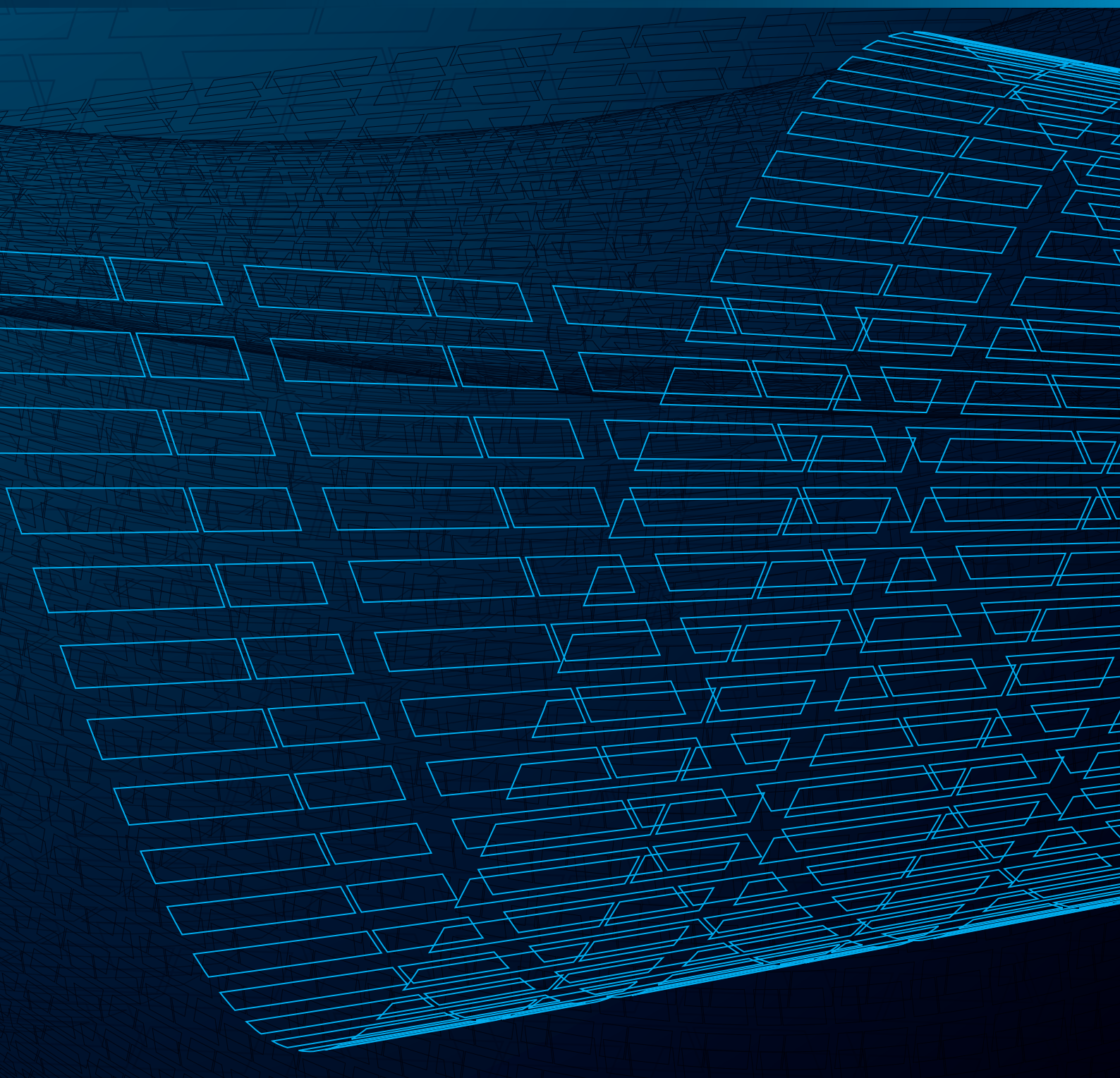


DANSKE BANK GROUP

INTERIM REPORT – FIRST QUARTER 2013



Danske Bank



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Interim Report - First Quarter 2013 is a translation of the original report in the Danish language (*Delårsrapport - 1. kvartal 2013*). In case of discrepancies, the Danish version prevails.

Financial highlights – Danske Bank Group

INCOME STATEMENT (DKK millions)	Q1 2013	Q1 2012	Index 13/12	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Full year 2012
Net interest income	5,452	5,650	96	5,452	5,713	5,698	5,717	5,650	22,778
Net fee income	2,265	2,012	113	2,265	2,671	2,134	2,049	2,012	8,866
Net trading income	1,775	3,638	49	1,775	1,830	2,199	2,895	3,638	10,562
Other income	296	321	92	296	306	333	325	321	1,285
Net income from insurance business	341	164	208	341	925	403	679	164	2,171
Total income	10,129	11,785	86	10,129	11,445	10,767	11,665	11,785	45,662
Expenses	5,905	6,324	93	5,905	6,591	5,680	6,047	6,324	24,642
Profit before loan impairment charges	4,224	5,461	77	4,224	4,854	5,087	5,618	5,461	21,020
Loan impairment charges	1,459	2,913	50	1,459	1,420	1,662	1,685	2,913	7,680
Profit before tax, core	2,765	2,548	109	2,765	3,434	3,425	3,933	2,548	13,340
Profit before tax, Non-core	-549	-973	-	-549	-1,179	-1,216	-1,433	-973	-4,801
Profit before tax	2,216	1,575	141	2,216	2,255	2,209	2,500	1,575	8,539
Tax	744	797	93	744	1,110	901	1,005	797	3,814
Net profit for the period	1,472	778	189	1,472	1,145	1,308	1,495	778	4,725
Attributable to non-controlling interests	-	-	-	-	-	5	-1	-	4

Changes have been made to the highlights for 2012 as presented in note 1.

BALANCE SHEET (END OF PERIOD) (DKK millions)									
Due from credit institutions and central banks	106,604	104,943	102	106,604	113,657	141,553	72,626	104,943	113,657
Repo loans	311,843	343,235	91	311,843	307,177	305,573	341,600	343,235	307,177
Loans and advances	1,636,813	1,648,233	99	1,636,813	1,641,443	1,663,407	1,662,441	1,648,233	1,641,443
Trading portfolio assets	831,668	869,068	96	831,668	812,966	924,903	862,961	869,068	812,966
Investment securities	113,643	108,282	105	113,643	107,724	103,940	105,480	108,282	107,724
Assets under insurance contracts	241,838	234,295	103	241,838	241,343	237,232	237,717	234,295	241,343
Assets in Non-core	31,844	36,148	88	31,844	33,100	36,584	41,696	36,148	33,100
Other assets	226,745	157,215	144	226,745	227,539	184,914	155,827	157,215	227,539
Total assets	3,500,998	3,501,418	100	3,500,998	3,484,949	3,598,106	3,480,348	3,501,418	3,484,949
Due to credit institutions and central banks	227,794	186,197	122	227,794	241,238	250,602	226,050	186,197	241,238
Repo deposits	355,185	382,934	93	355,185	359,276	384,442	407,625	382,934	359,276
Deposits	797,320	770,422	103	797,320	783,759	736,733	730,590	770,422	783,759
Bonds issued by Realkredit Danmark	623,133	604,323	103	623,133	614,325	618,513	596,837	604,323	614,325
Other issued bonds	347,289	363,892	95	347,289	340,005	344,791	316,967	363,892	340,005
Trading portfolio liabilities	544,406	627,332	87	544,406	531,860	670,039	628,008	627,332	531,860
Liabilities under insurance contracts	265,300	253,604	105	265,300	266,938	262,624	258,367	253,604	266,938
Liabilities in Non-core	4,687	3,350	140	4,687	4,831	5,944	5,454	3,350	4,831
Other liabilities	132,755	117,744	113	132,755	136,927	126,817	120,039	117,744	136,927
Subordinated debt	63,561	64,033	99	63,561	67,785	68,652	62,584	64,033	67,785
Shareholders' equity	139,568	127,587	109	139,568	138,004	128,949	127,827	127,587	138,004
Total liabilities and equity	3,500,998	3,501,418	100	3,500,998	3,484,949	3,598,106	3,480,348	3,501,418	3,484,949

RATIOS AND KEY FIGURES									
Earnings per share (DKK)	1.5	0.8		1.5	1.2	1.4	1.6	0.8	5.1
Diluted earnings per share (DKK)	1.5	0.8		1.5	1.2	1.4	1.6	0.8	5.1
Return on avg. shareholders' equity (%)	4.3	2.5		4.3	3.5	4.1	4.7	2.5	3.7
Return on avg. tangible equity (%)	5.1	3.0		5.1	4.2	4.9	5.7	3.0	4.4
Net interest income as % p.a. of loans and deposits	0.90	0.93		0.90	0.94	0.95	0.96	0.93	0.94
Cost/income ratio (%)	58.3	53.7		58.3	57.6	52.8	51.8	53.7	54.0
Total capital ratio (%)	21.6	17.6		21.6	21.3	19.4	17.7	17.6	21.3
Core tier 1 capital ratio (%)	15.1	12.0		15.1	14.5	12.7	12.1	12.0	14.5
Share price (end of period) (DKK)	104.0	94.5		104.0	95.7	104.7	81.4	94.5	95.7
Book value per share (DKK)	135	137		135	138	140	138	137	138
Full-time-equivalent staff (end of period)	20,184	21,160		20,184	20,308	20,651	20,997	21,160	20,308

Chief Executive Officer Eivind Kolding:

“Our strategy implementation is progressing and being executed throughout the organisation. We have implemented management actions in all business units to improve profitability, and during the coming quarters we will continue to work on actions to enhance customer focus and satisfaction and help us reach our long-term financial goals.”

In the first quarter of 2013, we saw a 50% reduction in core impairments, and expenses are also on track. Income is not satisfactory, however, and the net profit for the first quarter therefore does not live up to our expectations.”

Financial summary

- In the first quarter of 2013, Danske Bank posted a profit before tax from core activities of DKK 2.8 billion, an increase of 9% from the year-earlier level. The net profit was DKK 1.5 billion, up DKK 0.7 billion. The results were lower than expected.
- Net interest income fell 4% from the year-earlier level. Although pricing and cross-selling initiatives for bank and mortgage credit products had a positive effect on net interest income, the effect was offset by declining short-term interest rates and lower lending volumes.
- Net trading income decreased because of lower market activity. Furthermore, market-making income was extraordinarily high in the first quarter of 2012. Income from customer-driven activity improved 3%.
- Net income from insurance business rose DKK 0.2 billion. The booking of the risk allowance for three of the four interest rate groups had a positive impact.
- Expenses fell 7%, mainly because year-earlier expenses included a write-down related to the Sampo Bank brand name.
- Core impairments were down 50% year on year. The decline came mainly from significantly lower impairments at Personal Banking and Business Banking.
- The Non-core business unit saw a significant improvement in profit before tax as a result of a large drop in impairments, particularly impairments on commercial property customers in Ireland.
- The core tier 1 capital and total capital ratios were solid at 15.1% and 21.6%, against 12.0% and 17.6% a year earlier. The share capital increase in October 2012 raised the core tier 1 capital ratio by 0.9 of a percentage point.
- Danske Bank's Liquidity Coverage Ratio (LCR) was 126%, which is well above the requirement expected to take effect in 2015.
- The return on equity improved to 4.3% p.a.

Outlook for 2013

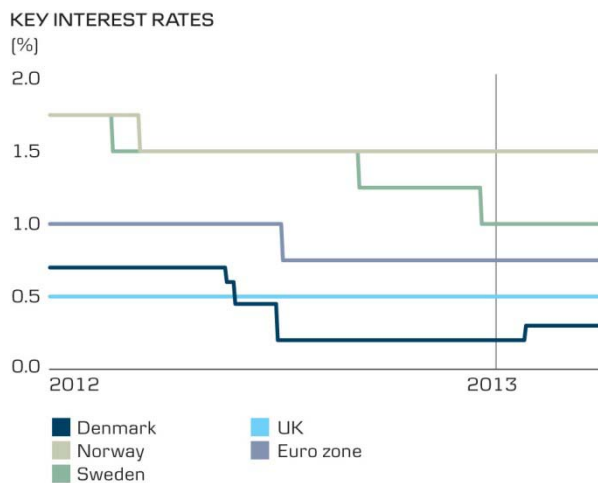
- The announced initiatives to lift income, some of which have already been implemented, are expected to raise income levels throughout 2013. Low key interest rates and low lending volumes will reduce the effect, however.
- Costs are expected to remain at the 2012 level as ongoing cost-saving and operational excellence initiatives will offset the investments in customer offerings.
- Core impairments are expected to fall slightly below the level in 2012. The loss at the Non-core business unit is expected to be reduced significantly as impairments fall to a lower level.
- Danske Bank maintains its overall guidance for 2013 given in Annual Report 2012, that is, a net profit in the range of DKK 7.5-10 billion. Although the year got off to a slow start in the first quarter with low interest rates and lower lending and trading activity, the initiated and planned management actions are expected to reduce the impact.

Financial review

In the first quarter of 2013, Danske Bank posted a profit before tax from core activities of DKK 2.8 billion, an increase of 9% from the year-earlier level. The net profit was DKK 1.5 billion, up DKK 0.7 billion. The results were lower than expected.

Income

Total income amounted to DKK 10.1 billion, down 14% from the first quarter of 2012.



Central banks' monetary policy target rates.

Net interest income totalled DKK 5.5 billion, down 4%. Although pricing initiatives for bank and mortgage credit products taken in 2012 had a positive effect on net interest income, the effect was offset mainly by declining short-term interest rates and lower lending volumes.

Net fee income amounted to DKK 2.3 billion, up 13% from the first quarter of 2012. Net fee income benefited from higher performance fees and lower guarantee fees because Danske Bank no longer has state-guaranteed bond issues.

Net trading income totalled DKK 1.8 billion, down from DKK 3.6 billion in the first quarter of 2012, when trading conditions were especially favourable.

Danske Bank's insurance business generated net income of DKK 0.3 billion, against DKK 0.2 billion a year earlier. The booking of the risk allowance to income for three of four interest rate groups had a positive effect.

Expenses

Expenses amounted to DKK 5.9 billion, which was well below the first quarter of 2012. In the first quarter of 2012, expenses included a write-down of DKK 0.5 billion related to the Sampo Bank brand name.

Danske Bank's contribution to the Danish Guarantee Fund for Depositors and Investors amounted to DKK 0.2 billion, against DKK 0.1 billion in the first quarter of 2012. In addition, Danske Bank expensed its expected share, DKK 0.1 billion, of the banking sector's commitment to cover losses arising from the resolution of certain small Danish banks.

In the first quarter of 2013, Danske Bank reduced the headcount by 124. At 31 March 2013, severance agreements had been made with 650 employees.

Expenses for financial services employer tax and VAT amounted to DKK 0.5 billion, unchanged from the year-earlier figure.

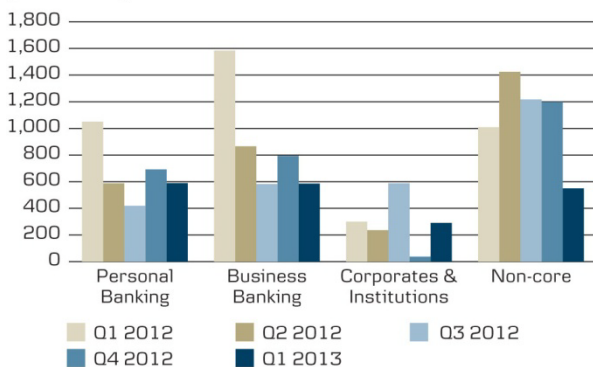
PROFIT BEFORE LOAN IMPAIRMENT CHARGES (DKK millions)	Q1 2013	Q1 2012	Index 13/12	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Full year 2012
Personal Banking	1,157	1,198	97	1,157	1,255	1,168	778	1,198	4,399
Business Banking	1,658	1,615	103	1,658	1,682	1,890	1,699	1,615	6,886
Corporates & Institutions	1,282	2,944	44	1,282	950	1,696	1,499	2,944	7,089
Danske Capital	210	107	196	210	497	185	146	107	935
Danica Pension	341	164	208	341	925	403	679	164	2,171
Other Activities	-424	-567	-	-424	-455	-255	817	-567	-460
Profit before loan impairment charges	4,224	5,461	77	4,224	4,854	5,087	5,618	5,461	21,020

Impairments

Core impairments were down 50% year on year. At 31 March 2013, impairments amounted to DKK 1.5 billion, or 0.29% p.a. of lending and guarantees, against 0.58% p.a. a year earlier.

Personal Banking impairments related mainly to customers in Denmark. Business Banking impairments were mainly adjustments to existing charges. At Corporates & Institutions, impairments related mainly to customers in the construction and engineering industry.

LOAN IMPAIRMENT CHARGES
(DKK millions)



Impairments at the Non-core business unit amounted to DKK 0.6 billion, or 6.6% p.a. of lending and guarantees, against 10.4% p.a. a year earlier. Lower impairments on commercial property exposures at Non-core Ireland helped to bring down the overall level of impairments.

Tax

Tax on the profit for the quarter amounted to DKK 0.7 billion, or 34% of the profit before tax. The tax charge was high relative to the profit, mainly because Danske Bank did not book the tax value of losses in Ireland.

First quarter 2013 versus fourth quarter 2012

Profit before tax from core activities amounted to DKK 2.8 billion, down from DKK 3.4 billion in the fourth quarter of 2012.

Net interest income fell 5% to DKK 5.5 billion, primarily because of a lower number of interest days, lower lending volumes and lower refinancing activity.

Net fee income was down 15% because of lower lending fees and lower performance fees at Danske Capital.

Danske Bank's insurance business generated net income of DKK 0.3 billion, against DKK 0.9 billion in the fourth quarter. Income fell because the fourth quarter benefited from the booking to income of an amount from the shadow account.

Expenses, which fell 10% from the fourth quarter, amounted to DKK 5.9 billion. The fourth quarter was affected by write-downs of domicile property and costs for the rebranding of the banking units.

Impairments amounted to DKK 1.5 billion, in line with the fourth-quarter 2012 level. Personal Banking and Business Banking booked lower impairments. At Corporates & Institutions, impairments rose because of higher charges on a few exposures, mainly within the construction and engineering industry.

Non-core impairments fell from DKK 1.2 billion to DKK 0.6 billion, reflecting lower impairments on the commercial property portfolio.

Balance sheet

[DKK billions]	Q1 2013	Q1 2012	Index 13/12	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Full year 2012
LENDING (END OF PERIOD)									
Personal Banking	860.5	888.4	97	860.5	871.8	887.3	880.4	888.4	871.8
Business Banking	644.4	652.4	99	644.4	641.1	654.9	656.1	652.4	641.1
Corporates & Institutions	167.4	162.8	103	167.4	161.1	168.5	169.7	162.8	161.1
Other Activities incl. eliminations	-	-19.8	-	-	1.5	-10.8	-7.4	-19.8	1.5
Allowance account, lending	35.4	35.5	100	35.4	34.1	36.5	36.3	35.5	34.1
Total lending	1,636.9	1,648.3	99	1,636.9	1,641.4	1,663.4	1,662.5	1,648.3	1,641.4
DEPOSITS (END OF PERIOD)									
Personal Banking	370.2	356.6	104	370.2	360.2	366.1	365.8	356.6	360.2
Business Banking	257.9	240.7	107	257.9	264.0	247.5	244.8	240.7	264.0
Corporates & Institutions	168.9	174.9	97	168.9	162.8	128.5	125.0	174.9	162.8
Other Activities incl. eliminations	0.3	-1.8	-	0.3	-3.2	-5.3	-5.0	-1.8	-3.2
Total deposits	797.3	770.4	103	797.3	783.8	736.8	730.6	770.4	783.8
BONDS ISSUED BY REALKREDIT DANMARK (END OF PERIOD)									
Bonds issued	623.1	604.3	103	623.1	614.3	618.5	596.8	604.3	614.3
Own holdings of bonds	111.3	117.7	95	111.3	121.8	109.9	127.7	117.7	121.8
Total Realkredit Danmark bonds	734.4	722.0	102	734.4	736.1	728.4	724.5	722.0	736.1
Total covered bonds	218.2	159.4	137	218.2	220.8	204.8	190.0	159.4	220.8
Deposits and issued mortgage bonds etc.	1,749.9	1,651.8	106	1,749.9	1,740.7	1,670.0	1,645.1	1,651.8	1,740.7
Lending as % of deposits and is- sued mortgage bonds etc.	94	100		94	94	100	101	100	94

Lending

At the end of March 2013, total lending largely matched the level at the end of 2012. Most of Danske Bank's markets saw weak growth, which suppressed demand for credit.

At Personal Banking, lending was down DKK 11.3 billion from the end of 2012. Business Banking and Corporates & Institutions, however, saw rises in lending of DKK 3.3 billion and DKK 6.3 billion, respectively, from the end of 2012.

In Denmark, new gross lending, excluding repo loans, amounted to DKK 11.7 billion.

Danske Bank's market share of total lending in Denmark rose to 27.5% from 26.6% at the end of 2012. In Sweden and Norway, Danske Bank maintained its market share of lending, whereas in Finland, the market share fell marginally.

MARKET SHARE OF LENDING [%]	31 March 2013	31 December 2012
Denmark (including mortgage loans)	27.5	26.6
Finland	11.0	11.3
Sweden	5.1	5.2
Norway	4.8	4.9
Ireland	3.8	3.4

Lending equalled 94% of the total amount of deposits, mortgage bonds and covered bonds, the same as at the end of 2012. Excluding exchange rate effects, the lending ratio was down at all three banking units.

Deposits

At the end of March 2013, total deposits largely matched the level at the end of 2012.

At Business Banking, deposits were down DKK 6.1 billion from the end of 2012. At Personal Banking and Corporates & Institutions, however, deposits were up DKK 10.0 billion and DKK 6.1 billion, respectively, from the end of 2012.

Danske Bank's market share of total deposits in Denmark rose to 29.4% from 29.1% at the end of 2012. In the other Nordic countries, Danske Bank maintained its market share of deposits.

MARKET SHARE OF DEPOSITS [%]	31 March 2013	31 December 2012
Denmark	29.4	29.1
Finland	11.4	11.2
Sweden	4.5	4.6
Norway	4.9	5.0
Ireland	2.1	2.0

Credit exposure

Credit exposure totalled DKK 3,671 billion, against DKK 3,656 billion at the end of 2012. Exposure from lending activities amounted to DKK 2,377 billion, against DKK 2,389 billion at the end of 2012. Some DKK 946 billion of the total exposure derived from

trading and investment activities, against DKK 921 billion at the end of 2012.

Credit exposure from lending activities

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

CREDIT EXPOSURE	31 March 2013	31 December 2012
Credit exposure (DKK billions)	2,377	2,389
Impairment (ann.) %	0.25	0.32

Risk Management 2012, which is available at www.danskebank.com/ir, provides more details on Danske Bank's credit risks.

Allowance account

The allowance account comprises accumulated impairments, including both collective and individual impairments.

Accumulated individual impairments amounted to DKK 33.4 billion, or 1.7% of lending and guarantees. Accumulated collective impairments amounted to DKK 3.5 billion, or 0.2% of lending and guarantees. The corresponding figures at 31 December 2012 were DKK 32.7 billion and DKK 3.4 billion.

ALLOWANCE ACCOUNT (DKK millions)	31 March 2013 Balance	% of loans and guarantees	31 December 2012 Balance	% of loans and guarantees
Personal Banking	9,645	1.10	9,314	1.05
Business Banking	24,007	3.60	23,961	3.59
Corporates & Institutions	3,236	0.54	2,877	0.56
Other	-	-	3	-
Total core activities	36,888	1.86	36,155	1.83
Non-core	11,158	25.95	11,638	26.08
Total	48,046	2.37	47,793	2.36

Write-offs amounted to DKK 1.0 billion, down from DKK 1.2 billion a year earlier. The decline was caused by lower write-offs at Business Banking. At Personal Banking, the increase in losses related mainly to Danish customers. Of the write-offs in the period, DKK 0.2 billion was attributable to facilities not already subject to impairment.

Impaired loans

Impaired loans are individually assessed loans in rating categories 10 and 11 with objective evidence of impairment and for which an impairment charge has been made.

Performing loans (rating category 10) are loans to customers that are not in default. These loans show signs of financial difficulty, however, including a risk of further impairment in the future. Most of the custom-

ers in this category continue to service their loans in a timely manner.

Non-performing loans (rating category 11) are loans to customers 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.

If a customer defaults on just a single facility, all the customer's facilities will be downgraded to rating category 10 or 11. The downgrade takes place even if the customer has provided full collateral. The value of collateral in the table reflects a haircut of 20-40%.

IMPAIRED LOANS WITH CHARGES MADE		
(DKK millions)	31 March 2013	31 December 2012
Performing loans (rating category 10)		
before impairment charges	31,492	32,970
Allowance account	12,309	10,768
Credit exposure	19,183	22,202
Collateral	13,075	16,225
Total unsecured exposure	6,108	5,977
Coverage (%)	80.60	81.87
Non-performing loans (rating category 11)		
before impairment charges	33,481	38,594
Allowance account	21,092	21,941
Credit exposure	12,389	16,653
Collateral	12,389	16,251
Total unsecured exposure	-	402
Coverage (%)	100.00	98.96

Impaired loans related mainly to Danish personal customers, commercial property customers and shipping customers.

Trading and investment activities

Credit exposure from trading and investment activities amounted to DKK 946 billion at 31 March 2013, against DKK 921 billion at 31 December 2012.

Danske Bank has made agreements with many of its counterparties to net positive and negative market values. The net exposure was DKK 92 billion, against DKK 105 billion at the end of 2012, and most of it was secured by collateral management agreements.

The value of the bond portfolio, excluding customer funds at Danica Pension, was DKK 553 billion, with DKK 65 billion recognised at fair value in accordance with the rules on available-for-sale financial assets. Of the total bond portfolio, 98.8% was recognised at fair value and 1.2% at amortised cost.

BOND PORTFOLIO (%)	31 March 2013	31 December 2012
Government bonds and bonds guaranteed by central or local governments	39	36
Bonds issued by quasi-government institutions	1	1
Danish mortgage bonds	38	42
Swedish covered bonds	13	11
Other covered bonds	4	5
Short-term bonds (CP etc.), primarily with banks	2	2
Corporate bonds	3	3
Total holdings	100	100
Available-for-sale bonds included in total holdings	12	13

Holdings of government bonds consisted primarily of bonds issued by the Nordic countries, Germany and the UK. The net exposure to government bonds from Ireland, Portugal, Spain and Italy was DKK 17.4 billion. All holdings of government bonds issued by these countries were recognised at fair value. Danica Pension's exposure to government bonds from Ireland, Portugal, Spain and Italy totalled DKK 11.0 billion, with policyholders receiving most of the return and assuming most of the risk. Danske Bank's bond portfolio did not include government bonds issued by Greece or Cyprus.

Capital and solvency

The Group's capital base consists of tier 1 capital (equity capital and hybrid capital after deductions) and tier 2 capital. At 31 March 2013, the capital base amounted to DKK 172.5 billion, and the total capital ratio was 21.6%. The core tier 1 capital ratio stood at 15.1%.

In the first quarter of 2013, Danske Bank redeemed subordinated debt of DKK 3.7 billion as planned.

At 31 March 2013, risk-weighted assets amounted to DKK 797 billion, against DKK 819 billion at 31 December 2012. The main reasons for the decline were portfolio changes and a strong focus on initiatives to improve Danske Bank's capital position.

At 31 March 2013, Danske Bank's solvency need ratio was 11.4%. Under Danish law, Danske Bank must publish its solvency need on a quarterly basis. More detailed information is available at www.danskebank.com/ir.

Ratings

In the first quarter of 2013, Fitch Ratings maintained Danske Bank's A/F1 rating (negative outlook).

Moody's maintained Danske Bank's long-term Baa1 rating and its short-term P-2 rating. The long-term rating is on stable outlook.

In the first quarter of 2013, Standard & Poor's (S&P) raised Danske Bank's stand-alone credit profile as a consequence of the capital issues made in the second half of 2012. S&P maintained Danske Bank's long-term A- rating and its short-term A-2 rating, however.

The long-term rating has been on positive outlook since November 2012.

Danske Bank's current ratings are not satisfactory. The initiatives launched to improve earnings and other initiatives are expected to improve the ratings.

Mortgage bonds and mortgage-covered bonds issued by Realkredit Danmark are rated AAA by S&P (stable outlook).

Realkredit Danmark bonds are also rated by Fitch Ratings. Bonds issued from capital centre S are rated AAA, while bonds issued from capital centre T are rated AA+. Both ratings are on stable outlook.

Regulations

A political agreement has been reached on the revised EU Capital Requirements Directive (CRD IV), which will implement the Basel III rules. The final directive is expected to be published before summer 2013. The European Banking Authority will propose detailed rules for many areas covered by the directive, for example liquidity requirements and certain capital requirements.

Danske Bank's Annual Report 2012 and Risk Management 2012 provide a more detailed assessment of the implications of new rules for Danske Bank's capital base.

In March 2013, the Danish SIFI Committee published a report recommending stricter capital and liquidity requirements for systemically important financial institutions (SIFIs) in Denmark. It also recommended crisis management tools for the authorities to use in the management of distressed SIFIs.

As expected, Danske Bank was designated a SIFI in Denmark. The requirements are expected to be fully phased-in by the end of 2022. Danske Bank is well-capitalised and well-prepared to meet the requirements recommended by the SIFI Committee.

Danske Bank is in favour of initiatives that are designed to create a more robust and stable financial system. It is Danske Bank's position, however, 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 is monitoring the legislative process regarding SIFI requirements in Denmark very closely and will assess the possible implications in more detail as the requirements are clarified.

Funding and liquidity

In the first quarter of 2013, the capital markets remained volatile as a result of the ongoing European sovereign debt crisis. Although the situation was exacerbated by the Eurogroup's Cyprus rescue, the generally positive market sentiment in the second half of 2012 persisted into 2013.

In order to maintain its liquidity reserves, Danske Bank continued to issue long-term debt throughout the quarter. The bank issued covered bonds for DKK 8.9 billion and senior debt for DKK 6 billion. In total, DKK 14.9 billion was issued. In the same period Danske Bank redeemed long-term debt of DKK 7.4 billion.

At 31 March 2013, the total amount of outstanding long-term funding, excluding senior debt issued by Realkredit Danmark, was DKK 365 billion, against DKK 355 billion at the end of 2012. The funding consisted of the following:

DANSKE BANK EXCLUDING REALKREDIT DANMARK		
(DKK billions)	31 March 2013	31 December 2012
Covered bonds	179	167
Senior unsecured debt	122	120
Subordinated debt	64	68
Total	365	355

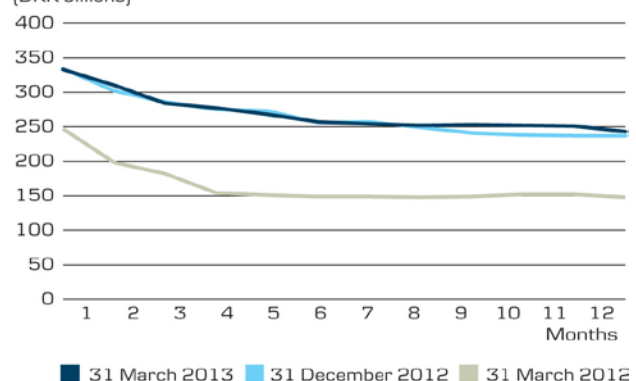
In accordance with section 152 of the Danish Financial Business Act, the Danish FSA has issued the following orders to Danske Bank:

- The bank must meet a short-term liquidity requirement based on the Liquidity Coverage Ratio [LCR] standard of 110%.
- The bank must ensure that it has a suitable ratio of funding with maturities of at least one month to funding with maturities of at least three months.
- The bank must operate with a margin to the funding ratio in the FSA's Supervisory Diamond.

At the end of March 2013, Danske Bank's LCR was 126%, and Danske Bank was in compliance with the requirements.

Stress tests show that Danske Bank's liquidity buffer is sufficient to close any liquidity gap that may arise if the capital markets are closed and refinancing is impossible for a period of more than 12 months.

12-MONTH LIQUIDITY
(DKK billions)



The FSA has identified a number of specific risk indicators for banks and introduced limit values (called the Supervisory Diamond) that all Danish banks must comply with. At 31 March 2013, Danske Bank A/S was in compliance with all the limit values. A separate report is available at www.danskebank.com/ir.

Changes to the Board of Directors

Danske Bank's annual general meeting was held on 18 March 2013. Michael Fairey, Mats Jansson and Majken Schultz did not stand for re-election. The general meeting elected Lars Förberg, Carol Sergeant and Jim Hagemann Snabe as replacements.

More information about the composition of the Board of Directors and the board committees is available at www.danskebank.com/Corporate-Governance.

Outlook for 2013

Europe remains troubled by considerable economic uncertainty. Even though current economic data indicate difficulties for some time ahead, the European economy is likely to see moderate growth with exports starting to increase in the second half of the year. It is not realistic, however, to expect the European economy as a whole to grow at a pace sufficient to prevent higher unemployment rates or reduce idle capacity, and interest rates are likely to remain low in Europe and thus in our home markets.

In 2013, we will continue to focus on executing our New Standards strategy.

The outlook for 2013 as outlined below is based on the adjusted financial highlights for 2012 shown on page 35.

We are continuing our efforts to increase income. The announced initiatives, some of which have already been implemented, are expected to raise net interest and net fee income in 2013, but lower key interest rates and lower lending volumes, especially at Personal Banking, will reduce the effect. Overall, net interest income is likely to remain at the 2012 level (DKK 22.8 billion), whereas net fee income is expected to increase from 2012 (DKK 8.9 billion).

Net trading income is expected to remain at a generally satisfactory level, though below the level in 2012 (DKK 10.6 billion).

Other income is expected to be in line with 2012 (DKK 1.3 billion).

Net income from insurance business is expected to be lower than in 2012 (DKK 2.2 billion), partly because DKK 0.4 billion from the shadow account was booked to income in 2012.

Danske Bank will invest in customer offerings, but ongoing cost-saving initiatives will keep total costs at the same level as in 2012 (DKK 24.6 billion).

The trend in credit quality will generally depend on economic conditions in our markets, including developments in house prices. Core impairments are expected to fall slightly below 2012 (DKK 7.7 billion), while Non-core impairments are expected to be significantly lower than the year-earlier level (DKK 4.9 billion).

Total impairments for customers in Ireland for 2013 and 2014 are expected to be around DKK 2.5 billion.

Danske Bank's tax rate for 2013 is expected to be somewhat above the Danish corporate tax rate of 25%.

Danske Bank maintains its overall guidance for 2013 given in Annual Report 2012, that is, a net profit in the range of DKK 7.5-10 billion. Although the year got off to a slow start in the first quarter with low interest rates and lower lending and trading activity, the initiated and planned management actions are expected to reduce the impact.

This profit guidance is subject to uncertainty and depends in particular on normalised trading and insurance business income and on economic conditions not becoming worse than expected.



COUNTRIES
15



EMPLOYEES
20,184



CUSTOMERS
5 million

Business units

PROFIT BEFORE TAX (DKK millions)	Q1 2013	Q1 2012	Index 13/12	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Full year 2012
Personal Banking	568	148	-	568	563	749	190	148	1,650
Business Banking	1,079	31	-	1,079	888	1,308	834	31	3,061
Corporates & Institutions	991	2,644	37	991	914	1,108	1,263	2,644	5,929
Danske Capital	210	107	196	210	497	185	146	107	935
Danica Pension	341	164	208	341	925	403	679	164	2,171
Other Activities	-424	-546	-	-424	-353	-328	821	-546	-406
Total core activities	2,765	2,548	109	2,765	3,434	3,425	3,933	2,548	13,340
Non-core	-549	-973	-	-549	-1,179	-1,216	-1,433	-973	-4,801
Total Group	2,216	1,575	141	2,216	2,255	2,209	2,500	1,575	8,539

Personal Banking serves personal and private banking customers through a strong network of branches, finance centres, contact centres and online channels. The unit offers a wide range of financial products and services within banking, property financing, leasing, insurance and pensions.

Business Banking serves small, medium-sized and large businesses through a large network of finance centres, branches, contact centres and online channels. The unit offers leading solutions within financing, investing, cash management and risk management.

Corporates & Institutions is a leading provider of wholesale banking services for the largest institutional and corporate customers in the Nordic region. Products and services include cash management, trade finance and custody services; equity, bond, foreign exchange and derivatives products; corporate finance; and acquisition finance.

Danske Capital develops and provides asset and wealth management products and services that are marketed through Personal Banking and directly to businesses, institutional clients and external distributors. The unit also supports advisory and asset man-

agement services for Personal Banking customer segments.

Danica Pension provides life insurance and pension products to both personal and business customers. The products are marketed through a range of channels, primarily Personal Banking and Danica Pension's own insurance brokers and advisers. Danica Pension offers three unit-linked products: *Danica Balance*, *Danica Link* and *Danica Select*. 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 have individual investment profiles, and Danica Pension sets the rate of interest on policyholders' savings.

Other Activities encompasses Group Treasury, Group IT, Group Services and eliminations, including the elimination of returns on own shares. Group Treasury is responsible for Danske Bank's liquidity management and funding.

Non-core is responsible for the controlled winding-up of certain customer segments that are no longer considered part of the core business. Existing exposures are either wound up or divested.



EMPLOYEES
7,713



TOTAL INCOME
DKK 4,113 MILLION



PROFIT BEFORE TAX
DKK 568 MILLION

Personal Banking

PERSONAL BANKING (DKK millions)	Q1 2013	Q1 2012	Index 13/12	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Full year 2012
Net interest income	2,772	2,913	95	2,772	2,954	2,874	2,931	2,913	11,672
Net fee income	998	910	110	998	979	961	880	910	3,730
Net trading income	200	211	95	200	291	169	148	211	819
Other income	143	159	90	143	146	138	165	159	608
Total income	4,113	4,193	98	4,113	4,370	4,142	4,124	4,193	16,829
Expenses	2,956	2,995	99	2,956	3,115	2,974	3,346	2,995	12,430
Profit before loan impairment charges	1,157	1,198	97	1,157	1,255	1,168	778	1,198	4,399
Loan impairment charges	589	1,050	56	589	692	419	588	1,050	2,749
Profit before tax	568	148	-	568	563	749	190	148	1,650
Loans and advances (before loan impairment charges)	860,480	888,366	97	860,480	871,759	887,296	880,378	888,366	871,759
Allowance account, total	9,645	8,637	112	9,645	9,314	8,487	8,903	8,637	9,314
Deposits	370,203	356,615	104	370,203	360,175	366,053	365,843	356,615	360,175
Bonds issued by Realkredit Danmark	424,031	422,246	100	424,031	428,078	424,854	422,935	422,246	428,078
Allocated capital (average)	28,513	27,075	105	28,513	31,488	28,318	27,274	27,075	28,539
Net interest income as % p.a. of loans and deposits	0.91	0.94		0.91	0.97	0.92	0.94	0.94	0.95
Profit before loan impairment charges as % p.a. of allocated capital	16.2	17.7		16.2	15.9	16.5	11.4	17.7	15.4
Profit before tax as % p.a. of allocated capital (ROE)	8.0	2.2		8.0	7.2	10.6	2.8	2.2	5.8
Cost/income ratio (%)	71.9	71.4		71.9	71.3	71.8	81.1	71.4	73.9
Full-time-equivalent staff	7,713	8,680	89	7,713	8,016	8,304	8,547	8,680	8,016

PERSONAL BANKING Q1 2013

(DKK millions)	Denmark	Finland	Sweden	Norway	Northern Ireland	Ireland	Other	Total
Total income	2,706	570	202	391	196	52	-4	4,113
Loan impairment charges	587	-25	-13	-16	13	39	4	589
Loans and advances	555,138	100,963	83,011	82,266	17,036	16,776	5,290	860,480
Deposits	219,037	47,178	33,233	27,431	27,038	11,306	4,980	370,203

- The return on allocated capital before tax improved to 8.0% p.a.
- Profit before tax was DKK 0.6 billion
- Net interest income fell 5%, mainly because of falling interest rates in Denmark and the euro zone
- Impairments fell 44% from the first quarter of 2012
- Lending and deposits largely matched the levels at the end of 2012

Market conditions

In the first quarter of 2013, the economic downturn and low interest rates continued to affect business conditions in Denmark, where Personal Banking has about two thirds of its lending and deposits.

Financial summary

At DKK 4.1 billion, total income fell 2% from the first quarter of 2012, mainly as a result of lower net interest income.

Net interest income amounted to DKK 2.8 billion, down 5%. The main drivers of this trend were falling interest rates in several markets and lower lending volumes, which offset the effect of pricing initiatives.

At DKK 3.0 billion, expenses were unchanged from the year-earlier level.

Personal Banking recorded a fall in impairments in most markets, with impairments amounting to DKK 0.6 billion, or 0.27% p.a. of lending and guarantees, against 0.46% p.a. a year earlier. Impairments in the period consisted primarily of charges to customers in Denmark.

Credit exposure from lending activities

Credit exposure covers mortgages, loans secured on other assets, consumer loans, and fully or partially secured credits.

Total credit exposure declined 3% to DKK 857 billion. Accumulated impairments amounted to DKK 9.6 billion, of which collective impairments accounted for DKK 1.8 billion.

	Credit exposure (DKK millions)		Impairment (ann.) %
	31 March 2013	31 December 2012	Q1 2013
Denmark	553,587	574,377	0.42
Finland	100,106	106,074	-0.10
Sweden	82,808	80,688	-0.06
Norway	82,190	84,598	-0.08
Northern Ireland	16,652	17,712	0.31
Ireland	14,873	15,376	1.05
Other	6,285	5,638	0.25
Total	856,501	884,463	0.28

In Denmark, household liquidity benefited from lower income tax rates and wage growth, which, although slow, kept up with inflation. The increase in customers' disposable income strengthened the credit quality of the Personal Banking Denmark portfolio. At Realkredit Danmark, this translated into a low, stable delinquency rate of 0.24% at 31 March 2013, on par with the level at the end of 2012.

In Denmark, the number of customers whose interest-only loans will start to amortise in 2013 is limited, and loan-to-value (LTV) ratios are generally low. At Realkredit Danmark, interest-only loans accounted for 54% of total loans to personal customers at the end of the period, a slight decline from the year-earlier level. The historically low interest rates and Realkredit Danmark's pricing initiatives encouraged customers to switch to fixed-rate loan products. However, to cover future losses on customers with negative equity and interest-only loans, Personal Banking booked a collective impairment charge of DKK 100 million in the first quarter of 2013.

The credit quality of Personal Banking customers in the other Nordic markets was good and impairments remained low.

In Northern Ireland, the unemployment rate was unchanged and the economic outlook remains weak. Although still high, the unemployment rate in Ireland started to decline.

Home financing

The Danish housing market seems to have stabilised, most clearly in the largest cities, but a recovery seems distant.

The average LTV ratio increased slightly. For customers in the Nordic region as a whole, the average LTV ratio was 71.5%.

There are signs of regional stabilisation and increased investor activity, but because of the challenging conditions in the Irish housing market and the significant decline in house prices in Ireland and Northern Ireland in recent years, LTV ratios for local customers remained high at 108.7% and 77.1%, respectively.

LOAN-TO-VALUE RATIO, HOME LOANS (DKK billions)	LTV (%)	31 March 2013 Credit exposure	31 December 2012 Credit exposure
		LTV (%)	LTV (%)
Denmark	74.9	510	519
Finland	63.3	91	93
Sweden	68.6	75	74
Norway	61.8	77	78
Northern Ireland	77.1	16	16
Ireland	108.7	15	15
Average	72.3	784	795

The majority of impaired loans at Personal Banking were loans in Denmark and amounted to DKK 5.0 billion. Impaired loans at Personal Banking Ireland accounted for 12.2 % of the Irish portfolio.

Operations

Personal Banking started to implement its part of the New Standards strategy by launching a new programme for customers in Denmark in January 2013.

Customer programme

The customer programme is an example of how Personal Banking sets new standards for making customers feel financially confident.

The programme offers four solutions to match customers' banking needs and business volume: a good, simple solution for customers who use Danske Bank for day-to-day transactions only (Basis customers); a solution with additional benefits for customers who do somewhat more business with us (Ekstra customers); a solution with many benefits for customers with a relatively large business volume (Eksklusiv customers); and a solution with a comprehensive range of services for customers with a large business volume (Eksklusiv+ customers).

Regardless of which solution a customer has, the programme gives access to favourable prices, benefits with other Group companies, and innovative and user-friendly eBanking, mobile banking and tablet banking facilities. The more business customers have, the more benefits they get.

Almost 600,000 customers have already signed up for the programme, and so far, some 85% of customers in the Eksklusiv and Eksklusiv+ segments have signed up.

Personal Banking offers special solutions and benefits to student and young adult customers that include accounts, online solutions, debit and credit cards, and 24-hour customer service.

The customer programme will subsequently be launched in other markets.

The customer programme may adversely affect the number of customers who do business with Danske Bank. As the programme offers benefits on the basis of business volume, it is likely, however, that it will enhance business relations with customers. The programme was launched in January, and the market share of lending and deposits saw a positive trend in February and March.

New eBanking features

Personal Banking continually works on developing seamless online solutions that enhance the customer experience. To accommodate customers' needs for advisory services outside normal business hours, the unit launched Danske Online Meeting. With this solution, customers can meet with their adviser at home – all it takes is a PC with access to Danske eBanking and a phone.

The spending overview is an example of new standards for digital services, and it strengthens customers' financial confidence by giving them a clear overview of how they spend their money. This new graphic real-time overview in Danske eBanking and the tablet and mobile apps has quickly become very popular in Denmark, and there are currently more than 275,000 active users. The plan is to introduce the feature also in other markets.



EMPLOYEES
3,769



TOTAL INCOME
DKK 3,019 MILLION



PROFIT BEFORE TAX
DKK 1,079 MILLION

Business Banking

BUSINESS BANKING (DKK millions)	Q1 2013	Q1 2012	Index 13/12	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Full year 2012
Net interest income	2,206	2,268	97	2,206	2,328	2,361	2,286	2,268	9,243
Net fee income	490	428	114	490	607	643	471	428	2,149
Net trading income	199	112	178	199	121	55	191	112	479
Other income*	124	134	93	124	108	125	114	134	481
Total income	3,019	2,942	103	3,019	3,164	3,184	3,062	2,942	12,352
Expenses	1,361	1,327	103	1,361	1,482	1,294	1,363	1,327	5,466
Profit before loan impairment charges	1,658	1,615	103	1,658	1,682	1,890	1,699	1,615	6,886
Loan impairment charges	579	1,584	37	579	794	582	865	1,584	3,825
Profit before tax	1,079	31	-	1,079	888	1,308	834	31	3,061
Loans and advances (before loan impairment charges)	644,386	652,415	99	644,386	641,133	654,933	656,083	652,415	641,133
Allowance account, total	24,007	25,210	95	24,007	23,961	25,708	25,651	25,210	23,961
Deposits	257,881	240,731	107	257,881	263,976	247,455	244,804	240,731	263,976
Bonds issued by Realkredit Danmark	298,606	287,610	104	298,606	296,302	291,538	289,483	287,610	296,302
Allocated capital (average)	45,193	42,071	107	45,193	45,078	42,741	41,273	42,071	42,791
Net interest income as % p.a. of loans and deposits	1.00	1.05		1.00	1.05	1.09	1.06	1.05	1.05
Profit before loan impairment charges as % p.a. of allocated capital	14.7	15.4		14.7	14.9	17.7	16.5	15.4	16.1
Profit before tax as % p.a. of allocated capital (ROE)	9.6	0.3		9.6	7.9	12.2	8.1	0.3	7.2
Cost/income ratio (%)	45.1	45.1		45.1	46.8	40.6	44.5	45.1	44.3
Full-time-equivalent staff	3,769	3,890	97	3,769	3,772	3,803	3,844	3,890	3,772

BUSINESS BANKING Q1 2013									
(DKK millions)	Denmark	Finland	Sweden	Norway	Northern Ireland	Ireland	Baltics	Other	Total
Total income*	1,652	302	424	303	221	7	177	-67	3,019
Loan impairment charges	456	-16	14	59	134	-18	-42	-8	579
Loans and advances	372,333	48,070	114,662	56,163	33,364	1,508	18,276	10	644,386
Deposits	77,585	50,537	46,699	35,850	24,729	1,688	20,793	-	257,881

* Operational leasing, excluding property leasing, is presented on a net basis under Other income.

- The return on allocated capital before tax improved to 9.6% p.a.
- Profit before tax was DKK 1.1 billion
- Net interest income fell 3%, mainly because of lower interest rates
- Impairments fell 63%
- Lending and deposits were stable at the same levels as at the end of 2012

Net interest income amounted to DKK 2.2 billion, down 3%. The main drivers of this trend were lower base rates in Denmark and the euro zone and lower lending volumes coupled with a change in the business mix.

Impairments fell DKK 1.0 billion to DKK 0.6 billion, or 0.35% p.a. of lending and guarantees. Business Banking recorded a fall in impairments in most markets.

Market conditions

In the first quarter of 2013, the uncertain economic outlook and low base rates continued to affect business conditions for Business Banking Denmark.

Credit exposure from lending activities

Credit exposure comprises asset and working capital financing.

Financial summary

At DKK 3.0 billion, total income rose 3% from the first quarter of 2012, mainly because of higher net trading income and a positive trend in net fee income.

Despite low growth in most markets, demand for credit increased marginally. At the end of the first quarter of 2013, total credit exposure had risen 3% to DKK 669 billion. The increase related mainly to cus-

tomers in Denmark. Credit exposure benefited from the appreciation of the Swedish krona.

	Credit exposure (DKK millions)		Impairment (ann.) % Q1 2013
	31 March 2013	31 December 2012	
Denmark	379,722	360,536	0.48
Finland	55,185	50,931	-0.12
Sweden	116,797	113,681	0.05
Norway	62,691	69,043	0.38
Northern Ireland	26,660	26,899	2.01
Ireland	2,378	2,644	-3.03
Baltics	19,726	21,387	-0.85
Other	6,049	6,140	-0.53
Total	669,208	651,261	0.35

Commercial property customers

Credit exposure to commercial property customers increased slightly and amounted to DKK 221 billion at 31 March 2013, against DKK 216 billion at the end of 2012. New business in the commercial property segment was subject to tightened credit criteria. Accumulated impairments on commercial property exposures amounted to DKK 8.1 billion, or 4% of lending and guarantees.

At Business Banking Denmark, credit exposure to commercial property customers amounted to DKK 120 billion at 31 March 2013, with loans provided by Realkredit Danmark accounting for DKK 109 billion of this amount. The commercial property market continued to be troubled by high vacancy rates for office and retail space, reflecting a depressed retail sector and a high unemployment rate. Despite the weak market conditions, the credit quality of the commercial property portfolio remained stable.

At Business Banking Northern Ireland, credit exposure to commercial property customers amounted to DKK 6.1 billion at 31 March 2013. Accumulated impairments amounted to DKK 3.1 billion.

Agricultural customers

At 31 March 2013, credit exposure to agricultural customers totalled DKK 58 billion. Accumulated impairments amounted to DKK 2.8 billion, or 5% of lending and guarantees.

In the Business Banking portfolio, credit exposure to agricultural customers represented 9%, of which customers in Denmark accounted for 88%.

While plant growers and most pig breeders posted earnings, Danish dairy farmers were hit hard by higher feed prices and declining milk prices. Conse-

quently, Business Banking booked a collective impairment charge of DKK 175 million.

Operations

Business Banking started to implement its part of the New Standards strategy to become our customers' most trusted financial partner. The strategy has five action points:

- Build the Bank around customers' needs
- Offer market-leading products and services
- Optimise the channel mix and exploit technological opportunities to give customers flexible options
- Support customers through the full economic cycle
- Invest in skills so that we can be the best at what we do, add specialist resources and apply industry knowledge

Business Banking actively sought to attract deposit business, and deposits rose 7%, or DKK 17 billion, from the year-earlier level. Growth was generated primarily in Sweden, Norway and Finland.

Business Banking also initiated a review of the pricing structure of various banking services in all its markets in order to increase income in a low interest rate environment.

In the first quarter, Business Banking launched a Mobile Business app for Business Online customers. Available for both iPhone and Android phones, Mobile Business includes key features from Business Online and gives customers an easy means of managing company finances on the go.

Business Banking set up an SME team to provide business customers with expert risk advisory services.

Business Banking also increased its focus on debt capital market services for SME customers. A newly-established unit will provide advice on and access to debt capital markets as part of its advisory services on capital and funding structures.



EMPLOYEES
1,531



TOTAL INCOME
DKK 2,382 MILLION



PROFIT BEFORE TAX
DKK 991 MILLION

Corporates & Institutions

CORPORATES & INSTITUTIONS (DKK millions)	Q1 2013	Q1 2012	Index 13/12	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Full year 2012
Net interest income	504	491	103	504	451	475	501	491	1,918
Net fee income	292	255	115	292	312	264	287	255	1,118
Net trading income	1,581	3,367	47	1,581	1,285	1,972	1,717	3,367	8,341
Other income	5	4	125	5	9	4	2	4	19
Total income	2,382	4,117	58	2,382	2,057	2,715	2,507	4,117	11,396
Expenses	1,100	1,173	94	1,100	1,107	1,019	1,008	1,173	4,307
Profit before loan impairment charges	1,282	2,944	44	1,282	950	1,696	1,499	2,944	7,089
Loan impairment charges	291	300	97	291	36	588	236	300	1,160
Profit before tax	991	2,644	37	991	914	1,108	1,263	2,644	5,929
Loans and advances (before loan impairment charges)	167,377	162,827	103	167,377	161,112	168,493	169,744	162,827	161,112
Allowance account, total	3,236	2,221	146	3,236	2,877	3,028	2,519	2,221	2,877
Deposits	168,937	174,879	97	168,937	162,817	128,496	124,957	174,879	162,817
Bonds issued by Realkredit Danmark	11,757	12,135	97	11,757	11,695	12,060	12,157	12,135	11,695
Allocated capital (average)	32,194	26,629	121	32,194	31,112	28,882	27,987	26,629	28,653
Net interest income as % p.a. of loans and deposits	0.60	0.58		0.60	0.56	0.65	0.69	0.58	0.60
Profit before loan impairment charges as % p.a. of allocated capital	15.9	44.2		15.9	12.2	23.5	21.4	44.2	24.7
Profit before tax as % p.a. of allocated capital (ROE)	12.3	39.7		12.3	11.8	15.3	18.1	39.7	20.7
Cost/income ratio (%)	46.2	28.5		46.2	53.8	37.5	40.2	28.5	37.8
Full-time-equivalent staff	1,531	1,472	104	1,531	1,499	1,467	1,460	1,472	1,499

TOTAL INCOME (DKK millions)	Q1 2013	Q1 2012	Index 13/12	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Full year 2012
General banking	843	760	111	843	820	756	814	760	3,150
Capital markets	174	182	96	174	196	160	107	182	645
Sales and research	715	737	97	715	550	576	653	737	2,516
Market making	650	2,438	27	650	491	1,223	933	2,438	5,085
Total income	2,382	4,117	58	2,382	2,057	2,715	2,507	4,117	11,396

- The return on allocated capital before tax was 12.3% p.a.
- Profit before tax was DKK 1.0 billion
- Total income fell 42%, mainly because income from market-making activities was extraordinarily high in the first quarter of 2012
- Income from customer-driven activity improved 3%
- Lending and deposits largely matched the levels at the end of 2012

Market conditions

In the beginning of 2013, market sentiment was positive. There was a strong belief that the budgetary problems in the US would be solved, and the partial withdrawal of many European banks from the ECB's Long-term Refinancing Operation (LTRO) was well received by the market.

The US and Asian economies recovered to a certain extent, while growth in Europe remained sluggish. Towards the end of the first quarter, the result of the Italian general election and the crisis in Cyprus weakened market sentiment, however.

Financial summary

At DKK 2.4 billion, total income was satisfactory, despite a fall of 42% from the first quarter of 2012. The main reason for the decline was lower net trading income.

General banking income rose above the levels in previous quarters, reflecting an increase in net interest income and net fee income.

At the beginning of 2013, capital markets saw an increase in bond issuance. For example, Danske Bank helped a customer become one of the first companies in Denmark to issue corporate bonds

denominated in Danish kroner. Income from corporate finance fees decreased slightly, however.

Sales and research had another good quarter, performing well in all product areas. Earnings from customer-driven trading in government bonds saw a particularly good increase.

Overall, income from customer-driven activity from these three business areas was up 3% from the first quarter of 2012.

Market-making income from trading in fixed-income, derivatives and foreign exchange products was satisfactory but lower than the extraordinarily high income generated in the first quarter of 2012. Last year, market making profited considerably from the positive market sentiment that emerged after the introduction of the ECB's LTRO programmes. Income from equity trading was up 13%, primarily because of higher income from equity financing.

Expenses were down 6%, primarily because of lower performance-based compensation.

Impairments amounted to DKK 0.3 billion, or 0.2% p.a. of lending and guarantees, the same level as one year earlier.

Allocated capital increased 21%, in line with the increase in Danske Bank's core tier 1 capital ratio.

Credit exposure from lending activities

Credit exposure comprises working capital financing and loans, including repo loans secured on assets.

At 31 March 2013, total credit exposure amounted to DKK 802 billion, up from DKK 781 billion at 31 December 2012. The increase derived mainly from an increase in demand deposits with public and financial institutions and an increase in loans and guarantees to large corporate customers. Accumulated impairments totalled DKK 3.2 billion, or 0.5% of lending and guarantees. The corresponding figures at the end of 2012 were DKK 2.9 billion and 0.6%. Impairments related mainly to large corporate customers.

The credit quality of the Corporates & Institutions portfolio was generally very high, underpinned by the high credit quality of the public and financial institutions portfolios.

	Credit exposure (DKK millions)		Impairment (ann.) %
	31 March 2013	31 December 2012	Q1 2013
Public institutions	155,576	149,796	-
Financial institutions	358,914	352,140	-
Corporate	285,162	276,290	0.62
Other	2,040	2,374	1.61
Total	801,692	780,600	0.20

Public institutions

The public institutions portfolio consisted primarily of exposure to the stable and high-rated Nordic sovereigns. Credit exposure amounted to DKK 156 billion, against DKK 150 billion at the end of 2012. The increase was driven by higher demand deposits with central banks.

At 31 March 2013, credit exposure to AAA-rated sovereigns represented 94% of total credit exposure.

Credit exposure to countries with systemic risk as a result of the European debt crisis was limited.

Financial institutions

Credit exposure to financial institutions amounted to DKK 359 billion, against DKK 352 billion at the end of 2012. Most of the exposure related to repo lending facilities. The credit quality of the financial institutions portfolio remained sound.

At 31 March 2013, exposure to small and medium-sized Danish banks (groups 2-4 as defined by the Danish FSA) accounted for 0.3% of total exposure to financial institutions.

Large corporate customers

The corporate portfolio is a diverse portfolio consisting mainly of large companies based in the Nordic countries.

Credit exposure to the shipping industry amounted to DKK 41 billion, against DKK 42 billion at the end of 2012. Pressure on the shipping industry throughout the world continued in the first quarter of 2013, and declining asset values had an adverse effect on collateral. Low freight rates also continued to strain liquidity in the industry and led to increased risks. No new large impairments were booked in the period. Accumulated impairments amounted to DKK 1.7 billion, or 5% of lending and guarantees, against 4.5% at the end of 2012.

Credit exposure to the construction and engineering industry amounted to DKK 14 billion, against DKK 15 billion at the end of 2012. The credit quality of this industry was severely affected by low demand and generally difficult market conditions for property-related industries. Impairments amounted to DKK 0.2 billion and related mainly to a few large exposures. Accumulated impairments totalled DKK 0.6 million, or 6.8% of lending and guarantees. The corresponding figures at the end of 2012 were DKK 0.4 billion and 4.4%.

Operations

In the first quarter of 2013, the Prospera research institute conducted customer satisfaction surveys of the Nordic fixed-income, derivatives, cash management and trade finance markets. The surveys confirmed Danske Bank's position as a leading provider of these services in the Nordic region and showed

that Danske Bank has increased its product penetration within these areas.

The surveys showed the emerging effect of the New Standards strategy. Corporates & Institutions remains committed to investing in IT to support customer needs. Such investments improve the quality of offerings, particularly transaction banking services, and have resulted in new mandates for Corporates & Institutions. Customers are also increasingly appreciative of the high quality of the products offered.

Another priority for the unit is to mitigate the effects of future regulation and resolve the consequent issues that affect both customers and Danske Bank. Work in this area has led to increased capital efficiency and new business opportunities.

A further area of investment is Debt Capital Markets. The trend towards increased bond market funding continued in the quarter, and several issuers approached the market. Corporates & Institutions took further steps to expand its offerings in this area and subsequently won a number of important mandates. The unit also supported Ireland as the country returned to the bond market.



EMPLOYEES
479



PROFIT BEFORE TAX
DKK 210 MILLION



MARKET SHARE IN THE NORDIC REGION
10.7%

Danske Capital

DANSKE CAPITAL [DKK millions]	Q1 2013	Q1 2012	Index 13/12	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Full year 2012
Net interest income	-9	-5	-	-9	-7	-7	-6	-5	-25
Net fee income	487	346	141	487	821	400	378	346	1,945
Other income	2	-5	-	2	-1	2	1	-5	-3
Total income	480	336	143	480	813	395	373	336	1,917
Expenses	270	229	118	270	316	210	227	229	982
Profit before loan impairment charges	210	107	196	210	497	185	146	107	935
Loan impairment charges	-	-	-	-	-	-	-	-	-
Profit before tax	210	107	196	210	497	185	146	107	935
Loans and advances (before loan impairment charges)	238	209	114	238	211	209	210	209	211
Allowance account, total	-	-	-	-	-	-	-	-	-
Deposits	228	232	98	228	155	178	219	232	155
Allocated capital (average)	2,499	2,277	110	2,499	2,394	2,330	2,284	2,277	2,321
Cost/income ratio (%)	56.3	68.2		56.3	38.9	53.2	60.9	68.2	51.2
Assets under management (DKK billions)	722	632	114	722	687	666	636	632	687

- Profit before impairments rose 96%
- Strong sales to retail banking and institutional customers
- Solid investment results – performance fees of DKK 50 million

Market conditions

In the first quarter of 2013, the positive trend continued in most of the equity markets. The Danish MSCI index rose 7%, the MSCI World index was up 11%, and the MSCI Europe index rose 6%. Bond yields were more or less unchanged.

Overall, the Nordic mutual fund market grew 8%. The trend was driven by increasing securities prices and net mutual fund sales of DKK 67 billion. Of this amount, Danske Capital accounted for 20.3%. Measured by market value, Danske Capital had a 10.7% share of the Nordic markets.

Financial summary

Total income rose 43% to DKK 480 million, up from DKK 336 million a year earlier. Income benefited from performance-related fees of DKK 50 million, compared with DKK -16 million in the first quarter of 2012. Non-performance-related income was up 22%, as average assets under management rose 13% from DKK 628 billion in the first quarter of 2012 to DKK 709 billion in the first quarter of 2013.

Total expenses rose 18% above the level in the first quarter of 2012, primarily because of a provision for possible operating losses and an increase in performance-based remuneration.

Assets under management amounted to DKK 722 billion, up DKK 35 billion from the end of 2012. Net

sales to institutional clients and retail banking customers totalled DKK 19 billion. Developments in the financial markets thus generated total market value gains of DKK 16 billion.

Of the net sales of DKK 19 billion, institutional clients accounted for DKK 13 billion and retail banking customers for DKK 6 billion.

The mutual fund business posted above-benchmark returns in 74% of its funds. Of the bond-based funds, 91% delivered above-benchmark returns, and for equity-based funds, the figure was 65%. Of balanced products, 75% performed above their benchmarks. Some 40% of Danske Invest funds ranked in the top third of European funds in their categories.

Operations

In the first quarter of 2013, Danske Capital continued the roll-out of *Danske Porteføljepleje* (portfolio management) for personal and private banking customers. At 31 March 2013, the market value of this new product, now available in all the Nordic countries, was DKK 5.6 billion.

Danske Capital also sold mutual fund products successfully in Sweden and Norway. The sales represented 14.7% of total net sales in Sweden and 13.4% in Norway.

Danske Invest is the mutual fund division of Danske Capital. In March 2013, the Morningstar research institute named Danske Invest the best equity mutual fund manager in Denmark for investor returns. It was the fifth time in a row that Danske Invest merited this distinction.



EMPLOYEES
791



INCOME
DKK 341 MILLION



TOTAL PREMIUMS
DKK 7,653 MILLION

Danica Pension

DANICA PENSION (DKK millions)	Q1 2013	Q1 2012	Index 13/12	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Full year 2012
Danica Traditionel	322	321	100	322	282	335	294	321	1,232
Unit-linked business	121	74	164	121	100	90	103	74	367
Health and accident business	-59	-20	-	-59	-52	-41	-33	-20	-146
Return on investments	96	212	45	96	86	132	91	212	521
Financing result	-44	-42	-	-44	-57	-50	-45	-42	-194
Special allotment	-63	-4	-	-63	52	-25	-40	-4	-17
Change in shadow account	-32	-377	-	-32	514	-38	309	-377	408
Net income from insurance business	341	164	208	341	925	403	679	164	2,171
Premiums, insurance contracts	5,513	5,465	101	5,513	5,105	4,780	4,634	5,465	19,984
Premiums, investment contracts	2,140	1,423	150	2,140	1,177	983	1,082	1,423	4,665
Provisions, insurance contracts	262,054	248,331	106	262,054	259,726	256,417	250,833	248,331	259,726
Provisions, investment contracts	31,962	27,108	118	31,962	29,071	28,583	26,463	27,108	29,071
Customer funds, investment assets									
Danica Traditionel	190,104	189,487	100	190,104	195,106	193,379	191,965	189,487	195,106
Danica Balance	45,690	31,844	143	45,690	41,108	36,585	33,179	31,844	41,108
Danica Link	58,395	50,927	115	58,395	54,731	53,689	50,330	50,927	54,731
Allocated capital (average)	11,483	11,000	104	11,483	11,707	11,073	10,527	11,000	11,077
Net income as % p.a. of allocated capital	11.9	6.0		11.9	31.6	14.6	25.8	6.0	19.6

- Net income from insurance business of DKK 0.3 billion
- Total premiums were up 11% to DKK 7.7 billion, mainly because of a rise in Swedish premiums; total regular premiums rose 4%
- Expense ratio fell from 4.4% to 3.4%

Financial summary

The insurance business generated income of DKK 0.3 billion, against DKK 0.2 billion a year earlier. The booking of the risk allowance for three of the four interest rate groups had a positive impact on net income. In the first quarter of 2012, the risk allowance could not be booked for any of the groups. At the end of March 2013, the shadow account balance was DKK 0.8 billion.

The return on investment of customer funds in *Danica Traditionel* was 0.5%, against 1.9% in the first quarter of 2012. Including changes in technical provisions, the return on customer funds was 1.1%.

The return on investment for customers with the *Danica Balance*, *Danica Link* and *Danica Select* unit-linked products was DKK 2.9 billion, representing an average rate of return of 4.5%, against 6.4% in the first quarter of 2012.

The result for the unit-linked business increased from DKK 74 million in the first quarter of 2012 to DKK 121 million in the first quarter of 2013, reflecting an increase in business in Denmark, Norway and Sweden.

The result for the health and accident business was depressed by a higher claims ratio, which was the result of lower pricing in the Danish corporate market.

At 31 March 2013, the collective bonus potential for all the contribution groups stood at DKK 1.3 billion, up DKK 0.4 billion from 1 January 2013. The amount drawn on the bonus potential of paid-up policies for loss absorption in 2011, which relates to one interest rate group, remained the same as at 1 January 2013 (DKK 0.2 billion).

Total Danish premiums rose 1.0% to DKK 5.0 billion. Premiums for the *Danica Balance*, *Danica Link* and *Danica Select* products amounted to DKK 4.5 billion, representing an increase of 63%. As expected, total premiums for *Danica Traditionel* decreased, falling 10.0% to DKK 1.8 billion.

At the Swedish unit, total premiums rose 52% to DKK 2.1 billion, reflecting increased sales of the custody account savings product.

At the Norwegian unit, total premiums rose 8% to DKK 0.6 billion.

Operations

New organisation

In February 2013, Danica Pension launched a new strategy that included an increased focus on personal customers. To support the new strategy, Danica Pension implemented a new organisational structure on 1 March 2013. The personal customer

segment is now an independent business area that reports directly to the CEO.

Tax reform

In 2012, the Danish Parliament voted to phase out capital pension schemes and introduce a new type of pension savings scheme called the retirement savings scheme (*aldersopsparing*). While the contributions to the new scheme are not tax-deductable, no tax is payable on the disbursements. Returns on the scheme are taxed at 15.3%.

As part of the reform, customers may convert existing capital pension schemes to retirement savings schemes in 2013 and 2014 by paying a favourable tax charge of 37.3% instead of the standard rate of 40%. Danica Pension expects many of its customers to take advantage of this opportunity because they will keep the guarantees attached to their existing schemes.



EMPLOYEES
5,813



PROFIT BEFORE TAX
DKK -424 MILLION

Other Activities

OTHER ACTIVITIES (DKK millions)	Q1 2013	Q1 2012	Index 13/12	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Full year 2012
Net interest income	-21	-17	-	-21	-13	-5	5	-17	-30
Net fee income	-2	73	-	-2	-48	-134	33	73	-76
Net trading income	-206	-47	-	-206	133	2	838	-47	926
Other income	23	24	96	23	44	65	44	24	177
Total income	-206	33	-	-206	116	-72	920	33	997
Expenses	218	600	36	218	571	183	103	600	1,457
Profit before loan impairment charges	-424	-567	-	-424	-455	-255	817	-567	-460
Loan impairment charges	-	-21	-	-	-102	73	-4	-21	-54
Profit before tax	-424	-546	-	-424	-353	-328	821	-546	-406

PROFIT BEFORE TAX (DKK millions)									
Group Treasury	-209	9	-	-209	119	-58	798	9	868
Real property	50	65	77	50	-248	101	-1	65	-83
Own shares	-33	-54	-	-33	26	-77	22	-54	-83
Group support functions	-232	-566	-	-232	-250	-294	2	-566	-1,108
Total Other Activities	-424	-546	-	-424	-353	-328	821	-546	-406

Financial summary

Other Activities posted a loss before tax of DKK 0.4 billion, against a loss of DKK 0.5 billion a year earlier.

Group Treasury posted a loss before tax of DKK 0.2 billion, against a small positive result in the first quarter of 2012. The fall in income was caused primarily by negative value adjustments of unlisted shareholdings.

The elimination of returns on own shares led to an expense of DKK 33 million, against an expense of DKK 54 million in the first quarter of 2012.

Group support functions posted a loss before tax of DKK 0.2 billion, against a loss before tax of DKK 0.6 billion in the first quarter of 2012. In the first quarter of 2013, Group support functions included Danske Bank's expected share of the banking sector's commitment to cover losses arising from the resolution of certain small Danish banks. In the first quarter of 2012, Group support functions also included a write-down of DKK 0.5 billion related to the Sampo Bank brand name.



EMPLOYEES
88



TOTAL INCOME
DKK 55 MILLION



PROFIT BEFORE TAX
DKK -549 MILLION

Non-core

NON-CORE (DKK millions)	Q1 2013	Q1 2012	Index 13/12	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Full year 2012
Total income	55	96	57	55	95	79	53	96	323
Expenses	54	60	90	54	75	78	62	60	275
Profit before loan impairment charges	1	36	3	1	20	1	-9	36	48
Loan impairment charges	550	1,009	55	550	1,199	1,217	1,424	1,009	4,849
Profit before tax	-549	-973	-	-549	-1,179	-1,216	-1,433	-973	-4,801
Loans and advances (before loan impairment charges)	42,575	51,156	83	42,575	44,537	46,463	58,220	51,156	44,537
Allowance account, total	11,158	15,293	73	11,158	11,638	10,023	16,673	15,293	11,638
Deposits	4,263	3,291	130	4,263	4,748	5,872	5,328	3,291	4,748
Allocated capital (average)	7,554	9,406	80	7,554	8,532	8,964	11,181	9,406	9,521
Net interest income as % p.a. of loans and deposits	0.54	1.11		0.54	0.77	0.61	0.50	1.11	0.81
Profit before loan impairment charges as % p.a. of allocated capital	0.1	1.5		0.1	0.9	0.0	-0.3	1.5	0.5
Profit before tax as % p.a. of allocated capital (ROE)	-29.1	-41.4		-29.1	-55.3	-54.3	-51.3	-41.4	-50.4
Cost/income ratio (%)	98.2	62.5		98.2	78.9	98.7	117.0	62.5	85.1
Full-time-equivalent staff	88	95	93	88	93	94	90	95	93

- Impairments at Non-core Ireland fell sharply
- The total Non-core portfolio was reduced by DKK 9 billion from the first quarter of 2012

Financial summary

At DKK 55 million, total income fell DKK 41 million as a result of a reduction in gross lending, an increase in non-performing loans and higher funding costs.

Impairments fell DKK 0.5 billion to DKK 0.5 billion, or 6.6% p.a. of lending and guarantees, against 10.4% p.a. a year earlier. The large decline was attributable to lower impairments on commercial property customers in Ireland. The institutional customer portfolio posted a net reversal after divestments.

Lending amounted to DKK 42.6 billion and consisted mainly of commercial and investment property exposures, conduits and exposure to personal customers with buy-to-let facilities. Total lending fell DKK 8.6 billion from the first quarter of 2012 as a result of asset sales and write-offs.

Credit exposure

Credit exposure totalled DKK 32.9 billion, against DKK 34.5 billion at the end of 2012. Exposure to customers in Ireland and institutional customers amounted to DKK 17.6 billion and DKK 15.3 billion, respectively. Accumulated impairments amounted to DKK 11.2 billion and related primarily to the Irish portfolio.

Non-core Ireland

Commercial property and buy-to-let exposures amounted to DKK 7.2 billion and DKK 7.3 billion, respectively.

Impairments declined for the third consecutive quarter, largely because of lower impairments on the commercial property portfolio. New impairments related mainly to the buy-to-let portfolio.

	Credit exposure (DKK millions)		Impairment
	31 March 2013	31 December 2012	(ann.) (%) Q113
Commercial property	7,210	7,206	5.05
Consumer discretionary	1,367	1,437	19.60
Buy-to-let (personal customers)	7,252	7,142	13.68
Other	1,738	2,531	53.86
Total	17,567	18,316	14.57

Market conditions for the commercial property market are beginning to show signs of stabilisation as property trading is picking up in prime Dublin locations. At the national level, however, activity remain subdued and vacancy rates remain high. More than half of Non-core Ireland commercial property exposure relates to properties in the Dublin area.

The share of non-performing loans was unchanged at 82%.

Credit exposure to personal customers related mainly to buy-to-let facilities. Demand for residential rental properties remained strong. Residential property values in the main cities appear to have stabilised, however the rest of the country is still lagging behind in terms of market recovery. The LTV ratio of the personal customer portfolio was 120%, the same as at the end of 2012.

Personal customers accounted for 39% of non-performing loans.

Non-core institutional customers

The institutional customer portfolio consists of conduit exposures. The portfolio maintained good credit quality, and at the end of the quarter, the share of non-performing loans was limited. Divestment activity continued in the quarter.

Over the past year, the exposure to conduits has been reduced 50% to DKK 14.2 billion.

Operations

Danske Bank is seeking divestment opportunities for the Non-core portfolio. The proceeds from recent disposals in the Non-core Ireland portfolio fully matched the booked values.

Income statement – Danske Bank Group

(DKK millions)	Q1 2013	Q1 2012	Full year 2012
Interest income	18,019	20,369	77,939
Interest expense	9,722	11,548	42,985
Net interest income	8,297	8,821	34,954
Fee income	3,117	3,041	12,168
Fee expenses	1,054	977	3,935
Net trading income	3,934	6,354	12,735
Other income	776	1,093	4,451
Net premiums	5,442	5,323	19,858
Net insurance benefits	9,776	10,916	31,089
Income from associates	-61	31	166
Profit on sale of associates and group undertakings	-	2	6
Staff costs and administrative expenses	5,866	6,064	24,554
Amortisation, depreciation and impairment charges	584	1,211	3,692
Profit before loan impairment charges	4,225	5,497	21,068
Loan impairment charges	2,009	3,922	12,529
Profit before tax	2,216	1,575	8,539
Tax	744	797	3,814
Net profit for the period	1,472	778	4,725
Portion attributable to shareholders of Danske Bank A/S (the Parent Company)	1,472	778	4,721
non-controlling interests	-	-	4
Net profit for the period	1,472	778	4,725
Earnings per share (DKK)	1.5	0.8	5.1
Diluted earnings per share (DKK)	1.5	0.8	5.1
Proposed dividend per share (DKK)	-	-	-

Statement of comprehensive income – Danske Bank Group

(DKK millions)	Q1 2013	Q1 2012	Full year 2012
Net profit for the period	1,472	778	4,725
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans	24	564	-590
Tax	44	-129	51
Items that will not be reclassified to profit or loss	68	435	-539
Items that are or may be reclassified subsequently to profit or loss			
Translation of units outside Denmark	-400	48	472
Hedging of units outside Denmark	399	-91	-481
Unrealised value adjustments of available-for-sale financial assets	330	468	605
Realised value adjustments of available-for-sale financial assets	-6	13	125
Tax	-151	-114	-88
Items that are or may be reclassified subsequently to profit or loss	172	324	633
Total other comprehensive income	240	759	94
Total comprehensive income for the period	1,712	1,537	4,819
Portion attributable to			
shareholders of Danske Bank A/S (the Parent Company)	1,712	1,537	4,815
non-controlling interests	-	-	4
Total comprehensive income for the period	1,712	1,537	4,819

Balance sheet – Danske Bank Group

(DKK millions)	31 March 2013	31 December 2012	31 March 2012
ASSETS			
Cash in hand and demand deposits with central banks	96,143	97,267	36,097
Due from credit institutions and central banks	186,097	200,646	208,466
Trading portfolio assets	831,669	812,927	869,047
Investment securities	113,643	107,724	108,282
Loans and advances at amortised cost	1,169,599	1,161,816	1,205,235
Loans at fair value	731,337	732,762	718,744
Assets under pooled schemes and unit-linked investment contracts	73,290	70,625	66,324
Assets under insurance contracts	241,838	241,343	234,295
Holdings in associates	1,173	1,118	1,045
Intangible assets	20,943	21,181	21,670
Investment property	4,126	4,131	4,612
Tangible assets	6,511	6,544	7,012
Current tax assets	195	147	395
Deferred tax assets	1,283	1,418	1,844
Other assets	23,151	25,300	18,350
Total assets	3,500,998	3,484,949	3,501,418
LIABILITIES			
Due to credit institutions and central banks	485,512	459,932	488,324
Trading portfolio liabilities	544,406	531,860	627,332
Deposits	899,050	929,092	854,520
Bonds issued by Realkredit Danmark	623,133	614,325	604,323
Deposits under pooled schemes and unit-linked investment contracts	82,260	78,741	73,874
Liabilities under insurance contracts	265,300	266,938	253,604
Other issued bonds	347,289	340,005	363,892
Current tax liabilities	586	575	331
Deferred tax liabilities	7,629	7,583	6,721
Other liabilities	42,704	50,109	36,877
Subordinated debt	63,561	67,785	64,033
Total liabilities	3,361,430	3,346,945	3,373,831
SHAREHOLDERS' EQUITY			
Share capital	10,086	10,086	9,317
Foreign currency translation reserve	-196	-195	-229
Reserve for available-for-sale financial assets	-1,199	-1,523	-1,772
Retained earnings	130,877	129,632	120,222
Proposed dividends	-	-	-
Shareholders of Danske Bank A/S (the Parent Company)	139,568	138,000	127,538
Non-controlling interests	-	4	49
Total shareholders' equity	139,568	138,004	127,587
Total liabilities and equity	3,500,998	3,484,949	3,501,418

Statement of capital – Danske Bank Group

(DKK millions)

Changes in shareholders' equity

	Shareholders of Danske Bank A/S (the Parent Company)							Non-controlling interests	Total
	Share capital	Foreign currency translation reserve	Reserve for available-for-sale assets	Retained earnings	Proposed dividends	Total			
Shareholders' equity at 1 January 2013	10,086	-195	-1,523	129,862	-	138,230	4	138,234	
Changed recognition of defined benefit plans	-	-	-	-230	-	-230	-	-230	
Restated shareholders' equity at 1 January 2013	10,086	-195	-1,523	129,632	-	138,000	4	138,004	
Net profit for the period	-	-	-	1,472	-	1,472	-	1,472	
Other comprehensive income									
Remeasurement of defined benefit plans	-	-	-	24	-	24	-	24	
Translation of units outside Denmark	-	-400	-	-	-	-400	-	-400	
Hedging of units outside Denmark	-	399	-	-	-	399	-	399	
Unrealised value adjustments	-	-	330	-	-	330	-	330	
Realised value adjustments	-	-	-6	-	-	-6	-	-6	
Tax	-	-	-	-107	-	-107	-	-107	
Total other comprehensive income	-	-1	324	-83	-	240	-	240	
Total comprehensive income for the period	-	-1	324	1,389	-	1,712	-	1,712	
Transactions with owners									
Dividends paid	-	-	-	-	-	-	-4	-4	
Acquisition of own shares	-	-	-	-4,553	-	-4,553	-	-4,553	
Sale of own shares	-	-	-	4,415	-	4,415	-	4,415	
Share-based payments	-	-	-	-	-	-	-	-	
Tax	-	-	-	-6	-	-6	-	-6	
Shareholders' equity at 31 March 2013	10,086	-196	-1,199	130,877	-	139,568	-	139,568	
Shareholders' equity at 1 January 2012	9,317	-186	-2,253	118,917	-	125,795	60	125,855	
Changed recognition of defined benefit plans	-	-	-	333	-	333	-	333	
Restated shareholders' equity at 1 January 2012	9,317	-186	-2,253	119,250	-	126,128	60	126,188	
Net profit for the period	-	-	-	778	-	778	-	778	
Other comprehensive income									
Remeasurement of defined benefit plans	-	-	-	564	-	564	-	564	
Translation of units outside Denmark	-	48	-	-	-	48	-	48	
Hedging of units outside Denmark	-	-91	-	-	-	-91	-	-91	
Unrealised value adjustments	-	-	468	-	-	468	-	468	
Realised value adjustments	-	-	13	-	-	13	-	13	
Tax	-	-	-	-243	-	-243	-	-243	
Total other comprehensive income	-	-43	481	321	-	759	-	759	
Total comprehensive income for the period	-	-43	481	1,099	-	1,537	-	1,537	
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	-	-	-	-15	-	-15	-	-15	
Shareholders' equity at 31 March 2012	9,317	-229	-1,772	120,222	-	127,538	49	127,587	

Statement of capital – Danske Bank Group

(DKK millions)	31 March 2013	31 December 2012	31 March 2012
For as long as the Danish state holds hybrid capital in Danske Bank, Danske Bank A/S may distribute dividends if such dividends can be paid in full out of the net profit.			
Share capital (DKK)	10,086,200,000	10,086,200,000	9,317,390,340
Number of shares	1,008,620,000	1,008,620,000	931,739,034
Number of shares outstanding	1,000,465,501	1,001,694,581	926,041,368
Average number of shares outstanding for the period	1,001,120,563	938,770,538	926,952,152
Average number of shares outstanding, including dilutive shares, for the period	1,001,347,498	938,770,538	926,952,152
Capital base and total capital ratio			
Shareholders' equity	139,568	138,004	127,587
Revaluation of domicile property at fair value	1,192	1,048	1,275
Tax effect	-273	-62	-16
Reserves in undertakings consolidated on a pro rata basis	3,004	3,002	3,002
Shareholders' equity calculated in accordance with the rules of the Danish FSA	143,491	141,992	131,848
Expected dividends	-490	-	-260
Intangible assets of banking operations	-21,042	-21,279	-21,559
Deferred tax assets	-1,336	-1,389	-1,596
Deferred tax on intangible assets	615	642	741
Revaluation of domicile property	-614	-642	-727
Other statutory deductions	-227	-227	-57
Core tier 1 capital	120,397	119,097	108,390
Hybrid capital	40,277	40,248	40,140
Difference between expected losses and impairment charges	-	-	-
Statutory deduction for insurance subsidiaries	-4,216	-4,292	-4,163
Other statutory deductions	-19	-19	-
Tier 1 capital	156,439	155,034	144,367
Subordinated debt, excluding hybrid capital	19,691	23,009	17,687
Revaluation of domicile property	614	642	727
Difference between expected losses and impairment charges	-	-	-
Statutory deduction for insurance subsidiaries	-4,216	-4,292	-4,163
Other statutory deductions	-19	-19	-
Capital base	172,509	174,374	158,618
Risk-weighted assets	797,170	819,436	900,258
Core tier 1 capital ratio (%)	15.1	14.5	12.0
Tier 1 capital ratio (%)	19.6	18.9	16.0
Total capital ratio (%)	21.6	21.3	17.6

The total capital and tier 1 capital ratios are calculated in accordance with the Capital Requirements Directive. Risk-weighted assets calculated under the Basel I rules amounted to DKK 1,421,938 million at 31 March 2013 (31 December 2012: DKK 1,411,357 million). The solvency need under the transitional rules was DKK 91,004 million, equal to 6.4% of risk-weighted assets under the Basel I rules (31 December 2012: DKK 90,327 million).

Risk Management 2012 provides more details about the Group's solvency need. Risk Management 2012 is not covered by the statutory audit.

Cash flow statement – Danske Bank Group

(DKK millions)	Q1 2013	Q1 2012	Full year 2012
Cash flow from operations			
Profit before tax	2,216	1,575	8,539
Tax paid	-669	-650	-1,908
Adjustment for non-cash operating items	-498	2,494	15,013
Changes in operating capital	-12,449	36,306	61,002
Total	-11,400	39,725	82,646
Cash flow from investing activities			
Acquisition/sale of businesses	-	2	276
Acquisition/sale of own shares	-138	-112	-220
Acquisition of intangible assets	-59	-77	-395
Acquisition/sale of tangible assets	14	-72	-138
Total	-183	-259	-477
Cash flow from financing activities			
Changes in subordinated debt and hybrid capital	-3,728	-2,974	732
Dividends	-	-	-
Share capital increase	-	-	7,115
Change in non-controlling interests	-4	-11	-56
Total	-3,732	-2,985	7,791
Cash and cash equivalents at 1 January	296,257	206,297	206,297
Change in cash and cash equivalents	-15,315	36,481	89,960
Cash and cash equivalents, end of period	280,942	242,778	296,257

Notes – Danske Bank Group

Note

1

Significant accounting policies and estimates

1. General

Danske Bank's interim report for the first quarter of 2013 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.

Danske Bank has made changes to the recognition of actuarial gains and losses on defined benefit pension plans. In the financial highlights and segment reporting, changes have been made to the definition of business units, the allocation of a calculated share of shareholders' equity to each business unit, and the internal funds transfer pricing model.

Danske Bank has adopted 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. Adoption did not result in any significant effect on Danske Bank's financial results.

With the exception of these changes, Danske Bank has not changed its significant accounting policies from those followed in Annual Report 2012, which provides a full description of the significant accounting policies.

2. Changes to accounting policies

Changes to defined benefit pension plans

Danske Bank has adopted the amended IAS 19, Employee Benefits, from 1 January 2013. Comparative figures for 2012 have been restated.

The 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 pension plan assets must be recognised in the balance sheet instead.

The new requirements have increased shareholders' equity at 1 January 2012 by DKK 333 million (the amount previously deferred under the corridor method net of tax). The end-2012 effect is an increase of net pension obligations of DKK 232 million, a reduction of deferred tax of DKK 2 million and a reduction of shareholders' equity of DKK 230 million. The net profit for 2012 has been reduced by DKK 24 million because of lower interest on pension assets, which has been offset partly by reduced pension costs (after tax). Actuarial losses of DKK 539 million after tax have been recognised in Other comprehensive income for 2012.

The effect on earnings per share is insignificant, and the Statement of capital is not affected as it was already prepared without the use of the corridor method.

Changes to financial highlights and segment reporting

As part of the new strategy, New Standards, in June 2012 Danske Bank reorganised its business unit structure, switching from operations based on geography to operations based on customer segments. Focus is on three new business units: Personal Banking, Business Banking and Corporates & Institutions. In addition, the non-core activities were transferred to a separate business unit. The non-core activities consist of Irish property exposure and securitisation transactions (conduits), which are not considered part of Danske Bank's core business. The income statement effect, total assets and total liabilities of non-core activities are presented as separate line items. The reorganisation is reflected in the financial reporting effective from 1 January 2013.

At the same time, Danske Bank made changes to the allocation of capital to each business unit and to its internal funds transfer pricing model. Core tier 1 capital was previously allocated on the basis of each unit's share of Group risk-weighted assets calculated prior to transition to the Capital Requirements Directive (CRD).

Total equity is now allocated to the business units assuming that goodwill is financed by equity. Core tier 1 capital is allocated on the basis of the CRD, however, capital for credit risk is allocated on the basis of the internal economic capital framework. The capital allocation model and the internal funds transfer pricing model were updated to better reflect the risks associated with the individual business units.

Finally, effective from 1 January 2013, operational leasing, excluding property leasing, is presented on a net basis under Other income to better reflect the development in the cost basis.

The changes have affected financial highlights and business segment reporting, whereas the income statement, balance sheet, shareholders' equity, earnings per share and statement of capital remain unaffected. The effect on the financial highlights for 2012 is presented in the table below. Comparative figures for 2012 have been restated. Changes have been made to the highlights for 2012 presented in note 44 to Annual Report 2012.

Notes – Danske Bank Group

1
(cont'd)

Note	[DKK millions]						
INCOME STATEMENT							
	Highlights 2012	Funds transfer pricing	Non-core Change	Leasing	Pension	Other	Adjusted highlights 2012
Net interest income	24,788	-1,489	-305	-	-49	-167	22,778
Net fee income	8,782	-	-26	-	-	110	8,866
Net trading income	8,901	1,581	8	-	-	72	10,562
Other income	2,951	-	-	-1,666	-	-	1,285
Net income from insurance business	2,263	-92	-	-	-	-	2,171
Total income	47,685	-	-323	-1,666	-49	15	45,662
Expenses	26,588	-	-275	-1,666	-20	15	24,642
Profit before loan impairment charges	21,097	-	-48	-	-29	-	21,020
Loan impairment charges	12,529	-	-4,849	-	-	-	7,680
Profit before tax, core	8,568	-	4,801	-	-29	-	13,340
Profit before tax, Non-core	-	-	-4,801	-	-	-	-4,801
Profit before tax	8,568	-	-	-	-29	-	8,539
Tax	3,819	-	-	-	-5	-	3,814
Net profit for the year	4,749	-	-	-	-24	-	4,725

3. Significant accounting estimates

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
- the measurement of the net obligation for defined benefit pension plans
- the recognition of deferred tax

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

Significant estimates are not used for measuring the fair value of financial instruments where the value is based on prices quoted in an active market or 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. The estimated fair value of illiquid bonds significantly depends on the credit spread estimate. If the credit spread widens 50bp at 31 March 2013, the fair value of the bonds will decrease DKK 14 million (2012: DKK 14 million).

For derivatives where the value is not based on prices quoted in an active market, Danske Bank makes fair value adjust-

ments at portfolio level to cover model risk and bid-offer spreads. At 31 March 2013, fair value adjustments amounted to DKK 0.4 billion (31 December 2012: DKK 0.3 billion).

The section Determination of fair value in note 45 and note 42 of Annual Report 2012 provide more details.

Measurement of loans and advances

Danske Bank 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. Danske Bank determines the need for impairment charges on the basis of the customer's expected ability to repay 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 4.8 billion (2012: DKK 5.5 billion). The losses incurred under non-performing loan agreements depend, among other factors, on the value of collateral received. If the value of collateral decreased 10%, individual impairment charges would increase by about DKK 2.8 billion (2012: DKK 3.0 billion). The notes on risk management provide more details on impairment charges for loans and advances. At 31 March 2013, loans and advances accounted for about 54% of total assets (31 December 2012: 54%).

Measurement of goodwill

Goodwill on acquisition is tested for impairment once a year or more frequently if indications of impairment exist. Impairment

Notes – Danske Bank Group

Note

1 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 was lowered 20%, goodwill would decrease DKK 0.9 billion (31 December 2012: DKK 0.9 billion). Note 22 of Annual Report 2012 provides more information about impairment tests and sensitivity to changes in impairment test assumptions. At 31 March 2013, goodwill amounted to DKK 18.4 billion (31 December 2012: DKK 18.5 billion).

Measurement of liabilities under insurance contracts

Calculations of liabilities under insurance contracts are based on a number of actuarial computations that rely on assumptions about a number of variables, including mortality and disability rates. Assumptions are based on data from Danske Bank's own portfolio of insurance contracts. The liabilities also depend on the discount yield curve, which is fixed on the basis of a zero-coupon yield curve estimated on the basis of euro swap market rates to which are added the yield spread between Danish and German government bonds and a mortgage yield curve spread. The yield spread is calculated as a 12-month moving average. The risk management notes of Annual Report 2012 contain a sensitivity analysis.

Measurement of the net obligation for defined benefit pension plans

The calculation of the net obligation is based on computations made by external actuaries. These computations rely on assumptions about a number of variables, including discount and mortality rates and salary increases. The measurement of the net obligation for defined benefit pension plans is particularly sensitive to changes in the discount rate. The discount rate is determined by reference to yields on high-quality corporate bonds with terms matching the terms of the pension obligations. If the discount rate is lowered one percentage point, the net obligation will increase by DKK 2.9 billion.

Recognition of deferred tax

Recognition of deferred tax requires management to assess the probability and amount of future profit. Deferred tax assets arising from unused tax losses are recognised to the extent that such losses can be offset against tax on future profit. At 31 March 2013, deferred tax assets stood at DKK 1.1 billion (31 December 2012: DKK 1.1 billion). The tax base of unrecognised tax loss carry-forwards, relating primarily to the banking operations in Ireland, amounted to DKK 3.0 billion (31 December 2012: DKK 2.9 billion).

Annual Report 2012 and Risk Management 2012 provide a detailed description of the significant risks and the external factors that may affect Danske Bank. Risk Management 2012 is not covered by the statutory audit.

Notes – Danske Bank Group

Note (DKK millions)

2 Business segments Q1 2013

	Personal Banking	Business Banking	C&I	Danske Capital	Danica Pension	Other Activities	Non- core	Elimina- tions	Total	Reclassi- fication	Highlights
Net interest income	2,772	2,206	504	-9	1,386	1,351	49	38	8,297	-2,845	5,452
Net fee income	998	490	292	487	-236	27	5	-	2,063	202	2,265
Net trading income	200	199	1,581	1	3,527	-1,504	1	-71	3,934	-2,159	1,775
Other income	143	124	5	1	180	658	-	-335	776	-480	296
Net premiums	-	-	-	-	5,442	-	-	-	5,442	-5,442	-
Net insurance benefits	-	-	-	-	9,776	-	-	-	9,776	-9,776	-
Income from equity investments	-	-	-	-	5	-68	-	2	-61	61	-
Net income from insurance business	-	-	-	-	-	-	-	-	-	341	341
Total income	4,113	3,019	2,382	480	528	464	55	-366	10,675	-546	10,129
Expenses	2,956	1,361	1,100	270	187	855	54	-333	6,450	-545	5,905
Profit before loan impairment charges	1,157	1,658	1,282	210	341	-391	1	-33	4,225	-1	4,224
Loan impairment charges	589	579	291	-	-	-	550	-	2,009	-550	1,459
Profit before tax, core	568	1,079	991	210	341	-391	-549	-33	2,216	549	2,765
Profit before tax, Non-core	-	-	-	-	-	-	-	-	-	-549	-549
Profit before tax	568	1,079	991	210	341	-391	-549	-33	2,216	-	2,216
Loans and advances, excluding reverse transactions	852,230	623,577	164,593	238	-	14,566	31,773	-18,391	1,668,586	-31,773	1,636,813
Other assets	199,624	248,942	4,711,876	20,795	331,624	1,615,799	6,273	-5,302,521	1,832,412	-71	1,832,341
Assets in Non-core	-	-	-	-	-	-	-	-	-	31,844	31,844
Total assets	1,051,854	872,519	4,876,469	21,033	331,624	1,630,365	38,064	-5,320,912	3,500,998	-	3,500,998
Deposits, excluding repo deposits	370,203	257,881	168,937	228	-	12,967	4,263	-12,896	801,583	-4,263	797,320
Other liabilities	653,138	569,445	4,675,338	18,306	320,141	1,605,266	26,229	-5,308,016	2,559,847	-424	2,559,423
Allocated capital	28,513	45,193	32,194	2,499	11,483	12,132	7,554	-	139,568	-	139,568
Liabilities in Non-core	-	-	-	-	-	-	-	-	-	4,687	4,687
Total liabilities and equity	1,051,854	872,519	4,876,469	21,033	331,624	1,630,365	38,046	-5,320,912	3,500,998	-	3,500,998
Internal income	-860	-461	-719	143	115	1,842	-60	-	-	-	-
Amortisation and depreciation charges	51.0	59.0	8.0	-	-	162.0	-	-	280	-	-
Impairment charges for intangible and tangible assets	-	-	-	-	-	-	-	-	-	-	-
Reversals of impairment charges	-	-	-	-	-	-	-	-	-	-	-
Profit before tax as % of allocated capital (avg.)	8.0	9.6	12.3	33.6	11.9	-12.9	-29.1	-	6.4	-	-
Cost/income ratio (%)	71.9	45.1	46.2	56.3	35.4	184.3	98.2	-	60.4	-	-
Full-time-equivalent staff (end of period)	7,713	3,769	1,531	479	791	5,813	88	-	20,184	-	-

In its business segments, Danske Bank presents operational leasing, excluding property leasing, on a net basis under Other income.

In its financial highlights, Danske Bank recognises earnings contributed by Danske Bank Markets (part of C&I) as net trading income, earnings contributed by Danica Pension as net income from insurance business and earnings from Non-core activities as profit before tax, Non-core. The Reclassification column shows the adjustments made to the detailed figures in the calculation of the highlights.

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 2012											
cont'd)	Personal Banking	Business Banking	C&I	Danske Capital	Danica Pension	Other Activities	Non- core	Elimina- tions	Total	Reclassi- fication	Highlights
Net interest income	2,913	2,268	491	-5	1,512	1,472	109	61	8,821	-3,171	5,650
Net fee income	910	428	255	346	-184	303	6	-	2,064	-52	2,012
Net trading income	211	112	3,367	-5	4,587	-1,783	-20	-115	6,354	-2,716	3,638
Other income	159	134	4	-	103	1,185	1	-493	1,093	-772	321
Net premiums	-	-	-	-	5,323	-	-	-	5,323	-5,323	-
Net insurance benefits	-	-	-	-	10,916	-	-	-	10,916	-10,916	-
Income from equity investments	-	-	-	-	-36	69	-	-	33	-33	-
Net income from insurance business	-	-	-	-	-	-	-	-	-	164	164
Total income	4,193	2,942	4,117	336	389	1,246	96	-547	12,772	-987	11,785
Expenses	2,995	1,327	1,173	229	225	1,759	60	-493	7,275	-951	6,324
Profit before loan impairment charges	1,198	1,615	2,944	107	164	-513	36	-54	5,497	-36	5,461
Loan impairment charges	1,050	1,584	300	-	-	-21	1,009	-	3,922	-1,009	2,913
Profit before tax, core	148	31	2,644	107	164	-492	-973	-54	1,575	973	2,548
Profit before tax, Non-core	-	-	-	-	-	-	-	-	-	-973	-973
Profit before tax	148	31	2,644	107	164	-492	-973	-54	1,575	-	1,575
Loans and advances, excluding reverse transactions	882,727	628,062	160,997	209	-	-5,190	35,892	-18,572	1,684,125	-35,892	1,648,233
Other assets	135,039	186,737	4,699,892	14,937	300,823	1,936,419	-1,592	-5,454,962	1,817,293	-256	1,817,037
Assets in Non-core	-	-	-	-	-	-	-	-	-	36,148	36,148
Total assets	1,017,766	814,799	4,860,889	15,146	300,823	1,931,229	34,300	-5,473,534	3,501,418	-	3,501,418
Deposits, excluding repo deposits	356,615	240,731	174,879	232	-	10,208	3,291	-12,243	773,713	-3,291	770,422
Other liabilities	634,076	531,997	4,659,381	12,637	289,823	1,911,892	21,603	-5,461,291	2,600,118	-59	2,600,059
Allocated capital	27,075	42,071	26,629	2,277	11,000	9,129	9,406	-	127,587	-	127,587
Liabilities in Non-core	-	-	-	-	-	-	-	-	-	3,350	3,350
Total liabilities and equity	1,017,766	814,799	4,860,889	15,146	300,823	1,931,229	34,300	-5,473,534	3,501,418	-	3,501,418
Internal income	-681	-2,457	2,770	82	356	-20	-50	-	-	-	-
Amortisation and depreciation charges	57	65	9	4	-	148	-	-	283	-	-
Impairment charges for intangible and tangible assets	-	-	-	-	-	464	-	-	464	-	-
Reversals of impairment charges	-	-	-	-	-	-	-	-	-	-	-
Profit before tax as % of allocated capital (avg.)	2.2	0.3	39.7	18.8	6.0	-21.6	-41.4	-	4.9	-	-
Cost/income ratio [%]	71.4	45.1	28.5	68.2	57.8	141.2	62.5	-	57.0	-	-
Full-time-equivalent staff (end of period)	8,680	3,890	1,472	488	834	5,701	95	-	21,160	-	-

Notes – Danske Bank Group

Note	[DKK millions]
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3 Amortisation, depreciation and impairment charges

Expenses for the first quarter of 2012 included a write-down of DKK 0.5 billion related to the Sampo Bank brand name.

4 Contingent liabilities

Danske Bank 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 2013	31 December 2012	31 March 2012
Guarantees			
Financial guarantees	14,799	14,274	14,030
Mortgage finance guarantees	2,884	1,350	1,195
Other guarantees	62,678	64,491	65,911
Total	80,361	80,115	81,136
Other contingent liabilities			
Irrevocable loan commitments shorter than 1 year	54,757	53,056	61,077
Irrevocable loan commitments longer than 1 year	100,967	108,614	103,320
Other unutilised loan commitments	548	550	619
Total	156,272	162,220	165,016

In addition to credit exposure from lending activities, loan offers made and revocable credit facilities granted by Danske Bank amounted to DKK 312 billion (31 December 2012: DKK 323 billion). These items are included in the calculation of risk-weighted assets in accordance with the Capital Requirements Directive.

Owing to its business volume, Danske Bank is continually a party to various lawsuits and disputes. In view of its size, Danske Bank 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, Danske Bank is also liable for the pension obligations of a number of company pension funds.

Through participation in the Danish Guarantee Fund for Depositors and Investors, Danish banks undertake to cover the losses incurred by the Fund from the resolution of distressed banks. Danske Bank's share is just over one third of any loss incurred by the Fund. The intention is that losses should be covered by the participating banks' annual contributions.

Danske Bank is the lessee in a number of non-cancellable operating leases, involving mainly leasing of real property, equipment, furniture and fixtures. Danske Bank 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.

Danske Bank is registered jointly with all Danish companies in the Group for corporation tax, withholding tax etc., for which it is jointly and severally liable.

Notes – Danske Bank Group

Note	(DKK millions)
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5 Transferred financial assets that are not derecognised

Danske Bank enters into transactions that transfer ownership of financial assets, such as bonds and shares, to a counterparty while Danske Bank retains the risks associated with the assets. If Danske Bank retains all significant risks, the securities remain in the balance sheet, and the transactions are accounted for as loans received against collateral. Such transactions are repo transactions and securities lending. Repo transactions involve selling securities to be repurchased at a fixed price at a later date. Securities lending is similar to repo transactions, but instead of cash payments, they involve payment in other securities and exchange of the securities at the expiry of the transaction.

	Trading portfolio	
	Bonds	Shares
Carrying amount of transferred assets		
Repo transactions	327,892	7
Securities lending	-	-
Total transferred assets	327,892	7
Repo transactions, own issued bonds	22,446	
Carrying amount of associated liabilities	355,178	7
Net positions	-4,840	-

Counterparties are entitled to sell the securities or deposit them as collateral for loans.

Danske Bank has not entered into any agreements on the sale of assets that entail Danske Bank's continuing involvement in derecognised financial assets.

6 Assets provided or received as collateral

At 31 March 2013, Danske Bank had deposited securities worth DKK 29.2 billion as collateral with Danish and international clearing centres and other institutions (31 December 2012: DKK 33.0 billion).

At 31 March 2013, Danske Bank had provided cash and securities worth DKK 75.4 billion as collateral for derivatives transactions (31 December 2012: DKK 75.8 billion).

Danske Bank had registered assets under insurance contracts worth DKK 262.1 billion (31 December 2012: DKK 259.7 billion) at 31 March 2013 as collateral for policyholders' savings of DKK 265.6 billion (31 December 2012: DKK 262.3 billion).

At 31 March 2013, Danske Bank had registered loans at fair value and securities worth a total of DKK 731.3 billion (31 December 2012: DKK 732.8 billion) as collateral for bonds issued by Realkredit Danmark, including mortgage-covered bonds, worth a total of DKK 623.1 billion (31 December 2012: DKK 614.3 billion). Similarly, Danske Bank had registered loans and other assets worth DKK 274.9 billion (31 December 2012: DKK 269.9 billion) as collateral for covered bonds issued under Danish and Finnish law.

The table below shows assets provided as collateral for obligations, including obligations under repo transactions and securities lending:

	31 March 2013			31 December 2012		
	Repo	Other	Total	Repo	Other	Total
Due from credit institutions	-	26,080	26,080	-	24,251	24,251
Trading portfolio securities	327,899	76,984	404,883	300,383	85,262	385,645
Available-for-sale bonds	-	-	-	-	-	-
Loans at fair value	-	731,337	731,337	-	732,762	732,762
Loans and advances at amortised cost	-	298,913	298,913	-	291,241	291,241
Assets under insurance contracts	-	250,248	250,248	-	248,294	248,294
Other assets	-	128	128	-	187	187
Total	327,899	1,383,690	1,711,589	300,383	1,381,997	1,682,380
Own issued bonds	22,446	117,812	140,258	55,093	110,397	165,490
Total including own issued bonds	350,345	1,501,502	1,851,847	355,476	1,492,394	1,847,870

Notes – Danske Bank Group

Note	
6 [cont'd]	<p>Securities provided as collateral under agreements that entitle the counterparty to sell the securities or provide them as collateral for other loans amounted to DKK 327.9 billion (31 December 2012: DKK 300.4 billion).</p> <p>At 31 March 2013, Danske Bank had received securities worth DKK 308.4 billion (31 December 2012: DKK 304.3 billion) as collateral for reverse repo transactions, securities lending, derivatives transactions and other transactions entered into on the standard terms for such transactions. As the party receiving the collateral, Danske Bank is entitled in many cases to sell the securities or provide the securities as collateral for other loans in exchange for returning similar securities to the counterparty at the expiry of the transactions. At 31 March 2013, Danske Bank had sold securities or provided securities as collateral worth DKK 177.4 billion (31 December 2012: DKK 143.2 billion).</p> <p>Danske Bank also receives many other types of assets as collateral in connection with its ordinary lending activities. Danske Bank has not transferred the ownership of these assets. The notes on risk management in Annual Report 2012 provide more details on assets received as collateral.</p>

Notes – Danske Bank Group

Note	[DKK millions]			
7	Fair value information for financial instruments			
	Financial instruments are carried in the balance sheet at fair value or amortised cost.			
	31 March 2013		31 December 2012	
	Fair value	Amortised cost	Fair value	Amortised cost
Financial assets				
Cash in hand and demand deposits with central banks	-	96,143	-	97,267
Due from credit institutions and central banks	-	186,097	-	200,646
Trading portfolio assets	831,669	-	812,927	-
Investment securities	107,121	6,522	99,414	8,310
Loans and advances at amortised cost	-	1,169,599	-	1,161,816
Loans at fair value	731,337	-	732,762	-
Assets under pooled schemes and unit-linked investment contracts	73,290	-	70,625	-
Assets under insurance contracts	212,579	-	214,056	-
Total	1,955,996	1,458,361	1,929,784	1,468,039
Financial liabilities				
Due to credit institutions and central banks	-	485,512	-	459,932
Trading portfolio liabilities	544,406	-	531,860	-
Deposits	-	899,050	-	929,092
Bonds issued by Realkredit Danmark	623,133	-	614,325	-
Deposits under pooled schemes and unit-linked investment contracts	82,260	-	78,741	-
Other issued bonds	-	347,289	-	340,005
Subordinated debt	-	63,561	-	67,785
Other liabilities (irrevocable loan commitments and guarantees)	-	1,074	-	1,253
Total	1,249,799	1,796,486	1,224,926	1,798,067

The global debt crisis continued to have a significant impact on the bond markets, and volatility remained high. Sentiment gradually shifted towards a more benign environment for the riskier bond segments. Volatility persisted but the bond markets were generally well-functioning.

Financial instruments at amortised cost

Fair value calculations for financial instruments recognised at amortised cost are significantly affected by estimates as almost all calculations are made on the basis of non-observable input. Danske Bank 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 under loan impairment charges.

General trends in the financial markets have caused bond credit spreads to narrow. The fair value of bonds issued by the Group and measured at amortised cost equalled the amortised cost at both 31 March 2013 and 31 December 2012.

Financial instruments at fair value

Note 42 of Annual Report 2012 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 instruments such as derivatives valued on the basis of observable yield curves and 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 instruments such as 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 2013.

Danske Bank has not reclassified bonds to available-for-sale financial assets since 2008.

Notes – Danske Bank Group

Note	[DKK millions]				
7		Quoted	Observable	Non-observable	
(cont'd)	31 March 2013	prices	input	input	Total
	Financial assets				
	Derivatives	4,379	362,484	13,986	380,849
	Trading portfolio bonds	430,021	12,507	-	442,528
	Trading portfolio shares	7,710	-	582	8,292
	Investment securities, bonds	92,063	12,002	-	104,065
	Investment securities, shares	54	-	3,002	3,056
	Loans at fair value	-	731,337	-	731,337
	Assets under pooled schemes and unit-linked investment contracts	73,290	-	-	73,290
	Assets under insurance contracts, bonds	145,768	3,225	503	149,496
	Assets under insurance contracts, shares	51,159	574	7,352	59,085
	Assets under insurance contracts, derivatives	1,952	2,046	-	3,998
	Total	806,396	1,124,175	25,425	1,955,996
	Financial liabilities				
	Derivatives	4,893	348,547	13,551	366,991
	Obligations to repurchase securities	177,250	155	10	177,415
	Bonds issued by Realkredit Danmark	623,133	-	-	623,133
	Deposits under pooled schemes and unit-linked investment contracts	-	82,260	-	82,260
	Total	805,276	430,962	13,561	1,249,799
	31 December 2012				
	Financial assets				
	Derivatives	2,843	390,406	15,741	408,990
	Trading portfolio bonds	384,075	16,666	-	400,741
	Trading portfolio shares	2,675	-	521	3,196
	Investment securities, bonds	85,317	11,013	-	96,330
	Investment securities, shares	52	-	3,032	3,084
	Loans at fair value	-	732,762	-	732,762
	Assets under pooled schemes and unit-linked investment contracts	70,625	-	-	70,625
	Assets under insurance contracts, bonds	149,514	2,133	586	152,233
	Assets under insurance contracts, shares	48,442	647	6,641	55,730
	Assets under insurance contracts, derivatives	2,397	3,696	-	6,093
	Total	745,940	1,157,323	26,521	1,929,784
	Financial liabilities				
	Derivatives	3,313	369,475	15,908	388,696
	Obligations to repurchase securities	142,965	189	10	143,164
	Bonds issued by Realkredit Danmark	614,325	-	-	614,325
	Deposits under pooled schemes and unit-linked investment contracts	-	78,741	-	78,741
	Total	760,603	448,405	15,918	1,224,926

Notes – Danske Bank Group

Note	(DKK millions)
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7 At 31 March 2013, financial instruments valued on the basis of non-observable input comprised unlisted shares of DKK 10,926 million (31 December 2012: DKK 10,184 million), illiquid bonds of DKK 503 million (31 December 2012: DKK 586 million) and derivatives with a net market value of DKK 435 million (31 December 2012: DKK -167 million).

A 10% increase or decrease in the fair value of unlisted shares would amount to DKK 1,093 million (31 December 2012: DKK 1,018 million), with DKK 735 million (31 December 2012: DKK 664 million) relating to shares allocated to policyholders, who assume most of the risk on the shares.

The estimated fair value of illiquid bonds depends significantly on the estimated credit spread. If the credit spread widens 50bp, fair value will decrease DKK 14 million (31 December 2012: DKK 14 million). If the credit spread narrows 50bp, fair value will increase DKK 15 million (31 December 2012: DKK 15 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 2013, Danske Bank recognised unrealised value adjustments of unlisted shares valued on the basis of non-observable input of DKK 125 million (31 December 2012: DKK 707 million).

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

	31 March 2013			31 December 2012		
	Shares	Bonds	Derivatives	Shares	Bonds	Derivatives
Fair value at 1 January	10,184	586	-167	7,641	151	-1,255
Value adjustment through profit or loss	125	15	179	707	-3	879
Value adjustment through other comprehensive income	-	-	-	-	-	-
Acquisitions	895	7	330	2,723	421	-809
Sale and redemption	-278	-	-121	-887	-	1,018
Transferred from quoted prices and observable input	-	-	-	-	105	-
Transferred to quoted prices and observable input	-	-105	214	-	-88	-
Fair value end of period	10,926	503	435	10,184	586	-167

8	Other issued bonds	31 March 2013	31 December 2012
	Commercial paper	33,007	36,982
	Other	314,282	303,023
	Total	347,289	340,005

Other issued bonds are recognised at amortised cost.

	1 January 2013	Issued	Redeemed	Foreign currency translation	31 March 2013
Nominal value					
Commercial paper	38,662	32,015	34,684	110	36,103
Other	351,433	16,842	14,866	-274	353,135
Other issued bonds	390,095	48,857	49,550	-164	389,238

	1 January 2012	Issued	Redeemed	Foreign currency translation	31 December 2012
Nominal value					
Commercial paper	98,891	706,296	768,662	2,137	38,662
Other	311,769	130,857	93,254	2,061	351,433
Other issued bonds	410,660	837,153	861,916	4,198	390,095

Notes – Danske Bank Group

[DKK millions]

Risk Management

Annual Report 2012 provides a detailed description of risk management practices. Management's report describes the most recent changes to the risk management practices.

Breakdown of credit exposure

31 March 2013	Total	Credit exposure, lending activities	Counterparty risk (derivatives)	Credit exposure, other trading and investing activities	Insurance risk	Contracts, full risk assumed by customers	Non- core
Balance sheet items							
Demand deposits with central banks	86,586	86,586	-	-	-	-	-
Due from credit institutions and central banks	106,604	106,422	-	-	-	-	182
Repo loans with credit institutions and central banks	79,493	79,493	-	-	-	-	-
Trading portfolio assets	831,669	-	380,849	450,819	-	-	1
Investment securities	113,643	-	-	113,643	-	-	-
Loans and advances at amortised cost	937,249	905,476	-	-	-	-	31,773
Repo loans	232,350	232,350	-	-	-	-	-
Loans at fair value	731,337	731,337	-	-	-	-	-
Assets under pooled schemes and unit-linked investment contracts	73,290	-	-	-	-	73,290	-
Assets under insurance contracts	241,838	-	-	-	241,838	-	-
Off-balance-sheet items							
Guarantees	80,361	80,300	-	-	-	-	61
Irrevocable loan commitments shorter than 1 year	54,757	53,898	-	-	-	-	859
Irrevocable loan commitments longer than 1 year	100,967	100,938	-	-	-	-	29
Other unutilised commitments	548	-	-	548	-	-	-
Total	3,670,692	2,376,800	380,849	565,010	241,838	73,290	32,905

31 December 2012

Balance sheet items							
Demand deposits with central banks	86,032	86,032	-	-	-	-	-
Due from credit institutions and central banks	113,657	113,491	-	-	-	-	166
Repo loans with credit institutions and central banks	86,989	86,989	-	-	-	-	-
Trading portfolio assets	812,927	-	409,029	403,937	-	-	-39
Investment securities	107,724	-	-	107,724	-	-	-
Loans and advances at amortised cost	941,628	908,524	-	-	-	-	33,104
Repo loans	220,188	220,188	-	-	-	-	-
Loans at fair value	732,762	732,762	-	-	-	-	-
Assets under pooled schemes and unit-linked investment contracts	70,625	-	-	-	-	70,625	-
Assets under insurance contracts	241,343	-	-	-	241,343	-	-
Off-balance-sheet items							
Guarantees	80,115	80,075	-	-	-	-	40
Irrevocable loan commitments shorter than 1 year	53,056	51,915	-	-	-	-	1,141
Irrevocable loan commitments longer than 1 year	108,614	108,586	-	-	-	-	28
Other unutilised commitments	550	-	-	550	-	-	-
Total	3,656,210	2,388,562	409,029	512,211	241,343	70,625	34,440

In addition to credit exposure from lending activities, loan offers made and revocable credit facilities granted by Danske Bank amounted to DKK 312 billion (31 December 2012: DKK 323 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 below shows the credit exposure of Danske Bank's core banking business by industry and customer segment. The breakdown follows the Global Industry Classification Standard (GICS), supplemented by the Personal customers, Non-profit and associations, and Public institutions categories.

Credit exposure broken down by industry (GICS)

31 March 2013	Personal	Business	C&I	Other	Total	Past due but not impaired	Impaired loans	
	Banking	Banking					Performing	Non-performing
Public institutions	82	23,269	155,576	20,848	199,775	-	22	-
Banks	4	10,860	83,038	15,866	109,768	-	4	150
Credit institutions	-	387	35,122	47	35,556	-	-	-
Insurance	23	428	44,937	24	45,412	1	15	-
Investment funds	3,049	4,000	103,887	4	110,940	41	205	114
Other financials	207	2,944	91,930	6,480	101,561	12	780	3
Agriculture	488	58,096	7,358	2	65,944	394	675	49
Commercial property	4,731	220,711	17,631	220	243,293	1,363	5,840	4,661
Construction, engineering and building products	350	20,218	14,346	173	35,087	228	579	546
Consumer discretionary	1,620	53,004	22,338	304	77,266	494	1,580	670
Consumer staples	246	21,672	29,873	49	51,840	161	238	85
Energy and utilities	28	10,427	31,422	18	41,895	52	15	17
Health care	184	7,467	18,826	86	26,563	46	47	-
Industrial services, supplies and machinery	676	29,932	38,887	637	70,132	235	1,342	174
IT and telecommunication services	157	6,038	14,803	540	21,538	71	338	-
Materials	282	15,019	25,781	224	41,306	147	321	189
Non-profit and associations	265	121,071	1,995	14	123,345	274	1,206	1,295
Other commercial	1,450	14,094	17,220	3,421	36,185	35	-	53
Shipping	382	1,515	40,972	1	42,870	8	2,457	17
Transportation	83	13,674	5,705	43	19,505	91	84	6
Personal customers	842,194	34,382	45	398	877,019	19,667	3,435	4,360
Total	856,501	669,208	801,692	49,399	2,376,800	23,320	19,183	12,389

31 December 2012

Public institutions	2,085	21,915	149,797	41,803	215,600	-	-	-
Banks	22	13,967	76,125	16,418	106,532	-	4	184
Credit institutions	-	394	43,731	2	44,127	-	-	-
Insurance	27	451	39,714	273	40,465	-	-	2
Investment funds	3,264	4,855	86,572	4	94,695	64	192	214
Other financials	1,168	2,027	105,999	7,359	116,553	8	1,065	4
Agriculture	5,078	54,617	7,830	2	67,527	1,920	946	367
Commercial property	5,873	216,152	18,485	210	240,720	1,635	6,323	6,077
Construction, engineering and building products	2,040	17,773	14,592	133	34,538	124	567	792
Consumer discretionary	4,461	49,175	22,441	414	76,491	335	1,829	912
Consumer staples	1,573	20,143	26,596	43	48,355	232	242	108
Energy and utilities	675	12,667	25,401	40	38,783	3,666	7	46
Health care	445	6,955	16,421	62	23,883	26	63	-
Industrial services, supplies and machinery	2,183	27,806	37,323	633	67,945	358	1,696	333
IT and telecommunication services	944	5,322	14,971	465	21,702	30	394	-
Materials	1,041	13,883	24,636	172	39,732	617	476	302
Non-profit and associations	1,220	120,444	2,319	14	123,997	454	1,320	1,649
Other commercial	2,563	12,563	20,003	3,839	38,968	74	-	80
Shipping	277	1,811	41,646	1	43,735	6	2,732	-
Transportation	398	12,689	5,944	43	19,074	354	55	-
Personal customers	849,126	35,652	54	308	885,140	7,990	4,291	5,583
Total	884,463	651,261	780,600	72,238	2,388,562	17,893	22,202	16,653

Notes – Danske Bank Group

[DKK millions]

Credit exposure broken down by geographical area

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

31 March 2013	Personal Banking	Business Banking	C&I	Other	Total	Past due but not impaired	Impaired loans	
							Performing	Non-performing
Denmark	548,255	377,676	316,759	13,157	1,255,847	5,025	13,572	5,483
Finland	99,961	55,043	46,023	8,005	209,032	1,656	519	1,674
Sweden	83,109	122,672	86,900	1,811	294,492	588	678	932
Ireland	14,875	1,571	13,654	7,404	37,504	359	769	496
UK	19,187	27,322	72,846	6,882	126,237	403	943	1,671
Germany	514	427	51,488	680	53,109	24	67	12
Estonia	16	5,464	583	8	6,071	431	427	301
Latvia	4	2,399	4	-	2,407	81	75	62
Lithuania	13	8,263	18	-	8,294	246	620	504
Spain	751	25	1,149	84	2,009	8	19	20
France	648	56	17,788	164	18,656	5	2	72
Italy	122	34	199	135	490	1	-	9
Portugal	58	2	-	7	67	-	-	-
Greece	36	4	-	-	40	-	-	-
Belgium	380	13	3,722	2,217	6,332	2	1	9
Cyprus	25	1,183	1,998	-	3,206	-	40	-
Netherlands	176	405	6,983	236	7,800	2	8	23
Luxembourg	556	114	74,224	500	75,394	2	1	9
Poland	54	66	3,191	8	3,319	1	1	11
Other EU member states	197	56	830	208	1,291	1	-	-
Norway	82,722	63,667	50,172	1,254	197,815	14,416	1,149	892
Eastern Europe	109	267	1,134	350	1,860	1	6	1
Switzerland	858	159	3,024	119	4,160	7	-	23
Turkey	35	7	1,364	146	1,552	1	-	1
Other European countries	398	7	5	386	796	2	4	171
North America	1,178	1,210	41,340	2,702	46,430	16	276	8
Central and South America	302	643	689	194	1,828	12	-	1
Africa	134	9	1,599	411	2,153	2	-	1
Asia	1,601	392	3,375	2,121	7,489	26	4	3
Oceania	227	52	631	210	1,120	2	2	-
Total	856,501	669,208	801,692	49,399	2,376,800	23,320	19,183	12,389

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 Danske Bank has a total exposure above DKK 1 billion and the following countries: Ireland, Portugal, Italy, Greece and Spain.

Notes – Danske Bank Group

[DKK millions]								
31 December 2012	Personal Banking	Business Banking	C&I	Other	Total	Past due but not impaired	Impaired loans	
							Performing	Non-performing
Denmark	567,997	360,564	316,646	24,219	1,269,426	9,036	16,615	8,390
Finland	105,510	51,641	43,667	22,466	223,284	1,656	753	2,165
Sweden	81,058	114,972	104,411	1,642	302,083	4,789	880	906
Ireland	15,408	2,668	13,655	5,106	36,837	312	632	764
UK	20,412	27,784	82,473	5,711	136,380	147	828	1,946
Germany	764	217	34,959	1,306	37,246	9	41	41
Estonia	35	9,040	490	17	9,582	408	197	272
Latvia	6	2,287	57	-	2,350	66	162	75
Lithuania	14	8,194	20	4	8,232	1	432	586
Spain	847	33	650	288	1,818	8	12	18
France	701	61	9,535	272	10,569	6	2	88
Italy	84	84	255	284	707	103	-	10
Portugal	61	2	7	8	78	-	5	-
Greece	36	2	-	-	38	-	1	-
Belgium	382	10	4,304	1,313	6,009	6	1	8
Cyprus	36	1,090	2,128	4	3,258	-	34	-
Netherlands	170	429	1,525	198	2,322	4	7	25
Luxembourg	535	254	56,733	571	58,093	-	-	9
Poland	98	18	3,266	12	3,394	2	1	12
Other EU member states	212	58	810	163	1,243	1	-	3
Norway	85,102	68,570	50,582	1,065	205,319	1,313	1,325	1,124
Eastern Europe	356	989	1,486	672	3,503	-	-	1
Switzerland	869	128	2,943	283	4,223	4	-	26
Turkey	40	15	1,194	178	1,427	-	-	1
Other European countries	438	7	6	388	839	5	4	171
North America	1,039	1,655	37,845	2,719	43,258	7	260	7
Central and South America	326	-	3,503	26	3,855	1	-	1
Africa	135	11	1,945	620	2,711	-	-	1
Asia	1,613	474	4,963	2,183	9,233	6	10	3
Oceania	179	4	542	520	1,245	3	-	-
Total	884,463	651,261	780,600	72,238	2,388,562	17,893	22,202	16,653

Notes – Danske Bank Group

[DKK millions]

Credit exposure broken down by rating category

31 March 2013

Rating category	Upper PD	Lower PD	Personal Banking	Business Banking	C&I	Other	Total
1	0.00	0.01	2,220	1,959	149,355	12,731	166,265
2	0.01	0.03	73,094	22,805	61,264	12,316	169,479
3	0.03	0.06	141,433	72,573	174,999	6,866	395,871
4	0.06	0.14	204,734	83,276	152,679	1,876	442,565
5	0.14	0.31	178,609	133,512	171,527	4,299	487,947
6	0.31	0.63	106,850	124,573	53,087	7,956	292,466
7	0.63	1.90	87,016	121,170	24,556	1,817	234,559
8	1.90	7.98	32,730	53,614	5,926	445	92,715
9	7.98	25.70	13,145	17,811	4,669	30	35,655
10	25.70	99.99	8,222	26,034	3,630	1	37,887
Portion with charges made	25.70	99.99	2,795	13,862	2,526	-	19,183
11	100	100	8,448	11,881	-	1,062	21,391
Portion with charges made	100	100	5,822	5,587	-	980	12,389
Total			856,501	669,208	801,692	49,399	2,376,800

31 December 2012

Rating category	Upper PD	Lower PD	Personal Banking	Business Banking	C&I	Other	Total
1	0.00	0.01	6,056	5,901	143,706	36,352	192,015
2	0.01	0.03	82,390	17,445	57,950	11,502	169,287
3	0.03	0.06	135,925	76,358	174,901	5,334	392,518
4	0.06	0.14	190,543	74,350	142,357	4,772	412,022
5	0.14	0.31	170,125	130,924	106,304	4,481	411,834
6	0.31	0.63	113,141	125,173	112,484	6,545	357,343
7	0.63	1.90	94,124	114,055	27,452	1,192	236,823
8	1.90	7.98	51,938	54,964	8,028	1,003	115,933
9	7.98	25.70	17,609	19,464	3,939	127	41,139
10	25.70	99.99	10,857	21,464	3,438	-	35,759
Portion with charges made	25.70	99.99	6,716	12,667	2,819	-	22,202
11	100	100	11,755	11,163	41	930	23,889
Portion with charges made	100	100	10,529	5,191	32	901	16,653
Total			884,463	651,261	780,600	72,238	2,388,562

Notes – Danske Bank Group

[DKK millions]

Impairment charges

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

The allowance account includes all impairments on 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 Banking	Business Banking	C&I	Other Activities	Impairment charges		
					Allowance account, total	Individual	Collective
1 January 2012	7,873	22,713	2,042	137	32,765	29,327	3,438
New impairment charges	3,516	7,494	2,011	28	13,049	11,252	1,797
Reversals of impairment charges from previous periods	1,144	3,467	847	49	5,507	3,689	1,818
Write-offs debited to allowance account	1,019	3,183	329	112	4,643	4,643	-
Foreign currency translation	36	266	-10	-	292	263	29
Other items	52	138	10	-1	199	199	-
31 December 2012	9,314	23,961	2,877	3	36,155	32,709	3,446
New impairment charges	1,874	2,160	1,253	-	5,287	4,315	972
Reversals of impairment charges from previous periods	1,215	1,566	931	-	3,712	2,808	904
Write-offs debited to allowance account	324	359	-	-	683	683	-
Foreign currency translation	-16	-193	44	-	-165	-148	-17
Other items	12	4	-7	-3	6	16	-10
31 March 2013	9,645	24,007	3,236	-	36,888	33,401	3,487

Collective impairments 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 4.8 billion (31 December 2012: about DKK 5.5 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 2.8 billion (31 December 2012: about DKK 3.0 billion).

Allowance account broken down by items on and off the balance sheet

	31 March 2013	31 December 2012
Due from credit institutions and central banks	90	91
Loans and advances at amortised cost	31,923	30,990
Loans at fair value	3,460	3,096
Other liabilities	1,415	1,978
Total	36,888	36,155

Loan impairment charges

	Q1 2013	Q1 2012
New and increased impairment charges	5,287	5,335
Reversals of impairment charges	3,712	2,388
Write-offs charged directly to income statement	241	202
Received on claims previously written off	238	182
Interest income, effective interest method	-119	-54
Total	1,459	2,913

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 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	Q1 2013
Public institutions	199,775	215,600	13,246	17,036	6	-	8
Banks	109,768	106,532	46,750	46,903	92	92	-3
Credit institutions	35,556	44,127	23,926	30,489	-	-	-1
Insurance	45,412	40,465	39,354	29,915	21	6	14
Investment funds	110,940	94,695	95,995	77,851	601	575	13
Other financials	101,561	116,553	76,355	92,043	164	34	1
Agriculture	65,944	67,527	51,264	52,434	3,158	2,568	219
Commercial property	243,293	240,720	197,312	194,116	8,534	7,581	163
Construction, engineering and building products	35,087	34,538	9,403	9,785	3,461	3,187	181
Consumer discretionary	77,266	76,491	35,877	35,078	3,420	3,188	-31
Consumer staples	51,840	48,355	19,206	17,081	431	387	-11
Energy and utilities	41,895	38,783	8,911	6,968	109	75	24
Health care	26,563	23,883	10,175	7,231	129	103	7
Industrial services, supplies and machinery	70,132	67,945	16,455	16,446	2,231	1,970	72
IT and telecommunication services	21,538	21,702	2,170	2,253	483	542	-50
Materials	41,306	39,732	9,830	9,768	1,096	909	26
Non-profit and associations	123,345	123,997	112,940	104,357	1,068	990	62
Other commercial	36,185	38,968	7,607	8,003	439	2,640	-2
Shipping	42,870	43,735	24,624	25,246	2,141	1,950	58
Transportation	19,505	19,074	8,968	8,965	385	358	-
Personal customers	877,019	885,140	747,814	747,848	8,919	9,000	709
Total	2,376,800	2,388,562	1,558,182	1,539,816	36,888	36,155	1,459

Notes – Danske Bank Group

[DKK millions]							
Allowance account, impairment charges and collateral broken down by geographical area							
	Credit exposure		Collateral		Allowance account		Impairment charges
	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	Q1 2013
Denmark	1,255,847	1,269,426	887,434	866,882	20,923	20,026	1,397
Finland	209,032	223,284	126,538	131,500	2,637	2,687	-134
Sweden	294,492	302,083	180,914	181,088	1,504	1,525	-39
Ireland	37,504	36,837	16,411	16,941	1,292	1,259	29
UK	126,237	136,380	85,240	96,716	6,644	6,696	184
Germany	53,109	37,246	2,110	2,876	251	255	-6
Estonia	6,071	9,582	6,726	6,655	493	540	-39
Latvia	2,407	2,350	1,114	1,013	278	293	3
Lithuania	8,294	8,232	4,928	5,004	836	848	-8
Spain	2,009	1,818	1,082	635	22	21	3
France	18,656	10,569	14,870	6,076	98	89	10
Italy	490	707	85	83	8	7	2
Portugal	67	78	56	49	3	3	-
Greece	40	38	32	29	-	-	-
Belgium	6,332	6,009	2,047	2,619	7	8	-
Cyprus	3,206	3,258	1,727	1,804	57	56	-1
Netherlands	7,800	2,322	163	334	41	40	2
Luxembourg	75,394	58,093	72,885	54,225	46	43	-
Poland	3,319	3,394	916	918	10	10	-1
Other EU member states	1,291	1,243	173	190	21	22	1
Norway	197,815	205,319	131,567	136,581	1,383	1,419	36
Eastern Europe	1,860	3,503	486	377	6	3	-2
Switzerland	4,160	4,223	703	1,041	41	41	-
Turkey	1,552	1,427	122	130	-	1	-
Other European countries	796	839	535	535	63	64	-
North America	46,430	43,258	15,010	16,578	180	151	22
Central and South America	1,828	3,855	446	3,415	2	2	-
Africa	2,153	2,711	975	1,484	2	2	1
Asia	7,489	9,233	2,693	3,888	38	44	-2
Oceania	1,120	1,245	194	150	2	-	1
Total	2,376,800	2,388,562	1,558,182	1,539,816	36,888	36,155	1,459

Notes – Danske Bank Group

(DKK millions)

Credit exposure at Non-core

The tables below show the credit exposure of Danske Bank's Non-core business.

Credit exposure broken down by industry

	Credit exposure		Collateral		Allowance account		Impairment charges
	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	Q1 2013
Financials	15,378	16,608	10,779	11,762	104	159	-76
Commercial property	7,210	7,206	4,943	5,493	6,171	6,521	86
Consumer discretionary	1,367	1,437	654	677	974	845	64
Personal customers	7,252	7,143	5,000	5,058	1,678	1,822	245
Other	1,697	2,085	2,274	2,389	2,231	2,291	231
Total	32,904	34,479	23,650	25,379	11,158	11,638	550

Credit exposure broken down by rating category

Rating category	Upper PD	Lower PD	Credit exposure		Collateral	
			31 March 2013	31 December 2012	31 March 2013	31 December 2012
1	0	0.01	3,531	3,810	3,050	3,293
2	0.01	0.03	3,979	3,948	3,506	3,349
3	0.03	0.06	830	708	588	619
4	0.06	0.14	2,222	2,606	1,515	1,745
5	0.14	0.31	2,358	3,638	1,719	1,910
6	0.31	0.63	1,629	1,710	1,490	1,619
7	0.63	1.9	635	873	652	772
8	1.9	7.98	3,573	4,078	2,333	2,685
9	7.98	25.7	2,359	2,465	821	1,490
10	25.7	99.99	3,004	2,068	1,563	1,379
Portion with charges made	25.7	99.99	1,733	884	6,115	1,071
11	100	100	8,784	8,575	6,413	6,518
Portion with charges made	100	100	8,360	8,222	7,321	6,273
Total			32,904	34,479	23,650	25,379

Notes – Danske Bank Group

[DKK millions]

Credit exposure from trading and investing activities

At 31 March 2013, Danske Bank's credit exposure from trading and investing activities amounted to DKK 946 billion, relating primarily to bonds (DKK 553 billion) and derivatives with positive fair value (DKK 381 billion).

Bond portfolio

	Central and local govern- ment bonds	Quasi- government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Short-term bonds (CP etc.)	Corporate bonds	Total
31 March 2013								
Held-for-trading	211,499	5,078	120,927	69,430	15,628	8,541	11,425	442,528
Designated	1,995	-	31,895	-	753	193	3,730	38,566
Available-for-sale	157	606	57,178	-	7,440	-	117	65,498
Held-to-maturity	5,707	-	35	-	81	-	699	6,522
Total	219,358	5,684	210,035	69,430	23,902	8,734	15,971	553,114
31 December 2012								
Held-for-trading	173,090	4,783	127,787	56,007	14,462	9,536	15,076	400,741
Designated	2,009	-	27,435	-	832	-	78	30,354
Available-for-sale	160	614	57,469	-	7,615	-	118	65,976
Held-to-maturity	6,561	-	-	-	46	-	1,703	8,310
Total	181,820	5,397	212,691	56,007	22,955	9,536	16,975	505,381

The bond portfolio includes bonds worth DKK 149,496 million [31 December 2012: DKK 152,233 million] recognised as assets under insurance contracts. For bonds classified as held-to-maturity, fair value equalled amortised cost at 31 March 2013. At the end of 2012, fair value also equalled amortised cost.

Notes – Danske Bank Group

[DKK millions]

Bond portfolio broken down by geographical area

31 March 2013	Central and local govern- ment bonds	Quasi- government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Short-term bonds (CP etc.)	Corporate bonds	Total
Denmark	30,490	-	210,026	-	13	720	5,370	246,619
Sweden	41,536	-	-	69,430	-	2,624	3,975	117,565
UK	11,723	85	-	-	7,227	57	46	19,138
Norway	9,012	-	-	-	7,358	2,253	2,333	20,956
USA	4,208	1,636	-	-	235	45	843	6,967
Spain	4,103	-	-	-	4,633	179	-	8,915
France	25,167	-	-	-	2,379	1,289	52	28,887
Luxembourg	-	3,949	-	-	-	-	628	4,577
Canada	2,056	-	-	-	-	-	68	2,124
Finland	8,407	13	-	-	580	1,157	443	10,600
Ireland	5,408	-	-	-	141	-	62	5,611
Italy	7,746	-	-	-	-	-	-	7,746
Portugal	151	-	-	-	-	-	-	151
Austria	228	-	-	-	-	88	254	570
Netherlands	6,024	-	-	-	1,229	215	1,562	9,030
Germany	51,269	1	1	-	47	107	187	51,612
Belgium	6,490	-	-	-	60	-	-	6,550
Lithuania	1,062	-	-	-	-	-	-	1,062
Other	4,278	-	8	-	-	-	148	4,434
Total	219,358	5,684	210,035	69,430	23,902	8,734	15,971	553,114

31 December 2012

Denmark	25,221	-	212,691	-	77	883	5,350	244,222
Sweden	41,407	-	-	56,007	-	2,569	2,674	102,657
UK	12,358	20	-	-	8,268	378	119	21,143
Norway	3,593	-	-	-	6,544	2,680	3,305	16,122
USA	5,839	1,478	-	-	237	-	883	8,437
Spain	3,161	-	-	-	4,513	179	19	7,872
France	14,191	-	-	-	1,719	1,283	489	17,682
Luxembourg	-	3,791	-	-	-	-	1,609	5,400
Canada	1,027	-	-	-	-	-	54	1,081
Finland	6,278	108	-	-	654	215	660	7,915
Ireland	2,582	-	-	-	71	-	47	2,700
Italy	4,614	-	-	-	4	-	-	4,618
Portugal	120	-	-	-	-	-	120	240
Austria	3,233	-	-	-	-	-	162	3,395
Netherlands	8,946	-	-	-	593	1,139	1,112	11,790
Germany	44,877	-	-	-	19	210	372	45,478
Belgium	3,419	-	-	-	53	-	-	3,472
Lithuania	327	-	-	-	-	-	-	327
Other	627	-	-	-	203	-	-	830
Total	181,820	5,397	212,691	56,007	22,955	9,536	16,975	505,381

Credit exposure to government bonds issued by Ireland, Portugal, Italy and Spain amounted to DKK 17.4 billion at 31 March 2013 (31 December 2012: DKK 10.5 billion). All government bonds issued by these countries were recognised at fair value. When unsettled transactions in bonds issued by these countries and hedging transactions are taken into account, the total risk exposure was DKK 3.7 billion (31 December 2012: DKK 3.2 billion). At 31 March 2013, the bond portfolio did not include government bonds issued by Greece or Cyprus. Exposures below DKK 1 billion are aggregated in the Other category. Risk Management 2012 provides additional details about Danske Bank's risk on its bond portfolio. The publication is not covered by the statutory audit.

Notes – Danske Bank Group

(DKK millions)		
Derivatives with positive fair value	31 March 2013	31 December 2012
Derivatives with positive fair value before netting	657,642	711,023
Netting (under accounting rules)	276,793	302,033
Carrying amount	380,849	408,990
Netting (under capital adequacy rules)	288,956	303,974
Net current exposure	91,893	105,016
Derivatives with positive fair value after netting for accounting purposes:		
Interest rate contracts	272,584	309,743
Currency contracts	104,845	96,318
Other contracts	3,420	2,929
Total	380,849	408,990

Statement by the management

The Board of Directors and the Executive Board (management) have considered and approved Interim Report – First Quarter 2013 of 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 2013 and of the results of the Group's operations and the consolidated cash flows for the period starting on 1 January 2013 and ending on 31 March 2013. Moreover, in our opinion, 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, 2 May 2013

Executive Board

Eivind Kolding
Chairman

Tonny Thierry Andersen

Thomas F. Borgen

Robert Endersby

Lars Mørch

Henrik Ramlau-Hansen

Board of Directors

Ole Andersen
Chairman

Niels B. Christiansen
Vice Chairman

Urban Bäckström

Lars Förberg

Jørn P. Jensen

Carol Sergeant

Jim Hagemann Snabe

Trond Ø. Westlie

Susanne Arboe

Helle Brøndum

Carsten Eilertsen

Charlotte Hoffmann

Per Alling Toubro

Auditors' review reports

Internal Audit's review report on the interim financial statements

We have reviewed the interim financial statements of Danske Bank Group for the period starting on 1 January 2013 and ending on 31 March 2013, pp. 28-56.

Scope of review

A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, as well as performing analytical procedures and other review procedures. A review is substantially less in scope than an audit, and, consequently, the review does not provide assurance that we have become aware of all significant matters that might be identified 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 the interim financial statements have not been prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed financial institutions.

Copenhagen, 2 May 2013

Jens Peter Thomassen
Group Chief Auditor

Independent auditors' review report on the interim financial statements

To the shareholders of Danske Bank A/S

We have reviewed the interim financial statements of Danske Bank Group for the period starting on 1 January 2013 and ending on 31 March 2013, pp. 28-56, 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 a conclusion on the interim financial statements based on our review.

Scope of review

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 financial and accounting matters, as well as performing analytical procedures and other review procedures. A review is substantially less in scope than 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 that might be identified 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 the interim financial statements have not been prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed financial institutions.

Copenhagen, 2 May 2013

KPMG
Statsautoriseret Revisionspartnerselskab

Lars Rhod Søndergaard
State Authorised
Public Accountant

Jesper Ridder Olsen
State Authorised
Public Accountant

Supplementary information

Conference call

Danske Bank will hold a conference call on 2 May 2013 at 2.30pm CET upon the presentation of its interim report for the first quarter of 2013. The conference call will be webcast live at www.danskebank.com.

Financial calendar

1 August 2013 31 October 2013 6 February 2014	Interim Report – First Half 2013 Interim Report – First Nine Months 2013 Annual Report 2013
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Contacts

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Links

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For more information about Danske Bank's financial statements, please go to www.danskebank.com/Reports.

