



Press release

Danske Bank
Bernstorffsgade 40
DK-1577 København V
Tel. + 45 45 14 14 00

2 May 2025

Page 1 of 3

Solid results for the first quarter of 2025 driven by good customer activity across the business and strong credit quality in an uncertain global environment

Net profit of DKK 5.8 billion

Carsten Egeriis, Chief Executive Officer, comments on the financial results:

"For Danske Bank, the first quarter of 2025 was a continuation of our satisfactory and stable performance in 2024. We delivered solid results in line with our expectations, driven by a steady development in core income and a stable cost level. In addition, credit quality remained strong, and this resulted in low loan impairments.

Our solid financial results and capital position enable us to be a strong financial partner that offers expert advice and helps our customers and society navigate the uncertainty. We continue to invest in technology and customer offerings, and we are well on track to meet our targets and to deliver on our Forward '28 strategy."

Solid financial performance

In a challenging market environment, we continued our work to deliver on our strategic ambitions and achieved a strong return on shareholders' equity of 13.3% in the first quarter of 2025, up from 12.9% in the first quarter of 2024, while also reducing the cost/income ratio from 45.4% to 45.2%.

Net profit increased 2% to DKK 5.76 billion as a result of an 8% increase in net fee income, driven by solid customer demand for cash management and everyday banking activities, a 15% increase in net trading income, which also benefited from good customer activity, as well as lower operating expenses and low loan impairment charges. The increases in net fee income and net trading income were partly offset by slightly lower net interest income due to rate cuts and the divestment of the personal customer business in Norway as well as lower net income from insurance business, which was affected by a one-off provision.

The improvement was based on strong business customer activity as our Business Customers and Large Corporates & Institutions units both saw solid growth in lending volumes and an expanding customer base, underpinning core income line increases.

Continuously good demand for our products from personal customers in Denmark resulted, among other things, in an increase in deposits as well as in the market share of bank lending. We have therefore seen a stable performance, despite the divestment of the personal customer business in Norway, as deposit growth and the rise in net fee income due to strong customer activity partially offset the effect of interest rates coming down.



Sustainability remains a core pillar of our Forward '28 strategy, and we have published our Climate Action Plan Progress Report 2024, which provides an update on the Group's climate targets set in January 2023.

"Thanks to our strong capital and liquidity positions, we continue to support our customers in these uncertain times, as evidenced by our Q1 results. We saw a solid financial performance, driven in particular by strong business customer activity, which resulted in stable core banking income and higher net trading income. The increase in net profit was supported by stable costs and a low level of impairments," says Cecile Hillary, Chief Financial Officer.

First quarter 2025 vs first quarter 2024

Total income of DKK 13.9 billion (DKK 14.0 billion in the first quarter of 2024)

Operating expenses of DKK 6.3 billion (DKK 6.3 billion in the first quarter of 2024)

Loan impairments of DKK 50 million (DKK 101 million in the first quarter of 2024)

Net profit of DKK 5.8 billion (DKK 5.6 billion in the first quarter of 2024)

Return on shareholders' equity of 13.3% (12.9% in the first quarter of 2024)

Strong capital generation further supported capital ratios: Total capital ratio of 22.9 % and CET1 capital ratio of 18.4% (total capital ratio of 23.0% and CET1 capital ratio of 18.5% in the first quarter of 2024)

Stable economies in uncertain environment

Danske Bank's results for the first quarter of 2025 highlight the resilience of the Nordic economies amid global uncertainty. In the first quarter of 2025, we saw an increasingly promising outlook for growth and inflation and robust employment across the Nordic countries. Although household credit demand remained modest, consumer spending continued to hold up well throughout the Nordic countries, despite the higher degree of uncertainty.

Globally, US tariffs and potential retaliatory measures have created significant uncertainty regarding global growth prospects. While a potential risk of recession is highlighted in the US, a more moderate impact is expected on European growth, including in the Nordic countries.

"A trade war and tariffs are likely to dampen growth in the Nordic countries, but the foundation is still in place for a decent economic outlook, as many interest rates have been lowered, real incomes are increasing and export markets other than the US continue to grow," says Las Olsen, Head of Macro Research.

Personal Customers

Despite challenges, the housing market in Denmark showed consistent growth, and signs of recovery emerged in Finland, while Sweden's housing market continued to face difficulties. Profit before tax for Personal Customers decreased 18% relative to the level in the first quarter of 2024 and amounted to DKK 2.25 billion. The decrease was due mainly to higher loan impairment charges. Additionally, both income and operating expenses were affected by the divestment of our personal customer business in Norway. We concluded negotiations with Blackrock to implement their Aladdin Wealth platform to enhance investment services and improved the digital self-service tools that customers use to manage their mortgages.

Business Customers

In the first quarter of 2025, we expanded our customer base in the mid-sized segment across the Nordic markets and grew our business with international subsidiaries. Profit before tax amounted to DKK 2.83 billion and increased 64% from the level in the same period last year, primarily on the back of loan impairment reversals and increased net fee income, although the increase was to some degree offset by lower income from



our leasing company. We continued to support our customers' business growth as a strategic financial partner, sharing expert insights on economic issues and launching training programmes to enhance the skills of our leaders and advisers.

Large Corporates & Institutions

Despite increased geopolitical uncertainty, macroeconomic conditions remained stable. We supported customers with advisory services, backed by a strong product offering, and supported major bond issues in the Nordic region. Our fee business maintained the positive momentum across all areas. Profit before tax decreased to DKK 2.4 billion, or 12% relative to the level in the same period last year, due to higher loan impairment charges, although the return on allocated capital before impairments increased to 27.2%.

Danica

Danica experienced a decrease in net income from insurance business to DKK 201 million in the first quarter of 2025, a fall of 59% from DKK 492 million in the same period last year. This was due primarily to a decrease in the insurance service result, which was impacted by provisions related to legacy life insurance products in run-off and more expensive claims in the health and accident business, partly offset by adjustment of an accrued interest income. The return on customer pension savings was impacted by large volatility in the equity markets, but bonds and alternative investments saw a more stable development.

Northern Ireland

Profit before tax increased 32% to DKK 602 million, reflecting strong growth in net interest income and net impairment recoveries. Profit before impairments was 15% higher than for the same period in 2024.

Outlook for 2025

We maintain our guidance and expect net profit to be in the range of DKK 21 -23 billion. The outlook is subject to uncertainty and depends on economic conditions.

Danske Bank

Contact: Helga Heyn, Head of Media Relations, tel. +45 45 14 14 00