



Press release

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## **Good customer activity and strong credit quality led to solid results for the first half of 2025 Net profit of DKK 11.2 billion**

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

*"In the first half-year, we continued our robust performance and delivered solid results in line with our expectations. We saw new business customer relations being established, a continued uplift in lending and a steady development in core income, and we maintained our focus on cost management. Furthermore, credit quality remained strong, resulting in a low level of loan impairments.*

*Our solid financial results and capital position enable us to be a strong financial partner, providing expert advice and standing by our customers and society in times of volatile markets.*

*With our increased investments in technology and customer offerings, we continue to deliver on our Forward '28 strategy and are well on track to meet our guidance for the full year."*

### **Solid performance in uncertain environment**

Driven by good customer activity across our business and our ongoing commitment to efficiency, we achieved a net profit of DKK 11.2 billion and a return on equity of 13% in the first half of the year. These solid financial results reflect our successful execution and strategic focus in key growth areas.

Net interest income remained steady, as the adverse effect of the sale of the personal customer business in Norway and a reduction in deposit margins was offset by enhanced lending activity and our deposit hedge strategy.

Net fee income for the first half of the year was stable year on year, supported by growing demand for everyday banking services in the first quarter, although this demand decreased in the second quarter. Fee income related to capital markets and investment activity was impacted by the decline in investment appetite caused by the market volatility.

On the basis of continued cost discipline, the cost trajectory is in line with the full-year 2025 guidance. Furthermore, credit quality remained strong, supported by favourable macroeconomic conditions, including the employment rate. Loan impairment charges remained low and amounted to DKK 266 million in the first half of the year.

With prudent asset and liability management, our capital and liquidity positions remain solid, with substantial buffers well above regulatory requirements.



*"In the first half of the year, we achieved a solid financial performance, fuelled by good customer activity that led to resilient core banking income and an increase in net trading income year on year. Net profit was stable, despite the impact of rates and market volatility. Our diversified business model and operational efficiency contributed to an improved cost/income ratio of 45.4% and a return on equity of 13.0%. We are on track to meet our 2025 guidance and are progressing towards achieving our 2026 financial targets,"* says Cecile Hillary, Chief Financial Officer.

## **H1 2025 vs H1 2024**

Total income of DKK 27.9 billion (DKK 28.0 billion in the first half of 2024)

Operating expenses of DKK 12.7 billion (DKK 12.8 billion in the first half of 2024)

Loan impairments of DKK 266 million (net reversal of DKK 99 million in the first half of 2024)

Net profit of DKK 11.2 billion (DKK 11.5 billion in the first half of 2024)

Return on shareholders' equity of 13.0% (13.1% in the first half of 2024)

Total capital ratio of 22.4% and CET1 capital ratio of 18.7% (total capital ratio of 22.5% and CET1 capital ratio of 18.5% in the first half of 2024)

## **Resilient macroeconomic outlook amid uncertainty**

Despite the challenges posed by geopolitical turbulence and market volatility, the macroeconomic environment in our operating markets remains robust. The Nordic economies continue to exhibit resilience.

The economies are increasingly supported by increased household spending power and lower interest rates. However, this has not translated into improved consumer sentiment, as retail customers remain cautious and consumer confidence is low.

According to the latest macroeconomic outlook by Danske Bank Research, we continue to expect robust economies with high employment rates and single-digit growth, particularly in Denmark.

*"Nordic businesses still have a cautiously positive outlook, and we share their view that growth is likely to become moderately higher, despite the uncertainty hanging over the global economy. Though conditions are in place with higher real incomes and lower interest rates, we do not expect a strong recovery. Households remain deeply worried about the economic situation, which could hold growth back, but there is also a potential for the situation to improve,"* says Las Olsen, Head of Macro Research.

## **Personal Customers**

Profit before tax amounted to DKK 4,217 million in the first half of 2025 (H1 2024: DKK 5,028 million). The decrease was mainly due to a decline in net interest income caused by lower deposit margins, a decline in fee income that was mainly the result of positive one-offs in the first half of 2024 and relatively subdued refinancing activity, as well as to slightly higher loan impairment charges. These were partly offset by rising deposit volumes and the impact of deposit hedging. Both income and operating expenses were affected by the divestment of the personal customer business in Norway. Loan levels remained stable, and deposits increased 5%.

## **Business Customers**

In the first half of 2025, we saw continuously good progress in terms of customer inflow and a positive development in lending volumes, and business with existing customers remained strong across our mid-sized customer segment. Profit before tax amounted to DKK 5,085 million, an increase of 23% from the same period



last year (H1 2024: DKK 4,140 million). The increase was driven by loan impairment reversals. Net fee income also increased, although the effect was offset by lower income from our leasing operations.

## **Large Corporates & Institutions**

In the first half of 2025, we achieved solid financial results. Our efforts to attract new corporate customers outside Denmark and to strengthen customer relations across our markets have improved our position within cash management. Furthermore, we maintained our leadership within sustainable finance. Profit before tax decreased to DKK 4,544 million, or 9%, from the level in the same period last year, with the decrease driven by higher loan impairment charges.

## **Danica**

Net income at Danica decreased to DKK 714 million in the first half of 2025, down 25% from the level for the same period in 2024 due to a decrease in the insurance service result, which was impacted by a strengthening of provisions related to legacy life insurance products in run-off. The insurance service result for the health and accident business for the first half of 2025 recorded a loss, however, Danica saw an improvement during the first half of 2025 supported by a positive trend in the treatment and prevention of long-term illness and injury that was driven by intensified efforts with new healthcare solutions and improved digital solutions.

## **Northern Ireland**

Residential mortgage lending volumes continued to grow, reflecting an increased market share of new business in Northern Ireland. Financial performance remained positive with profit before tax of DKK 1,110 million in the first half of 2025, 18% higher than for the same period last year.

## **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

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