

Six contributions to a Denmark richer in opportunities

Finance Denmark's strategy 2024-2026



Finance Denmark's strategy points to six key areas where we as financial sector play a special role for our colleagues, customers, society and businesses. It is our ambition to create the most favourable conditions for growth, sustainability and digitisation – in a safe, secure and inclusive way.

FORORD

The financial sector plays a key role in the Danish economy. The vast majority of the Danish people are our customers, and we meet their needs for saving, borrowing, investment and payment every day. We offer advice, loans, digital solutions and much more. Many of our customers are also co-owners of the financial sector – some through direct ownership, and others through their savings.

As financial sector, we are an important and crucial part of a safe and inclusive financial ecosystem, which allows people to fulfill their dreams. We bring these dreams to life by making savings grow and financing family homes and cars and business investments in buildings, production and workplaces, and when we help entrepreneurs explore new and innovative ideas. We do this in all of Denmark, and our services create significant value for individuals and for society as a whole.

As Denmark's financial engine, we promote a society richer in opportunities for all by developing solutions to current and future challenges.

The green transition poses one of the greatest challenges of our time, and the financial sector plays a central role, both in Denmark and globally. We therefore feel a special obligation to contribute and be at the forefront of finding and implementing the right solutions.

On top of that we are in the midst of a digital revolution with great potential for growth and knowledge-sharing to the benefit of society at large. The financial sector is one of the most digital industries in Denmark, and we are market leaders in developing a wide range of digital solutions to the benefit of people and businesses. However, digitisation also presents challenges. We therefore focus on digital security and inclusion, and we are determined in our fight against financial crime and fraud. We are also dedicated to secure our infrastructure against cyber attacks. Being a digital individual in Denmark should be safe.

A sustainable working life for all is at the heart of promoting a sound, productive and developing labour market and an inclusive and modern society.



The development of a sustainable working life is therefore high on the financial sector's agenda – whether it is about well-being, skills and talent development, flexibility, equality, diversity, maternity/paternity leave or pay, the financial sector is known for creating inclusive and attractive workplaces that stimulate personal development.

Corporate responsibility in the financial sector is also about fostering a sustainable labour market characterised by good governance and management, a healthy working environment in the broadest sense possible and low sickness absence that may bring inspiration and development for all.

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The best way for the financial sector to develop and position Denmark for the future is to ensure that the right framework conditions are in place. These range from reasonable and unbureaucratic regulation to access to specialists and a pool of highly skilled talent.

This strategy points to six areas where we as financial sector play and will play an even greater positive role. We want to help create the most favourable conditions for growth, sustainability and digitisation in Danish society – in a secure, safe and inclusive way.

Michael Rasmussen
Chair of Finance Denmark



ABOUT FINANCE DENMARK

We are a business and employer association for banks and mortgage lenders, asset managers, stockbrokers, investment funds, as well as banking IT providers and other IT and fintech companies in the financial sector. Together, we are the financial sector.

We contribute to safe and efficient operation of the financial system, and we support a sustainable and digital Denmark richer in opportunities. Our mission is to raise awareness of the value creation contributed by the financial sector and to strengthen trust between the financial sector and society in general.

The financial sector's business model must be competitive and resilient so that the sector is able to improve and maintain its central role in society and retain the trust of customers, investors and rating agencies. And it is essential for financial stability that the financial sector's earnings are robust enough to absorb losses during economic downturns. This is in everyone's mutual interest.

We strive to increase financial understanding and inclusion, providing all individuals with as much insight as possible into their personal finances and how to manage them. This creates security and a higher quality of life. Last but not least, we contribute to a sustainable working life characterised by diversity, inclusion, equal pay and skills development.

As business and employer association we continually highlight the consequences of different initiatives for the financial sector and its business model and for people and the economy in general. We contribute with facts and research in the public debate on the financial sector and its role in the Danish economy.

We are the voice of our members. And by taking a constructive, dialogue-seeking and fact-based approach,

we aim to act as ally and partner on behalf of our members in interactions with other stakeholders in society.

Our vision is to contribute to Denmark's positive development. To that effect, we have identified six key priorities around which our work is organised, to ensure the financial sector's continued support of a sustainable and digital Denmark richer in opportunities:

1. Growth and development
2. Sustainable finance
3. Digitisation
4. Safety and security
5. Financial learning and inclusion
6. A balanced labour market

Finance Denmark represents members across banks and mortgage lenders, asset managers, stockbrokers, investment funds as well as banking IT providers and other IT and fintech companies in the financial sector. Together, we are the financial sector. Finance Denmark has offices in Copenhagen and Brussels.

Finance Denmark's member companies employ about 45,000 people. The banking and mortgage sector represents a balance sheet total of about DKK 6,000 billion, and the investment sector manages – in part via investment funds – assets worth DKK 4,500 billion in Denmark. Overall, the financial sector contributes around DKK 15 billion in corporation taxes and payroll taxes every year.



Six contributions to Danish growth

Growth and development

The financial sector contributes to growth, development and opportunities in Denmark.

Sustainable finance

The financial sector contributes to reaching political climate and biodiversity goals in Denmark and globally.

Digitisation

The financial sector promotes development of the digital society.

Safety and security

The financial sector enhances the safety and security of Denmark through the prevention of fraud and financial crime.

Financial learning and inclusion

The financial sector promotes financial understanding, consumer protection and financial inclusion.

A balanced labour market

The financial sector helps ensure and develop a balanced labour market and a sustainable working life.



Growth and development

The financial sector consists of large and small banks as well as mortgage lenders, which every day provide financing and advisory services and facilitate payments between people and businesses nationwide. The sector also channels people's savings into investments and capital for companies all over the world. Finance Denmark strives to ensure the best possible conditions for the investments and savings of individuals so that good returns go hand in hand with the sustainable transition.

The financial sector acts as Denmark's financial engine, helping to ensure growth, prosperity and cohesion, thus forming the basis for a robust labour market and one of the world's best welfare societies. Against this background, Finance Denmark is actively raising awareness of the financial sector's value creation and contributions to our common welfare.

The financial sector is a partner to all businesses – from entrepreneurs to master craftsmen and large corporations that compete globally. The financial sector is also a partner to the individual – and to families – every single day.

A key objective of Finance Denmark is to have a resilient financial sector that can provide solutions to families and businesses when society is facing challenges – whether these are unforeseen, such as the coronavirus pandemic and the war in Ukraine, or known, such as climate and biodiversity crises, all of which call for mobilisation of the entire society.

As a major socio-economic participant, naturally the sector must fulfil certain requirements, although these should not restrict the sector's ability to act as an engine for growth and prosperity, domestically and globally. Finance Denmark is working to ensure sound framework conditions and financial regulation in Denmark and in the EU that on the one hand create a strong and stable sector, and on the other hand enable the sector to deliver attractive solutions for people in Denmark.

For the financial sector to grow and develop, it is essential that companies have access to the right skills and a labour supply that matches demand.



GROWTH AND DEVELOPMENT

The financial sector contributes
to growth, development
and opportunities in
Denmark

Sustainable finance

The financial sector in Denmark plays an important role in the sustainable transition. With the ambition of a 70% carbon reduction by 2030 and a net-zero emissions society by 2050, loans and investments are needed on an unprecedented scale.

Our sector in itself does not have a significant carbon footprint. But through dialogue, advice, loans, investments and asset management to individuals and businesses, the sector is a key driver of the transition, helping to achieve political goals on climate and biodiversity in Denmark as well as globally.

The sector offers advisory services, financing and capital for sustainable projects and businesses, covering everything from replacement of oil-fired boilers, financing of wind farms and investment in sustainable companies worldwide to home energy improvements. In 2022, the sector's financing of green activities reached almost DKK 700 billion with two thirds being invested in investment funds with sustainable objectives or characteristics. The financial sector also focuses on supporting more biodiversity to preserve nature into the future as well.

The transition requires full societal involvement. This means investing in projects and businesses that are not yet sustainable but are well on their way. The sector ac-

tively uses its ownership to motivate thousands of investee companies to move in a more sustainable direction.

Finance Denmark is working to have clear EU-wide definitions assuring that consumers receive comprehensible and comparable information about the sustainability of products and that the financial sector has well-defined framework conditions. At the same time, Finance Denmark seeks to ensure that data needed for the sector to assess and report on businesses' sustainability efforts are accessible and reliable.

In an EU context, Finance Denmark is advocating the implementation of the new Danish corporate carbon tax in the rest of the EU. Additionally, Finance Denmark plays an active role in the European Commission's action plan on financing sustainable growth; a commitment we will maintain in relation to the new Commission in 2024, with regards to climate, biodiversity as well as social and governance issues.

The financial sector also attaches great importance to ensuring and developing a sustainable working life. Therefore, Finance Denmark seeks to enter into good collective agreements and promote maternity/paternity leave, salaries, well-being, skills development, flexibility, equality and diversity, so that employees have the best possible conditions for advising customers.



SUSTAINABLE FINANCE

The financial sector contributes to reaching political climate and biodiversity objectives in Denmark and globally

Digitisation

For a number of years, the financial sector has been a pioneer in the digitisation of Denmark and, in partnership with the authorities, has created a robust and socially useful infrastructure to the benefit of everyone in Denmark.

Digitisation has particularly revolutionised the payment area, where online banking services, contactless cards, mobile payment solutions and instant transfers have made everyday life easier for the individual. And this development is now continued with AI and new digital solutions that will make everyday life even easier for the individual. Finance Denmark wants to continue to raise awareness of the sector's contribution to an efficient and value-creating payments market in Denmark and to foster good framework conditions both in Denmark and in the EU.

The financial sector is the public sector's most important digitisation partner. The financial sector's reporting to the tax authorities forms the basis for correct tax calculations and increased automation of tax assessment notices. In addition, banks are the prerequisite for a series of key digital infrastructures, such as clearing/settlement of Danish kroner, digital land registration, NemKonto ["Easy Account"] as well as MitID, which the sector will continuously further develop so that it remains easy, safe and secure to use.

At the same time, the sector continues to develop solutions for the benefit of all Danes. Being a bank customer should be even more user-friendly, both in terms of getting a daily overview of your finances and with respect to making payments and investments. It should also be easier to switch banks. To this end, the sector is developing a new digital bank switch solution, eBanksifte, to further automate interbank exchange of information.

The financial sector will continue to make a significant contribution to the development of the digital society to promote growth and prosperity, both in Denmark and in the EU. Consideration for existing investments in this area, fair competition and user-friendliness will continue to be important guideposts for the sector's efforts.

The financial sector invests heavily in ongoing skills development, enabling employees to develop and utilise new digital tools in the workplace for their own benefit and for the benefit of customers, companies and society. Finance Denmark is championing a stronger focus on digital skills in public education and in supplementary and continuing education and training. This is a key condition for fully exploiting the opportunities of digitisation as well as for increased productivity, competitiveness and growth in Denmark.



DIGITISATION

The financial sector
contributes to developing
the digital society

Safety and security

The financial sector works for a safe and more secure Denmark. The sector has invested heavily in preventing financial crime, resisting cyberattacks and providing secure solutions to individuals to create security for the individual and society.

The sector plays a crucial role in the fight against financial crime. Over the past ten years, the sector has significantly increased the number of reports of suspicious transactions and today accounts for around 90% of all reporting to the authorities. This is due to large-scale investments in know-your-customer (KYC) procedures, monitoring systems and digital identification systems as well as enhanced cooperation with the authorities. The financial sector will continue to invest in measures to combat financial crime in the coming years and remain engaged in operational partnerships.

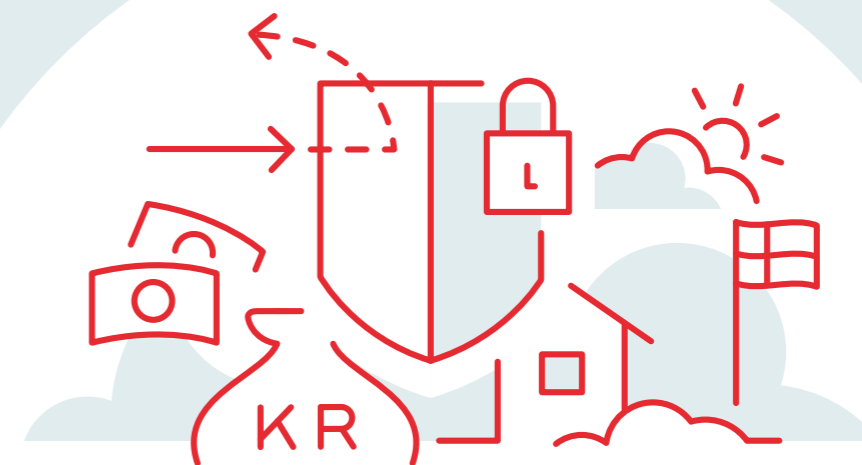
With growing digitisation, people have become more vulnerable to, for instance, fraud, while the methods of criminals are becoming increasingly sophisticated. The financial sector will therefore continue efforts to better identify and prevent identity theft, contact fraud and other forms of fraud. To this end, the sector has set up a special fraud task force charged with carrying out a 360-degree

mapping of criminals' methods and proposing concrete preventive measures.

In addition, we will launch a national awareness campaign, "Secure banking – together" ("Sikker bank - sammen"), which focuses on how we combine our efforts to fight digital fraud.

But there is also a need to raise the general awareness in society. Therefore, Finance Denmark will launch concrete awareness campaigns in collaboration with the police, authorities and other organisations with the aim of making people better at identifying fraud, maintaining police focus on the different types of criminals involved, and delivering the clear message to criminals that their actions will be met with severe sanctions.

Cyber security will continue to be a key focus area for the financial sector, which is continuously strengthening important Danish IT systems to make them less vulnerable to cyberattacks etc. The link between IT systems and the financial cycle means that, for example, cyberattacks can quickly develop into a societal threat. Therefore, Finance Denmark will continue to strengthen cooperation across the sector to counter the cyber threat.



SAFETY AND SECURITY

The financial sector enhances the safety and security of Denmark through the prevention of fraud and economic crime

Financial learning and inclusion

The financial sector provides financial services to all individuals throughout their lives, ranging from children's and pension savings and loans for first-time homebuyers to credit facilities, payment services and first investments. This provides opportunities for the individual. Financial decisions help shape our lives, and therefore all individuals should have a financial understanding broad enough to manage their own finances and be well prepared for dialogues with their banking adviser about their financial opportunities.

The sector works actively to raise financial literacy in society to allow individuals to make informed financial decisions. Most people have a good handle on their finances. Special attention should, however, be paid to small individual groups, including young people, who may find it difficult to make sense of numbers and budgets as well as people who may find it difficult to use self-serve digital solutions. Through information, guidance and cooperation with authorities and other organisations, the financial sector aims to ensure the greatest possible inclusion.

The sector also contributes with knowledge about financial matters, for example at the annual Money Week, where bank advisers visit primary schools across Den-

mark, and through information campaigns, for example against fraud. Statistics and analyses in areas such as mortgage lending and investment contribute important knowledge about Danes' finances. In addition, the sector operates the price portal pengepriser.dk, which helps consumers compare prices of financial products, including the unique Danish mortgage loans. This promotes mobility and competition.

The financial sector is a lifelong partner to the Danish people, and consumer protection is ingrained in the sector's DNA. Every day, thousands of bank advisers help people realise their dreams. Credit assessments play a key role in ensuring a match between earning and spending, a realistic budget, and planning and saving for the future.

Many Danes invest, and the sector stands guard over investors who need special protection, but without limiting the opportunities for more experienced and robust investors. Finance Denmark aims to promote a healthy and inclusive investor culture, where access to targeted investment advice, a good start for young investors and the importance of risk diversification are in focus. This effort will include the risk associated with new asset classes, such as crypto assets.



FINANCIAL LEARNING AND INCLUSION

The financial sector contributes to financial literacy, consumer protection and financial inclusion

A balanced labour market

In addition to being a business organisation, Finance Denmark is an employers' confederation. We see the employees of the financial sector as our most valuable asset. Their skills and commitment are crucial for financial providers' productivity, competitiveness and contribution to society.

The financial sector makes a significant contribution to ensuring and developing a sustainable working life through a persistent focus on strengthening well-being and the development of employees' potential. The goal is to create desirable workplaces that attract and retain highly qualified people from Denmark and abroad and strengthen employee motivation and engagement. This way, by expanding and developing the talent pool in the financial sector and the labour market in general, the financial sector supports innovation, growth and prosperity. This makes Denmark richer in opportunities for all.

We aim for a highly cohesive Denmark, driven by an inclusive labour market now and in the future. Together with the parties in the financial labour market, we are committed to ensuring flexibility and good employment terms that

reflect mutual expectations in a flexible and knowledge-intensive labour market. Through modern, flexible collective agreements, we want to create an effective setting for continuous skills development and a healthy and safe working environment, covering mental health, flexible working hours, working from home, retirement planning, equality and equal treatment, diversity and maternity/paternity leave with full pay.

Finance Denmark supports a labour market policy that stimulates labour supply, growth and development. By pursuing a targeted education policy, educational institutions should provide high-quality education that matches the competency needs of a knowledge-intensive labour market. The educational institutions should also create attractive conditions for completing flexible supplementary and continuing education and training throughout the country that match demand. As part of our corporate responsibility, we actively participate in tripartite negotiations and serve on committees, councils and boards where there is a need to take responsibility for Denmark and the financial labour market.



A BALANCED LABOUR MARKET

The financial sector helps ensure and develop a balanced labour market and a sustainable working life

HOW WE DO IT

We achieve our goal of contributing to a continued positive development in Denmark by means of four strategic levers. We apply the four levers across our six focus areas.

Community role

We create awareness and an understanding that the financial sector supports growth, development, sustainable transition, digitisation, working life as well as financial literacy and inclusion throughout Denmark. We take responsibility for creating value for people, businesses and society alike.

Interest advocacy

We have a wide reach across the political landscape in Denmark and to other Danish and international market participants. Together we ensure sound framework conditions that allow us to solve our core task as a financial sector for the benefit of society as a whole. Serving an important role in society, we contribute constructively with solutions in relevant areas. We are alliance- and partnership-oriented and want to strengthen trust between the financial sector and society.

Communication

We communicate proactively about the financial sector's contribution to society. We form opinions on political proposals and bring our financial expertise into play across various communication platforms in a constructive and inclusive manner.

Collaborating with members

We work closely with our members and use their professional expertise in our efforts to ensure proper framework conditions for our sector.



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The financial sector is an important and crucial part of a safe and inclusive financial ecosystem that helps people realise their dreams.

January 2024

