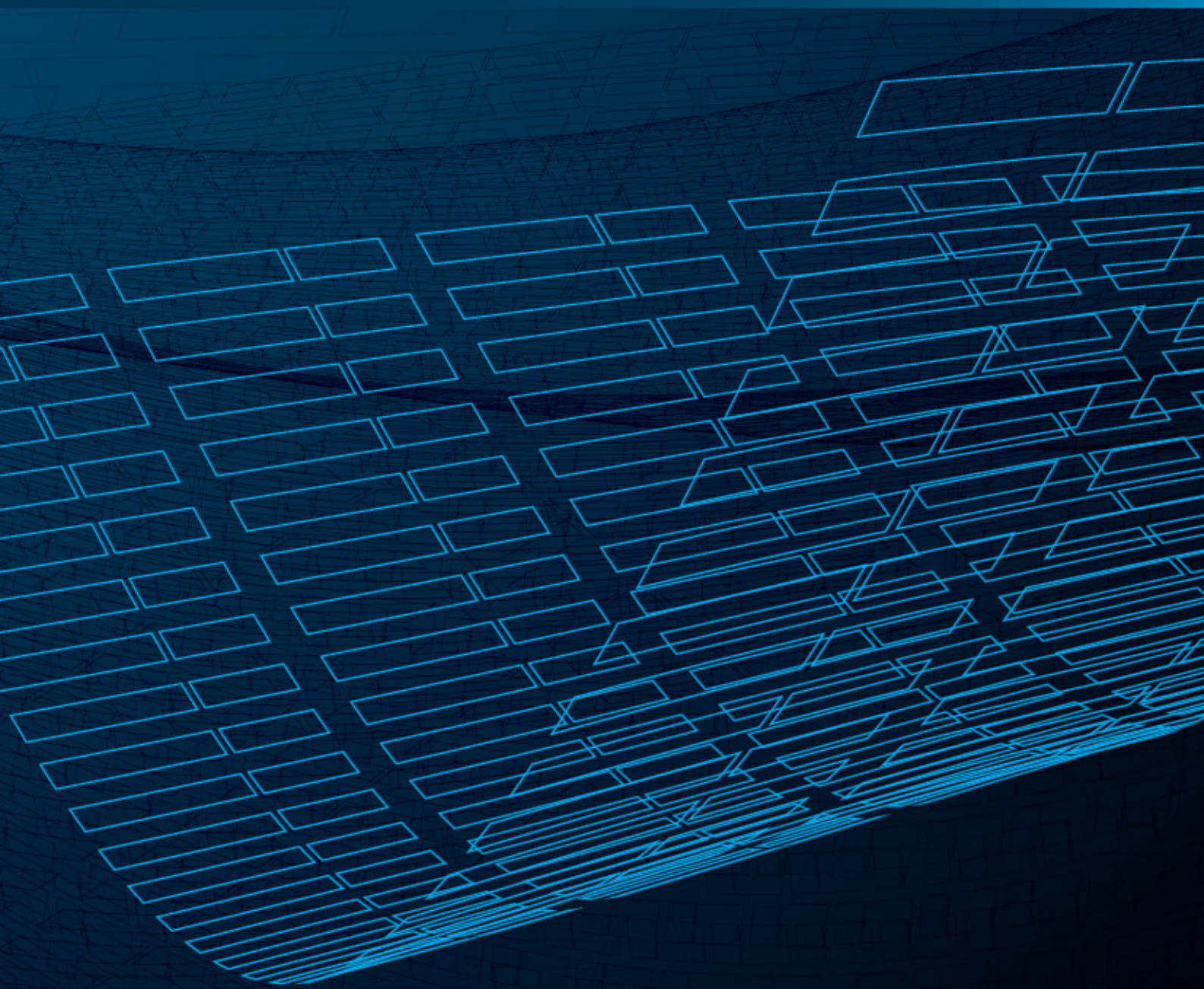


DANSKE BANK GROUP

INTERIM REPORT – FIRST QUARTER 2012



Danske Bank



DANSKE BANK GROUP

15 countries
627 branches
21,160 employees
5 million customers

DENMARK

DANSKE BANK
DANICA PENSION
REALKREDIT DANMARK
NORDANIA LEASING
DANSKE CAPITAL
DANSKE MARKETS

IRELAND

NATIONAL IRISH BANK

NORTHERN IRELAND

NORTHERN BANK

ENGLAND

DANSKE BANK LONDON

SWEDEN

DANSKE BANK

NORWAY

FOKUS BANK

FINLAND

SAMPO PANKKI

GERMANY

DANSKE BANK HAMBURG

ESTONIA

SAMPO PANK

LATVIA

DANSKE BANKA

LITHUANIA

DANSKE BANKAS

RUSSIA

DANSKE BANK
ST. PETERSBURG

POLAND

DANSKE BANK WARSAW

LUXEMBOURG

DANSKE BANK
INTERNATIONAL



INTERIM REPORT – FIRST QUARTER 2012

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Interim Report – First Quarter 2012 is a translation of the original report in the Danish language (*Delårsrapport – 1. kvartal 2012*). In case of discrepancies, the Danish version prevails.

Financial highlights – Danske Bank Group

INCOME STATEMENT (DKK millions)	Q1 2012	Q1 2011	Index 12/11	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Full year 2011
Net interest income	6,172	5,554	111	6,172	6,182	6,016	5,785	5,554	23,537
Net fee income	1,987	2,093	95	1,987	2,218	1,938	2,049	2,093	8,298
Net trading income	3,222	2,975	108	3,222	1,638	267	2,445	2,975	7,325
Other income	788	1,002	79	788	849	825	972	1,002	3,648
Net income from insurance business	184	67	275	184	976	-735	261	67	569
Total income	12,353	11,691	106	12,353	11,863	8,311	11,512	11,691	43,377
Expenses	6,850	7,351	93	6,850	6,459	5,499	6,678	7,351	25,987
Profit before loan impairment charges	5,503	4,340	127	5,503	5,404	2,812	4,834	4,340	17,390
Loan impairment charges	3,922	2,841	138	3,922	4,789	2,802	2,753	2,841	13,185
Profit before tax	1,581	1,499	105	1,581	615	10	2,081	1,499	4,205
Tax	798	792	101	798	415	394	881	792	2,482
Net profit for the period	783	707	111	783	200	-384	1,200	707	1,723
Attributable to non-controlling interests	-	-2	-	-	-1	-	14	-2	11

BALANCE SHEET (END OF PERIOD) (DKK millions)									
Due from credit institutions and central banks	105,085	58,925	178	105,085	74,041	81,036	59,893	58,925	74,041
Repo loans	343,235	290,139	118	343,235	256,027	219,460	280,488	290,139	256,027
Loans and advances	1,684,125	1,661,983	101	1,684,125	1,698,025	1,693,518	1,666,608	1,661,983	1,698,025
Trading portfolio assets	869,047	630,831	138	869,047	909,755	911,584	644,915	630,831	909,755
Investment securities	108,282	110,897	98	108,282	109,264	108,465	111,061	110,897	109,264
Assets under insurance contracts	234,295	218,980	107	234,295	230,668	225,568	222,203	218,980	230,668
Other assets	156,405	154,126	101	156,405	146,623	141,393	141,893	154,126	146,623
Total assets	3,500,474	3,125,881	112	3,500,474	3,424,403	3,381,024	3,127,061	3,125,881	3,424,403
Due to credit institutions and central banks	186,197	167,973	111	186,197	177,592	200,370	153,118	167,973	177,592
Repo deposits	382,934	213,473	179	382,934	269,515	272,969	263,558	213,473	269,515
Deposits	773,713	794,604	97	773,713	795,275	788,921	792,037	794,604	795,275
Bonds issued by Realkredit Danmark	604,323	542,065	111	604,323	557,699	534,245	529,808	542,065	557,699
Other issued bonds	363,892	422,272	86	363,892	366,920	359,022	410,409	422,272	366,920
Trading portfolio liabilities	627,332	447,881	140	627,332	697,913	677,319	429,391	447,881	697,913
Liabilities under insurance contracts	253,604	235,556	108	253,604	248,966	240,519	237,074	235,556	248,966
Other liabilities	117,622	120,938	97	117,622	117,340	111,930	113,410	120,938	117,340
Subordinated debt	64,033	75,626	85	64,033	67,328	70,059	72,288	75,626	67,328
Shareholders' equity	126,824	105,493	120	126,824	125,855	125,670	125,968	105,493	125,855
Total liabilities and equity	3,500,474	3,125,881	112	3,500,474	3,424,403	3,381,024	3,127,061	3,125,881	3,424,403

RATIOS AND KEY FIGURES									
Earnings per share (DKK)	0.8	0.9		0.8	0.2	-0.4	1.3	0.9	1.9
Diluted earnings per share (DKK)	0.8	0.9		0.8	0.2	-0.4	1.3	0.9	1.9
Return on average shareholders' equity (%)	2.5	2.7		2.5	0.6	-1.2	3.8	2.7	1.4
Cost/income ratio (%)	55.5	62.9		55.5	54.4	66.2	58.0	62.9	59.9
Total capital ratio (%)	17.6	17.4		17.6	17.9	18.0	18.8	17.4	17.9
Tier 1 capital ratio (%)	16.0	14.6		16.0	16.0	16.0	16.6	14.6	16.0
Share price (end of period) (DKK)	94.5	116.5		94.5	73.0	78.6	95.3	116.5	73.0
Book value per share (DKK)	137.0	140.7		137.0	135.7	135.7	136.3	140.7	135.7
Full-time-equivalent staff (end of period)	21,160	21,434		21,160	21,320	21,567	21,536	21,434	21,320

Share ratios for the first quarter of 2011 have been divided by a factor of 1.0807 to reflect the share capital increase in April 2011.

Overview

- The Group has launched initiatives to improve earnings and ensure that its business model is competitive and creates value. Moreover, the Group will focus on cost-savings initiatives and on improving customer satisfaction. The initiatives have started to produce results.
- The Group is creating a new organisation structured around three business units that will operate across its geographical markets: Personal Banking, Business Banking and Corporates & Institutions. The objectives are to improve the focus on customers and to lay the foundation for efficiency improvements and stronger financial performance. The organisational change will take effect on 1 June 2012, and financial reporting will reflect the new organisation from 1 January 2013.
- At National Irish Bank, the commercial and investment property loan portfolios will be transferred to a new, separate unit of the Group that will be responsible for the controlled winding-up of this part of the loan portfolio. The rest of the Irish banking activities will continue in their current form.
- The Group will use the Danske Bank brand name for all its banking operations by the end of 2012.
- The new organisation is the first step of the Group's new strategy, which is being prepared and is expected to be completed by the end of the third quarter of 2012.
- Additional information about the new organisation and other changes is available in company announcement No. 7/2012.

Financial summary

- The Danske Bank Group posted a profit before tax of DKK 1.6 billion for the first quarter of 2012. The net profit was DKK 0.8 billion, an 11% rise from the first-quarter 2011 net profit, and was generally in line with expectations.
- Total income was up 6% from the year-earlier level. The price increases implemented had a positive effect and lifted net interest income by DKK 0.7 billion from the level in the first quarter of 2011.
- A satisfactory rise in net trading income reflected favourable market conditions. The European Central Bank's three-year lending facility in particular helped restore confidence in the financial system and improve liquidity in the markets. The effect faded towards the end of the quarter.
- Expenses fell 7% from the level in the first quarter of 2011. Expenses for the Danish Guarantee Fund for Depositors and Investors were especially high in the first quarter of 2011, while the first quarter of 2012 was affected by a charge of DKK 0.5 billion related to name rights because of the rebranding of Sampo Bank. Excluding the effects of these factors, expenses largely matched the level in the first quarter of 2011 and were in line with expectations.
- The Group's cost-savings programme to reduce costs by about DKK 2 billion and the headcount by about 2,000 from 2012 to 2014 is now expected to be completed by the end of 2013.
- Loan impairment charges increased significantly from the level in the first quarter of 2011. Compared with the high level in the fourth quarter of 2011, however, charges declined, partly because of lower charges at Retail Banking Denmark and Banking Activities Ireland.

Outlook for 2012

- Uncertainty in the global credit markets is likely to continue, and government budgets will generally be tightened. European economic growth is currently expected to be very low in 2012.
- Earnings before impairment charges at the banking units and Danske Capital are likely to remain stable, while earnings at the other units will depend on international market trends, especially in Europe.
- The trend in customer credit quality will depend on the economic climate in the Group's markets, and total impairment charges are likely to remain high in 2012.
- The Group expects earnings to remain low in 2012, but because of the economic climate, the outlook is subject to considerable uncertainty.

Financial review

The Danske Bank Group posted a profit before tax of DKK 1.6 billion for the first quarter of 2012. The net profit was DKK 0.8 billion, an 11% rise from the first-quarter 2011 net profit, and was generally in line with expectations.

Although interest rates were low in the first quarter of 2012, the Group's earnings initiatives and tight cost control improved the financial results of the banking units. Profit before loan impairment charges rose 20% from the year-earlier level. Difficult market conditions persisted in several of the Group's markets, though, and impairment charges remained high at the units in Ireland and Northern Ireland and in some segments at the unit in Denmark.

Danske Markets and Treasury benefited from declining volatility in the financial markets in the first quarter of 2012. The European Central Bank's three-year lending facility in particular helped restore confidence in the financial system and improve liquidity in the markets, and activity in the financial markets picked up.

Income

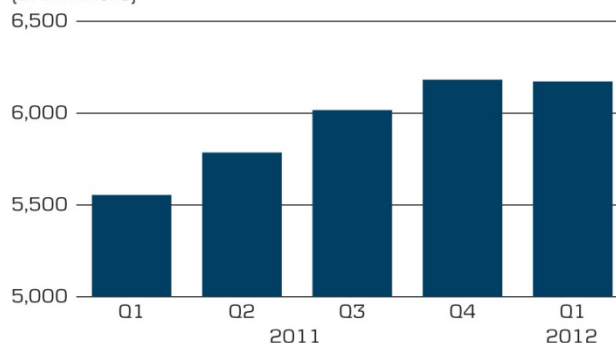
Income totalled DKK 12.4 billion, up 6% from the level in the first quarter of 2011, mainly because of higher net interest income and net trading income.

Net interest income amounted to DKK 6.2 billion, an increase of 11% from the year-earlier figure. The price increases implemented in 2011 led to increased lending margins, which had a positive effect on net interest income. This effect was partly offset by the pressure on deposit margins, however.

All units generated net interest income above the level in the first quarter of 2011. The price increases lifted income by about DKK 0.7 billion, with an increase in administration margins at Realkredit Danmark from 1 January 2012 accounting for DKK 0.2 billion.

NET INTEREST INCOME

(DKK millions)



Net fee income amounted to DKK 2.0 billion, down 5% from the year-earlier figure. Danske Capital realised lower income because of a shift in the mix of assets under management.

Net trading income was 8% higher than the year-earlier level, primarily as a result of favourable market conditions and larger trading volumes.

Other income fell to DKK 0.8 billion, down 21% from the level in the first quarter of 2011. The year-earlier figure included a refund of about DKK 150 million of excess VAT paid from 1995 to 2010.

Insurance business generated net income of DKK 0.2 billion, against DKK 0.1 billion a year earlier, mainly because of a higher investment return. The booking of the risk allowance to income was postponed for all four interest rate groups. In the first quarter of 2011, the Group postponed the booking of the risk allowance for two of the four groups. Although the risk allowance could have been partially booked in the first quarter of 2012, the Group did not book the allowance for any of the groups because of uncertainty about the possibility of booking it for the full year. At 31 March 2012, the shadow account balance was DKK 1.5 billion.

PROFIT BEFORE LOAN IMPAIRMENT CHARGES (DKK millions)	Q1 2012	Q1 2011	Index 12/11	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Full year 2011
Total Retail Banking Denmark	1,973	1,843	107	1,973	1,982	2,188	1,880	1,843	7,893
Total Retail Banking international	1,339	875	153	1,339	891	1,169	950	875	3,885
Corporate & Institutional Banking	462	424	109	462	572	493	484	424	1,973
Total Banking Activities	3,774	3,142	120	3,774	3,445	3,850	3,314	3,142	13,751
Danske Markets and Treasury	2,050	1,785	115	2,050	562	-650	1,367	1,785	3,064
Danske Capital	148	204	73	148	301	212	170	204	887
Danica Pension	184	67	275	184	976	-735	261	67	569
Other Activities	-653	-858	-	-653	120	135	-278	-858	-881
Total Group	5,503	4,340	127	5,503	5,404	2,812	4,834	4,340	17,390

Total Retail Banking international consists of retail banking and other retail units outside Denmark.

Expenses

Expenses amounted to DKK 6.9 billion, down 7% from the level in the first quarter of 2011, mainly because of lower expenses for the Danish Guarantee Fund for Depositors and Investors. Expenses in the period included a charge of DKK 0.5 billion related to name rights because of the rebranding of Sampo Bank.

Beginning in 2012, the commitment to the Guarantee Fund is based on fixed annual contributions. After the offsetting of its share of the net assets in the Fund before the change in the scheme, Danske Bank's commitment for 2012 amounts to about DKK 0.4 billion.

The resolution of Fjordbank Mors is likely to cause losses in excess of the initial estimates. The loss will be incurred by the winding-up and restructuring department of the Guarantee Fund. The Group expensed its share of this commitment, DKK 0.1 billion, in the first quarter of 2012.

Expenses for financial services employer tax and VAT amounted to DKK 0.5 billion in the first quarter of 2012, against a year-earlier figure of DKK 0.4 billion.

During the first quarter of 2012, the Group closed 18 retail branches, including nine in Denmark. The branch closures will continue throughout 2012.

Loan impairment charges

At 31 March 2012, loan impairment charges equalled 0.78% of lending and guarantees, against 0.59% at 31 March 2011. The charges related mainly to the commercial property segments in Ireland and Northern Ireland, personal customers in Ireland and Denmark, and the shipping industry.

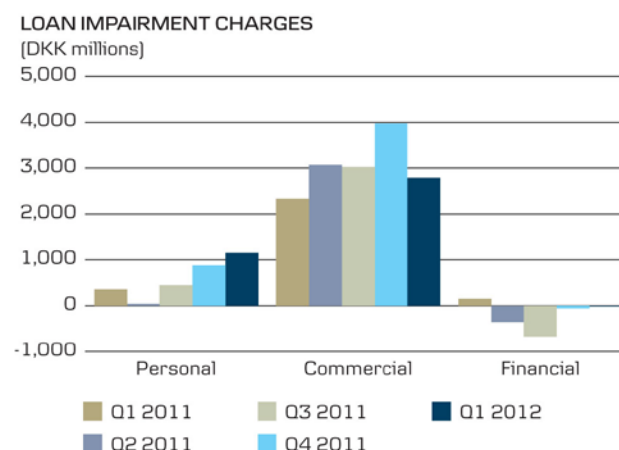
LOAN IMPAIRMENT CHARGES				
(DKK millions)	31 March 2012		31 March 2011	
	Charges	% of lending and guarantees	Charges	% of lending and guarantees
Retail Banking Denmark	1,330	0.55	790	0.33
Retail Banking Finland	110	0.28	29	0.08
Retail Banking Sweden	210	0.44	46	0.10
Retail Banking Norway	114	0.31	124	0.37
Banking Activities				
Northern Ireland	646	5.60	329	2.75
Banking Activities Ireland	1,452	12.05	1,283	8.68
Banking Activities Baltics	-166	-3.56	-40	-0.77
Other Banking Activities	28	0.52	17	0.33
Corporate & Institutional Banking	218	0.66	146	0.46
Total Banking Activities	3,942	0.91	2,724	0.64
Danske Markets and Treasury	-27	-0.03	165	0.21
Danske Capital	7	0.16	-48	-1.27
Total	3,922	0.78	2,841	0.59

Individual charges fell from the level in the fourth quarter of 2011 and amounted to a net DKK 3.8 billion. Lower charges against Danish business customer facilities accounted for most of the fall. Individ-

ual charges were mostly adjustments of charges recognised in previous periods.

The continued fall in real property prices, mainly in Ireland and Northern Ireland, caused an increase in collective charges to DKK 0.1 billion.

Total charges included charges against facilities to personal customers of DKK 1.1 billion and charges against facilities to business customers of DKK 2.8 billion – with small and medium-sized enterprises accounting for DKK 1.9 billion of this amount.



In March 2012, the Danish FSA published a clarification of the rules for charges against weak exposures. The rule clarification took effect on 31 March 2012 and will apply to the Group's interim report for the first half of 2012. The Group does not expect the rule clarification to affect the level of loan impairment charges.

Tax

Tax on the profit for the period, including adjustments of prior-year tax charges, amounted to DKK 0.8 billion. The tax charge is high relative to the profit for the period, mainly because the Group did not book the tax value of losses in Ireland. The tax value of losses is booked and capitalised only if it is likely that, in the future, the Group will book taxable income that can absorb tax-loss carryforwards.

First quarter 2012 versus fourth quarter 2011

Profit before tax rose to DKK 1.6 billion in the first quarter of 2012, against DKK 0.6 billion in the fourth quarter of 2011. The increase was driven by significantly higher net trading income and a decline in loan impairment charges.

Net interest income amounted to DKK 6.2 billion and matched the fourth-quarter 2011 level. Price increases added DKK 0.5 billion to the item, with a change in administration margins at Realkredit Danmark accounting for DKK 0.2 billion. Increased margins on lending to both personal and business customers, however, were offset by a decline in interest rates and pressure on deposit margins.

Net trading income rose to DKK 3.2 billion, against DKK 1.6 billion in the fourth quarter. Market conditions benefited from the European Central Bank's long-term lending facility. The improved performance of European debt instruments spurred demand and had a positive effect on trading income.

Net income from insurance business declined from DKK 1.0 billion in the fourth quarter of 2011 to DKK 0.2 billion. One reason for the decline was that the Group postponed the booking of the risk allowance to income. In the fourth quarter of 2011, the Group booked the risk allowance for one of the four interest rate groups.

Expenses increased 6% to DKK 6.9 billion. Adjusted for a charge of DKK 0.5 billion related to name rights because of the rebranding of Sampo Bank, first-quarter expenses fell 1%.

Loan impairment charges amounted to DKK 3.9 billion, a decline of DKK 0.9 billion from the level in the fourth quarter of 2011. Charges remained high at the units in Ireland and Northern Ireland, although they fell 11% from the fourth-quarter level at National Irish Bank. Retail Banking Denmark and Corporate & Institutional Banking saw much lower charges.

Balance sheet

LENDING (END OF PERIOD) (DKK millions)	Q1 2012	Q1 2011	Index 12/11	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Full year 2011
Retail Banking Denmark	958,335	945,213	101	958,335	967,672	963,637	950,340	945,213	967,672
Retail Banking Finland	152,214	142,693	107	152,214	150,484	148,387	146,803	142,693	150,484
Retail Banking Sweden	186,133	182,866	102	186,133	185,418	180,317	182,218	182,866	185,418
Retail Banking Norway	136,866	125,488	109	136,866	132,102	129,799	130,249	125,488	132,102
Banking Activities Northern Ireland	48,146	49,229	98	48,146	53,326	52,831	48,929	49,229	53,326
Banking Activities Ireland	62,837	69,251	91	62,837	63,728	66,657	67,861	69,251	63,728
Banking Activities Baltics	20,199	23,198	87	20,199	20,501	21,444	22,254	23,198	20,501
Other Banking Activities	16,888	16,661	101	16,888	16,833	17,095	16,318	16,661	16,833
Corporate & Institutional Banking	107,647	102,550	105	107,647	108,769	108,034	103,483	102,550	108,769
Total Banking Activities	1,689,265	1,657,149	102	1,689,265	1,698,833	1,688,201	1,668,455	1,657,149	1,698,833
Danske Markets and Treasury	42,388	42,602	99	42,388	44,330	46,407	40,671	42,602	44,330
Danske Capital	6,279	6,356	99	6,279	6,075	6,266	6,293	6,356	6,075
Other Activities	-3,312	-3,571	-	-3,312	-3,603	-936	-4,878	-3,571	-3,603
Allowance account, lending	50,495	40,553	125	50,495	47,610	46,420	43,933	40,553	47,610
Total lending	1,684,125	1,661,983	101	1,684,125	1,698,025	1,693,518	1,666,608	1,661,983	1,698,025

DEPOSITS AND BONDS ISSUED BY REALKREDIT DANMARK (END OF PERIOD) (DKK millions)									
Retail Banking Denmark	276,572	280,929	98	276,572	275,995	281,261	282,927	280,929	275,995
Retail Banking Finland	101,755	102,984	99	101,755	105,256	104,568	102,431	102,984	105,256
Retail Banking Sweden	72,191	68,208	106	72,191	73,072	65,301	66,719	68,208	73,072
Retail Banking Norway	60,001	54,150	111	60,001	60,223	56,749	56,799	54,150	60,223
Banking Activities Northern Ireland	50,336	50,917	99	50,336	55,060	53,540	49,408	50,917	55,060
Banking Activities Ireland	31,512	42,446	74	31,512	37,787	37,462	37,921	42,446	37,787
Banking Activities Baltics	18,342	20,138	91	18,342	19,530	20,137	20,822	20,138	19,530
Other Banking Activities	5,261	5,484	96	5,261	5,225	6,649	4,936	5,484	5,225
Corporate & Institutional Banking	72,077	72,800	99	72,077	69,333	67,957	68,990	72,800	69,333
Total Banking Activities	688,047	698,056	99	688,047	701,481	693,624	690,953	698,056	701,481
Danske Markets and Treasury	85,547	97,840	87	85,547	97,412	96,768	101,854	97,840	97,412
Danske Capital	5,778	6,075	95	5,778	5,700	6,584	6,424	6,075	5,700
Other Activities	-5,659	-7,367	-	-5,659	-9,318	-8,055	-7,194	-7,367	-9,318
Total deposits	773,713	794,604	97	773,713	795,275	788,921	792,037	794,604	795,275
Bonds issued by Realkredit Danmark	604,323	542,065	111	604,323	557,699	534,245	529,808	542,065	557,699
Own holdings of Realkredit Danmark bonds	133,721	153,351	87	133,721	171,674	182,930	170,094	153,351	171,674
Total Realkredit Danmark bonds	738,044	695,416	106	738,044	729,373	717,175	699,902	695,416	729,373
Deposits and bonds issued by Realkredit Danmark	1,511,757	1,490,020	101	1,511,757	1,524,648	1,506,096	1,491,939	1,490,020	1,524,648
Lending as % of deposits and bonds issued by Realkredit Danmark	111	112		111	111	112	112	112	111

Lending

Total lending to personal customers matched the level at the end of 2011, while lending to business customers was marginally lower.

Lending at Retail Banking Denmark was down DKK 9.3 billion from the level at the end of 2011, mainly because of market value adjustments of mortgage loans.

In Denmark, new lending, excluding repo loans, amounted to DKK 8.6 billion. This amount included lending to personal customers of DKK 3.5 billion. There was no net new mortgage lending to personal customers in the period.

Lending equalled 111% of the total amount of deposits and bonds issued by Realkredit Danmark, the same as at the end of 2011.

Deposits and bonds issued by Realkredit Danmark

Total deposits fell from the level at the end of 2011. Personal customer deposits matched the level at the end of 2011, while deposits from business customers were slightly lower.

Deposits at Retail Banking Denmark were in line with the level at year-end 2011. Excluding exchange rate effects, total deposits at the units outside Denmark fell 4% from the level at the end of 2011, mainly because National Irish Bank saw keener competition for business customer deposits.

The total value of mortgage bonds issued to fund loans provided by Realkredit Danmark, including the Group's own holdings, was DKK 738 billion, in line with the level at the end of 2011.

Credit exposure

At 31 March 2012, credit exposure totalled DKK 3,684 billion, against DKK 3,611 billion at the end of 2011. Driven mainly by an increase in repo loans, exposure from Danish and international lending activities increased to DKK 2,405 billion from DKK 2,299 billion at the end of 2011. Some DKK 978 billion of the total exposure derived from trading and investment activities, against DKK 1,020 billion at the end of 2011.

Credit exposure from lending activities

Total credit exposure from lending activities includes amounts due from credit institutions and central banks, guarantees and irrevocable loan commitments. The exposure is measured net of accumulated impairment charges and includes repo loans.

Personal customers accounted for 37% of credit exposure from lending activities, commercial customers for 37%, and financial counterparties for 20%. The remainder was exposure to central banks and central and local governments. Of the exposure to commercial customers, small and medium-sized enterprises accounted for 68%.

CREDIT EXPOSURE FROM LENDING ACTIVITIES (DKK millions)	31 March 2012	Share of total [%]	31 Dec. 2011	Share of total [%]
Retail Banking Denmark	966,601	40	976,962	43
Retail Banking Finland	160,608	7	158,008	7
Retail Banking Sweden	202,141	8	203,319	9
Retail Banking Norway	148,650	6	145,658	6
Banking Activities Northern Ireland	46,902	2	52,480	2
Banking Activities Ireland	50,671	2	52,695	3
Banking Activities Baltics	21,368	1	22,158	1
Other Banking Activities	66,043	3	55,586	2
Corporate & Institutional Banking	251,318	11	256,188	11
Total Banking Activities	1,914,302	80	1,923,054	84
Danske Markets and Treasury	479,826	20	365,692	16
Danske Capital	11,035	-	9,965	-
Total	2,405,163	100	2,298,711	100

Personal customers

Credit exposure to personal customers covers loans secured on customers' assets, consumer loans and fully or partially secured credits.

Personal customer demand for credit remained at the same level as at the end of 2011. Demand has generally weakened over the past year.

At 94%, the share of approved personal customer loan applications was the same as in the first quarter of 2011.

At 31 March 2012, credit exposure to personal customers amounted to DKK 888 billion, against DKK 889 billion at 31 December 2011.

Home financing accounted for DKK 787 billion of credit exposure to personal customers, with Realkredit Danmark loans accounting for DKK 423 billion of this amount. Most of the home loans were variable-rate loans. Interest-only loans accounted for 55%, matching the first-quarter 2011 level. The number of Realkredit Danmark customers who raised interest-only loans in 2003 and will start repayments in 2013 is limited, and their loan-to-value (LTV) ratios are low.

LOAN-TO-VALUE RATIO, HOME LOANS [%]	31 March 2012	31 Dec. 2011
Retail Banking Denmark	71.8	69.5
Realkredit Danmark	70.5	67.7
Retail Banking Finland	63.5	62.5
Retail Banking Sweden	68.8	70.3
Retail Banking Norway	63.2	63.6
Banking Activities Northern Ireland	78.5	78.0
Banking Activities Ireland	127.0	118.9
Banking Activities Baltics	84.0	84.1
Average	71.7	69.9

In the first quarter of 2012, house prices continued to fall in most of the Group's markets. The rising LTV ratios increase the risk that customers who are forced to sell their homes will do so at a loss. The Group has tightened conditions for selected home loan products. In addition, a new pricing structure will encourage customers to choose loans with repayment of principal.

Retail Banking Denmark, including Realkredit Danmark, and Banking Activities Ireland accounted for most of the impairment charges made against loans to personal customers in the first quarter of 2012. At Retail Banking Denmark, charges amounted to DKK 0.6 billion, or 0.44% of lending and guarantees to personal customers, and were caused by the uncertain housing market. Realkredit Danmark saw a fall in delinquency rates from 0.29% at 31 March 2011 to 0.26% at 31 March 2012.

Credit quality at the other Nordic retail units remained good, and past due rates were unchanged. Low interest rates and low unemployment had a positive effect on credit quality.

At the Irish units, personal customer credit quality suffered because of a continued increase in unemployment and the decline in house prices. At Banking Activities Ireland, the home loan delinquency

rate was 3.1%, the same level as at the end of 2011, and remained far below the market average. Impairment charges at the unit amounted to DKK 0.4 billion, or 5.92% of lending and guarantees to personal customers.

The units in the Baltic countries recorded net reversals, reflecting stronger-than-expected economic activity.

Business customers

Credit exposure to business customers relates to fully or partially secured operating financing and to loans secured on assets.

Credit exposure before loan impairment charges was at the same level as at the end of 2011. Credit exposure to small and medium-sized enterprises fell, while exposure to large corporate customers rose. At 31 March 2012, credit exposure to business customers totalled DKK 894 billion, against DKK 899 billion at 31 December 2011.

Business customer credit quality deteriorated slightly in the period. The sensitivity of small and medium-sized enterprises to changes in consumer spending grew. The risk of deteriorating credit quality increases in step with declines in house prices and disposable income, particularly for the industries most sensitive to consumer spending. In the first quarter of 2012, loan impairment charges in Denmark related primarily to consumer industries and the commercial property segment because retail sales fell.

The underlying credit quality at Corporate & Institutional Banking remained good. Impairment charges equalled 0.66% of lending and guarantees and related primarily to charges against facilities to a small number of large customers, reflecting the negative trend in the shipping industry in particular.

Commercial property customers

At 31 March 2012, credit exposure from lending to commercial property customers accounted for DKK 258 billion of total exposure to business customers, against DKK 257 billion at 31 December 2011. Having suffered for a long time, the credit quality of the property portfolio stabilised. In Denmark, credit quality followed the general trend in the portfolio, with the percentage of customers in the weakest rating categories remaining stable. The required rate of return was steady. Credit quality at the other Nordic retail units was also unchanged.

Credit quality at the Irish units continued to deteriorate. Loan impairment charges in Ireland related mainly to adjustments of charges recognised in previous periods because the property market continued to suffer. Market conditions for commercial property remained challenging as property prices fell. The renegotiation of an increasing number of leases hurt cash flows in the rental property segment.

IMPAIRMENT CHARGES AND CREDIT EXPOSURE - COMMERCIAL PROPERTY			
(DKK millions)	Q1 2012	31 March 2012	
	Charges	Balance [% of lending and guarantees]	Lending and guarantees [% of portfolio]
Retail Banking Denmark	237	3.0	48.2
Retail Banking Finland	7	0.5	5.8
Retail Banking Sweden	26	0.3	20.9
Retail Banking Norway	47	1.8	12.4
Banking Activities			
Northern Ireland	181	28.0	3.0
Banking Activities Ireland	617	45.4	4.4
Banking Activities Baltics	-47	25.0	0.7
Other Banking Activities	-	2.6	0.5
Corporate & Institutional Banking	-2	-	4.1
Total	1,066	6.5	100.0

At 31 March 2012, exposure to the Irish and Northern Ireland property sectors amounted to DKK 10.9 billion and DKK 7.4 billion, respectively. Property developers in Ireland accounted for DKK 3.3 billion (7% of the total exposure in Ireland). In Northern Ireland, the figure was DKK 1.8 billion (4% of the total exposure at the unit).

Agricultural customers

At 31 March 2012, credit exposure from lending to agricultural customers accounted for DKK 68.4 billion of total exposure to business customers, against DKK 67.9 billion at 31 December 2011. Loans provided by Realkredit Danmark accounted for DKK 45.1 billion of this exposure, against DKK 45.0 billion at the end of 2011. In spite of higher sales prices for agricultural produce, the credit quality of the agricultural portfolio remained weak. Impairment charges against facilities to Danish agricultural customers amounted to DKK 0.1 billion, against DKK 0.2 billion in the first quarter of 2011.

The credit quality of agricultural customers at Retail Banking Denmark, excluding Realkredit Danmark, was particularly poor. At 31 March 2012, the exposure to this segment was DKK 8.5 billion and consisted mainly of operating facilities. Pig farmers, accounting for 22% of the exposure, had the poorest credit quality.

The Group's valuation of agricultural land complies with the maximum prices set by the Danish FSA.

Shipping customers

At 31 March 2012, credit exposure from lending to shipping customers accounted for DKK 45.4 billion of total exposure to business customers, against DKK 48.4 billion at 31 December 2011. The pressure on the shipping industry continued. Excess capacity caused further declines in the value of shipping assets in the first quarter of 2012, with an adverse effect on the Group's collateral. Generally low freight rates affected liquidity in the shipping industry, increasing the risk that counterparties may fail to meet their contractual obligations. Accumulated impairment charges

against facilities to the industry amounted to DKK 1.5 billion, or 3% of lending and guarantees.

Financial counterparties

Credit exposure to financial counterparties amounted to DKK 481 billion at 31 March 2012, against DKK 389 billion at the end of 2011. Most of the exposure was bank facilities with high-quality collateral. The credit quality of financial counterparties remained good.

Exposure to small Danish credit institutions was limited. Exposure to small and medium-sized Danish banks (groups 2-4 as defined by the Danish central bank) accounted for 2% of total exposure to financial counterparties at 31 March 2012.

Allowance account

The allowance account reflects accumulated loan impairment charges.

At 31 March 2012, accumulated individual charges amounted to DKK 47.3 billion, or 2.3% of lending and guarantees. Accumulated collective charges amounted to DKK 4.3 billion, or 0.2% of lending and guarantees. The corresponding figures at 31 December 2011 were DKK 44.5 billion and DKK 4.1 billion.

ALLOWANCE ACCOUNT (DKK millions)	31 March 2012		31 December 2011	
	Balance	% of lending and guarantees	Balance	% of lending and guarantees
Retail Banking Denmark	18,731	1.89	18,180	1.81
Retail Banking Finland	2,051	1.30	1,974	1.26
Retail Banking Sweden	1,438	0.75	1,226	0.64
Retail Banking Norway	1,602	1.09	1,474	1.04
Banking Activities Northern Ireland	5,727	11.04	5,083	8.95
Banking Activities Ireland	15,297	24.09	13,820	21.46
Banking Activities Baltics	2,056	9.93	2,244	10.63
Other Banking Activities	396	1.80	381	1.77
Corporate & Institutional Banking	1,645	1.23	1,455	1.08
Danske Markets and Treasury	2,498	0.64	2,599	0.87
Danske Capital	176	0.99	168	1.04
Total	51,617	2.51	48,604	2.46

The increase in accumulated charges at Retail Banking Denmark related primarily to personal customers and sectors sensitive to consumer spending. Accumulated charges against personal customer facilities accounted for 19% of total charges, or 1.1% of lending and guarantees to personal customers.

Conditions in the Irish property market triggered further impairment charges against property-related facilities. At Corporate & Institutional Banking, the increase in charges related mainly to the shipping industry. Accumulated charges against business customer facilities accounted for 73% of total charges, or 5% of lending and guarantees to business customers.

At 31 March 2012, accumulated charges against financial counterparty facilities amounted to DKK 3.9 billion, or 8% of total charges.

Rating categories 11 and 10 comprise individually impaired exposures. If a customer defaults on just a single facility, the customer's downgrade applies to the entire exposure. Downgrading takes place even if the exposure is fully secured. The value of collateral is calculated as the market value less a haircut of usually 20-40%, depending on the type of collateral.

EXPOSURE AT 31 MARCH 2012 (DKK billions)	Rating category	
	11	10
Credit exposure before impairment charges	71.9	47.5
Accumulated impairment charges	36.2	11.0
Credit exposure	35.7	36.5
Collateral value	28.1	21.1
Total unsecured exposure	7.6	15.4
Covered by impairment charges and collateral (%)	89.4	67.6

Rating category 11 contains exposures to customers that, according to the Group's definition, are in default. These customers are subject to debt collection, restructuring or bankruptcy, or have one or more facilities on which a payment is more than 90 days past due.

Rating category 10 contains customers with impaired exposures that are not in default. These exposures show signs of financial difficulty, including an estimated need for further impairment charges in the future. Most of the customers continue to service their loans in a timely manner.

In the first quarter of 2012, actual losses fell to DKK 1.2 billion from DKK 5.1 billion a year earlier. Actual losses in the first quarter of 2011 included the settlement of DKK 3.3 billion for the Group's commitment under Danish Bank Package 1. At Retail Banking Denmark, small businesses accounted for most of the actual losses in the first quarter of 2012. Of actual losses in the quarter, DKK 0.2 billion was attributable to facilities not previously subject to impairment, against DKK 0.5 billion in 2011.

Trading and investment activities

Credit exposure from trading and investment activities fell from DKK 1,020 billion at 31 December 2011 to DKK 978 billion at 31 March 2012.

The fall was mainly a result of declining derivatives values. The Group has made agreements with many of its counterparties to net positive and negative market values. The net exposure was DKK 89 billion, against DKK 99 billion at 31 December 2011, and most of it was secured by collateral management agreements.

The value of the bond portfolio, excluding customer funds at Danica Pension, was DKK 493.0 billion, with DKK 69.2 billion recognised at fair value in accor-

dance with the rules on available-for-sale financial assets. Of the total bond portfolio, 97.7% was recognised at fair value and 2.3% at amortised cost. The Group has not reclassified bonds since 2008.

Most of the bond portfolio is liquid and can be used as collateral for loans from central banks and thus forms part of the liquidity reserve.

BOND PORTFOLIO [%]	31 March 2012	31 Dec. 2011
Government bonds and bonds guaranteed by central or local governments	27	28
Bonds issued by quasi-government institutions	1	2
Danish mortgage bonds	44	46
Swedish covered bonds	17	14
Other covered bonds	5	5
Short-dated bonds (CP etc.), primarily with banks	3	2
Corporate bonds	3	3
Total holdings	100	100
Available-for-sale bonds included in total holdings	14	15

Holdings of government bonds consisted primarily of bonds issued by the Nordic countries, Germany and the UK. The net government bond exposure to Ireland, Portugal, Spain and Italy was DKK 2.8 billion. All holdings of government bonds issued by Ireland, Portugal, Spain and Italy were recognised at market value. The Group's bond portfolio did not include any government bonds issued by Greece.

Capital and solvency

Tier 1 capital totalled DKK 144 billion at the end of March 2012. The tier 1 capital ratio was 16.0%, and the core tier 1 capital ratio was 12.0%. Hybrid capital in the form of subordinated loan capital raised from the Danish state accounted for 2.9 percentage points of the total capital and tier 1 capital ratios.

The capital base was DKK 159 billion, corresponding to a total capital ratio of 17.6%. The calculation of the capital base takes into account the Danish FSA's approval of Realkredit Danmark's prepayment of state hybrid capital of DKK 2.0 billion in May 2012.

Risk-weighted assets amounted to DKK 900 billion at 31 March 2012, against DKK 906 billion at 31 December 2011.

At 31 March 2012, the Group's solvency need ratio was 10.1%. Under Danish law, the Group must publish its solvency need on a quarterly basis. More detailed information is available at www.danskebank.com/ir.

New regulations for the financial sector are being proposed both in and outside the EU. The Group follows this process closely and supports measures to strengthen the resilience of the sector and its ability to support economic growth. In respect of capital and liquidity requirements (CRD IV), the Group considers it important that the phasing-in of the rules in the EU

does not deviate from the phasing-in period agreed upon internationally under Basel III.

Under the political agreement on Danish Bank Package 4 of September 2011, a committee was set up to analyse the criteria that a bank must meet to be considered a systemically important financial institution (SIFI) in Denmark. The Group expects that it will be considered a Danish SIFI. The Group's position is that any requirements placed upon SIFIs in Denmark must be based on a set of clear international rules in order to avoid competitive distortions because of local differences in the treatment of SIFIs.

Danske Bank's Annual Report 2011 and Risk Management 2011 provide more details about the new rules and a preliminary assessment of the implications for the Group.

Funding and liquidity

In the first quarter of 2012, the capital markets began to function again after a period of high volatility towards the end of 2011 caused by sovereign debt problems in a number of European countries. The European Central Bank's (ECB) offering of three-year funding contributed substantially to restarting issuance activity in unsecured as well as covered bonds. At the end of the quarter, volatility resurfaced in the markets because of the southern European debt crisis and weaker economic key indicators.

In the first quarter of 2012, the Group issued covered bonds for DKK 8.2 billion, and there is still unexploited potential in loans that can serve as collateral for covered bonds. In addition, the Group issued senior debt for DKK 16.4 billion.

At 31 March 2012, Danske Bank had issued state-guaranteed bonds for DKK 35.6 billion maturing in 2012. The amount required to redeem the bonds is included in the liquidity reserve.

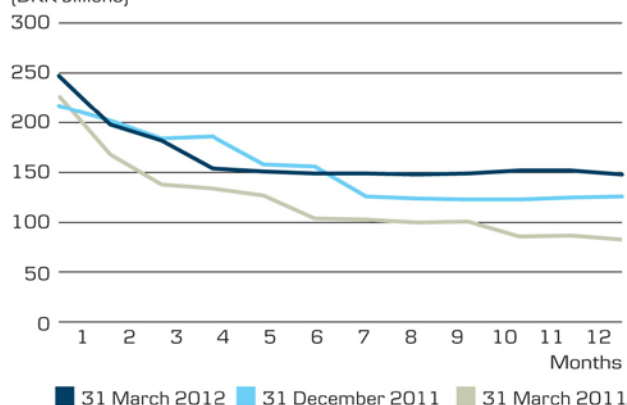
The Group has thus largely covered its funding need for 2012.

In the autumn of 2011, the Danish central bank expanded its lending facility to Danish banks by allowing them to borrow on the basis of collateral consisting of high-quality loans. A number of other European countries have similar programmes. The Danish central bank followed the ECB by introducing an option to raise loans with a maturity of three years. At 31 March 2012, the Group had drawn around DKK 15 billion on the Danish central bank facility and around DKK 30 billion on the ECB facility with bonds provided as collateral.

The Group maintained a strong liquidity position throughout the quarter. It can continue operations even if access to the capital markets is cut off for much longer than 12 months. This is shown in Moody's liquidity curve, which the Group uses as one element of its liquidity management. The Group's 12-month liquidity curve is positive for more than two and a half years.

12-MONTH LIQUIDITY

[DKK billions]

**Ratings**

In the first quarter of 2012, Standard & Poor's and Fitch maintained their ratings of Danske Bank at A, and Moody's maintained its A2 rating.

At the end of March 2012, Standard & Poor's and Fitch maintained a negative outlook on Danske Bank, while Moody's outlook was under review.

Moody's is expected to update its ratings of Danish banks in June 2012.

Mortgage bonds and mortgage-covered bonds issued by Realkredit Danmark are rated AAA by Standard & Poor's, with a stable outlook.

Executive management

On 15 February 2012, Peter Straarup retired from his position as chief executive officer, and Eivind Kolding joined the Group as new chief executive officer.

Per Skovhus and Georg Schubiger, members of the Executive Board, are resigning and will leave the Executive Board by 1 July 2012 and 31 July 2012, respectively.

Lars Mørch, currently CEO of Danske Bank Sweden, will join the Executive Board on 1 June 2012.

At Danske Bank's annual general meeting on 27 March 2012, Peter Højland and Claus Vastrup resigned from the Board of Directors. Ole Andersen, Niels B. Christiansen, Michael Fairey, Mats Jansson and Majken Schultz were re-elected, and Trond Ø. Westlie, CFO of A.P. Møller - Mærsk A/S; Jørn P. Jensen, CFO of Carlsberg A/S; and Urban Bäckström, Director General of the Confederation of Swedish Enterprise, were elected to the Board.

The Board of Directors subsequently elected Ole Andersen chairman and Niels B. Christiansen vice chairman.

Details of the composition of the Board of Directors and the board committees are available at www.danskebank.com/Corporate-Governance.

Outlook for 2012

The recovery that began in the first half of 2011 was followed by increasing concerns and unrest in the financial markets in the second half of the year. The European debt crisis, which started in southern Europe, escalated and also affected the other EU countries. At the end of 2011, as a result of the escalating debt crisis and the mounting financial and economic uncertainty, the ECB decided to ease its monetary policy by cutting rates and significantly increasing its provision of liquidity to the financial system. The monetary easing has had a significant effect, and the financial climate improved throughout the first quarter of 2012. European economic growth is currently expected to be very low in 2012.

Interest rates are expected to be largely unchanged or to fall in 2012.

The Group will continue its efforts to increase income, and further price increases are likely in addition to those already announced. The announced and implemented initiatives are expected to raise income by more than DKK 3.5 billion a year from the level in 2011. Lower key interest rates will reduce the effect of price increases, however. Overall, net interest income is likely to increase from the 2011 level.

Excluding charges related to name rights and reorganisation expenses, expenses in 2012 are expected to be at the same level as they were in 2011. The Group's cost-savings programme to reduce costs by about DKK 2 billion and the headcount by about 2,000 from 2012 to 2014 is now expected to be completed by the end of 2013.

The performance of market-related activities, at Danske Markets and Danica Pension, will depend greatly on developments in the financial markets. Because of the trends in securities prices in 2011, the Group is unlikely to be able to book the full risk allowance in 2012. The shadow account balance is DKK 1.5 billion. It may be booked to income at a later date when the technical basis permits.

The Irish economy is expected to continue to face structural challenges, and because of the economic climate, the level of future impairment charges is uncertain. The situation for rental property and property developers in Northern Ireland is also uncertain. Loan impairment charges at the units in Ireland and Northern Ireland are therefore likely to remain high, at least in the coming quarters.

The trend in credit quality will generally depend on the economic climate in the Group's markets. The Group expects that total impairment charges will remain high throughout the year.

Combined with the outlook for modest economic growth, the Group's solid funding position means that there will be a limited need for new issues in 2012.

The Group expects earnings to remain low in 2012, but because of the economic climate, the outlook is subject to considerable uncertainty.

Business units

INCOME (DKK millions)	Q1 2012	Q1 2011	Index 12/11	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Full year 2011
Retail Banking Denmark	4,144	3,982	104	4,144	4,271	4,165	4,158	3,982	16,576
Retail Banking Finland	950	842	113	950	924	891	924	842	3,581
Retail Banking Sweden	887	773	115	887	860	791	801	773	3,225
Retail Banking Norway	721	619	116	721	674	631	640	619	2,564
Banking Activities Northern Ireland	422	367	115	422	408	408	404	367	1,587
Banking Activities Ireland	259	258	100	259	285	259	252	258	1,054
Banking Activities Baltics	188	177	106	188	188	185	182	177	732
Other Banking Activities	564	586	96	564	557	539	522	586	2,204
Corporate & Institutional Banking	730	698	105	730	815	769	747	698	3,029
Total Banking Activities	8,865	8,302	107	8,865	8,982	8,638	8,630	8,302	34,552
Danske Markets and Treasury	2,925	2,527	116	2,925	1,246	-106	2,049	2,527	5,716
Danske Capital	412	471	87	412	614	442	453	471	1,980
Danica Pension	184	67	275	184	976	-735	261	67	569
Other Activities	-33	324	-	-33	45	72	119	324	560
Total Group	12,353	11,691	106	12,353	11,863	8,311	11,512	11,691	43,377

Banking Activities consists of the Group's retail banking units and Corporate & Institutional Banking (CIB). The retail units serve all types of personal customers (including private banking customers at finance centres), small businesses and medium-sized companies. Mortgage finance operations in Denmark are carried out through Realkredit Danmark. Real estate agency operations are conducted by the home, Skandia Mäklarna and Fokus Krogsvæn real estate agency chains. The results of the property finance operations are included in the banking unit figures.

The specialised local **CIB** units in Denmark, Sweden, Norway and Finland serve the largest and most complex companies in the Nordic region, including institutions such as pension funds, insurance companies and other financial institutions, and multinational companies with substantial banking business in the region. Products and services include lending, financial instruments for risk management and investment purposes, cash management services, advice on mergers and acquisitions, and assistance with equity and debt issues in the international financial markets.

Danske Markets is responsible for the Group's activities in the financial markets. Trading activities include trading in fixed-income products, foreign exchange and equities. **Group Treasury** is responsible for the Group's strategic fixed-income, foreign exchange and equity portfolios and serves as the Group's internal bank. Institutional banking at Danske Markets covers facilities with international financial institutions outside the Nordic region. Facilities with Nordic financial institutions are part of Banking Activities.

Danske Capital develops and sells asset and wealth management products and services. These are marketed through the banking units and directly to businesses, institutional clients and external distributors. Danske Capital also supports the advisory and asset management activities of the banking units. Through

Danske Bank International in Luxembourg, Danske Capital provides international private banking services to clients outside the Group's home markets.

Danica Pension is responsible for the Group's activities in the life insurance and pensions market. It serves both personal and business customers. Products are marketed through a range of distribution channels within the Group, primarily banking units and Danica Pension's own insurance brokers and advisers. Danica Pension offers two market-based products: *Danica Balance* and *Danica Link*. These products allow customers to select their own investment profiles, and the return on savings depends on market trends. Danica Pension also offers *Danica Traditionel*. This product does not offer individual investment profiles, and Danica Pension sets the rate of interest on policyholders' savings.

Other Activities encompasses expenses for the Group's support functions and real property activities. Other Activities also covers eliminations, including the elimination of returns on own shares.

Capital is allocated to the individual business units on the basis of each unit's share of the Group's average risk-weighted assets calculated prior to the transition to the Capital Requirements Directive. Insurance companies are subject to special statutory capital requirements. Capital is therefore allocated to the insurance business in compliance with these requirements.

Expenses are allocated to the business units at market prices. Other Activities supplies services to business units, and transactions are settled at unit prices or on an arm's-length basis, if possible, on the basis of consumption and activity.

Assets and liabilities are broken down into the individual business unit operations and presented in the business unit sections.



BRANCHES
627



EMPLOYEES
13,351



PRE-TAX PROFIT
DKK -168 MILLION

Banking Activities

BANKING ACTIVITIES (DKK millions)	Q1 2012	Q1 2011	Index 12/11	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Full year 2011
Net interest income	6,136	5,469	112	6,136	6,150	5,964	5,724	5,469	23,307
Net fee income	1,612	1,677	96	1,612	1,666	1,542	1,648	1,677	6,533
Net trading income	347	339	102	347	375	344	328	339	1,386
Other income	770	817	94	770	791	788	930	817	3,326
Total income	8,865	8,302	107	8,865	8,982	8,638	8,630	8,302	34,552
Expenses	5,091	5,160	99	5,091	5,537	4,788	5,316	5,160	20,801
Profit before loan impairment charges	3,774	3,142	120	3,774	3,445	3,850	3,314	3,142	13,751
Loan impairment charges	3,942	2,724	145	3,942	4,817	3,552	3,148	2,724	14,241
Profit before tax	-168	418	-	-168	-1,372	298	166	418	-490
Loans and advances (end of period)	1,689,265	1,657,149	102	1,689,265	1,698,833	1,688,201	1,668,455	1,657,149	1,698,833
Allowance account, total (end of period)	48,943	38,399	127	48,943	45,837	44,486	41,853	38,399	45,837
Deposits (end of period)	688,047	698,056	99	688,047	701,481	693,624	690,953	698,056	701,481
Bonds issued by Realkredit Danmark (end of period)	738,044	695,416	106	738,044	729,373	717,175	699,902	695,416	729,373
Allocated capital (avg.)	91,138	72,926	125	91,138	91,174	90,383	90,011	72,926	86,122
Profit before loan impairment charges as % p.a. of allocated capital	16.6	17.2		16.6	15.1	17.0	14.7	17.2	16.0
Pre-tax profit as % p.a. of allocated capital (ROE)	-0.7	2.3		-0.7	-6.0	1.3	0.7	2.3	-0.6
Cost/income ratio (%)	57.4	62.2		57.4	61.6	55.4	61.6	62.2	60.2
Full-time-equivalent staff	13,351	13,423	99	13,351	13,470	13,538	13,524	13,423	13,470

- Profit before loan impairment charges of DKK 3.8 billion
- Net interest income up 12%, mainly because of price increases
- Loan impairment charges up 45% from the first-quarter 2011 level
- Lending unchanged and deposits down 2% from the levels at the end of 2011

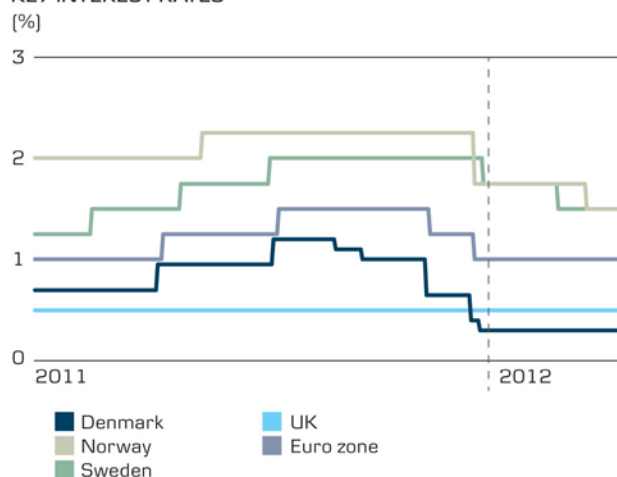
Market conditions

The very low interest rates in the Group's markets continued to affect the business environment of the banking units. The ECB and the Danish central bank kept rates low, while the central banks in Sweden and Norway lowered key interest rates.

The Group continued to pursue its price increases in order to strengthen earnings, including earnings in weak markets, and to offset the effects of low interest rates and rising funding costs.

Retail Banking Denmark raised lending rates on selected products at the beginning of February 2012, and previously announced measures at Realkredit Danmark were implemented on 1 January 2012.

KEY INTEREST RATES



Central bank target interest rates in the various countries and the euro zone.

Retail Banking Norway and Retail Banking Sweden raised selected lending rates in the autumn of 2011 as part of a general repricing initiative. Both units are striving to achieve a better balance between loans and deposits in order to minimise funding costs.

Retail Banking Finland remained under pressure from low European interest rates, and rising funding costs prompted the unit to adjust the prices of new home loans and other types of new property loans.

The Irish and Northern Ireland economies remained under pressure, with low interest rates and large public budget deficits. Banking Activities Ireland repriced home loans during the fourth quarter of 2011, with full effect in the first quarter of 2012. Banking Activities Northern Ireland adjusted the prices of loans for both personal and business customers.

The Baltic economies benefited from an improved business environment.

Corporate & Institutional Banking had relatively stable lending volumes and slightly widening lending margins. The uncertainty that prevailed in the market throughout the second half of 2011 continued in the first quarter of 2012, and lending activity fell from the fourth-quarter 2011 level.

Financial summary

At DKK 8.9 billion, total income at Banking Activities rose 7% from the level in the first quarter of 2011, mainly because of higher net interest income.

Net interest income amounted to DKK 6.1 billion, up 12% from the level in the first quarter of 2011. The trend was driven by increased lending margins resulting from price increases. Retail Banking Denmark, Retail Banking Norway, Retail Banking Sweden and Corporate & Institutional Banking in particular benefited from increased margins on lending to both personal and business customers.

Loan impairment charges rose DKK 1.2 billion from the year-earlier level. Retail Banking Denmark saw a general deterioration of credit quality, while the rise in impairment charges at Corporate & Institutional Banking stemmed mainly from individual exposures to the shipping industry. The difficult market conditions persisted in Ireland and Northern Ireland.

Loan impairment charges fell 18% from the high level of DKK 4.8 billion in the fourth quarter of 2011, however, mainly because of a decline in charges at Retail Banking Denmark, Banking Activities Ireland and Corporate & Institutional Banking.

Operations

With the aim of providing market-leading advisory services through efficient and profitable channels, the Group began restructuring the Danish branch network in the first quarter of 2012.

To an increasing degree, customers are handling day-to-day banking transactions themselves through

eBanking, mobile banking, tablet banking and the contact centre, which is open 24/7 year round.

The Group will reduce the number of branches and develop large advisory centres. With intensive knowledge sharing among advisers, the centres will deliver services that can meet customers' increasing needs.

During the first quarter of 2012, the Group closed 18 retail branches, and thus had 627 retail branches at 31 March 2012. Branch closures will continue throughout 2012.

All Group units continue to focus on improving customer satisfaction. The units follow up on customers' experiences on a regular basis, and customer recommendations are monitored and translated into measures to improve operations. The Group also continues to focus on developing strong self-service solutions to enable its customers to carry out even more transactions at their convenience.

Market shares

In its core markets, the Group generally maintained its shares of lending at the first-quarter 2011 level. The higher market share in Denmark is based mainly on a larger volume of repo loans.

The market shares of deposits were challenged by keener competition in some of the markets. The market shares of the Finnish and Irish units suffered, mainly because of keener competition for business customer deposits.

In Norway, the market share of deposits improved, mainly because deposits from the public sector rose.

MARKET SHARE OF LENDING (%)	31 March 2012	31 March 2011
Denmark (including mortgage loans)	29.0	28.1
Finland	11.7	11.9
Sweden	5.6	5.6
Norway	5.1	5.3
Ireland	3.3	3.3

MARKET SHARE OF DEPOSITS (%)	31 March 2012	31 March 2011
Denmark	29.6	29.9
Finland	11.4	12.6
Sweden	4.9	5.1
Norway	5.3	4.8
Ireland	2.2	2.7



EMPLOYEES
856



TOTAL INCOME
DKK 2,925 MILLION



PRE-TAX PROFIT
DKK 2,077 MILLION

Danske Markets and Treasury

DANSKE MARKETS AND TREASURY [DKK millions]	Q1 2012	Q1 2011	Index 12/11	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Full year 2011
Total income	2,925	2,527	116	2,925	1,246	-106	2,049	2,527	5,716
Expenses	875	742	118	875	684	544	682	742	2,652
Profit before loan impairment charges	2,050	1,785	115	2,050	562	-650	1,367	1,785	3,064
Loan impairment charges	-27	165	-	-27	-52	-750	-396	165	-1,033
Profit before tax	2,077	1,620	128	2,077	614	100	1,763	1,620	4,097
Due from credit institutions and repo loans (end of period)	448,320	349,064	128	448,320	330,068	300,496	340,381	349,064	330,068
Loans and advances (end of period)	42,388	42,602	99	42,388	44,330	46,407	40,671	42,602	44,330
Allowance account, total (end of period)	2,498	2,916	86	2,498	2,599	2,518	2,583	2,916	2,599
Net trading and investment portfolio (end of period)	407,348	357,452	114	407,348	423,235	442,221	408,688	357,452	423,235
Deposits (end of period)	85,547	97,840	87	85,547	97,412	96,768	101,854	97,840	97,412
Allocated capital (avg.)	11,789	6,099	193	11,789	10,693	10,435	8,303	6,099	8,883
Profit before loan impairment charges as % p.a. of allocated capital	69.6	117.1		69.6	21.0	-24.9	65.9	117.1	34.5
Pre-tax profit as % p.a. of allocated capital (ROE)	70.5	106.2		70.5	23.0	3.8	84.9	106.2	46.1
Cost/income ratio (%)	29.9	29.4		29.9	54.9	-	33.3	29.4	46.4

PROFIT BEFORE TAX [DKK millions]									
Danske Markets	2,361	1,419	166	2,361	851	446	1,119	1,419	3,835
Group Treasury	-284	201	-	-284	-237	-346	644	201	262
Total Danske Markets and Treasury	2,077	1,620	128	2,077	614	100	1,763	1,620	4,097

- Satisfactory, increasing net trading income at Danske Markets
- Strong customer activity in core markets
- Still limited exposure to southern European government bonds

The volatility in the financial markets declined over the period, and activity picked up. In addition, the prospect of an orderly solution to the Greek debt problems helped alleviate uncertainty about the future of the euro collaboration.

Profit before tax at Danske Markets and Treasury rose to DKK 2.1 billion from DKK 1.6 billion in the first quarter of 2011.

Expenses rose 18% from the year-earlier level, mainly because of higher performance-based compensation at Danske Markets.

Danske Markets posted a pre-tax profit of DKK 2.4 billion, significantly above the year-earlier level. The lower market volatility and the resulting pick-up in customer activity fuelled the positive trend.

Trading activity in derivatives and government and mortgage bonds in particular was stronger and generated better earnings. Debt capital market activity

also grew. The increase in earnings was driven by both primary and secondary activities.

The Group's net exposure to southern European government bonds is limited. Fluctuations in the market values of these bonds thus have a limited effect on net trading income.

The Group's average VaR (10-day horizon, confidence level of 95%) was DKK 235 million, against DKK 249 million in the year-earlier period. In the first quarter of 2012, Danske Markets generally had a lower risk profile than in the fourth quarter of 2011.

In the first quarter of 2012, the Prospera research institute conducted customer satisfaction surveys of the Danish and Swedish fixed-income and derivatives markets. Danske Markets was the highest-rated broker in these segments, confirming its position as the leading fixed-income and derivatives trader in the Nordic region.

Group Treasury's pre-tax profit fell DKK 0.5 billion and amounted to a loss of DKK 0.3 billion. The main reason for the decline was higher funding costs.



EMPLOYEES
570



PRE-TAX PROFIT
DKK 141 MILLION



MARKET SHARE IN THE
NORDIC REGION 10.4%

Danske Capital

DANSKE CAPITAL (DKK millions)	Q1 2012	Q1 2011	Index 12/11	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Full year 2011
Net interest income	30	27	111	30	31	33	28	27	119
Net fee income	378	420	90	378	566	399	410	420	1,795
Other income	4	24	17	4	17	10	15	24	66
Total income	412	471	87	412	614	442	453	471	1,980
Expenses	264	267	99	264	313	230	283	267	1,093
Profit before loan impairment charges	148	204	73	148	301	212	170	204	887
Loan impairment charges	7	-48	-	7	24	-	1	-48	-23
Profit before tax	141	252	56	141	277	212	169	252	910
Loans and advances (end of period)	6,279	6,356	99	6,279	6,075	6,266	6,293	6,356	6,075
Allowance account, total (end of period)	176	160	110	176	168	161	163	160	168
Deposits (end of period)	5,778	6,075	95	5,778	5,700	6,584	6,424	6,075	5,700
Allocated capital (avg.)	327	273	120	327	336	319	315	273	311
Cost/income ratio (%)	64.1	56.7		64.1	51.0	52.0	62.5	56.7	55.2
Assets under management (DKK billions)	632	598	106	632	606	587	603	598	606

- Profit before loan impairment charges down 27%
- Above-benchmark returns for 78% of Danske Invest funds
- Danske Invest ranked by Morningstar as Denmark's best equity portfolio manager for the fourth consecutive year

Danske Capital's total income amounted to DKK 412 million in the first quarter of 2012, down 13% from DKK 471 million in the first quarter of 2011. One reason for the fall was a shift in the mix of assets under management. Equities accounted for 28% in the first quarter of 2012, against 31% in the year-earlier period. A number of one-off expenses in the first quarter of 2012 also reduced income in comparison with the level in the first quarter of 2011.

Total expenses were in line with the first-quarter 2011 level.

At 31 March 2012, assets under management amounted to DKK 632 billion, up DKK 26 billion from the level at 31 December 2011. Net sales to institutional and retail banking customers amounted to DKK 1 billion in the first quarter of 2012. Developments in the financial markets led to total capital gains of DKK 24 billion.

The net sales of DKK 1 billion breaks down into inflows of DKK 4 billion from retail banking customers and outflows of DKK 3 billion to institutional clients.

Measured in terms of asset values, Danske Capital held a 10.4% share of the Nordic unit trust market at the end of March. The loss of one large administrative mandate was the main reason for the decline of 1.5 percentage points from the level at the end of 2011.

In the first quarter of 2012, 78% of Danske Capital's funds posted above-benchmark returns. Of the bond-based funds, 86% delivered above-benchmark returns. For equity-based funds, the figure was 73%. Some 50% of Danske Invest funds ranked in the top third of European funds in their categories.

On the basis of its ability to produce excess returns over the long term, Morningstar ranked Danske Invest the best equity portfolio manager in Denmark for the fourth year running. Danske Capital is one of Danske Invest's portfolio advisers.

In addition, ICA ranked the Danske Invest Hedge Fixed Income Strategies Fund the best European hedge fund in the Relative Value and Equity Market Neutral Fund category.



EMPLOYEES
834



INCOME
DKK 184 MILLION



TOTAL PREMIUMS
DKK 6,888 MILLION

Danica Pension

DANICA PENSION (DKK millions)	Q1 2012	Q1 2011	Index 12/11	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Full year 2011
Danica Traditionel	321	264	122	321	298	275	283	264	1,120
Unit-linked business	74	90	82	74	24	66	89	90	269
Health and accident business	-20	-1	-	-20	-23	21	13	-1	10
Return on investments	212	21	-	212	240	199	125	21	585
Financing result	-22	-33	-	-22	-37	-48	-45	-33	-163
Special allotment	-4	-63	-	-4	56	-25	-62	-63	-94
Change in shadow account	-377	-211	-	-377	418	-1,223	-142	-211	-1,158
Net income from insurance business	184	67	275	184	976	-735	261	67	569
Premiums, insurance contracts	5,465	5,192	105	5,465	5,596	4,786	4,973	5,192	20,547
Premiums, investment contracts	1,423	1,957	73	1,423	1,681	1,016	2,076	1,957	6,730
Provisions, insurance contracts	248,331	232,363	107	248,331	243,304	236,708	233,336	232,363	243,304
Provisions, investment contracts	27,108	23,990	113	27,108	24,540	22,302	24,770	23,990	24,540
Customer funds, investment assets									
Danica Traditionel	189,487	183,280	103	189,487	188,699	185,849	182,456	183,280	188,699
Danica Balance	31,844	23,313	137	31,844	28,596	25,527	25,410	23,313	28,596
Danica Link	50,927	45,655	112	50,927	47,201	42,622	46,438	45,655	47,201
Allocated capital [avg.]	9,192	5,800	158	9,192	9,048	8,778	5,822	5,800	7,362
Net income as % p.a. of allocated capital	8.0	4.6		8.0	43.1	-33.5	17.9	4.6	7.7

- Net income from insurance business of DKK 0.2 billion
- Total premiums down 4% to DKK 6.9 billion
- Danish premiums up 2%; 72% premium growth at Norwegian unit
- Expense ratio at Danish unit down from 4.4% to 4.1%

Net income from insurance business totalled DKK 184 million, against DKK 67 million in the first quarter of 2011. The risk allowance was not booked for any of the four interest rate groups, and this had an adverse effect on income, while a higher investment return had a positive effect.

The investment return on equity was 1.1%, and the investment return on customer funds in *Danica Traditionel* was 1.9%. Including changes in technical provisions, the return on customer funds was 1.5%. Although the risk allowance for two of the four interest rate groups could have been booked, the Group did not book the allowance for any of the groups in the first quarter because of uncertainty about the possibility of booking it for the full year.

The Group expects to book the full risk allowance for three of the four interest rate groups at the end of the year if share prices rise 10%, interest rates fall 25 basis points, or the discount yield curve increases 10 basis points.

The return on the market-based products, *Danica Balance* and *Danica Link*, was DKK 3.3 billion, or 6.4% on average.

The result for the unit-linked business was down slightly from the year-earlier level. Income at the Danish unit was lower than in the year-earlier period because of keener competition that resulted in lower prices for business customers.

The health and accident result was lower than in the first quarter of 2011 because the claims ratio was higher, also as a result of the lower prices for business customers.

Premiums were down 4% from the level in the first quarter of 2011. At the Norwegian unit, premiums showed substantial growth [72%] thanks in part to a portfolio transfer. At the Swedish unit, premiums fell 29%. At the end of 2011, Swedish banks introduced a product similar to Danica's custody account savings product but at a much lower price, and this caused the decline in Sweden. In Denmark, premiums were up 2%, with regular premiums rising 4%.

At the end of March 2012, the collective bonus potential for the contribution groups stood at DKK 0.8 billion, which was DKK 0.5 billion above the level at the beginning of the year. Danica Pension also reduced the amount drawn on the bonus potential of paid-up policies and used to cover losses in 2011 by DKK 0.9 billion. Including its excess capital base of DKK 9.3 billion, Danica Pension's total financial strength stood at DKK 10.2 billion.



EMPLOYEES
5,549



PRE-TAX PROFIT
DKK -653 MILLION

Other Activities

OTHER ACTIVITIES [DKK millions]	Q1 2012	Q1 2011	Index 12/11	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Full year 2011
Net interest income	6	58	10	6	1	19	33	58	111
Net fee income	-3	-4	-	-3	-14	-3	-9	-4	-30
Net trading income	-54	86	-	-54	-1	19	54	86	158
Other income	18	184	10	18	59	37	41	184	321
Total income	-33	324	-	-33	45	72	119	324	560
Expenses	620	1,182	52	620	-75	-63	397	1,182	1,441
Profit before loan impairment charges	-653	-858	-	-653	120	135	-278	-858	-881
Loan impairment charges	-	-	-	-	-	-	-	-	-
Profit before tax	-653	-858	-	-653	120	135	-278	-858	-881
PROFIT BEFORE TAX									
[DKK millions]									
Real property	65	51	127	65	61	74	80	51	266
Own shares	-54	59	-	-54	22	94	99	59	274
Other, including Group support functions	-664	-968	-	-664	37	-33	-457	-968	-1,421
Total Other Activities	-653	-858	-	-653	120	135	-278	-858	-881

Other Activities posted a loss before tax of DKK 0.7 billion, against a loss before tax of DKK 0.9 billion in the first quarter of 2011.

The elimination of returns on own shares led to an expense of DKK 54 million in the first quarter of 2012, against income of DKK 59 million in the year-earlier period.

Other income amounted to DKK 18 million, against DKK 184 million a year earlier. In 2011, the item benefited particularly from a refund of excess VAT paid in previous years.

Expenses amounted to DKK 0.6 billion, against DKK 1.2 billion in the first quarter of 2011. The item fell mainly because the Group recognised an estimated commitment of DKK 0.9 billion to the Danish Guarantee Fund for Depositors and Investors in the first quarter of 2011 and because writedowns of the assets of a temporarily acquired company were adjusted by DKK 0.1 billion. Expenses for the first quarter of 2012 included a charge of DKK 0.5 billion related to the right to use the Sampo Bank brand name.

First-quarter 2012 expenses also included an estimated commitment to the winding-up and re-

structuring department of the Guarantee Fund of DKK 0.1 billion to cover increased costs for the resolution of Fjordbank Mors.

Income statement – Danske Bank Group

(DKK millions)	Q1 2012	Q1 2011	Full year 2011
Interest income	20,380	19,182	80,819
Interest expense	11,548	11,141	47,478
Net interest income	8,832	8,041	33,341
Fee income	3,041	3,129	11,760
Fee expenses	977	1,050	4,034
Net trading income	6,354	1,082	-3,326
Other income	1,093	1,461	5,469
Net premiums	5,323	5,041	20,475
Net insurance benefits	10,916	5,683	18,705
Income from associates	31	44	125
Profit on sale of associates and group undertakings	2	-	16
Staff costs and administrative expenses	6,069	6,790	24,280
Amortisation, depreciation and impairment charges	1,211	935	3,451
Profit before loan impairment charges	5,503	4,340	17,390
Loan impairment charges	3,922	2,841	13,185
Profit before tax	1,581	1,499	4,205
Tax	798	792	2,482
Net profit for the period	783	707	1,723
Portion attributable to shareholders of Danske Bank A/S (the Parent Company)	783	709	1,712
non-controlling interests	-	-2	11
Net profit for the period	783	707	1,723
Earnings per share (DKK)	0.8	0.9	1.9
Diluted earnings per share (DKK)	0.8	0.9	1.9
Proposed dividend per share (DKK)	-	-	-

Earnings per share and diluted earnings per share for the first quarter of 2011 have been divided by a factor of 1.0807 to reflect the share capital increase in April 2011.

Statement of comprehensive income – Danske Bank Group

(DKK millions)	Q1 2012	Q1 2011	Full year 2011
Net profit for the period	783	707	1,723
Other comprehensive income			
Translation of units outside Denmark	48	-389	223
Hedging of units outside Denmark	-91	309	-273
Unrealised value adjustments of available-for-sale financial assets	468	20	-951
Realised value adjustments of available-for-sale financial assets	13	7	28
Tax on other comprehensive income	-114	-77	285
Total other comprehensive income	324	-130	-688
Total comprehensive income for the period	1,107	577	1,035
Portion attributable to shareholders of Danske Bank A/S (the Parent Company)	1,107	579	1,024
non-controlling interests	-	-2	11
Total comprehensive income for the period	1,107	577	1,035

Balance sheet – Danske Bank Group

(DKK millions)	31 March 2012	31 Dec. 2011	31 March 2011
ASSETS			
Cash in hand and demand deposits with central banks	36,097	28,617	26,204
Due from credit institutions and central banks	208,466	180,870	170,692
Trading portfolio assets	869,047	909,755	630,831
Investment securities	108,282	109,264	110,897
Loans and advances at amortised cost	1,205,235	1,126,482	1,149,259
Loans at fair value	718,744	720,741	691,096
Assets under pooled schemes and unit-linked investment contracts	66,324	61,888	63,738
Assets under insurance contracts	234,295	230,668	218,980
Holdings in associates	1,045	989	1,051
Intangible assets	21,670	22,233	22,642
Investment property	4,612	4,624	4,894
Tangible assets	7,012	7,267	7,656
Current tax assets	395	580	1,279
Deferred tax assets	1,844	1,791	1,686
Other assets	17,406	18,634	24,976
Total assets	3,500,474	3,424,403	3,125,881
LIABILITIES			
Due to credit institutions and central banks	488,324	393,388	309,688
Trading portfolio liabilities	627,332	697,913	447,881
Deposits	854,520	848,994	866,362
Bonds issued by Realkredit Danmark	604,323	557,699	542,065
Deposits under pooled schemes and unit-linked investment contracts	73,874	69,211	68,844
Liabilities under insurance contracts	253,604	248,966	235,556
Other issued bonds	363,892	366,920	422,272
Current tax liabilities	331	423	678
Deferred tax liabilities	6,540	6,278	5,962
Other liabilities	36,877	41,428	45,454
Subordinated debt	64,033	67,328	75,626
Total liabilities	3,373,650	3,298,548	3,020,388
SHAREHOLDERS' EQUITY			
Share capital	9,317	9,317	6,988
Foreign currency translation reserve	-229	-186	-216
Reserve for available-for-sale financial assets	-1,772	-2,253	-1,303
Retained earnings	119,459	118,917	99,995
Proposed dividends	-	-	-
Shareholders of Danske Bank A/S (the Parent Company)	126,775	125,795	105,464
Non-controlling interests	49	60	29
Total shareholders' equity	126,824	125,855	105,493
Total liabilities and equity	3,500,474	3,424,403	3,125,881

Statement of capital – Danske Bank Group

[DKK millions]

Changes in shareholders' equity

	Shareholders of Danske Bank A/S (the Parent Company)							
	Share capital	Foreign currency translation reserve	Reserve for available-for-sale assets	Retained earnings	Proposed dividends	Total	Non-controlling interests	Total
Shareholders' equity at 1 January 2012	9,317	-186	-2,253	118,917	-	125,795	60	125,855
Net profit for the period	-	-	-	783	-	783	-	783
Other comprehensive income								
Translation of units outside Denmark	-	48	-	-	-	48	-	48
Hedging of units outside Denmark	-	-91	-	-	-	-91	-	-91
Unrealised value adjustments of available-for-sale financial assets	-	-	468	-	-	468	-	468
Realised value adjustments of available-for-sale financial assets	-	-	13	-	-	13	-	13
Tax on other comprehensive income	-	-	-	-114	-	-114	-	-114
Total other comprehensive income	-	-43	481	-114	-	324	-	324
Total comprehensive income for the period	-	-43	481	669	-	1,107	-	1,107
Transactions with owners								
Dividends paid	-	-	-	-	-	-	-14	-14
Acquisition of own shares	-	-	-	-4,561	-	-4,561	-	-4,561
Sale of own shares	-	-	-	4,449	-	4,449	-	4,449
Share-based payments	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	3	3
Tax on entries on shareholders' equity	-	-	-	-15	-	-15	-	-15
Shareholders' equity at 31 March 2012	9,317	-229	-1,772	119,459	-	126,775	49	126,824
Shareholders' equity at 1 January 2011	6,988	-136	-1,330	99,205	-	104,727	15	104,742
Net profit for the period	-	-	-	709	-	709	-2	707
Other comprehensive income								
Translation of units outside Denmark	-	-389	-	-	-	-389	-	-389
Hedging of units outside Denmark	-	309	-	-	-	309	-	309
Unrealised value adjustments of available-for-sale financial assets	-	-	20	-	-	20	-	20
Realised value adjustments of available-for-sale financial assets	-	-	7	-	-	7	-	7
Tax on other comprehensive income	-	-	-	-77	-	-77	-	-77
Total other comprehensive income	-	-80	27	-77	-	-130	-	-130
Total comprehensive income for the period	-	-80	27	632	-	579	-2	577
Transactions with owners								
Acquisition of own shares	-	-	-	-4,878	-	-4,878	-	-4,878
Sale of own shares	-	-	-	5,022	-	5,022	-	5,022
Share-based payments	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	16	16
Tax on entries on shareholders' equity	-	-	-	14	-	14	-	14
Shareholders' equity at 31 March 2011	6,988	-216	-1,303	99,995	-	105,464	29	105,493

For as long as the Danish state holds hybrid capital in Danske Bank and guarantees bond issues, Danske Bank A/S may distribute dividends if such dividends can be paid in full out of the net profit.

	31 March 2012	31 Dec. 2011	31 March 2011
Share capital (DKK)	9,317,390,340	9,317,390,340	6,988,042,760
Number of shares	931,739,034	931,739,034	698,804,276
Number of shares outstanding	926,041,368	927,111,498	749,890,438
Average number of shares outstanding for the period	926,952,152	879,181,672	749,716,361
Average number of shares outstanding, including dilutive shares, for the period	926,952,152	879,181,672	749,716,361

The number of shares outstanding, the average number of shares outstanding for the period, and the average number of shares outstanding, including dilutive shares, for the period have been adjusted for the share capital increase in April 2011.

Statement of capital – Danske Bank Group

(DKK millions)	31 March 2012	31 Dec. 2011	31 March 2011
Capital base and total capital ratio			
Shareholders' equity	126,824	125,855	105,493
Revaluation of domicile property at fair value	1,275	1,281	1,261
Pension obligations at fair value	891	348	45
Tax effect	-144	-58	5
Reserves in undertakings consolidated on a pro rata basis	3,002	2,991	3,008
Shareholders' equity calculated in accordance with the rules of the Danish FSA	131,848	130,417	109,812
Expected dividends	-260	-	-230
Intangible assets of banking operations	-21,559	-22,127	-22,482
Deferred tax assets	-1,596	-1,600	-1,561
Deferred tax on intangible assets	741	923	1,036
Revaluation of domicile property	-727	-743	-676
Other statutory deductions	-57	-44	-
Core tier 1 capital	108,390	106,826	85,899
Hybrid capital	40,140	42,366	41,749
Difference between expected losses and impairment charges	-	-	-
Statutory deduction for insurance subsidiaries	-4,163	-4,175	-2,373
Other statutory deductions	-	-	-
Tier 1 capital	144,367	145,017	125,275
Subordinated debt, excluding hybrid capital	17,687	20,480	25,226
Hybrid capital	-	-	-
Revaluation of domicile property	727	743	676
Difference between expected losses and impairment charges	-	-	-
Statutory deduction for insurance subsidiaries	-4,163	-4,175	-2,373
Other statutory deductions	-	-	-
Capital base	158,618	162,065	148,804
Risk-weighted assets	900,258	905,979	855,221
Core tier 1 capital ratio (%)	12.0	11.8	10.0
Tier 1 capital ratio (%)	16.0	16.0	14.6
Total capital ratio (%)	17.6	17.9	17.4

The total capital and tier 1 capital ratios have been calculated in accordance with the Capital Requirements Directive. Risk-weighted assets calculated under the Basel I rules amounted to DKK 1,417,159 million at 31 March 2012 (31 December 2011: DKK 1,414,566 million). The solvency need, calculated on the basis of the transitional rules, was DKK 90,698 million, equal to 80% of the capital requirement of 8% of risk-weighted assets (31 December 2011: DKK 90,532 million).

Cash flow statement – Danske Bank Group

(DKK millions)	Q1 2012	Q1 2011	Full year 2011
Cash flow from operations			
Profit before tax	1,581	1,499	4,205
Tax paid	-650	-895	-671
Adjustment for non-cash operating items	2,489	4,176	17,259
Cash flow from operating capital	36,305	-70,749	-83,447
Total	39,725	-65,969	-62,654
Cash flow from investing activities			
Acquisition/sale of businesses	2	-	19
Acquisition/sale of own shares	-112	144	126
Acquisition of intangible assets	-77	-118	-418
Acquisition/sale of tangible assets	-72	-33	-339
Total	-259	-7	-612
Cash flow from financing activities			
Changes in subordinated debt and hybrid capital	-2,974	-473	-10,850
Dividends	-	-	-
Share capital increase	-	-	19,761
Change in non-controlling interests	-11	14	45
Total	-2,985	-459	8,956
Cash and cash equivalents at 1 January	206,297	260,607	260,607
Change in cash and cash equivalents	36,481	-66,435	-54,310
Cash and cash equivalents, end of period	242,778	194,172	206,297

Notes – Danske Bank Group

Note

1 Critical accounting policies and estimates

The Danske Bank Group's interim report for the first quarter of 2012 has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and additional Danish disclosure requirements for interim reports of listed financial institutions.

The Group has not changed its significant accounting policies from those followed in Annual Report 2011, which provides a full description of the Group's significant accounting policies.

Management's estimates and assumptions of future events that will significantly affect the carrying amounts of assets and liabilities underlie the preparation of the consolidated financial statements. The estimates and assumptions that are deemed critical to the consolidated financial statements are

- the fair value measurement of financial instruments
- the measurement of loans and advances
- the measurement of goodwill
- the measurement of liabilities under insurance contracts and the net obligation for defined benefit pension plans
- the recognition of deferred tax assets

The estimates and assumptions are based on premises that management finds reasonable but which are inherently uncertain and unpredictable. The premises may be incomplete, unexpected future events or situations may occur, and other parties may arrive at other estimated values.

Fair value measurement of financial instruments

Critical estimates are not required to measure the fair value of financial instruments based on prices quoted in an active market or based on generally accepted models employing observable market data. Measurements of financial instruments that are only to a limited extent based on observable market data, such as the measurement of unlisted shares and certain bonds for which there is no active market, are subject to estimates. At 31 March 2012, financial instruments measured on the basis of non-observable input accounted for around 0.7% of total assets.

Measurement of loans and advances

The Group makes impairment charges to account for any impairment of loans and advances that occurs after initial recognition. Impairment charges consist of individual and collective charges and rely on a number of estimates, including identification of loans or portfolios of loans with objective evidence of impairment, expected future cash flows and the value of collateral. The Group determines the need for impairment charges on the basis of the customer's expected ability to repay the debt. This ability depends on a number of factors, including the customer's earnings capacity and trends in general economic growth and unemployment. Expectations of deteriorating repayment ability reduce credit quality and lead to downgrading of the customer.

If all customers were downgraded one rating category, collective impairment charges would increase by about DKK 6.9 billion. The losses incurred under non-performing loan agreements depend, among other factors, on the value of the collateral received.

If the value of collateral decreased 10%, individual impairment charges would increase by about DKK 3.0 billion. At 31 March 2012, loans and advances accounted for around 55% of total assets.

Measurement of goodwill

Goodwill on acquisition is tested for impairment at least once a year. Impairment testing requires management to estimate future cash flows from acquired units. A number of factors affect the value of such cash flows, including discount rates, changes in the real economy, customer behaviour and competition. Goodwill is particularly sensitive to changes in impairment test assumptions about the normalised long-term return. If this return is lowered 20%, goodwill will decrease DKK 0.3 billion. Note 23 of Annual Report 2011 contains further information about impairment tests and sensitivities. At 31 March 2012, goodwill amounted to DKK 18.7 billion, or less than 1% of total assets.

Measurement of liabilities under insurance contracts and the net obligation for defined benefit pension plans

Calculations of liabilities under insurance contracts and the net obligation for defined benefit pension plans are based on a number of actuarial computations that rely on assumptions about a number of variables, including mortality and disability rates and salary increases. The calculations are particularly sensitive to changes in the discount rate.

The discount rate used for calculating liabilities under insurance contracts is based on the discount yield curve. The discount yield curve is fixed on the basis of a zero-coupon yield curve estimated on the basis of euro swap market rates to which is added the yield spread between Danish and German government bonds and a mortgage yield curve spread. Since the end of 2011, the yield spread has been calculated as a 12-month moving average. Page 159 of Annual Report 2011 contains a sensitivity analysis of liabilities under insurance contracts.

The discount rate used for calculating the net obligation for defined benefit plans is based on the market rate of high-quality corporate bonds with maturities similar to the maturity of the pension obligations. If the discount rate is lowered one percentage point, the net obligation will increase by DKK 2.5 billion. The increase does not exceed the corridor method's threshold value.

At 31 March 2012, liabilities under insurance contracts and the net obligation for defined benefit pension plans accounted for around 7% of total liabilities.

Recognition of deferred tax assets

Deferred tax assets arising from unused tax losses are recognised to the extent that such losses can be offset against tax on future profit. Recognition of deferred tax assets requires management to assess the probability and amount of future taxable profit at units with unused tax losses. At 31 March 2012, deferred tax assets stood at DKK 1.4 billion, or 0.04% of total assets. The tax base of unrecognised tax loss carry-forwards, relating primarily to the Group's banking operations in Ireland, amounted to DKK 1.9 billion.

Notes – Danske Bank Group

Note

1 Annual Report 2011 and Risk Management 2011 provide a (cont'd) detailed description of the Group's significant risks and the external factors that may affect the Group. Risk Management 2011 is not covered by the statutory audit.

Standards and interpretations not yet in force

The International Accounting Standards Board (IASB) has issued a number of amendments to the International Financial Reporting Standards (IFRSs) that have not yet come into force. Similarly, the International Financial Reporting Interpretations Committee (IFRIC) has issued a new interpretation that has not yet come into force. The sections below explain the changes that are likely to affect the Group's financial reporting.

In October 2010, the IASB reissued IFRS 9, Financial Instruments. The aim of the overall reissuance project is, once the amendments to IFRS 9 are completed, to let the standard replace IAS 39 in its entirety. IFRS 9 now provides principles for classification and derecognition of financial instruments. Principles for impairment and hedge accounting are expected to follow in 2012 or 2013. The IASB also considers certain amendments to the classification principles.

The transitional rules of the amended IFRS 9 prescribe implementation of the standard by 2015. The EU has decided to postpone adoption of the amended IFRS 9 until the details of the entire standard are known.

Under the current IFRS 9, financial assets are classified on the basis of the business model adopted for managing the assets and on the basis of their contractual cash flow characteristics, including any embedded derivatives (unlike IAS 39, IFRS 9 no longer requires bifurcation). Assets held with the objective of collecting contractual cash flows that are solely payments of principal and interest are measured at amortised cost. Other assets are measured at fair value through profit or loss. Equities may be measured at fair value through Other comprehensive income, however, and satisfying certain requirements, a business may opt for fair value adjustment of its loans, advances, etc.

The principles applicable to financial liabilities are largely unchanged from IAS 39. Generally, financial liabilities are still measured at amortised cost with bifurcation of embedded derivatives not closely related to a host contract. Financial liabilities measured at fair value comprise derivatives, the trading portfolio and liabilities designated at fair value through profit or loss. Value adjustments relating to the inherent credit risk of financial liabilities designated at fair value are, however, recognised in Other comprehensive income unless this leads to an accounting mismatch.

IFRS 9 incorporates the existing derecognition principles of IAS 39.

The Group does not expect the amended IFRS 9 to materially affect the measurement of its financial instruments, although the standard does not allow classification of bonds as available-for-sale assets. Such instruments are measured at amortised cost or fair value through profit or loss. Meaningful classification of financial instruments is not possible without

information about the future parts of IFRS 9 to clarify the overall accounting effects of the standard.

The IASB ended its project on consolidation in May 2011 by issuing a number of new International Financial Reporting Standards (IFRS 10, IFRS 11 and IFRS 12) and revised standards (IAS 27 and IAS 28). With these standards, the IASB establishes a uniform definition of control to be used for determining whether an entity should be consolidated and introduces enhanced disclosure requirements for consolidated and unconsolidated entities, joint arrangements and associates. The standards, which have not yet been adopted by the EU, must be implemented in 2013 at the latest. The Group does not expect the new requirements to significantly change its consolidation of businesses.

In May 2011, the IASB issued IFRS 13, Fair Value Measurement. The standard introduces a new definition of fair value and provides guidance on how to measure fair value along with disclosure requirements for fair value. IFRS 13 applies when another standard requires fair value to be used or disclosed. The standard, which has not yet been adopted by the EU, must be implemented in 2013 at the latest. The Group does not expect IFRS 13 to significantly affect its financial results.

In June 2011, the IASB reissued IAS 19, Employee Benefits. The amended standard eliminates the option of deferring the recognition of actuarial gains and losses on defined benefit pension plans, known as the "corridor method". The present value of pension obligations and the fair value of plan assets must be recognised in the balance sheet instead. The amended standard, which has not yet been adopted by the EU, must be implemented in 2013 at the latest. At 31 March 2012, the new requirements would have increased shareholders' equity by DKK 696 million (the amount deferred under the corridor method net of tax). The effect on net profit will be immaterial as actuarial gains and losses are recognised in Other comprehensive income. Other comprehensive income and shareholders' equity items will become more volatile, though. The Statement of capital will not be affected as it is already prepared without the use of the corridor method.

In December 2011, the IASB clarified the IAS 32 requirements for offsetting financial instruments. The clarification is expected to increase the offsetting of positive and negative market values of derivatives. The IASB also enhanced its IFRS 7 disclosure requirements to include both gross and net amounts when offsetting financial instruments and rights of set-off in the event of counterparty defaults. The changes, which have not yet been adopted by the EU, must be implemented in 2014 and 2013, respectively.

Notes – Danske Bank Group

Note (DKK millions)

2 Business segments Q1 2012

	Banking Activities	Danske Markets and Treasury	Danske Capital	Danica Pension	Other Activities	Elimina- tions	Total	Reclassi- fication	Highlights
Net interest income	6,136	1,068	30	1,532	5	61	8,832	-2,660	6,172
Net fee income	1,612	261	378	-184	-3	-	2,064	-77	1,987
Net trading income	347	1,530	4	4,587	1	-115	6,354	-3,132	3,222
Other income	770	3	-	103	246	-29	1,093	-305	788
Net premiums	-	-	-	5,323	-	-	5,323	-5,323	-
Net insurance benefits	-	-	-	10,916	-	-	10,916	-10,916	-
Income from equity investments	-	63	-	-36	6	-	33	-33	-
Net income from insurance business	-	-	-	-	-	-	-	184	184
Total income	8,865	2,925	412	409	255	-83	12,783	-430	12,353
Expenses	5,091	875	264	225	854	-29	7,280	-430	6,850
Profit before loan impairment charges	3,774	2,050	148	184	-599	-54	5,503	-	5,503
Loan impairment charges	3,942	-27	7	-	-	-	3,922	-	3,922
Profit before tax	-168	2,077	141	184	-599	-54	1,581	-	1,581
Loans and advances, excluding reverse transactions	1,647,852	39,890	6,125	-	8,830	-18,572	1,684,125	-	1,684,125
Other assets	529,239	6,300,269	17,572	300,823	123,407	-5,454,961	1,816,349	-	1,816,349
Total assets	2,177,091	6,340,159	23,697	300,823	132,237	-5,473,533	3,500,474	-	3,500,474
Deposits, excluding repo deposits	688,047	85,547	5,778	-	6,584	-12,243	773,713	-	773,713
Other liabilities	1,397,906	6,242,823	17,592	291,631	111,275	-5,461,290	2,599,937	-	2,599,937
Allocated capital	91,138	11,789	327	9,192	14,378	-	126,824	-	126,824
Total liabilities and equity	2,177,091	6,340,159	23,697	300,823	132,237	-5,473,533	3,500,474	-	3,500,474
Internal income	-3,042	2,028	74	356	584	-	-	-	-
Amortisation and depreciation charges	595	1	4	-	147	-	747	-	-
Impairment charges for intangible and tangible assets	-	-	-	-	464	-	464	-	-
Reversals of impairment charges	-	-	-	-	-	-	-	-	-
Pre-tax profit as % p.a. of allocated capital (avg.)	-0.7	70.5	172.5	8.0	-16.7	-	5.0	-	-
Cost/income ratio (%)	57.4	29.9	64.1	55.0	334.9	-	57.0	-	-
Full-time-equivalent staff (avg.)	13,417	855	570	835	5,561	-	21,238	-	-

In its financial highlights, the Group recognises earnings contributed by Danske Markets as net trading income and earnings contributed by Danica Pension as net income from insurance business. Other income includes earnings contributed by fully consolidated subsidiaries taken over by the Group under non-performing loan agreements and held for sale. The Reclassification column shows the adjustments made to the detailed figures in the calculation of the highlights. The number of full-time equivalent staff does not include about 1,000 employees of fully consolidated subsidiaries taken over by the Group under non-performing loan agreements and held for sale.

Internal income and expenses are allocated to the individual segments on an arm's-length basis. Funding costs for lending and deposit activities are allocated on the basis of a maturity analysis of loans and deposits, interbank rates and funding spreads and depend on financial market trends.

Notes – Danske Bank Group

Note	[DKK millions]								
2	Business segments Q1 2011								
(cont'd)	Banking Activities	Danske Markets and Treasury	Danske Capital	Danica Pension	Other Activities	Elimina- tions	Total	Reclassi- fication	Highlights
Net interest income	5,469	931	27	1,516	58	40	8,041	-2,487	5,554
Net fee income	1,677	161	420	-175	-4	-	2,079	14	2,093
Net trading income	339	1,401	23	-727	27	19	1,082	1,893	2,975
Other income	817	3	1	329	335	-24	1,461	-459	1,002
Net premiums	-	-	-	5,041	-	-	5,041	-5,041	-
Net insurance benefits	-	-	-	5,683	-	-	5,683	-5,683	-
Income from equity investments	-	31	-	7	6	-	44	-44	-
Net income from insurance business	-	-	-	-	-	-	-	67	67
Total income	8,302	2,527	471	308	422	35	12,065	-374	11,691
Expenses	5,160	742	267	241	1,339	-24	7,725	-374	7,351
Profit before loan impairment charges	3,142	1,785	204	67	-917	59	4,340	-	4,340
Loan impairment charges	2,724	165	-48	-	-	-	2,841	-	2,841
Profit before tax	418	1,620	252	67	-917	59	1,499	-	1,499
Loans and advances, excluding reverse transactions	1,623,258	39,762	6,216	-	3,947	-11,200	1,661,983	-	1,661,983
Other assets	455,832	4,862,279	14,915	277,851	185,950	-4,332,929	1,463,898	-	1,463,898
Total assets	2,079,090	4,902,041	21,131	277,851	189,897	-4,344,129	3,125,881	-	3,125,881
Deposits, excluding repo deposits	698,056	97,840	6,075	-	177	-7,544	794,604	-	794,604
Other liabilities	1,308,108	4,798,102	14,783	272,051	169,325	-4,336,585	2,225,784	-	2,225,784
Allocated capital	72,926	6,099	273	5,800	20,395	-	105,493	-	105,493
Total liabilities and equity	2,079,090	4,902,041	21,131	277,851	189,897	-4,344,129	3,125,881	-	3,125,881
Internal income	-1,997	1,268	97	294	338	-	-	-	-
Amortisation and depreciation charges	627	1	10	-	184	-	822	-	-
Impairment charges for intangible and tangible assets	-	-	-	-	113	-	113	-	-
Reversals of impairment charges	-	-	-	-	-	-	-	-	-
Pre-tax profit as % p.a. of allocated capital (avg.)	2.3	106.2	369.2	4.6	-18.0	-	5.7	-	-
Cost/income ratio (%)	62.2	29.4	56.7	78.2	317.3	-	64.0	-	-
Full-time-equivalent staff (avg.)	13,413	856	538	836	5,795	-	21,438	-	-

Notes – Danske Bank Group

Note	(DKK millions)
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3 Banking Activities Q1 2012

	Denmark	Finland	Sweden	Norway	Northern Ireland	Ireland	Baltics	Other	CIB	Total
Net interest income	3,081	588	712	471	303	230	124	101	526	6,136
Net fee income	817	258	129	67	92	18	34	14	183	1,612
Net trading income	173	27	33	23	24	10	28	10	19	347
Other income	73	77	13	160	3	1	2	439	2	770
Total income	4,144	950	887	721	422	259	188	564	730	8,865
Expenses	2,215	751	412	453	262	178	92	460	268	5,091
Profit before loan impairment charges	1,929	199	475	268	160	81	96	104	462	3,774
Loan impairment charges	1,330	110	210	114	646	1,452	-166	28	218	3,942
Profit before tax	599	89	265	154	-486	-1,371	262	76	244	-168
Loans and advances	958,335	152,214	186,133	136,866	48,146	62,837	20,199	16,888	107,647	1,689,265
Credit exposure	966,601	160,608	202,141	148,650	46,902	50,671	21,368	66,043	251,318	1,914,302
Allowance account	18,731	2,051	1,438	1,602	5,727	15,297	2,056	396	1,645	48,943
Profit before loan impairment charges as % p.a. of allocated capital	17.1	11.3	17.8	14.1	30.8	10.8	29.2	22.9	14.8	16.6
Pre-tax profit as % p.a. of allocated capital (ROE)	5.3	5.1	9.9	8.1	-93.5	-182.7	79.6	16.7	7.8	-0.7
Cost/income ratio (%)	53.5	79.1	46.4	62.8	62.1	68.7	48.9	81.6	36.7	57.4
Deposit margin	0.29	0.16	0.57	0.77	0.75	0.05	0.67		0.60	
Lending margin	1.30	0.77	1.32	0.91	2.18	1.75	1.09		1.18	
Impairment charges as % p.a. of lending and guarantees	0.55	0.28	0.44	0.31	5.60	12.05	-3.56	0.52	0.66	0.91

Banking Activities Q1 2011

Net interest income	2,872	490	569	382	270	231	121	80	454	5,469
Net fee income	833	249	157	66	69	14	33	36	220	1,677
Net trading income	173	19	32	26	26	11	21	9	22	339
Other income	104	84	15	145	2	2	2	461	2	817
Total income	3,982	842	773	619	367	258	177	586	698	8,302
Expenses	2,204	819	414	463	265	179	88	454	274	5,160
Profit before loan impairment charges	1,778	23	359	156	102	79	89	132	424	3,142
Loan impairment charges	790	29	46	124	329	1,283	-40	17	146	2,724
Profit before tax	988	-6	313	32	-227	-1,204	129	115	278	418
Loans and advances	945,213	142,693	182,866	125,488	49,229	69,251	23,198	16,661	102,550	1,657,149
Credit exposure	957,997	148,489	202,431	139,445	49,354	60,563	23,400	57,632	249,478	1,888,789
Allowance account	15,385	1,935	1,233	1,583	3,319	10,692	2,817	333	1,102	38,399
Profit before loan impairment charges as % p.a. of allocated capital	19.4	1.8	17.2	10.9	21.0	11.3	30.9	37.2	17.5	17.2
Pre-tax profit as % p.a. of allocated capital (ROE)	10.8	-0.5	15.0	2.2	-46.7	-172.7	44.8	32.4	11.5	2.3
Cost/income ratio (%)	55.3	97.3	53.6	74.8	72.2	69.4	49.7	77.5	39.3	62.2
Deposit margin	0.63	0.49	0.76	0.98	0.77	0.27	0.58		0.65	
Lending margin	1.11	0.59	1.01	0.70	1.94	1.37	1.36		0.98	
Impairment charges as % p.a. of lending and guarantees	0.33	0.08	0.10	0.37	2.75	8.68	-0.77	0.33	0.46	0.64

The tables above break down the Group's banking activities.

Notes – Danske Bank Group

Note	(DKK millions)
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3 Profit before loan impairment charges

(cont'd)

	Q1 2012	Q1 2011	Index 12/11	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011	Full year 2011
Retail Banking Denmark	1,929	1,778	108	1,929	1,953	2,154	1,850	1,778	7,735
Retail Banking Finland	199	23	-	199	67	161	102	23	353
Retail Banking Sweden	475	359	132	475	400	395	355	359	1,509
Retail Banking Norway	268	156	172	268	184	197	179	156	716
Banking Activities Northern Ireland	160	102	157	160	-17	154	81	102	320
Banking Activities Ireland	81	79	103	81	99	88	70	79	336
Banking Activities Baltics	96	89	108	96	86	102	89	89	366
Other Banking Activities	104	132	79	104	101	106	104	132	443
Corporate & Institutional Banking	462	424	109	462	572	493	484	424	1,973
Total Banking Activities	3,774	3,142	120	3,774	3,445	3,850	3,314	3,142	13,751
Danske Markets and Treasury	2,050	1,785	115	2,050	562	-650	1,367	1,785	3,064
Danske Capital	148	204	73	148	301	212	170	204	887
Danica Pension	184	67	275	184	976	-735	261	67	569
Other Activities	-653	-858	-	-653	120	135	-278	-858	-881
Total Group	5,503	4,340	127	5,503	5,404	2,812	4,834	4,340	17,390

Profit before tax

Retail Banking Denmark	599	988	61	599	286	1,037	1,108	988	3,419
Retail Banking Finland	89	-6	-	89	-63	99	136	-6	166
Retail Banking Sweden	265	313	85	265	245	399	350	313	1,307
Retail Banking Norway	154	32	-	154	75	66	163	32	336
Banking Activities Northern Ireland	-486	-227	-	-486	-541	-565	-525	-227	-1,858
Banking Activities Ireland	-1,371	-1,204	-	-1,371	-1,524	-1,490	-1,780	-1,204	-5,998
Banking Activities Baltics	262	129	203	262	185	125	182	129	621
Other Banking Activities	76	115	66	76	42	103	28	115	288
Corporate & Institutional Banking	244	278	88	244	-77	524	504	278	1,229
Total Banking Activities	-168	418	-	-168	-1,372	298	166	418	-490
Danske Markets and Treasury	2,077	1,620	128	2,077	614	100	1,763	1,620	4,097
Danske Capital	141	252	56	141	277	212	169	252	910
Danica Pension	184	67	275	184	976	-735	261	67	569
Other Activities	-653	-858	-	-653	120	135	-278	-858	-881
Total Group	1,581	1,499	105	1,581	615	10	2,081	1,499	4,205

Notes – Danske Bank Group

Note	(DKK millions)
4	Amortisation, depreciation and impairment charges Expenses for the first quarter of 2012 include a charge of DKK 0.5 billion related to name rights because of the rebranding of Sampo Bank as part of the Group's decision to market all its banking operations under the Danske Bank brand name.
5	Contingent liabilities The Group uses a variety of loan-related financial instruments to meet customers' financial requirements. Instruments include loan offers and other credit facilities, guarantees and instruments not recognised in the balance sheet.

	31 March 2012	31 Dec. 2011	31 March 2011
Guarantees			
Financial guarantees	14,030	12,123	12,612
Mortgage finance guarantees	1,195	1,537	2,516
Other guarantees	65,911	69,471	74,311
Total	81,136	83,131	89,439
Other contingent liabilities			
Irrevocable loan commitments shorter than 1 year	61,077	63,013	35,633
Irrevocable loan commitments longer than 1 year	103,320	106,459	130,977
Other unutilised loan commitments	619	942	743
Total	165,016	170,414	167,353

In addition to credit exposure from lending activities, the Group has made loan offers and granted revocable credit facilities in the amount of DKK 363 billion (31 December 2011: DKK 355 billion). These items are included in the calculation of risk-weighted assets in accordance with the Capital Requirements Directive.

Owing to its business volume, the Danske Bank Group is continually a party to various lawsuits and disputes. In view of its size, the Group does not expect the outcomes of pending lawsuits and disputes to have any material effect on its financial position.

A limited number of employees are employed under terms which grant them, if they are dismissed before reaching their normal retirement age, an extraordinary severance and/or pension payment in excess of their entitlement under ordinary terms of employment. As the sponsoring employer, the Group is liable for the pension obligations of a number of company pension funds.

Through participation in the mandatory Danish deposit guarantee scheme, Danish banks make an annual payment of 0.25% of the net deposits covered by the Danish Guarantee Fund for Depositors and Investors. Payments are made to the Fund's bank department until the assets of the scheme exceed 1% of the covered net deposits. When a bank is wound up under the provisions of Danish bank packages 3 and 4, customers' covered net deposits are covered by the bank department. If further losses are incurred upon the resolution of a bank after the transfer of its activities to the Financial Stability Company, these are covered by the Fund's winding-up and restructuring department. Danske Bank's share of any loss incurred by this department is just over one third.

The Group is the lessee in a number of non-cancellable operating leases, involving mainly leasing of real property, equipment, furniture and fixtures. The Group recognises lease payments as an expense over the lease term but does not recognise the operating lease assets in its balance sheet. Such assets are recognised by lessors.

Notes – Danske Bank Group

Note (DKK millions)

6 Fair value information for financial instruments

Financial instruments are carried in the balance sheet at fair value or amortised cost.

	31 March 2012		31 December 2011	
	Fair value	Amortised cost	Fair value	Amortised cost
Financial assets				
Cash in hand and demand deposits with central banks	-	36,097	-	28,617
Due from credit institutions and central banks	-	208,466	-	180,870
Trading portfolio assets	869,047	-	909,755	-
Investment securities	97,062	11,220	97,866	11,398
Loans and advances at amortised cost	-	1,205,235	-	1,126,482
Loans at fair value	718,744	-	720,741	-
Assets under pooled schemes and unit-linked investment contracts	66,324	-	61,888	-
Assets under insurance contracts	205,764	-	200,888	-
Total	1,956,941	1,461,018	1,991,138	1,347,367
Financial liabilities				
Due to credit institutions and central banks	-	488,324	-	393,388
Trading portfolio liabilities	627,332	-	697,913	-
Deposits	-	854,520	-	848,994
Bonds issued by Realkredit Danmark	604,323	-	557,699	-
Deposits under pooled schemes and unit-linked investment contracts	73,874	-	69,211	-
Other issued bonds	-	363,892	-	366,920
Subordinated debt	-	64,033	-	67,328
Irrevocable loan commitments and guarantees	-	464	-	465
Total	1,305,529	1,771,233	1,324,823	1,677,095

After a turbulent second half of 2011 affected by the debt crisis, the financial markets saw some degree of normalisation in the first quarter of 2012. The European Central Bank's three-year lending facility and improved economic key indicators drove the shift towards normalisation.

Financial instruments at amortised cost

Fair value calculations for financial instruments recognised at amortised cost are affected significantly by estimates as almost all calculations are made on the basis of non-observable input. The Group uses fair value hedge accounting for most of its interest rate risk. Fair value adjustments to the credit risk on loans and advances measured at amortised cost are recognised in loan impairment charges.

Capital market trends have occasioned a narrowing of bond credit spreads, causing the fair value of bonds issued by the Group and recognised at amortised cost to increase from 96.1% of the amortised cost at 31 December 2011 to 97.7% at 31 March 2012. The loss that would arise from redemption at the higher fair value is not recognised in the income statement.

Financial instruments at fair value

Note 43 of Annual Report 2011 provides more information about fair value calculation methods for financial instruments.

Financial instruments valued on the basis of quoted prices in an active market are recognised in the Quoted prices category. Financial instruments valued substantially on the basis of other observable input are recognised in the Observable input category. This category covers derivatives valued on the basis of observable yield curves or exchange rates and illiquid mortgage bonds valued by reference to the value of similar, liquid bonds. Other financial instruments are recognised in the Non-observable input category. This category covers unlisted shares and derivatives, and valuation relies on extrapolation of yield curves, correlations or other model input of material importance to valuation.

Developments in the financial markets did not result in any significant reclassification of bonds between the Quoted prices and Observable input categories in the first quarter of 2012.

Notes – Danske Bank Group

Note	(DKK millions)				
6		Quoted	Observable	Non-observable	
(cont'd)	31 March 2012	prices	input	input	Total
	Financial assets				
	Derivatives	3,628	458,086	14,938	476,652
	Trading portfolio bonds	379,017	8,430	-	387,447
	Trading portfolio shares	4,492	-	456	4,948
	Investment securities, bonds	75,292	19,039	-	94,331
	Investment securities, shares	142	-	2,589	2,731
	Loans at fair value	-	718,744	-	718,744
	Assets under pooled schemes and unit-linked investment contracts	66,324	-	-	66,324
	Assets under insurance contracts, bonds	143,213	5,195	91	148,499
	Assets under insurance contracts, shares	46,866	586	5,147	52,599
	Assets under insurance contracts, derivatives	1,361	3,305	-	4,666
	Total	720,335	1,213,385	23,221	1,956,941
	Financial liabilities				
	Derivatives	3,767	442,228	16,493	462,488
	Obligations to repurchase securities	164,811	-	33	164,844
	Bonds issued by Realkredit Danmark	604,323	-	-	604,323
	Deposits under pooled schemes and unit-linked investment contracts	-	73,874	-	73,874
	Total	772,901	516,102	16,526	1,305,529
	31 December 2011				
	Financial assets				
	Derivatives	3,948	529,305	17,717	550,970
	Trading portfolio bonds	348,141	9,953	-	358,094
	Trading portfolio shares	348	-	343	691
	Investment securities, bonds	86,374	8,772	-	95,146
	Investment securities, shares	133	-	2,587	2,720
	Loans at fair value	-	720,741	-	720,741
	Assets under pooled schemes and unit-linked investment contracts	61,888	-	-	61,888
	Assets under insurance contracts, bonds	144,855	2,491	151	147,497
	Assets under insurance contracts, shares	43,524	526	4,728	48,778
	Assets under insurance contracts, derivatives	1,085	3,528	-	4,613
	Total	690,296	1,275,316	25,526	1,991,138
	Financial liabilities				
	Derivatives	4,368	510,721	18,972	534,061
	Obligations to repurchase securities	163,092	743	17	163,852
	Bonds issued by Realkredit Danmark	557,699	-	-	557,699
	Deposits under pooled schemes and unit-linked investment contracts	-	69,211	-	69,211
	Total	725,159	580,675	18,989	1,324,823

Notes – Danske Bank Group

Note	(DKK millions)
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6 At 31 March 2012, financial instruments valued on the basis of non-observable input comprised unlisted shares of DKK 8,192 million (31 December 2011: DKK 7,658 million), illiquid bonds of DKK 91 million (31 December 2011: DKK 151 million) and derivatives with a net market value of DKK -1,555 million (31 December 2011: DKK -1,255 million).

A 10% increase or decrease in the fair value of unlisted shares would amount to DKK 819 million (2011: DKK 766 million), with DKK 515 million (2011: DKK 473 million) relating to shares allocated to policyholders, who assume most of the risk on the shares.

The estimated fair value of illiquid bonds significantly depends on the estimated credit spread. If the credit spread widens 50bp, fair value will decrease DKK 1 million. If the credit spread narrows 50bp, fair value will increase DKK 1 million. A substantial number of derivatives valued on the basis of non-observable input are hedged by similar derivatives or are used for hedging the credit risk on bonds also valued on the basis of non-observable input.

In the first quarter of 2012, the Group recognised unrealised value adjustments of unlisted shares and credit bonds valued on the basis of non-observable input of DKK 32 million (31 December 2011: DKK 778 million).

Shares, bonds and derivatives valued on the basis of non-observable input

	Q1 2012		Full year 2011	
	Shares and bonds	Derivatives	Shares and bonds	Derivatives
Fair value at 1 January	7,792	-1,255	7,099	-718
Value adjustment through profit or loss	28	-553	826	-192
Value adjustment through other comprehensive income	-	-	-	-
Acquisitions	660	224	1,915	389
Sale and redemption	-170	29	-1,047	-734
Transferred from quoted prices and observable input	-	-	-	-
Transferred to quoted prices and observable input	-60	-	-1,001	-
Fair value at 31 December	8,250	-1,555	7,792	-1,255

7	Other issued bonds	31 March 2012	31 Dec. 2011
	Commercial paper	59,257	69,500
	Other	304,635	297,420
	Total	363,892	366,920

Other issued bonds are recognised at amortised cost.

	1 Jan. 2012	Issued	Redeemed	Foreign currency translation	31 March 2012
	Nominal value				
Commercial paper	98,891	219,830	242,081	-1,223	75,417
Other	311,769	36,466	33,090	-1,244	313,901
Other issued bonds	410,660	256,296	275,171	-2,467	389,318

	1 Jan. 2011	Issued	Redeemed	Foreign currency translation	31 Dec. 2011
	Nominal value				
Commercial paper	261,614	1,338,751	1,494,507	-6,967	98,891
Other	309,857	60,422	60,746	2,236	311,769
Other issued bonds	571,471	1,399,173	1,555,253	-4,731	410,660

Notes – Danske Bank Group

[DKK millions]

Risk management

Annual Report 2011 and Risk Management 2011 provide a detailed description of the Danske Bank Group's risk management practices. Both publications are available at www.danskebank.com/ir. Risk Management 2011 is not covered by the statutory audit.

Breakdown of credit exposure

31 March 2012	Total	Credit exposure, lending activities	Counterparty risk (derivatives)	Credit exposure, other trading and investing activities	Insurance risk	Contracts, full risk assumed by customers
Balance sheet items						
Demand deposits with central banks	27,185	27,185	-	-	-	-
Due from credit institutions and central banks	105,085	105,085	-	-	-	-
Repo loans with credit institutions and central banks	103,381	103,381	-	-	-	-
Trading portfolio assets	869,047	-	476,652	392,395	-	-
Investment securities	108,282	-	-	108,282	-	-
Loans and advances at amortised cost	965,381	965,381	-	-	-	-
Repo loans	239,854	239,854	-	-	-	-
Loans at fair value	718,744	718,744	-	-	-	-
Assets under pooled schemes and unit-linked investment contracts	66,324	-	-	-	-	66,324
Assets under insurance contracts	234,295	-	-	-	234,295	-
Off-balance-sheet items						
Guarantees	81,136	81,136	-	-	-	-
Irrevocable loan commitments shorter than 1 year	61,077	61,077	-	-	-	-
Irrevocable loan commitments longer than 1 year	103,320	103,320	-	-	-	-
Other unutilised commitments	619	-	-	619	-	-
Total	3,683,730	2,405,163	476,652	501,296	234,295	66,324
31 December 2011						
Balance sheet items						
Demand deposits with central banks	18,015	18,015	-	-	-	-
Due from credit institutions and central banks	74,041	74,041	-	-	-	-
Repo loans with credit institutions and central banks	106,829	106,829	-	-	-	-
Trading portfolio assets	909,755	-	550,970	358,785	-	-
Investment securities	109,264	-	-	109,264	-	-
Loans and advances at amortised cost	977,284	977,284	-	-	-	-
Repo loans	149,198	149,198	-	-	-	-
Loans at fair value	720,741	720,741	-	-	-	-
Assets under pooled schemes and unit-linked investment contracts	61,888	-	-	-	-	61,888
Assets under insurance contracts	230,668	-	-	-	230,668	-
Off-balance-sheet items						
Guarantees	83,131	83,131	-	-	-	-
Irrevocable loan commitments shorter than 1 year	63,013	63,013	-	-	-	-
Irrevocable loan commitments longer than 1 year	106,459	106,459	-	-	-	-
Other unutilised commitments	942	-	-	942	-	-
Total	3,611,228	2,298,711	550,970	468,991	230,668	61,888

In addition to credit exposure from lending activities, the Group has made loan offers and granted revocable loan commitments in the amount of DKK 363 billion (31 December 2011: DKK 355 billion). These items are included in the calculation of risk-weighted assets in accordance with the Capital Requirements Directive.

Notes – Danske Bank Group

[DKK millions]

Credit exposure from lending activities

The table named Credit exposure broken down by industry (GICS) shows the credit exposure of the Group's core banking business by industry and customer segment. The breakdown follows the Global Industry Classification Standard (GICS), supplemented by the Personal customers, Subsidised housing companies, and Central and local governments categories.

Credit exposure broken down by industry (GICS)

31 March 2012	Personal customers	Commercial customers	Financial customers	Public customers	Total	Past due but not impaired	Impaired	
							Not in default	In default
Central and local governments	-	-	-	142,627	142,627	2	-	-
Subsidised housing companies	-	123,790	-	-	123,790	196	1,740	2,374
Banks	-	-	175,498	-	175,498	4	37	-
Diversified financials	-	-	235,559	-	235,559	120	1,223	3,993
Other financials	-	-	69,489	-	69,489	12	5	164
Energy and utilities	-	42,479	-	-	42,479	21	115	27
Consumer discretionary	-	84,062	-	-	84,062	492	2,942	1,325
Consumer staples	-	118,951	-	-	118,951	657	5,052	2,030
Commercial property	-	257,665	-	-	257,665	1,128	10,922	12,801
Construction, engineering and building products	-	36,104	-	-	36,104	133	1,845	1,901
Transportation and shipping	-	67,261	-	-	67,261	218	952	1,588
Other industrials	-	72,642	-	-	72,642	210	2,855	111
IT	-	14,185	-	-	14,185	43	100	47
Materials	-	43,272	-	-	43,272	52	914	323
Health care	-	29,379	-	-	29,379	41	78	39
Telecommunication services	-	4,582	-	-	4,582	4	323	182
Personal customers	887,618	-	-	-	887,618	6,425	7,406	8,813
Total	887,618	894,372	480,546	142,627	2,405,163	9,758	36,509	35,718

31 December 2011								
Central and local governments	-	-	-	122,495	122,495	106	-	-
Subsidised housing companies	-	123,161	-	-	123,161	227	789	1,580
Banks	-	-	178,778	-	178,778	-	47	-
Diversified financials	-	-	153,010	-	153,010	402	1,540	3,901
Other financials	-	-	56,915	-	56,915	33	2	186
Energy and utilities	-	40,698	-	-	40,698	24	100	28
Consumer discretionary	-	83,208	-	-	83,208	942	2,438	1,321
Consumer staples	-	117,666	-	-	117,666	745	5,381	1,770
Commercial property	-	257,267	-	-	257,267	1,775	10,823	10,382
Construction, engineering and building products	-	36,572	-	-	36,572	245	1,895	1,893
Transportation and shipping	-	71,824	-	-	71,824	336	941	2,019
Other industrials	-	77,995	-	-	77,995	397	3,505	1,654
IT	-	15,615	-	-	15,615	66	113	54
Materials	-	42,483	-	-	42,483	138	358	-
Health care	-	27,562	-	-	27,562	144	80	39
Telecommunication services	-	4,494	-	-	4,494	3	550	15
Personal customers	888,968	-	-	-	888,968	9,839	7,072	8,324
Total	888,968	898,545	388,703	122,495	2,298,711	15,422	35,634	33,166

Notes – Danske Bank Group

(DKK millions)

Credit exposure broken down by geographical area

The table shows the credit exposure of the Group's core banking business by country and customer segment.

31 March 2012	Personal customers	Commercial customers	Financial customers	Public customers	Total	Past due but not impaired	Impaired	
							Not in default	In default
Denmark	555,900	428,648	211,051	97,044	1,292,643	4,008	25,518	13,631
Finland	102,097	91,327	4,905	5,056	203,385	2,046	1,530	2,335
Sweden	86,961	153,649	28,557	8,243	277,410	443	1,429	1,356
Ireland	23,811	24,233	7,862	6,183	62,089	563	3,753	9,266
UK	20,354	33,413	100,891	9,535	164,193	777	1,071	2,812
Germany	569	13,466	2,986	9,673	26,694	12	263	26
Estonia	5,442	4,435	187	181	10,245	439	-	441
Latvia	1,049	916	125	-	2,090	72	176	77
Lithuania	4,684	3,143	441	596	8,864	105	623	638
Spain	851	45	402	-	1,298	5	26	26
France	578	1,557	3,624	-	5,759	4	5	60
Italy	138	81	96	-	315	30	4	10
Portugal	129	-	88	-	217	1	-	1
Greece	38	2	-	-	40	-	2	-
Belgium	286	1,673	2,316	-	4,275	1	1	8
Cyprus	22	2,421	78	-	2,521	-	66	-
Netherlands	165	1,285	2,429	-	3,879	2	12	-
Luxembourg	276	261	55,947	77	56,561	4	11	146
Poland	69	2,671	1,195	175	4,110	30	5	18
Other EU member states	201	361	229	-	791	1	41	24
Norway	79,952	103,509	7,192	4,611	195,264	1,183	1,817	1,176
Eastern Europe	74	1,671	1,724	122	3,591	-	-	1
Switzerland	713	2,465	1,157	-	4,335	5	-	35
Turkey	31	63	2,069	-	2,163	-	28	1
Other European countries	205	16	680	-	901	5	11	175
North America	1,076	17,347	33,103	-	51,526	5	90	3,430
Central and South America	116	638	660	112	1,526	3	10	3
Africa	158	1,389	1,313	696	3,556	-	-	5
Asia	1,512	2,892	8,966	323	13,693	14	17	16
Oceania	161	795	273	-	1,229	-	-	1
Total	887,618	894,372	480,546	142,627	2,405,163	9,758	36,509	35,718

Geographical segmentation is based on the customer's country of residence rather than the location in which the individual transaction is recorded. The table lists the countries to which the Group has a total exposure above DKK 1 billion and Ireland, Portugal, Italy, Greece and Spain.

Notes – Danske Bank Group

[DKK millions]

31 December 2011	Personal customers	Commercial customers	Financial customers	Public customers	Total	Past due but not impaired	Impaired	
							Not in default	In default
Denmark	561,918	428,731	188,286	62,721	1,241,656	7,864	23,197	13,038
Finland	100,937	88,684	4,369	6,800	200,790	2,063	1,095	2,585
Sweden	85,567	158,662	27,727	16,812	288,768	288	1,173	1,062
Ireland	24,543	25,169	9,966	7,430	67,108	902	5,262	7,519
UK	19,968	33,535	66,088	16,802	136,393	462	966	2,695
Germany	545	12,389	2,180	390	15,504	19	180	35
Estonia	5,553	4,545	145	336	10,579	480	32	426
Latvia	1,075	890	177	-	2,142	50	179	85
Lithuania	4,723	3,211	554	784	9,272	136	600	635
Spain	879	45	433	-	1,357	8	29	30
France	581	1,742	3,147	-	5,470	9	4	63
Italy	127	62	106	-	295	1	4	10
Portugal	109	-	70	-	179	1	1	1
Greece	40	2	-	-	42	-	-	-
Belgium	273	1,175	3,131	-	4,579	1	1	8
Cyprus	15	2,511	76	-	2,602	-	90	-
Netherlands	166	1,248	2,107	-	3,521	1	3	-
Luxembourg	272	316	27,957	151	28,696	1	153	11
Poland	76	2,593	1,212	36	3,917	2	22	15
Other EU member states	193	354	292	-	839	2	59	3
Norway	77,395	104,493	8,062	8,930	198,880	3,077	2,364	1,213
Eastern Europe	78	1,571	1,849	145	3,643	-	2	1
Switzerland	718	2,483	1,354	-	4,555	27	-	18
Turkey	31	65	1,833	-	1,929	-	47	1
Other European countries	212	164	570	-	946	7	10	176
North America	1,106	18,082	26,905	-	46,093	7	133	3,507
Central and South America	110	663	1,473	127	2,373	-	6	1
Africa	146	1,275	1,401	696	3,518	1	-	2
Asia	1,458	3,149	7,069	335	12,011	13	21	25
Oceania	154	736	164	-	1,054	-	1	1
Total	888,968	898,545	388,703	122,495	2,298,711	15,422	35,634	33,166

Notes – Danske Bank Group

[DKK millions]

Credit exposure broken down by rating category

31 March 2012 Rating category	Upper PD	Lower PD	Personal customers	Commercial customers	Financial customers	Public customers	Total
1	0.00	0.01	5,755	2,694	10,130	87,690	106,269
2	0.01	0.03	76,291	9,790	56,661	24,113	166,855
3	0.03	0.06	121,235	106,851	178,285	6,755	413,126
4	0.06	0.14	173,062	150,779	73,298	4,586	401,725
5	0.14	0.31	180,250	171,935	44,849	4,511	401,545
6	0.31	0.63	125,709	166,597	92,636	8,216	393,158
7	0.63	1.90	105,752	132,378	10,462	4,975	253,567
8	1.90	7.98	64,115	74,220	5,535	1,381	145,251
9	7.98	25.70	19,230	28,542	3,268	400	51,440
10	25.70	99.99	7,406	27,838	1,265	-	36,509
11	100.00	100.00	8,813	22,748	4,157	-	35,718
Total			887,618	894,372	480,546	142,627	2,405,163

31 December 2011							
Rating category							
1	0.00	0.01	6,253	3,704	10,132	70,133	90,222
2	0.01	0.03	76,962	10,811	53,557	23,423	164,753
3	0.03	0.06	121,592	110,004	133,683	5,525	370,804
4	0.06	0.14	171,951	144,554	65,229	4,078	385,812
5	0.14	0.31	183,553	182,371	46,465	4,332	416,721
6	0.31	0.63	119,536	160,654	53,146	9,194	342,530
7	0.63	1.90	106,557	134,648	11,436	4,293	256,934
8	1.90	7.98	67,841	74,841	6,453	1,173	150,308
9	7.98	25.70	19,327	29,230	2,926	344	51,827
10	25.70	99.99	7,072	26,973	1,589	-	35,634
11	100.00	100.00	8,324	20,755	4,087	-	33,166
Total			888,968	898,545	388,703	122,495	2,298,711

Notes – Danske Bank Group

(DKK millions)

Impairment charges

Rating categories 10 and 11 include customers with exposures for which objective evidence of impairment exists and individual impairment charges are made. Exposure to customers in the other rating categories is subject to collective impairment testing.

The allowance account includes all impairment charges against loans and advances at amortised cost, loans at fair value, amounts due from credit institutions and central banks, and irrevocable loan commitments and guarantees.

Allowance account broken down by segment and type of impairment

	Personal customers	Commercial customers	Financial customers	Public customers	Allowance account, total	Impairment charges	
						Individual	Collective
1 January 2011	7,206	28,706	7,855	2	43,769	39,201	4,568
New impairment charges	4,522	15,854	522	2	20,900	19,701	1,199
Reversals of impairment charges from previous periods	2,250	3,484	613	-	6,347	4,703	1,644
Write-offs debited to allowance account	703	5,746	3,702	-	10,151	10,151	-
Foreign currency translation	9	144	49	-	202	193	9
Other items	58	182	-9	-	231	231	-
31 December 2011	8,842	35,656	4,102	4	48,604	44,472	4,132
New impairment charges	2,211	5,096	44	3	7,354	6,093	1,261
Reversals of impairment charges from previous periods	1,089	2,158	148	1	3,396	2,291	1,105
Write-offs debited to allowance account	235	726	3	-	964	964	-
Foreign currency translation	7	14	-68	-	-47	-45	-2
Other items	6	59	1	-	66	66	-
31 March 2012	9,742	37,941	3,928	6	51,617	47,331	4,286

Collective impairment charges include charges that reflect the migration of customers from one rating category to another. If all customers were downgraded one rating category with no corresponding interest rate change, collective impairment charges would increase by about DKK 6.9 billion (31 December 2011: DKK 7.1 billion).

If the value of collateral provided by customers in rating categories 10 and 11 decreased 10%, individual impairment charges would increase by about DKK 3 billion (31 December 2011: about DKK 3 billion).

Allowance account broken down by balance sheet item

	31 March 2012	31 Dec. 2011
Due from credit institutions and central banks	95	93
Loans and advances at amortised cost	47,575	44,943
Loans at fair value	2,920	2,667
Other liabilities	1,027	901
Total	51,617	48,604

Loan impairment charges

	Q1 2012	Q1 2011
New and increased impairment charges	7,354	6,376
Reversals of impairment charges	3,396	3,799
Write-offs charged directly to income statement	207	461
Received on claims previously written off	185	152
Interest income, effective interest method	-58	-45
Total	3,922	2,841

Notes – Danske Bank Group

(DKK millions)

Allowance account, impairment charges and collateral broken down by industry

	Credit exposure		Collateral		Allowance account		Impairment charges	
	31 March 2012	31 Dec. 2011	31 March 2012	31 Dec. 2011	31 March 2012	31 Dec. 2011	Q1 2012	Q1 2011
Central and local governments	142,627	122,495	43,766	39,555	6	4	-	-
Subsidised housing companies	123,790	123,161	88,672	94,709	641	763	12	84
Banks	175,498	178,778	92,257	85,775	95	94	3	9
Diversified financials	235,559	153,010	186,063	119,352	3,690	3,872	-36	140
Other financials	69,489	56,915	54,431	50,504	143	136	19	1
Energy and utilities	42,479	40,698	7,185	7,895	81	62	26	24
Consumer discretionary	84,062	83,208	35,113	35,562	4,734	4,733	350	287
Consumer staples	118,951	117,666	56,329	62,249	4,061	3,867	209	267
Commercial property	257,665	257,267	181,942	182,445	16,853	15,614	1,066	1,172
Construction, engineering and building products	36,104	36,572	10,240	14,339	4,551	4,089	487	151
Transportation and shipping	67,261	71,824	32,480	35,902	1,944	1,682	267	59
Other industrials	72,642	77,995	19,077	20,368	3,095	2,857	279	181
IT	14,185	15,615	1,728	2,145	481	486	8	17
Materials	43,272	42,483	10,208	9,952	1,152	1,253	-18	-29
Health care	29,379	27,562	10,064	6,833	150	136	21	10
Telecommunication services	4,582	4,494	395	455	198	114	81	4
Personal customers	887,618	888,968	686,238	686,661	9,742	8,842	1,148	464
Total	2,405,163	2,298,711	1,516,188	1,454,701	51,617	48,604	3,922	2,841

Allowance account, impairment charges and collateral broken down by geographical area

	Credit exposure		Collateral		Allowance account		Impairment charges	
	31 March 2012	31 Dec. 2011	31 March 2012	31 Dec. 2011	31 March 2012	31 Dec. 2011	Q1 2012	Q1 2011
Denmark	1,292,643	1,241,656	772,208	775,243	19,476	19,102	1,370	765
Finland	203,385	200,790	132,327	131,115	2,520	2,371	182	221
Sweden	277,410	288,768	209,806	197,764	1,489	1,313	205	11
Ireland	62,089	67,108	35,451	38,323	15,306	13,814	1,461	1,281
UK	164,193	136,393	132,337	110,056	6,137	5,353	632	337
Germany	26,694	15,504	2,652	1,943	208	180	32	-
Estonia	10,245	10,579	6,566	6,484	769	834	-26	-26
Latvia	2,090	2,142	921	944	325	353	-61	-8
Lithuania	8,864	9,272	5,178	5,250	976	1,042	-54	-7
Spain	1,298	1,357	736	758	24	23	-1	1
France	5,759	5,470	6,511	5,793	55	51	7	-9
Italy	315	295	72	69	7	7	-	2
Portugal	217	179	121	103	2	3	-1	1
Greece	40	42	31	32	-	1	-	-
Belgium	4,275	4,579	1,052	1,499	9	18	-5	-
Cyprus	2,521	2,602	1,971	1,748	38	18	21	-
Netherlands	3,879	3,521	1,576	1,388	16	16	-	-6
Luxembourg	56,561	28,696	45,049	24,210	91	90	-	-27
Poland	4,110	3,917	998	840	12	11	-	-1
Other EU member states	791	839	171	144	12	9	1	-
Norway	195,264	198,880	126,604	123,263	1,631	1,526	77	106
Eastern Europe	3,591	3,643	546	559	7	5	2	2
Switzerland	4,335	4,555	556	755	64	52	12	1
Turkey	2,163	1,929	159	164	1	2	1	-
Other European countries	901	946	620	672	85	81	1	-9
North America	51,526	46,093	26,631	19,280	2,258	2,228	64	204
Central and South America	1,526	2,373	958	1,701	2	2	-1	-
Africa	3,556	3,518	1,305	1,311	15	14	-2	-
Asia	13,693	12,011	2,960	3,176	76	78	5	2
Oceania	1,229	1,054	115	114	6	7	-	-
Total	2,405,163	2,298,711	1,516,188	1,454,701	51,617	48,604	3,922	2,841

Notes – Danske Bank Group

(DKK millions)

Credit exposure from trading and investing activities

At 31 March 2012, the Group's credit exposure from trading and investing activities amounted to DKK 978 billion, relating primarily to bonds (DKK 493 billion) and derivatives with positive fair value (DKK 477 billion).

Bond portfolio

	Central and local govern- ment bonds	Quasi- government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Short-dated bonds (CP etc.)	Corporate bonds	Total
31 March 2012								
Held-for-trading	122,966	6,812	136,066	82,438	12,042	15,336	11,787	387,447
Designated	828	-	22,700	-	1,235	-	371	25,134
Available-for-sale	619	548	58,883	-	9,028	-	119	69,197
Held-to-maturity	9,442	-	-	-	115	-	1,663	11,220
Total	133,855	7,360	217,649	82,438	22,420	15,336	13,940	492,998
31 December 2011								
Held-for-trading	118,744	8,218	132,070	66,543	12,363	10,304	9,852	358,094
Designated	402	3	22,633	-	1,276	-	372	24,686
Available-for-sale	939	557	59,448	-	9,396	-	120	70,460
Held-to-maturity	9,911	-	-	-	-	-	1,487	11,398
Total	129,996	8,778	214,151	66,543	23,035	10,304	11,831	464,638

The bond portfolio includes bonds worth DKK 146,339 million recognised as assets under insurance contracts (31 December 2011: DKK 145,691 million). For bonds classified as held-to-maturity, fair value equalled amortised cost at 31 March 2012. At the end of 2011, fair value also equalled amortised cost.

Notes – Danske Bank Group

[DKK millions]

Bond portfolio broken down by geographical area

31 March 2012	Central and local govern- ment bonds	Quasi- government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Short-dated bonds (CP etc.)	Corporate bonds	Total
Denmark	32,163	-	217,649	-	133	865	2,647	253,457
Sweden	23,509	-	-	82,438	-	5,649	3,415	115,011
UK	13,831	411	-	-	7,898	552	50	22,742
Norway	7,878	-	-	-	4,131	2,354	3,909	18,272
USA	1,726	2,723	-	-	236	-	647	5,332
Spain	1,254	-	-	-	6,254	372	-	7,880
France	10,668	-	-	-	2,450	1,690	-	14,808
Luxembourg	412	4,127	-	-	-	-	565	5,104
Canada	2,717	-	-	-	-	-	49	2,766
Finland	4,806	99	-	-	478	2,590	663	8,636
Ireland	2,814	-	-	-	94	-	6	2,914
Italy	831	-	-	-	-	-	-	831
Portugal	22	-	-	-	-	-	-	22
Austria	2,171	-	-	-	-	-	-	2,171
Netherlands	4,224	-	-	-	572	850	967	6,613
Germany	23,013	-	-	-	2	370	857	24,242
Other	1,816	-	-	-	172	44	165	2,197
Total	133,855	7,360	217,649	82,438	22,420	15,336	13,940	492,998

31 December 2011

Denmark	25,777	-	214,151	-	-	1,061	2,199	243,188
Sweden	18,687	-	-	66,543	-	2,936	3,641	91,807
UK	16,202	33	-	-	7,768	306	8	24,317
Norway	6,337	-	-	-	3,947	2,706	2,468	15,458
USA	1,329	4,709	-	-	233	2	591	6,864
Spain	884	-	-	-	6,145	155	217	7,401
France	10,598	-	-	-	3,800	1,825	105	16,328
Luxembourg	-	4,035	-	-	-	-	558	4,593
Canada	2,836	-	-	-	-	-	335	3,171
Finland	5,230	1	-	-	333	199	461	6,224
Ireland	1,503	-	-	-	90	-	18	1,611
Italy	6	-	-	-	-	7	-	13
Portugal	83	-	-	-	-	-	-	83
Austria	2,495	-	-	-	-	-	-	2,495
Netherlands	4,568	-	-	-	481	657	916	6,622
Germany	31,977	-	-	-	2	414	309	32,702
Other	1,484	-	-	-	236	36	5	1,761
Total	129,996	8,778	214,151	66,543	23,035	10,304	11,831	464,638

Credit exposure to government bonds issued by Ireland, Portugal, Italy and Spain amounted to DKK 4.9 billion at 31 March 2012 (31 December 2011: DKK 2.5 billion). All government bonds issued by these countries were recognised at fair value. When taking unsettled transactions in bonds issued by these countries and hedging transactions into account, the total risk exposure was DKK 2.8 billion (31 December 2011: DKK 1.3 billion). At 31 March 2012, the bond portfolio did not include government bonds issued by Greece. Exposures below DKK 1 billion are aggregated in the Other category. Risk Management 2011 provides additional details about the Group's risk exposure. The publication is not covered by the statutory audit.

Notes – Danske Bank Group

[DKK millions]		
Derivatives with positive fair value	31 March 2012	31 Dec. 2011
Interest rate contracts	382,666	438,498
Currency contracts	91,755	109,349
Other contracts	2,231	3,123
Derivatives with positive fair value, total	476,652	550,970
Netting (under capital adequacy rules)	387,501	451,714
Net current exposure	89,151	99,256

Statement by the management

The Board of Directors and the Executive Board (management) have considered and approved Interim Report – First Quarter 2012 of the Danske Bank Group.

The interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU. Furthermore, the interim report has been prepared in accordance with Danish disclosure requirements for interim reports of listed financial institutions.

In our opinion, the interim financial statements give a true and fair view of the Group's assets, liabilities, shareholders' equity and financial position at 31 March 2012 and of the results of the Group's operations and the consolidated cash flows for the period starting on 1 January 2012 and ending on 31 March 2012. Moreover, in our opinion, the management's report includes a fair review of developments in the Group's operations and financial position and describes the significant risks and uncertainty factors that may affect the Group.

Copenhagen, 10 May 2012

Executive Board

Eivind Kolding
Chairman

Tonny Thierry Andersen
Member of the
Executive Board

Thomas F. Borgen
Member of the
Executive Board

Henrik Ramlau-Hansen
Member of the
Executive Board

Georg Schubiger
Member of the
Executive Board

Per Skovhus
Member of the
Executive Board

Board of Directors

Ole Andersen
Chairman

Niels B. Christiansen
Vice Chairman

Urban Bäckström

Michael Fairey

Mats Jansson

Jørn P. Jensen

Majken Schultz

Trond Ø. Westlie

Susanne Arboe

Helle Brøndum

Carsten Eilertsen

Charlotte Hoffmann

Per Alling Toubro

Auditors' review reports

Internal Audit's review report

We have reviewed the interim financial statements of the Danske Bank Group for the period starting on 1 January 2012 and ending on 31 March 2012, pp. 22-47.

Basis of opinion

A review of interim financial statements consists of making inquiries, primarily of persons responsible for finance and financial reporting, as well as performing analytical procedures and other review procedures. The scope of a review is substantially less than the scope of an audit, and consequently, the review does not provide assurance that we have become aware of all significant matters identifiable in an audit. We have not conducted an audit, and accordingly, we express no audit opinion.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects, the interim financial statements have not been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed financial institutions.

Copenhagen, 10 May 2012

Jens Peter Thomassen
Group Chief Auditor

Independent auditors' review report

To the shareholders of Danske Bank A/S

We have reviewed the interim financial statements of the Danske Bank Group for the period starting on 1 January 2012 and ending on 31 March 2012, which comprise the income statement, statement of comprehensive income, balance sheet, statement of capital, cash flow statement and notes. The interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed financial institutions.

Management is responsible for the interim financial statements. Our responsibility is to express an opinion on the interim financial statements based on our review.

Basis of opinion

We conducted our review in accordance with ISRE 2410 DK, Review of Interim Financial Information Performed by the Independent Auditor, and additional requirements under Danish audit regulation. A review of interim financial statements consists of making inquiries, primarily of persons responsible for finance and financial reporting, as well as performing analytical procedures and other review procedures. The scope of a review is substantially less than the scope of an audit conducted in accordance with International Standards on Auditing and additional requirements under Danish audit regulation, and consequently, the review does not provide assurance that we have become aware of all significant matters identifiable in an audit. We have not conducted an audit, and accordingly, we express no audit opinion.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects, the interim financial statements have not been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed financial institutions.

Copenhagen, 10 May 2012

KPMG
Statsautoriseret Revisionspartnerselskab

Lars Rhod Søndergaard Jesper Ridder Olsen
State Authorised Public Accountants

Supplementary information

Conference call

Danske Bank will hold a conference call on 10 May 2012 at 2.30pm CET upon the presentation of its interim report for the first quarter of 2012. The conference call will be webcast live at www.danskebank.com.

Financial calendar

7 August 2012	Interim Report – First Half 2012
30 October 2012	Interim Report – First Nine Months 2012
7 February 2013	Annual Report 2012
18 March 2013	Annual general meeting
7 May 2013	Interim Report – First Quarter 2013
13 August 2013	Interim Report – First Half 2013

Contacts

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Links

The Danske Bank Group	www.danskebank.com
Retail Banking Danmark	www.danskebank.dk
Retail Banking Finland	www.sampobank.com
Retail Banking Sweden	www.danskebank.se
Retail Banking Norway	www.fokus.no
Banking Activities Northern Ireland	www.northernbank.co.uk
Banking Activities Ireland	www.nationalirishbank.ie
Realkredit Danmark	www.rd.dk
Danske Capital	www.danskecapital.com
Danica Pension	www.danicapension.dk

The Group's financial statements are available online at www.danskebank.com/reports.

