Danske Bank

Narrowed guidance on strong Q3 earnings



Rasmus Kjborg
+45 61 20 30 78
Rasmus@hcandersencapital.dk



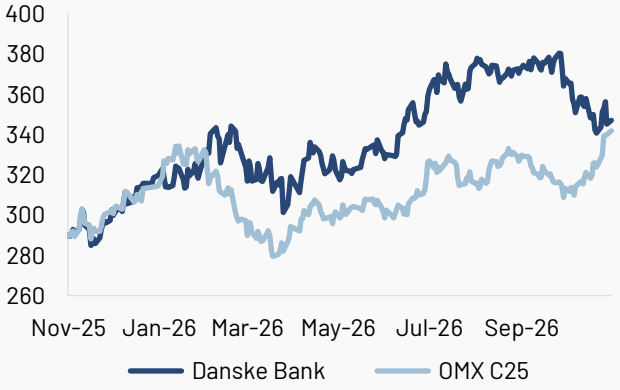
William Jørck
+45 22 39 20 14
William@hcandersencapital.dk

Corporate customer
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Key Financials and Valuation

Share price



YTD:	8.9%	1 year:	20.0%
1 month:	-5.6%	3 year:	107.2%

Note: Closing price from 2 Nov. 2026.
Source: S&P Capital IQ.

Financials

DKKbn	2024	2025	2026E	2027E
Net Interest Income	36.7	36.6	38.0	39.4
Total Income	56.4	56.8	59.5	61.8
Total costs	25.7	25.8	NA	NA
Income before tax	31.2	30.7	33.3	35.2
Net Income	23.6	23.0	24.3	25.6
Total dividend/share	28.7	22.7	26	24
Dividend yield (%)	14.1%	7.1%	7.5%	6.9%
Adj. C/I ratio (%)	45.6%	45.5%	44.1%	43.1%
Total capital ratio (%)	22.4%	20.9%	NA	NA
CET1 Capital ratio (%)	17.8%	17.3%	16.8%	16.5%

Note: Analyst estimates from S&P Capital IQ .
Source: S&P Capital IQ.

Guidance 2026E

DKKbn	Danske Bank	Consensus*
Total Income	>59.0	59.8
Operating Expenses	26.0-26.5	26.2
Impairments	≤0.6	0.8
Net profit	24-25	24.6
Adj. C/I ratio (%)	<45%	44.0%**

Mid-term KPIs (2028 targets)

Return on equity	>14.5%
Cost/income ratio	≤43%
CET1 capital ratio	~16%
Loan losses (through-cycle)	~8 bps
Total income	~DKK 63bn
Dividend payout	60–70%

Note: *Consensus are estimates on data from Danske Bank own gathered consensus estimates. **Adj. C/I ratio (%) consensus is from S&P Capital IQ

Valuation Perspectives

Q3 2026 confirms the investment case. Net profit of DKK 6.4bn, total income of DKK 14.7bn, C/I of 43.9% and RoE of 15.1%, with a net loan impairment reversal of DKK 200m, underline resilient earnings and credit quality.

2026 guidance narrowed upwards: net profit of DKK 24–25bn, RoE above 14% and impairments no higher than DKK 0.6bn. The 2028 targets of >14.5% RoE, C/I ≤43% and ~16% CET1 support re-rating from 11.5x 2026E P/E and 1.56x P/B.

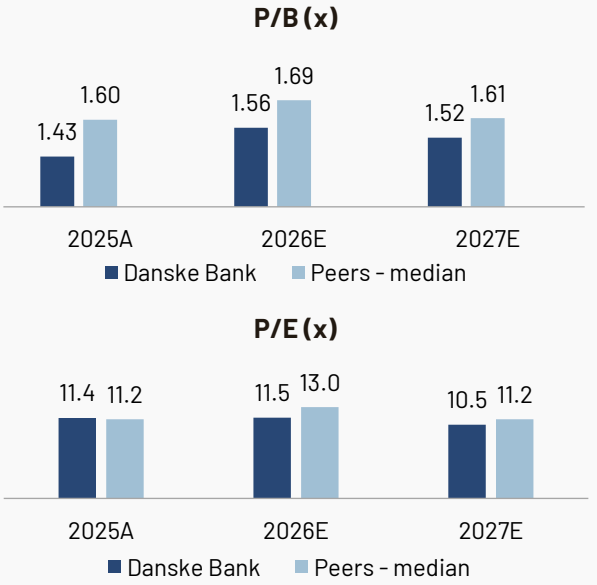
The P/B discount to the Nordic large-cap peer median is -10% on 2025A, -7% on 2026E and -6% on 2027E, and P/E has moved from a +2% premium on 2025A to -11% on 2026E and -7% on 2027E.

The ROE gap has closed from -13% on 2025A to -1% and +1% on 2026–27E, leaving little reason for the remaining discount.

Shareholder returns in line with the peer group. Danske's 1-year total return of 31.5% is just above the peer median of 31.3%, behind Swedbank (47.7%) and Handelsbanken (43.8%) but ahead of SEB (22.5%) and Nordea (15.9%).

Capital framework underpins the outlook. A 60–70% payout policy and a DKK 4.5bn buy-back, DKK 2.8bn of it done by end-September, normalise capital towards the ~16% CET1 target from 17.2% today. 2026–28 dividend potential is above DKK 55bn.

Valuation multiples (x)



Investment Case – Narrowed guidance on strong Q3 earnings

Key Investment Reasons

- Leading Nordic franchise: Denmark's largest bank and a top-tier Nordic player in personal, business and large-corporate banking, wealth management and insurance, with earnings diversified across the Nordics and Northern Ireland.
- Structurally higher profitability: Forward '28 targets RoE above 14.5%, a cost/income ratio no higher than 43% and total income of around DKK 63bn, with digitalisation and cost discipline closing the gap to Nordic peers.
- Visible capital returns: a 60–70% payout policy, ongoing buy-backs and a CET1 ratio above the ~16% target support 2026–28 dividend potential of more than DKK 55bn.

Key Investment Risks

- Interest rate sensitivity: a deposit-funded balance sheet makes net interest income sensitive to policy-rate cuts and deposit competition, which the structural hedge dampens but does not remove.
- Macro and or corporate downturn, where impairments can rise well above the ~8 geopolitical exposure: a Nordic loan book of around DKK 1.8 trillion leaves earnings exposed to a housing bps through-cycle assumption.
- Execution and regulatory risk: the Forward '28 cost and capital ambitions depend on sustained top-line growth and investment discipline, while changes in capital requirements or renewed compliance issues could affect distributions.

Company description: Danske Bank is the largest bank in Denmark and a leading Nordic financial institution, providing services across personal banking, corporate banking, wealth management and insurance. It operates five business units – Personal Customers, Business Customers, Large Corporates & Institutions, Danica Pension and Northern Ireland – with its core market in Denmark and operations across the Nordics and the UK.

Investment case: The case is anchored in resilient earnings, a normalising capital structure and clear Forward '28 progress. In the first nine months of 2026, net profit rose 9% to DKK 18.3bn on total income of DKK 43.9bn, an RoE of 14.3% and a C/I of 44.2%. The third quarter alone delivered a net profit of DKK 6.4bn, an RoE of 15.1% and a net loan impairment reversal of DKK 200m, with NII up to DKK 9.6bn and fee income of DKK 4.1bn.

Growth is broad-based across business units. Personal Customers lifted profit before tax 25% to DKK 8.0bn, supported by the Panorama advisory platform and the new Butterfly solution built on BlackRock's Aladdin Wealth. Business Customers grew profit before tax 5% to DKK 7.8bn on 7% bank lending growth, while Large Corporates & Institutions lifted assets under management to a record DKK 1,126bn.

Management narrowed the 2026 outlook upwards to a net profit of DKK 24–25bn and an RoE above 14%, with loan impairments now expected to be no more than DKK 0.6bn. The 2028 targets are unchanged: RoE >14.5%, C/I ≤43%, CET1 ~16%, through-cycle loan losses ~8 bps and total income ~DKK 63bn.

To accelerate the transition to the ~16% CET1 target, the board paid a DKK 5bn extraordinary dividend (DKK 6.14/share, 5 May 2026) and revised the ordinary payout policy from 40–60% to 60–70%. A DKK 4.5bn buy-back is running, DKK 2.8bn of it completed by end-September, and 2026–28 dividend potential is guided above DKK 55bn.

The capital-return track record is now among the strongest in the Nordic peer group, with close to DKK 70bn distributed over the past three years through dividends and buy-backs. Nine-month EPS reached DKK 22.6 and book value per share stood at DKK 212.9, supporting compounding of shareholder value as excess capital is returned.

Strategic execution remains on track, with Forward '28 investments stepping up from ~DKK 4.0bn to ~DKK 4.5bn p.a. and AI initiatives expected to deliver ~DKK 2bn in annual productivity benefits by 2028. Combined with strong liquidity (LCR 163%) and CET1 of 17.2%, this underpins continued capital distribution and supports the residual re-rating versus Nordic peers.

Peer Group – Nordic Large-cap Banks

Peer Group Selection: Danske Bank's peer group consists of other Nordic large-cap banks with cross-border activities, reflecting a similar business model and market structure to Danske Bank.

Nordea: is a Nordic financial services group with headquarters in Helsinki, Finland. It is the largest financial services group in the Nordics, with employees in around 20 countries. Nordea offers a wide range of financial products and services, including retail banking, corporate banking, asset management, and life insurance.

DNB Bank: is a Norwegian financial services group with headquarters in Oslo, Norway. It is the largest financial services group in Norway and has a strong presence in the Nordic region. DNB Bank provides a wide range of financial products and services, including retail banking, corporate banking, asset management, and life insurance.

Skandinaviska Enskilda Banken (SEB): is a Swedish financial services group with headquarters in Stockholm, Sweden. It is one of the largest banks in the Nordic region, also operating in Germany and the Baltics. SEB provides a wide range of financial products and services, including retail banking, corporate banking, asset management, and life insurance.

Svenska Handelsbanken: is a Swedish financial services group headquartered in Stockholm, Sweden. It is one of the largest banks in the Nordic region, also operating in the UK. It provides a wide range of financial products and services, including retail banking, corporate banking, asset management, and life insurance.

Swedbank: is a Swedish financial services group headquartered in Stockholm, Sweden. It is one of the largest banks in the Nordics, also operating in the Baltics. Swedbank's business segments include Retail Banking, Corporate Banking, and Asset Management & Insurance.

Estimates and assumptions: Some of the data in the peer group has not been calculated by HC Andersen Capital but is instead consensus analyst estimates from S&P Capital IQ. HC Andersen Capital assumes no responsibility for the correctness of the numbers in the peer group; however, considers S&P Capital IQ a credible source of information.

Nordic Large-Cap Banks

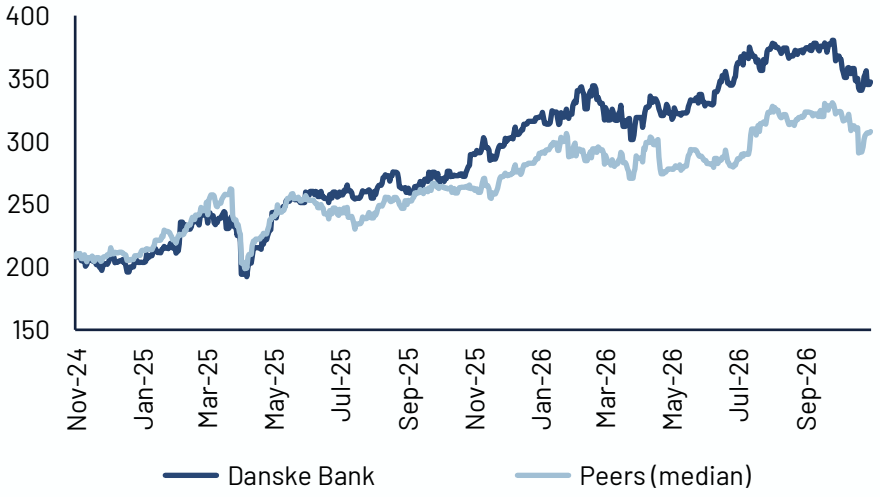
	MCAP	Share	YtD	1-year	1-year	P/B			P/E			ROE			Cost / Income	
Company	**(EURm)**	**price**	**Performance**	**Performance**	**Total Return**	**2025A**	**2026E**	**2027E**	**2025A**	**2026E**	**2027E**	**2025A**	**2026E**	**2027E**	**2025A**	**2026E**
DNB Bank	44,240	NOK 319.2	13.4%	23.6%	31.3%	1.51	1.69	1.63	9.9	12.0	11.2	15.9	14.0	14.7	38.0	39.4
Nordea Bank	53,577	EUR 15.8	-1.8%	6.6%	15.9%	1.70	1.66	1.54	11.6	11.1	10.0	15.5	15.0	16.1	46.0	46.1
SEB	37,043	SEK 208.8	7.0%	15.1%	22.5%	1.66	1.69	1.61	12.7	13.0	11.1	14.0	13.5	14.9	42.0	42.3
Svenska Handelsbanken AB	28,465	SEK 156.05	16.2%	25.1%	43.8%	1.33	1.56	1.57	11.2	13.7	12.8	13.0	11.6	12.8	42.1	44.4
Swedbank	39,861	SEK 388.8	21.1%	34.5%	47.7%	1.60	1.95	1.88	11.1	13.8	12.3	15.2	14.0	15.9	36.0	39.7
Median	**39,861**		**13.4%**	**23.6%**	**31.3%**	**1.60**	**1.69**	**1.61**	**11.21**	**12.95**	**11.22**	**15.2**	**14.0**	**14.9**	**42.0**	**42.3**
Danske Bank	**37,255**	**DKK 347.1**	**8.9%**	**20.0%**	**31.5%**	**1.43**	**1.56**	**1.52**	**11.4**	**11.5**	**10.5**	**13.3**	**13.9**	**15.0**	**45.5**	**44.0**
Premium (+) / Discount (-) to peers						-10%	-7%	-6%	2%	-11%	-7%	-13%	-1%	1%		

Note: Data from 02/11-2026

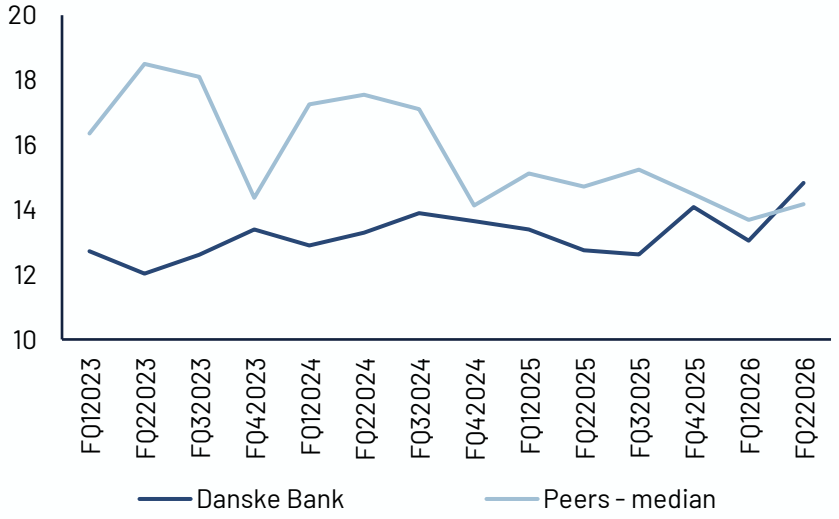
Source: S&P Capital IQ

Valuation vs. Peers

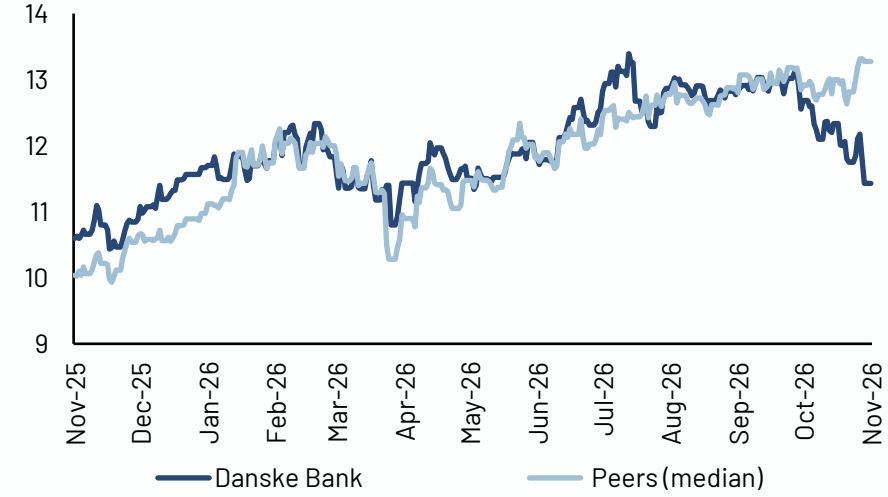
Danske Bank price return vs peer group median



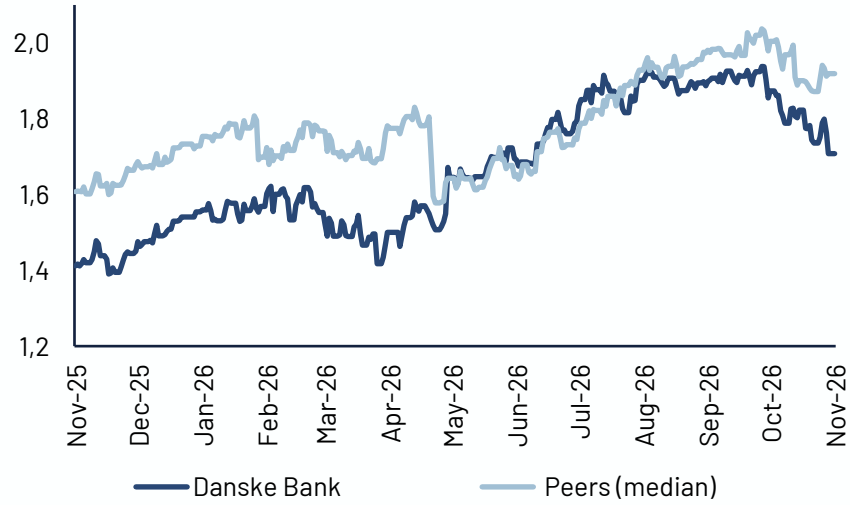
Danske Bank vs peer group ROE (%)



Danske Bank vs peer group P/E (LTM)



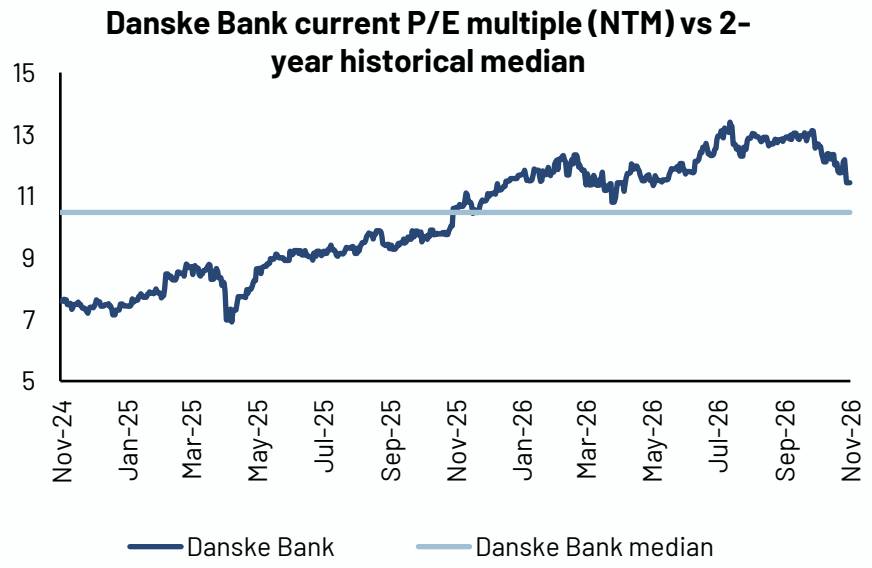
Danske Bank vs peer group P/B (LTM)

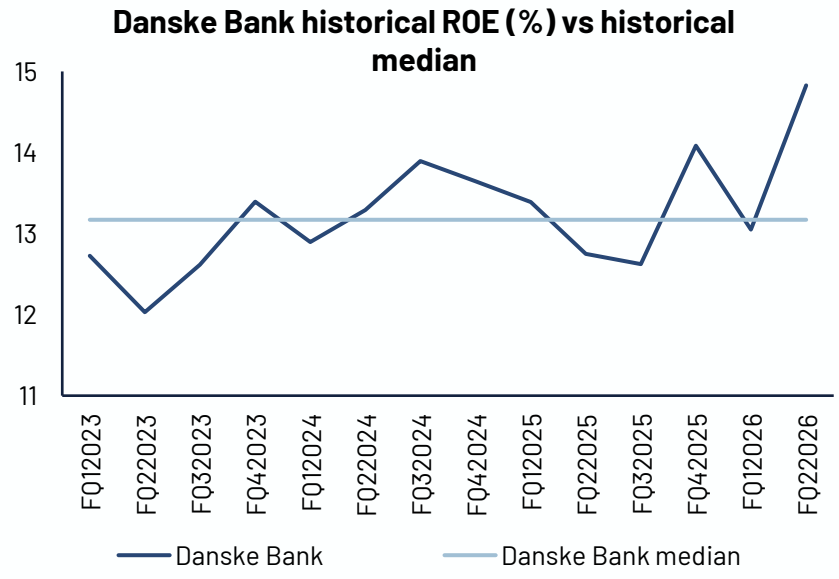


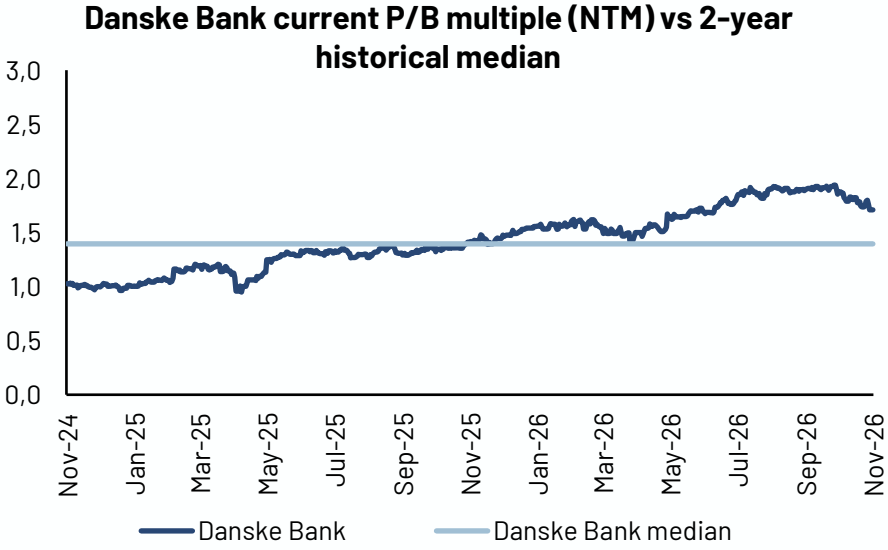
Note: Data from 02/11-2026

Source: S&P Capital IQ

Valuation vs. Historical median







Note: Data from 02/11-2026

Source: S&P Capital IQ

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HC Andersen Capital

Bredgade 23B 2. sal
1260 København K, Denmark
CVR: 41474793

All research available at **inderes.dk**

Equity research team



Michael Friis
Head of Equities



Rasmus Køjborg
Head of Research



Victor Skriver
Equity Analyst Assistant



Jacob Frehr
Equity Analyst Assistant



William Jørck
Equity Analyst Assistant



Nikolaj Pedersen
Equity Analyst Assistant

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