Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

Enheten

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

Regnskapsår

Årsregnskapets periode:	01.01.2023 - 31.12.2023

Konsern

Morselskap i konsern:	Nei

Regnskapsregler

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

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Martin Sørensen
Dato for fastsettelse av årsregnskapet:	31.05.2024

Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

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, 22.06.2025

Resultatregnskap

Beløp i: NOK	Note	2023	2022
RESULTATREGNSKAP			
Renteinntekter og lignende inntekter			
Renteinntekter beregnet etter effektivrentemetoden av utlån til og fordringer på kredittinstitusjone	2	1 917 000 000	119 000 000
Renteinntekter beregnet etter effektivrentemetoden av utlån til og fordringer på kunder	2	9 588 000 000	5 541 000 000
Andre renteinntekter beregnet etter effektivrentemetoden	2	31 000 000	19 000 000
Øvrige renteinntekter	2	2 892 000 000	1 630 000 000
Sum renteinntekter og lignende inntekter	2	**14 428 000 000**	**7 309 000 000**
Rentekostnader og lignende kostnader			
Rentekostnader beregnet etter effektivrentemetoden på gjeld til kredittinstitusjoner og finansiering		5 863 000 000	1 774 000 000
Rentekostnader beregnet etter effektivrentemetoden på innskudd fra og gjeld til kunder		1 652 000 000	786 000 000
Andre rentekostnader beregnet etter effektivrentemetoden		9 000 000	3 000 000
Øvrige rentekostnader		2 873 000 000	1 278 000 000
Sum rentekostnader og lignende kostnader		**10 397 000 000**	**3 841 000 000**
Netto renteinntekter		**4 031 000 000**	**3 468 000 000**
Provisjonsinntekter og inntekter fra banktjenester		1 142 000 000	1 152 000 000
Provisjonskostnader og kostnader ved banktjenester		144 000 000	121 000 000
Utbytte og andre inntekter av egenkapitalinstrumenter			
Inntekter av eierinteresser i konsernselskaper		31 000 000	57 000 000
Sum utbytte og andre inntekter av egenkapitalinstrumenter		**31 000 000**	**57 000 000**
Netto verdiendring og gevinst/tap på valuta og finansielle instrumenter			
Netto verdiendring og gevinst/tap på valuta og finansielle derivater		715 000 000	274 000 000
Sum netto verdiendring og gevinst/tap på valuta og finansielle instrumenter		**715 000 000**	**274 000 000**
Andre driftsinntekter		473 000 000	420 000 000

Resultatregnskap

Beløp i: NOK	Note	2023	2022
Lønn og andre personalkostnader		1 145 000 000	1 097 000 000
Andre driftskostnader		**1 308 000 000**	**1 085 000 000**
Av-/nedskrivninger, verdiendringer og gevinst/tap på ikke-finansielle eiendeler			
Avskrivninger		285 000 000	347 000 000
Sum av-/nedskrivninger, verdiendringer og gevinst tap på ikke-finansielle eiendeler		**-285 000 000**	**-347 000 000**
Kredittap på utlån, garantier mv. og rentebærende verdipapirer			
Kredittap på utlån målt til amortisert kost eller virkelig verdi med verdiendring over andre inntekt		-1 414 000 000	-553 000 000
Sum kredittap på utlån, garantier og rentebærende verdipapirer		**-1 414 000 000**	**-553 000 000**
Resultat før skatt fra videreført virksomhet		**4 924 000 000**	**3 274 000 000**
Skatt på resultat fra videreført virksomhet		1 072 000 000	849 000 000
Resultat etter skatt fra videreført virksomhet		**3 852 000 000**	**2 425 000 000**
Resultat fra virksomhet under avvikling etter skatt		-932 000 000	89 000 000
Resultat før andre inntekter og kostnader		**2 920 000 000**	**2 514 000 000**
Andre inntekter og kostnader			
Sum andre inntekter og kostnader		**0**	**0**
Totalresultat for regnskapsåret		**2 920 000 000**	**2 514 000 000**

Balanse

Beløp i: NOK	Note	2023	2022
BALANSE - EIENDELER			
Kontanter og kontantekvivalenter		5 781 000 000	915 000 000
Utlån til og fordringer på kredittinstitusjoner og finansieringsforetak			
Utlån og fordringer på kredittinstitusjoner og finansieringsforetak til amortisert kost		45 084 000 000	40 546 000 000
Sum utlån og fordringer på kredittinstitusjoner og finansieringsforetak		**45 084 000 000**	**40 546 000 000**
Utlån til og fordringer på kunder			
Utlån og fordringer på kunder til virkelig verdi		27 798 000 000	27 403 000 000
Utlån og fordringer på kunder til amortisert kost		145 774 000 000	144 947 000 000
Sum utlån og fordringer på kunder		**173 572 000 000**	**172 350 000 000**
Rentebærende verdipapirer			
Rentebærende verdipapirer til virkelig verdi		17 294 000 000	19 864 000 000
Sum rentebærende verdipapirer		**17 294 000 000**	**19 864 000 000**
Finansielle derivater			
Finansielle derivater		115 393 000 000	89 859 000 000
Aksjer, andeler og andre egenkapitalinstrumenter			
Aksjer, andeler og andre egenkapitalinstrumenter		7 018 000 000	5 061 000 000
Eierinteresser i konsernselskaper			
Eierinteresser i konsernselskaper		122 000 000	150 000 000
Varige driftsmidler			
Andre varige driftsmidler		1 247 000 000	1 025 000 000
Sum varige driftsmidler		**1 247 000 000**	**1 025 000 000**
Andre eiendeler			
Eiendeler ved utsatt skatt		13 000 000	
Andre eiendeler		2 729 000 000	1 366 000 000
Sum andre eiendeler		**2 742 000 000**	**1 366 000 000**
Anleggsmidler og avhendingsgrupper holdt for salg			

Balanse

Beløp i: NOK	Note	2023	2022
Anleggsmidler og avhendingsgrupper holdt for salg		166 729 000 000	203 574 000 000
SUM EIENDELER		**534 982 000 000**	**534 710 000 000**
BALANSE - GJELD OG EGENKAPITAL			
GJELD			
Innlån fra kredittinstitusjoner og finansieringsforetak			
Innlån fra kredittinstitusjoner og finansieringsforetak til amortisert kost		198 195 000 000	206 864 000 000
Sum innlån fra kredittinstitusjoner og finansieringsforetak		**198 195 000 000**	**206 864 000 000**
Innskudd og andre innlån fra kunder			
Innskudd og andre innlån fra kunder til amortisert kost		162 089 000 000	179 372 000 000
Sum innskudd og andre innlån fra kunder		**162 089 000 000**	**179 372 000 000**
Gjeld stiftet ved utstedelse av verdipapirer			
Sum gjeld stiftet ved utstedelse av verdipapirer		**0**	**0**
Finansielle derivater			
Finansielle derivater		119 299 000 000	88 568 000 000
Annen gjeld			
Annen gjeld		3 234 000 000	3 171 000 000
Avsetninger			
Pensjonsforpliktelser		18 000 000	21 000 000
Forpliktelser ved periodeskatt		397 000 000	808 000 000
Forpliktelser ved utsatt skatt		1 621 000 000	452 000 000
Sum avsetninger		**2 036 000 000**	**1 281 000 000**
Ansvarlig lånekapital			
Sum ansvarlig lånekapital		**0**	**0**
Fondsobligasjonskapital			
Sum fondsobligasjonskapital		**0**	**0**
Forpliktelser inkludert i avhendingsgrupper klassifisert som			

Balanse

Beløp i: NOK	Note	2023	2022
holdt for salg			
Forpliktelser inkludert i avhendingsgrupper klassifisert som holdt for salg		47 295 000 000	52 952 000 000
Sum gjeld		**532 148 000 000**	**532 208 000 000**
EGENKAPITAL			
Innskutt egenkapital			
Sum innskutt egenkapital		**0**	**0**
Opptjent egenkapital			
Annen egenkapital		2 834 000 000	2 502 000 000
Sum opptjent egenkapital		**2 834 000 000**	**2 502 000 000**
Sum egenkapital		**2 834 000 000**	**2 502 000 000**
SUM GJELD OG EGENKAPITAL		**534 982 000 000**	**534 710 000 000**

ANNUAL REPORT 2023

Danske Bank

Norway Branch of Danske Bank A/S

Annual Report 2023

Business
Danske Bank's Norwegian branch has total assets of NOK 535.0 billion at the end of 2023. The head office is located in Trondheim. Danske Bank's market shares for the corporate market and the retail market amounted to 6.4 and 4.6 per cent respectively, measured as a share of total lending volume among credit institutions.

2023 was a strong year for the Norwegian branch of Danske Bank. Operations and activities were sound, especially among customers in the corporate and large customer segments, allowing the bank to record yet another strong annual profit. To many of our customers, the year proved to be challenging, characterised by high energy prices, rising inflation rates and higher interest rates. To Danske Bank, it has been important to take care of customers who find themselves in a financially challenging situation.

The financial markets were still marked by geopolitical unrest due to the war in Ukraine and the war between Israel and Hamas, the latter with its risk of escalation in the Middle East. High inflation rates and increased interest rates affected popular consumption, which again led to lower activity in the economy. Danske Bank did not see much of an increase in enquiries from customers because of this. The overall portfolio of the Norwegian Branch, both in private and corporate banking, is considered to be very robust.

Activity was very high among small and medium-size companies and in the large customer segment. Among the small and medium-size companies, the bank grew more than the market in 2023. In addition, the lending portfolio among the largest customers grew significantly, despite the bank reducing its oil and gas exposure. Profits were stable for the entire corporate portfolio.

In June 2023, Danske Bank announced that it will sell its personal customer business in Norway. The transaction is expected to be concluded in the course of Q4 2024. This has led to a decline in lending volumes in the retail market.

Overall, 2023 was a strong year for Danske Bank Norwegian Branch, with sound operations and high activity, and the bank recorded a historically strong profit.

Norwegian economy
2023 became a year marked by heavy increases in interest rates due to high inflation rates and a weak exchange rate for the Norwegian krone. Thus, economic activities slowed down on a relatively broad front. Private consumption and housing investments dropped, while corporate investments started to decline in the last six months of the year. Even so, strong growth in mainland exports and petroleum investments, plus solid growth in public-sector demand ensured that the economy avoided going into a recession. At sector level, it was the interest rate sensitive businesses like construction and trade in goods that struggled the most, while the export and petroleum industries showed substantial progress. Altogether, capacity utilisation dropped through the year, and the price and cost pressure started to diminish somewhat. Still, the labour market continued to be relatively tight, with a moderate increase in vacancies and a strong growth in employment rates. Higher interest rates meant a drop in housing prices during the year, though towards the end of the year prices stabilised, partly because of shrinking supply. The drop in long-term interest rates contributed to some degree of stabilisation and even a moderate increase in the commercial property market towards the end of the year. Nevertheless, overall credit growth clearly slowed down through the year.

Income statement
Profit after tax increased from NOK 2,514 million in 2022 to NOK 2,920 million in 2023. 2023 was affected by an increase in interest income and expenses etc. Profit before loss on loans increased from NOK 2,720 million in 2022 to NOK 3,509 million in 2023, partly as a result of rising net interest income and rising trading income.

The bank's total revenue from continued operation increased by 19.0 per cent in 2023 compared to 2022 and ended at NOK 6,247 million, due to improved net interest income and trading income. Net interest income increased from NOK 3,468 million in 2022 to NOK 4,031 million in 2023. This equals a 16.2 per cent increase. Net other operating revenues increased from NOK 1,783 million in 2022 to NOK 2,216 million in 2023, driven by improved net interest income and trading income.

Operating expenses increased by 8.2 per cent from NOK 2,531 million in 2022 to NOK 2,738 million in 2023, partly as a result of rising personnel-related costs and lower depreciation and impairment of fixed assets.

In 2023, losses/impairments on loans and guarantees amounted to net reversals of NOK 1,414 million compared to net reversals of NOK 553 million in 2022, as 2023 was affected by improved market conditions within shipping, oil and gas. Recorded net reversed losses in 2023 amount to 1.0 per cent of loans to customers.

The sale of the retail banking operations has caused these activities in the profit and loss account for the retail banking operations in both 2023 and 2022 to be classified as Gain and Loss for the year from discontinued operation after tax. In 2023, a loss of NOK 932 million was recorded, compared to a profit of NOK 89 million in 2022. 2023 includes a provision for the sale of the personal customer business of NOK 1,090 million.

Balance sheet
Total loans from continued operations increased from NOK 174 billion at the end of 2022 to NOK 175 billion. Total deposits were reduced from NOK 179 billion to NOK 162 billion, corresponding to a reduction of 9.6 per cent. The bank's deposit-to-loan ratio amounts to 93 per cent (103 per cent at the end of 2022).

The personal customer business is classified as Asset and Liabilities held for sale. Asset held for sale dropped from NOK 204 billion in 2022 to NOK 167 billion in 2023. Liabilities also dropped from NOK 53 billion in 2022 to NOK 47 billion in 2023.

Organisation and corporate governance
At year-end, Danske Bank NUF reported 1,006 full-time man-labour years (1,048 at the end of 2022). The proportion of women is 47 per cent. During the recruitment process, an important goal is to promote a good gender balance. The management of the Norwegian Branch (Country Management) has 54 per cent women. At the end of 2022, the proportion was 45 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.

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 steps 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 diverse 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.

The Bank currently has a respectable 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 leading positions.

Gender balance in Danske Bank NUF 2023

Unit	Women	Men	Proportion of women
Business Customer	61	106	37 %
Staff Areas	23	19	55 %
Financial Crime Risk Prevention	40	41	49 %
Group Compliance	20	13	61 %
Group Risk Management	14	19	42 %
Large Corporates & Institutions	63	147	30 %
Personal Customers	196	155	56 %
Technology &Services	82	52	61 %
Total	**499**	**552**	**47 %**

Danske Bank has a global structure that as of April 2024 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 undertaking, with 499 women and 552 men. The distribution between the various units is not as equitable. The proportion of women is highest in Technology & Services and in Group Compliance, 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	61.9 %	45.4 %
2023	67.0 %	53.8 %

Taking parental leave (average number of weeks)

Year	Women	Men
2020	19	14
2021	22.5	14
2022	20	13.2
2023	17.8	11.7

On average, men take shorter parental leave than women. Danske Bank works actively to ensure that employees receive a worthwhile period of leave without this having to be at the expense of their careers. This is done by the manager conducting leave interviews which facilitate a connection to one's employment also during the leave period, if you wish. During their period of leave, employees will be included in wage adjustment processes, and in 2022 Danske Bank decided that no deduction will be made for parental leave when calculating the bonus based on the ordinary bonus scheme. In 2023, Danske Bank started organising semi-annual maternity/paternity meets for employees who are on leave (Danske Babies), so as to offer employees a meeting venue and opportunity to keep up to date during their leave.

Number of employees in part-time positions

Year	Women	Men
2020	24	9
2021	21	8
2022	17	6
2023	12	10

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

Temporary employees

Year	Women	Men
2020	9	3
2021	5	8
2022	3	9
2023	4	7

We have very few temporary employees, less than 1 per cent. There is also a relatively 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 %
2023	7.52 %	2.67 %

Absence due to sick child:

Year	Women	Men
2020	1.04 %	0.40 %
2021	0.90 %	0.44 %
2022	1.40 %	0.87 %
2023	0.82 %	0.62 %

Sickness absence varies between units and different types of positions. Recorded sickness absence is lower in units with more employees in 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 prefers to adopt a global organisation of its work on diversity and inclusion. D&I Office, which is part of HR, works with strategic development within diversity and inclusion and sets 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 support in the organisation, there are also local D&I Leads, who are senior managers from different parts of the organisation. Apart from D&I Leads within each of the global segments, there are also separate D&I Leads for each country.

In Norway, there is a special D&I group that works for equality and against discrimination in the Norwegian part of the organisation. Union representatives are represented in the group. The D&I group is 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 Equal Opportunities. The D&I group reports to the Norwegian management, i.e. Country Management NO.

Our actions for 2023:
Recruitment and hiring process
The Bank's gender balance largely reflects the gender balance in the applicant pool. We have therefore worked actively to get more women to apply. In 2023, Danske Bank again participated at the Women in Finance Day at the Norwegian School of Economics and Business Administration (NHH) and the Norwegian Business School (BI), 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 were taken by LC&I, which is the part of the bank which has the lowest proportion of women.

Research shows that women and men are triggered by different words in the text for job openings 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 consultants who, if necessary, assist the local organisation in identifying candidates who contribute to increased diversity in selected recruitment processes.

Surveys show that we have relatively few 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 under-represented gender for the position.

Danske Bank has a recommendation committee for employees covered by the collective bargaining General Agreement. In addition, a council has been established for those positions that fall outside the collective bargaining agreements. We see that men are over-represented, especially among the highest paid positions, and having an extra supervisory body contributes to raising awareness and hopefully creating a better gender balance in the long run.

Working environment
Some functions in the bank's organisation involve a good deal of customer-facing activities, which also involve events where alcohol is served. At the same time, alcohol involves an added risk of harassment and discrimination. Danske Bank NUF has a dedicated drugs and gambling policy that promotes the principle of prudent alcohol consumption and requires all event organisers to offer good non-alcoholic options.

In addition to concrete measures linked to alcohol consumption, Danske Bank works to catch all incidents of harassment. The physical and mental working environment is of course already being monitored annually, but a global task force has been established to take a closer look at harassment and how to reduce it.

In 2023, the International Mental Health Day was highlighted in Danske Bank, with various well-being events and lectures focussing on openness with regard to mental health. A Danske Stress Network has been established, where employees with stress-related issues can take part in conversation groups. The network is run by employees and is a low-threshold service whose purpose is inclusion and experience sharing.

Diversity competence
Danske Bank has for several years been aiming for all employees to be offered training in diversity and inclusion, and for managers in the LC&I business unit to be offered training lessons with a particular focus on inclusion and unconscious bias. In addition, there are various diversity days during the year that are celebrated with lectures, inspiration or articles, for example the International Women's Day, religious holidays and Pride.

Salary and career
For many years, Danske Bank has had an extra strong focus on gender and pay. Ensuring equal pay is one of the most important things managers do in 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.

A major effort is being made in 2024 to review the positions architecture in the entire Danske Bank Group. This effort is meant to enable salary reporting at new levels and to give us comparable data.

We see that the differences related to gender manifest themselves particularly when the employee starts a family and takes 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 to make the path back after the leave easier, so that parental leave does not become an obstacle to one's further career.

LGBTQ
A special Rainbow network has been established in Norway for employees, and the work in 2023 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 create 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, Moving the Needle, 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 personnel think regarding the work and measures within equality, diversity, and inclusion at the bank. A total of 462 persons responded to the survey, and the results showed little progress on all aspects compared to 2022 but pointed us in the direction of areas to prioritise in our efforts going forward.

The survey shows that as many as 78 per cent of employees fully or partly agree that the bank has an inclusive culture with openness and space for everyone at the bank. In addition, questions on diversity and inclusion are also included in Danske Bank's semi-annual employee satisfaction survey. Here, too, the results show a minor decline during the year. When asked if there are equal opportunities regardless of gender and background, 79 per cent agree, and 86 per cent agree they can be themselves at Danske Bank.

Internally we need to show where we have moved in the right direction and be transparent about the challenges we see. In the coming year we will focus on involving and empowering managers in our diversity efforts. Managers must continuously focus on resolving issues in their units and be aware of their own unconscious prejudices. This will be the topic of interest when reviewing the diversity survey and diversity training. The work ahead will focus on facilitating an inclusive culture and internal career development to provide equal opportunities and even out the existing wage differentials at the bank.

Social responsibility
At Danske Bank, we recognise the importance of sustainability for our customers, for our business and for society at large.

The Group'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.

The statutory sustainability statement is included in the Danske Bank Group's Annual Report 2023 and is complemented by the Sustainability Fact Book 2023. These publications can be found at https://danskebank.com/sustainability/publications-and-policies

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 (the Act). The report captures our ongoing progress in implementing measures to prevent and mitigate adverse impacts on human rights and working conditions whilst acknowledging that there are areas in which we can improve. The report covers the financial period 1 January 2023 to 31 December 2023 and encompasses the activities of the entire Danske Bank Group, which includes Danske Bank A/S and all subsidiaries and organisational branches, including Danske Bank Norwegian Branch. The report is available in English at danskebank.com/no/samfunnsansvar. Pursuant to section 5 of the 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.

Risk management
Danske Bank has an enterprise risk management framework for overall risk management (Enterprise Risk Management/ERM). ERM defines the Group's standards for risk management and control across business areas and clarifies roles and responsibilities in all defined risk areas and across the bank's three lines of defence.

For a more detailed description of risk management, see Note 9.

Outlook for 2024
Gross domestic product (GDP) is expected to increase marginally in 2024 compared to 2023, to 1.3-1.5 per cent. Interest rate forecasts indicate that interest rate levels have peaked but it is still uncertain whether the central bank will increase interest rates further at the beginning of the year. The inflation rate is higher than the Bank of Norway's target of 2.5 per cent. In addition, the exchange rate for the Norwegian krone remains to be weak. We expect money market rates to level off in 2024. A stabilisation in money market rates will contribute to higher lending margins in the retail market, while maintaining deposit margins at satisfactory levels.

The enduring high price pressure and higher interest rates have caused consumers to have less money to spend. This means lower economic activity, and we must expect unemployment rates to increase somewhat going forward, to almost 4 per cent. At the same time, there is a risk of increased numbers of bankruptcies in the corporate market. It is therefore important for us to be a reliable bank for customers who find themselves in a financially stressful situation.

We enter 2024 with lower volumes and the same margins as at the start of 2023. In June last year, Danske Bank announced the sale of its Retail Market division, which will be taken over by Nordea effective from November 2024. This has led to a decline in lending volumes in the retail market. As from December 2024, Danske Bank in Norway will be a pure Corporate bank with high ambitions. Furthermore, we have reduced our exposure in the oil and gas sector.

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

Year-end adjustments
Going concern is used as the basis for the preparation of the annual accounts.

The profit for the year of NOK 2,919.6 million has been transferred to other equity.

Oslo, 31 May 2024

Erlend S. Angelfoss
Country Manager

DANSKE BANK NUF

INCOME STATEMENT

NOK millions	Note	2023	2022
Interest income, effective interest method		11,536.4	5,678.6
Other interest income		2,891.4	1,630.3
Interest expense		10,396.5	3,840.6
Net interest income	2	4,031.3	3,468.3
Fees received	3	1,141.7	1,151.9
Fees paid	3	(144.4)	(120.7)
Trading income	2	714.5	274.2
Other operating income	3	473.1	420.2
Income from group companies		30.7	57.3
Net other operating income		2,215.6	1,782.8
Total operating income		6,246.9	5,251.1
Staff and administration expenses	4,5	2,453.3	2,183.8
Other costs		0.0	0.0
Depreciation and impairment of fixed assets	26	284.8	346.9
Total operating costs		2,738.0	2,530.7
Operating profit before losses on lending and impairment		3,508.9	2,720.4
Loss (profit) on loans and guarantees	6	(1,414.1)	(553.2)
Profit from ordinary operations before tax		4,923.0	3,273.6
Tax on net income	7	1,071.8	848.8
Profit for the year		3,851.2	2,424.8
Gain or loss for the year from discontinued operations, after tax	8	(931.7)	89.4
Net profit		2,919.6	2,514.2

Transferred to equity earned		2,919.6	2,514.2
TOTAL ALLOCATION		2,919.6	2,514.2

DANSKE BANK NUF

BALANCE SHEET

ASSETS			
NOK millions	Note	31-12-2023	31-12-2022
Cash and due from central banks		5,781.3	915.3
Due to/from credit institutions	10,34,36	45,084.2	40,546.4
Gross loans to customers	11,12,13,14,15,16,17,18,19,34	147,501.8	146,883.9
Loss provisions	20	(1,727.4)	(1,937.1)
Net loans to customers		145,774.4	144,946.8
Loans at market value	11	27,798.2	27,402.7
Trading portfolio assets	21,22,34	139,260.4	114,259.4
Other investment assets	22	445.0	524.4
Ownership interests in Group companies	23	121.7	150.2
Assets held for sale	24	166,728.4	203,574.0
Fixed assets	25,26	1,247.2	1,025.2
Deferred tax asset	7	12.7	0.0
Other assets		2,729.0	1,366.1
TOTAL ASSETS		534,982.5	534,710.4

LIABILITIES AND EQUITY			
	Note	31-12-2023	31-12-2022
Debts to credit institutions	27,35	198,194.9	206,863.9
Deposits from and debts to customers	28,35	162,089.2	179,371.7
Trading portfolio liabilities	33	119,299.3	88,567.7
Provision for obligations	5,29,37	144.0	173.3
Liabilities held for sale	24	47,294.5	52,954.1
Tax liabilities	7	396.9	807.5
Deferred tax		1,621.0	451.8
Other obligations		3,108.7	3,018.7
TOTAL LIABILITIES		532,148.3	532,208.7
Equity earned	31	2,834.2	2,501.7
TOTAL EQUITY		2,834.2	2,501.7
TOTAL LIABILITIES AND EQUITY		534,982.5	534,710.4

Off-balance sheet items: See note 32.

Oslo, 31 May 2024

Erlend S. Angelfoss
Country Manager

DANSKE BANK NUF

SPECIFICATION OF CHANGES IN EQUITY

NOK millions	2023	2022	2021
Equity 1 January	2,501.7	2,988.0	(1,449.0)
Repayment of branch capital	(2,583.0)	(2,998.8)	1,439.8
Profit for the year	2,919.6	2,514.2	3,000.2
Equity effect group contribution DDB AS	(5.8)	(1.8)	(2.9)
Other adjustments	1.8	-	-
Equity 31 December	2,834.2	2,501.7	2,988.0

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 19 July 2023, Danske Bank NUF entered into an agreement for the sale of its Personal Customers business. With effect from 1 January 2023, the Personal Customers business has been presented as a discontinued operation. Comparative figures for 2022 have been restated. In the balance sheet, assets and liabilities from the Personal Customers business are presented as Assets held for sale and Liabilities held for sale.

Danske Bank NUF has changed the presentation of its fixed margin on customer transactions in foreign currencies from Net trading income to Fee income, because it is a fee in substance. The income in 2023 has been reclassified.

On 1 January 2023, Danske Bank NUF implemented the amendments to IAS 1, IAS 8 and IAS 12. The amendments had no impact on the financial statements.

Except for these changes, Danske Bank NUF has not changed its significant accounting policies from those applied in the Annual Report 2022.

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 2023, rise by 45.1 million (2022: NOK 23.3 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 60% (2022: 70%), the upside scenario with a probability of 20% (2022: 10%) and the downside scenario with a probability of 20% (2022: 20%). On the basis of these figures, the allowance account at the end of 2022 amounted to NOK 2,096 million (2022: NOK 2,258 million).

Management applies judgement in deciding on the need for 'post-model adjustments'. At the end of 2023, post-model adjustments amounted to NOK 0.8 billion (2022: NOK 0.6 billion). They mainly cover the increasing macroeconomic risk due to the uncertainty related to the elevated inflation and severity of an economic downturn as well as the global tension uncertainty.

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.

Credit risk is deemed to be the risk type most materially affected by sustainability drivers in the long term, of which climate risk is currently the most urgent of all ESG-related drivers capable of affecting Danske Bank NUF's credit risk. From a financial significance perspective, climate-related risks have been deemed most relevant for Danske Bank NUF's lending activities. Climate risk pertains to transition risks, which are the risks associated with shifting to a low carbon economy, and to physical risks arising from projected climate changes, including both long-term shifts (chronic changes) and event-driven changes (acute changes) to weather patterns. Credit risk will be affected by both of these climate-related risks in the medium and long term, and efforts are being made to obtain improved climate data to refine the long- term view of climate risk across sectors.

Danske Bank NUF takes a risk-based approach in prioritising risk management efforts for credit portfolios that are likely to be most exposed to transition and physical risks. For that purpose, Danske Bank NUF applies a mix of qualitative and quantitative input to define the credit exposures most exposed to transition and physical risks.

High transition-risk exposures are identified using a mix of insights, including financed emissions estimates, findings from conducting climate scenario analysis as well as qualitative judgment to account for, e.g., credible transition plans, potential future technology and demand risks to a given sector. Most of the emissions are attributable to only a few sectors, e.g., Shipping, Oil and Gas, which Danske Bank NUF actively monitors and manages. From the initial assessment of customers subject to high transition risk, the exposure to the lagging transition category remains limited but will be monitored on an ongoing basis.

Danske Bank NUF has identified flooding risk (river and coastal flooding) as the key physical hazard applicable to the portfolio on the basis of the report on high confidence of hazard increase in Northern Europe issued by the Intergovernmental Panel on Climate Change. The current analyses on flooding risk focus on residential and commercial property and the risk is assessed to be limited.

Moreover, Danske Bank NUF performs ad-hoc climate stress tests to assess physical and transition risks of climate changes. Stress tests in relation to physical risks cover collateral-related exposures and are based on river and coastal flooding. Stress tests in relation to transition risks consider an introduction of carbon taxes.

Danske Bank NUF will continue to refine its assessment methodology as more climate risk data becomes available to support the identification of both transition and physical risks for the purpose of determining financial significance, however, conclusions have not led to adjustments to staging or modelled expected credit losses, as the impacts either manifest over a longer time period than loan maturities, or as transition risks are concentrated on a few sectors with downside risks already recognised in the Danske Bank NUF's modelled expected credit losses. Both transition and physical risks are either managed through risk tolerances or strategic targets, or already have post model adjustments/management overlays allocated covering the climate related risks.

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 33.

Assets held for sale and Liabilities in disposal groups

Assets held for sale are disposal groups of assets actively marketed for sale and for which a sale is expected to occur within 12 months. A disposal group is a group of assets that will be disposed of in a single transaction and includes any directly associated liabilities. A disposal group includes for example companies (subsidiaries) or properties taken over under non-performing loan agreements. Further, loans that are marketed for sale are transferred to Assets held for sale. The loans are written down to their expected selling price.

The net assets in the disposal group are remeasured at the lower of the carrying amount of the net assets in the disposal group at the time of reclassification and fair value less expected cost to sell.

If a disposal group of assets and liabilities represents a separate major line of business (typically a reportable segment) or a geographical area of operation or is a subsidiary acquired exclusively with a view of resale, it is presented as a discontinued operation. For a discontinued operation, net profit is presented as a single item 'Net profit from discontinued operations' in the income statement, i.e. no longer included as income and expenses from Danske Banks NUF's continuing operations. For disclosures regarding assets and liabilities held for sale and discontinued operations, see note 24.

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 13. The contribution amounts to 7% from 0 up to 7,1G and 15% from 7,1 to 12G, where G is the National Insurance basic amount. The pension premium is expensed when it occurs.

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 International Accounting Standards Board (IASB) has issued amendments to existing international accounting standards (IAS 1, IAS 7, IAS 21, IFRS 7 and IFRS 16), that have not yet come into force. None of the amendments is expected to have a significant impact on Danske Bank NUF's financial statements.

NOTE 2 NET INTEREST INCOME AND NET TRADING INCOME

NOK millions

2023	Interest income	Interest expense	Net interest income	Net foreign exchange profit
Financial portfolios at amortised cost:				
Due from/to credit institutions and central banks	1,917	5,863	(3,946)	-
Loans and borrowings	9,588	1,652	7,936	-
Issued bonds	-	-	-	-
Other liabilities	-	9	(9)	-
Other financial instruments	31	-	31	-
Total	11,536	7,524	4,012	-
Financial portfolios at fair value:				
Due from/to credit institutions and central banks	201	871	(671)	-
Loans and borrowings	1,106	2,001	(895)	-
Trading portfolio and investment assets	1,585		1,585	714
Total	2,891	2,872	19	714
Net interest income and net trading income	14,428	10,397	4,031	714

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	119	1,774	(1,655)	-
Loans and borrowings	5,541	786	4,755	-
Issued bonds	-	-	-	-
Other liabilities	-	3	(3)	-
Other financial instruments	19	-	19	-
Total	5,679	2,563	3,116	-
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	274
Total	1,630	1,278	352	274
Net interest income and net trading income	7,309	3,841	3,468	274

*) Net foreign exchange profit is the sum of “Net profit/(loss) on securities” at NOK 2,586.8 million (2022: NOK -971.1 million) and “Net profit/(loss) on foreign exchange and financial derivatives” at NOK -1,944.4 million (2022: NOK 1,163.9 million), and share dividends at NOK 72.1 million (2022: NOK 81.7 million).

NOTE 3. FEES AND OTHER OPERATING INCOME

NOK millions	2023	2022
Financing (loans and guarantees)	249.7	258.4
Investment (securities trading and financial consulting)	43.2	46.6
Service (insurance and currency trading)	331.7	358.7
Activities related fees	624.6	663.8
Financing (guarantees)	136.4	134.4
Investment (asset management and securities deposits)	39.0	39.8
Service (payment transfers and cards)	341.7	313.8
Portfolio related fees	517.1	488.1
Commission income and banking services income	1,141.7	1,151.9
Financing	9.4	7.2
Investment (securities trading and financial consulting)	16.3	16.1
Service (referral)	1.3	1.0
Activities related fees	27.0	24.3
Financing (guarantees)	-	-
Investment (asset management and securities deposits)	21.8	16.9
Service (payment transfers and cards)	95.6	79.6
Portfolio related fees	117.4	96.4
Commission costs and banking services costs	144.4	120.7
Operating income real property	-	-
Operating income leasing	247.7	295.0
Other operating income	225.4	125.1
Other operating income	473.1	420.1

NOTE 4. Staff and administration expenses

NOK millions	2023	2022
Staff related *)	1,144.9	1,097.1
IT	334.6	289.1
Rent	28.7	33.4
Marketing	51.1	51.2
Office operations	206.3	155.1
Business travel	14.8	11.3
Fees	95.0	93.9
Other costs	577.9	452.8
Total staff and administration expenses	2,453.3	2,183.8

*) Specification of staff related costs:		
Salaries	805.3	790.8
Pensions	73.8	74.1
Employer's national insurance contribution / finan	193.3	170.9
Other	72.5	61.3
Total staff related costs	1,144.9	1,097.1

In 2023, Danske Bank has recognised NOK 585,000 (incl. VAT) in ordinary auditing fees to the bank's external auditor (Deloitte). The corresponding figure for 2022 was NOK 570,000.

In 2023, the average number of man-labour years in the branch has been 1,006 (2022: 1,048).

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	
Amounts in NOK 1000		
Salary from Danske Bank etc.		6,304.9
Share-based payments		2,922.9
Pension plan contribution		670.0
Payment in kind		52.4
Car expenses		69.5
Total		10,019.8
Conditional shares *)	Number	Value 31-12-23
As of 31 December 2023	32,595	8,862

*) 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. Each year, after the vesting period ends, 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 2023:

Active (excl. contractual early retirement pension plan)	0
Retirees	68

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

Pension funds and pension commitments:

Economic assumptions:	2023	2022
Discount rate	3.0 %	3.0 %
Salary adjustments	5.6 %	3.5 %
Adjustment of the National Insurance basic amount	5.9 %	4.8 %

Pensions financed through operations

Present value of pensions financed through operations NOK millions	2023	2022
Early retirement etc.	15.3	17.2
Employer's national insurance contribution and financial	2.9	3.3
Total commitments carried	18.3	20.5

This year's pension cost	2023	2022
Net change in pensions financed through operations	(2.2)	(0.2)
This year's pension disbursements financed through ope	3.0	2.9
Premium for contractual early retirement pension plan	13.6	12.2
Premium for defined-contribution pension	59.4	59.3
This year's pension cost financed through operations	73.8	74.1

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

NOK millions	2023	2022
Loans	-1,236.2	-1,467.1
Guarantees, credit commitments etc.	-86.1	996.5
Total loss/impairment on loans and guarantees	-1,322.3	-470.7
Derivatives	0.6	-38.4
Losses on loans, guarantees etc.	-1,321.8	-509.1

NOK millions	2023	2022
Expected losses on new loans	202.1	426.8
Expected losses on derecognised loans	-231.0	-390.2
Impact of net remeasurement of ECL (incl. changes in models)	-444.6	-579.7
Write-offs charged directly to income statement	-43.0	268.6
Received on claims previosly written off	-753.2	-141.8
Interest income, effective interest method	-52.1	-92.7
Loss (profit) on loans and guarantees	-1,321.8	-509.1
of which continued operations	-1,414.1	-553.2
of which discontinued operations	92.4	44.1

The table above includes the personal customers disposal group, which has been reclassified to Discontinued operations in the income statement.

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	2023	2022
Tax payable on profit for the year	398.5	807.5
Excess (-) / insufficient provision for taxes in previous years	0.0	14.0
Gross change deferred tax, continuing operations	362.7	57.1
Total tax cost for the year	761.2	878.6
Of which, continuing operations	1,071.8	848.8
Of which, discontinued operations	-310.6	29.8

EFFECTIVE TAX RATE, %		
Tax rate	25.0	25.0
Non-taxable income	-3.7	-1.8
Non-deductible expenses	0.2	2.3
Other	-0.8	0.7
Tax on profit for the year	20.7	26.1

TAX PAYABLE IN THE TAX COST FOR THE YEAR IS CALCULATED AS FOLLOWS:

From continuing operations:				
Net income before tax cost			4,923.0	3,273.6
Permanent differences		+/-	-512.3	65.7
Change in temporary differences		+/-	-1,450.8	-228.5
Correction previous years			-123.5	-
Basis for tax payable, continuing operations			2,836.4	3,110.8
Basis for tax payable, discontinued operations			-1,242.2	119.2
Basis for tax payable			1,594.2	3,230.0
Tax payable	Tax rate:	25%	398.5	807.5
Total tax payable on profit for the year			398.5	807.5
Tax effect of group contribution to subsidiaries			-1.6	-0.5
Total tax payable			396.9	807.0

SPECIFICATION OF BASIS FOR DEFERRED TAX / DEFERRED TAX ASSET:		31-12-2023	31-12-2022
Fixed assets	+/-	1,932.2	1,478.2
Current assets	+/-	5,901.9	706.9
Liabilities	+/-	-1,350.2	-378.0
Total		6,483.8	1,807.0
Loss carry-forward	-	-	-
Total		6,483.8	1,807.0
Deferred tax asset (-) / Deferred tax (+) on balance s Tax rate:	25%	1,621.0	451.8

DEFERRED TAX ASSET (-) / DEFERRED TAX (+) ON BALANCE SHEET IS CALCULATED AS FOLLOWS:		
Deferred tax asset (-) / deferred tax (+)	1,621.0	451.8
Total deferred tax asset (-) / deferred tax (+) on balance sheet	1,621.0	451.8

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.

NOTE 8. GAIN OR LOSS FOR THE YEAR FROM DISCONTINUED OPERATIONS, AFTER TAX

NOK millions	2023	2022
Gain or loss for the year from discontinued operations, after tax	-931.7	89.4
Total	-931.7	89.4

Gain or loss for the year from discontinued operations after tax relates to a loss of NOK 1.090 million (2022: 0 million) in relation to the prudent valuation and expected costs directly attributable to the sale of the personal customer business in Norway, as announced in July 2023.

For further information about discontinued operations see note 24.

Note 9 Risk management

The Bank's Enterprise Risk Management (ERM) Policy defines Group-wide standards for management and control of the risks Danske Bank Group is exposed to. It is supported by risk type-specific policies and instructions, which embed the standards into practical methods.

The ERM Policy defines the risk taxonomy, and the three lines of defence model for risk ownership, oversight, and assurance.

Danske Bank Norwegian Branch's management and control is based on the ERM Policy and three lines of defence. The business units and direct staff and support areas constitutes the first line of defence, having full responsibility for the Branch's management, risk assessment, and control.

The Branch's independent risk management function constitutes the second line of defence. It is headed by Head of Group Risk Management Norway, who has the overall risk oversight responsibility for the Branch, across risk types. In addition, the Branch has its own independent internal audit function, which constitutes the third line of defence.

A governance structure is established with a Norwegian All Risk Committee, and underlying Councils covering Financial Crime and Non-Financial Risk. The Committee is chaired by the Country Manager and reports to Group All Risk Committee.

Country Head of Group Risk Management is deputy Chair in the Norwegian All Risk Committee holding a veto right, and reports to Group CRO for Personal and Business Customers.

Liquidity risk profile

The Board of Directors determines the liquidity risk profile, including the purpose, strategy and limits for liquidity risk indicators. The overall purpose of liquidity management is to have a prudent liquidity position to ensure that the Group is able to meet its payment obligations at all times, which makes the following objectives pivotal:

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

2. Market reliance should be limited: if the Group relies on its ability to issue debt at all times, it becomes vulnerable to investor sentiments, market stress and market dysfunctionalities. The volume and maturity profile of debt instruments must therefore be prudently managed.

Liquidity in Danske Bank A/S is managed centrally. Danske Bank A/S also coordinates liquidity management across entities within the Group.

For a description of risk management related to credit risk, please refer to Note 12.

For a description of risk management related to counterparty risk, please refer to Note 21.

For a description of risk management related to market risk, please refer to Note 30.

NOTE 10. DUE TO/FROM CREDIT INSTITUTIONS

NOK millions	31-12-23	31-12-22
Receivables	7,667.7	5,952.7
Time deposits	31,256.4	32,827.3
Repo transactions	6,160.1	1,766.4
Due to/from credit institutions	45,084.2	40,546.4

Due to/from Danske Bank A/S: See note 36

NOTE 11. BANK LOANS

NOK millions	2023	2022
Other loans	147,501.8	146,883.9
Impairment	1,727.4	1,937.1
Total loans *)	145,774.4	144,946.8
Loans at market value	27,798.2	27,402.7

*) Of which financial leasing NOK 10,172.5 million (2022: NOK 9,206.4 million)

NOTE 12. 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	2023	2022
On-balance-sheet items:		
Due from central banks	4,862	1
Due to/from credit institutions	38,918	38,775
Net loans to customers	145,774	144,947
Assets held for sale	166,412	203,318
Off-balance-sheet items:		
Guarantees	15,375	15,892
Loan commitments shorter than 1 year	51,175	59,472
Loan commitments longer than 1 year	57,667	50,896
Credit exposure	480,185	513,302

In addition, the bank has credit exposure associated with holding certificates, bonds, derivatives and loans in trading units (see note 21).

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 13 Credit risk broken down by industry

(NOK millions)	2023											
	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	5,618	2	0	0	0	0	5,618	2	0	5,508	2	0
Financials	10,491	321	11	6	26	3	10,485	295	7	8,040	246	7
Agriculture	1,056	751	1	1	27	1	1,055	724	0	738	562	0
Automotive	2,419	245	3	3	12	2	2,416	233	2	2,121	141	0
Capital goods	8,732	1,605	68	12	44	31	8,720	1,562	38	6,743	1,450	20
Commercial Property	41,956	8,354	294	62	228	70	41,894	8,126	224	8,448	1,375	0
Construction & Building materials	9,804	1,704	26	65	209	8	9,739	1,495	18	6,433	650	9
Consumer goods	26,501	2,429	60	25	156	13	26,476	2,274	47	22,048	1,434	15
Hotels, restaurants and leisure	2,334	139	196	1	7	39	2,333	132	157	416	87	3
Metals and Mining	5,213	1,222	1	3	23	1	5,210	1,199	1	4,658	1,043	0
Other Commercials	0	8	0	0	2	0	0	7	0	25	7	0
Pharma and medical devices	73	122	0	0	36	0	73	87	0	50	102	0
Private Housing Co-ops. & Non-Profit Associations	3,848	58	10	2	4	1	3,846	54	9	948	18	0
Pulp and Paper, Chemicals	8,533	130	1	6	6	0	8,527	124	0	8,220	83	0
Retailing	4,183	1,961	173	4	64	71	4,180	1,897	101	3,839	1,700	19
Services	17,337	2,445	123	14	94	66	17,323	2,352	57	12,811	2,117	28
Shipping, Oil & Gas	28,854	1,631	3,275	23	81	507	28,831	1,551	2,767	10,276	784	384
Social services	2,162	295	3	2	36	2	2,160	260	1	831	118	1
Telecom & Media	6,406	59	1	3	4	0	6,403	55	1	6,124	24	1
Transportation	3,962	1,167	32	7	83	5	3,955	1,084	27	1,201	457	20
Utilities and infrastructure	22,625	638	19	9	12	2	22,616	626	17	18,259	578	1
Personal Customers	195,227	6,822	793	75	141	165	195,151	6,682	628	47,105	1,224	23
Total	407,334	32,109	5,090	324	1,293	988	407,011	30,816	4,102	174,842	14,201	531
Group-internal items	38,257			0			38,257			38,257		
Total	445,591	32,109	5,090	324	1,293	988	445,267	30,816	4,102	213,099	14,201	531

The table above includes the personal customers disposal group, which has been reclassified to Assets held for sale on the balance sheet.

(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

Note 14 CREDIT EXPOSURE BROKEN DOWN BY GEOGRAPHICAL AREA

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

(NOK millions)	2023	2022
Norway	416,231	452,797
Bermuda	4,326	3,435
The Marshall Islands	3,816	1,723
Sweden	3,237	3,088
Other	14,318	13,431
Total	441,928	474,473
Group-internal items	38,257	38,829
Total	480,185	513,302

The table above includes the personal customers disposal group, which has been reclassified to Assets held for sale on the balance sheet.

NOTE 15 CREDIT EXPOSURE BROKEN DOWN BY RATING CATEGORY

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 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 minimum 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 the NUF company offers relaxation of the terms of a loan (forbearance), the customer will be transferred to stage 2, provided the NUF company expects no loss or the customer is in the two-year probation period for loans on relaxed terms.

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; (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 2023 where we uphold our right to receive payment is NOK 103 million (2022: NOK 1,187 million).

Sustainability and credit risk
Sustainability risks are identified, assessed and monitored at the portfolio level as part of the annual sector reviews, which include an in-depth assessment of sub-sectors and the largest customers. This enables to map the most material sustainability risks facing the individual portfolios, monitor aggregate risk levels on an ongoing basis, and identify additional Credit Risk Policy requirements. When deemed necessary, the sustainability risk findings are integrated into the NUF's credit risk tolerance to allow for portfolio management. Relationship managers use a digital system to identify and assess each customer's sustainability risk level through a set of sector-specific environmental, social and governance questions for both new and existing business customers. The customer-level sustainability risk assessments serve as input factors in the overall credit decision process and also enable to monitor the overall sustainability risk level. On the back of results from the ESG Tracker tool, relationship managers are required to engage with customers with a significant exposure and a high level of identified risks in order to agree on a future action plan to mitigate these risks. NUF implemented functional enhancements to facilitate customer engagement in human rights and a more in-depth analysis of drivers of customers' ESG risk levels. These bottom-up customer assessments will increasingly be tied to the top-down portfolio risk management efforts. This will ensure a consistent feedback loop between strategic and customer considerations in the NUF company's sustainability risk management.

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 an extension of the Group's official view of the Nordic economies (the Nordic Outlook report). At 31 December 2023, the base case scenario reflects a slowdown in the Nordic economies however, with a soft landing. Inflation is expected to come down and interest rates will slowly begin to decrease. GDP growth will remain weak across the Nordic economies and labour markets remain tight with only modest increases in unemployment. Interest rates is expected to continue to weigh on house prices, however, the worst part is expected to be behind us.

The upside scenario represents a slightly better outlook than the base case scenario across the macroeconomic parameters. In this scenario, sentiment improves, and consumers follow the US in running down a significant proportion of the savings accumulated during the pandemic. The consumer-led recovery causes inflation to take longer to return to target, prompting further policy rate hikes and high rates for longer. Higher demand supports the housing markets, but higher interest rates become an increasing headwind. The housing market fares somewhat better than in the base case.

The Group's downside scenario is the severe recession with high interest rates scenario (reflecting a stagflation scenario) applied in the Group's ICAAP processes, and it is similar in nature to regulatory stress tests. The severe recession scenario reflected negative growth, increasing interest rates, and falling property prices for a longer period. 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 economy.

(NOK millions)				2023										
	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	8,993	2	-	0	0	-	8,992	2	-	7,905	2	-
2	0.01	0.03	34,920	20	-	1	0	-	34,919	20	-	12,148	6	-
3	0.03	0.06	94,294	26	-	13	0	-	94,281	26	-	46,317	3	-
4	0.06	0.14	121,229	321	-	48	0	-	121,181	321	-	61,569	48	-
5	0.14	0.31	89,147	1,753	1	74	20	-	89,073	1,734	1	29,071	1,294	0
6	0.31	0.63	50,638	9,859	-	101	122	0	50,537	9,738	-	14,221	3,755	0
7	0.63	1.90	6,998	14,445	1	63	485	-	6,935	13,960	1	2,764	7,474	0
8	1.90	7.98	478	3,063	13	23	371	-	455	2,692	13	263	830	1
9	7.98	25.70	23	465	3	0	80	-	23	385	3	2	92	0
10	25.70	99.99	41	1,966	6	-	216	0	41	1,750	6	2	647	0
11 (default)	100.00	100.00	574	188	5,066	-	-	988	574	188	4,079	581	49	530
Total			407,334	32,109	5,090	324	1,293	988	407,011	30,816	4,102	174,842	14,201	531
Group-internal items			38,257			-			38,257			38,257		
Total			445,591	32,109	5,090	324	1,293	988	445,267	30,816	4,102	213,099	14,201	531

The table above includes the personal customers disposal group, which has been reclassified to Assets held for sale on the balance sheet.

(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

NOTE 16. CREDIT EXPOSURE AND COLLATERAL

Collateral received
Danske Bank Norway Branch 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 Norway 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 Norway 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 Norway 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)	2023	2022
Real property	222,406	225,561
- Personal	175,804	185,645
- Commercial	46,145	39,717
- Agricultural	458	198
Bank accounts	371	940
Custody accounts and securities	1,485	2,032
Vehicles	7,106	5,543
Equipment	9,513	7,910
Vessels and aircraft	4,201	5,503
Guarantees	151	572
Receivables	5,649	6,893
Other assets	1,471	1,140
Total collateral value	252,354	256,095
Total unsecured credit exposure	189,306	219,114
Unsecured portion of credit exposure (%)	42.9%	46.1%

The table above includes the personal customers disposal group, which has been reclassified to Assets held for sale on the balance sheet.

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

NOTE 17 PAST DUE AMOUNTS AND EXPOSURES RELATED TO PAYMENT CONCESSIONS

Exposures due but not credit-impaired

	Exposures due		Debt outstanding	
(NOK millions)	2023	2022	2023	2022
6–30 days	35	10	1,008	768
31–60 days	10	5	332	96
> 60 days	1	1	45	28
Total exposures due	46	16		
Total debt outstanding			1,384	892

The table above includes the personal customers disposal group, which has been reclassified to Assets held for sale on the balance sheet.

The average unsecured portion of due but not credit-impaired exposures was 9 per cent at the end of 2023 (2022: 11 per cent). Of the collateral, collateral in real property makes up 81 per cent (2022: 80 per cent).

Exposures subject to forbearance measures

(NOK millions)	31 December 2023	31 December 2022
Stage 1	39	259
Stage 2	1,471	1,611
Stage 3	2,092	938
Total	3,602	2,807

The table above includes the personal customers disposal group, which has been reclassified to Assets held for sale on the balance sheet.

NOTE 18 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)

	2023				2022			
(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	3	7	7	11	11	0	15
Agriculture	1	1	0	0	1	1	0	0
Automotive	3	2	2	0	7	4	4	1
Capital goods	68	31	38	20	135	32	103	76
Commercial Property	294	70	224	0	405	133	271	4
Construction & Building materials	26	8	18	9	29	10	19	11
Consumer goods	60	13	47	15	62	17	45	30
Hotels, restaurants and leisure	196	39	157	3	205	41	164	5
Metals and Mining	1	1	1	0	2	0	1	0
Pharma and medical devices	0	0	0	0	0	0	0	0
Private Housing Co-ops. & Non-Profit Associations	10	1	9	0	0	0	0	0
Pulp and Paper, Chemicals	1	0	0	0	3	1	3	0
Retailing	173	71	101	19	77	30	47	13
Services	123	66	57	28	151	78	74	53
Shipping, Oil & Gas	3,275	507	2,767	384	5,983	1,274	4,709	2,570
Social services	3	2	1	1	6	2	3	1
Telecom & Media	1	0	1	1	3	1	2	2
Transportation	32	5	27	20	148	1	147	142
Utilities and infrastructure	19	2	17	1	8	1	8	2
Personal Customers	793	165	628	23	750	140	610	32
Total credit-impaired exposures	5,090	988	4,102	531	7,987	1,777	6,210	2,957

The table above includes the personal customers disposal group, which has been reclassified to Assets held for sale on the balance sheet.

The average unsecured portion of credit-impaired exposures was 13.1 per cent at the end of 2023 (2022: 47.6 per cent).

NOTE 19. LOANS TO EMPLOYEES AND OFFICERS

As at 31 December 2023, loans to employees was NOK 3,272 million.
Of this, housing loans made up NOK 3,260 million.
Employees are granted a subsidised interest rate, which is the best interest rate to customers less 0.55 percentage points. Interest rate subsidies on loans to employees was NOK 17.6 million in 2023.
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 0.4 percentage points below the average marginal input cost in 2023.

Loan to Country manager Erlend S. Angelfoss:
Loans and credits according to ordinary employee terms: Housing loan and credits NOK 7.0 million.

NOTE 20. CHANGE IN IMPAIRMENT CHARGES FOR LOANS AND GUARANTEES

2023	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 2023	283	753	1,224	122	161	553	3,096
Transferred to stage 1 in the course of the year	179	-177	-2	41	-40	-1	-
Transferred to stage 2 in the course of the year	-30	86	-56	-86	109	-23	-
Transferred to stage 3 in the course of the year	-1	-20	21	-0	-19	19	-
Expected credit losses on new facilities	50	77	23	5	46	1	202
Expected credit losses on derecognised facilities	-47	-77	-76	-12	-17	-2	-231
Impact of remeasurement of expected credit losses (incl. changes in models)	-155	340	-256	-27	67	-413	-445
Write-offs debited to the allowance account	-	-0	-74	-	-	-	-74
Exchange rate conversion	3	1	28	1	2	21	57
Other adjustments	-0	-0	0	0	-0	-	-1
Expected credit losses 31 December 2023	280	984	832	44	310	156	2,605

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	-
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

The table above includes the personal customers disposal group, which has been reclassified to Assets held for sale on the balance sheet.

Impairment charges in stage 3 amount to NOK 575 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 21. CERTIFICATES, BONDS, DERIVATIVES AND LOANS IN TRADING UNITS

Trading portfolio assets NOK 139,260.4 million (2022: NOK 114,259.4 million) consists of certificates and bonds at NOK 17,294.1 million (2022: NOK 19,863.8 million), derivatives NOK 115,393.0 million (2022: NOK 89,858.7 million) and shares NOK 6,573.2 million (2022: NOK 4,536.9 million)

Trading portfolio

NOK millions	31-12-23	31-12-22
Certificates and bonds		
Government and government-guaranteed	6,957.6	4,363.1
Local governments and financial institutions	7,225.9	11,148.8
Foreign	2,863.8	3,943.9
Other	246.9	408.1
Book value / market value	17,294.1	19,863.8

The average effective rate of interest for the portfolio is 3.46 % (interest rate income compared to average holding of certificates and bonds.

	31 December 2023	
	Market value	
Derivatives	Positive	Negative
Gross value	147,018.4	143,381.5
Accounting netting	31,625.5	31,625.5
Accounting value	115,393.0	111,756.1
Against Danske Bank A/S Copenhagen	99,791.7	85,007.0
Accounting value ex internal	15,601.3	26,749.0

	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

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).

	31-12-23		
		Market value	
	Nominal value	Positive	Negative
Currency derivatives	634,450.2	32,700.9	32,608.6
Interest rate derivatives	3,528,517.7	82,256.7	78,906.8
Other derivatives	7,537.3	435.4	240.6
Accounting value		115,393.0	111,756.1

	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

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	31-12-23	31-12-22
Reverse transactions:		
credit institutions	6,160.1	1,766.4
other counterparties	27,798.2	27,402.7
Total	33,958.3	29,169.1
Other loans:		
credit institutions	5.8	5.1
other counterparties	-	-
Total	5.8	5.1

NOTE 22. SHAREHOLDINGS AND OTHER INVESTMENT ACTIVITIES

NOK millions	Company's share capital	Number of shares	Face value total	Ownership share in per cent	Book value 31-12-23	Book value 31-12-22
Credit institutions						
Eksportfinans AS	2,771.1	21,348	224.2	8.09%	376.9	374.7
Other companies net					68.0	149.7
Total investment assets					445.0	524.4
Shareholdings in connection with credit derivatives agreements					3,426.2	4,536.9
Other shares					3,147.0	0.0
Total shares in trading portfolio					6,573.2	4,536.9

NOTE 23. 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 01.01.23	Profit last year	Unpaid dividend	Book value 31-12-23
Danske Invest Asset Management AS	Oslo	6.00	6,000	6.00	100.0	130.4	27.7	53.1	104.9
Tyssekraft AS	Trondheim	2.49	2,486	2.49	100.0	19.8	3.0	6.0	16.8
Total						150.2	30.7	59.1	121.7

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

Danske Bank NUF has sold Tyssekraft AS in 2024 with an gain of NOK 31 millions.

NOTE 24. ASSETS AND LIABILITIES HELD FOR SALE

Loans held for sale and associated deposits consists of loan portfolios where the Danske Bank NUF has entered into sales agreements. As announced in July 2023, Danske Bank NUF has entered into an agreement to sell the personal customers business Norway. The sale will include loans, deposits and issued bonds at amortised cost. On reclassification to held for sale, a loss of NOK 1,090 million in 2023 was recognised in relation to prudent evalutation and expected costs directly attributable to the sale, and is included in Gain or loss on discontinued operations.

ASSETS AND LIABILITIES HELD FOR SALE: NOK millions	2023	2022
ASSETS		
Loans amortizised costs	166,412.5	203,318.5
Trading portfolio assets	5.3	0.0
Other assets	310.6	255.5
Total	166,728.4	203,574.0
LIABILITIES		
Deposits	46,817.7	52,877.9
Trading portfolio liabilities	0.2	0.0
Other liabilities	476.7	76.2
Total	47,294.5	52,954.1

INCOME, EXPENSES AND PROFIT, DISCONTINUED OPERATIONS: NOK millions	2023	2022
Net interest income	1,081.5	1,162.2
Net fee and commission income	205.8	264.7
Net gains/losses on financial transactions	79.1	82.5
Total Other Income	1,366.5	1,509.3
Staff costs	1,426.3	1,346.0
Other expenses	1,090.0	0.0
Depreciation, amortisation and impairment of property, equipment and intangible assets	0.0	0.0
Total expenses	2,516.3	1,346.0
Net credit losses	-92.4	-44.1
Profit for the year from discontinued operations, before tax	-1,242.2	119.2
Taxes	-310.6	29.8
Profit for the year from discontinued operations, after tax	-931.7	89.4

FEES AND OTHER OPERATING INCOME: NOK millions	2023	2022
Financing (loans and guarantees)	2.6	6.1
Investment (securities trading and financial consulting)	10.2	8.5
Service (insurance and currency trading)	13.9	14.6
Activities related fees	26.7	29.2
Financing (guarantees)	43.9	49.1
Investment (asset management and securities deposits)	98.5	124.5
Service (payment transfers and cards)	138.1	160.0
Portfolio related fees	280.6	333.5
Commission income and banking services income	307.3	362.7
Financing	0.0	0.0
Investment (securities trading and financial consulting)	3.8	3.1
Service (referral)	7.4	10.4
Activities related fees	11.2	13.4
Financing (guarantees)	0.0	0.0
Investment (asset management and securities deposits)	8.1	3.2
Service (payment transfers and cards)	82.1	81.4
Portfolio related fees	90.3	84.6
Commission costs and banking services costs	101.5	98.0

STAFF COSTS, DISCONTINUED OPERATIONS: NOK millions	2023	2022
Staff related *)	318.5	312.0
IT	195.6	136.3
Rent	42.0	43.5
Marketing	14.4	3.2
Office operations	73.2	94.6
Business travel	2.3	1.9
Fees	2.7	4.1
Other costs	777.7	750.3
Total staff and administration expenses	1,426.3	1,346.0

In 2023, the average number of man-labour years in discontinued operations has been 243 (2022: 297).

NOTE 25. CHANGES IN TANGIBLE ASSETS

Fixed assets NOK 1,247.2 million consist of tangible assets NOK 940.3 million and leasing assets NOK 306.9 million.

2023 NOK millions	Machinery, fixtures and transport vehicles	Leasing Operating leases: Investment property	Leasing Operating leases: Miscellaneous	Bank buildings and other real property	Total
Cost of acquisition 1 Jan. 2023	216.7	0.0	1,037.4	1.2	1,255.3
+ Additions this year	11.4		459.1		470.4
- Disposals this year			116.5	0.0	116.5
Cost of acquisition 31 Dec. 2023	228.1	0.0	1,380.0	1.2	1,609.2
+ Appreciation 1 Jan. 2023					
- total depreciation/impairment 1 Jan. 2023	193.1	0.0	385.9	1.2	580.2
- ordinary depreciation this year	10.3		172.7		183.0
- depreciation on appreciation this year					0.0
- other depreciation/impairment this year					0.0
+ Disposals depreciation/impairment this year			94.2		94.2
Book value 31 Dec. 2023	24.7	0.0	915.6	0.0	940.3
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.

2022 NOK millions	Machinery, fixtures and transport vehicles	Leasing Operating leases: Investment property	Leasing Operating leases: Miscellaneous	Bank buildings and other real property	Total
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.

NOTE 26. 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 2023, leasing assets amount to NOK 294.8 million (NOK 341.0 million in 2022). Leasing assets were depreciated by NOK 73 million 2023 (NOK 83 million in 2022).

NOTE 27. DEBTS TO CREDIT INSTITUTIONS

NOK millions	31 Dec. 2023	31 Dec. 2022
Receivables	54,360.5	72,615.6
Time deposits	130,916.0	131,246.3
Repo transactions	12,918.4	3,002.0
Debts to credit institutions	198,194.9	206,863.9

Debts to Danske Bank A/S: See note 36

At the end of 2023, debts to credit institutions in trading units recognised at fair value through profit or loss amount to NOK 12.918 million (2022: 3.002) and consist of repo transactions.

Items in foreign currency are converted to NOK using the exchange rate at 31 December 2023 (major currencies):
Exchange rate at 31 December 2022 in brackets

	Exchange rate:	
USD	10.2	(9.9)
DKK	150.8	(141.4)
SEK	101.3	(94.5)
EUR	11.2	(10.5)
GBP	12.9	(11.9)

The average interest rate for loans and deposits from credit institutions is 3.24 % (1.24 % in 2022).
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 28. DEPOSITS FROM CUSTOMERS

NOK millions	31 Dec. 2023	31 Dec. 2022
Deposits from and debts to customers without agreed maturity	158,473.9	178,026.8
Deposits from and debts to customers with agreed maturity	3,615.3	1,344.9
Deposits from customers	162,089.2	179,371.7

The average interest on deposits from customers in NOK is 3.2% (1.48% in 2022).
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 29. PROVISION FOR LIABILITIES

NOK millions	31 Dec. 2023	31 Dec. 2022
Pension liabilities	18.3	20.5
Other liabilities	125.7	152.7
Provision for liabilities	144.0	173.3

Other liabilities

Problems associated with the debt collection process
Danske Bank Norway has discovered problems associated with its debt collection process. All affected accounts have been identified and 56% of the affected accounts have been paid in Q1 2024. It is expected that the remaining part will be paid out in Q2 2024 and that the debt collection program will be closed in 3Q 2024.

NOTE 30. 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 2023, VaR (confidence level 95 %, 1 day horizon) for trade-related activities in Norway was as follows:

(NOK millions)	2023	2022
Bonds span risk	-9.8	-6.0
Interest risk	-10.9	-9.5
Currency risk	0.0	0.0
Diversification effects	7.9	6.9
Total VaR	-12.9	-8.6

At the end of 2023, the non-trading related market risk was as follows:

(NOK millions)	2023	2022
Interest risk (parallel shift in yield curves of 1 percentage point)	-509.1	-805.4
Share risk, unlisted shares (net position)	439.0	520.9

NOTE 31. 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 32. GUARANTEES, MORTGAGES

NOK millions	31-12-23	31-12-22
Payment guarantees	4,970	6,332
Contractual guarantees	1,372	1,490
Loan guarantees	1,420	1,386
Guarantees for taxes etc.	1,707	1,605
Other guarantees	5,083	4,299
GUARANTEES	14,552	15,113
Letters of credit	822	779

MORTGAGES:

Government bonds and certificates at a total book value of	155	671

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

NOTE 33 FINANCIAL INSTRUMENTS

Trading portfolio liabilities in the amount of NOK 119,299.3 million consist of derivatives with NOK 111,756.1 million and other liabilities with NOK 7,543.4 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.

	2023		2022	
NOK millions	Fair value	Amortised cost	Fair value	Amortised cost
Financial assets:				
Financial assets in trading portfolio				
Certificates and bonds	17,294		19,864	
Shares and other securities	6,579		4,537	
Derivatives	115,393		89,859	
Loans and receivables:				
Cash and due from central banks		5,781		915
Due to/from credit institutions	6,166	38,918	1,771	38,775
Net loans to customers	27,798	312,187	27,403	348,265
Other investment assets	445		524	
Total	173,675	356,886	143,958	387,955
Financial liabilities:				
Financial liabilities in trading portfolio				
Derivatives	111,756		87,164	
Other liabilities	7,543		1,404	
Debts to credit institutions	12,918	185,276	3,002	203,862
Deposits from and debts to customers		208,207		232,250
Total	132,218	393,483	91,570	436,112

Assets and liabilities in the table above include the disposal group personal customers, and have been reclassified to Assets held for sale and Liabilities held for sale in the balance sheet, respectively. See note 24.

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.

2023	Listed prices	Observable input	Non-observable input	Total
Financial assets				
Certificates and bonds	14,729	2,565		17,294
Shares and other securities	6,567		12	6,579
Derivatives	218	114,838	337	115,393
Due to/from credit institutions		6,166		6,166
Net loans to customers		27,798		27,798
Other investment assets			445	445
Total	21,514	151,367	794	173,675
Financial liabilities:				
Trading portfolio liabilities	197	111,476	83	111,756
Debts to credit institutions		12,918		12,918
Other liabilities	7,543			7,543
Total	7,740	124,394	83	132,218

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

Financial instruments valued on the basis of non-observable input at the end of 2023 include unlisted shares at NOK 12 million (2022: NOK 524 million) and derivatives with a net market value of NOK 3,637 million (2022: NOK 2,695 million). A change in the fair value of unlisted shares of +/- 10 per cent corresponds to an increase or decrease, respectively, of NOK 1.2 million (2022: NOK 52.4 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.

	2023	2022
	Derivatives	Derivatives
Fair value at 1 January	457	-63
Value adjustment through profit or loss	14	0
Value adjustment through other comprehensive income	0	0
Acquisitions	202	457
Sale and redemptions	-418	-63
Transfer from listed prices and observable input	0	0
Transfer to listed prices and observable input	0	0
Fair value at 31 December	254	457

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 Norway's lending and borrowing the interest rate depends on the general benchmark rate stipulated by Danske Bank Norway. 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 2023 is NOK 312,187 million, whereas the estimated fair value is NOK 312,250 million. The entire value is categorised under Non-observable input.

Impact of IBOR Reform on financial instruments
The Interest Rate Benchmark Reform is progressively replacing inter-bank offered rates (IBORs) with alternative risk-free rates. The Group had
established an IBOR Transition Programme, the main objectives being to identify how the IBOR transition would affect the Group financially and
operationally, and to identify how cessation of IBOR publications would affect the Group's ability to service its customer base. The IBOR Transition programme has achieved its aims and will be wound down during the first quarter of 2024. Interest rate developments are continuously monitored, and any future introduction of new risk-free rates will be managed and resourced as required.

As at 31 December 2023, there are no non-derivative financial assets or non-derivative financial liabilities that are yet to transition to alternative benchmark rates (31 December 2022: NOK 1,291 million and 215 million respectively).

As at 31 December 2023, there are no derivatives that are yet to transition to alternative benchmark rates (31 December 2022: NOK 47,931 million).

NOTE 34. REMAINING MATURITY FOR ASSETS

NOK millions	2023		2022	
	< 1 year	> 1 year	< 1 year	> 1 year
Cash and due from central banks	5,781.4		915.3	
Due to/from credit institutions	45,084.2		40,546.4	
Due to/from customers	87,580.1	252,405.0	78,417.9	297,250.0
Bonds and certificates	4,835.0	12,459.0	7,821.0	12,042.8
Shares		7,023.7		5,061.3
Other trading portfolio	33,377.3	82,015.6	19,048.4	70,810.3
Other assets	2,521.1	1,368.9	1,621.1	1,175.4

The table above includes the personal customers disposal group, which has been reclassified to Assets and liabilities held for sale on the balance sheet.

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 2023.

Note 35. 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

2023	0–1 month	1–3 months	3–12 months	1–5 years	> 5 years
Due to credit institutions and central banks	85,688	54,783	2,707	34,852	20,165
Deposits	203,563	4,071	493	71	8
Repurchase obligation under reverse transactions	7,543	-	-	-	-
Financial and loss guarantees	15,366	-	-	-	-
Irrevocable loan commitments shorter than 1 year	51,175	-	-	-	-
Irrevocable loan commitments longer than 1 year	57,667	-	-	-	-
Total	421,003	58,854	3,200	34,923	20,173

The table above includes the personal customers disposal group, which has been reclassified to Assets and Liabilities held for sale on the balance sheet.

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

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 36 Related parties

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

	Danske Bank		Subsidiaries *)		DDB AS		Danica AS **)	
NOK millions	2023	2022	2023	2022	2023	2022	2023	2022
Loans to credit institutions	39,678.2	39,450.2						
Gross lending			0.1	0.1				
Other receivables								
Loans from credit institutions	181,571.1	197,911.2						
Deposits			-	-	54.3	51.3	-	-
Other liabilities					4.4	6.0		
Interest income	421.0	208.1						
Interest cost	5,492.9	2,326.4	7.6	3.3	1.9	0.7		
Commission income	45.1	48.4	55.2	75.2			-	17.5
Trading income								
Other income								
Costs	1,658.9	1,508.7	43.0	43.0				

*) 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 2023, such funding amounts to NOK 18 488 million (NOK 18 017 million at the end of 2022), and is included in 'Loans from credit institutions' in the table above.

NOTE 37 CONTINGENT LIABILITIES

As a consequence of its ordinary business, the bank is involved in legal disputes, including claims for damages against the bank. For example, at the end of 2021 the bank was involved in a case where it was sued for NOK 130 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 is appealed, and it is considered likely that the bank will succeed in the Supreme Court.

CASH FLOW STATEMENT

	2023 NOK millions	2022 NOK millions
Interest and commission received	23,934	13,316
- of which discontinued operations	8,533	5,379
Interest and commission paid	17,762	7,894
- of which discontinued operations	7,246	3,952
Other operating income received	933	1,042
- of which discontinued operations	311	0
Other operating expenses paid	4,618	4,067
- of which discontinued operations	1,426	1,263
Received on receivables previously written off	753	142
Taxes paid	0	0
Net cash flow from operations	3,241	2,539
Decrease/(increase) in loans to and deposits from credit institutions	-4,538	5,618
Decrease/(increase) in lending	36,328	-5,966
Decrease/(increase) in other receivables	-1,259	121
Increase/(decrease) in loans and deposits from credit institutions	-8,669	29,063
Increase/(decrease) in deposits from customers	-24,043	-15,876
Increase/(decrease) in certificate debts	0	0
Increase/(decrease) in other debts	31,804	41,656
Net cash flow from ongoing financial activities	29,624	54,617
Investments in fixed assets	-405	425
Sale of fixed assets	0	0
Net cash flow from investments	-405	425
Increase/(decrease) in bond debts	0	0
Change in equity	-2,587	-2,999
Net cash flow from long-term financing	-2,587	-2,999
Net change in cash and short-term placements	29,872	54,579
Decrease/(increase) in cash	-4,866	1,450
Net acquisition/(sale) of short-term securities	-25,006	-56,029
Total change in cash and short-term placements	-29,872	-54,579

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.

Deloitte.

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

+47 73 87 69 00
www.deloitte.no

To the General Meeting of Danske Bank

INDEPENDENT AUDITOR'S REPORT

Opinion
We have audited the financial statements of Danske Bank (the Company), which comprise the balance sheet as at 31 December 2023, the income statement, statement of cash flows 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 2023, 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. Our opinion on the financial statements does not cover the information in the Board of Directors' report.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report. 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.

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.

Deloitte.

Independent auditor's report
Danske Bank

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 2024
Deloitte AS

Per Kr. Forseth
State Authorised Public Accountant
(electronically signed)

Independent auditor's report

Name	Date
Forseth, Per Kristian	**2024-05-31**

Identification

bankID Forseth, Per Kristian