Interim report – first quarter 2024

Danske Bank Group

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Financial highlights – Danske Bank Group

Income statement (DKK millions)	Q1 2024	Q1 2023*	Index 24/23	Q4 2023*	Index Q1/Q4	Full year 2023*
Net interest income	9,142	8,021	114	9,121	100	34,972
Net fee income	3,376	3,252	104	3,482	97	12,904
Net trading income	769	1,331	58	486	158	2,613
Net income from insurance business	492	497	99	550	89	1,472
Other income	176	292	60	189	93	460
Total income	**13,955**	**13,394**	**104**	**13,827**	**101**	**52,422**
Operating expenses	6,337	6,292	101	6,624	96	25,478
of which resolution fund, bank tax etc.	246	254	97	248	99	989
Profit before loan impairment charges	**7,618**	**7,101**	**107**	**7,203**	**106**	**26,944**
Loan impairment charges	101	147	69	-32	-	262
Profit before tax	**7,517**	**6,954**	**108**	**7,235**	**104**	**26,682**
Tax	1,888	1,787	106	1,470	128	5,420
Net profit	**5,629**	**5,167**	**109**	**5,765**	**98**	**21,262**

Balance sheet (end of period) (DKK millions)						
Due from credit institutions and central banks	247,998	295,708	84	271,434	91	271,434
Repo loans	326,300	253,823	129	272,841	120	272,841
Loans	1,631,975	1,770,948	92	1,670,142	98	1,670,142
Trading portfolio assets	487,028	569,576	86	548,189	89	548,189
Investment securities	276,156	291,938	95	283,914	97	283,914
Assets under insurance contracts	514,238	497,029	103	496,031	104	496,031
Other assets	226,112	112,385	201	228,429	99	228,429
Total assets	**3,709,808**	**3,791,407**	**98**	**3,770,981**	**98**	**3,770,981**
Due to credit institutions and central banks	64,537	85,592	75	70,774	91	70,774
Repo deposits	230,255	176,323	131	197,140	117	197,140
Deposits	1,050,241	1,158,404	91	1,108,898	95	1,108,898
Bonds issued by Realkredit Danmark	745,981	724,600	103	741,062	101	741,062
Other issued bonds	310,846	324,000	96	315,145	99	315,145
Trading portfolio liabilities	398,322	510,300	78	454,487	88	454,487
Liabilities under insurance contracts	500,719	480,034	104	482,630	104	482,630
Other liabilities	195,816	129,256	151	186,332	105	186,332
Subordinated debt	39,674	38,324	104	38,774	102	38,774
Shareholders' equity	173,417	164,575	105	175,739	99	175,739
Total liabilities and equity	**3,709,808**	**3,791,407**	**98**	**3,770,981**	**98**	**3,770,981**

Ratios and key figures						
Dividend per share (DKK)**	-	-		7.5		14.5
Earnings per share (DKK)	6.6	6.0		6.7		24.8
Return on avg. shareholders' equity (% p.a.)	12.9	12.7		13.4		12.7
Net interest income as % p.a. of loans and deposits	1.28	1.09		1.27		1.21
Cost/income ratio (C/I) (%)	45.4	47.0		47.9		48.6
Total capital ratio (%)	23.0	22.3		23.1		23.1
Common equity tier 1 capital ratio (%)	18.5	18.0		18.8		18.8
Share price (end of period) (DKK)	206.6	138.0		180.4		180.4
Book value per share (DKK)	202.5	191.7		204.4		204.4
Full-time-equivalent staff (end of period)	20,094	21,205	95	20,021	100	20,021

**Comparative information has been restated as described in note G2(b)*
***Dividend for 2023 of a total of DKK 14.5 per share consists of an interim dividend of DKK 7.0 per share that was paid out in connection with the interim report for the first half of 2023 and a dividend of DKK 7.5 per share for the second half of 2023 that was paid out on 26 March 2024.*

Executive summary

The start of 2024 has unfortunately been characterised by continued geopolitical uncertainty. In spite of the global events, when we focus on the macroeconomic trends in the regions in which we operate, we have seen some positive developments lately as many areas of the Nordic economies are performing well and inflation is trending down. For the Danish economy specifically, growth has been supported by a solid activity level in the services sector and a strong pharmaceutical sector, leading to a continually low unemployment rate and resilient household finances. Additionally, the latest macroeconomic outlook for Denmark is now more positive, supported by expectations for lower policy rates in the course of 2024. Overall, we remain mindful that certain sectors are likely to be negatively affected by the full effects of the higher rate environment and that the macroeconomic and geopolitical uncertainty remains high.

For Danske Bank, the first quarter of 2024 was a continuation of the stable and satisfactory performance we saw in 2023, enabling us to generate a return on equity of 12.9% for the quarter. As a strong financial institution, we continue to be a solid financial partner for our customers, financing the green transition and investing to develop our solutions. Despite modest demand for new loans, we continued to see good interest in our leading savings products and also increased demand for our investment solutions.

The first quarter of 2024 was effectively the first quarter of our new strategy, Forward '28. This marks the continued transformation of Danske Bank, but also a physical change for Danske Bank as we have started to move into our new domicile. During the first quarter of 2024, we also unveiled a new strategy for Asset Management, partnering up with Goldman Sachs and Blackrock to deliver top-of-the-range investment products to our customers. Moreover, we have announced major investments in cloud technology and signed a multi-year agreement with Amazon Web Services. As part of Forward '28, our investments in digital platforms continue to increase. This also means that we are looking into how generative AI can help customers and employees, and we have started this process by rolling out an internal digital assistant called DanskeGPT.

Sustainability is a core pillar of our Forward '28 strategy, and 2024 has so far been a busy year for our sustainability activities. We have launched a strategy paper detailing our strategic direction, just as we have launched a new Position Statement on Fossil Fuels that introduces stricter requirements for our investment activities. We have also published a Climate Action Plan Progress Report 2023 that provides a status on the Group's climate targets as presented in our Climate Action Plan from January 2023. This underlines our continued ambition to be a leading Nordic bank in terms of supporting the sustainability transition.

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 the regulatory requirements. At the end of March 2024, our liquidity coverage ratio stood at 168% (31 December 2023: 170%), with an LCR reserve of DKK 559 billion (31 December 2023: DKK 615 billion), and our net stable funding ratio stood at 125%.

Financials

Danske Bank delivered a net profit of DKK 5,629 million in the first quarter of 2024, against a net profit of DKK 5,167 million in the first quarter of 2023. There was a strong development based on repricing actions and an uplift in net interest income due to the positive interest rate environment.

Net fee income increased 4% from the level in the same period last year, due mainly to higher customer activity and repricing actions. Fee income from financing activity decreased due to lower housing market activity, especially in Denmark.

Net trading income decreased as the first quarter of 2023 was exceptional, but also due to lower customer activity and changes in market conditions.

Net income from insurance business was at the same level as in the first quarter of 2023. The result benefited from a reversal of provisions of DKK 50 million related to the sale of Danica Norway. Relative to the fourth quarter of 2023, net income decreased due to an increase in claims related to the health and accident business.

Operating expenses are on track to end in line with our full-year guidance. The year-on-year increase was caused mainly by higher digitisation investments under our Forward '28 strategy and higher staff costs that were impacted by wage inflation.

Loan impairment charges reflect overall resilient credit quality and were low in the first quarter of 2024, amounting to DKK 101 million. Growth is expected to gradually return to normal levels, and the impact on impairments is reduced, however, the macroeconomic landscape remains uncertain.

Annual General Meeting 2024

Utilising the latest technology, the 2024 Annual General Meeting was the first ever fully digital annual general meeting hosted by a major company in Denmark.

The proposed dividend of DKK 7.5 per share for the second half of 2023 was approved. It was paid out on 26 March to our shareholders, comprising private individuals, organisations, pensions funds in the Nordic countries and elsewhere, thereby supporting societies.

On 2 February 2024, Danske Bank A/S announced a share buy-back programme for a total of DKK 5.5 billion running in the period from 5 February 2024 to 31 January 2025, at the latest, as described in company announcement no. 2 2024.

At danskebank.com, weekly updates on the share buy-back programme are made available.

At 31 March 2024, Danske Bank had bought back around 4.0 million shares for a total purchase amount of DKK 0.8 billion (figures at trade date) of the planned DKK 5.5 billion share buy-back programme.

Outlook for 2024

Total income is expected to grow in 2024, driven by higher core income, our continued efforts to drive commercial momentum, and 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 2024 to be in the range of DKK 26-26.5 billion, reflecting increased investments in line with our financial targets for 2026 and continued focus on cost management. The outlook includes non-recurring items of approximately DKK 0.6 billion related to the relocation to the new domicile and minor costs for the divestment of the personal customer business in Norway.

Loan impairment charges are subject to an elevated level of geopolitical and macroeconomic uncertainty and are expected to reflect our assumptions in our financial targets for 2026 of approximately 8 basis points p.a.

We expect net profit to be in the range of DKK 20-22 billion.

Financial review

Q1 2024 vs Q1 2023

Net profit increased to DKK 5,629 million (Q1 2023: DKK 5,167 million) as a result of increases in net interest income and net fee income. Good customer activity and low loan impairment charges also supported the financial result for the first quarter of 2024.

Income

Net interest income increased to DKK 9,142 million (Q1 2023: DKK 8,021 million). The increase was driven by higher income from deposits following repricing actions and market rate developments as well as product development initiatives.

Net fee income increased to DKK 3,376 million (Q1 2023: DKK 3,252 million). Everyday banking fees increased on the back of higher customer activity, repricing actions and the continued transfer of customers to a subscription fee service model. Furthermore, higher fees from assets under management and cash management services also contributed to the increase in net fee income.

Net trading income decreased to DKK 769 million (Q1 2023: DKK 1,331 million) as the first quarter of 2023 was exceptional, but also due to lower customer activity and changes in market conditions.

Net income from insurance business amounted to DKK 492 million (Q1 2023: DKK 497 million) and was thus at the same level as in the first quarter of 2023. The net income included a reversal of provisions of DKK 50 million related to the sale of Danica Norway.

Other income amounted to DKK 176 million (Q1 2023: DKK 292 million). The decrease was mainly the result of lower sales of assets in our leasing company than in the first quarter of 2023.

Operating expenses

Operating expenses amounted to DKK 6,337 million (Q1 2023: DKK 6,292 million) as underlying expenses continued to develop according to plan due to our dedicated cost management. The increase was impacted mainly by higher digitisation investments under our Forward '28 strategy and higher staff costs that were impacted by wage inflation.

Finally, the Resolution fund, Swedish bank tax etc. item stood at DKK 246 million (Q1 2023: DKK 254 million).

Loan impairment charges

Loan impairment charges were low in the first quarter of 2024, amounting to DKK 101 million (Q1 2023: DKK 147 million).

The impairment level reflected the overall solid credit quality and the fact that macroeconomic growth is expected to gradually return to normal levels, although the macroeconomic landscape remains uncertain. We continue to apply significant post-model adjustments related to the macroeconomic uncertainty and remain watchful of any possible credit deterioration.

Loan impairment charges

(DKK millions)	Q1 2024 Charges	Q1 2024 % of net credit exposure*	Q1 2023 Charges	Q1 2023 % of net credit exposure*
Personal Customers	-256	-0.13	412	0.20
Business Customers	709	0.43	149	0.09
Large Corporates & Institutions	-376	-0.42	-392	-0.42
Northern Ireland	25	0.17	-24	-0.18
Group Functions	-	0.04	1	0.17
Total	**101**	**0.02**	**147**	**0.03**

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

Personal Customers saw impairment reversals, contrary to 2023, when there was a net charge. Reversals for the first quarter of 2024 were driven by a combination of updated macroeconomic scenarios and a reduction in post-model adjustments due to the improved macroeconomic outlook. Underlying credit quality remained stable.

Business Customers had higher impairment charges than in 2023 owing to a few cases in our leasing organisation as well as allocation of post-model adjustments. Underlying credit quality remained solid.

Large Corporates & Institutions continued to see a net reversal owing to successful restructuring activities 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 1,888 million (Q1 2023: DKK 1,787 million) corresponded to an effective tax rate of 25.1% (Q1 2023: 25.7%).

Q1 2024 vs Q4 2023

Net profit decreased to DKK 5,629 million (Q4 2023: DKK 5,765 million). An increase in net trading income and stable net interest income could not compensate for the decrease in net fee income and net income from insurance business.

- **Net interest income** amounted to DKK 9,142 million (Q4 2023: DKK 9,121 million). Net interest income benefited from repricing actions and the stable market rates.

- **Net fee income** decreased to DKK 3,376 million (Q4 2023: DKK 3,482 million), due mainly to lower performance fees from Asset Management.

- **Net trading income** increased to DKK 769 million (Q4 2023: DKK 486 million), due primarily to higher customer activity and decreased interest rate volatility.

- **Net income from insurance business** decreased to DKK 492 million (Q4 2023: DKK 550 million). The decrease was due to an increase in claims related to the health and accident business and less positive developments in the financial markets than in the fourth quarter of 2023.

- **Operating expenses** decreased to DKK 6,337 million (Q4 2023: DKK 6,624 million) due to lower expenses for digitisation and restructuring as well as lower bonus payments and lower provisions for holiday costs.

- **Loan impairment charges** amounted to DKK 101 million (Q4 2023: net reversal of DKK 32 million). Impairments in both quarters were driven by single-name exposures. Underlying credit quality remained solid.

- **Tax** amounted to DKK 1,888 million (Q4 2023: DKK 1,470 million), corresponding to an effective tax rate of 25.1% (Q4 2023: 20.3%). The fourth quarter benefited from a payment from the tax authorities due to a correction of tax paid in previous years.

Net profit

DKK 5,629 million

for the first quarter of 2024

Lending

Lending stood at DKK 1,632 billion (end-2023: DKK 1,670 billion). Mortgage lending at nominal value at Realkredit Danmark amounted to DKK 801 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. The sale, which includes, among other things, loans and deposits, is expected to close during the fourth quarter of 2024. 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 a decrease in lending volumes of 7%, reflecting the volatile operating environment. Lending volumes in General Banking were on par with the level at the end of 2023. 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 the first quarter of 2024.

Lending at Business Customers showed a decrease from the level at the end of 2023 due to lower bank lending volumes and lending margins being under pressure from the increase in market rates. Total bank lending volumes in local currency were on par with the level at the end of 2023. The depreciation of the currencies in Norway and Sweden reduced bank lending volumes by DKK 6.9 billion, leading to a decrease in bank lending of 2%. Mortgage volumes in Denmark were on par with the level at the end of 2023, leading to an overall decrease in total lending volumes of 1%.

At Personal Customers, we saw a decrease in bank lending volumes in our market areas that was caused largely by the subdued housing market. Total lending across markets decreased 1% from the level at the end of 2023. Bank lending volumes decreased 1%, and the nominal mortgage lending volume in Denmark decreased 1%. The depreciation of the Swedish krona had a negative effect of DKK 3 billion.

In Denmark, new gross lending, excluding repo loans, amounted to DKK 40.7 billion. Lending to personal customers accounted for DKK 7.2 billion of this amount.

Deposits

Deposits amounted to DKK 1,050 billion at the end of March 2024 (end-2023: DKK 1,109 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.

Deposit volumes at Personal Customers in Denmark increased 1% from the level at the end of 2023, driven primarily by savings products. Total deposit volumes have decreased 1% since the end of 2023, due mainly to the depreciation of the Swedish krona combined with a decrease in volumes in Sweden.

At Business Banking, deposit volumes increased in Finland and Norway, driven by Advisory Banking customers. Deposit volumes in Sweden and Denmark decreased as a result of a decrease in deposits from commercial real estate and Danske Business Direct customers. Both the Swedish krona and the Norwegian krone depreciated further, with a total effect of DKK 3.5 billion since the end of 2023. Total deposit volumes decreased 2% from the level at the end of 2023.

At Large Corporates & Institutions, deposit volumes decreased from the end of 2023 due to seasonality around tax and dividend payments and volatility in institutional deposits.

Credit exposure

Credit exposure from lending activities decreased to DKK 2,476 billion (end-2023: DKK 2,550 billion). The decrease in exposure was caused by lower deposits with central banks and Financial Institutions as well as a decrease in the Personal Customers Norway exposure due to the decision to exit the personal customer market in Norway. Furthermore, the depreciation of the Swedish krona and the Norwegian krone had a negative impact on the exposure levels.

Risk Management 2023, section 3, which is available at danskebank.com/ir, provides details on Danske Bank's credit risk management.

Credit quality

Credit quality remained strong in the first quarter of 2024 for all business units, and we remain vigilant for any possible deterioration related to the uncertainty mentioned in the loan impairment charges section above.

Stage 3 loans (DKK millions)	31 March 2024	31 December 2023
Gross exposure	34,049	32,686
Allowance account	9,549	9,062
Net exposure	**24,500**	**23,624**
Collateral (after haircut)*	**21,587**	**20,642**
Stage 3 coverage ratio (%)*	77	75

** Collateral (after haircut) and Stage 3 coverage ratio have been restated. The stage 3 coverage ratio is calculated as allowance account stage 3 exposures relative to gross stage 3 net of collateral (after haircuts).*

Total gross credit exposure in stage 3 was stable at DKK 34 billion (end-2023: DKK 32.7 billion), corresponding to 1.4% of total gross exposure. Stage 3 exposure was concentrated on personal customers, commercial property, retailing and construction and building materials, which combined accounted for 57% of total gross exposure in stage 3.

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

Allowance account by business units	31 March 2024		31 December 2023	
(DKK millions)	Accum. impairm. charges	% of credit exposure*	Accum. impairm. charges	% of credit exposure*
Personal Customers	5,010	0.66	5,306	0.68
Business Customers	11,245	1.69	10,705	1.58
Large Corporates & Institutions	3,176	0.92	3,308	0.92
Northern Ireland	840	1.39	794	1.34
Group Functions	26	-0.58	27	1.21
Total	**20,297**	**1.11**	**20,140**	**1.07**

** Relating to lending activities.*

Interest rate risk in the banking book

Danske Bank is exposed to interest rate risk in the banking book resulting 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 (for more details, please see section 5.2.3 of Risk Management 2023).

As part of managing the interest rate risk in the banking book, the Group holds high quality liquid bonds, and this portfolio is part of the Group's LCR. To ensure aligned accounting treatment across the banking book, these bonds are held at amortised cost. As interest rates have risen, asset values in the banking book, including bonds held at amortised cost, have fallen. This should be seen in light of the significant increase in net interest income from deposits and the corresponding impact on liability values. The carrying amount and fair value of the Group's hold-to-collect bond instruments can be seen in note G12.

Funding and liquidity

During the first quarter of 2024, on the back of higher-than-forecasted inflation prints, the markets took out some of the expectations for central bank rate cuts. The well-known and very tense geopolitical situation persisted.

Despite the uncertainty, the credit markets stayed active, with stable investor appetite for Danske Bank issues, which we continued to take advantage of.

At the end of March 2024, the Group had issued covered bonds of DKK 3.6 billion, preferred senior debt of DKK 6.8 billion, non-preferred senior debt of DKK 14.2 billion and tier 2 capital of DKK 5.6 billion, thus bringing total long-term wholesale funding to DKK 30.2 billion.

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 the 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 issuance of subordinated debt may cover part of our funding need. Note G6 provides more information about bond issues in the first quarter of 2024.

Danske Bank's liquidity position remained robust. At the end of March 2024, our liquidity coverage ratio stood at 168% (31 December 2023: 170%), with a LCR reserve of DKK 559 billion (31 December 2023: DKK 615 billion), and our net stable funding ratio stood at 125%.

At 31 March 2024, the total nominal value of outstanding long-term funding, excluding debt issued by Realkredit Danmark, was DKK 334 billion (31 December 2023: DKK 337 billion).

Capital ratios and requirements

At the end of the first quarter of 2024, the Group's total capital ratio was 23.0%, and its CET1 capital ratio was 18.5%, against 23.1% and 18.8%, respectively, at the end of 2023. The movement in the capital ratios in the first quarter of 2024 was driven primarily by the DKK 5.5 billion share buy-back programme initiated on 5 February 2024, but the effect was partly countered by a decrease in the REA.

During the first quarter of 2024, the total REA decreased approximately DKK 19 billion, due mainly to a decline in the REA for credit risk and market risk.

Danske Bank's capital management practices 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 March 2024	Fully phased-in*
Capital ratios		
CET1 capital ratio	18.5	18.4
Total capital ratio	23.0	23.0
Capital requirements (incl. buffers)		
CET1 requirement	14.4	14.4
- portion from countercyclical buffer	2.0	2.0
- portion from capital conservation buffer	2.5	2.5
- portion from Norwegian systemic risk buffer	0.5	0.5
- portion from SIFI buffer	3.0	3.0
Solvency need ratio	11.1	11.1
Total capital requirement**	**19.1**	**19.1**
Excess capital		
CET1 capital	4.2	4.1
Total capital	4.0	3.9

** 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 the first quarter of 2024.*

At the end of the first quarter of 2024, the Group's solvency need ratio was 11.1%, an increase of 0.4 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 the first quarter of 2024, the Group's CBR was 8.0% and unchanged from the level at the end of 2023.

Minimum requirement for own funds and eligible liabilities

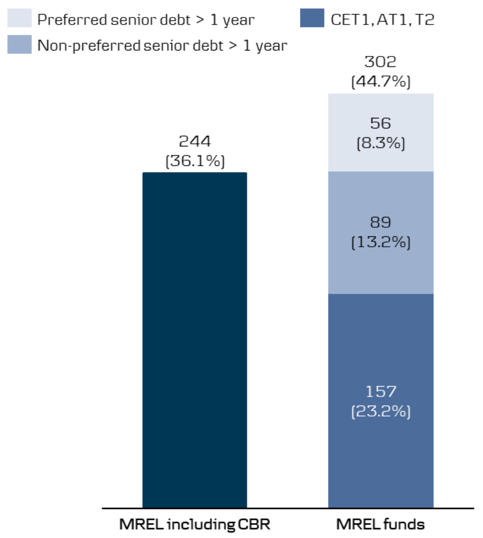
The Danish FSA sets the MREL at two times the solvency need plus one time the SIFI buffer, the capital conservation buffer and the systemic risk buffer. Furthermore, the CBR must be met in addition to the MREL. In the annual MREL decision from the Danish FSA, the (backward-looking) MREL was set at 27.3%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

At the end of the first quarter of 2024, the point-in-time requirement including the CBR was equivalent to DKK 244 billion, or 36.1% 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 302 billion. In addition, an MREL of 6% of the leverage ratio exposure (LRE) is in place. The LRE-based requirement equalled 23.0% 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 the first quarter of 2024, the subordination requirement was equivalent to DKK 203 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 245 billion.

MREL requirement and eligible funds; end-Q1 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 the first quarter of 2024, the Group's leverage ratio was 4.8% 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.

Danske Bank's dividend policy remains unchanged, targeting a dividend of 40-60% of net profit.

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

At 31 March 2024, Danske Bank had bought back around 4.0 million shares for a total purchase amount of DKK 0.8 billion (figures at trade date) of the 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 March 2024, Danske Bank was in compliance with all threshold values. A separate report is available at danskebank.com/investor-relations.

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 final rules are not expected to be adopted before the end of the second quarter of 2024. The European Parliament has recently adopted the EU Banking Package, which means that, as expected, the new rules will apply from 1 January 2025 and onwards.

On the basis of the Group's current and updated analysis of the EU Banking Package 2021, including the provisional agreement, the Group's current capital planning takes into account the expected REA impact of the initial implementation in 2025. The fully phased-in impact of the EU Banking Package on the Group depends on the final legal text, which is still outstanding. The Group currently does not expect the output floor to affect the Group's capital position until 2033 at the earliest, when the transitional arrangements are set to lapse.

On 3 October 2023, it was announced that the Danish Systemic Risk Council had recommended that the Danish minister for Industry, Business and Financial Affairs activate a sector-specific systemic risk buffer (SyRB) with a buffer rate of 7% for exposures to real estate companies in Denmark. The Danish government intends to follow the recommendation and plans to activate the SyRB with effect from 30 June 2024.

On 26 April, the Danish Ministry of Industry, Business and Financial Affairs announced the government's decision to activate the 7% SyRB with effect from 30 June 2024 as recommended by the Danish Systemic Risk Council. However, the government decided to exclude all exposures to real estate companies in Denmark in the 0-15% LTV band. We expect a CET1 impact from 30 June 2024 of around 30 bps.

Credit ratings

There were no changes to the following credit ratings in the first quarter of 2024.

Danske Bank's credit ratings

	Fitch	Moody's	S&P
Counterparty rating	AA-	A1/P-1	AA-/A-1+
Deposits	AA-/F1+	A2/Positive /P-1	-
Preferred senior debt	AA-/F1+	A3/P-2	A+/A-1
Issuer rating	A+/F1	A3/P-2	A+/A-1
Outlook	Stable	Positive	Stable
Non-preferred senior debt	A+	Baa2	BBB+
Tier 2	A-	-	BBB
AT1	BBB	-	BB+

Environmental, Social and Governance (ESG) ratings

There were no changes to the following ESG ratings in the first quarter of 2024.

Danske Bank's ESG ratings	Score at 31 March 2024	Score at 31 December 2023
CDP Worldwide, UK	B	B
ISS ESG, USA	C+ Prime	C+ Prime
MSCI ESG Ratings, USA	BBB	BBB
Sustainalytics, USA	Medium Risk	Medium Risk
Moody's ESG Solutions, USA	60	60

Personal customer business 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 includes the management of 15 Danske Invest Horisont funds, which are primarily distributed to personal customers in Norway.

On 7 February 2024, we announced that the Norwegian Financial Supervisory Authority had approved the sale, and on 15 December and 20 December 2023, the sale was approved by the Norwegian Competition Authority and the Danish Financial Supervisory Authority, respectively, and all required public authority approvals have thus been obtained.

Danske Bank and Nordea remain committed to making the transition as smooth as possible for both customers and employees. The transaction is expected to be completed by the end of 2024.

Update on the debt collection case

As announced on 31 August 2022, Danske Bank has chosen an accelerated solution for its debt collection customers, whereby approximately 90,000 debt collection customers in Denmark will have their debt to the bank set to zero, and Danske Bank will not collect this debt. In the fourth quarter of 2022, we began communicating to customers whose debt is set to zero, and at the end of March 2024, nearly 99% of the debt in approximately 90,000 active customer cases had been set to zero.

Furthermore, Danske Bank has decided to pay compensation on the basis of a data-driven model to the customers who were at risk of having been subject to overcollection due to the issues in the historical debt collection systems.

The work involved in paying compensation to the debt collection customers who may have been subject to overcollection began in 2023. Since Danske Bank initiated compensation pay-out in May 2023, the Bank has paid or attempted to pay out compensation to approximately 85% of the customers in scope for the accelerated data-driven solution (excluding estate case customers). Danske Bank will continue paying out compensation to the remaining debt collection customers in scope who may have been subject to overcollection in our efforts to provide finality to affected debt collection customers.

As previously announced, Danske Bank has been working towards restarting its debt collection in respect of personal customer cases in Denmark in collaboration with a debt collection agency, Lowell Danmark A/S. We have now reached this milestone as we started up the new debt collection system and transferred the first cases for collection to Lowell Danmark A/S in December 2023. Initially, Danske Bank only transfers the least complex debt collection cases to Lowell Danmark A/S for collection. Later, the new IT system will gradually be enhanced and tested to handle all case types in a secure and compliant manner. This work will be gradually progressing in 2024.

Danske Bank continues to have a dialogue with and report its progress in the debt collection case to the impartial reviewers appointed by the Danish FSA.

Changes to the Board of Directors

On 23 February 2024, it was announced that Jan Thorsgaard Nielsen and Carol Sergeant would not seek re-election at the Annual General Meeting.

On 21 March 2024, the Annual General Meeting re-elected Martin Blessing, Lars-Erik Brenøe, Jacob Dahl, Raija-Leena Hankonen-Nybom, Allan Polack and Helle Valentin. Martin Nørkjær Larsen and Lieve Mostrey were elected as new members of the Board of Directors.

The Board of Directors thus now consists of Martin Blessing (Chairman), Martin Nørkjær Larsen (Vice Chairman), Lars-Erik Brenøe, Jacob Dahl, Raija-Leena Hankonen-Nybom, Lieve Mostrey, Allan Polack and Helle Valentin as well as the four members elected by the employees: Bente Bang, Kirsten Ebbe Brich, Aleksandras Cicasovas and Louise Aggerstrøm Hansen.

Business units

Our five commercial business units support our strategy for each customer segment.

Personal Customers

Our Personal Customers unit provides advisory services to personal customers and Private Banking customers in Denmark, Sweden, Norway 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, 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 Pension

Danica Pension's strategy is based on our ambition to be our customers' financial security provider and thereby enhance customer satisfaction. We focus on proactively helping our customers – both personal and business customers – to ensure that they have the right pension, insurance and healthcare solutions, while we also generate attractive returns after costs and contribute to creating a more sustainable society.

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 select low-cost growth opportunities in the rest of the UK.

Personal Customers

In the first quarter of 2024, Personal Customers saw good customer activity, and we supported this development by helping our customers manage their finances through digital solutions, advisory services and competitive products. Customer activity was good in the investment area, driven by more benign financial markets, and continued the positive trend from the second half of 2023 when market shares increased for Danske Invest retail funds. In the housing market, we saw a slowdown in customer activity in Denmark from the elevated activity level in the second half of 2023 that was driven especially by new property tax regulation.

Profit before tax amounted to DKK 2,729 million in the first quarter of 2024, an increase of 42% from the year-earlier period. The increase was driven by higher net fee income, especially everyday banking fees and investment fees, higher net interest incom e from deposits and net loan impairment reversals.

Personal Customers (DKK millions)	Q1 2024	Q1 2023*	Index 24/23	Q4 2023*	Index Q1/Q4	Full year 2023*
Net interest income	3,544	3,405	104	3,481	102	14,166
Net fee income	1,199	1,104	109	1,059	113	4,175
Net trading income	34	53	64	40	85	200
Other income	15	20	75	18	83	-608
Total income	4,793	4,583	105	4,597	104	17,932
Operating expenses	2,320	2,253	103	2,625	88	9,460
of which resolution fund, bank tax etc.	41	41	100	42	98	169
Profit before loan impairment charges	2,472	2,330	106	1,973	125	8,473
Loan impairment charges	-256	412	-	-20	-	312
Profit before tax	**2,729**	**1,918**	**142**	**1,993**	**137**	**8,160**
Loans, excluding reverse transactions before impairments	655,773	788,736	83	664,866	99	664,866
Allowance account, loans	4,228	4,901	86	4,435	95	4,435
Deposits, excluding repo deposits	376,656	411,316	92	377,419	100	377,419
Covered bonds issued	558,369	602,840	93	587,493	95	587,493
Allocated capital (average)	31,065	29,713	105	28,809	108	29,306
Net interest income as % p.a. of loans and deposits	1.39	1.15	-	1.37	-	1.40
Profit before loan impairment charges as % p.a. of allocated capital	31.8	31.4	-	27.4	-	28.9
Profit before tax as % p.a. of allocated capital (avg.)	35.1	25.8	-	27.7	-	27.8
Cost/income ratio (%)	48.4	49.2	-	57.1	-	52.8
Full-time-equivalent staff	4,009	4,277	94	4,064	99	4,064

Fact Book Q1 2024 provides financial highlights at customer type level for Personal Customers, Fact Book Q1 2024 is available at danskebank.com/ir.

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

Business initiatives

In the first quarter of 2024, the economies in our core markets saw a steady development, with stable central bank rates and stable inflation. We continued to be dedicated to supporting our customers and providing them with expert advice based on their individual financial situation, especially in relation to home financing and investments.

In the investment area, customer activity continued the positive trend from the second half of 2023, not least as a result of the more stable financial markets. Assets under management increased DKK 112 billion, with the net inflow contributing DKK 4 billion. With the outlook for a lowering of the central bank market rates, we expect to see a further positive development in market shares, alongside an increasing customer inflow, which we are supporting by a ramp-up of frontline staff in Private Banking.

We saw a slowdown in the housing market in Denmark in early 2024, especially in the Copenhagen area. The slowdown in activity is a spill-over effect of the elevated customer activity we saw in the second half of 2023 following the introduction of new property tax regulation in Denmark that took effect on 1 January 2024. In February 2024, we introduced new and more attractive interest spreads on our cooperative housing loans. This loan type was named 'Best in test' by the Danish Consumer Council. Housing market activity in Finland continued to be subdued, with a continued decrease in apartment prices in the first quarter of 2024. In Sweden, we began to see positive signs, as evidenced by higher customer activity and a significant increase in mortgage loan applications.

Q1 2024 vs Q1 2023

Profit before tax increased to DKK 2,729 million (Q1 2023: DKK 1,918 million) and was driven by higher net fee income, higher net interest income from deposits and net loan impairment reversals. The financial results were adversely affected by the depreciation of currencies.

Net interest income increased to DKK 3,544 million (Q1 2023: DKK 3,405 million), driven largely by our activities in Denmark and Finland. The increase was due primarily to higher income from deposits caused by the rise in market rates and repricing actions as well as product development initiatives. Lending margins were under pressure from the rise in market rates.

Deposit volumes in Denmark increased 1% from the level at the end of 2023, driven primarily by savings products. Total deposit volumes have decreased 1% since the end of 2023, due mainly to the depreciation of the Swedish krona combined with a decrease in volumes in Sweden.

Bank lending volumes decreased in all our markets, largely because of the subdued housing market. Total bank lending volumes decreased 1%. The nominal mortgage lending volume in Denmark decreased 1%. The depreciation of the Swedish krona had a negative effect of DKK 3 billion. Total lending across markets decreased 1% from the level at the end of 2023.

Net fee income increased to DKK 1,199 million (Q1 2023: DKK 1,104 million), driven primarily by everyday banking fees and investment fees. Investment fees rose on the back of a pick-up in activity as a result of the more stable financial markets. Fee income from financing activity decreased due to lower customer activity in the first quarter of 2024 than in the year-earlier quarter, when customer activity was very high due to high remortgaging activity as a result of the higher market rates.

Net trading income decreased to DKK 34 million (Q1 2023: DKK 53 million) as a result of a decrease in loan termination fees.

Operating expenses increased to DKK 2,320 million (Q1 2023: DKK 2,253 million). The increase was driven by higher bonus payments and digitisation investments in accordance with our Forward '28 strategy.

Credit quality remained strong. The recent increases in interest rates and the cost of living are mitigated by household savings and strong labour markets. The average loan-to-value ratio remained low.

Loan impairment charges amounted to a net reversal of DKK 256 million in the first quarter of 2024 (Q1 2023: charges of DKK 412 million). Impairments for the first quarter of 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 829 billion at the end of the first quarter of 2024 (end-2023: DKK 844 billion), driven primarily by a decrease in Personal Customers Norway.

Q1 2024 vs Q4 2023

Profit before tax increased to DKK 2,729 million in the first quarter of 2024 (Q4 2023: DKK 1,993 million) due to higher total income, lower operating expenses and net loan impairment reversals.

- **Net interest income** increased 2% from the preceding quarter. Income from lending benefited from the stable market rates and repricing actions. Income from deposits decreased as a result of customers moving from transaction accounts to savings accounts.

- **Net fee income** increased 13% from the preceding quarter, driven by higher customer investment activity as a result of the more stable financial markets and the anticipation of lower market rates.

- **Operating expenses** decreased 12% due to lower expenses for digitisation as well as lower bonus payments and lower restructuring costs.

- The first quarter of 2024 saw **loan impairment reversals** of DKK 256 million, against net reversals of DKK 20 million in the fourth quarter of 2023. Reversals continued to be driven by improved collateral values and updated macroeconomic scenarios.

Profit before tax

DKK 2,729 million

for the first quarter of 2024

Business Customers

In the first quarter of 2024, Business Customers saw an increase in customer activity from the level in the first quarter of 2023 as a result of the general economic improvement in the Nordic region. We supported our customers across segments and markets, with a focus on providing the best possible advice tailored to our customers' needs.

In the first quarter of 2024, profit before tax amounted to DKK 1,721 million, a decrease of 28% from the year-earlier quarter. Net fee income rose as a result of increased customer activity and repricing actions. Furthermore, we saw higher loan impairment charges that were driven by a few cases in our leasing organisation as well as allocation of post-model adjustments.

Business Customers (DKK millions)	Q1 2024	Q1 2023*	Index 24/23	Q4 2023*	Index Q1/Q4	Full year 2023*
Net interest income	2,893	2,927	99	3,079	94	11,684
Net fee income	591	568	104	582	102	2,190
Net trading income	5	10	50	18	28	54
Other income	216	287	75	228	95	1,024
Total income	3,705	3,792	98	3,907	95	14,952
Operating expenses	1,275	1,246	102	1,546	82	5,255
of which resolution fund, bank tax etc.	62	63	98	64	97	255
Profit before loan impairment charges	2,430	2,546	95	2,361	103	9,698
Loan impairment charges	709	149	-	185	-	431
Profit before tax	**1,721**	**2,396**	**72**	**2,176**	**79**	**9,267**
Loans, excluding reverse transactions before impairments	647,543	635,948	102	654,246	99	654,246
Allowance account, loans	10,015	9,153	109	9,511	105	9,511
Deposits, excluding repo deposits	252,031	279,388	90	257,076	98	257,076
Covered bonds issued	370,959	349,891	106	371,605	100	371,605
Allocated capital (average)	41,871	39,389	106	40,205	104	39,644
Net interest income as % p.a. of loans and deposits	1.28	1.28	-	1.37	-	1.29
Profit before loan impairment charges as % p.a. of allocated capital	23.2	25.9	-	23.5	-	24.5
Profit before tax as % p.a. of allocated capital (avg.)	16.4	24.3	-	21.6	-	23.4
Cost/income ratio (%)	34.4	32.9	-	39.6	-	35.1
Full-time-equivalent staff	1,687	1,664	101	1,646	102	1,646

Fact Book Q1 2024 provides financial highlights at customer type level for Business Customers. Fact Book Q1 2024 is available at danskebank.com/ir.
**Comparative information has been restated as described in note G2(b)*

Business initiatives

The economies in the Nordic region continued to see improvement in early 2024. Inflation stabilised across all market areas, and market rates were unchanged in the first quarter of 2024. We continued to support our customers across segments and to focus on providing the best possible advice tailored to their needs.

We saw improved customer activity in the first quarter of 2024 relative to the first quarter of 2023, especially in Finland, where the commercial momentum was good. We launched campaigns targeting housing companies, which resulted in significant growth in new business volume and new customers relative to the same period last year. The improvement in customer activity as well as repricing actions generated an increase in net fee income of 4%. The increase was driven primarily by everyday banking fees.

Sustainability remained an important agenda for our customers and for us. In March 2024, Danske Bank entered into a partnership agreement with the EIVEE software firm, which specialises in calculating businesses' carbon footprint. With the partnership, we aim to help our customers with their green transition and to support their CO_2-reduction initiatives.

Q1 2024 vs Q1 2023

Profit before tax amounted to DKK 1,721 million (Q1 2023: DKK 2,396 million). Net fee income increased, but the increase was offset by higher loan impairment charges that were driven by a few cases in our leasing organisation as well as allocation of post-model adjustments. The financial performance was adversely affected by the depreciation of currencies.

Net interest income decreased 1% as a result of a decrease in net interest income on lending that was due to lower bank lending volumes and falling lending margins, which came under pressure by the increase in market rates from the level in the first quarter of 2023. Deposit margins increased, but the positive effect was offset by a large outflow of deposit volumes relative to March 2023 that was driven by the public sector in Norway.

Net fee income increased to DKK 591 million (Q1 2023: DKK 568 million). The increase was driven primarily by everyday banking fees due to an increase in customer activity, repricing actions and the continued transfer of customers to a subscription fee service model.

Other income decreased to DKK 216 million (Q1 2023: DKK 287 million). The decrease was the result of lower sales of assets in our leasing company than in the first quarter of 2023, when sales activity was very high. In February 2024, we sold the Norwegian company Tyssekraft A/S, which generated a positive effect on other income of DKK 21 million.

Operating expenses amounted to DKK 1,275 million, an increase of 2% from the level in the same period last year. The increase was driven by higher staff costs as a result of a higher number of full-time-equivalent staff. The increase in the number of full-time-equivalent staff was in line with our strategy.

Deposit volumes increased in Finland and Norway, driven by Advisory Banking customers. Deposit volumes in Sweden and Denmark decreased, driven by commercial real estate and Danske Business Direct customers. Both the Swedish krona and the Norwegian krone depreciated further, with a total effect of DKK 3.5 billion since the end of 2023. Total deposit volumes decreased 2% from the level at the end of 2023.

Total bank lending volumes in local currency were on par with the level at the end of 2023. The depreciation of the currencies in Norway and Sweden reduced bank lending volumes by DKK 6.9 billion, leading to an overall decrease in bank lending of 2%. Mortgage volumes in Denmark were on par with the level at the end of 2023, leading to an overall decrease in total lending volumes of 1%.

Overall, credit quality remains strong. The trend in credit ratings turned negative in 2023 as a result of rising interest rates and inflation, and although the trend continues to be negative, it improved in the first quarter of 2024.

Loan impairment charges amounted to DKK 709 million in the first quarter of 2024 (Q1 2023: DKK 149 million), which was an increase relative to the level in the first quarter of 2023. Loan impairment charges for the first quarter of 2024 were driven by a few cases in our leasing organisation as well as allocation of post-model adjustments.

Credit exposure

Net credit exposure from lending activities amounted to DKK 736 billion at the end of the first quarter of 2024 (Q4 2023: DKK 745 billion) as a result primarily of a decrease in the exposure to the Public Institutions and the Commercial Property segments that was, however, partially countered by an increase in the exposure to the Services segment.

Q1 2024 vs Q4 2023

Profit before tax decreased to DKK 1,721 million in the first quarter of 2024 (Q4 2023: DKK 2,176 million). Net fee income increased, and operating expenses decreased, but the effect of this was more than offset by high loan impairment charges that were driven by a few cases in our leasing organisation and post-model adjustments related to the agriculture segment in Denmark.

- **Net interest income** decreased to DKK 2,893 million (Q4 2023: DKK 3,079 million). Net interest income from lending increased 14% from the level in the fourth quarter of 2023, but the increase was offset by the year-end correction between Business Customers and Group Functions made in the fourth quarter of 2023.

- **Net fee income** increased 2%, driven primarily by pension fees.

- **Operating expenses** decreased 18%. The decrease was due to seasonality in expenses related to digital solutions and to lower development costs, bonus payments and restructuring costs.

- The first quarter of 2024 saw **loan impairment charges** of DKK 709 million (Q4 2023: DKK 185 million). Net credit exposure from lending activities amounted to DKK 736 billion at the end of the first quarter of 2024 (end-2023: DKK 745 billion). The decrease was driven primarily by the Public Institutions and Commercial Property segments.

Profit before tax

DKK 1,721 million

for the first quarter of 2024

Large Corporates & Institutions

In the first quarter of 2024, macroeconomic uncertainty persisted, though sentiment was more positive than expected. We remain dedicated to actively supporting our customers with advisory services backed by our strong product offering and balance sheet. We continued to leverage our strategic commercial strengths, which drove a positive underlying momentum as reflected in growth in our corporate customer portfolio outside Denmark, an increased market share of cash management services and higher fees from our Asset Management business. Furthermore, we are proud to have maintained our leading position in sustainable finance.

Profit before tax amounted to DKK 2,682 million, a decrease of 7% from the same period last year, driven primarily by lower net trading income.

Large Corporates & Institutions (DKK millions)	Q1 2024	Q1 2023*	Index 24/23	Q4 2023*	Index Q1/Q4	Full year 2023*
Net interest income	1,729	1,673	103	1,795	96	6,935
Net fee income	1,521	1,505	101	1,816	84	6,312
Net trading income	814	1,054	77	401	203	2,515
Other income	-	6	-	3	-	15
Total income	4,064	4,238	96	4,014	101	15,777
Operating expenses	1,758	1,752	100	2,125	83	7,397
of which resolution fund, bank tax etc.	125	124	101	123	102	492
Profit before loan impairment charges	2,306	2,486	93	1,889	122	8,380
Loan impairment charges	-376	-392	96	-205	183	-367
Profit before tax	**2,682**	**2,877**	**93**	**2,094**	**128**	**8,747**
Loans, excluding reverse trans. before impairments	286,309	307,127	93	308,617	93	308,617
of which loans in General Banking	261,716	278,819	94	262,741	100	262,741
Allowance account, loans (incl. credit institutions)	1,638	1,724	95	1,665	98	1,665
Deposits, excluding repo deposits	328,007	378,066	87	382,596	86	382,596
of which deposits in General Banking	276,306	320,672	86	326,147	85	326,147
Covered bonds issued	28,043	29,356	96	28,580	98	28,580
Allocated capital (average)	40,589	39,882	102	40,145	101	40,270
Net interest income as % p.a. of loans and deposits	1.09	0.97	-	1.10	-	1.06
Profit before loan impairment charges as % p.a. of allocated capital	22.7	24.9	-	18.8	-	20.8
Profit before tax as % p.a. of allocated capital (avg.)	26.4	28.9	-	20.9	-	21.7
Cost/income ratio (%)	43.3	41.3	-	52.9	-	46.9
Full-time-equivalent staff	2,082	2,079	100	2,085	100	2,085

Total income (DKK millions)						
General Banking	2,110	2,056	103	2,156	98	8,378
Markets	1,319	1,610	82	920	143	4,628
of which xVA**	20	-38	-	76	26	21
Asset Management	527	488	108	778	68	2,334
of which performance fees	10	12	83	268	4	302
Investment Banking	108	83	130	159	68	437
Total income	**4,064**	**4,238**	**96**	**4,014**	**101**	**15,777**

Assets under management (DKK millions)						
Institutional clients***	470,681	374,767	126	442,473	106	442,473
Retail clients***	345,355	305,956	113	328,584	105	328,584
Total assets under management****	**816,036**	**680,723**	**120**	**771,056**	**106**	**771,056**

**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 Q4 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.*

Business initiatives

In the first quarter of 2024, market sentiment in the capital markets turned more optimistic as the economic outlook in the Nordic countries was more positive than expected. In Debt Capital Markets, we saw solid activity in the first quarter of the year, and we remained the leading Nordic bank in both Nordic and European debt capital markets in terms of volumes supported. Among other transactions, we supported Volvo in raising their largest senior unsecured bond issue to date of EUR 1.3 billion as well as Aalto University Foundation in raising EUR 150 million.

In Equity Capital Markets, activity remained muted, and with lower volumes across the Nordic countries than in the same period last year, although, as a highlight, we supported Better Collective in their DKK 1.1 billion accelerated bookbuild.

In Asset Management, we saw strong progress on our journey to simplify our value chain, and we are pleased to report increasing market shares in Danske Invest. Furthermore, we remain a leader in external sustainability certifications among asset managers in the Nordic countries.

Q1 2024 vs Q1 2023

Profit before tax decreased to DKK 2,682 million (Q1 2023: DKK 2,877 million), caused mainly by lower net trading income.

Net interest income increased to DKK 1,729 million (Q1 2023: DKK 1,673 million) as a result of higher deposit margins and other interest items. Deposit volumes decreased 15% from the end of 2023 due to seasonality around tax and dividend payments and volatility in institutional 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 the first quarter of 2024.

Net fee income increased to DKK 1,521 million (Q1 2023: DKK 1,505 million), with the increase due primarily to higher fees from assets under management and cash management services, although this effect was partly offset by lower capital markets fees.

We continued to increase our market share in cash management by adding new house bank mandates in the first quarter of 2024. Furthermore, 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 segment, which contributed to positive net sales. Furthermore, we continued to our strong investment performance relative to both peers and benchmark, which should also support future sales.

Net trading income decreased to DKK 814 million (Q1 2023: DKK 1,054 million) as the first quarter of 2023 was exceptional, but also due to lower customer activity and changes in market conditions.

Operating expenses remained stable and amounted to DKK 1,758 million (Q1 2023: DKK 1,752 million).

Overall, credit quality remained strong in the first quarter of 2024 and has proven resilient in the face of external economic uncertainty. The minor negative rating trend that was observed in 2023 due to the macroeconomic situation turned positive in the first quarter of 2024. Loan impairment charges in the first quarter amounted to a net reversal of DKK 376 million (Q1 2023: net reversal of DKK 392 million). Reversals continue to be driven by successful restructuring activities.

Credit exposure

Net credit exposure from lending activities amounted to DKK 623 billion at the end of the first quarter 2024, a decrease from DKK 638 billion at the end of 2023, as a decrease in the exposure to the Utilities and Infrastructure, Public Institutions and Financials segments was partially countered by an increase in the exposure to the Consumer Goods and Capital Goods segments. Furthermore, we have actively reduced our net oil-related exposure (excluding oil majors) by 68% since the fourth quarter of 2019.

Q1 2024 vs Q4 2023

Profit before tax increased to DKK 2,682 million (Q4 2023: DKK 2,094 million) due primarily to higher net trading income and loan impairment reversals in the first quarter.

- **Net interest income** decreased to DKK 1,729 million (Q4 2023: DKK 1,795 million) as a result of a decrease in other interest items.
- **Net fee income** decreased and stood at DKK 1,521 million (Q4 2023: DKK 1,816 million), mainly as a result of lower performance fees in Asset Management.
- **Net trading income** increased to DKK 814 million (Q4 2023: DKK 401 million) due primarily to higher customer activity and decreased interest rate volatility.
- **Operating expenses** decreased to DKK 1,758 million (Q4 2023: DKK 2,125 million), with the decrease caused primarily by lower digitisation costs, provisions for severance pay and performance-based compensation.
- **Loan impairment charges** amounted to a net reversal of DKK 376 million (Q4 2023: reversal of DKK 205 million). Reversals are driven by continued, successful restructuring activities.

Profit before tax

DKK 2,682 million

for the first quarter of 2024

Danica Pension

The stable and positive market trend from the end of 2023 continued into the first quarter of 2024, supported by strong momentum in the pharmaceutical and tech sectors. The return on our pension customers' savings was high, driven by the strong performance of equities. The underlying business continued to be solid, and the result for the first quarter was satisfactory. However, we continued to see an increase in people suffering from physical or mental health problems, and this had a negative effect on the insurance result for the health and accident business in the first quarter of 2024.

Net income at Danica Pension amounted to DKK 492 million in the first quarter of 2024, which was at the same level as in the first quarter of 2023.

Danica Pension (DKK millions)	Q1 2024	Q1 2023	Index 24/23	Q4 2023	Index Q1/Q4	Full year 2023
Insurance service result	189	201	94	170	111	779
Net financial result	242	289	84	372	65	615
Other income	60	7	-	8	-	78
Net income before tax in Danica Pension	**492**	**497**	**99**	**550**	**89**	**1,472**
Insurance liabilities	513,309	497,090	103	493,544	104	493,544
Liabilities under investment contracts	24,603	20,604	119	23,113	106	23,113
Allocated capital (average)	**20,209**	**19,518**	**104**	**20,015**	**101**	**19,738**
Net income as % p.a. of allocated capital	9.7	10.2	-	11.0	-	7.5
Solvency coverage ratio	175	180	-	170	-	170
Full-time-equivalent staff	911	902	-	912	-	912

Asset under management (DKK millions)						
Insurance	460,549	412,906	112	440,319	105	440,319

Business initiatives

Danica Pension announced a new target for investments in the green transition of DKK 100 billion by 2030. The new goal shows our commitment to supporting the path towards lower carbon emissions and is a doubling of our 2023 goal of DKK 50 billion. By investing in technology and initiatives aimed at creating a greener future, we seek to create returns for our customers while sustaining a safe planet to inhabit.

To further reinforce Danica Pension's ambition to reduce investments in fossil fuel companies, we are introducing a new approach to assessing such companies. Based on the Transition Pathway Initiative (TPI) and science-based data from other data sources, the new approach sets an increased number of requirements that fossil fuel companies must meet before we will invest in them on behalf of our customers.

As part of the ongoing work to ensure a better balance between insurance premiums and health and accident claims, we announced our investment of DKK 100 million in better preventive healthcare measures. The number of customers suffering from a loss of earning capacity has recently increased rapidly, causing insurance expenses to rise. The objective of the new investment is to achieve a decrease in the number of such customers by offering even better healthcare solutions to a larger number of customers.

Q1 2024 vs Q1 2023

Net income at Danica Pension amounted to DKK 492 million (Q1 2023: DKK 497 million) and was thus at the same level as in the first quarter of 2023. Other income in the first quarter of 2024 included a reversal of provisions of DKK 50 million related to the sale of Danica Norway in 2022.

The insurance service result decreased to DKK 189 million (Q1 2023: DKK 201 million) as Danica Pension continued to see a rise in new health and accident claims, which reflects the general trend in society.

The net financial result decreased to DKK 242 million (Q1 2023: DKK 289 million), although the result continued to reflect positive investment results on insurance products where Danica Pension has the investment risk.

Assets under management increased DKK 48 billion following the positive development in the financial markets in 2023 and the first quarter of 2024.

Premiums increased 2% from the same period in 2023 following an increase in both single and regular premiums.

Q1 2024 vs Q4 2023

Net income in Danica Pension decreased to DKK 492 million (Q4 2023: DKK 550 million). The net financial result decreased due to developments in the financial markets being less positive than in the fourth quarter of 2023.

- **The insurance service result** saw an increase of DKK 19 million as the fourth quarter of 2023 included provisions for a rise in health and accident claims but also due to an increase in fees resulting from the positive developments in the financial markets.
- **The net financial result** decreased in the first quarter of 2024 and amounted to DKK 242 million (Q4 2023: DKK 372 million) due to a less positive development in investment results on insurance products where Danica Pension has the investment risk.
- **Total premiums** increased 14% due to an increase in both single and regular premiums, which in the first quarter also included yearly regular premiums from group life insurance products.
- **Assets under management** increased DKK 20 billion due primarily to the developments in the financial markets in the first quarter of 2024.

Net income in Danica Pension

DKK 492 million

for the first 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 select low-cost growth opportunities in the rest of the UK. The strong underlying financial performance reflects business growth in an environment of higher interest rates.

Profit before loan impairments was in line with the first quarter of 2023, while profit before tax of DKK 457 million was lower, reflecting a small loan impairment charge.

Northern Ireland (DKK millions)	Q1 2024	Q1 2023	Index 24/23	Q4 2023	Index Q1/Q4	Full year 2023
Net interest income	710	599	119	661	107	2,549
Net fee income	75	83	90	72	104	319
Net trading income	42	114	37	90	47	288
Other income	3	5	60	2	150	15
Total income	830	801	104	825	101	3,171
Operating expenses	349	319	109	372	94	1,368
Profit before loan impairment charges	481	482	100	453	106	1,804
Loan impairment charges	25	-24	-	6	-	-113
Profit before tax	**457**	**506**	**90**	**447**	**102**	**1,917**
Loans, excluding reverse transactions before impairments	59,850	55,435	108	58,600	102	58,600
Allowance account, loans	805	818	98	755	107	755
Deposits, excluding repo deposits	97,559	94,667	103	97,396	100	97,396
Allocated capital (average)*	6,159	5,831	106	7,592	81	6,750
Net interest income as % p.a. of loans and deposits	1.75	1.56		1.64		1.61
Profit before tax as % p.a. of allocated capital (avg.)	29.7	34.7		23.6		28.4
Cost/income ratio (%)	42.0	39.8		45.1		43.1
Full-time-equivalent staff	1,253	1,305	96	1,267	99	1,267

** Allocated capital equals the legal entity's capital.*

Business initiatives

The strategy in Northern Ireland 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.

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

Residential mortgage volumes continued to grow in the first quarter of 2024 and are much improved year-on-year, supporting continued growth in lending (up 5% in local currency). We expect demand to remain resilient moving forward.

We have introduced switching incentives in order to attract new personal and small business transactional accounts. New customer applications are now facilitated via straight-through digital processes on our website, which makes it easier and more convenient for customers to join the bank.

We also continue to support Northern Ireland society through our wide-ranging community initiatives. This includes our Charity Partner for the year, 'Include Youth', which supports local care experienced young people. We focus on making a difference through fundraising, colleague volunteering and raising awareness.

Q1 2024 vs Q1 2023

Profit before tax decreased to DKK 457 million (Q1 2023: DKK 506 million), with a strong underlying income performance excluding the impact of mark-to-market movements in net trading income.

Net interest income increased to DKK 710 million (Q1 2023: DKK 599 million), driven by growth in both personal and business lending and actions taken in response to higher UK interest rates.

Net fee income decreased to DKK 75 million (Q1 2023: DKK 83 million), due primarily to the sale of our offsite ATM network in 2023, with underlying activity and related fees remaining robust.

Net trading income reflects mark-to-market movements on the bank's hedging portfolio on the basis of a combination of changing market expectations for UK interest rates and the reducing remaining life of the impacted hedging portfolio. With market expectations continuing to fluctuate, trading income remained volatile. 2023 saw significant, positive mark-to-market movements on the portfolio.

Operating expenses stood at DKK 349 million (Q1 2023: DKK 319 million). The increase reflects the inflationary pressure on locally incurred costs (+4% in local currency). The bank has a continued cost and efficiency focus across local and Group cost drivers. The number of full-time-equivalent staff was lower year-on-year.

Credit quality remained strong, with a small loan impairment charge of DKK 25 million at the end of the first quarter of 2024, against a net reversal in the first quarter of 2023.

Q1 2024 vs Q4 2023

The first quarter of 2024 saw a profit before tax of DKK 457 million (Q4 2023: DKK 447 million).

- **Net interest income** increased to DKK 710 million (Q4 2023: DKK 661 million), reflecting balance sheet growth and higher UK interest rates.

- **Net fee income** increased to DKK 75 million (Q4 2023: DKK 72 million), reflecting underlying activity levels.

- **Net trading income** amounted to DKK 42 million (Q4 2023: DKK 90 million), reflecting lower positive mark-to-market movements on the hedging portfolio.

- **Operating expenses** decreased to DKK 349 million (Q4 2023: DKK 372 million), reflecting a continued cost and efficiency focus, although inflationary pressure remains.

- **Loan impairment charges** were marginally higher at DKK 25 million, with a continually strong focus on credit quality.

Profit before tax

DKK 457 million

for the first 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 the first quarter of 2024, the loss before tax was reduced and amounted to DKK 564 million, against a loss of DKK 1,240 million in the first quarter of 2023. The improvement was driven by an increase in net interest income to DKK 265 million (Q1 2023: net expense of DKK 584 million) that related primarily to Internal Bank activity at Group Treasury.

Group Functions (DKK millions)	Q1 2024	Q1 2023*	Index 24/23	Q4 2023*	Index Q1/Q4	Full year 2023*
Net interest income	265	-584	-	105	252	-362
Net fee income	-10	-8	125	-46	22	-92
Net trading income	-126	101	-	-62	203	-444
Other income	-58	-26	223	-63	92	15
Total income	72	-516	-	-67	-	-884
Operating expenses	635	722	88	-44	-	1,998
of which resolution fund, bank tax etc.	18	26	69	18	100	72
Profit before loan impairment charges	-563	-1,239	45	-23	-	-2,882
Loan impairment charges	-	1	-	2	-	-1
Profit before tax	**-564**	**-1,240**	**45**	**-25**	**-**	**-2,881**
Full-time-equivalent staff	10,152	10,979	92	10,046	101	10,046

Profit before tax (DKK millions)						
Group Treasury	264	-585	-	301	88	-752
Own shares and issues	-131	98	-	-38	-	23
Additional tier 1 capital	-	-	-	1	-	-
Group support functions	-769	-724	106	-257	299	-2,065
Non-core	72	-30	-	-32	-	-87
Total Group Functions	**-564**	**-1,240**	**45**	**-25**	**-**	**-2,881**

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

Business 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 also 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.

Furthermore, Group Functions comprises the Non-core activities. Non-core mainly comprises legacy credit exposures as well as non-strategic private equity investments and focuses on actively managing down legacy assets and portfolios by way of divestment, refinancing with other credit institutions or amortisation.

The winding up of the remaining Non-core activities is proceeding according to plan.

Q1 2024 vs Q1 2023

Group Functions posted a loss before tax of DKK 564 million (Q1 2023: loss of DKK 1,240 million).

Net interest income increased to DKK 265 million (Q1 2023: net expense of DKK 584 million). The increase was due primarily to higher interest on shareholders' equity and higher income from Internal Bank allocation, with the latter increase being due, among other things, to the allocation from May 2023 of interest rate risk management costs related primarily to the hedging of the interest rate risk on deposits to the business units. Allocation is made in the form of an internal deduction from deposit margins.

Net trading income decreased to a loss of DKK 126 million (Q1 2023: DKK 101 million). The decrease was due primarily to negative market value adjustments at Group Treasury.

Operating expenses, after allocation to the business units, decreased from the level in the first quarter of 2023 and amounted to DKK 635 million (Q1 2023: DKK 722 million).

Loan impairment charges amounted to DKK 0 million (Q1 2023: DKK 1 million).

The number of full-time-equivalent staff decreased to 10,152 (end-Q1 2023: 10,979), mainly because of the sale of Danske IT in India to Infosys during the third quarter of 2023.

Q1 2024 vs Q4 2023

Group Functions posted a loss before tax of DKK 564 million (Q4 2023: loss of DKK 25 million) related mainly to operating expenses that reached a normalised level in the first quarter relative to the low level in the fourth quarter.

- **Net interest income** increased to DKK 265 million (Q4 2023: DKK 105 million). The increase was due primarily to higher Group Treasury interest rate risk management income.
- **Net trading income** decreased to a loss of DKK 126 million (Q4 2023: loss of DKK 62 million). The decrease was due primarily to negative market value adjustments of cross-currency swaps at Group Treasury.
- **Operating expenses**, after allocation to the business units, reflected a normalised level and amounted to DKK 635 million relative to the low level in the fourth quarter (Q4 2023: net income of DKK 44 million).
- **Loan impairment charges** amounted to DKK 0 million (Q4 2023: DKK 2 million).

Profit before tax

DKK -564 million

for the first quarter of 2024

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 3 and in other sections of the Management's report:

Ratios and key figures	Definition
Dividend per share (DKK)	Total dividend per share in the annual report, consisting of the interim dividend per share (if any) paid out during the year, and the dividend per share proposed in the Annual Report and paid to shareholders in the subsequent year.
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 0 million (2023: a reduction 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 1.36% (2023: 1.26%) due to the daily average of the sum of loans and deposits being DKK 36.4 billion higher (2023: DKK 45.1 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 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 101 million (2023: DKK 262 million) annualised. The denominator is the sum of Loans at amortised cost of DKK 918.6 billion (2023: DKK 1,082.8 billion), Loans at fair value of DKK 753.3 billion (2023: DKK 724.1 billion), Assets 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 20.3 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 887.3 billion (2023: DKK 918.6 billion), Loans at fair value of DKK 746.6 billion (2023: DKK 753.3 billion), Assets held for sale of DKK 96.2 billion (2023: DKK 110.4 billion) and guarantees of DKK 76.2 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.

Financial Statements

Notes

Income statement – Danske Bank Group

Note	(DKK millions)	Q1 2024	Q1 2023*	Full year 2023*
	Interest income calculated using the effective interest method	16,842	13,029	60,842
	Other interest income	6,358	3,405	15,232
	Interest expense	14,058	8,414	41,102
	Net interest income from banking activities	9,142	8,021	34,972
G4	Fee income	4,516	4,066	17,108
G4	Fee expenses	1,140	814	4,203
G4	Net fee income	3,376	3,252	12,904
	Net trading income or loss	769	1,331	2,613
	Insurance revenue	1,507	1,269	5,735
	Insurance service expenses	1,305	1,057	5,094
	Net return on investments backing insurance liabilities	19,626	7,871	35,228
	Net finance income or expense from insurance	-19,384	-7,582	-34,613
	Other insurance related income	48	-4	216
	Net insurance result	492	497	1,472
	Gain or loss on sale of disposal groups	20	-	-555
G4	Other income	156	292	1,015
	Total other income	176	292	460
	Total income	**13,955**	**13,394**	**52,422**
	Operating expenses	6,337	6,292	25,478
	Profit before loan impairment charges	7,618	7,101	26,944
G5	Loan impairment charges	101	147	262
	Profit before tax	7,517	6,954	26,682
	Tax	1,888	1,787	5,420
	Net profit	**5,629**	**5,167**	**21,262**
	Earnings per share (DKK)	6.6	6.0	24.8
	Diluted earnings per share (DKK)	6.5	6.0	24.7
	Dividend per share (DKK)	-	-	14.5

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

Statement of comprehensive income – Danske Bank Group

(DKK millions)	Q1 2024	Q1 2023	Full year 2023
Net profit	5,629	5,167	21,262
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit pension plans	32	17	-1,220
Tax*	5	20	-301
Items that will not be reclassified to profit or loss	**27**	**-3**	**-919**
Items that are or may be reclassified subsequently to profit or loss			
Translation of units outside Denmark	-1,780	-2,374	-1,404
Hedging of units outside Denmark	921	1,163	589
Reclassification to the income statement on disposal of units outside Denmark**	-	-	806
Unrealised value adjustments of bonds at fair value (OCI)	-178	124	1,114
Realised value adjustments of bonds at fair value (OCI)	13	1	106
Tax*	-237	-244	306
Items that are or may be reclassified subsequently to profit or loss	**-787**	**-842**	**905**
Total other comprehensive income	**-759**	**-845**	**-14**
Total comprehensive income	**4,870**	**4,322**	**21,248**

* A positive amount is a tax expense, and a negative amount is a tax income.
** Reclassified to the income statement on disposal of units out Denmark in 2023 includes a reduction in the structural FX hedge. See note G9.

Balance sheet – Danske Bank Group

Note	(DKK millions)	31 March 2024	31 December 2023	31 March 2023
	Assets			
	Cash in hand and demand deposits with central banks	201,092	259,156	271,802
	Due from credit institutions and central banks	153,967	114,813	71,488
	Trading portfolio assets	487,028	548,189	569,576
	Investment securities	276,156	283,914	291,938
	Loans at amortised cost	887,311	918,628	1,043,465
	Loans at fair value	970,142	928,239	940,240
	Assets under pooled schemes and investment contracts	73,717	70,900	66,778
	Insurance assets	514,238	496,031	497,029
G7	Assets held for sale	96,472	110,704	284
	Intangible assets	6,046	6,064	6,061
	Tax assets	10,662	3,264	4,224
G8	Other assets	32,978	31,079	28,522
	Total assets	**3,709,808**	**3,770,981**	**3,791,407**
	Liabilities			
	Due to credit institutions and central banks	173,742	154,608	147,548
	Trading portfolio liabilities	398,322	454,487	510,300
	Deposits	1,171,291	1,222,203	1,272,770
G6	Issued bonds at fair value	749,118	748,780	736,046
G6	Issued bonds at amortised cost	221,647	214,234	214,367
	Deposits under pooled schemes and investment contracts	74,544	71,253	67,548
	Insurance liabilities	500,719	482,630	480,034
G7	Liabilities in disposal groups held for sale	53,522	56,476	-
	Tax liabilities	1,722	1,557	2,373
G8	Other liabilities	66,028	57,046	59,335
G6	Non-preferred senior bonds	86,062	93,194	98,187
G6	Subordinated debt	39,674	38,774	38,324
	Total liabilities	**3,536,391**	**3,595,242**	**3,626,832**
	Equity			
	Share capital	8,622	8,622	8,622
G9	Foreign currency translation reserve	-3,498	-2,639	-3,841
	Reserve for bonds at fair value (OCI)	-471	-306	-1,401
	Retained earnings	168,764	163,596	161,195
	Proposed dividends	-	6,466	-
	Total equity	**173,417**	**175,739**	**164,575**
	Total liabilities and equity	**3,709,808**	**3,770,981**	**3,791,407**

Statement of capital – Danske Bank Group

Changes in equity

	Shareholders of Danske Bank A/S (the Parent Company)					
(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	-	-	-	5,629	-	5,629
Other comprehensive income						
Remeasurement of defined benefit pension plans	-	-	-	32	-	32
Translation of units outside Denmark	-	-1,780	-	-	-	-1,780
Hedging of units outside Denmark	-	921	-	-	-	921
Unrealised value adjustments	-	-	-178	-	-	-178
Realised value adjustments	-	-	13	-	-	13
Tax	-	-	-	232	-	232
Total other comprehensive income	**-**	**-859**	**-165**	**265**	-	-759
Total comprehensive income	**-**	**-859**	**-165**	**5,894**	-	4,870
Transactions with owners						
Dividends paid	-	-	-	39	-6,466	-6,427
Acquisition of own shares	-	-	-	-7,950	-	-7,950
Sale of own shares	-	-	-	7,184	-	7,184
Total equity as at 31 March 2024	**8,622**	**-3,498**	**-471**	**168,764**	**-**	**173,417**
Total equity as at 1 January 2023	8,622	-2,630	-1,526	155,852	-	160,318
Effect of changes in accounting policy	-	-	-	-40	-	-40
Restated total equity as at 1 January 2023	8,622	-2,630	-1,526	155,812	-	160,278
Net profit	-	-	-	5,167	-	5,167
Other comprehensive income						
Remeasurement of defined benefit pension plans	-	-	-	17	-	17
Translation of units outside Denmark	-	-2,374	-	-	-	-2,374
Hedging of units outside Denmark	-	1,163	-	-	-	1,163
Unrealised value adjustments	-	-	124	-	-	124
Realised value adjustments	-	-	1	-	-	1
Tax	-	-	-	224	-	224
Total other comprehensive income	**-**	**-1,211**	**125**	**241**	**-**	**-845**
Total comprehensive income	**-**	**-1,211**	**125**	**5,408**	**-**	**4,322**
Transactions with owners						
Acquisition of own shares	-	-	-	-8,762	-	-8,762
Sale of own shares	-	-	-	8,738	-	8,738
Total equity as at 31 March 2023	**8,622**	**-3,841**	**-1,401**	**161,195**	**-**	**164,575**

Share buy-back programme

On 5 February 2024, the Group initiated a share buy-back programme of DKK 5.5 billion, which may run until 4 February 2025. At the end of March 2024, the Group had acquired 3,978,240 shares for a total amount of DKK 793.7 million under the share buy-back programme based on trade date.

Dividend

The general meeting on 21 March 2024 adopted the Board of Directors' proposal for payment of DKK 7.5 per share for the second half of 2023. This is in addition to the interim dividend payment of DKK 7.0 per share that was paid in connection with the interim report for the first half of 2023. The total dividend paid for 2023 was therefore DKK 14.5 per share.

Statement of capital – Danske Bank Group

Number of shares	31 March 2024	31 December 2023
Share capital (DKK)	8,621,846,210	8,621,846,210
Number of shares	862,184,621	862,184,621
Number of shares outstanding	856,269,693	859,773,706
Average number of shares outstanding for the period	858,473,949	858,899,954
Average number of shares outstanding, including dilutive shares, for the period	860,255,227	860,043,309

Total capital and total capital ratio

(DKK millions)	31 March 2024	31 December 2023
Total equity	173,417	175,739
Revaluation of domicile property at fair value	210	211
Tax effect of revaluation of domicile property at fair value	-27	-27
Total equity calculated in accordance with the rules of the Danish FSA	173,600	175,923
Common equity tier 1 capital instruments	173,600	175,923
Adjustment to eligible capital instruments	-5,320	-914
IFRS 9 reversal due to transitional rules	743	1,634
Prudent valuation	-825	-890
Prudential filters	-	-
Expected/proposed dividends	-3,378	-6,466
Intangible assets of banking operations	-5,404	-5,690
Minimum Loss Coverage for Non-Performing Exposures	-2,819	-916
Deferred tax on intangible assets	243	316
Deferred tax assets that rely on future profitability, excluding temporary differences	-576	-733
Defined benefit pension plan assets	-878	-845
Statutory deduction for insurance subsidiaries	-5,576	-6,111
Common equity tier 1 capital	**149,810**	**155,308**
Additional tier 1 capital instruments	10,061	14,805
Tier 1 capital	**159,871**	**170,113**
Tier 2 capital instruments	26,472	20,790
Total capital	**186,343**	**190,902**
Total risk exposure amount	**809,090**	**827,882**
Common equity tier 1 capital ratio (%)	18.5%	18.8%
Tier 1 capital ratio (%)	19.8%	20.5%
Total capital ratio (%)	23.0%	23.1%

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/investorrelations/reports.

Cash flow statement – Danske Bank Group

(DKK millions)	Q1 2024	Q1 2023	Full Year 2023
Cash flow from operations			
Profit before tax	7,517	6,954	26,682
Tax paid	-9,396	-808	-4,565
Adjustment for non-cash operating items	-2,249	1,819	8,426
Cash flow from operations before changes in operating capital	**-4,128**	**7,965**	**30,543**
Changes in operating capital			
Amounts due to/from credit institutions and central banks	20,925	9,644	10,778
Trading portfolio	4,997	25,202	-9,225
Acquisition/sale of own shares	28	-24	53
Investment securities	7,758	-4,515	3,509
Loans at amortised cost and fair value	3,493	31,643	57,952
Deposits	-52,891	10,477	-9,490
Issued bonds at amortised cost and fair value	7,020	32,928	73,513
Insurance assets/liabilities	-1,367	-2,891	1,903
Other assets/liabilities	11,161	-7,627	-18,036
Cash flow from operations	**-3,004**	**102,802**	**141,500**
Cash flow from investing activities			
Sale of businesses	26	-	45
Acquisition of intangible assets	-134	-132	-540
Acquisition of tangible assets	-105	-326	-841
Sale of tangible assets	1	3	7
Cash flow from investing activities	**-212**	**-455**	**-1,329**
Cash flow from financing activities			
Issue of subordinated debt	5,590	-	-
Redemption of subordinated debt	-5,155	-	-
Issue of non-preferred senior bonds	14,157	8,678	22,425
Redemption of non-preferred senior bonds	-21,532	-2,847	-23,696
Dividends paid	-6,427	-	-6,011
Share buy-back programme	-794	-	-
Principal portion of lessee lease payments	-151	-148	-605
Cash flow from financing activities	**-14,312**	**5,683**	**-7,887**
Cash and cash equivalents as at 1 January	365,609	232,531	232,531
Foreign currency translation	409	296	794
Change in cash and cash equivalents	-17,528	108,030	132,284
Cash and cash equivalents, end of period	**348,490**	**340,857**	**365,609**
Cash and cash equivalents, end of period			
Cash in hand	6,238	6,516	6,419
Demand deposits with central banks	194,854	265,286	252,737
Amounts due from credit institutions and central banks within three months	147,398	69,055	106,453
Total	**348,490**	**340,857**	**365,609**

Notes – Danske Bank Group

G1. Significant accounting policies and estimates

(a) General

The report has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and additional Danish disclosure requirements for listed financial companies. The report is condensed and should be read in conjunction with the Group's Annual Report 2023.

With effect from 1 January 2024, the Group has aligned its IFRS financial statements and Financial highlights. The alignment has 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 16, IAS 1 and IAS 7 became effective, and have no impact on the financial statements. Further information on the changes to accounting policies and presentation in 2024 can be found in note G2(a). Except for these changes, the Group has not changed its significant accounting policies from those applied in Annual Report 2023. Annual Report 2023 provides a full description of the significant accounting policies.

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. The interim report for the first quarter of 2024 has not been audited or reviewed.

(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 SPPI test (further explained in note G15 of the Annual Report 2023) 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 of the Annual Report 2023). An overview of the classification and measurement basis for financial instruments can be found in note G1(c) of the Annual Report 2023.

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 reporting period 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 losses are calculated for all individual facilities as a function of probability of default (PD), exposure at default (EAD) and loss given default (LGD) and incorporate 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. Note G13 provides information on the scenarios as at 31 March 2024.

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 March 2024 amounted to DKK 20.3 billion (31 December 2023: DKK 20.1 billion). If the base case scenario was assigned a probability of 100%, the allowance account would decrease DKK 1.9 billion (31 December 2023: DKK 2.0 billion). Compared to the base case scenario, the allowance account would increase DKK 9.7 billion (31 December 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 (31 December 2023: DKK 0.2 billion) compared to the base case scenario.

Management applies judgement when determining the need for post-model adjustments. As at 31 March 2024, the post-model adjustments amounted to DKK 6.7 billion (31 December 2023: DKK 6.7 billion) which are predominantly linked to macroeconomic uncertainties related to inflation and increasing interest rates, and other sector-specific factors that ensure prudent coverage of expected credit losses for the Group's credit exposures. On the types of risks covered by post-model adjustments, more information can be found in note G13.

Note G15 of the Annual Report 2023 and the section on credit risk in note G13 in the Interim report – first quarter 2024 provide more details on expected credit losses. As at 31 March 2024, financial assets covered by the expected credit loss model accounted for about 54.9% of total assets (31 December 2023: 54.8%).

Notes – Danske Bank Group

G1. Significant accounting policies and estimates continued

(b) Significant accounting estimates continued

Fair value measurement of financial instruments

At the end of March 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. As at 31 March 2024, the adjustments totalled DKK 0.3 billion (31 December 2023: DKK 0.4 billion), including the adjustment for credit risk on derivatives that are credit impaired. Note G12 of this report and note G33(a) of the Annual Report 2023 provides more details on the fair value measurement of financial instruments.

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. At 31 March 2024, goodwill amounted to DKK 4.4 billion (31 December 2023: DKK 4.4 billion).

In connection with the quarterly reporting, 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. No indications of impairment have been noted at the end of March 2024.

Goodwill mainly consists of DKK 2.1 billion (31 December 2023: DKK 2.1 billion) in Markets, DKK 1.8 billion (31 December 2023: DKK 1.8 billion) in Asset Management and DKK 0.5 billion (31 December 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 2023.

Note G19 of the Annual Report 2023 provides more information about impairment testing and sensitivity to changes in assumptions.

Measurement of liabilities under insurance contracts (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, which can be found at eiopa.europa.eu/tools-and-data/risk-free-interest-rate-term-structures_en.

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 of the Annual Report 2023 provides more information about liabilities under insurance contracts.

Notes – Danske Bank Group

G2. Changes in accounting policies, financial highlights and segment reporting

(a) Changes in accounting policies

With effect from 1 January 2024, the Group has aligned its IFRS financial statements and Financial highlights in order to present them on the same basis. The alignment has been applied retrospectively, resulting in reclassifications between lines in the 2023 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 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, 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 table below shows the impacts described above on the first quarter 2023 IFRS Income statement and full year 2023 IFRS Income statement.

Notes – Danske Bank Group

G2. Changes in accounting policies, financial highlights and segment reporting continued

The table below shows the impact of the alignment on the IFRS income statement for the first quarter 2023 and full-year 2023.

(DKK millions)	Q1 2023	Markets and Group Treasury	Operating-leases	Margins on customer transactions in foreign currencies	Restated Q1 2023	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	13,029	-	-		13,029	60,842	-	-		60,842
Other interest income	5,102	-1,697	-	-	3,405	18,752	-3,520	-	-	15,232
Interest expense	10,398	-1,985	-	-	8,414	47,325	-6,224	-	-	41,102
Net interest income from banking activities	7,734	287	-	-	8,021	32,269	2,704	-	-	34,972
Fee income	3,844	-40	-	262	4,066	16,111	-52	-	1,049	17,108
Fee expenses	884	-70	-	-	814	4,481	-278	-	-	4,203
Net fee income	2,960	30	-	262	3,252	11,630	225	-	1,049	12,904
Net trading income or loss	1,910	-317	-	-262	1,331	6,590	-2,928	-	-1,049	2,613
Insurance revenue	1,269	-	-		1,269	5,735	-	-		5,735
Insurance service expenses	1,057	-	-		1,057	5,094	-	-		5,094
Net return on investments banking insurance liabilities	7,871	-	-		7,871	35,228	-	-		35,228
Net finance income or expense from insurance	-7,582	-	-		-7,582	-34,613	-	-		-34,613
Other Insurance related income	-4	-	-		-4	216	-	-		216
Net insurance result	497	-	-		497	1,472	-	-		1,472
Gain or loss on sale of disposal groups	-	-	-		-	-555	-	-		-555
Other income	1,184	-	-891		292	4,446	-	-3,431		1,016
Total other income	1,184	-	-891		292	3,891	-	-3,431		460
Total income	**14,285**	**-**	**-891**		**13,394**	**55,852**	**-**	**-3,431**		**52,422**
Operating expenses	7,183	-	-891		6,292	28,908	-	-3,431		25,478
Profit before loan impairment charges	7,101	-	-		7,101	26,944	-	-		26,944
Loan impairment charges	147	-			147	262	-	-		262
Profit before tax	6,954	-	-		6,954	26,682	-	-		26,682
Tax	1,787	-			1,787	5,420	-	-		5,420
Net profit	**5,167**	**-**	**-**		**5,167**	**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.

Notes – Danske Bank Group

G2. Changes in accounting policies, financial highlights and segment reporting 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.

b) 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 IFRS reporting.

- 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.
- Assets and liabilities that are reported in the IFRS Balance sheet as Assets held for sale and Liabilities in disposal groups held for sale are presented within Other assets and Other liabilities respectively in the Financial highlights' balance sheet.
- Various minor adjustments to align with IFRS reporting.

The changed presentation of fixed margin on customer transactions in foreign currencies described in note G2(a) reclassifies an amount of DKK 262 million from Net trading income to Fee income for Q1 2023. The other adjustments lead to only minor changes in the comparative figures for Q1 2023.

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Notes – Danske Bank Group

G3. Business segments

a) Business model and business segmentation

The Group's commercial activities are organised in five reporting business units:

- Personal Customers, which serves personal customers across all markets
- Business Customers, which serves small and medium-sized business customers across all markets, and includes the Group's Asset Finance operations
- Large Corporates & Institutions, which serves large corporates and institutional customers across all Nordic markets
- Danica Pension, which specialises in pension schemes, life insurance policies and health insurance policies in Denmark
- Northern Ireland, which serves retail and commercial customers through a network of branches and business centres in Northern Ireland alongside digital channels.

Besides the five commercial business units, the Group's reportable segments under IFRS 8 include Group Functions.

Business segments Q1 2024

(DKK millions)	Personal Customers	Business Customers	Large Corporates & Institutions	Danica	Northern Ireland	Group Functions	Eliminations	Total
Net interest income	3,544	2,893	1,729	-	710	313	-47	9,142
Net fee income	1,199	591	1,521	-	75	-65	55	3,376
Net trading income	34	5	814	-	42	-74	-52	769
Net income from insurance business*	-	-	-	492	-	-	-	492
Other income**	15	216	-	-	3	531	-589	176
Total income	4,793	3,705	4,064	492	830	705	-633	13,955
Operating expenses	2,320	1,275	1,758	-	349	1,205	-570	6,337
of which resolution fund, bank tax etc.	41	62	125	-	-	18	-	246
Profit before loan impairment charges	2,472	2,430	2,306	492	481	-499	-64	7,618
Loan impairment charges	-256	709	-376	-	25	-	-	101
Profit before tax	**2,729**	**1,721**	**2,682**	**492**	**457**	**-500**	**-64**	**7,517**
Loans, excluding reverse transactions	651,545	637,528	284,671	-	59,045	12,021	-12,834	1,631,975
Other assets	471,309	179,817	3,079,840	561,371	59,589	4,699,200	-6,973,295	2,077,832
Total assets	**1,122,854**	**817,345**	**3,364,511**	**561,371**	**118,634**	**4,711,221**	**-6,986,129**	**3,709,808**
Deposits, excluding repo deposits	376,656	252,031	328,007	-	97,559	6,722	-10,734	1,050,241
Other liabilities	715,539	523,341	2,996,060	561,371	15,044	4,650,190	-6,975,395	2,486,150
Allocated capital	30,659	41,973	40,444	-	6,032	54,309	-	173,417
Total liabilities and equity	**1,122,854**	**817,345**	**3,364,511**	**561,371**	**118,634**	**4,711,221**	**-6,986,129**	**3,709,808**
Profit before tax as % p.a. of allocated capital (avg.)	35.1	16.4	26.4	9.7	29.7	-4.9	-	17.2
Cost/income ratio (%)	48.4	34.4	43.3	-	42.0	-	-	45.4
Full-time-equivalent staff, end of period	4,009	1,687	2,082	911	1,253	10,152	-	20,094

* Net income from insurance business in the financial highlights is equivalent to Net insurance result in the IFRS financial statements.

** Other income in the financial highlights is equivalent to Total other income in the IFRS financial statements.

Notes – Danske Bank Group

G3. Business segments continued

Business segments Q1 2023

(DKK millions)	Personal Customers*	Business Customers*	Large Corporates & Institutions*	Danica	Northern Ireland	Group Functions*	Eliminations*	Total*
Net interest income	3,405	2,927	1,673	-	599	-544	-39	8,021
Net fee income	1,104	568	1,505	-	83	-53	45	3,252
Net trading income	53	10	1,054	-	114	116	-15	1,331
Net income from insurance business**	-	-	-	497	-	-	-	497
Other income***	20	287	6	-	5	640	-666	292
Total income	4,583	3,792	4,238	497	801	159	-675	13,394
Operating expenses	2,253	1,246	1,752	-	319	1,373	-651	6,292
of which resolution fund, bank tax etc.	41	63	124	-	-	26	-	254
Profit before loan impairment charges	2,330	2,546	2,486	497	482	-1,215	-24	7,101
Loan impairment charges	412	149	-392	-	-24	1	-	147
Profit before tax	**1,918**	**2,396**	**2,877**	**497**	**506**	**-1,215**	**-25**	**6,954**
Loans, excluding reverse transactions	783,836	626,795	305,403	-	54,617	27,709	-27,412	1,770,948
Other assets	335,125	195,327	3,426,244	560,843	59,654	4,455,822	-7,012,557	2,020,458
Total assets	**1,118,961**	**822,121**	**3,731,648**	**560,843**	**114,271**	**4,483,531**	**-7,039,968**	**3,791,407**
Deposits, excluding repo deposits	411,316	279,388	378,066	-	94,667	5,628	-10,662	1,158,404
Other liabilities	678,247	503,235	3,313,558	542,238	14,073	4,446,384	-7,029,307	2,468,428
Allocated capital	29,398	39,498	40,024	18,605	5,531	31,519	-	164,575
Total liabilities and equity	**1,118,961**	**822,121**	**3,731,648**	**560,843**	**114,271**	**4,483,531**	**-7,039,968**	**3,791,407**
Profit before tax as % p.a. of allocated capital (avg.)	25.8	24.3	28.9	10.2	34.7	-14.3	-	17.1
Cost/income ratio (%)	49.2	32.9	41.3	-	39.8	-	-	47.0
Full-time-equivalent staff, end of period	4,277	1,664	2,079	902	1,305	10,979	-	21,205

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

** Net income from insurance business in the financial highlights is equivalent to Net insurance result in the IFRS financial statements.

*** Other income in the financial highlights is equivalent to Total other income in the IFRS financial statements.

Notes – Danske Bank Group

G4. Income

(a) Fee income

Note G6 of the Annual Report 2023 provides additional information on the Group's accounting policy for fee income, including the description by fee type.

Fee income Q1 2024

(DKK millions)	Fee income	Fee expense	Net fee income
Investment	1,996	862	1,135
Money transfers, account fee, cash management and other fees	1,559	226	1,334
Lending and Guarantees	628	34	594
Capital markets	333	19	315
Total	**4,516**	**1,140**	**3,376**

Fee income Q1 2023

(DKK millions)	Fee income*	Fee expense*	Net fee income*
Investment	1,570	523	1,046
Money transfers, account fee, cash management and other fees	1,463	240	1,223
Lending and Guarantees	672	27	645
Capital markets	362	24	338
Total	**4,066**	**814**	**3,252**

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

(b) Other income

Other income amounted to DKK 156 million for Q1 2024 (Q1 2023: DKK 292 million). Other income includes net income from lease assets, investment property and real estate brokerage, and income from holdings in associates.

Notes – Danske Bank Group

G5. Loan impairment charges and reconciliation of total allowance account

Loan impairment charges include impairment charges for expected credit losses on 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.

Loan impairment charges

(DKK millions)	Q1 2024	Q1 2023
ECL on new assets	1,048	747
ECL on assets derecognised	-954	-807
Impact of net remeasurement of ECL (incl. changes in models)	383	315
Write-offs charged directly to income statement	26	300
Received on claims previously written off	-325	-337
Interest income, effective interest method	-77	-71
Total	**101**	**147**

Reconciliation of total allowance account

(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	864	-832	-32	-
Transferred to stage 2 during the period	-162	232	-70	-
Transferred to stage 3 during the period	-10	-122	131	-
ECL on new assets	191	358	198	747
ECL on assets derecognised	-118	-385	-305	-807
Impact of net remeasurement of ECL (incl, changes in models)	-753	1,113	-45	315
Write-offs debited to the allowance account	-	-	-57	-57
Foreign exchange adjustments	-20	-66	-65	-150
Other changes	-2	-1	10	7
ECL allowance account as at 31 March 2023	**3,263**	**8,380**	**8,056**	**19,699**
ECL allowance account as at 1 January 2024	**3,592**	**7,486**	**9,062**	**20,140**
Transferred to stage 1 during the period	484	-452	-32	-
Transferred to stage 2 during the period	-161	279	-118	-
Transferred to stage 3 during the period	-7	-169	176	-
ECL on new assets	175	486	387	1,048
ECL on assets derecognised	-171	-561	-221	-954
Impact of net remeasurement of ECL (incl, changes in models)	-400	300	483	383
Write-offs debited to the allowance account	-9	-	-140	-149
Foreign exchange adjustments	-23	-100	-46	-169
Other changes	1	-	-3	-2
ECL allowance account as at 31 March 2024	**3,480**	**7,269**	**9,549**	**20,297**

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 period. For further information on the decomposition of the allowance account on facilities in stages 1-3 under IFRS 9, see note G13.

Notes – Danske Bank Group

G6. Issued bonds, subordinated debt and additional tier 1 capital

Issued bonds at fair value

(DKK millions)	31 March 2024	31 December 2023
Bonds issued by Realkredit Danmark (covered bonds)	745,981	741,062
Commercial papers and certificates of deposits	714	5,228
Structured retail notes	2,422	2,489
Issued bonds at fair value, total	**749,118**	**748,780**

Issued bonds at amortised cost

(DKK millions)	31 March 2024	31 December 2023
Commercial papers and certificates of deposits	27,831	24,419
Preferred senior bonds	70,187	63,345
Covered bonds	122,247	124,703
Structured retail notes	1,382	1,766
Issued bonds at amortised cost, total	**221,647**	**214,234**
Non-preferred senior bonds	**86,062**	**93,194**

Further information on issued bonds at fair value through profit or loss can be found in note G16 of the Annual Report 2023. The issuance and redemption of bonds (including commercial papers and certificates of deposits at fair value) during the year are presented in the tables below.

Nominal value (DKK millions)	1 January 2024	Issued	Redeemed	Foreign currency translation	31 March 2024
Commercial papers and certificate of deposits	29,613	6,366	7,594	156	28,541
Preferred senior bonds	65,545	6,894	197	329	72,571
Covered bonds	129,419	3,631	1,054	-4,657	127,338
Structured retail notes	4,076	-	395	230	3,912
Non-preferred senior bonds	97,900	14,210	21,612	-954	89,544
Other issued bonds	**326,553**	**31,101**	**30,852**	**-4,896**	**321,906**

Nominal value (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
Other issued bonds	**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.

Subordinated debt and additional tier 1 capital

As at 31 March 2024, the nominal value of subordinated debt, including liability accounted additional tier 1 capital, amounted to DKK 40,821 million (31 December 2023: DKK 40,069 million). During the three months ended 31 March 2024, the Group issued EUR 750 million of tier 2 capital and redeemed USD 750 million of liability accounted additional tier 1 capital. During 2023, the Group did not issue or redeem any additional tier 1 or tier 2 capital instruments.

For the additional tier 1 capital, Danske Bank A/S may, at its sole discretion, omit interest payments to bondholders. Any interest payments are paid out of distributable items, which primarily consist of retained earnings in Danske Bank A/S and Danske Bank Group. As at 31 March 2024, distributable items for Danske Bank A/S amounted to DKK 129.7 billion (31 December 2023: DKK 119.2 billion). The additional tier 1 capital will be temporarily written down or converted into a variable number of ordinary shares, depending on the terms of each issued bond, if the common equity tier 1 capital ratio falls below 7% for Danske Bank A/S or Danske Bank Group. As at 31 March 2024 the common equity tier 1 capital ratio was 21.6% (31 December 2023: 21.9%) for Danske Bank A/S. The ratios for the Danske Bank Group are disclosed in the Statement of capital.

Notes – Danske Bank Group

G7. Assets held for sale and Liabilities in disposal groups held for sale

(DKK millions)	31 March 2024	31 December 2023
Assets held for sale		
Loans	96,235	110,415
Other	237	289
Total	**96,472**	**110,704**
Liabilities in disposal groups		
Deposits	28,621	30,599
Covered bonds	24,902	25,877
Total	**53,522**	**56,476**

Loans held for sale and associated deposits consists of loan portfolios where the Group has entered into sales agreements. As announced in July 2023, Danske Bank has entered into an agreement to sell its personal customers business Norway. The sale, which includes loans, deposits and covered bonds, is expected to close during 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 are primarily in Denmark.

Notes – Danske Bank Group

G8. Other assets and Other liabilities

Other assets and other liabilities (DKK millions)	31 March 2024	31 December 2023
Other assets		
Accrued interest and commissions due	9,392	7,264
Prepayments, accruals and other amounts due	10,641	10,811
Defined benefit pension plan, net assets	850	806
Investment property	156	157
Tangible assets	7,379	7,418
Right of use lease assets	4,032	4,010
Holdings in associates	528	612
Total	**32,978**	**31,079**
Other liabilities		
Sundry creditors	41,633	33,005
Accrued interest and commissions due	13,282	12,902
Defined benefit pension plans, net liabilities	303	301
Other staff commitments	1,400	1,175
Lease liabilities	4,132	4,102
Loan commitments and guarantees etc.	3,042	3,161
Reserves subject to a reimbursement obligation	2	2
Provisions, including litigations	2,234	2,398
Total	**66,028**	**57,046**

In the table above, Provisions, including litigations includes customer relations, regulatory and legal proceedings, restructuring costs and other provisions.

G9. Foreign currency translation reserve

As at 31 March 2024, the Group has granted loans to its branches in Sweden, Norway and Finland in the currency of the foreign unit for a total of DKK 32,979 million (31 December 2023: DKK 37,999 million). The loans are part of the net investment in those units and the foreign currency gains/losses on these loans are recognised in Other comprehensive income. The funding of the loans is partly done in DKK in order to create a so-called structural FX hedge position in accordance with banking regulations, 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 FX 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 investments 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 since it decreases the hedge of the currency risk on the net investments in those units. As at 31 March 2024, the structural FX hedge position totalled DKK 36,775 million (31 December 2023: DKK 37,641 million) and a loss of DKK 865 million has been recognised in Other comprehensive income during the first quarter of 2024, primarily due to a weakening of SEK as well as NOK against DKK throughout the first quarter of 2024. During the first quarter of 2023, a loss of DKK 1,137 million related to the structural FX hedge position was recognised in Other comprehensive income due to a weakening of NOK against DKK throughout the first quarter of 2023.

Notes – Danske Bank Group

G10. Guarantees, commitments and contingent liabilities

Contingent liabilities consist of possible liabilities arising from past events. The existence of such liabilities will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control. Contingent liabilities that can, but are not likely to, result in an outflow of economic resources are disclosed.

The Group uses a variety of loan-related financial instruments to meet customers' financial requirements. Instruments include loan offers and other credit facilities, guarantees and instruments not recognised in the balance sheet. If an instrument is likely to result in a payment obligation, a liability is recognised under Other liabilities corresponding to the present value of expected payments.

(a) Guarantees (DKK millions)	31 March 2024	31 December 2023
Financial guarantees	4,103	4,348
Other guarantees	72,134	71,536
Total	**76,237**	**75,883**

(b) Commitments (DKK millions)	31 March 2024	31 December 2023
Loan commitments shorter than 1 year	198,450	197,007
Loan commitments longer than 1 year	219,874	220,285
Other unutilised commitments	16,176	16,719
Total	**434,500**	**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 213 billion (31 December 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 remains subject to a criminal investigation by authorities in France and has posted bail in the amount of DKK 80 million. The Bank continues to cooperate with the authorities.

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.

Notes – Danske Bank Group

G10. Guarantees, commitments and contingent liabilities continued

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 G8.

(d) Further explanation

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. The first contribution to the Danish Resolution Fund was made in December 2015. Danske Bank A/S and Realkredit Danmark A/S make contributions to the Resolution Fund based on their size and risk relative to other credit institutions in Denmark. The contribution to the Danish Resolution Fund is recognised as operating expenses.

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.

Notes – Danske Bank Group

G11. Assets provided or received as collateral

As at 31 March 2024, the Group had deposited securities (including bonds issued by the Group) worth DKK 5.9 billion as collateral with Danish and international clearing centres and other institutions (31 December 2023: DKK 4.5 billion).

As at 31 March 2024, the Group had provided cash and securities (including bonds issued by the Group) worth DKK 68.5 billion as collateral for derivatives transactions (31 December 2023: DKK 90.6 billion).

As at 31 March 2024, the Group had registered assets (including bonds and shares issued by the Group) under insurance contracts and investment contracts worth DKK 472.4 billion (31 December 2023: DKK 443.2 billion) as collateral for policyholders' savings of DKK 444.9 billion (31 December 2023: DKK 426.0 billion).

As at 31 March 2024, the Group had registered loans at fair value and securities (including bonds issued by the Group) worth a total of DKK 752.4 billion (31 December 2023: DKK 759.6 billion) as collateral for bonds issued by Realkredit Danmark. Similarly, the Group had registered loans and other assets worth DKK 274.8 billion (31 December 2023: DKK 308.8 billion) as collateral for covered bonds issued under Danish, Finnish and Swedish law.

The table below shows assets provided as collateral for liabilities or contingent liabilities. Assets provided as collateral under repo transactions are shown separately whereas the types explained above are included in the column 'Other'.

	31 March 2024			31 December 2023		
(DKK millions)	Repo	Other	Total	Repo	Other	Total
Due from credit institutions	-	24,755	24,755	-	15,922	15,922
Trading and investment securities	202,708	50,310	253,018	164,189	48,326	212,514
Loans at fair value	-	746,554	746,554	-	753,277	753,277
Loans at amortised cost	-	282,980	282,980	-	340,297	340,297
Insurance assets and assets under investment contracts	-	450,155	450,155	-	420,701	420,701
Total	202,708	1,554,754	1,757,462	164,189	1,578,522	1,742,711
Own issued bonds	30,105	25,623	55,729	33,693	30,665	64,358
Total, including own issued bonds	**232,813**	**1,580,377**	**1,813,190**	**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 202.7 billion as at 31 March 2024 (31 December 2023: DKK 164.2 billion).

As at 31 March 2024, the Group had received securities worth DKK 385.1 billion (31 December 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 most 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. As at 31 March 2024, the Group had sold securities or provided securities as collateral worth DKK 131.3 billion (31 December 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 received the ownership of these assets. Note G40 of the Annual Report 2023 provide more details on assets received as collateral in connection with ordinary lending activities.

Notes – Danske Bank Group

G12. Fair value information for financial instruments

Financial instruments are recognised in the balance sheet at fair value or amortised cost.

	31 March 2024		31 December 2023	
(DKK millions)	Fair value instruments	Amortised cost instruments	Fair value instruments	Amortised cost instruments
Financial assets				
Cash in hand and demand deposits with central banks	-	201,092	-	259,156
Due from credit institutions and central banks	97,702	56,265	92,985	21,829
Trading portfolio assets	487,028	-	548,189	-
Investment securities held at amortised cost	-	145,821	-	155,398
Investment securities held at fair value	130,335	-	128,516	-
Loans at amortised cost	-	887,311	-	918,628
Loans at fair value	970,142	-	928,239	-
Assets under pooled schemes and investment contracts	73,717	-	70,900	-
Insurance assets	479,175	-	460,747	-
Loans held for sale	-	96,235	-	110,415
Total	2,238,098	1,386,724	2,229,576	1,465,426
Financial liabilities				
Due to credit institutions and central banks	105,674	68,068	85,548	69,060
Trading portfolio liabilities	398,323	-	454,487	-
Deposits	125,534	1,045,757	120,213	1,101,990
Issued bonds at fair value	749,118	-	748,780	-
Issued bonds at amortised cost	-	221,647	-	214,234
Deposits under pooled schemes and investment contracts	74,544	-	71,253	-
Liabilities held for sale	-	53,522	-	56,476
Non-preferred senior bonds	-	86,062	-	93,194
Subordinated debt	-	39,674	-	38,774
Loan commitments and guarantees	-	3,042	-	3,161
Total	1,453,193	1,517,772	1,480,281	1,576,889

The table above does not include Insurance liabilities, which primarily consists of liabilities under insurance contracts measured using the General Measurement Model, Variable Fee Approach, or Premium Allocation Approach as defined by IFRS 17.

Investment securities at fair value includes bonds measured at fair value through other comprehensive income, see the table on bonds in note G13. All other financial assets in the column 'Fair value' are mandatorily measured at fair value through profit or loss under IFRS 9. Except for trading portfolio liabilities, all other financial liabilities at fair value are measured at fair value through profit or loss using the fair value option.

Financial instruments at fair value

Note G33(a) of the Annual Report 2023 provides more information about fair value calculation methods for financial instruments.

Financial instruments valued on the basis of quoted prices in an active market are recognised in the Quoted prices category. Financial instruments valued substantially on the basis of other observable input are recognised in the Observable input category. 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. Other financial instruments valued substantially on the basis of non-observable input are recognised in the Non-observable input category. This category covers instruments such as unlisted shares, some unlisted bonds and a very limited portion of the derivatives portfolio.

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 reclassification 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 become liquid and have been moved from the Observable input to the Quoted prices category. The amounts transferred are insignificant.

Financial instruments at amortised cost

The liquidity portfolio managed by Group Treasury includes a bond portfolio 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, which is measured at amortised cost. For bonds classified as hold-to-collect, amortised cost exceeded fair value as at 31 March 2024 with DKK 6,717 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 4.5, following Moody's numerical rating factor to scale, which corresponds to a strong Aa1 rating. The interest rate risk duration for the portfolio is 3.2 years. Without any reinvestments, respectively 20%, 57% and 23% of this portfolio will reach maturity within a period of 1 year, between 1 to 5 years, and after 5 years. The difference between amortised cost and fair value will reduce along with time to maturity of the bonds running off. Note G13 and G33 (b) in Annual Report 2023 provides information on the business models and the difference between the carrying amount and the fair value of financial instruments recognised at amortised cost, respectively.

Notes – Danske Bank Group

G12. Fair value information for financial instruments continued

(DKK millions)	Quoted prices	Observable input	Non-observable input	Total
31 March 2024				
Financial assets				
Due from credit institutions and central banks	-	97,702	-	97,702
Derivatives	9,794	282,302	1,367	293,464
Trading portfolio bonds	147,858	13,282	-	161,140
Trading portfolio shares	32,253	-	172	32,425
Investment securities, bonds	104,225	25,676	-	129,901
Investment securities, shares	-	-	434	434
Loans at fair value	-	970,142	-	970,142
Assets under pooled schemes and investment contracts	73,717	-	-	73,717
Insurance assets, bonds	188,862	17,917	2,430	209,209
Insurance assets, shares	180,950	5,774	36,426	223,150
Insurance assets, derivatives	734	45,396	686	46,816
Total	**738,393**	**1,458,191**	**41,515**	**2,238,098**
Financial liabilities				
Due to credit institutions and central banks	-	105,674	-	105,674
Derivatives	10,642	254,201	2,201	267,044
Obligations to repurchase securities	128,994	2,279	6	131,279
Deposits	-	125,534	-	125,534
Issued bonds at fair value	749,118	-	-	749,118
Deposits under pooled schemes and investment contracts	-	74,544	-	74,544
Total	**888,754**	**562,232**	**2,207**	**1,453,193**

(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	343,134	1,865	351,722
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
Insurance assets, shares	153,310	5,121	34,755	193,186
Insurance assets, derivatives	141	52,436	911	53,488
Total	**707,741**	**1,481,235**	**40,601**	**2,229,576**
Financial liabilities				
Due to credit institutions and central banks	-	85,548	-	85,548
Derivatives	7,360	331,954	1,604	340,918
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
Total	**867,797**	**610,821**	**1,663**	**1,480,281**

Notes – Danske Bank Group

G12. Fair value information for financial instruments continued

Financial instruments valued on the basis of non-observable input

The tables below shows financial instruments valued on the basis of non-observable input.

(DKK millions)	Carrying amount	Sensitivity (change in fair value) Increase	Decrease	Gains/losses for the period Realised	Unrealised
31 March 2024					
Unlisted shares					
allocated to insurance contract policyholders	36,426	-	-	288	912
other	600	60	60	-5	19
Illiquid bonds	2,430	55	55	-	-27
Derivatives, net fair value	-147	-	-	-	-310
31 December 2023					
Unlisted shares					
allocated to insurance contract policyholders	34,755	-	-	472	-522
other	553	55	55	352	-160
Illiquid bonds	2,458	56	56	2	-152
Derivatives, net fair value	1,172	-	-	-	234

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, a 10% decrease in the fair value is considered to be below a possible alternative estimate of the fair value at the end of the period. The unrealised adjustments in the three-month period ended 31 March 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 March 2024			31 December 2023		
(DKK millions)	Shares	Bonds	Derivatives	Shares	Bonds	Derivatives
Fair value at 1 January	35,308	2,458	1,172	48,292	3,369	1,090
Value adjustment through profit or loss	1,214	-27	-310	142	-150	234
Acquisitions	1,081	-	-903	3,152	161	-250
Sale and redemption	-577	-1	-41	-16,278	-922	-272
Transferred from quoted prices and observable input	-	-	-	-	-	295
Transferred to quoted prices and observable input	-	-	-65	-	-	74
Fair value end of period	**37,025**	**2,429**	**-147**	**35,308**	**2,458**	**1,172**

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.

Notes – Danske Bank Group

G13. Risk management notes

Credit exposure

The consolidated financial statements for 2023 provide a detailed description of the Group's risk management practices.

Breakdown of credit exposure

(DKK billions) 31 March 2024	Total	Lending activities	Counterparty credit risk	Trading and investment securities	Customer-funded investments
Balance sheet items					
Demand deposits with central banks	194.9	194.9	-	-	-
Due from credit institutions and central banks	154.0	56.3	97.7	-	-
Trading portfolio assets	487.0	-	293.5	193.6	-
Investment securities	276.2	-	-	276.2	-
Loans at amortised cost	887.3	887.3	-	-	-
Loans at fair value	970.1	746.6	223.6	-	-
Assets under pooled schemes and investment contracts	73.7	-	-	-	73.7
Insurance assets	514.2	-	-	-	514.2
Assets held for sale	96.2	96.2	-	-	-
Off-balance-sheet items					
Guarantees	76.2	76.2	-	-	-
Loan commitments shorter than 1 year	198.5	198.5	-	-	-
Loan commitments longer than 1 year	219.9	219.9	-	-	-
Other unutilised commitments	16.2	-	-	-	16.1
Total	**4,164.4**	**2,475.8**	**614.8**	**469.8**	**604.1**
31 December 2023*					
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	548.2	-	351.7	196.5	-
Investment securities	283.9	-	-	283.9	-
Loans at amortised cost	918.6	918.6	-	-	-
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	**4,233.8**	**2,550.1**	**619.7**	**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.

In addition to credit exposure from lending activities, Danske Bank had made uncommitted loan offers and granted uncommitted lines of credit of DKK 213 billion at 31 March 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.

Notes – Danske Bank Group

Credit exposure continued

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 77% (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 2023.

Credit portfolio broken down by rating category and stages

The table below breaks down the credit exposure by rating categories and stages. Further information on classification of customers can be found on page 181 in Annual report 2023.

31 March 2024	PD level		Gross exposure			Expected credit loss			Net exposure			Net exposure, ex collateral		
(DKK billions)	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	131.2	0.1	-	-	-	-	131.2	0.1	-	112.7	-	-
2	0.01	0.03	242.1	0.2	-	-	-	-	242.1	0.2	-	128.2	0.1	-
3	0.03	0.06	532.8	1.0	-	0.1	-	-	532.7	1.0	-	262.5	0.5	-
4	0.06	0.14	599.3	2.5	-	0.2	-	-	599.1	2.5	-	270.0	1.7	-
5	0.14	0.31	425.8	5.0	-	0.4	0.1	-	425.4	5.0	-	135.7	2.5	-
6	0.31	0.63	288.0	38.0	0.2	0.7	0.7	-	287.3	37.2	0.2	83.9	19.9	0.1
7	0.63	1.90	88.4	45.5	0.1	1.2	1.9	0.1	87.2	43.6	-	26.6	15.1	-
8	1.90	7.98	10.5	29.0	-	0.8	2.7	-	9.7	26.3	-	1.6	7.3	-
9	7.98	25.70	1.0	5.3	-	-	0.7	-	1.0	4.6	-	0.2	1.8	-
10	25.70	99.99	0.6	15.0	2.3	-	1.1	0.6	0.6	14.0	1.7	0.1	3.9	0.5
11 (default)	100.00	100.00	0.2	0.6	31.3	-	0.1	8.8	0.2	0.6	22.5	-	-	2.3
Total			**2,319.9**	**142.2**	**34.0**	**3.5**	**7.3**	**9.5**	**2,316.4**	**134.9**	**24.5**	**1,021.5**	**52.7**	**2.9**

31 December 2023*	PD level		Gross exposure			Expected credit loss			Net exposure			Net exposure, ex collateral		
(DKK billions)	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	288.1	0.3	-	-	-	-	288.1	0.3	-	178.3	-	-
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			**2,393.3**	**144.2**	**32.7**	**3.6**	**7.5**	**9.1**	**2,389.7**	**136.7**	**23.6**	**1,079.4**	**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 have been restated to reflect this change.

Notes – Danske Bank Group

Credit exposure continued

Credit portfolio broken down by industry (NACE) and stages

The table below 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.

31 March 2024	Gross exposure			Expected credit loss			Net exposure			Net exposure, ex collateral		
(DKK billions)	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	261.2	0.5	1.2	-	-	-	261.2	0.5	1.2	259.6	-	-
Financials	140.4	2.1	0.4	0.1	0.1	0.1	140.3	2.0	0.3	119.0	1.2	0.2
Agriculture	53.4	5.7	2.0	0.3	0.8	0.5	53.0	4.9	1.5	14.5	1.2	0.1
Automotive	24.0	3.0	0.2	-	0.1	0.1	24.0	2.9	0.1	18.3	1.3	-
Capital goods	85.8	12.5	1.3	-	0.3	0.5	85.7	12.2	0.8	75.4	9.7	0.3
Commercial property*	256.9	29.9	5.0	0.8	1.6	1.0	256.2	28.3	4.0	35.7	5.1	0.4
Construction and building materials	41.9	7.1	2.2	0.4	0.9	1.0	41.5	6.1	1.2	29.2	2.6	0.5
Consumer goods	71.4	7.6	1.4	0.1	0.4	0.4	71.4	7.2	0.9	57.8	4.7	0.2
Hotels, restaurants and leisure	13.7	1.6	0.7	-	0.1	0.2	13.7	1.5	0.5	4.7	0.4	0.1
Metals and mining	16.0	1.3	-	-	-	-	16.0	1.3	-	13.1	0.9	-
Other commercials	4.4	0.3	0.3	0.1	-	0.1	4.2	0.3	0.2	0.9	-	-
Pharma and medical devices	45.0	2.8	0.1	-	0.1	-	45.0	2.7	-	41.8	2.4	-
Private housing co-ops and non-profit associations	191.3	4.0	0.6	0.1	0.2	0.2	191.2	3.8	0.4	29.7	0.7	0.1
Pulp, paper and chemicals	42.0	4.6	0.9	-	0.2	0.3	42.0	4.5	0.6	30.6	3.4	-
Retailing	30.6	4.0	2.2	0.1	0.4	0.8	30.5	3.6	1.4	20.0	2.8	0.4
Services	61.6	10.2	1.1	0.1	0.3	0.4	61.4	9.9	0.7	49.3	8.1	0.3
Shipping, oil and gas	36.8	1.6	1.9	-	-	0.3	36.8	1.5	1.6	20.1	0.5	0.1
Social services	29.0	1.1	0.3	-	0.1	0.1	29.0	1.1	0.2	12.3	0.7	-
Telecom and media	22.6	1.5	1.1	-	0.1	0.7	22.6	1.4	0.4	17.5	1.3	-
Transportation	14.5	2.3	1.0	-	0.1	0.4	14.5	2.2	0.6	6.4	0.7	-
Utilities and infrastructure	77.6	1.2	-	-	-	-	77.6	1.2	-	58.1	1.0	-
Personal customers	799.9	37.2	10.2	1.3	1.5	2.5	798.6	35.7	7.7	107.5	3.8	-
Total	**2,319.9**	**142.2**	**34.0**	**3.5**	**7.3**	**9.5**	**2,316.4**	**134.9**	**24.5**	**1,021.5**	**52.7**	**2.9**

*As at 31 March 2024, DKK 139 billion of the net exposure in Commercial property is towards residential assets.

As at 31 March 2024, oil and gas exposures (within the Shipping, oil and gas industry) represent a gross exposure of DKK 17.3 billion (31 December 2023: DKK 18.1 billion) and expected credit losses of DKK 0.2 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 March 2024.

Notes – Danske Bank Group

Credit exposure continued

31 December 2023*	Gross exposure			Expected credit loss			Net exposure			Net exposure, ex collateral		
(DKK billions)	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	150.0	3.4	0.4	0.1	0.1	0.1	149.9	3.3	0.2	131.7	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	**2,393.3**	**144.2**	**32.7**	**3.6**	**7.5**	**9.1**	**2,389.7**	**136.7**	**23.6**	**1,079.4**	**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 2023.

**As at 31 December 2023, DKK 139 billion of the net exposure in Commercial property is towards residential assets.

Collateral

The Group uses a number of measures to mitigate credit risk, including collateral, guarantees and covenants. The main method is obtaining collateral. In Annual Report 2023, a table showing collateral by type (after haircut) is included. The mitigating effect from collateral at the end of March 2024 can be found as the difference between the columns ‘Net exposure’ and ‘Net exposure, ex collateral’ and amounted to DKK 1,398.7 billion at 31 March 2024 (31 December 2023: DKK 1,413.5 billion).

Notes – Danske Bank Group

Credit exposure continued

The table below breaks down credit exposure by business unit and underlying segment.

31 March 2024	Gross exposure			Expected credit loss			Net exposure			Net exposure, ex collateral		
(DKK billions)	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	430.8	18.2	6.0	0.9	0.9	1.3	429.9	17.3	4.7	57.0	1.6	0.1
Personal Customers Sweden	97.9	2.7	0.5	0.1	0.2	0.1	97.8	2.6	0.4	27.0	0.4	-
Personal Customers Finland	75.8	5.9	2.0	0.1	0.2	0.6	75.7	5.7	1.4	3.9	0.2	-
Personal Customers Norway	115.3	4.2	0.5	-	0.1	0.1	115.3	4.1	0.4	18.3	0.5	-
Global Private Banking	70.5	3.1	0.8	-	0.1	0.2	70.5	2.9	0.6	11.8	0.7	-
Personal Customers Other	0.1	-	-	-	-	-	0.1	-	-	0.1	-	-
Total Personal Customers	**790.5**	**34.1**	**9.8**	**1.2**	**1.5**	**2.3**	**789.3**	**32.7**	**7.4**	**118.2**	**3.4**	**0.1**
Business Customers												
Asset Finance	50.1	10.6	2.1	0.1	0.3	0.8	50.0	10.3	1.4	18.9	2.1	-
Business Customers	304.2	36.0	10.9	1.2	3.3	4.0	303.0	32.7	6.9	99.5	12.0	0.8
Commercial Real Estate	307.0	23.6	2.4	0.4	0.8	0.4	306.6	22.8	2.0	47.0	4.6	-
Business Customers Other	0.3	-	-	-	-	-	0.3	-	-	0.3	-	-
Total Business Customers	**661.7**	**70.3**	**15.4**	**1.7**	**4.5**	**5.1**	**660.0**	**65.8**	**10.3**	**165.7**	**18.6**	**0.8**
Large Corporates & Institutions	**585.8**	**33.3**	**6.8**	**0.4**	**1.2**	**1.6**	**585.5**	**32.1**	**5.2**	**503.9**	**30.0**	**2.0**
Northern Ireland	**92.7**	**4.3**	**2.1**	**0.2**	**0.1**	**0.5**	**92.5**	**4.2**	**1.6**	**46.9**	**0.5**	**-**
Group Functions	**189.2**	**0.1**	**-**	**-**	**-**	**-**	**189.2**	**0.1**	**-**	**186.7**	**0.1**	**-**
Total	**2,319.9**	**142.2**	**34.0**	**3.5**	**7.3**	**9.5**	**2,316.4**	**134.9**	**24.5**	**1,021.5**	**52.7**	**2.9**

Notes – Danske Bank Group

Credit exposure continued

31 December 2023*	Gross exposure			Expected credit loss			Net exposure			Net exposure, ex collateral		
(DKK billions)	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 Estate	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	**595.9**	**33.8**	**6.9**	**0.4**	**1.1**	**1.8**	**595.5**	**32.7**	**5.1**	**511.5**	**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	**2,393.3**	**144.2**	**32.7**	**3.6**	**7.5**	**9.1**	**2,389.7**	**136.7**	**23.6**	**1,079.4**	**54.1**	**3.0**

* 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.

** 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 been reclassified to Group Functions.

Notes – Danske Bank Group

Credit exposure continued

Exposures subject to forbearance measures

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 the first quarter 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 in Annual Report 2023.

Exposures subject to forbearance measures

(DKK millions)	31 March 2024	31 December 2023
Stage 1	180	297
Stage 2	6,017	5,279
Stage 3	8,059	7,023
Total	**14,256**	**12,598**

Allowance account

(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	864	-832	-32	-
Transferred to stage 2 during the period	-162	232	-70	-
Transferred to stage 3 during the period	-10	-122	131	-
ECL on new assets	191	358	198	747
ECL on assets derecognised	-118	-385	-305	-807
Impact of net remeasurement of ECL (incl. changes in models)	-753	1,113	-45	315
Write-offs debited to the allowance account	-	-	-57	-57
Foreign exchange adjustments	-20	-66	-65	-150
Other changes	-2	-1	10	7
ECL allowance account as at 31 March 2023	**3,263**	**8,380**	**8,056**	**19,699**
ECL allowance account as at 1 January 2024	**3,592**	**7,486**	**9,062**	**20,140**
Transferred to stage 1 during the period	484	-452	-32	-
Transferred to stage 2 during the period	-161	279	-118	-
Transferred to stage 3 during the period	-7	-169	176	-
ECL on new assets	175	486	387	1,048
ECL on assets derecognised	-171	-561	-221	-954
Impact of net remeasurement of ECL (incl. changes in models)	-400	300	483	383
Write-offs debited to the allowance account	-9	-	-140	-149
Foreign exchange adjustments	-23	-100	-46	-169
Other changes	1	-	-3	-2
ECL allowance account as at 31 March 2024	**3,480**	**7,269**	**9,549**	**20,297**

* With effect from 1 January 2024, Non-core ceased to exist as a separate segment. Credit exposure in 2023 previously reported under Non-core have been reclassified, and comparatives have been restated to reflect this change.

Notes – Danske Bank Group

Credit exposure continued

Allowance account broken down by segment

(DKK millions)	Personal Customers	Business Customers	Large Corporate & Institutions	Northern Ireland	Group Functions*	Allowance account Total
ECL allowance account as at 1 January 2023	5,427	10,235	3,050	863	70	19,645
ECL on new assets	159	460	117	17	-7	747
ECL on assets derecognised	-220	-554	-15	-9	-8	-807
Impact on remeasurement of ECL (incl. change in models)	261	304	-206	-23	-22	315
Write-offs debited to allowance account	-18	-34	-	-5	-	-57
Foreign currency translation	-22	-77	-60	10	-1	-150
Other changes	-16	21	3	-	-1	7
ECL allowance account as at 31 March 2023	**5,570**	**10,356**	**2,889**	**853**	**31**	**19,699**
ECL allowance account as at 1 January 2024	**5,306**	**10,705**	**3,308**	**794**	**27**	**20,140**
ECL on new assets	144	542	289	68	5	1,048
ECL on assets derecognised	-252	-644	-45	-11	-2	-954
Impact on remeasurement of ECL (incl. change in models)	-115	854	-332	-21	-2	383
Write-offs debited to allowance account	-49	-72	-28	-	-	-149
Foreign currency translation	-27	-134	-17	11	-1	-169
Other changes	4	-6	1	-	-	-2
ECL allowance account as at 31 March 2024	**5,010**	**11,245**	**3,176**	**840**	**26**	**20,297**

* With effect from 1 January 2024, Non-core ceased to exist as a separate segment, and became a sub-segment of Group Functions. Comparative information for Group Functions has been restated to reflect this change.

The method used for calculating expected credit losses is described in detail in note G15 of the Annual Report 2023.

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 first 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 lower inflation, improved house prices and decreasing interest rates. The scenario weighting is unchanged from 2023. 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) despite the use of a severe s tagflation scenario.

The base case is an extension of the Group's official view of the Nordic economies (the Nordic Outlook report). At 31 March 2 024, the base case scenario reflects a soft landing with economic growth moving toward normalised levels. Inflation is expected to come down, leading to declining interest rates over the coming years. The large house price drops are expected to be over, but elevated interest rates continue to weigh on house prices.

The upside scenario represents a slightly better outlook than the base case scenario across the macroeconomic parameters. In this scenario, the global inflation returns more sustainably to target which allows the central banks to loosen policies more quickly. 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 int erest 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 main macroeconomic parameters in the base case, upside and downside scenario entering into the ECL calculation for the fo recast horizon across the Group's Nordic markets are included below.

Notes – Danske Bank Group

Credit exposure continued

Denmark	Base-case			Downside			Upside		
31 March 2024	2024	2025	2026	2024	2025	2026	2024	2025	2026
GDP	2.1	2.0	1.7	-3.4	-2.0	-	2.4	2.4	1.7
Unemployment	3.0	3.1	3.2	6.3	7.5	7.9	2.9	2.9	3.0
Inflation	2.0	1.9	1.8	4.0	3.0	2.0	1.6	1.8	1.8
Property prices - Residential	3.0	2.0	2.3	-19.7	-11.0	-6.0	3.0	4.0	4.3
Interest rate - 3 month	3.0	2.0	2.0	5.4	6.4	3.9	2.8	1.9	2.0

Sweden	Base-case			Downside			Upside		
31 March 2024	2024	2025	2026	2024	2025	2026	2024	2025	2026
GDP	1.5	2.0	1.8	-3.5	-3.4	-1.0	1.6	2.3	1.9
Unemployment	8.3	8.1	8.0	9.4	10.3	10.7	8.3	8.0	7.9
Inflation	1.6	1.0	1.5	4.9	3.9	2.9	1.2	0.7	1.5
Property prices - Residential	1.0	5.0	5.0	-22.0	-13.0	-7.0	1.0	7.0	7.0
Interest rate - 3 month	3.2	2.2	2.1	5.7	5.7	3.7	2.9	2.1	2.3

Norway	Base-case			Downside			Upside		
31 March 2024	2024	2025	2026	2024	2025	2026	2024	2025	2026
GDP	1.1	2.1	2.5	-2.7	-1.1	0.6	1.3	2.4	2.7
Unemployment	1.9	2.3	2.5	5.5	6.4	6.5	1.9	2.2	2.3
Inflation	3.8	2.0	2.2	4.5	3.0	2.0	3.3	1.9	2.2
Property prices - Residential	0.8	4.5	3.0	-19.0	-13.0	-7.0	0.8	5.5	5.0
Interest rate - 3 month	3.8	2.8	2.4	6.3	6.3	4.3	3.4	1.7	1.6

Finland	Base-case			Downside			Upside		
31 March 2024	2024	2025	2026	2024	2025	2026	2024	2025	2026
GDP	-0.4	1.9	1.5	-2.4	-2.0	-0.3	-0.2	2.3	1.6
Unemployment	7.9	7.4	7.0	9.9	10.9	10.9	7.9	7.3	6.9
Inflation	2.0	1.6	1.8	4.0	3.0	2.0	1.5	1.4	1.8
Property prices - Residential	0.5	3.0	2.0	-14.2	-7.0	-5.0	0.5	4.0	4.0
Interest rate - 3 month	3.1	2.1	2.1	5.1	5.1	3.1	2.7	1.9	2.1

Notes – Danske Bank Group

Credit exposure continued

At 31 December 2023, the following base case and downside scenarios were used:

Denmark		Base-case			Downside			Upside	
31 December 2023	2024	2025	2026	2024	2025	2026	2024	2025	2026
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		Base-case			Downside			Upside	
31 December 2023	2024	2025	2026	2024	2025	2026	2024	2025	2026
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		Base-case			Downside			Upside	
31 December 2023	2024	2025	2026	2024	2025	2026	2024	2025	2026
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		Base-case			Downside			Upside	
31 December 2023	2024	2025	2026	2024	2025	2026	2024	2025	2026
GDP	0.3	1.9	1.3	-2.4	-2.0	-0.3	1.3	2.2	0.4
Unemployment	-0.1	2.0	1.5	9.9	10.9	10.9	7.6	6.9	6.4
Inflation	7.8	7.2	6.5	4.0	3.0	2.0	2.2	1.8	1.7
Property prices - Residential	1.9	1.5	2.0	-14.2	-7.0	-5.0	3.0	4.0	2.0
Interest rate - 3 month	0.5	1.2	1.3	5.1	5.1	3.1	4.3	3.5	2.5

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 March 2024 amounted to DKK 20.3 billion (31 December 2023: 20.1 billion). If the base case scenario was assigned a probability of 100%, the allowance account would decrease DKK 1.9 billion (31 December 2023: 2.0 billion). Compared to the base case scenario, the allowance account would increase DKK 9.7 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).

Notes – Danske Bank Group

Credit exposure continued

Post-model adjustments

Management applies judgement when determining the need for post-model adjustments. At 31 March 2024, the post-model adjustments amounted to DKK 6.7 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 table below provides more information about the adjustments.

Post-model adjustments by type and mostly impacted industries

(DKK billions)	31 March 2024	31 December 2023
Coverage of individual industries and types		
Agriculture	1.0	0.8
Commercial Property	1.8	1.9
Construction and building materials	1.0	1.0
Personal customers (including other retail exposures)	1.4	1.6
Others*	1.4	1.4
Total	**6.7**	**6.7**

* No individual industry included in Others exceeds DKK 0.3 billion at 31 March 2024 (2023: DKK 0.2 billion).

The total balance of post-model adjustments is unchanged compared to the end of 2023. The post-model adjustment related to personal customers is decreased due to the improved macroeconomic outlook. At the same time, the existing post-model adjustment related to climate risks for agriculture is increased due to enhanced analysis related to potential CO_2 taxation models for agriculture in Denmark.

The Group continues to have significant post-model adjustments related to the current macroeconomic uncertainties characterised by the risk of slowing growth environment, labour shortages, elevated interest rates and elevated prices giving rise to a new set of challenges that affect economic and business activity. The post-model adjustments cut across industries that are sensitive to price rises on energy, e.g. agriculture and metals, and industries vulnerable to business cycles, increasing interest rates and refinancing risks, which have been assessed for idiosyncratic risks to ensure a prudent coverage of expected credit loss in the Group's portfolios.

Notes – Danske Bank Group

Counterparty credit risk and credit exposure from trading and investment securities

(DKK billions)	31 March 2024	31 December 2023
Counterparty credit risk		
Derivatives with positive fair value	293.5	351.7
Reverse transactions and other loans at fair value*	321.3	267.9
Credit exposure from other trading and investment securities		
Bonds	436.9	461.0
Shares	32.9	19.4
Other unutilised commitments**	-	0.1
Total	**1,084.5**	**1,100.1**

*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 320,7 billion (31 December 2023: DKK 267.4 billion), of which DKK 97.1 billion relates to credit institutions and central banks (31 December 2023: DKK 92.4 billion), and other primarily short-term loans of DKK 0.6 billion (31 December 2023: DKK 0.6 billion), of which DKK 0.6 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.

Derivatives with positive fair value

(DKK millions)	31 March 2024	31 December 2023
Derivatives with positive fair value before netting	807,357	892,840
Netting (under accounting rules)	513,894	541,118
Carrying amount	293,463	351,722
Netting (under capital adequacy rules)	209,966	262,273
Net current exposure	83,496	89,450
Collateral	72,391	80,713
Net amount	**11,105**	**8,736**
Derivatives with positive fair value after netting for accounting purposes:		
Interest rate contracts	223,543	240,621
Currency contracts	69,324	110,275
Other contracts	595	826
Total	**293,463**	**351,722**

Bond portfolio

(DKK millions)	Central and local government bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Corporate bonds	Total
31 March 2024							
Held-for-trading (FVPL)	101,130	2,695	23,811	21,361	4,665	7,479	161,140
Managed at fair value (FVPL)	1,818	287	22,490	1,331	230	-	26,156
Held to collect and sell (FVOCI)	22,889	2,844	49,468	2,623	24,244	1,678	103,745
Held to collect (AMC)	42,105	8,251	91,514	2,990	812	150	145,821
Total	**167,941**	**14,076**	**187,282**	**28,304**	**29,951**	**9,307**	**436,862**
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 March 2024, the Group had an additional bond portfolio, including bond-based unit trust certificates, worth DKK 209,209 million (31 December 2023: DKK 214,073 million) recognised as assets under insurance contracts and thus not included in the table above. The section on insurance risk in Annual Report 2023 provides more information. For bonds classified as hold-to-collect, amortised cost exceeded fair value as at 31 March 2024 and 31 December 2023, see note G12 for more information.

Notes – Danske Bank Group

Bond portfolio 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 March 2024							
Denmark	28,961	-	187,282	-	-	1,126	217,369
Sweden	36,238	-	-	28,304	1	2,767	67,311
UK	10,854	295	-	-	3,713	1,104	15,966
Norway	3,631	-	-	-	24,120	2,156	29,907
USA	14,509	3,251	-	-	-	7	17,767
Spain	1,116	-	-	-	1	-	1,117
France	11,683	19	-	-	332	85	12,119
Luxembourg	-	4,916	-	-	-	159	5,075
Finland	9,065	3,896	-	-	1,086	961	15,008
Ireland	994	-	-	-	-	133	1,127
Italy	3,658	-	-	-	-	6	3,664
Portugal	3	-	-	-	-	-	3
Austria	4,477	-	-	-	-	129	4,607
Netherlands	1,201	2	-	-	46	404	1,653
Germany	40,866	-	-	-	216	93	41,175
Belgium	685	716	-	-	1	-	1,401
Other	-	982	-	-	434	177	1,593
Total	**167,941**	**14,076**	**187,282**	**28,304**	**29,951**	**9,307**	**436,862**
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**

Notes – Danske Bank Group

Bond portfolio 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 March 2024							
AAA	106,962	13,354	187,122	28,283	29,143	2,202	367,065
AA+	25,875	640	-	-	19	2	26,537
AA	11,636	61	-	22	787	1,431	13,937
AA-	18,681	20	-	-	-	230	18,931
A+	-	-	-	-	-	260	260
A	934	-	160	-	2	1,671	2,767
A-	3	-	-	-	-	314	317
BBB+	181	-	-	-	-	610	792
BBB	2,361	-	-	-	-	1,365	3,726
BBB-	1,297	-	-	-	-	546	1,843
BB+	-	-	-	-	-	142	142
BB	-	-	-	-	-	369	369
BB-	-	-	-	-	-	35	35
Sub. "investment-grade" or unrated	10	-	-	-	-	131	141
Total	**167,941**	**14,076**	**187,282**	**28,304**	**29,951**	**9,307**	**436,862**
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**

Statement by the management

The Board of Directors and the Executive Leadership Team (the management) have today reviewed and adopted the Interim report – first quarter 2024 of the Danske Bank Group.

The consolidated interim financial statements have been presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU. Furthermore, the interim report has been prepared in accordance with legal requirements, including the disclosure requirements for interim reports of listed financial institutions in Denmark.

In our opinion, the consolidated interim financial statements give a true and fair view of the Group's assets, liabilities, shareholders' equity and financial position at 31 March 2024 and of the results of the Group's operations and the consolidated cash flows for the period starting on 1 January 2024 and ending on 31 March 2024.

Moreover, in our opinion, the management's report includes a fair view of developments in the Group's operations and financial position and describes the significant risks and uncertainty factors that may affect the Group.

Copenhagen, 3 May 2024

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

Supplementary information

Financial calendar

19 July 2024	Interim report – first half 2024
31 October 2024	Interim report – first nine months 2024

Contacts

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Links

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Sweden	danskebank.se
Norway	danskebank.no
Northern Ireland	danskebank.co.uk
Realkredit Danmark	rd.dk
Danske Capital	danskecapital.com
Danica Pension	danicapension.dk

Danske Bank's financial statements are available online at danskebank.com/reports.