



Danske Bank's offerings in support of European defence readiness

November 2025

Danske Bank



Our role in the **changing European security** landscape

In light of the evolving geopolitical situation, enhancing strategic autonomy and resilience has become a key priority in Europe. Governments are consequently increasing their investments in Europe's defence readiness, and businesses in the defence value chain play a crucial role in turning these investments into defensive capabilities.

Elevating Europe's defence readiness will depend not only on the growth of European manufacturers of core defence goods such as weapons and ammunition but also on the development of these manufacturers' supply chains – from steel manufacturers to producers of electronics and mechanical components. Furthermore, the drive towards modernised defence capabilities relies on strategic enablers, such as military logistics, application of AI and quantum, and space and surveillance technology. Lastly, companies that can support stronger civil defence capabilities through critical infrastructure protection, emergency preparedness and supply chain continuity will be essential.¹

The increased demand on the defence value chain means that there is a growing need for financial solutions to support the sector. At Danske Bank, we are well-positioned to address the financial needs across the full defence value chain, from large corporates to small businesses. Through many years of financing and advising defence companies, we have built a thorough understanding of the industry. This equips us to help our customers tackle their complex and sector-specific financial challenges.

To provide the most effective financial services for a sector undergoing rapid transformation, Danske Bank has established a Defence Centre of Excellence. This centre ensures that our customers have access to the bank's extensive knowledge of defence-related matters, such as compliance requirements, market trends and geopolitical developments, within the context of the financial services we provide.

With our financial expertise and industry insight, we support the defence value chain in bolstering the resilience of our societies.

¹ See [European Defence – Readiness 2030](#) and [Safer Together – Strengthening Europe's Civilian and Military Preparedness and Readiness](#) for perspectives on strengthening European military and civil defence capabilities.

How we support customers in the defence value chain

At Danske Bank, we see that companies in the defence value chain typically require financing and financial advisory services to meet four primary needs. In this section, we outline how our offerings can address these needs.



Overcoming barriers to entering the sector



Securing financing to grow



Maintaining a steady cash flow



Engaging securely across the supply chain



Overcoming barriers to entering the sector

Navigating the defence market can be challenging for companies that have recently entered or are looking to enter the sector. Success often hinges on access to the right networks to establish trusted relationships and references. In addition, the market is characterised by a high degree of formal requirements, such as the need for certificates and compliance with stringent regulation. Young companies therefore need access to the right networks and insights to enable them to navigate the complexities of the sector. Similarly, established businesses looking to enter the defence sector must understand market dynamics and demands to be able to operate effectively within the value chain. Danske Bank can help companies understand and enter the market by providing:

Financial advisory services for start-ups and scale-ups: Danske Bank Growth offers a comprehensive set of banking services to support start-ups and scale-ups. We have a special focus on defence and dual-use companies, including defence technology companies. This year, we published [The Nordic defence tech report](#), which provides key insights into the market.

Financial advisory services for businesses and corporates: At Danske Bank, our understanding of market requirements enables us to provide financial advice about entering the defence market to a broad range of customers – from large multifaceted corporates to small specialised businesses.



Securing financing to grow

Businesses in the defence value chain will need funding to increase production, strengthen their workforce and enter new markets. These businesses will also need to invest in new technologies to innovate in response to the evolving threat landscape. Furthermore, access to capital will be crucial for governments to enable investment in and expansion of defence and security capabilities. Danske Bank can help access this capital through:

Loans: As one of the largest banks in the Nordic region, we offer a wide range of loans for businesses and public institutions, including project finance and revolving credit facilities.

Capital markets: Danske Bank supports the Nordic governments as a primary dealer of government bonds in Denmark, Norway, Sweden and Finland. Furthermore, Danske Bank is a leading Nordic arranger of debt and equity capital markets for companies in the Nordic countries² and has successfully placed transactions with institutional investors for defence companies. We also offer to arrange defence-labelled bonds, building on our expertise in arranging labelled products.

M&A services: Danske Bank's M&A team can execute a range of domestic and international transactions, including acquisitions, mergers and joint ventures, covering large-cap and mid-cap companies. We draw upon our industry experience of working with defence companies to ensure that our customers achieve their strategic objectives.

² As at Q1-Q3 2025, by Debt Capital Market and Equity Capital Market deal and issuance value.



Maintaining a steady cash flow

Ensuring a healthy cash flow is vital for all enterprises, but this need is especially important for businesses in the defence value chain. Large companies in the defence value chain often have multiple subsidiaries, so liquidity management across subsidiaries is crucial. Smaller businesses need diligent cash management to manage long payment cycles because revenue may be driven by single large orders and accounts-receivable days can be long. Danske Bank can help businesses in the defence value chain manage their liquidity through:

Cash management services: Danske Bank offers a comprehensive cash management service to optimise liquidity with cash pool solutions and cash flow forecasting. We also support worldwide in- and outgoing payments through our extensive banking network.

Factoring: Danske Bank offers to buy invoices from customers to convert receivables into immediate cash, improving customers' working capital. For businesses with customers that have high credit ratings, factoring can be a way of obtaining liquidity at an attractive price. This also helps businesses to lower uncertainty and minimise the risk of late or lacking payments.



Engaging securely across the supply chain

The defence supply chain is extensive and highly international, often characterised by large companies delivering end products supported by a network of smaller specialised suppliers. This complexity means that businesses at all tiers need to effectively mitigate risks associated with cross-border activities such as counterparty and exchange rate risks. Furthermore, it means that it is advantageous for companies to ensure the robustness of their own suppliers to make sure that they can continue to provide critical defence goods. Danske Bank can help businesses in the defence value chain meet these needs through:

Trade finance: Danske Bank's comprehensive trade finance services are designed to help customers ensure secure payments and fulfilment of contractual obligations, offering customised solutions aligned with the type and risk profile of each transaction. For instance, bank guarantees are specifically suited to the defence industry, providing reassurance to procurers in the event of supplier non-performance and safeguarding sellers' payments in accordance with contractual agreements. Additionally, we empower our customers to gain a competitive edge in their markets by enabling deferred payment options for their own customers, which we cover.

Foreign exchange services: To mitigate exchange rate risks, Danske Bank offers hedging transactions to protect businesses against currency fluctuations, attractive prices on foreign currency and a host of other exchange-related services on our foreign exchange platform.

Supply chain financing: To help companies strengthen the robustness and resilience of the suppliers they depend on, Danske Bank offers supply chain financing. Through this service, we pay defence suppliers immediately upon receipt of the invoicing on behalf of the purchasing party, increasing the financial robustness of the supplier and making it more attractive to do business with our customers.



Collaboration with national Export Credit Agencies

Danske Bank is a leading Nordic Export Credit Agencies (ECAs) bank and works closely with the Nordic and most European ECAs.

This collaboration strengthens our capacity to offer long-term financing and help our customers meet guarantee requirements. This can help our customers win large defence contracts where financing is often a key component.

In some countries, there is a need to develop new innovative solutions together with the ECAs, and here Danske Bank is well-placed through its close collaboration with these.

How we manage risks inherent to the defence sector

The defence sector is exposed to risks, including but not limited to financial crime and ESG-related risks, that require careful management. At Danske Bank, we recognise these risks and are committed to addressing them by maintaining robust controls and ensuring compliance with applicable regulations when we provide financial services to the sector.

To protect our customers and manage our own risk as a bank, we have developed an extensive [Financial Crime Policy](#) that enables us to maintain an effective framework for the detection, mitigation and treatment of financial crime-related risks, such as sanctions risks, associated with our defence and dual-use customers. This includes identification of countries of operation, supply chain due diligence and ongoing monitoring and screening. We undertake bespoke due diligence and investigation practices to ensure that all business activities, including facilitating transactions, meet the necessary standards for effective risk management and regulatory compliance.

As part of Danske Bank's credit approval process, as set out in our Credit Policy, ESG risk assessments are conducted for customers, including our arms and defence and dual-use customers, that exceed specific thresholds. The current thresholds ensure an assessment coverage of 80%³ of our exposure to business and corporate customers. The ESG risk assessments also address risks of adverse human rights impacts.

Furthermore, our [Position Statement on Arms and Defence](#) sets specific restrictions on the arms and defence and dual-use companies we will conduct business with. These restrictions are incorporated in our Credit Policy.

³ As at October 2025.

Bridging finance and defence for greater resilience

Through our financial offerings, we aim to strengthen companies in the defence value chain while also contributing to broader regional preparedness and resilience. In line with these efforts, we actively collaborate with governments and industry organisations to enhance European and Nordic defensive capabilities. Specifically, we are part of the financial ecosystem supporting increased arms production and the rebuilding of Ukraine. We also foster collaboration through customer events and roundtable discussions with key public and private stakeholders in the defence industry. By bridging finance and defence, we seek to support a more secure and resilient future for businesses and for the societies we are a part of.



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