result.
- Other income increased to DKK 277 million (2023: DKK 140 million), due mainly to a gain of DKK 185 million on the sale of investment funds in connection with the divestment of the personal customer business in Norway.
- Operating expenses increased to DKK 6,690 million (Q3 2024: DKK 6,228 million), due mainly to investments in our technology transformation and higher provisions for performance-based compensation. An insurance reimburse-ment of DKK 179 million was registered in the third quarter.
- Loan impairments amounted to a net reversal of DKK 107 million (Q3 2024: net reversal of DKK 337 million). In both quarters, reversals were driven by solid credit quality and reduced post-model adjustments following an improved macroeconomic outlook.
- Tax amounted to DKK 1,990 million (Q3 2024: DKK 1,770 million), corresponding to an effective tax rate of 24.9% (Q3 2024: 22.3%).

Balance sheet

Lending

Lending stood at DKK 1,675 billion (end-2023: DKK 1,673 billion). Mortgage lending at nominal value at Realkredit Danmark amounted to DKK 795 billion (end-2023: DKK 806 billion). Lending volumes in Norway and Sweden saw a negative effect from the depreciation of the currencies.

Following the Forward '28 strategy announcement in June 2023, Danske Bank entered into an agreement to sell its personal customer business in Norway to Nordea. Consequently, the personal customer loan portfolio in Norway was reclassified from Loans to Other assets in the second quarter of 2023.

At Large Corporates & Institutions, we saw an increase of 3% in lending volumes in General Banking from the level at the end of 2023, however, driven primarily by corporate customer lending in Sweden. Total lending decreased 2% from the level at the end of 2023, reflecting the volatile operating environment.

Lending at Business Customers was up 2% from the level at the end of 2023. The depreciation of the currencies in Norway and Sweden reduced total bank lending by DKK 7 billion. Adjusted for this, the increase was 3% relative to the level at the end of 2023. Realkredit Danmark mortgage volumes increased 1% relative to the level at the end of 2023.

At Personal Customers, we saw a flat development in total bank lending volumes. Personal Customers Denmark saw an increase in bank lending, driven partly by home finance products such as Danske Bolig Fri that achieved an increase in the lending volume of 19%. Total lending across markets decreased 1% relative to the level at the end of 2023. The depreciation of the Swedish krona had a negative effect of DKK 2.1 billion.

In Denmark, new gross lending, excluding repo loans, amounted to DKK 122.2 billion. Lending to personal customers accounted for DKK 22.4 billion of this amount.

Lending

(DKK billions)	2024	2023*	Index 24/23	Q4 2024	Q3 2024	Index Q4/Q3	Q2 2024	Q1 2024
Personal Customers	660.0	664.9	99	660.0	663.6	99	655.0	655.8
Business Customers	665.2	654.2	102	665.2	664.1	100	655.1	647.5
Large Corporates & Institutions	305.5	311.6	98	305.5	296.0	103	294.2	286.1
Northern Ireland	64.0	58.6	109	64.0	64.0	100	63.1	59.9
Group Functions incl. eliminations	-3.0	0.5	-	-3.0	-1.0	-	-0.1	-0.5
Allowance account, lending	17.0	16.7	102	17.0	17.0	100	16.9	17.0
Total lending	**1,674.7**	**1,673.1**	**100**	**1,674.7**	**1,669.7**	**100**	**1,650.5**	**1,631.8**

Deposits

(DKK billions)	2024	2023*	Index 24/23	Q4 2024	Q3 2024	Index Q4/Q3	Q2 2024	Q1 2024
Personal Customers	383.5	377.4	102	383.5	389.1	99	391.0	376.7
Business Customers	251.4	257.1	98	251.4	244.9	103	251.6	252.0
Large Corporates & Institutions	355.8	356.8	100	355.8	299.8	119	300.2	300.3
Northern Ireland	108.5	97.4	111	108.5	106.7	102	103.5	97.6
Group Functions incl. eliminations	-4.6	-5.6	-	-4.6	-7.0	-	-2.6	-4.0
Total deposits	**1,094.6**	**1,083.1**	**101**	**1,094.6**	**1,033.5**	**106**	**1,043.7**	**1,022.6**

Covered bonds

(DKK billions)	2024	2023*	Index 24/23	Q4 2024	Q3 2024	Index Q4/Q3	Q2 2024	Q1 2024
Bonds issued by Realkredit Danmark	744.5	741.1	100	744.5	749.0	99	730.6	746.0
Own holdings of bonds**	13.9	15.2	91	13.9	12.4	112	16.5	3.7
Total Realkredit Danmark bonds**	**758.4**	**756.3**	**100**	**758.4**	**761.4**	**100**	**747.1**	**749.7**
Other covered bonds issued	128.7	129.4	99	128.7	141.7	91	139.1	127.3
Own holdings of bonds	55.3	126.9	44	55.3	86.7	64	97.7	103.9
Total other covered bonds	**183.9**	**256.4**	**72**	**183.9**	**228.5**	**80**	**236.8**	**231.2**
Total deposits and issued mortgage bonds etc.	**2,037.0**	**2,095.8**	**97**	**2,037.0**	**2,023.4**	**101**	**2,027.6**	**2,003.5**
Lending as % of deposits and issued mortgage bonds etc.	82.2	79.8		82.2	82.5		81.4	81.4

* Comparative information has been restated as described in notes G2(a) and G2(b).
** Includes only bonds issued to fund lending. For further information, see the Definition of alternative performance measures section.

Deposits

Deposits amounted to DKK 1,095 billion at the end of 2024 (end-2023: DKK 1,083 billion). Deposit volumes in Norway and Sweden decreased, due mainly to the depreciation of the currencies.

The personal customer deposit portfolio in Norway was reclassified from Deposits to Other liabilities in the second quarter of 2023 due to the sale of the personal customer business in Norway.

Fuelled by our savings products, deposit volumes for Personal Customers increased 2% from the level at the end of 2023. The increase was driven by Personal Customers Denmark, which saw an increase of 3%, and Private Banking Denmark, which also saw an increase of 3%. Personal Customers Finland saw an increase of 1%.

At Business Banking, deposit volumes decreased 2% relative to the level at the end of 2023. However, there was an increase in Finland and Sweden. In Norway, we continued to tactically reduce public-sector deposits, whereas deposit volumes were stable in Denmark. Both the Swedish krona and the Norwegian krone depreciated further, with a total effect of approximately DKK 4 billion relative to the level at the end of 2023.

At Large Corporates & Institutions, deposit volumes in General Banking increased 1% due mainly to an increase in fixed-term deposits. Total deposit volumes were at the same level as at the end of 2023.

Other balance sheet items

Due from credit institutions and central banks decreased to DKK 182 billion (end-2023: DKK 271 billion). The decrease was due to general liquidity management. More information on this is provided under the Funding and liquidity heading in the Capital and liquidity management section.

Insurance assets increased to DKK 549 billion (end-2023: DKK 496 billion), due mainly to an increase in investment securities aiming to optimise returns while managing the risks effectively. Insurance liabilities increased to DKK 530 billion (end-2023: DKK 483 billion), due mainly to an increase in provisions for insurance contracts related to the above-mentioned increase in investment securities.

Personal Customers in Norway

Following the Forward '28 strategy announcement in June 2023, Danske Bank entered into an agreement to sell its personal customer business in Norway to Nordea. The sale of the personal customer business included the management of 15 Danske Invest Horisont funds, which were primarily distributed to personal customers in Norway.

The sale was approved by the Norwegian Financial Supervisory Authority, the Norwegian Competition Authority and the Danish Financial Supervisory Authority.

On 18 November 2024, Danske Bank and Nordea successfully transferred the personal customer business in Norway from Danske Bank to Nordea. This marked the closure of the sale of Danske Bank's personal customer business in Norway.

The divestment of the personal customer business in Norway is a key part of our Forward '28 strategy.

Following the sale of the 15 Danske Invest Horisont funds to Nordea, the funds, including investors and the assets in the funds, were successfully migrated in the fourth quarter of 2024.

Danske Bank continues its presence in Norway as a dedicated business bank focusing on the business and large corporates segments as well as the institutional customer segment.

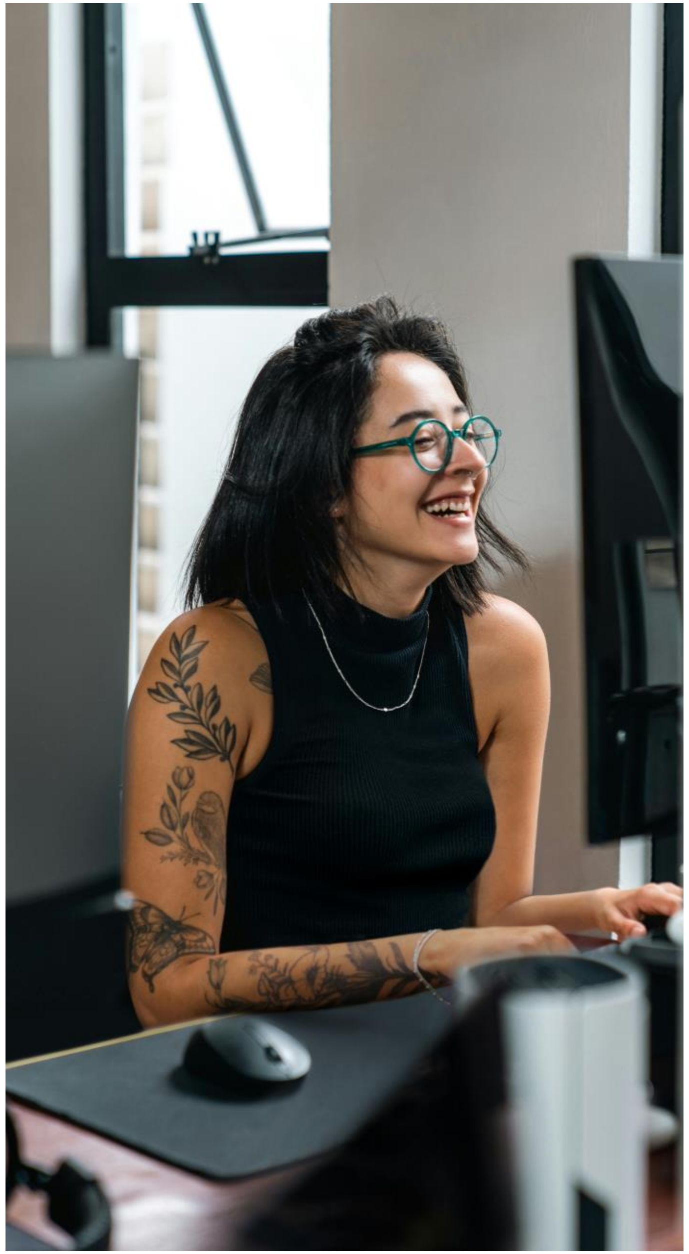
Update on debt collection case

Danske Bank is progressing with its efforts to provide finalisation for customers impacted by the debt collection case. The bank has attempted to pay out compensation to approximately 85% of the customers in scope for compensation (excluding estate case customers). By the end of 2025, Danske Bank expects to have finalised the analysis of more than 95% of the customer cases in scope (including estate case customers), which will enable a subsequent pay-out process.

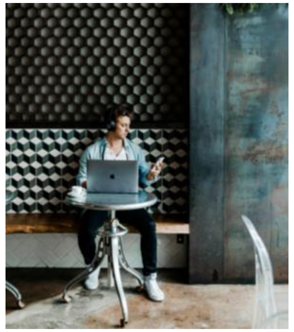
The new debt collection system is continuously being enhanced and tested to gradually handle more complex case types. This work has progressed in 2024 and will continue in 2025.

Independent expert

The Danish FSA has extended the appointment of the Independent Experts for a ninth period and has ordered Danske Bank to let one or more experts follow the Bank for the remaining term of the Bank's probation period as set out in the Plea Agreement entered into by the Bank in December 2022 with the US Department of Justice (the DoJ) for the purpose of following whether the Bank has processes and organisation in place to enable the Bank to comply with the Plea Agreement.



Business units



Personal Customers

Our Personal Customers unit provides advisory services to personal customers and Private Banking customers in Denmark, Sweden and Finland. Our advisers and experts are there to help customers when and how it best suits the individual customer - at online meetings, via our websites or, if so required, over the phone or at a branch.

When our customers need to make important financial decisions about, for example, their home, investments or pension savings, we offer customised advice that is based on their current situation and needs. And with our intuitive digital solutions, we aim to make it as easy as possible for our customers to do most of their banking business whenever and wherever they want.

Business Customers

We offer our customers advice that adds value to their business, no matter whether the customer is a sole proprietor or an entity in a multinational group. Our strategic advisory services are always based on the needs of the business, for example in connection with growth, an acquisition, a change of ownership, strategic development or international expansion.

Our business customers have access to the market's most innovative digital solutions that make day-to-day banking easy and pave the way for new insights and opportunities.

Large Corporates & Institutions

Large Corporates & Institutions caters to the most complex financing and transaction needs of large corporate and institutional customers, and we help them to prosper and grow. We offer expertise in financing, risk management, investments and financial advisory services, and our customers have access to our award-winning transaction banking solutions. Thanks to our extensive network and our many years of experience, we serve as intermediary between issuers and investors with a view to creating financing and investment opportunities. Our goal is to be an inspirational partner that understands the customers' strategic agendas and offers tailored solutions to meet their needs.

Danica

Danica's strategy – Forward '28 – Danica, aims at making Danica the preferred pension company in Denmark by 2028, focusing on customer satisfaction as a primary growth driver. We focus on the importance of making customer interactions with Danica easy and convenient through digital solutions and to offer comprehensive healthcare offerings, attractive returns and quality advice.

Additionally, the strategy aligns with the broader goals of Danske Bank's Forward '28 Strategy. The alignment underscores significant potential in synchronising services between the bank and the pension business, where several customers currently do not engage in both services.

Northern Ireland

Danske Bank is the leading bank in Northern Ireland, serving personal, business and corporate customers. The business is also a growing bank in targeted sectors across the rest of the United Kingdom. We support our customers through face-to-face, online and mobile solutions. Our focus in Northern Ireland is on remaining a stable, strong and risk-astute bank, consolidating our market-leading position alongside pursuing prudent low-cost growth opportunities in the rest of the UK.

Personal Customers

In 2024, we continued to support our customers in managing their finances in a market environment characterised by declining interest rate levels, rising equity prices in the international markets and a stabilisation of inflation. The housing market in Denmark generally witnessed a consistently upward trend in the second half of 2024 following a decline in the beginning of the year. The housing market in Finland also saw an upward trend while the Swedish market continued to be challenged.

Profit before tax amounted to DKK 9,720 million in 2024 (2023: DKK 8,160 million), representing an increase of 19% relative to 2023. Adjusted for the one-off provision in 2023 of DKK 693 million that was recognised under Other income and related to the divestment of our personal customer business in Norway, the increase was 10%.

In the fourth quarter of 2024, we reached an important milestone as 235,000 customers in Norway were successfully transferred to Nordea, which marked the completion of the sale of our personal customer activities in Norway. This strategic realignment allows us to sharpen our focus and investments on core business areas.

Business initiatives

During 2024, the market perception of our offerings improved, and our products gained significant recognition. There was an increase in the number of customers coming into our Private Banking unit, supported by increased adviser capacity in the frontline. Our improved value proposition targeting first-time home buyers highlighted our dedication to quality and innovation in the home finance area. An example is the Danske Bolig Fri home loan, which has been in high demand throughout the year and was named 'Best in Test' by the Danish Consumer Council. Danske Bank was also named the preferred bank for 'Online Advice' by MyBanker.

Personal Customers

(DKK millions)	2024	2023*	Index 24/23	Q4 2024	Q3 2024	Index Q4/Q3
Net interest income	14,042	14,166	99	3,337	3,613	92
Net fee income	4,764	4,175	114	1,175	1,069	110
Net trading income	134	200	67	17	46	37
Other income	114	-608	-	39	42	93
Total income	**19,054**	**17,932**	**106**	**4,569**	**4,770**	**96**
Operating expenses	9,774	9,460	103	2,531	2,377	106
of which resolution fund, bank tax etc.	150	169	89	37	41	90
Profit before loan impairment charges	**9,280**	**8,473**	**110**	**2,037**	**2,394**	**85**
Loan impairment charges	-440	312	-	-209	-53	-
Profit before tax	**9,720**	**8,160**	**119**	**2,246**	**2,447**	**92**
Loans, excluding reverse transactions before impairments	659,974	664,866	99	659,974	663,552	99
Allowance account, loans	4,188	4,435	94	4,188	4,356	96
Deposits, excluding repo deposits	383,544	377,419	102	383,544	389,057	99
Covered bonds issued	532,809	587,493	91	532,809	551,628	97
Allocated capital (average)	29,950	29,306	102	28,211	30,187	93
Net interest income as % p.a. of loans and deposits**	1.37	1.40	-	1.29	1.40	-
Profit before loan impairment charges as % p.a. of allocated capital	31.0	28.9	-	28.9	31.7	-
Profit before tax as % p.a. of allocated capital (avg.)	32.5	27.8	-	31.8	32.4	-
Cost/income ratio (%)	51.3	52.8	-	55.4	49.8	-
Full-time-equivalent staff	3,806	4,064	94	3,806	3,976	96

* Comparative information has been restated as described in note G2(a).
** Net interest income as % p.a. of loans and deposits excludes loans and deposits included in the sale of the personal customer business in Norway.

Fact Book Q4 2024 provides financial highlights at customer type level for Personal Customers, Fact Book Q4 2024 is available at danskebank.com/ir.

In the investment area, customer activity continued on a positive trajectory, not least fuelled by favourable financial markets (especially outside Denmark and Finland) and falling interest rates. Assets under management (AuM packaged products) have increased DKK 47 billion since the end of 2023, bolstered by a net sales inflow of DKK 13 billion. Notably, we experienced an improved inflow in Sweden and Finland. In addition, our funds performed well relative to those of our peers, which further supported AuM and investment fees. We also observed an overall increase in market share for our Danske Invest retail funds in Denmark – a trend that has been prevalent since the end of 2023.

In Denmark, we broadened our investment offering by making our asset management flagship product, Danske Porteføljepleje Classic, available to all personal customers, while phasing out the Flexinvest Fri product. Furthermore, customers in Denmark now enjoy reduced commissions on trades outside the Nordic countries, making it more attractive for them to diversify their investment portfolio. In addition, we enhanced the Danske Mobile Banking app in Denmark by integrating the ability to create an investment savings account and linking it to the Danske Monthly Investment product. These initiatives reflect our commitment to our Forward '28 strategy. In relation to the investment savings account, we have eliminated the brokerage fee for a period of six months starting from December 2024, making our pricing more competitive than that of many of our competitors. This resulted in an increased market share of new investment savings accounts in the fourth quarter.

In the home finance area, we introduced new and more attractive interest rates on cooperative housing loans at the start of the year. Additionally, we expanded our energy-efficiency improvement loans to include climate adaptation projects, giving customers access to expert advice through strategic partnerships in Denmark.

Also in Denmark, we lowered the interest rate spread on the last 15% of home financing, which is typically covered by a bank loan and is not eligible for a mortgage loan. This adjustment represents a significant step forward in relation to primarily first-time homebuyers as it facilitates access to the housing market for many and ensures more competitive pricing in the future.

In Sweden, we saw improved customer activity in the second and third quarters of 2024, highlighted by an increase in advisory meetings and in mortgage loan applications. To further support our Forward '28 growth strategy, we implemented several price changes for our mortgage loans that made the lending process more digital and streamlined. Finally, we strategically adjusted our partnerships to focus on premium customers with larger volumes. However, we continue to face challenges with outflow, resulting in a negative net effect.

Driven by new business development, Finland saw positive traction in the second half of 2024 following a weak first half and delivered a stabilisation of total bank lending in the latter part of 2024.

Furthermore, our collaboration with partners was strengthened, both in relation to existing partnerships and through the onboarding of new partnerships (for example Akava students, Finnish Landlords and Fenno Law) and the introduction of new API integrations.

2024 vs 2023

Profit before tax increased to DKK 9,720 million (2023: DKK 8,160 million), up 10% after adjustment for the provision in 2023 related to the divestment of our personal customer business in Norway. The result was driven by higher net fee income and a net loan impairment reversal.

Net interest income saw a slight decline relative to 2023, amounting to DKK 14,042 million (2023: DKK 14,166 million). Excluding the personal customer business in Norway, we saw an increase of 1%.

Fuelled by our savings products, total deposit volumes for Personal Customers increased 2% from the level at the end of 2023. The increase was driven by Personal Customers Denmark, which saw an increase of 3%, Private Banking Denmark, which saw an increase of 3%, and Personal Customers Finland, which saw an increase of 1%.

Total lending experienced a slight decline, while bank lending was flat. Personal Customers Denmark saw an increase in bank lending, driven partly by home finance products such as Danske Bolig Fri, which achieved an increase of 19%. Total lending in Denmark decreased 1%. Personal Customers Sweden saw a decrease despite good customer activity, and there was a further negative effect of DKK 2.1 billion from the depreciation of the Swedish currency.

Net fee income increased to DKK 4,764 million (2023: DKK 4,175 million), driven primarily by higher investment fees and everyday banking fees. Investment fees increased due to the increase in assets under advice (AuA) resulting from the favourable financial markets, an improved fund performance and higher net sales. Income from financing fees declined in 2024 relative to 2023 due to lower customer activity levels, driven by market rate dynamics that impacted remortgaging activity.

Net trading income was down to DKK 134 million (2023: DKK 200 million) as a result of a decrease in loan termination fees due to the fall in interest rates.

Other income increased to DKK 114 million (2023: loss of DKK 608 million) due mainly to income related to our real estate agency *home*, while the year-earlier period was affected by a provision related to prudent valuation and expected transaction costs of DKK 693 million that was made in connection with the agreement to sell our personal customer business in Norway.

Operating expenses rose to DKK 9,774 million (2023: DKK 9,460 million). The rise was driven by investments made in accordance with our Forward '28 strategy and staff costs impacted by wage inflation.

Credit quality remained strong. The increases in interest rates and the cost of living during 2023 were mitigated by household savings and strong labour markets in 2024. Average loan-to-value ratio levels remained low.

Loan impairment charges amounted to a net reversal of DKK 440 million in 2024 (2023: charges of DKK 312 million). Impairments for 2024 benefited from the improved macroeconomic outlook, which also led to a reduction in post-model adjustments.

Credit exposure

Net credit exposure from lending activities amounted to DKK 717 billion at the end of 2024 (end-2023: DKK 844 billion), driven primarily by the decrease resulting from the divestment of the personal customers activities in Norway.

Q4 2024 vs Q3 2024

Profit before tax decreased to DKK 2,246 million in the fourth quarter (Q3 2024: DKK 2,447 million) due to a decrease in net interest income as a result of lower rates and the divestment of the personal customer business in Norway.

- Net interest income saw an 8% decrease from the preceding quarter despite repricing actions and our interest rate hedging framework. This was due to a combination of decreasing volumes from the third to the fourth quarter of 2024 and decreasing deposit margins as a result of the central bank rate cuts. In addition, the divestment of the personal customer business in Norway was completed in November 2024, and the fourth quarter therefore includes only half the income from Personal Customers Norway. The effect on net interest income was DKK 96 million.
- Net fee income increased 10% from the preceding quarter as a result of the high level of refinancing activity usually seen in the fourth quarter.
- Operating expenses increased relative to the preceding quarter as a result of year-end bookings and investments in our technology transformation.
- In the fourth quarter of 2024, loan impairment charges amounted to a net reversal of DKK 209 million (Q3 2024: net reversal of DKK 53 million).

Profit before tax

DKK 2,246 million

for the fourth quarter of 2024

Business Customers

In 2024, Business Customers saw good momentum despite the geopolitical uncertainty and subdued investment appetite. In addition, falling interest rates contributed to positive signs of increasing customer activity and we saw a positive development in terms of expanding our customer base in the more complex mid-sized segment across the Nordic markets, in line with our Forward '28 ambitions. We took strategic repricing actions and continued to enhance support for our customers by providing the best possible advice tailored to their needs. As a result, we saw a generally higher level of customer satisfaction among medium-sized and large business customers across our four Nordic markets.

In 2024, profit before tax amounted to DKK 8,690 million, a decrease of 6% from the same period last year (2023: DKK 9,267 million), driven by lower income from the sale of used assets in our leasing company.

Business initiatives

In 2024, we saw good progress in terms of customer inflows and a positive development in lending volumes in our medium-sized segment. We remain committed to supporting our business customers across all four Nordic countries by developing new initiatives aimed at enhancing their business growth and helping them succeed, thereby reinforcing our role as a strategic partner in the Nordic market in line with our Forward '28 strategy. Throughout 2024, we experienced growth in our business with subsidiaries of international businesses. This underscores our strong offerings and our ability to attract customers with international needs, aligning with our strategic objectives.

At Business Customers, we focus on continuously making banking seamless and convenient for our customers through digital solutions. In 2024, we developed a new version of our District online banking platform that is tailored to small businesses and expected to launch in Denmark in the first half of 2025, introducing a new and modern banking solution for all our business customers. The initial rollout will target 2,500 small businesses in Denmark, with further rollouts planned for 2025, including a new mobile app.

Business Customers

(DKK millions)	2024	2023*	Index 24/23	Q4 2024	Q3 2024	Index Q4/Q3
Net interest income	11,434	11,684	98	2,752	2,912	95
Net fee income	2,303	2,190	105	623	509	122
Net trading income	31	54	57	14	-1	-
Other income	639	1,024	62	119	122	98
Total income	**14,408**	**14,952**	**96**	**3,509**	**3,541**	**99**
Operating expenses	5,501	5,255	105	1,552	1,322	117
of which resolution fund, bank tax etc.	226	255	89	56	58	97
Profit before loan impairment charges	**8,907**	**9,698**	**92**	**1,957**	**2,219**	**88**
Loan impairment charges	218	431	51	-47	-326	14
Profit before tax	**8,690**	**9,267**	**94**	**2,004**	**2,545**	**79**
Loans, excluding reverse transactions before impairments	665,235	654,246	102	665,235	664,074	100
Allowance account, loans	9,590	9,511	101	9,590	9,623	100
Deposits, excluding repo deposits	251,446	257,076	98	251,446	244,904	103
Covered bonds issued	386,025	371,605	104	386,025	387,715	100
Allocated capital (average)	42,087	39,644	106	42,006	42,315	99
Net interest income as % p.a. of loans and deposits	1.27	1.29	-	1.21	1.29	-
Profit before loan impairment charges as % p.a. of allocated capital	21.2	24.5	-	18.6	21.0	-
Profit before tax as % p.a. of allocated capital (avg.)	20.6	23.4	-	19.1	24.1	-
Cost/income ratio (%)	38.2	35.1	-	44.2	37.3	-
Full-time-equivalent staff	1,731	1,646	105	1,731	1,728	100

* Comparative information has been restated as described in note G2(a).

Fact Book Q4 2024 provides financial highlights at customer type level for Business Customers. Fact Book Q4 2024 is available at danskebank.com/ir.

We also launched a new digital welcoming flow in Denmark for small businesses, enabling them to quickly initiate onboarding themselves. This initiative, which enhances the customer experience with a seamless setup, builds on the existing solution for sole traders and is set to expand sequentially into the other Nordic markets.

As part of our sustainability ambitions, we entered into partnerships with a leading engineering consultancy, Sweco, and the climate tech company Comundo to further support the green transition of our commercial real estate customers. These partnerships have gotten off to a good start, as a large number of customers have already been referred to Comundo and are in the progress of signing contracts. Our aim is to increase the number of customers in scope for these two partnerships, and they are testament to our efforts to offer a streamlined customer journey. Combined with our advisory and financing solutions, the partnerships can support our customers in reducing CO_2 emissions from properties.

Moreover, we are continuing our strategic collaboration with the European Investment Fund (EIF) to support the growth of small and medium-sized businesses across the Nordic countries. In the initial phase, EIF loan guarantees are offered to our customers in Finland to support them in their sustainability transition. We have prepared to scale the collaboration to the other Nordic markets over the course of 2025.

2024 vs 2023

Profit before tax amounted to DKK 8,690 million (2023: DKK 9,267 million). An increase in net fee income was more than offset by lower other income.

Net interest income decreased 2% from the level in 2023, due primarily to a decrease in net interest income from deposits due to lower deposit volumes. Additionally, decreasing deposit margins also contributed to the reduction in net interest income. Moreover, a negative impact from foreign exchange fluctuations further contributed to the decline in net interest income.

Net fee income increased to DKK 2,303 million (2023: DKK 2,190 million). The increase was driven primarily by everyday banking fees and repricing actions in relation to our subscription-based service model.

Other income decreased to DKK 639 million (2023: DKK 1,024 million). The decrease was the result of lower income from the sale of used assets in our leasing company in 2024 than in 2023, when sales were extraordinarily high. In February 2024, we sold the Norwegian company Tyssekraft A/S, which had a positive effect on other income of DKK 20 million.

Operating expenses amounted to DKK 5,501 million, an increase of 5% relative to the end of 2023. The increase was driven by investments made in accordance with our Forward '28 strategy combined with a generally higher cost level as a result of inflation.

Deposit volumes across Business Customers decreased 2% relative to the end of 2023. In Sweden, deposit volumes increased 6% and in Finland deposit volumes increased 2%, whereas deposit volumes were stable in Denmark. In Norway, we tactically repriced public-sector deposits, which impacted the deposit volume negatively. Both the Swedish krona and the Norwegian krone depreciated further, with a total effect of approximately DKK 4 billion since the end of 2023.

Supported by our strategy execution, we saw an increase in bank lending volumes in local currency across our Nordic markets. The depreciation of the currencies in Norway and Sweden had an adverse effect on total bank lending of DKK 7 billion. Adjusted for this, the increase was 3% relative to the end of 2023.

Realkredit Danmark mortgage volumes increased 1% relative to the level at the end of 2023. Combined with the increase in bank lending, this meant that total lending volumes after fair value adjustments increased 2%.

Overall credit quality remained strong in 2024. Loan impairment charges amounted to DKK 218 million in 2024, representing a decrease relative to the level in 2023. Loan impairment charges for 2024 were driven primarily by a few single-name exposures.

Credit exposure

Net credit exposure from lending activities amounted to DKK 768 billion at the end of 2024 (end-2023: DKK 745 billion), primarily driven by an increase in exposure to the Commercial property, Private housing co-ops. and non-profit associations, and Services segments.

Q4 2024 vs Q3 2024

Profit before tax decreased to DKK 2,004 million in the fourth quarter of 2024 (Q3 2024: DKK 2,545 million) due to higher direct costs combined with lower loan impairment reversals relative to the third quarter.

- Net interest income decreased 5% to DKK 2,752 million (Q3 2024: DKK 2,912 million) due to headwinds for deposit margins as a result of declining rates.
- Net fee income increased 22% from the third quarter of 2024 due to higher refinancing fees and service fees.
- Other income decreased 2%, primarily as a result of lower asset sales.
- Operating expenses increased 17% due to investments made as part of the Forward '28 strategy.
- The fourth quarter of 2024 saw a net loan impairment reversal of DKK 47 million that were driven by our commercial real estate segment outside Denmark, against a net reversal of DKK 326 million in the third quarter of 2024.

Profit before tax

DKK 2,004 million

for the fourth quarter of 2024

Large Corporates & Institutions

In 2024, we continued to see a positive underlying momentum, particularly in our fee business, as higher fees from assets under management, everyday banking products and capital markets activities mitigated the decline in net trading income, thus demonstrating the value of our diversified business model. Furthermore, we continued to leverage our strategic commercial strengths as reflected in growth in our corporate customer portfolio outside Denmark, an increased market share of cash management services and the maintaining of our leading position in sustainable finance.

Profit before tax increased to DKK 10,138 million, an increase of 16% from 2023. This makes 2024 a record year, with the result driven mainly by a strong development in fees from asset management, everyday banking products and capital markets advisory services.

Business initiatives

2024 was characterised by a positive trajectory for capital markets activity as macroeconomic conditions stabilised on the back of reduced fears of recession and declining interest rates, which affected investment and transaction appetite throughout the year. In Debt Capital Markets, we saw strong activity during the year, and we are proud to be part of the growth journey as the leading Nordic bank within European bond issuance with record-high volumes and transaction activity. Among several transactions, we acted as Joint Global Coordinator in Assemblin Caverion Group's raising of EUR 1.28 billion. We also acted as Joint Lead Manager on DLR Kredit's SEK 1 billion and DKK 400 million 10nc5 Tier 2 issuance and acted as Sole Lead Manager for the issuance of SEK 4 billion in Green bonds for KUNTA (Municipality Finance).

The DSV acquisition of DB Schenker was a historical capital markets event, and we are proud to have supported the transaction across products offerings within lending, equity and bond issuance, evidence of our capital markets advisory contribution.

Large Corporates & Institutions

(DKK millions)	2024	2023*	Index 24/23	Q4 2024	Q3 2024	Index Q4/Q3
Net interest income	7,164	6,935	103	1,952	1,717	114
Net fee income	7,645	6,312	121	2,682	1,698	158
Net trading income	2,365	2,515	94	480	598	80
Other income	191	15	-	190	-	-
Total income	**17,365**	**15,777**	**110**	**5,304**	**4,013**	**132**
Operating expenses	7,460	7,397	101	2,025	1,883	108
of which resolution fund, bank tax etc.	459	492	93	113	111	102
Profit before loan impairment charges	**9,905**	**8,380**	**118**	**3,279**	**2,130**	**154**
Loan impairment charges	-233	-367	63	170	110	155
Profit before tax	**10,138**	**8,747**	**116**	**3,109**	**2,020**	**154**
Loans, excluding reverse trans. before impairments	305,498	311,569	98	305,498	296,041	103
of which loans in General Banking	269,392	262,741	103	269,392	274,166	98
Allowance account, loans (incl. credit institutions)	2,122	1,665	127	2,122	1,944	109
Deposits, excluding repo deposits	355,760	356,840	100	355,760	299,839	119
of which deposits in General Banking	330,807	326,147	101	330,807	282,026	117
Covered bonds issued	28,020	28,580	98	28,020	28,289	99
Allocated capital (average)	40,530	40,270	101	40,753	40,357	101
Net interest income as % p.a. of loans and deposits	1.19	1.10	-	1.25	1.16	-
Profit before loan impairment charges as % p.a. of allocated capital	24.4	20.8	-	32.2	21.1	-
Profit before tax as % p.a. of allocated capital (avg.)	25.0	21.7	-	30.5	20.0	-
Cost/income ratio (%)	43.0	46.9	-	38.2	46.9	-
Full-time-equivalent staff	2,127	2,085	102	2,127	2,115	101

* Comparative information has been restated as described in notes G2(a) and G2(b).

In primary Equity Capital Markets, we saw low activity during the first eight months of the year, while volumes started to increase during the last third of the year. Nordic M&A activity decreased to the lowest level since 2013, reflecting a three-year trend due to the gradual economic transition. However, among several transactional highlights, we are proud to have taken the leading M&A position in Finland in 2024.

As parts of the capital markets remain in a recovery period, Loan Capital Markets activity increased within our structural lending business, providing leveraged loan facilities to customers with overall strong credit quality. Despite subdued M&A activity in the Large Cap segment, we reached record-high activity levels, which resulted in a leading position as Bookrunner and Mandated Lead Arranger for Nordic syndicated loans in 2024.

In Asset Management, we saw strong progress on our journey towards simplifying our value chain, and we are pleased to report an increasing market share in Danske Invest. Furthermore, we continuously expand our sustainability education efforts towards our employees and remain a leader in external certifications among asset managers in the Nordic countries.

The sustainable finance journey continued in 2024, and we remain proactive in seeking opportunities for our customers to develop the financial markets' contribution to a more sustainable society. We are proud that we again in 2024 managed to maintain our Nordic lead position in the Bloomberg League Tables for both Sustainable Bonds and Sustainability Linked Loans. In 2024, Danske Bank arranged green bonds for energy and transmission companies such as Ellevio and Fingrid. In a market with a lower volume of sustainability-linked loans, Danske Bank maintained its number one league table position. We acted as sustainability coordinator in important transactions for customers such as Gränges, Huhtamaki, Nordlaks and Bavarian Nordic.

2024 vs 2023

Profit before tax increased to DKK 10,138 million (2023: DKK 8,747 million), with the increase driven by higher net fee income and loan impairment reversals, although the increase was partly offset by lower net trading income.

Net interest income increased to DKK 7,164 million (2023: DKK 6,935 million) as a result of higher income from other interest items,

Total income

(DKK millions)	2024	2023*	Index 24/23	Q4 2024	Q3 2024	Index Q4/Q3
General Banking	8,699	8,378	104	2,351	2,099	112
Markets	4,641	4,628	100	1,194	1,130	106
of which xVA**	30	21	143	-29	14	-
Asset Management	3,201	2,334	137	1,454	617	236
of which performance fees	729	302	241	652	28	-
Investment Banking	825	437	189	305	168	182
Total income	**17,365**	**15,777**	**110**	**5,304**	**4,013**	**132**

Assets under management

(DKK millions)	2024	2023*	Index 24/23	Q4 2024	Q3 2024	Index Q4/Q3
Institutional clients***	521,163	442,473	118	521,163	497,837	105
Retail clients***	358,904	328,584	109	358,904	363,514	99
Total assets under management****	**880,068**	**771,056**	**114**	**880,068**	**861,351**	**102**

*Comparative information has been restated as described in note G2(b).
**The xVA acronym covers Credit (CVA), Debit (DVA), Funding (FVA) and Collateral (ColVA) Valuation Adjustments to the fair value of the derivatives portfolio. From 2023, FVA is calculated to include both funding cost and funding benefit, and therefore DVA is offset to avoid double counting between DVA and the funding benefit. Danske Bank has a centralised xVA desk responsible for quantifying, managing and hedging xVA risks. The PnL result of the xVA desk is thus the combined effect of the net xVA position and funding and collateral costs of the trading book.
***The split of assets under management between institutional and retail clients was adjusted in Q2 2023, and comparative information has been restated accordingly.
**** Includes assets under management from Group entities.

although the effect was partly offset by lower deposit volumes and margins. Lending volumes in General Banking increased 3% from the end of 2023 and were driven primarily by corporate customers in Sweden. Deposit volumes in General Banking increased 1% from the level at the end of 2023, due mainly to an increase in fixed-term deposits. We continued to execute on our strategic ambition to grow our corporate customer portfolio outside Denmark, and we are thrilled to have welcomed more new large corporate customers in 2024.

Net fee income increased to DKK 7,645 million (2023: DKK 6,312 million) as we saw a widespread increase in fees from assets under management, everyday banking products and capital markets advisory services.

We continued to increase our market share within cash management by adding new house bank mandates in 2024. We saw strong growth in assets under management, partly on the back of rising asset prices, but also due to a strong development in net sales in the institutional and private banking segments, which contributed to positive net sales. Furthermore, we continued our strong investment performance relative to both peers and benchmarks, particularly across our hedge fund franchise and multi-asset solutions.

Net trading income decreased to DKK 2,365 million (2023: DKK 2,515 million). The decrease was due primarily to a normalisation of market conditions following elevated income levels in the first half of 2023.

Operating expenses increased and amounted to DKK 7,460 million (2023: DKK 7,397 million) as a result of higher investments in our technology transformation.

Loan impairments in 2024 amounted to a net reversal of DKK 233 million (2023: net reversal of DKK 367 million). Reversals continue to be driven by successful workout activities.

Credit exposure

Net credit exposure from lending activities amounted to DKK 688 billion at the end of 2024 (end-2023: DKK 636 billion), driven primarily by an increase in exposure to the Financials, Pharma and medical devices, and Transportation segments.

Q4 2024 vs Q3 2024
Profit before tax increased to DKK 3,109 million (Q3 2024: DKK 2,020 million), primarily because of increases in fee income and net interest income that were only partially offset by lower net trading income.

- Net interest income increased to DKK 1,952 million (Q3 2024: DKK 1,717 million) as a result of larger deposit volumes and other interest items.
- Net fee income increased to DKK 2,682 million (Q3 2024: DKK 1,698 million), mainly as a result of higher capital markets fees and performance fees.
- Net trading income decreased to DKK 480 million (Q3 2024: DKK 598 million), driven by lower activity within fixed income.
- Other income increased to DKK 190 million (Q3 2024: DKK 0 million), due mainly to the gain of DKK 185 million on the sale of investment funds in connection with the divestment of the personal customer business in Norway.
- Operating expenses increased to DKK 2,025 million (Q3 2024: DKK 1,883 million), primarily as a result of higher provisions for performance-based compensation.
- Net loan impairment charges amounted to DKK 170 million (Q3 2024: DKK 110 million). The charges were driven by single-name exposures.

Profit before tax

DKK 3,109 million

for the fourth quarter of 2024

Danica

2024 turned out to be another successful year for investments despite several factors that could have posed challenges for returns: high inflation at the beginning of the year, conflicts in Ukraine and the Middle East, and a persistent fear of recession looming in the background.

This development was driven by strong returns on equities, and US equities outperformed the rest of the world.

In addition, Danica's low risk profiles delivered returns at the high end of the spectrum, driven by a strong performance by government, mortgage and high-yield bonds.

The result for the full year was a high return on customer savings across all customer risk profiles for our main Danica Balance product.

Net income at Danica decreased to DKK 1,387 million in 2024, down 6% from the level in 2023, due to a decrease in the insurance service result.

The result was impacted by a negative development in the health and accident business. This development was driven by an increase in new claims that reflected the general trend in society, which has affected commercial pension companies broadly and resulted in an increase in provisions for insurance contracts.

Business initiatives

New strategy for Danica

In November 2024, Danica announced a new commercial strategy, set to commence in 2025, with the aim of becoming the preferred pension company in Denmark by 2028.

The new commercial strategy for Danica focuses on enhancing collaboration within the Danske Bank Group to unlock significantly greater commercial potential.

Danica

(DKK millions)	2024	2023	Index 24/23	Q4 2024	Q3 2024	Index Q4/Q3
Insurance service result	260	779	33	-133	-68	196
Net financial result	1,033	615	168	98	514	19
Other income	94	78	121	14	13	108
Net income before tax in Danica	**1,387**	**1,472**	**94**	**-20**	**459**	**-**
Insurance liabilities	543,817	493,544	110	543,817	522,851	104
Liabilities under investment contracts	26,800	23,113	116	26,800	26,264	102
Allocated capital (average)	**20,219**	**19,738**	**102**	**20,417**	**20,392**	**100**
Net income as % p.a. of allocated capital	6.9	7.5	-	-0.4	9.0	-
Solvency coverage ratio	207	170	-	207	216	-
Full-time-equivalent staff	940	912	-	940	920	-

Asset under management

(DKK millions)						
Total	486,956	440,319	111	486,956	479,900	101

Premiums

(DKK millions)						
Gross premiums, Denmark	43,643	38,647	113	11,160	10,914	102

Additionally, the strategy aligns with the broader goals of the Danske Bank Group and aims to realise growth through cross-sales, thereby strengthening the bancassurance model.

Customer satisfaction is highlighted as the primary growth driver in the new strategy and the focus is on the importance of making customer interaction with Danica easy and convenient through digital solutions and on offering comprehensive healthcare offerings, attractive returns and quality advice.

Furthermore, the strategy includes a strong focus on improving our health and accident business to achieve a balanced result, thereby strengthening Danica's competitiveness.

2024 vs 2023

Net income at Danica amounted to DKK 1,387 million (2023: DKK 1,472 million). Even though the net financial result increased, this was not enough to offset a significant decrease in the insurance service result.

The insurance service result decreased to DKK 260 million (2023: DKK 779 million) as Danica continued, as in previous years, to see a rise in new health and accident claims, which also reflects the general trend in society and resulted in an increase in provisions for insurance contracts.

The net financial result increased to DKK 1,033 million (2023: DKK 615 million) due to the positive developments in the financial markets, which lifted both the investment results on insurance products where Danica has the investment risk and the investment result attributable to shareholders' equity.

Assets under management continued the upward trend, showing an increase of DKK 47 billion from the year-earlier period following the positive development in the financial markets.

Premiums increased 13% from the same period in 2023 following an increase in both single and regular premiums.

Q4 2024 vs Q3 2024

Net income at Danica decreased to a loss of DKK 20 million (Q3 2024: DKK 459 million) due to a decrease in both the net financial result and the insurance service result.

- The insurance service result decreased to a loss of DKK 133 million (Q3 2024: loss of DKK 68 million), due mainly to an increase in provisions for future losses on insurance contracts already in force related to the health and accident business. Danica continues to see a rise in new claims in the health and accident business.
- The net financial result decreased in the fourth quarter of 2024 and amounted to DKK 98 million (Q3 2024: DKK 514 million). The decrease was attributable to a less positive development in the investment results on insurance products where Danica has the investment risk and the investment result attributable to shareholders' equity. The investment result attributable to the health and accident business also decreased in the fourth quarter.
- Total premiums increased 2% following an increase in regular premiums.
- Assets under management increased DKK 7 billion due primarily to the positive developments in the financial markets in the fourth quarter of 2024.

Net income in Danica

DKK -20 million

for the fourth quarter of 2024

Northern Ireland

Our focus in Northern Ireland is to remain a stable, strong and risk-astute bank, consolidating our market-leading position alongside pursuing low-cost growth opportunities in the rest of the UK. The strong underlying financial performance reflects business growth in a higher interest rate environment. Profit before tax of DKK 2,017 million was 5% higher than in 2023.

Business initiatives

We are a leading bank in Northern Ireland, serving personal, business and corporate customers, and the Northern Ireland market remains our regional focus, while we also seek growth in targeted sectors across the rest of the UK.

The strategy aligns with the Group's key focus areas, including digitisation, customer journeys, sustainability, and simplicity and efficiency, all underpinned by ensuring high levels of employee engagement.

In 2024, we increased our focus on customer acquisition through targeted marketing campaigns. Acquisition of new personal and small business customers increased year-on-year by approximately 60% and 50%, respectively.

We continue to invest in our digital channels to meet our customers' everyday banking needs, with the number of active mobile banking users up 7% year-on-year.

Residential mortgage lending volumes continued to grow, reflecting an increased market share of new business in Northern Ireland supplemented by growth in the rest of the UK. The growth was supported by sustained demand for housing and continued low unemployment levels. Customer lending was up 4% in local currency.

Northern Ireland

(DKK millions)	2024	2023	Index 24/23	Q4 2024	Q3 2024	Index Q4/Q3
Net interest income	3,025	2,549	119	814	768	106
Net fee income	320	319	100	83	82	101
Net trading income	154	288	53	25	50	50
Other income	12	15	80	4	3	133
Total income	**3,511**	**3,171**	**111**	**926**	**902**	**103**
Operating expenses	1,580	1,368	115	438	399	110
Profit before loan impairment charges	**1,931**	**1,804**	**107**	**488**	**503**	**97**
Loan impairment charges	-86	-113	76	-23	-65	35
Profit before tax	**2,017**	**1,917**	**105**	**511**	**568**	**90**
Loans, excluding reverse transactions before impairments	64,004	58,600	109	64,004	64,002	100
Allowance account, loans	738	755	98	738	752	98
Deposits, excluding repo deposits	108,504	97,396	111	108,504	106,712	102
Allocated capital (average)*	6,510	6,750	96	6,862	6,724	102
Net interest income as % p.a. of loans and deposits	1.77	1.61		1.83	1.76	
Profit before tax as % p.a. of allocated capital (avg.)	31.0	28.4		29.8	33.8	
Cost/income ratio (%)	45.0	43.1		47.3	44.2	
Full-time-equivalent staff	1,261	1,267	100	1,261	1,248	101

* Allocated capital equals the legal entity's capital.

2024 vs 2023

Profit before tax increased 5% to DKK 2,017 million (2023: DKK 1,917 million), reflecting strong growth in net interest income. Profit before impairments was 7% higher than in 2023.

Net interest income increased to DKK 3,025 million (2023: DKK 2,549 million), driven by a combination of lending growth, growth in deposits (7% higher in local currency) and actions taken in response to higher UK interest rates.

Net fee income was maintained at DKK 320 million (2023: DKK 319 million) with higher activity offset by the year-on-year impact of the sale of our offsite ATM network in 2023.

Net trading income included a positive mark-to-market movement of DKK 92 million (2023: positive movement of DKK 320 million) on the bank's hedging portfolio, reflecting a combination of changing market expectations for UK interest rates and the reducing remaining life of the impacted hedging portfolio.

Operating expenses amounted to DKK 1,580 million (2023: DKK 1,368 million). Locally incurred costs increased 7%, reflecting DKK 16 million of non-recurring costs in respect of a voluntary early retirement scheme launched in the fourth quarter, and DKK 14 million in respect of the introduction by the Bank of England (BoE) of a new levy on all UK banks (with an offsetting income benefit from broader BoE funding model changes). The remainder of the increase was due to higher costs for services provided by the Group. The bank has a continued cost and efficiency focus across local and Group cost drivers.

Credit quality remained strong, with a net loan impairment reversal of DKK 86 million (2023: net reversal of DKK 113 million).

Q4 2024 vs Q3 2024

The fourth quarter of 2024 saw profit before tax of DKK 511 million (Q3 2024: DKK 568 million).

- Net interest income increased to DKK 814 million (Q3 2024: DKK 768 million), including continued growth in both lending and deposits.
- Net fee income was maintained at DKK 83 million (Q3 2024: DKK 82 million).
- Net trading income amounted to DKK 25 million (Q3 2024: DKK 50 million), primarily reflecting mark-to-market movements on the hedging portfolio.
- Operating expenses increased to DKK 438 million (Q3 2024: DKK 399 million) due primarily to non-recurring costs in respect of the voluntary early retirement scheme and higher costs for services provided by the Group.
- Loan impairment charges saw a further net reversal in the fourth quarter reflecting continued strong credit quality.

Profit before tax

DKK 511 million

for the fourth quarter of 2024

Group Functions

Group Functions includes Group Treasury, Technology & Services and other Group functions. In addition, Group Functions includes eliminations. As of 1 January 2024, Non-core is no longer reported as a separate business unit. Instead, the remaining Non-core activities are included under Group Functions.

In 2024, the loss before tax was reduced and amounted to DKK 740 million, against a loss of DKK 2,881 million in 2023. The improvement was driven, among other things, by an increase in net interest income to DKK 1,032 million (2023: net expense of DKK 362 million) that related primarily to higher interest on shareholders' equity, higher income from interest rate risk management and higher interest income at Group Treasury's Internal Bank.

Initiatives

Group Functions supports, among other things, the business units by allocating capital, interest-bearing capital costs and long-term funding costs through Group Treasury's Internal Bank setup. Group Treasury manages, among other things, the Group's liquidity bond portfolio and the investment of shareholders' equity for Realkredit Danmark as well as the interest rate risk on the non-trading book. Operating expenses related to the sub-units within Group Functions are allocated to the business units. This is done to ensure cost efficiency throughout the Group.

Our technology transformation to make everyday banking simpler and safer is progressing well. We have rolled out our new purely digital customer onboarding platform. We have also introduced new GenAI-powered tools that greatly improve the productivity of our developers. Moreover, our cloud migration programme runs ahead of schedule, which enables us to achieve increased scalability.

2024 vs 2023

The result of Group Functions improved and amounted to a loss before tax of DKK 740 million (2023: loss of DKK 2,881 million). The improved result related mainly to Group Treasury where profit before tax increased to DKK 1,783 million (2023: loss of DKK 752 million), mainly driven by an increase in net interest income and a non-recurring loss on net trading income in 2023.

Group Functions

(DKK millions)	2024	2023*	Index 24/23	Q4 2024	Q3 2024	Index Q4/Q3
Net interest income	1,032	-362	-	390	155	252
Net fee income	-121	-92	132	-54	-28	193
Net trading income	-16	-444	4	22	40	55
Other income	-216	15	-	-76	-26	292
Total income	679	-884	-	281	141	199
Operating expenses	1,421	1,998	71	143	248	58
of which resolution fund, bank tax etc.	71	72	99	17	18	94
Profit before loan impairment charges	-742	-2,882	26	139	-107	-
Loan impairment charges	-2	-1	200	2	-2	-
Profit before tax	**-740**	**-2,881**	**26**	**136**	**-105**	**-**
Full-time-equivalent staff	10,050	10,046	100	10,050	10,069	100

Profit before tax

(DKK millions)						
Group Treasury	1,783	-752	-	669	439	152
Own shares and issues	-463	23	-	-270	-38	-
Additional tier 1 capital	-4	-	-	-1	-1	100
Group support functions	-2,110	-2,065	102	-252	-502	50
Non-core	54	-87	-	-9	-2	-
Total Group Functions	**-740**	**-2,881**	**26**	**136**	**-105**	**-**

* Comparative information has been restated as described in note G3(a).

Net interest income increased to DKK 1,032 million (2023: net expense of DKK 362 million). The increase was due primarily to higher interest on shareholders' equity, higher income from interest rate risk management and higher income from Internal Bank allocation to business units, including interest rate risk management costs related primarily to the hedging of the interest rate risk on deposits to the business units, which is made in the form of an internal deduction from deposit margins. Income in 2023 benefited from an interest compensation payment from the Danish tax authorities.

Net trading income amounted to a loss of DKK 16 million (2023: loss of DKK 444 million). In 2023, net trading income was affected by a release from Other comprehensive income of a loss of DKK 786 million on a NOK structural CET1 FX branch hedge following the announcement of Danske Bank's exit from the personal customer market in Norway and a one-off gain of DKK 327 million related to the sale of shares taken over in connection with a loan.

Other income amounted to a loss of DKK 216 million (2023: income of DKK 15 million) related, among other things, to holdings in associates. Other income in 2023 included a gain of DKK 104 million on the sale of Danske IT in India to Infosys.

Operating expenses decreased, due mainly to increased allocation to the business units, and amounted to DKK 1,421 million (2023: DKK 1,998 million). Furthermore, an insurance reimbursement of DKK 179 million also had a positive effect on expenses.

Loan impairment charges amounted to a net reversal of DKK 2 million (2023: net reversal of DKK 1 million).

The number of full-time-equivalent staff was 10,050 (end-2023: 10,046).

Q4 2024 vs Q3 2024
Group Functions posted a profit before tax of DKK 136 million (Q3 2024: loss of DKK 105 million).

- Net interest income increased to DKK 390 million (Q3 2024: DKK 155 million). Group Treasury interest rate risk management income and income on the part of Group Treasury's hold-to-collect and hold-to-collect-and-sell bond portfolios increased as a result of lower short-term rates. The increase was partly offset by lower interest on shareholders' equity.
- Net fee income decreased to a net expense of DKK 54 million (Q3 2023: net expense of DKK 28 million) due, among other things, to an increase in fees for securities services.
- Net trading income amounted to DKK 22 million (Q3 2024: DKK 40 million).
- Other income amounted to a loss of DKK 76 million (Q3 2024: loss of DKK 26 million) and was affected by value adjustments of holdings in associates.
- Operating expenses decreased to DKK 143 million (Q3 2024: DKK 248 million) due to an increased allocation to the business units. An insurance reimbursement of DKK 179 million was recognised in the third quarter.

Profit before tax

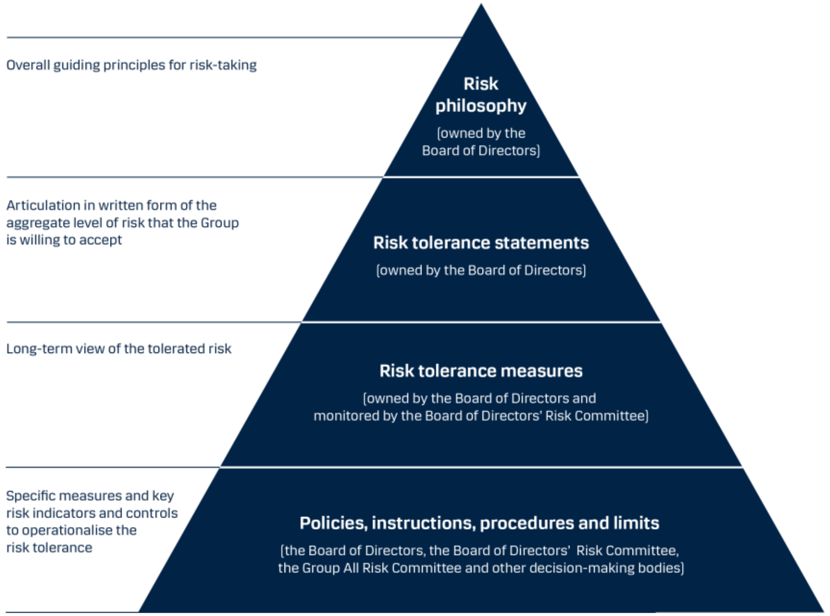
DKK 136 million

for the fourth quarter of 2024

Risk management

In 2024, Danske Bank maintained a robust credit portfolio with strong credit quality. Despite signs of macroeconomic normalisation in 2024, some effects of a slowdown persisted in specific areas of the corporate portfolios, indicating that the downturn was not yet completely over. Falling interest rates in 2024 eased some of the pressure on the commercial and residential real estate segments, and the volume of property transactions slowly improved during 2024, although activity remained historically low. The credit quality of the personal customer portfolio remained stable throughout 2024.

Danske Bank maintained a robust trading portfolio with a relatively low level of risk utilisation. At the end of 2024, Danske Bank's liquidity position was strong, and the quality of the liquidity reserve was high. Danske Bank's non-financial risk profile remained stable, and the elevated cyber threats were addressed by enhanced security controls.



Danske Bank's risk management framework aims to protect the bank from excessive risk, uphold a sound risk culture and enable sustainable business. Danske Bank's overall guiding principles for risk-taking are summarised in its risk philosophy statements.

The risk tolerance statements, owned by the Board of Directors, are the articulation of the aggregate level and types of risk that Danske Bank is willing to accept to achieve its business objectives. Danske Bank has risk tolerance statements for all significant risk types, such as credit risk, market risk, liquidity risk and operational risk. To ensure adherence to the set risk level, the risk tolerance statements are quantified in a set of risk tolerance measures. Danske Bank's risk profile is regularly monitored and assessed against the set risk tolerance by Group Risk Management and reported to the Group All Risk Committee, the Board of Directors' Risk Committee and the Board of Directors. Danske Bank's risk tolerance is further operationalised via limits and key risk indicators included in policies, instructions and business procedures and cascaded to business units, branches and subsidiaries.

Overview of material risk areas

Material risk areas	2024 in review
Credit risk	A well-diversified and stable credit portfolio with strong credit quality and limited stage 3 exposures despite a challenging macroeconomic landscape. Some corporate segments, namely construction, building materials, automotive, consumer discretionary, and capital goods continued to see pressures from the global economic slowdown. Post-model adjustments continue to be in place to ensure provisions against the remaining effects of disruptions in recent years.
Market risk	A robust trading portfolio mainly consisting of fixed income products, with stable income and risk levels. The IRRBB EV model was further improved in 2024, and the risk is well hedged.
Liquidity risk	A prudent liquidity position, with an adequate liquidity reserve of high-quality assets and diversified funding sources. In 2024, more liquidity was allocated to the equity finance business leading to a reduction in the surplus liquidity. This was partly offset by the sale of the personal customer business in Norway, and this reduced the retail lending volume. The deposits increased and continued to be well diversified between depositor types and industries.
Non-financial risk	A stable non-financial risk profile, with a reduction in non-financial risk losses in 2024. The continued focus on regulatory compliance, financial crime, IT, security, third-party, and data risks, helped ensure compliance with the new DORA requirements. In response to rising cyber threats, Danske Bank continued to improve security controls and implement its data strategy on security enhancements in 2024.
Life insurance risk	Stable risks in the pension and insurance business, which consists mainly of unit-linked products, in which the market risk is primarily borne by customers. The main financial risk is associated with the run-off pension product Danica Traditionel, and efforts are consistently being made to monitor and stress test this portfolio. The development in Danica's health and accident business was adversely affected by an increased number of reported claims.

Credit exposure

Credit exposure from lending activities decreased to DKK 2,390 billion at the end of 2024 (end-2023: DKK 2,553 billion). The exposure includes exposures to the following segments: personal customers, residential real estate, commercial real estate, private housing co-ops and non-profit associations, public institutions, financials, and other industries (corporates).

The decrease in exposure was caused by lower deposits with central banks and a decrease in the exposure to personal customers in Norway, due to the decision to exit the personal customer segment in Norway as part of the Forward '28 strategy. The decrease was partially countered by an increase in exposure to the transportation segment.

Section 3 of the Group's Risk Management 2024 report, which is available at danskebank.com/ir, provides details on Danske Bank's credit risk management.

Credit quality

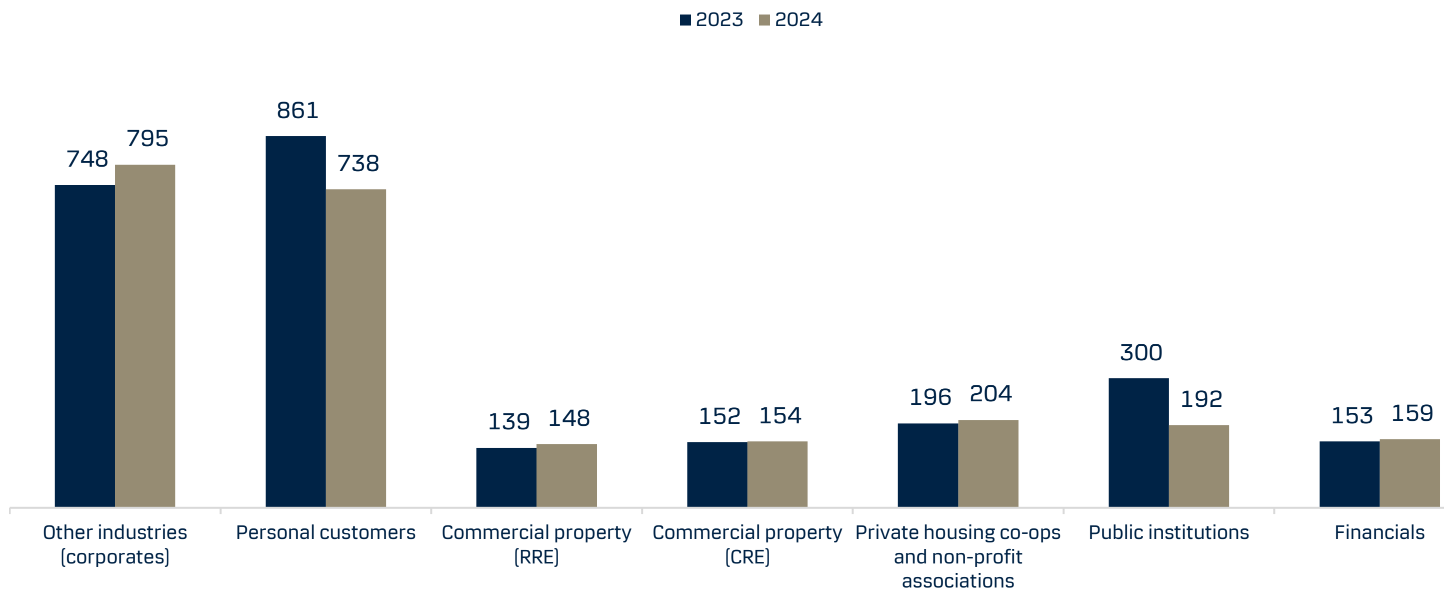
Credit quality remained strong in 2024 across all business units. Danske Bank works proactively to make an early identification of exposures with potentially increased risksin relation to the uncertainty described in the section on loan impairment charges in the Financial Review. This process is underpinned byan analytical framework and practical work by experienced credit officers.

Total gross stage 3 credit exposurewas stable at DKK 32.5 billion (end-2023: DKK 32.7 billion), corresponding to 1.3% of total gross exposure. Stage 3 exposure was concentrated on personal customers, commercial property, capital goods and retailing, which combined accounted for 57% of total gross stage 3 exposure.

The allowance account amounted to 1.11% (end-2023: 1.07%) of credit exposure.

Development in credit exposure

(DKK billions)



Stage 3 loans

(DKK millions)	31 December 2024	31 December 2023
Gross exposure	32,518	32,686
Allowance account	9,058	9,062
Net exposure	**23,460**	**23,624**
Collateral (after haircut)*	19,679	20,642
Stage 3 coverage ratio (%)*	71	75
Stage 3 gross/total gross credit exposure	1.3%	1.3%

*The stage 3 coverage ratio is calculated as allowance account stage 3 exposures relative to gross stage 3 net of collateral (after haircuts).

Allowance account by business units

	31 December 2024		31 December 2023	
(DKK millions)	Accum. impairm. charges	% of credit exposure*	Accum. impairm. charges	% of credit exposure*
Personal Customers	4,674	0.70	5,306	0.68
Business Customers	10,752	1.57	10,705	1.58
Large Corporates & Institutions	3,666	0.97	3,308	0.91
Northern Ireland	785	1.21	794	1.34
Group Functions	22	-0.34	27	1.21
Total	**19,901**	**1.11**	**20,140**	**1.07**

*Relating to lending activities

Corporate portfolio
Danske Bank's corporate customer portfolio amounted to DKK 795 billion at the end of 2024, (2023: DKK 748 billion), reflecting a growth rate of 6%. The portfolio covers exposures to large, medium-sized and small corporates, and they are managed by two business units: Large Corporates & Institutions and Business Customers. The portfolio is well diversified across geographies and industries in the Nordic countries, with the Danish and Swedish markets being the largest.

Credit quality remained stable across corporate exposures, showing resilience although economic uncertainties and geopolitical challenges persisted. The percentage of stage 3 loans decreased to 2.1% in 2024 (2023: 2.2%), a significant improvement from the pre-pandemic level of 4.0% in 2019. This reflects continued work-out processes for stage 3 customers identified in recent years. Throughout 2024, Danske Bank continued to focus on supporting customers affected by rising interest rates and continued macroeconomic uncertainty. Although some segments such as construction, building materials, automotive, consumer discretionary, and capital goods felt the effects of the global economic slowdown, the affected areas generally recognised stable or improved gross stage 3 exposures for now. Post-model adjustments continue to be in place to ensure provisions against the remaining effects of disruptions in recent years.

Consumer-related segments faced pressures from increased costs of living and rising interest rates, but there were signs of relief as inflation stabilised and consumer confidence began to pick up with slight increases in real wages. The discretionary goods segment saw a reduced gross stage 3 exposure of 6.9% in 2024 (2023: 7.1%), resulting from a balance between some customers moving to stage 3 and work-out process for existing stage 3 customers.

The construction and building materials sectors have been a key focus area in recent years, and activity levels remain low. Though some customers continue to be downgraded, the gross stage 3exposure improved to 3.4% (2023: 4.0%), reflecting continued work-out processes for existing stage 3 customers and a reduced inflow during the year.

Personal customer portfolio
Danske Bank's personal customer portfolio closed at DKK 738 billion at the end of 2024 (end-2023: DKK 861 billion). The portfolio consists mainly of mortgage loans, making up 88% of the total portfolio, predominantly issued in Denmark, which accounts for 69% of total exposure. In November 2024, Danske Bank exited the Norwegian personal customer market.

Credit quality remained stable in 2024. In the past few years, Danske Bank supported customers in an environment of high inflation and rising interest rates and stress-tested customer affordability under increased costs, thus helping to mitigate the effect on credit quality. Because economic conditions have now improved, the number of customers in need of support has decreased. With housing prices continuing to rise, especially in Denmark, average loan-to-value ratios remained low in 2024. The outlook for the credit quality of the personal customer portfolio remains positive and substantial post-model adjustments remain in place to cover remaining risks.

Commercial property credit portfolio
Danske Bank's commercial property credit portfolio covers residential real estate (RRE) and commercial real estate (CRE) exposures. The RRE portfolio amounted to DKK 148 billion, or 7.2% of Danske Bank's total exposure, and the CRE portfolio came to DKK 154 billion, or about 7.5% of Danske Bank's total exposure. The percentage share of residential real estate gradually increased, expanding the part of the portfolio that is typically more stable and non-cyclical than commercial real estate.

Both the RRE and the CRE portfolios consist of mainly strong counterparties in the Nordic region with sound financing structures and a well-diversified range of property types. In both portfolios, Denmark and Sweden are the largest single markets. Danske Bank's real estate credit portfolios have proven resilient to the environment seen in the past couple of years with high interest rates and cost inflation imposing significant additional costs on real estate companies and adversely affecting the market outlook for both commercial and residential real estate, especially in Sweden and Finland. The rising interest rates have a lagging effect on the sector because many real estate companies have hedging arrangements in place and can transfer some of the costs to tenants over time. The property transaction market slowly improved in 2024, but activity remained low from a historical perspective.

The asset quality of the RRE and CRE portfolios remained strong in 2024, with low levels of credit losses. In 2024, gross stage 3exposure amounted to 1.1% (2023: 1.9%) of the CRE portfolio and to 1.5% of the RRE portfolio (2023: 1.2%). Danske Bank continues to make impairments including post-model adjustments, to cover for the remaining losses in the commercial property credit portfolio.

Trading and investment activities

Credit exposure from trading and investment activities amounted to DKK 1,184 billion at the end of 2024 (end-2023: DKK 1,100 billion). The increase was due primarily to an increase in loans at fair value.

The Group has made netting agreements with many of its counterparties concerning positive and negative market values of derivatives. The net exposure was DKK 102.8 billion (end-2023: DKK 89.5 billion). The value of the bond portfolio was DKK 447 billion (end-2023: DKK 461 billion). Of the total bond portfolio, 70% was recognised at fair value and 30% at amortised cost.

Bond portfolio

(%)	31 December 2024	31 December 2023
Government bonds and bonds guaranteed by central or local governments	39	42
Bonds issued by quasi-government institutions	3	3
Danish mortgage bonds	45	41
Swedish covered bonds	4	7
Other covered bonds	7	6
Corporate bonds	2	1
Total holdings	100	100
Bonds at amortised cost included in total holdings	30	34

The financial highlights provide information about the balance sheet.

Trading portfolio assets and trading portfolio liabilities increased to net assets of DKK 174.3 billion (end-2023: net assets of DKK 93.7 billion). The increase in net assets was due mainly to changes in the fair value of the derivatives portfolio.

Market risk

Taking on market risk is a key part of the Group's business strategy, in relation to both trading and non-trading activities. The market risk inherent in trading activities is split into two elements: one covering explicit position-taking arising from customer trades and market-making, and one focusing on the risk associated with valuation adjustments (xVA risk) in the derivatives portfolio. Most of the Group's market risk relates to fixed income products (interest rate risk and bond spread risk). Interest rate volatility remained relatively muted for the first half of 2024, continuing the trend from late 2023 towards lower levels, as markets were awaiting the beginning of central bank interest rate cuts. In the second part of 2024, interest rate volatility moved up, supported by recession fears, geopolitical tensions and the US election. These key events were all managed well by the Group's trading unit, thus lowering the average trading-related market risk (which is measured using the Value-at-Risk metric at a confidence level of 95% within one day) to DKK 35 million in 2024 (2023: DKK 49 million). By facilitating the customer flow, the trading unit continued to contribute positively to income. The Group's market risk relating to FX and equities remained at levels that were less significant than seen for its interest rate risk throughout 2024.

The Group's non-trading-related market risk covers primarily interest rate risk in the banking book (IRRBB), which derives from providing the Group's core banking customers with conventional banking products and from the Group's funding and liquidity management activities at Group Treasury. The risk (economic value) measured as an increase of 100 basis points in interest rates was a loss of DKK 536 million at the end of 2024 (end-2023: a gain of DKK 21 million). The biggest source of interest rate risk stems from non-maturing deposits, which are hedged by highly liquid fixed rate assets or swaps.

The Group strengthened its IRRBB economic value model in 2024. Generally, the Group's economic value risk is well hedged, but it is exposed to a high residual risk on earnings due to a potential significant decrease in net interest income if interest rates fall sharply. The Group continues to improve its banking book models to remain in line with best practices in the market.

Non-financial risk

Danske Bank manages non-financial risks in its daily operations and business by ensuring well-embedded practices and clear responsibilities across the three lines of defence. The non-financial risk management framework also supports the strong risk and compliance culture across the Group.

Danske Bank's non-financial risk loss profile showed a reduction in losses and events across the Group throughout 2024. Total losses from operational risk events amounted to DKK 275 million in 2024 (2023: DKK 588 million). In 2024, the majority of the loss events fell in two categories: operational risk and financial crime risk.

As the execution of the Forward '28 strategy continues and the new EU Digital Operational Resilience Act (DORA) entered into force on 17 January 2025, Danske Bank maintains its focus on IT, security, third-party and data risks. Various initiatives are in place to support the required IT and business improvements to address the new DORA requirements. Among other things, these initiatives will enhance the Group's management of risks related to information and communication technology (ICT), third-party engagements and business continuity, with a particular focus on implementing frameworks to support the Group's resilience on an end-to-end basis.

In the face of increased cyber-related crime and other cyber threats, Danske Bank continues to run improvement programmes that introduce new security-relevant controls, including those targeting enhanced security management or IT operational areas (e.g. system backups), but also programmes, such as the bank's data strategy, that drive significant security enhancements in pursuit of other goals.

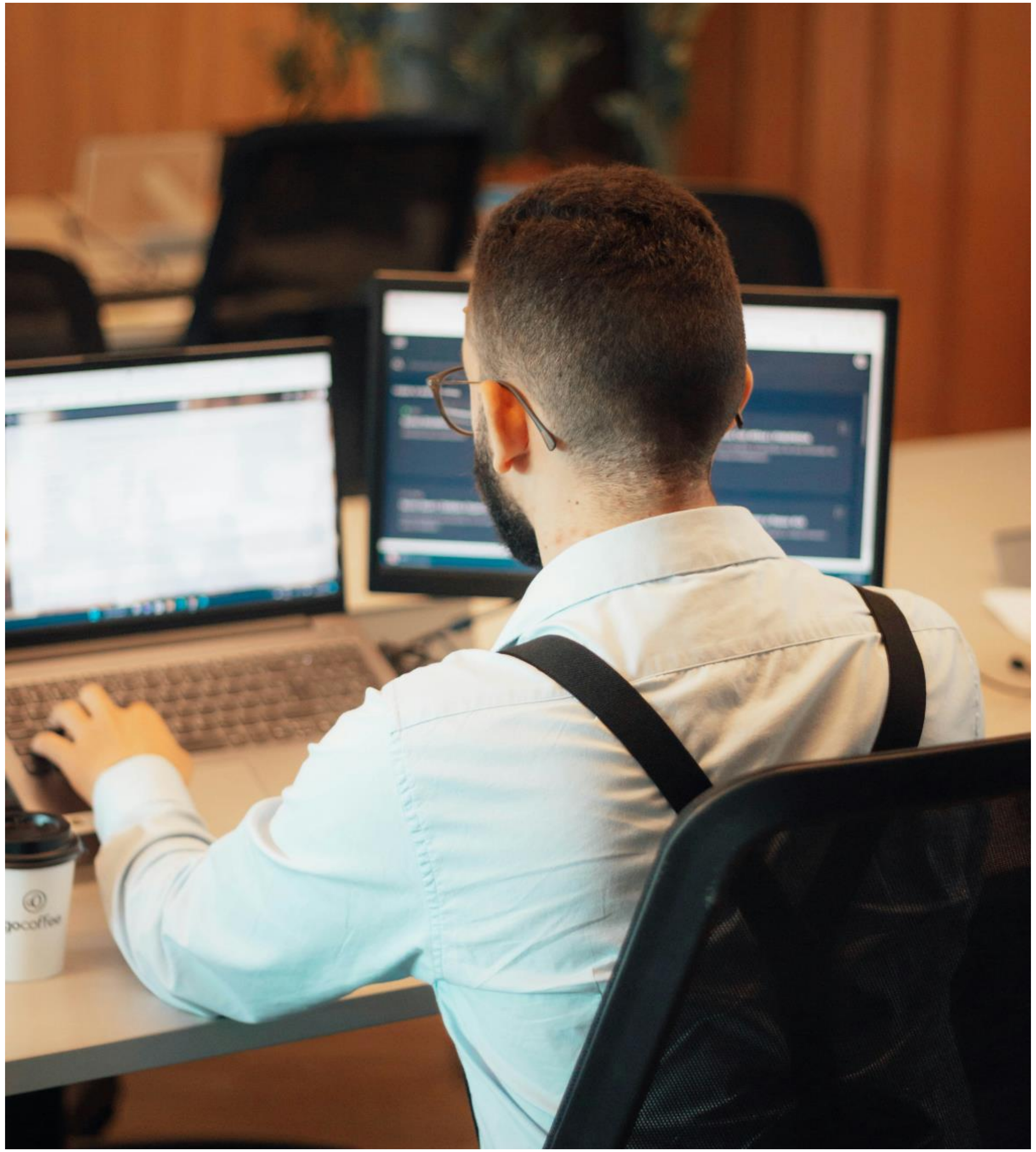
Risks in pension and insurance business

Danica's life insurance business consists of unit-linked products, with-profits products and other products with direct equity exposure. Over a period of several years, Danica has generated strong growth in premiums in the Danish market, and the trend continued in 2024.

In unit-linked products, which in 2024 accounted for about 70% of Danica's life insurance provisions, the market risk is primarily borne by customers. Danica's most significant financial risk is the market risk relating to its with-profits pension product, *Danica Traditionel*, which is a run-off portfolio closed for new business. To ensure that the return on customer funds matches the guaranteed benefits on policies with bonus entitlement, Danica consistently monitors its market risk. On a daily basis, Danica's risk management function monitors both the risk and the asset-liability management (ALM) limits set by its Board of Directors, including limits set for the solvency capital requirement. As part of the risk management activities, internal stress tests are performed to show the consequences for various ALM limits and the solvency position in the event of large fluctuations in financial markets, such as changes in interest rates.

The development in Danica's health and accident business was adversely affected by an increased number of reported claims although the rate of increase was rather subdued during the first half of 2024. The market risk related to other products with direct equity exposure is primarily associated with the investment results for Danica's health and accident products and for a number of life insurance products with investment guarantees.

Furthermore, Danica is exposed to insurance risk. For example, an increase in longevity lengthens the period during which benefits are payable under certain pension plans. Similarly, trends in mortality, sickness and recovery affect life insurance and disability benefits. Danica mitigates part of the risk related to longevity and disability by entering into reinsurance contracts.



Capital and liquidity management

Interest rate risk in the banking book

Danske Bank is exposed to interest rate risk in its banking book, primarily because it holds non-maturity deposits on its balance sheet. The structural mismatch between assets that reprice in the short term and liabilities that reprice in the long term is managed using fixed income securities and derivative instruments. In 2024, Group Treasury initiated plans to broaden the use of derivatives in a hedge accounting format to enhance the Group's management of its interest rate risk with implementation expected to begin in 2025.

The bond and derivative portfolios are designed to be counter-cyclical, aiming to stabilise the earnings stream and the economic value of equity. The hedges are structured so that only a portion matures at any given time, resulting in a highly granular reinvestment profile. Consequently, the average yields of maturing securities represent a blend of various durations, effectively addressing the structural interest rate risk mismatches that arise from offering conventional banking products across different markets.

As part of managing its interest rate risk in the banking book, the Group holds high-quality liquid bonds that are included in the calculation of the Group's LCR. To ensure aligned accounting treatment across the banking book, these bonds are held at amortised cost. The carrying amount and fair value of the Group's hold-to-collect bond instruments can be seen in note G13 and G33.

Funding and liquidity

During 2024, the funding markets remained strong. The well-known and very tense geopolitical situation persisted.

During 2024, the Group issued covered bonds of DKK 27.2 billion (31 December 2023: DKK 33.0 billion), preferred senior debt of DKK 10.7 billion (31 December 2023: DKK 39.7 billion), non-preferred senior debt of DKK 28.4 billion (31 December 2023: DKK 22.5 billion) and tier 2 capital of DKK 12.1 billion (31 December 2023: DKK 0 billion), thus bringing total long-term wholesale funding to DKK 78.4 billion (31 December 2023: DKK 95.2 billion).

All issues have been well received by the market, enabling us to obtain improved spreads on the back of rating upgrades by Moody's and S&P.

Our strategy is to be a regular issuer in the EUR benchmark format and in the domestic USD market for preferred senior and non-preferred senior bonds in the Rule 144A format. We also maintain the strategy of securing funding directly in our main lending currencies, including NOK and SEK. The benchmark issues are expected to be supplemented by private placements of bonds.

From time to time, we will make issues in GBP, JPY, CHF and other currencies when market conditions allow. Issuance plans for subordinated debt in either the additional tier 1 or tier 2 formats will depend on balance sheet growth and redemptions on the one hand and our capital targets on the other. Any issues of subordinated debt may cover part of our funding need. Note G22 provides more information about bond issues in 2024.

Danske Bank's liquidity position remained robust. At the end of 2024, our liquidity coverage ratio stood at 167% (31 December 2023: 170%), with a LCR reserve of DKK 560 billion (31 December 2023: DKK 615 billion), and our net stable funding ratio was 118%.

At the end of 2024, the total nominal value of outstanding long-term funding, excluding debt issued by Realkredit Danmark, was DKK 333 billion (31 December 2023: DKK 337 billion).

Capital ratios and requirements

At the end of 2024, the Group's total capital ratio was 22.4%, and its CET1 capital ratio was 17.8%, against 23.1% and 18.8%, respectively, at the end of 2023. The movement in the capital ratios in 2024 was driven primarily by the decision to deduct 100% of 2024 net profit in the capital statement at December 2024, the DKK 5.5 billion share buy-back programme initiated on 5 February 2024 and the extraordinary dividend payment from the exiting of the personal customers business in Norway. These effects were partly countered by a decrease in the regulatory capital deduction for Danica and a decline in the total REA. The total capital ratio was supported by net issues of tier 2 capital.

During 2024, the total REA decreased by approximately DKK 13 billion, due mainly to a decline in the REAs for credit risk and market risk.

Danske Bank's capital management policies are based on the Internal Capital Adequacy Assessment Process (ICAAP). In this process, Danske Bank determines its solvency need ratio. The solvency need ratio consists of the 8% minimum capital requirement under Pillar I and an individual capital add-on under Pillar II.

Capital ratios and requirements

(% of the total REA)	31 December 2024	Fully phased-in*
Capital ratios		
CET1 capital ratio	17.8	17.7
Total capital ratio	22.4	22.3
Capital requirements (incl. buffers)		
CET1 requirement	14.6	14.6
-portion from countercyclical buffer	2.0	2.0
-portion from capital conservation buffer	2.5	2.5
-portion from systemic risk buffer	0.6	0.6
-portion from SIFI buffer	3.0	3.0
Solvency need ratio	11.2	11.2
Total capital requirement**	**19.3**	**19.3**
Buffer to requirement		
CET1 capital	3.3	3.2
Total capital	3.1	3.0

* Based on fully phased-in rules and requirements, including the fully phased-in impact of IFRS 9.
** The total capital requirement consists of the solvency need ratio and the combined buffer requirement. The fully phased-in countercyclical capital buffer is based on the buffer rates announced at the end of 2024.

At the end of 2024, the Group's solvency need ratio was 11.2%, an increase of 0.5 percentage points from the level at the end of 2023. The increase was due mainly to a reassessment of capital to cover data risks that increased the solvency need by DKK 2 billion. The reassessment was made following the Danish FSA's orders issued on 12 February 2024.

A combined buffer requirement (CBR) applies to financial institutions in addition to the solvency need ratio. At the end of 2024, the Group's CBR was 8.1%, an increase of 0.1 percentage points from the level at the end of 2023 due to the Danish government's decision to activate the 7% systemic risk buffer with effect from 30 June 2024.

Minimum requirement for own funds and eligible liabilities

The Danish FSA sets the MREL at two times the solvency need plus one time the SIFI buffer, the capital conservation buffer and the systemic risk buffer. Furthermore, the CBR must be met in addition to the MREL. In the annual MREL decision from the Danish FSA, the (backward-looking) MREL was set at 27.3% of the total REA adjusted for Realkredit Danmark.

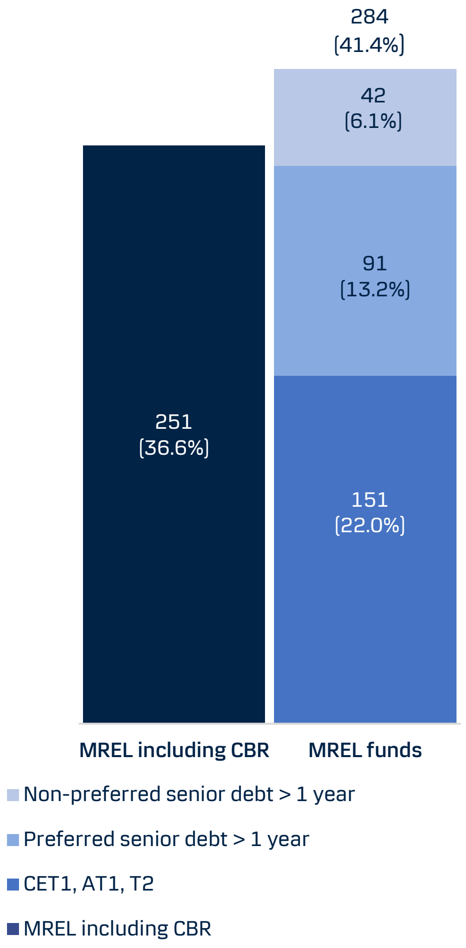
At the end of 2024, the point-in-time requirement including the CBR was equivalent to DKK 251 billion, or 36.6% of the total REA adjusted for Realkredit Danmark. Taking the deduction of capital and debt buffer requirements for Realkredit Danmark into account, MREL-eligible liabilities amounted to DKK 284 billion. In addition, an MREL of 6% of the leverage ratio exposure (LRE) is in place. The LRE-based requirement equalled 22.8% of the total REA adjusted for Realkredit Danmark, making the REA-based requirement the binding constraint.

The Danish FSA has set the subordination requirement as the higher of 8% of total liabilities and own funds (TLOF) and two times the solvency need plus one time the CBR.

At the end of 2024, the subordination requirement was equivalent to DKK 209 billion. The backward-looking subordination requirement, as set by the Danish FSA, was 29.3% of the total REA adjusted for Realkredit Danmark. MREL-eligible subordinated liabilities stood at DKK 242 billion.

MREL requirement and eligible funds; end-2024

DKK billions (% of total REA)



Note: The requirement and eligible funds are adjusted for Realkredit Danmark's capital and debt buffer requirements.

Leverage ratio

At the end of 2024, the Group's leverage ratio was 4.6% under both the transitional rules and the fully phased-in rules.

Capital targets and capital distribution

The CET1 capital ratio target was kept at above 16% and ensures a sufficiently prudent buffer in relation to the capital requirement. Danske Bank fully meets this capital target.

The Board of Directors will continue to adapt the capital targets to regulatory developments in order to ensure a strong capital position.

Distribution of net profit for 2024

On the basis of our strong financial performance in 2024 and our strong capital position at the end of the year, the Board of Directors is planning a capital distribution equal to 100% of the Group's net profit for 2024, with 60% attributable to ordinary dividend and 40% attributable to extraordinary distribution. The proposed capital distribution of 100% of net profit complements the special dividend of DKK 6.50 per share paid in December 2024 following completion of the divestment of our personal customer business in Norway.

The dividend payment for 2024 amounts to DKK 16.85 per share, comprising a proposed dividend of DKK 9.35 per share for the second half of 2024 in addition to the dividend of DKK 7.50 per share that was paid in connection with the interim report for the first half of 2024.

The remaining net profit for 2024 will be distributed through a DKK 5.0 billion share buy-back programme, approved by the Danish Financial Supervisory Authority and commencing on 10 February 2025, and an extraordinary dividend of DKK 5.35 per share.

The remaining dividend of DKK 9.35 per share as well as the extraordinary dividend of DKK 5.35 per share, totalling DKK 14.70 per share, is proposed with a combined payout subject to approval by the annual general meeting.

The total dividend payment amounts to DKK 28.70 per share, including the special dividend of DKK 6.50 per share associated with the divestment of the personal customer business in Norway.

We have deducted 100% of 2024 net profit, adjusted for the dividend for the first half of 2024, in the capital statement as of December 2024, which is in alignment with the proposed distribution. This results in a CET1 capital ratio of 17.8%, while deduction of only the usual 60% in ordinary dividend would result in a CET1 capital ratio of 19.0%.

	DKK per share	% of net profit
- Paid dividend first half 2024	7.50	27%
- Dividend second half 2024	9.35	33%
- Extraordinary dividend	5.35	19%
Proposed dividends	14.70	52%
- Share buy-back	-	21%
Total dividend/capital distribution of net profit	22.20	100%
- Special dividend related to Personal Customers Norway	6.50	
Total dividend	28.70	

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.

Danske Bank has strong capital and liquidity positions, and the Board of Directors remains committed to our capital distribution policy.

At 31 December 2024, we had bought back around 26 million shares for a total purchase amount of DKK 5.2 billion (figures at trade date) of our planned DKK 5.5 billion share buy-back programme.

The Supervisory Diamond

The Danish FSA has identified a number of specific risk indicators for banks and mortgage institutions and set threshold values with which all Danish banks must comply. The requirements are known as the Supervisory Diamond.

At the end of December 2024, Danske Bank was in compliance with all threshold values. A separate report is available at danskebank.com/ir.

Realkredit Danmark also complies with all threshold values.

New regulation

As part of the EU Banking Package 2021 and in order to implement Basel IV, the European Commission adopted proposals in October 2021. On 27 June 2023, the EU co-legislators reached a provisional political agreement on the proposals for implementing Basel IV. The new rules were adopted by the EU in June 2024 and published in the EU Official Journal. The CRR3 implementing the Basel IV standard within the EU took effect from 1 January 2025. The date on which the FRTB rules take effect has, however, been postponed and is now 1 January 2026.

On the basis of the Group's current and updated analysis of the CRR3, the Group's current capital planning takes into account the expected REA impact of the initial implementation in 2025. The Group decided to frontload the expected 1 January 2025 impact from the CRR3 effective from the second quarter of 2024, which is still sufficient. The fully phased-in rules are subject to a lengthy transition period and transitional arrangements. Taking into account the transitional arrangements with regard to the output floor, the Group currently expects the output floor to restrict the Group at the earliest in 2033, when the transitional arrangements are set to expire.

On the basis of draft legislation in Denmark, the Group expects the CRR3 output floor to apply at the consolidated level only for the Danish part of the Group, implying that Realkredit Danmark will not be subject to the floor at the solo level. Further, on the basis of the same draft legislation, the Group also expects Denmark to apply the transitional arrangement for exposures secured by residential real estate with regards to the output floor. For legislative reasons, both arrangements are expected to take effect from 1 July 2025.

Credit ratings

The credit rating agencies did not change their ratings of Danske Bank in the fourth quarter of 2024.

In 2024, Scope assigned solicited ratings to the Danske Bank Group. At the same time, the Danske Bank Group chose to no longer have its covered bonds rated by Fitch.

On 20 September 2024, S&P upgraded the Danske Bank Group's stand-alone credit profile to 'a' from 'a-'. Consequently, the rating of the Danske Bank Group's non-preferred senior debt, subordinated tier 2 debt and additional tier 1 capital instruments was raised by one notch. The Danske Bank Group's issuer rating was affirmed at 'A+', and the outlook remains 'stable'. At the same time, S&P upgraded Danica's issuer rating to 'A' and raised Danica's subordinated tier 2 debt rating one notch to 'BBB+'.

On 2 June 2024, Moody's raised its senior unsecured debt ratings of the Danske Bank Group. The upgrade reflected Moody's assessment of the closure of the Estonia case and other remediation cases as well as the reassessment of its Loss Given Failure model for the Group. Thus, the issuer rating and the senior unsecured debt ratings were raised two notches, and the non-preferred senior debt rating was raised one notch. At the same time, Moody's raised its short-term rating to P-1. Moreover, Moody's also revised its outlook to 'stable' from 'positive'.

Covered bonds issued by Realkredit Danmark A/S are rated 'AAA/stable' by S&P and 'AAA/stable' by Scope. Covered bonds issued by Danske Bank A/S are rated 'AAA/stable' by S&P and 'AAA/stable' by Scope. Covered bonds issued by Danske Hypotek AB are rated 'AAA/stable by S&P and 'AAA' by Nordic Credit Rating. Covered bonds issued by Danske Mortgage Bank Plc are rated 'Aaa' by Moody's and 'AAA/stable' by Scope.

Environmental, Social and Governance (ESG) ratings

The ESG rating agencies monitored by the Danske Bank Group did not change their ratings of the Danske Bank Group in the fourth quarter of 2024.

On 31 May 2024, Sustainalytics upgraded its ESG Risk Rating of Danske Bank to 'low risk' from 'medium risk', reflecting its revised criteria.

Credit ratings

Danske Bank Group
31 December 2024

	Fitch	Moody's	Nordic Credit Rating	S&P	Scope
Counterparty rating	AA-	Aa3/P-1		AA-/A-1+	-
Deposits	AA-/F1+	A1/P-1/Stable		-	-
Senior unsecured debt	AA-/F1+	A1/P-1/Stable		A+/A-1	A+/S-1+/Stable
Issuer rating	A+/F1/Stable	A1/P-1/Stable		A+/A-1/Stable	A+/S-1+/Stable
Non-preferred senior debt	A+	Baa1		A-	A/Stable
Subordinated tier 2 debt	A-	-		BBB+	BBB+/Stable
Additional tier 1 capital instruments	BBB	-		BBB-	BBB-/Stable
Realkredit Danmark A/S					
Issuer rating					A+/S-1+/Stable
Danske Hypotek AB					
Issuer rating			A/N2/Stable		
Danske Mortgage Bank Plc					
Issuer rating					A+/Stable
Danica Pension, Livsforsikringsaktieselskab					
Issuer rating				A/Stable	
Subordinated tier 2 debt				BBB+	

ESG ratings

Danske Bank Group
31 December 2024

CDP	B
ISS ESG	C+ Prime
MSCI ESG Ratings	BBB
Sustainalytics	Low Risk

Investor Relations

Danske Bank operates in an attractive, stable and innovative region. As one of the Nordic leaders, Danske Bank has a diversified business composition with a strong financial position and sound risk profile. This unique position supports our long-term ability to generate profitable growth and has enabled us to return to sustainable capital distribution and creation of shareholder value.

Our broad investor base consists of Nordic and global institutional investors, many private individuals and pensions funds. Investor Relations supports Danske Bank's investor and shareholder base by enhancing the transparency and integrity of Danske Bank as an investment case. In 2024, we engaged with a wide range of stakeholders, facilitating various investor events and engaging with both equity and debt investors across the Nordic countries, Europe, the UK, the US and Asia. For engagement with our many private individual investors, we have benefited from utilising digital platforms to efficiently facilitate a dialogue with as many individual investors as possible.

Throughout the year, investors expressed a high level of interest in the development of the overall benign macroeconomic environment in Denmark and the other Nordic countries, along with the sustainability of our core income lines and our continued delivery on our strategic ambitions. We were pleased to see growing interest across markets that reflects our recent performance and clear commitment to delivering value for shareholders. In addition, ESG continues to be an important topic, testament to Danske Bank's leading position in the field as well as the progress we have made.

Delivering on capital distribution

2024 was an important year in terms of Danske Bank's financial performance. The financial results represented an all-time-high net profit, which triggered two profit upgrades during the year. This supported an increase in the return to shareholders in line with our Forward '28 strategic ambitions, while we continued to support our customers in navigating economic and geopolitical uncertainty.

The strong increase in profitability, our decision to distribute earnings for 2024 and the extraordinary payout of the capital released from the sale of our personal customer business in Norway have further supported Danske Bank as an investment case and are a focal point in our dialogue with investors.

With the launch of our new Forward '28 strategy, we announced the resumption of capital distribution. This brought the total distribution to 85% of net profit for 2023. During 2024, we continued to deliver on that commitment with our distribution of all net profit for 2024 with 60% as ordinary dividend and 40% as extraordinary distribution. In addition, we paid a special dividend in December 2024 following completion of the divestment of our personal customer business in Norway. Going forward, Danske Bank will maintain its annual dividend payment schedule in accordance with our dividend policy. 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.

Forward '28 and the road ahead

Continuing to deliver for our shareholders remains core to Danske Bank's strategy. In June 2023, we announced, as part of our new strategy, a set of ambitious – yet realistic – financial targets for 2026. These include an ROE of 13%, a cost/income ratio around 45%, and a CET1 capital ratio above 16%.

Key focus areas in 2024

As part of our transparent dialogue with investors, we have committed to updating the market with progress on selective strategic KPIs for each business unit, which will support the group-wide targets.

Danske Bank shares

[DKK]	2024	2023	2022	2021	2020	2019
Share capital (millions)	8,622	8,622	8,622	8,622	8,622	8,622
Share price (end of year)	203.7	180.4	137.3	113.0	100.7	107.8
Total market capitalisation (billions) (end of year)	169.8	155.1	118.0	96.0	86.0	92.0
Net profit for the year (billions)	23.6	21.3	-4.6	13.0	4.6	15.1
Dividend per share*	28.7	14.5	-	2.0	2.0	-
Share buy-backs (millions) (end of year)	5,246	-	-	-	-	-
Book value per share	210.7	204.4	187.0	201.0	188.0	183.0
Price/book value per share	1.0	0.9	0.9	0.9	0.9	0.9

* Total dividend for 2024 of DKK 28.70 per share, comprising a proposed dividend of DKK 9.35 per share for the second half of 2024 in addition to the dividend of DKK 7.50 per share paid in connection with the Interim report – first half 2024. It further consists of a proposed extraordinary dividend distribution of DKK 5.35 per share, complementing the special dividend of DKK 6.50 paid in December 2024 following completion of the divestment of the personal customer business in Norway.

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 and 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 and low risk

- Strong capital generation with ability to distribute consistently over time
- Maintain low and stable risk levels through the cycle

Danske Bank shares

Danske Bank's share price increased from DKK 180 on 30 December 2023 to DKK 203 on 30 December 2024, reflecting an increase of 13% through 2024. Danske Bank's market cap thus increased to DKK 176 billion.

In comparison, the OMXC25CAP Index decreased 2%, while the Europe 600 Banks Index increased 25%.

Danske Bank now has an index weighting of the OMX Copenhagen 25 CAP Index of 8%, up from 7% last year.

The average daily trading volume of Danske Bank shares was around 1.3 million during 2024. The Danske Bank share was the fifth most actively traded share on Nasdaq Copenhagen during 2024.

Danske Bank is covered by 25 sell-side analysts, who regularly publish research reports and sector reports. Sell-side analysts' expectations and buy recommendations for Danske Bank shares remained supportive with 17 buy recommendations by the end of 2024. The average expected price target for Danske Bank's shares ended the year at DKK 244, reflecting an additional upside potential of more than 20% relative to the year-end trading level.

Our shareholders

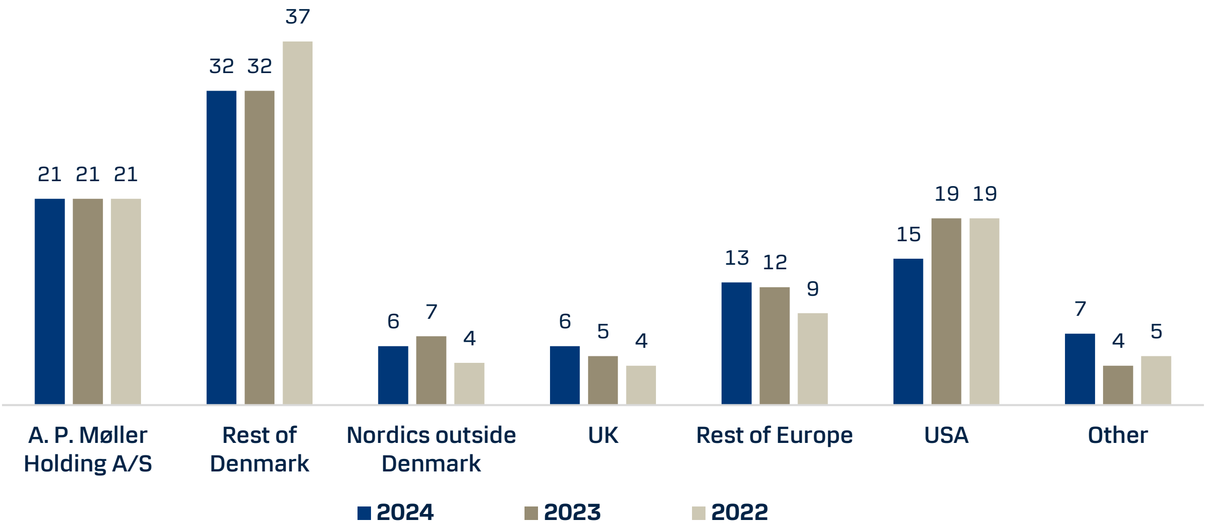
At the end of 2024, Danske Bank had about 260,000 shareholders. The 10 largest shareholders together owned about 40% of the share capital. During 2024, the geographical diversification of our shareholder base increased slightly, and we have generally seen more interest from the global investor community since the settlement of the Estonia case with the US and Danish authorities in December 2022.

We estimate that shareholders outside Denmark, mainly in the US, EU and UK, hold around 47% of the share capital. In addition, around 15% of the share capital is owned by retail investors.

According to the Danish Companies Act, shareholders must notify the company if the voting rights of their shares represent 5% or more of the voting rights of the company's share capital or if the nominal value of their shares represents 5% or more of the share capital. Shareholders must also disclose changes in shareholdings if they exceed or fall below specified percentage thresholds. One shareholder has notified Danske Bank of holding 5% or more of the share capital: The A.P. Møller Holding Group holds about 21% of the share capital.

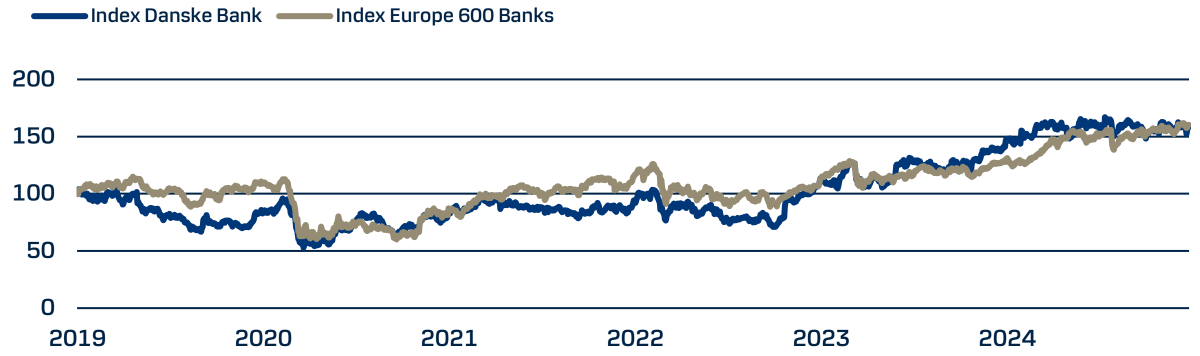
Danske Bank shareholders

Figures in %

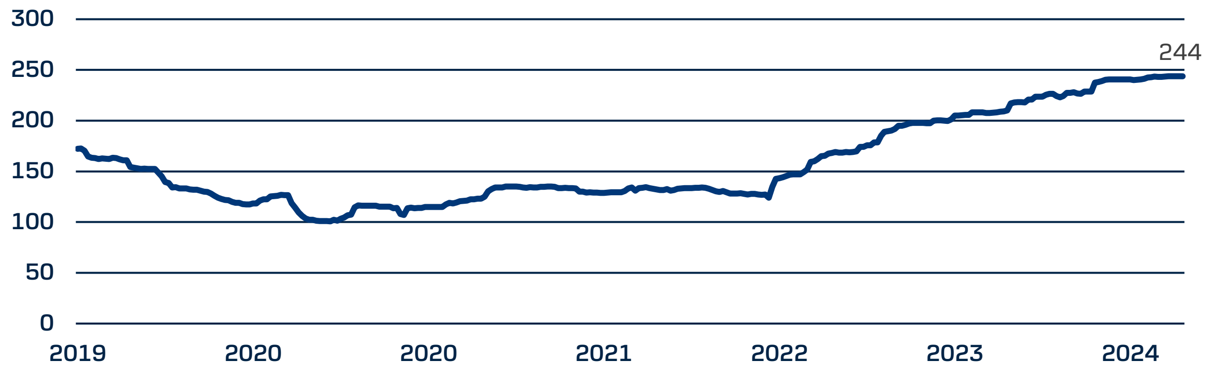


Development in Danske Bank share price over 5-year period

Index 2019 = 100



12-month target price (analyst avg.)



Organisation and management

General meeting

The general meeting is Danske Bank's highest decision-making authority.

In 2024, the annual general meeting was held on 21 March.

Danske Bank's Articles of Association are available at danskebank.com/corporate-governance and contain information about the notice convening the general meeting, the shareholders' admission and voting rights as well as the shareholders' right to submit proposals and have specified business transacted at the meeting.

All shareholders have voting rights according to the number of shares held at the date of registration, and each share of DKK 10 carries one vote at the general meeting. No share has any special rights attached to it.

Only the general meeting can amend Danske Bank's Articles of Association. Any amendment requires not less than a two-thirds majority of the votes cast and not less than two-thirds of the share capital represented at the general meeting and entitled to vote.

A resolution to wind up Danske Bank by merger or voluntary liquidation can be passed only if adopted by not less than three-quarters of the votes cast and not less than three-quarters of the share capital represented at the general meeting and entitled to vote.

Board of Directors

The Board consists of twelve members, eight elected by the general meeting and four elected by and among the employees.

Board members elected by the general meeting stand for election each year. As prescribed by Danish law, members elected by and among the employees serve on the Board of Directors for a four-year term, with the next election to be held prior to the annual general meeting in 2026.

The Nomination Committee operates as a preparatory committee for the Board of Directors with respect to the nomination and appointment of candidates to the Board of Directors and to the Executive Leadership Team of Danske Bank. Board candidates are nominated by the Board of Directors or the shareholders and are elected by the general meeting.

The members of the Board of Directors were re-elected at the annual general meeting on 21 March 2024, except for Carol Sergeant and Jan Thorsgaard Nielsen, who did not seek re-election.
At the annual general meeting, Lieve Mostrey and Martin Nørkjær Larsen were elected to the Board of Directors.

The Management and directorships section in this report provides information about the individual members of the Board of Directors, including their directorships. Note G36 provides information on the number of Danske Bank shares held by the members of the Board of Directors, and note G35 provides information on the remuneration of the Board of Directors.

Work of the Board of Directors in 2024

In 2024, the Board of Directors held 18 meetings, of which 2 were extraordinary meetings. As to committee meetings (ordinary and extraordinary), the Audit Committee held 7 meetings, of which one was an extraordinary meeting, the Risk Committee held 9 meetings, of which one was an extraordinary meeting, the Conduct & Compliance Committee held 5 meetings, the Nomination Committee held 6 meetings, of which two were extraordinary meetings, and the Remuneration Committee held 7 meetings, of which three were extraordinary meetings.

The members' participation in Board and Committee meetings in 2024 is illustrated in the table.

The Board of Directors evaluates its performance annually, and the evaluation process is led by the Nomination Committee. In 2024, the Board of Directors' evaluation focused in particular on the execution of the Forward '28 strategy process and the key strategic enablers. As part of the overall evaluation, separate evaluations were conducted pertaining to each Board committee and the Chairman of the Board of Directors. Moreover, an upward review of the Board of Directors by the Executive Leadership Team was conducted.

To ensure the objectivity and quality of the evaluation, an external adviser facilitated the evaluation, which consisted of questionnaires completed by all members of the Board of Directors and the Executive Leadership Team as well as interviews conducted with all members of the Board of Directors and the Chief Executive Officer. The outcome of the evaluation was discussed by the Nomination Committee and subsequently presented to and discussed by the Board of Directors.

The Board evaluation showed that real progress was made in 2024, notably in terms of succession planning, talent development, technology and partnerships.

The Board of Directors has agreed on specific actions that they will work on in 2025 with the aim of addressing identified development areas. The actions centre around, for instance, technology, data use and quality, customer centricity and journeys, and competitors.

		Committees				
	Board	Audit	Conduct & Compliance	Nomination	Remuneration	Risk
Martin Blessing*	18/18		1/1	6/6	7/7	7/7
Martin Nørkjær Larsen**	15/15	5/5		5/5		
Lars-Erik Brenøe	18/18		5/5		7/7	
Jacob Dahl	18/18				7/7	9/9
Raija-Leena Hankonen	18/18	7/7				
Allan Polack*	18/18	7/7	4/4			2/2
Helle Valentin	18/18			6/6		
Bente Bang	18/18				7/7	
Kirsten Ebbe Brich	18/18		5/5			
Aleksandras Cicasovas	18/18					
Louise Aggerstrøm Hansen	18/18					9/9
Lieve Mostrey***	13/15		3/4			6/7
Jan Thorsgaard Nielsen****	3/3	2/2		1/1		
Carol Sergeant****	3/3		1/1			2/2

*Martin Blessing joined the Risk Committee and Allan Polack joined the Conduct & Compliance Committee in March 2024
**Martin Nørkjær Larsen joined the Board of Directors in March 2024
***Lieve Mostrey joined the Board of Directors in March 2024. Due to contractual obligations towards a former employer, Lieve Mostrey was prevented from participating in Board meetings and Board committee meetings until the Board meeting held on 29 May 2024
****Jan Thorsgaard Nielsen and Carol Sergeant stepped down from the Board of Directors in March 2024..

The Board of Directors' collective competencies and experience are the sum of the individual board members' competencies and experience as the Board operates as a collegial body. The composition of the Board of Directors aims at ensuring that the members collectively possess the required competencies as described in the Competency profile of the Board of Directors, which is available at danskebank.com. The Management and directorships section in this report provides information on the competencies of the individual Board members.

Executive Leadership Team

Team members	Title
Carsten Rasch Egeriis	Chief Executive Officer
Magnus Agustsson	Chief Risk Officer
Joachim Alpen	Head of Large Corporates & Institutions
Christian Bornfeld	Head of Personal Customers and Financial Crime Risk & Prevention
Karsten Breum	Chief People Officer
Stephan Engels	Chief Financial Officer
Johanna Norberg	Head of Business Customers & Country Manager, Danske Bank Sweden
Dorthe Tolborg	Chief Compliance Officer
Frans Woelders	Chief Operating Officer

On 2 September 2024, Danske Bank announced that Stephan Engels, Chief Financial Officer, had decided to retire from executive leadership roles, and therefore from his position with Danske Bank, on 1 March 2025. Furthermore, it was announced that Danske Bank had appointed Cecile Hillary as new Chief Financial Officer and member of Danske Bank's Executive Leadership Team. Cecile Hillary will take up the position no later than 1 March 2025.

Commercial Leadership Team

Team members	Title
Anne Buchardt	Head of Private Banking
Atilla Olesen	Head of Investment Banking
Carolina Crevatin Martin	Head of Markets
Christin Tuxen	Head of Direct Banking
Christoffer Møllenbach	Head of Group Finance
Claus Harder	Head of Group Strategic Steering
Jakob Bøss	Head of Group Positioning & Sustainability
Lars Alstrup	Nordic Head of Advisory Banking
Linda Olsen	Head of Technology & Services, Personal & Business Customers
Mark Wraa-Hansen	Head of Personal Customers Denmark
Michel van Drie	Head of Technology & Services
Paul Gregory	Head of Corporate & Institutional Banking

Danske Bank also has a Commercial Leadership Team, which consists of 12 experienced leaders who undertake important commercial roles in the Danske Bank Group. The Commercial Leadership Team is responsible for ensuring strong cooperation across the Group and focuses on developing Danske Bank's customer offerings. The team is the key driver behind the Group's Forward '28 strategy.

Corporate governance recommendations

Corporate governance recommendations issued by the Danish Committee on Corporate Governance are available at corporategovernance.dk. The recommendations are best practice guidelines for the management of companies with shares admitted for trading on a regulated market in Denmark, including Nasdaq Copenhagen A/S. If a company fails to comply with a recommendation, it must explain why it has chosen a different approach. Danske Bank complies with all recommendations.

The statutory corporate governance report issued in accordance with section 134 of the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc., section 107b of the Danish Financial Statements Act and the Nasdaq Nordic Main Market Rulebook for Issuers of Shares ('Nordic Main Market Rulebook') is available at danskebank.com/cg. The report includes an explanation of Danske Bank's status on all recommendations.

The Danish Bankers Association, which is now part of Finance Denmark, has issued a Corporate Governance Code, which Danske Bank must comply with or explain why it does not comply. Danske Bank complies with all recommendations set out in the Code. Danske Bank's explanation of the status on all recommendations is included in section E of its Corporate Governance Report 2024.

Data ethics

Danske Bank's data ethics principles define how Danske Bank strives to act with regard to data use across the Group and in its business relations.

Danske Bank strives to be transparent about the purposes for which data is used and to communicate this clearly. We aim to ensure that processes are clearly understood in terms of risk as well as the social, ethical and societal consequences of our use of data. We assess and evaluate the impact of the use of advanced technologies, analytics and computational methods on the parties involved.

In 2024 Danske Bank developed an overall framework for data ethics in the bank and established a central function to coordinate data ethics questions and concerns. Work has also been initiated to understand whether the current data ethics principles need to be revisited to better reflect the changing regulatory landscape as well as Danske Bank's increased ambitions in the data ESG space.

In 2025, Danske Bank will work on integrating its data ethics principles into existing Group-wide policies and instructions to make sure that core processes take data ethics into account.

The principles are available at danskebank.com/cg.

Definition of alternative performance measures

Danske Bank's management believes that the alternative performance measures (APMs) used in the Management's report provide valuable information to readers of the financial statements. The APMs provide a more consistent basis for comparing the results of financial periods and for assessing the performance of the Group and each individual business unit. They are also an important aspect of the way in which Danske Bank's management defines operating targets and monitors performance.

Throughout the Management's report, performance is assessed on the basis of the financial highlights and segment reporting, which represent the financial information regularly provided to management. There is no difference between the financial highlights and the IFRS income statement.

Definitions of additional ratios presented on page 4 and in other sections of the Management's report:

Ratios and key figures	Definition
Dividend per share (DKK)	Total dividend per share, consisting of the sum of the ordinary dividend per share (if any), extraordinary and special dividend per share (if any).
Return on average shareholders' equity (% p.a.)	Net profit as disclosed in the financial highlights divided by the average of the quarterly average shareholders' equity (beginning and end of each quarter) within the year. The denominator represents equity equal to an increase in the average of the quarterly average equity of DKK 312 million (2023: a decrease of 540 million) compared to a simple average of total equity (beginning and end of the period).
Net interest income as % p.a. of loans and deposits	Net interest income in the financial highlights divided by the daily average of the sum of loans and deposits. If the ratio was calculated applying the sum of loans and deposits at the end of the period, the ratio for 2024 would be 1.33% (2023: 1.27%) due to the daily average of the sum of loans and deposits being DKK 63.2 billion lower (2023: DKK 49.1 billion lower) than if calculating the ratio by applying the end-of-period sum of loans and deposits. The purpose of the ratio is to show whether the growth in net interest income follows the growth in loans and deposits. The daily average is a more faithful representation of the growth in loans and deposits.
Cost/income ratio (C/I), (%)	Operating expenses and impairment charges on goodwill divided by total income.
Book value per share	Shareholders' equity divided by the number of shares outstanding at the end of the period.
Loan impairment charges as % of net credit exposure	This ratio is calculated on the basis of loan impairment charges and loans and guarantees. The numerator is the loan impairment charges of DKK -543 million (2023: DKK 262 million) annualised. The denominator is the sum of Loans at amortised cost of DKK 921.6 billion (2023: DKK 1,077.3 billion), Loans at fair value of DKK 753.3 billion (2023: DKK 724.1 billion), Loans held for sale of DKK 110.4 billion (2023: DKK 0 billion) and guarantees of DKK 75.9 billion (2023: DKK 81.4 billion) at the beginning of the year, as disclosed in the column "Lending activities" in the "Breakdown of credit exposure" table in the notes to the financial statements. The ratio is calculated for each business unit.
Allowance account as % of net credit exposure	This ratio is calculated on the basis of the allowance account and loans and guarantees. The numerator is the allowance account of DKK 19.9 billion (2023: DKK 20.1 billion) at the end of the period, as disclosed in the "Allowance account broken down by segment" table in the notes to the financial statements. The denominator is the sum of Loans at amortised cost of DKK 921.9 billion (2023: DKK 921.6 billion), Loans at fair value of DKK 755.2 billion (2023: DKK 753.3 billion), Loans held for sale of DKK 0 billion (2023: DKK 110.4 billion) and guarantees of DKK 96.4 billion (2023: DKK 75.9 billion) at the end of the period, as disclosed in the column "Lending activities" in the "Breakdown of credit exposure" table in the notes to the financial statements. The ratio is calculated for each business unit.

Sustainability Statement

General information

Basis for preparation (BP-1, BP-2)

The Sustainability Statement of the Danske Bank Group ('the Group'/'Danske Bank'/'we'/'our') has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD), as transposed into Danish legislation via the Danish Executive Order no. 516 dated 17 May 2024 on Financial Reports for Credit Institutions and Investment Firms, etc., the European Sustainability Reporting Standards (ESRSs) issued by the European Financial Reporting Advisory Group (EFRAG) as adopted by the EU, and the disclosure requirements related to Article 8 of the EU Taxonomy and underlying delegated acts.

The Sustainability Statement for 2024 covers the period 1 January 2024 to 31 December 2024.

The Group does not disclose comparative information in the first year of preparation of the Sustainability Statement under the ESRS, except for the EU Taxonomy. However, where the Group has previously published information that are covered by the statutory audit of the Group's financial statements or by limited assurance, such information has been included as comparative information in 2024.

The Group's double materiality assessment (see 'Materiality assessment process' in the Impact, risk and opportunity management section) has been performed using data available at the time of the assessment. Over the coming years, we expect to see improvements in data quality, coverage and availability, driven by increased reporting and disclosure obligations, and as such we intend to extend the scope of the assessment to cover more of the Group's activities, including upstream and downstream activities.

Performance metrics that measure the Group's impacts, risks and opportunities have been prepared on the basis of data available at the time of reporting. We will continue to further develop on our performance metrics to ensure that these measure and represent the impacts, risks and opportunities in the best possible way and to improve the alignment of metrics with the comprehensive requirements in ESRS.

Emissions from the Group's own operations constitute an insignificant part of the total emissions in the Group's value chain and have therefore been assessed as immaterial when conducting the Group's double materiality assessment. Emissions from own operations are therefore not included in the Group's Sustainability Statement. However, as the Group actively works to reduce emissions from its own operations, the progress is reported in the Climate Progress Report 2024.

No classified or sensitive information corresponding to intellectual property, know-how or innovation results has been omitted from the Sustainability Statement. Furthermore, we have not used the option to omit disclosure of impending developments or matters in course of negotiation.

Figures in the Sustainability Statement are stated in the relevant unit of measurement, for example in Danish kroner and whole millions or kilo-tonnes of carbon dioxide equivalent (ktCO2e). As a result, rounding discrepancies may occur because totals have been rounded off and the underlying decimals are not presented to Sustainability Statement users.

Scope of consolidation

The Sustainability Statement has been prepared on a consolidated basis in accordance with the consolidation principles applied in preparing the Danske Bank Group's financial statements. The statement encompasses the parent company, all of its subsidiaries and associated entities Danica, which is a subsidiary of the parent company Danske Bank A/S, also prepares sustainability information in accordance with CSRD requirements. All other subsidiaries apply the exemption for standalone sustainability reporting for the year ended 31 December 2024. For 2025, three subsidiaries are in scope of preparing sustainability information in accordance with CSRD: Realkredit Danmark Group, Danske Hypotek AB and Danske Mortgage Bank Plc (see note G37 for a list of significant subsidiaries and note G38 for a list of significant interests in associated entities).

All ESRS topics are reported at a Danske Bank Group level, with the following exceptions:

ESRS E1 Climate change includes assessment of the Group's lending and investment portfolios, with some exceptions as outlined in disclosures of ESRS E1 Climate change.

ESRS E4 Biodiversity and Ecosystems includes assessment of the Group's lending and investment portfolios in the business units Large Corporates & Institutions and Business Customers but excludes leasing activities and Northern Ireland.

ESRS S4 Consumers and End users includes assessment of the lending portfolio, focusing particularly on the mortgage activities in Denmark.

Significant estimates and assumptions

In some cases, the preparation of metrics and quantitative data requires the use of estimates and assumptions.

The Group discloses metrics that incorporate value chain information, which includes both data sources directly from customers or investee companies and estimated data derived indirectly through third-party data providers or sector-average values. The information from third-party data providers may be estimated using estimation factors which may significantly affect the reported information. The Group cannot influence estimates and assumptions made by a third-party data provider.

The most significant estimates and assumptions are those related to the Group's presentation of GHG emissions, which are subject to a high level of measurement uncertainty due to the limitations in methodologies and data, including the reliance on third-party data. In our analysis and climate target-setting, we have used estimates based on recognised frameworks available at the time. As methods and data evolve, our data sources and figures may become outdated, and updates to methodologies and assumptions might lead to different conclusions. Greenhouse gas (GHG) emission factors are therefore expected to increase once data becomes available and associated companies are included in the calculations.

Climate-related targets, actions and initiatives require forward-looking parameters and long-term horizons. Our forward-looking statements reflect our current view of future events and are based on expectations, projections and estimations. These involve significant uncertainty and risk, due to factors such as evolving science, developing methodologies, standards variation, future market conditions and technological developments (of which vary across industries), as well as due to challenges in data availability, accuracy and changes in regulation. These assessments will need to evolve and should not be seen as reliable indicators of future performance.

We expect improvements in data quality, coverage and availability in the coming years, driven by increased reporting and disclosure obligations. New guidance, industry standards and scientific research are anticipated, and Danske Bank reserves the right to periodically review and update targets, methodologies and approaches and to restate baselines as necessary.

The presentation of EU Taxonomy reporting is subject to uncertainty due to data quality and the use of third-party data. See the 'Reporting principles' section of this Sustainability Statement for a description of limitations in data and data quality for EU Taxonomy reporting.

Time horizons

We assess material Group impacts, risk and opportunities over the short, medium and long term. The short term refers to the reporting period of the financial statements. Due to the progressive nature of sustainability-related matters, these topics require more forward-looking reporting, whereas financial information is limited to the annual reporting period. For forward-looking information on the Group's material impacts, risks and opportunities covered in this Sustainability Statement, the following time horizons definitions apply:

- 1 year is defined as 'short term'
- Between 1 and 5 years is defined as 'medium term'
- More than 5 years is defined as 'long term'

The time horizons therefore do not deviate from the general guiding principles in ESRS 1.

Disclosures incorporated by reference

Certain datapoints related to disclosure requirements covered in the Group's financial statements are incorporated by reference (see 'incorporated by reference' table in the appendix section). The datapoints are covered by the statutory audit and thereby constitute part of the Sustainability Statement.

Use of phase-in option

We have utilised the phase-in option as outlined in ESRS 2, Appendix C: List of Phased-in Disclosure Requirements. These data points will be reported in 2025 and 2027, respectively.

Strategy (SBM-1-2)

Business model and value chain

Danske Bank is a Nordic bank with bridges to the rest of the world offering customers a wide range of services in the fields of banking, mortgage finance, insurance, pension, real-estate brokerage, asset management, and trading in fixed income products, foreign exchange and equities.

Our commercial activities are organised into five business units: Personal Customers, Business Customers, Large Corporates & Institutions, Danica and Northern Ireland. Besides the commercial business units, the Group's reportable segments include Group Functions, which includes the Group's support functions (such as HR and Finance functions).

The value chain for the Group for ESRS reporting is the own operations, upstream and downstream activities of the parent company Danske Bank A/S, its subsidiary entities and its associates - the same method of consolidation as for financial reporting. Our value chain is defined as the full range of activities, resources and relationships related to the undertaking's business model and the external environment in which it operates.

Danske Bank causes, or may cause, an impact on environment and society through its own operations. Because we have control over the cause of such impacts, these may be remediated through our internal processes.

Own operations relate to resources (e.g. employees, data, IT etc.) and activities performed by business units.

In the upstream or downstream value chain, Danske Bank contributes, or may contribute, to an impact if the activities somehow cause, facilitate or incentivise the impact. However, we do not control the cause of this impact.

Our upstream value chain includes providers of products or services to Danske Bank via indirect and direct business relations.

Key providers of products and services include financial market participants, providers of financial instruments, IT system providers, property managers, healthcare providers (Danica) and providers of electricity and water for office use. As a financial institution, Danske Bank receives funding in the form of customer deposits or investors buying financial instruments.

Our downstream value chain includes customers receiving products or services from the Danske Bank Group, for example customers receiving loans, companies receiving funding by issuance of debt or equity, customers receiving interest on deposits, investee companies, or customers using leased assets.

Danske Bank Group value chain

Upstream

Indirect
Indirect impacts on environment and society via suppliers - **May not influence**

- Wider economy; source of money - employment, investments
- Regulators
- Financial markets

Direct
Danske Bank contributes to impacts on environment and society via supplier - **May influence:**

Provides products or services used in the production of our own products and services, e.g.

- Financial market participants
- Investors buying bonds from the Group and customers placing deposits
- Fund managers
- Payment services
- Cash management
- Lawyers; bond and product prospectuses
- Trade unions
- Market Data providers
- IT and Systems providers, incl. Infosys
- Vehicles and machinery dealers
- Healthcare providers (Danica)
- Property managers
- Suppliers of cleaning, waste, food for offices, suppliers of cleaning, waste management

Business relations

Own operations

Danske Bank impacts on environment and society caused – May remediate

Banking
- Payment services and cash management
- Loan administration
- Marketing and communication
- Advisory services

Trading
- Trading systems and data
- Access to financial markets; Primary and secondary markets
- Customer relations

Asset management
- Fund administration
- Depositary service
- Customer communication/ investment prospectus
- Distribution

Insurance
- Depositary services
- Customer communication/ investment prospectus
- Property management, investment property
- Healthcare assessment

Leasing
- Fleet management (vehicles)
- Equipment
- Real estate

Support
- Premises, facilities, food, cleaning, office supply
- Group functions, HR; Group Treasury, Legal, Finance

Business model and strategy; human resources and skilled staff; governance, incl. compliance, due diligence, legal, tax, data, IT

Downstream

Direct
Danske Bank contributes to impacts on environment and society via customers - **May influence:**

Receives products or services from Danske Bank - Individuals, entities, distributors, customers, e.g.

- Customers receiving loan and products or services
- Customer receiving interest Customer using card or online payment services Company receiving funding by issuances of debt to equity
- Settlement of financial markets transactions
- Financial markets
- Investee company
- Customer receiving dividends
- Customer receiving healthcare and pension/life insurance
- Entities occupying Danica properties
- Customers using leased assets; vehicles and machinery

Indirect
Indirect impacts on environment and society via customers - **May not influence:**

- Products or services bought or manufactured as a result of the funding provided by the bank

Business relations

Upstream — Own operations — Downstream

Sustainability activities across the business

Sustainability is integrated into core operating procedures of the Danske Bank Group. This is both a regulatory requirement and an expression of Danske Bank's strategic priorities. Governance-related sustainability topics are integral to the onboarding of new customers and the ongoing due diligence monitoring of customers. 'Know your customers' compliance regulation, which requires all financial institutions to know who their customers are, applies to all customers and counterparties across all of our business activities. Likewise, the monitoring of transactions and screening for sanctions breaches are also Group-wide requirements.

Sustainability is an integral part of our lending processes. The minimum exposure threshold for business and corporate customers for performing an ESG risk assessment is DKK 7 million. ESG risk assessment includes screening for ongoing and recent controversies, supply chain risks and other ESG-related risks, including a dedicated human rights section. For more complex or financially larger customers, additional analytical requirements apply. We also provide tailored products such as green loans and loans that enable our customers to make energy-efficiency improvements to their homes.

Advisory services covering sustainability matters and debt issuance on behalf of customers are important parts of the Group's investment banking activities. The Group also issues its own green bonds under the Group's green finance framework.

In our asset management operations, attentiveness to sustainability issues when making investments is a cornerstone of our fiduciary duty to create value for customers and to create a responsible investment product offering that supports the sustainability transition. Based on what is relevant for a specific asset class and investment strategy, these considerations can be addressed through the practices of inclusion, exclusions and active ownership. We are therefore attentive to the potential societal impacts that our investments may have and the sustainability risks that societal aspects may expose our investments to. Our investment analysis includes a screening for adverse human rights impacts. The screening is conducted bi-annually and reviews incidents of companies and issuers alleged to be engaged in severe controversies relating to harmful activities in violation of international norms such as the UN Global Compact principles and the ILO conventions on labour rights.

In our insurance operations, the same investment criteria apply as those that apply to asset management. We also offer a sustainability-focussed product. Moreover, sustainability is integrated into the real estate management operations that form part of the Group's insurance operations.

A broad set of sustainability topics form part our Group-wide procurement standards. We screen and segment our active suppliers using a standardised internal rating model, and where potential adverse impact is identified, we invite suppliers to undergo an ESG assessment, which includes questions relating to governance, environment, business integrity, human rights and health and safety.

Environmental requirements also form part of the internal governance of the Danske Bank Group, specifically how employees may travel and participate in meetings.

Sustainability priorities

Danske Bank's Forward '28 commercial strategy defines four strategic priorities: Advisory, Digital, Sustainability and Simple, Efficient & Secure. Danske Bank aspires to be a leading Nordic financial institution in supporting individuals, businesses and Nordic societies in their transition towards a more sustainable future. This aspiration is anchored in our strategic priorities for sustainability as the following:

- Supporting our customers in their transition
- Ensuring a robust and resilient bank
- Managing our societal impacts

To facilitate this, we focus on three interlinked sustainability topics and have set sustainability targets that are key for the realisation of our strategic priorities:

- <u>Climate change:</u>
  We have set intermediate emission reduction targets. For our lending portfolio, targets relate to high impact sectors such as shipping, oil and gas, power generation, steel, cement and real estate. For our asset management activities, we have set carbon weighted average intensity (WACI) targets.

- <u>Nature and biodiversity:</u>
  We have set targets for the number of customers and investee companies we will engage with so we can better understand the impact these customers and companies have on biodiversity and dependence on ecosystem services.

- <u>Human rights and social impact:</u>
  Targets include enhancement of human rights due diligence processes across our procurement, lending and investment activities, as well as a focus on diversity and inclusion within our own operations, for which targets on gender balance are used as a measure of progress.

The targets will be calibrated on a regular basis as strategic priorities evolve in line with the ongoing double materiality assessment.

When we developed our strategic priorities for sustainability, we included stakeholder perspectives in our considerations. Through interviews conducted in 2023, we engaged with stakeholder groups – including employees, non-governmental organisations (NGOs), industry bodies, customers, investors and media outlets – to gain insights into these stakeholder groups' interests and views on sustainability matters. A key finding from these stakeholder engagements was that stakeholders expect Danske Bank to focus on sustainability because of its size and position in the market.

Sustainability Policy

Our Group Sustainability Policy, adopted in October 2024, replaced our Sustainable Finance Policy, which previously governed our approach towards sustainable finance. The Sustainability Policy is part of our effort to enhance our sustainability governance. The Sustainability Policy is owned by Danske Bank's Chief Executive Officer and is approved by the Board of Directors. It applies to all employees and covers all the Group's activities, across geographies and throughout its value chain.

The Sustainability Policy confirms the Group's commitments to responsible banking and investment practices, and it guides management of sustainability-related opportunities, risks, and societal impacts. This includes ensuring that sustainability considerations are integrated into business operations as well as into relationships with customers, partners and suppliers. The Sustainability Policy applies to all employees and lays out the principles for managing sustainability opportunities, risks and impacts throughout the Danske Bank Group.

The Sustainability Policy lays out the following principles for managing sustainability-related IROs throughout the Group:

- Assessing the importance of sustainability topics using a double materiality approach in line with regulatory and scientific guidance.

- Taking a strategic approach to sustainability to manage the most material commercial opportunities, business risks and societal impacts.

- Integrating management of material sustainability-related opportunities, risks and impacts in governance practices and key processes.

- Executing on sustainability priorities through diligent monitoring and steering, supported by competencies and a culture of responsible banking.

- Providing stakeholders with information about sustainability priorities and performance through true and fair reporting and disclosures.

The Sustainability Policy functions in tandem with a number of other Group policies. These include our Code of Conduct Policy (see 'Business conduct' in the Governance section of this Sustainability Statement), our Credit Policy (see 'Financial inclusion' in the Social section) and our Responsible Investment Policy (see 'Assessing climate-related transition and physical risks in investment activities' in the Environment section).

Stakeholder engagement

We continually engage with a wide range of stakeholders across our operations. These engagements fulfil different purposes, including those of a commercial, informational and policy-related nature.

In 2024, we reviewed our approach to stakeholder engagement. Principles and guidelines for our engagement with employees and business-related stakeholders are included in our Code of Conduct Policy, and in our Treating Customers Fairly Policy, Investor Relations Policy, Regulatory Engagement Policy, Procurement Policy and Financial Crime Prevention Policy. These policies are supplemented by instructions and standard operating procedures that provide further details. Relations with, for example, the media, opinion leaders, legislators, and NGOs are governed by our Societal Stakeholder Engagement Policy.

In addition to these governing documents, we use position statements to communicate key aspects of the Danske Bank Group's stances on specific sectors and sustainability topics. The position statements clarify how we operate, and they outline sustainability-related restrictions, expectations and recommendations in relation to our business partners, customers and the companies we invest in. Danske Bank has position statements on agriculture, arms and defence, climate change, forestry, fossil fuels, mining and metals, and human rights.

Key findings on the views and interests of stakeholders are included in information provided to the Executive Leadership Team and the Board of Directors. Such findings are included for consideration in the annual review of Danske Bank's strategy, and they inform relevant Group policies, strategies and business activities.

Our main stakeholders and engagement efforts

Main stakeholders	Purpose of engagement and how it is organised	Example of activities
Danske Bank-related stakeholders		
Customers	The Group provides customers with products and services aligned with the Group's financial risk appetite. Business units are responsible for customer relations.	• Customer service provided via meetings, website, phone or in-branch • Surveys and feedback
Business partners, commercial partnerships, suppliers, and market participants	The Group handles relations with business partners, suppliers, and market participants through a variety of engagements.	• Supplier dialogues • Supplier workshops • Regular supplier performance reviews • Partnership follow-up meetings • Partnership knowledge sharing
Employees and their representatives	Group HR oversees the collaboration framework with employees and drives employee engagement in partnership with business units and Group functions.	• Twice-yearly employee engagement survey • Ongoing performance and development dialogues • Workplace assessments
Investors and analysts	Group Investor Relations manage relationships with capital market participants including debt and equity investors and sell-side analysts. The purpose is to ensure high liquidity and fair pricing of the Group's securities.	• Quarterly financial reporting • Investor meetings • Investor surveys • Annual general meeting • Investor roadshows and conferences • Company announcements
Credit and ESG rating agencies	Credit rating agencies inform the Group's investors and counterparties about the credit risk of issued securities and the Group. ESG rating agencies provide information to capital market participants about the sustainability performance of the Group. It is the responsibility of Group Investor Relations to manage the dialogue with the ESG rating agencies.	• Annual management meetings with credit rating agencies • Annual review processes with ESG rating agencies • Quarterly, monthly and weekly outreach
Societal stakeholders		
Media and media representatives	The Group maintains direct contact with media representatives, sharing its business insights and areas of expertise. Group Corporate Communications & Media Relations manages media relations.	• Responding to media requests • Proactive media outreach • Press releases • Company announcements
Politicians, opinion leaders, interest groups, NGOs and experts	The Group invites politicians, opinion leaders, interest organisations, NGOs and experts to actively engage with the Group. Group Public Affairs is responsible for managing these relationships.	• Dialogue with NGOs, interest organisations and politicians • Social media interactions • Interaction with academia • Participating in public discussions, conferences etc.
Financial industry associations	The Group actively participates in financial industry associations. The Group is a member of national finance associations in its core markets and selected European/international associations. Group Public Affairs manages the relationships and memberships.	• Participating on boards and committees and in working groups • Providing input to legislative proposals at national and EU levels • Contributing to consultations, hearings, etc. at national and EU levels
Lawmakers and regulators	The Group participates in shaping the regulatory framework for the financial services industry. The Group registers in transparency registers in compliance with applicable laws and regulations.	• Contributing to consultations and hearings at national and EU levels • Engagement with supervisors and lawmakers at national and EU levels

Governance (GOV-1, 2, 3, 4, 5)

Roles and responsibilities in sustainability governance

Danske Bank operates in a regulated environment and is regulated by the Danish FSA. Danske Bank A/S has been designated by the Danish FSA as a domestic systemically important financial institution (SIFI).

Danske Bank considers sound corporate governance essential to create value for – and maintain the confidence of – all of its stakeholders. Accordingly, Danske Bank adheres to the best corporate governance practices and standards applicable to Danske Bank. The corporate governance structure and framework of Danske Bank is modelled to the specific needs and regulatory requirements incumbent on a complex, publicly traded and SIFI in Denmark.

Danske Bank's corporate governance framework encompasses its governing bodies and its governing documents. As such, the corporate governance framework is the foundation upon which Danske Bank is operated, managed and controlled. Serving under its highest governing body, the shareholders and the general meeting, Danske Bank has a two-tier management structure consisting of the Board of Directors and the Executive Leadership Team.

The Danske Bank Group's Board of Directors approves strategies and policies for sustainability and responsible investments. The Executive Leadership Team manages the Group in accordance with the Board's mandates.

The Board of Directors consists of 12 members, of whom 6 are independent, corresponding to 50%. The Executive Leadership Team consists of 9 members, all of whom are non-independent. The diversity of the Board of Directors and Executive Leadership Team is disclosed in 'Targets and progress for gender diversity in leadership positions' under the Social section of this Sustainability Statement.

The overall roles and responsibilities of the Board of Directors and the Executive Leadership Team are defined in the Rules of Procedure of Board of Directors and Executive Leadership Team. The Board has instituted five Board Committees, which have their mandates defined in their respective committee charters. All these committees are involved in aspects of sustainability management. The Audit Committee operates as a preparatory committee for the Board of Directors with respect to accounting and auditing matters, including risk matters relating thereto. The committee reviews and submits recommendations to the Board of Directors regarding financial reports, including statutory sustainability reporting and the reporting process as well as the assessment of related risks, key accounting principles and procedures, internal controls, and reports from both internal and external audit. The Executive Leadership Team has instituted four Group-wide committees, all of which are involved in the management of sustainability matters. The responsibilities and mandates of these committees are defined in their respective charters. The Executive Leadership Team committees report to the Board of Directors on decisions that have relevance for the Group's strategic direction, targets, principles and policies as well as on matters of an extraordinary nature or of great significance for the Group.

The Business Integrity Committee, which includes all members of the Executive Leadership Team and is chaired by the Chief Executive Officer, defines the Group's strategic direction, ambition level and policies for sustainability, and it oversees the implementation of sustainability targets and actions and resources. The Business Integrity Committee is the governing body for the Responsible Investment Committee, which is responsible for decisions related to the Group's Responsible Investment commitments.

The Group All Risk Committee manages all material risks associated with the Group's business model and activities, as specified in the Enterprise Risk Management (ERM) framework. It is also the responsibility of the Group All Risk Committee to ensure that we adhere to our green finance framework. The Group Asset & Liability Committee encompasses funding, liquidity and interest rate risks associated with the Group's business model and activities and to the Group's capital management framework.

The Group Credit Committee is the Executive Leadership Team's forum for credit decisions.

Sustainability responsibilities are embedded in the management of all business units and support functions. The rapid development of both regulatory and market demands in relation to sustainability will shape the Group's agenda for the coming years.

Roles and responsibilities in business conduct governance

The governance structure for the Code of Conduct policy ('the Code') is clearly delineated, with the Board of Directors serving as the policy owner and the Chief Executive Officer managing it. The Code is administered by Group Compliance, which provides the Executive Leadership Team with annual reporting on the development of the key measures related to the implementation of the Code and associated requirements within the Group, (see 'Business conduct policies and corporate culture' in the Governance section). The development and updating of the Code involve input from employees in different Group functions who possess expertise in the different topics covered by the Code.

Three-lines-of-defence model

The Group's risk management practices are organised in line with the principles of the three-lines-of-defence model. The three lines of defence segregate duties between 1) units that enter into business transactions with customers or otherwise expose the Group to risk (risk ownership), 2) units in charge of risk oversight and challenge in respect of risk owners (risk oversight), and 3) Group Internal Audit (risk assurance).

The first line of defence owns and manages the business activities and related risks. It consists of business units and support functions. These entities are responsible for establishing the appropriate controls to ensure that risks are identified, assessed, managed and reported on appropriately. Risks must be managed in line with delegated responsibilities and policies as set by the second line of defence and approved by the Board of Directors. The mandates of the business units and support functions are governed by policies, instructions and risk committees and by risk tolerance, risk limits and risk appetite.

The second line of defence consists of Group Risk Management and Group Compliance. These units set policies and the overall risk management framework. The second line of defence supports, challenges and is responsible for the risk oversight of the first line of defence and operates independently of the first line of defence.

Group Risk Management is organised in risk functions with group-wide risk type oversight responsibility. As an independent second-line-of-defence function, Group Risk Management has the responsibility to (i) promote a sound risk culture, (ii) set standards for effective management of the risks to which the Group is exposed, (iii) ensure that material risks are identified, assessed, measured, monitored, controlled/mitigated and reported on correctly, (iv) maintain oversight of risk exposure at all Group entities and check that the Group stays within the tolerance levels and limits set by the Board of Directors, and (v) report risk exposure and risk-related concerns independently to the Executive Leadership Team and the Board of Directors

Group Compliance is responsible for monitoring and assessing the Group's compliance with applicable laws, rules and regulations and maintains the governance framework for regulatory compliance risk and financial crime risk. Group Compliance undertakes compliance oversight assessments to evaluate the adequacy and effectiveness of other risk management frameworks and owns the Group's whistleblowing system.

Group Compliance has specific second-line-of-defence responsibility for organising compliance training; providing independent advice, guidance and challenge; undertaking risk assessments and risk-based monitoring; and providing independent reporting to senior management and the Board of Directors on compliance risks and issues.

The third line of defence consists of Group Internal Audit (GIA). GIA is an independent and objective assurance entity that assists the Board of Directors and the Executive Leadership Team in protecting the assets, reputation, and sustainability of the Group by evaluating the effectiveness of the processes used for risk management, controls and governance. GIA reports directly to the Board of Directors.

The risk taxonomy organises and visualises the most material risk types applicable to the Group and is intended to ensure effective risk identification and ownership across the Group. The risk types cover aggregate, financial, and non-financial risks. The taxonomy is reviewed on an annual basis to ensure its relevance.

Information provided and sustainability matters addressed

Progress on execution of the Group's sustainability priorities is provided to the Business Integrity Committee on a quarterly basis. Information about sustainability-related risks is also provided on a regular basis to the Group All Risk Committee and to the Board Risk Committee.

Additionally, ad-hoc in-depth insights into sustainability-related topics are provided to the Executive Leadership Team, the Board Committees and the Board of Directors, when needed.

In 2024, the result of the Group's double materiality assessment was reviewed and approved by the Executive Leadership Team.

The development of the double materiality assessment framework was monitored by the Audit Committee.

Sustainability skills and expertise
The Board of Directors must ensure that it is collectively suitable, and each Board member must be individually suitable (fit and proper). The Board of Directors annually reviews its suitability, composition and diversity in its composition. This is documented in the Board's Competency Profile and Competency Map. The Board of Directors reviews the structure and composition of the Executive Leadership Team.

At Danske Bank, we need to possess the knowledge, training and awareness that will enable us to deliver on our sustainability ambitions and priorities. We address this through sustainability-related training efforts and also as part of our Strategic Workforce Planning (SWP), in which sustainability-related competencies are also included in our identification of potential skill gaps and in our competency strengthening efforts.

Sustainability-related performance in incentive schemes
Sustainability-related KPIs, including climate-related KPIs, are integrated into our performance management framework to ensure that remuneration programmes reflect our sustainability ambitions. The KPIs for remuneration programmes are reviewed by the Board's Remuneration Committee and approved by the Board of Directors. The incentive schemes do not apply to members of the Board because Board members do not receive variable remuneration.

We have assessed performance on the sustainability-related KPIs assessed against amongst other parameters – the sustainability targets defined in Danske Bank's Climate Action Plan from 2023, our biodiversity engagement targets and in our targets for diversity and inclusion.

In 2024, all members of the Executive Leadership Team and senior leaders had sustainability-related KPIs in their short-term incentive (STI) programme. These sustainability-related KPIs relate to execution of the Group's commercial sustainability priorities and sustainability targets.

For members of the Executive Leadership Team and senior leaders, the ESG KPI for 2024 constituted 10% of the STI programme.

The proportion of total expensed remuneration to the Executive Leadership Team-linked to performance against GHG emission reduction targets for 2024 amounted to 0.4% (see Reporting principles under 'Own workforce' in the 'Social' section).

The proportion of total expensed variable remuneration (STIP and LTIP) to the Executive Leadership Team linked performance against all sustainability-related targets for 2024 corresponded to 5.9% (see Reporting principles under 'Own workforce' in the 'Social' section).

Our Remuneration Report 2024 is available at danskebank.com/remuneration. The report provides a detailed description of remuneration paid to the Executive Leadership Team.

Statement of Due Diligence
Due diligence is a key component in assessing the reporting boundaries of the value chain. The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the UN Guiding Principles on Business and Human Rights are referenced in ESRS as the two instruments that outline the due diligence process and are therefore applied by the Group and form the basis of our due diligence activities. We perform various due diligence activities regarding sustainability matters.

The table on this page provides descriptions of our current due diligence activities referenced in this Sustainability Statement.

Risk management and internal controls over sustainability reporting
The reporting of sustainability information in the Annual Report in accordance with CSRD draws on existing and well-defined processes for financial and risk reporting purposes and draws on other reporting prepared by the Danske Bank Group. Our finance function (CFO Area) regularly assesses the risks associated with the reporting of sustainability information in the Annual Report to ensure that controls are in place to ensure that the observed risks (residual risk) are minimised and to ensure compliance with applicable laws and regulation. The most significant risks relate to the following:

- Regulatory compliance risk and statutory reporting: Regulatory compliance risk relates to the increasing disclosure requirements of sustainability information in the Annual Report as a result of a rapidly changing landscape of sustainability disclosure requirements instituted by national and European regulators. Danske Bank must incorporate the required information in its Annual Report.
- Accuracy of estimation results due to a high level of measurement uncertainty: The Group's presentation of sustainability information in the Annual Report may be subject to a high level of measurement uncertainty due to the limitations in methodologies and data, including the reliance on third-party data. We have used estimates based on recognised frameworks available at the time. As methods and data evolve, our data sources and figures may become outdated, and updates to methodologies and assumptions might lead to different conclusions.

Risk management is integral to the Group's activities, and risk assessments are performed on sustainability information. Using existing risk assessment processes defined by the Group's second line of defence as its basis, the CFO Area outlines the risk assessment requirements associated with sustainability reporting. The responsibility for performing the risk assessment lies with the individual business units because they are owners of the sustainability information. This allocation of responsibility increases the possibility of adequately identifying the risks related to reporting this information.

Core elements of due diligence	Sections in the Sustainability Statement
Embedding due diligence in governance, strategy and business model	General information: Strategy, Sustainability priorities, Governance
Engaging with affected stakeholders in all key steps of the due diligence process	General information: Stakeholder engagement Own workforce: Engagement with employees Consumer and end-users: Engaging with customers
Identifying and assessing adverse impacts	General information: Sustainability activities across the business model, Impact materiality, Climate assessments, Biodiversity assessments Climate change: Assessing impacts on climate change Biodiversity and ecosystem: IRO management Own workforce: Working conditions – engagement survey Consumer and end-users: Complaints handling framework Governance: Financial crime – 'Know your customer' due diligence
Taking actions to address those adverse impacts	Climate change: Lending activities - customer engagements, Investment activities - investee company engagement Biodiversity and ecosystem: Actions and performance Own workforce: Human rights policy commitments and approach; Diversity, equity and inclusion policy commitments; Employee well-being; Equal treatment; and opportunities Consumer and end-users: Access to quality information – Actions and performance Consumer and end-users: Privacy - Actions and performance Governance: Financial crime – Actions and performance
Tracking the effectiveness of these efforts and communicating them	Climate change: Climate targets and progress Biodiversity and ecosystem: Targets and progress Own workforce: Working conditions – engagement survey, Gender pay gap, Gender diversity in leadership positions Consumer and end-users: Access to quality information – Actions and performance Consumer and end-users: Privacy - Actions and performance Governance: Financial crime compliance training

The Executive Leadership Team develops and implements controls to mitigate the identified risks associated with the reporting of sustainability information in the Annual Report. The purpose of the controls is to prevent, detect and correct any non-compliance with the CSRD and ESRS regulation and reporting errors.

Business units and Group functions are primarily responsible for managing the identified risks. This includes identifying and assessing risks relating to sustainability disclosures based on end-to-end process flows and managing existing processes for reporting purposes, which includes ensuring controls are in place for authorisations, segregation of duties, regular reporting, IT platforms used as sources of underlying information to prepare sustainability information, and interactions with relevant subject matter experts. The CFO Area collates input provided by the business units and uses the input to prepare the consolidated sustainability statements submitted to the Executive Leadership Team and the Board of Directors.

Although such controls reduce the level of risk, they provide no guarantee against non-compliance with regulation, reporting errors and irregularities.

IRO Management (IRO-1)

Materiality assessment process

Methodology for the Group's double materiality assessment (DMA) has been developed on the basis of our existing due diligence processes (see 'Statement of due diligence' and the requirements for identifying and assessing material impacts, risks and opportunities (IROs) in ESRS 1). We have also conducted a financial and an impact materiality assessment for 2024, and we engaged subject-matter experts from our business units from Group functions for both assessments. Furthermore, we consulted affected stakeholders or their representatives (including the Danish labour union) to understand how they may be affected by the Group's business activities. To ensure inclusion of stakeholder perspectives, we engaged with affected stakeholders and users of sustainability statements.

Insights gained from the due diligence processes and double materiality assessment for 2024, ongoing engagement with stakeholders and further guidelines for financial institutions from regulators will all act as input for all future refining of the methodology, updating of the assessment and our future sustainability reporting, strategic planning and operational practices.

Danske Bank's Executive Leadership Team is responsible for ensuring that the DMA is conducted and for ensuring due integration of the identified material IROs into the Group's strategy, governance and processes. Our Audit Committee monitors the development of the double materiality framework.

Impact materiality

Our impact materiality assessment covered the Group's own operations and the Group's upstream value chain, focusing in particular on the top ten tier-one suppliers, who represent the Group's most material suppliers. This assessment also covered the Group's downstream value chain, with a particular emphasis on our lending and investment activities, which are our most material business activities from an impact perspective based on our current impact analyses that are based on currently available data and methodologies. The assessment of our own operations was conducted at Group level and did not cover specific activities of the individual subsidiaries within the Danske Bank Group. The assessment took into consideration positive and negative sustainability-related actual and potential impacts. The process included the following:

1. <u>Screening of topics:</u> We carried out an initial screening of all ESRS topics, based on our previous impact and materiality assessments and on reliable external sources, such as financial sector industry reports and press coverage. Furthermore, selected sustainability and impact-related policies and position statements were reviewed to screen for relevant topics, including entity-specific topics.

2. <u>Stakeholder engagement:</u> We engaged stakeholders from within the Group to validate the initial screening.

3. <u>Impact scoring:</u>
   - 3.1. Own operations and upstream value chain: subject-matter experts from within the Group scored each impact using a five-step scale on the two parameters of 'Likelihood' and 'Severity' for the short, medium and long term. The scoring of 'Severity' included the three parameters of 'Scale', 'Scope' and 'Irremediable character'. For actual negative impacts, each of these three parameters was scored and weighted equally. For potential negative impacts, 'Severity' and 'Likelihood' were weighted 50/50. For human rights-related potential negative impacts, 'Severity' took precedence over 'Likelihood' with a weighting of 75/25.

     For actual positive impacts, 'Scale' and 'Scope' were scored and weighted equally for 'Severity'. For potential positive impacts, 'Likelihood' was also scored and considered as for potential negative impacts.
   - 3.2. Downstream value chain: The UNEP FI Portfolio Impact Analysis Tool was used to score the impact of the Group's lending and investment activities, thereby providing a framework to assess impacts within the downstream value chain by mapping financial activities and sectors against their actual and potential positive and negative impacts. The UNEP FI has developed an ESRS interoperability package to enhance ESRS compliance using the analysis tool. This includes a mapping of the UNEP FI's impact topics against the ESRS sustainability topics listed in Appendix A of ESRS 1, a mapping of the outputs from the tool to the 'Scale', 'Scope', 'Severity' and 'Irremediable character' parameters as required under ESRS 1, and a description of calibrating and translating the parameters into thresholds to determine the most important impacts.

4. <u>Calibration and material impact identification:</u> The scores were calibrated and aligned with existing topical impact assessments, stakeholder perspectives and existing strategic initiatives and priorities. The impacts with a score at the determined threshold of 'Significant' or above were deemed material, and specific impacts relevant to the Group were identified and described. Lastly, the material impacts were aligned with the outcome of the financial materiality assessment for sustainability matters whereby financial materiality would be triggered by impact materiality.

5. <u>Management review and conclusions:</u> A consolidated overview of the material IROs from the impact and financial materiality assessments were presented to and discussed with the Executive Leadership Team. Furthermore, the result of the DMA was reviewed and approved by the Executive Leadership Team.

Financial materiality

The financial materiality assessment was performed to assess sustainability matters that may trigger risk- and opportunity-related material financial effects for the Group.

Risks

The risk assessment covered the Group's own operations and downstream value chain, focusing on our lending and investment activities in which we deem there to be a likelihood of risks arising. The process included the following:

1. <u>Screening of topics</u>: We carried out an initial screening of all ESRS topics on the basis of Group policies, existing risk management frameworks and reports, and potential entity-specific topics were identified. Furthermore, relevant impact-related topics were considered.

2. <u>Risk scoring:</u>
   - 2.1. Own operations: We assessed the Group's environmental and society-related dependencies. We used available information such as capital scenario analyses, interviews and costs. Each risk was scored in relation to the likelihood of the occurrence of the topic and the cost or adverse effect triggered by the capital needed in the short, medium and long term. We assessed each amount of capital allocated under the dependencies of resources and relationships where the highest score was taken and assessed for financial materiality using a five-step scale.
   - 2.2. Downstream value chain: The Group's risk management activities were used as a basis for the identification of material risks in the downstream value chain, i.e. primarily our lending activities. These include sector reviews that are part of credit risk management for corporate customers and that contain detailed assessments of sub-sectors and major customers.

3. <u>Stakeholder engagement</u>: We engaged stakeholders from Group business units to validate methods and results.

4. <u>Calibration and material risk and identification:</u> The risks with a score above the determined threshold of 'Significant' or above and above the financial threshold were deemed as being material. We aligned the results with how we recognise and manage sustainability-related risks in the Group's existing risk management frameworks and practices, and specific risk events related to the various ESRS topics were identified and articulated and aligned with the Group's established risk profile. To provide the final view of material risks to the Group, the ESRS topics were mapped against the Group's Enterprise Risk

Management risk taxonomy to identify where existing risk management processes and reports have identified relevant environmental, social and governance-related factors to which the Group is exposed. This step also enabled confirmation that identified material risks and related impacts are managed and monitored appropriately through the Enterprise Risk Management framework. The Group's Enterprise Risk Management Policy sets common standards for how we manage risk across all risk types and organisational entities. Supported by policies approved by the Board of Directors, the Group's Enterprise Risk Management framework defines our risk taxonomy, risk roles and responsibilities, risk governance, approach to risk tolerance and risk appetite, risk philosophy, and risk culture. All policies apply to the Group's activities regardless of business line or company. We continually monitor our internal and external environment to identify and manage any emerging risks that could have a material effect on the Group's performance and that need to be captured under the Enterprise Risk Management Policy.

5. <u>Management review and conclusions:</u> A consolidated overview of the material IROs from the impact and financial materiality assessments was presented to and discussed with the Executive Leadership Team. Furthermore, the results from the DMA were reviewed and approved by the Executive Leadership Team.

Opportunities as a result of sustainability focus

Sustainability is deeply imbedded in our Forward '28 strategy and in everything we do. We see ourselves as playing a key role in the transition undertaken by our customers and society – a role we fulfil by providing funding, by investing and by providing advisory and other services.

From a CSRD perspective, we have currently assessed the financial effect of our sustainability business. Currently this can only be measured through the product offerings that are labelled 'sustainable', even though many customers are using traditional products to help them carry out their transition.

The financial effects of our sustainable product offerings do not currently exceed the financial thresholds applied for the purpose of the assessment of financial materiality in the double materiality assessment in the short, medium or long term. Because of this, the opportunities are not assessed as being material from a CSRD perspective. This assessment could easily change in future as data gathering and products develop.

Climate assessments

In 2024, the Group's total measured GHG emissions showed that the main source of emissions stems from the Group's downstream value chain through lending and investment activities. These emissions are linked to counterparties that the Group lends to or invests in, thereby making financed emissions the primary negative impact on climate change. The identification of these impacts has been informed by an assessment using the PRB methodology developed by UNEP FI. We use a risk-based approach to manage climate transition risks. Our analysis of these risks has resulted in a heatmap showing exposure to high transition risk sectors, determined by emissions and exposure criteria. We have a focus on customers in these sectors because they may not align with the 1.5°C goal of the Paris Agreement and a net-zero economy. According to the latest IPCC report on Europe, flooding risk is the key physical hazard for the Group's loan portfolio. Other physical hazards are qualitatively assessed as low relevance, and precise analysis is limited by current data quality (see 'Climate change' in the Environment section for more details).

Biodiversity assessments

To understand and identify potential negative impacts on biodiversity and ecosystem services in the Group's downstream value chain, we in 2023 conducted the first impact assessments of the Group's corporate loan and investment portfolios using the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) dataset, which is tailored to financial institutions. This provides a mapping based on the International Standard Industrial Classification of All Economic Activities (ISIC) to explore how specific economic activities depend on and impact natural capital. The impact assessment for investment activities was updated in 2024 to account for data updates made to the ENCORE tool (see 'Biodiversity' in the Environment section).

Immaterial topics

As part of the Group's DMA, we have taken into consideration all ESRS topics, including the immaterial topics. For our assessment of the Group's own operations, a screening for relevant topics was conducted, initially through desktop analysis, industry-specific topics, internal documentation and processes, interviews with subject-matter experts, capital scenarios and existing risk analysis. The topics of 'Pollution', 'Water', 'Circularity', 'Workers in the value chain' and 'Affected communities' were deemed as not relevant in the initial screening. The impact of the Group's downstream value chain activities has been assessed using the UNEP FI Portfolio Impact Analysis Tool by mapping financial activities and sectors against their actual and potential positive and negative impacts. The assessment covers all ESRS topics, including 'Pollution', 'Water', 'Circularity', 'Workers in the value chain', and 'Affected communities'. However, no impacts above the set threshold were identified.

The Group has not conducted consultations with affected communities on immaterial topics.

Significant differences in assessments across the Group

The Group's subsidiary Danica has, as required by ESRS 1, assessed its impacts, risks and opportunities. Danica has assessed impacts within the following topics to be material: 'Own workforce', 'Consumers and end-users' and 'Business conduct'. These impacts have not been assessed as material at a Group level due to different thresholds.

Although impacts related to 'Own workforce' have not been identified as material from an impact perspective at a Group Level, material sustainability risks related to the Group's employees have been identified, and impacts related to the Group's employees below the set threshold may occur.

Danica has furthermore assessed impacts related to the topics 'Consumers and end-users' to be material. These impacts are mainly related to Danica's specific business model as a pension and insurance company, and they are therefore not assessed as material at a Group level.

Based on the assessments made in 2024, we have not identified any other significant differences between the Group subsidiaries and the Group as a whole.

Material impacts, risks and opportunities (SBM 3)

Sustainability is defined as a core pillar of our Forward '28 strategy, which entails managing the impact of our business activities on people and the environment, as well as managing risks associated with the sustainability transition to ensure our resilience as a financial institution. We conduct resilience analysis of our lending and investment activities across short-, medium- and long-term horizons through the various applicable risk

management processes and measures to ensure we are able to anticipate and respond appropriately to potential changes from climate induced events on our exposures and ability to manage any potential financial losses. Danske Bank demonstrates solid performance, maintains a robust financial position and has effective risk management processes. This enables us to implement our strategy and manage material impacts, risks and opportunities (IROs) effectively.

Material IROs identified in our DMA are presented and described below, including the type, location in the value chain and expected time horizon of each IRO. The IROs and their current and anticipated effects are managed through Danske Bank's strategy and business model. In this context, our risk management setup plays a key role because it governs how we manage risk and potential negative impacts, thereby mitigating these to an acceptable level. In risk terms, we minimise inherent risks to a residual risk level that is acceptable.

The financial effects of material risk and opportunities are integrated into our existing business practices, and such effects are taken into consideration when we set capital targets and establish tolerance limits to manage potential profit and loss effects. We anticipate no significant changes to this approach over the course of the next annual reporting period. Additional details about the identified material IROs are provided in the topical sections of this Sustainability Statement.

We have used the material impacts, risks and opportunities identified in the DMA as guidance to determine the information we disclose. We have used EFRAG's 'Implementation Guide IG3' to identify material information, and a panel of subject matter experts from across the Group validated and refined the selection of material datapoints. Additionally, entity-specific datapoints were identified in line with the ESRS disclosure requirements.

We do not disclose financial information regarding operational expenditures (OPEX) and capital expenditures (CAPEX) in relation to action plans for our material sustainability topics.

Environment

Climate change (E1)

Material IROs	**ESRS sub/sub-subtopic**	**IRO type**	**Value chain location**			**Time horizon**		
			Upstream	*Own operations*	*Downstream*	*Short*	*Medium*	*Long*
Financed emissions								
The Group offers various products and services for personal and corporate customers covering a range of different activities, including activities related to real estate, agriculture and the industrial sector. The Group's negative impact on climate change stems primarily from GHG emissions linked to counterparties that the Group lends to or invest in (i.e. financed emissions), which for instance includes GHG emissions from large corporations.	Climate change mitigation	Actual negative impact			x	x	x	x
Climate-related transition risk								
Risks associated with the shift to a low-carbon economy (i.e. transition risks) can affect the Group's credit risk, i.e. the risk of losses when customers fail to meet all or part of their payment obligations to the Group. It is expected that customers who are unable to transition will face changes in their financial position, and this would have negative effect on credit in terms of refinancing risk by resulting in potential stranded assets and potential impact on default.	Climate change mitigation	Risk			x		x	x

Biodiversity and ecosystems (E4)

Material IROs	ESRS sub/sub-subtopic	IRO type	Value chain location			Time horizon		
			Upstream	*Own operations*	*Downstream*	*Short*	*Medium*	*Long*
Indirect contribution to biodiversity loss								
The Group offers various products and services for personal and corporate customers that have a range of different activities, including activities related to real estate, agriculture and the industrial sector. Through the Group's exposures in its lending and investment portfolios, it may indirectly contribute to five drivers of biodiversity loss: 1) land-/water-/sea use change; 2) resource exploitation; 3) climate change; 4) pollution; and 5) invasive species, implying potential negative impacts on biodiversity loss.	Entity-specific	Potential negative impact			x	x	x	x

Social

Own workforce (S1)

Material IROs	ESRS sub/sub-subtopic	IRO type	Value chain location			Time horizon		
			Upstream	*Own operations*	*Downstream*	*Short*	*Medium*	*Long*
Working conditions								
The Group is highly dependent on having a skilled and qualified workforce to be able to operate efficiently and deliver on its strategy. Failing to provide adequate and competitive working conditions for its employees creates a risk of the Group being unable to compete or attract and retain a sufficient and qualified workforce.	Working conditions	Risk		x			x	x
Equal treatment and opportunities for all	Equal treatment and opportunities for all	Risk		x			x	x

Consumers and end-users (S4)

Material IROs	ESRS sub/sub-subtopic	IRO type	Value chain location			Time horizon		
			Upstream	*Own operations*	*Downstream*	*Short*	*Medium*	*Long*
Privacy The Group stores and uses large volumes of personal data about its personal and corporate customers and their finances to be able to offer these customers financial products and services. The level of customer satisfaction and customer data security could be harmed due to breaches of privacy caused by data breaches.	Information related impacts for consumers and end-users: Privacy	Potential negative impact		x		x	x	x
Privacy Due to the large volumes of personal data used and stored by the Group, there is an inherent risk that customer privacy breaches would lead to increased costs or legal and regulatory penalties and reputational damage.	Information related impacts for consumers and end-users: Privacy	Risk		x		x	x	x
Access to quality information The customer's personal finances could be harmed by uninformed financial decisions due to unreliable information or misrepresentation of financial products and services by the Group, and this represents a potential negative impact.	Information related impacts for consumers and end-users: Access to quality information	Potential negative impact		x		x	x	x
Access to quality information Due to varying customer needs and range of financial products, there is an inherent risk that the Group could provide customers with information that is unreliable or misrepresents the Group's products and services which could lead to increased costs, legal and regulatory penalties and reputational damage. Due to varying customer needs and range of financial products, there is an inherent risk that the Group could provide customers with information that is unreliable or misrepresents the Group's products and services, which could lead to increased costs, legal and regulatory penalties and reputational damage.	Information related impacts for consumers and end-users: Access to quality information	Risk		x		x	x	x
Financial inclusion (Social inclusion) The Group can have a positive impact on customers because it provides access to financial services and thereby contributes to financial inclusion, in accordance with Group terms and conditions. Mortgage lending is a key product that provides access to adequate, safe and affordable housing. Mortgage lending products also facilitate the trading of property, thereby supporting customers in making investments that allow for financial inclusion and the associated opportunities they may bring.	Social inclusion of consumers and end-users: Access to products and services	Potential positive impact		x	x	x	x	x
Financial inclusion (Social inclusion) Financial materiality stemming from dependence on end users' and consumers' financial situation. Negative changes in their financial situation have a potential for credit default where customers fail to meet their financial obligations.	Social inclusion of consumers and end-users: Access to products and services	Risk		x	x	x	x	x

Governance (G1)

Entity-specific sustainability matters

Material IROs	ESRS sub/sub-subtopic	IRO type	Value chain location			Time horizon		
			Upstream	*Own operations*	*Downstream*	*Short*	*Medium*	*Long*
Financial crime As one of the largest financial institutions in the Nordic countries, the Group is exposed to being misused for financial crime that could have a potential negative impact on the quality of life of customers and the broader society. The impact could, for example, be financial losses for customers or loss of public tax revenue.	Entity-specific	Potential negative impact		x		x	x	x
Financial crime The risk identified covers situations in which the Group's infrastructure and services are misused for criminal purposes, leading to increased costs, legal and regulatory penalties, and reputational damage to the Group.	Entity-specific	Risk		x		x	x	x
Regulatory compliance As a large financial institution, the Group is subject to comprehensive and complex regulation. Non-compliance with laws, rules, and regulations could potentially have a negative impact on the Group's customers and the broader society.	Entity-specific	Potential negative impact		x		x	x	x
Regulatory compliance There is an inherent risk of the Group failing to comply with the comprehensive and complex regulation, which could result in regulatory, criminal or administrative sanctions. Such consequences could lead to financial losses or a loss of reputation for the Group. For example by not treating customers fairly.	Entity-specific	Risk		x		x	x	x
Financial stability As a systemically important financial institution (SIFI) in Denmark, the Group provides critical financial infrastructure and contributes to financial stability. If the Group is not able to fulfil requirements set to preserve financial stability in Denmark in a situation of economic turmoil, there is a potential negative impact on the quality of life of our customers, other counterparties and broader society.	Entity-specific	Potential negative impact		x			x	x
Financial stability There is a risk of excessive losses in, for example a situation of economic turmoil that would challenge the Group's financial position and the Group's role as a Danish SIFI by the Group not being fully able to overcome situations with economic distress and, as a consequence, breaching requirements set to preserve financial stability in Denmark.	Entity-specific	Risk		x			x	x

Information technology, security and business continuity The Group provides critical financial infrastructure to society that requires secure and stable IT and security systems. Therefore, customers and society could potentially be negatively affected by breaches of confidentiality or failures or unavailability of the Group's information technology and security systems, for example caused by cyber-attacks. This includes potential business continuity situations in which the Group is not able to provide critical operations and financial infrastructure due to a business continuity event such as power outage or natural disaster.	Entity-specific	Potential negative impact	x		x	x	x
Information technology, security and business continuity There is a risk of financial loss to the Group in connection with situations in which there are breaches of confidentiality or a failure or unavailability of the Group's information technology and security systems for example caused by cyber-attacks. This includes business continuity situations in which the Group is not able to provide critical operations due to a business continuity event e.g., power outage or natural disaster. The financial losses could include financial compensation to customers, fines etc.	Entity-specific	Risk	x		x	x	x
Data management The Group stores and uses an extensive volume of personal data about its customers, employees and other stakeholders. Situations in which the Group, for example, provides incorrect data and related information to its customers and other stakeholders could potentially have a negative impact on them, leading to wrong or poor decision-making and financial loss.	Entity-specific	Potential negative impact	x		x	x	x
Data management The Group stores and uses an extensive volume of confidential information about its customers, employees and other stakeholders. There is an inherent risk of the Group mismanaging data, hereby providing customers and other stakeholders such as regulators, investors, etc. with incorrect information. Furthermore, insufficient or inappropriate data that leads to untimely or flawed decision-making could result in financial losses.	Entity-specific	Risk	x		x	x	x
Third party The Group's business model entails a certain degree of dependency on and integration with third parties, for example in relation to new technologies and strategic partnerships. There could be potential negative impacts on the Group's customers' financial situation and well-being and negative implications for the broader society in situations in which the Group's mismanagement of a third-party relationship could result in, for example, a delivery failure from a third-party or a third-party's failure to comply with laws, rules and regulations.	Entity-specific	Potential negative impact	x		x	x	x
Third party There is a risk associated with processes, services and activities provided to the Group by third parties. For example, mismanagement of a third-party relationship whereby a third-party is allowed to not comply with laws, rules, and regulations could lead to financial loss for the Group.	Entity-specific	Risk	x		x	x	x

Environment

Climate change (E1-1)

The Danske Bank Group supports the transition towards net-zero carbon emissions by 2050 or sooner and is guided by its commitments to financial sector net-zero alliances. These alliances and initiatives are aligned with the goals of the Paris Agreement to limit the temperature increase to well below 2°C, striving towards 1.5°C, above pre-industrial levels.

The commitment is articulated in Danske Bank's Climate Action Plan 2023, which is designed as a roadmap towards net-zero and includes emission-reduction targets for the most material business areas.

These targets have been set in line with the Group's Sustainability Policy as part of managing our most material commercial opportunities, business risks and societal impacts.

The Group does not yet have a transition plan that fully complies with all of the requirements set out in ESRS for transition plan information. During 2025, we expect to develop the transition plan information that fully complies with ESRS. The transition plan information will be based on the Group's Climate Action Plan, which is a part of our overall strategy and includes the Group's intermediate climate targets and actions for how we want to reduce emissions towards net zero by 2050 or sooner. The annual Climate Progress Report provides an overview of our targets, actions and status in relation to the Group's climate efforts.

The decision to develop an action plan was approved by the Board of Directors. The Executive Leadership Team approves the baselines for GHG emissions, intermediate targets towards net-zero and the strategic actions to deliver on the climate targets. We have established a governance structure with clearly defined roles and responsibilities for the execution of the plan, with quarterly oversight from the Business Integrity Committee and regular updates provided to the Board of Directors. It is the responsibility of the relevant Executive Leadership Team members to set and execute on the specific climate targets within their respective business units. To ensure continued focus and prioritisation of the climate agenda, execution of the climate targets has also been incorporated into the remuneration of senior management in the Group (see Sustainability-related performance in incentive schemes).

Climate-related impacts

As a part of general risk management, we assess climate-related risks and impacts and how these could affect our business.

In the following section, we disclose our climate-related transition and physical risks in lending and investment portfolios. Transition risks from the shift to a low-carbon economy can affect the Group's credit risk because customers unable to adapt may face financial changes, thereby leading to refinancing risk, potential stranded assets and increased default risk.

The negative impact on climate change mitigation and contribution to GHG emissions are covered in the Financed Emissions' section.

Climate-related risks and resilience analysis

Managing climate-related risks associated with the sustainability transition is key to ensuring the resilience of the Group. We conduct resilience analysis on our lending and investment activities across short-, medium- and long-term horizons. This is to ensure that risk management measures in the Group can anticipate and respond appropriately to potential changes from climate-induced events on our exposures and ability to manage any potential financial losses. The assessments of climate-related risks have supported the strategic direction on sustainability as part of our Forward '28 commercial strategy and prioritisation of climate change (see 'Sustainability priorities' in the General information section).

As part our overall risk management, we analyse and manage sustainability-related risks, including resilience towards climate-related risks, as outlined in our Enterprise Risk Management (ERM) Policy.

Climate-related risk pertains to transition risks associated with the shift to a low-carbon economy and to physical risks arising from projected climate changes. These risks include long-term shifts (referred to as chronic risks) and event-driven changes to weather patterns (referred to as acute risks). Two key assumptions for the transition to a low-carbon economy are expected policy changes designed to reduce carbon emissions and shifts away from fossil fuels in the energy markets and technologies. Therefore, estimated anticipated financial effects of climate transition risk take into consideration additional carbon costs and technology costs to our portfolio. For Danske Bank, climate transition risk is concentrated in a few segments and portfolios, which generally have sufficiently good credit quality to contain such costs, and for which climate targets have been set. The Group's view is that the most financially material risks from climate change are well addressed in the existing credit risk management processes, which include risk tolerance levels, impairments and post-model adjustments, and the resulting expected credit loss estimates show that no further actions are needed. Assessments of climate-related risks contain inherent uncertainty because of dependency on climate data, ongoing methodological developments and undetermined or unpredictable elements, such as policy and technology developments.

Climate-related risks in lending activities

Climate transition risk is identified as a material sustainability-related matter influencing the Group's credit risk. Climate transition risk may occur in the medium to long term because it is expected that customers who are unable to transition successfully will face financial constraints. Customers unable to refinance their debt may cause losses for the Group.

The Group has not identified any material climate-related physical risks. However, in accordance with ESRS 1, irrespective of the outcome of the materiality assessment, we disclose the process to identify and assess climate-related physical risks.

Climate-related risks are managed and mitigated through the Group's credit tolerance limits, and restrictions are integrated into our Credit Policy to allow for proper governance of our due diligence procedures used to identify, assess and manage the relevant risks in credit processes at both customer and portfolio levels. In addition, we have set climate targets with 2030 as a medium-term time horizon for the segments in the loan portfolio that face the highest transition risk.

We typically have close relationships with our customers and possess in-depth information about our customers' management practices and strategies, which provides a solid foundation for assessing the customers' transition efforts. By facilitating new and additional capital for customers to finance their operations, make new investments and pursue potential acquisitions, we can influence the customers' climate transitions.

We refine our resilience analysis on an ongoing basis. In relation to the Group's loan portfolio, this refinement in 2024 included further development of the Group's climate transition risk heatmap, customer transition risk assessments and climate-related scenario analyses over the short-, medium- and long-term time horizons (see 'Assessing climate-related risks in lending' in the Environment section).

Climate-related risks in investment activities

For investment activities, the Group has not identified any material climate-related risks. However, in accordance with ESRS 1, irrespective of the outcome of the materiality assessment, we disclose the process to identify and assess climate-related physical risks.

Investments made on behalf of our customers may be affected by climate risks, potentially leading to reduced investment values and lower returns.

We have set climate targets for investment portfolios in scope in Asset Management and Danica to become net zero by 2050. The Asset Management targets are weighted average carbon intensity (WACI) targets with mid-term horizon targets for 2030 and engagement targets for 2025. In Danica, the targets are tied to sectors and have 2025 as a mid-term horizon. Asset Management and Danica have also set temperature rating targets for products in scope covering scope 1, 2, and 3 GHG emissions. Further information on the target setting can be found in the Reporting Principles section.

In 2024, Asset Management introduced the capability to stress test investment portfolios. We use the methodology developed by the European Insurance and Occupational Pensions Authority (EIOPA) stress tests which may form part of the assessment on investment portfolios.

Danica participated in a Danish FSA-initiated climate stress test covering transitional risks and physical risks on its investment portfolio. Based on scenario values from year-end 2022, the stress test covered investments in real estate, equities and credit bonds, and it confirmed that climate-related transition and physical risks may affect the value of the Group's investments, although the data quality does not yet enable a quantification of the impact.

Assessing climate-related risks in lending

Transition risks

The Danske Bank Group has a risk-based approach for the management of climate transition risks. Our analysis uses the following inputs:

- Overview of energy-intensive industries.
- Findings from the International Energy Agency (IEA), which outlines net-zero pathways towards 2050 and covers several transition events related to policy and technology.
- Climate scenarios stress tests that apply the Network for Greening the Financial System (NGFS) disorderly scenario the "Divergent Net-Zero scenario", and which identify exposures that are particularly affected by a carbon tax.
- Qualitative judgment based on sector insights from research and customer dialogues to account for potential future technology and demand risks related to a given sector.

The result of the analysis is a heatmap that provides an overview of exposure towards high transition risk sectors, which are determined by means of emissions and exposure criteria, and which includes sectors also covered by the Group's climate targets. Our heatmap gives an indication of the sectors that are exposed to high climate transition risk. However, the analysis does not directly take into consideration the likelihood, magnitude or duration of specific transition events. We have an intensified focus on customers within the sectors with high exposure to transition risk because these sectors may be incompatible or require significant efforts to align with the 1.5°C goal of the Paris Agreement and a net-zero economy.

We have developed a transition risk assessment methodology, which we apply in the analysis of customers who have in excess of DKK 500 million exposure in sectors we have identified as high-emitting sectors. The result of this assessment is presented in four categories: 'lagging transition', 'start of transition', 'transitioning' and 'transitioned'. The methodology includes considerations of the customers' current emission performance as well as their short-, medium- and long-term climate targets and plans to meet their decarbonisation strategy towards 2050. In addition, the methodology includes an assessment of the customers' risk of not executing on their strategies due to external factors that affect the customers' ability to transition, for example dependency on technology and government support factors. For information about the Group's ESG Risk Assessment, which provides an overall sustainability risk level for customers, see 'Sustainability activities across the business' in the General information section of this Sustainability Statement.

To further inform our risk assessment, we have conducted climate-scenario analyses on transition risks that cover risks associated with society's shift to a low-carbon economy. We have analysed scenarios for carbon taxes as a key driver for this transition in different sectors. One example is a tail-risk analysis on the introduction of an unlikely and very harsh carbon tax of DKK 1,960/tCO_2e across all segments, which resembles the necessary transition if Denmark were to achieve a 70% CO_2e reduction by 2030 driven purely by the introduction of a carbon tax. We also focus on the commercial real estate sector due to the size of our commercial real estate portfolio and with reference to the EU's Energy Performance of Buildings Directive. Similarly, we focus on the Danish agriculture sector, for which the introduction of a carbon tax is planned by the Danish government by 2030. Analyses of the commercial property sector take into consideration profitable and non-profitable energy renovation costs at the individual building level when available, and they also stress customer probability of default via adjusting solvency ratios at the individual customer level as well as correcting market values at the individual building level. Furthermore, we assess transition risk for our commercial real estate customers in Denmark based on buildings' energy efficiency certificates, heating sources, construction year and data coverage.

The assessments of climate transition risks at both a portfolio and a customer level enable us to monitor aggregate risk levels on an ongoing basis and identify necessary mitigating actions, for example through policy requirements or integration into the Group's credit risk tolerance to manage the transition risks.

Within lending, we therefore have an intensified focus on customers that are most exposed to climate transition risks as well as on customers that are lagging in the transition process.

Analysis of physical risks in lending

Using the latest Intergovernmental Panel on Climate Change (IPCC) report on Europe as our basis, we have identified flooding risk as the key physical hazard applicable to the Group's loan portfolio. Other physical hazards are qualitatively assessed to be of low relevance, and the data quality of these hazards limits the possibility for a precise analysis at this time.

Consequently, our analyses of climate-related physical risks focus on the loan portfolio collateralised by residential and commercial real estate, and these analyses include assessments of exposures subject to acute and/or chronic flooding risk in Denmark, Finland, Norway, Sweden and Northern Ireland.

Our analysis indicated that coastal and river flooding risks had no material impact at the portfolio level in 2024. Consequently, we did not consider there to be a need for any additional mitigation measures regarding this matter.

The assessments related to flooding risks are conducted on the basis of current as well as projected climate scenarios over long time horizons, where available, and they are dependent on the quality and coverage of national hazard maps, see the box to the right. Additionally, we perform bottom-up climate stress testing to evaluate expected credit losses. This stress testing is based on, for example, the NGFS Current Policies scenario and baseline economic macro scenarios combined with severe additional house-price declines on properties exposed to flooding risk. In general, the scenarios used to assess climate-related physical risks are twofold and cover the following:

- <u>Direct effects stemming from extreme weather events inside the Nordic countries:</u> On the basis of IPCC reports, we have identified coastal and river flooding as the primary hazard to consider in the Nordic countries over the short, medium and long term. The coastal and river flood risk is quantitatively analysed via bottom-up analyses using property-level geospatial data from national hazard maps drawn up by local authorities merged with collateral property-level internal data containing, for example, specific geographic locations of each property within the loan portfolio. Analyses that use the current climate situation address short-term time horizons, whereas the use of future-projected climate scenarios addresses long-term time horizons, including projections of flooding scenarios up to the year 2120. Where data is available, we take into consideration generally harsh, conservative flooding scenarios, for instance high return periods, and references the high-emissions scenarios for tail-risk analyses on residential and commercial real estate.

Country-specific details on the analyses of climate-related physical risks in lending

The analyses cover the Group's lending exposure towards loans collateralised by commercial and residential property characterised as immovable property across the Nordic countries and Northern Ireland.

Denmark: Maps prepared by the Danish Coastal Authority are used for 14 high-risk areas. Part of the analysis is based on the IPCC's high-emissions RCP8.5 scenario, focusing on coastal and river floods with a return period of 1 in 100 years projected for the year 2115.

Norway: River flood maps prepared by the Norwegian Water Resources and Energy Directorate as well as coastal hazard maps prepared by the Norwegian Mapping Authority. Part of the analysis is based on the IPCC's high-emissions RCP8.5 global scenario, focusing on 1-in-200-year river floods projected for the year 2100 in areas where climate projections predict a 20% increase in water discharge over the next 20-100 years as well as 1-in-20-year coastal floods predicted for the year 2090.

Finland: Maps provided by the Centres for Economic Development, Transport and the Environment are used to study around 100 river basin and coastal areas and to estimate hazard levels, i.e. the probability of flooding, across the country. Flooding maps for return periods of 1 in 1,000 years and 1 in 100 years are selected to represent acute and chronic physical risk events, respectively. Only basic scenarios based on the current climate are available.

Sweden: Analysis is based on river and coastal flood risk mapping for significant risk areas as well as coastal floods assessed by the Swedish Civil Contingencies Agency and the Swedish Meteorological and Hydrological Institute. Part of the analysis is based on the IPCC's high-emissions SSP5-8 global warming scenario for the year 2120.

Northern Ireland: A third-party provider, RHDHV, provides access to flood risk data at a property level. These assessments consider river or tidal flooding across several return periods, projected up to the year 2050 under the IPCC's RCP6.0 scenario with intermediate levels of GHG emissions.

- Indirect effects from climate changes outside the Nordic countries: We assess indirect effects of global climate changes via references to harsh scenarios such as the NGFS Current Policies scenario.

Assessing climate-related transition and physical risks in investment activities
Investment activities are covered by the Group's Responsible Investment Policy, adopted by the Board of Directors. The Responsible Investment Policy defines the Group's approach to sustainability-factors from a financial and from an impact perspective. The financial perspective covers the Group's approach to sustainability risk integration in an investment context, where the Responsible Investment Policy is further operationalised through an underlying Sustainability Risk Integration Instruction. The instruction defines a non-exhaustive list of sustainability factors that could potentially become financially material, including factors relating to climate-related transition and physical risks. Climate transition risks for investments could affect the value of investments and the Group's ability to generate attractive returns for its customers. This could materialise through investing in companies in the fossil fuel sector that are not able to transition and therefore are ultimately at risk of becoming a stranded asset. As an example of a physical risk, events such as flooding, hurricanes, storms and sea level rise may disrupt the operations of investee companies or could lead to value reductions on commercial and residential properties potentially resulting in a decrease in the share value or credit worthiness of the respective companies.

Compatibility of climate scenarios
The climate scenarios we use support the estimates and judgements used in relation to the impact of physical and transition risks on our credit portfolios. Furthermore, these scenarios are compatible with the assessments of climate impact on a potential increase in credit risk and any potential impairment of credit facilities that may arise.

The Group references NGFS scenarios and policy development to identify and determine sectors for stress testing the financial effects on the relevant portfolios. The outcome of the sector-focused risk analysis helps us identify which portfolios are key levers for the decarbonisation of lending activities.

IRO management financed emissions
Assessing impacts on climate change mitigation
To achieve the goals of the Paris Agreement, society's GHG emissions need to be reduced by approximately 40-50% from pre-industrial levels towards 2030.

We contribute to GHG emissions across our upstream and downstream value chains and from our own operations, as well as through daily operations, procurement of services and through our various financial product and service offerings. Based on our current assessments, the main negative impact occurs in the Group's downstream value chain. The GHG emissions that stem from the counterparties that we lend money to or invest in are referred to as financed emissions, and in 2024 these financed emissions were the predominant source of the Group's total measured GHG emissions.

We account annually for the Group's GHG emissions across our value chain and from our own operations covering scope 1, 2 and 3, in line with the GHG Protocol. Furthermore, we continually work to expand our value chain coverage and improve its measurements by means of improved data availability, improved data quality and financial sector methodologies.

The identification of our material climate impacts related to our lending and investment portfolios has further been informed by an impact assessment conducted using the Principle of Responsible Banking (PRB) methodology developed by UNEP FI.

Policies related to climate change (E1-2)
The principles for managing our material IROs, including the Group's financed emissions and climate-related transition risks in the downstream value chain, are defined in the Group's Sustainability Policy, which complements the Group's Credit Policy and Responsible Investment Policy (see 'Sustainability Policy' in the General information section). As a result of this, we have no separate climate policy as these policies and related governing documents outline how sustainability-related IROs, including climate change, are integrated into how we conduct business. These policies and governing documents cover how we support our customers in their transition and sets restrictions for financing products and investments in areas where activities are not considered sustainable.

Actions and performance (E1-3)
Financed emissions
Scope 3 emissions occur in our value chain, including both upstream and downstream emissions, and are therefore known as indirect emissions. For a financial institution, the largest source of scope 3 emissions is financed emissions, which are generated as a result of financial services, investments and lending. These emissions fall under scope 3 category 15 in the GHG Protocol.

Our indirect scope 3 GHG emissions in category 15 of the GHG Protocol cover our lending, investment portfolios in asset management, and life insurance and pension.

GHG Intensity per net revenue

GHG intensity per net revenue	2024
Total GHG emissions per net revenue (tCO_2e/mDKK)	0.0005

GHG Intensity per net revenue (mDKK)

(DKK millions)	2024
Net revenue used to calculate GHG intensity	105,239
Net revenue (other)	-
Total net revenue (in financial statements)	105,239

Our financed emissions for the lending and investment portfolios are disclosed for counterparties' scope 1, 2 and 3 emissions. The scope 1 and 2 emissions include all the Partnership for Carbon Accounting Financials (PCAF) quality score estimates. Counterparties' scope 3 emissions include emissions from these companies' value chains. Scope 3 data quality from our counterparties is continually being improved. Scope 3 is generally not used in our target setting because our customers' disclosures continue to have issues relating to their scope, usefulness and accuracy. As a result, for the first year of reporting, we only include counterparties' scope 3 emissions with a PCAF data quality score of 1 and 2 in cases where the reported figures have been part of our target setting and are considered reliable. The same applies to all scope 3 emissions for our oil and gas customers. We have employed a similar approach to disclosing our baselines for scope 3 emissions in 2020, including only PCAF data quality scores 1 and 2 of companies that disclose their value chain emissions increases. The level of disclosure at PCAF data quality scores 1 and 2 is likely to increase, and we therefore expect scope 3 emissions to increase as reporting improves over the coming years.

Financed emissions for lending are based on exposure data from end of September 2024. Counterparty scope 1 and 2 of gross indirect (scope 3) GHG emissions decreased from 7.4 million tCO_2e in 2020 to 5.1 million tCO_2e, marking a reduction of approximately 32%. Despite this progress, scope 3 emissions with a PCAF data quality score of 1 or 2 for lending increased from 10.4 million tCO_2e in 2020 to 14 million tCO_2e in 2024. Fluctuations in total financed emissions are expected to continue for the foreseeable future as companies' own estimation approaches mature and best-practice standards develop further.

Within asset management, scope 1 and 2 emissions from investment activities have decreased from 3.7 million tCO_2e in 2020 to 2.4 million tCO_2e in 2024, representing a reduction of around 37%. Scope 3 emissions for these investment activities with a PCAF data quality score of 1 or 2 amounted to 23.1 million tCO_2e.
For investment activities within our life insurance and pension activities, scope 1 and 2 emissions have decreased from 1.12 million tCO_2e in 2020 to 0.80 million tCO_2e in 2024, reflecting the Group's commitment to emissions reduction. Scope 3 emissions for these activities amounted to 5.97 million tCO_2e in 2024.

Total financed emissions for lending, asset management and life insurance and pension

Financed emissions scope 3 category 15 (ktCO2e)	Baseline year 2020 ($ktCO_2e$)	2024 ($ktCO_2e$)	GHG emissions change 2024/2020 ($ktCO_2e$)	GHG emissions change 2024/2020 (%)	Percentage of GHG scope 3 calculated using primary data***
Scope 1 and 2 of gross indirect (scope 3) GHG emissions	7,420	5,074	- 2,346	-32%	29%
Scope 3 of gross indirect (scope 3) GHG emissions*	10,558	14,123	3,566	34%	100%
Lending	**17,977**	**19,197**	**1,220**	**7%**	
Scope 1 and 2 of gross indirect (scope 3) GHG emissions	3,720	2,348	- 1,372	-37%	89%
Scope 3 of gross indirect (scope 3) GHG emissions*	0**	23,113	23,113		100%
Asset management	**3,720**	**25,461**	**21,741**	-	
Scope 1 and 2 of gross indirect (scope 3) GHG emissions	1,122	803	- 319	-28%	91%
Scope 3 of gross indirect (scope 3) GHG emissions*	0**	5,972	5,972		100%
Life insurance and pension	**1,122**	**6,775**	**5,653**	-	
Total	**22,819**	**51,433**	**28,614**	-	

*GHG emissions are calculated using data with a PCAF data quality score of 1 or 2
**Scope 3 from Asset Management and Life insurance and pension was 0 in 2020 as all data had PCAF data quality score of 3-5
***Primary is defined as data with a PCAF data quality score of 1 and 2, hence reported data

Lending activities

The table below provides an overview of the Group's on-balance gross credit exposure and distribution of emission-covered lending exposure by sector at end of September 2024.
Approximately 89% of our total on-balance corporate credit exposure is covered by a financed emission calculation. The difference of 11% is related to product types which has been excluded, as well as excluded customer types like financial and public institutions, private housing and non-profit associations from the financed emissions calculation. (see 'Reporting principles, Lending, Portfolio scope' in the E1 Environment section). Calculated emissions include scope 1, 2 and 3 of the counterparties that fulfils the data quality requirements, i.e. all of scope 1, 2, and data quality score 1 and 2 of scope 3.

As previously highlighted, we have achieved a notable reduction in financed emissions, with counterparty scope 1 and 2 emissions decreasing from 7.4 million tCO_2e in 2020 to approximately 5.1 million tCO_2e, representing a reduction of around 32%. The decrease was largely driven by financed emissions reductions in the shipping sector primarily caused by decreased shipping exposure and increased market value of large vessels since 2020, which affected the attribution factors in the financed emission calculation. However, financed emissions reductions achieved in the majority of our other sectors also contributed to the overall decrease in scope 1 and 2 emissions. Despite this achievement, there has been an observed increase in customer scope 3 emissions with a PCAF data quality score of 1 or 2.

Distribution of emission covered lending exposure by sector

	30 September 2024					Baseline - 31 December 2020		
Sector	On-balance gross credit exposure (DKK billions)	Emission covered lending exposure (DKK billions)	Customer scope 1 and 2 ($ktCO_2e$)	Scope 1 and 2 PCAF data quality score	Customer scope 3 ($ktCO_2e$) - PCAF data quality score 1 and 2	Customer scope 1 and 2 ($ktCO_2e$)	Scope 1 and 2 PCAF data quality score	Customer scope 3 ($ktCO_2e$) - PCAF data quality score 1 and 2
Public institutions	*222*	-						
Financials	*89*	-						
Agriculture	55	51	1,248	4.1	14	1,597	4.0	3
Automotive	16	11	94	3.3	-	54	3.9	107
Capital goods	46	42	91	3.3	1,220	120	3.6	7,061
Commercial property	274	247	141	3.9	-	199	4.3	-
Construction and building materials	32	22	210	3.6	3,114	451	4.0	88
Consumer goods	45	39	244	3.4	5,264	341	3.7	77
Hotels, restaurants and leisure	12	12	11	4.3	-	13	4.3	-
Metals and mining	8	6	118	3.5	251	105	3.6	28
Other commercials	-	-	-	-	-			
Pharma and medical devices	28	27	103	3.6	8	104	3.4	6
Private housing co-ops and non-profit associations	*175*	-	-	-	-			
Pulp, paper and chemicals	24	21	261	2.9	7	306	3.5	50
Retailing	25	22	165	3.7	457	177	4.1	68
Services	50	45	85	3.8	113	62	4.3	3
Shipping, oil and gas	25	25	1,236	2.2	1,718	2,473	2.0	2,655
Social services	24	23	33	4.2	-	34	4.1	-
Telecom and media	13	11	17	3.3	10	6	3.6	-
Transportation	13	3	13	4.3	-	27	3.9	-
Utilities and infrastructure	42	40	444	3.7	1,948	587	3.3	411
Personal customers*	691	648	560	3.7	-	765	3.9	-
Total	**1,907**	**1,297**	**5,074**	**3.7**	**14,123**	**7,420**	**3.9**	**10,558**

*Excluding Personal Customers Norway. The difference in on-balance sheet exposure at 30 September 2024 and at 31 December 2024 is not material after the exclusion of Personal Customers Norway

For our loan portfolio, we have followed the UN convened Net-Zero Banking Alliance's target-setting guidance, which implies that targets must be set for a substantial majority of carbon-intensive sectors in portfolios. We have accordingly set emission reduction targets for carbon-intensive sectors in our loan portfolio, which are listed below.

The table outlines the Group's progress in 2024 alongside our intermediate 2030 targets since the baseline year of 2020. The table highlights progress across various sectors and addresses challenges stemming from external factors, such as outdated emission factor data and reliance on sector-wide technological advancements.

Exposure data as of 30 September 2024 is used as a proxy for 31 December 2024 for lending financed emissions as well as all lending climate targets – except for the shipping target, which uses December 2023 figures as the most updated figures. It is not feasible to use more updated exposures for the Danske Bank Group in relation to the shipping target. The difference in target-covered exposure between 30 September 2024 and 31 December 2024 is not material.

Shipping: Progress remains slower than anticipated. Although Poseidon Principles alignment in shipping has improved, the shipping sector continues to exceed the desired decarbonisation trajectory.

Oil and gas: The reduction in absolute financed emissions has exceeded the 2030 target, achieving a 73% decrease from the 2020 baseline. Both scope 1 and 2 emission intensities and scope 3 emissions from downstream refining are decreasing at a faster rate than anticipated.

Power generation: Emission intensity has been reduced by 48% to 56.5 kgCO_2e/MWh, closely aligning with our 2030 target.

Steel: Emission intensity has decreased to 0.64 tCO_2e/t, representing a 45% reduction from 2020 and thereby surpassing the 2030 target.

Cement: Emissions have remained steady and slightly above target.

In 2024, we chose to set a climate target for the Group's agriculture lending portfolio. Our target ambition reflects the Danish national sector ambition recalculated to a 2020 baseline using the most recent data from Denmark's Climate Status and Outlook 2024 report, and it draws on the SBTi's Forest, Land and Agriculture Target-Setting Guidance. Our ambition is to reduce emissions intensity by 2030 by more than 30% for our Group portfolio in relation to 2020 levels.

Commercial real estate and personal mortgages: Progress is slower than expected, primarily due to dependence on the transition of the utilities sector.

Financed emission baselines, targets and 2024 status within lending

Sector	Target description	Metric	Emission scope	Baseline year	Baseline value	2024 status	Target	Target year	Target-setting methodology and benchmark**
Shipping	Achieve 0% difference in Poseidon Principles alignment score	Alignment delta	Scope 1 and upstream scope 3	2020	25.8%	2023: 25.7%	0%	2030	SDA /Poseidon Principles/IMO 'striving for' curve
Oil and gas - exploration and production	Reduce absolute emissions by 50%	Financed emissions million tCO_2e	Scope 1, 2 and 3	2020	5.0	1.3	2.5	2030	SBTi absolute contraction approach
Oil and gas - downstream refining	Reduce absolute emissions by 25%	Financed emissions thousand tCO_2e	Scope 1, 2	2020	115.8	101.2	86.8	2030	SBTi absolute contraction approach
Oil and gas - downstream refining	Reduce emission intensity by 25%	gCO_2e/MJ	Scope 3	2020	70.9	58	53.2	2030	SBTi absolute contraction approach
Power generation	Reduce emission intensity by 50%	kgCO_2e/MWh	Scope 1	2020	108.4	56.5	54.2	2030	SDA/SBTi (world) 1.5°C scenario
Steel	Reduce emission intensity by 30%	tCO_2e/t	Scope 1, 2	2020	1.17	0.64	0.82	2030	SDA/TPI (world) 1.5°C scenario
Cement	Reduce emission intensity by 25%	tCO_2e/t	Scope 1, 2	2020	0.64	0.60	0.48	2030	SDA/SBTi (world) 1.5°C scenario
Agriculture*	Reduce emission intensity by >30%	tCO_2e/mDKK	Scope 1	2020	25.8	23.9	18.1	2030	Danish national sector target/ SBTi FLAG tool
Commercial real estate - Nordic portfolio	Reduce emission intensity by 55%	kgCO_2e/m_2	Scope 1, 2	2020	13.5	12.5	6.1	2030	SDA/SBTi (company) 1.5°C scenario scope 1
Personal mortgages - Nordic portfolio	Reduce emission intensity by 55%	kgCO_2e/m_2	Scope 1, 2	2020	19.1	16.6	8.6	2030	SDA/SBTi (company) 1.5°C scenario scope 1

*Agriculture is a new target added in 2024.
**SDA: Sector Decarbonisation Approach
TPI: Transition Pathway Initiative

Investment activities, Asset Management

Our investment portfolio reduction targets for activities in Asset Management include weighted average carbon intensity (WACI) targets covering scope 1 and 2 from investee companies as well as temperature rating targets covering both scope 1, 2 and scope 1, 2, 3 GHG emissions. These are used to estimate portfolio temperature trajectories based on investee companies' climate targets. Asset Management also has an engagement target of engaging with the 100 largest emitters by year-end 2025.

The weighted average carbon intensity for our asset management activities amounted to 8.3 tCO_2e/mDKK revenue, corresponding to a 42% reduction from our 2020 baseline of 14.3 tCO_2e/mDKK. The decline can be attributed to multiple factors, including portfolio allocation changes, exclusion of certain high-carbon-intensity companies and changes in the underlying company carbon data. For our asset management activities, our implied temperature rating covering scope 1 and 2 decreased to 2.36°C from our 2020 baseline of 2.75°C, and our implied temperature rating covering scope 1, 2 and 3 decreased to 2.70°C from 2.94°C in the 2020 baseline year. For both temperature rating approach targets, we are observing progress at a faster-than-linear trajectory towards our intermediate 2030 targets. The improvement is driven by an increase in coverageand by changes in companies' climate target ambitions.

In 2024, Asset Management initiated engagement with 27 of our 100 largest emitters. Meetings were held with 76 companies since the target was set in 2021, and we are therefore on track to meet our asset management engagement target.

Financed emission baselines, targets and 2024 status within Asset Management's investment portfolio

Target coverage	Target description	Metric	Emission scope	Baseline year	Baseline value	2024 status	Target	Target year	Target-setting methodology and benchmark
Investment funds and managed accounts	Align portfolio temperature score towards 1.5°C by 2040 equivalent to 2.1°C by 2030	°C	Scope 1, 2	2020	2.75	2.36	2.10	2030	1.5°C-aligned SBTi Temperature Rating Approach
Investment funds and managed accounts	Align portfolio temperature score towards 1.5°C by 2040 equivalent to 2.2°C by 2030	°C	Scope 1, 2, 3	2020	2.94	2.70	2.20	2030	1.5°C-aligned SBTi Temperature Rating Approach
Investment funds and managed accounts	50% reduction of the weighted average carbon intensity	tCO_2e/mDKK revenue	Scope 1, 2	2020	14.3	8.3	7.2	2030	Net Zero Investment Framework and the Net-Zero Asset Owner Alliance's Target-Setting Protocol/IPCC
Investment portfolios	Engagement with the 100 largest emitters	Engage with all 100 companies	Scope 1, 2, 3	2021	0	76	100	2025	Net Zero Investment Framework and the Net-Zero Asset Owner Alliance's Target-Setting Protocol/IPCC

The reported numbers on our net-zero aligned emission reduction targets, which include temperature targets and weighted average carbon intensity within Large Corporates & Institutions, Asset Management cover the following products: (1) investment funds, (2) managed accounts. The following asset classes are included in the estimation: (1) equities, (2), corporate bonds, (3) mortgage bonds. Due to a lack of reliable data, the following asset classes are not included: (1) sovereign debt, (2) unlisted companies, (3) other alternatives.

Investment activities, Life insurance and pension
Reduction targets for Danica include temperature rating targets that cover scope 1, 2 and scope 1, 2, 3 emissions from investee companies. We have also set sector-specific targets for the most carbon-intensive sectors in Danica's portfolios (i.e. the energy, utilities, transportation, cement and steel sectors), and targets have also been set for Danica's real estate portfolio. All are listed in the table below. Furthermore, Danica has a Net-Zero Asset Owner Alliance (NZAOA) target of engaging with at least 30 companies by 2025.

The table below presents the progress made in 2024. Data is presented alongside our intermediary 2030 and 2025 targets and uses 2020 or 2019 as the baseline year.

The real estate, steel, cement and utilities sectors are on track to meet their 2025 targets, whereas the energy and transportation sectors are advancing more slowly due to the impact of the energy crisis and supply chain challenges. Temperature rating targets are progressing towards 1.5°C alignment by 2040.

Climate targets and progress (E1-4)
To reach net zero by 2050 or sooner and to track the effectiveness of the Group's policies and actions, we have set intermediate 2030 GHG emission reduction targets.

Our Group target setting builds on the latest available scientific research on recognised trajectories supporting the goals of the Paris Agreement. For details of 2024 target updates and the methodologies and benchmarking applied for the Group's targets, see the 'Target-setting methodologies' table in the Reporting principles section of the Environment section. No external stakeholders have been involved in the target setting.

By observing the varied progress made across sectors and in our lending and investment activities towards our GHG emission reduction targets, we find that, overall, our portfolios are developing in line with the targets. However, due to the need for continued improvements in data and standards, we are unable to provide a complete picture of future expected GHG emission reductions.

Financed emission baselines, targets and 2024 status within Life Insurance and pension's investment portfolio*

Sector	Target description	Metric	Emission scope	Baseline year	Baseline value	2024 status	Target	Target year**	Target-setting methodology and benchmark
All sectors	Align portfolio temperature score towards 1.5°C by 2040 equivalent to 2.0°C by 2030	°C	Scope 1, 2	2020	2.50	2.43	2.0	2030	1.5°C-aligned SBTi Temperature Rating Approach
All sectors	Align portfolio temperature score towards 1.5°C by 2040 equivalent to 2.2°C by 2030	°C	Scope 1, 2, 3	2020	2.80	2.72	2.2	2030	1.5°C-aligned SBTi Temperature Rating Approach
Energy	Reduce emission intensity by 15%	gCO_2e/MJ	Scope 1, 2, 3	2019	72.6	69.67	61.7	2025	SDA/TPI/OECM
Utilities	Reduce emission intensity by 35%	tCO_2e/MWh	Scope 1	2019	0.37	0.18	0.24	2025	SDA/TPI/OECM
Steel	Reduce emission intensity by 20%	tCO_2e/t crude steel	Scope 1, 2	2019	2.03	1.22	1.62	2025	SDA/TPI/OECM
Cement	Reduce emission intensity by 20%	tCO_2e/t cement	Scope 1	2019	0.78	0.54	0.62	2025	SDA/TPI/OECM
Real estate portfolio (Danish)	Reduce emission intensity by 69%	$kgCO_2e/m_2$	Scope 1, 2, 3	2019	11	7.15	3.4	2030	Internal benchmark
Transportation									
Shipping	Reduce emission intensity by 20%	gCO_2e/tKM	Scope 1	2019	7.0	6.09	5.6	2025	SDA/TPI/OECM
Aviation	Reduce emission intensity by 15%	gCO_2e/RTK	Scope 1	2019	885.6	749.54	752.8	2025	SDA/TPI/OECM
Automotive	Reduce emission intensity by 30%	gCO_2e/km	Scope 3	2019	144.6	124.77	101.2	2025	SDA/TPI/OECM

*The reported numbers on financed emissions, CO_2 sector targets, and temperature ratings within Danica cover the following investment products: (1) Danica Balance, (2) Danica Traditionel, (3) Danica Link, (3) Tidspension. The following asset classes are included in the estimation: (1) equities, (2) corporate bonds, (3) mortgage bonds.
**Our sector targets for Danica were set in 2021, in advance of the launch of our Climate Action Plan in January 2023. The baseline and target years consequently differ from our other targets. In the upcoming target review cycle, we will align target years to the largest extent possible.

Key decarbonisation levers

Our ability to achieve our Group climate targets is influenced by two main factors: changes in customers' emission profiles and changes in the Group's exposures. We therefore focus on supporting customers in transitioning towards a sustainable future and on portfolio management by allocating capital towards projects and companies that are financially viable and that create sustainable growth. The decarbonisation levers cannot be measured as a direct GHG reduction, rather they are engagement targets that enable such reduction. Because of this, certain required datapoints cannot be reported.

Lending activities - customer engagements

Danske Bank's position statements set out climate-related expectations and recommendations for the companies we lend to and invest in. In our Position Statement on Climate Change, such expectations and recommendations include reducing and mitigating climate change impacts and switching from using fossil fuels to using renewable energy sources whenever relevant. Furthermore, in our sectoral Position Statement on Fossil Fuels, which was updated in February 2024, we for example state that we will not offer long-term financing to any oil and gas exploration and production company that does not set a credible transition plan in line with the Paris Agreement. This includes setting a long-term 2050 net-zero goal, short- and medium-term reduction targets on scope 1 and 2 emissions, and a material scope 3 emission reduction target. Our Position Statement on Fossil Fuels also includes a commitment to not expand the supply of oil and gas beyond that which had been approved for development as of 31 December 2021. These sector-specific lending restrictions form part of our Group Credit Policy.

Although some of our financing can be earmarked as financing of green or sustainable activities, a significant part of large corporate customers' financing also supports the overall activities and transition of these customers. This type of financing does not qualify for green taxonomies but is considered instrumental for a successful transition. For customers operating in carbon-intensive sectors, we can restrict access to capital intended to be channelled towards activities that hinder the transition to a low-carbon economy.

Investment activities - investee company engagements

We operate central processes for active ownership, inclusion and exclusions, and these processes are defined through several instructions underlying our Responsible Investment Policy.

The Group's Exclusion Instruction covers and defines several climate exclusions covering thermal coal, peat-fired power generation, tar sands and fossil fuels. Aside from fossil fuel exclusions, these exclusions apply largely across the majority of the investment products under management that we offer to retail investors. Fossil fuel exclusions are currently reserved for a selected range of products.

In 2024, we participated in more than 1,500 engagement interactions with 836 companies from 55 countries, focusing on among other topics environmental issues, especially GHG emissions. Our active ownership team, along with investment portfolio managers, led these engagements, which included direct dialogues and collaborative initiatives such as Climate Action 100+. Through this process, we communicated with major energy companies about enhancing the companies' own climate strategies, and we also participated in engagement groups. Additionally, we voted on 43,296 proposals at 3,692 general meetings in 61 countries, with Danske Bank supporting climate-related shareholder proposals at many of these.

In 2024, we communicated and initiated the implementation of a new Group-wide fossil fuel transition strategy relating to assets under management (AuM). Once this strategy has been fully implemented, it will imply a strengthened approach to investing in companies that are on a credible transition pathway in relation to AuM for products in scope.

Products and services supporting the transition

Offering relevant products and services that support the customers' transition journeys is a key consideration for the Danske Bank Group. Specifically, personal customers are offered energy-improvement loans, loans for electric cars and green home loans. Furthermore, we offer responsible investment solutions that have a specific sustainability focus, and pension savings can be invested through our Danica Balance Responsible Choice pension solution, in which the underlying investments have a targeted focus on promoting sustainable progress.

Business customers and large corporate customers are offered green loans in accordance with our green finance framework. Such loans are intended to finance investments that support climate change mitigation, for example clean transportation, renewable energy, green buildings and emission-efficient products. The Group also offers sustainability-linked financing, in which the interest rate of the financing is linked to the customer's sustainability performance, thereby incentivising execution of the customer's transition plans. Furthermore, the Group supports its large corporate customers with capital issuances through green bonds, social bonds, sustainability bonds and sustainability-linked bonds. Sustainability-linked bonds are used to finance the sustainability strategy of the issuer, and the other bond types are use-of-proceed bonds that exclusively finance projects that have a positive environmental and/or social impact and that source funding for the customer's transition investments.

We work continually to enhance our advisory competencies and concepts that support the sustainability transition. Concurrent with this work, we are enhancing the sustainability competences of all Group employees, with a focus on strengthening specific competencies and services, such as those around project finance – an area that plays an important role in providing additional financing for renewable energy companies. Furthermore, we are strengthening our service offerings through external partnerships that focus on energy-efficiency home renovations for personal customers and on engineering combined with climate tech for commercial real estate customers.

Sectors in the loan portfolio	Examples of engagements with customers in 2024
Shipping	During 2024, we engaged in active dialogue with our customers about climate impact and transition plans.
Oil and gas	Danske Bank's Position Statement on Fossil Fuels was updated in 2024 and is reflected in our Credit Policy, which governs the Danske Bank Group's involvement in the oil and gas sector, particularly in relation to exploration and production activities. A small number of customers did not comply with our 'no expansion commitment, and we therefore discontinued relationships with these customers in 2024, which consequently led to a reduction in the Group's total financed emissions.
Power generation	We continued to strengthen our renewable energy and project finance setup in 2024. Ongoing activity was observed in renewable energy and hard-to-abate sectors. We improved the financing to these sectors and closely follow the transition of our largest corporate customers to ensure they are always supported.
Steel and cement	Through our strengthened renewable energy and project finance setup, we improved our provision of financing towards hard-to-abate sectors, for example we participated in the financing of the world's first large-scale green steel plant.
Agriculture	In late 2023, we implemented a transition risk assessment to steer engagements with customers and to equip advisers to be able to engage in meaningful transition dialogues. Since the end of 2023, we have engaged with 348 customers from our Danish agriculture portfolio on the topic of climate and biodiversity. Monthly feedback sessions were facilitated throughout 2024 to ensure knowledge sharing and the gathering of insights and information.
Commercial real estate	To support our commercial real estate customers in reducing their own CO2 emissions, we in 2024 entered into two partnerships with external service providers to facilitate automated energy data collection, real-time monitoring and tailored action plans for energy improvements. Both partnerships were launched across Danske Bank's four Nordic markets in September 2024.
Personal mortgages	In 2024, we expanded our loan offering for energy improvements to also cover measures for climate adaptation such as the establishment of perimeter drains or anti-flood valves.

Target-setting methodologies

The Group's target setting builds on the latest available scientific research on recognised trajectories that support the goals of the Paris Agreement as well as on sector specific target-setting frameworks and methodologies. The table below shows the target-setting methodology and benchmark scenario used for the target setting of the respective target and provides details of whether this is compatible with limiting global warming to a 1.5°C or 2.0°C scenario. None of the targets have been assured externally.

Achieving our targets depends on external factors, particularly the decarbonisation of the real economy, which requires effective transitions by our customers and markets, along with political action and regulation. The trajectories towards our sector-specific targets may not be linear because technological developments and other circumstances affect sectors year-on-year. Climate-related targets require forward-looking parameters and long-term horizons. Our forward-looking statements reflect our current view of future events and are based on expectations, projections and estimations. These involve significant uncertainty and risk due to, but not limited to, evolving science, developing methodologies and scenarios, variation in standards, future market conditions, technological developments, (which vary significantly from industry to industry), challenges related to data availability, accuracy, verifiability, changes in regulation and realisation of government plans and strategic objectives.

Target (sector)	Target-setting methodology	Benchmark scenario	Data and methodology	Alignment with Paris Agreement 1.5°/2.0°C
Shipping	Sectoral decarbonisation approach	Poseidon Principles' 'Striving for' trajectory based on the International Maritime Organisation's (IMO) 'Striving for' ambition to reach 30% and 80% emission reductions by 2030 and 2040, respectively	The target focuses solely on vessels under the scope of the Poseidon Principles. Poseidon Principles' alignment delta refers to the distance of a vessel's emission intensity (AER, expressed as emissions per tonne transported per nautical mile) from the decarbonisation trajectory. The distance is expressed as a percentage. Latest available alignment delta is based on 2023 data.	2.0°C
Oil and gas – exploration and production	Science Based Targets initiative (SBTi) Absolute contraction approach	SBTi Absolute Contraction Approach of 4.2% annual linear reduction	The target covers on- and off-balance credit exposure of exploration and production customers and is primarily based on reported scope 1, 2 and 3 emissions of these customers. However, estimated customers' scope 3 emissions have been included in this calculation to ensure full coverage of the portfolio in scope. The latest financed emissions calculation is based on 2024 financial data and 2023 emission data.	1.5°C
Oil and gas – downstream refining	Science Based Targets initiative (SBTi) Absolute contraction approach	SBTi Absolute Contraction Approach of 4.2% annual linear reduction	The target covers on- and off-balance credit exposure of downstream refining customers and is mainly based on reported scope 1 and 2 emissions of these customers. The intensity-based downstream refining target for scope 3 emissions covers on- and off-balance credit exposure of downstream refining customers and is based on reported scope 3 emission intensities of these customers. The portfolio intensity is exposure weighted. The latest financed emissions calculation is based on 2024 financial data and 2023 emission data. The latest scope 3 portfolio intensity average is based on 2024 financial data and 2023 emission data.	1.5°C
Power generation	Sectoral decarbonisation approach	SBTi (World) 1.5°C scenario	The target covers on- and off-balance credit exposure of power generation customers and is based on both reported and estimated scope 1 intensities of these customers. The portfolio intensity is exposure weighted. The latest portfolio intensity average is based on 2024 financial data and 2023 emission data.	1.5°C
Steel	Sectoral decarbonisation approach	Transition Pathway Initiative (TPI) (world) 1.5°C scenario	The target covers on- and off-balance credit exposure of steel production customers and is based on reported scope 1 and 2 emission intensities of these customers. The portfolio intensity is exposure weighted. The latest portfolio intensity average is based on 2024 financial data and 2023 emission data.	1.5°C
Cement	Sectoral decarbonisation approach	SBTi (world) 1.5°C scenario	The target covers on- and off-balance credit exposure of cement pro duction customers and is based on reported scope 1 and 2 emission intensities of these customers. The portfolio intensity is exposure weighted. The latest portfolio intensity average is based on 2024 financial data and 2023 emission data.	1.5°C

Target (sector)	Target-setting methodology	Benchmark scenario	Data and methodology	Alignment with Paris Agreement 1.5/2.0 C
Commercial real estate – Nordic portfolio	Sectoral decarbonisation approach	SBTi (Company) 1.5°C scenario (scope 1)*	The target is based on the SBTi Corporate Near-Term Tool version 2.3 – Residential and Services buildings. Nordic commercial real estate intensity is calculated as an exposure-weighted average over the corresponding intensities for Denmark, Sweden, Norway and Finland. The exposure covers both on- and off-balance exposure to property-secured loans and lines of credit. The latest intensity figures are based on the 2024 portfolio and property data while using the same older heating-source-specific emission factors for all years.	1.5°C*
Personal mortgages – Nordic portfolio	Sectoral decarbonisation approach	SBTi (Company) 1.5°C scenario (scope 1)*	The target is based on the SBTi Corporate Near-Term Tool version 2.3 – Residential buildings. Nordic personal mortgage portfolio intensity is calculated as an exposure- weighted average over the corresponding intensities for Denmark, Sweden and Finland. The exposure covers both on- and off-balance exposure to property-secured loans and lines of credit. The latest intensity figures are based on the 2024 portfolio and property data while using the same older heating-source-specific emission factors for all years.	1.5°C*
Agriculture – Nordic portfolio	Danish national sector target SBTi Forest, Land and Agriculture (FLAG) tool	Danish national sector target and SBTi FLAG tool	The target reflects the Danish national agriculture and forestry sector ambition (recalculated to a 2020 baseline) and draws on the SBTi's FLAG target-setting tool. The emission used in the agricultural intensity target is based on the scope 1 financed emission calculation, but it includes both on- and off-balance exposure from loans and lines of credit in the calculation of the attribution factors. This is divided by the total on- and off-balance exposure to obtain a portfolio intensity in terms of tCO_2e/mDKK. The target development is primarily driven by customers in Denmark, who make up a large share of the portfolio and due to data limitations are also used when extrapolating to the rest of the Group's agriculture portfolio in the Nordic countries. The latest intensity figures are based on the 2024 portfolio while using 2023 emission data.	N/A
WACI (Asset Management)	Intergovernmental Panel on Climate Change (IPCC) Net-zero Energy System Pathway by	IPCC Sustainable Development Scenario	The financed carbon emissions are calculated by measuring scope 1 and 2 from the companies in the investment portfolios weighted by our share of investment. Emission data is from the fiscal year of 2023.	1.5°C
TRA (Asset Management)	SBTi Temperature Rating methodology by CDP and World Wildlife Fund (WWF)	IPCC Special Report on 1.5°C (2018) scenario database	The temperature rating of our assets under management in Asset Management is calculated by measuring the temperature rating for companies in the investment portfolios weighted by our share of investment.	1.5°C
TRA (Danica)	SBTi Temperature Rating methodology by CDP and WWF	IPCC Special Report on 1.5°C (2018) scenario database	The temperature rating of our assets under management in Danica is calculated by measuring the temperature rating for companies in the investment portfolios weighted by our share of investment.	1.5°C
Danica sector target: Energy	Sectoral decarbonisation approach	TPI/One Earth Climate Model (OECM)	Danica estimates the CO_2 intensity for specific sectors, such as energy, utilities, steel, cement, automotive and transportation, weighted by the share of investments.	N/A**
Danica sector target: Utilities	Sectoral decarbonisation approach	TPI/OECM	Danica estimates the CO_2 intensity for specific sectors, such as energy, utilities, steel, cement, automotive and transportation, weighted by our share of investments.	N/A**
Danica sector target: Transportation (Shipping, Aviation, Automotive)	Sectoral decarbonisation approach	TPI/OECM	Danica estimates the CO_2 intensity for specific sectors, such as energy, utilities, steel, cement, auto motive and transportation, weighted by our share of investments.	N/A**
Danica sector target: Steel	Sectoral decarbonisation approach	TPI/OECM	Danica estimates the CO_2 intensity for specific sectors, such as energy, utilities, steel, cement, automotive and transportation, weighted by our share of investments.	N/A**
Danica sector target: Cement	Sectoral decarbonisation approach	TPI/OECM	Danica estimates the CO_2 intensity for specific sectors, such as energy, utilities, steel, cement, auto motive and transportation, weighted by our share of investments.	N/A**
Danica Real Estate Portfolio	Internally developed methodology	Internal benchmark	Internal benchmark	N/A**

*Our 55% emission reduction targets for commercial real estate and personal mortgages have been benchmarked against a scope 1 trajectory due to initial limitations in distinguishing between scope 1 and 2 emissions within our data and the SBTi tool. In our next target review cycle, we aim to integrate more refined tools to align our scope 1 and 2 targets with trajectories covering both scope 1 and 2.
**In 2021, Danica set interim 2025 decarbonisation targets for equity and bond investments within five sectors. These targets are based on scientific methodologies, though not all of Danica's sector targets were initially set in alignment with the Paris Agreement. However, Danica's portfolio temperature rating targets set in 2023, which cover all equities and bonds, align with a 1.5°C trajectory consistent with the Paris Agreement.

Reporting principles

Most of the Danske Bank Group's impacts from GHG emissions stem from upstream and downstream activities, i.e. scope 3 emissions. The Corporate Value Chain (Scope 3) Accounting and Reporting Standard (CVC Scope 3) of the GHG Protocol further defines and classifies scope 3 emissions into 15 different categories. 'Category 15: Investments' covers emissions associated with operation of investments (including equity and debt investments and project finance) in the reporting year. This is considered the most material category for Danske Bank and typically relates to our lending and investment activities. This means that 'scope 3 category 15' includes borrowers' or investee companies' scope 1, 2 and 3 emissions. The accounting and reporting of 'category 15' emissions associated with investments is further described in PCAF Part A on financed emissions from lending and investment activities.
The estimation of financed emissions covers borrowers' and investee companies' scope 1, scope 2 and scope 3 emissions. PCAF Part A defines these as follows:

- Scope 1 of the borrower/investee: Direct GHG emissions that occur from sources owned or controlled by the borrower/investee, i.e. emissions from combustion in owned or controlled boilers, furnaces, vehicles, etc.
- Scope 2: Indirect GHG emissions from the generation of purchased or acquired electricity, steam, heating or cooling consumed by the borrower/investee. Scope 2 emissions physically occur at the facility where the electricity, steam, heating or cooling is generated.
- Scope 3: All other indirect GHG emissions (not included in scope 2) that occur in the value chain of the borrower/investee. Scope 3 can be broken down into upstream emissions and downstream emissions. Upstream emissions include all emissions that occur in the lifecycle of a material/product/service up to the point of sale by the producer, such as from the production or extraction of purchased materials. Downstream emissions include all emissions that occur because of the distribution, storage, use and end-of-life treatment of the organisation's products or services.

Estimation and uncertainties
PCAF defines a system of assessing the data quality of reported scope 1, 2 and 3 emissions data by borrowers and investee companies for each asset class, which ranks data quality from 1 to 5. A data quality score of 1 represents the highest data quality score and signifies verified emissions data reported by the borrower or investee company. A data quality score of 5 represents the lowest quality of emissions data and is assigned to estimated emission data per asset class or revenue by sector.

Data quality is considered on the basis of whether it is scope 1, 2 or 3 of emissions that the borrower/investee company is reporting and on the data quality score of the reported data. Scopes 1 and 2 are likely to have higher data quality scores than scope 3 because scope 1 and 2 data is directly linked to the activities of the reporting entity and the entity therefore can assess and obtain the data directly. Scope 3 relates to the full value chain of the reporting entity, both upstream and downstream, and will inherently include a higher risk on data quality.

Because we rely on third-party data, there is a high level of uncertainty associated with reported data. The level of uncertainty related to current estimation approaches for calculating borrowers' and investee companies' scope 3 emissions is subject to significant assumptions and estimates. In addition, we do not have access to necessary information about the underlying uncertainties and methodologies used by data providers to calculate scope 3 emission data. Where this is the case, the Group cannot confirm the usefulness and relevance of information, and this would therefore prevent adherence to the qualitative characteristics required of the information in the Sustainability Statement.

Methodology for changes in the baseline
The baseline can be recalculated to ensure relevance of the reported GHG emissions and to track progress on emission targets. The following changes trigger a baseline recalculation:

- Structural changes in our organisation, such as mergers, acquisitions, divestments, outsourcing and insourcing
- Changes in calculation methodologies, improvements in data accuracy or discovery of significant errors
- Changes in the categories or activities included in the scope 3 inventory

A minimum threshold of 5% is applied for determining significance, triggering a recalculation of baseline values. This threshold applies to total absolute emissions and target-specific emissions or emission intensities. Significant changes result not only from single large changes but also from several small changes that are cumulatively significant. Our baseline revision principle applies to increases and decreases in emissions, and we may choose to revise our baseline values in relation to changes that are below the threshold to ensure consistency, comparability and relevance in our reported emissions data and climate target progress over time.

Lending

Data sources
Our calculation of financed emissions uses the most recently available information associated with the reporting year at the time of calculation. Financed emissions for our lending portfolio are based on on-balance sheet exposure data from end of September 2024. The difference in on-balance sheet exposure at 30 September 2024 and at 31 December 2024 is not material after the exclusion of Personal Customers Norway. For instance, for reporting of financed emissions for 2024, the portfolio and exposures information used in the calculation is from 2024; customers' financial data or asset values are based on 2024 or earlier, and emissions data is from 2023 or earlier. This can result in situations where the exposure, financial data (used in the denominator of the attribution factor) and the year of emissions are temporally misaligned. However, the calculation represents our most updated estimate given the current setup and available data.

The financed emission calculation of the Group's lending portfolio relies on a combination of internally developed models and external emission data sources. The model we use to calculate financed emissions for our lending portfolio has been validated by our internal model risk management process. Generally, we follow the industry-wide standard on the Corporate Value Chain (Scope 3) Accounting and Reporting Standard (CVC Scope 3) of the GHG Protocol and the Partnership for Carbon Accounting Financials (PCAF), Part A and additional guidance developed by Finance Denmark for the classification and accounting of emission data. Some deviations have been implemented when considered appropriate, as detailed later in the 'Deviations from the PCAF standard' section of this Sustainability Statement.

The input into the calculation of financed emissions relies partly on Group data collated from our own internal systems (which includes data on geographical location, exposure value, collateral data and market value) and estimated data (which includes third-party emissions data such as customer-reported data or data provided by data providers).

In line with general efforts to increase data quality and data coverage and to reflect evolving industry practices, the carbon emission models are subject to continuous improvements and updates.

For 2024, we have assessed the most material sectors within our main business units, namely Large Corporates & Institutions, Business Customers, Personal Customers and Northern Ireland. The materiality of the sectors has been assessed based on either amount of on-balance exposure and/or expectations of highest GHG emissions in terms of customers' scope 1 and 2 emissions. Scope 3 emission data is not widely reported by borrowers, and estimation approaches are considered uncertain. Some sectors have been excluded due to lack of emission data sources or lacking guidance. We will improve and revise the financed emission models on an ongoing basis to increase coverage.

Data quality
We are only disclosing financed emissions related to customers' scope 3 emissions if data has a PCAF data quality score of 1 or 2, i.e. emission data has been reported by the customers themselves. This demarcation relates to both current figures and development over time. The only exception to this applies to our lending portfolio and the subsector related to oil and gas exploration and production (part of the oil, gas and offshore industry), for which a small share (less than 10%) of the included scope 3 emissions is associated with estimates. This means that the Group is only covering 2% of scope 3

emissions in our disclosures and therefore likely to be underreporting our actual scope 3 emissions.

Portfolio scope

The scope 3 GHG emissions data is updated annually and reflects, for example, changes in the organisation. In 2024, we divested our personal customer activities in Norway, and these activities have been removed from our exposures.

Financed emissions for our lending portfolio have been calculated for the parent company (Danske Bank A/S) and for subsidiary undertakings of the Group that are credit institutions that undertake banking activities (i.e. Realkredit Danmark, Danske Hypotek AB, Danske Mortgage Bank and Northern Bank Limited). The Danske Bank Group has one associate undertaking over which it has operational control, but this has not been included in the calculation of the Group's financed emissions because it falls under one of the customer segments or facility types that has not yet been covered by our lending financed emissions setup.

We calculate the Group's financed emissions based on the downstream value chain for our lending portfolio.

Most of the Group's corporate lending portfolio falls under the PCAF's 'Business loans and unlisted equity' asset class category, which covers our on-balance sheet loans and lines of credit for general purposes, and we currently also classify project finance loans as business loans. However, for loans secured by Poseidon Principles-eligible shipping vessels, we apply the shipping finance approach from Finance Denmark's Framework for Financed Emissions Accounting for calculating the scope 1 financed emission estimates. Scope 2 and 3 emissions are covered by the business-loan approach applied to the associated shipping company.

Commercial property and personal mortgages cover on-balance loans and lines of credit secured by real estate collateral. Other general-purpose loans to commercial property or consumer loans to personal customers are currently not covered. Note that loans granted by Realkredit Danmark are recognised at fair value instead of at amortised cost. Based on 2024 figures, the financed emission calculations covered approximately 90% and 94% of total on-balance credit exposure to commercial property and personal customers, respectively.

We have not carried out calculations of financed emissions for our lending activities to customers in the following industry segments:

1. Financial institutions
   - Considered as having low scope 1 and 2 emissions

2. Public institutions
   - Lack of emission data sources and estimation approaches

3. Private housing cooperatives and non-profit associations
   - Considered as having low scope 1 and 2 emissions

4. Customers outside Danske Bank's main business units (i.e. outside Large Corporates & Institutions, Business Customers, Personal Customers and Northern Ireland)

5. Other commercial enterprises

   - Industry activity is not clearly defined, and the size of the portfolio is insignificant

Product types that are not covered:

1. Leasing
   - Leasing falls under category 13 of the GHG Protocol, which covers downstream leased assets. Leasing is therefore not covered by the financed emissions related to category 15 of the GHG Protocol, which covers investments.

2. Exposure not secured by properties in our commercial property and personal customers segments
   - Focus has been on covering the property-related exposures within our commercial property and personal customers segments because this is where emissions can be directly linked to the underlying properties for which Danske Bank has developed financed emission models.

3. Other types of more specialised credit facilities with on-balance exposure related to e.g. holdings and trading facilities
   - Considered of lower priority due to the insignificant size of the portfolio.

4. Consumer loans in our personal customer portfolio

5. Offers

Other categories of scope 3 (i.e. those that are not part of scope 3 category 15) have been excluded as they are not considered material.

For further information on data sources and methodologies per industry segment for the lending portfolio, see our Climate Progress Report 2024, appendix 3.

Deviations from the PCAF standard

Although the setup is designed to follow the industry-wide PCAF standard, some deviations have been implemented to match Danske Bank's internal data structure and data availability or to lower the expected volatility and complexity of calculating financed emissions over time. The various deviations have been included in order to reduce (unnecessary) technical complexity, increase stability over time and ensure use of appropriate emission factors given that the Group mainly operates in the Nordic countries. It is not possible to estimate the impact of the implemented deviations; however, we have no reason to believe that they systematically favour higher or lower financed emissions in general. The most notable deviations from the PCAF standard and from the PCAF secretariat's recommendations relate to the following scenarios:

- Attribution factors for properties and large vessels (ships) are based on the market value of the asset at reporting date instead of the asset's value at origination.

- Attribution factors for listed companies are based mainly on total equity plus debt (or total assets) from their balance sheet instead of on enterprise value including cash (EVIC).

- In most cases, the sub-sector and national-level Exiobase emission factors have been applied instead of the PCAF secretariat's recommendation of using emission factors on a less granular sector and regional level.

- If financial statement data is not available for a corporate customer, and the financed emission calculation is not covered by one of the models related to properties or large vessels, the financed emission estimate is based on extrapolations from the Group's emission-covered portfolio instead of on Exiobase asset emission factors. These extrapolations are assigned a PCAF data quality score of 5.

- Customers' scope 3 emissions have been included only when company-reported figures were available. This leaves a large share of the lending portfolio without a scope 3 financed emissions calculation. The Group is therefore likely to be underreporting its actual scope 3 emissions due to lack of data.

- In some cases, when exposures are related to purely renewable energy production, the scope 1 and 2 emissions have been manually set to 0.

- For personal customers (mortgages) and commercial real estate, only scope 2 emissions from heating are accounted for.

Targets

Target setting – methodological considerations

Our sectoral target-setting methodology and scope are aligned with the list of priority sectors included in the SBTi, the Net-Zero Banking Alliance and the Guidelines for Climate Target Setting for Banks developed by the UNEP FI.

Targets are set for financed emissions, i.e. our scope 3 emissions in our downstream activities in our lending portfolio, and targets are set for those industry segments that we have assessed as being material.

Financial scope

Financed emissions are calculated in accordance with the PCAF, Part A standard and therefore apply only to on-balance exposures. For our sector targets, however, we include both on- and off-balance exposures. The inclusion of both on- and off-balance exposure better reflects the commitments made towards our customers and allows us to account for the risk of customers included in the targets making use of products such as revolving loans or lines of credit. Furthermore, the financed emissions calculation measures absolute emissions, whereas most of our climate targets are intensity-based. The differences mean that, for example, our financed emissions can increase while our intensity-based metrics decrease.

Target metrics

Choosing a physical intensity metric (emissions per economic output, e.g. kgCO_2/MWh) instead of having an absolute emission metric for most of our sector targets allows us to take into account the different pace of decarbonisation of each sector. This helps us in understanding how emission reductions take place in different sectors. Moreover, using an intensity metric allows our portfolio to grow without necessarily increasing the intensity. This means that we proactively engage with customers to support them in their sustainability transitions instead of reducing our emissions through divestment.

The sector-specific portfolio intensity averages are based on exposure-weighted emission intensities reported by our customers. As the calculation methodologies mature and data quality improves, so does the state of our annual target status.

Baseline for lending portfolio

The 2020 baseline for the Group's lending-portfolio targets, except those related to property portfolios, are almost exclusively based on the companies' own disclosed emissions or emission intensities for the reporting year 2020. Our baseline is therefore based on a snapshot of those companies' disclosed figures at that point in time, without any normalisation or multi-year averaging. However, compared to the 2021 and 2022 figures, we have not yet observed any large deviations or irregular values for the 2020 figures that would indicate that the baseline was not a faithful representation of the portfolios under consideration. For our two property portfolios - commercial real estate and personal mortgages – the emission intensities are based on estimates from energy performance ratings, or distributions of such ratings, along with heating-source-specific average emission factors.

For this reason, the figures are not subject to any variation in annual temperatures or energy prices, for example, which could affect real-life energy consumption and thereby affect emissions. Instead, the figures are theoretically calculated consumption and emission figures. The values for each calculated year, including the 2020 baseline, are therefore a reflection of how the portfolio looks in terms of energy performance ratings, installed heating sources and the type of energy sources used in the electric and district heating energy grids.

Comparison of financed emissions data and progress is made against the 2020 baseline set in the first year of reporting in accordance with the CSRD.

Investments

Investments include the Group's asset management activities through Asset Management as well as Danica's life insurance and pension activities that result in financed emissions that are attributable to Danske Bank. These emissions are not additional to the emissions already produced in society and already reported by investee companies; they merely mirror those emissions.

Data source

The calculation of emissions attributed to investments applies the most recently available information associated with the reporting year at the time of calculation. The emission data used in the calculation is taken from the data most recently reported by the companies and is made available through a third-party vendor (ISS ESG). The data availability is subject to a lag, meaning that most of the data reported on GHG emissions for investments in 2024 is based on data reported by companies in the preceding years, i.e. 31 December 2023 and potentially the year 2022. Our investments portfolios are based on financial data from 31. December 2024.

We use various data sources to estimate and measure the financed emissions, weighted average carbon intensity (WACI) and the temperature rating of the Group's investments within Asset Management and Life insurance and Pension.

For financed emissions and WACI, we use data from our ESG data provider, ISS ESG, as well as ISS ESG's Climate Analytics tool. To estimate our portfolio temperature rating, we use data developed collaboratively by CDP and WWF, which is further supported by emissions data from ISS ESG. The data, methodologies and tools follow industry-wide standards and are aligned with various organisations such as TCFD, PCAF, NZAM and SBTi and are aligned with guidance developed by Finance Denmark. This is supplemented as relevant by additional data sources needed to measure impacts on certain asset classes such as real estate.

The carbon emissions data and methodology used is subject to change due to ongoing improvements, in line with general efforts to increase data quality and availability and to accommodate evolving industry practices.

The data sources used are assessed by the Responsible Investment team in Danske Bank Asset Management. Assessments include, but are not limited to, data coverage, data quality, methodology, costs and other operational considerations. No universally accepted framework (legal, regulatory or other) currently exists in relation to sustainability-related data, information and assessments. As a financial institution investing globally in different asset classes, Danske Bank strives to the extent possible to leverage primary reported data and information.

Where such data is not available, best efforts are made to obtain data, including data estimates, information and assessments through third-party providers or directly from investee companies, and/or by carrying out additional research or making reasonable assumptions/estimations.

Data quality
Approximately 50% of the assets under management have a PCAF data quality score of 3 to 5 for scope 3 emissions, and emissions from these investments are not included in the financed emissions.

The PCAF data quality score is closely tied to delivery of company-reported data through CDP. CDP experienced technical challenges in 2024, so only limited company data was available to our data provider, ISS ESG. To close the data gap, ISS has been modelling emissions for these companies. These modelled emissions are not included in the reporting because the PCAF data quality score is 3 to 5.

Asset Management

Portfolio scope
Asset Management covers and represents the assets under management of Danske Bank A/S, Danske Invest Management A/S, Danske Bank Asset Management AS and Danske Invest Fund Management Ltd.

This scope may differ from the scope of other reports published by Danske Bank that also report GHG emissions, such as the scope of the Principal Adverse Impacts (PAI) Statement published each year on 30 June, which covers individual legal entities in scope for reporting under the Sustainable Finance Disclosure Regulation (SFDR).

Financed emissions
For financed emissions, all assets under management are in scope, (excluding cash and FX exposures), with the reported financed emissions representing 71% of these assets. Assets under management invested in sovereign states are not part of the reported emissions. Furthermore, we do not report emission exposures from derivatives even though these investments may indirectly link to investee companies. Investments for which we do not have data coverage, including investments in private equity, do not form part of our reported figures.

Targets
The reduction targets are set for the downstream activities in our investment portfolios. Our activities in Asset Management include the following:

- Weighted average carbon intensity (WACI) targets covering scope 1 and 2 emissions from investee companies (net-zero targets).
- Temperature rating targets covering scope 1, 2 and 3 emissions estimating portfolio temperature trajectories based on investee companies' climate targets (temperature rating targets).
- Engagement target of engaging with the 100 largest emitters by year-end 2025.

Net-zero targets and temperature targets cover investment funds and managed accounts. Certain investment products, including discretionary mandates, are not included in the targets and/or reporting on progress. The reason for omitting discretionary mandates at this stage is that mandates must be based on specific customer demands and contractual agreements for each mandate. In line with our commitment, we will over time engage with asset owners on this topic.

For the products in scope, the targets cover investments into:
- Equities
- Corporate bonds
- Mortgage bonds

Due to a lack of reliable data, the following asset classes are not included:
- Sovereign debt
- Unlisted companies
- Derivatives
- Cash
- Other alternatives

Target setting and methodology
Weighted average carbon intensity target
In its Special Report on Global Warming of 1.5° C (2018), the IPCC provides four plausible scenarios, each consistent with net-zero emissions. Each scenario has distinct pathways and follows different assumptions about technological, economic and societal progress. The Sustainable Development Scenario (SDS) is the scenario most aligned with the principles of systemic transition to a sustainable future. The SDS is characterised by having a broad focus on sustainability, including energy intensity, human development, economic convergence and international cooperation, and it is enabled by a shift towards sustainable and healthy consumption patterns, low-carbon technology innovation and well-managed land systems with limited societal acceptability for carbon capture. We support a broadly focused sustainability transition, and our WACI target is therefore anchored with this scenario.

The Sustainable Development Scenario implies an approximate 50% reduction in CO_2 emissions by 2030. We have therefore set a 2030 target of reducing our WACI scope 1 and 2 in our in-scope investment products by 50%.

Calculation of weighted average carbon intensity
WACI is a measure of the carbon emission normalised by the revenue of the company, and on aggregated levels WACI discloses our exposure towards carbon-intensive companies. The calculation is performed by including the scope 1 and scope 2 emissions and dividing the result by the revenue generated by the investee companies.

When we calculate our weighted average carbon intensity (WACI) and apply the ISS ESG Climate Analytics tool, 76% of our in-scope Asset under Management (AuM) are covered, where our data providers have coverage of actual or estimated data.

Where GHG intensity data was not available for an investee company through reported figures and/or information received from our data providers, we have effectively assumed that investee companies without data have the GHG intensity of the investee companies that do have data.

Temperature rating target
The CDP-WWF temperature rating methodology is open source and has gone through a separate consultation process. The methodology includes three steps:

1) a target protocol, which converts individual emissions targets into temperatures
2) a company protocol, which aggregates these targets into an overall company score
3) a portfolio protocol, which weights these company scores across an investment portfolio

To convert individual emissions targets into temperatures, the target protocol uses the best available scientific climate scenarios from the IPCC Special Report on 1.5°C (2018) scenario database. It generates simple regression models for estimated warming in 2100 from climate scenarios with short-, medium- and long-term trends in absolute emissions or emission intensities. Because companies have multiple targets, the data is aggregated into company-level scores. Minimum quality criteria define a level of quality that a target must have to be included. At the portfolio level, these company scores are weighted to assess an index or portfolio of companies, such as in the context of financial portfolios. Issuers that do not have relevant publicly disclosed emissions targets are assigned a default temperature score of 3.2 by the SBTi tool, which assumes a business-as-usual temperature pathway. Issuers receive a default score because only limited and validated data sources are allowed, and some companies have not yet set intermediate emission reduction targets. The data quality is expected to improve over time as more companies set intermediate targets and publish these through well-recognised and validated data sources. This methodology enables company-by-company and portfolio comparisons to be made.

SBTi criteria for setting targets to align the temperature rating of in-scope investments with the ambition of the Paris Agreement include:

- Aligning portfolio scope 1 and 2 temperature score with a minimum well-below 2°C scenario, and additionally aligning portfolios to a minimum 2°C scenario for scope 1, 2 and 3 by 2040. Alignment with more ambitious scenarios is encouraged. We have chosen a 1.5°C trajectory.
- Committing to reducing portfolio temperature scores so that the financial institution is on a linear path to the stated goal by 2040.

Calculation of temperature rating
The temperature rating metric enables comparison of the global temperature rise associated with corporate ambition. Being a forward-looking metric, temperature rating targets supplement the engagement and intensity targets set for asset management. The

temperature rating of our AuM in Asset Management is calculated by measuring the temperature rating for companies in the investment portfolios weighted by our share of investment. The temperature rating covers 49% of our AuM in scope. For the issuers not covered, we assign a default score of 3.2, and 51% of issuers received a default score in 2024. Since the baseline year, data quality has increased significantly, and we expect this to continue over the coming years.

Engagement target
One of the key cornerstones of the Net Zero Asset Manager Commitment is to "prioritise the achievement of real economy emissions reductions within sectors and companies in which we invest". We believe that a strong stewardship and engagement strategy is a credible and effective way of achieving real-world impact. To achieve effective real-economy emissions reductions, we have set a target of engaging, either individually or collectively, with the 100 largest emitters in our portfolio by 2025. To evaluate companies' alignment with the Paris Agreement, Asset Management leverages the Net Zero Investment Framework built by the Paris Aligned Investment Initiative. This framework describes a methodology for classifying companies along a Paris alignment maturity scale. The methodology evaluates companies in a holistic manner using ten criteria. The criteria are well aligned with those of Climate Action 100+, which can be seen as the gold standard for evaluating and engaging with companies in relation to climate. The methodology allows Asset Management to identify company-specific gaps in its climate strategies as a basis for effective net-zero engagement, thereby encouraging companies to climb the alignment maturity scale. To further strengthen evaluation of companies' Paris Agreement-alignment through the Net Zero Investment Framework, Asset Management defines minimum sector-specific expectations against certain criteria based on the IEA's Net Zero Emissions by 2050 roadmap.

Engagements are carried out by investment teams and by the active ownership team, and they build upon evaluating a company's climate transition strategy and communicating the expectations we have for investee companies to close potential gaps.

Baseline
The baseline years have been selected with reference to the timing of the Group's target setting, and nothing has indicated that the chosen years should not be representative of initial state relevant for target setting.

For WACI and temperature rating, data and progress are compared against a 2020 baseline, established in the first year of reporting in accordance with the CSRD. The baseline year for engagements is 2021.

Life insurance and Pension

Portfolio scope
The reported numbers on financed emissions, CO_2 sector targets and temperature rating cover the following pension investment products:

- Danica Balance
- Danica Traditionel
- Danica Link
- Tidspension

Danica Select is not included in the estimations. The reason for omitting Danica Select is due to the nature of the product: we do not invest on behalf of Danica Select customers as they have chosen to manage their own assets.

The following asset classes are included in the estimation of financed emissions in our life insurance and pension activities:

- Equities
- Corporate bonds
- Mortgage bonds
- Property portfolio (only relevant for the financed emissions calculation and not included in the temperature rating and the CO_2 sector reduction targets)

Due to a lack of reliable data, the following asset classes are not included:

- Sovereign debt
- Unlisted companies
- Other alternatives

Together with the asset classes included in the estimation, 61% of our assets under management are in scope for our estimations of our financed emissions.

Approximately 56% of the investments covered by ISS ESG have a PCAF data quality score of 3 to 5 for scope 3 emissions, and emissions from these investments are not included in the financed emissions.

Reduction targets
For Danica's investment portfolios, reduction targets for the Group's activities in Danica include reduction targets on selected carbon-intensive sectors as well as temperature rating targets covering scope 1, 2 and 3 GHG emissions estimating portfolio temperature trajectories based on investee companies' climate targets. Danica has also set reduction targets for its scope 1, 2 and 3 GHG intensity covering the Danish property portfolio through Danica Ejendomme.

Calculation of financed emissions

Equities, corporate bonds and mortgage bonds
The financed carbon emissions of our AuM in Danica are calculated by measuring scope 1, 2 and 3 emissions from the companies in the investment portfolios. When applying the ISS ESG Climate Analytics tool, 95% of our AuM in scope are covered where our data providers have coverage of actual or estimated data. In line with the PCAF standard, we have estimated an emission data quality score. The weighted emission data quality score for scope 1 and 2 is 1.3, which indicates that most of the issuers included in the estimations are on average based on companies' own reported emissions and considered to be best data quality. Regarding scope 3 emissions, only data with PCAF data quality scores 1 and 2 is included.

The CO_2e emissions from Danica's investment portfolio are calculated by determining Danica's ownership share of the underlying companies' scope 1, 2, and 3 emissions. The CO_2 footprint expresses the total CO_2e footprint of the investment portfolio for each DKK 1 million invested. Using ISS ESG's Climate Analytics tool, 95% of the AuM within the covered asset types are covered by CO_2e data, which corresponded to approximately DKK 269 billion at year-end 2024.

Property portfolio
Danica Ejendomme's accounting methodology for calculating carbon emission intensity in the Danish property portfolio adheres to the Greenhouse Gas Protocol. The emission calculation also follows the industry-developed Real ESG – The Real Estate Reporting Framework v1.0, ensuring that the reporting aligns with leading practices in sustainability and transparency in the real estate sector. Data was collected in the period from 1 October 2023 to 30 September 2024. The difference in emissions between 30 September 2024 and 31 December 2024 is not material.

Calculation of the temperature rating
The temperature rating metric enables the global comparison of the temperature rise associated with corporate ambition. Being a forward-looking metric, temperature rating targets supplement the engagement and intensity targets set for asset management. The temperature rating of AuM in Danica is calculated by measuring the temperature rating for companies in the investment portfolios weighted by our share of investment. The temperature rating covers 50% of our AuM in scope, For the issuers not covered, we assign a default score of 3.2, and 50% of issuers received a default score in 2023. Since the baseline year, data quality has increased significantly, and we expect this to continue over the coming years.

Calculation of the CO_2e sector reduction target
Danica has set sector reduction targets for the investment portfolio following the Net Zero Asset Owner Alliance's (NZAOA) Target-Setting Protocol (TSP). TSP encourages members to set sector-specific targets to help transform CO_2e reductions from investment portfolios into energy-saving and CO_2e-reducing actions in the real world. The transition pathway initiative (TPI) is considered by many to have developed one of the most advanced approaches to this type of calculation. The TPI uses data on CO_2e emissions and companies' own reduction plans to estimate whether a company's plans are in line with global temperature limiting agreements such as the Paris Agreement. In this connection, they present estimates of future CO_2e intensity reductions in companies based on current levels and on the content of reduction plans

Danica uses this data for determining CO_2e intensity on a company level in order to calculate the reductions in individual sectors within Danica's portfolios.

The intensity targets for selected sectors are as follows:

- Energy: (gCO_2e /MJ)
- Utilities: (tCO_2e /MWh)
- Steel: (tCO_2e /TT)
- Cement: (tCO_2/t cement)
- Transportation:
  - Aviation (gCO_2e /RTK)
  - Shipping (gCO_2e /tKM)
  - Automotive: (g CO_2e /km)

The data from TPI therefore outlines the CO_2e intensity in each sector with a sectoral intensity target. It is therefore not possible to aggregate the figures across sectors.

To calculate the CO_2e intensity for each sector, ISS ESG's absolute CO_2e figures are first used to identify 80% of the highest-emitting companies in each sector. Danica's ownership interest in the CO_2e intensity of the underlying companies is then calculated based on TPI data. In contrast to how we calculate the CO_2e emissions for investments, we also include scope 3 data, which is estimated by ISS ESG, and consequently has a PCAF data quality of 3 to 5. The reported figures are therefore indirectly affected by the data quality of the absolute CO_2e figures from ISS ESG. Average data coverage across selected sectors equates to 75% of positions within the asset classes covered, which are part of 80% of the highest-emitting companies in each sector.

Baseline

For the Group's activities in Danica, the baseline years have been selected with reference to the timing of the Group's target setting, and nothing has indicated that the chosen years should not be representative of an initial state relevant for target setting.

For temperature rating, data and progress are compared against a 2020 baseline, and for intensity targets the baseline year is 2019.

GHG intensity per net revenue

The GHG emission intensity ratio is calculated dividing the total GHG emissions in tonnes of CO_2 by the net revenue expressed in DKK. Based on double materiality assessment results, the gross Scope 1 and Scope 2 GHG emissions of the Group have been considered as not material, therefore the total GHG emissions in the numerator comprise the Group's gross Scope 3 GHG emissions (see table 'Total financed emissions for lending, asset management and life insurance and pension' in the section 'Financed emissions'), excluding the gross Scope 1 and Scope 2 GHG emissions.

Net revenue for GHG emission intensity calculation is defined as interest income, fee and commission income and other operating income for the Group's banking activities (as defined in note G4). For the life and non-life insurance activities net revenue is defined as total insurance revenue (as defined in note G7) and net turnover for Danica subsidiaries Danica Ejendomme and Danica Kapitalforvaltning. Net revenue has been prepared in accordance with applicable accounting standards.

Biodiversity and ecosystems

Biodiversity in Danske Bank Group (E4-1)

The Danske Bank Group contributes to five drivers of biodiversity loss that can result in potential negative biodiversity impacts in the Group's downstream value chain. The drivers are the following:

- Land/water/sea use change
- Resource exploitation
- Climate change
- Pollution
- Invasive species

Potential material negative impacts are likely to affect people and the environment to varying degrees through the five drivers of biodiversity loss. We have set engagement targets for selected sectors and investee companies, and this a first step in enabling us to better manage nature-related impacts and support the protection of the natural environment.

Our strategic direction on nature and biodiversity is guided by international agreements and principles, such as goals and targets set out in the Kunming-Montreal Global Biodiversity Framework.

We have not identified any material biodiversity and ecosystems-related physical, transition and systemic risks for the Group, so we have not conducted a resilience analysis specifically related to these risks (see 'Material impacts, risks and opportunities' in the General information section).

Biodiversity-sensitive areas impacted
No significant adverse effects related to land degradation, desertification or soil sealing have been identified, nor have any significant activities that affect endangered species been identified.

IRO management
In 2023, we conducted the first impact assessments of our corporate loan and investment portfolios using the ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) dataset to understand and identify potential negative impacts on biodiversity and ecosystem services in our downstream value chain. ENCORE is tailored to financial institutions, and it leverages the conceptual framework of the five drivers of biodiversity loss in line with the direct drivers of biodiversity and ecosystems change identified in ESRS E4. ENCORE provides a mapping based on the International Standard Industrial Classification of All Economic Activities (ISIC) to explore how specific economic activities depend on and affect natural capital. The impact assessment for investment activities was updated in 2024 to account for data updates made to the ENCORE tool and the update for the lending activities is planned for 2025.

We have identified indirect contribution to biodiversity loss through the Group's exposure in its lending and investment portfolio as a potential negative impact. We have not conducted consultations with affect communities of shared biological resources and ecosystems as part of our impact assessment.

In 2024, ENCORE dependency assessments provided us with an initial insight into the Group's indirect potential dependencies on different ecosystem services and physical assets based on a high-level mapping of companies' economic activities.

The Group's risk assessment does not show indications of material biodiversity-related risks in the downstream value chain.

Policies related to biodiversity and ecosystems (E4-2)
The principles for our management of sustainability opportunities, risks and impacts for material IROs are defined in the Group's Sustainability Policy. The Group does not have a specific biodiversity policy because we view sustainability themes as highly interconnected and have therefore chosen to manage these through the Group's overarching Sustainability Policy.

Actions and performance (E4-3)
In 2024, we engaged with selected prioritised customers and investee companies in line with our engagement targets. As part of the engagements, we received additional support from external knowledge experts, which further strengthened our engagement approach.

Additionally in 2024, we conducted an update of the assessments of potential negative impacts within our investment activities Biodiversity considerations are also included in the Group's sectoral position statements on agriculture and forestry.

In our investment decisions, we include considerations relating to activities that negatively affect biodiversity-sensitive areas. This includes measuring the share of investments in investee companies that have sites/operations located in or near to biodiversity-sensitive areas and where activities of those investee companies negatively affect those areas.

Targets and progress (E4-4)
Customer engagements
In 2023, we decided to engage with high-impact-designated sectors within our lending activities before the end of 2024. The three sectors prioritised for engagement were the agriculture sector (including food products and fisheries), the shipping sector, and the forestry, pulp and paper sector. Targets and strategy for beyond 2024 are under development.

The 2024 target is twofold:

- To engage with 300+ customers in the agriculture sector in Denmark – an outreach that is expected to cover more than one-third of the Group's credit exposure in the defined Danish agriculture portfolio. The engagements follow a standardised risk assessment approach, in which a transition risk assessment is used to steer our engagements and to assess the customers' readiness and transition risks. The assessment includes questions and indicators related to nature and biodiversity.

- To engage with a total of 50+ large corporate customers across the food, fisheries, forestry, pulp and paper, and shipping sectors – an outreach that is expected to cover at least two-thirds of the Group's credit exposure in each sector. All selected customers in our Large Corporates & Institutions business unit are based in Europe and have a Nordic focus. For these, a set of topics and indicators for each sector were developed and were used to guide the engagement approach.

International governance frameworks such as the Kunming-Montreal Global Biodiversity Framework and the EU Biodiversity Strategy 2030 influence our actions including our target-setting and engagement process, for example determining important engagement topics within material sectors. Our engagement targets do not take into consideration ecological thresholds, and no offsets were used in the target-setting process. For our lending activities, we prioritised efforts on sectors based on negative potential impacts. For our investment activities, engagement efforts are prioritised based on a set of criteria including negative potential impact. As a financial institution and following the mitigation hierarchy, we believe that Danske Bank can have the greatest impact by focusing on avoidance and minimisation before considering restoration or other efforts.

Since the introduction of the target in 2023, 348 customers in the agriculture sector in Denmark have taken part in our biodiversity outreach and engagement, which has covered 35% of our credit exposure in the defined agriculture portfolio in Denmark. We had biodiversity-focused engagements with 55 customers from our Large Corporates & Institutions unit across the food products and fisheries sector, the forestry, pulp and paper sector and the shipping sector. In the food products and fisheries sector, our outreach covered 67% of the Group's credit exposure. In the forestry, pulp and paper sector the coverage was 81%, and for the shipping sector it was 68%.

Investee company engagement
In late 2022, we decided to engage with 30 large investee companies from Large Corporates & Institutions Asset Management and Danica before the end of 2025. The investee companies were selected on the basis of various criteria such as the Group's assets under management, location and the investee company's potential dependencies and impacts on ecosystem services and natural capital assets.

We exercise both individual engagement and engagement in collaboration with other investors and organisations. Through our engagement outreach, we seek to increase our understanding of biodiversity impacts and ecosystem dependencies resulting from the Group's operations. The aim is to create awareness of impacts and related risks, which in turn can help to address some of the risks and contribute to safeguarding the value of our investments.

Since engagements started in 2023, we have engaged with a total of 27 investee companies, and we are on track to meet our 2025 target.

Reporting principles

Customer engagement

For customers of our Large Corporates & Institutions unit, engagement is defined as online or in-person meetings that seek to increase customer awareness of the importance of better understanding nature-related impacts and risks.

For our agriculture customers, engagements are defined as online or in-person meetings with customers (customers = CVR numbers that have been identified in credit data as being in scope for the transition risk assessment) at which we carry out a transition risk assessment of the customer.

Investee company engagement

Individual engagement is defined as letters, emails, online or in-person meetings with company representatives, whereas collaborative engagements may also include partnering with other investors on engagement outreach.

The portfolio companies are measured against indicators defined in Large Corporates & Institutions Asset Management's biodiversity assessment framework.

EU Taxonomy Regulation

The EU Taxonomy is a classification system of economic activities that make a substantial contribution to environmental sustainability. The EU Taxonomy Regulation sets out the criteria that an economic activity must meet to qualify as environmentally sustainable. Such criteria include the following: substantially contributing to one or more of the six EU environmental objectives, doing no significant harm (DNSH) to the other five EU environmental objectives, complying with minimum safeguards covering social and governance standards, and complying with the technical screening criteria for the EU environmental objectives. The six EU environmental objectives are:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

We publish our EU Taxonomy Reporting in accordance with Annex XI on qualitative disclosures and reporting forms in accordance with the Disclosures Delegated Act, Annex VI, and Annex XII related to nuclear and fossil gas activities. The Taxonomy reporting covers the Danske Bank Group excluding Danica, which has a separate Taxonomy reporting.

Development in the Taxonomy- aligned economic activities and green asset ratio (GAR)

As at year-end 2024, the total green asset ratio based on turnover amounted to 1.98% of total covered assets compared with 1.24% in 2023. The total green asset ratio based on CAPEX amounted to 1.96% of total covered assets compared with 1.34% in 2023. The total green asset ratios cover the two climate-related EU environmental objectives: climate change mitigation (CCM) and climate change adaptation (CCA).

Gross carrying amount of total covered assets amounted to DKK 2,350 billion as at year-end 2024 against DKK 2,346 billion in 2023.

The increase in total green asset ratios stems primarily from more data being provided by counterparties. For 2024, the Taxonomy-alignment data from financial institutions is now included; this data was not available at the end of 2023. Based on turnover, the current GAR for financial institutions amounts to 0.48%, with total aligned assets of DKK 11 billion.

The main contributor to Taxonomy-aligned activities continues to be related to lending to households collateralised by residential property. In relation to 2023, we observe an increase from 1.09% to 1.15% in GAR of residential real estate exposures based on turnover and CAPEX, with Taxonomy-aligned amounts rising from DKK 25.5 billion in 2023 to DKK 27 billion in 2024.

GAR for lending to undertakings subject to the Non-Financial Reporting Directive (NFRD) also increased due to the higher data scope of Taxonomy-alignment KPIs reported by the counterparties: from 0.15 % to 0.34% based on turnover with significantly higher Taxonomy-aligned assets of DKK 8 billion in 2024 against DKK 3.6 billion in 2023 (based on CAPEX: DKK 11.4 billion in 2024 against DKK 6 billion in 2023). The Taxonomy KPIs do not include lending activities for small and medium-sized enterprises.

The coverage ratio over total assets amounted to 73.7 % compared with 71.1% in 2023.

Danske Bank Group Taxonomy Reporting 2024

Danske Bank Group Taxonomy Reporting 2024	Taxonomy-aligned exposures based on turnover (DKK billions)	Green asset ratio based on turnover (%)	Taxonomy-aligned exposures based on CAPEX (DKK billions)	Green asset ratio based on CAPEX (%)
Green asset ratio (GAR)				
GAR for financial undertakings (total of climate change mitigation and climate change adaptation)	11.4	0.48	7.5	0.32
GAR for non-financial undertakings (total of climate change mitigation and climate change adaptation)	8.0	0.34	11.4	0.48
GAR for residential real estate exposures (climate change mitigation)	27.1	1.15	27.1	1.15
GAR for retail car loans (climate change mitigation)	-	0	-	0
GAR for loans to local governments for house financing and other specialised lending	-	0	-	0
Total green asset ratio	**46.5**	**1.98**	**46.0**	**1.96**
Coverage ratio (%)	73.7		73.7	
Total covered assets (DKK billions)	2,350			
Total assets (DKK billions)	3,188			

Business strategy, product design and engagement with customers and counterparties
The Danske Bank Group integrates the EU Taxonomy Regulation in relation to the Group's sustainable financial product and investment offerings.

In our green finance framework, we include the EU's criteria for sustainable economic activities as part of the classification of green lending. The green loan categories in the framework are therefore broadly aligned with the technical screening criteria for substantial contribution as defined in the EU Taxonomy Regulation. The framework also includes green loan categories that are either not yet covered by or that diverge from the EU Taxonomy.

Within asset management there is a dependency towards investee company reporting against the technical screening criteria defined in the EU Taxonomy Regulation. As companies' transparency against the EU Taxonomy increases, this will enable realistic and relevant target setting against the Taxonomy for our investments, resulting in further integration into processes and strategies. Currently, there are no targets set for green asset ratios or asset management ratios.

The complete reporting templates, covering disclosure requirements in Annex VI and Annex XII, are presented in our appendix section. These templates are part of the Sustainability Statement and are under limited audit assurance.

0. Summary of KPIs to be disclosed by credit institutions under Article 8 of the Taxonomy Regulation

		Total environmentally sustainable assets* (DKK millions)	KPI turnover (%)	KPI CAPEX (%)	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	46,514	1.98	1.96	73.71	39.99	26.29

		Total environmentally sustainable assets (DKK millions)	KPI turnover (%)	KPI CAPEX (%)	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	*GAR (flow)***	7,878	4.50	6.21	5.49	0.00	0.00
	*Trading book****	0	0	0			
	Financial guarantees	52	2.34	0.42			
	Assets under management	10,831	1.41	1.76			
	*Fees and commissions income****	0	0	0			

*Total environmentally sustainable assets used for KPI CAPEX stock amount to DKK 46,047 million
**The KPIs are based on the gross carrying amount of new exposures, i.e. new covered assets within the numerator of GAR
*** Fees and commissions income and Trading book KPIs shall only apply starting 2026. SMEs' inclusion in these KPI will only apply subject to a positive result of an impact assessment.

Taxonomy eligibility for new objectives
For 2024, we have reported on Taxonomy eligibility for the four new environmental objectives:

- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

Nuclear and fossil gas reporting
The Danske Bank Group has limited exposures to customers that have economic activities related to the production of electricity or heating using nuclear installations or using gaseous fossil fuels in combined heating/cooling and power generation facilities. The Taxonomy-aligned activities based on turnover amounted to DKK 0.5 billion at year-end 2024.

Additional information
Consolidated Group-level KPIs for the Danske Bank Group including Danica amounted to 2.05% and 2.00% for turnover and CAPEX, respectively.

Taxonomy reporting for new environmental objectives

Proportion in total covered assets of exposures to Taxonomy-eligible and Taxonomy non-eligible activities (%)		Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and ecosystems (BIO)	TOTAL (WTR + CE + PPC + BIO)
Taxonomy eligible	Turnover	0.00	0.13	0.46	0.00	**0.59**
	CAPEX	0.00	0.04	0.19	0.00	**0.24**
Taxonomy non-eligible	Turnover	100.00	99.87	99.54	100.00	**99.41**
	CAPEX	100.00	99.96	99.81	100.00	**99.76**

Consolidated Danske Bank Group-level KPIs, including Danica 2024

Consolidated Danske Bank Group-level KPIs, including Danica - Taxonomy alignment	Total income (DKK millions)	Proportion of total Group income (%)	KPI based on turnover (%)	KPI based on CAPEX (%)	Consolidated KPI based on turnover (weighted, %)	Consolidated KPI based on CAPEX (weighted, %)
Danica	1,387	2.46	4.95	3.54	0.12	0.09
Danske Bank Group	55,018	97.54	1.98	1.96	1.93	1.91
Total	**56,405**	**100.00**			**2.05**	**2.00**

Reporting principles

The preparation of the EU Taxonomy reporting is based on prudential consolidation of the Danske Bank Group, excluding Danica. The consolidation is in accordance with the supervisory reporting of financial institutions as defined in Regulation (EU) No 575/2013 of the European Parliament and of the Council and the Commission Implementing Regulation (EU) 2021/451 (FINREP). Furthermore, the preparation of reporting is based on the Delegated Act supplementing Article 8 of the Taxonomy Regulation (Disclosures Delegated Act 2021/2178).

Substantial contribution to the EU environmental objectives

Through its financing of large undertakings subject to the Non-Financial Reporting Directive (NFRD) and investments in securities, the Danske Bank Group supports a variety of economic activities that contribute substantially to the six EU environmental objectives. Furthermore, the Group's financing of energy-efficient residential housing and private transportation contributes to the EU environmental objective on climate change mitigation.

Do no significant harm (DNSH)

Counterparties that have environmentally sustainable economic activities must do no significant harm to any of the six EU environmental objectives (DNSH criteria). Assessment of whether non-financial and financial undertakings fulfil this requirement is based on the undertakings' own published Taxonomy reporting.

For mortgage lending to households, the assessment of DNSH in relation to climate adaptation, appendix A, is based on risk data on acute and chronic physical risks in our ESG Pillar III disclosure. The methodology for defining acute and chronic physical risk events is described in further detail in our Risk Management 2024 report. The Group has identified flooding risk (river and coastal flooding) as the key physical hazard applicable to the portfolio.

Minimum social safeguards

As part of the assessment of environmentally sustainable economic activities, it is required that economic activity is carried out in compliance with minimum safeguards as part of Article 18 of the EU Taxonomy Regulation (Regulation EU 2020/852). The purpose of the minimum safeguards in the EU Taxonomy Regulation is to prevent economic activities from being defined and considered as 'sustainable' when they involve negative impacts on human rights (including labour rights, corrupt practises in the business), or are associated with breaches of tax legislation.

In the Taxonomy reporting, compliance with minimum safeguards is an integral part of the non-financial undertakings' Taxonomy KPIs that we apply to our exposures. Households and public authorities are not required to meet Article 18 requirements on minimum safeguards.

Limitations in data

When assessing Taxonomy-eligible and Taxonomy-aligned activities for financial and non-financial undertakings, actual published information provided by counterparties is required. However, a complete data collection has been a constraint when reporting Taxonomy-aligned activities. Non-financial undertakings have not yet published data for 2024; consequently, the Taxonomy reporting of alignment for non-financial undertakings is based on published data from 2023.

Assessment of the technical screening criteria is also constrained by the lack of complete datapoints. For example, Energy Performance Certificate (EPC) labels are not recorded on all buildings in our home markets as registration is typically carried out in conjunction with a sales transaction or construction of new buildings.

Presentation of Taxonomy-aligned activities for the financial year 2024 can be summarised as follows:

Taxonomy metrics

Total green asset ratio = Taxonomy-aligned activities as a proportion of total covered assets.

Total covered assets = Gross carrying amount of total assets excluding exposures towards central governments, central banks, supranational issuers and the trading portfolio. Total assets are based on the prudential consolidation of the Danske Bank Group excluding Danica.

Coverage ratio = Total GAR assets as a proportion of total assets**.**

In 2023, we used the definition 'total aligned as a proportion of total assets' and reported a coverage ratio of 0.88%. With the revised definition, the coverage ratio for 2023 was 71.1%.

Green investment ratio = The weighted average value of all investments in Danica's targeted economic activities that are in accordance with the Taxonomy in relation to the value of the total investments.

Reporting item	Taxonomy-aligned activities	Limitations in data
Exposures towards financial undertakings	Based on gross carrying amount of exposure multiplied by financial undertakings' publicly reported green asset ratio (GAR) or Investment ratio.	Published reporting on Taxonomy data from financial undertakings for 2023 are available at the reporting date.
Exposures towards non-financial undertakings	Based on gross carrying amount of exposure multiplied by non-financial undertakings' reported turnover-based or CAPEX-based KPIs.	The Taxonomy data is based on published financial information.
Exposures to households Mortgage lending	Based on the lowest value of collateral value or gross carrying amount for buildings with energy performance certificates (EPC) label A built before 31 December 2020 and no recording of physical climate risks. For buildings built after 31 December 2020 – it is based on the lowest value of collateral value or gross carrying amount for buildings with EPC label A2020 (DK) and EPC A (SE, NO, FI) and no recording of physical climate risks.	The substantial contribution criteria include an option of selecting a top 15% of buildings. However, official third-party studies are not available, so the option is not used. For collateral where the EPC label is available, the latest accessible EPC label has been used. Physical climate risks cover only flooding risk.
Exposures to households Motor vehicles	Not reported in 2024.	Taxonomy-aligned activities are not reported for 2024 as we do not have an assessment of DNSH.
Exposures to local governments	Not reported in 2024.	No data available.

Social

Own workforce (S1)

All employees who could be materially impacted by the undertaking are included in the scope as 'Own Workforce' in this disclosure. Employees include both permanent and temporary staff working for the Group, as well as contingent workers who are not directly employed by the Group.

The Danske Bank Group is dependent on a skilled and qualified workforce to operate efficiently and to reach the Group's strategic objectives. We need qualified employees to deliver complex financial services, drive innovation and technological advancement and to secure safe and stable operations as well as to operate in a regulated market. Talent development is key for the realisation of the potential held by employees. By acknowledging and valuing diverse abilities, we aim to foster an environment of inclusivity, collaboration, innovation and adaptability. Succession planning enables us to build a diverse and sustainable leadership pipeline encompassing a broad range of experience to meet the Group's strategic priorities.

It is also important that we offer an attractive workplace, good work-life balance and competitive remuneration. In some areas, the competition for skilled employees can lead to a certain degree of cost pressure.

Secure employment, collective bargaining, adequate wages, gender equality, equal pay and diversity are identified as material sustainability risks. Although not identified as material from an impact perspective, negative impact related to these topics below the set threshold may occur.

IRO management

Policies related to own workforce (S1-1)

Our Group Code of Conduct Policy ('the Code') serves as a foundation for managing material IROs related to the Group's business conduct and corporate culture, (see 'Business conduct policies and corporate culture' in the Governance section), and it also includes principles for how we promote respect, diversity and sound performance in the workplace.

Employees must adhere to external rules and standards described in laws and regulations in each jurisdiction Danske Bank operates in. Additionally, employees must adhere to the financial industry codes of conduct applicable to the Group's activities and to internal rules and standards covered in the Danske Bank's governing documents. These requirements differ depending on which activity within the organisation the employee is working, for example banking, asset management or insurance. In general, our policies are supplemented by instructions and standard operating procedures as well as by system requirements that inform the employees about their responsibilities. Furthermore, there are legal requirements that define the activities of the Group and influence employee behaviour and responsibilities.

For employees to stay informed about requirements and expectations and to ensure that employees adhere to requirements, all permanent employees, temporary employees and consultants are subject to annual mandatory Group-wide training programmes (see 'Training targets and completion in 2024' in the Social section and in the Governance section).

Our Remuneration Policy sets the framework for the remuneration across the Group and applies to all employees. The policy outlines the principles of the total remuneration by components and how the policy supports the achievement of Danske Bank's strategy, long-term interest and sustainability. The Board of Directors submits the policy for approval by the Annual General Assembly.

The Board of Directors has established a Remuneration Committee, which works as a preparatory committee for the Board of Directors with respect to matters concerning remuneration.

Human rights commitments and approach

The Code specifies Danske Bank's commitment to promoting and respecting fundamental human rights and labour rights. This includes all human rights as stated in the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. At Danske Bank, we do not accept any form of discrimination, disrespectful behaviour, bullying or harassment towards employees, customers, business partners or any other persons connected to the Group. Furthermore, we do not tolerate human trafficking, child labour or any type of forced labour instituted against a person's will or choice.

As specified in the Code and in internal human rights guidelines, we will not accept discrimination or negative judgement based on a person's:

- Gender, marital status and sexual orientation
- Age
- Disability or health status
- Race, colour, nationality and social or ethnic origin
- Religion or belief, including political beliefs
- Pregnancy or leave due to the birth/adoption of a child
- Part-time or temporary employment
- Union membership
- Representation of employees

Other guidance aimed at eliminating discrimination includes our Employee Disciplinary Guideline and our Global Transgender Instruction.

Our Group-wide due diligence processes for identifying, preventing, mitigating and accounting for adverse human rights impacts follow the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

Moreover, we have signed a Global Framework Agreement on Fundamental Labour Rights, by which we accept responsibility to protect and respect fundamental workers' rights, in particular the right to engage in collective bargaining.

Diversity, Equity and Inclusion Policy

In addition to the Code, our commitment to ensuring a diverse, equitable and inclusive culture is set out in our Diversity, Equity and Inclusion (DE&I) Policy, which also includes Danske Bank's mission statement. The governing body for the policy is the Board of Directors, with the Chief People Officer (CPO) as the policy owner and Head of DE&I as the policy administrator.

The DE&I Policy, which applies to all employees, lays out the following principles in support of our DE&I mission statement:

- Improving diversity across all characteristics as these are important levers to broaden our thinking and perspectives.
- Ensuring equity in everything we do and promoting opportunities for all so that identity is not predictive of opportunities or workplace outcomes.
- Practicing an inclusive culture and mindset by nurturing a sense of belonging in the workplace so that all employees are comfortable with expressing themselves openly, freely and in their own voice.
- Not accepting discrimination, harassment or offensive workplace behaviour.

The DE&I Policy thereby ensures compliance with applicable requirements in the Danish Financial Business Act and the Danish Companies Act relating to motivating sufficient diversity in qualifications and skills as well as increasing the proportion of the under-represented gender in leadership positions, including the implementation of targets. The gender balance targets, which also apply to the Executive Leadership Team and the Board of Directors (see 'Business conduct' in the Governance section) also contribute to fulfilling the EU Directive on Improving the Gender Balance Among Directors of Listed Companies and Related Measures (see 'Gender diversity in leadership positions' in the Social section).

The DE&I policy is reviewed and updated annually, which involves various internal specialist functions and stakeholders. The policy is available on the company intranet for all employees across the Group and is also available on the danskebank.com website to ensure transparency and accessibility to all external stakeholders.

Engagement with employees (S1-2, 16)

For business objectives to be achieved, we recognise that employees need regular information and consultation concerning the affairs of the Group and direct dialogue with the management on matters that may affect the employees' interests.

At least once a year, during the performance and appraisal dialogues, the individual employees and managers evaluate and document performance for the past period/year and set new forward-looking goals. Decisions on adjustment, if any, of an employee's base salary or on annual variable pay are made on the basis of these dialogues.

To further accommodate employee dialogue, we have local shop stewards and work councils as well as a European Works Council (EWC). The local work councils operate under local rules and legislation, and the EWC operates under a specific agreement. The number of members of the EWC varies depending on the number of employees in the different jurisdictions Danske Bank operates in. In 2024, the EWC consisted of 23 members, of which 16 members are employee representatives and seven members represent the management, including one member of the Executive Leadership Team, namely the Chief People Officer.

Employee representatives and deputies on the EWC are elected or appointed from among the employee representatives in work councils or other equivalent consultative bodies at national level in the various Group entities, in accordance with the provisions of law or generally accepted industrial practice in the countries concerned. If such bodies do not exist, a direct election among the employees in the country concerned applies. At all times, and where possible, the need for balanced representation of employees regarding their activities, category and gender is considered.

The EWC agreement supports the creation and operation of a cross-border information and consultative EWC for all the Group's employees in countries in the EU and the European Economic Area. This includes matters that may affect the employees in two countries or more or in one country if decisions about matters that cannot be negotiated locally are made outside the country in question.

The ordinary meetings of the EWC are held twice a year as in-person meetings in connection with the announcement of the annual and half-year reports. The EWC may hold extraordinary meetings when required by either the management representatives or by a simple majority of the employee representatives of the EWC.

The information and consultation procedure of the EWC is not limited to but includes:

- Any significant changes in the Group's structure, including cutbacks, downsizing or the closures of branches or undertakings and collective redundancies
- Probable development of employment and business activities, including planned investments
- Introduction of new working practices and methods as well as training and improvement in qualifications for employees
- Profit sharing, award systems and other incentives affecting employees
- Health, safety and environmental matters

The employee representatives are informed on an ongoing basis about important employee data, including data on sickness, absence, turnover, timebank development and salary development.

Furthermore, employees hold specific positions on the Board of Directors, which consists of nine members elected at the general meeting and four members elected by the employees.

Moreover, we engage with employees via information on the company intranet and via messages on Viva Engage regarding important Group information such as quarterly results.

In addition, we conduct a half-yearly Culture and Engagement survey. This is an anonymous survey that covers relevant areas of the employee experience including job content, remuneration, working conditions, diversity and inclusion, reputation and cooperation.

Employees can also share their perspectives and concerns directly with their immediate leader, a shop steward or through various internal channels of communication. If anonymity is necessary, concerns can be raised through the Group's Whistleblowing System. See 'Business conduct' in the Governance section of this Sustainability Statement for disclosures of the Group's channels for employees to raise concerns, the Whistleblowing System, handling of complaints, protection of whistleblowers and approach to providing or contributing to remedy.

In terms of incidents and complaints through our internal channels, we have logged 16 substantiated incidents related to discrimination within the Group's own workforce that occurred in 2024. Discrimination is a collective term for cases of discrimination, bullying, sexual harassment and other types of harassment that can occur at the workplace.

Actions and performance (S1-3)

Employee characteristics (S1-6)

Our social data is based on headcounts, and our financial statements disclose full-time-equivalent staff (FTE). Nearly 50% of our employees work outside Denmark, highlighting the Group's broad geographical presence. After Denmark, our largest operation is in Lithuania.

By the end of 2024, the Group's gender composition was balanced, with nearly a 50/50 split between men and women.

Working conditions (S1-4, S1-5, S1-11)

The Group must take appropriate actions to measure, monitor and mitigate risks related to employees' working conditions. Our Position Statement on Human Rights outlines our approach to respecting human rights and labour rights and to ensuring decent working conditions within our business activities – including in relation to our own workforce.

In addition to activities related to the Group's HR strategies and processes, specific actions are identified through different councils and communication channels for engaging with the employees and their representatives.

The results of the half-yearly Culture and Engagement surveys are shared with line managers and the area HR partner. Line managers will also receive reports with team results and recommendations for actions, and they are expected to share the results, facilitate an engagement team dialogue and complete an action plan together with their teams. If a team result is below a certain score, the area HR partner will take action regarding the team, and HR issues of general concern for the Group's employees will normally be discussed with the relevant union(s).

We have not set targets regarding the specific material risk related to working conditions, but we use the survey results to track and assess the general effectiveness of the Group's policies and actions related to working conditions.

Furthermore, we have a Working Environment Management System (WEMS) to ensure employees' physical and mental safety and instructions on how to prevent accidents and how to proceed in the event of workplace accidents. WEMS provides an overview of action plans on working environment and safety as well as documentation of progress. Each month, progress on action plans is reported to the working environment groups and to our Procurement & Premises function, which will act if there are reported issues regarding the physical working environment.

Secure employment

All employees are covered by social protection, through public programmes or through benefits offered against loss of income.

For employees in Denmark, Norway, Sweden, Poland, Lithuania, Finland, UK and the USA, the following applies:

Country distribution of our employees

Country (2024)	Number of employees (headcount)
Denmark	10,536
Finland	1,672
Lithuania	4,788
Luxembourg	18
Norway	710
Poland	522
Sweden	1,528
Ireland	43
United Kingdom	1,473
USA	16
Total	**21,306**

In this topical section, we use headcount as a metric, whereas in the management section, we use full-time-equivalent staff (FTE)

Gender distribution of our employees

Gender (2024)	Number of employees (headcount)
Female	10,842
Male	10,460
Third gender/non-binary	4
Total employees	**21,306**

- Sickness: All employees are covered against loss of income due to sickness. This coverage is provided through a combination of public programmes and benefits offered by Danske Bank.
- Unemployment: Employees are covered against loss of income due to unemployment. The specifics of this coverage can depend on the regulations of the country in which the employee is based.
- Employment injury and acquired disability: Danske Bank provides coverage against loss of income due to employment injury and acquired disability. This is typically through a combination of public programmes and additional benefits offered by Danske Bank.
- Parental leave: Danske Bank supports employees who are new parents and provides parental leave benefits, which may include paid leave, in addition to what is mandated by public programmes.
- Retirement: All employees are covered against loss of income due to retirement. This is typically through a combination of public pension schemes and private pension plans offered by Danske Bank.

Due to differences in local laws and regulations, the specifics of these coverages can vary depending on the country in which the employee is based.

In Denmark, Danske Bank has a local union agreement for handling collective redundancies. This agreement sets out the basic terms that Danske Bank offers employees in order to mitigate the impact of redundancy. Danske Bank also involves the unions in the process when carrying out collective redundancies.

In addition to Norwegian legislation on special obligations to consult with the employees' elected representatives about redundancies and collective redundancies, Danske Bank A/S in Norway is also covered by collective bargaining agreements. The basic agreement defines when redundancies can be carried out and emphasises that redundancies should be handled, as far as possible, through natural attrition and voluntary solutions.

Danske Bank A/S in Lithuania adheres to local legislation that requires employers to inform and consult with employee representatives (Works Council) prior to executing collective redundancies. This process ensures fairness and transparency in alignment with Lithuanian labour laws and practices. Furthermore, the employer is obliged to notify the local labour exchange services about collective redundancies. The labour exchange services then take actions to mitigate negative consequences for the employees and the labour market.

Danske Bank A/S in Finland adheres to local legislation that mandates negotiations with the employees' representatives prior to executing collective redundancies. Danske Bank A/S in Finland is also governed by a collective agreement that outlines the redundancy process. This ensures a fair and transparent process in alignment with Finnish labour laws and practices.

In Sweden, the national law stipulates notifying to authorities for certain threshold of collective redundancies and the Collective Bargaining Agreement stipulates the process to be carried out, emphasises that redundancies should be handled, as far as possible, through natural attrition and voluntary solutions.

In the UK, government statutory redundancy cover starts at two years' service. Danske Banks offers a discretionary amount of one month's pay per year of service subject to signing a settlement agreement. Any unemployment benefit from the government will be dependent upon individual circumstances including the amount held in savings, other income and time unemployed.

Nearly all employees are enrolled into the Group's pension scheme in their country of employment, which offers a level of retirement benefit subject to individual contributions. Full public pension amounts are aligned to individuals paying in a minimum amount of social security over their years in employment before retirement.

Employee age groups

2024	Employees per age group (headcount)					
	<30 years		30-50 years		50< years	
Gender	Number	%	Number	%	Number	%
Female	1,809	50.07	6,476	50.88	2,552	51.40
Male	1,801	49.85	6,251	49.11	2,413	48.60
Third gender/non-binary	3	0.08	1	0.008	0	0
Total	**3,613**	**100**	**12,728**	**100**	**4,965**	**100**

Employee turnover and number of employees who have left the undertaking

Gender (2024)	Employee turnover (headcount) *	
	Number	%
Female	1,453	13.51
Male	1,504	15.58
Third gender/non-binary	3	76.60
Total	2,960	14.05

*Employee turnover is defined as the number of leavers (retired and dismissed employees – headcount) over a 12-month period divided by the average number of employees at the end of each month over a 12-month period, which gives a turnover rate.

Collective bargaining and adequate wages (S1-8, 10)
We work closely with trade unions to ensure compliance with established standards. In Denmark, Norway, Finland and Sweden, collective bargaining agreements regulating salaries and employment terms and conditions are concluded between the relevant trade union and the relevant employer association. In 2024, this corresponded to 64% of the Group's employees being covered by collective bargaining agreements. In the countries with no union agreements, Danske Bank respects the statutory labour laws and salary practices in place.

Employee well-being
Danske Bank has several initiatives aimed at increasing employee satisfaction and well-being:

- A 'total well-being' initiative encompassing five well-being-related themes – mental, social, physical, purposeful and intellectual – which includes the prevention of work-related stress as an important focus area.
- A professional development framework seeking to make learning accessible to everyone as part of their day-to-day work to enable opportunities for the employees to continually grow.
- Ongoing work to improve LGBTQ+ rights and conditions.
- Promotion of equality in parental leave as well as working to ensure that employees maintain a strong sense of belonging when they are on leave as a prerequisite for their wanting to return to the organisation afterwards.
- Flexibility and care provision to cater for different life situations to retain employees during the times in which this may be needed, for example when working from home and for part-time employment.

Our Strategic Workforce Planning (SWP) process assesses the required skills and leadership qualities for the realisation of our Forward '28 commercial strategy. The People Development programme focuses on recruitment, retention, development and redeployment of talent across the Group. Furthermore, the Leadership & Culture suite of initiatives aims to foster a culture of high ambition, commercial focus and decisiveness.

Following a successful pilot in Group Risk Management in 2023, training focused on fostering psychological safety was rolled out across the organisation in 2024. The training aimed to deepen knowledge of psychological safety and its implementation within teams.

We support and encourage the establishment of employee resource groups (ERGs), which are voluntary employee-led groups that spark conversations and learning. In 2024, these groups grew in both number and support. The groups include Women@Danske, Rainbow Network, Roots & Allies, Neuroinclusive Community, Expats & Friends Network, Danske Stress Network, Young Minds and Danske Babies.

In 2024, these groups supported celebrating International Women's Day, the UN World Day for Cultural Diversity for Dialogue and Development, and Pride as well as creating guides on relevant topics such as leading neuroinclusive. Under the theme of Allyship, the Rainbow Network hosted nine events attended by more than 2,000 participants during Pride in Copenhagen in 2024. Furthermore, we developed a team dialogue deck on LGBTQ+ topics in collaboration with the Rainbow Network to facilitate conversations and foster trust within teams. In addition to holding large quarterly events, the Danske Babies network hosted monthly drop-in cafés throughout 2024 for colleagues on parental leave in Copenhagen.

Equal treatment and opportunities
Actions to measure, monitor and mitigate risks and particular actual or potential negative impacts is identified through the Group's DE&I governance. To ensure an inclusive and equitable culture and an appropriate gender balance representation, the Executive Leadership Team is responsible for prioritising and advancing within DE&I through target setting and by acting as visible DE&I champions. At Group level, the development of the strategy and the agenda is delegated to the DE&I Team, supported by a DE&I Council consisting of senior leaders from across the Group to amplify business ownership. The Executive Leadership Team and the DE&I Council shape and set the standards for the Group DE&I agenda. Furthermore, they monitor and

Information on employees by contract type and gender

2024	Female	Male	Third gender/non-binary	Total
	(headcount)			
Permanent employees	10,654	10,260	4	20,918
Temporary employees	188	200	0	388
Total number of employees	**10,842**	**10,460**	**4**	**21,306**
Non-guaranteed hours employees	0	0	0	0
Full-time employees	9,556	10,015	4	19,575
Part-time employees	1,286	445	0	1,731
Total number of employees	**10,842**	**10,460**	**4**	**21,306**

Coverage rate

2024	Collective bargaining coverage
Coverage rate	**Employees - EEA**
0-19%	LT, PL, LUX, IRL
20-39%	
40-59%	
60-79%	
80-100%	DK, SE, FI, NO

Collective bargaining agreements

2024	
Percentage of total employees covered by collective bargaining agreements	64%

closely follow progress on the 2028 targets and ambitions to ensure the right focus and efforts.

At business unit and country level, our HR function, leaders and DE&I Leads ensure involvement of employees as well as local differentiation, adaption, anchoring and monitoring across the Group. Furthermore, business areas have committed to DE&I action plans and the local D&I Leads are responsible for locally tailored inclusion initiatives to progress and operationalise the agenda. ERGs will be included as sounding boards as the action plans are being implemented, and representatives from the business and from HR Partners participate in regular reviews to ensure progress.

Gender diversity in leadership positions (S1-9)
To ensure progress towards increased inclusion of underrepresented groups throughout the organisation, we focus on developing inclusive and gender-balanced HR processes. This includes implementing tools that seek to address and reduce the negative effects of biases. For example, recruitment ads are scanned to ensure inclusive language, and exercises and through we raise awareness of bias in critical processes.

To ensure the best possible balance, gender composition is an area of focus in our recruitment and selection process, performance management process and when preparing the pipeline of talents and successors for key positions. Our Board has 8 AGM-elected members, of which three are women, meaning that 38% equates to achievement of our 2028 target of 40%. Adding one more woman would position us at 50/50. Including our four employee-elected members, we are already at full equality at 50/50.

Leaders and employees can track progress via dashboards, and we drive ownership of gender balance targets and progress at different levels, for instance through collaboration with key stakeholders throughout the organisation. Progress is reported to the DE&I Council, the HR Leadership Team, the Executive Leadership Team and the Board of Directors.

Targets and progress for gender diversity in leadership positions
We have set targets (measured in % women / % men) for the desired gender balance at different leadership levels. The targets are defined at Group level and are cascaded to business units and countries to ensure local adoption and delivery. The targets were set in 2023 by the HR Leadership Team, DE&I Council, Executive Leadership Team and Board of Directors, and they took effect in 2024 and should be achieved by the end of 2028. The targets form part of the ESG KPIs in the Executive Leadership Team and senior leaders' incentive programme. The targets and 2024 performance are presented in the table below.

Gender distribution at management level

Gender balance at management level

Leadership levels	Targets	Performance						
	2028	2024		2023		2022	2021	2020
	%W/M	%W/M	Total number	%W/M	Total number	%W/M	%W/M	%W/M
Level 2 leaders	40/60	29/71	14	31/69	13			
Level 3 leaders	40/60	41/59	99	36/64	89			
Senior leaders	40/60	34/66	847	34/66	803	34/66	32/68	28/72
Leaders in general	45/55	41/59	2,721	41/59	2,659	39/61	38/62	37/63

No third gender/non-binary in leadership positions
The total of 'Level 2 leaders' and 'Level 3 leaders' classifications is equivalent to the statutory definition 'other management levels' ('øvrige ledelsesniveauer'). For Danske Bank A/S (excluding subsidiaries), the total number of leaders in 'other management levels' is 100, with a women/men gender split of 58/42%.

Gender distribution at top management level

Leadership levels	Targets	Performance						
	2028	2024		2023		2022	2021	2020
	%W/M	%W/M	Total number	%W/M	Total number	%W/M	%W/M	%W/M
Board of directors, total		50/50	12 (W6/ M6)					
Board of directors, AGM-elected	40/60	37.5/62.5	8 (W3/ M5)	38/62	8	44/56	43/57	33/67
of which independent members		50/50	6 (W3/ M3)					
of which non-executive members		37.5/62.5	8 (W3/ M5)					
Board of directors, employee-elected members		75/25	4 (W 3/ M 1)					
of which non-executive members		75/25	4 (W 3/ M 1)					
Executive Leadership Team	40/60	22/78	9	22/78	9	25/75	13/87	13/87

No third gender/non-binary in leadership positions
The above disclosure ensures compliance with section 150, 8 of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Companies.
The composition of top management is identical across Danske Bank Group and Danske Bank A/S

Gender pay gap and total remuneration ratio (S1-16)

Practicing an inclusive culture and ensuring equity and opportunities for all, the Group reports on both our median and average (mean) raw gender pay gaps, unadjusted by factors such as role and responsibility. These metrics provide insights into gender representation in various roles, often highlighting a concentration of men in higher-paid positions.

Both gaps measure the difference in earnings between men and women across the Group, expressed as a percentage of men's earnings. Because the average calculates the overall earnings disparity, it may be skewed by outliers such as a few individuals being paid significantly higher than the majority, and for this reason we have historically chosen to report on the median gap to explain the experience of the typical employee.

It is important to distinguish these from equity in pay, the measure addressing equal pay for equal work by adjusting for roles and responsibilities.

The Group is actively preparing for the new EU Directive on Pay Transparency, which will take effect in 2026, and we see the directive as an aid for us to further strengthen the Group's cultural transformation. Activities include looking at data, systems and processes to ensure compliance with the directive.

Relative to 2023, median pay increased for both genders, but more so for men than women. Consequently, our median gender pay gap increased from 23.3% in 2023 to 24.6% in 2024. This was caused by a shift in the relative composition of our workforce across countries and types of positions. With the divestment of our personal customers activities in Norway all other countries weigh relatively more than in last year's analysis. This combined with recruitment in 2024 marginally increased the proportion of women in non-Nordic countries, where salaries are generally lower than Group median salaries, resulting in a shift in workforce composition. Furthermore, yearly percentual salary adjustments can result in systemic increases in pay gaps because men are more present in higher-paid positions.

The Group average gender pay gap of 31.1% relative to the median gender pay gap reflects the higher proportion of men in higher-paid positions than women.

Gender pay gap

	2024	2023
Gender pay gap (%), median	24.6	23.3*
Gender pay gap (%), average	31.1	-

The median gender pay gap is the traditional key figure by choice for this metric and further legal requirements.
*The gender pay gap (median) has been recalculated for 2023. In 2023, we reported 20.8.

Annual total remuneration ratio

	2024
Annual total remuneration ratio (%)	39.2

Annual total remuneration for the undertaking's highest-paid individual/median employee annual total remuneration (excluding the highest-paid individual)

Reporting principles

FTE – headcount
The FTE headcount is determined by a simple count of all employees within the Group.

Gender distribution
This is defined as the percentage of women, men and non-binary individuals in relation to the total headcount at the end of the year.

Age groups
The metric shows how Danske Bank's workforce is placed across different age groups. It is reported by the number of employees and as a percentage for each age group. For CSRD reporting purposes, the ages are categorised into three groups: under 30, 30-50, and over 50.

Turnover rate
Employee turnover is defined as the number of leavers (headcount) over a 12-month period divided by the average number of employees at the end of each month over a 12-month period.

Employee contract
A formal agreement between an employer and an employee outlines the terms and conditions of employment. This agreement can be either permanent, with no end date, or temporary, with a specified end date.

Employees are classified as either permanent or temporary. Permanent employees, including regular and probationary staff, have contracts with no end date. In contrast, temporary employees have contracts with a planned end date.

Employee allocation can be full-time or part-time. Full-time employees work standard hours, while part-time employees work fewer hours than their full-time counterparts. Employees who are paid by the hour classified as part-time.

Coverage Rate
The coverage ratio is calculated as headcount of employees per country under the CBA, multiplying it by 100, and then dividing by the total headcount of employees per country.

Collective bargaining agreements
The percentage of employees under the Collective Bargaining Agreement (CBA) is calculated by taking the headcount of employees under the CBA, multiplying it by 100, and then dividing by the total headcount of employees

Gender diversity in BoD
Number of Annual General Meeting (AGM) elected women/men plus number of employee-elected women/men divided by the total number of members on the Board of Directors.

Gender diversity on the Board of Directors (AGM-elected)
Number of Annual General Meeting (AGM) elected women/men who are members of the Board of Directors divided by the total number of AGM-elected members on the Board of Directors.

Gender diversity in the Executive Leadership Team
Number of women/men in the Executive Leadership Team divided by the total number of members of the Executive Leadership Team.

Gender diversity in senior leadership positions
Leadership positions: Number of women/men with staff responsibility as a percentage of total headcount with staff responsibility.

Senior leadership positions: Number of senior leaders who are women/men as a percentage of the total headcount of senior leaders. Senior leaders are defined as employees with job titles that include: any VP title (such as First Vice President, Senior Vice President), Chief Executive Officer, Leader of Business, Leader of Function, Leader of leaders (if at least L5), and Leader of Team (if at least L3).

Gender balance in supervisor level 2 and 3 leadership positions
Number of women/men with staff responsibility at supervisor level 2 and 3 as a percentage of the total headcount with staff responsibility at supervisor level 2 and 3. The Chief Executive Officer is at supervisor level 1.

Gender pay gap (%), average
Average gross hourly remuneration of male employees - average gross hourly remuneration of female employees / average gross hourly remuneration of male employees.

Gender pay gap (%), median
Median gross hourly remuneration of male employees - median gross hourly remuneration of female employees / median gross hourly remuneration of male employees.

Annual total remuneration ratio (%)
Annual total remuneration for the undertaking's highest-paid individual/median employee annual total remuneration (excluding the highest-paid individual)

Variable remuneration ratios with ESG related component
ESG-related measurement includes a 10% weight in the ELT, business units and staff functions. This, combined with the broader focus on the Commercial Sustainability Roadmap, Climate Action Plan, Nature & Biodiversity and Diversity & Inclusion, makes up 100% of the targets, highlighting the importance of ESG in variable remuneration calculations. Ratios for Sustainability-related performance in incentive schemes presented on page 44 are defined as:

- Proportion of total expensed remuneration to Executive Leadership Team linked to performance against GHG emission reduction targets (STIP)
- Proportion of total expensed variable remuneration (STIP and LTIP) to Executive Leadership Team linked performance against all sustainability-related targets (STIP and LTIP)

Reporting and management of discrimination incidents
The number of incidents of discrimination include substantiated incidents within the Group's own workforce related to discrimination, bullying, sexual harassment and other types of harassment that can occur at the workplace. Cases are reported to the HR department through leaders, union or employee representatives or through the Whistleblower hotline. At present, the Group's formal processes are not designed to capture ESRS-required metrics pertaining to S1-17.

Social

Consumers and end-users (S4)

Consumers and end-users include individuals who purchase or use our financial products and services. As a financial institution, we offer customers a wide range of financial products and services, which might affect our customers in several ways. Additionally, how we interact with our customers might also affect and pose risks to us as a financial institution.

Our Personal Customers business unit interacts with personal customers and private banking customers in Denmark, Sweden and Finland by offering a basic payment account to all who request one, as required by regulation in the Nordic countries. Our Personal Customers unit also provides customised services, including accepting deposits, issuing loans and providing investment products. Accordingly, providing access to financial services and contributing to financial inclusion is an important part of Danske Bank's business model. Our provision of financing products and services is based on a customer's current situation and covers situations when customers need to make important financial decisions about, for example, their home, investments or their pension. Mortgage lending is a key product offered by Danske Bank A/S and Realkredit Danmark A/S, which is the Group's largest provider of mortgage loans.

Our interaction with customers can be the source of risks and can potentially have negative implications for our customers. For example, we assume risks through our loan offerings, with home financing being a significant product, in situations where customers are not able to fulfil their payment obligations. A combination of rigorous legislation and credit risk management processes ensures that these risks are limited and manageable.

Another risk is that Danske Bank might distribute non-quality, unreliable information or misrepresent its financial products and services, potentially leading to increased costs, legal and regulatory penalties, and reputational damage. This could also result in customers making uninformed financial decisions that negatively affect their personal finances.

We collect and utilise data concerning our personal customers and their finances to tailor financial products and services to the customers' needs. However, this poses a risk to customer satisfaction and safety in the event of personal data breaches.

Access to quality information

IRO management

Policies related to access to quality information and treating customers fairly

Our Treating Customers Fairly (TCF) Policy outlines common principles and standards for management of TCF risks as established in applicable laws, regulations and guidance covering products and services provided by the Group. The TCF Policy supports us in providing customers with appropriate consumer and investor protection and in delivering customer outcomes that are in the customers' best interest. The policy incorporates principles covering a customer's individual circumstances, needs and preferences, vulnerable customers, customer remediation, and the provision of timely and relevant information. The policy is approved by Danske Bank's Executive Leadership Team and is owned by the Chief Compliance Officer. The TCF Policy applies to all Group employees as well as applicable third parties acting on behalf of the Group.

The TCF Policy also addresses the importance of ensuring non-discriminatory practices in our customer engagements. Promoting equal treatment and non-discriminatory behaviour is also part of our commitment to respecting human and labour rights as stated in our Code of Conduct Policy (see 'Business conduct' in the Governance section).

Engaging with customers

We operate on a model of acting in the best interests of the customer at different touchpoints. These range from proactive outreach through various channels, both digital and human, to providing proper service whenever a customer contacts us. We will convey clearly to the customer when advice is needed, the risks and benefits of using a product or a service from the Group, and in an advisory situation, we will identify the customer's needs and potential impact of following the advice given.

Personal customers can voice their feedback to us via a structured survey system. This includes providing feedback after key interactions with Danske Bank, such as calls to a contact centre, adviser meetings and logins to our Danske Mobile Banking app. In addition, most customers are asked to complete a survey every 12 to 18 months, depending on the market.

The customer feedback is communicated to frontline services to enable them to learn directly from the specific customer feedback and feedback patterns. Furthermore, we carry out analyses across surveys and among customers to identify areas for improvement in products, processes and commercial activities. The operational responsibility for customer surveys lies with our Customer Insights function.

Complaints handling framework

Danske Bank is required to have an appropriate and effective complaints handling framework in place, including procedures and systems that enable fair resolution of disputes. The TCF Policy and the underlying Complaints Handling Instruction set the standard for managing feedback and complaints, ensuring that customers and other stakeholders can easily express their dissatisfaction and enabling us to take appropriate action.

Customers can raise concerns through multiple channels, including in-person interactions with customer-facing employees, central customer service telephone numbers, and digital channels such as web pages, online banking, mobile banking and emails.

Complaints are registered with sufficient detail to enable tracking and analysis. Ongoing analysis helps us to identify systemic issues and the effectiveness of remediation measures, ensuring both that the complaints handling process is continually improved and that issues are identified and addressed. Complaints are reported on internally as well as externally to local regulators as required by relevant legislation.

Customers receive information about the complaints handling process, including information about the progress of their complaint and to whom they can forward their complaint if it is not upheld or if the customer is not satisfied with the reply for other reasons. In addition, any concerns can also be anonymously submitted through the Group's Whistleblowing System (see 'Share your concerns and whistleblowing system' in the Governance section).

Actions and performance

Group Compliance provides oversight and advice in relation to TCF risks and continually enhances and improves the TCF framework. All policies and instructions are reviewed annually as a minimum. Throughout the year, the TCF framework owners and administrators gather feedback on the governing documents from various stakeholders across the Group's three-lines-of-defence model, and the feedback is reviewed and assessed to determine whether updates of the governing documents are required and the extent of any required updates. In 2024, we established additional governing documents providing further guidance on marketing communication, vulnerable customers and customer remediation.

Also in 2024, Group Compliance assessed the training needs and is currently in the process of updating the training related to the TCF framework. The updated training will include TCF cases from the Group to ensure learning from previous incidents.

Our practices for identifying, preventing, mitigating and accounting for adverse human rights impacts are outlined in Danske Bank's Position Statement on Human Rights, and these practices follow the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. This includes measures related to personal customers, and in 2024 we defined a project to identify and address any biases in the development and marketing of sustainability-tailored finance solutions for personal customers and the provision of advisory services in connection with these.

Risk tolerance measures focused on customers have been set by the Group, and products and sales practices have been established to help track TCF risks. A high volume of customer complaints provides an indication of where there are issues in how we provide services to our customers. Sales of investment products outside of the target market provides an indication of where the Group is not meeting its customer suitability and appropriateness requirements. These measures are reported to the Board of Directors on a quarterly basis.

We have a Group-wide product governance setup, which applies to both new and amended products. This setup includes a process of assessing products across various risks, including from the perspective of the consumer. This means that products are subject to certain approvals before being provided to customers, and that these products are then subject to periodic reviews that help ensure they remain fit for the customer. In addition, we have governance practices for what and how we communicate to customers regarding products, and these practices include guidance from the Group's legal department. Our control measures include testing the robustness of product suitability of investment products.

All employees are required to complete training on the Group's Code of Conduct, and this is part of our mandatory training in risk and compliance. This training provides information about the overall business culture, including how to treat customers fairly (see the section 'Business conduct and compliance training').

Training Targets and Completion in 2024

Training	Training type	Expected completion rate	Completion rate
Code of Conduct and Share Your Concerns	Mandatory training	Target: All employees	98%

Privacy

IRO management

Policies related to privacy and personal data protection

Privacy and personal data protection is a key consideration at Danske Bank and ensures the confidence and trust of our customers and the individuals we interact with. We have a Group Personal Data Protection Policy and related instructions that set the principles and standards for managing personal data protection and confidentiality risks across all Group activities.

Our Personal Data Protection Policy guides management of data protection and confidentiality risks, and it supports a lawful and transparent use of personal data, which aligns with the General Data Protection Regulation (EU) 2016/679 (GDPR) and national data protection laws. The policy is approved by the Executive Leadership Team and is administered by Group Compliance.

Actions and performance

To mitigate personal data protection risks and confidentiality risks across the Group, we continually enhance our digital strategy and strengthen our processes and controls, which also serves to protect customer data across all relevant operations.

We employ a streamlined approach to personal data protection and confidentiality risks in accordance with the Group's Enterprise Risk Management Taxonomy. Additionally, we have a specific centre of excellence for data protection in Group Legal and a data protection compliance department in the Group's second line of defence, where the Data Protection Officer function is also positioned.

We implement a set of controls and technical and organisational measures for managing the risks to data subjects arising from our data processing activities. These measures are aligned with the Group's Security and IT Risk Management policies (see 'Information technology security and business continuity' in the Governance section). Data protection and intrusion countermeasures also consider the nature, scope, context and purpose of personal data processing.

We use personal data for the purpose or purposes for which the data was collected. Further considerations are outlined in the Group's privacy notices available on the Group's company websites. The privacy notices explain how we process personal data in line with GDPR requirements and cover the rights of the data subjects, including, but not limited to, access, automated decision making, erasure of personal data and data correction. The data subjects can exercise their rights through writing to GDPR-insight@danskebank.dk, via their adviser or by sending a message in Danske eBanking or Danske Mobile Banking.

In the event of a personal data breach, we adhere to a protocol that manages such incidents. This involves documenting the incident in a specialised internal tool, which is regulated by a standard operating procedure. Additionally, predefined escalation channels are used to ensure a structured and effective response process.

All employees are required to complete mandatory training on personal data protection and security within two weeks of commencing their employment in the Group and thereafter annually. Additional tailored and role-specific training is provided for employees in accordance with their needs.

Training Targets and Completion in 2024

Training	Training type	Expected completion rate	Completion rate
Personal Data Protection Basics	Mandatory training	Target: All employees	97%

Financial inclusion

IRO management

Access to financial services and products promotes social inclusion and benefits both society and individuals. Our impact analysis, carried out using the UNEP FI Portfolio Impact Analysis Tool, revealed a positive impact, underscoring our crucial role as a financial institution in providing lending access for personal customers.

Our home financing promotes access to housing and facilitates the property market. Mortgage loan products include a range of interest rate options and durations, including short-term or long-term variable loans, fixed-rate loans and interest-only loans.

Mortgage loans represent the largest product volume in our Personal Customers business unit, with mortgage lending accounting for more than DKK 600 billion out of DKK 1,100 billion in total assets. Our mortgage lending activities are primarily carried out in the Danish market. Home financing is provided mainly through the Group's mortgage credit institution, Realkredit Danmark A/S, and to some extent through Danske Bank A/S. Realkredit Danmark provides mortgage loans for properties throughout Denmark.

Home financing at Danske Bank Denmark includes the bank loan products Boliglån and Danske Bolig Fri. Boliglån is generally utilised in conjunction with a mortgage loan, whereas Danske Bolig Fri offers home loans similar to mortgage loans.

For the Danish housing market, the specific Danish mortgage model offers transparency, fairness, scalability and stability. Mortgage interest rates offered to customers are set mark-to-market on equal terms for all. Administrative fees for personal customers in Realkredit Danmark are set by product-specific risk parameters on equal terms for all personal customers in all parts of Denmark.

Individuals with limited financial and/or personal resources that do not have the capacity to buy and own their own home, are in Denmark supported by the social housing sector. With more than 560,000 homes and close to 20% of the total market for private homes, this sector provides affordable housing, access to local communities and an inclusive housing democracy for individuals living under poor or otherwise limited circumstances in our society. The social housing sector fulfils a very critical, but also sustainable, role in society by supporting the living conditions of thousands of people, and the sector is backed by public subsidies and guaranties.

Realkredit Danmark A/S supports social housing with long-term mortgages totalling DKK 95 billion and products on both favourable terms agreed with the Danish Ministry of Finance and on market-based terms.

From a risk perspective, the Group's reliance on the financial stability of mortgage customers introduces credit risk because customers may fail to honour their financial obligations.

Based on the current stable economic environment, the risks related to mortgage lending are more likely to occur over the medium to long term, whereas the positive impact of providing home financing to personal customers occurs in the short, medium and long term.

The Danish Mortgage-Credit Loans and Mortgage-Credit Bonds Act, along with executive orders for mortgage lending in Denmark, sets limitations on mortgage loans issued by mortgage credit institutions. This framework helps to ensure that financing is accessible to a broad spectrum of potential customers, and it also reduces the risk of individuals accruing more debt than they can manage. The framework assesses the value of the collateral in a prudent market-based way.

Policies related to financial inclusion

The Group's Credit Policy sets the principles for credit risk management and supports a strong risk culture in the Group in alignment with regulatory requirements and its strategic ambitions. The acceptance of credit risk is an integral part of our core business, and fulfilling our financial goals requires sound commercial decisions that balance risk and reward.

Among other things, our Credit Policy sets principles for the customer's credit risk profile, products provided, collateral, concentration risks, which markets we provide financing in, and how the exposures are monitored and reported on. The policy is approved by the Board of Directors and is owned by the Chief Risk Officer.

Actions and performance

In our first-year reporting, we focused on the Danish mortgage market, particularly our home financing through Realkredit Danmark. We will continue to develop performance metrics for our Nordic mortgage portfolio to support disclosures on financial inclusion.

Age distribution of mortgage lending in Realkredit Danmark

Denmark	Unit	2024
Share of total mortgage lending to aged 30 or younger	%	2.5
Share of total mortgage lending between aged 31 and aged 64	%	67.5
Share of total mortgage lending to customers aged 65 and over	%	30
Total Personal Mortgages, Realkredit Danmark	DKKbillions	**388**

Realkredit Danmark aims to consolidate its market position and strives to improve the customer experience with a particular focus on young and elderly customers. However, no specific targets have been established for financial inclusion.

In 2024, the interest rate for additional loans on top of a mortgage loan for first-time home buyers in Denmark was lowered. House prices and prices for owner-occupied apartments were increasing around the larger cities in Denmark. Consequently, the cost for young customers to buy an apartment was and remains high. To support this customer segment, Realkredit Danmark has dedicated teams providing targeted advice to young customers. Realkredit Danmark also continued its support of financial literacy by providing explanatory social media videos about buying an apartment.

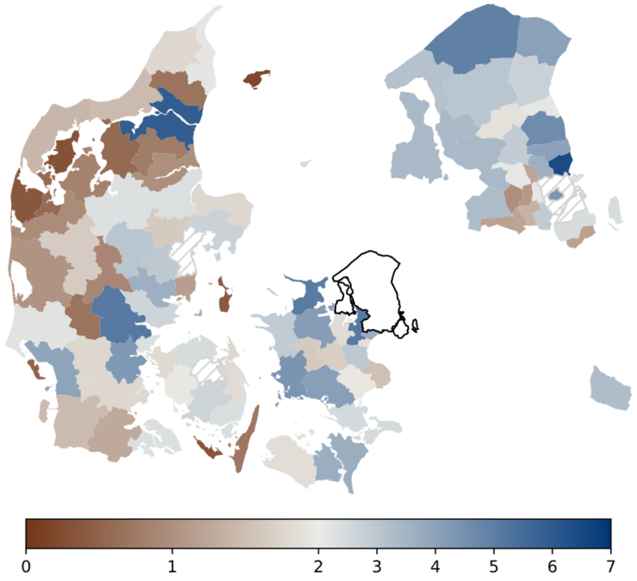
For homeowners who are moving closer to retirement or who have already retired, Realkredit Danmark has improved its service and advisory offerings related to releasing home equity to support an optimal financial planning for the retirement period. The terms for Realkredit Danmark mortgage loans with low monthly payments (interest only) have been made more transparent, and the advisory offering has been strengthened to support an effective use of the customers' saving and assets.

An analysis of the Danish mortgage lending portfolio in Realkredit Danmark shows that the share of loans to customers aged 30 or younger represents 2.5% of the total mortgage portfolio, and the proportion for customers over the age of 65 stands at 30%.

Because the majority of Realkredit Danmark lending is provided by Danske Bank's physical and digital distribution network, it is possible for homeowners to get advisory services and obtain a mortgage loan regardless of the homeowner's location in Denmark.

The figure below shows the geographical distribution of properties mortgaged by Realkredit Danmark at municipality level. To make the number of properties clearer for the smaller municipalities, the Copenhagen Capital Region is shown as a separate entity, and the remaining properties have been re-distributed between the municipalities outside the Copenhagen Capital Region.

The geographical distribution of mortgaged properties therefore reflects Danske Bank's market position. Furthermore, because property values are typically higher in and around larger cities compared with rural areas, our lending is higher there.



Forbearance

Stage	2024 DKK millions
1 (No significant increase in credit risk)	15
2 (Significant increase in credit risk)	233
3 (Credit impaired)	364

Our credit process ensures that loans, including mortgage loans, are granted to customers within the customers' financial capacity. To ensure that the loan fits the maximum loan-to-value criteria, the assessment of financial capacity takes into consideration parameters such as sufficient margin to sustain all members of the household, a viable repayment schedule and valuation of the property.

We have procedures and processes in place that enable early-stage help to be provided to customers who experience financial difficulties, hereby securing the best outcomes for the customers and the Group, including Realkredit Danmark. Such processes include identification of relevant customers through ongoing credit assessments and controlling and monitoring of customers for early warning signs or significant deteriorations in the customers' financial position. For Personal Customers, the early signs of inability to repay are addressed by dedicated teams specialised in identifying and mitigating such issues.

Reporting principles

Mandatory training in risk and compliance
The risk and compliance eLearning courses are mandatory for all Group functions and employees and must be completed once a year and on time. In addition, all new Group employees must complete the module within the first 14 days of their employment. All temporary employees and external consultants with access to the Group's IT systems must also complete training. The calculation of the completion rate for each mandatory training module is the number of assigned employees finishing the training module on time divided by the total number of employees assigned to the training module. The completion data has been extracted from the external Learning Management System, Oracle, and covers 2024. Data has not been validated by an external body.

Age Distribution for Financial Inclusion
To determine the age distribution within the private portfolio as of 31 December 2024, we initially identified the portfolio of private properties using the property sector registration. Age criteria are defined by selecting the eldest person in the household, and only one observation per property is included. Ages are classified into intervals of '<=30 years', '>=65 years', and within the 31-64 age group. The outstanding debt, valued at market price, is then totalled for each age interval. Based on the debt amounts, the percentages are calculated.

Forbearance practices and repossessed assets
At the Danske Bank Group, we adopt forbearance plans to assist customers in financial difficulty. Concessions granted to customers include interest-reduction schedules, interest-only schedules, temporary payment holidays, term extensions, cancellation of outstanding fees, waiver of covenant enforcement and debt forgiveness. Forbearance plans must comply with the Group's Credit Policy. These plans are used as an instrument to retain long-term business relationships during economic downturns if there is a realistic possibility that the customer will be able to meet their obligations again or are used for minimising losses in the event of default.

If it proves impossible to improve the customer's financial situation by forbearance measures, we will consider whether to subject the customer's assets to a forced sale or whether the assets could be realised later at higher net proceeds.

The European Banking Authority's (the EBA's) definition of loans subject to forbearance measures are applied across the Group. The EBA definition states that a probation period of a minimum of two years must pass from the date when forborne exposures are considered to be performing again. Forbearance measures lead to changes in staging for impairment purposes, and impairments relating to forborne exposures are handled according to the principles described in note G15 of the Group's financial statements.

Customers subject to forbearance measures are placed in stage 2 if, in the most likely outcome, no loss is expected, or the customers are in the two-year probation period for performing forborne exposures. If a loss is expected in the most likely scenario, the customer is placed in stage 3.

Governance

Business conduct (G1)

Identifying, managing and mitigating risks are core elements in conducting business and maintaining trust and confidence in the products and services provided by the Danske Bank Group.

The Group faces several inherent risks and related potential negative impacts. These relate to the following: the provision of critical financial infrastructure to society; ensuring secure and stable IT systems; proper management of large volumes of data; fighting financial crime (an area in which the financial sector is heavily exposed and plays an important gatekeeper role); complying with comprehensive and complex regulatory requirements; securing financial stability; and managing third-party elements. Besides bribery and corruption, which is categorised under financial crime, all of the above are material entity-specific IROs that relate to the Group's business model and own operations, and all are managed by way of strong risk management to avoid negative impact on customers and society and to avoid financial loss to the Group.

Based on the current stable economic environment, the risk and impact related to financial stability is more likely over the medium to long term, whereas the other risks and impacts could occur in the short, medium and long term.

IRO management

Business conduct policies and corporate culture (G1-1)

Our Code of Conduct Policy ('the Code') serves as a foundation for managing material IROs related to the Group's business conduct and corporate culture. The Code applies to all employees and is designed to uphold high ethical standards and integrity across all operations in the Group.

The Code formalises the framework for organisational culture. Topics addressed by the Code relate to:

- Ensuring that our business practices are aligned with a sound business culture and responsible behaviour in support of the Group's Purpose and Culture Commitments.
- Integrating ESG risk considerations into our general business practices and decision-making processes regarding the companies the Group lends to, invests in and procures from to align the Group's impact with the Paris Agreement and other societal goals.
- Maintaining integrity in the financial markets by actively preventing, detecting and reporting market abuse, including unlawful disclosure of inside information, insider dealing and market manipulation.
- Preventing zero tolerance of every form of financial crime, including money laundering, terrorist financing, sanctions breaches, tax evasion and tax evasion facilitation, internal and external fraud, bribery and corruption.
- Handling personal data ethically and protecting this data according to the law to ensure privacy and security of both customer data and employee data.
- Promoting and respecting human and labour rights, including preventing discrimination, harassment and any form of forced labour and/or child labour.
- Treating customers fairly and ensuring a good customer experience.
- Promoting respect, diversity and sound performance in the workplace.
- Providing appropriate compensation, not rewarding unethical behaviour and ensuring that no discriminating factors have any bearing on remuneration structure.
- Having strong risk management, governance and controls in place to ensure that we address all the different types of risk we face.

The Code ensures compliance with applicable requirements relating to risk culture and business conduct in the following: the European Banking Authority EBA/GL/2021/05; the Final Report on Guidelines on Internal Governance under Directive 2013/36/EU, Sections 9-10; Section 70a of the Danish Financial Business Act; the Danish Executive Order on Policy on a Sound Business Culture in Financial Institutions; and the provided guideline.

We have separate Group-wide policies and instructions that specify material IROs more thoroughly.

The governance structure for the Code is clearly delineated, with the Board of Directors serving as the policy owner and the Chief Executive Officer managing it. The Code is administered by Group Compliance, which provides the Executive Leadership Team with annual reporting on the development of the key measures related to the implementation of the Code and associated requirements within the Group. Managers have responsibilities to promote and embed the Code within their teams, and the Code is available on the Group's company intranet for all employees across the Group. The Code is also available on Danske Bank's website to ensure that potentially affected stakeholders and those who need to help implementing the Code can access it easily.

The effectiveness of the Code is monitored through an annual review process that assesses adherence to the Code and assesses supporting metrics to ensure the Code remains aligned with current legislation, regulations and best practices. The CEO reports the outcome of the annual review to the Board of Directors, and at the Annual General Meeting the chairman of the Board of Directors delivers an update on the implementation and effectiveness of the Code.

The development and updating of the Code involve input from employees in different Group functions who possess expertise in the different topics covered by the Code.

Promoting a sound business culture

The Code applies to the way Group employees act, solve problems, conduct activities and make decisions in day-to-day business situations as well as in complex situations where the right thing to do is not always obvious. The Code outlines the Group's legal obligations and lays down the standards and principles of the conduct that we expect. Lack of adherence to the Code may have severe consequences for the Group and its employees, including fines, criminal liability, regulatory and/or market scrutiny, and it may also lead to disciplinary actions.

Senior management communicates its commitment to maintaining the Culture Commitments specified in the Code and sets the tone from the top regarding what good conduct should be. This communication is delivered at employee meetings and through other internal channels. Mandatory training in the Code is undertaken by all employees at least once a year.

All employees, regardless of position, role, function or location, are responsible for identifying and managing risks within their area. Only risks that align with the Group's risk appetite can be accepted, and employees must collaborate with each other to avoid and reduce risks outside the risk tolerance limits. The Group's risk management strategy is outlined in the Enterprise Risk Management (ERM) Policy (see 'Financial stability' in the Governance section).

Share Your Concerns and Whistleblowing System

The Code also specifies the mechanisms for identifying, reporting, and investigating concerns about unlawful behaviour or behaviour in contradiction to the Code. The mechanisms are designed to help employees recognise potentially significant issues and take immediate and appropriate action and to help address and resolve issues effectively and transparently.

Employees are encouraged to speak up about suspected wrongdoing. Employees can find information on the intranet about how and with whom they can share their concerns. These include regular channels of communication and escalation for example instigating an Unusual Activity Report or raising concerns with line managers, trusted senior colleagues or specialist teams such as HR Legal or Compliance Investigations.

When regular channels of communication and escalation are unavailable or seem inappropriate, employees can submit their concerns anonymously without fear of retaliation through the Group's Whistleblowing System. The Group's Whistleblowing Policy sets the principles and standards for the protection of whistleblowers and the effective handling of Whistleblowing Reports. All reports are handled in confidence by a dedicated team and are overseen by Group Internal Audit to preserve confidentiality and independence. The Board of Directors' Conduct & Compliance Committee oversees significant matters that may compromise the Code and receives regular reporting of Group's whistleblowing processes.

External stakeholders can also raise their concerns via the Group's Whistleblowing System. Furthermore, feedback mechanisms are in place to continually improve interactions with customers and other stakeholders based on their experiences and complaints. The management of customer complaints forms part of the Group's Treating Customers Fairly Policy (see 'Access to quality information' in the Social section).

Business conduct and compliance training
The Code describes the need and frequency for compliance training about the Code, and the associated instruction provides operational details on how to achieve the requirements outlined in the Code. In addition, our Compliance Policy (see the 'Regulatory compliance' section) sets requirement for mandatory compliance training, and further training is described in a Compliance Training Instruction, which is updated annually.

In line with these policies and instructions, we require that all employees complete mandatory Risk and Compliance training within two weeks of starting employment in the Group, and annually thereafter. The training consists of several modules, which include data protection, Code of Conduct and financial crime. In 2024, this training included references to ethical use of artificial intelligence and messages on consequence management with emphasis on ethical behaviours. In 2024, a total of 97% of employees completed and passed Risk and Compliance training on time (2023: 97%).

Furthermore, tailored and role-specific training is provided to targeted groups of employees across the Group in accordance with their needs, for example within the area of financial crime. The training programme is revised periodically.

Financial crime

IRO management

Elevated risk for corruption and bribery
The threat landscape is constantly changing as new trends emerge to exploit the financial system, and sanctions requirements are expanding. We are committed to fighting financial crime, which includes bribery and corruption.

Due to the nature of their work, some Group functions such as Procurement and HR Recruitment & Remuneration have a higher inherent risk exposure in relation to corruption and bribery. In addition, employees empowered to authorise banking products and services for customers are also exposed to a higher inherent bribery risk.

In relation to customers, the risk of corruption and bribery is higher for customers who are identified as being politically exposed persons (PEP) and public officials. This also includes individuals who have a strong connection to the above-mentioned persons and/or third parties that act for or on behalf of the Group to obtain or retain business for the Group.

Policies related to financial crime
Our Financial Crime Policy sets out the principles for managing all financial crime risks, including money laundering, terrorist financing, sanctions violations, external fraud, internal fraud, tax evasion, and bribery and corruption.

The Financial Crime Policy applies to all employees, and the principles of the policy are further detailed in the Group's instructions in relation to governance, roles and responsibilities and risk mitigation requirements. These include our Anti-bribery and Corruption Instruction, which provides employees with detailed guidance on identifying, preventing and managing detected or suspected attempts or incidents of bribery and corruption. Other supporting instructions are the Conflicts of Interest Instruction and the Gifts and Hospitality Instruction, which sets strict standards for the ethical provision and acceptance of gifts, entertainment and any other benefits or items of value.

The Financial Crime Policy is owned by the Board of Directors and is administered by Group Compliance. The Financial Crime Policy and its associated instructions apply to all employees of the Danske Bank Group, its subsidiaries, and all associated persons of the Group. Additionally, all third parties must comply with these policies and instructions when acting on behalf of Danske Bank. The adoption of policies and instructions is a centralised process managed by Group Compliance. Monthly monitoring of implementation is carried out by Financial Crime Compliance.

The Financial Crime Policy and its associated instructions are accessible in the Group's central repository. Additionally, our Financial Crime Policy is available to external stakeholders on our danskebank.com website. To ensure a comprehensive understanding of the requirements and implications, all employees must complete annual training related to financial crime.

Monitoring, investigating and reporting processes (G1-3)
The Board of Directors is accountable for the financial crime risks undertaken by the Group, and the Executive Leadership Team retains management responsibility for implementing appropriate systems, processes and controls to identify and manage financial crime risks.

We have implemented a Group-wide three-lines-of-defence model to promote effective segregation of duties and sound governance. Group Compliance, an independent function within the second line of defence, is responsible for advising the Board of Directors on appropriate policies and standards to meet regulatory requirements and expectations on the management of financial crime risks, including risks related to corruption and bribery.

Our Anti-Bribery and Corruption Instruction is devised and overseen by Financial Crime Compliance which is a part of the Group Compliance function. The first line of defence is implementing and operating the preventive and detective controls under the guidance, oversight check and challenge of the second line of defence.

Financial Crime Compliance monitors existing and forthcoming financial crime risks and also assesses the effectiveness of risk mitigation measures to ensure that these adequately address the identified risks. Key risk metrics are reported through management information to senior management in Financial Crime Compliance.

On a quarterly basis, Financial Crime Compliance reports to the Executive Leadership Team and the Board of Directors on compliance risk tolerance measures, providing insights into changes and giving an overview of specific financial crime-related metrics. Furthermore, the Executive Leadership Team and the Board of Directors receive a separate report on material risks and areas of non-compliance, in order to strengthen controls and/or reduce risk exposure and to enable the Board of Directors to discharge its supervisory responsibilities to ensure that the Group is operated in a prudent, effective and compliant manner.

Any internal incidents of bribery and corruption are raised in accordance with our Non-Financial Risk Event Escalation Process and/or Whistleblowing System or through regular channels of communication.

As a standardised process, any identified unusual activity and suspicion of bribery and/or corruption must be filed as an Unusual Activity Report to the local Suspicious Activity Reporting (SAR) team/local Money Laundering Reporting Officer (MLRO). If suspicious activity has been confirmed, the SAR officer/MLRO will file a report to relevant local authorities.

The investigative units responsible for investigating both internal and external bribery and corruption cases are part of Group Compliance and are therefore in a separate chain of management than the first-line-of-defence business units. The investigative units will report investigations to the Chief Compliance Officer as appropriate. In addition, we have our own internal processes also for investigating cases, in which a second- or third-line-of-defence employee is involved to ensure there is no conflict of interest.

Actions and performance
Having a financial crime control framework that harnesses global practice is a strategic priority for the Group. At the end of December 2023, we closed down our multi-year financial crime enhancement programme and now have a financial crime control framework in place that meets regulatory requirements and that is designed to manage risks in line with the Group's risk tolerance. In 2024, we tested our controls, including controls to mitigate bribery and corruption risks, to ensure that these controls are fully implemented and operating effectively. Any further improvements will be addressed in the normal course of business.

To understand our customers and their intended use of our products and services, a Know Your Customer (KYC) due diligence review is performed on all customers before a customer relationship is established and before any occasional transaction is carried out. KYC due diligence monitoring is also carried out on an ongoing basis depending on the customer's risk profile. In 2024, we initiated a review of our KYC and transaction monitoring to improve identification of bribery and corruption indicators when we perform KYC and transactions monitoring.

The Group had zero convictions and no fines for violations of anti-corruption and anti-bribery laws in the reporting period.

Financial crime compliance training (G1-4)
Our mandatory risk and compliance training for all Group employees and functions, including all functions at risk, contains core training on the topic of financial crime risks. The two courses – 'Fighting Financial Crime: Internal Risks' and 'Fighting Financial Crime: External Risks' – include anti-bribery and anti-corruption training. The training must

be completed by employees within two weeks of commencing their employment in the Group and annually thereafter.

We perform an annual needs analysis relating to financial crime training to identify relevant employee competencies for specific categories of employees. Accordingly, the required nature, scope and depth of compliance training is ascertained, and compliance training is then tailored and developed accordingly.

In addition to mandatory core compliance training, all new Executive Leadership Team members receive Group Compliance training for the Executive Leadership Team, which covers financial crime risks, including bribery and corruption. The training was updated in 2024 in regard to personal data protection and saw the inclusion of cross-taxonomy risks.

Within the first year of their appointment, new members of the Board of Directors must complete a mandatory training course in the competences necessary to carry out their duties and responsibilities as members of the Board of Directors, unless exempted from doing so by the Danish Financial Supervisory Authority (FSA). Furthermore, on the basis of recommendations from the Nomination Committee, the Board of Directors decides on further training initiatives for its members and regularly assesses the need for training in financial crime risks, including anti-bribery and corruption.

For employees who have not completed training including anti-bribery and anti-corruption training, the issue is escalated to the respective managers. Non-compliance with training requirements is managed in accordance with the Group's Code of Conduct policy and HR policies, which may result in disciplinary actions.

Training targets and completion in 2024*

Training	Training type	Expected completion rate	Completion rate
Fighting Financial Crime: External Risks	Mandatory training	Target: All employees	97%
Fighting Financial Crime: Internal Risks	Mandatory training	Target: All employees	97%

*Reporting principle for mandatory training in risk and compliance is included in section S4.

Regulatory compliance

IRO management

For the Danske Bank Group, compliance risks encompass the risk of incurring legal and regulatory sanctions, material financial loss, causing adverse outcomes for customers, markets or society, or loss of reputation, as a result of the Group's failure to comply with laws, rules, regulations and internal policies, instructions and standard operating procedures.

Policies related to regulatory compliance (MDR-P, 63-65)

Our Compliance Policy sets the principles and standards for managing compliance risks across the Group and describes the key roles and responsibilities of Group Compliance in supporting the Group in remaining compliant and meeting applicable laws, rules and regulations as well as sound practice across all jurisdictions in which the Danske Bank operates.

Group Compliance is responsible for designing and setting the risk management framework, establishing policies and procedures and providing needs-based compliance training to relevant employees. The risk management framework includes the Group Compliance strategy, compliance risk tolerance, governance and committee structure, its compliance programme, governing documents issued by Group Compliance, and other processes, systems and controls that support the effective management of compliance risks.

Group Compliance provides independent oversight, advice and challenge across the organisation to ensure the effective identification and management of compliance risks. This includes monitoring adherence to applicable laws, rules and governing documents by addressing risks within the areas of financial crime, regulatory compliance, conduct and sustainability compliance. Through the Compliance Oversight Assessment framework, Group Compliance also exercises oversight of risk areas for which primary responsibility rests with Group Risk Management and first-line specialist functions.

Group Compliance reports independently and escalates compliance risks and issues to the Executive Leadership Team and the Board of Directors. The Compliance Policy is owned by the Board of Directors administered by the Head of Group Compliance Execution, Governance & Investigations and applies to all employees across the Group.

All policies and instructions are available to employees through a dedicated portal. Amendments, updates, new policies and instructions are communicated Group-wide through the Group's Governing Document Newsletters and are communicated specifically to Group Compliance through the Group Compliance newsletter.

Actions and performance

We apply a risk-based approach in order to understand and manage the Group's compliance risks. The Group-wide risk assessments identify, measure and assess inherent regulatory compliance risks as well as the residual risk, taking into account the control environment, and we undertake compliance monitoring in a structured manner that prioritises resources towards the most material risks. Group Compliance regularly issues compliance observations towards first line of defence owners, highlighting where management action is needed to reduce actual or potential non-compliance with legal, regulatory and/or internal governing documents requirements. In addition, Group Compliance assesses the frameworks put in place by Group Risk Management and first line specialist functions to manage compliance risks across the Group.

In 2024, we enhanced our trading and communication surveillance capabilities, which resulted in a higher precision in alert identification and improvement in alert quality. Furthermore, we made improvements to our Treating Customers Fairly policy (see 'Access to quality information' in the Social section) and simplified the risk management approach to conduct risk.

All employees are required to complete training on conflicts of interest and market abuse, which is part of the Group's mandatory training in risk and compliance.

Training targets and completion in 2024*

Training	Training type	Expected completion rate	Completion rate
Conflicts of Interest and Market Abuse	Mandatory training	Target: All employees	97%

*Reporting principle for mandatory training in risk and compliance is included in section S4.

Financial stability

IRO management

Danske Bank operates in a regulated environment and is regulated by the Danish FSA.

The Danske Bank Group assumes risks to support the activities of its customers, while ensuring the stability of its financial position to the benefit of shareholders, society, customers and employees.

We apply an enterprise risk management (ERM) approach in which long-term risk tolerance statements and analytics-based risk assessments support us in protecting the Danske Bank Group's long-term financial stability, risk-informed commercial planning and strategic allocation of capital. Our ERM Policy also sets common standards for how we manage risk across all risk types and organisational entities. Supported by policies approved by the Board of Directors, the ERM defines the Group's risk taxonomy, risk roles and responsibilities, risk governance, approach to risk tolerance and risk appetite, risk philosophy, and risk culture. We continually monitor our internal and external environment to identify and manage any emerging risks that could have a material impact on the Group's performance and that need to be captured under this policy.

We are committed to protecting financial stability, guided by prudent capital and liquidity management and compliance with regulatory requirements, thereby contributing to the economic well-being of society. The Danish FSA, which annually designates Systemically Important Financial Institutions (SIFIs), has classified Danske Bank in the highest category of systemic importance. This classification reflects an evaluation based on asset size, operational complexity, and the volumes of deposits and loans. The systemic importance of Danske Bank is underpinned by the highest possible SIFI-buffer, which is 3% of the total risk exposure amount (REA), and is met by common equity tier 1 (CET1) capital.

Policies related to financial stability

Strong capital and liquidity management through the economic cycle is a pre-requisite for supporting our long-term sustainable progress in line with our strategic purpose. Our Capital Policy and Liquidity Policy ensure strong capital and liquidity positions and compliance with regulatory requirements. Accordingly, the objective of the policies is to ensure a strong capital and liquidity position and compliance with regulatory requirements. Both policies are owned by the Group Chief Risk Officer and approved by the Board of Directors.

The metrics in the management reporting on capital and liquidity are used to track the effectiveness of policies and actions. We monitor risks related to the Group's capital position and submit risk reports to the relevant bodies within the governance structure. Capital management risk reporting consists of a monthly report on the Group's capital position. In addition, we prepare reports on the Group's capital position measured against its risk and business strategy as part of the ICAAP. For breaches on capital measures, the Capital Policy states that the Board of Directors must be informed about any breaches or potential breaches of the principles in the policy that refer to thresholds of capital measures that are in alignment with legislation.

Liquidity management encompasses monitoring, managing and reporting on short- and long-term liquidity risks. We monitor adherence to all limits and thresholds on an ongoing basis at internally set frequencies. All limit breaches are reported to the relevant body within the governance structure. The Board of Directors and senior management regularly receive reports that provide an overview of the Group's current liquidity risk profile and outlines the drivers of changes in liquidity and funding. In terms of breaches of liquidity measures, the Liquidity Policy states that the Chief Executive Officer is responsible for adhering to internal escalation procedures.

Actions and performance

We perform stress tests regularly to ensure that the Danske Bank Group always has sufficient capital and liquidity to support its customers through business cycles. Stress testing serves as an important tool for managing the Group's risk profile. This stress testing provides management with an understanding of how our portfolios are affected by macroeconomic or idiosyncratic changes, including any adverse effects on the Group's capital that might arise from adverse macroeconomic developments. To manage liquidity risks, stress tests are carried out using specific shocks mainly through assumptions of liquidity outflows in different stressed economic environments. The scenarios used for stress testing – both on capital and liquidity - are severe and allow for prudent planning to support the Group's viability. Furthermore, we engage in stress testing exercises with the Danish FSA annually and with the European Banking Authority every two years.

The Danske Bank Group has strong capital and liquidity positions with buffers above regulatory requirements. At the end of December 2024, the CET1 ratio stood at 17.8% (2023: 18.8%), leaving a buffer of 330 bps to the regulatory requirement. Danske Bank is subject to a minimum requirement for own funds and eligible liabilities (MREL) to support orderly resolution, if needed. At the end of 2024, the point-in-time requirement was DKK 251 billion corresponding to 36.6% of total REA adjusted for Realkredit Danmark. The Group also has internal MREL requirements for subsidiaries. At the end of 2024, the liquidity coverage ratio stood at 167% (2023: 170%) with an LCR reserve of DKK 560 billion. The net stable funding ratio stood at 118% (2023: 126%).

Information technology and security risks and business continuity

IRO management

We provide critical financial infrastructure to our customers and broader society that requires safe and stable IT and security systems. The information technology and security risks are related the risk of breaches of confidentiality or failure of integrity of systems and data or the inappropriateness or unavailability of systems and data. This includes security risks resulting from inadequate or failed internal processes or external events, including cyber-related attacks or inadequate physical security. In such situations, this may be a cause of financial loss to the Group.

Business Continuity Risk is the risk of failure of one of the four critical resources (people, premises, IT and partners/vendors), which can lead to business disruption and thus adversely affect the organisation and its image. At Danske Bank, the business continuity risk is primarily IT related.

Policies related to information technology and security

The Board of Directors is ultimately accountable for establishing Group-wide principles for management and control of risks, including the requirements for managing IT and security risks. Our Non-Financial Risk Policy, IT Risk Management Policy and Security Policy set out the requirements for managing IT and security risks. Effectiveness of the policies and relevant governance documents is monitored and ensured through continuous oversight and monitoring by a number of Board of Directors or Executive Leadership Team sub-committees and councils, including the Technology & Services Risk Committee. Matters are escalated to the Group All Risk Committee. Policies are also reviewed at least annually to ensure they remain effective.

The IT Risk Management Policy supplements the Non-Financial Risk Policy by detailing specific requirements for the management of IT risks and to comply with internal objectives, applicable regulations and legislations. In scope for the Security Policy is risk of loss due to breach of confidentiality, failure of integrity of systems and data, or unavailability of systems and data. In addition, this includes risks related to damage of physical assets and security of people.

The Board of Directors is also ultimately accountable for establishing the Group-wide principles for management and control of risks for managing business continuity risk. The Business Continuity & Crisis Management (BCCM) Policy sets control requirements for business continuity risk.

Actions and performance

The Group's ability to respond to cyber-risk events and major IT disruptions is evaluated on a regular basis, and the Group also participates in the Danish FSA's annual cyber stress test.

Technology risk matters are monitored and decided by committees or councils that are specific to technology-related teams and our Technology & Services Risk Committee. In accordance with the committee charter, the committee reports on issues, actions and decisions taken by the committee to the Group All Risk Committee. The Technology & Services Risk Committee will escalate to the Group All Risk Committee in the following cases:

- when a Group risk tolerance or other risk limits are breached
- if decisions extend beyond the authority defined in the charter
- if it evaluates a need to review at Group level
- if decisions may have a significant effect on other parts of the Group

Business continuity risk is managed holistically, resulting in proactive measures that enable us to identify potential threats and their impacts on business operations, respond to them, and continue the delivery of its products and services supported by functions at acceptable predefined levels following a disruption.

A biannual Security and Resilience update and a quarterly update on IT Resilience is provided to the Non-Financial Risk Committee. A Cyber, Data and Third-Party Case-Decision Committee was established in Q3 2023 to make decisions on individual cases proposed by Business Units or Group Functions that expose the Group to cyber, data and third-Party risk.

All employees are required to complete mandatory training in security and operational resilience which covers IT security risk and business continuity. The training focuses on various security aspects in the Group that enable us to prevent, respond to, adapt to, mitigate and learn from various non-financial risks that may interrupt the bank's regular processes. Additional tailored and role-specific training is provided for employees based on their needs.

Training targets and completion in 2024*

Training	Training type	Expected completion rate	Completion rate
Security and Operational Resilience	Mandatory training	Target: All employees	97%

*Reporting principle for mandatory training in risk and compliance is included in section S4.

Data Management

IRO management

The management of data risk includes the risk of loss resulting from untimely or flawed decision making based on insufficient or inappropriate data. We store and use an extensive volume of private information about our customers, employees and other stakeholders. Situations where we provide incorrect data and related information to our customers and other stakeholders could potentially have negative impacts on them leading to wrong or poor decision-making and financial loss.

Policies related to data risk management

The Group's Non-Financial Risk Policy (NFRP) and Data Risk Management Policy (DRMP) are the tools by which the Board of Directors regulate and delegate mandates. The Non-financial Risk Policy is owned by the Group Risk Officer, managed by the Head of Non-financial Risk and approved by the Board of Directors.

The Board of Directors is ultimately accountable for establishing the Group-wide principles for management and control of risks, including the requirements for managing data risk.

Actions and performance

Business units and Group functions are primarily responsible for identifying and managing their own data risks. With the support of their respective local data officers, risk owners in business units and Group functions are accountable for data risk management within their respective units and for reporting on and escalating emerging data management issues through the Group Data Management Delivery Forum to the Data Management Council. The Data Management Council is, together with a Data Protection Council, part of the Data Management Programme and Data Protection Programme. If required by Group policies, matters are escalated to the Group All Risk Committee and Board Risk Committee. The chief risk officer receives monthly updates on the Group's risk profile, including data risk.

Remediation activities under the Data Management Programme and Data Protection Programme were initiated following a Danish FSA inspection in 2024, and the current implementation plan is projected until the end of 2028.

All employees are required to complete mandatory training on personal data protection and security, which includes elements related to data risk (see 'Privacy' in the Social section).

Third- party risk

IRO management

Third-party risk is the risk of failing to appropriately manage relationships with counterparties other than customers and related risks. An example of such risk is not taking reasonable steps to identify and mitigate additional operational risks resulting from the outsourcing of services or functions.

The Group has a certain degree of dependency on third parties. Any mismanagement of a third-party relationship could result in delivery failure that has a potential negative impact on the Group's customers, thereby affecting the customers' financial situation and well-being and having negative implications on the broader society.

Policies related to third-party risk

The Board of Directors is ultimately accountable for establishing the Group-wide principles for management and control of risks, including the requirements for managing third-party risk. The Third-Party Risk Management Policy sets principles for the management of third-party risks in the Group. It requires that risks and impacts of third-party arrangements, including outsourcing, are considered across the third-party management lifecycle.

The policy provides guidance for the important phases of the third-party management lifecycle including governance, management and oversight, planning, implementation, monitoring and management of third-party arrangements including exiting arrangements.

Actions and performance

We identify and assess the purpose, risks, requirements and dependencies for the arrangement prior to a decision to enter into or continue with a third-party arrangement. The risks are tracked and monitored in a risk report on Critical or Important Outsourcing Arrangements across the Group, which is submitted on an annual basis to the Board of Directors (DFSA).

The policy for third-party risk is updated annually. All critical outsourcing arrangements are reviewed and reported annually to the Board of Directors. Critical outsourcing arrangements are also reported to the Danish FSA.

Reporting principles

Financial stability

Common equity tier 1 capital (see Statement of capital, Danske Bank Group in the financial statements section of the Annual report).

The LCR (Liquidity Coverage Ratio) reserve and NSFR (Net Stable Funding Ratio) are calculated in accordance with the Capital Requirements Regulation (CRR). MREL (Minimum Requirement Eligible Liabilities) is calculated in accordance with the Danish implementation of the Bank Recovery and Resolution Directive (BRRD).

Liquidity coverage ratio and Net stable funding ratio (see note G40, Liquidity risk in the financial statements section of the Annual report).

Appendix: Sustainability Statement (continued)

Tables: Disclosures incorporated by reference, Disclosure requirements in ESRS covered by our Sustainability Statement, List of datapoints that derive from other EU legislation and Disclosures required by EU Taxonomy Regulation, article 8.

Incorporated by Reference

ESRS	Disclosure Requirement	Section	Content
ESRS BP-1	Exemption from consolidated sustainability reporting	Note G37	List of significant subsidiaries
		Note G38	List of significant interests in associated entities
ESRS GOV-3	The incentive schemes and remuneration policies linked to sustainability matters for members of the undertaking's administrative, management and supervisory bodies	Remuneration Report 2024: Remuneration of the Executive Leadership Team	Detailed description of remuneration paid to the Executive Leadership Team
ESRS S4-4	Actions and performance: Social inclusion	Note G15	Principles for managing forbearance and impairments relating to forborne exposures
ESRS G1	Actions and performance	Note G40	Liquidity coverage ratio and Net stable funding ratio
ESRS G1	Actions and performance	Statement of capital	Common equity tier 1 capital

Content index – Reported topics from DMA

ESRS Standard	Disclosure Requirement	Description	Page number
ESRS2	BP-1	General basis for preparation of sustainability statement	39
	BP-2	Disclosures in relation to specific circumstances	39
	GOV-1	The role of the administrative, management and supervisory bodies	43
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	43
	GOV-3	Integration of sustainability-related performance in incentive schemes	44
	GOV-4	Statement on due diligence	44
	GOV-5	Risk management and internal controls over sustainability reporting	44
	SBM-1	Strategy, business model and value chain	40
	SBM-2	Interests and view of stakeholders	42
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	47-51
	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	45-46
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	91-92
E1	E1-1	Transition plan climate change mitigation	52 (ESRS compliant transition plan information is expected in 2025)
	E1-2	Policies related to climate change mitigation and adaptation	54
	E1-3	Actions and resources in relation to climate change policies	54
	E1-4	Targets related to climate change mitigation and adaptation	54-59
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	55-59 (Partly, scope 3 only)
E4	E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	69
	E4-2	Policies related to biodiversity and ecosystems	69
	E4-3	Actions and resources related to biodiversity and ecosystems	69
	E4-4	Targets related to biodiversity and ecosystems	69
S1	S1-1	Policies related to own workforce	75
	S1-2	Process for engaging with own workforce and workers' representatives about impacts	75
	S1-3	Process to remediate negative impacts and channels for own workforce to raise concerns	76
	S1-4	Taking action on material impacts on own workforce and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	76
	S1-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	76

ESRS Standard	Disclosure Requirement	Description	Page number
S1	S1-6	Characteristics of the undertaking's employees	76
	S1-8	Collective bargaining coverage and social dialogue	78
	S1-9	Diversity metrics	79
	S1-10	Adequate wages	78
	S1-11	Social protection	76-77
	S1-16	Remuneration metrics (pay gap and total remuneration)	80
	S1-17	Incidents, complaints and severe human rights impacts	76
S4	S4	Consumers and end-users	82
G1	G1-1	Corporate culture and business conduct policies	85
	G1-3	Prevention and detection of corruption and bribery	85
	G1-4	Incidents of corruption or bribery	85

Other legislative disclosure requirements

Disclosure Requirement	Data Point		SFDR	Pillar 3	Benchmark regulation	EU Climate Law	Page
ESRS 2 GOV-1	21 (d)	Board's gender diversity	X		X		79
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			X		79
ESRS 2 GOV-4	30	Statement on due diligence	X				44
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	X	X	X	X	Not material
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	X		X		Not material
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons paragraph	X		X		Not material
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			X		Not material
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				X	52 (ESRS compliant transition plan information is expected in 2025)
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		X	X		Not material
ESRS E1-4	34	GHG emission reduction targets	X	X	X		57-59
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	X				Not material
ESRS E1-5	37	Energy consumption and mix	X				Not material
ESRS E1-5	40 to 43	Energy intensity associated with activities in high climate impact sectors	X				Not material
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	X	X	X		55-59 (Partly, scope 3 only)
ESRS E1-6	53 to 55	Gross GHG emissions intensity	X	X	X		54
ESRS E1-7	56	GHG removals and carbon credits				X	Not material
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			X		Not material
ESRS E1-9	66 (a) 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk		X			Not material
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		X			Not material

Disclosure Requirement	Data point		SFDR	Pillar 3	Benchmark regulation	EU Climate Law	Page
ESRS E1-9	69	Degree of exposure of the portfolio to climate- related opportunities			X		Not material
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	X				Not material
ESRS E3-1	9	Water and marine resources	X				Not material
ESRS E3-1	13	Dedicated policy	X				Not material
ESRS E3-1	14	Sustainable oceans and seas	X				Not material
ESRS E3-4	28 (c)	Total water recycled and reused	X				Not material
ESRS E3-4	29	Total water consumption in m 3 per net revenue on own operations paragraph 29	X				Not material
ESRS 2- SBM 3 - E4	16 (a)		X				Not material
ESRS 2- SBM 3 - E4	16 (b)		X				35
ESRS 2- SBM 3 - E4	16 (c)		X				35
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	X				69
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	X				Not material
ESRS E4-2	24 (d)	Policies to address deforestation	X				Not material
ESRS E5-5	37 (d)	Non-recycled waste	X				Not material
ESRS E5-5	39	Hazardous waste and radioactive waste	X				Not material
ESRS 2- SBM3 - S1	14 (f)	Risk of incidents of forced labour	X				Not material
ESRS 2- SBM3 - S1	14 (g)	Risk of incidents of child labour	X				Not material
ESRS S1-1	20	Human rights policy commitments	X				75
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			X		75
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	X				Not material
ESRS S1-1	23	Workplace accident prevention policy or management system	X				76

Disclosure Requirement	Data point		SFDR	Pillar 3	Benchmark regulation	EU Climate Law	Page
ESRS E5-5	37 (d)	Non-recycled waste	X				Not material
ESRS E5-5	39	Hazardous waste and radioactive waste	X				Not material
ESRS 2- SBM3 - S1	14 (f)	Risk of incidents of forced labour	X				Not material
ESRS 2- SBM3 - S1	14 (g)	Risk of incidents of child labour	X				Not material
ESRS S1-1	20	Human rights policy commitments	X				75
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			X		75
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	X				Not material
ESRS S1-1	23	Workplace accident prevention policy or management system	X				76
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	X				76
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	X		X		Not material
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	X				Not material
ESRS S1-16	97 (a)	Unadjusted gender pay gap	X		X		80
ESRS S1-16	97 (b)	Excessive CEO pay ratio	X				Not material
ESRS S1-17	103 (a)	Incidents of discrimination	X				76
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	X		X		Not material
ESRS 2- SBM3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	X				Not material
ESRS 2- SBM3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	X				Not material
ESRS S2-1	17	Human rights policy commitments	X				Not material
ESRS S2-1	18	Policies related to value chain workers	X				Not material
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	X		X		Not material

Disclosure Requirement	Data point		SFDR	Pillar 3	Benchmark regulation	EU Climate Law	Page
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			X		Not material
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	X				Not material
ESRS S3-1	16	Human rights policy commitments	X				Not material
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	X		X		Not material
ESRS S3-4	36	Human rights issues and incidents	X				Not material
ESRS S4-1	16	Policies related to consumers and end-users	X				82
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	X		X		Not material
ESRS S4-4	35	Human rights issues and incidents	X				Not material
ESRS G1-1	10 (b)	United Nations Convention against Corruption	X				Not material
ESRS G1-1	10 (d)	Protection of whistle- blowers	X				85
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	X		X		87
ESRS G1-4	24 (b)	Standards of anti- corruption and anti- bribery	X				86

Disclosures according to Annex VI - templates for the KPIs of Credit institutions

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets* DKK million	KPI turnover (%)	KPI CAPEX (%)	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	46,514	1.98	1.96	73.71	39.99	26.29

		Total environmentally sustainable assets DKK million	KPI turnover (%)	KPI CAPEX (%)	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	*GAR (flow)***	7,878	4.50	6.21	5.49	0.00	0.00
	*Trading book****	0	0	0			
	Financial guarantees	52	2.34	0.42			
	Assets under management	10,831	1.41	1.76			
	*Fees and commissions income****	0	0	0			

* Total environmentally sustainable assets used for KPI CAPEX stock amounts to DKK 46,047 million
** The KPIs are based on the gross carrying amount of new exposures i.e. new covered assets within the numerator of GAR
*** Fees and commissions income and Trading book KPIs shall only apply starting 2026. SMEs´inclusion in these KPI will only apply subject to a positive result of an impact assessment

1.Assets for the calculation of GAR based on turnover

	DKK million	31 December 2024														
		Total (gross) carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,075,287	736,722	45,044	0	28,219	4,113	2,652	1,470	0	2	739,374	46,514	0	28,219	4,115
2	**Financial undertakings**	216,790	101,091	9,923	0	508	12	1,969	1,468	0	0	103,060	11,392	0	508	12
3	Credit institutions	202,998	99,488	9,844	0	504	12	1,969	1,468	0	0	101,457	11,312	0	504	12
4	Loans and advances	18,775	5,840	411	0	39	11	183	0	0	0	6,023	411	0	39	11
5	Debt securities, including UoP	184,223	93,648	9,433	0	464	1	1,786	1,468	0	0	95,434	10,901	0	464	1
6	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
7	Other financial corporations	13,792	1,603	79	0	4	0	0	0	0	0	1,603	80	0	4	0
8	of which investment firms	411	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	411	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
12	of which management companies	4,017	1,602	79	0	4	0	0	0	0	0	1,602	79	0	4	0
13	Loans and advances	4,017	1,602	79	0	4	0	0	0	0	0	1,602	79	0	4	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
16	of which insurance undertakings	4,353	0	0	0	0	0	0	0	0	0	1	0	0	0	0
17	Loans and advances	4,353	0	0	0	0	0	0	0	0	0	1	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
20	**Non-financial undertakings**	96,489	22,230	7,987	0	578	4,101	683	2	0	2	22,913	7,989	0	578	4,102
21	Loans and advances	96,489	22,230	7,987	0	578	4,101	683	2	0	2	22,913	7,989	0	578	4,102
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
24	**Households**	761,995	613,402	27,133	0	27,133	0	0	0	0	0	613,402	27,133	0	27,133	0
25	of which loans collateralised by residential immovable property	664,634	612,630	27,133	0	27,133	0	0	0	0	0	612,630	27,133	0	27,133	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	12,379	772	0	0	0	0					772	0	0	0	0
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1.Assets for the calculation of GAR based on turnover - continued

	DKK million	Total [gross] carrying amount	31 December 2024													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
31	Collateral obtained by taking possession: residential and commercial immovable properties	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	1,275,120	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	Financial and Non-financial undertakings	1,156,101														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1,005,966														
35	Loans and advances	984,932														
36	of which loans collateralised by commercial immovable property	207,955														
37	of which building renovation loans	0														
38	Debt securities	20,614														
39	Equity instruments	420														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	150,135														
41	Loans and advances	144,907														
42	Debt securities	5,130														
43	Equity instruments	98														
44	Derivatives	279														
45	On demand interbank loans	3,586														
46	Cash and cash-related assets	6,909														
47	Other categories of assets (e.g. Goodwill, commodities etc.)	108,245														
48	Total GAR assets	2,350,407	736,722	45,044	0	28,219	4,113	2,652	1,470	0	2	739,374	46,514	0	28,219	4,115
49	Assets not covered for GAR calculation	838,476														
50	Central governments and Supranational issuers	243,403														
51	Central banks exposure	179,899														
52	Trading book	415,174														
53	Total assets	3,188,883	736,722	45,044	0	28,219	4,113	2,652	1,470	0	2	739,374	46,514	0	28,219	4,115
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations															
54	Financial guarantees	2,201	223	52	0	0	1	0	0	0	0	223	52	0	0	1
55	Assets under management	768,947	107,125	10,510	0	682	4,232	7,669	321	0	66	114,794	10,831	0	682	4,298
56	Of which debt securities	252,743	48,691	6,006	0	264	1,033	572	68	0	21	49,264	6,074	0	264	1,054
57	Of which equity instruments	430,446	58,433	4,504	0	418	3,199	7,097	254	0	45	65,530	4,757	0	418	3,244

1.Assets for the calculation of GAR based on turnover - continued

	DKK million	31 December 2023														
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	930,059	667,852	29,142	0	150	1,132	12	0	0	0	667,863	29,142	0	150	1,132
2	**Financial undertakings**	74,892	30,032	0	0	0	0	0	0	0	0	30,032	0	0	0	0
3	Credit institutions	68,899	26,837	0	0	0	0	0	0	0	0	26,837	0	0	0	0
4	Loans and advances	9,265	2,544	0	0	0	0	0	0	0	0	2,544	0	0	0	0
5	Debt securities, including UoP	59,634	24,293	0	0	0	0	0	0	0	0	24,293	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
7	Other financial corporations	5,993	3,195	0	0	0	0	0	0	0	0	3,195	0	0	0	0
8	of which investment firms	138	51	0	0	0	0	0	0	0	0	51	0	0	0	0
9	Loans and advances	138	51	0	0	0	0	0	0	0	0	51	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
12	of which management companies	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
16	of which insurance undertakings	4,969	2,754	0	0	0	0	0	0	0	0	2,754	0	0	0	0
17	Loans and advances	4,969	2,754	0	0	0	0	0	0	0	0	2,754	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
20	**Non-financial undertakings**	88,594	24,023	3,613	0	150	1,132	12	0	0	0	24,035	3,613	0	150	1,132
21	Loans and advances	88,594	24,023	3,613	0	150	1,132	12	0	0	0	24,035	3,613	0	150	1,132
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
24	**Households**	766,555	613,797	25,529	0	25,529	0	0	0	0	0	613,797	25,529	0	25,529	0
25	of which loans collateralised by residential immovable property	666,479	613,231	25,529	0	25,529	0	0	0	0	0	613,231	25,529	0	25,529	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	13,100	566	0	0	0	0					566	0	0	0	0
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1.Assets for the calculation of GAR based on turnover - continued

			31 December 2023													
	DKK million	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	1,416,211	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	**Financial and Non-financial undertakings**	1,182,944														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1,089,052														
35	Loans and advances	932,321														
36	of which loans collateralised by commercial immovable property	216,957														
37	of which building renovation loans	0														
38	Debt securities	156,310														
39	Equity instruments	421														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	93,892														
41	Loans and advances	89,077														
42	Debt securities	4,744														
43	Equity instruments	71														
44	**Derivatives**	6,294														
45	**On demand interbank loans**	3,001														
46	**Cash and cash-related assets**	6,420														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	217,552														
48	**Total GAR assets**	**2,346,270**	**667,852**	**29,142**	**0**	**150**	**1,132**	**12**	**0**	**0**	**0**	**667,863**	**29,142**	**0**	**150**	**1,132**
49	**Assets not covered for GAR calculation**	953,035														
50	Central governments and Supranational issuers	235,681														
51	Central banks exposure	290,560														
52	Trading book	426,793														
53	**Total assets**	3,299,304	667,852	29,142	0	150	1,132	12	0	0	0	667,863	29,142	0	150	1,132
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations															
54	Financial guarantees	5,488	33	0	0	0	0	0	0	0	0	33	0	0	0	0
55	Assets under management	697,060	52,290	8,084	0	665	4,593	5,502	3	0	3	57,792	8,087	0	665	4,596
56	Of which debt securities	268,004	8,162	1,560	0	39	666	405	2	0	2	8,567	1,563	0	39	668
57	Of which equity instruments	349,228	44,122	6,522	0	626	3,925	5,097	1	0	1	49,219	6,522	0	626	3,926

2. GAR sector information based on turnover

	Breakdown by sector - NACE 4 digits level (code and label) 31 December 2024	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		DKK million	Of which environmentally sustainable (CCM)	DKK million	Of which environmentally sustainable (CCM)	DKK million	Of which environmentally sustainable (CCA)	DKK million	Of which environmentally sustainable (CCA)	DKK million	Of which environmentally sustainable (CCM + CCA)	DKK million	Of which environmentally sustainable (CCM + CCA)
1	02.10 - Silviculture and other forestry activities	1,140	30			0	0			1,140	30		
2	09.10 - Support activities for petroleum and natural gas extraction	0	0			0	0			0	0		
3	16.21 - Manufacture of veneer sheets and wood-based panels	1	0			0	0			1	0		
4	16.23 - Manufacture of other builders' carpentry and joinery	17	3			0	0			17	3		
5	16.29 - Manufacture of other products of wood, manufacture of articles of cork, straw and plaiting materials	1	0			0	0			1	0		
6	17.11 - Manufacture of pulp	430	4			0	0			430	4		
7	17.12 - Manufacture of paper and paperboard	243	5			0	0			243	5		
8	17.29 - Manufacture of other articles of paper and paperboard	0	0			0	0			0	0		
9	20.13 - Manufacture of other inorganic basic chemicals	374	0			0	0			374	0		
10	20.14 - Manufacture of other organic basic chemicals	1,307	6			0	0			1,307	6		
11	22.11 - Manufacture of rubber tyres and tubes, retreading and rebuilding of rubber tyres	750	15			0	0			750	15		
12	22.21 - Manufacture of plastic plates, sheets, tubes and profiles	5	2			0	0			5	2		
13	22.22 - Manufacture of plastic packing goods	0	0			0	0			0	0		
14	22.23 - Manufacture of builders' ware of plastic	1	0			0	0			1	0		
15	22.29 - Manufacture of other plastic products	11	0			0	0			11	0		
16	23.14 - Manufacture of glass fibres	0	0			0	0			0	0		
17	23.32 - Manufacture of bricks, tiles and construction products, in baked clay	0	0			0	0			0	0		
18	23.51 - Manufacture of cement	0	0			0	0			0	0		
19	23.61 - Manufacture of concrete products for construction purposes	2	0			0	0			2	0		
20	23.64 - Manufacture of mortars	4	1			0	0			4	1		
21	23.69 - Manufacture of other articles of concrete, plaster and cement	6	1			0	0			6	1		
22	23.99 - Manufacture of other non-metallic mineral products n.e.c.	27	2			0	0			27	2		
23	24.10 - Manufacture of basic iron and steel and of ferro-alloys	0	0			0	0			0	0		
24	24.20 - Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	895	448			0	0			895	448		
25	24.42 - Aluminium production	0	0			0	0			0	0		
26	24.51 - Casting of iron	0	0			0	0			0	0		
27	25.11 - Manufacture of metal structures and parts of structures	0	0			0	0			0	0		
28	25.12 - Manufacture of doors and windows of metal	2	0			0	0			2	0		
29	25.21 - Manufacture of central heating radiators and boilers	1,961	20			0	0			1,961	20		
30	25.30 - Manufacture of steam generators, except central heating hot water boilers	24	0			0	0			24	0		
31	25.61 - Treatment and coating of metals	9	0			0	0			9	0		
32	25.62 - Machining	16	0			0	0			16	0		

2. GAR sector information based on turnover - continued

	Breakdown by sector - NACE 4 digits level (code and label) 31 December 2024	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		DKK million	Of which environmentally sustainable (CCM)	DKK million	Of which environmentally sustainable (CCM)	DKK million	Of which environmentally sustainable (CCA)	DKK million	Of which environmentally sustainable (CCA)	DKK million	Of which environmentally sustainable (CCM + CCA)	DKK million	Of which environmentally sustainable (CCM + CCA)
33	25.72 - Manufacture of locks and hinges	1	0			0	0			1	0		
34	25.73 - Manufacture of tools	653	0			0	0			653	0		
35	25.93 - Manufacture of wire products, chain and springs	798	24			0	0			798	24		
36	25.94 - Manufacture of fasteners and screw machine products	0	0			0	0			0	0		
37	25.99 - Manufacture of other fabricated metal products n.e.c.	3	0			0	0			3	0		
38	26.11 - Manufacture of electronic components	1,283	1			0	0			1,283	1		
39	26.20 - Manufacture of computers and peripheral equipment	0	0			0	0			0	0		
40	26.30 - Manufacture of communication equipment	218	76			0	0			218	76		
41	26.51 - Manufacture of instruments and appliances for measuring, testing and navigation	3,409	1			0	0			3,409	1		
42	26.60 - Manufacture of irradiation, electromedical and electrotherapeutic equipment	2,014	0			0	0			2,014	0		
43	27.11 - Manufacture of electric motors, generators and transformers	0	0			0	0			0	0		
44	27.31 - Manufacture of fibre optic cables	0	0			0	0			0	0		
45	27.32 - Manufacture of other electronic and electric wires and cables	1,084	382			0	0			1,084	382		
46	27.40 - Manufacture of electric lighting equipment	749	0			0	0			749	0		
47	27.51 - Manufacture of electric domestic appliances	1,074	11			0	0			1,074	11		
48	27.90 - Manufacture of other electrical equipment	0	0			0	0			0	0		
49	28.11 - Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	259	0			0	0			259	0		
50	28.12 - Manufacture of fluid power equipment	0	0			0	0			0	0		
51	28.13 - Manufacture of other pumps and compressors	98	1			0	0			98	1		
52	28.21 - Manufacture of ovens, furnaces and furnace burners	128	1			0	0			128	1		
53	28.22 - Manufacture of lifting and handling equipment	944	0			0	0			944	0		
54	28.25 - Manufacture of non-domestic cooling and ventilation equipment	27	1			0	0			27	1		
55	28.29 - Manufacture of other general-purpose machinery n.e.c.	11	0			0	0			11	0		
56	28.91 - Manufacture of machinery for metallurgy	2	0			0	0			2	0		
57	28.92 - Manufacture of machinery for mining, quarrying and construction	28	5			0	0			28	5		
58	28.93 - Manufacture of machinery for food, beverage and tobacco processing	7	0			0	0			7	0		
59	28.99 - Manufacture of other special-purpose machinery n.e.c.	1	0			0	0			1	0		
60	29.10 - Manufacture of motor vehicles	39	0			0	0			39	0		
61	29.20 - Manufacture of bodies (coachwork) for motor vehicles, manufacture of trailers and semi-trailers	1	0			0	0			1	0		
62	29.32 - Manufacture of other parts and accessories for motor vehicles	576	0			0	0			576	0		
63	30.11 - Building of ships and floating structures	0	0			0	0			0	0		
64	30.20 - Manufacture of railway locomotives and rolling stock	0	0			0	0			0	0		

2. GAR sector information based on turnover - continued

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	31 December 2024	DKK million	Of which environmentally sustainable (CCM)	DKK million	Of which environmentally sustainable (CCM)	DKK million	Of which environmentally sustainable (CCA)	DKK million	Of which environmentally sustainable (CCA)	DKK million	Of which environmentally sustainable (CCM + CCA)	DKK million	Of which environmentally sustainable (CCM + CCA)
65	33.12 - Repair of machinery	0	0			0	0			0	0		
66	33.14 - Repair of electrical equipment	0	0			0	0			0	0		
67	33.20 - Installation of industrial machinery and equipment	598	0			0	0			598	0		
68	35.11 - Production of electricity	2,953	949			0	0			2,953	949		
69	35.12 - Transmission of electricity	1,799	1,791			0	0			1,799	1,791		
70	35.22 - Distribution of gaseous fuels through mains	0	0			0	0			0	0		
71	35.30 - Steam and air conditioning supply	0	0			0	0			0	0		
72	37.00 - Sewerage	440	180			0	0			440	180		
73	38.11 - Collection of non-hazardous waste	11	5			0	0			11	5		
74	38.32 - Recovery of sorted materials	3	0			0	0			3	0		
75	41.10 - Development of building projects	53	0			0	0			53	0		
76	41.20 - Construction of residential and non-residential buildings	575	10			0	0			575	10		
77	42.11 - Construction of roads and motorways	567	64			0	0			567	64		
78	42.12 - Construction of railways and underground railways	11	0			0	0			11	0		
79	42.13 - Construction of bridges and tunnels	59	0			0	0			59	0		
80	42.21 - Construction of utility projects for fluids	1	0			0	0			1	0		
81	42.22 - Construction of utility projects for electricity and telecommunications	3	0			0	0			3	0		
82	42.91 - Construction of water projects	0	0			0	0			0	0		
83	43.11 - Demolition	49	0			0	0			49	0		
84	43.12 - Site preparation	76	1			0	0			76	1		
85	43.21 - Electrical installation	66	0			0	0			66	0		
86	43.22 - Plumbing, heat and air conditioning installation	1,580	15			0	0			1,580	15		
87	43.29 - Other construction installation	0	0			0	0			0	0		
88	43.32 - Joinery installation	0	0			0	0			0	0		
89	43.33 - Floor and wall covering	1	0			0	0			1	0		
90	43.39 - Other building completion and finishing	1	0			0	0			1	0		
91	43.91 - Roofing activities	6	0			0	0			6	0		
92	43.99 - Other specialised construction activities n.e.c.	176	44			0	0			176	44		
93	49.31 - Urban and suburban passenger land transport	2	0			0	0			2	0		
94	49.32 - Taxi operation	0	0			0	0			0	0		
95	49.41 - Freight transport by road	90	1			0	0			90	1		
96	50.10 - Sea and coastal passenger water transport	1,827	296			0	0			1,827	296		

2. GAR sector information based on turnover - continued

	Breakdown by sector - NACE 4 digits level (code and label) 31 December 2024	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		DKK million	Of which environmentally sustainable (CCM)	DKK million	Of which environmentally sustainable (CCM)	DKK million	Of which environmentally sustainable (CCA)	DKK million	Of which environmentally sustainable (CCA)	DKK million	Of which environmentally sustainable (CCM + CCA)	DKK million	Of which environmentally sustainable (CCM + CCA)
97	50.20 - Sea and coastal freight water transport	1,262	12			0	0			1,262	12		
98	51.10 - Passenger air transport	0	0			0	0			0	0		
99	52.23 - Service activities incidental to air transportation	1,785	0			1,785	0			1,785	0		
100	52.29 - Other transportation support activities	627	0			0	0			627	0		
101	53.20 - Other postal and courier activities	0	0			0	0			0	0		
102	59.20 - Sound recording and music publishing activities	0	0			0	0			0	0		
103	60.20 - Television programming and broadcasting activities	0	0			413	0			413	0		
104	61.10 - Wired telecommunications activities	1,317	3			0	0			1,317	3		
105	61.20 - Wireless telecommunications activities	500	0			0	0			500	0		
106	61.30 - Satellite telecommunications activities	0	0			0	0			0	0		
107	61.90 - Other telecommunications activities	142	0			0	0			142	0		
108	62.01 - Computer programming activities	643	158			643	0			643	158		
109	62.02 - Computer consultancy activities	944	10			944	0			944	10		
110	62.03 - Computer facilities management activities	26	0			26	0			26	0		
111	62.09 - Other information technology and computer service activities	0	0			0	0			0	0		
112	68.10 - Buying and selling of own real estate	92	0			0	0			92	0		
113	68.20 - Renting and operating of own or leased real estate	15,230	2,833			0	0			15,230	2,833		
114	68.32 - Management of real estate on a fee or contract basis	768	345			0	0			768	345		
115	71.11 - Architectural activities	0	0			0	0			0	0		
116	71.12 - Engineering activities and related technical consultancy	617	25			617	0			617	25		
117	71.20 - Technical testing and analysis	0	0			0	0			0	0		
118	72.19 - Other research and experimental development on natural sciences and engineering	926	0			926	0			926	0		
119	72.20 - Research and experimental development on social sciences and humanities	182	0			182	0			182	0		
120	77.11 - Renting and leasing of cars and light motor vehicles	749	7			0	0			749	7		
121	77.39 - Renting and leasing of other machinery, equipment and tangible goods n.e.c.	0	0			0	0			0	0		
122	80.20 - Security systems service activities	0	0			29	0			29	0		
123	85.52 - Cultural education	0	0			0	0			0	0		
124	87.10 - Residential nursing care activities	0	0			0	0			0	0		
125	87.20 - Residential care activities for mental retardation, mental health and substance abuse	0	0			0	0			0	0		
126	87.90 - Other residential care activities	0	0			0	0			0	0		

2. GAR sector information based on CAPEX

	Breakdown by sector - NACE 4 digits level (code and label) 31 December 2024	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		DKK million	Of which environmentally sustainable (CCM)	DKK million	Of which environmentally sustainable (CCM)	DKK million	Of which environmentally sustainable (CCA)	DKK million	Of which environmentally sustainable (CCA)	DKK million	Of which environmentally sustainable (CCM + CCA)	DKK million	Of which environmentally sustainable (CCM + CCA)
1	02.10 - Silviculture and other forestry activities	1,140	1			0	0			1,140	1		
2	09.10 - Support activities for petroleum and natural gas extraction	0	0			0	0			0	0		
3	16.21 - Manufacture of veneer sheets and wood-based panels	1	0			0	0			1	0		
4	16.23 - Manufacture of other builders' carpentry and joinery	17	4			0	0			17	4		
5	16.29 - Manufacture of other products of wood, manufacture of articles of cork, straw and plaiting materials	1	0			0	0			1	0		
6	17.11 - Manufacture of pulp	430	9			0	0			430	9		
7	17.12 - Manufacture of paper and paperboard	243	0			0	0			243	0		
8	17.29 - Manufacture of other articles of paper and paperboard	0	0			0	0			0	0		
9	20.13 - Manufacture of other inorganic basic chemicals	374	0			0	0			374	0		
10	20.14 - Manufacture of other organic basic chemicals	1,307	32			0	0			1,307	32		
11	22.11 - Manufacture of rubber tyres and tubes, retreading and rebuilding of rubber tyres	750	7			0	0			750	7		
12	22.21 - Manufacture of plastic plates, sheets, tubes and profiles	5	2			0	0			5	2		
13	22.22 - Manufacture of plastic packing goods	0	0			0	0			0	0		
14	22.23 - Manufacture of builders' ware of plastic	1	0			0	0			1	0		
15	22.29 - Manufacture of other plastic products	11	0			0	0			11	0		
16	23.14 - Manufacture of glass fibres	0	0			0	0			0	0		
17	23.32 - Manufacture of bricks, tiles and construction products, in baked clay	0	0			0	0			0	0		
18	23.51 - Manufacture of cement	0	0			0	0			0	0		
19	23.61 - Manufacture of concrete products for construction purposes	2	0			0	0			2	0		
20	23.64 - Manufacture of mortars	4	1			0	0			4	1		
21	23.69 - Manufacture of other articles of concrete, plaster and cement	6	1			0	0			6	1		
22	23.99 - Manufacture of other non-metallic mineral products n.e.c.	27	3			0	0			27	3		
23	24.10 - Manufacture of basic iron and steel and of ferro-alloys	0	0			0	0			0	0		
24	24.20 - Manufacture of tubes, pipes, hollow profiles and related fittings, of steel	895	564			0	0			895	564		
25	24.42 - Aluminium production	0	0			0	0			0	0		
26	24.51 - Casting of iron	0	0			0	0			0	0		
27	25.11 - Manufacture of metal structures and parts of structures	0	0			0	0			0	0		
28	25.12 - Manufacture of doors and windows of metal	2	0			0	0			2	0		
29	25.21 - Manufacture of central heating radiators and boilers	1,961	39			0	0			1,961	39		
30	25.30 - Manufacture of steam generators, except central heating hot water boilers	24	0			0	0			24	0		
31	25.61 - Treatment and coating of metals	9	0			0	0			9	0		
32	25.62 - Machining	16	0			0	0			16	0		

2. GAR sector information based on CAPEX - continued

	Breakdown by sector - NACE 4 digits level (code and label) 31 December 2024	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		DKK million	Of which environmentally sustainable (CCM)	DKK million	Of which environmentally sustainable (CCM)	DKK million	Of which environmentally sustainable (CCA)	DKK million	Of which environmentally sustainable (CCA)	DKK million	Of which environmentally sustainable (CCM + CCA)	DKK million	Of which environmentally sustainable (CCM + CCA)
33	25.72 - Manufacture of locks and hinges	1	0			0	0			1	0		
34	25.73 - Manufacture of tools	653	0			0	0			653	0		
35	25.93 - Manufacture of wire products, chain and springs	798	0			0	0			798	0		
36	25.94 - Manufacture of fasteners and screw machine products	0	0			0	0			0	0		
37	25.99 - Manufacture of other fabricated metal products n.e.c.	3	0			0	0			3	0		
38	26.11 - Manufacture of electronic components	1,283	2			0	0			1,283	2		
39	26.20 - Manufacture of computers and peripheral equipment	0	0			0	0			0	0		
40	26.30 - Manufacture of communication equipment	218	59			0	0			218	59		
41	26.51 - Manufacture of instruments and appliances for measuring, testing and navigation	3,409	1			0	0			3,409	1		
42	26.60 - Manufacture of irradiation, electromedical and electrotherapeutic equipment	2,014	0			0	0			2,014	0		
43	27.11 - Manufacture of electric motors, generators and transformers	0	0			0	0			0	0		
44	27.31 - Manufacture of fibre optic cables	0	0			0	0			0	0		
45	27.32 - Manufacture of other electronic and electric wires and cables	1,084	558			0	0			1,084	558		
46	27.40 - Manufacture of electric lighting equipment	749	0			0	0			749	0		
47	27.51 - Manufacture of electric domestic appliances	1,074	21			0	0			1,074	21		
48	27.90 - Manufacture of other electrical equipment	0	0			0	0			0	0		
49	28.11 - Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	259	0			0	0			259	0		
50	28.12 - Manufacture of fluid power equipment	0	0			0	0			0	0		
51	28.13 - Manufacture of other pumps and compressors	98	2			0	0			98	2		
52	28.21 - Manufacture of ovens, furnaces and furnace burners	128	3			0	0			128	3		
53	28.22 - Manufacture of lifting and handling equipment	944	0			0	0			944	0		
54	28.25 - Manufacture of non-domestic cooling and ventilation equipment	27	1			0	0			27	1		
55	28.29 - Manufacture of other general-purpose machinery n.e.c.	11	0			0	0			11	0		
56	28.91 - Manufacture of machinery for metallurgy	2	0			0	0			2	0		
57	28.92 - Manufacture of machinery for mining, quarrying and construction	28	3			0	0			28	3		
58	28.93 - Manufacture of machinery for food, beverage and tobacco processing	7	0			0	0			7	0		
59	28.99 - Manufacture of other special-purpose machinery n.e.c.	1	0			0	0			1	0		
60	29.10 - Manufacture of motor vehicles	39	0			0	0			39	0		
61	29.20 - Manufacture of bodies (coachwork) for motor vehicles, manufacture of trailers and semi-trailers	1	0			0	0			1	0		
62	29.32 - Manufacture of other parts and accessories for motor vehicles	576	35			0	0			576	35		
63	30.11 - Building of ships and floating structures	0	0			0	0			0	0		
64	30.20 - Manufacture of railway locomotives and rolling stock	0	0			0	0			0	0		

2. GAR sector information based on CAPEX - continued

	Breakdown by sector - NACE 4 digits level (code and label) 31 December 2024	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		DKK million	Of which environmentally sustainable (CCM)	DKK million	Of which environmentally sustainable (CCM)	DKK million	Of which environmentally sustainable (CCA)	DKK million	Of which environmentally sustainable (CCA)	DKK million	Of which environmentally sustainable (CCM + CCA)	DKK million	Of which environmentally sustainable (CCM + CCA)
65	33.12 - Repair of machinery	0	0			0	0			0	0		
66	33.14 - Repair of electrical equipment	0	0			0	0			0	0		
67	33.20 - Installation of industrial machinery and equipment	598	0			0	0			598	0		
68	35.11 - Production of electricity	2,953	2,424			0	0			2,953	2,424		
69	35.12 - Transmission of electricity	1,799	1,799			0	0			1,799	1,799		
70	35.22 - Distribution of gaseous fuels through mains	0	0			0	0			0	0		
71	35.30 - Steam and air conditioning supply	0	0			0	0			0	0		
72	37.00 - Sewerage	440	180			0	0			440	180		
73	38.11 - Collection of non-hazardous waste	11	5			0	0			11	5		
74	38.32 - Recovery of sorted materials	3	0			0	0			3	0		
75	41.10 - Development of building projects	53	12			0	0			53	12		
76	41.20 - Construction of residential and non-residential buildings	575	49			0	0			575	49		
77	42.11 - Construction of roads and motorways	567	74			0	0			567	74		
78	42.12 - Construction of railways and underground railways	11	0			0	0			11	0		
79	42.13 - Construction of bridges and tunnels	59	0			0	0			59	0		
80	42.21 - Construction of utility projects for fluids	1	0			0	0			1	0		
81	42.22 - Construction of utility projects for electricity and telecommunications	3	0			0	0			3	0		
82	42.91 - Construction of water projects	0	0			0	0			0	0		
83	43.11 - Demolition	49	0			0	0			49	0		
84	43.12 - Site preparation	76	1			0	0			76	1		
85	43.21 - Electrical installation	66	0			0	0			66	0		
86	43.22 - Plumbing, heat and air conditioning installation	1,580	5			0	0			1,580	5		
87	43.29 - Other construction installation	0	0			0	0			0	0		
88	43.32 - Joinery installation	0	0			0	0			0	0		
89	43.33 - Floor and wall covering	1	0			0	0			1	0		
90	43.39 - Other building completion and finishing	1	0			0	0			1	0		
91	43.91 - Roofing activities	6	0			0	0			6	0		
92	43.99 - Other specialised construction activities n.e.c.	176	60			0	0			176	60		
93	49.31 - Urban and suburban passenger land transport	2	0			0	0			2	0		
94	49.32 - Taxi operation	0	0			0	0			0	0		
95	49.41 - Freight transport by road	90	0			0	0			90	0		
96	50.10 - Sea and coastal passenger water transport	1,827	230			0	0			1,827	230		

2. GAR sector information based on CAPEX - continued

Breakdown by sector - NACE 4 digits level (code and label) 31 December 2024		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		DKK million	Of which environmentally sustainable (CCM)	DKK million	Of which environmentally sustainable (CCM)	DKK million	Of which environmentally sustainable (CCA)	DKK million	Of which environmentally sustainable (CCA)	DKK million	Of which environmentally sustainable (CCM + CCA)	DKK million	Of which environmentally sustainable (CCM + CCA)
97	50.20 - Sea and coastal freight water transport	1,262	1			0	0			1,262	1		
98	51.10 - Passenger air transport	0	0			0	0			0	0		
99	52.23 - Service activities incidental to air transportation	1,785	18			1,785	0			1,785	18		
100	52.29 - Other transportation support activities	627	0			0	0			627	0		
101	53.20 - Other postal and courier activities	0	0			0	0			0	0		
102	59.20 - Sound recording and music publishing activities	0	0			0	0			0	0		
103	60.20 - Television programming and broadcasting activities	0	0			413	0			413	0		
104	61.10 - Wired telecommunications activities	1,317	1			0	0			1,317	1		
105	61.20 - Wireless telecommunications activities	500	1			0	0			500	1		
106	61.30 - Satellite telecommunications activities	0	0			0	0			0	0		
107	61.90 - Other telecommunications activities	142	0			0	0			142	0		
108	62.01 - Computer programming activities	643	341			643	0			643	341		
109	62.02 - Computer consultancy activities	944	2			944	0			944	2		
110	62.03 - Computer facilities management activities	26	0			26	0			26	0		
111	62.09 - Other information technology and computer service activities	0	0			0	0			0	0		
112	68.10 - Buying and selling of own real estate	92	11			0	0			92	11		
113	68.20 - Renting and operating of own or leased real estate	15,230	3,452			0	0			15,230	3,452		
114	68.32 - Management of real estate on a fee or contract basis	768	443			0	0			768	443		
115	71.11 - Architectural activities	0	0			0	0			0	0		
116	71.12 - Engineering activities and related technical consultancy	617	19			617	0			617	19		
117	71.20 - Technical testing and analysis	0	0			0	0			0	0		
118	72.19 - Other research and experimental development on natural sciences and engineering	926	113			926	0			926	113		
119	72.20 - Research and experimental development on social sciences and humanities	182	0			182	0			182	0		
120	77.11 - Renting and leasing of cars and light motor vehicles	749	20			0	0			749	20		
121	77.39 - Renting and leasing of other machinery, equipment and tangible goods n.e.c.	0	0			0	0			0	0		
122	80.20 - Security systems service activities	0	0			29	0			29	0		
123	85.52 - Cultural education	0	0			0	0			0	0		
124	87.10 - Residential nursing care activities	0	0			0	0			0	0		
125	87.20 - Residential care activities for mental retardation, mental health and substance abuse	0	0			0	0			0	0		
126	87.90 - Other residential care activities	0	0			0	0			0	0		

3. GAR KPI stock based on turnover

	% (compared to total covered assets in the denominator)	31 December 2024														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	68.51	4.19	0.00	2.62	0.38	0.25	0.14	0.00	0.00	68.76	4.33	0.00	2.62	0.38	33.72
2	**Financial undertakings**	46.63	4.58	0.00	0.23	0.01	0.91	0.68	0.00	0.00	47.54	5.25	0.00	0.23	0.01	6.80
3	Credit institutions	49.01	4.85	0.00	0.25	0.01	0.97	0.72	0.00	0.00	49.98	5.57	0.00	0.25	0.01	6.37
4	Loans and advances	31.10	2.19	0.00	0.21	0.06	0.98	0.00	0.00	0.00	32.08	2.19	0.00	0.21	0.06	0.59
5	Debt securities, including UoP	50.83	5.12	0.00	0.25	0.00	0.97	0.80	0.00	0.00	51.80	5.92	0.00	0.25	0.00	5.78
6	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
7	Other financial corporations	11.62	0.58	0.00	0.03	0.00	0.00	0.00	0.00	0.00	11.62	0.58	0.00	0.03	0.00	0.43
8	of which investment firms	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0.00	0.00	0.01
9	Loans and advances	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0.00	0.00	0.01
10	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
12	of which management companies	39.89	1.97	0.00	0.10	0.00	0.00	0.00	0.00	0.00	39.89	1.97	0.00	0.10	0.00	0.13
13	Loans and advances	39.89	1.97	0.00	0.10	0.00	0.00	0.00	0.00	0.00	39.89	1.97	0.00	0.10	0.00	0.13
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
16	of which insurance undertakings	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.14
17	Loans and advances	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.14
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
20	**Non-financial undertakings**	23.04	8.28	0.00	0.60	4.25	0.71	0.00	0.00	0.00	23.75	8.28	0.00	0.60	4.25	3.03
21	Loans and advances	23.04	8.28	0.00	0.60	4.25	0.71	0.00	0.00	0.00	23.75	8.28	0.00	0.60	4.25	3.03
22	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
24	**Households**	80.50	3.56	0.00	3.56	0.00	0.00	0.00	0.00	0.00	80.50	3.56	0.00	3.56	0.00	23.90
25	of which loans collateralised by residential immovable property	92.18	4.08	0.00	4.08	0.00	0.00	0.00	0.00	0.00	92.18	4.08	0.00	4.08	0.00	20.84
26	of which building renovation loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	of which motor vehicle loans	6.24	0.00	0.00	0.00	0.00					6.24	0.00	0.00	0.00	0.00	0.39
28	**Local governments financing**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	Housing financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	Other local government financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32	**Total GAR assets**	**31.34**	**1.92**	**0.00**	**1.20**	**0.17**	**0.11**	**0.06**	**0.00**	**0.00**	**31.46**	**1.98**	**0.00**	**1.20**	**0.18**	**73.71**

3. GAR KPI stock based on turnover – continued

	% (compared to total covered assets in the denominator)	31 December 2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	71.81	3.13	0.00	0.02	0.12	0.00	0.00	0.00	0.00	71.81	3.13	0.00	0.02	0.12	28.19
2	**Financial undertakings**	40.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.1	0.00	0.00	0.00	0.00	2.27
3	Credit institutions	38.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	38.95	0.00	0.00	0.00	0.00	2.09
4	Loans and advances	27.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.46	0.00	0.00	0.00	0.00	0.28
5	Debt securities, including UoP	40.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.74	0.00	0.00	0.00	0.00	1.81
6	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
7	Other financial corporations	53.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	53.31	0.00	0.00	0.00	0.00	0.18
8	of which investment firms	37.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37.00	0.00	0.00	0.00	0.00	0.00
9	Loans and advances	37.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	37.00	0.00	0.00	0.00	0.00	0.00
10	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
12	of which management companies	1.96	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.96	0.01	0.00	0.00	0.00	0.00
13	Loans and advances	1.96	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.96	0.01	0.00	0.00	0.00	0.00
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
16	of which insurance undertakings	55.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	55.41	0.00	0.00	0.00	0.00	0.15
17	Loans and advances	55.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	55.41	0.00	0.00	0.00	0.00	0.15
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
20	**Non-financial undertakings**	27.12	4.08	0.00	0.17	1.28	0.01	0.00	0.00	0.00	27.13	4.08	0.00	0.17	1.28	2.69
21	Loans and advances	27.12	4.08	0.00	0.17	1.28	0.01	0.00	0.00	0.00	27.13	4.08	0.00	0.17	1.28	2.69
22	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
24	**Households**	80.07	3.33	0.00	3.33	0.00	0.00	0.00	0.00	0.00	80.07	3.33	0.00	3.33	0.00	23.23
25	of which loans collateralised by residential immovable property	92.01	3.83	0.00	3.83	0.00	0.00	0.00	0.00	0.00	92.01	3.83	0.00	3.83	0.00	20.20
26	of which building renovation loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	of which motor vehicle loans	4.32	0.00	0.00	0.00	0.00					4.32	0.00	0.00	0.00	0.00	0.00
28	**Local governments financing**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	Housing financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	Other local government financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32	**Total GAR assets**	**28.46**	**1.24**	**0.00**	**0.01**	**0.05**	**0.00**	**0.00**	**0.00**	**0.00**	**28.46**	**1.24**	**0.00**	**0.01**	**0.05**	**71.11**

3. GAR KPI stock based on CAPEX

	% (compared to total covered assets in the denominator)	31 December 2024															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	68.38	4.28	0.00	2.56	0.46	0.06	0.00	0.00	0.00	68.44	4.28	0.00	2.56	0.46	33.72
2	**Financial undertakings**	41.40	3.47	0.00	0.02	0.02	0.02	0.00	0.00	0.00	41.42	3.47	0.00	0.02	0.02	6.80
3	Credit institutions	43.41	3.67	0.00	0.02	0.02	0.02	0.00	0.00	0.00	43.44	3.67	0.00	0.02	0.02	6.37
4	Loans and advances	20.42	1.24	0.00	0.11	0.14	0.01	0.00	0.00	0.00	20.43	1.25	0.00	0.11	0.14	0.59
5	Debt securities, including UoP	45.76	3.91	0.00	0.01	0.01	0.03	0.00	0.00	0.00	45.78	3.91	0.00	0.01	0.01	5.78
6	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
7	Other financial corporations	11.77	0.60	0.00	0.00	0.00	0.03	0.00	0.00	0.00	11.80	0.60	0.00	0.00	0.00	0.43
8	of which investment firms	0.12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.01	0.00	0.00	0.00	0.01
9	Loans and advances	0.12	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.12	0.01	0.00	0.00	0.00	0.01
10	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
12	of which management companies	40.38	2.04	0.00	0.00	0.00	0.10	0.00	0.00	0.00	40.48	2.04	0.00	0.00	0.00	0.13
13	Loans and advances	40.38	2.04	0.00	0.00	0.00	0.10	0.00	0.00	0.00	40.48	2.04	0.00	0.00	0.00	0.13
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
16	of which insurance undertakings	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.14
17	Loans and advances	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.14
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
20	**Non-financial undertakings**	33.26	11.80	0.00	0.37	5.06	0.60	0.00	0.00	0.00	33.86	11.80	0.00	0.37	5.06	3.03
21	Loans and advances	33.26	11.80	0.00	0.37	5.06	0.60	0.00	0.00	0.00	33.86	11.80	0.00	0.37	5.06	3.03
22	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
24	**Households**	80.50	3.56	0.00	3.56	0.00	0.00	0.00	0.00	0.00	80.50	3.56	0.00	3.56	0.00	23.90
25	of which loans collateralised by residential immovable property	92.18	4.08	0.00	4.08	0.00	0.00	0.00	0.00	0.00	92.18	4.08	0.00	4.08	0.00	20.84
26	of which building renovation loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	of which motor vehicle loans	6.24	0.00	0.00	0.00	0.00					6.24	0.00	0.00	0.00	0.00	0.39
28	**Local governments financing**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	Housing financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	Other local government financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32	**Total GAR assets**	31.28	1.96	0.00	1.17	0.21	0.03	0.00	0.00	0.00	31.31	1.96	0.00	1.17	0.21	73.71

3. GAR KPI stock based on CAPEX - continued

	% (compared to total covered assets in the denominator)	31 December 2023															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	68.94	3.38	0.00	0.06	0.09	0.06	0.00	0.00	0.00	69.00	3.38	0.00	0.06	0.09	28.19
2	**Financial undertakings**	0.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.36	0.00	0.00	0.00	0.00	2.27
3	Credit institutions	0.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.38	0.00	0.00	0.00	0.00	2.09
4	Loans and advances	2.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.62	0.00	0.00	0.00	0.00	0.28
5	Debt securities, including UoP	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.00	0.00	0.00	0.00	1.81
6	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
7	Other financial corporations	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.11	0.00	0.00	0.00	0.00	0.18
8	of which investment firms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
12	of which management companies	2.08	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.08	0.01	0.00	0.00	0.00	0.00
13	Loans and advances	2.08	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.08	0.01	0.00	0.00	0.00	0.00
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
16	of which insurance undertakings	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.15
17	Loans and advances	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.00	0.00	0.15
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
20	**Non-financial undertakings**	30.62	6.67	0.00	0.67	0.92	0.63	0.00	0.00	0.00	31.25	6.67	0.00	0.67	0.92	2.69
21	Loans and advances	30.62	6.67	0.00	0.67	0.92	0.63	0.00	0.00	0.00	31.25	6.67	0.00	0.67	0.92	2.69
22	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
24	**Households**	80.07	3.33	0.00	3.33	0.00	0.00	0.00	0.00	0.00	80.07	3.33	0.00	3.33	0.00	23.23
25	of which loans collateralised by residential immovable property	92.01	3.83	0.00	3.83	0.00	0.00	0.00	0.00	0.00	92.01	3.83	0.00	3.83	0.00	20.20
26	of which building renovation loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	of which motor vehicle loans	4.32	0.00	0.00	0.00	0.00					4.32	0.00	0.00	0.00	0.00	0.00
28	**Local governments financing**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	Housing financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	Other local government financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32	**Total GAR assets**	**27.33**	**1.34**	**0.00**	**0.03**	**0.03**	**0.02**	**0.00**	**0.00**	**0.00**	**27.35**	**1.34**	**0.00**	**0.03**	**0.03**	**71.11**

4. GAR KPI flow based on turnover

	% (compared to total covered assets in the denominator)	31 December 2024														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	50.59	4.50	0.00	2.67	0.86	0.11	0.00	0.00	0.00	50.70	4.50	0.00	2.67	0.86	100.00
2	**Financial undertakings**	19.98	1.36	0.00	0.03	0.04	0.12	0.00	0.00	0.00	20.10	1.36	0.00	0.03	0.04	10.21
3	Credit institutions	35.91	2.97	0.00	0.03	0.13	0.39	0.00	0.00	0.00	36.30	2.97	0.00	0.03	0.13	3.14
4	Loans and advances	28.65	2.33	0.00	0.05	0.20	0.60	0.00	0.00	0.00	29.25	2.33	0.00	0.05	0.20	2.02
5	Debt securities, including UoP	48.99	4.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48.99	4.12	0.00	0.00	0.00	1.12
6	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
7	Other financial corporations	12.91	0.64	0.00	0.03	0.00	0.00	0.00	0.00	0.00	12.91	0.64	0.00	0.03	0.00	7.07
8	of which investment firms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
12	of which management companies	40.50	2.00	0.00	0.10	0.00	0.00	0.00	0.00	0.00	40.50	2.00	0.00	0.10	0.00	2.25
13	Loans and advances	40.50	2.00	0.00	0.10	0.00	0.00	0.00	0.00	0.00	40.50	2.00	0.00	0.10	0.00	2.25
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
16	of which insurance undertakings	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	2.34
17	Loans and advances	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	2.34
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
20	**Non-financial undertakings**	20.83	7.02	0.00	1.00	3.06	0.36	0.00	0.00	0.00	21.18	7.02	0.00	1.00	3.06	28.09
21	Loans and advances	20.83	7.02	0.00	1.00	3.06	0.36	0.00	0.00	0.00	21.18	7.02	0.00	1.00	3.06	28.09
22	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
24	**Households**	69.21	3.87	0.00	3.87	0.00	0.00	0.00	0.00	0.00	69.21	3.87	0.00	3.87	0.00	61.70
25	of which loans collateralised by residential immovable property	86.66	4.87	0.00	4.87	0.00	0.00	0.00	0.00	0.00	86.66	4.87	0.00	4.87	0.00	49.06
26	of which building renovation loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	of which motor vehicle loans	8.78	0.00	0.00	0.00	0.00					8.78	0.00	0.00	0.00	0.00	2.12
28	**Local governments financing**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	Housing financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	Other local government financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32	**Total GAR assets**	**50.59**	**4.50**	**0.00**	**2.67**	**0.86**	**0.11**	**0.00**	**0.00**	**0.00**	**50.70**	**4.50**	**0.00**	**2.67**	**0.86**	**100.00**

4. GAR KPI flow based on CAPEX

	% (compared to total covered assets in the denominator)	31 December 2024														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					Proportion of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	52.55	6.21	0.00	2.56	1.23	0.07	0.00	0.00	0.00	52.62	6.21	0.00	2.56	1.23	100.00
2	**Financial undertakings**	18.55	1.29	0.00	0.01	0.09	0.03	0.00	0.00	0.00	18.58	1.30	0.00	0.01	0.09	10.21
3	Credit institutions	31.26	2.77	0.00	0.02	0.28	0.02	0.00	0.00	0.00	31.28	2.77	0.00	0.02	0.28	3.14
4	Loans and advances	26.91	2.46	0.00	0.03	0.43	0.03	0.01	0.00	0.00	26.93	2.47	0.00	0.03	0.43	2.02
5	Debt securities, including UoP	39.09	3.32	0.00	0.00	0.01	0.01	0.00	0.00	0.00	39.09	3.32	0.00	0.00	0.01	1.12
6	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
7	Other financial corporations	12.90	0.64	0.00	0.00	0.00	0.03	0.00	0.00	0.00	12.94	0.64	0.00	0.00	0.00	7.07
8	of which investment firms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
12	of which management companies	40.49	2.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	40.59	2.00	0.00	0.00	0.00	2.25
13	Loans and advances	40.49	2.00	0.00	0.00	0.00	0.10	0.00	0.00	0.00	40.59	2.00	0.00	0.00	0.00	2.25
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
16	of which insurance undertakings	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	2.34
17	Loans and advances	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00	0.00	0.00	2.34
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
20	**Non-financial undertakings**	28.31	13.15	0.00	0.63	4.36	0.23	0.00	0.00	0.00	28.54	13.15	0.00	0.63	4.36	28.09
21	Loans and advances	28.31	13.15	0.00	0.63	4.36	0.23	0.00	0.00	0.00	28.54	13.15	0.00	0.63	4.36	28.09
22	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Equity instruments	0.00	0.00		0.00	0.00	0.00	0.00		0.00	0.00	0.00		0.00	0.00	0.00
24	**Households**	69.21	3.87	0.00	3.87	0.00	0.00	0.00	0.00	0.00	69.21	3.87	0.00	3.87	0.00	61.70
25	of which loans collateralised by residential immovable property	86.66	4.87	0.00	4.87	0.00	0.00	0.00	0.00	0.00	86.66	4.87	0.00	4.87	0.00	49.06
26	of which building renovation loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	of which motor vehicle loans	8.78	0.00	0.00	0.00	0.00					8.78	0.00	0.00	0.00	0.00	2.12
28	**Local governments financing**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	Housing financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	Other local government financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32	**Total GAR assets**	**52.55**	**6.21**	**0.00**	**2.56**	**1.23**	**0.07**	**0.00**	**0.00**	**0.00**	**52.62**	**6.21**	**0.00**	**2.56**	**1.23**	**100.00**

5. KPI off-balance sheet exposures based on turnover

% (compared to total eligible off-balance sheet assets)		31 December 2024													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	10.12	2.34	0.00	0.00	0.03	0.00	0.00	0.00	0.00	10.12	2.34	0.00	0.00	0.03
2	Assets under management (AuM KPI)	13.93	1.37	0.00	0.09	0.55	1.00	0.04	0.00	0.01	14.93	1.41	0.00	0.09	0.56

5. KPI off-balance sheet exposures based on turnover flow

% (compared to total eligible off-balance sheet assets)		31 December 2024													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	22.28	0.59	0.00	0.00	0.03	0.00	0.00	0.00	0.00	22.28	0.59	0.00	0.00	0.03
2	Assets under management (AuM KPI)	1.76	0.09	0.00	0.02	0.04	0.20	0.00	0.00	0.00	1.96	0.09	0.00	0.02	0.04

Disclosures according to Annex XII - nuclear energy and fossil gas related activities

Template 1 Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 2 Taxonomy-aligned economic activities (denominator)

Row	Economic activities based on KPI Turnover	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00	0	0.00	0	0.00
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5	0.00	5	0.00	0	0.00
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	521	0.02	521	0.02	0	0.00
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00	0	0.00	0	0.00
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.00	3	0.00	0	0.00
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00	0	0.00	0	0.00
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	45,985	1.96	44,515	1.89	1,470	0.06
8	**Total green asset ratio, Turnover**	**46,514**	**1.98**	**45,044**	**1.92**	**1,470**	**0.06**

Row	Economic activities based on KPI CAPEX	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00	0	0.00	0	0.00
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	3	0.00	3	0.00	0	0.00
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	153	0.01	153	0.01	0	0.00
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00	0	0.00	0	0.00
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00	0	0.00	0	0.00
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00	0	0.00	0	0.00
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	45,891	1.95	45,889	1.95	2	0.00
8	**Total green asset ratio, CAPEX**	**46,047**	**1.96**	**46,045**	**1.96**	**2**	**0.00**

Template 3 Taxonomy-aligned economic activities (numerator)

Row	Economic activities based on KPI Turnover	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00	0	0.00	0	0.00
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	5	0.01	5	0.01	0	0.00
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	521	1.12	521	1.12	0	0.00
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00	0	0.00	0	0.00
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	3	0.01	3	0.01	0	0.00
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00	0	0.00	0	0.00
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	45,985	98.86	44,515	95.70	1,470	3.16
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the total green asset ratio based on Turnover**	**46,514**	**100.00**	**45,044**	**96.84**	**1,470**	**3.16**

Row	Economic activities based on KPI CAPEX	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00	0	0.00	0	0.00
2	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	3	0.01	3	0.01	0	0.00
3	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	153	0.33	153	0.33	0	0.00
4	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00	0	0.00	0	0.00
5	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00	0	0.00	0	0.00
6	Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00	0	0.00	0	0.00
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	45,891	99.66	45,889	99.66	2	0.00
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the total green asset ratio based on CAPEX**	**46,047**	**100.00**	**46,045**	**100.00**	**2**	**0.00**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities - KPI Turnover	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00	0	0.00	0	0.00
2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00	0	0.00	0	0.00
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00	0	0.00	0	0.00
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	402	0.06	402	0.06	0	0.00
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,708	0.25	1,708	0.25	0	0.00
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	176	0.03	176	0.03	0	0.00
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	690,575	99.67	689,394	99.50	1,182	0.17
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the eligible ratio based on Turnover**	**692,861**	**100.00**	**691,679**	**99.83**	**1,182**	**0.17**

Row	Economic activities - KPI CAPEX	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00	0	0.00	0	0.00
2	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00	0	0.00	0	0.00
3	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00	0	0.00	0	0.00
4	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	276	0.04	276	0.04	0	0.00
5	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,306	0.19	1,306	0.19	0	0.00
6	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	402	0.06	402	0.06	0	0.00
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	687,846	99.71	687,216	99.62	630	0.09
8	**Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the eligible ratio based on CAPEX**	**689,829**	**100.00**	**689,200**	**99.91**	**630**	**0.09**

Template 5 Taxonomy non-eligible economic activities

Row	Economic activities KPI Turnover	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	535,746	22.79
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI (non-eligible ratio Turnover)	535,746	22.79

Row	Economic activities KPI CAPEX	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	539,244	22.94
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI (non-eligible ratio CAPEX)	539,244	22.94

Financial statements - Danske Bank Group

Financial statements – Danske Bank Group

Financial statements – Danske Bank A/S

Income statement – Danske Bank Group

Note	(DKK millions)	2024	2023*
G5	Interest income calculated using the effective interest method	63,022	59,770
G5	Other interest income	17,504	16,287
G5	Interest expense	43,829	41,085
	Net interest income from banking activities	**36,697**	**34,972**
G6	Fee income	19,463	17,108
G6	Fee expenses	4,551	4,203
	Net fee income	**14,912**	**12,904**
G5	**Net trading income or loss**	**2,668**	**2,613**
G7	Insurance revenue	5,869	5,735
G7	Insurance service expenses	5,609	5,094
G7	Net return on investments backing insurance liabilities	44,001	35,228
G7	Net finance income or expense from insurance	-42,968	-34,613
	Other insurance related income	94	216
	Net insurance result	**1,387**	**1,472**
G8	Gain or loss on sale of disposal groups	244	-555
G8	Other income	497	1,015
	Total other income	**741**	**460**
	Total income	**56,405**	**52,422**
G9	Operating expenses	25,736	25,478
	Profit before loan impairment charges	**30,669**	**26,944**
G11	Loan impairment charges	-543	262
	Profit before tax	**31,212**	**26,682**
G21	**Tax**	**7,583**	**5,420**
	Net profit	23,629	21,262
	Earnings per share (DKK)	27.9	24.8
	Diluted earnings per share (DKK)	27.8	24.7
	Dividend per share (DKK)**	28.7	14.5

* Comparative information has been restated, as described in note G2(a).
** Total dividend for 2024 of DKK 28.70 per share, comprising a proposed dividend of DKK 9.35 per share for the second half of 2024 in addition to the dividend of DKK 7.50 per share paid in connection with the Interim report – first half 2024. It further consists of a proposed extraordinary dividend distribution of DKK 5.35 per share, complementing the special dividend of DKK 6.50 paid in December 2024 following completion of the divestment of the personal customer business in Norway.

Statement of comprehensive income – Danske Bank Group

Note	(DKK millions)	2024	2023
	Net profit	23,629	21,262
	Other comprehensive income		
	Items that will not be reclassified to profit or loss		
	Remeasurement of defined benefit pension plans	54	-1,220
G21	Tax*	14	-301
	Items that will not be reclassified to profit or loss	**40**	**-919**
	Items that are or may be reclassified subsequently to profit or loss		
	Translation of units outside Denmark	-1,613	-1,404
G12	Hedging of units outside Denmark	635	589
	Reclassification to the income statement on disposal of units outside Denmark**	-	806
	Unrealised value adjustments of bonds at fair value (OCI)	479	1,114
	Realised value adjustments of bonds at fair value (OCI)	73	106
G21	Tax*	-113	306
	Items that are or may be reclassified subsequently to profit or loss	**-313**	**905**
	Total other comprehensive income	**-273**	**-14**
	Total comprehensive income	**23,356**	**21,248**

* A positive amount is a tax expense, and a negative amount is a tax income
** Reclassification to the income statement on disposal of units outside Denmark in 2023 includes a reduction in the structural FX hedge. See note G12

Balance sheet – Danske Bank Group

Note	(DKK millions)	31 December 2024	31 December 2023*
	Assets		
G14	Cash in hand and demand deposits with central banks	107,498	259,156
G14	Due from credit institutions and central banks	143,569	114,813
G12	Trading portfolio assets	531,831	503,548
G13	Investment securities	269,118	283,914
G15	Loans at amortised cost	921,900	921,580
G16	Loans at fair value	1,074,783	928,239
G17	Assets under pooled schemes and investment contracts	76,173	70,900
G18	Insurance assets	548,912	496,031
G23	Assets held for sale	160	110,704
G19	Intangible assets	6,737	6,064
G21	Tax assets	5,814	3,264
G24	Other assets	29,547	31,079
	Total assets	**3,716,042**	**3,729,292**

* Comparative information has been restated as described in note G2(b).

Note	(DKK millions)	31 December 2024	31 December 2023*
	Liabilities		
G20	Due to credit institutions and central banks	214,364	154,608
G12	Trading portfolio liabilities	357,507	438,553
G20	Deposits	1,173,781	1,196,447
G22	Issued bonds at fair value	746,556	748,780
G22	Issued bonds at amortised cost	243,198	214,234
G17	Deposits under pooled schemes and investment contracts	76,608	71,253
G18	Insurance liabilities	529,793	482,630
G23	Liabilities in disposal groups held for sale	-	56,476
G21	Tax liabilities	2,225	1,557
G24	Other liabilities	66,033	57,046
G22	Non-preferred senior bonds	89,492	93,194
G22	Subordinated debt	40,798	38,774
	Total liabilities	**3,540,355**	**3,553,552**
	Equity		
	Share capital	8,622	8,622
G25	Foreign currency translation reserve	-3,617	-2,639
	Reserve for bonds at fair value (OCI)	246	-306
	Retained earnings	158,157	163,596
	Proposed dividends	12,279	6,466
	Total equity	**175,687**	**175,739**
	Total liabilities and equity	**3,716,042**	**3,729,292**

* Comparative information has been restated as described in note G2(b).

Statement of capital – Danske Bank Group

Changes in equity

(DKK millions)	Share capital	Foreign currency translation reserve	Reserve for bonds at fair value (OCI)	Retained earnings	Proposed dividends	Total
Total equity as at 1 January 2024	8,622	-2,639	-306	163,596	6,466	175,739
Net profit	-	-	-	23,629	-	23,629
Other comprehensive income						
Remeasurement of defined benefit pension plans	-	-	-	54	-	54
Translation of units outside Denmark	-	-1,613	-	-	-	-1,613
Hedging of units outside Denmark	-	635	-	-	-	635
Reclassification on disposal of units outside Denmark	-	-	-	-	-	-
Unrealised value adjustments	-	-	479	-	-	479
Realised value adjustments	-	-	73	-	-	73
Tax	-	-	-	99	-	99
Total other comprehensive income	-	-978	552	153	-	-273
Total comprehensive income	-	-978	552	23,782	-	23,356
Transactions with owners						
Dividends paid*	-	-	-	-11,741	-6,466	-18,207
Proposed dividends**	-	-	-	-12,279	12,279	-
Acquisition of own shares - share buy-back programme	-	-	-	-5,246	-	-5,246
Acquisition of own shares - other	-	-	-	-26,957	-	-26,957
Sale of own shares	-	-	-	26,799	-	26,799
Share based payments	-	-	-	203	-	203
Total equity as at 31 December 2024	8,622	-3,617	246	158,157	12,279	175,687

* During 2024 a dividend of DKK 6,427 million was paid in March 2024 in relation to the second half of 2023.
A dividend of DKK 6,350 million was paid in July 2024 in relation to the first half of 2024, and a special dividend payment of DKK 5,430 million was paid in December 2024. Dividends paid are presented net of dividends on own shares.
** The Board of Directors proposed a dividend payment of DKK 7,810 million in relation to the second half of 2024 as well as an extraordinary dividend of DKK 4,469 million, in total DKK 12,279 million. Dividends proposed are presented net of dividends on own shares.

(DKK millions)	Share capital	Foreign currency translation reserve	Reserve for bonds at fair value (OCI)	Retained earnings	Proposed dividends	Total
Total equity as at 1 January 2023	8,622	-2,630	-1,526	155,812	-	160,278
Net profit	-	-	-	21,262	-	21,262
Other comprehensive income						
Remeasurement of defined benefit pension plans	-	-	-	-1,220	-	-1,220
Translation of units outside Denmark	-	-1,404	-	-	-	-1,404
Hedging of units outside Denmark	-	589	-	-	-	589
Reclassification on disposal of units outside Denmark	-	806	-	-	-	806
Unrealised value adjustments	-	-	1,114	-	-	1,114
Realised value adjustments	-	-	106	-	-	106
Tax	-	-	-	-5	-	-5
Total other comprehensive income	-	-9	1,220	-1,225	-	-14
Total comprehensive income	-	-9	1,220	20,037	-	21,248
Transactions with owners						
Dividends paid*	-	-	-	-6,011	-	-6,011
Proposed dividends**	-	-	-	-6,466	6,466	-
Acquisition of own shares - share buy-back programme	-	-	-	-	-	-
Acquisition of own shares - other	-	-	-	-23,030	-	-23,030
Sale of own shares	-	-	-	23,082	-	23,082
Share based payments	-	-	-	172	-	172
Total equity as at 31 December 2023	8,622	-2,639	-306	163,596	6,466	175,739

* Dividends paid during 2023 consists of a dividend payment in July 2023 of DKK 6,011 million in relation to the first half of 2023. Dividends paid in the Changes in equity is presented net of dividends on own shares.
** The Board of Directors proposed a dividend payment of DKK 6,466 million in relation to the second half of 2023.

Statement of capital – Danske Bank Group

Share buy-back programme
On 5 February 2024, the Group initiated a share buy-back programme of DKK 5.5 billion, which ran until 31 January 2025. At the end of December 2024, the Group had acquired 25,996,321 shares for a total amount of DKK 5,246 million under the share buy-back programme based on trade date.

Dividend
Dividend for 2024 of a total of DKK 28.70 per share consists of a dividend of DKK 7.50 per share paid in connection with the Interim report - first half 2024 and a special dividend of DKK 6.50 paid in December 2024 following completion of the divestment of the personal customers business in Norway. It also includes a proposed dividend of DKK 9.35 per share for the second half of 2024 and a proposed extraordinary dividend of DKK 5.35 per share. The total dividend proposed by the Board of Directors of DKK 14.70 per share, totalling DKK 12,279 million net of dividends on own shares, will be paid out after the Annual General Meeting.

Earnings per share

	2024	2023
Net profit attributable to the shareholders of the parent company	23,629	21,262
Number of shares issued at 1 January	862,184,621	862,184,621
Average number of own shares held by the Group (including share buy-back programme)	14,110,317	3,400,761
Average number of shares outstanding	848,074,304	858,899,954
Number of dilutive shares issued for share-based payments	1,656,061	1,143,355
Adjusted average number of shares outstanding after share capital reduction, including dilutive shares	**849,730,365**	**860,043,309**
Earnings per share (DKK)	27.9	24.8
Diluted earnings per share (DKK)	27.8	24.7

The share capital consists of shares of a nominal value of DKK 10 each. All shares carry the same rights; there is thus only one class of shares.

Number of shares outstanding

	2024	2023
Issued at 1 January	862,184,621	862,184,621
Shares held in relation to Share buy-back programme	25,996,321	-
Shares held in the Group's trading portfolio	2,370,881	2,410,915
Shares outstanding at 31 December	**833,817,419**	**859,773,706**

Holding of own shares

(DKK millions)	Share buy-back programme	Trading portfolio	Total 2024	Total 2023
Holding as at 1 January	-	435	435	521
Acquisition of own shares	5,246	26,957	32,203	23,030
Sale of own shares	-	26,799	26,799	23,082
Value adjustment	50	-110	-60	-33
Holding as at 31 December	**5,295**	**483**	**5,778**	**435**

All holdings of own shares at the end of 2023 were in the Group's trading portfolio.

Holdings of own shares disclosed above are those held in the Group's trading portfolio and those repurchased as part of the Group's share buy-back programme. In addition, the Group holds DKK 1,535 million of own shares on behalf of customers which are not deducted from equity, comprising DKK 258 million of own shares in Assets under pooled schemes, DKK 65 million of own shares in Assets under investment contracts, and DKK 1,212 million of own shares in Insurance assets. Details on acquisitions and sales of own shares that are not deducted from equity are presented under Statement of Capital of Danske Bank A/S.

The Board of Directors is authorised to let Danske Bank A/S acquire own shares up to a total nominal amount of 10% of the share capital. The shares maybe held for ownership or provided as collateral. If shares are acquired for ownership, the acquisition price may not deviate by more than 10% from the price quoted at the time of acquisition. Danske Bank A/S has obtained permission from the Danish Financial Supervisory Authority to acquire own shares for market-making purposes etc. and this amount is deducted from the Group's common equity tier 1 capital.

Statement of capital – Danske Bank Group

Total capital and total capital ratio

(DKK millions)	31 December 2024	31 December 2023
Total equity	175,687	175,739
Revaluation of domicile property at fair value	219	211
Tax effect of revaluation of domicile property at fair value	-24	-27
Total equity calculated in accordance with the rules of the Danish FSA	**175,882**	**175,923**
Common equity tier 1 capital instruments	175,882	175,923
Adjustment to eligible capital instruments	-901	-914
IFRS 9 reversal due to transitional rules	752	1,634
Prudent valuation	-912	-890
Prudential filters	-	-
Expected / proposed payouts*	-17,279	-6,466
Intangible assets of banking operations	-6,266	-5,690
Minimum Loss Coverage for Non-Performing Exposures	-2,607	-916
Deferred tax on intangible assets	461	316
Deferred tax assets that rely on future profitability, excluding temporary differences	-599	-733
Defined benefit pension plan assets	-917	-845
Statutory deduction for insurance subsidiaries	-2,397	-6,111
Common equity tier 1 capital	**145,217**	**155,308**
Additional tier 1 capital instruments	10,360	14,805
Tier 1 capital	**155,577**	**170,113**
Tier 2 capital instruments	26,570	20,790
Total capital	**182,147**	**190,902**
Total risk exposure amount	**814,706**	**827,882**
Common equity tier 1 capital ratio (%)	17.8%	18.8%
Tier 1 capital ratio (%)	19.1%	20.5%
Total capital ratio (%)	22.4%	23.1%

* Expected/proposed payouts at 31 December 2024 include proposed dividend for second half of 2024 of DKK 7,810 million, the extraordinary dividend of DKK 4,469 million and the share buy-back programme of DKK 5,000 million. Expected/proposed payouts at 31 December 2023 include the dividend payment for the second half of 2023.

Total capital and the total risk exposure amount are calculated in accordance with the rules applicable under the Capital Requirements Regulation (CRR), taking transitional rules into account as stipulated by the Danish Financial Supervisory Authority.

In terms of the transitional arrangements for the impact of IFRS 9 on regulatory capital, the Group applies the so-called dynamic approach in accordance with the CRR.

The Internal Capital Adequacy Assessment Report provides more details about the Group's solvency need. The report is available at danskebank.com/investor-relations/reports and is not covered by the statutory audit.

Cash flow statement – Danske Bank Group

Note	(DKK millions)	2024	2023*
	Cash flow from operations		
	Profit before tax	31,212	26,682
	Tax paid	-10,335	-4,565
G26	Adjustment for non-cash operating items	700	8,426
	Cash flow from operations before changes in operating capital	**21,577**	**30,543**
	Changes in operating capital		
	Amounts due to/from credit institutions and central banks	59,148	10,778
	Trading portfolio	-109,329	19,483
	Acquisition/sale of own shares	-158	53
	Investment securities	14,796	3,509
	Loans at amortised cost and fair value	-35,906	55,000
	Deposits	-53,265	-35,246
	Issued bonds at amortised cost and fair value	4,526	73,513
	Insurance assets/liabilities	-6,967	1,903
	Other assets/liabilities	13,109	-18,036
	Cash flow from operations	**-92,469**	**141,500**
	Cash flow from investing activities		
	Sale of businesses	26	45
	Acquisition of intangible assets	-1,270	-540
	Acquisition of tangible assets	-984	-841
	Sale of tangible assets	-6	7
	Cash flow from investing activities	**-2,234**	**-1,329**

* Comparative information has been restated as described in note G2(b).

Note	(DKK millions)	2024	2023*
	Cash flow from financing activities		
G26	Issue of subordinated debt	12,108	-
G26	Redemption of subordinated debt	-11,392	-
G26	Issue of non-preferred senior bonds	28,338	22,425
G26	Redemption of non-preferred senior bonds	-35,702	-23,696
	Dividends paid	-18,207	-6,011
	Share buy-back programme	-5,246	-
	Principal portion of lessee lease payments	-576	-605
	Cash flow from financing activities	**-30,677**	**-7,887**
	Cash and cash equivalents as at 1 January	365,609	232,531
	Foreign currency translation	1,871	794
	Change in cash and cash equivalents	-125,380	132,284
	Cash and cash equivalents, end of period	**242,100**	**365,609**
	Cash and cash equivalents, end of period		
G14	Cash in hand	6,909	6,419
G14	Demand deposits with central banks	100,590	252,737
G14	Amounts due from credit institutions and central banks within three months	134,601	106,453
	Total	**242,100**	**365,609**

* Comparative information has been restated as described in note G2(b).

Notes – Danske Bank Group
G1. Material accounting policies and estimates

(a) General
Danske Bank Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and applicable interpretations (IFRIC) issued by the International Accounting Standards Board (IASB), as adopted by the EU. Furthermore, the consolidated financial statements comply with the Danish FSA's Executive Order No. 1306 dated 16 December 2008 on the use of IFRS Accounting Standards by undertakings subject to the Danish Financial Business Act

With effect from 1 January 2024, the Group has changed the presentation in the IFRS Income statement in relation to Markets, Operating leases and margins on customer transactions in foreign currencies. At the same time, the Group's Financial highlights have been changed to align them with the IFRS financial statements. The changes have been applied retrospectively, resulting in reclassifications between lines in the IFRS Income statement. The reclassifications have no impact on the net profit, balance sheet or equity for 2023.

In addition, amendments to IFRS 7, IFRS 16, IAS 1 and IAS 7 became effective on 1 January 2024, and have no impact on the financial statements.

The Group has also changed its accounting treatment for variation margin for derivative transactions to reflect the Group's updated understanding of the application of a legal framework applied to outstanding mark-to-market on derivatives. This change in accounting treatment has been applied retrospectively. The change has no impact on net profit for 2023 or equity.

Further information on the changes to accounting policies and presentation in 2024 can be found in note G2. Except for these changes, the Group has not changed its material accounting policies from those applied in the Annual Report 2023.

For changes in the financial highlights and segment reporting, see note G3.

Financial statement figures are stated in Danish kroner and whole millions, unless otherwise stated. As a result, rounding discrepancies may occur because totals have been rounded off and the underlying decimals are not presented to financial statement users.

Monetary assets and liabilities in foreign currency are translated at the exchange rates at the balance sheet date. Exchange rate adjustments of monetary assets and liabilities arising as a result of differences in the exchange rates at the transaction date and at the balance sheet date are recognised in the income statement. Non-monetary assets and liabilities in foreign currency that are subsequently revalued at fair value are translated at the exchange rates at the date of revaluation. Exchange rate adjustments are included in the fair value adjustment of an asset or liability. Other non-monetary items in foreign currency are translated at the exchange rates at the transaction date. The accounting treatment of foreign currency translation of units outside Denmark is described in note G25.

For the purpose of clarity, the primary financial statements and the notes to the financial statements are prepared using the concepts of materiality and relevance. This means that line items not considered material in terms of quantitative and qualitative measures or relevant to financial statement users are aggregated and presented together with other items in the primary financial statements. Similarly, information not considered material is not presented in the notes.

The material accounting policies are incorporated into the notes to which they relate.

(b) Significant accounting estimates and judgements
The preparation of financial information requires, in some cases, the use of judgements and estimates by management. This includes judgements made when applying accounting policies. The most significant judgements made when applying accounting policies relate to the classification of financial assets and financial liabilities under IFRS 9, especially related to the business model assessment, and the solely payments of principal and interest (SPPI) test (further explained in note G15) and the designation of financial liabilities at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch (further explained in note G16). An overview of the classification and measurement basis for financial instruments can be found in section (c) of this note.

Further, the determination of the carrying amounts of some assets and liabilities requires the estimation of the effects of uncertain future events on those assets and liabilities. The estimates are based on premises that management finds reasonable but which are inherently uncertain and unpredictable. The premises may be incomplete, unexpected future events or situations may occur, and other parties may arrive at other estimated values. In view of the inherent uncertainties and the high level of subjectivity and judgement involved in the recognition and measurement of the items listed below, it is possible that the outcomes in the next financial year could differ from those on which management's estimates are based.

Measurement of expected credit losses on loans, financial guarantees and loan commitments, and bonds measured at amortised cost or fair value through Other comprehensive income
The three-stage expected credit loss impairment model in IFRS 9 depends on whether the credit risk has increased significantly since initial recognition. If the credit risk has not increased significantly, the impairment charge equals the expected credit losses resulting from default events that are possible within the next 12 months (stage 1). If the credit risk has increased significantly, the loan is more than 30 days past due, or the loan is in default or otherwise impaired, the impairment charge equals the lifetime expected credit losses (stages 2 and 3). In determining the impairment for expected credit losses, management exercises judgement and uses estimates and assumptions as explained below.

The expected credit loss is calculated for all individual facilities as a function of probability of default (PD), exposure at default (EAD) and loss given default (LGD) and incorporates forward-looking information. The estimation of expected credit losses involves forecasting future economic conditions over a number of years. Such forecasts are subject to management judgement and those judgements may be sources of measurement uncertainty that have significant risk of resulting in a material adjustment to a carrying amount in future periods. The incorporation of forward-looking elements reflects the expectations of the Group's senior management and involves the creation of scenarios (base case, upside and downside), including an assessment of the probability for each scenario. The purpose of using multiple scenarios is to model the non-linear impact of assumptions about macroeconomic factors on the expected credit losses.

The base case scenario enters with a probability of 60 % (2023: 60%), the upside scenario with a probability of 20 % (2023: 20%) and the downside scenario with a probability of 20 % (2023: 20%). On the basis of these assessments, the allowance account at the end of 2024 amounted to DKK 19.9 billion (2023: DKK 20.1. billion). If the base case scenario was assigned a probability of 100%, the allowance account would decrease DKK 2.5 billion (2023: 2.0 billion). Compared to the base case scenario, the allowance account would increase DKK 12.9 billion (2023: DKK 10.2 billion), if the downside scenario was assigned a probability of 100%. The increase reflects primarily the transfer of exposures from stage 1 to stage 2 and increased expected credit losses within stage 2. If instead the upside scenario was assigned a probability of 100%, the allowance account would decrease DKK 0.2 billion (2023: DKK 0.2 billion) compared to the base case scenario.

In determining the expected credit losses, management is required to exercise judgement in defining what is considered a significant increase in credit risk. According to the Group's definition of a significant increase in credit risk, i.e. when a loan is transferred from stage 1 to stage 2, facilities with an initial PD below 1% are transferred to stage 2 if the facility's 12-month PD has increased by at least 0.5 of a percentage point and the facility's lifetime PD has doubled since origination. The allowance account is relatively stable in terms of changes to the definition of significant increase in credit risk. At the end of 2024, the allowance account would increase by DKK 0.1 billion (2023: DKK 0.3 billion), if instead an increase in the facility's 12-month PD by at least 0.25 of a percentage point combined with a doubling of the lifetime PD was considered a significant increase in credit risk.

G1. Material accounting policies and estimates - continued

Management applies judgement when determining the need for post-model adjustments. At the end of 2024, the post-model adjustments amounted to DKK 5.9 billion (2023: DKK 6.7 billion). They mainly cover the macroeconomic and geopolitical uncertainties. Further information on the types of risks covered by post-model adjustments and the allocation of post-model adjustments to the underlying exposures can be found in the section Forward-looking information in note G40.

Loan impairment charges for 2024 amounted to a net reversal of DKK 543 million (2023: DKK 262 million). Impairment reversals were driven by robust credit quality and a reduction of post-model adjustments.

The applied macroeconomic scenarios in 2024 differ from those used at 31 December 2023. The downside scenario continues to capture the severe recession scenario with high interest rates (reflecting a stagflation scenario) applied in the Group's Internal Capital Adequacy Assessment Process (ICAAP) processes and is similar in nature to regulatory stress tests. The severe recession scenario reflects negative growth, higher interest rates, and falling property prices for a longer period. The use of the downside scenario has been made to better capture the increasing risk from high interest rates and high inflation, and in order for the ECL calculation to include potential downside risks due to the elevated asset prices across the Nordics.

Except as described above, all other policies and principles remain in place. Staging criteria are unchanged, including the 30 days past due criteria and PD-based criteria for transfer to stage 2.

Sustainability risk

The Group defines sustainability risk as the risk of a significant negative effect on the Group's performance – including financial and reputational effects – due to current or future environmental, social and governance (ESG) events or conditions. Sustainability risk is therefore considered a cross-cutting driver of existing risks as outlined in the Group's risk taxonomy, which can further exacerbate the risks the Group is already facing. The Group may be exposed to sustainability risk through its own operations and strategic commitments and from the activities of its various counter parties upstream and downstream in the value chain.

Credit risk is deemed to be the risk type most materially affected by sustainability drivers in the long term, of which climate risk is currently the most urgent of all ESG-related drivers capable of affecting the Group's credit risk. In terms of risks arising from financial instruments, climate-related risks have been deemed most relevant for the Group's lending activities. Climate risk pertains to transition risks, which are the risks associated with shifting to a low-carbon economy, and to physical risks arising from projected climate changes, including both long-term shifts (chronic changes) and event-driven changes (acute changes) to weather patterns. Credit risk will be affected by both of these climate-related risks in the medium and long term, and efforts are being made to obtain improved climate data to refine the long- term view of climate risk across sectors.

The Group takes a risk-based approach in prioritising risk management efforts for credit portfolios that are likely to be most exposed to transition and physical risks. For that purpose, the Group applies a mix of qualitative and quantitative input to define the credit exposures most exposed to transition and physical risks.

High transition-risk exposures are identified using a mix of insights, including financed emissions estimates, findings from conducting climate scenario analysis as well as qualitative judgment to account for, e.g., credible transition plans, potential future technology and demand risks to a given sector. Most of the emissions are attributable to only a few sectors, e.g. agriculture, shipping, and oil and gas. The Group actively monitors and manages these sectors at both customer and portfolio levels. For instance, this is evidenced by the decline in the oil and gas portfolio in recent years. From the assessment of customers subject to high transition risk, the exposure to the lagging transition category remains limited and are monitored and managed on an ongoing basis.

The Group performs quantitative climate scenario analyses, including bottom-up climate stress tests to assess the effects of both physical and transition climate-related risks over short-, medium- and long-term horizons. In relation to transition risks, the Group has analysed scenarios for carbon taxes as a key driver for this transition in different sectors e.g. the introduction of a carbon tax by the Danish government on the Danish Agricultural Sector and on the commercial real estate sector in view of the EU's Energy Performance of Buildings Directive.

Stress tests related to physical risks focus on collateral-related exposures based on expected loss calculations related to river and coastal flooding. The Group had identified flooding risk (river and coastal flooding) as the key physical hazard applicable to the portfolio on the basis of the report on high confidence of hazard increase in Northern Europe issued by the Intergovernmental Panel on Climate Change. The current analyses on flooding risk focus on residential and commercial property and the risk is assessed to be limited.

The Group will continue to refine its assessment methodology as more climate risk data becomes available to support the identification of both transition and physical risks for the purpose of determining financial significance, however, conclusions have not led to adjustments to staging or modelled expected credit losses, as the impacts either manifest over a longer time period than loan maturities, or as transition risks are concentrated on a few sectors with downside risks already recognised in the Group's modelled expected credit losses. Both transition and physical risks are either managed through risk tolerances or strategic targets, or already have post model adjustments allocated covering the climate related risks.

For more detail on Sustainability risk, see note G40.

Fair value measurement of financial instruments

At the end of 2024, no unusual challenges in obtaining reliable pricing apart from insignificant parts of the portfolio remained. The majority of valuation techniques continues to employ only observable market data, and there has been no significant increase in financial instruments measured on the basis of valuation techniques that are based on one or more significant unobservable inputs. The latter continues to include only unlisted shares, certain bonds and some long-dated derivatives for which there is no active market. On the derivatives portfolio, the Group makes fair value adjustments to cover changes in counterparty risk (CVA) and to cover expected funding costs (FVA and ColVA) on derivatives, bid-offer spreads on the net open position of the portfolio of assets and liabilities with offsetting market risk recognised at mid-market prices, and model risk on level 3 derivatives. FVA is calculated including both funding cost and funding benefit. At 31 December 2024, the adjustments totalled DKK 0.3 billion (2023: DKK 0.4 billion), including the adjustment for credit risk on derivatives that are credit impaired. Note G33(a) provides more details on the fair value measurement of financial instruments.

The Group uses derivatives to hedge the fixed interest rate on some financial assets and liabilities, thus converting the fixed interest rates on the financial instruments to variable interest rates by the use of swaps.

Measurement of goodwill

Goodwill is tested for impairment once a year or more frequently if indications of impairment exist. Impairment testing requires management to estimate the present value of future cash flows. A number of factors affect the value of such cash flows, including discount rates, changes in the economic outlook, customer behaviour and competition. As at 31 December 2024, goodwill amounted to DKK 4.4 billion (31 December 2023: DKK 4.4 billion).

At each reporting date, management performs an impairment review to assess whether there are indications that goodwill might be impaired. This includes a review of decline in income, increase in loan impairment charges, decline in the market value of assets under management, major restructurings, macroeconomic developments etc. The impairment test conducted in 2024 did not reveal any impairment loss.

G1. Material accounting policies and estimates - continued

Goodwill mainly consists of DKK 2.1 billion (2023: DKK 2.1 billion) in Markets, DKK 1.8 billion (2023: DKK 1.8 billion) in Asset Management and DKK 0.5 billion (2023: DKK 0.5 billion) in General Banking (all part of the business segment Large Corporates & Institutions) showing significant amounts of excess value in the impairment tests in 2024 and 2023.

Note G19 provides more information about the impairment test in 2024 and 2023 including sensitivity to changes in assumptions.

Measurement of insurance contract liabilities (part of Insurance liabilities)
Liabilities under insurance contracts are measured using either the General Measurement Model (GMM), Variable Fee Approach (VFA) or Premium Allocation Approach (PAA). GMM and VFA both comprise fulfilment cash flows, which are estimates of the present value of future cash flows for insurance contracts, adjusted for time value of money and effect of financial risk including a risk adjustment for non-financial risk, and a contractual service margin (CSM).

Estimates of future cash flows include actuarial computations that rely on estimates of a number of variables such as mortality rates and disability rates. Mortality rates are based on the Danish FSA's benchmark, whilst others are estimated based on data from the Group's own portfolio of insurance contracts.

The discount rate is fixed on the basis of a zero-coupon yield curve, which is adjusted by a currency and credit risk deduction and a volatility adjustment. The yield curve is calculated according to principles and based on data that results in a curve based on European Insurance and Occupational Pension Authority (EIOPA) discount yield curve, as shown below:.

DKK	1 year	5 years	10 years	20 years	30 years
2024	2.33	2.35	2.46	2.44	2.54
2023	3.26	2.55	2.63	2.63	2.73

For life insurance contracts, risk adjustment for non-financial risks is calculated based on a safety margin on applied actuarial assumptions, such as mortality rates and longevity.

The confidence level used to determine the risk adjustment is at least 85%.

For insurance contracts measured using VFA, CSM is calculated on the basis of stochastic models, whereas a deterministic model is used for life insurance contracts measured using GMM.

For health and accident insurance contracts, the loss element includes expectations about mortality, reactivation, reinstatement and repurchase, as well as expected costs offset by premiums not yet due. Risk adjustment for non-financial risk is calculated based on a safety margin on applied actuarial assumptions. The confidence level used to determine the risk adjustment is at least 85%.

Note G18 provides further information on the measurement of insurance liabilities. Note G40 contains a sensitivity analysis for life insurance.

(c) Overview of classification and measurement basis for financial instruments and insurance contracts
Financial assets and insurance assets account for around 97% of total assets, and financial liabilities and insurance liabilities account for around 98% of total liabilities. A portion of financial assets relate to investments made under insurance contracts. The following sections provide a general description of the classification and measurement of financial instruments and obligations under insurance contracts.

Financial instruments – general
The Group recognises financial assets and liabilities when it becomes a party to the terms of the contract. A financial asset, or a portion of a financial asset, is derecognised if the contractual rights to cash flows from the asset have expired, or have been transferred, usually by sale, leading to substantially all the risks and rewards of the asset or significant risks and rewards being transferred. Financial liabilities are derecognised when the liability has been settled, has expired or has been extinguished.

Regular way purchases and sales of financial instruments are recognised and derecognised at the settlement date. Fair value adjustments of unsettled financial instruments are recognised from the trade date to the settlement date if the financial asset is classified at fair value through profit or loss or through Other comprehensive income. The classification is shown in the table on next page.

Classification and measurement of financial assets and financial liabilities – general
Financial assets are classified on the basis of the business model adopted for managing the assets and on their contractual cash flow characteristics (including embedded derivatives, if any) are grouped into one of the following measurement categories:

- Amortised cost (AMC)
- Fair value through Other comprehensive income (FVOCI)
- Fair value through profit or loss (FVPL)

Financial assets are measured at AMC if they are held within a business model for the purpose of collecting contractual cash flows (hold to collect) and if cash flows are solely payments of principal and interest on the principal amount outstanding.

Financial assets are measured at FVOCI if they are held within a business model for the purpose of both collecting contractual cash flows and selling (hold to collect and sell) and if cash flows are solely payments of principal and interest on the principal amount outstanding. FVOCI results in the assets being recognised at fair value in the balance sheet and at AMC in the income statement. Gains and losses, except for expected credit losses and foreign exchanges gains and losses, are therefore recognised in Other comprehensive income until the financial asset is derecognised. When the financial asset is derecognised the cumulative gains and losses previously recognised in Other comprehensive income are reclassified to the income statement.

All other financial assets are mandatorily measured at FVPL including financial assets held within other business models, such as financial assets managed at fair value or held for trading and financial assets with contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding.

Generally, financial liabilities are measured at amortised cost and when relevant with bifurcation of embedded derivatives not closely related to the host contract. Financial liabilities measured at fair value comprise the trading portfolio (derivatives and obligations to repurchase securities) and liabilities designated at fair value through profit or loss under the fair value option. Value adjustments relating to the inherent credit risk of financial liabilities designated at fair value are recognised in Other comprehensive income unless this leads to an accounting mismatch.

G1. Material accounting policies and estimates - continued

Classification and measurement of financial instruments and insurance contracts

(DKK billions)	Amortised cost Held to collect assets/Liabilities	Fair value OCI Held to collect and sell financial assets	Fair value through profit or loss Held for trading	Managed at fair value	FVPL due to SPPI test	Designated	Interest rate hedge*	Own shares/bonds	Total
Assets									
Cash in hand and demand deposits with central banks	107	-	-	-	-	-	-	-	107
Due from credit institutions and central banks	81	-	-	63	-	-	-	-	144
Derivatives	-	-	261	-	-	-	-	-	261
Bonds	136	105	178	28	-	-	-	-	447
Shares	-	-	93	1	-	-	-	-	93
Loans	923	-	-	320	755	-	-1	-	1,997
Assets under pooled schemes and investment contracts	-	-	-	76	-	-	-	-	76
Insurance assets	-	-	-	508	-	-	-	-	508
Total financial assets, 31 December 2024	**1,246**	**105**	**532**	**995**	**755**	**-**	**-**	**-**	**3,633**
Total financial assets, 31 December 2023**	**1,358**	**107**	**503**	**792**	**753**	**-**	**-**	**29**	**3,543**
Liabilities									
Due to credit institutions and central banks	84	-	-	-	-	130	-	-	214
Trading portfolio liabilities	-	-	357	-	-	-	-	-	358
Deposits	1,095	-	-	-	-	79	-	-	1,174
Issued bonds at fair value	-	-	-	-	-	747	-	-	747
Issued bonds at amortised cost	244	-	-	-	-	-	-	-	243
Deposits under pooled schemes and investment contracts	-	-	-	-	-	77	-	-	77
Insurance liabilities ***	-	-	-	-	-	530	-	-	530
Non-preferred senior bonds	91	-	-	-	-	-	-2	-	89
Subordinated debt	41	-	-	-	-	-	-	-	41
Loan commitments and guarantees	3	-	-	-	-	-	-	-	3
Total financial liabilities, 31 December 2024	**1,558**	**-**	**357**	**-**	**-**	**1,562**	**-2**	**-**	**3,475**
Total financial liabilities, 31 December 2023**	**1,502**	**-**	**438**	**-**	**-**	**1,508**	**-7**	**-**	**3,442**

* The interest rate risk on some fixed-rate financial assets and liabilities is hedged by derivatives (fair value hedging). The interest rate risk on some fixed-rate bonds 'hold to collect and sell' is also hedged by derivatives. The fair value represents changes in the fair value of the interest rate risk on the hedged items, i.e. not a full fair value of the hedged items.
** Comparative information has been restated as described in note G2(b).
*** insurance contract liabilities (part of Insurance liabilities) comprise the liability for remaining coverage and liability for incurred claims, which includes estimates of present value of future cash flows, risk adjustment for non-financial risk and contractual service margin.

G1. Material accounting policies and estimates - continued

As at 31 December 2024, financial assets covered by the expected credit loss model accounted for about 53.8% of total assets (31 December 2023: 54.8%). This comprises all financial assets measured at amortised cost excluding cash in hand and demand deposits with central banks, fair value OCI and FVPL due to SPPI test.

The business model assessment
The business model assessment in Danske Bank Group has been applied separately for each business unit represented by the Group's reportable segments, and it is based on observable factors for the different portfolios, such as (1) how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Executive Board and the Board of Directors, (2) the risks that affect the performance of the business model and the way such risks are managed and (3) past and expected frequency, value and timing of sales from the portfolio. In general, the business model assessment of the Group can be summarised as follows:

The Group's banking units, comprising Personal Customers, Business Customers, General Banking at Large Corporates &Institutes (LC&I) and Northern Ireland, have a "hold to collect" business model. The financial assets consist primarily of loans. The management and reporting of performance are based on collecting the contractual cash flows, and loans are only very infrequently sold.

The trading unit at LC&I (Markets) and the financial assets related to the Group's insurance activities at Danica have a business model that is neither "hold to collect" nor "hold to collect and sell" and the financial assets are mandatorily recognised at FVPL. The assets consist of bonds, shares, repo transactions and short-term loans. Some of the financial assets are included in portfolios with a trading pattern that falls under the definition of "held for trading" while other portfolios are managed and their performance reported on a fair value basis.

Group Treasury has portfolios of bonds within the "hold to collect" business model, the "hold to collect and sell" business models and the "other" business model.

The remaining portfolio of Non-core (part of Group Functions) is "hold to collect". The financial assets consist primarily of loans.

The SPPI test (solely payment of principal and interest on the principal amount outstanding)
The second step in the classification of the financial assets in portfolios being "hold to collect" and "hold to collect and sell" relates to the assessment of whether the contractual cash flows are consistent with the SPPI test. The principal amount reflects the fair value at initial recognition less any subsequent changes, e.g. due to repayment. The interest must represent only consideration for the time value of money, credit risk, other basic lending risks and a margin consistent with basic lending features. If the cash flows introduce more than de minimis exposure to risk or volatility that is not consistent with basic lending features, the financial asset is mandatorily recognised at FVPL.

In general, the Group's portfolios of financial assets that are "hold to collect" or "hold to collect and sell" (loans and bonds) have contractual cash flows that are consistent with the SPPI test, i.e. they have basic lending features.

However, loans granted under Danish mortgage finance law are funded by issuing listed mortgage bonds with matching terms. Such loans are granted by the Realkredit Danmark subsidiary only. Borrowers may repay such loans by delivering the underlying bonds. This represents an option to prepay at fair value that can be both above and below the principal amount plus accrued interest. Changes in the fair value of the underlying bonds include other elements than the effect of changes in the relevant benchmark interest rate and the prepayment option is therefore not consistent with the SPPI test in IFRS 9 and are mandatorily measured at FVPL.

All equity instruments have contractual cash flows that do not pass the SPPI test. All such holdings are recognised at FVPL since the Group has decided not to use the option to designate equity instruments at FVOCI.

Financial liabilities
Financial liabilities are generally measured at amortised cost and when relevant with bifurcation of embedded derivatives not closely related to the host contract. Financial liabilities measured at fair value comprise derivatives, the trading portfolio and liabilities designated at FVPL under the fair value option. Value adjustments relating to the inherent own credit risk of financial liabilities designated at fair value are, however, recognised in Other comprehensive income unless this leads to an accounting mismatch.

IFRS 9 allows the designation of financial liabilities at FVPL when doing so results in more relevant information, because either (1) it eliminates or significantly reduces an accounting mismatch that would otherwise arise, or (2) is part of a portfolio of financial instruments that are managed and their performance reported on a fair value basis to management.

The Group designates the following financial liabilities at FVPL:

- Mortgage bonds issued by Realkredit Danmark. The bonds fund the loans granted by Realkredit Danmark, i.e. loans that due to the SPPI test are mandatorily recognised at FVPL. The fair value of the loans is based on the fair value of the issued bonds (the loans and the issued bonds that are funding the loans have matching contractual terms) adjusted for changes in the fair value of the credit risk of borrowers. To eliminate the accounting mismatch that exists if the loans are measured at FVPL and the issued bonds at AMC, the issued bonds are designated at FVPL, and fair value changes of the issued bonds (including fair value changes related to own credit risk) are offset by the fair value changes of the loans. Hence, changes in the fair value attributable to the Group's own credit risk on the issued bonds are also recognised in the income statement since an accounting mismatch would otherwise arise.
- Financial liabilities in Markets and Investment Banking in LC&I. These financial liabilities are part of a portfolio of financial assets and liabilities that is managed and performance reported to the Management on a fair value basis. The financial liabilities consist of repo transactions deposits and commercial papers. Changes, if any, in the fair value attributable to the Group's own credit risk is, however, recognised in Other comprehensive income.

Hedge accounting
The Group uses derivatives to hedge the interest rate risk on some fixed-rate assets and fixed-rate liabilities measured at amortised cost and on some bonds measured at fair value through Other comprehensive income. Hedged risks that meet the criteria for fair value hedge accounting are treated accordingly. The interest rate risk on the hedged assets and liabilities is measured at fair value through profit or loss. At the end of 2024, hedging derivatives measured at fair value accounted for about 0.01% of total assets and about 0.01% of total liabilities (31 December 2023: 0.16% and 0.36%, respectively). For further information on hedge accounting, see note G12(d).

Insurance activities – general
The Group issues contracts for life insurance and health and accident insurance, which are divided into insurance and investment contracts. Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder, by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. Investment contracts are contracts that entail no significant insurance risk and comprise unit-linked contracts under which the investment risk lies with the policyholder.

Insurance contracts
The Group's insurance contracts are measured in line with IFRS 17, Insurance contracts. Under IFRS 17, the majority of insurance contract liabilities are measured based on estimates of the present value of future cash flows, risk adjustment for non-financial risk, and contractual service margin. Most of these insurance contracts are with direct participating features, which means that the policyholder participates in a share of a pool of underlying items, the return of which accrues to the policyholder. The underlying items are measured at fair value, and are classified as Insurance assets in the Balance sheet.

Insurance contracts with one-year duration are measured using an estimate of expected benefits payable but not yet disbursed.

G1. Material accounting policies and estimates - continued

Investment contracts
Investment contracts are recognised as financial liabilities, and, consequently, contributions and benefits under such contracts are recognised directly in the balance sheet. Deposits are measured at the value of the savings under Deposits under pooled schemes and investment contracts. Savings under investment contracts are measured at fair value under Assets under pooled schemes and investment contracts. The return on the assets and the crediting of the amounts to policyholders' accounts are recognised under Net return on investments backing insurance liabilities.

Net income from insurance business
Insurance activities are presented in the Income statement under Net insurance result. Net insurance result comprises Insurance revenue, Insurance service expenses, Net return on investments backing insurance liabilities and Net finance income or expenses from insurance.

(d) Reporting on the ESEF Regulation
The Commission's Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) requires a special digital reporting format for annual report for publicly listed entities. The ESEF Regulation includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements key elements including Income statement, Statement of comprehensive income, Balance sheet, Statement of capital, Cash flow statement and notes.

Danske Bank Group's iXBRL tagging is prepared in accordance the ESEF taxonomy which is included in the appendices of the ESEF Regulation and is developed based on the IFRS taxonomy that is published by IFRS Foundation. For the annual report for 2024, the ESEF Taxonomy for 2022 has been applied.

The account balances in the consolidated financial statement is XBRL tagged to the elements in the ESEF Regulation that is assessed to correspond to the content of the account balances. For account balances that are assessed not to be covered by the account balances defined in the ESEF taxonomy, the Group has incorporated entity specific extensions to the taxonomy. These extensions are – except subtotals – embedded in the elements in the ESEF Taxonomy. The annual report comprises – in accordance with the requirements of the ESEF Regulation – of a zip-file DanskeBank-2024-12-31-0-en.zip, that includes an XHTML-file, that can be opened with standard web browsers and a number of technical XBRL files that make automated extracts of the incorporated XBRL data possible.

G2. Changes in accounting policies and presentation

(a) Changes in accounting policies
With effect from 1 January 2024, the Group has changed the presentation in the IFRS Income statement in relation to income and expenses in Markets, Operating leases and margins on customer transactions in foreign currencies. At the same time, the Group's Financial highlights have been changed to align them with the IFRS financial statements. See note G3 for changes in the Financial highlights. The changes in presentation have been applied retrospectively, resulting in reclassifications between lines in the IFRS Income statement as described below:

Markets (part of Large Corporates & Institutions) and Group Treasury (part of Group Functions)
Under IFRS 9, the financial assets in Markets are mandatorily measured at fair value through profit or loss (FVPL) due to having a business model that is neither "hold to collect" nor "hold to collect and sell". The Group has aligned presentation of income in Markets with its business model; as such, all interest income and expenses in Markets (including interest on the net funding of operations in Markets) have been changed to be presented as Net trading income, except any fixed income from customer transactions (presented as interest or fee income depending on the customer agreement).

Group Treasury holds portfolios of financial assets with the business model "hold to collect", "hold to collect and sell" and "other" under IFRS 9 within Internal Bank and financial assets mandatorily measured at fair value through profit or loss (FVPL) outside Internal Bank. To align the income in Group Treasury with its business models, all income at Internal Bank remains presented by the type of income, whereas all other income in Group Treasury (including interest on the net funding of investments in Group Treasury) is presented as Net trading income.

Operating leases
Under IFRS Accounting Standards, gains or losses on the sale of operating lease assets (excluding properties) is to be presented on a gross basis if an entity routinely sells items of property, plant and equipment that have been held for rental purposes as part of its ordinary activities. The Group has assessed that, although it does sell operating lease assets (primarily leased cars) that have previously been held for rental, this is not a primary activity of the Group. Therefore gains and losses on the sale of operating lease activities have been changed in 2024 to be presented on a net basis in the IFRS income statement. This results in the income from lease assets sold in 2023 being reclassified from Other income to Operating expenses.

Margins on customer transactions in foreign currencies
The Group has changed the presentation of its fixed margin on customer transactions in foreign currencies from Net trading income to Fee income, because it is a fee in substance. This income in 2023 has been reclassified.

The following table shows the impact of the alignment on the IFRS income statement for full-year 2023

(DKK millions)	Full year 2023	Markets and Group Treasury	Operating leases	Margins on customer transactions in foreign currencies	Restated Full year 2023
Interest income calculated using the effective interest method	60,842	-1,073	-	-	59,770
Other interest income	18,752	-2,465	-	-	16,287
Interest expense	47,325	-6,241	-	-	41,085
Net interest income from banking activities	32,269	2,704	-	-	34,972
Fee income	16,111	-52	-	1,049	17,108
Fee expenses	4,481	-278	-	-	4,203
Net fee income	11,630	225	-	1,049	12,904
Net trading income or loss	6,590	-2,928	-	-1,049	2,613
Insurance revenue	5,735	-	-	-	5,735
Insurance service expenses	5,094	-	-	-	5,094
Net return on investments backing insurance liabilities	35,228	-	-	-	35,228
Net finance income or expense from insurance	-34,613	-	-	-	-34,613
Other insurance related income	216	-	-	-	216
Net insurance result	1,472	-	-	-	1,472
Gain or loss on sale of disposal groups	-555	-	-	-	-555
Other income	4,446	-	-3,431	-	1,015
Total other income	3,891	-	-3,431	-	460
Total income	55,852	-	-3,431	-	52,422
Operating expenses	28,908	-	-3,431	-	25,478
Profit before loan impairment charges	26,944	-	-	-	26,944
Loan impairment charges	262	-	-	-	262
Profit before tax	26,682	-	-	-	26,682
Tax	5,420	-	-	-	5,420
Net profit	21,262	-	-	-	21,262

Amendment to IFRS 16, Leases
The amendment to IFRS 16 clarifies how a seller-lessee should apply subsequent measurement requirements in IFRS 16 to the lease liability that arises in a sale and leaseback transaction. The seller-lessee must measure the lease liabilities arising from the leaseback transactions such that it does not recognise any gain or loss that relates to the right of use it retains. The amendment has no impact on the financial statements.

G2. Changes in accounting policies and presentation - continued

Amendment to IAS 1, Presentation of financial statements
The first amendment to IAS 1 provides a more general approach to classifying liabilities as current or non-current, based on the contractual arrangements in place at the reporting date, rather than based on whether management intends to exercise a right to defer the settlement of the liability. In addition, this amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

The second amendment clarifies that only covenants with which an entity must comply on or before the reporting date affect the classification of the liability as current or non-current. In addition, an entity must disclose information in the notes that enables users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The amendments have no impact on the financial statements.

Amendment to IAS 7, Statement of cash flows, and IFRS 7, Financial instruments: disclosures
The amendments to IAS 7 and IFRS 7 requires entities to provide additional disclosures about supplier finance arrangements, in order to assess how the arrangements affect the entity's liabilities and cash flows, and to allow users of the financial statements to understand the effect of supplier finance arrangements on the exposure to liquidity risk, and how the entity may be affected if it no longer has access to the arrangements. The amendments have no impact on the financial statements.

G2(b) Change in accounting treatment for variation margin for derivative transactions
During 2024 the Group changed its accounting treatment for some interest rate swaps to reflect the Group's updated understanding of the application of a legal framework in relation to variation margin for transactions cleared on London House Clearnet and EUREX. Previously, the outstanding mark-to-market on derivatives was considered pledged collateral that needed to be repaid. However the outstanding mark-to-market on derivatives is instead treated as a final settlement of the exposure. This change has been applied retrospectively, and thus requires an adjustment to balances in comparative periods for Trading portfolio assets, Loans at amortised cost, Trading portfolio liabilities and Deposits to reflect the treatment under the new framework.

The total adjustment to Loans at amortised cost and Trading portfolio assets as at 31 December 2023 is a decrease of DKK 42 billion, and the total adjustment to Deposits and Trading portfolio liabilities as at 31 December 2023 is a decrease of DKK 42 billion.

The adjustments have no impact on net profit nor equity in 2023 or 2022.

The comparative figures in the Balance sheet, Cash flow statement and relevant notes show restated amounts for 2023.

In the Cash flow statement, 2023 comparatives have been restated for Trading portfolio, Loans at amortised cost and fair value and Deposits (all part of Cash flows from operations). The remaining lines in the Cash flow statements have not been affected by the change, and therefore have not been restated. Similarly, there is no change to Cash and cash equivalents at the end of 2023.

In the notes, all line items related to Loans at amortised cost, derivatives and Deposits have been restated as at 31 December 2023 in the following notes: G3, G12, G15, G20, G28, G29, G33 and G40.

In the financial statements for Danske Bank A/S, line items related to Loans at amortised cost, Other assets (derivatives), Other liabilities (derivatives) and Deposits have been restated as at 31 December 2023 in the following notes: P11, P19, P21, P23.

The following table shows the impact on the affected Balance sheet line items as at 1 January 2023 and as at 31 December 2023. Line items not included below have not been impacted by the change in presentation.

G2. Changes in accounting policies and presentation - continued

(DKK millions)	31 December 2022	Adjustment	1 January 2023
Assets			
Trading portfolio assets	638,799	-38,954	599,845
Loans at amortised cost	1,082,818	-5,542	1,077,276
Total assets	**3,790,556**	**-44,497**	**3,746,059**
Liabilities			
Trading portfolio liabilities	554,321	-22,110	532,211
Deposits	1,262,293	-22,387	1,239,906
Total liabilities	**3,630,278**	**-44,497**	**3,585,781**
Total equity	**160,278**	**-**	**160,278**
Total liabilities and equity	**3,790,556**	**-44,497**	**3,746,059**

(DKK millions)	31 December 2023	Adjustment	Restated 31 December 2023
Assets			
Trading portfolio assets	548,189	-44,641	503,548
Loans at amortised cost	918,628	2,952	921,580
Total assets	**3,770,981**	**-41,689**	**3,729,292**
Liabilities			
Trading portfolio liabilities	454,487	-15,933	438,553
Deposits	1,222,203	-25,756	1,196,447
Total liabilities	**3,595,242**	**-41,689**	**3,553,552**
Total equity	**175,739**	**-**	**175,739**
Total liabilities and equity	**3,770,981**	**-41,689**	**3,729,292**

(c) Standards and interpretations not yet in force
The International Accounting Standards Board (IASB) has issued two new standards (IFRS 18; IFRS 19) and amendments to existing international accounting standards (IFRS 7, IFRS 9, IAS 21) that are not yet in force.

IFRS 18, Presentation and disclosure in financial statements
IFRS 18 was issued in 2024 to improve reporting of financial performance by introducing new requirements for the Income statement and disclosures for management-defined performance measures. IFRS 18 will replace IAS 1 and is effective for periods beginning on or after 1 January 2027.

IFRS 18 will have no impact on the Bank's net profit or equity on implementation. At time of writing, the Group is assessing the impact on the presentation of the Income statement and disclosure of management-defined performance measures.

Amendment to IFRS 9, Financial instruments, and IFRS 7, Financial instruments: disclosures
The amendments to IFRS 9 and IFRS 7 clarifies requirements in relation to settling financial liabilities using an electronic payment system, assessing contractual cash flows of financial assets in respect of contingent events, disclosures relating to investments in equity instruments designated at FVOCI and disclosures for financial instruments with contingent features. The amendment is effective from 1 January 2026.

The amendment regarding contractual cash flows is most relevant for the Group's loans with ESG features that are measured at amortised cost. To remain classified as amortised cost, the contractual cash flows before and after the triggering event (for example, meeting a contractually specified target) must pass the SPPI test, and the cash flows should not be significantly different from similar instruments without the contingent features. At time of writing, this amendment is not expected to have a material impact on the classification and measurement of financial instruments, however there will need to be more disclosures for financial instruments with contingent features.

Other
IFRS 19, Subsidiaries without public accountability: disclosures, amendments to IAS 21 and other amendments to IFRS 7 and IFRS 9 issued by IASB are not expected to materially impact the Bank's financial statements

G3. Business segments

(a) Business model and business segmentation
Danske Bank is a Nordic bank with bridges to the rest of the world offering customers a wide range of services in the fields of banking, mortgage finance, insurance, pension, real-estate brokerage, asset management and trading in fixed income products, foreign exchange and equities. The Group consists of a number of business units and support functions. The business units are segmented according to customers, products and services characteristics.

The Group has five business units and a Group Functions unit, which constitute the Group's reportable segments under IFRS 8.

Personal Customers serves personal customers and Private Banking customers in Denmark, Sweden, Norway and Finland. The personal customer business in Norway was sold during the fourth quarter of 2024.

Business Customers serves small and medium-sized business customers across all markets, and includes the Group's Asset Finance operations.

Large Corporates & Institutions serves large corporates and institutional customers across all Nordic markets.

Danica specialises in pension schemes, life insurance policies and health insurance policies in Denmark.

Northern Ireland serves personal, business and corporate in Northern Ireland.

Group Functions encompasses Group Treasury, Group support functions, Non-core and eliminations, including the elimination of returns on own shares (that are held for trading) and issues. Group Treasury is responsible for the Group's liquidity management and funding.

Accounting policy

Segment reporting and the financial highlights are based on the information provided to management. Segment reporting and the financial highlights are fully aligned with the IFRS financial statements, and is presented as a condensed version of the IFRS reporting.

Internal income and expenses are allocated to the individual segments on an arm's-length basis. Expenses incurred centrally, including expenses incurred by support, administrative and back-office functions, are charged to the business units according to consumption and activity. Funding costs for lending and deposit activities (FTP) are allocated on the basis of a maturity analysis of loans and deposits, interbank rates and funding spreads, and depend on market trends.

Segment assets and liabilities are assets and liabilities that are used for maintaining the operating activities of a segment or have come into existence as a result of such activities and which are either directly attributable or may be reasonably allocated to a segment. A calculated share of shareholders' equity is allocated to each segment. Other assets and liabilities are recognised under Group Functions.

Capital (shareholders' equity) is allocated to the business units based on the Group's capital allocation framework, with goodwill allocated directly to the relevant business units. The framework is based on a regulatory approach and is calibrated to the Group's CET1 capital ratio target. Therefore, the capital consumption of the individual business units is closely aligned with the Group's total capital consumption. However, for the Danica and Northern Ireland business units, the capital allocated equals the legal entity's capital.

Changes in financial highlights and segment reporting
With effect from 1 January 2024, the Group implemented the following changes to the Financial highlights in order to align with the IFRS financial statements:

• Non-core has ceased to exist as a separate segment, and is now a sub-segment of Group Functions. Therefore income, expenses, assets and liabilities in the former Non-core segment have been reclassified to the relevant lines within Group Functions.

• The presentation in the Financial Highlights' balance sheet of loans and deposits that are reported in the IFRS Balance sheet as Assets held for sale and Liabilities in disposal groups held for sale has been changed to be presented within Other assets and Other liabilities respectively.

• Minor adjustments to Net interest income, Net fee income, Net trading income and Other income to align with IFRS reporting. The change in presentation of fixed margin on customer transactions in foreign currencies described in note G2(a) has also been applied to the Financial highlights, and reclassifies an amount of DKK 1,049 million from Net trading income to Fee income for 2023.

G3. Business segments – continued

In the tables below, Net income from insurance business is equivalent to Net insurance result in the IFRS financial statements, and Other income is equivalent to Total other income in the IFRS financial statements.

Business segments 2024

(DKK millions)	Personal Customers	Business Customers	Large Corporates & Institutions	Danica	Northern Ireland	Group Functions	Eliminations	Total
Net interest income	14,042	11,434	7,164	-	3,025	1,227	-195	36,697
Net fee income	4,764	2,303	7,645	-	320	-345	224	14,912
Net trading income	134	31	2,365	-	154	-2,145	2,129	2,668
Net income from insurance business	-	-	-	1,387	-	-	-	1,387
Other income	114	639	191	-	12	2,442	-2,659	741
Total income	**19,054**	**14,408**	**17,365**	**1,387**	**3,511**	**1,180**	**-501**	**56,405**
Operating expenses	9,774	5,501	7,460	-	1,580	3,995	-2,575	25,736
of which resolution fund, bank tax etc.	150	226	459	-	-	71	-	906
Profit before loan impairment charges	**9,280**	**8,907**	**9,905**	**1,387**	**1,931**	**-2,815**	**2,074**	**30,669**
Loan impairment charges	-440	218	-233	-	-86	-2	-	-543
Profit before tax	**9,720**	**8,690**	**10,138**	**1,387**	**2,017**	**-2,813**	**2,074**	**31,212**
Loans, excluding reverse transactions	655,785	655,646	303,376	-	63,266	16,567	-19,959	1,674,680
Other assets	444,773	175,777	3,003,255	595,335	66,842	5,215,052	-7,459,671	2,041,362
Total assets	**1,100,559**	**831,423**	**3,306,631**	**595,335**	**130,108**	**5,231,618**	**-7,479,630**	**3,716,042**
Deposits, excluding repo deposits	383,544	251,446	355,760	-	108,504	9,780	-14,398	1,094,635
Other liabilities	691,488	538,204	2,909,686	574,831	15,152	5,181,592	-7,465,233	2,445,720
Allocated capital	25,527	41,774	41,185	20,503	6,451	40,246	-	175,687
Total liabilities and equity	**1,100,559**	**831,423**	**3,306,631**	**595,335**	**130,108**	**5,231,618**	**-7,479,630**	**3,716,042**
Profit before tax as % p.a. of allocated capital (avg.)	32.5	20.6	25.0	6.9	31.0	-6.6	-	17.8
Cost/income ratio (%)	51.3	38.2	43.0	-	45.0	-	-	45.6
Full-time-equivalent staff, end of period	3,806	1,731	2,127	940	1,261	10,050	-	19,916

Business segments 2023

(DKK millions)	Personal Customers*	Business Customers*	Large Corporates & Institutions*	Danica	Northern Ireland	Group Functions*	Eliminations*	Total*
Net interest income	14,166	11,684	6,935	-	2,549	-184	-178	34,972
Net fee income	4,175	2,190	6,312	-	319	-283	191	12,904
Net trading income	200	54	2,515	-	288	-425	-19	2,613
Net income from insurance business	-	-	-	1,472	-	-	-	1,472
Other income	-608	1,024	15	-	15	2,720	-2,705	460
Total income	**17,932**	**14,952**	**15,777**	**1,472**	**3,171**	**1,828**	**-2,712**	**52,422**
Operating expenses	9,460	5,255	7,397	-	1,368	4,632	-2,634	25,478
of which resolution fund, bank tax etc.	169	255	492	-	-	72	-	989
Profit before loan impairment charges	**8,473**	**9,698**	**8,380**	**1,472**	**1,804**	**-2,804**	**-78**	**26,944**
Loan impairment charges	312	431	-367	-	-113	-1	-	262
Profit before tax	**8,160**	**9,267**	**8,747**	**1,472**	**1,917**	**-2,803**	**-78**	**26,682**
Loans, excluding reverse transactions**	660,431	644,735	309,904	-	57,846	27,810	-27,632	1,673,094
Other assets **	465,191	184,777	3,249,511	541,668	59,654	4,481,764	-6,926,366	2,056,198
Total assets**	**1,125,622**	**829,512**	**3,559,415**	**541,668**	**117,499**	**4,509,575**	**-6,953,998**	**3,729,292**
Deposits, excluding repo deposits**	377,419	257,076	356,840	-	97,396	5,300	-10,890	1,083,142
Other liabilities **	719,466	532,121	3,161,852	521,302	14,078	4,464,699	-6,943,107	2,470,411
Allocated capital	28,737	40,315	40,722	20,366	6,025	39,575	-	175,739
Total liabilities and equity**	**1,125,622**	**829,512**	**3,559,415**	**541,668**	**117,499**	**4,509,575**	**-6,953,998**	**3,729,292**
Profit before tax as % p.a. of allocated capital (avg.)	27.8	23.4	21.7	7.5	28.4	-7.2	-	15.9
Cost/income ratio (%)	52.8	35.1	46.9	-	43.1	-	-	48.6
Full-time-equivalent staff, end of period	4,064	1,646	2,085	912	1,267	10,046	-	20,021

* Comparative information has been restated, as described in note G3(a).
** Comparative information has been restated as described in note G2(b).

G3. Business segments - continued

(b) Total income broken down by type of product

(DKK millions)	2024	2023*
Corporate and commercial banking	25,792	25,459
Personal and private banking**	20,705	19,439
Trading	4,641	4,628
Asset management	3,201	2,332
Insurance	1,387	1,472
Other	679	-909
Total	**56,405**	**52,422**

* Comparative information has been restated, as described in note G3(a).
** Personal and private banking includes the previously reported Home finance and savings and Day-to-day banking. As described in note G2(a), income from operating lease activities has been changed in 2024 to be presented on a net basis in Operating expenses, and is therefore no longer included in the table above.

Corporate and commercial banking comprises interest and fee income from corporate and commercial banking products and services. Personal and private banking comprises interest and fee income from financing products, savings products and from retail banking (in the form of personal loans, cards and deposits). Trading comprises income from fixed income and foreign exchange products and equities, including brokerage. Asset management comprises income from the management of assets. Insurance comprises income at Danica from the contracts issued by Danica.

Danske Bank Group does not have any single customer that generates 10% or more of the Group's total income.

(c) Geographical segmentation

The geographical segmentation of income from external customers is shown in compliance with IFRS Accounting Standards and does not reflect the Group's management structure. The geographical segmentation below reflects the customer's country of residence, except trading income, which is broken down by the country in which the activities are carried out. Management believes that the business segmentation provides a more informative description of the Group's activities.

Total income from external customers, by geographical segmentation

(DKK millions)	2024	2023*
Denmark	33,154	30,497
Sweden	7,460	7,008
Norway	4,493	4,304
Finland	6,220	5,635
UK	3,936	3,541
Other	1,143	1,438
Total	**56,405**	**52,422**

* Comparative information has been restated, as described in note G3(a).

G4. Activities by country

Under CRD IV, a financial institution must disclose, by country in which it operates through a subsidiary or a branch, information about income, number of employees, profit before tax, tax and public subsidies received. This information is not comparable to the geographical segmentation presented in note G3(c), in which segmentation is based on the customer's country of residence. The Group has not received any public subsidies that relate to the Group's activities as a financial institution.

Danske Bank carries out its activities in the countries listed below under a variety of names, of which the main ones are: Danske Bank (banking, trading and asset management activities), Realkredit Danmark (mortgage finance), Danske Mortgage Bank (mortgage finance), Danske Hypotek (mortgage finance), Northern Bank (banking), Danica (life insurance) and Danske Leasing A/S (leasing). Note G37 discloses the company names of the Group's significant subsidiaries.

Activities in the individual countries
Activities in Denmark include: Banking, trading, asset management, leasing, life and nonlife insurance and other activities.
Activities in Finland include: Banking, trading, asset management, leasing and other activities.
Activities in Sweden include: Banking, trading, asset management, leasing and other activities.
Activities in Norway include: Banking, trading, asset management, leasing and other activities.
Activities in the United Kingdom include: Banking, trading and leasing.
Activities in Ireland include: Banking.
Activities in Lithuania include: Other activities.
Activities in Luxembourg: Asset management.
Activities in Poland include: Banking.
Activities in the USA include: Trading.
Activities in India include: Other activities. As of the third quarter of 2023, the Group has no activities in India.
Other activities include: Group support functions, real-estate brokerage and activities taken over by the Group under non-performing-loan agreements.

Activities by country

2024	Income* (DKK millions)	Full-time-equivalent staff	Profit before tax (DKK millions)	Tax on profit (DKK millions)
Denmark	37,911	9,868	18,692	5,081
Finland	14,729	1,554	3,559	714
Sweden	16,930	1,429	3,480	744
Norway	14,327	650	2,393	510
United Kingdom	8,118	1,352	2,176	542
Ireland	1,503	42	497	-91
Lithuania	2,601	4,479	119	15
Luxembourg	1,148	16	111	28
Poland	259	509	142	28
USA	71	16	43	11
India	-	-	-	-
Total	**97,597**	**19,916**	**31,212**	**7,583**

* Income is defined as interest income, fee and commission income and other operating income.

2023**	Income* (DKK millions)	Full-time-equivalent staff	Profit before tax (DKK millions)	Tax on profit (DKK millions)
Denmark	39,737	9,785	18,444	3,686
Finland	13,053	1,498	2,375	494
Sweden	16,079	1,427	552	176
Norway	14,088	957	2,461	596
United Kingdom	5,826	1,366	2,052	374
Ireland	758	45	364	-44
Lithuania	2,120	4,383	43	19
Luxembourg	1,161	19	96	23
Poland	257	522	148	29
USA	54	19	27	5
India	491	-	120	60
Total	**93,625**	**20,021**	**26,682**	**5,420**

* Income is defined as interest income, fee and commission income and other operating income.
** Comparative information has been restated, as described in note G2(a).

G5. Net interest and Net trading income or loss

This note shows interest income, interest expense and Net trading income or loss broken down by balance sheet item and by portfolios of financial instruments measured at amortised cost, fair value through Other comprehensive income or fair value through profit or loss.

Accounting policy

Interest income and expenses

Interest income and expenses arising from interest-bearing financial instruments measured at amortised cost or at fair value through Other comprehensive income are recognised according to the effective interest method on the basis of the cost of the individual financial instrument. Interest includes amortised amounts of fees that are an integral part of the effective yield on a financial instrument, such as origination fees, and amortised differences between the cost and the redemption price, if any. Interest on financial instruments included in stage 3 (for the calculation of expected credit losses) is recognised on the basis of the carrying amount (i.e. net of impairment charges). The interest rate risk on some financial portfolios recognised at amortised cost is hedged by derivatives using fair value hedge accounting. Note G12 provides more information on hedge accounting.

Interest income and expenses also includes interest on financial instruments measured at fair value through profit or loss due to failing the SPPI test, such as loans granted by Realkredit Danmark (see note G16). However the fair value adjustments of the credit risk on these loans are presented under Loan impairment charges. Interest income on loans measured at fair value for which interest on loans included in stage 3 is recognised on the basis of the gross carrying amount.

Interest on other financial instruments mandatorily measured at fair value are recognised in trading income or loss (see below).

In the income statement, interest income on financial assets measured at amortised cost or fair value through other comprehensive income is presented as Interest income calculated using the effective interest method. All other interest income is presented as Other interest income. The line item Interest expenses includes all interest expenses.

Accounting policy

Net trading income or loss

Net trading income or loss includes realised and unrealised capital gains and losses on financial assets and financial liabilities recognised at fair value through profit or loss as well as exchange rate adjustments and dividends. Net trading income or loss also includes all interest on financial instruments measured at fair value through profit or loss that do not have the business model “hold to collect” or “hold to collect and sell” under IFRS 9. This includes all interest in Markets (part of Large Corporates & Institutes), except for fixed income from customer transactions, and all interest in Group Treasury (part of Group Functions) except income at Internal Bank and returns on assets under pooled schemes (including the crediting of these returns to customer accounts). Further, the fair value adjustment of own credit risk on financial liabilities designated at fair value through profit or loss in the Group's trading unit is presented in Other comprehensive income. Net trading income or loss includes the fair value adjustments of own credit risk on bonds issued by Realkredit Danmark, as an accounting mismatch between the fair value adjustment of the loans and the bonds in Realkredit Danmark would otherwise exist (see further information in note G16).

Realised gains and losses on *financial assets at amortised cost,* e.g. loans, are recognised under Net trading income or loss when the financial asset is derecognised, unless the derecognition relates to a credit risk event/forbearance measure, in which case the gain or loss is presented under Loan impairment charges (see note G15). Otherwise, the derecognition gain or loss on the financial asset is calculated as the difference between the carrying amount (gross of expected credit losses) and the repayment amount. For financial assets (bonds) at fair value through other comprehensive income, gains or losses further include amounts previously recognised in Other comprehensive income. For financial liabilities at amortised cost, the gain or loss is the difference between the carrying amount and the redemption price including cost related to the redemption, if any.

For financial assets and liabilities subject to fair value hedge accounting, the fair value adjustments of the hedged financial instrument and the hedging instruments are recognised in Net trading income or loss. Therefore, any hedge ineffectiveness is also presented in Net trading income or loss.

G5. Net interest and net trading income or loss – continued

Net interest and Net trading income 2024

(DKK millions)	Interest income	Interest expense	Net interest income	Net trading income	Total
Financial portfolios at amortised cost					
Due from/to credit institutions and central banks	13,289	4,043	9,246	-9	9,237
Loans and deposits	41,390	10,526	30,864	-77	30,787
Bonds held to collect (investment securities)	2,322	-	2,322	-	2,322
Issued bonds, including non-preferred senior	-	11,482	-11,482	-5,523	-17,005
Subordinated debt	-	1,351	-1,351	-614	-1,965
Other financial instruments	2,008	379	1,630	-	1,630
Total	**59,009**	**27,780**	**31,230**	**-6,223**	**25,007**
Financial portfolios at fair value through OCI					
Bonds held to collect and sell (investment securities)	4,013	-	4,013	-9	4,004
Total	**4,013**	**-**	**4,013**	**-9**	**4,004**
Financial portfolios at fair value through profit or loss					
Due from/to credit institutions and central banks	248	-	248	-	248
Loans and deposits	21,627	-	21,627	-	21,627
Trading portfolio assets and liabilities	-5,257	-	-5,257	5,866	609
Bonds (investment securities)	886	-	886	3,109	3,995
Issued bonds	-	16,050	-16,050	-	-16,050
Assets and deposits under pooled schemes	-	-	-	-75	-75
Reclassification on disposal of units outside Denmark	-	-	-	-	-
Total	**17,504**	**16,050**	**1,454**	**8,900**	**10,354**
Total net interest and net trading income	**80,526**	**43,829**	**36,697**	**2,668**	**39,365**

Net interest and Net trading income 2023

(DKK millions)	Interest income*	Interest expense*	Net interest income*	Net trading income*	Total*
Financial portfolios at amortised cost					
Due from/to credit institutions and central banks	10,201	5,174	5,027	-9	5,018
Loans and deposits	42,221	10,199	32,022	293	32,315
Bonds held to collect (investment securities)	2,102	-	2,102	-	2,102
Issued bonds, including non-preferred senior	-	8,202	-8,202	-11,873	-20,075
Subordinated debt	-	1,313	-1,313	-846	-2,159
Other financial instruments	1,654	444	1,210	-	1,210
Total	**56,178**	**25,332**	**30,846**	**-12,435**	**18,411**
Financial portfolios at fair value through OCI					
Bonds held to collect and sell (investment securities)	3,592	-	3,592	-8	3,584
Total	**3,592**	**-**	**3,592**	**-8**	**3,584**
Financial portfolios at fair value through profit or loss					
Due from/to credit institutions and central banks	244	-	244	-	244
Loans and deposits	21,397	-	21,397	-	21,397
Trading portfolio assets and liabilities	-5,886	-	-5,886	10,680	4,794
Bonds (investment securities)	532	-	532	5,257	5,789
Issued bonds	-	15,753	-15,753	-	-15,753
Assets and deposits under pooled schemes	-	-	-	-75	-75
Reclassification on disposal of units outside Denmark	-	-	-	-806	-806
Total	**16,287**	**15,753**	**534**	**15,056**	**15,590**
Total net interest and net trading income	**76,057**	**41,085**	**34,972**	**2,613**	**37,585**

* Comparative information has been restated, as described in note G2(a).

Changes to the fair value of the hedged interest rate risk are recognised under Net trading income or loss and shown under the hedged balance sheet items in the table above, whereas value adjustments of hedging derivatives are recognised under Net trading income or loss under the trading portfolio. Net trading income or loss includes dividends from shares of DKK 410 million (2023: DKK 368 million) and foreign exchange adjustments of DKK 1,122 million (2023: DKK -515 million).

G6. Fee income and expenses

Fee income and expenses are presented on a net fee income basis in the Management's report, representing the presentation provided to key management for decision making purposes. Fee income and Fee expense are broken down by fee type on the basis of the underlying activity, and by business segment.

Accounting policy

Fee income
Fee income is recognised to reflect the transfer of services to customers at an amount that reflects the consideration that is expected to be received in exchange for such services. The Group identifies the performance obligation, i.e. the services agreed with the customer, and the consideration, and recognises income in line with the transfer of services, the performance obligation, agreed with the customer.

For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or at a point in time, and whether the consideration is fixed or variable, including whether consideration is constrained by, for instance, external factors outside the Group's influence. The consideration is subsequently allocated to the identified performance obligation.

When income is highly susceptible to external factors, such as the development in the financial markets, the income is recognised once the consideration to be received is known and it is probable that a significant reversal of the consideration will not occur.

Fee expense
Fee expense for services provided over a period of time, such as guarantee commissions and investment management fees, are accrued over the period. Transaction fees, such as brokerage and custody fees, are recognised on settlement of the individual transaction. Fees that form an integral part of the effective rates of interest on financial liabilities measured at amortised cost, such as origination fees, are carried under interest expense. Similar fees related to financial liabilities at fair value through profit or loss are recognised when the financial liability is established and are carried under fee expense.

(a) Presentation by activity
Fee income is managed internally net of fee expenses, and on the basis of the underlying activity, i.e.

- Investment
- Money transfers, account fees, cash management and other fees
- Lending and guarantees
- Capital markets

See note G3 for net fee income per business segment. A description of each activity by business segment is provided below:

Banking units
Fee income in the banking units relates to Personal Customers and Business Customers, General Banking in LC&I, and Northern Ireland, and it primarily relates to the provision of general banking services to customers, i.e.:

Fee income from investment activities, for example for executing customer security purchase orders, is recognised at the time of the transaction. When the service is provided over time, for example fee income for managed accounts, fee income is recognised over time.

Fee income from money transfers, account fees, cash management and other activities, is generally recognised when the service is provided. For transactions such as money transfers and card transactions, fee income is recognised at the time of the transaction. Similarly, fixed income on customer transactions in foreign currencies are recognised at the time of the transaction. This includes the fixed margin on customer transactions in foreign currencies. Fee income charged for services provided over time, for example subscription fees, account packages and cash deposit services, is recognised over time as the service is provided to the customer.

Fee income from lending and guarantee activities, such as services provided in relation to mortgage loans recognised at fair value, and the provision of trade finance guarantees, is recognised when the service has been provided to the customer at a point in time. For fee income for establishing loans recognised at amortised cost, although the performance obligation is satisfied when the loan is granted, the fee income is recognised over time (the expected maturity of the loan), in accordance with IFRS 9 and classified as interest income.

LC&I
Net fee income in LC&I primarily relates to income derived from General Banking (see above description of Banking units) and from Investment Banking.

Markets share of margins on customer derivatives is presented as part of fee income. Except for margins on customer derivatives, fee income consists mainly of fees received for services provided at a point in time.

Fee income in Investment Banking primarily consists of:

Fee income from investment activities, for example executing share trades on behalf of customers and securities lending, is recognised when the service is provided at a point in time.

Fee income from lending and guarantee activities is primarily derived from coordinating and arranging syndicated loan transactions, as well as issuing bonds on behalf of customers. Such income is recognised at a point in time, once the agreed performance obligation has been fulfilled. However any establishment fee for syndicated loan transactions is recognised over time.

Fee income from capital markets activities is primarily derived from arranging transactions on behalf of customers. Such income is recognised when the individual performance obligation has been fulfilled.

G6. Fee income and expenses continued

Asset Management (part of LC&I)
Fee income for asset management services is recognised over time when the service is provided to the customer provided that it is probable that a significant reversal of the consideration will not occur.

Performance fee income is variable, and the consideration is based on the accumulated return on the underlying asset, determined at a specific date, such as the end of the year. The accumulated return is highly susceptible to external factors, such as the development in the financial markets. Fee income is recognised once the fee to be received is known.

Fee income and expenses 2024

(DKK millions)	Fee income	Fee expenses	Net fee income
Investment	8,995	3,457	5,538
Money transfers, account fee, cash management and other fees	6,367	894	5,472
Lending and Guarantees	2,324	148	2,176
Capital markets	1,778	52	1,726
Total	**19,463**	**4,551**	**14,912**

Fee income and expenses 2023

(DKK millions)	Fee income*	Fee expenses*	Net fee income*
Investment	7,469	3,001	4,468
Money transfers, account fee, cash management and other fees	5,918	985	4,932
Lending and Guarantees	2,295	132	2,163
Capital markets	1,426	86	1,340
Total	**17,108**	**4,203**	**12,904**

* Comparative information has been restated, as described in note G2(a).

Fees for financial instruments not recognised at fair value relates primarily to fees on loans, guarantees and issued bonds. In the table above, such fees are included as fee income or expense from lending and guarantee activities. Fee income on loans and guarantees amounted to DKK 1,399 million (2023: DKK 1,703 million), of which DKK 562 million relates to financial instruments not recognized at fair value (2023: 820 million), whereas expenses amounted to DKK 85 million (2023: DKK 97 million).

G7. Net insurance result

Insurance contracts are contracts entered into by Danica that entail significant insurance risks or entitle policyholders to a bonus (discretionary participation feature).

Contracts that do not entail significant insurance risk are recognised as investment contracts with premiums recognised directly in the balance sheet. Note G17 provides more information on the accounting for investment contracts.

Accounting policy

Insurance revenue
The Group recognises insurance revenue as it provides insurance services. Insurance revenue reflects the amount of consideration the Group expects to be entitled to in exchange for those services provided. For insurance contracts under the Premium Allocation Approach (PAA), insurance revenue is based on the expected premium for the period.

The contractual service margin (CSM) is recognised in insurance revenue as insurance contracts services are provided.

Insurance service expenses
Insurance service expenses comprise incurred claims and other incurred insurance expenses.

Net finance income or expense from insurance contracts
Net investment return for insurance comprises the return on assets backing insurance activities, and Net finance income or expense from insurance, which comprises the change in carrying amount of groups of insurance contracts arising from the effect of time value of money and the effect of financial risk of groups of insurance contracts.

G7. Net insurance result continued

(a) Insurance revenue

(DKK millions)	2024	2023
Insurance revenue from contracts not under PAA		
Contractual service margin recognised for the services provided	1,542	1,591
Change in risk adjustment for non-financial risk for the risk expired	28	28
Expected incurred claims and directly attributable expenses	2,297	2,366
Insurance revenue from contracts not under PAA	**3,867**	**3,985**
Insurance revenue from contracts under PAA	2,002	1,750
Total insurance revenue	**5,869**	**5,735**

(b) Insurance service expenses

(DKK millions)	2024	2023
Incurred claims and other incurred insurance service expenses	2,394	2,319
Insurance service expenses from contracts not under PAA	**2,394**	**2,319**
Insurance service expenses from contracts under PAA	3,198	2,775
Total insurance service expenses	**5,592**	**5,094**

In the IFRS Income statement, Insurance service expenses also includes net expenses of DKK 17 million from reinsurance.

(c) Net investment return for insurance

(DKK millions)	2024	2023
Net return on investments backing insurance liabilities		
Income from investment property	848	766
Interest income and dividends	24,977	83,066
Value adjustments	39,006	27,606
Income from holdings in associates and joint ventures	719	-609
Interest expenses	-15,630	-74,171
Tax on pension returns	-5,164	-729
Other	-755	-701
Net return on investments backing insurance liabilities	**44,001**	**35,228**
Net finance income or expense from insurance contracts		
Finance income or expense from insurance contracts	-39,281	-32,444
Movement in investment contracts liabilities	-3,687	-2,169
Net finance income or expense from insurance contracts	**-42,968**	**-34,613**
Net investment return for insurance	**1,033**	**615**

G8. Gain or loss on sale of disposal groups and Other income

The Group uses quantitative and qualitative materiality considerations when aggregating line items in the income statement that are not considered individually material. Such line items are presented under Other income. Similarly, the materiality assessments includes presenting additional line items in the income statement. Other income includes rental income and lease payments under operating leases (when the Group is a lessor), fair value adjustments of investment property, income from holdings in associates, and amounts received on the sale of lease assets and income from real-estate brokerage.

Accounting policy

Income from lease assets and investment property
Income from lease assets and investment property includes income from assets let under operating leases. Lease payments are recognised on a straight-line basis over the period of the lease term.

Income from holdings in associates
Associates are accounted for using the equity method. Further information is provided in note G38.

(a) Gain or loss on sale of disposal groups
Gain or loss on sale of disposal groups of DKK 244 million in 2024 includes a gain of DKK 185 million on the sale of investment funds in connection with the divestment of the personal customer business in Norway. In 2023, the net loss of DKK 555 million on sale of disposal groups includes a loss of DKK 693 million in relation to the expected loss and expected costs directly attributable to the sale of the personal customers business in Norway and a gain of DKK 104 million on the sale of Danske IT.

(b) Other income

(DKK millions)	2024	2023*
Income from lease assets and investment property	271	864
Income from real-estate brokerage	93	82
Income from holdings in associates	-257	-110
Other income	389	179
Total	**497**	**1,015**

* Comparative information has been restated, as described in note G2(a).

G9. Operating expenses

Operating expenses include staff costs, administrative expenses (including Resolution fund) and depreciation, amortisation and impairment charges. Operating expenses also include net gain or loss on the sale of operating lease assets that have been held for rental purposes as part of its ordinary activities. Note G19 provides more information on intangible assets.

Accounting policy

Staff costs
This item includes salaries, performance-based pay, expenses for share-based payments, holiday allowances, anniversary bonuses, pension costs and other remuneration. Salaries and other remuneration that the Group expects to pay are expensed when the employees render the services. Performance-based remuneration is expensed as it is earned.

Share-based payment
Part of the performance-based remuneration for the year is paid in the form of conditional shares. Rights to conditional shares vest up to four years after the grant date, provided that the employee, with the exception of retirement, has not resigned from the Group. In addition to this requirement, the vesting of rights is conditional on certain targets being met. The fair value of share-based payments at the grant date is expensed over the vesting period with the intrinsic value expensed in the year in which the share-based payments are earned, and the time value (if any) accrued over the remaining service period. Expenses are set off against shareholders' equity. Fair value adjustments after the grant date are not recognised in the income statement.

Pension obligations
The Group's contributions to defined contribution pension plans are recognised in the income statement as they are earned by the employees. For defined benefit pension plans, the Group expenses the standard cost. Actuarial gains or losses as a result of the difference between expected trends in pension assets and benefits and actual trends are recognised under Other comprehensive income.

Amortisation, depreciation and impairment charges
In addition to amortisation, depreciation and impairment charges for intangible, tangible and right-of-use assets, the net of gain or loss on the sale of operating lease assets is presented here.

(a) Operating expenses

(DKK millions)	2024	2023*
Staff costs	15,644	15,729
Administrative expenses	8,291	8,156
Amortisation/depreciation and impairment charges of intangible, tangible and right-of-use assets	1,799	1,592
Total	**25,736**	**25,478**

* Comparative information has been restated, as described in note G2(a).

G9. Operating expenses - continued

An impairment loss of DKK 61 million was recognised in 2024 on software development costs (2023: DKK 26 million) and is included in the table above. See note G19 for further information.

Staff costs*

(DKK millions)	2024	2023
Salaries	11,944	11,931
Share-based payments	203	172
Pension, defined contribution plans	1,454	1,403
Pension, defined benefit plans	42	10
Severance payments	213	378
Financial services employer tax and social security costs	1,787	1,837
Total	**15,644**	**15,729**

* Staff costs does not include staff costs directly attributable to insurance contracts. These are included within Insurance service expenses. See note G7.

Total salary costs amounted to DKK 13.9 billion (2023: DKK 13.9 billion), with variable remuneration accounting for 8.8% of this amount (2023: 8.5%). Note G35 provides more information on share-based payments.

(b) Pension plans

Most of the Group's pension plans are defined contribution plans under which the Group pays contributions to insurance companies, including Danica. Such payments are expensed regularly. The Group has, to a minor extent, entered into defined benefit pension plans. Under defined benefit pension plans, the Group is under an obligation to pay defined future benefits from the time of retirement. Defined benefit pension plans are typically funded by ordinary contributions made by employers and employees to separate pension funds investing the contributions on behalf of the members to fund future pension obligations. Defined benefit pension plans in Northern Ireland and Ireland account for most of the Group's obligations under such plans, but the Group also has a small number of defined benefit pension plans in Denmark and Sweden. The plans in these countries do not accept new members and, for most of the plans, contributions payable by existing members have been discontinued.

At 31 December 2024, the net present value of pension obligations was DKK 11,163 million (2023: DKK 11,880 million), and the fair value of plan assets was DKK 11,796 million (2023: DKK 12,385 million). The present value of obligations under defined benefit pension plans less the fair value of pension assets is recognised for each plan under Other assets and Other liabilities. Pension plan net assets amounted to DKK 907 million (2023: DKK 806 million) and pension plan net liabilities amounted to DKK 275 million (2023: DKK 301 million).

The Group recognises the service cost and interest on the net defined benefit pension asset/liability in the income statement, whereas actuarial gains or losses are recognised under Other comprehensive income.

During 2024, a bulk annuity-buy-in policy covering pension liabilities of DKK 267 million was purchased in relation to the defined benefit plan in Ireland. This led to a loss on plan assets of DKK 9 million, which is recognised in Other comprehensive income, as the liabilities under IFRS Accounting Standards were lower than the premium paid.

The calculation of the net obligation is based on valuations made by external actuaries. These valuations rely on assumptions about a number of variables, including discount and mortality rates and salary increases. The measurement of the net obligation is particularly sensitive to changes in the discount rate. The discount rate is determined by reference to yields on high-quality corporate bonds with terms matching the terms of the pension obligations. If the discount rate was lowered half a percentage point, the gross pension obligation would increase DKK 0.7 billion (2023: DKK 0.8 billion). The amount would be recognised under Other comprehensive income.

G10. Audit fees

(DKK millions)	2024	2023
Audit firm appointed by the general meeting		
Fees for statutory audit of the consolidated and parent company financial statements	42	34
Fees for other assurance engagements	15	12
Fees for tax advisory services	-	1
Fees for other services	12	3
Total	**69**	**50**

Fees for non-audit services provided by Deloitte Statsautoriseret Revisionspartnerselskab (Denmark) and Deloitte Globally amounted to DKK 13 million (2023: DKK 8 million) and covered various assurance reports and other advisory engagements.

G11. Loan impairment charges

Loan impairment charges include impairment charges for expected credit losses against loans, lease receivables, bonds at amortised cost and fair value through Other comprehensive income, certain loan commitments and financial guarantee contracts as well as fair value adjustments of the credit risk on loans measured at fair value.

The item also includes expected losses and realised gains and losses on assets (such as tangible assets and group undertakings) taken over by the Group under non-performing loan agreements. Further, the item includes external costs directly attributable to the collection of amounts due under non-performing loans, such as legal costs.

Accounting policy

The accounting policy for when a loan impairment charge is recognised and how the charge is determined is described under the relevant balance sheet line items. Notes G15, G16 and G24 provide more information.

Loan impairment charges

(DKK millions)	2024	2023
ECL impairment on Due from credit institutions and central banks	-	-63
ECL impairment on Loans at amortised cost	-589	-157
ECL impairment on Loan commitments and guarantees etc.	-287	591
ECL impairment, total	**-877**	**371**
Fair value credit risk adjustment on Loans at fair value	333	-109
Total	**-543**	**262**

(DKK millions)	2024	2023
ECL on new assets	3,207	2,457
ECL on assets derecognised	-2,900	-2,595
Impact of net remeasurement of ECL (incl. changes in models)	49	1,014
Write-offs charged directly to income statement	216	593
Received on claims previously written off	-730	-902
Interest income, effective interest method	-386	-306
Total	**-543**	**262**

Further information on changes in the allowance account can be found in note G15.

G12. Trading portfolio assets and liabilities

Trading portfolio assets comprise the equities and bonds held by the Group's trading units at Large Corporates & Institutions and all derivatives with positive fair value. Trading portfolio liabilities consist of derivatives with negative fair value and obligations to deliver securities (obligations to repurchase securities).

Accounting policy

The trading portfolio is recognised at fair value through profit or loss. Realised and unrealised capital gains and losses and dividends are recognised in the income statement under Net trading income or loss. Fair value is the amount for which a financial asset can be sold or a financial liability be transferred to a knowledgeable, willing third party. Note G33 provides information about fair value measurement and fair value adjustments. The Group uses the option in IFRS 9 to continue using the fair value hedge accounting model in IAS 39. The derivatives used as hedging instruments are presented in the balance sheet together with other derivatives.

(a) Trading portfolio assets and liabilities

(DKK millions)	2024	2023*
Trading portfolio assets		
Derivatives with positive fair value	261,046	307,081
Listed bonds	178,017	177,563
Listed shares	92,637	18,785
Unlisted shares	131	119
Total	**531,831**	**503,547**
Trading portfolio liabilities		
Derivatives with negative fair value	254,500	324,984
Obligations to repurchase securities	103,007	113,569
Total	**357,507**	**438,553**

* Comparative information has been restated as described in note G2(b).

G12. Trading portfolio assets and liabilities – continued

(b) Explanation of derivatives

The Group's activities in the financial markets include trading in derivatives. Derivatives are financial instruments whose value depends on the value of an underlying instrument or index etc. Derivatives can be used to manage market risk exposure, for example. The Group trades a considerable volume of the most commonly used interest rate, currency and equity derivatives, including:

- Swaps
- forwards and futures
- options

The Group trades a limited number of swaps whose value depends on developments in specific credit or commodity risks, or inflation indices.

The Group trades derivatives as part of servicing customers' needs as individual transactions or as integral parts of other services, such as the issuance of bonds with yields that depend on developments in equity or currency indices. The Group also uses derivatives to manage the Group's own exposure to foreign exchange, interest rate, equity market and credit risks. Note G40 provide additional information about the Group's risk management policy. Large Corporates & Institutions is responsible for the day-to-day management and hedging of the Group's market risks.

Derivatives are recognised and measured at fair value. Some of the Group's loans, deposits, issued bonds, etc. in the Group's banking units and Group Treasury carry fixed rates. Generally, such fixed-rate items are recognised at amortised cost. Further, the Group classifies certain bonds as 'hold to collect and sell' financial assets. Unrealised value adjustments of such bonds are recognised under Other comprehensive income. The Group uses fair value hedge accounting if the interest rate risk on fixed-rate financial assets and liabilities or bonds measured at fair value through Other comprehensive income is hedged by derivatives.

Derivatives

	2024			2023*		
(DKK millions)	Nominal amount	Positive fair value	Negative fair value	Nominal amount	Positive fair value	Negative fair value
Currency contracts						
Forwards and swaps	7,548,867	107,823	101,845	7,296,753	109,095	126,235
Options	293,370	1,618	1,846	241,234	1,180	1,411
Interest rate contracts						
Forwards/swaps/FRAs	24,523,269	115,357	117,037	26,216,460	155,043	157,952
Options	2,727,354	26,210	21,456	3,163,676	35,177	31,289
Equity contracts						
Forwards	256,796	2,746	5,364	216,008	3,122	3,846
Options	346,880	6,945	6,607	227,452	2,980	3,462
Other contracts						
Credit derivatives bought	143	-	90	438	-	96
Credit derivatives sold	457	33	-113	696	96	-29
Total derivatives held for trading purposes	**35,697,136**	**260,732**	**254,134**	**37,362,717**	**306,695**	**324,262**
Hedging derivatives						
Currency contracts	2,322	1	107	1,839	-	93
Interest rate contracts	508,980	314	259	537,923	386	629
Total derivatives	**36,208,438**	**261,046**	**254,500**	**37,902,479**	**307,081**	**324,984**

* Comparative information has been restated as described in note G2(b).

Positive and negative fair values of derivatives are offset if certain criteria are fulfilled. Note G32 provides more information.

G12. Trading portfolio assets and liabilities – Continued

(c) Explanation of hedge accounting

An overview over the risks the Group is exposed to and how they are defined is provided on the first page of note G40. For some of those risks hedge accounting is applied. The Group uses fair value hedge accounting for hedges of interest rate risk. Further, the Group hedges part of the foreign currency risk on net investment in foreign entities.

Hedge of interest rate risk
The Group manages the fixed interest rate risk on financial assets and liabilities measured at amortised cost as a combination of economic hedges (matching of interest rate risk from assets and liabilities at amortised cost across the Group's banking units) and hedges using interest rate swaps. Group Treasury is responsible for the risk management of the interest rate risk (the so-called interest rate risk in the banking book). In the risk management process, economic hedges are established and/or identified. This includes the acquisition of 'hold to collect' fixed interest rate bonds in Group Treasury and the identification of fixed-rate loans extended by the Group's banking units to hedge the fixed interest rate risk on liabilities (including core demand deposits). Interest rate risk on fixed-rate liabilities (such as long dated funding via bond issuance) is generally hedged by interest rate swaps and the interest rate risk on certain fixed-rate assets can be hedged using derivatives as well. For further information see the sections Market risk in relation to non-trading portfolios at Group Treasury and Interest rate risk in the banking book (IRRBB) in G40.

When the Group uses swaps to hedge the fixed interest rate risk on financial instruments, the Group applies fair value hedge accounting using the option in IFRS 9 to continue to apply the fair value hedge accounting provisions in IAS 39. Fair value hedge accounting can be applied if changes in the fair value of the hedging swaps are expected to be effective in offsetting changes in the fair value of the hedged fixed interest rate risk. This requires (1) a formal designation and documentation of the hedging relationship, including a risk management objective and strategy for the hedge, (2) that the hedge is expected to be highly effective in achieving offsetting changes in fair value of the hedged interest rate risk, (3) the effectiveness of the hedge can be reliably measured and (4) the hedge on an ongoing basis has proven to be effective in actually offsetting of changes in fair value. With effective hedging, the hedged interest rate risk on hedged assets and liabilities is measured at fair value and recognised as a value adjustment of the hedged items. Value adjustments on the hedged item and the hedging swaps are presented in the income statement under Net trading income or loss. Any ineffective portion of a hedge that lies within the range for effective hedging is therefore also included under Net trading income or loss.

The interest rate is considered fixed if the interest rate resets to a reference rate with a term longer than three months. Once a financial instrument has been designated as a hedged item it will remain as hedged item for the life of the instrument. For hedged assets and liabilities to which a fixed rate of interest applies for a specified period of time starting at the commencement date of the agreement, future interest payments are split into basis interest and a customer margin and into periods of time. By entering into swaps or forwards with matching payment profiles in the same currencies and for the same periods, the Group hedges the risk at portfolio level from the commencement date of the hedged items. The fair values of the hedged interest rate risk and the hedging derivatives to ensure that changes in the fair value of the hedged interest rate risk lie within a band of 80-125% of the changes in the fair value of the hedging derivatives. Portfolios of hedging derivatives are adjusted if necessary.

The primary reasons for changes in the fair value of fixed interest rate financial assets are changes in the interest rate risk and the credit risk.

Hedge ineffectiveness relates to the fact that fair value changes on the hedged items are measured based on the interest rate curve relevant for each hedged item while the fair value of the fixed legs of the hedging derivatives are measured based on a swap curve. Further, the adjustment of the portfolios of hedging derivatives to changes in hedged positions is not done instantly, and some hedge ineffectiveness can therefore exist.

The tables below show the hedging derivatives and the hedged fixed interest rate financial instruments.

Hedging derivatives

Hedging derivatives	Nominal amount	Carrying amount		Changes in fair value used for calculating hedge ineffectiveness
(DKK millions)		Assets	Liabilities	
Interest rate swaps, 2024				
Total	511,302	315	366	5,945
Interest rate swaps, 2023				
Total	539,762	386	722	12,381

Profile of the timing of the nominal amount of the hedging derivatives

(DKK millions)	2024	2023
< 12 months	177,667	168,795
1-5 years	321,519	358,068
> 5 years	12,117	12,899
Total	**511,302**	**539,762**

EU carve-out to IAS 39
The Group has a portfolio of mortgage loans and a portfolio of non-maturing core deposits where the interest rate risk is most efficiently hedged by using derivatives. To avoid an accounting mismatch between these mortgage loans and deposits at amortised cost and hedging derivatives at fair value, the Group has adopted the EU's carve-out to IAS 39. The fair value adjustments on loans and deposits as at 31 December 2024 are DKK -29 million and DKK 106 million respectively.

G12. Trading portfolio assets and liabilities – Continued

Hedged fixed interest rate risk

	Carrying amount of hedged items		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Change in fair value used for calculating hedge ineffectiveness
(DKK millions)	Assets	Liabilities	Assets	Liabilities	
2024					
Loans	18,903		-623		-77
Bonds 'held to collect and sell'	1,432		59		-9
Amounts due to credit institutions		13,274		12	-9
Deposits		25,772		-81	186
Issued bonds		215,665		-312	-4,705
Non-preferred senior debt		77,884		-1,719	-818
Subordinated debt		27,197		-382	-614
Total	**20,335**	**359,792**	**-564**	**-2,482**	**-6,046**
2023					
Loans	11,232		-537		293
Bonds 'held to collect and sell'	749		68		-8
Amounts due to credit institutions		8,587		3	-9
Deposits		18,899		105	-128
Issued bonds		200,015		-5,044	-9,204
Non-preferred senior debt		87,166		-2,537	-2,669
Subordinated debt		22,974		-997	-846
Total	**11,980**	**337,641**	**-470**	**-8,470**	**-12,572**

Hedge ineffectiveness recognised in the income statement, 2024	-101
Hedge ineffectiveness recognised in the income statement, 2023	-191

G12. Trading portfolio assets and liabilities – Continued

Hedge of foreign exchange risk on net investments in foreign entities
The Group hedges its foreign exchange risk on net investments in foreign currency units. Foreign exchange risk is defined as risk of losses from translating the net investments in foreign entities that are denominated in a foreign currency other than DKK. The net investment in foreign currency units includes the net assets and goodwill of the units. The Group has granted loans in the currency of the foreign unit to its branches in Sweden, Norway and Finland for a total of DKK 32,893 million (2023: 37,799 million). The loans represent the capital allocated to these units. The settlement of the loans is neither planned nor likely to occur in the foreseeable future and they are a part of the net investment in those units. Further, Danske Bank A/S has granted the subsidiary Northern Bank an additional tier 1 capital instrument that together with shareholders' equity in Northern Bank is considered part of the net investment in Northern Bank. The exchange differences from translating net profit in the foreign units at the date of underlying transactions and assets and liabilities at the closing rate and from translating the opening net assets at a closing rate that differs from the previous closing rate are recognised in Other comprehensive income (translation differences).

The Group hedges the foreign exchange risk of net investments in branches and subsidiaries outside Denmark by designating funding arrangements in the matching currencies as a hedge of the foreign exchange risk on the net investments. The foreign exchange differences on the funding arrangements are recognised in Other comprehensive income to offset the exchange differences on the net investments. The funding arrangements consist primarily of issued bonds. Realised net profit is hedged in the beginning of the next month. The Group does not hedge the expected financial results of units outside Denmark or other future transactions. In terms of assessing hedge effectiveness, this is applied by comparing the nominal value of the funding arrangement to the nominal value of the net investments. Hedge ineffectiveness can arise to the extent the funding arrangements exceed the net investments. However, when the net investments are decreased, e.g. when the net investments are reduced by paying out dividend, the same amount of funding arrangements are de-designated as hedges and the funding arrangements designated as hedges will therefore, in general, not exceed the net investments.

Part of the funding of the loans granted to the branches in Sweden, Norway and Finland is in DKK in order to create a so-called structural FX hedge position in accordance with banking regulation, i.e. to reduce the impact on capital ratios resulting from changes in the risk exposure amount due to changes in currency rates. The Group's net investment in its subsidiaries Danske Hypotek AB (Sweden) and Danske Mortgage Bank Plc (Finland) is included in the structural hedge position to extend the hedge to the risk exposure amount measured by currency for EUR, NOK and SEK across the entire Group balance sheet, although with constraints to the size of the loans to the foreign branches and the net investment in the foreign subsidiaries. This strategy of partly hedging the sensitivity to capital ratios from volatility in foreign currency rates, increases the volatility in Other comprehensive income and the Foreign currency translation reserve in equity under IFRS Accounting Standards since it decrease the hedge of the currency risk on the net investments in those units. At the end of 2024, the structural FX hedge position totalled DKK 36,952 million (2023: DKK 37,641 million) and a loss of DKK 946 million has been recognised in Other comprehensive income mainly due to a weakening of the SEK against DKK and NOK against the DKK. For comparison, a loss of DKK 730 million was recognised in Other comprehensive income due to a weakening of the NOK against the DKK, of which, a loss of DKK 786 million was realised and reclassified from Other comprehensive income to the Income statement (and therefore has no impact on total shareholders' equity). This was due to an adjustment made for the structural FX hedge position held in NOK, to reflect the reduction in long term risk exposure amount (REA) in NOK coming from the sale of personal customer business in Norway. For further information, see the section on Market risk – Structural FX risk in G40.

The cumulative exchange differences on the hedging instrument and the translation differences related to the net investment are reclassified from Other comprehensive income to the income statement on the disposal of the foreign entities.

Hedging of net investments in foreign entities

(DKK millions)	2024	2023
Net investment in foreign units	39,999	47,909
Funding arrangements designated as a hedge of net investments in foreign units*	3,047	10,269
Portion of net investment in foreign units not hedged, structural FX position	**36,952**	**37,641**
Hedge ineffectiveness		
Exchange differences on the hedging instruments	635	589
Exchange differences on the net investment used for recognising hedge ineffectiveness	-635	-589
Hedge ineffectiveness recognised in the income statement (net trading income)	-	-
Hedging gains or losses recognised in OCI	635	589
Reclassified to the income statement on disposal of foreign units**	-	806

* Primarily included on the line item 'Issued bonds at amortised cost'
** Included in the item 'Net trading income or loss" in the Income statement

G13. Investment securities

Investment securities consist of bonds and shares held by non-trading units in the Group. It consists primarily of the liquidity portfolio managed by Group Treasury. The liquidity portfolio includes different portfolios with different business models. Some portfolios are managed on a fair value basis and mandatorily measured at fair value through profit or loss under IFRS 9, whereas other portfolios are either 'hold to collect and sell' and measured at fair value through Other comprehensive income or 'hold to collect'.

Accounting policy

Financial assets measured at fair value through profit or loss (FVPL)
Financial assets measured at fair value include securities that are managed on a fair value basis with no short-term profit taking. Realised and unrealised capital gains and losses and dividends are carried in the income statement under Net trading income or loss. Further, all shares (including unlisted shares) and bonds held in Group Treasury that do not have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e. that does not pass the SPPI test in IFRS 9) are mandatorily measured at FVPL and, consequently, included in this category.

Financial assets measured at fair value through Other comprehensive income (FVOCI)
This category comprises bonds only, and primarily bonds listed in a liquid market, as the Group does not use the option to designate equity instruments at FVOCI. The bonds are held within a business model for the purpose of collecting contractual cash flows and selling (hold to collect and sell). The bonds have cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e. that pass the SPPI test in IFRS 9). FVOCI results in the assets being recognised at fair value in the balance sheet and at amortised cost in the income statement, including the recognition of expected credit losses as described in note G15. Gains and losses, except for expected credit losses and foreign exchanges gains and losses, are therefore recognised in Other comprehensive income until the bond is derecognised. When a fixed interest rate risk is hedged in a hedge that qualifies for fair value hedge accounting, the fair value changes of the hedged interest risk are presented in the income statement under Net trading income or loss. When bonds are sold unrealised value adjustments recognised under Other comprehensive income are reclassified to the income statement and presented under Net trading income or loss. The Group recognises interest income according to the effective interest method, including amortisation of the difference between cost and the redemption value over the term to maturity of the bonds.

Financial assets measured at amortised cost (AMC)
This category consists of bonds held within a business model for the purpose of collecting the contractual cash flows (hold to collect) and with cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e. that pass the SPPI test in IFRS 9). The bonds are measured at amortised cost. Interest income is recognised according to the effective interest method, including amortisation of the difference between cost and the redemption value over the term to maturity of the bonds. A change in the contractual cash flows that is required by the Interest Rate Benchmark Reform is accounted for by updating the effective interest rate, without recognising a gain or loss. This can only be applied if the change is necessary as a direct consequence of the reform, and the new basis for determining the contractual cash flows is economically equivalent to the previous basis. The bonds are subject to the expected credit model in IFRS 9 as described in note G15. The interest rate risk on fixed-rate bonds is not hedged.

(a) Investment securities

(DKK millions)	2024	2023
Financial assets at fair value through profit or loss		
Listed bonds	28,112	20,798
Unlisted shares	519	493
Total financial assets at fair value through profit or loss	**28,631**	**21,291**
Bonds hold to collect and sell (FVOCI)		
Listed bonds	104,773	107,226
Total bonds hold to collect and sell (FVOCI)	**104,773**	**107,226**
Total at fair value	**133,404**	**128,517**
Bonds hold to collect (AMC)		
Listed bonds	135,714	155,398
Total investment securities	**269,118**	**283,914**

b) Further explanation
Investment securities consist of the liquidity portfolio held by Group Treasury. The liquidity portfolio is part of the balance sheet management to optimise the balance sheet composition, to hedge the interest rate risk in the banking book and to manage the Group's liquidity need. The management of the interest rate risk in the banking book is carried out through a combination of hedges with derivatives and partly through matching the duration on the fixed interest rate deposits (the interest risk on core deposits) with bond holdings with a matching duration. The latter is carried out through the acquisition of portfolios of bonds.

Financial assets measured at fair value through profit or loss (FVPL)
This portfolio includes the part of the liquidity bond portfolio that is actively traded although less frequently than what is required to be classified as a held-for-trading portfolio. These bonds are held in a business model being neither 'hold to collect' nor 'hold to collect and sell' and are therefore mandatorily recognised at fair value through profit or loss under IFRS 9.

The portfolio comprises primarily Danish mortgage bonds. Further, the portfolio includes listed and unlisted shares.

G13. Investment securities – Continued

Financial assets measured at fair value through Other comprehensive income (FVOCI)
This portfolio includes the part of the liquidity bond portfolio where both the collection of the contractual cash flows and sales are an integral part of achieving the objectives with the acquired bond portfolio. Further, the bonds included in the portfolio have contractual cash flows that pass the SPPI test. The performance of the portfolio is measured on a combination of the collection of the contractual cash flows and sales proceeds. Sales typically occur when market opportunities arise, or when there is a need to adjust the portfolio to hedge part of the interest rate risk on the Group's core deposits. There is no objective of short-term profit taking and the performance reporting related to this portfolio reflects a combination of the collection of the contractual cash flows and realising fair value changes. The business model is therefore 'hold to collect and sell'. The portfolio comprises primarily highly-rated covered, sovereign, supranational and agency bonds.

Financial assets measured at amortised cost (AMC)
This portfolio includes the part of the liquidity bond portfolio that is held in a business model being 'hold to collect', i.e. with the purpose of generating a return until maturity. Further, the bonds included in the portfolio have contractual cash flows that pass the SPPI test.

The performance is measured based on the collection of the contractual cash flows. The fair value of the portfolio is monitored for liquidity purposes as the bonds can be used in repo transactions. Sales from the portfolio are infrequent. When sales are made, they reflect:

- sales close to maturity (the proceeds from the sale approximate the collection of contractual cash flows)
- sales are made to manage risk concentration (e.g. the sale of bonds is made due to a concentration of currency risk)
- sales made due to increase in credit risk above a certain level (i.e. outside the investment policy)

The bonds are primarily Danish mortgage bonds, government bonds and government-guaranteed bonds. 93% of the portfolio is rated AA or higher (2023: 94.0%), while the remaining portfolio has investment grade ratings.

SPPI test applied for bonds at FVOCI or AMC
The SPPI test is applied for each bond to assess whether the contractual cash flows represent repayment of principal amount and interest on the principal amount outstanding. Bonds that are included in the portfolios at FVOCI or AMC are generally plain vanilla bonds that:

- have a fixed maturity, i.e. no perpetual bonds
- do not have terms that introduce exposure to risk or volatility, e.g. by a yield that refers to changes in equity or commodity prices
- are not subordinated or convertible bonds
- can be prepaid (e.g. at par plus accrued interest), with the fair value of the prepayment option being insignificant at initial recognition. In general, this will be the case if the premium/discount to the contractual par amount is insignificant at initial recognition

Bonds that are not compliant with the SPPI test are included in the portfolio of bonds at FVPL.

G14. Due from credit institutions and central banks

The item due from credit institutions and central banks includes both balances that are measured at amortised cost and balances that are measured at fair value through profit or loss, depending on the business model for the management of the amounts due from credit institutions.

Accounting policy

For balances due from credit institutions in the Group's banking units (Personal & Business Customers, General Banking in Large Corporates & Institutions and Northern Ireland), the business model is 'hold to collect'. As the contractual cash flows represent basic lending feature, these balances are measured at amortised cost. For further information on the accounting policy etc., see note G15.

For balances due from credit institutions and central banks in the Group's trading units (Markets in Large Corporates & Institutions) the business model is neither 'hold to collect' nor 'hold to collect and sell' and these balances are mandatorily recognised at fair value through profit or loss. For further information on the accounting policy, see note G16.

Cash in hand and demand deposits with central banks

Includes cash in hand of DKK 6,909 million (2023: DKK 6,419 million) and demand deposits of DKK 100,590 million (2023: DKK 252,737 million) (measured at amortised cost).

Due from credit institutions and central banks

(DKK millions)	2024	2023
Due from credit institutions and central banks measured at fair value through profit or loss:		
Reverse transactions	62,039	92,389
Other amounts due	1,000	595
Total at fair value through profit or loss	**63,040**	**92,984**
Due from credit institutions and central banks measured at amortised cost:		
Reverse transactions	6	3,727
Other amounts due	80,536	18,118
Allowance account	12	16
Total at amortised cost	**80,529**	**21,829**
Total	**143,569**	**114,813**

Due from credit institutions and central banks includes amounts due within three months and totalled DKK 134,601 million at the end of 2024 (2023: DKK 106,453 million). This amount is included under Cash and cash equivalents in the cash flow statement.

G15. Loans at amortised cost

In general, the loans in the Group's banking units (Personal Customers, Business Customers, General Banking in LC&I and Northern Ireland) are held with the objective of collecting the contractual cash flows. Therefore, most of the Group's loans in the banking units are classified as 'hold to collect' under IFRS 9. Further, the loans have basic lending features with the contractual cash flows solely representing repayment of principal and interest on the principal amount outstanding (the SPPI test). Therefore, the loans in the Group's banking units are recognised at amortised cost. The only exception is loans granted by Realkredit Danmark (see note G16) that are recognised at fair value, as the contractual cash flows do not represent basic lending features only, i.e. they do not pass the SPPI test in IFRS 9.

Accounting policy

At initial recognition, loans are measured at fair value plus transaction costs less origination fees and other charges that are an integral part of the effective interest rate on loans. This usually corresponds to the amount disbursed to the customer. Subsequently, they are measured at amortised cost, using the effective interest method, less impairment charges for expected credit losses. The difference between the value at initial recognition and the redemption value is amortised over the term to maturity as part of the effective interest. If fixed-rate loans are hedged effectively by derivatives, the fair value of the hedged interest rate risk is added to the carrying amount of the hedged assets.

Impairment for expected credit losses

The impairment charge for expected credit losses depends on whether the credit risk has increased significantly since initial recognition and follows a three stage model:

- **Stage 1:** If the credit risk has not increased significantly, the impairment charge equals the expected credit losses resulting from default events that are possible within the next 12 months.
- **Stage 2:** If the credit risk has increased significantly, the loan is transferred to stage 2 and an impairment charge equal to the lifetime expected credit losses is recognised.
- **Stage 3:** If the loan is in default, it is transferred to stage 3, for which the impairment charge continues to equal the lifetime expected credit losses but with interest income being recognised on the net carrying amount.

The expected credit loss is calculated for all individual facilities as a function of the probability of default (PD), the exposure at default (EAD) and the loss given default (LGD) and incorporates forward looking elements. For facilities in stages 2 and 3, the lifetime expected credit losses cover the expected remaining lifetime of a facility.

Expected credit loss impairment charges are booked in an allowance account and allocated to individual exposures.

(a) Loans at amortised cost

(DKK millions)	2024	2023
Reverse transactions	2,408	1,763
Other loans	933,297	933,775
Allowance account	13,804	13,958
Total	**921,900**	**921,580**

Loans included payments due under finance leases of DKK 36,643 million at the end of 2024 (2023: DKK 35,628 million).

(b) Further explanation

Classification and measurement – business model assessment

The business model assessment in Danske Bank Group is applied separately for each business unit represented by the Group's reportable segments. The assessment is based on observable factors for the different portfolios, such as (1) how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Executive Board and the Board of Directors, (2) the risks that affect the performance of the business model and the way such risks are managed and (3) past and expected frequency, value and timing of sales for the portfolio.

In the Group's banking units (Personal Customers, Business Customers, General Banking in LC&I and Northern Ireland), the management and reporting of performance are based on collecting the contractual cash flows, and loans are only very infrequently sold. Therefore, the business model has been assessed as being 'hold to collect'.

Once a year, the Group assesses if past sales are consistent with the business model for loans in the Group's banking unit being 'hold to collect'. In general, if sales are below 5% of the size of a portfolio the sales are considered to be insignificant. Larger sales are considered individually in relation to consistency with the business model. The following sales are consistent with the business model being 'hold to collect':

- Loans are sold after having previously been transferred to one of the Group's debt collection units
- Loans are sold to manage credit concentration risk (specific countries or industries)
- Loans to customers that have refocused their activities out of the Nordic region, i.e. the customers are no longer Nordic customers
- The sale of loans that are no longer profitable, e.g. due to changes in the regulatory environment or the like.

G15. Loans at amortised cost – Continued

Classification and measurement – The SPPI test (solely payment of principal and interest on the principal amount outstanding)
For each loan in the Group's banking units, it is assessed if the contractual cash flows are consistent with the SPPI test. The principal amount reflects the fair value at initial recognition less any subsequent changes, e.g. due to repayment. The interest represents consideration for the time value of money, credit risk, other basic lending risks and a margin consistent with basic lending features only. If the cash flows introduce more than de minimis exposure to risk or volatility that is not consistent with basic lending features, the loan is mandatorily recognised at fair value through profit or loss. Features that are not genuine do not affect the classification. A feature is not genuine if it affects the contractual cash flows only on the occurrence of an event that is extremely rare, highly abnormal and very unlikely to occur.

In general, the SPPI test of the Group's portfolios of loans covers, for instance, the following elements:

- Compensation for the time value of money. For some of the Group's variable-rate loans, the market standard for these loans is that the reset frequency and the tenor of the reference rate do not match. It has been assessed that the mismatch does not significantly modify the compensation for the time value of money. No loans have interest rates that are leveraged or linked to, for instance, the development in share prices etc.

- Prepayment options are consistent with the SPPI test, if the prepayment amount represents the principal amount outstanding and accrued interest, and may include a reasonable compensation for early repayment. This is generally the case with the Group's loans, except loans granted by Realkredit Danmark (see further below).

- Extension options are consistent with the SPPI test if the cash flows during the extension period represent cash flows that are solely payments of principal and interest on the principal amount outstanding. Only very few loans include a contractual right for the customer to extend the loan, and for such loans, the interest rate will be updated to the current market rate for such loans.

- Compensation for credit risk and other basic lending risks. The interest rate includes a credit margin to compensate the Group for the credit risk, and it may be fixed initially. The Group does not incorporate profit sharing agreements, for example by contractual terms that increase the credit margin if the customer's earnings increase.

- Non-recourse features. In general, the Group does not grant loans that legally are non-recourse. However, in some cases a financial asset represents an investment in particular assets or cash flows, in which case the contractual cash flows are not solely payments of principal and interest on the principal amount outstanding. This could be the case when the Group's claim is limited to specified assets of a debtor or the cash flows from specified assets, e.g. related to loans granted to a company/a special purpose entity with limited assets and with no guarantee from the owner/parent company. The Group only grants such loans if the cash flows from the underlying asset(s) are large compared to the contractual cash flows from the loans. Therefore, non-recourse-like features are limited and excluded from the assessment.

- Non-payment is not considered a breach of contract. The Group does not grant loans where non-payment would not constitute a breach of contract.

- The Group grants loans with sustainability-linked features. These are loans granted to support customers in achieving sustainability targets. The loans include incentives in the form of a change to the margin applicable to the loan if certain predetermined sustainability targets specific to the customer are met. These loans have been assessed and the contractual cash flows are considered to fulfil the SPPI test criteria and are consistent with a basic lending arrangement. As a result, the loans are held at amortised cost.

Loans granted under Danish mortgage finance law are funded by issuing listed mortgage bonds with matching terms. Such loans are granted by the Realkredit Danmark subsidiary only. Borrowers may repay such loans by delivering the underlying bonds. This represents an option to prepay at fair value that can be both above and below the principal amount plus accrued interest and include other elements than the effect of changes in the relevant benchmark interest rate. The loans do not pass the SPPI test and are mandatorily recognised at fair value through profit or loss, see further in note G16.

Financial instruments in scope of the expected credit loss impairment model in IFRS 9
Impairment charges for expected credit losses apply to all financial assets recognised at amortised cost or at fair value through Other comprehensive income, lease receivables and certain loan commitments and financial guarantee contracts. Therefore, the Group's expected credit loss model also applies to bond portfolios included in the line item Investment securities, except for the bonds that are recognised at fair value through profit or loss.

Further, the adjustment for fair value of credit risk on loans granted by Realkredit Danmark is based on the expected credit loss impairment model in IFRS 9. Further information can be found in the accounting policy for note G16.

Significant increase in credit risk (transfer from stage 1 to stage 2)
The classification of facilities between stages 1 and 2 for the purpose of calculating expected credit losses depends on whether the credit risk has increased significantly since initial recognition. The assessment of whether credit risk has increased significantly since initial recognition is performed by considering the change in the risk of default occurring over the remaining life of the facility and incorporating forward-looking information. A facility is transferred from stage 1 to stage 2 based on observed increases in the probability of default:

- For facilities originated below 1% in PD: An increase in the facility's 12-month PD of at least 0.5 percentage points and a doubling of the facility's lifetime PD since origination.

- For facilities originated above 1% in PD: An increase in the facility's 12-month PD of 2 percentage points or a doubling of the facility's lifetime PD since origination.

In addition, facilities that are more than 30 days past due are moved to stage 2. 30 days past due is considered a backstop. Finally, customers subject to forbearance measures are placed in stage 2, if the Group, in the most likely outcome, expects no loss, or if the customers are subject to the two-year probation period for performing forborne exposures.

G15. Loans at amortised cost – Continued

Stage 3 (credit-impaired facilities)
A facility is transferred from stage 2 to stage 3 when it becomes credit-impaired. A facility becomes credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred. This includes observable data about (a) significant financial difficulty of the issuer or the borrower; (b) a breach of contract, such as a default or past due event; (c) the borrower, for financial or contractual reasons relating to the borrower's financial difficulty, having been granted a concession that would not otherwise have been considered; (d) it is becoming probable that the borrower will enter into bankruptcy or other financial restructuring; and (e) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit loss. It may not be possible to identify a single individual event – instead, the combined effect of several events may cause financial asset to become credit-impaired. Credit-impaired facilities are placed in rating category 11. For rating category 11 (default), all facilities are classified as stage 3 exposures.

Definition of default
The definition of default is used in the measurement of expected credit losses and the assessment to determine movements between stages. The definition of default is also used for internal credit risk management and capital adequacy purposes.

To support a more harmonised approach regarding the application of the definition of default, the European Banking Authority (EBA) has issued the following products that guides the application of the definition of default: the Guidelines on the application of the definition of default, EBA/GL/2016/07 and the Regulatory Technical Standards (RTS) on the materiality threshold for credit obligations past due, EBA/RTS/2016/06.

The Group's definition of default for accounting aligns with the regulatory purposes. All exposures that are considered default are also considered Stage 3 exposures. This is applicable for exposures that are default due to either the 90 days past due default trigger or the unlikeliness to pay default triggers. A small amount of credit exposure in stage 3 can be found outside default. This is due to impairment staging being updated monthly (after each month end), whereas default is updated daily.

Purchased or originated credit-impaired facilities (POCI)
A facility that is credit-impaired at initial recognition is classified as a POCI financial asset. This is the case if the financial asset is purchased or originated at a deep discount that reflects the incurred credit losses. For such assets, life-time expected credit losses are recognised for the remaining lifetime of the asset. In general, the Group does not purchase credit-impaired financial assets and the category therefore relates to originated credit-impaired facilities, typically originated in relation to forbearance measures.

Calculation of expected credit losses
The expected credit loss is calculated for all individual facilities as a function of the probability of default (PD), the exposure at default (EAD) and the loss given default (LGD). In general, the Group's IFRS 9 impairment models and parameters draw on the bank's internal models in order to ensure alignment of models across the Group. New models and calculations have been developed especially for IFRS 9 purposes, including models for lifetime PD, prepayment and forward-looking LGD. All expected credit loss impairment charges are allocated to individual exposures. For significant loans in stage 3, the Group determines the expected credit losses individually.

Expected remaining lifetime
For most facilities, the expected lifetime is limited to the remaining contractual maturity and is adjusted for expected prepayment. For exposures with weak credit quality, the likelihood of prepayment is not included. For exposures that include both a loan and an undrawn commitment and where a contractual ability to demand prepayment and cancellation of the undrawn commitment does not limit the Group's exposure to credit losses to the contractual notice period, the expected lifetime is the period during which the Group expects to be exposed to credit losses. This period is estimated on the basis of the normal credit risk management actions. Products identified as in scope of an expected lifetime longer than the remaining contractual maturity include credit cards, overdraft balances and certain revolving credit facilities.

Incorporation of forward-looking information
The forward-looking elements of the calculation reflect the current expectations of the Group's senior management. The Group's independent macroeconomic research unit in Markets creates macroeconomic scenarios (base case, upside and downside), including an assessment of the probability of each scenario. The purpose of using multiple scenarios is to model the non-linear impact of assumptions about macroeconomic factors on the expected credit losses Afterwards there is a process to ensure a review and sign-off of the scenarios. Management's approval of the scenarios can include adjustments to the scenarios or to which scenarios are used, the assigned probability weighting and post-model adjustments to cover the outlook for particular high-risk portfolios which are not provided by the Group's macroeconomists. The approved scenarios are used to calculate the impairment levels. Technically, the forward-looking information is used directly in the PDs through an estimate of general changes to the PDs and the LGDs in the expected credit loss calculation. However, for significant exposures in stage 3, an individual assessment of the scenarios, changes to expected credit losses and the related probabilities are performed by senior credit officers.

The forward-looking information is based on a three-year forecast period converging to steady state in year seven. The base case is based on the macroeconomic outlook as disclosed in the Group's Nordic Outlook reports. Further information on the macroeconomic scenarios used can be found in note G40.

Sustainability risk
Credit risk is deemed to be the risk type most materially affected by sustainability risk in the long term, of which climate risk is currently the most urgent of all ESG-related drivers capable of affecting the Group's credit risk.

The Group takes a risk-based approach in prioritising risk management efforts for credit portfolios that are likely to be most exposed to transition and physical risks. For that purpose, the Group applies a mix of qualitative and quantitative input to define the credit exposures most exposed to transition and physical risks.

High transition risk exposures are identified using a mix of insights, including financed emissions estimates, findings from conducting climate scenario analysis as well as qualitative judgment to account for e.g., credible transition plans, potential future technology and demand risks to a given sector. Most of the emissions are attributable to only a few sectors, e.g., Shipping, Oil and Gas, which the Group actively monitors and manages. From the initial assessment of customers subject to high transition risk, the exposure to the lagging transition category remains limited but will be monitored on an ongoing basis.

G15. Loans at amortised cost – Continued

The Group has identified flooding risk (river and coastal flooding) as the key physical hazard applicable to the portfolio on the basis of the report on high confidence of hazard increase in Northern Europe issued by the Intergovernmental Panel on Climate Change. The current analyses on flooding risk focus on residential and commercial property and the risk is assessed to be limited.
Moreover, the Group performs ad-hoc climate stress tests to assess physical and transition risks of climate changes. Stress tests in relation to physical risks cover collateral-related exposures and are based on river and coastal flooding. Stress tests in relation to transition risks consider an introduction of carbon taxes.

The Group will continue to refine its assessment methodology as more climate risk data becomes available to support the identification of both transition and physical risks for the purpose of determining financial significance, however, conclusions have not led to adjustments to staging or modelled expected credit losses, as the impacts either manifest over a longer time period than loan maturities, or as transition risks are concentrated on a few sectors with downside risks already recognised in the Group's modelled expected credit losses. Both transition and physical risks are either managed through risk tolerances or strategic targets, or already have post model adjustments/management overlays allocated covering the climate related risks.

Write-off policy
Loans considered uncollectible are written off. Write-offs are debited to the allowance account. Loans are written off once the usual collection procedure has been completed and the loss on the individual loan can be calculated. If the full loss is not expected to be realised until after a number of years, for example in the event of administration of complex estates, a partial write-off is recognised, reflecting the Group's claim less collateral, estimated dividend and other cash flows.

Modification
When a loan is modified the Group assesses whether the modification results in derecognition. This depends on whether the changes to the contractual cash flows or other contractual terms are significant or not.

If the changes are significant, the modification is accounted for as derecognition of the original loan and recognition of a new loan. If the changes are not significant, the modification is accounted for as a modification of the original loan. The assessment is based on the following considerations:

- The Group differentiates between changes in the cash flows or other terms within the original contract and modifications of the contract, i.e. a new contract.
- In general, a significant modification is defined as a full credit process, a pricing decision and the signing of a new contract.
- An assessment of whether the modification is caused as a forbearance measure or made on commercial terms.

If the financial asset is not derecognised, the original effective interest rate remains unchanged, and the net present value of the changed contractual cash flows represents the gross carrying amount of the financial asset after the modification. The difference between the net present value of the original contractual cash flows and the modified contractual cash flows is recognised in the income statement as a modification gain or loss.

If the original financial asset is derecognised, a derecognition gain or loss is recognised in the income statement. The derecognition gain or loss represents the difference between the carrying amount of the original financial asset (updated to reflect current expected credit losses) and the initial carrying amount of the new financial asset plus/minus any cash payments between the parties in relation to the modification.

Modifications in the form of forbearance measures include interest reduction schedules, interest only schedules, temporary payment holidays, term extensions, cancellation of outstanding fees, waiver of covenant enforcement and debt forgiveness. For modifications that are not significant, the modification loss is recognised in the Income statement within Loan impairment charges.

In terms of stage allocation, a modification that leads to derecognition of the initial loan and recognition of a new loan, the loan will (unless the new loan is credit-impaired at initial recognition) be recognised in stage 1 at initial recognition, i.e. the initial credit risk is reset. If the replacing loan is considered an amendment to the original loan, the initial credit risk is not reset. Loans modified as part of the Group's forbearance policy, where the modification does not result in derecognition, the loss allowance on the forborne loans will generally only be measured based on 12-months expected credit losses when there is evidence of the borrower's improved repayment behaviour. When a loan in stage 3 is modified, and the modification results in derecognition, the Group assesses if the new loan is originated credit impaired. The assessment includes factors such as whether the customer's repayment behaviour has improved significantly prior to the modification or not, and whether the pricing on the new loan reflects the actual credit risk etc. New loans that are originated credit impaired remains under a lifetime ECL calculation for the remaining term of the exposure.

(c) Reconciliation of total allowance account and gross credit exposure

In the following table, the allowance account and the gross credit exposure is reconciled by measurement category. Loans at amortised cost includes the balance sheet line item Loans at amortised cost, as well as exposures under Due from credit institutions that are carried at amortised cost and demand deposits with central banks, see note G14. Loans at fair value consists of loans granted by Realkredit Danmark, for which the allowance account represents the fair value adjustment of the credit risk (for further information see note G16).

Loan commitments and guarantees consists of guarantees, loan commitments shorter than 1 year and loan commitments longer than 1 year, see note G27. The allowance account for loans at amortised cost and at fair value is credited against the related loans, whereas the allowance account related to loan commitments and guarantees is recognised as a liability and presented under Other liabilities.

G15. Loans at amortised cost – Continued

Reconciliation of total allowance account

	Loans at amortised cost			Loans at fair value			Loan commitments and guarantees			Total
(DKK millions)	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
ECL allowance account as at 1 January 2023	1,922	5,524	6,322	627	1,372	1,251	724	1,186	717	19,645
Transferred to stage 1	1,317	-1,237	-80	749	-722	-28	340	-315	-24	-
Transferred to stage 2	-118	401	-283	-15	37	-22	-78	230	-152	-
Transferred to stage 3	-18	-404	421	-3	-29	32	-2	-72	74	-
ECL on new assets	354	1,025	501	141	45	22	106	179	85	2,457
ECL on assets derecognised	-306	-846	-802	-146	-149	-50	-61	-147	-88	-2,595
Impact of net remeasurement of ECL (incl. changes in models)	-1,277	1,073	775	-272	107	165	-374	213	604	1,014
Write offs debited to the allowance account	-5	-	-327	-	-	-37	-	-	-	-370
Foreign exchange adjustments	-15	17	-2	-	-	-	-3	6	-24	-22
Other	-1	-49	92	-1	49	-119	6	-6	39	10
As at 31 December 2023	1,854	5,503	6,617	1,080	710	1,215	658	1,273	1,230	20,140
Transferred to stage 1	850	-768	-83	158	-129	-29	189	-166	-23	-
Transferred to stage 2	-162	367	-205	-106	151	-46	-48	110	-62	-
Transferred to stage 3	-16	-363	379	-11	-30	41	-1	-22	22	-
ECL on new assets	314	1,273	812	192	65	37	55	203	258	3,207
ECL on assets derecognised	-354	-1,227	-692	-136	-129	-68	-67	-139	-88	-2,900
Impact of net remeasurement of ECL (incl. changes in models)	-714	609	324	-146	194	291	-207	222	-523	49
Write offs debited to the allowance account	-40	-	-258	-9	-	-60	-	-	-	-367
Foreign exchange adjustments	-21	-67	-80	-	-	-	-4	-18	50	-140
Other	-77	50	-9	-	-55	11	-4	-	-3	-89
As at 31 December 2024	**1,634**	**5,377**	**6,806**	**1,021**	**777**	**1,392**	**571**	**1,463**	**860**	**19,901**

The movements on the allowance account are determined by comparing the classification and amount in the balance sheet at the beginning and the end of the year. The table above excludes the allowance account of DKK 4 million (2023: DKK 4 million) relating to bonds at amortised cost or fair value through Other comprehensive income (all in stage 1). It also excludes the adjustment for credit risk on Loans held for sale (loan portfolios where the Group has entered into sales agreements). For further information on the decomposition of the allowance account on facilities in stages 1-3, see the notes on credit risk.

G15. Loans at amortised cost – Continued

Reconciliation of gross credit exposure

	Loans at amortised cost			Loans at fair value			Loan commitments and guarantees			Total
(DKK millions)	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Gross carrying amount at 1 January 2023	1,163,791	103,889	19,991	674,974	43,152	9,175	487,921	28,993	3,060	2,534,946
Transferred to stage 1	24,436	-23,919	-517	19,977	-19,269	-707	4,419	-4,295	-124	-
Transferred to stage 2	-32,018	33,463	-1,445	-5,314	6,194	-880	-8,569	8,948	-379	-
Transferred to stage 3	-2,006	-2,730	4,736	-887	-909	1,796	-1,339	-805	2,144	-
New assets	271,614	19,443	5,491	93,294	2,191	495	193,950	6,879	434	593,790
Assets derecognised	-259,668	-31,272	-6,955	-60,819	-6,542	-1,369	-201,248	-11,898	-1,388	-581,160
Changes due to modifications that did not result in derecognition	-	-	-303	-4	-	-	-	-	-	-308
Other changes	41,386	-6,645	-227	2,035	-186	-113	-9,681	-459	-228	25,883
As at 31 December 2023	**1,207,535**	**92,229**	**20,770**	**723,254**	**24,631**	**8,397**	**465,453**	**27,364**	**3,519**	**2,573,152**
Transferred to stage 1	14,694	-14,362	-332	5,784	-5,181	-603	4,843	-4,643	-201	-
Transferred to stage 2	-28,554	29,629	-1,075	-10,864	11,800	-935	-4,243	4,464	-221	-
Transferred to stage 3	-2,548	-2,268	4,816	-1,700	-923	2,623	-369	-176	546	-
New assets	377,287	29,680	4,488	81,326	2,457	511	247,042	10,954	2,115	755,860
Assets derecognised	-376,938	-34,803	-8,180	-61,915	-3,655	-1,383	-187,509	-11,224	-1,609	-687,215
Changes due to modifications that did not result in derecognition	-	-	-2	-11	-	-5	-	-	-	-18
Other changes *	-189,759	-5,146	-325	-14,433	-557	-240	-21,055	-267	-158	-231,939
As at 31 December 2024	**1,001,717**	**94,958**	**20,161**	**721,442**	**28,572**	**8,364**	**504,161**	**26,473**	**3,992**	**2,409,840**

* Other changes in Loans at amortised cost in 2024 include loans that were included in the sale of the personal customers business in Norway. See note G23 for more detail.

(d) Significant accounting estimates related to expected credit losses

For information on significant accounting estimates related to expected credit losses, see note G1(b).

G16. Loans and issued bonds at fair value

The Group has two types of portfolios of loans and issued bonds that are measured at fair value through profit or loss. The first portfolio consists of loans granted and bonds issued by the subsidiary Realkredit Danmark, a Danish mortgage institution covered by Danish mortgage finance law. The other portfolio consists of loans and bonds issued by the Group's trading units (Markets in LC&I).

Accounting policy

Loans granted and bonds issued by Realkredit Danmark

Loans granted by Realkredit Danmark have contractual cash flows that are not solely payment of principal and interest on the principal amount outstanding. This is because borrowers may repay the loans by delivering the underlying bonds, which represents an option to prepay at fair value that can be both above and below the principal amount plus interest. This is not consistent with the SPPI test since changes in the underlying bonds' fair value reflects other factors than just interest rate developments. Therefore, the loans are mandatorily recognised at fair value through profit or loss. The issued bonds that are funding the loans are designated at fair value through profit or loss in order not to create an accounting mismatch. For the issued bonds, changes in fair value attributable to the Group's own credit risk is presented in the income statement, as an accounting mismatch would otherwise be introduced.

The fair value of the bonds issued by Realkredit Danmark is normally defined as their quoted market price. A small number of the issued bonds are illiquid, however, and the fair value of these bonds is calculated on the basis of a discounted cash flow valuation technique. The fair value of the loans is based on the fair value of the underlying bonds which ensures that changes in the fair value of the interest rate risk on the loans are measured based on market implied input. This fair value is adjusted for changes in the fair value of cash flows from the loans that differ from the cash flows from the issued bonds. The most important component is the credit risk on the borrowers (covered by the Group and not by the bond holders and therefore not priced into the price of the issued bonds).

Changes in fair value of credit risk etc. on the loans

The IFRS 13 estimate of the fair value of the credit risk on the loans is based on the expected credit losses estimated in the models developed in connection with the Group's implementation of the expected credit loss impairment model in IFRS 9, including the allocation of loans between stage 1, stage 2 and stage 3. The expected credit losses are calculated for all loans as a function of PD, EAD and LGD and incorporates forward looking information, see further in note G15. The latter reflects management's expectations of expected credit losses and involves multiple scenarios (base case, upside and downside), including an assessment of the probability for each scenario.

On top of the expected credit losses, a collective assessment determines the need for further adjustments to reflect other components in the fair value measurement, such as an assessment of lifetime expected credit losses for loans in stage 1, an investors risk premium, compensation for administrative costs related to the loans and the possibility to increase the margin on the loans if the credit risk etc. increases. It is acknowledged that the possibility to increase the margin depends on the economic resources of the customers. The possibility to increase the margin is therefore only considered in the measurement if it is very likely that the margin can be increased without the customer defaulting. Further, the possibility to increase the margin is only relevant if it does not give the customer an incentive to “move” to another mortgage institution. Therefore, the possibility to increase the margin is only relevant for the measurement of loans to customers with neither a relatively high credit risk nor a relatively low credit risk.

The discount rate used to discount the cash flows represents the interest rate on the funding bonds. This is considered to be close to a risk-free interest rate. The risk premium is incorporated into the cash flows. The risk premium is assumed to be higher for customers

Accounting policy - continued

with high credit risk than for customers with low credit risk. Further, the adjustments for changes in the fair value of the credit risk and other components cannot increase the value of a loan (the adjustment cannot be positive).

Other loans and issued bonds measured at fair value through profit or loss

The loans in the Group's trading units (Markets and Investment Banking in LC&I) are managed and their performance reported on a fair value basis and the loans are under IFRS 9 mandatorily measured at fair value through profit or loss. In order not to introduce an accounting mismatch by measuring the financial assets in the trading units at fair value through profit or loss and the financial liabilities at amortised cost, the financial liabilities in the trading units are designated at fair value through profit or loss with fair value changes attributable to the Group's own credit risk presented in Other comprehensive income.

(a) Loans at fair value

(DKK millions)	2024	2023
Loans granted by Realkredit Danmark:		
Nominal value	794,568	806,157
Fair value adjustment of underlying bonds	-36,190	-49,874
Adjustment for credit risk	3,191	3,006
Fair value of loans granted by Realkredit Danmark	**755,188**	**753,277**
Loans in the Group's trading units:		
Reverse transactions	319,596	174,963
Total	**1,074,783**	**928,239**

(b) Issued bonds at fair value

(DKK millions)	2024	2023
Bonds issued by Realkredit Danmark:		
Nominal value	875,633	848,774
Fair value adjustment of funding of current loans	-36,190	-49,874
Holding of own mortgage bonds	94,948	57,837
Fair value of bonds issued by Realkredit Danmark	**744,495**	**741,062**
Bonds issued by the Group's trading units:		
Commercial papers and certificates of deposit	2,061	7,718
Total	**746,556**	**748,780**

G16. Loans and issued bonds at fair value – Continued

(c) Further explanation on loans granted and bonds issued by Realkredit Danmark
Each loan granted by Realkredit Danmark is funded by issuing listed mortgage bonds with matching characteristics (e.g. amount outstanding, reference interest rate, term and currency). The borrower may repay the loan by delivering the underlying bonds to Realkredit Danmark.

The loans are held in a business model being similar to other loans in the Group's banking units, i.e. the business model under IFRS 9 is 'held to collect'. The customers' right to prepay a loan by delivering the underlying bonds represents an option to prepay at fair value. Under this prepayment option, the prepayment amount can be both above and below the principal amount plus accrued interest. Changes in the fair value of the underlying bonds include other elements than the effect of changes in the relevant benchmark interest rate and the prepayment option is therefore not consistent with the SPPI test in IFRS 9 and are mandatorily measured at FVPL.

To eliminate the accounting mismatch that would exist if the loans are measured at fair value through profit or loss and the issued bonds at amortised cost, the issued bonds are designated at fair value through profit or loss using the fair value option for financial liabilities in IFRS 9. As the fair value of the loans is based on the fair value of the issued bonds, fair value changes of the issued bonds are offset by fair value changes of the loans, including the changes related to the fair value of the own credit risk of the issued bonds. For example, if the credit quality of the bonds worsens the fair value of the liability decreases and the fair value of the loans also decreases. Therefore, fair value changes of own credit risk on the issued bonds are recognised in the income statement, as an accounting mismatch would otherwise be created if changes in own credit risk were recognised in Other comprehensive income.

The value of the loans is affected by changes in the credit risk on the loans. In 2024, the Group recognised DKK 333 million regarding changes in the credit risk on loans at fair value (2023: DKK -109 million) see note G11. At the end of 2024, the accumulated changes in the credit risk amounted to DKK 3,191 million (2023: DKK 3,006 million). The amounts are determined as the amount of the change in fair value that is not attributable to changes in market conditions that give rise to market risk, with the latter being represented by the fair value of the funding issued bonds. The Group does not use credit derivatives or similar instruments to mitigate the exposure to credit risk.

The holding of own mortgage bonds includes pre-issued bonds of DKK 56 billion (2023: DKK 31 billion) used for FlexLån® refinancing in January 2025.

The nominal value of bonds issued by Realkredit Danmark equals the amount to be redeemed on maturity.

Fair value adjustment for the credit risk on issued mortgage bonds is calculated on the basis of the option-adjusted spread (OAS). The calculation incorporates maturity, nominal holdings and OAS sensitivity. As a number of estimates are made, the calculation is subject to uncertainty.

In 2024, the Danish mortgage bond yield spread increased and the fair value of issued mortgage bonds thus decreased by approximately DKK 7.0 billion. In 2023, the Danish mortgage bond yield spread increased, causing a decrease in the fair value of issued mortgage bonds. Based on the outstanding portfolio at the end of 2024, Realkredit Danmark estimates that there has been a net increase of the spread since the issuance of the bonds, which produces a positive fair value of approximately DKK 1.37 billion (2023: negative fair value of approximately DKK 0.05 billion). Net profit and shareholders' equity remain unaffected by the change in fair value because the spread narrowing increased the value of mortgage loans correspondingly.

Fair value adjustment for the credit risk on issued mortgage bonds may also be calculated on the basis of changes in similar AAA rated mortgage bonds offered by other Danish issuers. The market for such bonds is characterised by an absence of measurable price differences between bonds with similar features from different issuers. Using this method, no fair value adjustment for credit risk in 2024 or the period since the issue has been required.

(d) Further explanation on loans, deposits and issued bonds by the Group's trading units
The loans in the Group's trading units (Markets in LC&I) are managed and their performance reported on a fair value basis. The loans are mandatorily recognised at fair value through profit or loss as the business model is neither 'held to collect' nor 'held to collect and sell'. The loans consist primarily of reverse transactions and short-term loans. In order not to introduce an accounting mismatch, the financial liabilities in the trading units are designated at fair value through profit or loss, using the fair value option in IFRS 9.

The financial liabilities consist of issued bonds (certificates of deposits and commercial papers) and deposits (including repo transactions) with a maturity no longer than six months in general. Fair value changes attributable to the Group's own credit risk are presented in Other comprehensive income. During 2024, changes in fair value attributable to the Group's own credit risk recognised in Other Comprehensive Income amounted to DKK 0 million (2023: DKK 0 million). In the balance sheet, deposits in the trading units are presented together with other deposits. The amount that the Group would be contractually required to pay at maturity amounts to DKK 2,536 million (2023: DKK 8,066 million) for bonds issued by the Group's trading units.

G17. Assets and deposits under pooled schemes and investment contracts

Assets and deposits under pooled schemes and investment contracts comprises contributions to pooled schemes and contracts defined as investment contracts. Assets include intra-group balances, which are eliminated. Consequently, the value of the line item Deposits under pooled schemes and investment contracts exceeds that of Assets under pooled schemes and investment contracts.

Accounting policy

Assets earmarked for customer savings are measured at fair value and recognised under Assets under pooled schemes and investment contracts. Deposits made by customers are recognised under Deposits under pooled schemes and investment contracts. These deposits are measured at the value of savings, corresponding to the fair value of the assets.

The Group has elected not to deduct own shares from equity that are held on behalf of customers. Therefore total assets under pooled schemes and investment contracts includes these own shares that meet this criterion.

	Pooled schemes		Investment contracts		Total	
(DKK millions)	2024	2023	2024	2023	2024	2023
(a) Assets						
Bonds	13,204	16,992	5,834	6,024	19,038	23,016
Shares	10,910	14,676	14,441	11,146	25,351	25,822
Unit trust certificates	25,639	16,434	2,520	2,564	28,159	18,998
Other	55	38	4,005	3,379	4,060	3,417
Total	**49,808**	**48,140**	**26,800**	**23,113**	**76,608**	**71,253**
including						
other intra-group balances	434	263	-	90	434	353
Total assets recognised in balance sheet	**49,373**	**47,877**	**26,800**	**23,023**	**76,173**	**70,900**
(b) Deposits	49,808	48,140	26,800	23,113	76,608	71,253

Assets under pooled schemes include DKK 258 million of own shares that are not eliminated (2023: DKK 198 million). Assets under investment contracts include DKK 65 million of own shares that are not eliminated (2023: DKK 60 million).

G18. Insurance assets and Insurance liabilities

Insurance contracts are contracts under which the Group accepts significant insurance risk from a policyholder, by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. The Group issues contracts for life insurance and health and accident insurance.

Insurance assets comprise assets earmarked for policyholders because most of the return accrues to policyholders. As the assets can be used only for payment of insurance liabilities, they are presented as a single line in the balance sheet.

Insurance liabilities comprise liabilities as defined by IFRS 17 and other liabilities in the insurance business.

Accounting policy

Insurance assets
Insurance assets are managed on a fair value basis with no short-term profit taking. The business model for managing the assets is therefore neither 'held to collect' nor 'held to collect and sell' and the financial assets are therefore mandatorily recognised at fair value through profit or loss. The valuation technique used matches the Group's accounting policy for similar assets.

The Group has elected to not deduct own shares and own bonds from equity and liabilities respectively that are underlying items of insurance contracts with direct participation features. Therefore total Insurance assets include these own shares and own bonds.

Insurance contract liabilities (part of Insurance liabilities)
The Group has divided all insurance contracts into portfolios and groups and determined measurement methods for the individual groups of contracts. The classification of insurance contracts in the four portfolios is based on an assessment of similar risks and on an overall management approach:

- An average-rate portfolio
- A unit-linked portfolio
- A portfolio of legacy life insurance products in run-off
- A portfolio containing health and accident insurance contracts.

The Group applies the annual cohort exemption from the EU to the average-rate portfolio.

The Group measures Insurance contract liabilities using the General Measurement Model (GMM), Variable Fee Approach (VFA) or Premium Allocation Approach (PAA). The majority of the Group's life insurance contracts are measured using VFA because they meet the definition of insurance contracts with direct participation features. GMM is used for legacy life insurance products in run-off.

Insurance contracts measured using GMM or VFA are initially measured as the total of fulfilment cash flows (which comprise estimated future cash flows, an adjustment for time value of money and effect of financial risks, and a risk adjustment for non-financial risk) and contractual service margin (CSM; unearned profit that will be recognised as the Group provides insurance contract services). At each reporting date, the group of insurance contracts is subsequently measured as the sum of the liability for remaining coverage (comprising fulfilment cash flows relating to future service and CSM) and liability for incurred claims (comprising fulfilment cash flows relating to past service). PAA is applied to the Health and accident insurance portfolio, which comprises only one-year insurance contracts.

G18. Insurance assets and Insurance liabilities - continued

(a) Insurance assets

(DKK millions)	2024	2023
Due from credit institutions	13,872	6,922
Investment securities	509,309	468,312
Holdings in associates	11,873	11,612
Investment property	23,757	21,716
Reinsurance contract assets	204	213
Other assets	8,258	9,780
Total	**567,273**	**518,555**
including		
own bonds	5,437	5,984
other intra-group balances	12,924	16,540
Total assets under insurance contracts	**548,912**	**496,031**

Insurance assets include DKK 26,341 million of own bonds that are not eliminated (2023: DKK 27,794 million) and DKK 1,147 million of own shares that are not eliminated (2023: DKK 1,040 million).

Investment properties held on behalf of insurance customers amount to DKK 23,757 million (2023: DKK 21,716 million). Changes in the fair value of these investment properties will only to a limited extent affect the Group's net profit. The valuation is based on the same principles as investments made for own investment purposes. The required rate of return ranged between 2.5- 7.0% (2023: 2.5-7.0%) and averaged 4.4% (2023: 4.8%). An increase in the required rate of return of 1.0 percentage point would reduce fair value at the end of 2024 by DKK 1,114 million (2023: DKK 3,937 million).

Investment securities within insurance assets

(DKK millions)	2024	2023
Listed bonds	190,122	191,938
Unlisted bonds	2,103	2,458
Listed shares	200,163	146,591
Unlisted shares	36,911	34,755
Unit trust certificates	26,869	27,742
Derivatives with positive fair value	52,102	61,991
Other securities	1,039	2,837
Total	**509,309**	**468,312**

(b) Insurance liabilities

(DKK millions)	2024	2023
Insurance contract liabilities		
Life insurance	439,987	399,330
Health and accident	16,240	16,084
Total insurance contract liabilities	**456,227**	**415,414**
Other insurance-related liabilities		
Due to credit institutions	12,852	14,091
Derivatives with negative fair value	62,479	57,220
Other	12,259	6,819
Total other insurance-related liabilities	**87,590**	**78,130**
Total insurance liabilities before eliminations	**543,817**	**493,544**
including		
Intra-group balances	14,024	10,914
Total	**529,793**	**482,630**

Other insurance-related liabilities are those held within the insurance business. They comprise mostly derivatives and liabilities due to credit institutions, and are measured in accordance with the Group's accounting policies for such liability types.

G18. Insurance assets and Insurance liabilities – continued

(c) Insurance contract liabilities – Life insurance

Analysis by remaining coverage and incurred claims

	2024			2023		
	Liabilities for remaining coverage	Liabilities for incurred claims		Liabilities for remaining coverage	Liabilities for incurred claims	
(DKK millions)	Excluding loss component		Total	Excluding loss component		Total
Balance as at 1 January	399,330	-	399,330	379,358	-	379,358
Insurance revenue	**-3,736**	**-**	**-3,736**	**-3,826**	**-**	**-3,826**
Insurance service expenses						
Incurred claims and other insurance service expenses	-	2,124	2,124	-	2,096	2,096
Losses and reversals of losses on onerous contracts (future service)	22	-	22	-	-	-
Total insurance service expenses	**22**	**2,124**	**2,146**	**-**	**2,096**	**2,096**
Investment component	**-29,506**	**29,506**	**-**	**-25,545**	**25,545**	**-**
Net finance income or expense from insurance contracts issued	**39,829**	**-**	**39,829**	**31,859**	**-**	**31,859**
Cash flows						
Premiums received	37,646	-	37,646	33,547	-	33,547
Incurred claims and other insurance service expenses paid	-	-31,630	-31,630	-	-27,641	-27,641
Changes in amounts due from policyholders	-46		-46	221	-	221
Total cash flows	**37,600**	**-31,630**	**5,970**	**33,768**	**-27,641**	**6,127**
Other	**-3,552**	**-**	**-3,552**	**-16,284**	**-**	**-16,284**
Balance as at 31 December	**439,987**	**-**	**439,987**	**399,330**	**-**	**399,330**

G18. Insurance assets and Insurance liabilities - continued

The fair value approach was applied to insurance contracts on transition to IFRS 17, since the full retrospective approach was impracticable. DKK 3.4 billion of insurance revenue in 2024 relates to contracts that existed at the transition date (2023: DKK 3.6 billion).

Analysis by measurement components - life insurance

(DKK millions)	Estimated present value of future cash flows	Risk adjustment for non-financial risk	CSM for contracts existing at transition date	CSM for other contracts	Total
Balance as at 1 January 2024	381,717	910	14,748	1,955	399,330
Changes that relate to current service					-
CSM recognised for services provided	-	-	-1,352	-190	-1,542
Change in risk adjustment for non-financial risk for risk expired	-	-28	-	-	-28
Experience adjustments	45	-	-	-	45
Total changes that relate to current service	**45**	**-28**	**-1,352**	**-190**	**-1,525**
Changes that relate to future service					
Contracts initially recognised during the year	-954	-	-	954	-
Changes in estimates that adjust the CSM	-348	-52	270	152	22
Total changes that relate to future service	**-1,302**	**-52**	**270**	**1,106**	**22**
Insurance service result	**-1,257**	**-80**	**-1,082**	**916**	**-1,503**
Net finance income or expense from insurance contracts issued	**39,824**	**5**	**-**		**39,829**
Cash flows					
Premiums received	37,646	-	-	-	37,646
Incurred claims and other insurance service expenses paid	-31,630	-	-	-	-31,630
Changes in amounts due from policyholders	-46	-	-	-	-46
Total cash flows	**5,970**	**-**	**-**	**-**	**5,970**
Other	**-3,639**	**-**	**-**	**-**	**-3,639**
Balance as at 31 December 2024	**422,615**	**835**	**13,666**	**2,871**	**439,987**

(DKK millions)	Estimated present value of future cash flows	Risk adjustment for non-financial risk	CSM for contracts existing at transition date	CSM for other contracts	Total
Balance as at 1 January 2023	364,881	1,007	13,194	276	379,358
Changes that relate to current service					
CSM recognised for services provided	-	-	-1,506	-85	-1,591
Change in risk adjustment for non-financial risk for risk expired		-28			-28
Experience adjustments	-41				-41
Total changes that relate to current service	**-41**	**-28**	**-1,506**	**-85**	**-1,660**
Changes that relate to future service					
Contracts initially recognised during the year	-883	-	-	883	-
Changes in estimates that adjust the CSM	-3,864	-77	3,060	881	-
Total changes that relate to future service	**-4,747**	**-77**	**3,060**	**1,764**	**-**
Insurance service result	**-4,788**	**-105**	**1,554**	**1,679**	**-1,660**
Net finance income or expense from insurance contracts issued	**31,851**	**8**	**-**	**-**	**31,859**
Cash flows					
Premiums received	33,547	-	-	-	33,547
Incurred claims and other insurance service expenses paid	-27,641	-	-	-	-27,641
Changes in amounts due from policyholders	221	-	-	-	221
Total cash flows	**6,127**	**-**	**-**	**-**	**6,127**
Other	**-16,354**	**-**	**-**	**-**	**-16,354**
Balance as at 31 December 2023	**381,717**	**910**	**14,748**	**1,955**	**399,330**

The fair value approach was applied to insurance contracts on transition to IFRS 17, since the full retrospective approach was impracticable. As at 31 December 2024, DKK 13.7 billion of total CSM relates to contracts that existed at the transition date (31 December 2023: 14.8 billion).

G18. Insurance assets and Insurance liabilities - continued

Life insurance contracts issued during the year

(DKK millions)	2024	2023
Estimates of the present value of future cash outflows	21,628	24,365
Estimates of the present value of future cash inflows	- 22,582	- 25,249
Risk adjustment for non-financial risk	-	-
Contractual service margin	954	884
Increase in insurance contract liabilities from contracts recognised in the year	**-**	**-**

Expected timing of Contractual service margin recognition

(DKK millions)	2024	2023
Less than 1 year	1,396	1,513
1 – 5 years	5,635	6,061
5 – 10 years	3,742	3,948
More than 10 years	5,764	5,181
Total	**16,537**	**16,703**

G18. Insurance assets and Insurance liabilities – continued

(d) Insurance contract liabilities – Health and accident

Analysis by remaining coverage and incurred claims - Health and accident

	2024					2023				
	Liabilities for remaining coverage		Liabilities for incurred claims			Liabilities for remaining coverage		Liabilities for incurred claims		
(DKK millions)	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Balance as at 1 January	64	1,550	13,659	811	16,084	62	1,196	13,094	1,072	15,424
Insurance revenue	-2,002	-	-	-	-2,002	-1,750	-	-	-	-1,750
Insurance service expenses										
Incurred claims and other insurance service expenses	-	-1,287	3,494	-411	1,796		-887	2,979	436	2,528
Adjustments to liabilities for incurred claims (past service)	-		-166	385	219	-	-	-375	-682	-1,057
Losses and reversals of losses on onerous contracts (future service)	-	1,182	-	-	1,182	-	1,303	-	-	1,303
Total insurance service expenses	-	-105	3,328	-26	3,197	-	416	2,604	-246	2,774
Investment component		-33	18	-7	-22		-57	553	-15	481
Cash flows										
Premiums received	2,003	-	-	-	2,003	1,752	-	-	-	1,752
Incurred claims and other insurance service expenses paid	-	-	-3,011	-	-3,011	-	-	-2,710	-	-2,710
Changes in amounts due from policyholders	-	-	8	-	8	-	-	-3	-	-3
Total cash flows	2,003	-	-3,003	-	-1,000	1,752	-	-2,713	-	-961
Other	-9	-8	-	-	-17	-	-5	121	-	116
Balance as at 31 December	56	1,404	14,002	778	16,240	64	1,550	13,659	811	16,084

G18. Insurance assets and Insurance liabilities - continued

(e) Maturity of insurance contract liabilities
The following table shows a maturity analysis of the Group's insurance contracts, reflecting the timing of estimated present value of future cash flows.

Maturity analysis of insurance contracts

(DKK millions)	2024	2023
1 year	42,914	40,866
1-2 years	37,152	35,284
2-3 years	34,493	32,920
3-4 years	31,918	30,546
4-5 years	29,352	28,125
More than 5 years	280,398	247,673
Total	**456,227**	**415,414**

G19. Intangible assets

Intangible assets consist of goodwill, acquired and internally developed software if certain criteria are fulfilled.

The Group did not make any acquisitions of undertakings in 2024 and in 2023. No impairment charge was recognised in 2024 (2023: DKK 0 billion); see further below.

Accounting policy

Goodwill

Goodwill arises on the acquisition of an undertaking and is calculated as the difference between the cost (until 1 January 2010 including direct transaction costs) of the undertaking and the fair value of its net assets, including contingent liabilities, at the time of acquisition. Goodwill is allocated to cash-generating units at the level at which management monitors the investment.

Goodwill is not amortised; instead, each cash-generating unit is tested for impairment once a year, or more frequently if indications of impairment exist. Goodwill is written down to its recoverable amount through profit and loss if the carrying amount of the net assets of the cash-generating unit exceeds the higher of the assets' fair value less costs to sell and their value in use, which equals the present value of the future cash flows expected from the unit.

Goodwill on associates is recognised under Holdings in associates.

Software

Software acquired is measured at cost, including expenses incurred to make a software application ready for use. Software acquired is amortised over its expected useful life, usually three years, according to the straight-line method.

Software developed by the Group is recognised as an asset if the cost of development is reliably measurable and analyses show that future earnings from using the individual software applications exceed the cost. Cost includes expenses incurred to make a software application ready for use. Once a software application has been developed, the cost is amortised over its expected useful life, usually three years, according to the straight-line method. The cost of development consists primarily of direct remuneration and other directly attributable development costs. Costs incurred in the planning phase are not included but are expensed when incurred.

Software is tested for impairment if indications of impairment exist and is written down to its value in use.

(a) Intangible assets

(DKK millions)	2024	2023
Goodwill	4,438	4,437
Software, acquired or internally developed	2,299	1,627
Total	**6,737**	**6,064**

At the end of 2024, the Group recognised software development cost of DKK 2,126 million as an asset (2023: DKK 1,546 million), DKK 456 million was amortised for 2024 (2023: DKK 434 million). An impairment loss of DKK 61 million was recognised in 2024 on software development costs (2023: DKK 26 million).

(b) Further explanation of impairment testing of goodwill

The Group's goodwill is tested for impairment at least once a year by testing at the level of identifiable cash-generating units to which goodwill has been allocated. Further, if goodwill in a cash-generating unit is fully impaired, a further impairment loss is recognised as an impairment loss on intangible or tangible assets, if any.

(DKK millions)	1 January 2023 Goodwill	Foreign currency translation	31 December 2023 Goodwill	Foreign currency translation	31 December 2024 Goodwill
LC&I, General Banking	507	1	508	-	508
LC&I, Markets and Investment Banking	2,094	5	2,099	2	2,101
LC&I, Asset Management	1,807	4	1,811	2	1,813
Others	19	-	19	-3	16
Total	**4,427**	**10**	**4,437**	**1**	**4,438**

Model applied in the goodwill impairment tests for 2024 and 2023

The impairment test compares the recoverable amount and the carrying amount for each cash-generating unit. The recoverable amount is represented by the present value of expected future cash flows (value in use). The special debt structure of financial institutions requires the use of a discounted dividend (equity) model to calculate the present value of expected future cash flows, as the interest on lending and borrowings is included as part of the cash flows.

The carrying amount for each cash-generating unit is the aggregate of the cash-generating unit's goodwill and allocated capital. The cash-generating unit's allocated capital is derived using the Group's capital allocation framework. The capital framework is based on a regulatory approach to identify the individual business unit's capital consumption and is in accordance with the Group's capital targets. In the 2024 test, allocated capital is allocated as 14% of the cash-generating unit`s risk exposure amount (2023: 14.0%).

For each cash generating unit, the expected future cash flow is based on approved strategies and earnings estimates for the budget period representing the first five years. For the terminal period, the steady state normalised level of earnings (expected dividend) is expected to grow at a constant growth rate equal to expected real GDP growth. Cash flow estimates are post-tax, and the risks of the individual cash-generating units are reflected in the estimated earnings. Accordingly, the risk-adjusted cash flows carry a similar risk profile. The estimated cash flows are discounted at the Group's risk-adjusted required rates of return post-tax.

G19. Intangible assets - continued

Cash generating units with goodwill

Large Corporates & Institutions, General Banking
In 2007, Danske Bank acquired the shares of the Sampo Bank group and incorporated its banking activities into the business structure of Danske Bank's banking activities. In the beginning of 2011, General Banking was separated from banking activities into an independent unit, resulting in reallocation of goodwill to the unit. As a result of organisational changes in 2012, General Banking became part of Corporates & Institutions as a separate cash generating unit. At the organisational changes in 2021, Corporates & Institutions was renamed to Large Corporates & Institutions.

Large Corporates & Institutions, Markets and Investment Banking
The trading activities of Sampo Bank were incorporated into the business structure of Danske Markets in 2007. As a result of organisational changes in 2012, Danske Markets became part of Corporates & Institutions as a separate cash generating unit. In 2015, the unit was renamed to FI&C and Capital Markets. At the organisation changes in 2021, Corporates & Institutions was renamed to Large Corporates & Institutions and FI&C and Capital Markets to Markets and Investment Banking.

Large Corporates & Institutions, Asset Management
The asset management activities of Sampo Bank were incorporated into the business structure of Danske Capital in 2007. In addition to the acquisition of Sampo Bank, goodwill recognised by Danske Capital is attributable to a number of smaller acquisitions. As a result of organisational changes in 2016, Danske Capital became part of Wealth Management as a separate cash generating unit. At the organisational changes in 2021, the Wealth Management segment was dissolved and the asset management activities were transferred to Large Corporates & Institutions as a separate subsegment.

Key assumptions for goodwill impairment tests

Discount rate
The discount rate used to calculate the present value of expected future cash flows is in the test for 2024 unchanged 9% after tax compared to the test in 2023. In the 2023 test, the discount rate was changed from 8% after tax in the 2022 test to 9% after tax. The change was due to an increase in the risk-free rate and market risk premium. The discount rate has been determined on the basis of the Capital Asset Pricing Model and comprises a risk-free interest rate, the market risk premium and a factor covering the systematic market risk (beta factor). The values for the risk-free interest rate, the market risk premium and the beta factor are determined and updated yearly using external sources of information. The Group applies the same discount rate to all cash-generating units, as the risks of the individual cash-generating units are reflected in their estimated cash flows.

Cash flows in the terminal period
Cash flows in the terminal period reflect net earnings (dividend) in the preceding year growing at a constant rate. The growth estimates are determined on the basis of Danske Research's forecasts of real GDP growth for the relevant markets. For Asset Management, General Banking as well as for Markets and Investment Banking & Securities, the assumed growth rate in the terminal period is 1.3% (2023: 1.3%). Around 73% of the net present value of future cash flows is expected to be generated in the terminal period (2023: 77%).

Large Corporates & Institutions, General Banking
Earnings are primarily affected by expectations for the interest level and its resulting effect on net interest income, as well as expectations for net fee income, operating expenses and credit losses.

The interest rate levels used in the impairment test are based on Danske Research's expectations for developments in overnight money market interest rates. When interest rate levels increase, the return on allocated capital will increase. Earnings on lending and deposits depend on the growth in lending and deposits volumes and on changes in lending and deposit margins. We can modify the text to: The growht in lending is above Danske Research's forecasts for real GDP growth which follows the expectations of the Forward '28 Strategy. The growth in lending is 8% in 2025 and from 2026 to 2028 around 6%, and then in year 2029 the growth is equal to GDP growth at 1.3%. Deposit volumes are expected to decline further from the high level during Covid-19, due to an increase in deposit margin, towards the end 2025. Deposit volumes are then expected to grow to end of 2029 also taking into consideration the expected development in existing deposits over time, whereas deposit margins are expected to increase slightly over the years.

Fee income is in especially 2025-2029 expected to increase driven by growth in corporate daily banking fees assumed to be above GDP due to the announced Forward '28 strategy ambition of 5% growth. In addition, net fees have increased compared to 2023 due to a reclassification between trading income and fee income and reclassification of Debt Capital Markets (DCM) investment banking income previously in Markets to General Banking, as described in note G2(a).

For 2025-2029 operating expenses is due to Forward '28 strategy expected to increase, and hence the level for wages and general inflation is compared to last year, expected to increase.

The expectations for credit losses are for the budget period based on Danske Bank's estimates and have been reduced compared to previous years' impairment test, as the provisions have shown to be overly conservative.

Basel IV implementation is included in the forecast based on the Basel IV latest estimates. Compared to last year, the impact of the implementation of new rules are limited as the rules have been adjusted. Furthermore, the forecast for allocated capital is also reduced compared to last year based on a shift in business-driven assumptions like increase for level of interests reducing level of counterparty risk, and a reduced level of volume in general.

Large Corporates & Institutions, Markets and Investment Banking
Earnings are primarily affected by expectations for net fee income, net trading income and costs.

Growth in fee and trading income have been forecasted above GDP growth rate at 2.2% yearly growth Income is impacted by interest on calculated equity and capital cost. Interest on calculated equity is calculated based on the overnight money market interest rate and the allocated capital. Total forecasted income in Markets has decreased from last year due to the reclassification of DCM investment banking revenue to General Banking.

For 2025 and 2026 operating expenses is expected to increase based on the investment in the Forward '28 strategy together with general assumptions for expected wage inflation and other costs with general inflation.

In year 2027 a decrease in other costs is explained by a massive investment in GenAI in the years 2025-2026 reduced in year 2027 together with cost reductions from efficiencies.

Large Corporates & Institutions, Asset Management
Earnings at Asset Management depend primarily on the management fee on assets under management. Expected cash flows therefore depend on expectations for changes in assets under management and the average margin on those assets. For the period until the terminal period, changes in assets under management depend on net sales and on the accumulation of market returns on the assets. Asset under management is expected to grow using Rådet for Afkastforventningers' assumptions. The average margin on assets under management is at the same level as last year. Staff related costs are forecasted based on expectations about inflation for wages and other costs based on general inflation. In year 2025, the inflation rate is especially for other costs at a lower rate than for the test in 2023. All assumptions reflect management's expectations.

G19. Intangible assets - continued

Sensitivity analysis

For General Banking, the excess value (the amount by which the recoverable amount exceeds the carrying amount of goodwill) amounts to DKK 12,015 million (2023: DKK 9,683 million). The increase in excess value is due to expected higher level of strategic growth contributing to especially higher growth in fee, but also improved macroeconomic environment with a higher GDP growth and a lower inflation in year 2024 and 2025 improves the profit. If the growth in the terminal period is reduced from 1.3 % to –3.8% (2023: from 1.3% to –2.7%) or the discount rate is increased from 9.0% to 12.3% (2023: increased from 9.0% to 11.7%) the excess value would be zero.

For Markets and Investment Banking, the excess value amounts to DKK 8,400 million (2023: DKK 6,055 million). The increase in the excess value is mainly due to a decrease in the level for the allocated capital as profit is at the same level as included in the test last year. If the growth in the terminal period is reduced from 1.3 % to –7.0% (2023: from 1.3% to -3.2%) or the discount rate is increased from 9.0% to 13.9% (2023: increase from 9.0% to 12.0%), the excess value would be zero.

For *Asset Management*, the excess value amounts to DKK 2,038 million (2023: DKK 1,160 million). The increase in excess value is mainly driven by higher income due to increased expectations to level for growth in AuM, and stable costs base. If the growth in the terminal period is reduced from 1.3% to –13.2% (2023: from 1.3% to -6.2%) or the discount rate is increased from 9.0% to 16.6% (2023: from 9.0% to 13.5%), the excess value would be zero.

G20. Due to credit institutions and central banks and Deposits

Amounts due to credit institutions and central banks and Deposits also include amounts received under repo transactions (sales of securities which the Group agrees to repurchase at a later date). Such transactions are presented as collateralised borrowings.

Accounting policy

Amounts due to credit institutions and central banks and Deposits in the Group's trading units (Markets in LC&I) are designated at fair value through profit or loss. However, the amount of the change in fair value attributable to the Group's own credit risk is recognised in Other comprehensive income.

All other balances are measured at amortised cost. If fixed-rate deposits are hedged effectively by derivatives, the fair value of the hedged interest rate risk is added to the amortised cost of the liabilities.

(a) Due to credit institutions and central banks

(DKK millions)	2024	2023
Designated at fair value:		
Repo transactions	129,910	80,108
Other amounts due	-	5,440
Total designated at fair value	**129,910**	**85,548**
Amortised cost:		
Repo transactions	-	3,727
Other amounts due	84,454	65,333
Total amortised cost	**84,454**	**69,060**
Total	**214,364**	**154,608**

(b) Deposits

(DKK millions)	2024	2023*
Designated at fair value:		
Repo transactions	78,528	113,306
Time deposits	21	6,907
Total designated at fair value	**78,550**	**120,213**
Amortised cost:		
Repo transactions	618	-
Transaction accounts	891,606	904,328
Time deposits	190,046	158,222
Pension savings etc.	12,962	13,685
Total amortised cost	**1,095,232**	**1,076,235**
Total	**1,173,781**	**1,196,447**

* Comparative information has been restated as described in note G2(b).

(c) Further explanation on balances designated at fair value through profit or loss
Any changes in the fair value that is attributable to changes in the Group's own credit risk of the liabilities are recognised in Other comprehensive income. As the deposits are collateralised and/or with a short maturity, no change in the fair value is attributable to changes in the Group's own credit risk. The amount that the Group would be contractually required to pay at maturity amounts to DKK 129.9 billion (2023: DKK 85.5 billion) for Due to credit institutions and central banks and DKK 78.6 billion (2023: DKK 120.2 billion) for Deposits.

G21. Tax

Tax assets and liabilities are divided into current and deferred tax in this note. Current tax relates to expected tax to be paid on the profit for the year, whereas deferred tax relates to temporary differences between the tax base of assets and liabilities and their carrying amount in the balance sheet. Further, this note gives an overview of the Group's tax expense for the year and the effective tax rate broken down by country.

Accounting policy

Current tax

Current tax assets and liabilities are recognised in the balance sheet as the estimated tax payable on the profit for the year adjusted for prepaid tax and prior-year tax payables and receivables. Tax assets and liabilities are offset if the Group has a legally enforceable right to set off such assets and liabilities and intends either to settle the assets and liabilities on a net basis or to realise the assets and settle the liabilities simultaneously.

Deferred tax

Deferred tax on all temporary differences between the tax base of assets and liabilities and their carrying amounts is accounted for in accordance with the balance sheet liability method. Deferred tax is measured on the basis of enacted or substantially enacted tax regulations and rates that are applicable in the relevant countries at the time the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement on the basis of expected cash flows. The Group does not recognise deferred tax on temporary differences between the tax base and the carrying amounts of goodwill not subject to amortisation for tax purposes and other items if the temporary differences arose at the time of acquisition without effect on net profit or taxable income. If the tax base may be calculated according to several sets of tax regulations, deferred tax is measured in accordance with the regulations that apply to the use of the asset or settlement of the liability as planned by management. Tax assets arising from unused tax losses are only recognised if it is expected that such tax losses can be offset against tax on future profit in the next five years. Deferred tax assets and liabilities are offset when they relate to the same tax jurisdiction, a legally enforceable right to offset exists and the Group intends to settle on a net basis.

Current and deferred tax is calculated on the profit for the year, and adjustments of prior-year tax charges are recognised in the income statement. Tax on items recognised under Other comprehensive income is recognised under Other comprehensive income. Similarly, tax on items recognised in equity is recognised in equity. When uncertainty over tax treatment exists, the uncertainty is reflected by using either the most likely outcome (if the possible outcomes are binary or are concentrated on one value) or the expected value, probability weighted amounts in a range of possible outcomes (if there is a range of possible outcomes that are neither binary nor concentrated on one value).

(a) Tax assets and liabilities

(DKK millions)	Tax assets		Tax liabilities	
	2024	2023	2024	2023
Current tax charge	4,784	2,018	1,007	450
Deferred tax	1,030	1,246	1,218	1,107
Total	**5,814**	**3,264**	**2,225**	**1,557**

(b) Change in deferred tax

(DKK millions)	1 January	Foreign currency translation	Recognised in profit for the year	Recognised in shareholders' equity	31 December
2024					
Intangible assets	525	-19	-108	-	398
Tangible assets	-993	-16	987	-5	-27
Securities	535	-27	-290	-	218
Provisions for obligations	1,205	3	-411	13	810
Tax loss carry forwards	-623	-18	43	-	-598
Other	-787	-4	164	15	-612
Total	**-139**	**-81**	**385**	**23**	**188**
2023					
Intangible assets	217	-2	310	-	525
Tangible assets	-179	-16	-794	-4	-993
Securities	94	-6	447	-	535
Provisions for obligations	391	7	1,166	-359	1,205
Tax loss carry forwards	-504	-8	-111	-	-623
Other	404	-6	-1,273	88	-787
Total	**422**	**-31**	**-255**	**-275**	**-139**

Recognition of deferred tax requires management to assess the probability and amount of future profit. Deferred tax assets arising from unused tax losses are recognised to the extent that such losses can be offset against tax on future profit in the next five years. The tax base of unrecognised tax loss carryforwards, relating primarily to the Group's banking operations in Ireland, amounted to DKK 2.3 billion (2023: DKK 2.4 billion).

G21. Tax – continued

(c) Tax expense

Tax expense 2024

(DKK millions)	Denmark	Finland	Sweden	Norway	UK	Ireland	Other	Total
Profit before tax	18,691	3,559	3,480	2,393	2,176	497	416	31,212
Tax on profit for the year								
Current tax charge	4,267	644	667	972	385	-	95	7,030
Transferred to other comprehensive income	-123	-	11	-	13	-	-	-99
Change in deferred tax	1,045	70	62	-357	141	91	-3	1,049
Adjustment recognised tax loss	-	-	-	-	-4	-91	-	-95
Adjustment of prior-year tax charges	-108	1	4	-105	7	-91	-10	-302
Change in deferred tax charge as a result of increased tax rate	-	-	-	-	-	-	-	-
Total	**5,081**	**714**	**744**	**510**	**542**	**-91**	**82**	**7,583**
Effective tax rate %								
Tax rate	26.0	20.0	20.6	25.0	26.8	12.5		
Non-recognised tax loss	-	-	-	-	-	-12.5		
Non - taxable income	-0.4	-	-0.1	-0.6	-2.5	-		
Non-deductible expenses	2.1	0.1	0.8	1.3	0.5	-		
Tax on profit for the year	**27.7**	**20.1**	**21.3**	**25.7**	**24.8**	**-**		
Adjustment of prior-year tax charges	-0.5	-	0.1	-4.4	0.3	-18.2		
Adjustment recognised tax loss	-	-	-	-	-0.2	-		
Change in deferred tax charge as a result of increased tax rate	-	-	-	-		-		
Effective tax rate	**27.2**	**20.1**	**21.4**	**21.3**	**24.9**	**-18.2**	**-**	**24.3**
Tax on other comprehensive income								
Remeasurement of defined benefit plans	4	-	11	-	-1	-	-	14
Hedging of units outside Denmark	-258	-	-	-	-	-	-	-258
Unrealised value adjustments of bonds	131	-	-	-	14	-	-	145
Total	**-123**	**-**	**11**	**-**	**13**	**-**	**-**	**-99**

G21. Tax – continued

Tax expense 2023

(DKK millions)	Denmark	Finland	Sweden	Norway	UK	Ireland	Other	Total
Profit before tax	18,444	2,375	552	2,461	2,052	364	434	26,682
Tax on profit for the year								
Current tax charge	4,847	573	114	333	511	-	80	6,458
Transferred to other comprehensive income	201	-	-26	-	-170	-	-	5
Change in deferred tax	29	-99	36	300	158	44	10	478
Adjustment recognised tax loss	-	-	-	-	-134	-44	-	-178
Adjustment of prior-year tax charges	-1,391	20	52	-37	3	-44	48	-1,349
Change in deferred tax charge as a result of increased tax rate	-	-	-	-	6	-	-	6
Total	**3,686**	**494**	**176**	**596**	**374**	**-44**	**138**	**5,420**
Effective tax rate %								
Tax rate	25,2	20,0	20,6	25,0	26,2	12,5		
Non-recognised tax loss	-	-	-	-	-	-12,5		
Non - taxable income	-0,9	-0,1	-0,4	-0,5	-2,2	-		
Non-deductible expenses	3,2	-	2,2	1,2	0,3	-		
Tax on profit for the year	**27,5**	**19,9**	**22,4**	**25,7**	**24,3**	**-**		
Adjustment of prior-year tax charges	-7,5	0,9	9,4	-1,5	0,1	-12,0		
Adjustment recognised tax loss	-	-	-	-	-6,5	-		
Change in deferred tax charge as a result of increased tax rate	-	-	-	-	0,3	-		
Effective tax rate	**20,0**	**20,8**	**31,8**	**24,2**	**18,2**	**-12,0**	**-**	**20,3**
Tax on other comprehensive income								
Remeasurement of defined benefit plans	-18	-	-26	-	-257	-	-	-301
Hedging of units outside Denmark	-10	-	-	-	-	-	-	-10
Unrealised value adjustments of bonds	229	-	-	-	87	-	-	316
Total	**201**	**-**	**-26**	**-**	**-170**	**-**	**-**	**5**

G21. Tax - continued

During 2023, a provision to cover an expected tax payment of DKK 576 million was reversed following a final decision from the tax authorities regarding the exit from the international joint taxation scheme in 2019. A further payment of DKK 670 million was received during 2023 due to a correction of tax paid in previous years on certain financial assets and liabilities measured at amortised cost.

(c) Pillar II disclosure

The Global Anti-Base Erosion Model Rules (GloBE Rules or Pillar Two model rules) apply to multinational enterprises (MNEs) with revenue in excess of EUR 750 million per their consolidated financial statements. The Pillar Two model rules introduce new taxing mechanisms under which MNEs would pay a minimum level of tax. The new taxing mechanisms impose a minimum tax on the income arising in each jurisdiction in which an MNE operates by imposing a Top-up Tax in a jurisdiction whenever the effective tax rate, determined on a jurisdictional basis under the GloBE Rules, is below a 15% minimum rate.

The Group is in scope of the OECD Pillar Two model rules and has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Consequently, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group has estimated that the effective tax rates exceed 15% in all jurisdictions, except for Ireland, where one of the Group's branches operates.

The Group's assessment indicates for Ireland that the weighted average effective tax rate based on accounting profit is -18.2% for the annual financial year ended 31 December 2024. However, due to losses carried forward in the Ireland branch, no Pillar Two tax has been included in the income tax in the statement of profit or loss.

G22. Issued bonds

The issued bonds presented in this note consist of preferred senior, non-preferred senior and subordinated bonds issued by the Group, with the exception of additional tier 1 capital accounted for as equity. Note G16 provides more information about issued bonds measured at fair value through profit or loss and note G25 provides more information about additional tier 1 capital accounted for as equity.

Preferred senior bonds are presented under the balance sheet item Issued bonds at amortised cost, while non-preferred senior and subordinated bonds are presented as separate line items in the balance sheet. Non-preferred senior bonds rank senior to subordinated debt and junior to other debt. Subordinated bonds are liabilities in the form of subordinated loan capital and other capital instruments which, in case of the Group's voluntary or compulsory winding-up, will not be repaid until the claims of its ordinary and non-preferred senior creditors have been met. Subordinated bonds include additional tier 1 capital that converts into a variable number of ordinary shares if the common equity tier 1 capital ratio falls below 7% for Danske Bank A/S or Danske Bank Group (the trigger event). The number of shares the additional tier 1 capital could potentially convert into a function of the share price at the time of conversion, however, minimised to USD 23.97 per share (a maximum of 62.6 million shares for the outstanding amount of the capital of USD 1.5 billion). This capital utilises 70% of the Board of Directors' authorisation to issue shares without pre-emption rights.

Accounting policy

Issued bonds, both senior, non-preferred senior and subordinated bonds, are at initial recognition measured at fair value less transaction costs and subsequently measured at amortised cost plus the fair value of the hedged interest rate risk. Interest expense is recognised according to the effective interest rate method, including amortisation of any difference between the amount received on issue and the redemption amount.

The Group issues perpetual bonds with discretionary interest payments that fulfil the requirements for additional tier 1 capital under the Capital Requirements Regulation (CRR). If a trigger event occurs, those bonds must be either written down temporarily or converted into a variable number of ordinary shares, depending on the terms of the individual bond issue. Bonds that convert into a variable number of ordinary shares are accounted for as liabilities, while bonds that are temporarily written down are accounted for as equity. For liability accounted bonds, the interest expense is recognised in the income statement, i.e. the bonds are accounted for as liabilities in their entirety.

The yield on some issued bonds depends on an index that is not closely linked to the bonds' financial characteristics, for example an equity or commodity index. Such embedded derivatives are bifurcated and measured at fair value in the trading portfolio.

(a) Issued bonds

Issued bonds at fair value

(DKK millions)	2024	2023
Bonds issued by Realkredit Danmark (covered bonds)	744,495	741,062
Commercial papers and certificates of deposits	-	5,228
Structured retail notes	2,061	2,489
Total	**746,556**	**748,780**

Bonds issued by Realkredit Danmark under the Group's green finance framework amounted to a nominal value of DKK 29,126 million outstanding at the end of 2024 (2023: DKK 27,153 million).

Issued bonds at amortised cost

(DKK millions)	2024	2023
Commercial papers and certificates of deposits	49,044	24,419
Preferred senior bonds	66,778	63,345
Covered bonds	126,763	124,703
Structured retail notes	612	1,766
Issued bonds at amortised cost, total	**243,198**	**214,234**
Non-preferred senior bonds	89,492	93,194

Further information on issued bonds at fair value through profit or loss can be found in note G16. The issuance and redemption of bonds (including commercial papers and certificates of deposits at fair value) during the year and the maturity of the outstanding bonds are presented in the following tables.

G22. Issued bonds – continued

Other issued bonds
Other issued bonds in the following tables comprises Issued bonds at fair value excluding Realkredit Danmark, Issued bonds at amortised cost and Non-preferred senior bonds.

Nominal value of other issued bonds

(DKK millions)	1 January 2024	Issued	Redeemed	Foreign currency translation	31 December 2024
Commercial papers and certificate of deposits	29,613	78,934	60,856	1,310	49,002
Preferred senior bonds	65,545	10,684	8,735	1,099	68,592
Covered bonds	129,419	27,161	25,770	-2,137	128,673
Structured retail notes	4,076	-	1,154	196	3,117
Non-preferred senior bonds	97,900	28,404	35,782	1,067	91,588
Total	**326,553**	**145,182**	**132,298**	**1,534**	**340,972**

(DKK millions)	1 January 2023	Issued	Redeemed**	Foreign currency translation	31 December 2023
Commercial papers and certificate of deposits	9,128	66,432	36,812	-9,135	29,613
Preferred senior bonds*	52,421	39,700	25,430	-1,146	65,545
Covered bonds	156,740	33,000	65,850	5,529	129,419
Structured retail notes*	6,927	-	2,414	-437	4,076
Non-preferred senior bonds	100,586	22,500	23,700	-1,486	97,900
Total	**325,801**	**161,633**	**154,206**	**-6,675**	**326,553**

* DKK 4.1 billion of Structured retail notes as at 31 December 2023 that were previously included within Preferred senior bonds are now presented separately. There is no impact on total Other issued bonds.
** Redeemed covered bonds in 2023 includes DKK 25.8 billion of covered bonds that were reclassified to Liabilities in disposal groups held for sale. See note G23 for more detail.

The Group has issued non-preferred senior bonds and preferred senior bonds in accordance with the Group's green bond framework. At the end of 2024, the nominal value of green non-preferred senior bonds issued amounted to DKK 20,515 million (2023: DKK 24,223 million), and the nominal value of green preferred senior bonds issued amounted to DKK 9,082 million (2023: DKK 9,134 million).

Broken down by maturity

(DKK millions)	2024	2023
Redeemed bonds 2024		96,248
2025	114,771	69,343
2026	64,979	55,084
2027 or later	161,222	105,877
Nominal value of other issued bonds	**340,972**	**326,553**
Fair value hedging of interest rate risk	-1,781	-7,389
Premium/discount	-595	-432
Own holding of bonds issued	3,844	3,586
Total other issued bonds	**334,751**	**315,145**

(b) Subordinated debt
Subordinated debt consists of liabilities in the form of issued subordinated bonds. Some of these bonds (presented as liability accounted additional tier 1 capital below) rank below other subordinated bonds. Early redemption of subordinated debt must be approved by the Danish FSA. Subordinated debt is included in total capital in accordance with the CRR.

The issuance and redemption of subordinated debt during the year and the maturity of the outstanding debt are presented in the tables below.

Nominal value of subordinated debt

(DKK millions)	1 January 2024	Issued	Redeemed	Foreign currency translation	31 December 2024
Subordinated debt, excluding liability accounted additional tier 1 capital	24,895	12,056	6,236	17	30,732
Liability accounted additional tier 1 capital	15,174	-	5,170	704	10,708
Total	40,069	12,056	11,406	721	41,440

(DKK millions)	1 January 2023	Issued	Redeemed	Foreign currency translation	31 December 2023
Subordinated debt, excluding liability accounted additional tier 1 capital	24,837	-	-	58	24,895
Liability accounted additional tier 1 capital	15,676	-	-	-503	15,174
Total	40,514	-	-	-445	40,069

G22. Issued bonds – continued

Currency	Borrower	Note	Nominal (millions)	Interest rate	Year of issue	Maturity	Redemption price	2024 (DKK m)	2023 (DKK m)
Subordinated debt, excluding liability accounted additional tier 1 capital									
Redeemed in 2024									6,262
EUR	Danica	a	500	4.375	2015	29.09.2045	100	3,730	3,727
EUR	Danske Bank A/S	b	750	1.375	2019	12.02.2030	100	5,595	5,590
EUR	Danske Bank A/S	c	500	1.50	2020	02.09.2030	100	3,730	3,727
EUR	Danske Bank A/S	d	750	1.00	2021	15.05.2031	100	5,595	5,590
EUR	Danske Bank A/S	e	750	4.625	2024	14.05.2034	100	5,595	-
SEK	Danske Bank A/S	f	4,250	var	2024	23.08.2034	100	2,757	-
EUR	Danske Bank A/S	g	500	3.75	2024	19.11.2036	100	3,730	-
Subordinated debt, excluding liability accounted additional tier 1 capital								**30,732**	**24,895**
Liability accounted additional tier 1 capital									
Redeemed in 2024									5,058
USD	Danske Bank A/S	h	750	7.00	2018	Perpetual	100	5,354	5,058
USD	Danske Bank A/S	i	750	4.375	2021	Perpetual	100	5,354	5,058
Liability accounted additional tier 1 capital								**10,708**	**15,174**
Nominal subordinated debt								41,440	40,069
Discount								-80	-72
Fair value hedging of interest rate risk								-383	-997
Own holding of subordinated debt								-180	-226
Total subordinated debt								**40,798**	**38,774**
Portion included in total capital as additional tier 1 or tier 2 capital instruments								27,002	36,342

As at 31 December 2024, the Group has no additional tier 1 bond issues accounted for as equity (31 December 2023: DKK 0 billion).

G22. Issued bonds - continued

a) Optional redemption from September 2025. If the debt is not redeemed, the annual interest rate will be reset at 4.375 percentage points above the 10-year EUR swap rate every tenth year until maturity. Solvency II compliant tier 2 capital and included in Danica's capital base.

b) Optional redemption in February 2025. If the debt is not redeemed, the annual interest rate will be reset at 1.70 percentage points above the 5-year EUR swap rate for the remaining five years until maturity. CRR compliant tier 2 capital.

c) Optional redemption in September 2025. If the debt is not redeemed, the annual interest rate will be reset at 1.90 percentage points above the 5-year EUR swap rate for the remaining five years until maturity. CRR compliant tier 2 capital.

d) Optional redemption in February-May 2026. If the debt is not redeemed, the annual interest rate will be reset at 1.40 percentage points above the 5-year EUR swap rate for the remaining five years until maturity. CRR compliant tier 2 capital.

e) Optional redemption in February-May 2029. If the debt is not redeemed, the annual interest rate will be reset at 1.95 percentage points above the 5-year EUR swap rate for the remaining five years until maturity. CRR compliant tier 2 capital.

f) Optional redemption in May-August 2029. If the debt is not redeemed, the quarterly interest rate will be reset at 1.70 percentage points above the 3 month STIBOR rate for the remaining five years until maturity. CRR compliant tier 2 capital.

g) Optional redemption in November 2031. If the debt is not redeemed, the annual interest rate will be reset at 1.55 percentage points above the 5-year EUR swap rate for the remaining five years until maturity. CRR compliant tier 2 capital.

h) Optional redemption from June 2025. If the debt is not redeemed, the annual interest rate will be reset at 4.130 percentage points above 5-year CMT rate. CRR compliant tier 1 capital. The capital converts into a variable number of shares if Danske Bank Group's or Danske Bank A/S' common equity tier 1 capital ratio falls below 7%. The instrument is included as a CRR compliant additional tier 1 capital instrument in the statement of capital.

i) Optional redemption from May 2026. If the debt is not redeemed, the annual interest rate will be reset at 3.387 percentage points above the 5 year CMT-rate. The capital converts into a variable number of shares if Danske Bank Group's or Danske Bank A/S's common equity tier 1 capital ratio falls below 7%. The instrument is included as a CRR compliant additional tier 1 capital instrument in the statement of capital.

G23. Assets held for sale and Liabilities in disposal groups

Assets held for sale and Liabilities in disposal groups held for sale includes assets and liabilities that fall under IFRS 5.

Accounting policy

Assets held for sale and Liabilities in disposal groups
Assets held for sale are disposal groups of assets actively marketed for sale and for which a sale is expected to occur within 12 months. A disposal group is a group of assets that will be disposed of in a single transaction and includes any directly associated liabilities. A disposal group includes for example companies (subsidiaries) or properties taken over under non-performing loan agreements. Further, loans that are marketed for sale are transferred to Assets held for sale. The loans are written down to their expected selling price.

The net assets in the disposal group are remeasured at the lower of the carrying amount of the net assets in the disposal group at the time of reclassification and fair value less expected cost to sell.

If a disposal group of assets and liabilities represents a separate major line of business (typically a reportable segment) or a geographical area of operation or is a subsidiary acquired exclusively with a view of resale, it is presented as a discontinued operation. For a discontinued operation, net profit is presented as a single item 'Net profit from discontinued operations' in the income statement, i.e. no longer included as income and expenses from the Group's continuing operations.

(DKK millions)	2024	2023
Assets held for sale		
Loans	-	110,415
Other	160	289
Total	**160**	**110,704**
Liabilities in disposal groups		
Deposits	-	30,599
Covered bonds	-	25,877
Total	**-**	**56,476**

As announced in July 2023, Danske Bank has entered into an agreement to sell its personal customers business Norway. The sale, which included loans, deposits and issued bonds at amortised cost, was completed in the fourth quarter of 2024.

Assets held for sale also includes lease assets (where the Group acts as lessor) put up for sale at the end of the lease and properties taken over by the Group under non-performing loan agreements. The Group expects to sell the properties through a real estate agent within 12 months from the date of acquisition. The properties comprise properties in Denmark and in other countries.

G24. Other assets and Other liabilities

The Group uses quantitative and qualitative materiality considerations when aggregating line items in the balance sheet that are not considered individually material. Such line items are presented under Other assets or Other liabilities and consist of net assets or net liabilities in defined benefit pension plans, investment property, tangible assets, right-of-use lease assets and lease liabilities and holdings in associates.

The Group uses clean pricing of financial instruments, and accrued interest is therefore included in Other assets and Other liabilities. In addition, prepayments and accrued income and expenses are included under Other assets and Other liabilities. Other staff commitments includes provisions for holiday payments, variable remuneration, severance pay etc. The provisions recognised represent the compensation that the employee has earned and that is expected to be paid to the employee.

Accounting policy

Right of use lease assets and lease liabilities

The Group recognise a right-of-use asset and a lease liability at the commencement date, for all lease agreements, that the Group has entered into as lessee, except short-term leases and leases of low value asset. The lease liability is initially measured at the present value of the future payments from lease components, discounted using the incremental borrowing rate for the individual lease. The lease liability is subsequently measured by increasing the carrying amount, to reflect interest and by reducing the carrying amount to reflect the lease payments made. Further lease liabilities are changed when remeasurements are needed, corresponding adjustment is the related right-of-use asset. Gain or loss from a lease modification that are not accounted for as a separate lease is recognised in profit and loss. The initial right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made at or before the commencement day, initial direct costs and costs to restore the underlying asset. The right-of-use asset are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. When the Group is an intermediate lessor, the Group accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Loan commitments and guarantees

The Group issues a number of loan commitments and guarantees. Such exposures are subject to impairment for expected credit losses. Further information can be found in note G15.

Other provisions, including litigations

Provisions for other obligations, such as lawsuits, are recognised if the obligation is likely to result in a payment obligation and the amount can be measured reliably. Liabilities are recognised at the present value of expected payments.

Other assets and other liabilities

(DKK millions)	2024	2023
Other assets		
Accrued interest and commissions due	7,352	7,264
Prepayments, accruals and other amounts due	9,727	10,811
Defined benefit pension plan, net assets	907	806
Investment property	396	157
Tangible assets	7,092	7,418
Right of use lease assets	3,675	4,010
Holdings in associates	396	612
Total	**29,547**	**31,079**
Other liabilities		
Sundry creditors	42,659	33,005
Accrued interest and commissions due	13,265	12,902
Defined benefit pension plans, net liabilities	275	301
Other staff commitments	1,287	1,175
Lease liabilities	3,787	4,102
Loan commitments and guarantees etc.	2,893	3,161
Reserves subject to a reimbursement obligation	2	2
Provisions, including litigations	1,866	2,398
Total	**66,033**	**57,046**

Information on defined benefit plans and holdings in associates is provided in notes G9 and G38, respectively.

G24. Other assets and Other liabilities - Continued

(a) Further explanation other assets
Right-of-use lease assets consist of domicile property of DKK 3,675 million (2023: DKK 4,010 million). The depreciation charge is DKK 630 million (2023: DKK 704 million). The interest expense on the corresponding lease liability is DKK 143 million (2023: DKK 91 million). There has been no significant impairment losses of the right-of-use lease assets in 2024 and 2023.

Tangible assets consist primarily of lease assets (where the Group acts as lessor). Further, it includes domicile property (not held for sale) amounting to DKK 70 million (2023: DKK 86 million). If indications of impairment exist, the properties are written down to the lower of the carrying amount and its value in use.

(b) Further explanation other liabilities
The following table shows an analysis of provisions by class of provision:

Provisions

(DKK millions)	Customer remediations	Regulatory and legal proceedings	Restructuring cost	Other provisions	Total
Balance as at 1 January 2024	1,559	24	357	457	2,398
Additional provisions made	25	1	48	11	86
Amounts used	247	-	22	70	339
Reversals	110	20	145	-	275
Transfer to other liabilities	-	-	-	-1	-1
Foreign exchange adjustments	1	-1	-1	-3	-4
Balance as at 31 December 2024	**1,228**	**5**	**236**	**396**	**1,866**

Customer remediation refers to activities to compensate customers for losses or damages associated with a failure to comply with regulations or to treat customers fairly. Customer remediation is often initiated by the Group in response to customer complaints and/or industry developments in sales practices and is not necessarily initiated by regulatory action. Customer remediation includes the provision for customer compensation in the debt collection case and other investor protection cases. In 2024, DKK 0.2 billion has been paid out from the provision for debt collection customers in Denmark. The payments will continue in 2024.

Regulatory and legal proceedings include civil court, arbitration or tribunal proceedings brought against companies within the Danske Bank Group (whether by way of claim or counterclaim) or civil disputes that may, if not settled, result in court, arbitration or tribunal proceedings. Regulatory matters refer to investigations, reviews and other actions carried out by, or in response to the actions of, regulators or law enforcement agencies in connection with alleged wrongdoing by companies within the Danske Bank Group. For further information on regulatory and legal proceedings, including the Estonia matter, see note G27(c).

Restructuring costs include provisions for severance pay in connection with termination of employees and provisions for branch mergers and closure of office sites. Other provisions includes a provision of DKK 0.2 billion (2023: DKK 0.4 billion) for restoration of lease assets.

G25. Equity

Equity is the residual interest in the assets after deducting all liabilities recognised in the balance sheet. Equity is divided between capital and reserves that are attributable to holders of shares issued by the Group (owners of Danske Bank A/S) and other parties holding an interest in the net assets of the Group.

At the end of 2024, the nominal value of issued additional tier 1 capital in Danske Bank Group amounted to DKK 10,708 million (2023: DKK 15,174 million), all accounted for as liability instruments; see note G22. Danske Bank A/S may, at its sole discretion, omit interest and principal payments to bondholders. Additional tier 1 capital that are accounted for as equity instruments are included in equity as a non-controlling interest. This means that equity was increased at the time of issue by the net proceeds received. When interest is paid, the amount paid to investors reduces equity at the time of payment and does not affect net profit. If the Group decides to repay the capital, equity will be reduced by the redemption amount at the time of redemption. The capital issued is included in tier 1 capital instruments in the statement of capital as it meets the criteria of the CRR for such instruments.

Accounting policy

Equity is the residual interest in recognised assets after deduction of recognised liabilities. In this context, the following items are of particular interest:

Own shares
Amounts received or paid for the Group's sale or purchase of Danske Bank shares that are neither held on behalf of customers or are underlying items of insurance contracts with direct participation features are recognised directly in equity under transactions with owners. The same applies to premiums received or paid for derivatives entailing settlement in own shares. A capital reduction by cancellation of own shares will lower the share capital by an amount equal to the nominal value of the shares at the time of registration of the capital reduction.

With effect from 1 January 2023 the Group has elected to not deduct from equity own shares that are held on behalf of customers or those that are underlying items of insurance contracts with direct participation features.

(a) Further explanation
Equity consists of various components, including the accumulated balance of each class of Other comprehensive income, retained earnings and issued additional tier 1 capital. The various components of equity are described below. Tax on items recognised directly in equity is recognised under Retained earnings.

Foreign currency translation reserve
Assets and liabilities of units outside Denmark are translated into DKK at the applicable exchange rates at the balance sheet date. Income and expenses are translated at the applicable exchange rates at the transaction date. Gains and losses arising at the translation of net investments in units outside Denmark are recognised under Other comprehensive income and recognised in the foreign currency translation reserve in equity. Net investments include the net assets and goodwill of the units as well as holdings in the form of subordinated loan capital and other loans to the units for which settlement is neither planned nor likely to occur in the foreseeable future. Exchange rate adjustments of financial liabilities used for hedging the Group's net investments are also recognised under Other comprehensive income and in the foreign currency translation reserve. Further information can be found in Note G12(c).

If the net investment in a unit outside Denmark is sold, translation differences, including the impact from hedge, are reclassified from Other comprehensive income to the income statement.

Reserve for bonds at fair value through Other comprehensive income
The reserve covers unrealised fair value adjustments, other than expected credit losses and foreign exchanges gains and losses, of bonds measured at fair value through Other comprehensive income. Unrealised fair value adjustments of hedged interest rate risks that qualify for fair value hedge accounting are recognised in the income statement and are not included in the reserve. When bonds are sold, the Group reclassifies unrealised value adjustments from the reserve to the income statement.

Proposed dividends
The Board of Directors' proposal for dividends for the year submitted to the general meeting is included as a separate reserve in equity. The dividends are recognised as a liability when the general meeting has adopted the proposal. Any dividend payments approved by the Board of Directors during the year are deducted from retained earnings at time of payment, and are therefore not included in proposed dividends.

Share-based payments
Share-based payments by the Group are settled in Danske Bank shares. The fair value at the grant date is expensed over the vesting period and set off against equity. At the time of exercise, payments by employees are recognised as an increase in equity. As with other purchases of Danske Bank shares, shares acquired for hedging purposes reduce equity by the amount paid.

G26. Note to the cash flow statement

This note provides further information on the cash flow statement, including a reconciliation of the cash flows arising from financing activities.

Accounting policy

The cash flow statement is prepared according to the indirect method. The statement is based on pre-tax profit for the year and shows the cash flows from operating, investing and financing activities as well as the increase or decrease in cash and cash equivalents during the year. Cash and cash equivalents consists of cash in hand and demand deposits with central banks as well as amounts due from credit institutions and central banks with an original maturity shorter than three months.

In the cash flow statement, cash flows are divided into cash flows from operations, investing activities and financing activities. Investing activities include cash flows from the sale or acquisition of tangible and intangible assets as well as businesses. Financing activities include cash flows from the Group's issued non-preferred senior bonds, subordinated debt, additional tier 1 capital (both liability- and equity-accounted bonds) and share capital.

All credit institutions and insurance companies supervised by national FSAs are subject to local statutory capital requirements. These requirements restrict intra-group facilities. Note G31 provides information on amounts due from credit institutions that are provided as collateral for liabilities or contingent liabilities.

Adjustment for non-cash operating items

(DKK millions)	2024	2023
Unrealised income from holdings in associates	257	110
Amortisation/depreciation of intangible, tangible and right-of-use assets	1,026	4,244
Loan impairment charges	-544	262
Other	-39	3,810
Total	**700**	**8,426**

Other mostly comprises change in accrued interest and commissions due and payable.

Reconciliation of liabilities from financing activities

(DKK millions)	1 January 2024	Issued	Redeemed	Foreign exchange movement	Fair Value changes	31 December 2024
Subordinated debt	38,774	12,108	11,392	721	587	40,798
Non-preferred senior bonds	93,194	28,338	35,702	1,067	2,595	89,492

(DKK millions)	1 January 2023	Issued	Redeemed	Foreign exchange movement	Fair Value changes	31 December 2023
Subordinated debt	38,350	-	-	-445	869	38,774
Non-preferred senior bonds	93,235	22,425	23,696	-1,486	2,716	93,194

Fair value changes include the impact from fair value hedge accounting, amortisation of transaction costs and changes in own holdings. The cash flows from debt issued and redeemed are based on the applicable foreign exchange rate at the transaction date and net of any transaction costs etc. In note G22, which shows changes in the nominal value of subordinated debt, issue and redemption amounts excludes transaction costs etc.

Liabilities from financing activities include lease liabilities that are recognised on the balance sheet under IFRS 16. At the end of 2024, lease liabilities amounted to DKK 3,787 million (2023: DKK 4,102 million). The cash flows included in the cash flow statement as cash flows from financing activities relates to the principal portion of the lease payments. Other changes are non-cash changes, which primarily consist of interest expenses, new leases, terminated leases and modifications of existing leases.

G27. Guarantees, commitments and contingent liabilities

The Group uses a variety of loan-related financial instruments to meet customers' financial requirements. Such instruments include loan commitments, loan offers, other credit facilities and guarantees. This note provides information on such instruments and on other contingent liabilities.

Accounting policy

Guarantees and loan commitments are subject to the expected credit loss impairment model in IFRS 9. For further information, see note G15.

Contingent liabilities consist of possible obligations arising from past events. The existence of such obligations will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control. Further, contingent liabilities consist of present obligations arising from past events, for which it is either not probable that the obligation will result in an outflow of financial resources, or it is not possible to reliably estimate the amount of the obligation.

A contingent liability is not recognised in the financial statement but disclosed, unless the possibility of an outflow of financial resources is remote.

(a) Guarantees

(DKK millions)	2024	2023
Financial guarantees	17,393	4,348
Other guarantees	78,965	71,536
Total	**96,359**	**75,883**

(b) Commitments

(DKK millions)	2024	2023
Loan commitments shorter than 1 year	191,002	197,007
Loan commitments longer than 1 year	244,372	220,285
Other unutilised commitments	16,689	16,719
Total	**452,062**	**434,011**

In addition to credit exposure from lending activities, loan offers made and uncommitted lines of credit granted by the Group amounted to DKK 193 billion (2023: DKK 232 billion). These items are included in the calculation of the total risk exposure amount in accordance with the CRR.

(c) Regulatory and legal proceedings

Estonia matter

In December 2022, Danske Bank entered into final coordinated resolutions with the US Department of Justice (DoJ), the US Securities and Exchange Commission (SEC) and the Danish Special Crime Unit (SCU) following the investigations into failings and misconduct related to the non-resident portfolio at Danske Bank's former Estonia branch. The aggregate amounts payable to the US and Danish authorities were paid in January 2023. The coordinated resolutions marked the end of the criminal and regulatory investigations into Danske Bank by the authorities in Denmark and the United States.

As part of the Bank's agreement with DoJ, Danske Bank was placed on corporate probation for three years from 13 December 2022 until 13 December 2025 and Danske Bank committed to continue improving its compliance programs. Danske Bank has taken extensive remediation action to address those failings to prevent any similar occurrences, and the Bank remains in contact with DoJ as a matter of post-resolution obligations set forth in the agreement with DoJ.

The Bank has been subject to a criminal investigation by authorities in France. The Bank has cooperated with the French authorities and has reached a resolution with the French National Financial Prosecutor to settle this investigation by agreeing to pay EUR 6.33 million. As previously communicated, the coordinated resolutions reached with the US and Danish authorities in December 2022 did not include the French investigation. The resolution marks the end of the French investigation of Danske Bank. Danske Bank had posted bail in the amount of DKK 80 million in connection with the French investigation, and the financial impact of this resolution was previously provisioned for.

The civil claims filed against Danske Bank by institutional investors can be summarised to six case complexes with a current total claim amount of approximately DKK 12.8 billion. One of the case complexes has partly been referred to the Eastern High Court, while the remaining case complexes are stayed or pending before the Copenhagen City Court. The civil claims were not included in the coordinated resolutions with DoJ, SEC, and SCU. Danske Bank will continue to defend itself vigorously against these claims. The timing of completion of such civil claims (pending or threatening) and their outcome are uncertain and could be material.

Danske Bank has been procedurally notified in two claims filed against Thomas F. Borgen. Under Danish law, the purpose of a procedural notification is to make a formal reservation of rights to bring a potential claim against the notified party. The first case was dismissed in the first instance and subsequently appealed by the claimants. The original claim amount for both claims was approximately DKK 3.2 billion but has been reduced to approximately DKK 1.7 billion.

An action has been filed in the United States District Court for the Eastern District of New York against Danske Bank and others. The complaint sought unspecified punitive and compensatory damages. On 29 December 2022, the action was dismissed by the court and on 27 January 2023, the complainants filed an appeal of the dismissal. The timing of the completion of the lawsuit and the outcome are uncertain.

Other

Owing to its business volume, Danske Bank is continually a party to various other lawsuits and disputes, and has an ongoing dialogue with public authorities, such as the Danish FSA and the Danish Tax Agency on other matters. In general, Danske Bank does not expect the outcomes of any of these other pending lawsuits and disputes, or its dialogue with public authorities to have any material effect on its financial position. Provisions for litigations are included in Other Liabilities, see note G24.

G27. Guarantees, commitments and contingent liabilities - continued

(d) Other contingent liabilities
A limited number of employees are employed under terms which, if they are dismissed before reaching their normal retirement age, grant them a severance and/or pension payment in excess of their entitlement under ordinary terms of employment. As the sponsoring employer, the Group is also liable for the pension obligations of a number of company pension funds.

The Group participates in the Danish Guarantee Fund and the Danish Resolution Fund. The funds' capital must amount to at least 0.8% and 1%, respectively, of the covered deposits of all Danish credit institutions by 31 December 2024.

The Danish Guarantee Fund is currently fully funded, but if the fund subsequently does not have sufficient means to make the required payments, extraordinary contributions of up to 0.5% of the individual institution's covered deposits may be required. Extraordinary contributions above this percentage require the consent of the Danish FSA.

Danske Bank A/S and Realkredit Danmark A/S make contributions to the Danish Resolution Fund based on their size and risk relative to other credit institutions in Denmark. The contribution to the Resolution Fund is recognised as operating expenses. After payment of the contribution for 2024, the Resolution Fund is fully funded. If the Resolution Fund does not have sufficient means to make the required payments, extraordinary contributions of up to three times the latest annual contributions may be required.

In addition, Danish banks participate in the Danish Restructuring Fund, which reimburses creditors if the final dividend is lower than the interim dividend in respect of banks that were in distress before 1 June 2015. Similarly, Danish banks have made payment commitments totalling DKK 1 billion to cover losses incurred by the Danish Restructuring Fund for the withdrawal of distressed banks from data centres etc. Payments to the Danish Restructuring Fund are calculated based on the individual credit institution's share of covered deposits relative to other credit institutions in Denmark. However, each institution's contribution to the Danish Restructuring Fund may not exceed 0.2% of its covered deposits.

The Group is a member of deposit guarantee schemes and other compensation schemes in Norway and the UK. As in Denmark, the contributions to the schemes in these countries are annual contributions combined with extraordinary contributions if the means of the schemes are not sufficient to cover the required payments.

Danske Bank A/S is taxed jointly with all Danish entities of Danske Bank Group and is jointly and severally liable with these for payment of Danish corporation tax and withholding tax, etc.

G28. Balance sheet items broken down by expected due date

The Group presents the balance sheet items in order of liquidity instead of distinguishing between current and non-current items. The following table shows the balance sheet items expected to mature within one year and after more than one year.

	2024		2023*	
(DKK millions)	Within 1 year	After 1 year	Within 1 year	After 1 year
Assets				
Cash in hand and demand deposits with central banks	107,498	-	259,156	-
Due from credit institutions and central banks	137,635	5,934	113,743	1,070
Trading portfolio assets	352,853	178,978	238,371	265,177
Investment securities	97,140	171,978	75,036	208,878
Loans at amortised cost	258,166	663,734	184,704	736,876
Loans at fair value	344,148	730,636	195,394	732,846
Assets under pooled schemes and investments contracts	-	76,173	-	70,900
Insurance assets	28,234	520,677	30,561	465,470
Assets held for sale	160	-	110,704	-
Intangible assets	-	6,737	-	6,064
Tax assets	4,784	1,030	2,018	1,246
Other assets	17,080	12,467	18,076	13,003
Total	**1,347,697**	**2,368,344**	**1,227,763**	**2,501,529**
Liabilities				
Due to credit institutions and central banks	211,823	2,541	151,367	3,242
Trading portfolio liabilities	86,496	271,011	115,982	322,572
Deposits	265,143	908,639	218,157	978,290
Issued bonds at fair value	137,282	609,275	162,084	586,695
Issued bonds at amortised cost, including Non-preferred senior bonds**	108,761	223,928	84,863	222,564
Deposits under pooled schemes and investment contracts	13,424	63,183	11,346	59,907
Insurance liabilities	53,671	476,122	57,415	425,215
Liabilities in disposal groups held for sale	-	-	56,476	-
Tax liabilities	1,007	1,218	450	1,107
Other liabilities	61,969	4,063	52,641	4,406
Subordinated debt	-	40,798	-	38,774
Total	**939,576**	**2,600,779**	**910,780**	**2,642,771**

* Comparative information has been restated as described in note G2(b).
** The expected due date of Issued bonds at amortised cost, including Non-preferred senior bonds as at 31 December 2023 has been corrected. There is no change to total Issued bonds at amortised cost, including Non-preferred senior bonds as at 31 December 2023.

Deposits include fixed-term deposits and demand deposits. Fixed-term deposits are recognised according to maturity. Demand deposits have short contractual maturities but are considered a stable funding source with an expected maturity of more than one year.

G29. Contractual due dates of financial liabilities

The following table shows the contractual due dates of non-derivative financial liabilities broken down by maturity time bands. The maturity analysis is based on the earliest date on which the Group can be required to pay and does not reflect the expected due date. The section on liquidity risk in note G40 provides information about the Group's liquidity risk and liquidity risk management.

(DKK millions)	0-1 month	1-3 months	3-12 months	1-5 years	> 5 years
2024					
Due to credit institutions and central banks	178,088	25,904	14,047	2,806	2
Deposits	1,051,947	72,591	36,477	10,303	8,978
Repurchase obligation under reverse transactions	103,007	-	-	-	-
Issued bonds at fair value	78,226	9,458	102,928	477,350	210,268
Issued bonds at amortised cost	18,158	18,372	75,943	222,742	38,053
Subordinated debt	124	248	1,115	90,475	-
Other financial liabilities	2,076	1,888	9,459	24,019	39,164
Financial and loss guarantees	96,359	-	-	-	-
Loan commitments shorter than 1 year	191,002	-	-	-	-
Loan commitments longer than 1 year	244,372	-	-	-	-
Other unutilised loan commitments	34	-	-	-	-
Total	**1,963,394**	**128,461**	**239,970**	**827,694**	**296,464**
2023*					
Due to credit institutions and central banks	138,074	9,418	8,898	3,819	2
Deposits	1,122,173	53,941	37,648	12,705	9,807
Repurchase obligation under reverse transactions	113,569	-	-	-	-
Issued bonds at fair value	48,366	3,650	126,288	465,071	237,077
Issued bonds at amortised cost**	5,080	14,336	67,948	215,797	45,552
Subordinated debt	141	282	1,269	85,667	-
Other financial liabilities	941	1,701	9,061	23,443	36,107
Financial and loss guarantees	75,883	-	-	-	-
Loan commitments shorter than 1 year	197,007	-	-	-	-
Loan commitments longer than 1 year	220,285	-	-	-	-
Other unutilised loan commitments	75	-	-	-	-
Total	**1,921,595**	**83,327**	**251,112**	**806,502**	**328,544**

* Comparative information has been restated as described in note G2(b).
** The contractual due date of Issued bonds at amortised cost as at 31 December 2023 has been corrected.

(a) Further explanation
Disclosures comprise agreed payments, including principal and interest. For liabilities with variable cash flows, for example variable-rate financial liabilities, disclosure is based on the contractual conditions at the balance sheet date.

Usually, deposits are contractually very short-term funding, but in practice, they are considered a stable funding source, as amounts disbursed largely equal deposits received. A number of loan commitments and guarantees expire without being utilised. Loan commitments and guarantees are included at the earliest date on which the Group can be required to pay. To take into account potential drawings under loan commitments, the Group factors in the effect of the unutilised portion of the facilities in the calculation of liquidity risk.

For guarantees to result in a payment obligation to the Group, a number of individual conditions must be met. As it is not possible to break down the earliest dates on which such conditions are met by maturity time bands, all guarantees are included in the 0-1 month column.

The table excludes investment commitments in Danica of DKK 16,655 million (2023: 16,644 million). The investment commitments relate primarily to commitments to participate in alternative investments where the insurance policyholders' assume the majority of the risks on the investments.

G30. Transferred financial assets that are not derecognised

The Group enters into transactions that transfer ownership of financial assets, such as bonds and shares, to a counterparty, while the Group retains the risks associated with the holding of the assets. If the Group retains all significant risks, the securities remain in the balance sheet, and the transactions are accounted for as loans received against collateral. Such transactions are repo transactions and securities lending. The transactions involve selling the securities to be repurchased at a fixed price at a later date. Counterparties are entitled to sell the securities or deposit them as collateral for loans.

Trading portfolio

	2024		2023	
(DKK millions)	Bonds	Shares	Bonds	Shares
Carrying amount of transferred assets				
Repo transactions	176,271		164,189	
Securities lending		1,811		1,047
Total transferred assets	**176,271**	**1,811**	**164,189**	**1,047**
Repo transactions, own issued bonds	32,146		33,693	
Carrying amount of associated liabilities	209,057	1,901	197,140	1,099
Net positions	**639**	**91**	**-742**	**52**

The Group has not entered into any agreements on the sale of assets that entail the Group's continuing involvement in derecognised financial assets.

G31. Assets provided or received as collateral

At the end of 2024, the Group had deposited securities (including bonds issued by the Group) worth DKK 4.2 billion as collateral with Danish and international clearing centres and other institutions (2023: DKK 4.5 billion).

At the end of 2024, the Group had provided cash and securities (including bonds issued by the Group) worth DKK 85.8 billion as collateral for derivatives transactions (2023: DKK 90.6 billion).

At the end of 2024, the Group had registered assets (including bonds and shares issued by the Group) under insurance contracts and unit-linked investment contracts worth DKK 505.3 billion (2023: DKK 443.2 billion) as collateral for policyholders' savings of DKK 469.8 billion (2023: DKK 426.0 billion).

At the end of 2024, the Group had registered loans at fair value and securities worth a total of DKK 760.6 billion (2023: DKK 759.6 billion) as collateral for bonds issued by Realkredit Danmark. Note G16 provides additional information. Similarly, the Group had registered DKK 231.1 billion worth of loans and other assets (2023: DKK 308.8 billion) as collateral for covered bonds issued under Danish, Swedish and Finnish law.

The following table shows assets provided as collateral for liabilities or contingent liabilities. Assets provided as collateral under repo transactions is shown separately whereas the types explained above are included in the column 'Other'.

Assets provided as collateral

	31 December 2024			31 December 2023		
(DKK millions)	Repo	Other	Total	Repo	Other	Total
Due from credit institutions	-	29,204	29,204	-	15,922	15,922
Trading and investment securities	176,271	52,627	228,898	164,189	48,326	212,514
Loans at fair value	-	755,188	755,188	-	753,277	753,277
Loans at amortised cost	-	243,691	243,691	-	340,297	340,297
Insurance assets and assets under investment contracts	-	487,000	487,000	-	420,701	420,701
Total	**176,271**	**1,567,709**	**1,743,981**	**164,189**	**1,578,522**	**1,742,711**
Own issued bonds	32,146	21,030	53,176	33,693	30,665	64,358
Total, including own issued bonds	**208,418**	**1,588,739**	**1,797,156**	**197,882**	**1,609,187**	**1,807,069**

Securities provided as collateral under agreements that entitle the counterparty to sell the securities or provide them as collateral for other loans amounted to DKK 176.3 billion at the end of 2024 (2023: DKK 164.2 billion).

At the end of 2024, the Group had received DKK 452.0 billion worth of securities (2023: DKK 315.5 billion) as collateral for reverse repo transactions, securities lending, derivatives transactions and other transactions entered into on the standard terms for such transactions. As the party receiving the collateral, the Group is entitled in many cases to sell the securities or provide the securities as collateral for other loans in exchange for returning similar securities to the counterparty at the expiry of the transactions. At the end of 2024, the Group had sold securities or provided securities as collateral worth DKK 103.0 billion (2023: DKK 113.6 billion).

The Group also receives many other types of assets as collateral in connection with its ordinary lending activities. The Group has not transferred the ownership of these assets. Note G40 provide more details on assets received as collateral.

G32. Offsetting of financial assets and liabilities

Offsetting of financial assets and liabilities in the financial statements requires some criteria to be fulfilled. In the event that the counterparty or the Group defaults, further offsetting will take place. This note shows the offsetting in the financial statements, further netting according to enforceable master netting agreements and similar agreements (i.e. in the event of default) and collateral provided or received under such agreements.

Accounting policy

Assets and liabilities are offset when the Group and the counterparty have a legally enforceable right to offset recognised amounts and have agreed to settle the balances on a net basis or to realise the asset and settle the liability simultaneously. Positive and negative fair values of derivatives with the same counterparty are offset if the Group has agreed with the counterparty to settle contractual cash flows net and to make cash payments or provide collateral on a daily basis to cover changes in the fair value of the derivative position. Master netting agreements or similar agreements give the right to additional offsetting in the event of default. Such agreements reduce the exposure further in the event of default, but do not qualify for offsetting in accordance with IFRS Accounting Standards.

Offsetting of financial assets and financial liabilities

(DKK millions)	Gross amount	Offsetting	Net amount presented in balance sheet	Further offsetting, master netting agreements	Collateral	Net amount
2024						
Financial assets						
Derivatives with positive market value	264,550	3,503	261,046	158,285	92,045	10,716
Reverse transactions	585,019	200,970	384,049	-	384,049	-
Other financial liabilities	14,751	3,526	11,225	-	-	11,225
Total	**864,320**	**207,999**	**656,321**	**158,285**	**476,095**	**21,941**
Financial liabilities						
Derivatives with negative market value	258,003	3,503	254,500	158,285	47,587	48,628
Repo transactions	410,026	200,970	209,057	-	208,418	639
Other financial liabilities	73,828	3,526	70,302	-	-	70,302
Total	**741,857**	**207,999**	**533,859**	**158,285**	**256,004**	**119,569**
2023*						
Financial assets						
Derivatives with positive market value	848,199	541,118	307,081	217,631	83,666	5,784
Reverse transactions	487,614	214,772	272,841	-	272,841	-
Other financial liabilities	69,447	62,241	7,206	-	-	7,206
Total	**1,405,259**	**818,132**	**587,128**	**217,631**	**356,507**	**12,990**
Financial liabilities						
Derivatives with negative market value	866,103	541,118	324,985	246,339	32,581	46,064
Repo transactions	411,912	214,772	197,140	-	197,882	-742
Other financial liabilities	134,011	62,241	71,770	-	-	71,770
Total	**1,412,026**	**818,132**	**593,895**	**246,339**	**230,463**	**117,092**

* Comparative information has been restated as described in note G2(b).

G33. Fair value information for financial instruments

Financial instruments are recognised in the balance sheet at fair value or amortised cost. Group breaks down its financial instruments according to the valuation method (note G1 provides additional information).

	31 December 2024		31 December 2023	
(DKK millions)	Fair value	Amortised cost	Fair value	Amortised cost
Financial assets				
Cash in hand and demand deposits with central banks	-	107,498	-	259,156
Due from credit institutions and central banks	63,040	80,529	92,985	21,829
Trading portfolio assets*	531,831	-	503,548	-
Investment securities held at amortised cost	-	135,714	-	155,398
Investment securities held at fair value	133,404	-	128,516	-
Loans at amortised cost*	-	921,900	-	921,580
Loans at fair value	1,074,783	-	928,239	-
Assets under pooled schemes and investment contracts	76,173	-	70,900	-
Insurance assets	508,045	-	460,747	-
Loans held for sale	-	-	-	110,415
Total	**2,387,276**	**1,245,642**	**2,184,935**	**1,468,378**
Financial liabilities				
Due to credit institutions and central banks	129,910	84,454	85,548	69,060
Trading portfolio liabilities*	357,507	-	438,553	-
Deposits*	78,550	1,095,232	120,213	1,076,235
Issued bonds at fair value	746,556	-	748,780	-
Issued bonds at amortised cost	-	243,198	-	214,234
Deposits under pooled schemes and investment contracts	76,608	-	71,253	-
Insurance liabilities**	60,111	-	60,136	-
Liabilities held for sale	-	-	-	56,476
Non-preferred senior bonds	-	89,492	-	93,194
Subordinated debt	-	40,798	-	38,774
Loan commitments and guarantees	-	2,893	-	3,161
Total	**1,449,242**	**1,556,067**	**1,524,483**	**1,551,133**

* Comparative information has been restated as described in note G2(b).
** The table above has been restated to include Insurance liabilities as at 31 December 2023 which meet the definition of financial instruments.

Insurance liabilities in the Balance sheet comprise insurance contract liabilities (as defined by IFRS 17) and Other insurance-related liabilities. The table above does not include insurance contract liabilities as they are measured using the General Measurement Model, Variable Fee Approach or Premium Allocation Approach as defined by IFRS 17.

(a) Financial instruments at fair value
The fair value is the amount for which a financial asset or a financial liability can be exchanged between knowledgeable, willing parties. Fair value is measured on the basis of the following hierarchy:

The fair value hierarchy
- Quoted price (level 1) consists of financial instruments that are quoted in an active market. The Group uses the price quoted in the principal market.
- Valuation based on observable input (level 2) consists of financial instruments valued substantially on the basis of observable input other than a quoted price for the instrument itself. If a financial instrument is quoted in a market that is not active, the Group bases its measurement on the most recent transaction price. Adjustment is made for subsequent changes to market conditions, for instance, by including transactions in similar financial instruments that are assumed to be motivated by normal business considerations. For a number of financial assets and liabilities, no market exists. In such cases, the Group uses recent transactions in similar instruments and discounted cash flows or other generally accepted estimation and valuation techniques based on market conditions at the balance sheet date to calculate an estimated value. This category covers instruments such as derivatives valued on the basis of observable yield curves and exchange rates and illiquid mortgage bonds valued by reference to the value of similar liquid bonds.
- Valuation based on significant non-observable input (level 3): The valuation of certain financial instruments is based substantially on non-observable input. Such instruments include unlisted shares, some unlisted bonds and a limited portion of the derivatives portfolio (2%).

G33. Fair value information for financial instruments – continued

Financial instruments at fair value, by fair value category

(DKK millions)	Quoted prices	Observable input	Non-observable input	Total
31 December 2024				
Financial assets				
Due from credit institutions and central banks	-	63,040	-	63,040
Derivatives	7,289	249,643	4,114	261,046
Interest rate contracts	7,289	140,184	652	148,125
Currency contracts etc.	-	109,460	3,462	112,922
Trading portfolio bonds	160,849	17,168	-	178,017
Trading portfolio shares	92,637	-	131	92,768
Investment securities, bonds	108,843	24,042	-	132,885
Investment securities, shares	-	-	519	519
Loans at fair value	-	1,074,783	-	1,074,783
Assets under pooled schemes and investment contracts	76,173	-	-	76,173
Insurance assets, bonds	160,099	49,275	2,103	211,477
Danish mortgage bonds	72,637	19,374	338	92,349
Other covered bonds	87,462	29,901	1,765	119,128
Insurance assets, shares	208,508	5,963	36,911	251,382
Insurance assets, derivatives	826	43,682	678	45,186
Total	**815,224**	**1,527,596**	**44,456**	**2,387,276**
Financial liabilities				
Due to credit institutions and central banks	-	129,910	-	129,910
Derivatives	10,125	241,256	3,120	254,500
Interest rate contracts	10,125	137,458	422	148,005
Currency contracts etc.	-	103,798	2,697	106,495
Obligations to repurchase securities	100,696	2,301	10	103,007
Deposits	-	78,550	-	78,550
Issued bonds at fair value	746,556	-	-	746,556
Deposits under pooled schemes and investment contracts	-	76,608	-	76,608
Insurance liabilities	208	59,402	501	60,111
Total	**857,585**	**588,027**	**3,631**	**1,449,242**

(DKK millions)	Quoted prices	Observable input	Non-observable input	Total
31 December 2023*				
Financial assets				
Due from credit institutions and central banks	-	92,985	-	92,985
Derivatives	6,723	298,493	1,865	307,081
Interest rate contracts	6,723	188,243	1,014	195,980
Currency contracts etc.	-	110,250	851	111,101
Trading portfolio bonds	168,031	9,532	-	177,563
Trading portfolio shares	18,785	-	119	18,904
Investment securities, bonds	100,554	27,470	-	128,023
Investment securities, shares	-	-	493	493
Loans at fair value	-	928,239	-	928,239
Assets under pooled schemes and investment contracts	70,900	-	-	70,900
Insurance assets, bonds	189,297	22,318	2,458	214,073
Danish mortgage bonds	92,182	10,865	334	103,381
Other covered bonds	97,115	11,453	2,124	110,692
Insurance assets, shares	153,310	5,121	34,755	193,186
Insurance assets, derivatives	141	52,436	911	53,488
Total	**707,741**	**1,436,594**	**40,601**	**2,184,935**
Financial liabilities				
Due to credit institutions and central banks	-	85,548	-	85,548
Derivatives	7,360	316,021	1,604	324,985
Interest rate contracts	7,360	188,102	803	196,265
Currency contracts etc.	-	127,919	801	128,720
Obligations to repurchase securities	111,657	1,853	59	113,569
Deposits	-	120,213	-	120,213
Issued bonds at fair value	748,780	-	-	748,780
Deposits under pooled schemes and investment contracts	-	71,253	-	71,253
Insurance liabilities**		58,976	1,160	60,136
Total	**867,797**	**653,864**	**2,823**	**1,524,483**

* Comparative information has been restated as described in note G2(b).
** The table above has been restated to include Insurance liabilities as at 31 December 2023 which meet the definition of financial instruments.

G33. Fair value information for financial instruments – continued

If, at the balance sheet date, a financial instrument's classification differs from its classification at the beginning of the year, the classification of the instrument changes. Changes are considered to have taken place at the balance sheet date. Developments in the financial markets have resulted in reclassifications between the categories. Some bonds have become illiquid and have therefore been moved from the Quoted prices to the Observable input category, while other bonds have instead become liquid and have been moved from the Observable input to the Quoted prices category.

Valuation techniques
The most frequently used valuation techniques include the pricing of transactions with future settlement and swap models that apply present value calculations, credit pricing models and options models, such as Black & Scholes models. As part of the Group's control environment, valuation models are validated by units that are independent of the business units that develop the models and trade in the products covered by the models. Validation is made to test the implementation, quality and operating stability of models to ensure that the models can be used for pricing and risk management of financial products.

Loans granted and bonds issued by Realkredit Danmark are recognised at the fair value of the issued bonds (the quoted price in an active market). The Group adjusts for changes to the fair value of the credit risk on borrowers etc. The adjustment is described further in note G16. The value of derivatives, primarily long-term contracts, is determined on observable yields extrapolated to yield curves for the full duration of the contracts. Moreover, the very limited portfolio of credit derivatives is valued on the basis of observable input as well as assumptions about the probability of default (recovery rate). Unlisted shares are measured at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEV) which are compliant with IFRS Accounting Standards. IPEV guides the calculation of the estimated fair value of unlisted shares as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Valuation methods include discounted cash flow models and pricing based on a multiple of earnings or equity.

Fair value adjustments
Management estimates underlie the valuation of financial instruments for which the value is based on valuation techniques. The Group makes fair value adjustments to cover changes in counterparty risk (CVA) on derivatives, funding risk (FVA and ColVA), bid-offer spreads on the net open position of portfolios with offsetting market risk, and model risk on level 3 derivatives.

Credit value adjustment (CVA) and funding value adjustment (FVA and ColVA)
The Group makes a fair value adjustment to cover the counterparty credit risk on derivatives with a positive fair value (CVA). For a given counterparty's portfolio of derivatives, CVA is calculated as a function of the probability of default (PD), the expected positive exposure (EPE) and the loss given default in the event of bankruptcy (LGD). The Group enters into derivatives transactions mainly with counterparties in the Scandinavian market.

The PDs used in the CVA model are derived from single name liquid credit default swap (CDS). If this is not available, the PDs are derived using proxy mapping to a CDS index. For the calculation of EPE, the Group uses simulations to estimate the expected positive exposures to the counterparty's portfolio over the term of the derivatives. The exposure model is based fully on market-implied data. For the calculation of LGD, the Group uses market compliant LGD. However, for customers classified in stage 3 in relation to the expected credit loss impairment, CVA is calculated as if the derivatives were loans subject to impairment because of credit losses.

A fair value adjustment for derivatives to cover expected funding costs (FVA and ColVA) is calculated. FVA primarily arises from the cost or benefit of funding uncollateralised derivatives. The adjustment is a function of the unsecured funding curve and expected future exposures. ColVA takes into account the funding cost and benefit on collateralised derivatives. The ColVA adjustment is a function of expected collateral balance s and cross-currency basis and repo spreads.

At the end of 2024, CVA, FVA and ColVA came to a net amount of DKK 173 million (2023: DKK 153 million), including the adjustment for credit risk on derivatives in stage 3.

Bid-offer spread
For portfolios of assets and liabilities with offsetting market risk, the Group bases its measurement of the portfolios on mid-market prices and makes fair value adjustments to recognise net assets at the bid price and net liabilities at the offer price (exit prices). At the end of 2024, these fair value adjustments totalled DKK 106 million (2023: DKK 138 million).

Model risk
To account for the uncertainty associated with measuring the value of derivatives on the basis of non-observable input (level 3 in the fair value hierarchy), the Group has established guidelines to quantify risk. The Group calculates and monitors the reserve on an ongoing basis. At the end of 2024, the reserve totalled DKK 1 million (2023: DKK 1 million).

Amortisation of initial margin
If, at the time of acquisition, a difference arises between the model value of a financial instrument, calculated on the basis of non-observable input and actual cost (day-one profit or loss), and the difference is not the result of transaction costs, the Group adjusts model parameters to actual cost to take the initial margin into account. Accordingly, the valuation of derivatives includes amortisation of the value of initial margins over the remaining term to maturity. The initial margins relate to elements not covered by the above CVA and FVA adjustments, such as future administrative expenses and capital consumption. At 31 December 2024, the value of unamortised initial margins was DKK 1,229 million (2023: DKK 1,176 million).

Amortisation of initial margin

(DKK millions)	2024	2023
Unamortised initial margins at 1 January	1,176	1,101
Amortised to the income statement during the year	-455	-342
Initial margins on new derivatives contracts	608	596
Terminated derivatives contracts	-100	-179
Unamortised initial margins as at 31 December	**1,229**	**1,176**

G33. Fair value information for financial instruments – continued

The tables below shows financial instruments valued on the basis of non-observable input.

Financial instruments valued on the basis of unobservable input

		Sensitivity (change in fair value)		Gains/losses for the period	
(DKK millions)	Carrying amount	Increase	Decrease	Realised	Unrealised
31 December 2024					
Unlisted shares allocated to insurance contract policyholders	36,911	-	-	2,189	-10
Unlisted shares other	640	64	64	98	-3
Illiquid bonds	2,103	32	32	-	-1,398
Derivatives, net fair value	1,171	-	-	-	615
31 December 2023*					
Unlisted shares allocated to insurance contract policyholders	34,755	-	-	522	-522
Unlisted shares other	553	55	55	302	-160
Illiquid bonds	2,458	56	56	2	-152
Derivatives, net fair value	12	-	-	-	1,102

* The table above has been restated to include Insurance liabilities as at 31 December 2023 which meet the definition of financial instruments.

For unlisted shares allocated to insurance contract policyholders, the policyholders assume most of the risk on the shares. Therefore, changes in the fair value of those shares will only to a limited extent affect the Group's net profit. The Group's remaining portfolio of unlisted shares consists primarily of banking-related investments and holdings in private equity funds. The sensitivity of the fair value measurement to changes in the unobservable input disclosed in the table is calculated as a 10% increase or 10 % decrease in fair value. Under current market conditions, an additional 10 % decrease in the fair value is considered to be a conservative adjustment compared to the estimated unrealized fair value at the end of the period. The unrealised adjustments in 2024 were attributable to various unlisted shares.

The estimated fair value of illiquid bonds depends significantly on the estimated credit spread. In the table, the sensitivity of the fair value measurement to changes in non-observable input is calculated as a 50bps widening or narrowing of the credit spread.

A substantial number of derivatives valued on the basis of non-observable input are hedged by similar derivatives or are used for hedging the credit risk on bonds also valued on the basis of non-observable input. Changing one or more of the non-observable inputs to reflect reasonable, possible alternative assumptions would not change the fair value of the derivatives significantly above what is already covered by the reserve related to fair value adjustment for model risk.

Shares, bonds and derivatives valued on the basis of non-observable input

Reconciliation from beginning to end of period

	31 December 2024			31 December 2023*		
(DKK millions)	Shares	Bonds	Derivatives	Shares	Bonds	Derivatives
Fair value at 1 January	35,308	2,458	12	48,292	3,369	-1,084
Value adjustment through profit or loss	2,274	-1,398	615	142	-150	1,102
Acquisitions	3,658	372	707	3,152	161	-250
Sale and redemption	-3,856	-21	-105	-16,278	-922	-125
Transferred from quoted prices and observable input	167	692	-	-	-	295
Transferred to quoted prices and observable input	-	-	-58	-	-	74
Fair value end of period	**37,551**	**2,103**	**1,171**	**35,308**	**2,458**	**12**

* The table above has been restated to include Insurance liabilities as at 31 December 2023 which meet the definition of financial instruments.

The value adjustment through profit or loss is recognised under Net trading income or loss. The transfer of derivatives to the Observable input category consists primarily of maturity reductions, implying that the yield curves have become observable.

(b) Financial instruments at amortised cost
In this section, the fair value of financial instruments recognised at amortised cost is presented. The fair value is based on quoted market prices, if available. If quoted prices are not available, the value is approximated to reflect the price that would have been fixed had the terms been agreed at the balance sheet date.

The fair values disclosed below are determined on the basis of the following principles:

Investment securities (bonds classified as hold-to-collect), other issued bonds and subordinated debt
Quoted prices in an active market exist for a significant part of these financial instruments. If quoted prices in an active market do not exist, the Group uses an estimate of the current return required by the market to estimate the fair value.

Other financial instruments
The determination of the fair value of financial instruments recognised at amortised cost is based on the following preconditions relating to interest rate risk:

- For a significant number of the Group's deposits and loans, the interest rate depends on the standard variable rate fixed by the Group. The rate is adjusted only upon certain changes in market conditions. Such deposits and loans are considered to carry interest at a variable rate, as the standard variable rate fixed by the Group at any time applies to both new and existing arrangements.

G33. Fair value information for financial instruments – continued

- The interest rate risk on some fixed-rate loans extended by the Group is designated as a hedge of the interest rate risk on liabilities. Interest rate risk not hedging the interest rate risk on liabilities is hedged by derivatives. Such hedges are accounted for as fair value hedges, and the fair value of the hedged interest risk is adjusted in the carrying amount of the hedged financial instruments. Consequently, only fair value changes related to fixed-rate loans not hedged by derivatives are adjusted in the fair values presented in the following table.

For financial instruments that are only to a limited extent influenced by changes in credit risk, the amortised cost, including the adjustment for the fair value hedge accounting of the interest rate risk, is a reasonable approximation of fair value. This is the case for Due from/to credit institutions and central banks and Deposits.

It is assessed that the expected credit loss impairment model used for loans measured at amortised cost is a reasonable proxy for the fair value of the credit risk.

In the following table, fair value is presented for classes of financial instruments for which the carrying amount is not a reasonable approximation of fair value.

(DKK millions)	Carrying amount	Fair value	Quoted prices	Observable input	Non-observable input
31 December 2024					
Financial assets					
Investment securities	135,714	139,484	132,518	6,966	-
Loans at amortised cost	921,900	921,883	-	117	921,766
Financial liabilities					
Issued bonds, including non-preferred senior bonds	332,690	334,316	260,389	61,426	12,501
Subordinated debt	40,798	40,954	34,173	6,781	-
31 December 2023					
Financial assets					
Investment securities	155,398	148,908	141,789	7,119	-
Loans at amortised cost*	921,580	921,426	-	150	921,276
Financial liabilities					
Issued bonds, including non-preferred senior bonds	307,428	307,523	273,830	19,286	14,406
Subordinated debt	38,774	38,172	37,924	248	-

*Comparative information has been restated as described in note G2(b).

The liquidity portfolio managed by Group Treasury includes different portfolios with different business models (see note G13 in this report for further description of business models). Investment securities held within a business model for the purpose of collecting contractual cash flows (hold to collect) and with cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost. For investment securities classified as hold-to-collect (see note G13 in this report for further description of business models), amortised cost exceeded fair value as of 31 December 2024 with DKK 3,770 million (31 December 2023: DKK 6,489 million). This portfolio mainly contains Danish mortgage bonds and central and local government bonds and has a weighted average rating factor of 5.9, following Moody's numerical rating factor to scale, which corresponds to a strong Aa1 rating. The interest rate risk duration for the portfolio is 2.9 years. Without any reinvestments, respectively 32%, 46% and 22% of this portfolio will reach maturity within a period of 1 year, between 1 to 5 years, and after 5 years. The difference from amortised cost to fair value has reduced significantly during 2024, due to a decrease in market interest rate levels. The difference is now less than 3% of the amount invested and held at amortised cost.

G34. Related parties

Danske Bank A/S acts as the bank of a number of its related parties. Payment services, trading in securities and other instruments, depositing of surplus liquidity and provision of short- and long-term financing are the primary services provided by Danske Bank A/S.

Danica manages the pension plans of a number of related parties, and Danske Bank manages the assets of a number of the Group's pension funds.

Accounting policy

A related party to the Group is either a party over which the Group has control or significant influence or a party that has control or significant influence over the Group. All entities over which the Group has control are consolidated and are therefore not considered a related party to the Group.

Entities that are related parties to the Group comprise shareholders that have a significant holding of shares (significant influence over the Group), associates, joint venture partners or defined benefit pension plan providers (the Group has significant influence over the entity). Further, key management personnel, defined as members of the Board of Directors and the Executive Leadership Team, are related parties to the Group.

Transactions with related parties are settled on an arm's-length basis and recognised in the financial statements according to the same accounting policy as for similar transactions with unrelated parties.

Related parties

	Parties with significant influence*		Associates		Board of Directors		Executive Leadership Team	
(DKK millions)	2024	2023	2024	2023	2024	2023	2024	2023
Loans and loan commitments	9,538	7,060	1,614	2,065	30	46	32	33
Securities and derivatives	1,506	1,197	10,560	10,545	-	-	-	-
Deposits	12,779	12,353	1,278	1,358	15	30	14	16
Derivatives	93	203	8	19	-	-	-	-
Pension obligation	-	-	-	-	-	-	-	-
Guarantees issued	581	260	4	4	-	-	-	-
Guarantees and collateral received	891	1,131	486	308	22	33	23	23
Interest income	320	333	91	125	1	1	1	1
Interest expense	608	485	67	61	-	-	-	-
Fee income	29	28	8	6	-	-	-	-
Dividend income	29	242	-	-	-	-	-	-
Other income	3	3	-	-	-	-	-	-
Loan impairment charges*	1	1	-	-9	-	-	-	-
Trade in Danske Bank shares								
Acquisition of shares	-	-	-	-	2	2	-	1
Sale of shares	1,089	-	-	-	-	-	-	-

* For parties with significant influence, all exposures are in stage 1.

The Group is a listed company, with no shareholder having control over the Group. Related parties with significant influence include shareholders with holdings exceeding 20% of Danske Bank A/S's share capital. The A.P. Møller and Chastine Mc-Kinney Møller Foundation and companies of A.P. Møller Holding Group, Copenhagen, hold 21% of the share capital. Note G38 lists significant holdings in associates. The Board of Directors and Executive Leadership Team columns list the personal facilities, deposits, etc. held by members of the Board of Directors and the Executive Leadership Team and their dependants, and facilities with businesses in which these parties have control, joint control or significant influence.

In 2024, the average interest rates on credit facilities granted to members of the Board of Directors and the Executive Leadership Team were 2.7% (2023: 2.0%) and 3.0% (2023: 2.1%), respectively. Notes G35 and G36 specify the remuneration and shareholdings of management.

G34. Related parties - continued

Pension funds set up for the purpose of paying out pension benefits to employees of the Danske Bank Group are also considered related parties. The Danske Bank Group has entered into transactions with these funds. Such transactions are not eliminated in the consolidated financial statements. Transactions with pension funds comprised loans in the amount of DKK 6 million (2023: DKK 6 million), deposits amounting to DKK 59 million (2023: DKK 62 million), DKK 11 million worth of bonds issued (2023: DKK 10 million), derivatives with a positive fair value of DKK 0 million (2023: DKK 0 million), derivatives with a negative fair value of DKK 404 million (2023: DKK 464 million), interest expenses of DKK 2 million (2023: DKK 2 million), fee income of DKK 0 million (2023: DKK 0 million) and pension contributions of DKK 15 million (2023: DKK 96 million).

The figures above do not include debt to related parties in the form of issued notes or bonds. Such notes or bonds are bearer securities, which means that Danske Bank does not know the identity of the holders. Danske Bank shares may be registered by name. Related parties' holdings of Danske Bank shares equalling 5% or more of Danske Bank's share capital are determined on the basis of the most recent reporting of holdings to Danske Bank.

G35. Remuneration of management and material risk takers

This note gives information on the total remuneration of the Group's management in the form of the Board of Directors and the Executive Leadership Team, and remuneration of other material risk takers. This note further includes information on the Group's share-based payment. Remuneration Report 2024 available at danskebank.com/remuneration provides a detailed description of remuneration paid to the Board of Directors and the Executive Leadership team.

(a) Remuneration of the Board of Directors
The members of the Board of Directors receive fixed remuneration and are not covered by any of the Group's incentive programmes. In addition, the members of the Board of Directors also receive a fee for board committee membership. The Board of Directors is remunerated by the parent company, Danske Bank A/S. The Group has no pension obligations towards the directors. At the end of 2024 there were 12 members of the Board (2023: 12 members).

Remuneration of the Board of Directors

(DKK millions)	2024	2023
Directors' remuneration	12	11
Remuneration for committee work	5	5
Total	**17**	**15**

b) Remuneration of the Executive Leadership Team
For the Executive Leadership Team, a total remuneration of DKK 123 million for 2024 (2023: DKK 130 million) has been expensed,

Remuneration of the Executive Leadership Team

(DKK millions)	2024	2023*
Fixed remuneration	97	90
Variable remuneration	26	40
Total	**123**	**130**

* Variable remuneration in 2023 included sign-on fee. See Remuneration Report 2023 for details.

At the end of 2024, the Executive Leadership Team had 9 members (2023: 9 members).

Part of the variable remuneration of the Executive Leadership Team is provided as a share-based long-term incentive programme and deferred variable payouts from the short-term incentive. The incentive programmes are further described in section (d).

G35. Remuneration of management and material risk takers - continued

In the Remuneration Report 2024, the value of the long-term incentive programme grant is the grant value of the award for the performance period 2024-2026 of which one third of the award granted is included within total variable remuneration in this note. In the Remuneration Report 2024, the value of the long-term incentive corresponds to the grant value of the award for the three-year performance period, 2024-2026. In accordance with EBA regulations, prorated provisions for the long-term incentive and deferrals from the short-term incentive, will be paid in future financial years.

Membership of the Board of Directors in one or more of the Group's subsidiaries is not remunerated separately but considered part of the Executive Leadership Team's responsibilities and as such part of the remuneration of the Executive Leadership Team. Danske Bank Group's Remuneration Policy provides more information about remuneration in the Group. The policy is available at danskebank.com/remuneration-policy.

(c) Remuneration of other material risk takers

Danske Bank Group is required to identify all employees whose professional activities could have a material impact on the risk profile of Danske Bank in accordance with current legislation. Other material risk takers do not include members of the Board of Directors or the Executive Leadership Team.

At the end of 2024, 436 other material risk takers were designated (end of 2023: 429 other material risk takers). During 2024, 435 full-time-equivalents (FTEs) were designated as other material risk takers (2023: 421 FTEs). The 435 FTEs designated as other material risk takers earned remuneration of DKK 1,175 million (2023: 421 FTEs earned remuneration of DKK 1,000 million), with fixed remuneration amounting to DKK 834 million and variable remuneration amounting to DKK 341 million (2023: DKK 774 million and DKK 227 million, respectively). Fixed and variable remuneration for 2024 is estimated and the final figure is determined at the end of February 2025. The final fixed and variable remuneration for material risk takers will be published in the quantitative disclosure on material risk takers' remuneration, compliant with the Danish FSA and EBA requirements. The disclosure will be available at danskebank.com/remuneration in May 2025.

Of the above remuneration for 2024, 289 FTEs designated as other material risk takers at the parent company, Danske Bank A/S, earned remuneration of DKK 949 million (2023: DKK 787 million to 271 FTEs), with fixed remuneration amounting to DKK 646 million and variable remuneration amounting to DKK 303 million (2023: DKK 588 million and DKK 199 million, respectively).

The Group's pension obligations towards other material risk takers amounted to DKK 106 million to 26 employees at year-end 2024 (2023: DKK 84 million and 22 employees). Payouts from variable remuneration for other material risk takers are split into cash and Danske Bank shares according to EBA regulations. Further, 40-60% of payouts from variable remuneration are deferred for a minimum of three years. All payouts from variable remuneration are subject to back-testing and clawback if granted on the basis of results which has subsequently proven to not be sustainable or accurate.

(d) Share-based payment

The total expense recognised as operating expenses in 2024 arising from share-based payments was DKK 203 million (2023: DKK 172 million). All share-based payments are equity-settled. The exact number of shares granted for 2024 will be determined at the beginning of April 2025.

The Group has granted rights to conditional shares under the bonus structure for material risk takers and other employees as part of their variable remuneration. Such employees have a performance agreement based on the performance of the Group, the business unit and the individual employee. Part of the Danske Bank shares granted to material risk takers are deferred, as required by the EBA (see section (c) above on payouts from variable remuneration). The fair value at the grant date is measured at the monetary value of the underlying performance agreement.

The variable remuneration of the Executive Leadership Team is provided as part of a short-term incentive- and a long-term incentive programme.

The short-term incentive programme is structured similarly to that of other material risk takers, as described above. However, the rights to Danske Bank shares are deferred for five years, followed by a one year holding period before shares are available to trade.

The long-term incentive programme is based on the performance in selected KPIs over a three-year performance period. In 2024, there were three long-term incentive programmes running: the 2022-2024, the 2023-2025 and the 2024-2026. While for the long-term incentive programmes 2022-2024 and 2023-2025 only the total shareholder return performance relative to peers was selected as a KPI, the long-term incentive programme 2024-2026 is based also on the return on equity. Both KPIs are weighted equally. After the performance period of three years, part of the shares will be paid out. The remaining shares are deferred for five years from the grant date followed by a one year holding period before shares are available to trade.

The remuneration is subject to backtesting and clawback.

The fair value of the long-term incentive programmes at the grant date was DKK 10.4 million for the 2024-2026 programme and DKK 6.1 million for the 2023-2025 programme. The fair value of the shares is calculated at the grant date and is based on relevant assumptions, which relate to volatility relative to peers. The fair value at grant date is expensed over the three-year vesting period. The increase between the 2023-2025 programme and 2024-2026 programme is due to a change in to the remuneration model – see Remuneration Report 2024 for more details.

G35. Remuneration of management and material risk takers - continued

Conditional shares

	Number			Employee payment price	Fair value	
Granted in 2016	Executive Leadership Team	Other staff	Total	Employee payment price (DKK)	At issue (DKK m)	End of year (DKK m)
1 January 2023	-	239	239	-	0.0	0.0
Vested 2023	-	-	-	-	-	-
Forfeited 2023	-	-	-	-	-	-
Other changes 2023	-	-	-	-	-	-
31 December 2023	**-**	**239**	**239**	**-**	**0.0**	**0.0**
Vested 2024	-	-	-	-	-	-
Forfeited 2024	-	-	-	-	-	-
Other changes 2024	-	-	-	-	-	-
31 December 2024	**-**	**239**	**239**	**-**	**0.0**	**0.0**
Granted in 2017						
1 January 2023	-	5,378	5,378	-	1.3	1.1
Vested 2023	-	-2,998	-2,998	-	-	-
Forfeited 2023	-	-	-	-	-	-
Other changes 2023	-	-	-	-	-	-
31 December 2023	**-**	**2,380**	**2,380**	**-**	**0.6**	**0.5**
Vested 2024	-	-	-	-	-	-
Forfeited 2024	-	-938	-938	-	-	-
Other changes 2024	-	-	-	-	-	-
31 December 2024	**-**	**1,442**	**1,442**	**-**	**0.3**	**0.3**
Granted in 2018						
1 January 2023	1,062	14,024	15,086	-	3.5	3.1
Vested 2023	-1,062	-10,391	-11,453	-	-	-
Forfeited 2023	-	-3,075	-3,075	-	-	-
Other changes 2023	-	-558	-558	-	-	-
31 December 2023	**-**	**-**	**-**	**-**	**-**	**-**
Vested 2024	-	-	-	-	-	-
Forfeited 2024	-	-	-	-	-	-
Other changes 2024	-	-	-	-	-	-
31 December 2024	**-**	**-**	**-**	**-**	**-**	**-**

	Number			Employee payment price	Fair value	
Granted in 2019	Executive Leadership Team	Other staff	Total	Employee payment price (DKK)	At issue (DKK m)	End of year (DKK m)
1 January 2023	-	31,122	31,122	-	3.9	6.3
Vested 2023	-	-9,390	-9,390	-	-	-
Forfeited 2023	-	-	-	-	-	-
Other changes 2023	-	-19,397	-19,397	-	-	-
31 December 2023	**-**	**2,335**	**2,335**	**-**	**0.3**	**0.5**
Vested 2024	-	-	-	-	-	-
Forfeited 2024	-	-2,335	-2,335	-	-	-
Other changes 2024	-	-	-	-	-	-
31 December 2024	**-**	**-**	**-**	**-**	**-**	**-**
Granted in 2020						
1 January 2023	80,220	716,798	797,018	-	77.0	162.4
Vested 2023	-2,922	-526,301	-529,223	-	-	-
Forfeited 2023	-64,350	-133,887	-198,237	-	-	-
Other changes 2023	-6,543	3,347	-3,196	-	-	-
31 December 2023	**6,405**	**59,957**	**66,362**	**-**	**6.4**	**13.5**
Vested 2024	-	-5,428	-5,428	-	-	-
Forfeited 2024	-	-	-	-	-	-
Other changes 2024	-	-6,405	-6,405	-	-	-
31 December 2024	**6,405**	**48,124**	**54,529**	**-**	**5.3**	**11.1**
Granted in 2021						
1 January 2023	113,621	718,739	832,360	-	98.7	169.6
Vested 2023	-	-5,523	-5,523	-	-	-
Forfeited 2023	-	-28,586	-28,586	-	-	-
Other changes 2023	-769	125	-644	-	-	-
31 December 2023	**112,852**	**684,755**	**797,607**	**-**	**94.5**	**162.5**
Vested 2024	-21,960	-146,848	-168,808	-	-	-
Forfeited 2024	-32,306	-28,032	-60,338	-	-	-
Other changes 2024	-	1,573	1,573	-	-	-
31 December 2024	**58,586**	**511,448**	**570,034**	**-**	**67.9**	**116.1**

G35. Remuneration of management and material risk takers - continued

	Number			Employee payment price	Fair value	
Granted in 2022	Executive Leadership Team	Other staff	Total	Employee payment price (DKK)	At issue (DKK m)	End of year (DKK m)
1 January 2023	172,628	1,053,790	1,226,418	-	140.7	249.8
Vested 2023	-7,389	-299,858	-307,247	-	-	-
Forfeited 2023	-	-14,126	-14,126	-	-	-
Other changes 2023	-39,217	2,534	-36,683	-	-	-
31 December 2023	**126,022**	**742,340**	**868,362**	**-**	**99.7**	**176.9**
Vested 2024	-7,389	-195,734	-203,123	-	-	-
Forfeited 2024	-	-3,373	-3,373	-	-	-
Other changes 2024	-	-66,754	-66,754	-	-	-
31 December 2024	**118,633**	**476,479**	**595,112**	**-**	**68.3**	**121.2**
Granted in 2023						
Granted in 2023	140,524	633,671	774,195	-	109.6	157.7
Vested 2023	-549	-269,062	-269,611	-	-	-
Forfeited 2023	-	-11,834	-11,834	-	-	-
Other changes 2023	-12,396	15,451	3,055	-	-	-
31 December 2023	**127,579**	**368,226**	**495,805**	**-**	**70.2**	**101.0**
Vested 2024	-5,580	-88,645	-94,225	-	-	-
Forfeited 2024	-	-2,086	-2,086	-	-	-
Other changes 2024	-	-22,765	-22,765	-	-	-
31 December 2024	**121,999**	**254,730**	**376,729**	**-**	**53.3**	**76.7**
Granted in 2024						
Granted in 2024	196,016	1,071,957	1,267,973	-	262.7	258.3
Vested 2024	-	-257,758	-257,758	-	-	-
Forfeited 2024	-	-34,291	-34,291	-	-	-
Other changes 2024	-	-157,627	-157,627	-	-	-
31 December 2024	**196,016**	**622,281**	**818,297**	**-**	**169.6**	**166.7**

Other staff includes material risk takers and other employees eligible for share-based payment.

At the end of 2024, the Executive Leadership Team held a total of 501,639 conditional shares with fair value of DKK 102.2 million (2023: 372,858 conditional shares with fair value of DKK 67.3 million). See Remuneration Report 2024 for further details of the Executive Leadership Team's holdings.
In 2024, the average price at the vesting date for rights to conditional shares was DKK 200.9 (2023: DKK 141.5).

G36. Danske Bank shares held by the Board of Directors and the Executive Leadership Team

(Number of shares)	Beginning of 2024	Upon appointment / retirement	Additions	Disposals	End of 2024
Board of directors					
Martin Blessing	21,000	-	-	-	21,000
Martin Nørkjær Larsen	-	-	9,193	-	9,193
Lars-Erik Brenøe	32,886	-	-	-	32,886
Jacob Dahl	13,408	-	5,161	-	18,569
Raija-Leena Hankonen-Nybom	8,000	-	-	-	8,000
Lieve Mostrey	-	-	1,400	-	1,400
Allan Polack	4,466	-	-	-	4,466
Helle Valentin	600	-	-	-	600
Bente Bang	1,262	-	-	-	1,262
Kirsten Ebbe Brich	3,796	-	-	-	3,796
Aleksandras Cicasovas	600	-	400	-	1,000
Louise Aggerstrøm Hansen	676	-	-	-	676
Jan Thorsgaard Nielsen	25,000	-25,000	-	-	-
Carol Sergeant	7,023	-7,023	-	-	-
Total	**118,717**	**-32,023**	**16,154**	**-**	**102,848**
Executive Leadership Team					
Carsten Rasch Egeriis	31,561	-	13,457	-	45,018
Magnus Agustsson	-	-	1,497	-	1,497
Joachim Alpen	-	-	-	-	-
Christian Bornfeld	8,000	-	375	-	8,375
Karsten Breum	63,613	-	6,614	-	70,227
Stephan Engels	23,000	-	8,932	-	31,932
Johanna Norberg	20,692	-	2,688	-	23,380
Dorthe Tolborg	5,000	-	-	-	5,000
Frans Woelders	5,000	-	7,841	-	12,841
Total	**156,866**	**-**	**41,404**	**-**	**198,270**

Danske Bank discloses all additions, disposals and total holdings of members of the Board of Directors and the Executive Leadership Team and their immediate family. For any members of the Board of Directors or the Executive Leadership Team who were appointed during the financial year, shares held prior to their appointment are included in additions.
The total holdings of conditional shares of the members of the Executive Leadership Team is disclosed in note G35.

G37. Group holdings and undertakings

This note provides information on subsidiaries.

Accounting policy

The financial statements consolidate Danske Bank A/S and group undertakings in which the Group has control over financial and operating policy decisions. Control is said to exist if Danske Bank A/S, directly or indirectly, is exposed, or has rights, to variable returns from the involvement with the entity and has the ability to affect these returns through the power over the entity. Power exists if Danske Bank A/S, directly or indirectly, holds more than half of the voting rights in an undertaking or otherwise has power to control management and operating policy decisions. Operating policy control may be exercised through agreements about the undertaking's activities. In the rare situations where potential voting rights exist, these are taken into account if Danske Bank has the practical ability to exercise these rights.

When assessing whether to consolidate investment funds, the Group reviews all facts and circumstances to determine whether the Group, as fund manager, is acting as agent or principal. The Group is deemed to be a principal, and the Group controls and consolidates a fund when it acts as fund manager and cannot be removed without cause (i.e. when kick-out rights are weak), has variable returns through significant holdings, and is able to influence the returns of the funds by exercising its power. Holdings where all returns belong to customers (pooled schemes and investment contracts) are not considered as exposure to variable returns, whereas holdings where the majority of the returns belong to customers (holdings related to insurance contracts) are considered only limited exposure to variable returns.

The consolidated financial statements are prepared by consolidating items of the same nature and eliminating intra-group transactions, balances and trading profits and losses.

Undertakings acquired are included in the financial statements at the time of acquisition. The net assets of such undertakings (assets, including identifiable intangible assets, less liabilities and contingent liabilities) are measured at fair value at the date of acquisition according to the acquisition method

If the cost of acquisition (until 1 January 2010 including direct transaction costs) exceeds the fair value of the net assets acquired, the excess amount is recognised as goodwill. Goodwill is recognised in the functional currency of the undertaking acquired. The portion of the acquisition that is attributable to non-controlling interests does not include goodwill.

Divested undertakings are included in the financial statements until the transfer date. Changes in the ownership share in a subsidiary that do not result in loss of control are accounted for as equity transactions. This implies that the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in the relative interest in the subsidiary, and any difference between the fair value of the consideration paid/received and the adjustment made to non-controlling interests is attributed to the shareholders of Danske Bank A/S. If changes in the ownership share in a subsidiary result in the loss of control, any investment retained in the former subsidiary is recognised at fair value, and amounts recognised under Other comprehensive income are reclassified to the income statement or transferred directly to retained earnings if so required by other IFRS Accounting Standards. The difference between the fair value of the consideration received plus any investment retained in the former subsidiary and the carrying amount of the net assets in the subsidiary less the carrying amounts of any non-controlling interests is recognised in the income statement

Accounting policy

Held-for-sale group undertakings
Companies taken over by the Group under non-performing loan agreements and actively marketed for sale and expected to be sold within 12 months of classification are recognised as held-for-sale. Assets and liabilities in such companies are presented under Assets held for sale and Liabilities in disposal groups held for sale. The assets are recognised at the lower of cost and fair value less expected costs to sell.

a) Further explanation
All credit institutions and insurance companies supervised by national FSAs are subject to local statutory capital requirements. These requirements restrict intra-group facilities and dividend payouts.

Danica has an obligation to allocate part of the margin by which Danica's equity exceeds the statutory solvency requirement to certain policyholders who were previously policyholders of Statsanstalten for Livsforsikring (now part of Danica). This applies only if the margin exceeds the margin in Statsanstalten for Livsforsikring before the privatisation in 1990 and relates to any excess included in the shareholders' equity or paid out as dividend. Such special allotments are expensed and recognised under Net insurance benefits.

Restrictions impacting the Group's ability to use assets are disclosed in note G31 and include, among others, assets pledged as collateral under repo transactions funded by covered bonds and assets held by insurance subsidiaries that are primarily held to satisfy obligations to policyholders' savings.

The Group has established a number of investment funds in which the Group acts as fund manager. The Group has consolidated assets under management of DKK 4,609 million (2023: DKK 6,357 million), as the Group is deemed to be acting as principal rather than agent in its role as fund manager and because the Group is the sole investor, owning 100% of the investment funds. The investments are held to satisfy obligations towards insurance policyholders and are recognised under Assets under insurance contracts.

The Group does not have consolidated structured entities in the form of securitisation vehicles or asset-backed financing vehicles.

(b) Acquisition of subsidiary undertakings
On 1 January 2025, Danske Bank acquired the right to the management of the billion-kroner funds Dansk Vækstkapital I, Dansk Vækstkapital II and Dansk Vækstkapital III, as well as potential future Dansk Vækstkapital funds from the state-owned Export and Investment Fund of Denmark (EIFO) for a purchase consideration of DKK 21 million. The financial effects of this transaction have not been recognised at 31 December 2024. The operating result, assets and liabilities of the acquisition will be consolidated from 1 January 2025.

Goodwill comprises DKK 17 million and is attributable to the workforce and an increase in market share of assets under management. None of the goodwill is expected to be deductible for tax purposes.

The Group did not make any acquisitions of undertakings in 2024 or 2023.

G37. Group holdings and undertakings - continued

(c) List of significant subsidiaries

		Share capital (thousands)	Net profit (DKK m)	Shareholders' equity (DKK m)	Share capital (%)
Danske Bank A/S, Copenhagen	DKK	8,621,846	23,629	175,687	
Credit institutions					
Danske Hypotek AB (publ), Stockholm	SEK	50,000	362	5,043	100
Danske Mortgage Bank Plc, Helsinki	EUR	70,000	207	2,737	100
Northern Bank Limited, Belfast	GBP	218,170	1,409	6,316	100
Realkredit Danmark A/S, Copenhagen	DKK	630,000	4,424	54,642	100
Insurance operations					
Danica Pension, Livsforsikringsaktieselskab, Copenhagen	DKK	1,101,000	1,279	20,435	100
Investment and real estate operations etc.					
Danica Ejendomme P/S, Copenhagen	DKK	4,410,000	1,718	36,456	100
Danica Kapitalforvaltning K/S	DKK	10,000	597	607	100
Danske Invest Asset Management AS, Trondheim	NOK	6,000	18	49	100
Danske Invest Management A/S, Copenhagen	DKK	120,000	135	383	100
Danske Leasing A/S, Birkerød	DKK	10,000	458	2,317	100
Danske Markets Inc., New York	USD	2,000	21	380	100
Danske Private Equity A/S, Copenhagen	DKK	6,000	10	54	100
DDB Invest AB, Stockholm	SEK	100,000	5	153	100
home a/s, Åbyhøj	DKK	15,000	21	124	100

The list above includes significant active subsidiary operations only.

The Group´s ownership share of the other subsidiaries is unchanged from 2023 to 2024. The financial information above is extracted from the companies´ most recent annual reports prior to 7 February 2025.

G38. Interests in associates and joint arrangements

This note provides information about the Group's interests in associates and joint arrangements.

Accounting policy

Joint ventures and associates are entities other than group undertakings in which the Group has holdings and joint control with one or more parties or significant but not controlling influence, respectively. The Group generally classifies entities as joint ventures/associates if Danske Bank A/S, directly or indirectly, holds 20-50% of the share capital and has influence over management and operating policy decisions. Holdings in joint ventures and associates are recognised at cost at the date of acquisition and are subsequently measured according to the equity method. The proportionate share of the net profit or loss of the individual entity is included under Income from holdings in associates. The share is calculated on the basis of data from financial statements with balance sheet dates no earlier than three months before the Group's balance sheet date. If objective evidence of impairment exists, the investment is recognised at the lower of carrying amount and the present value of future cash flows.

The proportionate share of the profit or loss on transactions between associates/joint ventures and group undertakings is eliminated.

Ownership shares held by the Group's insurance business are treated as held by a venture capital organisation and are measured at fair value.

List of significant associates

		Share capital (thousands)	Net profit (DKK m)	Shareholders' equity (DKK m)	Share capital (%)
Vipps MobilePay AS, Oslo	NOK	26,381	-578	1,920	28

The financial information above is extracted from the most recent annual reports prior to 7 February 2025.

The total carrying amount of holdings in associates amounted to DKK 396 million (2023: DKK 612 million) and is presented under Other assets in note G24. The list above includes significant associates held at end 2024.

The Group does not have any other significant holdings in joint ventures or joint operations.

G39. Interests in unconsolidated structured entities

The Group has established a number of investment funds in which the Group acts as fund manager. The Group is entitled to receive management fees based on the assets under management. The Group may also retain units in these funds. The assets in unconsolidated investment funds managed by the Group totalled DKK 875.5 billion (2023: DKK 764.7 billion). The Group retained holdings of DKK 167.1 billion (2023: DKK 113.8 billion) in these funds. Substantially all of these holdings are related to pooled schemes, investment contracts and insurance contracts. Income generated to the Group in the form of management fees amounted to DKK 3.7 billion (2023: DKK 3.3 billion). In addition, the Group has holdings in private equity investment funds of DKK 0.1 billion (2023: DKK 0.1 billion).

The Group has limited exposure to structured securitisation entities. The exposure dates back to the period between 2001-2007 when the Group acted as an investor. This involved the purchase of bonds and entering into facilities for securitisation assets that were either structurally senior or triple A-rated by at least one of the major rating agencies. The Group has not acted as a sponsor or an orginator, and none of the assets of the structured entities were previously held on the Group's balance sheet. The remaining exposure consists mainly of liquidity facilities and is reported as part of the credit exposure in Non-core (part of Group Functions). At the end of 2024, the gross exposure amounted to DKK 2.5 billion (2023: DKK 2.5 billion). During the year, the Group did not provide any non-contractual financial or other support to any of the structural entities. The key risk on the portfolio relates to the underlying securitisation transactions, which consist mainly of commercial and residential mortgage loans originated in the UK and Germany.

G40. Risk management notes

The Danske Bank Group assumes risks to support the activities of the Group's customers, while ensuring stability of the Group's financial position to the benefit of a shareholders, society, customers and employees. The Group applies an enterprise risk management (ERM) framework approach that sets common standards for how the Group manages risk across all risk types and organisational entities. The framework defines the Group's risk taxonomy, risk roles and responsibilities, risk governance, approach to risk appetite, and risk culture. The framework is supported by policies approved by the Board of Directors. The risk taxonomy organises and visualises the most material risk types applicable to the Group and is intended to ensure adequate risk identification and ownership across the Group.

Risk management

The Group's risk management practices are organised in line with the principles of the three-lines-of-defence model. The three lines of defence segregate duties between 1) units that enter into business transactions with customers or otherwise expose the Group to risk (risk ownership), 2) units in charge of risk oversight and challenge in respect of risk owners (risk oversight), and 3) Group Internal Audit (risk assurance).

The first line of defence owns and manages the business activities and related risks. It consists of business units and support functions, which are responsible for establishing appropriate controls to ensure that risks are identified, assessed, managed and reported appropriately. Risks must be managed in line with delegated responsibilities and policies as set by the second line of defence and approved by the Board of Directors.

The second line of defence consists of Group Risk Management and Group Compliance. These units set policies and the overall risk management. The second line of defence supports, challenges and is responsible for the risk oversight of the first line of defence, and operates independently of the first line of defence. The second line of defence has the authority to veto any decisions proposed by the first line of defence that fall outside the set risk appetite or are not aligned with agreed policies.

The chief risk officer (CRO) as head of Group Risk Management and the chief compliance officer (CCO) as head of Group Compliance are responsible for the independent risk and compliance functions. The CRO and CCO are both members of the Executive Leadership Team (ELT). In cooperation with and under the responsibility of the chief executive officer (CEO), the CRO and CCO submit risk and compliance reports to the ELT and Board of Directors.

Group Risk Management is organised in risk functions with group-wide risk type oversight responsibility. Furthermore, each business unit is assigned a separate CRO who has oversight responsibility across all risk types for their unit.

Group Compliance is responsible for monitoring and assessing the Group's compliance with applicable laws, rules and regulations. Group Compliance has specific second-line responsibility for organising compliance training, providing independent advice, guidance and challenge, undertaking risk assessments and risk-based monitoring, and providing independent reporting to senior management and the Board of Directors on compliance risks and issues. Group Compliance also undertakes compliance oversight assessments to evaluate the adequacy and effectiveness of other risk management frameworks.

The third line of defence consists of Group Internal Audit (GIA). GIA is an independent and objective assurance entity that assists the Board of Directors and the ELT in protecting the assets, reputation and sustainability of the Group by evaluating the effectiveness of risk management, controls and governance. GIA is headed by the chief audit executive (CAE) who reports directly to the Board of Directors.

G40. Risk management notes - continued

Risk governance
The Board of Directors approves the Group's risk appetite, policies and instructions on the basis of recommendation of the ELT. In addition the Board of Directors receives regular reports, oversees the main risks, and reviews the largest credit exposures.

The ELT is responsible for the Group's day-to-day management. It supervises the Group's risk management practices, oversees developments in Group Compliance's methods, approves credit applications up to a defined limit, and ensures that bookkeeping and asset management are both sound and consistent with the Group's strategy and in compliance with applicable legislation.

Risks arising from financial instruments
The Group is exposed to the following risk types arising from financial instruments:

- Credit risk: The risk of losses because debtors or counterparties fail to meet all or part of their payment obligations to the Group.
- Market risk: The risk of losses because the fair value of the Group's assets, liabilities and off-balance-sheet items varies with changes in market conditions.
- Liquidity risk: The risk that a lack of funding leads to excessive costs or prevents the Group from maintaining its business model, or from fulfilling its payment obligations.
- Life insurance risk: The risk of losses due to changes in fair value of insurance assets and insurance liabilities and insurance risk at Danica.

Danica is a wholly-owned subsidiary of Danske Bank A/S. As required by Danish law and the Danish Executive Order on the Contribution Principle, Danica has notified the Danish Financial Supervisory Authority (the Danish FSA) of its profit policy. The contribution principle and the profit policy mean that policyholders assume risks and receive the returns on assets allocated to them. Assets are allocated to policyholders to secure their guaranteed benefits. Market risk and other risks on assets and liabilities allocated to policyholders are therefore included in Life insurance risk.

Other risks to the Group include non-financial risk (the risk of financial losses or gains, regulatory impact, reputational impact or customer impact resulting from inadequate or failed internal processes, people or systems or from external events, including legal and compliance risks) and cross-taxonomy risks (Conduct risk and Sustainability risk), which can impact all risk types in the Group's risk taxonomy. The Management's report and Risk Management 2024 provide a detailed description of Danske Bank Group's risk management practices. Risk Management 2024 is available at danskebank.com/reports. The publication is not covered by the statutory audit.

The following pages provide detail on the risks arising from financial instruments and how they are managed.

Total capital

Capital risk is the risk of not having enough capital to cover all material risks arising from the Group's chosen business strategy.

The Danske Bank Group (the Group) has licences to provide financial services and must therefore comply with the capital requirements of the Capital Requirements Regulation (CRR) and the Danish Financial Business Act. The Danish rules are based on the EU Capital Requirements Directive (CRD) and apply to both Danske Bank A/S (the Parent Company) and the Group. Similarly, the Group's financial subsidiaries in and outside Denmark must comply with local capital requirements. The regulatory requirements stipulate a minimum capital level of 8% of the total risk exposure amount (REA) under Pillar I (including risk exposure amounts for credit risk, counterparty credit risk, market risk and operational risk). In addition, financial institutions are required to calculate their solvency need under Pillar II to reflect all relevant risks. As stipulated in the CRD, a combined buffer requirement (CBR) applies to financial institutions in addition to the solvency need ratio. The Group's CBR consists of a systemic risk buffer, a countercyclical buffer, a capital conservation buffer and a SIFI buffer and must be funded with common equity tier 1 (CET1) capital. Because Danske Bank A/S is designated a systemically important financial institution (SIFI) in Denmark, the Group must meet a SIFI buffer requirement of 3%.

The Group's total capital consists of tier 1 capital (share capital and additional tier 1 capital after deductions) and tier 2 capital (subordinated loan capital after deductions).

The Group's CET1 capital is based on the carrying amount of shareholders' equity and adjusted with the following main deductions.
- Adjustments to eligible capital instruments
- Deferred tax assets that rely on future profitability
- Defined benefit pension fund assets
- Intangible assets of banking operations, including goodwill
- Minimum loss coverage for non-performing exposures
- Expected/proposed dividends
- Prudent valuation
- Prudential filters
- Reversal of the effect of IFRS 9 (expected credit losses) implementation due to transitional rules
- Statutory deductions for insurance subsidiaries

The presentation of the Group's total capital in the statement of capital shows the difference between the carrying amount of shareholders' equity and CET1 capital. At the end of 2024, the Group's CET1 capital amounted to DKK 145.2 billion (2023: DKK 155.3 billion), and its CET1 capital ratio was 17.8% (2023: 18.8%)

The Group's additional tier 1 capital and tier 2 capital may, subject to certain conditions, be included in total capital. The conditions are described in the CRR. Note G22 shows additional tier 1 capital and tier 2 capital. At the end of 2024, the Group's total capital was DKK 182.1 billion (2023: DKK 190.9 billion), and its total capital ratio was 22.4% (2023: 23.1%). The Group's tier 1 capital was DKK 155.6 billion (2023: DKK 170.1 billion), and its tier 1 capital ratio was 19.1% (2023: 20.5%).

Internal Capital Adequacy Assessment 2024 provides a description of the Group's solvency need.

The target for the CET1 capital ratio was kept at above 16% and ensures a sufficiently prudent buffer in relation to the capital requirement. This implies a capital target buffer of at least 1.4% in relation to the fully phased-in CET1 capital requirement.

The Group aspires to improve its credit ratings, which are important for its access to liquidity and for the pricing of its long-term funding. The Group therefore includes rating targets in its capital considerations.

G40. Risk management notes - continued

Credit risk

The Group offers loans, credits, guarantees and other products as part of its business model and thus takes on credit risk.

Credit risk is the risk of losses because debtors or counterparties fail to meet all or part of their payment obligations to the Group.

In accordance with the Group's Credit Policy, the Group carefully assesses the financial situation of customers to ensure that loans granted are suited to their needs and financial capacity and that customers understand their financial obligations.

In order to mitigate credit risk, the Group uses a number of measures, including collateral, guarantees and covenants.

Further information on the Group's risk management practices related to credit risk can be found in the report Risk Management 2024.

Sustainability risk
The Group may be exposed to sustainability drivers. Credit risk is deemed to be the risk type most materially affected by sustainability drivers. Sustainability and ESG considerations are integrated into the Group's lending practices.

Sustainability and credit risk
Sustainability risks are identified, assessed and monitored at the portfolio level as part of the annual sector reviews, which include an in-depth assessment of sub-sectors and the customers with the largest exposure. This enables the Group to map the most material sustainability risks facing the individual portfolios, monitor aggregate risk levels on an ongoing basis, and identify additional Credit Risk Policy requirements. When deemed necessary, the sustainability risk findings are integrated into the Group's credit risk tolerance to allow for portfolio management.

Relationship managers use a digital system to identify and assess each customer's sustainability risk level through a set of sector-specific ESG questions for both new and existing business customers. The customer-level sustainability risk assessments serve as input factors in the overall credit decision process and enable the Group to monitor the overall sustainability risk level. All counterparts with a total exposure exceeding DKK 7 million are in scope for an assessment. The scope of analysis is adjusted to capture the size and complexity of the counterparty concerned, with higher risk and larger exposure requiring a more detailed analysis. This requirement covers corporate counterparties in all the Group's business units, i.e. retail customers, as well as mid- and large corporates. On the back of the results, relationship managers are required to engage with customers with a significant exposure and a high level of identified risks to agree on a future action plan to mitigate these risks.

In 2024, around 90% of the Group's total business exposure in scope was assessed for sustainability risk. The Group implemented a more in-depth analysis of drivers of customers' ESG risk levels. These bottom-up customer assessments will increasingly be tied to the Group level top-down portfolio risk management efforts. This will ensure a consistent feedback loop between strategic and customer considerations in the Group's sustainability risk management.

Climate risk management
Climate risk is identified as the predominant ESG-related factor influencing the Group's credit risk, and risk practices are being enhanced in accordance with regulatory and industry developments.

Climate risk is primarily categorized into transition risks, associated with moving towards a low-carbon economy, and physical risks stemming from projected climate changes, including both long-term shifts (chronic changes) and event-driven changes (acute changes) to weather patterns. Both climate-related risks will affect credit risk in the medium and long-term. To address these risks, the Group is actively improving its climate data collection to refine the long-term view of climate-related risks across sectors.

At the portfolio level, the Group's exposure to sectors that face high climate transition and physical risks is outlined in the Pillar III disclosures, e.g. including the disclosure of the energy efficiency of collateral.

On the basis of the latest Intergovernmental Panel on Climate Change (IPCC) report on Europe, the Group has identified flooding risk (river and coastal flooding) as the most important physical hazard applicable to the portfolio. The current mapping of exposures subject to flooding risk focuses on residential and commercial property and forms part of the Pillar III disclosures.

In accordance with Pillar III transition risk disclosure requirements, the Group reports its financed emissions and the energy efficiency of collateral. The Group has taken into consideration the financed emissions of the sector portfolios identified as climate change contributors. It has been identified that the majority of emissions are attributable to only a few sectors, specifically agriculture, shipping, oil and gas. The Group actively monitors and manages these sectors at both the customer and portfolio levels. For instance, this is evidenced by the decline in the oil and gas portfolio in recent years.

The Group performs quantitative climate scenario analyses, including bottom-up climate stress tests to assess the effects of both physical and transition climate-related risks over short-, medium- and long-term horizons. Stress tests related to physical risks focus on collateral-related exposures based on expected loss calculations related to river and coastal flooding. In relation to transition risks, the Group has analysed scenarios for carbon taxes as a key driver for this transition in different sectors. Special focus on transition-risk scenario analyses is given to the Danish agricultural sector, where the introduction of a carbon tax is planned by the Danish government by 2030. For the Danish agricultural sector, results of the stress testing analysis are directly used in the impairment post-model-adjustment process. Moreover, the Group performs detailed bottom-up climate analyses on the commercial real estate sector, which constitutes a large part of the total Group's exposure, with a particular focus on the EU's Energy Performance of Buildings Directive.

Customer transition risk assessments
Managing climate transition risks takes place at both portfolio and customer levels. At the portfolio level, the Group sets long-term targets for sectors with high financed emissions, for instance oil & gas, as outlined in the Group's CSRD reporting. Climate risks are also taken into consideration when the Group determines its risk tolerance process for high-risk segments to further manage the portfolios.

The Group has developed a methodology to assess transition risks at the customer level to gain a more granular overview of transition risks in relevant high-emitting sectors. The methodology considers the customers' current performance as well as their short-, medium-, and long-term ambitions and plans to meet their decarbonisation strategy and targets. In addition, the assessments include an evaluation of the customers' risk of not executing on their strategies because of external factors that affect their ability to transition, i.e. technology and government support factors.

Based on the alignment assessment, technology and government factors, transition risk assessment scores are divided into four categories. The transition risk assessments contribute to the overall credit evaluation of customers by comparing the individual portfolio's transition risk to the estimated average credit ratings within each category.

The Group focuses on financially weak laggards in the transition process as they carry heightened impairment risk. For these customers, the Group has identified mitigating actions, which include collaborating to develop a transition plan that ensures alignment with established standards. Financially weak transition laggards represent approximately 10% of the assessed exposure and will be monitored on an ongoing basis.

Credit risk - continued

The Group's view is that climate transition risk is concentrated to a few segments and portfolios which are of generally of good credit quality and for which we have also set climate targets. The most financially material risks from climate change are well addressed in the existing credit risk management processes. Transition risks are managed through risk tolerances, strategic targets, or management overlays adjusting for climate related risks. Initial climate risk insights have concluded that the impacts either manifest over a longer time period than loan maturities, or that transition risks are concentrated in sectors where the downside risks are already addressed in the Group's existing impairments/ post-model adjustments and capital considerations.

Credit exposure

Credit exposure consists of balance sheet items and off-balance-sheet items that carry credit risk. Most of the exposure derives from lending activities in the form of secured and unsecured loans. Securities positions taken by the Group's trading and investment units also entail credit risk and are presented as credit exposure from trading and investment securities as well as derivatives and loans at the Group's trading units.

The overall management of credit risk thus covers credit risk from direct lending activities, counterparty credit risk on derivatives and loans at the Group's trading units and credit risk from securities positions.

Breakdown of credit exposure

(DKK billions) 31 December 2024	Total	Lending activities	Counterparty credit risk	Trading and investment securities	Customer-funded investments
Balance sheet items					
Demand deposits with central banks	100.6	100.6	-	-	-
Due from credit institutions and central banks	143.6	80.5	63.0	-	-
Trading portfolio assets	531.8	-	261.0	270.8	-
Investment securities	269.1	-	-	269.1	-
Loans at amortised cost	921.9	921.9	-	-	-
Loans at fair value	1,074.8	755.2	319.6	-	-
Assets under pooled schemes and investment contracts	76.2	-	-	-	76.2
Insurance assets	548.9	-	-	-	548.9
Assets held for sale	-	-	-	-	-
Off-balance-sheet items					
Guarantees	96.4	96.4	-	-	-
Loan commitments shorter than 1 year	191.0	191.0	-	-	-
Loan commitments longer than 1 year	244.4	244.4	-	-	-
Other unutilised commitments	16.7	-	-	-	16.7
Total	**4,215.3**	**2,389.9**	**643.7**	**539.9**	**641.7**

Credit risk – continued

(DKK billions) 31 December 2023*	Total	Lending activities	Counterparty credit risk	Trading and investment securities	Customer-funded investments
Balance sheet items					
Demand deposits with central banks	252.7	252.7	-	-	-
Due from credit institutions and central banks	114.8	21.8	93.0	-	-
Trading portfolio assets**	503.5	-	307.1	196.5	-
Investment securities	283.9	-	-	283.9	-
Loans at amortised cost**	921.6	921.6	-	-	-
Loans at fair value	928.2	753.3	175.0	-	-
Assets under pooled schemes and investment contracts	70.9	-	-	-	70.9
Insurance assets	496.0	-	-	-	496.0
Assets held for sale	110.4	110.4	-	-	-
Off-balance-sheet items					
Guarantees	75.9	75.9	-	-	-
Loan commitments shorter than 1 year	197.0	197.0	-	-	-
Loan commitments longer than 1 year	220.3	220.3	-	-	-
Other unutilised commitments	16.7	-	-	0.1	16.6
Total	**4,192.1**	**2,553.0**	**575.0**	**480.5**	**583.6**

* With effect from 1 January 2024, Non-core ceased to exist as a separate segment. Credit exposure as at 31 December 2023 previously reported under Non-core has been reclassified, and comparatives have been restated to reflect this change.
** Comparative information has been restated as described in note G2(b).

The Group's exposure to the risk on some balance sheet items is limited. This is the case for assets under customer-funded investment pools, investment contracts and insurance contracts. The risk on assets under pooled schemes and investment contracts is assumed solely by the customers, while the risk on insurance assets is assumed primarily by the customers. The section on life insurance risk describes the Group's credit risk on insurance contracts.

In addition to credit exposure from lending activities, Danske Bank had made uncommitted loan offers and granted uncommitted lines of credit of DKK 193 billion at 31 December 2024 (31 December 2023: DKK 232 billion). These items are included in the calculation of the total risk exposure amount in accordance with the Capital Requirements Directive.

Credit exposure from lending activities

Credit exposure from lending activities in the Group's banking business includes loans, amounts due from credit institutions and central banks, guarantees and irrevocable loan commitments. The exposure is measured net of expected credit losses and includes repo loans at amortised cost. For reporting purposes, all collateral values are net of haircuts and capped at the exposure amount.

The Group's definition of default for accounting aligns with the regulatory purposes. All exposures in stage 3 are considered default. This includes all non-performing loans. A small amount of credit exposure in stage 3 can be found outside default. This is due to impairment staging being updated monthly (after each month-end), whereas default is updated daily. For the same reason, some credit exposure in default is outside stage 3. The stage 3 coverage ratio is 73% (31 December 2023: 75%).

For further details about the Group's credit risk management and the use of information on expected credit losses for risk management purposes, see Risk Management 2024.

Classification of customers

The main objectives of risk classification are to rank the Group's customers according to risk and to estimate each customer's probability of default (PD). As part of the credit process, the Group classifies customers according to risk and updates their classifications upon receipt of new information. Risk classification comprises rating and credit scoring of customers. While all large customers are rated, the Group uses fully automated and statistically-based scoring models for small customers such as personal customers and small businesses. Credit scores are updated monthly in a process subject to automated controls.

The Group has developed a number of classification models to assess customer PD and to classify customers in various segments.

In its credit risk management, the Group uses point in time (PIT) PD estimates for risk classification. These PIT PD estimates express a customer's probability of default within the next 12 months in the current economic situation. The Group's classification scale consists of 11 main rating categories with fixed PD bands. During a downturn, a customer's PIT PD may increase, and the customer may migrate to a lower rating category. The effect from a downturn is thus larger when PIT PD is used than if the classification were based on through-the-cycle (TTC) PD, which the Group uses to calculate the risk exposure amount for credit risk.

The classification of facilities between stage 1 and 2 for the purpose of calculating expected credit losses under IFRS 9 depends on whether the credit risk has increased significantly since initial recognition. The assessment of whether the credit risk has increased significantly since initial recognition is performed by considering the change in the risk of default occurring over the remaining life of the individual facility and incorporating forward-looking information. A facility is transferred from stage 1 to stage 2 on the basis of observed increases in the probability of default:

- For facilities originated below 1% in PD: an increase in the facility's 12-month PD of at least 0.5 of a percentage point since initial recognition and a doubling in the facility's lifetime PD since origination.
- For facilities originated above 1% in PD: an increase in the facility's 12-month PD of 2 percentage points since origination or a doubling of the facility's lifetime PD since origination.

In addition, facilities that are more than 30 days past due are moved to stage 2. 30 days past due is considered a backstop. Finally, customers subject to forbearance measures are placed in stage 2 if the Group, in the most likely outcome, expects no loss or the customers are in the two-year probation period for performing forborne exposures.

A facility is transferred from stage 2 to stage 3 when it becomes credit-impaired. A facility becomes credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred. This includes observable data about (a) significant financial difficulty of the issuer or the borrower; (b) a breach of contract, such as a default or past due event; (c) the borrower, for financial or contractual reasons relating to the borrower's financial difficulty, having been granted a concession that would not otherwise have been considered; (d) it is becoming probable that the borrower will enter into bankruptcy or other financial restructuring; and (e) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit loss. It may not be possible to identify a single discrete event – instead, the combined effect of several events may cause a financial asset to become credit-impaired. Credit-impaired facilities are placed in rating category 10 or 11. For customers in rating category 10, the stage 3 classification applies only to customers where a loss is expected in the most likely scenario. For rating category 11 (default), all facilities are classified as stage 3 exposures.

Exposures which are considered to be in default for regulatory purposes will always be categorised as stage 3 exposures under IFRS 9. This applies to 90-days-past-due considerations and unlikely-to-pay factors leading to regulatory default.

Management applies judgement and recognises post-model adjustments to cover risks that are not reflected sufficiently in the Group's expected credit loss model. Besides increasing the expected credit losses, the post-model adjustments may lead to the transfer of part of the gross exposure covered by the post-model adjustments from stage 1 to stage 2 through targeted PD pushes to the current point in time estimates of PD (i.e. increases in the PD for the underlying customers in the selected portfolios covered by the post-model adjustments) to ensure consistency between the methods used for disclosing information about expected credit losses and exposures subject to significant increase in credit risk. While the distribution of customers between the Group's 11 rating categories is unchanged and reflects the current point-in-time estimate of the underlying customers' PDs, the PD pushes may lead to the transfer of gross exposures to stage 2 as the assessment of the increase in credit risk is performed by comparing the initial PD with the current PD (after the adjustment for the targeted PD pushes).

Expected credit losses
The expected credit loss is calculated for all individual facilities as a function of the probability of default (PD), the exposure at default (EAD) and the loss given default (LGD). For exposures in stage 1, 12- month expected credit losses are recognised, while lifetime expected credit losses are recognised for exposures in stage 2-3. For further information see note G15.

Credit portfolio broken down by rating category
The Group's definition of default for accounting aligns with the regulatory purposes. All exposures in stage 3 are considered default. As a result, all non-performing loans are considered default, and hence equal to the total of stage 3 exposures.

Although Stage 3 and default (rating 11) are generally aligned, a small amount of credit exposure in stage 3 can be found outside default. This is due to impairment staging being updated monthly (after each month-end), whereas default is updated daily. For the same reason, some credit exposure in default is outside stage 3.

For further details about the Group's credit risk management and the use of information on expected credit losses for risk management purposes, see Risk Management 2024.

The following table breaks down the credit exposure by rating categories and stages.

Credit risk – continued

Credit exposure broken down by rating categories

(DKK billions)	PD level		Gross exposure			Expected credit loss			Net exposure			Net exposure, ex collateral		
31 December 2024	Upper	Lower	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
1	-	0.01	130.1	-	-	-	-	-	130.1	-	-	108.8	-	-
2	0.01	0.03	191.1	0.2	-	-	-	-	191.1	0.2	-	95.3	-	-
3	0.03	0.06	508.6	0.8	-	0.1	-	-	508.6	0.8	-	259.8	0.5	-
4	0.06	0.14	583.0	2.6	0.1	0.2	-	-	582.8	2.6	0.1	268.9	1.6	-
5	0.14	0.31	422.5	8.5	-	0.4	0.1	-	422.1	8.4	-	154.4	5.1	-
6	0.31	0.63	291.1	39.5	-	0.6	0.6	-	290.4	38.9	-	95.8	14.2	-
7	0.63	1.90	89.1	43.7	0.7	1.2	1.8	0.1	88.0	41.9	0.5	31.3	11.1	0.5
8	1.90	7.98	9.6	28.9	-	0.7	2.2	0.1	8.9	26.7	-	2.5	7.9	-
9	7.98	25.70	1.0	5.1	0.1	-	0.7	-	0.9	4.4	0.1	0.1	1.6	-
10	25.70	99.99	1.0	19.3	0.8	-	2.1	0.1	1.0	17.2	0.7	0.3	6.8	0.1
11 (default)	100.00	100.00	0.3	1.5	30.7	0.1	0.1	8.8	0.2	1.4	22.0	-	0.1	3.1
Total			**2,227.3**	**150.0**	**32.5**	**3.2**	**7.6**	**9.1**	**2,224.1**	**142.4**	**23.5**	**1,017.3**	**49.0**	**3.8**

	PD level		Gross exposure			Expected credit loss			Net exposure			Net exposure, ex collateral		
31 December 2023*	Upper	Lower	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
1	-	0.01	127.8	0.1	-	-	-	-	127.8	0.1	-	108.9	-	-
2	0.01	0.03	291.0	0.3	-	-	-	-	291.0	0.3	-	181.2	-	-
3	0.03	0.06	537.9	0.7	-	0.1	-	-	537.8	0.6	-	263.2	0.4	-
4	0.06	0.14	607.8	1.9	-	0.2	-	-	607.6	1.9	-	274.9	0.5	-
5	0.14	0.31	434.8	8.1	0.1	0.4	-	-	434.5	8.0	0.1	136.5	5.5	-
6	0.31	0.63	290.0	36.9	0.1	0.7	0.6	-	289.3	36.3	0.1	87.2	18.7	-
7	0.63	1.90	92.3	47.3	0.1	1.2	1.9	-	91.1	45.3	0.1	27.9	17.7	-
8	1.90	7.98	12.2	28.1	0.4	0.9	2.8	-	11.3	25.2	0.4	1.7	6.3	0.2
9	7.98	25.70	1.0	4.8	-	-	1.0	-	1.0	3.8	-	0.2	1.0	-
10	25.70	99.99	0.6	14.8	1.3	-	1.0	0.5	0.6	13.8	0.8	0.2	3.7	0.5
11 (default)	100.00	100.00	0.6	1.5	30.7	-	-	8.6	0.6	1.5	22.1	0.4	0.2	2.2
Total			**2,396.2**	**144.2**	**32.7**	**3.6**	**7.5**	**9.1**	**2,392.6**	**136.7**	**23.6**	**1,082.3**	**54.1**	**3.0**

*Comparative information has been restated as described in note G2(b). In addition, with effect from 1 January 2024, Non-core ceased to exist as a separate segment and became a new sub-segment of Group Functions. Credit exposure as at 31 December 2023 previously reported under Non-core has therefore been reclassified to Group Functions.

Credit risk – continued

Credit portfolio broken down by industry (NACE) and stages

The following table breaks down credit exposure by industry. The industry segmentation is based on the classification principles of the Statistical Classification of Economic Activities in the European Community (NACE) standard that has been adapted to the Group's business risk approach used for the active management of the credit portfolio.

As at 31 December 2024, oil and gas exposures (within the Shipping, oil and gas industry) represent a gross exposure of DKK 18.9 billion (31 December 2023: DKK 18.1 billion) and expected credit losses of DKK 0.1 billion (31 December 2023: DKK 0.3 billion). Those exposures represent the majority of the exposures in stage 3 within the Shipping, oil and gas industry at the end of December 2024.

Credit exposure broken down by industry

(DKK billions)	Gross exposure			Expected credit loss			Net exposure			Net exposure, ex collateral		
31 December 2024	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Public institutions	190.2	1.4	0.2	-	-	-	190.2	1.4	0.2	188.6	-	-
Financials	156.3	2.8	0.4	-	0.1	0.1	156.3	2.7	0.3	140.0	1.9	0.2
Agriculture	51.6	5.2	1.6	0.3	0.7	0.5	51.2	4.5	1.1	11.8	1.2	-
Automotive	25.5	5.1	0.3	-	0.3	0.1	25.5	4.8	0.1	18.9	2.7	-
Capital goods	88.0	11.3	2.1	0.1	0.4	0.8	88.0	10.9	1.3	78.1	8.3	0.3
Commercial property*	269.2	31.1	4.0	0.7	1.4	0.9	268.6	29.7	3.1	47.3	4.2	0.4
Construction and building materials	43.1	8.0	1.8	0.4	1.1	0.9	42.8	6.9	1.0	31.1	3.2	0.4
Consumer goods	78.5	8.2	1.2	-	0.5	0.4	78.5	7.7	0.7	61.7	5.9	0.1
Hotels, restaurants and leisure	12.4	1.3	0.7	-	0.1	0.2	12.4	1.3	0.5	3.2	0.3	0.1
Metals and mining	16.3	2.6	-	-	0.1	-	16.3	2.5	-	13.6	1.8	-
Other commercials	2.1	0.3	1.0	0.1	-	0.1	2.0	0.3	0.9	-	-	0.6
Pharma and medical devices	56.1	1.4	-	-	0.1	-	56.0	1.3	-	52.9	1.1	-
Private housing co-ops and non-profit associations	200.3	3.3	0.5	0.1	0.1	0.1	200.3	3.2	0.4	26.8	0.5	0.1
Pulp, paper and chemicals	44.9	3.4	0.7	-	0.2	0.2	44.8	3.2	0.5	33.8	2.1	0.1
Retailing	26.4	4.9	1.9	0.1	0.4	0.6	26.3	4.5	1.3	16.4	3.4	0.6
Services	75.6	4.9	1.2	0.2	0.5	0.4	75.4	4.4	0.8	63.4	2.7	0.4
Shipping, oil and gas	37.5	5.6	1.5	-	0.1	0.2	37.5	5.6	1.4	21.5	0.4	0.2
Social services	26.5	2.7	0.3	-	0.1	0.1	26.5	2.6	0.2	10.0	2.1	-
Telecom and media	23.8	1.3	1.3	-	0.1	0.7	23.8	1.2	0.6	18.2	1.1	0.1
Transportation	22.6	2.1	1.2	-	0.1	0.3	22.6	2.0	0.9	14.6	0.7	-
Utilities and infrastructure	90.3	0.3	-	-	-	-	90.3	0.3	-	67.2	0.2	-
Personal customers	689.9	42.7	10.6	1.0	1.3	2.6	688.8	41.3	8.0	98.1	5.1	-
Total	**2,227.3**	**150.0**	**32.5**	**3.2**	**7.6**	**9.1**	**2,224.1**	**142.4**	**23.5**	**1,017.3**	**49.0**	**3.8**

* As at 31 December 2024, DKK 148 billion of the net exposure in Commercial property is towards residential assets.

Credit risk – continued

(DKK billions)	Gross exposure			Expected credit loss			Net exposure			Net exposure, ex collateral		
31 December 2023*	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Public institutions	298.6	1.0	0.3	-	-	-	298.6	1.0	0.3	295.9	-	-
Financials	152.9	3.4	0.4	0.1	0.1	0.1	152.9	3.3	0.2	134.7	2.7	0.2
Agriculture	54.8	4.6	2.2	0.3	0.7	0.6	54.5	3.9	1.7	13.1	0.9	-
Automotive	24.9	2.5	0.3	-	0.1	0.1	24.9	2.4	0.1	19.9	1.1	-
Capital goods	82.7	13.3	1.2	0.1	0.3	0.5	82.6	13.0	0.7	74.3	10.9	0.3
Commercial property**	258.0	32.4	4.7	0.8	1.8	0.9	257.3	30.6	3.8	28.8	4.7	0.4
Construction and building materials	42.8	6.5	2.1	0.3	1.0	0.9	42.5	5.6	1.2	30.3	2.8	0.5
Consumer goods	67.5	8.3	1.3	0.1	0.4	0.5	67.4	7.8	0.9	53.5	5.6	0.2
Hotels, restaurants and leisure	12.7	1.8	0.7	-	0.1	0.2	12.7	1.8	0.5	3.0	0.5	0.1
Metals and mining	14.6	1.2	-	-	-	-	14.6	1.2	-	12.6	0.9	-
Other commercials	11.6	0.3	0.3	0.1	-	0.1	11.5	0.3	0.2	7.9	0.1	-
Pharma and medical devices	44.1	2.9	-	-	-	-	44.0	2.9	-	40.6	2.5	-
Private housing co-ops and non-profit associations	191.1	4.5	0.6	0.1	0.3	0.2	191.1	4.2	0.5	22.6	1.0	0.1
Pulp, paper and chemicals	40.7	3.7	0.9	-	0.1	0.2	40.7	3.6	0.7	29.4	2.6	0.3
Retailing	27.7	5.2	1.9	0.1	0.3	0.7	27.6	4.9	1.2	17.6	3.8	0.5
Services	63.4	7.6	1.0	0.2	0.3	0.4	63.2	7.3	0.6	51.3	5.9	0.3
Shipping, oil and gas	36.3	1.9	2.4	-	0.1	0.4	36.3	1.9	2.0	20.4	0.6	-
Social services	29.5	1.3	0.3	-	0.1	0.1	29.4	1.2	0.2	13.0	0.7	-
Telecom and media	23.7	0.8	1.7	-	0.1	0.7	23.7	0.7	0.9	18.4	0.6	-
Transportation	15.6	2.1	0.4	-	0.1	0.1	15.6	2.0	0.3	7.2	0.7	-
Utilities and infrastructure	84.0	1.3	-	-	-	-	84.0	1.3	-	62.2	1.2	-
Personal customers	819.0	37.7	10.2	1.4	1.6	2.5	817.5	36.1	7.7	125.5	4.2	-
Total	**2,396.2**	**144.2**	**32.7**	**3.6**	**7.5**	**9.1**	**2,392.6**	**136.7**	**23.6**	**1,082.3**	**54.1**	**3.0**

* With effect from 1 January 2024, Non-core ceased to exist as a separate segment. Credit exposure as at 31 December 2023 previously reported under Non-core has been reclassified, and comparatives under Lending activities have been restated to reflect this change. There is no change to total Credit exposure as at 31 December 2024.
**As at 31 December 2024, DKK 148 billion of the net exposure in Commercial property is towards residential assets

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Credit risk – continued

Collateral
The Group uses a number of measures to mitigate credit risk, including collateral, guarantees and covenants. The main method is obtaining collateral. The table showing collateral by type (after haircut) is included. The mitigating effect from collateral at the end of December 2024 can be found as the difference between the columns 'Net exposure' and 'Net exposure, ex collateral' and amounted to DKK 1,319.9 billion at 31 December 2024 (31 December 2023: DKK 1,413.5 billion).

Credit exposure by business unit

(DKK billions)	Gross exposure			Expected credit loss			Net exposure			Net exposure, ex collateral		
31 December 2024	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Personal Customers												
Personal Customers Denmark	431.1	23.2	7.1	0.7	0.9	1.4	430.3	22.3	5.7	57.5	2.1	0.4
Personal Customers Sweden	95.2	4.0	0.5	0.1	0.2	0.1	95.2	3.8	0.4	27.9	0.9	-
Personal Customers Finland	72.5	8.8	1.9	0.1	0.2	0.6	72.4	8.6	1.3	4.2	0.6	-
Personal Customers Norway	0.5	0.2	0.3	-	-	0.1	0.5	0.2	0.2	0.1	-	-
Global Private Banking	71.8	3.5	0.9	-	0.1	0.2	71.7	3.3	0.7	12.3	0.5	0.1
Personal Customers Other	0.2	-	-	-	-	-	0.2	-	-	0.2	-	-
Total Personal Customers	671.2	39.6	10.7	1.0	1.3	2.4	670.3	38.3	8.3	102.2	4.1	0.4
Business Customers												
Asset Finance	49.1	10.4	2.7	0.1	0.4	0.7	49.0	10.0	2.0	17.8	2.1	0.2
Business Customers	318.0	38.5	10.8	1.1	3.4	3.8	316.9	35.1	7.0	105.7	13.7	1.0
Commercial Real Estate	326.1	22.2	0.7	0.4	0.7	0.1	325.7	21.6	0.6	60.8	2.5	-
Business Customers Other	0.4	-	-	-	-	-	0.4	-	-	0.4	-	-
Total Business Customers	693.6	71.1	14.2	1.6	4.5	4.7	692.0	66.7	9.5	184.7	18.4	1.2
Large Corporates & Institutions	649.9	35.7	6.1	0.4	1.7	1.5	649.5	34.0	4.5	572.0	26.1	2.1
Northern Ireland	100.9	3.4	1.5	0.3	0.1	0.5	100.7	3.3	1.0	49.2	0.4	-
Group Functions	111.7	0.1	-	-	-	-	111.7	0.1	-	109.2	0.1	-
Total	2,227.3	150.0	32.5	3.2	7.6	9.1	2,224.1	142.4	23.5	1,017.3	49.0	3.8

Credit risk – continued

(DKK billions)	Gross exposure			Expected credit loss			Net exposure			Net exposure, ex collateral		
31 December 2023*	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Personal Customers**												
Personal Customers Denmark	424.0	18.6	6.2	1.0	0.9	1.3	423.0	17.7	4.9	49.4	1.8	-
Personal Customers Sweden	101.8	2.9	0.3	0.1	0.2	0.1	101.7	2.7	0.3	32.1	0.4	-
Personal Customers Finland	76.9	5.6	1.9	0.2	0.2	0.6	76.7	5.4	1.3	4.2	0.2	-
Personal Customers Norway	125.9	4.3	0.5	-	0.1	0.1	125.8	4.2	0.4	30.1	0.7	-
Global Private Banking	76.5	3.1	0.7	-	0.1	0.2	76.4	3.0	0.5	16.2	1.0	-
Personal Customers Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Personal Customers	**805.0**	**34.6**	**9.6**	**1.3**	**1.6**	**2.4**	**803.7**	**33.0**	**7.3**	**132.1**	**4.1**	**-**
Business Customers												
Asset Finance	52.7	9.4	1.4	0.1	0.5	0.5	52.6	8.8	0.9	19.5	1.6	-
Business Customers	309.6	36.8	10.4	1.1	3.0	3.7	308.5	33.8	6.7	93.3	13.8	0.6
Commercial Real Esate	308.0	24.9	2.3	0.4	1.1	0.3	307.6	23.8	2.0	44.8	3.9	0.1
Business Customers Other	0.4	-	0.1	-	-	-	0.4	-	0.1	0.4	-	-
Total Business Customers	**670.6**	**71.1**	**14.2**	**1.6**	**4.7**	**4.5**	**669.0**	**66.4**	**9.7**	**158.0**	**19.3**	**0.6**
Large Corporates & Institutions	**598.8**	**33.8**	**6.9**	**0.4**	**1.1**	**1.8**	**598.5**	**32.7**	**5.1**	**514.5**	**29.8**	**2.1**
Northern Ireland	**89.4**	**4.7**	**1.9**	**0.3**	**0.1**	**0.4**	**89.1**	**4.6**	**1.5**	**48.1**	**0.8**	**0.2**
Group Functions	**232.3**	**0.1**	**-**	**-**	**-**	**-**	**232.3**	**0.1**	**-**	**229.7**	**-**	**-**
Total	**2,396.2**	**144.2**	**32.7**	**3.6**	**7.5**	**9.1**	**2,392.6**	**136.7**	**23.6**	**1,082.3**	**54.1**	**3.0**

* Comparative information has been restated as described in note G2(b). In addition, with effect from 1 January 2024, Non-core ceased to exist as a separate segment and became a new sub-segment of Group Functions. Credit exposure as at 31 December 2023 previously reported under Non-core has therefore been reclassified to Group Functions.

** Personal Customers Sweden, Personal Customers Finland and Personal Customers Norway are new sub-segments in Personal Customers in 2024. Comparatives have been reclassified. There is no change to total credit exposure for Personal Customers as at 31 December 2023.

Credit risk – continued

Concentration risk
The Group has implemented a set of frameworks to manage the concentration risk to which the Group is exposed. These frameworks cover single-name concentrations, industry concentrations and geographical concentrations.

Industry concentrations
The Group manages industry concentrations as part of its credit risk tolerance framework by setting exposure limits on select ed industries. For commercial property, this also includes reducing the number of low-quality customers to ensure creditworthiness within the concentration limits. The industry concentrations are updated on an ongoing basis and at least once a year. The Group accepts the risks on material concentrations in accordance with the industry-specific guidelines that outline the use of credit policies within the industry. For personal customers, the Group also manages key concentrations in relation to high loan-to-value (LTV) ratios and short-term interest loans, for example.

Geographical concentrations
Credit reporting includes a breakdown by country. For selected countries, exposures to sovereigns, financial institutions and counterparties in derivatives trading are managed within country limits.

Single-name concentrations and large exposures
Limits are set on credit risk exposures to single names, thus protecting the Group from excessive losses resulting from the default of a single customer group.

The limits on large exposures are defined within the large exposure restrictions of article 391 of the Capital Requirements Regulation (EU) No 575/2013 (CRR):

- an absolute limit on the largest single aggregate exposure.
- the sum of the 20 largest exposures.

Collateral
The Group uses a number of measures to mitigate credit risk, including collateral, guarantees and covenants. The main method is obtaining collateral.

The value of collateral is monitored and reassessed by advisers, internal or external assessors, and automatic valuation models to ensure it reflects current market prices. The Groups Collateral System supports this process by only accepting up-to-date values, thus ensuring that the Group complies with regulatory requirements.

The validity of the internal and external inputs on which the valuation models depend is assessed regularly and the performance of the models themselves is validated annually by an independent unit, to assess their performance and highlight any deficiencies that need to be addressed.

The market value of collateral is subject to a haircut to reflect the fact that the Group may not be able to obtain the estimated market value upon the sale of the individual asset in a distressed situation. Hence, the haircut includes a forced sale reduction, price volatility during the sales period, realisation costs and maintenance costs. The haircut applied depends on the type of collateral. For regulatory purposes, the Group also applies more conservative haircuts in order to capture the risk of an economic downturn.

Credit risk – continued

Types of collateral

(DKK billions)	Personal Customers	Business Customers	Large Corporates & Institutions	Northern Ireland	Group Functions	Total
31 December 2024						
Real property	583.2	441.4	36.3	48.8	-	1,109.7
- Personal	575.6	1.0	-	30.8	-	607.4
- Commercial	5.8	408.4	34.7	15.0	-	463.9
- Agricultural	1.9	31.9	1.5	3.0	-	38.5
Bank accounts	-	-	-	-	-	-
Custody account and securities	6.4	4.1	6.3	-	-	16.8
Vehicles	1.9	22.8	-	-	-	24.6
Equipment	-	15.1	3.3	3.5	-	21.9
Vessels	-	1.5	21.0	-	-	22.5
Guarantees	17.7	48.3	16.4	1.3	-	83.6
Amounts due	-	3.1	0.5	0.3	-	4.0
Other assets	0.1	28.4	4.0	1.6	2.4	36.6
Total collateral	**609.4**	**564.7**	**87.8**	**55.5**	**2.5**	**1,319.9**
Total unsecured credit exposure	107.5	203.5	600.2	49.5		960.8
Unsecured portion of credit exposure (%)	15.0%	26.5%	87.2%	47.2%	-	42.1%

(DKK billions)	Personal Customers	Business Customers	Large Corporates & Institutions	Northern Ireland	Group Functions	Total
31 December 2023						
Real property	696.2	489.9	42.6	40.3	0.1	1,269.1
- Personal	687.3	1.5	-	26.6	0.1	715.6
- Commercial	6.8	452.4	40.7	11.4	-	511.4
- Agricultural	2.0	36.0	1.9	2.2	-	42.1
Bank accounts	0.2	0.4	-	-	-	0.6
Custody account and securities	3.6	4.1	10.2	-	-	17.9
Vehicles	2.0	19.7	3.2	-	-	24.9
Equipment	-	12.2	3.4	2.5	-	18.1
Vessels	-	1.1	18.1	-	-	19.2
Guarantees	6.2	3.6	12.1	1.9	-	23.8
Amounts due	0.1	2.3	0.8	0.2	-	3.3
Other assets	0.1	29.2	3.5	1.4	2.5	36.7
Total collateral	**708.3**	**562.5**	**94.0**	**46.2**	**2.6**	**1,413.6**
Total unsecured credit exposure	135.7	182.7	539.3	49.0	-	906.7
Unsecured portion of credit exposure (%)	16.1%	24.5%	85.2%	51.4%	-	39.1%

Credit risk – continued

Past due amounts (excluding loans in rating category 10 and 11)

Past due amounts

(DKK millions)	Personal Customers	Business Customers	Large Corporates & Institutions	Northern Ireland	Group Functions	Total past due amount	Total due under loans
31 December 2024							
6-30 days	11	7	-	1	-	19	910
31-60 days	2	13	-	2	-	17	349
> 60 days	5	3	-	-	-	9	1,092
Total past due amounts	**18**	**24**	**-**	**3**	**-**	**45**	
Total due under loans	**1,195**	**1,094**	**1**	**61**	**-**		**2,351**
31 December 2023							
6-30 days	43	39	14	2	-	98	1,592
31-60 days	23	17	3	2	-	44	588
> 60 days	34	12	-	5	-	52	454
Total past due amounts	**100**	**68**	**17**	**8**	**-**	**194**	
Total due under loans	**1,640**	**887**	**17**	**89**	**1**		**2,634**

For the past due amounts, the average unsecured portion of the claims recorded was 21.6% at the end of 2024 (2023: 23.6%). Real property accounted for 78.6% of collateral provided (2023: 59.7%).

Forbearance practices and repossessed assets

The Group adopts forbearance plans to assist customers in financial difficulty. Concessions granted to customers include interest-reduction schedules, interest-only schedules, temporary payment holidays, term extensions, cancellation of outstanding fees, waiver of covenant enforcement and debt forgiveness. Forbearance plans must comply with the Group's Credit Policy. They are used as an instrument to retain long-term business relationships during economic downturns if there is a realistic possibility that the customer will be able to meet its obligations again, or are used for minimising losses in the event of default.

If it proves impossible to improve the customer's financial situation by forbearance measures, the Group will consider whether to subject the customer's assets to a forced sale or whether the assets could be realised later at higher net proceeds. At the end of 2024, the Group had recognised properties taken over in Denmark at a carrying amount of DKK 13 million (2023: DKK 17 million), and there were no properties taken over in other countries (2023: DKK 0 million). The properties are held for sale and included under Assets held for sale in the balance sheet.

The Group applies the European Banking Authority's (the EBA's) definition of loans subject to forbearance measures. The EBA definition states that a probation period of a minimum of two years must pass from the date when forborne exposures are considered to be performing again.

Forbearance measures lead to changes in staging for impairment purposes, and impairments relating to forborne exposures are handled according to the principles described in note G15.

Exposures subject to forbearance measures

(DKK millions)	31 December 2024	31 December 2023
Stage 1	256	297
Stage 2	7,629	5,279
Stage 3	6,966	7,023
Total	**14,851**	**12,598**

Credit risk – continued

Expected credit losses (allowance account)
The expected credit loss is calculated for all individual facilities as a function of the probability of default (PD), the exposure at default (EAD) and the loss given default (LGD). In general, the Group's IFRS 9 impairment models and parameters draw on the bank's internal models in order to ensure alignment of models across the Group. New models and calculations have been developed especially for IFRS 9 purposes, including models for lifetime PD, prepayment and forward-looking LGD. All expected credit loss impairments are allocated to individual exposures. For significant stage 3 exposures, the Group determines the expected credit losses individually.

Allowance account broken down by stage

(DKK millions)	Stage 1*	Stage 2*	Stage 3*	Total*
ECL allowance account as at 1 January 2023	3,273	8,082	8,290	19,645
Transferred to stage 1 during the period	2,406	-2,274	-132	-
Transferred to stage 2 during the period	-211	668	-457	-
Transferred to stage 3 during the period	-22	-505	527	-
ECL on new assets	601	1,249	607	2,457
ECL on assets derecognised	-513	-1,142	-940	-2,595
Impact of net remeasurement of ECL (incl. changes in models)	-1,923	1,393	1,544	1,014
Write-offs debited to the allowance account	-5	-	-364	-370
Foreign exchange adjustments	-18	23	-26	-22
Other changes	5	-7	12	10
ECL allowance account as at 31 December 2023	**3,592**	**7,486**	**9,062**	**20,140**
Transferred to stage 1 during the period	1,197	-1,063	-134	-
Transferred to stage 2 during the period	-317	629	-312	-
Transferred to stage 3 during the period	-28	-414	443	-
ECL on new assets	561	1,540	1,106	3,207
ECL on assets derecognised	-557	-1,495	-848	-2,900
Impact of net remeasurement of ECL (incl. changes in models)	-1,106	1,024	132	49
Write-offs debited to the allowance account	-9	-	-358	-367
Foreign exchange adjustments	-24	-85	-31	-140
Other changes	-82	-5	-2	-89
ECL allowance account as at 31 December 2024	**3,226**	**7,617**	**9,058**	**19,901**

* With effect from 1 January 2024, Non-core ceased to exist as a separate segment. The allowance account in 2023 previously reported under Non-core has been reclassified, and comparatives have been restated to reflect this change.

The stage 3 allowance account includes DKK 1.9 billion (2023: DKK 1.9 billion) relating to originated credit impaired financial assets. Originated credit impaired financial assets are granted as part of restructuring non-performing loan exposures, and are otherwise outside the Group's credit policy. The Group has not acquired any credit impaired financial assets.

Expected credit losses (allowance account) broken down by segment

(DKK millions)	Personal Customers	Business Customers	Large Corporates & Institutions	Northern Ireland	Group Functions*	Total*
ECL allowance account as at 1 January 2023	5,427	10,235	3,050	863	70	19,645
ECL on new assets	483	1,544	351	84	-4	2,457
ECL on assets derecognised	-673	-1,825	-43	-44	-9	-2,595
Impact on remeasurement of ECL (incl. change in models)	265	874	16	-115	-26	1,014
Write-offs debited to allowance account	-172	-150	-32	-15	-	-370
Foreign currency translation	-8	5	-39	21	-1	-22
Other changes	-16	22	7	-	-3	10
ECL allowance account as at 31 December 2023	**5,306**	**10,705**	**3,308**	**794**	**27**	**20,140**
ECL on new assets	407	1,897	767	138	-1	3,207
ECL on assets derecognised	-779	-2,013	-59	-47	-3	-2,900
Impact on remeasurement of ECL (incl. change in models)	-10	484	-303	-124	2	49
Write-offs debited to allowance account	-134	-179	-40	-14	-	-367
Foreign currency translation	-30	-140	-8	39	-1	-140
Other changes	-87	-2	1	-	-1	-89
ECL allowance account as at 31 December 2024	**4,674**	**10,752**	**3,666**	**785**	**22**	**19,901**

* With effect from 1 January 2024, Non-core ceased to exist as a separate segment. The allowance account in 2023 previously reported under Non-core has been reclassified, and comparatives have been restated to reflect this change.

The method used for calculating expected credit losses is described in note G15.

Credit risk – continued

Gross credit exposure

(DKK millions)	Stage 1*	Stage 2*	Stage 3*	Total*
Gross carrying amount at 1 January 2023	2,326,685	176,034	32,226	2,534,946
Transferred to stage 1	48,832	-47,483	-1,348	-
Transferred to stage 2	-45,901	48,605	-2,704	-
Transferred to stage 3	-4,232	-4,443	8,676	-
New assets	558,858	28,512	6,420	593,790
Assets derecognised	-521,736	-49,712	-9,712	-581,160
Changes due to modifications that did not result in derecognition	-4	-	-303	-308
Other changes	33,740	-7,289	-568	25,883
As at 31 December 2023	**2,396,241**	**144,224**	**32,686**	**2,573,152**
Transferred to stage 1	25,322	-24,186	-1,135	-
Transferred to stage 2	-43,661	45,892	-2,231	-
Transferred to stage 3	-4,617	-3,367	7,984	-
New assets	705,655	43,091	7,115	755,860
Assets derecognised	-626,362	-49,682	-11,171	-687,215
Changes due to modifications that did not result in derecognition	-11	-	-7	-18
Other changes	-225,247	-5,970	-722	-231,939
As at 31 December 2024	**2,227,319**	**150,003**	**32,518**	**2,409,840**

* With effect from 1 January 2024, Non-core ceased to exist as a separate segment. Credit exposure in 2023 previously reported under Non-core has been reclassified, and comparatives have been restated to reflect this change.

In the table above, 'Changes due to modifications that did not result in derecognition' includes partial forgiveness of debt assessed to be uncollectible. The modification loss is recognised within the income statement as part of Loan impairment charges. The contractual amount of loans written off in 2024 and for which the Group retains the right to enforce its claims amounted to DKK 826 million (2023: DKK 1,873 million)

Allowance account broken down by balance sheet item

(DKK millions)	2024	2023
Due from credit institutions and central banks	15	15
Loans at amortised cost	13,672	13,959
Loan commitments and guarantees	3,245	3,161
ECL Impairment, Total	**16,932**	**17,134**
Fair value credit risk adjustment on loans at fair value	2,968	3,005
Total	**19,901**	**20,140**

Forward-looking information

The incorporation of forward-looking information reflects the expectations of the Group's senior management and involves both macroeconomic scenarios (base case, upside and downside scenarios), including an assessment of the probability for each scenario, and post-model adjustments. The purpose of using multiple scenarios is to model the non-linear impact of assumptions about macroeconomic factors on the expected credit losses. Post-model adjustments are used to capture specific risks which are not fully covered by the macroeconomic scenarios, as well as the process related risk, which could lead to an underestimation of the expected credit losses.

Macroeconomic scenarios

The forward-looking information is based on a three-year forecast period converging to steady state in year seven. That is, after the forecast period, the macroeconomic scenarios revert slowly towards a steady state.

The applied scenarios that drive the expected credit loss calculation in the fourth quarter of 2024 have been updated with the latest macroeconomic data. Compared to the end of 2023, the base case and upside scenarios have been revised to reflect expectations of decreasing interest rates, improved house prices and improved growth momentum.

The base case is an extension of the Group's official view of the Nordic economies (the Nordic Outlook report). At 31 December 2024, the base case scenario reflects a soft landing with economic growth moving toward normalised levels. Inflation is coming down quickly, and fairly rapid interest cuts are consequently expected. The Nordic property markets have generally recovered, and price increases are expected, as consumers regain purchasing power.

The upside scenario represents a slightly better outlook than the base case scenario across the macroeconomic parameters. In this scenario, it is predominantly the European businesses' profit margins and not prices that absorb the adjustment to higher wage costs and inflation returns more sustainably to target than in the base case. Central banks no longer hesitate to cut interest rates and all Nordic central banks loosen policies a bit quicker than in the base case. This boosts consumer sentiment, increasing private consumption and strengthening the housing market.

The downside scenario is a severe recession with high interest rates scenario (reflecting a stagflation scenario) applied in the Group's ICAAP processes, which is similar in nature to regulatory stress tests. The severe recession scenario reflects negative growth, increasing interest rates, and falling property prices for a longer period. The use of the downside scenario was introduced to better capture the elevated risk from high interest rates and high inflation. A trigger of the economic setback could be continued macroeconomic worsening and challenges linked to high business costs while inflation remain elevated. This adversely impacts the labour market, results in higher and more persistent unemployment. This would lead to a severe slowdown in the economies in which the Group is represented.

The scenario weighting is unchanged from 2024. The weight on the base case scenario is 60% (60% in 2023), the upside scenario is weighted 20% (20% in 2023), and the downside scenario is weighted 20% (20% in 2023).

The main macroeconomic parameters in the base case, upside and downside scenario entering into the ECL calculation for the forecast horizon across the Group's Nordic markets are included below.

Credit risk – continued

Macroeconomic scenarios

31 December 2024	Base-case			Downside			Upside		
	2025	2026	2027	2025	2026	2027	2025	2026	2027
Denmark									
GDP	2.5	2.3	1.9	-2.0	-	-	2.7	2.6	1.9
Unemployment	3.1	3.1	3.2	7.4	7.8	7.8	3.1	3.0	3.1
Inflation	1.8	1.7	1.8	3.0	2.0	2.0	1.3	1.6	1.7
Property prices - Residential	5.0	4.0	2.5	-11.0	-6.0	-6.0	7.0	6.0	2.5
Interest rate - 3 month	1.5	1.5	1.5	5.0	3.0	3.0	1.2	1.2	1.2
Sweden									
GDP	2.5	2.2	1.8	-3.4	-1.0	-1.0	2.7	2.6	1.9
Unemployment	8.2	7.7	7.4	10.7	11.1	11.1	8.2	7.6	7.3
Inflation	1.7	1.2	1.5	3.9	2.9	2.9	1.2	1.0	1.4
Property prices - Residential	5.0	5.0	3.0	-13.0	-7.0	-7.0	7.0	7.0	3.0
Interest rate - 3 month	1.9	1.9	1.9	5.7	3.7	3.7	1.6	1.6	1.6
Norway									
GDP	1.9	1.7	1.8	-1.1	0.6	0.6	2.1	1.9	1.8
Unemployment	2.4	2.4	2.4	6.4	6.5	6.5	2.4	2.3	2.3
Inflation	2.2	2.0	2.0	3.0	2.0	2.0	1.9	1.9	1.9
Property prices - Residential	6.0	5.0	4.0	-13.0	-7.0	-7.0	7.0	7.0	4.0
Interest rate - 3 month	3.7	2.8	2.8	6.3	4.3	4.3	3.5	2.6	2.6
Finland*									
GDP	1.8	1.6	1.5	-2.0	-0.3	-0.3	2.0	2.0	1.5
Unemployment	8.1	7.3	6.5	11.9	11.9	11.9	8.1	7.2	6.4
Inflation	1.2	1.8	2.0	3.0	2.0	2.0	0.8	1.6	1.9
Property prices - Residential	4.0	3.0	2.5	-7.0	-5.0	-5.0	6.0	5.0	2.5
Interest rate - 3 month	1.6	1.6	1.6	5.1	3.1	3.1	1.3	1.3	1.3

Credit risk – continued

At 31 December 2023, the following base case, downside and upside scenarios were used:

31 December 2023	Base-case			Downside			Upside		
	2024	2025	2026	2024	2025	2026	2024	2025	2026
Denmark									
GDP	1.0	1.6	1.6	-3.4	-2.0	-	2.5	1.8	0.4
Unemployment	3.1	3.3	3.4	6.3	7.5	7.9	2.7	2.6	3.2
Inflation	2.0	1.9	1.8	4.0	3.0	2.0	2.4	2.5	1.4
Property prices - Residential	1.5	2.0	2.1	-19.7	-11.0	-6.0	3.5	3.0	2.1
Interest rate - 3 month	3.1	2.3	2.0	5.4	6.4	3.9	4.3	3.5	2.5
Sweden									
GDP	1.2	1.8	2.4	-3.5	-3.4	-1.0	2.6	2.1	1.3
Unemployment	8.2	8.0	7.9	9.4	10.3	10.7	7.9	7.5	7.7
Inflation	1.9	1.3	1.6	4.9	3.9	2.9	2.0	1.6	1.5
Property prices - Residential	-1.0	4.0	5.0	-22.0	-13.0	-7.0	1.0	5.0	5.0
Interest rate - 3 month	3.4	2.3	2.0	5.7	5.7	3.7	4.6	3.6	2.6
Norway									
GDP	1.1	2.1	1.5	-2.7	-1.1	0.6	2.5	2.4	0.4
Unemployment	2.3	2.5	2.5	5.5	6.4	6.5	2.0	2.0	2.3
Inflation	3.0	2.0	2.0	4.5	3.0	2.0	3.2	2.3	1.8
Property prices - Residential	-1.0	5.0	4.0	-19.0	-13.0	-7.0	-	6.0	4.0
Interest rate - 3 month	3.7	2.9	2.5	6.3	6.3	4.3	5.0	4.0	3.0
Finland*									
GDP	0.3	1.9	1.3	-2.4	-2.0	-0.3	1.3	2.2	0.4
Unemployment	7.8	7.2	6.5	9.9	10.9	10.9	7.6	6.9	6.4
Inflation	1.9	1.5	2.0	4.0	3.0	2.0	2.2	1.8	1.7
Property prices - Residential	2.0	3.0	2.0	-14.2	-7.0	-5.0	3.0	4.0	2.0
Interest rate - 3 month	3.1	2.3	2.0	5.1	5.1	3.1	4.3	3.5	2.5

* Macroeconomic parameters for Finland have been corrected as at 31 December 2023.

Credit risk – continued

The base case scenario enters with a probability of 60% (31 December 2023: 60%), the upside scenario with a probability of 20% (31 December 2023: 20%) and the downside scenario with a probability of 20% (31 December 2023: 20%). On the basis of these assessments, the allowance account as at 31 December 2024 amounted to DKK 19.9 billion (31 December 2023: 20.1 billion). If the base case scenario was assigned a probability of 100%, the allowance account would decrease DKK 2.5 billion (31 December 2023: 2.0 billion). Compared to the base case scenario, the allowance account would increase DKK 12.9 billion (31 December 2023: 10.2 billion), if the downside scenario was assigned a probability of 100%. The increase reflects primarily the transfer of exposures from stage 1 to stage 2 and increased expected credit losses within stage 2. If instead the upside scenario was assigned a probability of 100%, the allowance account would decrease by DKK 0.2 billion (31 December 2023: 0.2 billion) compared to the base case scenario. It should be noted that the expected credit losses in the individual scenarios (i.e. without the weighting) do not represent forecasts of expected credit losses (ECL).

Post-model adjustments

Management applies judgement when determining the need for post-model adjustments. At 31 December 2024, the post-model adjustments amounted to DKK 5.9 billion (31 December 2023: 6.7 billion). The post-model adjustments primarily relate to the following types of risks:

- specific macroeconomic risks on certain industries not fully captured by the expected credit loss model, for instance the agriculture industry. For such industries, supplementary calculations are made to ensure sufficient impairment coverage. This also includes post-model adjustments relating to effects from climate risk or the macroeconomic uncertainty.
- non-linear downside risk, for instance on the property market in Copenhagen and other high growth areas for which the macroeconomic forecasts used in the models are based on the property market as a whole.
- portfolios where the credit risk assessment process has identified an underestimation of the expected credit losses.

Following the significant impact on the expected credit losses from post-model adjustments, the following table provides more information about the adjustments.

Post-model adjustments by industries

(DKK billions)	31 December 2024	31 December 2023
Agriculture	0.9	0.8
Commercial Property	1.6	1.9
Construction and building materials	1.0	1.0
Personal customers (including other retail exposures)	1.0	1.6
Others*	1.4	1.4
Total	**5.9**	**6.7**

* No individual industry included in Others exceeds DKK 0.3 billion at 31 December 2024 (2023: DKK 0.2 billion).

The total balance of post-model adjustments has been reduced compared to the end of 2023. The post-model adjustment related to personal customers has decreased due to the improved macroeconomic outlook. The post model adjustments for Commercial Real estate have also been slightly reduced due to the positive effects of lower inflation and interest rates. Meanwhile, the existing post-model adjustment for agriculture has been increased to a limited extent to account for the potential impact of the green tripartite agreement, which introduces new CO_2 taxation models for agriculture in Denmark.

The Group continues to maintain significant post-model adjustments due to the current macroeconomic and geopolitical uncertainties. These are characterised by the risk of a declining growth environment, labour shortages, higher interest rates and supply chain disruption and volatile prices, all of which present new challenges that may affect economic and business activity. The post-model adjustments span across industries sensitive to price rises on energy and commodities, as well as industries vulnerable to business cycles, higher interest rates and refinancing risks. These have been assessed for idiosyncratic risks to ensure a prudent coverage of expected credit loss in the Group's portfolios.

Counterparty credit risk and credit exposure from trading and investment securities

Exposure to counterparty credit risk and credit exposure from trading and investment securities

(DKK billions)	2024	2023*
Counterparty credit risk		
Derivatives with positive fair value	261.0	307.1
Reverse transactions and other loans at fair value**	382.6	267.9
Credit exposure from other trading and investment securities		
Bonds	446.6	461.0
Shares	93.3	19.4
Other unutilised commitments***	-	0.1
Total	**1,183.6**	**1,055.5**

* Comparative information has been restated as described in note G2(b).
** Reverse transactions and other loans at fair value included as counterparty credit risk are loans at the trading units of Large Corporates & Institutions. These loans consist of reverse transactions of DKK 381.6 billion (31 December 2023: DKK 267.4 billion), of which DKK 62.0 billion relates to credit institutions and central banks (31 December 2023: DKK 92.4 billion), and other primarily short-term loans of DKK 1.0 billion (31 December 2023: DKK 0.6 billion), of which DKK 1.0 billion (31 December 2023: DKK 0.6 billion) relates to credit institutions and central banks.
*** Other unutilised commitments comprise private equity investment commitments and other obligations.

Counterparty credit risk (derivatives)
Counterparty credit risk is the risk that the counterparty to a transaction defaults before the final settlement of the transaction's cash flows. It is a combination of credit risk (a deterioration in the creditworthiness of a counterparty) and market risk (the potential value of derivatives contracts).

Derivatives are subject to credit risk. Positive and negative fair values of derivatives with the same counterparty are offset in the balance sheet if certain conditions are fulfilled.

Danske Bank Group takes on counterparty credit risk when it enters into over-the-counter (OTC) derivatives, securities financing transactions (SFTs), and/or exchange-traded derivatives (ETDs).

The Group mitigates counterparty credit risk through pre-deal controls, post-deal monitoring, clearing, close-out netting agreements and collateral agreements. Those agreements include rights to additional set-off in the event of default by a counterparty, they reduce the exposure further, but they do not qualify for offsetting under IFRS Accounting Standards. The net current exposure to derivatives with positive market value after offsetting under master netting agreements amounted to DKK 102.8 billion (2023: DKK 89.5 billion) (see note G32). The exposure is broken down by rating category in the following table.

Net current exposure broken down by category

(DKK millions)	2024	2023
1	13,661	14,293
2	14,101	16,110
3	58,728	43,279
4	11,654	11,946
5	2,986	2,309
6	1,128	921
7	266	463
8	83	86
9	3	1
10	144	24
11	7	18
Total	**102,761**	**89,450**

The Group uses a range of measures to capture counterparty credit risk, including current exposure, potential future exposure (PFE) and exposure at default (EAD). Current exposure is a simple measure of counterparty credit risk exposure that takes into account only current mark-to-market values and collateral.

Customer-level counterparty risk is managed by means of PFE lines on a set of maturity buckets. It is measured at the 97.5% percentile for a set of future time horizons. PFE lines are approved by the relevant credit unit and all transactions are assumed to be held to contractual maturity. The Group carries out daily counterparty credit risk measurement and monitoring as well as intraday line utilisation monitoring.

The Danish FSA approved the Group's simulation model for calculating the regulatory capital requirement for counterparty credit risk in 2015. More advanced measures such as EAD, which is a regulatory measure, express potential future losses and are based on internal models for future scenarios of market data. EAD figures are provided in the Additional Pillar III Disclosures (accessible at danskebank.com/investor-relations).

An overview of counterparty credit risk exposures (at counterparty and portfolio levels) is reported to the Executive Leadership Team and other senior management on a monthly basis. The Group uses a simulation-based model to calculate counterparty credit risk exposure for the majority of its portfolio.

The Group makes fair value adjustments to cover the counterparty credit risk on derivatives with positive fair value (CVA) that are recognised in the financial statements. For more information, see note G33.

Counterparty credit risk and credit exposure from trading and investment securities - continued

Bond portfolio

(DKK millions)	Central and local govern-ment bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Corporate bonds	Total
31 December 2024							
Held-for-trading (FVPL)	110,999	2,781	40,106	12,283	5,347	6,500	178,017
Managed at fair value (FVPL)	5,728	161	20,527	1,500	195	-	28,112
Held to collect and sell (FVOCI)	20,364	3,371	53,504	2,270	23,316	1,948	104,773
Held to collect (AMC)	38,034	6,946	86,736	3,036	813	150	135,714
Total	**175,125**	**13,259**	**200,873**	**19,089**	**29,672**	**8,597**	**446,616**
31 December 2023							
Held-for-trading (FVPL)	117,986	1,179	29,084	20,862	3,272	5,179	177,563
Managed at fair value (FVPL)	1,845	291	17,069	1,307	286	-	20,798
Held to collect and sell (FVOCI)	23,669	2,905	49,470	4,776	25,077	1,330	107,226
Held to collect (AMC)	47,892	8,551	92,699	5,093	1,013	150	155,398
Total	**191,392**	**12,926**	**188,321**	**32,038**	**29,648**	**6,659**	**460,984**

At 31 December 2024, the Group had an additional bond portfolio, including bond-based unit trust certificates, worth DKK 211,477 million (31 December 2023: DKK 214,073 million) recognised as insurance assets and thus not included in the table above. The section on Life insurance risk provides more information. For bonds classified as hold-to-collect, amortised cost exceeded fair value as at 31 December 2024 and 31 December 2023, see note G33 for more information.

Counterparty credit risk and credit exposure from trading and investment securities - continued

Bond portfolio broken down by geographical area

(DKK millions)	Central and local govern-ment bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Corporate bonds	Total
31 December 2024							
Denmark	33,976	-	200,873	-	-	980	235,829
Sweden	22,376	-	-	19,089	-	1,706	43,172
UK	18,286	306	-	-	3,966	1,155	23,712
Norway	4,945	-	-	-	23,896	2,675	31,517
USA	16,642	1,856	-	-	-	41	18,539
Spain	1,114	-	-	-	1	-	1,114
France	11,794	178	-	-	264	270	12,506
Luxembourg	-	4,957	-	-	-	100	5,057
Finland	8,222	2,980	-	-	1,128	725	13,055
Ireland	827	-	-	-	-	85	912
Italy	5,013	-	-	-	-	3	5,016
Portugal	1	-	-	-	-	-	1
Austria	3,052	-	-	-	-	115	3,167
Netherlands	2,310	-	-	-	4	458	2,772
Germany	46,066	149	-	-	208	92	46,515
Belgium	503	2,141	-	-	-	-	2,643
Other	-	693	-	-	204	191	1,088
Total	**175,125**	**13,259**	**200,873**	**19,089**	**29,672**	**8,597**	**446,616**

(DKK millions)	Central and local govern-ment bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Corporate bonds	Total
31 December 2023							
Denmark	28,754	-	188,321	-	-	870	217,945
Sweden	61,267	-	-	32,038	-	1,362	94,667
UK	11,141	291	-	-	3,518	1,009	15,959
Norway	6,049	-	-	-	23,902	1,358	31,309
USA	15,529	3,274	-	-	-	7	18,810
Spain	1,243	-	-	-	1	-	1,244
France	4,703	19	-	-	237	116	5,075
Luxembourg	-	5,205	-	-	-	123	5,328
Finland	10,224	2,954	-	-	1,089	909	15,176
Ireland	550	-	-	-	-	94	643
Italy	1,413	-	-	-	-	5	1,418
Portugal	3	-	-	-	-	-	3
Austria	4,513	-	-	-	66	113	4,691
Netherlands	3,349	1	-	-	17	510	3,877
Germany	42,152	-	-	-	216	96	42,465
Belgium	503	442	-	-	1	-	946
Other	-	740	-	-	602	87	1,429
Total	**191,392**	**12,926**	**188,321**	**32,038**	**29,648**	**6,659**	**460,984**

Counterparty credit risk and credit exposure from trading and investment securities - continued

Bond portfolio broken down by external ratings

(DKK millions)	Central and local government bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Corporate bonds	Total
31 December 2024							
AAA	104,688	10,949	200,792	19,070	28,964	2,405	366,868
AA+	26,449	2,289	-	-	7	23	28,768
AA	16,117	-	-	19	701	1,146	17,983
AA-	21,265	20	-	-	-	74	21,359
A+	-	-	-	-	-	423	423
A	941	-	81	-	-	785	1,807
A-	1	-	-	-	-	317	318
BBB+	173	-	-	-	-	1,027	1,199
BBB	3,612	-	-	-	-	1,169	4,781
BBB-	1,879	-	-	-	-	644	2,523
BB+	-	-	-	-	-	164	164
BB	-	-	-	-	-	234	234
BB-	-	-	-	-	-	70	70
Sub. "investment-grade" or unrated	-	-	-	-	-	118	118
Total	**175,125**	**13,259**	**200,873**	**19,089**	**29,672**	**8,597**	**446,616**

(DKK millions)	Central and local government bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Corporate bonds	Total
31 December 2023							
AAA	137,601	12,461	187,903	32,017	28,925	1,623	400,530
AA+	27,061	442	-	-	28	2	27,533
AA	8,556	-	-	21	692	965	10,234
AA-	15,515	23	-	-	-	117	15,654
A+	-	-	-	-	-	266	266
A	1,132	-	418	-	4	984	2,538
A-	3	-	-	-	-	196	199
BBB+	111	-	-	-	-	505	617
BBB	377	-	-	-	-	987	1,364
BBB-	1,036	-	-	-	-	596	1,632
BB+	-	-	-	-	-	97	97
BB	-	-	-	-	-	187	187
BB-	-	-	-	-	-	36	36
Sub. "investment-grade" or unrated	-	-	-	-	-	97	97
Total	**191,392**	**12,926**	**188,321**	**32,038**	**29,648**	**6,659**	**460,984**

Market risk

Market risk

Market risk is defined as the risk of losses arising from adverse movements in market prices affecting on-balance-sheet and off-balance-sheet positions. The Group's market risk management is intended to ensure proper oversight of all market risks, including both trading-related market risk and non-trading-related market risk as well as market risk in relation to fair value adjustments. The market risk framework is designed to systematically identify, assess, monitor, control and report on market risk.

The Market Risk Policy set by the Board of Directors lays out the overall framework for market risk management and identifies the boundaries, which define the Group's market risk profile and business strategy. The Market Risk Policy also defines the overall limits for various market risk factors and additional boundaries within which trading activities are performed.

Market risks are managed by Large Corporates & Institutions (LC&I), Group Treasury and Group Finance (the first line of defence) through implementation of the Market Risk Policy into standard operating procedures and the control environment. Interest rate risks in relation to other business units are transferred to and managed by Group Treasury. The units own, identify, and manage the market risks and perform operational and managerial controls in the day-to-day risk management.

LC&I manages the market risk (such as interest rate risk, equity market risk and foreign exchange risk) associated with the Group's trading activities in the financial markets. Group Treasury manages the interest rate risk, credit spread risk and structural foreign exchange risk associated with the assets and liabilities of the non-trading portfolio. The Market & Counterparty Credit Risk Committee gains assurance that both risk-taking and the framework are prudent in relation to trading activities. The Group Asset & Liability Committee (Group ALCO) ensures that balance-sheet risks are aligned with the Group's tolerances and facilitates a coordinated approach to asset and liability management.

In the day-to-day management of activities, Group Risk Management (the second line of defence) owns the market risk framework and is in charge of market risk oversight and control of the units in the first line of defence. It also maintains the limit framework and monitors adherence to limits. Oversight and control processes at Market & Liquidity Risk encompass current and emerging risk monitoring, limit control, portfolio analysis, stress testing, reporting to senior management and challenging the risk management practices performed by the units in the first line of defence. Group Finance is accountable for the independent price verification (IPV) framework, prudent valuation, and profit and loss (P/L) control. Also, the Group has set a risk tolerance for its trading portfolio covering trading-related market risk and xVA-related market risk that determines how much the Group is prepared to lose on its exposure over a period of one year in a severely stressed market environment.

Trading-related market risk at Large Corporates & Institutions

The strategic focus is to provide global fixed income, currency, and capital market products to institutional and corporate customers in the Nordic countries and to offer local Nordic products to global customers. Principal risk-taking takes place mainly in fixed income products. The Group's business activities involve a natural flow of various currencies. These are primarily currencies related to the Group's domestic markets in the Nordic region. The Group provides liquidity and engages in market-making in equity-related assets. The Group's equity market risk and exposure to currencies are limited as compared with the market risk derived from interest rates. The exposure to commodity market risk is insignificant.

The table below shows the Value at Risk (VaR) for the trading-related activities at LC&I. VaR is a quantitative measure that shows, with a certain probability, the maximum potential loss that the Group may suffer within a specified holding period. In general, a VaR model estimates a portfolio's aggregate market risk by incorporating a range of risk factors and assets. All figures are calculated daily using full revaluations.

Value at Risk for trading-related activities at LC&I

	2024		2023	
(DKK millions)	Average	End of year	Average	End of year
Bond spread risk	14	14	22	20
Interest rate risk	32	28	49	45
Foreign exchange risk	5	6	5	8
Equity risk	3	2	4	5
Diversification effects	-19	-25	-31	-29
Total VaR	**35**	**25**	**49**	**49**

VaR is calculated at a confidence level of 95% for a 1-day horizon.

Market risk in relation to fair value adjustments

The Group's fair value accounting includes various valuation adjustments (referred to as xVA) inherent in the Group's derivatives portfolio – specifically credit value adjustments (CVA), funding value adjustments (FVA) and collateral value adjustments (ColVA). The Group applies a market-implied approach that is in line with industry best practice. Hence, these valuation adjustments are sensitive to market risks that materialise due to changes in interest rates, funding spreads and credit spreads. These market risks can give rise to volatility in the fair value adjustments.

Credit, funding and collateral valuation adjustments are substantial because of the size and nature of the Group's derivatives portfolio, and the associated market risks are similarly of a considerable size. The strategy is therefore to hedge large parts of the market risks, while the default risks are capitalised in accordance with regulation. When managing xVA, the Group focuses on managing economic risk rather than regulatory capital. This means that the Group also manages market risks originating from counterparties outside the scope of the CVA risk charge.

The Group manages all xVAs of the derivatives trading books centrally according to a clearly defined hedging strategy for each risk type associated with the xVA portfolio. The credit spread risk of CVA is significantly hedged using credit default swaps (CDS) based on liquid indices or selected single-name CDS contracts. Funding spread risk is a key risk factor for xVA and is managed collectively with credit spread risk. Overall, foreign exchange risks and interest rate risks from the xVA positions are almost fully hedged, with a very limited residual P/L effect.

In addition to the fair value adjustment, further adjustments are made to ensure that prices are not only fair but also prudent. The applied methodology and the adjustments based on the methodology ensure that positions can be exited at a given price at a confidence level of 90%. Adjustments are made for multiple sources of uncertainty such as market price uncertainty, close-out costs, model risk, unearned credit spreads, concentrated positions, future administrative expenses, and operational risk. Whenever possible, the calculation of the adjustments is based entirely on market data, but when such data is insufficient, individual input may be based on expert opinions. When market data is unavailable in their entirety, the application of methodologies such as the costs of hedging and generic haircuts will ensure prudence in prices as well as compliance with regulatory standards.

Market risk - continued

Market risk in relation to the non-trading portfolio
The Group's exposure to market risk in the non-trading portfolio originates mainly from interest rate risk in the banking book (IRRBB), credit spread risk in the banking book (CSRBB) and, to a far lesser extent, from the equity risk associated with a small portfolio of equity investments. Furthermore, the Group is exposed to market risk arising from the hedge of structural foreign exchange risk

Interest rate risk in the banking book (IRRBB)
Interest rate risk in the banking book (IRRBB) derives from providing the Group's core banking customers with conventional banking products and from the Group's funding and liquidity management activities at Group Treasury. IRRBB arises from adverse movements in interest rates, and in turn they change the underlying value of the Group's assets, liabilities, and off-balance sheet items and its economic value.

The level of IRRBB is monitored using several risk measures, such as prescribed regulatory metrics, the risk tolerances set by the Board of Directors and, other risk measures that are considered appropriate. The table below shows the Group's total interest rate sensitivity in the non-trading book (economic value-based measure) measured as the change in the net present value of assets, liabilities, and off-balance sheet items in the non-trading book subject to a parallel interest rate curve shift of +100bp and -100bp.

The sensitivity to falling interest rates changed from a loss of DKK 0.1 billion at the end of 2023 to a gain of DKK 0.7 billion in 2024, while the sensitivity to rising interest rates changed from a gain of DKK 0.02 billion at the end of 2023 to a loss of DKK 0.5 billion at the end of 2024.

Interest rate risk in the banking book

	2024		2023	
At last business day (DKK millions)	+100bp	-100bp	+100bp	-100bp
Total	-536	722	21	-105

The net interest income (NII) risk metric is used for measuring the change in net interest income over a forecast horizon of 12 months in a number of different scenarios. A constant balance-sheet approach is used for creating a base scenario over the 12-month time horizon. Assuming a parallel downward yield curve shift of 1%, the Group's NII would be DKK 2.2 billion lower than the base scenario calculation at the end of December 2024 (end of December 2023: DKK 1.8 billion).

The change in both the economic value (EV) IRRBB measure and the NII sensitivity was affected mainly by rising interest rate volatility in the markets.

Credit spread risk in the banking book
Credit spread risk in the banking book (CSRBB) derives from bond positions related primarily to the Group's funding and liquidity management activities at Group Treasury. As the second line of defence, Market and Liquidity Risk monitors adherence to limits.

On the basis of a 10-day 99% VaR measure, the Group's CSRBB was DKK 103 million at the end of December 2024, slightly down from DKK 134 million at the end of 2023.

Structural foreign exchange risk
Structural foreign exchange risk arises as the Group's CET1 capital is denominated in its domestic currency, DKK, while some of its assets and liabilities are denominated in foreign currencies. Although a fully matched foreign currency position will protect Danske Bank against losses from movements in exchange rates, the Group's CET1 capital ratio will fall if the domestic currency depreciates because of the imbalance between the CET1 capital in a particular foreign currency and the CET1 capital required to support the risk exposure amount (REA) denominated in that same currency.

The Group's objective is to manage structural foreign exchange risk to reduce the potential effect of fluctuations in exchange rates on the CET1 capital ratio in a manner that avoids income statement volatility, while at the same time acknowledging potential increased volatility in other comprehensive income. The Group pursues a strategy of hedging the foreign exchange sensitivity of the CET1 capital ratio stemming from the allocated capital that reflects credit and operational risk REAs in the three most significant balance sheet currencies (NOK, SEK and EUR). By nature, structural foreign exchange (hedge) positions are long-term and non-trading positions, and they also remain relatively stable over time.

Regulatory capital for market risk
The minimum capital requirement for market risk is measured based on positions in the trading book.

The Group mainly uses the internal model approach (IMA) to measure the risk exposure amount (REA) used for determining the minimum capital requirement for market risk in the trading book. The IMA comprises the VaR capital charge, the Stressed Value-at-Risk (SVaR) capital charge and the incremental risk charge (IRC). The Group uses the internal VaR model to calculate the VaR and SVaR capital charges, whereas the IRC is calculated on the basis of the incremental risk model. No diversification effects between capital charges are considered.

The REA for the Group's minor exposures to commodity risk and collective investment undertakings is calculated according to the standardised approach.

The REA for CVA risk is measured mainly using the internal VaR model based on exposure calculations from the counterparty risk exposure model and allocated CDS spread hedges. The risk exposure amount for CVA risk from the Group's minor exposures to transactions not included in the counterparty credit risk exposure model is calculated according to the standardised approach.

Liquidity risk

Liquidity risk is the risk that a lack of funding leads to excessive costs or prevents the Group from maintaining its business model or fulfilling its payment obligations.

Accepting and managing liquidity risk is an integral part of the Group's business strategy. Realkredit Danmark and Danica manage their own liquidity risks. At Realkredit Danmark, the financing of mortgage loans through the issuance of listed mortgage bonds with matching conditions has eliminated liquidity risk in all material respects. Danica's balance sheet includes assets and long-term life insurance liabilities. A large part of Danica's assets are readily marketable securities. Both companies are subject to statutory limits on their exposures to Danske Bank A/S. For liquidity management purposes, the term "Group" (the Danske Bank Group) does not include Danica because it is not a credit institution. Realkredit Danmark is included in the prudential consolidation of the Group and recognised in Group aggregates, unless explicitly stated otherwise.

Liquidity risk management

The Board of Directors sets the overall principles and standards for managing liquidity and funding across the Group in the Group's Liquidity Policy. It defines the overall liquidity risk profile and outlines the supporting principles and related governance, including for the funding plan, internal allocation of liquidity costs, monitoring and reporting, the Internal Liquidity Adequacy Assessment Process (ILAAP), and the contingency plan for funding and liquidity. Managing the Group's liquidity in line with the set risk profile must not compromise the adherence to the Group's ESG principles, as outlined in the Code of Conduct Policy and other policies outlining key ESG principles and must consider vulnerabilities to potential future ESG events. However, currently the Group assesses the overall liquidity risk impact of ESG event as low. The Liquidity Policy also includes guidelines and limits to ensure that liquidity and funding risks are adequately captured, managed, and mitigated.

At Group level, day-to-day liquidity management is based on the monitoring and management of short- and long-term liquidity risks. Liquidity triggers make up a vital part of day-to-day liquidity management because they are used as early warnings of a potential liquidity crisis. The triggers are monitored by various functions across the Group, depending on the type of trigger. Liquidity management is organised to fulfill two pivotal objectives – sufficient distance to non-viability and limited market reliance. The framework applied to achieve these objectives is described in the following sections, although it is not limited to that framework.

Short-term liquidity and distance to non-viability

The principal aim of the Group's short-term risk management is to ensure that the liquidity reserve is sufficient to absorb the net effects of known future receipts and payments from current transactions. Cash and bond holdings eligible for repo agreements with central banks are considered liquid assets. Potential and expected outflows are monitored on an ongoing basis using different tools, notably the liquidity coverage ratio (LCR).

The LCR requirement stipulates that financial institutions must have a liquidity reserve in excess of projected net outflows during a severe stress scenario lasting 30 days. By executive order, Danish SIFIs are also subject to currency-specific liquidity requirements. The requirements apply individually and only for currencies that are significant to the individual bank. For Danske Bank, these currencies are USD and EUR. Additionally, Danske Bank has set internal limits on the LCRs for SEK and NOK.

The Group maintained a prudent liquidity position throughout 2024. The LCRs of Danske Bank A/S and the Group decreased from 154% and 170% at the end of 2023 to 148% and 167% at the end of 2024, respectively. The sale of the personal customer business in Norway reduced the loan portfolio, impacting the LCR positively, as did an increase in overall deposit volume. Additional liquidity was allocated to the equity finance business. This, coupled with a change in collateral composition, decreased the LCR and the liquidity surplus.

The LCR regulation effectively determines the minimum size of the liquidity reserve and imposes requirements on its composition. Consequently, Danske Bank's liquidity reserve mostly consists of liquid assets available in a stressed situation. Assets received as collateral are included in the reserve, while assets used as collateral – or otherwise encumbered - are excluded. The table below shows the value of the Group's LCR liquidity reserve after the application of the statutory haircuts which may differ from the ones available in the market and the ones used for internal liquidity stress testing. Most of the Group's bond holdings are highly liquid, because they are repo eligible with central banks and in money markets. Central bank eligibility is vital for intra-day liquidity management and overnight liquidity facilities as a backstop during severe market stress.

Liquidity reserve (Group) - LCR definition

(DKK billions after haircut)		2024	2023
Total high-quality liquid assets		560	615
Level 1a assets	Central bank reserves	127	260
	Central government debt	103	79
	Other level 1a assets	31	22
Level 1b assets	Extremely high-quality covered bonds	273	230
Level 2a assets	High-quality covered bonds	24	18
	Other level 2a assets	2	6
Level 2b assets		0.4	0.1

Funding and market reliance

The Group monitors its funding mix to ensure that it is well-diversified in terms of funding sources, maturities and currencies, as a diverse range of funding sources provides protection against market disruptions. With its large market share in Denmark, the Group has a net deposit surplus in DKK (deposits exceed lending). The same is true, though to a lesser degree for NOK, USD and GBP, while the opposite is the case for EUR and SEK. The net deposit surplus in Danish kroner is a valuable, stable funding source for the Group.

Retail deposits are a very important and stable funding source for the Group. Retail customers do not tend to make withdrawals based on short-term considerations, and most retail deposits are covered by a deposit guarantee scheme, which eliminates depositors direct credit exposure to the bank.

Additionally, managing reliance on wholesale deposits and market funding is a key concern for the Group. Such funding may be unstable, especially in the event of general market unrest or issues specific to Danske Bank. Large funding needs covered by market funding can make the Group vulnerable to investor sentiments, market stress and market dysfunctionalities. The size and maturity profile of wholesale funding must therefore be prudent.

Sensitivity analysis is also used to assess the Group's ability to withstand liquidity outflows related to changes in different balance sheet items, including when capital markets are inaccessible, i.e. market reliance.

Liquidity risk - continued

The net stable funding ratio (NSFR) requires that banks maintain a stable funding profile in relation to the composition of their assets. The NSFR limits overreliance on short-term wholesale funding, promoting funding stability. Stable funding sources include, among other things, own capital, debt issues or deposits with a maturity of over a year. The amount of required stable funding is determined by assigning different weights to assets based on type and maturity.

In 2024, financial markets worked well, and banks were able to access the funding markets with spread in general tightening except for covered bonds. The NSFRs of Danske Bank A/S and the Group decreased from 118% and 126% at the end of 2023 to 108% and 118% at the end of 2024, respectively. The sale of the personal customer business in Norway reduced the loan portfolio, thereby reducing required stable funding. The sale also led to a reduction in outstanding long-term debt and a change in the composition of the overall deposit portfolio, reducing available stable funding. An increase in the amount of liquidity allocated to equity finance positions increased the required stable funding. Lastly, derivatives and a changed collateral composition increased the required stable funding.

The following tables break down funding sources by type and currency. It does not include mortgage bonds issued by Realkredit Danmark.

Funding sources by type of liability (%)

	2024	2023
Central banks/credit institutions	13	14
Repo transactions	-11	-4
Short-term bonds	3	2
Long-term bonds	10	9
Other covered bonds	8	9
Deposits (business)	30	27
Deposits (personal)	34	32
Subordinated debt	2	2
Shareholders' equity	11	10
Total	**100**	**100**

Funding sources by currency (%)

	2024	2023
DKK	34	33
EUR	27	26
USD	13	10
SEK	12	13
NOK	6	9
GBP	9	8
Other	-1	1
Total	**100**	**100**

Stress tests

Stress tests are a core element of managing liquidity risk. Stress tests are carried out monthly for the Group to measure the stressed liquidity survival horizon and to detect signs of possible vulnerabilities to different adverse events. The stressed liquidity survival horizon is defined as the period during which the liquidity reserve remains positive in a stress scenario. The stress tests estimate liquidity risk in various scenarios, including three standard scenarios: a scenario specific to the Group, a general market crisis scenario and a combination of the two.

All stress tests assume that the Group does not reduce its lending activities. This means that existing lending activities are maintained and require funding. The availability of funding varies depending on the scenario and the type of funding source. The assessment of funding stability is based on the maturity structure for debt and behavioural data for deposits.

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Life Insurance risk

The Danske Bank Group's life insurance risk consists of risks originating from its ownership of Danica. This includes pension-related market risk and insurance risk. In addition, the operations of Danica are exposed to non-financial risk as well as sustainability and conduct risk. The Group runs its life insurance operations with the aim of providing best-in-class services to customers, while at the same time maintaining a predictable risk profile. The Group is also subject to internal pension risk through its defined benefit plans established for current and former employees.

Danske Bank's financial results are affected by Danica's financial position. Earnings from Danica consist mainly of the risk allowance from with-profits policies, earnings from unit-linked products and from health and accident products, and the investment return on Danica's equity capital.

The life insurance risk framework is governed by Danica's Board of Directors. On a daily basis, Danica's risk management function monitors both the risk and the asset-liability management (ALM) limits set by the Board of Directors, including limits set for excess own funds over solvency capital requirement, for the solvency coverage ratio and for the own funds loss exposure in a risk scenario defined by Danica 's Board of Directors. The risk management function also follows up on investment limits and calculates key risk figures and sensitivities for ALM and solvency purposes.

Operating under Solvency II regulations, Danica provides pensions as well as life and health insurance products in Denmark. As part of its product offerings, Danica provides benefits and life annuities on retirement, insurance against death, disability and accident. Danica no longer writes new business on guaranteed benefits and annuities but have large portfolio on existing customers in these products. This exposes Danica to insurance risks (such as longevity and disability risks) and to pension-related market risk.

Pension-related market risk

Pension-related market risk involves the risk of losses because of changes in the fair value of Danica's assets and liabilities since assets and liabilities are not fully exposed to the same types of market risk. Pension-related market risk primarily covers changing market conditions, such as changes in interest rates, equity prices, property values, exchange rates and credit spreads. Pension-related market risk also includes:

- volatility risk, which relates primarily to the value of equity options and swaptions, but also assets with embedded options like Danish callable mortgage bonds,
- inflation risk, which relates mainly to the indexation of benefits for part of Danica's health and accident products,
- liquidity risk, which is the risk of losses because Danica may be forced to sell investment assets to meet liquidity needs,
- counterparty credit risk, which is the risk of losses because counterparties default on their obligations,
- concentration risk, which is the risk of losses as a result of high exposure to a few asset classes, industries, issuers, etc.

Pension-related market risk may lead to financial losses for Danica, either as losses of investment assets or as the technical provisions increases.

Danica has three sources of pension-related market risk:

- with-profits products (conventional, average-rate products),
- unit-linked products (to which customers may have attached an investment guarantee),
- investments relating to assets allocated to the shareholders' equity of Danica and other products with direct equity exposure.

The amount of pension-related market risk differs for the various products in Danica's product range, but the most significant pension-related market risk is the market risk related to its with-profit products.

The with-profit products offer guaranteed benefits based on a technical rate of interest and are called Danica Traditionel. The portfolio of with-profit products is closed for new business, which means that it is in run-off.

The products offer policyholders an annuity or a lump sum consisting of a guaranteed minimum amount in nominal terms. Customers are divided into homogeneous interest rate groups on basis of the technical rates, and each group has its own investment strategy and asset allocation. In each interest rate group, customers participate in a collective investment pool that covers a range of different assets (such as equities, real estate, alternative investments and fixed income products).

The policyholders earn interest at a rate set at the discretion of Danica and subject to change at any time.

The difference between the actual (set) interest rate and the return on the policyholders' (collective) assets is allocated to collective buffer accounts owned by the customers. The balances of these buffer accounts are gradually transferred to the individual customer accounts in subsequent years by means of a bonus allocation mechanism. This means that high investment returns may lead to higher benefits than those guaranteed.

The mark-to-market value of the guaranteed benefits depends on the level of the discount curve, which is defined under Solvency II and based primarily on EUR swap rates plus the Volatility Adjustment spread, which is based on the yields on Danish mortgage, credit and government bonds. The level of the long end of the discount curve, for which no reliable market data is available, is determined by the European Insurance and Occupational Pensions Authority (EIOPA).

For the portfolio of with-profit products Danica will have to cover the shortfall if the value of the assets falls below the value of the liabilities. This will be the case if, for example, investment returns become sufficiently negative (reducing the asset values) or if the level of the discount curve, other things being equal, falls (increasing the value of the liabilities). Hence, the market risk on investments is carried by the customers to the extent that the negative returns can be covered by the collective buffer accounts. Once the buffer accounts have been depleted, negative investment returns on customer savings will force Danica to step in with funds to ensure that it is possible to provide the benefits guaranteed to the policyholders. In that case, Danske Bank A/S will incur a loss in the form of a decrease in equity holdings in Danica.

Furthermore, Danica can book the annual risk allowance fee income for each of the individual interest rate groups only if the collective bonus potential for the interest rate group is sufficient to cover the risk allowance.

Managing the with-profits product thus involves a combination of managing risks on behalf of the policyholders and managing Danica's risk of having to cover losses. For more information about the management of these risks, see Danica's Annual Report 2024.

The pension-related market risk associated with unit-linked products is primarily carried by the policyholders, particularly in respect of contracts without an investment guarantee.

In unit-linked products, policyholders receive the actual return on the investments rather than a fixed interest rate return. However, some of the unit-linked products give the policyholders the option to have their benefits guaranteed.

Danica's main savings product – and the product recommended to most customers – is called Danica Balance. Danica Balance is primarily a life-cycle product, meaning that the asset allocation between different risk categories (bonds or equities, for example) for each customer is adjusted gradually as the customer approaches retirement.

Life Insurance risk - continued

For unit-linked products with financial guarantees, Danica hedges the market risk related to the guarantees and also manages risk by adjusting the investment allocation during the period leading up to retirement. The investment allocation is adjusted according to the guaranteed amount, the investment horizon etc. However, if a guarantee is attached to the individual policy, Danica bears the risk in relation to the guarantee.

The pension-related market risk associated with assets allocated to shareholders' equity and other products concerns the following:

- Assets in which the shareholders' equity of Danica is invested, i.e. investment returns have a full effect on Danica profits.
- The investment results for Danica's health and accident products.
- Assets for some life insurance products with investment guarantees. This means, that Danica bears the risk if the changes in the value of provisions for these products differ from the changes in the value of the corresponding assets. The provisions are the net present value of expected future pay-outs and are exposed to movements in the discount curve, which is defined under Solvency II. The corresponding assets may be exposed to changes in interest rates and to changes in the values of equities and property.

Danica has separate investment strategies for assets allocated to its equity, to health and accident products, and to life insurance products with investment guarantees.

Insurance risk

Insurance risks are linked to trends in policy surrender activity, mortality, disability, critical illness and other variables that could materialise unfavourably from Danica's current assumptions and expectations. For example, an increase in longevity lengthens the period during which benefits are payable under certain pension plans and may potentially have a negative effect on Danica's profits. Similarly, trends in mortality, sickness and recovery affect life insurance and disability benefits. The principal insurance risks are longevity risk and the risk of increased surrenders (i.e. the risk of customers leaving Danica or ceasing to pay premiums). Most insurance risks materialise over long-time horizons during which the gradual changes in biometric conditions deviate from those assumed in contract pricing.

Insurance risk may also materialise through changes in the actuarial assumptions used for liability valuation. Unfavourable changes in assumptions resulting in an increase in liabilities will, to the extent possible, be covered by customer buffers. Once the buffer accounts have been depleted, Danica will have to step in with funds to ensure that it is possible to provide the benefits guaranteed to the policyholders. In that case, Danske Bank A/S will incur a loss in the form of a decrease in equity holdings in Danica.

Concentration risk relating to life insurance risk comprises the risk of losses as a result of high exposure to a few customer groups and to a few individuals. Danica limits concentration risk by means of risk diversification of the insurance portfolio and by means of reinsurance.

To limit losses on individual life insurance policies subject to high-risk exposure, Danica reinsures a small portion of the risk related to mortality and disability. Moreover, Danica use reinsurance to reduce the risk on expected future earnings in case of an increase in lapse rates.

The various risk elements are subject to ongoing actuarial assessment for the purposes of calculating insurance obligations and making relevant business adjustments.

Monitoring and reporting

Danica's Board of Directors has set overall risk limits on the potential loss in a number of stress scenarios. The risk management function monitors these limits on a daily basis. Any breaches are reported by the CRO to the ALM Committee and senior management.

Danica's Board of Directors receives quarterly reports on Danica's risk and solvency position, including stress and sensitivity figures. Stress and sensitivity figures are also reported to Danske Bank A/S via Group Risk Management and CFO Area (Capital Management).

The table below shows the changes in different risk factors and their effect on equity.

The table shows sensitivity information in accordance with IFRS 17.128. The scenarios resulting in the largest effects on shareholders equity are especially:

- Insurance risks related to an increase in longevity and an increase in claims / lower reactivations related to the H&A business,
- Market risks related to large changes in interest rates, decrease in volatility adjustment and increasing credit spreads on mortgage bonds.

The above risks have a significant focus and are mitigated as part of Danica's governance structure, where the BoD has set limits and tolerances for all significant risks.

Sensitivity analysis SCR

(DKK millions)	2024	2023
Volatility adjustment in the discount curve (VA) =0	-253	-324
Rates down 100 bps	94	-140
Rates up 100bps	-141	-107
Listed equities down 10%	-84	-105
Property down 10%	-328	-271
Mortgage spreads increase 40 bps	-295	-187
DKK and EUR inflation increase 10 bps	-8	-5
10% increase in cases in Health & Accident (H&A)	-578	-798
10% decrease in frequency of re-activation in H&A	-976	-726
10% increase in longevity assumptions	-1594	-1496

Life insurance risk - continued

The tables below provides information on the bond portfolio held in connection with with-profit and unit-linked products.

Bond portfolio (insurance business) broken down by geographical area

(DKK millions)	Central and local government bond	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Corporate bonds	Total
2024							
Denmark	14,040	-	92,349	-	6	15,074	121,469
Sweden	-	-	-	-	1	530	531
UK	6	-	-	-	4	2,307	2,317
Norway	4	-	-	-	-	1,233	1,237
USA	10,044	957	-	-	4	11,920	22,925
Spain	1,938	-	-	-	3	994	2,935
France	6,835	-	-	-	-	2,591	9,426
Luxembourg	-	85	-	-	-	2,245	2,330
Canada	-	-	-	-	-	484	484
Finland	236	5	-	-	-	450	691
Ireland	629	-	-	-	-	269	898
Italy	4,072	-	-	-	-	1,045	5,117
Portugal	-	-	-	-	-	37	37
Austria	-	-	-	-	-	19	19
Netherlands	1,765	-	-	-	-	2,425	4,190
Germany	21,710	-	-	-	-	2,157	23,867
Other	4,374	807	-	-	-	7,823	13,004
Total	**65,653**	**1,854**	**92,349**	**-**	**18**	**51,603**	**211,477**

Life insurance risk - continued

(DKK millions)	Central and local government bond	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Corporate bonds	Total
2023							
Denmark	12,122	-	103,381	-	-	7,406	122,909
Sweden	-	-		-	16	1,882	1,898
UK	5	-	-	-	6	2,146	2,157
Norway	-	-	-	-	-	841	841
USA	11,570	986	-	-	9	12,482	25,047
Spain	1,323	-	-	-	-	744	2,067
France	5,893	-	-	-	-	2,859	8,752
Luxembourg	-	124	-	-	-	2,746	2,870
Canada	-	-	-	-	-	1,312	1,312
Finland	225	5	-	-	-	504	734
Ireland	638	-	-	-	-	438	1,076
Italy	3,055	-	-	-	-	1,082	4,137
Portugal	2	-	-	-	-	106	108
Austria	-	-	-	-	-	88	88
Netherlands	841	-	-	-	-	2,825	3,666
Germany	19,077	-	-	-	-	2,395	21,472
Other	7,018	842	-	-	-	7,079	14,939
Total	**61,769**	**1,957**	**103,381**	**-**	**31**	**46,935**	**214,073**

Bond portfolio (insurance business) broken down by external

(DKK millions)	Central and local government bond	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Corporate bonds	Total
2024							
AAA	47,564	1,362	81,389	-	6	1,637	131,958
AA+	236	-	-	-	-	1,427	1,663
AA	7,526	27	-	-	-	168	7,721
AA-	20	-	-	-	1	1,110	1,131
A+	193	-	7,661	-	-	14,742	22,596
A	2,036	-	2,928	-	-	1,896	6,860
A-	118	10	-	-	-	3,250	3,378
BBB+	184	4	-	-	-	1,911	2,099
BBB	4,775	124	371	-	-	3,432	8,702
BBB-	588	53	-	-	1	1,704	2,346
Sub-inv. grade or unrated	2,413	274	-	-	10	20,326	23,023
Total	**65,653**	**1,854**	**92,349**	**-**	**18**	**51,603**	**211,477**

(DKK millions)	Central and local government bond	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Corporate bonds	Total
2023							
AAA	43,609	1,401	90,451	-	-	3,060	138,521
AA+	225	-	-	-	-	2,335	2,560
AA	6,978	68	-	-	-	149	7,195
AA-	134	-	-	-	17	1,268	1,419
A+	407	-	8,561	-	-	5,920	14,888
A	1,544	-	3,594	-	-	1,778	6,916
A-	792	47	-	-	-	2,947	3,786
BBB+	296	3	-	-	-	2,127	2,426
BBB	4,280	151	775	-	-	4,498	9,704
BBB-	974	96	-	-	-	1,841	2,911
Sub-inv. grade or unrated	2,530	191	-	-	14	21,012	23,747
Total	**61,769**	**1,957**	**103,381**	**-**	**31**	**46,935**	**214,073**

Danica has set a separate investment strategy for assets in which its shareholders' equity is invested.

Non-financial risk

Non-financial risk is the risk of financial losses or gains, regulatory impact, reputational impact or customer impact resulting from inadequate or failed internal processes, people or systems or from external events, including legal and compliance risks. According to the Group's risk taxonomy as set out in its enterprise risk management (ERM) framework, non-financial risk consists of five risk categories: operational risk, Information Technology (IT) and security risk, data risk, financial crime risk and regulatory compliance risk. In addition to the five non-financial risk categories, sustainability risk is embedded as risk driver across the taxonomy and may arise as any or all other risk types materialise.

Implementation of the non-financial risk management framework is linked to building and maintaining a strong risk and compliance culture across the Group. The Group has a suite of mandatory training courses for all employees including the Executive Leadership Team. The internal website "DoRight" allows employees to share their concerns and is supported by a group-wide whistleblower system. The Executive Leadership Team uses a set of key performance indicators (KPIs) to measure the risk and compliance culture.

The Group´s approach to non-financial risk management is laid out in the Non-Financial Risk Policy complemented by the Group Compliance Policy and the Financial Crime Policy. The Group Non-Financial Risk Policy is the overarching policy and lays down the principles and responsibilities for managing non-financial risks across the three lines of defence. Supplementary policies and instructions are in place and reviewed annually to ensure alignment with regulatory developments.

Given the varying levels of development and maturity across non-financial risk, an iterative approach has been taken to establish risk tolerance statements. The overarching non-financial risk tolerance threshold for loss exposure is set for net losses after recoveries for events that occur in the current calendar year. Where individual boundaries are set for risk types under non-financial risk, these can be found in their respective policies and instructions. Adherence with these tolerances is monitored and reported in accordance with internal procedures.

Risk assessment
The Group´s standard approach to risk assessment of its non-financial risks and controls is in line with industry standards and comprises the following steps: scoping, risk identification, inherent risk assessment, control identification and assessment, residual risk assessment, and mitigation actions/issues management. The Group also conducts scenario analyses to understand exposure to low-frequency high-severity events. Results from risk assessments and stress tests are used as input for the Group's Internal Capital Adequacy Assessment Process (ICAAP).

Event management
Event management aims to ensure timely and appropriate handling of detected events in order to minimise the impact on the Group and its stakeholders, as well as to prevent reoccurrence. Furthermore, event management provides timely, accurate and complete information for both internal and external reporting, including timely notification to relevant supervisory authorities. Non-financial risk events are registered, categorised and handled according to reporting thresholds. Risk assessment and root-cause analyses are performed to effectively address underlying risks and provide mitigation plans. The Group strives to learn from materialised events and observed near-misses to continually improve its operational risk management framework.

Business Continuity
Business continuity risk management is a holistic approach resulting in proactive measures that enable the Group to identify potential threats and their impacts on business operations, effectively respond to them, and continue the delivery of its products and services supported by functions at acceptable predefined levels following a Disruption. The Business Continuity and Crisis Management Policy sets control requirements for business continuity risk.

Information Technology (IT) and security risk management
Information technology (IT) and security risk is the risk of losses due to the breach of confidentiality, the failure of integrity of systems and data or the inappropriateness or unavailability of systems and data. This includes security risks resulting from inadequate or failed internal processes or external events, including cyber-related attacks or inadequate physical security. The requirements for managing IT and security risk are integrated into the Group's Non-Financial Risk Policy, IT Risk Management Policy and Security Policy.

Data risk management
Data risk refers to the risk of losses resulting from untimely or flawed decision-making based on insufficient or inappropriate data. The requirements for managing Data risk is integrated into the Group's Non-Financial Risk Policy and Data Risk Management Policy. In February 2024, the Danish Financial Supervisory Authority (the Danish FSA) concluded an inspection of Danske Bank's management of data quality. In response, remediation activities to support data risk management has been initiated and Data management remains a key risk focus area in the Group.

Third-party risk management
Third-party risk management (TPRM) considers the risks associated with processes, services, or activities provided to the Group by third parties. The purpose of TPRM is to identify, manage and mitigate non-financial risks when the Group engages with a third party. Third-party arrangements classified as outsourcing, or critical or important outsourcing are subject to specific regulatory requirements listed in the EBA Guidelines on Outsourcing and the Danish Executive Order on Outsourcing. Outsourcing arrangements are to be managed in accordance with the Group's TPRM Policy.

Financial Crime Risk
Financial crime risk is the risk that internal or external parties misuse the Group's infrastructure and services to steal, defraud, manipulate, or circumvent established rules, laws and regulations through money laundering, terrorist financing, sanctions violations, bribery and corruption, tax evasion or fraud. The Group's financial crime risk is managed and monitored through the Group's three lines of defence, and Financial Crime Compliance acts as the second line of defence.

Regulatory Compliance risk management
Regulatory compliance risk is defined as the risk that the Group receives regulatory, criminal or administrative sanctions, incurs material financial losses, or suffers a loss of reputation as a result of its failure to comply with laws, rules and regulations applicable to the Group's activities in the areas of fair treatment of customers, market integrity, data protection and confidentiality or because of a breach of licensing, accreditation and/or individual registration requirements.

Sustainability in non-financial risks

The Group's non-financial risks most materially affected by sustainability drivers relate specifically to regulatory compliance risk, i.e. the risk of not treating customers fairly by mis-selling and / or giving misinformation to customers. This includes risks in relation to marketing, branding and communications, and to operational risk, i.e. practices and arrangements for product governance and product and service practices related to investment products.

Sustainability and treating customers fairly
The Treating Customers Fairly policy defines the principles, which are the further detailed in the Group's instructions and Standard Operating Procedures that address customer needs, profiling and information. In addition, the Group increased the oversight of positioning and marketing activities in 2024 to ensure a fair representation of the Group's ESG related products and services offerings and to maintain a balance between risk related to fair representation and opportunities to communicate the Group's efforts. This includes the Group's sustainability strategy, targets and commitments.

Non-financial risk - continued

Sustainability and product practices
The Group's New & Amended Product Approval Policy and Product Governance Instructions For product governance practices details sustainability risks as integral to the design, approval and delivery of products and services.

Example of how sustainability risks is integrated into product practices are within asset management where sustainability Impacts, Risks and Opportunities may affect returns for customers and investors. Various tools and analysis are applied to determine the right approach for a given investee. This includes a digital system for determining each customer's sustainability preferences as part of the suitability assessment through a set of questions based on the MiFID II and the Insurance Distribution Directive regulatory requirements for sustainability preferences. To ensure a product match between customer sustainability preferences and product recommendation, the Group's sustainability preferences approach is designed to ensure a link between the individual customer's sustainability preferences and the Group's product offerings.

The Group's Responsible Investment Policy and underlying instruction of Sustainability Risk Integration govern the identification and assessment of sustainability risks in investment decisions.

G41. Highlights and ratios

Highlights

(DKK millions)	2024	2023*	2022*	2021	2020
Highlights					
Net interest and fee income	52,019	48,245	39,180	39,266	39,004
Value adjustments	2,258	2,244	403	36,307	22,340
Staff costs and administrative expenses	23,936	23,885	24,994	24,973	26,289
Provision for Estonia matter	-	-	13,800	-	-
Loan impairment charges	-543	262	1,502	141	7,089
Income from associates and group undertakings	-257	-110	9	226	-93
Net profit	23,629	21,262	-4,580	13,001	4,589
Loans	1,996,684	1,849,819	2,009,953	2,051,903	2,047,930
Total equity	175,687	175,739	160,278	175,997	168,679
Total assets	3,716,042	3,729,292	3,746,059	3,981,082	4,109,231

* Comparative information has been restated, as described in notes G2(a) and G2(b). Comparatives prior to 2022 have not been restated.

Ratios

Ratios	2024	2023*	2022*	2021	2020
Total capital ratio (%)	22.4	23.1	22.1	22.4	23.0
Tier 1 capital ratio (%)	19.1	20.5	19.6	20.0	20.5
Return on equity before tax (%)	17.8	15.9	-1.0	9.6	3.7
Return on equity after tax (%)	13.4	12.7	-2.7	7.5	2.7
Income/cost ratio (%)	223.9	203.7	96.1	153.5	115.8
Interest rate risk (%)	-0.4	-	0.3	-1.0	1.9
Foreign exchange position (%)	1.2	1.9	4.6	1.9	23.4
Foreign exchange risk (%)	-	-	-	-	-
Loans plus impairment charges as % of deposits	164.5	150.0	157.6	153.7	149.1
Liquidity coverage ratio (%)	167.4	170.4	151.0	163.7	153.5
Sum of large exposures as % of CET1 capital	123.1	100.5	120.2	108.7	128.6
Impairment ratio (%)	-	-	0.1	-	0.3
Growth in loans (%)	0.1	-7.0	-2.0	-0.2	0.7
Loans as % of equity	11.4	10.5	12.5	11.6	12.1
Return on assets (%)	0.6	0.6	-0.1	0.3	0.1
Earnings per share (Nominal value DKK 100)	27.9	24.8	-5.4	14.6	4.7
Book value per share (DKK)	210.7	204.4	186.7	207.1	197.6
Dividend per share (DKK)**	28.7	14.5	-	2.0	2.0
Share price end of period/earnings per share (DKK)	7.3	7.3	-25.3	7.7	21.3
Share price end of period/book value per share (DKK)	0.97	0.88	0.74	0.55	0.51

* Comparative information for 2023 and 2022 has been restated as described in note G2(a) and G2(b). Comparatives prior to 2022 have not been restated.
** Total dividend for 2024 of DKK 28.70 per share, comprising a proposed dividend of DKK 9.35 per share for the second half of 2024 in addition to the dividend of DKK 7.50 per share paid in connection with the Interim report – first half 2024. It further consists of a proposed extraordinary dividend distribution of DKK 5.35 per share, complementing the special dividend of DKK 6.50 paid in December 2024 following completion of the divestment of the personal customer business in Norway. Dividend for 2023 of a total of DKK 14.50 per share consists of a proposed dividend of DKK 7.50 per share for the second half of 2023 and a dividend of DKK 7.0 per share that was paid in connection with the interim report for the first half of 2023.

The ratios and key figures are calculated in accordance with the requirements stipulated in the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

G41. Highlight and ratios – continued

Definitions of ratios

Ratios	Definition
Earnings per share (DKK)	Net profit for the year divided by the average number of shares outstanding during the year. Net profit is stated after the deduction of interest on equity-accounted additional tier 1 capital.
Diluted earnings per share (DKK)	Net profit for the year divided by the average number of shares outstanding during the year, including the dilutive effect of share options and conditional shares granted as share-based payments. Net profit is stated after the deduction of interest on equity-accounted additional tier 1 capital.
Return on equity (%)	Net profit for the year divided by average equity (average equity as end of current and prior year), including equity-accounted additional tier 1 capital. For the definition used in the management report see page "Definition of alternative performance measures".
Income/cost ratio (%)	Total income divided by expenses, including goodwill impairment charges and provision for Estonia matter.
Common equity tier 1 (CET1) capital	Primarily paid-up share capital and retained earnings. CET1 capital is defined in the Capital Requirements Regulation (CRR).
Additional tier 1 capital	Capital instruments that form part of tier 1 capital. Additional tier 1 capital is defined in CRR.
Tier 1 capital	Common equity tier 1 capital plus additional tier 1 capital, less certain deductions, such as intangible assets. The deductions are defined in CRR.
Tier 2 capital	Subordinated loan capital subject to certain restrictions that falls under the requirements for such instruments in CRR.
Total capital	Tier 1 capital plus tier 2 capital, less certain deductions as defined in CRR.
Risk exposure amount	Total risk exposure amount and off-balance-sheet items that involve credit risk, market risk and operational risk as calculated in accordance with the Capital Requirements Regulation (CRR).
Common equity tier 1 capital ratio	Common equity tier 1 capital divided by the total risk exposure amount.
Tier 1 capital ratio	Tier 1 capital divided by the total risk exposure amount.
Total capital ratio	Total capital divided by the total risk exposure amount.
Dividend per share (DKK)	The sum of dividends, extraordinary dividends and special dividends, divided by the number of shares outstanding.
Share price at 31 December	Closing price of Danske Bank shares at the end of the year.

Ratios	Definition
Book value per share (DKK)	Total equity at 31 December divided by the number of shares outstanding at the end of the year. For the definition used in the management report see page "Definition of alternative performance measures".
Number of full-time-equivalent staff at 31 December	Number of full-time-equivalent staff (part-time staff translated into full-time staff) at the end of the year.
Lending growth	Growth in lending from the beginning to the end of the year, excluding repo transactions.
Loans plus impairment charges as % of deposits	Loans at fair value and loans at amortised cost (gross of expected credit losses) divided by deposits including deposits under pooled schemes.
Return on assets	Net profit for the year divided by average assets (average assets as total assets end of current and prior year).

Financial statements – Danske Bank A/S

The financial statements of the Parent Company, Danske Bank A/S, are prepared in accordance with the Danish Financial Busines s Act and the Danish FSA's Executive Order No. 516 of 17 May 2024.

With effect from 1 January 2024, Danske Bank A/S has implemented changes in accounting policies in relation to Markets and Group Treasury, operating leases and margins on customer transactions in foreign currencies. Note G2(a) provides information on these changes. The changes in accounting policies have been applied retrospectively, and have no impact on the Net profit, Balance sheet or Equity for 2023. Danske Bank A/S has also changed its accounting treatment for variation margin for derivative transactions to reflect its updated understanding of the application of a legal framework applied to outstanding mark-to-market on derivatives. This change in accounting treatment has been applied retrospectively. The change has no impact on net profit for 2023 or equity.

Except for these changes, Danske Bank A/S has not changed its material accounting policies from those applied in the Annual Report 2023.

The accounting policies applied are identical to the Group's IFRS accounting principles, see note G1, with the following exception:

- Domicile property (except right-of-use assets) is measured (revalued) at its estimated fair value through Other comprehensive income.

The estimated fair value of domicile property is determined in accordance with the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

Holdings in subsidiaries are measured on the basis of the equity method. Net profit from these undertakings is recognised under Income from associates and group undertakings.

The format of the Parent Company's financial statements is not identical to the format of the consolidated financial statements in accordance with IFRS Accounting Standards.

The following table shows the differences in net profit and shareholders' equity between the IFRS consolidated financial statements and the Parent Company's financial statements presented in accordance with Danish FSA rules.

(DKK millions)	Net profit 2024	Net profit 2023	Equity 31 December 2024	Equity 31 December 2023
Danske Bank Group based on IFRS	23,629	21,262	175,687	175,739
Domicile properties	7	-1	219	211
Tax effect	4	1	-24	-27
Parent company statement based on Danish FSA rules	**23,640**	**21,261**	**175,882**	**175,923**

Income statement – Danske Bank A/S

Note	(DKK millions)	2024	2023*
P2	Interest income	57,102	54,022
P3	Interest expense	31,613	29,875
	Net interest income	**25,489**	**24,147**
	Dividends from shares etc.	410	368
P4	Fee and commission income	15,868	14,025
	Fees and commissions paid	1,951	1,962
	Net interest and fee income	**39,816**	**36,579**
P5	Value adjustments	1,882	1,726
	Other operating income	616	643
P6	Staff costs and administrative expenses	20,723	20,822
P7	Amortisation, depreciation and impairment charges	1,734	1,532
	Other operating expenses	1	669
	Loan impairment charges etc.	-743	525
	Income from associates and group undertakings	8,286	8,568
	Profit before tax	**28,886**	**23,969**
P9	Tax	5,246	2,708
	Net profit	**23,640**	**21,261**
	Proposed profit allocation		
	Equity method reserve	5,179	2,495
	Dividend for the year**	24,059	12,501
	Retained earnings	-5,598	6,265
	Total	**23,640**	**21,261**

* Comparative information has been restated, as described in note G2(a).
** Total dividend for 2024 of DKK 28.70 per share, comprising a proposed dividend of DKK 9.35 per share for the second half of 2024 in addition to the dividend of DKK 7.50 per share paid in connection with the Interim report – first half 2024. It further consists of a proposed extraordinary dividend distribution of DKK 5.35 per share, complementing the special dividend of DKK 6.50 paid in December 2024 following completion of the divestment of the personal customer business in Norway.

Statement of comprehensive income – Danske Bank A/S

Note	(DKK millions)	2024	2023
	Net profit	23,640	21,261
	Other comprehensive income		
	Items that will not be reclassified to profit or loss		
	Remeasurement of defined benefit pension plans	54	-1,220
P9	Tax*	14	-301
	Items that will not be reclassified to profit or loss	**40**	**-919**
	Items that are or may be reclassified subsequently to profit or loss		
	Translation of units outside Denmark	-1,613	-1,404
	Hedging of units outside Denmark	635	589
	Reclassification to the income statement on disposal of units outside Denmark**	-	806
	Unrealised value adjustments of bonds at fair value (OCI)	479	1,220
	Realised value adjustments of bonds at fair value (OCI)	63	-8
P9	Tax*	-123	303
	Items that are or may be reclassified subsequently to profit or loss	**-313**	**900**
	Total other comprehensive income	**-273**	**-19**
	Total comprehensive income	**23,368**	**21,243**

* A positive amount is a tax expense, and a negative amount is a tax income
** Reclassification to the income statement on disposal of units outside Denmark in 2023 includes a reduction in the structural FX hedge. See note G12.

Balance sheet – Danske Bank A/S

Note	(DKK millions)	2024	2023*
	Assets		
	Cash in hand and demand deposits with central banks	65,084	221,178
P10	Due from credit institutions and central banks	185,755	153,470
P11	Loans and other amounts due at fair value	319,596	174,963
P11	Loans and other amounts due at amortised costs	726,785	729,145
P13	Bonds at fair value	289,299	286,339
P13	Bonds at amortised cost	81,249	102,011
	Shares etc.	93,283	19,392
	Holdings in associates	396	612
	Holdings in group undertakings	93,079	87,868
P14	Assets under pooled schemes	49,373	47,877
	Intangible assets	6,720	6,047
	Land and buildings, total	3,790	4,106
P15	Investment property	-	-
P15	Domicile property	3,790	4,106
P16	Other tangible assets	6,076	6,080
	Current tax assets	3,075	3,296
P17	Deferred tax assets	682	1,418
P18	Assets held for sale	95	110,530
P19	Other assets	283,205	333,360
	Prepayments	2,312	2,045
	Total assets	**2,209,855**	**2,289,736**

* Comparative information has been restated as described in note G2(b).

Note	(DKK millions)	2024	2023*
	Liabilities and equity		
	Amounts due		
P20	Due to credit institutions and central banks	218,293	155,382
P21	Deposits and other amounts due	1,074,946	1,109,448
	Deposits under pooled schemes	49,808	48,140
P22	Issued bonds at fair value	2,061	7,718
P22	Issued bonds at amortised cost	233,072	206,278
	Current tax liabilities	965	989
P18	Liabilities in disposal groups held for sale	-	56,476
P23	Other liabilities	410,571	485,951
	Deferred income	1,528	1,501
	Total amounts due	**1,991,244**	**2,071,882**
	Provisions for liabilities		
	Provisions and pensions and similar obligations	143	164
P17	Provisions for deferred tax	718	1,115
	Provisions for losses on guarantees	3,199	3,466
	Other provisions for liabilities	1,559	2,011
	Total provisions for liabilities	**5,620**	**6,756**
P24	Subordinated debt	37,109	35,174
	Equity		
	Share capital	8,622	8,622
	Accumulated value adjustments	-3,371	-2,935
	Equity method reserve	34,512	29,333
	Retained earnings	123,840	134,436
	Proposed dividends	12,279	6,466
	Total equity	**175,882**	**175,923**
	Total liabilities and equity	**2,209,855**	**2,289,736**

* Comparative information has been restated as described in note G2(b).

Statement of capital – Danske Bank A/S

Changes in equity

(DKK millions)	Share capital	Accumulated value adjustments*	Equity method reserve	Retained earnings	Proposed dividends	Total
Total equity as at 1 January 2024	8,622	-2,935	29,333	134,436	6,466	175,923
Net profit	-	-	5,179	18,461	-	23,640
Other comprehensive income						
Remeasurement of defined benefit pension plans	-	-	-	54	-	54
Translation of units outside Denmark	-	-1,613	-	-	-	-1,613
Hedging of units outside Denmark	-	635	-	-	-	635
Reclassification on disposal of units outside Denmark	-	-	-	-	-	-
Unrealised value adjustments	-	479	-	-	-	479
Realised value adjustments	-	63	-	-	-	63
Tax	-	-	-	109	-	109
Total other comprehensive income	-	-436	-	163	-	-273
Total comprehensive income	-	-436	5,179	18,625	-	23,368
Transactions with owners						
Dividends paid**	-	-	-	-11,741	-6,466	-18,207
Proposed dividends***	-	-	-	-12,279	12,279	-
Acquisition of own shares - share buy-back programme	-	-	-	-5,246	-	-5,246
Acquisition of own shares - other	-	-	-	-26,957	-	-26,957
Sale of own shares	-	-	-	26,799	-	26,799
Share based payments	-	-	-	203	-	203
Total equity as at 31 December 2024	8,622	-3,371	34,512	123,840	12,279	175,882

* Accumulated value adjustments includes foreign currency translation reserve, reserve for bonds at fair value through Other comprehensive income (FVOCI) and valuation reserve.
** During 2024 a dividend of DKK 6,427 million was paid in March 2024 in relation to the second half of 2023. A dividend of DKK 6,350 million was paid in July 2024 in relation to the first half of 2024, and a special dividend payment of DKK 5,430 million was paid in December 2024. Dividends paid are presented net of dividends on own shares.
*** The Board of Directors proposed a dividend payment of DKK 7,810 million in relation to the second half of 2024 as well as an extraordinary dividend of DKK 4,469 million, in total DKK 12,279 million. Dividends proposed are presented net of dividends on own shares.

(DKK millions)	Share capital	Accumulated value adjustments*	Equity method reserve	Retained earnings	Proposed dividends	Total
Total equity as at 1 January 2023	8,622	-4,138	26,838	129,145	-	160,466
Net profit	-	-	2,495	18,766	-	21,261
Other comprehensive income						
Remeasurement of defined benefit pension plans	-	-	-	-1,220	-	-1,220
Translation of units outside Denmark	-	-1,404	-	-	-	-1,404
Hedging of units outside Denmark	-	589	-	-	-	589
Reclassification on disposal of units outside Denmark	-	806	-	-	-	806
Unrealised value adjustments	-	1,220	-	-	-	1,220
Realised value adjustments	-	-8	-	-	-	-8
Tax	-	-	-	-2	-	-2
Total other comprehensive income	-	1,203	-	-1,222	-	-19
Total comprehensive income	-	1,203	2,495	17,544	-	21,243
Transactions with owners						
Dividends paid**	-	-	-	-6,011	-	-6,011
Proposed dividends***	-	-	-	-6,466	6,466	-
Acquisition of own shares - share buy-back programme	-	-	-	-	-	-
Acquisition of own shares - other	-	-	-	-23,028	-	-23,028
Sale of own shares	-	-	-	23,082	-	23,082
Share based payments	-	-	-	172	-	172
Total equity as at 31 December 2023	8,622	-2,935	29,333	134,436	6,466	175,923

* Accumulated value adjustments includes foreign currency translation reserve, reserve for bonds at fair value through Other comprehensive income (FVOCI) and valuation reserve.
** Dividends paid during 2023 consists of a dividend payment in July 2023 of DKK 6,011 million in relation to the first half of 2023. Dividends paid in the Changes in equity is presented net of dividends on own shares.
*** The Board of Directors proposed a dividend payment of DKK 6,466 million in relation to the second half of 2023.

Statement of capital – Danske Bank A/S – continued

Holding of own shares - Danske Bank A/S

	Number of shares	Nominal value (DKK m)	Percentage of share capital	Sales/purchase price (DKK m)
Holding as at 1 January 2023	5,295,475	53	0.57	
Acquired in 2023	148,720,278	1,487	17.25	23,077
Sold in 2023	150,508,483	1,505	17.46	23,199
Holding as at 31 December 2023	**3,507,270**	**35**	**0.36**	
Acquired in 2024	159,945,809	1,599	18.55	32,335
Sold in 2024	133,819,316	1,338	15.52	26,894
Holding as at 31 December 2024	**29,633,763**	**296**	**3.44**	

Holdings in the table above include shares held in relation to the share buy-back programme, shares held in the trading portfolio and shares held in pooled schemes. Holdings of shares in relation to the share buy-back programme and the trading portfolio are deducted from equity (refer to the consolidated financial statements). However Danske Bank A/S has elected not to deduct shares from equity that are held on behalf of customers (i.e. shares held in pooled schemes). As at 31 December 2024, 1,266,561 Danske A/S shares are held in pooled schemes. The acquisitions and sales of shares in pooled schemes are DKK 133 million and DKK 95 million respectively.

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Danske Bank shares held by subsidiaries

	Number of shares	Nominal value (DKK m)	Percentage of share capital	Sales/purchase price (DKK m)
Holding as at 1 January 2023	5,936,767	59	0.69	
Acquired in 2023	1,006,704	10	0.12	148
Sold in 2023	846,625	8	0.10	134
Holding as at 31 December 2023	**6,096,846**	**61**	**0.71**	
Acquired in 2024	434,739	4	0.05	87
Sold in 2024	581,319	6	0.07	117
Holding as at 31 December 2024	**5,950,266**	**60**	**0.69**	

Acquisitions of shares held by subsidiaries comprise shares acquired on behalf of customers.

Statement of capital – Danske Bank A/S – Continued

Total capital and total capital ratio

(DKK millions)	31 December 2024	31 December 2023
Total equity	175,882	175,923
Additional tier 1 capital instruments included in total equity	-	-
Accrued interest on additional tier 1 capital instruments	-	-
Common equity tier 1 capital instruments	175,882	175,923
Adjustment to eligible capital instruments	-901	-914
IFRS 9 reversal due to transitional rules	775	1,659
Prudent valuation	-879	-865
Prudential filters	-	-
Expected/Proposed payouts*	-17,279	-6,466
Intangible assets of banking operations	-6,249	-5,673
Minimum Loss Coverage for Non-Performing Exposures	-2,059	-600
Deferred tax on intangible assets	456	312
Deferred tax assets that rely on future profitability, excluding temporary differences	-304	-213
Defined benefit pension plan assets	-818	-725
Statutory deduction for insurance subsidiaries	-2,397	-6,111
Common equity tier 1 capital	**146,227**	**156,326**
Additional tier 1 capital instruments	10,360	14,805
Tier 1 capital	**156,588**	**171,131**
Tier 2 capital instruments	26,570	20,790
Total capital	**183,158**	**191,920**
Total risk exposure amount	**711,891**	**715,395**
Common equity tier 1 capital ratio (%)	20.5%	21.9%
Tier 1 capital ratio (%)	22.0%	23.9%
Total capital ratio (%)	25.7%	26.8%

* Expected/proposed payouts at 31 December 2024 include proposed dividend for second half of 2024 of DKK 7,810 million, the extraordinary dividend of DKK 4,469 million and the share buy-back programme of DKK 5,000 million. Expected/proposed payouts at 31 December 2023 include the dividend payment for the second half of 2023.

Total capital and the total risk exposure amount are calculated in accordance with the rules applicable under the Capital Requirements Regulation (CRR), taking transitional rules into account as stipulated by the Danish Financial Supervisory Authority.

In terms of the transitional arrangements for the impact of IFRS 9 on regulatory capital, the Group applies the so-called dynamic approach in accordance with the CRR. The Internal Capital Adequacy Assessment report provides more details about Danske Bank's solvency need. The report is available at danskebank.com/reports.

The Internal Capital Adequacy Assessment report is not covered by the independent auditors' review.

Notes – Danske Bank A/S

P1. Net interest and fee income and value adjustments

(DKK millions)	2024	2023*
Business segments		
Personal Customers	15,249	14,677
Business Customers	11,157	11,059
Large Corporates & Institutions	16,166	14,900
Other	-873	-2,330
Total	**41,698**	**38,305**
Geographical segmentation		
Denmark	23,174	21,798
Finland	6,093	5,155
Ireland	660	518
Norway	4,545	4,271
UK	364	314
Sweden	6,670	6,067
Baltics	-1	-6
Poland	193	189
Total	**41,698**	**38,305**

* Comparative information has been restated, as described in note G2(a).

Geographical segmentation is based on the location in which the individual transaction is recorded. The figures for Denmark include financing costs related to investments in activities outside Denmark.

P2. Interest income

(DKK millions)	2024	2023*
Reverse transactions with credit institutions and central banks	9	2,575
Other transactions with credit institutions and central banks	12,771	7,079
Reverse loans	83	3,923
Loans and other amounts due	41,820	39,775
Bonds	5,436	4,918
Derivatives, total	-3,667	-4,938
- Currency contracts	1,628	1,594
- Interest rate contracts	-4,595	-4,996
- Equity contracts	-700	-1,536
Other interest income	650	670
Total	**57,102**	**54,003**

* Comparative information has been restated, as described in note G2(a).

P3. Interest expense

(DKK millions)	2024	2023*
Repo transactions with credit institutions and central banks	120	3,259
Other transactions with credit institutions and central banks	1,995	27
Repo deposits	14	3,866
Deposits and other amounts due	18,408	14,265
Issued bonds	9,294	6,732
Subordinated debt	1,541	1,492
Other interest expenses	239	214
Total	**31,613**	**29,856**

* Comparative information has been restated, as described in note G2(a).

P4. Fee and commission income

(DKK millions)	2024	2023*
Securities trading and custody account fees	7,309	6,127
Payment services fees	3,870	3,570
Origination fees	1,943	1,688
Guarantee commissions	722	730
Other fees and commissions	2,024	1,911
Total	**15,868**	**14,025**

* Comparative information has been restated, as described in note G2(a).

Origination fees includes mainly fee income from the establishment of Danish mortgage loans (received from Realkredit Danmark), and fee income for coordinating and arranging syndicated loan transactions, as well as issuing bonds on behalf of customers.

P5. Value adjustments

(DKK millions)	2024	2023*
Loans at fair value	961	-1,234
Bonds	1,847	3,504
Shares etc.	6	461
Currency	1,043	-685
Derivatives	2,595	8,298
Other liabilities	-4,570	-8,618
Total	**1,882**	**1,726**

* Comparative information has been restated, as described in note G2(a).

Value adjustments in 2023 included the loss on the structural FX hedge that was realised and reclassified from Other comprehensive income to the Income statement in relation to the sale of the personal customers business in Norway. See note G12 for further information.

P6. Staff costs and administrative expenses

Remuneration of the Executive Leadership Team and the Board of Directors

(DKK millions)	2024	2023*
Executive Leadership Team	123	130
Board of Directors	17	15
Total	**140**	**145**

* Executive Leadership Team remuneration in 2023 included sign-on fee. See Remuneration Report 2023 for details.

The remuneration of the Executive Leadership Team includes remuneration for membership of the board of directors of one or more of the Group's subsidiaries. Such remuneration is deducted from the contractual remuneration.

Staff costs

(DKK millions)	2024	2023
Salaries	11,382	11,362
Pensions	1,364	1,282
Financial services employer tax and social security costs	1,684	1,729
Total	**14,429**	**14,373**
Other administrative expenses	6,154	6,304
Total staff costs and administrative expenses	**20,723**	**20,822**
Number of full-time-equivalent staff	17,369	17,398

Note G35 contains additional information about the remuneration of the Board of Directors, the Executive Leadership Team, and other material risk takers.

P7. Amortisation, depreciation and impairment charges

This item includes impairment charges for software of DKK 61 million (2023: DKK 26 million). Note G19 contains additional information.

P8. Audit fees

(DKK millions)	2024	2023
Audit firm appointed by the general meeting		
Fees for statutory audit of the parent company financial statements	26	20
Fees for other assurance engagements	9	8
Fees for tax advisory services	-	-
Fees for other services	5	2
Total	**40**	**30**

Fees for non-audit services provided by Deloitte Statsautoriseret Revisionspartnerselskab (Denmark) and Deloitte Globally amounted to DKK 13 million (2023: DKK 8 million) and covered various assurance reports and other advisory engagements.

P9. Tax

(DKK millions)	2024	2023
Calculated tax charge for the year	4,689	2,861
Deferred tax	493	1,295
Adjustment of prior-year tax charges	64	-1,415
Increase of tax rate	-	-33
Total	**5,246**	**2,708**
Effective tax rate	(%)	(%)
Danish tax rate	26.0	25.2
Non-taxable income and non-deductible expenses, excluding income from associates and group undertakings	1.1	1.9
Difference between tax rates of units outside Denmark and Danish tax rate	-1.6	-0.7
Adjustment of prior-year tax charges	0.2	-5.9
Increase of tax rate	-	-0.1
Effective tax rate	**25.7**	**20.4**
Portion included under Income from associates and group undertakings	-7.5	-9.1
Total	**18.2**	**11.3**
Tax on other comprehensive income		
Remeasurement of defined benefit plans	14	-301
Hedging of units outside Denmark	-123	303
Total	**-109**	**2**

P10. Due from credit institutions and central banks

(DKK millions)	2024	2023
On demand	47,227	6,052
Up to 3 months	87,683	100,941
From 3 months to 1 year	4,196	13,318
From 1 to 5 years	46,270	32,861
Over 5 years	379	297
Total	**185,755**	**153,470**
Due from credit institutions	93,556	124,623
Term deposits with central banks	92,199	28,847
Total	**185,755**	**153,470**
Reverse transactions included in above item	62,045	96,183

DKK 63,040 million (2023: DKK 93,051 million) of Due from credit institutions and central banks are recognised at fair value through profit or loss. For further information see note G14.

P11. Loans and other amounts due

(DKK millions)	2024	2023*
On demand	67,375	65,560
Up to 3 months	377,112	256,839
From 3 months to 1 year	112,969	136,041
From 1 to 5 years	331,570	304,099
Over 5 years	157,355	141,569
Total	**1,046,381**	**904,109**
Reverse transactions included in above item	325,941	178,671

* Comparative information has been restated as described in note G2(b).

Loans and other amounts due include Loans and other amounts due at amortised cost of DKK 319,596 million and Loans and other amounts due at fair value of DKK 726,785 million (2023: DKK 174,963 million and DKK 729,145 million respectively).

Loans and guarantees broken down by sector and industry (%)

	2024	2023
Public sector	2.7	2.8
Business customers		
Agriculture, hunting, forestry and fisheries	2.7	3.1
Manufacturing industries and extraction of raw materials	13.0	13.1
Energy and utilities	3.5	3.4
Building and construction	1.6	1.7
Trade	5.5	6.1
Transport, hotels and restaurants	3.3	3.5
Information and communication	1.8	2.2
Finance and insurance	32.1	25.8
Property administration	12.4	15.2
Other	5.4	5.9
Total Business customers	**81.4**	**79.8**
Personal customers	**15.9**	**17.3**
Total	**100.0**	**100.0**

The relative distribution between industries includes loans at amortised cost, loans at fair value and guarantees.

P12. Impairment charges for loans and guarantees

	Due to credit institutions and central banks			Loans and other amounts due at AMC			Loan commitments and guarantees			Total
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
ECL allowance account as at 1 January 2023	16	28	2	1,548	5,117	5,546	716	1,176	1,081	15,230
Transferred to stage 1 during the period	10	-10	-	1,150	-1,094	-56	331	-308	-24	-
Transferred to stage 2 during the period	-	-	-	-112	357	-245	-78	224	-147	-
Transferred to stage 3 during the period	-	-1	1	-10	-377	387	-2	-72	74	-
ECL on new assets	-1	3	-	364	964	422	103	177	83	2,115
ECL on assets derecognised	-2	-1	-1	-295	-806	-707	-59	-144	-87	-2,100
Impact of net remeasurement of ECL (incl. changes in models)	-9	-13	2	-1,051	1,058	714	-369	215	596	1,142
Write offs debited to the allowance account	-	-	-	-5	-	-305	-	-	-	-311
Foreign exchange adjustments	-	-	-	-23	13	-12	-4	5	-24	-45
Other changes	-7	-	-	-66	-2	37	6	-6	-	-40
ECL allowance account as at 31 December 2023	6	5	4	1,499	5,230	5,780	646	1,267	1,553	15,991
Transferred to stage 1 during the period	-2	2	-	483	-457	-26	114	-108	-6	-
Transferred to stage 2 during the period	-	-	-	-115	250	-134	-44	101	-57	-
Transferred to stage 3 during the period	-	-	-	-11	-214	225	-1	-11	13	-
ECL on new assets	1	-	-	-188	980	871	4	196	299	2,165
ECL on assets derecognised	-	-	-	-158	-798	-345	-53	-99	-79	-1,533
Impact of net remeasurement of ECL (incl. changes in models)	-2	-3	-2	-60	-38	-54	-94	331	-253	-174
Write offs debited to the allowance account	-	-	-2	-	-	-152	-	-	-	-154
Foreign exchange adjustments	-	-	-	-15	-43	-41	-3	-13	28	-86
Other changes	3	-3	-	1	35	245	3	2	-	285
ECL allowance account as at 31 December 2024	7	-	-	1,436	4,944	6,368	572	1,666	1,498	16,492

For further information on the decomposition of the allowance account on facilities in stages 1-3 and originated credit-impaired facilities, see the section on credit risk for Danske Bank Group in note G40 in the consolidated financial statements of Danske Bank Group.

P13. Bonds at fair value and Bonds at amortised cost

Bonds at fair value
Bonds at fair value consists of bonds at fair value through profit or loss of DKK 191,477 million (2023: DKK 187,382 million) and bonds at fair value through Other comprehensive income of DKK 97,822 million (2023: DKK 98,957 million).

Bonds at amortised cost

(DKK millions)	2024	2023
Fair value of held-to-collect bonds	78,112	96,959
Carrying amount of held-to-collect bonds	81,249	102,011

For further information on the difference between the fair value and carrying amount of hold-to-collect bonds, see note G33.

P14. Assets under pooled schemes

(DKK millions)	2024	2023
Bonds at fair value	13,204	16,992
Shares	10,910	14,676
Unit trust certificates	25,639	16,434
Cash deposits etc.	55	38
Total assets before elimination	**49,808**	**48,140**
Other internal balances	434	263
Total	**49,373**	**47,877**

P15. Investment and domicile property

Domicile property includes property owned by Danske Bank A/S and leased properties (right-of-use assets). As at 31 December 2024, Danske Bank A/S has no Investment property (2023: DKK 0 million).

Domicile property

(DKK millions)	2024	2023
Domicile property (owned properties)	1	1
Right-of-use-assets (leased properties)	3,789	4,105
Total	**3,790**	**4,106**

P16. Other tangible assets

Other tangible assets includes assets owned by Danske Bank.

Reconciliation of the carrying amount of Other tangible assets, owned by Danske Bank, is presented below.

Other tangible assets, owned

(DKK millions)	2024	2023
Cost at 1 January	12,022	10,737
Foreign currency translation	-87	-47
Additions, including leasehold improvements	2,004	2,688
Disposals	1,591	1,357
Addition from merger	-	-
Cost at 31 December	**12,348**	**12,022**
Depreciation and impairment charges at 1 January	5,942	5,695
Foreign currency translation	-34	-20
Depreciation charges	1,270	1,119
Depreciation and impairment charges for assets sold	906	852
Addition from merger	-	-
Depreciation and impairment charges at 31 December	**6,271**	**5,942**
Carrying amount at 31 December	**6,076**	**6,080**

P17. Change in deferred tax

(DKK millions)	2024	2023
Deferred tax assets	682	1,418
Provisions for deferred tax	718	1,115
Deferred tax asset/liability, net	**36**	**-303**

Change in deferred tax

(DKK millions)	1 January	Foreign currency translation	Recognised in profit for the year	Recognised in shareholders' equity	31 December
2024					
Intangible assets	373	-19	-75	-	279
Tangible assets	-1,135	-16	823	-	-328
Securities	536	-27	-290	-	219
Provisions for obligations	842	5	-106	16	757
Tax loss carry forwards	-241	1	-64	-	-304
Other	-678	-	91	-	-587
Total	**-303**	**-56**	**379**	**16**	**36**
2023					
Intangible assets	37	-2	338	-	373
Tangible assets	-504	-16	-615	-	-1,135
Securities	92	-6	450	-	536
Provisions for obligations	400	3	466	-27	842
Tax loss carry forwards	-169	-	-72	-	-241
Other	-731	-1	54	-	-678
Total	**-875**	**-22**	**621**	**-27**	**-303**

Unrecognised tax loss carry forwards amounted to DKK 2.3 billion at the end of 2024 (31 December 2023: DKK 2.4 billion).

P18. Assets held for sale and liabilities in disposal groups held for sale

Assets amounting to DKK 95 million are classified as held for sale as at 31 December 2024 (2023: DKK 110,530 million). There are no Liabilities in disposal groups held for sale as at 31 December 2024 (2023: 56,476 million). See note G23 for more detail.

P19. Other assets

(DKK millions)	2024	2023*
Positive fair value of derivatives	269,842	318,827
Other assets	13,363	14,533
Total	**283,205**	**333,360**

* Comparative information has been restated as described in note G2(b).

P20. Due to credit institutions and central banks

(DKK millions)	2024	2023
On demand	35,539	28,680
Up to 3 months	169,602	117,801
From 3 months to 1 year	13,019	8,700
From 1 to 5 years	133	199
Over 5 years	1	1
Total	**218,293**	**155,382**
Reverse transactions included in above item	135,921	86,405

DKK 129,910 million (2023: DKK 85,615 million) of Due to credit institutions and central banks are designated at fair value through profit or loss. For further information see note G20.

P21. Deposits and other amounts due

(DKK millions)	2024	2023*
On demand	815,566	834,957
Term deposits	39,604	37,346
Time deposits	127,668	110,899
Repo deposits	79,146	112,643
Special deposits	12,962	13,603
Total	**1,074,946**	**1,109,448**
On demand	815,566	834,957
Up to 3 months	218,064	227,143
From 3 months to 1 year	25,298	28,506
From 1 to 5 years	8,913	11,513
Over 5 years	7,105	7,328
Total	**1,074,946**	**1,109,448**

* Comparative information has been restated as described in note G2(b).

DKK 78,550 million (2023: DKK 119,587 million) of deposits are designated at fair value through profit or loss. For further information see note G20.

P22. Issued bonds

(DKK millions)	2024	2023*
Up to 3 months	35,822	23,484
From 3 months to 1 year	53,424	53,134
From 1 to 5 years	118,703	112,193
Over 5 years	27,184	25,185
Total	**235,133**	**213,996**

* The maturity of Issued bonds as at 31 December 2023 has been corrected. There is no change to total Issued bonds as at 31 December 2023.

Issued bonds include the line items Issued bonds at fair value and Issued bonds at amortised cost. For further information see note G22.

P23. Other liabilities

(DKK millions)	2024	2023*
Negative fair value of derivatives	264,406	337,154
Other liabilities	146,165	148,796
Total	**410,571**	**485,951**

* Comparative information has been restated as described in note G2(b).

Other liabilities includes an obligation to repurchase securities amounting to DKK 103 billion (2023: DKK 114 billion).

P24. Subordinated debt

Subordinated debt consists of liabilities in the form of subordinated loan capital and hybrid capital, which, in the event of Danske Bank's voluntary or compulsory winding-up, will not be repaid until the claims of ordinary creditors have been met. Hybrid capital ranks below subordinated loan capital. Early redemption of subordinated debt must be approved by the Danish FSA. Subordinated debt is included in the capital base in accordance with section 128 of the Danish Financial Business Act.

Subordinated debt

Currency	Nominal (millions)	Interest rate	Year of issue	Maturity	Redemption price	2024 (DKK millions)	2023 (DKK millions)
Subordinated debt, excluding liability accounted additional tier 1 capital							
Redeemed in 2024							6,262
EUR	750	1.375	2019	12.02.2030	100	5,595	5,590
EUR	500	1.50	2020	02.09.2030	100	3,730	3,727
EUR	750	1.00	2021	15.05.2031	100	5,595	5,590
EUR	750	4.625	2024	14.05.2034	100	5,595	-
SEK	4,250	var	2024	23.08.2034	100	2,757	-
EUR	500	3.75	2024	19.11.2036	100	3,730	-
Subordinated debt, excluding liability accounted additional tier 1 capital						**27,002**	**21,168**
Liability accounted additional tier 1 capital							
Redeemed in 2024							5,058
USD	750	7.00	2018	Perpetual	100	5,354	5,058
USD	750	4.375	2021	Perpetual	100	5,354	5,058
Liability accounted additional tier 1 capital						**10,708**	**15,174**
Nominal subordinated debt						37,710	36,342
Fair value hedging of interest rate risk						-344	-876
Discount						-77	-66
Own holding of subordinated debt						-180	-226
Total subordinated debt						**37,109**	**35,174**
Portion included in total capital as additional tier 1 or tier 2 capital instruments						**37,710**	**36,342**
Interest on subordinated debt and related items							
Interest						1,347	1,315
Origination and redemption costs						45	-
Extraordinary repayments						11,392	-

Danske Bank A/S has no additional tier 1 capital accounted for as equity as at 31 December 2024 (2023: DKK 0 million). Note G22 contains additional information about subordinated debt and contractual terms.

P25. Assets deposited as collateral

At the end of 2024, Danske Bank A/S had deposited DKK 4,223 million worth of securities as collateral with Danish and international clearing centres and other institutions (2023: DKK 4,494 million).

In repo transactions, which involve selling securities to be repurchased at a later date, the securities remain in the balance sheet, and the amounts received are recognised as deposits. Repo transaction securities are treated as assets provided as collateral for liabilities. Counterparties are entitled to sell the securities or deposit them as collateral for other loans.

Assets sold in repo transactions

(DKK millions)	2024	2023
Bonds at fair value	188,538	178,599
Total	**188,538**	**178,599**

In addition, the Group had deposited DKK 32,146 million worth of own bonds as collateral for repo transactions and securities lending (2023: DKK 36,133 million). The amount has been eliminated in the balance sheet.

At the end of 2024, Danske Bank A/S had provided DKK 68,719 million worth of cash and securities as collateral for derivatives transactions (2023: DKK 75,702 million).

Danske Bank A/S had registered DKK 95,395 million worth of loans and advances (2023: DKK 172,699 million) and DKK 1,800 million worth of other assets as collateral for covered bonds at the end of 2024 (2023: DKK 172,699 million and DKK 5,540 million, respectively).

P26. Contingent liabilities

The Group uses a variety of loan-related financial instruments to meet the financial requirements of its customers. These include loan offers and other credit facilities, guarantees and instruments that are not recognised in the balance sheet.

(a) Guarantees and other liabilities

(DKK millions)	2024	2023
Guarantees		
Financial guarantees	17,320	4,271
Mortgage finance guarantees	28,758	32,484
Registration and remortgaging guarantees	9,666	8,259
Other guarantees	77,906	70,644
Total	**133,651**	**115,658**
Other liabilities		
Loan commitments shorter than 1 year	142,230	170,801
Loan commitments longer than 1 year	235,941	210,954
Other obligations	1,529	1,664
Total	**379,700**	**383,418**

P26. Contingent liabilities - continued

(b) Regulatory and legal proceedings

Estonia matter

In December 2022, Danske Bank entered into final coordinated resolutions with the US Department of Justice (DoJ), the US Securities and Exchange Commission (SEC) and the Danish Special Crime Unit (SCU) following the investigations into failings and misconduct related to the non-resident portfolio at Danske Bank's former Estonia branch. The aggregate amounts payable to the US and Danish authorities were paid in January 2023. The coordinated resolutions marked the end of the criminal and regulatory investigations into Danske Bank by the authorities in Denmark and the United States.

As part of the Bank's agreement with DoJ, Danske Bank was placed on corporate probation for three years from 13 December 2022 until 13 December 2025 and Danske Bank committed to continue improving its compliance programs. Danske Bank has taken extensive remediation act ion to address those failings to prevent any similar occurrences, and the Bank remains in contact with DoJ as a matter of post-resolution obligations set forth in the agreement with DoJ.

The Bank has been subject to a criminal investigation by authorities in France. The Bank has cooperated with the French authorities and has reached a resolution with the French National Financial Prosecutor to settle this investigation by agreeing to pay EUR 6.33 million. As previously communicated, the coordinated resolutions reached with the US and Danish authorities in December 2022 did not include the French investigation. The resolution marks the end of the French investigation of Danske Bank. Danske Bank had posted bail in the amount of DKK 80 million in connection with the French investigation, and the financial impact of this resolution was previously provisioned for.

The civil claims filed against Danske Bank by institutional investors can be summarised to six case complexes with a current total claim amount of approximately DKK 12.8 billion. One of the case complexes has partly been referred to the Eastern High Court, while the remaining case complexes are stayed or pending before the Copenhagen City Court. The civil claims were not included in the coordinated resolutions with DoJ, SEC, and SCU. Danske Bank will continue to defend itself vigorously against these claims. The timing of completion of such civil claims (pending or threatening) and their outcome are uncertain and could be material.

Danske Bank has been procedurally notified in two claims filed against Thomas F. Borgen. Under Danish law, the purpose of a procedural notification is to make a formal reservation of rights to bring a potential claim against the notified party. The first case was dismissed in the first instance and subsequently appealed by the claimants. The original claim amount for both claims was approximately DKK 3.2 billion but has been reduced to approximately DKK 1.7 billion.

An action has been filed in the United States District Court for the Eastern District of New York against Danske Bank and others. The complaint sought unspecified punitive and compensatory damages. On 29 December 2022, the action was dismissed by the court and on 27 January 2023, the complainants filed an appeal of the dismissal. The timing of the completion of the lawsuit and the outcome are uncertain.

Other

Owing to its business volume, Danske Bank is continually a party to various other lawsuits and disputes, and has an ongoing dialogue with public authorities, such as the Danish FSA and the Danish Tax Agency on other matters. In general, Danske Bank does not expect the outcomes of any of these other pending lawsuits and disputes, or its dialogue with public authorities to have any material effect on its financial position. Provisions for litigations are included in Other Liabilities, see note G24.

(c) Further explanation

A limited number of employees are employed under terms which, if they are dismissed before reaching their normal retirement age, grant them an extraordinary severance and/or pension payment in excess of their entitlement under ordinary terms of employment. As the sponsoring employer, Danske Bank is also liable for the pension obligations of a number of company pension funds.

Danske Bank A/S is taxed jointly with all Danish entities of Danske Bank Group and is jointly and severally liable with these for payment of Danish corporation tax and withholding tax, etc.

Note G27 contains additional information about contingent liabilities.

P27. Related parties

	Parties with significant influence		Associates		Group undertakings		Board of Directors		Executive Leadership Team	
(DKK millions)	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Loans and loan commitments	9,536	7,057	1,000	1,211	46,068	53,079	19	17	4	4
Securities and derivatives	770	430	396	612	101,906	101,712	-	-	-	-
Deposits	12,779	12,353	635	483	15,400	13,400	15	30	14	16
Derivatives	93	203	-	-	7,778	9,996	-	-	-	-
Issued bonds	-	-	-	-	-	-	-	-	-	-
Pension obligation	-	-	-	-	-	-	-	-	-	-
Guarantees issued	581	260	1	1	38,536	41,165	-	-	-	-
Guarantees and collateral received	813	1,058	397	172	-	-	19	17	4	4
Interest income	308	328	32	38	8,912	8,943	1	1	-	-
Interest expense	608	485	14	12	4,770	4,592	-	-	-	-
Fee income	29	27	5	4	3,873	3,632	-	-	-	-
Fee expense	-	-	-	-	111	557	-	-	-	-
Dividend income	8	75	-	-	3,246	6,579	-	-	-	-
Other income	3	3	-	-	-	-	-	-	-	-
Loan impairment charges	1	1	-	-9	-	-	-	-	-	-
Trade in Danske Bank shares										
Acquisitions	-	-	-	-	-	-	2	2	-	1
Sales	1,089	-	-	-	-	-	-	-	-	-

P27. Related parties – continued

Related parties with significant influence include shareholders with holdings exceeding 20% of Danske Bank A/S's share capital. The A.P. Møller and Chastine Mc-Kinney Møller Foundation and companies of A.P. Møller Holding Group, Copenhagen, hold 21% of the share capital. The consolidated financial statements specify significant group holdings and holdings in associates under Group holdings and undertakings. The Board of Directors and Executive Leadership Team columns list the personal facilities, deposits, etc. held by members of the Board of Directors and the Executive Leadership Team and their dependants, and facilities with businesses in which these parties have a controlling or significant influence.

In 2024, the average interest rates on credit facilities granted to members of the Board of Directors and the Executive Leadership Team were 3.7% (2023: 3.8%) and 4.4% (2023: 4.4%), respectively. Notes G35 and G36 of the consolidated financial statements specify the remuneration and shareholdings of management.

Pension funds set up for the purpose of paying out pension benefits to employees of Danske Bank A/S are also considered related parties. In 2024, transactions with these funds comprised loans and advances in the amount of DKK 1 million (2023: DKK 1 million), deposits in the amount of DKK 53 million (2023: DKK 56 million), derivatives with a positive fair value of DKK 0 million (2023: DKK 0 million), derivatives with a negative fair value of DKK 351 million (2023: DKK 431 million), interest expenses of DKK 1 million (2023: DKK 2 million) and pension contributions of DKK 2 million (2023: DKK 87 million).

Danske Bank A/S acts as the bank of a number of its related parties. Payment services, trading in securities and other instruments, depositing of surplus liquidity and provision of short- and long-term financing are the primary services provided by Danske Bank A/S. In addition, Danske Bank A/S and group undertakings receive interest on holdings, if any, of listed bonds issued by Realkredit Danmark A/S. Note G16 of the consolidated financial statements specifies the Group's holdings of own mortgage bonds.

Danske Bank A/S handles a number of administrative functions, such as IT operations and development, HR management, procurement and marketing activities for group undertakings. Danske Bank A/S received a total fee of DKK 1,525 million for services provided in 2024 (2023: DKK 1,501 million).

The figures above do not include debt to related parties in the form of issued notes or bonds. Such notes or bonds are bearer securities, which means that Danske Bank does not know the identity of the holders. Danske Bank shares may be registered by name. Related parties' holdings of Danske Bank shares equalling 5% or more of Danske Bank's share capital are determined on the basis of the most recent reporting of holdings to Danske Bank.

Transactions with related parties are settled on an arm's-length basis, whereas transactions with group undertakings are settled on a cost reimbursement basis.

P28. Hedging of risk

	2024		2023	
(DKK millions)	Carrying Amount	Amortised/ notional value	Carrying Amount	Amortised/ notional value
Assets				
Loans	2,739	2,833	7,515	7,670
Total	**2,739**	**2,833**	**7,515**	**7,670**
Financial instruments hedging interest rate risk				
Derivatives	57	16,902	-156	15,919
Liabilities				
Deposits	12,165	12,140	15,859	15,835
Due to credit institutions	13,274	13,262	8,587	8,584
Issued bonds	193,703	195,561	185,226	191,122
Subordinated debt	23,506	23,849	19,368	20,244
Total	**242,648**	**244,812**	**229,040**	**235,785**
Financial instruments hedging interest rate risk				
Derivatives	-91	305,889	-190	357,005

Note G12 includes additional information about hedge accounting.

P29. Group holdings and undertakings

Note G37 and G38 lists the Group's major holdings and undertakings as well as associates.

P30. Highlights and ratios – Danske Bank A/S

Highlights

(DKK millions)	2024	2023*	2022*	2021	2020
Net interest and fee income	39,816	36,579	28,194	26,535	26,185
Value adjustments	1,882	1,726	1,273	2,776	1,739
Staff costs and administrative expenses	20,723	20,822	21,342	20,520	21,465
Other operating expenses	1	669	13,800	2	0
Loan impairment charges etc.	-743	525	1,041	-44	6,319
Income from associates and group undertakings	8,286	8,568	3,958	7,179	6,620
Net profit	23,640	21,261	-5,022	13,015	4,511
Loans	1,046,381	904,108	1,120,120	1,070,546	1,049,701
Total equity	175,882	175,923	160,466	177,539	168,836
Total assets	2,209,855	2,289,736	2,353,780	2,363,929	2,574,837

* Comparative information has been restated, as described in notes G2(a) and G2(b). Comparatives prior to 2022 have not been restated.

Ratios

	2024	2023*	2022*	2021	2020
Total capital ratio (%)	25.7	26.8	25.2	26.5	26.3
Tier 1 capital ratio (%)	22.0	23.9	22.4	23.6	23.5
Return on equity before tax (%)	16.4	14.3	-1.8	8.4	2.6
Return on equity after tax (%)	13.4	12.6	-2.7	7.5	2.7
Income/cost ratio (%)	233.0	201.8	92.2	162.0	113.9
Interest rate risk (%)	0.2	0.6	0.7	-0.4	2.5
Foreign exchange position (%)	1.1	1.8	4.4	1.8	23.0
Foreign exchange risk (%)	-	-	-	-	-
Loans plus impairment charges as % of deposits	94.2	79.2	94.1	86.2	81.5
Liquidity coverage ratio (90 days) (%)	138.1	150.5	140.4	141.0	144.1
Sum of large exposures as % of CET1 capital	115.9	93.6	112.9	107.2	119.2
Impairment ratio (%)	-0.1	-	0.1	-	0.5
Growth in loans (%)	-0.7	-19.7	6.4	1.3	-2.4
Loans as % of equity	5.9	5.1	7.0	6.1	6.2
Return on assets (%)	1.1	0.9	-0.2	0.5	0.2
Earnings per share	27.9	24.8	-5.5	14.6	4.6
Book value per share (DKK)	210.9	204.8	187.2	206.2	196.7
Dividend per share (DKK)	28.7	14.5	-	2.0	2.0
Share price end of period/earnings per share (DKK)	7.31	7.29	-24.86	7.72	21.68
Share price end of period/book value per share (DKK)	1.0	0.9	0.7	0.5	0.5

* Comparative information has been restated, as described in notes G2(a) and G2(b). Comparatives prior to 2022 have not been restated.

The ratios are defined by the Danish FSA in, for example, the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc

Statement by the Management

The Board of Directors and the Executive Leadership Team (the management) have today reviewed and adopted the annual report of the Danske Bank Group for the financial year 1 January - 31 December 2024.

The consolidated financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU. The Parent Company's financial statements are prepared in accordance with the Danish Financial Business Act and the Executive Order on Financial Statements for Credit Institutions and Investment Companies, etc. Furthermore, the annual report has been prepared in accordance with legal requirements, including the disclosure requirements for annual reports of listed financial institutions in Denmark.

In our opinion, the consolidated financial statements and the Parent Company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities, shareholders' equity and financial position at 31 December 2024 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year 1 January - 31 December 2024.

Moreover, in our opinion, the management's report includes a fair view of developments in the Group's and the Parent Company's operations and financial position and describes the significant risks and uncertainty factors that may affect the Group and the Parent Company.

The sustainability statement is prepared in accordance with the European Sustainability Reporting Standards (ESRS) as required by the Danish Financial Business Act and the Executive Order on Financial Statements for Credit Institutions and Investment Companies, etc. as well as article 8 in the EU Taxonomy regulation.

ESEF-compliant financial reports

In our opinion, the annual report of the Danske Bank Group for the financial year 1 January – 31 December 2024 with the file name DanskeBank-2024-12-31-0-en.zip has been prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 7 February 2025

Executive Leadership Team

Carsten Egeriis
CEO

Magnus Agustsson | Joachim Alpen | Christian Bornfeld

Karsten Breum | Stephan Engels | Johanna Norberg

Dorthe Tolborg | Frans Woelders

Board of Directors

Martin Blessing, Chairman | Martin Nørkjær Larsen, Vice Chairman | Lars-Erik Brenøe

Jacob Dahl | Raija-Leena Hankonen-Nybom | Lieve Mostrey

Allan Polack | Helle Valentin | Bente Bang, Elected by the employees

Kirsten Ebbe Brich, Elected by the employees | Aleksandras Cicasovas, Elected by the employees | Louise Aggerstrøm Hansen, Elected by the employees

Independent Auditor's report

To the shareholders of Danske Bank A/S

Report on the consolidated financial statements and the parent financial statements

Opinion
We have audited the consolidated financial statements and the parent financial statements of Danske Bank A/S for the financial year 1 January 2024 to 31 December 2024, pages 124-262, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including material accounting policy information, for the Group as well as for the Parent and the consolidated cash flow statements. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed financial companies in Denmark, and the parent financial statements are prepared in accordance with the Danish Financial Business Act.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position at 31 December 2024 and of its financial performance and cash flows for the financial year 1 January 2024 to 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed financial companies in Denmark.

Also, in our opinion, the parent financial statements give a true and fair view of the Parent's financial position at 31 December 2024 and of its financial performance for the financial year 1 January 2024 to 31 December 2024 in accordance with the Danish Financial Business Act.

Our opinion is consistent with our audit book comments issued to the Audit Committee and the Board of Directors.

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, we have not provided any prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) No 537/2014.

We were appointed auditors of Danske Bank A/S for the first time on 18 March 2015 for the financial year 2015. We have been reappointed annually by decision of the general meeting for a total continuous engagement period of 10 years up to and including the financial year 2024.

Key audit matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and the parent financial statements for the financial year 1 January 2024 to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements and the parent financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matters were addressed in our audit
Impairment charges for loans and provisions for guarantees	
Loans for the Group amounted to DKK 1,996,683 million at 31 December 2024 (DKK 1,849,819 million at 31 December 2023), and the total allowance account for the Group amounted to DKK 19,901 million at 31 December 2024 (DKK 20,140 million at 31 December 2023). Measurement of loan impairment charges for loans and provisions for guarantees is deemed a key audit matter as the determination of assumptions for expected credit losses is highly subjective due to the level of judgement applied by Management. The most significant judgements are: • Assumptions used in the expected credit loss models to assess the credit risk related to the exposure and the expected future cash flows of the customer. • Timely identification of exposures with significant increase in credit risk and credit impaired exposures. • Valuation of collateral and assumptions of future cash flows on manually assessed credit-impaired exposures. • Post-model adjustments for particular high-risk portfolios, which are not appropriately captured in the expected credit loss model. Management has provided further information about the loan impairment charges and provisions for guarantees in notes G1(b), G11, G15, G16 and G40 to the consolidated financial statements.	Based on our risk assessment and industry knowledge, we have examined the impairment charges for loans and provisions for guarantees and evaluated the methodology applied as well as the assumptions made according to the description of the key audit matter. Our examination included the following elements: • Testing of key controls over assumptions used in the expected credit loss models to assess the credit risk related to the exposure and the expected future cash flows of the customer. • Obtaining and substantively testing evidence to support the assumptions used in the expected credit loss models concerning methods applied to derive loss given default. • Testing of key controls over timely identification of exposures with significant increase in credit risk and timely identification of credit impaired exposures. • Obtaining and substantively testing evidence of timely identification of exposures with significant increase in credit risk and timely identification of credit impaired exposures. • Testing of key controls over models and manual processes for valuation of collateral and assumptions of future cash flows. (Continues on the next page)

Key audit matters	How the matters were addressed in our audit
Impairment charges for loans and provisions for guarantees - continued	
	• Obtaining and substantively testing evidence to support appropriate determination of assumptions for loan impairment charges and provisions for guarantees including valuation of collateral and assumptions of future cash flows on manually assessed credit impaired exposures. • Testing of key controls over post-model adjustments applied to manage non-linearity that are not included in the modelled expected credit losses • Obtaining and substantively testing evidence of post-model adjustments for high-risk portfolios including industries affected by the macroeconomic uncertainties with particular focus on the methodology applied, evidence of assumptions-setting processes and the consistency thereof by: ○ Assessing the key developments since last year against industry standards and historical data. ○ Assessing the appropriateness of the different identified post-model adjustments compared with the embedded macro forecasts applied in the expected credit loss models. ○ Challenging the methodologies applied by using our industry knowledge and experience. ○ Challenging assumptions implemented due to expected effects of the macroeconomic uncertainties

Key audit matters	How the matters were addressed in our audit
Measurement of insurance contract liabilities	
Insurance contract liabilities for the Group amounted to DKK 456,227 million at 31 December 2024 (DKK 415,414 million at 31 December 2023). Measurement of insurance contract liabilities is deemed a key audit matter as the determination of assumptions for the measurement of insurance contract liabilities for life insurance contracts requires Management to apply complex judgements about future events. Changes in assumptions and the methodology applied may have a material impact on the measurement of insurance contract liabilities. Assumptions involving the most significant judgements are: • Determining disability rates, recapitalisation, mortality rates, surrender probabilities, paid-up policy probability and provisions for expected onerous health and accident insurance policies • Assumptions related to regulatory and reporting requirements, including risk and interest. Management has provided further information about insurance contract liabilities in notes G1(b) and G18 to the consolidated financial statements.	Based on our risk assessment, we have examined Management's valuation of insurance contract liabilities and evaluated the methodology applied and the assumptions made. Our examination included the following elements, where we also made use of our internationally qualified actuaries: • Testing of key controls over the actuarial models, data collection and analysis, including the assumptions-setting processes and the operating effectiveness of such controls. • Assessing methods, models and data used against market practice based on historical development and trends. • Evaluating the disability and mortality rates and surrender probabilities used in the calculation against historical data and market practice. • Evaluating revised principles and assumptions applied to calculate expected onerous health and accident insurance policies. • Assessing the key changes in the assumptions against regulatory and reporting requirements and industry standards. • Analysing developments in risk, interest and cost results, by using our industry knowledge and experience.

Statement by Management on the Management's report
Management is responsible for the Management's report.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the Management's report, and we do not as part of the audit express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the Management's report and, in doing so, consider whether the Management's report is materially inconsistent with the consolidated financial statements and the parent financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether the Management's report includes the disclosures required by the Danish Financial Business Act. This does not include the requirements of the legislation related to the sustainability statement covered by the separate auditor's limited assurance report hereon.

Based on the work we have performed, in our view, Management's report is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Business Act except for the requirements of the legislation related to the sustainability statement which is covered by a separate limited assurance statement cf. above. We did not identify any material misstatement in Management's report.

Management's responsibilities for the consolidated financial statements and the parent financial statements
Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed financial companies in Denmark, and for the preparation of parent financial statements that give a true and fair view in accordance with the Danish Financial Business Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Parent or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparation of the consolidated financial statements and the parent financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, safeguards put in place and measures taken to eliminate threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with the ESEF Regulation
As part of our audit of the consolidated financial statements and the parent financial statements of Danske Bank A/S, we performed procedures to express an opinion on whether the annual report of Danske Bank A/S for the financial year 1 January 2024 to 31 December 2024, with the file name DanskeBank-2024-12-31-0-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;

- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary;

- Ensuring consistency between iXBRL tagged data and the consolidated financial statements presented in human readable format; and

- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion.

The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the consolidated financial statements inclusive of notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited consolidated financial statements.

In our opinion, the annual report of Danske Bank A/S for the financial year 1 January 2024 to 31 December 2024, with the file name DanskeBank-2024-12-31-0-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 7 February 2025

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Kasper Bruhn Udam State-Authorised Public Accountant Identification No (MNE) mne29421	**Jakob Lindberg** State-Authorised Public Accountant Identification No (MNE) mne40824

Independent Auditor's limited assurance report on Sustainability Statement

To the stakeholders of Danske Bank A/S

Limited assurance conclusion
We have conducted a limited assurance engagement on the Sustainability Statement of Danske Bank A/S (the "Group") included in the Management's report (the "Sustainability Statement"), for the financial year 1 January – 31 December 2024.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the legislation, including the Danish Financial Business Act and the Executive Order on Financial Statements for Credit Institutions and Investment Firms, etc., including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the management to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in the section Materiality assessment process; and
- compliance of the disclosures in the section EU Taxonomy Regulation within the environmental section of the Sustainability Statement and the section Disclosures according to Annex VI – templates for the KPIs of Credit institutions in appendix of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion
We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information, and additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the "Auditor's responsibilities for the assurance engagement" section of our report.

Our independence and quality management

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other matter
The comparative information included in the Sustainability Statement of the Groupb was not subject to an assurance engagement on sustainability information prepared in accordance with the requirements of the legislation, including the Danish Financial Business Act and the Executive Order on Financial Statements for Credit Institutions and Investment Firms. Our conclusion is not modified in respect of this matter.

Inherent limitations in preparing the Sustainability Statement
In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Management's responsibilities for the Sustainability Statement
Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process as included in the section Materiality assessment process of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the requirements of the legislation, including the Danish Financial Business Act and the Executive Order on Financial Statements for Credit Institutions and Investment Firms, etc., including:

- compliance with the ESRS;
- preparing the disclosures as included in the section EU Taxonomy Regulation within the environmental section of the Sustainability Statement and the section Disclosures according to Annex VI – templates for the KPIs of Credit institutions in appendix of the Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Auditor's responsibilities for the assurance engagement
Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS, and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in the section Materiality assessment process.

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as

fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

- A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement.

- The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management; and reviewing the Group's internal documentation of its Process; and

- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in the section Materiality assessment process.

- In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement including the consolidation processes by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;

- Evaluated whether material information identified by the Process is included in the Sustainability Statement;

- Evaluated whether the structure and the presentation of the Sustainability Statement are in accordance with the ESRS;

- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;

- Performed substantive assurance procedures on selected information in the Sustainability Statement;

- Evaluated methods, assumptions and data for developing material estimates and forward-looking information and how these methods were applied;

- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement; and

- Where applicable, compared selected disclosures in the sustainability Statement with the corresponding disclosures in the financial Statements and Management's report.

Copenhagen, 7 February 2025

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Kasper Bruhn Udam	**Jakob Lindberg**
State-Authorised	State-Authorised
Public Accountant	Public Accountant
Identification No	Identification No
(MNE) mne29421	(MNE) mne40824

Management and directorships – Board of Directors

Martin Blessing
Chairman of the Board of Directors
Elected by the general meeting

Born: July 1963
Nationality: German
Gender: Male
Joined the Board on 9 June 2020
Appointed Chairman on 17 March 2022
Most recently re-elected in 2024
Term expires in 2025
Independent

Chairman of the Remuneration Committee
Member of the Risk Committee and the Nomination Committee

Competencies:
- Extensive executive level experience as senior executive and CEO of major European financial institutions and board level experience from large and diverse companies and financial institutions
- Substantial experience with universal banking and the financial services provided by Danske Bank, including personal banking, private banking, corporate and institutional banking and wealth management
- Profound understanding of market demands, including customer needs as well as the importance of customer-centric service
- Accustomed to navigating within complex regulatory frameworks in a highly regulated industry and extensive experience with regulatory interactions

Directorships and other offices:
Private-sector directorships:
MB-Ventures GmbH (executive officer)
Unzer Group GmbH (chairman of the advisory board)

Martin Nørkjær Larsen
Vice Chairman
Elected by the general meeting
Chief Financial Officer, A.P. Møller Holding A/S
Born: January 1979
Nationality: Danish
Gender: Male
Joined the Board on 22 March 2024
Term expires in 2025
Non-independent

Chairman of the Nomination Committee
Member of the Audit Committee

Competencies:
- Executive level experience from large corporate with global reach and exposure
- Expert knowledge of finance in all its facets, including capital planning and funding via debt and equity capital markets, as well as accounting and audit related matters
- Understanding of market demands from role as CFO in large global corporation
- Knowledge of compensation models and remuneration practices
- Understanding of key ESG themes including climate transition and experience with ESG reporting
- Board experience including with audit, risk and remuneration committee work

Directorships and other offices:
Private-sector directorships:
APMH Invest A/S (CEO and member of the board of directors and chair or ordinary member of the board of directors of 25 affiliated undertakings, including Maersk Supply Service A/S (chair), Maersk Product Tankers A/S (chair), Maersk Tankers A/S (ordinary board member) and C2X A/S (ordinary board member))
Navigare Capital Partners A/S (chairman of the board of directors)
Assuranceforeningen SKULD (Gjensidig) (vice chairman of the board of directors)
MVKH ApS (private investment company, CEO)

Lars-Erik Brenøe
Board member
Elected by the general meeting
Attorney-at-law
Born: March 1961
Nationality: Danish
Gender: Male
Joined the Board on 17 March 2016
Most recently re-elected in 2024
Term expires in 2025
Non-independent

Chairman of the Conduct & Compliance Committee
Member of the Remuneration Committee

Competencies:
- Deep knowledge of and substantial experience with regulatory compliance, including laws, regulations and administrative provisions relevant to Danske Bank
- Considerable knowledge of prevention of financial crime in all its facets and experience with managing remediation projects
- Knowledge of legal requirements relevant to financial institutions as well as governance arrangements, structures and challenges, including how to best design effective escalation processes, clear reporting lines and allocation of responsibilities
- Understanding of the banking industry and general banking products
- Substantial board level experience and proven ability to navigate complex stakeholder environments

Directorships and other offices:
Private-sector directorships:
A.P. Møller Holding A/S (member of the board of directors)
The A.P. Møller and Chastine Mc-Kinney Møller Foundation (member of the board of directors)
Odense Havn A/S (member of the board of directors)
Monjasa Holding A/S (member of the board of directors)
LEBrenoe (personally owned law firm)
Ejerforeningen 21-5 DK3 P/S (chairman of the board of directors)

Entities which do not pursue predominantly commercial objectives:
A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond (The A.P. Møller Family Foundation) (member of the board of directors)
Operaparkfonden (member of the board of directors)

Jacob Dahl
Board member
Elected by the general meeting
Born: February 1964
Nationality: Danish
Gender: Male
Joined the Board on 17 March 2022
Most recently re-elected in 2024
Term expires in 2025
Independent

Chairman of the Risk Committee
Member of the Remuneration Committee

Competencies:
- Extensive experience with international business and deep knowledge of related issues and market practices in the Nordic countries
- Global experience with multiple areas of banking and proven track record with managing strategy processes and implementing financial strategies within the banking industry
- Great knowledge of IT systems and business processes including understanding of risks pertaining to new technology, data and information and cyber security
- Extensive experience with and proven ability to navigate complex stakeholder environments
- Understanding of the risks, concentrations and dependencies related to the business model and of alternative/disruptive business models

Directorships and other offices:
Private-sector directorships:
CM Holding A/S (member of the board of directors)
Jaka1 ApS and Jaka2 ApS (executive director)
Matter DK ApS (chairman of the board of directors)
Predicti ApS (chairman of the board of directors)

Raija-Leena Hankonen-Nybom
Board member
Elected by the general meeting
Born: August 1960
Nationality: Finnish
Gender: Female
Joined the Board on 9 June 2020
Most recently re-elected in 2024
Term expires in 2025
Independent

Member of the Audit Committee

Competencies:
- Strong ability to evaluate and apply financial facts and profound knowledge of financial accounting practices and financial reporting
- Deep knowledge of the requirements to the internal audit function and extensive experience with audit-related matters from senior audit positions in major financial institutions
- Knowledge of banking in the markets in which the Bank operates in
- Board experience from major corporations including experience with audit committee work

Directorships and other offices:
Private-sector directorships:
Cargotec Oyj (member of the board of directors and chairman of the audit and risk committees)
Metsä Board Oyj (member of the board of directors and chairman of the audit committee)
Posti Group Oyj (member of the board of directors and chairman of the audit, risk and sustainability committees)

Entities which do not pursue predominantly commercial objectives:
Helsinki Deaconess Foundation sr (member of the board of directors and chairman of the audit committee)
Savonlinna Opera Festival (member of the board of directors)

Lieve Mostrey
Board member
Elected by the general meeting
Born: September 1960
Nationality: Belgian
Gender: Female
Joined the Board on 22 March 2024
Term expires in 2025
Independent

Member of the Risk Committee
Member of the Conduct & Compliance Committee

Competencies:
- Extensive executive level experience from large financial institutions including as CEO of a systemically important financial market infrastructure (FMI)
- Strong business acumen, solid universal banking and general management experience, deep knowledge of IT and operations as well as knowledge of finance, auditing, risk and people management
- Accustomed to operating in an international, regulated business environment
- Board experience from the financial sector (market infrastructure and payments)

Directorships and other offices:
None

Allan Polack
Board member
Elected by the general meeting
Born: May 1959
Nationality: Danish
Gender: Male
Joined the Board on 17 March 2022
Most recently re-elected in 2024
Term expires in 2025
Independent

Chairman of the Audit Committee
Member of the Conduct & Compliance Committee

Competencies:
- Executive level experience from management of large financial institutions
- Extensive experience with managing strategy processes and stakeholder management
- Extensive experience with asset management and insurance operations in the various markets in which the Danske Bank Group operates and detailed insights into the banking industry in the Nordics
- Experience with implementation of sustainable business practices and setting measurable sustainability targets
- Extensive experience from non-executive board roles

Directorships and other offices:
Private-sector directorships:
Home.Earth K/S (chairman of the supervisory board)

Entities which do not pursue predominantly commercial objectives:
Valdemar Frænkel og Moder Emmy Polack F. Berendts Mindelegat (member of the board of directors)
Ældresagens Senat (member)

Helle Valentin
Board member
Elected by the general meeting
Managing Partner, IBM Consulting, EMEA
Born: January 1967
Nationality: Danish
Gender: Female
Joined the Board on 17 March 2022
Most recently re-elected in 2024
Term expires in 2025
Independent

Member of the Nomination Committee

Competencies:
- Extensive experience with international business from senior positions in global corporations and international board experience
- Understanding of digital banking and knowledge of new/emerging technologies, including risks pertaining to new technology, data and information security and cyber security
- Profound knowledge of IT infrastructure, technological disruption, digital business models and enablers as well as digital transformation
- Experience with implementation of sustainable business practices and setting measurable sustainability targets
- Knowledge of conditions pertaining to the strategic themes such as climate and transition, nature and biodiversity as well as human rights and social impact

Directorships and other offices:
Private-sector directorships:
IBM Danmark ApS (member of the board of directors)
RWE AG (member of the supervisory board and member of the Strategy & Sustainability committee)

Bente Bang
Board member
Elected by the employees
Vice Chairman of Finansforbundet i Danske Bank
Born: January 1963
Nationality: Danish
Gender: Female
Joined the Board on 15 March 2018
Most recently re-elected in 2022
Term expires in 2026

Member of the Remuneration Committee

Competencies:
- Understanding of personal banking and general banking products in the personal banking area
- Knowledge of corporate values and behaviour
- Experience with negotiation and communication
- Board experience as employee-elected board member

Directorships and other offices:
Bikubens Personaleforening (chairman)

Kirsten Ebbe Brich
Board member
Elected by the employees
Chairman of Finansforbundet i Danske Bank
Born: July 1973
Nationality: Danish
Gender: Female
Joined the Board on 18 March 2014
Most recently re-elected in 2022
Term expires in 2026

Member of the Conduct & Compliance Committee

Competencies:
- Corporate values and behaviour
- Experience with driving cultural transformation and change management processes
- Experience with negotiation and communication
- Knowledge of compensation structures and models such as collective bargaining agreements
- Understanding of technology and digital transformation
- Extensive board experience as employee-elected board member

Directorships and other offices:
Finansforbundet i Danske Banks Jubilæumsfond (chairman)
Danske Unions/Finansforbundet (transnational association of local Danske Bank Group staff unions) (chairman of the board of directors)
Danske Banks Pensionskasse for Førtidspensionister (member of the board of directors)
Danske Banks Velfærdsfond af 1993 (member of the board of directors)
Finansforbundet (the Financial Services Union in Denmark) (member of the executive committee)

Aleksandras Cicasovas
Board member
Elected by the employees
Chapter Lead, Core Payments Platform Tribe, Danske Bank
Born: April 1992
Nationality: Lithuanian
Gender: Male
Joined the Board on 17 March 2022
Term expires in 2026

Competencies:
- Knowledge of IT systems and digital transformation
- Understanding of digital banking and new technologies
- Understanding of corporate values and culture, especially pertaining to Lithuania

Directorships and other offices:
Lithuanian Works Council, Danske Bank
European Works Council, Danske Bank

Louise Aggerstrøm Hansen
Board member
Elected by the employees
Chief Analyst, Danish Macro Research, Markets, Danske Bank
Born: November 1986
Nationality: Danish
Gender: Female
Joined the Board on 17 March 2022
Term expires in 2026

Member of the Risk Committee

Competencies:
- Deep knowledge and awareness of macroeconomic, financial, social and other developments in the Danish society
- Understanding of banking and general banking products pertaining to personal banking
- Extensive experience with communicating complex financial subjects

Directorships and other offices:
None

Management and directorships – Executive Leadership Team (ELT)

Carsten Egeriis
Chief Executive Officer
Born: June 1976
Nationality: Danish
Gender: Male
Joined the ELT on 1 August 2017

Directorships and other offices:
Danica Pension, Livsforsikringsaktieselskab (chairman of the board of directors)
Climate Partnership on Finance (chairman)
Finance Denmark (second vice chairman of the board of directors)
FR I af 16. september 2015 A/S (member of the board of directors)

Joachim Alpen
Head of Large Corporates & Institutions
Born: February 1967
Nationality: Swedish
Gender: Male
Joined the ELT on 1 August 2023

Directorships and other offices:
None

Magnus Agustsson
Chief Risk Officer
Born: January 1973
Nationality: Icelandic
Gender: Male
Joined the ELT on 22 November 2021

Directorships and other offices:
Realkredit Danmark A/S (vice chairman of the board of directors)

Christian Bornfeld
Head of Personal Customers and Financial Crime Risk & Prevention
Born: December 1976
Nationality: Danish
Gender: Male
Joined the ELT on 1 May 2022

Directorships and other offices:
Realkredit Danmark A/S (chairman of the board of directors)
Vipps MobilePay AS (member of the board of directors)
Finance Denmark (personal substitute to the second vice chairman of the board of directors)
FR I af 16. september 2015 A/S (personal substitute for the member of the board of directors)

Karsten Breum
Chief People Officer
Born: November 1972
Nationality: Danish
Gender: Male
Joined the ELT on 25 August 2020

Directorships and other offices:
Bikubens Pensionsfond (chairman)
Finance Denmark / Arbejdsgiver (FA) (the employers association for the financial sector) (chairman)
Danske Banks Fond (chairman)
Finanskompetencepuljen (member of the board of directors)
Grænsefonden (member of the board of directors)

Johanna Norberg
Head of Business Customers
Born: June 1971
Nationality: Swedish
Gender: Female
Joined the ELT on 1 May 2022

Directorships and other offices:
Samuel Söderström Foundation (member of the board of directors)

Stephan Engels
Chief Financial Officer
Born: March 1962
Nationality: German
Gender: Male
Joined the ELT on 1 April 2020

Directorships and other offices:
SimCorp A/S (member of the board of directors)

Dorthe Tolborg
Chief Compliance Officer
Born: August 1964
Nationality: Danish
Gender: Female
Joined the ELT on 1 June 2023

Directorships and other offices:
Appointed member of 'Eksamensudvalget' (Danish Business Authority)
Appointed member of 'Revisorrådet' (Danish Business Authority)

Frans Woelders
Chief Operating Officer
Born: August 1965
Nationality: Dutch
Gender: Male
Joined the ELT on 18 March 2020

Directorships and other offices:
Danske Bank, Belfast (Northern Bank Limited), Northern Ireland (member of the board of directors)

Supplementary information

Financial calendar

20 March 2025	Annual general meeting
02 May 2025	Interim report – first quarter 2025
18 July 2025	Interim report – first half 2025
31 October 2025	Interim report – first nine months 2025

Contacts

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Links

Danske Bank	danskebank.com
Denmark	danskebank.dk
Finland	danskebank.fi
Sweden	danskebank.se
Norway	danskebank.no
Northern Ireland	danskebank.co.uk
Realkredit Danmark	rd.dk
Danske Capital	danskecapital.com

ESEF data

Domicile of entity	Denmark
Description of nature of entity's operations and principal activities	Banking business
Country of incorporation	Denmark
Principal place of business	Denmark
Legal form of entity	A/S
Name of reporting entity or other names of identification	Danske Bank Group
Name of parent	Danske Bank A/S
Name of ultimate parent of group	Danske Bank A/S
Address of entity's registered office	Bernstorffsgade 40, DK-1577 København V.

(Danske Bank's financial Statements are available online at danskebank.com/Reports.)

Danske Bank Group

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Danske Bank