Presentation for Q2 conference call

Financial results – Q2 2025

Carsten Egeriis
Chief Executive Officer

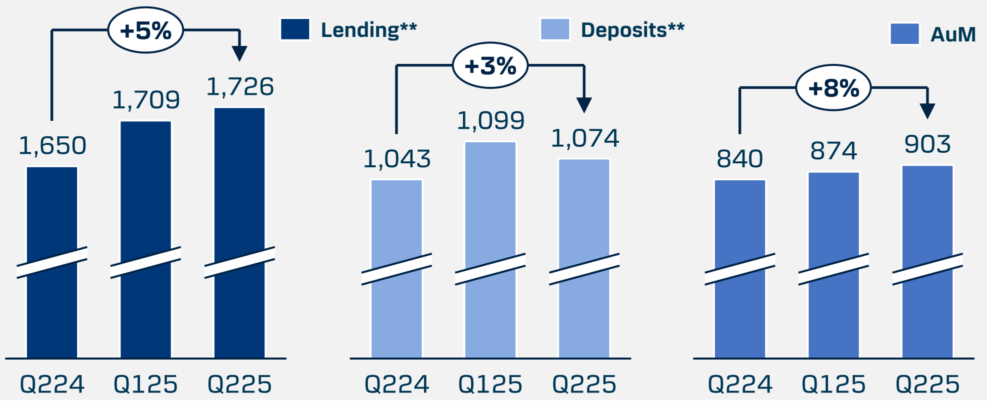
Cecile Hillary
Chief Financial Officer

Highlights : Solid financial performance and progress on Forward '28 strategy as we further enhance our market position in strong Nordic economies

Commercial highlights

- Strong operating environment and economic backdrop, particularly in Denmark with GDP growth of 3.2% expected for 2025
- Solid financial performance with operating profit of DKK 15.2bn (slightly up Y/Y) despite impact of rate cuts and subdued fee income in a volatile Q2
- Commercial momentum underpinned by solid development in lending and deposit volumes as well as AuM. Growing corporate market shares across all Nordic countries*

Group lending, deposits and AuM
(DKK bn)



Net profit DKK 11.2bn ROE 13.0%

2026 target: 13%

Strong macro environment

GDP '25E: 3.2% (2024: 3.7%)

Cost/Income 45.4%

2026 target: ~45%

Reflecting continued cost discipline (-1% Y/Y)

Strong credit quality

3 bps loan loss well within FY guidance
Prudent macro scenarios and PMA buffer

Strong capital and liquidity

CET1 ratio of 18.7% (410bps above req.)
LCR ratio of 160%

DKK 21 – 23bn

FY 2025 net profit reiterated

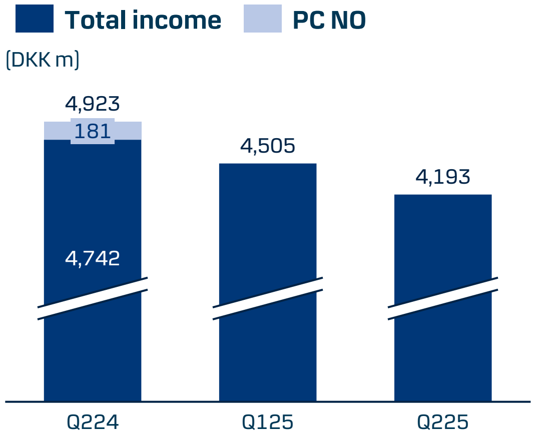
*Non-financial corporates. Source: Central bank lending market shares. **Adjusted for PC Norway

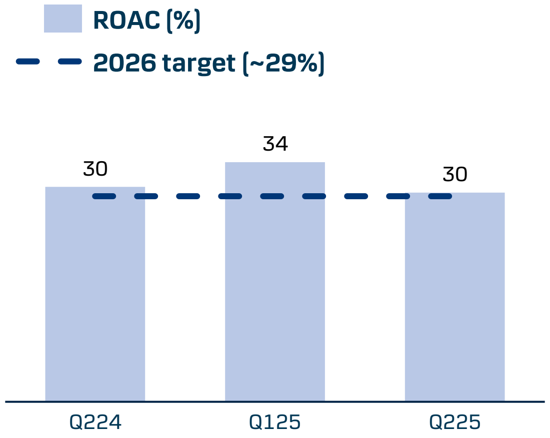
Personal Customers: Performance supported by deposit growth and customer activity partially offsetting rate impact and lower fee income

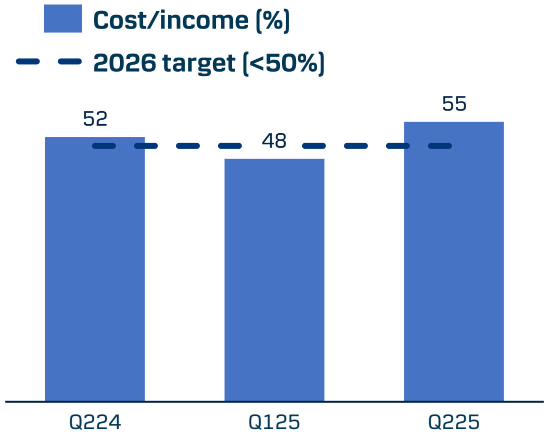
Highlights*

- Y/Y total income decreased, in part due to the divestment of PC NO in Q4 24 and a one-off fee uplift of 0.1bn in Q224
- NII 3% lower Q/Q as strong deposit inflows partially mitigated the impact of declining rates
- Fee income declined Q/Q driven by lower investment appetite due to financial market volatility and partly from seasonally lower refinancing fees
- Lending volumes stable across personal and private banking, with growth in DK home bank lending offsetting decline in Realkredit Danmark lending volumes
- Healthy deposit uplift and sustained traction in Private Banking, incl. new customer inflow
- Continued delivery on F28 objectives, incl. customers' satisfaction with digital solutions

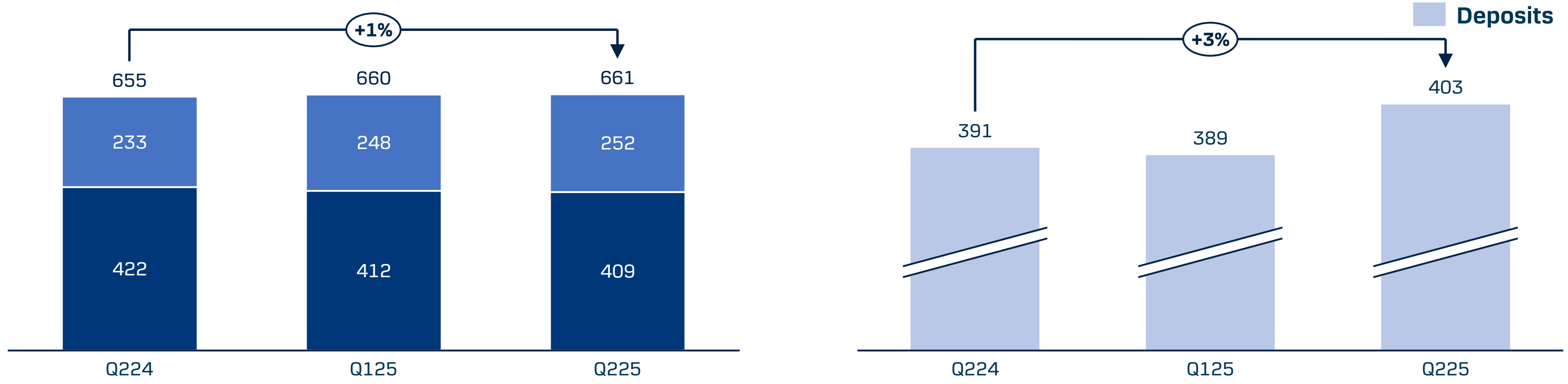
Financial performance KPIs







Nominal lending and deposits*
(DKK bn)



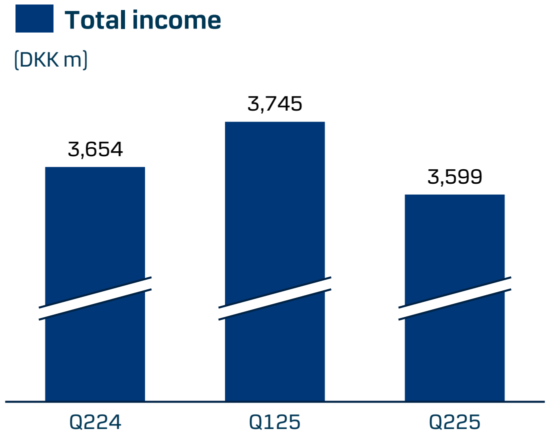
*Highlight figures exclude PC NO which was divested in Q424

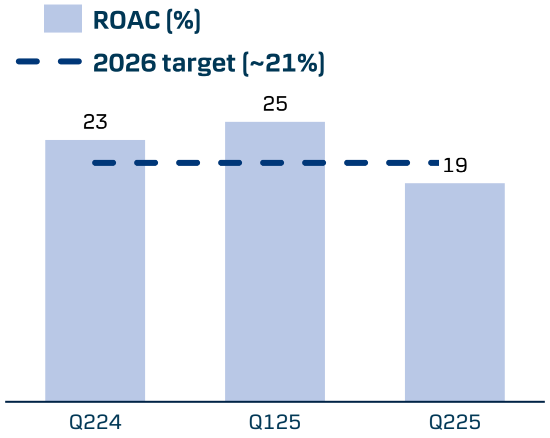
Business Customers: Solid growth in lending volumes and expanding customer base underpin increased commercial momentum

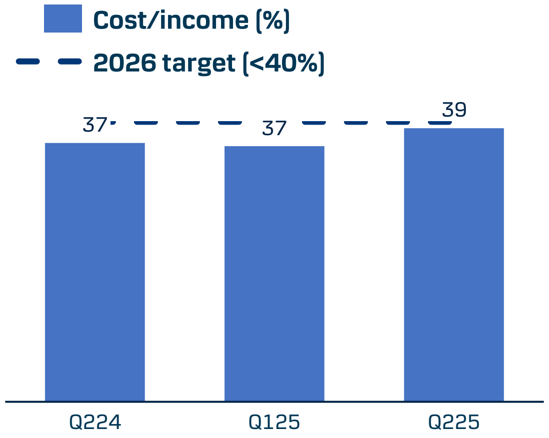
Highlights

- Y/Y NII resilient and fee income up 3%. Total income affected by lower income from leasing business
- Q/Q income impacted by lower rates and lower refinancing activity
- Cost/income trajectory remain in line with target
- Total lending up 4% Y/Y, as continued expansion of customer base in mid-sized corporates and subsidiaries of international companies drives growing market shares across all Nordic countries
- Deposits remain elevated - slight decrease was due to fluctuations in Norway and Sweden
- Continued progress on strategy execution, including investments to enhance our customer acquisition and upskilling

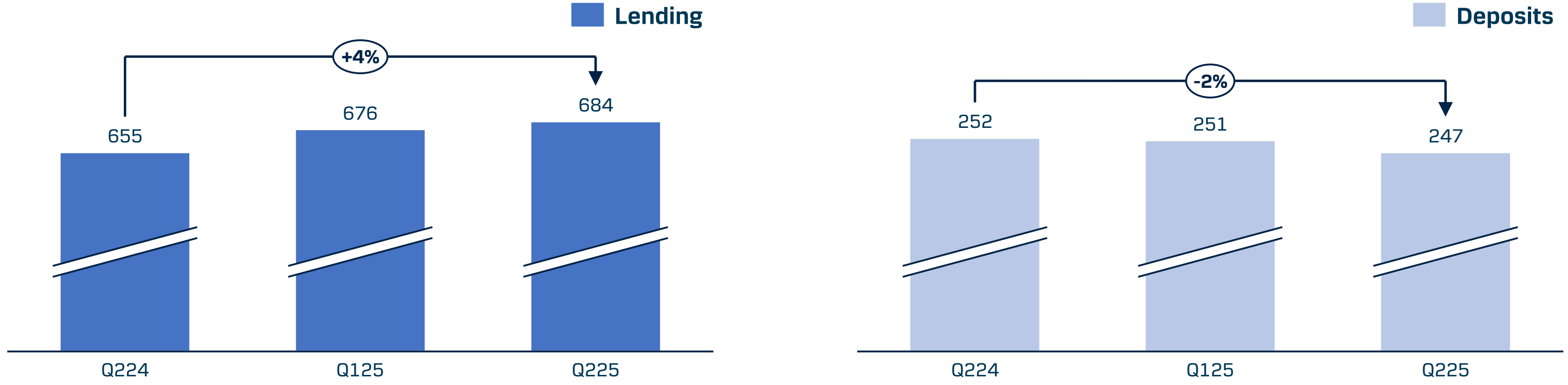
Financial performance KPIs







Nominal lending and deposits
(DKK bn)

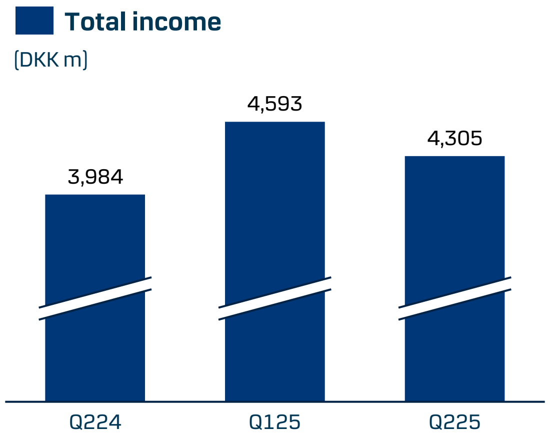


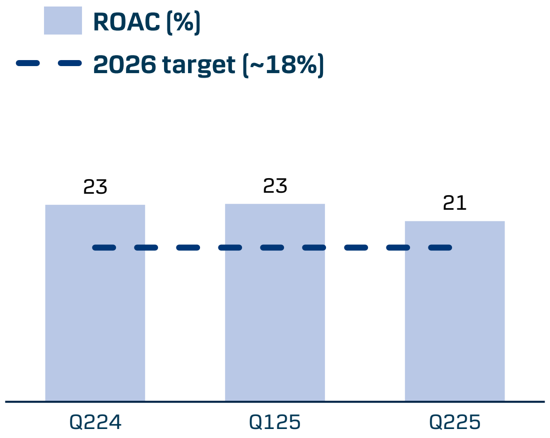
Large Corporates & Institutions: Strong financial performance from continued lending growth and customer activity despite capital markets uncertainty

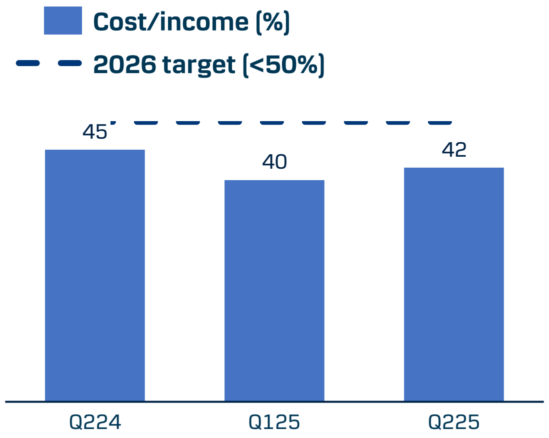
Highlights

- Total income up (+8% Y/Y), supported by volume growth and increased fees from cash management services. Q/Q impacted primarily by lower trading income
- Strong lending growth (+10% Y/Y), mainly from corporate customers in Sweden and Denmark
- Deposit volumes up 6% Y/Y. Quarterly decline due to seasonality around dividend and tax payments as well cash build ahead of larger M&A transaction
- Strong DCM activity across currencies and countries. ECM activity was negatively affected by market turmoil in April, but has since seen increased activity as markets recovered
- AuM up (+8% Y/Y) as solid traction in net sales continues

Financial performance KPIs







Nominal lending and deposits
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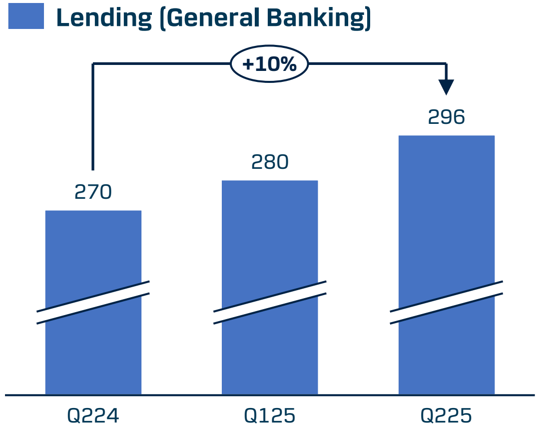
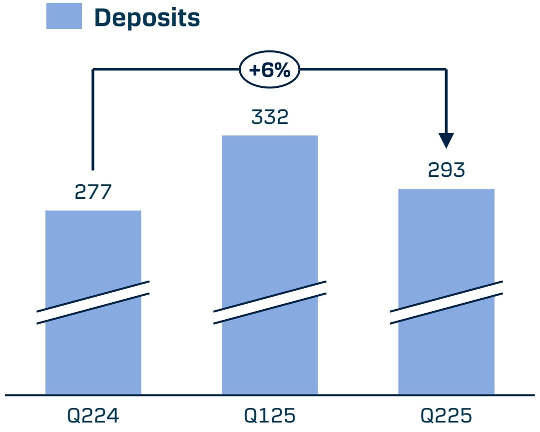
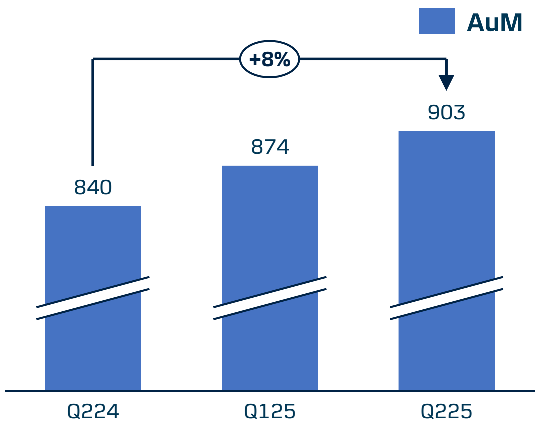






Solid financial performance supported by core lines. Profit before impairments stable Y/Y as rate cuts are mitigated by growing volumes and hedge benefit

Highlights

- Y/Y: Solid total income supported by resilient NII and stable fee income. Trading income underpinned by customer activity while insurance business was affected by Q1 one-off
- Q/Q: NII resilience sustained with solid contribution from improving volumes. Fee income affected by reduced investment fees and lower refinancing income in Q2. Net income from insurance recovered after one-off in Q1
- Profit before impairments further supported by prudent cost management and structural takeouts
- Strong credit quality and well-provisioned portfolio kept impairments at a low level despite Q/Q increase

Income statement (DKK m)

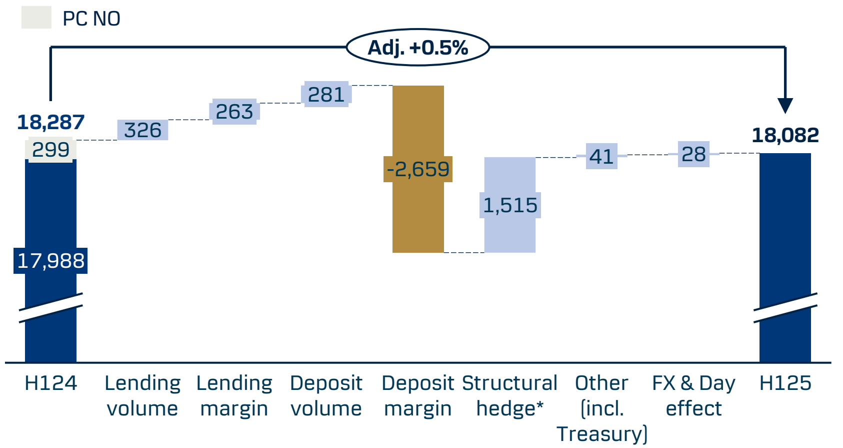
	H1 25	H1 24	Index	Q2 25	Q1 25	Index
Net interest income	18,083	18,287	99	9,063	9,020	100
Net fee income	7,066	7,074	100	3,409	3,658	93
Net trading income	1,736	1,377	126	854	882	97
Net income from insurance business	714	949	75	513	201	255
Other income	316	324	98	147	170	86
Total income	**27,917**	**28,011**	**100**	**13,985**	**13,931**	**100**
Operating expenses	12,670	12,818	99	6,379	6,291	101
Profit before loan impairments	**15,247**	**15,193**	**100**	**7,606**	**7,641**	**100**
Loan impairment charges	266	-99	-	217	50	-
Profit before tax	**14,980**	**15,292**	**98**	**7,390**	**7,591**	**97**
Tax	3,770	3,824	99	1,936	1,834	106
Net profit	**11,211**	**11,468**	**98**	**5,454**	**5,757**	**95**

NII: Resilient NII underpinned by positive volumes and deposit hedge, mitigating rate impact on deposit margins and lower yield on equity

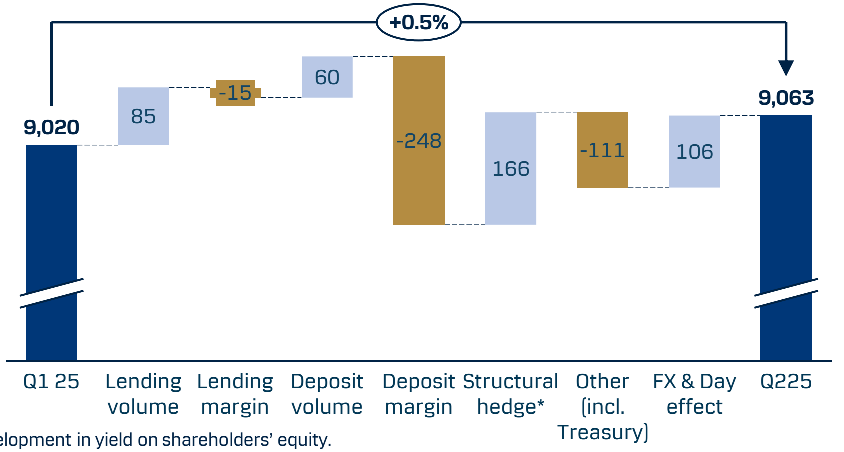
Highlights

- NII stable both Y/Y and Q/Q when adjusting for day effects and PC Norway income
- Resilient trend is supported by positive contribution from higher lending and deposit volumes
- Continued benefit from deposit hedge mitigates impact on deposit margins of lower policy rates as well as lower yield on shareholders' equity
- Q/Q development further highlights resilient trajectory of NII as better volumes partially offset lower deposit margins from rate cuts
- NII sensitivity revised:
  Year 1: DKK +450m / -650m (per 25bps move up/down. Additional impact in year 2 and 3 of DKK (+/-)300m and DKK (+/-)100m, respectively, all else equal

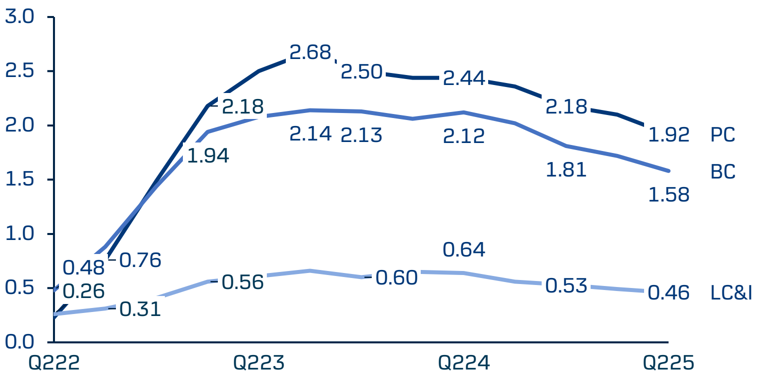
NII H125 vs H124 (DKKm)



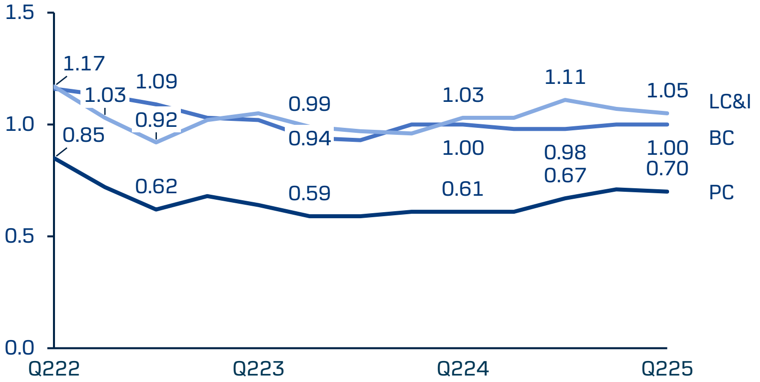
NII Q225 vs Q125 (DKKm)



Deposit margin development** (%)



Lending margin development** (%)



* Structural hedge include benefits from our bond portfolio and fixed rate assets, net of the development in yield on shareholders' equity.
**Margin development trends are the annualised net interest income on lending/deposits as a percentage of average lending/deposits for the period. They include effects from FX, volumes and other interest-related items.

Fee income: Stable fee income development Y/Y, however, Q2 impacted by volatile financial markets and seasonality in lending activity

Highlights

Everyday banking fees (e.g. transfers, accounts)

- Customer demand for everyday banking solutions, especially, corporate cash management services, continued

Lending and guarantee fees

- Y/Y: Solid contribution from corporate lending activities, was offset by lower activity at Personal Customers
- Q/Q: Lower mainly due to lower refinancing auction volume and increase of bank lending vs. RD lending

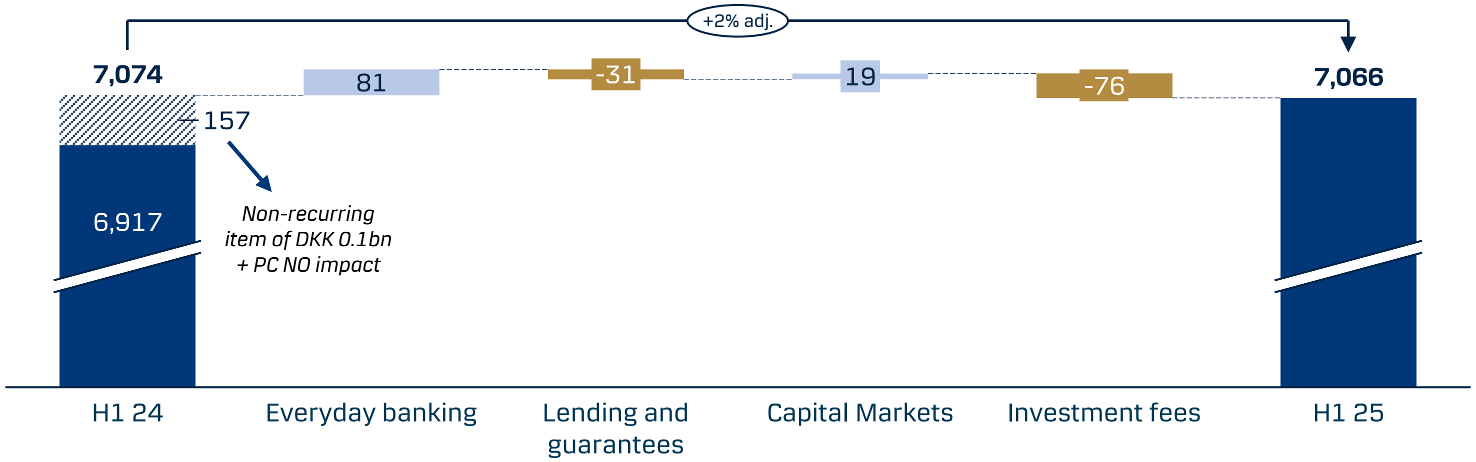
Capital markets fees

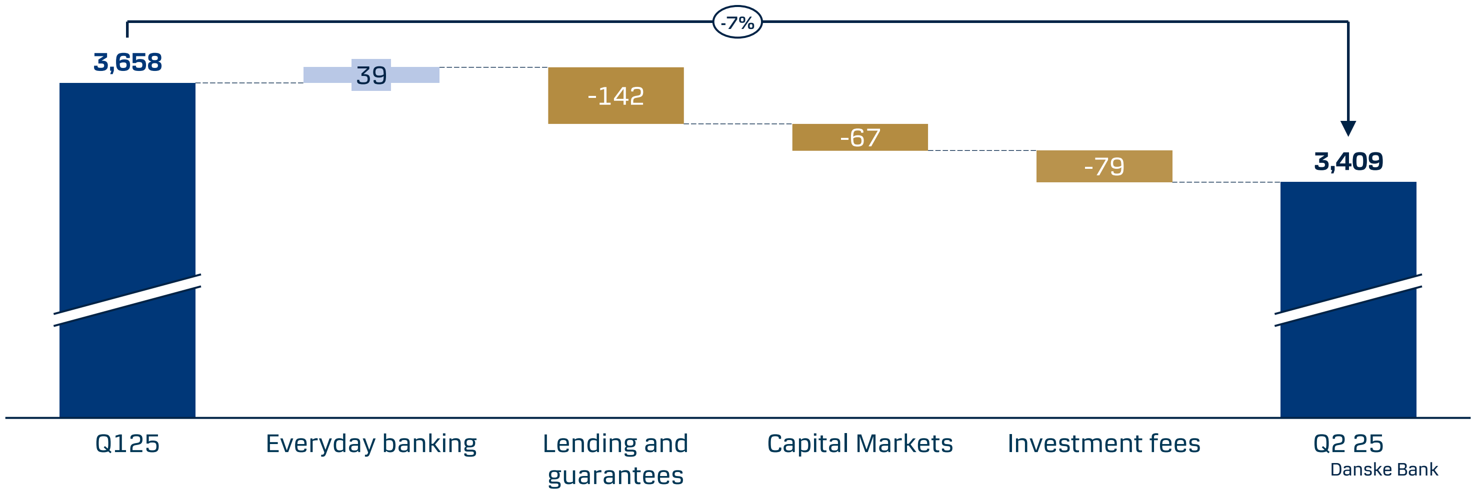
- Y/Y: Solid DCM customer activity in primary markets franchise at LC&I
- Q/Q: Market turmoil in April affected ECM activity, while DCM continued to see significant customer activity

Investment fees

- Y/Y: Continually strong growth in AuM and inflow in retail and institutional segments, offset by cautious investment appetite in Q2

Net fee income (DKK m)





Trading income: Customer activity in Q2 impacted by volatile market conditions

Highlights

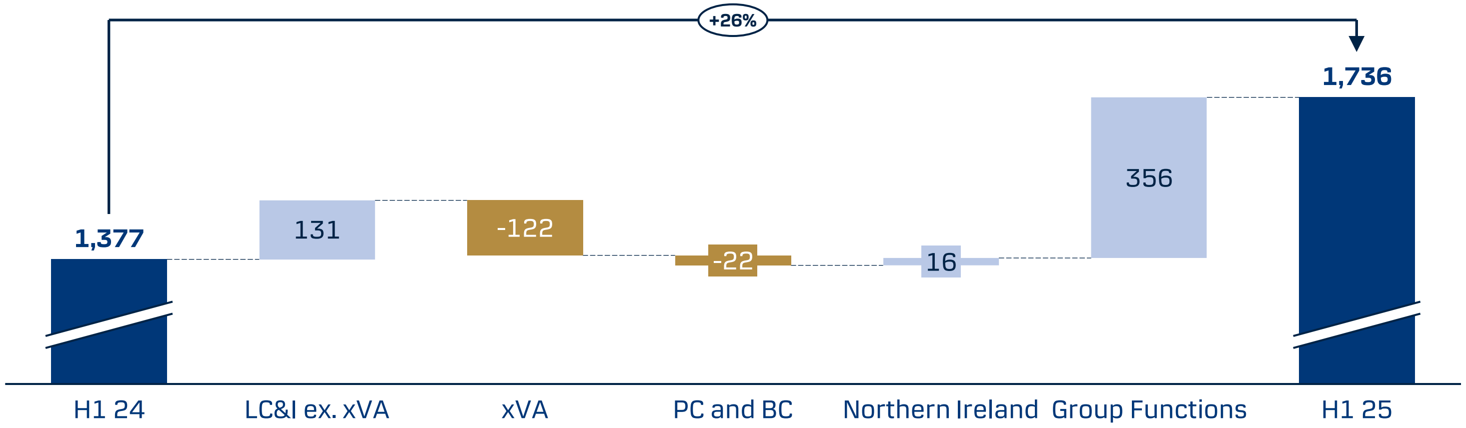
LC&I

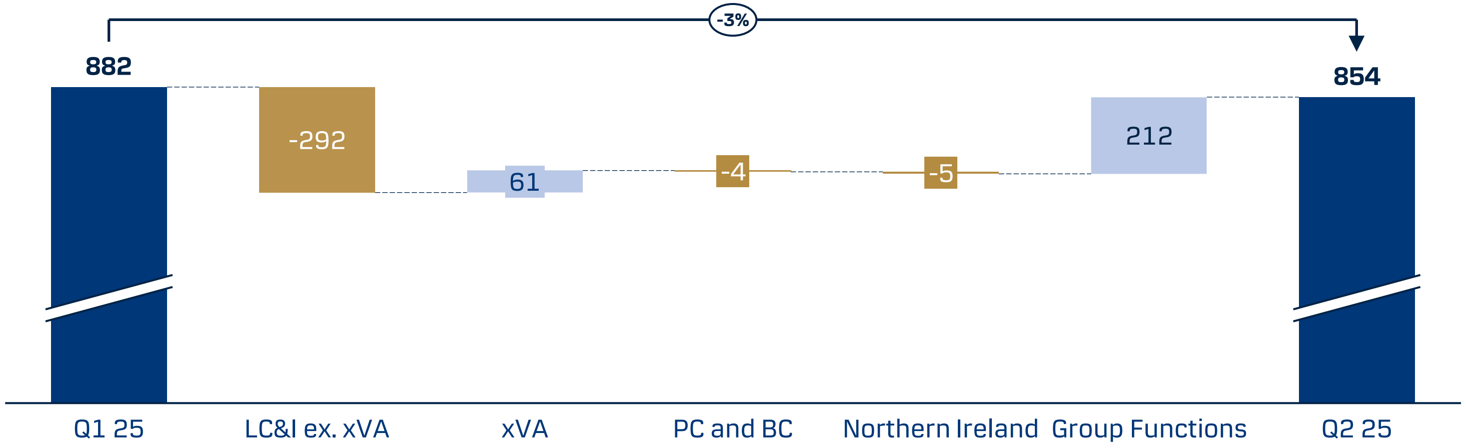
- Y/Y: Higher customer activity offset by adjustments of the fair value of the derivatives portfolio (xVA)
- Q/Q: Lower customer activity in Q2

Group

- Y/Y: Impacted by improved value adjustments in Treasury and one-off gain of DKK 57 million related to the sale of Eksportfinans in Q2-25

Net trading income (DKK m)



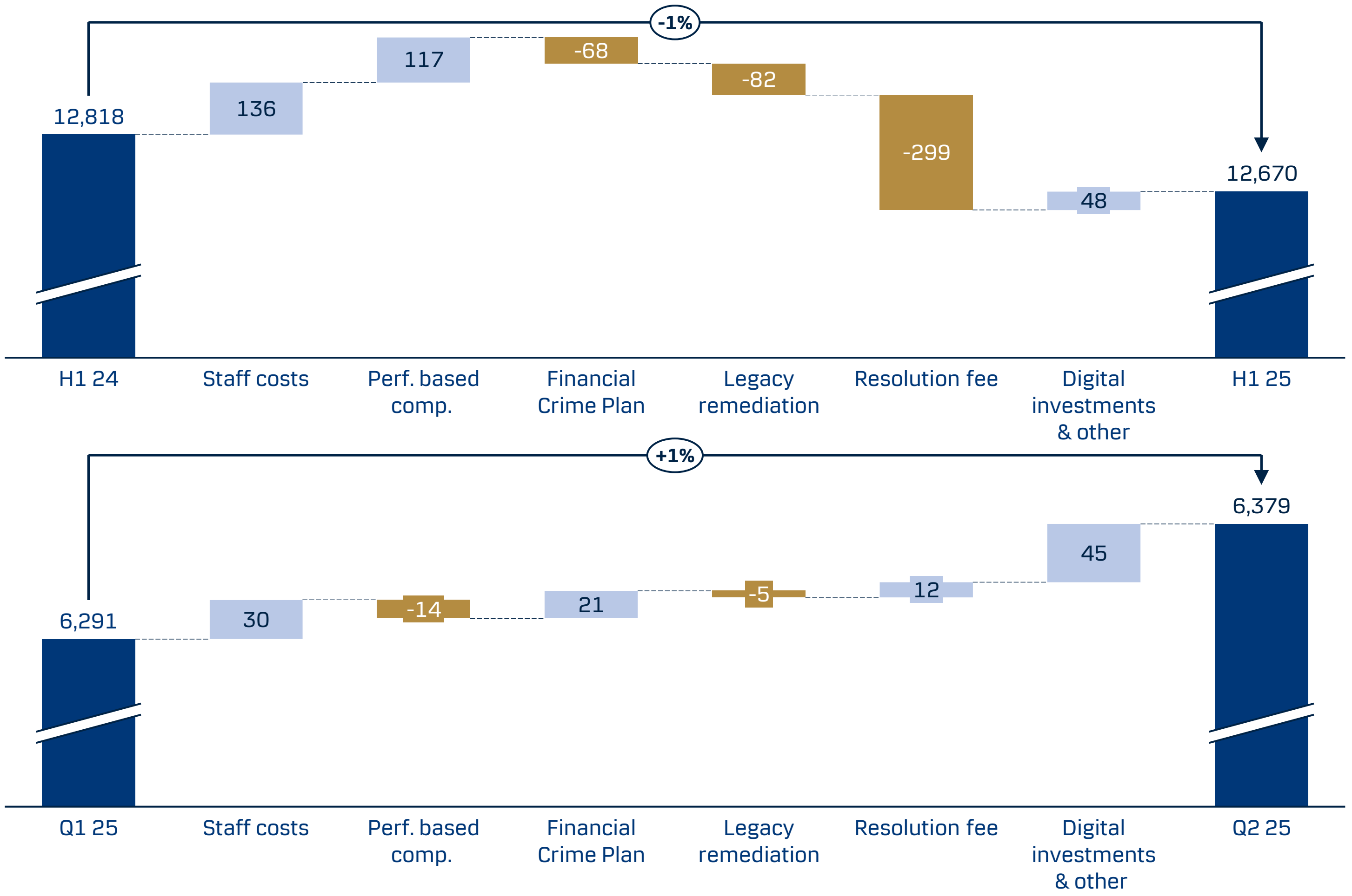


Expenses: Cost trajectory in line with full-year guidance

Highlights

- Y/Y: Costs down 1% as higher staff costs, performance-based compensation and digitalisation investments were more than offset by lower resolution fund fees and structural cost takeouts
- Q/Q: Costs slightly up, driven by technology investments and timing of investments to enhance efficiency in financial crime area
- The slight increase in FCRP cost reflects actions taken to progress towards normalisation. Lower costs for remediation of legacy cases is being executed according to plan
- In line with our Forward '28 targets, the cost/income ratio for H1 stands at 45.4%
- FY2025 cost outlook of up to DKK 26bn confirmed

Expenses (DKK m)

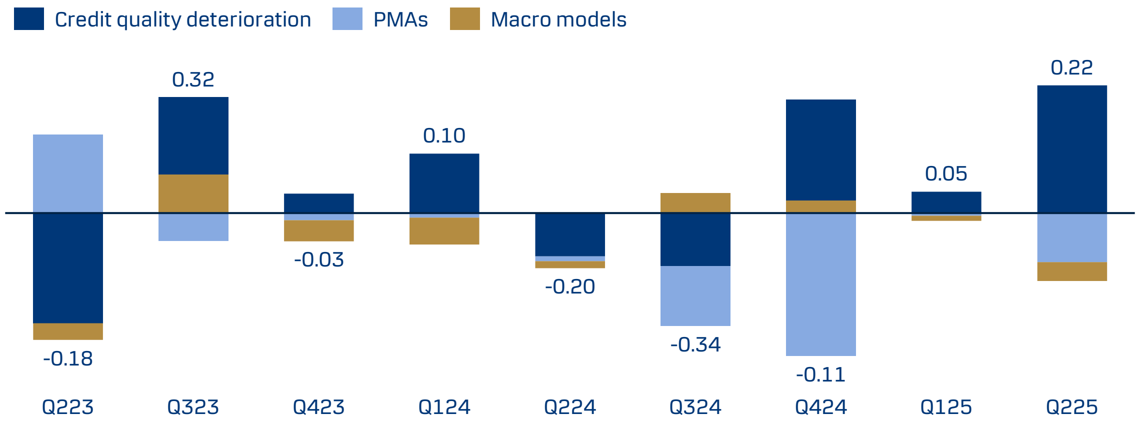


Asset quality: Strong credit quality underpinned by few single-name impairments; prudent macro scenarios and PMA buffer in place

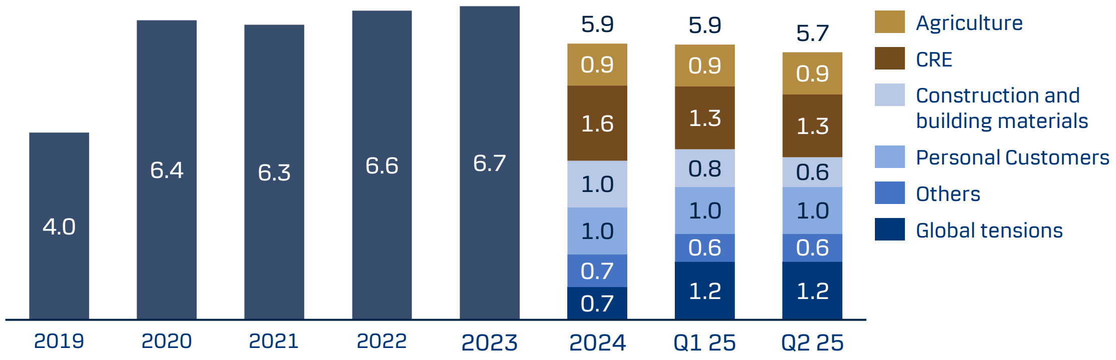
Highlights

- Strong credit quality and modest single-name credit deterioration enable impairments of DKK 217m in Q2, bringing H1 loan loss level to 3bps
- Macroeconomic scenarios reviewed in light of ongoing tariff and trade tension to capture a severe and prolonged downturn scenario
- PMA buffer remains in place with some releases in Q2. Prudent approach to cover tail risks associated with global tension

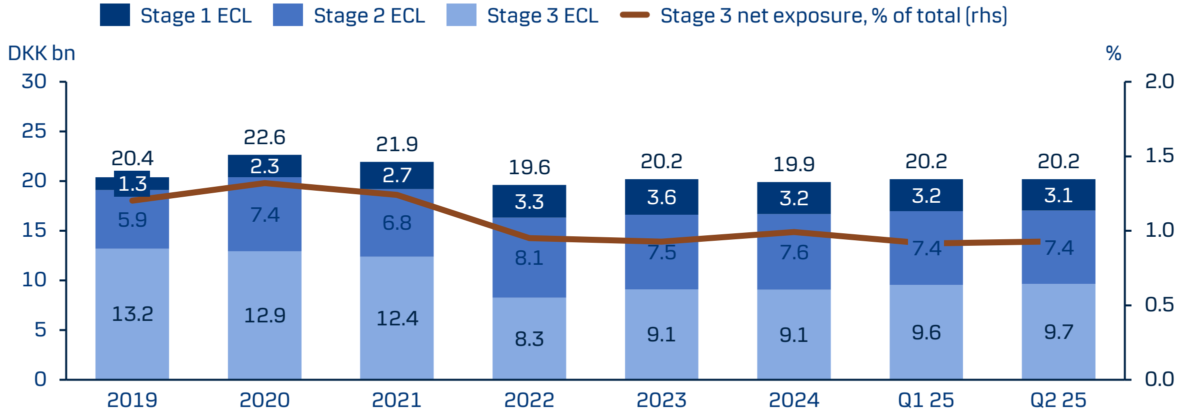
Impairment charges by category (DKK bn)



Post-model adjustments (DKK bn)



Allowance account by stages (DKK bn)

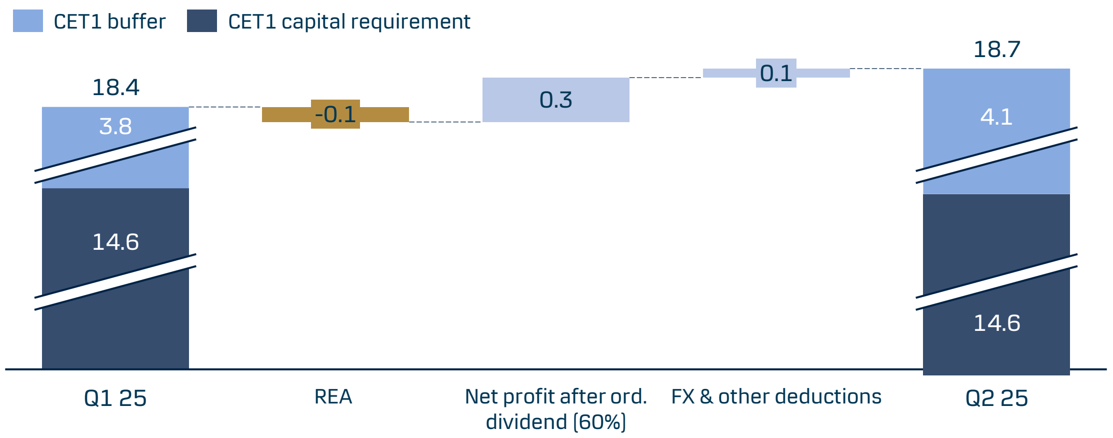


Capital: Strong capital generation with CET1 capital ratio improving to 18.7%

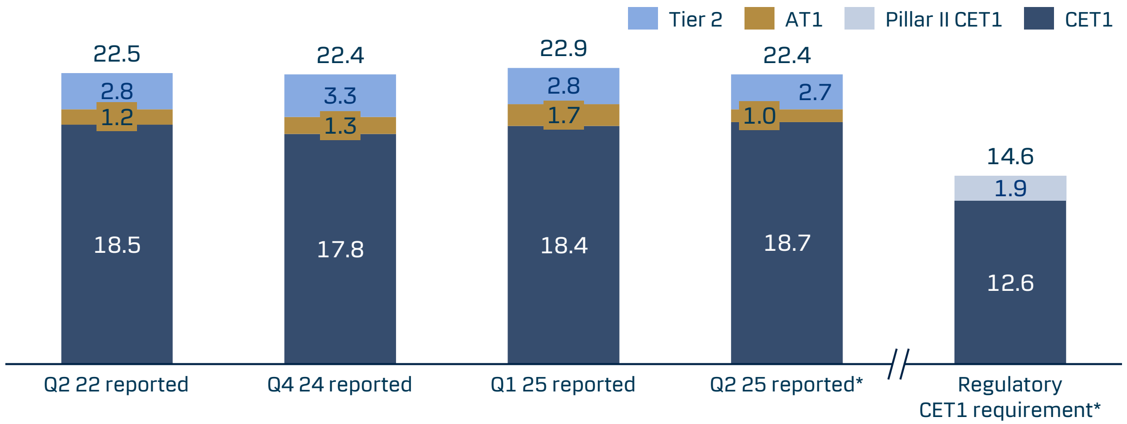
Highlights

- CET1 capital ratio remained strong and improved further from 18.4% in Q1 to 18.7% in Q2, as REA was largely flat and the solid profitability continued to enhance our retained capital after dividend accrual
- The CET1 target of >16% remains. Following CRR3 implementation, the CET1 headroom to requirements of 410bp highlights capital flexibility
- Execution of ongoing DKK 5bn share buy-back programme well underway with ~8m shares bought worth DKK ~1.9bn (~38% of programme utilised)**

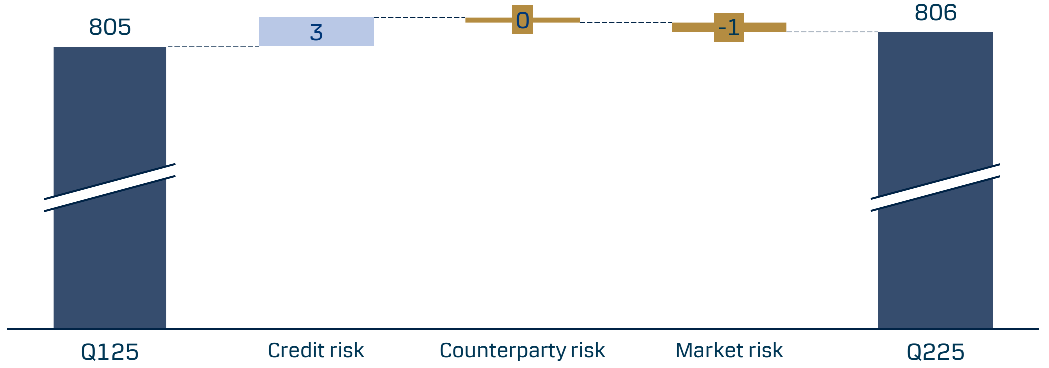
CET1 development (%)



Total capital ratios (%)



Total REA (DKK bn)



* IFRS9 is now fully phased-in. CET1 requirement in June 2025 of 4.5%, capital conservation buffer of 2.5%, SIFI buffer of 3%, countercyclical buffer of 2.0%, systemic risk buffers of 0.6%, and CET1 component of Pillar II requirement.
** Bought back since the launch of the programme and though the week of June 30, Please refer to Company Announcement no. 32 of 7 July.

Financial outlook for 2025 affirmed

Income	We continue to expect **total income** to be slightly lower in 2025 than in 2024, driven by lower, albeit resilient, NII. Core banking income to be supported by our focus on fee income and our continued efforts to drive commercial momentum and growth in line with our financial targets for 2026. Income from trading and insurance activities remains subject to financial market conditions
Expenses	We expect **operating expenses** up to DKK 26 billion in 2025, reflecting our focus on cost management and Cost/Income target for 2026
Impairments	**Loan impairment charges** expected to be around DKK 1 billion as a result of continued strong credit quality
Net profit *	We expect **net profit** to be in the range of DKK 21-23 billion

* Note – The outlook is subject to uncertainty and depends on volume growth and financial markets/macroeconomic conditions.

Q&A Session

Press ***11** to ask a question