

Interim Report 2006

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Financial highlights - Danske Bank Group _____	3
Management's report _____	4
Financial results _____	4
Capital and solvency _____	4
Balance sheet _____	5
Integration of Northern Bank and National Irish Bank _____	5
Corporate social responsibility _____	6
New capital adequacy rules _____	6
Senior management changes _____	6
Extraordinary general meeting _____	6
Business areas _____	7
Banking Activities Danske Bank _____	8
Banking Activities BG Bank _____	9
Banking Activities Sweden _____	10
Banking Activities Norway _____	11
Banking Activities Northern Ireland _____	12
Banking Activities Ireland _____	13
Other Banking Activities _____	14
Mortgage Finance _____	15
Danske Markets _____	16
Danske Capital _____	17
Danica Pension _____	18
Other areas _____	19
Outlook for 2006 _____	20
Financial highlights - Danske Bank Group _____	21
Accounts of the Danske Bank Group _____	22
Accounting policies _____	22
Income statement _____	23
Balance sheet _____	24
Capital _____	25
Solvency _____	26
Cash flow statement _____	27
Segment reporting _____	28
Contingent liabilities _____	30
Accounts of Danske Bank A/S _____	31
Additional information _____	39

This is a translation of the interim report for the first half of 2006 in the Danish language. In case of discrepancies, the Danish version prevails.

Financial highlights – Danske Bank Group

NET PROFIT FOR THE PERIOD (DKr m)	First half 2006	First half 2005	Index 06/05	Full year 2005
Net interest income	9,286	8,272	112	17,166
Net fee income	3,771	3,404	111	7,288
Net trading income	3,466	3,292	105	6,351
Other income	1,234	1,080	114	2,256
Net income from insurance business	33	721	5	1,647
Total income	17,790	16,769	106	34,708
Operating expenses	9,739	8,658	112	18,198
Profit before credit loss expenses	8,051	8,111	99	16,510
Credit loss expenses	-443	-225	-	-1,096
Profit before tax	8,494	8,336	102	17,606
Tax	2,407	2,352	102	4,921
Net profit for the period	6,087	5,984	102	12,685
Attributable to minority interests	-13	-	-	4
BALANCE SHEET (DKr m)	June 30, 2006	June 30, 2005	Index 06/05	Dec. 31, 2005
Bank loans and advances	973,041	766,921	127	829,603
Mortgage loans	573,105	545,801	105	569,092
Trading portfolio assets	394,124	555,310	71	444,521
Investment securities	26,215	39,051	67	28,712
Assets under insurance contracts	181,366	185,610	98	188,342
Other assets	364,677	340,593	107	371,718
Total assets	2,512,528	2,433,286	103	2,431,988
Due to credit institutions and central banks	470,457	511,431	92	476,363
Deposits	688,845	603,476	114	631,184
Issued mortgage bonds	456,298	434,358	105	438,675
Trading portfolio liabilities	218,920	262,772	83	212,042
Liabilities under insurance contracts	205,805	207,544	99	212,328
Other liabilities	358,577	304,162	118	343,470
Subordinated debt	40,164	41,888	96	43,837
Shareholders' equity	73,462	67,655	109	74,089
Total liabilities and equity	2,512,528	2,433,286	103	2,431,988
RATIOS AND KEY FIGURES	First half 2006	First half 2005		Full year 2005
Net profit for the period per share, DKr	9.7	9.5		20.2
Diluted net profit for the period per share, DKr	9.7	9.5		20.2
Net profit for the period as % p.a. of average shareholders' equity	16.6	17.9		18.4
Cost/income ratio, %	54.7	51.6		52.4
Solvency ratio, incl. net profit for the period, %	9.8	9.4		10.3
Core (tier 1) capital ratio, incl. net profit for the period and hybrid core capital, %	7.1	6.8		7.3
Risk-weighted items, end of period, DKr bn	1,019	927		944
Share price, end of period, DKr	221.5	185.3		221.2
Book value per share, DKr	117.5	107.7		118.2
Full-time-equivalent staff, end of period	19,185	18,946		19,162

Management's report

- Net profit of DKr6,087m, against DKr5,984m for the first half of 2005 – on the whole as expected
- Pre-tax profit up at Banking Activities and Danske Markets
- Postponement of the booking of risk allowance due to negative return on investments at Danica
- Net profit per share for the period up 2% despite integration costs
- Total income rose 6%
- Net positive entry for credit loss expenses
- Growth in bank lending, excluding reverse transactions, of 23%
- In view of the net profit for the period, expectations for full-year earnings are, on the whole, unchanged

Financial results for the first half of 2006

Danske Bank Group recorded a net profit of DKr6,087m for the first half of 2006, against DKr5,984m for the first half of 2005. Earnings per share rose from DKr9.5 to DKr9.7.

Pre-tax profit amounted to DKr8,494m. The larger-than-expected profit increases at Banking Activities and Danske Markets more than offset the postponement of the booking of risk allowance at Danica owing to a negative return on investments.

Income

Income rose by DKr1,021m, or 6%, from the first half of 2005 to DKr17,790m. Income from Banking Activities grew DKr1,709m, or 15%, including DKr602m from Northern Bank and National Irish Bank.

Net interest income increased 12% to DKr9,286m. Excluding the net interest income from banking activities in Northern Ireland and the Republic of Ireland, the increase amounted to 7%. The growth in net interest income was due to continued strong growth in lending, which more than compensated for steadily narrowing lending margins. Property financing products secured on real property and lending to corporate customers accounted for the largest share of lending growth. Higher interest rates contributed to a widening of deposit margins.

Net fee income rose 11%. Banking activities in Northern Ireland and the Republic of Ireland accounted for 2 percentage points of the increase. The remaining 9% was attributable mainly to strong activity in the securities markets and to a few large transactions. As expected, the very high activity in the securities markets during the first quarter did not continue in the second quarter.

Net trading income rose 5% on the same period a year ago.

Net income from insurance business declined from DKr721m in the first half of 2005 to DKr33m, primarily because of an unsatisfactory result of the health and accident business and the postponement of the booking of risk allowance.

Other income rose by 14% to DKr1,234m. The rise stemmed mostly from commission income from acquired real-estate agency chains.

Operating expenses

Operating expenses rose 12% to DKr9,739m. Excluding the costs of acquired business units and performance-based compensation, expenses were at the same level as in the first half of 2005. In that period, the results of banking activities in the Republic of Ireland and Northern Ireland were included only from March to June. The cost/income ratio rose from 51.6% to 54.7%.

Credit loss expenses

The Group recorded a net positive entry for credit loss expenses of DKr443m, against DKr225m in the first half of 2005. The positive entry was owing to the persistently favourable economic conditions, which led to a low level of new impairment charges and allowed reversals of charges already made.

Return on equity

The return on equity stood at 16.6%, against 17.9% a year earlier. The net profit per share for the period increased 2% from DKr9.5 to DKr9.7.

Capital and solvency

Shareholders' equity

Shareholders' equity was DKr73bn at the end of June 2006, against DKr74bn at the end of 2005. The change reflects primarily the dividend pay-

ment in March 2006 and the recognition of the net profit for the period.

At the end of June 2006, the share capital totalled Dkr6,383,042,760 and shares numbered 638,304,276. The number of shares outstanding at the end of June 2006 was 624,978,789, and the average number of shares outstanding in the first half of 2006 was 625,294,279.

Solvency

With effect from January 1, 2006, the net profit for the period less expected dividends is included in the calculation of the solvency ratio. The solvency ratio at the end of June 2006 stood at 9.8%, of which 7.1 percentage points derived from Group core (tier 1) capital, against 10.3% and 7.3 percentage points, respectively, at the end of 2005. The core (tier 1) capital ratio, excluding hybrid core capital, stood at 6.5%, against 6.7% at December 31, 2005.

The increase in risk-weighted items from Dkr944bn at the beginning of the year to Dkr1,019bn at the end of June 2006 was attributable primarily to lending growth.

Balance sheet

Lending

Bank lending, excluding reverse transactions, rose by Dkr130bn, or 23%, from the end of June 2005 to Dkr699bn at the end of June 2006. Loans and advances increased 13% during the first half of 2006.

Lending extended by the Group's banking units in Denmark increased by Dkr46bn, or 18%. Lending by the Group's banking units outside Denmark grew by Dkr82bn, or 30%, including Dkr8bn owing to the switch to a new method of recognising loans and advances at Northern Bank. Lending by Danske Markets rose Dkr2bn, or 6%, from the end of June 2005.

Bank lending to retail customers rose by 20% over the level at the end of June 2005, whereas lending to corporate customers rose by 25%.

Mortgage lending measured at fair value stood at Dkr573bn at the end of June 2006, up 5% on the level recorded a year ago. The private market accounted for 62% of the portfolio at June 30, 2006. The outstanding nominal bond debt increased by Dkr23bn to Dkr586bn.

Reverse transactions were up Dkr76bn from the level at the end of 2005 to Dkr274bn, primarily

as a result of increased activity in the international repo market.

Deposits

Deposits, excluding repo transactions, totalled Dkr604bn, against Dkr546bn at the end of June 2005, up 11%. Deposits increased 6% in the first half of 2006.

Trading portfolio assets

Trading portfolio assets fell by Dkr161bn, or 29%, from June 30, 2005, to Dkr394bn at the end of June 2006, owing to a reduction in the holdings of bonds and a fall in market values of derivatives.

The Group uses the Value-at-Risk measure to calculate the daily market risk of its exposures. Value at risk expresses, with a probability of 99%, the maximum amount that the Group would lose assuming that the exposure was maintained for 10 days. Excluding Danica, the Group's value at risk on its interest rate exposures amounted to Dkr105m at the end of June 2006, against Dkr147m a year earlier. In the first half of 2006, the Group's average value at risk on its interest rate exposures stood at Dkr170m, against Dkr110m in the first half of 2005.

Integration of Northern Bank and National Irish Bank

Northern Bank and National Irish Bank are now on Danske Bank's shared IT platform with access to new and enhanced administrative and business processes and considerable potential for improving services and offerings to customers.

The banks are now offering more products and services to both the retail and corporate markets. The offerings include a market-leading Internet banking facility, customer packages for the retail market and cash management tools for the corporate market.

On the basis of their future offerings, Northern Bank and National Irish Bank have prepared financial plans for the period until 2008. The migration has created the basis for realising synergies in the two banks. Upon the migration, most of the transition agreements with National Australia Bank expired, including payment for services equivalent to the salaries of 360 full-time employees. The Group still expects to have realised the estimated synergies of Dkr350m by the end of 2007, with full accounting effect from 2008.

The Group's overall integration costs are still expected to total Dkr1.5bn. At the end of June 2006, costs incurred totalled Dkr1.2bn, of which Dkr0.2bn had been recognised as development costs under intangible fixed assets. The remaining costs for the completion of the integration are expected to be booked by the end of 2007.

Corporate social responsibility

In the first half of 2006, the Board of Directors approved a corporate social responsibility policy. The CSR policy focuses on four areas: customers, employees, environment and society. Read more about the policy at www.danskebank.com/csr.

New capital adequacy rules

New capital adequacy rules will be introduced on January 1, 2007, with full effect from 2010. The rules enable banks to assess more specifically their risks and capital requirements. For more information about the new rules and the methods adopted by Danske Bank, see Danske Bank's investor relations Web site: www.danskebank.com/ircrd.

Senior management changes

Three new members have been appointed to the Executive Board with effect from September 1, 2006: Tonny Thierry Andersen, Chief Financial Officer; Sven Lystbæk, head of the Group's Shared Services Centre; and Per Skovhus, head of Credits.

Henrik Normann, currently head of Danske Markets, will take up the position as head of Banking Activities Danske Bank during the third quarter. Steen Blaafalk will succeed him as head of Danske Markets and will at the same time join the Executive Committee.

Extraordinary general meeting

On August 8, 2006, an extraordinary general meeting adopted the following secondary company names for Danske Bank: Danske Bank International A/S, Danske Bank Polska A/S, Fokus Bank A/S, National Irish Bank A/S and Northern Bank A/S. The new secondary names are part of the Bank's efforts to convert non-Danish subsidiaries into branches and to protect the names for future use.

Business areas

PROFIT BEFORE TAX (DKr m)	First half 2006	First half 2005	Index 06/05	Share, first half 2006	Share, first half 2005	Full year 2005
Banking Activities Danske Bank	3,130	2,346	133	37%	28%	5,767
Banking Activities BG Bank	915	907	101	11%	11%	1,782
Banking Activities Sweden	438	429	102	5%	5%	809
Banking Activities Norway	457	262	174	5%	3%	579
Banking Activities Northern Ireland	-204	52	-	-2%	1%	23
Banking Activities Ireland	-129	10	-	-2%	-	-106
Banking Activities England, USA and other units	-	431	-	-	5%	528
Other Banking Activities	562	176	319	7%	2%	713
Total Banking Activities	5,169	4,613	112	61%	55%	10,095
Mortgage Finance	1,264	1,377	92	15%	17%	2,755
Danske Markets	1,885	1,805	104	22%	22%	3,719
Danske Capital	239	202	118	3%	2%	509
Danica Pension	33	721	5	-	9%	1,647
Other areas	-96	-382	-	-1%	-5%	-1,119
Total Group	8,494	8,336	102	100%	100%	17,606

INCOME (DKr m)	First half 2006	First half 2005	Index 06/05	Share, first half 2006	Share, first half 2005	Full year 2005
Banking Activities Danske Bank	5,462	4,783	114	31%	29%	9,973
Banking Activities BG Bank	2,214	2,008	110	12%	12%	4,151
Banking Activities Sweden	1,186	977	121	7%	6%	2,032
Banking Activities Norway	1,125	819	137	6%	5%	1,837
Banking Activities Northern Ireland	1,098	709	155	6%	4%	1,810
Banking Activities Ireland	519	306	170	3%	2%	753
Banking Activities England, USA and other units	-	393	-	-	2%	468
Other Banking Activities	1,286	1,186	108	7%	7%	2,364
Total Banking Activities	12,890	11,181	115	72%	67%	23,388
Mortgage Finance	1,797	1,924	93	10%	11%	3,879
Danske Markets	2,901	2,703	107	17%	16%	5,491
Danske Capital	460	384	120	3%	2%	893
Danica Pension	33	721	5	-	4%	1,647
Other areas	-291	-144	-	-2%	-	-590
Total Group	17,790	16,769	106	100%	100%	34,708

The first half 2005 figures of Banking Activities Northern Ireland and Banking Activities Ireland comprise the financial results for the period March-June only.

Danske Bank Group's pre-tax profit rose 2% compared with the pre-tax profit for the first half of 2005.

The Group's income rose 6% in the same period. Of the total income, 72% stemmed from banking activities and a little over one third of that amount came from banking activities outside Denmark.

Developments in the individual business areas are described in the following pages.

Banking Activities Danske Bank

Banking Activities Danske Bank encompasses the banking activities of the Danske Bank division in Denmark. Danske Bank caters to all types of retail and corporate customers. Danske Bank's finance centres serve large corporate and private banking customers. Banking Activities Danske Bank has nine regions with 289 branches, nine finance centres and nearly 4,300 employees.

BANKING ACTIVITIES DANSKE BANK (DKr m)	First half 2006	First half 2005	Index 06/05	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Full year 2005
Net interest income	3,314	2,995	111	1,713	1,601	1,596	1,593	1,521	6,184
Net fee income	1,883	1,561	121	904	979	885	873	822	3,319
Net trading income	264	217	122	127	137	121	117	118	455
Other income	1	10	10	-	1	3	2	8	15
Total income	5,462	4,783	114	2,744	2,718	2,605	2,585	2,469	9,973
Operating expenses	2,731	2,579	106	1,365	1,366	1,344	1,245	1,338	5,168
Profit before credit loss expenses	2,731	2,204	124	1,379	1,352	1,261	1,340	1,131	4,805
Credit loss expenses	-399	-142	-	-156	-243	-710	-110	-165	-962
Profit before tax	3,130	2,346	133	1,535	1,595	1,971	1,450	1,296	5,767
Loans and advances, end of period	221,065	186,638	118	221,065	208,056	197,674	187,064	186,638	197,674
Deposits, incl. pooled deposits, end of period	228,992	212,122	108	228,992	224,330	216,219	211,256	212,122	216,219
Risk-weighted items (avg.)	210,013	177,332	118	215,864	204,097	197,383	194,261	180,302	186,653
Allocated capital (avg.)	13,651	11,527	118	14,031	13,266	12,830	12,627	11,720	12,132
Pre-tax profit as % p.a. of allocated cap.	45.9	40.7		43.8	48.1	61.5	45.9	44.2	47.5
Cost/income ratio, %	50.0	53.9		49.7	50.3	51.6	48.2	54.2	51.8

- Pre-tax profit up 33%
- Income up 14%
- Improved cost/income ratio
- Lending to retail customers up 19% and lending to corporate customers up 18%
- Strong growth expected to continue in H2

The pre-tax profit of Banking Activities Danske Bank rose by 33% to Dkr3,130m, against Dkr2,346m in the first half of 2005. The profit before credit loss expenses increased 24%.

Banking Activities Danske Bank continued to record strong demand for its products, high activity in the securities markets and low credit loss expenses in the first half of 2006.

Net interest income rose 11% owing to high growth in lending in all customer segments. Lending margins, however, continued to narrow in the first half of 2006. The persistent increase in the percentage of loans secured on real property and fierce competition accounted for part of the decline in lending margins. The rise in interest rates contributed to a widening of deposit margins and a higher return on allocated capital.

Strong activity in the securities markets helped generate a 21% increase in net fee income. The trading volume in the equity markets was substantial in the first quarter in particular, and

sales of structured products had a positive effect on fee income throughout the period.

The 6% increase in expenses reflected a general rise in wages, inflation, IT development costs and the growth of activity-based expenses. The increase in income helped reduce the cost/income ratio to 50.0%.

Danske Bank recorded a net positive entry for credit loss expenses of Dkr399m, against a net positive entry of Dkr142m in the first half of 2005. The trend was attributable to a persistently favourable economic climate in Denmark and the high credit quality of the loan portfolio.

Total lending grew by 18% compared with total lending at the end of June 2005, while deposits rose 8%. Lending grew by 12% during the first half of the year. Lending to retail customers increased 19%, primarily on the back of satisfactory sales of property financing products.

Lending to corporate customers rose by 18% as result of a growing demand among small and medium-sized businesses as well as large enterprises.

Activity is expected to remain high and competition fierce for the rest of 2006.

Banking Activities BG Bank

Banking Activities BG Bank encompasses the banking activities of the BG Bank division in Denmark. BG Bank caters to all types of retail customers and most types of corporate customers through its branch network. BG Bank also serves a number of agricultural customers at special agricultural centres. Banking Activities BG Bank has seven regions with 174 branches, two investment desks and nearly 1,900 employees.

BANKING ACTIVITIES BG BANK (DKr m)	First half 2006	First half 2005	Index 06/05	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Full year 2005
Net interest income	1,406	1,315	107	724	682	686	684	662	2,685
Net fee income	707	618	114	326	381	349	339	321	1,306
Net trading income	99	68	146	46	53	43	38	38	149
Other income	2	7	29	1	1	3	1	5	11
Total income	2,214	2,008	110	1,097	1,117	1,081	1,062	1,026	4,151
Operating expenses	1,206	1,182	102	597	609	630	580	606	2,392
Profit before credit loss expenses	1,008	826	122	500	508	451	482	420	1,759
Credit loss expenses	93	-81	-	29	64	-10	68	-31	-23
Profit before tax	915	907	101	471	444	461	414	451	1,782
Loans and advances, end of period	69,689	58,579	119	69,689	65,738	63,803	60,359	58,579	63,803
Deposits, incl. pooled deposits, end of period	75,619	71,012	106	75,619	73,039	74,607	71,979	71,012	74,607
Risk-weighted items (avg.)	63,840	57,350	111	64,998	62,669	61,259	59,860	57,548	58,968
Allocated capital (avg.)	4,150	3,728	111	4,225	4,073	3,982	3,891	3,741	3,833
Pre-tax profit as % p.a. of allocated cap.	44.1	48.7		44.6	43.6	46.3	42.6	48.2	46.5
Cost/income ratio, %	54.5	58.9		54.4	54.5	58.3	54.6	59.1	57.6

- Pre-tax profit up 1%
- Income up 10%
- Improved cost/income ratio
- Lending to retail customers up 17% and lending to corporate customers up 21%
- Strong business activity expected to continue

The pre-tax profit of BG Bank rose by 1% to DKr915m, against DKr907m in the first half of 2005. The profit before credit loss expenses increased 22%.

BG Bank continued to record strong demand for its products and considerable activity in the securities markets in the first half of 2006.

The 7% increase in net interest income was the result of strong growth in lending to both retail and corporate customers. The growth more than compensated for the narrowing of lending margins, particularly in the retail market. This narrowing reflected the increasing percentage of property financing products and fierce competition. The rise in interest rates contributed to a widening of deposit margins and a higher return on allocated capital.

Strong activity in the securities markets contributed to a 14% increase in net fee income.

The 2% increase in expenses reflected a general rise in wages, inflation and IT development costs. The cost/income ratio improved from 58.9% in the first half of 2005 to 54.5%.

Credit loss expenses amounted to DKr93m, against a net positive entry of DKr81m in the first half of 2005. This trend was the result of a few isolated impairment charges caused by rising energy prices.

Total lending grew by 19% compared with total lending at the end of June 2005, while deposits rose 6%. Lending to retail customers increased 17%. Growth came primarily from satisfactory sales of property financing products. Lending to corporate customers increased 21%.

In the first half of 2006, BG Bank launched a new product providing electronic invoicing facilities to corporate customers. The product, which is called Collection Service, is one of the most sophisticated solutions on the market and will help strengthen BG Bank's position in this customer segment.

Activity is expected to remain high and competition fierce for the rest of 2006.

Banking Activities Sweden

Banking Activities Sweden encompasses the banking activities of Östgöta Enskilda Bank and Provinsbankerne in Sweden, which serve all types of retail and corporate customers. Banking Activities Sweden has four regions with 57 branches, four finance centres and nearly 1,150 employees. Real-estate agency business is carried out primarily through the 70 offices of Skandia Mäklarna.

BANKING ACTIVITIES SWEDEN (DKr m)	First half 2006	First half 2005	Index 06/05	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Full year 2005
Net interest income	834	719	116	434	400	383	372	367	1,474
Net fee income	301	229	131	158	143	140	116	118	485
Net trading income	31	24	129	15	16	18	12	12	54
Other income	20	5	400	13	7	13	1	4	19
Total income	1,186	977	121	620	566	554	501	501	2,032
Operating expenses	715	604	118	374	341	346	307	310	1,257
Profit before credit loss expenses	471	373	126	246	225	208	194	191	775
Credit loss expenses	33	-56	-	-50	83	9	13	-69	-34
Profit before tax	438	429	102	296	142	199	181	260	809
Profit before tax in local currency (SKr)	544	534	102	366	178	252	226	327	1,012
Loans and advances, end of period	128,151	100,325	128	128,151	116,709	113,964	106,153	100,325	113,964
Deposits, end of period	44,537	34,520	129	44,537	39,472	37,329	35,312	34,520	37,329
Risk-weighted items (avg.)	99,655	78,914	126	102,850	96,425	90,936	87,840	81,539	84,194
Allocated capital (avg.)	6,478	5,129	126	6,685	6,268	5,911	5,710	5,300	5,473
Pre-tax profit as % p.a. of allocated cap.	13.5	16.7		17.7	9.1	13.5	12.7	19.6	14.8
Cost/income ratio, %	60.3	61.8		60.3	60.2	62.5	61.3	61.9	61.9

- Pre-tax profit up 2%
- Income up 21%
- Improved cost/income ratio
- Growth in lending of 25% in local currency
- Strong growth expected to continue throughout 2006

The pre-tax profit of banking activities in Sweden rose 2% to DKr438m, against DKr429m in the first half of 2005. In local currency, the increase also amounted to 2%. The profit before credit loss expenses improved 26%.

Net interest income rose 16% on the same period a year ago. The strong growth in lending more than compensated for the narrowing of lending margins caused by fierce competition and by the increasing proportion of property financing products and loans to large corporates.

The 31% increase in net fee income was owing to growing business volume, rising securities trading volume and an increasing number of payment transactions.

Other income rose DKr15m as a result primarily of income from the real-estate agency chain Skandia Mäklarna, which was consolidated in the accounts of the Group with effect from October 1, 2005.

The increase in expenses of 18% reflected the high level of activity, the expansion of the branch network and the consolidation of Skandia Mäklarna in the accounts of the Group.

A collective impairment charge and a few isolated losses caused credit loss expenses to rise from a net income of DKr56m in the first half of 2005 to a loss of DKr33m.

In local currency, lending to retail customers grew by 26%, while lending to corporate customers increased by 25% on the level recorded a year ago. The growth in corporate lending was owing primarily to large and medium-sized businesses, whereas sales of property financing products reinforced growth in lending to retail customers. Growth in both retail and corporate lending outperformed market growth.

In the first half of 2006, the Group opened a new branch in Stockholm and closed two small branches in the Eastern region. Another two branches are expected to open in 2006.

The fully expanded branch network is expected to make the Group's Swedish banking operations well prepared for further profitable growth in a highly competitive market.

Banking Activities Norway

Banking Activities Norway encompasses primarily the banking activities of Fokus Bank in Norway. Fokus Bank serves all types of retail and corporate customers. Banking Activities Norway has five regions with 70 branches, five finance centres and nearly 1,150 employees. Real-estate agency business is carried out through the 38 offices of Fokus Krogsvveen.

BANKING ACTIVITIES NORWAY (DKr m)	First half 2006	First half 2005	Index 06/05	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Full year 2005
Net interest income	739	596	124	385	354	354	336	303	1,286
Net fee income	208	177	118	107	101	106	94	89	377
Net trading income	50	32	156	23	27	9	20	15	61
Other income	128	14	914	74	54	48	51	8	113
Total income	1,125	819	137	589	536	517	501	415	1,837
Operating expenses	730	601	121	365	365	370	360	309	1,331
Profit before credit loss expenses	395	218	181	224	171	147	141	106	506
Credit loss expenses	-62	-44	-	-69	7	-8	-21	-	-73
Profit before tax	457	262	174	293	164	155	162	106	579
Profit before tax in local currency (Nkr)	485	286	170	308	177	165	171	112	622
Loans and advances, end of period	96,718	77,748	124	96,718	90,329	87,309	82,464	77,748	87,309
Deposits, end of period	44,447	35,876	124	44,447	40,344	39,315	36,718	35,876	39,315
Risk-weighted items [avg.]	71,525	58,033	123	73,450	69,579	68,392	65,416	60,580	62,505
Allocated capital [avg.]	4,649	3,772	123	4,774	4,523	4,445	4,252	3,938	4,063
Pre-tax profit as % p.a. of allocated cap.	19.7	13.9		24.5	14.5	13.9	15.2	10.8	14.3
Cost/income ratio, %	64.9	73.4		62.0	68.1	71.6	71.9	74.5	72.5

- Pre-tax profit up 74%
- Increase in income of 37%
- Improved cost/income ratio
- Growth in lending of 25% in local currency
- Strong growth expected to continue throughout 2006

The pre-tax profit of banking activities in Norway rose by 74% to DKr457m, against DKr262m in the first half of 2005. In local currency, the increase amounted to 70%. The profit before credit loss expenses increased 81%.

Net interest income rose 24% on the same period a year ago. Increased business volume with existing customers and a significant inflow of new customers more than compensated for the effect of the ongoing competition on margins.

The 18% growth in net fee income was attributable mainly to the increase in customer activity.

Other income rose DKr114m as a result primarily of the income from the real-estate agency chain Fokus Krogsvveen, which was consolidated in the accounts of the Group with effect from July 1, 2005.

The recruitment of more employees to serve customers and the reinforcement of centralised advisory expertise to serve corporate customers contributed to the 6% increase in expenses,

excluding expenses incurred by Fokus Krogsvveen, on the level recorded a year ago.

Fokus Bank recorded a net positive entry for credit loss expenses of DKr62m, against a net positive entry of DKr44m in the first half of 2005. The persistently low level of credit loss expenses was attributable to the favourable economic climate in Norway and the high credit quality of the loan portfolio.

In local currency, lending rose 25% over the level at June 30, 2005. Lending growth in both the retail and corporate segments outperformed market growth.

In June 2006, Fokus Krogsvveen acquired all the shares in Meglerhuset Nylander, one of central Norway's leading real-estate agency chains. With this acquisition, Fokus Krogsvveen has become one of Norway's dominant real-estate agency chains and has strengthened its distribution power in the retail customer segment. The acquisition of Meglerhuset Nylander will be recognised in the accounts of the Group with effect from the third quarter of 2006.

The expansion of the Norwegian branch network in recent years, the organisational adjustments and the acquisition of real-estate agency chains are expected to make the Group's Norwegian banking operations well prepared for further profitable growth.

Banking Activities Northern Ireland

Banking Activities Northern Ireland encompasses the banking activities of Northern Bank, which serves both retail and corporate customers. Banking Activities Northern Ireland has four regions with 95 branches, four finance centres and around 1,900 employees.

BANKING ACTIVITIES NORTHERN IRELAND (DKr m)	First half 2006	First half 2005	Index 06/05	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Full year 2005
Net interest income	816	512	-	415	401	406	399	387	1,317
Net fee income	234	188	-	101	133	132	144	141	464
Net trading income	41	-6	-	26	15	1	14	-6	9
Other income	7	15	-	5	2	1	4	12	20
Total income	1,098	709	-	547	551	540	561	534	1,810
Amortisation of intangible assets	223	142	-	112	111	111	121	107	374
Integration expenses	324	88	-	194	130	183	78	88	349
Other operating expenses	739	408	-	390	349	295	325	306	1,028
Operating expenses	1,286	638	-	696	590	589	524	501	1,751
Profit before credit loss expenses	-188	71	-	-149	-39	-49	37	33	59
Credit loss expenses	16	19	-	11	5	2	15	14	36
Profit before tax	-204	52	-	-160	-44	-51	22	19	23
Profit before tax in local currency (£)	-19	5	-	-15	-4	-5	2	2	2
Loans and advances, end of period	52,851	37,308	142	52,851	41,654	40,497	39,312	37,308	40,497
Deposits, end of period	54,351	39,533	137	54,351	41,708	40,501	41,579	39,533	40,501
Risk-weighted items (avg.)	39,105	33,670	116	38,949	39,263	38,402	35,551	34,321	35,337
Allocated capital (avg.)	2,542	2,189	116	2,532	2,552	2,496	2,311	2,231	2,297
Pre-tax profit as % p.a. of allocated cap.	-16.1	7.1		-25.3	-6.9	-8.2	3.8	3.4	1.2
Cost/income ratio, %	117.1	90.0		127.2	107.1	109.1	93.4	93.8	96.7
Operating expenses, excl. integration expenses, as % of income	87.6	77.6		91.8	83.5	75.2	79.5	77.3	77.5

First half 2005 comprises the financial result for the period March-June only.

- Pre-tax result in line with expectations
- Increase in lending of 23% in local currency
- Branding and product launches proceed according to plan
- Strong growth expected in 2006

The pre-tax result of banking activities in Northern Ireland for the first half of 2006 amounted to a loss of DKr204m, which was in line with expectations.

The slowdown in activities as a result of the IT migration meant that fee income was lower in the second quarter of 2006 than in the first quarter of the year.

Total operating expenses of DKr1,286m included amortisation of intangible assets of DKr223m and integration costs of DKr324m. Other operating expenses increased due to overtime pay and higher marketing and re-branding costs after the migration.

Total lending increased by DKr16bn, of which DKr8bn is the result of the switch to a new method of recognising loans and advances un-

der which loans and advances to customers are no longer set off against deposits held by the same customers. Adjusted for this effect, growth in lending amounted to 20%. The increase more than compensated for the narrowing margins caused by increased competition.

Total deposits, adjusted for the new method of recognising loans, advances and deposits, rose by 17%.

After the successful IT migration over Easter, Northern Bank now operates on the basis of the Group's shared and scalable IT platform. Marketing campaigns and the introduction of new and improved products at competitive prices followed in the wake of the migration. Sales of customer packages showed a positive trend in the second quarter of 2006, and together with the re-branding of branches throughout the region, this is expected to make the Group's activities in Northern Ireland well prepared for future, profitable growth.

Banking Activities Ireland

Banking Activities Ireland encompasses the banking activities of National Irish Bank, which serves primarily retail customers and large corporate customers. Banking Activities Ireland has five regions with 59 branches and around 700 employees.

BANKING ACTIVITIES IRELAND (DKr m)	First half 2006	First half 2005	Index 06/05	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Full year 2005
Net interest income	420	246	-	219	201	193	182	171	621
Net fee income	63	41	-	28	35	35	35	31	111
Net trading income	33	14	-	19	14	1	-9	14	6
Other income	3	5	-	2	1	5	5	3	15
Total income	519	306	-	268	251	234	213	219	753
Amortisation of intangible assets	51	34	-	25	26	25	26	26	85
Integration expenses	147	36	-	68	79	116	52	36	204
Other operating expenses	429	223	-	242	187	179	164	172	566
Operating expenses	627	293	-	335	292	320	242	234	855
Profit before credit loss expenses	-108	13	-	-67	-41	-86	-29	-15	-102
Credit loss expenses	21	3	-	23	-2	-1	2	3	4
Profit before tax	-129	10	-	-90	-39	-85	-31	-18	-106
Profit before tax in local currency (€)	-17	2	-	-12	-5	-11	-5	-2	-14
Loans and advances, end of period	41,957	27,245	154	41,957	36,449	34,028	30,246	27,245	34,028
Deposits, end of period	17,045	19,153	89	17,045	21,392	21,668	20,948	19,153	21,668
Risk-weighted items (avg.)	31,631	21,570	147	33,103	30,143	27,902	24,561	22,196	23,920
Allocated capital (avg.)	2,056	1,402	147	2,152	1,959	1,814	1,596	1,443	1,555
Pre-tax profit as % p.a. of allocated cap.	-12.5	2.1		-16.7	-8.0	-18.7	-7.8	-5.0	-8.2
Cost/income ratio, %	120.8	95.8		125.0	116.3	136.8	113.6	106.8	113.5
Operating expenses, excl. integra- tion expenses, as % of income	92.5	84.0		99.6	84.9	87.2	89.2	90.4	86.5

First half 2005 comprises the financial result for the period March-June only.

- Pre-tax result in line with expectations
- Increase in lending of 54% in local currency
- Growth outperformed market growth
- Branding and product launches proceed according to plan
- Strong growth expected in 2006

The pre-tax result of banking activities in the Republic of Ireland for the first half of 2006 amounted to a loss of DKr129m, which was in line with expectations.

Total operating expenses of DKr627m included amortisation of intangible assets of DKr51m and integration costs of DKr147m. Moreover, marketing costs increased in the second quarter as a result of the activities related to the positioning of National Irish Bank in the market.

Credit loss expenses stood at DKr21m. The relatively low level reflects the high credit quality of the loan portfolio.

Total lending rose by 54% on the level recorded at the end of June 2005, outperforming market growth. The increase in lending more than off-

set the narrowing of margins on both corporate and retail loans resulting from increased competition.

Deposits fell from around DKr19bn to DKr17bn. As deposits of around DKr5bn made by large businesses were transferred to Danske Markets, deposits actually rose about DKr3bn.

Following the successful migration and re-branding of National Irish Bank, the bank has significantly widened its range of products and services to both retail and corporate customers. The offerings include a market-leading Internet banking facility, the first launch ever in the Republic of Ireland of customer packages for the retail market, and cash management solutions for the corporate market.

As part of the Group's growth strategy, National Irish Bank plans to open 15 new branches within the next three years, corresponding to an expansion of the branch network by 25%.

Other Banking Activities

Other Banking Activities comprises the activities of Nordania and the banking activities carried out in Luxembourg, Germany, Poland and Finland.

OTHER BANKING ACTIVITIES (DKr m)	First half 2006	First half 2005	Index 06/05	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Full year 2005
Net interest income	385	369	104	181	204	200	186	191	755
Net fee income	143	114	125	73	70	60	56	58	230
Net trading income	58	52	112	29	29	21	18	28	91
Other income	700	651	108	339	361	321	316	328	1,288
Total income	1,286	1,186	108	622	664	602	576	605	2,364
Operating expenses	773	726	106	373	400	353	353	371	1,432
Profit before credit loss expenses	513	460	112	249	264	249	223	234	932
Credit loss expenses	-49	284	-	-24	-25	-58	-7	314	219
Profit before tax	562	176	319	273	289	307	230	-80	713
Loans and advances, end of period	58,289	51,103	114	58,289	54,911	55,925	52,673	51,103	55,925
Deposits, end of period	13,396	9,492	141	13,396	12,114	13,033	11,275	9,492	13,033
Risk-weighted items (avg.)	60,446	50,001	121	61,905	58,971	55,250	53,811	51,046	52,284
Allocated capital (avg.)	3,929	3,250	121	4,024	3,833	3,591	3,498	3,318	3,398
Pre-tax profit as % p.a. of allocated cap.	28.6	10.8		27.1	30.2	34.2	26.3	-9.6	21.0
Cost/income ratio, %	60.1	61.2		60.0	60.2	58.6	61.3	61.3	60.6

PROFIT BEFORE TAX (DKr m)	First half 2006	First half 2005	Index 06/05	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Full year 2005
Nordania	208	185	112	80	128	127	83	94	395
Banking activities abroad	354	-9	-	193	161	180	147	-174	318
Other Banking Activities	562	176	319	273	289	307	230	-80	713

- Profit before credit loss expenses up 12%
- Favourable trend in all banking activities outside Denmark

The pre-tax profit of Other Banking Activities amounted to DKr562m, against DKr176m in the first half of 2005. The profit before credit loss expenses increased 12%.

The profit before credit loss expenses at Nordania showed an increase of DKr4m to DKr204m as a result primarily of a favourable trend in business volume.

All non-Danish activities carried under Other Banking Activities recorded a positive business trend in the first half of 2006. The profit before credit loss expenses rose by 19% from DKr260m in the first half of 2005 to DKr309m.

Other Banking Activities recorded a net positive entry for credit loss expenses of DKr49m, against a loss of DKr284m in the first half of 2005. In 2005, the result was adversely affected by impairment charges against a few individual facilities. The trend recorded in 2006 was attributable to the low level of credit losses and the favourable economic climate.

Mortgage Finance

Mortgage Finance encompasses the Danske Bank Group's mortgage finance and real-estate agency business in Denmark. The division markets its financing solutions through Realkredit Danmark, Danske Bank, BG Bank and "home". Real-estate agency business is carried out through "home", which has 197 offices throughout the country.

MORTGAGE FINANCE (DKr m)	First half 2006	First half 2005	Index 06/05	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Full year 2005
Net interest income	1,755	1,665	105	880	875	887	871	848	3,423
Net fee income	-114	69	-	-53	-61	12	2	31	83
Net trading income	57	99	58	15	42	46	50	58	195
Other income	99	91	109	47	52	42	45	47	178
Total income	1,797	1,924	93	889	908	987	968	984	3,879
Operating expenses	596	623	96	296	300	332	287	316	1,242
Profit before credit loss expenses	1,201	1,301	92	593	608	655	681	668	2,637
Credit loss expenses	-63	-76	-	-53	-10	-24	-18	-27	-118
Profit before tax	1,264	1,377	92	646	618	679	699	695	2,755
Mortgage loans, end of period	573,105	545,801	105	573,105	567,002	569,092	557,717	545,801	569,092
Risk-weighted items (avg.)	280,750	266,947	105	282,105	279,380	276,654	274,042	270,291	271,182
Allocated capital (avg.)	18,249	17,352	105	18,337	18,160	17,983	17,813	17,569	17,627
Pre-tax profit as % p.a. of allocated cap.	13.9	15.9		14.1	13.6	15.1	15.7	15.8	15.6
Cost/income ratio, %	33.2	32.4		33.3	33.0	33.6	29.6	32.1	32.0

- Pre-tax profit down 8%
- Lower refinancing activity
- Nominal increase in lending of 10%
- Market share of net new lending at 31.1% in the first half of 2006, against 27.5% in 2005

In the first half of 2006, activity returned to a more normal level after several years of refinancing waves and launches of a number of new products. The pre-tax profit fell by 8% to DKr1,264m, against DKr1,377m in the first half of 2005.

The 5% increase in net interest income was the result of a rise in administration margins due to a larger loan portfolio.

The decline in net fee income reflected lower refinancing activity and a new model for settlement with the Group's Danish banking units.

Operating expenses fell by 4%. The cost/income ratio increased slightly due to the fall in income. Credit loss expenses amounted to a net positive entry of DKr63m, against a net positive entry of DKr76m in the first half of 2005.

Total gross lending on the Danish mortgage finance market totalled DKr226bn in the first half of 2006, against DKr748bn for the whole of 2005.

Nominal gross lending by Realkredit Danmark amounted to DKr75bn in the first half of 2006, against DKr224bn for full-year 2005.

The loan portfolio rose by DKr4bn from the level at the end of 2005. The private market accounted for 62% of the portfolio at June 30, 2006. The outstanding nominal bond debt increased by DKr23bn to DKr586bn.

The market share of gross lending measured at fair value rose to 31.5% in the first half of 2006 from 29.5% in 2005 as a whole. The market share of the loan portfolio was 33.0% at June 30, 2006, against 33.4% at the end of 2005. The Group's market share of net new lending was 31.1% in the first half of 2006, against 27.5% for full-year 2005.

The composition of gross lending changed in the first half of 2006 compared with the composition of loans in 2005: FlexLån[®] rose to 38% as a result of increased lending to corporate customers, fixed-rate loans fell to 38%, FlexGaranti[®] remained unchanged at 18% and RD Cibor6[®] rose to 6%.

In aggregate, all types of interest-only loan accounted for 36% of Realkredit Danmark's portfolio of loans to the private market at the end of June 2006.

In view of expectations that interest rates will rise slightly in Denmark, the refinancing activity generated by changes in rates is expected to be less extensive during the last six months of 2006 than in 2005.

Danske Markets

Danske Markets is responsible for the Group's activities in the financial markets. Trading activities include trading in fixed-income products, foreign exchange, equities and interest-bearing securities, providing the largest corporate customers and institutional clients with financial products and advisory services on mergers and acquisitions, and assisting customers in connection with their issue of equity and debt on the international financial markets. Proprietary trading encompasses the Bank's short-term investments. The investment portfolio covers the Bank's strategic fixed-income, foreign exchange and equity portfolios. Institutional banking includes facilities with international financial institutions outside the Nordic region. Institutional facilities with Nordic financial institutions form part of the Group's banking activities.

DANSKE MARKETS (DKr m)	First half 2006	First half 2005	Index 06/05	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Full year 2005
Total income	2,901	2,703	107	1,191	1,710	1,442	1,346	1,402	5,491
Operating expenses	1,049	910	115	500	549	379	490	452	1,779
Profit before credit loss expenses	1,852	1,793	103	691	1,161	1,063	856	950	3,712
Credit loss expenses	-33	-12	-	-25	-8	7	-2	-5	-7
Profit before tax	1,885	1,805	104	716	1,169	1,056	858	955	3,719
Loans and advances, end of period	39,399	37,134	106	39,399	35,699	32,807	36,265	37,134	32,807
Risk-weighted items (avg.)	111,624	92,495	121	113,331	109,898	103,167	109,315	96,616	99,424
Allocated capital (avg.)	7,256	6,012	121	7,367	7,143	6,706	7,105	6,280	6,463
Pre-tax profit as % p.a. of allocated cap.	52.0	60.0		38.9	65.5	63.0	48.3	60.8	57.5
Cost/income ratio, %	36.2	33.7		42.0	32.1	26.3	36.4	32.2	32.4

TOTAL INCOME (DKr m)	First half 2006	First half 2005	Index 06/05	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Full year 2005
Trading activities	1,900	1,450	131	883	1,017	701	917	726	3,068
Proprietary trading	200	258	78	-40	240	8	112	107	378
Investment portfolio	575	773	74	235	340	615	201	459	1,589
Institutional banking	226	222	102	113	113	118	116	110	456
Total Danske Markets	2,901	2,703	107	1,191	1,710	1,442	1,346	1,402	5,491

- Pre-tax profit up 4%
- Income rose 7%
- Investment portfolio income affected by falling markets in the second quarter of 2006

The pre-tax profit of Danske Markets rose by 4% to DKr1,885m, against DKr1,805m in the first half of 2005.

The Danish krone fixed-income market saw increases of up to 90bp in the first half of 2006, largely matching developments in the euro and US dollar markets. During the first half of 2005, the markets dropped by up to 75bp.

Income from trading activities in Denmark and abroad was satisfactory as a result of increased volatility and its positive effect on trading volumes. The increase in interest rates prompted many corporate customers to switch from variable-rate to fixed-rate positions, but it also caused a decline in refinancing activity compared with the same period last year. Overall, income from trading activities rose 31% on the first half of 2005.

Income from proprietary trading suffered from the negative trend in equity markets in the second quarter of 2006.

Investment portfolio income was also adversely affected by the volatile equity markets. However, a lowering of the risk assumed compensated for part of this effect. In 2005, the Group sold off part of its holdings of unlisted shares in companies providing financial infrastructure in Denmark and shares in property companies. The decline in income from these sources was offset by higher income from investment funds.

The stable income from institutional banking, including customers in London, was satisfactory.

Operating expenses rose 15% primarily as a result of increased expenses for performance-based compensation.

The high activity level at Danske Markets is expected to continue throughout 2006. However, the activity in the mortgage bond market is unlikely to see the same levels as in 2005.

Danske Capital

Danske Capital manages the funds of retail customers and institutional investors and the funds of Danica Pension, Danske Fund, Puljeinvest (pooled investment) and Flexinvest. The division also provides advisory services to Danske Invest and BG Invest. Investment management products are sold to retail and corporate customers through the country organisations and external distributors. Danske Capital serves institutional investors directly.

DANSKE CAPITAL (DKr m)	First half 2006	First half 2005	Index 06/05	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Full year 2005
Total income	460	384	120	229	231	307	202	195	893
Operating expenses	221	182	121	109	112	115	87	96	384
Profit before tax	239	202	118	120	119	192	115	99	509
Risk-weighted items (avg.)	369	192	192	571	165	128	85	81	149
Allocated capital (avg.)	24	12	200	37	11	8	6	5	10
Cost/income ratio, %	48.0	47.4		47.6	48.5	37.5	43.1	49.2	43.0
Assets under management (DKr bn)	459	442	104	459	473	468	458	442	468

- Pre-tax profit up 18%
- Profits of non-Danish units continued to rise substantially
- Income from investments adversely affected by falling equity markets throughout the second quarter
- Business activities expected to continue to grow in 2006

The pre-tax profit of Danske Capital rose by 18% to DKr239m, against DKr202m in the first half of 2005.

The growth in income was attributable primarily to increased activities in the non-Danish units, which saw total income rise 39% on the same period last year. Danske Capital units outside Denmark accounted for 26% of total income in the first half of 2006, against 23% in the same period a year earlier.

The increase in operating expenses was due mainly to a rising number of employees, an expansion of activities outside Denmark and increased expenses for performance-based compensation.

Sales totalled DKr3.4bn in the first half of 2006 and benefited from sales of KI Norden bonds launched by Danske Capital and Danske Markets jointly. The bond is linked to Danske Capital's actively managed Nordic equity portfolio and guarantees payment of the principal amount at the end of 2011.

Moreover, Danske Capital launched funds for the markets in the Republic of Ireland and Northern Ireland.

Danske Capital's market share of unit trust business targeting Danish retail customers was 34% (measured by assets under management) at June 30, 2006, against 37% a year earlier.

The investment results reflected the volatile markets in May and June 2006. Norwegian, Swedish, European and global equity mandates continued to deliver above-benchmark returns. The investment result for Danish equities was slightly below the benchmark in the first six months of 2006. Most fixed-income products achieved returns around their benchmarks.

Danica Pension

Danica encompasses all the Danske Bank Group's activities in the life insurance and pensions market. Marketed under the name of Danica Pension, the unit targets both personal and corporate customers. Products are marketed through a range of distribution channels within the Group, primarily Banking Activities' outlets and Danica Pension's insurance brokers and advisers.

DANICA PENSION (DKr m)	First half 2006	First half 2005	Index 06/05	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Full year 2005
Share of technical provisions, etc.	524	550	95	259	265	291	287	279	1,128
Health and accident result, insurance result	-119	-92	-	-43	-76	-557	-26	-66	-675
Health and accident result, investment result	-190	84	-	-80	-110	313	31	64	428
Total risk allowance	215	542	40	136	79	47	292	277	881
Insurance result, unit-linked and personal injury business	-24	17	-	-38	14	5	16	14	38
Investment result	178	254	70	17	161	122	104	118	480
Financing result	-121	-92	-	-65	-56	-47	-54	-44	-193
Deferred risk allowance	-215	-	-	-215	-	441	-	-	441
Net income from insurance business	33	721	5	-165	198	568	358	365	1,647
Premiums, insurance contracts	7,858	7,336	107	3,599	4,259	4,458	3,499	3,524	15,293
Premiums, investment contracts	946	629	150	451	495	816	211	339	1,656
Technical provisions (avg.)	178,019	164,854	108	177,444	179,639	171,189	168,727	165,510	167,406
Allocated capital (avg.)	8,277	8,186	101	7,860	8,693	8,631	8,605	8,255	8,402
Net income as % p.a. of allocated cap.	0.8	17.6		-8.4	9.1	26.3	16.6	17.7	19.6

Only 30% of the health and accident insurance results is recognised in the accounts for the first nine months of 2005 in accordance with the profit model in force at that time.

- Premium income up 11%
- Return on investment of customers' funds: -3.7%
- Persistently unsatisfactory result for the health and accident business
- Booking of risk allowance postponed

The trend in business activities in the first half of 2006 was satisfactory, with premium income of DKr8.8bn, up 11% on the figure recorded a year ago. Premiums received for market-based products rose 150% in Denmark and 37% in Sweden.

The net income from insurance business fell to DKr33m as a result of a negative investment return.

The return on customers' funds was a negative 3.7% in the first half of 2006, against a positive 8.5% in the same period last year. The return was affected by the falling equity and fixed-income markets in the second quarter of 2006, including the lower market value of swaptions to hedge minimum obligations under insurance contracts. The negative return on investments resulted in the postponement of the booking of the risk allowance for the first half of 2006.

Despite the negative return, interest was added to policyholders' savings at a rate of 4.5% p.a. after tax on pension returns. The collective bonus potential fell by only DKr0.3bn to DKr11.0bn at the end of June 2006 because the increase in interest rates led to a reduction in insurance provisions.

A 30% fall in equity prices would have reduced the collective bonus potential by about DKr10.0bn and shareholders' equity by DKr0.8bn at the end of June 2006. An increase in interest rates of 1.0 percentage point would have reduced the collective bonus potential by DKr1.4bn and shareholders' equity by DKr39m.

Jørgen Klejnstrup, Senior Executive Vice President, has joined the executive board of Danica. Mr Klejnstrup will be in charge of developing Danica's pension products for sale internationally through the Danske Bank Group's units outside Denmark and of customer service and HR.

Other areas

Other areas encompasses the Group's real property activities, unallocated cost of capital and expenses for Group support functions. Moreover, the area covers the elimination of return on own shares.

OTHER AREAS (DKr m)	First half 2006	First half 2005	Index 06/05	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Full year 2005
Net interest income	-386	-338	-	-189	-197	-283	-224	-249	-845
Net fee income	-104	-15	-	-63	-41	-15	-2	-13	-32
Net trading income	-77	-72	-	48	-125	-142	-92	-34	-306
Other income	276	281	-	240	36	162	150	173	593
Total income	-291	-144	-	36	-327	-278	-168	-123	-590
Operating expenses	-195	234	-	-142	-53	227	68	123	529
Profit before credit loss expenses	-96	-378	-	178	-274	-505	-236	-246	-1,119
Credit loss expenses	-	4	-	-	-	-	-4	4	-
Profit before tax	-96	-382	-	178	-274	-505	-232	-250	-1,119

PROFIT BEFORE TAX (DKr m)	First half 2006	First half 2005	Index 06/05	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Full year 2005
Cost of capital	-435	-392	-	-198	-237	-206	-198	-291	-796
Own shares	-52	-125	-	44	-96	-164	-31	-81	-320
Others	391	135	-	332	59	-135	-3	122	-3
Total Other areas	-96	-382	-	178	-274	-505	-232	-250	-1,119

The result for Other areas was adversely affected by increased capital costs following the acquisition of the banks in the Republic of Ireland and Northern Ireland and the elimination of returns on own shares.

The closure of the Group's Norwegian pension fund reduced operating expenses by DKr0.2bn in the second quarter of 2006.

Outlook for 2006

Overall, the Group expects its profit before credit loss expenses to remain unchanged from its guidance in the first quarter of 2006. The trends in prices on the financial markets in the second half of the year may, however, considerably affect the result.

Europe is likely to see moderate economic growth and slightly increasing interest rates in 2006. The Group expects growth in its principal markets to be higher than average European growth.

Net interest income and net fee income from banking activities are expected to rise from the level recorded in 2005 as a result of double-digit growth in property financing and corporate lending. In addition, the Group will recognise income from its banking activities in Northern Ireland and the Republic of Ireland for the full year, as opposed to the 10-month period in 2005.

Net trading income will depend heavily on the trends in prices in the financial markets, and is likely to be lower than in 2005, which benefited from one-off income of about Dkr1.6bn from the sale of property; unlisted shares, including HandelsFinans; and the loan portfolios of the New York and London branches.

Net income from insurance business is expected to be lower than in 2005, when it included a risk allowance for that year and also for previous years. In addition, it is assumed that the Group will not be able to book the risk allowance for 2006.

Despite considerable one-off income in 2005, the Group expects total income in 2006 to be slightly higher than that of 2005.

Costs are expected to rise by about 5%. The main reasons are that the accounts of Northern Ireland and the Republic of Ireland will cover two months more than in 2005 and accelerated integration costs. Excluding these factors, expenses are expected to rise around 2%.

Disregarding the considerable one-off income in 2005, the profit before credit loss expenses is

expected to rise by between 5% and 8%, although the rise is likely to be at the low end of the range since the Group, as mentioned above, currently assumes the booking of the risk allowance for the full year to be postponed.

Based on the expected favourable economic trends and satisfactory loan portfolio quality, the Group expects to record modest credit loss expenses in the second half of 2006.

The pre-tax profit for 2006 is still expected to be lower than in 2005 due to the considerable one-off income in 2005. However, the result will continue to depend on the level of activity, economic trends and the trends in prices in the financial markets, among other factors.

The Group expects its tax rate to be 28%.

Copenhagen, August 10, 2006

Financial highlights – Danske Bank Group

NET PROFIT FOR THE PERIOD (DKr m)	First half 2006	First half 2005	Index 06/05	Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Full year 2005
Net interest income	9,286	8,272	112	4,762	4,524	4,432	4,462	4,270	17,166
Net fee income	3,771	3,404	111	1,808	1,963	2,004	1,880	1,812	7,288
Net trading income	3,466	3,292	105	1,541	1,925	1,566	1,493	1,695	6,351
Other income	1,234	1,080	114	721	513	599	577	588	2,256
Net income from insurance business	33	721	5	-165	198	568	358	365	1,647
Total income	17,790	16,769	106	8,667	9,123	9,169	8,770	8,730	34,708
Operating expenses	9,739	8,658	112	4,868	4,871	4,960	4,580	4,700	18,198
Profit before credit loss expenses	8,051	8,111	99	3,799	4,252	4,209	4,190	4,030	16,510
Credit loss expenses	-443	-225	-	-314	-129	-808	-63	-99	-1,096
Profit before tax	8,494	8,336	102	4,113	4,381	5,017	4,253	4,129	17,606
Tax	2,407	2,352	102	1,157	1,250	1,283	1,286	1,129	4,921
Net profit for the period	6,087	5,984	102	2,956	3,131	3,734	2,967	3,000	12,685
Attributable to minority interests	-13	-	-	-12	-1	1	3	-9	4
BALANCE SHEET (DKr m)	June 30, 2006	June 30, 2005	Index 06/05	June 30, 2006	Mar. 31, 2006	Dec. 31, 2005	Sept. 30, 2005	June 30, 2005	Dec. 31, 2005
Bank loans and advances	973,041	766,921	127	973,041	860,591	829,603	824,661	766,921	829,603
Mortgage loans	573,105	545,801	105	573,105	567,002	569,092	557,717	545,801	569,092
Trading portfolio assets	394,124	555,310	71	394,124	357,484	444,521	456,773	555,310	444,521
Investment securities	26,215	39,051	67	26,215	31,790	28,712	51,262	39,051	28,712
Assets under insurance contracts	181,366	185,610	98	181,366	187,732	188,342	192,449	185,610	188,342
Other assets	364,677	340,593	107	364,677	387,109	371,718	316,028	340,593	371,718
Total assets	2,512,528	2,433,286	103	2,512,528	2,391,708	2,431,988	2,398,890	2,433,286	2,431,988
Due to credit institutions and central banks	470,457	511,431	92	470,457	422,092	476,363	485,209	511,431	476,363
Deposits	688,845	603,476	114	688,845	617,987	631,184	583,732	603,476	631,184
Issued mortgage bonds	456,298	434,358	105	456,298	446,806	438,675	438,451	434,358	438,675
Trading portfolio liabilities	218,920	262,772	83	218,920	204,690	212,042	243,854	262,772	212,042
Liabilities under insurance contracts	205,805	207,544	99	205,805	210,402	212,328	211,848	207,544	212,328
Other liabilities	358,577	304,162	118	358,577	377,429	343,470	319,848	304,162	343,470
Subordinated debt	40,164	41,888	96	40,164	41,951	43,837	45,522	41,888	43,837
Shareholders' equity	73,462	67,655	109	73,462	70,351	74,089	70,426	67,655	74,089
Total liabilities and equity	2,512,528	2,433,286	103	2,512,528	2,391,708	2,431,988	2,398,890	2,433,286	2,431,988
RATIOS AND KEY FIGURES	First half 2006	First half 2005		Q2 2006	Q1 2006	Q4 2005	Q3 2005	Q2 2005	Full year 2005
Net profit for the period per share, DKr	9.7	9.5		4.7	5.0	6.0	4.7	4.8	20.2
Diluted net profit for the period per share, DKr	9.7	9.5		4.7	5.0	6.0	4.7	4.8	20.2
Net profit for the period as % p.a. of average shareholders' equity	16.6	17.9		16.4	16.8	20.7	17.2	18.1	18.4
Cost/income ratio, %	54.7	51.6		56.2	53.4	54.1	52.2	53.8	52.4
Solvency ratio, incl. net profit for the period, %	9.8	9.4		9.8	10.2	10.3	9.8	9.4	10.3
Core (tier 1) capital ratio, incl. net profit for the period and hybrid core capital, %	7.1	6.8		7.1	7.3	7.3	6.9	6.8	7.3
Risk-weighted items, end of period, DKr bn	1,019	927		1,019	972	944	933	927	944
Share price, end of period, DKr	221.5	185.3		221.5	229.0	221.2	190.1	185.3	221.2
Book value per share, DKr	117.5	107.7		117.5	112.5	118.2	112.3	107.7	118.2
Full-time-equivalent staff, end of period	19,185	18,946		19,185	19,195	19,162	19,249	18,946	19,162

Accounting policies – Danske Bank Group

This report for the first half of 2006 has been prepared in compliance with IAS 34, “Interim Financial Reporting”, and the rules on interim financial reporting issued by the Copenhagen Stock Exchange. The application of IAS 34 means that the disclosure is less detailed than in a full annual report and that the valuation principles laid down by the International Financial Reporting Standards (IFRS) are applied.

The Group has not changed its accounting policies from those followed in the Annual Report for 2005 except in the instances mentioned below. The Annual Report for 2005 provides a full version of the Group's accounting policies.

With effect from January 1, 2006, the Group has adjusted its policies for the recognition of provisions for unit-linked insurance contracts to comply with the new rules issued by the Danish Financial Supervisory Authority. Under the earlier accounting policies, the present value of the future administrative result was recognised at the establishment of a contract. According to the adjustment, future provisions will, as a minimum, equal the surrender value of contracts. Comparative figures have been restated.

This adjustment reduced net income from insurance business by Dkr98m and tax by Dkr27m in the first half of 2006. The effects on the comparative figures for 2005 were reductions of Dkr183m and Dkr46m, respectively. The accounting policies effective as of January 1, 2006, led to a decline in the value of other assets of Dkr57m, a rise in liabilities under insurance contracts of Dkr494m, a decrease in deferred tax liabilities of Dkr130m and a lowering of shareholders' equity of Dkr421m.

Furthermore, the presentation of the business areas Danica Pension and Danske Markets has been revised: Danica Pension's investment return on assets allocated to the shareholders' equity is now recognised as income from Danica Pension and not from Danske Markets as was previously the case with part of the return. The amount reclassified for 2005 was Dkr153m. Comparative figures have been restated.

Standards and interpretations not yet in force

The International Accounting Standards Board (IASB) has approved a number of international accounting standards and interpretations that have not yet come into force. None of these is expected to affect the Group's financial reporting.

Income statement – Danske Bank Group

(DKr m)	First half 2006	First half 2005	Q2 2006	Q2 2005
Interest income	47,081	41,191	24,440	21,251
Interest expense	34,058	26,810	17,905	13,736
Net interest income	13,023	14,381	6,535	7,515
Fee income	4,970	4,526	2,420	2,340
Fee expenses	1,272	1,162	652	540
Net trading income	-9,644	12,429	-6,499	9,490
Other income	2,906	1,642	1,740	855
Net premiums	7,808	7,316	3,643	3,570
Net insurance benefits	-182	22,062	-1,472	14,407
Income from associated undertakings	297	154	247	123
Staff costs and administrative expenses	9,090	8,136	4,591	4,345
Amortisation and depreciation	1,129	977	516	571
Credit loss expenses	-443	-225	-314	-99
Profit before tax	8,494	8,336	4,113	4,129
Tax	2,407	2,352	1,157	1,129
Net profit for the period	6,087	5,984	2,956	3,000
Portion attributable to				
Shareholders of the Parent Company	6,100	5,984	2,968	3,009
Minority interests	-13	-	-12	-9
Net profit for the period	6,087	5,984	2,956	3,000
Net profit for the period per share, DKr	9.7	9.5	4.7	4.8
Diluted net profit for the period per share, DKr	9.7	9.5	4.7	4.8

Balance sheet - Danske Bank Group

(DKr m)	June 30, 2006	Dec. 31, 2005	June 30, 2005
ASSETS			
Cash in hand and demand deposits with central banks	10,364	13,881	5,347
Due from credit institutions and central banks	278,570	274,918	259,136
Trading portfolio assets	394,124	444,521	555,310
Financial investment securities	26,215	28,712	39,051
Bank loans and advances	973,041	829,603	766,921
Mortgage loans	573,105	569,092	545,801
Assets under pooled schemes and unit-linked investment contracts	36,540	35,676	32,143
Assets under insurance contracts	181,366	188,342	185,610
Holdings in associated undertakings	917	1,044	681
Intangible assets	7,551	7,626	7,708
Investment property	3,679	3,626	3,832
Tangible assets	7,468	7,248	7,158
Current tax assets	198	116	428
Deferred tax assets	363	506	646
Other assets	19,027	27,077	23,514
Total assets	2,512,528	2,431,988	2,433,286
LIABILITIES			
Due to credit institutions and central banks	470,457	476,363	511,431
Deposits	688,845	631,184	603,476
Trading portfolio liabilities	218,920	212,042	262,772
Issued mortgage bonds	456,298	438,675	434,358
Deposits under pooled schemes and unit-linked investment contracts	42,731	42,287	36,441
Liabilities under insurance contracts	205,805	212,328	207,544
Other issued bonds	268,291	251,099	217,551
Current tax liabilities	1,749	621	2,858
Deferred tax liabilities	1,600	1,581	1,032
Other liabilities	44,206	47,882	46,280
Subordinated debt	40,164	43,837	41,888
Total liabilities	2,439,066	2,357,899	2,365,631
SHAREHOLDERS' EQUITY			
Shareholders of the Parent Company	73,413	74,042	67,610
Minority interests	49	47	45
Total shareholders' equity	73,462	74,089	67,655
Total liabilities and equity	2,512,528	2,431,988	2,433,286

Capital – Danske Bank Group

(DKr m)

	Shareholders of the Parent Company						
	Share capital	Foreign currency translation reserve	Proposed dividends	Profit brought forward	Total	Minority interests	Total
Shareholders' equity at January 1, 2006	6,383	-12	6,383	61,709	74,463	47	74,510
Adjustment of accounting policies	-	-	-	-421	-421	-	-421
Adjusted shareholders' equity at January 1, 2006	6,383	-12	6,383	61,288	74,042	47	74,089
Translation of foreign units	-	26	-	-	26	-	26
Foreign unit hedges	-	-13	-	-	-13	-	-13
Tax on entries on shareholders' equity	-	-	-	16	16	-	16
Net gains not recognised in the income statement	-	13	-	16	29	-	29
Net profit for the period	-	-	-	6,100	6,100	-13	6,087
Total income	-	13	-	6,116	6,129	-13	6,116
Dividends paid	-	-	-6,383	129	-6,254	-	-6,254
Acquisition of own shares	-	-	-	-12,013	-12,013	-	-12,013
Sale of own shares	-	-	-	11,485	11,485	-	11,485
Share-based payment	-	-	-	24	24	-	24
Adjustment of minority interests	-	-	-	-	-	15	15
Shareholders' equity at June 30, 2006	6,383	1	-	67,029	73,413	49	73,462
Shareholders' equity at January 1, 2005	6,723	-32	5,010	55,005	66,706	267	66,973
Adjustment of accounting policies	-	-	-	-283	-283	-	-283
Adjusted shareholders' equity at January 1, 2005	6,723	-32	5,010	54,722	66,423	267	66,690
Translation of foreign units	-	879	-	-	879	-	879
Foreign unit hedges	-	-857	-	-	-857	-	-857
Tax on entries on shareholders' equity	-	-	-	98	98	-	98
Net gains not recognised in the income statement	-	22	-	98	120	-	120
Net profit for the period	-	-	-	5,984	5,984	-	5,984
Total income	-	22	-	6,082	6,104	-	6,104
Capital reduction	-340	-	-	340	-	-	-
Dividends paid	-	-	-5,010	81	-4,929	-	-4,929
Acquisition of own shares	-	-	-	-8,891	-8,891	-	-8,891
Sale of own shares	-	-	-	8,895	8,895	-	8,895
Share-based payment	-	-	-	8	8	-	8
Adjustment of minority interests	-	-	-	-	-	-222	-222
Shareholders' equity at June 30, 2005	6,383	-10	-	61,237	67,610	45	67,655

Solvency – Danske Bank Group

(DKr m)	June 30, 2006	Dec. 31, 2005	June 30, 2005
Shareholders' equity according to IFRS	73,462	74,089	67,655
Revaluation of domicile property	1,165	990	874
Pension obligations at market value	218	-534	-738
Tax effect	-27	141	177
Minority interests	3,002	2,992	-12
Shareholders' equity according to the rules of the Danish Financial Supervisory Authority	77,820	77,678	67,956
Proposed/expected dividends	-2,672	-6,383	-
Net profit for the period	-	-	-5,528
Adjustment of accounting policies 2006	-	421	407
Intangible assets of banking business	-7,663	-7,740	-7,608
Deferred tax assets	-419	-574	-822
Revaluation reserve	-803	-664	-458
Core capital less statutory deductions	66,263	62,738	53,947
Hybrid core capital	6,017	6,376	6,280
Core capital, incl. hybrid core capital, less statutory deductions	72,280	69,114	60,227
Subordinated debt, excl. hybrid core capital	34,148	35,953	31,674
Revaluation of real property	803	664	458
Statutory deduction for insurance subsidiaries	-7,141	-8,254	-8,107
Other deductions	-38	-37	-85
Capital base less statutory deductions	100,052	97,440	84,167
Risk-weighted items			
not included in trading portfolio	943,355	882,222	858,567
with market risk in trading portfolio	76,098	61,941	68,497
Total risk-weighted items	1,019,453	944,163	927,064
Core (tier 1) capital ratio, %	6.50	6.65	5.82
Core (tier 1) capital ratio, incl. hybrid core capital, %	7.09	7.32	6.50
Solvency ratio, %	9.81	10.32	9.08

The 2005 figures are presented in accordance with the rules of the Danish Financial Supervisory Authority in force at that time. The figures as at June 30, 2005, do not include the profit for the period.

Cash flow statement – Danske Bank Group

(DKr m)	First half 2006	First half 2005
Cash flow from operations		
Net profit for the period	6,087	5,984
Adjustment for non-liquid items in the income statement	384	-3,654
Cash flow from operating capital	10,632	35,626
Total	17,103	37,956
Cash flow from investing activities		
Acquisition/sale of business units	-	-10,813
Acquisition/sale of own shares	-503	12
Acquisition of intangible assets	-303	-151
Acquisition/sale of tangible assets	-1,028	406
Total	-1,834	-10,546
Cash flow from financing activities		
Changes in subordinated debt and hybrid core capital	-1,189	3,793
Dividends	-6,254	-4,929
Change in minority interests	15	-222
Total	-7,428	-1,358
Cash and cash equivalents, beginning of period	272,469	238,431
Change in cash and cash equivalents	7,841	26,052
Cash and cash equivalents, end of period	280,310	264,483

Segment reporting – Danske Bank Group

(DKr m)

First half 2006

	Banking Activities	Mortgage Finance	Danske Markets	Danske Capital	Danica Pension	Others	Total	Reclassi- fication	High- lights
Interest income	18,921	12,421	29,926	28	3,295	-17,510	47,081	-33,221	13,860
Interest expense	11,007	10,666	29,471	24	132	-17,242	34,058	-29,484	4,574
Net interest income	7,914	1,755	455	4	3,163	-268	13,023	-3,737	9,286
Net fee income	3,539	-114	263	449	-336	-103	3,698	73	3,771
Net trading income	576	57	2,058	10	-12,148	-197	-9,644	13,110	3,466
Other income	859	99	1	-	1,730	217	2,906	-1,672	1,234
Net premiums	-	-	-	-	7,808	-	7,808	-7,808	-
Net insurance benefits	-	-	-	-	-182	-	-182	182	-
Income from equity investments	2	-	124	-3	114	60	297	-297	-
Net income from insurance business	-	-	-	-	-	-	-	33	33
Total income	12,890	1,797	2,901	460	513	-291	18,270	-480	17,790
Operating expenses	8,068	596	1,049	221	480	-195	10,219	-480	9,739
Credit loss expenses	-347	-63	-33	-	-	-	-443	-	-443
Profit before tax	5,169	1,264	1,885	239	33	-96	8,494	-	8,494
Loans and advances, excl. reverse transactions	665,336	573,484	39,396	14	-	-5,900	1,272,330	-	1,272,330
Other assets	238,194	33,416	2,066,529	3,121	221,381	-1,322,443	1,240,198	-	1,240,198
Total assets	903,530	606,900	2,105,925	3,135	221,381	-1,328,343	2,512,528	-	2,512,528
Deposits, excl. repo deposits	441,080	-	125,664	315	-	30	567,089	-	567,089
Other liabilities	424,995	588,651	1,973,005	2,796	213,104	-1,330,574	1,871,977	-	1,871,977
Allocated capital	37,455	18,249	7,256	24	8,277	2,201	73,462	-	73,462
Total liabilities	903,530	606,900	2,105,925	3,135	221,381	-1,328,343	2,512,528	-	2,512,528
Internal interest income	2,728	341	15,225	8	889	-19,191	-	-	-
Pre-tax profit as % p.a. of allo- cated capital (avg.)	27.6	13.9	52.0	1,992.9	0.8	-	23.1	-	23.1
Cost/income ratio, %	62.6	33.2	36.2	48.0	93.6	-	55.9	-	54.7
Risk-weighted items (avg.)	576,215	280,750	111,624	369	7,159	-13,213	962,904	-	962,904
Full-time-equivalent staff (avg.)	11,666	767	723	232	855	4,935	19,178	-	19,178

In the financial highlights of the Group, the profit contributed by Danske Markets is recognised as net trading income, whereas the profit contributed by Danica Pension is recognised as net income from insurance business. The reclassification column shows the aggregate profit contributions of both business areas.

Segment reporting – Danske Bank Group

(DKr m)

First half 2005

	Banking Activities	Mortgage Finance	Danske Markets	Danske Capital	Danica Pension	Others	Total	Reclassi- fication	High- lights
Interest income	15,453	13,168	23,236	76	3,566	-14,308	41,191	-26,802	14,389
Interest expense	8,511	11,503	20,762	73	58	-14,097	26,810	-20,693	6,117
Net interest income	6,942	1,665	2,474	3	3,508	-211	14,381	-6,109	8,272
Net fee income	2,950	69	258	400	-298	-15	3,364	40	3,404
Net trading income	581	99	-159	-19	12,180	-253	12,429	-9,137	3,292
Other income	713	91	-4	1	522	319	1,642	-562	1,080
Net premiums	-	-	-	-	7,316	-	7,316	-7,316	-
Net insurance benefits	-	-	-	-	22,062	-	22,062	-22,062	-
Income from equity investments	-5	-	134	-1	10	16	154	-154	-
Net income from insurance business	-	-	-	-	-	-	-	721	721
Total income	11,181	1,924	2,703	384	1,176	-144	17,224	-455	16,769
Operating expenses	6,709	623	910	182	455	234	9,113	-455	8,658
Credit loss expenses	-141	-76	-12	-	-	4	-225	-	-225
Profit before tax	4,613	1,377	1,805	202	721	-382	8,336	-	8,336
Loans and advances, excl. reverse transactions	535,738	546,354	37,127	46	-	-4,717	1,114,548	-	1,114,548
Other assets	235,040	54,829	2,020,924	10,531	225,842	-1,228,428	1,318,738	-	1,318,738
Total assets	770,778	601,183	2,058,051	10,577	225,842	-1,233,145	2,433,286	-	2,433,286
Deposits, excl. repo deposits	388,742	-	126,547	242	-	-2,565	512,966	-	512,966
Other liabilities	349,532	583,831	1,925,492	10,323	217,656	-1,234,169	1,852,665	-	1,852,665
Allocated capital	32,504	17,352	6,012	12	8,186	3,589	67,655	-	67,655
Total liabilities	770,778	601,183	2,058,051	10,577	225,842	-1,233,145	2,433,286	-	2,433,286
Internal interest income	2,349	180	5,745	8	797	-9,079	-	-	-
Pre-tax profit as % p.a. of allocated capital (avg.)	28.4	15.9	60.0	3,239.1	17.6	-	24.6	-	24.6
Cost/income ratio, %	60.0	32.4	33.7	47.4	38.7	-	52.9	-	51.6
Risk-weighted items (avg.)	500,069	266,947	92,495	192	6,896	15,218	881,817	-	881,817
Full-time-equivalent staff (avg.)	10,683	783	618	205	823	4,936	18,048	-	18,048

In the financial highlights of the Group, the profit contributed by Danske Markets is recognised as net trading income, whereas the profit contributed by Danica Pension is recognised as net income from insurance business. The reclassification column shows the aggregate profit contributions of both business areas.

Contingent liabilities – Danske Bank Group

Owing to its size and business volume, the Danske Bank Group is continually a party to various lawsuits. The Group does not expect the outcomes of the cases pending 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 payment and/or pension payment in excess of what they would have been entitled to under ordinary terms of employment.

The Bank is jointly and severally liable for the prior-year corporation tax of companies that were jointly taxed before January 1,

2005. With effect from January 1, 2005, joint taxation applies to all Danish group companies. The Bank manages the joint taxation. The Bank is liable only for the tax payable by the Bank itself and amounts received from subsidiaries in payment of the joint corporation tax.

The Bank is registered jointly with all significant, wholly-owned Danish subsidiaries for financial services employer tax and VAT, for which it is jointly and severally liable.

The table below shows guarantees, irrevocable loan commitments made by the Group and other liabilities that do not appear on the balance sheet.

GUARANTEES AND OTHER LIABILITIES (DKr m)	June 30, 2006	Dec. 31, 2005	June 30, 2005
Guarantees, etc.	81,590	81,099	80,391
Other liabilities	255,622	202,731	193,224
Total	337,212	283,830	273,615

Accounts of Danske Bank A/S

The accounts of the Parent Company, Danske Bank A/S, are prepared in accordance with the Danish Financial Business Act and the executive order on the financial reports of credit institutions, etc. issued by the Danish Financial Supervisory Authority. The principles of the rules are identical to the Group's valuation principles under IFRS with the exception that domicile property owned by the Parent Company is recognised at its estimated fair value and that the corridor method is not applied to pension obligations. Holdings in subsidiaries are valued using the equity method, which means that the tax payable by subsidiaries is carried under "Income from associated and subsidiary undertakings". Finally, the format of the Parent Company accounts is not identical to the format of the Group accounts prepared in accordance with IFRS.

The table shows the difference between the Group's accounts presented in accordance with IFRS and the Group's reporting to the Danish Financial Supervisory Authority with respect to net profit and shareholders' equity:

(DKr m)	Profit first half 2006	Equity June 30, 2006
Group accounts according to IFRS	6,087	73,462
Domicile property	-3	1,165
Pension obligations	750	218
Tax effect	-166	-27
Minority interests	13	3,002
Group accounts according to the rules of the Danish Financial Supervisory Authority	6,681	77,820
Minority interests according to the rules of the Danish Financial Supervisory Authority	-	3,051
Parent company accounts according to the rules of the Danish Financial Supervisory Authority	6,681	74,769

Under the rules issued by the Danish Financial Supervisory Authority, minority interests include the Group's share of special reserves in associated undertakings consolidated on a pro rata basis.

As explained in the Accounting policies section, the Group adjusted its policy for the recognition of certain insurance contracts with effect from January 1, 2006. Comparative figures have been restated. This adjustment reduced the income from associated and subsidiary undertakings of the Parent Company by DKr71m in the first half of 2006 and by DKr137m in 2005 as a whole. As at January 1, 2006, the holdings in subsidiary undertakings and the shareholders' equity were reduced by DKr421m.

Income statement – Danske Bank A/S

Note	(DKr m)	First half 2006	First half 2005
1	Interest income	28,788	24,303
2	Interest expense	23,153	17,411
	Net interest income	5,635	6,892
	Dividends from shares, etc.	103	18
	Fee and commission income	4,342	3,799
	Fees and commissions paid	860	700
	Net interest and fee income	9,220	10,009
3	Value adjustments	2,209	277
	Other operating income	826	668
4	Staff costs and administrative expenses	5,688	5,631
	Amortisation and depreciation	765	864
	Impairment of loans and advances, etc.	-345	-338
	Income from associated and subsidiary undertakings	2,336	2,044
	Profit before tax	8,483	6,841
	Tax	1,802	1,383
	Net profit for the period	6,681	5,458

Balance sheet - Danske Bank A/S

Note	(DKr m)	June 30, 2006	Dec. 31, 2005
	ASSETS		
	Cash in hand and demand deposits with central banks	3,650	8,776
	Due from credit institutions and central banks	352,675	378,464
5	Loans and other amounts due at amortised cost	757,539	641,307
	Bonds at fair value	315,822	331,064
	Bonds at amortised cost	223	223
	Shares, etc.	4,361	4,772
	Holdings in associated undertakings	800	974
	Holdings in subsidiary undertakings	62,604	60,235
	Assets in pooled schemes	35,851	36,165
	Intangible assets	6,382	6,148
	Land and buildings	4,339	4,070
	Investment property	100	112
	Domicile property	4,239	3,958
	Other tangible assets	3,062	2,938
	Current tax assets	70	46
	Deferred tax assets	45	41
	Other assets	152,174	160,763
	Prepayments	2,230	2,140
	Total assets	1,701,827	1,638,126
	LIABILITIES AND EQUITY		
	AMOUNTS DUE		
	Due to credit institutions and central banks	489,389	487,033
	Deposits and other amounts due	563,571	524,657
	Deposits in pooled schemes	37,307	37,721
	Issued bonds at amortised cost	251,986	235,119
	Current tax liabilities	1,265	380
	Other liabilities	241,217	232,504
	Deferred income	809	682
	Total amounts due	1,585,544	1,518,096
	PROVISIONS FOR LIABILITIES		
	Provisions for pensions and similar obligations	519	698
	Provisions for deferred tax	596	540
5	Provisions for losses on guarantees	132	173
	Other provisions for liabilities	103	144
	Total provisions for liabilities	1,350	1,555
	SUBORDINATED DEBT		
	Subordinated debt	40,164	43,837
	SHAREHOLDERS' EQUITY		
	Share capital	6,383	6,383
	Accumulated value adjustments	805	652
	Equity method reserve	11,231	11,231
	Profit brought forward	56,350	56,372
	Total shareholders' equity	74,769	74,638
	Proposed dividends	-	6,383
	Total liabilities and equity	1,701,827	1,638,126

Notes to the income statement - Danske Bank A/S

Note	(DKr m)	First half 2006	First half 2005
1	Interest income		
	Reverse transactions with credit institutions and central banks	1,987	2,169
	Credit institutions and central banks	6,921	4,270
	Reverse loans	3,395	2,276
	Loans, advances and other amounts due	10,531	8,432
	Bonds	3,718	6,369
	Derivatives	2,237	759
	Currency contracts	2,812	1,256
	Interest rate contracts	-575	-497
	Other interest income	-1	28
	Total	28,788	24,303
2	Interest expense		
	Repo transactions with credit institutions and central banks	1,229	1,959
	Credit institutions and central banks	11,116	7,357
	Repo deposits	1,186	722
	Deposits and other amounts due	3,756	3,775
	Issued bonds	4,783	2,448
	Subordinated debt	1,030	1,024
	Other interest expenses	53	126
	Total	23,153	17,411
3	Value adjustments		
	Loans and advances at fair value	-982	-
	Bonds	-1,756	252
	Shares, etc.	291	419
	Investment property	4	69
	Currency	472	576
	Derivatives	1,287	680
	Assets in pooled schemes	-811	1,637
	Deposits in pooled schemes	778	-1,877
	Other assets	855	2,567
	Other liabilities	2,071	-4,046
	Total	2,209	277
4	Staff costs and administrative expenses		
	Remuneration of the Executive Board and the Board of Directors		
	Executive Board	4	4
	Board of Directors	5	4
	Total	9	8
	Staff costs		
	Salaries	3,225	2,796
	Pensions	186	381
	Financial services employer tax, etc.	443	369
	Total	3,854	3,546
	Other administrative expenses	1,825	2,077
	Total staff costs and administrative expenses	5,688	5,631
	Number of full-time-equivalent staff (avg.)	13,435	13,210

Members of the Executive Board may retire with a life pension at the end of the accounting year in which they attain the age of 60 and will retire, at the latest, by the end of the accounting year in which they attain the age of 65. The pension benefit constitutes around 50% of their remuneration on retirement. The Bank's pension obligation is covered by the pension fund for Danske Bank A/S's pension obligations to current and former members of the Executive Board and their dependents.

The Executive Board, the senior management and other selected staff participate in the Group's incentive programmes. The Annual Report 2005 explains the programmes in more detail, and additional updated information is available at www.danskebank.com/cg.

Notes to the balance sheet - Danske Bank A/S

Note (DKr m)

5	Impairment of loans, advances and guarantees, etc.					
	Loans, advances and guarantees, individual impairment	Loans, advances and guarantees, collective impairment	Other amounts due, individual impairment	Other amounts due, collective impairment		Total
Impairment at January 1, 2006	3,287	773	9	-		4,069
Impairment during the period	583	218	-	-		801
Reversal of prior-year impairment charges	1,053	281	7	-		1,341
Other changes	8	23	-1	-		30
Impairment at June 30, 2006	2,825	733	1	-		3,559
Impairment at January 1, 2005	4,568	1,047	9	-		5,624
Impairment during the year	2,190	258	-	-		2,448
Reversal of prior-year impairment charges	3,528	533	-	-		4,061
Other changes	57	1	-	-		58
Impairment at December 31, 2005	3,287	773	9	-		4,069

6 **Assets deposited as security**

At June 30, 2006, Danske Bank A/S had deposited securities worth DKr184,812m with Danish and international clearing centres, etc. At the end of 2005, the corresponding amount was DKr197,282m.

	June 30, 2006	Dec. 31, 2005
Assets sold in repo transactions		
Bonds at fair value	230,209	179,888
Bonds at amortised cost	-	-
Shares, etc.	39	15
Total	230,248	179,903
Total security deposited for subsidiaries	5,119	5,725

Notes to the balance sheet – Danske Bank A/S

Note	(DKr m)	June 30, 2006	Dec. 31, 2005
7	Contingent liabilities		
	The Bank is jointly and severally liable for the prior-year corporation tax of companies that were jointly taxed before January 1, 2005. With effect from January 1, 2005, joint taxation applies to all Danish group companies. The Bank manages the joint taxation. The Bank is liable only for the tax payable by the Bank itself and amounts received from subsidiaries in payment of the joint corporation tax.		
	The Bank is registered jointly with all significant, wholly-owned Danish subsidiaries for financial services employer tax and VAT, for which it is jointly and severally liable.		
	Guarantees and other liabilities		
	Guarantees, etc.		
	Financial guarantees	13,896	15,289
	Mortgage finance guarantees	41,328	40,101
	Registration and remortgaging guarantees	16,709	16,537
	Other guarantees	186,636	186,509
	Total	258,569	258,436
	Other liabilities		
	Irrevocable loan commitments	101,853	95,215
	Sale with an option to repurchase	-	-
	Other obligations	816	817
	Total	102,669	96,032

The Group accounts contain additional information about contingent liabilities.

Highlights, ratios and key figures – Danske Bank A/S

(DKr m)	First half 2006	First half 2005	First half 2004	First half 2003	First half 2002
HIGHLIGHTS					
Net interest and fee income	9,220	10,009	9,572	9,894	9,673
Value adjustments	2,209	277	-225	215	470
Staff costs and administrative expenses	5,688	5,631	5,582	7,343	7,290
Impairment of loans and advances, etc.	-345	-338	545	812	611
Income from associated and subsidiary undertakings	2,336	2,044	2,107	2,843	1,988
Net profit for the period	6,681	5,458	4,061	4,803	4,334
Loans and advances	757,539	600,548	490,533	403,044	416,792
Shareholders' equity	74,769	67,924	62,671	63,371	59,841
Total assets	1,701,827	1,695,607	1,251,614	1,206,062	1,066,937
RATIOS AND KEY FIGURES					
Solvency ratio, %	14.0	14.0	15.0	14.2	13.8
Core (tier 1) capital ratio, %	10.1	10.1	10.9	10.2	9.9
Return on equity before tax, %	11.4	10.1	8.5	10.9	10.4
Return on equity after tax, %	8.9	8.1	6.4	7.8	7.4
Income/cost ratio, DKr	2.39	2.11	1.79	1.98	1.93
Interest rate risk, %	0.0	1.1	0.3	2.0	1.8
Foreign exchange position, %	1.2	6.6	2.6	3.9	7.1
Foreign exchange risk, %	0.0	0.0	0.1	0.1	0.2
Loans, advances and impairment charges as % of deposits	126.6	111.6	103.6	97.3	112.2
Gearing of loans and advances, %	10.1	8.8	7.8	6.4	7.0
Growth in loans and advances, %	18.1	18.0	10.0	-0.3	1.3
Excess cover relative to the statutory liquidity requirement, %	123.1	171.3	221.6	176.3	173.2
Total amount of large exposures, %	167.1	195.9	125.3	118.3	142.3
Impairment ratio, %	0.0	0.0	0.1	0.1	0.1
Earnings per share, DKr	10.5	8.3	5.9	6.7	5.9
Book value per share, DKr	117	106	93	89	82
Dividend per share, DKr	10.00	7.85	6.55	4.75	4.75
Share price at June 30/earnings per share	21.2	22.2	24.7	19.2	23.5
Share price at June 30/book value per share	1.89	1.74	1.55	1.44	1.70

The ratios and key figures are defined in the executive order on financial reports of credit institutions, etc. issued by the Danish Financial Supervisory Authority. With effect from the first half of 2006, the net profit for the period less expected dividends is included in the calculation of the solvency and core (tier 1) capital ratios. Danske Bank A/S has adjusted its accounting policies with effect from 2005. Comparative financial highlights, accounting ratios and key figures for 2004 have been restated.

Group holdings and undertakings - Danske Bank A/S

		Share capital (thousands)	Net profit for the year* (DKr m)	Sharehold- ers' equity* (DKr m)	Share capital (%)
Danske Bank A/S, Copenhagen	DKK	6,383,043	12,346	75,059	100
Credit institutions:					
Realkredit Danmark A/S, Copenhagen	DKK	630,000	2,394	30,831	100
home a/s, Copenhagen	DKK	15,000	-	-	100
Omegadane SARL, Paris	EUR	8	-	-	100
DDB Invest Limited, London	GBP	9,310	-5	8,930	100
Northern Bank Limited, Belfast	GBP	88,000	390	3,425	100
The company has 14 subsidiaries					
National Irish Bank Limited, Dublin	EUR	78,435	9	2,634	100
The company has 7 subsidiaries					
DDB Fokus Invest AS, Trondheim	NOK	1,650,000	478	5,820	100
Fokus Bank ASA, Trondheim	NOK	1,849,567	-	-	100
The company has 3 subsidiaries					
Danske Bank International S.A., Luxembourg	EUR	90,625	45	974	100
The company has 2 subsidiaries					
Danske Bank Polska S.A., Warsaw	PLN	42,225	39	402	100
DDB Invest AB, Linköping	SEK	100,000	57	805	100
The company has 5 subsidiaries					
Insurance operations:					
Forsikringselskabet Danica, Skadeforsikringsaktieselskab af 1999, Copenhagen	DKK	1,000,000	1,486	15,883	100
Danica Pension, Livsforsikringsaktieselskab, Copenhagen					
The company has 6 subsidiaries					
Nordenfjeldske Personforsikring AS, Trondheim					
Danica Fondsforsikring AS, Trondheim					
Investment operations, etc.:					
Danske Markets Inc., Delaware	USD	2,000	-3	25	100
Nordania Finans A/S, Birkerød	DKK	10,000	124	697	100
Danske Corporation, Delaware	USD	4	-	1	100
Danske Private Equity A/S, Copenhagen	DKK	5,000	20	52	100
Danske Capital Finland Oy, Helsinki	EUR	1,000	31	62	100
The company has 1 subsidiary					
KHB VI A/S, Copenhagen	DKK	111,700	10	195	100
Medicon Valley Capital I K/S, Copenhagen	SEK	132,231	-12	72	74
Medicon Valley Capital II K/S, Copenhagen	SEK	26,654	-3	27	99
Ejendomsaktieselskabet Virum-Vang, Copenhagen	DKK	2,000	14	153	100
A/S Conair in the process of being wound up, Copenhagen	DKK	20,000	-4	3	52
Five companies with no activities	DKK	2,500	-	4	100
Other operations:					
Polonius Inc., London	USD	25	-	-	-
Polonius Ltd., London	USD	1	17	29	-

* According to the latest annual report of the company.

Additional information

Press conference and conference call

Danske Bank will hold a press conference and a conference call upon the presentation of its interim report for the first half of 2006. The press conference is scheduled for August 10 at 2.00pm CET and the conference call for 5.00pm CET. Both events are transmitted live at www.danskebank.com.

Financial calendar

Danske Bank plans to release its nine-month report for 2006 on October 31, 2006.

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