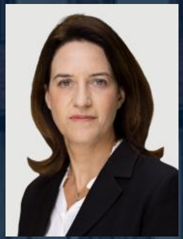
Financial results - Q2 2026

Presentation for Q2 conference call

Carsten Egeriis
Chief Executive Officer



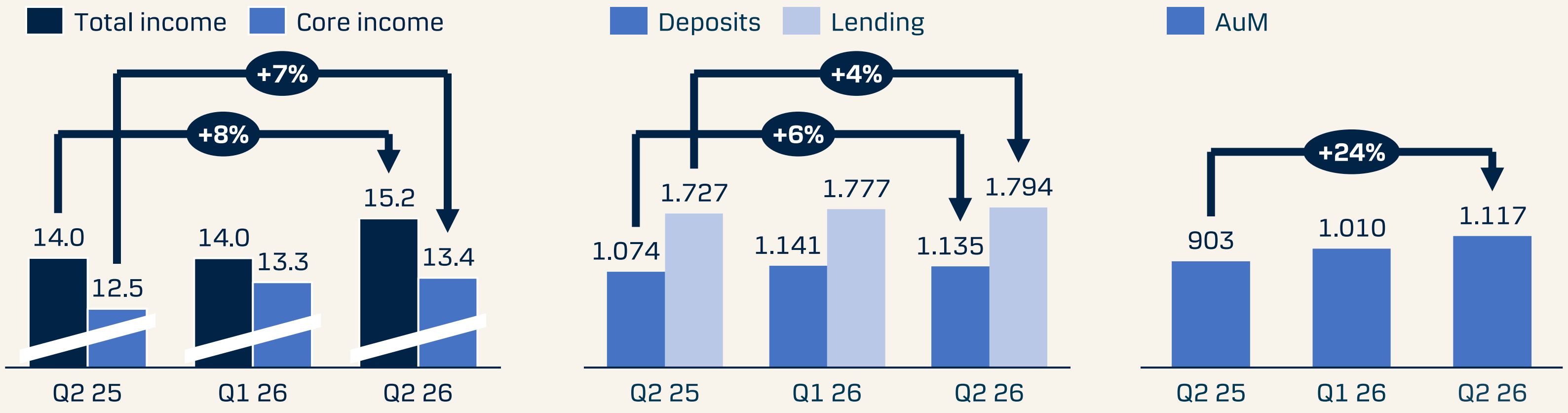
Cecile Hillary
Chief Financial Officer

Executive summary: Strong financial performance driven by commercial momentum and strategic execution

Commercial highlights

- **Beneficial operating environment and macro backdrop in the Nordics underpin sustained commercial momentum**
- **Strong financial performance with core income up 7% Y/Y and in Q2 net profit of DKK 6.2 bn reflecting increasing customer activity and volumes, disciplined cost management and sustained strong credit quality**
- **Growing customer volumes driven by growth across all Business Units and resilient margins. Corporate market share* gains across the Nordics. Continued uplift in net inflows supports AuM**
- **Strong capital generation underpin CET1 ratio at 17.0%, despite growing balance sheet and additional accrual to reflect the new dividend policy announced in Q1**
- **Net profit outlook for 2026 revised upwards to DKK 23 – 25bn, underpinned by higher total income from increasing commercial activity and policy rates**

Key figures (DKK bn)



*Non-financial corporates, Source: Central bank lending market shares

Financial highlights

Q2 26 net profit DKK 6.2 bn - ROE 14.8%

F'28 target for 2026: 13%

Q2 26 Cost/income ratio 43.0%

2026 target: ~45%

Commercial momentum

Corporate lending growth +6% Y/Y, driving market shares across the Nordics

Asset management net inflow in Q2 of DKK +14 bn across channels

2026 Net profit outlook raised to DKK 23 – 25bn

Business units: High customer activity across segments drives volumes and income

Highlights Q2 26

Personal Customers

- **Higher income** driven by customer activity leading to higher deposit and lending volumes as well as everyday banking fees
- **ROAC remained above target** due to higher income and loan impairment reversals

Business Customers

- **Higher income** mostly driven by strong fee income from everyday banking activity
- Strong development in corporate platform sees **lending and deposit volumes** growth

Large Corporates & Institutions

- **Higher total income** supported by lending volume growth, investment and capital markets fees. Deposit volumes Q2/Q1 impacted by seasonality
- **Strong uplift in lending volumes** sustained with 10% growth compared to same quarter last year

Total income (DKK m)

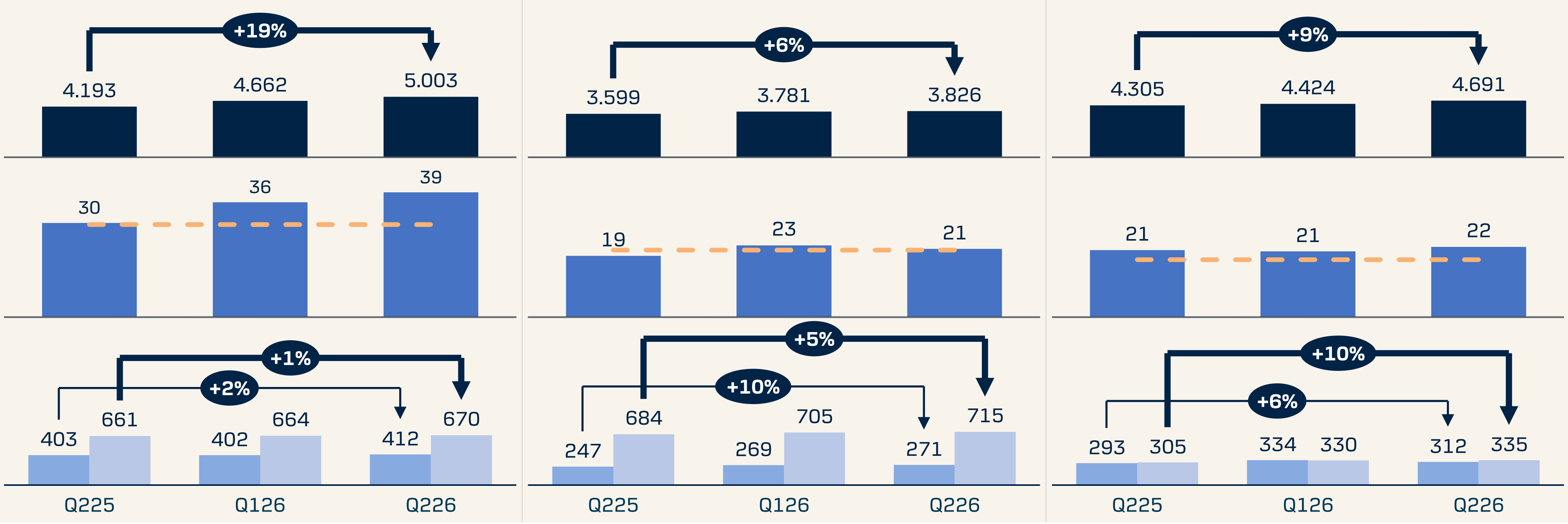
ROAC (%)

2026 target [1.]

Lending & deposit volumes (DKK bn)

Deposits

Lending



1. 2026 ROAC targets for PC, BC, LC&I are 29%, 21%, 18% respectively

Strong financial performance in the core income lines and cost management in line with plan

Income statement (DKK m)

	H1 26	H1 25	Index	Q2 26	Q1 26	Index
Net interest income	18,672	18,083	103	9,332	9,340	100
Net fee income	7,976	7,066	113	4,058	3,918	104
Net trading income	1,082	1,736	62	693	389	178
Net income from insurance business	851	714	119	689	162	425
Other income	550	316	174	385	165	233
Total income	**29,131**	**27,917**	104	**15,157**	**13,974**	108
Operating expenses	12,924	12,670	102	6,518	6,405	102
Profit before loan impairments	**16,207**	**15,247**	**106**	**8,638**	**7,569**	**114**
Loan impairment charges	265	266	100	291	-26	-
Profit before tax	**15,942**	**14,980**	**106**	**8,348**	**7,595**	**110**
Tax	4,055	3,770	108	2,147	1,908	113
Net profit	**11,887**	**11,211**	**106**	**6,201**	**5,686**	**109**

Highlights

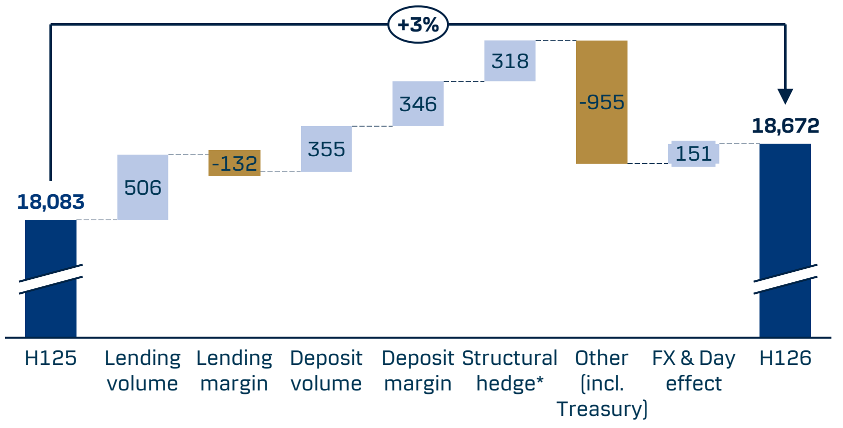
- **H1 26/H1 25:** Total income supported by growing core income with NII and fee income underpinned by customer activity and growing volumes. Trading income impacted by value adjustments from financial market volatility. Other income benefitting from 231m one-off booked in Q226
- **Q2 26/Q1 26:** Resilient NII with growing volumes off-setting impact from lower equity base and higher funding costs. Fee income underpinned by activity-driven fees and higher capital markets and assets under management. Trading and insurance income recovered from volatile Q1
- Continued cost management in line with guidance
- Strong credit quality and well-provisioned portfolio leading to below-cycle CoR in H1

NII: Solid NII underpinned by positive trend in volumes, deposit margins and stability derived from structural hedge

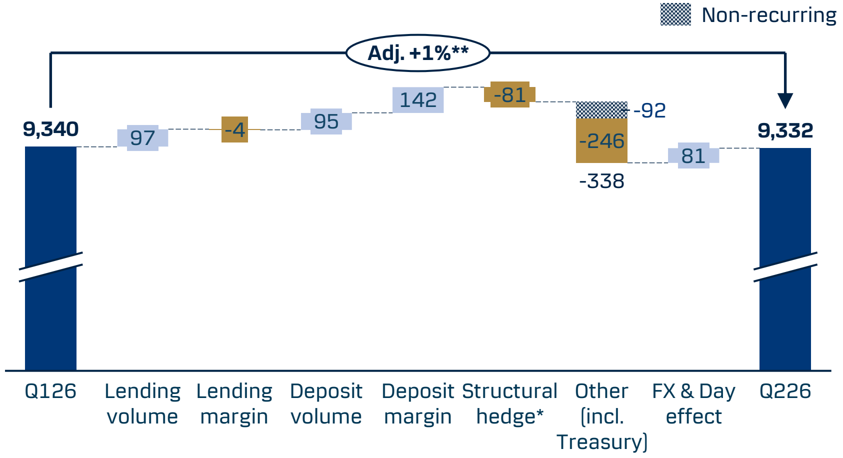
Highlights

- Growing NII trajectory +3% Y/Y from improved volumes and structural hedge contribution providing stability in light of Central Bank rates
- Quarterly trend highlights solid trajectory of NII underpinned by solid volume contribution
- Structural hedge impacted by higher short-term rates coupled with lower income from shareholder equity base following March and May payouts. The notional of the structural hedge (bond + derivatives) was kept stable in Q2 at around DKK 190bn
- Other primarily include Treasury's FTP allocation effects along with lower interest-related fees and a non-recurring correction
- NII sensitivity unchanged:
  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

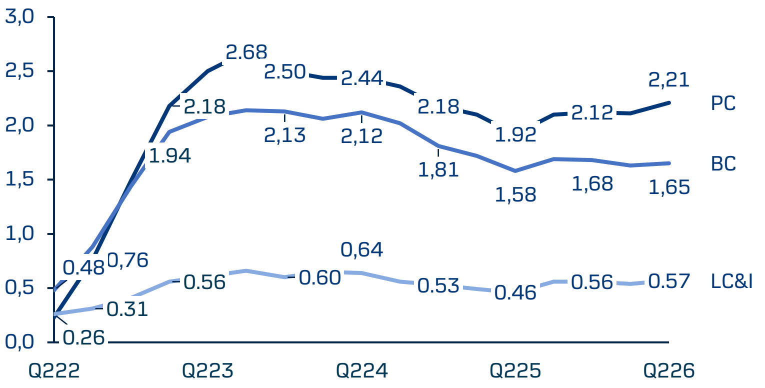
NII H126 vs H125 (DKK m)



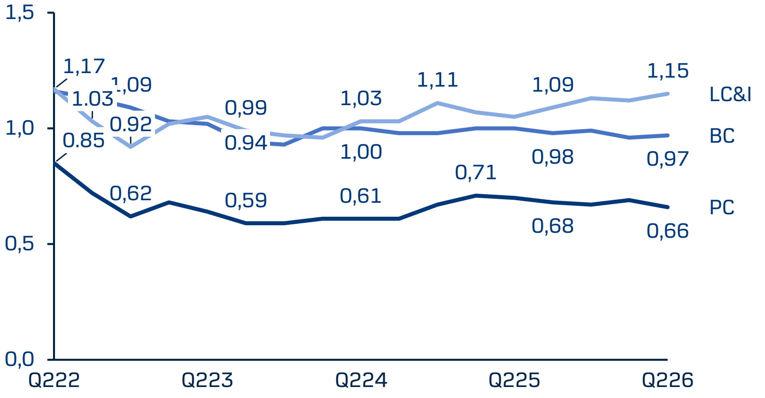
NII Q226 vs Q126 (DKK m)



Deposit margin development*** (%)



Lending margin development*** (%)



* Structural hedge income includes benefits from our bond and derivatives portfolio and fixed rate assets, net of the development in the yield on shareholders' equity at Danske Bank A/S. **Adjusted for non-recurring item.
***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, incl. structural hedge

Fee income: Strong fee income up 13% Y/Y and 4% Q/Q driven by customer activity and continued performance in investments offering

Highlights

Everyday banking fee income (e.g. transfers, accounts)

- Continued demand for our One-Corporate platform and cash management solutions with continued growth in house bank mandates

Lending and guarantee fee income

- Y/Y: Increase in customer activity continued to drive corporate credit demand
- Q/Q: Lower income in Q2 mostly related to refinancing auctions of adjustable rate mortgages

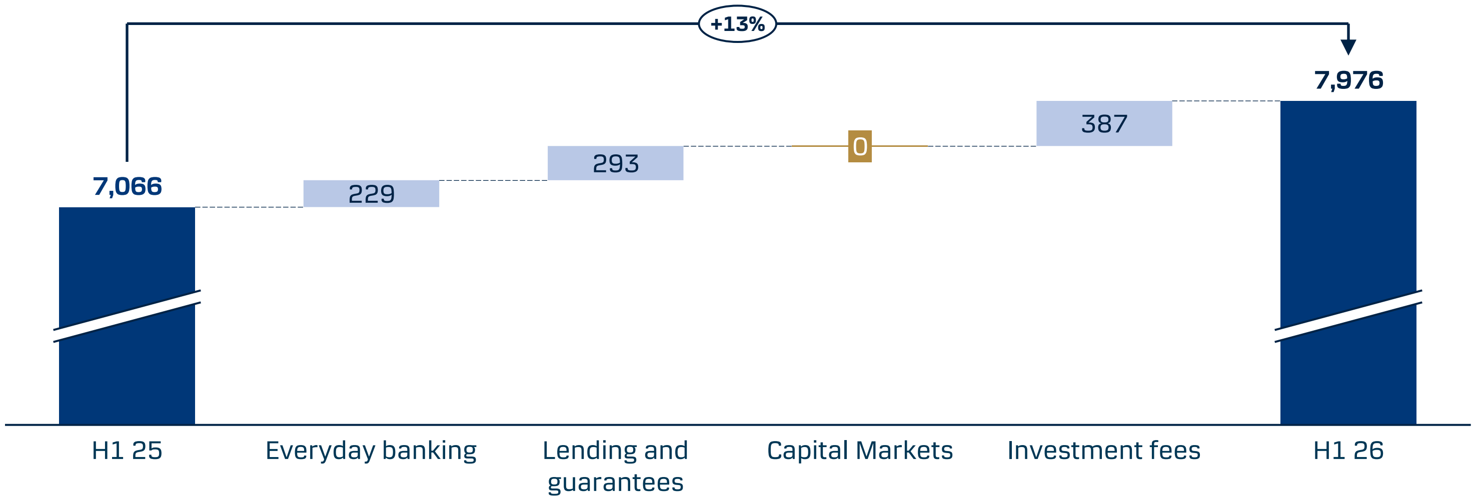
Capital markets fee income

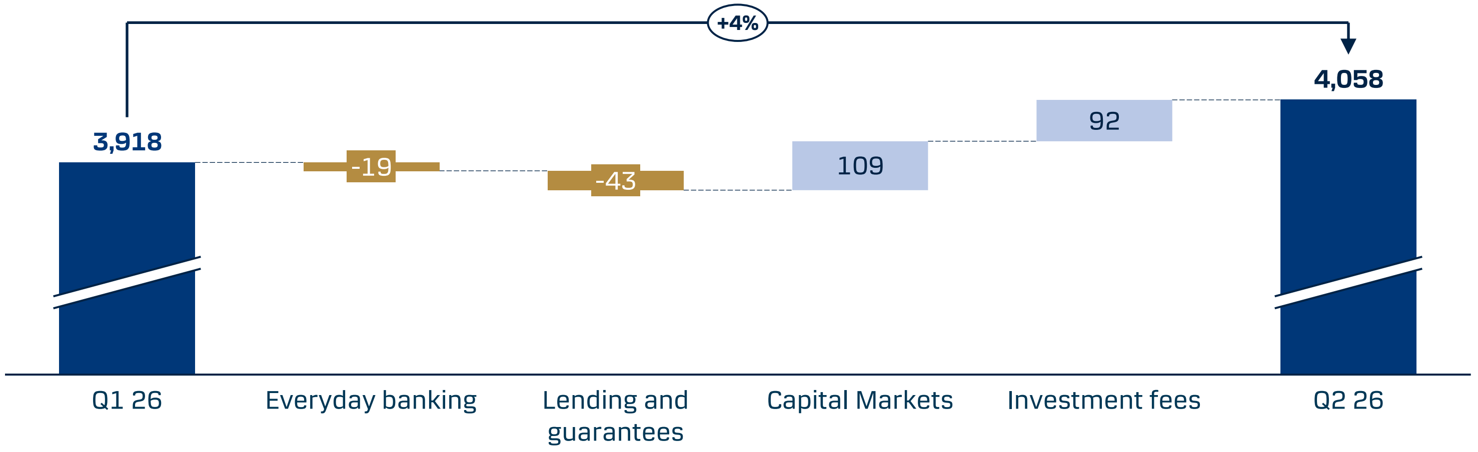
- Q/Q: Good activity in DCM coupled with increasing income from advisory-driven roles

Investment fee income

- Sustained strong growth in AuM, net sales and rising asset prices both Y/Y and Q/Q

Net fee income (DKK m)





Trading income: Impacted by lower customer activity in secondary markets and valuation effects in Group Treasury

Highlights

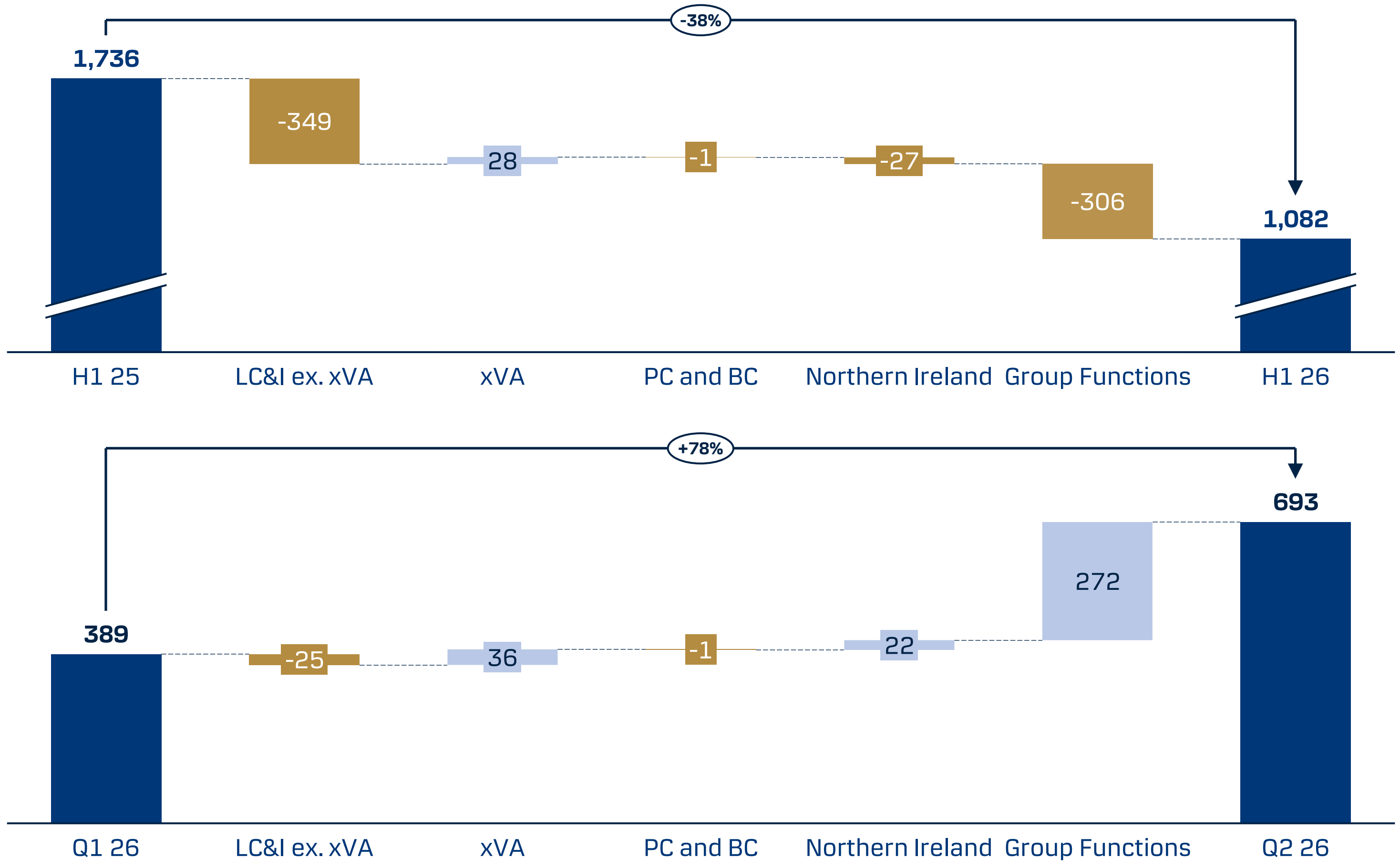
LC&I

- Y/Y: Lower result primarily driven by lower customer activity in fixed income market making
- Q/Q: Improvement in customer activity in fixed income was offset by lower activity in FX and equities sales and trading

Group Functions

- Fluctuations related to unrealised market value adjustments on cross currency swaps and other balance sheet movements that result in accounting volatility that are booked in Group Treasury

Net trading income (DKK m)

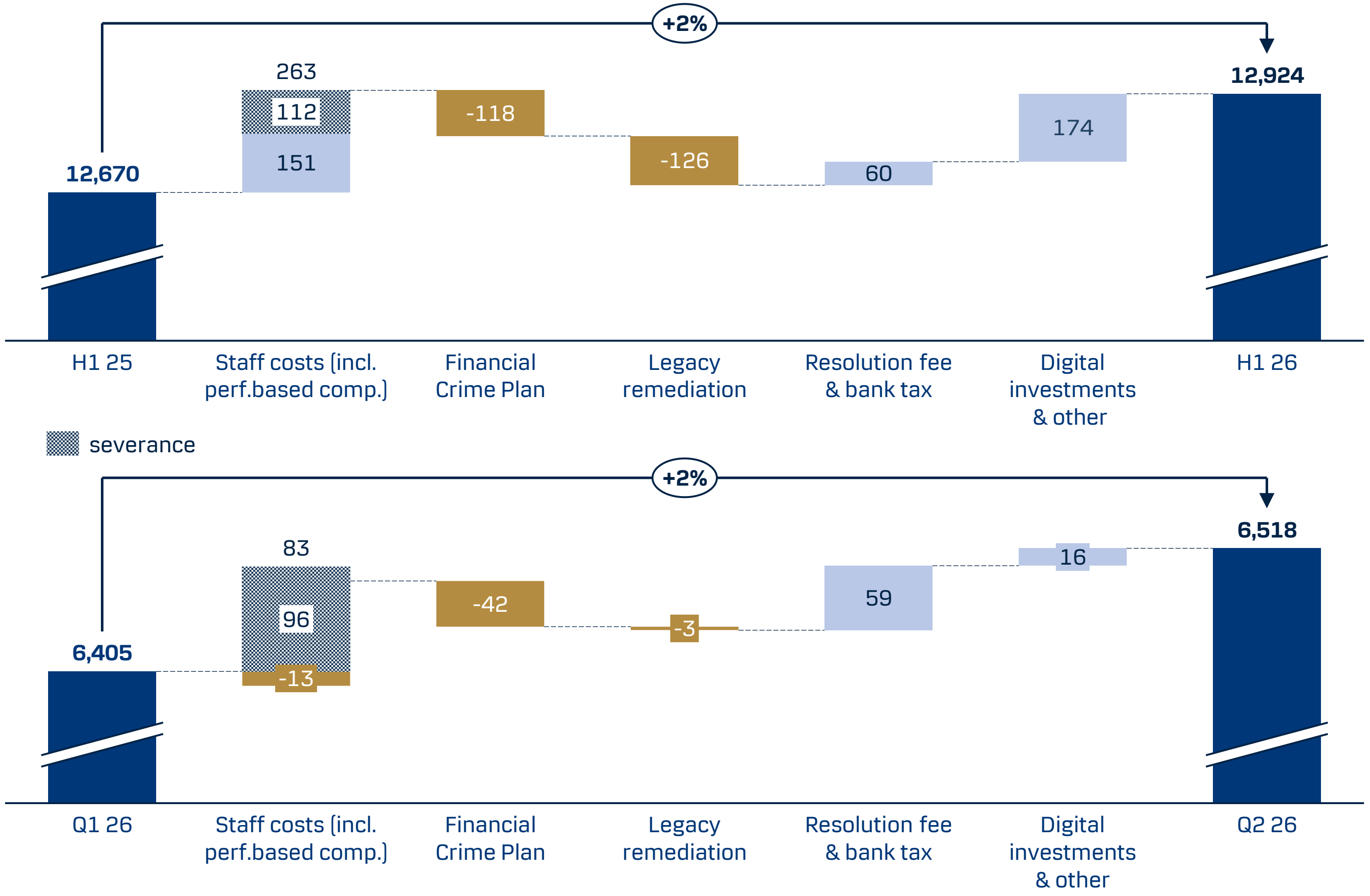


Expenses: Q2 cost/income ratio of 43%

Highlights

- Cost trajectory in line with full-year guidance
- Y/Y: Higher staff costs driven by performance-based compensation partially offset by lower FCRP and remediation costs
- Q/Q: Higher resolution fund fees primarily due to higher deposit base
- Strategic F'28 investments in digital tools and technology platform continue to enable AI and growth
- Number of group FTE down around 250 compared to Q1
- Cost/income ratio for Q2 2026 at 43.0% and for H1 2026 of 44.4%
- FY2026 cost outlook reaffirmed with a range of DKK 26 – 26.5 bn, with C/I ratio now below 45%

Expenses (DKK m)

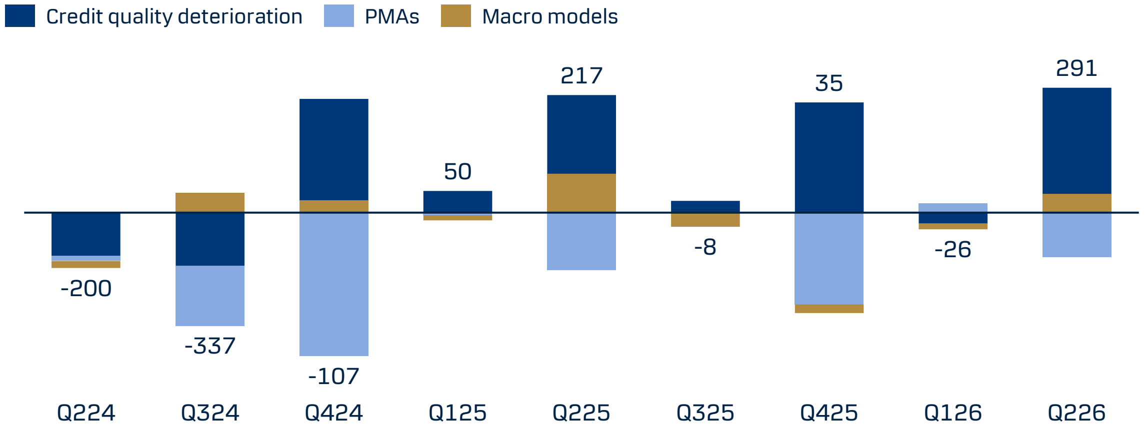


Asset quality: Strong credit quality and prudent macro scenarios

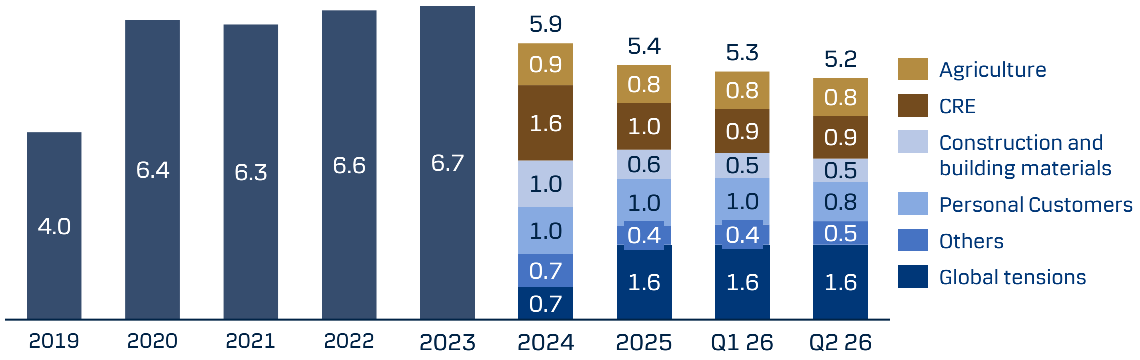
Highlights

- Diversified and low-risk credit portfolio underpins strong credit quality. Below-cycle impairments of DKK 291m in Q2. Full-year impairment guidance of around DKK 1bn maintained (~5 bps CoR)
- Macroeconomic charges remain modest. Scenarios reflect ongoing geopolitical uncertainty with tariff and trade tensions to capture a severe and prolonged adverse impact
- PMAs at DKK 5.2bn, with release of DKK 160m in Q2 primarily related to reduced PC risks. Prudent approach remains in light of geopolitical uncertainties and potential disruptions. Total overlay of almost 30bps equivalent to almost 4yrs of normalised impairments

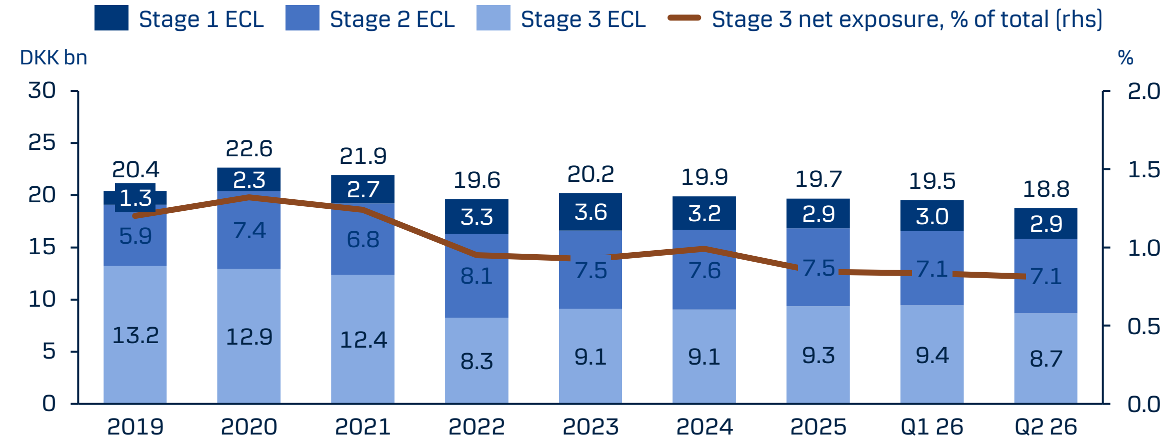
Impairment charges by category (DKK m)



Post-model adjustments (DKK bn)



Allowance account by stages (DKK bn)

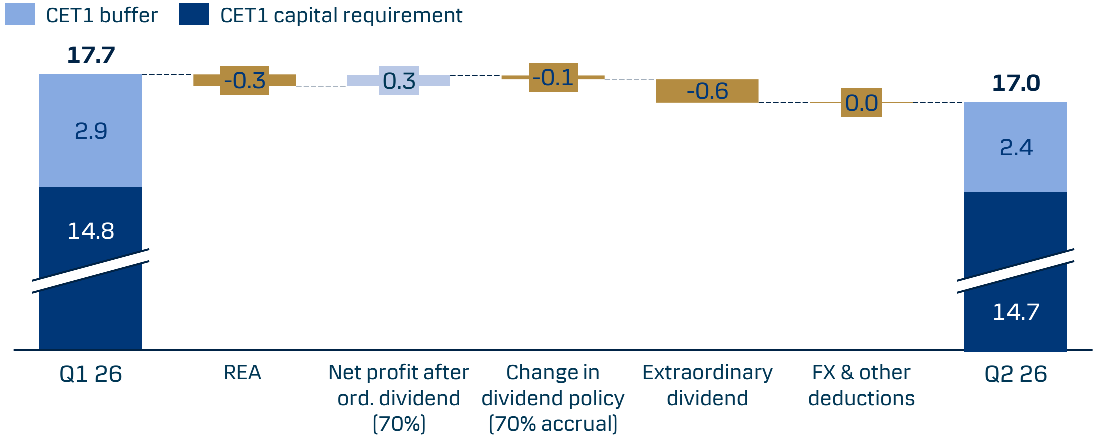


Capital: Strong capital generation with CET1 capital ratio of 17.0%

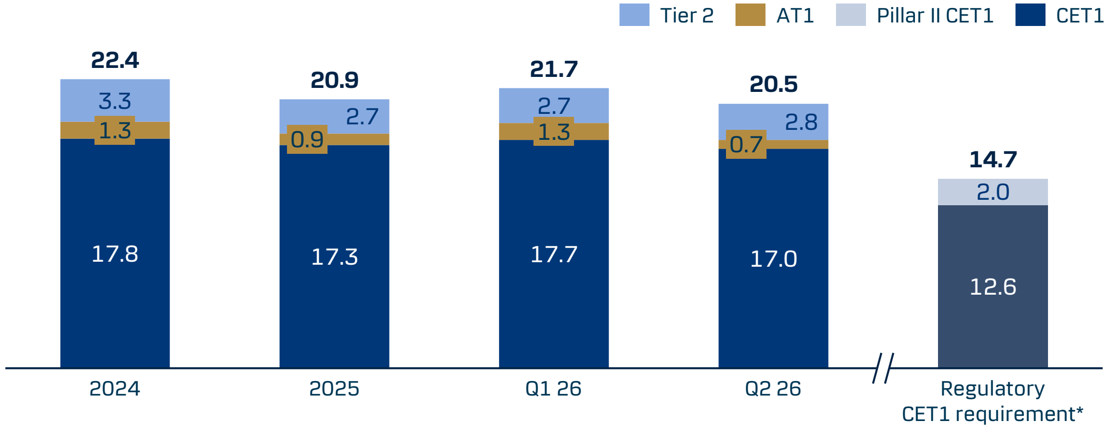
Highlights

- Capital position remained strong with CET1 ratio of 17.0% reflecting the DKK 5bn payout as well as the additional accrual on the back of our revised ordinary dividend policy (60 – 70%) announced with our F28 Strategy refresh
- REA grew DKK 11bn driven by higher credit REA, primarily due to higher lending, partially offset by lower market risk REA given interest rate volatility in Q1
- CET1 capital requirements slightly lower in Q2 given the recent amendments to the SyRB related to CRE exposures, which takes the CET1 headroom to 240bp, or 280bp pro-forma when including the P2 relief related to resolved legacy cases, pending annual Supervisory Review and Evaluation Process
- CET1 ratio and trajectory towards ~16% in 2028, in line with gliding path and the aim of being at ~17% by the end of 2026

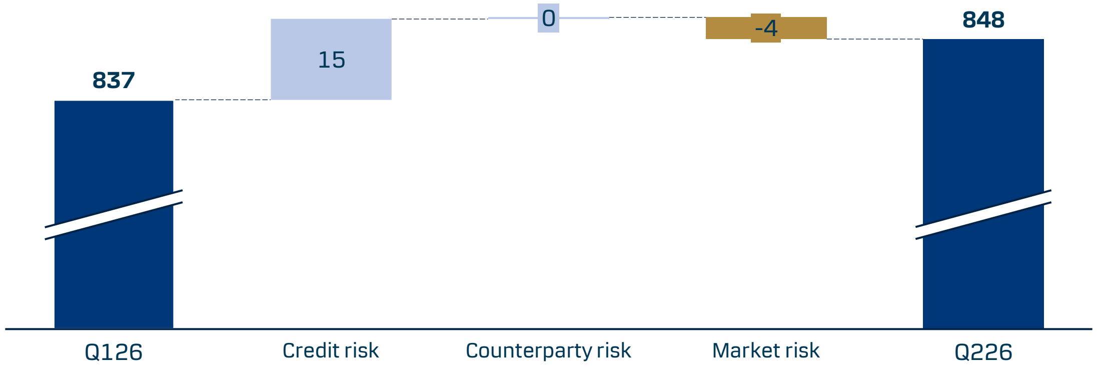
CET1 development (%)



Total capital ratios (%)



Total REA (DKK bn)



Financial outlook for 2026 revised upwards to DKK 23 – 25bn

Income	We now expect **total income** to be somewhat above DKK 59 billion driven by higher core banking income from higher customer activity, growing volumes, and recent policy rate hikes Income from trading and insurance activities remains subject to financial market conditions
Expenses	We expect **operating expenses** in the range of DKK 26 – 26.5 billion in 2026, reflecting our growth ambitions and continued investment spend alongside a sustained focus on cost management **Cost/Income** ratio now expected to be below 45%, ahead of our initial target for 2026
Impairments	**Loan impairment charges** expected to be around DKK 1 billion, below our normalized loan loss ratio of ~8bps, as a result of continued strong credit quality
Net profit *	We now expect **net profit** to be in the range of DKK 23 – 25 billion, reflecting a Return on Equity target of around 14% in 2026

* 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