Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2022 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	977 074 010
Organisasjonsform:	Norskreg. utenlandsk foretak
Foretaksnavn:	DANSKE BANK
Forretningsadresse:	Søndre gate 15 7011 TRONDHEIM

Regnskapsår

Årsregnskapets periode:	01.01.2022 - 31.12.2022

Konsern

Morselskap i konsern:	Nei

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Sigrunn Hakstad
Dato for fastsettelse av årsregnskapet:	21.06.2023

Grunnlag for avgivelse

År 2022: Årsregnskapet er elektronisk innlevert

År 2021: Tall er hentet fra elektronisk innlevert årsregnskap fra 2022

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 16.07.2024

Resultatregnskap

Beløp i: NOK	Note	2022	2021
RESULTATREGNSKAP			
Renteinntekter og lignende inntekter			
Øvrige renteinntekter		12 325 000 000	7 558 000 000
Sum renteinntekter og lignende inntekter		**12 325 000 000**	**7 558 000 000**
Rentekostnader og lignende kostnader			
Øvrige rentekostnader		7 694 000 000	1 505 000 000
Sum rentekostnader og lignende kostnader		**7 694 000 000**	**1 505 000 000**
Netto renteinntekter		**4 631 000 000**	**6 053 000 000**
Provisjonsinntekter og inntekter fra banktjenester		1 306 000 000	1 329 000 000
Provisjonskostnader og kostnader ved banktjenester		219 000 000	232 000 000
Utbytte og andre inntekter av egenkapitalinstrumenter			
Inntekter av eierinteresser i konsernselskaper		57 000 000	62 000 000
Sum utbytte og andre inntekter av egenkapitalinstrumenter		**57 000 000**	**62 000 000**
Netto verdiendring og gevinst/tap på valuta og finansielle instrumenter			
Netto verdiendring og gevinst/tap på valuta og finansielle derivater		565 000 000	-79 000 000
Sum netto verdiendring og gevinst/tap på valuta og finansielle instrumenter		**565 000 000**	**-79 000 000**
Andre driftsinntekter		420 000 000	382 000 000
Lønn og andre personalkostnader		1 409 000 000	1 379 000 000
Andre driftskostnader		**2 120 000 000**	**2 070 000 000**
Av-/nedskrivninger, verdiendringer og gevinst/tap på ikke-finansielle eiendeler			
Avskrivninger		347 000 000	315 000 000
Sum av-/nedskrivninger, verdiendringer og gevinst tap på ikke-finansielle eiendeler		**-347 000 000**	**-315 000 000**

Resultatregnskap

Beløp i: NOK	Note	2022	2021
Kredittap på utlån, garantier mv. og rentebærende verdipapirer			
Kredittap på utlån målt til amortisert kost eller virkelig verdi med verdiendring over andre inntekt		-509 000 000	-192 000 000
Sum kredittap på utlån, garantier og rentebærende verdipapirer		**-509 000 000**	**-192 000 000**
Resultat før skatt fra videreført virksomhet		**3 393 000 000**	**3 943 000 000**
Skatt på resultat fra videreført virksomhet		879 000 000	942 000 000
Resultat etter skatt fra videreført virksomhet		**2 514 000 000**	**3 001 000 000**
Resultat før andre inntekter og kostnader		**2 514 000 000**	**3 001 000 000**
Andre inntekter og kostnader			
Sum andre inntekter og kostnader		**0**	**0**
Totalresultat for regnskapsåret		**2 514 000 000**	**3 001 000 000**

Balanse

Beløp i: NOK	Note	2022	2021
BALANSE - EIENDELER			
Kontanter og kontantekvivalenter		915 000 000	2 365 000 000
Utlån til og fordringer på kredittinstitusjoner og finansieringsforetak			
Utlån og fordringer på kredittinstitusjoner og finansieringsforetak til amortisert kost		40 546 000 000	46 165 000 000
Sum utlån og fordringer på kredittinstitusjoner og finansieringsforetak		**40 546 000 000**	**46 165 000 000**
Utlån til og fordringer på kunder			
Utlån og fordringer på kunder til virkelig verdi		27 403 000 000	25 568 000 000
Utlån og fordringer på kunder til amortisert kost		348 265 000 000	343 663 000 000
Sum utlån og fordringer på kunder		**375 668 000 000**	**369 231 000 000**
Rentebærende verdipapirer			
Rentebærende verdipapirer til virkelig verdi		19 864 000 000	10 029 000 000
Sum rentebærende verdipapirer		**19 864 000 000**	**10 029 000 000**
Finansielle derivater			
Finansielle derivater		89 859 000 000	46 301 000 000
Aksjer, andeler og andre egenkapitalinstrumenter			
Aksjer, andeler og andre egenkapitalinstrumenter		5 061 000 000	2 388 000 000
Eierinteresser i konsernselskaper			
Eierinteresser i konsernselskaper		150 000 000	151 000 000
Investeringseiendom			
Investeringseiendom		0	256 000 000
Varige driftsmidler			
Andre varige driftsmidler		1 025 000 000	1 024 000 000
Sum varige driftsmidler		**1 025 000 000**	**1 024 000 000**
Andre eiendeler			
Andre eiendeler		1 622 000 000	1 581 000 000
Sum andre eiendeler		**1 622 000 000**	**1 581 000 000**

Balanse

Beløp i: NOK	Note	2022	2021
Anleggsmidler og avhendingsgrupper holdt for salg			
SUM EIENDELER		**534 710 000 000**	**479 491 000 000**
BALANSE - GJELD OG EGENKAPITAL			
GJELD			
Innlån fra kredittinstitusjoner og finansieringsforetak			
Innlån fra kredittinstitusjoner og finansieringsforetak til amortisert kost		206 864 000 000	177 801 000 000
Sum innlån fra kredittinstitusjoner og finansieringsforetak		**206 864 000 000**	**177 801 000 000**
Innskudd og andre innlån fra kunder			
Innskudd og andre innlån fra kunder til amortisert kost		232 250 000 000	248 126 000 000
Sum innskudd og andre innlån fra kunder		**232 250 000 000**	**248 126 000 000**
Gjeld stiftet ved utstedelse av verdipapirer			
Sum gjeld stiftet ved utstedelse av verdipapirer		**0**	**0**
Finansielle derivater			
Finansielle derivater		88 568 000 000	47 471 000 000
Annen gjeld			
Annen gjeld		3 246 000 000	2 690 000 000
Avsetninger			
Pensjonsforpliktelser		21 000 000	21 000 000
Forpliktelser ved periodeskatt		808 000 000	0
Forpliktelser ved utsatt skatt		452 000 000	395 000 000
Sum avsetninger		**1 281 000 000**	**416 000 000**
Ansvarlig lånekapital			
Sum ansvarlig lånekapital		**0**	**0**
Fondsobligasjonskapital			
Sum fondsobligasjonskapital		**0**	**0**

Balanse

Beløp i: NOK	Note	2022	2021
Sum gjeld		**532 209 000 000**	**476 504 000 000**
EGENKAPITAL			
Innskutt egenkapital			
Sum innskutt egenkapital		**0**	**0**
Opptjent egenkapital			
Annen egenkapital		2 502 000 000	2 988 000 000
Sum opptjent egenkapital		**2 502 000 000**	**2 988 000 000**
Sum egenkapital		**2 502 000 000**	**2 988 000 000**
SUM GJELD OG EGENKAPITAL		**534 711 000 000**	**479 492 000 000**

ANNUAL REPORT
2022

Danske Bank

Norway Branch of Danske Bank A/S

Annual Report 2022

Business

Danske Bank, a Norwegian branch of Danske Bank, has total assets of NOK 534.7 billion at the end of 2022. The head office is located in Trondheim. Danske Bank's market shares for the corporate market and the retail market amounted to 6.9 and 5.9 per cent respectively, measured as a share of total lending volume among credit institutions.

For Danske Bank in Norway, there is no doubt that the war in Ukraine, high energy prices and rising inflation and interest rates left their mark on last year. At the same time, operations and activity at the Norwegian branch were good, and the bank was thus able to record another strong annual result.

For much of 2022, financial markets were characterised by financial turmoil and challenging interest rate markets, which also affected Danske Bank's operations in Norway. The war in Ukraine definitely took its toll last year, especially in human terms for those directly affected, but also in the form of soaring inflation, rising energy prices and a strong rise in interest rates. Among other things, the latter contributed to the property market cooling somewhat towards the end of the year in Norway and the bank's retail customers generally becoming more cautious with regard to loans. Despite this, Danske Bank Norwegian branch's overall portfolio, on the personal and corporate side, is perceived as very robust.

Both in the large customer segment and among small and medium-sized companies, there was very high activity throughout the year, and especially in the second half of the year, business momentum could be characterised as high. Profitability here was stable, lending growth strong, and the bank secured several attractive new customers and agreements during the year. In addition, the positive development in terms of customer satisfaction continued. On the retail side, where the bank has experienced significant growth in recent years, the bank shifted even more of its focus to enhanced profitability and follow-up of its existing customer base in 2022.

The year for the bank was also marked by the fact that the work related to sustainability gained further momentum, and with the launch of Danske Bank's ambitious environmental plan at the beginning of this year, there are strong indications that efforts here will become even more important in the future. In summary, 2022 was a good year for Danske Bank in Norway with substantial activity, and the bank delivered a strong result overall.

Norwegian economy

2022 was characterised by a sharp increase in prices for everything from energy and raw materials to input factors and finished goods. High inflation in turn prompted central banks, also in Norway, to raise interest rates sharply through the second half of the year. Enterprises increasingly reported weaker growth prospects and pressures on profitability through autumn, but economic activity nevertheless held up well. Part of the reason was probably that both businesses and especially households were in a very good financial situation after the pandemic, with a lot of savings. These funds were used to sustain demand even though current income growth became weaker and weaker. Moreover, households were sheltered from high electricity prices through government support schemes. The labour market thus remained tight, with low unemployment and a strong demand for labour. Towards the end of the year, the pressure was seen to ease somewhat. The rise in interest rates after summer contributed to a drop in housing prices through autumn. Sales of new housing units slowed sharply and resulted in a fall in residential construction. The commercial property market was also affected by higher interest rates, but very low turnover made it difficult to assess the magnitude of the fall in prices.

Income statement
Profit after tax fell from NOK 3,000 million in 2021 to NOK 2,514 million in 2022. 2022 was affected by an increase in interest income and expenses etc. Profit before loss on loans fell from NOK 3,750 million in 2021 to NOK 2,884 million in 2022, partly as a result of declining net interest income and rising operating costs.

The bank's total revenue fell by 10.0 per cent in 2022 compared to 2021 and ended at NOK 6,760 million, as the improved trading income was matched by a reduction in net interest income. Net interest income decreased from NOK 6,053 million in 2021 to NOK 4,631 million in 2022. This equates to a 23.5 per cent percent reduction. Net other operating revenues increased from NOK 1,462 million in 2021 to NOK 2,130 million in 2022, driven by improved trading income.

Operating expenses increased by 3.0 per cent from NOK 3,764 million in 2021 to NOK 3,877 million in 2022, partly as a result of rising personnel-related costs.

In 2022, losses/impairments on loans and guarantees amounted to net reversals of NOK 509 million compared to net reversals of NOK 192 million in 2021, as 2022 was affected by improved market conditions within shipping, oil and gas. Recorded net reversed losses in 2022 amount to 0.2 per cent of loans to customers.

Balance sheet
Total loans increased from NOK 373 billion at the end of 2021 to NOK 378 billion. Total deposits were reduced from NOK 248 billion to NOK 232 billion, corresponding to a reduction of 6 per cent. The bank's deposit-to-loan ratio amounts to 61 per cent (67 per cent at the end of 2021).

Organisation and corporate governance
At year-end, Danske Bank NUF had 1,048 full-time man-labour years (1,084 at the end of 2021). The proportion of women is 48 per cent. When recruiting employees, it is a goal to ensure a good gender balance. In the branch's management (Country Management), 45 percent are women. At the end of 2021, the proportion was 46 per cent women. Danske Bank has an occupational health service to ensure a good working environment for its employees, with a particular focus on preventive measures. A minor accident was recorded in 2022 and no serious injuries or accidents were recorded at Danske Bank. Sickness absence has been 4.7 per cent throughout the year (2021: 4.9 per cent).

Danske Bank conducts employee satisfaction surveys. Satisfaction is consistently high.

The Bank has a recruitment and HR policy designed to ensure equal opportunities and rights and prevent discrimination based on ethnic or national origin, descent, skin colour, language, religion, or belief.

Danske Bank's activities are by nature such that they do not have a significant impact on the external environment. However, the bank has implemented energy-saving measures primarily in connection with heating and transport, and also has taken measures to limit the use of resources such as water, office supplies, graphic materials, and cleaning products.

Report on gender equality status and standing of Danske Bank

Part 1 Gender equality status

Danske Bank shall be diverse and inclusive.

Diversity is what makes people and groups unique and different from each other, and inclusion is about enabling everyone to be themselves and have equal opportunities to contribute to the organisation regardless of background.

The fact that our employees are different and have different perspectives makes us better equipped to achieve our goals and create value for our customers.

Through our Diversity and Inclusion Policy, we are committed to working for a diverse and inclusive culture throughout the Danske Bank Group.

Three main principles have been adopted:

- Danske Bank will increase diversity in general in the bank
- All personnel are ensured equal opportunities and conditions throughout their career at Danske Bank
- Danske Bank has a zero-tolerance policy for any form of bullying, harassment, or discrimination.

Danske Bank's Norwegian branch currently has a decent gender balance among its employees, but this is not reflected in management positions at the highest levels. The Bank is particularly aware of this and is working diligently to ensure and facilitate a better gender balance in managerial positions.

Gender balance in Danske Bank NUF 2022

Unit	Women	Men	Proportion of women
Business Customer	60	109	36 %
Staff Areas	28	22	56 %
Financial Crime Risk Prevention	51	38	57 %
Group Risk	35	35	50 %
Large Corporates & Institutions	66	153	30 %
Personal Customers	204	173	54 %
Technology &Services	89	56	61 %
Total	**533**	**586**	48 %

Danske Bank has a global structure that as of May 2022 was divided into three business units: Large Corporates & Institutions (LC&I), Business Customers (BC), and Personal Customers (PC). Staff and support functions are additional. Overall, we have an even distribution between women and men in the business, with 533 women and 586 men. The distribution within the various units is not as even. The proportion of women is highest in Personal Customers and in staff and support functions, while the proportion of men is highest in Business Customers and Large Corporates & Institutions.

Overview of Country Management

Year	Women's share of men's wages	Proportion of women
2021	53.5 %	46.2 %
2022	61.90 %	45.45 %

Taking parental leave (average number of weeks)

Year	Women	Men
2020	19	14
2021	22.5	14
2022	20	13.2

On average, men take shorter parental leave than women. Danske Bank works actively to ensure that employees receive a good period of leave without this having to be at the expense of their careers. This is done by the manager conducting parental leave interviews which promote a connection to the employment relationship also during the leave period, if the employee wants to.

Number of employees in part-time positions

Year	Women	Men
2020	24	9
2021	21	8
2022	17	6

Danske Bank NUF has few employees working part-time, only 2 per cent. We primarily have students in part-time positions, as well as employees who, for private reasons, do not want to work full time. No employees have reported that they work involuntarily part time.

Temporary employees

Year	Women	Men
2020	9	3
2021	5	8
2022	3	9

We have very few temporary employees, less than 1 per cent. There is also an even distribution of women and men in temporary positions, and no special measures have therefore been implemented in this connection.

Sick leave

Year	Women	Men
2020	5.86 %	1.82 %
2021	6.26 %	2.16 %
2022	7.21 %	2.56 %

Absence due to sick child:

Year	Women	Men
2020	1.04 %	0.40 %
2021	0.90 %	0.44 %
2022	1.40 %	0.87 %

Sickness absence varies between units and different types of positions. Recorded sickness absence is lower in units with more particularly independent positions, such as Business Customers and Large Corporates & Institutions. These are also the units with the highest proportion of men, which is believed to be the main reason for the uneven distribution between women and men when it comes to sickness absence.

Part 2: Our work for equality and against discrimination
Organisation of diversity and inclusion work

Danske Bank has organized its organisation of diversity and inclusion with a group D&I Office, which is part of HR. They work with strategic development within diversity and inclusion and set the direction for the group across borders. The work is carried out in collaboration with the D&I Council, which was established in 2020. D&I Council consists of selected senior executives in Danske Bank globally.

To ensure a firm foothold in the organisation, you also have your own D&I Leads, who are senior managers from different parts of the organisation. There are both D&I Leads within each of the global segments, but also a separate D&I Lead for each of the countries.

In Norway, there is a separate D&I group that works for equality and against discrimination in the Norwegian branch. Union representatives are represented in the group. During 2022, the D&I group was divided into four working groups that aim to strengthen Danske Bank NUF in the fields of: Inclusive Culture, Employer Branding and Recruitment, Equal Pay, and Career Development. The D&I group reports to the Norwegian Country Management.

Our actions for 2022:
Pre-recruitment

The gender balance among newly hired employees in the bank reflects the gender balance in the applicant pool. We have therefore worked actively to get more women to apply. In 2022, Danske Bank again participated at the Women in Finance Day at the Norwegian School of Economics and Business Administration (NHH), where the bank also gave a presentation. In addition, under the auspices of the bank, a course was held aimed at female students in preparation for the application and interview process. Both initiatives have been taken by LC&I, which is the business unit in the bank with the lowest proportion of women.

The hiring process

Research shows that women and men are triggered by different words in the job announcements and that visual profile affects who applies. All advertising texts are therefore reviewed before publication to ensure a conscious use of language and images.

In Norway, the bank has entered into agreements with two external suppliers who, if necessary, assist the local organisation in identifying candidates who contribute to increased diversity in selected recruitment processes.

Surveys show that we have proportionately fewer women in the highest paid positions at the bank. Danske Bank therefore has a global policy that at least one-third of the candidates for final interviews for management positions should normally be of the underrepresented gender for the position.

Danske Bank has a recommendation committee for employees covered by the Central Agreement. In addition, a council has been established for those positions that fall outside the collective agreements. We see that men are overrepresented, especially among the highest paid positions, and having an extra supervisory body contributes to raising awareness and hopefully a better gender balance in the long run. The council was established towards the end of 2021, and effects of the work will be evaluated during 2023.

Working environment

As part of our efforts to create an inclusive working environment characterised by high employee satisfaction, the bank undertook an extensive survey of employees across all markets in spring 2022.

Around 13,000 of the Group's 22,000 employees responded to the survey – which included questions on whether they had experienced discrimination, harassment or bullying in the past 12 months.

Among respondents, 2.7 per cent said they had experienced bullying, discrimination or harassment, while 0.7 per cent had experienced sexual harassment.

The results also showed that just 30 per cent of incidents are reported. A global working group has been appointed to implement initiatives that prevent and manage the risk of harassment.

Diversity competence

Danske Bank has for several years offered training in diversity and inclusion. Amongst training that have been initiated the previous year, the LC&I business unit performed three training lessons in 2022, with a particular focus on inclusion and unconscious bias.

Salary and career

Since 2019, Danske Bank has had an extra strong focus on gender and pay. Ensuring equal pay is one of the most important things managers aim for during the annual salary reviews. HR therefore conducts specific analyses prior to the review and contacts the individual manager where there is suspicion of either direct, indirect or systemic differences related to gender and pay.

We see that the differences related to gender manifest themselves particularly when the employee starts a family and goes on parental leave. To ensure an open dialogue relevant to the individual's situation, leave interviews are conducted with everyone who goes on parental leave. The aim is that this makes the path back after the leave easier, to avoid any obstacle to a further career. In 2022, Danske Bank decided not to deduct periods of parental leave when calculating bonuses under the ordinary bonus programme.

LGBTQ

A Rainbow network has been established in Norway for employees, and the work in 2022 has aimed to create a constructive, positive and informative dialogue around the LGBTQ+ community, both inside and outside Danske Bank, as well as to ensure that all employees can be free to be themselves.

External initiatives

We cannot pave the way towards a more equal and diverse society alone. Several of the challenges we face are normally common to the financial industry and the labour market in general. Danske Bank NUF has therefore joined external initiatives such as the Women in Finance Charter, Stonewall and SHE.

Results of the work and expectations for the work ahead

Danske Bank NUF conducts an annual survey as a barometer of what views exist amongst employees regarding the work and measures within equality, diversity, and inclusion at the bank. A total of 468 persons responded to the survey, and the results showed progress on all aspects compared to 2021. The survey shows that as many as 83 per cent of employees fully or partly agree that the bank has an inclusive culture with openness and space for everyone at the bank. Some 9 per cent are neutral, and 6 per cent either wholly or partially disagree. The Bank's goal is for all Bank employees to agree that we have an inclusive culture.

In 2021, salary statistics showed that employees' starting salaries were equal regardless of gender at the supervisor level. In 2022, there was a gender difference in starting salaries of supervisors, but this is because men were overrepresented when hiring for the highest paid positions. The work ahead will focus on facilitating an inclusive culture and internal career development to provide equal opportunities and even out the existing wage differences at the bank.

Social responsibility
Danske Bank works to take active responsibility for the community and the environment around us.

Sustainability and corporate social responsibility are a central part of Danske Bank and are specified in our sustainability strategy. The bank's customers and other stakeholders should be confident that we take environmental, social and governance aspects into account when we do business. This applies to our own activities as well as to the provision of credit, investments, and supplier management, as well as to how the Bank shores up financial stability in society and in the economy in general. We see responsible corporate governance as a prerequisite for creating long-lasting value in business.

At the same time as the Danske Bank Group publishes its Annual Report for 2022, the Sustainability Report 2022 and the Sustainability Fact Book 2022 will also be released. These can be found online at https://danskebank.com/sustainability.

Transparency Act
Danske Bank's Human Rights Report represents our duty to account for our human rights due diligence in accordance with section 5 of the Norwegian Transparency Act and covers the activities of the Danske Bank Group (Danske Bank) for the financial period 1 January 2022 to 31 December 2022. The report is available in Norwegian at *Samfunnsansvar* (danskebank.com) and in English at *Publications & policies* (danskebank.com). Pursuant to section 5 of the Transparency Act, the report will be updated annually no later than 30 June each year or in the event of significant changes to Danske Bank's human rights risk assessment.

The Norwegian Transparency Act and the reporting requirements stipulated herein apply to the Danske Bank Group as a larger foreign enterprise offering services in Norway through our Norwegian branch and with tax liability to Norway. While the scope of the information and reporting obligations in accordance with the Norwegian Transparency Act are limited to activities in our Norwegian branch, the scope of our due diligence efforts in relation to human rights and decent working conditions is group wide, not isolated to activities in the Norwegian branch. The information we provide through both our duty to inform, and our reporting obligations therefore covers activities of the entire Group, which encompasses Danske Bank A/S and all subsidiaries, including our Norwegian branch.

Risk management
Danske Bank has an enterprise risk management framework to achieve the bank's strategic goal of being a strong, balanced and predictable bank.

This helps to strengthen the Bank's management and control across the business areas and clarifies roles and responsibilities in all risk areas across the Bank's lines of defence.

For a more detailed description of risk management, see Note 8.

Outlook for 2023

Gross domestic product (GDP) is expected to decline from 3.5 per cent in 2022 to 0.9 per cent in 2023. The central bank is expected to raise its base rate to 3 per cent in March. We expect money market rates to level off further in the first half of the year, and then drop slightly in the second half of the year. The unemployment rate will be at a low 2.4 per cent.

At the beginning of the new year, we see that higher inflation and higher interest rates will have a negative impact on businesses and households. It is therefore important for us to be a good bank for customers who find themselves in a financially stressful situation.

We enter 2023 with higher volumes and margins than at the start of 2022. A stabilisation in money market rates will contribute to higher lending margins in the retail market, while maintaining deposit margins at satisfactory levels. The reopening of society after Covid has contributed to increased market activity and thus higher transaction volumes – something we expect to continue in 2023.

At the same time, we take into account potential losses as a result of more challenging macroeconomic conditions ahead.

End-of-year dispositions

Going concern is used as the basis for the preparation of the annual accounts.

The profit for the year of NOK 2,514.2 million has been transferred to other equity.

Oslo, 31 May 2023

Erlend S. Angelfoss
Country Manager

DANSKE BANK NUF

INCOME STATEMENT

NOK millions	Note	2022	2021
Interest income, effective interest method		10,694.5	6,847.3
Other interest income		1,630.3	710.6
Interest expense		7,694.2	1,505.1
Net interest income	2	**4,630.5**	**6,052.8**
Fees received	3	1,306.3	1,329.1
Fees paid	3	(218.7)	(232.0)
Trading income	2	565.0	(79.1)
Other operating income	3	420.1	382.0
Income from group companies		57.3	61.6
Net other operating income		**2,130.0**	**1,461.7**
Total operating income		**6,760.4**	**7,514.4**
Staff and administration expenses	4,5	3,529.8	3,449.0
Other costs		0.0	0.0
Depreciation and impairment of fixed assets	23	346.9	315.3
Total operating costs		**3,876.7**	**3,764.3**
Operating profit before losses on lending and impairment		**2,883.7**	**3,750.1**
Loss (profit) on loans and guarantees	6	(509.1)	(192.2)
Profit from ordinary operations before tax		**3,392.8**	**3,942.3**
Tax on net income	7	878.6	942.1
Profit for the year		**2,514.2**	**3,000.2**
Net profit		**2,514.2**	**3,000.2**

Transferred to equity earned		2,514.2	3,000.2
TOTAL ALLOCATION		**2,514.2**	**3,000.2**

DANSKE BANK NUF

BALANCE SHEET

ASSETS			
NOK millions	Note	31-12-2022	31-12-2021
Cash and due from central banks		**915.3**	**2,365.3**
Due to/from credit institutions	9,32,34	**40,546.4**	**46,164.8**
Gross loans to customers	10,11,12,13,14,15,16,17,18,32	**350,523.2**	**347,309.3**
Loss provisions	19	**(2,257.9)**	**(3,646.9)**
Net loans to customers		**348,265.2**	**343,662.5**
Loans at market value	10	**27,402.7**	**25,568.3**
Trading portfolio assets	20,21,32	**114,259.4**	**58,229.9**
Other investment assets	21	**524.4**	**488.4**
Ownership interests in Group companies	22	**150.2**	**150.8**
Fixed assets	23,24	**1,025.2**	**1,280.5**
Deferred tax asset	7	**0.0**	**0.0**
Other assets		**1,621.6**	**1,580.7**
TOTAL ASSETS		**534,710.4**	**479,491.3**

LIABILITIES AND EQUITY			
	Note	31-12-2022	31-12-2021
Debts to credit institutions	25,33	**206,863.9**	**177,800.9**
Deposits from and debts to customers	26,33	**232,249.6**	**248,125.9**
Trading portfolio liabilities	31	**88,567.8**	**47,470.8**
Debts established through issue of securities		**0.0**	**0.0**
Provision for obligations	5,27,35	**173.3**	**114.1**
Tax liabilities	7	**807.5**	**0.0**
Deferred tax		**451.8**	**394.7**
Other obligations		**3,094.8**	**2,596.9**
TOTAL LIABILITIES		**532,208.7**	**476,503.2**
Equity earned	29	**2,501.7**	**2,988.0**
TOTAL EQUITY		**2,501.7**	**2,988.0**
TOTAL LIABILITIES AND EQUITY		**534,710.4**	**479,491.3**

Oslo, 31 May 2023

Erlend S. Angelfoss
Country Manager

SPECIFICATION OF CHANGES IN EQUITY

NOK millions	2022	2021	2020
Equity 1 January	2,988.0	-1,449.0	2,901.7
Repayment of branch capital	-2,998.8	1,439.8	-2,904.0
Profit for the year	2,514.2	3,000.2	-1,446.7
Equity effect group contribution DDB AS	-1.8	-2.9	
Equity 31 December	2,501.7	2,988.0	-1,449.0

Accounting Policies

(a) GENERAL

The annual accounts for Danske Bank NUF (Norsk Registrert Utenlandsk Foretak) have been prepared in accordance with the International Financial Reporting Standards (IFRS) as laid down by the EU in accordance with § 1-4, 2nd paragraph b) of the Regulations relating to annual accounts for banks, credit institutions and finance companies. Danske Bank NUF has exercised the options 1, 2 and 3 in section 7-2, 1st paragraph to deviate from note requirements.

On 1 January 2022, Danske Bank NUF implemented the amendments to IAS 16, IAS 37, IFRS 3 and Annual Improvements to IFRS Standards 2018 – 2020. Apart from this, applied accounting practices are unchanged compared to the 2021 annual report. The implementation of the amendments to IFRSs had no impact on the financial statements.

Consolidated accounts are not prepared for the Norwegian branch as the branch and subsidiaries are included in the consolidated accounts of Danske Bank, Denmark.

Critical estimates and assessments

The preparation of financial information will in some areas involve assessments and estimates made by management. This includes assessments made in the application of accounting principles. The most significant considerations made in the application of accounting principles are related to the classification of financial assets and financial liabilities under IFRS 9, in particular related to the business model, the Solely Payments Principal and Interest (SPPI) test and the assessment of whether to recognise financial liabilities at fair value through profit or loss.

Furthermore, the preparation of the financial statements implies that management makes a number of judgements and assessments of future matters that have a significant influence on the accounting value of assets and liabilities. Applied judgement and assessments are based on assumptions that management considers to be justifiable, but which by their very nature are uncertain and unpredictable. The assumptions may be incomplete, and unexpected future events or circumstances may arise, allowing others to arrive at a different result. Due to the inherent uncertainty and the high level of subjectivity and judgement involved in the recognition and measurement of the conditions mentioned below, it is possible that the results in coming years will be different from the estimates on which management has relied.

The distinction between the three stages in the expected credit loss model in IFRS 9 depends on whether credit risk has increased significantly since initial recognition. If credit risk is not substantially increased, the loss provision corresponds to the expected credit loss from expected defaults over the next 12 months (stage 1). If the credit risk is significantly increased, or the loan is due by more than 30 days, or the loan is in default or otherwise credit-impaired, the expected credit loss will correspond to the expected credit loss over the lifetime of the loan (stages 2 and 3). In determining the loss provision for expected credit losses, management applies assessments, estimates and assumptions as explained below.

When assessing expected credit losses, management shall carry out assessments of what defines a significant increase in credit risk. This is defined to be facilities with a Probability of Default (PD) below 1% at establishment: an increase in the facility's 12-month PD of at least 0.5 percentage points and a doubling of the facility's lifetime PD since establishment; and for facilities with PD above 1% at establishment: a rise in the facility's 12-month PD of at least 2 percentage points or a doubling of the facility's lifetime PD. The loss provision for personal and business customers would, by the end of 2022, rise by 23.3 million (2021: NOK 2.4 million) if an increase in the facility's 12-month PD by a minimum of 0.25 percentage points and a doubling of the facility's lifetime PD were considered to be a significant increase in credit risk.

The estimation of expected credit losses involves forecasting future economic conditions over many years. Such forecasts are influenced by managerial assessments and these assessments may contain measurement uncertainty that involves a significant risk of resulting in a material adjustment to a book value in future periods. The inclusion of future elements reflects the expectations of management and involves the formation of scenarios ('base case', 'upside' and 'downside'), including an assessment of the probability of each scenario. The purpose of using several scenarios is to model the non-linear impact of assumptions made about macroeconomic factors in the expected credit losses.

The mix of scenarios includes the base case scenario with a probability of 70% (2021: 70%), the upside scenario with a probability of 10% (2021: 10%) and the downside scenario with a probability of 20% (2021: 20%). On the basis of these figures, the allowance account at the end of 2022 amounted to NOK 2,258 million (2021: NOK 3,647 million).

Management applies judgement in deciding on the need for 'post-model adjustments'. At the end of 2022, post-model adjustments amounted to NOK 0.6 billion (2021: NOK 0.6 billion). They no longer include the risks arising from the corona crisis but rather the increasing macroeconomic risk due to the uncertainty related to the elevated inflation an severity of and economic downturn as well as the global tension uncertainty stemming from the war in Ukraine.

Accounting treatment affected by the war in Ukraine:

In 2022, financial markets have been under pressure due to the uncertainty caused by high inflation and energy prices as a consequence of the war in Ukraine, which has exacerbated macroeconomic uncertainties.

Danske Bank NUF has considered the impact of the war on critical areas such as the credit portfolio and macroeconomic scenarios. Danske Bank NUF has very limited direct exposures to customers in or from Russia, Ukraine or Belarus. NOK 0.2 billion of Danske Bank NUF's post-model adjustments relate to the economic uncertainties and macroeconomic impacts arising from the war in Ukraine to ensure prudent coverage of Danske Bank NUF's credit exposures. Similarly, macroeconomic scenarios have been updated to reflect expectations of higher inflation and interest rates which are fuelled by the war in Ukraine.

Accounting treatment of the effect of sustainability risk:

Danske Bank NUF may be exposed to sustainability risk as a result of current or future environmental, social and governance (ESG) events or conditions, and are considered external factors that can impact existing risks. Sustainability risk is therefore considered a cross-cutting driver of existing risks as outlined in the Danske Bank NUF's risk taxonomy, which can further exacerbate the risks the Danske Bank NUF is already facing.

Fair value of financial instruments

For financial instruments with quoted prices on an active market or where the valuation is based on generally accepted valuation models with observable market data, there is no significant discretionary judgement associated with the valuation.

For financial instruments, where the valuation is based only to a small extent on observable market data, the valuation is very much a matter of discretion. This is the case, for example, for unlisted shares and for certain bonds, where there is no active market.

When a financial instrument is listed in a market that is not active, the valuation is based on the latest transaction price. Adjustments are made for subsequent changes in market conditions, including by inclusion of transactions in similar financial instruments, which is considered to be carried out on the basis of normal business considerations. When there is no market, the fair value of ordinary and more simple financial instruments, such as interest rate and currency swaps and unlisted bonds, is determined using generally recognised valuation methods. Market-based parameters are used in the valuation.

For more complex financial instruments, such as swaptions, other OTC products, valuation models are used that are typically based on valuation methods generally accepted within the sector. The result of valuation models is often an expression of a judgement over a value that cannot be determined unambiguously on the basis of market observations. The valuation therefore is sometimes implemented by including risk factors (liquidity and counterparty risk) as additional parameters.

For additional sensitivities see note 31.

Subsidiaries

Subsidiaries are those enterprises where Danske Bank has a decisive influence on financial and operational decisions. Decisive influence is deemed to exist when Danske Bank A/S directly or indirectly has more than half of the voting rights in an enterprise or otherwise has a decisive influence on managerial or operational decisions, and the majority of the return and risk in the business at the same time accrues or is incumbent on the Group.

The subsidiaries and sub-subsidiaries are incorporated according to the equity method in the company accounts. The parent company's income from investing in subsidiaries is based on profit after tax in the subsidiaries, with the addition of recognition of deferred income and depreciation of excess value.

Financial Instruments in general

Financial assets and liabilities are recognised when Danske Bank NUF becomes a party under the terms of the contract. Purchases and sales of financial instruments are recognised on the settlement date at fair value (as a rule, this corresponds to the transaction price). Until the settlement date, changes in the value of the financial instrument are recognised, provided they are recognised at fair value through profit or loss. A financial asset or part thereof is derecognised if the contractual rights to cash flows from the asset have expired, or have been transferred, usually by sale, causing virtually all the risks and benefits of the asset, or material risks and benefits thereof, to be transferred. Financial obligations are derecognised when the obligation has been settled, expired or has been extinguished.

General provisions of International Financial Reporting Standard IFRS 9 on Classification and Measurement:

According to IFRS 9, financial assets shall be classified on the basis of both the business's business model for managing financial assets and the characteristics of contractual cash flows (including any embedded derivatives) and measured in accordance with:

- Amortised cost (AMC)
- Fair Value Through Other Comprehensive Income (FVOCI)
- Fair Value Through Profit or Loss (FVPL)

Financial assets are measured at AMC, if they are held within a business model for the purpose of receiving the assets' contractual cash flows ('held to collect'), and the contractual cash flows from the financial asset consist solely of payment of principal and interest on the outstanding amount.

Financial assets are measured at FVOCI, if held within a business model for the purpose, which can be fulfilled both by receiving the assets' contractual cash flows and by selling the financial assets ('held to collect and sell'), and the contractual cash flows from the financial asset consist solely of the payment of principal and interest on the outstanding amount. We do not have any financial assets that are measured at FVOCI.

All other financial assets shall be measured at FVPL, including financial assets, held for a different business purpose, such as financial assets, which are managed on a fair value basis or included in the trading portfolio, and financial assets, where the contractual cash flows from the financial asset do not consist solely of payment of principal and interest on the outstanding amount.

Financial liabilities are recognised on the day of settlement at fair value. Subsequent measurement normally starts with the amortised cost and with the separation of embedded derivatives, which are not closely connected with the main contract. Financial liabilities, which are recognised at fair value, consist of derivatives, the trading portfolio, and liabilities, which are recognised at fair value through profit or loss. However, the part of the adjustment of the value of financial obligations stated at fair value, which relates to the obligation's own credit risk, shall be included in other total income, unless this results in an accounting mismatch.

Assessment of the business model:

The business model for Danske Bank NUF has been assessed separately for Personal Customers, Business Customers and General Banking at Large Corporates & Institutes (LC&I). The assessment is based on observable factors for the individual portfolios, such as (1) information on how it is evaluated on the business model, and earnings reported to management, (2) information about the risks that affect the business model and its management, and (3) information about sales from the given portfolio (frequency, both historical and expected, amount and timing). This assessment can be summarised as follows:

- Danske Bank NUF's banking units, which include Personal Customers, Business Customers and General Banking at Large Corporates & Institutes (LC&I), have a 'held to collect' business model. The financial assets consist primarily of lending. The management of the assets and the reporting of earnings are based on the receipt of contractual cash flows, and loans are sold only infrequently.
- The other units in LC&I (trading related units) have a business purpose, which is neither 'held to collect' nor 'held to collect and sell', and the financial assets must therefore be recognised at fair value through profit or loss. The assets consist of bonds, stocks, repo transactions and lending. Some of these financial assets are included in portfolios with a trading pattern, which fall under the definition of 'held for trading', while other portfolios are managed on a fair value basis.

Assessment of the characteristics of the contractual cash flows (exclusively the payment of principal and interest on the outstanding amount):

The next step in the classification of the financial assets, which are included in portfolios which are held to collect, consists in an assessment of whether the contractual cash flows from the financial asset consist exclusively of the payment of principal and interest on the outstanding amount. The principal reflects the fair value at the first recognition and subsequent changes, for example as a result of instalments paid. Interest payments must only reflect remuneration for the real-time value of money, for credit risk and for other basic lending risks, as well as a margin risk, which is consistent with basic loan terms. If the cash flows entail more than a 'de minimis' exposure to risk or volatility, which is not compatible with basic loan terms, the financial asset shall be recognised at fair value through profit or loss.

For Danske Bank NUF's portfolio of financial assets, which is held to collect, the following is generally taken into account when assessing the characteristics of contractual cash flows:

- Remuneration for the real-time value of money. For certain variable pre-paid loans, it is normal practice in the market that the frequency of interest rate adjustments does not match the maturity of the interest rate. It is assumed that this mismatch does not significantly change the remuneration for the real-time value of money.
- Danske Bank NUF does not provide loans where interest rates are leveraged or follow developments in share prices or the like, for example.
- Right to redeem early. Such a right meets the criterion that the cash flows are exclusively the payment of principal and interest on the outstanding amount, if the amount paid corresponds to the outstanding principal, the accrued interest, and any appropriate compensation to the lender for the early redemption. This is generally the case for bank lending.
- Right to extend the maturity. Such a right meets the criterion if the cash flows in the extended maturity are exclusively the payment of the principal and interest on the outstanding principal. Danske Bank NUF provides very few loans where the customer has a contractual right to extend the maturity, and for such loans the interest rate will be adjusted so that it corresponds to the current market rate.
- Remuneration for credit risk and other basic lending risks. The interest rate contains a margin as payment for the bank assuming the credit risk, which may have been determined at the time at which the loan was made. Danske Bank NUF does not enter into profit sharing agreements, for example in the form of contractual terms, where the margin is increased in line with the customer's earnings.

The contractual cash flows for the financial assets of Danske Bank NUF's banking units thereby represent the payment of principal and interest on the outstanding amount, so therefore the assessment of the contractual cash flows allows these assets to be recognised at amortised cost.

All equity instruments and shares have contractual cash flows, which do not consist exclusively of the payment of principal and interest on the outstanding amount. Such instruments are recognised at FVPL, as Danske Bank NUF has chosen not to use the opportunity to recognise equity instruments at FVOCI.

Fair value option

IFRS 9 provides an opportunity to recognise financial liabilities at fair value through profit or loss, if this provides more relevant information, either because (1) this removes or substantially reduces an accounting mismatch, which would otherwise occur, or (2) the liabilities are included in a portfolio of financial instruments, where the management and reporting of earnings to management is made on a fair value basis.

Danske Bank NUF recognises the following obligations under FVPL when applying the fair value option in IFRS 9:

Financial liabilities in trading-related units of LC&I. These financial liabilities are included in a portfolio of financial assets and liabilities, where management and reporting of earnings to management is made on a fair value basis. The financial obligations consist of repo transactions, borrowing and commercial paper.

Hedging transactions

Agreements entered into to hedge a specific interest rate level, or a specific exchange rate are defined as hedging. Hedging transactions are normally defined by one-to-one conditions against the underlying hedging object. When the individual hedging objects are too small to be secured one-to-one, they are secured by collective transactions that have approximately the same maturity and principal. Hedging objects and associated security are identified either by their own portfolio or by establishing and reporting a one-to-one relationship together. Hedging transactions mainly concern interest rate derivatives.

Assessment of loans at amortised cost

Lending consists of loans, where disbursements have been made directly to the borrower, as well as loans acquired after disbursement has been made. Lending includes traditional bank lending, financial leasing, mortgage deeds, reverse transactions, where the counterparty is not a credit institution or a central bank. Reverse transactions are purchases of securities where an agreement to sell back at a later date has been reached at the same time.

The first recognition of loans is recorded at fair value with additions for transaction costs and with deductions for establishment fees, etc. This normally corresponds to the amount transferred to the borrower. Subsequent valuation is made at amortised cost using the effective interest rate method with write-down for expected credit losses. The difference between the value at first recognition and the nominal value is amortised over the remaining maturity and recognised as part of the effective interest rate. For calculating the present value of fixed-rate loans, the originally established effective interest rate is used. For floating-rate loans, the actual effective interest rate set is used. With effective hedging, the hedged interest rate risk on hedged assets is measured at fair value and recognised as a value adjustment of the hedged items. Value adjustments on the hedged item and the hedging swaps are presented in the income statement under Net trading income or loss.

Impairment model for expected credit losses

Impairments are recorded for expected credit losses for all financial assets, which are recognised at amortised cost, lease assets and certain loan commitments and financial guarantees. For financial assets recognised at amortised cost, the impairment for expected credit losses is recognised in the income statement, and the value of the asset is reduced on the balance sheet. However, impairments on loan commitments and financial guarantees are recognised as liabilities.

Impairments for expected credit losses depend on whether credit risk has risen significantly since the first recognition, and is calculated in three stages:

- Stage 1: If there has not been a significant increase in credit risk, the asset will be written down by an amount corresponding to the expected credit loss resulting from default over the next 12 months
- Stage 2: If there has been a significant increase in credit risk, the asset will transition to stage 2 and be written down by an amount corresponding to the expected credit loss during the life of the asset
- Stage 3: If a financial asset is in default or is otherwise credit-impaired, the asset will transition to stage 3. The difference between this stage and stage 2 is that interest income should be recognised based on the written-down value of the asset.

The assessment of whether credit risk has risen significantly since the first recognition is made by considering changes in the risk of default over the financial instrument's remaining life, rather than assessing the increase in the expected credit loss. A financial asset transitions from stage 1 to stage 2 when the following rise in the Probability of Default (PD) is observed:

- For facilities with PD below 1% at establishment: an increase in the facility's 12-month PD of at least 0.5 percentage points and a doubling of the facility's lifetime PD since establishment.
- For facilities with PD above 1% at establishment: an increase in the facility's 12-month PD of at least 2 percent or a doubling of the facility's lifetime PD.

In addition, financial assets that are overdue by more than 30 days should be moved to stage 2. The same applies if Danske Bank NUF relaxes the loan terms (forbearance), then the customer shall be moved to stage 2 if, in the most likely scenario, the bank does not expect a loss, or the customer is in the 2-year probation period for loans with relaxed terms.

The expected credit loss is calculated for each facility by comparing the settled loss associated with each scenario (exposure at default (EaD) and loss given default (LGD)) with an assessment of the probability of default (PD). The Danske Bank Group's IFRS 9 models and parameters are generally based on the Bank's existing internal models to ensure consistency between the different models across the Group. In addition, new models and calculations specific to IFRS 9 purposes have been developed, including models for calculating lifetime PD, early fulfilment and forward-looking LGD.

The expected credit loss over an instrument's lifetime covers the expected remaining life of the instrument. For most instruments, the expected lifetime is limited to the remaining contractual term, and adjustments are made for expected early fulfilment. For exposures with weak credit quality, no correction is made for the probability of early redemption. For instruments that include both a loan and an unutilised loan commitment, and where the contractual right to demand early redemption and cancellation of the unutilised loan commitment exists, Danske Bank NUF's exposure to credit losses is not limited to the contractual notice period. For such facilities, the expected lifetime is assumed to correspond to the period in which the bank expects to be exposed to credit losses. This period is estimated on the basis of the bank's normal credit management procedures. Examples of products where the expected lifetime is longer than the remaining contractual maturity include credit cards, overdraft facilities and certain revolving credit facilities.

The forward-looking part of the calculation reflects the senior management's current expectations, which are determined on an objective basis. The process consists of the preparation of base case, upside and downside macroeconomic scenarios, including an assessment of the probability of each scenario, which is conducted by the Danske Bank Group's independent macroeconomic research team, review and approval of the scenarios (across the organisation) and adjustment of the scenarios on the basis of new information that emerges during the quarter. Management's approval of the scenarios may entail changes in the scenarios or in the probability weighting, or a managerial overlay to take account of particularly risky portfolios, which are not covered by macroeconomic considerations. The approved scenarios are used to calculate the level of impairment. Technically, forward-looking information is included directly in the calculation of expected credit losses as general changes to the PDs and LGDs. However, for significant exposures in stage 3, senior credit managers make an individual assessment of the scenarios, the changes in expected credit losses and the associated probabilities.

The definition of default used in the measurement of expected credit losses and in the assessment of whether an asset should move to another stage is consistent with the definition used for internal risk management purposes and is aligned with the Capital Requirements Regulation (CRR). This means that those exposures that for regulatory purposes are considered to be in default, are always placed in stage 3 in accordance with IFRS 9. This applies both to the number of days due (90 days) and to the assessment of factors that are likely to lead to non-payment and thus result in default in regulatory terms.

All impairments are allocated and reported individually.

In some cases in connection with its debt collection activities, the bank will acquire assets that have been provided as collateral for the engagement. When the bank acquires such assets for rapid resale, these are assessed at fair value and recorded on a separate line on the balance sheet.

If the Bank acquires such assets for its own use or considers the assets to be a long-term investment, the assets are assessed at fair value at the time of takeover and classified as fixed assets.

Post-model adjustments

Management uses discretion when determining post-model adjustments. Post-model adjustments relate primarily to the following risks:

- Specific macroeconomic risks for certain industries that are not fully covered by the expected credit loss model, for example for the agricultural industry. For these industries, supplementary calculations are made to ensure sufficient impairment
- For non-linear downside macroeconomic risks, such as in the real estate market, where there are areas of high growth, and the models are based on the real estate market as a whole
- Portfolios where credit risk assessment processes have identified an underestimation of the expected credit loss
- Upcoming model changes that will affect the credit loss model
- The immediate risks arising from specific crises

Definition of default

The definition of default used in the measurement of expected credit losses and determination of transitions between stages is consistent with the definition of default applied in the bank's internal credit management and is consistent with CRR. Thus, exposures that in relation to regulatory matters are considered to be in default will be stage 3 exposures. This applies both in relation to overdue default such as exposure beyond 90 days and 'unlikely-to-pay factors' that lead to regulatory default.

Modification

Once the loan has been modified, the Bank considers whether the modification should be treated in accordance with the rules on termination and recognised as such. This depends on whether the change to the contractual cash flows and/or other contractual factors is material. If the changes are considered to be material, the modification is dealt with in accordance with the rules on termination, with derecognition of the original loan and recognition of a new loan. If the changes are not considered to be material, this is treated as a modification of the original loan. The assessment of the accounting treatment is based on the following:

- The Bank distinguishes between changes in cash flows or other terms within the original contract (on the one hand), and modifications to the contract (on the other), such as a new contract
- In general, a material modification is defined as an entire credit process, including assessment of pricing and signature of a new contract
- An assessment of whether the change is the predictable result of forbearance or whether it was made on general commercial terms.

If the original financial asset does not cease to be recognised, the original effective interest rate remains unchanged, and the present value of the changed contractual cash flows represents the accounting value of the financial asset after the modification. The difference between the present value of the original contractual cash flows and the modified contractual cash flows is recognised in the income statement as a modification gain or loss.

A change in the contractual cash flows required by the 'Interest Rate Benchmark Reform' is taken into account by updating the effective interest rate, without accounting for a gain or loss. This can only be applied if the change is necessary as a direct consequence of the reform, and the new basis for determining the contractual cash flows is financially equivalent to the previous basis.

If the original financial asset ceases to be recognised, a modification gain or loss will be recognised in the income statement. The modification gain or loss represents the difference between the accounting value of the original financial asset (updated with expected credit losses) and the accounting value of the new financial asset plus or minus any payments between the parties in relation to the modification.

In relation to stage allocation, a modification that is recognised as termination with recognition of a new loan, will be recognised in stage 1 (unless the new loan is credit impaired at the first recognition), and the original credit risk will be determined based on the new loan. If the new loan is considered to be an adjustment of the original loan, the original established credit risk will be maintained. Loans that have been modified in accordance with the bank's forbearance policy, and where no accounting derecognition has occurred, the expected credit loss will normally be calculated as 12 months' expected credit loss when there is evidence that the borrower has an improved repayment behaviour. When a loan in stage 3 is modified, and the modification results in derecognition, the bank assesses whether the new loan is 'original credit-impaired. The assessment includes factors such as whether the customer's repayment behaviour has improved significantly within the modification and whether the pricing of the new loan reflects the actual credit risk, etc. For new loans that are 'original credit-impaired, expected credit losses are maintained over the lifetime of the loans.

Financial derivatives

Financial derivatives are divided into two portfolios, bank portfolio and trading portfolio. The bank portfolio includes derivatives traded for the purpose of hedging. Other derivatives are included in the trading portfolio.

Financial derivatives include forward agreements, swaps, options, and combinations thereof within the interest rate and currency sectors.

All financial derivatives are recognised on the income statement and balance sheet in accordance with the market value principle and are recognised as "Trading income and financial derivatives".

Market assessments are based on observed values in the relevant markets, or calculation of market values based on yield curves and the like. The value of the holdings is calculated as if they were to be liquidated at the time of reporting. The values will not necessarily correspond to the amounts that the company will be able to achieve in the market.

Guarantees and irrevocable credit commitments

For guarantees and irrevocable credit commitments, impairments for expected credit losses are carried out according to the same principles as for impairments on loans, see above.

Securities

Holdings of bonds and short-term papers are recognised for fair value through profit or loss, either as an actual trading portfolio or managed on a fair value basis. This is valued at first recognition at fair value excluding transaction costs and subsequently at fair value through profit or loss.

Fair value determination is based on quoted market prices for financial instruments traded in active markets. When there is an active market, the valuation is based on the last observed market price on the balance sheet date.

When there is no active market, fair value is determined using generally recognised valuation methods. Market-based parameters are used in the valuation.

Debts to credit institutions, and deposits from and debts to customers

Debts to credit institutions and deposits from and debts to customers are valued as a basis for amortised cost. However, debts and deposits to credit institutions and to customers entered into by the bank's trading-related entities are recognised at fair value through profit or loss (FVPL). These liabilities are included in portfolios of financial assets and liabilities, which are managed at the portfolio level at fair value with performance reporting based on a fair value basis. Under IFRS 9, the assets in trading-related entities according to the business model test in IFRS 9 must be recognised at fair value with value adjustment. In order not to introduce an accounting mismatch because the asset is recognised at fair value while the liabilities are recognised at amortised cost, the liabilities are instead recognised at fair value through profit or loss (using the option in IFRS 9).

Debts to credit institutions and deposits from and debts to customers include, among other things, amounts received during repo transactions, namely the sale of securities, where an agreement is simultaneously made to repurchase at a later date. Such transactions are treated as deposits against collateral.

Currency

Assets and liabilities in foreign currency are converted to Norwegian kroner (NOK) at an average between bid and offer prices quoted at the end of the year. Net income or losses are recognised in the income statement as net exchange rate gains or losses. Assets and liabilities in currency are hedged against corresponding items on the opposite side of the balance sheet or by hedging agreements. Unrealised gains and losses on foreign currency receivables and liabilities are netted against corresponding losses and gains on hedging items. Revenues and expenses in foreign currency are converted to Norwegian kroner at the exchange rate at the time of the transaction.

Accrual of interest, commissions and fees

Commissions in connection with the establishment and modification of loans are included in loans and recognised as interest over the lifetime of the loan. Commissions that are not considered part of the effective interest rate of a financial instrument, are recognised with amount reflecting the consideration expected to be justified in return for those services. The contractual obligation to provide services to the customer is identified, and the consideration is recognised when the contractual obligation to provide services is fulfilled.

For each commitment to provide services, Danske Bank NUF makes an assessment at the conclusion of the contract, whether the obligation is fulfilled over time or at a specific time, and whether the remuneration is fixed or variable, including whether the remuneration depends on, for example, external circumstances, which are outside the Group's influence. The consideration is subsequently allocated to the identified contractual commitment to provide services. For example, if the contractual commitment is to provide a service over time, the consideration is recognised over this period.

In cases where turnover is influenced by external factors, such as developments in financial markets, recognition of turnover occurs when the consideration that will be received is known and when it is likely that a significant part of the turnover will not be reversed.

Investment properties

Investment properties are properties that are owned to obtain rental income and/or capital gains, including properties leased out under operating leases.

The investment properties are recognised for purchase at cost including transaction costs and subsequently valued at fair value. Regulation of fair value as well as rental income is classified in the income statement under “Other income”.

Right-of-use lease assets and lease liabilities

Lease contracts, where Danske Bank NUF is the lessee, are recognised on the balance sheet, except for lease agreements on low-value assets and contracts with maturities of 12 months or shorter. At the first recognition of a lease agreement, future lease payments are recognised at present value, using Danske Bank NUF's loan interest rate, as a lease liability and a lease asset. In subsequent measurement, the lease liability is regulated by accrued interest and instalments, and by corrections resulting from modification and recalculation. At the first recognition, the lease asset is measured equal to the lease liability with the addition of payments prior to the commencement date of the agreement and directly held costs. Subsequently, the asset is measured at cost less depreciation and amortisation and depreciated on a straight-line basis over the lease period. On the balance sheet, lease assets are recognised under “Fixed assets” and lease liabilities under “Other liabilities”.

Operational leasing

Operational leasing consists of assets that the bank has leased under operating leases other than properties. Such assets are valued in the same way as the Bank's other operating assets.

Depreciation

Fixed assets are recognised at acquisition costs less accumulated ordinary depreciation and amortisation. The depreciation rates reflect the estimated economic lifetime, and the depreciation is done according to the straight-line method. IT equipment is expensed in its entirety during the procurement year. Fixed assets are written down if the fair value is substantially lower than the carrying amount and the decline in value is not considered to be temporary. Lease assets, leased under operating leases, are normally depreciated by the annuity method. Lease assets, where Danske Bank NUF is the lessee, are depreciated over the shorter of the lease period and the expected useful life.

Pensions

The branch maintains a defined-contribution pension plan with an insurance company. The pension plan covers all employees and part-time staff in the branch who have reached the age of 20 and who have a minimum 20% position. The contribution amounts to 5% up to 6G and 8% from 6 to 12G, where G is the National Insurance basic amount. The pension premium is expensed when it occurs.

In addition, the branch has unsecured pension obligations, including a contractual early retirement pension plan (AFP), which are charged directly over operations.

Tax

Tax recognised in the income statement consists of taxes payable, changes in deferred tax and unrecognised taxes relating to previous years. Taxes payable in the income statement are calculated on the basis of taxable profit for the year and is recognised on the balance sheet as taxes payable. The recognised change in deferred tax is the tax effect of changes in deferred tax.

Deferred tax assets are calculated as temporary differences between accounting values and tax values on the balance sheet at the end of the fiscal year. Tax-reducing and tax-increasing temporary differences, as well as tax losses that are reversed or can be reversed in the same period, are recorded net. Deferred tax assets that are considered to be exploitable in the future are recognised on the balance sheet as an asset.

When there is uncertainty about the tax treatment, this uncertainty is reflected either by applying the most likely outcome (if the possible outcomes are binary or concentrated around a value) or the expected value, which corresponds to the weighted probability of possible outcomes (if the possible outcomes are neither binary nor concentrated on a value).

Standards and interpretive contributions that have not yet entered into force

The IASB has issued one new accounting standard (IFRS 17) and amendments to several existing standards (IFRS 16, IAS 1, IAS 8 and IAS 12) that have not yet come into force. No significant effect is expected from these changes.

NOTE 2 NET INTEREST INCOME AND NET TRADING INCOME

NOK millions

2022	Interest income	Interest expense	Net interest income	Net foreign exchange profit
Financial portfolios at amortised cost:				
Due from/to credit institutions and central banks	123	2,021	(1,897)	-
Loans and borrowings	10,556	4,393	6,163	-
Issued bonds	-	-	-	-
Other liabilities	-	3	(3)	-
Other financial instruments	15	-	15	-
Total	10,694	6,416	4,278	-
Financial portfolios at fair value:				
Due from/to credit institutions and central banks	651	916	(265)	-
Loans and borrowings	413	361	52	-
Trading portfolio and investment assets	566		566	565
Total	1,630	1,278	352	565
Net interest income and net trading income	12,325	7,694	4,630	565

2021	Interest income	Interest expense	Net interest income	Net foreign exchange profit
Financial portfolios at amortised cost:				
Due from/to credit institutions and central banks	(37)	441	(478)	-
Loans and borrowings	6,899	963	5,936	-
Issued bonds	-	-	-	-
Other liabilities	-	(13)	13	-
Other financial instruments	(15)	-	(15)	-
Total	6,847	1,391	5,457	-
Financial portfolios at fair value:				
Due from/to credit institutions and central banks	61	94	(32)	-
Loans and borrowings	10	21	(11)	-
Trading portfolio and investment assets	639	-	639	(79)
Total	711	114	596	(79)
Net interest income and net trading income	7,558	1,505	6,053	(79)

*) Net foreign exchange profit is the sum of "Net profit/(loss) on securities" at NOK -762.8 million (2021: NOK 117.0 million) and "Net profit/(loss) on foreign exchange and financial derivatives" at NOK 1,246.1 million (2021: NOK - 247.5 million), and share dividends at NOK 81.7 million (2021: NOK 51.4 million).

NOTE 3. FEES AND OTHER OPERATING INCOME

NOK millions	2022	2021
Financing (loans and guarantees)	264.5	319.0
Investment (securities trading and financial consulting)	55.1	77.1
Service (insurance and currency trading)	165.1	140.4
Activities related fees	484.7	536.5
Financing (guarantees)	183.5	187.4
Investment (asset management and securities deposits)	164.3	162.0
Service (payment transfers and cards)	473.8	443.2
Portfolio related fees	821.6	792.7
Commission income and banking services income	1,306.3	1,329.1
Financing	7.2	5.7
Investment (securities trading and financial consulting)	19.2	21.6
Service (referral)	11.3	14.5
Activities related fees	37.7	41.7
Financing (guarantees)	-	-
Investment (asset management and securities deposits)	20.1	20.4
Service (payment transfers and cards)	160.9	169.9
Portfolio related fees	181.0	190.3
Commission costs and banking services costs	218.7	232.0
Operating income real property	-	-
Operating income leasing	295.0	272.9
Other operating income	125.1	109.1
Other operating income	420.1	382.0

NOTE 4. Staff and administration expenses

NOK millions	2022	2021
Staff related *)	1,409.1	1,379.0
IT **)	425.4	414.0
Rent	33.4	38.3
Marketing	54.4	40.8
Office operations **)	249.7	341.3
Business travel	13.3	5.2
Fees **)	98.0	117.7
Other costs **)	1,246.6	1,112.6
Total staff and administration expenses	3,529.8	3,449.0

*) Specification of staff related costs:		
Salaries	998.8	957.2
Pensions	91.0	95.9
Employer's national insurance contribution / financ	217.5	227.8
Other	101.8	98.1
Total staff related costs	1,409.1	1,379.0

**) Figures for comparison have been changed relative to the Annual Report 2021.
Total staff and administration expenses are unchanged.

In 2022, Danske Bank has recognised NOK 570,000 (incl. VAT) in ordinary auditing fees to the bank's external auditor (Deloitte). The corresponding figure for 2021 was NOK 1,106,000.

In 2022, the average number of man-labour years in the branch has been 1,048 (2021: 1,084).

Danske Bank NUF is a branch of Danske Bank A/S in Denmark. The Norway branch does not have its own board of directors or control committee.

Salary and other benefits to Country Manager:	Erlend Sigve Angelfoss		Trond Fredrik Mellingsæter	
Amounts in NOK 1000				
Salary from Danske Bank etc.		3,133.0		7,920.7
Pension plan contribution		434.2		385.3
Payment in kind		31.3		32.3
Car expenses		36.7		101.5
Total		3,635.2		8,439.8
Conditional shares *)	Number	Value 31-12-22	Number	Value 31-12-22
As of 31 December 2022	34,634	6,723	-	-

Note: The table above shows the Country Manager's salary and benefits for the period in which they have been Country Manager.

Trond Fredrik Mellingsæter has been Country Manager until April 2022. Then Erlend Sigve Angelfoss has taken over the position as Country Manager.

***) Conditional shares:**

Conditional shares in Danske Bank that constitute a share of the bonus determined for the year will be at disposal three years after allocation, provided the employee has not resigned before this time. The bonus program have a vesting period of three years. After the vesting period, part of the shares will be paid out. The full value of the shares is recognised as expense at the time of allocation.

For management staff, the board of directors, or control committee, Danske Bank has not undertaken to pay any special remuneration in the event the employment or office is terminated or altered.

NOTE 5. PENSIONS

In addition to a defined-contribution plan, the bank has pension commitments that are financed through operations. They include commitments associated with early retirement, supplementary pensions and commitments to management staff who may retire prior to the ordinary pensionable age.

Number of people who were included in the company's pension plan for pensions financed through operations as of 31 December 2022:

Active (excl. contractual early retirement pension plan)	0
Retirees	72

The defined-contribution plan satisfies the requirements of the Act relating to Mandatory Occupational Pension Schemes.

Pension funds and pension commitments:

Economic assumptions:	2022	2021
Discount rate	3.0 %	3.0 %
Salary adjustments	3.5 %	3.5 %
Adjustment of the National Insurance basic amount	2.5 %	2.5 %

Pensions financed through operations

Present value of pensions financed through operations NOK millions	2022	2021
Early retirement etc.	17.2	17.4
Employer's national insurance contribution and financial tr	3.3	3.3
Total commitments carried	20.5	20.7

This year's pension cost	2022	2021
Net change in pensions financed through operations	(0.2)	(1.3)
This year's pension disbursements financed through opera	2.9	3.4
Premium for contractual early retirement pension plan	12.2	12.0
Premium for defined-contribution pension	76.2	81.8
This year's pension cost financed through operations	91.0	95.9

NOTE 6. LOSS (PROFIT) ON LOANS AND GUARANTEES etc.

NOK millions	2022	2021
Loans	-1,467.1	-162.5
Guarantees, credit commitments etc.	996.5	-21.6
Total loss/impairment on loans and guarantees	-470.7	-184.2
Derivatives	-38.4	-8.0
Losses on loans, guarantees etc.	-509.1	-192.2

NOK millions	2022	2021
Expected losses on new loans *)	426.8	927.5
Expected losses on derecognised loans *)	-390.2	-1,631.0
Impact of net remeasurement of ECL (incl. changes in models) *)	-579.7	441.0
Write-offs charged directly to income statement *)	268.6	235.9
Received on claims previosly written off	-141.8	-61.3
Interest income, effective interest method	-92.7	-104.4
Loss (profit) on loans and guarantees	-509.1	-192.2

*) Figures for comparison have been changed relative to the Annual Report 2021.
Total loss (profit) on loans and guarantees is unchanged.

NOTE 7. TAXES

At the end of the accounting year there are temporary differences between accounting and tax values. Deferred tax/ deferred tax asset has been calculated based on these differences.

THE TAX COST FOR THE YEAR IN THE INCOME STATEMENT IS calculated AS FOLLOWS: NOK millions			2022	2021
Tax payable on profit for the year			807.5	164.4
Excess (-) / insufficient provision for taxes in previous years			14.0	3.3
Gross change deferred tax			57.1	774.5
Total tax cost for the year			878.6	942.1
EFFECTIVE TAX RATE, %				
Tax rate			25.0	25.0
Non-taxable income			-1.8	-0.4
Non-deductible expenses			2.3	0.0
Interest on Group equity			0.0	-0.9
Other			0.7	0.1
Tax on profit for the year			26.1	23.9
TAX PAYABLE IN THE TAX COST FOR THE YEAR IS CALCULATED AS FOLLOWS:				
Net income before tax cost			3,392.8	3,942.3
Permanent differences		+/-	65.7	-187.0
Change in temporary differences		+/-	-228.5	-3,097.9
Correction previous years			-	13.1
Basis for tax payable			3,230.0	670.6
Tax payable	Tax rate:	25%	807.5	167.6
Total tax payable on profit for the year			807.5	167.6
Tax effect of group contribution to subsidiaries			-0.5	-0.8
Total tax payable			807.0	166.8

SPECIFICATION OF BASIS FOR DEFERRED TAX / DEFERRED TAX ASSET:			31-12-2022	31-12-2021
Fixed assets		+/-	1,478.2	1,306.3
Current assets		+/-	706.9	706.9
Liabilities		+/-	-378.0	-434.7
Total			1,807.0	1,578.5
Loss carry-forward		-	-	-
Total			1,807.0	1,578.5
Deferred tax asset (-) / Deferred tax (+) on balance :	Tax rate:	25%	451.8	394.7

DEFERRED TAX ASSET (-) / DEFERRED TAX (+) ON BALANCE SHEET IS CALCULATED AS FOLLOWS:		
Deferred tax asset (-) / deferred tax (+)	451.8	394.7
Total deferred tax asset (-) / deferred tax (+) on balance sheet	451.8	394.7

Danske Bank NUF buys services from other parts of the Danske Bank Group. These services are priced by means of ABC prices or by using internal distribution keys.
Bank funding that does not originate from deposits from customers, mainly originates from Danske Bank A/S.
Market price is used for funding.
The tax calculation for the Norway branch also includes a share of interest on Group equity.
Interest is distributed among the bank's branches according to models approved by Danish tax authorities.

Note 8 Risk management

Danske Bank's overall risk taxonomy is set out in the Enterprise Risk Management (ERM) framework.

The framework was formally established as a corporate policy in 2022. The framework defines common standards for how the Bank identifies and responds to various risk areas and ensures robust and helhetlig risk management of the Bank's activities. This helps shore up the Bank's management and control across its business areas and clarifies roles and responsibilities in all risk areas across multiple lines of defence.

Danske Bank Norwegian branch's management and control is based on the three lines of defence, where the business units and direct staff and support areas (first line of defence) have full responsibility for the enterprises' management, risk assessment, and control.

The Norwegian branch's independent risk management function (second line defence) is headed by Country Head of Credit. It has a functional responsibility for the branch's credit risk and an overall responsibility for coordinating the second line of defence in the branch. In addition, the branch has its own independent internal audit function, which constitutes the third line of defence.

A governance structure has been established with a high-level Risk Committee in Norway chaired by the Country Manager, with underlying Compliance functions for financial crime, non-financial risk, and financing/liquidity risk. The Bank's Risk Committee reports to the Country Manager and to the Group All Risk Committee. The Chief Risk Officer also reports its independent assessments to the Country Manager, and to the Chief Risk Officer for the key business units: Personal Customers, Business Customers and Large Corporates & Institutions.

Liquidity risk

The Board of Directors determines the overall approach to liquidity risk profile, including the Group's liquidity risk exposure profile and liquidity risk limits. The liquidity risk profile is an articulation in both general and specific terms of the Bank's desired risk profile and provides the overall framework and guidance for liquidity management. Two key objectives have been identified:

1) A sufficient distance to non-viability must be maintained at all times: in the event of a crisis, there must be sufficient time to respond to incidents and avoid bankruptcy or closure due to regulatory compliance failure.

2) 'Market reliance' must be limited: If the Group relies on its ability to issue debt at any given time, it becomes vulnerable to investor sentiments, market stress and dysfunctionalities in the market. The size and maturity profile of debt instruments must therefore be prudent managed.

To operationalise the liquidity policy and to address the two key objectives, eight risk indicators have been prepared.

The management of liquidity and liquidity risk on group level, including all foreign branches and subsidiaries, are handled centrally by Danske Bank, Copenhagen. When managing the liquidity reserve, regulations on liquidity reserves in general together with local regulations are taken into account.

Danske Bank NUF is part of the group funding plan. The Funding Plan takes the estimated development in loans and deposits into account and adjust the plan to accommodate changes in these estimations and changes in any other input. In addition to the targeted deposit and loan balances, the run-off of existing long-term funding is factored in. The Funding Plan must not violate the Liquidity risk profile.

For a description of risk management related to credit risk, please refer to Note 11.

For a description of risk management related to counterparty risk, please refer to Note 20.

For a description of risk management related to market risk, please refer to Note 28.

NOTE 9. DUE TO/FROM CREDIT INSTITUTIONS

NOK millions	31-12-22	31-12-21
Receivables	5,952.7	8,508.8
Time deposits	32,827.3	29,478.2
Repo transactions	1,766.4	8,177.9
Due to/from credit institutions	40,546.4	46,164.8

Due to/from Danske Bank A/S: See note 34

NOTE 10. BANK LOANS

NOK millions	2022	2021
Other loans	350,523.2	347,309.3
Impairment	2,257.9	3,646.9
Total loans *)	348,265.2	343,662.5
Loans at market value	27,402.7	25,568.3

*) Of which financial leasing NOK 9,206.4 million (2021: NOK 8,628.4 million)

NOTE 11. CREDIT RISK

Danske Bank's credit exposure associated with loan activities consists of on- and off-balance-sheet items involving a credit risk.

NOK millions	2022	2021
On-balance-sheet items:		
Due from central banks	1	1,436
Due to/from credit institutions	38,775	37,982
Net loans to customers	348,265	343,662
Off-balance-sheet items:		
Guarantees	15,892	12,828
Loan commitments shorter than 1 year	59,472	71,252
Loan commitments longer than 1 year	50,896	45,343
Credit exposure	513,302	512,504

In addition, the bank has credit exposure associated with holding certificates, bonds, derivatives and loans in trading units (see note 20).

Danske Bank offers loans, credits, guarantees and other products as part of their business model and thus accepts a credit risk.
The credit risk is the risk of loss due to the debtor or counterparty in part or in full neglecting to meet their payment obligations.
According to its Credit Policy, the Group scrutinises the financial situation of the customers to ensure that the loan products are suited to the customers' needs and financial standing, and that the customers understand their financial obligations.
To mitigate credit risk the Group uses collateral, guarantees, and lending terms.

The Danske Bank Group has a risk-based approach to the selection of risk management measures for credit portfolios considered to be exposed to climate risk. Climate risk is managed at portfolio level through risk appetite limits and at customer level by differentiating between customers who prepare for and implement necessary adaptations, and customers who do not act swiftly enough to their plans for adaptation.

Note 12 Credit risk broken down by industry

(NOK millions)	2022											
	Gross exposure			Expected credit losses			Net exposure			Net exposure, after collateral		
	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	774	3	0	0	0	0	774	3	0	669	3	0
Financials	9,098	419	11	5	35	11	9,094	384	0	7,133	346	15
Agriculture	1,775	313	1	4	28	1	1,771	285	0	1,300	210	0
Automotive	3,025	320	7	5	8	4	3,020	312	4	2,662	111	1
Capital goods	7,763	1,236	135	7	39	32	7,756	1,198	103	6,136	1,053	76
Commercial Property	44,037	5,099	405	43	124	133	43,994	4,975	271	15,469	440	4
Construction & Building materials	9,302	1,540	29	22	102	10	9,280	1,438	19	6,638	671	11
Consumer goods	29,291	2,499	62	102	163	17	29,189	2,336	45	23,263	1,898	30
Hotels, restaurants and leisure	2,200	227	205	2	10	41	2,197	217	164	1,339	94	5
Metals and Mining	5,877	280	2	9	3	0	5,868	276	1	5,386	179	0
Other Commercials	403	2	0	35	0	0	368	1	0	403	1	0
Pharma and medical devices	62	56	0	0	7	0	62	49	0	48	38	0
Private Housing Co-ops. & Non-Profit Associations	2,692	54	0	1	4	0	2,691	50	0	93	16	0
Pulp and Paper, Chemicals	7,561	511	3	4	9	1	7,558	503	3	7,285	359	0
Retailing	5,938	311	77	5	16	30	5,933	295	47	5,562	137	13
Services	14,304	2,649	151	16	80	78	14,288	2,568	74	12,075	2,171	53
Shipping, Oil & Gas	26,644	1,556	5,983	20	35	1,274	26,624	1,521	4,709	24,252	1,407	2,570
Social services	1,734	275	6	3	45	2	1,731	231	3	1,042	124	1
Telecom & Media	5,089	571	3	3	11	1	5,086	560	2	4,637	541	2
Transportation	3,124	1,108	148	4	63	1	3,120	1,045	147	887	279	142
Utilities and infrastructure	24,846	194	8	41	18	1	24,805	176	8	21,415	60	2
Personal Customers	237,385	7,434	750	74	113	140	237,311	7,321	610	56,243	1,347	32
Total	442,925	26,657	7,987	405	914	1,777	442,520	25,743	6,210	203,937	11,483	2,957
Group-internal items	38,829			0			38,829			38,829		
Total	481,754	26,657	7,987	405	914	1,777	481,349	25,743	6,210	242,766	11,483	2,957

(NOK millions)	2021											
	Gross exposure			Expected credit losses			Net exposure			Net exposure, after collateral		
	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	2,248	2	0	0	0	0	2,248	1	0	2,145	1	0
Financials	7,279	809	8	9	121	0	7,270	688	8	6,447	203	8
Agriculture	1,620	727	224	1	32	93	1,619	695	132	1,409	458	18
Automotive	3,607	373	31	3	20	7	3,604	353	23	3,176	138	10
Capital goods	8,418	515	107	3	9	16	8,415	505	91	7,090	372	63
Commercial Property	44,483	3,081	697	62	90	191	44,421	2,991	505	13,541	395	162
Construction & Building materials	8,268	1,368	70	15	14	28	8,253	1,353	41	5,264	601	24
Consumer goods	28,308	1,636	58	14	46	9	28,294	1,590	49	20,425	1,180	31
Hotels, restaurants and leisure	2,351	207	246	1	6	40	2,350	201	206	452	72	45
Metals and Mining	2,739	194	0	1	1	0	2,738	193	0	2,215	38	0
Other Commercials	340	0	0	0	0	0	340	0	0	340	0	0
Pharma and medical devices	206	66	0	0	3	0	206	63	0	202	43	0
Private Housing Co-ops. & Non-Profit Associations	2,985	98	0	1	1	0	2,985	96	0	664	10	0
Pulp and Paper, Chemicals	6,109	382	1	1	5	0	6,108	377	1	5,837	51	0
Retailing	5,384	366	115	2	12	88	5,382	353	27	5,127	180	18
Services	15,065	1,410	288	10	55	193	15,055	1,354	96	12,184	1,146	62
Shipping, Oil & Gas	25,748	2,863	6,533	114	281	2,494	25,633	2,582	4,039	11,154	1,122	1,045
Social services	1,422	352	9	2	24	2	1,420	328	7	630	248	5
Telecom & Media	5,466	45	1	22	3	0	5,445	42	1	5,104	41	1
Transportation	4,075	112	116	2	10	1	4,073	102	115	1,055	43	111
Utilities and infrastructure	22,023	234	7	6	8	0	22,017	226	7	18,471	157	2
Personal Customers	249,511	8,085	652	60	106	108	249,451	7,980	543	73,499	1,731	65
Total	447,655	22,922	9,163	327	847	3,272	447,327	22,075	5,891	196,433	8,231	1,669
Group-internal items	37,211			0			37,211			37,211		
Total	484,866	22,922	9,163	327	847	3,272	484,538	22,075	5,891	233,644	8,231	1,669

Note 13 CREDIT EXPOSURE BROKEN DOWN BY GEOGRAPHICAL AREA

Credit risk exposure based on which country the debtor is localised in.

(NOK millions)	2022	2021
Norway	452,797	449,335
Bermuda	3,435	2,889
Sweden	3,088	2,815
Other	15,153	20,254
Total	474,473	475,292
Group-internal items	38,829	37,211
Total	513,302	512,504

NOTE 14 CREDIT EXPOSURE AND RATING

Classification of customers
The classification of customers in stages 1 and 2 for the purpose of calculating expected credit losses under IFRS 9 depends on whether the credit risk has increased significantly since initial recognition. The assessment is made by considering the change in the risk of default over the remaining life of the financial facility. A facility is transferred from stage 1 to stage 2 on the basis of observed increases in the probability of default (PD):

- For facilities originated below 1% in PD: an increase in the facility's 12-month PD of at least 0.5 of a percentage point since initial recognition and a doubling in the facility's lifetime PD since origination.
- For facilities originated above 1% in PD: an increase in the facility's 12-month PD of 2 percentage points since origination or a doubling of the facility's lifetime PD since origination.

In addition, facilities that are more than 30 days past due are moved to stage 2. Similarly, if Danske Bank NUF offers relaxation of the terms of a loan (forbearance), the customer will be transferred to stage 2, provided Danske Bank NUF expects no loss or the customer is in the two-year probation period for performing forborne exposures.

A facility is transferred from stage 2 to stage 3 when it becomes credit-impaired. A facility becomes credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows have occurred. This includes observable data about (a) significant financial difficulty of the customer; (b) a breach of contract, such as default or past due event; (c) the borrower, for financial reasons relating to the borrower's financial difficulty, having been granted a concession that would not otherwise have been considered; (d) it is probable that the borrower will enter into bankruptcy or other financial restructuring; and (e) the purchase or origination of a loan at a deep discount that reflects the incurred credit loss. Credit-impaired facilities are placed in rating category 10 or 11. For customers in rating category 10, the stage 3 classification applies only to customers where a loss is expected in the most likely scenario. For rating category 11 (default), all facilities are classified as stage 3 exposures.

Exposures which are considered to be in default for regulatory purposes will always be categorised as stage 3 exposures under IFRS 9. This applies to 90-days-past-due considerations and unlikely-to-pay factors leading to regulatory default.

The contractual amount for loans written off in 2022 where we uphold our right to receive payment is NOK 1,187 million (2021: NOK 685 million).

Macroeconomic assumptions
The calculation of expected credit losses includes forward-looking expectations of senior management regarding macroeconomic factors and involves three scenarios (base-case, upside and downside), including an assessment of the probability for each scenario. The purpose of using

multiple scenarios is to model the non-linear impact of assumptions about macroeconomic factors on the expected credit losses.
The forward-looking information is based on a three-year forecast period converging to steady state in year seven. The base case is based on the macroeconomic outlook as disclosed in the Group's official view of the Nordic economies (the Nordic Outlook report) and reflects an expectation of high inflation and interest rates fuelled by the war in Ukraine. This results in a weaker GDP growth due to soaring energy costs, skills shortages and wage pressures that affect consumers and businesses in the Nordic economies. House price have been revised downwards to larger decrease, which is a consequence of the increasing interest rates.
The upside scenario represents a slightly better outlook than the base case scenario across the macroeconomic parameters. In this scenario, the global inflation declines which allows the central banks to ease the tightening pace, which lowers bond yields and boosts equity markets. Consumer sentiment increases and consumers run down a large proportion of the savings accumulated during the crisis.
The Group's downside scenario is a stagflation scenario, calibrated to a level of severity resembling the recession in 2008-2009, however with 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.

(NOK millions)			2022											
	PD level		Gross exposure			Expected credit losses			Net exposure			Net exposure, after collateral		
			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	0.00	0.01	3,535	0	-	0	0	-	3,535	0	-	2,476	0	-
2	0.01	0.03	39,068	21	-	1	0	-	39,067	21	-	13,359	4	-
3	0.03	0.06	106,982	110	-	23	0	-	106,959	109	-	50,264	75	-
4	0.06	0.14	131,058	91	0	83	0	-	130,975	91	0	65,743	19	0
5	0.14	0.31	104,446	2,255	0	87	10	-	104,359	2,244	0	42,296	1,242	0
6	0.31	0.63	48,082	8,168	0	152	93	-	47,930	8,076	0	23,344	3,820	0
7	0.63	1.90	8,954	9,906	1	56	323	-	8,898	9,583	1	6,064	3,662	1
8	1.90	7.98	333	3,231	7	2	202	7	330	3,029	1	77	1,458	3
9	7.98	25.70	100	609	0	0	78	-	100	532	0	7	191	0
10	25.70	99.99	356	2,239	7	-	209	7	356	2,030	-	306	1,009	12
11 (default)	100.00	100.00	10	28	7,971	-	-	1,764	10	28	6,207	0	3	2,941
Total			442,925	26,657	7,987	405	914	1,777	442,520	25,743	6,210	203,937	11,483	2,957
Group-internal items			38,829			-			38,829			38,829		
Total			481,754	26,657	7,987	405	914	1,777	481,349	25,743	6,210	242,766	11,483	2,957

(NOK millions)			2021											
	PD level		Gross exposure			Expected credit losses			Net exposure			Net exposure, after collateral		
			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	0.00	0.01	4,736	0	-	0	0	-	4,736	0	-	4,048	0	-
2	0.01	0.03	38,626	69	-	1	0	-	38,626	69	-	15,309	9	-
3	0.03	0.06	95,522	730	5	4	0	-	95,518	730	5	43,005	589	5
4	0.06	0.14	134,418	351	-	20	0	-	134,398	351	-	70,015	36	-
5	0.14	0.31	104,286	1,097	2	51	6	-	104,235	1,092	2	38,756	474	2
6	0.31	0.63	51,625	3,456	0	106	13	-	51,519	3,443	0	18,934	950	0
7	0.63	1.90	17,495	9,769	35	140	328	22	17,355	9,441	13	6,055	3,782	1
8	1.90	7.98	815	3,713	14	7	155	-	808	3,558	14	292	946	3
9	7.98	25.70	75	434	32	0	10	-	75	425	32	11	125	12
10	25.70	99.99	54	3,297	4,583	-	336	1,443	54	2,961	3,140	8	1,318	645
11 (default)	100.00	100.00	3	6	4,493	0	0	1,807	3	6	2,685	0	1	1,001
Total			447,655	22,922	9,163	327	847	3,272	447,327	22,075	5,891	196,433	8,231	1,669
Group-internal items			37,211			-			37,211			37,211		
Total			484,866	22,922	9,163	327	847	3,272	484,538	22,075	5,891	233,644	8,231	1,669

NOTE 15. CREDIT EXPOSURE AND COLLATERAL

Collateral received

Danske Bank NUF uses a number of methods, including collateral, surety and guarantees as well as contractual commitments to reduce risk in its loan portfolio. Collateral is the method most frequently used.

The value of the collateral is monitored and reassessed by consultants and by internal and external assessors or by using automated models that estimate the value. Automated models are validated annually and monitored on a quarterly basis. Danske Bank NUF makes ongoing assessments of the validity of the external input on which the models are based. The reassessment of the collateral value is supported by the collateral system used by the Group to ensure compliance with applicable legal provisions.

Collateral values are corrected for a haircut (risk deduction) to reflect the risk that Danske Bank NUF fails to achieve sales proceeds on an asset corresponding to the expected market value in a situation where the person providing the collateral is destitute. Such haircuts include reductions in the event of forced sales, price volatility during the sales period, and sales and maintenance costs. Different types of haircuts are used depending on the type of collateral. In accordance with applicable laws, collateral values are also corrected for the effect of economic recession.

The composition of the assets that Danske Bank NUF has received as collateral reflect the composition of the products included in the loan portfolio. The most frequently used collateral by collateral value, is collateral in real property. Collateral values are shown after haircuts and including credit exposure as a maximum value.

Collateral received after haircuts broken down by type

(NOK millions)	2022	2021
Real property	225,561	224,602
- Personal	185,645	180,478
- Commercial	39,717	43,954
- Agricultural	198	170
Bank accounts	940	1,150
Custody accounts and securities	2,032	673
Vehicles	5,543	5,365
Equipment	7,910	7,503
Vessels and aircraft	5,503	19,268
Guarantees	572	1,092
Receivables	6,893	6,903
Other assets	1,140	2,403
Total collateral value	256,095	268,959
Total unsecured credit exposure	219,114	206,333
Unsecured portion of credit exposure (%)	46.1%	43.4%

For engagements w here the collateral value exceeds the exposure, the excess collateral is not included.
The bulk of collateral received concerns real property.

NOTE 16 PAST DUE AMOUNTS AND EXPOSURES RELATED TO PAYMENT CONCESSIONS

Exposures due but not credit-impaired

	Exposures due		Debt outstanding	
(NOK millions)	2022	2021	2022	2021
6–30 days	10	3	768	329
31–60 days	5	2	96	25
> 60 days	1	1	28	10
Total exposures due	16	6		
Total debt outstanding			892	364

The average unsecured portion of due but not credit-impaired exposures w as 11 per cent at the end of 2022 (2021: 17 per cent). Of the collateral, collateral in real property makes up 80 per cent (2021: 95 per cent).

Exposures subject to forbearance measures

(NOK millions)	31 December 2022	31 December 2021
Stage 1	259	51
Stage 2	1,611	4,143
Stage 3	938	3,705
Total	2,807	7,899

NOTE 17 Credit-impaired exposures

Danske Bank NUF defines non-performing loans as stage 3 facilities under the IFRS 9 accounting rules. However, for non-retail exposures with one or more non-performing loans, the entire amount of the customer's exposure is considered to be credit-impaired. For retail exposures, only non-performing facilities are included in credit-impaired exposures. Danske Bank NUF excludes exposures in stage 3 with no impairment charges or where the allowance account is considered immaterial to the gross exposure.

Credit-impaired exposures broken down by industry (NACE)

	2022				2021			
(NOK millions)	Gross exposure	Accumulated individual impairment charges	Net exposure	Net exposure, ex collateral	Gross exposure	Accumulated individual impairment charges	Net exposure	Net exposure, ex collateral
	=a+b	b	a		=a+b	b	a	
Public Institutions								
Financials	11	11	0	15	8	0	8	8
Agriculture	1	1	0	0	224	93	132	18
Automotive	7	4	4	1	31	7	23	10
Capital goods	135	32	103	76	107	16	91	63
Commercial Property	405	133	271	4	697	191	505	162
Construction & Building materials	29	10	19	11	70	28	41	24
Consumer goods	62	17	45	30	58	9	49	31
Hotels, restaurants and leisure	205	41	164	5	246	40	206	45
Metals and Mining	2	0	1	0	0	0	0	0
Pharma and medical devices	0	0	0	0	0	0	0	0
Private Housing Co-ops. & Non-Profit Associations	0	0	0	0	0	0	0	0
Pulp and Paper, Chemicals	3	1	3	0	1	0	1	0
Retailing	77	30	47	13	115	88	27	18
Services	151	78	74	53	288	193	96	62
Shipping, Oil & Gas	5,983	1,274	4,709	2,570	6,533	2,494	4,039	1,045
Social services	6	2	3	1	9	2	7	5
Telecom & Media	3	1	2	2	1	0	1	1
Transportation	148	1	147	142	116	1	115	111
Utilities and infrastructure	8	1	8	2	652	108	543	65
Personal Customers	750	140	610	32	7	0	7	2
Total credit-impaired exposures	7,987	1,777	6,210	2,957	9,163	3,272	5,891	1,669

Figures for comparison have been changed relative to the Annual Report 2021.

The average unsecured portion of credit-impaired exposures was 47.6 per cent at the end of 2022 (2021: 28.3 per cent).

NOTE 18. LOANS TO EMPLOYEES AND OFFICERS

As at 31 December 2022, loans to employees was NOK 3,454 million.
Of this, housing loans made up NOK 3,436 million.
Employees are granted a subsidised interest rate, which is the best interest rate to customers less 0.25 percentage points.
Interest rate subsidies on loans to employees was NOK 8.8 million in 2022.
The figures above include employees, ex employees who
by agreement still enjoy employee terms, and retirees of the bank.
The subsidised interest rate reduces the bank's net interest rate.
The average interest rate to employees was 0.2 percentage points below the average
marginal input cost in 2022.

Loan to Country manager Erlend S. Angelfoss:
Loans and credits according to ordinary employee terms: Housing loan and credits NOK 15.9 million.

NOTE 19. CHANGE IN IMPAIRMENT CHARGES FOR LOANS AND GUARANTEES

2022	Loans at amortised cost			Loan commitments and guarantees			
NOK millions	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
Expected credit losses 1 January 2022	257	625	2,767	74	218	505	4,447
Transferred to stage 1 in the course of the year	185	-184	-1	14	-14	-0	-
Transferred to stage 2 in the course of the year	-31	50	-20	-10	12	-2	-
Transferred to stage 3 in the course of the year	-	-15	16	-0	-1	1	0
Expected credit losses on new facilities	88	242	45	17	35	0	427
Expected credit losses on derecognised facilities	-47	-74	-250	-9	-9	-2	-390
Impact of remeasurement of expected credit losses (incl. changes in models)	-192	103	-540	39	-90	100	-580
Write-offs debited to the allowance account	-0	-0	-991	-	-	-	-991
Exchange rate conversion	16	3	168	5	2	-50	144
Other adjustments	6	3	29	-8	8	0	39
Expected credit losses 31 December 2022	283	753	1,224	122	161	553	3,096

2021	Loans at amortised cost			Loan commitments and guarantees			
NOK millions	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Total
Expected credit losses 1 January 2021	190	1,186	3,276	35	200	558	5,444
Transferred to stage 1 in the course of the year	147	-146	-1	37	-37	-0	-
Transferred to stage 2 in the course of the year	-23	32	-10	-2	7	-5	-
Transferred to stage 3 in the course of the year	-	-144	144	-0	-11	11	-
Expected credit losses on new facilities	79	170	453	13	165	17	896
Expected credit losses on derecognised facilities	-72	-447	-3,441	-1	-13	-100	-4,073
Impact of remeasurement of expected credit losses (incl. changes in models)	131	-211	-605	-8	-99	21	-770
Write-offs debited to the allowance account	-	-	2,835	-	-	-	2,835
Exchange rate conversion	-2	-0	102	0	5	4	110
Other adjustments	-194	185	14	0	0	-	6
Expected credit losses 31 December 2021	257	625	2,767	74	218	505	4,447

Impairment charges in stage 3 amount to NOK 680 million for facilities granted where the customer was classified as credit-impaired. They were granted as part of restructuring of non-performing loans otherwise outside Danske Bank NUF's credit policy. Danske Bank NUF has not acquired non-performing loans.

NOTE 20. CERTIFICATES, BONDS, DERIVATIVES AND LOANS IN TRADING UNITS

Trading portfolio assets NOK 114,259.4 million (2021: NOK 58,229.9 million) consists of certificates and bonds at NOK 19,863.8 million (2021: NOK 10,029.2 million), derivatives NOK 89,858.7 million (2021: NOK 46,301.0 million) and shares NOK 4,536.9 million (2021: NOK 1,899.8 million)

Trading portfolio

NOK millions	31-12-22	31-12-21
Certificates and bonds		
Government and government-guaranteed	4,363.1	4,378.3
Local governments and financial institutions	11,148.8	4,363.2
Foreign	3,943.9	1,112.6
Other	408.1	175.0
Book value / market value	19,863.8	10,029.2

The average effective rate of interest for the portfolio is 1.95 % (interest rate income compared to average holding of certificates and bonds.

	31 December 2022	
	Market value	
Derivatives	Positive	Negative
Gross value	125,131.7	122,437.0
Accounting netting	35,273.0	35,273.0
Accounting value	89,858.7	87,164.0
Against Danske Bank A/S Copenhagen	73,715.5	67,600.2
Accounting value ex internal	16,143.2	19,563.8

	31 December 2021	
	Market value	
Derivatives	Positive	Negative
Gross value	63,934.5	63,388.1
Accounting netting	17,633.5	17,633.5
Accounting value	46,301.0	45,754.7
Against Danske Bank A/S Copenhagen	35,640.8	33,452.9
Accounting value ex internal	10,660.2	12,301.7

The counterparty risk on these derivatives has generally been revealed through master netting agreements etc. that will involve further netting in the event of default. These are settled collectively for Danske Bank A/S.

The credit risk on derivatives is reflected in the acounts through a credit value adjustment (CVA).

	31-12-22		
		Market value	
	Nominal value	Positive	Negative
Currency derivatives	584,040.1	23,657.9	23,689.9
Interest rate derivatives	3,415,658.7	65,648.9	63,294.0
Other derivatives	3,724.1	551.9	180.1
Accounting value		89,858.7	87,164.0

	31-12-21		
		Market value	
	Nominal value	Positive	Negative
Currency derivatives	480,156.9	18,976.7	19,256.1
Interest rate derivatives	4,019,039.0	27,324.3	26,435.5
Other derivatives	7,997.4	-	63.0
Accounting value		46,301.0	45,754.7

The category ‘Other derivatives’ in the tables above includes credit derivatives agreements.
For the book value of shares acquired in connection with credit derivatives agreements, reference is made to note 21.

Lending in trading units	31-12-22	31-12-21
Reverse transactions:		
credit institutions	1,766.4	8,177.9
other counterparties	27,402.7	25,568.3
Total	29,169.1	33,746.1
Other loans:		
credit institutions	5.1	4.6
other counterparties	-	-
Total	5.1	4.6

NOTE 21. SHAREHOLDINGS AND OTHER INVESTMENT ACTIVITIES

NOK millions	Company's share capital	Number of shares	Face value total	Ownership share in per cent	Book value 31-12-22	Book value 31-12-21
Credit institutions						
Eksportfinans AS	2,771.1	21,348	224.2	8.09%	374.7	374.5
Other companies net					149.7	113.9
Total investment assets					524.4	488.4
Shareholdings in connection with credit derivatives agreements					4,536.9	1,895.5
Other shares					0.0	4.3
Total shares in trading portfolio					4,536.9	1,899.8

NOTE 22. SUBSIDIARIES

Subsidiary in branch NOK millions	Business office	Company's share capital	Number of shares	Face value total *)	Ownership share in per cent	Book value 01.01.22	Profit last year	Unpaid dividend	Book value 31-12-22
Danske Invest Asset Management AS	Oslo	6.00	6,000	6.00	100.0	137.8	50.5	58.0	130.4
Tyssekraft AS	Trondheim	2.49	2,486	2.49	100.0	13.0	6.8	0.0	19.8
Total						150.8	57.3	58.0	150.2

*) Acquisition cost and recognised equity at time of acquisition correspond to total face value.

NOTE 23. CHANGES IN TANGIBLE ASSETS

Fixed assets NOK 1,025 million consist of tangible assets NOK 373 million and leasing assets NOK 652 million.

2022	Machinery, fixtures and transport	Leasing Operating leases		Bank buildings and other real	Total
NOK millions	vehicles	Investment property	Miscellaneous	property	
Cost of acquisition 1 Jan. 2022	203.6	256.4	1,061.5	1.2	1,522.8
+ Additions this year	13.1		335.0		348.1
- Disposals this year		256.4	359.1	0.0	615.5
Cost of acquisition 31 Dec. 2022	216.7	0.0	1,037.4	1.2	1,255.3
+ Appreciation 1 Jan. 2022					
- total depreciation/impairment 1 Jan. 2022	187.6	0.0	464.9	0.0	652.5
- ordinary depreciation this year	5.6		163.9		169.5
- depreciation on appreciation this year					0.0
- other depreciation/impairment this year					0.0
+ Disposals depreciation/impairment this year			242.9		242.9
Book value 31 Dec. 2022	23.6	0.0	651.6	1.2	676.3
Book profit from sale/disposals	0.0				0.0
Book loss from sale/disposals	0.0				0.0
Rate of ordinary depreciation	10%–30%			2%	

The income statement also includes costs related to the acquisition of operating equipment that has been recognised under 'Depreciation and impairment on fixed assets'. Such acquisitions are not included in the above table.

2021	Machinery, fixtures and transport	Leasing Operating leases		Bank buildings and other real	Total
NOK millions	vehicles	Investment property	Miscellaneous	property	
Cost of acquisition 1 Jan. 2021	203.6	261.9	980.5	1.3	1,447.3
+ Additions this year	0.0		237.5		237.5
- Disposals this year	0.0	5.5	156.5	0.0	162.1
Cost of acquisition 31 Dec. 2021	203.6	256.4	1,061.5	1.2	1,522.8
+ Appreciation 1 Jan. 2021					
- total depreciation/impairment 1 Jan. 2021	182.3	0.0	398.8	0.0	581.1
- ordinary depreciation this year	5.3		160.6		165.9
- depreciation on appreciation this year					0.0
- other depreciation/impairment this year					0.0
+ Disposals depreciation/impairment this year			94.4		94.4
Book value 31 Dec. 2021	16.0	256.4	596.7	1.2	870.3
Book profit from sale/disposals	0.0				0.0
Book loss from sale/disposals	0.0				0.0
Rate of ordinary depreciation	10%–30%			2%	

The income statement also includes costs related to the acquisition of operating equipment that has been recognised under 'Depreciation and impairment on fixed assets'. Such acquisitions are not included in the above table.

NOTE 24. REAL PROPERTY AND LEASE CONTRACTS

	Book value NOK millions	Gross area m2	Book value per m2 (NOK)
Own buildings for banking operations	0.0	0	0
Staff housing	0.1	75	827
Holiday cabins	0.0	0	0
Bank buildings and other real property	0.1	75	827
Other (car parks)	1.2		0

USE OF REAL PROPERTY

	Area use (m2)		
	Own use	Leased out	Not leased out
Own buildings for banking operations	0	0	0
Officials' residences	0	75	0
Holiday cabins	0	0	0
Total	0	75	0

LEASE CONTRACTS

Danske Bank has signed lease contracts for premises that are being used or sublet to varying degrees.

At the end of 2022, leasing assets amount to NOK 341.0 million (NOK 410.2 million in 2021). Leasing assets were depreciated by NOK 83 million 2022 (NOK 88 million in 2021).

NOTE 25. DEBTS TO CREDIT INSTITUTIONS

NOK millions	31 Dec. 2022	31 Dec. 2021
Receivables	72,615.6	42,845.3
Time deposits	131,246.3	119,041.9
Repo transactions	3,002.0	15,913.7
Debts to credit institutions	206,863.9	177,800.9

Debts to Danske Bank A/S: See note 34

At the end of 2022, debts to credit institutions in trading units recognised at fair value through profit or loss amount to NOK 3.002 million and consist of repo transactions.

Items in foreign currency are converted to NOK using the exchange rate at 31 December 2022 (major currencies): Exchange rate at 31 December 2021 in brackets

	Exchange rate:	
USD	9.9	(8.8)
DKK	141.4	(134.3)
SEK	94.5	(97.4)
EUR	10.5	(9.9)
GBP	11.9	(11.9)

The average interest rate for loans and deposits from credit institutions is 1.24 % (0.27 % in 2021). The method for calculating the average interest rate is real interest expenses compared to average capital.

No accounts in this group have terms exceeding what is normal for the group.

NOTE 26. DEPOSITS FROM CUSTOMERS

NOK millions	31 Dec. 2022	31 Dec. 2021
Deposits from and debts to customers without agreed maturity	230,508.3	246,637.9
Deposits from and debts to customers with agreed maturity	1,741.4	1,488.0
Deposits from customers	232,249.6	248,125.9

The average interest on deposits from customers in NOK is 1.48 % (0.49% in 2021).
The method for calculating the average interest rate is real interest expenses compared to average capital. No accounts in this group have terms exceeding what is normal for the group.

NOTE 27. PROVISION FOR LIABILITIES

NOK millions	31 Dec. 2022	31 Dec. 2021
Pension liabilities	20.5	20.7
Other liabilities	152.7	93.3
Provision for liabilities	173.3	114.1

Interest on late fees

When reviewing our processes and systems we have discovered that we have incorrectly charged excessive interest on late fees and in some cases also excessive late fees.
The error arose when transferring older IT systems to new ones. We are currently in the process of closing this project as we have finished remediating the majority of the accounts affected by this error. The total number of customers in Norway affected was approx. 148k customers. Of these, 136k have been processed. The average repayment per customer is NOK 574.

Danske Bank previously discovered problems associated with its debt collection process. Because of this Danske Bank Norway chose to pause the collection where risk factors cannot be ruled out and also to implement stop the tap activities in order to avoid any future issues. Pausing of cases was initiated in June 2022.

In Q3 2022, Danske Bank Norway has developed a remediation plan for the Norwegian market in line with the debt collection Project in Denmark. The majority of the provision is expected to be utilised by the end of 2023. In total there is potentially 33.000 accounts affected by debt collection issues in the Norwegian market.

In the table above, provisions associated with this are included in 'Other liabilities'.

NOTE 28. MARKET RISK

Market risk relates to interest, share and currency positions and is affected by general as well as specific market movements. In the day-to-day management of market risk, traditional risk measurements such as partly sensitivities and market value, partly mathematical/statistical risk measurements such as Value-at-Risk (VaR) are applied. Exposure limits within the individual market risks have been established. Risks are monitored and reviewed daily.

At the end of 2022, VaR (confidence level 95 %, 1 day horizon) for trade-related activities in Norway was as follows:

(NOK millions)	2022	2021
Bonds span risk	-6.0	-3.2
Interest risk	-9.5	-3.7
Currency risk	0.0	0.0
Diversification effects	6.9	2.7
Total VaR	-8.6	-4.1

At the end of 2022, the non-trading related market risk was as follows:

(NOK millions)	2022	2021
Interest risk (parallel shift in yield curves of 1 percentage point)	-805.4	600.6
Share risk, unlisted shares (net position)	520.9	485.3

NOTE 29. OWNERSHIP

Danske Bank NUF is a branch of Danske Bank A/S. Because the Norway branch is subject to the Danish Financial Supervisory Authority, capital adequacy in Norway is not calculated. Capital adequacy for Danske Bank is calculated and reported to the Danish Financial Supervisory Authority.

No group accounts have been prepared as Danske Bank A/S prepares group accounts that include the branch and its subsidiaries. Group account figures may be obtained by contacting Danske Bank.

NOTE 30. GUARANTEES, MORTGAGES

NOK millions	31-12-22	31-12-21
Payment guarantees	6,332	4,038
Contractual guarantees	1,490	1,364
Loan guarantees	1,386	1,392
Guarantees for taxes etc.	1,605	1,793
Other guarantees	4,299	3,287
GUARANTEES	15,113	11,873
Letters of credit	779	955

MORTGAGES:

Government bonds and certificates at a total book value of	671	1,252

have been pledged as mortgage for loans and payments in the Bank of Norway

NOTE 31 FINANCIAL INSTRUMENTS

Trading portfolio liabilities in the amount of NOK 88,567.8 million consist of derivatives with NOK 87,164.0 million and other liabilities with NOK 1,403.9 million.

Information about fair value
Financial instruments are included in the balance sheet either at fair value or at amortised cost. Danske Bank Norway's financial instruments are broken down by valuation method in the table below.

	2022		2021	
NOK millions	Fair value	Amortised cost	Fair value	Amortised cost
Financial assets:				
Financial assets in trading portfolio				
Certificates and bonds	19,864		10,029	
Shares and other securities	4,537		1,900	
Derivatives	89,859		46,301	
Loans and receivables:				
Cash and due from central banks		915		2,365
Due to/from credit institutions	1,771	38,775	8,182	37,982
Net loans to customers	27,403	348,265	25,568	343,662
Other investment assets	524		488	
Total	143,958	387,955	92,469	384,010
Financial liabilities:				
Financial liabilities in trading portfolio				
Derivatives	87,164		45,755	
Other liabilities	1,404		1,716	
Debts to credit institutions	3,002	203,862	15,914	161,887
Deposits from and debts to customers		232,250		248,126
Total	91,570	436,112	63,384	410,013

Financial instruments recognised at fair value
Fair value is the amount at which a financial asset can be traded between independent parties. If an active market exists, the market price in the form of listed price or quoted price is used. If a financial instrument is listed in a market that is not active, the valuation is based on the most recent transaction price. Adjustment is made for subsequent changes to market conditions, for instance, by including transactions in similar financial instruments that are assumed to be motivated by normal business considerations. For a number of financial assets and liabilities, no market price on an active market exists. In such cases, an estimated value which considers recent transactions in similar instruments and discounted cash flows or other generally accepted estimation and valuation techniques based on market conditions at the balance sheet date is used.

The valuation of government instruments and bonds is based on quoted prices.

Valuation techniques are generally used for OTC derivatives, unlisted shares and trading portfolio liabilities, as well as unlisted financial investment assets. The most frequently used valuation models and estimation and valuation techniques include the pricing of transactions with future settlement and swap models that apply present value calculations, credit pricing models and options models, such as Black & Scholes models. The valuation is widely based principally on observable input. For unlisted shares, the value is substantially influenced by non-observable input.

Unlisted shares are recognised at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEV) for fair value. These guidelines are based on a discretionary fair value of unlisted shares where the fair value is estimated as the price at which an asset can be traded between independent parties.

2022	Listed prices	Observable input	Non-observable input	Total
Financial assets				
Certificates and bonds	15,316	4,548		19,864
Shares and other securities	4,537		524	5,061
Derivatives	127	89,197	534	89,859
Due to/from credit institutions		1,771		1,771
Net loans to customers		27,403		27,403
Total	19,980	122,920	1,058	143,958
Financial liabilities:				
Trading portfolio liabilities	1,552	86,939	78	88,568
Debts to credit institutions		3,002		3,002
Total	1,552	89,941	78	91,570

2021	Listed prices	Observable input	Non-observable input	Total
Financial assets				
Certificates and bonds	7,320	2,709		10,029
Shares and other securities	1,854		534	2,388
Derivatives	36	46,109	156	46,301
Due to/from credit institutions		8,182		8,182
Net loans to customers		25,568		25,568
Total	9,210	82,569	690	92,469
Financial liabilities:				
Trading portfolio liabilities	1,771	45,481	220	47,472
Debts to credit institutions		15,914		15,914
Total	1,771	61,395	220	63,384

Financial instruments valued on the basis of non-observable input at the end of 2022 include unlisted shares at NOK 524 million (2021: NOK 534 million) and derivatives with a net market value of NOK 2,695 million (2021: NOK 546 million). A change in the fair value of unlisted shares of +/- 10 per cent corresponds to an increase or decrease, respectively, of NOK 52.4 million (2021: NOK 53.4 million). Derivatives valued on the basis of non-observable input are widely disclosed with similar derivatives. Changing one or more of the non-observable inputs to possible alternative assumptions will not change the value significantly. The table below shows reconciliation from the beginning to the end of the year for derivatives measured on the basis of non-observable input.

	2022	2021
	Derivatives	Derivatives
Fair value at 1 January	-63	-102
Value adjustment through profit or loss	0	0
Value adjustment through other comprehensive incc	0	0
Acquisitions	-457	-63
Sale and redemptions	63	72
Transfer from listed prices and observable input	0	0
Transfer to listed prices and observable input	0	30
Fair value at 31 December	-457	-63

Financial instruments recognised at amortised cost

The major part of receivables, lending and borrowing cannot be transferred without prior acceptance from the customers, and no active market exists for trade in this type of financial instruments. Discretionary fair value is based on conditions where changes in market conditions have been seen following initial recognition of the instrument that influence the price that would have been agreed if the terms had been agreed on the balance sheet date. Other parties might arrive at a different value for these discretionary valuations. The information on the fair value of financial instruments recognised at amortised cost is based on the assumptions below:

- For financial instruments where a quoted price in the market exists, this price is used. This is true for a very limited share of loans. In the absence of a market price, the value is approximated to reflect the terms that would have been agreed had the contracts been made on the balance sheet date. This correction is described below.

- For a great deal of Danske Bank NUF lending and borrowing the interest rate depends on the general benchmark rate stipulated by Danske Bank NUF. The benchmark rate is changed if the specific market conditions have changed to a certain extent. This kind of lending and borrowing is considered to carry a variable interest rate as the benchmark rate applicable at a given time is applied to both new and existing contracts.

- The interest rate risk on some of the fixed interest loans is intended as hedging of the interest rate risk on liabilities. Interest rate risk that does not hedge interest risk on liabilities, is hedged by derivatives. For these fair value hedges, the fair value of the hedged interest rate risk is recognised in the value of the hedged financial instruments. This means that fair value adjustments associated with fixed interest loans are the only ones not hedged by derivatives adjusted in the fair values presented here.

- Seen in relation to the credit risk, the model for expected credit losses measured at amortised cost is considered to be a reasonable proxy for the fair value of the credit risk.

For financial instruments that are influenced by credit risks only to a limited extent, such as cash and due from central banks and debts to credit institutions, the amortised cost will be a reasonable estimate of the fair value. The fair value for groups of financial instruments, for which the accounting value is not a reasonable estimate of the fair value, relates to loans to customers. The accounting value of these loans at the end of 2022 is NOK 348,265 million, whereas the estimated fair value is NOK 348,126 million. The entire value is categorised under Non-observable input.

Effect of IBOR reform on financial instruments

The ongoing Interest Rate Benchmark Reform (IBOR Reform) is replacing existing benchmark inter-bank offered rates (IBORs) with alternative risk-free rates. Under IFRS 9, a change to the determination of the contractual cash flows of financial assets and financial liabilities at the date on which interest rate benchmarks are altered or replaced is applied prospectively by altering the effective interest rate to reflect, for example, the change in interest rate benchmark from IBOR to an alternative benchmark rate. This therefore does not lead to a modification gain or loss recognised in the income statement. A change must meet two conditions: (a) the change is necessary as a direct consequence of the reform, and (b) the new basis for determining the contractual cash flows is economically equivalent to the previous basis.

The table below shows the nominal contract amount of all non-derivative financial assets and non-derivative financial liabilities that are yet to transition to alternative rates at the end of 2022, by the major reference rates. The financial instruments that are reported at amortised cost are disclosed at their gross carrying value and do not include any expected credit losses that are held against them. Balances held at fair value are reported at their fair value as at 31 December 2022.

Non-derivative financial instruments yet to transition to alternative benchmark rates as at 31 December 2022

	Assets	Liabilities
USD LIBOR	772	55
Other	519	160
Total	1,291	215

The table below shows the nominal contract amount of all derivatives that are yet to transition to alternative rates at the end of 2022, by the major reference rates. Any derivatives that mature prior to transition of their reference rates are not included in the table.

Nominal value of derivatives yet to transition to alternative benchmark rates as at 31 December 2022

	2022
USD LIBOR	47,931
Total	47,931

NOTE 32. REMAINING MATURITY FOR ASSETS

NOK millions	2022		2021	
	< 1 year	> 1 year	< 1 year	> 1 year
Cash and due from central banks	915.3		2,365.3	
Due to/from credit institutions	40,546.4		46,164.8	
Due to/from customers	78,417.9	297,250.0	80,529.7	288,701.0
Bonds and certificates	7,821.0	12,042.8	2,771.4	7,257.8
Shares		5,061.3		2,388.2
Other trading portfolio	19,048.4	70,810.3	14,724.2	31,576.8
Other assets	1,621.1	1,175.4	1,580.7	1,431.3

The presentation and statement of remaining maturity for assets are adapted to the Danske Bank Group annual report.
Other trading portfolio, which consists of derivatives, is broken down by less than 1 year and over 1 year, including for 2022.

Note 33. Contractual due dates of financial liabilities

The table below shows the contractual due dates of financial liabilities broken down by maturity time bands. The maturity analysis is based on the earliest date on which the counterparty can be required to pay and does not reflect the expected due date.

NOK millions

2022	0–1 month	1–3 months	3–12 months	1–5 years	> 5 years
Due to credit institutions and central banks	96,082	46,615	12,905	30,191	21,071
Deposits	230,508	914	701	113	13
Repurchase obligation under reverse transactions	1,404	-	-	-	-
Financial and loss guarantees	15,883	-	-	-	-
Irrevocable loan commitments shorter than 1 year	59,472	-	-	-	-
Irrevocable loan commitments longer than 1 year	50,896	-	-	-	-
Total	454,245	47,529	13,606	30,304	21,085

NOK millions

2021	0–1 month	1–3 months	3-12 months	1–5 years	> 5 years
Due to credit institutions and central banks	76,084	58,488	9,955	10,854	22,420
Deposits	246,638	360	892	215	22
Repurchase obligation under reverse transactions	1,716	-	-	-	-
Financial and loss guarantees	12,819	-	-	-	-
Irrevocable loan commitments shorter than 1 year	71,252	-	-	-	-
Irrevocable loan commitments longer than 1 year	45,343	-	-	-	-
Total	453,851	58,848	10,847	11,069	22,442

Disclosures comprise agreed payments, including principal and interest. For liabilities with variable cash flows, for example variable-rate financial liabilities, disclosure is based on the contractual conditions at the balance sheet date. For derivatives, agreed cash flows from all derivatives are included, regardless of whether the fair value on the balance sheet date is negative or positive, or whether the derivative is included in the trading portfolio or utilised for accounting hedging.

Usually, deposits are contractually very short-term funding, but in practice, they are considered a stable funding source, as amounts disbursed largely equal deposits received. A number of irrevocable loan commitments and guarantees expire without being utilised. Loan commitments and guarantees are included in the contractual due dates at the earliest date on which a payment obligation comes into effect.

For guarantees to result in a payment obligation, a number of individual conditions must be met. As it is not possible to break down the earliest dates on which such conditions are met by maturity time bands, all guarantees are included in the 0–1 month column.

Note 34 Related parties

The bank's accounts include the following amounts associated with related parties:

	Danske Bank		Subsidiaries *)		DDB AS		Danica AS **)	
NOK millions	2022	2021	2022	2021	2022	2021	2022	2021
Loans to credit institutions	39,450.2	44,391.5						
Gross lending			0.1	0.2				
Other receivables								
Loans from credit institutio	197,911.2	154,838.7						
Deposits			-	204.8	51.3	51.7	-	691.2
Other liabilities					6.0	3.7		
Interest income	208.1	(3.3)						
Interest cost	2,326.4	436.0	3.3	0.8	0.7	0.1		
Commission income	48.4	48.0	75.2	69.4			17.5	42.5
Trading income								
Other income								
Costs	1,508.7	1,406.5	43.0	13.5				

*) See note 22
**) Danica Pension has been sold in Q2 2022.

The Norway branch has received long-term funding without planned repayment from Danske Bank's head office in Denmark. At the end of 2022, such funding amounts to NOK 18,017 million (NOK 17,530 million at the end of 2021), and is included in 'Loans from credit institutions' in the table above.

NOTE 35 CONTINGENT LIABILITIES

As a consequence of its ordinary business, the bank is involved in legal disputes, including claims for damages against the bank. At the end of 2021 the bank was involved in a case where it was sued for NOK 120 million. The Borgarting Court of Appeal ruled in the case on 19 April 2023, and the bank was ordered to pay damages of NOK 31.4 million plus interest. The judgment will be appealed, and it is considered likely that the bank will succeed in the Supreme Court.

Otherwise, there are no further cases involving material compensation claims brought against the Bank.

KONTANTSTRØMOPPSTILLING

	2022 mill.kr.	2021 mill.kr.	2020 mill.kr.
Rente- og provisjonsinnbetalinger	13,316	8,915	11,237
Rente- og provisjonsutbetalinger	7,894	1,736	3,157
Andre driftsinnbetalinger	1,042	403	-403
Andre driftsutbetalinger	4,067	3,621	3,832
Inngått på tidligere avskrevne fordringer	142	61	41
Betalte skatter	0	0	742
Netto kontantstrøm fra drift	2,539	4,022	3,145
Reduksjon/(økning) i utlån til og innskudd fra kreditinstitusjoner	5,618	-3,643	-9,854
Reduksjon/(økning) i utlån	-5,966	-667	-29,858
Reduksjon/(økning) i andre fordringer	121	287	-141
Økning/(reduksjon) i lån og innskudd fra kreditinstitusjoner	29,063	-18,490	-12,389
Økning/(reduksjon) i innskudd fra kunder	-15,876	16,938	52,565
Økning/(reduksjon) i sertifikatgjeld	0	0	0
Økning/(reduksjon) i øvrig gjeld	41,656	-43,593	34,013
Netto kontantstrøm fra løpende finansiell virksomhet	54,617	-49,169	34,337
Investeringer i anleggsmidler	425	-208	-55
Salg av anleggsmidler	0	0	0
Netto kontantstrøm fra investeringer	425	-208	-55
Økning/(reduksjon) i obligasjonsgjeld	0	0	0
Endringer i egenkapitalen	-2,999	1,440	-2,904
Netto kontantstrøm fra langsiktig finansiering	-2,999	1,440	-2,904
Netto endring i kontanter og kortsiktige plasseringer	54,579	-43,917	34,523
Reduksjon/(økning) i kontanter	1,450	379	932
Nettokjøp/(salg) av kortsiktige verdipapirer	-56,029	43,538	-35,455
Sum endring i kontanter og kortsiktige plasseringer	-54,579	43,917	-34,523

Deloitte.

Deloitte AS
Dyre Halses gate 1A
NO-7042 Trondheim
Norway

Tel: +47 73 87 69 00
www.deloitte.no

To Danske Bank Norway Branch of Danske Bank A/S

INDEPENDENT AUDITOR'S REPORT

Opinion
We have audited the financial statements of Danske Bank Norway Branch of Danske Bank A/S (the Company), which comprise the balance sheet as at 31 December 2022, the income statement, the specification of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion

- **the financial statements comply with applicable statutory requirements, and**
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information
The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appear to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Deloitte.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Trondheim, 31 May 2023
Deloitte AS

Per Kr. Forseth
State Authorised Public Accountant

Note: This translation from Norwegian has been prepared for information purposes only.

PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur". De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Per Kristian Forseth
Statsautorisert revisor
På vegne av: Deloitte AS
Serienummer: 9578-5999-4-2709515
IP: 217.173.xxx.xxx
2023-05-31 13:36:39 UTC

bank ID

Skatteetaten

Vår dato	Din/Deres dato	Saksbehandler
21.10.2022	30.09.2022	Joakim Engebretsen
800 80 000 Skatteetaten.no	Din/Deres referanse	Telefon 92251412
Org.nr 974761076	Vår referanse 2022/5847176	Postadresse Postboks 9200 Grønland 0134 OSLO

DANSKE BANK
Postboks 4700
7466 TRONDHEIM

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk

Vi viser til Danske Bank NUF (org.nr. 977 074 010) søknad om dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk.

Skattekontoret gir på bakgrunn av en konkret helhetsvurdering selskapet dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at engelsk språk benyttes i stedet ved utarbeidelsen, og at øvrige opplysninger som vedtaket baserer seg på, heller ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Fra søknaden siteres:

> «Danske Bank NUF (org.nr. 977 074 010) er en filial av Danske Bank A/S, København, og avlegger årsregnskap i samsvar med IFRS som fastsatt av EU i tråd med 5 1-4, 2. ledd b) i Forskrift om årsregnskap for banker, kredittforetak og finansieringsforetak.
>
> Danske Bank er en nordisk bank med et internasjonalt utsyn og ledelsen og styret i selskapet består i høy grad av medlemmer med internasjonal bakgrunn. I henhold til vedtektene for Danske Bank A/S, er selskapets konsernspråk, i tillegg til dansk, engelsk, og årsrapporter skal utarbeides og avlegges på engelsk. Danske Bank er et børsnotert foretak og aksjen var i 2021 den syvende mest omsatte på fondsbørsen i København. Ved utgangen av 2021, stod de ti største aksjonærene for omkring 40 % av aksjekapitalen og det estimeres at utenlandske aksjonærer, der en stor del er amerikanske, utgjør nesten halvparten av den samlede aksjekapitalen.

Regnskapsinformasjon må anses som en viktig kilde i sentrale beslutningsprosesser, og for at årsrapporten til Danske Bank NUF skal være språkmessig forståelig for medlemmer av ledelsen og styret, vurderes det som hensiktsmessig at denne utarbeides og avlegges på engelsk. Dette gjør seg også gjeldende ved hensynet til aksjonærene, idet disse i vesentlig grad utgjøres av institusjonelle og internasjonale investorer. Engelsk som regnskapsspråk vil også bidra til konsistens og sammenlignbarhet til mor- og konsernselskapets rapportering.

På bakgrunn av dette søker Danske Bank NUF om dispensasjon til å utarbeide årsregnskap og årsberetning på engelsk fra og med regnskapsret 2022»

Skattekontorets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap mv., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte, kunder og lokalsamfunnet.

Det er etter skattekontorets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Som nevnt ovenfor er det særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I dette tilfellet er det opplyst at selskapets ledelse/styre ikke er norsk-språklig og vil ha nytte av årsregnskap og årsberetning på engelsk. Skattekontoret finner at disse forholdene samlet tilsier at dispensasjon fra kravet om å utarbeide årsregnskap og årsberetning på norsk kan gis.

Vennligst oppgi vår referanse ved henvendelse i saken.

Med hilsen

Roar Thorbjørnsen
underdirektør
Innsats, storbedrift
Skatteetaten

Joakim Engebretsen

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer.