DNB Q2 2026 pre-close call

Introduction

Good afternoon and welcome to DNB's pre-close call for the second quarter of 2026.

The reason for this call is to remind you of what we have already shared with the market and some relevant public data which could possibly affect the second quarter results. There will be no new information during this call. The script for the call will be published on our IR website.

I will start with NII and capital and Anne will go through the rest of the P&L.

Net interest income

There is one more interest day in the second quarter compared to the first, so this is expected to impact the second quarter NII positively by approximately MNOK 120.

On the lending volume side, we saw FX adjusted growth of +0.3% in the first quarter.

So far in the second quarter, we've seen the average NOK strengthen, impacting NII negatively. The FX split in the loan portfolio per the first quarter was 8% USD, 7% EUR, and 6% SEK.

Following the central bank's decision to raise the key policy rate by 25 bps to 4.25% on May 6th, we announced a customer repricing of loans and deposits of up to 25 bps. The repricing will become effective from July 12th for existing customers.

With the central bank's latest policy rate decision today, the key policy rate was kept unchanged at 4.25%. It states that it is likely to raise the policy rate further at one of the forthcoming monetary policy meetings. The policy rate forecast is a little higher than the one published in March and is just above 4.5% at the end of the year. DNB Carnegie's macro team expects a 25 bps rate hike in August. Longer term, they expect two 25 bps cuts in late 2027, to stabilize at a terminal rate of 4.00%.

We continue to see strong competition in the bank market.

Capital

In the first quarter, we reported a CET1 ratio of 18.1%, well above the NFSA's expected level of 16.4%.

Based on the FX development so far in the second quarter, there will be a small positive effect on CET1. We repeat the FX sensitivity on CET1: When there is a 10% change in FX, there is approximately 20 bps change in CET1.

On May 15th, we announced the initiation of a 1% share buyback program. The capital cost of approximately 40 bps will be taken in the second quarter.

Net commissions and fees

Generally, activity levels tend to be higher in the second quarter compared to the first quarter, impacting fee levels positively.

Financial instruments at fair value

Customer revenues in DNB Carnegie (FICC): Typically sees a seasonally higher activity level in the second quarter compared to the first quarter, and is of course also impacted by market volatility.

The mark-to-market effects on AT1s and basis swaps will be announced shortly after quarter end. A reminder on the outstanding FX AT1 amounts: USD 700m and SEK 4.95 bn.

Costs

A seasonally higher activity level than we typically see in the first quarter, all else equal, typically leads to somewhat higher costs in the second quarter.

The central wage negotiations in Norway came in at 4.4% for 2026. Wage adjustments will have effect from May 1st. DNB Carnegie's macro team expects salary inflation in Norway to come in at 4.6% in 2026.

As communicated previously, we expect to incur non-recurring integration costs related to Carnegie of up to NOK 200 million in 2026. We saw NOK 33 million in Q1.

A reminder on pension expenses: As previously mentioned, normalized pension expenses are expected to be approximately MNOK 500 per quarter. The closed defined benefit compensation scheme is primarily linked to the development in global equities.

Asset quality

There is no change in our message on asset quality compared to what we presented at our first quarter release. The portfolio is carefully monitored, and we are still generally comfortable with the risk in the portfolio.

As you know, impairments will vary from quarter to quarter, driven by potential changes to macro input factors in the ECL model and/or company-specific events, as you've seen in past quarters.

As we've said previously, given the elevated level of uncertainty driven by the global macro picture, it would be natural to see more company-specific events.

Consensus

We would appreciate your consensus contribution by end of business on Friday July 3rd to Rune (rune.helland@dnb.no).

That marks the end of the call. We thank you very much for attending and wish you all a nice day ahead.