Interim report - first half 2024

Danske Bank Group

Contents

Management's report

Financial statements

Statements

Financial highlights - Danske Bank Group

Income statement

(DKK millions)	First half 2024	First half 2023*	Index 24/23	Q2 2024	Q1 2024	Index Q2/Q1	Q2 2023*	Index 24/23	Full year 2023*
Net interest income	18,287	16,535	111	9,145	9,142	100	8,514	107	34,972
Net fee income	7,074	6,270	113	3,698	3,376	110	3,017	123	12,904
Net trading income	1,377	2,238	62	608	769	79	906	67	2,613
Net income from insurance business	949	689	138	457	492	93	192	238	1,472
Other income	324	-145	-	147	176	84	-438	-	460
Total income	**28,011**	**25,586**	**109**	**14,055**	**13,955**	**101**	**12,192**	**115**	**52,422**
Operating expenses	12,818	12,642	101	6,481	6,337	102	6,350	102	25,478
of which resolution fund, bank tax etc.	454	496	92	209	246	85	243	86	989
Profit before loan impairment charges	**15,193**	**12,944**	**117**	**7,574**	**7,618**	**99**	**5,842**	**130**	**26,944**
Loan impairment charges	-99	-28	-	-200	101	-	-175	114	262
Profit before tax	**15,292**	**12,972**	**118**	**7,774**	**7,517**	**103**	**6,018**	**129**	**26,682**
Tax	3,824	2,794	137	1,936	1,888	103	1,007	192	5,420
Net profit	**11,468**	**10,178**	**113**	**5,839**	**5,629**	**104**	**5,011**	**117**	**21,262**

Ratios and key figures

	First half 2024	First half 2023*	Index 24/23	Q2 2024	Q1 2024	Index Q2/Q1	Q2 2023*	Index 24/23	Full year 2023*
Dividend per share (DKK)**	7.5	7.0		7.5	-		7.0		14.5
Earnings per share (DKK)	13.4	11.9		6.8	6.6		5.8		24.8
Return on avg. shareholders' equity (% p.a.)	13.1	12.4		13.3	12.9		12.0		12.7
Net interest income as % p.a. of loans and deposits	1.3	1.1		1.3	1.3		1.2		1.2
Cost/income ratio (C/I), (%)	45.8	49.4		46.1	45.4		52.1		48.6
Total capital ratio (%)	22.5	22.4		22.5	23.0		22.4		23.1
Common equity tier 1 capital ratio (%)	18.5	18.1		18.5	18.5		18.1		18.8
Share price (end of period) (DKK)	207.5	166.0		207.5	206.6		166.0		180.4
Book value per share (DKK)	209.8	196.4		209.8	202.5		196.4		204.4
Full-time-equivalent staff (end of period)	20,079	21,339	94	20,079	20,094	100	21,339	94	20,021

*Comparative information has been restated as described in note G2(b)
**Dividend for the first half of 2024 is an interim dividend of DKK 7.5 per share. 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.

Balance sheet (end of period)

(DKK millions)	First half 2024	First half 2023*	Index 24/23	Q2 2024	Q1 2024	Index Q2/Q1	Q2 2023*	Index 24/23	Full year 2023*
Due from credit institutions and central banks	254,350	251,569	101	254,350	247,998	103	251,569	101	271,434
Repo loans	340,108	259,077	131	340,108	326,300	104	259,077	131	272,841
Loans	1,652,294	1,633,382	101	1,652,294	1,631,975	101	1,633,382	101	1,670,142
Trading portfolio assets	497,400	559,305	89	497,400	487,028	102	559,305	89	548,189
Investment securities	273,642	288,277	95	273,642	276,156	99	288,277	95	283,914
Insurance assets	522,846	502,546	104	522,846	514,238	102	502,546	104	496,031
Other assets	223,118	237,451	94	223,118	226,112	99	237,451	94	228,429
Total assets	**3,763,759**	**3,731,608**	**101**	**3,763,759**	**3,709,808**	**101**	**3,731,608**	**101**	**3,770,981**
Due to credit institutions and central banks	76,876	71,592	107	76,876	64,537	119	71,592	107	70,774
Repo deposits	233,519	238,059	98	233,519	230,255	101	238,059	98	197,140
Deposits	1,072,032	1,061,892	101	1,072,032	1,050,241	102	1,061,892	101	1,108,898
Bonds issued by Realkredit Danmark	730,638	712,186	103	730,638	745,981	98	712,186	103	741,062
Other issued bonds	356,660	308,444	116	356,660	310,846	115	308,444	116	315,145
Trading portfolio liabilities	372,509	480,024	78	372,509	398,322	94	480,024	78	454,487
Insurance liabilities	506,832	486,606	104	506,832	500,719	101	486,606	104	482,630
Other liabilities	199,586	165,819	120	199,586	195,816	102	165,819	120	186,332
Subordinated debt	37,052	38,338	97	37,052	39,674	93	38,338	97	38,774
Shareholders' equity	178,055	168,648	106	178,055	173,417	103	168,648	106	175,739
Total liabilities and equity	**3,763,759**	**3,731,608**	**101**	**3,763,759**	**3,709,808**	**101**	**3,731,608**	**101**	**3,770,981**

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

Executive summary

The development and results for the first half of 2024 have been satisfactory for Danske Bank. In an environment with a high level of geopolitical uncertainty, we continued our rigorous focus on customers and on executing planned initiatives under our Forward '28 strategy. Our financial results continued the stable trend we saw in the first quarter, with higher core income driven by strong customer demand for investment and capital markets solutions and continually strong credit quality with loan impairment reversals of DKK 99 million in the first half of 2024. Secondly, we continued to progress towards delivering on the targets set out in Forward '28 by executing on our KPIs for the business units and incorporating technology such as GenAI and cloud-based solutions to reduce the use of legacy platforms. Our focus on execution and our efforts to improve Danske Bank to the benefit of all stakeholders is moving us forward as expected – which is positive for both our customers and society.

Executing on Forward '28 entails being at the forefront of digital and technological development. We are therefore excited to partner up with fintechs and look forward to the great opportunities for collaboration and innovation within digital banking. In our new domicile with its open and transparent architectural expression – to which we moved this spring after 149 years at Holmens Kanal – innovation and knowledge-sharing are integrated into our ways of working, further fostering a good foundation for new digital solutions.

During the second quarter, the macroeconomic outlook turned slightly more positive. The outlook for economic growth in Denmark and the wider Nordic region has thus improved, and recent economic data points, such as inflation and employment levels, have been better than expected. In the second quarter, we revised our guidance for full-year 2024 net profit to DKK 21-23 billion from DKK 20-22 billion on the basis of a small reversal of loan impairment charges and continually strong credit quality backed by a better macroeconomic outlook. In a world with higher uncertainty – stemming from geopolitics, climate and more – we remain prudent and well-provisioned.

In June, we also saw the first rate cuts by the European Central Bank (ECB), followed by the Danish central bank, since 2019. While the timing of further rate cuts is uncertain, we think the cuts are a positive step and are likely to benefit economic activity. Following the Danish central bank's lowering of rates, we lowered selected lending and deposit customer rates to ensure our offering remains attractive.

All this means that in the first half of 2024, we achieved a satisfactory and stable performance that resulted in a ROE of 13.1%. Importantly, our progress on Forward '28 continues, and we continue to be a solid financial partner for our customers in a rapidly changing environment, providing financing for the green transition and investing to develop our solutions.

In relation to sustainability, we have, for example, launched a new digital solution that makes it easier for customers to make sustainable investments. This solution also provides customers with an overview directly in Danske Mobile Banking of how their portfolios are performing in relation to a number of sustainability indicators. Additionally, alongside loans for energy efficiency improvements, we now offer advisory services for climate adaptation through a partnership with an engineering firm.

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 June 2024, our liquidity coverage ratio stood at 187% (31 December 2023: 170%), with an LCR reserve of DKK 589 billion (31 December 2023: DKK 615 billion), and our net stable funding ratio stood at 125%.

These positive effects were countered by the prudent front-loading in the second quarter of the majority of our anticipated Capital Requirements Regulation III (CRR3) impact of DKK 20 billion. In addition to an increase in the REA attributable to credit risk, we therefore saw a total REA increase of DKK 37 billion, which brought the total REA to DKK 846 billion at the end of the second quarter. On the basis of the Group's current and updated analysis of the CRR3, the Group's current capital planning takes into account the expected REA impact of the initial implementation in 2025.

Danica Pension's solvency coverage ratio increased from 170% at 31 December 2023 to 217% at 30 June 2024, reflecting the very strong financial foundation of the business. The higher solvency coverage ratio resulted primarily from an adjustment of the method of determining how the loss-absorbing capacity of deferred taxes is to be recognised in the solvency capital requirement.

Share buy-back programme

At the end of June 2024, Danske Bank had bought back around 10.7 million shares for a total purchase amount of DKK 2.2 billion (figures at trade date) of the planned DKK 5.5 billion share buy-back programme.

Financials

Danske Bank delivered a net profit of DKK 11,468 million in the first half of 2024, against a net profit of DKK 10,178 million in the first half of 2023. Good customer activity and an uplift in net interest income due to the positive interest rate environment, combined with low loan impairment charges, supported the financial result for the first half of 2024.

Net fee income increased 13% from the level in the same period last year, due mainly to higher customer activity and repricing actions. Higher performance fees from Asset Management and cash management services also contributed to the increase in net fee income.

Net trading income decreased as the first half of 2023 was exceptional but also due to lower secondary customer activity and changed market dynamics.

Net income from insurance business increased 38% from the level in the first half of 2023. The increase was due mainly to an increase in the net financial result. Furthermore, income included a reversal of provisions of DKK 50 million related to the sale of Danica Norway in 2022.

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 made under our Forward '28 strategy and higher bonus payments and staff costs that were impacted by wage inflation.

Loan impairment charges reflect overall solid credit quality and were low in the first half of 2024, amounting to a net reversal of DKK 99 million. Growth is expected to gradually return to normal levels, and the impact on impairments is reduced. However, the macroeconomic landscape remains uncertain.

Dividend for the first half-year of 2024

On the basis of our strong financial performance in the first half-year of 2024 and our strong capital position at the end of the period, the Board of Directors has approved an interim dividend of DKK 7.5 per share, corresponding to 56% of net profit for the period.

Regarding capital distribution for 2025 and beyond, Danske Bank will return to annual dividend payments.

Released capital from Norwegian personal customer exit

During the fourth quarter of 2024, we intend to distribute the released capital from the exit of our Norwegian personal customer business as an extraordinary dividend payment once the sale to Nordea has closed. The released capital is expected to amount to approximately DKK 5.5 billion.

Distribution of remaining net profit for 2024

Finally, it is the intention of the Board of Directors to distribute the full remaining net profit for the full-year of 2024 in 2025. This is subject to our continued strong financial performance, relevant approvals, including from the Danish Financial Supervisory Authority, and our capital ratios remaining above our capital requirements.

Outlook for 2024

On 26 June 2024, we revised the outlook for 2024 upwards to a net profit in the range of DKK 21-23 billion. At the release of our annual report for 2023 on 2 February this year, we guided for a full-year 2024 net profit in the range of DKK 20-22 billion.

The profit upgrade follows our continually strong credit quality and reversals of impairment charges for the second quarter of 2024. We therefore now expect full-year loan impairment charges to be up to DKK 0.6 billion.

For the financial targets for 2026, we maintain our assumption for loan impairment charges of approximately 8 basis points through the cycle.

Strategy execution

We are pleased to already see progress with the execution of our Forward '28 strategy, which we announced in June 2023. Proof points include the introduction of our first self-service welcoming journey for personal customers in partnership with fintech company Backbase, the continuing improvement in business customer satisfaction enabled by upskilling advisers, and an increase in the number of products available via our digital District platform for business customers.

We continue to improve Danske Bank as a workplace, and employee engagement is rising. Our workplace vision is characterised by an engaged workforce and the individual employee experiencing inclusion, flexibility, growth opportunities and a deep sense of belonging. We are pleased to see that employee engagement levels across the Group continued the positive development that began two years ago. In our latest culture & engagement survey, the employee satisfaction & motivation index score increased further from 75 in the fourth quarter of 2023 to 76 in the first quarter of 2024. The increased engagement levels are the result of collective efforts throughout the organisation. Targeted initiatives that support the culture and workplace transformation include strengthening leadership capabilities, a hybrid work setup that supports collaboration, well-being and productivity as well as our emphasis on people development through regular development-focused dialogue.

During the first half of 2024, we took several important steps to advance our sustainability agenda, including the publication of our Climate Action Plan Progress Report and the inclusion of sustainability as one of the strategic themes in our Forward '28 strategy.

Technology & Services

A key element in our Forward '28 plans is delivery on our digital, data & AI, and technology agendas.

We are accelerating the digital transformation across our business to enhance customer journeys, improve the customer experience and reduce costs and operational risks. Our newly established partnership with Backbase will allow us to bring a best-in-class 'digital front door' to our customers. Also Better Ways of Working (BWoW), our version of agile software development, has reached a high level of maturity since its introduction three years ago and is benchmarked to be among the best performing in the market.

We are executing on our technology transformation by moving to cloud-based technology, reducing the use of legacy systems and complexity, and strengthening our data layer. We are also improving developer productivity by enhancing the software development life cycle with new tools, including generative AI (GenAI), to reduce software maintenance and change costs.

We have established strategic partnerships with Infosys and Amazon Web Services (AWS) to advance our transformation, with Infosys bringing in over 2,000 software specialists along with specialised tools for data and GenAI.

GenAI is expected to have high-value impact within business and banking, and we have taken important steps by launching our own language model called DanskeGPT, which is already used by more than 12,000 employees, and integrating the first GenAI solutions into internal processes. With increasing investments, we expect to implement more GenAI solutions soon.

Personal Customers

With Forward '28, we set clear ambitions to grow our Personal Customers business by offering customers a tailored experience and holistic advice through a flexible engagement model and modular offering – powered by strong marketing and analytics.

Since the Forward '28 announcement, efforts have been directed towards mobilising the organisation, detailing plans and validating assumptions in the context of an evolving environment. Execution started in January 2024, focusing both on building the foundation for the future and on initiatives that deliver direct impact now.

During the first half of 2024, we concentrated on enabling the transition to a future-proof, digital and differentiated service model to cater to our customers' evolving needs.

We have reached significant milestones in terms of building our 'digital front door'. We focus on convenience, enabling our customers to manage most of their everyday banking needs via our Danske Mobile Banking app. The recent addition of a Betalingsservice (direct debit) feature to the app is a key proof point of this. We also took an important first step towards welcoming all personal customers digitally by introducing our first self-service welcoming journey for young customers in Denmark. We will later expand this capability to additional customer segments and markets. We have a strong foundation for further scaling these initiatives with our strategic partnership with Backbase.

We also sharpened our holistic advisory offering by training advisers in wealth planning and onboarding additional advisers in Private Banking. We are pleased to see increases in assets under management and in Danske Invest's market share as well as record-high customer satisfaction levels across Global Private Banking. In addition, we are leveraging GenAI technology to support advisers in our contact centres in relation to customer enquiries.

On the product offering side, we took important steps to enhance our home finance initiatives, strengthen our retail investment portfolio and sharpen our sustainability offerings in the first half of 2024.

Meanwhile, we made investing even more accessible by making Danske Monthly Investment – our digital investment solution that makes it quick and easy for customers to invest in funds directly in Danske Mobile Banking – available also to customers in Finland and Sweden.

In Sweden, we launched a sustainability partnership with Econans as part of our commitment to sustainability and the strategy of increasing our relevance by addressing a wider range of customer needs. We also introduced a new feature in Danske Mobile Banking, which enables users to view their investment portfolios through a sustainability lens by offering insights into how their investments perform on a variety of sustainability parameters.

Partnerships remain a key strategic priority, and in the first half of 2024, we saw a lot of activity in this area. Our collaboration with Testaviva strengthens our financial advisory setup and widens our legal services outreach, helping customers with crucial matters such as inheritance and wills. Our longstanding alliance with Akava, initiated in 2016, offers significant financial advantages to Finnish students, allowing them to strengthen their academic focus. Moreover, our association with the Finnish Landlord Association reflects our emphasis on cultivating new customer relations. Through these partnerships, we constantly enhance our services and expand our customer reach, in line with our strategic ambitions.

Business Customers

In the first half of 2024, we saw good commercial momentum in relation to the goal of our Forward '28 strategy, which is to be the market leader for Nordic businesses with advanced needs, international needs and sustainable transformation ambitions.

To grow our business, we continued to invest in marketing to strengthen our market positioning and increase consideration among potential business customers across the Nordic countries. In addition, we recruited almost 20 dedicated acquisition managers to accelerate our efforts to acquire new customers, while taking the first steps towards deploying a more structured approach to customer acquisition across segments. As a result, we saw a positive development in the number of customers in the mid-corporate and growth segments.

Customer satisfaction remained high, and we will continue the work in this area to deliver on our 2026 target of a 15% increase in mid-corporates that are highly satisfied with our advisory offering. To do so, we have initiated an upskilling programme targeting more than 350 advisers across the Nordic countries to enable them to become more proactive towards our customers and to create the most value at each touchpoint, thus driving both customer satisfaction and cross-selling. Throughout 2024, we will extend the scope of this training to ensure all advisers have completed a comprehensive upskilling programme by the end of the year that equips them with the skills necessary to deliver exceptional advice and service to our customers.

In addition, we established a Nordic Commercial Excellence team and invested in our analytical capabilities. This allows us to accelerate our efforts within leveraging data analytics to provide advisers with relevant leads and execute targeted campaigns on the basis of our customers' needs. Analytical support and leads will be a key enabler for us to proactively drive cross-selling across segments to deliver on our 2026 target of 5% annual growth in everyday banking fee income across Business Customers and Large Corporates & Institutions.

ESG is a key focus area in terms of supporting our customers in their sustainability transition and delivering on the Group's sustainability targets. To support our sustainable finance ambition, in May, we entered into an agreement with the European Investment Fund (EIF) under which we target small and medium-sized businesses that are investing in sustainability. As a first step, loan guarantees are offered via EIF for investments by Finnish companies into their sustainability transition. We have already issued the first loan and aim to scale the agreement to more markets.

In addition, to continue the upskilling of our advisers within sustainability, we entered into a new partnership with Sustainability Unlocked.

We continued to see positive traction in relation to our One Corporate Bank platform, which helps us drive scalable and cost-efficient growth. We rolled out our Danske ID solution to our 700,000 users of District across the Nordic countries to make access to District, and thereby our self-service solutions, much easier. In addition, more than 20 new products became available for self-service in District Marketplace, and we continued to see an increase in the share of products ordered digitally. To encourage customers to use our self-service solutions, we successfully piloted an initiative in Sweden for a selected product. This drove adoption of our digital product offering, as the number of digital orders for the product in question rose 3.5 times. We will continue to expand our self-service offering and launch initiatives to drive self-service adoption – for example, we are establishing dedicated customer guidance teams across the Nordic countries that will proactively contact customers to build awareness of our digital self-service solutions.

Large Corporates & Institutions

At Large Corporates & Institutions, we are continuing the growth journey of our franchise outside Denmark with an ambition to onboard +40 new corporate customers. We are well on track and have already established 23 new relationships year-to-date, of which 16 are in our core growth market Sweden. Our proven track record in Sweden is also underpinned by the number one position in Prospera's annual customer satisfaction survey for corporate customers in 2023. This is the first time in its history that Danske Bank Sweden has emerged as the leading bank despite the fierce competition.

To further strengthen our position outside Denmark and capture the ancillary business from our customer portfolio, we have enhanced our management teams in Sweden and Norway with strong senior competences. This enhancement aims to improve alignment across products, increase decision-making efficiency by utilising local expertise and elevate our leadership presence within the Swedish and Norwegian markets. Together with selected strategic hires in our Norwegian investment banking franchise, we believe these initiatives will be key enablers to capture the top two capital markets position across Nordic banks over the cycle.

Large Corporates & Institutions and Business Customers share the ambition of strengthening and leveraging our One Corporate Bank platform. In the first half of 2024, we saw good commercial traction both in the everyday banking space and on the milestone plans for our digital investments.

From a Large Corporates & Institutions perspective, a key growth driver to capture the 5% growth on everyday banking fees is our ability to attract new house bank mandates for new and existing Large Corporate customers. Our leading cash management offering has enabled us to add another 13 new house bank mandates year-to-date.

To enhance customer integration, we have also established a new unit focused on advancing integration through API and ERP. Additionally, we are expanding our partnerships, highlighted by our investment in United Fintech, a leading industry-neutral digital transformation platform. These strategic efforts are crucial for driving our growth and strengthening and leveraging our One Corporate Bank platform.

Lastly, we see good traction in terms of deepening our relationships with institutions operating in the Nordics. With our strong focus on diversifying our income composition from institutional customers – we managed to capture new structured lending opportunities especially from financial sponsors. We are proud to have acted as mandated lead arranger, hedge bank and letter of credit issuing bank for Renewable Power Capital – a renewable energy company backed by CPP Investments - in their raising of EUR 555 million in project financing for a Swedish onshore wind portfolio. The transaction constitutes one of the largest financing packages for a greenfield onshore wind portfolio in Europe and will help deliver enough clean energy to power the equivalent of 182,000 households. This is a good example of how we support institutional capital in its shift towards more illiquid and green assets.

Additionally, we have successfully executed NAV-based lending transactions with institutional clients, including asset managers and independent single-family offices, marking a promising start to our presence in this part of the structured lending universe. This achievement underscores our capability to tailor our offerings to meet the specific needs of our institutional customers, while also expanding our portfolio of financial products.

In Asset Management, we have made significant progress in focusing our business on the areas in which we are among the best and can create the most value for our customers (e.g. portfolio solutions, liquid and illiquid alternative investments and selected flagship strategies). To commercialise and grow Asset Management, we have engaged in two new strategic partnerships with Goldman Sachs and Blackrock, leading to the sub-delegation of investment management for a multitude of equity and fixed-income products. This is a major achievement in our strategy of focusing our business and increasing the use of strategic partnerships across our value chain.

We are confident that the initial implementation progress of our Forward '28 strategy during the first six months has built a robust foundation for continued execution.

Sustainability

To support our customers in their sustainability transitions, we continue to develop sustainability-related financial advice, products and services, and we enter into relevant partnerships to support us in expanding our expertise in this area.

In January, a new ESG framework for the property sector was launched, which makes it easier for real estate companies to compare data and performance measures in relation to ESG factors. The framework, called *Real ESG – The Real Estate Reporting Framework,* has been developed through a collaboration between Danske Bank, Realkredit Danmark and leading players in the real estate industry.

We have also expanded our energy-improvement loans and now offer loans to cover climate adaptation measures, such as the installation of perimeter drains. Climate adaptation is relevant not only in relation to individual homes but also when we look at how we as a society are preparing for the future. In addition, we have also extended our existing partnership with OBH Consulting Engineers so our advisers can now offer customers the option of receiving a free 15-minute phone consultancy session with a construction consultant from OBH to discuss which of OBH's advisory packages suits the customer's housing plans.

We aim to position ourselves to be able to best meet the growing sustainability advisory needs of our customers and are therefore integrating sustainability into traditional corporate advisory areas. This spring, we merged our local Corporate Advisory teams in Large Corporate Banking Denmark, Sweden, Finland and Norway with the Sustainable Finance Advisory functions in the respective countries.

To ensure that our investee companies have Paris Agreement-aligned transition plans, we have also updated our Position Statement on Fossil Fuels by including stricter requirements governing our investment activities. This update is currently under implementation and is expected to result in a significant reduction in the number of companies in our investment universe that are involved with fossil fuels.

Contributing to society's green transition while simultaneously delivering attractive returns for our customers is also at the core of our pension business. With DKK 53.2 billion on the balance sheet invested in the green transition by Danica Pension as of 30 June 2024 (2023: DKK 54.7 billion*), we are progressing towards our 2030 target of DKK 100 billion. Quarterly variations are due mainly to portfolio adjustments of the asset classes and to market value volatility.

A crucial factor enabling for us to support customers effectively is ensuring that our frontline staff have relevant knowledge about sustainability and the transition process. Consequently, we entered a new partnership in May with Sustainability Unlocked, a leading platform for sustainability learning. All employees will have access to the platform, which serves as a flexible, on-demand and tailored tool that provides access to industry-expert insights on a broad range of sustainability topics.

Sustainability approach and priorities

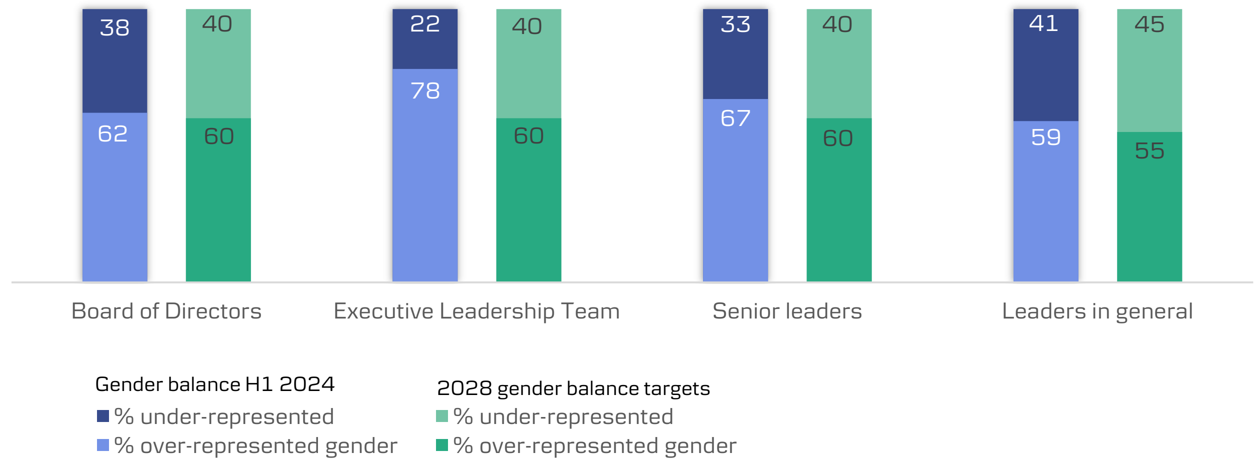
Sustainability is one of the four core pillars in our Forward '28 strategy, and in February we announced our strategic approach to sustainability towards 2028. We have defined three strategic focus areas for our sustainability efforts: supporting our customers in their sustainability transition, ensuring a robust and resilient bank, and managing our societal impact. With these focus areas in mind, we have analysed our sustainability-related impacts, and we have prioritised three overarching and interlinked sustainability agendas: Climate change, Nature & biodiversity and Human rights & social impact.

In relation to our Climate change agenda, we are actively supporting the transition towards net-zero carbon emissions by 2050 or sooner through our Climate Action Plan, which serves as our roadmap towards net zero. In February 2024, we published our first Climate Action Plan Progress Report, which provides a status on our progress towards our net-zero commitments and our intermediate carbon emission reduction targets.

In relation to our Nature & biodiversity agenda, we introduced targets for our engagement with customers and investee companies in high-impact sectors in September 2023. By the end of 2024, we aim to have engaged with 300+ business customers in the agriculture sector and 50+ large corporates across the agriculture sector, the forestry, pulp and paper sector, and the shipping sector. Furthermore, Danske Bank and Danica Pension aim to have engaged with 30 large, global investee companies within the three high-impact sectors of energy, food and transportation by the end of 2025. Our engagements are progressing according to plan, and for the six months ending 30 June 2024, we have engaged with 236 (2023: 36) of the 350 in-scope companies across our Business Customers and Large Corporate & Institutions units and 18 (2023: 6) of the 30 in-scope investee companies.

For our third focus area, Human rights & social impact, our focus is to support the protection of internationally recognised human rights, including labour rights. In May, we published our second Human Rights Report, which provides transparent disclosure of how we manage potential and actual adverse impacts on human rights.

Gender balance



Within the social agenda, we also view diversity and inclusion as an important theme, for which we use our targets on gender balance as a measure of progress. To support us in our aim of increasing the share of women's representation, we have set 2028 gender balance targets for all leadership groups. At leadership levels, the percentage of women remains on par with the level at year-end 2023 for all leadership levels, except in relation to senior leaders, where there is a slight decrease from 34% to 33%.

We are in the process of implementing the Corporate Sustainability Reporting Directive (CSRD) and will present our sustainability statement as part of the Annual Report 2024.

*In 2024, the reporting principle for the KPI 'investments in the green transition by Danica Pension' was updated. Therefore, the comparative figure from year-end 2023 has also been updated.

Financial review

H1 2024 vs H1 2023

Net profit increased to DKK 11,468 million (H1 2023: DKK 10,178 million) as a result of increases in net interest income, net fee income and net income from insurance business. Good customer activity and low loan impairment charges also supported the financial result for the first half of 2024.

Income

Net interest income increased to DKK 18,287 million (H1 2023: DKK 16,535 million). The increase was driven by higher income from deposits following repricing actions as well as product development initiatives. Lending margins were under pressure from the rise in market rates.

Net fee income increased to DKK 7,074 million (H1 2023: DKK 6,270 million). Everyday banking fees increased on the back of higher customer activity as a result of the more stable financial markets as well as our repricing actions. Furthermore, higher performance fees from Asset Management and cash management services also contributed to the increase in net fee income. In addition, we saw a non-recurring reduction in fee expenses of DKK 102 million.

Net trading income decreased to DKK 1,377 million (H1 2023: DKK 2,238 million) as the first half of 2023 was exceptional, but also due to lower secondary customer activity and changes in market dynamics in the first half of 2024.

Net income from insurance business increased 38% from the level in the first half 2023 and amounted to DKK 949 million (H1 2023: DKK 689 million). The increase was due mainly to an increase in the net financial result. Furthermore, income included a reversal of provisions of DKK 50 million related to the sale of Danica Norway in 2022.

Other income amounted to DKK 324 million (H1 2023: DKK -145 million). The sale of the Norwegian company Tyssekraft A/S in the first quarter of 2024 contributed DKK 21 million, while the year-earlier period was affected by a provision related to prudent valuation and expected transaction costs of DKK 693 million that was made in connection with the agreement to sell our personal customer business in Norway.

Operating expenses

Operating expenses amounted to DKK 12,818 million (H1 2023: DKK 12,642 million) and are on track to end in line with our full-year guidance. As expected, the development was impacted by higher digitisation investments made under our Forward '28 strategy and higher bonus payments and staff costs that were impacted by wage inflation.

Finally, the Resolution fund, Swedish bank tax etc. item stood at DKK 454 million (H1 2023: DKK 496 million).

Loan impairment charges

Loan impairments were low in the first half of 2024, amounting to a net reversal of DKK 99 million (H1 2023: a net reversal of DKK 28 million).

Loan impairment charges

(DKK millions)	First half 2024 Charges	First half 2024 % of net credit exposure*	First half 2023 Charges	First half 2023 % of net credit exposure*
Personal Customers	-178	-0.05	478	0.12
Business Customers	591	0.18	142	0.04
Large Corporates & Institutions	-513	-0.29	-522	-0.28
Northern Ireland	3	0.01	-131	-0.49
Group Functions	-2	-0.20	5	0.35
Total	**-99**	**-0.01**	**-28**	**0.00**

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

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.

Personal Customers saw impairment reversals, contrary to the first half of 2023 when there was a net charge. Reversals for the first half 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 the first half of 2023 owing to a few cases in our leasing organisation and an increase in post-model adjustments. Underlying credit quality remained solid.

Large Corporates & Institutions continued to see a net reversal owing to successful restructuring 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%).

Net profit

DKK 5,839 million

for the second quarter of 2024

Q2 2024 vs Q1 2024

Net profit increased to DKK 5,839 million (Q1 2024: DKK 5,629 million). An increase in net fee income and stable net interest income more than offset a decrease in net trading income and net income from insurance business.

- Net interest income amounted to DKK 9,145 million (Q1 2024: DKK 9,142 million), a relative flat development from the preceding quarter.
- Net fee income increased to DKK 3,698 million (Q1 2024: DKK 3,376 million), driven by higher customer investment activity, including increased investment fees due to an improved performance of our funds and higher fees from assets under management. In addition, we saw a non-recurring decline in fee expenses of DKK 102 million.
- Net trading income decreased to DKK 608 million (Q1 2024: DKK 769 million) due primarily to seasonality and lower customer activity.
- Net income from insurance business decreased to DKK 457 million (Q1 2024: DKK 492 million). The net result decreased mainly due to developments in the financial markets being less positive than in the first quarter of 2024.
- Operating expenses increased to DKK 6,481 million (Q1 2024: DKK 6,337 million) due to higher digitalisation investments and an increase in the tax on labour costs.
- Loan impairments amounted to a net reversal of DKK 200 million (Q1 2024: charges of DKK 101 million). Reversals in the second quarter were driven by solid credit quality and successful restructuring activities.
- Tax amounted to DKK 1,936 million (Q1 2024: DKK 1,888 million), corresponding to an effective tax rate of 24.9% (Q1 2024: 25.1%).

Tax
The tax expense of DKK 3,824 million (H1 2023: DKK 2,794 million) corresponded to an effective tax rate of 25.0% (H1 2023: 21.5%).

Lending
Lending stood at DKK 1,652 billion (end-2023: DKK 1,670 billion). Mortgage lending at nominal value at Realkredit Danmark amounted to DKK 802 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.

At Large Corporates & Institutions, we have seen a decrease in lending volumes of 4% since the end of 2023, reflecting the volatile operating environment. Lending volumes in General Banking increased 3% from the end of 2023, however, driven by corporate customers in Sweden and Denmark.

Lending at Business Customers showed a flat development. Bank lending volumes in local currency increased across our Nordic markets, except for Denmark. The depreciation of the currencies in Norway and Sweden reduced bank lending volumes by DKK 3.6 billion, leading to an overall flat development in bank lending. Mortgage volumes increased 1% relative to the level at the end of 2023.

At Personal Customers, we saw a decrease in bank lending volumes of 1%, with a flat development in Denmark, although with an underlying increase in volumes from bank home finance products. Total lending across markets decreased 1% from the level at the end of 2023. The depreciation of the Swedish krona had a negative effect of DKK 2 billion.

In Denmark, new gross lending, excluding repo loans, amounted to DKK 70.2 billion. Lending to personal customers accounted for DKK 13.4 billion of this amount.

Deposits
Deposits amounted to DKK 1,072 billion at the end of June 2024 (end-2023: DKK 1,109 billion). Deposit volumes in Norway and Sweden decreased, due mainly to the depreciation of the currencies.

Fuelled by our savings products, deposit volumes for Personal Customers increased 4% from the level at the end of 2023. The increase was driven by a 12% increase in deposits in the Global Private Banking unit in addition to increases in Personal Customers Denmark and Finland, both of 2%. The depreciation of the Swedish krona had a small negative effect.

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 1.7 billion since the end of 2023. Total deposit volumes decreased 2% from the level at end of 2023.

At Large Corporates & Institutions, deposit volumes decreased 14% 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 2,521 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 as part of our Forward '28 strategy.

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 half 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)	30 June 2024	31 December 2023
Gross exposure	32,399	32,686
Allowance account	9,521	9,062
Net exposure	**22,878**	**23,624**
Collateral (after haircut)	20,069	20,642
Stage 3 coverage ratio (%)*	77	75
Stage 3 gross/total gross credit exposure	1.3%	1.3%

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

Total gross credit exposure in stage 3 was stable at DKK 32.4 billion (end-2023: DKK 32.7 billion), corresponding to 1.3% of total gross exposure. Stage 3 exposure was concentrated on personal customers, commercial property, retailing and construction and building materials, which combined accounted for 56% of total gross exposure in stage 3.

Allowance account by business units

	30 June 2024		31 December 2023	
(DKK millions)	Accum. impairm. charges	% of credit exposure*	Accum. impairm. charges	% of credit exposure*
Personal Customers	5,074	0.67	5,306	0.68
Business Customers	11,264	1.67	10,705	1.58
Large Corporates & Institutions	3,324	0.94	3,308	0.92
Northern Ireland	854	1.34	794	1.34
Group Functions	23	-0.64	27	1.21
Total	**20,539**	**1.11**	**20,140**	**1.07**

* Relating to lending activities

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

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, which are included in the calculation of the Group's LCR. To ensure aligned accounting treatment across the banking book, these bonds are held at amortised cost. 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 G13.

Funding and liquidity

During the second quarter of 2024, the funding markets remained strong while the focus shifted towards political elections. 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.

In the first half of 2024, the Group issued covered bonds of DKK 20.5 billion, preferred senior debt of DKK 6.9 billion, non-preferred senior debt of DKK 21.7 billion and tier 2 capital of DKK 8.4 billion, thus bringing total long-term wholesale funding to DKK 57.5 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 G7 provides more information about bond issues in the first half of 2024.

Danske Bank's liquidity position remained robust. At the end of June 2024, our liquidity coverage ratio stood at 187% (31 December 2023: 170%), with an LCR reserve of DKK 589 billion (31 December 2023: DKK 615 billion), and our net stable funding ratio stood at 125%.

At 30 June 2024, the total nominal value of outstanding long-term funding, excluding debt issued by Realkredit Danmark, was DKK 351 billion (31 December 2023: DKK 337 billion).

Capital ratios and requirements

At the end of June 2024, the Group's total capital ratio was 22.5%, 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 half of 2024 was driven primarily by an increase in the total REA.

Danica Pension's solvency coverage ratio increased from 170% at 31 December 2023 to 217% at 30 June 2024, reflecting the very strong financial foundation of the business. The change in the solvency coverage ratio in the first half was primarily a result of Danica Pension making an adjustment to the calculation of the loss absorbing capacity of deferred taxes as well as an adjustment for tax effects related to the risk margin, which is part of total capital.

During the first half of 2024, the total REA increased approximately DKK 18 billion, due mainly to the frontloading effect of initial implementation of CRR3 of DKK 20 billion. We have thereby frontloaded the majority of our anticipated CRR3 impact in the second quarter.

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

Capital ratios and requirements

(% of the total REA)	30 June 2024	Fully phased-in*
Capital ratios		
CET 1 capital ratio	18.5	18.4
Total capital ratio	22.5	22.4
Capital requirements (incl. buffers)		
CET 1 requirement	14.5	14.5
- portion from countercyclical buffer	2.0	2.0
- portion from capital conservation buffer	2.5	2.5
- portion from systemic risk buffer	0.7	0.7
- portion from SIFI buffer	3.0	3.0
Solvency need ratio	10.9	10.9
Total capital requirement**	**19.2**	**19.2**
Buffer to requirement		
CET 1 capital	4.0	3.9
Total capital	**3.3**	**3.3**

* 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 June 2024.

At the end of June 2024, the Group's solvency need ratio was 10.9%, an increase of 0.2 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 June 2024, the Group's CBR was 8.3%, an increase of 0.3 percentage points from the level at the end of 2023 that was due to the Danish government's decision to activate the 7% systemic risk buffer with effect from 30 June 2024.

Minimum requirement for own funds and eligible liabilities

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

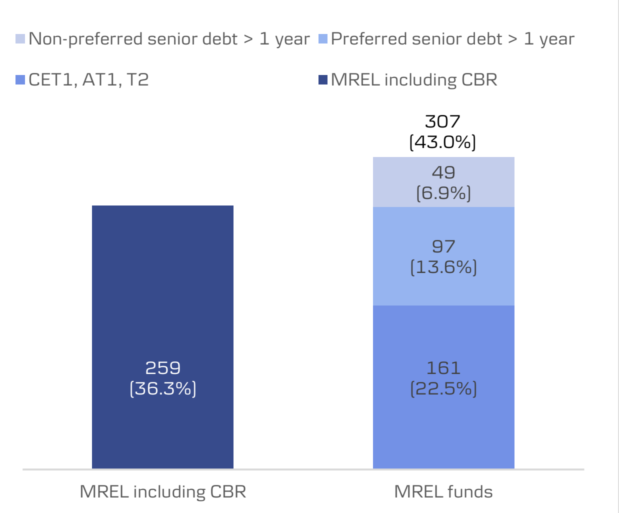
At the end of June 2024, the point-in-time requirement including the CBR was equivalent to DKK 259 billion, or 36.3% of the total REA adjusted for Realkredit Danmark. Taking the deduction of capital and debt buffer requirements for Realkredit Danmark into account, MREL-eligible liabilities amounted to DKK 307 billion. In addition, an MREL of 6% of the leverage ratio exposure (LRE) is in place. The LRE-based requirement equalled 22.4% 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 June 2024, the subordination requirement was equivalent to DKK 215 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 258 billion.

MREL requirement and eligible funds; H1 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 June 2024, the Group's leverage ratio was 4.9% 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.

Dividend for the first half-year of 2024

On the basis of our strong financial performance in the first half-year of 2024 and our strong capital position at the end of the period, the Board of Directors has approved an interim dividend of DKK 7.5 per share, corresponding to 56% of net profit for the period.

Released capital from Norwegian personal customer exit

During the fourth quarter of 2024, we intend to distribute the released capital from the exit of our Norwegian personal customer business as an extraordinary dividend payment once the sale to Nordea has closed. The released capital is expected to amount to approximately DKK 5.5 billion.

Distribution of remaining net profit for 2024

Finally, it is the intention of the Board of Directors to distribute the full remaining net profit for the full-year of 2024 in 2025. This is subject to our continued strong financial performance, relevant approvals, including from the Danish Financial Supervisory Authority, and our capital ratios remaining above our capital requirements.

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

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

At 30 June 2024, we had bought back around 10.7 million shares for a total purchase amount of DKK 2.2 billion (figures at trade date) of our planned DKK 5.5 billion share buy-back programme.

The Supervisory Diamond

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

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

Realkredit Danmark also complies with all threshold values.

New regulation

As part of the EU Banking Package 2021 and in order to implement Basel IV, the European Commission adopted proposals in October 2021. On 27 June 2023, the EU co-legislators reached a provisional political agreement on the proposals for implementing Basel IV. The new rules were adopted by the EU in June 2024 and published in the EU Official Journal. The CRR3 will apply from 1 January 2025 and onwards in accordance with earlier expectations.

On the basis of the Group's current and updated analysis of the CRR3, the Group's current capital planning takes into account the expected REA impact of the initial implementation in 2025. The Group has decided to frontload the majority of the anticipated CRR3 impact effective from the second quarter of 2024.

The fully phased-in rules are subject to a lengthy transition period and transitional arrangements. Taking into account the transitional arrangements with regard to the output floor, the Group currently expects the output floor to restrict the Group at the earliest in 2033 when the transitional arrangements are set to lapse.

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

Credit ratings

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

Environmental, Social and Governance (ESG) ratings

On 31 May 2024, Sustainalytics lowered its ESG Risk Rating on Danske Bank A/S to 'Low Risk' from 'Medium Risk', reflecting its revised criteria.

Danske Bank Group's credit ratings

	Fitch	Moody's	S&P	Scope
Counterparty rating	AA-	Aa3/P-1	AA-/A-1+	-
Deposits	AA-/F1+	A1/P-1/Stable	-	-
Preferred senior debt	AA-/F1+	A1/P-1/Stable	A+/A-1	A+/S-1+/Stable
Issuer rating	A+/F1/Stable	A1/P-1/Stable	A+/A-1/Stable	A+/S-1+/Stable
Non-preferred senior debt	A+	Baa1	BBB+	A/Stable
Tier 2	A-	-	BBB	BBB+/Stable
AT1	BBB	-	BB+	BBB-/Stable

Realkredit Danmark A/S's credit ratings

	Fitch	Moody's	S&P	Scope
Issuer rating	A+/F1/Stable			A+/S-1+/Stable

Danske Mortgage Bank plc's credit ratings

	Fitch	Moody's	S&P	Scope
Issuer rating				A+/Stable

Danske Bank's ESG ratings

	Score at 30 June 2024	Score at 31 March 2024
CDP Worldwide, UK	B	B
ISS ESG, USA	C+ Prime	C+ Prime
MSCI ESG Ratings, USA	BBB	BBB
Sustainalytics, USA	Low Risk	Medium Risk
Moody's ESG Solutions, USA	60	60

Personal Customers in Norway

Following the Forward '28 strategy announcement in June 2023, Danske Bank entered into an agreement to sell its personal customer business in Norway to Nordea. The sale of the personal customer business 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 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 June 2024, more than 85% 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.

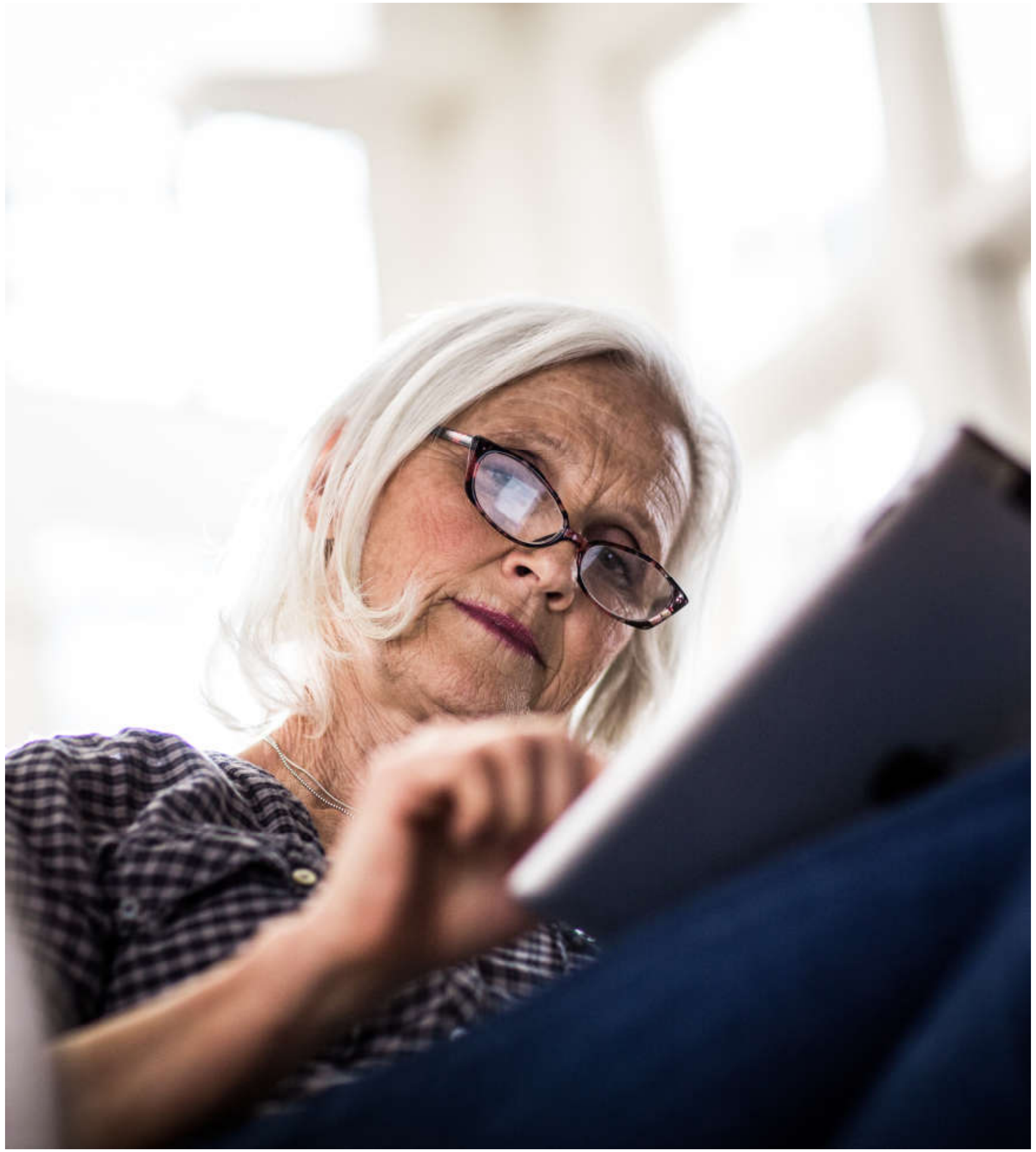
The work involved in paying compensation to the debt collection customers who may have been subject to overcollection began in 2023. Since Danske Bank initiated compensation pay-out in May 2023, the Bank has attempted to pay out compensation to approximately 85% of the customers in scope for the accelerated 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. The new debt collection system is live, and the first cases for collection were transferred to Lowell Danmark A/S in December 2023. Danske Bank has initially transferred the least complex debt collection cases to Lowell Danmark A/S for collection. The new IT system is continuously being enhanced and tested to gradually handle more complex case types. This work will be gradually progressing in 2024.

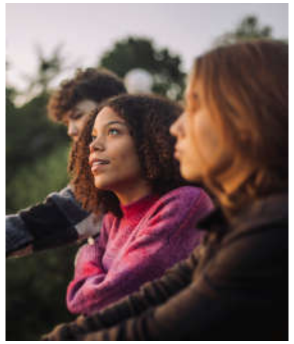
Danske Bank continues to have a dialogue with and report its progress in the debt collection case to the impartial reviewers appointed by the Danish FSA.

Independent expert

In 2021, the Danish FSA appointed an Independent Expert whose role, among other things, was to monitor and report on the progress with delivering on the Financial Crime Plan. The Danish FSA has now extended the appointment for an eighth period and has ordered Danske Bank to let one or more experts follow the Bank for a period of six months following the expiry of the current period for which experts were appointed. The purpose of the appointment is to follow whether the Bank complies with its obligations to the US Department of Justice (the DoJ) and with the Plea Agreement entered into by the Bank in December 2022 as part of the criminal proceedings in the Estonia case. Following this period, further reappointments of the Independent Expert may be expected.



Business units



Personal Customers

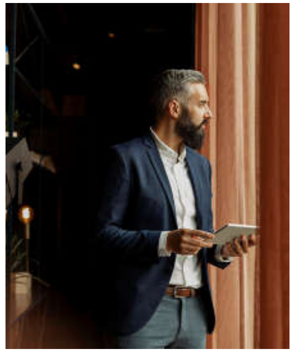
Our Personal Customers unit provides advisory services to personal customers and Private Banking customers in Denmark, Sweden, Norway and Finland. Our advisers and experts are there to help customers when and how it best suits the individual customer - at online meetings, via our websites or, if so required, 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 prudent low-cost growth opportunities in the rest of the UK.

Personal customers

During the first half of 2024, we continued to support our customers in managing their finances in a market environment characterised by rising equity prices and a stable interest rate level with only one rate cut across our markets at the end of the period. The general housing market has witnessed a consistently upward trend following a decline over year-end after a frontloading of trades in and around Copenhagen in late 2023 that was caused by the anticipated effect of new property tax regulation that took effect at the start of 2024.

Our Danske Bolig Fri home finance products continued to be in high demand throughout the first half of 2024. Additionally, we saw increased customer activity in the investment area that was driven by favourable financial markets, resulting in increased market shares for Danske Invest retail funds.

Profit before tax amounted to DKK 5,028 million in the first half of 2024, representing an increase of 39% from the year-earlier period. Adjusted for the one-off provision in 2023 of DKK 693 million that was recognised under other income in relation to the divestment of our personal customer business in Norway, the increase was 17%. The result was fuelled primarily by an increase in net fee income, particularly from everyday banking and investment fees, higher net interest income from deposits and a net loan impairment reversal. Moreover, we recorded an increase in fees due to a non-recurring discount related to a new vendor agreement, which had a retroactive effect.

Business initiatives

Throughout the first half of 2024, the economies in our core markets saw a steady development, characterised by stable inflation and central bank rates. The only exception was a rate cut of 0.25% in all markets at the end of the period. We remained committed to supporting our customers, delivering expert advice tailored to their individual financial situation.

In the investment area, customer activity stayed on an upward trajectory, fuelled by the positive financial markets and expectations of falling interest rates. Assets under management (AuM packaged products) have increased DKK 31.6 billion since the end of 2023,

Personal Customers (DKK millions)	First half 2024	First half 2023*	Index 24/23	Q2 2024	Q1 2024	Index Q2/Q1	Q2 2023*	Index 24/23	Full year 2023*
Net interest income	7,091	7,017	101	3,547	3,544	100	3,611	98	14,166
Net fee income	2,520	2,086	121	1,321	1,199	110	982	135	4,175
Net trading income	71	107	66	37	34	109	54	69	200
Other income	33	-650	-	18	15	120	-670	-	-608
Total income	**9,715**	**8,560**	**113**	**4,923**	**4,793**	**103**	**3,977**	**124**	**17,932**
Operating expenses	4,866	4,462	109	2,545	2,320	110	2,209	115	9,460
of which resolution fund, bank tax etc.	72	85	85	31	41	76	44	70	169
Profit before loan impairment charges	**4,850**	**4,098**	**118**	**2,377**	**2,472**	**96**	**1,768**	**134**	**8,473**
Loan impairment charges	-178	478	-	78	-256	-	66	118	312
Profit before tax	**5,028**	**3,620**	**139**	**2,299**	**2,729**	**84**	**1,702**	**135**	**8,160**
Loans, excluding reverse transactions before impairments	655,043	647,194	101	655,043	655,773	100	647,194	101	664,866
Allowance account, loans	4,348	4,579	95	4,348	4,228	103	4,579	95	4,435
Deposits, excluding repo deposits	391,010	380,565	103	391,010	376,656	104	380,565	103	377,419
Covered bonds issued	582,477	607,405	96	582,477	558,369	104	607,405	96	587,493
Allocated capital (average)	30,709	29,575	104	30,352	31,065	98	29,439	103	29,306
Net interest income as % p.a. of loans and deposits**	1.39	1.38		1.39	1.39		1.42		1.40
Profit before loan impairment charges as % p.a. of allocated capital	31.6	27.7		31.3	31.8		24.0		28.9
Profit before tax as % p.a. of allocated capital (avg.)	32.7	24.5		30.3	35.1		23.1		27.8
Cost/income ratio (%)	50.1	52.1		51.7	48.4		55.5		52.8
Full-time-equivalent staff	4,020	4,288	94	4,020	4,009	100	4,288	94	4,064

Fact Book Q2 2024 provides Financial highlights at customer type level for Personal Customers, Fact Book Q2 2024 is available at danskebank.com/ir.
* Comparative information has been restated as described in note G2(b)
** Net interest income as % p.a. of loans and deposits excludes loans and deposits included in the sale of the personal customer business in Norway.

with a net sales inflow of DKK 8.3 billion. As a result, we observed continued growth in the market share of Danske Invest retail funds in Denmark. This was accompanied by a positive customer inflow in Private Baking that was enabled in part by an expansion of front-line staff in Private Banking. In addition, we saw that our funds performed well relative to peers, further boosting AuM and investment fees. All else equal, this flow from deposits to AuM will shift income from net interest income to net fee income.

Following the implementation of new property tax regulation in Denmark on 1 January 2024, the housing market, particularly in and around Copenhagen, recovered from a year-end drop.

At the beginning of the year, we introduced new and more attractive interest rates on cooperative housing loans, which were named 'Best in test' by the Danish Consumer Council. Following the subdued activity in the housing market in Finland towards the end of 2023, we saw a pick-up in activity. Meanwhile, in Sweden, customer activity was high, with an increase in advisory meetings and a strong increase in mortgage loan applications.

We have narrowed and lowered the interest rate spread on the last 15% of the financing of home purchases in Denmark, which cannot be financed by a mortgage loan and is typically financed by a bank loan. This lower and narrower interest rate spread represents a significant step forward for homebuyers as it will facilitate easier access to the housing market for many and ensure much more competitive pricing in the future.

H1 2024 vs H1 2023

Profit before tax increased to DKK 5,028 million (H1 2023: DKK 3,620 million), up 17% after adjustment for the provision in 2023 related to the divestment of our personal customer business in Norway. The result was driven by higher net fee income, higher net interest income from deposits and a net loan impairment reversal.

Net interest income increased 1% to DKK 7,091 million (H1 2023: DKK 7,017 million). Excluding the personal customer business in Norway, the increase was 4%. The development was driven largely by our activities in Denmark and Finland, with the increase being due primarily to higher income from deposits on the back of higher market rates and repricing actions as well as product development initiatives. Lending margins were under pressure from the rise in market rates.

Fuelled by our savings products, total deposit volumes for Personal Customers increased 4% from the level at the end of 2023. The increase was driven by our Global Private Banking unit, which saw an increase of 12%, and Personal Customers Denmark and Finland, which both saw increases of 2%. The depreciation of the Swedish krona had a small negative effect.

Total bank lending volumes decreased 1%. Personal Customers Denmark saw a flat development, although with an underlying increase in volumes from bank home finance products, for example Danske Bolig Fri. In Personal Customers Sweden, the decrease was larger and was impacted by the depreciation of the Swedish krona, which had a negative effect of DKK 2 billion. The nominal mortgage lending volume in Denmark decreased 2%. Total lending across markets decreased 1% from the level at the end of 2023.

Net fee income increased to DKK 2,520 million (H1 2023: DKK 2,086 million), driven primarily by investment fees and everyday banking fees. Investment fees increased due to improved performance of our funds and a pick-up in activity as a result of the more favourable financial markets. Fee income from financing activity decreased due to lower customer activity in the first half of 2024 than in the year-earlier period when customer activity was very high due to high remortgaging activity that was triggered by the increase in market rates. In addition, we saw a non-recurring reduction in fee expenses of DKK 102 million.Net trading income was down to DKK 71 million (H1 2023: DKK 107 million) as a result of a decrease in loan termination activity.

Operating expenses rose to DKK 4,866 million (H1 2023: DKK 4,462 million). The rise was driven by digitisation investments made in accordance with our Forward '28 strategy and higher bonus payments.

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

Loan impairments amounted to a net reversal of DKK 178 million in the first half of 2024 (H1 2023: charges of DKK 478 million) when impairments were impacted by the worsened macroeconomic scenarios. Impairments for the first half of 2024 were positively impacted by 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 827 billion at the end of the second quarter of 2024, (H1 2023: DKK 844 billion) that was driven primarily by a decrease in exposure to personal customers in Norway.

Q2 2024 vs Q1 2024

Total income increased to DKK 4,923 million in the second quarter from DKK 4,793 million in the first quarter of 2024. Profit before tax decreased to DKK 2,299 million in the second quarter of 2024 (Q1 2024: DKK 2,729 million) due to higher operating expenses linked to Forward '28 strategy investments and increased net loan impairments following a reversal in the first quarter.

- Net interest income saw a flat development from the preceding quarter. Income from deposits decreased as a result of our customers switching to savings products, combined with a decrease in the funding value of deposits as rates decreased. The latter was partly countered by our interest rate hedging framework.
- Net fee income rose 10% from the preceding quarter, driven by an increase in customer investment activity, including an improved performance of funds. In addition, we saw a non-recurring decline in fee expenses of DKK 102 million.
- Operating expenses increased 10% due to higher expenses for digitisation investments made in accordance with our Forward '28 strategy in addition to an increase in the tax on labour costs.
- The second quarter of 2024 saw low loan impairment charges of DKK 78 million (Q1 2024: a net reversal of DKK 256 million). Reversals in the first quarter of 2024 were positively impacted by an improved macroeconomic outlook.

Profit before tax

DKK 2,299 million

for the second quarter of 2024

Business Customers

In the first half of 2024, we saw the economic landscape improve, due primarily to a stabilisation of interest rates followed by interest rate cuts by the central banks towards the end of the period. Although the effect of the rate cuts on customer activity levels remains to be seen, we continued to expand our customer base in our focus segments as well as to make strategic pricing adjustments, just as we supported our customers by providing the best possible advice tailored to their needs.

In the first half of 2024, profit before tax amounted to DKK 4,140 million, a decrease of 16% from the same period last year. Net fee income rose as a result of the continued migration of customers to our subscription-based fee service model as well as repricing actions. However, we saw higher loan impairment charges that were driven by a few cases in our leasing organisation as well as by allocation of post-model adjustments, which had an impact on our result.

Business initiatives

Following the rate cuts in the second quarter of 2024, we adjusted the pricing of variable-rate lending products, lowering rates in Sweden with effect from May and in Denmark with effect from July.

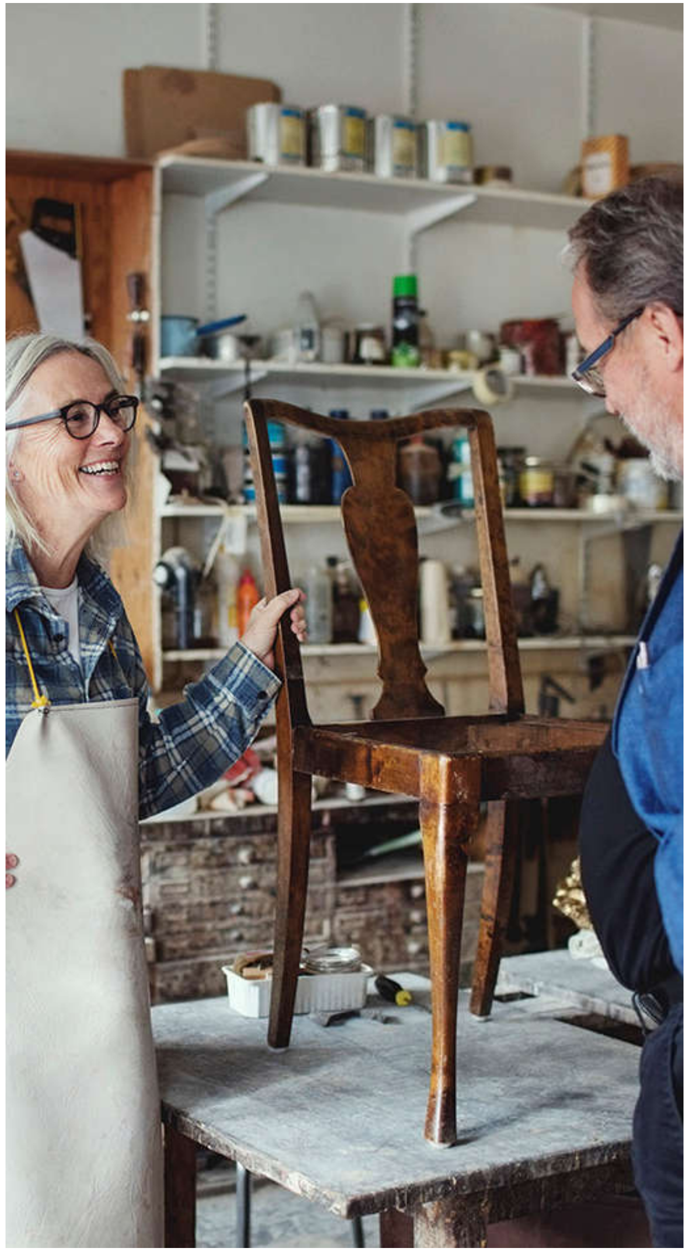
During the first half of 2024, we saw a net inflow of mid-corporate customers, and interactions with our existing customers remained strong. In Finland, we saw good commercial momentum and launched campaigns targeting housing companies, which resulted in growth in new business volume and in the number of new customers relative to the same period last year. The improved activity as well as repricing actions generated an increase in net fee income of 5%. The increase was driven primarily by everyday banking fees.

Sustainability continues to be an important agenda for our customers and for us. At the beginning of 2024, Danske Bank entered into a partnership agreement with EIVEE, a software firm that specialises in calculating businesses' carbon footprint. In the latter part of the first half of 2024, we entered into a new strategic collaboration with the EIF to support the growth of small and

Business Customers

(DKK millions)	First half 2024	First half 2023*	Index 24/23	Q2 2024	Q1 2024	Index Q2/Q1	Q2 2023*	Index 24/23	Full year 2023*
Net interest income	5,770	5,864	98	2,877	2,893	99	2,936	98	11,684
Net fee income	1,171	1,113	105	581	591	98	544	107	2,190
Net trading income	18	42	43	13	5	260	32	41	54
Other income	399	536	74	183	216	85	250	73	1,024
Total income	**7,359**	**7,555**	**97**	**3,654**	**3,705**	**99**	**3,763**	**97**	**14,952**
Operating expenses	2,628	2,455	107	1,353	1,275	106	1,209	112	5,255
of which resolution fund, bank tax etc.	112	127	88	51	62	82	65	78	255
Profit before loan impairment charges	**4,731**	**5,099**	**93**	**2,301**	**2,430**	**95**	**2,554**	**90**	**9,698**
Loan impairment charges	591	142	-	-118	709	-	-7	-	431
Profit before tax	**4,140**	**4,957**	**84**	**2,419**	**1,721**	**141**	**2,561**	**94**	**9,267**
Loans, excluding reverse transactions before impairments	655,140	633,909	103	655,140	647,543	101	633,909	103	654,246
Allowance account, loans	9,966	9,012	111	9,966	10,015	100	9,012	111	9,511
Deposits, excluding repo deposits	251,626	261,293	96	251,626	252,031	100	261,293	96	257,076
Covered bonds issued	373,981	352,061	106	373,981	370,959	101	352,061	106	371,605
Allocated capital (average)	42,013	39,457	106	42,156	41,871	101	39,525	107	39,644
Net interest income as % p.a. of loans and deposits	1.28	1.29		1.29	1.28		1.30		1.29
Profit before loan impairment charges as % p.a. of allocated capital	22.5	25.8		21.8	23.2		25.8		24.5
Profit before tax as % p.a. of allocated capital (avg.)	19.7	25.1		23.0	16.4		25.9		23.4
Cost/income ratio (%)	35.7	32.5		37.0	34.4		32.1		35.1
Full-time-equivalent staff	1,688	1,677	101	1,688	1,687	100	1,677	101	1,646

Fact Book Q2 2024 provides Financial highlights at customer type level for Business Customers. Fact Book Q2 2024 is available at danskebank.com/ir.
*Comparative information has been restated as described in note G2(b)



medium-sized businesses across the Nordic countries. In the initial phase, EIF loan guarantees are offered to our Finnish customers to support them in their sustainability transition.

At Business Customers, we increased our share of green lending by 1.7 percentage points relative to the level in the first half of 2023.

H1 2024 vs H1 2023

Profit before tax amounted to DKK 4,140 million (H1 2023: DKK 4,957 million), driven mainly by net fee income growth, although the increase was offset by increased operating expenses due to further digitisation investments and higher loan impairment charges that were driven by a few cases in our leasing organisation as well as allocation of post-model adjustments.

Net interest income decreased 2% as a result of a decrease in net interest income from lending due to lower bank lending volumes and narrowing lending margins resulting from the increase in market rates from the level in the first half of 2023. Deposit margins increased, although the positive effect was offset by a deliberate outflow of deposit volumes relative to end-June 2023 that was driven mainly by the public sector in Norway.

Net fee income increased to DKK 1,171 million (H1 2023: DKK 1,113 million). The increase was driven primarily by everyday banking fees due to repricing actions and the continued transfer of customers to our subscription fee service model.

Other income decreased to DKK 399 million (H1 2023: DKK 536 million). The decrease was the result of lower sales income from assets in our leasing company than in the first half of 2023 when sales were extraordinarily 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 2,628 million, an increase of 7% from the level in the same period last year. The increase was driven by digitisation investments made in accordance with our Forward '28 strategy combined with higher staff costs that were impacted by inflation.

Deposit volumes across Business Customers decreased 2% relative to the end of 2023. We saw an increase in Finland driven by public-sector customers. In Norway, we continued to deliberately bring down public sector deposits. Both the Swedish krona and the Norwegian krone depreciated further, with a total effect of DKK 1.7 billion since the end of 2023.

We saw an increase in bank lending volumes in local currency across our Nordic markets except for Denmark. The depreciation of the currencies in Norway and Sweden had an adverse effect of DKK 3.6 billion, leading to an overall flat development in bank lending. Mortgage volumes increased 1% relative to the level at the end of 2023, leading to an overall flat development in total lending volumes after fair value adjustments.

Overall credit quality remained strong. Increasing interest rates and inflation caused a negative rating trend for the year in 2023. However, during first half of 2024, the rating trend stabilised.

Loan impairments charges amounted to DKK 591 million in the first half of 2024, which was an increase compared to the level in the first half of 2023. Loan impairment charges for the first half of 2024 were driven by a few single cases in our leasing organisation and an increase in post-model adjustments.

Credit exposure

Net credit exposure from lending activities remained stable and amounted to DKK 744 billion at the end of June 2024 (end-2023: DKK 745 billion).

Q2 2024 vs Q1 2024

Profit before tax increased to DKK 2,419 million in the second quarter of 2024 (Q1 2024: DKK 1,721 million) due to loan impairment charges falling from the high level in the first quarter of 2024 that was driven by a few cases in our leasing organisation and post-model adjustments.

- Net interest income decreased 1% to DKK 2,877 million (Q1 2024: DKK 2,893 million). Net interest income from deposits decreased slightly due to lower volumes.
- Net fee income was on par with net fee income in the first quarter of 2024.
- Operating expenses increased 6%. The increase was driven by digitisation investments made in accordance with our Forward '28 strategy and increased tax on labour costs.
- Other income decreased, primarily as a result of the extraordinary booking of the sale of the Norwegian company Tyssekraft A/S, which generated a positive effect on other income of DKK 21 million in the first quarter of 2024.
- The second quarter of 2024 saw a net loan impairment reversal of DKK 118 million (Q1 2024: charges of DKK 709 million).

Profit before tax

DKK 2,419 million

for the second quarter of 2024

Large Corporates & Institutions

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

Profit before tax amounted to DKK 5,009 million, which was on par with the same period last year. Net fee income increased, with the effect being offset by lower net trading income.

Business initiatives

The first half of 2024 was characterised by increasing optimism in the capital markets as the economic outlook in the Nordic countries was more positive than expected. As a result, we saw a solid development in our capital markets business. Debt Capital Markets conditions were attractive, and we saw very strong activity in the second quarter of the year and remained the leading Nordic bank in both Nordic and European debt capital markets in terms of volumes supported. Among several highlights, we supported Statkraft in raising NOK 3.7 billion and KfW Development Bank in raising EUR 4 billion – both green bond issues.

Equity Capital Markets is in a transition phase, and while primary equity issues are still taking place, the first half of the year was characterised by relatively few IPOs in the Nordic countries. However, we are pleased to have supported Public Property Invest in their NOK 1.75 billion IPO. In M&A advisory, we saw rising deal appetite as financing markets were normalising, and we assisted the demerger of A.P. Møller Mærsk and separate listing of Svitzer in Denmark.

Large Corporates & Institutions (DKK millions)	First half 2024	First half 2023*	Index 24/23	Q2 2024	Q1 2024	Index Q2/Q1	Q2 2023*	Index 24/23	Full year 2023*
Net interest income	3,496	3,414	102	1,766	1,729	102	1,740	101	6,935
Net fee income	3,266	2,935	111	1,745	1,521	115	1,430	122	6,312
Net trading income	1,286	1,668	77	472	814	58	614	77	2,515
Other income	1	12	8	1	-	-	6	17	15
Total income	**8,048**	**8,028**	**100**	**3,984**	**4,064**	**98**	**3,790**	**105**	**15,777**
Operating expenses	3,552	3,543	100	1,794	1,758	102	1,791	100	7,397
of which resolution fund, bank tax etc.	235	246	96	109	125	87	122	89	492
Profit before loan impairment charges	**4,496**	**4,485**	**100**	**2,190**	**2,306**	**95**	**1,999**	**110**	**8,380**
Loan impairment charges	-513	-522	98	-137	-376	36	-130	105	-367
Profit before tax	**5,009**	**5,006**	**100**	**2,327**	**2,682**	**87**	**2,129**	**109**	**8,747**
Loans, excluding reverse trans. before impairments	296,000	311,833	95	296,000	286,309	103	311,833	95	308,617
of which loans in General Banking	269,744	279,489	97	269,744	261,716	103	279,489	97	262,741
Allowance account, loans (incl. credit institutions)	1,458	1,898	77	1,458	1,638	89	1,898	77	1,665
Deposits, excluding repo deposits	328,530	325,772	101	328,530	328,007	100	325,772	101	382,596
of which deposits in General Banking	276,647	270,837	102	276,647	276,306	100	270,837	102	326,147
Covered bonds issued	28,067	29,287	96	28,067	28,043	100	29,287	96	28,580
Allocated capital (average)	40,505	40,167	101	40,422	40,589	100	40,449	100	40,270
Net interest income as % p.a. of loans and deposits	1.12	1.02		1.14	1.09		1.06		1.06
Profit before loan impairment charges as % p.a. of allocated capital	22.2	22.3		21.7	22.7		19.8		20.8
Profit before tax as % p.a. of allocated capital (avg.)	24.7	24.9		23.0	26.4		21.1		21.7
Cost/income ratio (%)	44.1	44.1		45.0	43.3		47.3		46.9
Full-time-equivalent staff	2,105	2,103	100	2,105	2,082	101	2,103	100	2,085

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

We are proud to have maintained our position as the leading Nordic arranger for both sustainable bonds and sustainability-linked loans in the Bloomberg league tables. Furthermore, in June, we became the first arranger globally to reach 100 green bonds arranged in 2024. We are pleased to continue to support a diverse issuer base in reaching their financing and sustainability goals, ranging from Arwidsro's SEK 300 million green bond issue to the sovereign Germany's EUR 3 billion green bond issue. Moreover, we remain one of the most active framework structuring advisers.

Though the volume of sustainability-linked loans was muted in the first half of the year, we took part in important transactions for customers such as Visma and Höegh Autoliners in Norway, Bavarian Nordic in Denmark and Vaisala and Terrafame in Finland. We continue to receive positive feedback from customers on our stricter internal standards for sustainability-linked loans.

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

H1 2024 vs H1 2023

Profit before tax remained stable at DKK 5,009 million (H1 2023: DKK 5,006 million) as the effect of higher net fee income was offset by lower net trading income.

Net interest income increased to DKK 3,496 million (H1 2023: DKK 3,414 million) as a result of higher deposit margins and other interest items, although the effect was partly offset by lower lending and deposit volumes. Lending volumes in General Banking increased 3% from the end of 2023 driven by corporate customers in Sweden and Denmark. Deposit volumes decreased 14% 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 half of 2024.

Net fee income increased to DKK 3,266 million (H1 2023: DKK 2,935 million), as we saw widespread increasing fees from assets under management, everyday banking and capital markets advisory services.

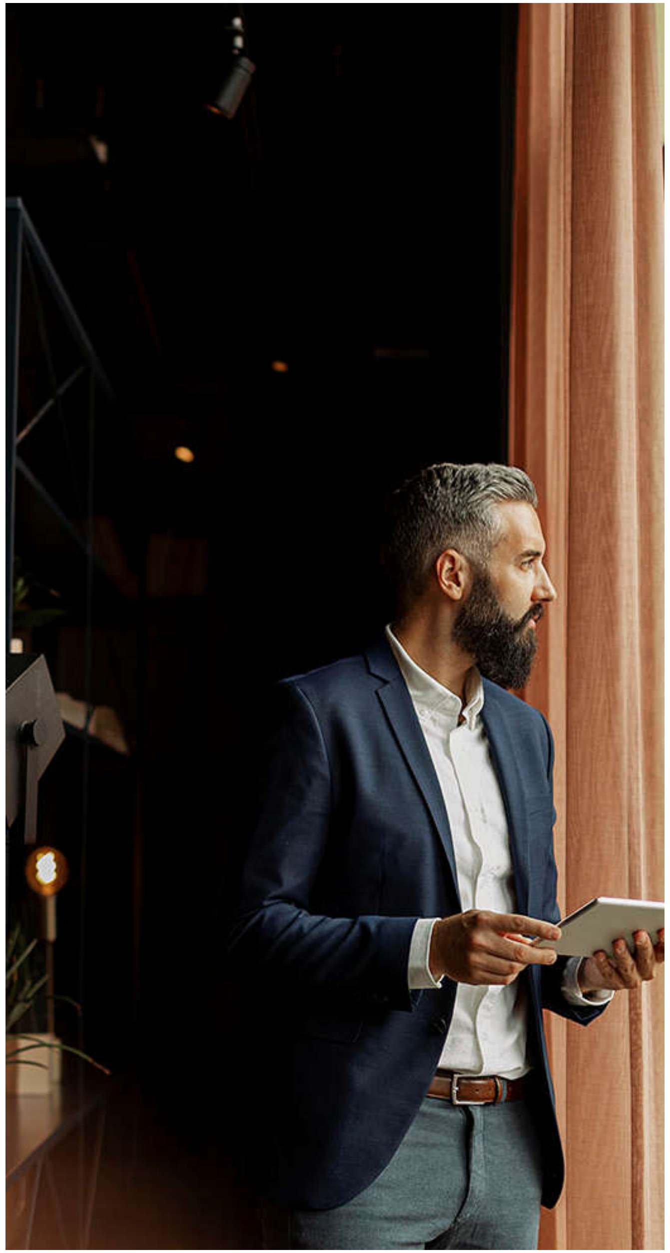
Total income

(DKK millions)	First half 2024	First half 2023*	Index 24/23	Q2 2024	Q1 2024	Index Q2/Q1	Q2 2023*	Index 24/23	Full year 2023*
General Banking	4,249	4,154	102	2,139	2,110	101	2,099	102	8,378
Markets	2,317	2,715	85	998	1,319	76	1,105	90	4,628
of which xVA**	46	-39	-	25	20	125	-1	-	21
Asset Management	1,130	998	113	603	527	114	510	118	2,334
of which performance fees	50	13	-	39	10	-	2	-	302
Investment Banking	352	160	220	244	108	226	77	-	437
Total income	**8,048**	**8,028**	**100**	**3,984**	**4,064**	**98**	**3,790**	**105**	**15,777**

Assets under management

(DKK millions)	First half 2024	First half 2023*	Index 24/23	Q2 2024	Q1 2024	Index Q2/Q1	Q2 2023*	Index 24/23	Full year 2023*
Institutional clients	484,181	382,518	127	484,181	470,681	103	382,518	127	442,473
Retail clients	355,771	312,695	114	355,771	345,355	103	312,695	114	328,584
Total assets under management* **	**839,952**	**695,213**	**121**	**839,952**	**816,036**	**103**	**695,213**	**121**	**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 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.
*** Includes assets under management from Group entities.



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

Net trading income decreased to DKK 1,286 million (H1 2023: DKK 1,668 million) from the extraordinarily strong level in the first half of 2023, with the decrease also due to relatively lower secondary customer activity.

Operating expenses increased slightly and amounted to DKK 3,552 million (H1 2023: DKK 3,543 million) as a result of higher digitisation investments.

Overall, credit quality remained strong in the first half of 2024 and has proven resilient in the face of external economic uncertainty. Loan impairments in the first half amounted to a net reversal of DKK 513 million (H1 2023: net reversal of DKK 522 million). Reversals continue to be driven by successful restructuring activities.

Credit exposure

Net credit exposure from lending activities amounted to DKK 653 billion at the end of the second quarter of 2024 (end-2023: DKK 633 billion). The increase was driven primarily by an increase in exposure to the Consumer Goods segment, with the effect being partially countered by a decrease in exposure to the Utilities and Infrastructure segment.

Q2 2024 vs Q1 2024

Profit before tax decreased to DKK 2,327 million (Q1 2024: DKK 2,682 million) due primarily to lower net trading income and loan impairment reversals, although the effect was partly offset by higher net fee income.

- Net interest income increased to DKK 1,766 million (Q1 2024: DKK 1,729 million) as a result of an increase in lending volumes.
- Net fee income increased and stood at DKK 1,745 million (Q1 2024: DKK 1,521 million), mainly as a result of higher capital markets fees and fees from assets under management.
- Net trading income decreased to DKK 472 million (Q1 2024: DKK 814 million) due primarily to seasonality and lower customer activity.
- Operating expenses increased to DKK 1,794 million (Q1 2024: DKK 1,758 million), with the increase caused primarily by higher digitisation investments.
- Loan impairment charges amounted to a net reversal of DKK 137 million (Q1 2024: reversal of DKK 376 million). Reversals were driven by continued successful restructuring.

Profit before tax

DKK 2,327 million

for the second quarter of 2024

Danica Pension

The global financial markets continued the strong momentum in the first half of 2024 on the back of the prospect of lower interest rates and the fact that across several sectors, companies continue to record solid profit levels.

The investment return on our pension customers' savings in the first half of the year followed the upward trend from the last 12 months and was driven by a strong performance in the investment portfolio, especially in equities. However, we continued to see people suffering from physical or mental health problems, which had a negative effect on the insurance result for the health and accident business in the first half of 2024.

Net income at Danica Pension increased to DKK 949 million in the first half of 2024, up 38% from the first half of 2023 due mainly to an increase in the net financial result.

Business initiatives

Significant reduction in investment costs

A substantial upside has been gained from insourcing externally managed investment mandates. This upside relates both to investment performance and cost level. Accordingly, the investment setup has been restructured, and a number of investments are now handled internally instead. This restructuring has resulted in a significant decrease in investment costs, which will benefit our customers as we expect to be able to deliver the same strong performance with a lower barrier for creating high returns for our customers.

Increase in customer satisfaction

According to various internal and external surveys, customer satisfaction at Danica Pension continues to increase. Customer satisfaction is monitored on an ongoing basis by the Aalund analytics firm, and Danica Pension is now ranked number one for personal customers and for business customers with more than 50 employees.

The increase in customer satisfaction reflects a series of concrete measures taken by Danica Pension over the past year to enhance

Danica Pension (DKK millions)	First half 2024	First half 2023	Index 24/23	Q2 2024	Q1 2024	Index Q2/Q1	Q2 2023	Index 24/23	Full year 2023
Insurance service result	461	435	106	271	189	143	234	116	779
Net financial result	421	242	174	179	242	74	-47	-	615
Other income	66	13	-	6	60	10	5	120	78
Net income before tax in Danica Pension	**949**	**689**	**138**	**457**	**492**	**93**	**192**	**238**	**1,472**
Insurance liabilities	520,986	500,555	104	520,986	513,309	101	500,555	104	493,544
Liabilities under investment contracts	25,608	20,850	123	25,608	24,603	104	20,850	123	23,113
Allocated capital (average)	**20,031**	**19,552**	**102**	**19,854**	**20,209**	**98**	**19,586**	**101**	**19,738**
Net income as % p.a. of allocated capital	9.5	7.0		9.2	9.7		3.9		7.5
Solvency coverage ratio	217	191		217	175		191		170
Full-time-equivalent staff	912	898		912	911		898		912

Asset under management (DKK millions)	First half 2024	First half 2023	Index 24/23	Q2 2024	Q1 2024	Index Q2/Q1	Q2 2023	Index 24/23	Full year 2023
Insurance	**466,778**	**418,185**	**112**	**466,778**	**460,549**	**101**	**418,185**	**112**	**440,319**

accessibility for customers through both physical meetings at selected businesses and most significantly through digital meetings and via Danica Pension's advisory centre. These measures have resulted in shorter response times for customer enquiries and a more effective approach to customer meetings.

Improved customer experience via digital development

The first half of 2024 brought digital improvements. A previously manual process for resolving customer claims was replaced by a digital process, enabling faster responses to enquiries about the eligibility of claims and our handling. The aim is for as many customers as possible to get an answer within 24 hours, which will drastically reduce waiting times and significantly increase the possibility of providing fast and correct treatment.

Moreover, it has become easier for new customers to perform the initial analysis of their pension needs, as the 'PensionsStart' onboarding tool has been integrated directly into Danica Pension's popular Mobilpension app. This development is an example of Danica Pension's 'mobile first' strategy, in which we meet our customers' expectations of being able easily to solve queries related to their pension savings on their smartphones.

Significant increase in Danica Pension's solvency ratio

Danica Pension's solvency coverage ratio increased from 170% at 31 December 2023 to 217% at 30 June 2024, reflecting the very strong financial foundation of the business. The higher solvency coverage ratio resulted primarily from an adjustment of the method of determining how the loss-absorbing capacity of deferred taxes is to be recognised in the solvency capital requirement.

H1 2024 vs H1 2023

Net income at Danica Pension amounted to DKK 949 million (H1 2023: DKK 689 million). The increase was due mainly to an increase in the net financial result. Other income in the first half of 2024 included a reversal of provisions of DKK 50 million related to the sale of Danica Norway in 2022.

The insurance service result increased to DKK 461 million (H1 2023: DKK 435 million) even though Danica Pension continued to see a rise in new health and accident claims, which reflects the general trend in society. The increase was due to the rise in assets under management improving the life insurance service result and more than offsetting the effect of the increase in health and accident claims.

The net financial result increased to DKK 421 million (H1 2023: DKK 242 million) due to the positive developments in the financial markets, which lifted both the investment results on insurance products where Danica Pension has the investment risk and the investment result attributable to shareholders' equity.

Assets under management increased DKK 49 billion following the positive developments in the financial markets in 2023 and the first half of 2024.

Premiums increased 8% from the same period in 2023 following an increase in both single and regular premiums.

Q2 2024 vs Q1 2024

Net income at Danica Pension decreased to DKK 457 million (Q1 2024: DKK 492 million). The net financial result decreased mainly because of developments in the financial markets being less positive than in the first quarter of 2024.

- The insurance service result increased by DKK 82 million, which was due mainly to an improved result in the health and accident business from the level in the first quarter of 2024.
- The net financial result decreased in the second quarter of 2024 and amounted to DKK 179 million (Q1 2024: DKK 242 million) due to a less positive development in the investment results on insurance products where Danica Pension has the investment risk and a decrease in the investment result attributable to shareholders' equity.
- Total premiums increased 4% following an increase in single premiums. The first quarter included yearly regular premiums from group life insurance products.
- Assets under management increased DKK 6 billion due primarily to the positive developments in the financial markets in the second quarter of 2024.

Net income in Danica Pension

DKK 457 million

for the second 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 16% higher than in the first half of 2023, while profit before tax of DKK 938 million reflected a broadly unchanged level year-on-year.

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.

Acquisition of new personal and small business customers has increased approximately 80% and 70% respectively, year-on-year, supported by successful customer bank switching campaigns.

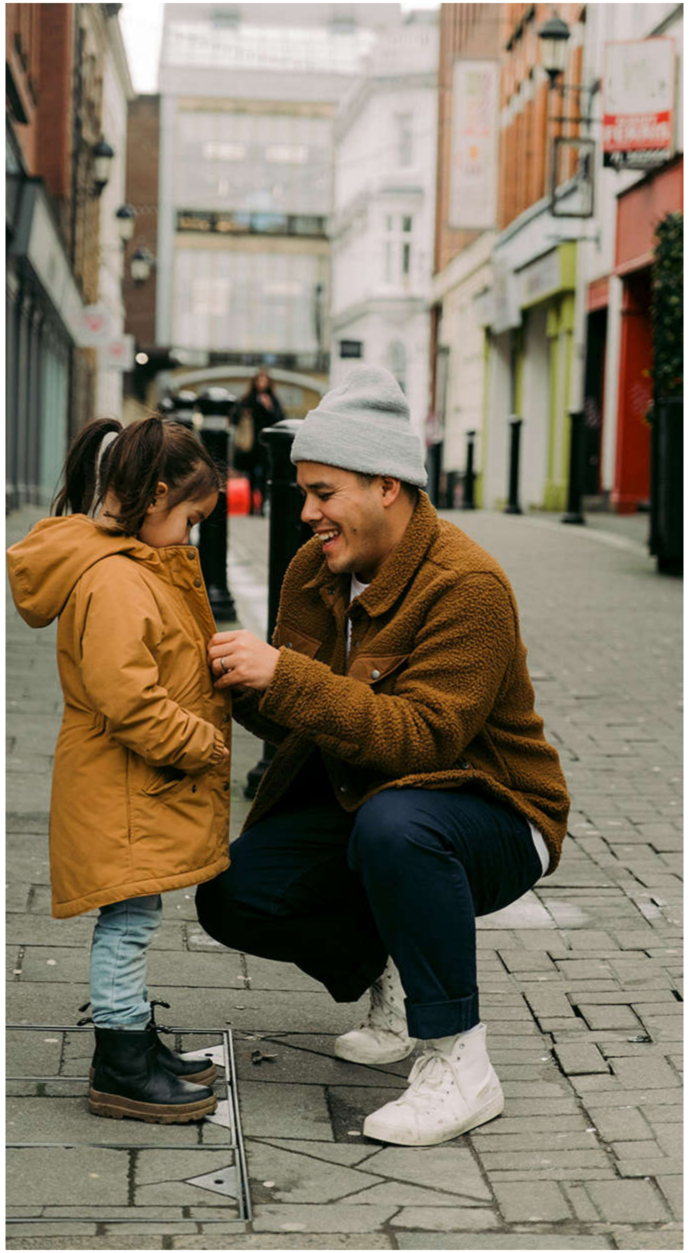
Residential mortgage volumes continued to grow in the first half of 2024 and are much improved year-on-year, supporting continued growth in lending (up 7% in local currency). We expect demand to remain resilient moving forward.

The Bank of England (BoE) has introduced a levy on all UK banks, effective from 1 March 2024. This has resulted in additional operating expenses of DKK 5 million in the first half-year, albeit profit neutral in the current year given an offsetting income benefit from broader BoE funding model changes.

We continue to support Northern Ireland society through our wide-ranging community initiatives. This includes our financial education programme, Money Smart, where colleagues teach children and young people about money and budgeting through

Northern Ireland (DKK millions)	First half 2024	First half 2023	Index 24/23	Q2 2024	Q1 2024	Index Q2/Q1	Q2 2023	Index 24/23	Full year 2023
Net interest income	1,443	1,236	117	734	710	103	637	115	2,549
Net fee income	155	168	92	80	75	107	85	94	319
Net trading income	79	53	149	37	42	88	-61	-	288
Other income	5	10	50	2	3	67	5	40	15
Total income	1,683	1,466	115	853	830	103	665	128	3,171
Operating expenses	743	657	113	394	349	113	338	117	1,368
Profit before loan impairment charges	941	809	116	459	481	95	327	140	1,804
Loan impairment charges	3	-131	-	-21	25	-	-108	19	-113
Profit before tax	**938**	**941**	**100**	**481**	**457**	**105**	**435**	**111**	**1,917**
Loans, excluding reverse transactions before impairments	63,100	57,064	111	63,100	59,850	105	57,064	111	58,600
Allowance account, loans	795	742	107	795	805	99	742	107	755
Deposits, excluding repo deposits	103,458	98,700	105	103,458	97,559	106	98,700	105	97,396
Allocated capital (average)*	6,224	6,105	102	6,289	6,159	102	6,376	99	6,750
Net interest income as % p.a. of loans and deposits	1.74	1.59		1.74	1.75		1.61		1.61
Profit before tax as % p.a. of allocated capital (avg.)	30.1	30.8		30.6	29.7		27.3		28.4
Cost/income ratio (%)	44.1	44.8		46.2	42.0		50.8		43.1
Full-time-equivalent staff	1,240	1,285	96	1,240	1,253	99	1,285	96	1,267

*Allocated capital equals the legal entity's capital.



face-to-face sessions at school. This was rolled out to 7,000 pupils across Northern Ireland in the first half of the year.

H1 2024 vs H1 2023

Profit before tax remained broadly unchanged at DKK 938 million (H1 2023: DKK 941 million), with a strong net interest income performance.

Net interest income increased to DKK 1,443 million (H1 2023: DKK 1,236 million), driven by growth in lending and deposits and actions taken in response to higher UK interest rates.

Net fee income decreased to DKK 155 million (H1 2023: DKK 168 million), due primarily to the sale of our offsite ATM network in the first half-year of 2023, with underlying activity and related fees remaining robust.

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

Operating expenses stood at DKK 743 million (H1 2023: DKK 657 million). The increase includes regulatory costs, including the new BoE levy, higher fraud-related costs and inflationary pressure on locally incurred costs. 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 net loan impairment charge of DKK 3 million overall at the end of the first half of 2024, against a net reversal in the first half of 2023.

Q2 2024 vs Q1 2024

The second quarter of 2024 saw a profit before tax of DKK 481 million (Q1 2024: DKK 457 million).

- Net interest income increased to DKK 734 million (Q1 2024: DKK 710 million), reflecting balance sheet growth and higher UK interest rates.
- Net fee income increased to DKK 80 million (Q1 2024: DKK 75 million), reflecting both strong underlying activity levels and seasonal trends.
- Net trading income amounted to DKK 37 million (Q1 2024: DKK 42 million), reflecting a combination of bonds sales to support interest rate risk management and mark-to-market movements on the hedging portfolio.
- Operating expenses increased to DKK 394 million (Q1 2024: DKK 349 million), including an annual salary uplift in the second quarter, higher regulatory costs and increased Group charges. There is a continued cost and efficiency focus, although inflationary pressure remains.
- Loan impairment charges saw a net reversal in the second quarter, and we continue to have a strong focus on credit quality.

Profit before tax

DKK 481 million

for the second 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 half of 2024, the loss before tax was reduced and amounted to DKK 771 million, against a loss of DKK 2,242 million in the first half of 2023. The improvement was driven by an increase in net interest income to DKK 487 million (H1 2023: net expense of DKK 995 million) that related primarily to higher interest income at Group Treasury's Internal Bank, including interest on shareholders' equity.

Business initiatives

Group Functions supports 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.

Group Functions (DKK millions)	First half 2024	First half 2023*	Index 24/23	Q2 2024*	Q1 2024	Index Q2/Q1*	Q2 2023	Index 4/23	Full year 2023
Net interest income	487	-995	-	222	265	84	-411	-	-362
Net fee income	-38	-31	123	-28	-10	280	-24	117	-92
Net trading income	-77	369	-	49	-126	-	268	18	-444
Other income	-115	-54	213	-57	-58	98	-28	204	15
Total income	257	-711	-	185	72	257	-195	-	-884
Operating expenses	1,030	1,526	67	395	635	62	803	49	1,998
of which resolution fund, bank tax etc.	36	38	95	18	18	100	12	150	72
Profit before loan impairment charges	-773	-2,237	35	-210	-563	37	-998	21	-2,882
Loan impairment charges	-2	5	-	-2	-	-	4	-	-1
Profit before tax	**-771**	**-2,242**	**34**	**-208**	**-564**	**37**	**-1,002**	**21**	**-2,881**
Full-time-equivalent staff	10,115	11,089	91	10,115	10,152	100	11,089	91	10,046

Profit before tax (DKK millions)									
Group Treasury	675	-563	-	411	264	156	22	-	-752
Own shares and issues	-156	1	-	-25	-131	19	-97	26	23
Additional tier 1 capital	-1	-1	100	-1	-	-	-1	100	-
Group support functions	-1,355	-1,654	82	-585	-769	76	-930	63	-2,065
Non-core	65	-25	-	-7	72	-	5	-	-87
Total Group Functions	**-771**	**-2,242**	**34**	**-208**	**-564**	**37**	**-1,002**	**21**	**-2,881**

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

H1 2024 vs H1 2023

Group Functions posted a loss before tax of DKK 771 million (H1 2023: loss of DKK 2,242 million).

Net interest income increased to DKK 487 million (H1 2023: net expense of DKK 995 million). The increase was due primarily to higher interest on shareholders' equity and higher income from Internal Bank allocation to business units, with the latter increase reflecting, among other things, 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 negative DKK 77 million (H1 2023: an income of DKK 369 million) due primarily to negative unrealised market value adjustments in Group Treasury of cross-currency swaps expected to be held to maturity. The first half of 2023 was affected by a one-off gain of DKK 327 million related to the sale of shares taken over in connection with a loan.

Operating expenses decreased, due mainly to increased allocation to the business units, and amounted to DKK 1,030 million (H1 2023: DKK 1,526 million).

Loan impairment charges amounted to a net reversal of DKK 2 million (H1 2023: DKK 5 million).

The number of full-time-equivalent staff decreased to 10,115 (end-H1 2023: 11,089), mainly because of the sale of Danske IT in India to Infosys during the third quarter of 2023.

Q2 2024 vs Q1 2024

Group Functions posted a loss before tax of DKK 208 million (Q1 2024: loss of DKK 564 million).

- Net interest income decreased to DKK 222 million (Q1 2024: DKK 265 million). The decrease was related to Non-core activities. Group Treasury interest rate risk management income increased, which was only partly offset by a reduction in income from Internal Bank allocations.
- Net trading income increased to a profit of DKK 49 million (Q1 2024: loss of DKK 126 million). The increase was among other things due to unrealised positive market value adjustments in Group Treasury of cross-currency swaps.
- Operating expenses decreased due to increased allocation to the business units and amounted to DKK 395 million (Q1 2024: DKK 635 million).
- Loan impairment charges amounted to a net reversal of DKK 2 million (Q1 2024: DKK 0 million).

Profit before tax

DKK -208 million

for the second 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, 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 a decrease in the average of the quarterly average equity of DKK 1,740 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 1.34% (2023: 1.26%) due to the daily average of the sum of loans and deposits being DKK 10.9 billion lower (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 and impairment charges on goodwill divided by total income.
Book value per share	Shareholders' equity divided by the number of shares outstanding at the end of the period.
Loan impairment charges as % of net credit exposure	This ratio is calculated on the basis of loan impairment charges and loans and guarantees. The numerator is the loan impairment charges of DKK -99 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), Loans held for sale of DKK 110.4 billion (2023: DKK 0 billion) and guarantees of DKK 75.9 billion (2023: DKK 81.4 billion) at the beginning of the year, as disclosed in the column "Lending activities" in the "Breakdown of credit exposure" table in the notes to the financial statements. The ratio is calculated for each business unit.
Allowance account as % of net credit exposure	This ratio is calculated on the basis of the allowance account and loans and guarantees. The numerator is the allowance account of DKK 20.5 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 910.2 billion (2023: DKK 918.6 billion), Loans at fair value of DKK 744.0 billion (2023: DKK 753.3 billion), Loans held for sale of DKK 91.0 billion (2023: DKK 110.4 billion) and guarantees of DKK 80.0 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 - Danske Bank Group

Notes to the financial statements

Financial statements – Danske Bank A/S

Income statement – Danske Bank Group

Note	(DKK millions)	First half 2024	First half 2023*	Q2 2024	Q2 2023*	Full year 2023*
	Interest income calculated using the effective interest method	33,417	27,611	16,575	14,582	60,842
	Other interest income	11,189	6,335	4,831	2,930	15,232
	Interest expense	26,319	17,411	12,261	8,997	41,102
	Net interest income from banking activities	**18,287**	**16,535**	**9,145**	**8,514**	**34,972**
G4	Fee income	9,251	8,186	4,735	4,120	17,108
G4	Fee expenses	2,177	1,917	1,037	1,103	4,203
	Net fee income	**7,074**	**6,270**	**3,698**	**3,017**	**12,904**
	Net trading income or loss	**1,377**	**2,238**	**608**	**906**	**2,613**
	Insurance revenue	3,003	2,763	1,496	1,494	5,735
	Insurance service expenses	2,516	2,298	1,211	1,241	5,094
	Net return on investments backing insurance liabilities	24,211	13,026	4,584	5,155	35,228
	Net finance income or expense from insurance	-23,789	-12,784	-4,405	-5,203	-34,613
	Other insurance related income	40	-18	-7	-13	216
	Net insurance result	**949**	**689**	**457**	**192**	**1,472**
G4	Gain or loss on sale of disposal groups	16	-693	-4	-693	-555
G4	Other income	308	548	152	256	1,015
	Total other income	**324**	**-145**	**147**	**-438**	**460**
	Total income	**28,011**	**25,586**	**14,055**	**12,192**	**52,422**
	Operating expenses	12,818	12,642	6,481	6,350	25,478
	Profit before loan impairment charges	**15,193**	**12,944**	**7,574**	**5,842**	**26,944**
G5	Loan impairment charges	-99	-28	-200	-175	262
	Profit before tax	**15,292**	**12,972**	**7,774**	**6,018**	**26,682**
	Tax	3,824	2,794	1,936	1,007	5,420
	Net profit	**11,468**	**10,178**	**5,839**	**5,011**	**21,262**
	Earnings per share (DKK)	13.4	11.9	6.8	5.8	24.8
	Diluted earnings per share (DKK)	13.4	11.8	6.8	5.8	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

Note	(DKK millions)	First half 2024	First half 2023	Q2 2024	Q2 2023	Full year 2023
	Net profit	11,468	10,178	5,839	5,011	21,262
	Other comprehensive income					
	Items that will not be reclassified to profit or loss					
	Remeasurement of defined benefit pension plans	42	-115	10	-131	-1,220
	Tax*	3	-16	-2	-36	-301
	Items that will not be reclassified to profit or loss	**39**	**-99**	**12**	**-96**	**-919**
	Items that are or may be reclassified subsequently to profit or loss					
	Translation of units outside Denmark	-813	-4,533	967	-2,159	-1,404
G10	Hedging of units outside Denmark	315	2,260	-606	1,097	589
	Reclassification to the income statement on disposal of units outside Denmark**	-	-	-	-	806
	Unrealised value adjustments of bonds at fair value (OCI)	-227	-60	-50	-184	1,114
	Realised value adjustments of bonds at fair value (OCI)	40	-14	27	-15	106
	Tax*	-185	-539	52	-295	306
	Items that are or may be reclassified subsequently to profit or loss	**-500**	**-1,808**	**287**	**-966**	**905**
	Total other comprehensive income	**-461**	**-1,906**	**299**	**-1,062**	**-14**
	Total comprehensive income	**11,008**	**8,271**	**6,137**	**3,949**	**21,248**

* A positive amount is a tax expense, and a negative amount is a tax income
** Reclassification to the income statement on disposal of units outside Denmark in full year 2023 includes a reduction in the structural FX hedge.

Balance sheet – Danske Bank Group

Note	(DKK millions)	30 June 2024	31 December 2023	30 June 2023
	Assets			
	Cash in hand and demand deposits with central banks	208,002	259,156	231,516
	Due from credit institutions and central banks	154,500	114,813	105,155
	Trading portfolio assets	497,400	548,189	559,305
	Investment securities	273,642	283,914	288,277
	Loans at amortised cost	910,167	918,628	910,422
	Loans at fair value	980,308	928,239	903,801
	Assets under pooled schemes and investment contracts	74,462	70,900	67,820
G6	Insurance assets	522,846	496,031	502,546
G8	Assets held for sale	91,197	110,704	120,665
	Intangible assets	6,083	6,064	6,093
	Tax assets	11,504	3,264	3,904
G9	Other assets	33,647	31,079	32,104
	Total assets	**3,763,759**	**3,770,981**	**3,731,608**

Note	(DKK millions)	30 June 2024	31 December 2023	30 June 2023
	Liabilities			
	Due to credit institutions and central banks	202,589	154,608	186,661
	Trading portfolio liabilities	372,509	454,487	480,024
	Deposits	1,179,837	1,222,203	1,184,882
G7	Issued bonds at fair value	733,160	748,780	722,204
G7	Issued bonds at amortised cost	259,837	214,234	205,314
	Deposits under pooled schemes and investment contracts	75,439	71,253	68,428
G6	Insurance liabilities	506,832	482,630	486,606
G8	Liabilities in disposal groups held for sale	55,383	56,476	32,949
	Tax liabilities	1,707	1,557	2,074
G9	Other liabilities	67,056	57,046	62,369
G7	Non-preferred senior bonds	94,300	93,194	93,113
G7	Subordinated debt	37,052	38,774	38,338
	Total liabilities	**3,585,704**	**3,595,242**	**3,562,960**
	Equity			
	Share capital	8,622	8,622	8,622
G10	Foreign currency translation reserve	-3,136	-2,639	-4,903
	Reserve for bonds at fair value (OCI)	-494	-306	-1,600
	Retained earnings	173,063	163,596	166,529
	Proposed dividends	-	6,466	-
	Total equity	**178,055**	**175,739**	**168,648**
	Total liabilities and equity	**3,763,759**	**3,770,981**	**3,731,608**

Statement of capital – Danske Bank Group

Changes in equity

(DKK millions)	Share capital	Foreign currency translation reserve	Reserve for bonds at fair value (OCI)	Retained earnings	Proposed dividends	Total
Total equity as at 1 January 2024	8,622	-2,639	-306	163,596	6,466	175,739
Net profit	-	-	-	11,468	-	11,468
Other comprehensive income						
Remeasurement of defined benefit pension plans	-	-	-	42	-	42
Translation of units outside Denmark	-	-813	-	-	-	-813
Hedging of units outside Denmark	-	315	-	-	-	315
Unrealised value adjustments	-	-	-227	-	-	-227
Realised value adjustments	-	-	40	-	-	40
Tax	-	-	-	182	-	182
Total other comprehensive income	-	-497	-188	225	-	-461
Total comprehensive income	-	-497	-188	11,693	-	11,008
Transactions with owners						
Dividends paid	-	-	-	39	-6,466	-6,427
Acquisition of own shares	-	-	-	-16,802	-	-16,802
Sale of own shares	-	-	-	14,537	-	14,537
Total equity as at 30 June 2024	8,622	-3,136	-494	173,063	-	178,055

(DKK millions)	Share capital	Foreign currency translation reserve	Reserve for bonds at fair value (OCI)	Retained earnings	Proposed dividends	Total
Total equity as at 1 January 2023	8,622	-2,630	-1,526	155,852	-	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	-	-	-	10,178	-	10,178
Other comprehensive income						
Remeasurement of defined benefit pension plans	-	-	-	-115	-	-115
Translation of units outside Denmark	-	-4,533	-	-	-	-4,533
Hedging of units outside Denmark	-	2,260	-	-	-	2,260
Unrealised value adjustments	-	-	-60	-	-	-60
Realised value adjustments	-	-	-14	-	-	-14
Tax	-	-	-	555	-	555
Total other comprehensive income	-	-2,273	-74	441	-	-1,906
Total comprehensive income	-	-2,273	-74	10,618	-	8,271
Transactions with owners						
Acquisition of own shares	-	-	-	-13,390	-	-13,390
Sale of own shares	-	-	-	13,489	-	13,489
Total equity as at 30 June 2023	8,622	-4,903	-1,600	166,529	-	168,648

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 June 2024, the Group had acquired 10,730,990 shares for a total amount of DKK 2.164 million under the share buy-back programme based on trade date.

Dividend

On the basis of our strong financial performance in the first half-year of 2024 and our strong capital position at the end of the period, the Board of Directors has approved an interim dividend of DKK 7.5 per share, corresponding to 56% of net profit for the period.

Statement of capital – Danske Bank Group – continued

Number of shares

(DKK millions)	30 June 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	848,792,126	859,773,706
Average number of shares outstanding for the period	855,248,256	858,899,954
Average number of shares outstanding, including dilutive shares, for the period	857,037,515	860,043,309

Total capital and total capital ratio

(DKK millions)	30 June 2024	31 December 2023
Total equity	178,055	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	**178,238**	**175,923**
Common equity tier 1 capital instruments	178,238	175,923
Adjustment to eligible capital instruments	-3,813	-914
IFRS 9 reversal due to transitional rules	745	1,634
Prudent valuation	-829	-890
Prudential filters	-	-
Expected/proposed dividends	-6,881	-6,466
Intangible assets of banking operations	-5,431	-5,690
Minimum Loss Coverage for Non-Performing Exposures	-2,608	-916
Deferred tax on intangible assets	250	316
Deferred tax assets that rely on future profitability, excluding temporary differences	-554	-733
Defined benefit pension plan assets	-897	-845
Statutory deduction for insurance subsidiaries	-1,585	-6,111
Common equity tier 1 capital	**156,633**	**155,308**
Additional tier 1 capital instruments	10,225	14,805
Tier 1 capital	**166,858**	**170,113**
Tier 2 capital instruments	23,671	20,790
Total capital	**190,529**	**190,902**
Total risk exposure amount	**846,180**	**827,882**
Common equity tier 1 capital ratio (%)	18.5%	18.8%
Tier 1 capital ratio (%)	19.7%	20.5%
Total capital ratio (%)	22.5%	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)	First half 2024	First half 2023	Full year 2023
Cash flow from operations			
Profit before tax	15,292	12,972	26,682
Tax paid	-11,780	-1,481	-4,565
Adjustment for non-cash operating items	1,822	3,643	8,426
Cash flow from operations before changes in operating capital	**5,334**	**15,134**	**30,543**
Changes in operating capital			
Amounts due to/from credit institutions and central banks	42,885	46,432	10,778
Trading portfolio	-31,188	5,196	-9,225
Acquisition/sale of own shares	-101	99	53
Investment securities	10,272	-854	3,509
Loans at amortised cost and fair value	-24,089	80,940	57,952
Deposits	-43,104	-44,462	-9,490
Issued bonds at amortised cost and fair value	30,911	8,461	73,513
Insurance assets/liabilities	-3,862	-1,837	1,903
Other assets/liabilities	7,156	-11,806	-18,036
Cash flow from operations	**-5,786**	**97,303**	**141,500**
Cash flow from investing activities			
Sale of businesses	26	-	45
Acquisition of intangible assets	-330	-299	-540
Acquisition of tangible assets	-227	-451	-841
Sale of tangible assets	1	5	7
Cash flow from investing activities	**-530**	**-745**	**-1,329**

(DKK millions)	First half 2024	First half 2023	Full year 2023
Cash flow from financing activities			
Issue of subordinated debt	8,378	-	-
Redemption of subordinated debt	-10,748	-	-
Issue of non-preferred senior bonds	21,604	16,101	22,425
Redemption of non-preferred senior bonds	-21,780	-13,773	-23,696
Dividends paid	-6,427	-	-6,011
Share buy back programme	-2,164	-	-
Principal portion of lessee lease payments	-303	-296	-605
Cash flow from financing activities	**-11,440**	**2,032**	**-7,887**
Cash and cash equivalents as at 1 January	365,609	232,531	232,531
Foreign currency translation	1,192	791	794
Change in cash and cash equivalents	-17,756	98,590	132,284
Cash and cash equivalents, end of period	**349,045**	**331,912**	**365,609**
Cash and cash equivalents, end of period			
Cash in hand	6,224	6,865	6,419
Demand deposits with central banks	201,777	224,651	252,737
Amounts due from credit institutions and central banks within three months	141,044	100,396	106,453
Total	**349,045**	**331,912**	**365,609**

Notes – Danske Bank Group
G1. Material 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 changed the presentation in the IFRS Income statement in relation to Markets, Operating leases and margins on customer transactions in foreign currencies. At the same time, the Group's Financial Highlights have been changed to align them with the IFRS financial statements. The changes have been applied retrospectively, resulting in reclassifications between lines in the IFRS Income statement. The reclassifications have no impact on the net profit, Balance sheet or Equity for 2023. In addition, amendments to IFRS 7, IFRS 16, IAS 1 and IAS 7 became effective on 1 January 2024, and have no impact on the financial statements. 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 material accounting policies from those applied in Annual Report 2023. Annual Report 2023 provides a full description of the material 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.

(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 in the following paragraphs.

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 G14 provides information on the scenarios as at 30 June 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 30 June 2024 amounted to DKK 20.5 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 2.0 billion (31 December 2023: DKK 2.0 billion). Compared to the base case scenario, the allowance account would increase DKK 10.1 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 0.3 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 30 June 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 G14.

Note G15 of the Annual Report 2023 and the section on credit risk in note G14 in the Interim report – first half 2024 provide more details on expected credit losses. As at 30 June 2024, financial assets covered by the expected credit loss model accounted for about 54.6% of total assets (31 December 2023: 54.8%).

Fair value measurement of financial instruments
At the end of June 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 30 June 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 G13 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 30 June 2024, goodwill amounted to DKK 4.4 billion (31 December 2023: DKK 4.4 billion).

G1. Material accounting policies and estimates - continued

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 June 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.

G2. Changes in accounting policies, Financial Highlights and segment reporting

(a) Changes in accounting policies

With effect from 1 January 2024, the Group has changed the presentation in the IFRS Income statement in relation to income and expenses in Markets, Operating leases and margins on customer transactions in foreign currencies. At the same time, the Group's Financial Highlights have been changed to align them with the IFRS financial statements. See note G2(b) for changes in the Financial Highlights. The changes in presentation have been applied retrospectively, resulting in reclassifications between lines in the IFRS Income statement as described below:

Markets (part of Large Corporates & Institutions) and Group Treasury (part of Group Functions)

Under IFRS 9, the financial assets in Markets are mandatorily measured at fair value through profit or loss (FVPL) due to having a business model that is neither "hold to collect" nor "hold to collect and sell". The Group has aligned presentation of income in Markets with its business model; as such, all 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.

G2. Changes in accounting policies, Financial Highlights and segment reporting - continued

The tables below shows the impact of the alignment on the IFRS income statement for the first half 2023 and full-year 2023

(DKK millions)	H1 2023	Markets and Group Treasury	Operating leases	Margins on customer transactions in foreign currencies	Restated H1 2023
Interest income calculated using the effective interest method	27,611	-	-	-	27,611
Other interest income	8,694	-2,359	-	-	6,335
Interest expense	21,710	-4,299	-	-	17,411
Net interest income from banking activities	**14,595**	**1,940**	**-**	**-**	**16,535**
Fee income	7,735	-58	-	510	8,186
Fee expenses	2,063	-146	-	-	1,917
Net fee income	**5,672**	**88**	**-**	**510**	**6,270**
Net trading income or loss	**4,775**	**-2,027**	**-**	**-510**	**2,238**
Insurance revenue	2,763	-	-	-	2,763
Insurance service expenses	2,298	-	-	-	2,298
Net return on investments backing insurance liabilities	13,026	-	-	-	13,026
Net finance income or expense from insurance	-12,784	-	-	-	-12,784
Other insurance related income	-18	-	-	-	-18
Net insurance result	**689**	**-**	**-**	**-**	**689**
Gain or loss on sale of disposal groups	-693	-	-	-	-693
Other income	2,236	-	-1,687	-	548
Total other income	**1,543**	**-**	**-1,687**	**-**	**-145**
Total income	**27,274**	**-**	**-1,687**	**-**	**25,586**
Operating expenses	14,329	-	-1,687	-	12,642
Profit before loan impairment charges	**12,944**	**-**	**-**	**-**	**12,944**
Loan impairment charges	-28	-	-	-	-28
Profit before tax	**12,972**	**-**	**-**	**-**	**12,972**
Tax	2,794	-	-	-	2,794
Net profit	**10,178**	**-**	**-**	**-**	**10,178**

(DKK millions)	Full year 2023	Markets and Group Treasury	Operating leases	Margins on customer transactions in foreign currencies	Restated Full year 2023
Interest income calculated using the effective interest method	60,842	-	-	-	60,842
Other interest income	18,752	-3,520	-	-	15,232
Interest expense	47,325	-6,224	-	-	41,102
Net interest income from banking activities	**32,269**	**2,704**	**-**	**-**	**34,972**
Fee income	16,111	-52	-	1,049	17,108
Fee expenses	4,481	-278	-	-	4,203
Net fee income	**11,630**	**225**	**-**	**1,049**	**12,904**
Net trading income or loss	**6,590**	**-2,928**	**-**	**-1,049**	**2,613**
Insurance revenue	5,735	-	-	-	5,735
Insurance service expenses	5,094	-	-	-	5,094
Net return on investments backing insurance liabilities	35,228	-	-	-	35,228
Net finance income or expense from insurance	-34,613	-	-	-	-34,613
Other insurance related income	216	-	-	-	216
Net insurance result	**1,472**	**-**	**-**	**-**	**1,472**
Gain or loss on sale of disposal groups	-555	-	-	-	-555
Other income	4,446	-	-3,431	-	1,015
Total other income	**3,891**	**-**	**-3,431**	**-**	**460**
Total income	**55,852**	**-**	**-3,431**	**-**	**52,422**
Operating expenses	28,908	-	-3,431	-	25,478
Profit before loan impairment charges	**26,944**	**-**	**-**	**-**	**26,944**
Loan impairment charges	262	-	-	-	262
Profit before tax	**26,682**	**-**	**-**	**-**	**26,682**
Tax	5,420	-	-	-	5,420
Net profit	**21,262**	**-**	**-**	**-**	**21,262**

G2. Changes in accounting policies, Financial Highlights and segment reporting - continued

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.

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.
- The presentation in the Financial Highlights' balance sheet of loans and deposits that are reported in the IFRS Balance sheet as Assets held for sale and Liabilities in disposal groups held for sale has been changed to be presented within Other assets and Other liabilities respectively
- Various minor adjustments to align with IFRS reporting.

The change in presentation of fixed margin on customer transactions in foreign currencies described in note G2(a) has also been applied to the Financial Highlights, and reclassifies an amount of DKK 510 million from Net trading income to Fee income for the first half 2023.

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, as presented in the tables on the following page.

G3. Business segments - continued

Business segments first half 2024

(DKK millions)	Personal Customers	Business Customers	Large Corporates & Institutions	Danica	Northern Ireland	Group Functions	Eliminations	Total
Net interest income	7,091	5,770	3,496	-	1,443	584	-97	18,287
Net fee income	2,520	1,171	3,266	-	155	-145	107	7,074
Net trading income	71	18	1,286	-	79	8	-86	1,377
Net income from insurance business*	-	-	-	949	-	-	-	949
Other income**	33	399	1	-	5	1,158	-1,272	324
Total income	**9,715**	**7,359**	**8,048**	**949**	**1,683**	**1,605**	**-1,348**	**28,011**
Operating expenses	4,866	2,628	3,552	-	743	2,266	-1,236	12,818
of which resolution fund, bank tax etc.	72	112	235	-	-	36	-	454
Profit before loan impairment charges	4,850	4,731	4,496	949	941	-661	-113	15,193
Loan impairment charges	-178	591	-513	-	3	-2	-	-99
Profit before tax	**5,028**	**4,140**	**5,009**	**949**	**938**	**-659**	**-113**	**15,292**
Loans, excluding reverse transactions	650,695	645,174	294,542	-	62,305	14,614	-15,037	1,652,294
Other assets	476,960	182,117	2,800,605	570,817	62,449	4,963,183	-6,944,666	2,111,465
Total assets	**1,127,655**	**827,291**	**3,095,147**	**570,817**	**124,754**	**4,977,797**	**-6,959,703**	**3,763,759**
Deposits, excluding repo deposits	391,010	251,626	328,530	-	103,458	6,262	-8,854	1,072,032
Other liabilities	706,138	533,179	2,725,585	570,817	14,872	4,913,930	-6,950,850	2,513,672
Allocated capital	30,508	42,486	41,032	-	6,424	57,605	-	178,055
Total liabilities and equity	**1,127,655**	**827,291**	**3,095,147**	**570,817**	**124,754**	**4,977,797**	**-6,959,703**	**3,763,759**
Profit before tax as % p.a. of allocated capital (avg.)	32.7	19.7	24.7	9.5	30.1	-3.0	-	17.3
Cost/income ratio (%)	50.1	35.7	44.1	-	44.1	-	-	45.8
Full-time-equivalent staff, end of period	4,020	1,688	2,105	912	1,240	10,115	-	20,079

* Net income from insurance business in the Financial highlights and Business segments is equivalent to Net insurance result in the IFRS financial statements.
** Other income in the Financial highlights and Business segments is equivalent to Total other income in the IFRS financial statements

Business segments first half 2023

(DKK millions)	Personal Customers*	Business Customers*	Large Corporates & Institutions*	Danica	Northern Ireland	Group Functions*	Eliminations*	Total*
Net interest income	7,017	5,864	3,414	-	1,236	-911	-83	16,535
Net fee income	2,086	1,113	2,935	-	168	-125	93	6,270
Net trading income	107	42	1,668	-	53	431	-63	2,238
Net income from insurance business**	-	-	-	689	-	-	-	689
Other income***	-650	536	12	-	10	1,326	-1,380	-145
Total income	**8,560**	**7,555**	**8,028**	**689**	**1,466**	**721**	**-1,432**	**25,586**
Operating expenses	4,462	2,455	3,543	-	657	2,872	-1,346	12,642
of which resolution fund, bank tax etc.	85	127	246	-	-	38	-	496
Profit before loan impairment charges	4,098	5,099	4,485	689	809	-2,150	-86	12,944
Loan impairment charges	478	142	-522	-	-131	5	-	-28
Profit before tax	**3,620**	**4,957**	**5,006**	**689**	**941**	**-2,155**	**-86**	**12,972**
Loans, excluding reverse transactions	642,614	624,897	309,934	-	56,322	27,176	-27,560	1,633,382
Other assets	463,750	181,043	3,557,392	546,144	66,678	4,404,808	-7,121,589	2,098,226
Total assets	**1,106,364**	**805,940**	**3,867,326**	**546,144**	**123,000**	**4,431,984**	**-7,149,149**	**3,731,608**
Deposits, excluding repo deposits	380,565	261,293	325,772	-	98,700	4,645	-9,083	1,061,892
Other liabilities	696,619	505,188	3,500,409	546,144	18,437	4,374,338	-7,140,066	2,501,068
Allocated capital	29,180	39,460	41,145	-	5,862	53,001	-	168,648
Total liabilities and equity	**1,106,364**	**805,940**	**3,867,326**	**546,144**	**123,000**	**4,431,984**	**-7,149,149**	**3,731,608**
Profit before tax as % p.a. of allocated capital (avg.)	24.5	25.1	24.9	7.0	30.8	-12.1	-	15.8
Cost/income ratio (%)	52.1	32.5	44.1	-	44.8	-	-	49.4
Full-time-equivalent staff, end of period	4,288	1,677	2,103	898	1,285	11,089	-	21,339

* Comparative information has been restated, as described in note G2(b)
** Net income from insurance business in the Financial highlights and Business segments is equivalent to Net insurance result in the IFRS financial statements.
*** Other income in the Financial highlights and Business segments is equivalent to Total other income in the IFRS financial statements.

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 first half 2024

(DKK millions)	Fee income	Fee expense	Net fee income
Investment	4,185	1,760	2,425
Money transfers, account fee, cash management and other fees	3,131	313	2,818
Lending and Guarantees	1,159	76	1,083
Capital markets	777	28	749
Total	9,251	2,177	7,074

Fee income first half 2023

(DKK millions)	Fee income*	Fee expense*	Net fee income*
Investment	3,414	1,346	2,068
Money transfers, account fee, cash management and other fees	2,927	463	2,464
Lending and Guarantees	1,184	64	1,120
Capital markets	662	44	618
Total	8,186	1,917	6,270

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

(b) Gain or loss on sale of disposal groups
Gain or loss on sale of disposal groups for the six months ending 30 June 2023 included the expected costs directly attributable to the sale of the personal customers business in Norway, as announced in July 2023.

(c) Other income
Other income amounted to DKK 308 million for the six months ending 30 June 2024 (30 June 2023: DKK 549 million). Other income includes income from investment property and real estate brokerage, and income from holdings in associates.

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)	30 June 2024	30 June 2023
ECL on new assets	2,584	1,562
ECL on assets derecognised	-1,815	-1,499
Impact of net remeasurement of ECL (incl. changes in models)	-98	169
Write-offs charged directly to income statement	71	460
Received on claims previously written off	-665	-566
Interest income, effective interest method	-175	-153
Total	-99	-28

G5. Loan impairment charges and reconciliation of total allowance account - continued

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	1,548	-1,485	-63	-
Transferred to stage 2 during the period	-179	368	-189	-
Transferred to stage 3 during the period	-12	-297	309	-
ECL on new assets	332	926	303	1,562
ECL on assets derecognised	-234	-784	-481	-1,499
Impact of net remeasurement of ECL (incl. changes in models)	-1,289	1,321	136	169
Write-offs debited to the allowance account	-	-	-180	-180
Foreign exchange adjustments	-37	-167	-95	-299
Other changes	-	-6	10	4
ECL allowance account as at 30 June 2023	**3,403**	**7,957**	**8,041**	**19,401**
ECL allowance account as at 1 January 2024	3,592	7,486	9,062	20,140
Transferred to stage 1 during the period	782	-728	-55	-
Transferred to stage 2 during the period	-204	435	-231	-
Transferred to stage 3 during the period	-16	-263	279	-
ECL on new assets	-192	1,366	1,411	2,584
ECL on assets derecognised	-301	-1,005	-509	-1,815
Impact of net remeasurement of ECL (incl. changes in models)	-140	281	-240	-98
Write-offs debited to the allowance account	-9	-	-192	-201
Foreign exchange adjustments	-12	-55	-1	-69
Other changes	1	-1	-2	-2
ECL allowance account as at 30 June 2024	**3,501**	**7,516**	**9,521**	**20,539**

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 G14.

G6. Insurance assets and Insurance liabilities

Insurance assets comprise assets earmarked for policyholders. As at 30 June 2024, Insurance asset totals DKK 543,164 million (31 December 2023: DKK 518,555 million) before own bonds of DKK 4,994 million (31 December 2023: DKK 5,984 million) and other intra-group balances of DKK 15,324 million (31 December 2023: DKK 16,540 million).

Insurance liabilities comprise DKK 437,108 million of Liabilities under insurance contracts as defined by IFRS 17 (31 December 2023: DKK 415, 414 million) and DKK 83,878 million of Other insurance-related liabilities (31 December 2023: DKK 78,130 million), before intra-group balances of DKK 14,153 million (31 December 2023: DKK 10,914 million).

Note G18 of Annual Report 2023 provides additional information on Insurance assets and Insurance liabilities.

G7. Issued bonds, subordinated debt and additional tier 1 capital

Issued bonds at fair value

(DKK millions)	30 June 2024	31 December 2023
Bonds issued by Realkredit Danmark (covered bonds)	730,638	741,062
Commercial papers and certificates of deposits	264	5,228
Structured retail notes	2,258	2,489
Issued bonds at fair value, total	**733,160**	**748,780**

Issued bonds at amortised cost

(DKK millions)	30 June 2024	31 December 2023
Commercial papers and certificates of deposits	54,197	24,419
Preferred senior bonds	70,108	63,345
Covered bonds	134,410	124,703
Structured retail notes	1,122	1,766
Issued bonds at amortised cost, total	**259,837**	**214,234**
Non-preferred senior bonds	94,300	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 following tables.

G7. Issued bonds, subordinated debt and additional tier 1 capital - continued

Nominal value (DKK millions)	1 January 2024	Issued	Redeemed	Foreign currency translation	30 June 2024
Commercial papers and certificate of deposits	29,613	39,098	14,643	405	54,473
Preferred senior bonds	65,545	6,954	1,650	1,696	72,546
Covered bonds	129,419	20,500	9,080	-1,723	139,116
Structured retail notes	4,076	-	477	-44	3,555
Non-preferred senior bonds	97,900	21,670	21,860	-329	97,381
Other issued bonds	326,553	88,221	47,710	6	367,070

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 bond.

Subordinated debt and additional tier 1 capital

As at 30 June 2024, the nominal value of subordinated debt, including liability accounted additional tier 1 capital, amounted to DKK 38,140 million (31 December 2023: DKK 40,069 million). During the six months ended 30 June 2024, the Group issued EUR 750 million of tier 2 capital and SEK 4,250 million of tier 2 capital. The Group also redeemed USD 750 million of liability accounted additional tier 1 capital and EUR 750 million of tier 2 capital during the six months ended 30 June 2024. 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 30 June 2024, distributable items for Danske Bank A/S amounted to DKK 132.2 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 30 June 2024 the common equity tier 1 capital ratio was 21.4% (31 December 2023: 21.9%) for Danske Bank A/S. The ratios for the Danske Bank Group are disclosed in the Statement of capital.

G8. Assets held for sale and Liabilities in disposal groups held for sale

(DKK millions)	30 June 2024	31 December 2023
Assets held for sale		
Loans	90,995	110,415
Other	202	289
Total	91,197	110,704
Liabilities in disposal groups		
Deposits	29,861	30,599
Covered bonds	25,522	25,877
Total	55,383	56,476

In the table above, loans and 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.

G9. Other assets and Other liabilities

(DKK millions)	30 June 2024	31 December 2023
Other assets		
Accrued interest and commissions due	8,174	7,264
Prepayments, accruals and other amounts due	12,379	10,811
Defined benefit pension plan, net assets	865	806
Investment property	383	157
Tangible assets	7,433	7,418
Right of use lease assets	3,832	4,010
Holdings in associates	581	612
Total	**33,647**	**31,079**
Other liabilities		
Sundry creditors	40,052	33,005
Accrued interest and commissions due	16,183	12,902
Defined benefit pension plans, net liabilities	274	301
Other staff commitments	1,073	1,175
Lease liabilities	3,932	4,102
Loan commitments and guarantees etc.	3,470	3,161
Reserves subject to a reimbursement obligation	2	2
Provisions, including litigations	2,069	2,398
Total	**67,056**	**57,046**

In the table above, Provisions, including litigations includes customer remediation of DKK 1,370 million, regulatory and legal proceedings of DKK 3 million, restructuring costs of DKK 249 million and other provisions of DKK 447 million.

G10. Foreign currency translation reserve

As at 30 June 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 33,336 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 30 June 2024, the structural FX hedge position totalled DKK 37,144 million (31 December 2023: DKK 37,641 million) and a loss of DKK 496 million has been recognised in Other comprehensive income during the first half of 2024, primarily due to a weakening of SEK against DKK but also NOK against DKK throughout the first half of 2024. For comparison, a loss of DKK 2,203 million was recognised in Other comprehensive income during the first half of 2023 primarily due to a weakening of NOK against DKK.

G11. 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)	30 June 2024	31 December 2023
Financial guarantees	4,035	4,348
Other guarantees	75,985	71,536
Total	**80,021**	**75,883**

(b) Commitments

(DKK millions)	30 June 2024	31 December 2023
Loan commitments shorter than 1 year	224,047	197,007
Loan commitments longer than 1 year	214,177	220,285
Other unutilised commitments	16,490	16,719
Total	**454,714**	**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 194 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.

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 G9.

(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 2023.

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.

G11. Guarantees, commitments and contingent liabilities - continued

Danske Bank A/S and Realkredit Danmark A/S make contributions to the Danish Resolution Fund based on their size and risk relative to other credit institutions in Denmark. The contribution to the Resolution Fund is recognised as operating expenses. After payment of the contribution for 2024, the Resolution Fund is fully funded. If the Resolution Fund does not have sufficient means to make the required payments, extraordinary contributions of up to three times the latest annual contributions may be required.

In addition, Danish banks participate in the Danish Restructuring Fund, which reimburses creditors if the final dividend is lower than the interim dividend in respect of banks that were in distress before 1 June 2015. Similarly, Danish banks have made payment commitments totalling DKK 1 billion to cover losses incurred by the Danish Restructuring Fund for the withdrawal of distressed banks from data centres etc. Payments to the Danish Restructuring Fund are calculated based on the individual credit institution's share of covered deposits relative to other credit institutions in Denmark. However, each institution's contribution to the Danish Restructuring Fund may not exceed 0.2% of its covered deposits.

The Group is a member of deposit guarantee schemes and other compensation schemes in Norway and the UK. As in Denmark, the contributions to the schemes in these countries are annual contributions combined with extraordinary contributions if the means of the schemes are not sufficient to cover the required payments.

Danske Bank A/S is taxed jointly with all Danish entities of Danske Bank Group and is jointly and severally liable with these for payment of Danish corporation tax and withholding tax, etc.

G12. Assets provided or received as collateral

As at 30 June 2024, the Group had deposited securities (including bonds issued by the Group) worth DKK 5.8 billion as collateral with Danish and international clearing centres and other institutions (31 December 2023: DKK 4.5 billion).

As at 30 June 2024, the Group had provided cash and securities (including bonds issued by the Group) worth DKK 82.8 billion as collateral for derivatives transactions (31 December 2023: DKK 90.6 billion).

As at 30 June 2024, the Group had registered insurance assets (including bonds and shares issued by the Group) and investment contracts worth DKK 479.0 billion (31 December 2023: DKK 443.2 billion) as collateral for policyholders' savings of DKK 449.4 billion (31 December 2023: DKK 426.0 billion).

As at 30 June 2024, the Group had registered loans at fair value and securities (including bonds issued by the Group) worth a total of DKK 750.0 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 271.9 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'.

	30 June 2024			31 December 2023		
(DKK millions)	Repo	Other	Total	Repo	Other	Total
Due from credit institutions	-	32,948	32,948	-	15,922	15,922
Trading and investment securities	203,611	49,567	253,178	164,189	48,326	212,514
Loans at fair value	-	743,971	743,971	-	753,277	753,277
Loans at amortised cost	-	281,840	281,840	-	340,297	340,297
Insurance assets and assets under investment contracts	-	458,749	458,749	-	420,701	420,701
Total	**203,611**	**1,567,075**	**1,770,686**	**164,189**	**1,578,522**	**1,742,711**
Own issued bonds	29,535	23,377	52,912	33,693	30,665	64,358
Total, including own issued bonds	**233,146**	**1,590,452**	**1,823,598**	**197,882**	**1,609,187**	**1,807,069**

G12. Assets provided or received as collateral – continued

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 203.6 billion as at 30 June 2024 (31 December 2023: DKK 164.2 billion).

As at 30 June 2024, the Group had received securities worth DKK 399.2 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 30 June 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.

G13. Fair value information for financial instruments

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

	30 June 2024		31 December 2023	
(DKK millions)	Fair value	Amortised cost	Fair value	Amortised cost
Financial assets				
Cash in hand and demand deposits with central banks	-	208,002	-	259,156
Due from credit institutions and central banks	98,876	55,624	92,985	21,829
Trading portfolio assets	497,400	-	548,189	-
Investment securities held at amortised cost	-	144,047	-	155,398
Investment securities held at fair value	129,595	-	128,516	-
Loans at amortised cost	-	910,167	-	918,628
Loans at fair value	980,308	-	928,239	-
Assets under pooled schemes and investment contracts	74,462	-	70,900	-
Insurance assets	484,002	-	460,747	-
Loans held for sale	-	90,995	-	110,415
Total	**2,264,644**	**1,408,834**	**2,229,576**	**1,465,425**
Financial liabilities				
Due to credit institutions and central banks	122,045	80,544	85,548	69,060
Trading portfolio liabilities	372,509	-	454,487	-
Deposits	111,010	1,068,828	120,213	1,101,990
Issued bonds at fair value	733,160	-	748,780	-
Issued bonds at amortised cost	-	259,837	-	214,234
Deposits under pooled schemes and investment contracts	75,439	-	71,253	-
Insurance liabilities*	59,658	-	60,136	-
Liabilities held for sale	-	55,383	-	56,476
Non-preferred senior bonds	-	94,300	-	93,194
Subordinated debt	-	37,052	-	38,774
Loan commitments and guarantees	-	3,470	-	3,161
Total	**1,473,822**	**1,599,415**	**1,540,417**	**1,576,889**

* The table above has been restated to include Insurance liabilities as at 31 December 2023 which meet the definition of financial instruments.

Insurance liabilities in the Balance sheet comprises Liabilities under insurance contracts (as defined by IFRS 17) and Other insurance-related liabilities. The table above does not include Liabilities under insurance contracts as they are 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 G14. 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 different portfolios with different business models (see note G13 in Annual Report 2023 for further description of business models). Bonds held within a business model for the purpose of collecting contractual cash flows (hold to collect) and with cash flows that are solely payments of principal and interest on the principal amount outstanding are measured at amortised cost. For bonds classified as hold-to-collect, amortised cost exceeded fair value as of 30 June 2024 with DKK 6,689 million (31 December 2023: DKK 6,489 million). This portfolio mainly contains of Danish mortgage bonds and central and local government bonds and has a weighted average rating factor of 4.6, following Moody's numerical rating factor to scale, which corresponds to a strong Aa1 rating. The interest rate risk duration for the portfolio is 3.1 years. Without any reinvestments, respectively 29%, 50% and 21% 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. Without taking this into account, respectively 9%, 17% and 74% of the differential value of DKK 6,689 million will be offset within a period of 1 year, between 1 and 5 years, and after 5 years. Note G33 in Annual Report 2023 provides information on the difference between the carrying amount and the fair value of financial instruments recognised at amortised cost.

G13. Fair value information for financial instruments – continued

Financial instruments at fair value

(DKK millions)	Quoted prices	Observable input	Non-observable input	Total
30 June 2024				
Financial assets				
Due from credit institutions and central banks	-	98,876	-	98,876
Derivatives	8,371	266,510	3,141	278,022
Trading portfolio bonds	157,066	11,163	-	168,229
Trading portfolio shares	50,853	-	296	51,149
Investment securities, bonds	106,017	23,102	-	129,119
Investment securities, shares	-	-	476	476
Loans at fair value	-	980,308	-	980,308
Assets under pooled schemes and unit-linked investment contracts	74,462	-	-	74,462
Insurance assets, bonds	165,562	41,286	3,846	210,694
Insurance assets, shares	188,326	5,710	35,424	229,460
Insurance assets, derivatives	801	42,364	683	43,848
Total	**751,458**	**1,469,319**	**43,866**	**2,264,644**
Financial liabilities				
Due to credit institutions and central banks	-	122,045	-	122,045
Derivatives	9,715	237,149	2,324	249,188
Obligations to repurchase securities	121,342	1,980	-	123,322
Deposits	-	111,010	-	111,010
Issued bonds at fair value	733,160	-	-	733,160
Deposits under pooled schemes and investment contracts	-	75,439	-	75,439
Insurance liabilities	101	58,260	1,297	59,658
Total	**864,318**	**605,883**	**3,621**	**1,473,822**

(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 unit-linked 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
Insurance liabilities*		58,976	1,160	60,136
Total	**867,797**	**669,797**	**2,823**	**1,540,417**

* The table above has been restated to include Insurance liabilities as at 31 December 2023 which meet the definition of financial instruments.

G13. Fair value information for financial instruments – continued

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

Financial instruments valued on the basis of non-observable input

(DKK millions)	Carrying amount	Sensitivity (change in fair value) Increase	Decrease	Gains/losses for the period Realised	Unrealised
30 June 2024					
Unlisted shares					
allocated to insurance contract policyholders	35,424	-	-	903	-155
other	772	77	77	74	14
Illiquid bonds	3,846	58	58	-	-61
Derivatives, net fair value	203	-	-	-	-397
31 December 2023*					
Unlisted shares					
allocated to insurance contract policyholders	34,755	-	-	522	-522
other	553	55	55	302	-160
Illiquid bonds	2,458	56	56	2	-152
Derivatives, net fair value	12	-	-	-	1,102

* The table above has been restated to include Insurance liabilities as at 31 December 2023 which meet the definition of financial instruments.

For unlisted shares allocated to insurance contract policyholders, the policyholders assume most of the risk on the shares. Therefore, changes in the fair value of those shares will only to a limited extent affect the Group's net profit. The Group's remaining portfolio of unlisted shares consists primarily of banking-related investments and holdings in private equity funds. The sensitivity of the fair value measurement to changes in the unobservable input disclosed in the table is calculated as a 10% increase or 10% decrease in fair value. Under current market conditions, 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 six month period ended 30 June 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

(DKK millions)	30 June 2024 Shares	Bonds	Derivatives	31 December 2023 Shares	Bonds	Derivatives
Fair value at 1 January	35,308	2,458	12	48,292	3,369	-1,084
Value adjustment through profit or loss	836	-61	-397	142	-150	1,102
Acquisitions	1,829	264	498	3,152	161	-250
Sale and redemption	-1,777	-15	156	-16,278	-922	-125
Transferred from quoted prices and observable input	-	1,200	-	-	-	295
Transferred to quoted prices and observable input	-	-	-65	-	-	74
Fair value end of period	**36,196**	**3,846**	**203**	**35,308**	**2,458**	**12**

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.

G14. Risk management notes

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

Breakdown of credit exposure

(DKK billions) 30 June 2024	Total	Lending activities	Counterparty credit risk	Trading and investment securities	Customer-funded investments
Balance sheet items					
Demand deposits with central banks	201.8	201.8	-	-	-
Due from credit institutions and central banks	154.5	55.6	98.9	-	-
Trading portfolio assets	497.4	-	278.0	219.4	-
Investment securities	273.6	-	-	273.6	-
Loans at amortised cost	910.2	910.2	-	-	-
Loans at fair value	980.3	744.0	236.3	-	-
Assets under pooled schemes and investment contracts	74.5	-	-	-	74.5
Insurance assets	522.8	-	-	-	522.8
Assets held for sale	91.0	91.0	-	-	-
Off-balance-sheet items					
Guarantees	80.0	80.0	-	-	-
Loan commitments shorter than 1 year	224.0	224.0	-	-	-
Loan commitments longer than 1 year	214.2	214.2	-	-	-
Other unutilised commitments	16.5	-	-	-	16.5
Total	**4,240.8**	**2,520.8**	**613.2**	**493.1**	**613.8**

G14 Risk management notes - continued

Breakdown of credit exposure continued

(DKK billions) 31 December 2023*	Total	Lending activities	Counterparty credit risk	Trading and investment securities	Customer-funded investments
Balance sheet items					
Demand deposits with central banks	252.7	252.7	-	-	-
Due from credit institutions and central banks	114.8	21.8	93.0	-	-
Trading portfolio assets	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 194 billion at 30 June 2024 (31 December 2023: DKK 232 billion). These items are included in the calculation of the total risk exposure amount in accordance with the Capital Requirements Directive.

Credit exposure

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.

Credit exposure – continued

30 June 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	131.4	-	-	-	-	-	131.4	-	-	111.3	-	-
2	0.01	0.03	277.9	0.3	-	-	-	-	277.9	0.3	-	164.3	-	-
3	0.03	0.06	512.9	0.8	-	0.1	-	-	512.8	0.7	-	239.0	0.4	-
4	0.06	0.14	609.5	2.6	-	0.2	-	-	609.3	2.6	-	278.1	1.5	-
5	0.14	0.31	441.0	7.1	0.1	0.4	0.1	-	440.6	7.0	0.1	149.8	4.3	-
6	0.31	0.63	290.9	36.4	0.1	0.7	0.7	-	290.2	35.8	0.1	86.5	16.4	-
7	0.63	1.90	90.3	43.6	-	1.2	2.0	0.1	89.1	41.6	-	30.7	14.6	-
8	1.90	7.98	10.9	26.9	0.1	0.8	2.5	0.1	10.1	24.4	-	2.0	5.6	-
9	7.98	25.70	1.0	5.5	-	-	0.6	-	1.0	4.8	-	0.1	1.8	-
10	25.70	99.99	0.5	18.8	1.6	-	1.6	0.5	0.5	17.2	1.1	0.1	7.0	-
11 (default)	100.00	100.00	0.2	0.4	30.4	0.1	-	8.8	0.1	0.4	21.6	-	0.1	2.8
Total			**2,366.5**	**142.4**	**32.4**	**3.5**	**7.5**	**9.5**	**2,363.0**	**134.9**	**22.9**	**1,062.1**	**51.7**	**2.8**

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.

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.

30 June 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	262.4	0.5	1.2	-	-	-	262.4	0.5	1.2	260.8	-	-
Financials	153.1	2.0	1.1	-	0.1	0.3	153.1	1.9	0.9	130.6	1.2	0.5
Agriculture	52.2	5.7	1.8	0.3	0.8	0.5	51.9	4.8	1.4	13.0	1.2	0.1
Automotive	25.1	3.1	0.2	-	0.1	0.1	25.1	3.0	0.1	18.8	1.4	-
Capital goods	87.9	12.7	1.1	0.1	0.3	0.5	87.8	12.4	0.6	76.5	9.9	0.2
Commercial property*	262.8	30.3	3.8	0.8	1.5	1.0	262.0	28.8	2.9	37.1	4.7	0.3
Construction and building materials	42.6	8.3	1.8	0.3	1.0	0.9	42.2	7.2	0.9	29.7	3.7	0.4
Consumer goods	84.0	7.0	1.2	-	0.5	0.4	84.0	6.6	0.8	68.9	4.3	0.1
Hotels, restaurants and leisure	12.9	1.3	0.7	-	0.1	0.2	12.9	1.3	0.5	3.8	0.3	0.1
Metals and mining	17.0	1.4	-	-	-	-	17.0	1.3	-	14.3	0.9	-
Other commercials	3.9	0.3	0.4	0.1	-	0.1	3.8	0.3	0.3	0.6	-	-
Pharma and medical devices	50.0	2.8	-	-	-	-	50.0	2.8	-	46.9	2.5	-
Private housing co-ops and non-profit associations	190.6	3.9	0.6	0.1	0.2	0.1	190.6	3.7	0.4	27.8	0.7	-
Pulp, paper and chemicals	44.3	4.3	1.0	-	0.2	0.3	44.3	4.2	0.8	33.0	3.0	0.3
Retailing	29.2	4.0	2.1	0.1	0.4	0.8	29.1	3.6	1.4	18.6	2.8	0.3
Services	65.9	9.9	1.0	0.2	0.6	0.4	65.7	9.3	0.6	53.5	7.6	0.3
Shipping, oil and gas	37.5	1.6	1.6	-	-	0.3	37.5	1.6	1.3	20.2	0.4	0.1
Social services	28.3	1.1	0.3	-	0.1	0.1	28.3	1.0	0.2	11.8	0.6	-
Telecom and media	23.3	1.7	0.9	-	0.1	0.7	23.3	1.6	0.3	17.5	1.5	-
Transportation	14.4	2.6	1.0	-	0.1	0.4	14.4	2.5	0.6	6.2	0.7	-
Utilities and infrastructure	76.3	0.8	-	-	-	-	76.3	0.8	-	57.3	0.6	-
Personal customers	802.6	37.1	10.4	1.3	1.5	2.6	801.3	35.6	7.8	115.1	3.6	-
Total	**2,366.5**	**142.4**	**32.4**	**3.5**	**7.5**	**9.5**	**2,363.0**	**134.9**	**22.9**	**1,062.1**	**51.7**	**2.8**

*As at 30 June 2024, DKK 142 billion of the net exposure in Commercial property is towards residential assets.

As at 30 June 2024, oil and gas exposures (within the Shipping, oil and gas industry) represent a gross exposure of DKK 18.4 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 June 2024.

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

.

Credit exposure – continued

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 June 2024 can be found as the difference between the columns 'Net exposure' and 'Net exposure, ex collateral' and amounted to DKK 1,404.2 billion at 30 June 2024 (31 December 2023: DKK 1,413.5 billion).

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

30 June 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	430.3	18.4	6.0	0.9	1.0	1.4	429.4	17.4	4.7	57.6	1.4	-
Personal Customers Sweden	100.1	2.9	0.5	0.1	0.2	0.1	100.0	2.7	0.4	28.5	0.4	-
Personal Customers Finland	75.6	5.7	2.0	0.1	0.2	0.6	75.5	5.6	1.4	4.4	0.3	-
Personal Customers Norway	110.8	4.1	0.5	-	0.1	0.1	110.7	4.0	0.4	17.3	0.5	-
Global Private Banking	71.5	3.2	0.8	-	0.1	0.2	71.5	3.1	0.5	13.2	0.7	-
Personal Customers Other	-	-	-	-	-	-	-	-	-	-	-	-
Total Personal Customers	**788.2**	**34.3**	**9.8**	**1.2**	**1.5**	**2.4**	**787.1**	**32.8**	**7.4**	**121.0**	**3.3**	**-**
Business Customers												
Asset Finance	50.6	10.5	2.2	0.1	0.3	0.8	50.5	10.2	1.5	18.2	2.1	-
Business Customers	307.2	36.7	10.6	1.1	3.3	4.1	306.1	33.5	6.6	101.2	13.0	0.4
Commercial Real Estate	312.5	23.8	1.2	0.4	0.9	0.3	312.0	22.9	0.9	47.1	3.8	0.1
Business Customers Other	0.4	-	-	-	-	-	0.4	-	-	0.4	-	-
Total Business Customers	**670.6**	**71.0**	**14.0**	**1.7**	**4.5**	**5.1**	**668.9**	**66.6**	**8.9**	**166.8**	**18.9**	**0.5**
Large Corporates & Institutions	**616.1**	**33.2**	**6.6**	**0.4**	**1.5**	**1.5**	**615.7**	**31.8**	**5.1**	**532.9**	**29.0**	**2.0**
Northern Ireland	**100.6**	**3.7**	**2.0**	**0.3**	**0.1**	**0.5**	**100.3**	**3.6**	**1.5**	**52.9**	**0.5**	**0.2**
Group Functions	**191.0**	**0.1**	**-**	**-**	**-**	**-**	**191.0**	**0.1**	**-**	**188.6**	**0.1**	**-**
Total	**2,366.5**	**142.4**	**32.4**	**3.5**	**7.5**	**9.5**	**2,363.0**	**134.9**	**22.9**	**1,062.1**	**51.7**	**2.8**

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 Esate	308.0	24.9	2.3	0.4	1.1	0.3	307.6	23.8	2.0	44.8	3.9	0.1
Business Customers Other	0.4	-	0.1	-	-	-	0.4	-	0.1	0.4	-	-
Total Business Customers	**670.6**	**71.1**	**14.2**	**1.6**	**4.7**	**4.5**	**669.0**	**66.4**	**9.7**	**158.0**	**19.3**	**0.6**
Large Corporates & Institutions	**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.

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 half of 2024, the Group had recognised properties taken over in Denmark at a carrying amount of DKK 17 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)	30 June 2024	31 December 2023
Stage 1	211	297
Stage 2	6,606	5,279
Stage 3	7,563	7,023
Total	**14,380**	**12,598**

Credit exposure – continued

Allowance account broken down by segment

(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	1,548	-1,485	-63	-
Transferred to stage 2 during the period	-179	368	-189	-
Transferred to stage 3 during the period	-12	-297	309	-
ECL on new assets	332	926	303	1,562
ECL on assets derecognised	-234	-784	-481	-1,499
Impact of net remeasurement of ECL (incl. changes in models)	-1,289	1,321	136	169
Write-offs debited to the allowance account	-	-	-180	-180
Foreign exchange adjustments	-37	-167	-95	-299
Other changes	-	-6	10	4
ECL allowance account as at 30 June 2023	**3,403**	**7,957**	**8,041**	**19,401**
ECL allowance account as at 1 January 2024	3,592	7,486	9,062	20,140
Transferred to stage 1 during the period	782	-728	-55	-
Transferred to stage 2 during the period	-204	435	-231	-
Transferred to stage 3 during the period	-16	-263	279	-
ECL on new assets	-192	1,366	1,411	2,584
ECL on assets derecognised	-301	-1,005	-509	-1,815
Impact of net remeasurement of ECL (incl. changes in models)	-140	281	-240	-98
Write-offs debited to the allowance account	-9	-	-192	-201
Foreign exchange adjustments	-12	-55	-1	-69
Other changes	1	-1	-2	-2
ECL allowance account as at 30 June 2024	**3,501**	**7,516**	**9,521**	**20,539**

* With effect from 1 January 2024, Non-core ceased to exist as a separate segment. The allowance account in 2023 previously reported under Non-core has been reclassified.

(DKK millions)	Personal Customers	Business Customers	Large Corporates & 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	321	942	283	19	-4	1,562
ECL on assets derecognised	-381	-1,054	-34	-22	-8	-1,499
Impact on remeasurement of ECL (incl. change in models)	190	390	-278	-112	-21	169
Write-offs debited to allowance account	-54	-88	-32	-7	-	-180
Foreign currency translation	-45	-199	-83	30	-2	-299
Other changes	-14	19	-	1	-2	4
ECL allowance account as at 30 June 2023	**5,443**	**10,246**	**2,907**	**771**	**33**	**19,401**
ECL allowance account as at 1 January 2024	5,306	10,705	3,308	794	27	20,140
ECL on new assets	284	1,777	454	64	5	2,584
ECL on assets derecognised	-446	-1,280	-59	-28	-2	-1,815
Impact on remeasurement of ECL (incl. change in models)	12	236	-350	9	-5	-98
Write-offs debited to allowance account	-67	-100	-28	-6	-	-201
Foreign currency translation	-17	-72	-2	22	-	-69
Other changes	1	-2	-	-	-1	-2
ECL allowance account as at 30 June 2024	**5,074**	**11,264**	**3,324**	**854**	**23**	**20,539**

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

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

Credit exposure – continued

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 second 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 base case is an extension of the Group's official view of the Nordic economies (the Nordic Outlook report). At 30 June 2024, the base case scenario reflects a soft landing with economic growth moving toward normalised levels. Inflation is coming down quickly but a growth pickup across Europe means that inflation pressures will remain an issue and impact how fast interest rates will be cut. The Nordic property markets have generally recovered, and modest price increases are expected.

The upside scenario represents a slightly better outlook than the base case scenario across the macroeconomic parameters. In this scenario, it is predominantly the European businesses' profit margins and not prices that absorb the adjustment to higher wage costs and inflation returns more sustainably to target than in the base case. Central banks no longer hesitate to cut interest rates and all Nordic central banks loosen policies a bit quicker than in the base case. This boosts consumer sentiment, increasing private consumption and strengthening the housing market.

The downside scenario is a severe recession with high interest rates scenario (reflecting a stagflation scenario) applied in the Group's ICAAP processes, which is similar in nature to regulatory stress tests. The severe recession scenario reflects negative growth, increasing interest rates, and falling property prices for a longer period. The use of the downside scenario was introduced to better capture the elevated risk from high interest rates and high inflation. A trigger of the economic setback could be continued macroeconomic worsening and challenges linked to high business costs while inflation remain elevated. This adversely impacts the labour market, results in higher and more persistent unemployment. This would lead to a severe slowdown in the economies in which the Group is represented.

The scenario weighting is unchanged from 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).

The main macroeconomic parameters in the base case, upside and downside scenario entering into the ECL calculation for the forecast horizon across the Group's Nordic markets are included below.

Credit exposure – continued

Denmark 30 June 2024	Base-case 2024	2025	2026	Downside 2024	2025	2026	Upside 2024	2025	2026
GDP	2.1	2.0	1.7	-3.4	-2.0	-	2.4	2.5	1.7
Unemployment	2.9	3.1	3.2	6.3	7.5	7.9	2.8	2.8	2.9
Inflation	1.8	2.0	1.8	4.0	3.0	2.0	1.4	1.9	1.8
Property prices - Residential	4.0	2.5	2.3	-19.7	-11.0	-6.0	4.0	4.5	4.3
Interest rate - 3 month	3.4	2.6	2.0	5.4	6.4	3.9	3.0	2.0	2.0

Sweden 30 June 2024	Base-case 2024	2025	2026	Downside 2024	2025	2026	Upside 2024	2025	2026
GDP	1.5	2.0	1.8	-3.5	-3.4	-1.0	1.6	2.4	1.9
Unemployment	8.4	8.1	7.8	9.4	10.3	10.7	8.4	8.0	7.6
Inflation	1.5	1.3	1.5	4.9	3.9	2.9	1.1	1.1	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	3.4	2.2	2.1	5.7	5.7	3.7	3.0	2.1	2.1

Norway 30 June 2024	Base-case 2024	2025	2026	Downside 2024	2025	2026	Upside 2024	2025	2026
GDP	0.9	2.0	2.5	-2.7	-1.1	0.6	1.1	2.3	2.7
Unemployment	2.1	2.4	2.5	5.5	6.4	6.5	2.1	2.3	2.3
Inflation	3.4	2.0	2.2	4.5	3.0	2.0	3.0	1.9	2.2
Property prices - Residential	3.0	5.0	3.0	-19.0	-13.0	-7.0	3.0	6.0	5.0
Interest rate - 3 month	4.0	3.1	2.4	6.3	6.3	4.3	3.7	2.5	2.4

Finland 30 June 2024	Base-case 2024	2025	2026	Downside 2024	2025	2026	Upside 2024	2025	2026
GDP	-0.4	1.8	1.5	-2.4	-2.0	-0.3	-0.2	2.1	1.6
Unemployment	8.2	7.9	7.2	9.9	10.9	10.9	8.2	7.8	7.1
Inflation	1.8	1.8	1.5	4.0	3.0	2.0	1.3	1.6	1.5
Property prices - Residential	-	3.5	2.0	-14.2	-7.0	-5.0	-	4.5	4.0
Interest rate - 3 month	3.5	2.7	2.0	5.1	5.1	3.1	3.1	2.0	2.0

Credit exposure – continued

At 31 December 2023, the following base case, downside and upside 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

Credit exposure – continued

The base case scenario enters with a probability of 60% (31 December 2023: 60%), the upside scenario with a probability of 20% (31 December 2023: 20%) and the downside scenario with a probability of 20% (31 December 2023: 20%). On the basis of these assessments, the allowance account as at 30 June 2024 amounted to DKK 20.5 billion (31 December 2023: 20.1 billion). If the base case scenario was assigned a probability of 100%, the allowance account would decrease DKK 2.0 billion (31 December 2023: 2.0 billion). Compared to the base case scenario, the allowance account would increase DKK 10.1 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 0.3 billion (31 December 2023: 0.2 billion) compared to the base case scenario. It should be noted that the expected credit losses in the individual scenarios (i.e. without the weighting) do not represent forecasts of expected credit losses (ECL).

Post-model adjustments

Management applies judgement when determining the need for post-model adjustments. At 30 June 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 macroeco-nomic 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)	30 June 2024	31 December 2023
Coverage of individual industries and types		
Agriculture	1.0	0.8
Commercial Property	1.9	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 30 June 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, higher for longer interest rates and elevated prices giving rise to a new set of chal-lenges 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, higher 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.

Counterparty credit risk and credit exposure from trading and investment securities

Exposure to counterparty credit risk and credit exposure from trading and investment securities

(DKK billions)	30 June 2024	31 December 2023
Counterparty credit risk		
Derivatives with positive fair value	278.0	351.7
Reverse transactions and other loans at fair value*	335.2	267.9
Credit exposure from other trading and investment securities		
Bonds	441.4	461.0
Shares	51.6	19.4
Other unutilised commitments**	-	0.1
Total	**1,106.3**	**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 334.5 billion (31 December 2023: DKK 267.4 billion), of which DKK 98.2 billion relates to credit institutions and central banks (31 December 2023: DKK 92.4 billion), and other primarily short-term loans of DKK 0.7 billion (31 December 2023: DKK 0.6 billion), of which DKK 0.7 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)	30 June 2024	31 December 2023
Derivatives with positive fair value before netting	792,855	892,840
Netting (under accounting rules)	514,833	541,118
Carrying amount	278,022	351,722
Netting (under capital adequacy rules)	197,690	262,273
Net current exposure	80,332	89,450
Collateral	71,532	80,713
Net amount	**8,800**	**8,736**
Derivatives with positive fair value after netting for accounting purposes:		
Interest rate contracts	216,278	240,621
Currency contracts	59,511	110,275
Other contracts	2,233	826
Total	**278,022**	**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
30 June 2024							
Held-for-trading (FVPL)	107,917	3,245	18,989	24,347	6,100	7,631	168,229
Managed at fair value (FVPL)	1,848	161	16,818	1,361	229	-	20,417
Held to collect and sell (FVOCI)	21,829	2,886	55,026	2,673	24,342	1,946	108,702
Held to collect (AMC)	42,486	8,366	89,194	3,038	812	150	144,047
Total	**174,079**	**14,658**	**180,027**	**31,419**	**31,484**	**9,727**	**441,395**
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 30 June 2024, the Group had an additional bond portfolio, including bond-based unit trust certificates, worth DKK 210,694 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 30 June 2024 and 31 December 2023, see note G13 for more information.

Counterparty credit risk and credit exposure from trading and investment securities continued

Bond portfolio broken down by geographical area

(DKK millions)	Central and local government bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Corporate bonds	Total
30 June 2024							
Denmark	27,098	-	180,027	-	-	1,142	208,266
Sweden	37,410	-	-	31,419	-	2,467	71,297
UK	10,830	302	-	-	3,964	1,130	16,227
Norway	5,454	-	-	-	25,470	3,119	34,044
USA	16,051	3,252	-	-	-	20	19,323
Spain	900	-	-	-	1	-	901
France	9,911	19	-	-	349	27	10,305
Luxembourg	-	5,089	-	-	-	143	5,231
Finland	8,971	3,202	-	-	1,234	664	14,071
Ireland	873	-	-	-	-	64	937
Italy	3,427	-	-	-	-	3	3,429
Portugal	6	-	-	-	-	-	6
Austria	4,096	-	-	-	-	162	4,257
Netherlands	3,532	2	-	-	45	431	4,010
Germany	44,429	-	-	-	216	202	44,848
Belgium	1,091	1,986	-	-	1	-	3,078
Other	-	807	-	-	203	153	1,163
Total	**174,079**	**14,658**	**180,027**	**31,419**	**31,484**	**9,727**	**441,395**

(DKK millions)	Central and local government bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Corporate bonds	Total
31 December 2023							
Denmark	28,754	-	188,321	-	-	870	217,945
Sweden	61,267	-	-	32,038	-	1,362	94,667
UK	11,141	291	-	-	3,518	1,009	15,959
Norway	6,049	-	-	-	23,902	1,358	31,309
USA	15,529	3,274	-	-	-	7	18,810
Spain	1,243	-	-	-	1	-	1,244
France	4,703	19	-	-	237	116	5,075
Luxembourg	-	5,205	-	-	-	123	5,328
Finland	10,224	2,954	-	-	1,089	909	15,176
Ireland	550	-	-	-	-	94	643
Italy	1,413	-	-	-	-	5	1,418
Portugal	3	-	-	-	-	-	3
Austria	4,513	-	-	-	66	113	4,691
Netherlands	3,349	1	-	-	17	510	3,877
Germany	42,152	-	-	-	216	96	42,465
Belgium	503	442	-	-	1	-	946
Other	-	740	-	-	602	87	1,429
Total	**191,392**	**12,926**	**188,321**	**32,038**	**29,648**	**6,659**	**460,984**

Counterparty credit risk and credit exposure from trading and investment securities continued

Bond portfolio broken down by external ratings

(DKK millions)	Central and local govern-ment bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Corporate bonds	Total
30 June 2024							
AAA	113,515	12,589	179,944	31,399	30,694	2,676	370,817
AA+	27,109	1,986	-	-	19	94	29,208
AA	11,815	63	-	21	768	1,681	14,348
AA-	16,996	20	-	-	-	119	17,135
A+	-	-	-	-	-	172	172
A	715	-	83	-	2	1,193	1,994
A-	6	-	-	-	-	214	220
BBB+	185	-	-	-	-	1,004	1,189
BBB	2,151	-	-	-	-	1,508	3,659
BBB-	1,589	-	-	-	-	512	2,100
BB+	-	-	-	-	-	141	141
BB	-	-	-	-	-	271	271
BB-	-	-	-	-	-	42	42
Sub. "investment-grade" or unrated	-	-	-	-	-	98	98
Total	**174,079**	**14,658**	**180,027**	**31,419**	**31,484**	**9,727**	**441,395**

(DKK millions)	Central and local govern-ment bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Corporate bonds	Total
31 December 2023							
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**

Financial statements – Danske Bank A/S

The financial statements of the Parent Company, Danske Bank A/S, are prepared in accordance with the Danish Financial Business Act and the Danish FSA's Executive Order No. 516 of 17 May 2024.

With effect from 1 January 2024, Danske Bank A/S has implemented changes in accounting policies in relation to Markets and Group Treasury, operating leases and margins on customer transactions in foreign currencies. Note G2(a) provides information on these changes. The changes in accounting policies have been applied retrospectively, and have no impact on the Net profit, Balance sheet or Equity for 2023. Except for these changes, Danske Bank A/S has not changed its material accounting policies from those applied in the Annual Report 2023.

The accounting policies applied are identical to the Group's IFRS accounting principles, see note G1, with the following exception:

- Domicile property (except right-of-use assets) is measured (revalued) at its estimated fair value through Other comprehensive income.

The estimated fair value of domicile property is determined in accordance with the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

Holdings in subsidiaries are measured on the basis of the equity method. Net profit from these undertakings is recognised under Income from associates and group undertakings.

The format of the Parent Company's financial statements is not identical to the format of the consolidated financial statements in accordance with IFRS.

The table below shows the differences in net profit and shareholders' equity between the IFRS consolidated financial statements and the Parent Company's financial statements presented in accordance with Danish FSA rules.

(DKK millions)	Net profit 2024	Net profit 2023	Equity 30 June 2024	Equity 31 December 2023
Danske Bank Group based on IFRS	11,468	10,178	178,055	175,739
Domicile properties	-1	-1	210	211
Tax effect	-	1	-27	-27
Parent company statement based on Danish FSA rules	**11,467**	**10,177**	**178,238**	**175,923**

Income statement – Danske Bank A/S

Note	(DKK millions)	First half 2024	First half 2023*
	Interest income	33,433	25,128
	Interest expense	20,623	13,777
	Net interest income	**12,810**	**11,352**
	Dividends from shares etc.	323	292
	Fee and commission income	7,435	6,740
	Fees and commissions paid	885	944
	Net interest and fee income	**19,683**	**17,439**
P1	Value adjustments	902	1,658
	Other operating income	324	308
	Staff costs and administrative expenses	10,428	10,457
	Amortisation, depreciation and impairment charges	817	718
P2	Other operating expenses	-	693
P3	Loan impairment charges etc.	-284	152
	Income from associates and group undertakings	4,249	4,219
	Profit before tax	**14,197**	**11,605**
	Tax	2,730	1,428
	Net profit	**11,467**	**10,177**

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

Statement of comprehensive income – Danske Bank A/S

(DKK millions)	First half 2024	First half 2023
Net profit	11,467	10,177
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit pension plans	42	-115
Tax*	3	-16
Items that will not be reclassified to profit or loss	**39**	**-99**
Items that are or may be reclassified subsequently to profit or loss		
Translation of units outside Denmark	-813	-4,533
Hedging of units outside Denmark	315	2,260
Unrealised value adjustments of bonds at fair value (OCI)	-227	-60
Realised value adjustments of bonds at fair value (OCI)	40	-15
Tax*	-186	-541
Items that are or may be reclassified subsequently to profit or loss	**-499**	**-1,808**
Total other comprehensive income	**-460**	**-1,907**
Total comprehensive income	**11,007**	**8,271**

* A positive amount is a tax expense, and a negative amount is a tax income

Balance sheet – Danske Bank A/S

Note	(DKK millions)	30 June 2024	31 December 2023	30 June 2023
	Assets			
	Cash in hand and demand deposits with central banks	164,092	221,178	198,945
	Due from credit institutions and central banks	180,161	153,470	132,744
P3	Loans and other amounts due at fair value	236,337	174,963	178,807
P3	Loans and other amounts due at amortised costs	722,718	726,193	732,761
	Bonds at fair value	279,841	286,339	288,349
	Bonds at amortised cost	92,226	102,011	100,363
	Shares etc.	51,619	19,392	9,282
	Holdings in associates	581	612	564
	Holdings in group undertakings	89,737	87,868	86,310
	Assets under pooled schemes	48,938	47,877	47,060
	Intangible assets	6,063	6,047	6,078
	Land and buildings	3,954	4,106	2,403
	Domicile property	3,954	4,106	2,403
	Other tangible assets	6,242	6,080	5,475
	Current tax assets	7,118	3,296	4,062
	Deferred tax assets	1,507	1,418	1,365
	Assets held for sale	91,088	110,530	120,457
	Other assets	303,500	378,001	407,671
	Prepayments	3,240	2,045	1,965
	Total assets	**2,288,962**	**2,331,425**	**2,324,659**

Note	(DKK millions)	30 June 2024	31 December 2023	30 June 2023
	Liabilities and equity			
	Amounts due			
	Due to credit institutions and central banks	200,723	155,382	186,344
	Deposits and other amounts due	1,084,803	1,135,204	1,094,826
	Deposits under pooled schemes	49,831	48,140	47,579
	Issued bonds at fair value	2,523	7,718	10,017
P4	Issued bonds at amortised cost	245,352	206,278	204,819
	Current tax liabilities	663	989	1,414
	Liabilities in disposal groups held for sale	55,383	56,476	32,949
	Other liabilities	429,272	501,884	537,965
	Deferred income	1,989	1,501	1,153
	Total amounts due	**2,070,539**	**2,113,572**	**2,117,066**
	Provisions for liabilities			
	Provisions and pensions and similar obligations	146	164	172
	Provisions for deferred tax	1,102	1,115	315
	Provisions for losses on guarantees	3,736	3,466	2,878
	Other provisions for liabilities	1,763	2,011	550
	Total provisions for liabilities	**6,748**	**6,756**	**3,916**
	Subordinated debt	33,438	35,174	34,842
	Equity			
	Share capital	8,622	8,622	8,622
	Accumulated value adjustments	-3,621	-2,935	-6,487
	Equity method reserve	31,300	29,333	25,077
	Retained earnings	141,936	134,436	141,623
	Proposed dividends	-	6,466	-
	Total equity	**178,238**	**175,923**	**168,835**
	Total liabilities and equity	**2,288,962**	**2,331,425**	**2,324,659**

Statement of capital – Danske Bank A/S

Changes in equity

(DKK millions)	Share capital	Accumu-lated value adjust-ments*	Equity method reserve	Retained earnings	Proposed dividends	Total
Total equity as at 1 January 2024	**8,622**	**-2,935**	**29,333**	**134,436**	**6,466**	**175,923**
Net profit	-	-	1,967	9,500	-	11,467
Other comprehensive income						
Remeasurement of defined benefit pension plans	-	-	-	42	-	42
Translation of units outside Denmark	-	-813	-	-	-	-813
Hedging of units outside Denmark	-	315	-	-	-	315
Unrealised value adjustments	-	-227	-	-	-	-227
Realised value adjustments	-	40	-	-	-	40
Tax	-	-	-	183	-	183
Total other comprehensive income	**-**	**-685**	**-**	**225**	**-**	**-460**
Total comprehensive income	**-**	**-685**	**1,967**	**9,725**	**-**	**11,007**
Transactions with owners						
Dividends paid	-	-	-	39	-6,466	-6,427
Acquisition of own shares	-	-	-	-16,802	-	-16,802
Sale of own shares	-	-	-	14,537	-	14,537
Total equity as at 30 June 2024	**8,622**	**-3,621**	**31,300**	**141,936**	**-**	**178,238**

*Accumulated value adjustments includes foreign currency translation reserve, reserve for bonds at fair value through other comprehensive income (FVOCI) and valuation reserve.

(DKK millions)	Share capital	Accumu-lated value adjust-ments*	Equity method reserve	Retained earnings	Proposed dividends	Total
Total equity as at 1 January 2023	8,622	-4,138	26,838	129,185	-	160,506
Effect of changes in accounting policy**	-	-	-	-40	-	-40
Total equity as at 1 January 2023	**8,622**	**-4,138**	**26,838**	**129,145**	**-**	**160,466**
Net profit	-	-	-1,761	11,938	-	10,177
Other comprehensive income						
Remeasurement of defined benefit pension plans	-	-	-	-115	-	-115
Translation of units outside Denmark	-	-4,533	-	-	-	-4,533
Hedging of units outside Denmark	-	2,260	-	-	-	2,260
Unrealised value adjustments	-	-60	-	-	-	-60
Realised value adjustments	-	-15	-	-	-	-15
Tax	-	-	-	556	-	556
Total other comprehensive income	**-**	**-2,348**	**-**	**442**	**-**	**-1,907**
Total comprehensive income	**-**	**-2,348**	**-1,761**	**12,380**	**-**	**8,271**
Transactions with owners						
Acquisition of own shares	-	-	-	-13,390	-	-13,390
Sale of own shares	-	-	-	13,489	-	13,489
Total equity as at 30 June 2023	**8,622**	**-6,487**	**25,077**	**141,623**	**-**	**168,835**

*Accumulated value adjustments include foreign currency translation reserve, reserve for bonds at fair value through other comprehensive income (FVOCI) and valuation reserve.

**See note G2(a) of Annual Report 2023 for details of changes in accounting policies in 2023.

Notes – Danske Bank A/S

P1. Value adjustments

(DKK millions)	30 June 2024	30 June 2023*
Loans at fair value	721	-727
Bonds	618	536
Shares etc.	233	185
Currency	549	377
Derivatives	-833	2.105
Other liabilities	-384	-818
Total	**902**	**1.658**

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

P2. Other operating expenses

There were no other operating expenses for the six months ended 30 June 2024. Other operating expenses for the six months ended 30 June 2023. Notes G4 and G8 contain additional information.

P3. Impairment charges for loans and guarantees

	Due to credit institutions and central banks			Loans and other amounts due at AMC			Loan commitments and guarantees			
(DKK millions)	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
ECL allowance account as at 1 January 2023	16	28	2	1,548	5,117	5,546	716	1,176	1,081	15,230
Transferred to stage 1 during the period	10	-10	-	691	-662	-30	219	-206	-12	-
Transferred to stage 2 during the period	-	-	-	-89	194	-106	-73	105	-31	-
Transferred to stage 3 during the period	-	-1	1	-3	-227	230	-	-32	33	-
ECL on new assets	-	1	-	201	771	270	78	110	4	1,436
ECL on assets derecognised	-1	-1	-1	-125	-555	-315	-38	-111	-73	-1,219
Impact of net remeasurement of ECL (incl. changes in models)	-6	-12	-	-676	964	-1	-240	229	-27	229
Write offs debited to the allowance account	-	-	-	-	-	-144	-	-	-	-144
Foreign exchange adjustments	-	-	-	-39	-145	-110	-7	-22	2	-322
Other changes	-8	-	-	-20	-3	17	-	-	-	-13
ECL allowance account as at 30 June 2023	**11**	**4**	**2**	**1,489**	**5,455**	**5,357**	**654**	**1,248**	**976**	**15,197**
ECL allowance account as at 1 January 2024	6	5	4	1,499	5,230	5,780	646	1,267	1,553	15,991
Transferred to stage 1 during the period	-2	2	-	483	-457	-26	114	-108	-6	-
Transferred to stage 2 during the period	-	-	-	-115	250	-134	-44	101	-57	-
Transferred to stage 3 during the period	-	-	-	-11	-214	225	-1	-11	13	-
ECL on new assets	1	-	-	-188	980	871	4	196	299	2,165
ECL on assets derecognised	-	-	-	-158	-798	-345	-53	-99	-79	-1,533
Impact of net remeasurement of ECL (incl. changes in models)	-2	-3	-2	-60	-38	-54	-94	331	-253	-174
Write offs debited to the allowance account	-	-	-2	-	-	-152	-	-	-	-154
Foreign exchange adjustments	-	-	-	-15	-43	-41	-3	-13	28	-86
Other changes	3	-3	-	1	35	245	3	2	-	285
ECL allowance account as at 30 June 2024	**7**	**-**	**-**	**1,436**	**4,944**	**6,368**	**572**	**1,666**	**1,498**	**16,492**

P4. Issued bonds at amortised cost

Issued bonds at amortised cost includes non-preferred senior bonds of DKK 94,300 million (31 December 2023: DKK 93,194 million) of a total of DKK 245,352 million (31 December 2023: DKK 206,278 million).

Notes – Danske Bank A/S

Ratios

	First half 2024	Full year 2023*	First half 2023*
Total capital ratio (%)	26.0	26.8	26.0
Tier 1 capital ratio (%)	22.8	23.9	23.1
Return on equity before tax (%)	8.0	14.3	7.0
Return on equity after tax (%)	6.5	12.6	6.2
Income/cost ratio (%)	229.5	201.8	196.6
Interest rate risk (%)	0.5	0.6	-
Foreign exchange position (%)	2.2	1.8	2.7
Foreign exchange risk (%)	-	-	-
Loans plus impairment charges as % of deposits	85.6	77.2	80.9
Liquidity coverage ratio (90 days) (%)	149.8	150.5	129.4
Sum of large exposures as % of CET1 capital	102.0	93.6	107.7
Impairment ratio (%)	-0.1	-	-
Growth in loans (%)	-0.7	-20.5	-19.9
Loans as % of equity	5.4	5.1	5.4
Return on assets (%)	0.5	0.9	0.4
Earnings per share	13.4	24.8	11.9
Book value per share (DKK)	208.4	204.8	196.6
Dividend per share (DKK)	-	14.5	-
Share price end of period/earnings per share (DKK)	15.5	7.3	14.0
Share price end of period/book value per share (DKK)	1.00	0.88	0.84

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

Statement by the management

The Board of Directors and the Executive Leadership Team (the management) have today reviewed and adopted the Interim report – first half 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 and the Parent Company's interim financial statements have been prepared in accordance with the Danish Financial Business Act and the Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. 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 and the Parent Company´s financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities, shareholders´ equity and financial position at 30 June 2024 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the period starting on 1 January 2024 and ending on 30 June 2024.

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

Copenhagen, 19 July 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

Independent auditor’s review report

To the shareholders of Danske Bank A/S

Independent Auditor’s review report on the consolidated and parent interim financial statements

We have reviewed the consolidated and parent interim financial statements of Danske Bank A/S for the financial period 1 January to 30 June 2024, pp. 30-72 which comprise the income statement, statement of comprehensive income, balance sheet, statement of capital and notes, for the Group and Parent Company, respectively, as well as the consolidated cash flow statement including a summary of material accounting policies.

Management’s responsibility for the consolidated and parent interim financial statements

Management is responsible for the preparation of the consolidated interim financial statements in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed financial companies, and for the preparation of the Parent Company’s interim financial statements in accordance with the Danish Financial Business Act and Danish disclosure requirements for listed financial companies, and for such internal control as Management determines is necessary to enable the preparation of the consolidated and parent interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express a conclusion on the consolidated and parent interim financial statements. We conducted our review in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements under Danish audit regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the consolidated and parent interim financial statements, taken as a whole, have not been prepared, in all material respects, in accordance with the applicable financial reporting framework. This also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The Auditor performs procedures primarily consisting of inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements for the financial period 1 January to 30 June 2024 have not been prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and Danish disclosure requirements for listed financial companies, and that the Parent Company’s Interim Financial Statements have not been prepared, in all material respects, in accordance with the Danish Financial Business Act and Danish disclosure requirements for listed financial entities.

Statement on the management's report

Management is responsible for the Management's report.

Our conclusion on the interim financial statements does not cover the Management's report, and we do not express any form of assurance conclusion thereon.

In connection with our review of the interim financial statements, our responsibility is to read the Management's report and, in doing so, consider whether the Management's report is materially inconsistent with the interim financial statements or our knowledge obtained in the review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's report provides the information required under the Danish Financial Statements Act. Based on the work we have performed, we conclude that the Management's report is in accordance with the interim financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's report.

Copenhagen, 19 July 2024

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Kasper Bruhn Udam	Jakob Lindberg
State-Authorised Public Accountant Identification No (MNE) mne29421	State-Authorised Public Accountant Identification No (MNE) mne40824

Supplementary information

Financial calendar

31 October 2024	Interim report – first nine months 2024
07 February 2025	Annual Report 2024
20 March 2025	Annual general meeting
02 May 2025	Interim report – first quarter 2025
18 July 2025	Interim report – first half 2025
31 October 2025	Interim report – first nine months 2025

Contacts

Claus Ingar Jensen
Head of Investor Relations clauj@danskebank.dk

Links

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

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

Danske Bank A/S
Bernstorffsgade 40
DK-1577 Copenhagen V
Tel. +45 33 44 00 00
CVR No. 611262 28-København
danskebank.com