

Danske Bank to Ireland

Acquisition of
National Irish Bank & Northern Bank

Agenda

- Transaction highlights 3
- Strategic rationale & value creation 8
- Compliance issues 22
- Further process 23
- Further information on the Web 24

Transaction summary

- Increased focus on retail banking

- Danske Bank to acquire National Irish Bank (NIB) and Northern Bank (NB) for GBP967m / DKr10.4bn
- Expands foreign retail lending by 37% to DKr203bn
- Business development and enhanced productivity through efficient use of IT
- Total cost synergies of approximately DKr350m
- Earnings per share accretive in 2006 after conversion
- Capital ratios will be close to targets by year-end 2005
- Guidance for 2004: core earnings of about DKr12bn

Vision for the acquisition

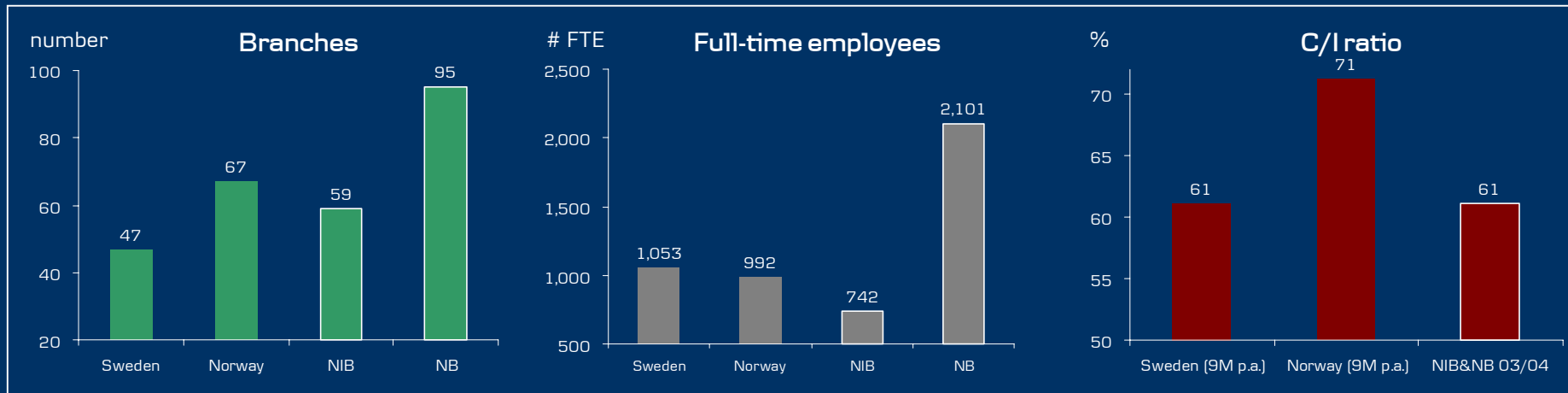
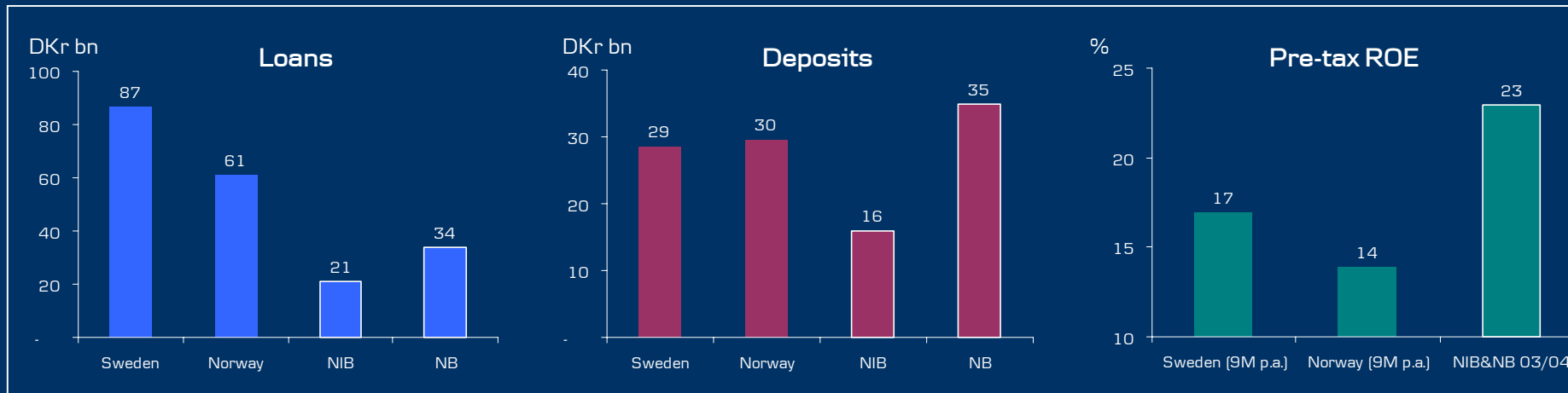
- Develop the retail business from a stable base

- Stable and profitable base from which to expand operations
- Leading bank in Northern Ireland with potential to grow retail business
- Attractive position in the Republic of Ireland as beachhead for expansion in fast-growing Irish market
- Basis for improving services and product offerings
- Leverage Danske Bank's retail expertise
- Enhance productivity through efficient use of IT
- Danske Bank's size will enhance ability to compete with larger local players
- Expand branch network over time, leveraging existing infrastructure



Danske Bank's int'l retail operations

- Putting things into perspective (end-September 2004)



Acquisition price & financing

- No equity funding needed

Acquisition price

Acquisition price:	DKr10.4bn
Multiples of	
P/BV excl. pensions deficit	2.2x
P/E (2003/04)	13.1x

Deal financing

Financed by:	
Hybrid capital	DKr 1.5bn
Reduction of share buyback H2 2004	DKr 1.0bn
Issue of new supplementary capital	DKr 3.0bn
Cash	DKr 4.9bn

Target capital ratios

Capital targets unchanged:	
Core capital ratio incl. hybrid	7.0 %
Solvency ratio	9.5 %
Dividend pay-out ratio	50 %

Key pro forma figures

- Pro forma NIB & NB 8% of combined net profit

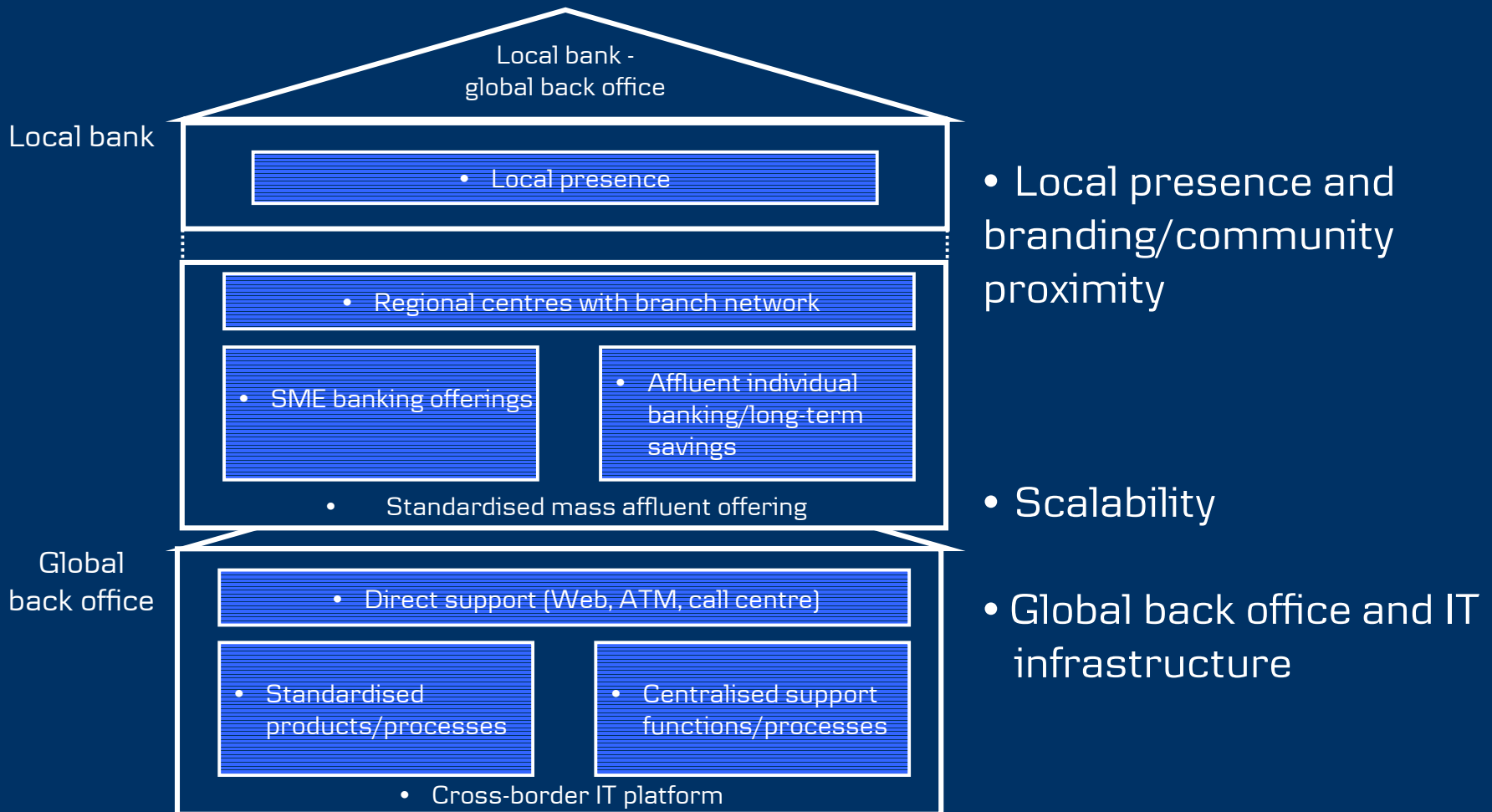
	NIB&NB 03/04 GBP m	NIB&NB 75% of 03/04 DKr m	Danske Bank 9M 2004 DKr m
Net interest income	198	1,582	11,330
Other operating income	87	698	8,475
Total operating income	285	2,280	19,805
Total costs	174	1,394	10,482
Core earnings before provisions	111	887	9,323
Provisions for bad and doubtful debts	7	55	405
Core earnings	104	831	8,918
Investment earnings	-	-	726
Profit before tax	104	831	9,644
Tax	30	241	2,765
Net profit	74	591	6,879

	Sept. avg. GBP bn	Sept. avg. DKr bn	End-Sept. DKr bn
Lending	5.1	55	1,111
Total assets	7.0	75	1,914
Deposits	4.6	49	504
Shareholders' equity	0.5	5	63
Total liabilities and shareholders' equity	7.0	75	1,914

Risk weighted assets	4.7	50	797
----------------------	-----	----	-----

Exportable retail banking model

- The local bank supported by a global back office



In line with retail banking strategy

1. Attractive markets

- Positioned for growth in attractive markets outside the Nordic region as extension of retail strategy.

2. Platforms for growth

- Acquisition of substantial businesses with growth potential.

3. Efficiency & cost savings

- Substantial value-creation opportunity through cost savings and leveraging of Danske Bank's retail expertise.

4. Revenue benefits

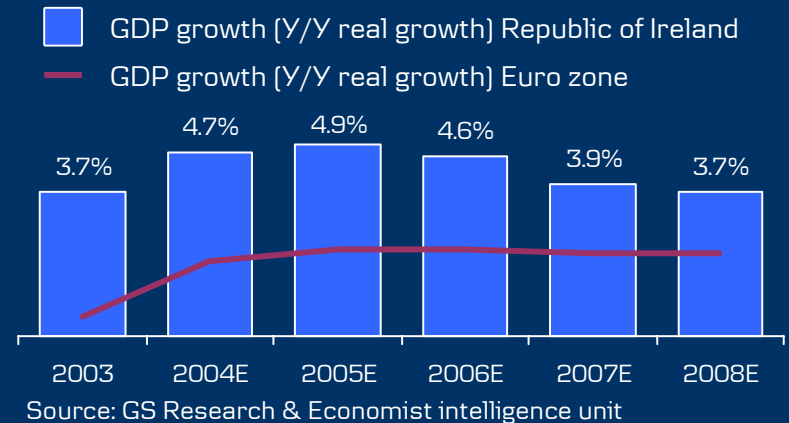
- Efficient use of IT, investments in existing branches and introduction of new products and services will support growth.

1. Attractive markets

Highest growth in the EU

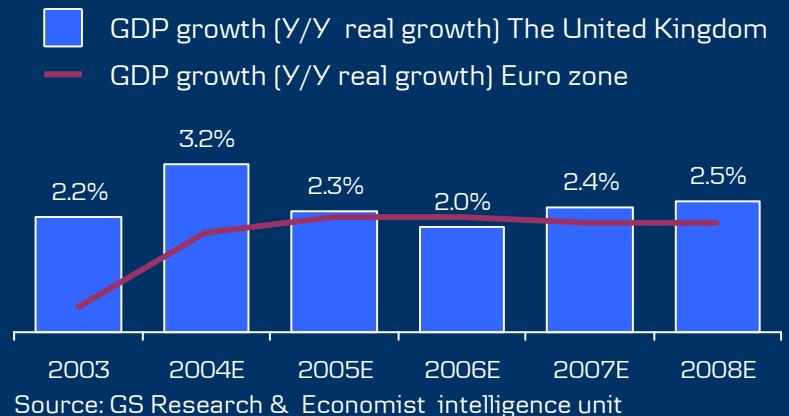
Republic of Ireland

- Fastest growing economy in the EU from 1994 to 2002
- Strong demographics, low interest rates, and corporate tax rates with financial support from EU



The United Kingdom

- Northern Ireland fastest growing regional economy in the UK in 2004
- Stable growth underpinned by improving political situation and EU/UK funding

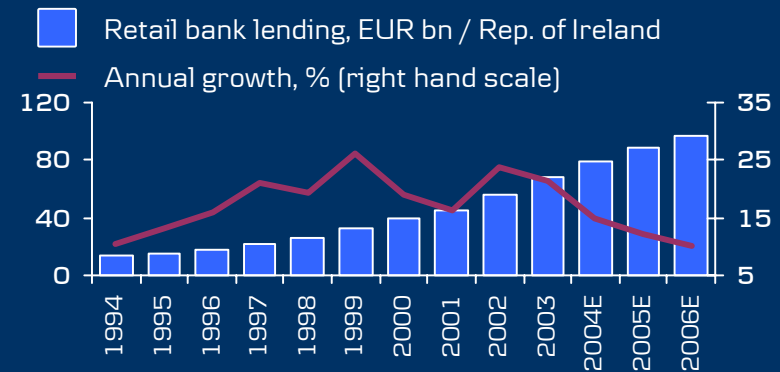


1. Attractive markets

High lending growth in Ireland

Republic of Ireland - Retail lending

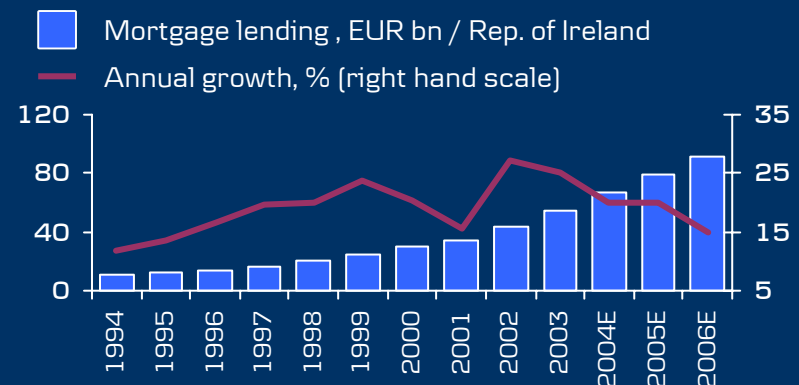
- Average annual lending growth of 20% in the past five years
- Growth expectations lower, but still healthy outlook



Source: Central Bank & Financial Services of Ireland/Danske Bank

Republic of Ireland - Mortgage lending

- Average annual lending growth close to 25% in the past five years, supported by lower interest rates
- Growth expectations lower, but still 15-20%



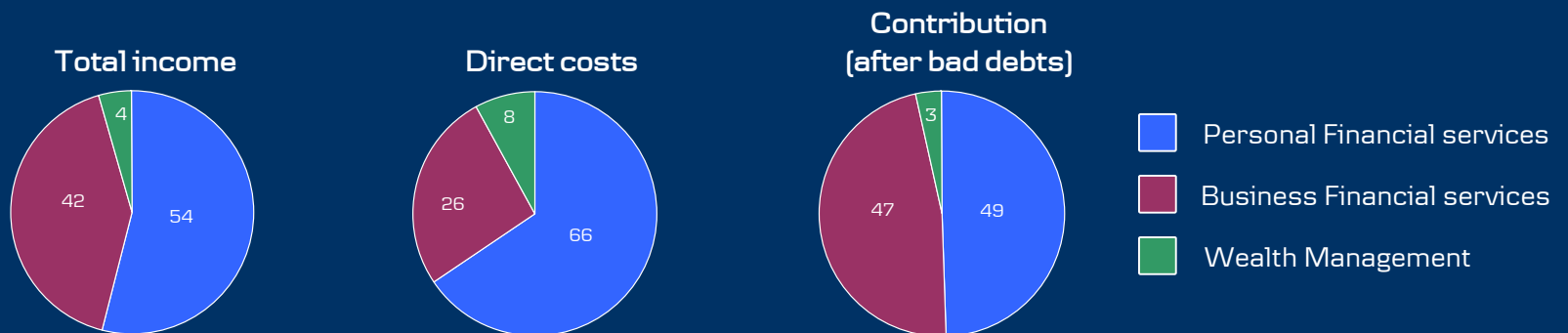
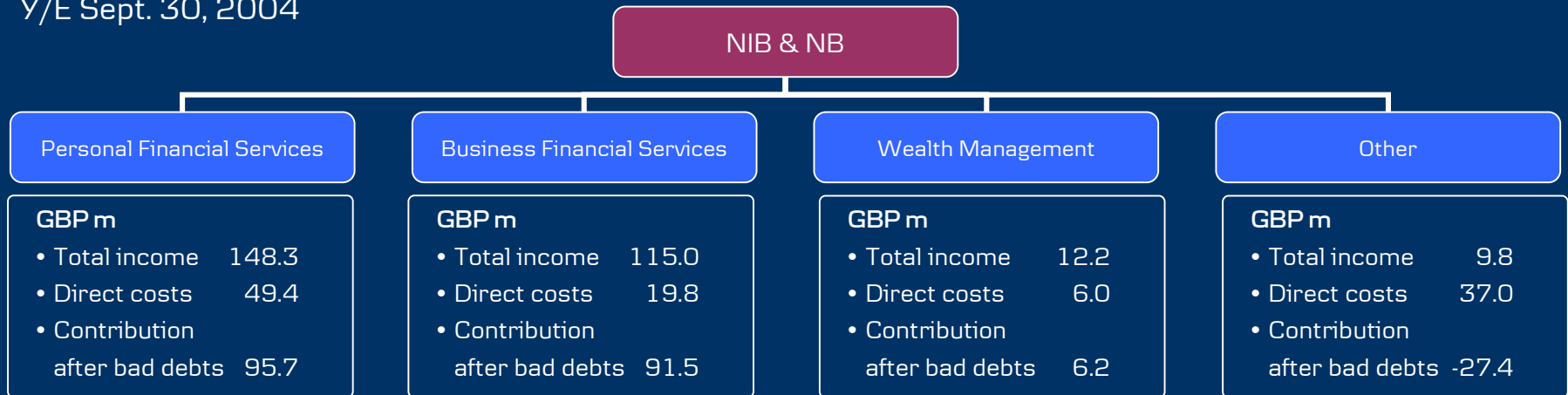
Source: Central Bank & Financial Services of Ireland/Danske Bank

Overview of NIB and NB

2. Platforms for growth

- Focus on personal and business financial services

Y/E Sept. 30, 2004

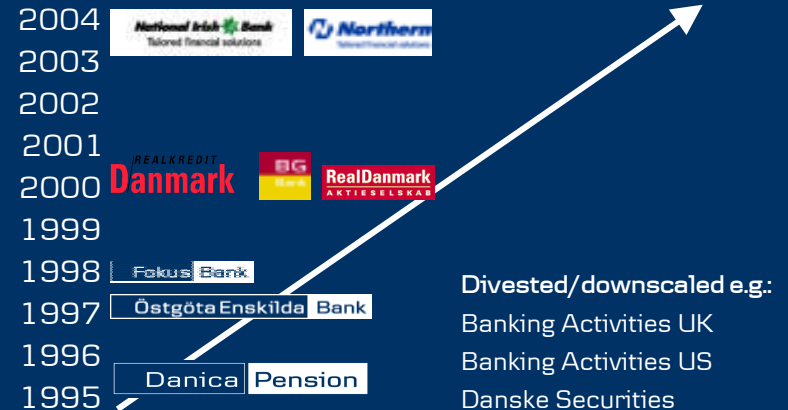


Good match

- Similar focus, products and philosophy

2. Platforms for growth

- The acquisition is in line with Danske Bank's pronounced retail strategy
- Opportunity to grow outside the Nordic market



- National Irish Bank and Northern Bank make a good fit with Danske Bank's structure and strategy
- Shared business philosophy:
 - Product strategy
 - Distribution strategy
 - Infrastructure

	Danske Bank	NIB	NB
Customer focus	Retail	Retail	Retail
Products	Full product range	Standard products	Standard products
Distribution	Branches, e-banking, telephone	Branches, 2nd tier e-bank, telephone*	Branches, 2nd tier e-bank, telephone*
Branding	Local	Local	Local
Back office	Centralised (global)	Decentralised	Decentralised

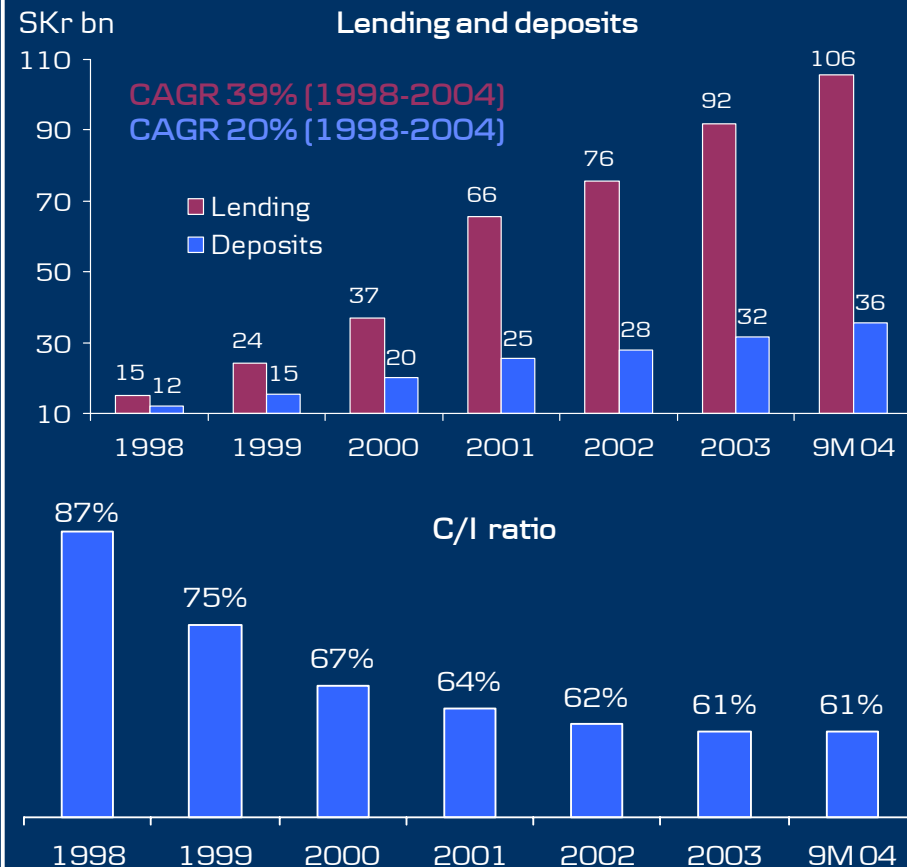
*Outsourced

Developing the business

- The Swedish case

2. Platforms for growth

- Business case similar to Danske Bank's acquisition of Östgöta Enskilda Bank in Sweden in 1997
 - A small retail bank in attractive market
- Since acquisition, business has expanded significantly
 - Doubled market share
 - Considerable profit increase
- Conversion to the central platform
- Östgöta Enskilda Bank has the highest customer satisfaction in Sweden for the fourth consecutive year



Key financials

- National Irish Bank

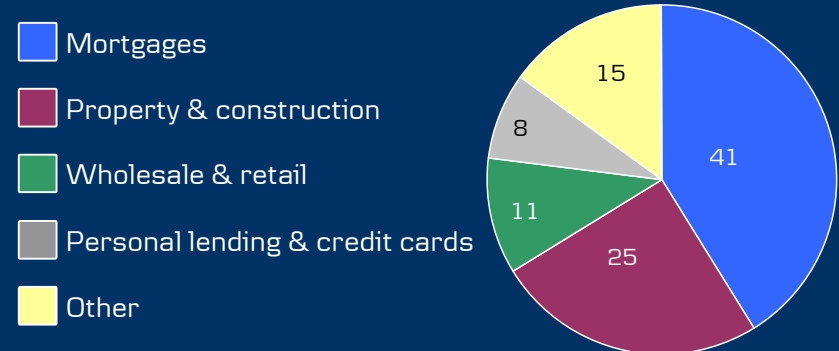
2. Platforms for growth

- 59 branches and 13 business banking centres
- Increasing focus on HNW and larger SME
- 134,000 retail, 25,000 premium and 8,000 business banking customers
- 742 full-time employees

Y/E 30 Sept. (GBPm)	2003	2004	4 year CAGR
Net interest income	60.1	63.8	8.4
Other operating income	19.7	18.6	-2.1
Total operating income	79.8	82.4	5.6
Direct costs	34.9	35.9	1.1
Contribution	44.9	46.5	9.7
Provisions for bad debts	-1.1	2.7	8.5
Contribution after bad debts	46.1	43.8	9.7

- The portfolio is dominated by mortgages
- Prudent credit policies:
 - Loan loss ratio 14 bp (Y/E Sept. 30, 04)

Portfolio composition (30 Aug., 2004)



September 2004: Total lending GBP 2.0bn

Key financials

- Northern Bank

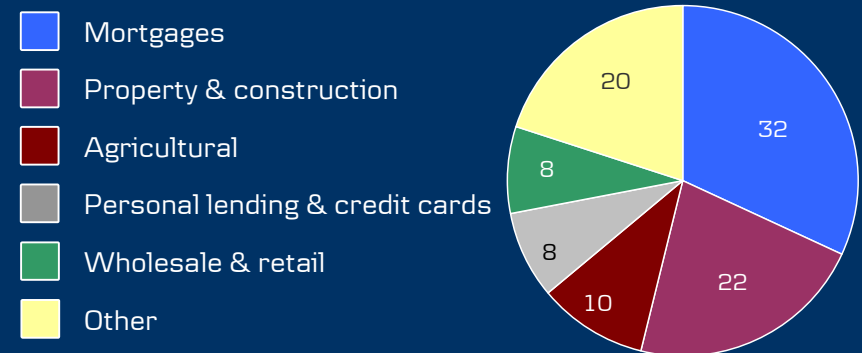
2. Platforms for growth

- 95 branches, 5 agencies and 13 business banking centres
- 349,000 retail, 44,000 premium and 22,000 business banking customers
- 2,101 full-time employees

Y/E 30 Sept. (GBPm)	2003	2004	4 year CAGR
Net interest income	139.7	134.1	-0.3
Other operating income	72.1	72.1	0.2
Total operating income	211.8	206.2	-0.1
Direct costs	73.3	76.4	-0.4
Contribution	138.5	129.8	0.1
Provisions for bad debts	6.7	4.2	3.3
Contribution after bad debts	131.8	125.6	0.0

- The portfolio is dominated by mortgages and property & construction
- Prudent credit policies:
 - Loan loss ratio 13 bp (Y/E Sept. 30, 04)

Portfolio composition (30 Aug., 2004)



September 2004: Total lending GBP 3.2bn

3. Efficiency & cost savings

One Group - One System

Danske Bank

- Competitive advantage

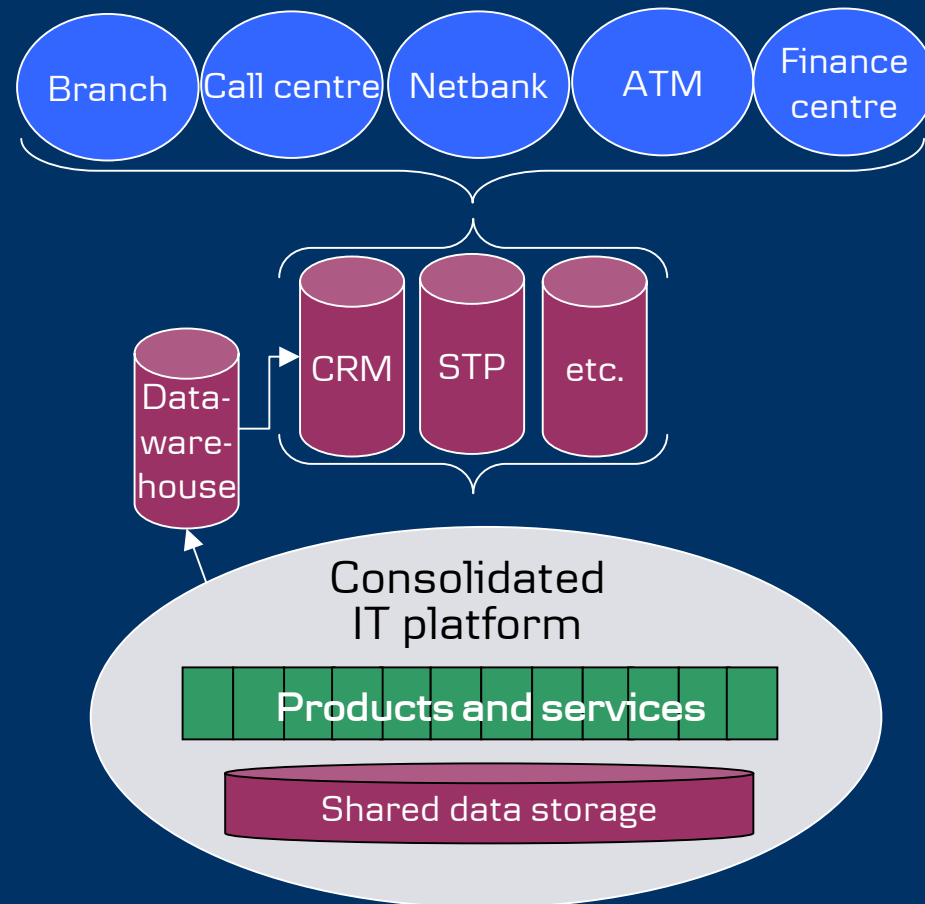


Efficient use of IT

- Supporting business development

3. Efficiency & cost savings

- Shared data
- Multi-currency
- Multi-language
- Full product range
- Flexible distribution
- Efficient production
- Data security
- Resilience

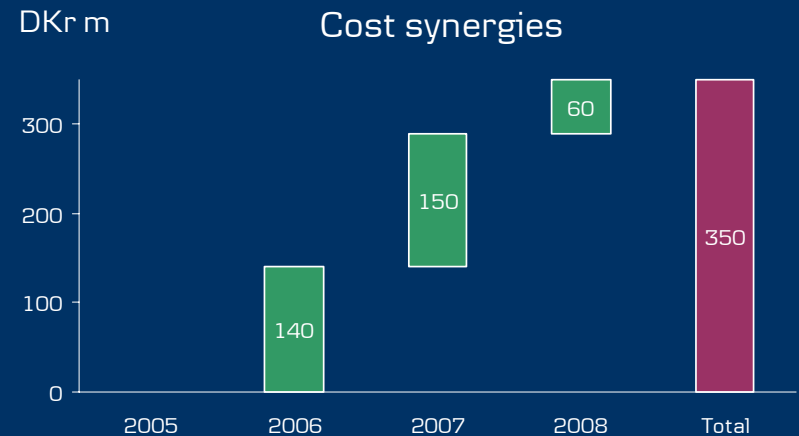


Cost synergies & restructuring

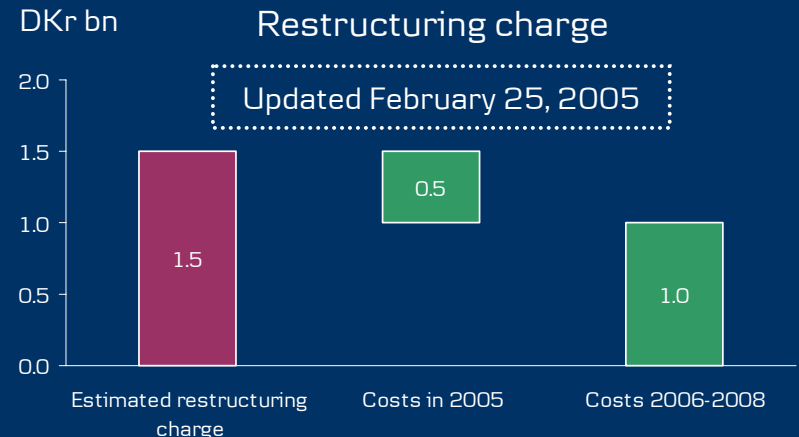
- IT conversion is the key driver

3. Efficiency & cost savings

- Cost synergies of DKr350m:
 - De-duplication of back-office operations
 - Implementation of DB's IT platform
 - Implementation of DB processes
 - Organisational adjustments
- C/I ratio 61% before and below 53% after synergies.



- Restructuring costs of DKr1.5bn:
 - IT investments
 - Branch refurbishing and branding
 - Severance payments
- Pension schemes deficit
 - Estimated at DKr1.2bn after tax

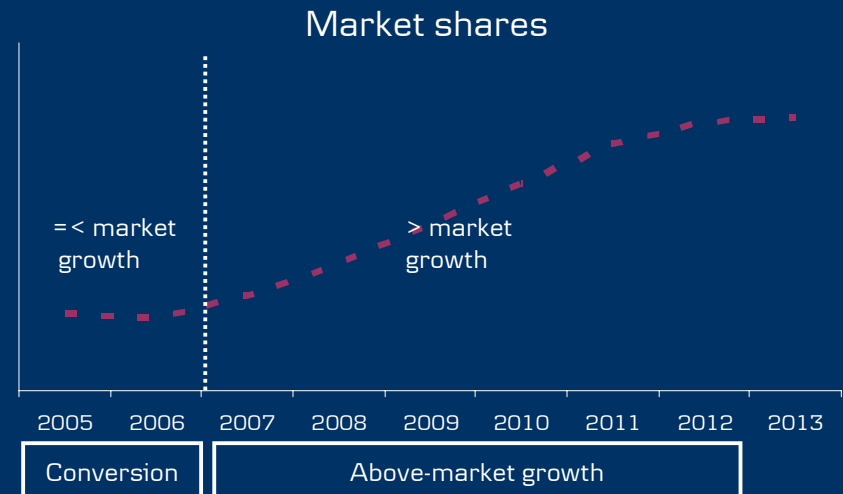


Business development

- Overview

4. Revenue benefits

- Productivity enhanced by investments in IT and other investments in existing branches
- Introduction of high quality products and services
- 2005-2006 focus on conversion and optimisation
- 2006-2012 above-market growth
- In the longer term, branch expansion will be key to driving increased cross-sales across the Group

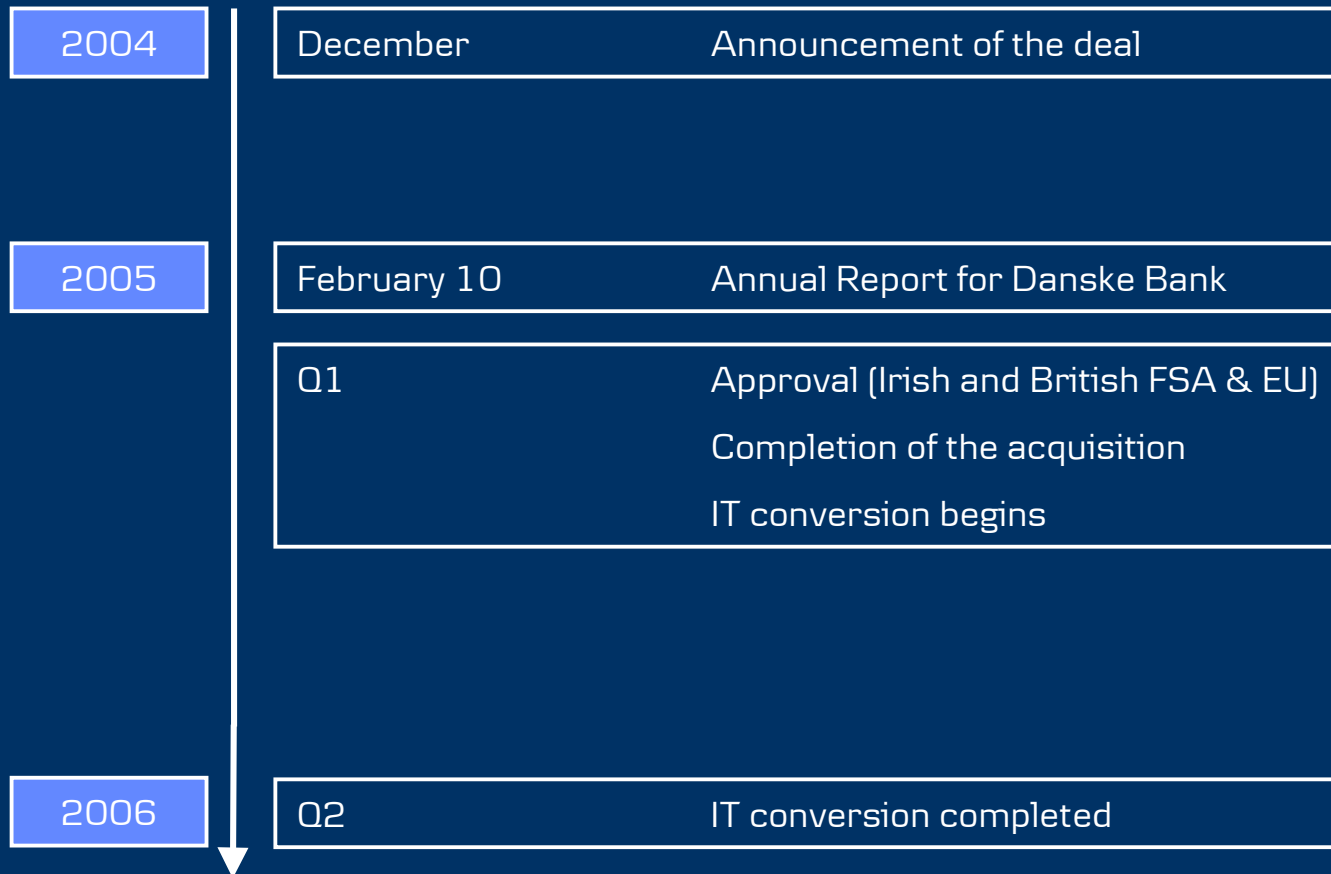


Indemnity on compliance issues

- National Irish Bank has been the object of high court investigation relating to:
 - Mis-selling offshore investment products
 - Failing to comply with certain statutory tax collection responsibilities
 - Overcharging of fees and interest
- Investigations have focused on the period 1988 to 1998
- No pending issues with authorities
- Danske Bank will not bear any risk relating to these matters
 - Full indemnification from NAB

Time table

- Key events



For more information, please visit

www.danskebank.com/irireland