

*Focused Nordic leader with  
strong profitability*

Investor update  
Copenhagen, June 7, 2023

Danske Bank

# Agenda for the day

08:00 – 08:30	<b>Welcome and registration</b>
08:30 – 09:00	<b>CEO presentation</b> Carsten Egeriis
09:00 – 09:25	<b>Financial performance</b> Stephan Engels
09:25 – 09:40	<b>Q&amp;A</b>
09:40 – 09:45	<b>Short break</b>
09:45 – 10:45	<b>Strategic priorities by business units</b> Berit Behring (LC&I), Johanna Norberg (BC), Christian Bornfeld (PC)
10:45 – 11:00	<b>Digital and technology</b> Frans Woelders
11:00 – 11:10	<b>Concluding remarks</b> Carsten Egeriis
11:10 – 12:00	<b>Q&amp;A</b>





# Who we are – Our recent journey

Carsten Egeriis, Chief Executive Officer


Danske Bank

Who we are

# Nordic leader with a unique position

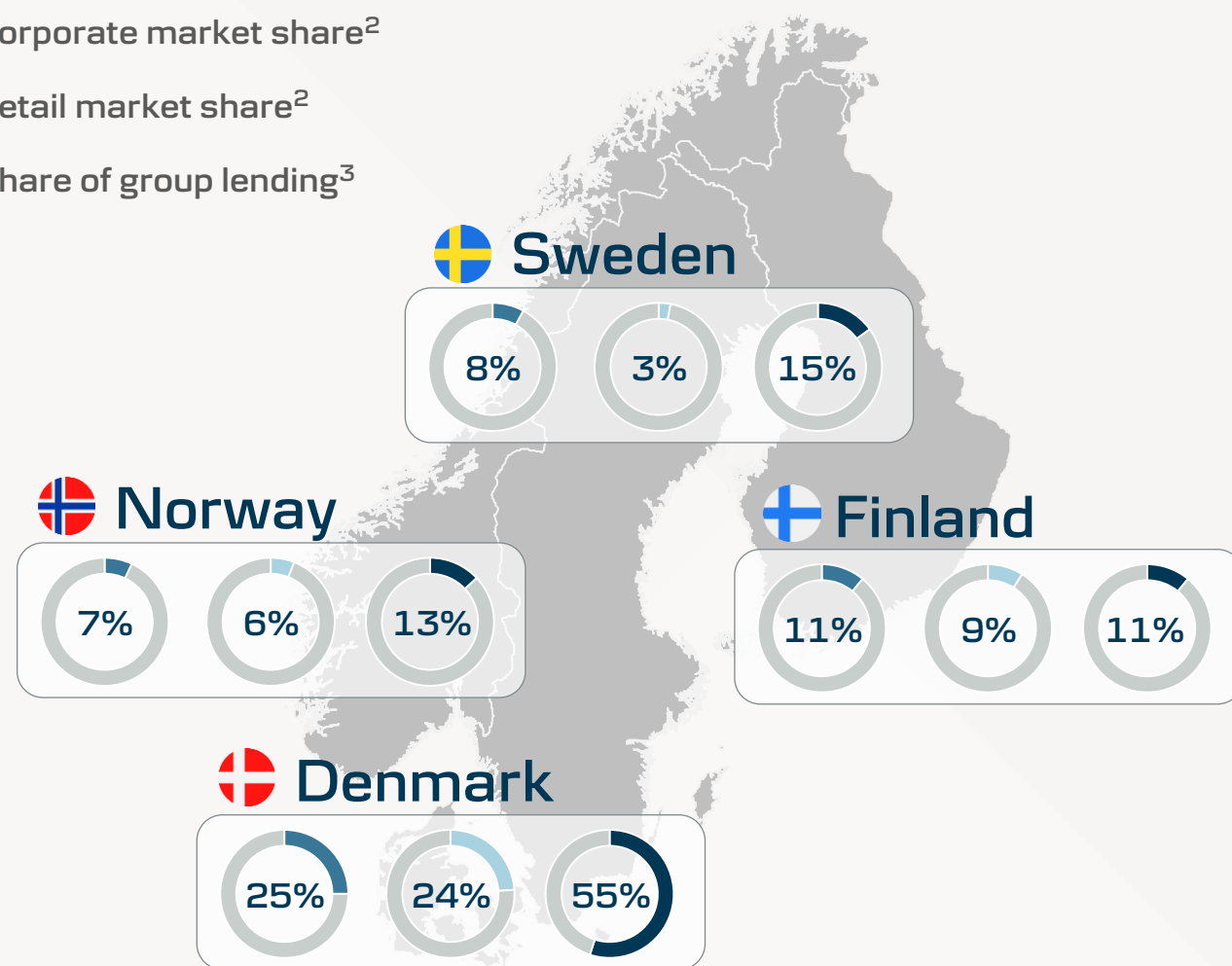
## A strong foundation

- Top 2 corporate, institutional and business bank in the Nordics<sup>1</sup>
- Leading and scalable retail bank in Denmark and Finland
- Positioned in the most attractive customer segments with a strong full-service offering
- Customer-first focused bank – digital at the core

 Corporate market share<sup>2</sup>

 Retail market share<sup>2</sup>

 Share of group lending<sup>3</sup>



1. Based on aggregated corporate lending in Nordics; 2. As of Q2 2023; 3. Share of group lending is 2018-22 averages before loan impairments - Northern Ireland and other represent delta to 100%

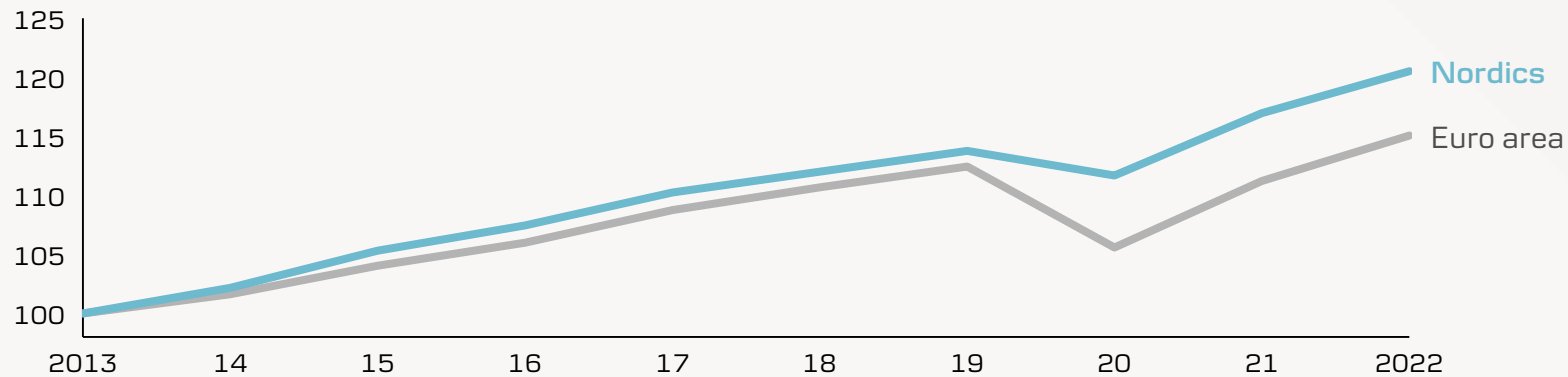


Who we are

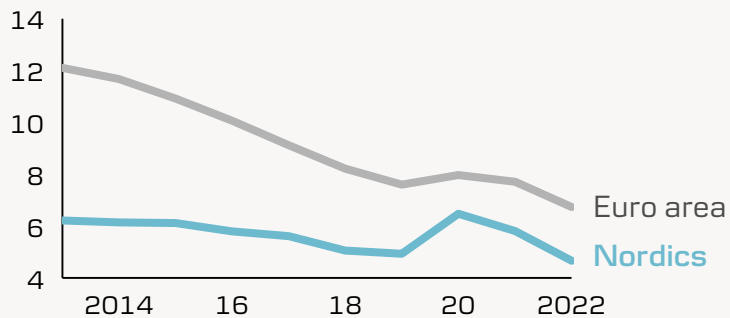
# Nordics – an attractive, stable and innovative region for banking

## 1 Attractive macro environment

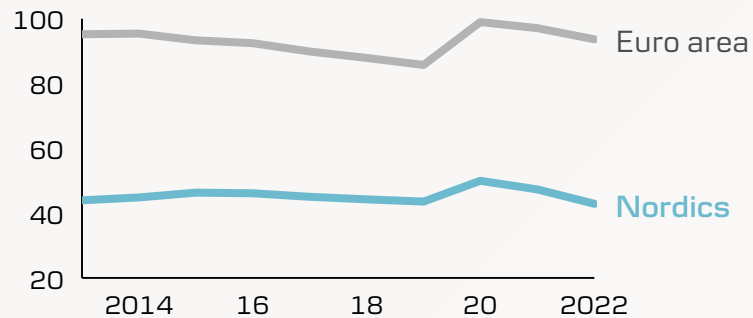
GDP growth (index: 2013=100)<sup>1</sup>



Unemployment rate (%)



Public debt (%)



## 2 Digital leaders

Digital Economy and Society Index<sup>2</sup> (EU)

- |                |               |
|----------------|---------------|
| 1. Finland     | 5. Ireland    |
| 2. Denmark     | 6. Malta      |
| 3. Netherlands | 7. Spain      |
| 4. Sweden      | 8. Luxembourg |

## 3 Sustainability leaders

SDR<sup>3</sup> ranking

- |            |                |
|------------|----------------|
| 1. Finland | 5. Austria     |
| 2. Denmark | 6. Germany     |
| 3. Sweden  | 7. France      |
| 4. Norway  | 8. Switzerland |

Who we are

# Positioned in the most attractive segments with a strong product offering

## Most attractive customer segments

### Large Corporates & Institutions

- Core relationship with 59% of Nordic Tier 1 Institutions and 40% of Nordic Large Corporates<sup>1</sup>
- 2,000+ customers

### Business Customers

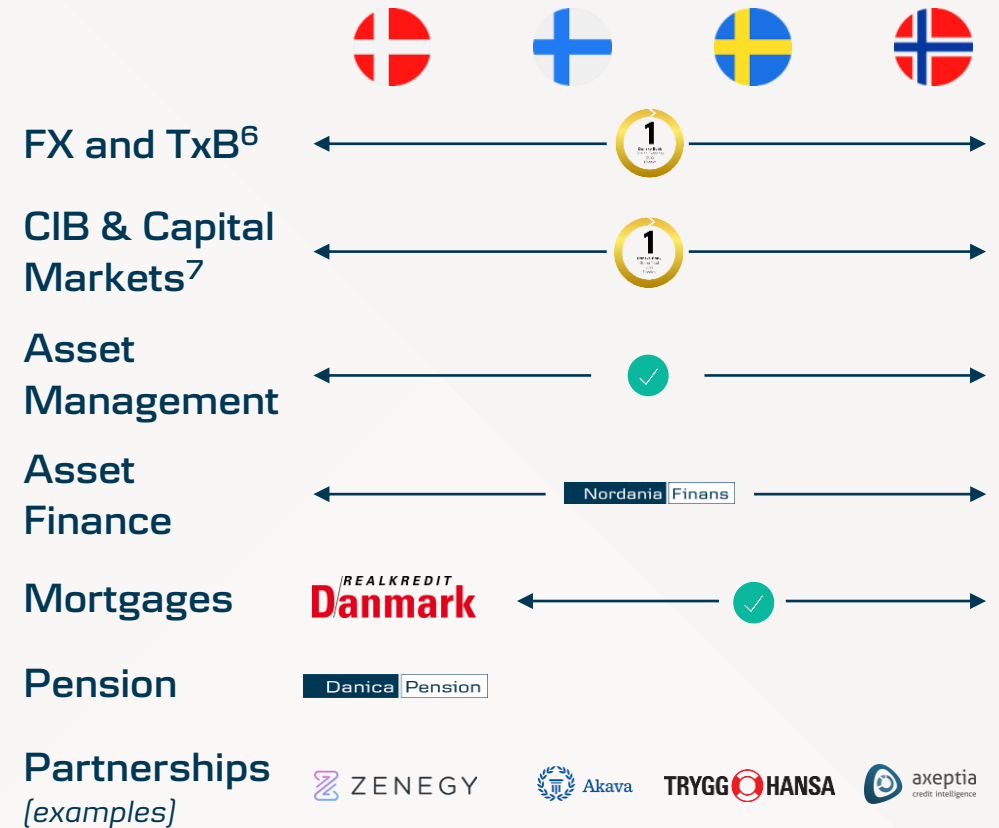
- >65% of income from customers with medium or advanced needs (~50k customers)<sup>2</sup>
- 200k+ customers<sup>3</sup>

### Personal Customers

- >30% of customers with advanced needs<sup>4</sup> or Private Banking
- 3.1m customers<sup>5</sup>



## Strong product offering and partnerships

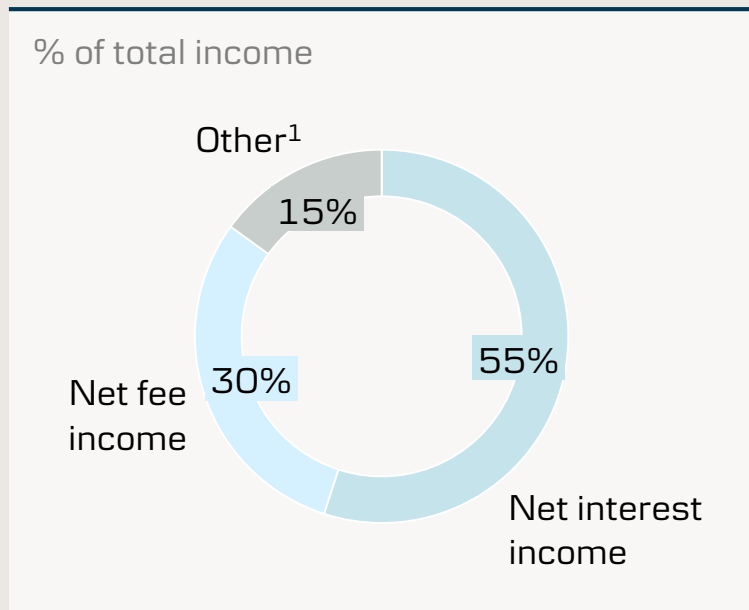


1. Core relationship defined by Prospera as: Portion of organisations that consider a supplier as "main supplier"; 2. Customers in Advisory Banking, excluding Northern Ireland; 3. Including Business Customers in Northern Ireland; 4. Advanced needs defined by age, income and wealth thresholds; 5. Including Northern Ireland; 6. Prospera rankings in Nordic Foreign Exchange, 2022; 7. Prospera rankings in LC&I Nordic Grand Total, 2022

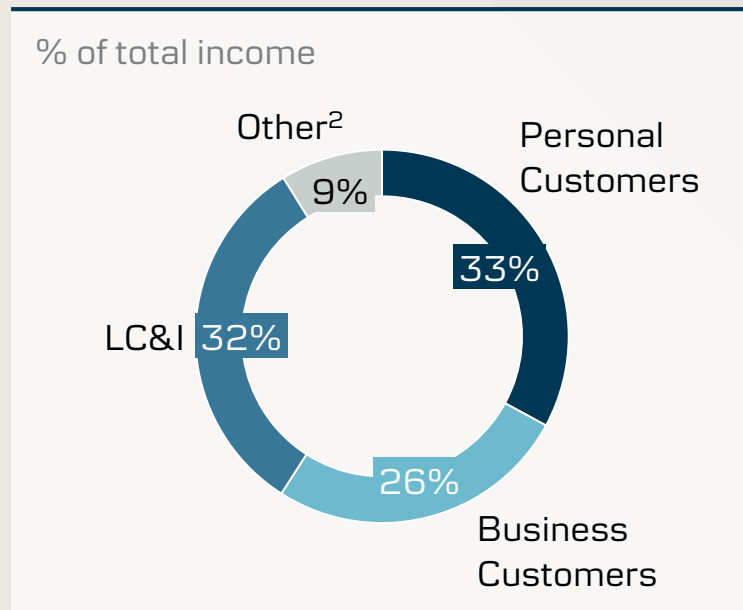
Who we are

# Attractive business with a sound financial and risk profile

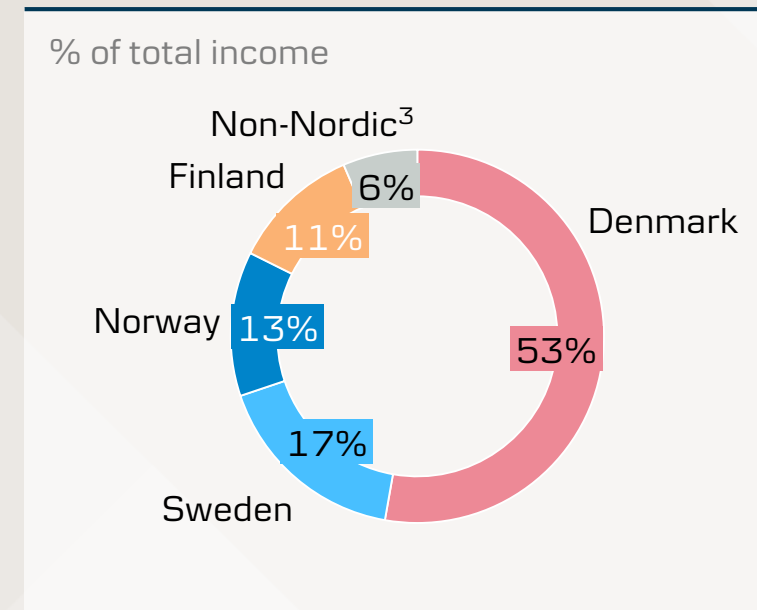
## Diverse income mix



## Diverse segment mix



## Diverse country mix



## Strong financial profile (Q1 2023)

**18%**  
CET1 ratio

**126%**  
Net stable funding ratio

**169%**  
Liquidity coverage ratio

**3 bps**  
Loan loss ratio

1. Includes Net trading income, Net income from insurance business, Other ordinary income; 2. Includes Danica Pension, Northern Ireland and Group non-core; 3. Includes International units in LC&I and Northern Ireland (non-continued areas excluded)  
Note: Figures in charts are 2018-22 averages

Our recent journey

# We have made fundamental changes to become a stronger more resilient bank

## Strengthened control environment

- ✓ Resolution of Estonia matter with US and Danish authorities
- ✓ Solution for debt collection case in progress
- ✓ On track to finalise financial crime plan by end of 2023
- ✓ Robust control environment at all levels of the bank, including non-financial and cyber risk

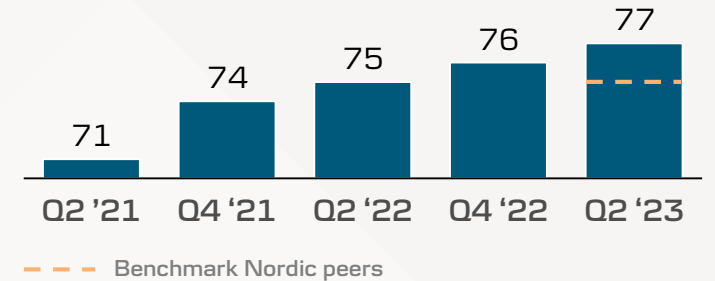
## Business de-risked & re-focused

- ✓ Exit of high-risk countries and non-core businesses
- ✓ Credit portfolio de-risked
- ✓ Focused market operations and reinforced risk management
- ✓ Re-focused business units through improved segmentation

## Strengthened organisation

- ✓ More customer-focused business unit structure implemented
- ✓ Renewed leadership and cultural commitments

Employee Motivation and Satisfaction score<sup>1</sup>



# A stronger more resilient bank

1. Semi-annual Ennova employee engagement survey (out of 100)

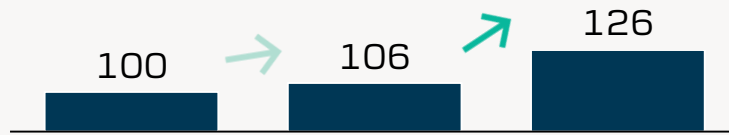


Our recent journey

# Accelerated commercial momentum over the past 18-24 months

## Large Corporates & Institutions

Nordic large corporate lending (index: 2020 = 100)



### Strengthening leading position

- Steady long-term growth in lending, capturing market share
- Relative capital consumption decreased
- Leader in sustainable finance

## Business Customers

Net fee income (index: 2020 = 100)

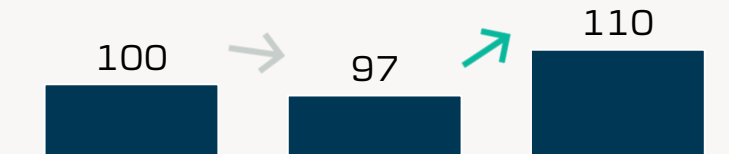


### Increasing product penetration

- Significant growth in capital-light ancillary income
- Scaled our leading daily banking platform from DK to Nordics
- Strong income growth from mid corporates

## Personal Customers

Bank lending PC Denmark<sup>1</sup> (index: 2020 = 100)



### Steady commercial progress and digitalisation

- DK bank lending volumes up Y/Y, driven by Danske Bolig Fri
- Stabilisation of customer flows in Denmark
- Normalising interest rate conditions favouring DK and FI

2020      2021      2022

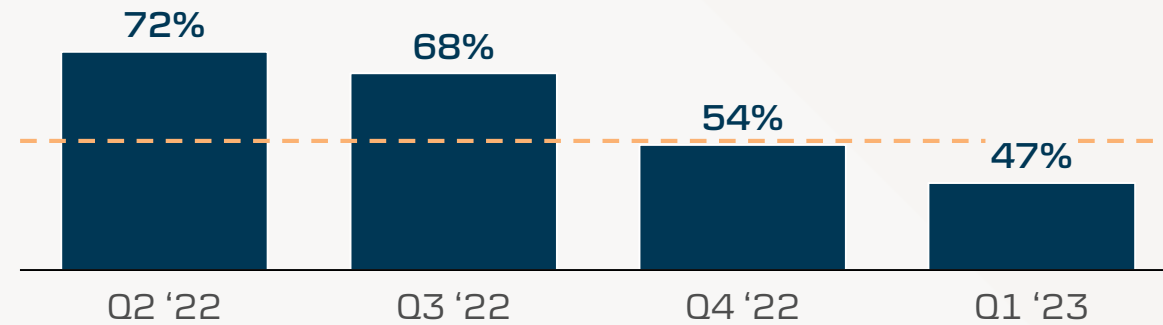
1. Including Private Banking customers

Our recent journey

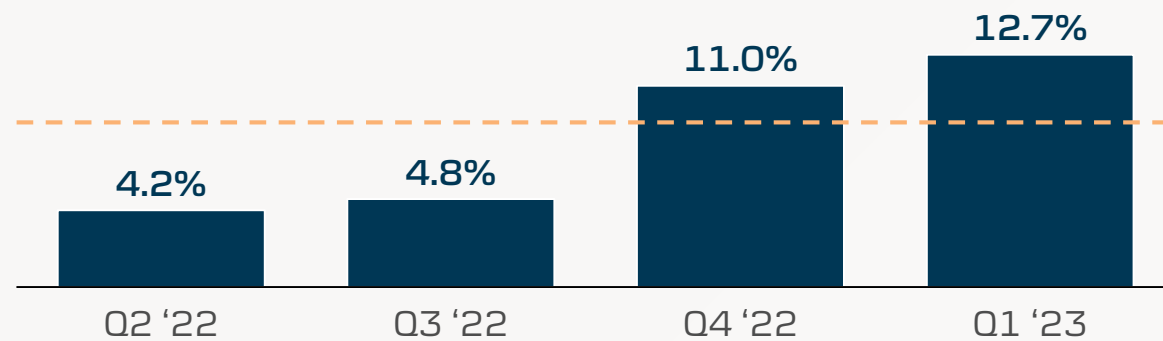
# We are significantly exceeding our original targets for 2023

- Fundamental changes to become a stronger more resilient bank
- Accelerated underlying commercial momentum over the past 18-24 months
- Favourable macro conditions, notably in Denmark and Finland

## Cost to Income<sup>1</sup>



## Return on Equity<sup>1</sup>



--- 2023 targets from previous strategy

**Guidance for 2023**  
 DKK 16.5-18.5 bn  
 Net profit  
 Implying 10-11% RoE

1. Excluding the provision for the Estonia matter and goodwill impairment charges



# Strategic priorities

Our plan towards 2026

Danske Bank



# Business plan for growth and profitability

## Growth in focus segments

- Leading wholesale and business bank in the Nordics
- Leading retail bank in Denmark and Finland
- Grow share of wallet and market share with most attractive segments

## Disciplined capital return & cost

- Capital allocation towards most profitable areas that meet our hurdle rates
- Drive productivity and cost takeouts
- Normalise FCRP and remediation cost

## Strong capital generation & low risk

- Strong capital generation with ability to distribute consistently over time
- Maintain low and stable risk levels through the cycle

Our targets for 2026

**13%**

**Return on Equity**

**>16% CET1**

**~45% Cost to Income**

## Capital distribution

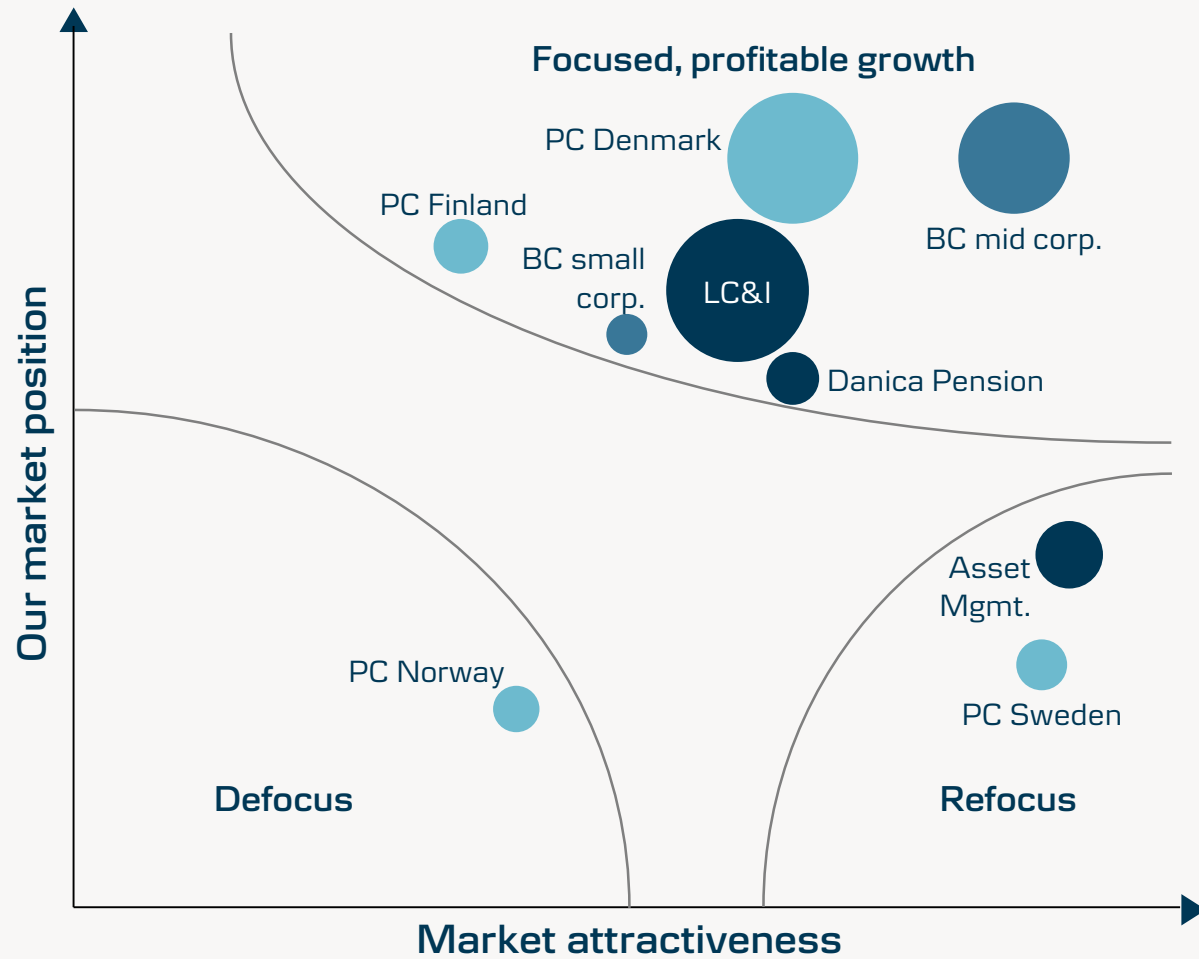
Dividend potential from 2023-26 of above DKK 50 bn

Accelerated dividend by H1 result targeting the higher end of the 40-60% policy range<sup>1</sup>

Ambition for further distribution – subject to capital position and market conditions

1. Subject to BoD decision

# Portfolio optimisation and capital allocation to support most profitable opportunities



● Personal Customers ● Business Customers ● Large Corporates & Institutions

Note: Bubble size is 2018-22 average income. Chart does not include CRE, Nordania and Northern Ireland

## Clear strategic focus in each business area

Strategic Focus	Business Area	Strategic Action
Focused, profitable growth	LC&I	Fortify leading position in Nordics
	BC mid corp.	Grow in target segments and in customers with international needs
	BC small corp.	Grow in target segments and in customers with international needs
	PC Denmark	Re-affirm leadership, focus growth on customers with advanced needs
	PC Finland	Continue organic growth trajectory
	Danica Pension	Utilise the channel strength of the bank
De- or refocus	Asset Mgmt.	Refocus & strengthen channel utilisation
	PC Sweden	Refocus on advanced needs and PvB
	PC Norway	Cease our Retail & Private Bank business



**Advisory**

**Simple,  
Efficient,  
Secure**



**Digital**



**Sustainability**

## *Investing in 4 strategic focus areas*

### *1. Advisory*

Further reinforce our advisory and proactive engagement with differentiated expertise for our customers

### *2. Digital*

Continue to strengthen our digital platforms, self-service, customer journeys and 3<sup>rd</sup> party integrations

### *3. Sustainability*

Reinforce our customer value proposition through strong ESG advisory and solutions

### *4. Simple, Efficient, Secure*

Further simplify the bank and how we work, optimise operational efficiency and risk management



Strategic priorities

# 1. Advisory

## Our starting point

- Unique breadth and depth of local expertise across all customer segments

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- Leading Capital Markets advisory with top league table placements

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- Best-in-class satisfaction in customer meetings



## What we will do

- **Improve service model for each segment**
  - New segmentation model in each business unit
  - 360-degree view of customers

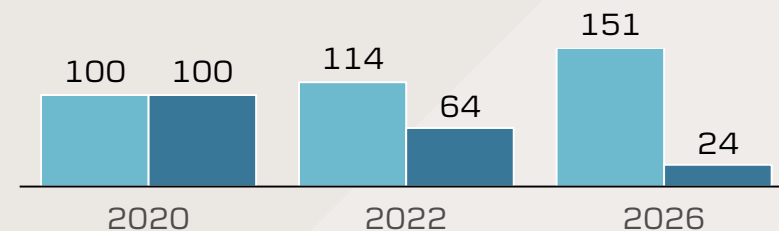
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- **Become even more proactive in our engagement**
  - Support our customers through all major life events
  - Automated and proactive recommendations

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## ➤ Strengthen advisory productivity across units

Example: PC Denmark (index: 2020 = 100)



Meetings per advisor    Share of meetings for less complex needs

- Adjusted advisory model to fit customer needs
- Increase time with customers when it matters
- Efficient meetings through better tooling and investments in people

Strategic priorities

## 2. Digital

### Our starting point

- Award-winning customer channels – #1 Mobile Bank in Denmark and District platform

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- Broad digital product offering supported by our subsidiaries and partnerships

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- High share of digital self-service products – >50% of accounts in PC opened digitally



### What we will do

- **Further strengthen customer experiences and digital setup**
  - Continue to reinforce user experience across our digital platforms
  - Invest significantly in our data capabilities

### ➤ **Improve partner integrations**

- Strengthen integration capabilities through APIs
- Increase usage of partners across segments

### ➤ **Ensure end-to-end fulfilment of digital products**

Example: Automated credit decisions in BC



- Reduce work for front line by increasing automation
- Grow usage of chat and IVR for customer support

Strategic priorities

## 3. Sustainability

### Our starting point

- Industry leading Climate Action Plan with biodiversity as next priority theme

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- ESG integrated in key processes – portfolio and capital steering, lending processes, Asset Mgmt.

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- Strong ESG customer advisory and #1 Nordic Arranger of Green Bonds



### What we will do

#### Large Corporates & Institutions

- Advisory, transition finance and project finance

#### Personal Customers

- Housing, investments, pensions, mobility and daily banking

#### Business Customers

- Advisory, transition finance and partnerships

#### Asset Mgmt. & Danica Pension

- Alternative products, Danica Responsible Choice

### Reinforce stronghold in sustainable finance and advisory

Sustainable finance<sup>1</sup>

#1

ESG advisory<sup>2</sup>

#3

Sustainable investing<sup>3</sup>

#3

2022

2026

A leader in supporting our customers' green transition

1. Ranking among Nordic banks in the Bloomberg Global Green Bonds (Corporate & Government League Table)

2. Ranking for the Nordics in Sustainability Advisor survey from Prospera (Corporate & institutional clients)

3. Prospera Nordic External Asset Management question: "Has high competence within sustainable investments?"



Strategic priorities

## 4. Simple, Efficient, Secure

### Our starting point

- Our 'One IT' platform gives us a strong starting point – highly available, secure and scalable

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- Significant tech investments supporting compliance, financial crime plan and remediation

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- Our business is de-risked and re-focused, mindful of the uncertain and changing macro environment



### What we will do

- **Increase yearly digital and tech investments by DKK 1 bn**
  - Further strengthen focus on customer experiences, data and AI
  - Simplify our engagement and service model

- **Increase our operational efficiency**

**DKK ~1 bn**  
 Cost efficiencies<sup>1</sup> 2023-26

- Improve developer productivity
- AI based automated processes
- Leverage shoring and sourcing setup

- **Remain a secure bank for customers and society**
  - Continue to reinforce resilience of the bank
  - Continued commitment to FCRP and Compliance

1. Gross benefits, excluding FCRP & Remediation

# A focused Nordic leader with strong profitability

## Growth in focus segments

- Leading wholesale and business bank in the Nordics
- Leading retail bank in Denmark and Finland
- Grow share of wallet and market share with most attractive segments

## Disciplined capital return & cost

- Capital allocation towards most profitable areas that meet our hurdle rates
- Drive productivity and cost takeouts
- Normalise FCRP and remediation cost

## Strong capital generation & low risk

- Strong capital generation with ability to distribute consistently over time
- Maintain low and stable risk levels through the cycle

Our targets for 2026

**13%**

**Return on Equity**

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## Capital distribution

Dividend potential from 2023-26 of above DKK 50 bn

Accelerated dividend by H1 result targeting the higher end of the 40-60% policy range<sup>1</sup>

Ambition for further distribution – subject to capital position and market conditions

1. Subject to BoD decision

# Financial performance



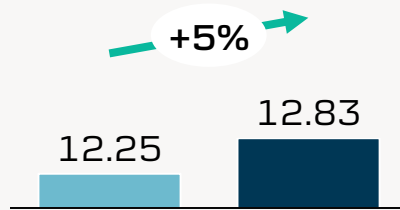
Stephan Engels, Chief Financial Officer

**Danske** Bank

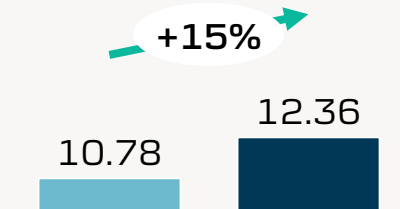
# Proven ability to grow with commercial momentum picking up

## Grown income across segments

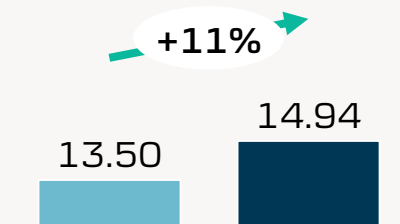
Large Corporates & Institutions



Business Customers



Personal Customers



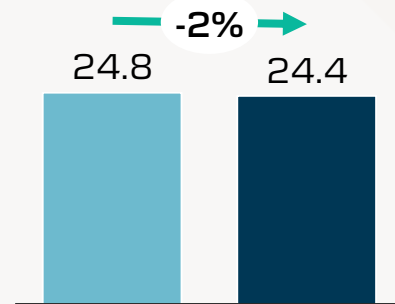
(DKK bn)

2019

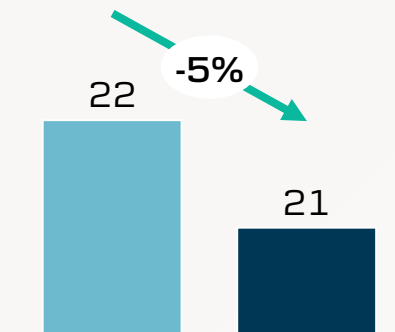
2022

## Stabilised cost

Core OPEX<sup>1</sup>  
(DKK bn)



FTEs ('000)

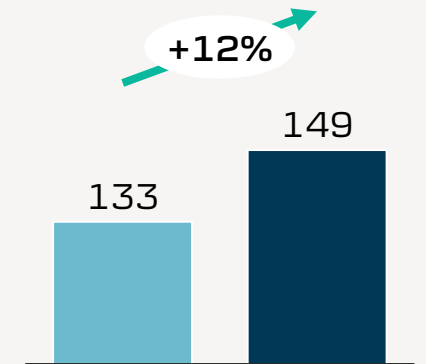


2019

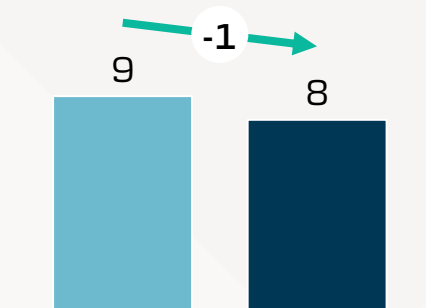
2022

## Strong capital and low loan losses

Common Equity Tier 1  
(DKK bn)



Loan loss ratio (bps)



2019

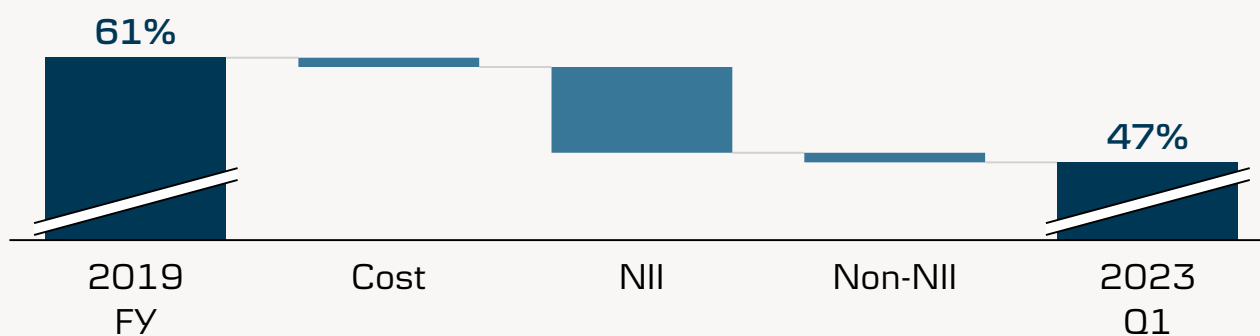
2022

1. Operating Expenses excluding remediation costs related to the Estonia matter, the debt collection case (including 2022 customer compensation) and the Flexinvest Fri case

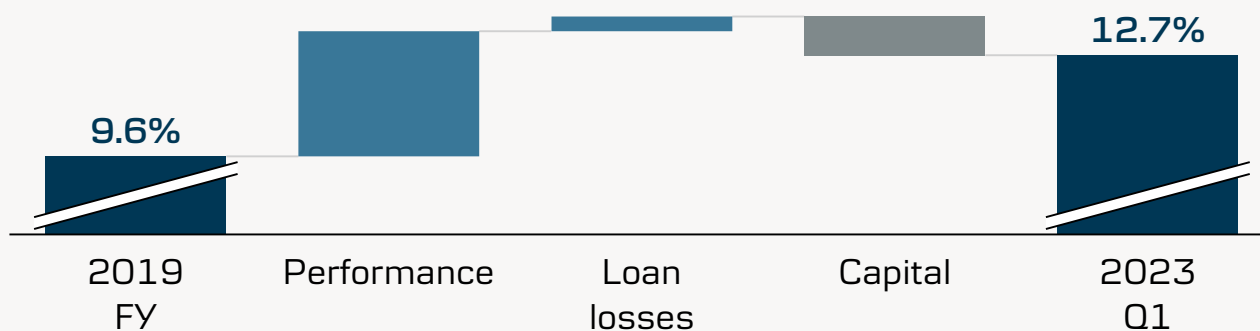


# Significantly ahead of our targets for 2023

## Cost to income<sup>1</sup>



## Return on Equity<sup>1</sup>



- Surpassing our original targets for 2023 of 8.5-9% RoE and C/I of mid-50s
- Normalisation of interest rates, with more favourable exposure in Denmark and Finland
- Streamlined the bank and simplified our organisation
- De-risked businesses and strengthened FCRP and Compliance function
- Strong credit quality and prudent guidance

1. Excluding the provision for the Estonia matter and goodwill impairment charges

## *Accelerating our commercial momentum and profitability*

### Focused ambitious growth

- **Increase returns** by targeting the most attractive segments
- **Continue momentum of streamlining the bank**, pushing down our cost to serve
- **Focus on deepening customer relationships** and product penetration

### Disciplined capital return and cost

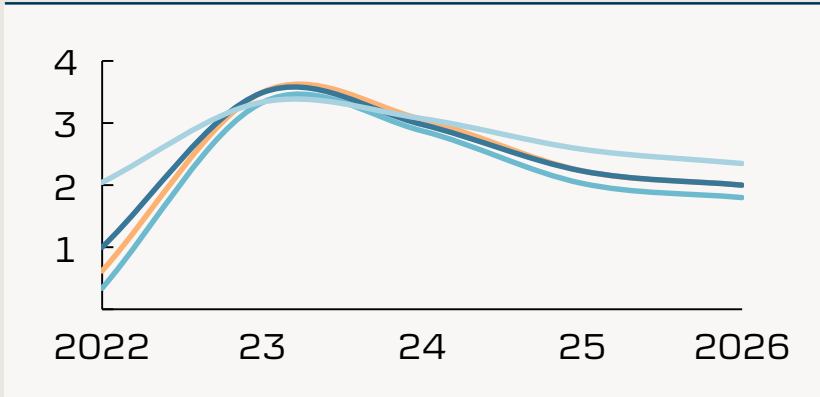
- **Capital allocation towards most profitable areas** that meet our hurdle rates
- **Selectively invest in market growth** where we see best opportunities
- **Normalisation of FCRP and Compliance** function

### Capital distribution and low risk

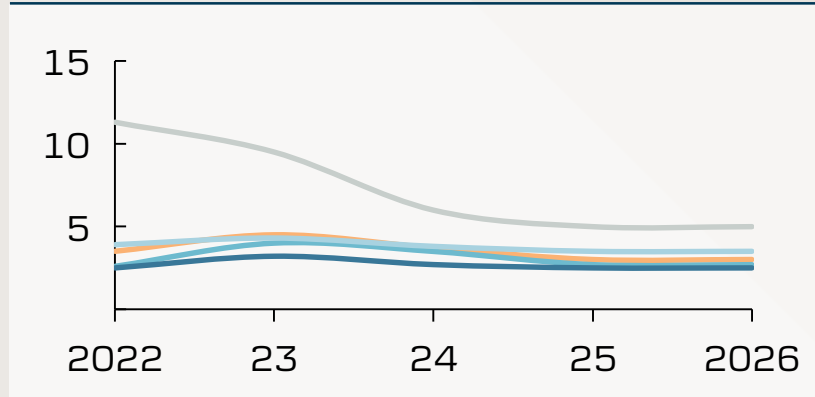
- **Dividend policy of 40-60% of net profit**, with an accelerated pay-out of H1 net profit by Q2
- **Dividend potential >DKK 50bn**, with an ambition for additional capital distribution
- **Maintained low and stable risk levels**

# Main assumptions behind our 2026 plans

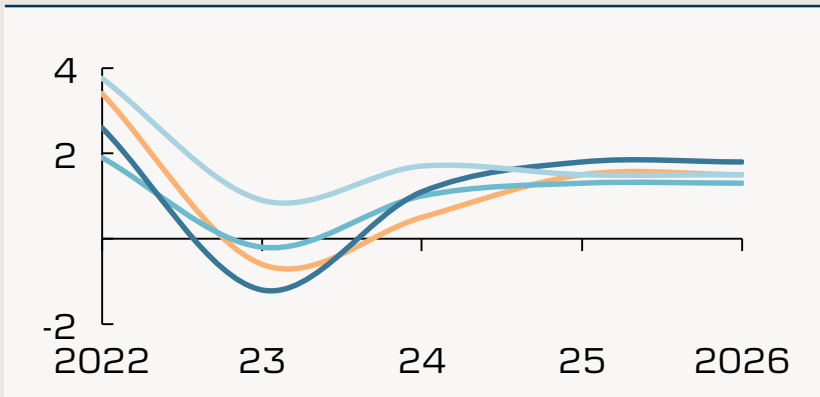
Interest rates, 3 month [%]



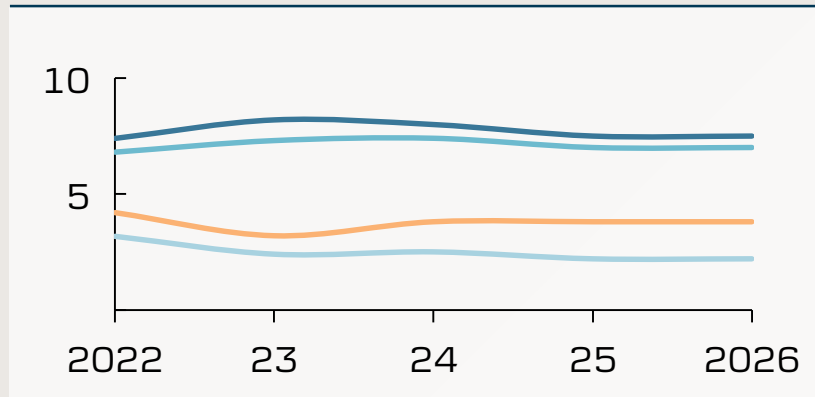
Wage inflation [%]



Real GDP growth [%]



Unemployment [%]



Denmark Finland Sweden Norway Lithuania

Note: Yearly averages. Based on estimates done January 2023

~3%  
Lending growth p.a.

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<1%  
Deposit growth p.a.

Our 2026  
financial targets

**13%**

Return on Equity

**~45%**

Cost to income

**>16%**

CET1

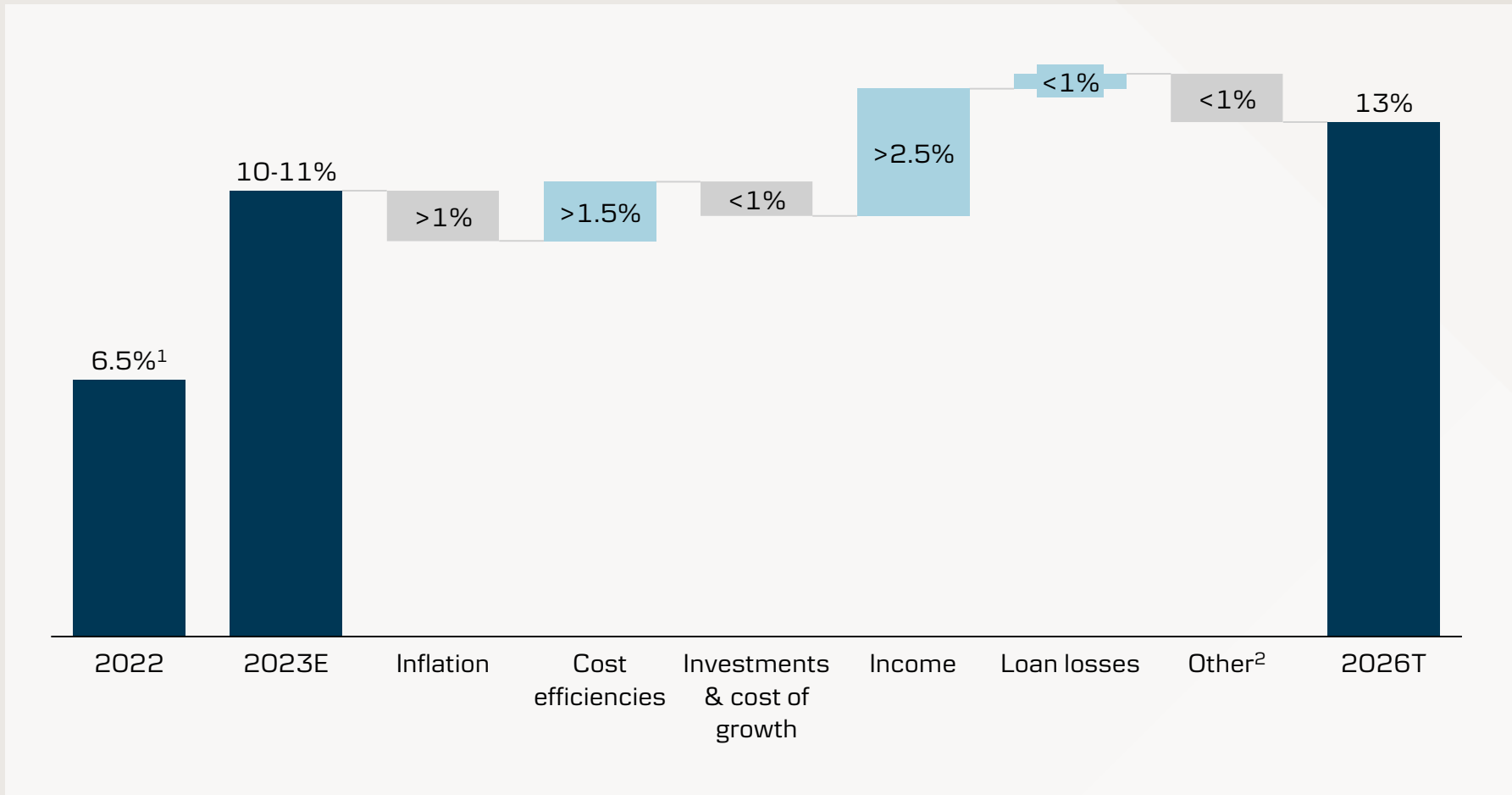
## Capital distribution

- Dividend potential from 2023 to 2026 of above DKK 50 bn (~40% of current market cap)
- Accelerated dividend by H1 result targeting the higher end of the 40-60% policy range<sup>1</sup>
- Ambition for further distribution – subject to capital position and market conditions



# Cost discipline enables increased investments and drive profit

## Return on Equity, 2022-2026



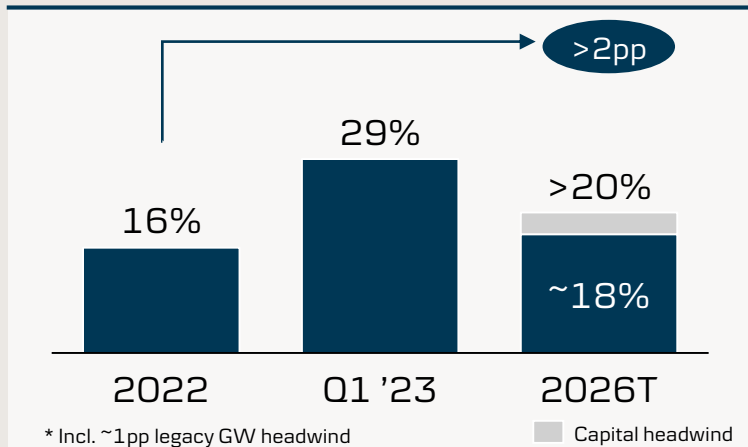
- Normalisation of FCRP and Compliance cost
- Increased digital and non-digital investments to drive productivity
- Income to increase from both NII and non-NII offsetting falling rates
- ~8bps loan loss ratio through the cycle

1. Adjusted figures, excluding provision for Estonia matter and goodwill impairment charges; 2. Other includes tax and capital effects

# Improving profitability across all segments

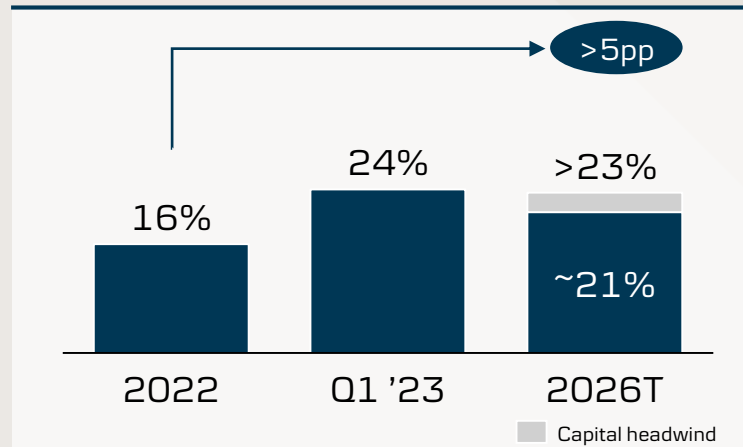
Return on Allocated Capital, 2022-2026

## Large Corporates & Institutions\*



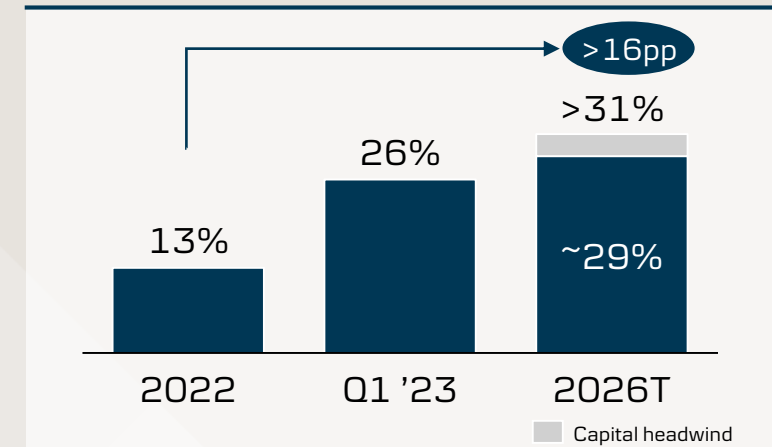
- Continue Corporate growth journey outside Denmark
- Strengthen and leverage One Corporate Bank platform
- Deepen relationships with Nordic Institutions

## Business Customers



- Win prioritized segments and scale digital engagement model
- Strengthen and leverage One Corporate Bank platform
- Differentiate through leading advisory & ESG capabilities

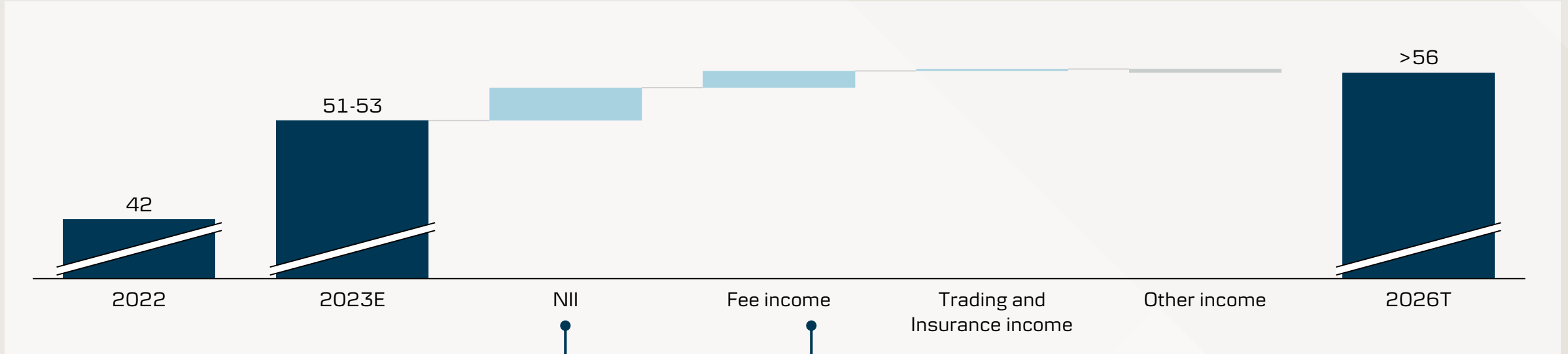
## Personal Customers



- Make relationships more efficient through digital-first engagements
- Broaden existing relationships through increased share of primary customers
- Develop new relationships through a value proposition targeting life events

# All segments contribute to income growth

Income development, 2022-2026 (DKK bn)



**Share of 2026 contribution**

- PC - Growing in segments with Advanced needs and Private Banking
- BC - Capturing market share with mid corporates
- LC&I - Net new customers, notably in Sweden
- Contribution from balance sheet effects

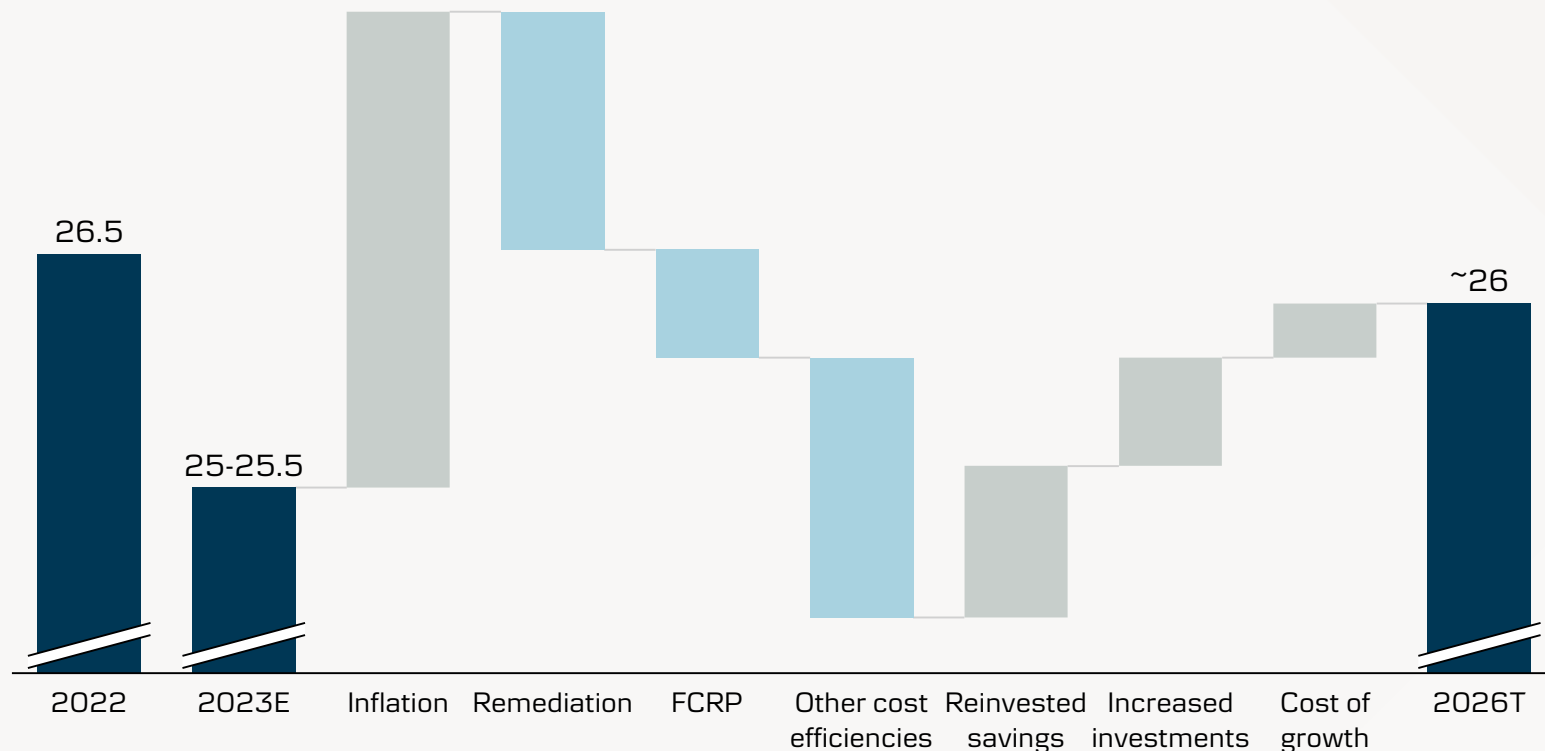
**Share of 2026 contribution**

- PC - Increasing share of wallet, notably with existing customers in Denmark
- BC - Capturing ancillary income with existing (mid) corporates
- LC&I - Deepening relationships with institutionals

Note: "Other" predominantly include Northern Ireland.

# Cost discipline allows further targeted investment levels

Cost development, 2022-2026 (DKK bn)

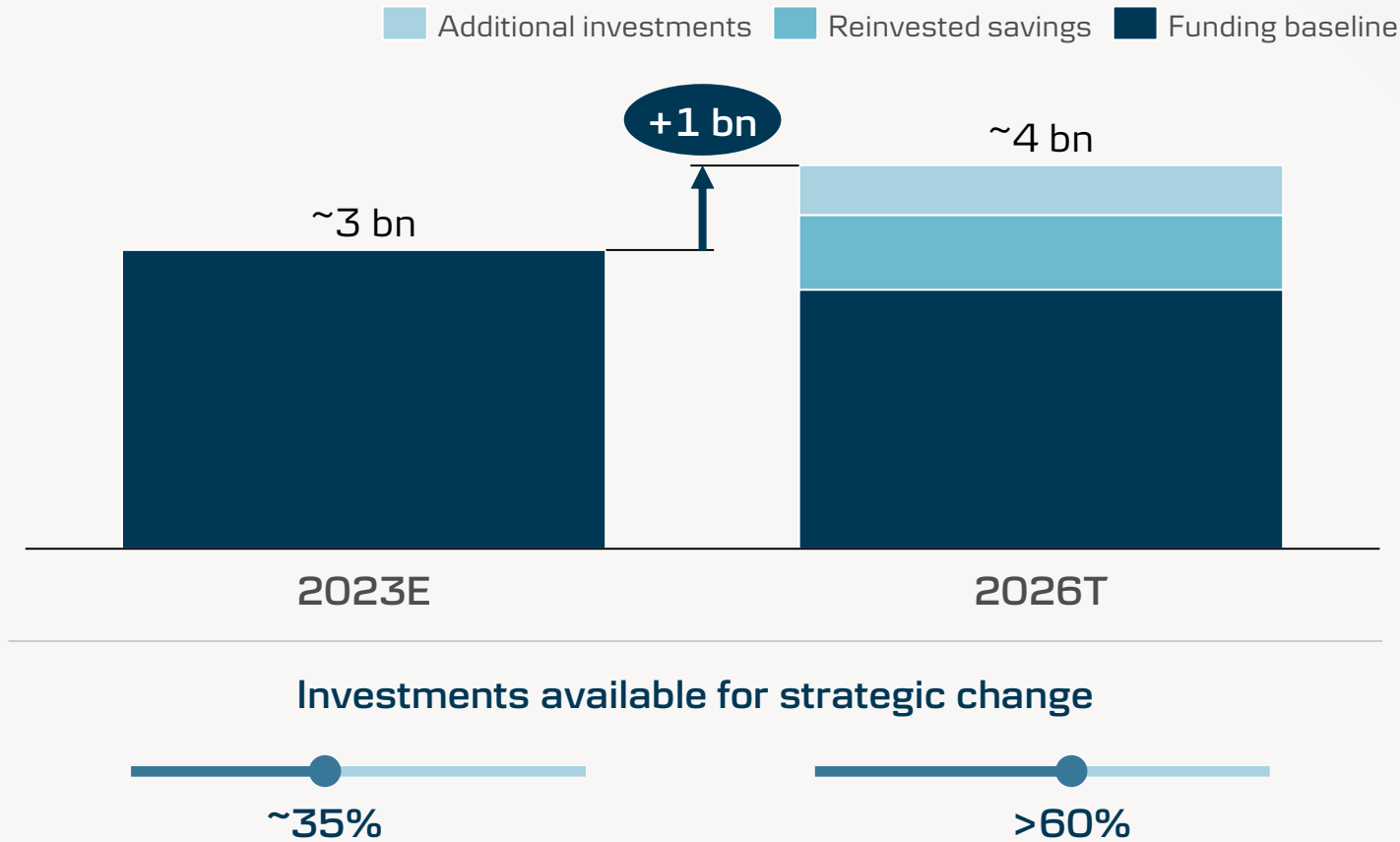


- Stabilising FCRP and Compliance cost following completion of remediation programmes
- Continuing simplification and digitalisation on back of cost reductions over past 18-24 months
- Wage inflation around 3% in Nordic area but higher for workforce located in Eastern Europe and India
- Increased investments levels vs past by DKK 1 bn p.a.



# Increased level of digital and tech investments towards 2026 by DKK 1 bn p.a.

Investments per year, 2023 and 2026 [DKK]

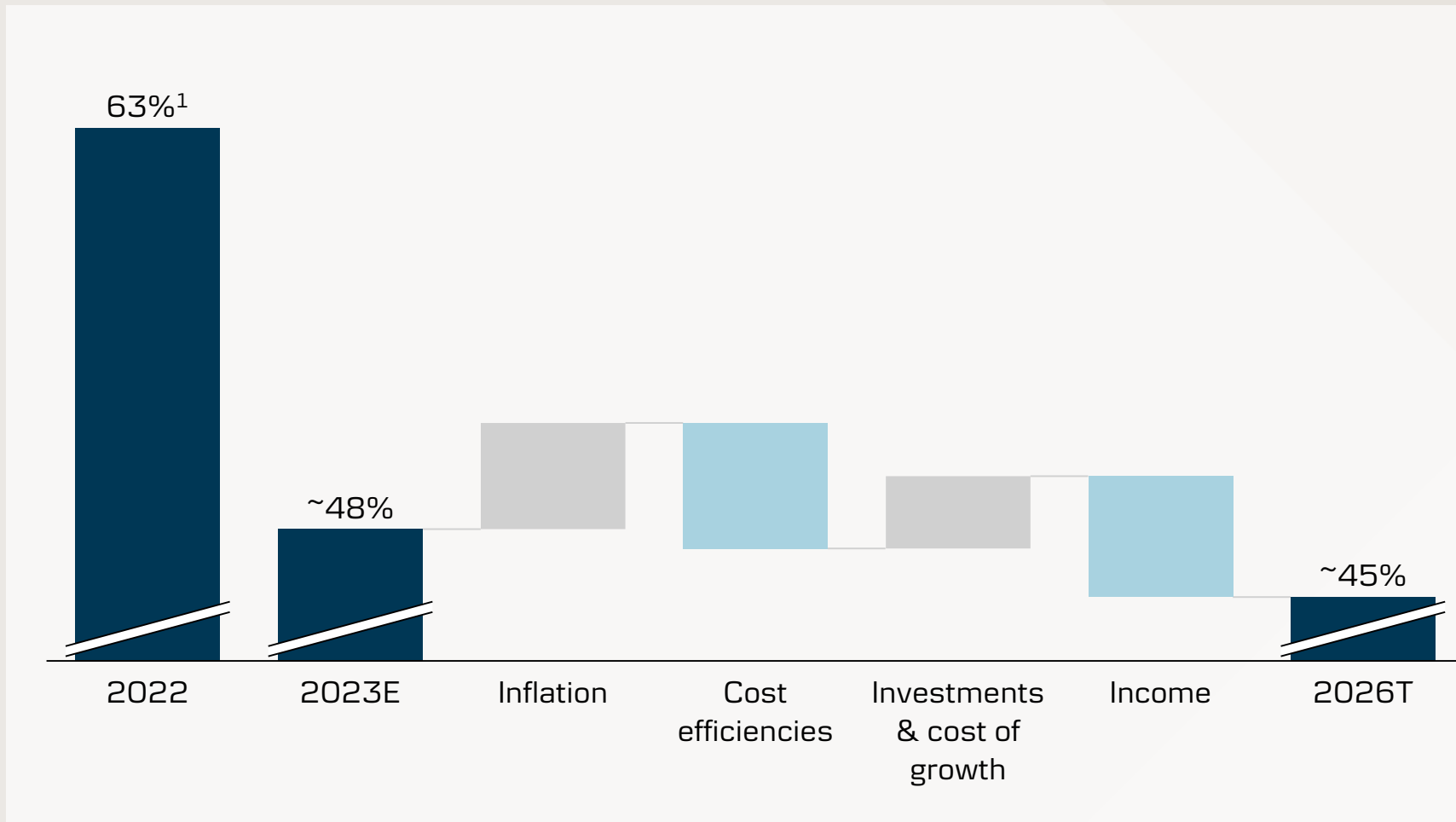


- Increased funding envelope for digital and tech investments next years by DKK 1 bn p.a.
- Free-up of current change capacity will be redeployed to support new strategic initiatives and cost saving benefits
- Further investments are made available to enable full potential of our strategic plan

Financial performance

# Cost Income ratio improving to ~45%

Cost to Income development, 2022-2026

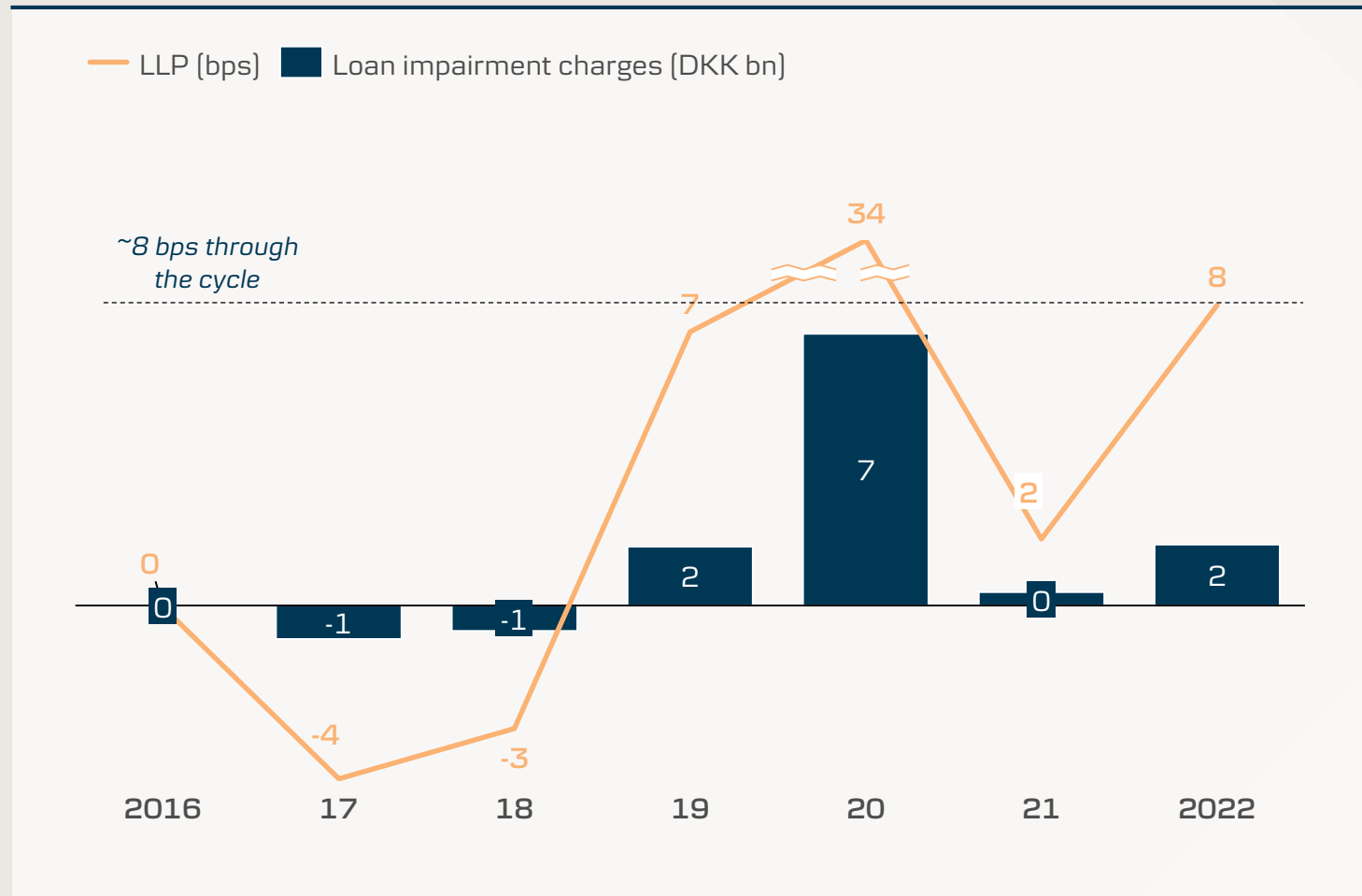


- Cost efficiencies offsetting inflation and cost of growth
- Income improvements from both NII and non-NII offsetting headwind from falling rates
- Targeted investments will underpin commercial momentum in the most attractive segments

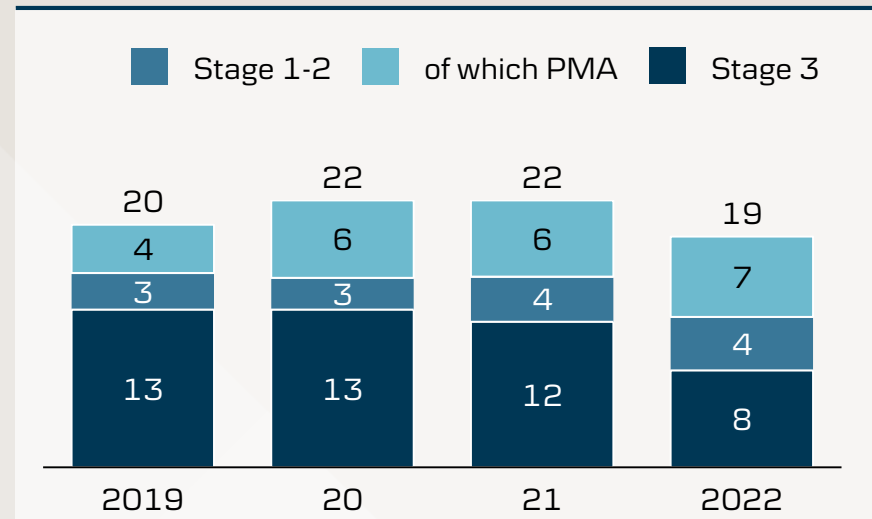
1. Adjusted figures, excluding provision for Estonia matter and goodwill impairment charges

# Expected impairment charges of ~8 bps through the cycle

### Loan impairment charges



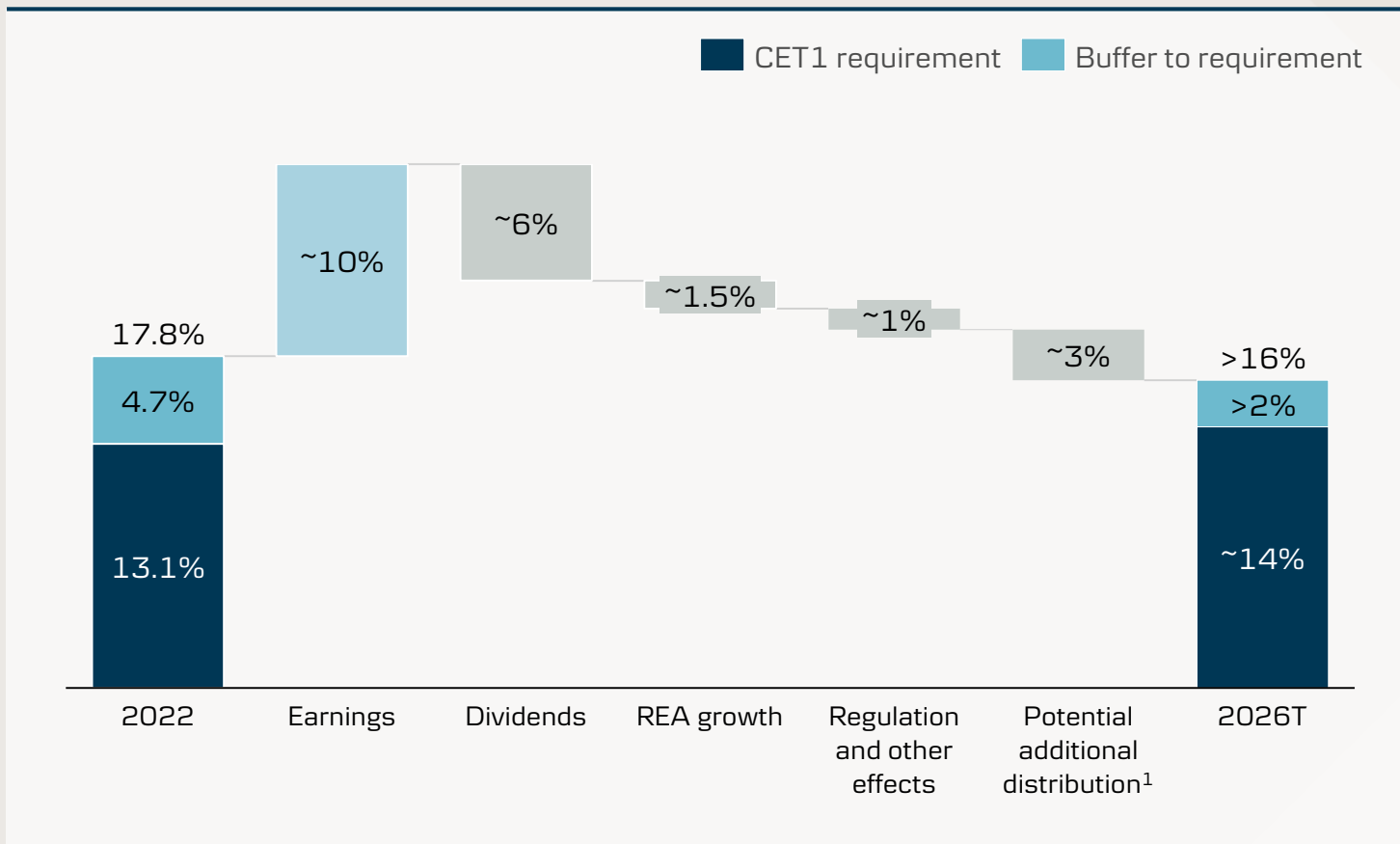
### Allowance account (DKK bn)



- Expected through the cycle risk levels in line with historical average at ~8 bps
- Ambition to further adjust exposure in high-risk sectors
- Very well provisioned with significant management buffer in place (PMAs of DKK 6.5 bn)

# Strong capital position and ability to distribute

CET1 capital generation and usage (% of Risk Exposure Amount)



- CET1 capital ratio expected to approach target through capital distribution and REA inflation from growth
- Prudent buffer to requirements including the phase-in of the CCyB and potential reciprocation of the Norwegian SRB
- Coming from a period of de-risking - exiting high-risk markets and reducing exposure in select industries
- Lending and top-line growth drive credit and operational REA inflation

1. From alternative strategic options  
 Note: Capital distributions includes expected and potential distributions related to the 2026 results



Our 2026  
financial targets

**13%**

Return on Equity

**~45%**

Cost to income

**>16%**

CET1

## Capital distribution

- Dividend potential from 2023 to 2026 of above DKK 50 bn (~40% of current market cap)
- Accelerated dividend by H1 result targeting the higher end of the 40-60% policy range<sup>1</sup>
- Ambition for further distribution – subject to capital position and market conditions

# Q&A

5 minutes break



# Large Corporates & Institutions

The leading wholesale bank in the Nordics

Berit Behring, Head of LC&I

Danske Bank

# We have a strong foundation to build upon

			From 2017		To 2022
 <p><b>Strongholds</b></p>	<b>Customer-first mindset</b>	<i>Nordic Grand Total Prospera</i>	#1	→	<b>#1</b>
	<b>Preferred daily banking offering</b>	<i>Daily banking net fee income<sup>1</sup>, DKK</i>	2.9 bn	→	<b>3.8 bn</b>
	<b>Leading Nordic Institutional franchise</b>	<i>Core relationships with Nordic Tier-1 Institutions<sup>2</sup></i>	54%	→	<b>59%</b>
 <p><b>Strategic journeys</b></p>	<b>Built Capital Markets capabilities and improved RWA efficiencies</b>	<i>Share of low-returning capital</i>	50-60%	→	<b>20-30%</b>
	<b>Improved position outside Denmark</b>	<i>Core relationships with Nordic Large Corporates outside DK<sup>3</sup></i>	34%	→	<b>40%</b>
	<b>Gained leadership in sustainable finance</b>	<i>Nordic market share in Sustainability-Linked Loans<sup>4</sup></i>	-	→	<b>13%</b>

1. From money transfers, account fees and cash management across the Group; 2. Core client share for Tier-1 institutions (Prospera Institutional Banking report - Nordics); 3. Unweighted average core client share (based on Prospera Corporate Banking reports - Finland, Norway and Sweden); 4. Bloomberg League Tables

## We will focus on three growth and profitability levers

### 1 Continue corporate growth journey outside Denmark

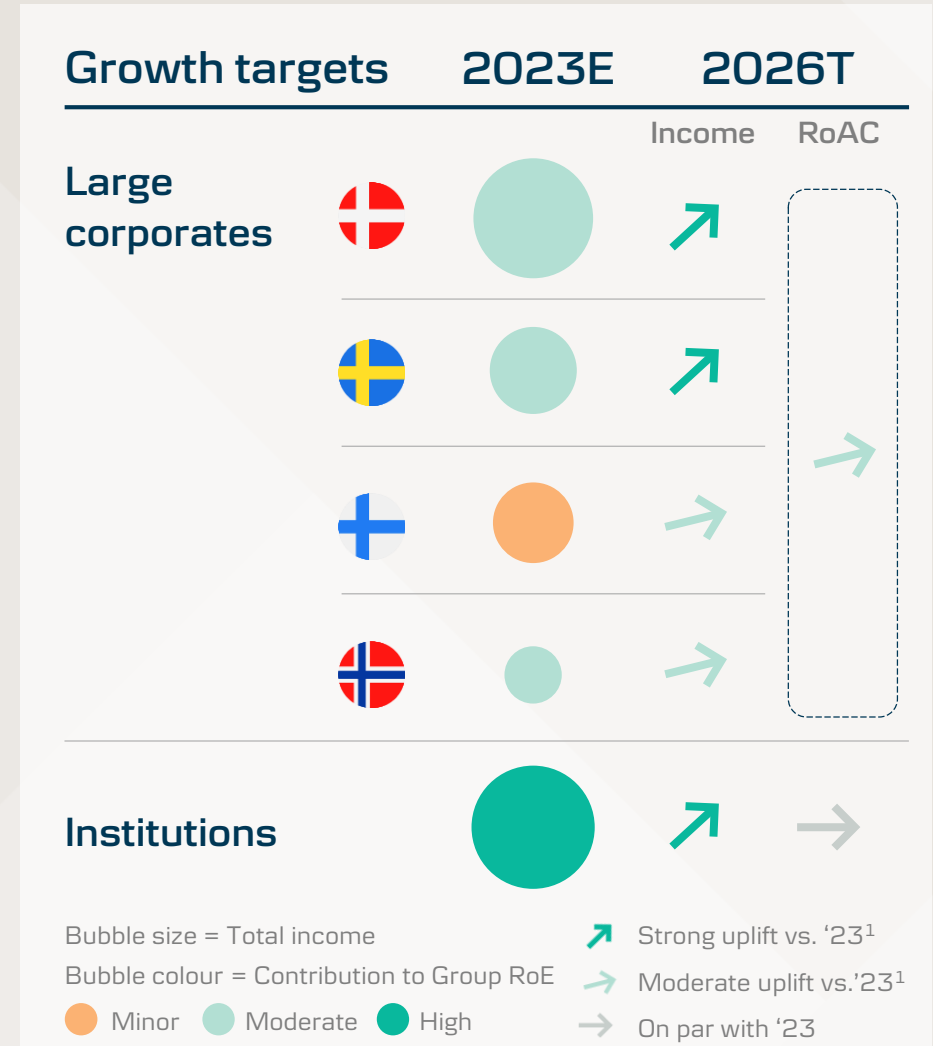
- Grow number of Large Corporate customers in line with new segmentation
- Continue to further diversify Large Corporate portfolio geographically

### 2 Strengthen and leverage One Corporate Bank platform

- Enable scalable and cost-efficient growth across corporate segments
- Drive income and enhance profitability through cross-selling and connectivity

### 3 Deepen relationships with Nordic institutions

- Build on leading Markets franchise with strong focus on capital efficiency
- Diversify income from institutions by increasing NII and fee business



1. Strong uplift vs '23: +4% p.a. income growth / +4pp RoAC improvement. Moderate uplift vs. '23: 1-4% p.a. income growth / 1-4pp RoAC improvement



# 1 Continue corporate growth journey outside Denmark

## Proven track record in Nordics

Grown Large Corporate customers with 20% in Sweden since 2021

Customer growth in Norway outside of Oil & Gas

~30% increase in capital-light fee income since 2020<sup>1</sup>



Expected net customer growth ■ Lower ■ Higher

## Platform for growth

Grow number of corporate customers, notably in Sweden

Support customers' sustainability transition and reduce financed carbon emissions<sup>2</sup>

Increase customer profitability through growth in daily banking, advisory and capital efficiency focus

## 2026 targets

# +40

New customers outside of Denmark (equivalent to +5% growth)

1. Capital light fee income across Corporate Finance (ECM and M&A) and Daily Banking products (Money transfers, account fee, cash management and other fees)

2. Intermediate 2030 target to reduce carbon emissions in our corporate lending portfolio in key sectors by 25-55% against a 2020 baseline




Note: Targets compared with 2022 figures

## 2 Strengthen and leverage One Corporate Bank platform

### One Corporate Bank today

- Only true Nordic platform - with both scale and depth across customer segments
- Winning in daily banking products - ~50% client share in Cash Management<sup>1</sup>
- Actively supporting our customers to grow with us throughout their lifecycle

### Digital focus areas

 <p><b>Improve efficiency</b></p> <ul style="list-style-type: none"> <li>Digitise and automate internal processes</li> <li>Increase adoption of self-service</li> </ul>	 <p><b>Increase integration</b></p> <ul style="list-style-type: none"> <li>Expand API and ERP integration</li> <li>Increase use of data &amp; analytics</li> <li>Expand partnerships</li> </ul>	 <p><b>Enhance cross-sell</b></p> <ul style="list-style-type: none"> <li>Drive new sales in digital channels</li> <li>Boost advisor productivity through data-driven proactivity</li> </ul>
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✓ Reduce cost to serve      ✓ Grow ancillary fee income

### 2026 targets

**+5%**  
Annual growth in daily banking fee income across BC and LC&I

1. Prospera Cash Management report - Nordics  
Note: Targets compared with 2022 figures

### 3 Deepen relationships with Nordic institutions

#### Leading Nordic institutional franchise

Core client share of Nordic Tier-1 institutions<sup>1</sup> (%)



#### High customer satisfaction across products



#### Selected growth investments

- Capture new growth opportunities from financial sponsors, asset managers and pension funds
- Support structural shift towards illiquid and green assets
- Commercialise and grow Asset Management

#### Focus on capital and cost

- Streamline Markets platform to further enhance scalability and capital efficiency
- Further strengthen originate-to-distribute capabilities

#### 2026 targets

**Top 2**  
Nordic Bank in Capital Markets advisory fees

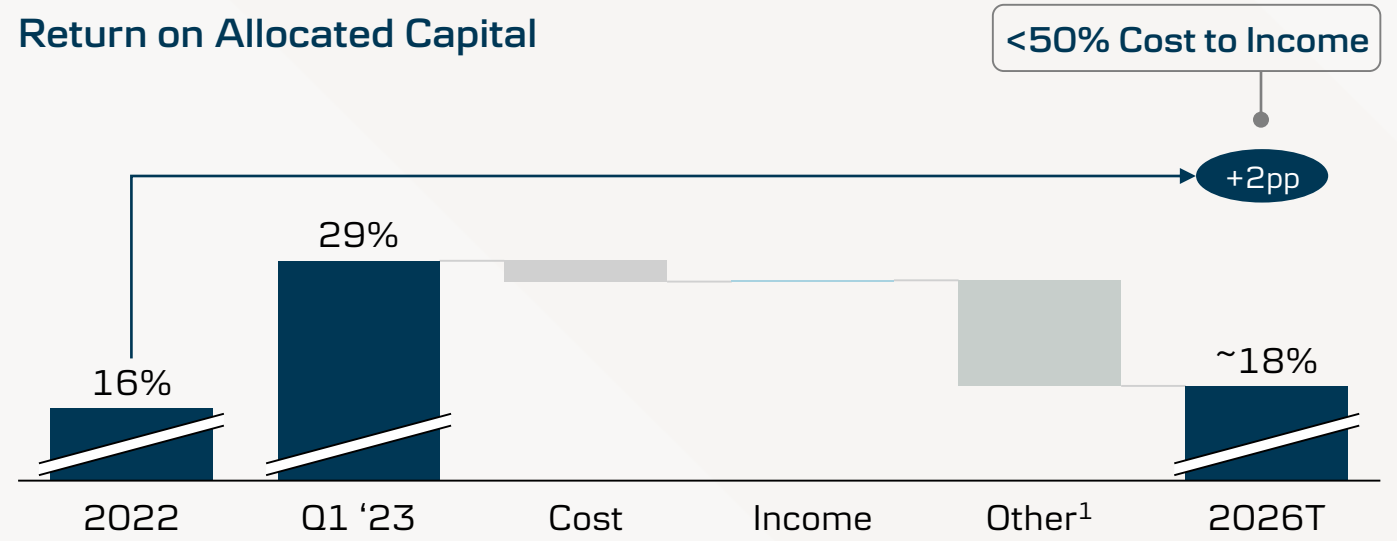
1. Prospera Institutional Banking 2022 report - Nordics; 2. Unweighted ranking based on selected Prospera Fixed Income reports, e.g., Government Securities, Credit Products (2022); 3. Prospera ranking in Foreign Exchange report - Nordics (2022); 4. Prospera ranking in Domestic Equities - Nordics (2022); 5. Prospera ranking in External Asset Management - Nordics (2022)  
Note: Targets compared with 2022 figures



# Large Corporates & Institutions

The leading wholesale bank in the Nordics

## Return on Allocated Capital



### Cost and Income

- Income growth from new customers, higher share of ancillary business and deeper relationships with Nordic institutions
- Slightly increased cost base from investments in front-line and digital capabilities, partially funded through cost savings

### Other

- Increased capital due to higher regulatory requirements and increased risk from Institutional growth initiative
- Capital increase will be partly mitigated by further strengthening originate-to-distribute capabilities

1. Other includes impairments and capital effects (reallocated already covered on Group level)



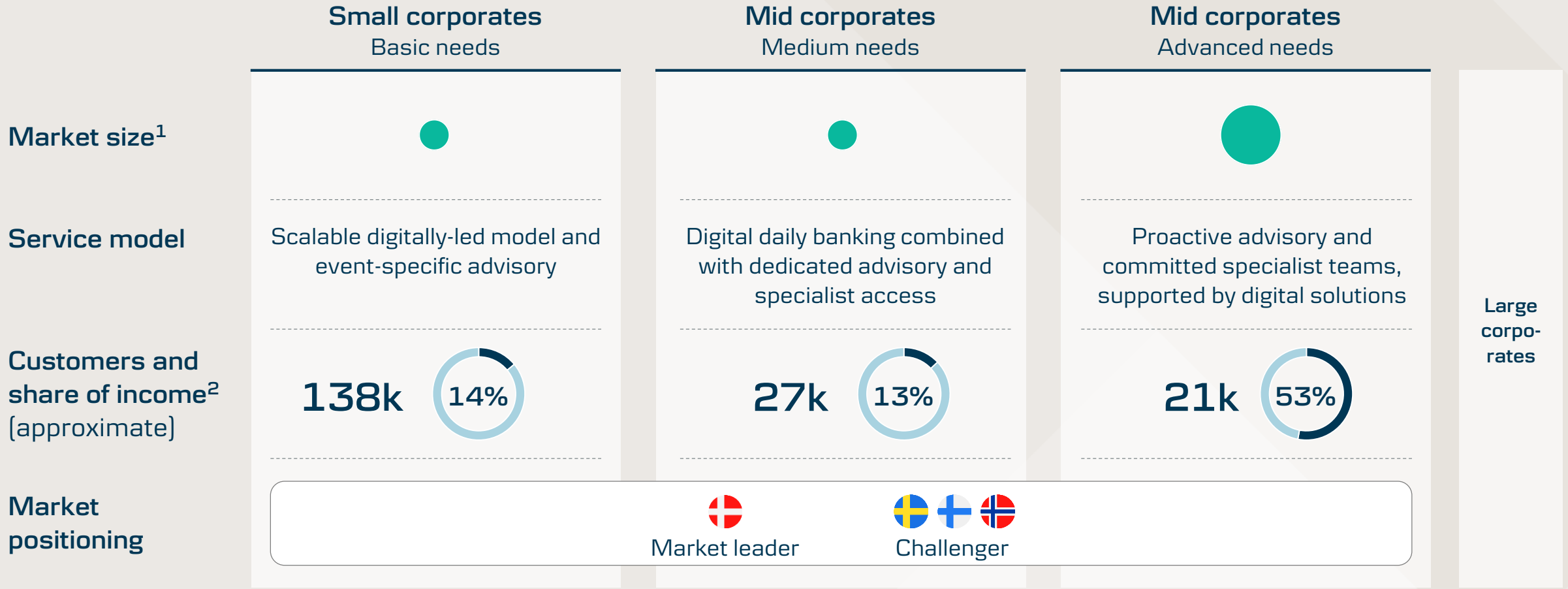
# Business Customers

The corporate banking partner for tomorrow's opportunities

Johanna Norberg, Head of Business Customers

Danske Bank

# A strong presence in the most attractive customer segments



**One digital platform and pan-Nordic footprint**

1. Size of bubble = Total income for market - indicative for Nordics; 2. CRE & Asset Finance represent delta to 100% (~30% of income)



# We have a strong foundation to build upon

			From 2020		To 2022
 <p><b>Strongholds</b></p>	<b>Leading product suite &amp; global expertise</b>	<i>Nordics FX ranking<sup>1</sup></i> <i>Nordics DCM issuer ranking<sup>1</sup></i>	#1 #3	→	<b>#1</b>
	<b>Accelerated sustainability agenda</b>	<i>Green loan volume, DKK</i>	12 bn	→	<b>36 bn</b> [+73% p.a.]
	<b>Leading advisory capabilities</b>	<i>CSAT rank for Advisory Banking<sup>2</sup></i>	2.31	→	<b>2.06</b>
 <p><b>Strategic journeys</b></p>	<b>New customer segmentation</b>	<i>Advisory Banking income</i>	6.4 bn	→	<b>7.2 bn</b> [+6% p.a.]
	<b>Improved profitability</b>	<i>Cost Income ratio</i>	52%	→	<b>43%</b>
	<b>Digital investments</b>	<i>District platform geographical scope</i>	Intro in DK (2018)	→	<b>Nordics</b>

1. Prospera FX and DCM issuers Nordics; 2. Average across market areas, external customer satisfaction survey (Aalund)

# We will focus on three main growth and profitability levers

## 1 Win prioritised segments and scale digital engagement model

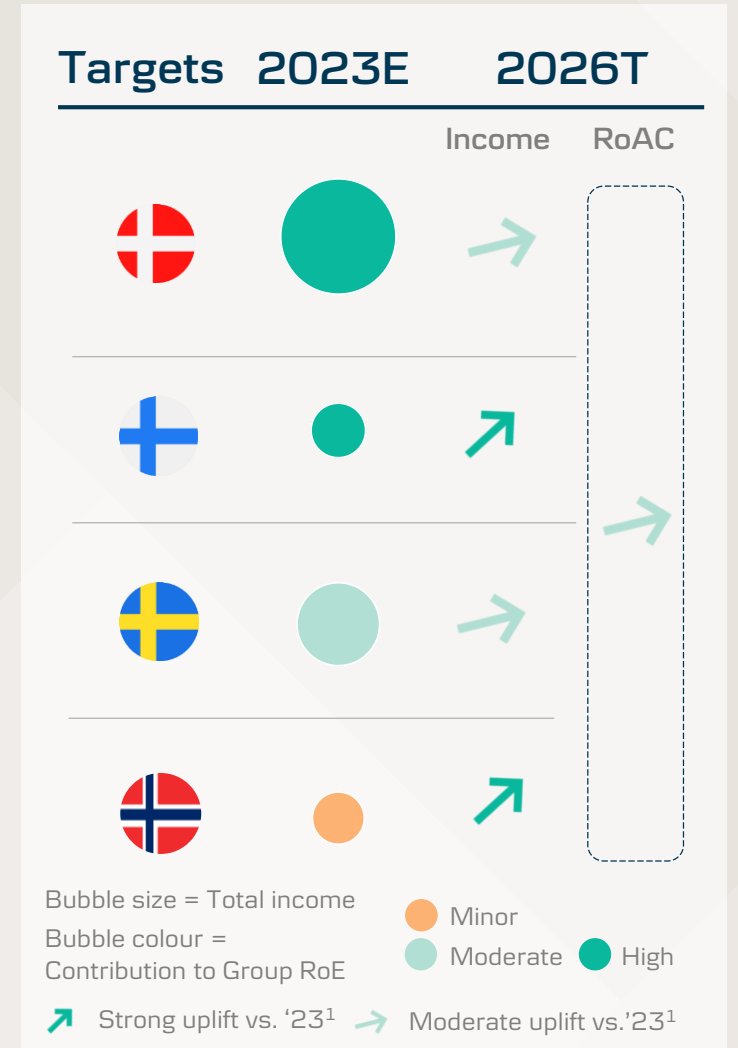
- Win new mid corporates with advanced needs and corporates with international needs
- Scale small corporates through our digital engagement model

## 2 Strengthen and leverage One Corporate Bank platform

- Enable scalable and cost-efficient growth across corporate segments
- Future-proof our digital platform to enhance customer experience and cross-sales



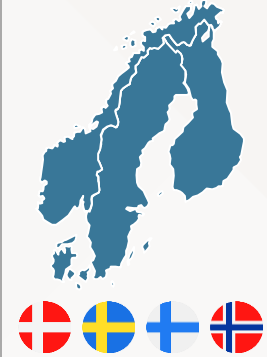




## 3 Differentiate through leading advisory & ESG capabilities



- Improve advisory model with data-driven insights to drive share of wallet
- Strengthen sustainability offering, advisory, products and partnerships



1. Strong uplift vs '23: +4% p.a. income growth / +4pp RoAC improvement. Moderate uplift vs. '23: 1-4% p.a. income growth / 1-4pp RoAC improvement

# 1 Win prioritised segments and scale digital engagement model

Segment	Ambition	Value levers	Markets
<p><b>Mid corporates with advanced needs</b></p> 	<p>Nordic market leader for customers with advanced needs and green transition ambitions</p>	<p>Relative income contribution</p> 	<p>Pan-Nordic</p> 
<p><b>Corporates with international needs</b></p> 			
<p><b>Small corporates</b></p> 	<p>Nordic bank for small corporates with growth ambitions, digital and scalable engagement model</p>		

 Share of wallet   
  Customer acquisition

## 2026 targets

Mid corporates  
**DKK +0.8 bn**  
 Income uplift  
**21%**  
 Non-NII by 2026


Small corporates  
**DKK +0.3 bn**  
 Income uplift  
**30%**  
 Non-NII by 2026

## 2 Strengthen and leverage One Corporate Bank platform


### Non-digital focus areas

- Harvest BC and LC&I synergies in product development
- Utilise LC&I experts and product specialists in advisory for Business Customers
- Grow daily banking fee income (e.g., Asset Finance, FX, Cash Mgmt.) from strengthened group-wide collaboration


### Digital focus areas

  
**Improve efficiency**

- Digitise and automate internal processes
- Increase adoption of self-service

  
**Increase integration**

- Expand API and ERP integration
- Increase use of data & analytics
- Expand partnerships

  
**Enhance cross-sell**

- Drive new sales in digital channels
- Boost advisor productivity through data-driven proactivity

✓ Reduce cost to serve      ✓ Grow ancillary fee income

### 2026 targets

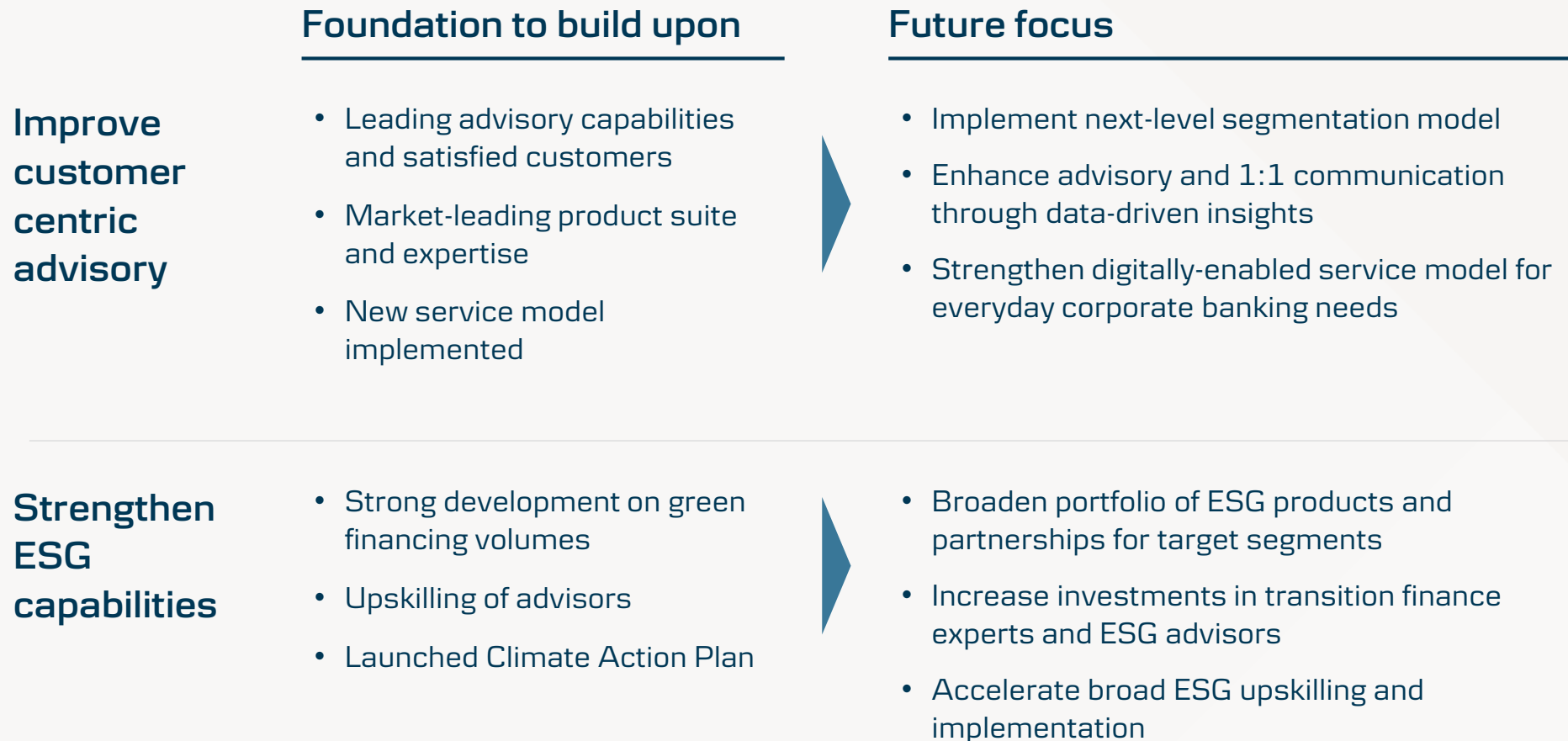
**+5%**

Annual growth in daily banking fee income across BC and LC&I

**50%**

Credit cases handled in automated credit decision solution

### 3 Differentiate through leading advisory and ESG capabilities



#### 2026 targets

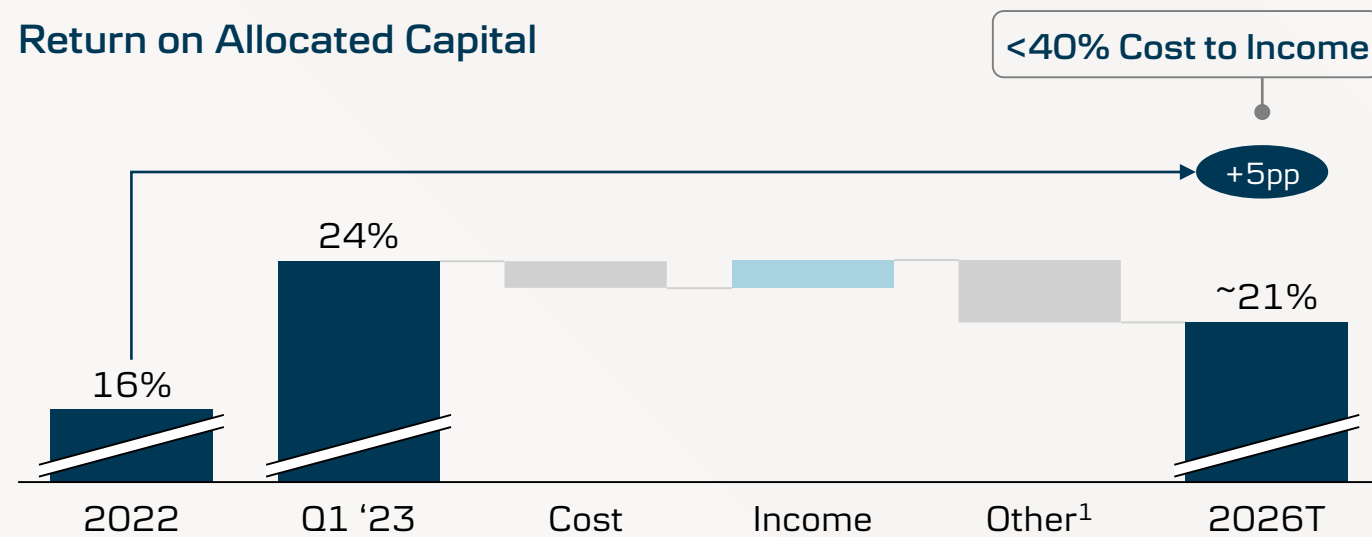
15%

Increase in customers highly satisfied with our advisory

# Business Customers

The corporate banking partner for tomorrow's opportunities

## Return on Allocated Capital



### Cost

- Optimised advisor efficiency enabled by digitalisation, re-invested to cater for above market growth
- Increased digital investments to enable daily banking convenience and data-driven advisory
- Group-wide efficiency gains (e.g., reduced financial crime costs)

### Income

- Targeted customer acquisition in most income generating segments
- Non-NII growth from increased share of wallet and One Corporate Bank
- Continued strong NII development

1. Other includes impairments and capital effects (reallocated already covered on Group level)





# Personal Customers

A focused and personalised bank built on a common platform



Christian Bornfeld, Head of Personal Customers

Danske Bank







# Pan-Nordic presence with a solid position in the most attractive segments

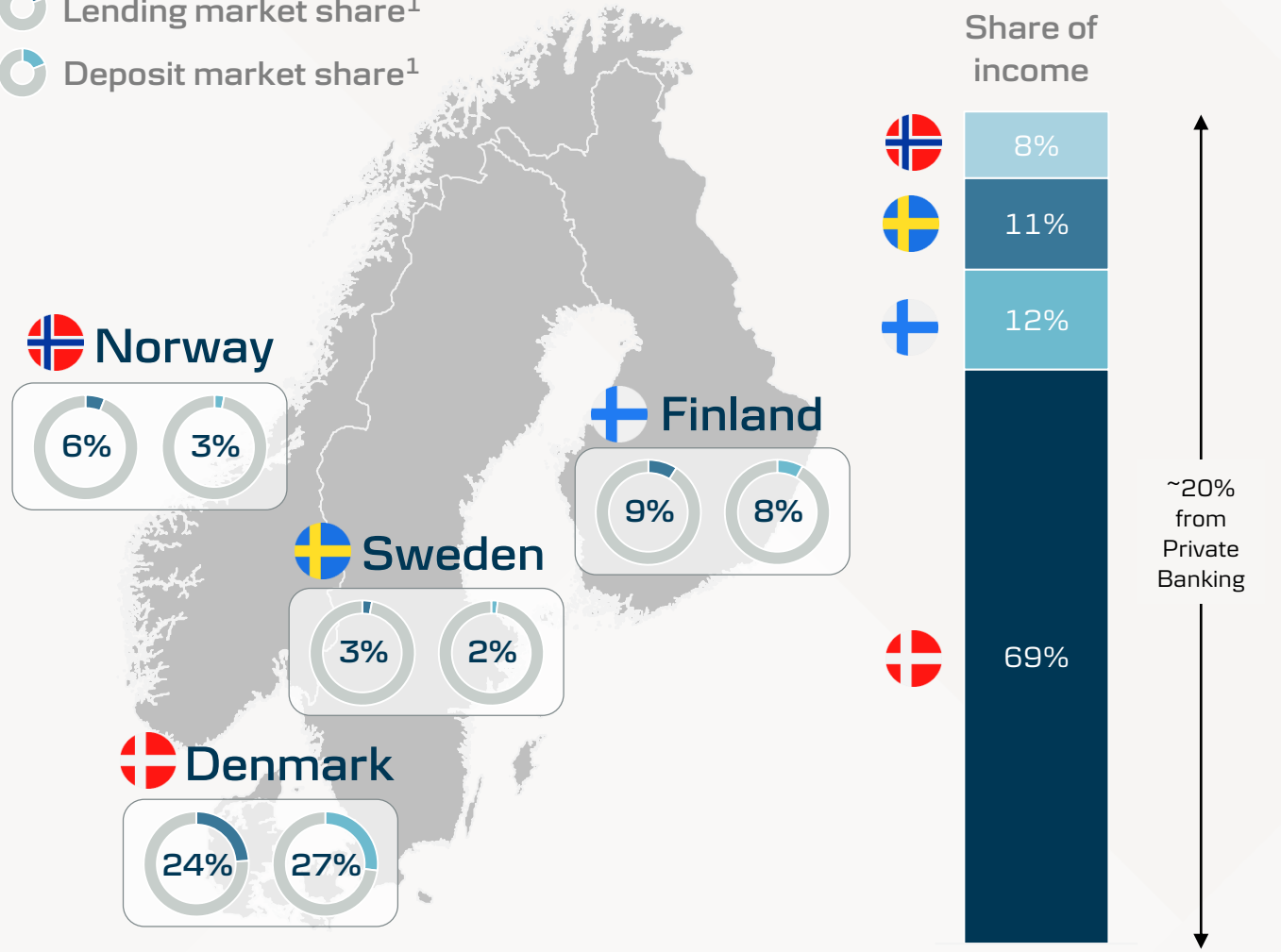
## Top 1-3 market position

-  Leading full-service Retail and Private Bank with strong subsidiaries and partners
-  Established position with broad retail segment coverage, notably in urban areas



## Top 5-6 market position

-  Challenger position in attractive market with strong partnerships and relationships to business owners
-  Challenger in market with large local competitors and different regulatory environment

 Lending market share<sup>1</sup>  
 Deposit market share<sup>1</sup>



# We have a strong foundation to build upon

			From 2019		To 2022
 <p><b>Strongholds</b></p>	Improved quality of advice	<i>Satisfaction on advisory meetings<sup>1</sup></i>	8.7	→	<b>9.1</b>
	'Digitally savvy' customer base	<i>Digital customers in Nordics</i>	~90%	→	<b>~90%</b>
	Broad offering through product units	<i>Income from subsidiaries in Denmark</i>	~50%	→	<b>~50%</b>
 <p><b>Strategic journeys</b></p>	Stabilised customer portfolio in Denmark	<i>Net customer inflow in Q4</i>	-5k	→	<b>+2k</b>
	Evolved and streamlined service model	<i># of FTEs in Personal Customers</i>	5.2k	→	<b>4.3k</b>
	Grown via partnerships outside Denmark	<i>New customers through partners</i>	23%	→	<b>52%</b>

# We are sharpening our focus across markets, building on our strengths

## Strategy



**Cement position as the bank of choice for majority** of customer segments in society

## Rationale

Broad customer base skewed towards more advanced needs and preference for holistic advice



**Maintain position serving the needs across a broad set of segments**, focusing on customers with advanced needs, primarily in urban areas

Broad customer base with untapped potential, supported by evolving needs and preferences



**Become the premium Retail and Private Bank** for business owners and customers with advanced needs based on broad relationships

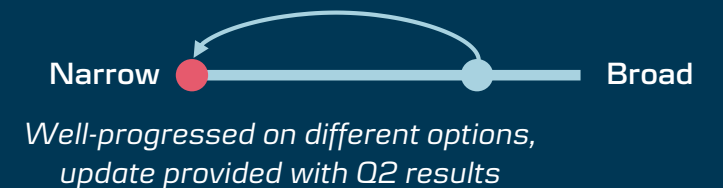
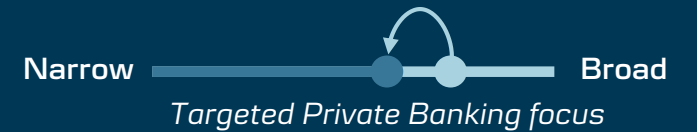
High quality customer base in large and lower concentration market, with strong corporate franchise as acquisition channel



**Strategic decision to cease our Retail and Private Bank business**, continued commitment to Business Customers and LC&I

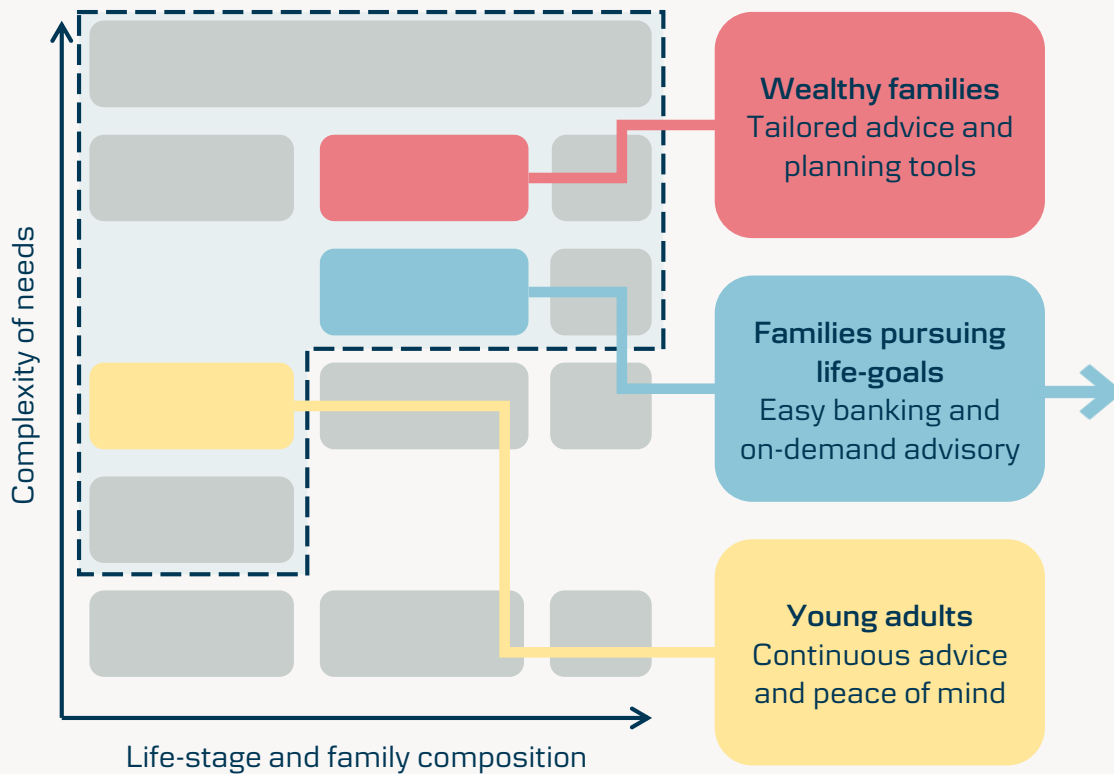
Market and position require significant investments in order to provide satisfactory returns; investment that will not be prioritized the coming years.

## Focus



# New need-based segmentation to guide customer focus and targeted value propositions

## New need-based customer segmentation



### Key life-events

- Children moving out
- Career peak
- Divorce
- Inheritance
- Become a parent

### Needs to address

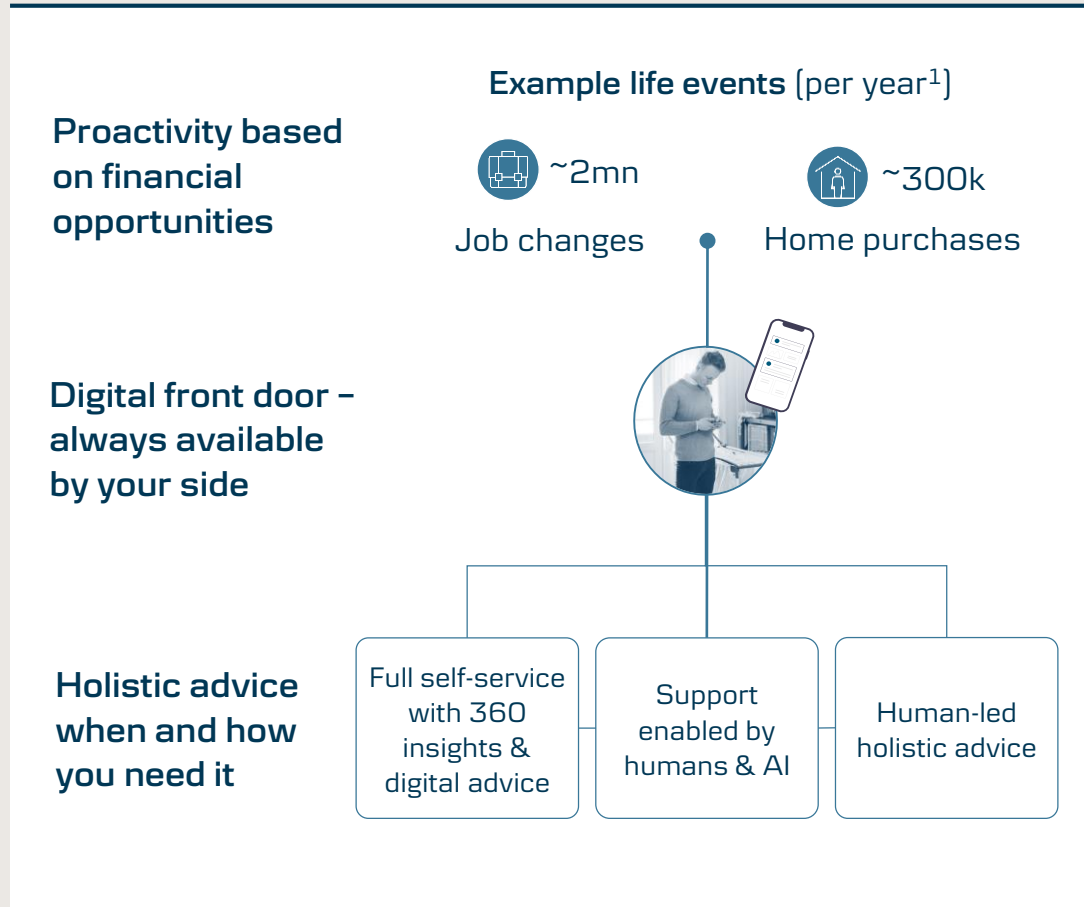
- Daily banking with guidance
- Easy refinancing
- Life/retirement planning
- Support & care for parents
- Give children a good start
- Renovation of my house

## New ways of engaging

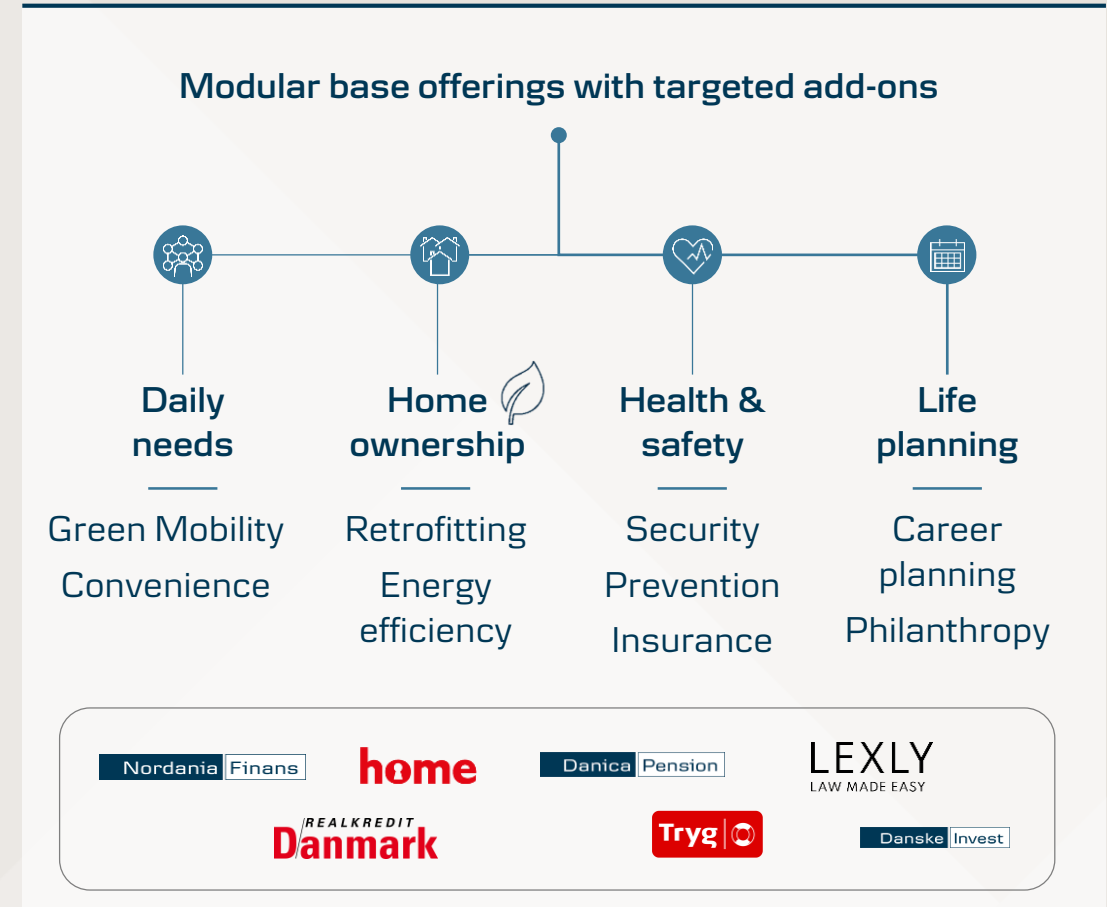
1. The convenience of digital is a must for almost everyone
2. Type and intensity of advice differs significantly over time
3. Larger financial decisions go beyond an individual
4. Needs increasingly go beyond conventional banking products
5. Enable customer to identify and leverage opportunities across their balance sheet

# Proactive & adaptable engagement model joined with a broad yet personalised offering

## Proactive engagement model



## Broad & configurable offerings

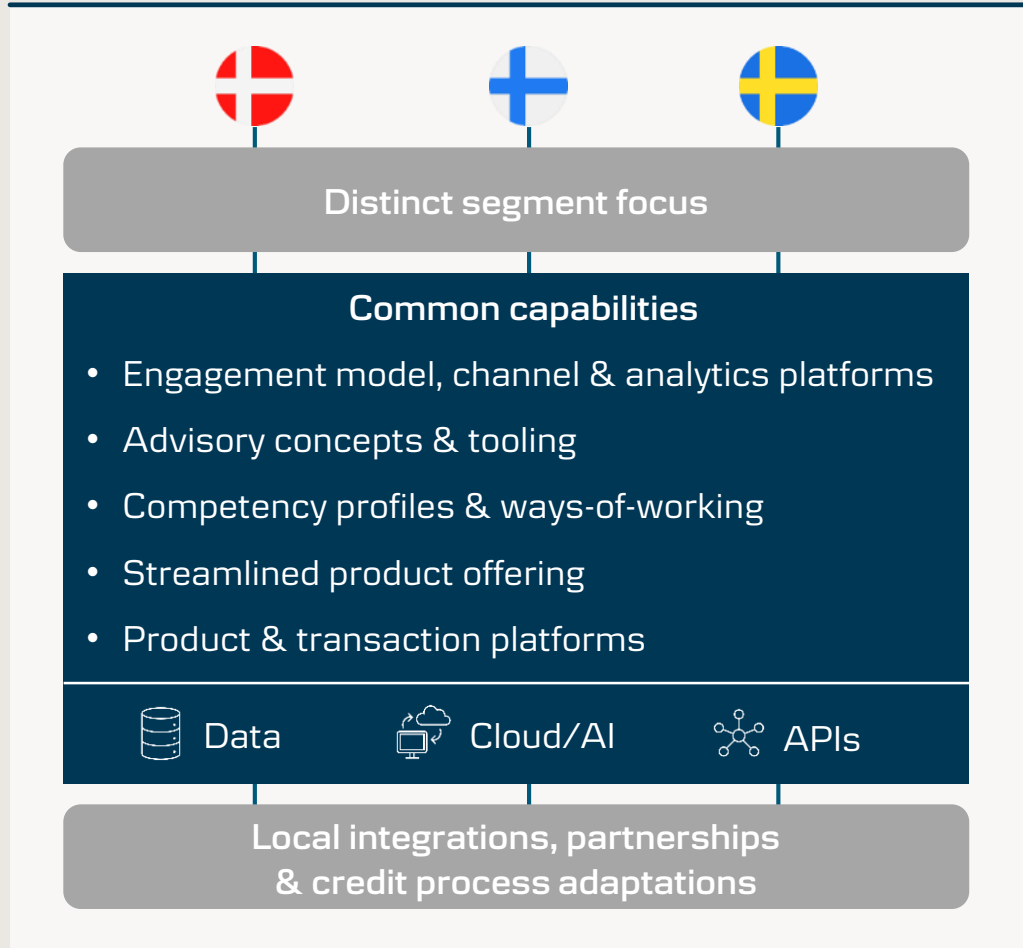


1. Occurrences in the market (Denmark, Sweden and Finland)



# Clear cross-country synergies from building on the same platform

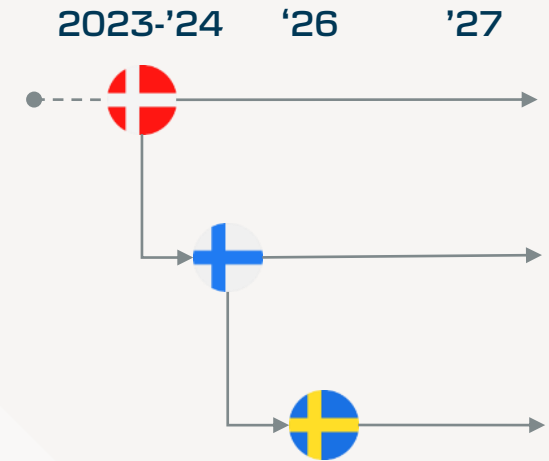
## Building on the same shared platform



## Country-specific investment plans

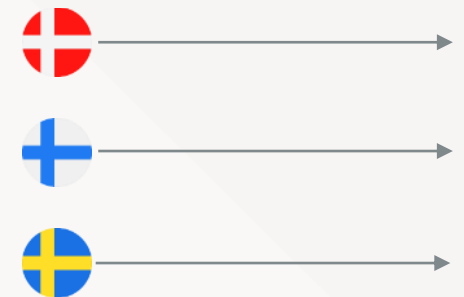
### Digital and tech investments

- Accelerate digitisation of offering
- Expand usage of data, analytics & AI
- New engagement model and value propositions, starting with our most mature markets



### Commercial excellence investments

- Strengthen digital marketing and commercial capabilities
- Further enhance advisory expertise
- Expand partnership capabilities



# We will focus on three selected growth and profitability levers

## 1 Make relationships more efficient 30%

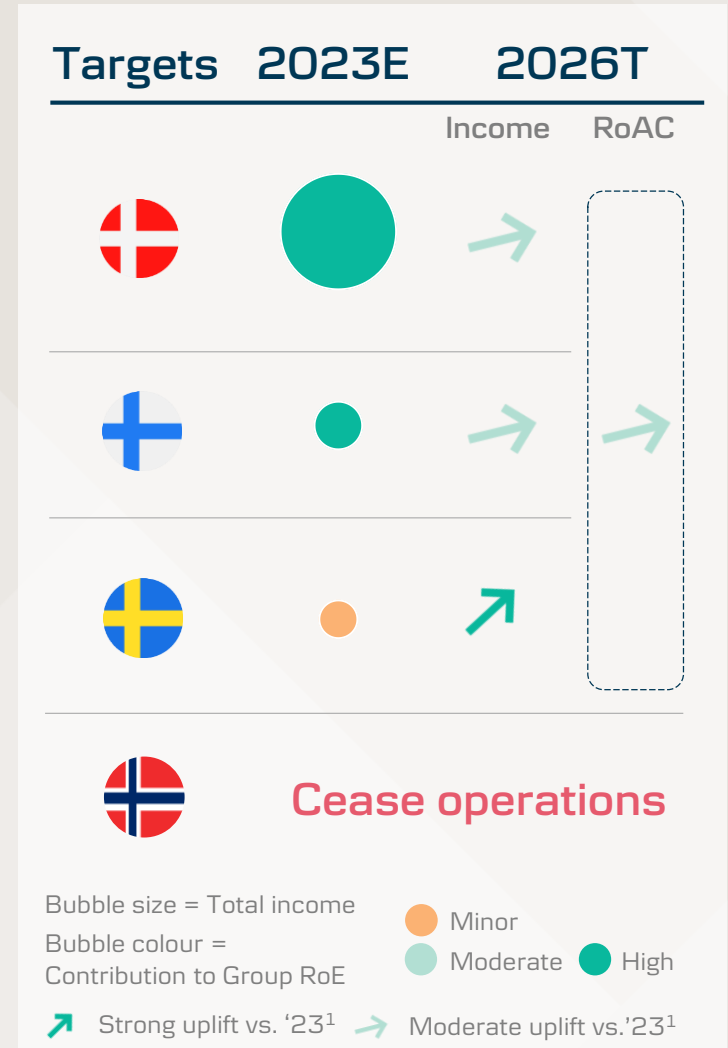
- Proactive engagement model with digital self-service and continuous digital advice
- Increase number of meetings, and meetings per advisor

## 2 Broaden existing relationships 50%

- Increase share of primary customers
- Further capture share of needs with broader and more targeted offering

## 3 Develop new relationships 20%

- New value proposition targeting life events and specific micro-segments
- Leverage own feeder channels and partners



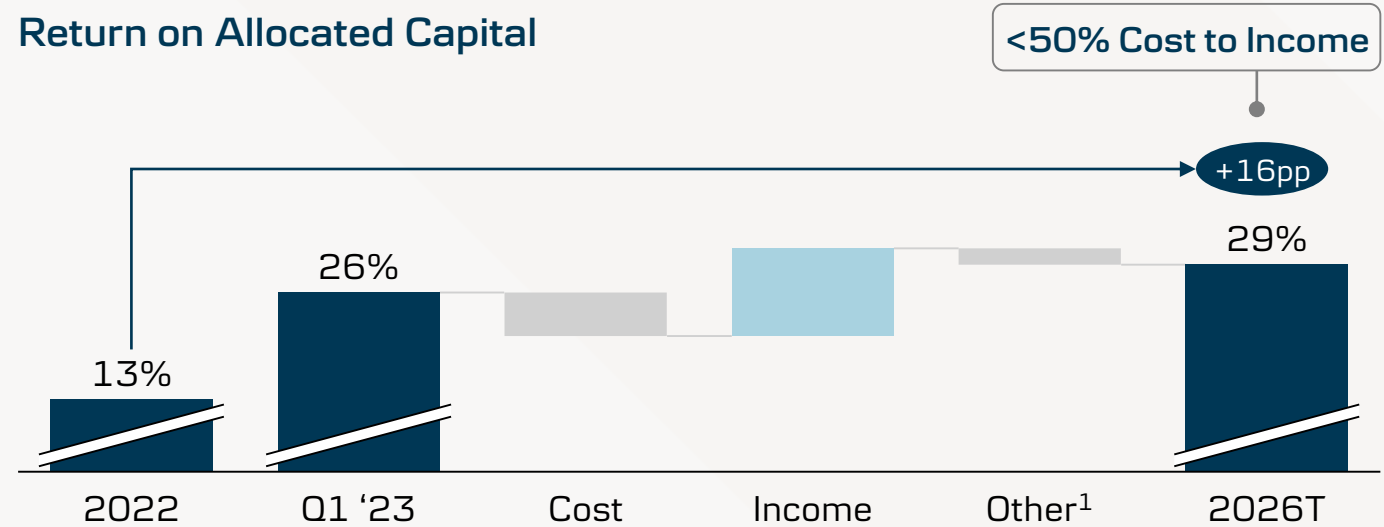
1. Strong uplift vs '23: +4% p.a. income growth / +4pp RoAC improvement. Moderate uplift vs. '23: 1-4% p.a. income growth / 1-4pp RoAC improvement



# Personal Customers

A focused & personalised bank built on a common platform

## Return on Allocated Capital



### Cost

- Make relationships more efficient with new engagement and digital self-service model
- Up- and reskill of advisors with targeted ramp-up (e.g. Private Banking)
- Reinvest efficiency gains to fund new investments

### Income

- Significant uplift from normalised interest rates, notably in Denmark and Finland
- Broaden existing relationships, further capturing share of needs in target segments
- New relationships in specific segments through own feeder channel and partnerships
- Uplift from initiatives skewed towards fee income, further diversifying income streams

1. Other includes impairments and capital effects (reallocated already covered on Group level)



A woman with long blonde hair is shown in profile, looking down at a tablet device she is holding. The scene is dimly lit, with a blueish tint, suggesting dusk or dawn. The background is dark and out of focus, showing what appears to be a natural landscape with trees and hills.

# Digital and technology

Driving business outcomes

Frans Woelders, Chief Operating Officer

Danske Bank

*Our unique digital and technology platform is a competitive advantage*



**Strong digital customer engagement**



Award-winning Mobile Banking

**#1**

Online banking for Cash Management<sup>1</sup> (District)

**Serving customers at scale**

**55%** Accounts opened digitally

**>1bn** Card transactions handled yearly

**62%** Digital customer meetings

**37m** Monthly logins to Mobile Banking

**Stable, trusted and largely API enabled**

**>99.9%** Availability<sup>2</sup>

**81%** Core APIs established

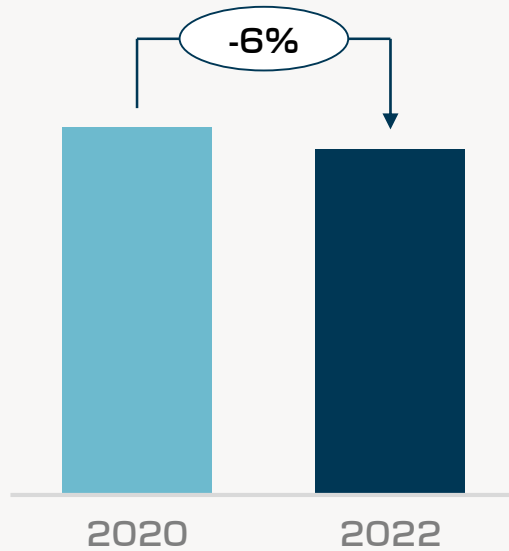
1. Prospera/Kantar, 2022; 2. Average level for 2022



# Driving down tech run costs while investing in digital and increasing productivity

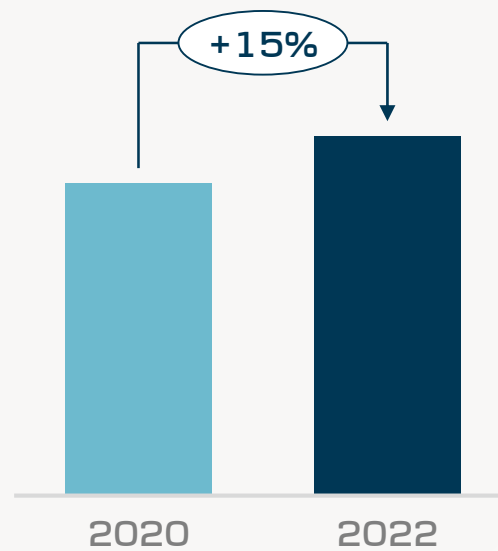
## Reducing technology run cost

Annual technology run cost, excl. one-offs



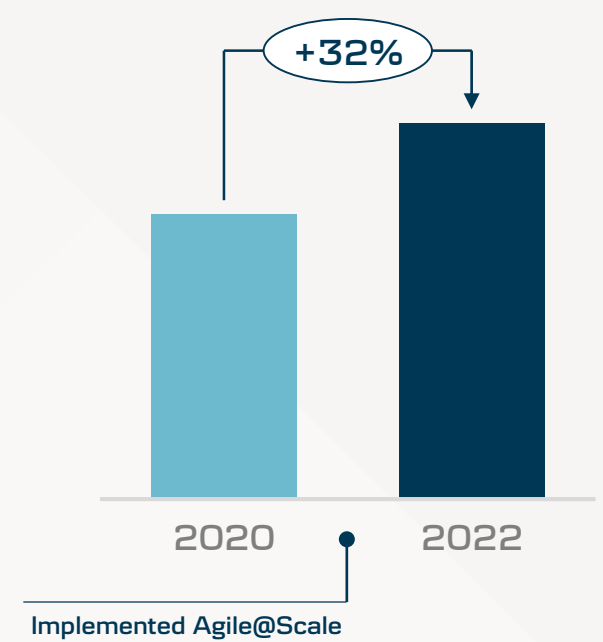
## Increasing investments

Annual funding for development



## Increasing productivity

Avg. number of change releases for applications



# Examples of how we are delivering results

## Reducing technology run cost



Finance applications moved to cloud



53%

Capacity available for strategic change

19%

Reduction in costs

## Increasing investments

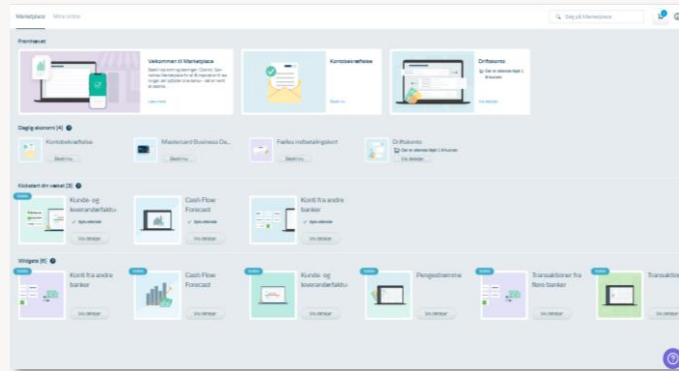


Enhanced self-service and digital offerings in District



170k

Business customers on District Marketplace<sup>1</sup>



## Increasing productivity



Implemented Agile@Scale to respond better & faster



17%

Efficiencies gained

3.8k

Colleagues in agile development

Note: Figures as of Q2 2023: Changes are 2020 vs Q2 2023

1. District Marketplace is the self-service solution for business customers; 2. On private cloud

# Driving competitive digital value propositions for our customers


## Digital

2026


**Digital engagement**

- Leading digital solutions in Mobile Banking and District
- One integrated, cloud-based channel for Mobile Banking, District and eBanking
- Digitally-enhanced customer engagement and self-service capabilities

**Leading digital solutions**



**Extended partner offering & client integrations**



**Integrated finance**

- Provided open banking integrations and offerings through partnerships
- Expand digital customer offering with partners in daily needs, home ownership, health & safety, life-planning and give-back
- Provide premium API integrations for customers in One Corporate Bank

# Investing in data and AI capabilities to drive better advise for our customers

## Data and AI capabilities

2026

### Data-driven advisory

- Provide targeted data-driven insights to advisors and customers
- Enhance analytics-driven customer engagement with 360-degree view
- Drive segmentation and targeted customer offerings

### Cloud-based data platform

- Establish selected data and advanced analytics capabilities
- Strengthen our data platform, connecting data across the enterprise
- Leverage cloud provider native AI capabilities



Proactive, targeted digital advice




Faster time to insights

# Accelerating deployment of latest technologies

## Technology


<p><b>Public cloud</b></p>	<ul style="list-style-type: none"> <li>➤ Largely API-enabled our platform</li> <li>➤ Move applications to public cloud and SaaS while reducing legacy</li> <li>➤ Infuse platform with latest technologies and AI</li> </ul>
<p><b>Top tier security</b></p>	<ul style="list-style-type: none"> <li>➤ Continue to invest in cyber security</li> <li>➤ Implement zero trust principles</li> </ul>
<p><b>Improved efficiency</b></p>	<ul style="list-style-type: none"> <li>➤ Leverage competitive near- and offshoring setup</li> <li>➤ Rationalise product portfolio and automate processes</li> <li>➤ Improve developer productivity through tooling and standardisation</li> <li>➤ Implement AI-based process orchestration</li> </ul>

## 2026 targets




**30%**

Of applications moved to public cloud



**+20%**

Productivity increase<sup>1</sup>



**-15%**

Technology run cost<sup>1</sup>

1. As compared to 2022



# Accelerating our investments to deliver on our business ambitions

## Key focus areas

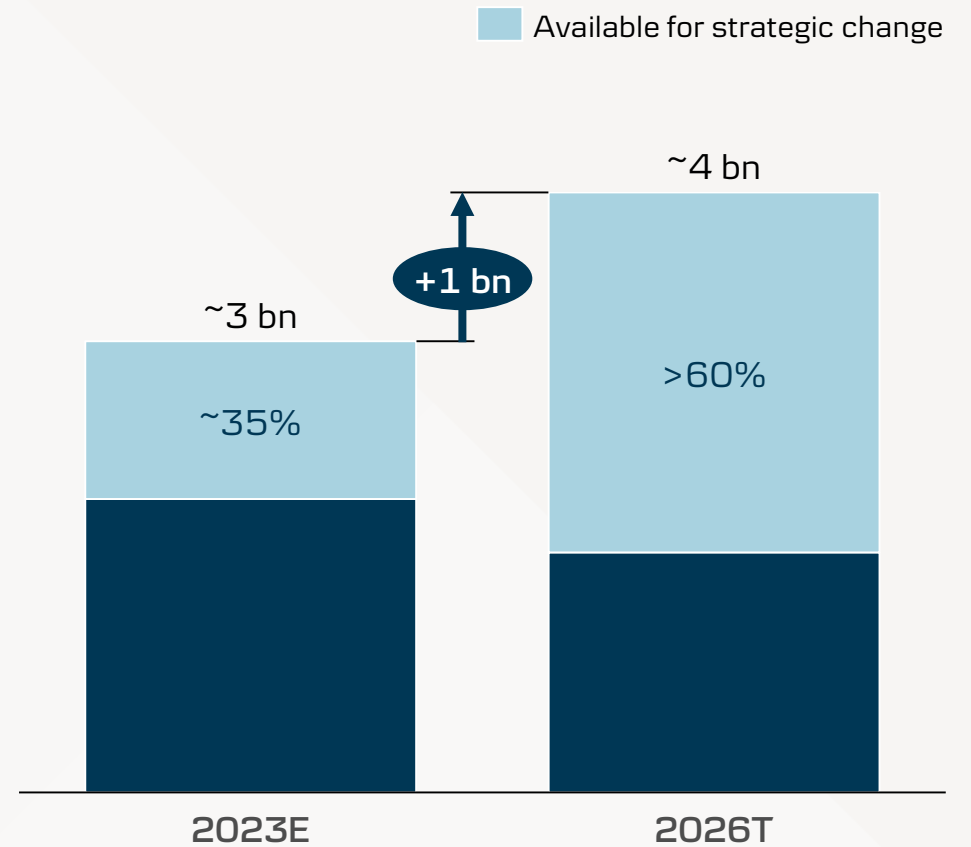
### Digital

- Customer engagement platform
- Integrated customer channels
- Customer journey digitalisation
- One Corporate Bank

### Technology

- Public cloud
- Reduce legacy
- Data & analytics
- Security

## Increasing investment levels (DKK per year)





# *Digital and technology*

Driving business outcomes

- **Our unique single platform is a competitive advantage**

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- **We are accelerating our digital and technology investments**

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- **Our strategy drives business growth and profitability**



# Concluding remarks

# A focused Nordic leader with strong profitability

## Growth in focus segments

- Leading LC&I and business bank in the Nordics
- Leading retail bank in Denmark and Finland
- Grow share of wallet and market share with most attractive segments

## Disciplined capital return & cost

- Capital allocation towards most profitable areas that meet our hurdle rates
- Drive productivity and cost takeouts
- Normalize FCRP and remediation cost

## Strong capital generation & low risk

- Strong capital generation with ability to distribute consistently over time
- Maintain low and stable risk-levels through the cycle

Our targets for 2026

**13%**

**Return on Equity**

**>16% CET1**

**~45% Cost to Income**

## Capital distribution

Dividend potential from 2023-26 of above DKK 50 bn

Accelerated dividend by H1 result targeting the higher end of the 40-60% policy range<sup>1</sup>

Ambition for further distribution – subject to capital position and market conditions

1. Subject to BoD decision

# Q&A



## *Disclaimer*

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