DNB Q3 2026 pre-close call

Introduction

Good afternoon and welcome to DNB's pre-close call for the third 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 third 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 third quarter compared to the second, so this is expected to impact the third quarter NII positively by approximately NOK 120m.

On the lending volume side, we saw FX adjusted growth of +1.4% in the second quarter (+0.6% in Personal Customers, +1.5% in Corporate Customers Norway, +3.0% in LCIC). Keep in mind that activity levels tend to be a bit lower in the third quarter.

So far in the third quarter, we've seen a fairly stable development in the average NOK. The FX split in the loan portfolio per the second 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 became effective from July 12th and will thus have an impact in the third quarter.

With the central bank's latest policy rate decision today, the key policy rate was increased by 25 bps to 4.50%. They stated that "*It will likely be necessary to keep the policy rate elevated for a time, and the Committee is prepared to raise the policy rate further if needed to bring inflation down to the 2% target within a reasonable time horizon*." The policy rate forecast is somewhat higher than the one published in June, clearly indicating a higher for longer interest rate path scenario. DNB Carnegie's macro team expects 4.50% to be the peak, and in the longer term they expect two 25 bps cuts in late 2027, to stabilise at a terminal rate of 4.00%.

We continue to see strong competition in the bank market.

Capital

In the second quarter, we reported a CET1 ratio of 17.4%, 100 bps above the NFSA's expected level of 16.4%.

Based on the end of period FX development so far in the third 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 July 14th, we announced the initiation of a 1% share buyback program. The capital cost of approximately 40 bps was taken in the second quarter. The current program will be completed by October 16th.

Net commissions and fees

Generally, activity levels tend to be lower in the third quarter compared to the second quarter, impacting fee levels negatively.

Financial instruments at fair value

Customer revenues in DNB Carnegie (FICC): Typically sees a seasonally lower activity level in the third quarter compared to the second 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 4.95bn.

Costs

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

DNB Carnegie's macro team expects salary inflation in Norway to come in at 4.6% in 2026 and 4.1% in 2027.

As communicated previously, we expect to incur integration costs related to Carnegie of up to NOK 200m in 2026. YTD per the second quarter, we have seen NOK 77m.

A reminder on pension expenses: As previously mentioned, normalized pension expenses are expected to be approximately NOK 500m 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 second 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 have said previously, given the elevated level of uncertainty driven by the global macro picture, it would be natural to see more company-specific events.

Miscellaneous

As announced in July, we have entered into an agreement to divest our 20% shareholding in Luminor. As a consequence, Luminor will no longer be accounted for through the equity method in DNB's financial statements, but rather as held for sale. We expect to recognize an accounting loss of approximately NOK 1bn in the third quarter on the line titled *Profit from investments accounted for by the equity method*. Upon completion of the transaction, we expect a positive

CET1 effect of approximately 20 bps. Completion of the transaction is subject to obtaining the necessary regulatory approvals.

As communicated with our second quarter release, we expect the tax rate for the third and fourth quarters to be 22%, and for the full year 2026 and following years to be 23%.

Consensus

We would appreciate your consensus contribution by end of business on Wednesday October 7th. Please send them to me (anne.engebretsen@dnb.no).

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