

DANMARKS
NATIONALBANK

**Annual report
2024**



DANMARKS
NATIONALBANK

Annual Report 2024

This report is based on information available up to 25 February, 2025

See also www.nationalbanken.dk/en

Explanation of symbols:

- Magnitude nil
- 0 Less than one half of unit employed
- Category not applicable
- ... Data not available

Details may not add up because of rounding.

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The English version of the Annual Report is a translation of the original document in Danish for information purposes only. In case of any discrepancies or legal disputes etc, the original document in Danish original will prevail.

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Foreword



Danmarks Nationalbank was established for the specific purpose of restoring the monetary system in Denmark following the Danish state bankruptcy in 1813. In 1936, Danmarks Nationalbank became an independent, self-governing institution, laying down monetary policy independently of the Danish Government and the Danish Parliament (the Folketing).

The mandate of Danmarks Nationalbank is to help ensure stable prices, secure payments and stability in the financial system.

The fixed krone exchange rate against the euro contributes to creating the framework for stable prices and thus also low inflation. Danmarks Nationalbank ensures secure payments by issuing high-quality banknotes and coins and set the framework for the secure settlement

of electronic payments. By monitoring and making recommendations to relevant authorities, Danmarks Nationalbank contributes to the stability of the financial system.

Danmarks Nationalbank lowered the key monetary policy interest rates four times during 2024 by a total of 1 percentage point to 2.60 per cent for the current account rate and certificate of deposit rate, and 2.75 per cent for the lending rate. The interest rate cuts came in the immediate aftermath of the European Central Bank reducing its benchmark monetary policy interest rate, the deposit facility rate, by a total of 1 percentage point due to slowing inflation in the euro area.

Danmarks Nationalbank continued to work throughout 2024 on the cash initiatives announced in 2023. Based



on a participatory process, the bank decided which motifs will appear on Denmark's future banknotes to be issued in 2028 and 2029. In addition, 2024 saw a large inflow of banknotes that will become invalid as means of payment after 31 May 2025.

In 2024, Danmarks Nationalbank continued to work on consolidating the settlement of payments and securities transactions in Danish kroner on TARGET Services, the European settlement platform for payments and securities trading. With the migration of Danish kroner to TARGET Services, economies of scale will be realised and the collaboration with the other central banks will strengthen cyberresilience, among other things. The migration to TARGET Services will take place during Easter 2025, and the existing Danish payment system, Kronos2, will be closed down.

A more detailed description of Danmarks Nationalbank's activities can be found on Danmarks Nationalbank's website. The website also contains all publications published during the year.

Copenhagen, 25 February, 2025

Christian Kettel Thomsen
Chairman

Signe Krogstrup

Ulrik Nødgaard

Key figures





RESULT

Kr. 17.1 billion
Kr. 6.6 billion



The result for the year in 2024 was a profit of kr. 17,132 million compared to a profit of kr. 10,575 million in 2023. After allocation of profit for the year, net capital totalled kr. 100.8 billion.

FOREIGN EXCHANGE RESERVE

Kr. 654 billion
Kr. 29 billion



Danmarks Nationalbank did not intervene in the foreign exchange market from December 2022 until the end of February 2025. This is the longest period without intervention since the introduction of the fixed exchange rate policy in 1982.

VALUE OF GOLD STOCK

Kr. 40.3 billion
Kr. 10.5 billion



Danmarks Nationalbank's gold stock remained unchanged at 66.5 tonnes and is included in the foreign exchange reserve. The price of Danmarks Nationalbank's gold in Danish kroner increased by 35 per cent during 2024.

CASH IN CIRCULATION

Kr. 54.4 billion
Kr. 13.9 billion



The decrease in cash in circulation in 2024 was mainly driven by the phasing out of 1000-krone banknotes and the recall of older banknote series.



Report of the Board of Governors



Report of the Board of Governors on the activities of Danmarks Nationalbank

Monetary policy, financial markets and the real economy

The primary purpose of monetary policy is to maintain low and stable inflation, a prerequisite for a robust economy. We do so in Denmark through the fixed exchange rate policy, where the krone is kept stable against the euro. Danmarks Nationalbank does this by controlling interest rates and by buying and selling kroner and euros.

The fixed exchange rate policy implies that monetary policy in Denmark follows the monetary policy determined by the European Central Bank, ECB. This will often contribute to reducing fluctuations in the Danish economy and inflation. To the extent that developments in the Danish economy deviate from the euro area, domestic fiscal policy can be used as a stabilisation tool.

Denmark has been conducting a fixed exchange rate policy since 1982 – initially against the German D-mark and then against the euro. The formal framework for the Danish fixed exchange rate policy is the European Exchange Rate Mechanism II, ERM II. The central rate of the krone against the euro – and previously the German D-mark – has been unchanged since 1987.

The exchange rate of the Danish krone against the euro remained stable around the central rate in 2024, see chart 1, and the monetary policy interest rate spread remained unchanged at -0.40 percentage points throughout the year. The negative yield spread should be seen in the light of the Danish current account

surplus and international investment position, which create structural demand for Danish kroner. Danmarks Nationalbank did not intervene in the foreign exchange market in 2024. There has therefore been no intervention in the foreign exchange market since December 2022 up to the end of February 2025. This marks the longest period without intervention since the introduction of the fixed exchange rate policy in 1982.

Danmarks Nationalbank assesses that monetary policy has been restrictive in 2024, i.e. it contributed to lowering activity in the Danish economy, thereby leading to lower inflation. In the first half of the year, monetary policy interest rates were at their highest level since 2008. Against the backdrop of slowing inflation in the euro area, the European Central Bank, ECB, began easing monetary policy in 2024, including lowering its benchmark monetary policy interest rate from June 2024. The ECB cut the interest rate on four occasions by a total of 1 percentage point. Danmarks Nationalbank also reduced the key monetary policy interest rates in four rounds by a total of 1 percentage point to 2.60 per cent for the current-account rate and certificates of deposit rate, and 2.75 per cent for the lending rate, see chart 2. The interest rate cuts were made in direct continuation of the ECB's reductions. Throughout 2024, the real monetary policy rate remained above estimates for the natural real interest rate, which is, however, subject to significant uncertainty.¹

¹ The natural real interest rate is the level of the real interest rate that brings actual activity in the economy in line with potential activity. Potential activity refers to the level of activity in the economy that is compatible with stable price and wage development. When the real interest rate is higher than the natural real interest rate, economic activity slows down.

The lower monetary policy interest rates have been transmitted smoothly to the Danish money market. The overnight reference rate, Denmark Short-Term Rate, DESTR, has thus followed the monetary policy interest rate cuts and remained stable slightly below the current account rate, see chart 2.

Financing costs for households and businesses have been high throughout the year, and the take-up of new financing has been relatively low. The average interest rate on outstanding debt peaked in mid-2024 at the highest level in 15 years and only started to slowly decline during the second half of the year.

Danish government bond and mortgage bond yields decreased in 2024. Both 2- and 10-year government yields fell, reflecting expectations of faster and larger interest rate cuts than expected in early 2024. The yield spread between Danish and German government bonds decreased through 2024 by 0.3 percentage points, and at the end of 2024 the yield on the German 2-year government bond was 0.2 percentage points higher than on the Danish one. Interest rates on long-term fixed-rate mortgage bonds and short-term mortgage bonds also fell slightly during 2024, but were still at a higher level by the end of the year compared to before the interest rate increases in 2022.

Low stable inflation in 2024

Monetary contractions in recent years contributed to inflation in Denmark again was low and stable. Inflation rose slightly throughout the year as the negative contribution from falling energy prices faded, ending the year at 1.8 per cent, see chart 4. Part of the price development in Denmark is due to price increases on imported goods. The development of import prices in Denmark was subdued throughout the year, partly due to a better balance between the supply and demand side of the global economy and due to the tight monetary policy in the US and Europe. Inflation was mainly kept up by price increases in services, which was the result of high wage increases in recent years. Core inflation, which excludes consumer prices for energy and unprocessed food, remained relatively stable throughout the year, ending the year at 1.2 per cent.

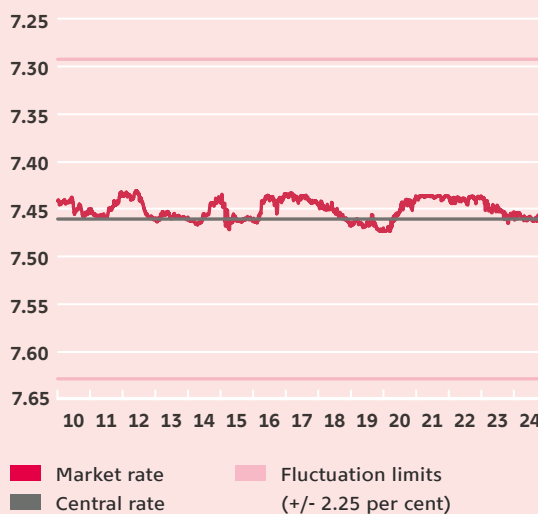
The continued tight monetary policy also contributed to moderate growth in Danish export markets throughout 2024. Despite moderate growth in Danish export markets, many Danish export companies saw growth and total export volumes increased by 7.6 per cent in 2024.

Growth was partly due to an increase in exports of goods produced in Denmark, but especially goods produced by subcontractors abroad, which are statistically included in

Chart 1

The krone exchange rate against the euro has been stable

Kroner per euro



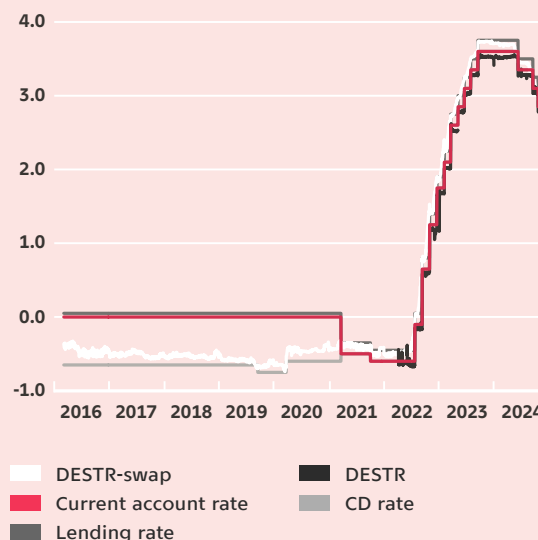
Note: An increase in the Chart means that the value of the krone has strengthened against the euro.

Source: Danmarks Nationalbank.

Chart 2

Monetary policy interest rates have been lowered

Per cent



Note: Denmark Short-Term Rate, DESTR, is a short-term transactionbased reference rate for the Danish money market.

Source: Refinitiv Eikon and Danmarks Nationalbank.

Danish exports and value added, but which only contribute to pressure on the Danish labour market to a lesser extent. The division of growth in the Danish export sector was less pronounced than in the past few years, with the increase in total goods exports being even more driven by exports of Danish-owned goods produced abroad, including pharmaceuticals. The increase in exports of goods in 2024 helped boost the balance of payments, which rose from kr. 276 billion in 2023 to kr. 410 billion in 2024, accounting for approximately 14 per cent of GDP.

The growth of Danish export companies was also the main driver of Danish GDP growth, which increased by 3.6 per cent for the year as a whole, see chart 3. The Danish economy continued to feature a dichotomy, with high growth in the pharmaceutical industry in particular and production abroad under Danish ownership increasing GDP, while growth in the rest of the Danish economy was more modest. This is also reflected in a weak development in domestic demand. Excluding production abroad under Danish ownership, Danish gross value added increased by 1.9 per cent in 2024.

The labour market continued to improve in 2024 despite the modest increase in domestic activity. Employment grew during the year by 30,000 people, while unemployment increased slightly, see chart 5. At the end of the year, 88,000 people were unemployed. Although employment continued to rise, there were no signs of increasing pressure on the labour market. This is because more people were available on the labour market at the same time. Pressure on the labour market was still significantly lower compared to the level in 2022, but some pressure continued throughout the year.

Wage increases in the private labour market picked up further in 2024 in line with the collective agreements from spring 2023, and wages in the private labour market increased by 5.4 per cent for the year as a whole.² Wage increases in Denmark have been slightly higher than in the euro area in 2024. This should be seen in light of the fact that wage growth in the euro area picked up earlier than in Denmark. In September, Danmarks Nationalbank emphasised the importance of wage increases coming down from the current high levels as they would not be compatible with low, stable inflation in the long term.

Low inflation and high wage increases resulted in household purchasing power, as measured by real

wages, increasing during 2024, and in large parts of the economy it was back to the level of around 2021 before inflation picked up. Despite significant growth in real wages, there was limited growth in private consumption, which increased by 0.9 per cent in 2024. Consumer restraint was reflected in consumer confidence, which throughout the year indicated that consumer expectations for their own finances and the Danish economy remained pessimistic.

Fiscal policy helped to alleviate capacity pressures in the Danish economy throughout the year. Several times during the year, Danmarks Nationalbank emphasised the importance of monetary and fiscal policy as a whole continuing to contribute to ensuring an appropriate economic cycle in Denmark, which would support stable price development. That is why the bank advised against easing fiscal policy to the extent proposed in the government's proposal for the 2025 Finance Act in September, given the current situation of continued high wage increases and some pressure on the labour market, including low unemployment.

Financial system stability

Danmarks Nationalbank contributes to ensuring the stability of the financial system by analysing the financial sector, overseeing and assessing systemic risks, and providing recommendations.

Among other things, Danmarks Nationalbank acts as chair and secretariat for the Systemic Risk Council and the Financial Sector Forum for Operational Resilience. It also has a special role in relation to liquidity in the financial system. If a liquidity shortage arises that could lead to systemic risks, Danmarks Nationalbank may decide to expand the general borrowing facilities of the institutions at the bank, thereby providing them with liquidity to stabilise the situation. Danmarks Nationalbank can also provide extraordinary liquidity support, known as Emergency Liquidity Assistance, ELA, to a solvent and creditworthy credit institution that has an acute liquidity need and cannot obtain liquidity in the market.

The risk outlook for the financial sector has been dominated by geopolitical tensions that, among other things, affect cyber threats and international trade. The geopolitical situation can affect the development of inflation if, for example, there is a shift in trade and fiscal policies.

² Measured by the Confederation of Danish Employers' wage index for manufacturing.

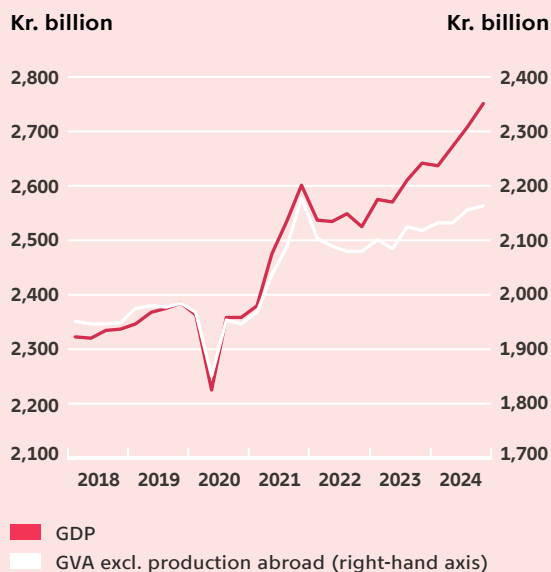
2024 also saw a robust financial sector with high profits. The capitalisation of credit institutions proved sufficient to handle Denmark's Nationalbank's severe recession scenarios in stress tests. The profit before tax of systemic credit institutions was kr. 66.4 billion in 2024, approximately the same high level as in 2023. Relative to the size of the balance sheet, profits in 2023 and 2024 were on par with the best years historically. A significant part of the increase in profits in recent years is due to higher net interest income. The performance of credit institutions in 2024 was also supported by low impairment charges.

Loans to property companies continue to make up a large part of their commercial lending, and there are still significant risks associated with these loans. The interest rate rises in 2022 and 2023 have increased the financial costs of businesses. This has caused early signs of payment difficulties among those experiencing the most problems. However, these companies make up a small part of total lending and the losses of institutions remain limited.

Homeowners have also been affected by the interest rate rises in 2022 and 2023, but the banks suffered limited losses on such loans. The prospect of lower interest rates is expected to ease the financial pressure on homeowners. Lending rules, one of the purposes of which was to protect homeowners against rising interest rates or falling house prices, have contributed to increased resilience

Chart 3

Moderate growth in the Danish economy



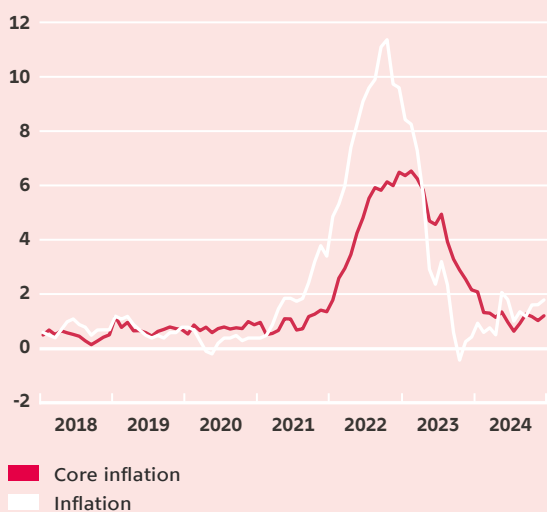
Note: Production abroad covers sale relating to production abroad under Danish ownership, excluding directly related costs of materials. It is not possible to determine the value added from production abroad under Danish ownership because this production may involve a number of joint costs that are shared with traditional Danish production and cannot be separated. Therefore, the calculations should be seen as an estimate of the growth trajectory excluding these activities.

Source: Statistics Denmark and own calculations.

Chart 4

Inflation has come down

Per cent, year-on-year



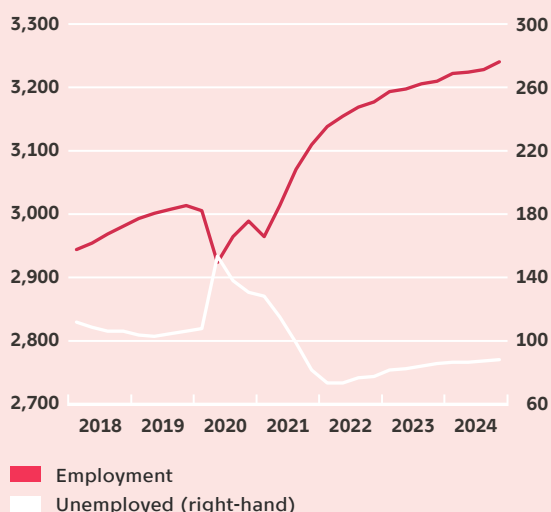
Note: Inflation has been calculated using the EU Harmonised Index of Consumer Prices (HICP). Core inflation is HICP excluding energy and unprocessed foods.

Source: Statistics Denmark.

Chart 5

Progress in the labour market in 2024

1,000 people 1,000 full-time employees



Source: Statistics Denmark.

for homeowners and credit institutions. Credit growth for housing loans was low in 2024, and modest credit growth can, among other things, increase the incentive for credit institutions to attract new private customers. Lower lending margins and more risky loans can therefore be a competitive parameter.

In its biannual financial stability analysis from November 2024, Danmarks Nationalbank focused in part on the green transition and the impact it could have on financial stability. It also focused on Danish insurance and pension companies, as the behaviour of these companies can amplify market fluctuations.

Climate change and the green transition

For several years, the climate has been a central agenda at Danmarks Nationalbank, as it has been at other European central banks. This is because both climate change and the challenges of the green transition can affect the central banks' core tasks of ensuring price and financial stability. For that reason, Danmarks Nationalbank includes climate in its analyses and recommendations. The bank also chose in 2021 to take climate considerations into account in its investments in equities and corporate bonds (read more about this in the section "Climate footprint of the financial portfolios").

In 2024, Danmarks Nationalbank has developed a new methodology to assess the economic and financial

risks of the green transition. This methodology establishes several scenarios based on Danmarks Nationalbank's mapping from April 2024 of financial risks related to climate change and green transition for Danish credit institutions over the next 10 years.

Danmarks Nationalbank's biannual financial stability analysis from November 2024 included an example of a risk scenario. In this risk scenario, lack of technological progress necessitates additional emissions taxes to continue to meet the 2030 climate target. The scenario showed limited consequences for the economy and credit institutions.

Secure payments

It is part of Danmarks Nationalbank's mandate to contribute to secure payments in Denmark. It does so by helping to ensure that electronic payments can be processed safely and efficiently, and by issuing high-quality banknotes and coins.

Cyber-resilient financial sector

The cyber threat to the financial sector is high. It can affect the payments infrastructure and, in the worst case, threaten financial stability. Danmarks Nationalbank

The Systemic Risk Council

Danmarks Nationalbank chairs and provides secretariat services for the Systemic Risk Council. The Systemic Risk Council oversees and identifies systemic risks in the financial system and can recommend policy measures to address and mitigate risks. In addition, the Council may express an opinion on financial matters, including trends in systemic risks and financial regulation, which, in the Council's judgement, are important in relation to financial stability.

Every quarter, the Systemic Risk Council assesses the adequate countercyclical capital buffer level. In 2024, the Council considered it appropriate to maintain the countercyclical capital buffer rate at 2.5 per cent to ensure that institutions have something to resist with if risks materialise. The Council is ready to recommend a reduction of the buffer rate with immediate effect if stress occurs in the financial system and there is a risk of a severe tightening of credit granting to households and companies.

The Council is also the macroprudential authority for the Faroe Islands and Greenland. This means that the Council

also oversees systemic risks and recommends macroprudential policy measures. In June 2024, the Council recommended to the Minister for Industry, Business and Financial Affairs that the systemic risk buffer in the Faroe Islands be increased from 2 per cent to 3 per cent from 1 July 2025. This is partly due to structural systemic risks in the Faroese economy and a recommendation from the Faroese Risk Council, Føroya Váðaráð. The Minister for Industry, Business and Financial Affairs has followed the Council's recommendation.

The Council recommended to the Minister in October 2024 that the countercyclical capital buffer in Greenland be activated at a rate of 0.5 per cent effective from 1 January 2026 and 1 per cent effective from 1 July 2026. The recommendation was partly due to the fact that Greenland is in a long economic upswing and that total lending in Greenland is at a low level relative to GDP in an international context. There has also been strong growth in lending to businesses for a number of years. The Minister for Industry, Business and Financial Affairs has followed the Council's recommendation.



Co-operation with the International Monetary Fund, IMF

Danmarks Nationalbank manages Denmark's relations with the International Monetary Fund, IMF, in cooperation with the Danish Ministry of Economic Affairs and the Danish Ministry of Finance. Danmarks Nationalbank also manages Denmark's financial accounts with the IMF. The IMF's main objective is to promote global growth and financial stability.

Christian Kettel Thomsen, Chairman of Danmarks Nationalbank's Board of Governors, represents Denmark on the IMF Board of Governors. The Board of Governors is the IMF's highest decision-making body, and all 191 member countries have a representative.

The Executive Board of the IMF is responsible for conducting the day-to-day business of the Fund. Denmark is represented here through the Nordic-Baltic constituency, which has an Executive Director representing Nordic-Baltic interests in the IMF. Danmarks Nationalbank, the Ministry of Economic Affairs and the Ministry of Finance, coordinate the Danish positions with the other member countries in the constituency.

Governor Signe Krogstrup represents Danmarks Nationalbank in the Nordic-Baltic Monetary and Financial Committee, NBMFC, which sets the overall strategic guidelines for the work of the Nordic-Baltic constituency. At the beginning of 2024, Signe Krogstrup took over the chairmanship of NBMFC for a period of two years.

Once a year, the IMF conducts an analysis of the Danish economy and gives policy recommendations in a so-called Article IV report. The most recent report was published in September 2024.

Denmark's financial accounts with the IMF

One of the IMF's tasks is to provide loans to countries in economic difficulties. IMF lending is funded by member countries' quotas and loan commitments.

Denmark's financial accounts with the IMF consists of Denmark's quota and the following voluntary loan commitments:

- Loan commitment to New Arrangements to Borrow, NAB
- Bilateral Borrowing Agreements, BBA
- Loan commitments to the IMF's trust for loans to low-income countries, the Poverty Reduction and Growth Trust, PRGT.

Danmarks Nationalbank also participates in the IMF's voluntary trading system for Special Drawing Rights, SDR. The Danish quota, loans to the IMF and SDR holdings are included in the foreign exchange reserve.

In December 2023, IMF member countries reached an agreement on the 16th quota review. The agreement includes a 50 per cent increase in each member country's quota, a reduction in NAB borrowing resources and a phasing out of the BBA. The agreement will ensure that the IMF going forward will provide loans that to a greater extent are based on quota resources rather than voluntary loan commitments. The agreement will keep the IMF's overall lending capacity unchanged.

Danmarks Nationalbank extended its BBA loan agreement with the IMF in 2024. The agreement has been extended until 2027 or until the quota increase has become effective. The extension of the BBA is a transitional measure, which ensures that the IMF's lending capacity remains unchanged until the quota increase is implemented.

Implementation of the new quota agreement began in early 2024. Denmark has fulfilled the conditions for the quota agreement to be implemented. The quota agreement will only be ratified once members corresponding to 85 per cent of the quota shares have fulfilled the conditions.



works in a number of different areas that support secure and efficient electronic payments in Denmark. Common to our work in these areas is continued focus on strengthening the cyberresilience of the core infrastructure and the financial sector.

Danmarks Nationalbank manages and develops critical payments infrastructure that supports payments in Danish kroner. The bank also oversees systemically important payment and settlement systems and is the chair and secretariat of both the Danish Payments Council and the Financial Sector Forum for Operational Resilience, FSOR. Furthermore, Danmarks Nationalbank is the authority for threat-based testing in Denmark.

Advanced cyberattacks against a financial company or payment system have the potential to threaten financial stability. This can happen if the critical functions of the financial sector are affected, for example, in the form of a widespread and prolonged breakdown in the payments infrastructure that affects the ability of the public and companies to make payments. Financial stability can also be threatened if confidence in the financial sector weakens.

The cyber threat is high and constantly changing in step with changes in the geopolitical situation and the development of new technology such as artificial intelligence. In collaboration with the financial sector, Danmarks Nationalbank has focused on further strengthening cyberresilience in the context of FSOR (see box X) and the Danish Payments Council in 2024.

This has both taken the form of preventive measures against cyberattacks as well as measures to ensure the ability to continue critical business activities after a serious cyberattack.

Consolidation of payments on TARGET Services

In 2024, Danmarks Nationalbank continued to work on consolidating the settlement of payments and securities transactions in Danish kroner on TARGET Services, the European settlement platform for payments and securities trading.

The migration to TARGET Services will take place during Easter 2025, and the existing Danish payment system, Kronos2, will be closed down.

With the migration of Danish kroner to TARGET Services, economies of scale will be realised and the collaboration with the other central banks will strengthen cyberresilience to ensure that Danish citizens and businesses continue to have access to secure and efficient payments in the future.

All instant payments in Danish kroner, such as Mobile-Pay payments, will, in the future be processed individually and in real time on TARGET Instant Payment Settlement (TIPS) platform, which is part of TARGET Services.

Collaboration with the financial sector in Denmark and the European Central Bank, ECB, on the migration to TARGET Services is proceeding according to plan as well.


Danmarks Nationalbank and the Financial Sector Forum for Operational Resilience

The Financial Sector Forum for Operational Resilience, FSOR, is a public-private collaborative forum with 30 key private actors and authorities in the financial sector. The collaboration is voluntary yet binding. Danmarks Nationalbank is the chair and secretariat of FSOR, which aims to increase operational resilience across the financial sector, including resilience to cyberattacks.

In 2024, Danmarks Nationalbank and FSOR's Risk Committee conducted two risk analyses for the financial sector. FSOR assesses risks and decides on mitigating actions on an ongoing basis. FSOR's annual reports and risk analysis method can be found on Danmarks Nationalbank's website. In addition to cyber risks, FSOR focused on risks related to dependencies across critical sectors, hybrid threats and

the possibility that quantum computers could eventually break traditional encryption.

FSOR's Crisis Management is led by Danmarks Nationalbank and ensures coordination between organisations in a crisis situation where vital parts of the sector are affected. A pre-announced and comprehensive test of the crisis response was carried out in June 2024 with a scenario in which both the entire FSOR crisis response and Danmarks Nationalbank's own response were activated at the same time. A test was also carried out in November to test the ability of the crisis response team to assemble unannounced and outside normal working hours at short notice. Test reports have been prepared for both exercises, identifying possible points for improvement.



SECURE PAYMENTS

**Ensuring safe and
efficient payments
is one of Denmark's
Nationalbank's
core tasks**

Testing the functionality of the future infrastructure was in focus in 2024. From January 2024 until the end of October 2024, the banks tested the different systems in a user test that followed Danmarks Nationalbank's internal test. The tests showed that the functionality of the systems works as expected, and the participants have proven that the necessary integration with their own infrastructure is present. The focus is now on preparing for the Easter 2025 migration.

In 2024, Danmarks Nationalbank, as planned, made a significant upgrade and prepared the collateral system for the transition to TARGET Services in 2025. Technical preparations were also made for the transition to a new internal SWIFT system in spring 2025.

TIPS cross-currency

Danmarks Nationalbank decided in January 2024 to join a project with the ECB and Sveriges Riksbank to enable cross-border instant payments via the TIPS platform.

Initially, the service will be implemented for the participating currencies in TIPS, i.e. the Danish krone, the Swedish krona and the euro. Norges Bank is also expected to join the collaboration at a later date. Eventually, it will also be possible to expand to other currencies, including currencies outside the TIPS platform.

In early October, Danmarks Nationalbank organised an information meeting about the project for representatives of the financial sector. Danmarks Nationalbank will continue the dialogue with the industry on how the TIPS functionality can support both businesses and individuals to access services that offer fast and secure payments between currencies.

Oversight of the financial infrastructure

Danmarks Nationalbank oversees that payments and financial transactions in Denmark can be completed securely and efficiently. The oversight covers the central payment and settlement systems as well as the main payment solutions and is based on international standards and guidelines.

Danmarks Nationalbank continued to focus on the cyberresilience of the payment and settlement systems it oversees in 2024. There was particular focus on crisis management planning, including how system owners select specific and relevant cyber scenarios and how they include this in their efforts to strengthen resilience in the event of a cyberattack. The ongoing oversight follows up on how those responsible for the overseen systems work with and comply with Danmarks Nationalbank's recommendations in this area. The oversight is reported in the annual publication on oversight of financial infrastructure.

Threat-based testing in the Danish financial sector

Since 2019, Danmarks Nationalbank has run and coordinated threat-based tests under the TIBER-DK programme. TIBER stands for Threat Intelligence-Based Ethical Red-teaming. The TIBER-DK programme tests the cyberresilience of participating financial companies based on the actual tactics, techniques and procedures of real hacker groups. The aim is for companies to become more aware of their own strengths and weaknesses in their cyberdefence. The tests provide important lessons in resisting advanced cyber threats.

Threat-based testing became part of the Digital Operational Resilience Act, DORA, from January 2025, which makes the TIBER testing methodology mandatory for significant financial companies across the EU. Danmarks Nationalbank has contributed to European and Danish legislation in this area and to the pan-European framework, TIBER-EU, in close collaboration with the European Central Bank, ECB. Danmarks Nationalbank is the designated authority for threat-based testing in Denmark.

A new version of the Danish TIBER-DK implementation was released in January 2025, incorporating the requirements of the DORA regulation and building on the updated TIBER-EU framework.

Analysis of digital payment fraud in Denmark

Danmarks Nationalbank analyses retail payments to support safe and efficient payments in Denmark. In 2024, the bank published an analysis of fraud and abuse related to payment cards and credit transfers. The analysis showed that Danish payment card fraud remains at a low level compared to the rest of Europe, and that the majority of card fraud occurs in connection with foreign online shopping, especially outside Europe. Credit transfer fraud mainly occurs in situations where private individuals transfer money themselves to fraudsters, often as a result of deception or manipulation.

Cash initiatives

Towards the end of 2023, Danmarks Nationalbank launched several cash initiatives that the bank has continued to work on in 2024:

- Denmark is to have a new banknote series based on the latest technologies to prevent counterfeiting attempts.
- All older banknotes will be recalled. This means that all banknotes from the 1944 series up to and including the 1997 series will cease to be legal tender after 31 May 2025.

- The 1000-krone banknote in the current series of banknotes with images of bridges and ancient artefacts (2009 series) will become invalid after 31 May 2025.

Up to the launch of the new banknote series, there will be one valid banknote series consisting of four banknotes: 50, 100, 200 and 500-krone banknotes.

New banknotes

Danmarks Nationalbank is working on developing a new and upgraded banknote series, expected to be issued in 2028-29. The initiative aims to ensure that cash remains a secure means of payment. Leading up to the launch of the new banknotes, the current banknotes will be continuously updated, and security-enhanced versions of the 100- and 200-krone banknotes in the current series were put into circulation in 2024.

In 2024, Danmarks Nationalbank decided which four motifs would adorn the fronts of the four new banknotes and what the overall theme of the reverse sides would be. The concept for the front of the new banknotes is important achievements and the people behind them. The four chosen people, Hans Christian Andersen, Tycho Brahe, Inge Lehmann and Arnarulunnguaq, are all responsible for important achievements that are internationally recognised and have a special significance

for Denmark and Greenland. The motifs on the back of the banknotes have the sea as a recurring theme.³

Following the selection of motifs and themes for the future banknotes, the actual design work was initiated. The bank entered into a collaboration with two illustrators, Signe Parkins and Thomas Pålsson, who will help illustrate the future banknotes. Banknote manufacturer Crane Currency was chosen to take on the task of translating illustrations into high-security technical design.

Recall of banknotes

Large inflow of 1000-krone banknotes have driven the development in 2024. Danmarks Nationalbank launched several extensive information campaigns with broad media exposure.

By the end of 2024, a total of kr. 18.1 billion in 1000-krone banknotes from the 2009 series and kr. 661 million in older banknotes (banknotes from the 1944 series up to and including the 1997 series) had been received. The large inflow of 1000-krone banknotes from the 2009 series was anticipated, as it is a high-value banknote from the current banknote series.

Overall, the recall of older banknotes and the 1000-krone banknote went smoothly in 2024. The way banks and retailers handled the recall and their support in communication was a big part of why the process went so smoothly.

The majority of the older banknotes and the 1000-krone banknote have been received via deposits at banks, either via ATM's with a deposit function or over the counter at the bank. In addition, the 1000-krone banknotes in particular have been used as a means of payment in retail.

New banknote exchange points

According to the Danmarks Nationalbank Act, discontinued banknotes can continue to be redeemed at Danmarks Nationalbank for up to one year after they lose legal tender status. This means that the older banknotes and the 1000-krone banknote can still be exchanged by Danmarks Nationalbank between 1 June 2025 and 31 May 2026.

Hence, Danmarks Nationalbank opened banknote exchange points in Aarhus, Odense and Copenhagen

The Danish Payments Council

Danmarks Nationalbank acts as the chair and secretariat of the Danish Payments Council. The Council aims to promote the efficiency and security of payments for citizens, businesses and financial institutions. It consists of 13 members and continuously monitors developments in the retail payment area, including proposals for and implementation of new legislation.

The Danish Payments Council held two ordinary meetings in 2024. One of the things the Council discussed was the European Commission's proposal for a new directive and regulation on payment services in the internal market.

The Danish Payments Council maintained particular focus in 2024 on strengthening the robustness of card payments in Denmark. It worked on establishing a card payment contingency plan to ensure that card payments can be made at pharmacies and nationwide grocery chains for at least a week if the internet connection is interrupted or if a critical player in the payment system becomes unavailable. An extraordinary meeting was held as a result and a status report published.

³ Read more about the choice of motifs and themes for the new banknotes in *Motifs and themes on new banknotes from 2028, Danmarks Nationalbank Analysis*, no. 5, September 2024 ([link](#)).

on 2 December 2024. Danish and foreign citizens and companies can exchange banknotes that become invalid at these points up to 31 May 2026. The three banknote exchange points are operated in co-operation with the Nordic payment institution FOREX. Submission of banknotes will be assessed according to the applicable money laundering regulations.

In Greenland and the Faroe Islands, it will also be possible for Greenlandic and Faroese citizens to exchange banknotes from 1 June 2025 until 31 May 2026. The framework for these solutions will be published in spring 2025.

Coins and Passing of the Crown coins ('Tronskiftemønten')

There is a long tradition in Denmark of Danish coins being minted with motifs featuring the regent. The current coins in circulation show the head of H.M. Queen Margrethe II.

On 31 December 2023, H.M. Queen Margrethe II. announced that she would abdicate on 14 January 2024. In keeping with tradition, Danmarks Nationalbank decided to mark the transition by sending into circulation a Passing of the Crown coin ('Tronskiftemønten'). The coin was released into circulation in November 2024, at which time it also became possible for anyone to buy copies of the coin outside of regular circulation via stamp and coin dealer NordFrim. Circulation coins with H.M. King Frederik X's monogram and portrait are expected to be released in the second half of 2025.

Danmarks Nationalbank's agreement with the Mint of Finland expired in 2024 and an EU procurement by tender was run to select a new coin manufacturer. At the turn of the year, Danmarks Nationalbank signed an agreement with Spanish coin manufacturer Fábrica Nacional de Moneda y Timbre – Real Casa de La Moneda to produce Danish coins for the next four years.

Banknotes and coins in circulation

Danmarks Nationalbank is the issuing authority for banknotes and coins in Denmark. The value of banknotes and coins in circulation was kr. 54.4 billion at the end of 2024. Of this, the Faroese banknotes in circulation totalled kr. 0.5 billion. Total circulation ended the year at kr. 13.9 billion less than the previous year, corresponding to a decrease of 20.3 per cent.

The decrease in cash in circulation is mainly due to a decrease in banknotes in circulation of kr. 13.9 billion to kr. 48.2 billion. A trend mainly driven by the recall of older banknote series (the series from 1944 to 1997) and the phasing out of 1000-krone banknotes. Approximately kr. 16.9 billion worth of recalled banknotes were handed in during 2024, of which kr. 16.3 billion was 1000-krone banknotes from the 2009 series and the remaining kr. 0.6 billion was in older banknotes.

During the same period, the value of the remaining banknote types (50-, 100-, 200- and 500-krone banknotes) from series 2009/2009A increased. The total increase was kr. 3.0 billion, of which kr. 2.9 billion was an increase in 500-krone banknotes alone. A large part of this increase is believed to be a consequence of exchanging 1000-krone banknotes for 500-krone banknotes.

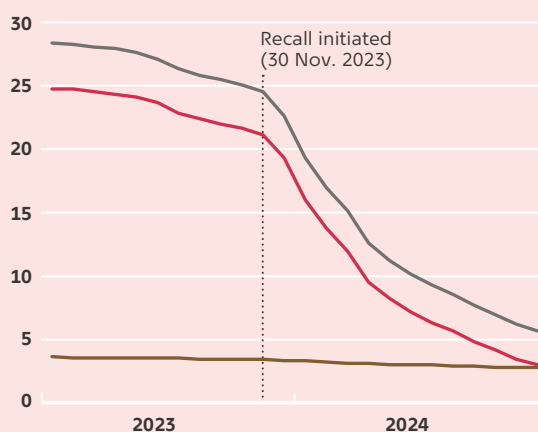
The total coin circulation at the end of 2024 was kr. 6.1 billion. Coin circulation remained largely stable throughout 2024.

The number of registered counterfeit banknote cases decreased from 1,499 cases in 2023 to 750 cases in 2024. The majority of cases registered were for counter-

Chart 6

Large inflow of 1000-krone banknotes have driven the development since 2023

Kr. million



Legend:
 ■ Discontinued banknotes
 ■ Older series
 ■ 1000-krone banknotes (series 2009)

Note: The vast majority of the inflow of 1000-krone banknotes from the 2009 series originates from deposits via ATMs with deposit function and payments in physical trade. Older series are primarily deposited in the banks - either in person or via the ATMs, which can receive the 1997 series.

Source: Danmarks Nationalbank.

feit 1000-krone banknotes, but this banknote type also saw a significant decrease in 2024 compared to 2023. In relation to the total number of banknotes in circulation, registered counterfeit banknotes remain low by international standards.

Statistics

Danmarks Nationalbank collects and compiles a wide range of data and statistics in the financial area. These data and statistics help Danmarks Nationalbank to oversee and analyse the financial system and thus ensure a robust economy in Denmark. Data comes primarily from a number of key players in society, such as banks, mortgage credit institutions, payment institutions, insurance and pension companies, investment funds and large corporates.

Danmarks Nationalbank works closely with Statistics Denmark to compile and publish statistics. In addition to the bank's website, Danmarks Nationalbank's financial statistics are also available at Statistics Denmark's website and in the DataBank. Detailed microdata from Danmarks Nationalbank is available via Statistics Denmark's Research Service.

In the coming years, Danmarks Nationalbank will expand the data basis for analyses and oversight in several areas.

The Credit Register, which contains information about loans and credits from banks and mortgage credit institutions, is a key data source in the bank's oversight and assessment of financial stability. The bank worked closely with the Danish Financial Supervisory Authority in 2024 to engage in dialogue with banks and mortgage credit institutions about expanding the Credit Register with data on the financial assets of households and companies in the form of deposits in banks and additional information about the exposure of credit institutions. From 2025, there will be testing in collaboration with the sector with planned deployment in 2026.

Danmarks Nationalbank collaborated with the banks in 2024 to begin work on improving the data basis for Danmarks Nationalbank's securities statistics with data from the banks on customers' securities deposits, which will be the central source in the calculation of ownership of Danish and foreign securities. The improvement of the data basis will make it possible to get an even

better picture of, among other things, the financial wealth and robustness of households and small businesses. This improves the data basis for financial stability oversight. The new data collection is expected to be fully implemented in 2026.

In 2024, Danmarks Nationalbank started publishing data based on the Credit Register in the DataBank. The statistics contain data on outstanding debt, number of loans and borrowers for different types of loans from mortgage credit institutions and the largest banks to Danish households and companies. Similarly, Danmarks Nationalbank will gradually publish data from the expansion of the Credit Register and securities statistics when the data quality is satisfactory.

Danmarks Nationalbank also launched new payment statistics in 2024 based on daily payment card transactions in Denmark back to 2019. The data comes from six card acquirers, estimated to cover 90 per cent of the total payment card turnover in Denmark. The statistics contain daily reports on the number and value of payment card transactions, broken down by card issuing country (Denmark or abroad) and by different transaction types (Point-of-sale, which is typically physical retail trade, and Card-not-present, which is typically internet commerce). The data provides useful information about Danish consumption and thus business cycles, which Danmarks Nationalbank regularly assesses to ensure a robust economy.

Restoration and renovation of Havnegade 5

Danmarks Nationalbank's listed building at Havnegade in Copenhagen is undergoing major and necessary restoration and renovation work.

The building was designed by Danish architect Arne Jacobsen and is regarded as one of Denmark's most significant expressions of modernist architecture. The building is listed, and it is being restored in a close dialogue with the Danish Agency for Culture and Palaces. The construction period will run over a number of years, and the majority of the bank's employees have moved to Langelinie Allé in Copenhagen. The restoration and renovation includes protection against seawater rise and cloudbursts, replacement of marble and glass facades, environmental remediation and improvement of fire safety and indoor climate, as well as updated technical solutions.

In connection with the project, Danmarks Nationalbank is in the process of analysing options for changing land use in order to make the most appropriate use of the surplus square metres in the future. The interior design will also be more contemporary and flexible to meet the demands of a modern workplace.

A number of pilot projects were carried out throughout 2022 and 2023 to further qualify execution, budget and schedule. The project was given a new environmental remediation strategy in late 2023, moving from a remediation strategy to a disposal strategy in the part of the building where PCBs were used.

In September 2024, Danmarks Nationalbank published a revised construction estimate of kr. 3.8 billion incl. VAT and a relocation date of late 2030.

The seawater rise and cloudburst protection contract has started and is running according to plan. The project is expected to be completed by the end of 2025. By the end of 2024, 73 ground anchors had been drilled. The project consists of approximately 20 tenders, eight of which have been completed.

Contracts for the replacement of the marble and glass facades will begin in spring 2025. A construction site will be established during 2025.

Result for 2024

Danmarks Nationalbank made a profit of kr. 17,132 million in 2024 compared to kr. 10,575 million in 2023.

The result for 2024 reflects the fact that market trends generally have contributed to a positive return on Danmarks Nationalbank's financial portfolios, see table 1.

The positive interest rate level during the year contributed significantly to Danmarks Nationalbank's profit. Higher interest rates increase the profit on interest-bearing assets, but it also results in higher funding costs for Danmarks Nationalbank on interest-bearing liabilities (monetary policy deposits and the central government's account). However, Danmarks Nationalbank has more interest-bearing assets than liabilities. This is because banknotes and coins in circulation as well as net capital are both non-interest-bearing liabilities, but are offset by interest-bearing assets. When interest rates rise, interest income increases, and vice versa when interest rates fall.

Furthermore, the monetary policy interest rate spread has been negative between Denmark and the euro

Table 1

Result 2024 – divided by main items

Kr. billion	2024	2023
Interest on deposits ¹	-16.1	-13.3
Costs etc. ²	-1.2	-1.1
Exchange rate adjustments	0.4	1.2
Domestic mortgage bonds	1.3	1.4
Equity exposure	2.6	2.6
Gold	10.5	2.7
Interest-bearing foreign instruments ³	19.6	17.1
Result	17.1	10.6

Source: Danmarks Nationalbank.

1. Interest to banks and central government etc.

2. Expenses incl. impairments, dividends and profit margins from financial fixed assets etc., and other income and expenses.

3. Contributions from foreign bonds, money market investments, and hedging (e.g. FX swaps).

area. This has contributed to a positive profit from investments in the European money market⁴ in relation to the interest-bearing krone liabilities (monetary policy deposits and the central government's account).

Interest-bearing foreign instruments contributed a total income of kr. 19.6 billion, while domestic mortgage bonds generated an income of kr. 1.3 billion. Conversely, Danmarks Nationalbank incurred interest costs on deposits, etc., of kr. 16.1 billion.

Rising equity prices have contributed to a positive return of kr. 2.6 billion. The value of Danmarks Nationalbank's gold stock reached a historically high level in 2024. This resulted in a significant positive profit contribution from the gold stock of kr. 10.5 billion.

Finally, there was a gain on exchange rate adjustments of kr. 0.4 billion as a result of the krone weakening marginally against the euro compared to the beginning of the year.

Costs and depreciation totalled kr. 1.2 billion, an increase of kr. 49 million compared to 2023.

The average number of full-time employees increased from 477 to 496. The increase can be attributed to the prioritisation of staffing for, among other things, the restoration and renovation project for Danmarks Nationalbank's building in Havnegade, tasks related to the cash initiatives, and major ongoing projects. Fewer funds were used in 2024 to purchase banknotes and coins, while the bank's other operating costs related to property operations, IT etc. remained at the same level as in 2023.

While the project related to migrating Danish kroner to TARGET Services will be completed in 2025, the resource demand in the coming years will continue to be characterised by the restoration of Danmarks Nationalbank's building as well as activities related to the cash initiatives.

A projection of Danmarks Nationalbank's result based on market interest rate expectations and the lower circulation of banknotes and coins points towards continued profits in the coming years, but at a lower level than in 2024. However, there may be significant price fluctuations in Danmarks Nationalbank's holdings of bonds, equities and gold.

Distribution of net profit

The calculated basis for profit distribution (the profit basis) for a possible transfer to the central government is calculated as the average of the financial results of the last five years, excluding gold price adjustments.

If the profit basis is negative, Danmarks Nationalbank's net capital absorbs the loss. If the profit basis is positive, a decision is made on a possible transfer based on the development in net capital. The level of the transfer is set with the aim of ensuring that the Danmarks Nationalbank's net capital grows with nominal GDP over time – corresponding to the development of the national economy. The need for consolidation is assessed based on the current level of net capital and a projection of profits and net capital development. This is compared with an overall assessment of the risk outlook for Danmarks Nationalbank.

The profit basis for 2024 is calculated at kr. 483 million. Based on the above model for distribution of net profit, it is therefore relevant to assess the development of the net capital in relation to the need for consolidation. The result in 2024 is particularly driven by a positive interest rate level, high equity returns and extraordinarily high profits on gold. Profits from gold and equities are not expected to be of the same magnitude going forward. At the same time, interest rates are also lower, and the circulation of banknotes and coins decreased significantly during 2024, which will put a downward pressure on future profits. This is because profit from seigniorage is structurally lower when interest rates are lower and when the circulation of banknotes and coins decreases.

Gold is an asset that fluctuates greatly in value. Consequently, increases in the value of gold have meant that the bank's financial risk has increased as a result of the gains on the gold stock. This is in contrast to, for example, equities, where Danmarks Nationalbank continuously rebalances the exposure to maintain the risk contribution from this asset class. The development of the net capital is therefore also expected to be less stable in the future. The increased volatility in the financial results and the net capital, as well as the expected lower seigniorage profit, increase the need for a net capital consolidation.

Based on the agreed model for net profit distribution and an overall assessment, it was decided not to transfer a share of the profit to the central government for the 2024 financial year.

Profit for the year of kr. 17,132 million will be allocated to Danmarks Nationalbank's General Reserves. The net capital subsequently totals kr. 100,839 million.

⁴ European money market interest rates roughly follow the ECB deposit rate.

Organisation





Board of Directors

Committee of Directors

Audit
Helle Munk Miltoft

Group Management

Board of Governors

Governor
Signe Krogstrup

**Governor by
Royal Appointment,
Chairman**
Christian Kettel Thomsen

Governor
Ulrik Nødgaard

Banking and Markets
Martin Wagner Toftdahl

**Secretariat,
Communications
and Strategy**
Camilla Benedikte
Riemer Penn

Financial Stability
Peter Ejler Storgaard

Statistics
Bent Christiansen

IT and Digitalisation
Kenneth Schøler Pedersen

**Economics and
Monetary Policy**
Thomas Harr

Corporate Services
Lone Mortensen

Research
Steffen Andersen

Organisation

Danmarks Nationalbank focuses on being a well-functioning, efficient and attractive workplace with a strong learning culture that develops excellent professionalism and attracts the best employees.

Governance

Danmarks Nationalbank's Board of Governors is the bank's top management and consists of three members. As 'royally appointed' CEO, Christian Kettel Thomsen is the Chairman of the Board of Governors. The other two members are Signe Krogstrup and Ulrik Nødgaard.

The Board of Governors has sole responsibility for shaping and adjusting monetary policy, independent of the Board of Directors and the Committee of Directors.

The bank's Group Management consists of the Board of Governors and the heads of the bank's seven departments. The bank's Group Management makes decisions on the bank's priorities, organisational matters, strategy and policies, including risk and employee policies.

Danmarks Nationalbank gained a new member of the Board of Governors in 2024 when Ulrik Nødgaard joined on 15 August as Governor of Danmarks Nationalbank with responsibility for the departments Financial Stability, Corporate Services and IT and Digitalisation. Ulrik Nødgaard came from a position as Director of Finance Denmark and has previously been Director of the Danish Financial Supervisory Authority and Director of the Ministry of Industry, Business and

Financial Affairs. He succeeds Per Callesen, who took up a project position at the University of Copenhagen on 1 September 2024.

Employees

The average number of full-time employees increased during 2024 from 477 to 496 full-time employees, FTE. At the end of 2024, Danmarks Nationalbank employed a total of 496 full-time employees. This is 9 more than at the end of the previous year, which is partly due to the addition of employees in connection with the restoration and renovation project of Danmarks Nationalbank's building in Havnegade as well as tasks related to cash initiatives in 2024.

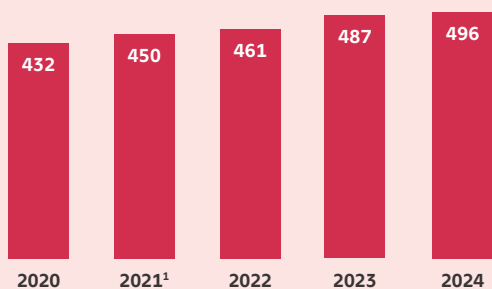
Danmarks Nationalbank employs 10 trainees, PhD students and interns, corresponding to 5.73 full-time employments, FTE. 32 student assistants are also employed (corresponding to 13.00 FTE).

Staff turnover fell in 2024 to 11.8 per cent from 14.5 per cent in 2023. In total, 63 employees left Danmarks Nationalbank during 2024 and 72 new employees were appointed. Of the 63 employees who left, 20 were student assistants, trainees, interns, etc. Similarly, 23 of the new recruits were student assistants, trainees, interns, etc.

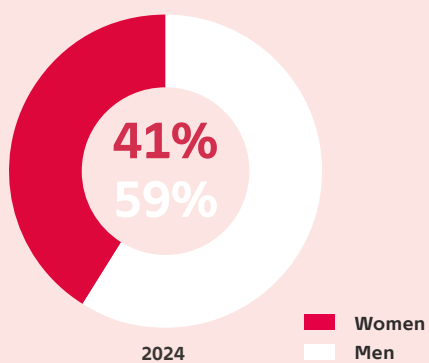
In 2024, total absence due to illness increased to 7.3 days per employee compared to 6.3 days per employee in 2023. Excluding long-term illness, absence decreased to 4.3 days per employee compared to 4.6 days per employee in 2023.

In 2024, 18 employees were posted to national and international organisations, such as the European Central Bank, the EU Representation and the Bank for

Development in full-time employees

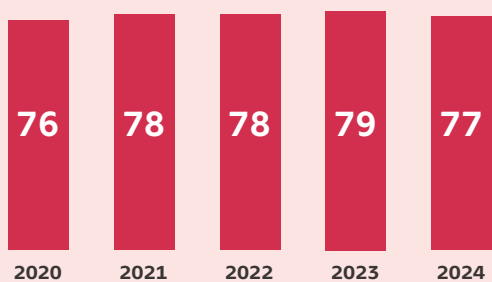


¹ From 2021, PhD students will be included based on their agreed working hours in the bank, and therefore count as 0.15 FTE instead of 1.0 FTE. The number of employees is as at the end of the year.



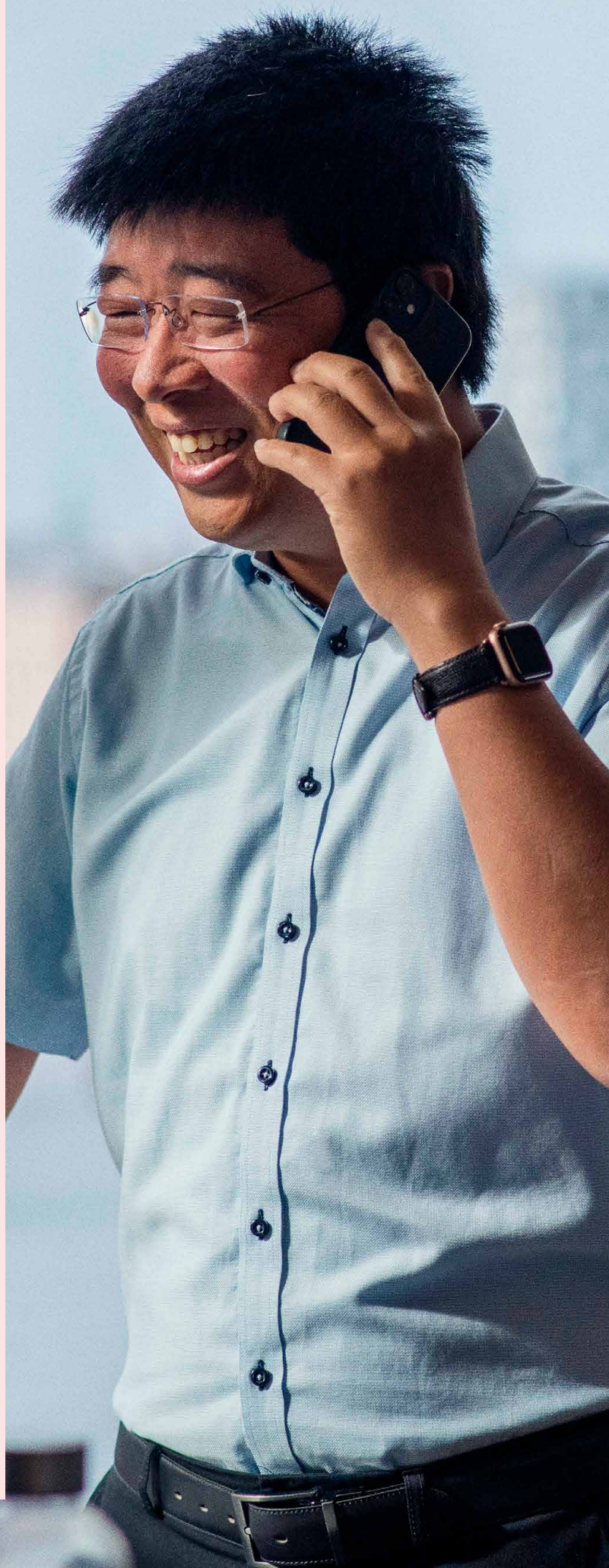
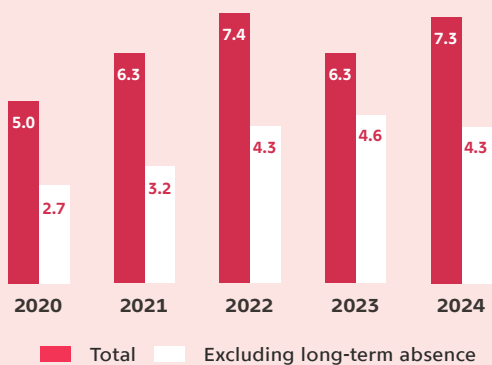
Work satisfaction

In 2024, work satisfaction decreased slightly compared to previous year



Absence due to illness

Unit = days



International Settlements, BIS. Such postings are part of the bank's objective to increase its level of knowledge, develop its employees and influence on the work of international organisations.

Strategy

Danmarks Nationalbank's overall tasks are to promote a robust economy through secure payments, stable prices, a fixed exchange rate and a stable financial system.

The content and the way we perform and prioritise tasks changes over time in line with changes in the surrounding society. Changes that Danmarks Nationalbank continuously recognises and takes into account when developing solutions and collaborating with the outside world. One example is the effort to strengthen the resilience of the Danish payments infrastructure, where new initiatives are a response to the geopolitical situation and the hybrid threat landscape. This is referred to as forward-thinking and reactive in the strategy (see the strategy in the box below).

A changing world also requires the development of relevant data, new analytical perspectives on the Danish and international economy, and focus on communicating relevant and understandable information to the outside world. Danmarks Nationalbank must contribute to the public debate and make our knowledge available in the areas that are important to our mandate. This appears in the strategy as relevant agendas and groundbreaking analyses.

The third strategic objective of excellent professionalism and high credibility is about developing and retaining knowledge and skills so that high professional results are consistently delivered and the organisation is characterised by thriving employees and job satisfaction.

Diversity, inclusion, and equal opportunities

Danmarks Nationalbank wants to be a diverse and inclusive workplace offering equal opportunities for all its employees. That is why the bank works to ensure an inclusive work environment with development opportunities for all employees. Diversity, inclusion and equal opportunities help to improve task performance, development, innovation and creativity, and are thus an important contribution for achieving the best results.

In 2023, Danmarks Nationalbank focused on leadership training, and in 2024 the bank turned its attention to ensuring that the entire organisation understands the importance of being an inclusive workplace. Danmarks Nationalbank has worked with topics such as age and life stage diversity, inclusion of differences, and how different disciplines bring unique perspectives and high quality to the table.

The bank's Diversity, Inclusion and Equal Opportunity Policy from 2022 sets targets for all levels of management with a goal to reach 40 per cent of the under-represented gender by 2025. At the end of 2024, the gender distribution among the Board of Governors and department managers were 3 women and 7 men, i.e. 30 per cent and 70 per cent respectively. Among section managers, the gender distribution at the end of 2024 was 9 women and 18 men, i.e. 33 per cent and 67 per cent respectively.

The bank's internal sustainability work

Danmarks Nationalbank has an ongoing focus on ensuring sustainable internal use of resources, including reducing greenhouse gas emissions. This is achieved through energy management, environmentally friendly waste management, and environmentally and climate-friendly policies for procurement and business travel.

In 2024 Danmarks Nationalbank has analysed its key sustainability impacts from its internal operations. The analysis was based on the principles of a double materiality assessment.

The assessment showed that in relation to sustainability the bank must maintain its focus on:

- climate change, especially energy consumption in buildings and at our suppliers
- resource utilisation, especially our waste
- internal employee relations
- labour conditions in our supply chain
- personal data handled by Danmarks Nationalbank.

The bank also continued its work on calculating its carbon footprint, which began in 2023. Danmarks Nationalbank is continuing its work to improve the data basis.

Danmarks Nationalbank worked on various specific sustainability initiatives in 2024, including optimising IT capacity, doubling the number of charging stations for electric vehicles, continuous adjustments to the energy consumption in our buildings, and focusing on green requirements in our procurement.



Danmarks Nationalbank's strategy

Danmarks Nationalbank's strategy contains three strategic objectives to support fulfilment of its purpose. The strategy is based on the following focus areas and can be read in full at nationalbanken.dk.



Visionary and responsive

We oversee economic and financial developments and analyse the consequences of the fixed exchange rate policy.

We keep abreast of developments in the financial sector and assess new trends and technologies with a focus on maintaining financial stability as well as a secure and efficient payments infrastructure.

We engage in national and international collaboration to analyse the economy and ensure appropriate regulation of new actors and products in the financial sector.

Relevant agendas and cutting-edge analyses

We prepare timely and cutting-edge analyses of topics of relevance to the Danish economy and the financial sector, in both the short term and the long term.

We are at the forefront of economic and financial analyses and use of new technology, new data sources and research methods.

We set new agendas and qualify the public debate, and we adapt to developments in communication forms and channels.

Excellent professionalism and high credibility

Strategic vision is an integral part of the performance of our tasks, supported by up-to-date, cyber-resilient and efficient IT tools and infrastructure.

We achieve better results by bringing diversity into play. We focus on diversity and inclusion.

We have a strong learning culture that helps us develop excellent professionalism and attract the best employees.

A more detailed description of Danmarks Nationalbank's climate reporting and identification of material sustainability impacts for our operations can be found on the bank's website.

Communication

Danmarks Nationalbank implemented a new communication strategy in the summer of 2024. The communication strategy describes Danmarks Nationalbank's framework for communication work and supports the bank's overall strategy. The communication strategy contains three objectives and a number of specific supporting initiatives that will set the direction for the development of external and internal communication towards 2026.

The overall aim of the communication strategy is to ensure that Danmarks Nationalbank's knowledge is utilised in a broader context to benefit society and the bank's key stakeholders. The strategy must also clarify the bank's tasks and value as an independent and important social institution. This is to ensure the foundation for trust in the bank as an institution. Internally, the communication strategy should ensure knowledge sharing and effective leadership communication, support the culture, and ensure cohesion and understanding across the organisation.

Danmarks Nationalbank published 49 analyses, reports, Economic Memos, Working Papers and News articles in 2024. The production of financial statistics, podcasts and communication on social media and the website was also considerable. Two press briefings were held on the outlook for the Danish economy and monetary and financial trends, and two press briefings on financial stability and bank stress tests.

Danmarks Nationalbank launched a campaign in May 2024 focusing on involving the public in the process of selecting designs for the new banknotes expected to be issued in 2028/29. A press briefing was organised and followed up with social and online media announcements and a press campaign. Over 75,000 citizens participated in the survey. Another press briefing was held in September where the choice of motifs was revealed.

In September, Danmarks Nationalbank ran a major information campaign about the banknotes that will become invalid as means of payment from 31 May 2025. From the start of the campaign, over four weeks the bank sent out 5.2 million digital letters and around 220,000 physical information letters to people exempt from digital mail. Adverts were placed

in daily newspapers, weekly magazines, membership magazines for the elderly and vulnerable groups, as well as in digital and social media. Physical adverts also appeared in the streets, on buses, etc. There was also broad involvement of stakeholders from banks to the country's municipalities and relevant stakeholder organisations.

Danmarks Nationalbank conducted a survey on awareness of the cash initiatives in October 2024. 91 per cent of the population answered that they know that the 1000-krone banknote will become invalid, while 59 per cent answered that they know that old banknotes from before 2009 will become invalid. A follow-up survey in December asked more questions about awareness of the old banknotes. 84 per cent answered that they know that the old banknotes will become invalid.

Danmarks Nationalbank also participated in a number of events in 2024, including the 'Folkemødet' democracy festival on Bornholm and 'Pengeuge' (Money Week) for lower-secondary school students. In addition, representatives from the bank gave lectures and presentations to everyone from upper-secondary school students to the country's banks. The aim was to raise awareness of the bank's work and share knowledge and analyses with relevant target groups.

Whistleblower scheme

Danmarks Nationalbank has a whistleblower scheme that enables employees and members of the Committee of Directors and Board of Directors as well as suppliers and business partners to report violations of EU law in areas defined in the Whistleblower Directive and implemented in Denmark in the Act on the Protection of Whistleblowers, serious offences and other serious matters.

All reports are made via the bank's whistleblower portal, which is managed by an external law firm that receives and follows up on any reports on the portal and ensures the whistleblower's confidentiality and anonymity and Danmarks Nationalbank's compliance with the Whistleblower Act.

Nine reports were received through Danmarks Nationalbank's whistleblower scheme in 2024, four of which were additions to reports received in 2023. One report was a follow-up to a report made in 2017. None of these reports gave rise to further investigations within the whistleblower scheme. The same applies to the other reports. All reports made in 2024 are anonymous to Danmarks Nationalbank's management. The assessment has been that there have been no serious

matters concerning current employees or Danmarks Nationalbank's activities, and that there have therefore been no matters within the scope of the scheme.

Committee of Directors and Board of Directors

Danmarks Nationalbank's Committee of Directors and Board of Directors are tasked with ensuring that the bank complies with the rules and fulfils the purposes described in the Act and Regulations of Danmarks Nationalbank respectively. The Board of Directors is Danmarks Nationalbank's supreme decision-making authority. The Committee of Directors must keep itself informed of important aspects of the bank's operations, approve the appointment of deputy and assistant directors, ensure that the audit is organised correctly, and review the bank's major exposures etc. It selects the proposals and recommendations to be decided on by the members of the Board of Directors at the shareholders' committee meetings.

The Committee of Directors held ten ordinary meetings in 2024. The Board of Directors held four ordinary meetings during the year, where topics such as Danmarks Nationalbank's economic forecasts, financial stability, the cash area and the bank's accounts and report were discussed. In addition, members of the Board of Directors participated in four quarterly reviews that go into more depth on specific tasks or projects in Danmarks Nationalbank's departments.

In 2024, Danmarks Nationalbank's Board of Directors elected Ulrik Nødgaard as a new member of the Board of Governors.

The Royal Danish Banking Commissioner appointed Jens Brøchner, Permanent Secretary at the Ministry of Industry, Business and Financial Affairs, to the Committee of Directors and Board of Directors, replacing Permanent Secretary Michael Dithmer. Jens Brøchner has been elected as Vice Chair of the Committee of Directors.

Three new members have been elected to the Board of Directors: Lars Fruergaard Jørgensen from Novo Nordisk, Mette Lykke Ravn from Too Good To Go and Winni Grosbøll from the Danish Consumer Council. Gitte Pugholm Aabo, Connie Astrup-Larsen from Kompan and Anja Philip have stood down from the Board of Directors. Among the members of the Board of Directors appointed by the Danish Parliament, Linea Søgaard-Lidell (Liberal), Jesper Petersen (Social Democrat) and Louise Schack Elholm (Liberal) have replaced Hans Andersen (Liberal), Jens Joel (Social Democrat) and Torsten Schack Pedersen (Liberal) respectively.

MP Torsten Schack Pedersen (Liberal) replaced Morten Dahlin (Liberal) on the Committee of Directors of Danmarks Nationalbank. Later in the year, Torsten Schack Pedersen was appointed a minister and replaced by Preben Bang Henriksen (Liberal) on the Committee.



Danmarks Nationalbank's Board of Directors as of 1 March 2025

Chairman: Professor Christian Schultz
Deputy Chairman: Anne Hedensted Steffensen, CEO

Elected by the Danish Parliament for the period ending 31 March 2026:
Member of Parliament Alex Ahrendtsen
Member of Parliament Lisbeth Bech-Nielsen
Member of Parliament Louise Elholm
Member of Parliament Benny Engelbrecht
Member of Parliament Preben Bang Henriksen
Member of Parliament Samira Nawa
Member of Parliament Jesper Petersen
Member of Parliament Linea Søgaard-Lidell

Appointed by the Minister for Industry, Business and Financial Affairs for the period ending 31 March 2026:
Permanent Secretary Jens Brøchner
Permanent Secretary Johan Legarth

Elected by the Board of Directors for the period ending 31 March:

CEO Kathrine Forsberg	2025
CEO Marianne Lyngby Pedersen	2025
Chairman Elisa Rimpler	2025
Chairman Morten Skov Christiansen	2026
Chairman Claus Jensen	2026
CEO Christian Woller	2026
CEO Asger Enggaard	2027
Former CEO Kristian Hundebøll	2027
CEO Winni Grosbøll	2027
Former CEO Jens Bjørn Andersen	2028
Professor Christian Schultz	2028
CEO Anne Hedensted Steffensen	2028
CEO Lars Fruergaard Jørgensen	2029
CEO Mette Lykke Ravn	2029
Professor Philipp Schröder	2029

Danmarks Nationalbank's Committee of Directors as of 1 March 2025

Chairman: Professor Christian Schultz
Deputy Chairman: Permanent Secretary Jens Brøchner

Elected by the Board of Directors until 31 March 2025:
Member of Parliament Benny Engelbrecht
Member of Parliament Preben Bang Henriksen
Former CEO Kristian Hundebøll
Chairman Elisa Rimpler
Professor Christian Schultz

Appointed by the Minister for Industry, Business and Financial Affairs for the period ending 31 March 2026:
Permanent Secretary Jens Brøchner
Permanent Secretary Johan Legarth

Danmarks Nationalbank's representation on boards, in international organisations, etc.

As of 1 March 2025, Danmarks Nationalbank is represented in the following boards, international organisations etc:

The European Union (EU)

The European Systemic Risk Board, ESRB
Christian Kettel Thomsen,
Governor of Danmarks Nationalbank, is a member.

Economic and Financial Committee
Governor Signe Krogstrup is a member.

The European Central Bank (ECB)

The General Council
Christian Kettel Thomsen,
Governor of Danmarks Nationalbank, is a member.

The International Monetary Fund (IMF)

Board of Governors
Governor Christian Kettel Thomsen is the Danish member.

The Nordic/Baltic Monetary and Financial Committee

Governor Signe Krogstrup is a member.

Bank for International Settlements (BIS)

Meeting of Governors, Global Economy Meeting Danmarks
Nationalbank Governor Christian Kettel Thomsen participates.

The Organisation for Economic Cooperation and Development (OECD)

The Economic Policy Committee
Assistant Governor Thomas Harr is a member.

Nordic-Baltic Macropprudential Forum

Governor Christian Kettel Thomsen is a member.

The Danish Payments Council

Ulrik Nødgaard, Governor of Danmarks Nationalbank, is Chairman.

The Systemic Risk Council

Christian Kettel Thomsen, Governor of Danmarks Nationalbank, is Chairman.
Ulrik Nødgaard, Governor of Danmarks Nationalbank, is a member.

The Economic Council

Governor Signe Krogstrup is a member.

The Governing Board of the Danish Financial Supervisory Authority

Head of Financial Stability Peter Ejler Storgaard is a member.

The Coordination Committee on Financial Stability

Ulrik Nødgaard, Governor of Danmarks Nationalbank, is a member.

Risk management

Danmarks Nationalbank manages financial as well as non-financial risks. The bank must maintain and develop a highly professional level of risk management, which is a prerequisite for ensuring a robust Danish economy.

The following elaborates on risks related to the financial portfolios, loans to the banks and mortgage credit institutions, as well as non-financial risks, including risk of insufficient or failed processes, human errors, system failures or losses due to external events. The following also elaborates on the bank's policy on insurance.

Financial portfolios

Danmarks Nationalbank's financial portfolios consist of the foreign exchange reserve of kr. 654 billion and the holdings of domestic mortgage bonds of kr. 34 billion.

The foreign exchange reserve increased by kr. 28.6 billion in 2024 due to market value adjustments of kr. 20.4 billion and interest income of kr. 15.3 billion. Foreign exchange transactions on behalf of the central government reduced the foreign exchange reserve by kr. 3.3 billion, and the central government also reduced its foreign currency loans (Commercial Papers and Euro Medium Term Notes) by kr. 3.8 billion.⁵

⁵ When the central government borrows in foreign currency, Danmarks Nationalbank converts the foreign exchange proceeds into Danish kroner, which are credited to the central government's account at Danmarks Nationalbank. Central government foreign borrowing therefore affects the foreign exchange reserve.

The primary purpose of the foreign exchange reserve is to ensure that Danmarks Nationalbank can buy and sell currency at short notice to support the fixed exchange rate policy. The foreign exchange reserve must also support financial stability in Denmark and lending to the International Monetary Fund, IMF. Investments are made with respect to Danmarks Nationalbank's guidelines for responsible investments.

The primary purpose of the foreign exchange reserve requires sufficient investments with high liquidity and creditworthiness. Therefore, a detailed liquidity management framework has been designed to fulfil the liquidity needs of Danmarks Nationalbank. The majority of the reserve is therefore placed in accounts and term deposits with central banks, in short-term reverse repos (collateralised deposits) with commercial counterparties and central clearing counterparties, and in liquid government bonds.

Given that the primary objective is fulfilled, the aim is to achieve the best possible return for the given risk level. Consequently, Danmarks Nationalbank also has, for example, equities and corporate bonds, which contributes to increasing projected earnings and diversifying risk. The exposure to equities and corporate bonds is achieved via exchange-traded funds, ETFs, which follow the EU's minimum requirements for climate benchmarks. The equity exposure was kr. 16.0 billion at the end of 2024, distributed between the US (46 per cent), the euro area (44 per cent) and Japan (10 per cent). At the same time, corporate bonds amounted to kr. 7.2 billion. Danmarks Nationalbank manages equity risk by setting specific limits for the overall and regional equity exposure.

Table 2

Danmarks Nationalbank's financial portfolios

Kr. billion	2024	2023
Foreign bonds¹	187	112
Government bonds with a credit rating of AA- or higher	98	71
Government bonds with a credit rating of BBB- to A+	19	12
Other bonds with a credit rating of A- or higher ²	70	29
Domestic mortgage bonds	34	33
Money market products (central bank deposits, reverse repo transactions, etc.)	345	407
Other holdings and exposures		
Gold	40.3	29.8
Exposure to equities via ETF	16.0	16.1
Exposure to corporate bonds via ETF	7.2	8.6
IMF ³	59.2	56.8
Selected risk measures/financial ratios		
Expected shortfall, 95 per cent ⁴	8.7	5.2
Earnings at risk, 95 per cent ⁵	12.9	10.3
Krone duration	2.6	2.6
Foreign exchange exposure (before FX hedge in brackets)		
EUR	568(428)	554(430)
USD	0(69)	0(59)
JPY	0(61)	0(62)
GBP	0(10)	0(1)
Other	0(2)	0(2)

Note: The table shows the middle credit rating given by Fitch, Moody's and Standard & Poor's respectively. Rounded figures.

Source: Danmarks Nationalbank, Fitch, Moody's and Standard & Poor's.

1. The market value of bonds is calculated including accrued interest.

2. Including securities issued by the Bank for International Settlements (BIS) which are not subject to credit rating.

3. As a counter item to the allocation of Special Drawing Rights, there is a liability (counter item on the liabilities side) to the IMF of kr. 45 billion.

4. Indicates the expected loss in the 5 per cent worst-case scenarios in Danmarks Nationalbank's portfolio and risk model in one year.

5. Indicates the difference between expected earnings and expected loss in the 5 per cent worst-case scenarios.

The interest rate risk measured by the krone duration was kr. 2.6 billion at the end of 2024.⁶ This is on par with the level at the end of 2023, see table 2. The krone duration contributes to stabilising Danmarks Nationalbank's profits over a longer horizon. This is done through an asset-liability management, ALM approach. Essentially, an ALM approach means that financial risk is considered holistically across assets and liabilities. Since Danmarks Nationalbank has a significant amount of non-interest-bearing liabilities, including banknotes and coins in circulation and net capital, it earns structurally more when interest rates are high. By having a certain krone duration, for example in the form of long-term bonds, Danmarks Nationalbank hedges against a fall in interest rates to a certain extent: In the event of a fall in interest rates, structural profits decline, but Danmarks Nationalbank realises a gain in the form of price increases.

Under the National Bank of Denmark Act (*Nationalbankloven*), Danmarks Nationalbank must hold a gold stock. The current stock is 66.5 tonnes. The value increased by kr. 10.5 billion to kr. 40.3 billion at the end of 2024. The market risk on the gold stock is not actively managed. However, the market risk on gold is included in the overall modelling of risk across Danmarks Nationalbank's financial portfolios and as part of the determination of the strategic asset allocation.

Day-to-day portfolio management is governed by limits for individual risk factors, including equity, interest rate and currency risk, which are set out in the strategic asset allocation.

The portfolio risk is measured by various risk metrics, including *expected shortfall* and *earnings at risk*. *Expected shortfall* is the average loss in the worst-case scenarios for the financial portfolios over a one-year horizon, simulated using Danmarks Nationalbank's portfolio and risk model. Danmarks Nationalbank's expected loss is kr. 8.7 billion in the 5 per cent worst-case scenarios for the financial portfolios (*95 per cent expected shortfall*). Expected shortfall as a risk measure is sensitive to the interest rate level. If interest rates rise, the risk of a loss decreases, as structurally higher profits will offset the market value loss in worst-case scenarios. If interest rates rise, the bank earns structurally more. To correct for the effect of the interest rate level, it is therefore also relevant to

⁶ The krone duration indicates the loss from a 1 percentage point increase in interest rates.

look at *earnings at risk*, which is the difference between expected earnings and the expected shortfall. The earnings at risk was kr. 12.9 billion at the end of 2024. The increase in earnings at risk from 2023 to 2024 is mainly due to the increase in the gold price during 2024, which has increased Danmarks Nationalbank's exposure to a very risky asset compared to the rest of the portfolio.

The claim on the IMF is included in the foreign exchange reserve. Danmarks Nationalbank's total claim was kr. 59.2 billion at the end of 2024. The IMF lends money to countries in economic difficulties and finances these loans via the member countries' quotas and loan commitments, including via Danmarks Nationalbank. Danmarks Nationalbank has made additional commitments totalling kr. 164 billion to the IMF. Although the commitments are significant, the expected draw-down is low.

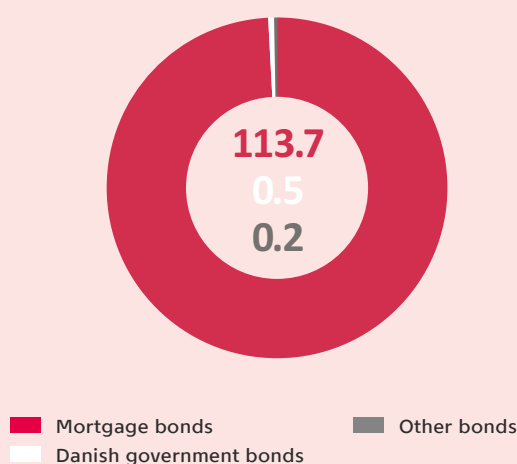
Risks on loans to banks and mortgage credit institutions

Danmarks Nationalbank provides monetary policy loans in Danish kroner with a term of one week to monetary policy counterparties by traditional pledging of securities. The bank also provides intraday credit to facilitate the settlement of payments.

Chart 7

The pledged securities are primarily mortgage bonds

Kr. billion, collateral value at the end of 2024



Note: *Mortgage bonds* comprise both specially covered bonds (SDOs), specially covered mortgage bonds (SDROs) and mortgage bonds (ROs). *Other bonds* consist of bonds issued by KommuneKredit and Føroya Landsstýri or guaranteed by the Danish central government. Rounded figures.

Source: Danmarks Nationalbank.

No ceiling has been imposed on the amounts that the counterparties may borrow from Danmarks Nationalbank, but it is a mandatory requirement that adequate collateral must be pledged. Systematic, ongoing coverage controls are in place. Danmarks Nationalbank only risks incurring credit losses on lending if two events occur simultaneously: the default on a loan by a counterparty combined with the realisation value of the collateral pledged being lower than the credit provided. A deduction, a so-called haircut, is used in the calculation of the collateral value. The risk of non-performing loans is very low.

Collateral basis and lending

Banks had no real need to take out monetary policy loans in 2024. During the year, a few banks have tested loan access on a smaller scale. The collateral basis for traditional pledging of collateral consists primarily of Danish mortgage bonds or Danish government securities and to a minor extent of bonds issued by KommuneKredit and Føroya Landsstýri (the Faroese government), as well as bonds guaranteed by the Danish central government. The collateral value was approximately kr. 114 billion at the end of 2024, see chart 7. The collateral value is the market value of the securities pledged by the counterparties less a haircut determined by Danmarks Nationalbank based on the bonds' market and static data.

Within each monetary policy day, the institutions can use a drawing right in connection with the settlement of payments, securities and currencies as well as interbank payments. The size of the drawing right is determined by the institutions' traditional pledging of securities to Danmarks Nationalbank, their account balances at Danmarks Nationalbank (Kronos2), their holdings of certificates of deposit issued by Danmarks Nationalbank, and two other credit facilities, i.e. auto-collateralisation arrangement at Euronext Securities and auto-collateralisation on TARGET2-Securities (T2S). The credit must be redeemed before the end of the monetary policy day.

Danmarks Nationalbank may open extraordinary lending facilities and expand the collateral basis based on a specific assessment.

Non-financial risk

Danmarks Nationalbank works proactively to manage non-financial risks, including risks of direct or indirect losses that may arise due to inadequate or failed processes, human error, system failures or losses resulting from external events. It also includes business, compliance, and reputational risks. The bank must maintain and develop a high professional level of non-financial

risk management. It is a prerequisite for a secure and reliable management of highly critical processes and systems, which contributes to ensuring a robust Danish economy. Risk management is highly prioritised in Danmarks Nationalbank's operations as well as in major projects.

Risk management is based on Danmarks Nationalbank's risk policy, which is approved by the management. Danmarks Nationalbank is exposed to a broad range of different risks. The risks are categorised in the following areas:

- External unauthorised activity (e.g. cyberattacks)
- Damage to utilities and physical assets
- System, IT operation and data errors
- Internal unauthorised activity
- Errors in business execution
- Non-compliance with guidelines and obligations
- Resource issues and inadequate recruiting

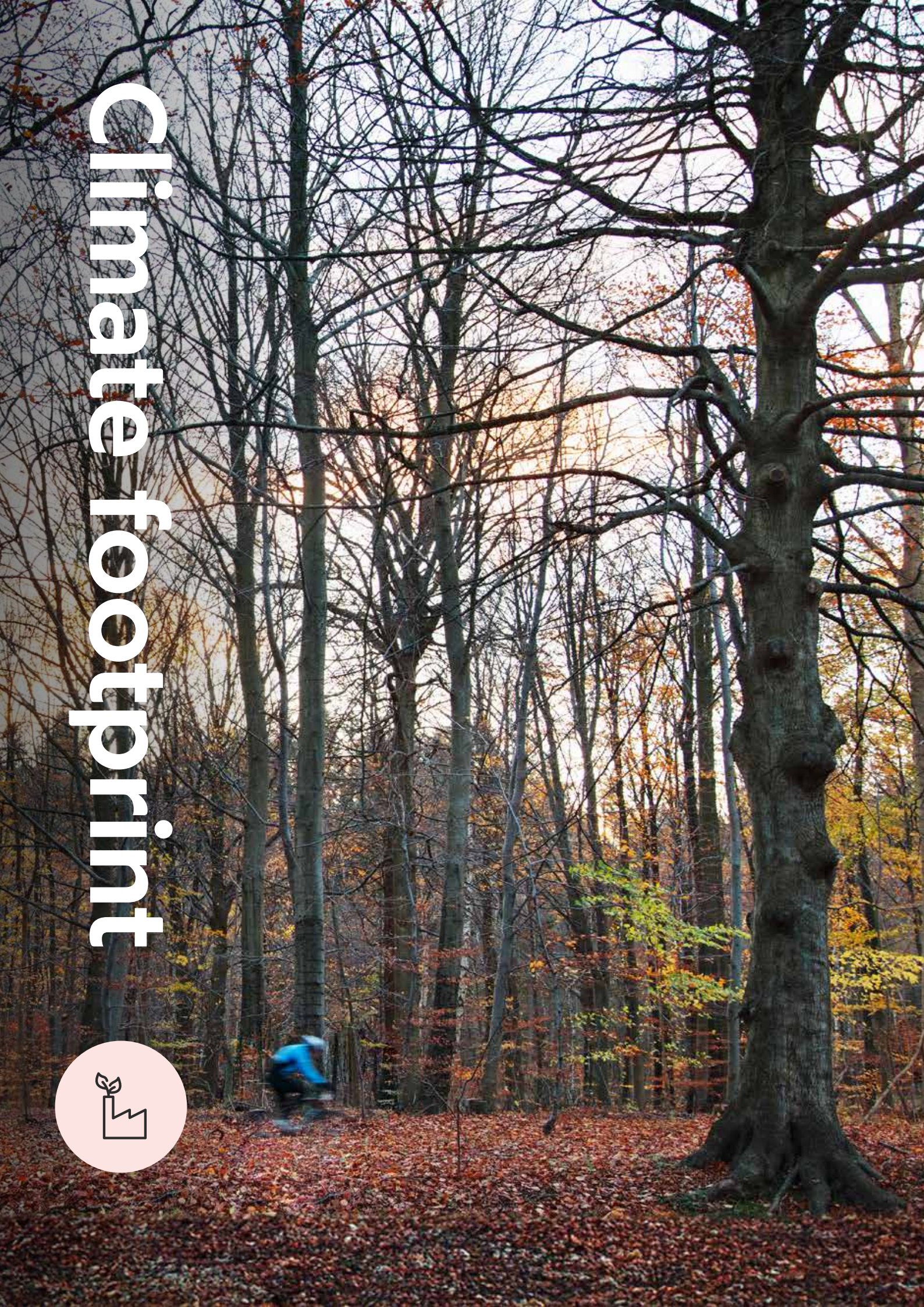
Danmarks Nationalbank works systematically to identify, assess, manage and report on significant non-financial risks to ensure that the risk level is at an acceptable level.

The transition to the future payment system, TARGET DKK, has been a key part of the risk management work in 2024 and this focus continues in 2025. In the ongoing work with risk management, there is a strong focus on strengthening business contingency plans. The systematic work involves ongoing development of and participation in the financial sector's crisis response under the Financial Sector Forum for Operational Resilience, FSOR. The bank's internal crisis response and the financial sector's crisis response were tested in 2024. Danmarks Nationalbank's top management also conducted an extensive cyber and IT security exercise.

Insurance strategy

Danmarks Nationalbank's insurance and insurance policy are reviewed annually in collaboration with an external insurance broker. The insurance policy defines the primary principles for the risks that Danmarks Nationalbank covers. The structure of Danmarks Nationalbank's insurance portfolio is founded on a risk-based assessment of possible losses, which guides decisions on areas to be insured and the extent of their coverage. This means that the bank insures buildings, movable property, employee travel as well as restoration and renovation on Danmarks Nationalbank's building on Havnegade. The bank takes out insurance in all areas where it follows from legislative requirements or collective agreements.

Climate footprint



Climate footprint of the financial portfolios

The purpose of climate-related disclosure is to contribute to transparency about the climate footprint of Danmarks Nationalbank's financial portfolios, in line with the European Central Bank and other national central banks in the Eurosystem. Climate-related disclosures can also be used as an indication of whether certain portfolios are particularly exposed to CO₂e emissions.

Since 2022, Danmarks Nationalbank has reported on the climate footprint of the part of the foreign exchange reserve that is invested in bonds issued by governments and regional authorities as well as equities and corporate bonds through exchange-traded funds, ETFs.⁷ The bank has since expanded its disclosure to include the holdings of domestic mortgage bonds, scope 3 emissions for holdings of ETFs and holdings of green and other sustainable bonds⁸.

Danmarks Nationalbank's climate-related disclosure follows a common minimum disclosure framework for the Eurosystem, which is based on recommendations from the Task Force on Climate-related Financial Disclosures, TCFD and the Network for Greening the Financial System, NGFS.

The primary purpose of the foreign exchange reserve is to support the fixed exchange rate policy

The primary purpose of the foreign exchange reserve is to enable Danmarks Nationalbank to maintain the fixed exchange rate policy through intervention in the foreign exchange market. In addition, the foreign exchange reserve must be able to support financial stability and lending to the International Monetary Fund, IMF. Thus, the climate footprint of the foreign exchange reserve is not used in the active management of Danmarks Nationalbank's liquidity reserves.

In the financial portfolios, it is the investments in equities and corporate bonds via ETFs that are the most closely linked to CO₂e emissions. For that reason, Danmarks Nationalbank has chosen to take climate considerations explicitly into account for these asset classes. There are different ways to incorporate climate considerations into financial portfolios. Danmarks Nationalbank decided in 2021 that the holdings of ETFs must follow the EU's minimum requirements for climate benchmarks. This implies that, over time, there is a requirement to reduce the carbon intensity of each ETF.

Disclosure on climate footprint of financial portfolios is an evolving area

The disclosure covers approximately 26 per cent of the foreign exchange reserve (excluding gold and claims

⁷ See Climate footprint reporting for the financial portfolios: Background and methodology, *Danmarks Nationalbank Report*, no. 2, March 2024 ([link](#)).

⁸ Sustainable bonds include – in addition to green bonds – social, sustainability and sustainability-linked bonds, which are defined by the *Bond Principles* set out by the International Capital Market Association, ICMA.

on the IMF) corresponding to kr. 143 billion, as well as the entire holdings of domestic mortgage bonds of kr. 34 billion in 2024. For these asset classes, widely recognised calculation methods and sufficient data for climate-related disclosures exist. However, for other asset classes, such as deposits in foreign central banks, there are no recognised methods or standards on how carbon metrics should be calculated.

The disclosure for the holdings of ETFs covers scope 1, 2 and 3 emissions.⁹ Scope 3 metrics can help describe the full climate footprint of individual investments, and it is therefore important that they are included in the overall climate-related disclosure. However, interpretation of scope 3 emissions for companies is, among other things, challenged by double-counting and differences in accounting methods.

The foreign exchange reserve calculations for 2024 are based on emissions data from 2021 for countries and 2023 for companies, as more recent data is not yet available.¹⁰ The development in the latest reported metrics therefore only reflects that Danmarks Nationalbank has changed its portfolio composition of bonds issued by governments and regional authorities as well as equities and corporate bonds. Thus, the development in the reported metrics does not necessarily indicate a real improvement or deterioration in global CO₂e emissions. The reported figures are continuously revised as new data becomes available.

Table 3 reports the climate footprint of the financial portfolios using three calculation methods at the end of each year.

Bonds issued by central governments and regional authorities

For the holdings of bonds issued by governments and regional authorities, the calculations show an increase in the *absolute financed emissions* in 2024, which is due to a general increase in the holdings of government bonds etc.

Conversely, the calculations show that the *weighted average carbon intensity* from the holdings of bonds issued by governments and regional authorities decreased slightly in 2024. The metric indicates emissions relative to the issuer's GDP, weighted according to its respective share of Danmarks Nationalbank's total holdings of government bonds. The decrease in turn reflects that in 2024 Danmarks Nationalbank had a larger share of government bonds etc. issued by countries with lower emissions relative to GDP. For example, in 2024, Danmarks Nationalbank owned more European government bonds relative to US government bonds than in 2023. The change in the relative allocation of government bonds etc. is not a reflection of Danmarks Nationalbank's climate considerations in the portfolio management.

For bonds issued by governments and regional authorities, the *weighted average carbon intensity* and *CO₂e footprint* are calculated in the same way.

Equities and corporate bonds, ETFs

For the holdings of equities and corporate bonds, the *absolute financed emissions* have decreased due to the fact that the total emissions for corporate bond ETF have decreased significantly.

In addition, the *weighted average carbon intensity* and *CO₂e footprint* of the holdings also decreased in 2024. For equities and corporate bonds held through ETFs, the *weighted average carbon intensity* is companies emissions relative to their revenue weighted according to its respective share of the ETF. The *CO₂e footprint* of equities and corporate bonds indicates companies' emissions relative to their enterprise value.

The overall decrease in the climate footprint of the ETFs since 2021 reflects the reallocation of the holdings to ETFs that follow the EU's minimum requirements for climate benchmarks. In addition to the reallocation of the holdings of ETFs, decreases in companies' emissions or changes in the weighting of the companies included

9 Scope 1 covers the company's direct emissions. Scope 2 covers the company's indirect emissions from energy purchases. Scope 3 covers other indirect emissions associated with the production and consumption of the company's products, e.g. emissions from the production of purchased materials from subcontractors.

10 Emissions data from the United Nations Framework Convention on Climate Change, UNFCCC, is used for countries, which is the data source also used by the European Central Bank and other national central banks in the Eurosystem to calculate the climate footprint of bonds issued by governments and regional authorities.

Table 3

Climate footprint of Danmarks Nationalbank's financial portfolios

Foreign exchange reserve: Bonds issued by central governments and regional authorities

Allocation of emissions	Production-based			
	2024	2023	2022	2021
Weighted average carbon intensity (tonnes CO ₂ e per million euros in GDP)	133	137	163	216
CO₂e footprint (tonnes CO ₂ e per million euro invested)	133	137	163	216
Absolute financed emissions (tonnes CO ₂ e)	2,411,864	1,663,788	902,745	1,838,281
Share of foreign exchange reserve market value (per cent)	22	16	8	14

Foreign exchange reserve: Equities and corporate bonds (ETFs)

Allocation of emissions	Scope 1-2				Scope 3			
	2024	2023	2022	2021	2024	2023	2022	2021
Weighted average carbon intensity (tonnes CO ₂ e per million euros in revenue)	53	59	54	106	534	586	691	...
CO₂e footprint (tonnes CO ₂ e per million euro invested)	14	19	20	53	210	228	404	...
Absolute financed emissions (tonnes CO ₂ e)	44,773	64,202	27,792	98,123	653,276	755,950	556,636	...
Share of foreign exchange reserve market value (per cent)	4	5	2	3	4	5	2	...

Domestic mortgage bonds

Allocation of emissions	Emissions from registered properties			
	2024	2023	2022	2021
CO₂e footprint (tonnes CO ₂ e per million kroner invested)	3.06	3.13	3.39	...
Absolute financed emissions (tonnes CO ₂ e)	113,785	112,242	117,977	...
Share of the domestic portfolio's market value (per cent)	100	100	100	...

Note: The foreign exchange reserve is calculated excluding gold and IMF loans. The CO₂e emissions for countries for 2021 were used in 2024, and corporate CO₂e emissions, GDP, revenue and EVIC for 2023 were used in 2024, as data for 2024 was not available at the time of disclosure.
Source: UNFCCC, World Bank, MSCI, Covered Bond Label and own calculations.

Table 4

Danmarks Nationalbank's holdings of sustainable bonds in the financial portfolios

Kr. billion (share of the financial portfolios)	2024	2023	2022	2021
Green bonds	1.6 (0.3)	1.8 (0.3)	1.1 (0.2)	1.3 (0.3)
Social, sustainability and sustainability-linked Bonds	0.4 (0.1)	0.5 (0.1)	0.2 (0.0)	0.2 (0.0)

Note: Sustainable bonds are defined by the Bond Principles set out by the International Capital Market Association, ICMA. The financial portfolios are calculated excluding gold, claims on IMF and equities through ETFs.

Source: Bloomberg and own calculations.

in the ETFs have driven the ongoing decrease in the climate footprint. This is a reflection of Danmarks Nationalbank's climate considerations in the portfolio management.

Domestic mortgage bonds

Emissions from domestic mortgage bonds are calculated based on the energy labelling of the registered properties. The *absolute financed emissions* indicate Danmarks Nationalbank's share of emissions financed by the issuing capital centre. The *absolute financed emissions* increased slightly in 2024, reflecting larger overall holdings of mortgage bonds.

The *CO₂e footprint* indicates the absolute financed emissions relative to Danmarks Nationalbank's total holdings of domestic mortgage bonds. The *CO₂e footprint* has decreased slightly from 2023 to 2024. The decrease in *CO₂e footprint* from mortgage may be due to a lower loan-to-value ratio (i.e. a smaller proportion of property value is financed by mortgage loans) or that the energy labels of the properties have improved.

Green and other sustainable bonds in the financial portfolios

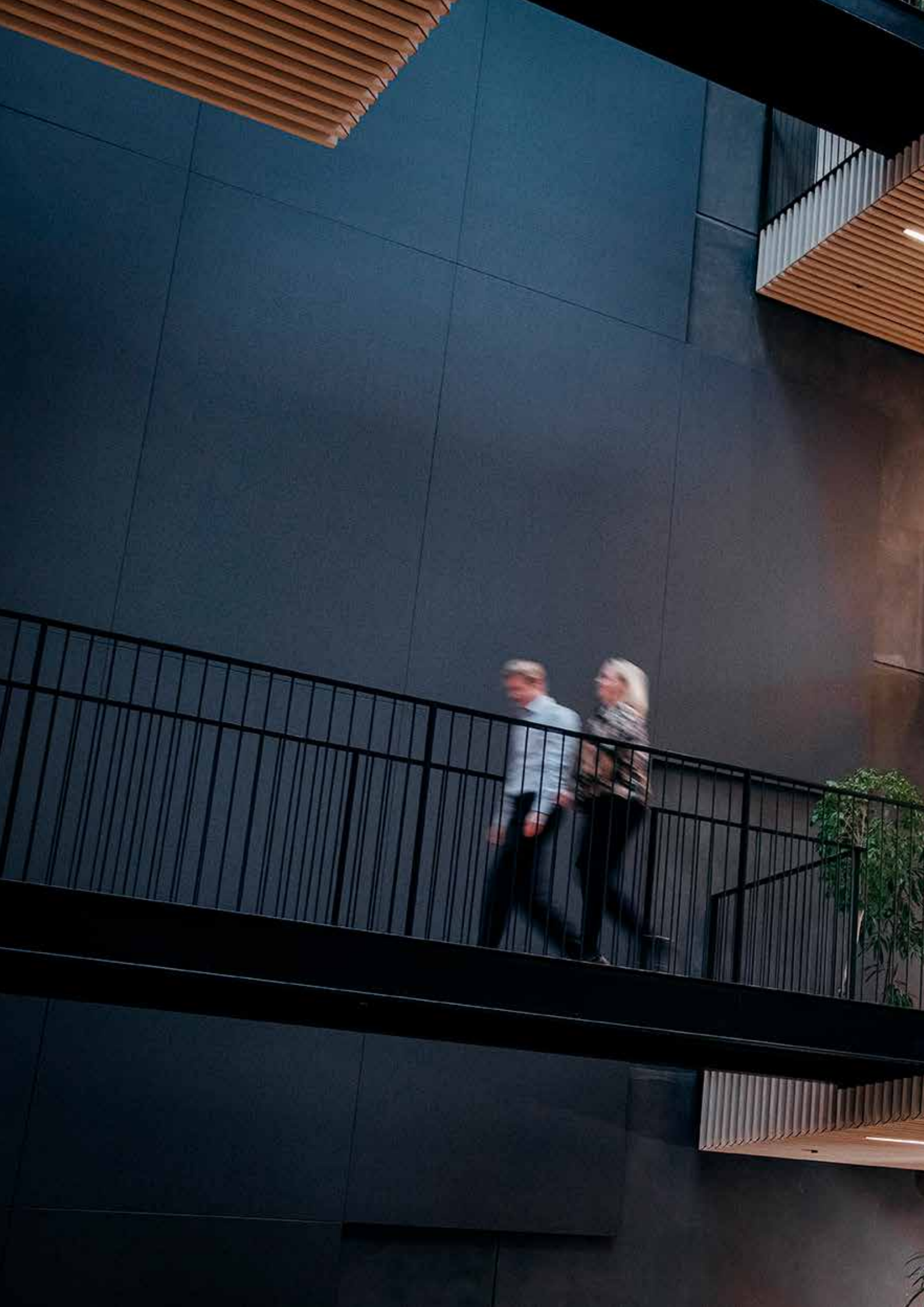
Table 4 reports the share and market value of Danmarks Nationalbank's holdings of green and other sustainable bonds.

Green bonds totalled kr. 1.6 billion in 2024 (0.3 per cent of the financial portfolios)¹¹ compared to kr. 1.8 billion in 2023 (0.3 per cent). Social, sustainability and sustainability-linked bonds totalled kr. 0.4 billion in 2024 (0.1 per cent) compared to kr. 0.5 billion in 2023 (0.1 per cent).

The holdings of sustainable bonds decreased in 2024, partly because Danmarks Nationalbank reduced its holdings of corporate bonds through ETFs to kr. 7 billion in 2024 from kr. 9 billion in 2023.

¹¹ Excluding gold, claims on the IMF and equities through ETFs.





Financial statements 2024



Key figures and financial ratios 2020-24

Income statement (DKK million)	2024	2023	2022	2021	2020
Net interest income, etc.	4,883	4,092	-731	-1,048	-628
Value adjustment of gold	10,546	2,726	1,467	1,034	2,863
Other value adjustments	2,871	4,845	-7,931	1,334	236
Income from financial fixed assets, etc.	29	22	22	40	213
Other income	1	40	42	1	2
Expenses, incl. depreciation and amortisation	-1,179	-1,150	-1,314	-1,167	-1,051
Other expenses	-19	-	-19	-	-19
Net profit or loss for the year	17,132	10,575	-8,464	194	1,616
Allocated as follows:					
Allocation to/from net capital	17,132	10,575	-8,464	194	1,616
Payable to the central government	-	-	-	-	-
	17,132	10,575	-8,464	194	1,616

Balance sheet (DKK million)	2024	2023	2022	2021	2020
Assets					
Foreign exchange reserve assets	656,043	630,499	586,035	538,160	440,328
Monetary policy lending	-	-	-	-	-
Other lending	1,316	1,553	1,903	1,874	3,900
Domestic bonds	33,825	33,068	31,802	31,359	32,906
Other assets, etc.	4,785	2,794	5,685	1,696	4,235
Total assets	695,969	667,914	625,425	573,089	481,369
Liabilities					
Banknotes and coins in circulation	54,369	68,221	75,125	77,587	74,524
Monetary policy deposits	260,449	290,458	247,879	202,527	164,003
Central government	211,735	160,461	161,779	151,533	136,875
Foreign exchange reserve debt	1,600	4,612	7,960	3,059	1,342
Other liabilities	66,977	60,455	59,550	56,787	23,223
Total liabilities	595,130	584,207	552,293	491,493	399,967
Total net capital	100,839	83,707	73,132	81,596	81,402
Total net capital and liabilities	695,969	667,914	625,425	573,089	481,369

Key figures	2024	2023	2022	2021	2020
Foreign exchange reserve (DKK million)	654,443	625,887	578,075	535,101	438,986
Net position of banks and mortgage credit institutions vis-à-vis Danmarks Nationalbank (DKK million)	260,449	290,458	247,879	202,527	164,003
Change in banknotes and coins in circulation (per cent)	-20,3	-9,2	-3,2	4,1	5,6
Change in equity (per cent)	20,5	14,5	-10,4	0,2	2,0
Average no. of employees (full-time equivalents)	496	477	452	444	424

Board of Governors' report on Danmarks Nationalbank's financial statements

Net income for 2024 amounts to a profit of DKK 17,132 million compared with DKK 10,575 million in 2023.

The development in this year's result is significantly influenced by the revaluation of gold. In addition, there have also been considerable positive contributions from net interest and capital gains on equity.

The result from financial portfolios has increased from a profit of DKK 11,663 million in 2023 to a profit of DKK 18,300 million in 2024. Of this, DKK 790 million is an increase in net interest income, while net revaluations have contributed to an increase of DKK 5,847 million compared with 2023.

The increased returns on foreign net receivables generated total interest income of DKK 19,971 million, which is additional income DKK of 3,584 million compared to last year.

In 2024, there were total interest expenses on monetary policy deposits of DKK 9,099 million compared with interest expenses of DKK 8,205 million in 2023. Despite the monetary policy rates being lowered four times in 2024, the average return was higher in 2024 compared with 2023. The average balance on Net current accounts was also down DKK 3 billion during 2024.

Interest expenses on central government deposits amounted to DKK 6,600 million in 2024, which is DKK 1,840 million higher than in 2023. The increase in interest expenses can be attributed to the average balance increasing from DKK 164 billion in 2023 to DKK 201 billion in 2024. Additionally, the average interest rate also increased by 0.37 percentage points compared with 2023.

The revaluation of gold resulted in a gain of DKK 10,546 million in 2024, which is an increase of DKK 7,820 million compared with 2023. This increase is due to the price of gold, measured in Danish kroner, rising by 35.4 percent compared with last year.

Market price and exchange rate adjustments of foreign receivables resulted in a gain of DKK 2,656 million in 2024 compared with DKK 4,449 million in 2023. The total market price adjustment was driven by a gain of DKK 2,579 million on ETFs, while the rest of the portfolio contributed to a capital loss. Additionally, there was a total gain from currency adjustments of DKK 449 million, due to the krone being slightly weakened against the euro.

The total contribution from the domestic bond portfolio amounted to an income of DKK 1,265 million, which is DKK 149 million lower than last year.

No credit losses were recorded on the bank's engagements in 2024, and it is assessed that there is no need to set aside provisions to address this by the end of the year.

Costs

Danmarks Nationalbank's total operating costs were up DKK 36 million to DKK 1,124 million in 2024.

Personnel costs rose by DKK 39 million to DKK 479 million. The change can be attributed to both increases from collective agreements and an increase in the number of full-time employees from 477 to 496. The latter is particularly due to prioritising staffing for, among other things, the restoration and renovation project of Danmarks Nationalbank's building in Havnegade as well as tasks related to cash initiatives.

Other costs amounted to a total of DKK 643 million in 2024. While costs relating to the operation of the properties, IT, and other expenses remained at the same level as in 2023, the expenses incurred for the renovation of Havnegade 5 were up by DKK 10 million compared to last year. In total, expenses of DKK 150 million were incurred in 2024 regarding the renovation of Havnegade 5, of which DKK 39 million have been expensed and DKK 111 million have been capitalised on the balance sheet, as a fixed asset under construction.

In 2024, only purchases of coinage for "Tronskiftemønten" were made, which led to a decrease in costs for purchasing banknotes and coins of DKK 14 million compared with 2023.

Depreciation and amortisation amounted to DKK 55 million, which is a decrease of DKK 7 million compared with 2023. This is due to several larger assets being fully depreciated.

Danmarks Nationalbank had other expenses of DKK 19 million in 2024 relating to the Passing of the Crown Coin "Tronskiftemønten".

Balance

The total balance increased by DKK 28.1 billion to DKK 696.0 billion during 2024.

This development reflects the fact that total foreign exchange reserve assets increased by DKK 25.5 billion to DKK 656.0 billion in 2024. On the liabilities side, the increase is distributed across several opposing factors. Central government deposits in Danmarks Nationalbank were up DKK 51.3 billion, while deposits of monetary and mortgage credit institutions were down DKK

30.0 billion. Additionally, cash circulation was down DKK 13.9 billion in 2024, which can largely be attributed to a decline in the circulation of the 1,000-krone banknote.

Distribution of net profit

Profit for the year of DKK 17,132 million is allocated to the Danmarks Nationalbank general reserves. No share of the profit is transferred to the central government for 2024. Net capital subsequently amounts to DKK 100,839 million.

Statement by the Board of Governors and the Board of Directors on the annual report

The Board of Governors has today considered and approved the financial statements of Danmarks Nationalbank for the financial year 1 January - 31 December 2024.

The annual report has been prepared in accordance with the Danmarks Nationalbank Act. In our opinion, the financial statements offer a true and fair view of Danmarks Nationalbank's assets, liabilities, and financial position as of 31 December 2024 and of the result of Danmarks Nationalbank's activities for the financial year 1 January - 31 December 2024.

In our opinion, the Board of Governors' report provides a true and fair view of the matters described in the report.

Copenhagen, 25 February 2025

Board of Governors

Christian Kettel Thomsen
Chairman

Signe Krogstrup

Ulrik Nødgaard

Internal audit report

To the Board of Directors

Opinion

In our opinion, the financial statements give a true and fair view of Danmarks Nationalbank's assets, liabilities and financial position as of 31 December 2024 and of the profit and loss from Danmarks Nationalbank's operations for the financial year 1 January – 31 December 2024 in accordance with the Danmarks Nationalbank Act.

We have audited the financial statements of Danmarks Nationalbank for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet, notes and accounting policies ("the financial statements").

Statement on the Board of Governors' report on Danmarks Nationalbank's financial statements

Management is responsible for the Board of Governor's report on Danmarks Nationalbank's financial statements. Our opinion on the financial statements does not cover the Board of Governor's report on Danmarks Nationalbank's financial statements, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Board of Governor's report on Danmarks Nationalbank's financial statements and, in doing so, consider whether the Board of Governor's report on Danmarks Nationalbank's financial statements is materially inconsistent with the financial statements or with our knowledge obtained during the audit, or otherwise appears to be materially misstated.

In our opinion and based on the work performed, the Board of Governors' report on Danmarks Nationalbank's financial statements is in accordance with the financial statements and has been prepared in accord-

ance with the requirements of the Danmarks Nationalbank Act. We did not identify any material misstatement in the Board of Governors' report on Danmarks Nationalbank's financial statements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danmarks Nationalbank Act, 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.

Basis of opinion

We have conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit with a view to obtaining reasonable assurance that the financial statements are free of material misstatement.

The audit included an assessment of the procedures and internal controls established by Management that are of relevance to Management's preparation and fair presentation of the financial statements, including an assessment of the risks of material misstatement. The audit also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. The audit included the most significant areas and risk areas, and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Copenhagen, 25 February 2025
Helle Munk Miltoft
Chief Internal Auditor

Independent auditor's audit report

To the Board of Directors

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of Danmarks Nationalbank at 31 December 2024, and of the results of Danmarks Nationalbank's operations for the financial year 1 January - 31 December 2024 in accordance with the Danmarks Nationalbank Act.

We have audited the Financial Statements of Danmarks Nationalbank for the financial year 1 January - 31 December 2024, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("financial statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Danmarks Nationalbank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the Board of Governor's report on Danmarks Nationalbank's financial statements

Management is responsible for the Board of Governor's report on Danmarks Nationalbank's financial statements. Our opinion on the financial statements does not cover the Board of Governor's report on Danmarks Nationalbank's financial statements, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Board of Governor's report on Danmarks Nationalbank's financial statements and, in doing so, consider whether the Board of Governor's report on Danmarks Nationalbank's financial statements is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Board of Governor's report on Danmarks Nationalbank's financial statements provides the information required under the Danmarks Nationalbank Act.

Based on the work we have performed, in our view, the Board of Governor's report on Danmarks Nationalbank's financial statements is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danmarks Nationalbank Act. We did not identify any material misstatement in the Board of Governor's report on Danmarks Nationalbank's financial statements.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danmarks Nationalbank Act, 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 Danmarks Nationalbank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate Danmarks Nationalbank or to cease operations, or has no realistic alternative but to do so.

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 and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, 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, 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 Danmarks Nationalbank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Danmarks Nationalbank'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 Danmarks Nationalbank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Copenhagen, 25 February 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CRN (CVR) 33 77 12 31

Claus Christensen
State-authorized public accountant
mne33687

Per Rolf Larssen
State-authorized public accountant
mne24822

Signatures

These financial statements, which have been audited in accordance with the regulations of Danmarks Nationalbank, were adopted by the Board of Directors at its meeting on 18 March 2025.

As of 1 March 2025, the members of the Board of Directors are:

Christian Schultz, Chairman

Anne Hedensted Steffensen, Deputy Chairman

Alex Ahrendtsen

Jens Bjørn Andersen

Lisbeth Bech-Nielsen

Jens Brøchner

Morten Skov Christiansen

Louise Elholm

Benny Engelbrecht

Asger Enggaard

Kathrine Forsberg

Winni Grosbøll

Preben Bang Henriksen

Kristian Hundebøll

Claus Jensen

Lars Fruergaard Jørgensen

Johan Legarth

Samira Nawa

Marianne Lyngby Pedersen

Jesper Petersen

Mette Lykke Ravn

Elisa Rimpler

Philipp Schröder

Linea Søgaard-Lidell

Christian Woller

Applied Accounting policies

Generelt

The financial statements of Danmarks Nationalbank for 2024 are presented in accordance with the Danmarks Nationalbank Act. In all significant respects, these accounting policies are in accordance with the sound policies of European central banks in the euro area. The main differences relate to unrealised gains on foreign exchange and securities, which are recognised in the income statement in Danmarks Nationalbank's financial statements.

The basic principle is that the financial reporting should reflect economic reality. The effects of transactions and events are recognised when they occur and are stated and presented in the financial statements for the year which they concern. The financial statements include all material and relevant circumstances. Revaluations are shown irrespective of their impact on profits and net capital, and calculation and valuation methods are applied consistently within each category of information. When initially recognised, assets and liabilities are stated at cost price. Subsequently, assets and liabilities are valued as described under each accounting item.

Transactions in foreign currency are converted to Danish kroner at the exchange rate applying on the transaction date. On the balance sheet date, financial assets and liabilities in foreign currencies are converted at the exchange rates most recently published by Danmarks Nationalbank. Both realised and unrealised gains and losses are recognised in the income statement.

With a view to presenting interest income and interest expenses like the annual accounts of the other European central banks, Danmarks Nationalbank adjusted the

financial statements for 2024; the adjustments were similar to adjustments made by the ECB. Relevant changes were made to the income statement and associated notes for net interest income, etc. The comparative figures have been changed accordingly. Apart from this, the principles for and the classification of the individual items in the financial statements remain unchanged from the previous year.

Income statement

Net interest, etc.

Besides interest on interest-bearing assets and liabilities, interest income and expenses comprise maturity reductions of the bond portfolios, fees, premiums and discounts on Treasury bills and certificates of deposit, and income from Exchange Traded Funds, as well as premiums on forward securities and forward exchange contracts.

Value adjustments, etc.

Value adjustments comprise market value adjustments and exchange rate adjustments concerning financial assets, liabilities and gold. Both realised and unrealised gains and losses are recognised in the income statement.

Income from financial fixed assets, etc.

Dividends and gains from financial fixed assets, etc. comprise share dividend received, net gains from the sale of financial fixed assets, etc., as well as revaluations and write-downs. Dividends are recognised in the year in which they are announced.

Other income

Other income comprises income from Danmarks Nationalbank's sale of coin sets, etc., recognition of income regarding banknotes and coins no longer redeemed by Danmarks Nationalbank, as well as other income that does not relate to Danmarks Nationalbank's primary activities or that is not annually recurring.

Expenses

Staff expenses comprise salaries and remuneration, including pension contributions, etc., training costs and other staff expenses. Expenses concerning banknote and coin production services comprise the costs of purchase of banknotes and coins produced by external suppliers. Other expenses concern the operation of Danmarks Nationalbank's properties, IT operations and other operating expenses.

Other expenses

Other expenses comprise expenses that are not related to Danmarks Nationalbank's primary activities or that are not annually recurring.

Balance sheet

Gold

Gold is valued at the gold price at the balance sheet date in US dollars, converted to Danish kroner.

Financial assets and liabilities

Financial assets and liabilities traded in active markets are stated at the fair value on the balance sheet date. Holdings of Exchange Traded Funds and stock futures which are included in 'Foreign assets' are traded on an active market, so that the fair value is based on quoted prices. For bond portfolios in less active or inactive markets which are included in 'Foreign assets' and 'Domestic bonds', the fair value on the balance sheet date has been calculated using a model based on estimation and assessment techniques which take account of recent transactions in similar instruments, the discounted payment flows for the portfolios and the relevant term structure based on the market conditions existing on the balance sheet date. Monetary policy accounts, including certificates of deposit and other lending and deposits, are stated at nominal value.

Repurchase agreements and securities lending, etc.

Securities sold in connection with simultaneous repurchase agreements and securities made available

for lending are included in Danmarks Nationalbank's respective holdings.

Financial fixed assets, etc.

Financial fixed assets and similar investments are valued at the lower of acquisition value and fair value.

Tangible and intangible fixed assets

Tangible and intangible fixed assets comprise Danmarks Nationalbank's properties (land, buildings and building renovations), leasehold improvements, technical building facilities (lifts, special cooling in server rooms, etc.), technical production facilities (for banknote and coin sorting), office equipment and vehicles, hardware and software, and fixed assets during construction.

Danmarks Nationalbank's properties are the fixed asset groups comprising bank properties, other properties and building renovations. Building renovations include capitalised replacement of entire building components to extend their lifetime, major renovation projects to improve buildings, cost-saving building renovations and costs defrayed to expand the use of the properties. Leasehold improvements are entered under the relevant fixed asset group.

Fixed assets are stated in the balance sheet at acquisition prices less accumulated depreciation, amortisation, and impairment charges. Assets with an acquisition value of less than DKK 100,000 per unit are carried as expenditure in the year of acquisition. Depreciation and amortisation on a linear per-annum basis take place over the expected useful lives of the fixed assets. The useful lives are assessed as follows:

- Bank properties 100 years
- Other properties 25-50 years
- Building renovations 10-25 years
- Technical building facilities 10-25 years
- Technical production facilities 5-10 years
- Hardware and software 3-5 years
- Other machinery and equipment 3-5 years

Leasehold improvements are depreciated over the expected lease term unless another useful life is stated.

Fixed assets under construction comprise expenses incurred for tangible fixed assets and intangible development projects during construction. Expenses are transferred to the relevant fixed asset groups when the assets are ready for use.

Under section 17 of the Danmarks Nationalbank Act, the value booked, including building improvements

and related assets under construction, must not exceed the public property valuation. In such case, any excess amount will be recognised as an expense.

Profit/loss on the sale of fixed assets is recognised in the income statement under depreciation, amortisation and write-downs and is stated as the difference between the selling price and the book value at the time of sale.

Other assets

The item includes assets not covered by other asset items. The item includes positive net value of hedging instruments in the form of unsettled foreign currency transactions and other financial derivatives. Also included is income falling due after the end of the financial year, including interest receivables.

Financial derivatives such as forward securities and forward exchange contracts, interest rate and currency swaps, etc. are measured at fair value on the balance sheet date. Other items are measured at cost.

Accruals

Prepayments and accrued income recognised under assets include prepaid expenses relating to subsequent financial years. Accruals are measured at cost.

Banknotes and coins in circulation

Banknotes and coins in circulation are measured at their nominal value.

Other liabilities

The item includes liabilities not covered by other liability items. The item includes negative net value of hedging instruments in the form of unsettled foreign currency transactions and other financial derivatives, as well as uncovered pension commitments, commitments in the form of benefit and severance payments and other provisions for guarantees issued. Also included are expenses falling due after the end of the financial year, including interest payable and holiday pay.

Financial derivatives such as forward securities and forward exchange contracts, interest rate and currency swaps, etc., are measured at fair value at the balance sheet date. Other items are measured at cost.

Contingent liabilities and other financial commitments

Other liabilities concerning guarantees provided are stated at the estimated value of the payment obligation. Contractual obligations relating to rented premises, including any re-establishment obligation, have

been stated as the total contractual obligation during the period of non-terminability per lease that extends beyond normal contractual terms.

Pension commitments

For defined-contribution pension plans, the current premium payments to the pension companies are carried as expenditure in the income statement, and the pension commitment hereafter passes to the pension companies. For defined-benefit pension plans, provisions are made in the financial statements of Danmarks Nationalbank for uncovered pension undertakings compiled according to actuarial principles.

Income statement

DKK 1,000	Note	2024	2023
Net income from interest, etc.:			
Interest income, etc.		22,862,699	20,071,133
Interest expense, etc.		-17,980,252	-15,978,932
Net income from interest, etc., total	1	4,882,447	4,092,201
Value adjustments, etc.:			
Value adjustment of gold	2	10,546,320	2,726,312
Value adjustment of foreign exchange positions	3	2,655,972	4,448,530
Value adjustment of domestic bonds		215,316	396,102
Value adjustments, etc., total		13,417,608	7,570,944
Profit/loss from financial portfolios		18,300,055	11,663,145
Income from financial fixed assets, etc.		29,151	22,182
Other income	4	1,413	39,842
Expenses:			
Staff expenses	5	479,206	439,829
Expenses related to banknotes and coins	6	1,886	15,879
Other operating costs	7	643,347	632,499
Total expenses		1,124,439	1,088,207
Depreciation, amortisation and impairment charges on tangible and intangible fixed assets	8	55,235	61,965
Other expenses	9	19,000	-
Net profit/loss for the year		17,131,945	10,574,997
Distribution of profit/loss for the year:			
Allocation to/transfer from the General Reserves		17,131,945	10,574,997
Payable to the central government		-	-
		17,131,945	10,574,997

Balance

DKK 1,000	Note	2024	2023
Assets			
Gold	10	40,309,044	29,762,723
Foreign assets	11	556,525,234	543,935,896
Claims on the IMF, etc.	12	59,209,138	56,800,097
Claims regarding banks' and mortgage credit institutions' Target accounts with the ECB		42,982	23,102
Monetary policy lending	13	-	-
Other lending	14	1,315,889	1,553,077
Domestic bonds	15	33,824,769	33,068,390
Financial fixed assets, etc.	16	131,550	131,056
Tangible and intangible fixed assets	17	722,250	642,453
Other assets	18	3,716,957	1,887,395
Prepayments and accrued income		171,075	109,496
Total assets		695,968,888	667,913,685
Liabilities			
Banknotes in circulation	19	48,243,034	62,071,492
Coins in circulation	19	6,125,320	6,149,615
Monetary policy deposits	20		
Net current accounts		260,449,069	290,457,551
Certificates of deposit		-	-
Other deposits	21	15,422,548	14,204,576
Central government	22	211,734,874	160,461,188
Foreign liabilities	23	1,600,414	4,612,204
Counterpart of Special Drawing Rights allocated by the IMF	24	45,039,776	43,743,945
Other liabilities	25	6,514,928	2,506,134
Total liabilities		595,129,963	584,206,705
General Capital Fund		50,000	50,000
Statutory Reserves		250,000	250,000
General Reserves		100,538,925	83,406,980
Total net capital	26	100,838,925	83,706,980
Total net capital and liabilities		695,968,888	667,913,685
Financial derivatives used for conversion of currency exposure	27		
Other financial derivatives	28		
Contingent liabilities and other financial commitments	29		
Loan and purchase commitments to the IMF	30		
Pension commitments	31		

Notes

Note 1 – Net income from interest, etc., total

DKK 1,000	2024	2023
Interest income etc. from assets and liabilities in foreign currency:		
Interest on foreign bonds	4,921,892	4,023,720
Interest etc. on current accounts and other money market placements	13,589,970	12,596,482
Interest on derivative instruments	725,133	51,083
Dividends on Exchange Traded Funds	379,539	220,284
Interest on receivables with the IMF	2,196,644	2,162,052
Interest income etc. from assets and liabilities in Danish kroner:		
Interest on monetary policy lending	9	2
Interest on domestic bonds	1,049,189	1,017,236
Other minor income, fees, etc.	323	274
Interest income etc., total	22,862,699	20,071,133
Interest expenses etc. from assets and liabilities in foreign currency:		
Interest on SDR allocation	-1,712,399	-1,688,206
Interest etc. on current accounts and other money market placements	-130,520	-196,283
Interest on derivative instruments	-	-782,746
Interest expenses etc. from assets and liabilities in Danish kroner:		
Interest on current accounts	-9,098,911	-8,203,946
Interest on certificates of deposits	-1	-752
Interest on central government deposit	-6,599,810	-4,759,964
Interest on deposits from current account customers	-438,611	-347,035
Interest expenses etc, total	-17,980,252	-15,978,932
Net income from interest, etc., total	4,882,447	4,092,201

Interest income and expenses from assets and liabilities in foreign currency, including dividends from ETFs, resulted in a gain of DKK 19,971 million in 2024 compared with a gain of DKK 16,386 million in 2023. The largest contributor is money market placements, which include current accounts, reverse repos and short-term deposits. Interest from derivatives includes term premiums and discounts relating to Danmarks Nationalbank's FX transactions as well as interest relating to interest rate swaps. Interest from claims on the IMF consists of interest income relating to Danmarks Nationalbank's receivables from the IMF.

Interest income and expenses from assets and liabilities in Danish kroner resulted in an expense of DKK 15,088 million in 2024 compared with an expense of DKK 12,294 million in 2023. The monetary policy rates were lowered four times in 2024. At the end of 2024, the current account rate, the discount rate and interest rate on certificates of deposit were 2.60 per cent, while the lending rate was 2.75 per cent. The most recent interest rate change took effect on 13 December 2024. Despite the rate cuts, the current

account rate was on average higher in 2024 than in 2023. The average net deposits from monetary policy counterparts totalled DKK 269 billion in 2024, which is DKK 3 billion less than in 2023.

The above factors resulted in an increase in interest expenses on monetary policy deposits of DKK 894 million, leading to total interest expenses of DKK 9,099 million.

Danmarks Nationalbank had interest expenses on government deposits of DKK 6,600 million in 2024, which is DKK 1,840 million higher than in 2023. Government deposits earn interest at the Denmark Short-Term Rate, DESTRA, which on average was 0.37 percentage points higher in 2024 compared with 2023. DESTRA thus increased from an average interest rate of 2.87 per cent in 2023 to 3.24 per cent in 2024. In 2024, the average balance on the central government's current account at Danmarks Nationalbank was DKK 201 billion compared with DKK 164 billion in 2023.

Notes

Note 2 – Value adjustment of gold

Value adjustment of gold contributed an income of DKK 10,546 million in 2024 compared with an income of DKK 2,726 million last year.

This development can be attributed to the fact that the gold price converted to Danish kroner in 2024 was up by a total of 35.4 per cent from the end of 2023 to the end of 2024.

Note 3 – Value adjustment of foreign exchange positions

DKK 1,000	2024	2023
Market price adjustment of foreign bonds	-317,825	1,001,236
Market price adjustment of equity and bond futures	-4,569	1,251
Market price adjustment of Exchange Traded Funds, etc.	2,578,741	2,912,504
Market price adjustment of interest rate swaps	-49,343	-619,515
	2,207,004	3,295,476
Exchange rate adjustment	448,968	1,153,054
	2,655,972	4,448,530

Exchange rate adjustment of foreign exchange positions comprises all Denmark Nationalbank's receivables in foreign currency. In addition to the foreign exchange reserve, this includes balances with Danish residents in

foreign currency, value adjustment of unsettled foreign exchange transactions and "Counterpart of Special Drawing Rights allocated by the IMF".

Note 4 – Other income

DKK 1,000	2024	2023
Income from termination of redemption obligation for discontinued banknotes	-	7,051
Dividend on and gains from sales of equity investments in commercial	1,041	31,241
Sales of coin sets, etc.	372	1,550
	1,413	39,842

In 2024, dividends received and gains from the sale of investments in commercial companies include the remaining profit of DKK 1 million relating to the disposal of

the holding of Danmarks Nationalbank's shares in Visa Inc. which were sold in 2023.

Note 5 – Staff expenses

DKK 1,000	2024	2023
Salaries and other remuneration	386,089	353,012
Pension contributions, etc.	67,040	64,280
Training and education expenses	6,669	7,706
Other staff expenses	19,408	14,831
	479,206	439,829
Of which management remuneration:		
- Governors, salaries, etc.	11,726	11,259
- Governors, pension contributions	2,289	2,190
- Committee of Directors and Board of Directors	1,069	1,037
	15,084	14,486
Salaries and pension, etc., to the Governors are distributed as follows:		
Christian Kettel Thomsen, Chairperson from 1 February 2023	4,972	4,351
Signe Krogstrup	4,516	4,342
Ulrik Nødgaard, Governor from 15 August 2024	1,704	-
Per Callesen, Governor until 15 August 2024	2,823	4,339
Lars Rohde, Chairperson until 31 January 2023	-	417
	14,015	13,449
Remuneration of the Committee of Directors and Board of Directors is distributed as follows:		
Chairperson of the Committee of Directors and the Board of Directors	140	134
Deputy Chairperson of the Committee of Directors	96	101
Deputy Chairperson of the Board of Directors	41	40
Other members of the Committee of Directors, total (DKK 66k per member)	332	313
Other members of the Board of Directors, total (DKK 27k per member)	460	449
	1,069	1,037

The remuneration of the Board of Governors is determined by the Committee of Directors and consists of a fixed salary, a contribution-based pension scheme where a fixed percentage of the salary is paid to an independent pension company, as well as a company car and other benefits.

Section 6 in the Danmarks Nationalbank Act has been amended as of 1 January 2025, to introduce fixed-term appointments for the Board of Directors. The governors will be appointed for a period of six years with the possibility of one extension of six years. The indefinite appointment periods and the requirement for resignation at the age of 70 for future governors of Danmarks Nationalbank are therefore abolished. These provisions are

consistent with the terms applied at other central banks and in the government administration.

The collective agreement between Danmarks Nationalbank and Danmarks Nationalbank's Staff Association specifies the annual salary development for all employees and managers of the bank. The same rate of salary increase is applied when adjusting the remuneration of the Committee of Directors and Board of Directors.

No bonus schemes or other incentive schemes have been established in Danmarks Nationalbank.

The bank had an average of 496 full-time equivalent employees in 2024 compared to 477 in 2023.

Notes

Note 6 – Expenses related to banknotes and coins

DKK 1,000	2024	2023
Coin procurement	1,389	3,109
Banknote procurement	497	12,770
	1,886	15,879

Note 7 – Other operating expenses

DKK 1,000	2024	2023
Operation of properties	121,938	117,211
IT expenses	422,034	428,868
Other expenses	60,133	57,472
	604,105	603,551
Expenses for renovation of Havnegade 5	39,242	28,948
	643,347	632,499

Note 8 – Depreciation, amortisation and impairment charges on tangible and intangible fixed assets

DKK 1,000	2024	2023
Properties	14,384	14,279
Machinery and other operating equipment	2,800	3,097
Hardware and software	35,072	44,490
Fixed assets under construction	3,095	335
	55,351	62,201
Profit and loss from divestment of fixed assets	-116	-236
	55,235	61,965

Note 9 – Other expenses

In 2024, Danmarks Nationalbank had an expense relating to the issue of the “Tronskiftemønten” commemorative coin on the occasion of His Majesty King Frederik X being proclaimed king on 14 January 2024.

DKK 19 million was paid out, with half going to the Danish Business Authority (Erhvervsstyrelsen) and half to Crown Prince Frederik's and Crown Princess Mary's Foundation.

Note 10 – Gold

The value of Danmarks Nationalbank's gold stock totalled DKK 40.3 billion at the end of the year, compared to DKK 29.8 billion the year before.

There have been no transactions in 2024, and the gold stock is thus unchanged at 66,550 kg.

An inventory of gold ingots is available on Danmarks Nationalbank's website.

Notes

Note 11 – Foreign assets

DKK 1,000	2024	2023
Foreign bonds	186,794,612	111,890,859
Exchange Traded Funds – Equities	16,013,883	16,148,441
Exchange Traded Funds – Corporate bonds	7,164,494	8,614,420
Reverse repos collateralised by foreign bonds	175,310,000	21,337,653
Claims on central banks and supranational institutions	169,198,019	385,376,222
Claims on foreign commercial banks	376	3,046
Claims regarding two-way cash collateral	2,040,832	563,290
Margin claims related to futures	3,018	1,965
	556,525,234	543,935,896

Foreign bonds mainly comprise government bonds, primarily issued in the euro area, the US and Japan, as well as bonds issued by the Bank for International Settlements.

Claims on central banks and supranational institutions, and foreign commercial banks include demand deposits and uncollateralised deposits.

Claims regarding two-way cash collateral arise from collateral in euros on the bank's FX swaps and forwards as well as from interest rate swap agreements with foreign counterparties.

Margin claims relating to futures include both margin deposits and outstanding margin on the underlying assets. Note 28 shows the principal amounts converted to market value.

Danmarks Nationalbank enters into reverse repo transactions (collateralised deposits) with short maturities. These reverse repo transactions are conducted with both bilateral counterparties and a central clearing counterparty, CCP. This is done with collateral in the form of foreign government and government-guaranteed bonds as well as bonds that are part of the ECB's collateral framework.

The exchange rate risk has been converted so that it is primarily in euro.

Breakdown by credit rating

2024 (DKK million)	Total	EUR	USD	JPY	Other
- Of which AAA	97,859	96,574	1,285	-	0
- Of which AA+ to AA-	219,187	199,761	19,426	0	0
- Of which A+ to A-	144,432	86,374	-	58,058	-
- Of which BBB+ to BBB-	3,731	3,731	-	-	-
- Of which non-rated assets	91,316	38,805	41,774	1,560	9,177
	556,525	425,245	62,485	59,618	9,177
2023 (DKK million)	Total	EUR	USD	JPY	Other
- Of which AAA	330,446	329,152	1,269	-	25
- Of which AA+ to AA-	104,251	65,680	38,570	0	1
- Of which A+ to A-	71,615	12,426	-	59,187	2
- Of which BBB+ to BBB-	2,475	2,475	-	-	-
- Of which non-rated assets	35,149	20,238	13,258	1,635	18
	543,936	429,971	53,097	60,822	46

The exposure is ranked according to the middle credit rating from Fitch, Moody's and Standard & Poor's, respectively, converted to the Standard & Poor's scale.

Non-rated assets comprise securities issued by, and deposits at, the bank for International Settlements (BIS) and holdings of Exchange Traded Funds.

Note 12 – Claims on the IMF, etc.

	2024 (1,000 SDR)	2024 (1,000 DKK)	2023 (1,000 SDR)	2023 (1,000 DKK)
Denmark's quota in the IMF	3,439,400	32,085,819	3,439,400	31,162,684
Deposits in the IMF's account at Danmarks Nationalbank	-2,545,305	-23,744,897	-2,535,030	-22,968,640
Reserve tranche position	894,095	8,340,922	904,370	8,194,044
Holdings of Special Drawing Rights (SDRs)	5,037,226	46,991,778	5,043,816	45,699,498
Lending	415,530	3,876,438	320,794	2,906,555
	6,346,851	59,209,138	6,268,980	56,800,097

Claims on the International Monetary Fund, IMF, totalled DKK 59,209 million as of 31 December 2024, compared to DKK 56,800 million at the end of 2023. At year-end, the DKK/SDR exchange rate was 932.89 (year-end 2023: 906.05).

Denmark's quota in the IMF is Denmark's capital contribution to the IMF. Denmark's quota of SDR 3,439 million (DKK 32,086 million) has remained unchanged since the IMF's 2010 quota reform came into effect in 2016.

The part of Denmark's quota that has been paid to the IMF is referred to as the reserve tranche position and is equal to the difference between the quota and the balance on the IMF's account at Danmarks Nationalbank in Danish kroner.

The balance on the IMF's account represents the part of the IMF's drawing right on the quota that the IMF has not yet utilised. The account thus represents the part of

Denmark's quota that the IMF can still draw on, e.g. to finance new loans.

In 2024 and the previous year, the IMF used its drawing right on the quota. As of 31 December 2024, the reserve tranche position totals SDR 894 million, equivalent to DKK 8,341 million. The decline in the reserve tranche position in SDR is because the IMF repaid Danmarks Nationalbank more than what the IMF drew from the quota in 2024.

As of 31 December 2024, Danmarks Nationalbank's holdings of Special Drawing Rights, SDR, totalled SDR 5,037 million (DKK 46,992 million). This is SDR 7 million less than in 2023. The decline is due to net sales of SDRs in connection with Danmarks Nationalbank's participation in the IMF's voluntary SDR trading system along with other transactions from the IMF paid in SDRs. An amount equivalent to the IMF's accumulated allocation of SDRs to Denmark is included as a liability in the financial statements and is shown in Note 24 'Counterpart of Special Drawing Rights allocated by the IMF'.

Lending under the IMF

	2024 (1,000 SDR)	2024 (1,000 DKK)	2023 (1,000 SDR)	2023 (1,000 DKK)
Lending to the PRG Trust	415,530	3,876,438	311,398	2,821,426
Lending under the New Arrangements to Borrow	-	-	9,396	85,129
	415,530	3,876,438	320,794	2,906,555

Danmarks Nationalbank's lending to the IMF's Poverty Reduction and Growth Trust, PRG Trust, which provides loans to low-income countries on favourable terms, amounts to SDR 415.5 million (DKK 3,876 million). In 2024, SDR 3 million was repaid on existing loans and new loans amounting to SDR 107.2 million were provided, as the IMF withdrew the remaining amount from the loan agreement from 2010 before the agreement expired on 31 December 2024.

Lending under the New Arrangements to Borrow, NAB, is a voluntary multilateral loan agreement between the IMF and a group of member countries. The last loan, which

amounted to SDR 9.4 million at the beginning of 2024, was repaid in full, and there are thus no outstanding loans under the NAB agreement. No new loans were granted in 2024, which is because the NAB agreement has not been activated since 2016.

No loans were provided under the Bilateral Borrowing Agreements, BBA, in 2024, as the agreement is not activated. This is a bilateral borrowing agreement between Danmarks Nationalbank and the IMF.

Reference is made to Note 30 for an overview of loan and purchase commitments to the IMF.

Note 13 – Monetary policy loans

Monetary policy lending is one element of the monetary policy instruments available. There were no loans as of 31

December 2024 and the loan facility has only been used minimally in 2024.

Note 14 – Other loans

Other lending consists solely of loans to the banks' cash custody accounts against collateral.

Note 15 – Domestic bonds

DKK 1,000	2024	2023
Maturity distribution for domestic bonds		
Maturity in less than 1 year	9,317,858	11,069,462
Maturity of more than 1 year and less than 5 years	21,780,768	19,113,483
Maturity of 5 years or more	2,726,143	2,885,445
	33,824,769	33,068,390

Note 16 – Fixed assets, etc.

Danmarks Nationalbank's holdings of financial fixed assets, etc., is calculated at a total acquisition value of DKK 132 million and has an estimated market value of DKK 2.9 billion as of 31 December 2024.

Danmarks Nationalbank's portfolio of financial fixed assets and similar investments consists of capital subscriptions to the European Central Bank (ECB) and shares in the Bank for International Settlements (BIS) as well as shares in SWIFT.

Regarding the capital subscription to the ECB the following special conditions apply:

In accordance with Article 28 of the Statute of the European System of Central Banks (ESCB), the national central banks in the ESCB are the sole subscribers to the ECB's capital. The capital subscriptions are determined by the weightings assigned in accordance with Article 29 of the Statute of the ESCB. As a result of Denmark's non-participation in the euro area, the transitional provisions of Article 47 of the Statute of the ESCB apply, and Danmarks Nationalbank consequently only deposited 3.75 per cent of its capital subscription to the ECB as a contribution to the ECB's operating costs.

As the central bank of a non-euro area member country, Danmarks Nationalbank does not participate in the distribution of profits or the allocation of losses in the ECB.

The capital keys are adjusted according to the ESCB's statute every five years. This last occurred on 1 January 2024, which is why Danmarks Nationalbank's share of the ECB's capital was increased. Danmarks Nationalbank's share of the ECB's capital thus amounts to 1.7797 per cent as of 31 December 2024, equivalent to EUR 192.7 million. Of this, EUR 7.2 million has been paid in, equivalent to DKK 53.9 million.

The shares in BIS are paid in at 25 per cent of the nominal value of the shares. Danmarks Nationalbank is obligated to pay the remaining 75 per cent of the nominal value of its shareholding in BIS, if BIS should request it. This payment obligation amounts to SDR 32.1 million, equivalent to DKK 299.6 million. Danmarks Nationalbank received DKK 29 million in dividends from its shareholding in BIS in 2024.

As set out in the SWIFT By-laws, the number of SWIFT shares was reallocated among the participants in 2024. This resulted in a slight decrease in the bank's holdings.

Notes

Note 17 – Tangible and intangible fixed assets

DKK 1,000	2024	2023
Properties	391,178	404,759
Machinery and other operating equipment	11,604	12,992
Hardware and software	24,471	56,416
	427,253	474,167
Fixed assets in the course of construction regarding the renovation of Havnegade 5	267,419	156,848
Other fixed assets in the course of construction	27,578	11,438
	722,250	642,453

Of the above, the value of leasehold improvements amounts to DKK 15 million (2023: DKK 17 million), depreciated over the term of the individual leases.

According to the most recent public valuation, the total value of the bank's properties is DKK 927 million.

The public valuations remained unchanged in 2024.

The public valuation concerning the properties of Danmarks Nationalbank is based on the provisional assessments published by the Tax Authority.

Note 18 – Other assets

DKK 1,000	2024	2023
Market value of unsettled currency exposures	-	319,738
Market value of unsettled securities transactions	3,150	13,456
Interest receivable	3,702,499	1,499,375
Other receivables	11,308	54,826
	3,716,957	1,887,395

Net positions and principal amounts converted to market values for financial derivatives are disclosed in Notes 27 and 28.

Notes

Note 19 – Banknotes and coins in circulation

Banknotes in circulation (DKK 1,000)	2024	2023
1000-krone banknotes	2,945,847	19,217,867
500-krone banknotes	30,020,372	27,165,432
200-krone banknotes	7,302,452	7,157,877
100-krone banknotes	3,756,645	3,679,618
50-krone banknotes	1,007,355	984,220
Older series*)	2,742,071	3,362,048
Faroese banknotes	468,292	504,430
	48,243,034	62,071,492

*) Banknotes issued before the most recent series (2009).

Coins in circulation (DKK 1,000)	2024	2023
20-krone coins	2,597,994	2,596,936
10-krone coins	1,226,475	1,235,928
5-krone coins	617,006	621,911
2-krone coins	368,696	371,301
1-krone coins	546,563	551,681
0.50-krone coins	194,642	195,136
Older series*)	378,610	380,342
Thematic and commemorative coins with other nominal values	195,334	196,380
	6,125,320	6,149,615

*) Coins issued before current series.

In 2023, the 1000-krone banknote as well as banknotes from older series were recalled. This recall means that these banknotes will only be valid as legal tender until 31 May 2025.

After this date, they can be exchanged until 31 May 2026 at one of the three exchange points in Aarhus, Odense and Copenhagen that Danmarks Nationalbank has opened in partnership with FOREX.

Note 20 – Monetary policy deposits

Banks and mortgage credit institutions in Denmark hold accounts with Danmarks Nationalbank. Via these accounts, using the Kronos2 payment system, they settle inter-bank receivables and their receivables vis-à-vis Danmarks Nationalbank. The banks and mortgage credit institutions also use their accounts with Danmarks Nationalbank to settle payments in Danish and international payment and settlement systems. Danmarks Nationalbank grants credit against collateral to the banks and mortgage credit institutions to ensure that there is always sufficient liquidity in the financial system for payments to be settled.

During the monetary policy day, Danmarks Nationalbank provides Finans Danmark with a guarantee for the amounts reserved by participants in connection with the Intraday and *Sumclearing* systems and for the credit line concerning

Straksclearing. Furthermore, Danmarks Nationalbank guarantees to VP Securities A/S (Euronext) the amounts reserved by participants in connection with trade settlement, periodic runs and immediate settlements.

At the close of the monetary policy day on 30 December 2024, banks and mortgage credit institutions had a total deposit on current accounts with Danmarks Nationalbank of DKK 260.4 billion compared with DKK 290.5 billion at the end of 2023. This development can mainly be attributed to the liquidity impact from central government trades on the net position, which amounted to DKK -55.1 billion in 2024, partially offset by a decline in the circulation of banknotes.

The average total of deposits on current accounts fell from DKK 272 billion in 2023 to DKK 269 billion in 2024.

Notes

Note 21 – Other deposits

DKK 1,000	2024	2023
Banks' and mortgage credit institutions' deposits in current accounts in euro	42,982	23,102
Two-way collateral in cash, banks	1,243,134	1,813,961
Deposits from current accounts customers etc.	14,136,432	12,367,513
	15,422,548	14,204,576

Note 22 – Central government

As of 31 December 2024, the central government deposits amounted to DKK 211,735 million.

The central government does not receive a share of the net profit for 2024.

Note 23 – Foreign liabilities

DKK 1,000	2024	2023
Deposits from the European Commission.	1,441,944	2,880,504
Deposits from other supranational institutions	94	93
Two-way collateral in cash for FX trades in euro	158,376	1,731,607
	1,600,414	4,612,204

Note 24 – Counterpart of Special Drawing Rights allocated by the IMF

This liability consists of the International Monetary Fund's (IMF) allocation of special drawing rights to Denmark. The accumulated allocation as of 31 December 2024 totals SDR

4,828 million. The current holdings of SDRs are specified in Note 12 'Claims on the IMF, etc.'.

Notes

Note 25 – Other liabilities

DKK 1,000	2024	2023
Market value of unsettled currency exposures	1,653,105	-
Market value of other financial derivatives in foreign currency	668,717	619,374
Interest payable	3,904,327	1,614,595
Payables regarding expenses	150,312	160,229
Salary-related payables	48,562	56,818
Other liabilities	89,905	55,118
	6,514,928	2,506,134

Net positions and principal amounts converted to market values for financial derivatives are stated in Notes 27 and 28.

Note 26 – Net Capital

DKK 1,000	General Capital Fund and Statutory Reserves	General Reserves	Total
Net capital as of 1 January 2024	300,000	83,406,980	83,706,980
Retained earnings	-	17,131,945	17,131,945
Net capital as of 31 December 2024	300,000	100,538,925	100,838,925

Note 27 – Financial derivatives for conversion of currency exposures

2024 (DKK million)	Total	EUR	USD	JPY	Other
Net positions at market value					
Forward exchange contracts:					
Purchases	172,383	145,396	14,870	-	12,117
Sales	-174,036	-5,426	-83,617	-61,008	-23,985
Unsettled spot currency trades:					
Purchases	-	-	-	-	-
Sales	-	-	-	-	-
	-1,653	139,970	-68,747	-61,008	-11,868
2023 (DKK million)	Total	EUR	USD	JPY	Other
Net positions at market value					
Forward exchange contracts:					
Purchases	241,434	167,155	54,131	5,226	14,922
Sales	-241,113	-43,526	-112,845	-67,489	-17,253
Unsettled spot currency trades:					
Purchases	93	93	-	-	-
Sales	-94	-	-79	-	-15
	320	123,722	-58,793	-62,263	-2,346

Note 28 – Other financial derivatives

2024 (DKK million)	Total	DKK	EUR	USD
Principals at market value				
Forward contracts, bonds:				
Purchases	28,296	2,573	25,723	-
Sales	-	-	-	-
Futures, bonds:				
Purchases	88	-	88	-
Sales	-	-	-	-
Net positions at market value				
Interest rate swaps:				
Pay	4,461	-	4,461	-
Receive	-5,130	-	-5,130	-

2023 (DKK million)	Total	DKK	EUR	USD
Principals at market value				
Forward contracts, bonds:				
Purchases	1,663	1,663	-	-
Sales	-	-	-	-
Futures, bonds:				
Purchases	162	-	89	73
Sales	-	-	-	-
Net positions at market value				
Interest rate swaps:				
Pay	2,534	-	2,534	-
Receive	-3,153	-	-3,153	-

Note 29 – Contingent liabilities and other financial liabilities

Danmarks Nationalbank's contingent liabilities and other financial liabilities include contractual obligations relating to rented premises and car leasing, as well as other guarantees.

Obligations relating to rented premises include rent during non-terminable periods as well as any re-establishment obligations upon vacating, along with leasing obligations for cars. Danmarks Nationalbank also has a contingent liability to the City of Copenhagen regarding the management of public road facilities.

Contingent liabilities and other financial liabilities amounted to a total of DKK 38.2 million at the end of 2024, of which DKK 3.5 million is due in 2025.

In addition, Danmarks Nationalbank entered into swap agreements with a number of central banks, an intervention agreement with the European Central Bank, ECB, and provided confidentiality guarantees to suppliers and the European System of Central Banks, ESCB, regarding cash supply. Reference is also made to note 16 and note 20 for a description of other obligations.

Note 30 – Loan and purchase commitments to the IMF

Danmarks Nationalbank's maximum further loan and purchase commitments to the International Monetary Fund (IMF) are presented in the table below. The current credit exposure is stated in Note 12.

	2024 (1,000 SDR)	2024 (1,000 DKK)	2023 (1,000 SDR)	2023 (1,000 DKK)
The IMF's drawing right on the quota	2,545,305	23,744,897	2,535,030	22,968,640
Danmarks Nationalbank's obligation to purchase SDRs	9,446,725	88,127,550	9,440,134	85,532,337
Undrawn PRG Trust lending facility (2010)	-	-	107,187	971,163
Undrawn PRG Trust lending facility (2021)	450,000	4,198,005	450,000	4,077,225
Undrawn lending facilities for the IMF in connection with New Arrangements to Borrow	3,259,520	30,407,736	3,250,124	29,447,752
Undrawn lending facilities for the IMF in connection with the Bilateral Borrowing Agreements*)	1,825,636	17,031,180	1,877,929	17,014,971
	17,527,186	163,509,368	17,660,404	160,012,088

*) Equivalent to EUR 2,283 million.

The IMF provides loans to countries in economic difficulties. IMF lending is funded by member countries' quotas and loan commitments. Danmarks Nationalbank's total claim on the IMF was DKK 59,209 million at the end of 2024, see note 12.

The IMF's drawing right on Denmark's quota is the balance on the IMF's account at Danmarks Nationalbank in Danish kroner. The account constitutes the part of Denmark's quota that the IMF has not yet utilised and can therefore still draw on, e.g., to finance new loans. As of 31 December 2024, the account's balance was DKK 23,745 million (SDR 2,545 million), which is also disclosed in note 12.

As part of the SDR system, Danmarks Nationalbank may be requested to increase its holdings of SDRs through purchases until the holdings amount to up to three times Danmarks Nationalbank's accumulated SDR allocation. At the end of 2024, Danmarks Nationalbank's maximum obligation to purchase additional SDRs totalled SDR 9,447 million.

The total loan commitment to the PRG Trust (Poverty Reduction and Growth Trust) consists of SDR 500 million from the 2010 loan agreement and SDR 450 million from the February 2021 loan agreement. The loan agreement from 2010 has expired as of December 31, 2024, and no further withdrawals can be made under this agreement.

All loans under the PRG Trust are guaranteed by the Danish central government. As of 31 December 2024, unutilised loan commitments to the PRG Trust amount to SDR 450 million.

The total credit commitments under the New Arrangements to Borrow, NAB, agreement is SDR 3,260 million, equivalent to DKK 30,408 million. The agreement runs until end of 2025. There were no outstanding loans under this agreement at the end of 2024.

The IMF's lending facilities under Bilateral Borrowing Agreements, BBA, were amended effective from 2021, allowing the IMF to draw EUR 2,283 million. The agreement had not been drawn upon as of the end of 2024. Danmarks Nationalbank extended the BBA agreement in 2024 until 2027 or until the implementation of the 16th quota agreement, after which the agreement will lapse.

On 15 December 2023, the IMF Board of Directors, including Danmarks Nationalbank, approved a new quota agreement. The quota agreement includes a 50 per cent increase in each member country's quota, a reduction of lending resources in the NAB and a phase-out of the BBA. The implementation of the new quota agreement began at the start of 2024. Denmark has met the conditions for the quota agreement to be implemented. The quota agreement will only be ratified once members corresponding to 85 per cent of the quota shares have fulfilled the conditions.

Note 31 – Pension commitments

Present and former employees of Danmarks Nationalbank have either defined-contribution or defined-benefit pension plans.

For defined-contribution pension plans, Danmarks Nationalbank carries the ongoing premium payments to the pension companies as expenditure. Once the pension contributions for these plans have been paid to the pension companies, Danmarks Nationalbank has no further pension commitments to these employees.

Regarding defined-benefit pension plans, Danmarks Nationalbank is obliged to ensure the policyholder a defined pension benefit. For these plans, Danmarks Nationalbank bears the risk concerning the future development in interest rates, wages, inflation, mortality,

etc. Danmarks Nationalbank is thus obliged to make the contributions necessary to ensure the fulfilment of the pension undertakings.

Pension commitments for the defined-benefit pension plans are calculated as the capital value of the future benefits payable under such plans. The pension undertakings are based primarily on the salary on retirement. The capital value is calculated based on assumptions concerning the future development in, for example, wage levels, interest rates, inflation and mortality.

In principle, the defined-benefit pension plans are covered in Danmarks Nationalbank's Pension Fund subject to winding-up. Other defined-benefit pension plans are covered in a pension company.

Key figures for the financial statements of the Pension Fund:

DKK million	2024	2023
Pension commitments and other liabilities	2,671	2,731
Fair value of the assets of the Pension Fund	4,146	4,382
Equity of the Pension Fund	1,475	1,651
Solvency requirement of the Pension Fund	107	109

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