



PRE-CLOSE CALL

Q3 2026

01 October 2026
Investor Relations

SCRIPT - Q3-2026 PRE-CLOSE CALL, 01ST OCTOBER 2026

Claus I. Jensen – Danske Bank – Head of IR

Intro

Good afternoon and welcome to the Danske Bank Q3 2026 pre-close call. My name is Claus Ingar Jensen, and I am Head of Investor Relations. In addition, Olav Jørgensen and Nicolai Tvernø from our IR team are also on the call.

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 major 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

Firstly, I would like to give a brief comment on the most recent macroeconomic development in our markets based on the Nordic Outlook published in early September by our macro research team.

The economies have proved resilient with solid labour markets despite high uncertainty and as higher energy prices have led to inflationary pressure. In our house view from Danske Bank Macro Research, we expect the ECB and the Danish Central Bank to hike by a total of 100bp in 2026, including the hikes in June and September that have already been done and then two additional hikes of 25bp in October and December.

Focusing on the Danish economy, the solid economic development is expected to continue with around 4% GDP growth in 2026 with continued strong support from the pharmaceutical sector. Employment levels and growing disposable incomes is supporting household finances, however consumer sentiment continues to be low. Housing market activity continues to be solid, although there are signs that the activity and house prices in the Copenhagen area are slowing.

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

Net interest income

The hikes from the ECB in June and September were included as part of our full year NII guidance of slightly above 38 billion, and the hike that occurred in September is not expected to have an impact on our Q3 number. Keep in mind that the contribution to deposit margins in Q3 from the June hike will be partly countered by effects from our deposit hedge, given the higher short-term rates.

As a reminder the deposit hedge was increased gradually during the last year such that our bond and derivatives portfolio account for around DKK 190 billion in addition to our loan hedge.

The effects I just highlighted are included in our overall sensitivity guidance. While the majority of our sensitivity is related to Euro and Danish Krone, we don't see policy rate tailwinds for NOK and SEK in the third quarter. Keep that in mind when applying our overall Group sensitivity, which we reiterated at our Q2 release and is estimated as a positive effect of around DKK 450m per 25 bps hike. However, note that there are typically price lags in the few months after a rate hike.

In addition, we estimate a year 2 and 3 up and down effect of DKK 300m and 100m respectively.

Regarding recent volume developments, we refer to public sector statistics released 25th September. The sector data showed solid Danish volume trend continuing. Please keep in mind that sector development is not an indication of how our volumes necessarily have developed, with the retail lending growth typically more muted when we look at our lending book growth overall.

When it comes to deposits, we are starting to see a gradual shift to higher savings rate products where we pass through more of the rate hikes to customers. All else equal, this churn will have an impact on deposit margins.

Please note that Q3 has 1 more interest day compared to Q2. The day effect is estimated to be around DKK 75 million.

As always, please be mindful of currency fluctuations in the markets where we operate. During Q3 and as of last Friday, SEK has depreciated by around 2% against the Danish Krone, whereas NOK has appreciated more than 3.5%. Pound Sterling has been roughly flat.

Looking at funding costs, we note that the 3-months CIBOR has increased by almost 25 bps, NIBOR with almost 10 bps while STIBOR has been roughly flat. All based on quarterly averages. This will all else equal, add some pressure to lending margins until facilities are fully reset.

And with respect to our wholesale funding costs, we expect an increase relative to Q2 with the transactions we have executed in Q3. We have now issued a total of DKK 85 billion so far during 2026, well in line with our full year funding plan of DKK 90 – 110bn of debt issuance across instruments. This includes a multi-tranche Scandi currency AT1 in the middle of August equivalent to DKK 5 billion.

Please visit [Danskebank.com Debt section](https://Danskebank.com/Debt%20section) for further details on terms and pricing for our issuance.

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. Furthermore, please be mindful that Q3 always has an impact from seasonally lower activity during the summer.

Corporate activity is generally solid and recent PMI statistics also encouraging and consumer spending is also improving slightly despite the bearish consumer sentiment, according to recent data from Statistic Denmark. Both factors are continuing to underpin our Everyday banking fees.

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.

In respect of fees generated from financing, we note that most Realkredit Danmark refinancing auctions for adjustable-rate mortgages does not take place in the third quarter. Therefore, we expect income from refinancing fees in Q3-26 to be immaterial, and lower relative to Q2.

Finally, concerning fee income from capital markets activity, we note that primary markets activity has seen some impact from the recent volatility. ECM activity has been subdued, and similar to activity fees, this will all else equal be affected by lower seasonal activity.

Trading income

Now turning our focus to trading income.

Please note that customer driven trading income primarily in LC&I is impacted by a continued reduced level of customer activity and a market sentiment which has been cautious, and seasonally slower summer activity.

Danica

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

Other income

We have no specific comments to other income.

Costs

While we reiterate our outlook for FY expenses of up to DKK 26 – 26.5 billion in 2026, we expect the Q3 cost level to be in line with Q2 reflecting commercial activity and investment spend.

Loan impairments and credit quality

We have no specific comments to credit quality in the third quarter. As such, we reiterate full-year loan impairment guidance of around DKK 1bn.

Tax

We do not have any comments with respect to tax.

One-offs

We have no one-offs relevant for Q3.

Capital

In respect to REA, we expect credit risk REA to reflect the trend in lending volumes.

We also note that market risk REA remain subject to the volatility, which we have seen in the financial markets including changing interest rate expectations.

Also please note that the anticipated pillar 2 relief related to resolved legacy cases has been formally reviewed as part of the Supervisory Review and Evaluation Process. As previously guided, this will reduce our CET1 requirements by around 40 basis points and will be reflected in our Q3 numbers.

Concluding remarks

This concludes our initial comments.

Before we move to the Q&A session, I would like to highlight that we begin our silent period on Thursday the 8th of October. We will shortly start to collect consensus estimates with a contribution deadline on Thursday the 8th October.

Please note that we publish the Q3 Interim Report on the 29th of October at 7.30am CET and that the Q3 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.