Announcement of financial results 2007

Company Announcement No. 1/2008
January 31, 2008

*This Announcement of financial results 2007 is a translation of the original announcement in the Danish language (*Årsregnskabsmeddelelse 2007*). In case of discrepancies, the Danish version prevails.*

Financial highlights – Danske Bank Group

NET PROFIT FOR THE YEAR (DKr m)	2007	Pro forma 2006	Index 07/06	2006	2005	2004	2003
Net interest income	24,260	22,610	107	19,501	17,166	14,752	15,593
Net fee income	8,788	8,877	99	7,301	7,289	5,898	5,910
Net trading income	7,887	7,280	108	6,631	6,351	4,732	5,074
Other income	3,010	2,952	102	2,698	2,255	2,029	1,127
Net income from insurance business	1,118	1,355	83	1,355	1,647	1,657	1,958
Total income	45,063	43,074	105	37,486	34,708	29,068	29,662
Operating expenses	25,070	22,640	111	19,485	18,198	15,393	14,964
Profit before credit loss expenses	19,993	20,434	98	18,001	16,510	13,675	14,698
Credit loss expenses	687	-484	-	-496	-1,096	759	1,662
Profit before tax	19,306	20,918	92	18,497	17,606	12,916	13,036
Tax	4,436	5,549	80	4,952	4,921	3,690	3,750
Net profit for the year	14,870	15,369	97	13,545	12,685	9,226	9,286
Attributable to minority interests	57	79	72	-12	4	28	-

BALANCE SHEET AT DEC. 31							
Loans and advances	1,700,999	1,519,554	112	1,362,351	1,188,963	994,591	894,325
Repo loans	287,223	294,555	98	294,555	209,732	145,075	126,293
Trading portfolio assets	652,137	504,308	129	490,954	444,521	422,547	588,986
Investment securities	37,651	28,970	130	26,338	28,712	31,505	-
Assets under insurance contracts	190,223	194,302	98	194,302	188,342	163,205	-
Other assets	481,297	396,346	121	370,861	371,718	295,584	216,530
Total assets	3,349,530	2,938,035	114	2,739,361	2,431,988	2,052,507	1,826,134
Due to credit institutions and central banks	677,355	569,142	119	564,549	476,363	353,369	299,880
Deposits	798,274	693,142	115	598,899	533,181	435,507	435,332
Repo deposits	125,721	104,044	121	104,044	98,003	52,356	48,552
Issued mortgage bonds	518,693	484,217	107	484,217	438,675	432,399	603,120
Trading portfolio liabilities	331,547	240,304	138	236,524	212,042	215,807	142,992
Liabilities under insurance contracts	213,419	215,793	99	215,793	212,328	191,467	-
Other liabilities	521,141	479,896	109	391,212	343,470	271,214	202,258
Subordinated debt	59,025	56,325	105	48,951	43,837	33,698	33,549
Shareholders' equity	104,355	95,172	110	95,172	74,089	66,690	60,451
Total liabilities and equity	3,349,530	2,938,035	114	2,739,361	2,431,988	2,052,507	1,826,134

RATIOS AND KEY FIGURES							
Net profit for the year per share, DKr	21.7	-		21.5	20.2	14.4	13.3
Diluted net profit for the year per share, DKr	21.6	-		21.4	20.2	14.4	-
Net profit for the year as % of average shareholders' equity	15.1	-		17.5	18.4	13.9	15.2
Cost/income ratio, %	55.6	-		52.0	52.4	52.7	50.4
Solvency ratio, %	9.3	-		11.4	10.3	10.2	11.0
Core (tier 1) capital ratio, %	6.4	-		8.6	7.3	7.7	7.7
Risk-weighted items, end of year, DKr bn	1,313	-		1,119	944	808	767
Share price, end of year, DKr	199.8	-		250.0	221.2	167.5	138.8
Book value per share, DKr	152.7	-		139.1	118.2	106.7	89.9
Full-time-equivalent staff, end of year	23,632	-		19,253	19,162	16,235	16,935

For 2004-2007, items are valued in accordance with the IFRSs. For 2003, items are valued in accordance with the rules in force at that time. The pro forma figures include the Sampo Bank group as of February 2006.

Financial review

- Group net profit up 10% to DKr14,870m
- Profit for the year down 3% relative to the 2006 pro forma figures and thus slightly below expectations at the publication of the quarterly report for first nine months of 2007, but in line with the original forecast
- Income rose 5% relative to 2006 pro forma figures as a result of positive developments in the Group's principal markets
- Growth in banking operations mainly attributable to non-Danish activities, which now account for 34% of the Group's total income and show increasing profitability
- The integration process of Sampo Bank in Finland is proceeding as planned, with Sampo Bank scheduled for migration to the shared Danske Bank platform during Easter 2008
- Total operating expenses up 11%, reflecting mainly planned expenses for the integration of acquired business units; however, the underlying trend in expenses shows an increase of only 4%
- Lending rose 12% relative to end-of-year 2006 pro forma figures; non-Danish units accounted for 57% of lending growth
- Net profit for 2008 estimated to be 0-7% higher than net profit for 2007
- New ambitious financial targets for 2012

The financial markets were very volatile in 2007. Despite these conditions, Danske Bank Group saw favourable developments in a busy and transformative year.

Banking activities delivered growth in both business volume and earnings. The Group's market and life insurance operations were naturally affected by the turbulence in the financial markets, but still achieved growth and strengthened the foundation for future activities.

Overall, net profit for the year rose 10% to DKr14,870m.

Danske Bank's purchase of the Sampo Bank group was approved on January 30, 2007, and took effect on February 1, 2007. The accounts of the Sampo Bank group were consolidated in the accounts of the Danske Bank Group with effect from this date. Comparative figures for the Sampo Bank group have been incorporated as of February 2006, and this report comments on the results realised for 2007 relative to the 2006 pro forma figures.

Relative to the 2006 pro forma figures, net profit for the year fell 3% and was thus slightly below the estimate presented in the financial report for the first nine months of 2007 but on a par with the initial estimate. The generally lower level of activity, higher funding costs caused by the considerable turbulence in the financial markets and higher expenses were the main reasons for the fall in the fourth quarter.

The year 2007

The Group's principal markets saw healthy economic growth, albeit with a slowing tendency throughout the year. All the Group's banking activities achieved satisfactory growth, and operations outside Denmark in particular recorded broad-based increases in lending, income and profit.

The trend in Group expenditure was influenced by expenses of DKr2.1bn for the integration of Northern Bank, National Irish Bank and Sampo Bank and the merger of Danske Bank Denmark and BG Bank. The general trend in expenses was satisfactory, however, taking into consideration the growth in business volume and general wage inflation.

The Group's credit loss expenses remained low. As opposed to 2006, when the Group recorded a net positive entry, losses on a few facilities to corporate customers created a need to expense a net loss in 2007. At the end of 2007, credit quality was still good. The Group's exposure to international investment companies in the form of backup liquidity facilities was reduced through the second half of the year.

The financial markets had an unusually eventful year. The first half saw rising short-term interest rates and volatile equity markets. The second half was dominated by heavy turbulence in the credit and liquidity markets that in general made the issuance of short- and long-term debt difficult.

The magnitude of the crisis was unexpected and made market conditions trying. During this turbulence, the Group maintained a large liquidity reserve and kept its AA rating. The Group's internationally considered unique access to funding of home mortgages through Realkredit Danmark once again proved a robust resource.

Shareholders

The total return on Danske Bank shares in 2007 was a negative 18%. The return was the result of a share price decline of 20% and a dividend for 2006 of DKr7.75 per share.

The Board of Directors is proposing that the general meeting approve a dividend of DKr8.50 per share, or 40% of net profit for the year, corresponding to a total dividend payment of DKr5,940m.

Financial results

Net profit for the year was DKr14,870m, down from DKr15,369m in 2006.

Danske Bank's purchase of the Sampo Bank group was approved on January 30, 2007, and took effect on February 1, 2007. The accounts of the Sampo Bank group were consolidated in the accounts of the Danske Bank Group with effect from this date. Comparative figures for the Sampo Bank group have been incorporated as of February 2006, and this report comments on the results realised for 2007 relative to the 2006 pro forma figures.

Income

Income stood at DKr45,063m, up 5% on the 2006 figure. All business areas contributed to the positive trend. Non-Danish banking activities grew 12% and now account for 34% of the Group's total income. Further, the non-Danish operations of Danske Markets and Danske Capital also generated significant income.

Net interest income rose 7% to DKr24,260m. The trend reflects the continuation of strong growth in lending and higher interest rates, which more than compensated for the pressure on margins.

Net fee income fell 1% to DKr8,788m. The decline was owing mainly to expenses for credit risk hedging, declining activity in the Danish housing market in particular and slightly sluggish investment activity, especially in the retail market. In financing the Sampo Bank acquisition, the Group entered into credit default swaps to hedge the credit risk on a portfolio of mortgage loans in the first half of 2007. Excluding expenses for these swaps, net fee income rose 2%.

Net trading income was up 8% to DKr7,887m. Despite turbulence in the credit and liquidity markets through the second half of 2007 in particular, the rise was higher than expected and testifies to the stability in the customer-driven corporate market. The profit on the sale of private equity investments amounted to DKr406m in 2007.

Other income rose DKr58m to DKr3,010m. The increase mainly derived from profits of DKr199m on the sale of five Norwegian branches in the first quarter of 2007 and declining proceeds from property sales.

Net income from insurance business fell 17% to DKr1,118m. The fall was due mainly to the financial turbulence and the consequently lower return on investments as well as the higher cost of capital.

Operating expenses

Despite the growth in lending and strong business activity, the underlying trend in expenses showed an increase of only 4%. This reflects both the effect of cost synergies from acquired and merged business units and the cost-effective scalability of the Group's IT platform.

Total operating expenses rose 11%, reflecting mainly expenses for the integration of acquired business units, the acceleration of mergers of Danske Bank and BG Bank branches, higher performance-based compensation, a new structure for defined benefit plans and increased activity in the Group's operating lease business.

In accordance with the international accounting standards on companies' own development of software, only expenses incurred by the Group for its systems development are capitalised, while expenses for preliminary analysis, usability testing and implementation are expensed.

Particularly in the first half of 2007, the Group invested considerable resources in analysis of the integration of Sampo Bank's systems and in upgrading other IT systems within the Group.

The table below specifies the various components of the Group's operating expenses.

OPERATING EXPENSES (DKr m)	2007	2006	Index
Operating expenses	25,070	22,640	111
Amortisation of intangible assets	1,135	561	202
Integration expenses	1,011	604	167
Total expenses, excl. total integration expenses	22,924	21,475	107
Performance-based compensation	1,265	1,123	113
Operating leases	1,120	955	117
Nylander estate-agency business, Norway (acquired in Q3, 2006)	80	41	195
Sale of pension obligation, Norway	-	-200	-
Capitalisation of development costs	-268	-293	91
Underlying trend in expenses	20,727	19,849	104
Cost/income ratio, %	55.6	52.6	
Cost/income ratio, excl. total integration expenses, %	50.9	49.9	

Comparative figures include the Sampo Bank group as of February 2006.

The cost/income ratio was 55.6%. Excluding total integration expenses, the ratio was 50.9%, against 49.9% in 2006.

Credit loss expenses

Credit loss expenses amounted to DKr687m, against a net positive entry of DKr484m in 2006. This change derived mainly from higher impairment charges against a few corporate facilities. At the end of 2007, credit quality was still good. The Group's exposure to international investment companies in the form of backup liquidity facilities was reduced through the second half of the year.

Tax

With effect from January 1, 2007, the Danish corporation tax rate was lowered from 28% to 25%. This reduced the tax charge for the year by DKr504m, of which DKr188m derived from the change in deferred tax at the beginning of 2007.

Return on equity and net profit per share

The return on equity was 15.1%, against 17.5% in 2006. The 2006 return was calculated in accordance with the organisational structure in force prior to the acquisition of the Sampo Bank group. Net profit for the year per share increased from DKr21.5 to DKr21.7.

Capital and solvency

Shareholders' equity

Shareholders' equity stood at DKr104.4bn at the end of 2007, against DKr95.2bn at the end of 2006. The change reflected primarily the dividend payments made in March 2007 and recognition of the net profit for the year.

At the end of 2007, the share capital totalled DKr6,988,042,760 and shares numbered 698,804,276. The number of shares outstanding at the end of 2007 was 683,603,250, and the average number of shares outstanding in 2007 was 684,871,290.

Solvency

At December 31, 2007, the solvency ratio stood at 9.3%, of which 6.4 percentage points derived from the Group's core (tier 1) capital. Excluding hybrid core capital, the core (tier 1) capital ratio was 5.6%. At the end of 2006, the solvency and core (tier 1) capital ratios stood at 11.4% and 8.6%, respectively. Most of the decline reflects a deduction for intangible assets resulting from the acquisition of the Sampo Bank group.

The increase in risk-weighted items from DKr1,119bn at the beginning of the year to DKr1,313bn at the end of 2007 was attributable primarily to the consolidation of the Sampo Bank group. The hedging of the credit risk on a portfolio of mortgage loans by credit default swaps, however, reduced risk-weighted items by DKr137bn, against DKr26bn at the end of 2006.

At the end of 2007, the solvency ratio was 12.6% calculated according to the Capital Requirements Directive (CRD) that came into force on January 1, 2008.

The solvency ratio, core (tier 1) capital ratio and risk-weighted items for 2006 are calculated in accordance with the Group's organisation and capital structure prior to the acquisition of the Sampo Bank group.

Balance sheet

Lending

Excluding reverse transactions, lending rose DKr182bn, or 12%, from the end of 2006 to DKr1,701bn at the end of 2007.

Loans and advances extended by the Group's operations in Denmark rose DKr78bn, or 8%. Loans and advances provided by units outside Denmark grew DKr104bn, or 19%. Banking operations outside Denmark accounted for 57% of total growth in loans and advances.

LENDING AT DEC. 31 (DKr bn)	2007	2006	Index 07/06
Banking Activities Denmark	357	314	114
Mortgage Finance	628	603	104
Other	57	47	121
Total Denmark	1,042	964	108
Banking Activities Finland	164	147	112
Banking Activities Sweden	162	138	117
Banking Activities Norway	136	105	129
Banking Activities Northern Ireland	59	58	101
Banking Activities Ireland	69	51	135
Banking Activities Baltics	27	19	145
Other	42	37	114
Total international	659	555	119
Total lending	1,701	1,519	112

Comparative figures include the Sampo Bank group.

Overall, Group lending to retail customers rose 8%, while lending to corporate customers was up 15% on the level at the end of 2006. All the Group's operations contributed to the increase in corporate lending.

Deposits

Deposits rose to DKr798bn, up DKr105bn, or 15%, on the figure recorded at the end of 2006.

Deposits with the Group's banking operations in Denmark increased DKr77bn, or 19%.

Deposits with the Group's non-Danish operations grew DKr28bn, or 10%.

DEPOSITS AT DEC. 31 (DKr bn)	2007	2006	Index 07/06
Banking Activities Denmark	299	275	109
Other	183	130	141
Total Denmark	482	405	119
Banking Activities Finland	97	89	108
Banking Activities Sweden	57	50	115
Banking Activities Norway	58	47	123
Banking Activities Northern Ireland	56	61	92
Banking Activities Ireland	24	21	112
Banking Activities Baltics	12	9	133
Other	12	11	109
Total international	316	288	110
Total deposits	798	693	115

Comparative figures include the Sampo Bank group.

Trading portfolio assets

Trading portfolio assets grew DKr148bn on the 2006 figure to DKr652bn. The rise was due primarily to larger holdings of bonds and an increase in the positive fair value of derivatives. The increase in value was offset by a similar increase in the negative fair value of derivatives recognised as trading portfolio liabilities. Of the bonds, 97% is recognised at quoted prices, 2% is recognised at prices calculated in pricing models that rely mainly on market data, and 1% is recognised at amortised cost in accordance with existing practice.

Neither the Group's trading portfolio nor its investment portfolio includes subprime exposure.

The Group uses the Value at Risk (VaR) measure to calculate the daily market risk of its exposures. At a confidence level of 99%, VaR expresses the maximum amount that the Group would lose on its portfolios assuming that the exposure was maintained for ten days. Excluding Danica Pension's insurance business exposure, the Group's VaR was DKr652m at the end of 2007, against DKr181m at the end of 2006. In 2007, average VaR was DKr339m, against DKr267m in 2006.

Credit exposure

The Group's credit exposure totalled DKr3,373bn at the end of 2007, of which DKr693bn derived from the Group's trading portfolio of bonds, etc., and DKr2,680bn derived from credit exposure related to lending activities both within and outside Denmark.

In recent years, the underlying trend in the credit quality of the Group's exposures has benefited from the favourable economic conditions in all important markets, and the high credit quality of the portfolio was essentially maintained in 2007.

The credit exposure rose 21% during the year, mainly as a result of the added lending volume from Sampo Bank in Finland and Banking Activities Baltics and a rise in lending to retail and corporate customers on the Group's principal markets.

Some 38% of the Group's lending was supported by real property collateral. Previous years had seen a strong rise in property prices.

This trend slowed down in 2007, however, and was replaced by moderate decline in many areas. The slowdown in the property market did not prompt a rise in delinquencies or actual losses on home mortgages, which can be explained in part by the fact that the employment rate remains very high. The portfolio of home mortgages continued to have moderate loan-to-value ratios.

The amount of the Group's impaired facilities rose from DKr3.0bn to DKr9.5bn, or 0.35% of the total credit exposure. The consolidation of Sampo Bank accounted for around DKr2.2bn of the increase. About DKr2.5bn was attributable to CRD-related changes to the definition of customer default.

The rest of the increase was attributable mainly to the restructuring of three international investment companies with a total exposure of about DKr1.8bn. The quality of the assets is such that the Group does not expect to incur losses.

Breakdowns of credit exposure by asset class, geographical area, industry, rating, collateral provided and other criteria appear in the notes and Risk Management 2007 available at www.danskebank.com/riskmanagement.

Backup liquidity facilities

Through Danske Markets, the Group is engaged in considerable business activities on the international financial markets. These activities include the provision of backup liquidity facilities to international investment companies.

The Group has offered facilities exclusively for senior tranches secured on assets with high credit quality.

As a result of the crisis in the international liquidity markets, a number of investment companies have been unable to fund their activities by ordinary commercial paper issues and have drawn on their backup liquidity facilities.

The Group's total exposure to backup liquidity facilities at the end of 2007 amounted to DKr45.9bn, or 1.4% of total assets. Of the Group's aggregate backup liquidity facilities, DKr14.7bn was provided to Polonius, which is sponsored by the Group; DKr9.0bn to structured investment vehicles (SIVs); and DKr22.2bn to asset-backed commercial paper programmes (ABCP programmes).

Polonius, which as in previous years is consolidated into the Group accounts, had a diversified portfolio of externally rated assets (88.6% rated AAA, 8.5% rated AA and 2.9% rated A). North American assets accounted for 29.5% of Polonius' portfolio, and of this percentage, 6.1 percentage points consisted of North American mortgage bonds. Polonius holds no subprime bonds. As a result of conditions in the international money markets, no commercial paper had been issued at the end of 2007 to fund the assets held by Polonius. At the end of 2006, the total portfolio was funded by commercial paper.

SIVs sponsored by other financial institutions accounted for DKr4.8bn and other independent entities accounted for DKr4.2bn of the total backup liquidity facilities of DKr9.0bn provided to SIVs. The SIVs held diversified portfolios of assets of high credit quality. At the end of 2007, DKr1.4bn had been drawn on the facilities.

The most recent calculations show that the assets of the SIVs have an estimated average credit rating of 20 or less on the WARF scale. WARF is a measure of credit quality and is an abbreviation of weighted average rating factor. A factor below 20 equals an Aa rating or better from Moody's. The calculations also show that the aggregate value of the assets of the SIVs exceeds the Group's obligations to the SIVs.

Some DKr13.4bn of the facilities for ABCP programmes related to North American programmes, of which DKr1.0bn was drawn. Obligations to ABCP programmes established in Europe amounted to DKr8.8bn, with drawings of DKr5.6bn at the end of 2007.

Of the North American ABCP programmes, 71.7% held an external rating of AAA, 7.7% had a rating of AA, and the remaining facilities had at least a single-A short-term rating. Drawn facilities of DKr1bn related to a diversified portfolio of pooled assets with an AA rating.

Of the assets securing the backup liquidity facilities, North American mortgage bonds totalled around DKr8.9bn. At the end of 2007, 93% of these bonds were rated AAA and 7% were rated AA. A little more than half of the North American mortgage bonds are senior tranches of sub-prime mortgage bonds, all of which remain undrawn and are rated AAA. Delinquency and loss rates in the North American housing market must increase significantly before the Group will be exposed to possible losses.

Of the European programmes, 80.3% had AAA ratings, while 19.7% had short-term A ratings. Drawn facilities of DKr5.6bn related to assets rated AAA, of which DKr3.8bn were UK mortgage bonds.

The Group conducts regular reviews of the individual credit facilities, both those on which drawings are made and those on which no drawings are made. The Group also runs stress tests on assets to determine the sensitivity of the credit quality and the level of excess collateral in the individual programmes. The individual stress tests use internal as well as external historical data. These reviews confirmed the high credit quality of the assets.

Three backup liquidity facilities totalling DKr1.8bn were internally downgraded to rating category 9 because of restructuring. The quality of the assets is such that the Group does not expect to incur losses.

The table below shows the Group's total exposure to backup liquidity facilities.

BACKUP LIQUIDITY FACILITIES	DKr bn	% of total assets
Total exposure, excl. Polonius	31.2	0.9
Total amount drawn	8.1	0.2

The Group expects the volume of backup liquidity facilities to decline considerably already in 2008.

Liquidity

Taking on liquidity risks, within the framework of formal policies and limits, is an integral part of the Group's business strategy. The Group's liquidity management is based on its liabilities plus estimated drawings on irrevocable loan commitments.

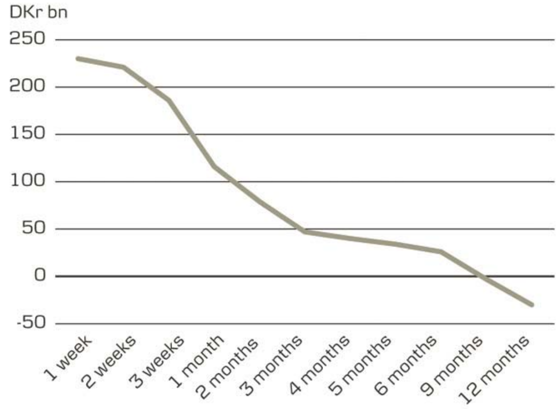
The liquidity risk on issued Danish mortgage bonds is essentially eliminated by the funding of home mortgages by mortgage bonds with identical terms.

As regards the Group's other liabilities, liquidity management is based on monitoring and managing short- and long-term liquidity risks, and it can be divided into the following four areas:

LIQUIDITY MANAGEMENT	
Operational liquidity risk	Securing positive liquidity position in the short term
Liquidity stress tests	Calculating potential liquidity gaps in various scenarios and identifying means to close these gaps
12-month liquidity	Monitoring of 12-month liquidity position if cut off from capital markets
Structural liquidity risk	Providing input for long-term liquidity planning and ensuring funding diversification

In its "Bank Financial Strength Ratings: Global Methodology", Moody's has set various classification requirements for banks' liquidity management. One requirement is that the 12-month liquidity curve must generally be positive. Liquidity calculations must assume, among other factors, that the Group is cut off from capital markets. On this basis, the Group's liquidity calculations result in a positive liquidity curve until the fourth quarter of 2008. After the implementation of the Bank's covered bond programme at the end of 2007, the first bonds were issued in December. The Group's access to the covered bond market will raise the liquidity curve.

12-MONTH LIQUIDITY, END OF 2007



Financial targets 2012

Through acquisitions in the Republic of Ireland, Northern Ireland, Finland and the Baltic states over the past three years, the Group has developed from a local bank in selected Nordic markets to a well-positioned and competitive regional bank in selected northern European markets.

The scalability of the Group's shared IT platform and the implementation of transformative new infrastructure, such as the digital signature, electronic land registration and CRD credit data, provide the Group with a unique foundation for accelerating product development, improving process efficiency and giving customers an even better experience at all of the Group's units. Consequently, the Group has extraordinarily decided to invest a total of around DKr1bn over the next two years in platform upgrading. This investment forms the basis for new and ambitious financial targets for the period until 2012.

This good foundation and the ambitious financial targets are to ensure higher and competitive returns to shareholders and thus enable the Group to continue to attract domestic as well as international investors. Over time, the Group aims to deliver returns above the average for its peer group.

FINANCIAL TARGETS 2012

	2012	2007	2006	2005	2004
Income, DKr bn	>55	45	37	35	29
Cost/income ratio, %	<45	56	52	52	53

The Group aims to achieve an average increase in net profit per share of at least 8% per annum over the next five years.

The financial targets for 2012 assume annual average GDP growth of 2% on the Group's markets and generally well-functioning financial markets.

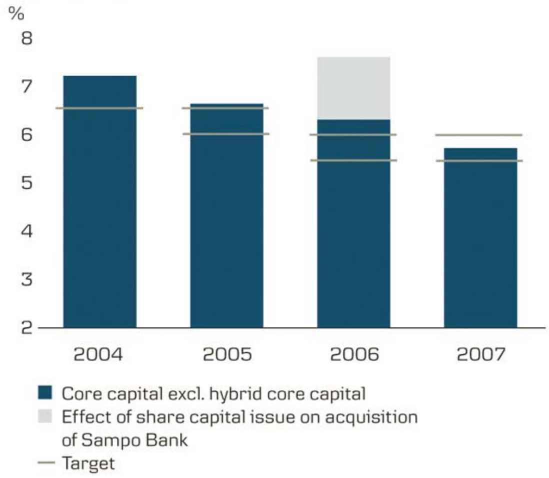
Capital targets
On January 1, 2008, the Group adopted the advanced internal ratings-based (IRB) approach in its calculations of credit risk in accordance with the new Capital Requirements Directive (CRD). The approval issued by the Danish FSA for the use of the advanced IRB approach covers 83% of the Group's loan portfolio at January 1, 2008.

Owing to the high credit quality of the Group's loan portfolio, the approval will result in a considerably lower minimum capital requirement. On full implementation in 2010, the capital requirement will fall by 23% from the December 31, 2007, figure. Because of the transition rules, however, the effect will be a decline of only 10% in 2008 and a maximum of 20% in 2009.

The total capital requirement is determined on the basis of the capital requirements under the CRD and the Group's ambition to maintain its AA rating. The Group considers the following criteria in determining its actual capital targets:

- Expected capital requirement under the CRD
- Ratings target
- Expected growth and earnings
- Stress test scenarios

CAPITAL TARGETS



The Group adjusts both capital targets and actual capital levels on an ongoing basis.

The Group wishes to maintain existing capital target levels at present. Consequently, the implementation of the CRD does not reduce the level of capital in the Group but merely changes the capital ratios as it causes a reduction in risk-weighted assets.

CAPITAL TARGETS 2007 AND 2008 (%)	Previous rules	CRD level
Core (tier 1) capital ratio, excluding hybrid core capital	5.5-6.0	8
Hybrid core capital ratio	1.0-1.5	2
Solvency ratio	9.0-10.0	13
Payout ratio	30-50	30-50

The capital targets should be seen from the perspective of the Group's robust earnings, risk profile and geographical diversification.

In 2008 as in 2007, the Group plans to pay out 40% of its net profit in dividends. It is the Group's policy to buy back shares with any capital that is not necessary for its expected long-term growth.

Sampo Bank

Danske Bank's acquisition of Sampo Bank in Finland took effect on February 1, 2007. The acquisition included three banks in Estonia, Latvia and Lithuania as well as a small bank in St. Petersburg, Russia.

Upon the acquisition, the activities were split up, and the operations in Finland, the Baltic states and Russia now have separate managements.

At the beginning of 2007, the four banks were adjusted to the Danske Bank Group's organisation, with regions and finance centres as well as support functions that match the organisation of the Group's other banking divisions. The bank in Russia was incorporated into Danske Markets under the Group's CIB operations.

Sampo Bank in Finland

The process of integrating Sampo Bank in Finland is proceeding according to schedule, and during Easter 2008, an IT migration encompassing almost 1.2m customers and 121 branches will bring Sampo Bank onto the Danske Bank Group's platform. Later, Sampo Bank's legal status will change from that of a subsidiary to a branch of Danske Bank A/S.

Baltic activities

The three Baltic banks, with a total of 270,000 customers and 44 branches, will migrate to the Group's IT platform in the course of 2009.

Once the migration is complete, the banks and their customers will have access to the Group's extensive product range.

Financial plans for the banks

Sampo Bank in Finland and the three Baltic banks have all prepared financial plans for the period until 2009. These plans support their growth ambitions and are based on the future product ranges and price structures as well as new organisation and staffing plans for branches and support functions.

The plans maintain the initial annual cost and funding synergies of DKr0.6bn (DKr0.1bn in 2007, DKr0.4bn at the end of 2008 and DKr0.6bn at the end of 2009).

The Group expects total integration expenses, including expenses for the IT migration during Easter 2008 and expenses in 2009, to amount to DKr1.6bn (DKr0.5bn in 2007, DKr0.8bn in 2008 and DKr0.3bn in 2009). A small portion is expected to be capitalised and depreciated over a three-year period beginning in mid-2008.

Northern Bank and National Irish Bank

By the end of 2007, the integration of Northern Bank and National Irish Bank had been successfully completed, and the Group does not expect to incur further integration expenses or to realise additional synergies. Overall, integration expenses amounted to DKr1.7bn, and realised synergies came to DKr0.4bn.

In 2007, Banking Activities Northern Ireland and Banking Activities Ireland together realised a pre-tax profit of DKr1.5bn, excluding integration expenses and amortisation of intangible assets. Measured on the basis of the aggregate amount of the purchase sum of DKr10.6bn, integration expenses and subsequent capital injections, the total pre-tax return of Banking Activities Ireland and Northern Ireland was 11.5% – almost meeting the required return of 12%. If the full annualised effect of realised synergies is included, the return exceeds the return requirement.

Covered bond issues

In November 2007, the Group was licensed to issue covered bonds in Denmark. Consequently, the Group set up an international programme under which it can issue covered bonds for the equivalent of up to €15bn.

The covered bond programme gives the Group access to a wider sphere of investors with a longer investment horizon than is typical for bank funding. The Group's first covered bond issue was made in December 2007 for a total amount of DKr7bn and was based on loans in Denmark.

Outlook for 2008

The growth of its banking, market and insurance activities in 2007 places the Group in a strong position for 2008.

Consequently, 2008 is expected to be a satisfactory year despite an expected slowdown in economic growth and turbulence in the capital and liquidity markets.

Market outlook

Danish GDP growth is likely to fall from 1.9% in 2007 to 1.7% in 2008, while economic growth rates in the Group's other markets are likely to exceed the euro-zone average of 2.2%. The Group expects its weighted GDP growth for its markets to reach 2.5% in 2008, underlining the value of the geographical diversification the Group has achieved through acquisitions in recent years.

Interest rates in the Group's principal markets are forecast to fall slightly.

The turbulence in the capital and liquidity markets is expected to subside gradually in the first half of 2008. Although the Group has unchanged access to funding of home mortgages through Realkredit Danmark, current market conditions are likely to lead to increased funding costs.

The financial turbulence and its potential effect on real economic conditions make the income estimates more uncertain than is normally the case.

Income

The Group expects overall net interest income to climb 6-9% on the basis of growth in lending. The consolidation of the Sampo Bank group for a full year rather than 11 months in itself contributes an increase in net interest income of 1%. The pressure on deposit margins is likely to intensify, whereas the pressure on lending margins will generally ease.

Assuming a normalisation of the financial markets, the Group expects net fee income to rise 8-13% through stronger focus on cross selling. Danish mortgage finance activity is forecast to remain roughly unchanged.

The Group expects net trading income to be slightly lower than in 2007, and this income will continue to depend greatly on trends in the financial markets, including the level of securities prices at the end of the year. Danske Markets expects to expand its market position within customer-driven activities.

Other income is expected to increase 5-10% driven by income from the sale of real property and a higher level of operating lease activities.

On the assumption that investment returns normalise, net income from insurance business is expected to rise around 20% relative to 2007. Net income from insurance business will, however, depend on developments in the financial markets, which saw substantial capital losses on equities in the first weeks of 2008.

Overall, income is expected to be 5-9% higher than in 2007 on the strength of generally expanding activities and the consolidation of the Sampo Bank group for a full year rather than 11 months. Still, the current turbulence in the financial markets makes the income estimates more uncertain than they would normally be.

Operating expenses

The Group expects operating expenses to rise by around 2-5% (see the table below).

EXPENSE FORECAST	Change (%)
Operating expenses	2-5
Integration expenses	-1
Amortisation of intangible assets	2
Sampo Bank group (January 2008)	-1
IT platform investments	-1
Synergies	1
Underlying trend in expenses	2-5

The underlying trend in operating expenses reflects wage inflation and a planned expansion of Danske Markets and wealth management activities.

The planned IT integration of Sampo Bank during Easter 2008 represents yet another milestone for the Group's "One platform – exceptional brands" vision. In view of this, the Group has decided to accelerate the introduction of new products and simplify processes across national borders. In 2008, an increase of around DKr500m in IT systems investments will help create a solid foundation for reaching the Group's financial targets in the period until 2012.

Credit loss expenses

Because of the economic slowdown and the continued volatility in the financial markets, credit loss expenses are likely to be somewhat higher in 2008 than in 2007. The Group expects impairment charges to remain lower than the average for a business cycle.

The Group's effective tax rate is estimated to be 26%, against 23% in 2007, when the Group benefited from a lowering of the tax rate in Denmark.

Overall, net profit is expected to be 0-7% higher than in 2007 on the condition that the Group can book the risk allowance from its insurance activities.

Sensitivity analysis

As mentioned above, the outlook for 2008 is subject to greater uncertainty than usual, owing to the turbulence in the capital and liquidity markets and its potential effects on economic growth.

At Group level, a halving of average lending growth would reduce net interest income by around DKr750m in 2008, while a 0.25 percentage point rise in short-term interest rates in itself would lift net interest income by around DKr425m.

Booking the full risk allowance of DKr1.1bn for 2008 requires equity price increases for the rest of 2008 sufficient to compensate for Danica's loss on equities in the first weeks of the year.

Business areas

INCOME (DKr m)	2007	2006	Index 07/06	Share (%) 2007	Share (%) 2006
Banking Activities Denmark	15,898	15,470	103	35	36
Banking Activities Finland	4,469	4,370	102	10	10
Banking Activities Sweden	2,924	2,544	115	7	6
Banking Activities Norway	2,803	2,406	117	6	6
Banking Activities Northern Ireland	2,446	2,293	107	5	5
Banking Activities Ireland	1,455	1,118	130	3	3
Banking Activities Baltics	786	539	146	2	1
Other Banking Activities	2,388	2,062	116	5	5
Total Banking Activities	33,169	30,802	108	73	72
Mortgage Finance	3,988	3,781	105	9	9
Danske Markets	6,064	6,032	101	14	14
Danske Capital	1,961	1,800	109	4	4
Danica Pension	1,118	1,355	83	3	3
Other Areas	-1,237	-696	-	-3	-2
Total Group	45,063	43,074	105	100	100

PROFIT BEFORE CREDIT LOSS EXPENSES (DKr m)	2007	2006	Index 07/06	Share (%) 2007	Share (%) 2006
Banking Activities Denmark	7,716	7,601	102	39	37
Banking Activities Finland	1,086	1,891	57	5	9
Banking Activities Sweden	1,429	1,084	132	7	5
Banking Activities Norway	1,185	854	139	6	4
Banking Activities Northern Ireland	338	-60	-	2	-
Banking Activities Ireland	325	23	-	2	-
Banking Activities Baltics	360	210	171	2	1
Other Banking Activities	844	682	124	4	3
Total Banking Activities	13,283	12,285	108	67	59
Mortgage Finance	2,796	2,605	107	14	13
Danske Markets	3,434	3,837	89	17	19
Danske Capital	1,063	1,041	102	5	5
Danica Pension	1,118	1,355	83	6	7
Other Areas	-1,701	-689	-	-9	-3
Total Group	19,993	20,434	98	100	100

Comparative figures for Banking Activities Finland, Banking Activities Baltics, Danske Markets, Danske Capital and Other Areas comprise the pro forma financial results of the Sampo Bank group as of February 2006.

The profit before credit loss expenses of the Group's banking activities increased 8% on the 2006 figure. Banking activities accounted for 67% of the Group's profit before credit loss expenses in 2007, against 59% in 2006.

Changes in banking activities

Danske Bank Denmark and BG Bank merged into a single banking division on April 10, 2007.

In the third quarter of 2007, the Group decided to further enhance the co-operation on mortgage finance between Realkredit Danmark and Danske Bank Denmark to strengthen Realkredit Danmark's local presence. On January 1, 2008, the Group merged its Mortgage Finance and Banking Activities Denmark business areas. In future, the presentation of the financial results of the Group's mortgage finance operations in Denmark will correspond to the presentation of activities outside Denmark.

On January 1, 2007, the rate at which capital allocated to business areas is calculated was changed from 6.5% to 5.5%. The change reduced net interest income from the Group's banking activities by DKr349m in 2007. This amount was booked as income under Other Areas. Comparative figures have not been restated. The change also lifted pre-tax profit as a percentage of allocated capital.

Banking Activities Denmark

Banking Activities Denmark encompasses the banking activities of Danske Bank 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 Denmark has nine regions with 399 branches, six agricultural centres, nine finance centres and 6,019 employees.

BANKING ACTIVITIES DENMARK (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	10,557	9,968	106	2,695	2,698	2,612	2,552	2,693
Net fee income	4,574	4,813	95	1,103	1,118	1,145	1,208	1,149
Net trading income	703	675	104	173	183	173	174	154
Other income	64	14	-	23	14	17	10	7
Total income	15,898	15,470	103	3,994	4,013	3,947	3,944	4,003
Integration expenses	204	-	-	56	80	55	13	-
Other operating expenses	7,978	7,869	101	2,049	1,865	2,100	1,964	2,054
Operating expenses	8,182	7,869	104	2,105	1,945	2,155	1,977	2,054
Profit before credit loss expenses	7,716	7,601	102	1,889	2,068	1,792	1,967	1,949
Credit loss expenses	-176	-163	108	29	-55	155	-305	84
Profit before tax	7,892	7,764	102	1,860	2,123	1,637	2,272	1,865
Loans and advances, end of period	357,497	313,943	114	357,497	340,787	337,793	322,058	313,943
Deposits, end of period	299,190	275,117	109	299,190	300,031	302,959	287,799	275,117
Risk-weighted items (avg.)	320,793	284,097	113	330,470	325,122	316,367	310,951	295,560
Allocated capital (avg.)	17,644	18,466	96	18,176	17,882	17,400	17,102	19,211
Profit before credit loss expenses as % p.a. of allocated capital	43.7	41.2		41.6	46.3	41.2	46.0	40.6
Pre-tax profit as % p.a. of allocated capital (ROE)	44.7	42.0		40.9	47.5	37.6	53.1	38.8
Cost/income ratio, %	51.5	50.9		52.7	48.5	54.6	50.1	51.3
Cost/income ratio, excl. integration expenses, %	50.2	50.9		51.3	46.5	53.2	49.8	51.3

The banking activities of BG Bank and Danske Bank Denmark merged on January 1, 2007. Comparative figures for 2006 have been restated.

- Profit before credit loss expenses up 2%
- Lending up 14%
- High-interest current accounts and no-fee product packages
- High profitability maintained

The market in 2007

In 2007, the economic climate in Denmark was favourable. Demand for financial products and services was good, although the year saw lower activity in the capital and housing markets than in 2006. Interest rates rose throughout the year, but lending margins remained under pressure because competition remained fierce. Danske Bank maintained its position as market leader in the Danish financial sector.

At December 31, 2007, Banking Activities Denmark's market share of lending and deposits was 26.5% and 29.7%, respectively.

Income

Net interest income grew 6%. The increase was attributable to growth in lending and deposits as well as higher interest rates, which more than compensated for the narrowing of interest margins caused by the launch of new products and fierce competition. Lending growth reflects mainly stronger corporate customer demand for loan financing and home owners' appetite for mortgage loans.

Net fee income was down 5%, owing primarily to the major slowdown in the equity and housing markets and the introduction of new no-fee product packages in the third quarter of 2007. In addition, Banking Activities Denmark earned extraordinarily large issuance fee income in 2006. Portfolio fees remained at the 2006 level as a result of higher income from the *Flexinvest Fri* product.

Operating expenses
Operating expenses rose 4%. Excluding integration expenses, operating expenses grew 1%. The cost/income ratio improved from 50.9% to 50.2%.

Credit loss expenses
Credit loss expenses amounted to a net positive entry of DKr176m, against a net positive entry of DKr163m in 2006. This level was attributable to a persistently favourable economic climate and the high credit quality of the loan portfolio.

Lending
Total lending rose 14% on the level recorded in 2006. Lending to retail customers increased 14%, while lending to corporate customers grew 13%.

Deposits
Total deposits grew 9% on the level at the end of 2006. Retail deposits increased 10%, and corporate deposits rose 8%.

New products
In 2007, Danske Bank launched high-interest current accounts, which prompted customers to deposit about DKr24.5bn. Danske Bank also launched new no-fee packages, including *Danske 24/7* and *Danske 24/7 Ung*, which target customers who use the Bank's online banking facilities and ATMs. These customers are offered all the advantages of the Bank's self-service options, the advisory services of its wide branch network and its 24/7 telephone services.

In July 2007, Danske Bank launched *Danske Prioritet Plus* – a revamp of and replacement for *Danske Prioritet*. About 40,000 customers have switched from *Danske Prioritet* to *Danske Prioritet Plus*. The product is based on the new Danish covered bonds rules and allows issuance of covered bonds in Denmark.

In November 2007, Danske Bank Denmark launched *Danske Totalpension* jointly with Danica Pension. The product offers customers the benefits of both term-based and lifelong annuity pensions and has seen considerable demand partly because of its message, which is easy to understand.

Branch mergers
Danske Bank Denmark and BG Bank merged into a single banking division on April 10, 2007. At the end of the first half of 2007, it was decided to bring forward the mergers of 25 Danske Bank and BG Bank branches to the second half of 2007. A total of 118 branches were merged, and the process was completed as planned. Integration expenses are still expected to total DKr275m, of which DKr204m was expensed in 2007.

The Group still expects synergies to total DKr300m, with full accounting effect from 2010. Synergies achieved in 2007 amounted to DKr157m, with full accounting effect from 2008.

Outlook for 2008
Economic growth (GDP) in Denmark is expected to be lower in 2008 than in 2007, and the property market is still expected to be under some pressure. Nonetheless, the Bank expects a sound level of activity with a continuation of fierce competition, primarily for deposits. In 2008, the Bank expects to realise further synergies of about DKr110m, with full accounting effect from 2009.

Banking Activities Finland

Banking Activities Finland encompasses the banking activities of Sampo Bank in Finland and Danske Bank's Helsinki Branch. Sampo Bank, which is the third-largest bank in Finland, caters to retail customers, small and medium-sized businesses and institutional clients. Sampo Bank has 121 branches in Finland and 2,117 employees.

BANKING ACTIVITIES FINLAND (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	3,013	2,948	102	832	825	822	534	848
Net fee income	1,210	1,144	106	332	322	326	230	336
Net trading income	26	37	70	9	12	-1	6	-5
Other income	220	241	91	81	55	40	44	93
Total income	4,469	4,370	102	1,254	1,214	1,187	814	1,272
Amortisation of intangible assets	580	-	-	138	179	135	128	-
Integration expenses	369	-	-	161	112	84	12	-
Other operating expenses	2,434	2,479	98	688	602	694	450	776
Operating expenses	3,383	2,479	136	987	893	913	590	776
Profit before credit loss expenses	1,086	1,891	57	267	321	274	224	496
Credit loss expenses	270	-77	-	163	104	17	-14	-53
Profit before tax	816	1,968	41	104	217	257	238	549
Profit before tax in local currency (€)	110	264	42	14	30	34	32	73
Loans and advances, end of period	164,179	146,803	112	164,179	159,738	154,574	149,097	146,803
Deposits, end of period	96,515	89,293	108	96,515	93,705	88,956	84,624	89,293
Risk-weighted items (avg.)	134,068	127,405	105	138,896	131,939	132,664	132,728	129,335
Allocated capital (avg.)	7,374	8,281	89	7,639	7,257	7,297	7,300	8,407
Profit before credit loss expenses as % p.a. of allocated capital	16.1	24.9		14.0	17.7	15.0	18.4	23.6
Pre-tax profit as % p.a. of allocated capital (ROE)	12.1	25.9		5.4	12.0	14.1	19.6	26.1
Cost/income ratio, %	75.7	56.7		78.7	73.6	76.9	72.5	61.0
Cost/income ratio, excl. total integration expenses, %	54.5	56.7		54.9	49.6	58.5	55.3	61.0

Comparative figures include the Sampo Bank group as of February 2006.

- Profit before credit loss expenses down 43%
- Profit before credit loss expenses, excluding total integration expenses, up 8%
- Lending up 12%
- Growth expected to continue

The market in 2007

In 2007, the economic climate in Finland was favourable and generated good demand for financial products and services.

Banking Activities Finland is a well-established challenger in a market with fierce competition. The competitive situation in the market kept lending margins under pressure despite the gradual rise in interest rates during the year.

At December 31, 2007, the market share of lending and deposits of Banking Activities Finland was 15.6% and 12.6%, respectively, against 15.7% and 13.7% a year earlier.

Income

Net interest income rose 2%. The upward trend reflects growth in lending and higher interest rates, which more than compensated for the pressure on lending margins and the accrual of the DKr169m fair value adjustment of loans, advances and deposits in the opening balance sheet at February 1, 2007. Excluding the accrual of the fair value adjustment, net interest income rose 8%.

Operating expenses

The 36% increase in operating expenses was attributable to total integration expenses. In 2007, integration expenses of DKr514m were paid, of which DKr145m was capitalised as development costs under intangible assets.

Excluding total integration expenses, operating expenses fell 2%, and the cost/income ratio improved from 56.7% to 54.5%.

In 2007, Banking Activities Finland realised annualised synergies of DKr129m, with full accounting effect from 2008.

Credit loss expenses

Credit loss expenses mainly relates to a few major facilities.

Lending

Total lending grew 12%. Lending to retail customers rose 10%, and lending to corporate customers increased 14%.

Deposits

Total deposits grew 8%. Retail deposits increased 2%, while corporate deposits rose 13%.

IT migration of Sampo Bank

The coming migration of Sampo Bank, Finland, will add products to the range offered, and the bank will maintain its high level of electronic services. Banking Activities Finland is expected to improve the competitiveness of all its business units.

Outlook for 2008

Assuming that economic conditions remain favourable, the growth of Banking Activities Finland is expected to continue in 2008, although at a slightly lower pace than in 2007. The migration at Easter 2008 is expected to result in high integration expenses in the first and second quarters of the year. The 2008 forecast for Banking Activities Finland shows further realised synergies of about DKr400m, with full accounting effect from 2009.

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. Real-estate agency business is carried out primarily through the 75 offices of Skandia Mäklarna. Banking Activities Sweden has four regions with 59 branches, four finance centres and 912 employees.

BANKING ACTIVITIES SWEDEN (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	2,113	1,812	117	583	521	510	499	505
Net fee income	656	614	107	176	144	175	161	176
Net trading income	97	71	137	26	26	24	21	20
Other income	58	47	123	19	13	15	11	15
Total income	2,924	2,544	115	804	704	724	692	716
Operating expenses	1,495	1,460	102	388	340	402	365	394
Profit before credit loss expenses	1,429	1,084	132	416	364	322	327	322
Credit loss expenses	69	71	97	7	-29	21	70	31
Profit before tax	1,360	1,013	134	409	393	301	257	291
Profit before tax in local currency (SKr)	1,688	1,253	135	511	488	374	315	356
Loans and advances, end of period	161,562	138,454	117	161,562	154,603	146,832	138,199	138,454
Deposits, end of period	57,368	50,062	115	57,368	53,018	51,178	47,345	50,062
Risk-weighted items (avg.)	124,354	106,104	117	134,482	126,190	118,166	118,381	114,843
Allocated capital (avg.)	6,839	6,897	99	7,396	6,940	6,499	6,511	7,465
Profit before credit loss expenses as % p.a. of allocated capital	20.9	15.7		22.5	21.0	19.8	20.1	17.3
Pre-tax profit as % p.a. of allocated capital (ROE)	19.9	14.7		22.1	22.6	18.5	15.8	15.6
Cost/income ratio, %	51.1	57.4		48.3	48.3	55.5	52.7	55.0

- Profit before credit loss expenses up 32%
- Total income rose 15%
- Lending up 22% in local currency
- Shift in profitability level from 15% to 20%
- Increase in profitability expected to continue

The market in 2007

The economic climate in Sweden remained favourable in 2007 and generated considerable demand for financial products and services.

Market competition was fierce in 2007, and lending margins remained under pressure despite the gradual rise in interest rates during the year. Danske Bank Sweden is a market challenger and has increased its business volume and market share of both lending and deposits since 2006.

At December 31, 2007, the market share of lending and deposits of Banking Activities Sweden was 5.8% and 4.5%, respectively, against 5.6% and 4.3% a year earlier.

Income

The trend in net interest income was positive in 2007, with an increase of 17%. The trend was the result of high lending growth – which more than compensated for narrower lending margins – and a small, interest rate-driven widening of deposit margins. The narrowing of lending margins was owing to a higher proportion of home finance products and increased lending to corporate customers as well as increased competition.

The increase in net fee income of 7% reflects higher business volume and a high level of activity within securities trading and services.

Operating expenses

Operating expenses rose 2%, owing to increased expenses for the launch of the *Sparkonto XL* savings product and expenses for streamlining the loan process for home finance. The cost/income ratio improved from 57.4% to 51.1% in 2007.

Credit loss expenses

Credit loss expenses amounted to DKr69m, against DKr71m in 2006. This level was attributable to a persistently favourable economic climate and the high credit quality of the loan portfolio.

Lending

Growth in lending continued in 2007. In local currency, lending increased 22%, and lending to retail customers and corporate customers saw increases of 13% and 27%, respectively. Growth in corporate lending came primarily from large and medium-sized businesses, whereas sales of home finance products boosted lending to retail customers. Business with the Skandia Mäklarna estate agency chain contributed to a higher number of home finance loans.

Deposits

Deposits, measured in local currency, grew 20% on the 2006 figure. Corporate deposits rose 13%, and retail deposits increased 38%. The launch of the *Sparkonto XL* savings product in May 2007 prompted about 20,000 customers to deposit DKr3.9bn.

Awards

Banking Activities Sweden received several awards in 2007. For example, for the second consecutive year, Danske Bank Sweden was named business bank of the year by *Finansbarometern*, one of Sweden's largest independent surveys of the Swedish banking, finance and insurance markets. The survey showed that the Danske Bank Group's business model based on community involvement and excellent staff qualifications was decisive for Banking Activities Sweden winning the award.

Additionally, Danske Bank Sweden's *Sparkonto XL* savings product was named bank product of the year in Sweden.

Outlook for 2008

Assuming relatively favourable economic conditions, the growth of Banking Activities Sweden is expected to continue in 2008. Recent years' organisational adjustments of Banking Activities Sweden and the expansion of the branch network are expected to provide the basis for further profitable growth. Economic growth is expected to be marginally lower than in 2007, however.

Banking Activities Norway

Banking Activities Norway encompasses the banking activities of Fokus Bank in Norway, which serves all types of retail and corporate customers. Retail-estate agency business is carried out through the 40 offices of Fokus Krogsveen Nylander. Banking Activities Norway has five regions with 55 branches, five finance centres and 1,062 employees.

BANKING ACTIVITIES NORWAY (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	1,887	1,567	120	529	493	442	423	418
Net fee income	461	416	111	115	122	110	114	118
Net trading income	147	111	132	36	40	37	34	28
Other income	308	312	99	58	78	95	77	96
Total income	2,803	2,406	117	738	733	684	648	660
Operating expenses	1,618	1,552	104	390	413	408	407	427
Profit before credit loss expenses	1,185	854	139	348	320	276	241	233
Credit loss expenses	53	-31	-	55	8	-37	27	43
Profit before tax	1,132	885	128	293	312	313	214	190
Profit before tax in local currency (NKr)	1,214	954	127	312	330	339	233	210
Loans and advances, end of period	136,346	105,319	129	136,346	130,960	118,228	109,731	105,319
Deposits, end of period	57,624	46,667	123	57,624	57,737	57,482	48,506	46,667
Risk-weighted items (avg.)	98,109	76,760	128	111,151	99,831	93,077	88,106	83,573
Allocated capital (avg.)	5,396	4,989	108	6,113	5,491	5,119	4,846	5,432
Profit before credit loss expenses as % p.a. of allocated capital	22.0	17.1		22.8	23.3	21.6	19.9	17.2
Pre-tax profit as % p.a. of allocated capital (ROE)	21.0	17.7		19.2	22.7	24.5	17.7	14.0
Cost/income ratio, %	57.7	64.5		52.8	56.3	59.6	62.8	64.7

- Profit before credit loss expenses up 39%
- Total income rose 17%
- Lending up 25% in local currency
- Shift in profitability level from 18% to 21%
- Increase in profitability expected to continue

The market in 2007

Banking Activities Norway saw strong market growth again in 2007, reflecting the positive international economic climate and strong economic activity in Norway.

In March 2007, Banking Activities Norway sold off five branches. The 2006 pre-tax profit of the branches totalled some DKr20m. The proceeds of DKr199m from the sale were recognised as income under Other Areas.

Market competition was fierce in 2007, putting lending margins under pressure throughout the year. Banking Activities Norway is a market challenger and has increased its business volume and market share of both lending and deposits since 2006.

At December 31, 2007, the market share of lending and deposits of Banking Activities Norway was 6.0% and 5.0%, respectively, against 5.5% and 4.6% a year earlier despite the sale of branches.

Income

Net interest income rose 20%, reflecting the growth in deposits and lending as well as higher interest rates. The increase was due to a larger volume of business with both existing customers and the many new customers acquired in recent years, and it was achieved despite narrowing margins on retail loans and the sale of branches.

The growth in net fee income was the result of strong savings and investment activity and an increase in business with corporate customers in particular.

Other income remained at the 2006 level.

Operating expenses

Operating expenses grew 4%. Excluding expenses incurred by Nylander, operating expenses rose 1% on the 2006 level. As a result of the increase in income, the cost/income ratio improved from 64.5% to 57.7%.

Credit loss expenses

In 2007, Banking Activities Norway recorded credit loss expenses of DKr53m. The trend was attributable to losses on a few facilities.

Lending

Lending, measured in local currency, grew 25% on the level at the end of 2006. The rise was driven mainly by a 34% increase in lending to corporate customers, whereas lending to retail customers grew 15%.

Deposits

Deposits, measured in local currency, increased 20% on the figure recorded for 2006. Retail deposits rose 19% and corporate deposits 20%.

Fokus Bank is now a branch

On April 1, 2007, Fokus Bank was converted from a subsidiary into a branch of Danske Bank. This means that the bank now has the same legal status as the units in the Republic of Ireland, Sweden, Poland, Germany and the UK.

Award

In 2007, Fokus Bank's *365 Privat* credit card was on several occasions named the best credit card on the Norwegian market, most recently by *Dine Penger*, a Norwegian financial magazine. The assessment was based on factors such as no fees, a long interest-free period, bonuses on purchases and additional services, for instance, insurance.

Outlook for 2008

Although the economic climate in Norway is expected to remain favourable in 2008, economic growth is expected to be marginally lower than in 2007. Banking Activities Norway expects the development of its branch network in recent years to provide the basis for a continued rise in business volume and 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 94 branches and 1,295 employees.

BANKING ACTIVITIES NORTHERN IRELAND (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	1,831	1,702	108	449	483	452	447	451
Net fee income	491	485	101	120	126	117	128	122
Net trading income	109	87	125	27	40	18	24	22
Other income	15	19	79	4	3	4	4	7
Total income	2,446	2,293	107	600	652	591	603	602
Amortisation of intangible assets	419	459	91	87	104	115	113	118
Integration expenses	278	445	62	31	26	191	30	72
Other operating expenses	1,411	1,449	97	325	342	373	371	341
Operating expenses	2,108	2,353	90	443	472	679	514	531
Profit before credit loss expenses	338	-60	-	157	180	-88	89	71
Credit loss expenses	31	44	70	10	2	-11	30	30
Profit before tax	307	-104	-	147	178	-77	59	41
Profit before tax in local currency (£)	26	-9	-	12	16	-7	5	4
Loans and advances, end of period	58,803	58,442	101	58,803	60,845	60,677	56,070	58,442
Deposits, end of period	56,303	60,969	92	56,303	59,845	60,601	56,856	60,969
Risk-weighted items (avg.)	45,093	38,474	117	45,921	47,787	44,225	42,371	38,569
Allocated capital (avg.)	2,480	2,501	99	2,526	2,628	2,432	2,330	2,507
Profit before credit loss expenses as % p.a. of allocated capital	13.6	-2.4		24.9	27.4	-14.5	15.3	11.3
Pre-tax profit as % p.a. of allocated capital (ROE)	12.4	-4.2		23.3	27.1	-12.7	10.1	6.5
Cost/income ratio, %	86.2	102.6		73.8	72.4	114.9	85.2	88.2
Cost/income ratio, excl. total integration expenses, %	57.7	63.2		54.2	52.5	63.1	61.5	56.6

- Profit before credit loss expenses up DKr398m
- Pre-tax profit, excluding total integration expenses, of DKr1,004m, up from DKr800m in 2006
- Lending level unchanged
- Improved cost/income ratio, excluding total integration expenses
- Annual synergies of DKr299m realised since acquisition in 2005

The market in 2007

In 2007, Northern Ireland continued to enjoy favourable economic growth. The synergies from the successful integration, together with good economic growth, laid the foundation for a high return.

Market competition was fierce in 2007, putting lending margins under pressure. Banking Activities Northern Ireland is a market leader and has increased its business volume and market share of both lending and deposits since 2006.

Income

Income rose 7% on the level in 2006, reflecting good growth in lending and deposits.

Net interest income increased 8% as a result of the growth in lending and deposits and higher interest rates.

Operating expenses

Operating expenses fell 10%, primarily as a result of lower integration expenses. Voluntary severance settlements and natural attrition made the headcount at Northern Bank at the end of 2007 27% lower than at the acquisition in 2005.

In 2007, Banking Activities Northern Ireland realised annualised synergies of DKr117m. Since the acquisition, the Group has achieved annualised synergies of DKr299m, with full accounting effect from 2008. Operating expenses, excluding total integration expenses, declined 3%, primarily because of the realised cost synergies.

Apart from the amortisation of capitalised software, no further integration expenses are expected, and the synergies announced at the acquisition have now been fully realised.

The cost/income ratio, excluding total integration expenses, improved from 63.2% to 57.7%.

Credit loss expenses

The relatively modest credit loss expenses reflect the persistently high credit quality of the loan portfolio.

Lending

Lending, measured in local currency, rose 10% on the figure recorded at the end of 2006. Excluding short-term lending to the public sector, the increase was 23%.

Deposits

Deposits, measured in local currency, rose 1% on the figure recorded at the end of 2006. Excluding short-term deposits made by the public sector, the increase was 8%.

Branch network

In the fourth quarter of 2007, Northern Bank reopened the branch in its head office in Belfast. The premises were subject to extensive renovation during the summer, and the design is now in line with Danske Bank's branch concept.

The renovation has improved facilities for customers, and corporate and retail customer advisers now serve customers from the same location. The opening of this branch marked the end of a good year for Northern Bank with competitive, new products and state-of-the-art systems.

In the second half of 2007, Northern Bank opened a branch in London in the Danske Bank Group's existing offices. The Group has decided to transfer responsibility for the corporate customer activities of Danske Bank, London Branch, to Northern Bank, which serves both corporate and retail customers from its new branch. The opening of the London branch reflects the Group's wish to benefit from Northern Bank's business strength, product range and its presence within the UK banking sector.

Outlook for 2008

Economic growth in Northern Ireland is expected to remain favourable in 2008, although lower than in 2007. Together with realised synergies, this will provide a basis for a high and increasing return.

Banking Activities Ireland

Banking Activities Ireland encompasses the banking activities of National Irish Bank, which caters primarily to retail and corporate customers. Banking Activities Ireland has four regions with 64 branches and 608 employees.

BANKING ACTIVITIES IRELAND (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	1,194	918	130	325	317	288	264	258
Net fee income	182	133	137	48	41	55	38	34
Net trading income	67	61	110	16	13	23	15	19
Other income	12	6	200	4	2	3	3	2
Total income	1,455	1,118	130	393	373	369	320	313
Amortisation of intangible assets	102	102	100	26	25	26	25	26
Integration expenses	155	159	97	32	43	50	30	8
Other operating expenses	873	834	105	225	213	218	217	221
Operating expenses	1,130	1,095	103	283	281	294	272	255
Profit before credit loss expenses	325	23	-	110	92	75	48	58
Credit loss expenses	117	-3	-	61	28	20	8	-
Profit before tax	208	26	-	49	64	55	40	58
Profit before tax in local currency (€)	28	4	-	7	8	8	5	8
Loans and advances, end of period	69,433	51,250	135	69,433	66,732	63,465	56,482	51,250
Deposits, end of period	23,982	21,390	112	23,982	23,307	22,488	20,880	21,390
Risk-weighted items (avg.)	54,259	35,993	151	58,419	58,444	52,750	47,254	42,441
Allocated capital (avg.)	2,984	2,340	128	3,213	3,214	2,901	2,599	2,759
Profit before credit loss expenses as % p.a. of allocated capital	10.9	1.0		13.7	11.4	10.3	7.4	8.4
Pre-tax profit as % p.a. of allocated capital (ROE)	7.0	1.1		6.1	8.0	7.6	6.2	8.4
Cost/income ratio, %	77.7	97.9		72.0	75.3	79.7	85.0	81.5
Cost/income ratio, excl. total integration expenses, %	60.0	74.6		57.3	57.1	59.1	67.8	70.6

- Profit before credit loss expenses up DKr302m
- Profit before credit loss expenses, excluding integration expenses, up DKr298m
- Total income rose 30%
- Lending up 35%
- Annual synergies of DKr79m realised since acquisition in 2005

The market in 2007

In 2007, economic growth slowed in the Republic of Ireland. Yet economic growth was still good and generated strong demand for credit facilities among retail and corporate customers.

Strong competition resulted in continuing pressure on lending margins; however, growth in both lending and deposits more than compensated for the narrowing margins. National Irish Bank is a market challenger and has further increased its business volume since 2006.

At December 31, 2007, the market share of lending and deposits of Banking Activities Ireland was 4.8% and 3.3%, respectively, against 4.2% and 3.2% a year earlier.

Income

Income rose 30%, mainly because of the continuation of strong growth in deposits and lending as well as higher interest rates and larger fee income. Against this background, net interest income also grew 30%.

Net fee income increased 37%, and net trading income rose 10%, owing to higher cross-selling revenue, including wealth management income.

Operating expenses

Operating expenses increased 3%. Excluding total integration expenses, operating expenses rose 5% as realised synergies did not fully compensate for the costs associated with the expansion of the branch network and the higher level of activity. The cost/income ratio, excluding total integration expenses, improved from 74.6% to 60.0%.

Despite strong growth in lending and deposits since the acquisition in 2005, the headcount has declined by 18%. In 2007, Banking Activities Ireland realised annualised synergies of DKr41m. Since the acquisition, the Group has achieved annualised synergies of DKr79m, with full accounting effect from 2008.

Apart from the amortisation of capitalised software, no further integration expenses are expected, and the synergies announced at the acquisition have now been fully realised.

Credit loss expenses

In the fourth quarter of 2007, credit loss expenses rose as a result of a few large provisions. The credit quality of the loan portfolio remained high despite the economic slowdown.

Lending

Lending rose 35% on the figure recorded at the end of 2006. Lending to retail customers was up 34%, owing primarily to mortgage loans secured on properties with an average loan-to-value ratio of just below 55%. Lending to corporate customers grew 37%.

Deposits

Deposits increased 12%. Retail deposits rose 11%, while corporate deposits grew 14%.

Awards

National Irish Bank's home finance product, LTV Mortgage, was named "Best New Product launched since January 2006" at the MoneyMate and Investor Magazine Awards 2007. The award reflects the success of National Irish Bank's LTV Mortgage product.

National Irish Bank also won KPMG's "Award for Innovation". This award is considered one of the most prestigious.

Branch network

In 2007, National Irish Bank opened five new branches as part of the Group's growth strategy for Banking Activities Ireland.

National Irish Bank expects to open at least ten more branches in the coming years.

National Irish Bank is a branch

On April 1, 2007, National Irish Bank was converted from a subsidiary into a branch of Danske Bank. This means that the bank now has the same legal status as the units in Norway, Sweden, Poland, Germany and the UK.

Outlook for 2008

The slowdown in economic growth in the Republic of Ireland is expected to continue in 2008, although growth is still likely to outperform average European growth. Together with realised synergies, this will provide a basis for an increasing return.

Banking Activities Baltics

Banking Activities Baltics encompasses the Group's banking activities in Estonia, Latvia and Lithuania and serves all types of retail and corporate customers. Banking Activities Baltics has 44 branches and 1,304 employees.

BANKING ACTIVITIES BALTICS (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	573	324	177	182	158	145	88	104
Net fee income	132	84	157	43	37	32	20	26
Net trading income	66	117	56	22	22	13	9	40
Other income	15	14	107	4	2	6	3	4
Total income	786	539	146	251	219	196	120	174
Integration expenses	5	-	-	5	-	-	-	-
Other operating expenses	421	329	128	135	103	111	72	110
Operating expenses	426	329	129	140	103	111	72	110
Profit before credit loss expenses	360	210	171	111	116	85	48	64
Credit loss expenses	54	14	-	9	12	17	16	7
Profit before tax	306	196	156	102	104	68	32	57
Loans and advances, end of period	26,875	18,535	145	26,875	24,848	22,605	20,458	18,535
Deposits, end of period	11,557	8,704	133	11,557	10,512	9,153	8,994	8,704
Risk-weighted items (avg.)	22,237	14,662	152	24,181	22,831	21,808	20,076	17,668
Allocated capital (avg.)	1,223	953	128	1,330	1,256	1,199	1,104	1,148
Profit before credit loss expenses as % p.a. of allocated capital	32.1	24.0		33.4	37.0	28.3	26.1	22.3
Pre-tax profit as % p.a. of allocated capital (ROE)	27.3	22.4		30.7	33.1	22.7	17.4	19.9
Cost/income ratio, %	54.2	61.0		55.8	47.0	56.6	60.0	63.2
Cost/income ratio, excl. integration expenses, %	53.6	61.0		53.8	47.0	56.6	60.0	63.2

PROFIT BEFORE TAX (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Estonia	229	143	160	79	71	53	26	44
Latvia	5	2	-	2	3	2	-2	-
Lithuania	72	51	141	21	30	13	8	13
Total Banking Activities Baltics	306	196	156	102	104	68	32	57

Comparative figures include the Sampo Bank group as of February 2006.

- Profit before credit loss expenses up 71%
- Net interest income increased 77%
- Lending up 45%
- Banks will become branches and be rebranded in 2008

The market in 2007

The Baltic countries continued to enjoy considerable economic growth, but rising inflation and salaries led to increased concern about macroeconomic conditions. The markets started to slow down towards the end of 2007.

In Estonia, inflation rose as a result of credit-driven demand. The political situation in Latvia deteriorated in 2007, and in November the prime minister resigned. The Lithuanian economy was better balanced than the economies of Estonia and Latvia. A continuation of high credit growth caused concern, however. All three countries had balance of payments deficits in 2007.

At December 31, 2007, the market share of lending and deposits of Banking Activities Baltics was 6.2% and 4.5%, respectively, against 6.0% and 4.2% a year earlier.

Income

Income grew 46% due to a high level of activity.

The increase in net interest income of 77% was owing to growth in lending and a positive trend in deposit margins. Net fee income rose 57% as a result of good growth in the number of customer transactions.

Operating expenses

The increase in operating expenses of 29% was also attributable to the high level of activity as well as the expansion of the branch network by six new branches.

At the end of 2007, the Group began the gradual migration of Banking Activities Baltics to the shared IT platform. In 2007, however, integration expenses accounted for a relatively small share of total operating expenses as the integration process had just been initiated.

The cost/income ratio, excluding total integration expenses, improved from 61.0% to 53.6%.

Credit loss expenses

The rise in credit loss expenses reflects the loss on a single facility.

Lending

Lending grew 45% on the level at the end of 2006 and outperformed market growth. Lending to retail customers rose 58%, whereas lending to corporate customers increased 35%. Loans secured on real property accounted for 74% of total loans and advances.

Deposits

Deposits rose 33%. Retail deposits increased 17%, while corporate deposits grew 39%.

Rebranding

The three banks are expected to be rebranded with the Danske Bank Group's well-known logo in mid-2008. Two of the banks will assume the corporate brand name. From mid-2008, the three banks will market themselves under the names of Sampo Pank (Estonia), Danske Banka (Latvia) and Danske Bankas (Lithuania).

Outlook for 2008

In 2008, economic growth in the three Baltic countries is expected to slow down. Macroeconomic trends will affect the banks' risk appetite and credit policies. Growth and profit may also suffer if significant financial turbulence arises in the three countries. In 2008, the results of Banking Activities Baltics will be influenced by higher integration expenses as a result of the rebranding activities and preparations for the full migration process in 2009.

Other Banking Activities

Other Banking Activities comprises the activities of Nordania Leasing and the Group's banking activities in Germany and Poland. Other Banking Activities has 419 employees.

OTHER BANKING ACTIVITIES (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	554	504	110	136	142	140	136	141
Net fee income	101	86	117	24	24	24	29	19
Net trading income	64	42	152	18	22	16	8	12
Other income	1,669	1,430	117	508	341	398	422	402
Total income	2,388	2,062	116	686	529	578	595	574
Operating expenses	1,544	1,380	112	429	339	393	383	366
Profit before credit loss expenses	844	682	124	257	190	185	212	208
Credit loss expenses	266	-1	-	105	168	-7	-	-25
Profit before tax	578	683	85	152	22	192	212	233
Loans and advances, end of period	34,398	32,588	106	34,398	34,123	33,750	33,130	32,588
Deposits, end of period	4,474	3,586	125	4,474	4,324	4,304	3,513	3,586
Risk-weighted items (avg.)	41,300	38,350	108	42,006	40,993	41,137	41,057	39,387
Allocated capital (avg.)	2,272	2,493	91	2,310	2,255	2,263	2,258	2,560
Profit before credit loss expenses as % p.a. of allocated capital	37.2	27.4		44.5	33.7	32.7	37.6	32.5
Pre-tax profit as % p.a. of allocated capital (ROE)	25.4	27.4		26.3	3.9	33.9	37.6	36.4
Cost/income ratio, %	64.7	66.9		62.5	64.1	68.0	64.4	63.8

PROFIT BEFORE TAX (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Nordania Leasing	512	421	122	169	93	113	137	163
Germany	-13	224	-	-44	-96	66	61	62
Poland	79	38	208	27	25	13	14	8
Total Other Banking Activities	578	683	85	152	22	192	212	233

- Profit before credit loss expenses up 24%
- Total income rose 16%
- Lending up 6%
- Credit loss expenses owing to impairment of a few major facilities in Germany

Nordania
The pre-tax profit of Nordania increased 22%. The higher profit on new leases contributed to this increase, which exceeded growth in activity-based costs.

Germany and Poland
The Group's banking activities in Germany and Poland continued to see a positive trend, with an increase in profit before credit loss expenses of 26%.

The profit before credit loss expenses of the Group's banking activities in Germany grew 12%. The increase reflects good growth in lending and deposits and wider margins, which more than compensated for a modest 6% rise in expenses.

The profit before credit loss expenses of the Group's banking activities in Poland rose a full 208% on the 2006 figure. The large increase was owing primarily to increased net interest income resulting from high lending growth, which more than compensated for the pressure on margins.

Operating expenses
The operating expenses of Other Banking Activities saw a rise of 12% over the figure recorded for 2006. The increase was attributable primarily to an increase in activities.

Credit loss expenses

The credit loss expenses of Nordania amounted to DKr12m, against DKr7m in 2006. The credit loss expenses of the Group's banking activities in Germany stood at DKr254m, against a net positive entry of DKr8m in 2006. The negative trend was owing to the recognition of impairment charges against a few major facilities.

Outlook for 2008

Other Banking Activities expects a higher level of activity in 2008.

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 and the real-estate agency chain "home". Real-estate agency business is carried out through "home", which has 190 offices throughout the country. Mortgage Finance has 519 employees.

MORTGAGE FINANCE (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	3,913	3,621	108	1,037	998	943	935	967
Net fee income	-340	-234	-	-81	-92	-87	-80	-59
Net trading income	252	215	117	111	53	45	43	105
Other income	163	179	91	34	41	46	42	36
Total income	3,988	3,781	105	1,101	1,000	947	940	1,049
Operating expenses	1,192	1,176	101	308	284	304	296	301
Profit before credit loss expenses	2,796	2,605	107	793	716	643	644	748
Credit loss expenses	-10	-105	-	-21	17	8	-14	-19
Profit before tax	2,806	2,710	104	814	699	635	658	767
Mortgage loans, end of period	627,809	602,584	104	627,809	614,033	600,337	607,725	602,584
Risk-weighted items (avg.)	306,230	287,040	107	315,233	304,941	304,187	300,410	298,500
Allocated capital (avg.)	16,843	18,658	90	17,338	16,772	16,730	16,523	19,403
Profit before credit loss expenses as % p.a. of allocated capital	16.6	14.0		18.3	17.1	15.4	15.6	15.4
Pre-tax profit as % p.a. of allocated capital (ROE)	16.7	14.5		18.8	16.7	15.2	15.9	15.8
Cost/income ratio, %	29.9	31.1		28.0	28.4	32.1	31.5	28.7

- Profit before credit loss expenses up 7%
- Lending up 4% to DKr628bn
- Decline in gross lending growth
- Level of activity expected to remain unchanged in 2008

The market in 2007

The declining activity in the housing market towards the end of 2006 continued in 2007, when the slowdown became more noticeable and widespread.

Total gross lending fell 3% from the 2006 level. This fall should be seen in the light of a general rise in interest rates, which meant that interest rate-driven refinancing activity was very modest.

Prices of owner-occupied dwellings remained roughly unchanged at national level, but certain areas, especially the cities of Copenhagen and Aarhus, saw a decline. Owner-occupied flats recorded the biggest slowdown with a price drop at national level, primarily as a result of the trend in Copenhagen and Aarhus.

The slowdown also hit the market for residential rental property. Office and retail property continued to rise steadily in price, as did agricultural property, which benefited from the continued rise in land prices.

Sales of owner-occupied dwellings continued to fall in 2007. The number of single-family houses sold decreased 26% to 33,728, and the fall in sales of owner-occupied flats was 37%.

On October 1, 2007, Realkredit Danmark launched its new *RenteDyk*™ loan product. Demand for *RenteDyk*™ was modest in 2007, however.

Income

The 8% increase in net interest income reflected a rise in interest rates and higher administration margins due to a larger loan portfolio.

Net fee expenses rose DKr106m to DKr340m, owing primarily to an increase in portfolio-based fees charged by the Group's banking operations for mortgage loans arranged through them.

Operating expenses

Expenses remained roughly at the level recorded in 2006. Consequently, the cost/income ratio improved from 31.1% in 2006 to 29.9% in 2007.

Credit loss expenses

Credit loss expenses amounted to a net positive entry of DKr10m, against a net positive entry of DKr105m in 2006. The portfolio of mortgage loans continues to have moderate loan-to-value ratios.

Lending

In 2007, mortgage lending increased DKr25bn to DKr628bn. Gross lending amounted to DKr119bn in 2007, against DKr145bn the year before.

Closer co-operation with Danske Bank

To strengthen Realkredit Danmark's local presence in the housing market, the Group decided in the third quarter of 2007 to establish closer co-operation between Realkredit Danmark and Danske Bank Denmark. Private-market advisers now offer advice at 48 large Danske Bank branches, and corporate-market advisers serve customers out of Realkredit Danmark's ten corporate centres.

Local strategy

In 2007, Realkredit Danmark maintained its local strategy of playing a more active role in the local community. Realkredit Danmark awarded grants under its Smart Square Metres sponsorship initiative to educational institutions and companies that give special priority to "physical and functional settings that inspire learning, co-operation and new ideas".

Outlook for 2008

The level of mortgage finance activity in 2008 is expected to be largely unchanged from the level in 2007. With the launch of its *RenteDyk*™ loan, Realkredit Danmark expects to gradually increase its share of the market for loans that offer protection against rising interest rates.

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 with equity and debt issues 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 has 907 employees.

DANSKE MARKETS (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Total income	6,064	6,032	101	1,213	1,476	1,716	1,659	1,362
Operating expenses	2,630	2,195	120	681	585	690	674	511
Profit before credit loss expenses	3,434	3,837	89	532	891	1,026	985	851
Credit loss expenses	15	-54	-	10	-	-	5	-5
Profit before tax	3,419	3,891	88	522	891	1,026	980	856
Loans and advances, end of period	61,127	38,718	158	61,127	62,429	39,591	34,392	38,718
Risk-weighted items (avg.)	141,764	117,614	121	174,447	145,118	129,921	116,901	118,563
Allocated capital (avg.)	7,797	7,645	102	9,595	7,981	7,146	6,430	7,707
Profit before credit loss expenses as % p.a. of allocated capital	44.0	50.2		22.2	44.7	57.4	61.3	44.2
Pre-tax profit as % p.a. of allocated capital (ROE)	43.9	50.9		21.8	44.7	57.4	61.0	44.4
Cost/income ratio, %	43.4	36.4		56.1	39.6	40.2	40.6	37.5

TOTAL INCOME (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Trading activities	4,479	3,999	112	1,091	970	1,289	1,129	822
Proprietary trading	429	390	110	176	-31	-13	297	207
Investment portfolio	638	1,159	55	-203	415	310	116	209
Institutional banking	518	484	107	149	122	130	117	124
Total Danske Markets	6,064	6,032	101	1,213	1,476	1,716	1,659	1,362

Comparative figures include the Sampo Bank group as of February 2006.

- Satisfactory result despite turbulence in the financial markets in the second half of 2007
- Income rose 1%
- Level of activity expected to be high in 2008

The market in 2007

The financial markets were unusually turbulent in 2007. The first half of 2007 saw rising short-term interest rates and volatile equity markets. In the second half of 2007, an actual financial crisis developed. There was significant turbulence in the credit and liquidity markets that made the issuance of short- and long-term debt difficult.

The equity markets remained very volatile in the second half of 2007, and the Danish OMX C20 index saw an overall rise of 5.1% in 2007.

As a result of the volatility in the foreign-exchange, fixed-income and equity markets, Danske Markets experienced stronger demand for instruments to hedge risk, while demand for both Danish and non-Danish equities was in line with expectations. Investment customers became more cautious as the financial turbulence developed, however.

Danske Markets' activities

Danske Markets' activities in the Nordic region were strengthened through the Finnish markets activities of Sampo Bank. The result generated by Danske Markets in Finland was very satisfactory and leads to expectations for continued growth. Danske Markets also set up an equity trading and research department in Sweden, and growth and higher market share are expected also in this area. Danske Markets' activities in the Republic of Ireland also developed as expected.

Income

Income from trading activities rose 12% on the level in 2006 partly as a result of Corporate Finance's participation in a large number of mergers and acquisitions again during the year.

Income from proprietary trading rose 10% on the 2006 level. Danske Markets' proprietary trading positions are based primarily on pricing differences in the fixed-income markets, and in view of the trends in the fixed-income markets in 2007, the Group considers the result satisfactory.

Income from the investment portfolio was lower in 2007 than in 2006 as a result of the market trends and a reduction of the holdings of listed shares. The profit on sale of private equity investments amounted to DKr406m in 2007.

Income from institutional banking remained satisfactory. Drawings on a number of backup liquidity facilities provided by the Group's London branch raised income but also increased the capital requirement.

Operating expenses

Operating expenses rose 20% to DKr2,630m in 2007, reflecting primarily higher performance-based compensation and stronger activity.

Outlook for 2008

The high level of activity at Danske Markets is expected to continue in 2008. The turbulence in the capital markets will continue, and there are no signs of recovery yet. Against this background, market conditions will require investment strategy and risk management adjustments on an ongoing basis. This will affect Danske Markets' trading activities and investment portfolio in 2008.

Danske Capital

Danske Capital develops and sells asset management products and services that are offered through the Group's banking activities and directly to businesses, institutional clients and external distributors. Danske Capital supports the advisory services and asset management activities of the Group's banking activities, and, through Danske Bank International in Luxembourg, Danske Capital provides international private banking services to clients outside the Group's home markets. Danske Capital is represented in Denmark, Sweden, Norway, Finland, Estonia, Lithuania and Luxembourg and has 565 employees.

DANSKE CAPITAL (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Total income	1,961	1,800	109	517	487	499	458	566
Amortisation of intangible assets	34	-	-	8	11	9	6	-
Other operating expenses	864	759	114	231	226	209	198	230
Operating expenses	898	759	118	239	237	218	204	230
Profit before credit loss expenses	1,063	1,041	102	278	250	281	254	336
Credit loss expenses	-2	-178	-	-1	-	-1	-	-30
Profit before tax	1,065	1,219	87	279	250	282	254	366
Loans and advances, end of period	27,197	22,816	119	27,197	25,602	24,125	23,907	22,816
Deposits, end of period	8,836	8,109	109	8,836	8,900	8,888	8,307	8,109
Risk-weighted items (avg.)	13,289	9,981	133	14,437	13,480	12,728	12,487	11,225
Allocated capital (avg.)	731	649	113	794	741	700	687	730
Cost/income ratio, %	45.8	42.2		46.2	48.7	43.7	44.5	40.6
Cost/income ratio, excl. amortisation of intangible assets, %	44.1	42.2		44.7	46.4	41.9	43.2	40.6
Assets under management, DKr bn	623	634	98	623	639	640	639	634

Comparative figures include the Sampo Bank group as of February 2006.

- Profit before credit loss expenses up 2%
- Income rose 9%
- Positive business trends expected in 2008

The market in 2007

Danske Capital maintained its position on the Nordic asset management market in 2007. Danske Capital's market share of unit trust business in the Nordic countries was 11% at the end of 2007. Danske Capital held its strongest market positions in Denmark and Finland, with a market share of 33% and 19%, respectively.

Danske Capital's activities

Net sales totalled DKr10.0bn, with DKr4.7bn coming from products managed by Danske Capital's Asset Management unit. Sales of structured products amounted to DKr3.7bn in 2007, while sales of investment products offered by external providers totalled DKr1.6bn, reflecting the Group's aim of providing the best investment products.

The net sales of Danske Capital's Asset Management unit totalled DKr4.7bn and consisted of net sales to institutional clients of DKr7.3bn and net negative sales to retail customers of DKr2.6bn. The rise in sales to institutional clients reflects an increase in sales of equity-based products and solution products.

Flexinvest Fri, launched in October 2006, had net sales of DKr13.2bn in 2007, lifting its total capital invested to DKr15.8bn at the end of 2007.

Income

Danske Capital's income rose 9% to DKr1,961m, primarily as a result of an increase in revenue from the Asset Management unit. The non-Danish units accounted for 59% of total income.

Performance fees amounted to DKr44m in 2007, against DKr129m in 2006.

Operating expenses

Excluding amortisation of intangible assets, operating expenses grew 14%. This increase was due mainly to the expansion of activities outside Denmark, the hiring of staff and the increase in performance-based compensation.

Investment performance

In spite of turbulent securities markets, Danske Capital made satisfactory returns on investments in 2007. The unit trust business saw above-benchmark returns in 54% of the funds marketed in Denmark and internationally. In particular, eastern European and European shares delivered good returns. The returns on bond-based products were generally close to their benchmarks.

For a number of years, Danske Capital has generated satisfactory investment results, mainly because of its increased focus on the Group's principal markets combined with the outsourcing of products related to other markets.

Awards

In a customer survey conducted by Prospera Research AB in 2007, Danske Capital won first place among asset managers on the Danish market. In the survey, Danske Capital came in third on the Swedish market.

Outlook for 2008

Danske Capital expects the positive trend in its business to continue in 2008.

The focusing strategy pursued by the Asset Management unit in recent years – together with the integration of Danske Capital Finland – has strengthened Danske Capital's position on the Nordic and eastern European markets. In 2008, Danske Capital will sell more products through third-party distributors than in 2007. This will take place on markets where the Group is not represented. An increased focus on the sale of private banking services through Danske Bank International in Luxembourg is expected to have a positive effect on income in 2008.

Danica Pension

Danica Pension encompasses the Danske Bank Group's activities in the life insurance and pensions market. Danica Pension targets both personal and corporate customers. Products are marketed through a range of distribution channels within the Danske Bank Group, primarily Banking Activities' outlets and Danica Pension's insurance brokers and advisers. Danica offers two market-based products, Danica Balance *and* Danica Link*. These products allow customers to select their own investment profile, and the return on savings depends on market trends. Furthermore, Danica Pension offers* Danica Traditionel*. This product does not offer individual investment profiles, and Danica Pension sets the rate of interest on policyholders' savings. Danica Pension has 960 employees.*

DANICA PENSION (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Share of technical provisions, etc.	1,040	1,037	100	257	257	262	264	261
Unit-linked business	6	-53	-	14	12	-5	-15	-20
Health and accident business	-112	-101	-	-24	-31	-30	-27	-7
Return on investments	710	772	92	73	168	273	196	424
Financing result	-526	-300	-	-140	-137	-142	-107	-104
Net income from insurance business	1,118	1,355	83	180	269	358	311	554
Premiums, insurance contracts	17,135	16,232	106	4,912	3,926	3,932	4,365	4,800
Premiums, investment contracts	1,805	2,014	90	618	347	412	428	731
Technical provisions (avg.)	177,794	176,757	101	176,387	177,153	178,419	179,216	175,674
Allocated capital (avg.)	4,885	7,310	67	4,884	4,845	4,879	4,932	5,032
Net income as % p.a. of allocated capital	22.9	18.5		14.7	22.2	29.4	25.2	44.0

- Premiums up 4% to DKr18.9bn
- Premiums from market-based products rose 21%, now accounting for 58% of total new business
- Income from insurance business down 17%
- Rate of interest on policyholders' savings lifted to 5.5% at January 1, 2008

The trend in business activities was satisfactory in 2007, with an increase in premiums for market-based products of 21%, while premiums for *Danica Traditionel* fell 6%. Total premiums, including premiums for investment contracts, rose 4% to DKr18.9bn.

Market-based products accounted for 58% of new business in 2007. Nearly 100,000 customers had opted for market-based products at the end of 2007.

The market in 2007

In 2007, Danica maintained its position as the leading supplier of life and pension products on the Danish market. During the year, Danica further lowered the fees for *Danica Balance*, *Danica Link* and *Danica Traditionel*. The great success of the market-based products and a continuation of tight cost control were the main reasons for the lower fees.

Demand for health care insurance from businesses and employees is rising, and with some 131,000 customers, Danica is the leading supplier of health care insurance in Denmark.

Earnings

Net income from insurance business declined 17% to DKr1,118m in 2007. The decline was due mainly to rising interest rates and also to the raising of subordinated loan capital at the end of 2006. Excluding the return on investments and the financing result, net income from insurance business rose 6% to DKr934m, and net income as a percentage of allocated capital grew from 18.5 to 22.9.

The risk allowance, which is calculated as a share of technical provisions, remained at the 2006 level.

Unit-linked business improved in comparison with the 2006 result.

The health and accident result remained negative. The claims ratio for Danica Pension's Danish activities improved in 2007, but the combined ratio remained above 100%.

For more information about Danica Pension's profit policy and consolidation in the accounts of the Danske Bank Group, visit www.danskebank.com.

Danica's non-Danish activities

In Sweden, Danica Pension recorded growth in regular premiums, whereas single premiums fell as a result of amendments to the Swedish tax regulations to limit the tax deductibility of pension scheme contributions. Total premiums amounted to DKr1.3bn, against DKr1.6bn in 2006.

At the end of 2007, the Swedish operations were transferred from customer funds at Danica Pension to shareholders' equity. The transfer was recognised at its carrying amount plus goodwill of DKr400m and resulted in a decline in Danica Pension's shareholders' equity of DKr0.3bn after tax and an increase in the collective bonus potential of DKr0.4bn.

In Norway, Danica's business volume grew 16%, generating premium income of DKr0.6bn.

In 2007, Danica Pension established a company in the Republic of Ireland. The concession application has been submitted, and Danica Pension expects its new unit to begin sales activities in the first half of 2008.

Investment return

Danica Balance customers with a 75% equity allocation and a medium risk profile saw a return on savings of 2.8% in 2007, against 10.5% in 2006. *Danica Link* customers who chose *Danica Valg* with a medium risk profile received a return of 2.3%, against 5.3% in 2006.

The return on customer funds invested in *Danica Traditionel* was 1.1%, against 2.9% in 2006. The rise in interest rates caused Danica Pension's obligations to fall, allowing a reversal of some of the technical provisions previously made. The return on customer funds, including reversed provisions, stood at 4.4%. Given the market conditions and the chosen risk profile, the return was satisfactory.

The value of Danica's index-linked bonds fell about DKr1.3bn as a result of an amendment to the Danish Act on taxation of pension returns. The fall reduced the investment return by about 0.7%. In connection with the adoption of the amendment, certain policyholders were awarded financial compensation paid by the government for the change in the taxation of index-linked bonds and property. This compensation will be disbursed in 2008 in the form of an addition of about 1% to the interest rate added to their savings. The compensation has not been included in the 2007 result.

CUSTOMER FUNDS – DANICA TRADITIONEL

	Share (%)		Return (%)	
Holdings and returns	2007	2006	2007	2006
Real property	10	9	10.9	19.5
Bonds, etc.	66	68	-1.8	-2.1
Equities	24	23	5.7	15.0
Total	100	100	1.1	2.9

At the end of 2007, collective bonus potential amounted to DKr13.5bn, and the excess capital base totalled DKr12.8bn. This provided a high degree of protection for customer savings. A 30% fall in equity prices would have reduced the collective bonus potential by DKr10.9bn and shareholders' equity by DKr1.0bn. A decline in interest rates of 1.0 percentage point would have increased the bonus potential by DKr5.1bn and shareholders' equity by DKr0.1bn. In 2007, Standard & Poor's confirmed Danica's AA rating, keeping Danica among the highest rated pension companies in the Nordic region.

Outlook for 2008

The favourable trend in premiums for market-based products is expected to continue in 2008. Premiums are also expected to rise again in Sweden. From January 1, 2008, and until further notice, Danica Pension will apply a rate of interest on policyholders' savings of 5.5% after tax in 2008. In 2007, the rate was 4.5% after tax.

Net income from insurance business will depend on developments in the financial markets. With unchanged interest rates and a positive return on equity investments, it will be possible to book the risk allowance in full.

Other Areas

Other Areas encompasses unallocated cost of capital, expenses for the Group's support functions and real property activities. The area also includes the elimination of returns on own shares.

OTHER AREAS (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	-1,586	-927	-	-575	-461	-351	-199	-229
Net fee income	-381	-213	-	-104	-97	-121	-59	-65
Net trading income	239	-249	-	33	93	234	-121	-146
Other income	491	693	-	139	38	56	258	223
Total income	-1,237	-696	-	-507	-427	-182	-121	-217
Integration expenses	-	-	-	-	-	-54	54	-
Other operating expenses	464	-7	-	181	74	150	59	152
Operating expenses	464	-7	-	181	74	96	113	152
Profit before credit loss expenses	-1,701	-689	-	-688	-501	-278	-234	-369
Credit loss expenses	-	-1	-	-	-	1	-1	-2
Profit before tax	-1,701	-688	-	-688	-501	-279	-233	-367

PROFIT BEFORE TAX (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Cost of capital	-1,891	-960	-	-743	-513	-426	-209	-246
Own shares	278	-240	-	86	89	224	-121	-134
Real property	223	588	-	45	43	68	67	135
Others	-311	-76	-	-76	-120	-145	30	-122
Total Other Areas	-1,701	-688	-	-688	-501	-279	-233	-367

Comparative figures include the Sampo Bank group as of February 2006.

The pre-tax result of Other Areas amounted to a loss of DKr1,701m, against a loss of DKr688m in 2006.

The increase in the cost of capital was attributable to the acquisition of Sampo Bank. The hedging of the credit risk on a portfolio of mortgage loans by credit default swaps adversely affected net fee income by DKr378m in 2007 and DKr86m in 2006.

The financial turbulence in the second half of 2007 resulted in generally higher funding costs. The turbulence led to an estimated increase in costs of around DKr150m.

In 2007, the elimination of returns on own shares generated an income of DKr278m because of the decline in the price of Danske Bank shares. In the same period a year ago, the Group expensed DKr240m for the elimination of returns on own shares.

Furthermore, the decrease in the result reflects the value adjustment of real property.

The decline in Others was owing mainly to expenses incurred in 2007 which related to a reduction of the risk profile of the Group's non-Danish pension funds as well as to the closure of the Group's Norwegian pension fund, which made a positive contribution in 2006.

Quarterly financial highlights – Danske Bank Group

NET PROFIT FOR THE PERIOD (DKr m)	2007	2006	Index 07/06	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net interest income	24,260	22,610	107	6,252	6,231	6,053	5,724	6,204
Net fee income	8,788	8,877	99	2,226	2,166	2,214	2,182	2,351
Net trading income	7,887	7,280	108	1,694	1,990	2,310	1,893	1,632
Other income	3,010	2,952	102	872	586	679	873	887
Net income from insurance business	1,118	1,355	83	180	269	358	311	554
Total income	45,063	43,074	105	11,224	11,242	11,614	10,983	11,628
Operating expenses	25,070	22,640	111	6,574	5,966	6,663	5,867	6,107
Profit before credit loss expenses	19,993	20,434	98	4,650	5,276	4,951	5,116	5,521
Credit loss expenses	687	-484	-	427	255	183	-178	61
Profit before tax	19,306	20,918	92	4,223	5,021	4,768	5,294	5,460
Tax	4,436	5,549	80	659	1,344	961	1,472	1,271
Net profit for the period	14,870	15,369	97	3,564	3,677	3,807	3,822	4,189
Attributable to minority interests	57	79	72	-3	34	25	1	10

BALANCE SHEET (DKr m)	Dec. 31, 2007	Dec. 31, 2006	Index 07/06	Dec. 31, 2007	Sep. 30, 2007	June 30, 2007	Mar. 31, 2007	Dec. 31, 2006
Loans and advances	1,700,999	1,519,554	112	1,700,999	1,655,295	1,591,466	1,540,509	1,519,554
Repo loans	287,223	294,555	98	287,223	289,230	293,930	294,916	294,555
Trading portfolio assets	652,137	504,308	129	652,137	587,228	539,256	475,451	504,308
Investment securities	37,651	28,970	130	37,651	33,309	32,728	26,124	28,970
Assets under insurance contracts	190,223	194,302	98	190,223	192,893	194,564	195,069	194,302
Other assets	481,297	396,346	121	481,297	436,807	419,910	419,078	396,346
Total assets	3,349,530	2,938,035	114	3,349,530	3,194,762	3,071,854	2,951,147	2,938,035
Due to credit institutions and central banks	677,355	569,142	119	677,355	529,209	517,013	539,104	569,142
Deposits	798,274	693,142	115	798,274	796,808	762,356	680,007	693,142
Repo deposits	125,721	104,044	121	125,721	114,711	125,115	102,333	104,044
Issued mortgage bonds	518,693	484,217	107	518,693	489,926	485,650	483,066	484,217
Trading portfolio liabilities	331,547	240,304	138	331,547	342,458	281,413	271,281	240,304
Liabilities under insurance contracts	213,419	215,793	99	213,419	215,448	213,966	215,313	215,793
Other liabilities	521,141	479,896	109	521,141	548,269	531,471	504,235	479,896
Subordinated debt	59,025	56,325	105	59,025	56,583	57,391	62,120	56,325
Shareholders' equity	104,355	95,172	110	104,355	101,350	97,479	93,688	95,172
Total liabilities and equity	3,349,530	2,938,035	114	3,349,530	3,194,762	3,071,854	2,951,147	2,938,035

RATIOS AND KEY FIGURES	2007	2006		Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net profit for the period per share, DKr	21.7	-		5.2	5.3	5.5	5.6	-
Diluted net profit for the period per share, DKr	21.6	-		5.2	5.3	5.5	5.6	-
Net profit for the period as % p.a. of average shareholders' equity	15.1	-		13.9	14.7	15.8	15.9	-
Cost/income ratio, %	55.6	-		58.6	53.1	57.4	53.4	-
Solvency ratio, %	9.3	-		9.3	9.3	9.7	10.1	-
Core (tier 1) capital ratio, %	6.4	-		6.4	6.6	6.7	6.6	-
Risk-weighted items, end of year, DKr bn	1,313	-		1,313	1,260	1,194	1,137	-
Share price, end of year, DKr	199.8	-		199.8	212.3	226.0	259.5	-
Book value per share, DKr	152.7	-		152.7	148.3	142.5	136.7	-
Full-time-equivalent staff, end of period	23,632	-		23,632	23,670	23,535	23,650	-

Pro forma figures include the Sampo Bank group as of February 2006.

Significant accounting policies

The Danske Bank Group presents its consolidated accounts in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and approved by the EU and with relevant interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC). Furthermore, the consolidated accounts comply with the requirements for annual reports formulated by the Copenhagen Stock Exchange and the Danish FSA.

The Group has not changed its significant accounting policies from those followed in the Annual Report for 2006. The Annual Report 2007 contains a full description of the Group's significant accounting policies.

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 materially affect the Group's financial reporting.

Financial highlights

The calculation of capital allocated to the business areas is based on a rate of 5.5% as opposed to the rate of 6.5% applied before January 1, 2007. This change reduced net interest income generated by the Group's banking activities by DKr349m. This amount was booked as income under Other Areas.

Pro forma financial highlights

In November 2006, the Danske Bank Group entered into an agreement to buy all the shares of the Finnish Sampo Bank. The acquisition was approved on January 30, 2007, and effected on February 1, 2007, from which date the Sampo Bank group was consolidated in the accounts of Danske Bank.

For trend analysis purposes, the Management's report features pro forma comparative figures for 2006 that include the results of the Sampo Bank group as of February 1, 2006. Note 2 shows the effect of the consolidation.

The incorporation of the Sampo Bank group in the Management's report is based on the Sampo Bank group's annual report for 2006 prepared in accordance with the IFRSs. The presentation does not factor in amortisation of intangible assets, integration expenses, finance costs and other acquisition effects.

The Management's report comments on the results realised in 2007 relative to pro forma financial highlights for 2006, unless otherwise stated.

Income statement – Danske Bank Group

(DKr m)	2007	2006
Interest income	133,767	106,724
Interest expense	101,209	80,626
Net interest income	32,558	26,098
Fee income	12,431	9,616
Fee expenses	3,553	2,531
Net trading income	5,959	6,758
Other income	4,845	5,412
Net premiums	17,089	16,182
Net insurance benefits	23,523	23,641
Income from associated undertakings	285	389
Profit on sale of associated and subsidiary undertakings	-	157
Staff costs and administrative expenses	22,564	18,095
Amortisation and depreciation	3,534	2,344
Credit loss expenses	687	-496
Profit before tax	19,306	18,497
Tax	4,436	4,952
Net profit for the year	14,870	13,545
Portion attributable to:		
Shareholders of the Parent Company	14,813	13,557
Minority interests	57	-12
Net profit for the year	14,870	13,545
Net profit for the year per share, DKr	21.7	21.5
Diluted net profit for the year per share, DKr	21.6	21.4
Proposed dividend per share, DKr	8.50	7.75

Balance sheet – Danske Bank Group

(DKr m)	2007	2006
ASSETS		
Cash in hand and demand deposits with central banks	13,861	12,319
Due from credit institutions and central banks	345,959	275,268
Trading portfolio assets	652,137	490,954
Financial investment securities	37,651	26,338
Assets held for sale	59	1,796
Bank loans and advances	1,360,413	1,054,322
Mortgage loans	627,809	602,584
Assets under pooled schemes and unit-linked investment contracts	40,758	39,602
Assets under insurance contracts	190,223	194,302
Holdings in associated undertakings	1,128	971
Intangible assets	29,296	7,384
Investment property	4,904	3,914
Tangible assets	9,312	7,854
Current tax assets	690	63
Deferred tax assets	635	440
Other assets	34,695	21,250
Total assets	3,349,530	2,739,361
LIABILITIES		
Due to credit institutions and central banks	677,355	564,549
Trading portfolio liabilities	331,547	236,524
Liabilities held for sale	-	888
Deposits	923,995	702,943
Issued mortgage bonds	518,693	484,217
Deposits under pooled schemes and unit-linked investment contracts	50,260	46,983
Liabilities under insurance contracts	213,419	215,793
Other issued bonds	402,391	293,736
Current tax liabilities	1,142	517
Deferred tax liabilities	3,397	1,889
Other liabilities	63,951	47,199
Subordinated debt	59,025	48,951
Total liabilities	3,245,175	2,644,189
SHAREHOLDERS' EQUITY		
Share capital	6,988	6,988
Foreign currency translation reserve	-30	9
Proposed dividends	5,940	5,416
Profit brought forward	91,325	82,713
Shareholders of the Parent Company	104,223	95,126
Minority interests	132	46
Total shareholders' equity	104,355	95,172
Total liabilities and equity	3,349,530	2,739,361

Capital – Danske Bank Group

(DKr m)

Changes in shareholders' equity	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, 2007	6,988	9	5,416	82,713	95,126	46	95,172
Translation of foreign units	-	-767	-	-	-767	-	-767
Foreign unit hedges	-	728	-	-	728	-	728
Transfer to collective bonus under insurance contracts	-	-	-	-400	-400	-	-400
Tax on entries on shareholders' equity	-	-	-	196	196	-	196
Net gains not recognised in the income statement	-	-39	-	-204	-243	-	-243
Net profit for the year	-	-	-	14,813	14,813	57	14,870
Total income	-	-39	-	14,609	14,570	57	14,627
Dividends paid	-		-5,416	100	-5,316		-5,316
Proposed dividends	-		5,940	-5,940	-		-
Acquisition of own shares	-		-	-33,459	-33,459		-33,459
Sale of own shares	-		-	33,132	33,132		33,132
Share-based payment	-		-	170	170		170
Addition of minority interests	-	-	-	-	-	29	29
Shareholders' equity at December 31, 2007	6,988	-30	5,940	91,325	104,223	132	104,355
Shareholders' equity at January 1, 2006	6,383	-12	6,383	61,709	74,463	47	74,510
Adjustment of accounting policies for unit-linked insurance contracts	-	-	-	-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	-	171	-	-	171	-	171
Foreign unit hedges	-	-150	-	-	-150	-	-150
Tax on entries on shareholders' equity	-	-	-	-18	-18	-	-18
Net gains not recognised in the income statement	-	21	-	-18	3	-	3
Net profit for the year	-	-	-	13,557	13,557	-12	13,545
Total income	-	21	-	13,539	13,560	-12	13,548
Dividends paid	-	-	-6,383	129	-6,254	-	-6,254
Proposed dividends	-	-	5,416	-5,416	-	-	-
Increase in share capital	605	-	-	14,066	14,671	11	14,682
Expenses for increase in share capital	-	-	-	-132	-132	-	-132
Acquisition of own shares	-	-	-	-19,926	-19,926	-	-19,926
Sale of own shares	-	-	-	19,001	19,001	-	19,001
Share-based payment	-	-	-	164	164	-	164
Shareholders' equity at December 31, 2006	6,988	9	5,416	82,713	95,126	46	95,172

Capital – Danske Bank Group

(DKr m)	2007	2006
Solvency		
Shareholders' equity	104,355	95,172
Revaluation of domicile property	1,873	1,342
Pension obligations at fair value	381	34
Tax effect	-101	8
Minority interests	3,017	3,001
Shareholders' equity according to the rules of the Danish FSA	109,525	99,557
Proposed dividends	-5,940	-5,416
Intangible assets of banking business	-29,411	-7,504
Deferred tax assets	-499	-617
Deferred tax on intangible assets	1,464	167
Revaluation of real property	-1,602	-988
Core (tier 1) capital, excluding hybrid core capital	73,537	85,199
Hybrid core capital	12,977	11,419
Statutory deduction for insurance subsidiaries	-2,230	-
Other statutory deductions	-18	-
Core (tier 1) capital	84,266	96,618
Subordinated debt, excluding hybrid core capital	34,714	34,707
Hybrid core capital	3,477	-
Revaluation of real property	1,602	988
Statutory deduction for insurance subsidiaries	-2,230	-4,297
Other statutory deductions	-18	-37
Capital base	121,811	127,979
Risk-weighted items		
Not included in trading portfolio	1,211,438	1,047,353
With market risk in trading portfolio	101,468	71,637
Total risk-weighted items	1,312,906	1,118,990
Core (tier 1) capital ratio, excluding hybrid core capital, %	5.60	7.61
Core (tier 1) capital ratio, %	6.42	8.63
Solvency ratio, %	9.28	11.44

Solvency for 2006 is calculated in accordance with the rules of the Danish FSA in force at that time.

Cash flow statement – Danske Bank Group

(DKr m)	2007	2006
Cash flow from operations		
Profit before tax	19,306	18,497
Adjustment for non-liquid items in the income statement		
Adjustment of income from associated undertakings	-285	-389
Amortisation and impairment of intangible assets	1,643	813
Depreciation and impairment of tangible assets	1,712	1,340
Credit loss expenses	687	-496
Tax paid	-4,318	-4,783
Other non-cash items	759	1,589
Total	19,504	16,571
Cash flow from operating capital		
Cash in hand and demand deposits with central banks	109,683	81,539
Trading portfolio	-55,495	-21,951
Other financial instruments at fair value	-10,312	2,374
Assets held for sale	1,738	-1,796
Bank loans and advances	-148,399	-224,223
Mortgage loans	-25,225	-33,492
Deposits	129,105	71,759
Liabilities held for sale	-888	888
Issued mortgage bonds	34,476	45,542
Assets/liabilities under insurance contracts	1,705	-2,494
Other assets/liabilities	44,755	45,366
Cash flow from operations	100,647	-19,917
Cash flow from investing activities		
Acquisition of subsidiary undertakings and other business units	-19,579	-59
Sale of subsidiary undertakings and other business units	-	157
Acquisition of own shares	-33,459	-19,926
Sale of own shares	33,302	19,165
Acquisition of intangible assets	-642	-471
Acquisition of tangible assets	-3,629	-2,234
Sale of tangible assets	58	505
Cash flow from investing activities	-23,949	-2,863
Cash flow from financing activities		
Increase in subordinated debt and hybrid core capital	5,555	8,534
Repayment of subordinated debt and hybrid core capital	-3,306	-1,897
Dividends	-5,316	-6,254
Increase in share capital	-	14,539
Change in minority interests	86	-1
Cash flow from financing activities	-2,981	14,921
Cash and cash equivalents, beginning of year	264,610	272,469
Change in cash and cash equivalents	62,447	-7,859
Acquisition/sale of business units	11,270	-
Cash and cash equivalents, end of year	338,327	264,610
Cash and cash equivalents, end of year		
Cash in hand and demand deposits with central banks	13,861	12,319
Deposits with credit institutions and central banks with terms shorter than 3 months	324,466	252,291
Total	338,327	264,610

Segment reporting – Danske Bank Group

(DKr m)

Business segments, 2007

	Banking Activities	Mortgage Finance	Danske Markets	Danske Capital	Danica Pension	Others	Total	Reclassi- fication	Highlights
Interest income	64,656	29,162	86,097	1,512	7,010	-54,670	133,767		
Interest expense	42,934	25,249	83,543	1,301	1,493	-53,311	101,209		
Net interest income	21,722	3,913	2,554	211	5,517	-1,359	32,558	-8,298	24,260
Net fee income	7,807	-340	758	1,702	-668	-381	8,878	-90	8,788
Net trading income	1,279	252	2,483	53	1,880	12	5,959	1,928	7,887
Other income	2,350	163	11	4	1,837	480	4,845	-1,835	3,010
Net premiums	-	-	-	-	17,089	-	17,089	-17,089	-
Net insurance benefits	-	-	-	-	23,523	-	23,523	-23,523	-
Income from equity investments	11	-	258	-9	14	11	285	-285	-
Net income from insurance business	-	-	-	-	-	-	-	1,118	1,118
Total income	33,169	3,988	6,064	1,961	2,146	-1,237	46,091	-1,028	45,063
Operating expenses	19,886	1,192	2,630	898	1,028	464	26,098	-1,028	25,070
Credit loss expenses	684	-10	15	-2	-	-	687	-	687
Profit before tax	12,599	2,806	3,419	1,065	1,118	-1,701	19,306	-	19,306
Loans and advances, excluding reverse transactions	1,004,397	628,142	61,127	27,192	-	-19,859	1,700,999	-	1,700,999
Other assets	318,449	65,410	4,237,159	14,237	235,502	-3,222,226	1,648,531	-	1,648,531
Total assets	1,322,846	693,552	4,298,286	41,429	235,502	-3,242,085	3,349,530	-	3,349,530
Deposits, excluding repo deposits	607,013	-	182,081	8,836	-	344	798,274	-	798,274
Other liabilities	669,621	676,709	4,108,408	31,862	230,617	-3,270,316	2,446,901	-	2,446,901
Allocated capital	46,212	16,843	7,797	731	4,885	27,887	104,355	-	104,355
Total liabilities and equity	1,322,846	693,552	4,298,286	41,429	235,502	-3,242,085	3,349,530	-	3,349,530
Internal income	12,337	1,927	17,401	794	1,644	-34,103	-		
Capital expenditure	20,607	7	1,167	2,018	13	3,336	27,148		
Non-cash operating items	-3,398	-374	1,654	-113	14	-2,299	-4,516		
Amortisation and depreciation	2,585	9	13	40	-	887	3,534		
Impairment charges	-	1	-	-	-	19	20		
Reversal of impairment charges	-	-	-	-	-	69	69		
Profit before tax as % of allocated capital (avg.)	27.3	16.7	43.9	145.7	22.9	-	18.5		
Cost/income ratio, %	60.0	29.9	43.4	45.8	47.9	-	56.6		
Risk-weighted items (avg.)	840,213	306,230	141,764	13,289	12,287	-105,910	1,207,873		
Full-time-equivalent staff (avg.)	13,726	675	881	545	934	6,855	23,616		

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 aggregates the profit contributions.

Segment reporting – Danske Bank Group

(DKr m)

Business segments, 2006

	Banking Activities	Mortgage Finance	Danske Markets	Danske Capital	Danica Pension	Others	Total	Reclassi-fication	Pro forma adjustment	Pro forma Highlights
Interest income	38,338	24,778	71,961	937	5,702	-34,992	106,724			
Interest expense	21,723	21,157	71,351	770	-68	-34,307	80,626			
Net interest income	16,615	3,621	610	167	5,770	-685	26,098	-6,597	3,109	22,610
Net fee income	6,586	-234	491	1,158	-707	-209	7,085	216	1,576	8,877
Net trading income	1,050	215	4,102	80	1,777	-466	6,758	-127	649	7,280
Other income	1,827	179	2	-	2,748	656	5,412	-2,714	254	2,952
Net premiums	-	-	-	-	16,182	-	16,182	-16,182	-	-
Net insurance benefits	-	-	-	-	23,641	-	23,641	-23,641	-	-
Income from equity investments	3	-	330	-4	180	37	546	-546	-	-
Net income from insurance business	-	-	-	-	-	-	-	1,355	-	1,355
Total income	26,081	3,781	5,535	1,401	2,309	-667	38,440	-954	5,588	43,074
Operating expenses	15,758	1,176	1,950	608	954	-7	20,439	-954	3,155	22,640
Credit loss expenses	-158	-105	-54	-178	-	-1	-496	-	12	-484
Profit before tax	10,481	2,710	3,639	971	1,355	-659	18,497	-	2,421	20,918
Sampo Bank group	1,950	-	252	248	-	-29	2,421	-	-2,421	-
Profit before tax (pro forma)	12,431	2,710	3,891	1,219	1,355	-688	20,918	-	-	20,918
Loans and advances, excluding reverse transactions	704,403	603,019	38,714	22,809	-	-6,594	1,362,351	-	157,203	1,519,554
Other assets	286,453	60,254	3,096,670	12,735	236,157	-2,315,259	1,377,010	-	41,471	1,418,481
Total assets	990,856	663,273	3,135,384	35,544	236,157	-2,321,853	2,739,361	-	198,674	2,938,035
Deposits, excluding repo deposits	461,544	-	131,199	8,110	-	-1,954	598,899	-	94,243	693,142
Other liabilities	490,716	644,615	2,996,754	26,800	228,847	-2,342,442	2,045,290	-	104,431	2,149,721
Allocated capital	38,596	18,658	7,431	634	7,310	22,543	95,172	-	-	95,172
Total liabilities and equity	990,856	663,273	3,135,384	35,544	236,157	-2,321,853	2,739,361	-	198,674	2,938,035
Intra-group income	7,443	1,060	7,544	796	1,670	-18,513	-			
Capital expenditure	192	9	-	-	58	2,139	2,398			
Non-cash operating items	-1,051	-1,208	3	148	451	-1,200	-2,857			
Amortisation and depreciation	1,740	7	6	4	-	587	2,344			
Impairment charges	-	-	-	-	-	12	12			
Reversal of impairment charges	-	-	-	-	-	204	204			
Profit before tax as % of allocated capital (avg.)	27.2	14.5	49.0	153.1	18.5	-	19.4			
Cost/income ratio, %	60.4	31.1	35.2	43.4	41.3	-	53.2			
Risk-weighted items (avg.)	593,791	287,040	114,329	9,756	8,379	-10,603	1,002,692			
Full-time-equivalent staff (avg.)	11,616	759	732	342	875	4,920	19,244			

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 aggregates the profit contributions. Pro forma highlights include the Sampo Bank group's actual figures as of February 2006. The effect of this restatement is shown in the Pro forma adjustment column.

Supplementary information

Conference call

Danske Bank will hold a press conference and a conference call upon the presentation of its annual report on January 31, 2008. The press conference is scheduled for 2.00pm CET and the conference call for 4.30pm CET. The conference call is transmitted live at www.danskebank.com/ir.

Financial calendar

Danske Bank plans to release its financial reports in 2008 on the following dates:

- First quarter report for 2008: April 29, 2008
- Half-year report for 2008: August 7, 2008
- Nine-month report for 2008: October 28, 2008

The annual general meeting of Danske Bank is scheduled for Tuesday, March 4, 2008.

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