# Pre-close call Q4 2025

8th January 2026

Danske Bank – Investor Relations

# SCRIPT – Q4-2025 PRE-CLOSE CALL, 8TH JANUARY2026

**Claus I. Jensen – Danske Bank – Head of IR**

**Intro**

Good afternoon and welcome to the Danske Bank Q4 2025 pre-close call. My name is Claus Ingar Jensen, and I am Head of Investor Relations. With me, I have Olav Jørgensen and Nicolai Tvernø from our IR team. Please note that this call is being recorded for compliance reasons, and the script used for this call will be published on the Investor Relations website after the call. Given that we conduct this call via Teams, please be aware that if you want to ask questions, you must log on via the Teams app or your browser. If you participate via a telephone line, the IR team will be available for questions after the call.

In today's call, I will highlight relevant public data and macroeconomic trends in our markets. I will go through the relevant P&L lines and comment on capital at the end. Afterwards, we will open for a Q&A session. For the sake of good order, I would also like to highlight the following. I will only answer questions related to already disclosed information as well as publicly available information, unless otherwise noted. In connection with this, I wish to highlight that developments in specific indices may not always have the same effect on our performance.

**Macro**

Before going through the income lines, I would like to start with a brief comment on the most recent macroeconomic development based on our Nordic Outlook published in early December.

In the Euro area, we have seen the growth prospects through 2025 being better than expected, despite the tariff announcements and geopolitical uncertainty. In the Nordics, we expect the decent growth trajectory to improve further in 2026 for example driven by rising real incomes and investments.

Looking at the Danish economy, Q4 reflected another solid economic backdrop with sustained low unemployment and growing real wages. Consumer confidence remains low however, which on one hand is putting a damper on the propensity to spend, but on the other hand leaves a potential for improved growth if and when households start increasing their consumption.
Overall, growth is expected to pick up in 2026 driven by exports and investments with still very solid employment rates and government fiscal spending.

Now, let us have a look at net interest income.

**Net interest income**

Please note, that as part of the ordinary tax assessment for 2024 concluded in conjunction with SKAT, the Danish tax authorities, we expect a non-recurring benefit to the NII line of around DKK 200m booked in Q4.

Let me now briefly highlight the relevant changes to central bank policy rates.

Given the last ECB cut was in June you should not expect any direct quarterly impact in Q4. We expect the ECB to keep the policy rate unchanged at 2.0% in 2026.
In Sweden, Riksbanken lowered their policy rate by 25 basis points to 1.75% in September and now it is also expected that Riksbanken will maintain unchanged rates until the end of 2026.
Norges Bank reduced the policy rate from 4.25 percent to 4 percent in September with a cut in 2026 widely expected.

Regarding recent volume developments, we refer to public sector statistics released 6th January 2026. In terms of lending volumes, we note that overall credit demand has been more or less stable during Q4.

Please note that Q4 has the same number of interest days as Q3. The day effect is estimated to be around DKK 65-70 million.

As always, please be mindful of currency fluctuations in the markets where we operate. During Q4, SEK have appreciated around 2% against DKK, while NOK depreciated around 1%, and GBP ended Q4 roughly flat versus the Danish Krone.

Looking at funding costs, we note that CIBOR has been roughly flat while STIBOR and NIBOR have decreased during the quarter. STIBOR lower by around 19 bps and NIBOR lower by around 10 bps. All based on quarterly averages.

In terms of wholesale funding, we have issued around DKK 90 bn somewhat above our full year funding plan of DKK 60 – 80bn of debt issuance across instruments – an indication of our growing balance sheet and credit demand, as well as some pre-funding of our 2026 funding plan.

Please visit [Danskebank.com Debt section]() for further details on terms and pricing for our issuance.

Moreover, we reiterate the interest rate sensitivity given with the Q3-25 interim report release, which is an approximately DKK 650 million negative impact per 25 bps cut across all currencies. Correspondingly per 25 bps hike we estimate an effect of around DKK 450m. In addition, we estimate a year 2 and 3 up and down effect of DKK 300m and 100m respectively, related to our structural hedge. Please note that by far most of our sensitivity relates to DKK and EUR, in that order.

**Fee income**

In respect of fee income, we will start by noting that the development is as always subject to conditions in the financial markets, refinancing activity and the general activity level among our customers.

Throughout the year we have benefitted from the diversification of our fee income, including our everyday banking fees which continues to benefit from healthy corporate activity.

With respect to investment fees, we note that this line is naturally impacted by the development in assets under management as well as the investment activity among our customers. Note the seasonality concerning performance fees in Asset Management which are booked in Q4. For reference we booked performance fees of DKK 0.7bn in Q4 2024 and on average 0.5bn for the last two years.

In respect of fees generated from financing, we expect refinancing fees in Q4 to be slightly higher than Q3. As a reference, in Q4 2024 it amounted to around DKK 135m.

Finally, concerning fee income from capital markets activity. Our LC&I franchise has recently successfully won leading mandates on landmark transactions. However, we note that primary markets activity in the fourth quarter broadly has been relatively subdued, especially concerning ECM and M&A.

**Trading income**

Now turning our focus to trading income.

Please note that customer driven trading income primarily in LC&I is expected to be impacted by usual customer activity in Q4 which tend to be lower towards the end of the year.

**Danica**

Danica's results are always subject to developments in the financial markets and in the Health & Accident business.

Following an FSA order received on September 1st 2025 related to claim patterns for long-term illnesses in the health & accident sector, we have strengthened our model calibration for the past years. This will lead to two effects:
Firstly, a net negative P&L impact of around DKK 200m in Q4, resulting in our full year income expectation being below our guidance of DKK 1.4 – 1.6 bn for normalized net insurance income.
Secondly, related to a correction of past years' model calibration, is a capital impact on the Group's CET1 ratio of around minus 10 basis points.

**Other income**

We reconfirm the lower run-rate for other income seen in previous quarters in 2025, due to lower contribution from asset finance activities.

Please be reminded that in Q4 24, the sale of the personal customer business in Norway to Nordea included the management of 15 Danske Invest Horisont funds, which had a positive effect on Other income of DKK 0.2 bn.

## Costs

Please be mindful of the expected higher seasonal costs occurring in the fourth quarter and our continued investment spend. For the full year, we thus expect total cost to be just shy of DKK 26bn.

## Impairments and credit quality

We have no specific comments in respect to the fourth quarter, as we reiterate full-year loan impairment guidance of no more than DKK 600m.

## Tax

We do not have any comments with respect to tax.

## One-offs

The around DKK 200m net impact related to the Danica model provisions will be booked as a one-off in Q4.

Outside this effect, we do not expect any other one-off items for Q4-25.

## Capital

Regarding capital, the EU conglomerate directive has been adopted into Danish law and will apply from January 1st, 2026. As such, we expect the communicated temporary CET1 reduction of around 40 basis points evidenced in Q3 still to be reflected in the reported end of quarter numbers in Q4 such that the temporary impact will continue to be reflected until our Q1 release.
However, fully phased in capital ratios will be available in our Q4 financial disclosure reflecting the reversal of the previously guided 40 basis point.

And as I mentioned earlier, the incremental health & accident model provisions in Danica is expected to have an additional minus 10 basis point impact on the Group's Q4 CET1 ratio.

In terms of REA, you should also be mindful around the standard procedure in Q4 of calibrating Operational Risk REA, which will likely lead to an impact from this year's net profit level. For reference the REA increase observed in Q424 and Q423 was 4bn and 6bn, respectively.
Furthermore, the 3-yr average net profit used for the operational risk calibration is with our current guidance expected to be higher than the preceding periods.

Besides that, we do not have any specific comments on REA, other than noting that market risk remains subject to volatility in the financial markets, and that our growing lending volumes, all else equal, would result in higher credit risk REA.

Finally, in respect to our CET1 ratio and similar to the same period of last year, the intended additional distribution outside our already accrued 60% related to the ordinary dividend policy, will be fully deducted in our Q4 ratios. For reference, the additional deduction we saw at Q424 was around 120 basis points.

## Concluding remarks

This concludes our initial comments in this pre-close call.

Before we move on to the Q&A session, I would like to highlight that we begin our silent period on 15th January. We will shortly start to collect consensus estimates with a contribution deadline on Thursday the 15th.

Please note that we publish our Annual Report on the 5th February at 7.30am CET and that the Q4 conference call for investors and analysts will take place at 8.30am.

We are now ready for the Q&A session. If you wish to ask a question, please use the “raise your hand” function.