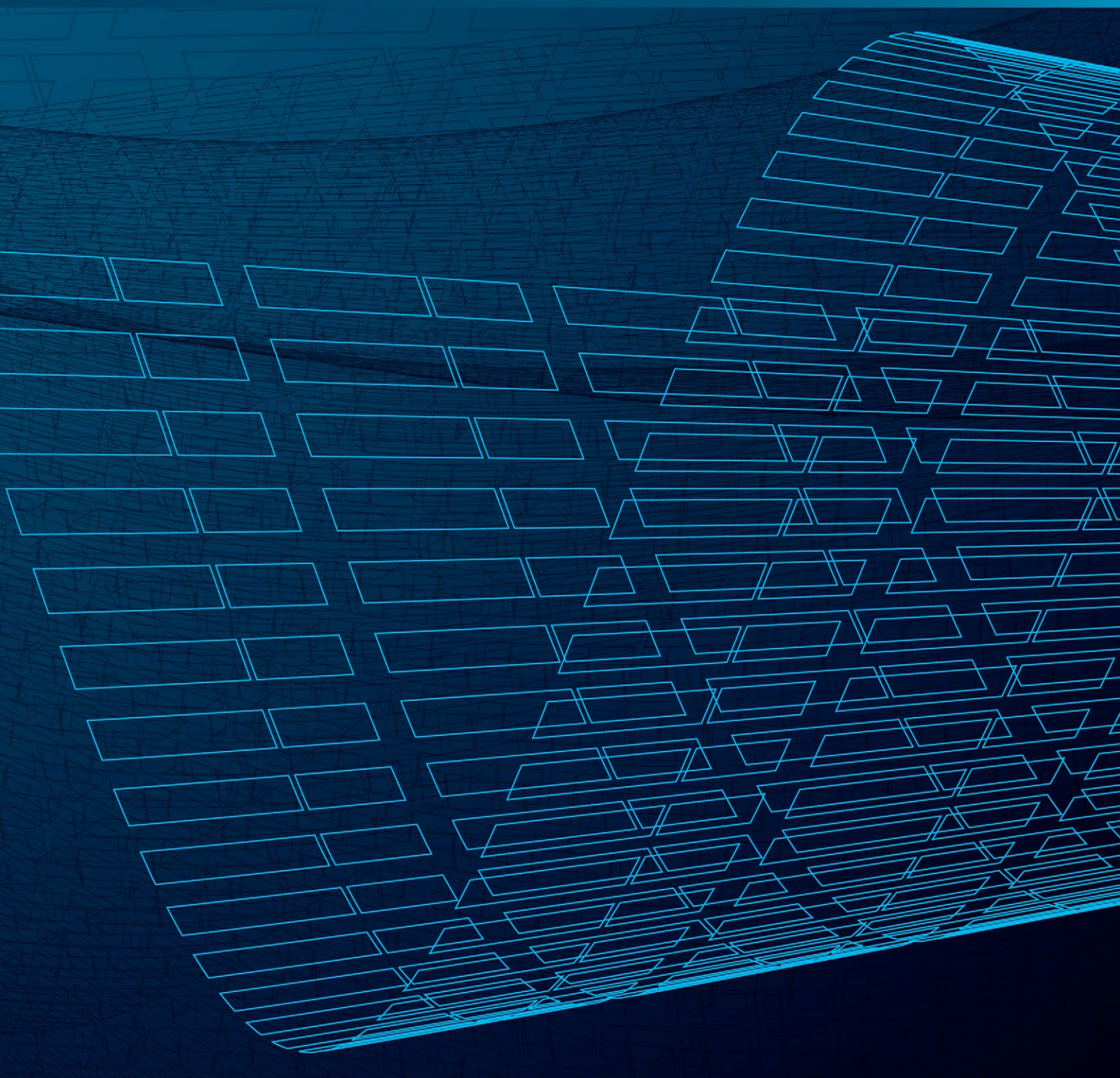


DANSKE BANK GROUP

INTERIM REPORT FIRST HALF 2013

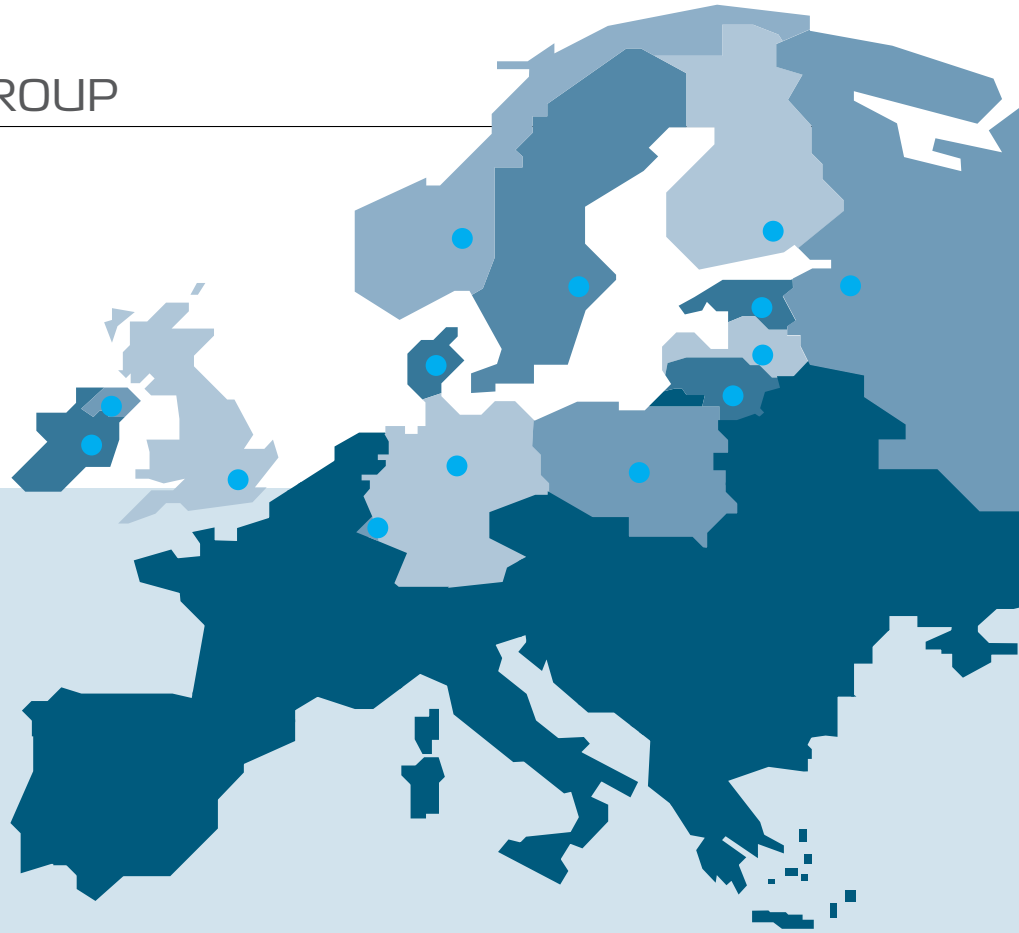


Danske Bank



DANSKE BANK GROUP

15 countries
409 branches
19,981 employees
5,000,000 customers



CONTENTS

MANAGEMENT'S REPORT

- 4 Financial highlights - Danske Bank Group
- 5 Financial summary and outlook for 2013
- 9 New Standards strategy
- 11 Financial review
- 18 Business units
 - 18 Personal Banking
 - 24 Business Banking
 - 29 Corporates & Institutions
 - 34 Danske Capital
 - 37 Danica Pension
 - 40 Non-core

INTERIM FINANCIAL STATEMENTS

- 44 Income statement
- 45 Statement of comprehensive income
- 46 Balance sheet
- 47 Statement of capital
- 49 Cash flow statement
- 50 Notes
- 74 Danske Bank A/S

STATEMENT AND REPORTS

- 84 Statement by the management
- 85 Auditors' reports
- 87 Supplementary information

FINANCIAL HIGHLIGHTS – DANSKE BANK GROUP

INCOME STATEMENT (DKK millions)	Q2 2013	Q1 2013	Index Q2/Q1	First half 2013	First half 2012	Index 13/12	Q2 2012	Index Q2 13/12	Full year 2012
Net interest income	5,504	5,452	101	10,956	11,367	96	5,717	96	22,778
Net fee income	2,205	2,265	97	4,470	4,061	110	2,049	108	8,866
Net trading income	2,154	1,775	121	3,929	6,533	60	2,895	74	10,562
Other income	357	296	121	653	646	101	325	110	1,285
Net income from insurance business	-346	341	-	-5	843	-	679	-	2,171
Total income	9,874	10,129	97	20,003	23,450	85	11,665	85	45,662
Expenses	6,013	5,905	102	11,918	12,371	96	6,047	99	24,642
Profit before loan impairment charges	3,861	4,224	91	8,085	11,079	73	5,618	69	21,020
Loan impairment charges	924	1,459	63	2,383	4,598	52	1,685	55	7,680
Profit before tax, core	2,937	2,765	106	5,702	6,481	88	3,933	75	13,340
Profit before tax, Non-core	-260	-549	-	-809	-2,406	-	-1,433	-	-4,801
Profit before tax	2,677	2,216	121	4,893	4,075	120	2,500	107	8,539
Tax	493	744	66	1,237	1,802	69	1,005	49	3,814
Net profit for the period	2,184	1,472	148	3,656	2,273	161	1,495	146	4,725
Attributable to non-controlling interests	-	-	-	-	-1	-	-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	85,354	106,604	80	85,354	72,626	118	72,626	118	113,657
Repo loans	338,461	311,843	109	338,461	341,600	99	341,600	99	307,177
Loans and advances	1,589,768	1,636,813	97	1,589,768	1,662,441	96	1,662,441	96	1,640,656
Trading portfolio assets	721,484	831,668	87	721,484	862,961	84	862,961	84	812,966
Investment securities	121,526	113,643	107	121,526	105,480	115	105,480	115	107,724
Assets under insurance contracts	239,839	241,838	99	239,839	237,717	101	237,717	101	241,343
Assets in Non-core	30,361	31,844	95	30,361	41,696	73	41,696	73	33,100
Other assets	190,311	226,745	84	190,311	155,827	122	155,827	122	228,326
Total assets	3,317,104	3,500,998	95	3,317,104	3,480,348	95	3,480,348	95	3,484,949
Due to credit institutions and central banks	167,760	227,794	74	167,760	226,050	74	226,050	74	241,238
Repo deposits	346,678	355,185	98	346,678	407,625	85	407,625	85	359,276
Deposits	796,785	797,320	100	796,785	730,590	109	730,590	109	783,759
Bonds issued by Realkredit Danmark	616,457	623,133	99	616,457	596,837	103	596,837	103	614,325
Other issued bonds	342,280	347,289	99	342,280	316,967	108	316,967	108	340,005
Trading portfolio liabilities	455,351	544,406	84	455,351	628,008	73	628,008	73	531,860
Liabilities under insurance contracts	261,088	265,300	98	261,088	258,367	101	258,367	101	266,938
Liabilities in Non-core	5,232	4,687	112	5,232	5,454	96	5,454	96	4,831
Other liabilities	124,944	132,755	94	124,944	120,039	104	120,039	104	136,927
Subordinated debt	58,905	63,561	93	58,905	62,584	94	62,584	94	67,785
Shareholders' equity	141,624	139,568	101	141,624	127,827	111	127,827	111	138,004
Total liabilities and equity	3,317,104	3,500,998	95	3,317,104	3,480,348	95	3,480,348	95	3,484,949

RATIOS AND KEY FIGURES									
Earnings per share (DKK)	2.2	1.5		3.7	2.5		1.6		5.1
Diluted earnings per share (DKK)	2.2	1.5		3.7	2.5		1.6		5.1
Return on avg. shareholders' equity (%)	6.2	4.3		5.2	3.6		4.7		3.7
Return on avg. tangible equity (%)	7.3	5.1		6.1	4.4		5.7		4.4
Net interest income as % p.a. of loans and deposits	0.92	0.90		0.92	0.95		0.96		0.94
Cost/income ratio (%)	60.9	58.3		59.6	52.8		51.8		54.0
Total capital ratio (%)	21.8	21.6		21.8	17.7		17.7		21.3
Core tier 1 capital ratio (%)	15.6	15.1		15.6	12.1		12.1		14.5
Share price (end of period) (DKK)	98.0	104.0		98.0	81.4		81.4		95.7
Book value per share (DKK)	140.5	135.3		139.9	138.4		138.4		137.9
Full-time-equivalent staff (end of period)	19,981	20,184		19,981	20,997		20,997		20,308

FINANCIAL SUMMARY AND OUTLOOK FOR 2013

KEY DEVELOPMENTS FROM Q1 2013 TO Q2 2013

- RETURN ON EQUITY AFTER TAX INCREASED 1.9 PERCENTAGE POINTS TO 6.2%
- PROFIT BEFORE TAX FROM CORE ACTIVITIES INCREASED 6% TO DKK 2.9 BILLION
- TOTAL INCOME FELL 3%
- EXPENSES EQUALLED THE LEVEL IN Q1
- IMPAIRMENTS IN CORE ACTIVITIES DECLINED 37% TO DKK 0.9 BILLION
- LENDING FELL 3%, WHILE DEPOSITS LARGELY EQUALLED THE LEVEL AT THE END OF Q1
- THE CORE TIER 1 AND TOTAL CAPITAL RATIOS ROSE TO 15.6% AND 21.8%, AGAINST 15.1% AND 21.6% AT THE END OF Q1
- GUIDANCE FOR FULL-YEAR 2013 NET PROFIT REVISED FROM DKK 7.5-10.0 BILLION TO DKK 6.5-9.0 BILLION

“Our New Standards strategy is only six months old,” says Eivind Kolding, Chief Executive Officer. “The changes are comprehensive and will take time to implement, but we have set the right course and have already made good progress. We are pleased that impairments have declined to the lowest level since the second quarter of 2008 and costs are well contained while we are investing in developing new products, upgrading the skills of our staff and simplifying processes. The result is a considerable improvement compared with the same period in 2012 and an important step towards our 2015 objectives. The difficult macroeconomic environment with low interest rate levels combined with the volatility in the financial markets in June, however, have led us to revise our guidance for full-year 2013.”

In the second quarter of 2013, Danske Bank posted a profit before tax of DKK 2.7 billion. Profit before tax from core activities was DKK 2.9 billion, an increase of 6% from the level in the first quarter. The result was acceptable given the market conditions.

Total income amounted to DKK 9.9 billion, down 3% from the first quarter. Net interest income increased slightly, even though lending volumes fell. Net fee income decreased, offsetting the increase in net interest income. The decline in total income was caused by lower net income from insurance business, as the financial market turbulence in June had a significantly adverse effect on the insurance result. Trading income at Corporates & Institutions was down 18% from the first quarter because of the market turbulence. Total trading income rose as a result of value adjustments of unlisted equities.

Through a persistently strong effort to reduce costs, while investing in innovative products and solutions

and leaner processes, we managed to maintain an expense level of DKK 6.0 billion, similar to the level in the first quarter.

The first half of 2013 was affected by the persistently difficult macroeconomic conditions with very low interest rate levels and declining customer loan appetite. We are confident that our management actions, including the cost-reduction and pricing initiatives already under way, will contribute to significantly improved results over time.

Impairments in our core markets declined to DKK 0.9 billion, corresponding to a loan loss ratio of 0.19, which is the lowest level since the second quarter of 2008. We see signs of improving credit quality across our loan portfolios. Impairments related mostly to Danish personal customers, commercial property customers, and agricultural customers.

The Non-core business posted a loss before tax of DKK 0.3 billion, an improvement from the loss of DKK 0.5 billion in the first quarter. Most of the improvement was the result of a continued reduction of impairments.

Despite a difficult macroeconomic environment with very low interest rate levels, almost no growth in our main markets and the resulting decline in lending volumes, our results for the second quarter are an improvement on the first quarter and yet another step towards the required level of profitability. The turbulence on the financial markets in June, however, strongly affected Danica Pension's results and our trading income, increasing the downside risk. This has led us to revise our guidance for 2013 net profit from DKK 7.5-10.0 billion to DKK 6.5-9.0 billion.

Market conditions

Conditions in the financial markets

Market sentiment improved at the beginning of the year as the US averted the so-called fiscal cliff crisis just before the New Year. In Europe, improved economic indicators and the continued decline in interest rates in southern Europe supported the optimism. In the spring, the political crisis in Cyprus and the uncertainty associated with the general elections in Italy caused periods of deteriorating market sentiment, though.

Towards the end of the second quarter, market sentiment worsened, especially in the emerging markets and the peripheral euro zone. Weak indicators for the Chinese economy and the Fed's announcement that it would phase out its bond-buying programme later in the year were the main causes. Market sentiment has since improved on the strength of better economic indicators in Europe and more dovish announcements from central banks. Yields on the Danish bond markets have fluctuated somewhat in 2013 but rose towards the end of the period because of the gradual improvement in the euro zone.

Conditions in our home markets

After the drop in GDP at the end of 2012 and no growth in the first quarter of 2013, Denmark is expected to see improved economic activity in the remainder of 2013. Real wage growth, low interest rates and a more stable housing market are expected to lead to positive growth, while exports are not expected to increase significantly. There are many signs that unemployment will remain generally stable. The demand for financing has declined, as companies are reluctant to invest. We expect more normal growth in 2014, when exports are likely to grow.

The Swedish economy is expected to show sound growth, driven by domestic demand, in both 2013 and 2014. Interest rate cuts and an expansionary fiscal policy support economic growth. The housing market in Sweden is still at risk of overheating, though.

Norway is expected to benefit from a continuation of high oil prices, even though they have fallen somewhat and may fall more. The high prices

encourage high investment both in and outside the oil industry. Rising housing prices, which help consumer spending, also serve as a stimulus to the Norwegian economy.

The Finnish economy is expected to see economic contraction again in 2013 because of weak exports and a tight fiscal policy. Housing prices have been quite flat. We expect some improvement in 2014.

In Northern Ireland, we expect low but positive growth this year. Housing prices appear to have found their floor. Next year, growth is expected to return to its long-term average.

In line with the rest of the euro zone, Ireland is likely to see economic contraction in 2013. After a long period of heavy declines, housing prices have since mid-2012 stabilised some 50% below their peak. In 2014, growth is expected to recover to around 2% because of growth in export markets.

Outlook for 2013

We are revising our guidance for 2013 net profit from DKK 7.5-10.0 billion to DKK 6.5-9.0 billion. Although the positive effects of the management actions implemented, including cost-reduction measures, and the continued decline in total impairments meet management's expectations, they have been offset by the negative effects of turbulent financial markets and weak loan demand.

We expect total income to be below the level in 2012. Net interest income is expected to be slightly below the level in 2012. The negative effects of lower interest rate levels and weak loan demand more than offset the results of initiatives to lift interest income.

Net fee income is expected to be above the level in 2012 because of the management actions taken. Net trading income and insurance income at Danica Pension are expected to be well below the level in 2012 because of the general uncertainty on the financial markets.

Costs are expected to be below the level in 2012 as the positive effects of our ongoing cost-reduction initiatives will more than offset investments in new products and other offerings.

Total impairments are expected to fall well below the level in 2012, particularly at Business Banking Denmark and at the Non-core unit. We reaffirm our expectation that impairments at the Irish unit (core and Non-core) in 2013 and 2014 will amount to around DKK 2.5 billion.

This guidance is subject to uncertainty and depends on economic conditions.

OUR VISION AND MISSION

Vision:

Recognised as the most trusted financial partner

Mission:

Setting new standards in financial services



NEW STANDARDS STRATEGY

Where are we on setting new standards in financial services?

Our main objective is to earn the trust of our customers, as expressed in our vision to be recognised as the most trusted financial partner. Therefore we have embarked on a comprehensive and ambitious strategy, New Standards, that will fundamentally change the way we operate to reflect changes in customer expectations and thereby allow us to continue to deliver long-term value to both customers and shareholders. Four areas are key to our success:



CUSTOMER FOCUS



ADVISORY SERVICES



DIGITALISATION



OPENNESS & RESPONSIBILITY

These areas focus on our customers and their interaction with us while at the same time enabling us to pursue our ambition to create value for our shareholders. We have planned a number of actions and launched a range of projects aimed at enhancing the customer experience that will also strengthen our results. This section offers a general description of our efforts, and the individual business unit sections provide more details on the various management actions.

A core part of New Standards is tailoring our product offerings to the needs of each customer segment. Our efforts to become the most trusted financial partner entail stronger customer focus, strong knowledge of customers in each segment, and developing expertise and solutions tailored to their needs. We continually develop our product offerings so that they meet customers' needs while supporting the right risk-reward balance.

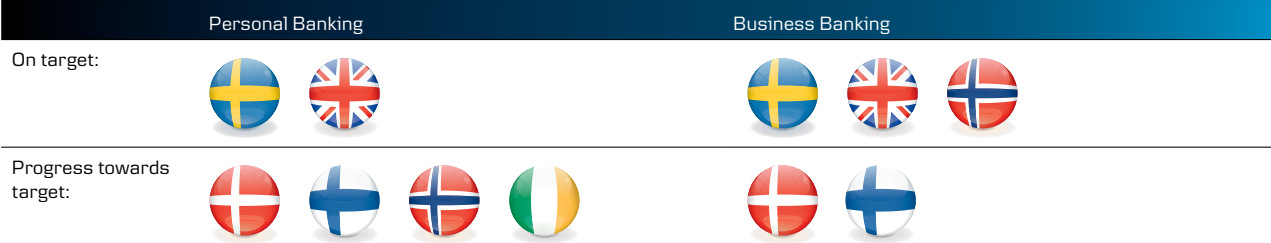
To support our customer relationships, we are making great efforts to optimise our processes, and this will also increase efficiency and reduce costs. In the first half of 2013, we launched a comprehensive Lean programme called "Think Simple". The goal is to optimise

processes and workflows to provide customers with quick and easy access to our products and services. For example, we launched several digital solutions for personal and business customers and optimised the process for car loans and credit card issuance. Many more projects are under way, and we expect "Think Simple" to significantly reduce expenses and free up employee resources, thus allowing us to concentrate on customer-facing activities and to strengthen customer relations. In addition, we are investing in staff training and development to ensure that we are able to offer the best possible service across all business units and segments. The needs of our customers are changing rapidly and are becoming increasingly complex, and we must stay ahead of developments to be able to meet their expectations.

In the first half of the year, we made further strong improvements to our digital and automated solutions across the business and thereby strengthened our market-leading position in the digital sphere. The customer response is encouraging, and the use of these new channels is growing rapidly.

Although digitalisation is making banking easier for most customers, we recognise that not all customers are embracing this trend. Some senior customers in particular are not at ease with information technology and debit cards. To help this customer group through the market transformation as well as possible, we offer "step-by-step" meetings on how to use the future bank and the eBanking facilities. On the basis of research surveys across the Nordic region, we are developing training material and a new eBanking system with a simplified user interface.

We take our responsibility towards our customers, shareholders and society in general very seriously. Our key responsibility is to ensure a high level of trust in us, what we do and how we do it. Openness and responsibility are fundamental factors in cultivating trust. To us, responsibility means being transparent and maintaining an open dialogue with key stakeholders about matters that are important to them and to us. Examples of our efforts in this area are our proactive Investor Relations communications and the public dialogue we have with stakeholders on many topics as well as our presence on social media. Another example is our financial literacy training programme for children, which is now fully implemented and has been well received in all our markets. You can see further examples in our annual Corporate Responsibility report.

CUSTOMER SATISFACTION – STATUS ON OUR GOAL TO BE NUMBER ONE OR TWO IN OUR FOCUS SEGMENTS IN 2015


Sources: Ennova and Aalund. Customer satisfaction is calculated as a moving average of measurements over the past six months.

Where are we on customer satisfaction?

Our overall target is to be ranked number one or two in our focus segments by 2015. This goal is highly dependent on our ability to continue to improve relations with customers and earn their trust. We are confident that the actions we have taken to set new standards in financial services will bring us there.

Corporates & Institutions is ranked third among the wholesale banks operating in the Nordic countries in the 2012 Prospera survey. Our goal is to be ranked the number one wholesale bank in the Nordic countries by 2015. See the Corporates & Institutions section on pages 31–32 for additional information on the survey measurement method and the current status on the individual surveys.

Where are we on our financial targets?

We have set several financial targets for the years 2012 to 2015. As shown below, we have already met some important targets, including the core tier 1 and total capital ratios, as well as LCR compliance. For return on equity, our management actions are showing progress, most visibly in cutting costs. On the income side, we have implemented extensive repricing, but to a large extent this has been offset by the low interest rates, and the macroeconomic conditions are expected to remain a challenge for some time. With the upgrade to a stable outlook from Fitch in the second quarter, we continue to make progress in our ratings, even though general scepticism about the Danish mortgage market caused S&P to change the outlook from positive to stable in July 2013. We maintain our 2015 targets.

FINANCIAL TARGET	AMBITION	YEAR	ASSUMPTIONS	STATUS 30 JUNE 2013	COMMENTS
Return on equity	Above 12%	2015	Loan loss ratio of 30 bps Short-term interest rates of 2%	5.2%	On track
Ratings	Improve ratings by at least one notch	2015		S&P/Moody's/Fitch A-/Baa1/A Stable/Stable/Stable	In progress Stable outlook from Fitch in June and S&P in July
Core tier 1 capital ratio	Minimum 13%	End-2013	On a reported basis	15.6%	Met at end-2012
Total capital ratio	Minimum 17%	End-2013	On a reported basis	21.8 %	Met at end-2012
LCR compliance	Minimum 110%	End-2012	As per Danish FSA definition	132%	Met at end-2012
Nominal costs	Below DKK 24 bn	2015	On a reported basis, inflation of 2% p.a.	DKK 23.8 bn	On track
C/I ratio	Below 46%	2015	Short-term interest rates of 2%	59.6%	On track
FTE target	Reduced by 1,000 Reduced by 2,000	2012 2013-2015	Net reduction at Group level	1,012 327	Met at end-2012 On track
Dividend payments	About 40% of net profit	2015	Lower until rating targets are reached		On track

FINANCIAL REVIEW

In the second quarter of 2013, Danske Bank posted a profit before tax from core activities of DKK 2.9 billion, an increase of 6% from the first-quarter level. The net profit was DKK 2.2 billion, up DKK 0.7 billion. The result was acceptable given the market conditions.

Income

Total income amounted to DKK 9.9 billion, down 3% from the first-quarter level.

Net interest income totalled DKK 5.5 billion, equaling the level in the first quarter. Although pricing initiatives for bank and mortgage credit products taken in 2012 had a positive effect on net interest income, this effect was offset by declining short-term interest rates and lower lending volumes in particular.

Net trading income totalled DKK 2.2 billion, an increase of DKK 0.4 billion from the first quarter generated partly by positive value adjustments of unlisted equities. Trading income at Corporates & Institutions decreased as the Fed announcement created erratic market conditions that resulted in lower income, especially from government bonds.

The insurance business posted a net loss of DKK 0.3 billion, against a net income of DKK 0.3 billion in the first quarter. Income decreased because the adverse developments in the financial markets caused a substantially lower return on investments. As a result, the risk allowance could be booked to income for only one of the four interest rate groups.

Expenses

Expenses amounted to DKK 6.0 billion, the same level as in the first quarter. This result reflects our strong effort to reduce costs while investing in innovative products and solutions and leaner processes.

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

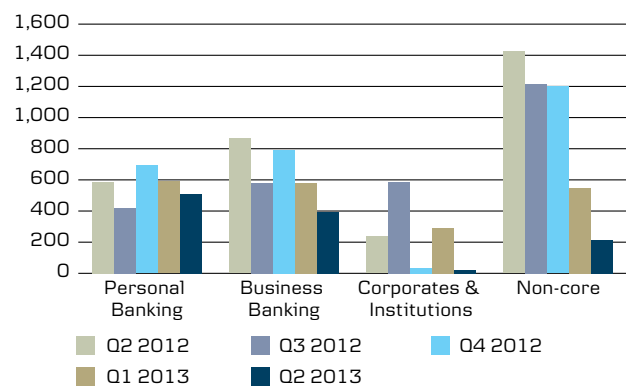
In the first half of 2013, Danske Bank reduced the headcount by 327. At 30 June 2013, severance agreements had been made with another 140 employees.

Expenses for VAT, bank tax and financial services employer tax amounted to DKK 0.5 billion, unchanged from the first-quarter level.

Impairments

Impairments continued to decline, and this trend was clear across all business units. Impairments in core activities declined from DKK 1,459 million in the first quarter of 2013 to DKK 924 million, or 0.19% p.a. of lending and guarantees.

LOAN IMPAIRMENT CHARGES
(DKK millions)



LOAN IMPAIRMENT CHARGES, ANN. (BPS)

	Q2 2013	Q1 2013
Impairments, ann.	19.0	29.6
Personal Banking	23.5	26.8
Business Banking	24.6	35.9
C&I	1.4	22.7

Tax

Tax on the profit for the second quarter amounted to DKK 0.5 billion, or 18% of profit before tax. The tax charge was low relative to the profit, mainly because DKK 0.2 billion was booked to income as a result of reduced deferred tax following new tax legislation in Denmark.

FIRST HALF 2013 VS FIRST HALF 2012

- Profit before tax from core activities amounted to DKK 5.7 billion, down from DKK 6.5 billion in the first half of 2012.
- Net interest income fell 4% to DKK 11.0 billion, primarily because of lower lending volumes and lower demand for refinancing.
- The insurance business generated a net loss of DKK 5 million, against a net income of DKK 843 million in the first half of 2012. Income decreased because the risk allowance could be booked for only one of the four interest rate groups.
- Expenses fell 4% from the first half of 2012 and amounted to DKK 11.9 billion. The first half of 2012 was affected by a write-down related to the Sampo Bank brand name as well as expenses for severance payments and branch mergers.
- Impairments fell 48% to DKK 2.4 billion. All three banking units booked lower impairments than in the first half of 2012.
- Impairments in Non-core activities fell from DKK 2.4 billion to DKK 0.8 billion, reflecting lower impairments on the commercial property portfolio.

Balance sheet

LENDING (END OF PERIOD) (DKK billions)	First half 2013	First half 2012	Index 13/12	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Full year 2012
Personal Banking	842.2	880.4	96	842.2	860.5	871.8	887.3	880.4	871.8
Business Banking	628.0	656.1	96	628.0	644.4	641.1	654.9	656.1	641.1
Corporates & Institutions	155.2	169.7	91	155.2	167.4	161.1	168.5	169.7	161.1
Other Activities incl. eliminations	-	-7.4	-	-	-	1.5	-10.8	-7.4	1.5
Allowance account, lending	35.6	36.3	98	35.6	35.4	34.1	36.5	36.3	34.1
Total lending	1,589.8	1,662.5	96	1,589.8	1,636.9	1,641.4	1,663.4	1,662.5	1,641.4

DEPOSITS (END OF PERIOD)	First half 2013	First half 2012	Index 13/12	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Full year 2012
Personal Banking	364.9	365.8	100	364.9	370.2	360.2	366.1	365.8	360.2
Business Banking	269.3	244.8	110	269.3	257.9	264.0	247.5	244.8	264.0
Corporates & Institutions	162.7	125.0	130	162.7	168.9	162.8	128.5	125.0	162.8
Other Activities incl. eliminations	-0.1	-5.0	-	-0.1	0.3	-3.2	-5.3	-5.0	-3.2
Total deposits	796.8	730.6	109	796.8	797.3	783.8	736.8	730.6	783.8

BONDS ISSUED BY REALKREDIT DANMARK (END OF PERIOD)	First half 2013	First half 2012	Index 13/12	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Full year 2012
Bonds issued	616.5	596.8	103	616.5	623.1	614.3	618.5	596.8	614.3
Own holdings of bonds	112.8	127.7	88	112.8	111.3	121.8	109.9	127.7	121.8
Total Realkredit Danmark bonds	729.3	724.5	101	729.3	734.4	736.1	728.4	724.5	736.1
Total covered bonds	204.3	190.0	108	204.3	218.2	220.8	204.8	190.0	220.8
Deposits and issued mortgage bonds etc.	1,730.4	1,645.1	105	1,730.4	1,749.9	1,740.7	1,670.0	1,645.1	1,740.7
Lending as % of deposits and issued mortgage bonds etc.	92	101		92	94	94	100	101	94

Lending

At the end of June 2013, total lending was down 3% from the end-2012 level. Most of Danske Bank's markets saw weak growth, which suppressed the demand for credit.

New gross lending, excluding repo loans, amounted to DKK 14.1 billion for the second quarter of the year.

Danske Bank's market share of total lending in Denmark rose to 28.0% from 26.6% at the end of 2012. In Ireland, Danske Bank maintained its market share of lending, whereas the market shares fell marginally in Sweden, Norway and Finland.

MARKET SHARE OF LENDING (%)	30 June 2013	31 December 2012
Denmark (including mortgage loans)	28.0	26.6
Finland	10.9	11.3
Sweden	5.0	5.2
Norway	4.6	4.9
Ireland	3.7	3.4

Lending equalled 92% of total deposits, mortgage bonds and covered bonds, a decline from 94% at the end of 2012. Excluding exchange rate effects, the lending ratio was down at all three banking units.

Deposits

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

Danske Bank's market share of total deposits in Denmark fell to 28.3% from 29.1% at the end of 2012. In the other Nordic countries, Danske Bank maintained its market shares of deposits.

MARKET SHARE OF DEPOSITS (%)	30 June 2013	31 December 2012
Denmark	28.3	29.1
Finland	11.2	11.2
Sweden	4.8	4.6
Norway	5.3	5.0
Ireland	2.0	2.0

Credit exposure

Credit exposure totalled DKK 3,481 billion, against DKK 3,656 billion at the end of 2012. Exposure from lending activities amounted to DKK 2,296 billion, against DKK 2,389 billion at the end of 2012. Some DKK 844 billion of the total exposure derived from trading and investment activities, against DKK 921 billion at the end of 2012.

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

Asset quality of the credit portfolio

The overall credit quality of the portfolio was strong and improved slightly from the level in the first quarter of 2013. Both the personal customer portfolio and the business portfolio benefitted from improved customer ratings.

Gross impaired loans declined because of lower non-performing exposure to Danish business and personal customers.

The impairment coverage ratios continue to be high as 67% of performing loans and 100% of non-performing loans are covered by impairments and collateral. The impairment coverage ratios are affected by the haircuts applied to the valuation of collateral and the fact that we include all facilities with the customer if a single facility shows objective evidence of impairment.

LOAN IMPAIRMENT COVERAGE (%)	30 June 2013	31 December 2012
Total impaired loans	86	95
- Performing	67	64
- Non-performing	100	98

Impairment coverage is calculated as individual allowance account amounts relative to gross impaired loans net of collateral (after haircuts).

Danish personal customers, commercial property customers and agricultural customers accounted for the vast majority of impaired loans. The impairment coverage on these loans is high.

Allowance account

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

At 30 June 2013, accumulated individual impairments in our core activities amounted to DKK 33.5 billion, or 1.7% of lending and guarantees. Accumulated collective impairments amounted to DKK 3.3 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)	30 June 2013		31 Dec. 2012	
	Balance	% of lending and guarantees	Balance	% of lending and guarantees
Personal Banking	9,663	1.13	9,314	1.06
Business Banking	24,107	3.70	23,961	3.59
Corporates & Institutions	3,095	0.51	2,877	0.48
Other	1	-	3	-
Total core activities	36,866	1.88	36,155	1.82
Non-core	10,845	26.29	11,638	27.07
Total	47,711	2.38	47,793	2.36

Write-offs amounted to DKK 1.4 billion, up from DKK 1.0 billion in the first quarter. The increase was caused by higher write-offs at Personal Banking Finland. Of the write-offs in the period, DKK 0.2 billion was attributable to facilities not already subject to impairment.

Trading and investment activities

Credit exposure from trading and investment activities amounted to DKK 844 billion at 30 June 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 79 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 538 billion. Of the total bond portfolio, 98.6% was recognised at fair value.

BOND PORTFOLIO (%)	30 June 2013	31 December 2012
Government bonds and bonds guaranteed by central or local governments	40	36
Bonds issued by quasi-government institutions	1	1
Danish mortgage bonds	41	42
Swedish covered bonds	10	11
Other covered bonds	4	5
Short-term bonds (CP etc.), primarily with banks	-	2
Corporate bonds	4	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, France and the UK. The total risk exposure to government bonds from Ireland, Portugal, Spain and Italy was DKK 5.4 billion (2012: DKK 3.2 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 10.8 billion (2012: DKK 8.1 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 30 June 2013, the capital base amounted to DKK 170.0 billion, and the total capital ratio was 21.8%. The core tier 1 capital ratio stood at 15.6%.

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

At 30 June 2013, risk-weighted assets amounted to DKK 779 billion, against DKK 819 billion at 31 December 2012.

In June 2013, we received orders from the Danish FSA concerning our use of the internal ratings-based approach (the IRB approach) for risk-weighted assets calculations and our solvency need calculations. We do not agree with most of the orders and have filed an appeal with the Danish Company Appeals Board. We have met the orders that were to be met by 30 June 2013, and until we know the outcome of the appeal, we will continue to implement the other orders. Other things being equal, we expect risk-weighted assets to rise by around DKK 100 billion, which represents a decline of 2.6 percentage points in the total capital ratio calculated at 30 June 2013. The Group's solvency need of DKK 88 billion is determined on the basis of the transitional rules, which are unaffected by the FSA orders.

At 30 June 2013, Danske Bank's solvency need ratio was 11.3% (31 December 2012: 11.0%). 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 second quarter of 2013, Fitch Ratings maintained Danske Bank's A/F1 rating while changing the outlook to stable.

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

Standard & Poor's (S&P) maintained Danske Bank's long-term A- rating and short-term A-2 rating. The long-term rating had a positive outlook until S&P's analysis of the Danish mortgage system in July 2013 caused a change to a stable outlook. In September 2012, Danske Bank issued subordinated debt of USD 1 billion to improve its risk adjusted capital in accordance with S&P's rating methodology criteria. In July 2013, S&P revised its methodology, and the debt can no longer be included in the RAC ratio.

Danske Bank's current ratings are not satisfactory. One of our financial targets for 2015 is to improve our ratings by at least one notch.

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 have a stable outlook.

DANSKE BANK'S RATINGS AT 1 AUGUST 2013			
	Moody's	S&P	Fitch
Long-term	Baa1	A-	A
Short-term	P-2	A-2	F1
Outlook	Stable	Stable	Stable

Regulatory changes

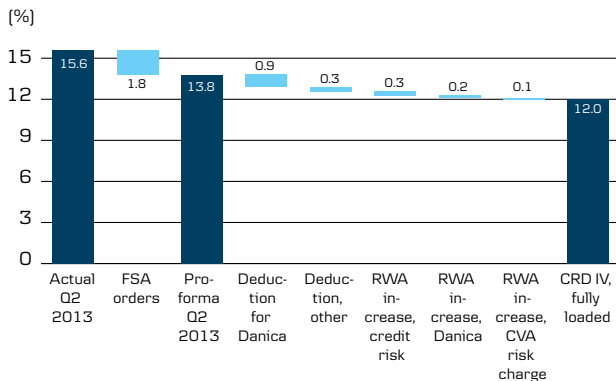
Danske Bank continues to take a proactive role with regard to new regulation. We seek to be actively involved in policy discussions to ensure that new regulations will result in the right balance between financial stability and macroeconomic growth.

Capital Requirements Regulation and Directive (CRR/CRD IV)

We maintain a close dialogue with regulators to stay abreast of regulatory changes. In anticipation of the changes, we have focused on building a strong capital base as is evident from our high core tier 1 ratio.

We estimate that the effect of CRR/CRD IV on our core tier 1 capital ratio at 30 June 2013 (after having taken the FSA orders into account) will be a reduction of about 1.8 percentage points when the rules are fully phased in in 2018. The reduction entails changes in various elements, as shown below. We assume that the deduction requirement for Danica Pension under the EU Financial Conglomerates Directive will continue. We expect clarification in Danish legislation in the second half of 2013.

EXPECTED TIMING	KEY REGULATORY INITIATIVES
2014-2019	Gradual phase-in of CRR/CRD IV rules New requirements for the quality and quantity of capital, liquidity measures and leverage reporting. Further expected legislative proposals include changes to the large exposures framework and a new stable funding measure.
2014-2022	Danish SIFI rules Expected to include higher capital requirements, a faster phase-in of liquidity measures, recovery and resolution plans, and stricter corporate governance.
2014-2018	EU framework for the recovery and resolution of banks Bail-in rules on liability write-down sequence under insolvency, banks' minimum amount of "bail-inable" debt, and the financing of industry resolution funds.
2014-2019	EU banking union A single supervisory mechanism, a single resolution mechanism and common deposit guarantee rules. Since Denmark has not decided whether to join the banking union, the effect on Danske Bank is uncertain.
2014-2016	Deposit guarantee scheme rules Harmonisation at EU level, including changes in the size of guarantee funds and contribution calculations. Clarification of the relation between guarantee schemes and resolution funds.
2015-2017	Separation of trading activities from banking activities Possibilities range from "ring-fencing" proprietary trading and/or market making to a full separation of wholesale and investment banking activities from retail banking activities.

CORE TIER 1 CAPITAL RATIO, ADJUSTED FOR CRD IV**SIFI rules**

In March 2013, the Danish SIFI Committee published a report recommending stricter capital and liquidity requirements for systemically important financial institutions (SIFIs) in Denmark. The political negotiations are ongoing, and it is still uncertain what the final requirements will be and when they will apply. As expected, the SIFI Committee proposed that Danske Bank be designated a SIFI in Denmark.

Danske Bank is in favour of initiatives that are designed to create a more robust and stable financial system. The proposed SIFIs represent around 80-90% of the market for credit institutions in Denmark.

We are actively engaged in the process of ensuring that regulators are aware of the need to balance the final requirements in a way that allows Danish SIFIs to support long-term growth and job creation in the Danish economy through lending, in particular lending to households and SMEs at rates that customers can afford. We find it important that, in placing requirements on SIFIs in Denmark, regulators seek capital levels and a schedule of implementation that are aligned with the main track in the EU.

Other regulatory initiatives

Other key EU regulatory initiatives, including the EU Recovery and Resolution Directive and the Banking Union, are currently subject to political debate. The outcomes are very uncertain, and it is still too early to assess the long-term effects on Danske Bank.

Supervisory Diamond

The FSA has identified a number of specific risk indicators for banks (the Supervisory Diamond) and has introduced limit values that all Danish banks must comply with. At 30 June 2013, Danske Bank A/S was in compliance with all the limit values. A separate report is available at www.danskebank.com/ir.

Funding and liquidity

With a liquidity buffer of DKK 479 billion, Danske Bank's liquidity position is strong. The buffer consists of cash and holdings at central banks of DKK 89 billion; securities issued or guaranteed by sovereigns, central banks or multilateral development banks of DKK 83 billion; covered bonds (including mortgage bonds) of DKK 281 billion; and other holdings of DKK 26 billion.

With an LCR of 132% at the end of June 2013, Danske Bank complied with the LCR requirement. Danske Bank also complied with all other liquidity requirements. Stress tests show that we have a sufficient liquidity buffer for the coming 12 months.

In the second quarter, Danske Bank issued covered bonds for DKK 0.3 billion and senior debt for DKK 4.0 billion, a total of DKK 4.3 billion, and redeemed long-term debt of DKK 21.5 billion.

At 30 June 2013, the total amount of outstanding long-term funding, excluding senior debt issued by Realkredit Danmark, was DKK 345 billion, against DKK 355 billion at the end of 2012. The long-term funding consisted of the following:

DANSKE BANK EXCLUDING REALKREDIT DANMARK (DKK billions)	30 June 2013	31 December 2012
Covered bonds	165	167
Senior unsecured debt	121	120
Subordinated debt	59	68
Total	345	355

PERSONAL BANKING

PERSONAL BANKING SERVES PERSONAL AND PRIVATE BANKING CUSTOMERS THROUGH A STRONG NETWORK OF BRANCHES, FINANCE CENTRES, CONTACT CENTRES AND ONLINE CHANNELS. PERSONAL BANKING OFFERS A WIDE RANGE OF FINANCIAL PRODUCTS AND SERVICES WITHIN BANKING, PROPERTY FINANCING, LEASING, INSURANCE AND PENSIONS.

We are pleased to see that our New Standards strategy measures are starting to pay off financially, but we also recognise that we have a long way to go before meeting our financial goals. With our new customer programme, however, we have an excellent foundation for creating long-term value for customers and shareholders alike. Personal Banking is on track with a major overhaul of the distribution network to better reflect customers' increasing use of digital channels and demand for 24/7 accessibility. We know, however, that some of the changes we have introduced are not popular with all of our customers initially. This is apparent from the low image and customer satisfaction scores in some markets. Still, there are early signs of improvement in our image, and the customer response to our innovative new mobile solutions and customer programme is very positive.

New Standards strategy

Personal Banking is committed to setting new standards as a financial partner. These are our two main customer promises:

- To deliver proactive financial care
- To offer seamless online solutions

We have launched a number of initiatives in pursuit of our overall goals of high customer satisfaction and strong financial results, including the following:

- Increased accessibility through innovative online solutions
- Better, fairer and more transparent product offerings and advisory services that make it more attractive for customers to increase their volume of business with us
- Simplicity as a driver for customer offerings and internal processes to make day-to-day banking easier and more convenient

KEY DEVELOPMENTS FROM Q1 2013 TO Q2 2013

- RETURN ON ALLOCATED CAPITAL OF 7.2% P.A., DOWN 0.8 OF A PERCENTAGE POINT
- PROFIT BEFORE TAX OF DKK 0.5 BILLION, DOWN 6%
- TOTAL INCOME OF DKK 4.1 BILLION, MATCHING THE LEVEL IN Q1
- NET INTEREST INCOME OF DKK 2.8 BILLION, ON A PAR WITH THE LEVEL IN Q1
- EXPENSES UP 4% TO DKK 3.1 BILLION
- IMPAIRMENTS DOWN 14%

Profit before tax fell slightly from the first to the second quarter, mainly because of one-off expenses and IT costs. Year-on-year, however, Personal Banking has significantly improved both profit, which rose from DKK 0.3 billion to DKK 1.1 billion, and ROE, which was up from 2.5% p.a. to 7.6% p.a.



CUSTOMER
SATISFACTION



RETURN ON
ALLOCATED CAPITAL



CUSTOMERS USING
ONLINE CHANNELS

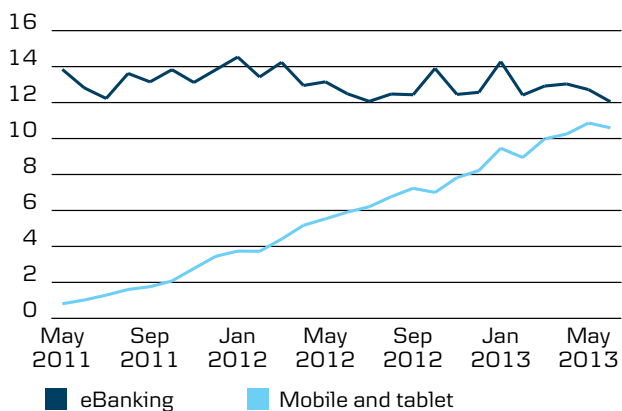
PERSONAL BANKING (DKK millions)	First half 2013	First half 2012	Index 13/12	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Full year 2012
Net interest income	5,565	5,844	95	2,793	2,772	2,954	2,874	2,931	11,672
Net fee income	2,041	1,790	114	1,043	998	979	961	880	3,730
Net trading income	297	359	83	97	200	291	169	148	819
Other income	330	324	102	187	143	146	138	165	608
Total income	8,233	8,317	99	4,120	4,113	4,370	4,142	4,124	16,829
Expenses	6,035	6,341	95	3,079	2,956	3,115	2,974	3,346	12,430
Profit before loan impairment charges	2,198	1,976	111	1,041	1,157	1,255	1,168	778	4,399
Loan impairment charges	1,098	1,638	67	509	589	692	419	588	2,749
Profit before tax	1,100	338	-	532	568	563	749	190	1,650
Loans and advances	842,213	880,378	96	842,213	860,480	871,759	887,296	880,378	871,759
Allowance account, total	9,663	8,903	109	9,663	9,645	9,314	8,487	8,903	9,314
Deposits	364,886	365,843	100	364,886	370,203	360,175	366,053	365,843	360,175
Bonds issued by Realkredit Danmark	418,630	422,935	99	418,630	424,031	428,078	424,854	422,935	428,078
Allocated capital (average)	29,034	27,175	107	29,550	28,513	31,488	28,318	27,274	28,539
Net interest income as % p.a. of loans and deposits	0.92	0.94		0.92	0.91	0.97	0.92	0.94	0.95
Profit before loan impairment charges as % p.a. of allocated capital	15.1	14.5		14.1	16.2	15.9	16.5	11.4	15.4
Profit before tax as % p.a. of allocated capital (ROE)	7.6	2.5		7.2	8.0	7.2	10.6	2.8	5.8
Cost/income ratio (%)	73.3	76.2		74.7	71.9	71.3	71.8	81.1	73.9
Full-time-equivalent staff	7,575	8,547	89	7,575	7,713	8,016	8,304	8,547	8,016

PERSONAL BANKING FIRST HALF 2013 (DKK millions)	Denmark	Finland	Sweden	Norway	Northern Ireland	Ireland	Other	Total
Total income	5,328	1,120	424	858	399	106	-2	8,233
Loan impairment charges	975	-9	-5	-17	41	106	7	1,098
Loans and advances	548,784	99,384	77,927	77,593	16,686	16,449	5,390	842,213
Deposits	214,622	46,872	32,304	27,859	27,060	11,032	5,137	364,886

Customers move to self-service via mobile devices

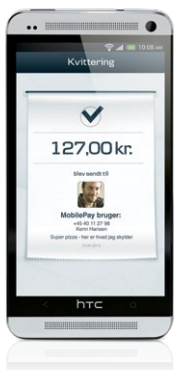
We see a sweeping shift from conventional channels to online self-service options. And mobile devices are fast becoming our customers' preferred point of entry to Danske Bank.

NUMBER OF MOBILE LOGONS (millions)



In a matter of months, the total number of mobile logons will exceed the number of eBanking logons. In May 2013, this happened in Denmark, where mobile devices are now customers' preferred point of entry.

Personal Banking continues to develop self-service solutions that provide a convenient overview of the customer's finances and make day-to-day banking easy:



- MobilePay makes money transfer by mobile phone just as easy as sending a text message – all it takes is the phone number of the recipient. More than 260,000 users in Denmark have already downloaded the new app, and almost 50% are customers of other banks.

- The spending overview gives customers a convenient summary of where their money goes. This new graphic, real-time overview in Danske eBanking and on tablet and mobile apps quickly became very popular in Denmark, with more than 275,000 active users to date.

- With the launch of Danske eMeeting in all markets, customers have a new channel for meeting with their advisers, at home or at work at any time that suits them. In the second quarter, some 1,000 eMeetings were held, and customers rate eMeetings just as highly as conventional face-to-face meetings at branches.
- We are expanding our ATM services to include the possibility of withdrawing euros in non-euro zone markets.

Customers' extensive use of self-service options of course means less demand for teller services and local branch presence. We are continually working to align our distribution network with this trend.

We also continue to modernise our distribution channels, and today have tellers at 55 branches in Denmark. Combined with around 500 ATMs, our cooperation with post offices and our 24-hour telephone hotline, Danske Direct, this provides customers with good access to our employees and the assistance they require.

Danske Bank in Norway went non-cash in June 2013. Danske Bank in Ireland is already non-cash, and Danske Bank in Sweden has only one branch with tellers.

Customer satisfaction

Personal Banking's aim is to be number one or two in our focus segments, that is, mass affluent and private banking customers and young people and students, by the end of 2015. So far, we have reached this goal only in Northern Ireland and Sweden.

We view our current standing in some markets as a natural, short-term reaction to the many changes we are making over a very short period of time. But we see a need for banks to change, and we will remain committed to our strategy.

CUSTOMER SATISFACTION – STATUS ON OUR GOAL TO BE NUMBER ONE OR TWO IN OUR FOCUS SEGMENTS IN 2015

On target:



Progress towards target:



Source: Ennova. Customer satisfaction is calculated as a moving average of measurements over the past six months.

Internal figures for customer feedback on face-to-face meetings are encouraging. In the second quarter of 2013, we asked 30,000 Personal Banking customers in our focus segments for feedback, and they gave the meetings a score of 9.01 on a 10-point scale. This tells us that we are on the right track and that our highly-qualified employees are extremely dedicated when meeting our customers.

Full personal finance overview

At Personal Banking, we believe that customers will benefit from gathering their banking business with one service provider. This offers the best possible overview and gives us the best basis for advising them.

That is the reason we launched the customer programme. It began in Denmark in January, and other countries will follow in 2014.

The basic premise of the programme is that the more business customers have with Danske Bank, the more benefits they get. In the first half of 2013, more than 750,000 customers signed up for the programme in Denmark.

Customers with a very small business volume tend to gather their business with their primary bank and may thus decide to leave Danske Bank. In the first six months of 2013, some 40,000 customers left Danske Bank in Denmark. This outflow is as expected in view of the fact that we have launched an entirely new way of being a customer with Danske Bank.

Private Banking

For private banking customers, the 360-degree perspective provided by our wealth planning tool and our highly skilled private bankers have been at the core of our advisory services for years, and they offer a wide range of advantages.

We have been named the Best Private Banking bank in Denmark by Euromoney eight times in the past 10 years and were ranked number two in Sweden by the Swedish "Privata Affärer" newspaper.

Fair and transparent pricing

A comprehensive review and adjustment of our pricing principles has begun to ensure that we always strike a fair balance between the cost of our products and services, the value we offer, the risks we assume, the depth of the relationship and the price we charge. All pricing adjustments are made with the ambition of remaining competitive.

Simplicity as a driver

We believe that we can do things more simply. We can benefit our customers by offering solutions that are fast, seamless and reliable.

- We have reduced the time it takes to order and cancel credit cards by one third.
- Today, 45% of all credit decisions are automated. Automated processes are faster and more accurate, a clear benefit for customers. Our ambition is to automate 90% of all credit decisions by 2015.
- Digital online document signing is a smooth, fast and simple service that we offer all customers in Denmark.

Second quarter 2013 vs first quarter 2013

The return on equity decreased from 8.0% to 7.2% as a result of higher expenses for IT investments and expenses for the MobilePay launch.

Total income was stable, despite the fact that trading income fell, mainly because the result for the first quarter included refinancing margins from RD.

Expenses increased 4%, primarily because of IT investments and also because of severance payments and seasonal effects.

Impairments fell 14% to DKK 0.5 billion, or 0.24% p.a. of lending and guarantees, mainly as a result of the stabilisation of the personal finances of customers in Denmark.

Net interest income stood at DKK 2.8 billion, the same level as in the first quarter, and reflected persistently low interest rates and a general trend towards switching from bank loans to low-interest

mortgage loans. These factors meant that pricing differentiation did not produce the expected increase in income.

From the first to the second quarter, Personal Banking registered 306,000 customers under the customer programme, bringing the total number of registered customers to 773,665. New business had a positive effect on total income from focus customers.

First half 2013 vs first half 2012

Net interest income fell 5% owing to decreasing average lending volumes and falling short-term interest rates that put deposit margins under pressure.

Net fee income increased owing to higher fees on customer packages.

Expenses decreased owing to a fall in the number of FTEs.

Personal Banking has significantly improved both profit, which rose from DKK 0.3 billion to DKK 1.1 billion, and ROE, which was up from 2.5% p.a. to 7.6% p.a. A comparison between the first six months of 2013 and the same period of 2012 shows that Personal Banking more than trebled profit before tax and ROE. We see signs that our initiatives are beginning to pay off in improved financial results and higher customer satisfaction. When the overall economy improves and interest rates rise, this will have a further positive effect on our financial results.

Impairments fell throughout both quarters, primarily as a result of improved household finances among customers in Denmark. We expect stable impairment levels in the coming quarters.

Credit exposure

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

Total credit exposure declined 5% to DKK 839 billion as a result of lower credit appetite and the fact that customers are focusing on repaying debt. Impairments amounted to DKK 1.1 billion.

(DKK millions)	Credit exposure 30 June 2013	Credit exposure 31 December 2012	Impairment [ann.] (%) 30 June 2013
Denmark	548,261	574,377	0.28
Finland	98,907	106,074	0.06
Sweden	77,658	80,688	0.04
Norway	77,515	84,598	0.00
Northern Ireland	16,226	17,712	0.76
Ireland	14,969	15,376	1.51
Other	5,605	5,638	0.15
Total	839,141	884,463	0.24

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.

Strong credit quality at Personal Banking

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 0.43% at 30 June 2013, on a par with the level at the end of June 2012. The loan loss ratio was 0.24%.

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

Sound home loan portfolio

The housing market in Denmark seems to have bottomed out, and the low interest rates, coupled with Realkredit Danmark's pricing initiatives, continue to encourage customers to amortise and to set interest rates for longer periods. Consequently, the percentage of interest-only loans with a variable interest rate is declining.

The vast majority of customers are very creditworthy, and LTV ratios are generally low.

LOAN-TO-VALUE RATIO, HOME LOANS				
(DKK billions)	30 June 2013		31 December 2012	
	LTV (%)	Credit exposure	LTV (%)	Credit exposure
Denmark	74.1	505	73.6	519
Finland	62.5	90	64.4	93
Sweden	69.2	70	68.2	74
Norway	62.3	72	62.0	78
Northern Ireland	78.1	15	77.9	16
Ireland	105.5	14	109.2	15
Average	71.8	766	71.6	795

Some customers have suffered from the financial crisis and the decline in house prices. Although the LTV ratio is high for these customers, it remains below 100% in most cases.

Around 26% of the portfolio in Denmark has interest resetting before end-2018. The credit risk on this portfolio is limited. The number of customers whose interest-only loans will start to amortise in 2013 is limited. On the basis of their financial situation, we have contacted these customers with advice.

BUSINESS BANKING

BUSINESS BANKING SERVES BUSINESS CUSTOMERS WITH A TURNOVER OF UP TO EUR 300 MILLION THROUGH A NETWORK OF FINANCE AND BUSINESS CENTRES, CONTACT CENTRES AND ONLINE CHANNELS. BUSINESS BANKING OFFERS LEADING SOLUTIONS IN SUCH FIELDS AS ONLINE BANKING, FINANCING, CASH MANAGEMENT AND RISK MANAGEMENT.

We are executing the Business Banking strategy according to plan. We have introduced a number of attractive new offerings for customers, and customers are beginning to benefit from an improved service model. Our digitalisation of distribution channels is well under way. The return on allocated capital improved, primarily because of lower impairments. In most markets, we saw a positive trend in customer satisfaction among our focus customers. In Sweden, Norway and Northern Ireland, we are currently on target with a top-two ranking, but in Denmark and Finland, we still need some improvement to meet our customer satisfaction goal.

New Standards strategy

Business Banking is committed to setting new standards for advisory services and online solutions for business customers. We are in the process of fundamentally revising our banking model to increase our focus on customers, strategic financial advice and technological innovation for the benefit of our customers as well as our investors.

To reach the overall goal of high customer satisfaction and strong financial results, we are

- optimising our product mix
- creating digital solutions that meet customers' needs
- upskilling our advisers and introducing new performance measures
- improving consistency and speed in credit processing
- optimising our pricing structure

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17:25	DY3658	Barcelona	A23	
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17:35	JTG227	J3227	Gazipasa	C16
17:35	SK2535	BD3975	Birmingham	C16
17:40	SK567	Paris/CDG	DS	34

17:25	DY3658	J3313
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17:30	SK541	IB5424
17:30	YY1873	J3227
17:35	JTG227	J3227
17:35	SK2535	BD3975
17:40	SK567	

KEY DEVELOPMENTS FROM Q1 2013 TO Q2 2013

- RETURN ON ALLOCATED CAPITAL OF 10.4% P.A., UP 0.8 OF A PERCENTAGE POINT
- PROFIT BEFORE TAX OF DKK 1.2 BILLION, UP 11%
- TOTAL INCOME OF DKK 3.0 BILLION, SLIGHTLY DOWN FROM THE LEVEL IN Q1
- NET INTEREST INCOME OF DKK 2.2 BILLION, ON A PAR WITH THE LEVEL IN Q1
- EXPENSES OF DKK 1.4 BILLION, MATCHING THE LEVEL IN Q1
- IMPAIRMENTS DOWN 32%

Profit before tax rose 11% from the first quarter to the second quarter, and year-on-year, the increase was as much as 163%. There are indications of slight improvements in the economic environment of Business Banking's main segments. On top of initiatives to improve asset quality, this contributed to a more than 50% decline in impairments since the end of June 2012.



CUSTOMER
SATISFACTION



RETURN ON
ALLOCATED CAPITAL



PROFIT BEFORE TAX

BUSINESS BANKING (DKK millions)	First half 2013	First half 2012	Index 13/12	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Full year 2012
Net interest income	4,397	4,554	97	2,191	2,206	2,328	2,361	2,286	9,243
Net fee income	961	899	107	471	490	607	643	471	2,149
Net trading income	360	303	119	161	199	121	55	191	479
Other income*	265	248	107	141	124	108	125	114	481
Total income	5,983	6,004	100	2,964	3,019	3,164	3,184	3,062	12,352
Expenses	2,732	2,690	102	1,371	1,361	1,482	1,294	1,363	5,466
Profit before loan impairment charges	3,251	3,314	98	1,593	1,658	1,682	1,890	1,699	6,886
Loan impairment charges	974	2,449	40	395	579	794	582	865	3,825
Profit before tax	2,277	865	263	1,198	1,079	888	1,308	834	3,061
Loans and advances	627,950	656,083	96	627,950	644,386	641,133	654,933	656,083	641,133
Allowance account, total	24,107	25,651	94	24,107	24,007	23,961	25,708	25,651	23,961
Deposits	269,343	244,804	110	269,343	257,881	263,976	247,455	244,804	263,976
Bonds issued by Realkredit Danmark	297,142	289,483	103	297,142	298,606	296,302	291,538	289,483	296,302
Allocated capital (average)	45,595	41,672	109	45,992	45,193	45,078	42,741	41,273	42,791
Net interest income as % p.a. of loans and deposits	0.96	0.97		0.95	1.00	1.05	1.09	1.06	1.05
Profit before loan impairment charges as % p.a. of allocated capital	14.3	15.9		13.9	14.7	14.9	17.7	16.5	16.1
Profit before tax as % p.a. of allocated capital (ROE)	10.0	4.2		10.4	9.6	7.9	12.2	8.1	7.2
Cost/income ratio (%)	45.7	44.8		46.3	45.1	46.8	40.6	44.5	44.3
Full-time-equivalent staff	3,761	3,844	98	3,761	3,769	3,772	3,803	3,844	3,772

BUSINESS BANKING FIRST HALF 2013 (DKK millions)	Denmark	Finland	Sweden	Norway	Northern Ireland	Ireland	Baltics	Other	Total
Total income*	3,190	627	859	606	448	14	375	-136	5,983
Loan impairment charges	686	-33	23	198	212	27	-129	-10	974
Loans and advances	368,769	47,316	107,403	52,865	31,785	1,617	18,191	4	627,950
Deposits	77,421	56,317	45,287	41,451	24,628	1,842	22,397	-	269,343

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

Optimising our product mix

In the first half of 2013, Business Banking launched a number of initiatives to provide customers with innovative solutions that address their specific needs and to strengthen the service model.

We are currently launching a new offering for large business customers in each of our Nordic markets. As Business Banking's large customers are becoming increasingly international, they can benefit from many of the market-leading products used by Danske Bank's largest corporate customers, such as capital markets products and advanced risk management advisory services. Tailoring these products to our large customers' needs not only adds value for the customers but also provides excellent opportunities to deepen our relations with customers.

To provide even better services to large real estate customers, we are also establishing a new offering for this group of customers in each of the Nordic markets. We are gathering our real estate advisory and financing competencies to improve our offering for these customers and optimise capital allocation and risk management.

In addition, we have introduced the Danish mortgage bond financing model to relevant customers in Norway and Sweden, and many of them already know the benefits of this financing model since they operate across the Nordic markets.

To address the needs of small business customers and give them even better advisory services, we are implementing a more proactive service model at our Business Direct contact centres and approaching customers with tailored solutions.



New digital solutions: Business on the go

In the first half of 2013, we launched the first mobile and tablet banking apps for business customers in the

Nordic region. Businesses operate across borders to an increasing degree, and now they can conduct their banking business quickly and easily wherever they are.

With the new apps, customers have real-time access to their business accounts, and the apps include a multitude of features that make it easy for businesses to monitor their finances. The apps have been very well received. The Mobile Business app was rated 5.0 on a five-point scale by customers in both Google Play and Apple's App Store.

Focus on upskilling and measurement

It is vital that our advisers give customers the best possible advice. We are therefore training advisers so that they can deliver on the strategy and always provide strategic advice that addresses each customer's specific challenges.

To build a stronger organisation and a more performance-focused business culture, we have developed new frontline performance measures for profitability, customer satisfaction and credit quality. We have also made several key recruitments to help us meet the strategic objectives.

Credit processes and quality

In the first half of 2013, Business Banking launched a number of initiatives to increase credit quality and make credit decisions much faster and simpler. This will reduce future loan losses.

For existing customers, we enhanced the collaboration between relationship managers and credit officers to ensure a more comprehensive and proactive advisory approach. We also strengthened the dedicated teams that handle distressed exposures. These teams examine the distressed exposures to determine how we can best help customers cope with challenges and protect the value of Danske Bank's exposures.

Moreover, we implemented a new credit performance system. Together with the annual credit renewal for each customer, the new system provides an improved overview of overall credit quality and gets information about potential risks to the relationship managers faster.

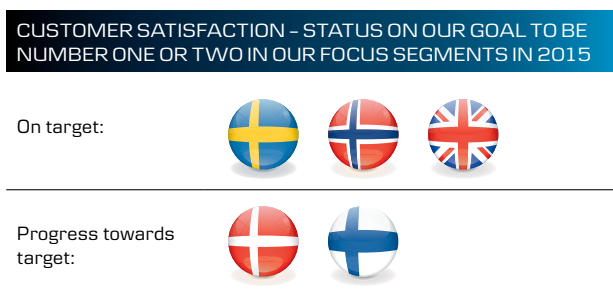
Optimising our price structure

As part of our value-based pricing initiatives, we have repriced a number of fee-based products across all markets to increase fee income. At the same time, we want to ensure that the pricing of customers' total business with us is competitive.

Customer satisfaction

Business Banking's ambition is to be number one or two among our focus customers by the end of 2015.

In the first half of 2013, we saw a positive trend in customer satisfaction in most of our markets. We are currently on target in three out of five markets as we are ranked number one in Norway and Northern Ireland and number two in Sweden. In Denmark and Finland, we need some improvement to reach the goal of a top-two ranking.



Source: Aalund. Customer satisfaction is calculated as a moving average of measurements over the past six months.

Second quarter 2013 vs first quarter 2013

Business Banking's return on allocated capital improved from 9.6% in the first quarter to 10.4% in the second quarter, mainly as a result of lower loan impairments.

Total income almost matched the level in the first quarter, although the demand for lending remained low. Business Banking saw its market shares of lending decline slightly, whereas the market shares of deposits rose in all markets.

Deposits showed a healthy increase, which improved Business Banking's balance sheet structure. The deposit/lending ratio rose to 87% in the second quarter of 2013 from 79% in the first quarter of 2013.

Net interest income was on a par with the level in the first quarter. Lower bank lending and a shift towards low-risk and low-margin mortgage lending in Denmark was offset by a rise in lending margins in the other Nordic countries and increasing deposit volumes.

In the second quarter, deposit margins were on a par with margins in the first quarter in a low-interest rate environment.

Slightly lower investment and financing activity had an adverse effect on net fee income.

Trading income from day-to-day customer business improved in the second quarter. Total trading income was adversely affected by mark-to-market revaluations, however.

Total expenses were unchanged from the level in the first quarter.

First half 2013 vs first half 2012

Profit before tax increased to DKK 2.3 billion, and the return on allocated capital rose from 4.2% to 10.0%, mainly because of improved credit quality.

Total income was unchanged, since increases in net fee and net trading income offset lower net interest income.

Net interest income declined as a result of lower lending and changes in the loan portfolio. We carried out several repricing initiatives in 2012 that resulted in an improvement in lending margins in all markets. The effect was limited, however, because of declining bank lending.

Deposit margins improved even though interest rates remained low in Denmark and the euro zone in the first half of 2013.

Net fee income rose because of repricing initiatives in some markets, including Norway and Finland.

Trading income was up as a result of a review of trading commissions and positive value adjustments of bond holdings and currency and derivatives positions at the beginning of 2013.

Total expenses increased slightly because of wage inflation in some countries. All other expenses decreased year-on-year. The total number of FTEs declined as Business Banking began a process to optimise the distribution network.

Credit exposure

Credit exposure to business customers totalled DKK 659 billion at the end of June 2013, against DKK 651 billion at the end of 2012.

(DKK millions)	Credit exposure Q2 2013	Credit exposure Q4 2012	Impairment [ann.] (%) Q2 2013
Denmark	379,275	360,536	0.54
Finland	52,534	50,931	-0.14
Sweden	109,647	113,681	0.03
Norway	61,075	69,043	0.00
Northern Ireland	24,986	26,899	1.14
Ireland	2,464	2,644	13.12
Baltics	21,969	21,387	-1.99
Other	6,608	6,140	-
Total	658,558	651,261	0.25

Credit quality improving

There are indications of slight improvements in the economic environment of Business Banking's main segments. On top of initiatives to improve asset quality, this contributed to a more than 50% decline in impairments since the end of June 2012. At the end of June 2013, impairments amounted to DKK 974 million, against DKK 2,449 million a year earlier. Impairments declined from DKK 579 million in the first quarter 2013 to DKK 395 million in the second quarter, and the drop was most pronounced in Denmark and Northern Ireland. Commercial real estate and agriculture remained the most challenged segments.

Bank lending declined because of customers' low demand for new loans.

CORPORATES & INSTITUTIONS

CORPORATES & INSTITUTIONS IS A LEADING PROVIDER OF WHOLESALE BANKING SERVICES FOR THE LARGEST INSTITUTIONAL AND CORPORATE CLIENTS IN THE NORDIC REGION. PRODUCTS AND SERVICES INCLUDE CASH MANAGEMENT, TRADE FINANCE AND CUSTODY SERVICES; EQUITY, BOND, FOREIGN EXCHANGE AND DERIVATIVES PRODUCTS; AND CORPORATE AND ACQUISITION FINANCE.

New Standards strategy

Corporates & Institutions is setting new standards by formulating clear priorities and delivering distinctive value propositions to clients. The objectives are to reach a more stable and growing client-driven income base and increase client satisfaction.

We focus on improving and leveraging Danske Bank's market-leading products and services while further developing our role as a strategic adviser:

- In Debt Capital Markets, we aim to be the leading Nordic bank and are investing to enhance the offering
- In Equities, we are broadening the business model, both in terms of the product range and geographically
- In Transaction Banking, we are working on strategic alignment while developing trade finance and cash management to further optimise our clients' working capital and improve liquidity management
- We are aiming generally to protect the franchise by providing consistent quality and flexible client-focused services while proactively adapting to new regulation

Together with strong relationship management, these measures are improving client satisfaction.

Given the market conditions, Corporates & Institutions' results for the first half of 2013 were acceptable. We are especially pleased that clients continued to confirm their high satisfaction with our customised products and services.

KEY DEVELOPMENTS FROM Q1 2013 TO Q2 2013

- RETURN ON ALLOCATED CAPITAL OF 12.0% P.A., DOWN 0.3 OF A PERCENTAGE POINT
- PROFIT BEFORE TAX OF DKK 1.0 BILLION, ON A PAR WITH THE LEVEL IN Q1
- TOTAL INCOME OF DKK 2.1 BILLION, DOWN 11%
- INCOME FROM CLIENT-DRIVEN ACTIVITY MAINTAINED
- EXPENSES OF DKK 1.1 BILLION, MATCHING THE LEVEL IN Q1
- IMPAIRMENTS DOWN 93%

Profit before tax was almost flat from the first quarter to the second quarter as lower impairments offset declining trading income. In the second quarter, net trading income from Market Making decreased as the Fed announcement created erratic market conditions that resulted in lower income, especially from government bonds.



CLIENT
SATISFACTION



RETURN ON
ALLOCATED CAPITAL



PROFIT BEFORE TAX

CORPORATES & INSTITUTIONS (DKK millions)	First half 2013	First half 2012	Index 13/12	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Full year 2012
Net interest income	1,061	992	107	557	504	451	475	501	1,918
Net fee income	564	542	104	272	292	312	264	287	1,118
Net trading income	2,881	5,084	57	1,300	1,581	1,285	1,972	1,717	8,341
Other income	7	6	117	2	5	9	4	2	19
Total income	4,513	6,624	68	2,131	2,382	2,057	2,715	2,507	11,396
Expenses	2,240	2,181	103	1,140	1,100	1,107	1,019	1,008	4,307
Profit before loan impairment charges	2,273	4,443	51	991	1,282	950	1,696	1,499	7,089
Loan impairment charges	311	536	58	20	291	36	588	236	1,160
Profit before tax	1,962	3,907	50	971	991	914	1,108	1,263	5,929
Loans and advances	155,193	169,744	91	155,193	167,377	161,112	168,493	169,744	161,112
Allowance account, total	3,095	2,519	123	3,095	3,236	2,877	3,028	2,519	2,877
Deposits	162,694	124,957	130	162,694	168,937	162,817	128,496	124,957	162,817
Bonds issued by Realkredit Danmark	13,464	12,157	111	13,464	11,757	11,695	12,060	12,157	11,695
Allocated capital (average)	32,285	27,308	118	32,374	32,194	31,112	28,882	27,987	28,653
Net interest income as % p.a. of loans and deposits	0.66	0.67		0.69	0.60	0.56	0.65	0.69	0.60
Profit before loan impairment charges as % p.a. of allocated capital	14.1	32.5		12.2	15.9	12.2	23.5	21.4	24.7
Profit before tax as % p.a. of allocated capital (ROE)	12.2	28.6		12.0	12.3	11.8	15.3	18.1	20.7
Cost/income ratio (%)	49.6	32.9		53.5	46.2	53.8	37.5	40.2	37.8
Full-time-equivalent staff	1,554	1,460	106	1,554	1,531	1,499	1,467	1,460	1,499

TOTAL INCOME (DKK millions)	First half 2013	First half 2012	Index 13/12	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Full year 2012
General Banking	1,714	1,574	109	871	843	779	773	814	3,126
Capital markets	335	289	116	161	174	206	160	107	655
Sales and Research	1,417	1,390	102	702	715	631	576	653	2,597
Market Making	1,047	3,371	31	397	650	441	1,206	933	5,018
Total income	4,513	6,624	68	2,131	2,382	2,057	2,715	2,507	11,396

Debt Capital Markets

The trend towards further disintermediation and increased capital market funding continued in the first six months of 2013, with several new corporate issuers coming into the market.

We took further steps to expand our capabilities in this area and subsequently won a number of important mandates. Among them was the position as sole bookrunner on one of the first corporate bond issues denominated in Danish kroner, which was followed by two DKK 1.0 billion transactions in June, confirming Danske Bank as the leading arranger of Danish kroner-denominated corporate bond issues.

Our new domestic issues activity in the other Nordic markets remained strong and was complemented by international bookrunner positions in important new corporate bond issues, such as our participation as one of four banks in an EUR 2.0 billion bond issue in March.

We also acted as an agent on two US private placements for Nordic corporate issuers, and we remain the only Nordic bank active in this market.

Equities

In the second quarter of 2013, we launched an ambitious equity strategy to increase our Nordic market shares by diversifying the product range and strengthening our pan-Nordic position. The rise in earnings and traction in new areas confirmed this strategic direction.

Transaction Banking

We further strengthened Danske Bank's leading transaction banking products and services by increasing investments, primarily in cash management, trade finance and custody services. The strategic direction is to develop trade finance and cash management to further optimise our clients' working capital and improve liquidity management. The investments were combined with a restructuring of the unit to enhance sales and client activity.

Thus far, the investments have paid off in an increase in market penetration and the number of tenders won. At the same time, the annual client satisfaction surveys conducted in the first half of 2013 confirmed Danske Bank's strong position in this area.

Protection of the franchise

In the first half of 2013, Corporates & Institutions worked to resolve the issues arising from future regulation on clearing. This led to new business opportunities. Specifically, we acquired our first clients as a clearing broker for Swedish kroner-denominated derivatives on NASDAQ OMX. Danske Bank is also preparing to offer client clearing through the London Clearing House.

Further, we prepared for the coming derivatives trade reporting requirements. Corporates & Institutions has as its ambition to support clients' trade reporting requirements as well. In the first half of 2013, we developed a trade reporting service that will be launched in the second half of the year.

Within securities offerings, we worked to improve settlement services as part of an overall ambition to provide consistent quality and flexible client-oriented services.

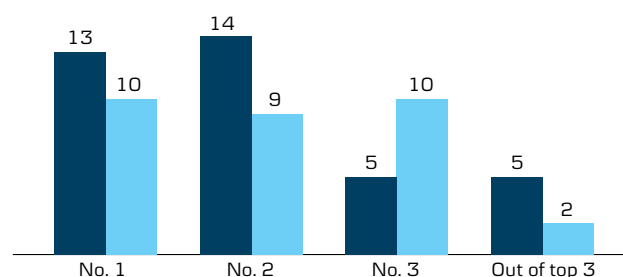
Client satisfaction

Corporates & Institutions has an ambition to be the number one wholesale bank in the Nordic region.

Danske Bank uses surveys conducted by Prospera as an indicator of client satisfaction. The surveys are conducted across a vast number of areas throughout the year.

Prospera consolidates all surveys annually, and we strive to be number one in this survey by 2015. In 2012, we ranked third.

CLIENT SATISFACTION

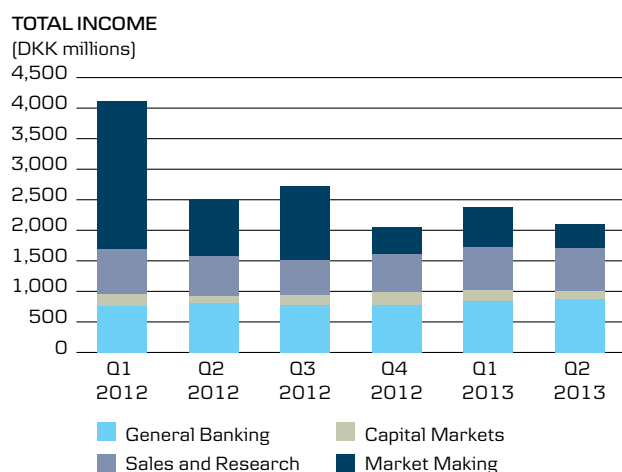


Source: Prospera

Surveys conducted in H1 2013 are compared with the corresponding surveys for 2012 regardless of when they were published. Prospera conducted new surveys in 2013 that were not conducted in 2012.

In the surveys on Corporates & Institutions' clients and products, Danske Bank was ranked in the top two in 73% of all relevant surveys published in the period. We achieved top positions in fixed income, derivatives and trade finance, and runner-up positions in cash management, foreign exchange and debt capital markets in three of four Nordic countries. The highly satisfactory results confirmed Danske Bank's position as a leading wholesale bank in the Nordic region and also showed an increase in client satisfaction.

Second quarter 2013 vs first quarter 2012



In the second quarter of 2013, total income fell 11% from the level in the first quarter to DKK 2.1 billion. The main reason for the decrease was reduced net trading income from Market Making. Market sentiment varied significantly over the second quarter. At the beginning, the combined efforts of central banks improved market conditions, but towards the end of the period, market sentiment worsened, initially in the emerging markets, then in the peripheral euro zone.

The surprising market reaction to the Fed's announcement that it would scale down its quantitative easing increased uncertainty among many market participants. This created difficult market conditions towards the end of the second quarter.

General Banking income matched the first-quarter level as both net interest income and net fee income remained high. Net interest income was driven by higher lending margins as market conditions remained uncertain. Net fee income was driven by activity in loan establishment and refinancing.

In Capital Markets, bond issuance remained at the highly satisfactory level of the first quarter in spite of generally lower market activity. Corporate Finance continued to work on building the pipeline in the second quarter, and fees increased slightly, though at low levels.

Sales and Research had another good quarter, although income fell from the level in the first quarter. Earnings from client-driven trading in government bonds remained at the high level from the first quarter, while derivatives and equities income fell slightly.

Market Making income decreased as the Fed announcement created erratic market conditions that resulted in lower income, especially from government bonds. Foreign exchange products and money markets were at the same level as in the first quarter, however. Equity trading saw a small decrease but still delivered a satisfactory result.

Expenses increased 4%, mainly because of higher IT investments and staff costs.

Impairments were close to nil in the second quarter, with only minor new impairments and minor reversals.

First half 2013 vs first half 2012

At DKK 4.5 billion, total income in the first half of 2013 was satisfactory despite a fall of 32% compared with the extraordinarily high income in the same period last year. The main reason for the very high income in the first half of 2012 was Market Making's ability to profit from the positive market sentiment that followed the ECB's introduction of the LTRO programmes.

General Banking income rose 9%, reflecting an increase in net interest and net fee income.

In the first half of 2013, Capital Markets saw an increase in bond issuance, although market activity fell.

Sales and Research performed well in all product areas. Client demand for hedging of financial risks was particularly strong.

Overall, income from client-driven activity from these three business areas rose 7% from the level in the first half of 2012, which was satisfactory.

Expenses were up 3%, mainly because of higher IT investments and staff costs.

Impairments fell during the first half of 2013 and were down 42% p.a. from the level in the same period last year.

Credit exposure

At 30 June 2013, total credit exposure from lending activities was down 2.7% from year-end 2012 to DKK 759 billion.

Over the past six quarters, impairments have fluctuated. Because of the nature of our business, impairments are expected to fluctuate quarter on quarter.

The loan portfolio is deemed to be strong.

Accumulated impairments, which totalled DKK 3.1 billion, related mainly to large corporate clients. In the second quarter of 2013, there were no large impairment charges at Corporates & Institutions.

Large corporate clients

Credit exposure to corporate clients amounted to DKK 274 billion. The corporate portfolio is a diverse portfolio consisting mainly of large companies based in the Nordic countries and large international clients with activities in the Nordic region.

(DKK millions)	Credit exposure	Credit exposure	Impairment
	30 June 2013	31 December 2012	(ann.) (%) 30 June 2013
Sovereign	118,800	149,796	0.00
Financial institutions	364,744	352,140	0.00
Corporate	274,373	276,290	0.04
Other	1,242	2,374	-0.09
Total	759,159	780,600	0.02

Public institutions

The public institutions portfolio consisted primarily of exposure to the stable and highly rated Nordic sovereigns. Credit exposure amounted to DKK 119 billion. The decrease from the year-end 2012 figure was driven by lower demand deposit exposure to central banks.

At 30 June 2013, credit exposure to AAA-rated sovereigns and central banks represented 94% of credit exposure.

Financial institutions

Credit exposure to financial institutions amounted to DKK 365 billion. Most of the exposure consisted of repo lending facilities.

DANSKE CAPITAL

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 MANAGEMENT SERVICES FOR SOME PERSONAL BANKING CUSTOMER SEGMENTS.

New Standards strategy

At Danske Capital, the strategic focus is on

- delivering competitive investment performance
- developing attractive investment products and concepts
- increasing sales to retail customers and institutional clients

Danske Capital continues to deliver value to customers through competitive investment returns and attractive investment solutions. It is gratifying that this is resulting in steadily increasing sales and profits.

KEY DEVELOPMENTS FROM Q1 2013 TO Q2 2013

- PROFIT BEFORE TAX OF DKK 0.2 BILLION, UP 9%
- TOTAL INCOME OF DKK 0.4 BILLION, DOWN 6%
- EXPENSES OF DKK 0.2 BILLION, ON A PAR WITH THE LEVEL IN Q1
- ASSETS UNDER MANAGEMENT OF DKK 704 BILLION, MATCHING THE LEVEL IN Q1

Profit before tax was flat from the first quarter to the second quarter as lower fee income was offset by reduced costs. Asset under management increased 11% year-on-year, reflecting improved sales to institutional clients and retail customers.



EMPLOYEES



MARKET SHARE IN THE
NORDIC REGION



PROFIT BEFORE TAX

DANSKE CAPITAL (DKK millions)	First half 2013	First half 2012	Index 13/12	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Full year 2012
Net interest income	-17	-11	-	-8	-9	-7	-7	-6	-25
Net fee income	941	724	130	454	487	821	400	378	1,945
Other income	5	-4	-	3	2	-1	2	1	-3
Total income	929	709	131	449	480	813	395	373	1,917
Expenses	491	456	108	221	270	316	210	227	982
Profit before loan impairment charges	438	253	173	228	210	497	185	146	935
Loan impairment charges	-	-	-	-	-	-	-	-	-
Profit before tax	438	253	173	228	210	497	185	146	935
Loans and advances	237	210	113	237	238	211	209	210	211
Allowance account, total	-	-	-	-	-	-	-	-	-
Deposits	200	219	91	200	228	155	178	219	155
Allocated capital (average)	2,510	2,281	110	2,538	2,499	2,394	2,330	2,284	2,321
Cost/income ratio (%)	52.9	64.3		49.2	56.3	38.9	53.2	60.9	51.2
Assets under management (DKK billions)	704	636	111	704	722	687	666	636	687

Competitive investment performance

Generating high investment returns to customers has always been a priority at Danske Capital. In the first half of 2013, some 74% of all Danske Invest funds generated above-benchmark returns. Of the bond-based funds, 85% delivered above-benchmark returns, and for equity-based funds, the figure was 70%. Of balanced products, 62% performed above their benchmarks. Some 38% of Danske Invest funds ranked in the top third of European funds in their categories.

In the first half of 2013, Morningstar ranked Danske Invest the best mutual fund group in Denmark at managing equities for the fifth time in a row.

Danske Invest Hedge Fixed Income Strategies was named the “Best Hedge Fund, Europe” by the International Alternative Investment Review. The fund, which generated returns of 33.7% in 2012 and 9.5% in the first half of 2013, also received the 2013 HFM award for the second year in a row. Morningstar also ranked Danske Invest Norway II Fund the best Norwegian equity fund in 2013.

Attractive investment products and concepts

Having the right investment product or concept for the individual customer’s needs is always in focus. In 2013, Danske Capital focuses on

- expansion of the hedge fund product range
- introduction of alternative investment solutions
- managed accounts (expansion of product range)
- selected new product launches

The hedge fund area has been quite successful, with total assets under management at the end of June 2013 of DKK 10 billion, an increase of 80% from June 2012. The latest product launch was Danske Invest Europe Long-Short Dynamic, which has raised DKK 1.4 billion since the beginning of 2013.

In addition, Danske Capital has built a centre of competence for alternative investment solutions. Assets under management amounted to DKK 16 billion at 30 June 2013.

The managed account concept was expanded in late 2012 through the new *Danske Porteføljepleje* product, which is offered to personal and private banking customers in Denmark. The product should be seen as the logical next step in the *FlexInvest Fri* concept in Denmark and the fund-of-fund solutions offered outside Denmark. The fund-of-fund solutions have been introduced gradually over the past few years and had assets under management of DKK 82 billion at the end of June 2013. The new managed accounts concept has been rolled out in Sweden and Finland and will be introduced in Norway later this year. At 30 June 2013, assets under management amounted to DKK 9.7 billion.

Finally, Danske Capital introduced new products such as the Danske Invest Emerging and Frontier SMID fund, whose assets under management amounted to DKK 2.3 billion at the end of June 2013.

Higher retail and institutional sales

Another focus area is translating the competitive investment returns and attractive investment solutions into higher sales to both retail customers and institutional clients. Net sales for the first half of 2013 totalled DKK 28 billion: DKK 9 billion to retail customers and DKK 19 billion to institutional clients. Sales to retail customers consisted mainly of balanced products and alternative investment solutions, which together accounted for DKK 7 billion, or almost 70% of total net sales. Retail net sales came from all of the Nordic countries: 37% from Denmark, 14% from Norway, 27% from Finland and 22% from Sweden.

Net sales to institutional clients of DKK 19 billion consisted of sales to solution customers of DKK 7 billion, sales to third-party distributors of DKK 4 billion, and sales to alpha customers, including the life insurance and pensions segments, of DKK 8 billion.

The solution concept for institutional clients is used in Denmark and Finland and will be rolled out in Sweden and Norway later. At 30 June 2013, assets under management amounted to DKK 116 billion, up 15% since 30 June 2012.

Second quarter 2013 vs first quarter 2013

Total income fell 6% from DKK 480 million in the first quarter to DKK 449 million. Income in the first quarter benefited from performance-related fees of DKK 50 million, whereas second-quarter performance fees amounted to DKK 13 million. Non-performance-related income was up 2%, as average assets under management rose 1% from DKK 709 billion in the first quarter to DKK 717 billion in the second quarter.

Total expenses fell 18%, primarily because the first quarter included a provision for possible losses.

First half 2013 vs first half 2012

Total income rose from DKK 709 million in the first half of 2012 to DKK 929 million in the first half of 2013, a gain of 31%. Performance-related fees rose from DKK -11 million to DKK 63 million. Non-performance-related income was up 20%.

Total expenses rose 8% above the level in the first half of 2012. Excluding the loss provision, total expenses were down 1%.

Profit before tax was up 73%.

Assets under management amounted to DKK 704 billion, up DKK 68 billion from the end of June 2012. In the past 12 months, net sales to institutional clients and retail customers totalled DKK 46 billion.

DANICA PENSION

DANICA PENSION PROVIDES LIFE INSURANCE AND PENSION PRODUCTS TO BOTH PERSONAL AND BUSINESS CUSTOMERS. OUR PRODUCTS ARE MARKETED THROUGH A RANGE OF CHANNELS, PRIMARILY PERSONAL BANKING AND OWN INSURANCE BROKERS AND ADVISERS. WE OFFER THREE UNIT-LINKED PRODUCTS ON THE DANISH MARKET: DANICA BALANCE, DANICA LINK AND DANICA SELECT. FOR THESE PRODUCTS, CUSTOMERS CHOOSE AN INVESTMENT PROFILE, AND THE RETURN DEPENDS ON MARKET DEVELOPMENTS. WE ALSO OFFER DANICA TRADITIONEL. WITH THIS PRODUCT, CUSTOMERS DO NOT HAVE ANY INFLUENCE ON THE INVESTMENT PROFILE, AND DANICA PENSION SETS THE RATE OF INTEREST ON POLICY-HOLDERS' SAVINGS.

Danica Pension's financial results were adversely affected by negative returns on the financial markets towards the end of the second quarter of 2013, when the prices of shares and credit bonds declined. We continue to streamline our operations, reducing the expense ratio in Denmark to 4.0%. Over the past five years, we have reduced the expense ratio by an average of 8% a year. In the first half of 2013, Danske Bank's sales of Danica products increased 19%, underlining the focus on enhancing solutions together with Danske Bank.

New Standards strategy

At Danica Pension, the strategic focus is on

- providing financial security to customers
- simplifying customer services
- enhancing solutions together with Danske Bank
- developing the investment portfolio

KEY DEVELOPMENTS

- NET INCOME OF A NEGATIVE DKK 0.3 BILLION, AGAINST DKK 0.3 BILLION FOR Q1 2013
- RISK ALLOWANCE POSTPONED TO A LATER PERIOD
- PREMIUMS ON INSURANCE AND INVESTMENT CONTRACTS UP 11% FROM FIRST HALF 2012
- EXPENSE RATIO OF 4.0 %, DOWN 0.5 OF A PERCENTAGE POINT FROM FIRST HALF 2012

The turbulence on the financial markets in June meant that the net income from insurance business for the second quarter was negative. The risk allowance was booked for only one of the four interest rate groups, and DKK 0.6 billion was transferred to the shadow account.

>  789

EMPLOYEES

>  DKK -346m

INCOME

>  DKK 6,372m

TOTAL PREMIUMS

DANICA PENSION (DKK millions)	First half 2013	First half 2012	Index 13/12	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Full year 2012
Danica Traditional	609	615	99	287	322	282	335	294	1,232
Unit-linked business	230	177	130	109	121	100	90	103	367
Health and accident business	-86	-53	-	-27	-59	-52	-41	-33	-146
Return on investments	69	303	23	-27	96	86	132	91	521
Financing result	-87	-87	-	-43	-44	-57	-50	-45	-194
Special allotment	-95	-44	-	-32	-63	52	-25	-40	-17
Change in shadow account	-645	-68	-	-613	-32	514	-38	309	408
Net income from insurance business	-5	843	-	-346	341	925	403	679	2,171
Premiums, insurance contracts	10,324	10,099	102	4,811	5,513	5,105	4,780	4,634	19,984
Premiums, investment contracts	3,701	2,505	148	1,561	2,140	1,177	983	1,082	4,665
Provisions, insurance contracts	257,435	250,833	103	257,435	262,054	259,726	256,417	250,833	259,726
Provisions, investment contracts	31,160	26,463	118	31,160	31,962	29,071	28,583	26,463	29,071
Customer funds, investment assets									
Danica Traditional	174,203	191,965	91	174,203	190,104	195,106	193,379	191,965	195,106
Danica Balance	52,587	33,179	158	52,587	45,690	41,108	36,585	33,179	41,108
Danica Link	56,898	50,330	113	56,898	58,395	54,731	53,689	50,330	54,731
Allocated capital (average)	11,375	10,764	106	11,048	11,483	11,707	11,073	10,527	11,077
Net income as % p.a. of allocated capital	-0.1	15.7		-12.5	11.9	31.6	14.6	25.8	19.6

Providing financial security to customers

Danica Pension is developing new digital solutions and working to improve customers' financial overview. We also offer new products to maximise customers' benefits from changes in legislation.

In 2012, the Danish parliament voted to phase out capital pension schemes and introduce a new type of pension scheme called the retirement savings scheme (*aldersopsparing*).

As part of the pension reform, customers can convert existing capital pension schemes to retirement

savings schemes in 2013 and 2014 by paying a lower tax charge than the standard rate. We expect that many customers will take advantage of this opportunity. Going forward, we believe that many customers can benefit from paying into retirement savings schemes. This includes customers in the lowest tax bracket, because one of the most advantageous elements of the new scheme is that payments will not be offset against various social benefits.

Simplifying customer services

We have begun the process of simplifying customer services. Customers can look forward to having

better, faster and easier access to products and services, and we will free up employee resources for customer-facing activities. We are confident that the process will enhance the customer experience and lead to an improvement in customer satisfaction in the long term. We also expect to reduce expenses.

Enhancing solutions together with Danske Bank

Danica Pension and Danske Bank want to enhance advisory services within banking and insurance. We have hired more advisers and are working to improve our advisory tools, for example for customers who are nearing retirement age. In the first half of 2013, Danske Bank's sales of Danica products increased 19%.

Developing our investment portfolio

We regularly seek new investment opportunities in order to increase earnings and diversify risks. Recent investments include urban development projects and forest investments.

Second quarter 2013 vs first quarter 2013

Income from insurance business was a negative DKK 0.3 billion, against DKK 0.3 billion in the first quarter of 2013. Because of the adverse developments in the financial markets, the risk allowance could be booked to income for only one of the four interest rate groups. As a result, DKK 0.6 billion was transferred to the shadow account, which at the end of June 2013 stood at DKK 1.4 billion. The shadow account balance will be booked at a later date when the return on investments permits and sufficient buffers have been established.

The return on investment of *Danica Traditional* customer funds was a negative 6.7% p.a., against 1.9% p.a. in the first quarter. Including changes in technical provisions, the return on customer funds was a negative 4.0% p.a.

The return on investment for customers with the *Danica Balance*, *Danica Link* and *Danica Select* unit-linked products was a negative DKK 1.0 billion, representing an average rate of return of -4.9% p.a., against 19.1% p.a. in the first quarter.

First half 2013 vs first half 2012

Income from insurance business amounted to DKK 0.0 billion, against DKK 0.8 billion in the first half of 2012.

The return on investment of *Danica Traditional* customer funds was a negative 2.4% p.a., against 9.8% p.a. in the first half of 2012. Including changes in technical provisions, the return on customer funds was 0.1% p.a.

The return on investment for customers with the *Danica Balance*, *Danica Link* and *Danica Select* products was DKK 2.0 billion, representing an average rate of return of 6.5% p.a., against 10.5% p.a. in the first half of 2012.

Driven by higher business volume, the result for the unit-linked business increased from DKK 177 million in the first half of 2012 to DKK 230 million in the first half of 2013.

Total Danish premiums rose 3.6% to DKK 9.4 billion. Premiums for the *Danica Balance*, *Danica Link* and *Danica Select* products amounted to DKK 13.0 billion and included transfers from *Danica Traditional*. As expected, total premiums for *Danica Traditional* decreased, falling 12.4% to DKK 2.8 billion.

In autumn 2012 and spring 2013, some 50,000 customers in the medium and high guaranteed interest rate groups were offered the possibility of switching from their conventional product to *Danica Balance*. A compensation is given to the customers for forfeiting their guarantees. Some 22% of the customers took the offer, and in the first half of 2013, provisions of DKK 5.7 billion were transferred from *Danica Traditional* to *Danica Balance*.

At the Swedish unit, total premiums rose 36% to DKK 3.6 billion, reflecting increased sales of the custody account savings product.

At the Norwegian unit, total premiums rose 22% to DKK 1.0 billion.

NON-CORE

THE NON-CORE BUSINESS UNIT IS RESPONSIBLE FOR THE CONTROLLED WINDING-UP OF THE LOAN PORTFOLIO THAT IS NO LONGER CONSIDERED PART OF DANSKE BANK'S CORE ACTIVITIES. THE PORTFOLIO CONSISTS MAINLY OF LOANS TO CUSTOMERS IN IRELAND, AND WE AIM TO WIND UP OR DIVEST THESE EXPOSURES.

In the second quarter of 2013, we continued to reduce the Non-core loan portfolio. Impairments declined for the fourth consecutive quarter because of lower impairments against commercial property customers in Ireland.

KEY DEVELOPMENTS FROM Q1 2013 TO Q2 2013

- PROFIT BEFORE TAX OF A NEGATIVE DKK 0.3 BILLION, AN IMPROVEMENT OF DKK 0.2 BILLION
- IMPAIRMENTS OF DKK 0.2 BILLION, DOWN 61%
- LOAN PORTFOLIO DOWN DKK 1.5 BILLION



EMPLOYEES



LOAN IMPAIRMENTS



PROFIT BEFORE TAX

NON-CORE (DKK millions)	First half 2013	First half 2012	Index 13/12	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Full year 2012
Total income	86	149	58	31	55	95	79	53	323
Expenses	129	122	106	75	54	75	78	62	275
Profit before loan impairment charges	-43	27	-	-44	1	20	1	-9	48
Loan impairment charges	766	2,433	31	216	550	1,199	1,217	1,424	4,849
Profit before tax	-809	-2,406	-	-260	-549	-1,179	-1,216	-1,433	-4,801
Loans and advances	41,116	58,220	71	41,116	42,575	44,537	46,463	58,220	44,537
Allowance account, total	10,845	16,673	65	10,845	11,158	11,638	10,023	16,673	11,638
Deposits	5,134	5,328	96	5,134	4,263	4,748	5,872	5,328	4,748
Allocated capital (average)	8,020	10,294	78	8,480	7,554	8,532	8,964	11,181	9,521
Net interest income as % p.a. of loans and deposits	0.43	0.63		0.32	0.54	0.77	0.61	0.50	0.81
Profit before loan impairment charges as % p.a. of allocated capital	-1.1	0.5		-2.2	0.1	0.9	0.0	-0.3	0.5
Profit before tax as % p.a. of allocated capital (ROE)	-20.2	-46.7		-12.3	-29.1	-55.3	-54.3	-51.3	-50.4
Cost/income ratio (%)	150.0	81.9		241.9	98.2	78.9	98.7	117.0	85.1
Full-time-equivalent staff	91	90	101	91	88	93	94	90	93

Second quarter 2013 vs first quarter 2013

At DKK 31 million, total income was down DKK 24 million as a result of a reduction in gross lending.

Impairments were down DKK 334 million because of lower impairments on the commercial property portfolio.

Lending amounted to DKK 41.1 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 1.5 billion from the first quarter of 2013 as a result of asset sales and write-offs.

First half 2013 vs first half 2012

Impairments fell DKK 1.7 billion to DKK 0.8 billion. The large decline was attributable to lower impairments against commercial property customers in Ireland.

Total lending fell DKK 17.1 billion from the first half of 2012 as a result of asset sales and write-offs.

Asset quality of credit portfolio

Credit exposure totalled DKK 31.5 billion at the end of June 2013, against DKK 34.5 billion at the end of December 2012. Exposure to customers in Ireland and institutional customers amounted to DKK 16.9 billion and DKK 14.6 billion, respectively. Accumulated impairments amounted to DKK 10.8 billion and related primarily to the Irish portfolio.

Non-core Ireland

Commercial property and buy-to-let exposures amounted to DKK 6.0 billion and DKK 7.2 billion, respectively.

Impairments declined for the fourth consecutive quarter, largely because of lower impairments against the commercial property portfolio. Impairments related mainly to adjustment charges against already impaired exposures due to declining commercial property values.

(DKK millions)	Credit exposure Q2 2013	Credit exposure Q4 2012	Impairment [ann.] (%) Q2 2013
Commercial property	6,038	7,206	6.83
Consumer discretionary	1,307	1,437	28.67
Buy-to-let (personal customers)	7,219	7,142	0.62
Other	2,374	2,531	8.38
Total	16,938	18,316	6.33

Credit exposure to personal customers related mainly to buy-to-let facilities. The LTV ratio of the personal customer portfolio was 117%, against 120% at the end of 2012.

Non-core institutional customers

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

Over the past year, the exposure to conduits has been reduced 51% to DKK 13.9 billion.

Income statement – Danske Bank Group

Note	(DKK millions)	First half 2013	First half 2012	Q2 2013	Q2 2012	Full year 2012
	Interest income	36,210	40,336	18,191	19,967	77,939
	Interest expense	19,498	22,548	9,776	11,000	42,985
	Net interest income	16,712	17,788	8,415	8,967	34,954
	Fee income	6,258	5,802	3,141	2,761	12,168
	Fee expenses	2,152	1,987	1,098	1,010	3,935
	Net trading income	3,093	6,138	-841	-216	12,735
	Other income	1,756	2,581	980	1,488	4,451
	Net premiums	10,279	10,000	4,837	4,677	19,858
	Net insurance benefits	15,134	14,986	5,358	4,070	31,089
	Income from associates	341	79	402	48	166
	Profit on sale of associates and group undertakings	-	2	-	-	6
	Staff costs and administrative expenses	11,910	12,226	6,044	6,162	24,554
3	Amortisation, depreciation and impairment charges	1,201	2,085	617	874	3,692
	Profit before loan impairment charges	8,042	11,106	3,817	5,609	21,068
	Loan impairment charges	3,149	7,031	1,140	3,109	12,529
	Profit before tax	4,893	4,075	2,677	2,500	8,539
	Tax	1,237	1,802	493	1,005	3,814
	Net profit for the period	3,656	2,273	2,184	1,495	4,725
	Portion attributable to shareholders of Danske Bank A/S (the Parent Company)	3,656	2,274	2,184	1,496	4,721
	non-controlling interests	-	-1	-	-1	4
	Net profit for the period	3,656	2,273	2,184	1,495	4,725
	Earnings per share (DKK)	3.7	2.5	2.2	1.6	5.1
	Diluted earnings per share (DKK)	3.7	2.5	2.2	1.6	5.1
	Proposed dividend per share (DKK)	-	-	-	-	-

Statement of comprehensive income – Danske Bank Group

(DKK millions)	First half 2013	First half 2012	Q2 2013	Q2 2012	Full year 2012
Net profit for the period	3,656	2,273	2,184	1,495	4,725
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Remeasurement of defined benefit plans	-242	-745	-266	-1,309	-590
Tax	82	134	38	263	51
Items that will not be reclassified to profit or loss	-160	-611	-228	-1,046	-539
Items that are or may be reclassified subsequently to profit or loss					
Translation of units outside Denmark	-637	341	-237	293	472
Hedging of units outside Denmark	595	-468	196	-377	-481
Unrealised value adjustments of available-for-sale financial assets	627	204	297	-264	605
Realised value adjustments of available-for-sale financial assets	-10	13	-4	-	125
Tax	-267	34	-116	148	-88
Items that are or may be reclassified subsequently to profit or loss	308	124	136	-200	633
Total other comprehensive income	148	-487	-92	-1,246	94
Total comprehensive income for the period	3,804	1,786	2,092	249	4,819
Portion attributable to					
shareholders of Danske Bank A/S (the Parent Company)	3,804	1,787	2,092	250	4,815
non-controlling interests	-	-1	-	-1	4
Total comprehensive income for the period	3,804	1,786	2,092	249	4,819

Balance sheet – Danske Bank Group

Note	(DKK millions)	30 June 2013	31 December 2012	30 June 2012
ASSETS				
	Cash in hand and demand deposits with central banks	66,277	97,267	36,906
	Due from credit institutions and central banks	165,435	200,646	154,362
	Trading portfolio assets	721,432	812,927	862,938
	Investment securities	121,526	107,724	105,480
	Loans and advances at amortised cost	1,152,056	1,161,816	1,242,280
	Loans at fair value	726,433	732,762	721,637
	Assets under pooled schemes and unit-linked investment contracts	69,687	70,625	65,377
	Assets under insurance contracts	239,839	241,343	237,717
	Holdings in associates	1,421	1,118	1,086
	Intangible assets	20,777	21,181	21,603
	Investment property	4,118	4,131	4,256
	Tangible assets	6,347	6,544	6,756
	Current tax assets	274	147	355
	Deferred tax assets	1,300	1,418	1,891
	Other assets	20,182	25,300	17,704
	Total assets	3,317,104	3,484,949	3,480,348
LIABILITIES				
	Due to credit institutions and central banks	415,999	459,932	515,557
	Trading portfolio liabilities	455,351	531,860	628,008
	Deposits	900,358	929,092	854,036
	Bonds issued by Realkredit Danmark	616,457	614,325	596,837
	Deposits under pooled schemes and unit-linked investment contracts	79,128	78,741	73,368
	Liabilities under insurance contracts	261,088	266,938	258,367
8	Other issued bonds	342,280	340,005	316,967
	Current tax liabilities	569	575	178
	Deferred tax liabilities	7,571	7,583	6,710
	Other liabilities	37,774	50,109	39,909
	Subordinated debt	58,905	67,785	62,584
	Total liabilities	3,175,480	3,346,945	3,352,521
SHAREHOLDERS' EQUITY				
	Share capital	10,086	10,086	9,317
	Foreign currency translation reserve	-237	-195	-313
	Reserve for available-for-sale financial assets	-906	-1,523	-2,036
	Retained earnings	132,681	129,632	120,859
	Proposed dividends	-	-	-
	Shareholders of Danske Bank A/S (the Parent Company)	141,624	138,000	127,827
	Non-controlling interests	-	4	-
	Total shareholders' equity	141,624	138,004	127,827
	Total liabilities and equity	3,317,104	3,484,949	3,480,348

Statement of capital – Danske Bank Group

(DKK millions)

Changes in shareholders' equity	Shareholders of Danske Bank A/S (the Parent Company)							
	Share capital	Foreign currency translation reserve	Reserve for available-for-sale assets	Retained earnings	Proposed dividends	Total	Non-controlling interests	Total
Shareholders' equity at 1 January 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	-	-	-	3,656	-	3,656	-	3,656
Other comprehensive income								
Remeasurement of defined benefit plans	-	-	-	-242	-	-242	-	-242
Translation of units outside Denmark	-	-637	-	-	-	-637	-	-637
Hedging of units outside Denmark	-	595	-	-	-	595	-	595
Unrealised value adjustments	-	-	627	-	-	627	-	627
Realised value adjustments	-	-	-10	-	-	-10	-	-10
Tax	-	-	-	-185	-	-185	-	-185
Total other comprehensive income	-	-42	617	-427	-	148	-	148
Total comprehensive income for the period	-	-42	617	3,229	-	3,804	-	3,804
Transactions with owners								
Dividends paid	-	-	-	-	-	-	-4	-4
Acquisition of own shares	-	-	-	-8,766	-	-8,766	-	-8,766
Sale of own shares	-	-	-	8,610	-	8,610	-	8,610
Share-based payments	-	-	-	-	-	-	-	-
Tax	-	-	-	-24	-	-24	-	-24
Shareholders' equity at 30 June 2013	10,086	-237	-906	132,681	-	141,624	-	141,624
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	-	-	-	2,274	-	2,274	-1	2,273
Other comprehensive income								
Remeasurement of defined benefit plans	-	-	-	-745	-	-745	-	-745
Translation of units outside Denmark	-	341	-	-	-	341	-	341
Hedging of units outside Denmark	-	-468	-	-	-	-468	-	-468
Unrealised value adjustments	-	-	204	-	-	204	-	204
Realised value adjustments	-	-	13	-	-	13	-	13
Tax	-	-	-	168	-	168	-	168
Total other comprehensive income	-	-127	217	-577	-	-487	-	-487
Total comprehensive income for the period	-	-127	217	1,697	-	1,787	-1	1,786
Transactions with owners								
Dividends paid	-	-	-	-	-	-	-14	-14
Acquisition of own shares	-	-	-	-7,719	-	-7,719	-	-7,719
Sale of own shares	-	-	-	7,599	-	7,599	-	7,599
Share-based payments	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-45	-45
Tax	-	-	-	32	-	32	-	32
Shareholders' equity at 30 June 2012	9,317	-313	-2,036	120,859	-	127,827	-	127,827

Statement of capital – Danske Bank Group

(DKK millions)	30 June 2013	31 December 2012	30 June 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	1,000,524,901	1,001,694,581	925,590,320
Average number of shares outstanding for the period	1,000,838,723	938,770,538	926,668,260
Average number of shares outstanding, including dilutive shares, for the period	1,001,054,551	938,770,538	926,668,260
Capital base and total capital ratio			
Shareholders' equity	141,624	138,004	127,827
Revaluation of domicile property at fair value	1,189	1,048	1,247
Tax effect	-224	-62	-36
Reserves in undertakings consolidated on a pro rata basis	3,002	3,002	3,002
Shareholders' equity calculated in accordance with the rules of the Danish FSA	145,591	141,992	132,040
Expected dividends	-1,210	-	-760
Intangible assets of banking operations	-20,893	-21,279	-21,485
Deferred tax assets	-1,353	-1,389	-1,865
Deferred tax on intangible assets	588	642	715
Revaluation of domicile property	-639	-642	-638
Other statutory deductions	-227	-227	-71
Core tier 1 capital	121,857	119,097	107,936
Hybrid capital	40,037	40,248	40,612
Difference between expected losses and impairment charges	-	-	-
Statutory deduction for insurance subsidiaries	-4,090	-4,292	-4,230
Other statutory deductions	-19	-19	-
Tier 1 capital	157,785	155,034	144,318
Subordinated debt, excluding hybrid capital	15,721	23,009	17,535
Revaluation of domicile property	639	642	638
Difference between expected losses and impairment charges	-	-	-
Statutory deduction for insurance subsidiaries	-4,090	-4,292	-4,230
Other statutory deductions	-19	-19	-
Capital base	170,036	174,374	158,261
Risk-weighted assets	778,848	819,436	892,510
Core tier 1 capital ratio (%)	15.6	14.5	12.1
Tier 1 capital ratio (%)	20.3	18.9	16.2
Total capital ratio (%)	21.8	21.3	17.7

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 1,375,749 million at 30 June 2013 (31 December 2012: DKK 1,411,357 million). The solvency need under the transitional rules was DKK 88,048 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]	First half 2013	First half 2012	Full year 2012
Cash flow from operations			
Profit before tax	4,893	4,075	8,539
Tax paid	-1,240	-1,298	-1,908
Adjustment for non-cash operating items	1,575	7,038	15,013
Changes in operating capital	-63,137	-21,522	61,002
Total	-57,909	-11,707	82,646
Cash flow from investing activities			
Acquisition/sale of businesses	3	3	276
Acquisition/sale of own shares	-156	-120	-220
Acquisition of intangible assets	-121	-144	-395
Acquisition/sale of tangible assets	-5	-116	-138
Total	-279	-377	-477
Cash flow from financing activities			
Changes in subordinated debt and hybrid capital	-8,063	-5,008	732
Dividends	-	-	-
Share capital increase	-	-	7,115
Change in non-controlling interests	-4	-62	-56
Total	-8,067	-5,070	7,791
Cash and cash equivalents at 1 January	296,257	206,297	206,297
Change in cash and cash equivalents	-66,255	-17,154	89,960
Cash and cash equivalents, end of period	230,002	189,143	296,257

Notes – Danske Bank Group

Note

1 Significant accounting policies and estimates

1. General

Danske Bank's interim report for the first half 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

Note	(DKK millions)							
1 (cont'd)	INCOME STATEMENT		Change				Adjusted highlights	
	Highlights 2012	Funds transfer pricing	Non-core	Leasing	Pension	Other	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 and 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 30 June 2013, the fair value of the bonds will decrease DKK 13 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 30 June 2013, fair value adjustments amounted to DKK 0.2 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 4.4 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 30 June 2013, loans and advances accounted for about 57% of total assets (31 December 2012: 54%).

Notes – Danske Bank Group

Note

1 **Measurement of goodwill**
(cont'd) Goodwill on acquisition is tested for impairment once a year or more frequently if indications of impairment exist. Impairment testing requires management to estimate future cash flows from acquired units. A number of factors affect the value of such cash flows, including discount rates, changes in the real economy, customer behaviour and competition. Note 22 of Annual Report 2012 provides more information about impairment tests and sensitivity to changes in impairment test assumptions. At 30 June 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 30 June 2013, deferred tax assets from recognised tax loss carry-forwards 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 3.1 billion (31 December 2012: DKK 2.9 billion). The full deferred tax liability arising from international joint taxation was recognised and amounted to DKK 5.5 billion at 30 June 2013 (31 December 2012: DKK 5.0 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 first half 2013

	Personal Banking	Business Banking	C&I	Danske Capital	Danica Pension	Other Activities	Non- core	Elimina- tions	Total	Reclassi- fication	Highlights
Net interest income	5,565	4,397	1,061	-17	2,752	2,801	77	76	16,712	-5,756	10,956
Net fee income	2,041	961	564	941	-445	38	6	-	4,106	364	4,470
Net trading income	297	360	2,881	5	2,479	-2,845	3	-87	3,093	836	3,929
Other income	330	265	7	-	468	753	-	-67	1,756	-1,103	653
Net premiums	-	-	-	-	10,279	-	-	-	10,279	-10,279	-
Net insurance benefits	-	-	-	-	15,134	-	-	-	15,134	-15,134	-
Income from equity investments	-	-	-	-	17	319	-	5	341	-341	-
Net income from insurance business	-	-	-	-	-	-	-	-	-	-5	-5
Total income	8,233	5,983	4,513	929	416	1,066	86	-73	21,153	-1,150	20,003
Expenses	6,035	2,732	2,240	491	421	1,125	129	-62	13,111	-1,193	11,918
Profit before loan impairment charges	2,198	3,251	2,273	438	-5	-59	-43	-11	8,042	43	8,085
Loan impairment charges	1,098	974	311	-	-	-	766	-	3,149	-766	2,383
Profit before tax, core	1,100	2,277	1,962	438	-5	-59	-809	-11	4,893	809	5,702
Profit before tax, Non-core	-	-	-	-	-	-	-	-	-	-809	-809
Profit before tax	1,100	2,277	1,962	438	-5	-59	-809	-11	4,893	-	4,893
Loans and advances, excluding reverse transactions	834,129	606,926	152,380	237	-	24,369	30,341	-28,273	1,620,109	-30,341	1,589,768
Other assets	251,518	217,218	3,836,276	22,187	322,490	1,671,603	6,835	-4,631,132	1,696,995	-20	1,696,975
Assets in Non-core	-	-	-	-	-	-	-	-	-	30,361	30,361
Total assets	1,085,647	824,144	3,988,656	22,424	322,490	1,695,972	37,176	-4,659,405	3,317,104	-	3,317,104
Deposits, excluding repo deposits	364,886	269,343	162,694	200	-	10,961	5,134	-11,299	801,919	-5,134	796,785
Other liabilities	692,148	506,612	3,795,618	19,672	311,442	1,672,785	23,390	-4,648,106	2,373,561	-98	2,373,463
Allocated capital	28,613	48,189	30,344	2,552	11,048	12,226	8,652	-	141,624	-	141,624
Liabilities in Non-core	-	-	-	-	-	-	-	-	-	5,232	5,232
Total liabilities and equity	1,085,647	824,144	3,988,656	22,424	322,490	1,695,972	37,176	-4,659,405	3,317,104	-	3,317,104
Internal income	-1,215	-485	-800	229	257	2,145	-131	-	-	-	-
Amortisation and depreciation charges	111	119	17	-	-	312	-	-	559	-	-
Impairment charges for intangible and tangible assets	-	-	-	-	-	15	-	-	15	-	-
Reversals of impairment charges	-	-	-	-	-	16	-	-	16	-	-
Profit before tax as % of allocated capital (avg.)	7.6	10.0	12.2	34.9	-0.1	-1	-20.2	-	6.9	-	-
Cost/income ratio (%)	73.3	45.7	49.6	52.9	101.2	105.5	150.0	-	62.0	-	-
Full-time-equivalent staff (end of period)	7,575	3,761	1,554	492	789	5,719	91	-	19,981	-	-

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 first half 2012											
(cont'd)	Personal Banking	Business Banking	C&I	Danske Capital	Danica Pension	Other Activities	Non-core	Eliminations	Total	Reclassification	Highlights
Net interest income	5,844	4,554	992	-11	3,150	2,969	168	123	17,789	-6,422	11,367
Net fee income	1,790	899	542	724	-453	308	14	-	3,824	237	4,061
Net trading income	359	303	5,084	-4	3,435	-2,851	-33	-155	6,138	395	6,533
Other income	324	248	6	-	147	1,921	-	-65	2,581	-1,935	646
Net premiums	-	-	-	-	10,000	-	-	-	10,000	-10,000	-
Net insurance benefits	-	-	-	-	14,986	-	-	-	14,986	-14,986	-
Income from equity investments	-	-	-	-	-13	94	-	-	81	-81	-
Net income from insurance business	-	-	-	-	-	-	-	-	-	843	843
Total income	8,317	6,004	6,624	709	1,280	2,441	149	-97	25,427	-1,977	23,450
Expenses	6,341	2,690	2,181	456	437	2,159	122	-65	14,321	-1,950	12,371
Profit before loan impairment charges	1,976	3,314	4,443	253	843	282	27	-32	11,106	-27	11,079
Loan impairment charges	1,638	2,449	536	-	-	-25	2,433	-	7,031	-2,433	4,598
Profit before tax, core	338	865	3,907	253	843	307	-2,406	-32	4,075	2,406	6,481
Profit before tax, Non-core	-	-	-	-	-	-	-	-	-	-2,406	-2,406
Profit before tax	338	865	3,907	253	843	307	-2,406	-32	4,075	-	4,075
Loans and advances, excluding reverse transactions	874,506	623,936	166,953	210	-	15,003	41,578	-18,167	1,704,019	-41,578	1,662,441
Other assets	150,869	220,583	4,844,214	16,151	318,359	1,688,697	9,738	-5,472,282	1,776,329	-118	1,776,211
Assets in Non-core	-	-	-	-	-	-	-	-	-	41,696	41,696
Total assets	1,025,375	844,519	5,011,167	16,361	318,359	1,703,700	51,316	-5,490,449	3,480,348	-	3,480,348
Deposits, excluding repo deposits	365,843	244,804	124,957	219	-	6,774	5,328	-12,007	735,918	-5,328	730,590
Other liabilities	632,258	558,442	4,858,223	13,858	307,832	1,689,625	34,807	-5,478,442	2,616,603	-126	2,616,477
Allocated capital	27,274	41,273	27,987	2,284	10,527	7,301	11,181	-	127,827	-	127,827
Liabilities in Non-core	-	-	-	-	-	-	-	-	-	5,454	5,454
Total liabilities and equity	1,025,375	844,519	5,011,167	16,361	318,359	1,703,700	51,316	-5,490,449	3,480,348	-	3,480,348
Internal income	-1,139	-4,636	4,649	202	418	-173	679	-	-	-	-
Amortisation and depreciation charges	114	136	17	5	-	314	-	-	586	-	-
Impairment charges for intangible and tangible assets	-	-	-	-	-	515	-	-	515	-	-
Reversals of impairment charges	-	-	-	-	-	-	-	-	-	-	-
Profit before tax as % of allocated capital (avg.)	2.5	4.2	27.9	22.2	16.0	8	-43.0	-	6.4	-	-
Cost/income ratio (%)	76.2	44.8	32.9	64.3	34.1	88.4	81.9	-	56.3	-	-
Full-time-equivalent staff (end of period)	8,547	3,844	1,460	487	813	5,756	90	-	20,997	-	-

Notes – Danske Bank Group

Note	(DKK millions)			
3	Amortisation, depreciation and impairment charges			
	Expenses for the first half 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.			
		30 June 2013	31 December 2012	30 June 2012
	Guarantees			
	Financial guarantees	12,096	14,274	12,754
	Mortgage finance guarantees	1,013	1,350	725
	Other guarantees	61,308	64,491	69,131
	Total	74,417	80,115	82,610
	Other contingent liabilities			
	Irrevocable loan commitments shorter than 1 year	46,356	53,056	55,145
	Irrevocable loan commitments longer than 1 year	105,789	108,614	98,816
	Other unutilised loan commitments	527	550	586
	Total	152,672	162,220	154,547

In addition to credit exposure from lending activities, loan offers made and revocable credit facilities granted by Danske Bank amounted to DKK 323 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)

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 retaining 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	313,212	-
Securities lending	-	-
Total transferred assets	313,212	-
Repo transactions, own issued bonds	26,839	-
Carrying amount of associated liabilities	346,677	-
Net positions	-6,626	-

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 30 June 2013, Danske Bank had deposited securities worth DKK 0.4 billion as collateral with Danish and international clearing centres and other institutions (31 December 2012: DKK 33.0 billion).

At 30 June 2013, Danske Bank had provided cash and securities worth DKK 51.4 billion as collateral for derivatives transactions (31 December 2012: DKK 75.8 billion).

Danske Bank had registered assets under insurance contracts worth DKK 263.6 billion (31 December 2012: DKK 262.3 billion) at 30 June 2013 as collateral for policyholders' savings of DKK 257.4 billion (31 December 2012: DKK 259.7 billion).

At 30 June 2013, Danske Bank had registered loans at fair value and securities worth DKK 726.4 billion and DKK 1.7 billion, respectively (31 December 2012: DKK billion 732.8 and DKK 1.7 billion) as collateral for bonds issued by Realkredit Danmark, including mortgage-covered bonds, worth a total of DKK 616.5 billion (31 December 2012: DKK 614.3 billion).

Similarly, Danske Bank had registered loans and other assets worth DKK 252.8 billion and DKK 8.0 billion, respectively (31 December 2012: DKK 269.9 billion and DKK 6.5, respectively) 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:

	30 June 2013			31 December 2012		
	Repo	Other	Total	Repo	Other	Total
Due from credit institutions	-	15,108	15,108	-	24,251	24,251
Trading portfolio securities	313,212	44,273	357,485	300,383	85,262	385,645
Loans at fair value	-	726,433	726,433	-	732,762	732,762
Loans and advances at amortised cost	-	271,082	271,082	-	291,241	291,241
Assets under insurance contracts	-	247,339	247,339	-	248,294	248,294
Other assets	-	130	130	-	187	187
Total	313,212	1,304,365	1,617,577	300,383	1,381,997	1,682,380
Own issued bonds	26,839	91,730	118,569	55,093	110,397	165,490
Total including own issued bonds	340,051	1,396,095	1,736,146	355,476	1,492,394	1,847,870

Notes – Danske Bank Group

Note

6 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 313.2 billion (31 December 2012: DKK 300.4 billion).
(cont'd)

At 30 June 2013, Danske Bank had received securities worth DKK 330.1 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 some 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 30 June 2013, Danske Bank had sold securities or provided securities as collateral worth DKK 178.1 billion (31 December 2012: DKK 143.2 billion).

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.

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.

	30 June 2013		31 December 2012	
	Fair value	Amortised cost	Fair value	Amortised cost
Financial assets				
Cash in hand and demand deposits with central banks	-	66,277	-	97,267
Due from credit institutions and central banks	-	165,435	-	200,646
Trading portfolio assets	721,432	-	812,927	-
Investment securities	113,872	7,654	99,414	8,310
Loans and advances at amortised cost	-	1,152,056	-	1,161,816
Loans at fair value	726,433	-	732,762	-
Assets under pooled schemes and unit-linked investment contracts	69,687	-	70,625	-
Assets under insurance contracts	210,286	-	214,056	-
Total	1,841,710	1,391,422	1,929,784	1,468,039
Financial liabilities				
Due to credit institutions and central banks	-	415,999	-	459,932
Trading portfolio liabilities	455,351	-	531,860	-
Deposits	-	900,358	-	929,092
Bonds issued by Realkredit Danmark	616,457	-	614,325	-
Deposits under pooled schemes and unit-linked investment contracts	79,128	-	78,741	-
Other issued bonds	-	342,280	-	340,005
Subordinated debt	-	58,905	-	67,785
Other liabilities (irrevocable loan commitments and guarantees)	-	507	-	1,253
Total	1,150,936	1,718,049	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 30 June 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, where 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 half of 2013.

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

Notes – Danske Bank Group

Note	(DKK millions)				
7	30 June 2013	Quoted prices	Observable input	Non-observable input	Total
(cont'd)					
	Financial assets				
	Derivatives	5,480	280,243	11,790	297,513
	Trading portfolio bonds	403,025	17,098	-	420,123
	Trading portfolio shares	3,208	-	588	3,796
	Investment securities, bonds	97,845	12,819	-	110,664
	Investment securities, shares	50	-	3,158	3,208
	Loans at fair value	-	726,433	-	726,433
	Assets under pooled schemes and unit-linked investment contracts	69,687	-	-	69,687
	Assets under insurance contracts, bonds	138,883	3,178	452	142,513
	Assets under insurance contracts, shares	56,630	581	7,700	64,911
	Assets under insurance contracts, derivatives	1,152	1,710	-	2,862
	Total	775,960	1,042,062	23,688	1,841,710
	Financial liabilities				
	Derivatives	5,092	261,939	10,256	277,287
	Obligations to repurchase securities	177,819	234	11	178,064
	Bonds issued by Realkredit Danmark	616,457	-	-	616,457
	Deposits under pooled schemes and unit-linked investment contracts	-	79,128	-	79,128
	Total	799,368	341,301	10,267	1,150,936
	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)

7 At 30 June 2013, financial instruments valued on the basis of non-observable input comprised unlisted shares of DKK 11,435 million (cont'd) (31 December 2012: DKK 10,184 million), illiquid bonds of DKK 452 million (31 December 2012: DKK 586 million) and derivatives with a net market value of DKK 1,534 million (31 December 2012: DKK -167 million).

A 10% increase or decrease in the fair value of unlisted shares would amount to DKK 1,144 million (31 December 2012: DKK 1,018 million), with DKK 770 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 13 million (31 December 2012: DKK 14 million). If the credit spread narrows 50bp, fair value will increase DKK 13 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 half of 2013, Danske Bank recognised unrealised value adjustments of unlisted shares and credit bonds valued on the basis of non-observable input of DKK 324 million (31 December 2012: DKK 707 million).

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

	30 June 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	299	-29	240	707	-3	879
Value adjustment through other comprehensive income	-	-	-	-	-	-
Acquisitions	1,483	-	87	2,723	421	-809
Sale and redemption	-531	-	256	-887	-	1,018
Transferred from quoted prices and observable input	-	-	-	-	105	-
Transferred to quoted prices and observable input	-	-105	1,118	-	-88	-
Fair value end of period	11,435	452	1,534	10,184	586	-167

8	Other issued bonds	30 June 2013		31 December 2012	
	Commercial paper		28,898		36,982
	Other		313,382		303,023
	Total		342,280		340,005

Other issued bonds are recognised at amortised cost.

Nominal value	1 January 2013		Foreign currency translation	30 June 2013
	Issued	Redeemed		
Commercial paper	38,662	59,118	-106	29,703
Other	351,433	24,629	-3,199	340,839
Other issued bonds	390,095	83,747	-3,305	370,542

Nominal value	1 January 2012		Foreign currency translation	31 December 2012
	Issued	Redeemed		
Commercial paper	98,891	706,296	2,137	38,662
Other	311,769	130,857	2,061	351,433
Other issued bonds	410,660	837,153	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		Credit exposure,	Counterparty	Credit exposure,	Insurance	Contracts,	Non-
30 June 2013	Total	lending activities	risk	other trading and	risk	full risk assumed	core
			(derivatives)	investing activities		by customers	
Balance sheet items							
Demand deposits with central banks	57,231	57,231	-	-	-	-	
Due from credit institutions and central banks	85,354	85,166	-	-	-	-	188
Repo loans with credit institutions and central banks	80,081	80,081	-	-	-	-	
Trading portfolio assets	721,432	-	297,565	423,919	-	-	-52
Investment securities	121,526	-	-	121,526	-	-	
Loans and advances at amortised cost	893,676	863,335	-	-	-	-	30,341
Repo loans	258,380	258,380	-	-	-	-	
Loans at fair value	726,433	726,433	-	-	-	-	
Assets under pooled schemes and unit-linked investment contracts	69,687	-	-	-	-	69,687	
Assets under insurance contracts	239,839	-	-	-	239,839	-	
Off-balance-sheet items							
Guarantees	74,417	74,347	-	-	-	-	70
Irrevocable loan commitments shorter than 1 year	46,356	45,447	-	-	-	-	909
Irrevocable loan commitments longer than 1 year	105,789	105,749	-	-	-	-	40
Other unutilised commitments	527	-	-	527	-	-	
Total	3,480,728	2,296,169	297,565	545,972	239,839	69,687	31,496
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 323 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)

30 June 2013	Personal Business		C&I	Other	Total	Past due but not impaired	Impaired loans*	
	Banking	Banking					Performing	Non-performing
Public institutions	81	23,984	118,800	13,143	156,008	1	21	-
Banks	17	15,243	71,799	11,138	98,197	1	4	150
Credit institutions	-	383	31,247	47	31,677	-	-	-
Insurance	19	373	45,131	24	45,547	-	15	2
Investments funds	3,027	3,622	113,052	5	119,706	42	136	128
Other financials	210	2,050	103,515	11,362	117,137	24	781	-
Agriculture	593	57,681	7,826	20	66,120	427	717	100
Commercial property	3,311	217,703	17,840	294	239,148	837	6,689	4,316
Construction, engineering and building products	448	19,315	14,888	322	34,973	112	688	529
Consumer discretionary	1,734	50,571	24,420	271	76,996	463	1,647	525
Consumer staples	271	20,792	27,384	30	48,477	190	226	75
Energy and utilities	22	9,854	25,995	13	35,884	33	32	11
Health care	177	7,074	19,356	64	26,671	49	44	-
Industrial services, supplies and machinery	725	31,531	39,603	723	72,582	299	783	295
IT and telecommunication services	288	5,311	14,714	370	20,683	47	373	-
Materials	304	14,748	24,793	216	40,061	115	215	102
Non-profit and associations	329	118,193	1,203	11	119,736	273	1,367	1,322
Other commercial	1,182	8,578	14,204	761	24,725	19	-	22
Shipping	346	1,351	38,013	1	39,711	9	1,980	-
Transportation	105	13,269	5,337	44	18,755	55	100	-
Personal customers	825,952	36,932	39	452	863,375	5,994	4,446	3,975
Total	839,141	658,558	759,159	39,311	2,296,169	8,990	20,264	11,552
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
Investments 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

*Impaired loans are individually assessed loans in rating categories 10 and 11 with objective evidence of impairment for which an impairment charge has been made. Performing loans (rating category 10) are loans to customers that are not in default. Non-performing loans (rating category 11) are loans to customers in default.

Notes – Danske Bank Group

[DKK millions]

Credit exposure broken down by geographical area

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

30 June 2013	Personal	Business				Past due but	Impaired loans*	
	Banking	Banking	C&I	Other	Total	not impaired	Performing	Non-performing
Denmark	542,054	377,640	300,311	9,780	1,229,785	4,213	14,124	5,188
Finland	98,839	52,500	44,951	5,988	202,278	1,837	822	1,774
Sweden	77,980	117,660	78,738	1,835	276,213	377	522	959
Ireland	14,999	1,501	11,841	3,278	31,619	205	1,024	-
UK	18,878	25,649	85,427	4,624	134,578	369	1,000	1,629
Germany	520	512	41,026	1,396	43,454	20	122	19
Estonia	15	5,781	521	10	6,327	421	408	269
Latvia	3	2,557	76	5	2,641	65	71	58
Lithuania	12	8,356	60	-	8,428	125	567	507
Spain	700	23	5,424	81	6,228	2	12	12
France	621	53	9,088	392	10,154	7	-	-
Italy	80	37	193	72	382	-	-	9
Portugal	59	2	14	6	81	-	-	-
Greece	40	2	-	-	42	-	-	-
Belgium	384	9	2,801	1,194	4,388	1	1	9
Cyprus	24	1,320	1,918	-	3,262	1	39	-
Netherlands	156	363	1,296	258	2,073	2	8	-
Luxembourg	566	128	67,309	203	68,206	3	-	9
Poland	53	61	2,362	19	2,495	1	1	7
Other EU member states	198	59	634	179	1,070	2	2	-
Norway	78,103	62,063	45,137	1,044	186,347	1,298	1,467	872
Eastern Europe	103	252	1,000	590	1,945	1	5	1
Switzerland	917	175	2,539	2,192	5,823	2	9	23
Turkey	41	6	1,701	120	1,868	-	-	1
Other European countries	405	13	15	370	803	5	1	175
North America	1,175	758	48,934	2,520	53,387	11	52	10
Central and South America	317	670	526	83	1,596	1	-	-
Africa	154	6	1,586	280	2,026	2	-	1
Asia	1,533	361	3,212	2,494	7,600	18	3	18
Oceania	212	41	519	298	1,070	1	4	2
Total	839,141	658,558	759,159	39,311	2,296,169	8,990	20,264	11,552

*Impaired loans are individually assessed loans in rating categories 10 and 11 with objective evidence of impairment for which an impairment charge has been made. Performing loans (rating category 10) are loans to customers that are not in default. Non-performing loans (rating category 11) are loans to customers in default.

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 as well as 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

*Impaired loans are individually assessed loans in rating categories 10 and 11 with objective evidence of impairment for which an impairment charge has been made. Performing loans (rating category 10) are loans to customers that are not in default. Non-performing loans (rating category 11) are loans to customers in default.

Notes – Danske Bank Group

(DKK millions)

Credit exposure broken down by rating category

30 June 2013

Rating category	Upper PD	Lower PD	Personal Banking	Business Banking	C&I	Other	Total
1	0.00	0.01	2,242	2,011	112,948	6,773	123,974
2	0.01	0.03	72,096	23,636	63,570	14,636	173,938
3	0.03	0.06	141,926	75,655	168,075	5,825	391,481
4	0.06	0.14	205,863	81,977	130,307	1,726	419,873
5	0.14	0.31	174,875	140,808	159,538	622	475,843
6	0.31	0.63	100,193	116,057	88,075	3,868	308,193
7	0.63	1.90	81,805	115,777	23,004	3,362	223,948
8	1.90	7.98	30,601	51,472	5,515	587	88,175
9	7.98	25.70	12,351	14,903	4,270	43	31,567
10	25.70	99.99	8,326	25,571	3,838	660	38,395
Impaired portion	25.70	99.99	3,791	13,386	2,427	660	20,264
11 (Non-performing loans)	99.99	100	8,863	10,691	19	1,209	20,782
Impaired portion	99.99	100	6,072	4,314	17	1,149	11,552
Total			839,141	658,558	759,159	39,311	2,296,169

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
Impaired portion	25.70	99.99	6,716	12,667	2,818	-	22,201
11 (Non-performing loans)	99.99	100	11,755	11,163	41	930	23,889
Impaired portion	99.99	100	10,529	5,191	32	902	16,654
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	Allowance account, total	Impairment charges	
						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	2,740	3,251	519	-	6,510	5,592	918
Reversals of impairment charges from previous periods	1,580	2,191	202	-	3,973	2,990	983
Write-offs debited to allowance account	1,039	756	97	-	1,892	1,892	-
Foreign currency translation	-39	-371	8	-	-402	-362	-40
Other items	267	213	-10	-2	468	469	-1
30 June 2013	9,663	24,107	3,095	1	36,866	33,526	3,340

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 4.4 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

	30 June 2013	31 December 2012
Due from credit institutions and central banks	89	91
Loans and advances at amortised cost	32,004	30,990
Loans at fair value	3,600	3,096
Other liabilities	1,173	1,978
Total	36,866	36,155

Loan impairment charges, including non-core

	First half 2013	First half 2012
New and increased impairment charges	8,333	11,427
Reversals of impairment charges	5,012	4,545
Write-offs charged directly to income statement	632	599
Received on claims previously written off	530	352
Interest income, effective interest method	-274	-98
Total	3,149	7,031

Notes – Danske Bank Group

(DKK millions)

Credit exposure, collateral, allowance account and impairment charges broken down by industry

	Credit exposure		Collateral after haircut		Allowance account		Impairment charges	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	First half 2013	First half 2012
Public institutions	156,008	215,600	12,772	17,036	2	-	1	-1
Banks	98,197	106,532	49,824	46,903	94	92	-2	2
Credit institutes	31,677	44,127	20,586	30,489	-	-	-	-
Insurance	45,547	40,465	39,619	29,915	18	6	13	1
Investments funds	119,706	94,695	113,589	77,851	520	575	-32	20
Other financials	117,137	116,553	90,688	92,043	163	34	1	-26
Agriculture	66,120	67,527	51,106	52,434	3,209	2,568	282	78
Commercial property	239,148	240,720	196,972	194,116	8,666	7,581	438	696
Construction, engineering and building products	34,973	34,538	9,195	9,785	3,349	3,187	150	398
Consumer discretionary	76,996	76,491	35,981	35,078	3,371	3,188	-101	382
Consumer staples	48,477	48,355	18,239	17,081	458	387	16	51
Energy and utilities	35,884	38,783	4,722	6,968	110	75	10	35
Health care	26,671	23,883	10,232	7,231	129	103	8	22
Industrial services, supplies and machinery	72,582	67,945	16,159	16,446	2,097	1,970	31	194
IT and telecommunication services	20,683	21,702	2,213	2,253	456	542	-45	85
Materials	40,061	39,732	9,403	9,768	969	909	61	15
Non-profit and associations	119,736	123,997	107,422	104,357	1,082	990	66	201
Other commercial	24,725	38,968	6,640	8,003	460	2,640	17	137
Shipping	39,711	43,735	20,720	25,246	2,144	1,950	96	649
Transportation	18,755	19,074	8,217	8,965	363	358	25	11
Personal customers	863,375	885,140	730,595	747,848	9,206	9,000	1,348	1,648
Total	2,296,169	2,388,562	1,554,894	1,539,816	36,866	36,155	2,383	4,598

Notes – Danske Bank Group

(DKK millions)

Credit exposure, collateral, allowance account and impairment charges broken down by geographical area

	Credit exposure		Collateral after haircut		Allowance account		Impairment charges	
	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	First half 2013	First half 2012
Denmark	1,229,785	1,269,426	882,014	866,882	21,033	20,026	2,083	2,332
Finland	202,278	223,284	125,782	131,500	2,183	2,687	-268	346
Sweden	276,213	302,083	174,275	181,088	1,380	1,525	-31	282
Ireland	31,619	36,837	15,643	16,941	1,817	1,259	140	528
UK	134,578	136,380	100,005	96,716	6,735	6,696	343	984
Germany	43,454	37,246	2,974	2,876	232	255	-24	60
Estonia	6,327	9,582	6,777	6,655	418	540	-73	-135
Latvia	2,641	2,350	1,178	1,013	266	293	-	-13
Lithuania	8,428	8,232	4,986	5,004	784	848	-59	-80
Spain	6,228	1,818	4,997	635	28	21	7	1
France	10,154	10,569	7,183	6,076	38	89	89	18
Italy	382	707	75	83	9	7	2	-
Portugal	81	78	56	49	2	3	-1	-1
Greece	42	38	33	29	-	-	-	-
Belgium	4,388	6,009	1,106	2,619	7	8	-	-
Cyprus	3,262	3,258	1,700	1,804	54	56	-3	30
Netherlands	2,073	2,322	348	334	16	40	-23	3
Luxembourg	68,206	58,093	67,024	54,225	46	43	-	-1
Poland	2,495	3,394	455	918	9	10	-1	-
Other EU member states	1,070	1,243	172	190	22	22	2	3
Norway	186,347	205,319	122,207	136,581	1,458	1,419	168	121
Eastern Europe	1,945	3,503	442	377	4	3	-3	5
Switzerland	5,823	4,223	701	1,041	21	41	-1	13
Turkey	1,868	1,427	108	130	1	1	1	1
Other European countries	803	839	551	535	65	64	1	-
North America	53,387	43,258	29,968	16,578	187	151	28	98
Central and South America	1,596	3,855	318	3,415	2	2	-	-1
Africa	2,026	2,711	1,162	1,484	3	2	1	1
Asia	7,600	9,233	2,470	3,888	43	44	2	3
Oceania	1,070	1,245	184	150	3	-	3	-
Total	2,296,169	2,388,562	1,554,894	1,539,816	36,866	36,155	2,383	4,598

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, collateral, allowance account and impairment charges broken down by industry

	Credit exposure		Collateral after haircut		Allowance account		Impairment charges
	30 June 2013	31 December 2012	30 June 2013	31 December 2012	30 June 2013	31 December 2012	first half 2013
Financials	14,721	16,608	9,965	11,762	44	159	-144
Commercial property	6,040	7,206	4,573	5,493	6,129	6,519	208
Consumer discretionary	1,308	1,437	616	677	1,005	845	165
Personal customers	7,220	7,143	5,001	5,058	1,712	1,822	256
Other	2,259	2,085	2,182	2,389	1,955	2,291	281
Total	31,548	34,479	22,337	25,379	10,845	11,636	766

Credit exposure and collateral broken down by rating category

Rating category	Upper PD	Lower PD	Credit exposure		Collateral after haircut	
			30 June 2013	31 December 2012	30 June 2013	31 December 2012
1	0.00	0.01	3,305	3,810	2,824	3,293
2	0.01	0.03	3,954	3,948	3,473	3,349
3	0.03	0.06	740	708	566	619
4	0.06	0.14	2,169	2,606	1,511	1,745
5	0.14	0.31	3,148	3,638	1,508	1,910
6	0.31	0.63	1,541	1,710	1,465	1,619
7	0.63	1.90	486	873	566	772
8	1.90	7.98	3,229	4,078	2,134	2,685
9	7.98	25.70	2,324	2,465	809	1,490
10	25.70	99.99	3,091	2,068	1,688	1,379
Impaired portion	25.70	99.99	1,953	884	1,360	1,071
11 (Non-performing loans)	99.99	100	7,561	8,575	5,793	6,518
Impaired portion	99.99	100	7,235	8,222	5,571	6,273
Total			31,548	34,479	22,337	25,379

Notes – Danske Bank Group

(DKK millions)

Credit exposure from trading and investing activities

At 30 June 2013, Danske Bank's credit exposure from trading and investing activities amounted to DKK 844 billion, relating primarily to bonds (DKK 538 billion) and derivatives with positive fair value (DKK 298 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
30 June 2013								
Held-for-trading	200,561	7,485	126,287	55,259	13,420	-	17,111	420,123
Designated	4,682	-	36,858	538	566	-	3,897	46,541
Available-for-sale	156	590	57,135	-	6,125	-	117	64,123
Held-to-maturity	7,543	-	-	-	44	-	67	7,654
Total	212,942	8,075	220,280	55,797	20,155	-	21,192	538,441
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 142,513 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 30 June 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

30 June 2013	Central and local government bonds	Quasi-government bonds	Danish mortgage bonds	Swedish covered bonds	Other covered bonds	Short-term bonds (CP etc.)	Corporate bonds	Total
Denmark	27,608	-	220,280	-	13	-	4,604	252,505
Sweden	33,853	-	-	55,797	-	-	4,345	93,995
UK	14,374	159	-	-	5,734	-	591	20,858
Norway	5,293	109	-	-	6,237	-	4,505	16,144
USA	2,955	1,564	-	-	41	-	714	5,274
Spain	6,242	-	-	-	4,322	-	-	10,564
France	30,868	-	-	-	1,432	-	1,406	33,706
Luxembourg	-	6,227	-	-	-	-	24	6,251
Canada	1,181	-	-	-	-	-	92	1,273
Finland	8,617	16	-	-	977	-	1,184	10,794
Ireland	3,010	-	-	-	154	-	108	3,272
Italy	11,140	-	-	-	-	-	-	11,140
Portugal	83	-	-	-	-	-	-	83
Austria	4,641	-	-	-	-	-	34	4,675
Netherlands	6,904	-	-	-	998	-	2,405	10,307
Germany	47,529	-	-	-	142	-	466	48,137
Belgium	6,951	-	-	-	105	-	-	7,056
Lithuania	857	-	-	-	-	-	-	857
Other	836	-	-	-	-	-	714	1,550
Total	212,942	8,075	220,280	55,797	20,155	-	21,192	538,441
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 20.5 billion at 30 June 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 5.4 billion (31 December 2012: DKK 3.2 billion). At 30 June 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	30 June 2013	31 December 2012
Derivatives with positive fair value before netting	499,216	711,023
Netting (under accounting rules)	201,703	302,033
Carrying amount	297,513	408,990
Netting (under capital adequacy rules)	218,379	303,974
Net current exposure	79,134	105,016
Derivatives with positive fair value after netting for accounting purposes:		
Interest rate contracts	226,641	309,743
Currency contracts	67,002	96,318
Other contracts	3,870	2,929
Total	297,513	408,990

Interim financial statements – Danske Bank A/S

[DKK millions]

The financial statements of the Parent Company, Danske Bank A/S, are prepared in accordance with the Danish Financial Business Act and the Danish FSA's Executive Order No. 113 of 7 February 2013 on Financial Reports for Credit Institutions and Investment Companies, etc.

The rules are identical to the Group's IFRS compliant valuation and measurement principles with the following exceptions:

- Domicile property is measured (revalued) at its estimated fair value through Other comprehensive income
- The available-for-sale financial assets category is not used

The estimated fair value of domicile property is determined in accordance with the Danish FSA's Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc. Available-for-sale financial assets are measured at fair value through profit or loss.

Holdings in subsidiaries are measured on the basis of the equity method, and tax payable by these undertakings is expensed under Income from associates and group undertakings.

The format of the Parent Company's financial statements is not identical to the format of the consolidated financial statements prepared in accordance with IFRSs.

The table below shows the differences in net profit and shareholders' equity between the IFRS consolidated financial statements and the Parent Company's financial statements presented in accordance with Danish FSA rules.

	Net profit		Shareholders' equity	
	First half 2013	First half 2012	30 June 2013	31 December 2012
Consolidated financial statements (IFRSs)	3,656	2,273	141,624	138,004
Domicile property	-28	-13	1,189	1,048
Available-for-sale financial assets	617	217	-	-
Pension obligations	-	-	-	-
Tax effect	-159	-86	-224	-85
Reserves in undertakings consolidated on a pro rata basis	-	-	3,002	3,002
Consolidated financial statements (Danish FSA rules)	4,086	2,391	145,591	141,969
Non-controlling interests	-	-1	1	4
Reserves in undertakings consolidated on a pro rata basis	-	-	3,002	3,002
Goodwill on acquisition of non-controlling interests	-	-	10	10
Parent Company financial statements (Danish FSA rules)	4,086	2,392	142,598	138,973

Income statement – Danske Bank A/S

Note	(DKK millions)	First half 2013	First half 2012
	Interest income	18,667	21,809
	Interest expense	10,631	12,585
	Net interest income	8,036	9,224
	Dividends from shares etc.	1,232	286
	Fee and commission income	4,837	4,723
	Fees and commissions paid	1,294	1,318
	Net interest and fee income	12,811	12,915
1	Value adjustments	546	2,818
	Other operating income	741	908
	Staff costs and administrative expenses	8,414	8,541
	Amortisation, depreciation and impairment charges	813	1,065
	Other operating expenses	86	27
	Loan impairment charges etc.	2,097	5,110
	Income from associates and group undertakings	2,346	1,712
	Profit before tax	5,034	3,610
	Tax	948	1,218
	Net profit for the period	4,086	2,392

Statement of comprehensive income – Danske Bank A/S

Note	(DKK millions)	First half 2013	First half 2012
	Net profit for the period	4,086	2,392
	Other comprehensive income		
	Items that will not be reclassified to profit or loss		
	Remeasurement of defined benefit plans	-214	-745
	Tax	77	134
	Items that will not be reclassified to profit or loss	-137	-611
	Items that are or may be reclassified subsequently to profit or loss		
	Translation of units outside Denmark	-665	432
	Hedging of units outside Denmark	595	-468
	Fair value adjustment of domicile property	10	-114
	Tax	-111	97
	Items that are or may be reclassified subsequently to profit or loss	-171	-53
	Total other comprehensive income	-308	-664
	Total comprehensive income for the period	3,778	1,728

Balance sheet – Danske Bank A/S

Note	(DKK millions)	30 June 2013	31 December 2012	30 June 2012
ASSETS				
	Cash in hand and demand deposits with central banks	55,583	69,141	27,635
	Due from credit institutions and central banks	174,454	217,162	195,181
	Loans, advances and other amounts due at amortised cost	956,880	957,971	1,034,424
	Bonds at fair value	527,048	509,727	500,637
	Bonds at amortised cost	1,209	3,959	4,662
	Shares etc.	6,445	5,660	3,558
	Holdings in associates	1,059	803	775
	Holdings in group undertakings	96,032	98,703	98,090
	Assets under pooled schemes	46,134	48,743	45,499
	Intangible assets	19,074	19,212	19,223
	Land and buildings	3,433	3,522	4,075
	Investment property	111	109	113
	Domicile property	3,322	3,413	3,962
	Other tangible assets	2,821	2,949	2,931
	Current tax assets	830	381	1,033
	Deferred tax assets	118	58	514
	Assets temporarily taken over	350	344	209
	Other assets	308,378	418,213	490,685
	Prepayments	829	771	911
	Total assets	2,200,677	2,357,319	2,430,042
LIABILITIES AND EQUITY				
AMOUNTS DUE				
	Due to credit institutions and central banks	456,897	499,899	577,040
	Deposits and other amounts due	727,165	761,317	697,506
	Deposits under pooled schemes	47,968	49,670	46,905
	Issued bonds at amortised cost	280,705	273,223	257,742
	Current tax liabilities	566	645	145
	Other liabilities	479,505	558,831	652,982
	Deferred income	979	1,002	1,043
	Total amounts due	1,993,785	2,144,587	2,233,363
PROVISIONS FOR LIABILITIES				
	Provisions for pensions and similar obligations	466	708	1,080
	Provisions for deferred tax	5,865	5,443	4,685
2	Provisions for losses on guarantees	1,007	1,661	1,199
	Other provisions for liabilities	80	101	44
	Total provisions for liabilities	7,418	7,913	7,008
SUBORDINATED DEBT				
	Subordinated debt	56,876	65,846	60,628
SHAREHOLDERS' EQUITY				
	Share capital	10,086	10,086	9,317
	Accumulated value adjustments	205	280	232
	Equity method reserve	25,315	25,315	24,884
	Retained earnings	106,992	103,292	94,610
	Proposed dividends	-	-	-
	Total shareholders' equity	142,598	138,973	129,043
	Total liabilities and equity	2,200,677	2,357,319	2,430,042

Statement of capital – Danske Bank A/S

(DKK millions)

Changes in shareholders' equity

	Share capital	Foreign currency translation reserve	Revaluation reserve	Equity method reserve	Retained earnings	Proposed dividends	Total
Shareholders' equity at 1 January 2013	10,086	-362	642	25,315	103,315	-	138,996
Changed recognition of defined benefit plans	-	-	-	-	-23	-	-23
Restated shareholders' equity at 1 January 2013	10,086	-362	642	25,315	103,292	-	138,973
Net profit for the period	-	-	-	-	4,086	-	4,086
Other comprehensive income	-	-	-	-	-	-	-
Remeasurement of defined benefit plans	-	-	-	-	-214	-	-214
Translation of units outside Denmark	-	-665	-	-	-	-	-665
Hedging of units outside Denmark	-	595	-	-	-	-	595
Fair value adjustment of domicile property	-	-	10	-	-	-	10
Sale of domicile property	-	-	-16	-	16	-	-
Tax	-	-	1	-	-35	-	-34
Total other comprehensive income	-	-70	-5	-	-233	-	-308
Total comprehensive income for the period	-	-70	-5	-	3,853	-	3,778
Transactions with owners							
Acquisition of own shares	-	-	-	-	-8,766	-	-8,766
Sale of own shares	-	-	-	-	8,610	-	8,610
Share-based payments	-	-	-	-	-	-	-
Tax	-	-	-	-	3	-	3
Shareholders' equity at 30 June 2013	10,086	-432	637	25,315	106,992	-	142,598
Shareholders' equity at 1 January 2012	9,317	-369	743	24,884	92,815	-	127,390
Net profit for the period	-	-	-	-	2,392	-	2,392
Other comprehensive income							
Remeasurement of defined benefit plans	-	-	-	-	-745	-	-745
Translation of units outside Denmark	-	432	-	-	-	-	432
Hedging of units outside Denmark	-	-468	-	-	-	-	-468
Fair value adjustment of domicile property	-	-	-114	-	-	-	-114
Tax	-	-	8	-	223	-	231
Total other comprehensive income	-	-36	-106	-	-522	-	-664
Total comprehensive income for the period	-	-36	-106	-	1,870	-	1,728
Transactions with owners							
Acquisition of own shares	-	-	-	-	-7,719	-	-7,719
Sale of own shares	-	-	-	-	7,599	-	7,599
Share-based payments	-	-	-	-	-	-	-
Tax	-	-	-	-	45	-	45
Shareholders' equity at 30 June 2012	9,317	-405	637	24,884	94,610	-	129,043

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.

Notes – Danske Bank A/S

Note	(DKK millions)	30 June 2013	30 June 2012
1	Value adjustments		
	Loans at fair value	-527	70
	Bonds	-2,008	1,189
	Shares etc.	-1,116	-194
	Investment property	-24	-
	Currency	964	809
	Derivatives	-1,782	2,192
	Assets under pooled schemes	996	2,650
	Deposits under pooled schemes	-1,009	-2,651
	Other liabilities	5,052	-1,247
	Total	546	2,818

2	Impairment charges for loans, advances and guarantees	Loans, advances and guarantees, individual impairment	Loans, advances and guarantees, collective impairment	Other amounts due, individual impairment	Other amounts due, collective impairment	Total
	Impairment charges at 1 January 2013	32,735	2,675	92	-	35,502
	Impairment charges during the year	5,454	820	-	-	6,274
	Reversals of impairment charges from previous years	5,248	928	3	-	6,179
	Other changes	-118	-14	-	-	-132
	Impairment charges at 30 June 2013	32,823	2,553	89	-	35,465
	Value adjustment of assets taken over	-	-	-	-	-
	Impairment charges at 1 January 2012	34,793	3,405	93	-	38,291
	Impairment charges during the year	15,274	1,120	4	-	16,398
	Reversals of impairment charges from previous years	17,786	1,869	5	-	19,660
	Other changes	454	19	-	-	473
	Impairment charges at 31 December 2012	32,735	2,675	92	-	35,502
	Value adjustment of assets taken over	-	-	-	-	-

Notes – Danske Bank A/S

Note (DKK millions)

3 Development in lending activities in Denmark in the first half of 2013

In May 2009, Danske Bank A/S raised subordinated loan capital in the form of hybrid capital of DKK 24 billion from the Danish state. Under Danish law, banks that raise state-funded capital must publish semi-annual statements on developments in their Danish lending activities.

Danske Bank A/S grants loans to personal and business customers in a number of countries. The table below shows the trend in loans and advances, irrevocable loan commitments and guarantees before impairment charges for business customers (including the public sector) and personal customers of Danske Bank A/S.

Loans etc. before impairment charges

	30 June 2013				31 Dec 2012			
	Business customers	Personal customers	Total	Share (%)	Business customers	Personal customers	Total	Share (%)
Denmark	328,141	130,940	459,081	37	303,422	137,986	441,408	35
Finland	19,811	9	19,820	2	18,459	10	18,469	1
Sweden	169,054	88,069	257,123	21	192,411	91,413	283,824	22
Ireland	31,125	24,761	55,886	4	35,122	24,623	59,745	5
UK	83,234	569	83,803	7	83,049	521	83,570	7
Germany	16,500	185	16,685	1	15,311	190	15,501	1
Baltics	11,960	11,130	23,090	2	11,283	11,413	22,696	2
Other EU member states	86,184	728	86,912	7	79,939	760	80,699	6
Norway	106,593	77,582	184,175	15	118,641	84,650	203,291	16
Eastern Europe	496	30	526	-	564	35	599	-
Other European countries	3,438	270	3,708	-	3,343	284	3,627	1
North America	53,075	504	53,579	4	42,670	522	43,192	3
Rest of world	4,357	519	4,876	-	5,917	543	6,460	1
Total	913,968	335,296	1,249,264	100	910,131	352,950	1,263,081	100

Macroeconomic conditions remained weak in most of Danske Bank A/S's markets in the first half of 2013. This had an adverse effect on consumer and investment sentiment, and in Denmark, in particular, customer demand for credit was low in the period.

Danske Bank A/S grants credits on the basis of information about customers' individual financial circumstances. Customers are classified when facilities are established, and the Group regularly monitors their financial behaviour through its credit systems and procedures established for this purpose. Facilities should match customers' financial situation, including earnings, capital and assets, and business volume with Danske Bank to a reasonable degree, and customers must be able to substantiate their repayment ability. Collateral is usually required for loans and credit facilities. Danske Bank A/S exercises caution before granting credit facilities to businesses in troubled or cyclical industries.

Danske Bank A/S supported its creditworthy customers throughout the first half of 2013. In the period, Danske Bank A/S focused on bullet loans and interest-only loans granted to personal customers. Danske Bank is in contact with customers whose interest-only loans will start to amortise in 2013.

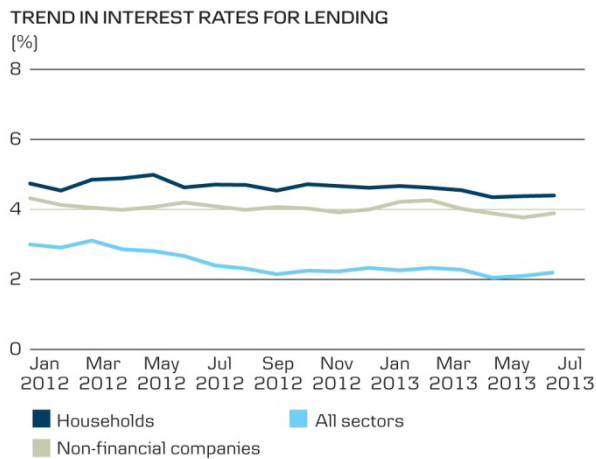
Danske Bank A/S remains focused on developments in certain industries, including the property and agricultural sectors.

More information about the Group's lending policy, rating of customers and credit risk management is available in section 4 of Risk Management 2012, published on 7 February 2013. The publication is not covered by the statutory audit. Risk Management 2012 is available at www.danskebank.com/ir.

Notes – Danske Bank A/S

Note

3 Declining interest rates in Denmark in the first half of 2013 also led to lower lending rates to customers. Interest rate levels for households were thus lower at the end of the first half of 2013 than at the beginning of the year. The levels for non-financial business customers were also lower than at the beginning of the year.



Danish business customers' demand for credit, measured in terms of the loan amounts applied for, fell 5% from the level in the second half of 2012. The number of loan applications from existing customers fell 4% in the first half of 2013, while credit demand from new customers rose. The share of approved applications rose for both existing and new customers.

Danish personal customers' demand for credit fell 19% from the level in the second half of 2012, but began to rise in the second quarter of 2013. Credit demand from existing customers fell 21%, while credit demand from new customers rose significantly above the level in the second half of 2012. The share of approved applications from existing customers was 93%. The share of approved applications from new customers was a little higher.

Notes – Danske Bank A/S

Note (DKK millions)

3 The table below shows the trend in loans and advances, irrevocable loan commitments and guarantees before impairment charges (cont'd) for customers of Danske Bank A/S resident in Denmark.

Loans etc. before impairment charges	30 June 2013			31 Dec. 2012
	Existing customers	New customers	Total	Total
Public sector	13,947	-	13,947	12,812
Business customers				
Agriculture, hunting, forestry and fisheries	9,925	85	10,010	9,732
Manufacturing industries and extraction of raw materials	35,859	1,471	37,330	36,166
Energy and utilities	5,088	42	5,130	6,365
Building and construction	5,129	213	5,342	5,376
Trade	15,915	313	16,228	16,518
Transport, hotels and restaurants	17,422	570	17,992	17,812
Information and communication	6,329	9	6,338	5,045
Finance and insurance	173,511	119	173,630	150,056
Property administration	20,311	2,110	22,421	21,059
Other	19,120	653	19,773	22,481
Total business customers	308,609	5,585	314,194	290,610
Personal customers				
Mortgages	93,706	735	94,441	108,880
Other	34,685	1,814	36,499	29,106
Total personal customers	128,391	2,549	130,940	137,986
Total	450,947	8,134	459,081	441,408

New customers are customers to which Danske Bank A/S has not granted loans or other credit facilities in the past 12 months.

In compliance with statutory requirements, this lending statement is available as a separate document at www.danskebank.com/ir.

Notes – Danske Bank A/S

	First half 2013	Full year 2012	First half 2012
RATIOS AND KEY FIGURES			
Total capital ratio (%)	29.2	27.9	23.1
Tier 1 capital ratio (%)	27.4	25.1	21.3
Return on equity before tax (%)	3.6	5.7	2.8
Return on equity after tax (%)	2.9	3.9	1.9
Cost/income ratio (DKK)	1.44	1.26	1.24
Interest rate risk (%)	0.4	0.1	0.1
Foreign exchange position (%)	6.7	2.1	4.3
Foreign exchange risk (%)	-	-	-
Loans and advances plus impairment charges as % of deposits	128.0	122.3	144.5
Gearing of loans and advances (%)	6.7	6.9	8.0
Growth in loans and advances (%)	-5.6	4.4	12.8
Surplus liquidity in relation to statutory liquidity requirement (%)	204.8	166.5	122.3
Sum of large exposures as % of capital base	-	11.8	12.1
Funding ratio	0.66	0.70	0.75
Lending growth (year-on-year)	-9.6	-4.0	7.2
Real property exposure	10	12	12
Impairment ratio (%)	0.2	0.8	0.4
Earnings per share (DKK)	4.1	5.3	2.6
Book value per share (DKK)	142.2	138.5	138.5
Proposed dividend per share (DKK)	-	-	-
Share price/earnings per share (DKK)	24.2	18.0	31.7
Share price/book value per share (DKK)	0.69	0.69	0.59

The ratios and key figures are defined by the Danish FSA in its Executive Order on Financial Reports for Credit Institutions and Investment Companies, etc.

STATEMENT BY THE MANAGEMENT

The Board of Directors and the Executive Board (management) have considered and approved Interim Report – First Half 2013 of Danske Bank Group.

The consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and the Parent Company's interim financial statements have been prepared in accordance with the Danish Financial Business Act. 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 and the Parent Company's assets, liabilities, shareholders' equity and financial position at 30 June 2013 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the period starting on 1 January 2013 and ending on 30 June 2013. Moreover, in our opinion, management's report includes a fair review of developments in the Group's and the Parent Company's operations and financial position and describes the significant risks and uncertainty factors that may affect the Group and the Parent Company.

Copenhagen, 1 August 2013

EXECUTIVE BOARD

Eivind Kolding
Chairman

Tonny Thierry Andersen

Thomas F. Borgen

Robert Endersby

Lars Mørch

Henrik Ramlau-Hansen

BOARD OF DIRECTORS

Ole Andersen
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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 and Danske Bank A/S for the period starting on 1 January 2013 and ending on 30 June 2013, pp. 44-83.

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

On the basis of our review, nothing has come to our attention that causes us to believe that the consolidated 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. Furthermore, nothing has come to our attention that causes us to believe that the interim financial statements of Danske Bank A/S have not been prepared, in all material respects, in accordance with the Danish Financial Business Act.

Copenhagen, 1 August 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 and Danske Bank A/S for the period starting on 1 January 2013 and ending on 30 June 2013, pp. 44–83. The interim financial statements comprise the income statement, statement of comprehensive income, balance sheet, statement of capital and notes for the Group as well as for Danske Bank A/S and the consolidated cash flow statement. The consolidated 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. The Parent Company's interim financial statements have been prepared in accordance with the Danish Financial Business Act.

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

On the basis of our review, nothing has come to our attention that causes us to believe that the consolidated 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. Furthermore, nothing has come to our attention that causes us to believe that the interim financial statements of Danske Bank A/S have not been prepared, in all material respects, in accordance with the Danish Financial Business Act.

Copenhagen, 1 August 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 press conference and a conference call on 1 August 2013 upon the presentation of its interim report for the first half of 2013. The press conference is scheduled for 10.00am CET, and the conference call for 2.30pm CET. The press conference and the conference call will be webcast live at www.danskebank.com.

FINANCIAL CALENDAR

31 October 2013	Interim Report - First Nine Months 2013
6 February 2014	Annual Report 2013

CONTACT

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LINKS

Danske Bank	www.danskebank.com
Denmark	www.danskebank.dk
Finland	www.danskebank.fi
Sweden	www.danskebank.se
Norway	www.danskebank.no
Northern Ireland	www.danskebank.co.uk
Ireland	www.danskebank.ie
Realkredit Danmark	www.rd.dk
Danske Capital	www.danskecapital.com
Danica Pension	www.danicapension.dk

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



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