
FINANCIAL RESULTS 2008

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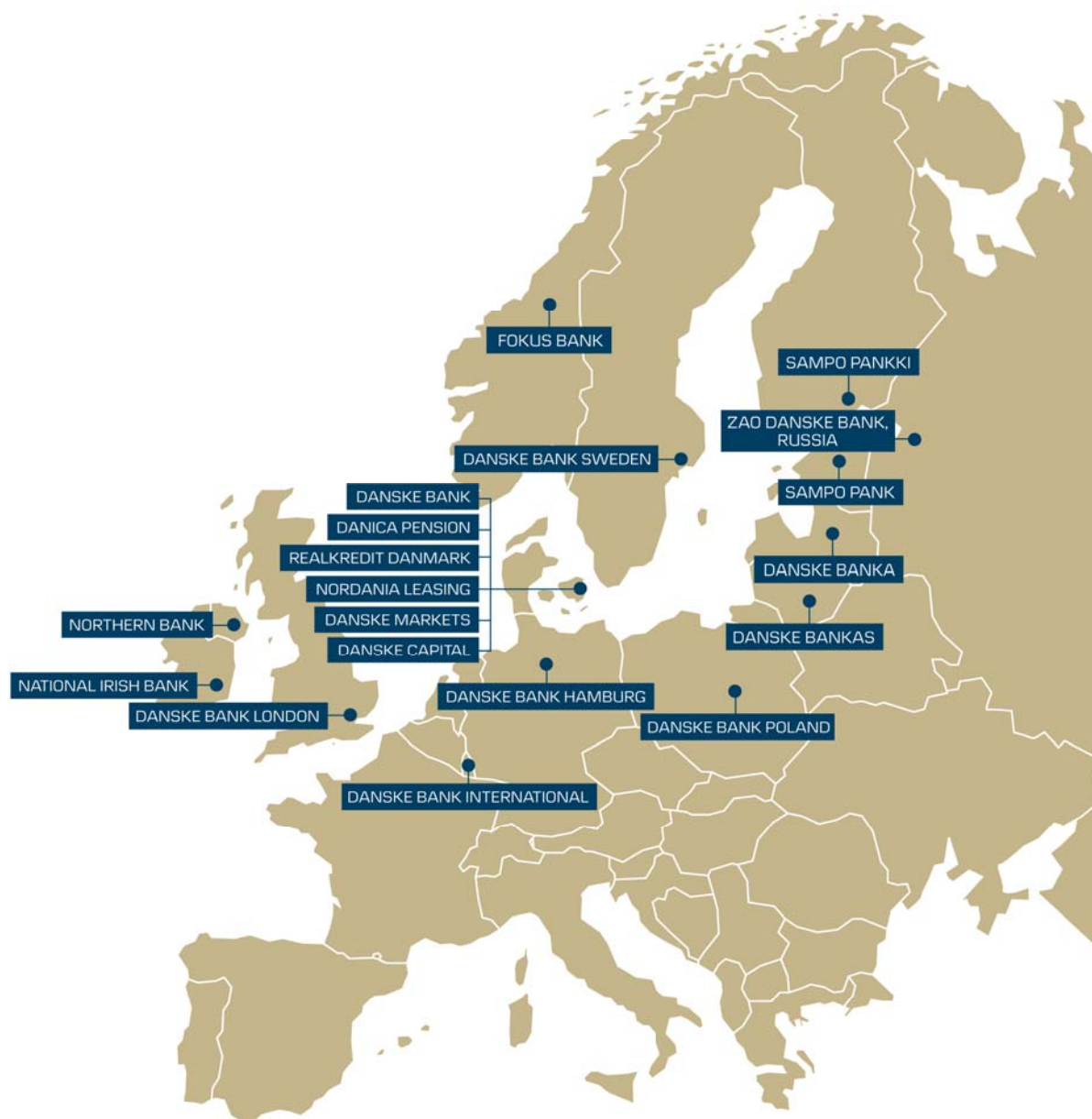
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Announcement of Financial Results 2008 is a translation of the original announcement in the Danish language (Årsregnskabsmeddelelse 2008). In case of discrepancies, the Danish version prevails.



Financial highlights – Danske Bank Group

INCOME STATEMENT (DKr m)	2008	2007	Index 08/07	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Net interest income	27,005	24,391	111	7,365	6,739	6,665	6,236	6,320
Net fee income	8,110	9,166	88	1,944	1,895	2,058	2,213	2,330
Net trading income	6,076	7,378	82	2,190	368	2,160	1,358	1,522
Other income	3,585	3,010	119	940	677	931	1,037	872
Net income from insurance business	-1,733	1,118	-	-403	-493	-272	-565	180
Total income	43,043	45,063	96	12,036	9,186	11,542	10,279	11,224
Operating expenses	28,726	25,070	115	9,964	5,829	6,610	6,323	6,574
Profit before loan impairment charges	14,317	19,993	72	2,072	3,357	4,932	3,956	4,650
Loan impairment charges	12,088	687	-	9,199	1,775	572	542	427
Profit before tax	2,229	19,306	12	-7,127	1,582	4,360	3,414	4,223
Tax	1,193	4,436	27	-1,242	468	1,120	847	659
Net profit for the period	1,036	14,870	7	-5,885	1,114	3,240	2,567	3,564
Attributable to minority interests	25	57	44	9	14	1	1	-3

BALANCE SHEET (END OF PERIOD)

(DKr m)	2008	2007	Index	2008	2008	2008	2008	2007
Due from credit institutions and central banks	215,823	345,959	62	215,823	364,847	378,895	350,673	345,959
Loans and advances	1,785,323	1,700,999	105	1,785,323	1,787,844	1,745,803	1,720,372	1,700,999
Repo loans	233,971	287,223	81	233,971	252,957	247,660	274,406	287,223
Trading portfolio assets	860,788	652,137	132	860,788	747,052	756,536	710,982	652,137
Investment securities	140,793	37,651	374	140,793	44,488	46,085	42,685	37,651
Assets under insurance contracts	181,259	190,223	95	181,259	183,908	183,226	186,912	190,223
Other assets	126,017	135,338	93	126,017	134,755	133,570	157,375	135,338
Total assets	3,543,974	3,349,530	106	3,543,974	3,515,851	3,491,775	3,443,405	3,349,530
Due to credit institutions and central banks	562,726	677,355	83	562,726	744,068	648,939	597,007	677,355
Deposits	800,297	798,274	100	800,297	790,745	872,373	871,144	798,274
Repo deposits	74,393	125,721	59	74,393	118,615	106,994	133,990	125,721
Bonds issued by Realkredit Danmark	479,534	518,693	92	479,534	480,521	488,593	502,538	518,693
Other issued bonds	526,606	402,391	131	526,606	493,890	462,089	436,305	402,391
Trading portfolio liabilities	623,290	331,547	188	623,290	407,304	427,848	431,795	331,547
Liabilities under insurance contracts	210,988	213,419	99	210,988	206,976	209,123	211,669	213,419
Other liabilities	110,033	118,750	93	110,033	109,988	114,682	100,003	118,750
Subordinated debt	57,860	59,025	98	57,860	57,597	56,329	57,830	59,025
Shareholders' equity	98,247	104,355	94	98,247	106,147	104,805	101,124	104,355
Total liabilities and equity	3,543,974	3,349,530	106	3,543,974	3,515,851	3,491,775	3,443,405	3,349,530

RATIOS AND KEY FIGURES

Earnings per share (DKr)	1.5	21.7	-8.6	1.6	4.7	3.7	5.2
Diluted earnings per share (DKr)	1.5	21.6	-8.6	1.6	4.7	3.7	5.2
Return on average shareholders' equity p.a. (%)	1.0	15.1	-23.1	4.2	12.6	9.8	13.9
Cost/income ratio (%)	66.7	55.6	82.8	63.5	57.3	61.5	58.6
Solvency ratio (%)	13.0	9.3	13.0	13.9	14.1	13.6	9.3
Core (tier 1) capital ratio (%)	9.2	6.4	9.2	10.0	10.0	9.5	6.4
Share price (end of period) (DKr)	52.0	199.8	52.0	124.8	137.0	174.3	199.8
Book value per share (DKr)	142.4	152.7	142.4	154.3	152.8	147.5	152.7
Full-time-equivalent staff (end of period)	23,624	23,632	23,624	23,808	23,849	23,719	23,632

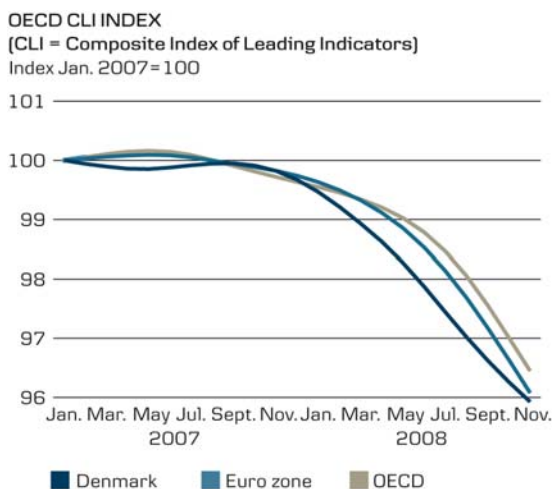
Figures include the Sampo Bank group as of February 2007. As of 2008, the solvency and core (tier 1) capital ratios are calculated in accordance with the CRD.

Overview

- In 2008, the capital markets were subject to tremendous turbulence, with sharply falling equity prices, substantially wider credit spreads, frozen money markets and decelerating economic growth. The negative market trends were particularly extreme in the fourth quarter. Developments in January 2009 further illustrated the scope of the economic and financial setback in the fourth quarter of 2008.
- The turmoil in the capital markets and the general economic slowdown naturally had a severely adverse effect on the Danske Bank Group's 2008 results, and they also affect the outlook for 2009.
- Net profit was Dkr1.0bn, against Dkr14.9bn in 2007, and thus below the estimate presented with the interim report for the first nine months of 2008.
- Earnings reflect individual loan impairment charges of Dkr8.8bn. In addition, the negative trend, which continued into January 2009, prompted the Group to make collective impairment charges of Dkr3.3bn on its loan portfolio and goodwill impairment charges of Dkr3.1bn, primarily against National Irish Bank, Ireland. The unsatisfactorily high level of impairment charges was the result of the financial crisis, declining asset values and the economic slowdown in the Group's markets.
- The turbulence in the financial markets was especially detrimental to the performance of the Group's market-related activities – in Danske Markets, Danske Capital and Danica Pension. Together they recorded a decline in profit before loan impairment charges of Dkr4.8bn.
- The Group's main source of income – its banking activities – proved robust and generated satisfactory results.
- Danske Bank chose to participate in the guarantee scheme set up by the Danish state to protect customer deposits and creditors' claims against banks. The scheme took effect on October 5, 2008, and expires on September 30, 2010. It includes an unconditional state guarantee for the obligations of Danish banks, except for subordinated debt and covered bonds.
- Excluding the guarantee commission payable to the Danish state and goodwill impairment charges, expenses matched the level in 2007, which was better than expected. Expenses for the state guarantee amounted to Dkr0.6bn.
- At the end of 2008, the core (tier 1) capital ratio had increased to 9.2%, and the solvency ratio to 13.0%.
- The Group was able to meet its liquidity targets throughout the year.
- The financial results in 2009 will depend on macroeconomic conditions in the Group's principal markets and trends in the capital markets. The Group expects the level of loan impairment charges to remain high in 2009, reflecting the general economic climate, although it believes that the turbulent conditions in the fourth quarter of 2008 were extraordinary.
- On February 3, 2009, the Danish parliament passed a bill which allows Danish credit institutions that meet the regulatory solvency requirement to apply to the Danish state for subordinated loan capital in the form of hybrid core capital. The Board of Directors will propose to the general meeting that the Board of Directors be authorised to apply for and let the Group receive subordinated loan capital from the Danish state. The Group expects to receive subordinated loan capital of about Dkr26bn. The Group believes that such subordinated loan capital will further strengthen its capital base and enable it to withstand the losses that will inevitably occur during the coming recession while maintaining reasonable lending activities. At December 31, 2008, such a capital injection would raise the Group's core capital ratio further to around 12% and its solvency ratio to around 16%.
- The financial crisis, integration projects and rationalisations have led to a fall in activity, affecting head office departments and support functions. As part of its efforts to reduce costs, the Group will therefore cut staff by around 350.
- Robust banking activities, the needed widening of interest margins in 2008, tight cost control and a continuing, strong focus on risk, liquidity and capital management give the Group a good foundation for the future.

Summary

In 2008, the capital markets were subject to tremendous turbulence. In the second half of the year, the situation worsened and developed into a profound distrust of the international financial system. The result of the financial and economic collapse was economic recession in many of the Group's markets. The negative market trends were particularly extreme in the fourth quarter. Developments in January 2009 further illustrated the scope of the economic and financial setback in the fourth quarter of 2008.



The intense unrest led to a generally more difficult business environment, sharply falling equity prices, substantially wider credit spreads and decelerating economic growth. To restore confidence in the financial system, several countries launched support packages in the autumn; in Denmark, a state guarantee was set up to protect customer deposits and creditors' claims against banks.

The crisis led to bankruptcies and meltdowns in the financial sector worldwide. Several financial institutions in both the US and Europe were merged or taken over, in many cases through government intervention. The measures introduced by governments varied, with increased depositor guarantees, state guarantees to protect claims against banks, capital injections and widely expanded central bank funding facilities among the most common features. Nevertheless, the financial sector both in Denmark and abroad remains under considerable pressure.

In the autumn of 2008, the most important global players introduced a number of measures to ease the situation in the financial markets and the money markets. In spite of expansionary financial initiatives, including substantial interest rate cuts, the Group expects to see modest economic growth or even economic contraction in its principal markets.

The turmoil in the capital markets and the general economic slowdown naturally had a severely adverse

effect on the Danske Bank Group's 2008 results and also affect the outlook for 2009.

Robust banking activities, the needed widening of interest margins in 2008, tight cost control and a continuing, strong focus on risk, liquidity and capital management give the Group a good foundation for the future.

The year 2008

The Group posted a net profit of Dkr1.0bn for 2008, against Dkr14.9bn in 2007.

The Group's main source of income – its banking activities – proved robust.

The performance of market-related activities – in Danske Markets, Danske Capital and Danica Pension – was greatly affected by the turmoil in the financial markets, and the Group's insurance operations posted a capital loss on its holdings of mortgage bonds. The Group does not believe that the unrealised loss on mortgage bonds was caused by the underlying credit quality.

Income from the trading activities of Danske Markets showed a satisfactory increase, as the volatile capital markets generated strong demand among corporate and institutional clients for products to hedge interest and exchange rate risks.

Excluding the guarantee commission payable to the Danish state and goodwill impairment charges, operating expenses were lower than expected: general increases in wages and prices and the expansion of activities were offset by lower total integration expenses and by realised synergies. In view of the current situation, the Group decided to significantly reduce bonus payments. Bonus payments to the Executive Board were cancelled.

Ireland's economy deteriorated throughout 2008, taking a drastic turn for the worse in the fourth quarter, with a falling GDP, declining house prices and rising unemployment. Until the autumn of 2008, National Irish Bank's financial results had matched the Group's expectations upon the acquisition in 2005. In view of the sharp slowdown in the Irish economy, forecasts now call for significantly lower growth and a period of higher loan impairment charges. The revised earnings estimate led to a goodwill impairment charge of Dkr2.9bn against National Irish Bank.

The Group also made a goodwill impairment charge of Dkr0.2bn against Krogsveen, its Norwegian real-estate agency chain, to reflect the negative trend in the Norwegian property market.

The goodwill impairment charges for National Irish Bank and Krogsveen did not affect the Group's solvency ratio because intangible assets had already been deducted from its core (tier 1) capital.

The markets in which the Group operates thus saw a sharp downturn in 2008, resulting in substantial loan impairment charges that significantly exceeded forecasts. This led to accelerating impairment charges on loans to financial counterparties and corporate customers. Furthermore, the Group made a collective impairment charge in response to the accelerating fall in asset values and tighter liquidity, and a provision for the loss guarantee to the Danish state.

Impairment charges for loans extended to personal customers were modest in 2008.

Because of the challenges within the credit area at National Irish Bank, the Group reorganised a number of credit and business development functions. Moreover, Danske Markets reorganised its proprietary trading activities after the recognition of significant negative value adjustments of positions taken.

Liquidity

Despite the difficult market conditions, the Group met its targets for short-term liquidity mainly through stable deposits and large liquid bond holdings, which can be used as collateral for loan facilities with central banks. By the end of 2008, the international debt markets had become more accessible, partly because of the introduction of financial support packages.

Together with most other Danish banks, Danske Bank chose to participate in the guarantee scheme set up by the Danish state. The scheme took effect on October 5, 2008, and expires on September 30, 2010. It includes an unconditional state guarantee for deposits with and claims on Danish banks, except for subordinated debt and covered bonds.

The Danish state charges an annual guarantee commission of Dkr7.5bn. Through the Private Contingency Association, the participating banks are jointly and severally liable for payment of the commission and for a guarantee commitment of Dkr20bn, half of which falls due only if the losses incurred by the sector as a whole exceed Dkr25bn. The Danske Bank Group's share of the scheme is around one third. During the two-year guarantee period, the participating banks may not pay out dividends or buy back shares.

The Group's financial results for 2008 reflect the guarantee commission of Dkr0.6bn payable to the Danish state and a provision of Dkr0.3bn for the loss guarantee to the Danish state.

Capital management

At the beginning of 2008, the Group's minimum capital targets for its core capital and solvency ratios were 7.5% and 11.0%, respectively.

At the end of 2008, these capital targets no longer formed the basis for optimum solvency level management because the Group believes that higher minimum targets will be needed in response to the international financial turmoil. In the light of this situation, the Group will revise its capital targets when conditions in the financial markets have been clarified.

At the end of 2008, the solvency ratio stood at 13.0%, with 9.2 percentage points deriving from the Group's core (tier 1) capital. At the beginning of the year, the solvency ratio was 12.6% and the core capital ratio was 8.7%.

On February 3, 2009, the Danish parliament passed a bill which allows Danish credit institutions that meet the regulatory solvency requirement to apply to the Danish state for subordinated loan capital. The Group expects to receive subordinated loan capital of about Dkr26bn. The institutions must generally pay interest at individual rates ranging from 9% to 11.25% per annum. After a period of three years, the rate used will be the higher of the interest rate fixed and 125% of the individual institution's dividend yield.

The Group believes that the injection of subordinated loan capital will further strengthen its capital base and enable it to withstand the losses that will inevitably occur during the coming recession while maintaining reasonable lending activities.

Ensuring good ratings is an important part of the Group's capital targets because good ratings give the Group easier and cheaper access to capital and liquidity from the capital markets. The Group maintained its ratings in 2008, although Standard & Poor's lowered its outlook from stable to negative and Moody's added "under review for possible downgrade".

Outlook for 2009

The economic recession and the financial turbulence have led to more difficult earnings conditions for the financial sector.

The Group expects the level of loan impairment charges to remain high in 2009, reflecting the general economic climate, although it believes that the turbulent conditions in the fourth quarter of 2008 were extraordinary.

Expenses for the Danish state guarantee scheme and the expected capital injection also reduce the expected earnings for 2009.

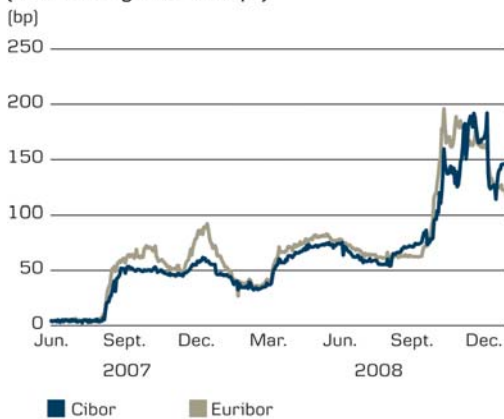
The performance of market-related activities – in Danske Markets, Danske Capital and Danica Pension – will depend greatly on trends in the financial markets, including the level of securities prices at the end of the year.

The year 2009 is likely to be a very challenging year for the financial sector. The Group's robust banking activities, the needed widening of interest margins in 2008, tight cost control and a continuing, strong focus on risk, liquidity and capital management give the Group a good foundation for the future.

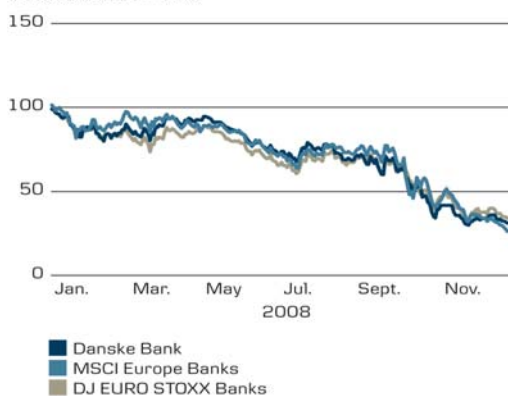
Financial review

The past 18 months have been characterised by tremendous turbulence in the capital markets, falling equity prices, a considerable widening of credit spreads and lower economic growth. In the second half of 2008, the financial crisis worsened, and a profound distrust of the international financial system resulted in a meltdown in both international and domestic debt markets. The intense unrest led to a generally more difficult business environment, including much higher funding costs.

CIBOR AND EURIBOR 3-MONTH SPREAD TO OIS
(OIS = Overnight Index Swaps)



DANSKE BANK SHARES
Index Jan. 2008 = 100



Financial results for the year

The Group's banking activities showed satisfactory earnings robustness. The rise in net interest income was owing to good, albeit declining, growth in lending and clearly improved lending margins, which more than compensated for pressures on deposit margins and lower fee income. But the wider lending margins compensated for only a small part of the higher loan impairment charges. In 2008, the profit from the Group's banking activities before loan impairment charges, integration expenses, the guarantee commission payable to the Danish state and goodwill impairment charges was 5% higher than the figure for 2007.

PROFIT BEFORE LOAN IMPAIRMENT CHARGES (DKr m)	2008	2007	Index 08/07
Danish banking activities	10,527	10,774	98
Non-Danish banking activities	6,489	6,096	106
Total banking activities	17,016	16,870	101
Danske Markets	1,233	2,925	42
Danske Capital	813	1,089	75
Danica Pension	-1,733	1,118	-
Other Activities	1,435	137	-
Goodwill impairment charges	3,084	-	-
Total integration expenses	1,363	2,146	64
Profit before loan impairment charges	14,317	19,993	72

Figures for 2007 include the Sampo Bank group as of February. Business unit figures do not include integration expenses and goodwill impairment charges.

Income at the Group's market-related business units – in Danske Markets, Danske Capital and Danica Pension – showed a fall of DKr4.8bn, however, and goodwill impairment charges for National Irish Bank and Krosgeveen amounted to DKr3.1bn.

Income from trading activities showed a satisfactory increase of DKr2.9bn, as the volatile capital markets offered profitable trading opportunities and generated strong customer demand for products to hedge interest and exchange rate risks.

Loan impairment charges for the Group, consisting primarily of write-downs on facilities to corporate customers and financial counterparties and a provision payable to the Danish state for the loss guarantee covering Danish banks in financial difficulty totalled DKr12.1bn.

The Group posted a net profit of DKr1.0bn for 2008, against DKr14.9bn in 2007.

Income

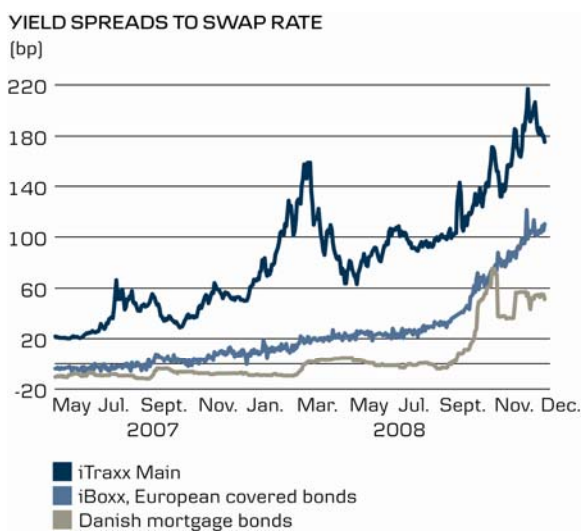
Total income was DKr43.0bn, or 4% below the 2007 level. The decline was owing solely to the trend in income related to the capital markets, as the Group's banking activities saw a positive trend.

Income from banking activities outside Denmark rose 7%, and these units now account for 41% of total income from banking activities. Danske Markets' and Danske Capital's operations outside Denmark also generated significant international income.

Net interest income saw a positive trend on the strength of good lending growth and, not least, a widening of lending margins. The turbulence in the capital markets caused funding costs to rise, and the Group raised lending rates on several occasions in 2008.

Net fee income declined 12% to DKr8.1bn. The fall reflects primarily a drop in income from investment activities, which suffered as a result of the slowdown in the capital markets, and lower income from assets under management. Sampo Bank's waiver of certain service fees also diminished net fee income.

Net trading income fell 18% to DKr6.1bn, which was unsatisfactory. Proprietary trading and Group Treasury recorded losses, primarily as a result of the considerable widening of credit spreads, including spreads of highly rated bonds. Moreover, higher money market rates led to rising funding costs. Income from trading activities rose DKr2.9bn, as the highly volatile capital markets led to strong customer demand, particularly in the corporate and institutional customer segments, for products to hedge interest and exchange rate risks.



On October 1, 2008, in response to significant price distortions in certain bond markets, the Group decided to apply the IAS 39 reclassification option. It reclassified DKr117bn worth of bonds in the trading portfolio as available-for-sale financial assets.

In the fourth quarter, these bonds registered an unrealised capital loss of DKr1.9bn that was charged directly to shareholders' equity. Interest on these bonds amounted to DKr0.3bn.

Other income climbed DKr0.6bn to DKr3.6bn, mainly because of property sales and the outcome of a case involving a claim for VAT repayment that the Group had brought before the Danish National Tax Tribunal. As a result of the case, the Group received a reimbursement of DKr0.4bn.

A negative return on investments – owing to falling equity prices – caused the Group's insurance business to post an unsatisfactory pre-tax loss of DKr1.7bn, against a profit of DKr1.1bn in 2007. Consequently, the Group had to postpone the booking of its risk allowance of DKr1.1bn. The Group can book the allowance at a later date – with no time restrictions – when the return on Danica's investments permits.

Operating expenses

Operating expenses rose 15% to DKr28.7bn. Excluding the guarantee commission of DKr0.6bn payable to the Danish state and goodwill impairment charges of DKr3.1bn, operating expenses were lower than estimated and matched the level in 2007: general increases in wages and prices and the expansion of activities were offset by lower total integration expenses and bonuses and by realised synergies. The cost/income ratio was 66.7%. Excluding total integration expenses and goodwill impairment charges, the cost/income ratio was 56.4%, against 50.9% in 2007, as a result of the declining income.

Ireland's economy deteriorated throughout 2008, taking a sharp turn for the worse in the fourth quarter with a falling GDP, declining house prices and rising unemployment. Until the autumn of 2008, National Irish Bank's financial results had matched the Group's expectations upon the acquisition in 2005. In view of the sharp slowdown in the Irish economy, forecasts now call for significantly lower growth and a period of higher loan impairment charges. The revised earnings estimate led to a goodwill impairment charge of DKr2.9bn against National Irish Bank.

The Group also made a goodwill impairment charge of DKr0.2bn against Krogsvæn, its Norwegian real-estate agency chain, to reflect the negative trend in the Norwegian property market.

The goodwill impairment charges did not affect the Group's solvency ratio because intangible assets had already been deducted from its core (tier 1) capital.

Loan impairment charges

Loan impairment charges amounted to DKr12.1bn, against DKr0.7bn in 2007. The level was significantly higher than forecast and reflects the dra-

matic economic decline worldwide, particularly in the last months of 2008.

LOAN IMPAIRMENT CHARGES (DKr m)			
	Individual	Collective	Total
Banking Activities Denmark	3,866	488	4,354
Banking Activities Finland	526	-15	511
Banking Activities Sweden	430	90	520
Banking Activities Norway	408	81	489
Banking Activities Northern Ireland	472	169	641
Banking Activities Ireland	1,437	263	1,700
Banking Activities Baltics	126	169	295
Other Banking Activities	-8	30	22
Danske Markets	1,237	2,000	3,237
Danske Capital	289	30	319
Total	8,783	3,305	12,088

At Banking Activities Denmark, loan impairment charges included a provision of DKr0.3bn for expected payments under the loss payment guarantee to the Danish state.

Banking Activities Ireland continued to suffer under the recession, and in the fourth quarter, the Group recognised additional impairment charges of DKr1.0bn, primarily for exposure to the property segment. The Group tightened its credit policy for the Irish market considerably and reorganised local credit activities.

The financial crisis continued to have a very negative effect on the markets, and the Group wrote down DKr2.7bn on loan facilities to international financial counterparties in the fourth quarter of 2008. Some DKr2.0bn of this amount derived from collective impairment charges owing to great uncertainty about the value of the collateral provided.

The economic crisis and the recession are likely to affect the credit quality of customers in a number of industries. Consequently, the Group made collective impairment charges on facilities to downgraded customers and exposed industries. At the end of the year, industry-related collective impairment charges included charges against facilities to property developers, contractors, transporters, car

manufacturers and international financial counterparties. These collective impairment charges totalled DKr4.7bn, or 29% of the total balance in the allowance account.

Tax

Tax on the profit for the year amounted to DKr1,193m, or 54% of the pre-tax result. The effective tax rate is high because goodwill impairment charges are not tax deductible.

Fourth quarter 2008

The pre-tax result for the fourth quarter of 2008 was a loss of DKr7.1bn, against a profit of DKr1.6bn in the third quarter.

The fall was owing mainly to accelerating impairment charges on loans to corporate customers, collective impairment charges to reflect decreasing asset values, the guarantee commission payable to the Danish state, a provision for the loss guarantee to the Danish state and goodwill impairment charges against National Irish Bank and Krogsveen.

Net interest income from Banking Activities Denmark proved particularly robust: income rose owing to improved lending margins and thus compensated for continuing pressures on fee income from the slowdown in business activity. Net interest income also benefited by DKr0.3bn in interest on bonds reclassified as available-for-sale financial assets on October 1, 2008. Income from the Group's banking activities grew DKr0.7bn, or 7%, over the level recorded in the third quarter of 2008.

Net trading income rose DKr1.8bn in comparison with the figure recorded in the preceding quarter, primarily as a result of the trading activities of Danske Markets.

Excluding the guarantee commission of DKr0.6bn payable to the Danish state, other operating expenses rose 7% over the level at the end of the third quarter. The figure was, however, lower than the figures posted for the first and second quarters.

PROFIT BEFORE TAX (DKR M)	Q4	Q3	Index	Q2	Q1	Q4
	2008	2008		2008	2008	2007
Net interest income	7,365	6,739	109	6,665	6,236	6,320
Net fee income	1,944	1,895	103	2,058	2,213	2,330
Net trading income	2,190	368	-	2,160	1,358	1,522
Other income	940	677	139	931	1,037	872
Net income from insurance business	-403	-493	-	-272	-565	180
Total income	12,036	9,186	131	11,542	10,279	11,224
Goodwill impairment charges	3,084	-	-	-	-	-
Operating expenses	6,880	5,829	118	6,610	6,323	6,574
Profit before loan impairment charges	2,072	3,357	62	4,932	3,956	4,650
Loan impairment charges	9,199	1,775	-	572	542	427
Profit before tax	-7,127	1,582	-	4,360	3,414	4,223

Balance sheet

Credit exposure

Excluding repo loans, lending rose Dkr84.3bn, or 5%, over the level at the end of 2007. The Group's banking units outside Denmark accounted for 33% of total lending growth.

Excluding the effects of changes in foreign exchange rates – especially the Danish krone against the pound sterling, the Norwegian krone and the Swedish krona – lending grew 10%. Lending to retail customers grew 6% over the level at the end of 2007, while lending to corporate customers rose 13%.

LENDING (END OF YEAR) (DKr m)	2008	2007	Index 08/07
Banking Activities			
Denmark	1,043,312	985,306	106
Other, Denmark	55,561	56,729	98
Total Denmark	1,098,873	1,042,035	105
Banking Activities Finland	172,617	164,179	105
Banking Activities Sweden	173,732	161,562	108
Banking Activities Norway	141,446	136,346	104
Banking Activities			
Northern Ireland	53,376	58,803	91
Banking Activities Ireland	79,352	69,433	114
Banking Activities Baltics	30,426	26,875	113
Other, international	35,501	41,766	85
Total international	686,450	658,964	104
Total lending	1,785,323	1,700,999	105

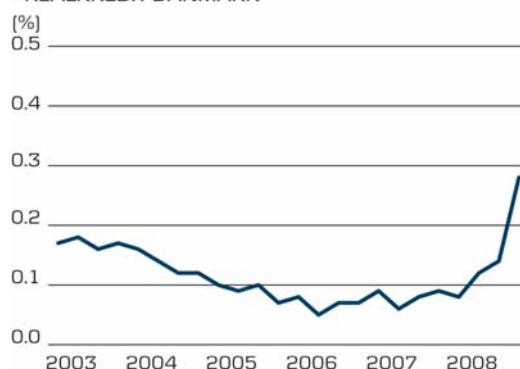
Excluding repo loans, lending at the end of the fourth quarter matched the level at the end of the third quarter of 2008. Measured in local currency, lending to both retail and corporate customers grew 3%.

Total credit exposure at the end of 2008 was Dkr3,523bn, with Dkr2,520bn deriving from lending activities both in and outside Denmark and Dkr1,003bn from the Group's trading portfolio of securities and other assets.

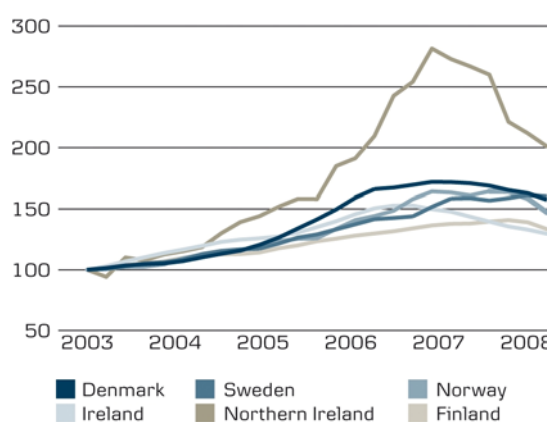
The amount of impaired loans rose from Dkr10bn at the end of 2007 to Dkr33bn at the end of the year. Loans to financial counterparties accounted for around 34% of the rise. Impairment charges against loans to property developers, transporters and shipping companies also added to the amount.

After several years of increases, property prices in most of the Group's markets saw actual declines in 2008. The average loan-to-value ratio of the Group's portfolio of home loans was 54% at the end of 2008. The delinquency rate is still very low, and the downturn in the property market did not cause a significant rise in actual losses on home loans, partly because the employment rate remains high.

3-MONTH DELINQUENCY RATE
– REALKREDIT DANMARK



HOUSE PRICES
Index 2003=100



The recessionary developments were especially unfavourable in the Group's markets where many industries – and small and medium-sized businesses especially – suffered from market-related factors.

Construction and building activities slowed in most of the Group's markets, especially in Ireland. The transportation and shipping industries both endured falling global demand and a sharp decrease in freight rates over a very short period of time. Credit exposure to the two industries was Dkr75bn, or 3.0% of credit exposure relating to lending activities.

The worsening market conditions throughout the year had an adverse effect on the credit quality of some of the Group's exposure. Nevertheless, the overall credit quality is stable owing mainly to highly creditworthy corporate customers, such as public institutions, subsidised housing companies, utilities, energy and health care companies, and to personal customers.

Financial counterparties

Exposure to financials declined Dkr173bn in 2008 and totalled Dkr634bn, or 25% of credit exposure relating to lending activities, at the end of the year. The fall was due mainly to a decrease in the

Group's exposure to the North American and UK markets.

Exposure to backup liquidity facilities also fell and amounted to Dkr10bn, or less than 1% of credit exposure relating to lending activities, at the end of 2008. Under the remaining facilities, some Dkr10bn was drawn at the end of 2008. The Group expects these facilities to be closed over time as the collateral received matures.

BACKUP LIQUIDITY FACILITIES (DKr bn)	Dec. 31, 2008	Dec. 31, 2007
Total exposure	10	31
Total amount drawn	10	8

The collateral provided consists of UK mortgage bonds and European corporate bonds issued under highly rated ABCP programmes. In addition, a small number of investment vehicles hold assets in the form of US mortgage bonds, including senior tranches of subprime mortgage bonds.

Asset values in the US housing market are extremely volatile and significantly affected by the persistently negative trend in the financial markets. It has become increasingly difficult to accurately measure the value of such assets. Against this background, the Group made collective impairment charges for facilities with financial counterparties since repayment very much depends on the quality of the collateral provided.

In 2008, the Group closed its own investment vehicle, Polonius, without effect on the financial statements or liquidity since Polonius was already included in the consolidated financial statements.

The portfolio taken over continues to be of a high quality; all assets are externally rated, with 70% rated AAA, 25% rated AA and 2% rated A.

Deposits and bonds issued by Realkredit Danmark

Deposits at the Group's banking unit in Denmark rose Dkr29.4bn, or 6%, while deposits at the banking units outside Denmark saw a fall of Dkr27.3bn, or 9%.

Excluding the effects of changes in foreign exchange rates – especially the Danish krone against the pound sterling, the Norwegian krone and the Swedish krona – deposits outside Denmark rose 5% over the level at the end of 2007. Retail deposits grew 4%, while corporate and institutional deposits rose 5%.

The market value of Realkredit Danmark bonds – including bonds held by the Group – issued to fund loans provided by Realkredit Danmark rose 3% over the level at December 31, 2007, and amounted to Dkr648bn. In addition, the Group issued covered bonds in the amount of Dkr78bn in the course of 2008.

DEPOSITS AND BONDS ISSUED BY REALKREDIT DANMARK (END OF YEAR) (DKr m)	2008	2007	Index 08/07
Banking Activities Denmark	305,373	299,190	102
Other, Denmark	206,416	183,241	113
Total Denmark	511,789	482,431	106
Banking Activities Finland	90,358	96,515	94
Banking Activities Sweden	56,187	57,368	98
Banking Activities Norway	47,426	57,624	82
Banking Activities Northern Ireland	44,459	56,303	79
Banking Activities Ireland	24,556	23,982	102
Banking Activities Baltics	14,962	11,557	129
Other, international	10,560	12,494	85
Total international	288,508	315,843	91
Total deposits	800,297	798,274	100
Bonds issued by Realkredit Danmark	479,534	518,693	92
Own holdings of Realkredit Danmark bonds	168,197	112,151	150
Total Realkredit Danmark bonds	647,731	630,844	103
Deposits and bonds issued by Realkredit Danmark	1,448,028	1,429,118	101
Lending as % of deposits and bonds issued by Realkredit Danmark	123.3	119.0	

Trading portfolio assets

Trading portfolio assets totalled Dkr861bn at the end of 2008, against Dkr652bn at the end of 2007. The rise was owing primarily to an increase in the positive fair value of conventional interest rate and currency contracts caused by substantial interest and exchange rate fluctuations. The increase in value was offset by a similar increase in the negative fair value of derivatives recognised as trading portfolio liabilities. The Group has made agreements with many of its counterparties to net positive and negative market values. Most of these net facilities are secured by collateral management agreements.

The Group's holdings of bonds amounted to Dkr423bn. Eighty nine per cent of the bonds are recognised at market prices and 9% on the basis of observable market data. At the end of 2007, 97% was recognised at market prices. This trend reflects the liquidity squeeze in the market.

Most of the bonds in the portfolio are Danish mortgage bonds; covered bonds under public supervision, mainly in Sweden, Spain and the UK; and bonds issued by sovereign states or guaranteed by central or local governments. The bond holdings form part of the Group's liquidity reserve, most of which can be refinanced at the Danish central bank.

BOND PORTFOLIO (END OF YEAR)	
%	2008
Bonds guaranteed by central or local governments	16
Bonds issued by quasi-government institutions	2
Danish mortgage bonds	40
Swedish covered bonds	20
Other covered bonds	9
Short-dated bonds (CP etc.) primarily with banks	7
Credit bonds	6
Total holdings	100

Short-term bonds are issued primarily by banks in Finland, Spain, France and Scandinavia. Ninety four per cent of the bonds have an external investment grade rating, and of those, 45% are rated AA- or higher. The remainder are unrated and comprise a number of small holdings of bonds issued by businesses in Scandinavia and Finland.

Six per cent of the holdings are credit bonds consisting of corporate bonds, including bonds issued by banks, and covered bonds not under public supervision. There are no structured issues based on US subprime loans. The majority of issuers are based in Italy, Scandinavia, Ireland, Germany and the US. Ninety five per cent of the bonds have an external investment grade rating, and of those, 38% are rated AA- or higher.

The Group uses Value at Risk (VaR) to manage overall interest rate, exchange rate and equity risks. VaR is a statistical risk measure of the maximum loss the Group can incur over a 10-day horizon at a confidence level of 95%. VaR is calculated on the basis of the prices and rates observed over the past year, with the greatest weighting assigned to the most recent figures.

At the end of 2008, the Group's VaR, excluding insurance activities at Danica Pension, stood at Dkr0.5bn, against Dkr0.6bn at the end of 2007. For the year as a whole, VaR averaged Dkr0.4bn.

Solvency

At the end of 2008, the solvency ratio stood at 13.0%, with 9.2 percentage points deriving from the Group's core (tier 1) capital. At the beginning of the year, the solvency ratio was 12.6% and the core capital ratio was 8.7%.

Financial targets 2012

At the presentation of Annual Report 2007, the Group announced a set of overall financial targets for the period until 2012. The targets were based on explicit assumptions of average per annum GDP growth of at least 2% in the Group's markets and generally well-functioning financial markets. In view of current projections of GDP growth and the situation in the financial markets, the targets no longer apply.

Outlook for 2009

The economic recession and the financial turbulence have led to more difficult earnings conditions for the financial sector.

In 2009, the Group will focus on serving the large existing customer base across all its markets.

Danish GDP is likely to contract by around 0.7% in 2009 as is the weighted GDP of the Group's markets. The outlook for Ireland and the Baltic countries is particularly bleak.

Danish interest rates are expected to fall by around one percentage point in the first half of 2009, in line with the average estimates for the Group's other markets.

In recent years, the labour market in Denmark has been very tight. As demand for goods and services slows down, unemployment is likely to rise, although it will probably remain at a relatively low level.

The Group expects the level of loan impairment charges to remain high in 2009, reflecting the general economic climate, although it believes that the turbulent conditions in the fourth quarter of 2008 were extraordinary.

Expenses for the Danish state guarantee scheme and the expected capital injection also reduce the Group's expected earnings for 2009.

The performance of market-related activities – in Danske Markets, Danske Capital and Danica Pension – will depend greatly on trends in the financial markets, including the level of securities prices at the end of the year.

The year 2009 is likely to be a very challenging year for the financial sector. The Group's robust banking activities, the needed widening of interest margins in 2008, tight cost control and a continuing, strong focus on risk, liquidity and capital management give the Group a good foundation for the future.

Business units

BANKING ACTIVITIES DENMARK (DKr m)	2008	2007	Index 08/07	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Net interest income	15,555	14,043	111	4,315	3,933	3,786	3,521	3,577
Net fee income	3,839	4,234	91	880	905	1,083	971	1,022
Net trading income	826	955	86	186	282	124	234	284
Other income	773	227	-	250	215	261	47	57
Total income	20,993	19,459	108	5,631	5,335	5,254	4,773	4,940
Integration expenses	55	204	27	0	-	30	25	56
Other operating expenses	10,553	9,170	115	3,245	2,394	2,574	2,340	2,357
Operating expenses	10,608	9,374	113	3,245	2,394	2,604	2,365	2,413
Profit before loan impairment charges	10,385	10,085	103	2,386	2,941	2,650	2,408	2,527
Loan impairment charges	4,354	-186	-	3,319	448	252	335	8
Profit before tax	6,031	10,271	59	-933	2,493	2,398	2,073	2,519
Loans and advances (end of period)	1,043,312	985,306	106	1,043,312	1,016,831	1,005,836	1,000,668	985,306
Deposits (end of period)	305,373	299,190	102	305,373	300,204	306,911	316,702	299,190
Bonds issued by Realkredit Danmark	647,731	630,844	103	647,731	607,518	602,219	611,061	630,844
Allocated capital (avg.)	38,656	34,486	112	39,682	38,753	38,626	37,552	35,514
Profit before loan impairment charges as % p.a. of allocated capital	26.9	29.2		24.1	30.4	27.4	25.6	28.5
Pre-tax profit as % p.a. of allocated capital (ROE)	15.6	29.8		-9.4	25.7	24.8	22.1	28.4
Cost/income ratio (%)	50.5	48.2		57.6	44.9	49.6	49.5	48.8
Cost/income ratio, excluding integration expenses (%)	50.3	47.1		57.6	44.9	49.0	49.0	47.7

The presentations of Mortgage Finance and Banking Activities Denmark were merged on January 1, 2008. Comparative figures for 2007 have been restated.

BANKING ACTIVITIES FINLAND (DKr m)	2008	2007	Index 08/07	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Net interest income	3,352	2,822	119	930	826	800	796	765
Net fee income	1,037	1,210	86	326	206	143	362	332
Net trading income	78	26	300	44	23	-	11	9
Other income	241	220	110	20	86	68	67	81
Total income	4,708	4,278	110	1,320	1,141	1,011	1,236	1,187
Amortisation of intangible assets	469	580	81	116	118	118	117	138
Integration expenses	582	369	158	107	64	239	172	161
Other operating expenses	2,892	2,434	119	720	612	800	760	688
Operating expenses	3,943	3,383	117	943	794	1,157	1,049	987
Profit before loan impairment charges	765	895	85	377	347	-146	187	200
Loan impairment charges	511	270	189	395	123	21	-28	163
Profit before tax	254	625	41	-18	224	-167	215	37
Profit before tax in local currency (€)	34	84	40	-2	30	-23	29	5
Loans and advances (end of period)	172,617	164,179	105	172,617	171,180	166,679	167,778	164,179
Deposits (end of period)	90,358	96,515	94	90,358	89,282	88,855	93,306	96,515
Allocated capital (avg.)	7,623	7,374	103	7,675	7,568	7,484	7,765	7,639
Profit before loan impairment charges as % p.a. of allocated capital	10.0	13.2		19.6	18.3	-7.8	9.6	10.5
Pre-tax profit as % p.a. of allocated capital (ROE)	3.3	9.2		-0.9	11.8	-8.9	11.1	1.9
Cost/income ratio (%)	83.8	79.1		71.4	69.6	114.4	84.9	83.2
Cost/income ratio, excluding total integration expenses (%)	61.4	56.9		54.5	53.6	79.1	61.5	58.0

Comparative figures include the Sampo Bank group as of February 2007.

BANKING ACTIVITIES SWEDEN (DKr m)	2008	2007	Index 08/07	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Net interest income	2,120	1,846	115	610	531	507	472	489
Net fee income	673	656	103	162	153	178	180	176
Net trading income	108	97	111	26	28	28	26	26
Other income	52	58	90	13	12	17	10	19
Total income	2,953	2,657	111	811	724	730	688	710
Operating expenses	1,555	1,495	104	390	380	401	384	388
Profit before loan impairment charges	1,398	1,162	120	421	344	329	304	322
Loan impairment charges	520	69	-	391	30	32	67	7
Profit before tax	878	1,093	80	30	314	297	237	315
Profit before tax in local currency (SKr)	1,081	1,357	80	5	402	373	301	394
Loans and advances (end of period)	173,732	161,562	108	173,732	187,636	178,809	167,561	161,562
Deposits (end of period)	56,187	57,368	98	56,187	59,368	60,431	57,130	57,368
Allocated capital (avg.)	8,440	6,839	123	9,006	8,612	8,367	7,766	7,396
Profit before loan impairment charges as % p.a. of allocated capital	16.6	17.0		18.7	16.0	15.7	15.7	17.4
Pre-tax profit as % p.a. of allocated capital (ROE)	10.4	16.0		1.3	14.6	14.2	12.2	17.0
Cost/income ratio (%)	52.7	56.3		48.1	52.5	54.9	55.8	54.6

BANKING ACTIVITIES NORWAY (DKr m)	2008	2007	Index 08/07	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Net interest income	2,095	1,698	123	588	529	510	468	462
Net fee income	394	461	85	87	102	104	101	115
Net trading income	152	147	103	15	50	44	43	36
Other income	327	308	106	34	94	137	62	58
Total income	2,968	2,614	114	724	775	795	674	671
Goodwill impairment charge	141	-	-	141	-	-	-	-
Other operating expenses	1,773	1,618	110	421	452	478	422	390
Operating expenses	1,914	1,618	118	562	452	478	422	390
Profit before loan impairment charges	1,054	996	106	162	323	317	252	281
Loan impairment charges	489	53	-	437	6	18	28	55
Profit before tax	565	943	60	-275	317	299	224	226
Profit before tax in local currency (Nkr)	498	1,011	49	-404	343	318	241	241
Loans and advances (end of period)	141,446	136,346	104	141,446	156,682	155,406	144,327	136,346
Deposits (end of period)	47,426	57,624	82	47,426	52,752	57,442	56,417	57,624
Allocated capital (avg.)	7,447	5,396	138	7,921	7,761	7,410	6,688	6,113
Profit before loan impairment charges as % p.a. of allocated capital	14.2	18.5		8.2	16.6	17.1	15.1	18.4
Pre-tax profit as % p.a. of allocated capital (ROE)	7.6	17.5		-13.9	16.3	16.1	13.4	14.8
Cost/income ratio (%)	64.5	61.9		77.6	58.3	60.1	62.6	58.1
Cost/income ratio, excluding goodwill impairment charge (%)	59.7	61.9		58.1	58.3	60.1	62.6	58.1

BANKING ACTIVITIES NORTHERN IRELAND (DKr m)	2008	2007	Index 08/07	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Net interest income	1,508	1,802	84	344	372	392	400	438
Net fee income	362	491	74	82	94	91	95	120
Net trading income	124	109	114	43	28	32	21	27
Other income	19	15	127	4	4	9	2	4
Total income	2,013	2,417	83	473	498	524	518	589
Amortisation of intangible assets	65	419	16	-	-	-	65	87
Integration expenses	69	278	25	26	13	17	13	31
Other operating expenses	1,229	1,411	87	295	323	318	293	325
Operating expenses	1,363	2,108	65	321	336	335	371	443
Profit before loan impairment charges	650	309	210	152	162	189	147	146
Loan impairment charges	641	31	-	415	143	54	29	10
Profit before tax	9	278	3	-263	19	135	118	136
Profit before tax in local currency (€)	-12	24	-	-40	2	14	12	11
Loans and advances (end of period)	53,376	58,803	91	53,376	66,482	63,052	58,137	58,803
Deposits (end of period)	44,459	56,303	79	44,459	57,288	55,845	52,088	56,303
Allocated capital (avg.)	2,449	2,480	99	2,219	2,457	2,510	2,614	2,526
Profit before loan impairment charges as % p.a. of allocated capital	26.5	12.5		27.4	26.4	30.1	22.5	23.1
Pre-tax profit as % p.a. of allocated capital (ROE)	0.4	11.2		-47.4	3.1	21.5	18.1	21.5
Cost/income ratio (%)	67.7	87.2		67.9	67.5	63.9	71.6	75.2
Cost/income ratio, excluding total integration expenses (%)	61.1	58.4		62.4	64.9	60.7	56.6	55.2

BANKING ACTIVITIES IRELAND (DKr m)	2008	2007	Index 08/07	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Net interest income	1,284	1,085	118	378	317	302	287	287
Net fee income	160	182	88	42	37	39	42	48
Net trading income	62	67	93	16	14	18	14	16
Other income	9	12	75	1	3	-	5	4
Total income	1,515	1,346	113	437	371	359	348	355
Goodwill impairment charge	2,940	-	-	2,940	-	-	-	-
Amortisation of intangible assets	17	102	17	-	-	-	17	26
Integration expenses	31	155	20	12	6	7	6	32
Other operating expenses	943	873	108	236	237	228	242	225
Operating expenses	3,931	1,130	-	3,188	243	235	265	283
Profit before loan impairment charges	-2,416	216	-	-2,751	128	124	83	72
Loan impairment charges	1,700	117	-	1,002	509	155	34	61
Profit before tax	-4,116	99	-	-3,753	-381	-31	49	11
Profit before tax in local currency (€)	-552	13	-	-503	-51	-4	6	2
Loans and advances (end of period)	79,352	69,433	114	79,352	78,717	75,365	71,836	69,433
Deposits (end of period)	24,556	23,982	102	24,556	25,620	24,284	23,874	23,982
Allocated capital (avg.)	3,190	2,984	107	3,360	3,233	3,128	3,035	3,213
Profit before loan impairment charges as % p.a. of allocated capital	-75.7	7.2		-327.5	15.8	15.9	10.9	9.0
Pre-tax profit as % p.a. of allocated capital (ROE)	-129.0	3.3		-446.8	-47.1	-4.0	6.5	1.4
Cost/income ratio (%)	65.4	84.0		56.8	65.5	65.5	76.1	79.7
Cost/income ratio, excluding total integration expenses and goodwill impairment charge (%)	62.2	64.9		54.0	63.9	63.5	69.5	63.4

BANKING ACTIVITIES BALTICS (DKr m)	2008	2007	Index 08/07	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Net interest income	638	537	119	173	140	163	162	169
Net fee income	162	132	123	39	43	44	36	43
Net trading income	109	66	165	37	2	52	18	22
Other income	20	15	133	8	4	4	4	4
Total income	929	750	124	257	189	263	220	238
Integration expenses	37	5	-	-4	27	11	3	5
Other operating expenses	488	421	116	130	105	124	129	135
Operating expenses	525	426	123	126	132	135	132	140
Profit before loan impairment charges	404	324	125	131	57	128	88	98
Loan impairment charges	295	54	-	213	41	26	15	9
Profit before tax	109	270	40	-82	16	102	73	89
Loans and advances (end of period)	30,426	26,875	113	30,426	30,146	29,164	27,833	26,875
Deposits (end of period)	14,962	11,557	129	14,962	12,967	11,502	11,503	11,557
Allocated capital (avg.)	1,493	1,223	122	1,555	1,536	1,472	1,409	1,330
Profit before loan impairment charges as % p.a. of allocated capital	27.1	28.9		33.7	14.8	34.8	25.0	29.5
Pre-tax profit as % p.a. of allocated capital (ROE)	7.3	24.1		-21.1	4.2	27.7	20.7	26.8
Cost/income ratio (%)	56.5	56.8		49.0	69.8	51.3	60.0	58.8
Cost/income ratio, excluding integration expenses (%)	52.5	56.1		50.6	55.6	47.1	58.6	56.7

PROFIT BEFORE TAX - BANKING ACTIVITIES BALTICS
(DKr m)

Estonia	220	214	103	-20	61	120	59	73
Latvia	-47	2	-	-12	-18	-17	-	1
Lithuania	-64	54	-	-50	-27	-1	14	15
Total Banking Activities Baltics	109	270	40	-82	16	102	73	89

Comparative figures include the Sampo Bank group as of February 2007.

OTHER BANKING ACTIVITIES (DKr m)	2008	2007	Index 08/07	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Net interest income	369	481	77	98	87	78	106	110
Net fee income	73	101	72	21	11	16	25	24
Net trading income	45	64	70	13	12	9	11	18
Other income	1,092	1,669	65	232	197	236	427	508
Total income	1,579	2,315	68	364	307	339	569	660
Operating expenses	1,209	1,544	78	364	195	229	421	429
Profit before loan impairment charges	370	771	48	-	112	110	148	231
Loan impairment charges	22	266	8	40	-77	-1	60	105
Profit before tax	348	505	69	-40	189	111	88	126
Loans and advances (end of period)	22,867	34,398	66	22,867	24,571	24,551	34,654	34,398
Deposits (end of period)	4,269	4,474	95	4,269	4,078	4,175	4,375	4,474
Allocated capital (avg.)	1,837	2,272	81	1,655	1,698	1,619	2,379	2,310
Profit before loan impairment charges as % p.a. of allocated capital	20.1	33.9		0.0	26.4	27.2	24.9	40.0
Pre-tax profit as % p.a. of allocated capital (ROE)	18.9	22.2		-9.7	44.5	27.4	14.8	21.8
Cost/income ratio (%)	76.6	66.7		100.0	63.5	67.6	74.0	65.0

PROFIT BEFORE TAX - OTHER BANKING ACTIVITIES
(DKr m)

Nordania Leasing	4	472	1	-110	29	39	46	155
Banking Activities Germany	263	-37	-	45	138	56	24	-53
Banking Activities Poland	81	70	116	25	22	16	18	24
Total Other Banking Activities	348	505	69	-40	189	111	88	126

DANSKE MARKETS (DKr m)	2008	2007	Index 08/07	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Total income	3,763	5,555	68	1,399	-76	1,528	912	1,041
Operating expenses	2,530	2,630	96	549	616	624	741	681
Profit before loan impairment charges	1,233	2,925	42	850	-692	904	171	360
Loan impairment charges	3,237	15	-	2,679	558	-	-	10
Profit before tax	-2,004	2,910	-	-1,829	-1,250	904	171	350
Loans and advances (end of period)	71,357	61,127	117	71,357	61,016	48,606	51,393	61,127
Deposits (end of period)	207,524	182,081	114	207,524	179,911	253,028	228,510	182,081
Net trading and investment portfolio	499,560	382,624	131	499,560	473,771	444,394	374,898	382,624
Allocated capital (avg.)	2,987	1,593	187	4,470	2,842	2,480	2,141	2,053
Profit before loan impairment charges as % p.a. of allocated capital	41.3	183.6		76.1	-97.4	145.8	31.9	70.1
Pre-tax profit as % p.a. of allocated capital (ROE)	-67.1	182.7		-163.7	-175.9	145.8	31.9	68.2
Cost/income ratio (%)	67.2	47.3		39.2	-810.5	40.8	81.3	65.4

TOTAL INCOME - DANSKE MARKETS
(DKr m)

Trading activities	7,361	4,419	167	2,634	1,402	1,580	1,745	1,069
Proprietary trading	-1,545	429	-	-	-600	-532	-413	176
Group Treasury	-2,451	189	-	-1,289	-982	350	-530	-353
Institutional banking	398	518	77	54	104	130	110	149
Total Danske Markets	3,763	5,555	68	1,399	-76	1,528	912	1,041

Comparative figures include the Sampo Bank group as of February 2007.

DANSKE CAPITAL (DKr m)	2008	2007	Index 08/07	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Total income	1,697	1,953	87	369	419	439	470	514
Amortisation of intangible assets	38	34	112	10	10	8	10	8
Other operating expenses	884	864	102	229	203	224	228	231
Operating expenses	922	898	103	239	213	232	238	239
Profit before loan impairment charges	775	1,055	73	130	206	207	232	275
Loan impairment charges	319	-2	-	308	-6	15	2	-1
Profit before tax	456	1,057	43	-178	212	192	230	276
Loans and advances (end of period)	22,306	27,197	82	22,306	26,546	27,692	27,677	27,197
Deposits (end of period)	7,276	8,836	82	7,276	9,739	11,144	11,211	8,836
Allocated capital (avg.)	750	731	103	705	731	783	781	794
Cost/income ratio (%)	54.3	46.0		64.8	50.8	52.8	50.6	46.5
Cost/income ratio, excluding amortisation of intangible assets (%)	52.1	44.2		62.1	48.4	51.0	48.5	44.9
Assets under management (DKr bn)	513	623	82	513	552	572	581	623

Comparative figures include the Sampo Bank group as of February 2007.

DANICA PENSION (DKr m)	2008	2007	Index 08/07	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Share of technical provisions	1,088	1,040	105	266	270	282	270	257
Unit-linked business	-21	6	-	8	-3	-20	-6	14
Health and accident business	-142	-112	-	-41	-46	-27	-28	-24
Return on investments	-961	710	-	-203	-290	-81	-387	73
Financing result	-609	-526	-	-167	-154	-144	-144	-140
Postponed risk allowance	-1,088	-	-	-266	-270	-282	-270	-
Net income from insurance business	-1,733	1,118	-	-403	-493	-272	-565	180
Premiums, insurance contracts	19,292	17,135	113	5,013	4,714	4,684	4,881	4,912
Premiums, investment contracts	2,587	1,805	143	588	348	945	706	618
Provisions, insurance contracts	204,123	212,536	96	204,123	206,042	207,801	209,816	212,536
Provisions, investment contracts	8,464	9,978	85	8,464	9,761	10,559	9,680	9,978
Customer funds, investment assets								
Danica Traditionel	175,778	181,191	97	175,778	171,418	174,577	177,894	181,191
Danica Balance	7,583	5,717	133	7,583	7,453	6,910	6,119	5,717
Danica Link	20,895	24,370	86	20,895	23,467	22,820	23,611	24,370
Allocated capital (avg.)	5,245	4,885	107	5,352	5,217	5,269	5,142	4,884
Net income as % p.a. of allocated capital	-33.0	22.9	-	-30.1	-37.8	-20.6	-44.0	14.7

OTHER ACTIVITIES (DKr m)	2008	2007	Index 08/07	Q4 2008	Q3 2008	Q2 2008	Q1 2008	Q4 2007
Net interest income	-187	-126	-	-147	-69	63	-34	-33
Net fee income	-20	-3	-	-6	-2	-8	-4	-
Net trading income	809	239	-	435	3	317	54	33
Other income	1,056	491	215	372	64	200	420	139
Total income	1,658	601	276	654	-4	572	436	139
Operating expenses	226	464	49	37	74	180	-65	181
Profit before loan impairment charges	1,432	137	-	617	-78	392	501	-42
Loan impairment charges	-	-	-	-	-	-	-	-
Profit before tax	1,432	137	-	617	-78	392	501	-42

PROFIT BEFORE TAX - OTHER ACTIVITIES
(DKr m)

Real property	629	223	282	26	41	197	365	45
Own shares	840	278	-	455	56	264	65	86
Other, including Group support functions	-37	-364	-	136	-175	-69	71	-173
Total Other Activities	1,432	137	-	617	-78	392	501	-42

Comparative figures include the Sampo Bank group as of February 2007.

Income statement – Danske Bank Group

(DKr m)	2008	2007
Interest income	150,405	133,767
Interest expense	110,859	101,209
Net interest income	39,546	32,558
Fee income	11,046	12,431
Fee expenses	3,437	3,553
Net trading income	-10,694	5,959
Other income	4,667	4,845
Net premiums	19,250	17,089
Net insurance benefits	16,531	23,523
Income from associated undertakings	217	285
Profit on sale of associated and group undertakings	-	-
Staff costs and administrative expenses	23,316	22,564
Amortisation, depreciation and impairment charges	6,431	3,534
Profit before loan impairment charges	14,317	19,993
Loan impairment charges	12,088	687
Profit before tax	2,229	19,306
Tax	1,193	4,436
Net profit for the year	1,036	14,870
Portion attributable to		
Shareholders of Danske Bank A/S (the Parent Company)	1,011	14,813
Minority interests	25	57
Net profit for the year	1,036	14,870
Earnings per share (DKr)	1.5	21.7
Diluted earnings per share (DKr)	1.5	21.6
Proposed dividend per share (DKr)	-	8.50

Balance sheet – Danske Bank Group

(DKr m)	2008	2007
ASSETS		
Cash in hand and demand deposits with central banks	16,379	13,861
Due from credit institutions and central banks	215,823	345,959
Trading portfolio assets	860,788	652,137
Investment securities	140,793	37,651
Assets held for sale	119	59
Loans and advances	1,352,113	1,360,413
Loans and advances at fair value	667,181	627,809
Assets under pooled schemes and unit-linked investment contracts	34,635	40,758
Assets under insurance contracts	181,259	190,223
Holdings in associated undertakings	939	1,128
Intangible assets	25,094	29,296
Investment property	4,470	4,904
Tangible assets	9,061	9,312
Current tax assets	2,103	690
Deferred tax assets	1,248	635
Other assets	31,969	34,695
Total assets	3,543,974	3,349,530
LIABILITIES		
Due to credit institutions and central banks	562,726	677,355
Trading portfolio liabilities	623,290	331,547
Liabilities held for sale	-	-
Deposits	874,690	923,995
Bonds issued by Realkredit Danmark	479,534	518,693
Deposits under pooled schemes and unit-linked investment contracts	41,827	50,260
Liabilities under insurance contracts	210,988	213,419
Other issued bonds	526,606	402,391
Current tax liabilities	930	1,142
Deferred tax liabilities	3,082	3,397
Other liabilities	64,194	63,951
Subordinated debt	57,860	59,025
Total liabilities	3,445,727	3,245,175
SHAREHOLDERS' EQUITY		
Share capital	6,988	6,988
Foreign currency translation reserve	-290	-30
Reserve for available-for-sale financial assets	-1,937	-
Proposed dividends	-	5,940
Retained earnings	93,464	91,325
Shareholders of the Parent Company	98,225	104,223
Minority interests	22	132
Total shareholders' equity	98,247	104,355
Total liabilities and equity	3,543,974	3,349,530

Statement of capital – Danske Bank Group

(DKr m)

Changes in shareholders' equity	Shareholders of the Parent Company							
	Share capital	Foreign currency translation reserve	Available-for-sale assets	Proposed dividends	Retained earnings	Total	Minority interests	Total
Shareholders' equity at January 1, 2008	6,988	-30	-	5,940	91,325	104,223	132	104,355
Translation of foreign units	-	-2,472	-	-	-	-2,472	-	-2,472
Foreign unit hedges	-	2,212	-	-	-	2,212	-	2,212
Net unrealised value adjustments	-	-	-1,937	-	-	-1,937	-	-1,937
Tax on entries on shareholders' equity	-	-	-	-	292	292	-	292
Net gains not recognised in the income statement	-	-260	-1,937	-	292	-1,905	-	-1,905
Net profit for the year	-	-	-	-	1,011	1,011	25	1,036
Total income	-	-260	-1,937	-	1,303	-894	25	-869
Dividends paid	-	-	-	-5,940	109	-5,831	-103	-5,934
Acquisition of own shares	-	-	-	-	-27,597	-27,597	-	-27,597
Sale of own shares	-	-	-	-	28,332	28,332	-	28,332
Share-based payments	-	-	-	-	47	47	-	47
Goodwill on acquisition of minority interests	-	-	-	-	-55	-55	-	-55
Disposal of minority interests	-	-	-	-	-	-	-32	-32
Shareholders' equity at December 31, 2008	6,988	-290	-1,937	-	93,464	98,225	22	98,247
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 potential 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 payments	-	-	-	-	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

Danske Bank participates through the Private Contingency Association in the two-year Danish state guarantee under the Act on Financial Stability adopted by the Danish parliament on October 10, 2008. The guarantee prohibits dividend payments and share buybacks by the participating banks for as long as the guarantee remains in force.

	Dec. 31, 2008	Dec. 31, 2007
Share capital (DKr)	6,988,042,760	6,988,042,760
Number of shares	698,804,276	698,804,276
Number of shares outstanding	689,803,461	683,603,250
Average number of shares outstanding, including dilutive shares	686,909,354	684,871,290

Statement of capital – Danske Bank Group

(DKr m)	2008	January 1, 2008	2007
Solvency			
Shareholders' equity	98,247	104,355	104,355
Revaluation of domicile property	1,410	1,873	1,873
Pension obligations at fair value	486	381	381
Tax effect	-163	-101	-101
Minority interests	2,979	3,017	3,017
Shareholders' equity calculated in accordance with the rules of the Danish FSA	102,959	109,525	109,525
Proposed dividends	-	-5,940	-5,940
Intangible assets of banking business	-25,204	-29,411	-29,411
Deferred tax assets	-971	-499	-499
Deferred tax on intangible assets	1,433	1,464	1,464
Revaluation of real property	-924	-1,602	-1,602
Core (tier 1) capital, excluding hybrid core capital	77,293	73,537	73,537
Hybrid core capital	13,640	12,977	12,977
Difference between expected losses and impairment charges	-	-906	-
Statutory deduction for insurance subsidiaries	-2,555	-2,230	-2,230
Other statutory deductions	-31	-18	-18
Core (tier 1) capital	88,347	83,360	84,266
Subordinated debt, excluding hybrid core capital	35,023	34,714	34,714
Hybrid core capital	1,120	3,477	3,477
Revaluation of real property	924	1,602	1,602
Difference between expected losses and impairment charges	2,036	-906	-
Statutory deduction for insurance subsidiaries	-2,555	-2,230	-2,230
Other statutory deductions	-31	-18	-18
Capital base	124,864	119,999	121,811
Capital requirements			
Credit risk (IRB approach)	44,153	45,040	
Credit risk (standardised approach)	17,531	17,471	
Counterparty risk	3,450	2,142	
Total credit risk	65,134	64,653	96,915
Market risk	5,408	5,812	8,117
Operational risk	6,264	5,894	
Capital requirement under Pillar I	76,806	76,359	105,032
Pillar II and transitional rules	25,711	18,170	
ICAAP result	102,517	94,529	105,032
Total risk-weighted assets	960,079	954,483	1,312,906
Core (tier 1) capital ratio, excluding hybrid core capital (%)	8.05	7.70	5.60
Core (tier 1) capital ratio (%)	9.20	8.73	6.42
Solvency ratio (%)	13.01	12.57	9.28

As of 2008, the solvency and core (tier 1) capital ratios are calculated in accordance with the CRD. For 2007, the solvency and core (tier 1) capital ratios are calculated in accordance with the Danish FSA's rules in force at that time (Basel I). Risk-weighted assets calculated under the Basel I rules amounted to DKr1,423,850m at the end of 2008. The ICAAP result, taking the transitional rules into consideration, was DKr102,517m, equal to 90% of the capital requirement of 8% of risk-weighted assets.

Supplementary information

Press conference and conference call

Danske Bank will hold a press conference and a conference call on February 5, 2009, upon the presentation of its annual report for 2008. The press conference is scheduled for 11.00am CET and the conference call for 2.30pm CET. The press conference and the conference call will be transmitted live at www.danskebank.com.

Financial calendar

Danske Bank plans to release its financial reports in 2009 on the following dates:

- Annual general meeting:
March 4, 2009
- Interim Report – First Quarter 2009:
May 5, 2009
- Interim Report – First Half 2009:
August 11, 2009
- Interim Report – First Nine Months 2009:
November 3, 2009

Contacts

Peter Straarup,
Chairman of the Executive Board
Tel. +45 45 14 60 01
Tonny Thierry Andersen,
Chief Financial Officer
Tel. +45 45 14 07 07
Martin Gottlob,
Head of Investor Relations
Tel. +45 45 14 07 92

Useful links

www.danskebank.com/ir
www.sampobank.com
www.danskebank.se
www.fokus.no
www.northernbank.co.uk
www.nationalirishbank.ie
www.rd.dk
www.danskecapital.com
www.danicapension.dk

Additional information is available in Danske Bank's audited Annual Report 2008 and the interactive accounts at www.danskebank.com/interactiveaccounts.

